

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT**

website: [Fiscal Resources Committee](#)

**Agenda for Wednesday, July 1, 2020**

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

Zoom Meeting

1. Welcome
2. State/District Budget Update – Hardash
  - 2019-20 Second Principal Apportionment Background Memo/Information posted June 26, 2020
  - 2019-20 Second Principal Apportionment Exhibit “C” posted June 26, 2020
  - Final State Budget 2020-21 report link: <http://www.ebudget.ca.gov>
  - SSC – Meeting Cash Flow Challenges in Light of the May Revision
  - SSC – Senate Rejects Governor’s Education Cuts
  - SSC – Legislature Reaches Agreement on 2020-21 State Budget
  - SSC – Additional Details of the 2020-21 Legislative Budget Plan
  - SSC – Legislature to Adopt Budget on Monday despite No Deal with the Governor
  - SSC – Legislature Approves 2020-21 State Budget Act Despite No Deal
  - SSC – By the Way... Governor Newsom and Legislative Leaders Reach Deal on 2020-21 State Budget
  - SSC – 2020-21 State Education Budget Details Emerge
  - SSC – CalPERS and CalSTRS Employer Contribution Rates
3. 2020-21 Proposed Adopted Budget Assumptions – **Action Item**
4. Revised 2020-21 Adopted Budget Calendar - **Action Item**
5. Continued Discussion of SCFF and Review of BAM
  - BAM Simulation Review Based on SCC Proposed Language Change – **Action Item**
6. Standing Report from District Council – Shahbazian
7. Informational Handouts
  - District-wide expenditure report link: <https://intranet.rscsd.edu>
  - Vacant Funded Position List as of June 25, 2020
  - Measure “Q” Project Cost Summary May 31, 2020
  - Monthly Cash Flow Summary as of May 31, 2020
  - [SAC Planning and Budget Committee Agendas and Minutes](#)
  - [SCC Budget Committee Agendas and Minutes](#)
8. Approval of FRC Minutes – May 21, 2020
9. Other

**Next FRC Committee Meeting:** Executive Conference Room #114, 1:30 pm – 3:00 pm)  
August 19, 2020

**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.**

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## COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: MAY 1, 2020

### Guest Article: Meeting Cash Flow Challenges in Light of the May Revision

 BY JONATHAN EDWARDS BY RICH MALONE BY LORI RAINERI

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posted May 26, 2020

*[Editor's Note: From time to time, we publish guest articles that we think inform readers on timely and relevant issues related to finance and budgeting. Jonathan Edwards, Rich Malone, and Lori Raineri of Government Financial Strategies provide an article on the May Revision and its impact on cash for local community colleges.]*

#### Introduction

The Governor's May Revision proposes to defer \$330 million in Student Centered Funding Formula (SCFF) apportionments from May and June 2020 to July 2020. For 2020-21, the Governor proposes an additional in \$662 million in deferrals from April, May, and June 2021 to at least July 2021.

In this environment, budget implementation requires cash management. Now is the time to put a system in place for fiscal year 2020-21 to monitor and maintain cash balances.

#### Monitoring and Projecting Cash Flow

Advance recognition of a cash flow shortfall is critical. The first step is to develop a system for maintaining periodic cash flow projections. In this current fiscal environment, monthly is not too often. A cash flow projection should be accurate, flexible and well-documented, as described below.

##### Accurate

While we're receiving new information frequently, a monthly cash flow projection can be as accurate as possible given correct data, best current assumptions, and proper calculations.

##### Flexible

A flexible financial model can be prepared in Excel, Projection-Pro, or other appropriate financial software with input tables for assumptions that can be easily updated to test different scenarios.

##### Well-documented

Each month's cash flow projection and underlying documentation should be saved in a permanent

format (e.g. pdf) for future reference, comparison and learning.

The Great Recession was the last time that community college business leaders needed to manage cash flow as closely as will be required in this new era of state revenue deferrals. Many current community college leaders (in the business office, executive suite, and governing board) have not had to focus on the distinction between managing the budget and maintaining cash balances. Over the last ten years, due to relatively reliable timing of revenues and expenditures, in general, a budget with positive fund balances over a multiyear budget projection often had sufficient cash balances without much attention.

