RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
website: Fiscal Resources Committee

Agenda for November 20, 2019
1:30 p.m. - 3:00 p.m.
Executive Conference Room #114

1. Welcome

2. State/District Budget Update – O'Connor
   - ACBO Fall Conference Chancellor's Office Update
   - ACBO Fall Conference Economic Update
   - LAO 2019/20 Spending Plan and Education Specifics
   - LAO 2020/21 Fiscal Outlook
   - SSC – State Revenues on Target for September
   - SSC – Legislative Analyst Releases 2019 Budget Overview
   - SSC – Does a Statewide Bond Help or Hurt a Local Bond Election?
   - CCCO Chancellor Oakley-SCFF Development Memo

3. Continued Discussion of SCFF and Review of BAM – Cambridge West Partnership Consultants
   - Section 1 – Action
   - Section 6 – Action
   - Section 3 – Discussion

4. Standing Report from District Council – Shahbazian

5. Informational Handouts
   - District-wide expenditure report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of November 6, 2019
   - Measure "Q" Project Cost Summary as of October 31, 2019
   - Monthly Cash Flow Summary as of October 31, 2019
   - SAC Planning and Budget Committee Agendas and Minutes
   - SCC Budget Committee Agendas and Minutes

6. Approval of FRC Minutes – October 16, 2019

7. Other

Next FRC Committee Meeting: January 22, 2020

The mission of the Rancho Santiago Community College District is to provide quality educational programs and services that address the needs of our diverse students and communities.

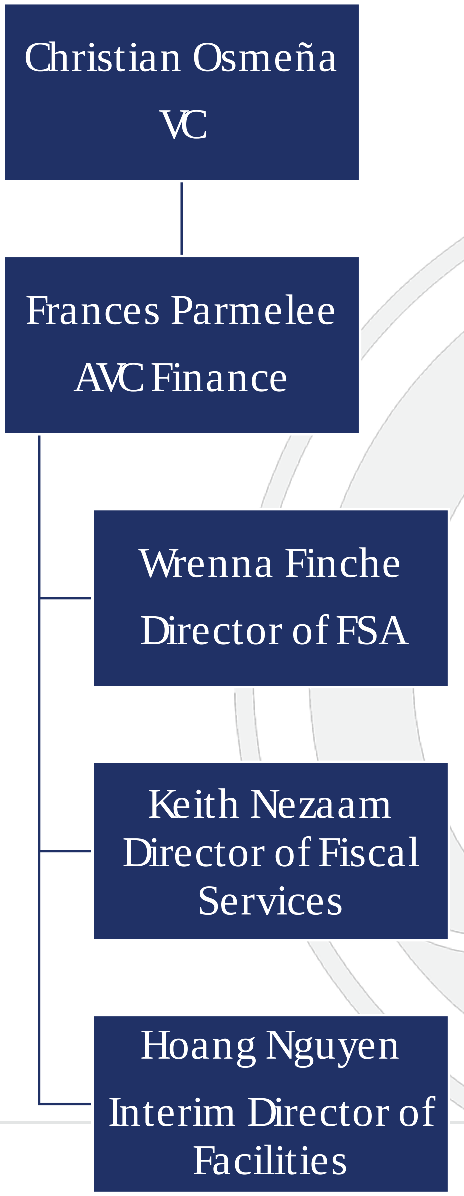
ACBO Fall Conference

Chancellor’s Office Update

College Finance and Facilities Planning Division
October 30, 2019

California Community Colleges

Division Organization Chart…until November 1



California Community Colleges

Emergency Conditions Allowance

- Regulatory changes were made to align with the SCFF and clarify current ambiguities in the process of granting emergency conditions allowances.
- Amendments were based on feedback from Consultation Council, BOG, districts, and the public.
- The regulations were adopted at the BOG September 2019 meeting.

Update on 2018-19 Apportionment

- In 2018-19, funds appropriated for the SCFF were insufficient to support its costs.
- This required the Chancellor's Office to determine how to manage the apportionment of funds within available resources.
  - Following consultation with DOF and legislative staff, highest priority has been to apportion to all districts at least their 2017-18 revenues, adjusted by COLA.
  - Impact of the revenue shortfall was felt most acutely by those districts that would have seen the most significant year-over-year gains in transitioning to the SCFF.
- Using most recent estimates, an additional $103 million is needed for 2018-19 to fully fund all districts.
- Chancellor's Office will make final apportionment by December.

Changes Made in 2019 Budget Act
Student Success Allocation

- *Highest Award*—Counts only the highest of all awards (i.e., associate degree for transfer, associate degree, baccalaureate degree, and credit certificate) a student earned in the same year.
- *Enrollment in Award Year*—Counts an award only if the student was enrolled in the district in the year the award was granted.
- *Transfer Definition*—Amends the definition of a transfer student: a student who completed 12 or more units in the district in the year prior to transfer and then exited the CCC and enrolled in a four-year university would be counted.
- *Three-Year Average*—Calculates the student success allocation based on three-year averages of each of the measures in the allocation.

California Community Colleges

Changes Made in 2019 Budget ~~Act~~ Implementation

- *Minimum Revenues through 2022*—Extends the existing minimum revenue provision of the SCFF, specifying that districts will receive at least the 2017-18 TCR, adjusted by COLA each year, through 2021-22. (Current law provides this commitment through 2020-21.)
- *Amended "Stability" in 2019-20*—Specifies that, in 2019-20, a district receives the higher of the SCFF calculation or the minimum revenues calculation.

California Community Colleges

New Funding Rates

- The budget charges the Chancellor's Office with determining the final funding rates for 2019-20 consistent with these policy adjustments.
- The Chancellor's Office is consulting with the Advisory Workgroup on Fiscal Affairs and other advisory bodies regarding methods for use in apportioning funds in 2019-20, and further guidance is forthcoming.

New Funding Rates

Student Centered Funding Formula

+	**Total Computational Revenue**
-	Budgeted Growth
-	Minimum Revenues
-	Cost of Noncredit FTES at Existing, COLA-Adjusted Rates
-	Cost of CDCP FTES at Existing, COLA-Adjusted Rates
=	**Funds Available for Distribution**

Base Allocation
(70% of Funds Available)

Supplemental Allocation
(20% of Funds Available)

Student Success Allocation
(10% of Funds Available)

New Funding Rates

Base Allocation

+ Amount Equal to 70% of Funds Available *(Starting Value)*
- Cost of Basic Allocation at Existing, COLA-Adj. Rates
- Cost of Special Admit Students at Existing, COLA-Adj. Rates
- Cost of Students in Correctional Facilities at Existing, COLA-Adj. Rates
= Funds Available for New Credit FTES Rate
/ Credit FTES (Less Special Admits and Students in Corr. Facilities)
= New Credit FTES Rate

New Funding Rates

Supplemental Allocation

+ Amount Equal to 20% of Funds Available *(Starting Point)*
/ Total Point Count
= New Supplemental Allocation Point Value

New Funding Rates

Student Success Allocation

+	Amount Equal to 10% of Funds Available *(Starting Point)*
x	75% for Student Success Allocation—Main Component
/	Total Point Count for Main Component
=	New Main Component Point Value
x	25% for Student Success Allocation—Equity Component
/	Total Point Count for Equity Component
=	New Equity Component Point Value

California Community Colleges

Key Dates

Item		Date
Supplemental and Student Success Metrics		
	Data runs for 2016-17 &2017-18 available	October 2019
	Data correction period starts	December 1, 2019
	Data correction period ends	January 14, 2019
	PPPY, PPY, &PYdata runs finalized for apportionment purposes	January 15, 2019
Apportionments		
	2018-19 R1	December 2019
2019-20 Rates		
	2019-20 rates established at P1	February 2020
	2019-20 rates adjusted at P2	May 2020

Resources

- Release of revised FCMAT Calculator
- Data definitions
- Professional development
  - SCFF module on the Vision Resource Center
  - Webinar on December 10, 2019

SCFF Oversight Committee

- Legislation enacting the SCFF created an oversight committee consisting of 12 members appointed by the Senate Rules Committee, the Assembly Speaker, and the Governor.
- The committee is charged with making recommendations:
  - By January 1, 2020, on use of measures (as part of the supplemental allocation) related to a student's status as a first-generation college student, a student's financial need given regional considerations, and a student's academic proficiency.
  - By June 30, 2021, on funding for noncredit courses and instructional service agreements, as well as methods by which allocations could be adjusted in a recession.
- Committee took some actions at meeting on September 4.

Fiscal Health Monitoring

- Existing law requires the Board of Governors to adopt criteria and standards for the periodic assessment of the fiscal condition of community college districts.
- Goal is to prevent cases where it would be necessary to appoint a special trustee or seek an emergency appropriation.
- Use existing data (e.g., budget and financial reports and audit data) to perform our analyses and ensure transparency.

Fiscal Health Monitoring Benefits

- The Chancellor's Office would provide the following support to districts needing assistance:
  - Professional development
  - Technical assistance
  - Direct intervention to support improvement
- An analysis of statewide trends would also inform systemwide training and support, requests for additional resources, and policy development.

2018-19 Fiscal Health Monitoring

Prior to gathering additional information

	(Ending Balance/Expenditures) < 5%	(Ending Balance/Expenditures) 5%-10%	(Ending Balance/Expenditures) > 10%
(Surplus/ Expenditures) > 0%	High Risk FCMAT Review	Moderate Risk Fiscal Health Assessment Questionnaire	Low Risk No Immediate Follow-Up
Small Deficit (Deficit/ Expenditures) between -5% and 0%	High Risk FCMAT Review	Moderate Risk Fiscal Health Assessment Questionnaire	Low Risk No Immediate Follow-Up
Large Deficit (Deficit/ Expenditures) < -5%	Highest Risk FCMAT Review &/or Special Trustee	High Risk FCMAT Review	Moderate Risk Fiscal Health Assessment Questionnaire

IEPI Partnership Resource Team (PRT)

- This colleagues-helping-colleagues model is available to colleges, districts, and centers interested in getting support on issues that matter most to them.
- Process begins with a short Letter of Interest from the institution's CEO.
- A team of subject matter experts is drawn from a pool of system and partner volunteers.
- CEO reviews the team make-up to ensure no unintended conflicts exist.

What to Expect from a PRT?

- Partnership Resource Teams make three visits. Visits consist of:
  - An initial gathering of information.
  - Assisting the institution in developing improvement strategies and timelines via an Innovation and Effectiveness Plan.
  - Providing follow-up support.
- PRT will help chart a road to improvement though a Innovation and Effectiveness Plan.
- Grants of up to $200,000 in seed money are available to institutions that receive team visits and submit their Innovation and Effectiveness Plans.

Fiscal Crisis Management and Assistance Team (FCMAT)

- The Chancellor's Office partners with FCMAT to provide statewide support in the form of:
  - Audits, examinations, or reviews.
  - Technical assistance, training, and short-term institutional research.
  - Unsolicited reviews of districts experiencing financial threats.
- Fiscal Health Risk Analysis available on their website and recommended all districts incorporate this into their local budgeting processes.

How to Receive FCMAT's assistance

- Contact the Chancellor's Office to start discussion.
- CEO submits a letter requesting FCMAT assistance and describes areas of focus. Examples include but is not limited to:
  - Strategic enrollment management
  - Budget projections
  - Internal controls over fiscal processes
- If funds are available, the Chancellor's Office will enter into a contract with FCMAT to conduct the study.

CDAM SCFF Audit Procedures
FCMAT Data Management Practices Review

Recommendations for Districts

"Establish the expectation for shared ownership of data management responsibilities at the executive level and communicate this expectation to all departments."

- Roles and responsibilities
- Documented desk procedures
- Communication
- Training

CDAM SCFF Audit Procedures
Internal Controls over Data Management

District Policies

- Roles and responsibilities
- Training
- Data flow
- Data definitions
- Accuracy and completeness

Desk Procedures

Document data flow and steps taken to complete attendance accounting tasks and report financial aid and student success data.

Status Update on Manuals

Budget and Accounting Manual 2020

Student Attendance Accounting Manual

- Final draft is under review by the StAAR Committee

Contracted District Audit Manual

- Draft to ACBO's Fiscal Standards and Accountability Committee and CPA Firms in December
- January 2020 release

AB 1504 Student Representation Fee

For ALL Colleges with a student body association:

- Student Representation Fee = $2
- $1 of each $2 collected goes to statewide student senate
- Eliminates the authorization for a student election to terminate fee
- A student may refuse to pay
  - Same form used for fee collection
  - No requirement to provide a reason for not paying
  - Implement for 2020-2021 Fiscal Year

2019-20 New Categorical Program Updates

- The Housing Insecurity and Homelessness Pilot Project ($9 million)
- The California Community Colleges Mental Health Services Grant Program ($7 million)

Housing Insecurity and Homelessness Pilot Project

Purpose:

- Connect students with community resources
- Establish emergency housing procedures
- Provide emergency grants to students

Status:

- A request for interest letter will be released in November that provides an update on requirements and timing.

California Community Colleges Mental Health Services Grant Program

Purpose:

- Support collaboration between community college districts and county behavioral health departments
- Improving student access to mental health services
- Improving early identification and intervention programs.

California Community Colleges Mental Health Services Grant Program

Status:

- A request for application memo was sent out on September 23rd.
- Letter of intent to apply from applicants were due by October 4th.
- Formal applications were due by October 18th.

California Community Colleges

California Community Colleges Mental Health Services Grant Program

Status:

- Intent to award memo is scheduled to be released this Friday.
- Final awards will be announced on December 2nd pending board approval in January.
- Grants anticipated to be released in May ranging from $400,000 to $500,000 per grant.

