

# RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: [Fiscal Resources Committee](#)

## Agenda for October 19, 2016

1:30 p.m. - 3:00 p.m.

Executive Conference Room #114

1. Welcome
2. State/District Budget Update – Hardash
  - Chancellor’s Fall Forums – Budget PowerPoint
  - SSC Update – Forecasters See Slow Economic Growth for 2016
  - SSC Update – 2017-18 System Budget Request
3. 2015-16 320 FTES Recalculation
  - Stabilization/Restoration Discussion
4. Multi-year Projection (MYP) Follow up – Additional Version
5. Informational Handouts
  - District-wide expenditure report link: <https://intranet.rscsd.edu>
  - Vacant Funded Position List as of October 7, 2016
  - Measure “E” Project Cost Summary as of September 30, 2016
  - Measure “Q” Project Cost Summary as of September 30, 2016
  - Monthly Cash Flow Summary as of September 30, 2016
6. Approval of FRC Minutes – September 28, 2016
7. Other

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

November 16, 2016

**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.**

Fiscal Services/Budget

# Chancellor's Fall 2016 Forums

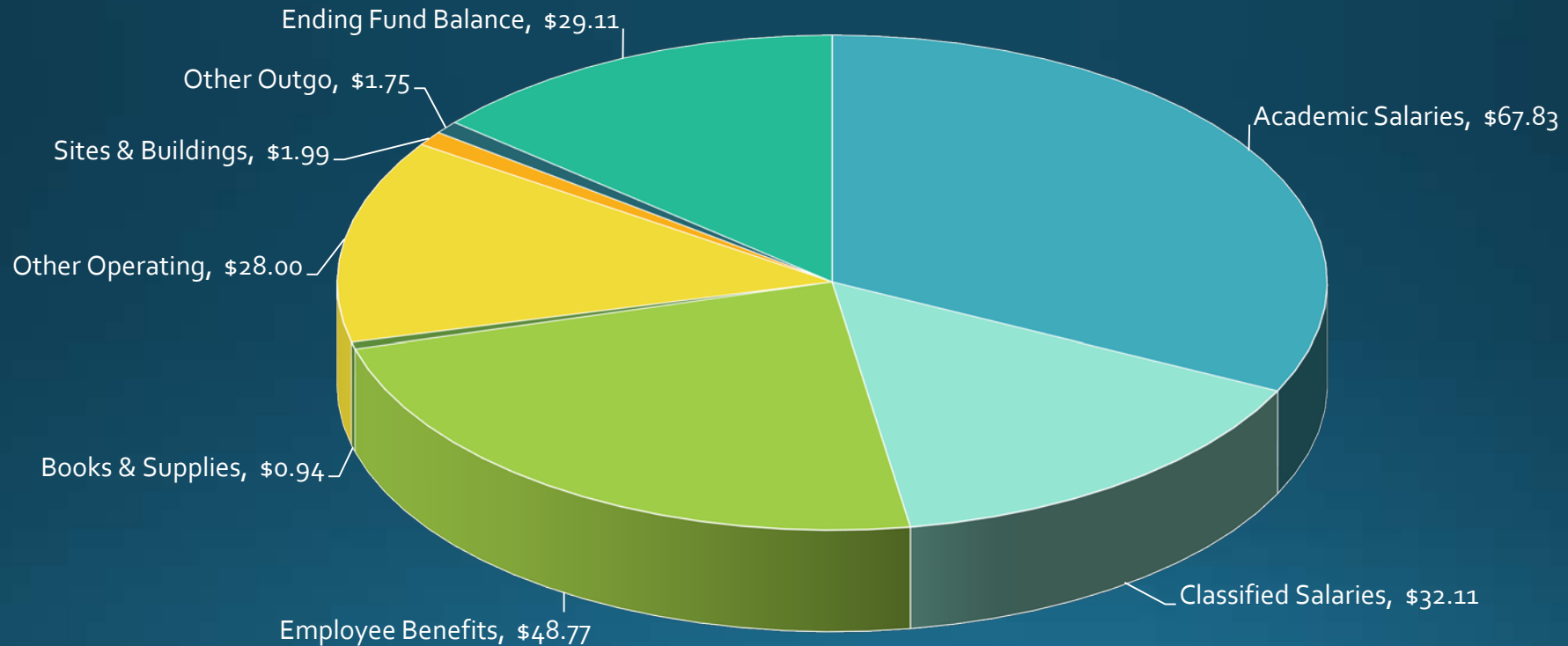
# 2016/2017 Adopted Budget

- Major Revenue Assumptions:
  - No COLA
  - No Growth
  - Base Allocation \$1.9 million
- Major Expense Assumptions:
  - Step and Column \$1.1 million
  - Health and Welfare \$610,000
  - PERS Increase \$630,000
  - STRS Increase \$1.16 million

Expenses increase approximately \$5 million or more each year regardless of new revenue sources

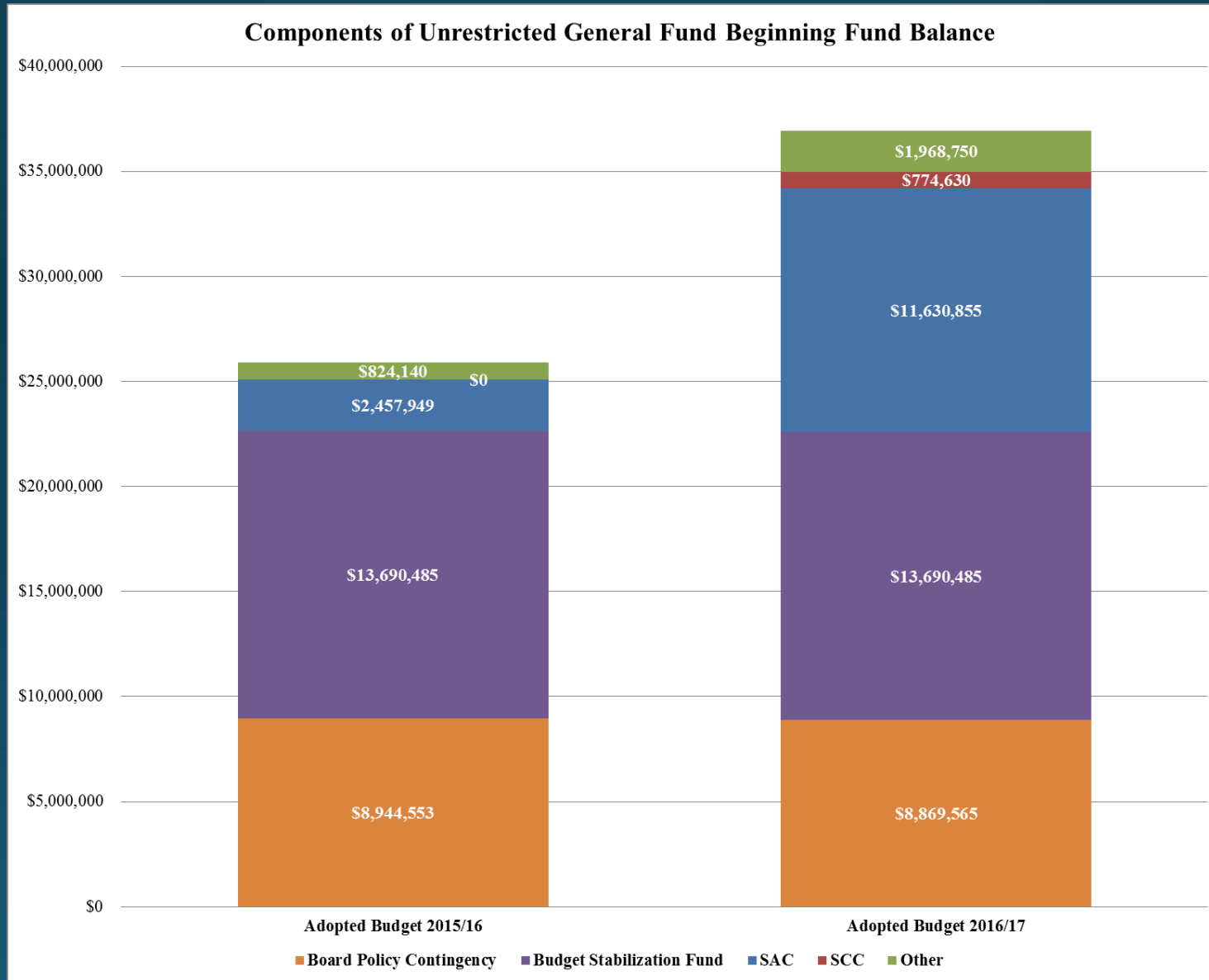
# 2016/2017 Expenditures

Total Unrestricted General Fund Expenditures  
\$181.39 million, Plus Ending Fund Balance of \$29.11 million



Salaries and benefits = 83% of expenditures

# Components of Fund Balance



# Recap of College Carryovers

<b>SANTA ANA COLLEGE FY 15/16 ONE-TIME CARRYOVER BUDGET</b>	
<b>FUND 13</b>	<b>FY 15/16</b>
Total FY 15/16 beginning balance	\$2,458,000
Final 2014/15 SB361 Model Closeout	452,000
SAC Allocation from BSF for SCC debt forgiveness	1,153,000
One Time Revenue - Baccalaureate Degree	350,000
<b>Total Additional funds allocated to fund 13 in FY 15/16</b>	<b>4,413,000</b>
Minus FY 15/16 expenses (net of transfers and additional revenue)	(1,075,000)
<b>Total Fund 13 Carryforward</b>	<b>3,338,000</b>
<b>Fund 11</b>	<b>FY 15/16</b>
Fulltime Faculty Allocation (Fall 2016)	1,068,000
Savings on faculty vacant positions(retirements) and reassigned/categorical transfers	1,145,000
Savings on classified salaries/vacant positions (2xxx)	625,000
Estimated Overbudgeted Benefit accounts (budget to actuals savings)	1,955,000
Utility, supplies and other expenses savings + indirect cost-Grants	1,744,000
<b>Available balance as of 6/30/16 fund 11</b>	<b>6,537,000</b>
Increase in Revenue Split in BAM	1,153,000
Additional Nonresident Tuition Revenue/ Other Local Revenue over Budget	603,000
<b>Total Fund 11 Carryforward</b>	<b>8,293,000</b>
<b>TOTAL CARRYOVER TO FY 16/17</b>	<b>\$11,631,000</b>

<b>SANTIAGO CANYON COLLEGE FY 15/16 ONE-TIME CARRYOVER BUDGET</b>	
<b>FUND 11 &amp; 13</b>	<b>FY 15/16</b>
Total FY 15/16 beginning balance	\$0
Net Rental Revenue over Budget	94,000
Net Nonresident Tuition Revenue over Budget	201,000
Increase in Revenue Split in BAM	480,000
<b>TOTAL CARRYOVER TO FY 16/17</b>	<b>\$775,000</b>

