

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT  
UNRESTRICTED GENERAL FUND  
2014-15 Tentative Budget Assumptions  
February 25, 2014**

I. State Revenue

A. Budgeting will continue to utilize the District's Budget Allocation Model Based on SB 361, modified if necessary using the Budget Stabilization Fund.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth
2010/11	29,961.80	30,515.15	30,515.15	1.85%
2011/12	28,182.19	27,711.41	27,711.41	-9.95%
2012/13	a 27,711.41	28,185.04	28,185.04	1.71%
2013/14	b 28,185.04 (P1)	28,766.22 c	28,765.57 P1 est.	2.06%

a - based on 2012/13 Recalculation received 2/6/2014

b - based on 2013/14 P1 received 2/24/2014

c - based on 2013/14 P1 320 submitted 1/15/2014

Estimated unfunded FTES in 2013/14 of 0.65 as of P1

The Governor's budget proposal includes 3% Restoration/Access/Growth funding and .86% COLA.

Projected COLA of 0.86% (Est.)	<b>1,200,000</b>
Projected Restoration/Access/Growth 3% (Est.)	<b>3,900,000</b>
Projected Deficit (Estimated at 1%)	<b>(1,300,000)</b>
Base Increase for 2014/15	<b><u>3,800,000</u></b>

2014/15 Est. 3% R/A/Growth for FTES planning	<b><u>29,629</u></b>
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C. Education Protection Account (EPA) funding estimated at \$17,848,841 based actual on 2013/14 P1. These are not additional funds, rather the EPA is only a portion of general purpose funds that offsets what would otherwise be state aid in the apportionments. Our intention is to charge a portion of faculty salaries against this funding source in compliance with EPA requirements.

D. Unrestricted lottery is projected at \$126 per FTES (\$3,677,193). Restricted lottery at \$30 per FTES (\$875,522). (2013/14 P1 of resident & nonresident factored FTES, 29,184.07 x 126 = \$3,677,193 unrestricted lottery; 29,184.07 x 30 = \$875,522.

E. Estimated reimbursement for part-time faculty compensation is estimated at \$691,647 (2012/13 actual amount).

F. Categorical programs will continue to be budgeted separately; self-supporting, matching revenues and expenditures. No COLA has been proposed by the Governor for categorical programs. However, if the district were to settle with employees for a COLA, this will increase expenditures without increased revenues for these programs. Other categorical reductions would therefore be required to remain in balance with state funding. The colleges will need to budget for any match requirements in unrestricted funds. Historical program match requirements for SSSP (cr. Matric) is at 3:1.

G. BOG fee waivers 2% administration funding estimated at 2013/14 P1 of \$238,965.

II. Local Revenue

H. Non-Resident Tuition budgeted at \$1,500,000.

I. Interest earnings estimated at \$120,000.

J. Other miscellaneous income is estimated at \$408,261 (2012/13 budgeted amount, includes fines, fees, rents, etc.).

K. Mandated Block Grant reduced based on systemwide FTES growth, estimated at a total budget of \$750,000.

L. Apprenticeship revenue estimated at \$1,389,973 (2013/14 budgeted amount).

M. Scheduled Maintenance allocation estimated at \$2.2 million (1:1 Match) and Instructional Equipment allocation estimated at \$2.2 million (1:3 Match).

N. Energy Efficiency/Prop 39 revenue is estimated at \$999,000.

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III. Appropriations and Expenditures

- A. The Tentative Base Budget for 2014/15 will begin with a rollover in total 2013/14 Adopted Budget by site, as allocated by budget center. The 2014/15 Tentative Budget will be balanced if necessary by using a portion of the Budget Stabilization Fund.
- B. The COLA revenue (estimated at 0.86%, \$1.2 million) will be set aside in districtwide expenditure accounts subject to collective bargaining.
- C. Step and column movement is budgeted at an additional cost of approximately \$1.1 million including benefits.
- D. Health and Welfare benefit premium cost increase estimated at 5% is an additional cost of approximately \$700,000 for active employees and an additional cost of \$300,000 for retirees.  
State Unemployment Insurance local experience charges are estimated at \$250,000 (2013/14 budgeted amount).  
CalPERS employer contribution rate estimated to remain the same in 2014/15 at 11.442%.  
Note: The cost of each 1% increase in the PERS rate is approximately \$300,000.  
There is currently no proposed increase in the STRS rate although projections indicate large increases beginning 2015/16.  
Note: The cost of each 1% increase in the STRS rate is approximately \$550,000.
- E. The full-time faculty obligation (FON) for Fall 2014 is estimated at 334.80. Although districts have not been required to comply with this requirement for several years due to the budget crisis, the FON has been reinstated for 2014-15 by the Board of Governors of the California Community Colleges. The District is currently recruiting 33 faculty positions (one of which does not count toward the FON) for an estimated total of 32 positions counting toward the obligation. The District expects to meet its obligation in 2014-15. Penalties for not meeting the obligation amount to approximately \$69,532 per FTE not filled.  
  
The additional cost of new faculty being hired for Fall 2014 is estimated at \$2.7 million. SAC is filling nine vacancies and adding 19 new positions. SCC is filling two vacancies and adding three new positions. (The cost of the 22 new positions is budgeted at Class VI, Step 10  $\$85,360.54 \times 22 = \$1,877,932 + \$37,480.40 \times 22 = \$824,599$ , for a total of \$2,702,501).
- F. The current rate per Lecture Hour Equivalent (LHE) for hourly faculty is \$1,174 effective July 2013. This represents a 6.7% increase from 2012/2013.
- G. Retiree Health Benefit Fund (OPEB/GASB 45 Obligation) - The District will continue to contribute 1% of total salaries plus a minimum of \$500,000 to fund the total actuarially determined Annual Required Contribution (ARC).
- H. Capital Outlay Fund - The District will contribute the 1:1 match of \$2.2 million for Scheduled Maintenance.
- J. Utilities cost increases of 5% overall estimated at \$200,000.
- K. Information Technology licensing contract escalation of 7%, estimated at \$125,000.
- L. In allocating the Instructional Equipment allocation of \$2.2 million as noted in II-M above, the colleges will need to budget the 1:3 match of \$733,333 in unrestricted funds.
- I. Property and Liability Insurance cost estimated at \$1,800,000.
- J. Other DO/Districtwide expenses:  
Trustee Election Expense estimated at \$400,000  
Trustee Expenses of \$13,000  
Chancellor's Office Expenses of \$25,000  
Marketing Expenses of \$200,000  
Legal Expenses of \$250,000  
International Student Recruitment China Office \$12,000