



**Rancho Santiago Community College District  
District Council Meeting**

**December 7, 2020**

**3:00 p.m.**

**Via Zoom**

<https://cccconfer.zoom.us/j/95638896392>

669-900-6833 / 956 3889 6392

Passcode is required and provided to District Council members in separate email.  
Contact Debra Gerard at [gerard\\_debra@rscsd.edu](mailto:gerard_debra@rscsd.edu) to obtain passcode.

**Agenda**

- |   |  |
|---|--|
| 1. Chancellor's Update  | Martinez   |
| 2. Approval of Minutes - <b>ACTION</b><br>a. November 16, 2020 Meeting  | Martinez   |
| 3. Budget – <b>ACTION</b><br>a. Budget Allocation Model based on Student Centered Funding Formula   | O'Connor   |
| 4. Board Policies/Administrative Regulations – <b>ACTION</b><br>a. AR 4235 – Credit by Examination for Prior Learning   | Flores/<br>Vargas                                    |
| 5. District Council - <b>ACTION</b><br>a. 2020-2021 Goals   | Perez  |
| 6. Committee Reports - <b>INFORMATION</b><br>a. Planning & Organizational Effectiveness Committee<br>b. Human Resources Committee<br>c. Fiscal Resources Committee<br>d. Physical Resources Committee<br>e. Technology Advisory Group | Perez<br>Green<br>O'Connor<br>O'Connor<br>Gonzalez   |
| 7. Constituent Representative Reports - <b>INFORMATION</b><br>a. Academic Senate - SAC<br>b. Academic Senate – SCC<br>c. Classified Staff<br>d. Student Government – SAC<br>e. Student Government – SCC                               | Shahbazian<br>Rutan<br>Martin<br>Renteria<br>Gardner |
| 8. Other  |  |

**Next Meeting: January 25, 2021**



# Rancho Santiago Community College District District Council Meeting

## MINUTES

November 16, 2020

Members:	Marvin Martinez	Present
	Enrique Perez	Present
	Tracie Green	Present
	Adam O'Connor	Present
	Marilyn Flores	Present
	Jose Vargas	Present
	Jesse Gonzalez	Present
	Roy Shahbazian	Present
	Craig Rutan	Present
	Monica Zarske	Present
	Michael Taylor	Present
	Susan Hoang	Absent
	Sheryl Martin	Present
	Zina Edwards	Present
	Monica Renteria	Present
	Henry Gardner	Present
Guests:		
	Nga Pham	
	Kennethia Vega	
	Alistair Winter	

Chancellor Marvin Martinez convened the meeting via Zoom Conference at 3:00 p.m.

1. Chancellor's Update

- a. Chancellor Martinez reported that it was announced Orange County had moved back to the purple tier and it was likely it would stay in that tier for the next six weeks. He stated that there would be a communication from the Chancellor sent out today about what it means to the district. Mr. Martinez also provided an update on the vaccine for COVID-19 and shared information that there is a possibility that community colleges may become involved in the distribution of the vaccine in some manner.

2. Approval of Minutes

- a. It was moved by Ms. Edwards, seconded by Ms. Zarske and, by roll call vote with an abstention by Mr. O'Connor, carried to approve the minutes of the September 28, 2020 meeting with a minor correction.

3. Enrollment Updates

- a. Vice Chancellor Perez reported that the district was supporting the colleges by providing enrollment reports. He further reported that a recent survey of students was conducted which indicated that students were becoming more comfortable with the online environment. Student concerns about their own safety and their personal commitments contributed to declining enrollment. Mr. Perez reported that increased communication about how the district/colleges are safe would be conducted to address student concerns.
- b. Santa Ana College President Dr. Marilyn Flores reported on SAC enrollment and the increasing number of online, hybrid and face-to-face courses being offered in spring 2021.
- c. Santiago Canyon College President Jose Vargas reported on SCC enrollment and the increased number of face-to-face courses being offered in spring 2021.

4. Reorgs

- a. It was moved by Dr. Flores, seconded by Ms. Green and, by roll call vote, carried unanimously to approve Reorg #1207.

5. District Council

- a. It was moved by Mr. Perez and seconded by Ms. Zarske to approve the Purpose/Responsibilities/Membership of District Council. Executive Director of Research, Planning and Institutional Effectiveness Nga Pham provided background on this document. Discussion ensued. Mr. Perez will verify that the Design Planning Manual allows for "designees" on all committees. It was suggested that the second bullet under responsibilities delete the word "five" when describing the participatory governance committees and the last bullet referring to the review of the board meeting agenda be deleted. It was moved by Mr. Perez, and seconded by Mr. Craig Rutan to approve the Purpose/Responsibilities/Membership of District Council as amended. The motion carried unanimously by roll call vote.
- b. Discussion took place on 2019-2020 accomplishments. It was agreed that since District Council set no goals, it was difficult to determine accomplishments.
- c. Discussion ensued about 2020-2021 goals. It was agreed that Mr. Perez would bring proposed goals for discussion and approval at the December 7, 2020 District Council meeting.

