RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
website: Fiscal Resources Committee

Agenda for November 18, 2020
1:30 p.m. - 3:00 p.m.
Zoom Meeting

1. Welcome

2. State/District Budget Update – Adam O'Connor
   - DOF – October 2020 Finance Bulletin
   - FCMAT – Correctly Sizing a Community College District's Management Structure and Staffing
   - SSC – September 2020 State Tax Collections are Ahead of Projections
   - SSC – CalPERS Actuarial Report Revises Contribution Rate Estimates
   - SSC – Community College Financial Projection Dartboard (Revised CalPERS Rates)
   - SSC – LAO Analyzes State Education Spending Plan
   - SSC – Proposition 15 Prospects Look Grim While Proposition 19 Looks Poised to Pass
   - Cal Matters-What Prop. 15's defeat means for California Schools

3. Continued Discussion of SCFF and Review of BAM – Cambridge West Partnership Consultants

4. 50% Law Calculation

5. Instructional/Non-instructional – Salaries & Benefits % of Total Expenditures

6. $ split between SAC/SCC based on FY 2017/18 Total % of FTES split

7. Standing Report from District Council – Craig Rutan

8. Informational Handouts
   - District-wide expenditure report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of November 12, 2020
   - Measure "Q" Project Cost Summary as of October 31, 2020
   - Monthly Cash Flow Summary as of October 31, 2020
   - SAC Planning and Budget Committee Agendas and Minutes
   - SCC Budget Committee Agendas and Minutes
   - Districtwide Enrollment Management Workgroup Minutes

9. Approval of FRC Minutes – October 21, 2020

10. Other

Next FRC Committee Meeting: January 13, 2021, 1:30-3:00 pm

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.

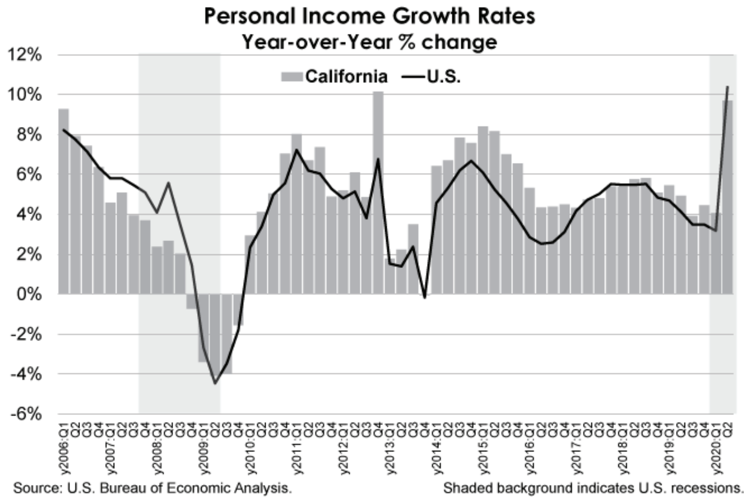
October 2020

California Department of Finance

Finance Bulletin

Keely Bosler, Director

Economic Update



In the second quarter of 2020, California personal income increased by 9.7 percent on a year-over-year basis (up $254.4 billion) driven by record-high transfer payments of $355.8 billion, including the $600 per week in additional Federal unemployment assistance that expired at the end of July, support for independent contractors, regular unemployment insurance, and one-time stimulus checks.

All other major personal income components for California fell on a year-over-year basis in the second quarter of 2020, with a total decline of 4.4 percent (down $101.4 billion) led by decreases in total wages (down $59.5 billion), proprietors' income (down $26.9 billion), and other components (down $15.0 billion).

U.S. personal income increased by 10.4 percent year-over-year in the second quarter of 2020 (up $1.9 trillion). Transfers also drove personal income growth, up a record-high $2.6 trillion. All other major U.S. personal income components also fell on a year-over-year basis.

Labor Market Conditions

- The U.S. unemployment rate fell from 8.4 percent in August to 7.9 percent in September 2020, 4.4 percentage points above the pre-pandemic level of 3.5 percent in February. The U.S. labor force decreased by 695,000 people in September following a 968,000-increase in August, with 4.4 million fewer Americans in the labor force than in February. The U.S. gained 661,000 jobs in September after 1.5 million jobs were added in August.
- California's unemployment rate decreased by 0.2 percentage point to 11.0 percent in September, down from a revised-down 11.2 percent in August and 7.1 percentage points higher than February's pre-pandemic rate of 3.9 percent. California's labor force grew by 19,000 people, with 839,000 fewer Californians in the labor force in September than in February.
- The state gained 96,000 nonfarm payroll jobs in September, after adding a monthly average of around 225,000 jobs since May. Payroll jobs in September totaled 16.0 million, down 9.2 percent from February. In September, seven of California's 11 major industries added jobs: leisure and hospitality (48,400), trade, transportation, and utilities (30,600), professional and business services (15,700), other services (10,900), construction (3,100), manufacturing (2,600), and information (200). Four industries lost jobs: government (14,600), financial activities (600), educational and health services (400), and mining and logging (200).

Building Activity

- California housing units authorized by building permits totaled 96,300 units in August (seasonally-adjusted annualized rate), down 16.7 percent from July and down 22.1 percent from February's 123,700 units. August's month-over-month drop was due to multi-family units down 32.3 percent to 36,400 units and a decrease in single-family units of 3.1 percent to 59,900 units. Year-to-date, authorized residential housing units averaged 96,000 (down 11.1 percent from the same period in 2019), split into 52,800 single-family units (down 4.2 percent) and 43,200 multi-family units (down 18.3 percent). California's nonresidential building valuation in August was $21.9 billion, down 21.0 percent from July 2020 and down 19.2 percent from February's $27.2-billion valuation. Year-to-date, nonresidential building valuation averaged $23.5 billion, down 31.7 percent from the same period in 2019.

Real Estate

- The existing single-family median home sales price in California set a new record for the fourth consecutive month, reaching $712,430 in September. The median home sales price is now up 22.9 percent from the pre-pandemic price in February 2020 and up 17.6 percent from September 2019. Statewide sales volume rose by 5.2 percent month-over-month to 489,590 units—the highest sales volume since 498,580 units in February 2009 during the Great Recession and 16.1 percent higher than the pre-pandemic level of 421,670 units in February 2020.

MONTHLY CASH REPORT

Preliminary General Fund agency cash receipts for the first three months of the fiscal year were $8.713 billion above the 2020-21 Budget Act forecast of $45.41 billion. Cash receipts for the month of September were $4.164 billion above the 2020-21 Budget Act forecast of $9.806 billion. Preliminary General Fund agency cash receipts for the entire 2019-20 fiscal year were $1.135 billion above the 2020-21 Budget Act forecast of $123.395 billion, or 0.9 percentage point above forecast. Total collections for March through September 2020 were down by 2.3 percent from the same period in 2019.

- Personal income tax cash receipts to the General Fund for the first three months of the fiscal year were $6.667 billion above forecast. Cash receipts for September were $3.016 billion above the month's forecast of $6.262 billion. Withholding cash receipts were $1.425 billion above the forecast of $4.225 billion. Other cash receipts were $1.676 billion above the forecast of $2.547 billion. Even though California does not have a September estimated payment due, taxpayers often match the federal estimated payment schedule. Refunds issued in September were $30 million above the expected $399 million. Proposition 63 requires that 1.76 percent of total monthly personal income tax collections be transferred to the Mental Health Services Fund (MHSF). The amount transferred to the MHSF in September was $55 million higher than the forecast of $111 million.
- Sales and use tax cash receipts for the first three months of the fiscal year were $1.641 billion above forecast. Cash receipts for September were $465 million above the month's forecast of $1.719 billion. September represents the second prepayment for third quarter taxable sales.
- Corporation tax cash receipts for the first three months of the fiscal year were $329 million above the forecast of $6.538 billion. Cash receipts for September were $504 million above the month's forecast of $1.509 billion. Estimated payments were $507 million above the forecast of $1.262 billion, and other payments were $69 million higher than the $365 million forecast. Total refunds for the month were $72 million higher than the forecast of $119 million.
- Insurance tax cash receipts for the first three months of the fiscal year were $109 million above forecast. Insurance tax cash receipts for September were $140 million above the forecast of $65 million. Cash receipts from the alcoholic beverage, tobacco taxes, and pooled money interest for the first three months of the fiscal year were $31 million below forecast, and were $8 million below the forecast of $72 million for September. "Other" Cash receipts for the first three months of the fiscal year were $2 million below forecast, and were $46 million above the forecast of $179 million for September.

2020-21 Comparison of Actual and Forecast Agency General Fund Revenues

(Dollars in Millions)

	SEPTEMBER 2020				2020-21 YEAR-TO-DATE			
Revenue Source	Forecast	Actual	Change	Percent Change	Forecast	Actual	Change	Percent Change
Personal Income	$6,262	$9,278	$3,016	48.2%	$32,265	$38,932	$6,667	20.7%
Sales & Use	1,719	2,184	465	27.1%	5,090	6,731	1,641	32.2%
Corporation	1,509	2,013	504	33.4%	6,538	6,867	329	5.0%
Insurance	65	205	140	214.0%	695	804	109	15.7%
Estate	0	0	0	0.0%	0	0	0	0.0%
Pooled Money Interest	36	26	-10	-27.5%	97	59	-38	-39.6%
Alcoholic Beverages	33	33	0	1.5%	102	109	7	6.8%
Tobacco	4	5	2	42.8%	15	16	0	2.1%
Other	179	225	46	25.8%	609	607	-2	-0.3%
Total	$9,806	$13,970	$4,164	42.5%	$45,410	$54,123	$8,713	19.2%

This is an agency cash report and the data may differ from the Controller's report to the extent that cash received by agencies has not yet been reported to the Controller.

Totals may not add due to rounding. The forecast is from the 2020-21 Budget Act.

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Fiscal Alert

October 2020

Correctly Sizing a Community College District's Management Structure and Staffing

With much uncertainty around current and subsequent year planning, all California community college districts should continue to update their budgets and multiyear financial projections in the coming months. Many districts will need to make difficult decisions to balance the budget and, in some cases, to remain solvent.

This fiscal alert discusses factors to consider and recommended approaches to use when determining if a community college district's current management structure and staffing are appropriate.

The majority of funding for California community colleges is calculated based on the number of full-time equivalent students. For this calculation, 525 student contact hours equals one full-time equivalent student (FTES). This number of student contact hours is also used to calculate the efficiency of a course schedule. For districts that follow a compressed calendar, the efficiency expectations are increased to as high as 595 student contact hours, depending on the district's term length multiplier.

California Community College Efficiency Standard

To achieve course schedule efficiency, each full-time classroom teacher should teach the equivalent of five three-unit courses (54 hours each) in a 17.5-week semester, with each course section having 35 students.

The breakdown of the efficiency standard is detailed further below:

35 students in class 15 hours per week = 525 weekly student contact hours (WSCH)
525 WSCH x 17.5 weeks = 9,188 student contact hours (SCH) per semester
9,188 SCH / 525 = 17.5 full-time equivalent students (FTES) per semester
17.5 FTES x 2 semesters = 35 FTES (on average, each teaching faculty member should have a base teaching load of 35 FTES per year)
35 FTES x approximately $5,000 (Student Centered Funding Formula base revenue per FTES) = $175,000
$175,000 divided by 2 (50% law) = $87,500
$87,500 should be used in the classroom for salaries, benefits, retirement, etc.
$87,500 should be used for other expenses to properly manage district operations

FCMAT

Michael H. Fine
Chief Executive Officer

1300 17th Street - City Centre
Bakersfield, CA 93301-4533
Telephone 661-636-4611
Fax 661-636-4647

755 Baywood Drive,
Second Floor
Petaluma, CA 94954
Telephone 707-775-2850
www.fcmat.org

Administrative Agent
Mary C. Barlow
Office of Kern County
Superintendent of Schools

Four Operational Standards

Following the four operational standards below will help a community college district ensure that its unrestricted general fund will be in balance and that funds will be available for staffing and operational needs districtwide.

1. **Enrollment**.
   Enrollment in academic programs should determine the staffing needed. If course offerings do not meet the efficiency standard provided above, finances will be out of balance and will erode the budgets for staff, management, physical plant, and operations.
2. **Ongoing Revenue**.
   The average district needs to allocate at least 15% of all ongoing revenues to supplies, materials, post-retirement obligations, capital outlay and maintaining the full operation of the district. Therefore, no more than 85% of ongoing revenues should be used for salaries and benefits districtwide.
3. **Fifty Percent Law**.
   The district's current expense of education needs to comply with the 50% law, as defined in Education Code Section 84362 and California Code of Regulations (CCR) Section 59204 and following. The law requires that at least 50% of the current expense of education be used to pay for salaries and benefits of classroom instructors. The intent of the statute is to limit class sizes and contain increases in administrative and noninstructional costs. Respecting a community college district's need to spend the remaining 50% on all other expenses is vital because if it fails to do so it will not be able to adequately maintain its physical plant or fund local student success and support initiatives.
4. **Faculty Obligation Number**.
   The district must maintain its faculty obligation number, in accordance with Education Code Section 87482.6 and CCR Title 5 Section 51025. This is the number of full-time faculty a district is required to employ each fall, adjusted for the lower of a) projected fundable growth at the time of budget enactment (known as "at advance"), or b) the actual percentage change in funded credit FTES from the prior year (at second interim). Maintaining a faculty obligation number so it stays within two to three percent of the approved amount meets this standard. A district that has far more faculty than its published faculty obligation number is putting enormous strain on its fiscal viability because it is spending much more on faculty than required, leaving fewer resources for operational needs and other priorities.

Following these four standards helps ensure that funds will be available for staffing and operational needs districtwide. If any of these standards are not followed, either a district's budget or its overall service to students will be out of balance. Keeping the budget in balance allows a district to pay for all operational expenses and have resources available for innovative programs and to meet the needs of the community.

Staffing Needs

If a district follows the four operational standards above but continues to deficit spend, a focused review of nonacademic areas of the budget is needed. Each nonacademic department's budget and staffing should be compared to those of similar districts. Each college in the California community college system is unique because each serves a different population with slightly different needs. However, many California community college districts have similarities to one another, including the fact that all are part of the same statewide system and are subject to the same Government Code, Education Code, Title 5, funding formula, and other requirements. Thus, multiple community college districts can be selected for comparison based on similarities in size, programs, services, and student demographics.

The goal of a comparison of districts is to identify areas of uniqueness, meaning areas in which a district is significantly above or below the average for the comparison group. All districts provide similar services, but not all should be expected to spend funds in exactly the same way because each may emphasize different institutional priorities. Rather, one should seek to understand the degree and level of resources a district commits to each specific priority, ensure that this level of commitment is the district's intent, and gain a true understanding of where the district spends more or less than its counterparts. Many times, the fiscal impact of unique programs and services remains unrecognized over time, causing strain on the ending fund balance.

Districts should prepare an analysis that simulates the district following the four standards. This enables a district to easily identify the fiscal resources available for staffing and operational needs.

Once the simulation is done, if a district has staffing levels that are higher than the comparison group districts, the district should evaluate its staffing levels using a program review and the budget development process to ensure institutional sustainability, fiscal solvency and structural stability. Allowing higher than necessary staffing levels to continue will place a significant fiscal strain on a district and can reduce its ability to serve students. If current staffing-related expenses align with revenues once simulations are completed, a district should focus on course schedule efficiency because the course schedule isn't producing the revenue it needs to pay for all services. An inefficient course schedule can occur when a district has more faculty members than should be needed to produce its number of FTES.

Other areas of uniqueness may be identified when comparing similar districts, including how well a district is using technology; employee turnover in key positions; size, age and location of facilities; the leveraging of one-time bond funds to offset ongoing expenses; and duplication of efforts. It is also possible that a district may have excessive debt, high levels of faculty release time, or salaries and benefits that have become out of alignment with comparable labor costs (contributing to spending more than 85% on salary-related items as discussed above in the operational standards). The objective is to identify areas of uniqueness, discuss the intent and purpose of each, and finally accept or modify staffing needs based on what can be afforded and what the district's institutional priorities include. In some cases a district may conclude that the higher costs are warranted; however, it should recognize when doing so that this means fewer resources for other activities.

When deficit spending exists, even districts with large fund balances and significant reserves face fiscal uncertainty if a plan to eliminate the deficit spending is not in place. Without a sound fiscal stabilization plan to stop using the fund balance to offset excessive ongoing spending, reserves can decline to unhealthy levels, especially when economic factors outside of a district's control are considered. In the past, economic downturns have had major impacts on California community college districts. Typically, when the economy sours, enrollment increases as the unemployment rate increases. The net result has been less overall funding and a greater demand for services.

The time to correctly size community college districts is now. Using the California community college system standards, making data-driven decisions, and creating and executing a purposeful plan for solvency can help districts eliminate deficit spending.

FCMAT extends thanks to Cambridge West Partnership, LLC for their major contributions to this alert.

COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: OCTOBER 1, 2020

September 2020 State Tax Collections are Ahead of Projections

BY JOHN GRAY

posted October 22, 2020

The Department of Finance (DOF) issued its monthly update on California revenues, showing that September 2020 tax collections beat budget projections by over $4 billion with the lion's share coming from the "Big Three" state taxes—personal income, sales and use, and corporation taxes. This brings year to date totals to more than $8.7 billion ahead of projections.

The Legislative Analyst's Office in its recent Economy and Taxes blog states that "the rebound in personal income tax estimated payments likely reflects, in part, the fact that stock prices have now eclipsed pre-pandemic levels. The rebound in corporation tax estimated payments likely suggests that corporations have revised upwards their expectations for profitability this year." Remember that Governor Gavin Newsom projected a decline in the three primary revenue sources of more than 20% from 2019–20.

California's robust revenue picture can portend good things for the upcoming budget year and is indeed welcome news. However, we will continue to watch other key economic indicators such as employment, housing, and activity in one of California's key sectors—hospitality and leisure—along with upcoming holiday retail sales and travel to gain a clearer perspective of what we can expect for the 2021–22 fiscal year. These are big factors in our economy, and to have real sustainable improvement, these key sectors must continue to recover. As we continue on the road to January, we will be watching and reporting as the state's economic picture and its impacts on Proposition 98 unfold.

Click Here for COVID-19 Related Resources

COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: OCTOBER 1, 2020

CalPERS Actuarial Report Revises Contribution Rate Estimates

BY CHARLENE QUILAO
BY SHEILA G. VICKERS

posted October 26, 2020

After our SSC Financial Projection Dartboard was finalized to reflect the 2019–20 Enacted State Budget, the California Public Employees' Retirement System (CalPERS) revised its estimated out-year employer contribution rates in July 2020 once the investment returns from 2019–20 were known (see "Updated CalPERS Estimated Employer Contribution Rates" in the July 2020 *Community College Update*.)

