RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: Fiscal Resources Committee

Agenda for Wednesday, October 21, 2020

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

Zoom Meeting

1. Welcome
2. State/District Budget Update – Adam O'Connor
   - 2020-2021 Adopted Budget
   - 10/12/2020 Board PowerPoint presentation on the 2020-2021 Adopted Budget
   - 2020/21 Advance Apportionment:
     - Memo-September Revision
     - Exhibit R – FY 2020-21 Advance Apportionment (September Revision 2020)
     - Exhibit A – Payments by Program (September Revision 2020)
   - SSC – BOG Approves CCC 2021–22 Budget Request
   - SSC – DOF Releases September Finance Bulletin
   - SSC – Governor Newsom Signs Lottery Fund and CalSTRS Administrative Leave Bills
   - SSC – Recovery Not Cut and Dried According to UCLA Forecasters
   - SSC – Ask SSC…. Are the Deferrals Ongoing?
   - SSC – Proposition 98- The Road Ahead
3. BAM with other estimated savings
4. 2021-22 Draft Budget Calendar – **ACTION**
5. Salaries & Benefits - % of Total Expenditures (Instructional vs Non-Instructional by Location)
6. Multi-Year Projection
7. Continued Discussion of SCFF and Review of BAM – Cambridge West Partnership Consultants
8. January 20, 2021 meeting date change to 14 or 28, or email information only? – **ACTION**
9. Standing Report from District Council – Craig Rutan
10. Informational Handouts
    - District-wide expenditure report link: https://intranet.rsccd.edu
    - Vacant Funded Position List as of October 13, 2020
    - Measure "Q" Project Cost Summary as of September 30, 2020
    - Monthly Cash Flow Summary as of September 30, 2020
    - SAC Planning and Budget Committee Agendas and Minutes
    - SCC Budget Committee Agendas and Minutes
11. Approval of FRC Minutes – September 16, 2020
12. Other

Next FRC Committee Meeting: November 18, 2020, 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 Community Colleges

MEMORANDUM

Apportionments 20-03| Via Website

September 28, 2020

TO: Chief Executive Officers
Chief Business Officers
CCCCO – All Staff

FROM: Fiscal Services Unit
College Finance and Facilities Planning Division

RE: September Revision to the 2019-20 Second Principal & 2020-21 Advance Apportionment

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This memo reflects September updates to the 2019-20 Second Principal (P2) and 2020-21 Advance (AD) Apportionment certifications and supersedes Apportionments Memos 19-05, 20-01, and 20-02. The 2020 Budget Act (Senate Bill 74 as amended by Assembly Bill 89 and associated trailer bill) appropriates funds for various purposes to the California Community Colleges, including the Student Centered Funding Formula (SCFF) and other categorical programs. The September revisions to the 2019-20 P2 and 2020-21 AD are reflected in the exhibits referenced below and are available on the Chancellor's Office's Fiscal Services Unit Apportionment Reports website.

For questions regarding the SCFF calculations or any general matters within this memo, please contact the Fiscal Services Unit at apportionments@cccco.edu. For questions on specific categorical program apportionments, please contact the appropriate staff identified in the contact list at the end of this memo.

EXHIBITS

This memo is accompanied by the following September Revision exhibits:

- 2020-21 AD Exhibit R: SCFF Apportionment Summary Schedule.
- 2020-21 AD Exhibit A12: Monthly District Apportionments and Payments by Program.
- 2020-21 AD B-4: Monthly Payment Schedule by County and District.
- 2019-20 P2 Exhibit A Net Gen Summary: Reflects the allocation of $330 million in additional General Fund towards the 2019-20 P2 SCFF.

- 2019-20 P2 Exhibit C (Pending): Reflects District SCFF funding based on appropriated General Fund resources.
- 2020-21 EPA Quarterly Payment Exhibit B4

Summary of Changes:

Changes since the prior 2019-20 P2 and 2020-21 AD certifications include the following:

- Disbursement of $162 million and $330 million in 2019-20 SCFF General Fund in August and September, respectively.
- Apportionment of 2020-21 SCFF General Fund through January instead of November through a deferral of Student Equity and Achievement (SEA) program funding beginning in August to align with the statutory deferral schedule.
- Accelerated payment of a majority of other 2020-21 categorical program funding, through January 2021 instead of June 2021, to assist districts with cash flow flexibility.
- Reflects payment of the September 2020 quarterly EPA payment net of the 2019-20 overpayment and minor prior year net zero adjustments associated with FTES changes.

SEPTEMBER REVISION BACKGROUND

2019-20 P2:

The September revision to the 2019-20 P2 includes the disbursement of an additional $330 million in state General Fund out of the $516 million that was appropriated to the 2019-20 SCFF as a part of the 2020 Budget Act. This brings the total additional disbursements from General Fund included in the 2020 Budget Act to $492 million. The remaining $24 million in authority is anticipated to be disbursed as a part of Recalculation in February. The 2019-20 P2 Exhibit C reflects the availability of all of the appropriated General Fund resources and reflects a revenue deficit of 0.95%. The 2019-20 P2 Exhibit A Net Gen Summary reflects this level of deficit in the certification, payments through August, the additional $330 million allocated in September and the remaining net General Fund that will be disbursed by Recalculation.

2020-21 AD:

At the Advance apportionment, the Chancellor’s Office uses assumptions and estimates for the major components of the SCFF that are largely consistent with factors used to develop the Budget Act to provide resources for the first seven (7) months of the fiscal year. Ultimately, this preliminary estimate of district Total Computational Revenue (TCR) and offsetting revenues will differ from calculations used during subsequent apportionment periods when more refined data points are available. The Advance apportionment provides an SCFF general apportionment certification that is based on the highest of the following:

- The revenue calculated under the main SCFF.
- The hold harmless revenue based on 2017-18 TCR, with the 2018-19 COLA of 2.71%, 2019-20 COLA of 3.26%, and the 2020-21 COLA of 0.00%, compounded.
- The hold harmless revenue generated using current year (projected) FTES multiplied by the FTES rates identified in the 2017-18 fiscal year plus basic allocation funding.

With respect to full-time equivalent student (FTES) and supplemental and success data points, values from 2019-20 were carried forward to 2020-21. With regard to offsetting property tax and enrollment fee revenues, the Advance apportionment reflects the estimates used to develop the General Fund appropriations included in the 2020 Budget Act. Consistent with prior years, the Budget Act does not formalize any automatic increases in state General Fund appropriations for cases when offsetting revenue collections are lower than original estimates.

The Exhibit R is a summary document used in place of the Exhibit C at the Advance apportionment which identifies each district's components of the SCFF and the various revenue sources (i.e., General Fund, property taxes, enrollment fees, 2015-16 Full-Time Faculty Hiring, and Education Protection Account (EPA)) used by the Chancellor's Office to fund each district's TCR. This year, the Exhibit R has been updated to include detail on the various components of the SCFF and assumptions used to calculate the Advance apportionment.

ADJUSTMENTS

Revenue Deficits:

Despite aligning major components of Apportionments to estimates used at the Budget Act, there remains a shortfall in estimated General Fund need versus appropriated General Fund. To align General Fund disbursements with available resources, a proportional reduction of 0.85% to almost all districts is required. The estimated need is based on the General Fund appropriated in the Budget Act and the amount deferred from the SCFF appropriation into the 2021-22 fiscal year. Because excess tax districts do not receive General Fund (with the exception of required minimum EPA payments and 2015-16 Full-Time Faculty allocations), they do not participate in the proportional reduction. Consistent with past practice, revenue deficits are resolved through a proportional reduction to TCR, which proportionally decreases district General Fund need. This reduction is not an official reduction to TCR, rather it is only used to apply a proportional reduction to general apportionments to align with available General Fund.

Challenges with revenue estimates are a long-standing issue for our system. Unlike K-12 education funding, there is no automatic backfill or continuous appropriation to protect community colleges from variances in revenue estimates. We will continue to work with the Governor and the Legislature to seek an automatic adjustment to General Fund revenues to offset any misaligned estimates used in the budget process to provide improved funding predictability for our system.

Deferrals:

The coronavirus disease 2019 (COVID-19) pandemic has resulted in enormous hardship for families, businesses, and governments at all levels. In addition, the emergency has caused a seismic shift in the state's economic conditions. The enacted budget is reflective of this reality and includes an unprecedented level of deferrals (delayed payments) to schools and community colleges.

The 2020 Budget Act defers a total of $1.45 billion in apportionment funding from 2020-21 to 2021-22 based on the following schedule:

- $253,243,000 of the February 2021 apportionment revenue shall be deferred to November 2021.
- $300,000,000 of the March 2021 apportionment revenue shall be deferred to October 2021.
- $300,000,000 of the April 2021 apportionment revenue shall be deferred to September 2021.
- $300,000,000 of the May 2021 apportionment revenue shall be deferred to August 2021.
- $300,000,000 of the June 2021 apportionment revenue shall be deferred to July 2021.

These deferrals were all reduced from the 2020-21 SCFF budget schedule, however this level of deferral cannot be made solely from the SCFF budget schedule during the months specified in statute. The current estimated 2020-21 SCFF General Fund need is $2.6 billion, leaving a balance of just over $1.1 billion to fund the SCFF budget schedule for the first 7 months of the fiscal year before deferrals become applicable. However, based on the traditional monthly apportionment schedule, available General Fund for the SCFF would be exhausted in November. To address this situation, the Budget Act provides authority for the Chancellor's Office to defer categorical program funding and transfer those resources to the SCFF budget schedule to the extent necessary to ensure the deferrals begin according to the schedule in statute and that SCFF apportionments are funded for the first 7 months of the year.

The September revision of the Advance Apportionment reflects the transfer of $415 million in SEA program resources to the SCFF so that deferrals can be made as specified in statute and SCFF General Fund apportionments can be made through January as intended. SEA funds will be included as part of the $1.45 billion budget deferral. Deferrals generally allow districts to proceed without interruption to programs. Districts rely on savings and low cost borrowing to supplement cash flow in order to maintain the same level of service.

Deferral Equity:

A district's reliance on the General Fund to cover their TCR varies widely depending on district property tax receipts. As a result, General Fund deferrals do not equitably impact districts across our system. To distribute the impact of deferrals as equitably as possible, 2020-21 deferrals will largely be made in proportion to district TCR. This process adjusts apportionments so that a specified minimum amount of TCR is provided after accounting for all revenue sources including General Fund, property taxes, enrollment fees, 2015-16 Full-

Time Faculty Hiring, and EPA. The process results in all districts receiving a minimum of approximately 83% of their TCR. Districts with more than 83% of their TCR covered by other revenues sources will still receive that higher funding, but receive no additional SCFF General Fund apportionment until deferrals are repaid in 2021-22.

State leaders hope to receive federal aid to rescind a portion of the deferrals—$791 million of the $1.45 billion total. However, such funding is not assured. Should federal resources become available, the deferral schedule may change to reflect stimulus support.

Education Protection Account:
The September 2020-21 quarterly EPA payment has been made to districts and is based on the following:

- Estimated 2020-21 EPA revenues of $1,089 million as provided by the Department of Finance.
- An overpayment of $211 million in 2019-20 when $733 million in payments were made through the first three quarters of the year based on a 2019-20 EPA estimate of $977 million that was reduced to $522 million by the Department of Finance.
- A net statewide payment of $61 million based on a full quarterly payment of $272 million reduced by the $211 million 2019-20 overpayment.
- Minor net zero revisions to prior year allocations related to revised funded FTES and the release of additional 2019-20 General Fund.

See exhibits on our website for details by district.

Categorical Programs:
The 2020-21 AD also accelerates the disbursement of most categorical program funding, releasing funds by January 2021 rather than June 2021, to assist districts with cash flow. The Exhibit A12 provides anticipated apportionment allocations for the SCFF and the majority of categorical programs through the end of this fiscal year to assist with cash flow planning. The Exhibit R reflects the amount of funds deferred to 2021-22 for each district from their SCFF General Fund and SEA program allocations that will be repaid from July through November of 2021.

This revision also includes the allocation of nearly half of the COVID-19 Response Block Grant funding. The remaining $66 million is pending the administrative establishment of expenditure at the SCO. We anticipate being able to disburse these funds in October. See Fiscal Standards memo 20-08 at the following link for additional details.

Contacts:
For any general questions regarding this memorandum, please contact the Fiscal Services Unit at apportionments@cccco.edu. For questions regarding specific categorical programs, please contact the appropriate staff specified below.

Contact List for Categorical Programs			
Program	Name	Email Address	Phone number
Access to Print and Electronic Info	Linda Vann	lvann@cccco.edu	(916) 322-3234
Adult Education Block Grant	Neil Kelly	nkelly@cccco.edu	(916) 324-8895
Apprenticeship Allowance	Nick Esquivel	nesquivel@cccco.edu	(916) 445-4670
COVID-19 Response Block Grant	Lorena Romero	lromero@cccco.edu	(916) 322-3668
California College Promise	Ruby Nieto	rnieto@cccco.edu	(916) 322-4300
CalWORKs	Mia Keeley	mkeeley@cccco.edu	(916) 327-5898
Childcare Tax Bailout	Rina Rojas	rrojas@cccco.edu	(916) 324-2564
College Promise (BOG Fee Waivers Admin)	Ruby Nieto	rnieto@cccco.edu	(916) 322-4300
College Rapid Rehousing	Colleen Ganley	cganley@cccco.edu	(916) 323-3865
College Specific Allocations	Jubilee Smallwood	jsmallwood@cccco.edu	(916) 327-6225
Cooperative Agencies Resources for Education	Jillian Luis	jluis@cccco.edu	(916) 322-5246
Disabled Student Program	Linda Vann	lvann@cccco.edu	(916) 322-3234
Deaf and Hard of Hearing	Linda Vann	lvann@cccco.edu	(916) 322-3234
Digital Course Materials	Leslie LeBlanc	lleblance@cccco.edu	(916) 323-2768
Extended Opportunity Programs and Services	Jillian Luis	jluis@cccco.edu	(916) 322-5246
Equal Employment Opportunity	Legal Main Line	legalaffairs@cccco.edu	(916) 445-4826
Financial Aid Technology	Gina Browne	gbrowne@cccco.edu	(916) 324-4744
Foster Care Education Program	Rina Rojas	rrojas@cccco.edu	(916) 324-2564
Full Time Faculty Hiring	Michael Yarber	myarber@cccco.edu	(916) 322-5815
Guided Pathways	Barbara Lezon	blezon@cccco.edu	(916) 323-5275
Hunger Free Campus	Colleen Ganley	cganley@cccco.edu	(916) 323-3865
Integrated Technology	Gary Bird	gbird@cccco.edu	(916) 327-5904
K12 Strong Workforce	Sandra Sanchez	ssanchez@cccco.edu	(916) 322-0935
Maintenance Allowance	Wrenna Finche	wfinche@cccco.edu	(916) 445-8026
Nextup	Colleen Ganley	cganley@cccco.edu	(916) 323-3865
Nursing Education	Brenda Fong	bfong@cccco.edu	(916) 323-2758
Part-Time Faculty Compensation	Michael Yarber	myarber@cccco.edu	(916) 322-5815
PT Health Ins. Benefits	Michael Yarber	myarber@cccco.edu	(916) 322-5815
PT Office Hours	Michael Yarber	myarber@cccco.edu	(916) 322-5815
Physical Plant and Instructional Planning	Hoang Nguyen	hnguyen@cccco.edu	(916) 327-5363
Return to IV	Ruby Nieto	rnieto@cccco.edu	(916) 322-4300
Student Financial Aid Admin	Ruby Nieto	rnieto@cccco.edu	(916) 322-4300
Special Trustee AB318 Restricted Exp	Patricia Servin	pservin@cccco.edu	(916) 445-1163
State Hospital	Linda Vann	lvann@cccco.edu	(916) 322-3234
Strong Workforce Program	Sandra Sanchez	ssanchez@cccco.edu	(916) 322-0935
Student Equity and Achievement	Barbara Lezon	blezon@cccco.edu	(916) 323-5275
Student Success Completion Grant	Ruby Nieto	rnieto@cccco.edu	(916) 322-4300
Veteran Resource Center	Jackie Chacon	jchacon@cccco.edu	(916) 327-5361
Prior Year Correction, Categorical	Jubilee Smallwood	jsmallwood@cccco.edu	(916) 327-6225