6. Administrative Regulations

- a. It was moved by Dr. Flores and seconded by Mr. Perez to approve the adoption of AR 7131 – Salary Placement for Management Personnel and Classified Bargaining Unit Employees. Discussion ensued. Chancellor Martinez had to leave during discussion of this item to attend the Special Board of Trustees Meeting and requested that this item not be tabled, but that it be voted upon and sent to him for consideration. After further discussion and a roll call vote, the motion passed to approve adoption of AR 7131 with "no" votes from Mr. Gonzalez, Mr. Shahbazian, Ms. Martin and Ms. Edwards.

7. Committee Reports

- a. Planning and Organizational Effectiveness Committee (POEC)  
Vice Chancellor Perez reported on the October 28, 2020 meeting and noted that the next meeting will be held on November 18, 2020.
- b. Human Resources Committee (HRC)  
Assistant Vice Chancellor Alistair Winter reported on the October 14, 2020 meeting and noted that the next meeting will be held on December 9, 2020.
- c. Fiscal Resources Committee (FRC)  
Vice Chancellor O'Connor reported on the October 21, 2020 meeting and noted that the next meeting will be held on November 18, 2020.
- d. Physical Resources Committee (PRC)  
Mr. O'Connor reported on the November 4, 2020 meeting and noted that the next meeting will be held on February 3, 2021.
- e. Technology Advisory Group (TAG)  
Assistant Vice Chancellor Jesse Gonzalez reported on the November 5, 2020 meeting and noted that the next meeting will be held on December 3, 2020.

8. Constituent Representative Reports

- a. Academic Senate/SAC: Mr. Roy Shahbazian reported on the activities of the Academic Senate.
- b. Academic Senate/SCC: Mr. Rutan reported on the activities of the Academic Senate and work being done on the BP/AR 4235 - Credit for Prior Learning.
- c. CSEA: Ms. Martin reported on the progress made on the commitments made in the joint statement.
- d. Student Government/SAC: Ms. Monica Renteria reported on the activities of the SAC ASG.
- e. Student Government/SCC: Ms. Henry Gardner reported on the activities of the SCC ASG.

9. Other

Mr. Shahbazian asked that the minutes reflect appreciation to Ms. Nga Pham in assisting in the understanding and discussion of item #5 – District Council.

10. Next Meeting: The next meeting will be held on Monday, December 7, 2020.

Meeting Adjourned: 4:29 p.m.

Approved:



## **Rancho Santiago Community College District Budget Allocation Model Based on the Student Centered Funding Formula**

The “*Rancho Santiago Community College District Budget Allocation Model Based on the SCFF*” was recommended at the November 18, 2020 Fiscal Resource Committee meeting.

### **Introduction**

In February of 2012, the Rancho Santiago Community College District approved and adopted a revenue allocation formula, based on SB 361, in order to provide the greatest amount of flexibility for each of the campuses. The change was initiated by the district Budget Allocation and Planning Review Committee (BAPR) and a technical subgroup of BAPR who was then delegated the task of reviewing the model that the District had been using for the previous ten years. The BAPR workgroup proceeded to review and evaluate approximately 20 other California community college multi-campus budget allocation models. Following the review of other models, the BAPR workgroup ultimately decided on a revenue allocation model as opposed to the expenditure allocation model that had been in effect in the District. On July 1, 2018, the Student Centered Funding Formula (SCFF) was adopted by the *State of California* marking one of the biggest changes to California Community College funding yet. The SCFF is based on three allocations:

- 1) Base Allocation (70% of state funding) is based on the number of colleges and comprehensive centers in the community college district and total FTES generation
- 2) Supplemental Allocation (20% of state funding) is based on the number of low-income students.
- 3) Student Success Allocation (10% of state funding) is based on student progress such as transfer, completion, and wage earnings.

RSCCD’s Fiscal Resource Committee (FRC), as the current participatory governance body in charge of reviewing and evaluating the RSCCD revenue allocation model, determined that based on the new distribution of funds from the State, the District’s current budget model needed to be reviewed and revised to be in accordance with the Student Centered Funding Formula.

Noncredit education funding did not change from SB361. Noncredit and Career Development and College Preparation (CDCP) funding are considered fully funded in the base allocation and do not qualify for supplemental and success funding. See definition of terms for enhanced descriptions.

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 transparent, 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 is 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 is responsible 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

In the Spring of 2019, Rancho Santiago Community College District began the process of developing a new budget allocation model (BAM) to better align with the newly adopted Student Centered Funding Formula. On November 18, 2020 the Fiscal Resource Committee (FRC) finished their work and recommended a new BAM.

