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.
Outline of Presentation

1. Budget Planning Process
2. Community Colleges Prop 98
3. RSCCD 2019-2020 Proposed Tentative Budget
4. Recommendation
Budget Planning Process
Governor’s January Budget Proposal for 2019/2020 released January 10, 2019

RSCCD Board Presentations on Governor’s Proposal and 2019/2020 Tentative Budget Assumptions (January 14th and March 25th)
  - Fiscal Resources Committee (FRC) and District Council review and recommended assumptions

Governor’s May Revision released May 10th

2019/2020 Tentative Budget approval tonight
  - FRC and District Council reviewed and recommended Tentative Budget as presented
    - Includes minor May Revise adjustments
State Budget Planning Process
Latest Information

- Last week, Governor negotiated budget deal with legislative leaders
- Legislative Budget Conference Committee concluded their work on Governor’s negotiated budget deal on Sunday evening, June 9th
- Legislature (both houses) approved State Budget on June 13th
- State Budget – AB74 approved by June 15th deadline
  - Budget placeholder
  - Implementing Trailer Bills pending over next few weeks
- Governor expected to sign AB 74 by July 1st
  - Significant line item vetoes not expected
Community Colleges Prop 98
Student Centered Funding Formula
SCFF
Essentially same funding as May Revise
Cost of Living Allowance (COLA) – 3.26%
  - RSCCD = approximately $6 million
STRS and PERS employer rate relief for two years
  - Same level of overall funding ($500 million) in STRS proposal by Governor in May Revise to be split 50/50 between STRS and PERS
    - Outside of Prop 98 allocation
  - Partially offsets increased employer rates for STRS and PERS
  - Rates to be determined
  - RSCCD = combined should save approximately $1.1 million
No additional funding provided for SCFF in current year 2018/2019 and budget year 2019/2020
  - All categories and metrics will be constrained to existing funding (thereby, no perceived apportionment deficit)
  - Data metric’s funding rates are changing (constrained) in 2018/19 and 2019/20 to live within existing apportionment funding
    - Back into rates to constrain to existing funding
    - Rates can change four or five times a year
SCFF changes
- Cap Student Success portion of the formula to 10% of total SCFF allocation
  - Will not transition to 60%/20%/20% split
  - Will remain at current 70%/20%/10% split
    - FTES Base – 70%
    - Supplemental – 20%
    - Student Success – 10%
- Student Success metrics will use three-year rolling averaging
- Count only highest award in same year
- New Transfer data elements definition
  - Transfer data metrics changing to 3 data sources
  - Will lower all districts transfer data rates by 1/3
- SCFF Hold Harmless now extended through 2021/2022
  - Added fourth year for hold harmless districts
Proposed RSCCD Tentative Budget

- Tentative Budget is a placeholder budget in order to continue to pay employees and obligations starting July 1st
  - Placeholder budget
  - Placeholder budget
  - Placeholder budget
- State Revenue numbers will absolutely change by Adopted Budget
- RSCCD is now essentially considered a “hold harmless” district
- Guaranteed 2017/2018 Total Computational Revenue (TCR) plus COLA plus COLA for 2019/2020
  - 18/19 – 17/18 TCR funding plus 2.71% COLA
  - 19/20 – 17/18 TCR funding plus 2.71% COLA plus 3.26% COLA
- Any funding above COLA at this point considered miniscule or unlikely with formula manipulations
  - Wait and see…
Includes Board approved Tentative Budget Assumptions, updated with the latest information from May Revise (p. 80-82)

Uses the old SB361 RSCCD BAM internal allocations formula for campuses and District Office
  - FTES percentage split

Includes $7.8 million in anticipated new revenue
  - $6 million of which is 3.26% COLA
  - $1.1 million is releasing apportionment Deficit Factor

Balanced Tentative Budget
Chancellor’s Office Budget Workshop
- Not scheduled until mid-August
- “Blue Book” (now white) won’t be provided to districts until Budget Workshops
  - Provides Advanced Apportionment details and state funded grant and entitlements
- Therefore, more detailed information for Adopted Budget will not be available for inclusion into RSCCD Adopted Budget

Will attempt to provide most up to date information in Proposed Adopted Budget

2018/2019 fiscal year closing and actual balances will be known for Adopted Budget

Adopted Budget presented for Board of Trustees approval at September 9th Board meeting
Recommend approval of the proposed 2019/2020 Tentative Budget as presented