Heading number =>>>	1	2	3	4	5	6	7	8	9	10	11	12	13
DistName	Basic Allocation	FTES Allocation	Supplemental Allocation	Student Success Allocation	SCFF	2020-21 Hold Harmless Protection	TCR	Property Tax	Excess Property Tax	Enrollment Fees	Estimated EPA	2015-16 Full Time Faculty Hiring	General Apportionment (NetGen)
Allan Hancock Joint CCD	$ 6,742,507	$ 37,230,889	$ 11,360,832	$ 6,673,853	$ 62,008,081	$ -	$ 62,008,081	$ 20,006,332	$ -	$ 2,357,616	$ 10,058,270	$ 514,298	$ 28,542,069
Antelope Valley CCD	6,742,507	44,783,296	20,933,736	7,838,181	80,297,720	-	80,297,720	8,230,040	-	2,514,718	12,253,429	723,351	55,890,508
Barstow CCD	5,332,221	9,834,470	5,335,344	2,014,448	22,516,483	-	22,516,483	3,428,398	-	302,108	2,696,888	154,374	15,742,444
Butte-Glenn CCD	6,742,507	41,214,249	12,990,444	7,538,444	68,485,644	-	68,485,644	16,277,906	-	3,253,761	11,496,530	646,081	36,226,557
Cabrillo CCD	6,742,507	41,111,776	9,219,300	5,531,584	62,605,167	2,161,151	64,766,318	34,356,953	-	4,226,231	11,185,324	577,621	13,867,140
Cerritos CCD	5,394,006	64,632,021	27,369,708	11,877,744	109,273,479	-	109,273,479	29,061,289	-	5,100,093	17,711,263	1,099,619	55,368,113
Chabot-Las Positas CCD	8,765,256	67,490,113	15,338,640	10,236,032	101,830,041	12,373,367	114,203,408	55,952,808	-	9,636,144	18,529,794	1,092,900	28,016,563
Chaffey CCD	8,091,008	67,893,309	26,924,148	10,915,744	113,824,209	-	113,824,209	39,932,251	-	6,409,682	18,599,347	976,063	46,934,905
Citrus CCD	5,394,006	47,013,193	15,126,288	8,446,841	75,980,328	-	75,980,328	7,033,580	-	4,485,122	12,798,562	725,526	50,288,731
Coast CCD	12,810,758	119,307,769	39,733,524	24,032,948	195,884,999	-	195,884,999	147,317,215	-	15,091,896	29,782,893	2,020,305	-
Compton CCD	4,045,502	24,358,533	9,467,676	2,506,638	40,378,349	-	40,378,349	6,026,744	-	1,445,500	6,621,561	372,683	25,567,065
Contra Costa CCD	15,507,760	111,521,167	26,932,680	17,428,501	171,390,108	9,170,487	180,560,595	119,847,098	-	15,357,174	30,507,555	1,829,265	11,477,670
Copper Mountain CCD	5,332,221	5,766,308	2,852,532	994,084	14,945,145	-	14,945,145	1,777,349	-	183,307	1,599,546	90,085	11,167,239
Desert CCD	6,742,507	43,759,988	15,040,968	6,174,014	71,717,477	-	71,717,477	36,648,498	-	2,633,872	11,463,899	562,024	19,796,778
El Camino CCD	5,394,006	76,786,536	30,104,688	12,499,763	124,784,993	-	124,784,993	38,074,661	-	8,367,631	20,900,950	1,210,424	55,165,770
Feather River CCD	5,332,221	7,266,871	2,088,444	1,247,074	15,934,610	-	15,934,610	6,307,999	-	546,206	1,868,702	99,597	6,976,038
Foothill-DeAnza CCD	10,788,009	94,550,986	18,581,748	18,823,933	142,744,676	14,129,982	156,874,658	129,687,891	-	20,464,359	3,701,442	1,681,391	-
Gavilan Joint CCD	5,332,221	21,220,428	4,898,316	3,411,152	34,862,117	-	34,862,117	21,984,427	-	2,822,007	5,776,122	286,763	3,695,105
Glendale CCD	6,742,507	57,980,384	16,219,332	7,308,952	88,251,175	5,313,120	93,564,295	23,733,069	-	4,524,720	15,092,797	869,486	48,545,264
Grossmont-Cuyamaca CCD	8,765,256	69,732,067	25,668,996	11,875,501	116,041,820	-	116,041,820	49,197,679	-	6,509,283	19,103,399	1,164,674	39,075,887
Hartnell CCD	4,382,628	29,744,332	10,435,584	5,930,044	50,492,588	-	50,492,588	26,557,404	-	1,828,603	8,139,807	452,876	13,082,735
Imperial CCD	4,045,502	30,376,853	13,281,480	5,845,150	53,548,985	-	53,548,985	8,051,711	-	1,310,069	8,266,651	422,724	35,040,568
Kern CCD	17,193,387	93,299,916	40,194,252	17,141,890	167,829,445	-	167,829,445	61,583,276	-	6,714,547	24,511,851	1,290,723	72,295,928
Lake Tahoe CCD	5,332,221	7,302,162	2,723,604	1,174,892	16,532,879	-	16,532,879	4,989,513	-	914,172	1,883,803	103,425	8,500,789
Lassen CCD	5,332,221	6,331,921	3,633,684	908,548	16,206,374	-	16,206,374	1,830,690	-	328,442	1,446,743	83,323	12,378,787
Long Beach CCD	8,091,008	78,356,340	29,677,140	10,954,920	127,079,408	-	127,079,408	34,168,075	-	5,469,317	21,539,022	1,183,985	63,633,860
Los Angeles CCD	40,455,030	406,618,624	126,138,036	57,588,162	630,799,852	11,745,799	642,545,651	255,536,326	-	29,933,294	108,658,314	6,629,691	236,301,237
Los Rios CCD	26,970,022	187,494,702	71,027,004	33,430,754	318,922,482	3,452,461	322,374,943	96,394,541	-	17,095,807	51,611,802	2,963,077	151,556,911
Marin CCD	4,045,502	14,464,385	3,087,636	1,712,391	23,309,914	3,848,378	27,158,292	61,432,385	(36,781,251)	1,959,229	319,408	228,521	-
Mendocino-Lake CCD	6,343,599	11,218,800	3,987,288	1,922,143	23,471,830	321,474	23,793,304	10,598,155	-	783,693	3,012,483	159,408	9,036,391
Merced CCD	6,742,507	39,193,349	13,389,552	7,263,792	66,589,200	-	66,589,200	14,744,732	-	2,839,964	10,594,607	560,536	37,280,746
MiraCosta CCD	6,742,507	40,550,455	13,516,584	7,763,413	68,572,959	-	68,572,959	116,347,915	(57,069,985)	7,591,341	1,014,875	688,813	-
Monterey Peninsula CCD	4,382,628	25,191,103	6,601,872	3,810,507	39,986,110	1,258,785	41,244,895	21,974,379	-	2,689,434	6,891,928	380,329	8,956,629
Mt. San Antonio CCD	6,742,507	141,785,851	33,727,944	15,787,733	198,044,035	-	198,044,035	59,655,600	-	9,190,302	36,441,888	1,909,691	89,155,428
Mt. San Jacinto CCD	6,742,507	49,132,711	20,055,888	8,284,163	84,215,269	-	84,215,269	33,064,423	-	3,488,012	13,421,092	730,875	32,791,741
Napa Valley CCD	4,719,752	18,916,765	4,596,852	3,450,902	31,684,271	1,851,686	33,535,957	36,486,734	(6,145,475)	2,387,266	473,388	334,044	-
North Orange County CCD	10,788,009	138,090,215	37,206,156	18,591,285	204,675,665	9,621,873	214,297,538	106,696,461	-	11,892,511	37,179,801	2,159,496	54,539,352
Ohlone CCD	5,394,003	30,277,060	4,892,628	4,271,885	44,835,576	6,883,217	51,718,793	24,965,143	-	4,406,981	8,108,141	439,082	13,357,812
Palo Verde CCD	5,500,785	10,287,982	2,731,188	1,009,908	19,529,863	-	19,529,863	1,692,701	-	485,448	2,369,562	124,964	14,690,420
Palomar CCD	6,742,507	72,220,396	19,093,668	10,284,220	108,340,791	6,783,893	115,124,684	87,665,265	-	8,227,314	17,224,174	1,024,865	-
Pasadena Area CCD	8,091,008	97,656,341	27,999,180	15,789,620	149,536,149	-	149,536,149	40,468,111	-	10,584,000	26,466,430	1,456,039	69,284,659
Peralta CCD	16,182,008	63,307,106	20,295,732	9,872,816	109,657,662	11,964,249	121,621,911	54,190,145	-	6,274,212	17,272,601	1,210,675	41,635,731
Rancho Santiago CCD	12,136,510	116,402,698	25,517,316	17,191,632	171,248,156	3,589,969	174,838,125	86,408,275	-	8,718,424	29,927,255	1,778,740	46,512,463
Redwoods CCD	6,006,471	15,346,022	5,755,308	2,845,534	29,953,335	-	29,953,335	9,715,429	-	1,126,440	4,085,916	222,031	14,547,743
Rio Hondo CCD	5,394,006	52,498,446	17,294,364	8,678,567	83,865,383	-	83,865,383	8,670,663	-	2,306,301	14,371,235	793,007	57,008,039
Riverside CCD	12,810,758	123,728,565	43,939,800	21,108,617	201,587,740	-	201,587,740	48,840,895	-	10,321,406	33,677,090	1,780,463	105,246,500
San Bernardino CCD	8,765,256	62,466,364	22,935,912	9,620,829	103,788,361	-	103,788,361	30,710,687	-	5,981,445	17,072,388	951,835	48,185,742
San Diego CCD	20,901,767	163,383,652	41,595,396	24,300,620	250,181,435	10,775,264	260,956,699	130,496,021	-	14,684,472	42,530,470	2,638,615	68,378,775
San Francisco CCD	14,327,827	86,134,586	15,588,912	10,871,417	126,922,742	9,210,241	136,132,983	33,768,535	-	12,387,249	22,173,554	1,310,560	65,330,626
San Joaquin Delta CCD	6,742,507	61,386,124	21,047,496	10,980,237	100,156,364	-	100,156,364	44,495,205	-	3,070,255	16,723,966	1,011,023	34,000,666
San Jose-Evergreen CCD	8,091,004	49,239,809	15,558,576	7,385,544	80,274,933	-	80,274,933	115,918,530	(43,547,469)	5,959,151	1,227,200	717,521	-
San Luis Obispo County CCD	5,394,003	32,621,082	7,958,460	5,545,722	51,519,267	523,318	52,042,585	45,811,920	-	3,657,038	1,614,873	514,355	-
San Mateo County CCD	12,136,506	60,778,882	13,760,220	10,111,142	96,786,750	7,457,580	104,244,330	171,999,998	(80,052,739)	9,746,026	1,477,820	1,073,225	-
Santa Barbara CCD	7,753,883	52,514,160	12,364,764	9,263,825	81,896,632	-	81,896,632	34,917,547	-	7,356,689	14,087,492	817,315	24,018,262
Santa Clarita CCD	6,742,507	69,516,336	14,248,440	11,592,176	102,099,459	-	102,099,459	28,922,134	-	7,840,000	18,681,420	987,906	44,796,157
Santa Monica CCD	8,091,008	82,615,634	25,892,724	12,970,425	129,569,791	8,219,716	137,789,507	34,473,566	-	12,465,913	22,496,483	1,354,191	65,822,750

Heading number =>>>	1	2	3	4	5	6	7	8	9	10	11	12	13
DistName	**Basic Allocation**	**FTES Allocation**	**Supplemental Allocation**	**Student Success Allocation**	**SCFF**	**2020-21 Hold Harmless Protection**	**TCR**	**Property Tax**	**Excess Property Tax**	**Enrollment Fees**	**Estimated EPA**	**2015-16 Full Time Faculty Hiring**	**General Apportionment (NetGen)**
Sequoias CCD	8,091,008	42,223,839	15,732,060	7,854,759	73,901,666	-	73,901,666	17,115,758	-	2,751,434	11,466,843	577,653	41,358,921
Shasta-Tehama-Trinity CCD	4,045,502	27,829,345	10,828,056	5,563,402	48,266,305	-	48,266,305	17,163,083	-	980,000	7,395,850	374,558	21,940,661
Sierra Joint CCD	6,911,071	56,428,388	16,430,736	10,919,917	90,690,112	1,124,296	91,814,408	87,806,405	(5,712,184)	7,413,586	1,389,479	917,122	-
Siskiyou Joint CCD	5,332,221	8,835,566	1,882,728	1,663,298	17,713,813	1,536,832	19,250,645	4,491,840	-	779,637	2,233,406	173,662	11,407,716
Solano CCD	6,742,504	27,884,583	7,436,112	4,756,818	46,820,017	4,645,925	51,465,942	18,642,297	-	3,454,457	7,483,186	512,078	20,934,449
Sonoma County CCD	9,776,635	78,132,385	13,469,184	10,740,154	112,118,358	1,213,841	113,332,199	65,958,435	-	7,552,222	21,521,778	1,149,474	16,182,530
South Orange County CCD	9,439,508	111,279,496	20,068,212	17,719,495	158,506,711	3,416,192	161,922,903	246,878,463	(105,789,080)	16,751,334	2,663,781	1,418,405	-
Southwestern CCD	9,439,509	59,922,616	21,247,524	8,716,286	99,325,935	-	99,325,935	32,327,805	-	5,006,147	16,437,716	850,132	43,855,977
State Center CCD	15,507,760	126,082,066	46,868,172	23,721,055	212,179,053	-	212,179,053	53,211,032	-	8,450,874	34,000,797	1,807,611	112,896,912
Ventura County CCD	13,485,010	103,610,849	30,655,476	20,153,100	167,904,435	-	167,904,435	76,117,881	-	19,462,285	28,266,623	1,643,301	40,980,585
Victor Valley CCD	4,045,502	38,947,590	16,638,348	6,168,390	65,799,830	-	65,799,830	14,070,305	-	2,089,260	10,537,423	570,771	37,970,197
West Hills CCD	8,428,130	24,699,545	9,605,136	4,836,214	47,569,025	-	47,569,025	7,253,772	-	925,831	6,583,257	319,645	32,080,321
West Kern CCD	5,332,221	15,448,398	4,663,212	3,610,978	29,054,809	-	29,054,809	6,526,293	-	887,481	3,178,186	158,259	18,056,487
West Valley-Mission CCD	8,091,004	47,035,187	8,532,948	6,729,475	70,388,614	7,436,508	77,825,122	155,549,195	(86,548,005)	6,860,000	1,156,140	807,792	-
Yosemite CCD	8,765,256	65,527,813	25,815,936	10,439,865	110,548,870	-	110,548,870	50,274,910	-	5,262,600	17,909,275	1,025,506	35,132,586
Yuba CCD	10,113,755	30,776,755	11,270,772	5,611,284	57,772,566	-	57,772,566	29,949,327	-	1,548,890	8,353,104	470,447	16,957,470
Statewide Totals	$ 626,541,950	$ 4,538,568,503	$ 1,389,082,596	$ 731,835,346	$ 7,286,028,395	$ 160,029,604	$ 7,446,057,999	$ 3,662,462,078	$ (421,646,188)	$ 448,422,235	$ 1,089,320,650	$ 69,960,895	$ 2,539,466,105

Heading number =>>>	14	15	16	17	18	19	20	21	22	23	24
DistName	**Total Revenue**	**Deficit Factor**	**Revenue Deficit**	**Exhibit A Certification**	**Available Funds through November 2020**	**$40M Available November 2020**	**Federal Oil and Mineral Available at R1**	**Statewide Categorical Resources Transferred to the SCFF**	**Deferral (NetGen)**	**Deferral (SEA)**	**CY Funding %**
Allan Hancock Joint CCD	$ 61,478,585	0.85%	$ 529,496	$ 29,056,367	$ 13,904,140	$ 424,276	$ 53,256	$ 4,333,690	$ 10,394,261	$ 3,495,057	83.24%
Antelope Valley CCD	79,612,046	0.85%	685,674	56,613,859	36,992,396	549,418	68,965	5,611,937	13,460,108	5,443,048	83.24%
Barstow CCD	22,324,212	0.85%	192,271	15,896,818	10,394,715	154,064	19,338	1,573,657	3,774,382	1,314,652	83.24%
Butte-Glenn CCD	67,900,835	0.85%	584,809	36,872,638	20,137,561	468,597	58,820	4,786,401	11,480,079	3,879,857	83.24%
Cabrillo CCD	64,213,269	0.85%	553,049	14,444,761	-	-	55,626	3,588,143	10,856,618	3,112,118	83.24%
Cerritos CCD	108,340,377	0.85%	933,102	56,467,732	29,765,784	747,678	93,851	7,637,027	18,317,243	5,789,604	83.24%
Chabot-Las Positas CCD	113,228,209	0.85%	975,199	29,109,463	1,202,843	781,410	98,085	7,981,575	19,143,635	5,387,842	83.24%
Chaffey CCD	112,852,248	0.85%	971,961	47,910,968	20,097,008	778,816	97,760	7,955,073	19,080,071	5,798,748	83.24%
Citrus CCD	75,331,521	0.85%	648,807	51,014,257	32,447,787	519,877	65,257	5,310,198	12,736,395	3,967,156	83.24%
Coast CCD	194,212,309	0.85%	1,672,690	2,020,305	-	-	-	-	2,020,305	10,345,085	98.97%
Compton CCD	40,033,553	0.85%	344,796	25,939,748	16,072,939	276,279	34,680	2,822,007	6,768,523	2,097,768	83.24%
Contra Costa CCD	179,018,762	0.85%	1,541,833	13,306,935	-	-	-	-	13,306,935	10,241,732	92.63%
Copper Mountain CCD	14,817,526	0.85%	127,619	11,257,324	7,605,345	102,258	12,836	1,044,503	2,505,218	802,757	83.24%
Desert CCD	71,105,071	0.85%	612,406	20,358,802	2,833,997	490,711	61,596	5,012,270	12,021,824	3,324,847	83.24%
El Camino CCD	123,719,436	0.85%	1,065,557	56,376,194	25,883,869	853,812	107,174	8,721,113	20,917,400	6,015,699	83.24%
Feather River CCD	15,798,542	0.85%	136,068	7,075,635	3,181,871	109,029	13,685	1,113,656	2,671,079	778,700	83.24%
Foothill-DeAnza CCD	155,535,083	0.85%	1,339,575	1,681,391	-	-	-	-	1,681,391	9,285,210	98.93%
Gavilan Joint CCD	34,564,424	0.85%	297,693	3,981,868	-	-	-	-	3,981,868	1,766,388	88.58%
Glendale CCD	92,765,336	0.85%	798,959	49,414,750	26,551,481	640,192	80,360	6,539,125	15,683,952	4,734,318	83.24%
Grossmont-Cuyamaca CCD	115,050,922	0.85%	990,898	40,240,561	11,884,708	793,989	99,665	8,110,060	19,451,804	6,621,000	83.24%
Hartnell CCD	50,061,425	0.85%	431,163	13,535,611	1,197,297	345,484	43,367	3,528,882	8,463,948	3,254,555	83.24%
Imperial CCD	53,091,723	0.85%	457,262	35,463,292	22,378,120	366,397	45,991	3,742,491	8,976,284	2,585,403	83.24%
Kern CCD	166,396,325	0.85%	1,433,120	73,586,651	32,576,031	1,148,333	144,143	11,729,452	28,132,835	9,458,909	83.24%
Lake Tahoe CCD	16,391,702	0.85%	141,177	8,604,214	4,564,258	113,122	14,200	1,155,468	2,771,366	916,115	83.24%
Lassen CCD	16,067,985	0.85%	138,389	12,462,110	8,501,938	110,888	13,919	1,132,650	2,716,634	1,037,430	83.24%
Long Beach CCD	125,994,259	0.85%	1,085,149	64,817,845	33,764,859	869,511	109,144	8,881,468	21,302,007	5,924,289	83.24%
Los Angeles CCD	637,058,862	0.85%	5,486,789	242,930,928	85,919,172	4,396,469	551,861	44,906,947	107,708,340	42,007,223	83.24%
Los Rios CCD	319,622,138	0.85%	2,752,805	154,519,988	75,744,798	2,205,775	276,877	22,530,500	54,038,915	18,506,109	83.24%
Marin CCD	27,158,292	0.00%	-	228,521	-	-	-	-	228,521	1,451,566	99.16%
Mendocino-Lake CCD	23,590,130	0.85%	203,174	9,195,799	3,381,693	162,800	20,436	1,662,893	3,988,413	1,276,270	83.24%
Merced CCD	66,020,585	0.85%	568,615	37,841,282	21,569,618	455,621	57,191	4,653,860	11,162,183	3,629,812	83.24%
MiraCosta CCD	68,572,959	0.00%	-	688,813	-	-	-	-	688,813	3,748,726	99.00%
Monterey Peninsula CCD	40,892,699	0.85%	352,196	9,336,958	-	-	35,424	2,423,178	6,913,780	2,143,166	83.24%
Mt. San Antonio CCD	196,352,909	0.85%	1,691,126	91,065,119	42,671,294	1,355,070	170,093	13,841,123	33,197,632	11,909,369	83.24%
Mt. San Jacinto CCD	83,496,143	0.85%	719,126	33,522,616	12,943,865	576,223	72,330	5,885,730	14,116,798	4,872,858	83.24%
Napa Valley CCD	33,535,957	0.00%	-	334,044	-	-	-	-	334,044	1,996,118	99.00%
North Orange County CCD	212,467,621	0.85%	1,829,917	56,698,848	4,333,335	1,466,281	184,053	14,977,065	35,922,167	11,613,535	83.24%
Ohlone CCD	51,277,159	0.85%	441,634	13,796,894	1,158,946	353,874	44,420	3,614,580	8,669,494	2,261,699	83.24%
Palo Verde CCD	19,363,095	0.85%	166,768	14,815,384	10,043,088	133,628	16,774	1,364,925	3,273,743	1,017,333	83.24%
Palomar CCD	114,141,618	0.85%	983,066	1,024,865	-	-	-	-	1,024,865	5,250,303	99.11%
Pasadena Area CCD	148,259,239	0.85%	1,276,910	70,740,698	34,200,207	1,023,167	128,431	10,450,949	25,066,375	6,930,240	83.24%
Peralta CCD	120,583,364	0.85%	1,038,547	42,846,406	13,127,008	832,170	104,456	8,500,048	20,387,180	7,603,979	83.24%
Rancho Santiago CCD	173,345,157	0.85%	1,492,968	48,291,203	5,567,949	1,196,289	150,163	12,219,282	29,307,683	12,094,847	83.24%
Redwoods CCD	29,697,559	0.85%	255,776	14,769,774	7,450,410	204,948	25,726	2,093,412	5,021,004	1,513,328	83.24%
Rio Hondo CCD	83,149,245	0.85%	716,138	57,801,046	37,307,792	573,830	72,029	5,861,277	14,058,147	5,058,121	83.24%
Riverside CCD	199,866,354	0.85%	1,721,386	107,026,963	57,767,202	1,379,317	173,137	14,088,789	33,791,655	10,230,297	83.24%
San Bernardino CCD	102,902,097	0.85%	886,264	49,137,577	23,775,966	710,148	89,141	7,253,676	17,397,787	6,854,679	83.24%
San Diego CCD	258,728,353	0.85%	2,228,346	71,017,390	7,250,295	1,785,536	224,127	18,238,032	43,743,527	15,370,904	83.24%
San Francisco CCD	134,970,524	0.85%	1,162,459	66,641,186	33,375,879	931,458	116,920	9,514,213	22,819,636	8,132,940	83.24%
San Joaquin Delta CCD	99,301,115	0.85%	855,249	35,011,689	10,537,589	685,297	86,021	6,999,839	16,788,964	4,977,171	83.24%
San Jose-Evergreen CCD	80,274,933	0.00%	-	717,521	-	-	-	-	717,521	4,239,622	99.11%
San Luis Obispo County CCD	51,598,186	0.85%	444,399	514,355	-	-	-	-	514,355	2,517,274	99.01%
San Mateo County CCD	104,244,330	0.00%	-	1,073,225	-	-	-	-	1,073,225	5,896,992	98.97%
Santa Barbara CCD	81,197,305	0.85%	699,327	24,835,577	4,823,405	560,359	70,338	5,723,683	13,728,130	3,882,668	83.24%
Santa Clarita CCD	101,227,617	0.85%	871,842	45,784,063	20,835,150	698,592	87,690	7,135,641	17,114,680	4,862,786	83.24%
Santa Monica CCD	136,612,903	0.85%	1,176,604	67,176,941	33,506,847	942,793	118,343	9,629,986	23,097,315	8,108,608	83.24%