The following committee members participated in the process:

<b>Santa Ana College</b>	<b>Santiago Canyon College</b>	<b>District</b>
Bart Hoffman	Steven Deeley	Morrie Barembaum (FARSCCD)
Vanessa Urbina	Cristina Morones	Noemi Guzman
William Nguyen	Craig Rutan – Co-Chair	Adam O’Connor – Chair
Roy Shahbazian	Arleen Satele	Thao Nguyen
		Enrique Perez
Vaniethia Hubbard (alternate)	Syed Rizvi (alternate)	Erika Almaraz (alternate)

The SCFF is in its infancy and will continue to be modified as the formula matures. This BAM should be reviewed on an annual basis by the FRC to evaluate the changes as updates are signed into law.

## College and District Services Budgets and Expenditure Responsibilities

Since the RSCCD BAM is a revenue allocation model, all expenditures and allocation of revenues under the model are the responsibilities of the colleges and centers. Revenue responsibilities for the colleges, District Services and Institutional Costs are summarized in Table 1.

Expenditure responsibilities for the colleges, District Services and Institutional Costs are summarized in Table 2.

<b>TABLE 1 Revenue and Budget Responsibilities</b>		<b>Santa Ana College &amp; CEC ☑</b>	<b>Santiago Canyon College &amp; OEC ☑</b>	<b>District Services ☑</b>	<b>Institutional Cost ☑</b>
<b>Federal Revenue- (81XX)</b>					
1	Grants Agreement	✓	✓	✓	
2	General Fund Matching Requirement	✓	✓	✓	
3	In-Kind Contribution (no additional cost to general fund)	✓	✓	✓	
4	Indirect Cost (overhead)	✓	✓	✓	
<b>State Revenue- (86XX)</b>					
1	Base Funding	✓	✓	✓	
	Supplemental Funding	✓	✓	✓	
	Student Success Funding	✓	✓	✓	
2	Apportionment	✓	✓		
3	COLA or Negative COLA	✓	✓	✓ subject to collective bargaining	
4	Growth, Work Load Measure Reduction, <i>Negative Growth</i>	✓	✓	✓	
5	Categorical Augmentation/Reduction	✓	✓	✓	
6	General Fund Matching Requirement	✓	✓	✓	
7	Apprenticeship	✓	✓		
8	In-Kind Contribution	✓	✓	✓	
9	Indirect Cost	✓	✓	✓	



<b>TABLE 1 Revenue and Budget Responsibilities</b>		<b>Santa Ana College &amp; CEC ☑</b>	<b>Santiago Canyon College &amp; OEC ☑</b>	<b>District Services ☑</b>	<b>Institutional Cost ☑</b>
<b>State Revenue- (86XX)</b>					
10	Lottery				
	- Unrestricted (abate cost of utilities)	✓	✓	✓	
	- Restricted-Proposition 20	✓	✓		
11	Instructional Equipment Matches (3:1)	✓	✓		
12	Scheduled Maintenance Matches	✓	✓	✓	
13	Part-time Faculty Compensation Funding	✓	✓	✓ subject to collective bargaining	
14	State Mandated Cost	✓	✓	✓	
<b>Local Revenue- (88XX)</b>					
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			✓	

<b>TABLE 2 Expenditure and Budget Responsibilities</b>		<b>Santa Ana College &amp; CEC ☑</b>	<b>Santiago Canyon College &amp; OEC ☑</b>	<b>District Services ☑</b>	<b>Institutional Cost ☑</b>
<b>Academic Salaries- (1XXX)</b>					
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	Administrator Vacation	✓	✓	✓	
<b>Classified Salaries- (2XXX)</b>					
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	✓	✓	✓	
<b>Employee Benefits-(3XXX)</b>					
1	STRS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
2	PERS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
3	OASDI Employer Rates, Increase/(Decrease)	✓	✓	✓	

<b>TABLE 2 Expenditure and Budget Responsibilities</b>		<b>Santa Ana College &amp; CEC ☑</b>	<b>Santiago Canyon College &amp; OEC ☑</b>	<b>District Services ☑</b>	<b>Institutional Cost ☑</b>
<b>Employee Benefits-(3XXX)</b>					
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)	✓	✓	✓	
<b>Other Operating Exp &amp; Services-(5XXX)</b>					
1	Property and Liability Insurance Cost				✓
2	Utilities				
	-Gas	✓	✓	✓	
	-Water	✓	✓	✓	
	-Electricity	✓	✓	✓	
	-Waste Management	✓	✓	✓	
	-Water District, Sewer Fees	✓	✓	✓	
3	Audit			✓	
4	Board of Trustee Elections				✓
5	Scheduled Maintenance	✓	✓	✓	
6	Copyrights/Royalties Expenses	✓	✓	✓	
<b>Capital Outlay-(6XXX)</b>					
1	Equipment Budget				
	-Instructional	✓	✓	✓	
	-Non-Instructional	✓	✓	✓	
2	Improvement to Buildings	✓	✓	✓	
3	Improvement to Sites	✓	✓	✓	

The revenue allocations will be regularly reviewed by the FRC. In reviewing the allocation of general

funds, the 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, the 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 the FRC and the District Council and approved by the Chancellor and the Board of Trustees.

