RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: Fiscal Resources Committee

Agenda for April 21, 2021

1:30 p.m. - 3:00 p.m.
Zoom Meeting

1. Welcome

2. State/District Budget Update – O'Connor
   - DOF – Finance Bulletin – March 2021
   - SSC – DOF Releases March Finance Bulletin
   - SSC – U.S. Department of Education Releases New HEER Guidance
   - SSC – FAQs: Expansion of COVID-19 Supplemental Paid Sick Leave
   - SSC – The American Jobs Plan for K-14 Districts
   - SSC – Unemployment Insurance Rates on the Rise
   - SSC – President Biden Releases 2022 Discretionary Budget Request
   - SSC – ED Funding Opportunity for Community Colleges
   - SSC – Projected 2021-22 CalPERS Contribution Rate Released

3. 2021/22 Proposed Meeting Schedule

4. Continued Discussion of SCFF and Review of BAM - Cambridge West Partnership Consultants
   - Internal Hold Harmless Provision Language - **Action**

5. Standing Report from District Council - Craig Rutan

6. Informational Handouts
   - District-wide expenditure report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of April 13, 2021
   - Measure "Q" Project Cost Summary as of March 31, 2021
   - Monthly Cash Flow Summary as of March 31, 2021
   - SAC Planning and Budget Committee Agendas and Minutes
   - SCC Budget Committee Agendas and Minutes
   - Districtwide Enrollment Management Workgroup Minutes

7. Approval of FRC Minutes – February 17, 2021

8. Other

Next FRC Committee Meeting: Thursday, May 20, 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.

California Department of Finance

Finance Bulletin

March 2021

Keely Bosler, Director

Economic Update

U.S. real GDP fell by 3.5 percent in calendar year 2020, after growing by 4.1 percent in the fourth quarter of 2020. The U.S. unemployment rate fell from 6.3 percent in January to 6.2 percent in February 2021, remaining 2.7 percentage points higher than a year ago. There were 4.2 million fewer Americans in the labor force in February 2021 than in February 2020. The U.S. gained 379,000 jobs in February after adding 166,000 jobs in January.

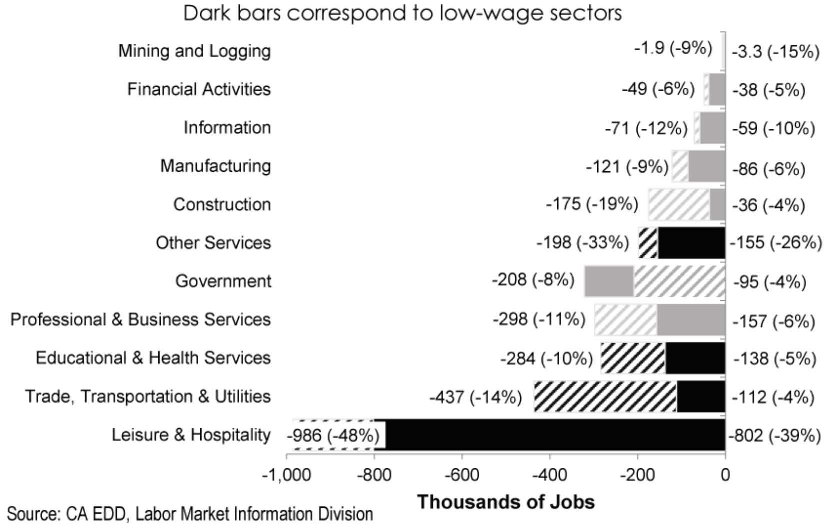
LABOR MARKET CONDITIONS

- California's annual labor force and employment losses in 2020 were -2.8 percent and -8.9 percent, respectively (previously estimated at -2.3 percent and -8.6 percent, respectively). California's nonfarm job loss in 2020 was -7.4 percent (previously estimated at -7.0 percent). The annual benchmark process revised labor market series back through 1976. The state's unemployment rate was revised up from 3.9 percent in the seven months through February 2020 to 4.1 percent from April 2019 to November 2019 and 4.3 percent in February 2020. The record-high unemployment rate in April 2020 was revised down from 16.4 percent to 16.0 percent.

California Jobs by Industry Relative to February 2020

Shaded areas correspond to April 2020 and solid areas correspond to January 2021

Dark bars correspond to low-wage sectors



Source: CA EDD, Labor Market Information Division

- California's unemployment rate decreased to 9.0 percent in January, down from 9.3 percent in December, but 4.7 percentage points higher than February 2020's pre-pandemic rate of 4.3 percent. California's labor force fell by 36,500 people, with 764,000 fewer Californians in the labor force in January 2021 than in February 2020.

- The state lost 69,900 nonfarm payroll jobs in January, after losing 75,400 in December. Nonfarm jobs in January totaled 15.9 million, down 10.2 percent from February 2020. In January, six of California's 11 major industries added jobs: trade, transportation, and utilities (13,700), professional and business services (3,600), government (3,600), information (600), financial activities (600), and mining and logging (500). Five industries lost jobs: leisure and hospitality (-70,600), education and health services (-10,000), manufacturing (-4,600), construction (-4,000), and other services (-3,300).

BUILDING ACTIVITY

- California housing units authorized by building permits increased 14.2 percent from December 2020 to a seasonally adjusted annualized rate of 136,000 housing units in January 2021, 12.5 percent higher than in January 2020. Single-family permits issuance in January 2021 was down 2.6 percent from the prior month and down 2.1 percent from the previous year to 66,000. Multifamily permits issuance increased by 36.2 percent from the prior month and by 30.6 percent from the previous year to 71,000 multifamily units.

REAL ESTATE

- Sales of existing, single-family detached homes in January 2021totaled 485,000 units at a seasonally adjusted annualized rate, down 4.9 percent from the prior month but up 22.5 percent from the previous year. The median price of existing, single-family detached homes sold statewide in January was $699,980, down 2.5 percent from the prior month but up 21.7 percent from the previous year.

Preliminary General Fund agency cash receipts for the first eight months of the fiscal year were $14.34 billion above the 2021-22 Governor's Budget forecast of $111.518 billion. Cash receipts for the month of February were $3.801 billion above the 2021-22 Governor's Budget forecast of $4.994 billion. A significant amount of receipts above the January forecast is due to lower refunds caused by a later enactment date for the Golden State Stimulus than expected at the Governor's Budget, as well as a delayed opening date of the tax filing season by the Internal Revenue Service.

- Personal income tax cash receipts to the General Fund for the first eight months of the fiscal year were $12.777 billion above forecast. Cash receipts for February were $2.973 billion above the month's forecast of $2.078 billion, largely due to lower refunds due to the issues noted above. Withholding cash receipts were $485 million above the forecast of $6.09 billion. Other cash receipts were $325 million above the forecast of $698 million. Refunds issued in February were $2.196 billion below the expected $4.651 billion. 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 February was $32 million higher than the forecast of $58 million.
- Sales and use tax cash receipts for the first eight months of the fiscal year were $760 million above forecast. Cash receipts for February were $592 million above the month's forecast of $2.612 billion. February included a portion of the final payment for fourth quarter taxable sales.
- Corporation tax cash receipts for the first eight months of the fiscal year were $721 million above forecast. Cash receipts for February were $227 million above the month's forecast of $165 million. Estimated payments were $106 million above the forecast of $135 million, and other payments were $104 million above the $125 million forecast. Total refunds for the month were $18 million lower than the forecast of $95 million.
- Insurance tax cash receipts for the first eight months of the fiscal year were $96 million above forecast. Insurance tax cash receipts for February were $11 million above the forecast of $38 million. Cash receipts from the alcoholic beverage, tobacco taxes, and pooled money interest for the first eight months of the fiscal year were $10 million above forecast, and were $4 million above the forecast of $31 million for February. "Other" Cash receipts for the first eight months of the fiscal year were $23 million below forecast, and were $6 million below the forecast of $70 million for February.

2021-22 Comparison of Actual and Forecast Agency General Fund Revenues

(Dollars in Millions)

	FEBRUARY 2021				2020-21 YEAR-TO-DATE			
Revenue Source	Forecast	Actual	Change	Percent Change	Forecast	Actual	Change	Percent Change
Personal Income	$2,078	$5,051	$2,973	143.1%	$78,775	$91,552	$12,777	16.2%
Sales & Use	2,612	3,205	592	22.7%	18,063	18,823	760	4.2%
Corporation	165	392	227	137.9%	11,682	12,402	721	6.2%
Insurance	38	48	11	27.9%	1,571	1,667	96	6.1%
Estate	0	0	0	0.0%	0	0	0	0.0%
Pooled Money Interest	3	8	5	160.8%	124	131	7	6.0%
Alcoholic Beverages	25	24	-1	-4.0%	276	276	0	0.2%
Tobacco	3	3	0	2.6%	38	40	2	4.8%
Other	70	64	-6	-9.0%	989	966	-23	-2.3%
Total	$4,994	$8,795	$3,801	76.1%	$111,518	$125,858	$14,340	12.9%

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 2021-22 Governor's Budget.