Facilities

- AB 48
  - Increase the total amount of bonds issued from 1.25% to 2% of taxable property of the district
  - $15 billion for K12, CCC, CSU, and UC
    - $2 billion CCC
  - 4 year program
  - 1 project per campus over a two year period
  - $500 million per year
- Recategorization and Prioritization
  - Changes are still in discussion with LAO

Student Housing

- Board of Governors interest and future legislation
- Proposal for the CCC system for feasibility study
- CivicSpark student housing fellows
  - Compton CCD
  - Sierra CCD

Board of Governors Climate Change and Sustainability Policy

- Board of Governors approved in May 2019
- Built on the foundation of the previous Chancellor's Office sustainability policy
- Focused on the affects of climate change
- Alignment with California's Climate Change Strategy
- Offers goals for 2025 and 2030
- Calls for climate change and sustainability efforts in all operational areas of a college/district

Planning for 2020-21

- Budget and Legislative Request
- Capital Outlay
  - 2020-21 Spending Plan
    - *$620.9M- 39 continuing projects*
    - *$28.8M-25 new projects PW Phases*
- Department of Finance
  - Renovation/Modernization projects
    - Seismic study
  - Local contribution needed

Proposition 39 Update

- Proposition 39 Extension
  - Board President Epstein approved the Proposition 39 extension
  - 22 districts with $5.8 million in funds remaining
  - Opt to return funding or move forward with projects
  - Participating districts will pay for the administration fees
  - Invoicing process TBD

2019 Board of Governor's Energy and Sustainability Awards

- November 1, 2019 – Nominations due for Sustainability Champion and Faculty/Student Initiative
- January 2020 – Presented at the Board of Governors' meeting in Sacramento

Questions

The Latest Economic Forecast and Proposition 98

2019 ACBO Fall Conference

October 29, 2019

CALIFORNIA

Association of Chief Business Officials
2019 Fall Conference

The Latest Economic Forecast and Proposition 98

School Services of California INC.™
An Employee-Owned Company

Presented By:

Robert Miyashiro
Vice President

CALIFORNIA

Overview

1

- The Current Economic Outlook
- Thirty Years of Proposition 98: Has School Funding Really Improved?
- Outlook for the Future

School Services of California INC.

The Latest Economic Forecast and Proposition 98
2019 ACBO Fall Conference
October 29, 2019

The Current Economic Outlook

UCLA's Economic Forecast

3

- Over the past year, UCLA has forecast a "3-2-1" economy—U.S. economic growth as measured by gross domestic product at 3% in 2018, 2% in 2019, and 1% in 2020
- Economic growth last year reached 3%, in large part due to the federal tax cuts enacted in December 2017 which stimulated the economy
- 2019 growth is indeed slowing
  - First quarter growth came in stronger than UCLA expected at 3.1%, due to onetime factors such as inventory build up and import/export changes
  - Second quarter growth for 2019 came in at 2%, with many of the onetime factors reversing the first quarter performance
  - Third quarter growth is forecast to be 1.7% by the Atlanta Federal Reserve
- With a slowing economy, the risk of recession rises

The Latest Economic Forecast and Proposition 98
2019 ACBO Fall Conference
October 29, 2019

Housing is Slowing

4

- The housing market has traditionally been a good measure of the health of the economy
  - Housing sales are usually accompanied by sales for other consumer durables—appliances, furniture, home furnishings, etc.
- While home prices in California are up, sales volume and permits for new construction are down
  - The median home price in California was $607,990 in July 2019, up 2.8% from one year ago
  - However, sales volume for the first half of 2019 is down 5.9% from the same period one year ago; permits for new home construction were down 16% for the same period

Inversion of the Yield Curve

5

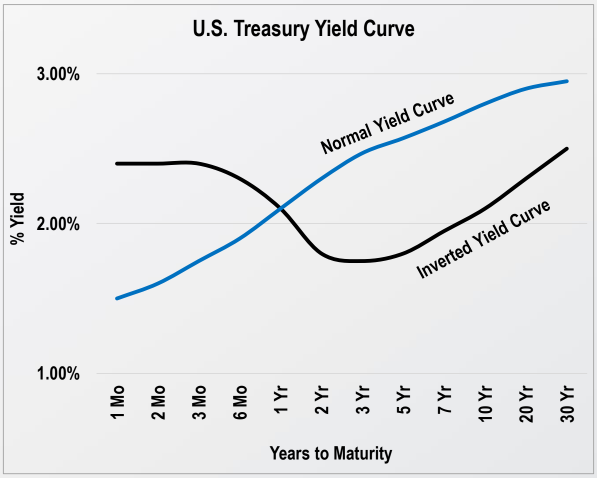
- Recent attention has been focused on the “yield curve” as a signal of an impending recession

Q. What is the yield curve?

A. This is a measure of investment returns on debt as the time to maturity lengthens. Under normal circumstances the yield curve rises, reflecting higher interest rates paid for longer term debt.

Q. What has happened?

A. In March 2019, the yield on ten-year bonds fell below three-month T-bills for the first time since 2007; in August, the ten-year bond fell below the two-year T-bill again. In other words, the yield curve is inverting. This could signal a slowing economy.



The Latest Economic Forecast and Proposition 98
2019 ACBO Fall Conference
October 29, 2019

The Yield Curve's Track Record

6

- The inversion of the yield curve has preceded all seven of the last recessions since the 1960s, according to Professor Campbell Harvey of Duke University
- However, even with this track record there is a limit to the yield curve's utility
  - Timing—there is no precise measure as to when the recession will begin
    - The yield curve inverted two years prior to the onset of the Great Recession
  - Duration—there is no way to know how long the recession will last
  - Severity—there is no way to know how severe the downturn will be
- Nevertheless, this economic indicator could be signaling tough times ahead

State General Fund Revenues Up

7

- State General Fund revenues closed out 2018–19 more than $1 billion above the May Revision forecast
  - May was up about $600 million and June was up about $400 million
- In addition, revenues for July and August have come in at a combined $186 million, thus placing 2019–20 state revenues up $1.2 billion higher than the May Revision forecast
- If revenues outpace the forecast through December, the January Governor's Budget will have to recognize an upward revision to the revenue forecast
- This would have significant implications for K–12 education funding under Proposition 98

Implications for Proposition 98 Funding: 2018–19

8

- Last year, the Proposition 98 minimum guarantee was based on Test 2, that is the change in K–12 average daily attendance (ADA) and per capita personal income
  - Unfortunately, the boost in General Fund revenues from May and June (about $1 billion) will not increase the 2018–19 Proposition 98 guarantee
  - In other words, Proposition 98 is insensitive to changes in state revenues under Test 2
    - However, a stronger state economy will increase the minimum guarantee

Implications for Proposition 98 Funding: 2019–20

9

- Increases in General Fund revenues in the current year, however, will increase the Proposition 98 minimum guarantee because funding is based on Test 1
  - Funding increases about $380 million for each $1 billion increase in General Fund revenues
  - Also, the minimum guarantee will increase if local property taxes exceed the forecast
- Because of declining enrollment, Proposition 98 will likely be based on Test 1 for several years
- Test 1 funding, however, could boost funding on a per-ADA basis, thus allowing Local Control Funding Formula (LCFF) funding to potentially reach higher aspirational targets

Thirty Years of Proposition 98: Has Education Funding Really Improved?

Proposition 98—The Formulas and the Promise

11

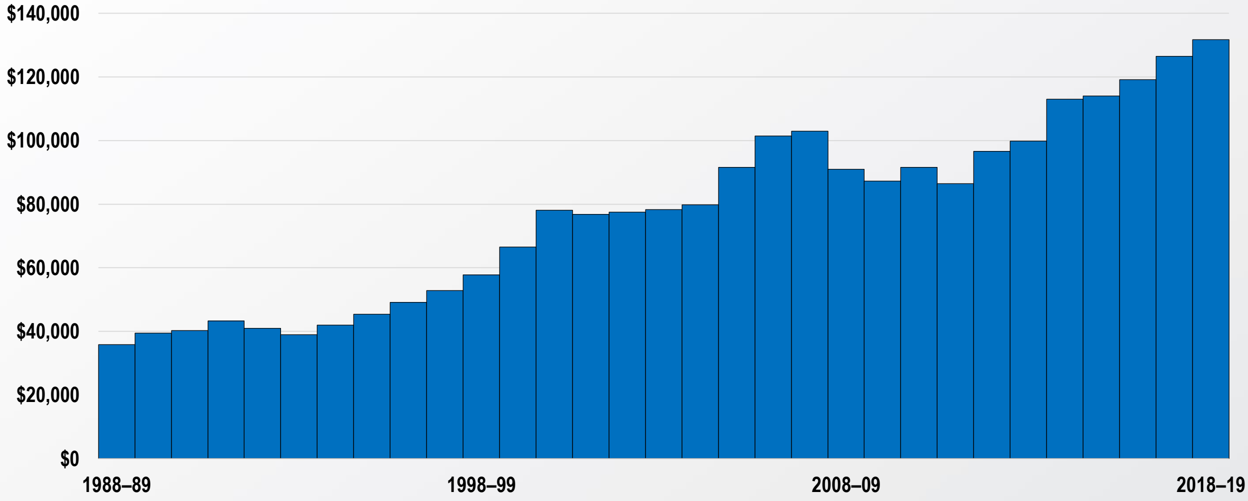
- Enacted by state voters in November 1988, Proposition 98 amended the state constitution to establish a minimum funding guarantee for K–12 education and the community colleges
  - The formulas take into consideration changes in workload as measured by ADA, inflation, and General Fund tax revenues
    - Test 1: Approximately 38% of General Fund revenues, plus the local property tax
    - Test 2: ADA change and the change in per capita personal income
    - Test 3: ADA change and the change in General Fund revenues, plus 0.5%
- Proponents argued that Proposition 98 would take politics out of school finance by setting a minimum funding guarantee through constitutional formulas
- Proponents believed that the Legislature would provide more than the minimum requirement from time to time, boosting California's commitment to public education

The Latest Economic Forecast and Proposition 98
2019 ACBO Fall Conference
October 29, 2019

State General Fund Expenditures
12

- The state General Fund supports many programs, including Medi-Cal, California Work Opportunities and Responsibility to Kids, the University of California and California State University, State Parks, Corrections and Rehabilitation, as well as K–12 education and the community colleges under Proposition 98
- State General Fund spending has increased 300% over this 30-year period, from $35.9 billion to $144 billion in the 2019–20 State Budget Act
  - This is an average annual increase of 4.6%
  - Unlike population and personal income, General Fund spending is volatile—rising and falling with tax receipts
    - Spending plummeted in 2001–02 and remained flat for four years
    - The Great Recession saw General Fund spending drop from $103 billion in 2007–08 and not exceed that level until 2014–15

State General Fund Expenditures
13



Source: Department of Finance, Governor's Budget 2018-19, Schedule 6

The California Economy

14

- Since the end of the Great Recession, the California economy has grown faster than the nation as a whole—5.5% annually vs. 4.2% annually
- If California were a separate country, its economy would be the fifth largest in the world
  1. United States
  2. China
  3. Japan
  4. Germany
  5. *California*
  6. Great Britain
  7. France

Proposition 98: Has School Funding Improved?

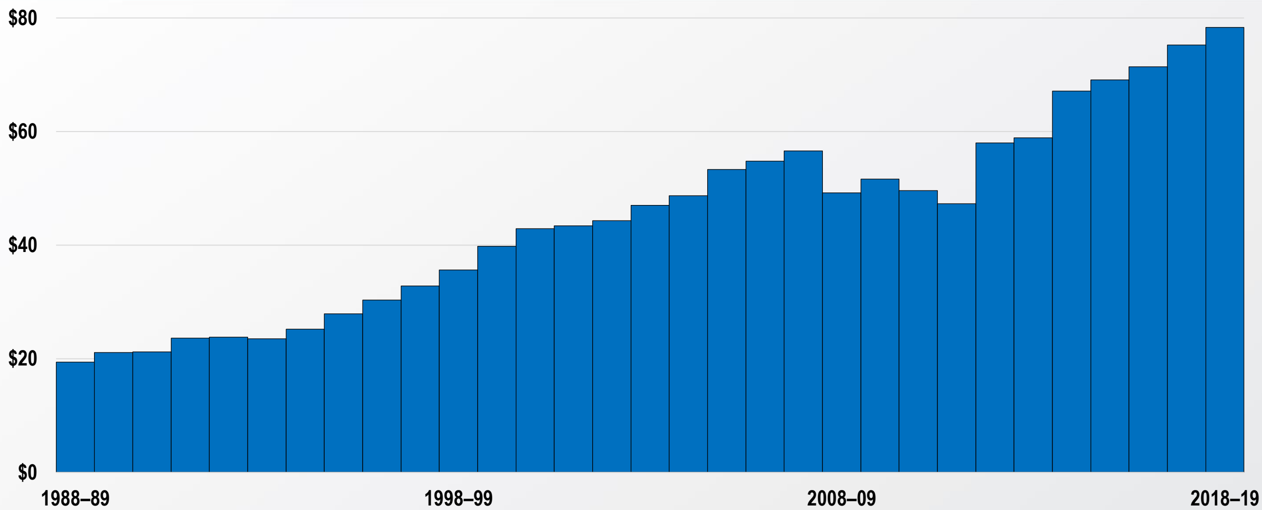
15

- According to a report by the Legislative Analyst's Office (LAO), over the period during which Proposition 98 has been in effect, "There is no evidence that school funding is higher as a result of the formulas"
  - The formulas fail to address "real world" developments and there is no evidence that school funding decisions are any less political
- Proposition 98 funding shows a similar pattern to that of state General Fund spending, rising and falling along with the economy and tax revenues

The Latest Economic Forecast and Proposition 98
2019 ACBO Fall Conference
October 29, 2019