**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. As the board election expense is incurred every other year, it will be budgeted each year at one-half of the estimated cost. In the off years, the funds will remain unspent and specifically carried over to the next year to be used solely for the purpose of the election expense. If there is insufficient budget, the colleges will be assessed the difference based on the current FTES split. If any funds remain unspent in an election year, it will be allocated to the colleges based on the current FTES split for one-time uses.

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

At the Adopted Budget each college shall set aside a contingency reserve in the Unrestricted General Fund equal to a minimum of 1% of its total current year budgeted Fund 11 expenditures to handle unforeseen expenses. If the contingency reserve is unspent by fiscal year end, the college reserve rolls over into the colleges' beginning balance for the following fiscal year. The District Services and Institutional Cost allocations are budgeted as defined in the model for the appropriate operation of the district and therefore are not subject to carryover, unless specifically delineated. The Chancellor and Board of Trustees reserve the right to modify the budget as deemed necessary.

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

The college reserve shall first be used to cover any deficit (structural and/or one-time). If reserves are not sufficient to cover the deficit, then the college is to prepare an immediate expenditure reduction plan that covers the amount of deficit along with a plan to replenish the 1% minimum reserve level. Once the college reserve has been exhausted, in circumstances when any remaining deficit is greater than 1.5% of budgeted Fund 11 expenditures, and a reduction plan has been prepared up to the 1.5% level, the college may request a temporary loan from District Reserves. The request, including a proposed payback period, should be submitted to the FRC for review. If the FRC supports the request, it will forward the recommendation to the 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 one-time addition or reduction to the colleges' current budget year and distributed in the model based on the most up to date apportionment split reported by the District and funded by the state.

The apportionment includes funded FTES, supplemental, and student success allocations.

An example of revenue allocation adjustment:

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

	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	

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).

	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%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

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).

	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%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

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).

	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%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

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.

## Stability

The stability mechanism has been eliminated for all FTES in the SCFF.

## Hold Harmless

This model includes several hold harmless mechanisms in alignment with the SCFF. The chart below describes the various methods the State Chancellor’s Office uses to fund districts in the event apportionments are reduced from year to year.

In any given year, a district’s funding under the new Student Centered Funding Formula (SCFF) would be the highest of the amounts included in the lines below:					
Line	Statutory Reference	2018-19	2019-20	2020-21	2021-22
1	Education Code section (ECS) 84750.4(b), 84750.4(c), 84750.4(d), 84750.4(e), and 84750.4(f) [STUDENT-CENTERED FUNDING FORMULA (SCFF)]	<a href="#">SCFF calculation</a>	SCFF calculation	SCFF calculation	SCFF calculation
2	ECS 84750.4(g)(1)	<a href="#">2017-18 TCR</a> <sup>/1</sup>	2017-18 TCR <sup>/1</sup>	N/A	N/A
3	ECS 84750.4(g)(2)	N/A	N/A	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2020-21 FTES, with basic allocation. <sup>/1</sup>	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2021-22 FTES, with basic allocation. <sup>/1</sup>
4	ECS 84750.4(g)(4)	N/A	Greater of lines 1 or 2 as calculated in <b>2018-19</b> .	Greater of lines 1 or 2 as calculated in <b>2019-20</b> .	Greater of lines 1 or 3 as calculated in <b>2020-21</b> .
5	ECS 84750.4(h)	<a href="#">2017-18 TCR adjusted by 2018-19 COLA</a>	2017-18 TCR adjusted by 2018-19 and 2019-20 COLAs.	2017-18 TCR adjusted by 2018-19, 2019-20, and 2020-21 COLAs.	N/A
<sup>/1</sup> Special provisions for San Francisco Community College District and Compton Community College District.					
TCR= Total Computational Revenue					

## 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 and vendor rebates (not including utility rebates which are budgeted in Fund 41 for the particular budget center), 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. The ongoing state allocation for the Mandates Block Grant will be allocated to the colleges through the model. Any one-time Mandates allocations received from the state will be discussed by FRC and recommendations will be made for one-time uses.

**Cost of Living Adjustments:** COLAs included in the tentative and adopted budgets shall be distributed to the three budget centers pro rata based on total budgeted salary and benefits expenses and 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 12) 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 average cost for the health and welfare benefits by employee group. 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 costs earned by that college and transferred into Fund 13 the following year to be used for one-time expenses. The indirect costs earned by district projects will roll into the institutional ending fund balance with the exception of the District Educational Services grants. In order to increase support services and resources provided to the colleges and to acknowledge the additional costs associated with administering grants, any accumulated indirect costs generated from these grants will be distributed as follows: 25% will roll into the institutional ending fund balance, 25% will offset the overall District Services expenditures in that given year, and 50% will carryover specifically in a Fund 13 account under Educational Services to be used for one-time expenses to increase support services to the colleges.