Click Here for COVID-19 Related Resources

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

DOF Releases March Finance Bulletin

BY ROBERT MCENTIRE, EDD

posted March 24, 2021

The Department of Finance (DOF) issued its March *Finance Bulletin* this week, and it memorializes the financial results for the first eight months of the 2020–21 fiscal year.

The state's General Fund continues to enjoy robust revenues that outperform the forecasted numbers used in the recently released 2021–22 Governor's Budget. For the first eight months of the year, state revenues are $14.3 billion (12.9%) above projections, while revenue collections from January 2021 are $3.8 billion (76.1%) higher than forecast. Examination of the "Big Three" taxes year-to-date show personal income tax receipts are $12.8 billion above estimates, while sales and use tax and corporation tax receipts are $760 million and $721 million over their forecast, respectively.

A significant portion of the positive data in February—revenues are $3.8 billion above forecast—was driven by lower tax refunds due to delayed enactment of Governor Gavin Newsom's Golden State Stimulus. Additionally, the delayed opening of tax filing season by the Internal Revenue Service moved many refunds further into the calendar year. We expect a netting of these revenues in the coming months. The next major marker for tax collections will be May 2021, when taxpayers make their final tax payments for the 2020 calendar year. At that point, the financial landscape will be much clearer.

California housing units authorized by building permits increased 12.5% in January 2021 compared to January 2020. In a reversal from last month's data, single family home permits for January 2021 were down 2.6% from the prior month and 2.1% from January 2020, while multi-family permits increased 36.2% from the prior month and 30.6% from the previous year. Existing single family home sales volume fell 4.9% from the prior month, but remained up 22.5% over the prior year. The median price of existing single family homes sold in January 2021 was down 2.5% from December to $699,980, but remains 21.7% above the same month last year.

Continuing to examine the true impact of the recession on 2020, the *Finance Bulletin* highlighted revised statistics, many of which were worse than originally published. California's labor force size was believed to have contracted by 2.3% in 2020, but updated data shows more people left the labor force and current data places the decline at 2.8%. Similarly, originally published data showed unemployment at the end of December 2020 at 7.0%. More recent data shows that figure was a bit optimistic, and was actually 7.4%. Not all revisions were negative, however, as the peak unemployment rate for the state was revised down from 16.4% to 16.0% for April

2020. State employment figures demonstrate the distance still yet to travel to reach full recovery. As of January 2021, the state had 15.9 million non-farm jobs, 10.2% below the February 2020 pre-pandemic level. These figures recognize combined net job losses for December 2020 and January 2021 of roughly 145,300 non-farm jobs. Industry data shows modest growth in the trade, transportation, and utilities sector of 13,700 jobs, while professional and business services, and government increased in size by 3,600 each. Leisure and hospitality continues to lead job decline as a sector.

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COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

U.S. Department of Education Releases New HEER Guidance

BY KYLE HYLAND posted March 22, 2021

On Friday, March 19, 2021, the U.S. Department of Education (ED) released new guidance for the Higher Education Emergency Relief (HEER) Fund, which includes increased flexibility for the use of funds.

The guidance states that colleges are permitted to use HEER II funds received from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the HEER III funds from the American Rescue Plan (ARP) to cover costs incurred on or after March 13, 2020, which is the date when the COVID-19 national emergency was declared. The March 13, 2020, date supersedes the ED's initial guidance under the Trump Administration, which only allowed HEER II funds to be applied to costs incurred on or after December 27, 2020.

The updated guidance also includes the following resources:

- **HEER Fund Lost Revenue FAQs**. This new set of Frequently Asked Questions (FAQs) describes how institutions may calculate and account for the amount of lost revenue they have incurred as a result of COVID-19.

- **Updated FAQs for CRRSAA (a)(1)**. These FAQs contain conforming updates to allow for expenditures incurred back to March 13, 2020, as well as the addition of new FAQs, including guidance on whether HEER funds may be used to support non-degree seeking, non-credit, dual enrollment, and continuing education students, among others.

- **Updated FAQs for CRRSAA (a)(4)**. As with the (a)(1) FAQs, these FAQs are conforming edits to allow recipients of (a)(4) Proprietary Institution Grant Funds for Students to reimburse themselves for financial aid grants to students made as far back as March 13, 2020, where those grants were not covered with prior Coronavirus Aid, Relief, and Economic Security (CARES) Act funds.

This new guidance applies to all HEER grant funds, including unspent CARES Act funds, CRRSAA funds, and ARP funds.

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COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

FAQs: Expansion of COVID-19 Supplemental Paid Sick Leave

BY DANYEL CONOLLEY

BY ELIZABETH B. (LISA) MORI posted April 1, 2021

[Editor's Note: From time to time, we include guest authors that we think can help to inform readers on timely and relevant issues related to community college district operations, and most recently, how operations are impacted by Senate Bill (SB) 95, which expands COVID-19 supplemental sick leave. Elizabeth B. (Lisa) Mori (Partner, F3 Law) has partnered with us in writing this article.]

On Friday, March 19, 2021, Governor Gavin Newsom signed SB 95, which creates uniform, statewide policy to ensure employees have access to COVID-19 supplemental paid sick leave through September 30, 2021, (see "Legislation Expands COVID-19 Supplemental Paid Sick Leave" in the March 2021 *Community College Update*). SB 95 reinstates COVID-19 leave as a provision of state law and expands it to all public and private entities, including community college districts. Since the time that SB 95 was signed into law, many questions have arisen regarding the implementation of COVID-19 Supplemental Paid Sick Leave, and operational considerations to maintain legal compliance. Below are some of the most frequently asked questions (FAQs) in the management of this new leave entitlement for LEA employees.

Q: Is the 80 hours of COVID-19 supplemental paid sick leave in addition to the original 80 hours of Emergency Paid Sick Leave (EPSL) through the Families First Coronavirus Response Act (FFCRA), or is it just extending the usage dates?

A: SB 95 provides a new leave entitlement that is in addition to FFCRA leave. The distinction is that the FFCRA was federal leave which expired December 31, 2020. The recently enacted COVID-19 supplemental paid sick leave is a state provision, which is similar to the FFCRA, but there are important differences in the details.

Q: Our LEA opted to grant an extension of FFCRA leave through March 31, 2021. How do we implement the new expanded COVID-19 leave provided in SB 95?

A: Implementation of SB 95 is complicated due to the retroactive application to leave taken for COVID-related reasons between January 1, 2021, and March 29, 2021. LEAs who granted extensions of FFCRA leave are authorized to retroactively score qualifying absences taken as FFCRA leave since January 1, 2021 against this new leave entitlement. For example, if a full-time employee took 40 hours of COVID-related leave in February 2021 due to symptoms related to COVID-19 and sought medical advice, then the reason for the leave aligns with SB 95, reason (E)—the provider is experiencing symptoms of COVID-19 and seeking a medical diagnosis. After deducting the 40 hours of leave, the employee would then have a balance of 40 hours of COVID-19 supplemental paid sick leave available for use through September 30, 2021.

Q: With the new law, is the 2/3 pay rule now gone if a faculty member has to stay home to care for their quarantined child?

A: Yes. The calculation of payment for COVID-19 supplemental paid sick leave is one area that is not as complicated as the FFCRA. Authorized leave provided by SB 95 is provided at full pay. However, employers cannot be required to pay more than $511 per day and $5,110 in the aggregate to a covered employee for COVID-19 supplemental paid sick leave.

Additional information related to the calculation of pay for this leave entitlement:

- Exempt employee rate of pay is calculated in the same manner as wages and other forms of paid leave time.

- Non-exempt employee rate of pay is calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment.
- In no event shall pay be below the California minimum wage (which is currently $14.00/hour for employers with 26 employees or more) or the local minimum wage to which the employee is entitled.

If your organization agreed to extend FFCRA leave or to provide additional leave for qualifying purposes under SB 95, you should carefully review those agreements to the extent that greater benefits may have been authorized (i.e. full pay).

Q: Do all employees get 80 hours of leave, regardless of their full-time equivalent (FTE) status?

A: No, the amount of leave entitlement is based on the number of hours the employee works, or their FTE status; however, it is important to note that all full-time employees, regardless of the number of hours designated as qualifying for full-time status, are entitled to 80 hours of supplemental paid sick leave. Part-time employees working a normal weekly schedule are entitled to supplemental paid sick leave in an amount equal to the number of hours scheduled to be worked over two weeks.

Q: Is supplemental paid sick leave available for an employee to care for a child home and engaged in their school's distance learning or hybrid instructional model?

