



**SANTA ANA**  
**COLLEGE**



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

# 2019/2020 TENTATIVE BUDGET

Board of Trustees Meeting  
June 17, 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. Budget Planning Process
2. Community Colleges Prop 98
3. RSCCD 2019-2020 Proposed Tentative Budget
4. Recommendation

# Budget Planning Process

# RSCCD Budget Planning Process

## Recap how we got here...

- ▣ Governor's January Budget Proposal for 2019/2020 released January 10, 2019
- ▣ RSCCD Board Presentations on Governor's Proposal and 2019/2020 Tentative Budget Assumptions (January 14th and March 25<sup>th</sup>)
  - Fiscal Resources Committee (FRC) and District Council review and recommended assumptions
- ▣ Governor's May Revision released May 10<sup>th</sup>
- ▣ 2019/2020 Tentative Budget approval tonight
  - FRC and District Council reviewed and recommended Tentative Budget as presented
    - ▣ Includes minor May Revise adjustments

# State Budget Planning Process Latest Information

- ▣ Last week, Governor negotiated budget deal with legislative leaders
- ▣ Legislative Budget Conference Committee concluded their work on Governor's negotiated budget deal on Sunday evening, June 9<sup>th</sup>
- ▣ Legislature (both houses) approved State Budget on June 13<sup>th</sup>
- ▣ State Budget – AB74 approved by June 15<sup>th</sup> deadline
  - Budget placeholder
  - Implementing Trailer Bills pending over next few weeks
- ▣ Governor expected to sign AB 74 by July 1<sup>st</sup>
  - Significant line item vetoes not expected

Community Colleges Prop 98  
Student Centered Funding Formula  
SCFF

# Community Colleges Prop 98 Student Centered Funding Formula

- ▣ Essentially same funding as May Revise
- ▣ Cost of Living Allowance (COLA) – 3.26%
  - RSCCD = approximately \$6 million
- ▣ STRS and PERS employer rate relief for two years
  - Same level of overall funding (\$500 million) in STRS proposal by Governor in May Revise to be split 50/50 between STRS and PERS
    - ▣ Outside of Prop 98 allocation
  - Partially offsets increased employer rates for STRS and PERS
  - Rates to be determined
  - RSCCD = combined should save approximately \$1.1 million
- ▣ No additional funding provided for SCFF in current year 2018/2019 and budget year 2019/2020
  - All categories and metrics will be constrained to existing funding (thereby, no perceived apportionment deficit)
  - Data metric's funding rates are changing (constrained) in 2018/19 and 2019/20 to live within existing apportionment funding
    - ▣ Back into rates to constrain to existing funding
    - ▣ Rates can change four or five times a year

# Student Centered Funding Formula

- ▣ SCFF changes
  - Cap Student Success portion of the formula to 10% of total SCFF allocation
    - ▣ Will not transition to 60%/20%/20% split
    - ▣ Will remain at current 70%/20%/10% split
      - FTES Base – 70%
      - Supplemental – 20%
      - Student Success – 10%
  - Student Success metrics will use three-year rolling averaging
  - Count only highest award in same year
  - New Transfer data elements definition
    - ▣ Transfer data metrics changing to 3 data sources
    - ▣ Will lower all districts transfer data rates by 1/3
- ▣ SCFF Hold Harmless now extended through 2021/2022
  - Added fourth year for hold harmless districts



RSCCD  
2019/2020  
Proposed Tentative Budget

# Proposed RSCCD Tentative Budget

- Tentative Budget is a placeholder budget in order to continue to pay employees and obligations starting July 1<sup>st</sup>
  - Placeholder budget
  - Placeholder budget
  - Placeholder budget
- State Revenue numbers will absolutely change by Adopted Budget
- RSCCD is now essentially considered a “hold harmless” district
- Guaranteed 2017/2018 Total Computational Revenue (TCR) plus COLA plus COLA for 2019/2020
  - 18/19 – 17/18 TCR funding plus 2.71% COLA
  - 19/20 – 17/18 TCR funding plus 2.71% COLA plus 3.26% COLA
- Any funding above COLA at this point considered miniscule or unlikely with formula manipulations
  - Wait and see...

# Proposed RSCCD Tentative Budget Summary

- ▣ Includes Board approved Tentative Budget Assumptions, updated with the latest information from May Revise (p. 80-82)
- ▣ Uses the old SB361 RSCCD BAM internal allocations formula for campuses and District Office
  - FTES percentage split
- ▣ Includes \$7.8 million in anticipated new revenue
  - \$6 million of which is 3.26% COLA
  - \$1.1 million is releasing apportionment Deficit Factor
- ▣ Balanced Tentative Budget

# Proposed RSCCD Tentative Budget Final Reminder

- ▣ Chancellor's Office Budget Workshop
  - Not scheduled until mid-August
  - "Blue Book" (now white) won't be provided to districts until Budget Workshops
    - ▣ Provides Advanced Apportionment details and state funded grant and entitlements
  - Therefore, more detailed information for Adopted Budget will not be available for inclusion into RSCCD Adopted Budget
- ▣ Will attempt to provide most up to date information in Proposed Adopted Budget
- ▣ 2018/2019 fiscal year closing and actual balances will be known for Adopted Budget
- ▣ Adopted Budget presented for Board of Trustees approval at September 9<sup>th</sup> Board meeting

# Tentative Budget Recommendation

- ▣ Recommend approval of the proposed 2019/2020 Tentative Budget as presented