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 7,200 transfers.

### **Banked LHE Load Liability**

The liability for banked LHE is 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 to determine if any additional transfers are required. The college will be charged for the differences.

### **Other Possible Strategic Modifications**

#### **Summer FTES**

The 3-year average for credit FTES has severely reduced the effectiveness of the "summer shift," nevertheless, 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 the 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 District 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 (SAC) 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 (SCC), long-term plans are developed similarly to short-term plans, and exist in a variety of interconnected processes and documents. 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, and program reviews. 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. 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 District Chancellor will establish a FON for each college. Each college is required to fund at least that number of full-time faculty positions. When a District falls below the FON a replacement cost penalty is required to be paid to the state. The amount of the replacement cost will be deducted from the revenues of the college(s) incurring the penalty.

## **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.

# **Rancho Santiago Community College District**

## **Budget Allocation Model Based on the SCFF**

### **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 Allocation (Funding)** – The base allocation represents approximately 70% of the statewide funding for CCC's. The base allocation includes the Basic A and FTES in Traditional Credit, Special Admit Credit, Incarcerated Credit, Traditional Noncredit, CDCP, and Incarcerated Noncredit. A district's base funding could be higher or lower than the 70% statewide target depending on FTES generation as a comparison to overall apportionment.

**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.

**Basic Allocation** – Funding based on the number of colleges and comprehensive educational centers in the community college district. Rates for the size of colleges and comprehensive educational centers were established as part of SB 361 and henceforth are adjusted annually by COLA. The district receives a basic allocation for CEC, OEC, SAC, and SCC. Current year FTES is used to determine the basic allocation.

**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, available for one-time needs at the discretion of the chancellor and Board of Trustees.

**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 Student Equity and Achievement or Career 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.

**Career Development and College Preparation (CDCP)** - Noncredit courses offered in the four distinct categories (instructional domains) of English as a Second Language (ESL), Elementary and Secondary Basic Skills, Short-term Vocational, and Workforce Preparation are eligible for "enhanced funding" when sequenced to lead to a Chancellor's Office approved certificate of completion, or certificate of competency, in accordance with the provisions of the California Education Code governing Career Development and College Preparation (CDCP) programs.

**CCCCO** – California Community College Chancellor’s Office

**Comprehensive Educational 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 comprehensive centers are Centennial Education Center (CEC) and Orange Education Center (OEC).

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

**College Reserve** – College-specific one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes.

**Credit FTES** – Credit FTES include traditional credit, special admit and incarcerated populations. Traditional credit FTES are funded based on a simple three-year rolling average of the current year and prior two years. Special admit and incarcerated FTES are funded based on the current year production.

**Decline** – When a District (or college internally) earns fewer FTES than the previous year. (please see Stabilization and Restoration)

**Defund** – Eliminating the cost of a position from the budget.

**Ending Fund Balance** – Defined in any fiscal year as Beginning Fund Balance plus total revenues minus total expenditures. The Ending Fund Balance rolls over into the next fiscal year and becomes the Beginning Fund Balance. It is comprised of College Reserves, Institutional Reserves and any other specific carryovers as defined in the model or otherwise designated by the Board.

**Fifty Percent Law (50% Law)** – Section 84362 of the Education Code, commonly known as the 50% 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 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 (3 x 175 = 525). FTES are separated into the following categories for funding; traditional credit, special admit, incarcerated, traditional noncredit and CDCP.

**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.

**Institutional Reserve** – Overall districtwide one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. The Institutional Reserve consists of the Board Policy Contingency, the Budget Stabilization Fund, and any other contingency fund held at the institutional level over and above the College Reserves.

**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.

**Noncredit** – Noncredit coursework consists of traditional noncredit and CDCP. CDCP is eligible for enhanced funding. Current year FTES are used to determine funding.

**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.

**Restoration** – A community college district is entitled to restore any reduction of apportionment revenue related to decreases in total FTES during the three years following the initial year of decrease if there is a subsequent increase in FTES.

**SB 361** – The Community College Funding Model (Senate Bill 361), effective October 1, 2006 through July 1, 2018, included funding-based 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 was 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 provided a base operational allocation for colleges and centers scaled for size.

**SCFF – The Student Centered Funding Formula** was adopted on July 1, 2018 as the new model for funding California community colleges. The SCFF is made up of three parts: Base Allocation, Supplemental Allocation, and Student Success Allocation. The aim of the SCFF is to improve student outcomes as a whole while targeting student equity and success.