A: Supplemental paid sick leave under SB 95 differs significantly from the leave available under the FFCRA with regard to leaves taken to care for children due to school closures. Under the FFCRA, paid leave was available if the child's school or place of care was closed, including intermittent leave for those days of distance learning under a hybrid instructional model. Under SB 95, qualifying leave is limited to those situations where the "school or place of care is closed or otherwise unavailable for reasons related to COVID-19 on the premises." (Emphasis added.) As such, supplemental paid sick leave would only appear available if the place of care or school had to close or temporarily revert to distance learning based on a positive COVID-19 case or outbreak at the school site.

Q: If an employee begins a qualifying period of leave under SB 95 on September 30, 2021, and still has a balance of supplemental paid sick leave hours available, are they entitled to remain off work through the duration of the covered event until their leave is exhausted?

A: Yes. Similar to leave under the FFCRA, as long as the qualifying leave begins on or before the expiration date of the legislation (September 30, 2021), the employee would still be entitled to access and apply their full leave entitlement until exhausted (assuming the leave is continuous). At that point, any remaining leave balance will expire and no longer be available.

Q: The statute provides no guidance on whether the employer may ask for supporting documentation. LEAs, at times, experience employees who misuse benefitted time and would like to be able to counter any anticipated abuse by requiring some form of documentation confirming the need for supplemental paid sick leave time.

A: Nothing in the legislation prohibits an employer from requiring verification of the qualifying purpose of the leave.

Q: How does supplemental paid sick leave apply when an employee is required to quarantine due to a confirmed COVID-19 workplace exposure?

A: Under the California Department of Occupational Safety and Health (Cal/OSHA) Emergency Temporary Standards, employers are required to maintain an employee's earnings when excluded from the workplace due to a confirmed workplace exposure to COVID-19. SB 95 authorizes, but does not require, employers to mandate that employees first exhaust all available supplemental paid leave sick in such circumstances prior to providing required exclusion pay. Employers should carefully review their internal policies and practices as well as all applicable labor agreements to ensure consistency in leave application policies.

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COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

The American Jobs Plan for K–14 Districts

BY MICHELLE MCKAY UNDERWOOD posted April 5, 2021

Last week, President Joe Biden unveiled the American Jobs Plan, a sweeping infrastructure-focused plan that would spend $2 trillion over the next decade. While much of the plan is focused on structures outside of education, several provisions will be of interest to school and community college districts.

School and Community College Facilities

President Biden's plan would invest $100 billion to upgrade and build new public schools, through $50 billion in direct grants and an additional $50 billion leveraged through bonds. These funds would first go toward health and safety, such as improving indoor air quality and ventilation. Additionally, President Biden would promote energy-efficient and electrified, resilient, and innovative school buildings. Ideally, these school facilities would reduce greenhouse gas emissions and increase green space and clean air. Funds also would be provided to improve school kitchens, to better prepare nutritious meals, and reduce or eliminate the use of paper plates and other disposable materials.

Similarly for community colleges, $12 billion is proposed to protect the health and safety of students and faculty, address education deserts (particularly for rural communities), grow local economies, improve energy efficiency and resilience, and narrow funding inequities in the short-term. States would be responsible for using the dollars to address both existing physical and technological infrastructure and identifying strategies to address access to community college in education deserts.

Workforce Development

President Biden is calling on Congress to invest $48 billion in workforce development infrastructure. This includes registered apprenticeships and pre-apprenticeships, which could create one to two million new registered apprenticeships slots and strengthen the pipeline for more women and people of color to access these opportunities through successful pre-apprenticeship programs.

These investments would include the creation of career pathway programs in middle and high schools, prioritizing increased access to computer science and high-quality career and technical programs that connect underrepresented students to STEM and in-demand sectors through partnerships with both institutions of higher education and employers. President Biden's plan would also support community college partnerships that build capacity to deliver job training programs based on in-demand skills, including investments in Expanded Career Services and the Title II adult literacy program.

Buses, Water, and Broadband

Within the priority of increasing the use of electric vehicles, President Biden proposes to replace 50,000 diesel transit vehicles and electrify at least 20% of the nation's school bus fleet through a new Clean Buses for Kids Program at the Environmental Protection Agency, with support from the Department of Energy.

Embedded in President Biden's plan to eliminate all lead pipes and service lines in the country, he is calling on Congress to invest $45 billion in the Environmental Protection Agency's Drinking Water State Revolving Fund and in Water Infrastructure Improvements for the Nation Act (WIIN) grants. This investment would reduce lead exposure in 400,000 schools and childcare facilities nationwide.

Finally, President Biden wants to bring affordable, reliable, high-speed broadband to every American through an investment of $100 billion, especially focusing on broadband infrastructure in unserved and underserved areas in order to reach 100% high-speed broadband coverage.

Next Steps

The American Jobs Plan will need to navigate the politically divided Congress and Senate, and already faces stiff headwinds from Republican members due to the tax increases that are proposed to fund the plan.

President Biden is expected to release the American Family Plan in the next few weeks, which is expected to have a larger focus on education. Stay tuned.

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COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Unemployment Insurance Rates on the Rise

BY MATT PHILLIPS, CPA

BY LEILANI AGUINALDO posted April 8, 2021

The Employment Development Department (EDD) recently released the Annual Report to the Fund Participants (Report) regarding the School Employees Fund (SEF) for the fiscal year that ended June 30, 2020. The Report includes a rate increase from 0.05% to 1.23% in the 2021–22 fiscal year—a historically large increase.

The SEF is a joint, pooled-risk fund administered by the EDD which allows school employers (including community colleges) to deposit funds into the pool, and the pool reimburses the State's Unemployment Insurance Fund for the cost of unemployment insurance benefits paid to former or furloughed employees of SEF participants. As of the 2019–20 fiscal year, the SEF included more than 1,400 local educational agencies (LEAs), including California's 72 community college districts, and nearly one million employees, inclusive.

The Report highlights that payments into the fund have hovered around $40 million annually, while payments to beneficiaries skyrocketed to more than $237 million in 2019–20. The increase in payments is attributed to the COVID-19 pandemic. For comparison, payments to beneficiaries totaled $87.8 million in 2018–19, an amount in line with payments since 2015–16. Absent significant credits from the various federal stimulus, the SEF reserves would be nearly depleted. As of June 30, 2020, the SEF reserves were $211.5 million, down from $466.5 million in 2015–16.

California Unemployment Insurance Code Section 823(b)(2) establishes the annual contribution rate. The contribution rate is a mechanical calculation comparing the payments from the SEF for the two preceding calendar years, divided by total wages. In no event shall the contribution rate be less than five one-hundredths of one percent (0.05%).

The last time LEAs experienced an unemployment rate increase above the statutory minimum of 0.05% was during the Great Recession. Some have raised concerns regarding potential improper UI benefit payments in 2020. The EDD is investigating, and any overpayments established and collected will be credited back to the SEF and reflected in the participant's reserve account.

The full Report can be accessed here.

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COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

President Biden Releases 2022 Discretionary Budget Request

BY KYLE HYLAND posted April 9, 2021

Today, April 9, 2021, President Joe Biden released his fiscal year 2022 discretionary budget request, which includes federal education programs. President Biden's 2022 discretionary request includes $102.8 billion for the Department of Education, a $29.8 billion (or 41%) increase over the 2021 enacted level. These proposed increases include:

- Increasing the maximum Pell Grant award by $400
- Extension of Pell Grant eligibility to Deferred Action for Childhood Arrivals (DACA) program recipients
- $600 million increase for Historically Black Colleges and Universities, Tribally Controlled Colleges and Universities, Minority-Serving Institutions (MSIs), and community colleges
- $100 million increase funding for registered apprenticeships
- $203 million increase for Workforce Innovation and Opportunity Act (WIOA) grants
- $1.5 billion increase for the Child Care and Development Block Grant
- $1.2 billion increase for Head Start
- $200 million increase for the Preschool Development Grants program

The release of the discretionary funding request is analogous to the California Governor's Budget released annually by January 10—a starting point for budget negotiations. As a reminder, the federal fiscal year begins October 1, so, if approved by Congress, these increases would not be felt in California for some time.

The full text of the request can be found here.

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COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

ED Funding Opportunity for Community Colleges

BY KYLE HYLAND posted April 12, 2021

The U.S. Department of Education (ED) has announced the availability of the Supplemental Assistance to Institutions of Higher Education (SAIHE) program funds for colleges with unmet needs related to COVID-19. The approximately $113.5 million available for this opportunity came from the December 2020 stimulus package signed into law by former President Donald Trump (see "Congress Reaches Agreement on Stimulus and 2021 Spending Plan" in the December 2020 *Community College Update*).

Funding for the SAIHE program will be based on seven absolute priorities established by the ED based on stakeholder feedback and public comments. Applicants must clearly identify the specific absolute priority that the proposed project addresses and may submit only one application under this competition that addresses one absolute priority.