Proposition 98 Funding

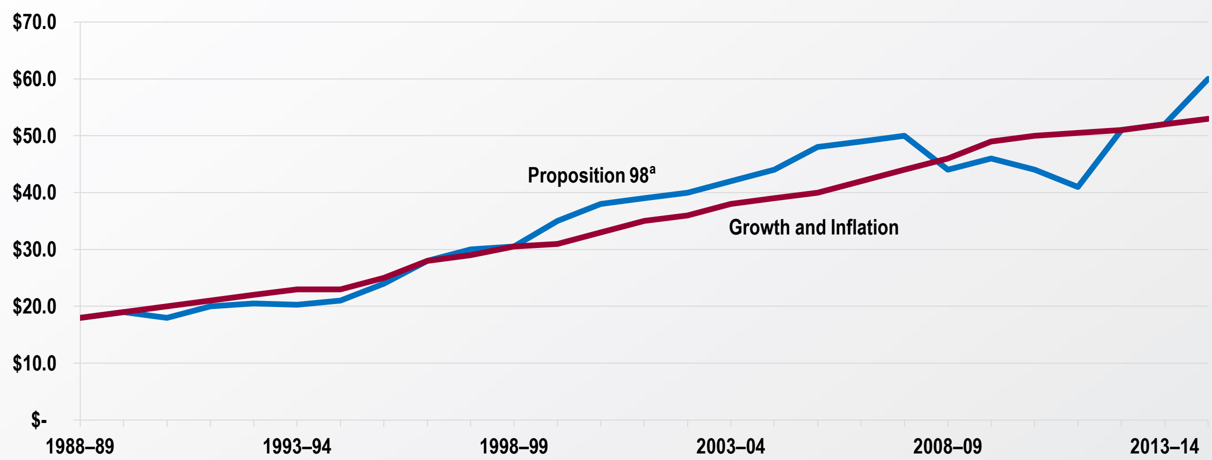
16



Source: LAO, *A Historical Review of Proposition 98*, page 13, January 2017

Proposition 98 v. Enrollment Growth and Inflation

17

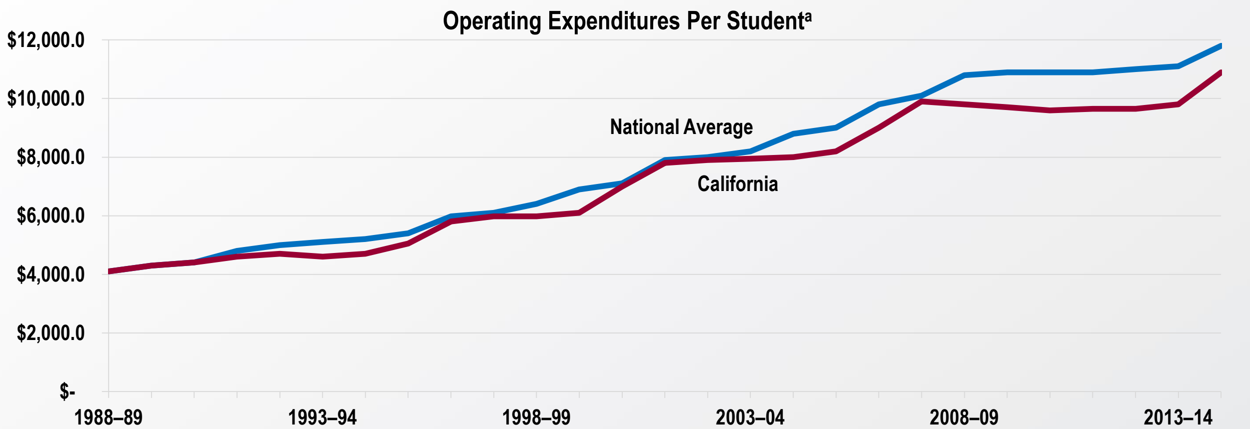


[a]Includes all Proposition 98 funding except the amount going to the California Community Colleges
Source: LAO, *A Historical Review of Proposition 98*, page 25, January 2017

The Latest Economic Forecast and Proposition 98
2019 ACBO Fall Conference
October 29, 2019

California's Proposition 98 v. the Rest of the Nation

18



[a]Reflects spending data reported by the U.S. Census Bureau. Amounts for 1988–89 to 1990–91 have been adjusted for comparability with subsequent years. Amounts shown for 2014–15 reflect an LAO estimate.

Source: LAO, *A Historical Review of Proposition 98*, page 17, 2017

Notes

CALIFORNIA

Outlook for the Future

CALIFORNIA

The State Budget Process

21

- The state's economy will drive state tax revenues, with an increasing reliance on the high income earners
  - Greater volatility in state revenues should be expected
- The legislature and governor set the state's spending
  - State General Fund support for K–14 education has been weak because of flat or declining enrollment and consistently strong property tax growth
    - Most other state programs have seen larger increases in General Fund support
    - The legislature rarely funds education above the Proposition 98 minimum guarantee
  - Policy discussion regarding the needs of K–14 education are rare; funding the Proposition 98 target substitutes for meaningful budget priority setting

The Latest Economic Forecast and Proposition 98

Two Reasons for Hope

22

- Notwithstanding the near term risks of recession, there are two reasons to hope that funding for K–12 education and the community colleges will be better than the past 30 years
  - Proposition 98 will be funded based on Test 1—38% of General Fund revenues plus the local property tax—rather than Test 2 or Test 3, which adjusts for changes in enrollment and inflation
  - Voters, who have historically supported public education funding, have a chance to amend Proposition 13 and deliver more revenues to K–12 schools and community colleges

Proposition 98 Under Test 1

23

- Since the enactment of Proposition 98 in 1988, the minimum funding guarantee has been primarily based on changes in workload as measured by K–12 ADA and inflation as measured by per capita personal income (Test 2) or per capita General Fund revenues (Test 3)
  - As a result, per pupil funding is largely stagnant after adjusting for inflation as the LAO's analysis shows
- Demographic projections by the Department of Finance indicate that statewide K–12 enrollment is expected to decline through 2027–28 at an average annual rate of 0.4%
- The shift from a growing to a declining K–12 student population will trigger funding based on Test 1, which could boost funding on a per pupil basis

The Paradigm Shift

24

- Because of the shift to a fixed share of General Fund revenues and the property tax under Test 1, year-to-year increases will be based solely on the performance of these revenues sources
- For example, a 5% growth in General Fund revenues and a 3% increase in property tax revenues will yield a 4.3% increase in Proposition 98 funding
  - On a per pupil basis, this will be equivalent to 4.7% increase, based on a 0.4% decline in K–12 enrollment
- In contrast, the Department of Finance forecasts the statutory cost-of-living adjustment (COLA) for K–12's LCFF and community college's Student Centered Funding Formula (SCFF) to be about 3% over the next several years
- This could result in long term gains in per student funding in the range of 0.5% to 1.5% annually above the COLA
  - A 1% gain is equivalent to about $810 million in 2019–20, or about $120 per pupil

The Voters and the 2020 Ballot

25

- California voters have consistently identified public education as their top budget priority
  - The Lottery was sold to voters as benefitting education
  - Proposition 98 was approved by voters, notwithstanding the opposition of most state political leaders
  - During the Great Recession, voters approved Propositions 30 and 55, the temporary tax on high income earners
    - Voters were told this was a tax to save public education from cuts; the reality is that these tax revenues benefit all General Fund programs
- A direct appeal to voters through the initiative process may be another way to substantially improve funding for California's K–14 education system

The Latest Economic Forecast and Proposition 98

2019 ACBO Fall Conference

October 29, 2019

New Proposition 13 Split Roll Initiative

26

- The "California Schools and Local Communities Funding Act," otherwise know as the split roll, has qualified for signature gathering for the November 2020 ballot
  - The initiative was originally written for the 2018 General Election ballot, but did not qualify in time
- Proponents tout the new initiative as an improvement on the original version
  - Calibrates the implementation dates to adjust for November 2020 v. 2018 ballot
  - Strengthens small business tax relief and clarifies the definition of small business
  - Tightens the education finance language to ensure every school district receives funding in an equitable way
  - Strengthens the zoning language to ensure large corporations cannot avoid reassessment

How it Works—The Basics

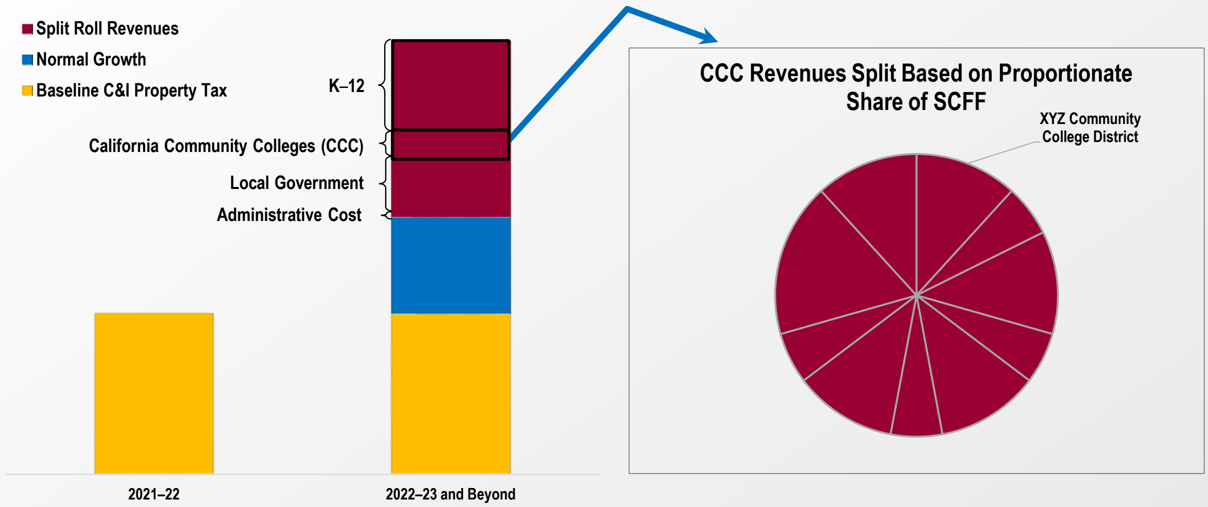
27

- The split roll proposal would reassess commercial and industrial (C&I) properties regularly based on fair market value, not just with ownership changes, which could generate an additional $10 billion annually
  - Resulting revenues are provided to cities, counties, and special districts based on the current local split of property taxes—accounting for about 60% of the total
  - Revenues for schools and community colleges are pooled into the Local School and Community College Property Tax Fund—accounting for about 40% of the total
    - Each K–12 and community college district would receive funding based on their proportionate share of the LCFF and SCFF, respectively

The Latest Economic Forecast and Proposition 98
2019 ACBO Fall Conference
October 29, 2019

How it Works—The Mechanics

28



November 2020 Election

29

- If all goes well with the signature-gathering process, the new initiative will go before the voters on the November 2020 ballot
- Current polling on the split roll concept hovers around 50% and is affected by how the question is asked
  - Polling from the Public Policy Institute of California in January 2019 indicated that 49% of likely voters favor a split roll property tax system, a decrease from 60% in 2012
  - However, when the benefit to K–12 schools was mentioned in an April 2019 poll, support for the proposal increased to 54% among likely voters

The Latest Economic Forecast and Proposition 98

2019 ACBO Fall Conference

October 29, 2019

In Summary

30

- *The economy's boom-bust cycle* is a fact of life
  - We are currently in the longest recovery on record; signs of a recession are mounting
  - Prepare now by building and maintaining reserves, developing sound enrollment projections, limiting onetime revenues to onetime expenses, and entering collective bargaining agreements that are affordable and based on prudent assumptions
- *Over the last 30 years*, K–14 funding under Proposition 98 has simply kept pace with inflation and enrollment growth
  - Boosting education funding to the level of the top ten states remains an elusive goal
- *The future* brings opportunities for hope
  - Because of declining enrollment, Proposition 98 funding could outpace inflation, resulting in real gains in per student funding
  - Voters have the chance to reform Proposition 13 and generate billions of dollars in additional funds for schools and community colleges

School Services of California INC.™

An Employee-Owned Company

Thank You!

Robert Miyashiro
robertm@sscal.com

Click Here for Fire and Emergency Related Resources

VOLUME 39 COMMUNITY COLLEGE UPDATE NO. 22

PUBLICATION DATE: NOVEMBER 1, 2019

State Revenues on Target for September

BY ROBERT MIYASHIRO
BY PATTI HERRERA

 posted October 30, 2019

State General Fund revenues for September essentially hit the mark, posting a gain above the forecast of $98 million, or 0.8%. According to the Department of Finance's *Finance Bulletin*, this brings year-to-date revenues above the forecast level by $287 million, or 1.0%.

Within this total, however, the story is a little less clear. The corporation tax outperformed the forecast, coming in $501 million higher than expected (a 45.1% gain), and the sales and use tax beat the forecast by $52 million (a 2.5% gain). On the other hand, the personal income tax (PIT), the largest of the big three taxes, came in $401 million short, or 4.6% less than projected.

The shortfall in the PIT was largely related to weakness in estimated payments of tax filers whose income is often related to capital gains. Due to the progressive nature of California's PIT, large swings in this revenue source are not uncommon. The *Finance Bulletin* shows that other receipts, which include estimated payments, were short $431 million, while withholding receipts from those with payroll jobs were $53 million above the forecast. All other revenue sources were short a net $54 million.

On the economic front, the Department of Finance report indicates that state personal income increased by 5.2% from the second quarter of 2018 to the second quarter of 2019, beating the U.S. total gain in personal income of 4.9% for the same period.

California's labor market continues to perform strongly. The state's unemployment rate dropped to 4.0% in September, the lowest rate on record, and the labor force participation rate held steady at 62%. The U.S. unemployment rate hit a 50-year low in September, reaching 3.5%. Similarly, the state added 21,300 jobs in September, accounting for about 16% of the national increase for the month (note: the state accounts for about 12% of the U.S. population).

Housing permits of 116,800 in August 2019 are 4.3% higher than last year's August level of 112,000. For the period January through August, housing permits averaged 108,000 units per month this year, down 14% from the 125,000 average for the same period in 2018.

Finally, home sales in August are up slightly from last year, with 406,100 single family units sold, up 1.6% compared to August 2018. The median home price reached $617,410 in August, up 3.6% on a year-over-year basis.

Click Here for Fire and Emergency Related Resources

VOLUME 39 **COMMUNITY COLLEGE UPDATE** NO. 22

PUBLICATION DATE: NOVEMBER 1, 2019

Legislative Analyst Releases 2019 Budget Overview

BY PATTI HERRERA
BY ROBERT MCENTIRE, EDD
BY ROBERT MIYASHIRO

posted October 28, 2019

Earlier this week, the Legislative Analyst's Office (LAO) released its annual analysis of California's Spending Plan adopted in June. The LAO reports that state spending increased by 2% over the revised 2018–19 State Budget with increased General Fund spending of nearly $5.1 billion, or 4% above the previous year. In total, lawmakers approved a $209 billion budget for the 2019–20 fiscal year.