Since that time, CalPERS has finalized the Schools Pool Actuarial Valuation report as of June 30, 2019, and has again adjusted its estimates for future employer contribution rates, as follows:

Year	Prior Projections per Dartboard*	Adjusted by CalPERS Investment Returns*	Projected Rates per Actuarial Report*
2020–21	20.70%	20.70%	20.70%
2021–22	22.84%	23.01%	23.00%
2022–23	25.50%	26.24%	26.30%
2023–24	26.20%	27.14%	27.30%
2024–25	26.20%	27.14%	27.80%
2025–26	26.20%	27.14%	27.80%
2026–27	N/A	N/A	27.60%
*Actual for 2020–21 and estimated for future years			

The employer contribution rates are influenced by the CalPERS amortization and smoothing policy, which spreads rate changes over a five-year period, as well as changes in actuarial assumptions such as mortality, retirement rates, and inflation. Further, the rates above reflect the application of Assembly Bill (AB) 84/Senate Bill (SB) 111, which amended SB 90 (Chapter 33/2019). SB 90 included a $904 million contribution from the state to reduce the employer contribution levels in 2020–21 and subsequent years. However, due to the COVID-19 pandemic, the state modified the application of the $904 million in payments through AB 84/SB 111 as follows:

- $144 million has been applied to the 2019–20 required employer contribution
- $430 million was applied towards the 2020–21 employer contribution
- $330 million will go towards a portion of the 2021–22 employer contribution

These updated rates should be used for local multiyear financial projections and will be included in the next version of our SSC Financial Projection Dartboard to be prepared with the 2021–22 Governor's Budget Proposal in January 2021.

SSC Community College Financial Projection Dartboard
Adopted State Budget for 2020–21 (Revised CalPERS Rates 10-30-20)

This version of the School Services of California Inc. (SSC) Financial Projection Dartboard is based on the 2020–21 Adopted State Budget, then later revised for new CalPERS employer contribution rate estimates as of October 30, 2020[5]. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

Factor		2019–20	2020–21	2021–22	2022–23	2023–24
Statutory COLA for Student Centered Funding Formula and Latest DOF Projections*		3.26%	2.31%	2.48%	3.26%	N/A
Funded COLA		3.26%	0.00%	N/A	N/A	N/A
SSC Estimated Statutory COLA[1]		3.26%	2.31%	0.60%	0.70%	1.60%
SSC's Recommended Planning COLA[2]		3.26%	0%	0%	0%	0%
Growth Funding[2]		0.55% ($24.7 million)	0%	0%	0%	0%
State Categorical Programs	COLA[2]	3.26%	0.00%	0.00%	0.00%	0.00%
	Funding	$98.4 million	$136 million[3]	Ongoing unless otherwise stated	Ongoing unless otherwise stated	Ongoing unless otherwise stated
California CPI		2.34%	0.98%	1.59%	1.87%	2.33%
Interest Rate for Ten-Year Treasuries		1.25%	0.89%	1.24%	1.70%	2.10%
California Lottery[4]	Unrestricted per FTES**	$149	$150	$150	$150	$150
	Restricted per FTES	$48	$49	$49	$49	$49
Mandate Block Grant (per FTES)		$30.16	$30.16	$30.16	$30.16	$30.16
CalSTRS Employer Rate[5]		17.10%	16.15%	16.00%	18.10%	18.10%
CalPERS Employer Rate[5]		19.721%	20.70%	23.00%	26.30%	27.30%

*Department of Finance (DOF) projections carried forward from May Revision
**Full-time equivalent student

[1]As the DOF's latest COLA projections were prepared prior to the May Revision, SSC contracted with an economic expert for more current estimates.

[2]Based on the projection that the Proposition 98 guarantee is not expected to recover to 2019–20 levels during the forecast period. The unfunded SSC estimated statutory COLA projections result in a compounded deficit factor of 5.30%, and an aggregate loss of funding of 13.52%, through the 2023–24 fiscal year. Districts should have a contingency plan should the state partially fund or not fund COLAs and/or growth.

[3]The 2020–21 Adopted State Budget includes additional programmatic funding sources, the most significant of which are:

- $120 million in one-time funds for the COVID-19 Response Block Grant (applicable to both 2019–20 and 2020–21)
- $10 million to make Immigrant Legal Services funding ongoing
- $6 million for Dreamer Resource Liaisons

[4]Lottery funding is initially based on prior-year actual annual FTES, and is ultimately based on current-year annual FTES.

[5]The California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) rates in 2020–21 and 2021–22 are bought down by a $2.3 billion payment from the state of California. Rates in the following years are estimates and subject to change based on determination by the respective governing boards.

Click Here for COVID-19 Related Resources

COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: NOVEMBER 1, 2020

LAO Analyzes State Education Spending Plan

BY PATTI F. HERRERA, EDD

posted November 4, 2020

Four months into the fiscal year, K–12 and community college practitioners across California are intimately familiar with the most significant aspects of the 2020–21 State Budget pertaining to education as they prepare to absorb over $12 billion in deferred state payments and adjust their local spending plans in accordance with the resources available through the Budget—all the while attending to the learning needs of their students and preparing to reopen their facilities for in-person instruction once it is safe to do so. While many lived through the Great Recession just a decade ago, the COVID-19 health pandemic ushered in an unprecedented crisis in public education, calling for continuous innovation and heightened, if not new, collaborations at the district, county, and state levels. That is to say, leading their local agencies through a tough budget spawned by an acute recession—while critical—is but one of many challenges K–14 leaders and their staff must manage today.

Understanding the Adopted State Budget, however, is important for local agency business offices and leaders, particularly during tumultuous times. To aid in understanding the State Budget and its local implications, each year the Legislative Analyst's Office (LAO) releases a report describing the major features of the state's spending plan. The LAO released its analysis of the education spending plan on October 29, 2020, which we summarize below.

Proposition 98

The Proposition 98 minimum guarantee has been determined by Test 1 over the last few years, which requires the state to spend approximately 38% of state General Fund revenues on K–14 education. Because of this direct link to state revenues that fluctuate with larger economic conditions, the health pandemic had an immediate and acute impact on the minimum guarantee. The LAO notes that year-over-year Proposition 98 funding dropped a whopping 12.5% from the 2019–20 Enacted Budget level of $81.1 billion to $70.9 billion. This picture is less grim when you compare the 2020–21 minimum guarantee to the *revised* 2019–20 estimate that accounts for the pandemic's effect on prior-year funding. The 2019–20 minimum guarantee was revised downward to $77.7 billion. In that local property taxes have held steady (and are modestly improving) even during the recession, the decline in funding is directly attributable to estimated reductions in state General Fund revenues.

While the State Budget reflects the decline in Proposition 98 funding, it also includes a provision that requires the state to make annual supplemental payments equal to 1.5% of General Fund revenues beginning in 2021–22, up to $12.4 billion. This provision also increases the minimum guarantee on an ongoing basis in Test 1 years from 38% of General Fund revenues to 40%.

Apportionments and Deferrals

Importantly, state lawmakers managed to maintain base apportionment funding for districts at their 2019–20 levels by using a suite of one-time funds, including cashing out the full $377 million in the Proposition 98 reserve account. However, neither the Local Control Funding Formula for K–12 nor the Student Centered Funding Formula for community colleges—along with other key programs—received the statutory 2.31% cost-of-living adjustment (COLA). The effect of suspending the COLA is of course the loss of local agency purchasing power for ever-increasing obligations.

On the one hand the 2020–21 State Budget preserves base funding while on the other it defers $11 billion and $1.5 billion in K–12 and community college apportionments, respectively, beginning with the February 2021 payments. The LAO reminds us that the State Budget included a provision to reduce deferrals if the state received any additional federal assistance by October 15, 2020. Because Washington, D.C., failed to pass a stimulus package by that deadline, K–14 education leaders must be prepared to absorb the full $12.5 billion in late state payments and the associated borrowing costs unless they can demonstrate that they meet the hardship criteria for exemption. The Department of Finance, the State Controller, and the State Treasurer are authorized to exempt local agencies that qualify for deferral exemptions not to exceed $300 million and $60 million per month for K–12 and community college agencies, respectively.

Other Significant Investments

Finally, the LAO highlights other significant budget investments, including:

- Increasing the K–12 special education base grant from $545 per unit of average daily attendance to $625
- $6.4 billion in one-time federal funding to cover K–12 costs associated with COVID-19 and to address learning loss
- Repurposing public pension payments to reduce associated costs equal to approximately 2.2% of pay in 2020–21 and 2021–22

The LAO report also includes a description of flexibilities to help local agencies address their budget needs, as well as new programmatic requirements for K–12 districts with respect to distance learning for the 2020–21 school year.

Finally, the LAO is scheduled to release its annual *Fiscal Outlook* report in mid-November, which will provide an up-to-date forecast of California's economy and the budget landscape as we move closer to Governor Gavin Newsom's release of his 2021–22 January State Budget. Stay tuned.

Click Here for COVID-19 Related Resources

COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: NOVEMBER 1, 2020

Proposition 15 Prospects Look Grim While Proposition 19 Looks Poised to Pass

BY KYLE HYLAND

posted November 6, 2020

The outlook does not look good for Proposition 15, the "split roll" initiative that would increase property taxes on commercial and industrial properties. With nearly 12 million votes counted, the proposition is currently trailing the majority threshold needed to pass with 48.3% of the vote. If approved, the measure would raise between $6.5 and $11 billion annually for K–14 schools and local governments.

The proposition's current numbers reflect the October polling data from the Public Policy Institute of California (PPIC) that found support for the split roll proposal had slipped below majority support from likely voters (see "October PPIC Survey Shows Support for Split Roll Slips Below 50%" in the October 2020 *Community College Update*).

However, despite being more than 400,000 votes behind, there is still a chance for the measure to pass as there are an estimated 4 to 5 million ballots that have yet to be tallied and reported by county election officials.

The other initiative that would affect education funding, Proposition 19, is faring much better as it currently leads with 51.5% of the vote. If approved, the measure would expand the number of eligible homeowners to transfer the taxable value of their current residence to a new residence. It would also ensure that when a home is transferred from a deceased parent or grandparent that it must remain a primary residence in order to be shielded from reassessment. The Legislative Analyst's Office estimates that Proposition 19 would result in new statewide property tax revenues in the hundreds of millions of dollars.

It may take several days or weeks to know the official count for each of these propositions due to legislation signed earlier this year by Governor Gavin Newsom, which allows ballots that are received 17 days after the election to be counted as long as they are postmarked by November 3, 2020.

This also means that we may not know the exact makeup of the 2021–22 State Legislature for several weeks, as two Senate races are still too close to call. What we do know is that Democrats will retain their supermajority status in both the Senate and the Assembly, which allows them to pass any legislation requiring a higher vote threshold without Republican support.

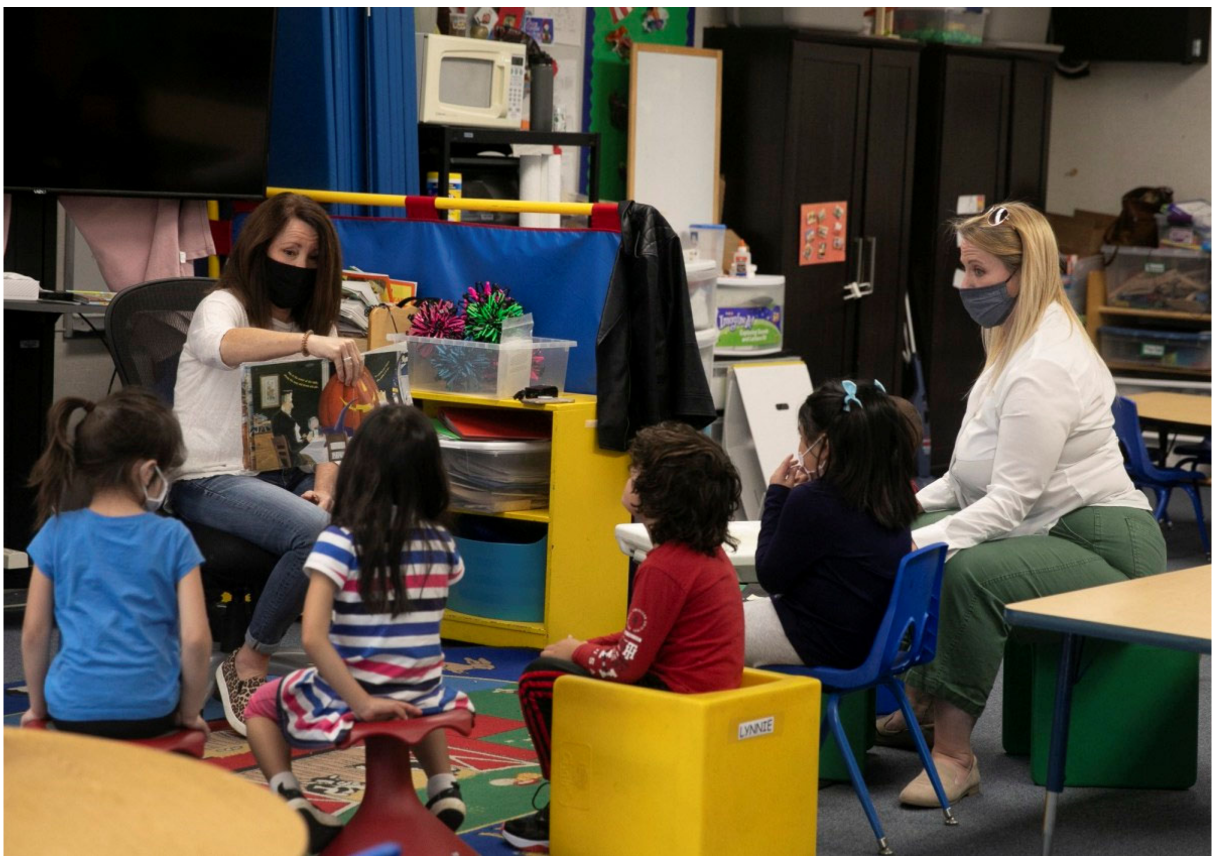
Skip to content

CALMATTERS MENU

POSTED INEDUCATION

What Prop. 15's defeat means for California schools

BY RICARDO CANO
NOVEMBER 11, 2020



A special education pre-k class that has been permitted to reopen amid coronavirus concerns on the Lu Sutton Elementary school campus in Novato on Oct. 27, 2020. Photo by Anne Wernikoff for CalMatters

IN SUMMARY

> The measure would have brought billions to California’s cash-strapped schools and community colleges, though not in time to help deal with immediate financial crises.

Voters narrowly defeated Proposition 15, the tax measure that aimed to eliminate decades-long protections for commercial properties – dashing hopes of billions of dollars flowing into California’s cash-strapped public schools and community colleges in the coming years.

In the second-most expensive ballot fight this election, Prop. 15 supporters said the measure would help right what they viewed as a fundamental wrong in the state’s school funding system by increasing the share of property-tax revenues going toward schools. Opponents characterized Prop. 15 as harmful to small businesses and the state’s economy at a time when the pandemic has already strained or shuttered several local businesses.

“We’re the fifth-largest economy in the world,” said E. Toby Boyd, president of the California Teachers Association, the top benefactor for the Yes on 15 campaign, “and big corporations should be paying their fair share to invest in our students, our public schools, our families and our communities.”

The measure backed by labor unions, community organizations and several of the state’s progressive leaders challenged the state’s still-popular 1978 constitutional amendment, Prop. 13, and had been slightly trailing in the vote count since election night before the Associated Press called its defeat Tuesday by a 51.8% No to 48.2% Yes margin.

What happens now?

Legislative analysts projected Prop. 15 would have drawn between $6.5 billion and $11.5 billion in commercial property tax revenues, with 40% of the take going to K-12 schools and community colleges beginning in 2022-23.

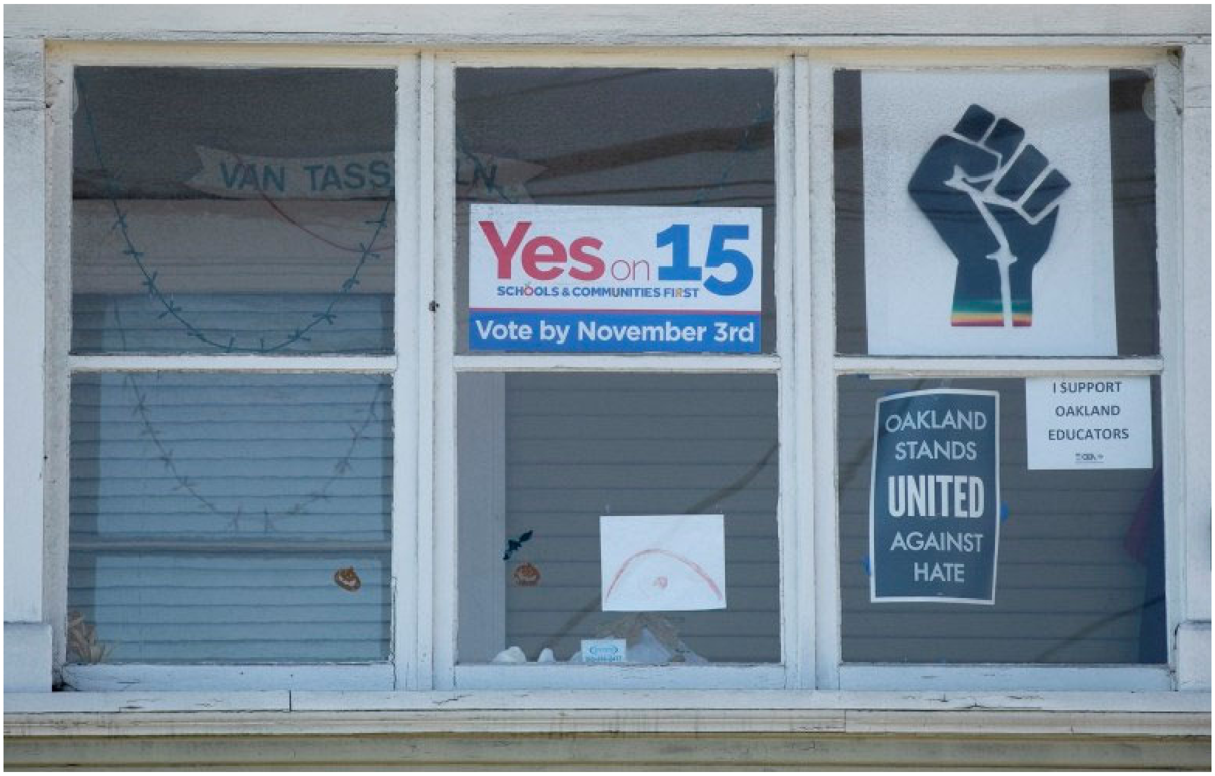
So while the measure would have been a boon in the long term, any financial fruits borne out of a Prop. 15 win would not have arrived soon enough to address the immediate twin financial crises facing the state's public schools: Tense efforts to physically reopen campuses and the state education budget's looming cliff.