# STRS and PERS Increases

**STRS & PERS - Future Employer Rates and Additional Ongoing Costs**

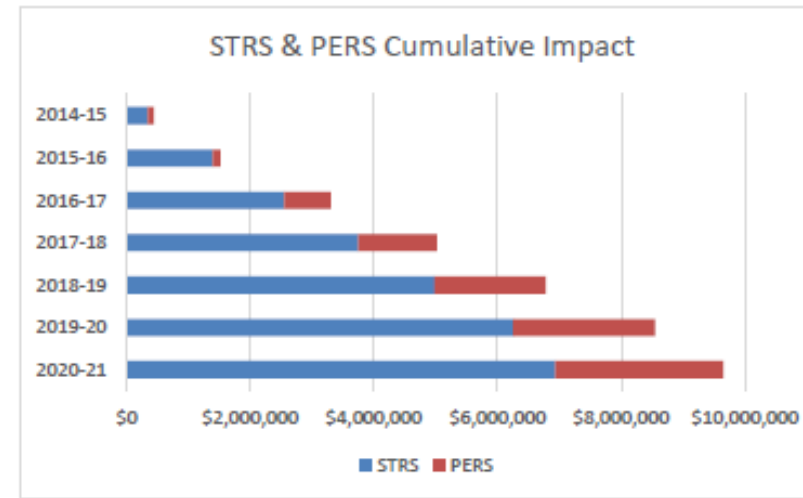
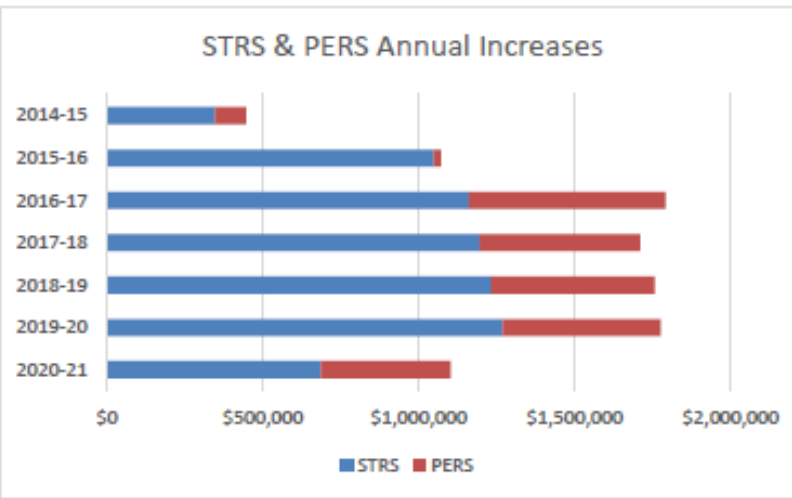
	STRS				PERS				Total Annual Impact	Combined Cumulative Impact
	Annual Change	Rate	Annual Impact <sup>1</sup>	Cumulative Impact	Annual Change	Rate	Annual Impact <sup>2</sup>	Cumulative Impact		
2013-14		8.250%				11.442%				
2014-15	0.630	8.880%	\$346,500	\$346,500	0.329	11.771%	\$98,700	\$98,700	\$445,200	\$445,200
2015-16	1.850	10.730%	\$1,048,025	\$1,394,525	0.076	11.847%	\$23,484	\$122,184	\$1,071,509	\$1,516,709
2016-17	1.850	12.580%	\$1,161,452	\$2,555,977	2.041	13.888%	\$630,063	\$752,247	\$1,791,515	\$3,308,224
2017-18	1.850	14.430%	\$1,196,296	\$3,752,273	1.612	15.500%	\$512,558	\$1,264,805	\$1,708,854	\$5,017,078
2018-19	1.850	16.280%	\$1,232,184	\$4,984,457	1.600	17.100%	\$524,005	\$1,788,810	\$1,756,189	\$6,773,267
2019-20	1.850	18.130%	\$1,269,150	\$6,253,607	1.500	18.600%	\$505,992	\$2,294,803	\$1,775,142	\$8,548,409
2020-21	0.970	19.100%	\$685,410	\$6,939,017	1.200	19.800%	\$416,938	\$2,711,740	\$1,102,347	\$9,650,757

<sup>1</sup> Each 1% increase in STRS rate is approximately \$700,000

Employee Contribution % for STRS = 10.25%/9.205%

<sup>2</sup> Each 1% increase in PERS rate is approximately \$350,000

Employee Contribution % for PERS = 7.00%/6.00%



# For More Budget Information

- Budget Presentations:
  - [Click the link button in the middle of the District Homepage](#)
- Tentative and Adopted Budgets:
  - <https://www.rscdd.edu/Departments/Business-Operations/Pages/Budget.aspx>
- Fiscal Resources Committee:
  - <https://www.rscdd.edu/Departments/Business-Operations/Pages/Fiscal-Resources-Committee.aspx>



# *The* COMMUNITY COLLEGE UPDATE

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Volume 36

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No. 20

## **UCLA Forecasters See Slow Economic Growth for 2016**

The state and national economies have underperformed expectations this year, with lagging productivity largely to blame, according to economists with the UCLA Anderson Forecast. One year ago, the UCLA group forecast that the U.S. economy would grow 3% in 2016. Their revised forecast for 2016 Gross Domestic Product growth is now 1.5%.

At a conference on the UCLA campus on September 28, 2016, Senior Economist David Shulman explained that it will be extremely difficult for the U.S. economy to return to a 3% annual growth path without an improvement in productivity from near zero to about 2%. This observation was put in the context of the major economic proposals offered by the two presidential candidates. Shulman concluded that deficits will rise no matter who wins the White House, but improvements in productivity will take many years, notwithstanding major investments in infrastructure and education, and reform of the U.S. tax codes, as proposed by the candidates.

The U.S. economy has been running at a 1% growth rate since the fourth quarter of 2015. The UCLA forecast shows that the second half of 2016 will grow at a 2.7% pace, bringing total growth for the year to about 1.5%. Shulman explained that consumer spending is expected to weaken in the second half of the year, as auto sales level off, but overall growth will accelerate with a “hand off” to the business sector. Fixed business investment is expected to improve, especially in oil and gas drilling equipment.

The big wild card in the forecast is the performance of the global economy and exports. There has been essentially zero growth in U.S. exports for the past two years due to the strong dollar, weak foreign economies, and growing protectionist sentiments. The UCLA forecast assumes a modest increase in exports, but Shulman acknowledges that this is one of the riskiest assumptions in the forecast.

The forecast reflects rising inflation and an expectation that the Federal Reserve will raise the discount rate 0.25% in December 2016. As the economy reaches full employment and oil prices begin to rise, the Federal Reserve is expected to raise the discount rate to about 1.5% by the end of 2017.

Consistent with the national forecast, the UCLA economists revised downward their outlook for the California economy. One year ago, UCLA anticipated a 3.8% increase in state personal income in 2016. Yesterday’s revised forecast put growth at 2.6%.

In light of the critical views of both presidential candidates with regard to international trade, Senior Economist Jerry Nickelsburg, examined the effects of a trade war on the California economy. Extrapolating from the effects of Great Recession on the trade-related sectors of the state economy, Nickelsburg concluded that a trade war could reduce state personal income growth by 0.22% and reduce overall employment growth by 0.68%. He acknowledged, however, that these estimates should be taken with a grain of salt, since the economic models reflect data since the end of World War II and the U.S. has not engaged in a trade war since Smoot Hawley tariffs were imposed in 1930.

—*Robert Miyashiro*

# ***The* COMMUNITY COLLEGE UPDATE**

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Volume 36

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No. 19

## **2017-18 System Budget Request Approved**

Yesterday, September 19, 2016, the Board of Governors (BOG) approved the 2017-18 system budget request to be submitted to the Brown Administration for consideration. Much like in past years, the request includes funding for access, cost-of-living (COLA), and base allocations. Unlike in past years, there is no new, taskforce-based funding request. The budget request totals nearly \$800 million in ongoing spending.

The top funding requests are as follows:

- \$125 million for 2% access/growth in full-time equivalent student
- \$100 million for an estimated 1% COLA
- \$200 million for a base funding increase to cover general operating expenses
- \$100 million for full-time faculty hiring
- \$25 million for part-time faculty compensation and part-time faculty health insurance programs
- \$25 million for Veterans Resource Centers (VRCs)

Reflecting increased costs to run California Community Colleges (CCC), the system budget request is also asking for \$50 million in technology funding, \$50 million for campus safety needs, and \$25 million to increase colleges' capacity to address mental health needs of students.

If one-time funding is available in the 2017-18 State Budget, the system budget request prioritizes these needs:

- \$15 million for the California College Promise Innovation Grant Program
- \$15 million for Innovation in Education
- An undefined amount for Deferred Maintenance and Instructional Equipment

Finally, the request also seeks a restoration of Cal Grants for CCC students, a guaranteed revenue backfill, and additional staffing resources for the California Community College Chancellor's Office (CCCCO).

Several veteran students and college staff came to testify in support of the system request to support VACs.

At one point, the BOG was considering significant increases to the requests in the funding for VRCs, mental health, and professional development. Ultimately, the BOG approved the request as proposed by the CCCCCO plus an additional \$5 million for VRCs (bringing the total request to \$30 million) and \$5 million to address the issues of food insecurity and homelessness in CCC students. The request will be sent to the Administration for consideration within the week.

**—Michelle McKay Underwood**

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT  
FTES COMPARISONS  
2014-2015 TO 2015-2016 P3 and RECALC

