RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: Fiscal Resources Committee

Agenda for March 25, 2015

1:30 p.m. - 3:00 p.m.
Executive Conference Room #114

1. Welcome

2. State/District Budget Update – Hardash
   - LAO 2015-16 Budget Higher Education Analysis: http://www.lao.ca.gov/Publications/Detail/3188
   - LAO Overview of Proposition 98 Budget Proposals-March 5, 2015
   - Report to CEO's at CCLC Budget Briefing
   - SSC update-March 06, 2015
   - Update on New Growth Formula

3. Review of Cash Flow Summary Report

4. Budget Allocation Model (BAM) Review

5. Committee Calendar

6. Informational Handouts
   - District-wide expenditure report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of March 18, 2015
   - Measure "E" Project Cost Summary as of February 23, 2015
   - Measure "Q" Project Cost Summary as of February 23, 2015
   - Monthly Cash Flow Summary as of February 28, 2015

7. Approval of FRC Minutes – February 25, 2015

8. Other

Next FRC Committee Meeting: (Executive Conference Room #114 1:30 pm – 3:00 pm)

April 22, 2015

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.

LAO
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March 5, 2015

Overview of Proposition 98 Budget Proposals

L E G I S L A T I V E   A N A L Y S T ' S   O F F I C E

Presented to:
Senate Budget Subcommittee No. 1 on Education Finance
Hon. Marty Block, Chair

March 5, 2015

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Increases in 2013-14 and 2014-15 Minimum Guarantees

(In Millions)

	2013-14			2014-15		
	June 2014 Estimate	January 2015 Estimate	Change	June 2014 Estimate	January 2015 Estimate	Change
Minimum Guarantee						
General Fund	$42,731	$42,824	$94	$44,462	$46,648	$2,186
Local property tax	15,572	15,849	277	16,397	16,505	108
Totals	**$58,302**	**$58,673**	**$371**	**$60,859**	**$63,153**	**$2,294**

☑ **2013-14 Minimum Guarantee Up $371 Million**

- Due primarily to an increase in General Fund revenue and higher K-12 attendance.
- "Test 3" is the operative Proposition 98 test for calculating the minimum guarantee.
- State creates $241 million in new maintenance factor.

☑ **2014-15 Minimum Guarantee Up $2.3 Billion**

- Due almost entirely to higher General Fund revenue.
- "Test 1" is the operative test. Due to a required maintenance factor payment, the minimum guarantee changes nearly dollar for dollar with changes in revenue.
- State pays off $3.8 billion in outstanding maintenance factor.

March 5, 2015

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2015-16 Minimum Guarantee

(Dollars in Millions)

	2013-14 Revised	2014-15 Revised	2015-16 Proposed	Change From 2014-15 Amount	Change From 2014-15 Percent
Preschool	$507	$664	$657	-$8	-1%
K-12 Education					
General Fund	$38,005	$41,322	$41,280	-$43	—
Local property tax revenue	13,671	14,184	16,068	1,885	13
Subtotals	($51,675)	($55,506)	($57,348)	($1,842)	(3%)
California Community Colleges					
General Fund	$4,235	$4,581	$5,002	$421	9%
Local property tax revenue	2,178	2,321	2,628	307	13
Subtotals	($6,413)	($6,902)	($7,630)	($728)	(11%)
Other Agencies	$78	$80	$80	—	—
Totals	**$58,673**	**$63,153**	**$65,716**	**$2,563**	**4%**
General Fund	$42,824	$46,648	$47,019	$371	1%
Local property tax revenue	15,849	16,505	18,697	2,192	13

☑ **Minimum Guarantee $2.6 Billion Above Revised 2014-15 Level**

- "Test 2" is the operative test, with the minimum guarantee affected primarily by growth in per capita personal income (2.9 percent) and increases in the prior-year funding level.
- Includes a $725 million maintenance factor payment, leaving $1.9 billion in maintenance factor outstanding.

☑ **Local Property Tax Revenue Increases $2.2 Billion**

- Includes $1.2 billion in property tax revenue shifted back from cities and counties to schools and community colleges due to the end of the "triple flip."
- Remainder due to increases in assessed property values and shifts in revenue from former redevelopment agencies.

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Update on Dissolution of Redevelopment Agencies (RDAs)

☑ **State Dissolved RDAs in 2011**

- Assets were to be sold and associated cash proceeds, along with any cash reserves, were to be allocated to schools and local governments.
- Existing debt obligations were to be retired over time, with a corresponding shift of local property tax revenue to schools and local governments.

☑ **Disposal of RDA Assets and Cash Reserves Provides General Fund Savings**

- State is "rebenching" the Proposition 98 minimum guarantee every year to account for the shift of additional local property tax revenue. This adjustment reduces General Fund spending on schools dollar for dollar.
- Provided General Fund savings of $1.2 billion in 2012-13, $318 million in 2013-14, and $67 million in 2014-15. (Small additional General Fund savings are expected for the next few years until the disposal of assets is complete.)

☑ **Some Ongoing Local Property Tax Revenue Provides General Fund Savings**

- In 2012-13, the state rebenched the guarantee to account for $700 million in new local property tax revenue shifted to schools, providing comparable General Fund savings.
- In subsequent years, the state has not updated its adjustments of the minimum guarantee to reflect increases in ongoing local property tax revenue shifted from former RDAs.
- The budget assumes the total revenue shifted in 2014-15 is $824 million. Results in schools receiving an additional $124 million that would otherwise benefit the General Fund.

March 5, 2015

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LAO Comments on Estimates of Minimum Guarantee

☑ **Additional Revenue in 2014-15 Would Increase Minimum Guarantee Nearly Dollar for Dollar**

- We believe revenue is likely to exceed the administration's January projections by $1 billion to $2 billion, barring a sustained stock market drop between now and June.
- The Legislature could begin considering how it might allocate such a large increase in one-time funding for schools and community colleges.

☑ **Increase in 2014-15 Minimum Guarantee Would Affect 2015-16**

- To the extent the 2014-15 minimum guarantee increases, the 2015-16 minimum guarantee is likely to increase by a roughly similar amount.
- The 2015-16 minimum guarantee likely would increase even if the additional revenue in 2014-15 were temporary.

☑ **Economic Slowdown Could Drop Minimum Guarantee in 2016-17**

- Because Proposition 98 funding is sensitive to changes in state revenue, an economic slowdown in 2016 could reduce the 2016-17 Proposition 98 minimum guarantee below the Governor's 2015-16 estimate.

☑ **Deposits in State School Reserve Remain Unlikely**

- Conditions necessary to trigger a deposit into the state school reserve unlikely to be met over the next several years.
- Limits on school district reserves linked to deposits likely would not take effect.

Changes in 2013-14 and 2014-15 Spending

☑ **Higher 2013-14 Spending ($371 Million)**

- $301 million to reduce the K-14 mandate backlog.
- $70 million to account for other cost increases, primarily related to higher than expected Local Control Funding Formula (LCFF) costs (due to higher K-12 attendance).

☑ **Higher 2014-15 Spending ($2.3 Billion)**

- $992 million to pay down all remaining deferrals, consistent with budget trailer legislation adopted last June.
- $975 million to reduce the K-14 mandate backlog.
- $48 million to extend Career Technical Education Pathways Initiative for one additional year.
- $279 million to account for other cost increases, primarily related to higher than expected LCFF costs.

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Changes in 2015-16 Spending

☑ **Governor's Budget Includes Three Main Proposals**

- $4 billion to continue implementation of the LCFF.
- $828 million for a package of workforce education and training initiatives.
- $772 million to support various increases in community college funding.

☑ **Overall Per-Pupil Funding Increases From 2014-15 Revised Estimates**

- K-12 funding per pupil increases from $9,263 in 2014-15 to $9,571 in 2015-16, an increase of $308 (3.3 percent).
- Community college funding per full-time equivalent student increases from $6,066 in 2014-15 to $6,574, an increase of $508 (8.4 percent).

Changes in 2015-16 Spending *(Continued)*

(In Millions)

2014-15 Revised Spending Level	**$63,153**
Technical Adjustments	
Remove prior-year, one-time payments	-$3,503
Adjust energy efficiency funds	15
Annualize funding for 4,000 new preschool slots	15
Make other adjustments	166
Subtotal	(-$3,307)
K-12 Education	
Fund LCFF increase for school districts	$4,048
Fund Internet infrastructure grants (one time)	100
Provide K-12 COLA for select programs	71
Increase funding for the Charter School Facility Grant Program	50
Subtotal	($4,270)
Workforce Education and Training	
Fund adult education consortia	$500
Fund career technical education grants (one time)	250
Fund certain noncredit courses at credit rate	49
Fund new apprenticeships in high-demand occupations	15
Increase funding for established apprenticeships	14
Subtotal	($828)
California Community Colleges	
Augment student support programs	$200
Augment CCC funding (to be specified in May Revision)[a]	170
Pay down mandate backlog (one time)	125
Provide apportionment increase (above growth and COLA)	125
Fund 2 percent enrollment growth	107
Provide 1.58 percent COLA for apportionments	92
Remove enrollment stability funding	-47
Subtotal	($772)
Total Changes	**$2,563**
2015-16 Proposed Spending Level	**$65,716**

a The Governor's January budget omitted $170 million in available Proposition 98 funds. The administration indicates it will budget these funds for specified CCC purposes in the May Revision.