California K-12 schools and community colleges, almost a decade removed from the steep Great Recession-era cuts that resulted in more than 30,000 teacher layoffs, were slated to receive a record $84 billion in state funding this year — up from $81.6 billion — before the pandemic cratered the state's budget forecast.

Faced with a potential 10% cut to the state's main school finance artery, the Local Control Funding Formula, Gov. Gavin Newsom and the Legislature protected school budgets this year by deferring $11 billion in state funding for schools. That move held schools' funding flat by delaying payments to schools into the next fiscal year – some installments coming as late as seven months – but also means the state will have to confront a potentially taller school finance cliff starting next year.

"Yes, Prop. 15 would've helped in the long run, but it wouldn't have fixed this short-term problem that the Legislature's going to face in the coming spring," said Bruce Fuller, a professor at UC Berkeley's Graduate School of Education.

As state education funding increased over the latter part of the decade, so too have fixed costs such as employee pension contributions and support services for growing populations of students in the state who have special needs or are English learners.



Signs supporting Prop 15 and Oakland Schools hang in the window of a home in Oakland on Oct. 31, 2020. Photo by Anne Wernikoff for CalMatters

Several communities across California with the state's permission to reopen campuses are engaged in fraught debates among school leaders, teachers, parents and employee unions over when and how to do so. Among the sticking points has been whether schools have the resources to implement and sustain safety measures, such as surveillance coronavirus testing for employees. At a recent legislative hearing, state lawmakers acknowledged schools' dearth of testing capacity was prolonging potential campus reopenings while noting that the state had little room in its budget to assist with local efforts.

State officials have suggested on several occasions schools tap into $5.3 billion in federal coronavirus relief funds allocated for schools this summer to purchase laptops and technology for remote learning, personal protective equipment and expand their coronavirus testing bandwidth.

"(This) is not magical money that can be stretched forever," Troy Flint, spokesman for the California School Boards Association, said of the CARES Act funding, adding that schools are "in a very perilous position" financially.

"Anytime there's a new expectation or the state imposes a new requirement, it keeps pointing to that same pot of money," Flint said.

Prop. 15 is the second education-related statewide measure to face defeat this year, in part, due to the tall shadow of the landmark measure commonly referred to as the third rail of state politics.

Voters also rejected in the March primary a $15 billion state bond for school construction that, because of the state's sequential numbering requirements for ballot measures, shared the same name as the 1978 property-tax cut: Prop. 13. Though some political observers pointed to the measure's confusing name as a reason for its defeat, others also noted that its supporters failed to adequately communicate to voters the bond's importance.

Despite Prop. 15's defeat, supporters were optimistic late election night when initial returns came in, saying that the closeness of the vote suggested an appetite from voters to invest more money in public services such as K-12 education.

At the local level, school measures across the state continued to receive broad support — another sign of voters' support for education funding, according to advocates. About 80% of the 60 K-12 and community college bonds on local ballots, including a $7 billion bond in Los Angeles Unified, appeared headed toward approval at press time, according to results gathered by Michael Coleman, publisher of the California Local Government Finance Almanac. Nine out of 13 parcel taxes, which require two-thirds voter approval, appeared to pass, though the votes remained too close to call in two communities.

Another attempt at an education-related tax measure in the near future seems likely, though it's too soon to predict how a future measure would be structured. Also unclear at the moment is whether education and community advocates would again mount their own effort, similar to Prop. 15, or if the governor and Legislature would get involved.

Before the state's budget crunch, researchers affiliated with Stanford University had calculated it would take an additional $25 billion in school funding for all of the state's 6.1 million public-school students to meet its learning standards. In recent years, some state lawmakers have wanted to go even further. The pandemic has increased those needs, according to advocates.

Newsom endorsed Prop. 15 in September, though did not campaign for the measure. The governor also said recently that he would not support legislation calling for higher income taxes.

Whatever the course, the road to more schools funding will likely require broad support among state leaders, education unions, advocacy groups as well as a unified message, said Carrie Hahnel, an independent education researcher and fellow with the Berkeley-based Opportunity Institute.

Without federal or state intervention, Hahnel wrote in a recent Policy Analysis for California Education brief, schools are likely to face a downturn like the one they experienced nearly a decade ago. Because California's public schools are heavily reliant on state income taxes, it makes them more susceptible to volatility amid the peaks and valleys of the state's economy, Hahnel wrote.

In 2012, at the tail end of the recession as the state neared a similar school funding cliff, then-Gov. Jerry Brown campaigned aggressively for Proposition 30, a quarter-cent sales tax that aimed to prop up school funding. The message then was clear: Vote yes or schools stood to lose $6 billion in cuts. It passed, 55.4% to 44.6%. That kind of support from the governor might be what it takes to put a future ballot measure over the top.

"I think we need to start from scratch and get everybody together and say what we are trying to do and how we can build this thing even if it means some compromises, some shared pain," Hahnel said. "It's very hard to hit the business community alone."

Ricardo Cano

ricardo@calmatters.org

Ricardo Cano covers California education for CalMatters. Cano joined CalMatters in September 2018 from The Arizona Republic and azcentral.com, where he spent three years as the education reporter. Cano... **More by Ricardo Cano**

Nguyen, Thao

From: O'Connor, Adam
Sent: Wednesday, November 4, 2020 8:45 AM
To: Barembaum, Morrie; Deeley, Steven; Guzman, Noemi; Hoffman, Bart; Jacob Bereskin FRC Student Rep; Morones, Cristina; Nguyen, Thao; Nguyen, William; O'Connor, Adam; Perez, Enrique; Rutan, Craig; Satele, Arleen; Shahbazian, Roy; Urbina, Vanessa
Cc: Vega, Kennethia; Almaraz, Erika; Banal, Justine; Duenez, Patricia; Garcia, Elvia; george@cambridgewestpartnership.com; Gerard, Debra; Hubbard, Vaniethia; Kennedy, James; Odegard, Esther; Rizvi, Syed; Schumacher, Leisa; Umaimah Memon ASGSCC VP, student
Subject: FW: Hold Harmless Language for Inclusion in RSCCD SCFF BAM

Good morning everyone. As you recall at our last meeting when we discussed the BAM updates, the committee wanted more time to consider the changes. It was agreed that any other suggested updates be sent within two weeks so the whole committee had time to review the language ahead of the next meeting. Today marks the two week deadline. I have received the suggestion below from Bart Hoffman. I sent these questions to Bart for clarification of intent:

> I am not sure how SAC would intend this to apply in various situations. If the district is in HH and both colleges are down and therefore both in HH, I assume that you are suggesting they would both receive their proportionate share of the HH funds received. But what are you basing the HH on? 2017/18 FTES or the current FTES or something else? And what if only one college is below 2017/18 FTES and the other is above? How would you apply HH?

Please let me know if you have any other questions related to this suggestion or if there are any other language change suggestions by the end of the day. Thank you.

Adam M. O'Connor
Interim Vice Chancellor, Business Operations/Fiscal Services
Rancho Santiago Community College District

From: Hoffman, Bart <Hoffman_Bart@sac.edu>
Sent: Wednesday, November 4, 2020 7:47 AM
To: O'Connor, Adam <OConnor_Adam@rsccd.edu>
Cc: Hubbard, Vaniethia <Hubbard_Vaniethia@sac.edu>; Shahbazian, Roy <Shahbazian_Roy@sac.edu>; Nguyen, William <Nguyen_William@sac.edu>; Reynoso, Mark <Reynoso_Mark@sac.edu>; Urbina, Vanessa <Urbina_Vanessa@sac.edu>; Cardona, Maria <Cardona_Maria@sac.edu>
Subject: Hold Harmless Language for Inclusion in RSCCD SCFF BAM

Good Morning Adam,

As you know, concern was expressed by several Fiscal Resources Committee members at the October 21, 2020 meeting regarding the lack of hold harmless language in the RSCCD SCFF Budget Allocation Model (BAM). Consequently, a workgroup was formed at SAC to address this concern. The workgroup's efforts resulted in the following hold harmless language for inclusion in the BAM:

> For that period of time that the District's funding is held harmless by the state, the colleges' funding will also be held harmless based on the proportionate share of funding each college earned for that fiscal year that serves as the basis for the District's hold harmless funding.

This language was brought to SAC's November 3, 2020 Planning and Budget Committee as an action item. The Committee voted unanimously in support of including this hold harmless language in the RSCCD SCFF BAM. Please let us know if there are any questions.

Thank you,

Bart

Bart Hoffman, Ed.D.
Vice President
Administrative Services
Santa Ana College
1530 West 17th Street
Santa Ana, CA 92706-3398
(714) 564-6304
Fax (714) 564-6309
hoffman_bart@sac.edu

RANCHO SANTIAGO
Community College District
Santa Ana College • Santiago Canyon College

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

Introduction

In February of 2012, the Rancho Santiago Community College District approved and adopted a revenue allocation formula, based on SB 361, in order to provide the greatest amount of flexibility for each of the campuses. The change was initiated by the district Budget Allocation and Planning Review Committee (BAPR) and a technical subgroup of BAPR who was then delegated the task of reviewing the model that the District had been using for the previous 10 years. The BAPR workgroup proceeded to review and evaluate approximately 20 other California community college multi-campus budget allocation models. Following the review of other models, the BAPR workgroup ultimately decided on a revenue allocation model as opposed to the expenditure allocation model that had been in effect in the District. On July 1st, 2018, the Student-Centered Funding Formula (SCFF) was adopted by *the state of California* marking one of the biggest changes to California Community College funding yet. The SCFF is based on three allocations:

1) ~~1)~~ Base Allocation (70% of state funding) is based on the number of colleges and comprehensive centers in the community college district and total FTES generation

2) Supplemental Allocation (20% of state funding) is based on the number of low-income students

3) Student Success Allocation (10% of state funding) is based on student progress such as transfer, completion, and wage earnings.

RSCCD's Fiscal Resource Committee (FRC), as the current participatory governance body in charge of reviewing and evaluating the RSCCD revenue allocation model, determined that based on the new distribution of funds from the State, the District's current budget model needed to be reviewed and revised to be in accordance with the Student-Centered Funding Formula.

~~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.~~

Commented [CW1]: Update when completed

Formatted: Font: (Default) Times New Roman, 12 pt, Font color: Auto

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: (Default) Times New Roman, 12 pt, Font color: Auto

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: (Default) Times New Roman, Font color: Auto

Formatted: No Spacing, Pattern: Clear

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: (Default) Times New Roman, 12 pt, Font color: Auto

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: (Default) Times New Roman, Font color: Auto

Formatted: No Spacing, Pattern: Clear

Formatted: Font: (Default) Times New Roman, 12 pt, Font color: Auto

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: (Default) Times New Roman, Font color: Auto

Formatted: No Spacing, Pattern: Clear

Formatted: Font: (Default) Times New Roman, 12 pt, Font color: Auto

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: (Default) Times New Roman, Font color: Auto

Formatted: No Spacing, Pattern: Clear

Formatted: Font: (Default) Times New Roman, 12 pt, Font color: Auto

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: (Default) Times New Roman, 12 pt, Font color: Auto

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: 12 pt, Not Bold, Font color: Custom Color(RGB(34,34,34))

Formatted: Font: (Default) Times New Roman, 12 pt

~~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 state 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.~~ 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.

~~Implementation~~

~~A detailed transition plan for the implementation of the new BAM should include:~~

- ~~Standards and milestones for the initial year~~
- ~~An evaluation process to determine if the standards and milestones have been achieved or if there is adequate progress~~
- ~~A process to ensure planning is driving the budget~~

~~The 2012-2013 fiscal year is the transitional year from the old budget allocation model to the new SB 361 model. Essentially, the first year (2012-2013) of the new model is a rollover of expenditure appropriations from the prior year 2011-2012. Therefore the 2011/12 ending balance funds are used on a one time basis to cover the structural deficit spending in the 2012/13 fiscal year.~~

~~An SB 361 Budget Allocation Model Implementation Technical Committee (BAMIT) was established by the Budget Allocation and Planning Review Committee (BAPR) and began meeting in April 2012. The team included:~~

~~District Office:~~	
~~Peter Hardash~~	~~Vice Chancellor, Business Operations/Fiscal Services~~
~~John Didion~~	~~Executive Vice Chancellor~~
~~Adam O'Connor~~	~~Assistant Vice Chancellor, Fiscal Services~~
~~Gina Huegli~~	~~Budget Analyst~~
~~Thao Nguyen~~	~~Budget Analyst~~
~~Santa Ana College:~~	

~~Linda Rose~~	~~Vice President, Academic Affairs~~
~~Jim Kennedy~~	~~Interim Vice President, Administrative Services~~
~~Michael Collins~~	~~Vice President, Administrative Services~~
~~**Santiago Canyon College:**~~	
~~Aracely Mora~~	~~Vice President, Academic Affairs~~
~~Steve Kawa~~	~~Vice President, Administrative Services~~

Formatted: No Spacing

~~BAMIT was tasked with evaluating any foreseeable implementation issues transitioning from the old model and to make recommendations on possible solutions.~~

Formatted: No Spacing, Left

~~The team spent the next five months meeting to discuss and agree on recommendations for implementing the transition to new model using a series of discussion topics. These agreements are either documented directly in this model narrative or included in an appendix if the topic was related solely to the transition year.~~

~~It was also agreed by BAMIT that any unforeseen issue that would arise should be brought back to FRC for review and recommendation.~~

Commented [GR2]: Implementation section will be rewritten to describe the process used to understand how the model continually changed during implementation and transition.

~~**Revenue Allocatio**~~

Implementation

In the Spring of 2019 Rancho Santiago Community College District began the process of developing a new budget allocation model (BAM) to better align with the newly adopted ~~Student Centered~~Student-Centered Funding Formula. On xxxxxx of 2020 the Fiscal Resource Committee (FRC) finished their work and recommended a new BAM to xxxxxxxxxx. (this will be completed with a timeline calendar once all committees have approved and Board has adoption is complete)

Timeline	Milestone

The team included the following members

District Office:	**Title**	**Representation**
Santa Ana College:		

Santiago Canyon College:		

The SCFF is in its infancy and will continue to be modified as the formula matures. This BAM should be reviewed on an annual basis by the FRC to evaluate the changes as updates are signed into law.

College and District Services Budgets and Expenditure Responsibilities

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. Revenue responsibilities for the colleges, District Services and Institutional Costs are summarized in Table 1.

Expenditure responsibilities for the colleges and Institutional costs are summarized in Table 2.

	TABLE 1~~2~~ Revenue and Budget Responsibilities	Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services ☑	Institutional Cost~~or~~ ~~Districtwide monitoring~~ ☑
Federal Revenue- (81XX)					
1	Grants Agreement	✓	✓	✓	
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	✓	✓		~~✓~~
3	COLA or Negative COLA	✓	✓	✓ subject to collective bargaining	~~✓ subject to collective bargaining~~

Formatted: Font: 14 pt

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: Not Bold

Formatted: Normal, Left, Space After: 0 pt

Formatted Table

Formatted Table

Formatted: Font: Agency FB

Formatted: Font: Agency FB

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	~~✓ 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	-	-	✓	~~✓~~

~~Revenue Allocation~~

~~Since the 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.~~

Formatted: Font: 12 pt

	TABLE 2~~1~~ **Expenditure and Budget Responsibilities**	**Santa Ana College & CEC ☑**	**Santiago Canyon College & OEC ☑**	**District Services ☑**	**Institutional Cost ~~of 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	✓	✓	✓	~~✓~~

Formatted Table

Formatted Table

~~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.~~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.~~

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.

Formatted: Font: (Default) +Body (Calibri)

Formatted: Normal, Left, Right: 0", Space After: 0 pt, Line spacing: single

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

Revenue Modifications

Apportionment Revenue Adjustments

It is very likely each fiscal year that the District's revenues from state apportionment could be adjusted after the close of the fiscal year in the fall, but most likely at the P1 recalculation, which occurs eight months after the close of the fiscal year. This budget model therefore will be fluid, with changes made throughout the fiscal year (P-1, P-2, P-annual) as necessary. Any increase or decrease to prior year revenues is treated as a onetime addition or reduction to the colleges' current budget year and distributed in the model based on the most up to date ~~FTES~~apportionment split reported by the District and funded by the state.

The apportionment includes funded FTES, supplemental and student success allocations.

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Normal, Left, Line spacing: single

Formatted: Font: 12 pt

An example of revenue allocation ~~and FTES change~~adjustment:

$100,000,000 is originally split 70% Santa Ana College ($70,000,000) and 30% Santiago Canyon College ($30,000,000) based on ~~FTES~~ the SCFF split at the time of budget adoption. At the final ~~FTES~~ SCFF recalculation for that year, the District earns an additional $500,000 based on the total funded ~~FTES~~apportionment. In addition, the split of ~~FTES~~ apportionment changes to 71%/29%. The total revenue of $100,500,000 is then redistributed $71,355,000 to Santa Ana College and $29,145,000 to Santiago Canyon College which would result in a shift of $855,000 between the colleges. A reduction in funding will follow the same calculation.

It is necessary in this model to set a base level of FTES for each college. Per agreement by the Chancellor and college Presidents, the base FTES split is determined by the prior year final FTES total.~~of 70.80% SAC and 29.20% SCC will be utilized for the 2013/14 tentative budget.~~ Similar to how the state sets a base for district FTES, this will be the beginning base level for each college. Each year through the planning process there will be a determination made if the district has growth potential for the coming fiscal year. Each college will determine what level of growth they believe they can achieve and targets will be discussed and established through Chancellor's Cabinet. For example, if the district believes it has the opportunity for 2% growth, the colleges will determine the level of growth they wish to pursue. If both colleges decide to pursue and earn 2% growth and the district is funded for 2% growth, then each college's base would increase 2% the following year. In this case the split would still remain 70.80%/29.20% as both colleges moved up proportionately (Scenario #1).

	Base FTES	% split	Scenario #1	New FTES	% split
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	28,000		2.00%	28,560.00	

If instead, one college decides not to pursue growth and the other college pursues and earns the entire district 2% growth, all of these FTES will be added to that college's base and therefore its base will grow more than 2% and the split will then be adjusted (Scenario #2).

	Base FTES	% split	Scenario #2	New FTES	% split
SAC	19,824	70.80%	2.82%	20,384.00	71.37%
SCC	8,176	29.20%	0.00%	8,176.00	28.63%
	28,000		2.00%	28,560.00	

Field Code Changed

Using this same example in which the district believes it has the opportunity for 2% growth, and both colleges decide to pursue 2% growth, however one college generates 3% growth and the other generates 2%, the college generating more FTES would have unfunded over cap FTES. The outcome would be that each college is credited for 2% growth, each base increases 2% and the split remains (Scenario #3).

	Base FTES	% split	Scenario #3	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(198.24)	
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	28,000		2.00%	28,560.00	

Field Code Changed

If instead, one college generates 3% and the other college less than 2%, the college generating the additional FTES can earn its 2% target plus up to the difference between the other college's lost FTES opportunity and the total amount funded by the district (Scenario #4).