Major Spending: Debt, Ongoing and Onetime Programs, and Budget Resilience

Once the state funded its constitutional obligations, including the minimum level of funding for K–14 education, and provided funds to maintain existing programs, the LAO estimated that the state had over $21 billion in discretionary funds to spend. Negotiations between the Legislature and Governor Gavin Newsom resulted in the bulk of those funds being committed to paying down debt ($9 billion), new ongoing program spending ($4 billion), onetime program spending ($6.5 billion), and non-mandated reserves ($2.1 billion). Across all reserve accounts, California now maintains $19.2 billion to help stabilize the budget in the event of an economic downturn, which includes the first ever deposit into the education rainy day fund of $377 million.

The LAO highlights that the first budget approved under Governor Newsom includes $4 billion in ongoing spending in 2019–20, which is expected to grow to nearly $6 billion when programs are fully implemented. This increased ongoing obligation compares to $300 million in the 2016-17 State Budget and $1.3 billion in the 2018–19 State Budget. Importantly, the budget act includes authorization to suspend certain expenditures if the Department of Finance estimates that revenues will be insufficient to cover them, which could yield up to $1.6 billion in cost savings to the General Fund.

Tax Policy Changes Can Boost State Revenue

Through the State Budget several changes were made with respect to tax policy, in part, in an effort to conform to federal tax changes. Lawmakers extended the earned income tax credit to boost the income of the state's poorest residents, reducing General Fund revenue by an estimated $600 million. This "loss" of revenue is offset by tax policy changes on individuals and businesses that conform, in part, to federal policy. In total, tax conformity changes are estimated to yield about $1.6 billion and $1.3 billion in state revenue in 2019–20 and 2020–21, respectively.

Proposition 98: K–12 and Community College Spending

The 2019–20 Proposition 98 minimum guarantee is $81.1 billion, up $2.9 billion from 2018–19. Funding for K–12's Local Control Funding Formula increased by $2 billion to cover changes in enrollment and the formula's cost-of-living adjustment (COLA). An additional $646 million investment was made to improve services to children and students with special needs. Community college funding increased by $255 million to address enrollment growth and fund a 3.46% COLA for the Student Centered Funding Formula.

The LAO is expected to release its annual Fiscal Outlook report by November 20, 2019, which provides a multiyear projection of the state's fiscal condition. Stay tuned!

Click Here for Fire and Emergency Related Resources

VOLUME 39 COMMUNITY COLLEGE UPDATE NO. 22
PUBLICATION DATE: NOVEMBER 1, 2019

Ask SSC . . . Does a Statewide Bond Help or Hurt a Local Bond Election?

BY MICHELLE MCKAY UNDERWOOD
BY CARMEN THOMPSON

posted November 1, 2019

Q. Our district is thinking about going out for a general obligation (GO) facilities bond in the near future and we are wondering whether to time it with the statewide education facilities bond in March 2020. How do local GO bond passage rates compare when there is and isn't a statewide facilities bond on the ballot?

A. We looked at the passage rate over the last fifteen years, both with and without a statewide education facilities bond on the ballot.

Election Date	State Bond on the Ballot?	Local GO Bond Passage Rate
November 2016	Yes	95%
November 2014	No	82%
November 2012	No	88%
November 2010	No	75%
November 2008	No	91%
November 2006	Yes	80%
November 2004	Yes	82%

While interesting, we could not find a correlation on whether a statewide bond measure helps or hurts the passage rate of local district GO bonds. Numerous factors—self-selection of which districts are going out for a bond, community support, local politics, voter turnout, and the economic condition as a whole—all can play a role in the passage rates of local GO bonds, but it is not clear that the presence of a statewide facilities bond measure does.

California Community Colleges

MEMORANDUM

November 14, 2019

TO: Chief Executive Officers
Chief Business Officers

FROM: Eloy Ortiz Oakley
Chancellor

RE: Student Centered Funding Formula Developments

I am writing to update you on several developments regarding the Student Centered Funding Formula (SCFF), a set of policies central to sustaining the integrated reforms being implemented across our colleges and showing evidence of improving success for students. As I have mentioned previously, the Board of Governors is steadfastly behind the SCFF, as it serves as a catalyst and integration point for the measures being taken to achieve the goals of the *Vision for Success*. It is not difficult to see, for example, how significant increases in the numbers of students enrolling in and succeeding in transfer-level courses, as described in three recent research reports (including one from the RP Group), will yield positive impacts for colleges vis-à-vis the new funding formula.

At the same time, the Chancellor's Office is committed to continuing to improve these policies. Our goal must be to provide all districts with the foundational resources needed to put students on quality educational pathways, with targeted resources for districts that improve the outcomes of our most disadvantaged students. This is chief among the 2020-21 budget priorities developed through our system's participatory governance process and endorsed by the Board of Governors.

Former Vice Chancellor, Christian Osmeña, who represented our office in the development of the SCFF and led its implementation, has left our office to take up a new role as vice president for enterprise planning at Arizona State University. Given the significance of this work, I have asked Jim Austin, a longtime and well respected chief business official in our system, to serve as my senior advisor for the SCFF to manage the transition. With Frances Parmelee, the Assistant Vice Chancellor for College Finance and Facilities Planning, our office will continue to support the system through this transition, and I hope you will reach out to them with any needs you have.

Below, you will find some updates on major areas of the SCFF implementation.

UPDATES ON THE 2018-19 APPORTIONMENT

The first year of implementation of the SCFF has been challenging in part because, as of June 2019, the available revenues assumed in the state budget for the 2018-19 fiscal year have been insufficient to fund the formula's costs. Therefore, the Chancellor's Office has been required to apportion less to districts than they would otherwise expect using the SCFF calculations.

In managing within these fiscal realities, the Chancellor's Office determined, in consultation with state Department of Finance and legislative staff, that the system's highest priority should be to maintain the "minimum revenues" commitment embedded in the SCFF. That is, all districts continue to receive revenues at least equal to their 2017-18 revenues adjusted by 2.71 percent cost-of-living adjustment (COLA), with no reductions. In making this commitment, the Chancellor's Office was required to moderate the year-over-year funding increases for some districts. As of the second principal apportionment, a district's total revenues were constrained to no greater than 8.13 percent (three times the COLA) more than the 2017-18 revenues. The constrained SCFF allocations were used to determine the statewide revenue need. The available revenues were then allocated to districts proportionately based on their share of the need above the "minimum revenues" amount.

In December 2019, the Chancellor's Office will make a final apportionment for the 2018-19 fiscal year. This apportionment will account for final reports on enrollment and revenues. Using our estimates from the second principal apportionment, an additional $103 million for 2018-19 would be needed to fully fund all districts. The Chancellor's Office will apportion additional funds to districts to the greater extent possible given the final revenues.

CHANGES ENACTED IN THE 2019-20 BUDGET ACT

The 2019-20 State Budget Act also amended the SCFF's structure to create longer-term stability and clarify the outcomes we want to encourage. These changes have been presented to several groups, including the chief business officials, but I want to describe them here, as they should be considered as part of your planning.

First, the changes adjust the formula by calculating funding rates so that, in 2019-20, 70 percent of funds would be allocated for the base allocation, 20 percent for the supplemental allocation, and 10 percent for the student success allocation. These rates would simply grow by COLA beginning in 2020-21, which would provide districts with greater flexibility than the system has experienced recently.

Second, for the student success allocation, the SCFF now:

- Counts only the highest of all degrees, and certificates a student earned in the same year, and counts an award only if the student was enrolled in the year the award was granted. These changes respond to concerns that counting each award would have weakened incentives for colleges to implement Guided Pathways by extending their enrollment to generate additional awards and keep students' needs in mind by encouraging timely award of the credentials they have earned.

- Defines a transfer student as one who completed at least 12 units in the district and subsequently enrolled in a four-year university to better identify students who start in the community colleges with the goal of transferring to earn a bachelor's degree.
- Uses three-year averages of the factors to create greater year-to-year stability in allocations.

Although these changes will reduce the counts of outcomes used in the student success allocation, because the funding rates will be readjusted to ensure that the student success allocation constitutes 10 percent of the SCFF costs in 2019-20, the rates will be higher than they otherwise would have been had the changes not been made.

Finally, the budget extends the minimum revenue provision so that districts will receive at least their 2017-18 revenues, adjusted by COLA, through 2021-22. This one-year extension recognizes the significant work required at the Chancellor's Office and at the colleges to put the formula in place in 2018-19.

The Chancellor's Office is charged with determining the final funding rates for 2019-20 consistent with these policy adjustments. In the advance apportionment, as a preliminary allocation, the Chancellor's Office apportioned to districts either 1) the "minimum revenues" total, adjusted by cost-of-living or 2) the constrained 2018-19 revenues, as of the second principal apportionment. For the first principal apportionment, the Chancellor's Office will use new data on enrollment and outcomes to determine preliminary funding rates for 2019-20. In partnership with the Fiscal Crisis and Management Assistance Team, we are revising the SCFF Calculator to help you project apportionments using these new rates. Minor refinements will be made in December 2019.

In addition to longstanding practices for reporting enrollment, districts and colleges must begin to be more systematic about accurately submitting data on financial aid awards (used for the supplemental allocation) and outcomes (used for the student success allocation) through the Chancellor's Office's Management Information System (MIS). The Chancellor's Office has prepared data definitions to help you understand how these data are being captured; they will be posted on our website. We have also posted data using these definitions for 2016-17 and 2017-18 to help you understand how the changes affect your district.

Please note:

- Districts are required to submit MIS data on financial aid and awards for 2018-19 by November 30, 2019. You should also correct any errors for 2016-17 and 2017-18 at this time. Please take time to review this data for accuracy.
- If you find errors in your data, you have until January 14, 2020, to make any corrections in MIS. Following this date, all data for 2016-17, 2017-18, and 2018-19 will be considered final for SCFF purposes.

SCFF OVERSIGHT COMMITTEE

The Chancellor's Office shares the strong interest in continuously assessing and improving the SCFF. The law charges an SCFF Oversight Committee appointed by the Governor and Legislature with ongoing monitoring of the formula and continuing review of key policy questions. Specifically, the Oversight Committee will make recommendations to the Governor and Legislature:

- By January 2020, on whether, and possibly how, districts should receive additional funds based on measures related to a student's status as a first-generation college student, a student's financial need (with emphasis on measures that consider differences in costs across regions), and a student's academic proficiency.
- By June 2021, on funding for noncredit courses and instructional service agreements and methods by which allocations could be adjusted in a recession.

You can review the independent Oversight Committee's progress here.

If you have thoughts about ways in which the SCFF could be improved, please do not hesitate to share those with me and my team. As we consider future changes, we also mindful of the need to make the formula as predictable as possible and allow time for evaluation of the current policies.

RESOURCES

Moving forward, the Chancellor's Offices highest priority in SCFF implementation will be improving supports for colleges as the system undergoes this important change. You can always find details about SCFF implementation on the Chancellor's Office website. Please stay tuned for more details about a webinar we will hold on Tuesday, December 10, to review SCFF updates in more detail. Through the Institutional Effectiveness Partnership Initiative, we will be offering more webinars throughout 2020.

I also want to highlight the Vision Resource Center (VRC), an online resource where college stakeholders can learn, connect and convene. An SCFF learning module is now available to introduce the basics of the SCFF and explore how this change helps align our system's funding with the Vision for Success. You will need to create a login to access the learning module.

NEXT STEPS AND NEED FOR ACTION

The first year has offered clear lessons that are informing future activities. The Board of Governors' (Board) 2020-21 Budget and Legislative Request addresses some of these lessons. The request makes a clear statement: the SCFF must be fully funded each year consistent with current laws. The state can also take actions to reduce the uncertainty districts face in building budgets. The request calls for legislation that allows adjustments to be made to state appropriations based on revised estimates of SCFF costs and revenues. Mid-year changes—like those many districts experienced this year—disrupt educational programs and create long-term challenges for districts' fiscal health.

The Board asked for additional support for the Chancellor's Office to build up the capacity to administer existing programs and to help district respond to the reforms necessary to achieve the *Vision for Success*. This request includes a call for a new Research and Planning Unit, which could support districts in continuous improvement. It also requests funds for financial management, including more staff to implement the SCFF.

Regardless, we must create urgency around a bigger picture: the historic lack of resources for the state's low-income and first-generation college students who predominantly enroll in our system. Per-student revenues for the CCC remain far lower than those for the University of California, the California State University, and the state's K-12 schools. In the Local Control Funding Formula, the state acknowledged that students who have faced the greatest barriers to success require additional resources to achieve the state's goals. Yet, after high school, many will attend community colleges where they will have less access to resources than their typically more-advantaged peers. Our colleges are committed to meeting the needs of the state and achieving the Vision for Success. The state's appropriations should reflect that, too.

I look forward to our continued work together.

Rancho Santiago Community College District
Budget Allocation Model
Based on ~~SB 361~~the Student Centered Funding Formula

- The *"Rancho Santiago Community College District Budget Allocation Model Based on SB361, February 8, 2012"* was approved at the February 22, 2012 Budget Allocation and Planning Review Committee Meeting

Commented [CW1]: Update when completed

Introduction

In 2008, both colleges were visited by ACCJC Accreditation Teams in the normal accreditation cycle. The Teams noticed that the district's budget allocation model that was in place for approximately ten years had not been annually reviewed as to its effectiveness as stated in the model documents. The existing revenue allocation model was developed when the district transformed into a multi college district. The visiting Team recommended a review of the existing budget allocation model and recommended changes as necessary.

The Budget Allocation and Planning Review Committee (BAPR) charged the BAPR Workgroup, a technical subgroup of BAPR, with the task of reviewing the ten year old model. In the process, the Workgroup requested to evaluate other California Community College multi-campus budget allocation models. Approximately twenty models were reviewed. Ultimately, the Workgroup focused on a revenue allocation model as opposed to an expenditure allocation model. A revenue allocation model allocates revenues (state and local) generated in a budget year to the college campuses in the district based on the state funding model that allocates state apportionment revenues to districts. An expenditure allocation model allocates, by agreed upon formulas, expenditure appropriations for full-time faculty staffing, adjunct faculty staffing, classified and administrative staffing, associated health and welfare benefit costs, supply and equipment budgets, utility costs, legal and other services. The BAPR Workgroup ultimately decided on a revenue allocation formula in order to provide the greatest amount of flexibility for the campuses.