Heading number =>>>	14	15	16	17	18	19	20	21	22	23	24
DistName	**Total Revenue**	**Deficit Factor**	**Revenue Deficit**	**Exhibit A Certification**	**Available Funds through November 2020**	**$40M Available November 2020**	**Federal Oil and Mineral Available at R1**	**Statewide Categorical Resources Transferred to the SCFF**	**Deferral (NetGen)**	**Deferral (SEA)**	**CY Funding %**
Sequoias CCD	73,270,609	0.85%	631,057	41,936,574	23,878,043	505,655	63,472	5,164,922	12,387,954	4,459,843	83.24%
Shasta-Tehama-Trinity CCD	47,854,152	0.85%	412,153	22,315,219	10,520,917	330,251	41,454	3,373,290	8,090,761	2,512,916	83.24%
Sierra Joint CCD	91,814,408	0.00%	-	917,122	-	-	-	-	917,122	4,868,738	99.00%
Siskiyou Joint CCD	19,086,261	0.85%	164,384	11,581,378	6,877,311	131,718	16,534	1,345,411	3,226,938	767,461	83.24%
Solano CCD	51,026,467	0.85%	439,475	21,446,527	8,870,365	352,144	44,203	3,596,909	8,627,109	2,697,611	83.24%
Sonoma County CCD	112,364,439	0.85%	967,760	17,332,004	-	-	-	-	17,332,004	5,352,464	84.71%
South Orange County CCD	161,922,903	0.00%	-	1,418,405	-	-	-	-	1,418,405	9,171,095	99.12%
Southwestern CCD	98,477,777	0.85%	848,158	44,706,109	20,434,932	679,614	85,308	6,941,802	16,649,761	5,371,053	83.24%
State Center CCD	210,367,226	0.85%	1,811,827	114,704,523	62,856,681	1,451,785	182,234	14,829,006	35,567,051	12,396,237	83.24%
Ventura County CCD	166,470,675	0.85%	1,433,760	42,623,886	1,594,941	1,148,847	144,208	11,734,692	28,145,406	8,712,259	83.24%
Victor Valley CCD	65,237,956	0.85%	561,874	38,540,968	22,462,193	450,220	56,513	4,598,692	11,029,863	3,532,743	83.24%
West Hills CCD	47,162,826	0.85%	406,199	32,399,966	20,776,051	325,480	40,855	3,324,557	7,973,878	2,367,778	83.24%
West Kern CCD	28,806,706	0.85%	248,103	18,214,746	11,114,945	198,800	24,954	2,030,615	4,870,386	1,492,501	83.24%
West Valley-Mission CCD	77,825,122	0.00%	-	807,792	-	-	-	-	807,792	4,127,965	98.96%
Yosemite CCD	109,604,877	0.85%	943,993	36,158,092	9,144,490	756,405	94,947	7,726,163	18,531,034	6,087,061	83.24%
Yuba CCD	57,279,238	0.85%	493,328	17,427,917	3,310,676	395,295	49,619	4,037,673	9,684,273	3,329,651	83.24%
Statewide Totals	$ 7,387,985,775	0.78%	$ 58,072,224	$ 2,609,427,000	$ 1,111,072,000	$ 40,000,000	$ 5,112,000	$ 414,584,206	$ 1,043,770,794	$ 414,584,206	85.98%

CALIFORNIA COMMUNITY COLLEGES
MONTHLY PAYMENT SCHEDULE BY DISTRICT
2020-2021 PROJECTED YEARLY APPORTIONMENT

EXHIBIT A12

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
ORANGE COUNTY

Programs	Amount Certified	July Payment	August Payment	September Payment	October Payment	November Payment	December Payment	January Payment	February Payment	March Payment	April Payment	May Payment	June Payment
STATE GENERAL APPORTIONMENT	48,291,203	960,362	1,336,812	6,561,802	3,163,920	2,847,528	1,581,960	2,531,136	0	0	0	0	0
ACCESS TO PRINT AND ELECTRONIC INFO	22,157	1,773	1,772	2,659	2,216	1,994	1,108	1,772	1,773	1,773	1,773	1,773	1,773
ADULT EDUCATION BLOCK GRANT	3,160,407	263,367	263,368	263,367	263,367	263,367	263,368	263,367	263,367	263,367	263,367	263,367	263,367
APPRENTICE ALLOWANCE	4,540,294	363,224	363,223	544,835	454,030	408,626	227,015	363,223	363,224	363,224	363,224	363,224	363,224
C.A.R.E.	168,418	13,441	25,890	25,817	25,817	25,817	25,817	25,819	0	0	0	0	0
CALIFORNIA COLLEGE PROMISE	1,649,456	131,956	254,181	254,181	254,181	254,181	250,388	250,388	0	0	0	0	0
CALWORKs	570,718	45,685	88,001	87,406	87,406	87,406	87,406	87,408	0	0	0	0	0
CHILDCARE TAX BAILOUT	262,059	20,965	20,964	31,448	26,205	23,586	13,103	20,964	20,965	20,965	20,965	20,965	20,965
COLLEGE PROMISE GRANTS (BOG FEE WAIVERS ADMIN)	279,888	22,391	43,131	43,131	43,131	43,131	42,487	42,486	0	0	0	0	0
COLLEGE RAPID REHOUSING FUNDS	0	0	0	0	0	0	0	0	0	0	0	0	0
COVID-19 RESPONSE BLOCK GRANT (CRF)	1,267,136	0	1,267,136	0	0	0	0	0	0	0	0	0	0
D.S.P.S.	1,586,067	126,885	244,413	242,954	242,954	242,954	242,954	242,953	0	0	0	0	0
DEAF AND HARD OF HEARING	124,942	9,995	9,996	14,993	12,494	11,245	6,247	9,995	9,995	9,995	9,995	9,995	9,995
E.O.P.S.	2,434,063	194,381	374,427	373,051	373,051	373,051	373,051	373,051	0	0	0	0	0
EQUAL EMPLOYMENT OPPORTUNITY	50,000	4,000	4,000	6,000	5,000	4,500	2,500	4,000	4,000	4,000	4,000	4,000	4,000
FINANCIAL AID TECHNOLOGY	98,529	7,882	15,183	15,183	15,183	15,183	14,957	14,958	0	0	0	0	0
FOSTER CARE EDUCATION	0	0	0	0	0	0	0	0	0	0	0	0	0
FULL TIME FACULTY HIRING	1,304,941	104,395	201,091	201,091	201,091	201,091	198,090	198,092	0	0	0	0	0
GUIDED PATHWAYS	238,458	19,077	19,076	28,615	23,846	21,461	11,923	19,077	19,077	19,077	19,077	19,077	19,077
INTEGRATED TECHNOLOGY PROGRAM	0	0	0	0	0	0	0	0	0	0	0	0	0
NEXTUP	0	0	0	0	0	0	0	0	0	0	0	0	0
NURSING EDUCATION	207,358	16,589	31,954	31,954	31,954	31,954	31,477	31,476	0	0	0	0	0
PART-TIME FACULTY COMPENSATION	554,206	44,336	85,403	85,403	85,403	85,403	84,129	84,129	0	0	0	0	0
S.F.A.A.	1,042,275	83,382	160,615	160,615	160,615	160,615	158,217	158,216	0	0	0	0	0
SPECIAL TRUSTEE AB318 RESTRICTED EXP.	0	0	0	0	0	0	0	0	0	0	0	0	0
STATE HOSPITAL	0	0	0	0	0	0	0	0	0	0	0	0	0
STRONG WORKFORCE PROGRAM	25,646,962	2,051,757	3,952,197	3,952,197	3,952,197	3,952,197	3,893,209	3,893,208	0	0	0	0	0
STUDENT EQUITY AND ACHIEVEMENT	13,286,941	1,062,955	129,139	0	0	0	0	0	0	0	0	0	0
STUDENT SUCCESS COMPLETION	3,165,989	3,165,989	0	0	0	0	0	0	0	0	0	0	0
VETERAN RESOURCE CENTER	35,398	35,398	0	0	0	0	0	0	0	0	0	0	0
PRIOR YEAR STATE GENERAL ADJUSTMENT	14,248,135	0	(4,536,809)	18,784,944	0	0	0	0	0	0	0	0	0
Total	124,236,000	8,750,185	4,355,163	31,711,646	9,424,061	9,055,290	7,509,406	8,615,718	682,401	682,401	682,401	682,401	682,401

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COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: SEPTEMBER 1, 2020

BOG Approves CCC 2021–22 Budget Request

BY KYLE HYLAND

posted September 22, 2020

Today, September 22, 2020, the California Community College (CCC) Board of Governors (BOG) approved the *2021-22 System Budget & Legislative Request* as presented by staff. The request is the result of a process that began in May 2020 and involved the Consultation Council, a survey of stakeholders, and a public comment period on the draft proposals. The most significant requests are as follows:

- $707.7 million from Proposition 51 General Obligation bonds for 54 CCC facilities projects
- $150 million in additional ongoing base funding to meet current obligations and provide funding for increasing costs
- $77 million (of which $60.4 million would be ongoing) in additional funding to implement Faculty and Staff Diversity Taskforce recommendations
- $60 million to provide a robust and equitable online infrastructure for CCC students and faculty during the statewide emergency
- $50 million in one-time funds for student emergency supports and Emergency Response Block Grant
- $10 million in ongoing (non-Proposition 98) funds from Proposition 63 for expansion of mental health services
- $8 million in ongoing funding to continue providing infrastructure broadband connectivity to all colleges in support of online education
- $5 million in ongoing funding for part-time faculty support (compensation, office hours, and health benefits)
- $4 million in ongoing funding for the CCC library system to better manage and deliver digital information for students
- $1.1 million in ongoing funds for Chancellor's Office operations

The request also includes, as usual, a request for an automatic backfill of local property taxes when the actuals come in less than estimated, as a way to address base apportionment deficits. Also, the Legislature and Governor are requested to at least maintain categorical programs at current levels in the 2021–22 budget process, and to restructure the Cal Grant program to provide greater support to CCC students in need.

Now that the request has been officially adopted by the BOG, it will be presented to the Department of Finance, the Legislature, and the system's stakeholders. The request will be important for the Newsom Administration as they begin to put together its 2021–22 State Budget Proposal, which needs to be released by January 10, 2021.

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COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: SEPTEMBER 1, 2020

DOF Releases September Finance Bulletin

BY ROBERT MCENTIRE, EDD

 posted September 22, 2020

The Department of Finance (DOF) released its September *Finance Bulletin*, which summarizes key economic data points, including labor market conditions, real estate trends, and the state's monthly cash report through August 2020.

Falling within 4.9% of pre-pandemic levels, the nation's unemployment rate fell from 10.2% in July to 8.4% in August 2020. California's unemployment rate fell from a second-quarter average of 15.9% to 13.5% in July, and settled in at 11.4% in August. This improvement pushes California's unemployment rate 0.9% lower than the peak of the Great Recession in March of 2010, a first since April 2020. Interestingly, the nation's labor participation rate rose 0.3% to 61.7%, while California's rate fell 0.3% to 59.9%. Consistent with state employment gains, six of the 11 major industry sectors added jobs in August, but remain below the levels from February 2020. Much of the recovery is in low-wage sectors such as leisure and hospitality. Job losses narrowed to 656,800, compared to February, but this is a 33.1% improvement over the job loss high of 982,000 in April. Similarly, trade, transportation, and utility industry losses narrowed from a high of 405,000 to 216,000—or a 46.7% improvement.

Building permits for July 2020 totaled 115,600, which is down 6.6% from February, but up 54.4% from June. Authorized single-family units increased from June by 24.2% to 61,800, while multifamily units similarly increased 114.1% to 53,800 units in June. Housing permits remain 10.3% below the same period in 2019. Limited housing supply perpetuates inflated housing prices. California's existing single-family home sales prices reached a new record high of $706,900 in August 2020—exceeding $700,000 for the first time ever and surpassing the prior month by 6.1%. Housing prices increased 14.6% since August 2019 and up 21.9% from the recent low in February. This remarkable market performance was driven by the highest sales volume since May 2010 of 465,400 units in August 2020.

While cash collections for the period of March through August 2020 were down 5% compared to the same period in 2019, state cash receipts exceeded expectations in the June Enacted State Budget Act by $4.544 billion for the first two months of the 2020–21 fiscal year. Strong August performance in the Big Three revenues that support Proposition 98 funding included personal income tax receipts exceeding forecast by $975 million, or 19.5%. Sales and use tax collections were $574 million, or 27.5%, above forecast, while corporate tax collections were up $176 million, or 77.2%, above forecast. Combining receipts from August to July of 2020, we see year-to-date data has personal income tax receipts beating expectations by $3.646 billion, or 14.0%, continuing the trend of strong performance in this revenue stream. Sales and use tax also exceeded expectations, beating estimates by $1,176 billion, or 34.9%. Corporate tax recovered some from its weak July performance, but remains behind expectations by $176 million, or 3.5%.

The DOF's September Finance Bulletin can be found here.

COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: OCTOBER 1, 2020

Governor Newsom Signs Lottery Fund and CalSTRS Administrative Leave Bills

BY KYLE HYLAND

posted October 1, 2020

On September 29, 2020, Governor Gavin Newsom announced that he had signed 63 bills into law including Assembly Bill (AB) 2101 (Chapter 275/2020), AB 2884 (Chapter 294/2020), and Senate Bill (SB) 493 (Chapter 303/2020), which are three measures that are relevant for the state's community college system.