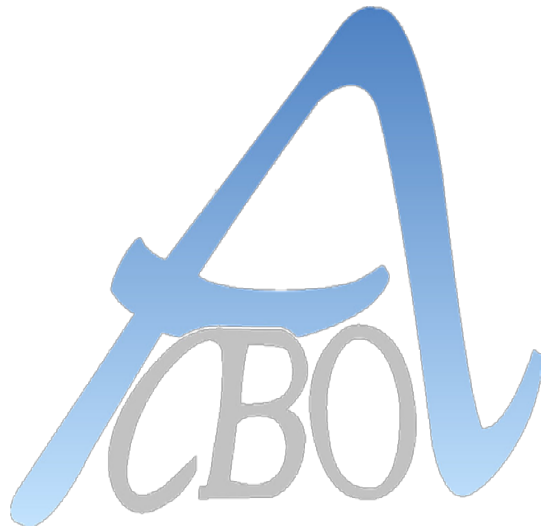
PRELIM#2-RECALC

	2014-2015 Annual			2015-2016 @P3			2015-2016 Prelim#2 RECALC			2015-2016					
	(P3) Annual Reporting			Actuals as of July 6,7&13, 2016			Actuals as of September 2016			Better (Worse) 2014-15 vs. RECALC			Better (Worse) P3 vs. RECALC		
	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC
<b>SUMMER 2015 On or After 7/1/2015</b>															
NC	(123.01)	(139.22)	16.21	56.05	32.50	23.55	56.05	32.50	23.55	179.06	171.72	7.34	0.00	0.00	0.00
CDCP	670.40	546.32	124.08	546.02	422.27	123.75	545.93	422.18	123.75	(124.47)	(124.14)	(0.33)	(0.09)	(0.09)	0.00
CR	1,535.58	1,020.99	514.59	1,715.48	1,220.15	495.33	1,716.50	1,220.82	495.68	180.92	199.83	(18.91)	1.02	0.67	0.35
<b>SUMMER TOTALS</b>	<b>2,082.97</b>	<b>1,428.09</b>	<b>654.88</b>	<b>2,317.55</b>	<b>1,674.92</b>	<b>642.63</b>	<b>2,318.48</b>	<b>1,675.50</b>	<b>642.98</b>	<b>235.51</b>	<b>247.41</b>	<b>(11.90)</b>	<b>0.93</b>	<b>0.58</b>	<b>0.35</b>
<b>FALL 2015</b>															
NC	281.90	216.06	65.84	271.35	202.06	69.29	271.35	202.06	69.29	(10.55)	(14.00)	3.45	0.00	0.00	0.00
CDCP	1,907.15	1,364.67	542.48	2,011.01	1,513.92	497.09	2,010.82	1,513.73	497.09	103.67	149.06	(45.39)	(0.19)	(0.19)	0.00
CR															
IS, DSCH	243.81	135.72	108.09	289.29	156.89	132.40	289.39	156.99	132.40	45.58	21.27	24.31	0.10	0.10	0.00
IS, WSCH	363.13	259.77	103.36	486.10	305.66	180.44	486.32	305.88	180.44	123.19	46.11	77.08	0.22	0.22	0.00
DSCH	486.92	308.18	178.74	463.89	305.42	158.47	460.99	302.52	158.47	(25.93)	(5.66)	(20.27)	(2.90)	(2.90)	0.00
One time Manual Correction-DSCH	0.00	0.00	0.00	0.00	0.00	0.00	(1.02)	(1.02)	0.00	(1.02)	(1.02)	0.00	(1.02)	(1.02)	0.00
Positive	1,698.49	1,644.50	53.99	1,572.27	1,513.66	58.61	1,572.32	1,513.65	58.67	(126.17)	(130.85)	4.68	0.05	(0.01)	0.06
WSCH	7,359.11	4,686.56	2,672.55	7,277.35	4,691.05	2,586.30	7,277.85	4,691.55	2,586.30	(81.26)	4.99	(86.25)	0.50	0.50	0.00
One time Manual Correction-WSCH	0.00	0.00	0.00	0.00	0.00	0.00	0.23	0.23	0.00	0.23	0.23	0.00	0.23	0.23	0.00
<b>TOTAL CR</b>	<b>10,151.46</b>	<b>7,034.73</b>	<b>3,116.73</b>	<b>10,088.90</b>	<b>6,972.68</b>	<b>3,116.22</b>	<b>10,086.08</b>	<b>6,969.80</b>	<b>3,116.28</b>	<b>(65.38)</b>	<b>(64.93)</b>	<b>(0.45)</b>	<b>(2.82)</b>	<b>(2.88)</b>	<b>0.06</b>
<b>FALL TOTALS</b>	<b>12,340.51</b>	<b>8,615.46</b>	<b>3,725.05</b>	<b>12,371.26</b>	<b>8,688.66</b>	<b>3,682.60</b>	<b>12,368.25</b>	<b>8,685.59</b>	<b>3,682.66</b>	<b>27.74</b>	<b>70.13</b>	<b>(42.39)</b>	<b>(3.01)</b>	<b>(3.07)</b>	<b>0.06</b>
<b>SPRING 2016</b>															
NC	397.81	297.28	100.53	358.79	233.30	125.49	358.79	233.28	125.51	(39.02)	(64.00)	24.98	0.00	(0.02)	0.02
CDCP	3,215.68	2,342.93	872.75	3,154.85	2,177.98	976.87	3,154.95	2,178.04	976.91	(60.73)	(164.89)	104.16	0.10	0.06	0.04
CR															
Jan. intersession	737.53	521.03	216.50	793.33	556.01	237.32	793.53	556.22	237.31	56.00	35.19	20.81	0.20	0.21	(0.01)
IS, DSCH	263.03	132.52	130.51	316.19	191.66	124.53	315.91	191.47	124.44	52.88	58.95	(6.07)	(0.28)	(0.19)	(0.09)
IS, WSCH	387.19	287.65	99.54	459.55	311.85	147.70	459.68	311.98	147.70	72.49	24.33	48.16	0.13	0.13	0.00
DSCH	463.50	356.22	107.28	405.87	309.75	96.12	405.97	309.85	96.12	(57.53)	(46.37)	(11.16)	0.10	0.10	0.00
Positive	1,632.46	1,580.21	52.25	1,639.18	1,576.93	62.25	1,641.91	1,579.67	62.24	9.45	(0.54)	9.99	2.73	2.74	(0.01)
WSCH	7,152.58	4,558.35	2,594.23	6,807.16	4,342.20	2,464.96	6,796.56	4,331.81	2,464.75	(356.02)	(226.54)	(129.48)	(10.60)	(10.39)	(0.21)
<b>TOTAL CR</b>	<b>10,636.29</b>	<b>7,435.98</b>	<b>3,200.31</b>	<b>10,421.28</b>	<b>7,288.40</b>	<b>3,132.88</b>	<b>10,413.56</b>	<b>7,281.00</b>	<b>3,132.56</b>	<b>(222.73)</b>	<b>(154.98)</b>	<b>(67.75)</b>	<b>(7.72)</b>	<b>(7.40)</b>	<b>(0.32)</b>
<b>SPRING TOTALS</b>	<b>14,249.78</b>	<b>10,076.19</b>	<b>4,173.59</b>	<b>13,934.92</b>	<b>9,699.68</b>	<b>4,235.24</b>	<b>13,927.30</b>	<b>9,692.32</b>	<b>4,234.98</b>	<b>(322.48)</b>	<b>(383.87)</b>	<b>61.39</b>	<b>(7.62)</b>	<b>(7.36)</b>	<b>(0.26)</b>
<b>SUMMER 2016 On or Before 6/30/2016</b>															
NC	192.37	192.37	0.00	15.46	15.46	0.00	15.95	15.95	0.00	(176.42)	(176.42)	0.00	0.49	0.49	0.00
CDCP	0.00	0.00	0.00	213.82	213.82	0.00	213.71	213.71	0.00	213.71	213.71	0.00	(0.11)	(0.11)	0.00
CR	42.45	38.61	3.84	48.42	41.63	6.79	54.46	43.77	10.69	12.01	5.16	6.85	6.04	2.14	3.90
Borrowed	0.00	0.00	0.00	0.00	0.00	0.00	3.48	3.48	0.00	3.48	3.48	0.00	3.48	3.48	0.00
<b>SUMMER TOTALS</b>	<b>234.82</b>	<b>230.98</b>	<b>3.84</b>	<b>277.70</b>	<b>270.91</b>	<b>6.79</b>	<b>287.60</b>	<b>276.91</b>	<b>10.69</b>	<b>52.78</b>	<b>45.93</b>	<b>6.85</b>	<b>9.90</b>	<b>6.00</b>	<b>3.90</b>
<b>COMBINED</b>															
NC	749.07	566.49	182.58	701.65	483.32	218.33	702.14	483.79	218.35	(46.93)	(82.70)	35.77	0.49	0.47	0.02
CDCP	5,793.23	4,253.92	1,539.31	5,925.70	4,327.99	1,597.71	5,925.41	4,327.66	1,597.75	132.18	73.74	58.44	(0.29)	(0.33)	0.04
CREDIT	22,365.78	15,530.31	6,835.47	22,274.08	15,522.86	6,751.22	22,274.08	15,518.87	6,755.21	(91.70)	(11.44)	(80.26)	0.00	(3.99)	3.99
<b>TOTAL</b>	<b>28,908.08</b>	<b>20,350.72</b>	<b>8,557.36</b>	<b>28,901.43</b>	<b>20,334.17</b>	<b>8,567.26</b>	<b>28,901.63</b>	<b>20,330.32</b>	<b>8,571.31</b>	<b>(6.45)</b>	<b>(20.40)</b>	<b>13.95</b>	<b>0.20</b>	<b>(3.85)</b>	<b>4.05</b>
Non-Credit	75.63%	24.37%	31.12%	68.88%	31.12%	31.10%	68.90%	31.10%	31.10%	68.90%	31.10%	31.10%	68.90%	31.10%	31.10%
CDCP	73.43%	26.57%	26.96%	73.04%	26.96%	26.96%	73.04%	26.96%	26.96%	73.04%	26.96%	26.96%	73.04%	26.96%	26.96%
Credit	69.44%	30.56%	30.31%	69.69%	30.31%	30.33%	69.67%	30.33%	30.33%	69.67%	30.33%	30.33%	69.67%	30.33%	30.33%
Total	70.40%	29.60%	29.64%	70.36%	29.64%	29.66%	70.34%	29.66%	29.66%	70.34%	29.66%	29.66%	70.34%	29.66%	29.66%
<b>Growth Total</b>					<b>-0.02%</b>										
<b>Growth Total by Campus</b>					<b>-0.08%</b>	<b>0.12%</b>									
<b>@15/16 P2 Exhibit "C"</b>															
\$	4,675.90	base per credit FTES		\$	4,675.90	base per credit FTES		\$	4,675.90	base per credit FTES		\$	4,675.90	base per credit FTES	
\$	2,811.75	base per non-credit FTES		\$	2,811.75	base per non-credit FTES		\$	2,811.75	base per non-credit FTES		\$	2,811.75	base per non-credit FTES	
\$	4,675.90	base per non-credit CDCP FTES		\$	4,675.90	base per non-credit CDCP FTES		\$	4,675.90	base per non-credit CDCP FTES		\$	4,675.90	base per non-credit CDCP FTES	
<b>TOTAL</b>	<b>SAC</b>	<b>SCC</b>		<b>TOTAL</b>	<b>SAC</b>	<b>SCC</b>		<b>TOTAL</b>	<b>SAC</b>	<b>SCC</b>		<b>TOTAL</b>	<b>SAC</b>	<b>SCC</b>	
\$104,151,438.81	\$72,583,388.56	\$31,568,050.25		\$104,151,438.81	\$72,564,731.71	\$31,586,707.10		\$104,151,438.81	\$72,564,731.71	\$31,586,707.10		\$104,151,438.81	\$72,564,731.71	\$31,586,707.10	
\$1,972,865.86	\$1,358,976.02	\$613,889.83		\$1,974,243.61	\$1,360,297.55	\$613,946.07		\$1,974,243.61	\$1,360,297.55	\$613,946.07		\$1,974,243.61	\$1,360,297.55	\$613,946.07	
\$27,707,998.66	\$20,237,261.61	\$7,470,737.05		\$27,706,642.65	\$20,235,718.56	\$7,470,924.09		\$27,706,642.65	\$20,235,718.56	\$7,470,924.09		\$27,706,642.65	\$20,235,718.56	\$7,470,924.09	
<b>\$133,832,303.33</b>	<b>\$94,179,626.19</b>	<b>\$39,652,677.14</b>		<b>\$133,832,325.07</b>	<b>\$94,160,747.81</b>	<b>\$39,671,577.26</b>		<b>\$133,832,325.07</b>	<b>\$94,160,747.81</b>	<b>\$39,671,577.26</b>		<b>\$133,832,325.07</b>	<b>\$94,160,747.81</b>	<b>\$39,671,577.26</b>	

NOTE:  
Actuals  
Est. actuals  
Updated projections

Borrowing Analysis		
TOTAL	SAC	SCC
\$0.00	(\$18,656.85)	\$18,656.85
\$1,377.76	\$1,321.52	\$56.24
(\$1,356.01)	(\$1,543.05)	\$187.04
\$21.75	(\$18,878.38)	\$18,900.12
\$4,675.903059	\$4,675.903059	\$4,675.903059
0.00	(4.04)	4.04

Borrow 3.48 FTES



# **THE STATE APPORTIONMENT "DECODER" AND OTHER HANDY CBO TOOLS**

KATHY BLACKWOOD  
JEFF DEFRANCO  
ANN-MARIE GABEL

1

PRESENTED ON 5-23-2016

# AGENDA

Building Blocks for Exhibit C

Apportionment Simulation

Decline

Stability

Restoration

Statewide Implications

Growth

Deficit Factor



# EXHIBIT C BUILDING BLOCKS

- Base & marginal rates per FTES
  - Grandfathered districts
- Last year's funded FTES
- This year's funded FTES
- Property taxes
- Enrollment fees

# APPORTIONMENT SIMULATION WORKSHEET

- This worksheet was developed by Ed Monroe at the Chancellor's Office. It has been updated for P-1 2015/16 by Kathy Blackwood. Much of the information must be keyed in by the user. This worksheet is a simulation and is guaranteed to **NOT** be exactly what your district will receive in funding. Hopefully you will find it useful in reviewing the Exhibit Cs and projecting your district's revenue.
- The referenced interactive excel document that is prepopulated for use by all 72 districts can be found at [www.acbo.org](http://www.acbo.org) under the Spring 2016 Conference section.