CTE = Career Technical Education; LCFF = Local Control Funding Formula; and COLA = cost-of-living adjustment.

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LAO Comments on Spending Package

☑ **Governor's Spending Priorities Generally Consistent With Legislature's Priorities**

- LCFF implementation has been top priority for Legislature.
- Proposed adult education block grant builds upon existing legislative efforts.

☑ **Proposed Budget Makes Notable Progress Toward Retiring Education Obligations**

- All state school and community college payments would be made on schedule for the first time since 2000-01.
- Budget package provides total of $1.5 billion to pay down the mandate backlog. We estimate the remaining backlog would be about $2.9 billion.

☑ **Devoting Some Funding to One-Time Purposes Provides Cushion Against Future Declines**

- The Governor's budget dedicates $475 million in 2015-16 to one-time purposes.
- The Legislature could consider dedicating even more funding to one-time purposes to provide a larger cushion against a potential economic slowdown in 2016.

COMMUNITY COLLEGE LEAGUE
OF CALIFORNIA

Agenda Item Details

Meeting	Mar 20, 2015 - CEOCCC Board Meeting
Category	5. Legislation and Finance
Subject	5.1 State Budget
Type	Action, Discussion

Revenues

State Controller Betty Yee announced last week that the state's February receipts totaled $6.6 billion, or $1 billion (18.3%) above the Governor's estimates in his 2015-16 proposal. This is due to the combination of personal income tax revenues coming in 26% higher than projected and retail sales and use taxes coming in at 16% higher than projected.

Apportionments

The Fiscal Workgroup has reviewed several apportionment runs for allocating the $125 million of unallocated funds proposed in the 2015-16 budget. These include runs which provide:

1. A 2.15% increase for every district;
2. Doubling of the rural basic allocation;
3. A full-time faculty add-on; and
4. A pension payment add-on (which reflects the proportional revenue to each district based on its increases in PERS/STRS payments.)

While the consensus of the work group was that the 2.15% baseline increase was likely to be the most appropriate allocation formula, they decided to delay a decision pending additional input and discussion.

Stability

In response to the three-year stability proposal of the CEOCCC board, CEOs from several large districts expressed concern about its impact on districts which were growing and may include overcap FTES. They were asked to draft an alternative proposal and responded with a proposal that called for full funding in the first year on stability; 90% funding in the second year and 75% funding in the third year, while retaining the current ability to return to the original cap after the third year if FTES rebounded.

The Chancellor's Office is currently running simulations to determine how the alternate proposal compares with holding district harmless for three years at 100%. While they have not completed their work at the time this agenda was drafted, preliminary runs of the step-down proposal show that only two districts would qualify for stability in the second year and none would qualify in the third year.

Growth Allocation Formula

The Legislative Analyst's Office has asserted that the growth allocation formula developed by the Fiscal Workgroup is inadequate and does not meet legislative requirements so has proposed that the Chancellor's Office "develop one or more alternative growth allocation models that better balance need, capacity, and demand" to be completed by May 1. Staff will provide a verbal update of the discussions within the Workgroup.

Schedule of Hearings of Community College Budget Items

- March 5 — Assembly Subcommittee #2 on Education – Overview Hearing on Higher Education
- March 11 — Joint Assembly Higher Education and Senate Education Committees -- Adult Education
- March 24 — Assembly Budget Subcommittee #2 – Career Technical Education and Adult Education
- April 8 — Assembly Budget Subcommittee #2 – California Community Colleges

Legislative Analyst's Office – Analysis of the 2015-16 Higher Education Budget Proposal

On Friday, February 27, the Legislative Analyst Office (LAO) published the higher education portion of their analysis of the Governor's proposed budget. This document and the issues it raises form the basis for the budget discussions throughout spring. Following is a summary of the recommendations of the Analyst as well as information and analysis on a variety of budget issues.

Overall Higher Education Spending Plan

The LAO notes that the overall plan is better tailored than last year to the challenges facing higher education. However, the Governor's budget treats the segments differently without solid justification, such as by setting an enrollment target for community colleges but not for the universities.

Performance

The LAO recommends requiring each segment to compare its performance against external benchmarks – in addition to its own targets – in its annual performance reports. Comparisons should reflect the performance of public institutions serving similar students in other states. Each segment should also be required to include in its annual performance report an analysis of its current performance and strategies for improving it.

The LAO finds that four-year completion rates declined (to 35%) for the community college student-cohort entering in 2009-10. They express concern about excess unit-taking indicating that the average community college student generates more than double the required units for his/her certificate or degree.

Enrollment Budgeting

The LAO finds that community college enrollment has grown by two percent in 2014-15 which is lower than the 2.75 percent provided in the budget. The *LAO recommends* that the Legislature use the updated P2 data later in the spring and adjust growth funding for both the current and budget years.

Upon noting that the Governor proposes 2 percent growth funding ($107 million, for 23,000 FTE students) in 2015-16, while eliminating $47 million in "restoration" (i.e., stability) funding, the *LAO recommends* that the Legislature specify the amount and purpose of enrollment growth funding in the budget. Further, the LAO disagrees with the Administration's assertion that the $47 million reduction is a technical adjustment; instead, it requires a statutory change. This assures that there will be discussion of stability/restoration in the budget and/or budget trailer bill.

Transfer

The LAO notes that, while lacking justification for additional freshman slots, CSU reported denying admission to 18,000 eligible transfer students in fall 2014, but has not specified the number who were denied access to their local CSU campus. *The LAO therefore recommends* that CSU report, by May 1, data to allow the Legislature to determine if some campuses require growth funding to enroll eligible transfer applicants at their local campus.

UC reports accepting all eligible transfer students who met the minimum admission standards for transfer students as defined in the Master Plan. The university notes, however, that not all eligible students are being accepted into the campus or program of choice. (Specifically, the State Auditor found that UC diverted over 11,000 qualified students from their campus of choice to UC Merced; only 200 actually enrolled.)

Funding Level

The LAO notes that, while core funding is up and enrollment is down, the per-student increase is insufficient to keep up entirely with inflation; specifically, inflation-adjusted spending per community college student in 2014-15 is 0.8 percent lower than in 2007-08.

The LAO recommends that the Legislature specify any augmentations above growth and COLA for its highest priorities. Specifically, the LAO targets the $125 million CCC base increase and another $170M in unallocated Prop 98 funds for meeting legislative priorities. Meanwhile, the League and others in the system will be working to explain the need for retaining flexibility for use of these funds as well as developing a list of the system's priorities, should the Legislature seek to implement the LAOs recommendation.

Proposed New Growth Allocation Funding

The LAO is aware of the difficulty in determining community college enrollment demand due to the inverse relationship of enrollment and the economy.

Meanwhile, in the waning days of the 2014 budget season, language was inserted into the Education Budget Trailer Bill to require the Chancellor's Office to develop a revised growth formula for districts including, but not limited to, "the number of individuals younger than 25 years of age without a bachelor's degree and the number of persons within a district's boundaries who are in poverty and have limited English skills as primary factors." The task of recommending an appropriate formula was delegated to the Chancellor's Task Force on Fiscal Affairs; that task force worked for several months on this difficult task and delivered a proposal to the Chancellor's Office in fall 2014.

While the task force used proxies as close to the required factors as possible while simultaneously creating a formula which would match funding with demand, the LAO criticizes the formula as not sufficiently consistent with statutory guidance.

The primary causes of the differences between the task force's recommendations and the statutory language is that the factors proposed in the trailer bill are similar to those used for the local funding formula for K-12 schools. However, community colleges differ from K-12 schools in that the colleges do not have mandatory enrollment so cannot require attendance by their local population and the colleges have free flow so that many colleges serve significant numbers of students who live outside their boundaries. The result, as recognized by the LAO is that "enrollment need….aligns poorly with enrollment demand in some districts."

As a result of these concerns, *the LAO recommends* that the Chancellor's Office:

1. Be charged with developing, by May 1, an alternative growth allocation formula or formulas that better balance need, capacity, and demand;
2. Consult with the Department of Finance, legislative staff and other stakeholders while developing the formula (s); and
3. Include consideration of how the new formula factors could be phased in, possibly by assigning a gradually-increasing weight to the new factors while simultaneously decreasing the weight for current enrollment patterns.

Equity Plans
The LAO indicates that they will respond to the student equity plans during spring hearings, after they have the opportunity to review the plans.

Additional Recommendations
The LAO also recommends:

1. Approval of the six-month extension on SSSP funds for 2013-14 and 2014-15;

Creation of a CCC student support block grant to consolidate seven student support programs -- SSSP, EOPS, Financial Aid Administration; CalWORKS, Student Services, Student Success for Basic Skills Students, the Fund for Student Success, and Campus Child Care support – totaling $691 million and proposes that these funds be allocated to districts upon adoption of a new funding formula based primarily on a per-student basis, with some allowance for districts with high percentages of financial aid recipients or students with other indicators of need, and possibly district performance in meeting goals for improving outcomes and/or reducing achievement disparities.