AB 2101 is California State Teachers' Retirement System (CalSTRS) annual clean-up bill, which specifies that paid administrative leave is included in the "leave of absences" that earn creditable compensation at CalSTRS retroactive to January 1, 2016, when the existing law came into effect (see "*By the Way* . . . CalSTRS Fix to Paid Administrative Leave" in the August 2020 *Community College Update*). The bill effectively solidifies that paid administrative leave does count towards a CalSTRS member's creditable service, vacating a prior interpretation that said such leaves would not count.

AB 2884 expands the use of restricted lottery funds by authorizing community college districts (CCDs) to use said funds to provide housing and food assistance to their students. The bill does not mandate that CCDs must use their lottery funds for this purpose, but instead provides districts more flexibility in how they can use their funds. As an urgency clause, AB 2884 took effect immediately upon the Governor's signature, meaning CCDs can take advantage of this flexibility right now.

SB 493 requires, no later than January 1, 2022, postsecondary educational institutions to adopt rules and procedures for the prevention of sexual harassment, and adopt and post on their websites the grievance procedures to resolve complaints of sexual harassment. The bill was introduced in response to the Trump Administration rescinding guidance issued by the Obama Administration relating to how institutions of higher education are to comply with Title IX. This bill effectively codifies those Obama-era regulations into law, and results in California having stronger Title IX requirements for postsecondary educational institutions than current federal standards.

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COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: OCTOBER 1, 2020

Recovery Not Cut-and-Dried According to UCLA Forecasters

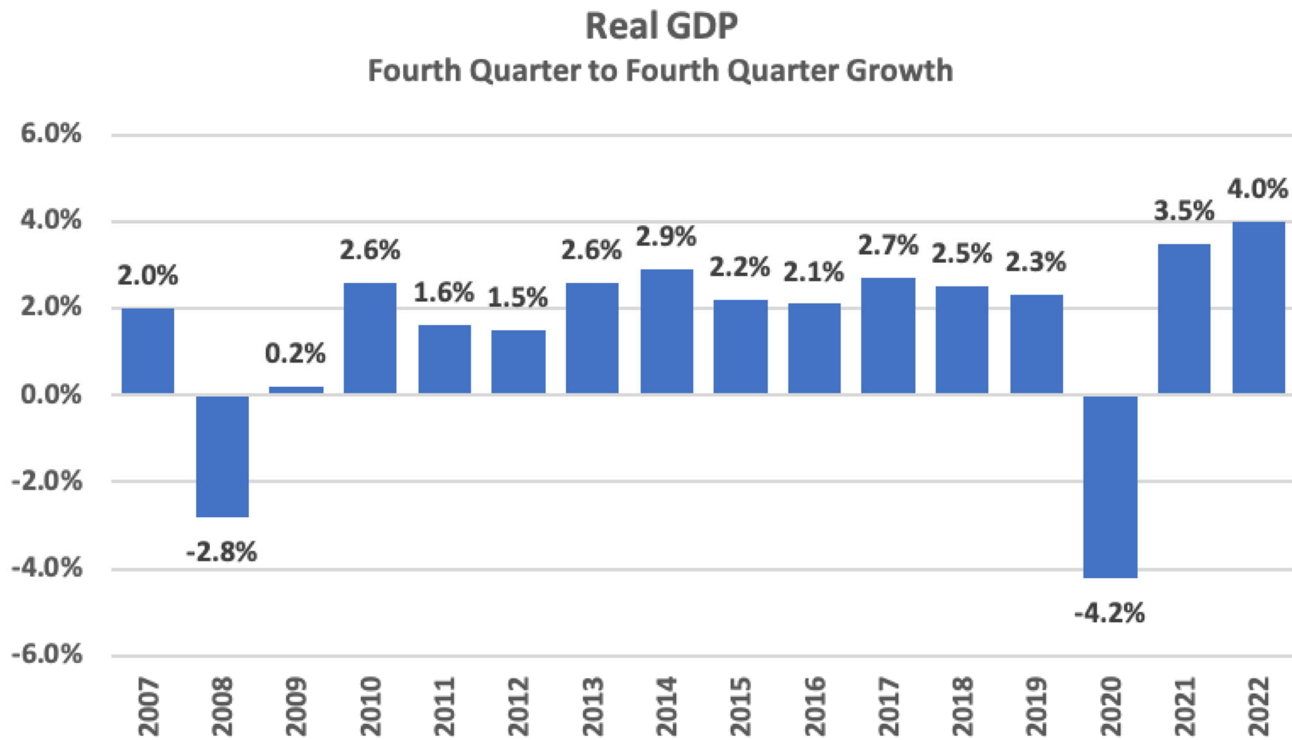
BY PATTI F. HERRERA, EDD
BY ROBERT MCENTIRE, EDD

 posted October 1, 2020

It may come as little surprise to most that predicting the future of the economy is almost as difficult as predicting the behavior of the virus that nearly strangled it, leading to the most precipitous downturn since the Great Depression. The indicators that typically portend the road ahead and that have always lagged even if only by weeks or a few months, now seem outdated by the time they come to light. Even more, as trends in wealth distribution and employment change, the aggregate indicators increasingly tell an incomplete story of the economy we each experience in our daily lives. We see evidence of these prediction challenges in UCLA's Anderson Forecast report—released on September 30, 2020—which when one looks deep enough, contains a mixed bag for the recovery. But let's start with the basics.

Gross Domestic Product

According to the UCLA economists, gross domestic product (GDP)—or the total value of goods and services we produce as the conventional measure of an economy's overall health—is expected to grow by an annualized rate of 28.3% in the third quarter. This, of course, is measured from the second quarter's lower baseline when the economy came to a complete halt from government-mandated shutdowns of all but essential businesses and services. The forecast notes that even with this better-than-expected uptick, national GDP remains 4.5% lower than what it was at the end of 2019. Accounting for this improvement, the Anderson Forecast now predicts that GDP will increase by an annualized rate of 1.2% in the final quarter of the year. On a fourth quarter to fourth quarter basis, real GDP will be down by 4.2% in 2020, but up by 3.5% and 4.0% in 2021 and 2022, respectively, as shown below. Interestingly, GDP is expected to rebound more acutely than it did from trough of the Great Recession in 2008.



Labor Market

While the nation's unemployment picture is expected to gradually improve, UCLA economists believe that the historic pre-pandemic lows are beyond the economy's reach until at least 2024. By the end of this year, unemployment is expected to reach 7.8%, and then 4.7% by the end of 2022. However, these aggregate projections mask the pandemic's effects on particular industries and job classes. Not unlike the disproportionately harsh impact of the virus on communities of color, its economic impact seems to be following a consistent pattern. According to the Anderson Forecast, the unemployment gaps between Black and White workers, between high- and low-wage jobs, and between more and less educated workers has been exacerbated under the COVID-19 recession. Even more, the recovery rate is grimmer for Americans employed in high contact industries like hair and nail salons; in leisure and hospitality industries like air travel and hotels; and in crowd industries like sports and live entertainment. For such workers and such industries, high unemployment may linger for some time.

Housing

One bright spot in a rather gloomy landscape is the housing market. By the time UCLA released its report, home sales exceeded those in 2019. Anderson Forecast economists believe that this is the result of accelerated decisions among millennials to move to the suburbs, boosted by historically low interest spurred demand for new homes. In that the Great Recession was in large part the result of a housing bust, the current industry boon is a marked change from the recent past, which is surely welcomed by home builders who have trudged through historic declines and sluggish growth.

California's Forecast

The Anderson Forecast suggests that California's recovery will follow the nation's track, although state unemployment will continue to be higher than the national rate, reaching 6.0% by the end of 2022. UCLA economists discuss the effect of federal stimulus efforts—namely the Paycheck Protection Program (PPP) and programs to support displaced workers—on California's economy. While California received more PPP loans than any other state, they went to areas in the state that saw the steepest employment losses that correlate to places largely dependent on leisure and hospitality such as the coastal regions, the wine country, and historical tourist destinations.

Although the forecast discusses one important issue voters will soon be deciding about California's gig economy, noticeably absent from UCLA's analysis, is the economic impact of other key measures—such as the split roll tax proposal (Proposition 15), which will subject commercial property to market rate taxes, and the exorbitant toll that the state's unprecedented fire season will have on its diminishing resources.

Finally, the Anderson Forecast is predicated on key assumptions that COVID-19 will loosen its grip on the economy and that an additional, though targeted, federal stimulus package will materialize by year end. If either or both of these assumptions are false, then the forecast is too optimistic. The fact remains that both the U.S. and California economies face significant headwinds. On the latter, we will be issuing a more in-depth article about not just the state's economy, but its implications for the 2021–22 State Budget and Proposition 98, so be on the look out for it.

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COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: OCTOBER 1, 2020

Ask SSC . . . Are the Deferrals Ongoing?

BY BRIANNA GARCÍA

posted October 5, 2020

Q. We're working on projecting our cash flow beyond this year—will the deferrals still be in place in 2021–22?

A. Projecting your cash needs for the next 18 months to 24 months is a prudent thing to do. Just to recap, the cash deferrals that are being implemented this year (2020-21), starting with the February 2021 deferral, apply to the state aid portion of revenues. The cash deferrals are as follows:

From	To	Amount
February	November	$253.2 million
March	October	$300 million
April	September	$300 million
May	August	$300 million
June	July	$300 million

These deferrals are ongoing until such time as the state is able to invest additional funds to buy them down. Keep in mind that, as additional resources become available to the state, the buydown of these deferrals will require the redirection of resources from other options, such as additional programmatic investments.

The bottom line is that we think it is prudent for all community colleges to plan on these cash deferrals continuing into future years—they are current law until the law changes.

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COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: OCTOBER 1, 2020

Proposition 98—The Road Ahead

BY MATT PHILLIPS, CPA

BY PATTI F. HERRERA, EDD

posted October 9, 2020

More and more we hear about how unique this pandemic-induced recession is when compared to recessions of the past. Recent unemployment data, the stock market, and industry-specific gross domestic product suggest that the COVID-19 recession and the recovery are uneven at best, and at worst could economically disenfranchise millions of Americans, dividing largely on socioeconomic and racial/ethnic lines, as well as by levels of educational attainment. The recent UCLA Anderson Forecast (see "Recovery Not Cut-and-Dried According to UCLA Forecasters" in the current issue of the *Community College Update*) highlights these recessionary disparities, along with recent articles in the Washington Post and Wall Street Journal, suggesting that not only has the recession and recovery been uneven but that the recovery itself may resemble more of a K-shape rather than the V or L that many economists discussed.

But what does all of this mean for California and specifically for the State Budget and Proposition 98 for next year? How do educational leaders plan given the levels of uncertainty and the risks involved in any forecast that necessarily assume certain conditions? We hope that this article will detangle what could feel like a complicated web so that you, along with your community partners, can develop sound budget strategies.

Sizing the Divide

Similar to budget practices at the local level, the Enacted State Budget for 2020–21 was predicated on its own assumptions. The largest assumptions, and most significant source of state General Fund revenues, are the "Big Three" state taxes—personal income, sales and use, and corporation taxes. The state assumed that personal income tax and sales and use tax would decrease by nearly 20% from the revised 2019–20 projections. This was a product of expected unemployment rates exceeding 20%, and the S&P 500 index declining from its all-time high of 3,373 on February 20, 2020, to a protracted level of approximately 2,200.

Because funding for K–14 education in California is calculated based on Proposition 98, and the operative test is currently Test 1 for 2020–21 and the foreseeable future, any decrease in state General Fund revenues will directly impact funding for schools. Generally speaking, education is appropriated 38.5 cents of every General Fund dollar under Test 1 of Proposition 98.

The impact on funding for K–14 education is significant. Projected funding for K–14 education in 2020–21 dropped nearly $7 billion from the revised 2019–20 funding levels to $70.9 billion. This is $700 million less than what K–14 education received in 2016–17. K–12 funding escaped real dollar cuts in 2020–21 as the Enacted Budget included more than $12 billion in budget deferrals.

The impact of implementing more than $12 billion of budget deferrals is that program expenses for K–14 in 2020–21 are maintained at their 2019–20 level of $80.9 billion, but the state accounts for the budget deferrals in the 2021–22 State Budget.

In September 2020, the Legislative Analyst's Office (LAO)—using assumptions from the Enacted State Budget—estimated that funding under Proposition 98 will grow to $74.7 billion in 2021–22. Because the spending level is maintained at $80.9 billion, this results in a shortfall between current program spending levels and Proposition 98 funding of $6.2 billion. We underscore that these figures are based on the Enacted State Budget assumptions.
The chart below illustrates the projected shortfalls for the prior, current and budget year.

	2019–20	2020–21	2021–22
Current Program	$80.9	$80.9	$80.9
Proposition 98 Funding	$77.7	$70.9	$74.7
Projected Shortfall	$3.2	$10.0	$6.2
Note: Dollar amounts are in billions			

What We Know Now

When we overlay the Enacted Budget assumptions with recent data from economic indicators, the analysis suggests that earlier assumptions may have been overly conservative. The Department of Finance's September Finance Bulletin showed the state's unemployment rate fell to 11.4% in August, after reaching an average of 15.9% in the second quarter of the 2020 calendar year. Additionally, the S&P 500 sank all the way down to 2,237 on March 23, 2020, but the index has been north of 3,000 since May 27, 2020. The index reached an all-time high of 3,580 on September 2, 2020.

The resulting economic impact is that the "Big Three" tax revenues are ahead of Enacted State Budget projections by $4.6 billion through the first two months of the fiscal year. Together, these taxes generate over 75% of state revenue, with personal income taxes alone generating over two-thirds of it. This is key when you consider California's tax structure where the state's top 1% of income earners (those earning $500,000 or more annually) yield roughly 50% of personal income tax revenues. This is to say that California's tax policies may be cushioning the state General Fund from the COVID-19 recession as few, if any, of its highest earners who contribute a sizable share of its revenue have been impacted by it. This is perhaps most evident with the current stock market that is outperforming earlier expectations.

The overperformance of General Fund revenues to date, and the S&P 500, portend well for the 2021–22 General Fund projections as compared to the 2020–21 Enacted State Budget. However, the $6.2 billion shortfall that was based on the assumptions in the Enacted State Budget is a tall hill to climb, especially when layered with continuing budget deferrals that exceed $12 billion.

Unanswered Questions

Although unemployment is faring better than expected, questions remain about the impact protracted unemployment can have on the overall recovery, and the dimming prospect of additional federal stimulus. Also, the pace of tax collections over the last two months may be unsustainable, but where will the dust settle?

Time is our greatest ally when it comes to assurances on actual funding levels. However, time works against us when it comes to preparing budgets and multi-year projections in the face of uncertainty. The good news, in the short-term, is that the assumptions used by the state lag behind current economic indicators, but how that translates in the Governor's State Budget Proposal in January . . . only time will tell.

BEFORE

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

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
APPORTIONMENT REVENUE									
Basic Allocation	$ 6,742,507	$ 5,394,006	$ 1,348,501	$ 5,394,003	$ 4,045,502	$ 1,348,501			$ 12,136,510
FTES - based on 19/20 @ Annual	$ 78,354,444	$ 58,631,993	$ 19,722,451	$ 34,783,199	$ 25,218,736	$ 9,564,463			$ 113,137,643
SCFF - Supplemental Allocation	$ 19,151,496	$ 19,151,496	$ -	$ 6,365,820	$ 6,365,820	$ -			$ 25,517,316
SCFF - Student Success Allocation	$ 11,395,266	$ 11,395,266	$ -	$ 5,367,866	$ 5,367,866	$ -			$ 16,763,132
Stabilization	$ -	$ -	$ -	$ -	$ -	$ -			$ -
Subtotal	$ 115,643,713	$ 94,572,761	$ 21,070,952	$ 51,910,888	$ 40,997,924	$ 10,912,964			$ 167,554,601
19/20 Hold Harmless Protection Adjustment	$ 5,026,981	$ 4,111,036	$ 915,945	$ 2,256,543	$ 1,782,162	$ 474,382			$ 7,283,524
20/21 COLA - 0%	$ -	$ -	$ -	$ -	$ -	$ -			$ -
Deficit Coefficient (-2%)	$ (2,413,414)	$ (1,973,676)	$ (439,738)	$ (1,083,348)	$ (855,602)	$ (227,747)			$ (3,496,762)
Additional Student Centered Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -			$ -
TOTAL ESTIMATED APPORTIONMENT REVENUE	**$ 118,257,280**	**$ 96,710,121**	**$ 21,547,159**	**$ 53,084,083**	**$ 41,924,484**	**$ 11,159,599**			**$ 171,341,363**
Percentages	*69.02%*	*56.44%*	*12.58%*	*30.98%*	*24.47%*	*6.51%*			
OTHER STATE REVENUE									
Lottery, Unrestricted	$ 2,840,548	$ 2,279,748	$ 560,800	$ 1,301,934	$ 1,022,221	$ 279,712			$ 4,142,482
State Mandate	$ 596,039	$ 596,039	$ -	$ 273,884	$ 273,884	$ -			$ 869,923
Full-Time Faculty Hiring Allocation	$ 871,966	$ 871,966	$ -	$ 435,918	$ 435,918	$ -			$ 1,307,884
Part-Time Faculty Compensation	$ 314,188	$ 250,746	$ 63,441	$ 144,371	$ 112,728	$ 31,643			$ 458,559
Subtotal, Other State Revenue	**$ 4,622,741**	**$ 3,998,499**	**$ 624,242**	**$ 2,156,107**	**$ 1,844,751**	**$ 311,355**			**$ 6,778,848**
TOTAL ESTIMATED REVENUE	**$ 122,880,022**	**$ 100,708,621**	**$ 22,171,401**	**$ 55,240,189**	**$ 43,769,235**	**$ 11,470,954**			**$ 178,120,211**
Percentages	*68.99%*	*56.54%*	*12.45%*	*31.01%*	*24.57%*	*6.44%*			
Less Institutional Cost Expenditures									**$ 12,099,508**
Less Net District Services Expenditures									**$ 30,966,435**
									$ 135,054,268
ESTIMATED REVENUE	**$ 93,170,063**	**$ 76,359,269**	**$ 16,810,795**	**$ 41,884,205**	**$ 33,186,700**	**$ 8,697,504**			**$ 135,054,268**
BUDGET EXPENDITURES FOR FY 2020/21	**SAC/CEC**	**SAC**	**CEC**	**SCC/OEC**	**SCC**	**OEC**	**District Services**	**Institutional Cost**	**TOTAL**
SAC/CEC Expenses - F/T & Ongoing	$ 94,941,298	$ 83,794,017	$ 11,147,281						$ 94,941,298
SCC/OEC Expenses - F/T & Ongoing				$ 48,366,504	$ 41,414,429	$ 6,952,075			$ 48,366,504
District Services Expenses - F/T & Ongoing							$ 32,879,131		$ 32,879,131
Institutional Cost									
Retirees Instructional-local experience charge								$ 3,830,209	$ 3,830,209
Retirees Non-Instructional-local experience charge								$ 4,674,299	$ 4,674,299
Property & Liability								$ 1,970,000	$ 1,970,000
Election								$ 125,000	$ 125,000
Interfund Transfer								$ 1,500,000	$ 1,500,000
TOTAL ESTIMATED EXPENDITURES	$ 94,941,298	$ 83,794,017	$ 11,147,281	$ 48,366,504	$ 41,414,429	$ 6,952,075	$ 32,879,131	$ 12,099,508	$ 188,286,441
Percent of Total Estimated Expenditures	50.42%	44.50%	5.92%	25.69%	22.00%	3.69%	17.46%	6.43%	
ESTIMATED EXPENSES UNDER/(OVER) REVENUE	**$ (1,771,235)**	**$ (7,434,748)**	**$ 5,663,514**	**$ (6,482,299)**	**$ (8,227,729)**	**$ 1,745,429**			**$ (8,253,534)**
OTHER STATE REVENUE									
Apprenticeship				$ 3,951,786	$ 3,951,786				$ 3,951,786
Enrollment Fees 2%								$ 278,496	$ 278,496
LOCAL REVENUE									
Non Resident Tuition	$ 1,200,000	$ 1,200,000		$ 700,000	$ 700,000				$ 1,900,000
Interest/Investments								$ 1,400,000	$ 1,400,000
Rents/Leases	$ 48,480	$ 48,480		$ 125,000	$ 125,000		$ 205,000		$ 378,480
Proceeds-Sale of Equipment								$ 5,000	$ 5,000
Other Local								$ 24,200	$ 24,200
Subtotal, Other Local Revenue	$ 1,248,480	$ 1,248,480	$ -	$ 4,776,786	$ 4,776,786	$ -	$ 205,000	$ 1,707,696	$ 7,937,962
ESTIMATED ENDING BALANCE FOR 6/30/21	**(522,755)**	**$ (6,186,268)**	**$ 5,663,514**	**(1,705,513)**	**$ (3,450,943)**	**$ 1,745,429**			**$ (2,228,268)**