Applications for this funding are due by April 28, 2021. You can find the full details of this funding opportunity, including the application instructions, here.

Click Here for COVID-19 Related Resources

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Projected 2021–22 CalPERS Contribution Rate Released

BY MICHELLE MCKAY UNDERWOOD posted April 13, 2021

Next week, on April 19, 2021, the California Public Employees' Retirement System (CalPERS) Finance and Administration Committee is set to approve the Schools Pool valuation and corresponding employer contribution rates.

The June 30, 2020, valuation establishes the 2021–22 Schools Pool (including community colleges) employer contribution rate at 22.91%. This is an increase from the current-year rate of 20.70%, but less than the estimated 23.00% contribution rate for 2021–22.

While the Schools Pool experienced an investment return of only 4.70% in 2019–20, it benefitted from the additional state contribution agreed to in the 2019–20 State Budget. For fiscal year 2021–22, the impact of the additional payment is directly reflected in the actuarially determined contribution rate because the additional payment was in the fund as of the June 30, 2020, actuarial valuation date. The $330 million allocated to fiscal year 2021–22 served to reduce the required employer contribution rate by 2.16% of payroll.

CalPERS has updated its out-year employer contribution rates as follows:

	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27
Old Projected Rate	23.00%	26.30%	27.30%	27.80%	27.80%	27.60%
New Projected Rate	22.91%*	26.10%	27.10%	27.70%	27.80%	27.60%

*2021–22 rates expected to be adopted on April 19, 2021

Member Contribution Rates

Under the Public Employees' Pension Reform Act (PEPRA), new members hired on or after January 1, 2013, are required to contribute 50.00% of the total annual normal cost of their pension benefit as determined by the actuary. PEPRA school members currently contribute 7.00% of salary and will continue to contribute 7.00% in 2021–22. The contribution rate for school members not subject to the PEPRA (i.e., classic members) is set by statute and is also 7.00% of salary.

For additional background information, the full CalPERS agenda item can be found here.

Fiscal Resources Committee

2021/2022 Proposed Meeting Schedule

All meetings will be held from 1:30 – 3:00 p.m.
Executive Conference Room – District Office

July 1, 2021 (Thursday)

August 18, 2021

September 15, 2021

October 20, 2021

November 17, 2021

January 19, 2022

February 16, 2022

March 16, 2022

April 20, 2022

May 19, 2022 (Thursday)

Rancho Santiago CCD: College Level SCFF Data

Unduplicated Headcount: XXX | **SAC** Unduplicated Headcount: XXX | **SCC** Unduplicated Headcount: XXX

ASSUME FY 2020/21 PRODUCE 0% INCREASE IN FTES AS FY 2019/20 @ RECAL

			2020-21 Data		2020-21 Funding Rate	2020-21 Estimated Funding (District Numbers)	SAC 2020-21 Data	SAC 2020-21 Estimated Funding	SAC Proportion - based on FTES/Headcounts/3 yr average	SAC Proportion - based on $	SCC 2020-21 Data	SCC 2020-21 Estimated Funding	SCC Proportion - based on FTES/Headcounts/3 yr average	SCC Proportion - based on $
Base Allocation		Basic Allocation ($)	State Num.	Calculated w/ Annual Reported FTES		$ 12,136,510		$ 6,742,507		55.56%		$ 5,394,003		44.44%
				FTES			FTES				FTES			
		Traditional Credit		20,432.12	$ 4,009	$ 81,912,382	14,136.16	$ 56,671,852	69.19%	69.19%	6,295.97	$ 25,240,530	30.81%	30.81%
		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		988.31	$ 3,381	$ 3,341,110	578.25	$ 1,954,849	58.51%	58.51%	410.06	$ 1,386,261	41.49%	41.49%
		Non Credit CDCP		4,618.42	$ 5,622	$ 25,964,480	3,160.98	$ 17,770,840	68.44%	68.44%	1,457.44	$ 8,193,640	31.56%	31.56%
		Non-Credit Incarcerated		-	$ 3,381	$ -	-	$ -			-	$ -		
		Total	-	**26,728**		**$ 127,226,650**	**18,352**	**$ 85,818,734**	**68.66%**	**67.45%**	**8,376**	**$ 41,407,916**	**31.34%**	**32.55%**
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		80,333		$ 169,507,098	57,798	$ 116,365,496	71.95%	68.65%	22,534	$ 53,141,602	28.05%	31.35%
								B				A		
							Sum of A & B	$ 169,507,098						
					Hold Harmless Funding	$ 174,838,125		$ 120,025,210				$ 54,812,915		
					Hold Harmless Protection	$ (5,331,027)		$ (3,659,714)				$ (1,671,312)		

Rancho Santiago CCD: College Level SCFF Data

Unduplicated Headcount: XXX

SAC Unduplicated Headcount: XXX

SCC Unduplicated Headcount: XXX

FY 2020/21 @ P1

			2020-21 State Num.	2020-21 Data (Calculated w/ Annual Reported FTES)	2020-21 Funding Rate	2020-21 Estimated Funding (District Numbers)	SAC 2020-21 Data	SAC 2020-21 Estimated Funding	SAC Proportion - based on FTES/Headcounts/3 yr average	SAC Proportion - based on $	SCC 2020-21 Data	SCC 2020-21 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		19,565.39	$ 4,009	$ 78,437,649	13,377.10	$ 53,628,807	68.37%	68.37%	6,188.29	$ 24,808,841	31.63%	31.63%
		Special Admit Credit		630.01	$ 5,622	$ 3,541,878	390.76	$ 2,196,829	62.02%	62.02%	239.25	$ 1,345,049	37.98%	37.98%
		Incarcerated Credit		-	$ 5,622	$ -	-	$ -			-	$ -		
		Non-Credit		1,197.39	$ 3,381	$ 4,047,933	637.64	$ 2,155,625	53.25%	53.25%	559.75	$ 1,892,308	46.75%	46.75%
		Non Credit CDCP		4,630.25	$ 5,622	$ 26,030,988	3,107.76	$ 17,471,640	67.12%	67.12%	1,522.49	$ 8,559,347	32.88%	32.88%
		Non-Credit Incarcerated		-	$ 3,381	$ -	-	$ -			-	$ -		
		Total	**-**	**26,023**		**$ 124,194,957**	**17,513**	**$ 82,195,409**	**67.30%**	**66.18%**	**8,510**	**$ 41,999,548**	**32.70%**	**33.82%**
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		79,628		$ 166,475,405	56,960	$ 112,742,171	71.53%	67.72%	22,668	$ 53,733,234	28.47%	32.28%
								B				A		
							Sum of A & B	$ 166,475,405						
					Hold Harmless Funding	$ 174,838,125		$ 118,405,657				$ 56,432,468		
					Hold Harmless Protection	$ (8,362,720)		$ (5,663,486)				$ (2,699,233)		
								$ (1,619,553)		HH shift		$ 1,619,553		
						$ (3,031,693)		$ (3,623,325)	if District not HH - reduction/increase would be			$ 591,632		

Calculation Assuming FY 2020/21 funding just on FTES earnings	**SAC**	**SCC**	
FTES FY 2019/20 @ Recal	85,818,734.00	41,407,916.00	127,226,650.00
FTES FY 2020/21 @ P1	82,195,409.00	41,999,548.00	124,194,957.00
Income (loss)/earned	(3,623,325.00)	591,632.00	

Calculation Assuming FY 2020/21 funding	**SAC**	**SCC**	
FY 2020/21 - 0% change in FTES producing the same FTES as FY 2019/20			
Recal- Hold Harmless	120,025,210.00	54,812,915.00	174,838,125.00
Hold Harmless Funding FY 2020/21 @ P1	118,405,657.00	56,432,468.00	174,838,125.00
shift from SAC to SCC	(1,619,553.00)	1,619,553.00	
	loose	gain	

Calculation Assuming FY 2020/21 funding with no deficit factor	**SAC**	**SCC**	
Use FY 2017/18 split 68.65%/31.35%	120,026,372.81	54,811,752.19	174,838,125.00
Hold Harmless Funding FY 2020/21 @ P1 FTES	118,405,657.00	56,432,468.00	174,838,125.00
SAC would get	1,620,715.81	(1,620,715.81)	
	gain	loose	

no incentive for colleges trying to increase FTES to get out of hold harmless
penalize those that spent $ to produce the FTES

There are two items for review:

1. How are colleges held harmless?
2. What happens if the district grows out of hold harmless due to one colleges growth?

The Student Centered Funding Formula states a district's 17/18 TCR plus COLA's minus any deficit factor, prior year adjustments, etc. will be held harmless through the 23/24 fiscal year.