The COMMUNITY COLLEGE UPDATE

Volume 28 For Publication Date: March 06, 2015 No. 5

Despite an Improving Economy, Some LEAs Are Facing Layoffs

The Great Recession forced local educational agencies (LEAs) to plan conservatively, seek concessions from employees, and lay off unprecedented numbers of certificated and classified employees. While an improved economy has made it possible for most LEAs to restore concessions sought during the downturn and rehire nearly all certificated and classified employees on the reemployment list, some LEAs will still find it necessary to issue certificated and/or classified layoff notices this spring.

LEAs who are deficit spending and/or who have declining enrollment may continue to need to reduce positions in the certificated and classified service. And LEAs will use much of their new discretionary dollars to cover the cost of step and column movement, increases in health and welfare benefits, and increased pension obligations.

By now, LEAs needing to issue certificated layoff notices should have updated the seniority list, created their particular kinds of service (PKS) resolution, determined their skipping criteria, and identified those certificated employees who will be receiving a preliminary certificated layoff notice no later than March 15, 2015. Because March 15 falls on a Sunday this year, LEAs should plan to send notices on or before Friday, March 13. Remember that the laws relating to temporary teacher classification have been recently challenged and redefined by the courts, adding a new layer of complexity to the already intricate certificated employee classification system. If you are contemplating the release of temporary teachers, it is essential that you ensure they are appropriately classified as temporary and that you work closely with legal counsel in determining if the temporary employee is entitled to a layoff notice, should receive a notice of non-reelection, or be given a letter terminating their temporary service.

If classified staff reductions are needed, remember that Assembly Bill 1908 (Chapter 860/2012) changed the notice requirements contained in E.C. 45117 and 88017. As of January 1, 2013, E.C. 45117 and 88017 require that written notice be given to a classified employee of a school district or community college not fewer than 60 days prior to the effective date of the layoff. The notice requirement applies to all employees in the classified service of a school district, county office of education, or a community college, including confidential employees and classified management employees, who are subject to layoff. Keep in mind that the method of service requirements for classified employees are different than those provided to certificated employees. Each classified employee who is to receive a layoff notice must be personally served.

Lastly, LEAs that issue notices of layoff this spring will need to negotiate effects, or impacts, with the exclusive representatives. For classified employees, not only are impacts of a layoff negotiable, but the decision to reduce classified positions in assigned time are also negotiable. E.C. 45101(g) and 88001(g) relating to classified employees states that a layoff includes any reduction in hours of employment or assignment to class that is **voluntarily consented to by the employee** in order to avoid interruption of employment. In practical terms, this means that reductions in hours worked per day, days worked per year, or reductions in classification must be voluntary and therefore cannot be imposed by the public school employer. Since the union has the exclusive right to represent employees, the decision to reduce classified positions is negotiable.

—Suzanne Speck

Rancho Santiago Community College
General Revenue Cycle and Anomalies to Revenue and Expenditures for FY13-14 & FY14-15
as of February 28,2015

	July	August	September	October	November	December	January	February	March	April	May	June
General Revenue Schedule												
State Apportionment Distribution	8.00%	8.00%	12.00%	10.00%	9.00%	5.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
	Enrollment Fees Prior Year Taxes Negative ERAF Payment	Enrollment Fees	Property Tax Allocation EPA Payment State Lottery Proceeds	EPA Payment	Property Tax Allocation	Enrollment Fees Property Tax Allocation EPA Payment RDA Funds	Enrollment Fees State Lottery Proceeds Property Tax Allocation RDA Fund Residuals		Property Tax Allocation EPA Payment	State Lottery Proceeds Property Tax Allocation		State Lottery Proceeds Property Tax Allocation EPA Payment RDA Fund Residuals Negative ERAF Payment *Booked Deferral as Revenue

Revenue	July	August	September	October	November	December	January	February	March	April	May	June
2014-2015							State Mandated Cost SAC/SCC					
2013-2014												PY Apportionment Adjustment Payment

Expenditures	July	August	September	October	November	December	January	February	March	April	May	June
2014-2015	Less Payroll in Summer Accrual Reversal			Property & Liability Insurance	Record interfund transfer fund 13 to fund 41			COLA/Classified Record interfund transfer fund 13 to fund 41				
2013-2014	Less Payroll in Summer Accrual Reversal			Property & Liability Insurance Record interfund transfer fund 13 OEC contribution	COLA/Certificated Record interfund transfer from fund 13 to fund 41			COLA/Classified				Property & Liability Insurance Interfund transfer from fund 13 to fund 33 Year End Accruals

Rancho Santiago Community College District
Budget Allocation Model
Based on SB 361

- 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 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). 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.

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 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 are 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 has responsibility 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

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 Allocation

The SB 361 funding model essentially allocates revenues to the colleges in the same manner as received by the District from the State of California. This method allocates all earned revenues to the colleges.

College and District Services Budgets and Expenditure Responsibilities

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.

Revenue and budget responsibilities are summarized on Table 2. The total annual revenue to each college will be the sum of base funding for each college and center as defined by 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 FRC. In reviewing the allocation of general funds, 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, 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 FRC and the District Council and approved by the Chancellor and the Board of Trustees. This funding method is essentially a chargeback to the colleges. *3 year DPP, Augmentation requests, process???

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.

An annual review of District Services and Institutional Costs will be conducted by 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 District Council believes a change to the allocation is necessary, it will submit its recommendation to 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

It is strongly recommended that the colleges and District Services budget centers set aside at least a 1% contingency reserve to handle unplanned and unforeseen expenses. If unspent by year end, this reserve falls into the year-end balance and is included in the Budget Centers' beginning balance for the following fiscal year.

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

The Budget Center reserve shall first be used to cover any deficit. If reserves are not sufficient to cover budget expenses and/or reserves are not able to be replenished the following year, then the Budget Center is to prepare an expenditure reduction plan and/or submit a request for the use of District Reserves to help offset the deficit. The expenditure reduction plan and/or a request to use District Reserves is to be submitted to FRC. If FRC agrees with the expenditure reduction plan and/or the request to use District Reserves, it will forward the recommendation to 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 FTES split reported by the District and funded by the state.

An example of revenue allocation and FTES change:

$100,000,000 is originally split 70% Santa Ana College ($70,000,000) and 30% Santiago Canyon College ($30,000,000) based on FTES split at the time. At the final FTES recalculation for that year, the District earns an additional $500,000 based on the total funded FTES. In addition, the split of FTES 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 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). 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).

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). 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).

This model should also include a stability mechanism. In a year in which a college earns less FTES than its base, the base FTES will remain intact following the state method for stabilization. That college is in funding stability for one year, but has up to three years in which to earn back to its base FTES. The funding for this stability will be from available district Budget Stabilization Funds. If this fund has been exhausted, the Chancellor will determine the source of 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.

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.

	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	

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, vendor rebates (not including utility rebates which are budgeted in Fund 41 for the particular budget center) and mandated cost reimbursements, 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. If an allocation is made to the colleges from mandated cost reimbursements and the claims are later challenged and require repayment, the colleges receiving the funds will be responsible for repayment at the time of repayment or withholding of funds from the state.

Cost of Living Adjustments: COLAs included in the tentative and adopted budgets shall be 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 10) 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 contractual cap for the health and welfare benefits. 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 earned by that college and transferred into Fund 13 the following year to be used for one-time expenses. The indirect earned by district projects will roll into the institutional ending fund balance.

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 liability for banked LHE will be 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 if any additional transfers are required, the colleges will be charged for the differences.

Other Possible Strategic Modifications

Summer FTES

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 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 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 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, 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, 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.

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. ~~FRC will evaluate requests for such funds on a case-by-case basis and submit a recommendation to the Chancellor~~. 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 Chancellor will establish a FON for each college. Each college shall be required to fund at least that number of full-time faculty positions. If the District falls below the FON and is penalized, the amount of the penalty will be deducted from the revenues of the college(s) causing the penalty. FRC, along with the District Enrollment Management Committee, should regularly review the FON targets and actuals and 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 Chancellor.

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

A. Definition of Terms

	TABLE 1 **Expenditure and Budget Responsibilities**	**Santa Ana College & CEC ☑**	**Santiago Canyon College & OEC ☑**	**District Services ☑**	**Institutional ☑**
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 ☑**
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

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 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.

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, used for one-time needs in the subsequent year.

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 Matriculation or Vocational 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.

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 and Orange Education Center.

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

Defund – Permanently eliminating a position and related cost from the budget.

Fifty Percent Law (50% Law) – Section 84362 of the Education Code, commonly known as the Fifty 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 the 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. That is, three times 175 equals 525.

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.

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 laws, decisions of federal or state courts, federal or state administrative regulations, or initiative measures.