Senate Bill 361, passed in 2006, changed the formula of earned S~~s~~tate apportionment revenues to essentially two elements, 1) Basic Allocations for college/center base funding rates based on FTES size of the college and center and 2) Full Time Equivalent Students (FTES) based on earned and funded FTES.

The BAPR Workgroup determined that since this is how our primary funding comes from the state this model should be used for distribution on earned revenues to the colleges. The colleges and centers are the only entities in the district that generates this type of funding. Revenue earned and funded by the state will be earned and funded at the colleges. The Budget Allocation Model (BAM) described in this document provides the guidelines, formulas, and basic steps for the development of an annual district budget including the allocation of budget expenditure responsibilities for Santa Ana College, Santiago Canyon College and District Services referred to as the three district Budget Centers. –The budget is the financial plan for the district, and application of this model should be utilized to implement the district's vision, mission statement, district strategic plan and the technology strategic plan as well as the colleges' mission statements, educational master plans, facilities master plans and other planning resources. The annual implementation of the budget allocation model is to be aligned with all of these plans. To ensure that budget allocation is tied to planning, it is the responsibility of District Council to review budget and planning during the fiscal year and, if necessary, recommend adjustments to the budget allocation model to keep the two aligned for the coming year. The Chancellor and the Board of Trustees are ultimately responsible for the annual budget and the expenditures associated with the budget. In February of 2013~~,~~ the Board of Trustees adopted a new planning design manual. This document eliminated BAPR and created the Fiscal Resources Committee (FRC). The FRC is responsible for recommending the annual budget to the District Council for its recommendation to the Chancellor and Board of Trustees. FRC is also responsible for annual review of the model for accreditation and can recommend any modifications to the guidelines.

In 2017 the Student-Centered Funding Formula (SCFF) was adopted which changed the way California Community Colleges are funded. The new funding model distributes the community college budget in three separate allocations. These allocations include the base which is approximately 70% of the budget. The base allocation is derived from FTES in traditional credit (three-year rolling average), special admit, incarcerated, traditional noncredit and CDCP. The base allocation includes the basic allocation which is the college and comprehensive center funding that was established in SB361. The supplemental allocation is approximately 20% of the budget and includes the unduplicated headcounts for Pell, Promise and AB540 recipients that are included in traditional credit FTES counts. The student success allocation is approximately 10% of the budget and is based on student progress, transfer, completion and wage earnings. This funding uses a three-year rolling average to determine funding levels and includes unduplicated headcounts of students participating in traditional credit FTES. Special admit and incarcerated FTES are fully funded in the base allocation and are not included in unduplicated headcounts used to determine funding in the supplemental and student success allocations.

Noncredit education funding did not change from SB361. Noncredit and CDCP funding are considered fully funded in the base allocation and do not qualify for supplemental and success funding. See definition of terms for enhanced descriptions.

The goal of the BAM is to create a documented revenue allocation process that provides financial stability and encourages fiscal accountability at all levels in times of either increasing or decreasing revenue streams. It is also intended to be ~~simple,~~ transparent, ~~easy to understand~~, fair, predictable and consistent, using quantitative, verifiable factors with performance incentives. District Council should conduct a review(s) during each fiscal year to assess if the operation of the budget allocation model is meeting the goal.

Under S~~s~~tate law, the District is the legal entity and is ultimately responsible for actions, decisions and legal obligations of the entire organization. The Board of Trustees of the Rancho Santiago Community College District has clear statutory authority and responsibility and, ultimately, makes all final decisions. Likewise, the Chancellor, under the direction of the Board of Trustees, is responsible for the successful operation, reputation, and fiscal integrity of the entire District. The funding model does not supplant the Chancellor's role, nor does it reduce the responsibility of the District Services staff to fulfill their fiduciary role of providing appropriate oversight of the operations of the entire District. It is important that guidelines, procedures and responsibility be clear with regard to District compliance with any and all laws and regulations such as the 50% Law, full-time/part-time faculty requirements, Faculty Obligation Number (FON), attendance accounting, audit requirements, fiscal and related accounting standards, procurement and contract law, employment relations and collective bargaining, payroll processing and related reporting requirements, etc. The oversight of these requirements ~~are~~is to be maintained by District Services, which has a responsibility to provide direction and data to the colleges to assure they have appropriate information for decision making with regard to resource allocation at the local level, thus, assuring District compliance with legal and regulatory requirements.

All revenue is considered District revenue because the district is the legal entity authorized by the State of California to receive and expend income and to incur expenses. However, the majority of revenue is provided by the taxpayers of California for the sole purpose of providing educational services to the communities and students served by the District. Services such as classes, programs, and student services are, with few exceptions, the responsibility of the colleges. It is the intent of the Revenue Allocation Model to allocate the majority of funds to the colleges in order to provide those educational services. The model intends to provide an opportunity to maximize resource allocation decisions at the local college level. Each college president is responsible for the successful operation and performance of his/her college as it relates to resource allocation and utilization. The purpose and function of the District Services in this structure is to maintain the fiscal and operational integrity of the District and its individual colleges and centers and to facilitate college operations so that their needs are met and fiscal stability is assured. District Services is~~has~~ responsible~~ility~~ for providing certain centralized functions, both to provide efficient operations as well as to assist in coordination between District Services and the colleges. Examples of these services include: human resources, business operations, fiscal and budgetary oversight, procurement, construction and capital outlay, and information technology. On the broadest level, the goal of this partnership is to encourage and support collaboration between the colleges and District Services.

Appendix ~~Attached~~

~~A. Definition of Terms~~

Commented [CW1]: These charts will be either moved to the 'Responsibilities" section or to the appendix

	~~TABLE 1~~ ~~Expenditure and Budget Responsibilities~~	~~Santa Ana College & CEC~~ ☑	~~Santiago Canyon College & OEC~~ ☑	~~District Services~~ ☑	~~Institutional or Districtwide monitoring~~ ☑
	~~Academic Salaries (1XXX)~~	-	-	-	-
1	~~State required full-time Faculty Obligation Number (FON)~~	✓	✓	✓	✓
2	~~Bank Leave~~	✓	✓	-	✓
3	~~Impact upon the 50% law calculation~~	✓	✓	✓	✓
4	~~Faculty Release Time~~	✓	✓		✓
5	~~Faculty Vacancy, Temporary or Permanent~~	✓	✓	-	-
6	~~Faculty Load Banking Liability~~	✓	✓	-	✓
7	~~Adjunct Faculty Cost/Production~~	✓	✓	-	-
8	~~Department Chair Reassigned Time~~	✓	✓	-	✓
9	~~Management of Sabbaticals (Budgeted at colleges)~~	✓	✓	-	✓
10	~~Sick Leave Accrual Cost~~	✓	✓	-	✓
11	~~AB1725~~	✓	✓	-	-
12	~~Administrator Vacation~~	✓	✓	✓	-
	~~Classified Salaries (2XXX)~~	-	-	-	-
1	~~Classified Vacancy, Temporary or Permanent~~	✓	✓	✓	-
2	~~Working Out of Class~~	✓	✓	✓	-
3	~~Vacation Accrual Cost~~	✓	✓	✓	-
4	~~Overtime~~	✓	✓	✓	-
5	~~Sick Leave Accrual Cost~~	✓	✓	✓	-
6	~~Compensation Time taken~~	✓	✓	✓	-
	~~Employee Benefits (3XXX)~~	-	-	-	-
1	~~STRS Employer Contribution Rates, Increase/(Decrease)~~	✓	✓	✓	-
2	~~PERS Employer Contribution Rates, Increase/(Decrease)~~	✓	✓	✓	-
3	~~OASDI Employer Rates, Increase/(Decrease)~~	✓	✓	✓	-
4	~~Medicare Employer Rates, Increase/(Decrease)~~	✓	✓	✓	-
5	~~Health and Welfare Benefits, Increases/(Decrease)~~	✓	✓	✓	-
6	~~SUI Rates, Increase/(Decrease)~~	✓	✓	✓	-
7	~~Workers' Comp. Rates, Increase/(Decrease)~~	✓	✓	✓	-
8	~~Retiree Health Benefit Cost~~				-
-	~~-OPEB Liability vs. "Pay-as-you-go"~~				✓
9	~~Cash Benefit Fluctuation, Increase/(Decrease)~~	✓	✓	✓	-
	~~Other Operating Exp & Services (5XXX)~~	-	-	-	-
1	~~Property and Liability Insurance Cost~~	-	-	-	✓
2	~~Waiver of Cash Benefits~~	✓	✓	✓	-
3	~~Utilities~~	-	-	-	-

-	~~-Gas~~	✓	✓	✓	-
-	~~-Water~~	✓	✓	✓	-
-	~~-Electricity~~	✓	✓	✓	-
-	~~-Waste Management~~	✓	✓	✓	-
-	~~-Water District, Sewer Fees~~	✓	✓	✓	-
~~4~~	~~Audit~~	-	-	✓	✓
~~5~~	~~Board of Trustee Elections~~	-	-	-	✓
~~6~~	~~Scheduled Maintenance~~	✓	✓	-	✓
~~7~~	~~Copyrights/Royalties Expenses~~	✓	✓		
~~Capital Outlay (6XXX)~~		-	-	-	-
~~1~~	~~Equipment Budget~~	-	-	-	-
-	~~-Instructional~~	✓	✓	✓	✓
-	~~-Non-Instructional~~	✓	✓	✓	✓
~~2~~	~~Improvement to Buildings~~	✓	✓	✓	✓
~~3~~	~~Improvement to Sites~~	✓	✓	✓	✓

~~TABLE 2~~ ~~**Revenue and Budget Responsibilities**~~		~~**Santa Ana College & CEC**~~ ☑	~~**Santiago Canyon College & OEC**~~ ☑	~~**District Services**~~ ☑	~~**Institutional or Districtwide monitoring**~~ ☑
~~**Federal Revenue (81XX)**~~		-	-	-	-
~~1~~	~~Grants Agreements~~	✓	✓	✓	-
~~2~~	~~General Fund Matching Requirement~~	✓	✓	✓	-
~~3~~	~~In-Kind Contribution (no additional cost to general fund)~~	✓	✓	✓	-
~~4~~	~~Indirect Cost (overhead)~~	✓	✓	✓	✓
~~**State Revenue (86XX)**~~		-	-	-	-
~~1~~	~~Base Funding~~	✓	✓		-✓
~~2~~	~~Apportionment~~	✓	✓	-	-✓
~~3~~	~~COLA or Negative COLA~~	✓	✓	✓	✓ ~~subject to collective bargaining~~
~~4~~	~~Growth, Work Load Measure Reduction, ***Negative Growth***~~	✓	✓	✓	✓
~~5~~	~~Categorical Augmentation/Reduction~~	✓	✓	✓	-
~~6~~	~~General Fund Matching Requirement~~	✓	✓	✓	-
~~7~~	~~Apprenticeship~~	✓	✓	-	-
~~8~~	~~In-Kind Contribution~~	✓	✓	✓	-
~~9~~	~~Indirect Cost~~	✓	✓	✓	✓
~~10~~	~~Lottery~~	-	-	-	-
-	~~-Unrestricted (abate cost of utilities)~~	✓	✓	✓	-
-	~~-Restricted-Proposition 20~~	✓	✓		-

~~11~~	~~Instructional Equipment Matches (3:1)~~	~~✓~~	~~✓~~	-	~~✓ and will have chargeback to site proportionally~~
~~12~~	~~Scheduled Maintenance Matches (1:1)~~	~~✓~~	~~✓~~	~~✓~~	~~✓ and will have chargeback to site proportionally~~
~~13~~	~~Part time Faculty Compensation Funding~~	~~✓~~	~~✓~~	-	~~✓ subject to collective bargaining~~
~~14~~	~~State Mandated Cost~~	~~✓~~	~~✓~~		~~✓~~
~~Local Revenue (88XX)~~		-	-	-	-
~~1~~	~~Contributions~~	~~✓~~	~~✓~~	~~✓~~	-
~~2~~	~~Fundraising~~	~~✓~~	~~✓~~	~~✓~~	-
~~3~~	~~Proceed of Sales~~	~~✓~~	~~✓~~	~~✓~~	-
~~4~~	~~Health Services Fees~~	~~✓~~	~~✓~~	-	
~~5~~	~~Rents and Leases~~	~~✓~~	~~✓~~	~~✓~~	-
~~6~~	~~Enrollment Fees~~	~~✓~~	~~✓~~	-	
~~7~~	~~Non-Resident Tuition~~	~~✓~~	~~✓~~	-	-
~~8~~	~~Student ID and ASB Fees~~	~~✓~~	~~✓~~		-
~~9~~	~~Parking Fees~~	-	-	-~~✓~~	~~✓~~

Rancho Santiago Community College District

Budget Allocation Model Based on ~~SB 361~~the SCFF

Appendix A – Definition of Terms

AB 1725 – Comprehensive California community college reform legislation passed in 1988, that covers community college mission, governance, finance, employment, accountability, staff diversity and staff development.

Accreditation – The review of the quality of higher education institutions and programs by an association comprised of institutional representatives. The Accrediting Commission for Community and Junior Colleges (ACCJC) of the Western Association of Schools and Colleges (WASC) accredits California's community colleges.

Apportionments – Allocations of ~~state~~State or federal aid, local taxes, or other monies among school districts or other governmental units. The district's base revenue provides most of the district's revenue. The ~~state~~State general apportionment is equal to the base revenue less budgeted property taxes and student fees. There are other smaller apportionments for programs such as apprenticeship and EOPS.

Augmentation – An increased appropriation of budget for an intended purpose.

Bank Leave – Faculty have the option to "bank" their beyond contract teaching load instead of getting paid during that semester. They can later request a leave of absence using the banked LHE.

BAM – Budget Allocation Model.

BAPR – Budget and Planning Review Committee.

Base Allocation (Funding) – The base allocation represents appoximately 70% of the statewide funding for CCC's. The base allocation includes the basic allocation which is determined by the college size and number of comprehensive educational centers. A district's base funding could be higher or lower than the 70% statewide target depending on FTES generation as a comparison to overall apportionment.

Base FTES – The amount of funded actual FTES from the prior year becomes the base FTES for the following year. For the tentative budget preparation, the prior year P1 will be used. For the proposed adopted budget, the prior year P2 will be used. At the annual certification at the end of February, an adjustment to actual will be made.