AFTER

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

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
APPORTIONMENT REVENUE									
Basic Allocation	$ 6,742,507	$ 5,394,006	$ 1,348,501	$ 5,394,003	$ 4,045,502	$ 1,348,501			$ 12,136,510
FTES - based on 19/20 @ Annual	$ 78,354,444	$ 58,631,993	$ 19,722,451	$ 34,783,199	$ 25,218,736	$ 9,564,463			$ 113,137,643
SCFF - Supplemental Allocation	$ 19,151,496	$ 19,151,496	$ -	$ 6,365,820	$ 6,365,820	$ -			$ 25,517,316
SCFF - Student Success Allocation	$ 11,395,266	$ 11,395,266	$ -	$ 5,367,866	$ 5,367,866	$ -			$ 16,763,132
Stabilization	$ -	$ -	$ -	$ -	$ -	$ -			$ -
Subtotal	$ 115,643,713	$ 94,572,761	$ 21,070,952	$ 51,910,888	$ 40,997,924	$ 10,912,964			$ 167,554,601
19/20 Hold Harmless Protection Adjustment	$ 5,026,981	$ 4,111,036	$ 915,945	$ 2,256,543	$ 1,782,162	$ 474,382			$ 7,283,524
20/21 COLA - 0%	$ -	$ -	$ -	$ -	$ -	$ -			$ -
Deficit Coefficient (-2%)	$ (2,413,414)	$ (1,973,676)	$ (439,738)	$ (1,083,348)	$ (855,602)	$ (227,747)			$ (3,496,762)
Additional Student Centered Funding Formula	$ -	$ -	$ -	$ -	$ -	$ -			$ -
TOTAL ESTIMATED APPORTIONMENT REVENUE	**$ 118,257,280**	**$ 96,710,121**	**$ 21,547,159**	**$ 53,084,083**	**$ 41,924,484**	**$ 11,159,599**			**$ 171,341,363**
Percentages	*69.02%*	*56.44%*	*12.58%*	*30.98%*	*24.47%*	*6.51%*			
OTHER STATE REVENUE									
Lottery, Unrestricted	$ 2,840,548	$ 2,279,748	$ 560,800	$ 1,301,934	$ 1,022,221	$ 279,712			$ 4,142,482
State Mandate	$ 596,039	$ 596,039	$ -	$ 273,884	$ 273,884	$ -			$ 869,923
Full-Time Faculty Hiring Allocation	$ 871,966	$ 871,966	$ -	$ 435,918	$ 435,918	$ -			$ 1,307,884
Part-Time Faculty Compensation	$ 314,188	$ 250,746	$ 63,441	$ 144,371	$ 112,728	$ 31,643			$ 458,559
Subtotal, Other State Revenue	**$ 4,622,741**	**$ 3,998,499**	**$ 624,242**	**$ 2,156,107**	**$ 1,844,751**	**$ 311,355**			**$ 6,778,848**
TOTAL ESTIMATED REVENUE	**$ 122,880,022**	**$ 100,708,621**	**$ 22,171,401**	**$ 55,240,189**	**$ 43,769,235**	**$ 11,470,954**			**$ 178,120,211**
Percentages	*68.99%*	*56.54%*	*12.45%*	*31.01%*	*24.57%*	*6.44%*			
Less Institutional Cost Expenditures									**$ 9,871,240**
Less Net District Services Expenditures									**$ 30,966,435**
									$ 137,282,536
ESTIMATED REVENUE	**$ 94,707,282**	**$ 77,619,125**	**$ 17,088,157**	**$ 42,575,254**	**$ 33,734,249**	**$ 8,841,005**			**$ 137,282,536**
BUDGET EXPENDITURES FOR FY 2020/21	**SAC/CEC**	**SAC**	**CEC**	**SCC/OEC**	**SCC**	**OEC**	**District Services**	**Institutional Cost**	**TOTAL**
SAC/CEC Expenses - F/T & Ongoing	$ 94,941,298	$ 83,794,017	$ 11,147,281						$ 94,941,298
SCC/OEC Expenses - F/T & Ongoing				$ 48,366,504	$ 41,414,429	$ 6,952,075			$ 48,366,504
District Services Expenses - F/T & Ongoing							$ 32,879,131		$ 32,879,131
Institutional Cost									
Other Estimated Savings								$ (2,228,268)	$ (2,228,268)
Retirees Instructional-local experience charge								$ 3,830,209	$ 3,830,209
Retirees Non-Instructional-local experience charge								$ 4,674,299	$ 4,674,299
Property & Liability								$ 1,970,000	$ 1,970,000
Election								$ 125,000	$ 125,000
Interfund Transfer								$ 1,500,000	$ 1,500,000
TOTAL ESTIMATED EXPENDITURES	$ 94,941,298	$ 83,794,017	$ 11,147,281	$ 48,366,504	$ 41,414,429	$ 6,952,075	$ 32,879,131	$ 9,871,240	$ 186,058,173
Percent of Total Estimated Expenditures	51.03%	45.04%	5.99%	26.00%	22.26%	3.74%	17.67%	5.31%	
ESTIMATED EXPENSES UNDER/(OVER) REVENUE	**$ (234,016)**	**$ (6,174,892)**	**$ 5,940,876**	**$ (5,791,250)**	**$ (7,680,180)**	**$ 1,888,930**			**$ (6,025,266)**
OTHER STATE REVENUE									
Apprenticeship				$ 3,951,786	$ 3,951,786				$ 3,951,786
Enrollment Fees 2%								$ 278,496	$ 278,496
LOCAL REVENUE									
Non Resident Tuition	$ 1,200,000	$ 1,200,000		$ 700,000	$ 700,000				$ 1,900,000
Interest/Investments								$ 1,400,000	$ 1,400,000
Rents/Leases	$ 48,480	$ 48,480		$ 125,000	$ 125,000		$ 205,000		$ 378,480
Proceeds-Sale of Equipment								$ 5,000	$ 5,000
Other Local								$ 24,200	$ 24,200
Subtotal, Other Local Revenue	$ 1,248,480	$ 1,248,480	$ -	$ 4,776,786	$ 4,776,786	$ -	$ 205,000	$ 1,707,696	$ 7,937,962
ESTIMATED ENDING BALANCE FOR 6/30/21	**1,014,464**	**$ (4,926,412)**	**$ 5,940,876**	**(1,014,464)**	**$ (2,903,394)**	**$ 1,888,930**			**$ -**

RSCCD Tentative Budget Calendar

Fiscal Year 2021 – 2022

September 9, 2020

January 10, 2021	Governor's 2021-2022 Proposed Budget Released
February 17, 2021	Fiscal Resource Committee (FRC) Develops Budget Assumptions And Recommends to District Council
March 1, 2021	District Council Reviews and Recommends Budget Assumptions to Chancellor
March 2, 2021	Sites begin work on budget development worksheets for Tentative Budget: SAC/CEC; SCC/OEC; District Services
March 22, 2021	Board Approves Budget Assumptions
April 23, 2021	Budget Deadline for Budget Centers to submit Budget Change Forms to Business Operation & Fiscal Services
May 15, 2021	Governor's May Revise
May 20, 2021 (Thursday)	FRC Recommends Tentative Budget to District Council
June 7, 2021	District Council Reviews and Recommends Budget to Chancellor
June 9,10,11, 2021	Budget on Display for Public Review
June 14, 2021	Board of Trustees Approves Tentative Budget

RSCCD Adopted Budget Calendar

Fiscal Year 2021 – 2022
September 9, 2020

July 1, 2021	Governor Signs State Budget
July 1, 2021 (Thursday)	Fiscal Resource Committee (FRC) Develops Budget Assumptions and Recommends to District Council
July 6, 2021 (Tuesday)	District Council Reviews and Recommends Budget Assumptions to Chancellor
July 7, 2021	Sites begin work on budget development worksheets for Budget
	SAC/CEC; SCC/OEC; District Services
July 12, 2021	Board Approves Updated Budget Assumptions
August 6, 2021	Budget Deadline for Budget Centers to Submit Budget Change Forms to Business Operation & Fiscal Services
August 9, 2021	Board Approval of Public Hearing Inspection Notice
August 18, 2021	Proposed Budget to FRC for Recommendation to District Council
August 23, 2021	District Council Reviews and Recommends Budget to Chancellor
September 8,9,10, 2021	Budget on Display for Public Review
September 13, 2021	Board of Trustees Adopts the Budget
September 14, 2021– June 30, 2022	Board of Trustees Approves Ongoing Budget Changes for 2021-2022 Budget

Other Budget Transfers following State Revisions to Apportionment

- P-1: February
- Prior Year Recalculation: Dec/Jan
- P-2: June

Salaries & Benefits - % of Total Expenditures

Instructional vs Non-Instructional by Location

FY 2018-19 Actuals/FY 2019-20 Actuals/FY 2020-21 Adopted Budget

FD 11 UGF 2018/19 Actuals

	SAC	SCC	DS	IC	Total District
Total Salaries/Benefits	86,148,083	42,107,759	21,741,938	7,724,098	157,721,878
Total Expenses	91,927,930	46,869,879	29,529,381	9,826,394	178,153,584
% of Total	***93.71%***	***89.84%***	***73.63%***	***78.61%***	***88.53%***

FD 11 UGF 2018/19 Actuals - Instructional

	SAC	SCC	DS	IC	Total District
Total Salaries/Benefits	56,130,891	24,496,762	-	3,433,328	84,060,981
Total Expenses	59,159,868	27,531,493	-	3,433,328	90,124,689
% of Total	***94.88%***	***88.98%***	***0.00%***	***100.00%***	***93.27%***

FD 11 UGF 2018/19 Actuals - Non-Instructional

	SAC	SCC	DS	IC	Total District
Total Salaries/Benefits	30,017,192	17,610,997	21,741,938	4,290,770	73,660,897
Total Expenses	32,768,062	19,338,386	29,529,381	6,393,066	88,028,895
% of Total	***91.61%***	***91.07%***	***73.63%***	***67.12%***	***83.68%***

FD 11 UGF 2019/20 Actuals

	SAC	SCC	DS	IC	Total District
Total Salaries/Benefits	87,732,707	43,503,527	22,410,682	7,838,591	161,485,507
Total Expenses	92,567,688	48,380,553	28,995,183	9,816,966	179,760,390
% of Total	***94.78%***	***89.92%***	***77.29%***	***79.85%***	***89.83%***

FD 11 UGF 2019/20 Actuals - Instructional

	SAC	SCC	DS	IC	Total District
Total Salaries/Benefits	56,201,447	25,295,576	-	3,686,502	85,183,525
Total Expenses	58,333,301	28,962,615	-	3,686,502	90,982,418
% of Total	***96.35%***	***87.34%***	***0.00%***	***100.00%***	***93.63%***

FD 11 UGF 2019/20 Actuals - Non-Instructional

	SAC	SCC	DS	IC	Total District
Total Salaries/Benefits	31,531,260	18,207,951	22,410,682	4,152,089	76,301,982
Total Expenses	34,234,387	19,417,938	28,995,183	6,130,464	88,777,972
% of Total	***92.10%***	***93.77%***	***77.29%***	***67.73%***	***85.95%***

FD 11 UGF 2020/21 Adopted Budget

	SAC	SCC	DS	IC	Total District
Total Salaries/Benefits	90,014,344	44,105,401	24,641,650	8,504,508	167,265,903
Total Expenses	94,941,298	48,366,504	32,879,131	10,599,508	186,786,441
% of Total	***94.81%***	***91.19%***	***74.95%***	***80.23%***	***89.55%***

FD 11 UGF 2020/21 Adopted Budget - Instructional

	SAC	SCC	DS	IC	Total District
Total Salaries/Benefits	57,527,975	25,274,365	-	3,830,209	86,632,549
Total Expenses	59,108,496	28,738,568	-	3,830,209	91,677,273
% of Total	***97.33%***	***87.95%***	***0.00%***	***100.00%***	***94.50%***

FD 11 UGF 2020/21 Adopted Budget - Non-Instructional

	SAC	SCC	DS	IC	Total District
Total Salaries/Benefits	32,486,369	18,831,036	24,641,650	4,674,299	80,633,354
Total Expenses	35,832,802	19,627,936	32,879,131	6,769,299	95,109,168
% of Total	***90.66%***	***95.94%***	***74.95%***	***69.05%***	***84.78%***

Rancho Santiago Community College District
Unrestricted General Fund 5 Year MYP
Based on No Change in Enrollment or Other Metrics (with 2% Deficit)

ASSUMPTIONS	Actual 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projection Assumptions
Revenue							
Apportionment COLA %	3.26%	0.00%	0.00%	0.70%	1.60%	2.00%	Based on State Projection
Credit FTES	20,731.18	20,669.00	20,669.00	20,669.00	20,669.00	20,669.00	Based on FY 2020-21 Targets - stay the same
Non-credit FTES	988.34	826.00	826.00	826.00	826.00	826.00	Based on FY 2020-21 Targets - stay the same
CDCP FTES	4,615.08	4,287.00	4,287.00	4,287.00	4,287.00	4,287.00	Based on FY 2020-21 Targets - stay the same
Special Admit - FTES	688.76	689.00	689.00	689.00	689.00	689.00	Based on FY 2020-21 Targets - stay the same
Incarcerated FTES	-	-	-	-	-	-	
Total Reported FTES	27,023.36	26,471.00	26,471.00	26,471.00	26,471.00	26,471.00	
Change in Funded FTES	4.23%	-2.04%	0.00%	0.00%	0.00%	0.00%	
3 Year Credit Average Used in SCFF	19,949.75	19,804.50	20,689.89	20,669.24	20,669.24	20,669.24	3 Year Average Credit FTES
Lottery Revenue - Unrestricted	$ 153	$ 153	$ 153	$ 153	$ 153	$ 153	
Deficit Factor - 2%	$ (3,496,763)	$ (3,496,763)	$ (3,496,763)	$ (3,521,240)	$ (3,577,580)	$ (3,502,235)	
Expenditure							
Expenditure COLA % (except Management through 2021-22)	4.00%	4.00%	4.00%	0.70%	1.60%	2.00%	
Step/Column	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	
STRS	17.10%	16.15%	16.00%	18.10%	18.10%	18.10%	
PERS	19.721%	20.70%	23.01%	26.24%	27.14%	27.00%	
H/W Premium Increase (District Cost)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	
Utilities Cost Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
ITS Licensing/Contract Escalation Cost	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	

MULTI YEAR PROJECTION	Est. Actual 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projection Assumptions
Basic Allocation	*12,136,510*	*12,136,510*	*12,136,510*	*12,221,466*	*12,417,009*	*$ 12,665,349*	
- Less large college factor						*(703,631)*	
FTES allocation							
Credit	*79,978,561*	*79,396,241*	*82,945,756*	*83,443,024*	*84,778,112*	*$ 86,473,675*	
Special Admit	*3,872,167*	*3,872,167*	*3,872,167*	*3,899,273*	*3,961,661*	*$ 4,040,894*	
CDCP	*25,945,703*	*24,101,257*	*24,101,257*	*24,269,966*	*24,658,285*	*$ 25,151,451*	
Non-Credit	*3,341,212*	*2,792,400*	*2,792,400*	*2,811,947*	*2,856,938*	*$ 2,914,077*	
Supplemental	*25,517,316*	*25,517,316*	*25,517,316*	*25,695,937*	*26,107,072*	*$ 26,629,214*	
Student Success	*16,763,132*	*17,191,630*	*17,191,630*	*17,311,971*	*17,588,963*	*$ 17,940,742*	
Calculated Amount	*167,554,601*	*165,007,521*	*168,557,036*	*169,653,584*	*172,368,041*	*175,111,771*	
HOLD HARMLESS	*174,838,125*	*174,838,125*	*174,838,125*	*176,061,992*	*178,878,984*	*182,456,564*	
Est Apportionment (FD 11)	171,341,363	171,341,363	171,341,363	172,540,752	175,301,404	171,609,535	
Est Other Income (FD 11)	18,984,579	14,716,810	14,716,810	14,716,810	14,716,810	14,716,810	
Est Ongoing Expense (FD 11)	183,903,944	188,286,441	196,275,510	202,812,960	208,487,708	214,561,574	
Est One Time Net Expense (FD 13)	7,137,414						
Other Estimated Savings		2,228,268					
Est Unrestricted FD change	(715,416)	0	(10,217,338)	(15,555,398)	(18,469,494)	(28,235,228)	
Est Beginning FD Balance	38,759,046	38,043,630	38,043,630	27,826,292	12,270,894	(6,198,600)	
Est Ending Fund Balance	38,043,630	38,043,630	27,826,292	12,270,894	(6,198,600)	(34,433,828)	