# DECLINE/STABILITY/RESTORATION

- Decline is when a college has fewer FTES than the previous year
- Can get complicated when the FTES are switching between non credit and CDCP
- A college gets stability the first year of decline
  - Funded at the same FTES as the previous year

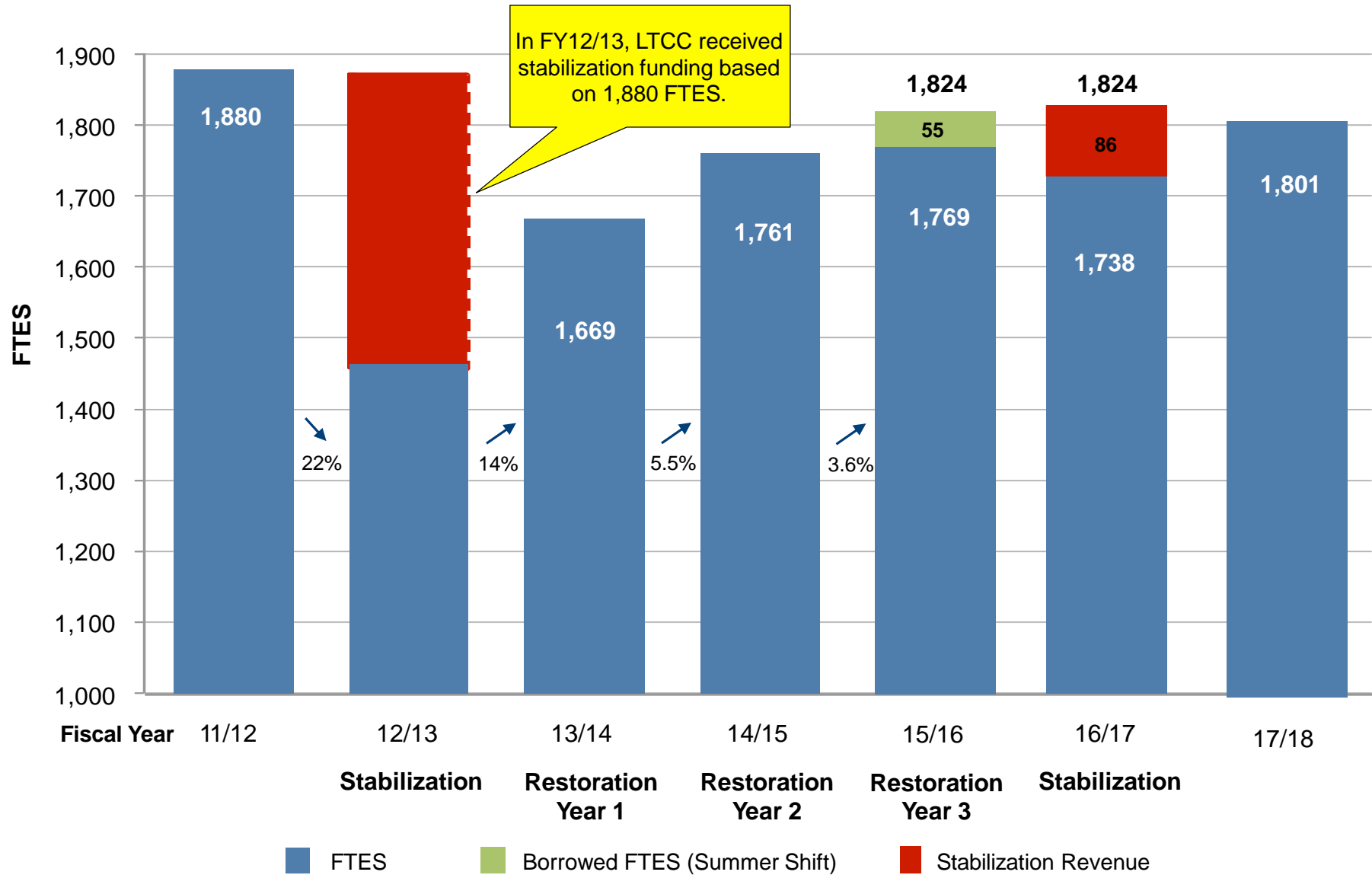


# DECLINE/STABILITY/RESTORATION

- Restoration brings the college back to previous years' FTES level
- Three years to restore the FTES
- There may be 3 years of decline simultaneously
- The oldest decline is restored first
- The dollar value is restored; the mix of the FTES may change

# STABILIZATION AND RESTORATION

## (SCENARIO 1: LAKE TAHOE COMMUNITY COLLEGE EXAMPLE)



## **TITLE 5 § 58776. BUDGET STABILITY.**

Districts shall receive stability funding only in the initial year of decline in FTES in an amount equaling the revenue loss associated with the FTES reduction for that year.

Declines in college FTES that result in a reduction of calculated basic allocation will not cause a reduction in basic allocation base revenue until the third year after the year of the FTES decline, and the basic allocation will not be reduced if the FTES is restored back to or above the pre-decline base.

# **FY2015-16 BASE FUNDING RATES**

## **Level 1 – 9,940 FTES or less**

\$3,402,370 single & multiple college districts

## **Level 2 – 9,940.01 to 19,880 FTES**

\$4,536,493 single college

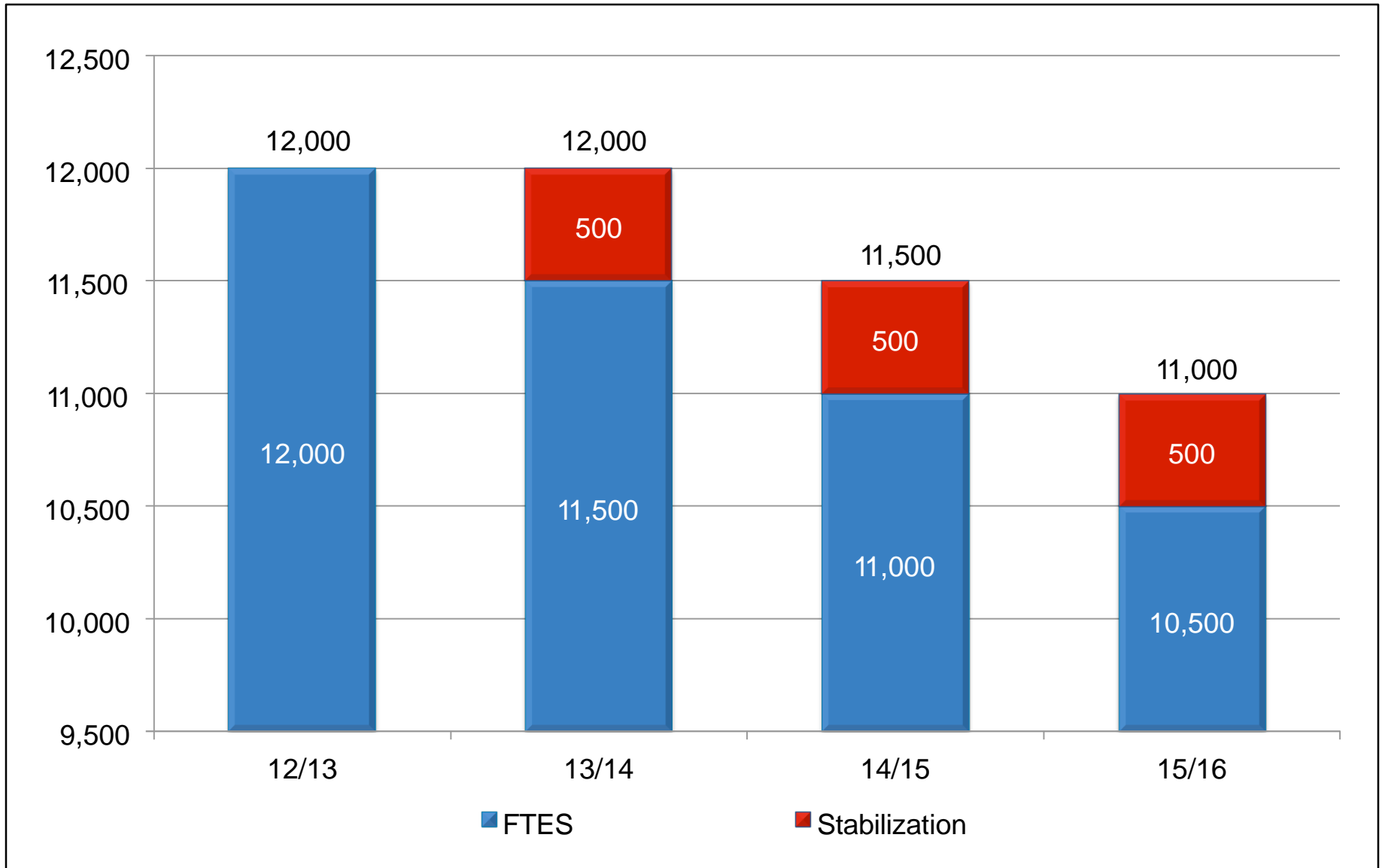
\$3,969,432 multiple colleges

## **Level 3 – 19,880.01 FTES or more**

\$5,670,617 single college

\$4,536,493 multiple colleges

## SCENARIO 2: THREE YEARS OF SUBSEQUENT DECLINE STABILIZATION REVENUE FUNDING



# RESTORATION

- Restoration takes place by increasing FTES but your total available restoration level is based on the previous total computational revenue amount.
- The makeup of non-credit, credit, and CDCP can change and the district can still restore to an FTES level that is equivalent to the previous revenue level. For instance you can have fewer credit and more non-credit than the district's original FTES amounts pre-stabilization

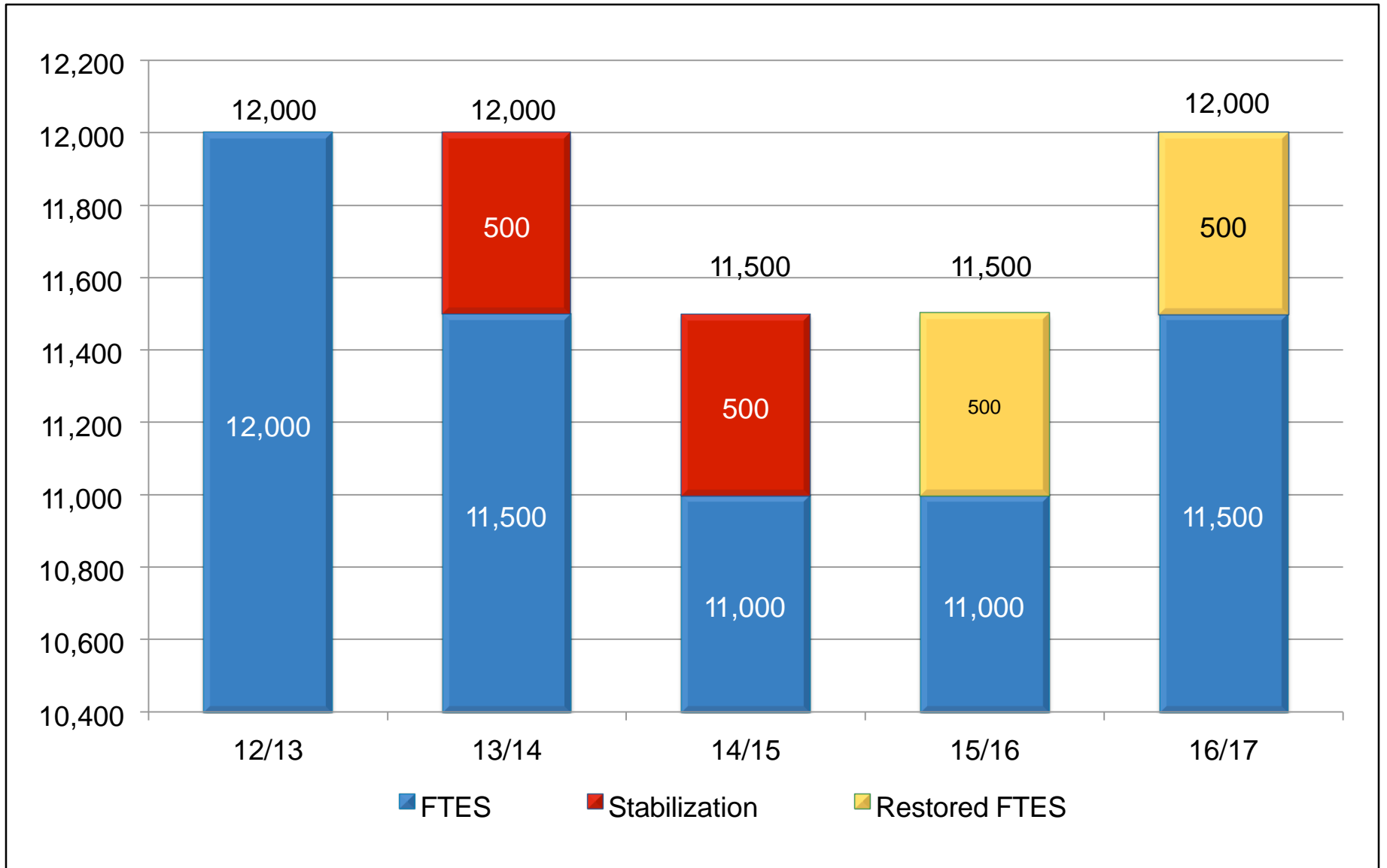
## **TITLE 5 § 58777. DECLINE RESTORATION.**

(a) Districts shall be entitled to restore any reductions in apportionment revenue due to declines in FTES during the three years following the initial year of decline in credit, noncredit, or career development and college preparation FTES if there is a subsequent increase in FTES.