While the district is in hold harmless, the current RSCCD procedure states colleges will also be in hold harmless. Current law does not provide additional funding at the college level if one college emerges from hold harmless prior to the district emerging from hold harmless

If one college grows substantially compared to the other college and the district is no longer in hold harmless, both colleges will be funded based on the production metrics of the SCFF. (see "Out of HH Examples)

Unless the college that is growing is willing to share their revenues with the other college

Version 1 - SB361 (Maintain production/revenue percentages while in HH)

Establishes a split of revenues for SAC and SCC based on fiscal year 17/18
2020/2021 is projected

Year	District TCR	%	SAC	%	SCC
17/18	$ 164,650,772	68.65%	$ 113,033,135	31.35%	$ 51,617,637

Year	District TCR	%	SAC	%	SCC
18/19	$ 169,318,347	68.65%	$ 116,237,436	31.35%	$ 53,080,911
19/20	$ 171,965,013	68.65%	$ 118,054,379	31.35%	$ 53,910,634
20/21	$ 171,341,363	68.65%	$ 117,626,241	31.35%	$ 53,715,122

Version 2 - SCFF (Adjust revenues annualy based on current production/revenue and split the HH revenues according to the same split)

Actual TCR Split for Closeout
Includes Prior Year adjustments to Apportionment/EPA/Deficit

Year	District TCR	%	SAC	%	SCC
17/18	$ 164,650,772	68.65%	$ 113,033,135	31.35%	$ 51,617,637

Year	District TCR	%	SAC	%	SCC
18/19	$ 169,318,347	68.47%	$ 115,926,901	31.53%	$ 53,391,446
19/20	$ 171,965,013	69.02%	$ 118,687,714	30.98%	$ 53,277,299
20/21	$ 171,341,363	69.02%	$ 118,257,280	30.98%	$ 53,084,083

Change in $ by site compared to Version

Year	SAC	SCC
18/19	(310,535)	310,535
19/20	633,335	(633,335)
20/21	631,039	(631,039)

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=+12.85%/SCC=0% for all FTES	121,700,415	53,141,602	**174,842,017**
Hold Harmless	-	-	-
	121,700,415	**53,141,602**	**174,842,017**
split %	**69.61%**	**30.39%**	
shift in $ from FY 2019-20 @ Recal	**1,675,205**	**(1,671,313)**	

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=0%/SCC=+27.53% for all FTES	116,365,496	58,473,538	**174,839,034**
Hold Harmless	-	-	-
	116,365,496	**58,473,538**	**174,839,034**
split %	**66.56%**	**33.44%**	
shift in $ from FY 2019-20 @ Recal	**(3,659,714)**	**3,660,623**	

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=+12.85%/SCC=0% for all FTES	121,700,415	53,141,602	**174,842,017**
shift in $ from FY 2019-20 @ Recal	(1,671,313)	1,671,313	-
	120,029,102	**54,812,915**	**174,842,017**
split %	**68.65%**	**31.35%**	
Additional Amount earned beyond District HH	**3,892**		

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=0%/SCC=+27.53% for all FTES	116,365,496	58,473,538	**174,839,034**
shift in $ from FY 2019-20 @ Recal	3,659,714	(3,659,714)	-
	120,025,210	**54,813,824**	**174,839,034**
split %	**68.65%**	**31.35%**	
Additional Amount earned beyond District HH		**909**	

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=+12.85%/SCC=0% for all FTES	121,700,415	53,141,602	**174,842,017**
Hold Harmless		1,671,313	**1,671,313**
	121,700,415	**54,812,915**	**176,513,330**
split %	**68.95%**	**31.05%**	

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=0%/SCC=+27.53% for all FTES	116,365,496	58,473,538	**174,839,034**
Hold Harmless	3,659,714		**3,659,714**
	120,025,210	**58,473,538**	**178,498,748**
split %	**67.24%**	**32.76%**	

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 the SCFF,* was approved at the November 18th 2020 Fiscal Resource 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 November 18th2020 the Fiscal Resource Committee (FRC) finished their work and recommended a new BAM.

The following committee members participated in the process:

Santa Ana College	Santiago Canyon College	District

Bart Hoffman	Steven Deeley	Morrie Barembaum (FARSCCD)
Vanessa Urbina	Cristina Morones	Noemi Guzman
William Nguyen	Craig Rutan - Co-Chair	Adam O'Connor - Chair
Roy Shahbazian	Arleen Satele	Thao Nguyen
		Enrique Perez
Vaniethia Hubbard (alternate)	Syed Rizvi (alternate)	Erika Almaraz (alternate)

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.

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. The current statute extends the 2017-2018 (plus COLA) hold harmless protection through 2023-2024.

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

During the 2020-2021 academic year BAM review process, the process to hold each college harmless was agreed upon. The process maintains each of the colleges final total computational revenue (TCR) percentage split from the 2017-2018 fiscal year. The TCR split shall be adjusted by COLA's, deficit factors and prior year adjustments beginning in 2018 -2019 and shall continue until the district is no longer protected by the hold harmless provision in the statute or the district revenues grow beyond the hold harmless level. At that time, the colleges shall receive their share of total computational revenue each college produced based of the SCFF.

Example:

Year	TCR	%	SAC	%	SCC
17/18	$ 164,650,772	68.65%	$113,033,135	31.35%	$ 51,617,637

Future year revenues for SAC and SCC based on SCFF using 17/18 baseline spli

Year	Total SCFF (includes COLA)	%	SAC	%	SCC
18/19	$ 169,318,347	68.65%	$116,237,436	31.35%	$ 53,080,911
19/20	$ 171,965,013	68.65%	$118,054,379	31.35%	$ 53,910,634
20/21	$ 171,341,363	68.65%	$117,626,241	31.35%	$ 53,715,122

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 A and FTES in Traditional Credit, Special Admit Credit, Incarcerated Credit, Traditional Noncredit, CDCP, and Incarcerated Noncredit. 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 educational 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. The district receives a basic allocation for CEC, OEC, SAC and SCC. Current year FTES is used to determine the basic allocation.

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

Comprehensive Educational 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 comprehensive centers are Centennial Education Center (CEC) and Orange Education Center (OEC).

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 of the current year and prior two years. 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. Current year FTES are used to determine 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. The SCFF is 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.

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 and certificates awarded, transfers, nine or more CTE units, number of students successfully completing transfer level Math and English in their first academic year and number of students achieving a regional living wage. 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. Prior year data is used 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 – Traditional credit FTES data for any given fiscal year is the average of current year, prior year and prior prior year. 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.

Vacant Funded Positions for FY2020-21- Projected Annual Salary and Benefits Savings
As of April 13, 2021

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	Coburn, Allison	5CONS-UF-MGR1	Facilities Project Manager	Resignation	District	2/5/2021		86,884	
11	Iannaccone, Judith	5PAG-UF-DIR	Director, Public Affairs & Publications	Retirement	District	8/31/2018	Reorg#1280 submitted 12/14/20, currently under review. Ruth Cossio Muniz Interim Assignment to include Public Affairs 10/1/20	-	266,461
50%-fd 11 50%-fd 12	Santoyo, Sarah	5RDEV-UF-DIRX	Executive Director Resource Development	Promotion	District	1/28/2019	BCF#BCQFYLE3I4 moved funds to 11_0000_679000_53345_2130	53,708	
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	Gaspar, Mario	1MAIN-UF-DIR	UF-Dir Physical Plant/Fac	Resignation	SAC	3/4/2021	Robert Ward Interim Assignment 3/15/21-6/30/21	5,469	
11	Jaffray, Shelly C.	1HSS-AF-DN	Dean, Humanities & Social Sciences	Retirement	SAC	6/30/2019	AC21-00072. Javier Galvan Interim Assignment 7/1/20-6/30/21. Board docket 5/26/20	(5,891)	
11	Keith, Katharine C.	1EMLS-FF-IN2	Instructor, ESL Writing	Retirement	SAC	6/4/2021		-	425,514
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	AC21-00076. Mary Steckler Interim Assignment 7/1/20-6/30/21. Board docket 6/15/20.	(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.	10AD-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 and 2/16/21-6/30/21	83,083	
11	Wall, Brenda L.	1PAG-UF-OFCR	Public Information Officer	Resignation	SAC	5/18/2020	Nhadira Brathwaite #2567956 Interim Assignment (2/23/21-6/30/21) CL20-00039	110,104	
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	Loretta Jordan Interim Assignment 11/20/20-6/30/21	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	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	AC21-00070. Jonanne Armstrong Interim Assignment 7/1/20-6/30/21. Board docket 5/26/20.	42,987	
11	Vargas Navarro, Jose F.	20AD-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	
								1,473,202	