Basic Allocation – Funding based on the number of colleges and comprehensive centers in the community college district. Rates for the size of colleges and comprehensive educational centers were established as part of SB 361 and henceforth are adjusted annually by COLA.

Budget Center – The three Budget Centers of the district are Santa Ana College, Santiago Canyon College and the District Services.

Budget Stabilization Fund – The portion of the district's ending fund balance, in excess of the 5% reserve, budget center carryovers and any restricted balances, available for one-time needs at the discretion of the chancellor and Board of Trustees.

Cap – An enrollment limit beyond which districts do not receive funds for additional students.

Capital Outlay – Capital outlay expenditures are those that result in the acquisition of, or addition to, fixed assets. They are expenditures for land or existing buildings, improvement of sites, construction of buildings, additions to buildings, remodeling of buildings, or initial or additional equipment. Construction-related salaries and expenses are included.

Categorical Funds – Money from the ~~state~~State or federal government granted to qualifying districts for special programs, such as Matriculation or Vocational Education. Expenditure of categorical funds is restricted to the fund's particular purpose. The funds are granted to districts in addition to their general apportionment.

Career Development and College Preparation (CDCP) - Noncredit courses offered in the four distinct categories (instructional domains) of English as a Second Language (ESL), Elementary and Secondary Basic Skills, Short-term Vocational, and Workforce Preparation are eligible for "enhanced funding" when sequenced to lead to a Chancellor's Office approved certificate of completion, or certificate of competency, in accordance with the provisions of the California Education Code governing Career Development and College Preparation (CDCP) programs.

Formatted: Font: Times New Roman, 12 pt

CCCCO – California Community College Chancellor's Office

Center – An off-campus site administered by a parent college that offers programs leading to certificates or degrees that are conferred by the parent institution. The district centers are Centennial Education Center (CEC) and Orange Education Center (OEC).

COLA – Cost of Living Adjustment allocated from the ~~state~~State calculated by a change in the Consumer Price Index (CPI).

College Reserve – College-specific one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes.

Credit FTES – Credit FTES include traditional credit, special admit and incarcerated populations. Traditional credit FTES are funded based on a simple three-year rolling average. Special admit and incarcerated FTES are funded based on the current year production.

Decline – When a District (or college internally) earns fewer FTES than the previous year. (please see Stabilization and Restoration)

Defund – Permanently eliminating a position and related cost from the budget.

Ending Fund Balance – Defined in any fiscal year as Beginning Fund Balance plus total revenues minus total expenditures. The Ending Fund Balance rolls over into the next fiscal year and becomes the Beginning Fund Balance. It is comprised of College Reserves, Institutional Reserves and any other specific carryovers as defined in the model or otherwise designated by the Board.

Fifty Percent Law (50% Law) – Section 84362 of the Education Code, commonly known as the 50% Percent Law, requires each community college district to spend at least half of its "current expense of education" each fiscal year on the "salaries of classroom instructors." Salaries include benefits and salaries of instructional aides.

Fiscal Year – Twelve calendar months; in California, it is the period beginning July 1 and ending June 30. Some special projects use a fiscal year beginning October 1 and ending September 30, which is consistent with the federal government's fiscal year.

FON – Faculty Obligation Number, the number of ~~full time~~full-time faculty the district is required to employ as set forth in title 5, section 53308.

FRC – Fiscal Resources Committee.

FTES – Full Time Equivalent Students. The number of students in attendance as determined by actual count for each class hour of attendance or by prescribed census periods. Every 525 hours of actual attendance counts as one FTES. The number 525 is derived from the fact that 175 days of instruction are required each year, and students attending classes three hours per day for 175 days will be in attendance for 525 hours (3 x 175 = 525). FTES are separated into the following categories for funding; traditional credit, special admit, incarcerated, traditional noncredit and CDCP.

Fund 11 – The unrestricted general fund used to account for ongoing revenue and expenditures.

Fund 12 – The restricted general fund used to account for categorical and special projects.

Fund 13 – The unrestricted general fund used to account for unrestricted carryovers and one-time revenues and expenses.

Growth – Funds provided in the ~~state~~State budget to support the enrollment of additional FTE students.

In-Kind Contributions – Project-specific contributions of a service or a product provided by the organization or a third-party where the cost cannot be tracked back to a cash transaction which, if allowable by a particular grant, can be used to meet matching requirements if properly documented. In-kind expenses generally involve donated labor or other expense.

Indirect Cost – Indirect costs are institutional, general management costs (i.e., activities for the direction and control of the district as a whole) which would be very difficult to be charged directly to a particular project. General management costs consist of administrative activities necessary for the general operation of the agency, such as accounting, budgeting, payroll preparation, personnel services, purchasing, and centralized data processing. An indirect cost rate is the percentage of a district's indirect costs to its direct costs and is a standardized method of charging individual programs for their share of indirect costs.

Institutional Reserve – Overall districtwide one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. The Institutional Reserve consists of the Board Policy Contingency, the Budget Stabilization Fund, and any other contingency fund held at the institutional level over and above the College Reserves.

LHE – Lecture Hour Equivalent. The standard instructional work week for faculty is fifteen (15) LHE of classroom assignments, fifteen (15) hours of preparation, five (5) office hours, and five (5) hours of institutional service. The normal teaching load for faculty is thirty (30) LHE per school year.

Mandated Costs – District expenses which occur because of federal or ~~state~~State laws, decisions of federal or ~~state~~State courts, federal or ~~state~~State administrative regulations, or initiative measures.

Modification – The act of changing something.

Noncredit – Noncredit coursework consists of traditional noncredit and CDCP. CDCP is eligible for enhanced funding.

POE – Planning and Organizational Effectiveness Committee.

Proposition 98 – Proposition 98 refers to an initiative constitutional amendment adopted by California's voters at the November 1988 general election which created a minimum funding guarantee for K-14 education and also required that schools receive a portion of ~~state~~State revenues that exceed the S~~s~~tate's appropriations limit.

Reserves – Funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. Districts that have less than a 5% reserve are subject to a fiscal 'watch' to monitor their financial condition.

Restoration – A community college district is entitled to restore any reduction of apportionment revenue related to decreases in total FTES during the three years following the initial year of decrease if there is a subsequent increase in FTES. ~~increases its FTES back to the level prior to the year of decline based on the total computational revenue amount. Districts are entitled to restore FTES during the three years following the initial year of decline, but only receive stability funding in year one. (please see Decline and Stabilization)~~

SB 361 – The New Community College Funding Model (Senate Bill 361), effective October 1, 2006, includes funding base allocations depending on the number of FTES served, credit FTES funded at an equalized rate, noncredit FTES funded at an equalized rate, and enhanced noncredit FTES funded at an equalized rate. The intent of the formula is to provide a more equitable allocation of system wide resources, and to eliminate the complexities of the previous Program Based Funding model while still retaining focus on the primary component of that model, instruction. In addition, the formula provides base operational allocations for colleges and centers scaled for size.

SCFF – The Student Centered Funding Formula is the new model for funding California community colleges. Made up of three parts, Base Allocation, Supplemental Allocation and Student Success Allocation, the aim of the SCFF is to improve student outcomes as a whole while targeting student equity and success.

Formatted: Font: Not Bold

Seventy-five/twenty-five (75/25) – Refers to policy enacted as part of AB 1725 that sets 75 percent of the hours of credit instruction as a goal for classes to be taught by full-time faculty.

Stabilization – A District receives stability funding from the S~~s~~tate for ~~non-credit~~noncredit and CDCP FTES (funding at the prior year FTES level) the first year of ~~non-credit~~noncredit and CDCP FTES decline. Each college receives its share of the stability funding based on an internal stability mechanism described in this Budget Allocation Model. (please see Decline and Restoration).

Student Success Allocation (Funding) – Consists of approximately 10% of the statewide budget. Apportioned to districts based on a variety of metrics that measures student success. Some examples of the metrics used include associate degrees awarded, certificate degrees awarded, students who earn a regional living wage within a year after leaving college and students that complete transfer level math and ~~english~~English- requirements in their first year. The student success allocation is based on a simple three year rolling average which uses the prior, prior prior, and prior prior prior year outcome metrics. Students contributing to fully funded FTES populations (special admit and incarcerated) are not included for funding.

Formatted: Font: Bold

Supplemental Allocation (Funding) – Consists of approximately 20% of the statewide budget. Apportioned to districts based on districts students that are Pell Grant Recipients, AB540 students and/or California Promise Grant Recipients. Students contributing to fully funded FTES populations (special admit and incarcerated) are not included for funding.

Formatted: Font: Not Bold

Target FTES – The estimated amount of agreed upon FTES the district or college anticipates the opportunity to earn growth/restoration funding during a fiscal year.

Three-year Average – For any given fiscal year the three-year average is the average of current year, prior year and prior prior year traditional credit FTES data. Special Admit and Incarcerated FTES are not included in the three-year average. A three-year average is also utilized for student success metrics. For student success, the three-year average uses the prior year, prior, prior year and prior, prior, prior years to determine funded outcomes.

Formatted: Font: Bold

Title 5 – The portion of the California Code of Regulations containing regulations adopted by the Board of Governors which are applicable to community college districts.

1300 accounts – Object Codes 13XX designated to account for part time teaching and beyond contract salary cost.

7200 Transfers – Intrafund transfers made between the restricted and unrestricted general fund to close a categorical or other special project at the end of the fiscal year or term of the project.

College and District Services Budgets and Expenditure Responsibilities

Formatted: Font: 14 pt

Revenue Allocation

Formatted: Font: 12 pt

Since the RSCCD BAM is a revenue allocation model, all expenditures and allocation of revenues under the model are the responsibilities of the colleges and centers. Expenditure responsibilities for the colleges, District Services and Institutional Costs are summarized in Table 1.

TABLE 1 Expenditure and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services ☑	Institutional or Districtwide monitoring ☑
Academic Salaries- (1XXX)					
1	State required full-time Faculty Obligation Number (FON)	✓	✓	✓	✓
2	Bank Leave	✓	✓		✓
3	Impact upon the 50% law calculation	✓	✓	✓	✓
4	Faculty Release Time	✓	✓		✓
5	Faculty Vacancy, Temporary or Permanent	✓	✓		
6	Faculty Load Banking Liability	✓	✓		✓
7	Adjunct Faculty Cost/Production	✓	✓		
8	Department Chair Reassigned Time	✓	✓		✓
9	Management of Sabbaticals (Budgeted at colleges)	✓	✓		✓
10	Sick Leave Accrual Cost	✓	✓		✓
11	AB1725	✓	✓		
12	Administrator Vacation	✓	✓	✓	
Classified Salaries- (2XXX)					
1	Classified Vacancy, Temporary or Permanent	✓	✓	✓	
2	Working Out of Class	✓	✓	✓	
3	Vacation Accrual Cost	✓	✓	✓	
4	Overtime	✓	✓	✓	
5	Sick Leave Accrual Cost	✓	✓	✓	
6	Compensation Time taken	✓	✓	✓	
Employee Benefits-(3XXX)					
1	STRS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
2	PERS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
3	OASDI Employer Rates, Increase/(Decrease)	✓	✓	✓	
4	Medicare Employer Rates, Increase/(Decrease)	✓	✓	✓	
5	Health and Welfare Benefits, Increases/(Decrease)	✓	✓	✓	
6	SUI Rates, Increase/(Decrease)	✓	✓	✓	
7	Workers' Comp. Rates, Increase/(Decrease)	✓	✓	✓	

8	Retiree Health Benefit Cost				
	-OPEB Liability vs. "Pay-as-you-go"				✓
9	Cash Benefit Fluctuation, Increase/(Decrease)	✓	✓	✓	
Other Operating Exp & Services-(5XXX)					
1	Property and Liability Insurance Cost				✓
2	Waiver of Cash Benefits	✓	✓	✓	
3	Utilities				
	-Gas	✓	✓	✓	
	-Water	✓	✓	✓	
	-Electricity	✓	✓	✓	
	-Waste Management	✓	✓	✓	
	-Water District, Sewer Fees	✓	✓	✓	
4	Audit			✓	✓
5	Board of Trustee Elections				✓
6	Scheduled Maintenance	✓	✓		✓
7	Copyrights/Royalties Expenses	✓	✓		
Capital Outlay-(6XXX)					
1	Equipment Budget				
	-Instructional	✓	✓	✓	✓
	-Non-Instructional	✓	✓	✓	✓
2	Improvement to Buildings	✓	✓	✓	✓
3	Improvement to Sites	✓	✓	✓	✓

Revenue and budget responsibilities are summarized on Table 2. The total annual revenue to each college will be the sum of base, supplemental and student success funding rates for each college and center as defined by the SCFF. minus any adjustments by the CCCCO ~~SB 361 and applying the current FTES rates for credit base, noncredit base, career development and college preparation noncredit base revenues~~ as well as any local unrestricted or restricted revenues earned by the college.

TABLE 2 **Revenue and Budget Responsibilities**		**Santa Ana College & CEC ☑**	**Santiago Canyon College & OEC ☑**	**District Services ☑**	**Institutional or Districtwide monitoring ☑**
Federal Revenue- (81XX)					
1	Grants Agreements	✓	✓	✓	
2	General Fund Matching Requirement	✓	✓	✓	
3	In-Kind Contribution (no additional cost to general fund)	✓	✓	✓	
4	Indirect Cost (overhead)	✓	✓	✓	✓
State Revenue- (86XX)					
1	Base Funding	✓	✓		✓
	Supplemental Funding	✓	✓		✓
	Student Success Funding	✓	✓		✓
2	Apportionment	✓	✓		✓

Formatted: Space After: 8 pt, Line spacing: Multiple 1.08 li

Formatted Table

3	COLA or Negative COLA	✓	✓	✓	✓ subject to collective bargaining
4	Growth, Work Load Measure Reduction, ***Negative Growth***	✓	✓	✓	✓
5	Categorical Augmentation/Reduction	✓	✓	✓	
6	General Fund Matching Requirement	✓	✓	✓	
7	Apprenticeship	✓	✓		
8	In-Kind Contribution	✓	✓	✓	
9	Indirect Cost	✓	✓	✓	✓
10	Lottery				
	- Unrestricted (abate cost of utilities)	✓	✓	✓	
	- Restricted-Proposition 20	✓	✓		
11	Instructional Equipment Matches (3:1)	✓	✓		✓ and will have chargeback to site proportionally
12	Scheduled Maintenance Matches (1:1)	✓	✓	✓	✓ and will have chargeback to site proportionally
13	Part time Faculty Compensation Funding	✓	✓		✓ subject to collective bargaining
14	State Mandated Cost	✓	✓		✓
Local Revenue- (88XX)					
1	Contributions	✓	✓	✓	
2	Fundraising	✓	✓	✓	
3	Proceed of Sales	✓	✓	✓	
4	Health Services Fees	✓	✓		
5	Rents and Leases	✓	✓	✓	
6	Enrollment Fees	✓	✓		
7	Non-Resident Tuition	✓	✓		
8	Student ID and ASB Fees	✓	✓		
9	Parking Fees			✓	✓

The revenue allocations will be regularly reviewed by the FRC. In reviewing the allocation of general funds, the FRC should take into consideration all revenues, including restricted revenues, available to each of the Budget Centers less any apportionment deficits, property tax shortfalls or uncollected student fees or shortfalls. If necessary, the FRC will recommend adjustments to District Council for submission to the Chancellor.

