



2020-2021 ADOPTED BUDGET

Board of Trustees Meeting

October 12, 2020

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

- Statewide Budget Update
- RSCCD Budget Assumptions Update and 2020-2021 Proposed Adopted Budget
- Recommendation

Statewide Budget Update

Statewide Budget Update

- Pandemic and ensuing recession dramatically changed the 2020-21 State budget from a \$5.6 billion surplus to a \$54.3 billion deficit
- For California Community Colleges, the 2020-21 budget agreement prevents cuts to apportionments and categoricals
- In order to accomplish this, \$1.45 billion in funding to colleges is deferred to the following year and provides no COLA and no enrollment growth
- Districts need to rely on existing cash reserves or borrowing to maintain level of service
- RSCCD = \$34.8 million in deferrals. Adequate cash on hand
- Hold Harmless funding extended through 2023-24

Statewide Budget Update

- Close out of 2019-20 won't be final until February 2021 but currently shows a deficit factor being applied to funding
- RSCCD booked 2% deficit at 2019-20 year end closing and included this same deficit for 2020-21 budget (\$3.5 million)
- ACBO virtual conference and Fiscal & Policy webinar being held during the week of October 26
- Continue to monitor economic trends
- We are now in a holding pattern related to the budget until the LAO issues its Fiscal Outlook in November and the governor releases his January budget proposal

Statewide Budget Update

- Budget also provides significant funding related to COVID-19, over \$11 million:
 - CARES Act Student Aid \$4.2 million
 - CARES Act Institutional Funds \$4.2 million
 - CARES Act MSI \$577 thousand
 - COVID-19 Block Grant \$2.8 million
- Over \$5 million spent to date
- Also received \$3.6 million worth of PPE from the state
- Continue to assess needs and spend as necessary for the safety of students and staff

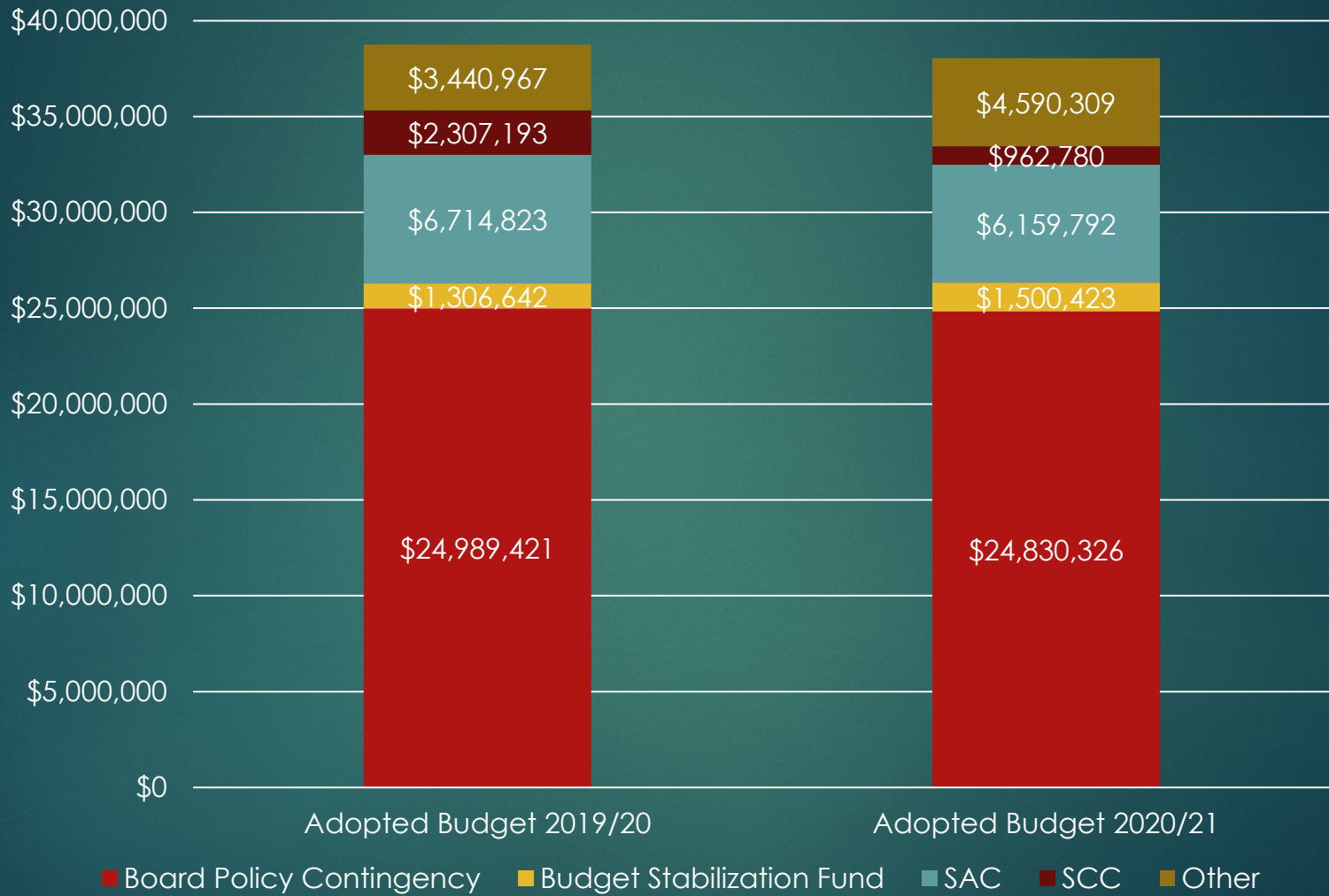
RSCCD Budget Assumptions Update and 2020-2021 Proposed Adopted Budget