	Base FTES	% split	Scenario #4	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(136.92)	
SAC	19,824	70.80%	2.31%	20,281.80	71.01%
SCC	8,176	29.20%	1.25%	8,278.20	28.99%
	28,000		2.00%	28,560.00	

Field Code Changed

All of these examples exclude the effect of statewide apportionment deficits. In the case of any statewide deficits, the college revenues will be reduced accordingly. In addition, the Chancellor reserves the right to make changes to the base FTES as deemed necessary in the best interest of the district as a whole.

Stability

Formatted: Font: Bold

~~This model includes a stability mechanism for noncredit and CDCP FTES only.This model should also include a stability mechanism.~~ The stability mechanism has been eliminated for all ~~credit~~ FTES in the SCFF. ~~In a year of decline in which a both colleges earns less FTES than its base, the base FTES will remain intact following the state method for stabilization. In a year in which only one college earns less FTES than its base, the other college is funded at its earned level and any remaining funds received by the district for stability, if any, will be allocated to the college that declined. Therefore there may only be partial or no stability funding available. In the year of decline, college(s) are in funding stability for that, but have up to three years in which to earn back to its base FTES conditional on state funding. If the college does not earn back to its base during this period, then the new lower FTES base will be established. As an example (Scenario #5), year one there is 2% growth opportunity. One of the colleges earns 2% growth but the other college declines by 1%, going into stability. This year the college that declined is held at their base level of FTES while the other college is credited for their growth. In the second year of the example, there is no growth opportunity, but the college that declined recaptures FTES to the previous year base to emerge from stability. Note that since the other college grew in year one, the percentage split has now changed.~~

Formatted: Not Strikethrough

YEAR 1	Base FTES	% split	Scenario #5	New FTES	% split
Actual Generated:					
SAC	3,540	70.80%	-1.00%	3,504.60	70.18%
SCC	1,460	29.20%	2.00%	1,489.20	29.82%
	5,000		-0.124%	4,993.80	
Calculated for Stability:					
SAC	3,540		-1.00%	3,504.60	
stabilization				50.40	
SAC	3,540	70.80%	0.42%	3,555.00	70.48%
SCC	1,460	29.20%	2.00%	1,489.20	29.52%
	5,000		0.884%	5,044.20	
YEAR 2					
Actual Generated:					
SAC	3,504.60	70.18%	1.44%	3,555.00	70.48%
SCC	1,489.20	29.82%	0.00%	1,489.20	29.52%
	4,993.80		1.009%	5,044.20	

~~All of these examples exclude the effect of statewide apportionment deficits. In the case of any statewide deficits, the college revenues will be reduced accordingly. In addition, the Chancellor reserves the right to make changes to the base FTES as deemed necessary in the best interest of the district as a whole.~~

Hold Harmless

This model includes several hold harmless mechanisms in alignment with the SCFF. The chart below describes the various methods the State Chancellor's Office uses to fund districts in the event apportionments are reduced from year to year.

In any given year, a district's funding under the new Student Centered Funding Formula (SCFF) would be the highest of the amounts included in the lines below:

Line	Statutory Reference	2018-19	2019-20	2020-21	2021-22
1	Education Code section (ECS) 84750.4(b), 84750.4(c), 84750.4(d), 84750.4(e), and 84750.4(f) [STUDENT-CENTERED FUNDING FORMULA (SCFF)]	SCFF calculation	SCFF calculation	SCFF calculation	SCFF calculation
2	ECS 84750.4(g)(1)	2017-18 TCR. /1	2017-18 TCR. /1	N/A	N/A
3	ECS 84750.4(g)(2)	N/A	N/A	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2020-21 FTES, with basic allocation. /1	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2021-22 FTES, with basic allocation. /1
4	ECS 84750.4(g)(4)	N/A	Greater of lines 1 or 2 as calculated in **2018-19.**	Greater of lines 1 or 2 as calculated in **2019-20.**	Greater of lines 1 or 3 as calculated in **2020-21.**
5	ECS 84750.4(h)	2017-18 TCR adjusted by 2018-19 COLA.	2017-18 TCR adjusted by 2018-19 and 2019-20 COLAs.	2017-18 TCR adjusted by 2018-19, 2019-20, and 2020-21 COLAs.	N/A

/1 Special provisions for San Francisco Community College District and Compton Community College District.
TCR = Total Computational Revenue

Field Code Changed

Formatted: Font: Bold, Font color: Auto

Formatted: Font color: Auto

	Base FTES	% split	Scenario #1	New FTES	% split
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	28,000		2.00%	28,560.00	
	Base FTES	**% split**	**Scenario #2**	**New FTES**	**% split**
SAC	19,824	70.80%	2.82%	20,384.00	71.37%
SCC	8,176	29.20%	0.00%	8,176.00	28.63%
	28,000		2.00%	28,560.00	
	Base FTES	**% split**	**Scenario #3**	**New FTES**	**% split**
SAC	19,824		3.00%	20,418.72	
unfunded				(198.24)	
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	28,000		2.00%	28,560.00	
	Base FTES	**% split**	**Scenario #4**	**New FTES**	**% split**
SAC	19,824		3.00%	20,418.72	
unfunded				(136.92)	
SAC	19,824	70.80%	2.31%	20,281.80	71.01%
SCC	8,176	29.20%	1.25%	8,278.20	28.99%
	28,000		2.00%	28,560.00	
YEAR 1	**Base FTES**	**% split**	**Scenario #5**	**New FTES**	**% split**
Actual Generated:					
SAC	19,824	70.80%	-1.00%	19,625.76	70.18%
SCC	8,176	29.20%	2.00%	8,339.52	29.82%
	28,000		-0.124%	27,965.28	
Calculated for Stability:					
SAC	19,824		-1.00%	19,625.76	
stabilization				282.24	
SAC	19,824	70.80%	0.42%	19,908.00	70.48%
SCC	8,176	29.20%	2.00%	8,339.52	29.52%
	28,000		0.884%	28,247.52	
YEAR 2					
Actual Generated:					
SAC	19,625.76	70.18%	1.44%	19,908.00	70.48%
SCC	8,339.52	29.82%	0.00%	8,339.52	29.52%
	27,965.28		1.009%	28,247.52	

Commented [CW3]: This chart will be removed in final version.

Allocation of New State Revenues

Growth Funding: Plans from the Planning and Organizational Effectiveness Committee (POE) to seek growth funding requires FRC recommendation and approval by the Chancellor, and the plans should include how growth funds will be distributed if one of the colleges does not reach its growth target. A college seeking the opportunity for growth funding will utilize its own carryover funds to offer a schedule to achieve the desired growth. Once the growth has been confirmed as earned and funded by the state and distributed to the district, the appropriate allocation will be made to the college(s) generating the funded growth back through the model. Growth/Restoration Funds will be allocated to the colleges when they are actually earned.

Revenues which are not college specific (for example, student fees that cannot be identified by college), will be allocated based on total funded FTES percentage split between the campuses.

After consultation with district's independent audit firm, the implementation team agreed that any unpaid uncollected student fees will be written off as uncollectible at each year end. This way, only actual collected revenues are distributed in this model. At P-1, P-2 and P-annual, uncollected fee revenues will be adjusted.

Due to the instability of revenues, such as interest income, discounts earned, auction proceeds and~~,~~ vendor rebates (not including utility rebates which are budgeted in Fund 41 for the particular budget center), revenues from these sources will **not** be part of the revenue allocation formula. Income derived from these sources will be deposited to the institutional reserves. The ongoing state allocation for the Mandates Block Grant will be allocated to the colleges through the model. Any one-time Mandates allocations received from the state will be discussed by FRC and recommendations will be made for one-time uses.

Cost of Living Adjustments: COLAs included in the tentative and adopted budgets shall be distributed to the three budget centers pro rata based on total budgeted salary and benefits expenses and sequestered and not allocated for expenditure until after collective bargaining for all groups have been finalized.

Lottery Revenue: Income for current year lottery income is received based on the prior fiscal year's FTES split. At Tentative Budget, the allocation will be made based on projected FTES without carryover. At Adopted Budget, final FTES will be used and carryovers will be included.

Other Modifications

Salary and Benefits Cost

All authorized full time and ongoing part time positions shall be budgeted with corresponding and appropriate fixed cost and health and welfare benefits. Vacant positions will be budgeted at the beginning of the fiscal year or when newly created at the ninth place ranking level (Class VI, Step 12) for full-time faculty and at the mid-level for other positions (ex. Step 3 for CSEA, Step 4 for Management, and AA step 6 for teachers and BA step 6 for master teachers in child development), with the district's average cost for the health and welfare benefits by employee group. The full cost of all positions, regardless of the budgeted amount, including step and column movement costs, longevity increment costs and any additional collective bargaining agreement costs, will be charged to the particular Budget Center. The colleges are responsible for this entire cost, including any increases or adjustments to salary or benefits throughout the year. If a position becomes vacant during a fiscal year, the Budget Center has the discretion to move unused and available budget from the previous employee's position for other one-time costs until filled or defunded. Any payoffs of accrued vacation, or any additional costs incurred at separation from employment with the district, will be borne by the particular Budget Center. When there is a vacancy that won't be filled immediately, Human Resources should be consulted as to how long it can remain vacant. The colleges should also consult Human Resources regarding the FON when recommending to defund faculty positions.

Grants/Special Projects

Due to the timeliness issues related to grants, approvals rest with the respective Chancellor's Cabinet member, through established processes, in all cases except for Economic Development grants in which a new grant opportunity presents itself which requires an increase to the District Office budget due to match or other unrestricted general fund cost. In these cases, the grant will be reviewed by Chancellor's Cabinet with final approval made by the Chancellor.

Some grants allow for charges of indirect costs. These charges will accumulate by Budget Center during each fiscal year. At fiscal ~~year end~~year-end, once earned, each college will be allocated 100% of the total indirect costs earned by that college and transferred into Fund 13 the following year to be used for one-time expenses. The indirect costs earned by district projects will roll into the institutional ending fund balance with the exception of the District Educational Services grants. In order to increase support services and resources provided to the colleges and to acknowledge the additional costs associated with administering grants, any accumulated indirect costs generated from these grants will be distributed as follows: 25% will roll into the institutional ending fund balance, 25% will offset the overall District Services expenditures in that given year, and 50% will carryover specifically in a Fund 13 account under Educational Services to be used for one-time expenses to increase support services to the colleges.

It is the district's goal to fully expend grants and other special project allocations by the end of the term, however sometimes projects end with a small overage or can be under spent. For any overage or allowable amount remaining, these amounts will close into the respective Budget Center's Fund 13 using 7200 transfers.

Banked LHE Load Liability

~~Beginning in 2012/13, the~~The liability for banked LHE ~~will be~~is accounted for in separate college accounts. The cost of faculty banking load will be charged to the college during the semester the course is taught and added to the liability. When an instructor takes banked leave, they will be paid their regular salary and district office will make a transfer from the liability to the college 1300 account to pay the backfill cost of teaching the load. A college cannot permanently fill a faculty position at the time someone takes their final year or semester off before retirement. Filling a vacancy cannot occur until the position is actually vacant. In consultation with Human Resources and Fiscal Services, a college can request to swap another faculty vacancy they may have in another discipline or pay the cost differential if they determine programmatically it needs to be filled sooner.

This method will appropriately account for the costs of each semester offerings and ensure an appropriate liability. Although the liability amounts will be accounted for by college, only District Fiscal Services will be able to make transfers from these accounts. Each year end a report will be run to reconcile the total cost of the liability and to determine if any additional transfers are required. T~~, t~~he college~~s~~ will be charged for the differences.

Other Possible Strategic Modifications

Summer FTES

The 3-year average for credit FTES has severely reduced the effectiveness of the "summer shift," nevertheless,

~~T~~there may be times when it is in the best financial interest of the District to shift summer FTES between fiscal years. When this occurs, the first goal will be to shift FTES from both colleges in the same proportion as the total funded FTES for each of the colleges. If this is not possible, then care needs to be exercised to ensure that any such shift does not create a disadvantage to either college. If a disadvantage is apparent, then steps to mitigate this occurrence will be addressed by the FRC.

Borrowing of summer FTES is not a college-level decision, but rather it is a District-level determination. It is not a mechanism available to individual colleges to sustain their internal FTES levels.

Long-Term Plans

Colleges: Each college has a long-term plan for facilities and programs. The District Chancellor, in consultation with the Presidents, will evaluate additional funding that may accrue to the colleges beyond what the model provides. The source of this funding will also have to be identified.

Santa Ana College (SAC) utilizes the Educational Master Plan in concert with the SAC Strategic Plan to determine the long-term plans for the college. Long-term facilities plans are outlined in the latest Facilities Master Plan, and are rooted in the Educational Master Plan. SAC links planning to budget through the use of the SAC Comprehensive Budget Calendar, which includes planning milestones linked to the college's program review process, Resource Allocation Request (RAR) process, and to the District's planning and budget calendar. As a result of the Program Review Process, resource allocation needs are requested via the RAR process, which identifies specific resources required to achieve specific intended outcomes. The budget augmentation requests are then prioritized at the department, division, and area level in accordance with established budget criteria. The college's Planning and Budget Committee reviews the prioritized RARs, and they are posted to the campus Planning and Budget web page for the campus community to review. As available resources are realized, the previously prioritized RAR are funded.

At Santiago Canyon College (SCC), long-term plans are developed similarly to short-term plans, and exist in a variety of interconnected processes and documents. ~~Department Planning Portfolios (DPP) and~~ Program Reviews are the root documents that form the college's Educational Master Plan and serve to align planning with resource allocation. The allocation of resources is determined through a formal participatory governance process. The Planning and Institutional Effectiveness (PIE) committee is the participatory governance committee that is charged with the task of ensuring resource allocation is tied to planning. Through its planning cycle, the PIE committee receives resource requests from all college units and ensures that each request aligns with the college mission, college goals, and program reviews.~~, and DPPs.~~ All requests are then ranked by the PIE committee, placed on a college-wide prioritized list of resource requests, and forwarded to the college budget committee for review. If the budget committee identifies available funds, those funds are noted on the prioritized list, and sent back to the PIE committee. The PIE committee then forwards the prioritized list, along with the budget committee's identification of available funds, to College Council for approval of the annual budget.

Formatted: Strikethrough

Formatted: Strikethrough

District Services: District Services and Institutional Costs may also require additional funding to implement new initiatives in support of the colleges and the district as a whole. POE will evaluate budget augmentation requests and forward a recommendation to District Council. District Council may then refer such requests to FRC for funding consideration.

Formatted: Tab stops: 2.63", Left

Full-Time Faculty Obligation Number (FON)

To ensure that the District complies with the State required full-time Faculty Obligation Number (FON), the District Chancellor- will establish a FON for each college. Each college ~~shall be~~is required to fund at least

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: No Spacing, Left

that number of full-time faculty positions. ~~If the~~When a District falls below the FON ~~and is penalized~~a replacement cost penalty is required to be paid to the state~~.,~~ ~~T~~the amount of the ~~penalty~~ replacement cost will be deducted from the revenues of the college(s) ~~causing~~ incurring the penalty. ~~FRC, along with the District Enrollment Management Committee, should regularly review the FON targets and actuals and to determine if any budget adjustment is necessary. If an adjustment is needed, FRC should develop a proposal and forward it to POE Committee for review and recommendation to the District Chancellor.~~

Commented [CW4]: remove

Budget Input

Using a system for Position Control, Fiscal Services will budget 100% of all regular personnel cost of salary and benefits, and notify the Budget Centers of the difference between the computational total budget from the Budget Allocation Model and the cost of regular personnel. The remaining line item budgets will roll over from one year to the next so the Budget Centers are not required to input every line item. The Budget Centers can make any allowable budget changes at their discretion and will also be required to make changes to reconcile to the total allowable budget per the model.

~~Appendix Attached~~

Commented [CW5]: These charts will be either moved to the 'Responsibilities" section or to the appendix

~~A. Definition of Terms~~

	~~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 approximately 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~~ Student Equity and Achievement or ~~Vocational~~ **Career** 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). This includes State approved centers receiving a basic allocation.

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 e~~Eliminating ~~a position and related cost~~ the cost of a position 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.

Formatted: Font: Bold

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 through July 1st 2018, included~~s~~ funding~~-~~ based 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 ~~i~~was 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 provided~~s~~ a base operational allocation~~s~~ for colleges and centers scaled for size.

Formatted: Superscript

SCFF – The Student Centered Funding Formula was ~~is~~ adopted on July 1st 2018 as 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: Superscript

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 – Stabilization has been eliminated for all FTES in the SCFF.~~A District receives stability funding from the Sstate for non-creditnoncredit and CDCP FTES (funding at the prior year FTES level) the first year of non-creditnoncredit 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 academic year. The student success allocation is based on a simple ~~three year~~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.

~~Appendix~~

Appendix B – History of Allocation Model

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 state 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.

~~Add history here~~

Formatted: Font: 12 pt, Not Bold

Formatted: Justified

Rancho Santiago Community College District
Budget Allocation Model
Based on 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

Introduction

In February of 2012, the Rancho Santiago Community College District approved and adopted a revenue allocation formula, based on SB 361, in order to provide the greatest amount of flexibility for each of the campuses. The change was initiated by the district Budget Allocation and Planning Review Committee (BAPR) and a technical subgroup of BAPR who was then delegated the task of reviewing the model that the District had been using for the previous 10 years. The BAPR workgroup proceeded to review and evaluate approximately 20 other California community college multi-campus budget allocation models. Following the review of other models, the BAPR workgroup ultimately decided on a revenue allocation model as opposed to the expenditure allocation model that had been in effect in the District. On July 1st, 2018, the Student-Centered Funding Formula (SCFF) was adopted by *the state of California* marking one of the biggest changes to California Community College funding yet. The SCFF is based on three allocations:

1) Base Allocation (70% of state funding) is based on the number of colleges and comprehensive centers in the community college district and total FTES generation

2) Supplemental Allocation (20% of state funding) is based on the number of low-income students.

3) Student Success Allocation (10% of state funding) is based on student progress such as transfer, completion, and wage earnings.

RSCCD's Fiscal Resource Committee (FRC), as the current participatory governance body in charge of reviewing and evaluating the RSCCD revenue allocation model, determined that based on the new distribution of funds from the State, the District's current budget model needed to be reviewed and revised to be in accordance with the Student-Centered Funding Formula.

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 transparent, 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 State 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 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 responsible 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.

Implementation

In the Spring of 2019 Rancho Santiago Community College District began the process of developing a new budget allocation model (BAM) to better align with the newly adopted Student-Centered Funding Formula. On xxxxxx of 2020 the Fiscal Resource Committee (FRC) finished their work and recommended a new BAM to xxxxxxxxxx. (this will be completed with a timeline calendar once all committees have approved and Board has adoption is complete)

Timeline	Milestone

The team included the following members

District Office:	**Title**	**Representation**
Santa Ana College:		
Santiago Canyon College:		

The SCFF is in its infancy and will continue to be modified as the formula matures. This BAM should be reviewed on an annual basis by the FRC to evaluate the changes as updates are signed into law.