The expenditures allocated for District Services and for Institutional Costs will be developed based on the projected levels of expenditure for the prior fiscal year, taking into account unusual or one-time anomalies, reviewed by the FRC and the District Council and approved by the Chancellor and the Board of Trustees.

DISTRICT SERVICES – Examples are those expenses associated with the operations of the Chancellor's Office, Board of Trustees, Public Affairs, Human Resources, Risk Management, Educational Services, Institutional Research, Business Operations, Internal Auditing, Fiscal Services, Payroll, Purchasing, Facilities Planning, ITS and Safety Services. Economic Development expenditures are to be included in the District Services budget but clearly delineated from other District expenditures.

INSTITUTIONAL COSTS – Examples are those expenses associated with State and Federal regulatory issues, property, liability and other insurances, board election, interfund transfers and Retiree Health Benefit Costs. As the board election expense is incurred every other year, it will be budgeted each year at one-half of the estimated cost. In the off years, the funds will remain unspent and specifically carried over to the next year to be used solely for the purpose of the election expense. If there is insufficient budget, the colleges will be assessed the difference based on the current FTES split. If any funds remain unspent in an election year, it will be allocated to the colleges based on the current FTES split for one-time uses.

An annual review of District Services and Institutional Costs will be conducted by the District Council each fall in order to give time to complete the evaluation in time to prepare for the following fiscal year budget cycle and implement any suggestions. The review will include an evaluation of the effectiveness of the services provided to assure the District is appropriately funded. If the District Council believes a change to the allocation is necessary, it will submit its recommendation to the FRC for funding consideration and recommendation to the Chancellor.

District Reserves and Deficits

The Board of Trustees will establish a reserve through board policy, state guidelines and budget assumptions.

The Chancellor reserves the right to adjust allocations as necessary.

The Board of Trustees is solely responsible for labor negotiations with employee groups. Nothing in this budget model shall be interpreted to infringe upon the Board's ability to collectively bargain and negotiate in good faith with employee organizations and meet and confer with unrepresented employees.

College Budget and Expenditure Responsibilities

Colleges will be responsible for funding the current programs and services that they operate as part of their budget plans. There are some basic guidelines the colleges must follow:

- Allocating resources to achieve the state funded level of FTES is a primary objective for all colleges.
- Requirements of the collective bargaining agreements apply to college level decisions.
- The FON (Faculty Obligation Number) must be maintained by each college. Full-time faculty hiring recommendations by the colleges are monitored on an institutional basis. Any financial penalties imposed by the state due to FON non-compliance will be borne proportionately by the campus not in compliance.
- In making expenditure decisions, the impact upon the 50% law calculation must be considered and budgeted appropriately. Any financial penalties imposed by the state due to 50% law non-compliance will be borne proportionally (by FTES split) by both campuses.
- With unpredictable state funding, the cost of physical plant maintenance is especially important. Lack of maintenance of the operations and district facilities and grounds will have a significant impact on the campuses and therefore needs to be addressed with a detailed plan and dedicated budget whether or not funds are allocated from the state.

Budget Center Reserves and Deficits

At the Adopted Budget each college shall set aside a contingency reserve in the Unrestricted General Fund equal to a minimum of 1% of its total current year budgeted Fund 11 expenditures to handle unforeseen expenses. If the contingency reserve is unspent by fiscal year end, the college reserve rolls over into the colleges' beginning balance for the following fiscal year. The District Services and Institutional Cost allocations are budgeted as defined in the model for the appropriate operation of the district and therefore are not subject to carryover, unless specifically delineated. The Chancellor and Board of Trustees reserve the right to modify the budget as deemed necessary.

If a college incurs an overall deficit for any given year, the following sequential steps will be implemented:

The college reserve shall first be used to cover any deficit (structural and/or one-time). If reserves are not sufficient to cover the deficit, then the college is to prepare an immediate expenditure reduction plan that covers the amount of deficit along with a plan to replenish the 1% minimum reserve level. Once the college reserve has been exhausted, in circumstances when any remaining deficit is greater than 1.5% of budgeted Fund 11 expenditures, and a reduction plan has been prepared up to the 1.5% level, the college may request a temporary loan from District Reserves. The request, including a proposed payback period, should be submitted to the FRC for review. If the FRC supports the request, it will forward the recommendation to the District Council for review and recommendation to the Chancellor who will make the final determination.

Formatted: CM11, Justified

Vacant Funded Positions as of 11/6/2019 - Projected Annual Salary and Benefits Savings

Fund	Management/ Academic/ Confidential	Position ID	Title	Reasons	Site	Effective Date	Notes	2019-20 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Birk, John	5HR-UF-DIR	Director, Information System	Retirement	District	7/11/2019	Dept. submitted BCF#BC00063E reducing salary acct by $38,700	181,585	
11	Bland, Antoinette	5SAFE-UF-CHIEF	Chief, District Safety & Security	Retirement	District	12/10/2018	Michael Toledo#1446793 Interim Assignment 7/1/19-6/30/20. Board docket 8/12/2019	214,502	827,940
11	Iannaccone, Judith	5PAG-UF-DIR	Director, Public Affairs & Publications	Retirement	District	8/31/2018		194,891	
11	Oropeza, Alfonso	5YAS-UF-DIR2	Director Academic & End User Support Services	Retirement	District	10/23/2019	CL19-1344	143,064	
50%-fd 11 50%-fd 12	Santoyo, Sarah	5RDEV-UF-DIRX	Executive Director Resource Development	Promotion	District	1/28/2019	Dept. submitted BCF#BC000D23 reducing $3,547	93,898	
11	New-Assistant Professor of Physics AC19-0720				SAC		AC19-0720 Professor of Physics was not hired, redirected to Performing Arts	143,273	
11	Brown, Laurence	1CMST-FF-IN	Instructor, Comm Studies	Retirement	SAC	6/7/2019		143,273	
11	Budarz, Timo	1PHYS-FF-IN	Instructor, Physics	Resignation	SAC	10/26/2018		143,273	
11	Dominguez, Gary M.	1FIAC-AF-DIR	Director, Fire Instruction	Retirement	SAC	8/23/2019	Interim Assignment 8/19/19-06/30/20 Michael Busch#1027462	98,795	
11	English, Noemi	1DSL-FF-IN	Instructor, Automotive Technology/Engine	Resignation	SAC	10/8/2018		143,273	
11	Fernandez, Joseph E.	1NURS-FF-IN	Nursing Instructor	Resignation	SAC	8/12/2019		149,078	
11	Giroux, Regina	1NURS-FF-IN	Instructor, Nursing	Retirement	SAC	12/15/2018		143,273	
11	Holder, Vera M.	1CMST-FF-IN	Instructor, Communication Studies	Retirement	SAC	6/7/2019		148,833	
11	Jaffray, Shelly C.	1HSS-AF-DN	Dean, Humanities & Social Sciences	Retirement	SAC	6/30/2019	AC19-0751. Interim Assignment Javier Galvan	258,749	
11	Jenkins, Robert B.	11AEI-FF-IN	Professor/Coordinator ESL	Retirement	SAC	5/22/2020		-	2,682,812
11	Mahany, Donald	1FIAC-AF-DNAC1	Associate Dean, Fire Technology	Retirement	SAC	1/2/2020		94,534	
11	Miller, Rebecca	1SMHS-AF-DNAC	Associate Dean, Health Science/Nursing	Retirement	SAC	6/30/2020		-	
50%-fd 11 50%-fd 12	Ortiz, Fernando	1ACA-NF-CORD9	Coordinator, Guided Pathways	Promotion	SAC	4/1/2019		71,636	
11	Parolise, Michelle R.	1OTA-NF-CORD	Coordinator, OTA Program	Retirement	SAC	8/7/2019		149,054	
11	Sadler, Dennis	1CNSL-NF-CN1	Counselor/Instructor	Retirement	SAC	6/30/2019		143,273	
11	Serrano, Maximiliano H.	1AUTO-FF-IN	Instructor, Automotive Technology	Resignation	SAC	10/5/2018		143,273	
11	Sherod, Susan M.	1ENGR-FF-IN	Engineering Instructor	Retirement	SAC	6/30/2019		167,199	
11	Sneddon, Marta	1CJA-FF-IN	Instructor, CJ/Fire Academy	Retirement	SAC	6/8/2019		143,273	
11	Vazquez, Alejandro	1CUST-UF-SUPR	Custodial Supervisor	Probational Dismissal	SAC	7/17/2019	CL19-1321	101,936	
11	Waterman, Patricia J.	1ART-FF-IN	Instructor, Art	Retirement	SAC	6/9/2019		153,541	
11	Wright, George	1CJ-FF-IN	Instructor, Criminal Justice	Retirement	SAC	12/15/2018		143,273	
11	Brooks, Debra A.	2ERTH-FF-IN	Instructor Earth & Space Science	Retirement	SCC	1/3/2020		-	
11	Carrera, Cheryl	2MATH-FF-IN	Instructor, Math	Retirement	SCC	12/15/2019		90,193	
11	Coto, Jennifer	2CG-NF-CORD	Coordinator, Hispanic Serving Institution	Change of Position	SCC	7/23/2019		189,816	
11	Geissler, Joseph	2LIB-NF-LIB	Librarian	Deceased	SCC	3/9/2019		143,273	782,847
11	Lawson, Cassell A.	2CAR-AF-DN	Dean,Business &Career Technical Education	Resignation	SCC	5/27/2019	AC19-0759 Elizabeth Arteaga Interim Assignment 12/31/19	234,660	
11	Nguyen, Steven	2CHEM-FF-IN	Chemistry Instructor	Resignation	SCC	8/19/2019		124,905	
11	Wong, Lana	2LIB-NF-LIB	Librarian	Retirement	SCC	6/30/2020		-	
								4,293,599	

Fund	Classified	Position ID	Title	Reasons	Site	Effective Date	Notes	2019-20 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Andrade Cortes, Jorge L.	5ACCT-CF-ANYS	Senior Accounting Analyst	Resignation	District	9/27/2019		87,174	
11	Bennett, Laura D.	5PUR-CF-BUYR2	Buyer	Resignation	District	9/13/2019	Danielle Reynolds WOC 9/9/19-12/20/19	85,632	
11	Knorr, David G.	5YSP-CF-DSO11	District Safety Officer	Resignation	District	9/12/2019		53,855	
60%-fd 11 40%-fd 12	Lordanich, Joseph A.	5YSP-CF-DSOS5	Senior District Safety Officer	Transfer	District	7/15/2019	CL19-1322 Transfer Joseph Lordanich#1503145 eff 7/15/2019 to fill Greenhalgh vacancy	61,586	
11	Montanez, Jesse	5SSP-CM-DSO5	District Safety Officer	Termination	District	9/24/2019		18,057	614,284
11	Nguyen, James V.	5DMC-CF-CUSR	Senior Custodian/Utility Worker	Probational Dismissal	District	8/6/2019	Dept. submitted BCF#BC0009Z8 ($3,290)	56,853	
11	Nolan, Leanna	5FISC-CF-CLSR	Senior Clerk	Resignation	District	10/1/2019		45,525	
65.50%-fd 11 34.50%-fd 12	Senior District Safety Officer		Senior District Safety Officer	REORG#1148	District	7/1/2019	CL19-1323/Reorg#1148	96,987	
	Trujillo Zuniga, Beatrice	5SSO-CF-CLSR2	Senior Clerk/Communication (Bilingual)	Promotion	District	7/9/2019	CL19-1317. Lateral Transfer Loretta Martinez	-	
11	Yamoto, Sec. Stephanie	5FACL-CF-SPFP	Facility Planning Specialist	Resignation	District	8/26/2019	CL19-1334	108,614	
70%-fd 11 30%-fd 12	Adame, Patricia A.	10AD-CF-SECA2	Administrative Secretary	Retirement	CEC	12/30/2019	CL19-1359	37,576	
11	Administrative Secretary	REORG#1146	Administrative Secretary	REORG#1146	SAC	7/30/2019	REORG#1146	93,248	
11	Crawford, Jonathan A.	1GRDS-CM-WKR2	P/T Gardener/Utility Worker	Resignation	SAC	6/25/2019	CL19-1309 Budget in account 11-0000-696000-17300-2310 Reorg#1095	26,131	
11	Digital Media Specialist		Digital Media Specialist	REORG#1150			CL19-1304 REORG#1150		
11	McCabe, Caroline V.	1ARTG-CF-CORD	Art Gallery Coordinator	Deceased	SAC	6/29/2019		73,849	
11	Morillo, Jose C.	1CUST-CF-CUSL1	Lead Custodian	Retirement	SAC	7/31/2019	Interim Assignment Sophanareth Tuon 8/1/19-10/31/19	66,223	580,863
40%-fd 11 60%-fd 12	Nguyen, Cang D.	1ASMT-CF-TECH4	Instructional Center Technician	Retirement	SAC	12/29/2019		18,377	
11	Nguyen, John T.	1SA-CM-CORD	P/T Student Services Specialist	Promotion	SAC	8/12/2019		24,679	
94%-fd 11 6%-fd 31	Reynoso, Mark	1AUX-CF-ACTS2	Senior Accountant	Promotion	SAC	7/1/2019		110,961	
11	Schumacher, Leisa A.	1ACA-CF-SECX	Executive Secretary	Promotion	SAC	10/8/2019	CL19-1352	96,309	
40%-fd 11 60%-fd 12	Vu, Giang T.	1ASMT-CF-CLAD	Administrative Clerk	Retirement	SAC	8/31/2019	CL19-1337	33,511	
14%-fd 11 86%-fd 12	Berganza, Leyvi C	2OSS-CF-SPOR1	High School & Community Outreach Specialist	Promotion	OEC	3/19/2017		13,847	
11	Gavilanes, Jose M.	2CUS-CM-CUS1	P/T Custodian	Custodian	SCC	10/27/2019		15,054	
11	Gardener-Lead		Gardener-Lead	Reorg#1154	SCC		CL19-1314 REORG#1154	86,656	
11	Gardener/Utility Worker 1 of 3		Gardener/Utility Worker 1 of 3	Reorg#1154	SCC		CL19-1315 REORG#1154 1 of 3	81,229	
11	Gardener/Utility Worker 2 of 3		Gardener/Utility Worker 2 of 3	Reorg#1154	SCC		CL19-1315 REORG#1154 2 of 3	81,229	
11	Gardener/Utility Worker 3 of 3		Gardener/Utility Worker 3 of 3	Reorg#1154	SCC		CL19-1315 REORG#1154 3 of 3	81,229	
11	P/T Gardener/Utility Worker 1 of 2		P/T Gardener/Utility Worker 1 of 2	Reorg#1154	SCC		CL19-1316 REORG#1154 1 of 2	21,163	745,240
11	P/T Gardener/Utility Worker 2 of 2		P/T Gardener/Utility Worker 2 of 2	Reorg#1154	SCC		CL19-1316 REORG#1154 2 of 2	21,163	
11	Gitonga, Kanana	2INTL-CF-CORD	International Student Coordinator	Retirement	SCC	1/31/2019	WOC Esther Meade 1/1/19-5/31/19	110,841	
11	Huerta, Alfonso	2MDIA-CF-TECH1	Media Systems Electronics Technician	Retirement	SCC	8/31/2019	CL19-1319. Vinh Do#1418034 WOC	98,669	
11	Ner, Florence	2ADMS-CF-ACTS2	Senior Accountant	Resignation	SCC	6/12/2019	CL19-1291	111,581	
11	Perez, Justin J.	2CUS-CM-CUS5	P/T Custodian	Probational Dismissal	SCC	4/18/2019	CL19-1293	22,580	
								1,940,388	
TOTAL								6,233,986	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE Q