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Rancho Santiago Community College District
Unrestricted General Fund 5 Year MYP
Based on No Change in Enrollment or Other Metrics (with 2% Deficit)

ASSUMPTIONS	Actual 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projection Assumptions
Revenue							
Apportionment COLA %	3.26%	0.00%	0.00%	0.70%	1.60%	2.00%	Based on State Projection
Credit FTES	20,731.18	20,316.56	19,910.23	19,512.02	19,121.78	18,739.34	Based on FY 2019-20 Actuals + 2% decline
Non-credit FTES	988.34	968.57	949.20	930.22	911.61	893.38	Based on FY 2019-20 Actuals + 2% decline
CDCP FTES	4,615.08	4,522.78	4,432.32	4,343.68	4,256.80	4,171.67	Based on FY 2019-20 Actuals + 2% decline
Special Admit - FTES	688.76	674.98	661.49	648.26	635.29	622.58	Based on FY 2019-20 Actuals + 2% decline
Incarcerated FTES	-	-	-	-	-	-	
Total Reported FTES	27,023.36	26,482.89	25,953.23	25,434.17	24,925.49	24,426.98	
Change in Funded FTES	4.23%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	
3 Year Credit Average Used in SCFF	19,949.75	19,686.94	20,319.32	19,912.93	19,514.68	19,124.38	3 Year Average Credit FTES
Lottery Revenue - Unrestricted	$ 153	$ 153	$ 153	$ 153	$ 153	$ 153	
Deficit Factor - 2%	$ (3,496,763)	$ (3,496,763)	$ (3,496,763)	$ (3,521,240)	$ (3,577,580)	$ (3,262,699)	
Expenditure							
Expenditure COLA % (except Management through 2021-22)	4.00%	4.00%	4.00%	0.70%	1.60%	2.00%	
Step/Column	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	
STRS	17.10%	16.15%	16.00%	18.10%	18.10%	18.10%	
PERS	19.721%	20.70%	23.01%	26.24%	27.14%	27.00%	
H/W Premium Increase (District Cost)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	
Utilities Cost Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
ITS Licensing/Contract Escalation Cost	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	

MULTI YEAR PROJECTION	Est. Actual 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projection Assumptions
Basic Allocation	*12,136,510*	*12,136,510*	*12,136,510*	*12,221,466*	*12,417,009*	*$ 12,665,349*	
- Less large college factor						*(703,631)*	
FTES allocation							
Credit	*79,978,561*	*78,924,938*	*81,460,156*	*80,389,770*	*80,042,486*	*$ 80,010,469*	
Special Admit	*3,872,167*	*3,794,724*	*3,718,830*	*3,669,964*	*3,654,110*	*$ 3,652,648*	
CDCP	*25,945,703*	*25,426,789*	*24,918,253*	*24,590,827*	*24,484,595*	*$ 24,474,801*	
Non-Credit	*3,341,212*	*3,274,388*	*3,208,900*	*3,166,735*	*3,153,055*	*$ 3,151,793*	
Supplemental	*25,517,316*	*25,006,970*	*24,506,830*	*24,184,811*	*24,080,332*	*$ 24,070,700*	
Student Success	*16,763,132*	*16,427,869*	*16,099,312*	*15,887,767*	*15,819,132*	*$ 15,812,804*	
Calculated Amount	*167,554,601*	*164,992,187*	*166,048,791*	*164,111,339*	*163,650,718*	*163,134,934*	
HOLD HARMLESS	*174,838,125*	*174,838,125*	*174,838,125*	*176,061,992*	*178,878,984*	*182,456,564*	

Est Apportionment (FD 11)	171,341,363	171,341,363	171,341,363	172,540,752	175,301,404	159,872,235
Est Other Income (FD 11)	18,984,579	14,716,810	14,716,810	14,716,810	14,716,810	14,716,810
Est Ongoing Expense (FD 11)	183,903,944	188,286,441	196,275,510	202,812,960	208,487,708	214,561,574
Est One Time Net Expense (FD 13)	7,137,414					
Other Estimated Savings		2,228,268				
Est Unrestricted FD change	(715,416)	0	(10,217,338)	(15,555,398)	(18,469,494)	(39,972,528)
Est Beginning FD Balance	38,759,046	38,043,630	38,043,630	27,826,292	12,270,894	(6,198,600)
Est Ending Fund Balance	38,043,630	38,043,630	27,826,292	12,270,894	(6,198,600)	(46,171,128)

Rancho Santiago Community College District
Unrestricted General Fund 5 Year MYP
Based on No Change in Enrollment or Other Metrics (with 2% Deficit)

ASSUMPTIONS	Actual 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projection Assumptions
Revenue							
Apportionment COLA %	3.26%	0.00%	0.00%	0.70%	1.60%	2.00%	Based on State Projection
Credit FTES	20,731.18	21,145.80	21,568.72	22,000.09	22,440.10	22,888.90	Based on FY 2019-20 Actuals + 2% increase
Non-credit FTES	988.34	1,008.11	1,028.27	1,048.83	1,069.81	1,091.21	Based on FY 2019-20 Actuals + 2% increase
CDCP FTES	4,615.08	4,707.38	4,801.53	4,897.56	4,995.51	5,095.42	Based on FY 2019-20 Actuals + 2% increase
Special Admit - FTES	688.76	702.54	716.59	730.92	745.54	760.45	Based on FY 2019-20 Actuals + 2% increase
Incarcerated FTES	-	-	-	-	-	-	
Total Reported FTES	27,023.36	27,563.83	28,115.10	28,677.41	29,250.95	29,835.97	
Change in Funded FTES	4.23%	2.00%	2.00%	2.00%	2.00%	2.00%	
3 Year Credit Average Used in SCFF	19,949.75	19,963.35	21,148.57	21,571.54	22,002.97	22,443.03	3 Year Average Credit FTES
Lottery Revenue - Unrestricted	$ 153	$ 153	$ 153	$ 153	$ 153	$ 153	
Deficit Factor - 2%	$ (3,496,763)	$ (3,496,763)	$ (3,496,763)	$ (3,521,240)	$ (3,577,580)	$ (3,869,614)	
Expenditure							
Expenditure COLA % (except Management through 2021-22)	4.00%	4.00%	4.00%	0.70%	1.60%	2.00%	
Step/Column	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	
STRS	17.10%	16.15%	16.00%	18.10%	18.10%	18.10%	
PERS	19.721%	20.70%	23.01%	26.24%	27.14%	27.00%	
H/W Premium Increase (District Cost)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	
Utilities Cost Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
ITS Licensing/Contract Escalation Cost	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	

MULTI YEAR PROJECTION	Est. Actual 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projection Assumptions
Basic Allocation	*12,136,510*	*12,136,510*	*12,136,510*	*12,221,466*	*12,417,009*	*$ 12,665,349*	
- Less large college factor							
FTES allocation							
Credit	*79,978,561*	*80,033,088*	*84,784,608*	*87,085,662*	*90,248,614*	*$ 93,894,658*	
Special Admit	*3,872,167*	*3,949,611*	*4,028,603*	*4,137,939*	*4,288,229*	*$ 4,461,474*	
CDCP	*25,945,703*	*26,464,617*	*26,993,909*	*27,726,524*	*28,733,551*	*$ 29,894,387*	
Non-Credit	*3,341,212*	*3,408,036*	*3,476,197*	*3,570,541*	*3,700,223*	*$ 3,849,712*	
Supplemental	*25,517,316*	*26,027,662*	*26,548,216*	*27,268,734*	*28,259,135*	*$ 29,400,804*	
Student Success	*16,763,132*	*17,098,395*	*17,440,363*	*17,913,694*	*18,564,319*	*$ 19,314,318*	
Calculated Amount	*167,554,601*	*169,117,919*	*175,408,405*	*179,924,560*	*186,211,080*	*193,480,701*	
HOLD HARMLESS	*174,838,125*	*174,838,125*	*174,838,125*	*176,061,992*	*178,878,984*	*182,456,564*	
Est Apportionment (FD 11)	171,341,363	171,341,363	171,911,643	176,403,320	182,633,500	189,611,087	
Est Other Income (FD 11)	18,984,579	14,716,810	14,716,810	14,716,810	14,716,810	14,716,810	
Est Ongoing Expense (FD 11)	183,903,944	188,286,441	196,275,510	202,812,960	208,487,708	214,561,574	
Est One Time Net Expense (FD 13)	7,137,414						
Other Estimated Savings		2,228,268					
Est Unrestricted FD change	(715,416)	0	(9,647,058)	(11,692,830)	(11,137,398)	(10,233,677)	
Est Beginning FD Balance	38,759,046	38,043,630	38,043,630	28,396,572	16,703,742	5,566,345	
Est Ending Fund Balance	38,043,630	38,043,630	28,396,572	16,703,742	5,566,345	(4,667,332)	

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

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

Introduction

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

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

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

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

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

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

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

~~Senate Bill 361, passed in 2006, changed the formula of earned state apportionment revenues to essentially two elements, 1) Basic Allocations for college/center base funding rates based on FTES size of the college and center and 2) Full Time Equivalent Students (FTES) based on earned and funded FTES. The BAPR Workgroup determined that since this is how our primary funding comes from the state this model should be used for distribution on earned revenues to the colleges. The colleges and centers are the only entities in the district that generates this type of funding. Revenue earned and funded by the state will be earned and funded at the colleges. The Budget Allocation Model (BAM) described in this document provides the guidelines, formulas, and basic steps for the development of an annual district budget including the allocation of budget expenditure responsibilities for Santa Ana College, Santiago Canyon College and District Services referred to as the three district Budget Centers. The budget is the financial plan for the district, and application of this model should be utilized to implement the district's vision, mission statement, district strategic plan and the technology strategic plan as well as the colleges' mission statements, educational master plans, facilities master plans and other planning resources. The annual implementation of the budget allocation model is to be aligned with all of these plans. To ensure that budget allocation is tied to planning, it is the responsibility of District Council to review budget and planning during the fiscal year and, if necessary, recommend adjustments to the budget allocation model to keep the two aligned for the coming year. The Chancellor and the Board of Trustees are ultimately responsible for the annual budget and the expenditures associated with the budget. In February of 2013, the Board of Trustees adopted a new planning design manual. This document eliminated BAPR and created the Fiscal Resources Committee (FRC). The FRC is responsible for recommending the annual budget to the District Council for its recommendation to the Chancellor and Board of Trustees. FRC is also responsible for annual review of the model for accreditation and can recommend any modifications to the guidelines.~~ Noncredit education funding did not change from SB361. Noncredit and CDCP funding are considered fully funded in the base allocation and do not qualify for supplemental and success funding. See definition of terms for enhanced descriptions.

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

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

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

~~Implementation~~

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

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

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

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

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

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

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

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

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

~~**Revenue Allocatio**~~

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

Implementation

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

Timeline	Milestone

The team included the following members

District Office:	Title	Representation
Santa Ana College:		

Santiago Canyon College:		

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

College and District Services Budgets and Expenditure Responsibilities

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

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

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

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

~~Revenue Allocation~~

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

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

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

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

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

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

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

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

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

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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.

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Revenue Modifications

Apportionment Revenue Adjustments

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

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

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

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

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

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

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

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

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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	

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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

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

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

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

Hold Harmless

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

Line	Statutory Reference	2018-19	2019-20	2020-21	2021-22
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:					
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

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

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

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

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

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

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

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

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

Other Modifications

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

vacant. The colleges should also consult Human Resources regarding the FON when recommending to defund faculty positions.

Grants/Special Projects

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

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

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

Banked LHE Load Liability

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

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

Other Possible Strategic Modifications

Summer FTES

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

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

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

Long-Term Plans

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

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

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

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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.

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Full-Time Faculty Obligation Number (FON)

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

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

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Budget Input

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

~~Appendix Attached~~

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~~A. Definition of Terms~~

	~~TABLE 1 Expenditure and Budget Responsibilities~~	~~Santa Ana College & CEC~~ ☑	~~Santiago Canyon College & OEC~~ ☑	~~District Services~~ ☑	~~Institutional or Districtwide monitoring~~ ☑
	~~Academic Salaries (1XXX)~~	-	-	-	-
~~1~~	~~State required full-time Faculty Obligation Number (FON)~~	✓	✓	✓	✓
~~2~~	~~Bank Leave~~	✓	✓	-	✓
~~3~~	~~Impact upon the 50% law calculation~~	✓	✓	✓	✓
~~4~~	~~Faculty Release Time~~	✓	✓		✓
~~5~~	~~Faculty Vacancy, Temporary or Permanent~~	✓	✓	-	-
~~6~~	~~Faculty Load Banking Liability~~	✓	✓	-	✓
~~7~~	~~Adjunct Faculty Cost/Production~~	✓	✓	-	-
~~8~~	~~Department Chair Reassigned Time~~	✓	✓	-	✓
~~9~~	~~Management of Sabbaticals (Budgeted at colleges)~~	✓	✓	-	✓
~~10~~	~~Sick Leave Accrual Cost~~	✓	✓	-	✓
~~11~~	~~AB1725~~	✓	✓	-	-
~~12~~	~~Administrator Vacation~~	✓	✓	✓	-
	~~Classified Salaries (2XXX)~~	-	-	-	-
~~1~~	~~Classified Vacancy, Temporary or Permanent~~	✓	✓	✓	-
~~2~~	~~Working Out of Class~~	✓	✓	✓	-

~~3~~	~~Vacation Accrual Cost~~	✓	✓	✓	-
~~4~~	~~Overtime~~	✓	✓	✓	-
~~5~~	~~Sick Leave Accrual Cost~~	✓	✓	✓	-
~~6~~	~~Compensation Time taken~~	✓	✓	✓	-
~~Employee Benefits (3XXX)~~		-	-	-	-
~~1~~	~~STRS Employer Contribution Rates, Increase/(Decrease)~~	✓	✓	✓	-
~~2~~	~~PERS Employer Contribution Rates, Increase/(Decrease)~~	✓	✓	✓	-
~~3~~	~~OASDI Employer Rates, Increase/(Decrease)~~	✓	✓	✓	-
~~4~~	~~Medicare Employer Rates, Increase/(Decrease)~~	✓	✓	✓	-
~~5~~	~~Health and Welfare Benefits, Increases/(Decrease)~~	✓	✓	✓	-
~~6~~	~~SUI Rates, Increase/(Decrease)~~	✓	✓	✓	-
~~7~~	~~Workers' Comp. Rates, Increase/(Decrease)~~	✓	✓	✓	-
~~8~~	~~Retiree Health Benefit Cost~~				-
-	~~-OPEB Liability vs. "Pay-as-you-go"~~				✓
~~9~~	~~Cash Benefit Fluctuation, Increase/(Decrease)~~	✓	✓	✓	-
~~Other Operating Exp & Services (5XXX)~~		-	-	-	-
~~1~~	~~Property and Liability Insurance Cost~~	-	-	-	✓
~~2~~	~~Waiver of Cash Benefits~~	✓	✓	✓	-
~~3~~	~~Utilities~~	-	-	-	-
-	~~-Gas~~	✓	✓	✓	-
-	~~-Water~~	✓	✓	✓	-
-	~~-Electricity~~	✓	✓	✓	-
-	~~-Waste Management~~	✓	✓	✓	-
-	~~-Water District, Sewer Fees~~	✓	✓	✓	-
~~4~~	~~Audit~~	-	-	✓	✓
~~5~~	~~Board of Trustee Elections~~	-	-	-	✓
~~6~~	~~Scheduled Maintenance~~	✓	✓	-	✓
~~7~~	~~Copyrights/Royalties Expenses~~	✓	✓		
~~Capital Outlay (6XXX)~~		-	-	-	-
~~1~~	~~Equipment Budget~~	-	-	-	-
-	~~-Instructional~~	✓	✓	✓	✓
-	~~-Non-Instructional~~	✓	✓	✓	✓
~~2~~	~~Improvement to Buildings~~	✓	✓	✓	✓

~~3~~	~~Improvement to Sites~~	~~✓~~	~~✓~~	~~✓~~	~~✓~~

~~TABLE 2~~ ~~Revenue and Budget Responsibilities~~		~~Santa Ana College & CEC~~ ☑	~~Santiago Canyon College & OEC~~ ☑	~~District Services~~ ☑	~~Institutional or Districtwide monitoring~~ ☑
~~Federal Revenue (81XX)~~		-	-	-	-
~~1~~	~~Grants Agreements~~	~~✓~~	~~✓~~	~~✓~~	-
~~2~~	~~General Fund Matching Requirement~~	~~✓~~	~~✓~~	~~✓~~	-
~~3~~	~~In-Kind Contribution (no additional cost to general fund)~~	~~✓~~	~~✓~~	~~✓~~	-
~~4~~	~~Indirect Cost (overhead)~~	~~✓~~	~~✓~~	~~✓~~	~~✓~~
~~State Revenue (86XX)~~		-	-	-	-
~~1~~	~~Base Funding~~	~~✓~~	~~✓~~		-~~✓~~
~~2~~	~~Apportionment~~	~~✓~~	~~✓~~	-	-~~✓~~
~~3~~	~~COLA or Negative COLA~~	~~✓~~	~~✓~~	~~✓~~	~~✓ subject to collective bargaining~~
~~4~~	~~Growth, Work Load Measure Reduction, ***Negative Growth***~~	~~✓~~	~~✓~~	~~✓~~	~~✓~~
~~5~~	~~Categorical Augmentation/Reduction~~	~~✓~~	~~✓~~	~~✓~~	-
~~6~~	~~General Fund Matching Requirement~~	~~✓~~	~~✓~~	~~✓~~	-
~~7~~	~~Apprenticeship~~	~~✓~~	~~✓~~	-	-
~~8~~	~~In-Kind Contribution~~	~~✓~~	~~✓~~	~~✓~~	-
~~9~~	~~Indirect Cost~~	~~✓~~	~~✓~~	~~✓~~	~~✓~~
~~10~~	~~Lottery~~	-	-	-	-
-	~~-Unrestricted (abate cost of utilities)~~	~~✓~~	~~✓~~	~~✓~~	-
-	~~-Restricted-Proposition 20~~	~~✓~~	~~✓~~		-
~~11~~	~~Instructional Equipment Matches (3:1)~~	~~✓~~	~~✓~~	-	~~✓ and will have chargeback to site proportionally~~
~~12~~	~~Scheduled Maintenance Matches (1:1)~~	~~✓~~	~~✓~~	~~✓~~	~~✓ and will have chargeback to site proportionally~~
~~13~~	~~Part time Faculty Compensation Funding~~	~~✓~~	~~✓~~	-	~~✓ subject to collective bargaining~~

~~14~~	~~State Mandated Cost~~	~~✓~~	~~✓~~		~~✓~~
~~**Local Revenue (88XX)**~~		-	-	-	-
~~1~~	~~Contributions~~	~~✓~~	~~✓~~	~~✓~~	-
~~2~~	~~Fundraising~~	~~✓~~	~~✓~~	~~✓~~	-
~~3~~	~~Proceed of Sales~~	~~✓~~	~~✓~~	~~✓~~	-
~~4~~	~~Health Services Fees~~	~~✓~~	~~✓~~	-	
~~5~~	~~Rents and Leases~~	~~✓~~	~~✓~~	~~✓~~	-
~~6~~	~~Enrollment Fees~~	~~✓~~	~~✓~~	-	
~~7~~	~~Non-Resident Tuition~~	~~✓~~	~~✓~~	-	-
~~8~~	~~Student ID and ASB Fees~~	~~✓~~	~~✓~~		-
~~9~~	~~Parking Fees~~	-	-	-~~✓~~	~~✓~~

Rancho Santiago Community College District

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

Appendix A – Definition of Terms

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

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

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

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

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

BAM – Budget Allocation Model

BAPR – Budget and Planning Review Committee.