College and District Services Budgets and Expenditure Responsibilities

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. Revenue responsibilities for the colleges, District Services and Institutional Costs are summarized in Table 1.

Expenditure responsibilities for the colleges and Institutional costs are summarized in Table 2.

TABLE 1 **Revenue and Budget Responsibilities**	**Santa Ana College & CEC ☑**	**Santiago Canyon College & OEC ☑**	**District Services ☑**	**Institutional Cost☑**
Federal Revenue- (81XX)				

1	Grants Agreement	✓	✓	✓	
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	✓	✓		
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)	✓	✓		
12	Scheduled Maintenance Matches	✓	✓	✓	
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			✓	

	TABLE 2 Expenditure and Budget Responsibilities	Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services ☑	Institutional Cost ☑
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					
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					
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	✓	✓	✓	

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.

Revenue Modifications

Apportionment Revenue Adjustments
It is very likely each fiscal year that the District's revenues from state apportionment could be adjusted after the close of the fiscal year in the fall, but most likely at the P1 recalculation, which occurs eight months after the close of the fiscal year. This budget model therefore will be fluid, with changes made throughout the fiscal year (P-1, P-2, P-annual) as necessary. Any increase or decrease to prior year revenues is treated as a onetime addition or reduction to the colleges' current budget year and distributed in the model based on the most up to date apportionment split reported by the District and funded by the state.

The apportionment includes funded FTES, supplemental and student success allocations.

An example of revenue allocation adjustment:

$100,000,000 is originally split 70% Santa Ana College ($70,000,000) and 30% Santiago Canyon College ($30,000,000) based on the SCFF split at the time of budget adoption. At the final SCFF recalculation for that year, the District earns an additional $500,000 based on the total funded apportionment. In addition, the split of apportionment changes to 71%/29%. The total revenue of $100,500,000 is then redistributed $71,355,000 to Santa Ana College and $29,145,000 to Santiago Canyon College which would result in a shift of $855,000 between the colleges. A reduction in funding will follow the same calculation.

It is necessary in this model to set a base level of FTES for each college. Per agreement by the Chancellor and college Presidents, the base FTES split is determined by the prior year final FTES total. Similar to how the state sets a base for district FTES, this will be the beginning base level for each college. Each year through the planning process there will be a determination made if the district has growth potential for the coming fiscal year. Each college will determine what level of growth they believe they can achieve and targets will be discussed and established through Chancellor's Cabinet. For example, if the district believes it has the opportunity for 2% growth, the colleges will determine the level of growth they wish to pursue. If both colleges decide to pursue and earn 2% growth and the district is funded for 2% growth, then each college's base would increase 2% the following year. In this case the split would still remain 70.80%/29.20% as both colleges moved up proportionately (Scenario #1).

	Base FTES	% split	Scenario #1	New FTES	% split
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	28,000		2.00%	28,560.00	

If instead, one college decides not to pursue growth and the other college pursues and earns the entire district 2% growth, all of these FTES will be added to that college's base and therefore its base will grow more than 2% and the split will then be adjusted (Scenario #2).

	Base FTES	% split	Scenario #2	New FTES	% split
SAC	19,824	70.80%	2.82%	20,384.00	71.37%
SCC	8,176	29.20%	0.00%	8,176.00	28.63%
	28,000		2.00%	28,560.00	

Using this same example in which the district believes it has the opportunity for 2% growth, and both colleges decide to pursue 2% growth, however one college generates 3% growth and the other generates 2%, the college generating more FTES would have unfunded over cap FTES. The outcome would be that each college is credited for 2% growth, each base increases 2% and the split remains (Scenario #3).

	Base FTES	% split	Scenario #3	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(198.24)	
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	28,000		2.00%	28,560.00	

If instead, one college generates 3% and the other college less than 2%, the college generating the additional FTES can earn its 2% target plus up to the difference between the other college's lost FTES opportunity and the total amount funded by the district (Scenario #4).

	Base FTES	% split	Scenario #4	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(136.92)	
SAC	19,824	70.80%	2.31%	20,281.80	71.01%
SCC	8,176	29.20%	1.25%	8,278.20	28.99%
	28,000		2.00%	28,560.00	

All of these examples exclude the effect of statewide apportionment deficits. In the case of any statewide deficits, the college revenues will be reduced accordingly. In addition, the Chancellor reserves the right to make changes to the base FTES as deemed necessary in the best interest of the district as a whole.

Stability

The stability mechanism has been eliminated for all FTES in the SCFF.

YEAR 1	Base FTES	% split	Scenario #5	New FTES	% split
Actual Generated:					
SAC	3,540	70.80%	-1.00%	3,504.60	70.18%
SCC	1,460	29.20%	2.00%	1,489.20	29.82%
	5,000		-0.124%	4,993.80	
Calculated for Stability:					
SAC	3,540		-1.00%	3,504.60	
stabilization				50.40	
SAC	3,540	70.80%	0.42%	3,555.00	70.48%
SCC	1,460	29.20%	2.00%	1,489.20	29.52%
	5,000		0.884%	5,044.20	
YEAR 2					
Actual Generated:					
SAC	3,504.60	70.18%	1.44%	3,555.00	70.48%
SCC	1,489.20	29.82%	0.00%	1,489.20	29.52%
	4,993.80		1.009%	5,044.20	

Hold Harmless

This model includes several hold harmless mechanisms in alignment with the SCFF. The chart below describes the various methods the State Chancellor's Office uses to fund districts in the event apportionments are reduced from year to year.

In any given year, a district's funding under the new Student Centered Funding Formula (SCFF) would be the highest of the amounts included in the lines below:

Line	Statutory Reference	2018-19	2019-20	2020-21	2021-22
1	Education Code section (ECS) 84750.4(b), 84750.4(c), 84750.4(d), 84750.4(e), and 84750.4(f) [STUDENT-CENTERED FUNDING FORMULA (SCFF)]	SCFF calculation	SCFF calculation	SCFF calculation	SCFF calculation
2	ECS 84750.4(g)(1)	2017-18 TCR. /1	2017-18 TCR. /1	N/A	N/A
3	ECS 84750.4(g)(2)	N/A	N/A	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2020-21 FTES, with basic allocation. /1	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2021-22 FTES, with basic allocation. /1
4	ECS 84750.4(g)(4)	N/A	Greater of lines 1 or 2 as calculated in **2018-19.**	Greater of lines 1 or 2 as calculated in **2019-20.**	Greater of lines 1 or 3 as calculated in **2020-21**.
5	ECS 84750.4(h)	2017-18 TCR adjusted by 2018-19 COLA.	2017-18 TCR adjusted by 2018-19 and 2019-20 COLAs.	2017-18 TCR adjusted by 2018-19, 2019-20, and 2020-21 COLAs.	N/A

/1 Special provisions for San Francisco Community College District and Compton Community College District.

TCR = Total Computational Revenue

Allocation of New State Revenues

Growth Funding: Plans from the Planning and Organizational Effectiveness Committee (POE) to seek growth funding requires FRC recommendation and approval by the Chancellor, and the plans should include how growth funds will be distributed if one of the colleges does not reach its growth target. A college seeking the opportunity for growth funding will utilize its own carryover funds to offer a schedule to achieve the desired growth. Once the growth has been confirmed as earned and funded by the state and distributed to the district, the appropriate allocation will be made to the college(s) generating the funded growth back through the model. Growth/Restoration Funds will be allocated to the colleges when they are actually earned.

Revenues which are not college specific (for example, student fees that cannot be identified by college), will be allocated based on total funded FTES percentage split between the campuses.

After consultation with district's independent audit firm, the implementation team agreed that any unpaid uncollected student fees will be written off as uncollectible at each year end. This way, only actual collected revenues are distributed in this model. At P-1, P-2 and P-annual, uncollected fee revenues will be adjusted.

Due to the instability of revenues, such as interest income, discounts earned, auction proceeds and vendor rebates (not including utility rebates which are budgeted in Fund 41 for the particular budget center), revenues from these sources will **not** be part of the revenue allocation formula. Income derived from these sources will be deposited to the institutional reserves. The-ongoing state allocation for the Mandates Block Grant will be allocated to the colleges through the model. Any one-time Mandates allocations received from the state will be discussed by FRC and recommendations will be made for one-time uses.

Cost of Living Adjustments: COLAs included in the tentative and adopted budgets shall be distributed to the three budget centers pro rata based on total budgeted salary and benefits expenses and sequestered and not allocated for expenditure until after collective bargaining for all groups have been finalized.

Lottery Revenue: Income for current year lottery income is received based on the prior fiscal year's FTES split. At Tentative Budget, the allocation will be made based on projected FTES without carryover. At Adopted Budget, final FTES will be used and carryovers will be included.

Other Modifications

Salary and Benefits Cost

All authorized full time and ongoing part time positions shall be budgeted with corresponding and appropriate fixed cost and health and welfare benefits. Vacant positions will be budgeted at the beginning of the fiscal year or when newly created at the ninth place ranking level (Class VI, Step 12) for full-time faculty and at the mid-level for other positions (ex. Step 3 for CSEA, Step 4 for Management, and AA step 6 for teachers and BA step 6 for master teachers in child development), with the district's average cost for the health and welfare benefits by employee group. The full cost of all positions, regardless of the budgeted amount, including step and column movement costs, longevity increment costs and any additional collective bargaining agreement costs, will be charged to the particular Budget Center. The colleges are responsible for this entire cost, including any increases or adjustments to salary or benefits throughout the year. If a position becomes vacant during a fiscal year, the Budget Center has the discretion to move unused and available budget from the previous employee's position for other one-time costs until filled or defunded. Any payoffs of accrued vacation, or any additional costs incurred at separation from employment with the district, will be borne by the particular Budget Center. When there is a vacancy that won't be filled immediately, Human Resources should be consulted as to how long it can remain vacant. The colleges should also consult Human Resources regarding the FON when recommending to defund faculty positions.

Grants/Special Projects

Due to the timeliness issues related to grants, approvals rest with the respective Chancellor's Cabinet member, through established processes, in all cases except for Economic Development grants in which a new grant opportunity presents itself which requires an increase to the District Office budget due to match or other unrestricted general fund cost. In these cases, the grant will be reviewed by Chancellor's Cabinet with final approval made by the Chancellor.

Some grants allow for charges of indirect costs. These charges will accumulate by Budget Center during each fiscal year. At fiscal year-end, once earned, each college will be allocated 100% of the total indirect costs earned by that college and transferred into Fund 13 the following year to be used for one-time expenses. The indirect costs earned by district projects will roll into the institutional ending fund balance with the exception of the District Educational Services grants. In order to increase support services and resources provided to the colleges and to acknowledge the additional costs associated with administering grants, any accumulated indirect costs generated from these grants will be distributed as follows: 25% will roll into the institutional ending fund balance, 25% will offset the overall District Services expenditures in that given year, and 50% will carryover specifically in a Fund 13 account under Educational Services to be used for one-time expenses to increase support services to the colleges.

It is the district's goal to fully expend grants and other special project allocations by the end of the term, however sometimes projects end with a small overage or can be under spent. For any overage or allowable amount remaining, these amounts will close into the respective Budget Center's Fund 13 using 7200 transfers.

Banked LHE Load Liability

The liability for banked LHE is accounted for in separate college accounts. The cost of faculty banking load will be charged to the college during the semester the course is taught and added to the liability. When an instructor takes banked leave, they will be paid their regular salary and district office will make a transfer from the liability to the college 1300 account to pay the backfill cost of teaching the load. A college cannot permanently fill a faculty position at the time someone takes their final year or semester off before retirement. Filling a vacancy cannot occur until the position is actually vacant. In consultation with Human Resources and Fiscal Services, a college can request to swap another faculty vacancy they may have in another discipline or pay the cost differential if they determine programmatically it needs to be filled sooner.

This method will appropriately account for the costs of each semester offerings and ensure an appropriate liability. Although the liability amounts will be accounted for by college, only District Fiscal Services will be able to make transfers from these accounts. Each year end a report will be run to reconcile the total cost of the liability and to determine if any additional transfers are required. The college will be charged for the differences.

Other Possible Strategic Modifications

Summer FTES

The 3-year average for credit FTES has severely reduced the effectiveness of the "summer shift," nevertheless, there may be times when it is in the best financial interest of the District to shift summer FTES between fiscal years. When this occurs, the first goal will be to shift FTES from both colleges in the same proportion as the total funded FTES for each of the colleges. If this is not possible, then care needs to be exercised to ensure that any such shift does not create a disadvantage to either college. If a disadvantage is apparent, then steps to mitigate this occurrence will be addressed by the FRC.

Borrowing of summer FTES is not a college-level decision, but rather it is a District-level determination. It is not a mechanism available to individual colleges to sustain their internal FTES levels.

Long-Term Plans

Colleges: Each college has a long-term plan for facilities and programs. The District Chancellor, in consultation with the Presidents, will evaluate additional funding that may accrue to the colleges beyond what the model provides. The source of this funding will also have to be identified.

Santa Ana College (SAC) utilizes the Educational Master Plan in concert with the SAC Strategic Plan to determine the long-term plans for the college. Long-term facilities plans are outlined in the latest Facilities Master Plan, and are rooted in the Educational Master Plan. SAC links planning to budget through the use of the SAC Comprehensive Budget Calendar, which includes planning milestones linked to the college's program review process, Resource Allocation Request (RAR) process, and to the District's planning and budget calendar. As a result of the Program Review Process, resource allocation needs are requested via the RAR process, which identifies specific resources required to achieve specific intended outcomes. The budget augmentation requests are then prioritized at the department, division, and area level in accordance with established budget criteria. The college's Planning and Budget Committee reviews the prioritized RARs, and they are posted to the campus Planning and Budget web page for the campus community to review. As available resources are realized, the previously prioritized RAR are funded.

At Santiago Canyon College (SCC), long-term plans are developed similarly to short-term plans, and exist in a variety of interconnected processes and documents. Program Reviews are the root documents that form the college's Educational Master Plan and serve to align planning with resource allocation. The allocation of resources is determined through a formal participatory governance process. The Planning and Institutional Effectiveness (PIE) committee is the participatory governance committee that is charged with the task of ensuring resource allocation is tied to planning. Through its planning cycle, the PIE committee receives resource requests from all college units and ensures that each request aligns with the college mission, college goals, and program reviews. All requests are then ranked by the PIE committee, placed on a college-wide prioritized list of resource requests, and forwarded to the college budget committee for review. If the budget committee identifies available funds, those funds are noted on the prioritized list, and sent back to the PIE committee. The PIE committee then forwards the prioritized list, along with the budget committee's identification of available funds, to College Council for approval of the annual budget.

District Services: District Services and Institutional Costs may also require additional funding to implement new initiatives in support of the colleges and the district as a whole. POE will evaluate budget augmentation requests and forward a recommendation to District Council. District Council may then refer such requests to FRC for funding consideration.

Full-Time Faculty Obligation Number (FON)

To ensure that the District complies with the State required full-time Faculty Obligation Number (FON), the District Chancellor will establish a FON for each college. Each college is required to fund at least that number of full-time faculty positions. When a District falls below the FON a replacement cost penalty is required to be paid to the state. The amount of the replacement cost will be deducted from the revenues of the college(s) incurring the penalty.

Budget Input

Using a system for Position Control, Fiscal Services will budget 100% of all regular personnel cost of salary and benefits, and notify the Budget Centers of the difference between the computational total budget from the Budget Allocation Model and the cost of regular personnel. The remaining line item budgets will roll over from one year to the next so the Budget Centers are not required to input every line item. The Budget Centers can make any allowable budget changes at their discretion and will also be required to make changes to reconcile to the total allowable budget per the model.

Rancho Santiago Community College District

Budget Allocation Model Based on 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 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 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 approximately 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 or federal government granted to qualifying districts for special programs, such as Student Equity and Achievement or **Career** 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.

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). This includes State approved centers receiving a basic allocation.

COLA – Cost of Living Adjustment allocated from the 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 –Eliminating the cost of a position 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 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 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.

Mandated Costs – District expenses which occur because of federal or State laws, decisions of federal or State courts, federal or 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 revenues that exceed the State'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.

SB 361 – The Community College Funding Model (Senate Bill 361), effective October 1, 2006 through July 1st 2018, included funding based 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 was 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 provided a base operational allocation for colleges and centers scaled for size.

SCFF – The Student Centered Funding Formula was adopted on July 1st 2018 as 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.

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 – Stabilization has been eliminated for all FTES in the SCFF.

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 requirements in their first academic 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.

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.

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.

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.

Appendix B – History of Allocation Model

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 state 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.