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	BCF#BCIWZ9K6YD Excess Sick Leave Hardash $21,316 moved to 11-0000-660000-54111-3115	116,946	
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	BCF#BCFJN42EPO moved $21,701 11_0000_673000_53110_2310 to fund P/T staff. REORG#1193 Intermediate Clerk	50,712	634,633
11	Lee, Patrick	5SSP-CM-DSO8	P/T District Safety Officer	Resignation	District	1/24/2021		8,271	
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		70,842	
11	Pita, Lazaro R.	5YSP-CM-DSO5	P/T District Safety Officer	Resignation	District	11/23/2019		24,674	
11	Shipma, Phil L	5PARK-CM-DSO16	District Safety Officer	Resignation	District	2/11/2021		8,652	
11	Yamoto, Sec. Stephanie	5FACL-CF-SPFP	Facility Planning Specialist	Resignation	District	8/26/2019	CL19-1334 on hold	123,870	
11	Amaton, Jose	1CUST-CM-CUS4	P/T Custodian	Resignation	SAC	1/29/2021		8,689	
11	Benavides, Ricardo	1CUST-CF-CUS4	Custodian	Retirement	SAC	1/15/2020		81,464	
11	F/T Gardener/Utility Worker Reorg#1205 (Crawford, Jonathan P/T vacancy)	1GRDS-CM-WKR2	F/T Gardener/Utility Worker	Resignation	SAC	6/25/2019	F/T Gardener/Utility Worker Reorg#1205 #B026810 (Crawford, Jonathan P/T vacancy)	86,182	
11	Diaz, Claudia R.	10AD-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	Flores, Rodrigo	1CUST-CF-CUS9	Custodian	Promotion	SAC	1/4/2021		49,443	
11	Hayes, Charles F.	1CUST-CF-CUS11	Custodian	Retirement	SAC	6/1/2020	CL20-00021	82,074	
86%-fd 11 14%-fd 12	F/T Instructional Center Technician Reorg#1162	REORG#1162	F/T Instructional Center Technician	REORG#1162	SAC	7/1/2020	F/T Instructional Center Technician Reorg#1162	71,931	
35%-fd 11 65%-fd 31	Miranda Zamora, Cristina	1AUX-CF-SPAS3	Auxiliary Services Specialist	Promotion	SAC	11/19/2019		32,213	834,748
11	Molina Valdez, Jorge A.	1CUST-CF-CUS1	Custodian	Promotion	SAC	1/4/2021		58,637	
11	Munoz, Edward J.	1ADMS-CM-ACT	Accountant	Termination	SAC	7/14/2020		31,637	
11	Shirley, Jacqueline K.	1CNSL-CF-CLIN	Intermediate Clerk	Retirement	SAC	2/27/2020	BCF#BC9PG2H8TZ Fund short term hours from August 17 thru December 31st for Natalie Rodriguez 11-2410-631000-15310-2320 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	

Vacant Funded Positions for FY2020-21- Projected Annual Salary and Benefits Savings
As of April 13, 2021

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	Talamantes, Edgar	1GRDS-CF-WKR3	Gardener/Utility Worker	Promotion	SAC	12/14/2020	CL21-00055	47,554	
11	Taylor, Katherine A.	1ADM-CM-SPC1D	P/T Admissions/Records Specialist I	Retirement	SAC	10/1/2020		18,156	
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	
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	Flores, Jazmine N	2ADM-CF-SPC2	Admission Records Specialist II	Resignation	SCC	1/8/2021		35,039	
11	Gitonga, Kanana	2INTL-CF-CORD	International Student Coordinator	Retirement	SCC	1/31/2019	BCF#BC29Z387K0 Moved $20,899 and BCF#BCR7BDZEVM $25,350 to hourly accounts 11-0000-649000-29110-2320&2345,BCF#BCG7J8E3TI H&W $3569 cost moved to 11-0000-620000-29110-3415 to fund Jay Nguyen#1062155 H&W acct.	53,902	260,819
11	Heinsma, Todd	2GROS-CF-WKR3	Gardener/Utility Worker	Probational Dismissal	SCC	8/28/2020	Hired Brandon Miller #CL20-00040	-	
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	
								1,730,200	
TOTAL								**3,203,403**	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE Q

Projects Cost Summary

03/31/21 on 04/05/21

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	15,202,352	6,759,832	58,960,891	237,331	100%
	Agency Cost		479,276	(1)	3,443	482,718		
	Professional Services		5,273,249	849,802	917,390	7,040,440		
	Construction Services		31,161,950	14,338,597	4,011,957	49,512,503		
	Furniture and Equipment		84,233	13,955	1,827,042	1,925,230		
3049	Science Center & Building J Demolition	70,480,861	55,803,846	2,262,772	4,303,561	62,370,179	8,110,682	88%
	Agency Cost		430,871	10,260	1,696	442,827		
	Professional Services		8,613,856	843,451	686,386	10,143,693		
	Construction Services		45,942,968	416,906	2,730,598	49,090,471		
	Furniture and Equipment		816,152	992,155	884,881	2,693,188		
	TOTAL ACTIVE PROJECTS	**129,679,083**	**92,802,553**	**17,465,124**	**11,063,393**	**121,331,070**	**8,348,013**	**94%**
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**	**17,465,124**	**11,063,393**	**191,416,404**	**8,348,013**	**96%**

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- March 31, 2021

	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	$37,889,783	$21,376,325	$29,620,430	$20,971,859	$18,330,852	$40,826,038	$35,634,235	$21,186,941	$2,250,306	$2,250,306	$2,250,306
Total Revenues	9,803,314	(1,484,159)	24,214,797	7,145,358	15,876,235	37,159,108	7,568,219	1,329,565	(3,355,021)	0	0	0
Total Expenditures	9,957,160	15,029,299	15,970,692	15,793,930	18,517,242	14,663,922	12,760,022	15,776,859	15,581,614	0	0	0
Change in Fund Balance	(153,846)	(16,513,458)	8,244,105	(8,648,571)	(2,641,007)	22,495,186	(5,191,803)	(14,447,294)	(18,936,635)	0	0	0
Ending Fund Balance	37,889,783	21,376,325	29,620,430	20,971,859	18,330,852	40,826,038	35,634,235	21,186,941	2,250,306	2,250,306	2,250,306	2,250,306

	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

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Santa Ana College • Santiago Canyon College

DISTRICTWIDE ENROLLMENT MANAGEMENT WORKGROUP (DEMW) MEETING

AGENDA

April 2, 2021 12:00pm-1:30pm
https://cccconfer.zoom.us/j/92097567130 1-669-900-6833, 92097567130#

I.	Welcome	
II.	*Action Items – February 5, 2021 – Informational	
III.	Update on Status of Right Sizing Project	Enrique Perez
IV.	*Presentation on Results from Student Survey – Summer & Fall 2021	Nga Pham
V.	Presentation on Fall Marketing and Timeline	Ruth Cossio-Muniz
VI.	Update on SAC Enrollment Management Plan & Discussion on How to Best Align with DEMW	Dr. Jeff Lamb
VII.	Update on SCC Enrollment Management Plan & Discussion on How to Best Align with DEMW	Aaron Voelcker
VIII.	Other	
	Next meeting: Friday, April 16, 2021	

**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.

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

What Students Want

COURSE OFFERING PREFERENCES FOR SUMMER & FALL 2021

The Survey

- Purpose: to seek student feedback in planning for Summer 2021 and Fall 2021 course offerings
- Survey administered from March 2, 2021 through March 12, 2021
- Invited 58,554 SAC and 21,412 SCC students (enrolled anytime since fall 2019) to participate
- 5,128 SAC and 1,845 SCC students responded

SAC Students Respond

SUMMER 2021

3,478 (68%) respondents plan to enroll

- 63% prefer online courses
- 20% prefers face-to-face courses
- 17% open to both online and face-to-face courses

Respondents want SAC to offer these courses* in face-to-face format:

- Various levels in math, chemistry, biology, psychology, criminal justice, EMT, English, fire technology, child development and science labs were mentioned by many
- Nursing, welding, accounting, history, engineering, statistics, human anatomy, business, and physiology were noted by some students
- Photography, paralegal, political science, art, computer, sociology, automotive, music and fashion design were also listed

*Respondents were given the opportunity to write more than one course that they would like to offer in face-to-face format.

SAC Students Respond

SUMMER 2021

Reasons* why 1,641 (32%) respondents do not plan to enroll due to:

- 38% completed their educational goal at SAC
- 35% schedules do not allow time for school
- 14% do not feel safe at this time
- 12% did not want to expose a vulnerable family member to COVID-19
- 10% decision depends on the overall vaccination rate of the region
- 8% decision depends on their vaccination status and/or that of their family
- 6% concerned that SAC will not follow health protocols for COVID-19
- 3% do not have childcare and/or children have not returned to classroom
- 10% "other" reasons (frustration with online classes, limited course offerings, no plans for summer classes, etc.)