**Seventy-five/twenty-five (75/25)** – Refers to policy enacted as part of AB 1725 that sets 75% of the hours of credit instruction as a goal for classes to be taught by full-time faculty.



**Stabilization** – Stabilization has been eliminated for all FTES in the SCFF.

**Student Success Allocation (Funding)** – Consists of approximately 10% of the statewide budget. Apportioned to districts based on a variety of metrics that measures student success. Some examples of the metrics used include associate degrees and certificates awarded, transfers, nine or more CTE units, number of students successfully completing transfer level Math and English in their first academic year and number of students achieving a regional living wage. The student success allocation is based on a simple three-year rolling average which uses the prior year; prior, prior year; and prior, prior, prior year outcome metrics. Students contributing to fully funded FTES populations (special admit and incarcerated) are not included for funding.

**Supplemental Allocation (Funding)** – Consists of approximately 20% of the statewide budget. Apportioned to districts based on districts students that are Pell Grant Recipients, AB540 students and/or California Promise Grant Recipients. Prior year data is used for funding.

**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.

**Three-year Average** – Traditional credit FTES data for any given fiscal year is the average of current year, prior year and prior, prior year. Special Admit and Incarcerated FTES are not included in the three-year average. A three-year average is also utilized for student success metrics. For student success, the three-year average uses the prior year; prior, prior year; and prior, prior, prior years to determine funded outcomes.

**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.

## **Appendix B – History of Allocation Model**

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). The 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.

**Rancho Santiago Community College District**  
**ADMINISTRATIVE REGULATION**  
Chapter 4  
Academic Affairs

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**AR 4235 Credit ~~by Examination~~ for Prior Learning**

**Reference(s):**

Education Code Section ~~79500~~ 66025.71, 66700, 70901, Sections 70901 and 70902  
Title 5 Section ~~55050~~ 55002, 55023, 55021, 55025, 55052,

~~Credit by Examination may be obtained by one of the following methods:~~

- ~~• Achievement of a score of 3, 4 or 5 on an Advanced Placement Examination administered by the College Entrance Examination Board. Students should submit official copies of Advanced Placement Examinations test scores to the Office of Admissions and Records for evaluation.~~
- ~~• Achievement of a score that qualifies for credit by examination in the College Level Examination Program.~~
- ~~• Credit by satisfactory completion of an examination administered by the college in lieu of completion of a course listed in the college catalog.~~
- ~~• Achievement of an examination administered by other agencies approved by the college.~~

~~Determination of Eligibility to Take the Examination:~~

- ~~• The student must be currently registered in the college and in good standing,~~
- ~~• The course is listed in the college catalog,~~
- ~~• Credits acquired by examination are not applicable to meeting of such unit load requirements as Selective Service deferment, Veteran's or Social Security benefits.~~

~~Credits acquired by examination shall not be counted in determining the 12 semester hours of credit in residence required for an Associate degree.~~

~~In addition:~~

- ~~• Courses eligible for Credit by Exam must appear in the College Catalog—Credit by Exam section.~~
- ~~• The student's academic record clearly indicates that the credit was earned by examination.~~
- ~~• Limits on the number of units may be applied to requirements for the Associate degree.~~

Students may demonstrate proficiency in a course eligible for Credit for Prior Learning and receive college credit through the approved alternative methods for awarding credit listed below:

- Achievement of a satisfactory score on an Advanced Placement (AP) examination,

- Achievement of a satisfactory score on a high level International Baccalaureate (IB) examination.
- Achievement of a satisfactory score on the College Level Examination Program (CLEP).
- Evaluation of Joint Service Transcripts (JST).
- Achievement of an examination administered by other agencies approved by the District.
- Evaluation of industry recognized credential documentation.
- Evaluation of student-created portfolios, and/or
- Satisfactory completion of an institutional examination, known as Credit by Examination, administered by the college in lieu of completion of an active course listed in the current college catalog.

#### Determination of Eligibility for Credit for Prior Learning

- The student must be in good standing in the District.
- The student must have previously earned credit or noncredit from the District or be currently registered in the District.
- Current students must have an education plan on file.
- The course is listed in either the current Santa Ana College or Santiago Canyon College Catalog.
- The student is not currently enrolled in the course to be challenged.
- Credit by Examination: The student is registered in the District and not currently enrolled in nor received credit for a more advanced course in a sequence in the same subject (may be waived by department).

Credits acquired by examination are not applicable to meeting of such unit load requirements as Selective Service deferment, Veterans, or Social Security benefits.

Credits acquired by examination shall not be counted in determining the 12 semester hours of credit in residence required for an Associate degree.

