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.
State Budget Update

State Budget Act signed by Governor on June 27, 2013
- Based on Governor’s more conservative revenue forecast
- State’s economy is improving
  - Therefore, Prop 98 funding improving

State Chancellor’s Office Budget Workshop
- August 6th at Mt. SAC
- “Blue Book” with apportionment and categorical funding details
- Several errors identified and recalculated
- These detailed reports are used in preparation of Proposed Adopted Budget
State Budget Update
Community Colleges

- No Student Fee increase – remains $46/credit unit
- 1.57% - Cost of Living Allowance (COLA)
  - $87.5 million statewide
  - RSCCD = $2,037,839
  - First COLA since 2007-2008
    - K-12 will no longer receive COLA's under Local Control Funding Formula (LCFF)
- 1.63% - Restoration/Access/Growth
  - $89.4 million statewide
  - RSCCD = $2,148,935
  - RSCCD Chancellor has authorized additional 1% growth from Budget Stabilization Fund to restore additional classes for students
    - Approximate cost of $1.2 million
  - Growth funds will be allocated to campuses by agreed upon split
    - SAC - 70.80%
    - SCC - 29.20%
State Budget Update
Community Colleges

- Student Success and Support Programs (Matriculation)
  - $50 million statewide
  - RSCCD = approximately $1.2 million

- Adult Education - $25 million for local planning grants
  - To develop local consortia with K-12 districts
  - Funded over two years
  - Funding not included in Proposed Adopted Budget
  - Grant funding awards criteria to be developed by State Chancellor’s Office
  - No changes in funding to existing noncredit/CDCP programs

- Online Education Initiative - $16.9 million
  - Statewide Chancellor’s Office initiative to develop a common learning management system available for use by all colleges
  - No funding to districts

- Scheduled Maintenance/Instructional Equipment
  - $30 million – one time funds
  - RSCCD = $762,439 combined
    - Schedule Maintenance = $381,223
    - Instructional Equipment = $381,216
State Budget Update
Community Colleges

Additional State Apportionment Deferral buy down
- From $961 million down to $592 million in IOU’s
- RSCCD = $25 million down to $15.4 million in IOU’s

Energy Efficiency/Prop 39 - $49 million for CC’s
- Allocated at the discretion of the State Chancellor
- Allocation subject to guidance approved by the California Energy Commission
- Workforce Development Grants – 15% - $7 million
- FTES allocation - $42 million
- RSCCD = approximately $1 million in 2013/14
- Allocations and regulations still pending
- Funding not included in Proposed Adopted Budget
Watch List

State apportionment process has become more complicated

- RDA funds
  - When is a backfill guarantee not a guarantee?
    - When Department of Finance says so…

- EPA funds
  - Variable funding levels year to year
  - Proposition 30 funding is temporary
    - Sale tax increase expires at the end of 2016
    - Income tax increase terminates at end of 2018

- Property tax estimates
  - Dependence on overly stated estimates to help State Budget
    - No backfill for shortages

- Lack of continuous appropriation for all of these estimates
- System-wide structural funding deficits not addressed
Watch List

- **Prop 98 settle-up funds for 2012/13?**
  - State collected over $2 billion more in revenue
  - One time settle up funds?

- **Prop 98 increases for 2013/14?**
  - Higher revenue estimates expected

- **50% Law compliance concerns**
  - RSCCD struggling to make 50.01%
    - Needed to transfer entire ARC at year-end to Retiree Health Benefits fund
    - $1.3 million
    - Still not enough
    - Needed to transfer additional $1.5 million to Retiree Health Benefits fund
    - Need to closely monitor as new positions are hired

- **Faculty Obligation Number (FON)**
  - BOG unlikely to waive in November for fall 2014
  - Need to hire additional full-time faculty for fall 2014 to avoid penalties
RSCCD Proposed Adopted Budget

- RSCCD Proposed Adopted Budget scheduled for September 9\textsuperscript{th} Board of Trustees meeting
  - Public display on September 4\textsuperscript{th}, 5\textsuperscript{th} and 6\textsuperscript{th}
    - District Office – 4\textsuperscript{th} floor reception area
  - Public Hearing at September 9\textsuperscript{th} Board meeting
  - Recommendation for approval