



**SANTA ANA**  
**COLLEGE**



**Santiago**  
**Canyon**  
**College**

# 2019-2020 ADOPTED BUDGET

Board of Trustees Meeting  
September 9, 2019

*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*

# Outline of Presentation

1. RSCCD Budget Assumptions Update and 2019-2020 Proposed Adopted Budget
2. Multi-year Projection and Related Information
3. Recommendation

RSCCD Budget Assumptions  
Update and 2019-2020  
Proposed Adopted Budget

# Proposed Adopted Budget

- ▣ Includes Board approved Budget Assumptions for the Adopted Budget
  - ▣ Approved at July 15<sup>th</sup> Board meeting
  - ▣ Updated with latest information
- ▣ Includes June 30, 2019 fiscal year end closing balances
  - 2018-2019 unaudited actual revenues
  - 2018-2019 unaudited actual expenditures
- ▣ 12.5% Board Policy Contingency at \$25 million
- ▣ Budget Stabilization Fund at \$1.3 million



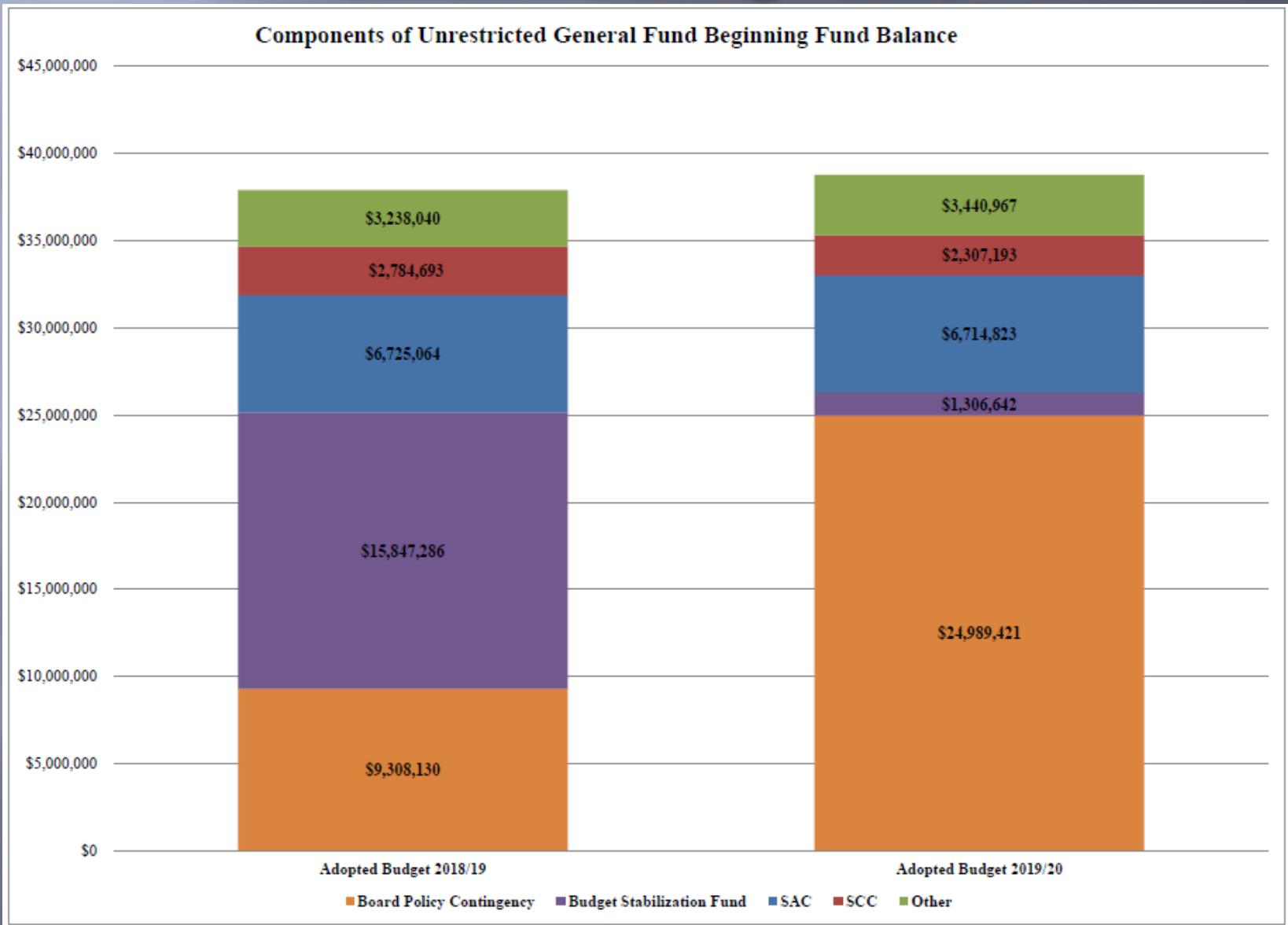
# Proposed Adopted Budget

- ▣ District budgeting apportionment revenue at hold harmless level (2017-2018 TCR + 2018-2019 COLA + 2019-2020 COLA)
- ▣ Any additional funds under SCFF will be distributed as one-time funds once earned and allocated
- ▣ Balanced budget in 2019-2020
  - ▣ Ongoing unallocated amount of \$1.8 million
  - ▣ Any collective bargaining settlements in excess of 3.26% COLA are costs above and beyond this Adopted Budget plan
  - ▣ Multi-year projection based on hold harmless funding. Need to consider loss of hold harmless funding in planning for future budgets before adding new ongoing costs
- ▣ Reviewed and recommended by both Fiscal Resources Committee (FRC) and District Council

# Adopted Budget Assumptions Recap – page 107

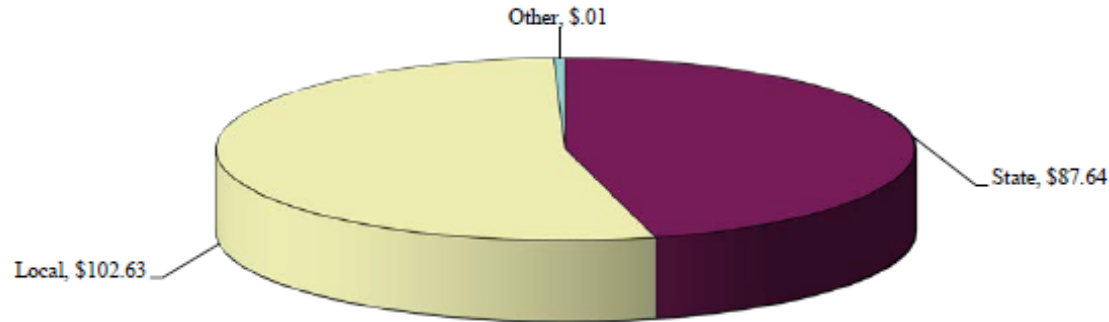