(b) Restoration of revenue for declining workload and the inflation adjustments made between the year of decline and the year of restoration shall be made at the district's current marginal growth funding rate.

# SCENARIO 3: STABILIZATION FOLLOWED BY RESTORATION

FIRST APPORTIONMENT REVENUE LOST IS FIRST APPORTIONMENT REVENUE RESTORED





# **Stabilization Revenue as Shown on Exhibit E**

### CALIFORNIA COMMUNITY COLLEGES 2014-15 RECALCULATION APPORTIONMENT BUTTE COMMUNITY COLLEGE DISTRICT

	Restoration FTES	Growth FTES
	0.000	0.000
	0.000	0.000
	0.000	0.000

I Base Revenues +/- Restore or Decline			
A Basic Allocation	\$5,622,823		
B Workload Reduction	\$40,761,277		
	\$0.00		
	\$40,761,277		
	\$46,862,033		
	\$2,822,570		
	\$78,654		
	\$-0,643.50		
	\$0.00		
	\$4		
	\$448,391		
	\$0		
	\$0		
	\$0		

V Other Revenues Adjustments			
A Revenue Adjustment	\$0		
B Funding of Unfunded FTES	\$0		
Total Revenue Adjustments	\$0		
VI Total Computational Revenue (sum of I, B, R, IV, V, & VI)		\$55,854,885	
VII District Revenue Source			
A1 Property Taxes	\$12,300,628		
A2 Less Property Taxes Excess	\$0		
B Student Enrollment Fees	\$3,267,114		
C State General Apportionment	\$20,124,878		
D Estimated EPA	\$0,153,245		
Available Revenue	\$25,854,865		
E Revenue Shortfall	\$0		
Total Revenue Plus Shortfall	\$25,854,865		
IX Other Allowances and T			

Workload Measures:	Base Funding	Marginal Funding	Base FTES
Credit FTES	4,636.492866	4,675.900000	10,107.220
Noncredit FTES	2,788.053637	2,811.752093	1,012.380
Noncredit – CDCP FTES	3,282.811061	3,310.714955	<u>23.350</u>
<b>Total FTES:</b>			<b>11,142.950</b>

## College Example

Stability Adjustment	\$2,666,449
----------------------	-------------

Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
0.000	-605.970	9,501.250	0.000	9,501.250
0.000	58.160	1,070.540	0.000	1,070.540
0.000	1.050	24.400	0.000	24.400
0.000	-546.760	10,596.190	0.000	10,596.190

Single College District Funding Rates: Total FTES

> 19,288	> 9,644	<= 9,644
\$5,622,823	\$4,498,258	\$3,373,694

IV Growth					
A Unapproved					
B Center					
C Center					
D Center					
State Approved					
1	\$1,134,566	1	\$1,124,565		
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels					
> 964	> 723	> 482	> 241	= 180	
\$1,124,566	\$843,423	\$562,282	\$281,141	\$140,571	
Number of Grandfathered or Previously Approved Centers: @ Total FTES					
0	0	0	0	0	
Grandfathered or Previously Approved Center Revenue:					
\$0	\$0	\$0	\$0	\$0	
					Total Grandfathered or Previously Approved Centers
					\$0
					Total Grandfathered or Previously Approved Center Revenue
					\$5,622,823

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**CALIFORNIA COMMUNITY COLLEGES  
2014-15 RECALCULATION APPORTIONMENT  
SAN LUIS OBISPO COMMUNITY COLLEGE DISTRICT**

APRIL  
EXHIBIT E

Base Revenues +/- Restore or Decline		0.000	0.000	
A Basic Allocation	\$4,498,250			
B Basic FTES Revenue Before Workload Reduction	\$38,530,510			
C Workload Reduction	\$0.00			
D Restored Base FTES Revenue	\$38,530,510			
E Revenue	\$37,862,342			
F State College NonCredit	\$186,337			
G State	\$478,831			
H Loss Decline	\$2,085,183			
I Adjustment	\$36,939,586			
J Adjustment	0.00%			
K Restoration				
L Restoration				
M Restoration				
N Restoration				
O Restoration				
P Restoration				
Q Restoration				
R Restoration				
S Restoration				
T Restoration				
U Restoration				
V Other Revenue Adjustments				
A Revenue Adjustment	\$0			
B Funding of Unfunded FTES	\$0			
C Total Revenue Adjustments	\$0			
D Total Computational Revenue (sum of I, II, III, IV, V, & VI)	\$43,394,513			
E VIII District Revenue Source				
A1 Property Taxes	\$30,768,580			
A2 Less Property Taxes Exp	\$0			
B Student Employment	\$12,625,933			

Workload Measures:	Base Funding	Marginal Funding	Base FTES
Credit FTES	4,636.492795	4,675.900000	8,166.160
Noncredit FTES	2,788.053637	2,811.752093	67.910
Noncredit CDCP FTES	3,182.851061	3,149.55	145.860
<b>Total FTES</b>			<b>8,379.930</b>

**San Luis Obispo  
Community College**

Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
0.000	-1,333.150	6,833.010	0.000	6,833.010
0.000	9.740	77.650	0.000	77.650
0.000	19.740	165.600	0.000	165.600
0.000	-1,303.670	7,076.260	0.000	7,076.260

Stability Adjustment	\$6,140,941
----------------------	-------------

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

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

Single College District Funding Rates: Total FTES	> 19,288	> 9,644	<= 9,644
\$4,622,823	\$4,498,258	\$3,373,694	
FTES:	1	0	1
Revenue:	\$0	\$3,373,694	\$0
Total			\$3,373,694

**Multi-College District Funding Rates: Total FTES**

> 19,288	> 9,644	<= 9,644
\$4,498,258	\$3,935,976	\$3,373,694

**Unrestored Decline**

1st year	\$ 0
2nd year	\$ 1,233,659
3rd year	\$ 0
<b>Total:</b>	<b>\$ 1,233,659</b>

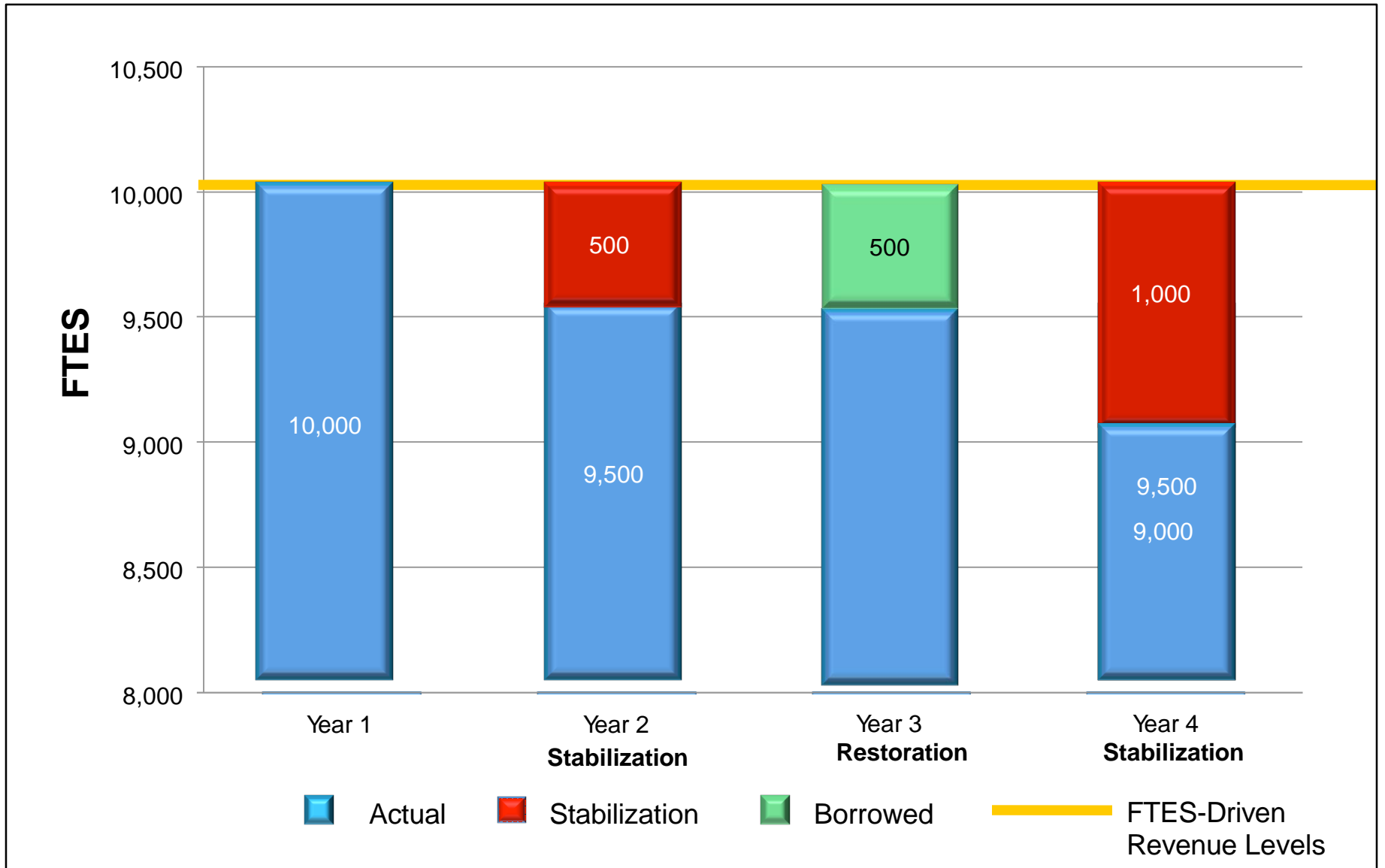
Total Basic Allocation Revenue	\$4,498,250
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# Buying Time

How to Buy Multiple  
Years to Restore FTES



# BORROWING FTES FROM THE SUCCEEDING YEAR



# 2011-12 RECALCULATION APPORTIONMENT MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT

*Excerpt from Recalculation Apportionment (R1) Exhibit E*

	<b>Base FTES</b>	<b>Stability FTES</b>	<b>Total Funded FTES</b>
Credit	2,955.587	-371.077	2,584.510
Noncredit	73.740	-39.480	34.260
Noncredit- CDCP	<u>68.080</u>	<u>-16.690</u>	<u>51.390</u>
<b>Total FTES</b>	<b>3,097.407</b>	<b>-427.247</b>	<b>2,670.160</b>

Stability Adjustment:           \$1,856,214

In this example funding is based on total funded FTES plus the stability adjustment

# 2012-13 RECALCULATION APPORTIONMENT MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT

*Excerpt from Recalculation Apportionment (R1) Exhibit E*

	Base FTES	Stability FTES	Total Funded FTES
Credit	2,584.510	375.931	2,965.880
Noncredit	34.260	0.000	30.760
Noncredit- CDCP	<u>51.390</u>	<u>0.000</u>	<u>46.680</u>
Total FTES	2,670.160	375.931	3,043.320

Stability Adjustment:           \$0

In this example funding is based on total funded FTES

# 2013-14 RECALCULATION APPORTIONMENT MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT

*Excerpt from Recalculation Apportionment (R1) Exhibit E*

	Base FTES	Stability FTES	Total Funded FTES
Credit	2,965.880	-711.650	2,254.230
Noncredit	30.760	4.380	35.140
Noncredit- CDCP	<u>46.680</u>	<u>7.920</u>	<u>54.600</u>
Total FTES	3,043.320	-699.350	2,343.970

Stability Adjustment:           \$3,261,348

In this example funding is based on total funded FTES plus the stability adjustment



# 2014-15 RECALCULATION APPORTIONMENT MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT

*Excerpt from Recalculation Apportionment (R1) Exhibit E*

	Base FTES	Stability FTES	Total Funded FTES
Credit	2,254.230	697.870	2,952.100
Noncredit	35.140	3.348	43.080
Noncredit- CDCP	<u>54.600</u>	<u>0.000</u>	<u>50.700</u>
Total FTES	2,343.970	701.218	3,045.880