Proposed Adopted Budget

- Includes Board approved Budget Assumptions for the Adopted Budget
 - Approved at August 10 Board meeting
 - Updated to cover the \$2.2 million deficit
- Includes June 30, 2020 fiscal year end closing balances
 - 2019-2020 unaudited actual revenues and expenditures
- 12.5% Board Policy Contingency at \$24.8 million
- Budget Stabilization Fund at \$1.5 million

Components of UGF Beginning Fund Balance

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Proposed Adopted Budget

- District budgeting apportionment revenue at hold harmless level (2017-2018 TCR + 2018-2019 COLA + 2019-2020 COLA less 2% Deficit Factor)
- Any additional funds under SCFF will be distributed as one-time funds once earned and allocated
- Balanced budget in 2020-2021
 - \$3 million in budget reductions remain intact from Tentative Budget
 - Remaining deficit amount of \$2.2 million will be covered with \$1.8 million ASCIP rebate and other benefits and vacancy savings
 - 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

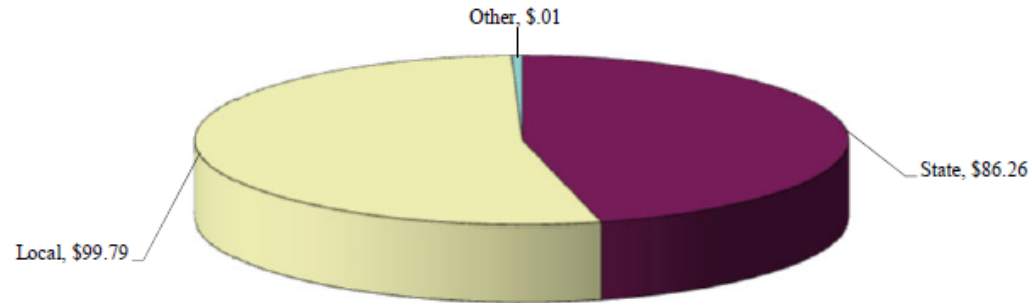
Adopted Budget Assumptions Recap—page 106