Projects Cost Summary
10/31/19 on 11/04/19

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2019-2020 Expenditures	FY 2019-2020 Encumbrances	Cumulative Exp & Enc	Project Balance	% Spent
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3035/ 3056	Johnson Student Center	59,442,126	12,097,425	5,748,772	38,000,349	55,846,546	3,595,580	94%
	Agency Cost		477,737	1,157	5,349	484,244		
	Professional Services		3,710,137	407,662	3,038,249	7,156,048		
	Construction Services		7,909,551	5,339,953	34,956,751	48,206,254		
	Furniture and Equipment		-	-	-	-		
3049	Science Center & Building J Demolition	70,480,861	38,623,078	8,019,799	11,995,361	58,638,237	11,842,624	83%
	Agency Cost		427,263	-	1,696	428,959		
	Professional Services		7,089,932	368,889	2,000,506	9,459,327		
	Construction Services		31,105,882	7,506,644	9,885,790	48,498,316		
	Furniture and Equipment		-	144,265	107,369	251,635		
	TOTAL ACTIVE PROJECTS	**129,922,987**	**50,720,503**	**13,768,570**	**49,995,710**	**114,484,783**	**15,438,204**	**88%**
CLOSED PROJECTS								
3032	Dunlap Hall Renovation	12,620,659	12,620,659	-	-	12,620,659	0	100%
	Agency Cost		559	-		559		
	Professional Services		1,139,116	-	-	1,139,116		
	Construction Services		11,480,984	-	-	11,480,984		
	Furniture and Equipment		-	-	-	-		
3042	Central Plant Infrastructure	57,266,535	57,266,535	-	-	57,266,535	0	100%
	Agency Cost		416,740	-	-	416,740		
	Professional Services		9,593,001	-	-	9,593,001		
	Construction Services		47,216,357	-	-	47,216,357		
	Furniture and Equipment		40,437	-	-	40,437		
3043	17th & Bristol Street Parking Lot	198,141	198,141	-	-	198,141	0	100%
	Agency Cost		16,151	-	-	16,151		
	Professional Services		128,994	-	-	128,994		
	Construction Services		52,996	-	-	52,996		
	Furniture and Equipment		-	-	-	-		
	TOTAL CLOSED PROJECTS	**70,085,335**	**70,085,334**	-	-	**70,085,334**	**0**	**100%**
	GRAND TOTAL ALL PROJECTS	**200,008,322**	**120,805,837**	**13,768,570**	**49,995,710**	**184,570,117**	**15,438,204**	**92%**

SOURCE OF FUNDS	
ORIGINAL Bond Proceeds	198,000,000
Interest Earned	2,008,322
Totals	**200,008,322**

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2019-20, 2018-19, 2017-18
YTD Actuals- October 31, 2019

FY 2019/2020

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
Beginning Fund Balance	$38,759,045	$46,756,827	$39,860,345	$42,574,989	$31,912,266	$31,912,266	$31,912,266	$31,912,266	$31,912,266	$31,912,266	$31,912,266	$31,912,266
Total Revenues	18,530,608	6,957,617	17,856,934	6,038,397	0	0	0	0	0	0	0	0
Total Expenditures	10,532,826	13,854,098	15,142,290	16,701,120	0	0	0	0	0	0	0	0
Change in Fund Balance	7,997,782	(6,896,482)	2,714,644	(10,662,723)	0	0	0	0	0	0	0	0
Ending Fund Balance	46,756,827	39,860,345	42,574,989	31,912,266	31,912,266	31,912,266	31,912,266	31,912,266	31,912,266	31,912,266	31,912,266	31,912,266

FY 2018/2019

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
Beginning Fund Balance	$37,903,213	$41,275,963	$35,157,531	$35,434,499	$27,561,284	$25,844,907	$39,405,066	$39,371,921	$28,793,164	$28,369,733	$39,111,613	$30,603,274
Total Revenues	12,626,143	6,732,548	14,600,385	7,442,505	17,105,605	29,957,387	14,004,082	6,570,808	15,379,629	26,037,945	9,298,822	31,999,654
Total Expenditures	9,253,392	12,850,980	14,323,417	15,315,721	18,821,982	16,397,228	14,037,228	17,149,564	15,803,060	15,296,065	17,807,162	23,843,882
Change in Fund Balance	3,372,750	(6,118,432)	276,968	(7,873,215)	(1,716,377)	13,560,159	(33,145)	(10,578,756)	(423,431)	10,741,880	(8,508,340)	8,155,771
Ending Fund Balance	41,275,963	35,157,531	35,434,499	27,561,284	25,844,907	39,405,066	39,371,921	28,793,164	28,369,733	39,111,613	30,603,274	38,759,045

FY 2017/2018

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
Beginning Fund Balance	$35,254,317	$40,165,384	$34,555,513	$34,261,380	$26,080,179	$27,224,885	$42,521,590	$43,680,834	$33,946,676	$32,674,972	$35,963,224	$26,790,583
Total Revenues	13,230,747	6,401,471	13,730,226	7,947,537	17,388,889	29,510,148	14,345,552	4,546,656	15,319,442	17,749,412	6,431,657	38,131,074
Total Expenditures	8,319,680	12,011,343	14,024,358	16,128,738	16,244,183	14,213,443	13,186,308	14,280,814	16,591,146	14,461,160	15,604,298	27,018,444
Change in Fund Balance	4,911,068	(5,609,872)	(294,132)	(8,181,201)	1,144,706	15,296,705	1,159,244	(9,734,158)	(1,271,704)	3,288,252	(9,172,641)	11,112,630
Ending Fund Balance	40,165,384	34,555,513	34,261,380	26,080,179	27,224,885	42,521,590	43,680,834	33,946,676	32,674,972	35,963,224	26,790,583	37,903,213

DRAFT

Fiscal Resources Committee

Executive Conference Room – District Office
1:30 p.m. – 3:00 p.m.

Meeting Minutes for October 16, 2019

FRC Members Present: Peter Hardash, Morrie Barembaum, Steven Deeley, Noemi Guzman, Bart Hoffman, Cristina Morones, Thao Nguyen, William Nguyen, Adam O'Connor, Arleen Satele, Roy Shahbazian, Michael Taylor, and Vanessa Urbina

Alternates/Guests Present: Erika Almaraz, Michael DeCarbo, James Kennedy, Jose Vargas and George Walters (CWP)

1. Welcome: Mr. Hardash called the meeting to order at 1:32 p.m.

2. State/District Budget Update
   - SSC Governor Newsom Signs $15 Billion Statewide School Bond Legislation – Mr. Hardash stated the Statewide School Bond Legislation will provide $2 billion for community colleges. PRC will discuss this topic in depth at a future meeting.
   - SSC – What Are the CalSTRS, CalPERS, Social Security, Medicare, and SUI Historical Rates? – Mr. Hardash referenced article with historical rates for STRS, PERS, etc. and confirmed that such data is also tracked in the RSCCD budget.
   - Status Update on Potential New Districtwide Bond – Mr. Hardash reported the Trustees have discussed this matter at three regular board meetings and continue to deliberate a potential bond and associated project lists. The Trustees want to hear more feedback and supporters are encouraged to attend the Board Meeting at SAC on October 28. The Chancellor requested the item move forward for approval and will be on the docket. A two-thirds vote by the Board is required to pass the resolution (that is 5 of 7 Trustees must be in favor). The Student Trustee is an advisory vote and has already verbalized his support. The Board has until November 18 to make a decision for placement of the Bond on the March 3, 2020 ballot. The deadline is December 6 prior to their regular December meeting.
   - SCFF – Mr. Hardash explained the SCFF is a train wreck, getting worse not better. Constraints and funding tactics confirm the lack of sufficient funds to support the intent of the formula. Funding for last year and even the current year may not be known until after February 2020. Many in the State are advocating to get rid of the formula and that is complicated because it is law. Bay Area 10 group is recommending they remain hold harmless which means money comes from the rest of the districts. The only real way to solve the SCFF issues is to infuse new dollars into the formula. Based on the formula, RSCCD should be a winner district but is not because of the value engineering to constrain the funding. Last year's recalculation was to be available in November, but now it is not going to be available until P1. Some of the changes being discussed will not help, but actually hurt RSCCD.

3. 2020-21 Draft Budget Calendar - ACTION
   - Mr. O'Connor referred to pages 8-9 of meeting materials. With no further feedback or comments, it was moved by Arleen Satele and seconded by Bart Hoffman to approve the 2020-21 Budget Calendar as presented. The motion passed unanimously.

4. Continued Discussion of SCFF and Review of BAM – Cambridge West Partnership Consultants
   - Mr. Walters referred to page 10 of meeting materials, the process and calendar for reviewing the RSCCD Budget Allocation Model (BAM). The recommended process is to

DRAFT

review the BAM in six sections as follows: 1) Introduction 2) Implementation 3) Responsibilities 4) Revenue Modifications 5) Other Modifications and 6) Definition of Terms. Each month FRC will address a particular section(s) based on the proposed schedule. Between each meeting, constituents will have opportunity to submit feedback and then final review in the spring. It is anticipated that the rules and data will be in place by March or April.

- Definition of Terms – Pages 13, 14, 15 and 16 of meeting materials were reviewed with suggestions received for edits, deletions and additions. This section will be revised and presented at the next meeting for approval.
- Introduction, pages 11 and 12 of meeting materials was reviewed with edits, deletions and additions provided. This section will be revised and presented at the next meeting for approval with the understanding the conversation will continue as the SCFF details become known.
- Assess/Identify Minimum Funding Necessary to Ensure Success to Program/Service (IEPI C.2.5) – Michael DeCarbo provided a briefing on the IEPI plan and requested clarification of how the action steps were met for "assess/identify minimum funding necessary to ensure success of program/service." Mr. DeCarbo will provide copies of documents for discussion at the next meeting.
- A discussion followed regarding the economy of scale for the BAM and distribution of base allocation.

5. Standing Report from District Council - Shahbazian
   Mr. Shahbazian briefly discussed two main items from District Council: 1) Mapping of Responsibilities and 2) Strategic Plan of which both were approved. Mr. Hardash noted it was at District Council that Mr. DeCarbo brought forward the IEPI Plan which is now being referred to FRC.

6. Informational Handouts
   - Districtwide expenditures report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of October 9, 2019
   - Measure "Q" Project Cost Summary as of September 30, 2019
   - Monthly Cash Flow Summary as of September 30, 2019
   - SAC Planning and Budget Committee Agendas and Minutes
   - SCC Budget Committee Agendas and Minutes
   - Mr. Hardash announced the Citizens' Bond Oversight Committee-Measure Q meeting tonight at 6:00 p.m. in Board Room to review draft Annual Report to the Community.

7. Approval of FRC Minutes – September 18, 2019
   A motion was made by Arleen Satele, seconded by Michael Taylor to approve the minutes of September 18, 2019 as corrected to the spelling of Taylor and Shahbazian names. With no additional questions, comments or corrections the motion passed unanimously.

8. Other
   Mr. Nguyen requested clarification of Vacant Funded Positions (page 17), specifically the last column. Ms. Thao Nguyen explained the totals by site (SAC, SCC and DO) and agreed to revise format for clarity. These estimated savings are due to funded vacant positions. This update is provided each month. However, these savings may not be available at year end because such savings are more often shuffled during the year and utilized as one time funds. The funded vacant positions list was created and used during layoffs years ago during the recession.

Next meeting reminder: Wednesday, November 20, 2019, 1:30 – 3:00 in the Executive Conference Room #114, District Office

This meeting adjourned at 2:48 p.m.