Modification – The act of changing something.

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.

SB 361 – The New Community College Funding Model (Senate Bill 361), effective October 1, 2006, includes funding base 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 is 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 provides base operational allocations for colleges and centers scaled for size.

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.

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.

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.

FISCAL RESOURCES COMMITTEE PLANNING CALENDAR

January	Review Governor's Proposed Budget
February	Review and Recommend Tentative Budget Assumptions and Budget Calendar
March	Review and Update Budget Allocation Model (BAM)
April	Review and Update Budget Allocation Model (BAM)
May	Governor's May Revise and Review and Recommend Tentative Budget
June	
July	Governor Signs Budget and Update Budget Assumptions
August	Review and Recommend Proposed Adopted Budget
September	
October	
November	LAO Publishes Fiscal Outlook Report
December	

Vacant Funded Positions as of 3/18/2015 - Projected Annual Salary and Benefits Savings

Fund	Management/ Academic/ Confidential	Title	Reasons	Site	Effective Date	Notes	2014-15 Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Chin, Al	Director, District Safety & Security	Retirement	**District**	12/30/2013	interim by A. Winter	50,000	
11	Wooley, James	District Safety & Security Supervisor	Resignation	**District**	7/10/2014	CL14-0571 - interim by M. Colver	-	**50,000**
80%-fd 11 20%-fd 12	Anthony, Mary	Professor, Math	Retirement	**SAC**	6/6/2015	AC15-0420 fund Assistant Professor of Mathematics	-	
11	Bales, Terry	Professor, TV/Film/Video	Retirement	**SAC**	6/5/2015	AC15-0426 fund Assistant Profgessor of TV/Video Comm	-	
100%-fd 12	Blake, Sherri	Counselor	Retirement	**SAC**	11/17/2014	AC15-0432 fund Assistant Professor/Counselor		
11	Bowers, Cherie	Professor, Math	Retirement	**SAC**	6/6/2015	AC15-0416 fund Assistant Professor Fitness/Wellness/Fire Tech	-	
11	Carrera, Cheryl	Professor, Math	Interim assisgnment	**SAC**	8/20/2012	Interim Dean, Science, Math & Health Services and #B014659 One time transfer of 6 vacant FT Faculty positions to PT 11-0000-499900-15051-1310 - AC15-0420 fund Assistant Professor of Mathematics	-	
11	Crabb, Patrick	Professor, Art	Retirement	**SAC**	12/13/2014	#B014659 One time transfer of 6 vacant FT Faculty positions to PT 11-0000-499900-15051-1310 - AC15-0424 fund Assistant Professor of Studio Arts	23,327	
11	Dethlefsen, Elaine	Professors, Emergency Med Tech	Retirement	**SAC**	6/6/2015	AC15-0419 fund Assistant Professor of Emergency Med Tech	-	
11	Dooley, Bennie Allen	Dean, Business Division	Resignation	**SAC**	8/1/2014	AC14-0393 - Madeline Grant interim Dean	-	
11	Grant, Madeline	Professor, Management/Marketing	Interim assisgnment	**SAC**	9/23/2014	Interim Dean, Business Division	89,918	
11	Horgan, Linda	Associate Professor, Nursing	Resignation	**SAC**	8/17/2014	#B014659 One time transfer of 6 vacant FT Faculty positions to PT 11-0000-499900-15051-1310 - AC15-0418	46,987	
11	Kalko, John	Professor, Physical Sciense	Retirement	**SAC**	6/7/2014	#B014659 One time transfer of 6 vacant FT Faculty positions to PT 11-0000-499900-15051-1310 - AC15-0412 fund Assistant Professor of English	27,511	
11	Kikawa, Eve	Professor, Dance	Interim assisgnment	**SAC**	8/20/2013	Interim Dean, Fine and Performing Arts	84,193	
11	MacBride-Hart, Christy	Professor, Mathematics	Retirement	**SAC**	6/6/2015	AC15-0420 fund Assistant Professor of Mathematics	-	
11	Martin, Ronald	Professor, History	Retirement	**SAC**	6/6/2015	AC15-0423 fund Assistant Professor of Art History	-	**590,351**
11	Nichols, Bruce	Professor, Computer Information System	Retirement	**SAC**	6/6/2015	AC15-0422 fund Assistant Professor of Computer Science	-	
11	Nashua, Loy	Associate Dean, Student Development	Resignation	**SAC**	5/5/2015	AC15-0438	13,801	
11	Saliba, Elizabeth	Librarian/Associate Professor	Resignation	**SAC**	6/6/2015		-	
11	Smith, Sol	Professor, English	Contract not being renev	**SAC**	8/3/2014	#B014659 One time transfer of 6 vacant FT Faculty positions to PT 11-0000-499900-15051-1310 - AC15-0412 fund Assistant Professor of English	-	
11	~~Maintenance Supervisor~~	Maintenance Supervisor	Reorg#857/Req#CL14-0581	**SAC**	8/4/2014	Reorg#857/Req#CL14-0581. Per HR Chancellor's cabinet put on hold 8-11-14 - defund FY 15-16	109,376	
11	~~Director, Special Programs~~	Director, Special Programs	Reorg#809/Req#CL14-0474	**SAC**	10/8/2013	Reorg#809/Req#CL14-0474. Per Elouise in HR, Chancellor's cabinet put position on hold 7-14-14 - defund FY 15-16	139,437	
11	Turner, Sylvia	Dean Fine & Performing Arts	Retirement	**SAC**	7/31/2013	Recruiting #AC13-0310 - E. Kikawa (interim). New Req#AC14-0376. New Req#AC14-0403	-	
25%-fd 11 75%-fd 12	Vu, John	Professor/Coordinator, GEAR UP	Retirement	**SAC**	6/30/2014		28,055	
11	Wilkes, Douglas	Professor/Automotive Technology	Retirement	**SAC**	7/24/2014	#B014659 One time transfer of 6 vacant FT Faculty positions to PT 11-0000-499900-15051-1310 - AC15-0417 fund Assistant Professor of Criminal Justice	27,746	
	Assistant Professor of Psychology	Assistant Professor of Psychology	New position FY 15-16	**SAC**	1/6/2015	AC15-0414	-	
	Assistant Professor of Kinesiology/Baseball Coach	Assistant Professor of Kinesiology/Baseball Coach	New position FY 15-16	**SAC**	1/6/2015	AC15-0415	-	
	Assistant Professor of Accounting	Assistant Professor of Accounting	New position FY 15-16	**SAC**	1/6/2015	AC15-0421	-	
	Assistant Professor/Librarian	Assistant Professor/Librarian	New position FY 15-16	**SAC**	1/6/2015	AC15-0425	-	
	Assistant Professor of Dance	Assistant Professor of Dance	New position FY 15-16	**SAC**	1/6/2015	AC15-0427	-	
	Assistant Professor/Counselor	Assistant Professor/Counselor	New position FY 15-16	**SAC**	1/6/2015	AC15-0431	-	
	Assistant Professor of Nursing	Assistant Professor of Nursing	New position FY 15-16	**SAC**	1/6/2015	AC15-0434	-	
	Assistant Professor of Mathematics	Assistant Professor of Mathematics	New position FY 15-16	**SAC**	1/6/2015	AC15-0435	-	
11	Kennedy, James	Dean, Instr & Std Svcs	Promotion	**OEC**	8/1/2011	Promotion to VP CEC effective March 11,2014-Mary Walker-interim	-	
11	Magalousis, Nicholas	Anthropology Instructor	Retirement	**SCC**	6/9/2015	AC15-0405 fund Assistant Professor of English	-	
11	Miskovic, Linda	Associate Dean of Admission/Records	Retirement	**SCC**	2/27/2015	AC15-0446 - Reorg#892 from Associate Dean, Admissions & Records to Dean of Enrollment & Support Services	-	
11	Motokane, Carolyn	Counseling/Professor	Retirement	**SCC**	6/30/2015	AC15-0407 fund Assistant Professor of Geography	-	**203,181**
11	Slager, Bonnie	Professor, Accounting	Retirement	**SCC**	6/6/2014	AC15-0406 fund Assistant Professor of Accounting	67,299	
11	Stringer, Martin	Associate Dean/Athletic Director	Promotion	**SCC**	7/1/2010	Promotion to Dean of Math & Sci - reduced out of salary account (-35220) and #B014657 SCC 2014-15 reductions/budget cuts to 11-0000-000000-20000-5800	-	
11	Varela, Anita	Librarian/Associate Professor	Retirement	**SCC**	2/3/2015	AC15-0430 fund Assistant Professor of Library and Information Science	35,708	
11	Walker, Mary	Coordinator, ESL Integrated	Interim assisgnment	**SCC**	7/1/2014	Interim Dean Instruction & Student Services	100,175	
	Assistant Professor of Psychology	Assistant Professor of Psychology	New position FY 15-16	**SCC**	1/6/2015	AC15-0408	-	
	Assistant Professor of Mathematics	Assistant Professor of Mathematics	New position FY 15-16	**SCC**	1/6/2015	AC15-0409	-	
	Assistant Professor of Chemistry	Assistant Professor of Chemistry	New position FY 15-16	**SCC**	1/6/2015	AC15-0410	-	
	Assistant Professor of Biology	Assistant Professor of Biology	New position FY 15-16	**SCC**	1/6/2015	AC15-0411	-	
							843,532	