#### Prior Learning Assessment Grading Policy

- Grading shall be according to the regular grading system in accordance with Administrative Regulation (AR) 4230 Grading and Academic Record Symbols.
- Students shall be offered a "Pass/No Pass" option, in accordance with Administrative Regulation (AR) 4232 Pass/No Pass Grading Option if that option is ordinarily available for the course.
- Students shall be given the opportunity to accept, decline, or appeal the grade assigned by the faculty, and in cases of Credit by Examination, pursuant to AR 4230 Grading and Academic Record Symbols and AR 4231 Grade Changes.

#### Transcription of Credit for Prior Learning

- The student's academic record shall be clearly annotated to reflect that credit was earned by assessment of prior learning.

#### **Advanced Placement Credit**

Students requesting Credit for Prior Learning using Advance Placement shall receive credit for completing a satisfactory score on a District approved Advance Placement (AP) examination under the following circumstances:

- Achievement of a score of 3, 4 or 5 on an Advanced Placement Examination administered by the College Board. Advanced Placement official score reports must be on file in the Admissions and Records Office.
- The student achieved a minimum acceptable score on the AP examination as outlined by Santa Ana College or Santiago Canyon College Advanced Placement policies.

### **International Baccalaureate**

Students requesting Credit for Prior Learning using International Baccalaureate shall receive credit for completing a satisfactory score on a District approved high-level International Baccalaureate (IB) examination under the following circumstances:

- Official IB transcripts must be on file in the Admissions and Records Office.
- The student achieved a minimum acceptable score on the IB examination as outlined by Santa Ana College or Santiago Canyon College International Baccalaureate policies.

### **College Level Examination Program**

Students requesting Credit for Prior Learning using the College Level Examination Program shall receive credit for completing a satisfactory score on a District-approved College Level Examination Program (CLEP) under the following circumstances:

- Official CLEP transcripts must be on file in the Admissions and Records Office.
- The student achieved a minimum acceptable score on the CLEP examination as outlined by Santa Ana College or Santiago Canyon College College Level Examination Program policies.

### **Credit for Military Service/Training**

Students interested in Credit for Prior Learning using Joint Service Transcripts shall receive credit as recommended by the American Council on Education (ACE) Directory and approved by the appropriate discipline faculty of the college under the following circumstances:

- The student shall complete the Credit for Prior Learning assessment form available in the Counseling or Admissions and Records Office.
- Official transcripts must be on file in the Admissions and Records Office. These may include Joint Services Transcript (JST), Sailor/Marine American Council on Education Registry.

Transcript (SMART), Army and American Council on Education Registry Transcript Service (AARTS), Community College of the Air Force (CCAF), Coast Guard Institute (CGI), DANTES/USAFI, Defense Language Institute Foreign Language Transcripts (DLIFLC), Defense Manpower Data Center (DMDC), DLPT Examinee Results, DA Form 330 Language Proficiency Questionnaire, or verified copies of DD214 or DD295 military records.

- Credit course equivalency shall be determined by the faculty of the appropriate discipline.

### **Industry Recognized Credentials**

Students interested in Credit for Prior Learning using industry recognized credential(s) shall receive credit as recommended by the appropriate department chair or faculty designee:

- The student shall complete the Credit for Prior Learning assessment form available in the Counseling or Admissions and Records Office.
- Enrollment services shall grant credit for industry recognized credential(s) that have

already been evaluated and approved by the appropriate department chair or faculty designee.

- If an industry recognized credential(s) has not yet been evaluated and approved by the appropriate faculty:
  - The student meets with the department chair or faculty designee to receive further instructions for industry recognized credential(s) assessment.
  - The student submits all industry recognized credential documents to the department chair or faculty designee for assessment of prior learning.
  - If the department chair or faculty designee determine the industry certification adequately measures mastery of parts or all of the course content as set forth in the Course Outline of Record, the appropriate faculty may recommend additional aforementioned alternative assessment methods or sign the form with the recorded grade, attach the industry recognized credential(s), and forward appropriate forms and documentation to the Admissions and Records Office to be kept on file and recorded on the student transcript.

### **Student-Created Portfolio Assessment**

Students interested in Credit for Prior Learning using a student-created portfolio shall receive credit as recommended by the appropriate department chair or faculty designee under the following circumstances:

- A department approved portfolio assessment rubric for the course is on file.
- The student shall complete the Credit for Prior Learning assessment form available in the Counseling or Admissions and Records Office.
- The student meets with the department chair or faculty designee to receive further instructions for student-created portfolio assessment.
- The student submits all portfolio documents to the department chair or faculty designee for assessment of prior learning.
- If the department chair or faculty designee determine the student-created portfolio adequately measures mastery of parts or all of the course content as set forth in the Course Outline of Record, the appropriate faculty may recommend additional aforementioned alternative assessment methods or sign the form with the appropriate grade and forward appropriate forms and documentation to the Admissions and Records Office to be kept on file and recorded on the student transcript.