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

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

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

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

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

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

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

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

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

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CCCCO – California Community College Chancellor's Office

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

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

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

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

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

Defund – ~~Permanently e~~Eliminating ~~a position and related cost~~ the cost of a position from the budget.

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

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

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

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

FRC – Fiscal Resources Committee.

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

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

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

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

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

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

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

Institutional Reserve – Overall districtwide one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. The Institutional Reserve consists of the Board Policy Contingency, the Budget Stabilization Fund, and any other contingency fund held at the institutional level over and above the College Reserves.~~**LHE** – Lecture Hour Equivalent. The standard instructional work week for faculty is fifteen (15) LHE of classroom assignments, fifteen (15) hours of preparation, five (5) office hours, and five (5) hours of institutional service. The normal teaching load for faculty is thirty (30) LHE per school year.~~

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

Modification – The act of changing something.

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

POE – Planning and Organizational Effectiveness Committee.

Proposition 98 – Proposition 98 refers to an initiative constitutional amendment adopted by California's voters at the November 1988 general election which created a minimum funding guarantee for K-14 education and also required that schools receive a portion of ~~state~~State revenues that exceed the ~~S~~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. ~~increases its FTES back to the level prior to the year of decline based on the total computational~~

~~revenue amount. Districts are entitled to restore FTES during the three years following the initial year of decline, but only receive stability funding in year one. (please see Decline and Stabilization)~~

SB 361 – The ~~New~~ Community College Funding Model (Senate Bill 361), effective October 1, 2006 through July 1st 2018, included~~s~~ funding~~-~~ based allocations depending on the number of FTES served, credit FTES funded at an equalized rate, noncredit FTES funded at an equalized rate, and enhanced noncredit FTES funded at an equalized rate. The intent of the formula ~~i~~was to provide a more equitable allocation of system wide resources, and to eliminate the complexities of the previous Program Based Funding model while still retaining focus on the primary component of that model, instruction. In addition, the formula provided~~s~~ a base operational allocation~~s~~ for colleges and centers scaled for size.

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SCFF – The Student Centered Funding Formula was ~~is~~ adopted on July 1st 2018 as the new model for funding California community colleges. Made up of three parts, Base Allocation, Supplemental Allocation and Student Success Allocation, the aim of the SCFF is to improve student outcomes as a whole while targeting student equity ~~and success~~.

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

Stabilization – Stabilization has been eliminated for all FTES in the SCFF.~~A District receives stability funding from the Sstate for non-creditnoncredit and CDCP FTES (funding at the prior year FTES level) the first year of non-creditnoncredit and CDCP FTES decline. Each college receives its share of the stability funding based on an internal stability mechanism described in this Budget Allocation Model. (please see Decline and Restoration).~~

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

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

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

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

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

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

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

~~Appendix~~

Appendix B – History of Allocation Model

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

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

Senate Bill 361, passed in 2006, changed the formula of earned state apportionment revenues to essentially two elements, 1) Basic Allocations for college/center base funding rates based on FTES size of the college and center and 2) Full Time Equivalent Students (FTES) based on earned and funded FTES. The BAPR Workgroup determined that since this is how our primary funding comes from the state this model should be used for distribution on earned revenues to the colleges. The colleges and centers are the only entities in the district that generates this type of funding. Revenue earned and funded by the state will be earned and funded at the colleges. The Budget Allocation Model (BAM) described in this document provides the guidelines, formulas, and basic steps for the development of an annual district budget including the allocation of budget expenditure responsibilities for Santa Ana College, Santiago Canyon College and District Services referred to as the three district Budget Centers. The budget is the financial plan for the district, and application of this model should be utilized to implement the district's vision, mission statement, district strategic plan and the technology strategic plan as well as the colleges' mission statements, educational master plans, facilities master plans and other planning resources. The annual implementation of the budget allocation model is to be aligned with all of these plans. To ensure that budget allocation is tied to planning, it is the responsibility of District Council to review budget and planning during the fiscal year and, if necessary, recommend adjustments to the budget allocation model to keep the two aligned for the coming year. The Chancellor and the Board of Trustees are ultimately responsible for the annual budget and the expenditures associated with the budget. In February of 2013, the Board of Trustees adopted a new planning design manual. This document eliminated BAPR and created the Fiscal Resources Committee (FRC). The FRC is responsible for recommending the annual budget to the District Council for its recommendation to the Chancellor and Board of Trustees. FRC is also responsible for annual review of the model for accreditation and can recommend any modifications to the guidelines.

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

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

Introduction

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

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

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

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

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

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

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

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

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

Implementation

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

Timeline	Milestone

The team included the following members

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

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

College and District Services Budgets and Expenditure Responsibilities

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

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

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

1	Grants Agreement	✓	✓	✓	
2	General Fund Matching Requirement	✓	✓	✓	
3	In-Kind Contribution (no additional cost to general fund)	✓	✓	✓	
4	Indirect Cost (overhead)	✓	✓	✓	
State Revenue- (86XX)					
1	Base Funding	✓	✓	✓	
	Supplemental Funding	✓	✓	✓	
	Student Success Funding	✓	✓	✓	
2	Apportionment	✓	✓		
3	COLA or Negative COLA	✓	✓	✓ subject to collective bargaining	
4	Growth, Work Load Measure Reduction, ***Negative Growth***	✓	✓	✓	
5	Categorical Augmentation/Reduction	✓	✓	✓	
6	General Fund Matching Requirement	✓	✓	✓	
7	Apprenticeship	✓	✓		
8	In-Kind Contribution	✓	✓	✓	
9	Indirect Cost	✓	✓	✓	
10	Lottery				
	- Unrestricted (abate cost of utilities)	✓	✓	✓	
	- Restricted-Proposition 20	✓	✓		
11	Instructional Equipment Matches (3:1)	✓	✓		
12	Scheduled Maintenance Matches	✓	✓	✓	
13	Part time Faculty Compensation Funding	✓	✓	✓ subject to collective bargaining	
14	State Mandated Cost	✓	✓	✓	
Local Revenue- (88XX)					
1	Contributions	✓	✓	✓	
2	Fundraising	✓	✓	✓	
3	Proceed of Sales	✓	✓	✓	
4	Health Services Fees	✓	✓		

5	Rents and Leases	✓	✓	✓	
6	Enrollment Fees	✓	✓		
7	Non-Resident Tuition	✓	✓		
8	Student ID and ASB Fees	✓	✓		
9	Parking Fees			✓	

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

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

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

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

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

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

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

District Reserves and Deficits

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

The Chancellor reserves the right to adjust allocations as necessary.

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

College Budget and Expenditure Responsibilities

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

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

Budget Center Reserves and Deficits

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

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

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

Revenue Modifications

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

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

An example of revenue allocation adjustment:

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

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

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

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

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

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

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

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

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

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

Stability

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

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

Hold Harmless

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

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

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

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

TCR = Total Computational Revenue

Allocation of New State Revenues

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

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

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

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

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

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

Other Modifications

Salary and Benefits Cost

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

Grants/Special Projects

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

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

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

Banked LHE Load Liability

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

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

Other Possible Strategic Modifications

Summer FTES

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

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

Long-Term Plans

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

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

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

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

Full-Time Faculty Obligation Number (FON)

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

Budget Input

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

Rancho Santiago Community College District

Budget Allocation Model Based on the SCFF

Appendix A – Definition of Terms

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

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

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

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

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

BAM – Budget Allocation Model

BAPR – Budget and Planning Review Committee.

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

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

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

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

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

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

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

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

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

CCCCO – California Community College Chancellor's Office

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

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

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

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

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

Defund –Eliminating the cost of a position from the budget.

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

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

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

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

FRC – Fiscal Resources Committee.

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

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

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

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

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

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

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

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

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

Modification – The act of changing something.

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

POE – Planning and Organizational Effectiveness Committee.

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

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

Restoration – A community college district is entitled to restore any reduction of apportionment revenue related to decreases in total FTES during the three years following the initial year of decrease if there is a subsequent increase in FTES.

SB 361 – The Community College Funding Model (Senate Bill 361), effective October 1, 2006 through July 1st 2018, included funding based allocations depending on the number of FTES served, credit FTES funded at an equalized rate, noncredit FTES funded at an equalized rate, and enhanced noncredit FTES funded at an equalized rate. The intent of the formula was to provide a more equitable allocation of system wide resources, and to eliminate the complexities of the previous Program Based Funding model while still retaining focus on the primary component of that model, instruction. In addition, the formula provided a base operational allocation for colleges and centers scaled for size.

SCFF – The Student Centered Funding Formula was adopted on July 1st 2018 as the new model for funding California community colleges. Made up of three parts, Base Allocation, Supplemental Allocation and Student Success Allocation, the aim of the SCFF is to improve student outcomes as a whole while targeting student equity.

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

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

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

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

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

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

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

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

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

Appendix B – History of Allocation Model

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

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

Senate Bill 361, passed in 2006, changed the formula of earned state apportionment revenues to essentially two elements, 1) Basic Allocations for college/center base funding rates based on FTES size of the college and center and 2) Full Time Equivalent Students (FTES) based on earned and funded FTES. The BAPR Workgroup determined that since this is how our primary funding comes from the state this model should be used for distribution on earned revenues to the colleges. The colleges and centers are the only entities in the district that generates this type of funding. Revenue earned and funded by the state will be earned and funded at the colleges. The Budget Allocation Model (BAM) described in this document provides the guidelines, formulas, and basic steps for the development of an annual district budget including the allocation of budget expenditure responsibilities for Santa Ana College, Santiago Canyon College and District Services referred to as the three district Budget Centers. The budget is the financial plan for the district, and application of this model should be utilized to implement the district's vision, mission statement, district strategic plan and the technology strategic plan as well as the colleges' mission statements, educational master plans, facilities master plans and other planning resources. The annual implementation of the budget allocation model is to be aligned with all of these plans. To ensure that budget allocation is tied to planning, it is the responsibility of District Council to review budget and planning during the fiscal year and, if necessary, recommend adjustments to the budget allocation model to keep the two aligned for the coming year. The Chancellor and the Board of Trustees are ultimately responsible for the annual budget and the expenditures associated with the budget. In February of 2013, the Board of Trustees adopted a new planning design manual. This document eliminated BAPR and created the Fiscal Resources Committee (FRC). The FRC is responsible for recommending the annual budget to the District Council for its recommendation to the Chancellor and Board of Trustees. FRC is also responsible for annual review of the model for accreditation and can recommend any modifications to the guidelines.

Vacant Funded Positions for FY2020-21- Projected Annual Salary and Benefits Savings
As of October 13, 2020

Fund	Management/ Academic/ Confidential	Position ID	Title	Reasons	Site	Effective Date	Notes	2020-21 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Birk, John	5HR-UF-DIR	Director, Information System	Retirement	District	7/11/2019		125,868	
11	Bland, Antoinette	5SAFE-UF-CHIEF	Chief, District Safety & Security	Retirement	District	12/10/2018	Req#CL20-00016. Michael Toledo Interim Assignment 7/1/20-12/31/20. Board docket 5/26/20	117,302	340,320
11	Iannaccone, Judith	5PAG-UF-DIR	Director, Public Affairs & Publications	Retirement	District	8/31/2018	Ruth Cossio Muniz Interim Assignment 10/1/20	-	
50%-fd 11 50%-fd 12	Santoyo, Sarah	5RDEV-UF-DIRX	Executive Director Resource Development	Promotion	District	1/28/2019		97,150	
11	Dominguez, Gary M.	1FIAC-AF-DIR	Director, Fire Instruction	Retirement	SAC	8/23/2019	Fred Ramsey Interim Assignment 8/19/20-6/30/21. Michael Busch resignation 8/18/20, Board docket 9/14/20. Michael Busch Interim Assignment 7/1/20-06/30/21 Board docket 6/15/20	-	
11	Galvan, Javier A.	1SPAN-FF-IN	Instructor, Spanish	Interim Assignment	SAC	7/1/2020	Currently interim assignment 7/1/20-6/30/21 as Dean Humanities & Social Sciences replacing Shelly Jaffray vacancy. Board docket 5/26/20	161,943	
11	Jaffray, Shelly C.	1HSS-AF-DN	Dean, Humanities & Social Sciences	Retirement	SAC	6/30/2019	Javier Galvan Interim Assignment 7/1/20-6/30/21. Board docket 5/26/20 AC20-0807 **ON HOLD**.	(5,891)	
11	Keith, Katharine C.	1EMLS-FF-IN2	Instructor, ESL Writing	Retirement	SAC	6/4/2021		-	382,957
11	Mahany, Donald	1FIAC-AF-DNAC1	Associate Dean, Fire Technology	Retirement	SAC	1/2/2020	Joseph Dulla Interim Assignment 8/31/20-6/30/21. Board Docket 9/14/20. AC19-0790	45,231	
11	Miller, Rebecca	1SMHS-AF-DNAC	Associate Dean, Health Science/Nursing	Retirement	SAC	6/30/2020	Mary Steckler Interim Assignment 7/1/20-6/30/21. Board docket 6/15/20. AC19-0794	(1,733)	
11	Rose, Linda	1PRES-AF-PRES	President, SAC	Retirement	SAC	6/30/2020	Marilyn Flores Interim Assignment 7/1/20-6/30/21 Board docket 5/26/20	(24,116)	
11	Sotelo, Sergio R.	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			
11	Wall, Brenda L.	1PAG-UF-OFCR	Public Information Officer	Resignation	SAC	5/18/2020	CL20-0039	156,097	
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	Flores, Marilyn	2ACA-AF-VP	VP, Academic Affairs-SCC	Interim Assignment	SCC	7/1/2020	Martin Stringer Interim Assignment 7/1/20-6/30/21 Board docket 6/15/20	(8,830)	
11	Hernandez, John C.	2PRES-AF-PRES	President, SCC	Resignation	SCC	7/31/2020	Jose Vargas Interim Assignment as SCC President 7/1/20-6/30/21 Board Docket 7/13/20	32,723	592,612
11	Stringer, Martin R.	2MS-AF-DN	Dean, Math & Sci Div	Interim Assignment	SCC	7/1/2020	Denise Bailey Interim Assignment 7/1/20-6/30/21 Board docket 7/13/20	38,684	
11	Vakil, David	2HSS-AF-DN	Dean, Arts,Humanities and Social Sciences	Resignation	SCC	6/30/2020	Jonanne Armstrong Interim Assignment 7/1/20-6/30/21. Board docket 5/26/20. AC20-808 **ON HOLD**	42,987	
11	Vargas Navarro, Jose F.	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	
								1,315,889	