	Classified	Title	Reasons		Effective Date	Notes	2014-15 Annual Budgeted Salary/Ben	Total Unr. General Fund by Site
11	Auxiliary Services Specialist	Auxiliary Services Specialist	Reorg#863/CL14-0580	**District**		Reorg#863/CL14-0580	82,558	
11	Administrative Secretary	Administrative Secretary-P/T	reorg #856	**District**		reorg #856 - CL14-0584 (cancelled reorg#829)	22,832	
11	Audit Specialist	Audit Specialist	Reorganization#729	**District**	7/1/2010	Reorganization #729. CL15-0617 Funding for position in restricted acct 12-2214-672000-54113-2130	103,053	
11	Bagdonas, Elijah	Tech Spec I	Resignation	**District**	11/21/2014		37,531	
11	Basham, Sherri	Payroll Specialist	Promotion	**District**	12/9/2014		41,429	
11	Business Systems Analyst	Business Systems Analyst	Reorg#817/CL13-0482	**District**	10/18/2013	Reorg#817/CL13-0482 was cancelled. New Req#CL14-0523 job description being updated	98,673	
11	Clayton, Joe	District Safety Officer	change position	**District**	10/31/2014	CL14-0573 department reviewing applications	10,942	
11	Douglas, Robert	District Safety Officer	Retirement	**District**	6/30/2014	CL14-0573 department reviewing applications	17,226	
48%-fd 11 52%-fd 12	Frausto Aguado, Erica	Business Services Coordinator	Resignation	**District**	9/26/2014	CL14-0608	16,996	**785,511**
11	Godoy, Giovanni	CM-Custodian	Promotion	**District**	2/21/2015		2,883	
11	Greenhalgh, Scott	District Safety Officer	change position	**District**	9/22/2014	CL15-0625	12,599	
11	Guzman, Noemi	Accountant	Promotion	**District**	8/12/2014	CL15-0616 Funding for position in restricted acct 12-2214-672000-54212-2130 - replaced by K. Truong-position is not vacant anymore but funding for the position in unrestricted fund 11 is still available.	66,329	
11	Hanley, Marva	Accountant	Retirement	**District**	10/10/2014	CL14-0653	53,822	
11	Hann, Brandon	Technical Spec I	Resignation	**District**	1/23/2015		15,443	
11	Jesse, Katherine	Applications Spec III	Retirement	**District**	11/26/2014		56,704	
60%-fd 11 40%-fd 12	Ortega, Richard	District Safety Officer	Retirement	**District**	12/29/2014	CL14-0610 reposted externally	19,725	
11	Packard, Roxanne	Auxiliary Services Specialist	change to FT	**District**	9/4/2013		23,762	
11	PT Reprographic Tech	19 hrs/wk Repographic Tech	Reorg#799	**District**	9/2/2014	Reorg#799/CL14-0596	21,833	
60%-fd 11 40%-fd 12	Russell, Suzi	Research Coordinator	Retirement	**District**	12/30/2014		27,828	
11	Truong, Kevin	Senior Account Clerk	Promotion	**District**	2/24/2015		29,216	
11	Vasquez, Pilar	Senior Account Clerk	change to FT	**District**	5/26/2014		24,129	
11	~~Research Analyst~~	Research Analyst	Reorg#860/Req#CL14-0570	**SAC**		Reorg#860/Req#CL14-0570. Funding for position was changed to 12-2413-649000-19100-2130. Joshua Dorman#2139710 was hired 11-17-14. Funds also still remain in general fund - defund for FY 15-16 budget change # B014411 done on 9/10/14 after Adopted Budget money came from 11-0000-000004-10000-3415 (103,053)	103,053	
11	~~Fine Arts and Theater Facilities Technician~~	Fine Arts and Theater Facilities Technician	Reorg#859/CL14-0544	**SAC**	4/28/2014	Reorg#859/CL14-0544. Site submitted reorg#859 eliminating IA position (Schaffner). Budget change form (BMPR15003) moved funds to New Fine Art & Theatre Facilities Technician Per HR Chancellor's cabinet put on hold 7-14-14 - defund for FY 15-16	19,950	
11	~~Student Services Coordinator~~	Student Services Coordinator	Reorganization#807	**SAC**	11/4/2013	Reorganization#807	28,974	
11	~~Student Program Specialist~~	Student Services Specialist	Reorganization#873	**SAC**	9/12/2014	Reorg#873 changed position from Student Services Specialist vacated by Alvarado, Delmis to Student Program Specialist. No change in position grade - CL15-0627 - defund FY 15-16	14,075	
11	~~Andrade, Jose~~	Instructional Center Technician	change position	**CEC**	11/14/2014	CL15-0619 Funding for position in restricted funds 12-1101-493062-18200-2210 & 12-1102-493060-18200-2210. Funds also still remain in general fund 11-0000-493062-18200-2130 - defund FY 15-16	41,249	
11	~~Arredondo, Sandra~~	Administrative Clerk	Retirement	**SAC**	12/11/2014	defund FY 15-16	22,965	

Vacant Funded Positions as of 3/18/2015 - Projected Annual Salary and Benefits Savings