Rancho Santiago CCD: College Level SCFF Data

Unduplicated Headcount: XXX

SAC Unduplicated Headcount: XXX

SCC Unduplicated Headcount: XXX

			2019-20 Data: State Num.	2019-20 Data: Calculated w/ Annual Reported FTES	2019-20 Funding Rate	2019-20 Estimated Funding (District Numbers)	SAC 2019-20 Data	SAC 2019-20 Estimated Funding	SAC Proportion - based on FTES/Headcounts/3 yr average	SAC Proportion - based on $	SCC 2019-20 Data	SCC 2019-20 Estimated Funding	SCC Proportion - based on FTES/Headcounts/3 yr average	SCC Proportion - based on $
Base Allocation		Basic Allocation ($)				$ 12,136,510		$ 6,742,507		55.56%		$ 5,394,003		44.44%
				FTES			FTES				FTES			
		Traditional Credit		19,949.75	$ 4,009	$ 79,978,561	13,956.92	$ 55,953,307	69.96%	69.96%	5,992.83	$ 24,025,254	30.04%	30.04%
		Special Admit Credit		688.76	$ 5,622	$ 3,872,167	476.47	$ 2,678,686	69.18%	69.18%	212.29	$ 1,193,482	30.82%	30.82%
		Incarcerated Credit		-	$ 5,622	$ -	-	$ -			-	$ -		
		Non-Credit		988.34	$ 3,381	$ 3,341,212	578.29	$ 1,954,985	58.51%	58.51%	410.05	$ 1,386,227	41.49%	41.49%
		Non Credit CDCP		4,615.08	$ 5,622	$ 25,945,703	3,160.38	$ 17,767,467	68.48%	68.48%	1,454.70	$ 8,178,236	31.52%	31.52%
		Non-Credit Incarcerated		-	$ 3,381	$ -	-	$ -			-	$ -		
		Total	-	**26,242**		**$ 125,274,153**	**18,172**	**$ 85,096,951**	69.25%	67.93%	**8,070**	**$ 40,177,202**	30.75%	32.07%
Supplemental Allocation			18-19 Headcount				Headcount				Headcount			
		Pell Grant Recipients	6,176	6,176	$ 948	$ 5,854,848	4,331	$ 4,105,788	70.13%	70.13%	1,845	$ 1,749,060	29.87%	29.87%
		AB540 Students	2,334	2,334	$ 948	$ 2,212,632	1,844	$ 1,748,112	79.01%	79.01%	490	$ 464,520	20.99%	20.99%
		California Promise Grant Recipients	18,407	18,407	$ 948	$ 17,449,836	14,027	$ 13,297,596	76.20%	76.20%	4,380	$ 4,152,240	23.80%	23.80%
		Total	**26,917**	**26,917**		**$ 25,517,316**	**20,202**	**$ 19,151,496**	75.05%	75.05%	**6,715**	**$ 6,365,820**	24.95%	24.95%
Student Success Allocation			(3-yr Average)				3-yr Average				3-yr Average			
	All Students	Associate Degrees	1,449	1,448.67	$ 1,677	$ 2,429,420	1,038	$ 1,740,726	71.65%	71.65%	411	$ 688,694	28.35%	28.35%
		Associate Degrees for Transfer	1,096	1,096.33	$ 2,236	$ 2,451,394	608	$ 1,359,488	55.46%	55.46%	488	$ 1,091,906	44.54%	44.54%
		Baccalaureate Degrees	8	7.67	$ 1,677	$ 12,863	8	$ 12,863	100.00%	100.00%	-	$ -	0.00%	0.00%
		Credit Certificates	385	384.67	$ 1,118	$ 430,061	259	$ 289,562	67.33%	67.33%	126	$ 140,499	32.67%	32.67%
		Nine or More CTE Units	4,572	4,571.67	$ 559	$ 2,555,564	3,459	$ 1,933,581	75.66%	75.66%	1,113	$ 621,983	24.34%	24.34%
		Transfer	1,273	1,272.67	$ 839	$ 1,067,134	675	$ 565,988	53.04%	53.04%	598	$ 501,146	46.96%	46.96%
		Transfer Level Math and English	837	837.00	$ 1,118	$ 935,766	378	$ 422,604	45.16%	45.16%	459	$ 513,162	54.84%	54.84%
		Achieved Regional Living Wage	6,393	6,393.00	$ 559	$ 3,573,687	4,733	$ 2,645,747	74.03%	74.03%	1,660	$ 927,940	25.97%	25.97%
		Total	16,012	16,011.68		$ 13,455,887	11,158	$ 8,970,558	69.68%	66.67%	4,854	$ 4,485,329	30.32%	33.33%
	Pell Grant Recipients Bonus	Associate Degrees	608	607.67	$ 635	$ 385,567	472	$ 299,484	77.67%	77.67%	136	$ 86,083	22.33%	22.33%
		Associate Degrees for Transfer	518	518.00	$ 846	$ 438,228	349	$ 295,254	67.37%	67.37%	169	$ 142,974	32.63%	32.63%
		Baccalaureate Degrees	4	4.00	$ 635	$ 2,538	4	$ 2,538	100.00%	100.00%	-	$ -	0.00%	0.00%
		Credit Certificates	145	144.67	$ 423	$ 61,195	120	$ 50,760	82.95%	82.95%	25	$ 10,435	17.05%	17.05%
		Nine or More CTE Units	1,111	1,111.00	$ 212	$ 234,977	925	$ 195,638	83.26%	83.26%	186	$ 39,339	16.74%	16.74%
		Transfer	553	553.00	$ 317	$ 175,439	354	$ 112,307	64.01%	64.01%	199	$ 63,133	35.99%	35.99%
		Transfer Level Math and English	323	323.00	$ 423	$ 136,629	192	$ 81,216	59.44%	59.44%	131	$ 55,413	40.56%	40.56%
		Achieved Regional Living Wage	439	438.67	$ 212	$ 92,779	350	$ 74,025	79.79%	79.79%	89	$ 18,754	20.21%	20.21%
		Total	3,700	3,700.01		$ 1,527,351	2,766	$ 1,111,221	74.76%	72.75%	934	$ 416,130	25.24%	27.25%
	California Promise Grant Recipients Bonus	Associate Degrees	1,040	1,039.67	$ 423	$ 439,780	812	$ 343,476	78.10%	78.10%	228	$ 96,304	21.90%	21.90%
		Associate Degrees for Transfer	787	787.00	$ 564	$ 443,868	524	$ 295,536	66.58%	66.58%	263	$ 148,332	33.42%	33.42%
		Baccalaureate Degrees	7	6.67	$ 423	$ 2,821	7	$ 2,821	100.00%	100.00%	-	$ -	0.00%	0.00%
		Credit Certificates	270	270.33	$ 282	$ 76,233	217	$ 61,194	80.27%	80.27%	53	$ 15,039	19.73%	19.73%
		Nine or More CTE Units	2,300	2,300.33	$ 141	$ 324,347	1,943	$ 273,963	84.47%	84.47%	357	$ 50,384	15.53%	15.53%
		Transfer	837	836.67	$ 212	$ 176,956	537	$ 113,576	64.18%	64.18%	300	$ 63,380	35.82%	35.82%
		Transfer Level Math and English	505	504.67	$ 282	$ 142,317	300	$ 84,600	59.44%	59.44%	205	$ 57,717	40.56%	40.56%
		Achieved Regional Living Wage	1,231	1,231.00	$ 141	$ 173,571	981	$ 138,321	79.69%	79.69%	250	$ 35,250	20.31%	20.31%
		Total	6,976	6,976.34		$ 1,779,893	5,321	$ 1,313,487	76.27%	73.80%	1,656	$ 466,406	23.73%	26.20%
		Total	**26,688**	**26,688**		**$ 16,763,132**	**19,244**	**$ 11,395,266**	72.11%	67.98%	**7,444**	**$ 5,367,866**	27.89%	32.02%
		Total Computational Revenue		79,847		**$ 167,554,601**	57,618	**$ 115,643,713**	72.16%	69.02%	22,229	**$ 51,910,888**	27.84%	30.98%
								B				A		
							Sum of A & B	$ 167,554,601						
		Hold Harmless Funding				$ 174,838,125		$ 120,670,694				$ 54,167,431		
		Hold Harmless Protection				$ (7,283,524)		$ (5,026,981)				$ (2,256,543)		

RSCCD - Estimate 2020/21 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11
Based on Student Centered Funding Formula - Hold Harmless Calculation 2019/20 TCR + COLA

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
APPORTIONMENT REVENUE									
Basic Allocation	$ 6,742,507	$ 5,394,006	$ 1,348,501	$ 5,394,003	$ 4,045,502	$ 1,348,501			$ 12,136,510
FTES - based on 19/20 @ Annual	$ 78,354,444	$ 58,631,993	$ 19,722,451	$ 34,783,199	$ 25,218,736	$ 9,564,463			$ 113,137,643
SCFF - Supplemental Allocation	$ 19,151,496	$ 19,151,496	$ -	$ 6,365,820	$ 6,365,820	$ -			$ 25,517,316
SCFF - Student Success Allocation	$ 11,395,266	$ 11,395,266	$ -	$ 5,367,866	$ 5,367,866	$ -			$ 16,763,132
Stabilization	$ -	$ -	$ -	$ -	$ -	$ -			$ -
Subtotal	$ 115,643,713	$ 94,572,761	$ 21,070,952	$ 51,910,888	$ 40,997,924	$ 10,912,964			$ 167,554,601
19/20 Hold Harmless Protection Adjustment	$ 5,026,981	$ 4,111,036	$ 915,945	$ 2,256,543	$ 1,782,162	$ 474,382			$ 7,283,524
20/21 COLA - 0%	$ -	$ -	$ -	$ -	$ -	$ -			$ -
Deficit Coefficient (-2%)	$ (2,413,414)	$ (1,973,676)	$ (439,738)	$ (1,083,348)	$ (855,602)	$ (227,747)			$ (3,496,762)
Additional Student Centered Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -			$ -
TOTAL ESTIMATED APPORTIONMENT REVENUE	**$ 118,257,280**	**$ 96,710,121**	**$ 21,547,159**	**$ 53,084,083**	**$ 41,924,484**	**$ 11,159,599**			**$ 171,341,363**
Percentages	*69.02%*	*56.44%*	*12.58%*	*30.98%*	*24.47%*	*6.51%*			
OTHER STATE REVENUE									
Lottery, Unrestricted	$ 2,840,548	$ 2,279,748	$ 560,800	$ 1,301,934	$ 1,022,221	$ 279,712			$ 4,142,482
State Mandate	$ 596,039	$ 596,039	$ -	$ 273,884	$ 273,884	$ -			$ 869,923
Full-Time Faculty Hiring Allocation	$ 871,966	$ 871,966	$ -	$ 435,918	$ 435,918	$ -			$ 1,307,884
Part-Time Faculty Compensation	$ 314,188	$ 250,746	$ 63,441	$ 144,371	$ 112,728	$ 31,643			$ 458,559
Subtotal, Other State Revenue	**$ 4,622,741**	**$ 3,998,499**	**$ 624,242**	**$ 2,156,107**	**$ 1,844,751**	**$ 311,355**			**$ 6,778,848**
TOTAL ESTIMATED REVENUE	**$ 122,880,022**	**$ 100,708,621**	**$ 22,171,401**	**$ 55,240,189**	**$ 43,769,235**	**$ 11,470,954**			**$ 178,120,211**
Percentages	*68.99%*	*56.54%*	*12.45%*	*31.01%*	*24.57%*	*6.44%*			
Less Institutional Cost Expenditures									**$ 9,871,240**
Less Net District Services Expenditures									**$ 30,966,435**
									$ 137,282,536
ESTIMATED REVENUE	**$ 94,707,282**	**$ 77,619,125**	**$ 17,088,157**	**$ 42,575,254**	**$ 33,734,249**	**$ 8,841,005**			**$ 137,282,536**
BUDGET EXPENDITURES FOR FY 2020/21	**SAC/CEC**	**SAC**	**CEC**	**SCC/OEC**	**SCC**	**OEC**	**District Services**	**Institutional Cost**	**TOTAL**
SAC/CEC Expenses - F/T & Ongoing	$ 94,941,298	$ 83,794,017	$ 11,147,281						$ 94,941,298
SCC/OEC Expenses - F/T & Ongoing				$ 48,366,504	$ 41,414,429	$ 6,952,075			$ 48,366,504
District Services Expenses - F/T & Ongoing							$ 32,879,131		$ 32,879,131
Institutional Cost									
Other Est. Savings								$ (2,228,268)	$ (2,228,268)
Retirees Instructional-local experience charge								$ 3,830,209	$ 3,830,209
Retirees Non-Instructional-local experience charge								$ 4,674,299	$ 4,674,299
Property & Liability								$ 1,970,000	$ 1,970,000
Election								$ 125,000	$ 125,000
Interfund Transfer								$ 1,500,000	$ 1,500,000
TOTAL ESTIMATED EXPENDITURES	$ 94,941,298	$ 83,794,017	$ 11,147,281	$ 48,366,504	$ 41,414,429	$ 6,952,075	$ 32,879,131	$ 9,871,240	$ 186,058,173
Percent of Total Estimated Expenditures	51.03%	45.04%	5.99%	26.00%	22.26%	3.74%	17.67%	5.31%	
ESTIMATED EXPENSES UNDER/(OVER) REVENUE	**$ (234,016)**	**$ (6,174,892)**	**$ 5,940,876**	**$ (5,791,250)**	**$ (7,680,180)**	**$ 1,888,930**			**$ (6,025,266)**

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
OTHER STATE REVENUE									
Apprenticeship				$ 3,951,786	$ 3,951,786				$ 3,951,786
Enrollment Fees 2%								$ 278,496	$ 278,496
LOCAL REVENUE									
Non Resident Tuition	$ 1,200,000	$ 1,200,000		$ 700,000	$ 700,000				$ 1,900,000
Interest/Investments								$ 1,400,000	$ 1,400,000
Rents/Leases	$ 48,480	$ 48,480		$ 125,000	$ 125,000		$ 205,000		$ 378,480
Proceeds-Sale of Equipment								$ 5,000	$ 5,000
Other Local								$ 24,200	$ 24,200
Subtotal, Other Local Revenue	$ 1,248,480	$ 1,248,480	$ -	$ 4,776,786	$ 4,776,786	$ -	$ 205,000	$ 1,707,696	$ 7,937,962
ESTIMATED ENDING BALANCE FOR 6/30/21	**1,014,464**	**$ (4,926,412)**	**$ 5,940,876**	**(1,014,464)**	**$ (2,903,394)**	**$ 1,888,930**			**$ -**

50% LAW CALCULATION

FISCAL RESOURCE COMMITTEE - 11/18/20

CALIFORNIA COMMUNITY COLLEGES
Analysis of compliance with the 50 Percent Law (ECS 84362)

Annual Financial and Budget Report
The Current Expense of Education

SUPPLEMENTAL DATA
S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year: 2019-2020 Budget Year: 2020-2021 District ID: 870 Name: RANCHO SANTIAGO

Academic Salaries	Object Code	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110	Activity (ECSB) ECS 84362 B Total CEE AC 0100 - 6799	Activity (ECSX) Excluded Activities AC 6800 - 7390	Total
Instructional Salaries					
Contract or Regular	1100	30,521,540	30,521,540		30,521,540
Other	1300	27,904,529	27,904,529		27,904,529
Total Instructional Salaries		58,426,069	58,426,069	0	58,426,069
Non-Instructional Salaries					
Contract or Regular	1200		14,174,524	217,672	14,392,196
Other	1400		1,997,165		1,997,165
Total Non-Instructional Salaries		0	16,171,689	217,672	16,389,361
Total Academic Salaries		58,426,069	74,597,758	217,672	74,815,430
Classified Salaries					
Non-Instructional Salaries					
Regular Status	2100		27,016,387	3,280,615	30,297,002
Other	2300		1,359,026	401,467	1,760,493
Total Non-Instructional Salaries		0	28,375,413	3,682,082	32,057,495
Instructional Aides					
Regular Status	2200	474,438	474,438		474,438
Other	2400	1,763,846	1,763,846		1,763,846
Total Instructional Aides		2,238,284	2,238,284	0	2,238,284
Total Classified Salaries		2,238,284	30,613,697	3,682,082	34,295,779
Employee Benefits	3000	29,941,713	59,010,739	1,935,041	60,945,780
Supplies and Materials	4000		1,358,361	38,040	1,396,401
Other Operating Expenses	5000	5,482,527	17,935,948	501,163	18,437,111
Equipment Replacement	6420				0
Total Expenditures Prior to Exclusions		96,088,593	183,516,503	6,373,998	189,890,501

First column, all expense with the following objects and with instructional TOPS 0100-5900 & 6110
Academic
11XX Instructional Salaries, Regular Contract
13XX Instructional Salaries, Other Non-Regular
Classified
22XX Instructional Aides, Regular Full Time
24XX Instructional Aides, Other
Benefits
3XX1 All benefits – Instructional
Other Expense
5873 Instructional Service Agreements
6420 Equipment Replacement

Second column, all expense with the following objects and with instructional TOPS 0100-6799
Academic
11XX Instructional Salaries, Regular Contract
12XX Non-Instructional Salaries, Regular Contract
13XX Instructional Salaries, Other Non-Regular
14XX Non-Instructional Salaries, Other Non-Regular
Classified
21XX Non-Instructional Salaries
22XX Instructional Aides, Regular Full Time
23XX Non-Instructional Salaries, Other
24XX Instructional Aides, Other
Benefits & Other Expenses
3XX1 All benefits – Instructional
3XX5 All benefits – Non-Instructional
4XXX Books and Supplies
5XXX Services and Other Operating Expenses
6420 Equipment Replacement

Third column, all expense with the following objects and with instructional TOPS 6800-7390
1XXX Academic Salaries
2XXX Classified Salaries
3XXX All benefits
4XXX Books and Supplies
5XXX Services and Other Operating Expenses
6420 Equipment Replacement

CALIFORNIA COMMUNITY COLLEGES | Analysis of compliance with the 50 Percent Law (ECS 84362)

Annual Financial and Budget Report | The Current Expense of Education

SUPPLEMENTAL DATA | S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year: 2019-2020 Budget Year: 2020-2021 District ID: 870 Name: RANCHO SANTIAGO

Exclusions		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110	Activity (ECSB) ECS 84362 B Total CEE AC 0100 - 6799	Activity (ECSX) Excluded Activities AC 6800 - 7390	Total
Activities to Exclude	**TOP Code**				
Instructional Staff–Retirees' Benefits and Retirement Incentives	5900	3,497,538	3,497,538		3,497,538
Student Health Services Above Amount Collected	6441		15,427		15,427
Student Transportation	6491		3,108		3,108
Noninstructional Staff-Retirees' Benefits and Retirement Incentives	6740		4,346,203		4,346,203
Objects to Exclude	**Object Code**				
Rents and Leases	5060		632,478	(18,023)	614,455
Lottery Expenditures					
Academic Salaries	1000				0
Classified Salaries	2000				0
Employee Benefits	3000				0
Supplies and Materials	4000				
Software	4100				0
Books, Magazines, & Periodicals	4200				0
Instructional Supplies & Materials	4300				0
Noninstructional, Supplies & Materials	4400				0
Total Supplies and Materials		0	0	0	0
Other Operating Expenses and Services	5000		3,549,384		3,549,384

Exclusions: (FD 11/13)
1 – Retirees H/W expenses (3421/3425 object with 5900-instructional TOPS/6740 for non-instructional TOPS
2 – Student Health Services, project 3450 with TOPS 6440, amount spent beyond income received for FD 12
3 – Student Transportation - object 5966 and 6490 TOPS
4 – Rents/Leases & Instructional Agreement
5610 - Lease Agreement - Equipment
5611 - Lease Agreement - Facility
5612 - Lease Agreement - Other
5650 - Rental - Facility (Short-term)
5651 - Rental - Other (Short-term)
5652 – Rental - Equipment (Short-term)
5871 - Instructional Agreement - Equip
5872 - Instructional Agreement - Facility
5 – Lottery expenses (project 2390),
up to income received for project 2390 (CY income) and 2391 (PY income)

CALIFORNIA COMMUNITY COLLEGES

Annual Financial and Budget Report

SUPPLEMENTAL DATA

Analysis of compliance with the 50 Percent Law (ECS 84362)

The Current Expense of Education

S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year: 2019-2020 Budget Year: 2020-2021 District ID: 870 Name: RANCHO SANTIAGO