### **Credit by Examination (CBE) from Within the District**

The District will award college course credit for successful completion of a District examination administered by the appropriate departmental faculty under the following circumstances:

- Achievement of a grade that qualifies for CBE through completion of articulated high school or adult education courses. Students who wish to earn course credit through CBE through using completion of articulated high school or adult education courses must complete the required petition at either Santa Ana College or Santiago Canyon College (High School/ROP Completion of Articulation Course/Career Transitions Articulated Pathways) and be currently enrolled in at least one credit class at the time of petition.

- Credit by satisfactory completion of an examination administered by the department involved in lieu of completion of a course listed in the Santa Ana College or Santiago Canyon College Catalog.
  - The Department chair or faculty designee shall determine whether or not a student requesting CBE is sufficiently well prepared to warrant being given this opportunity. This determination is based upon a review of previous course work and/or experience.
  - Students wishing to earn course credit through CBE are encouraged to informally discuss the matter with the department chair or faculty designee and instructor prior to initiating the formal process. All steps must be completed in the order listed or the form for Credit by Examination shall not be processed. The form for CBE must be completed prior to the end of the current semester or session.

### **The District Credit by Examination (CBE) Process:**

In order to permit students to demonstrate that they have met the objectives of a course through experience in the work place, foreign language proficiency, or some other process outside the conventional academic setting, students may earn credit by receiving a passing grade on an examination administered by the appropriate instructional department/program. The completion of CBE may require the demonstration of other skills or the completion of assignments in addition to an examination.

Students interested in Credit for Prior Learning using CBE shall receive credit as recommended by the appropriate department chair or faculty designee under the following circumstances:

### **The Credit by Examination (CBE) Procedures**

- Student shall complete the Credit for Prior Learning assessment form along with any documentation of prior learning. The required form shall be available in the Counseling or Admissions and Records Office.
- Student meets with the department chair or faculty designee for further instructions for CBE. The dean and department chair or faculty designee will determine whether a departmental or a standardized examination is to be administered and when and where it shall be.
- If the department chair or faculty designee determine the CBE assessment measures mastery of all of the course content as set forth in the Course Outline of Record (COR), the appropriate faculty member shall sign the form with the recorded grade and forward appropriate forms and documentation to the Admissions and Records Office to be kept on file and recorded on the student transcript. If a faculty member determines that the assessment measures mastery of only parts of the COR, the faculty member may recommend additional aforementioned alternative assessment methods. Completed exam materials must remain on file with the department/program for three years.

### **High School or Adult Education to College Articulation - Credit by Examination (CBE) Procedures**

- Students shall complete the appropriate petition at Santa Ana College or Santiago Canyon College (High School/ROP Completion of Articulation Course/Career Transitions

Articulated Pathways). The petition shall be forwarded to the appropriate Division/Department for approval.

- In order for a student to receive CBE, the student must apply online to one of the colleges in RSCCD and register in at least one college credit class at the time of the petition. Timeline for credit to be claimed by the student is based on the existence of a signed articulation agreement for the year the student took the course. A recency requirement may be applicable based on industry standards.
- A letter grade will be assigned, and the course will be identified as CBE on the transcript in accordance with the official final grade received for the full term of the course being petitioned for college credit. Once assigned, a grade is not reversible. The letter grade will be posted on the transcript in the semester the petition was approved.
- Students who are unsuccessful in obtaining a grade of B or better for the full term of the course will not be allowed to petition for credit and no record of the attempt for CBE will appear on a student's transcript.
- The enrollment fee for CBE will not be charged for credit awarded under this provision.

Responsible Manager: \_\_\_\_\_ Office of Academic Affairs

**Adopted: September 17, 2018**

**Revised: xxxxxxxx, 2020**



## **DRAFT FOR DISCUSSION**

### **Rancho Santiago Community College District 2020-2022 District Council Committee Goals**

- District Council (and the five governance committees) will develop strategies at the beginning of the academic year to enhance communication with constituents.  
[The committee can figure out who their constituents are, and be reminded of their roles and responsibilities in so doing.]
- District Council and the five governance committees will assess their constituents' understanding and knowledge of the district governance structure at the end of the academic year.  
[Again, the committee can figure out who their constituents are and what exactly they want to assess.]
- District leadership will implement strategies to enhance communication with constituents about districtwide governance, planning, etc.
- District Council will identify at each of their meetings the specific supports that they need from each of the other district governance groups.
- Members of District Council will find opportunities to share the work being conducted/implemented/shared at District Council at committees in which they represent (a standing agenda item perhaps).
- Co-chairs of five governance committees will have standing agenda item to report pertinent action items discussed/taken DC and applied it to the work of their committees and vice versa.
- The Chancellor will provide a summary of District Council activities relative to each DC purpose statement, each month [or whenever], for distribution to constituent groups on behalf of DC membership.  
[This isn't really meeting "minutes", but is a concrete listing of actions/activities that also reminds and informs about DC purposes].

12/07/2020