Hardash, Peter

From: Rodriguez, Mario <mrodriguez@CCCCO.EDU>
Sent: Wednesday, March 30, 2016 1:12 PM
To: SO2CBO@LISTSERV.CCCNEXT.NET
Subject: March 25th update of 2014-15 R1 and 2015-16 P1

Colleagues,

On March 25, 2016, we updated both the 2014-15 R1 and 2015-16 P1 primarily to correct an over allocation of apportionment growth in 2014-15. While some districts will see a reduction to their funded growth in 2014-15, Education Code Section 84751.5 requires the CCCCO to allocate General Fund revenues in excess of the apportionment entitlement on a one-time FTES basis to all districts. As of the 2014-15 R1, there is approximately $15 million of excess General Fund revenue that will be allocated to all districts in April.

Feel free to contact me with any questions.

Regards,
Mario Rodriguez
Assistant Vice Chancellor
Finance and Facilities Division
CCC Chancellor's Office
(916) 324-9508
mrodriguez@cccco.edu

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Hardash, Peter

From: Rodriguez, Mario <mrodriguez@CCCCO.EDU>
Sent: Friday, April 22, 2016 4:25 PM
To: SO2CBO@LISTSERV.CCCNEXT.NET
Subject: Updated 2014-15 Recal and 2015-16 P1

Colleagues,

Consistent with my email on March 30th, the 2014-15 Recal and the 2015-16 P1 have been updated to correct the over allocation of apportionment growth in 2014-15. As also mentioned in the email, these funds have alternatively been allocated as a one-time payment to all districts in the April version of the 2014-15 Exhibit E under the title "Additional Gen. Apportionment."

While it was necessary for our office to correct the over allocation of growth funding in 2014-15, we understand it caused planning issues at many of our colleges. In an effort to mitigate this hardship, our office is allowing affected districts to reduce their 2014-15 unfunded FTES back to the level contained in the February version of the 2014-15 Recal. (Our office has already reached out to the necessary district designated CCFS-320 contact)

The February version of the 2015-16 P1 contained a TCR summing error that improperly summed sections of II, III, IV, V, & VI on the Exhibit C. It also over allocated the Basic Skill Initiative funding by $240,000. Both of the issues have been corrected in the April version of the 2015-16 P1. (link to corrected college BSI allocations: http://goo.gl/f4F0qj)

We expect to release the 2016 P1 FON and 2016-17 P1 Growth Rates by next week.

Please contact me with any questions and/or comments on any of the above.

Regards,
Mario Rodriguez
Acting Vice Chancellor
Finance and Facilities Division
CCC Chancellor's Office
(916) 324-9508
mrodriguez@cccco.edu

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CALIFORNIA COMMUNITY COLLEGES
MONTHLY PAYMENT SCHEDULE
2014-15 RECALCULATION APPORTIONMENT

APRIL
EXHIBIT D

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

PROGRAM	AMOUNT CERTIFIED	TOTAL PAID THRU. JUNE 2015	ADJUSTMENT
GENERAL APPORTIONMENT	53,078,946	52,016,768	1,062,178
ADDITIONAL GEN. APPORTIONMENT	418,212	0	418,212
*EDUCATION PROTECTION ACCOUNT	0	0	0
BOG FEE WAIVERS ADMIN.	250,674	250,674	0
APPRENTICE ALLOWANCE	1,419,408	1,389,971	29,437
BASIC SKILLS	728,221	728,221	0
S. F. A. A.	991,490	991,490	0
E. O. P. S.	1,536,831	1,545,432	-8,601
C. A. R. E.	76,098	78,058	-1,960
D. S. P. S.	2,077,436	2,075,174	2,262
STATE HOSPITALS	0	0	0
CALWORKS	391,185	415,534	-24,349
STUDENT SUCCESS (CREDIT)	4,856,165	4,856,165	0
STUDENT SUCCESS (NONCREDIT)	1,714,976	1,714,976	0
STUDENT SUCCESS (STUDENT EQUITY)	1,711,247	1,711,247	0
EQUAL EMPLOYMENT OPPORTUNITY	11,670	11,670	0
PART-TIME FACULTY ALLOCATION	691,647	691,647	0
TELECOMMUNICATIONS	0	0	0
TANF	96,971	96,904	67
NURSING EDUCATION	192,287	192,287	0
CHILDCARE TAXBAILOUT	231,076	231,076	0
PHYSCAL PLANT & INST'L SUPPORT	3,822,703	3,822,703	0
PART-TIME FAC OFFICE HOURS	0	0	0
RETURN TO TITLE IV	0	0	0
MAINTENANCE ALLOWANCE	0	0	0
PART-TIME FAC INS.	0	0	0
**13-14 DEFERRAL REPAY	0	0	0
PPY GENERAL APPORT.	228,596	228,596	0
PRIOR YEAR GENERAL APPORT.	-520,336	-520,336	0
PRIOR YEAR CATEGORICALS	68,497	68,497	0
TOTAL	74,074,000	72,596,754	1,477,246