	Object Code	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110	Activity (ECSB) ECS 84362 B Total CEE AC 0100 - 6799	Activity (ECSX) Excluded Activities AC 6800 - 7390	Total
Capital Outlay	6000				
Library Books	6300				0
Equipment	6400				
Equipment - Additional	6410				0
Equipment - Replacement	6420				0
Total Equipment		0	0	0	0
Total Capital Outlay		0	0	0	0
Other Outgo	7000				0
Total Exclusions		3,497,538	12,044,138	(18,023)	12,026,115
Total for ECS 84362, 50% Law		92,591,055	171,472,365	6,392,021	177,864,386
Percent of CEE (Instructional Salary Cost / Total CEE)		54.00%	100.00%		
50% of Current Expense of Education			85,736,182		
Nonexempted (Remaining) Deficiency from second preceeding Fiscal Year					
Amount Required to be Expended for Salaries of Classroom Instructors		92,591,055	171,472,365	6,392,021	177,864,386
Reconciliation to Unrestricted General Fund Expenditures					
Total Expenditures Prior to Exclusions		96,088,593	183,516,503	6,373,998	189,890,501
Capital Expenditures	6000	429,478	1,203,218	1,078,705	2,281,923
Equipment Replacement (Back out)	6420		0	0	0
Total Unrestricted General Fund Expenditures		96,518,071	184,719,721	7,452,703	192,172,424

Rancho Santiago Community College District

Actual

2019-20

Unrestricted General Fund Expenditure - Fund 11 & 13

Expenditures by Object		2019-20 Instructional SAC	2019-20 Non-Instructional SAC	2019-20 Instructional SCC	2019-20 Non-Instructional SCC
1000	Academic Salaries				
1100	Instructional Salaries, Regular Contract	$20,803,864		$9,717,676	
1200	Academic Management		4,443,442		2,557,938
1200	Contract Extension		26,956		32,902
1200	Contract-Reassigned Time		639,315		639,367
1200	Coordinators		989,632		301,913
1200	Counselors		1,665,175		1,033,817
1200	Librarians		678,575		526,557
1200	Physicians				128,241
1300	PT Instruction	19,670,531		8,233,998	
1400	PT Coordinators		84,551		144,659
1400	PT Counselors		173,697		75,388
1400	PT Librarian		83,886		94,033
1400	PT Management		37,068		
1400	PT Physicians		143		
1400	PT Reassigned Time		140,797		30,014
1400	Beyond Contract-Reassigned Time		702,935		429,994
	Subtotal	40,474,395	9,666,172	17,951,674	5,994,823
2000	Classified Salaries				
2100	Classified Management		1,171,213		846,213
2100	Confidential		60,439		82,267
2100	FT Classified		10,026,608		5,268,322
2200	FT - Instructional Asst	230,946		250,440	
2300	Overtime		21,644		12,656
2300	Professional Experts				23,790
2300	PT Classified		466,465		462,991
2300	PT Student Asst		62,793		54,707
2400	PT Instructional Associates	541,662		52,165	
2400	PT Instructional Assistant	842,360		332,216	
	Subtotal	1,614,968	11,809,162	634,821	6,750,945

Rancho Santiago Community College District
Actual
2019-20

Unrestricted General Fund Expenditure - Fund 11 & 13

Expenditures by Object		2019-20 Instructional SAC	2019-20 Non-Instructional SAC	2019-20 Instructional SCC	2019-20 Non-Instructional SCC
3000	Employee Benefits				
3XX1	Benefits Instructional	13,995,987		6,176,801	
3XX5	Benefits Non-Instructional		10,773,870		6,291,445
	Subtotal	13,995,987	10,773,870	6,176,801	6,291,445
	TOTAL SALARIES/BENEFITS	***56,085,349***	***32,249,204***	***24,763,297***	***19,037,214***
	Salaries/Benefits Cost % of Total Expenditures	**95.34%**	**88.44%**	**86.89%**	**91.30%**
4000	Books and Supplies				
	Books and Supplies-Instructional	189,239		10,947	
	Books and Supplies-Non-Instructional		633,102		229,738
	Subtotal	189,239	633,102	10,947	229,738
5000	Services and Other Operating Expenses				
	Services and Other Operating Expenses-Instructional	2,128,521		3,718,152	
	Services and Other Operating Expenses - Non-Instructional		3,363,199		1,537,222
	Subtotal	2,128,521	3,363,199	3,718,152	1,537,222
6000	Sites, Buildings, Books, and Equipment				
	Sites, Buildings, Books, and Equipment-Instructional	420,752		8,728	
	Sites, Buildings, Books, and Equipment- Non-Instructional		220,483		46,888
	Subtotal	420,752	220,483	8,728	46,888
	Subtotal, Expenditures (1000 - 6000)	58,823,861	36,465,987	28,501,123	20,851,062
	% of expenditure split between instructional/non-instructional	**61.73%**	**38.27%**	**57.75%**	**42.25%**

RSCCD - 2017-18 Actual - SB 361 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11
Based on 17-18 Actual Annual FTES with borrow split - actual income and expense as of 7/30/18

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
APPORTIONMENT REVENUE									
Base Allocation	$ 4,866,179	$ 4,866,179		$ 3,649,633	$ 3,649,633				$ 8,515,812
Grandfathered or Approved Center	$ 1,216,545		$ 1,216,545	$ 1,216,545		$ 1,216,545			$ 2,433,090
Stabilization	$ -	$ -	$ -	$ -	$ -	$ -			$ -
FTES Base	$ 95,909,387	$ 76,185,828	$ 19,723,559	$ 41,925,072	$ 33,151,456	$ 8,773,616			$ 137,834,459
Subtotal	$ 101,992,111	$ 81,052,007	$ 20,940,104	$ 46,791,250	$ 36,801,089	$ 9,990,161			$ 148,783,361
Projected COLA - 1.56%	$ 1,615,036	$ 1,282,907	$ 332,129	$ 705,984	$ 558,244	$ 147,741			$ 2,321,020
Estimated Restoration/Access/Growth	$ 6,331,398	$ 5,029,359	$ 1,302,038	$ 2,767,657	$ 2,188,472	$ 579,185			$ 9,099,055
PY Apportionment/EPA	$ 190,989	$ 151,713	$ 39,277	$ 83,488	$ 66,016	$ 17,471			$ 274,477
Enrollment Fee Student A/R Writeoff	$ (317,688)	$ (252,356)	$ (65,332)	$ (138,871)	$ (109,810)	$ (29,061)			$ (456,559)
Base Increase in FY 17-18	$ 3,221,289	$ 2,558,838	$ 662,451	$ 1,408,129	$ 1,113,451	$ 294,678			$ 4,629,418
TOTAL ESTIMATED APPORTIONMENT REVENUE	**$ 113,033,135**	**$ 89,822,468**	**$ 23,210,667**	**$ 51,617,637**	**$ 40,617,462**	**$ 11,000,174**			**$ 164,650,772**
Percentages	*68.65%*	*54.55%*	*14.10%*	*31.35%*	*24.67%*	*6.68%*			
OTHER STATE REVENUE									
Lottery, Unrestricted	$ 2,940,595	$ 2,350,325	$ 590,270	$ 1,277,968	$ 1,015,399	$ 262,569			$ 4,218,563
State Mandate	$ 572,542	$ 572,542	$ -	$ 250,276	$ 250,276	$ -			$ 822,818
Part-Time Faculty Compensation	$ 400,315	$ 317,991	$ 82,324	$ 174,991	$ 138,371	$ 36,620			$ 575,306
Subtotal, Other State Revenue	**$ 3,913,452**	**$ 3,240,858**	**$ 672,594**	**$ 1,703,235**	**$ 1,404,046**	**$ 299,190**			**$ 5,616,687**
TOTAL ESTIMATED REVENUE	**$ 116,946,587**	**$ 93,063,326**	**$ 23,883,261**	**$ 53,320,872**	**$ 42,021,508**	**$ 11,299,364**			**$ 170,267,459**
Percentages	*68.68%*	*54.66%*	*14.03%*	*31.32%*	*24.68%*	*6.64%*			
Less Institutional Cost Expenditures									**$ 13,752,000**
Less Net District Services Expenditures									**$ 27,446,518**
									$ 129,068,941
ESTIMATED REVENUE	**$ 88,649,776**	**$ 70,545,394**	**$ 18,104,383**	**$ 40,419,165**	**$ 31,853,835**	**$ 8,565,330**			**$ 129,068,941**
BUDGET EXPENDITURES FOR FY 2017-18	**SAC/CEC**	**SAC**	**CEC**	**SCC/OEC**	**SCC**	**OEC**	**District Services**	**Institutional Cost**	**TOTAL**
SAC/CEC Expenses	$ 86,024,392	$ 75,072,486	$ 10,951,906						$ 86,024,392
SCC/OEC Expenses				$ 43,412,864	$ 37,054,741	$ 6,358,123			$ 43,412,864
District Services Expenses							$ 28,700,105		$ 28,700,105
Institutional Cost									
Retirees Instructional-local experience charge-STRS on behalf								$ 7,322,309	$ 7,322,309
Retirees Non-Instructional-local experience charge-STRS on behalf								$ 6,594,691	$ 6,594,691
Property & Liability								$ 1,970,000	$ 1,970,000
Election								$ 125,000	$ 125,000
Interfund Transfer								$ 1,740,000	$ 1,740,000
TOTAL ESTIMATED EXPENDITURES	$ 86,024,392	$ 75,072,486	$ 10,951,906	$ 43,412,864	$ 37,054,741	$ 6,358,123	$ 28,700,105	$ 17,752,000	$ 175,889,361
Percent of Total Estimated Expenditures	48.91%	42.68%	6.23%	24.68%	21.07%	3.61%	16.32%	10.09%	
ESTIMATED EXPENSES UNDER/(OVER) REVENUE	**$ 2,625,384**	**$ (4,527,092)**	**$ 7,152,477**	**$ (2,993,699)**	**$ (5,200,906)**	**$ 2,207,207**			**$ (368,315)**
OTHER FEDERAL/STATE REVENUE									
Apprenticeship				$ 2,757,300	$ 2,757,300				$ 2,757,300
Enrollment Fees 2%								$ 307,714	$ 307,714
Forest Reserve							$ 18,675		$ 18,675
LOCAL REVENUE									
Non Resident Tuition	$ 2,804,885	$ 2,804,885		$ 882,769	$ 882,769				$ 3,687,654
Interest/Investments									$ -
Rents/Leases	$ 62,730	$ 62,730		$ 25,471	$ 25,471		$ 85,406		$ 173,607
Proceeds-Sale of Equipment									$ -
Other Local	$ 39,228	$ 39,228						$ 4,841,792	$ 4,881,020
Subtotal, Other Local Revenue	$ 2,906,843	$ 2,906,843	$ -	$ 3,665,540	$ 3,665,540	$ -	$ 104,081	$ 5,149,506	$ 11,825,970
ESTIMATED ENDING BALANCE FOR 6/30/18	**$ 5,532,227**	**$ (1,620,249)**	**$ 7,152,477**	**$ 671,841**	**$ (1,535,366)**	**$ 2,207,207**			**$ 6,204,068**

11/12/2020 10:02

$ SPLIT BASED ON TOTAL % SPLIT IN FY 2017/18 CLOSE OUT

	2017/18		2018/19		2019/20	
	SAC	SCC	SAC	SCC	SAC	SCC
Close Out % Split	68.65%	31.35%				
$ Split based on % split on closeout in FY 2017/18	113,033,135	51,617,637	116,237,436	53,080,911	118,054,379	53,910,634
SB361/SCFF Distribution Close Out Data	113,033,135	51,617,637	115,926,901	53,391,446	118,687,714	53,277,299
Differences	**0**	**(0)**	**310,535**	**(310,535)**	**(633,335)**	**633,335**

Vacant Funded Positions for FY2020-21- Projected Annual Salary and Benefits Savings
As of November 12, 2020

Fund	Management/ Academic/ Confidential	Position ID	Title	Reasons	Site	Effective Date	Notes	2020-21 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	Richard Sturrus Interim Assignment 7/1/20-12/31/20. Board docket 8/10/20	125,868	
11	Bland, Antoinette	5SAFE-UF-CHIEF	Chief, District Safety & Security	Retirement	District	12/10/2018	Hired Ralph Webb 12/15/20. Pacheco, Manuel #1145085 temporary upgrade 11/5/20-12/14/20. Toledo, Michael#1446793 last day 11/4/20. Requisition CL20-00016	0	223,019
11	Iannaccone, Judith	5PAG-UF-DIR	Director, Public Affairs & Publications	Retirement	District	8/31/2018	Ruth Cossio Muniz Interim Assignment to include Public Affairs 10/1/20	-	
50%-fd 11 50%-fd 12	Santoyo, Sarah	5RDEV-UF-DIRX	Executive Director Resource Development	Promotion	District	1/28/2019		97,150	
11	Dominguez, Gary M.	1FIAC-AF-DIR	Director, Fire Instruction	Retirement	SAC	8/23/2019	Fred Ramsey Interim Assignment 8/19/20-6/30/21. Michael Busch resignation 8/18/20, Board docket 9/14/20. Michael Busch Interim Assignment 7/1/20-06/30/21 Board docket 6/15/20	-	
11	Galvan, Javier A.	1SPAN-FF-IN	Instructor, Spanish	Interim Assignment	SAC	7/1/2020	Currently interim assignment 7/1/20-6/30/21 as Dean Humanities & Social Sciences replacing Shelly Jaffray vacancy. Board docket 5/26/20	161,943	
11	Jaffray, Shelly C.	1HSS-AF-DN	Dean, Humanities & Social Sciences	Retirement	SAC	6/30/2019	Javier Galvan Interim Assignment 7/1/20-6/30/21. Board docket 5/26/20 AC20-0807 **ON HOLD**.	(5,891)	
11	Keith, Katharine C.	1EMLS-FF-IN2	Instructor, ESL Writing	Retirement	SAC	6/4/2021		-	382,957
11	Mahany, Donald	1FIAC-AF-DNAC1	Associate Dean, Fire Technology	Retirement	SAC	1/2/2020	Joseph Dulla Interim Assignment 8/31/20-6/30/21. Board Docket 9/14/20. AC19-0790	45,231	
11	Miller, Rebecca	1SMHS-AF-DNAC	Associate Dean, Health Science/Nursing	Retirement	SAC	6/30/2020	Mary Steckler Interim Assignment 7/1/20-6/30/21. Board docket 6/15/20. AC19-0794	(1,733)	
11	Rose, Linda	1PRES-AF-PRES	President, SAC	Retirement	SAC	6/30/2020	Marilyn Flores Interim Assignment 7/1/20-6/30/21 Board docket 5/26/20	(24,116)	
11	Sotelo, Sergio R.	1OAD-AF-DN3	Dean, Instr & Std Svcs	Retirement	CEC	6/30/2020	Lorena Chavez Interim Assignment 7/1/20-6/30/21 Board docket 6/15/20	51,426	
11	Stowers, Deon	1CUST-UF-SUPR	Custodial Supervisor	Probational Dismissal	SAC	8/13/2020	Tuon, Sophanareth Interim Assignment 9/28/20-11/6/20		
11	Wall, Brenda L.	1PAG-UF-OFCR	Public Information Officer	Resignation	SAC	5/18/2020	CL20-0039	156,098	
11	Arteaga, Elizabeth	2CAR-AF-DNAC	Associate Dean, Business and Career Technical Education	Promotion	SCC	2/24/2020		208,589	
11	Bailey, Denise E.	2CHEM-FF-IN	Instructor, Chemistry	Interim Assignment	SCC	7/1/2020	Stacey Hamamura Temp hire 8/17/20-6/5/21. Board Docket 8/10/20. D. Bailey currently interim assignment 7/1/20-6/30/21 as Dean Mathematics & Sciences replacing Martin Stringer vacancy. Board docket 7/13/20	-	
11	Coto, Jennifer	2ESS-AF-DN	Dean, Enrollment & Support Services	Change of Assignment	SCC	10/13/2020		188,615	
11	Flores, Marilyn	2ACA-AF-VP	VP, Academic Affairs-SCC	Interim Assignment	SCC	7/1/2020	Martin Stringer Interim Assignment 7/1/20-6/30/21 Board docket 6/15/20	(8,830)	
11	Hernandez, John C.	2PRES-AF-PRES	President, SCC	Resignation	SCC	7/31/2020	Jose Vargas Interim Assignment as SCC President 7/1/20-6/30/21 Board Docket 7/13/20	32,723	781,227
11	Stringer, Martin R.	2MS-AF-DN	Dean, Math & Sci Div	Interim Assignment	SCC	7/1/2020	Denise Bailey Interim Assignment 7/1/20-6/30/21 Board docket 7/13/20	38,684	
11	Vakil, David	2HSS-AF-DN	Dean, Arts,Humanities and Social Sciences	Resignation	SCC	6/30/2020	Jonanne Armstrong Interim Assignment 7/1/20-6/30/21. Board docket 5/26/20. AC20-808 **ON HOLD**	42,987	
11	Vargas Navarro, Jose F.	2OAD-AF-VP	VP, Continuing Ed	Interim Assignment	OEC	7/1/2020	Effective 7/14/20, Jim Kennedy VP of both CEC&OEC. Board docket 7/13/20. J. Vargas currently interim assignment 7/1/20-6/30/21 as President,SCC replacing John Hernandez vacancy. Board docket 7/13/20	278,458	
								1,387,203	