Fund	Management/ Academic/ Confidential	Title	Reasons	Site	Effective Date	Notes	2014-15 Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Avila, Sandra	Administrative Clerk	Medical Layoff	**SAC**	1/8/2015		7,792	
11	Bradford, Monica	Senior Clerk	Resignation	**SAC**	7/30/2014	CL14-0582. Per HR on 12/4/2014, req put on hold by Chancellor reclass #844 from GOC to Senior Clerk	15,446	
11	~~Cabrera, Juan~~	Instructional Assistant	change position	**SAC**	9/14/2014	defund FY 15-16	13,416	
11	~~Calhoun, Karen~~	Instructional Assistant	Retirement	**SAC**	6/5/2013	defund FY 15-16	2,887	
11	Herrera Chavez, Violet	Instructional Assistant	Resignation	**CEC**	2/7/2015	CL15-0633	5,347	
11	~~Duong, Tommy~~	Custodian	Resignation	**SAC**	5/18/2013	defund FY 15-16	16,358	
11	Ediss, Michael	Lead Custodian	change position	**SAC**	9/16/2014		60,708	
11	~~Hadland, Susan~~	Admissions & Records Specialist II	Retirement	**SAC**	4/28/2014	CL14-0574. In house recruitment. Closes 12-5-2014 - defund 15-16	56,502	
11	~~Huynh, Kim~~	Instructional Assistant	Resignation	**SAC**	9/25/2012	defund FY 15-16	11,271	
11	~~Ledesma, Maureen~~	Instructional Assistant	Resignation	**SAC**	8/10/2014	CL14-0586 Per HR on 12/4/2014, req put on hold by Chancellor- move budget **to 11-2410-150100-15635-2410 - B015254 on 1/29/15 - defund FY 15-16**	10,228	
11	~~Lokos, Joseph~~	Lead Garderner/Admin. Services	Retirement	**SAC**	12/30/2012	defund FY 15-16	82,558	
11	~~Lopez, Eduardo~~	Instructional Assistant	Resignation	**SAC**	8/24/2012	CL14-0527 -defund FY 15-16	13,204	
11	Mai, Kathy	Instructional Assistant	Resignation	**SAC**	12/13/2012	CL14-0527	13,147	
11	~~Marthell, Monique~~	Instructional Assistant	Change to FT	**CEC**	2/22/2015	CL15-0634 - defund FY 15-16	5,220	
70%-fd 11 30%-fd 12	~~Melendez, Lorraine~~	Senior Account Clerk	Retirement	**CEC**	4/28/2015	CL15-0632 - defund FY 15-16	2,637	
11	~~Nankivil, Donald~~	Learning Facilitator	Deceased	**SAC**	12/10/2014	defund FY 15-16	5,455	
11	~~Negrete, Stephanie~~	Senior Clerk	Administrative Term	**CEC**	9/26/2011	BO#B012712 - defund FY 15-16	77,985	**1,286,694**
11	~~Nguyen, Anthony~~	Instructional Assistant	Resignation	**SAC**	7/15/2014	defund FY 15-16	13,920	
11	~~Nguyen, Dao~~	Admissions/Records Specialist II	change position	**SAC**	1/1/2014	CL14-0515. Per HR on 12/4/2014, req put on hold by site/pending change on bilingual requirement - defund FY 15-16	19,855	
33%-fd 11 67%-fd 12	~~Nguyen, Hung~~	A/R Tech Spec	Change to FT	**SAC**	10/27/2013	defund FY 15-16	8,767	
11	Nguyen, Tuan Anh	Instructional Assistant	Resignation	**SAC**	11/11/2013	CL14-0527	14,210	
11	~~Nunez, Vincent~~	Publications Assistant	Resignation	**SAC**	3/27/2014	defund FY 15-16	17,077	
11	~~Palomares, Eva~~	Transfer Center Specialist	Resignation	**SAC**	7/31/2014	defund FY 15-16	21,771	
11	~~Pineda, Maribel~~	Transfer Center Specialist	Resignation	**SAC**	11/7/2014	defund FY 15-16	13,370	
11	~~Quan, Hoai~~	Data Entry Clerk	Retirement	**SAC**	7/17/2013	defund FY 15-16	57,395	
11	~~Salazar, Liliana~~	Custodian	Medical Layoff	**SAC**	5/23/2014	defund FY 15-16	76,585	
11	Samel, Kolap	Library Technician	Resignation	**SAC**	3/6/2015		13,813	
11	Schumacher, Leisa	Administrative Secretary	Promotion	**SAC**	1/4/2015	CL15-0628	37,749	
11	~~Serratos, Brenda~~	Administrative Secretary	Promotion	**CEC**	4/4/2014	Promotion to Accountant at SAC. Replaced Abejar vacancy Site submitted reorg#854 eliminating admin secretary position vacated by Serratos for new Graduation Specialist position Per HR on 12/4/2014 reorg was cancelled - defund FY 15-16	88,137	
11	~~Simmavong, Ketsana~~	Support Services Assistant	Medical Layoff	**SAC**	4/1/2014	Req#CL14-0552.Per Elouise in HR, Chancellor's cabinet put position on hold 7-14-14 - defund FY 15-16	81,060	
11	Steele, Phyllis	Instructional Assistant	Resignation	**SAC**	2/5/2015	CL15-0615	5,963	
11	Storekeeper	PT Ongoing Fire-Tech Storekeeper	New position FY 13-14	**SAC**	6/24/2013	reorg #794/Req#CL14-0565	18,117	
11	~~Stump, Suzanne~~	A/R Spec II	Retirement	**SAC**	7/28/2014	CL14-0590. Per HR on 12/4/2014, requisition put on hold by Chancellor - defund FY 15-16	60,282	
11	~~Tran, Anthony Vu~~	Instructional Assistant	Resignation	**SAC**	10/6/2014	defund FY 15-16	11,414	
11	Tran, Phil	Technology Storekeeper	Retirement	**SAC**	1/30/2015		14,963	
11	~~Trujillo-Zuniga, Beatrice~~	Senior Clerk	change to FT	**SAC**	9/29/2014	CL14-0607 Per HR on 12/4/2014, requisition put on hold by Chancellor - defund FY 15-16	16,610	
11	~~Walczak, Katharine~~	Instructional Center Spec	Resignation	**SAC**	8/17/2014	defund FY 15-16	65,214	
11	Durdella, Diane	Administrative Secretary	Retirement	**SCC**	7/31/2014	#B014657 SCC 2014-15 reductions/budget cuts to 11-0000-000000-20000-5800	68,298	
78%-fd 11 22%-fd 12	Espitia, Diane	Student Program Specialist	Retirement	**SCC**	2/20/2015	11-0000-620000-28100-2130 (78%) 12-1102-620000-28100-2130(22%)	12,853	
11	Holmes, Michelle	Learning Assistant	Resignation	**SCC**	2/8/2013	#B014657 SCC 2014-15 reductions/budget cuts to 11-0000-000000-20000-5800	-	**124,371**
11	Romero, Esther	Admissions & Records Specialist II	change to FT	**SCC**	8/25/2014	CL14-0593	15,773	
11	Tran, Andy	Skilled Maintenance Worker	Deceased	**SCC**	1/24/2015		27,447	
							2,196,577	
TOTAL							**3,040,109**	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE E

Projects Cost Summary
02/23/15 on 02/23/15

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2014-2015 Expenditures	FY 2014-2015 Encumbrances	Cumulative Exp & Enc	Project Balance	% Spent
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3029	Parking Lot #11 Expansion and Improvements	11,079,553	7,906,461	2,295,073	345,885	10,547,419	532,134	95%
3031	Tessman Planetarium Upgrade and Restroom Addition	4,909,452	716,875	2,544,951	800,131	4,061,957	847,495	83%
3032	Dunlap Hall Renovation	1,566,050	1,207,808	-	105,060	1,312,868	253,182	84%
3036	Temporary Village	4,544,605	2,327,249	1,504,757	-	3,832,006	712,599	84%
3045	Chavez Hall Renovation	400,000	6,642	45,625	33,483	85,750	314,250	21%
	TOTAL SANTA ANA COLLEGE	**22,499,660**	**12,165,035**	**6,390,406**	**1,284,559**	**19,840,000**	**2,659,660**	**88%**
SANTIAGO CANYON COLLEGE								
3046	Orange Education Center Building Certification	5,000,000	244,325	-	1,795,282	2,039,607	2,960,393	41%
3672	SCC Building U Portables Certification	530,000	-	650	65,350	66,000	464,000	12%
	TOTAL SANTIAGO CANYON COLLEGE	**5,530,000**	**244,325**	**650**	**1,860,632**	**2,105,607**	**3,424,393**	**38%**
DISTRICT/ DISTRICTWIDE OPERATIONS								
3044	Project Closeout/Certification	916,566	143,437	53,592	61,003	258,032	658,534	28%
	TOTAL DISTRICT/DISTRICTWIDE	**916,566**	**143,437**	**53,592**	**61,003**	**258,032**	**658,534**	**28%**
	ACTIVE PROJECTS - ALL SITES	**28,946,226**	**12,552,797**	**6,444,648**	**3,206,194**	**22,203,639**	**6,742,587**	**77%**

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE E

Projects Cost Summary

02/23/15 on 02/23/15

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2014-2015 Expenditures	FY 2014-2015 Encumbrances	Cumulative Exp & Enc	Project Balance	% Spent
COMPLETED PROJECTS/PENDING CLOSEOUT								
SANTA ANA COLLEGE								
3001	Renovation of Buildings / Building "G" Renovation	9,826,032	9,302,490	-	8,072	9,310,562	515,470	95%
3002	SAC Library Renovation	339,623	339,623	-	-	339,623	-	100%
3003	Renovate Campus Infrastructure Design/Construct Maintenance/Operations Design/Construct Classroom Building	24,989,055	24,927,689	-	4,590	24,932,279	56,776	100%
3007	Child Care/Classroom-Centennial Renovate and Improve Centennial Ed Center	1,662,032	1,662,032	-	-	1,662,032	-	100%
3008	Renovate & Expand Athletic Fields	10,094,021	10,082,438	-	215	10,082,653	11,368	100%
3013	Acquisition of Land Adjacent to SAC	15,962,453	15,962,453	-	-	15,962,453	-	100%
3016	Design New Child Development Center Construct New Child Development Center	10,362,051	10,362,051	-	-	10,362,051	-	100%
3017	Design Women's Locker Room Construct Women's Locker Room Augment State-Funded PE Seismic Project	14,455,332	14,455,332	-	-	14,455,332	-	100%
3019	Design Sheriff Training Facility Construct Sheriff Training Facility Fire Science Program (Net 6 Facility) Fire Science Prog. @ MCAS, Inc. 2	29,121,885	29,121,885	-	-	29,121,885 -	-	100%
3020	Design/Construct Digital Media Center	14,000,656	14,000,656	-	-	14,000,656	-	100%
3028	Design & Construct Parking Structure	2,046,955	2,046,955	-	-	2,046,955	-	100%
3030	Perimeter Site Improvements	7,297,666	6,165,992	-	448,577	6,614,569	683,097	91%
3034	SAC Sheriff Training Academy Road	56,239	56,239	-	-	56,239	-	100%
3035	Johnson Center Renovation	51,800	49,300	-	-	49,300	2,500	95%
3038	Campus Lighting Upgrade	6,825	6,825	-	-	6,825	-	100%
3042	Central Plant (Design)	4,451	3,539	-	912	4,450	1	100%
3043	Property Acquisition 17th/Bristol	5,188,603	5,060,077	1,077	1,617	5,062,771	125,832	98%
	TOTAL SANTA ANA COLLEGE	**145,465,679**	**143,605,575**	**1,077**	**463,983**	**144,070,635**	**1,395,044**	**99%**
SANTIAGO CANYON COLLEGE								
3004	SCC Infrastructure	37,929,121	37,187,826	-	18,292	37,206,118	723,003	98%
3011	Land Acquisition	24,791,777	24,791,777	-	-	24,791,777	-	100%
3012	Acquire Prop & Construct Cont Ed	27,554,640	27,554,640	-	-	27,554,640	-	100%
3014	Construct New Library & Resource Center	4,375,350	4,375,350	-	-	4,375,350	-	100%
3021	Construct Student Services & Classroom Bldg	8,073,049	8,073,049	-	-	8,073,049	-	100%
3022	Humanities Building	32,781,753	32,361,137	40,832	150,672	32,552,641	229,112	99%
3025	Athletics and Aquatics Center: Netting and Sound System	20,454,610	19,849,746	101	220	19,850,067	604,543	97%
3026	Science and Math Building	26,450,934	26,415,964	-	-	26,415,964	34,970	100%
3027	Construct Additional Parking Facilities	1,047,212	1,047,212	-	-	1,047,212	-	100%
	TOTAL SANTIAGO CANYON COLLEGE	**183,458,446**	**181,656,700**	**40,933**	**169,184**	**181,866,817**	**1,591,629**	**99%**
DISTRICT/ DISTRICTWIDE OPERATIONS								
3009	Replace Aging Telephone & Computer Network	14,056,433	14,056,433	-	-	14,056,433	-	100%
3039	LED Lighting Upgrade	157,200	157,200	-	-	157,200	-	100%
	TOTAL DISTRICT/DISTRICTWIDE	**14,213,633**	**14,213,633**	**-**	**-**	**14,213,633**	**-**	**100%**
	COMPLETED PROJECTS - ALL SITES	**343,137,758**	**339,475,908**	**42,010**	**633,167**	**340,151,084**	**2,986,673**	**99%**
	RECAP:							
	Santa Ana College	167,965,339	155,770,610	6,391,483	1,748,542	163,910,635	4,054,704	**98%**
	Santiago Canyon College	188,988,446	181,901,025	41,583	2,029,816	183,972,424	5,016,022	**97%**
	District/Districtwide Operations	15,130,199	14,357,070	53,592	61,003	14,471,665	658,534	**96%**
	GRAND TOTAL - ALL SITES	**372,083,984**	**352,028,704**	**6,486,658**	**3,839,361**	**362,354,723**	**9,729,260**	**97%**