*Respondents were given the opportunity to select more than one reason as to why they do not plan to enroll

SAC Students Respond

FALL 2021

3,897 (76%) respondents plan to enroll

- 56% prefer online courses
- 25% prefer face-to-face courses
- 19% open to both online and face-to-face courses

Respondents want SAC to offer these courses* in face-to-face format:

- Math, chemistry, biology, psychology, physiology, microbiology, accounting, history, criminal justice, English, child development and science labs were mentioned most often
- Nursing, welding, accounting, history, engineering, statistics, human anatomy, business, physiology, paralegal, political science, art, computer, sociology, music and fashion design were also listed

Respondents were given the opportunity to write more than one course that they would like to offer in face-to-face format.

SAC Students Respond

FALL 2021

Reasons* why 1,231 (24%) respondents do not plan to enroll due to:

- 64% completed their educational goal at SAC
- 13% schedules do not allow time for school
- 7% do not feel safe at this time
- 5% did not want to expose a vulnerable family member to COVID-19
- 4% decision depends on their vaccination status and/or that of their family
- 3% decision depends on the overall vaccination rate of the region
- 3% concerned that SAC will not follow health protocols for COVID-19
- 2% do not have childcare and/or children have not returned to classroom
- 9% "other" reasons (completed needs of community colleges, still in high school, frustration with online classes, limited class offerings, etc.)

*Respondents were given the opportunity to select more than one reason as to why they do not plan to enroll.

SCC Students Respond

SUMMER 2021

1,199 (65%) respondents plan to enroll

- 73% prefer online courses
- 12% prefer face-to-face courses
- 15% open to both online and face-to-face courses

Respondents want SCC to offer these courses* in face-to-face format:

- Math, English, psychology, biology, chemistry, physiology, and science labs were mentioned most often
- Water utility science, accounting, history, engineering, anatomy, philosophy, business, economics, political science, art, and computer science were also listed

*Respondents were given the opportunity to write more than one course that they would like to offer in face-to-face format.

SCC Students Respond

SUMMER 2021

Reasons* why 646 (35%) respondents do not plan to enroll due to:

- 45% completed their educational goal at SCC
- 20% schedules do not allow time for school
- 12% do not feel safe at this time
- 10% did not want to expose a vulnerable family member to COVID-19
- 8% decision depends on their vaccination status and/or that of their family
- 7% decision depends on the overall vaccination rate of the region
- 6% concerned that SCC will not follow health protocols for COVID-19
- 2% do not have childcare and/or children have not returned to classroom
- 8% "other" reasons (no plans for summer classes, do no like online classes, limited course offerings, attending another college, etc.)

*Respondents were given the opportunity to select more than one reason as to why they do not plan to enroll.

SCC Students Respond

FALL 2021

1,236 (67%) respondents plan to enroll

- 53% prefer online courses
- 47% open to both online and face-to-face courses

Respondents want SCC to offer these courses* in face-to-face format:

- English, math, microbiology, biology, chemistry, physiology, public works, and science labs were mentioned most often
- Calculus, physics, psychology, kinesiology, astronomy, child development, history, communication, and accounting were also listed

*Respondents were given the opportunity to write more than one course that they would like to offer in face-to-face format.

SCC Students Respond

FALL 2021

Reasons* why 609 (33%) respondents do not plan to enroll due to:

- 66% completed their educational goal at SCC
- 10% schedules do not allow time for school
- 7% do not feel safe at this time
- 6% did not want to expose a vulnerable family member to COVID-19
- 4% decision depends on their vaccination status and/or that of their family
- 4% decision depends on the overall vaccination rate of the region
- 3% concerned that SCC will not follow health protocols for COVID-19
- 1% do not have childcare and/or children have not returned to classroom
- 6% "other" reasons (completed needs of community colleges, limited class offerings, etc.)

*Respondents were given the opportunity to select more than one reason as to why they do not plan to enroll.

Next Steps

- Questions?
- Plans to address students' needs

Fiscal Resources Committee

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

Meeting Minutes for February 17, 2021

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

FRC Members Absent: Craig Rutan

Alternates/Guests Present: Erika Almaraz, Jacob Bereskin, Vaniethia Hubbard, Mark Reynoso, Syed Rizvi, Mike Taylor (Rutan), George Walters (CWP) and Barbie Yniguez

1. Welcome: Adam O'Connor called the meeting to order at 1:33 p.m. via zoom

2. State/District Budget Update
   - SSC – Dartboard for 2021-22 Governor's Budget
   - SSC – Ask SSC…. With Deferral Buy Downs, Should We Stop Our TRANs?
   - SSC – Our Reflection on the 2021 Governor's Budget
   - SSC – Biden Administration Unveils $1.9 Trillion Relief Package
   - SSC – LAO Analyses Governor's Spending Plan
   - SSC – $19 Billion in New State Spending-What That Means for You
   - SSC – 2021-22 State Budget-Emergency Financial Assistance
   - SSC – The Case for COLA Cautions

   Adam O'Connor referenced handouts for information and mentioned there are very few updates on the State Budget at this time.

3. 2021/22 RSCCD Tentative Budget Assumptions – ACTION
   O'Connor provided a detailed review of the tentative budget assumptions and discussion ensued. P1 projections are down approximately 9% compared to last year. The Governor's proposed budget includes 1.5% COLA which is a projection of $2.6 million for RSCCD. While a .5% growth was also included in the Governor's proposed budget, RSCCD will not budget for those funds due to the current decline in enrollment and being about $7.5 million below hold harmless level. With so many other districts in the same position with declining enrollments, there is advocacy to move the growth funds into COLA. With the 2% (conservative) deficit factor, the overall base is projecting a decrease of $874,191. In about 10 days, RSCCD should receive the February P1 for the current year that includes P1 and R1 recalculation from prior year (2019-20) with one-time funds. It is likely the deficit factor could be reduced but it will remain at 2% for the tentative budget assumptions. EPA funding remains the same, it is not new money and is a component of total apportionment at $30 million. Lottery projection is a decrease of $385,103. Adjunct faculty is an increase of $95,647 as is College Promise Grants (BOG fee waivers) of $279,888. Mandates Block Grant remains unchanged but could potentially adjust with decline in enrollment. Non-Resident Tuition is estimated with an increase. A recommendation is being presented to the Board at the February 22 meeting to increase next year's non-resident tuition to $307/unit (Statewide average) and $10 capital outlay fee to maintain a competitive rate of $317 among surrounding community colleges. RSCCD will have lowest non-resident tuition fees of our contiguous districts. Interest earnings are estimated at $1 million, a decrease of $400,000. Other miscellaneous sources of revenue remain unchanged with no new funds including apprenticeship and scheduled maintenance allocations which does not affect the general funds. O'Connor confirmed the 2% deficit factor is not state mandated but a district level decision. However, the State Chancellor's guidance is that a deficit factor could be as high as 2% for the current year. If it doesn't materialize, the $3.496 million will be one-time revenue the following February.

O'Connor continued to review the expenditure assumptions. He explained it is a revenue allocation model whereby the funds are distributed to the colleges based on how it is earned. The colleges also have the responsibility within their revenue to budget for all necessary expenditures. Such expenditures include the 4% salary increase for FARSCCD and CSEA employee groups (at a cost of 1% salary increase at $1.78 million for all funds), excluding any employees that participated in SRP (Supplemental Retirement Plan). Step and column increases for respective employees will also need to be budgeted at $1.30 million with benefits for funds 11 and 13, and a total of $1.81 million for all funds. As of January 1, 2021, health and welfare benefits for active employees increased at a cost of 3.5% but there was a reduction of $440,379 for retirees changing to Companion Care making a combined increase of $419,192, which is less than half in the current year. O'Connor clarified that the 1.5% COLA is part of and offsets the costs of the already negotiated 4% salary increases given to FARSCCD and CSEA. CalSTRS had a decrease and CalPERS had an increase. The faculty obligation number (FON) is not yet calculated and there is no expectation the budget will need to be adjusted for new faculty hiring. The 2020 report indicated RSCCD was 33.8 faculty over FON last fall. This number was reduced by 16 faculty that participated in SRP1 (Supplemental Retirement Program) in December 2020 and it is anticipated that more will participate in SRP2 approved by the Board effective in 2021. Discussion ensued and O'Connor confirmed that he would include in the written assumption the net cost of a full-time faculty hire less the offsetting cost of a part-timer. Thao Nguyen confirmed average full-time faculty costs = $156,349 includes salary/benefits and part-time faculty to teach 30 LHE = $54,886; therefore there would be a rough $100,000 net cost per full-time faculty added to the budget. Those inquiring about the mechanics of the FON calculation, should contact Human Resources.