Fund	Classified	Position ID	Title	Reasons	Site	Effective Date	Notes	2020-21 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		137,434	
11	Ayala, Jose A.	5YSP-CM-DSO6	P/T District Safety Officer	Resignation	District	8/30/2020		17,861	
11	Francis, DiemChau T.	5PAY-CF-SPPA1	Payroll Specialist	Resignation	District	5/29/2020		98,479	
11	Intermediate Clerk	REORG#1193	Intermediate Clerk	REORG#1193	District	7/4/2019	Intermediate Clerk REORG#1193	79,140	
11	Medrano, Miranda M.	5GCOM-CF-GRPH2	Graphic Designer	Termination	District	3/24/2020		114,326	
11	Nguyen, James V.	5DMC-CF-CUSR	Senior Custodian/Utility Worker	Probational Dismissal	District	8/6/2019		83,642	902,859
11	Pita, Lazaro R.	5YSP-CM-DSO5	P/T District Safety Officer	Resignation	District	11/23/2019		24,674	
11	Senior District Safety Officer	REORG#1200	Senior District Safety Officer	Retirement	District	4/25/2020	REORG#1200 (Miranda, Francisco) CL20-00025	115,798	
11	Senior District Safety Officer	REORG#1202	Senior District Safety Officer	Resignation	District	5/1/2020	REORG#1202 (Knorr, David) CL20-00025	107,635	
11	Yamoto, Sec. Stephanie	5FACL-CF-SPFP	Facility Planning Specialist	Resignation	District	8/26/2019	CL19-1334 on hold	123,870	
11	Benavides, Ricardo	1CUST-CF-CUS4	Custodian	Retirement	SAC	1/15/2020		81,464	
11	Cordova, Monica M.	1KNIA-CF-TT2	Athletic Trainer/ Therapist	Resignation	SAC	1/17/2020	CL20-00045	112,500	
11	Crawford, Jonathan	1GRDS-CM-WKR2	P/T Gardener/Utility Worker	Resignation	SAC	6/25/2019	Reorg#1205 Submitted for F/T Gardener/Utility Worker currently under review	28,117	
11	Diaz, Claudia R.	1OAD-CF-CLAD4	Administrative Clerk	Promotion	CEC	4/5/2020		115,148	
25%-fd 11 75%-fd 12	Fernandez Gonzalez, Irma	1EOPS-CF-ASCN1	Counseling Assistant	Medical Layoff	SAC	2/14/2020		23,490	
11	Hayes, Charles F.	1CUST-CF-CUS11	Custodian	Retirement	SAC	6/1/2020	CL20-00021	82,074	
11	McAdam, Justin M.	1GRDS-CF-WKR8	Gardener/Utility Worker	Promotion	SAC	2/18/2020	CL20-00022	86,183	
35%-fd 11 65%-fd 31	Miranda Zamora, Cristina	1AUX-CF-SPAS3	Auxiliary Services Specialist	Promotion	SAC	11/19/2019		32,213	
11	Munoz, Edward J.	1ADMS-CM-ACT	Accountant	Termination	SAC	7/14/2020		31,637	947,317
11	Sanchez, Salvador	1CUST-CF-CUSR2	Senior Custodian/Utility Worker/Day Shift	COA	SAC	2/10/2020	CL20-00019	110,509	
11	Shirley, Jacqueline K.	1CNSL-CF-CLIN	Intermediate Clerk	Retirement	SAC	2/27/2020	Fund short term hours from August 17 thru December 31st for Natalie Rodriguez 11-2410-631000-15310-2320 BCF#BC9PG2H8TZ CL20-1396	69,579	
40%-fd 11 60%-fd 12	Student Services Specialist	REORG#1190	Student Services Specialist	Retirement	SAC	12/29/2019	Reorg#1190 (Nguyen, Cang)	33,459	
11	Tapia, Manuel J.	1MAIN-CF-WKR7	Skilled Maintenance Worker	Resignation	SAC	2/7/2020	CL20-00024	95,144	
11	Taylor, Katherine A.	1ADM-CM-SPC1D	P/T Admissions/Records Specialist I	Retirement	SAC	10/1/2020		20,710	
11	Tuon, Sophanareth	1CUST-CF-CUSR1	Senior Custodian/Utililty Worker	Promotion	SAC	11/7/2019	CL20-00020	-	
11	Velazquez, Kimberly S.	1CNSL-CM-ASCN6	Counseling Assistant	Promotion	SAC	7/6/2020		25,089	
	Bennett, Lauren A.	2ADM-CF-SPC1A	Admission Records Specialist I	Resignation	SCC	10/23/2020		46,033	

Vacant Funded Positions for FY2020-21- Projected Annual Salary and Benefits Savings
As of November 12, 2020

Fund	Management/ Academic/ Confidential	Position ID	Title	Reasons	Site	Effective Date	Notes	2020-21 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
14%-fd 11 86%-fd 12	Berganza, Leyvi C	20SS-CF-SPOR1	High School & Community Outreach Specialist	Promotion	**OEC**	3/19/2017		14,730	
11	Gitonga, Kanana	2INTL-CF-CORD	International Student Coordinator	Retirement	**SCC**	1/31/2019	BCF#BCG7J8E3TI H&W $3569 cost moved to 11-0000-620000-29110-3415 to fund Jay Nguyen#1062155 H&W acct.	114,489	**357,604**
11	Heinsma, Todd	2GROS-CF-WKR3	Gardener/Utility Worker	Probational Dismissal	**SCC**	8/28/2020	CL20-00040	71,237	
11	Tran, Kieu-Loan T.	2ADM-CF-SPC3	Admission Records Specialist III	Promotion	**SCC**	3/1/2020	Jazmine Flores WOC 9/11/20-6/30/21 Board docket 8/10/20	111,116	
								2,207,780	
TOTAL								**3,594,983**	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE Q

Projects Cost Summary
10/31/20 on 11/12/20

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2020-2021 Expenditures	FY 2020-2021 Encumbrances	Cumulative Exp & Enc	Project Balance	% Spent
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3035/ 3056	Johnson Student Center	59,198,222	36,998,707	4,892,264	14,623,410	56,514,381	2,683,841	95%
	Agency Cost		479,276	-	3,443	482,719		
	Professional Services		5,273,249	367,108	1,414,051	7,054,407		
	Construction Services		31,161,950	4,517,527	12,841,139	48,520,616		
	Furniture and Equipment		84,233	7,629	364,777	456,639		
3049	Science Center & Building J Demolition	70,480,861	55,803,846	716,797	3,888,370	60,409,014	10,071,847	86%
	Agency Cost		430,871	10,260	1,696	442,827		
	Professional Services		8,613,856	200,288	712,017	9,526,161		
	Construction Services		45,942,968	18,011	2,565,571	48,526,549		
	Furniture and Equipment		816,152	488,238	609,086	1,913,476		
	TOTAL ACTIVE PROJECTS	**129,679,083**	**92,802,553**	**5,609,061**	**18,511,780**	**116,923,395**	**12,755,688**	**90%**
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	**199,764,418**	**162,887,887**	**5,609,061**	**18,511,780**	**187,008,729**	**12,755,689**	**94%**

SOURCE OF FUNDS	
ORIGINAL Bond Proceeds	198,000,000
ACTUAL Bond Proceeds Recon Adjust.	(1,614,579)
Interest Earned	2,993,115
Interest/Expense (FY20/21)	385,881
Totals	**199,764,418**

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2020-21, 2019-20, 2018-19
YTD Actuals- October 31, 2020

	FY 2020/20201											
	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	$38,043,629	$37,876,686	$21,651,383	$30,125,551	$28,756,780	$28,756,780	$28,756,780	$28,756,780	$28,756,780	$28,756,780	$28,756,780	$28,756,780
Total Revenues	9,803,314	(1,484,159)	24,214,797	14,166,837	0	0	0	0	0	0	0	0
Total Expenditures	9,970,256	14,741,145	15,740,629	15,535,608	0	0	0	0	0	0	0	0
Change in Fund Balance	(166,943)	(16,225,304)	8,474,168	(1,368,771)	0	0	0	0	0	0	0	0
Ending Fund Balance	37,876,686	21,651,383	30,125,551	28,756,780	28,756,780	28,756,780	28,756,780	28,756,780	28,756,780	28,756,780	28,756,780	28,756,780

	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	$39,862,144	$42,643,395	$31,406,449	$32,285,576	$51,748,699	$45,395,701	$27,255,963	$27,628,258	$31,992,321	$23,555,194
Total Revenues	18,530,608	6,957,617	17,893,333	6,103,920	18,289,460	35,095,906	8,486,077	1,438,315	15,146,041	20,661,983	7,845,575	41,652,047
Total Expenditures	10,532,826	13,852,300	15,112,081	17,340,866	17,410,333	15,632,783	14,839,075	19,578,053	14,773,746	16,297,921	16,282,702	27,163,612
Change in Fund Balance	7,997,782	(6,894,683)	2,781,251	(11,236,947)	879,127	19,463,123	(6,352,998)	(18,139,738)	372,295	4,364,063	(8,437,127)	14,488,435
Ending Fund Balance	46,756,827	39,862,144	42,643,395	31,406,449	32,285,576	51,748,699	45,395,701	27,255,963	27,628,258	31,992,321	23,555,194	38,043,629

	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

RANCHO SANTIAGO Community College District

Building the future through quality education

2323 North Broadway • Santa Ana, CA 92706 -1640 • (714) 480-7300 • www.rsccd.edu

Santa Ana College • Santiago Canyon College

DISTRICTWIDE ENROLLMENT MANAGEMENT WORKGROUP (DEMW) MEETING

Action Items

October 9, 2020 via zoom

I. Welcome

II. *Minutes – September 17, 2020 – Informational

III. Update on Feedback – District Enrollment Management Reports

Mr. Perez thanked group for feedback received.

- Importance was made on ability to see enrollment trend on how courses fill prior to term and the need to see schedules as they are being created in order to plan properly. Seeing the schedule when it goes live is too late for planning.
- Mr. Davis will send ITS request to open 540 reports for spring intersession and spring regular semester.
- Mr. Perez spoke on next steps with Cambridge West Partnership (CWP): meeting scheduled Tuesday, list feedback and priorities items will be reviewed, CWP will meet with colleges on next steps. It was reiterated that CWP is assisting with finalizing the recommendations list of reports a district our size should be producing every year.
- It was made clear that communication is key so as to not duplicate efforts and conserve resources; there is a process component and technology component with the process component being priority and importance of having one data dictionary and one data tool to query same sources and definitions being made available to all.
- Dept. Chairs need access to targeted reports (approximately 7) using CWP list and feedback already provided as cross reference.
- Dr. Lamb and Mr. Voelcker will send Mr. Davis list dept. chairs to grant access to list of reports.
- Mr. Perez confirmed the October timeline with the 11 reports.

IV. Strategies / Financial Feasibility

Dr. Lamb / Martin Stringer

a. GR8 Weeks Courses
b. Intersession
c. Spring
d. ITS Support

Mr. Stringer reported on intersession, connecting with dept. chairs regarding face to face classes, reintroducing more lab classes with social distancing measures, and conversion of some Gemology to face to face.

Dr. Lamb reported on results of deans and faculty contacting students directly from low enrolled classes, resulted in some classes being brought back to face to face; football retuning to campus, other sports and classes coming back face to face; marketing efforts for GR8 Weeks; facilities balancing schedule with face to face; Deans to review schedule for 25% capacity and possible purchase of OWL product for live / remote classes.

V. Update & Next Steps - Calls to Students Regarding Enrollment

Mr. Perez reported on calls colleges making to students; more to student issue of returning to classes than a digital divide; doing more surveys to understand complexity of students decisions for fall enrollment; drops in enrollment are dramatic, survey feedback is vital.
This item will be placed on next agenda.

VI. Other

a. Next meeting
Ms. Duenez will forward next calendar invite.

Zoom recording available:
https://cccconfer.zoom.us/rec/share/mecqaAE14oQrbNFHRDCJQVn8Zmgq3NghjrPtm2AOD0kCXafKvBgaMSO1yxq-WXoV.tdhnUGNYuDwOyh0N
Passcode: o6%@GZcG

**denotes item attached*

Purpose of workgroup: to discuss strategic enrollment management related topics and issues from a districtwide perspective and learn how to better leverage resources districtwide to help our enrollment.

Attendees: Enrique Perez, Matthew Beyersdorf, Ashly Bootman, Ruth Cossio-Muniz, Stuart Davis, Corinna Everett, Jesse Gonzalez, Dr. Jeff Lamb, Janice Love, Thao Nguyen, Nga Pham, Craig Rutan, Martin Stringer and Aaron Voelcker
Absent: Dr. Vaniethia Hubbard, Dr. James Kennedy, William Nguyen and Syed Rizvi

DRAFT

Fiscal Resources Committee

Via Zoom Video Conference Call
1:30 p.m. – 3:00 p.m.

Meeting Minutes for October 21, 2020

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

FRC Members Absent:

Alternates/Guests Present: Erika Almaraz, Jacob Bereskin, Jason Bui, Vaniethia Hubbard, James Kennedy, Syed Rizvi, George Walters (CWP) and Barbie Yniguez

1. Welcome: Mr. O'Connor called the meeting to order at 1:31 p.m. via zoom. Mr. O'Connor explained that Vice Chancellor Enrique Perez fills the vacant District Representative seat on the committee and retains voting privileges. This is while Mr. O'Connor is temporarily assigned to the Interim Vice Chancellor position through June 30, 2021. Unfortunately, Mr. Perez was unable to attend today's meeting.

2. State/District Budget Update
   - 2020-2021 Adopted Budget
   - 10/12/2020 Board PowerPoint presentation on the 2020-2021 Adopted Budget
   - 2020/21 Advance Apportionment:
     - Memo-September Revision
     - Exhibit R – FY 2020-21 Advance Apportionment (September Revision 2020)
     - Exhibit A – Payments by Program (September Revision 2020)
   - SSC – BOG Approves CCC 2021-22 Budget Request
   - SSC – DOF Releases September Finance Bulletin
   - SSC – Governor Newsom Signs Lottery Fund and CalSTRS Administrative Leave Bills
   - SSC – Recovery Not Cut and Dried According to UCLA Forecasters
   - SSC – Ask SSC …. Are the Deferrals Ongoing?
   - SSC – Proposition 98 – The Road Ahead

   Mr. O'Connor provided a budget update noting the PowerPoint presentation given to the Board at their meeting on October 12 is available on the main District webpage. He referenced changes to the adopted budget approved by the Board of Trustees that were different than what was approved by FRC and District Council which included a portion of the SRP savings to support a balanced budget. However, the Board of Trustees sequestered those SRP savings and a different plan was used to present a balanced budget that included rebates from ASCIP ($1.8 million), savings from health/welfare benefits and vacant positions ($428,000).

   Mr. O'Connor reviewed September revisions that included .95% deficit for 2019-20 whereas RSCCD factored in a 2% deficit being conservative. If the .95% holds, RSCCD could potentially receive $1.7-$1.8 million and that is good news. There is also a projected .85% deficit for 2020-21 and RSCCD again being conservative projected a 2% deficit. Questions were asked and clarifying answers provided. Because the economy is all over the board with no stimulus, it is still too early to make any predictions except that it will change. The LAO (Legislative Analyst Office) will send out fiscal outlook next month and perhaps provide a better picture. There was a follow-up discussion on the EPA allocation that is now caught up.

3. BAM with other estimated savings
   Mr. O'Connor shared his screen to review page 24 (previously page 42 of the last meeting materials) providing a before and after view of the balanced budget and noting the shift that occurred with SCC now owing SAC $1 million. Mr. O'Connor has made the recommendation that the amount not be moved at this time because the model is based on 2019-20 calculations. The current year metrics will undoubtedly change therefore it is recommended to postpone this action until more information is available.

4. 2021-22 Draft Budget Calendar – Action
   It was moved by William Nguyen and seconded by Arleen Satele to approve the budget calendars as presented. With no objections, comments or opposition, the motion passed unanimously.

5. Salaries & Benefits - % of Total Expenditures (Instructional vs. Non-Instructional by Location)
   In response to a request from the last FRC meeting, the salaries and benefits percentage of total expenditures, instructional vs. non-instruction by location was distributed with the meeting materials. A general discussion ensued for clarification purposes and explanation of the 50% law calculations. It was suggested the finer details be reviewed at a future meeting. Mr. O'Connor agreed to provide a presentation at a future meeting. It was noted the expenditures presented reflected the instructional TOPS codes which means that administrators are not calculated into the expenditures even though they are academic administrators. Discussion also continued as it related to unrestricted and restricted lottery funds for instructional purposes. Mr. O'Connor agreed that more information will be brought back for continued discussion with a focus on individual employee groups' expenditures which would be helpful in controlling and managing the overall budget.

6. Multi-Year Projection
   Mr. O'Connor reviewed projections for the next few years with no or very small COLA, FTES remaining the same or with an increase, and the routine increase in expenditures such as step/column, STRS/PERS estimates, health and wellness increases, utilities, and ITS licensing increases. He also reviewed the calculated amount vs the hold harmless figures. Bottom line concerns are that multiyear deficit amounts progressively grow from year to year between $10 million to $28 million after hold harmless ends. Mr. O'Connor also reported savings from the SRP have been sequestered outside the budget process for this exact purpose to assist during the projected deficit years yet to come.

   PERS/STRS increases began in 2013-14 that added $15 million in ongoing costs to budgeted expenses. These are actual percentages not compounding percentages. It was suggested that enrollment management be discussed at a future FRC meeting to determine best ways to address more revenue. It is necessary to increase revenue and decrease costs. When asked if layoffs would be a consideration, Mr. O'Connor explained he has been asked to discuss a strategy for reducing costs and layoffs would be the last item of consideration but it is not off the table. It is scary about how much is needed to cut in the future before hold harmless goes away and a cliff develops.

   A discussion continued on the college size designation status and what it means for RSCCD. It is approximately $700,000 that SAC could lose in base budget because of the large college designation. Both colleges are below where they need to be and 2% isn't sufficient to bring SAC into alignment. Growth estimate of 1% each year over the next four years would put the college back into alignment. While there is time to work on it, the challenge is doing such during COVID-19 restrictions. It is time to come up with a strategy.

7. Continued Discussion of SCFF and Review of BAM – Cambridge West Partnership Consultants
   Members began the final review of the SCFF Budget Allocation Model (BAM) which reflected all changes that were presented over the last year. The BAM is reviewed annually and it is necessary to finalize the document, complete the process so that the next annual review can begin in March 2021. Mr. O'Connor suggested action to approve the BAM as presented; however, after lengthy discussions it

was determined the item be considered as a first read of the complete draft and any edits would be sent to Vice Chancellor O'Connor within two weeks so that such can be shared with all members for consideration and approval at the next FRC meeting. Do not wait to bring edits to the meeting for consideration. Approving the BAM, reflects in writing the process that is already in place for this year. The annual review will begin again in March 2021. This BAM confirms funds are distributed in a manner for which it was earned by each college. To increase the budget, each college needs to serve more students and earn more enrollment and other metrics in the SCFF.

George Walters specifically reviewed all edits with discussion that ensued at length.

8. January 20, 2021 meeting date change to 14 or 28, or email information only? – Action
   Mr. O'Connor proposed the meeting date of January 20 be changed or it could be an email information only meeting if the committee preferred. It was moved by Craig Rutan and seconded by Arleen Satele to move the meeting day to January 13, 2021. There was no opposition or abstentions. The motion passed unanimously.

9. Standing Report from District Council - Rutan
   Mr. Rutan briefly reported on the actions of District Council including a budget discussion that confirmed the use of SRP (Supplemental Retirement Plan) savings to balance the budget. However, that changed after District Council and before it was presented to the Board of Trustees. District Council is reviewing goals and membership that will be discussed at the November meeting as there was no October meeting.

10. Informational/Additional Handouts
    - District-wide expenditure report link: https://intranet.rsccd.edu
    - Vacant Funded Position List as of October 13, 2020
    - Measure "Q" Project Cost Summary September 30, 2020
    - Monthly Cash Flow Summary as of September 30, 2020
    - SAC Planning and Budget Committee Agendas and Minutes
    - SCC Budget Committee Agendas and Minutes

11. Approval of FRC Minutes – September 16, 2020
    A motion was made by Morrie Barembaum and seconded by Craig Rutan, to approve the minutes of September 16, 2020 meeting. A correction was presented to correct the spelling of Arleen's first name on page 1 (attendance) and page 4 (second to motion) respectively. With no other questions, comments, corrections, abstentions, or opposition, the motion passed unanimously to approve the minutes as corrected.

12. Other
    A request was made by Bart Hoffman that the meeting invite be sent as an outlook calendar invitation of which Mr. O'Connor agreed to do for future meetings.

    This meeting adjourned at 3:10 p.m.