Fund	Classified	Position ID	Title	Reasons	Site	Effective Date	Notes	2020-21 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Andrade Cortes, Jorge L.	5ACCT-CF-ANYS	Senior Accounting Analyst	Resignation	District	9/27/2019		137,434	
11	Ayala, Jose A.	5YSP-CM-DSO6	P/T District Safety Officer	Resignation	District	8/30/2020		17,861	
11	Francis, DiemChau T.	5PAY-CF-SPPA1	Payroll Specialist	Resignation	District	5/29/2020		98,479	
11	Intermediate Clerk	REORG#1193	Intermediate Clerk	REORG#1193	District	7/4/2019	Intermediate Clerk REORG#1193	79,140	
11	Medrano, Miranda M.	5GCOM-CF-GRPH2	Graphic Designer	Termination	District	3/24/2020		114,326	
11	Nguyen, James V.	5DMC-CF-CUSR	Senior Custodian/Utility Worker	Probational Dismissal	District	8/6/2019		83,642	902,859
11	Pita, Lazaro R.	5YSP-CM-DSO5	P/T District Safety Officer	Resignation	District	11/23/2019		24,674	
11	Senior District Safety Officer	REORG#1200	Senior District Safety Officer	Retirement	District	4/25/2020	REORG#1200 (Miranda, Francisco) CL20-00025	115,798	
11	Senior District Safety Officer	REORG#1202	Senior District Safety Officer	Resignation	District	5/1/2020	REORG#1202 (Knorr, David) CL20-00025	107,635	
11	Yamoto, Sec. Stephanie	5FACL-CF-SPFP	Facility Planning Specialist	Resignation	District	8/26/2019	CL19-1334 on hold	123,870	
11	Benavides, Ricardo	1CUST-CF-CUS4	Custodian	Retirement	SAC	1/15/2020		81,464	
11	Cordova, Monica M.	1KNIA-CF-TT2	Athletic Trainer/ Therapist	Resignation	SAC	1/17/2020	CL20-1388	112,500	
11	Crawford, Jonathan A.	1GRDS-CM-WKR2	P/T Gardener/Utility Worker	Resignation	SAC	6/25/2019		28,117	
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	Hayes, Charles F.	1CUST-CF-CUS11	Custodian	Retirement	SAC	6/1/2020	CL20-00021	82,074	
11	McAdam, Justin M.	1GRDS-CF-WKR8	Gardener/Utility Worker	Promotion	SAC	2/18/2020	CL20-00022	86,183	
35%-fd 11 65%-fd 31	Miranda Zamora, Cristina	1AUX-CF-SPAS3	Auxiliary Services Specialist	Promotion	SAC	11/19/2019		32,213	
11	Munoz, Edward J.	1ADMS-CM-ACT	Accountant	Termination	SAC	7/14/2020		31,637	
11	Sanchez, Salvador	1CUST-CF-CUSR2	Senior Custodian/Utility Worker/Day Shift	COA	SAC	2/10/2020	CL20-00019	110,509	947,317
11	Shirley, Jacqueline K.	1CNSL-CF-CLIN	Intermediate Clerk	Retirement	SAC	2/27/2020	Fund short term hours from August 17 thru December 31st for Natalie Rodriguez 11-2410-631000-15310-2320 BCF#BC9PG2H8TZ CL20-1396	69,579	
40%-fd 11 60%-fd 12	Student Services Specialist	REORG#1190	Student Services Specialist	Retirement	SAC	12/29/2019	Reorg#1190 (Nguyen, Cang)	33,459	
11	Tapia, Manuel J.	1MAIN-CF-WKR7	Skilled Maintenance Worker	Resignation	SAC	2/7/2020	CL20-00024	95,144	
11	Taylor, Katherine A.	1ADM-CM-SPC1D	P/T Admissions/Records Specialist I	Retirement	SAC	10/1/2020		20,710	
11	Tuon, Sophanareth	1CUST-CF-CUSR1	Senior Custodian/Utililty Worker	Promotion	SAC	11/7/2019	CL20-00020	-	
11	Velazquez, Kimberly S.	1CNSL-CM-ASCN6	Counseling Assistant	Promotion	SAC	7/6/2020		25,089	
14%-fd 11 86%-fd 12	Berganza, Leyvi C	20SS-CF-SPOR1	High School & Community Outreach Specialist	Promotion	OEC	3/19/2017		14,730	
11	Gitonga, Kanana	2INTL-CF-CORD	International Student Coordinator	Retirement	SCC	1/31/2019	BCF#BCG7J8E3TI H&W $3569 cost moved	114,489	311,571
11	Heinsma, Todd	2GROS-CF-WKR3	Gardener/Utility Worker	Probational Dismissal	SCC	8/28/2020		71,237	
11	Tran, Kieu-Loan T.	2ADM-CF-SPC3	Admission Records Specialist III	Promotion	SCC	3/1/2020	Jazmine Flores WOC 9/11/20-6/30/21 Board docket 8/10/20	111,116	
								2,161,747	
TOTAL								**3,477,636**	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
MEASURE Q
Projects Cost Summary
09/30/20 on 10/08/20

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2020-2021 Expenditures	FY 2020-2021 Encumbrances	Cumulative Exp & Enc	Project Balance	% Spent
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3035/ 3056	Johnson Student Center	59,198,222	36,998,707	4,804,441	14,711,233	56,514,381	2,683,841	95%
	Agency Cost		479,276	-	3,443	482,719		
	Professional Services		5,273,249	279,285	1,501,874	7,054,407		
	Construction Services		31,161,950	4,517,527	12,841,139	48,520,616		
	Furniture and Equipment		84,233	7,629	364,777	456,639		
3049	Science Center & Building J Demolition	70,480,861	55,803,846	624,531	3,977,809	60,406,187	10,074,674	86%
	Agency Cost		430,871	-	11,956	442,827		
	Professional Services		8,613,856	166,747	739,829	9,520,432		
	Construction Services		45,942,968	18,011	2,565,571	48,526,549		
	Furniture and Equipment		816,152	439,773	660,453	1,916,378		
	TOTAL ACTIVE PROJECTS	**129,679,083**	**92,802,553**	**5,428,972**	**18,689,042**	**116,920,568**	**12,758,515**	**90%**
CLOSED PROJECTS								
3032	Dunlap Hall Renovation	12,620,659	12,620,659	-	-	12,620,659	0	100%
	Agency Cost		559	-		559		
	Professional Services		1,139,116	-	-	1,139,116		
	Construction Services		11,480,984	-	-	11,480,984		
	Furniture and Equipment		-	-	-	-		
3042	Central Plant Infrastructure	57,266,535	57,266,535	-	-	57,266,535	0	100%
	Agency Cost		416,740	-	-	416,740		
	Professional Services		9,593,001	-	-	9,593,001		
	Construction Services		47,216,357	-	-	47,216,357		
	Furniture and Equipment		40,437	-	-	40,437		
3043	17th & Bristol Street Parking Lot	198,141	198,141	-	-	198,141	0	100%
	Agency Cost		16,151	-	-	16,151		
	Professional Services		128,994	-	-	128,994		
	Construction Services		52,996	-	-	52,996		
	Furniture and Equipment		-	-	-	-		
	TOTAL CLOSED PROJECTS	**70,085,335**	**70,085,334**	-	-	**70,085,334**	**0**	**100%**
	GRAND TOTAL ALL PROJECTS	**199,764,418**	**162,887,887**	**5,428,972**	**18,689,042**	**187,005,902**	**12,758,516**	**94%**

SOURCE OF FUNDS

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

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2020-21, 2019-20, 2018-19
YTD Actuals- September 30, 2020

FY 2020/20201

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
Beginning Fund Balance	$38,043,629	$37,889,783	$22,625,918	$39,231,157	$39,231,157	$39,231,157	$39,231,157	$39,231,157	$39,231,157	$39,231,157	$39,231,157	$39,231,157
Total Revenues	9,803,314	(217,023)	33,117,090	0	0	0	0	0	0	0	0	0
Total Expenditures	9,957,160	15,046,842	16,511,851	0	0	0	0	0	0	0	0	0
Change in Fund Balance	(153,846)	(15,263,865)	16,605,239	0	0	0	0	0	0	0	0	0
Ending Fund Balance	37,889,783	22,625,918	39,231,157	39,231,157	39,231,157	39,231,157	39,231,157	39,231,157	39,231,157	39,231,157	39,231,157	39,231,157

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

DRAFT

Fiscal Resources Committee

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

Meeting Minutes for September 16, 2020

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

FRC Members Absent: Peter Hardash

Alternates/Guests Present: Erika Almaraz, Jacob Bereskin, Vaniethia Hubbard, Enrique Perez, Narges Rabii, Mark Reynoso, Syed Rizvi, and Barbie Yniguez

1. Welcome: Mr. O'Connor called the meeting to order at 1:32 p.m. via zoom. Introductions were made for the benefit of new attendees Dr. Vaniethia Hubbard, Dr. Syed Rizvi, and SCC/ASG representative Mr. Jacob Bereskin.

2. State/District Budget Update
   - SSC – Legislative Analyst Examines State's Cash Position
   - SSC – DOF Releases August Finance Bulletin
   - SSC – Lottery Instructional Materials and BOG Changes in Trailer Bill
   - DOF – Finance Bulletin – August 2020

   Mr. O'Connor referenced articles and briefly discussed the language changes made to lottery instructional materials funds that is very helpful. Proposition 20 Lottery funds are very restrictive. The new language allows the purchase of laptops and such devices for internet, used by teachers and students for learning resources. It is effective immediately and helps to get learning devices to students during Temporary Remote Instruction (TRI). There is no limit or restriction other than it must be for instructional learning. However, restrictions remain for other instructional materials. Mr. O'Connor explained lottery funds, the restrictions and purposes to help new members/guests gain understanding.

   Mr. O'Connor briefly discussed the budget being in a holding pattern until the Governor makes his proposal in January and whether there will be mid-year cuts. The economy is devastating and fiscal adjustments may be necessary.

   Further Mr. O'Connor reviewed the Personnel Cost as a Percentage of Total Expenses and explained the Chancellor asked for this information. The general rule is to maintain personnel costs at 85% range. In comparison many community colleges are at 88% range. In 2014-2015, RSCCD was at the 87% range, in 2018-19 district-wide it was at 88.53% and has slightly crept upward into the 90% range for 2019-20. The Chancellor also asked how it broke down by college. SAC is at 95% and SCC at 90%; however, SCC has large apprenticeship program that does not include personnel costs and by extracting such that put SCC at over 96%. This information was presented at the Chancellor's Cabinet. Mr. O'Connor reviewed each example removing all apprenticeship costs and adding back in the amount of adjunct faculty expenses that were in excess of budget last year with SAC at 95% and SCC is 97.5%. The final example removes all apprenticeship costs and reduces costs as related to retirees taking part in the SRP (Supplemental Retirement Program) and with none of the SRP vacancies district-wide filled and that puts SAC at 94.5% and SCC at 97.4%. It is important to get the percentage down to ensure there are enough funds for all other expenses in the District besides personnel. Getting to the 87-88% range is a reasonable goal.

When asked if layoffs, position elimination or separation from the District were part of the discussion, Mr. O'Connor noted no awareness of such discussion regarding layoffs at this time. It is anticipated the District will take other necessary measures before entertaining such drastic action. Mr. Perez noted that Chancellor's Cabinet has had no discussion about layoffs, but attempting to look at all other sources first including the SRP and benefit costs. Layoffs would be the last option. Right now it is time to scale back. If there are mid-year cuts there is nowhere to go. Mr. Shahbazian suggested a strategy be considered for filling faculty positions because FTES is needed to bring in more funds.

3. Supplemental Retirement Plan (SRP)
   Mr. Perez reported on action by the Board of Trustees at their regular meeting of September 14, 2020 to approve the Supplemental Retirement Plan (SRP). The plan provides 80% of final salary as an incentive and with 14 years of service with the district the employee is eligible for health benefits until the age of 70. It was projected that 81 would participate in the plan with a goal of $12 million in savings over a 5-year period. A total of 76 submitted their letters of participation and the goal was reached. The savings are garnered by implementing a replacement plan with adjunct filling faculty positions for 18 months, and only 50% of the classified and management positions replaced. Other scenarios were reviewed and it was noted that discussion will continue as consideration of replacements will be strategic in addressing potential areas of growth along with the difficult challenges of the economy. Follow-up questions were asked and Mr. Perez described the need to hold off any hiring until the next fiscal year, July 1, 2021 to benefit from the savings of this fiscal year. A general discussion followed about how the positions become vacant, "belt tightening" while also recruiting for other certain positions, and the mixed messages during a hiring freeze. Mr. Perez will attempt to get ahead of the questions and provide some fiscal information in the future when positions become available.

4. Proposed Adopted General Fund Budget – ACTION
   - Budget Assumptions Update
     Mr. O'Connor shared his screen and reviewed proposed adopted general fund budget 2020/21. He explained the different views of the combined general fund 11 (ongoing-unrestricted), fund 12 (restricted), and fund 13 (one-time unrestricted). He noted changes from the last meeting including the deficit factor at 2%, unrestricted lottery, and apprenticeship revenue all went down for a total of $519,000. Expenses that changed include the apprenticeship program costs and the savings for vacancies went up about $12,000. That brings total deficit to $2.2 million. While the hole has not been plugged, it is anticipated that some of the SRP savings of $2.6 million from current year may be used. Mr. O'Connor will meet with Chancellor tomorrow to determine if the Board is willing to use some of those savings to balance the budget. The Board was very clear they did not want a budget that was out of balance.

     Questions were asked and answers provided specific to line E, Full-Time Faculty Obligation Hires (FON) that removes $2.9 million for the 19 faculty positions not being hired this year and does not include the 16 positions for those faculty that have selected to participate in the SRP this year. Some savings from SRP from full-time faculty positions will be transferred to the adjunct faculty budget. However, currently, it is unclear if all the savings from the SRP will be used to help out with this year's budget.

     Mr. O'Connor shared his screen and continued to discuss the components of the unrestricted general fund beginning balance for 2020-21 and comparison to 2019-20. The largest portion being the board policy contingency requirement at 12.5%. The budget stabilization increase to $1.5 million and carryover for SAC at $6.3 million and SCC at $835,000. There will be an update to this page as a result of an error on noncredit submission that included distance education courses rather than CDCP which affected both colleges and as result additional funding affected SCC more than SAC. The last component is other category that includes $9.4 million with $500,000 for PPE (to be funded by CARES Act and amount returned to the colleges) and $518,000 for the Chancellor's Diversity Initiative on a one-time basis for this year. These were discussed at the last FRC meeting.

Bart Hoffman noted that a workgroup to assess the budget allocation to the colleges is being formed as a joint effort between SAC, SCC and DO and anticipates bringing forward a recommendation for consideration by FRC in the future. An invitation to join this collaborative workgroup will be sent out soon.

Mr. O'Connor continued to share his screen and discussed the Estimate 2020/21 Revenue Allocation Simulation for Unrestricted General Fund 11 based on SCFF (page 42) and the $2.2 million deficit. He explained further how the colleges earn revenue. That $2.2 million deficit will be shared with SAC at $522,000 and SCC at $1.7 million. The deficit will need to be addressed before it is presented to the Board at the October 12 meeting.

In his final review, Mr. O'Connor discussed the Adopted Budget 2020-21 (page 43-44) that addresses targets which will change in the budget book to reflect the colleges' submissions of actual FTES. Bereskin requested more information on the deficit and how it happened. Mr. O'Connor explained the increased expenses from year to year, while revenue decreases from year to year, and creates a deficit. Current expenses increase by approximately $7-9 million a year for various reasons including personnel, utilities, health and welfare benefits, salaries, retirement costs and typical operating expenses. Revenue has not been increasing and with the decline in students, RSCCD is not able to generate that revenue. It is necessary to cut expenses to get back in line with revenue earned. Mr. O'Connor further explained how revenue is calculated by the number of students served in a variety of ways including credit, noncredit and CDCP with different funding rates along with student success and supplementary metrics in the SCFF and the only way to receive more money from the State is through the various metrics.

Barembaum inquired about specific expenses and changes in the adopted budget as detailed in object codes 5700, 5800, and 5900 (page 13). Mr. O'Connor explained those reflect all fund 11, 12 and 13 accounts and it is really fund 12 that throws us from year to year because of large grants and a lot of the expenses are passing through the 5800 object accounts. It makes the revenue and expenditures look large from year to year. A general discussion ensued that included page 19, referencing 5800 and 5900 object codes. Mr. O'Connor explained when looking at the adopted budget from year to year, it isn't much different whereas the actual expenditures is low which is the result of the expenditures being transferred to other accounts as needed. Mr. O'Connor offered to follow-up and address any other specific questions to line items, just send him an email. Rutan expressed his appreciation of the follow-up and suggested potential further discussion for reallocation of such funds.

- 2019/20 Recap of Unrestricted General Fund – Major Changes Comparing Adopted Budget to Actuals
  Mr. O'Connor discussed and reviewed the details of the major changes in revenue and expenditures as noted on the 2019/20 Recap of Unrestricted General Fund (page 55).

It was moved by Arleen Satele to approve the adopted budget with the caveat of the CDCP change as discussed. The motion was seconded by Bart Hoffman. With no further discussion, questions or opposition, the motion passed unanimously.

Mr. O'Connor reviewed additional handout titled RSCCD College Level SCFF Data that produced a shift between SAC and SCC due to reporting changes to noncredit and noncredit CDCP. This is positive as an increase, but RSCCD is in Hold Harmless and therefore no increase in funds. These errors are caught by review of the data and in consultation with Cambridge West Partnership where it was confirmed as a way to correct the error. It was also verified by the State and how distance education course are counted. A general discussion ensued relative to which colleges would get credit for a student that attends both colleges and having a district-wide focus on capturing the 20% portion of the student success metrics to bring more revenue to the District rather than worrying about who gets the money. Mr. Perez briefly shared efforts for data integrity processes, and developing enrollment strategy with the

District providing reports to the colleges to make informed decisions for efficiency and ability to earn more revenue.

5. Closeout of 2019/20 Budget
   - Recap of 2019/20 SCFF Metrics
   - Final Budget Allocation Model Distribution of Carryover
   - 50% Law Compliance Update

   Mr. O'Connor reviewed and discussed the close out of 2019-20 and the updated shift and carryover for each college through fund 13.

6. 2020-21 Draft Budget Calendar
   Mr. O'Connor presented the draft budget calendar for review noting a few modifications. It is not necessary to take action on this item today, but it is anticipated that feedback will be provided to Adam within the next couple of weeks for the next meeting. It is hopeful members will be able to attend the meetings.

7. Standing Report from District Council - Rutan
   Mr. Rutan briefly reported on the actions of District Council including a reorganization related to District Safety and Security Services.

8. Informational/Additional Handouts
   - District-wide expenditure report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of September 08, 2020
   - Measure "Q" Project Cost Summary August 31, 2020
   - Monthly Cash Flow Summary as of August 31, 2020
   - SAC Planning and Budget Committee Agendas and Minutes
   - SCC Budget Committee Agendas and Minutes

9. Approval of FRC Minutes – August 19, 2020
   A motion was made by Craig Rutan and seconded by Satele, to approve the minutes of August 19, 2020 meeting as presented. With no questions, comments, corrections, abstentions, or opposition, the motion passed unanimously.

10. Other
    A general discussion ensued that focused on what other districts are experiencing and how they are handling the Total Compensation Revenue (TCR). Mr. O'Connor confirmed that more and more are going into and deep into Hold Harmless. It was further suggested that when looking into percentage costs for personnel that different views be provided for non-instructional and instructional.

    This meeting adjourned at 2:55 p.m.