Stability Adjustment: \$0

In this example funding is based on total funded FTES

## FOUR-YEAR STABILITY & RESTORATION TRACKING MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT

	FY11-12	FY12-13	FY13-14	FY14-15
<b>Base</b>	3079.41	2670.16	3043.32	2343.97
<b>Stability</b>	-427.25	0.00	-699.35	0.00
<b>Restored</b>	0.00	375.93	0.00	701.22
<b>Funded</b>	2670.16	3043.32	2343.97	3045.88

Funding is based on total funded FTES, plus a stability adjustment if applicable

# STRATEGIC FTES BORROWING

**If there are new registration regulations or other uncertainty in the coming year**

- Repeatability restrictions
- Increase in enrollment fees
- Change in BOG Fee Waiver administration

**There is extra growth on the table**

- 3% growth in current year, following year is less or uncertain
- Maximize growth potential

**Final year of restoration and not fully restored**

- Maximize your base FTES

# BORROWING FTES IMPLICATIONS

- Borrowing should be done at P2 to maximize cash flow
- Borrowing can be used for growth instead of restoration, but only once if the college isn't actually growing
- Borrowing can retain the ability for the college to earn revenue that it would otherwise lose
- Using state apportionment that could otherwise go to all districts
  - *Or perhaps not, if the unused funding is “swept” and used for other priorities*
- State Chancellor's Office has the ability to reverse borrowing if it is detrimental to the system

# STATEWIDE IMPLICATIONS AND TRENDS

**At P-1(March revision), there were 29 districts in stability or restoring**

- 16 districts on “Stability Adjustment”
  - Districts in the initial year of decline
- 13 districts on “Stability Restoration”
  - \$116.3 million earnable
  - Districts with unrestored decline

# STATEWIDE IMPLICATIONS AND TRENDS

## (CONTINUED)

- “Stability Adjustment” – 16 districts
  - \$105 million applied
    - This is available in 2016-17 as Stability Restoration
    - It adds to the amount leftover from 2015-16
      - As of P-1 = \$56.6 million
        - \$18 million may fall off since it’s older than 3 years

# STATEWIDE IMPLICATIONS AND TRENDS

## (CONTINUED)

### “Stability Restoration” – 13 districts

- \$59.7 million total earned
- \$42 million provided for in the State Budget
- DOF estimates using a rolling 3-year average
- \$17.7 million will contribute to deficit factor for all districts
- **0.277% applied as deficit factor**
  - Unrestored decline amounts to \$56.6 million
  - There was \$116.3 million in restoration available at beginning of year

# GROWTH

- Growth occurs after a college is fully restored or if there has been no decline
- New growth formula that places an emphasis on unmet need
- Strategies around growth
  - *Will there be growth left on the table from districts not using theirs?*
  - *How much can the district afford to be over the funded cap?*
  - *Do you leave a margin for audit adjustments?*
  - *Are you converting from non credit to CDCP?*



# STATEWIDE IMPLICATIONS AND TRENDS

## DEFICIT FACTORS

### Deficit factor – what is it?

- The Department of Finance budgets for property taxes and enrollment fees
- If either of those don't materialize, a deficit factor is imposed on all districts

# **STATEWIDE IMPLICATIONS AND TRENDS DEFICIT FACTORS (CONTINUED)**

## **TITLE 5 § 58779. DEFICIT MECHANISM.**

In the event that State General Fund appropriations, local property tax revenues, student enrollment fees, and other local tax revenues allocated to community college districts for general operating support, are less than the amounts computed for all districts for the fiscal year pursuant to subdivision (a) of section 58770, the Chancellor shall apportion state aid by multiplying the amount computed for each district pursuant to subdivision (a) of section 58770, by the ratio of the statewide total revenue available for purposes of subdivision (a) of section 58770, to the statewide total calculated amount for purposes of subdivision (a) of section 58770.

# STATEWIDE IMPLICATIONS AND TRENDS

## DEFICIT FACTORS *(CONTINUED)*

Deficit factors result from shortfalls in property tax, enrollment fees, or other revenues at the state level that impact Proposition 98 funding. The final deficit factor for the district will be included in the recalculation apportionment (R1) that is typically released in February in the calendar year following the end of the previous fiscal year (or 19 months after the start of the previous fiscal year). The deficit factors shown on the next few slides are taken from the latest version by period off the California Community College Chancellor's Office website.

# STATEWIDE IMPLICATIONS AND TRENDS

## DEFICIT FACTORS (CONTINUED)

Fiscal Year	Period	Deficit Factor
1999--00	R--1	1.00
2000--01	R--1	1.00
2001--02	R--1	0.9992020 2
2002--03	R--1	0.9940850 2
2003--04	R--1	0.9894214 2
2004--05	R--1	1.00
2005--06	R--1	1.00

Fiscal Year	Period	Deficit Factor
2006--07	R--1	1.00
2007--08	P--1	1.00
	Feb.	
	P--1	0.9846380 63
	Mar.	63
	P--2	0.9832138 64
	R--1	0.9967194
	Feb.	61
	R--1	0.9963229 56
R--1	0.9963229 56	
R--1	0.9967341 67	

Fiscal Year	Period	Deficit Factor
2008--09	P--1	0.9876236
	Feb.	46
	P--1	0.9869921 64
	Mar.	64
2009--10	P--2	0.9851542 45
	R--1	0.9881012 11
	P--1	1.00
2009--10	P--2	0.9988676 19
	R--1	1.00

Fiscal Year	Period	Deficit Factor
2010--11	P--1	0.9921402
	Feb.	59
	P--1	0.9918077
	Mar.	67
2011--12	P--2	0.9949105
		16
	R--1	0.9969826
		28
2011--12	P--1	0.9658075
	Feb.	57
	P--1	0.9658075
	May	57
	P--2	0.9765055
	89	
	R--1	0.9806172
		00

Fiscal Year	Period	Deficit Factor
2012--13	P--1	0.9351032
	Feb.	56
	P--1	0.9372726
	Mar.	51
	P--1	0.9370574
	May	95
	P--2 Jun.	0.9522378
	94	
	P--2	0.9627973
	Aug.	38
	R--1	0.9973159
	Feb.	18
	R--1	0.9977559
	Feb.	95
	R--1 Jun.	0.9980687
		63

Fiscal Year	Period	Deficit Factor
2013--14	P--1	0.9563951
	Feb.	92
	P--1	0.9563951
	Mar.	92
	P--2 Jun.	0.9828183
		87
	P--2	0.9890393
	Nov.	73
	P--2	0.9889319
	Dec.	85
	R--1	0.9934877
	Feb.	46
	R--1 Apr.	0.9954623
		19
	R--1 Jun.	0.9954623
		19

R--1	0.9982986
Nov.	70

34

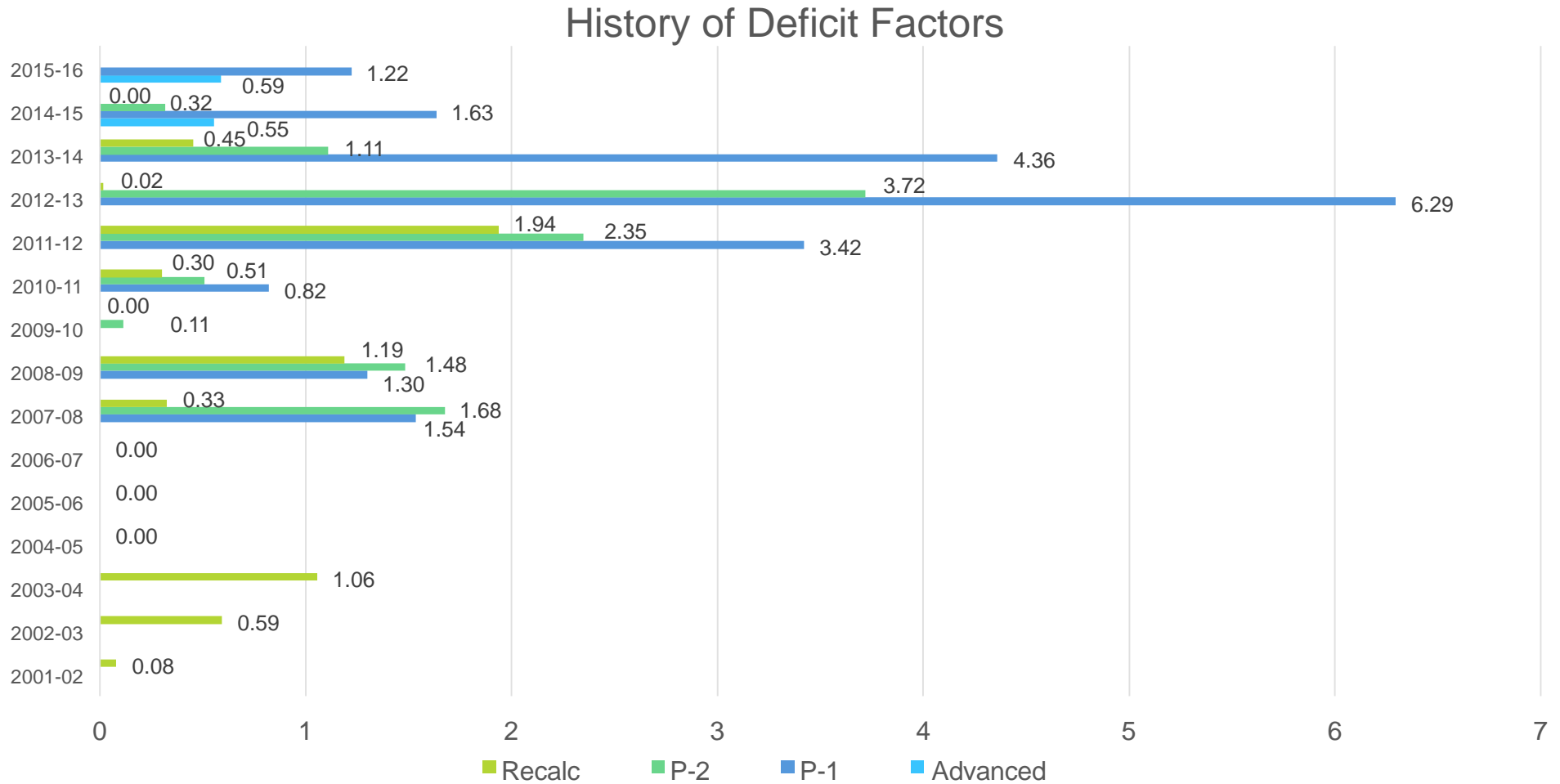
# STATEWIDE IMPLICATIONS AND TRENDS

## DEFICIT FACTORS *(CONTINUED)*

Fiscal Year	Period	Deficit Factor
2014--15	Adv. Aug.	0.994453719
	Adv. Nov.	0.994453719
	Adv. Dec.	0.994453719
	P--1 Feb.	0.985185414
	P--1 Apr.	0.983657246
	P--2	0.996820955
	R--1 Feb.	1
	R--1 Mar.	1
	R--1	1

Fiscal Year	Period	Deficit Factor
2015--16	Adv. Jul.	0.997420157
	P--1 Feb.	0.987179309
	P--1 Mar.	0.987226491
	P--1 Apr.	0.987783560

# STATEWIDE IMPLICATIONS AND TRENDS DEFICIT FACTORS (CONTINUED)



Beginning in FY14-15 Districts began the fiscal year (Advance Apportionment) with a deficit factor

# QUESTIONS? & THANK YOU!

- Kathy Blackwood – San Mateo CCD  
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- Ann-Marie Gabel – Long Beach CCD  
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**Rancho Santiago Community College District**  
**Unrestricted General Fund 5 Year Multi-Year Projection**  
**Version#9-Growth -2% 16/17 & 2.0% 17/18 & 0.6% 18/19-20/21 & 3.5% H&W**