The required annual actuarial study was completed and because of changes in Actuarially Determined Contribution (ADC) that estimate increased to $10.4 million. Therefore the employer payroll contribution rate of 1.1% of total salaries will increase to 2% (over $1 million for unrestricted general funds and $1.4 million for all funds which includes categorical). The calculation does not include retirees going to Companion Care in this "roll-forward" study, however, when a full actuarial study is completed next year (alternating years) it will be picked up. Other sources include utilities, ITS license escalation and two additional costs for the Leadership Academy ($518,379) and the DMC Operating cost ($96,682 and $71,500 onetime costs) as approved by POE and District Council. A link for the details are available on the FRC website. Discussion ensued with a focus on capital outlay funds, scheduled maintenance project priorities and shortfall for the Health Science construction project through the use of such funds. Further discussion continued with a focus on health benefits and O'Connor confirmed discussions continue with employee groups to garner health benefit savings. ADA settlement costs will be funded at approximately the mid-point with $10 million of the estimated $20 million funded as of 2021/22.

O'Connor continued with the review of the 2021/22 tentative budget assumptions recap of new revenue ($2.7 million) vs. new expenditures ($7.7 million with structural deficit of $2.2 million from previous year). Consultation and discussion with CSEA is pending a potential 4/10 work schedule during the summer to capture utilities savings. This leaves a $7.1 ongoing deficit, but this is only the tentative budget and could change. There is also SRP1 and SRP2 with anticipated additional savings and right sizing project to bring the deficit down and of course a balanced budget will be presented to the Board for approval after the May revise. The budget assumptions are for planning purposes and continue to be updated even after approval of the tentative budget. Questions were asked and answers provided.

It was moved by Enrique Perez and seconded by Bart Hoffman to approve the budget assumptions. Roy Shahbazian suggested an amendment to include the $100,000 differential between full-time and part-time faculty hires to the budget assumptions. O'Connor noted the amendment was not necessary but that he will include $100,000 difference notation for FT/PT hiring so that it is clear. With no further questions or comments, the motion passed unanimously.

4. College Projected 2020-21 Year-end Balances – Satele and Hoffman
Hoffman reported that SAC anticipates $1.2 million ending balance for fund 11.
Satele reported that SCC anticipates $665,096 ending balance for funds 13 and 11.
These matters continue to be on-going discussions at campus budget meetings as well.

O'Connor noted district services ending balance is expected to be close to zero. A suggestion was made to rename the agenda item in future years to Budget Centers Projected Year-End Balances as defined in the BAM so that all budget centers provide a year-end projection. It was also noted that district services does not carryover funds, except as delineated in the BAM, but such is provided to the colleges. Typically, if the district has $500,000 of unspent funds it is included in the carryover to the colleges through closing process.

5. FTES Update for P1

Thao Nguyen reviewed final FTES for P1. The total base for 2020-21 is 24,590.94 (16,161.2 SAC and 8,429.74 SCC). Total split is 65.72% for SAC and 34.28% for SCC. A total overall reduction of -9.02% (-12.73% for SAC and -0.96% for SCC) as compared to last year.

Thao Nguyen also reviewed the complete SCFF metrics as well as the comparison for estimates previously submitted. FTES portion is the only change to P1, P2, and P3; the supplemental and student success components are updated once a year and that update was just received. It will not change unless there is an error. Thao Nguyen provided a brief definition of the P1, P2, and recalculations stating P1 is FTES projection for current fiscal year due January 15. P2 annualizes projection due April 20. Allocation for P1 is not received until end of February. P2 is not calculated until the end of June then final is submitted in July. The annual calculation is not received until the recalc the following February. Adjustments occur in November and given the following February. P2 is used to close the books in July. Lengthy discussion ensued with clarification provided, and Thao Nguyen confirming a review of the past five years being conducted with actuals vs projections for each year. It was agreed the colleges' projections would be included on the metrics documents.

Thao Nguyen continued review of FTES for P1 which will be updated at P2 and Annual to close out the split between FTES for colleges to carryover. These latest metrics include last year's numbers to be used as comparison. This is the split based on the FTES split between the colleges (SAC 67.30% and SCC 32.70%) and the split by dollar earned (SAC 65.18% and 33.82%). The same applies to research department data for supplemental and student success split based on number (SAC 72.09% and SCC 27.91%) reported and the second column is based on dollar earned (SAC 67.92% and SCC 32.08%) by each college. Based on the dollar earned and if not held harmless SAC would get $113,180,192 and SCC would get $54,220,727 but because of hold harmless ($174,838,125) and based on split SAC would get $118,208,506 and SCC $56,629,619. The hold harmless protection is under by $7.4 million. What is earned based on SCFF is $167,400,919 and because of hold harmless RSCCD will receive $174.8 million which is into hold harmless $7.4 million. The good news is that even though FTES is going the wrong way, both colleges did improve in the student success metrics and that was good to see.

Thao Nguyen provided detail review of the before and after assuming the colleges were producing the same FTES for 2020-2021 based on the 2019-20 recalculation number. Based on P1 and both colleges decline in FTES, the new three-year average, with noncredit going up and noncredit CDCP remaining the same, SAC is reduced by $3.6 million and SCC increased by approximately $591,000 in FTES productions. Supplemental allocation was reviewed using last year's data, however, because of updated numbers there was an increase in Pell Grant, decrease in AB540 and Promise categories making the split SCC up by approximately $23,000 and SAC down by $514,000. With updated numbers for Student Success Allocation, SAC is receiving $12.3 million and SCC is receiving $5.8 million. Basically both colleges increased. The total for the before/after were reviewed and with the updated information, the dollar amount split is $118,208,505 for SAC and $56,629,615 making the hold harmless protection an additional $2 million in comparison to same data for last year if it were maintained this year. Thao Nguyen referenced the comparison for the change in supplemental allocation and student success allocation whereby SAC would have lost $3.1 million and SCC would have gained just over $1 million. However, with the hold harmless without deficit factor, there is a shift of $1.8 from SAC to SCC instead of SAC losing $3.8 million. A brief discussion ensued with expressions of gratefulness for hold harmless and caution for the conclusion of hold harmless in 2023/24. George Walters explained all metrics funding after hold harmless concludes after the 2023/24 year. The FTES is important, but the unduplicated headcount really drives the supplemental and success allocation. Although improving 3-year average is good, you don't want to see total unduplicated headcount reduced, reversing that trend in terms of awards.

6. Continued Discussion of SCFF and Review of BAM – Cambridge West Partnership Consultants
    - Internal Hold Harmless Provision Language – **Action**

    O'Connor shared that since the last meeting, SCC expressed that they are not in favor of recommended change to budget allocation as presented previously. Satele explained that she requested it be brought up as an action item and the need for the BAM language to remain as is. SCC was reduced for the last two years and must maintain what is earned. Hoffman explained SAC has also made cuts and thankful for hold harmless especially during the current environment; all districts across the State have lost enrollment. The district received money earned by SAC and SCC which should be carried over to the colleges to get them back on their feet. O'Connor noted that while he did not speak out against the change at the last meeting as it appeared both colleges supported the recommended language, and knowing now the two colleges are not in agreement, offered an opinion. He indicated that in his opinion, this change would be counter to the intent of the BAM. That is to allocate funds as "earned" or "produced" by each college. Going back to 2017/18 split would not be in the spirit of the model and could push the district further in to hold harmless as it takes the incentive away to grow FTES and the other metrics. Therefore O'Connor stated he would vote against it. As it is now, SAC is earning 68% and SCC is earning 32% however, if this change is made, SAC will gain $1.8 million additional dollars that is taken away from SCC. Satele noted both colleges are working within extraordinary and challenging times. Discussion continued at great length with a focus on earned calculations, hold harmless distribution, college split amounts, and potential compromising options. O'Connor suggested instead of voting today, the two colleges' representatives meet separately from FRC to attempt to craft a compromise for action at the next FRC meeting. Satele and Hoffman will co-chair the group.

7. Standing Report from District Council – Rutan (Taylor)
Mike Taylor reported on behalf of Craig Rutan the actions of District Council including the approval of Vice Chancellor of Human Resources, Vice Chancellor Business Services and Chief Advisor for the Office of Diversity, Equity and Inclusion revised job descriptions.

8. Informational/Additional Handouts
    - District-wide expenditure report link: https://intranet.rsccd.edu
    - Vacant Funded Position List as of February 9, 2021
    - Measure "Q" Project Cost Summary January 31, 2021
    - Monthly Cash Flow Summary as of January 31, 2021
    - SAC Planning and Budget Committee Agendas and Minutes
    - SCC Budget Committee Agendas and Minutes
    - Districtwide Enrollment Management Workgroup Minutes
    - FY2020-21 @ P1 Analysis of SCFF
    - SCFF with Updated Supplemental and Student Success Data, 02-11-2021
    - Other Additional DS Costs - Support

    Additional handouts were referenced for information purposes.

9. Approval of FRC Minutes – January 13, 2021
A motion was made by Roy Shahbazian and seconded by Arleen Satele to approve the minutes of January 13, 2021 meeting. With no questions, comments, corrections, or opposition, the motion passed unanimously.

10. Other
The next FRC meeting is scheduled for March 17, 2021 with an expectation of resolution to hold harmless budget allocation matter. This meeting adjourned at 3:21 p.m.