	<u>New Revenues</u>	Ongoing Only	One-Time
A	Student Centered Funding Formula (see note below)		
B	COLA 3.26%	\$5,519,778	
B	Growth	\$0	
B	Deficit Factor est	\$1,104,002	
D	Unrestricted Lottery	(\$474,706)	
H	Mandates Block Grant	(\$59,357)	
I	Non-Resident Tuition	\$200,000	
J	Interest Earnings	\$575,000	
L	Apprenticeship - SCC	\$402,172	
EGHK	Misc Income	(\$79,241)	
	<b>Total</b>	<b>\$7,187,648</b>	<b>\$0</b>
	<u>New Expenditures</u>		
B	COLA 3.26%	\$5,519,778	
C	Step/Column	\$2,057,324	
D	Health and Welfare/Benefits Increase (3.5% for 1/2 yr)	\$1,202,854	
D	CalSTRS Increase	\$792,125	
D	CalPERS Increase	\$886,322	
D	Decreased Cost of WCI	(\$822,293)	
E	Full Time Faculty Obligation Hires	\$2,172,120	
E/F	Hourly Faculty Budgets (Convert to Full Time)	(\$605,250)	
G	Decreased Cost of Retiree Health Benefit ARC	(\$764,258)	
H	Capital Outlay/Scheduled Maintenance Contribution	\$0	
I	Utilities Increase	\$100,000	
J	ITS Licensing/Contract Escalation Cost	\$125,000	
K	Property, Liability and All Risks Insurance	\$0	
II.L	Apprenticeship - SCC	\$486,993	
L	Other Additional DS/Institutional Costs	\$353,527	\$188,303
N	SCC ADA Settlement Costs	\$0	\$2,000,000
	<b>Total</b>	<b>\$11,504,242</b>	<b>\$2,188,303</b>
	2019-20 Budget Year Unallocated (Deficit)	(\$4,316,594)	
	2018/19 Structural Unallocated (Deficit)	\$3,009,134	
	2018/19 Additional cost of remaining CB settlements	(\$581,550)	
	2018/19 Additional full-time faculty revenue	\$1,307,884	
	Difference of 17/18 settle up with Exhibit E	\$237,078	
	Savings Faculty replacement budget at VI-12	\$326,659	
	Savings 18/19 all employees - budgeted vs actual	\$1,826,971	
	<b>Total Net Unallocated (Deficit)</b>	<b>\$1,809,582</b>	<b>(\$2,188,303)</b>