Revised Assumption: August 10, 2016

	A	B	C	D	E	F	G	H
			2015-2016 Actual	2016-2017 Proposed Budget	2017-2018 Projected Budget	2018-2019 Projected Budget	2019-2020 Projected Budget	2020-2021 Projected Budget
1								
2								
3								
4								
5								
6		<b>Assumptions:</b>						
7		<b>Revenue:</b>						
8		General Apportionment Deficit Factor	-0.70%	-0.708%	-1.000%	-1.000%	-1.000%	-1.000%
9		Growth/Access	0.000%	-2.000%	2.000%	0.600%	0.600%	0.600%
10		Cost of Living Adjustment	1.55%	0.000%	1.11%	2.42%	2.67%	2.67%
11		One time Funds Prior Year Adjustment	\$850,796	\$0	\$0	\$0	\$0	\$0
12		Lottery Revenue-Unrestricted	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00
13		Prop 30 Education Protection Account (EPA) funding Sales tax expire 12/2016 & Income tax expire 12/2018	0	0	(1,267,200)	(\$4,435,200)	(\$7,603,200)	(\$7,603,200)
14		Base Allocation and CDCP Rate Increase	\$14,860,665	\$1,904,074	\$0.00	\$0.00	\$0.00	\$0.00
15		<b>Expenditure:</b>						
16		Step/Column/Salary Net Adjustment	2.750%	1.200%	2.310%	3.620%	3.870%	3.870%
17		Part-time Faculty/FON Obligation	\$1,462,500	\$0	\$0	\$304,424	\$319,335	\$333,051
18		Allocation of Full time Faculty	\$1,537,621	\$0	\$0	\$0	\$0	\$0
19		STRS Rate	10.730%	12.580%	14.430%	16.280%	18.130%	19.100%
20		PERS Rate	11.847%	13.888%	15.500%	17.100%	18.600%	19.800%
21		Health and Welfare Premium Percent Increase (District Cost)	2.200%	2.500%	3.500%	3.500%	3.500%	3.500%
25		Utilities Cost Increase	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
27		ITS Licensing/Contract Escalation Cost	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
31								
32								
33		<b>Multi-Year Projection:</b>						
34		Beginning Budget Stabilization Balance	\$13,690,485	\$13,690,485	\$13,690,485	\$8,912,596	(\$3,447,088)	(\$23,586,403)
35		Total Revenue	171,343,836	170,814,255	170,822,589	170,782,408	171,128,422	174,650,290
36		Total Expenditure	160,396,286	170,105,314	175,600,478	183,142,092	191,267,737	199,052,202
37		Unallocated #7910 Unrestricted Contingency	10,947,550	708,941	0	0	0	0
38		Surplus/ (Deficit)	0	(0)	(4,777,889)	(12,359,684)	(20,139,315)	(24,401,913)
39		Ending Budget Stabilization Balance	\$13,690,485	\$13,690,485	\$8,912,596	(\$3,447,088)	(\$23,586,403)	(\$47,988,316)
40		Percentage	8.5%	8.0%	5.1%	-1.9%	-12.3%	-24.1%

**Rancho Santiago Community College District  
Unrestricted General Fund 5 Year Multi-Year Projection  
Base Version**

Revised Assumption: August 10, 2016

	A	B	C	D	E	F	G	H
			2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
			Actuals	Proposed Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget
1								
2								
3								
4								
5								
6		<b>Assumptions:</b>						
7		<b>Revenue:</b>						
8		General Apportionment Deficit Factor	-0.70%	-0.708%	-1.000%	-1.000%	-1.000%	-1.000%
9		Growth/Access	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
10		Cost of Living Adjustment	1.55%	0.000%	1.11%	2.42%	2.67%	2.67%
11		One time Funds Prior Year Adjustment	\$850,796	\$0	\$0	\$0	\$0	\$0
12		Lottery Revenue-Unrestricted	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00
13		Prop 30 Education Protection Account (EPA) funding Sales tax expire 12/2016 & Income tax expire 12/2018	0	0	(1,267,200)	(\$4,435,200)	(\$7,603,200)	(\$7,603,200)
14		Base Allocation and CDCP Rate Increase	\$14,860,665	\$1,904,074	\$0.00	\$0.00	\$0.00	\$0.00
15		<b>Expenditure:</b>						
16		Step/Column/Salary Net Adjustment	2.750%	1.200%	2.310%	3.620%	3.870%	3.870%
17		Part-time Faculty/FON Obligation	\$1,462,500	\$0	\$0	\$0	\$0	\$0
18		Allocation of Full time Faculty	\$1,537,621	\$0	\$0	\$0	\$0	\$0
19		STRS Rate	10.730%	12.580%	14.430%	16.280%	18.130%	19.100%
20		PERS Rate	11.847%	13.888%	15.500%	17.100%	18.600%	19.800%
21		Health and Welfare Premium Percent Increase (District Cost)	2.200%	2.500%	5.000%	5.000%	5.000%	5.000%
25		Utilities Cost Increase	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
27		ITS Licensing/Contract Escalation Cost	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
31								
32								
33		<b>Multi-Year Projection:</b>						
34		Beginning Budget Stabilization Balance	\$13,690,485	\$13,690,485	\$13,690,485	\$8,577,931	(\$5,104,156)	(\$27,569,779)
35		Total Revenue	171,343,836	170,814,255	170,822,589	169,853,353	169,255,037	171,814,729
36		Total Expenditure	160,396,286	170,105,314	175,935,143	183,535,440	191,720,661	199,567,227
37		Unallocated #7910 Unrestricted Contingency	10,947,550	708,941	0	0	0	0
38		Surplus/ (Deficit)	0	(0)	(5,112,554)	(13,682,086)	(22,465,624)	(27,752,497)
39		Ending Budget Stabilization Balance	\$13,690,485	\$13,690,485	\$8,577,931	(\$5,104,156)	(\$27,569,779)	(\$55,322,277)
40		Percentage	8.5%	8.0%	4.9%	-2.8%	-14.4%	-27.7%



Vacant Funded Positions as of 10/5/2016 - Projected Annual Salary and Benefits Savings

Fund	Management/ Academic/ Confidential	Title	Reasons	Site	Effective Date	Notes	2016-17 Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
60%-fd 11 40%-fd 12	Dillon, Victoria	Intermediate Clerk	Retirement	SCC	6/30/2016		31,078	
28%-fd 11 72%-fd 12	Garcia, Andrea	Student Services Coordinator	Resignation	SCC	2/22/2016	CL16-0801	21,481	
11	Hall, Patricia	Administrative Secretary	Retirement	SCC	4/29/2016		65,775	
11	Holmes, Michelle	Learning Assistant	Resignation	SCC	2/8/2013		23,016	<b>657,975</b>
11	Luna, Miguel	Transfer Center Specialist	Promotion	SCC	8/9/2016		52,096	
11	Marquez, Juan	Custodian	Resignation	SCC	9/1/2016		36,024	
11	Morones, Cristina	Administrative Secretary	Promotion	SCC	12/15/2015	CL16-0761	65,775	
11	Narvaez Gomez, Filadelfo	Custodian	Resignation	SCC	9/5/2016		14,937	
11	Odegard, Esther	Administrative Secretary	Promotion	SCC	8/22/2016		64,789	
11	Rodriguez, Maria	Graduation Specialist	Resignation	SCC	1/15/2016	CL15-0757 - Miguel Luna 2ADM-CF-SPGR2-OOC - Graduation Specialist currently receiving out of class assignment effective 1/2016	76,718	
11	Serrano Arriola, Raul	Custodian	Administrative Termination	SCC	6/13/2016		51,315	
<b>TOTAL</b>							<b>3,809,052</b>	

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2016-2017		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
<b>ACTIVE PROJECTS</b>								
<b>SANTA ANA COLLEGE</b>								
3054	Temporary Village Phase 2	1,159,046	994,922	66,228	16,862	1,078,012	81,034	93%
<b>TOTAL SANTA ANA COLLEGE</b>		<b>1,159,046</b>	<b>994,922</b>	<b>66,228</b>	<b>16,862</b>	<b>1,078,012</b>	<b>81,034</b>	<b>93%</b>
<b>SANTIAGO CANYON COLLEGE</b>								
3672	SCC Building U Portables Certification	1,300,000	254,315	26	26,657	280,998	1,019,002	22%
3058	SCC Aquatic Bleachers Certification	100,266	10,919	-	36,546	47,465	52,801	47%
<b>TOTAL SANTIAGO CANYON COLLEGE</b>		<b>1,400,266</b>	<b>265,234</b>	<b>26</b>	<b>63,203</b>	<b>328,463</b>	<b>1,071,803</b>	<b>23%</b>
<b>DISTRICT/ DISTRICTWIDE OPERATIONS</b>								
3044	Project Closeout/Certification	513,005	419,805	-	-	419,805	93,200	82%
<b>TOTAL DISTRICT/DISTRICTWIDE</b>		<b>513,005</b>	<b>419,805</b>	<b>-</b>	<b>-</b>	<b>419,805</b>	<b>93,200</b>	<b>82%</b>
<b>ACTIVE PROJECTS - ALL SITES</b>		<b>3,072,317</b>	<b>1,679,961</b>	<b>66,254</b>	<b>80,065</b>	<b>1,826,280</b>	<b>1,246,037</b>	<b>59%</b>

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2016-2017		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
<b>COMPLETED PROJECTS/PENDING CLOSEOUT</b>								
<b>SANTA ANA COLLEGE</b>								
3001	Renovation of Buildings / Building "G" Renovation	9,302,490	9,302,490	-	-	9,302,490	-	100%
3002	SAC Library Renovation	339,623	339,623	-	-	339,623	-	100%
3003	Renovate Campus Infrastructure Design/Construct Maintenance/Operations Design/Construct Classroom Building	24,927,689	24,927,689	-	-	24,927,689	-	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	10,082,438	10,082,438	-	-	10,082,438	-	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%
3029	Parking Lot #11 Expansion and Improvements	10,434,241	10,434,241	-	-	10,434,241	0	100%
3030	Perimeter Site Improvements	6,736,615	6,736,615	-	-	6,736,615	0	100%
3031	Tessman Planetarium Upgrade and Restroom Addition	3,686,064	3,686,064	-	-	3,686,064	0	100%
3032	Dunlap Hall Renovation	5,267,967	5,267,967	-	-	5,267,967	0	100%
3034	SAC Sheriff Training Academy Road	56,239	56,239	-	-	56,239	-	100%
3035	Johnson Center Renovation	49,300	49,300	-	-	49,300	0	100%
3036	Temporary Village	3,868,982	3,868,982	-	-	3,868,982	-	100%
3038	Campus Lighting Upgrade	6,825	6,825	-	-	6,825	-	100%
3042	Central Plant Infrastructure	4,467,571	4,467,571	-	-	4,467,571	0	100%
3043	Property Acquisition 17th/Bristol	5,110,237	5,110,237	-	-	5,110,237	-	100%
3045	Chavez Hall Renovation	138,168	138,168	-	-	138,168	-	100%
<b>TOTAL SANTA ANA COLLEGE</b>		<b>172,085,813</b>	<b>172,085,812</b>	<b>-</b>	<b>-</b>	<b>172,085,812</b>	<b>0</b>	<b>100%</b>
<b>SANTIAGO CANYON COLLEGE</b>								
3004	SCC Infrastructure	37,187,826	37,187,826	-	-	37,187,826	-	100%
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	32,558,237	32,558,237	-	-	32,558,237	0	100%
3025	Athletics and Aquatics Center: Netting and Sound System	19,940,273	19,940,273	-	-	19,940,273	0	100%
3026	Science and Math Building	26,415,964	26,415,964	-	-	26,415,964	-	100%
3027	Construct Additional Parking Facilities	1,047,212	1,047,212	-	-	1,047,212	-	100%
3046	Orange Education Center Building Certification	1,337,157	1,337,157	-	-	1,337,157	-	100%
<b>TOTAL SANTIAGO CANYON COLLEGE</b>		<b>183,281,485</b>	<b>183,281,485</b>	<b>0</b>	<b>0</b>	<b>183,281,485</b>	<b>0</b>	<b>100%</b>
<b>DISTRICT/ DISTRICTWIDE OPERATIONS</b>								
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%
<b>TOTAL DISTRICT/DISTRICTWIDE</b>		<b>14,213,633</b>	<b>14,213,633</b>	<b>-</b>	<b>-</b>	<b>14,213,633</b>	<b>-</b>	<b>100%</b>
<b>COMPLETED PROJECTS - ALL SITES</b>		<b>369,580,931</b>	<b>369,580,930</b>	<b>-</b>	<b>-</b>	<b>369,580,930</b>	<b>0</b>	<b>100%</b>
<b>RECAP:</b>								
Santa Ana College		173,244,859	173,080,734	66,228	16,862	173,163,824	81,034	100%
Santiago Canyon College		184,681,751	183,546,719	26	63,203	183,609,948	1,071,803	99%
District/Districtwide Operations		14,726,638	14,633,438	0	0	14,633,438	93,200	99%
<b>GRAND TOTAL - ALL SITES</b>		<b>372,653,248</b>	<b>371,260,891</b>	<b>66,254</b>	<b>80,065</b>	<b>371,407,210</b>	<b>1,246,037</b>	<b>100%</b>
<b>SOURCE OF FUNDS</b>								
ORIGINAL Bond Proceeds		337,000,000						
Refunding Proceeds		5,001,231						
Interest Earned		30,652,017						
<b>Totals</b>		<b>372,653,248</b>						