* The EPA report is located under the EPA tab of the apportionment link -
<http://extranet.cccco.edu/Divisions/FinanceFacilities/FiscalServicesUnit/Reports/ApportionmentReports/201415.aspx>

** The 13-14 DEFERRAL REPAY includes the $592M in deferral repayments paid in early July 2014 as a separate payment.
Please see the deferral report under the Other tab of the link -
<http://extranet.cccco.edu/Divisions/FinanceFacilities/FiscalServicesUnit/Reports/ApportionmentReports/201314.aspx>

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CALIFORNIA COMMUNITY COLLEGES
2015-16 FIRST PRINCIPAL APPORTIONMENT
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

APRIL
EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903059	4,723.597254	22,365.780	213.670	0.000	0.000	22,579.450	0.000	22,579.450
Noncredit FTES	2,811.752093	2,840.431965	749.070	31.260	0.000	0.000	780.330	0.000	780.330
Noncredit - CDCP FTES	4,675.903043	4,723.597254	5,793.230	137.920	0.000	0.000	5,931.150	0.000	5,931.150
Total FTES:			28,908.080	382.850	0.000	0.000	29,290.930	0.000	29,290.930

I Base Revenues +/- Restore or Decline

A Basic Allocation		$10,207,109
B Basic FTES Revenue Before Workload Reduction	$133,775,000	
C Workload Reduction	$0.00	
D Revised Base FTES Revenue		$133,775,000
1 Credit Base Revenue	$104,580,219	
2 Noncredit Base Revenue	$2,106,199	
3 Career Development College NonCr	$27,088,582	
E Current Year Decline		$0
Total Base Revenue Less Decline		$143,982,109

II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%	
B Inflation Adjustment	$1,468,618	
C Current Year Base Revenue + Inflation Adjustment		$145,450,727

III Basic Allocation & Restoration

A Basic Allocation Adjustment	$0
B Basic Allocation Adjustment COLA	$0
C Stability Restoration	$0
D Restoration of 11-12 Workload Reduction	$0
Total Basic Allocation & Restoration	$0

IV Growth

A Unconstrained Growth Rate	1.46%	
B Constrained Growth Rate	1.43%	
C Constrained Growth Cap	$1,797,041	
D Actual Growth	$1,749,562	
E Funded Credit Growth Revenue	$1,009,291	
F Funded Noncredit Growth Revenue	$88,792	
G Funded Noncredit CDCP Growth Revenue	$651,479	
Total Growth Revenue		$1,749,562

V Other Revenue Adjustments

A Misc. Revenue Adjustments	$0
B. Full-Time Faculty Hiring	$1,583,734
C. Base Increase	$6,990,382
Total Revenue Adjustments	$8,574,116

VI Stability Adjustment $0

VII Total Computational Revenue $155,774,405
(sum of II, III, IV, V, & VI)

VIII District Revenue Source

A1 Property Taxes		$56,987,320
A2 Less Property Taxes Excess		$0
B Student Enrollment Fees		$7,204,523
C State General Apportionment		$65,226,394
D Estimated EPA		$24,453,159
Available Revenue		$153,871,396
E Revenue Shortfall	0.9877835579	$1,903,009
Total Revenue Plus Shortfall		$155,774,405

IX Other Allowances and Total Apportionments

A State General Apportionment	$65,226,394
B Statewide Average Replacement Cost	$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	$0
Net State General Apportionment	$65,226,394

X Unrestored Decline as of July 1st of Current Year

A 1st Year	$0
B 2nd Year	$0
C 3rd Year	$0
Total	$0

Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):

	Single College District Funding Rates: Total FTES			Mult-College District Funding Rate: Total FTES				
	> 19,880	> 9,940	<= 9,940	Rural	> 19,880	> 9,940	<= 9,940	
	$5,670,617	$4,536,493	$3,402,370	$567,062	$4,536,493	$3,969,432	$3,402,370	Total Colleges
FTES:	0	0	0	0	1	0	1	2
								Total Colleges Rev.
Revenue:	$0	$0	$0	$0	$4,536,493	$0	$3,402,370	$7,938,863

State Approved Center: Funding Rates		Total State Approved Centers	Total State Approved Centers Revenue
1	$1,134,123	1	$1,134,123

Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels

	> 994	> 746	> 497	> 249	<= 100	Total Grandfathered or Previously Approved Centers
Funding Rates	$1,134,123	$850,592	$567,062	$283,531	$141,765	
Number of Grandfathered or Previously Approved Centers: @ Total FTES	1	0	0	0	0	1
Grandfathered or Previously Approved Center Revenue:	$1,134,123	$0	$0	$0	$0	

Total Grandfathered or Approved Center
$1,134,123

Total Basic Allocation Revenue
$10,207,109

Report produced on 4/15/2016 at 3:04:25PM

Building the future through quality education

RANCHO SANTIAGO
Community College District
2323 North Broadway • Santa Ana, CA 92706 -1640 • (714) 480-7300 • www.rsccd.edu
Santa Ana College • Santiago Canyon College

Chancellor's Office

To: Fiscal Resources Committee (FRC)

From: Raúl Rodríguez

Date: April 26, 2016

Subject: **Questions from the Fiscal Resources Committee to the Chancellor**

What is the plan to prioritize for cuts?

- The plan, in general terms, is to use a combination of budget stabilization fund dollars and actual reductions to arrive at the approximately four million dollar structural deficit amount. My expectation is that the two colleges and the district operations would have to come up with approximately half of that amount in real cuts. There has not been a discussion of priorities in the sense of cutting areas that would not have a direct impact on students first or some such guideline. As the colleges are the entities with students, such priorities are best decided through the college budget process.

Will the cuts be based on the split: the colleges by FTES and the district services making a cut of 17.7%?

- The basis for the cuts has not been finalized. There was a discussion in Chancellor's Cabinet about the basis for the cuts, but a final decision has not been made. My preference would be for a straight percentage cut target for all entities.

Will the $2 million from the budget stabilization fund be used first then cuts at the budget centers? What is the timeline for the plan?

- Yes, the budget stabilization funds will be used first to allow the appropriate length of time to review and finalize the cuts. The process to make the cuts has begun with the initial discussion. However, it is expected that all of the actual cuts will be made no later than December of 2016. That does not mean that cost cutting measures will be delayed until then. The review of positions submitted for hiring has become even more stringent and, other than faculty hiring or positions for which there is an urgent need, there should be little hiring undertaken in the near future.

What is the Chancellor's plan for the budget stabilization fund? How long does the Chancellor foresee stretching out the budget stabilization fund?

- The budget stabilization fund is in danger of becoming depleted. Right now, there are potentially several calls on those funds that could extinguish them in rapid fashion. For example, the OEC project is still short of funding of somewhere between four and five million dollars. If there is no other source of funding identified, then those funds will have to be taken from the budget stabilization fund. Similarly, the Chavez Building at SAC has had a serious moisture problem that stems from flaws in its original construction. The solution for that problem is currently estimated at seven million dollars. There is no current source of funds to fix the Chavez Building and the budget stabilization fund may be a likely source. If those calls on the budget stabilization fund are actually carried out, then that fund would most likely be depleted in the next year or so.

  There are at least two other issues that complicate the future of the budget stabilization fund. One is that I would not like to see that fund totally depleted. Without a fund to buffer the district through the financial instabilities that stem from increased expenditures and no growth, or worse, continued erosion of our base funding through enrollment declines, then we are open to potentially having to make catastrophic reductions. My hope is that we can transition the budget stabilization fund to a general reserve for the district that would be in addition to the five percent restricted reserve that we now maintain. To leave ourselves open to financial volatility without prudent protection is dangerous and potentially irresponsible. Our current reserve level is too low and many other districts around the state have increased the level of their reserves. I believe we need to do the same.

  The second issue is that the college's now accrue savings from vacant positions and from other short-term financial items. What this means is that the two colleges (but obviously one college has more capacity than the other) can create their own budget stabilization or carry over or reserve fund, whatever you want to call it, with such savings. As the colleges have increased their ability to build up such funds, the district has experienced a converse ability to fund certain services for the colleges. For example, there have been several recent student discipline issues that have occurred at a college that ended up using district resources that were not intended for such a purpose. Specifically, we have had to engage legal counsel to assist with student discipline matters even though there is currently no fund for such matters. As the district has no available funds to pay for such fees, those fees will have to be charged back to the college or otherwise accounted for in funding from the colleges. That is just one example, but there are many more. What this means is that as the budget stabilization funds are depleted and not replenished, then the colleges will be expected to pick up costs that were previously covered by the district through cost savings that are now accruing at the college level. The budget model will have to be adjusted accordingly.