# Components of UGF Beginning Fund Balance (Page 38)

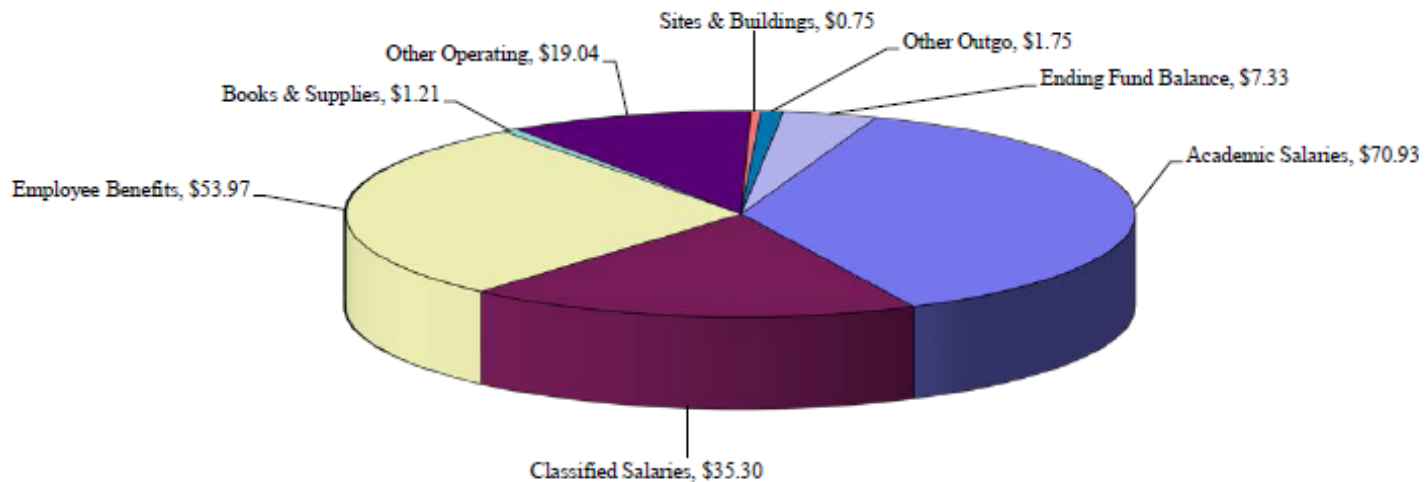


# Recap of Unrestricted General Fund Budget

Revenue in Millions



Expenditures in Millions





# Multi-year Projection and Related Information

# Multi-year Projections

- ▣ Multi-year Projections (MYP)
- ▣ Projections, based on assumptions
- ▣ Projecting flat enrollment and other metrics staying at the 2018-2019 levels
- ▣ Ongoing expense increases (~\$5 - 8 million /year) outpacing new ongoing revenues
- ▣ Easier to project expenditures in future years
- ▣ Future revenues very difficult to project as they are dependent on a number of factors such as state revenue, prop 98, growth or decline of FTES, changes in SCFF metrics
- ▣ Projections are harder to get accurate the further out we project

# Multi-year Projection (Page 109)

**Rancho Santiago Community College District  
Unrestricted General Fund 5 Year MYP  
Based on No Change in Enrollment or Other Metrics**