SOURCE OF FUNDS	
ORIGINAL Bond Proceeds	337,000,000
Refunding Proceeds	5,001,231
Interest Earned	30,603,712
Totals	**372,604,943**

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE Q

Projects Cost Summary

02/23/15 on 02/23/15

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2014-2015 Expenditures	FY 2014-2015 Encumbrances	Cumulative Exp & Enc	Project Balance	% Spent
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3032	Dunlap Hall Renovation	17,218,585	-	6,669,792	9,958,829	16,628,621	589,964	97%
	Agency Cost							
	Professional Services			518,495	635,194			
	Construction Services			6,151,297	9,323,635			
	Furniture and Equipment							
3035	Johnson Student Center	28,498,138	-	32,788	2,209,461	2,242,248	26,255,890	8%
	Agency Cost			-	-			
	Professional Services			32,788	2,209,461			
	Construction Services			-	-			
	Furniture and Equipment			-	-			
3042	Central Plant Infrastructure	68,170,000	-	3,407,671	7,374,319	10,781,990	57,388,010	16%
	Agency Cost			259,919	3,956			
	Professional Services			3,147,752	7,370,363			
	Construction Services			-	-			
	Furniture and Equipment			-	-			
3043	17th & Bristol Street Parking Lot	1,650,000	-	109,452	33,888	143,340	1,506,660	9%
	Agency Cost			200	-			
	Professional Services			49,652	33,888			
	Construction Services			59,600	-			
	Furniture and Equipment			-	-			
3048	Health Science Center	19,518,564	-	-	117,988	117,988	19,400,576	1%
	Agency Cost			-	-			
	Professional Services			-	117,988			
	Construction Services			-	-			
	Furniture and Equipment			-	-			
3049	STEM Building	62,944,713	-	59,234	4,179,769	4,239,003	58,705,710	7%
	Agency Cost			-	-			
	Professional Services			59,234	4,179,769			
	Construction Services			-	-			
	Furniture and Equipment			-	-			
	TOTAL	**198,000,000**	**0**	**10,278,936**	**23,874,254**	**34,153,190**	**163,846,810**	**17%**
	ACTIVE PROJECTS	**198,000,000**	**0**	**10,278,936**	**23,874,254**	**34,153,190**	**163,846,810**	**17%**

SOURCE OF FUNDS

ORIGINAL Bond Proceeds	198,000,000
Totals	**198,000,000**

Rancho Santiago Community College
Unrestricted General Fund Cash Flow Summary
FY 2014-15, 2013-2014, 2012-2013 YTD-February 28, 2015

FY 2014/2015	July	August	September	October	November	December	January	February	March	April	May	June
Beginning Fund Balance	$27,674,517.62	$32,601,428.23	$29,339,609.11	$28,683,088.87	$21,911,028.48	$22,079,846.64	$37,544,111.30	$38,880,073.20	$29,380,503.54	$29,380,503.54	$29,380,503.54	$29,380,503.54
Total Revenues	12,347,417.16	7,989,510.40	12,117,283.32	7,274,969.96	13,596,920.03	27,461,672.62	13,197,669.00	3,149,091.80				
Total Expenditures	7,420,506.55	11,251,329.52	12,773,803.56	14,047,030.35	13,428,101.87	11,997,407.96	11,861,707.10	12,648,661.46				
Change in Fund Balance	4,926,910.61	(3,261,819.12)	(656,520.24)	(6,772,060.39)	168,818.16	15,464,264.66	1,335,961.90	(9,499,569.66)	0.00	0.00	0.00	0.00
Ending Fund Balance	$32,601,428.23	$29,339,609.11	$28,683,088.87	$21,911,028.48	$22,079,846.64	$37,544,111.30	$38,880,073.20	$29,380,503.54	$29,380,503.54	$29,380,503.54	$29,380,503.54	$29,380,503.54

FY 2013/2014	July	August	September	October	November	December	January	February	March	April	May	June
Beginning Fund Balance	$38,041,016.13	$41,887,699.97	$38,273,514.95	$38,688,688.15	$23,991,289.19	$19,495,673.39	$34,226,442.98	$34,753,317.06	$30,609,859.00	$24,741,131.75	$28,277,853.11	$19,262,978.98
Total Revenues	10,633,556.66	7,512,478.15	11,348,517.88	6,107,262.90	9,095,910.84	27,141,703.57	11,706,459.73	8,127,997.25	6,265,170.50	16,419,598.47	3,812,811.82	25,254,449.42
Total Expenditures	6,786,872.82	11,126,663.17	10,933,344.68	20,804,661.86	13,591,526.64	12,410,933.98	11,179,585.65	12,271,455.31	12,133,897.75	12,882,877.11	12,827,685.95	16,842,910.78
Change in Fund Balance	3,846,683.84	(3,614,185.02)	415,173.20	(14,697,398.96)	(4,495,615.80)	14,730,769.59	526,874.08	(4,143,458.06)	(5,868,727.25)	3,536,721.36	(9,014,874.13)	8,411,538.64
Ending Fund Balance	$41,887,699.97	$38,273,514.95	$38,688,688.15	$23,991,289.19	$19,495,673.39	$34,226,442.98	$34,753,317.06	$30,609,859.00	$24,741,131.75	$28,277,853.11	$19,262,978.98	$27,674,517.62

FY 2012/2013 [1]	July	August	September	October	November	December	January	February	March	April	May	June
Beginning Fund Balance	$43,867,759.21	$45,064,223.43	$42,680,768.77	$34,999,185.38	$25,592,219.28	$26,110,634.15	$42,703,804.07	$37,375,292.75	$26,174,139.21	$15,079,007.51	$18,190,051.48	$9,508,085.73
Total Revenues	7,646,065.57	7,562,696.70	4,970,261.79	3,013,770.15	12,977,976.06	27,750,969.09	5,258,057.77	552,507.40	2,725,857.51	15,455,742.61	3,116,098.07	46,170,759.38
Total Expenditures	6,449,601.35	9,946,151.36	12,651,845.18	12,420,736.25	12,459,561.19	11,157,799.17	10,586,569.09	11,753,660.94	13,820,989.21	12,344,698.64	11,798,063.82	17,637,828.98
Change in Fund Balance	1,196,464.22	(2,383,454.66)	(7,681,583.39)	(9,406,966.10)	518,414.87	16,593,169.92	(5,328,511.32)	(11,201,153.54)	(11,095,131.70)	3,111,043.97	(8,681,965.75)	28,532,930.40
Ending Fund Balance	$45,064,223.43	$42,680,768.77	$34,999,185.38	$25,592,219.28	$26,110,634.15	$42,703,804.07	$37,375,292.75	$26,174,139.21	$15,079,007.51	$18,190,051.48	$9,508,085.73	$38,041,016.13

Notes:

[1] Beginning in FY 2012-13, Unrestricted General Funds were divided between two subfunds: Unrestricted Ongoing General Fund (11) and Unrestricted One-Time Funds (13)

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2323 N. Broadway, Santa Ana, California 92706
Office: (714) 480-7321
Website: http://rsccd.edu/Departments/Business-Operations/Pages/Fiscal-Resources-Committee.aspx

Fiscal Resources Committee

Executive Conference Room – District Office
1:30 p.m. – 3:00 p.m.

Meeting Minutes for February 25, 2015

FRC Members Present: Michael Collins, Ray Hicks, Quynh Nguyen, Arleen Satele, Michael DeCarbo, Craig Rutan, Raul Gonzalez del Rio, Peter Hardash, Adam O'Connor, Lee Krichmar and Diane Hill.