<u>New Revenues</u>	Ongoing Only	One-Time
Student Centered Funding Formula		
COLA 0%	\$0	
Growth	\$0	
Deficit Factor (2%)	(\$3,496,762)	
Unrestricted Lottery	\$80,402	
Mandates Block Grant	\$77,098	
Non-Resident Tuition	(\$1,500,000)	
Interest Earnings	\$0	
Apprenticeship - SCC	\$792,314	
Misc Income	(\$171,009)	
Total	(\$4,217,959)	\$0
<u>New Expenditures</u>		
Salary Schedule Increases/Collective Bargaining 4.00% **	\$4,019,430	
Step/Column	\$1,688,330	
Health and Welfare/Benefits Increase (3.5%)	\$926,074	
CalSTRS Decrease	(\$694,283)	
CalPERS Increase	\$381,285	
Full Time Faculty Obligation Hires	(\$2,942,093)	
Hourly Faculty Budgets (Match Budget to Actual Expense)	\$1,015,954	
Decreased Cost of Retiree Health Benefit ADC	(\$1,899,032)	
Capital Outlay/Scheduled Maintenance Contribution	\$0	
Utilities Increase	\$100,000	
ITS Licensing/Contract Escalation Cost	\$125,000	
Property, Liability and All Risks Insurance	\$0	
Apprenticeship - SCC	\$1,003,844	
Other Additional DS/Institutional Costs	\$500,000	\$0
Elimination of UGF transfer to Child Development Fund	(\$250,000)	
SCC ADA Settlement Costs	\$0	\$2,000,000
Round One Budget Reductions	(\$3,000,000)	
Total	\$972,509	\$2,000,000
2020/21 Budget Year Unallocated (Deficit)	(\$5,190,468)	
2019/20 Structural Unallocated (Deficit)	\$1,809,582	
Savings Faculty replacement budget at VI-12	\$590,360	
Savings 2019/20 - budgeted vs actual/rebudgeted vacancies	\$562,258	
Other Estimated Savings	\$2,228,268	
Total Net Unallocated (Deficit)	\$0	(\$2,000,000)

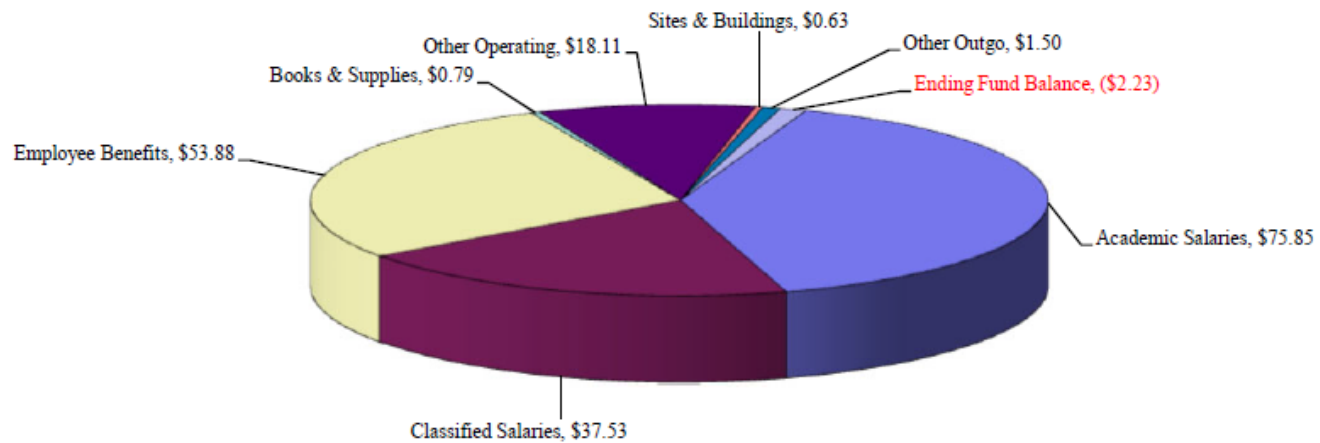
Recap of Unrestricted General Fund Budget

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Revenue in Millions



Expenditures in Millions



Recommendation

List of Funds Budgeted

General Fund		
Expenditures	\$ 377,728,618	
Board Policy Contingency (12.5%)	24,830,326	
Restricted Reserves	2,548,005	
Budget Stabilization	1,500,423	
Unrestricted Contingency	(2,228,268)	
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Total General Fund		\$ 404,379,104
Bond Interest and Redemption Funds		66,432,773
Bookstore Fund		9,043,938
Child Development Fund		9,452,114
Capital Outlay Projects Fund		121,232,896
General Obligation Bond Fund - Measure Q		36,941,527
Self-Insurance Fund - Property and Liability		7,499,721
Self-Insurance Fund - Workers' Compensation		6,161,167
Retiree Benefits Fund		(22,353,158)
Associated Students Fund		1,782,975
Representation Fee Trust Fund		283,340
Student Financial Aid Fund		36,422,053
Community Education Fund		929,771
Retiree Benefits-Irrevocable Trust Fund		48,141,659
Diversified Trust Fund		5,096,758
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Total All Funds		\$ 731,446,638

Adopted Budget Recommendation

- Recommend approval of the proposed 2020-2021 Adopted Budget, as presented