ASSUMPTIONS	Actual 2018-19	Projected 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24
COLA %	2.71%	3.26%	3%	2.80%	3.16%	3.16%
Credit FTES	17,974.79	17,974.79	17,974.79	17,974.79	17,974.79	17,974.79
Non-credit FTES	938.49	938.49	938.49	938.49	938.49	938.49
CDCP FTES	4,530.98	4,530.98	4,530.98	4,530.98	4,530.98	4,530.98
Special Admit - FTES	2,439.54	2,439.54	2,439.54	2,439.54	2,439.54	2,439.54
Incarcerated FTES	-	-	-	-	-	-
Total Reported FTES	25,883.80	25,883.80	25,883.80	25,883.80	25,883.80	25,883.80
Change in Funded FTES		0.00%	0.00%	0.00%	0.00%	0.00%
3 Year Credit Average Used in SCFF	19,542.56	19,018.19	17,974.79	17,974.79	17,974.79	17,974.79
Lottery Revenue - Unrestricted	\$ 164	\$ 153	\$ 153	\$ 153	\$ 153	\$ 153
Step/Column	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
STRS	16.28%	17.10%	18.40%	18.10%	18.10%	18.10%
PERS	18.062%	19.721%	22.70%	24.60%	25.40%	26.10%
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 (Page 109)

MULTI YEAR PROJECTION	Actual 2018-19	Projected 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24
<i>Basic Allocation</i>	11,753,287	12,136,443	12,500,537	12,850,552	12,520,150	12,915,787
<i>- Less large college factor</i>				(713,919)		
<i>FTES allocation</i>						
<i>Credit</i>	72,835,121	73,191,504	71,251,349	73,246,371	75,560,956	77,948,682
<i>Incarcerated</i>	13,311,772	13,745,735	14,158,114	14,554,540	15,014,463	15,488,920
<i>CDCP</i>	27,183,563	25,530,079	26,295,996	27,032,280	27,886,500	28,767,713
<i>Non-Credit</i>	3,656,400	3,244,003	3,341,325	3,434,883	3,543,425	3,655,397
<i>Supplemental</i>	25,290,880	26,115,363	26,898,824	27,651,991	28,525,794	29,427,209
<i>Student Success</i>	19,925,959	20,575,546	21,192,812	21,786,211	22,474,655	23,184,854
<i>Calculated Amount</i>	173,956,982	174,538,673	175,638,957	179,842,909	185,525,943	191,388,562
<b>HOLD HARMLESS</b>	169,318,347	174,838,125	180,083,269	185,125,600		
Est Apportionment (FD 11)	169,318,347	174,838,125	180,083,269	185,125,600	185,525,943	191,388,562
Est Other Income (FD 11)	17,586,340	15,438,007	15,517,248	15,517,248	15,517,248	15,517,248
Est Ongoing Expense (FD 11)	182,375,183	188,466,550	196,583,242	203,574,934	211,819,153	220,128,252
Est One Time Income (FD 13)	4,850,827					
Est One Time Expense (FD 13)	8,524,498					
Est Unrestricted FD change	855,833	1,809,582	(982,725)	(2,932,086)	(10,775,962)	(13,222,442)
Est Beginning FD Balance	37,903,213	38,759,046	40,568,628	39,585,903	36,653,817	25,877,855
Est Ending Fund Balance	38,759,046	40,568,628	39,585,903	36,653,817	25,877,855	12,655,413