Alternates/Guests Present: Jim Kennedy, Jose Vargas, Richard Kudlik, Esmeralda Abejar, Alistair Winter and John Didion.

1. Welcome, the meeting was called to order by Mr. Hardash at 1:30 p.m.

2. State/District Budget Update – Mr. Hardash reviewed the following:
   - P-1 is available on the Chancellor's Office website. Last year has been closed out but there will be a May Revision to the final recalculation
   - Backfill for redevelopment funds and Prop 30 revenue shortages
   - No backfill on property tax collection, which includes ERAF and negative ERAF
   - Apportionment deficit is 1.5%, expected to grow
   - City College of San Francisco lost 9,000 FTES, they are subsidized by $27-$28 million, now $38 million by all non-basic aid districts and continue to be held harmless
   - New growth dollars in the current year are to fund prior years restoration funds

3. 2015/16 RSCCD Tentative Budget Assumptions – Mr. Hardash and Mr. O'Connor reviewed the 2015-16 Tentative Budget Assumptions (draft as of February 20, 2015) and highlighted the following:
   - Chancellor's Cabinet met and discussed this document. Mr. Collins, Mr. O'Connor and Ms. Satele were part of the discussion
   - It was agreed upon to grow 1% based on the College Presidents' estimate as of February 17, 2015
   - Money has been left on the table for not growing, below are the implications of reduced growth:

	%	2013-14	2014-15	2015-16
Attempted Growth	2.630%	$ 3,201,197		
Actual Growth	1.788%	$ 2,438,825		
13/14 Lost Revenue		$ (762,372)	$ (762,372)	
Budgeted Growth	2.750%		$ 3,684,941	
Estimated Growth	1.000%		$ 1,252,128	
14/15 Cumulative Lost Revenue			$ (3,195,185)	$ (3,195,185)
Potential Growth	2.000%			$ 2,600,000
Estimated Growth	1.000%			$ 1,300,000
15/16 Cumulative Lost Revenue				$ (4,495,185)

- Growth funds are the only unrestricted dollars we receive to help our growing expenditures
- Of the $10.6 million in new funding, $9.4 million is uncertain, this will change by the May Revise
- 2015-16 estimated 1% growth for FTES is 29,266
- The RSCCD P-1 was accepted - 28,688 is the funded FTES
- Item “L” on the expenditure side, the partial implementation of the Public Safety Task Force recommendation for the Director to become a Chief and the two lieutenants, which are the existing positions, and three sergeant positions, which are new, is estimated at $432,137. The Chancellor informed us that his intent is to cut the $432,137 out of the District Operations Center budgets.
- $250,000 was added in the current year for legal expenses, we have already spent all of those funds allocated and will need to use any savings from the District Operations Center to cover the cost for this fiscal year. We will need an additional $250,000 for next fiscal year as we have many open cases in various areas which are on-going.
- $350,000 encroachment on general fund to the Child Development Centers to help sustain their operations. There is no fee for service plan yet.
- The 2015-16 Tentative Budget Assumptions Analysis were reviewed and highlighted the following:

*	**New Revenues**		Ongoing Only	One-Time
B	Base Allocation Increase	1	$2,400,000	
B	CDCP FTES Funding Equalization	1	$7,000,000	
B	COLA 1.58%		$2,300,000	
B	Growth 1%		$1,300,000	
D	Unrestricted Lottery		$87,262	
H	Mandates Block Grant (one-time)	2		$7,810,000
I	Non-Resident Tuition		$100,000	
J	Interest Earnings			
K	Misc Income			
	Total		$13,187,262	$7,810,000

- New expenditures: $

	New Expenditures			
B	COLA 1.58%		$2,300,000	
C	Step/Column		$1,400,000	
D	Health and Welfare/Benefits at 10%		$2,100,000	
D	CalPERS Increase		$255,693	
D	CalSTRS Increase		$1,048,025	
E	Full Time Faculty Obligation Hires		$1,462,500	
E/F	Hourly Faculty Budgets (Convert to Full Time)		$0	
I.F	SSSP Match	3	$0	
H	Capital Outlay/Scheduled Maintenance Match		$750,000	$1,500,000
I	Utilities Increase		$200,000	
J	ITS Licensing/Contract Escalation Cost		$147,000	
K	Property and Liability Insurance		$50,000	
L	Public Safety Task Force Recommendations		$432,137	
M	Election Expense			($400,000)
M	Other Additional DS/Institutional Costs		$250,000	
	Total		$10,395,355	$1,100,000

Note: Budget Stabilization Fund Balance at 6/30/2015 is estimated at $8,678,885.

1 *At this time, these revenues are budgeted 100% unrestricted with NO specifically-related additional expenditures budgeted.*

2 *Budgeted 100% unrestricted but is not guaranteed. There is concern that this allocation might be reduced significantly if there is an increase in Prop 98 funding in 2014/15.*

3 *Additional restricted revenue for SSSP estimated at $2.8 million. Match requirements are unknown for these new funds at this time. If the match is 1:1, the colleges will need to provide ~$2.8 million in allowable match from unrestricted funds.*

- RSCCD still has a problem, the new unrestricted revenues this year will buy one extra year before the Budget Stabilization Fund is gone and the District could get below the 5% reserve.

Mr. Hardash called for a motion to forward the Budget Assumptions to District Council for approval and forwarded to the Chancellor for Board approval. A motion was made by Mr. Hicks, seconded by Mr. Rutan to move the 2015-16 Tentative Budget Assumptions to District Council with the amendment of the $432,137 for the Safety implementation to be a reduction to the District Office budgets. One time funds will be used for uniforms, equipment and training, the motion was passed unanimously by the committee.

Mr. Rutan shared the following from the ACCJC Report to Santiago Canyon College… *"The Commission also noted that at the time of the follow-up report that Santiago Canyon College must demonstrate that it has eliminated its' structural deficit in the budget as identified in the team report in sections III(B) and IV(B)"*. Mr. Rutan stated that the report is to be submitted in March 2016 and the college still has a structural deficit which can be deemed non-compliant with the eligibility compliance. Ms. Satele said there is active discussion and they are working on the different stages of the plan such as cutting positions. The discussions are taking place at the college budget meetings.

The District Safety plan can be reviewed at: http://rsccd.edu/Departments/Security-and-Public-Safety/Pages/public-safety-task-force.aspx

4. Follow-up Regarding Economic/Workforce Development: Mr. Didion distributed and shared the *Sources of Match for Economic Development Projects* handout. Mr. Didion reviewed the program activities including the funding and faculty participation. The report is posted on the RSCCD website at: http://rsccd.edu/Departments/Business-Operations/Documents/FRC_Agendas-Materials-Minutes/FRC%202-25-2015%20Add%27l%20Materials.pdf. Mr. Kennedy asked for clarification on the true general fund costs to the colleges to determine the college budgets for next year. Mr. Didion added that the projects are housed at the District Office instead of the colleges based on tradition, the projects must be managed and have office space for the staff assigned. Mr. Rutan asked what is the value to the district to have these programs during a time when the district is struggling with a structural deficit. Mr. Didion said to ask the faculty who are involved, is there a value to help aid the development of these instructional programs, which is the Chancellor's Office intent. Value to the District Office is zero, DO serves as a transfer through of CTE funds for disbursement to the colleges. Mr. Hicks added that the campuses should be discussing the cost and regularly evaluate whether the colleges should be supporting these programs.

5. 2015/16 Budget Calendars: Mr. O'Connor reviewed the draft RSCCD Tentative Budget Calendar. The only change is that the recommendations of FRC now go to District Council which shortens the timelines for the Tentative and Adopted Budgets. District Council will add an additional meeting during the late summer in order to get the Adopted Budget to the Board for approval in early September. The Adopted Budget, per regulation, must be submitted by September 15th. Tentative Budget is to be submitted by July 1st, our meetings must fall in line with these dates. Mr. DeCarbo asked for a tentative calendar for FRC. Mr. Collins made a motion to approve the Tentative Budget Calendar as presented; it was seconded by Mr. Hicks and approved unanimously.

6. Informational Handouts were distributed as information.
    - District-wide expenditure report link: https://intranet.rsccd.edu
    - Vacant Funded Position List as of February 10, 2015
    - Measure “E” Project Cost Summary as of January 23, 2015
    - Measure “Q” Project Cost Summary as of January 23, 2015 – new financial summary in a new, easier to follow format
    - Monthly Cash Flow Statement as of January 31, 2015

7. Approval of FRC Minutes – December 10, 2014: Meeting Minutes for the December 10, 2014 meeting were distributed for review. Mr. Hardash asked for a motion to approve, it was motioned by Mr. Rutan, seconded by Mr. O’Connor and passed unanimously by the committee.

Adjournment
Mr. Hardash adjourned the meeting at 2:50 p.m.

Meeting Schedule – Next Meeting:
Next regular meeting: Wednesday, March 25, 2015 – 1:30 p.m. – Executive Conference Room, DO.