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2016-2017		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
<b>ACTIVE PROJECTS</b>								
<b>SANTA ANA COLLEGE</b>								
3032	Dunlap Hall Renovation	12,634,041	12,620,659	-	13,382	12,634,041	0	100%
	Agency Cost		559	-		559		
	Professional Services		1,139,116	-	13,382	1,152,498		
	Construction Services		11,480,984	-	-	11,480,984		
	Furniture and Equipment		-	-	-	-		
3035	Johnson Student Center	38,957,630	509,351	6,223	4,170,357	4,685,930	34,271,700	12%
	Agency Cost		343	133	-	476		
	Professional Services		509,007	6,090	4,170,353	4,685,450		
	Construction Services		-	-	4	4		
	Furniture and Equipment		-	0	-	-		
3042	Central Plant Infrastructure	68,170,000	13,755,800	4,231,897	20,633,418	38,621,116	29,548,884	57%
	Agency Cost		322,282	-	1,905	324,187		
	Professional Services		5,629,739	249,934	6,255,734	12,135,407		
	Construction Services		7,803,780	3,981,963	14,375,779	26,161,522		
	Furniture and Equipment		-	-	-	-		
3043	17th & Bristol Street Parking Lot	2,500,000	136,167	-	46,114	182,281	2,317,719	7%
	Agency Cost		15,110		139	15,249		
	Professional Services		68,061		45,975	114,036		
	Construction Services		52,996		-	52,996		
	Furniture and Equipment		-		-	-		
3049	Science Center & Building J Demolition	73,380,861	1,709,965	193,155	3,178,149	5,081,269	68,299,592	7%
	Agency Cost		348	3,600	-	3,948		
	Professional Services		1,709,617	189,555	3,178,149	5,077,321		
	Construction Services		-	-	-	-		
	Furniture and Equipment		-	-	-	-		
3056	Johnson Demolition	2,500,000	605	-	990	1,595	2,498,405	0%
	Agency Cost		120		-	120		
	Professional Services		485		-	485		
	Construction Services		-		990	990		
	Furniture and Equipment		-		-	-		
<b>TOTAL</b>		<b>198,142,532</b>	<b>28,732,546</b>	<b>4,431,275</b>	<b>28,042,410</b>	<b>61,206,231</b>	<b>136,936,301</b>	<b>31%</b>
<b>ACTIVE PROJECTS</b>		<b>198,142,532</b>	<b>28,732,546</b>	<b>4,431,275</b>	<b>28,042,410</b>	<b>61,206,231</b>	<b>136,936,301</b>	<b>31%</b>
<b>SOURCE OF FUNDS</b>								
	ORIGINAL Bond Proceeds	198,000,000						
	Interest Earned	142,532						
	<b>Totals</b>	<b>198,142,532</b>						

**Rancho Santiago Community College**  
**Unrestricted General Fund Cash Flow Summary**  
**FY 2016-2017, 2015-2016, 2014-2015**  
**YTD Actuals-September 30, 2016**

FY 2016/2017												
	July Actual	August Actual	September Projection	October Projection	November Projection	December Projection	January Projection	February Projection	March Projection	April Projection	May Projection	June Projection
<b>Beginning Fund Balance</b>	\$37,337,509	\$43,658,689	\$38,921,665	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038
<b>Total Revenues</b>	13,118,213	7,758,585	14,806,612									
<b>Total Expenditures</b>	6,797,032	12,495,609	13,191,239									
<b>Change in Fund Balance</b>	6,321,180	(4,737,024)	1,615,372	0	0	0	0	0	0	0	0	0
<b>Ending Fund Balance</b>	\$43,658,689	\$38,921,665	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038	\$40,537,038

FY 2015/2016												
	July Actual	August Actual	September Projection	October Projection	November Projection	December Projection	January Projection	February Projection	March Projection	April Projection	May Projection	June Projection
<b>Beginning Fund Balance</b>	\$26,389,958	\$33,760,785	\$28,433,699	\$33,215,060	\$26,385,950	\$22,398,504	\$48,655,042	\$42,536,913	\$37,514,073	\$38,286,526	\$47,812,448	\$40,669,186
<b>Total Revenues</b>	14,244,503	6,444,443	17,588,326	7,209,443	11,458,655	38,551,516	5,737,888	8,326,767	14,201,229	22,411,480	7,788,719	17,380,868
<b>Total Expenditures</b>	6,873,676	11,771,529	12,806,966	14,038,552	15,446,100	12,294,979	11,856,017	13,349,606	13,428,776	12,885,558	14,931,981	20,712,546
<b>Change in Fund Balance</b>	7,370,827	(5,327,086)	4,781,361	(6,829,110)	(3,987,446)	26,256,537	(6,118,129)	(5,022,839)	772,453	9,525,922	(7,143,262)	(3,331,678)
<b>Ending Fund Balance</b>	\$33,760,785	\$28,433,699	\$33,215,060	\$26,385,950	\$22,398,504	\$48,655,042	\$42,536,913	\$37,514,073	\$38,286,526	\$47,812,448	\$40,669,186	\$37,337,509

FY 2014/2015												
	July	August	September	October	November	December	January	February	March	April	May	June
<b>Beginning Fund Balance</b>	\$27,739,523	\$32,666,433	\$29,404,614	\$28,748,094	\$21,976,034	\$22,144,852	\$37,611,213	\$38,435,535	\$31,154,090	\$31,279,907	\$39,748,481	\$32,434,104
<b>Total Revenues</b>	12,347,417	7,989,510	12,117,283	7,274,970	13,596,920	27,460,042	13,197,669	5,864,310	12,974,089	20,664,808	5,750,375	10,406,896
<b>Total Expenditures</b>	7,420,507	11,251,330	12,773,804	14,047,030	13,428,102	11,993,681	12,373,347	13,145,754	12,848,272	12,196,234	13,064,752	16,451,041
<b>Change in Fund Balance</b>	4,926,911	(3,261,819)	(656,520)	(6,772,060)	168,818	15,466,361	824,322	(7,281,444)	125,817	8,468,574	(7,314,377)	(6,044,146)
<b>Ending Fund Balance</b>	\$32,666,433	\$29,404,614	\$28,748,094	\$21,976,034	\$22,144,852	\$37,611,213	\$38,435,535	\$31,154,090	\$31,279,907	\$39,748,481	\$32,434,104	\$26,389,958

**Notes:**  
 \*Beginning in FY 2015/16, cash flow activity will be for Unrestricted Ongoing General Fund (11) and not Unrestricted One-Time Funds (13)



**Fiscal Resources Committee**  
Executive Conference Room – District Office  
1:30 p.m. – 3:00 p.m.

**Meeting Minutes for September 28, 2016**

**FRC Members Present:** Michael Collins, Arleen Satele, Steven Deeley, Mary Mettler, Pilar Gutierrez-Lucero, Adam O'Connor, Lee Krichmar, Maria Gil and Morrie Barembaum

**Alternates/Guests Present:** Esmeralda Abejar, Jim Kennedy, Jose Vargas, Richard Kudlik and Elliott Jones

1. Welcome: Mr. O'Connor called the meeting at 1:33 p.m. Committee members were introduced.
2. Committee Faculty Co-Chair Appointment – O'Connor  
The committee discussed Dr. Mary Mettler continuing as the Co-Chair to the FRC. A motion was made by Mr. Deeley, seconded by Dr. Collins and approved unanimously.
3. State/District Budget Update – O'Connor
  - Board of Trustees PowerPoint presentation on the 2016-17 Adopted Budget is available on the District website for review as is the 2016-17 Adopted Budget
  - Campus Reserves Breakdown: Fund 11 total carryover for SAC is \$11.6 million, SCC has a carryover of \$775,000. Page 38 of the Adopted Budget shows the beginning fund balance at \$8.9 million which is the 5% reserve per Board policy; \$13.6 million in budget stabilization fund, unchanged from previous year and the District Office has zero carry over. Dr. Collins provided the committee a break-down of how the SAC fund balance grew from \$2.5 million in the previous year to \$11.6 million.
  - Community College Update – How Do We Locally Determine an Adequate Reserve Level: Why would it be beneficial to the district to increase the 5% reserve; factors were highlighted in the article. Expenses continue to grow \$5-8 million per year, without growth the district will continue to deficit spend and the budget stabilization fund will be depleted within the next few years.
  - What Happens if Prop 55 Passes? Prop 30 will expire at the end of this year. At this time the effects of Prop 55 are unknown.
4. 2015-16 BAM Fiscal Year Closeout – O'Connor  
Mr. O'Connor reviewed the 2015-16 Actual SB361 Revenue Allocation Simulation for the Unrestricted General Fund. There were no questions.
5. Multi-year Projections (MYP) – O'Connor  
Mr. O'Connor reviewed eight multi-year projections ranging from the a best to worst case; scenarios included growth up to 1%, another with a 2% decline, but adding back, and others flat. Scenarios also included cost increases for various expenses. It was noted that the 17-18 calendar year has only a 3.5% increase to health benefits. Mr. O'Connor asked the committee for feedback on the scenarios and if the committee would like to see more versions with additional scenarios. One additional version was suggested that includes a 2% decline in FTES in 16/17, full restoration in 17/18 and meeting our growth cap of approximately 0.60% in the out years, along with a 3.5% increase to health and welfare.
6. BAM Language Subcommittee – O'Connor

Mr. O'Connor reminded the committee that the sub-committee recommended reconvening in October of this year to continue discussion on the Budget Allocation Model language. The subcommittee members for this round of meetings are Adam O'Connor, Arleen Satele, Dr. Collins, Jose Vargas, Jim Kennedy, Maria Gil, Richard Kudlik and Steven Deeley. The members will meet in the near future and will bring back any recommendations to the full committee.

7. Informational Handouts - Hardash

- District-wide expenditure report link: <https://intranet.rscsd.edu>
- Vacant Funded Position List as of September 6, 2016
- Measure "E" Project Cost Summary as of August 31, 2016
- Measure "Q" Project Cost Summary as of August 31, 2016
- Year-End Monthly Cash Flow Summary as of June 30, 2016
- Monthly Cash Flow Statement as of August 31, 2016

8. Approval of the FRC Minutes – July 6, 2016 – O'Connor

Mr. O'Connor asked for a motion to approve the Fiscal Resources Committee Minutes of the July 6, 2016 meeting. A motion was made by Dr. Mettler, seconded by Dr. Collins and approved unanimously.

9. Other:

Mr. Kudlik updated the committee on the 2015/16 actuals for the 50% law calculations and reported out that SAC's percentage is at 65.8% from 62.9% and SCC is at 57.8% from 54.3%. In 2012/13 in total the district was at 50.09%; 2013/14 - 50.18%; 2014/15 - 51.38% and in 2015/16 - 52.55%. The increase in faculty hiring in the last two years has increased the percentage. It is estimated that we would remain at the same level in 2016/17.

Next meeting: Wednesday, October 19, 2016, 1:30 – 3:00 in the Executive Conference Room, District Office.

The meeting was adjourned at 2:16 p.m.