Hold harmless provision ends 2021-22



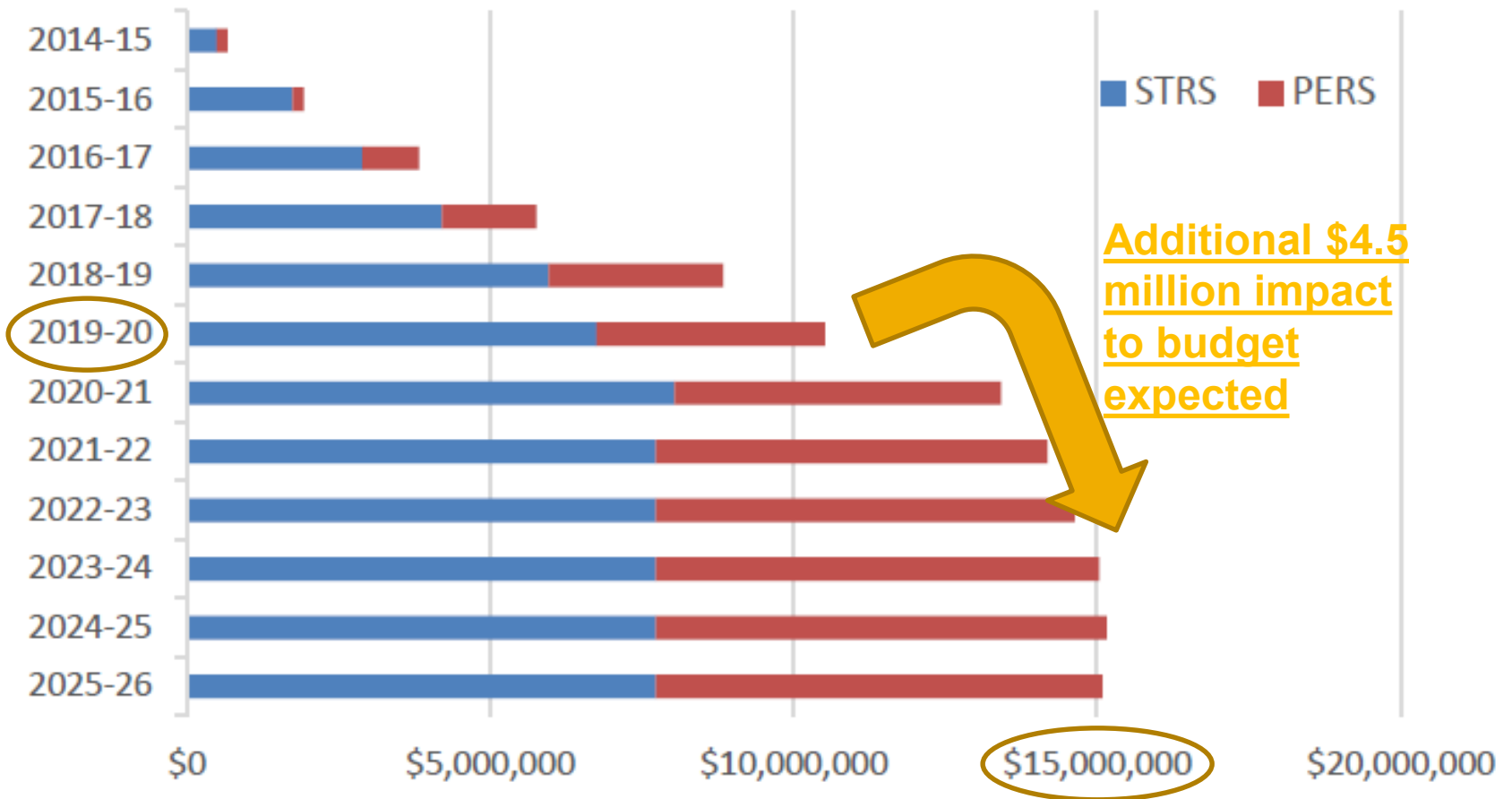
# Ongoing Issues

- ▣ Continuing changes to state SCFF model
- ▣ More and more unpredictable
- ▣ More districts headed to hold harmless funding
- ▣ 2022-2023 fiscal cliff if no other changes or additional revenue added to SCFF
- ▣ Anticipated state economic slowdown
  - Prop 98 funding increases will continue to be limited
- ▣ Continued PERS/STRS cost increases
  - Any rate increases in the future over and above what we already know?
- ▣ Closely monitor budget throughout the year
  - Both Revenues and Expenditures



# STRS/PERS Increases (Page 128)

## STRS & PERS Cumulative Impact



# Recommendation

# List of all District Funds Budgeted (Page 4)

## List of Funds Budgeted

General Fund		
Expenditures	\$	382,738,881
Board Policy Contingency (12.5%)		24,989,421
Restricted Reserves		6,892,020
Budget Stabilization		1,306,642
Unrestricted Contingency		1,809,582
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Total General Fund	\$	417,736,546
Bond Interest and Redemption Funds		62,138,752
Bookstore Fund		9,840,395
Child Development Fund		8,870,521
Capital Outlay Projects Fund		115,990,659
General Obligation Bond Fund - Measure Q		79,653,363
Self-Insurance Fund - Property and Liability		6,838,770
Self-Insurance Fund - Workers' Compensation		5,443,191
Retiree Benefits Fund		(25,257,173)
Associated Students Fund		1,750,519
Representation Fee Trust Fund		198,505
Student Financial Aid Fund		32,792,608
Community Education Fund		1,077,859
Retiree Benefits-Irrevocable Trust Fund		57,000,000
Diversified Trust Fund		5,568,789
		<hr/>
Total All Funds	\$	<u>779,643,304</u>

# Adopted Budget Recommendation

- ▣ Recommend approval of the proposed 2019-2020 Adopted Budget, as presented