Given the new sources of information in the next two months: community college district tentative June budgets and then the adopted State Budget (and potential August State Budget revisions), cash management procedures should be initiated now and become a monthly priority. While current year [Fiscal Reporting Deadlines Delayed by Chancellor's Executive Order](#) provide extra time for community college districts to meet statutory reporting requirements, the delay does not mitigate the need for timely cash flow analysis.

A quick check list for starting or checking a cash flow projection:

- Beginning cash figures should tie to audit
- The cash flow projection model should allow for easy adjustments when assumptions change
- Assumptions driving the projection should be clearly documented
- Cash flow projection should be updated monthly

Common problems with cash flow projections include:

- Cash vs. revenue—individual monthly entries should reflect changes in cash, not accounting for revenue and expense
- The use of prior year receipts or disbursements as a template for future year projections can be inaccurate, especially for unscheduled or large one-time items such as federal revenues or capital outlay
- End of fiscal year cash balance projections can be inaccurate unless accounts receivable and accounts payable accruals, as well as carryovers and unspent budget, are considered
- Beginning cash, accounts receivable, and accounts payable (as well as any other tracked asset and liability balances) don't tie from the end of one fiscal year to the beginning of the next fiscal year

### **Options for Addressing Cash Flow Shortfall**

Once a cash flow shortfall has been identified, options for addressing the shortfall include inter-fund borrowing, borrowing from the county office of education and/or county treasurer, registered warrants, and tax and revenue anticipation notes (TRANS).

## Interfund Borrowing

Per the *California Community Colleges Budget and Accounting Manual* (2012 Edition), cash held in any fund may be available for temporary (less than one year) borrowing from one or more funds to another fund to be used for the payment of obligations, provided no provisions to the contrary exist.

Interfund borrowing can be the least expensive method to address cash flow needs.

## County Office of Education and County Treasurer

Education Code sections 85220–85222 enable community college districts to borrow funds from the county office of education and the county treasurer. The wording of section 85220 implies that the county treasurer is obligated to make such a loan should a community college district not have sufficient cash balances to meet current expenses, with the State Constitution Article 16, Section 6, further supporting this obligation. However, many counties have been reluctant to provide with such loans. Discussions should be held with the local county treasurer to determine the feasibility of obtaining a loan from the county.

## Registered Warrants

Education Code sections 85280–85288 effectively enable community college districts to issue “IOUs” bearing an annual interest rate of 5% to creditors when the community college district does not have cash available to make payments. The county superintendent of schools maintains a record of these “IOUs” for subsequent payment when funds become available.

While the state issued registered warrants in 2009, we know of no recent history of the use of registered warrants by a California community college district. For a variety of logistical reasons, registered warrants are generally not considered a feasible option to address cash flow deficits, and are, at best, the ultimate last resort.

## Tax and Revenue Anticipation Notes (TRANs)

### *Background*

TRANs are short-term debt used to finance cash flow deficits in anticipation of receiving taxes and other revenues. TRANs are authorized by Government Code section 53850 et. seq.

Pursuant to Government Code section 53854, TRANs are payable “not later than the last day of the fiscal year in which it is issued,” or in the following fiscal year “only from revenue received or accrued during the fiscal year in which issued.” It is this second scenario that enables community college districts to issue “cross-fiscal year” TRANs to address end of fiscal year cash flow shortfalls resulting from cross fiscal year state apportionment deferrals.

TRANs must be repaid “in no event later than 15 months after the date of issue.” However, practical considerations generally limit the term of TRANs to no more than 12 months. Typically, revenues “pledged” for repayment of the TRANs are deposited into a repayment fund during the fiscal year according to an agreed-upon schedule. Once deposited into the repayment fund, such monies are no longer available to the community college district for general operating purposes.

The process to issue TRANs generally takes about three months.

### *TRANs Sizing*

Under federal law, the maximum size of a tax-exempt TRANs equals the largest projected negative “available” cash balance plus a working capital reserve equal to the lesser of 5% of last year’s expenditures. “Available” cash includes all unrestricted cash in the General Fund and other funds if unrestricted.

### *Potential TRANs Structures*

TRANs are issued in a variety of structures, with each structure having its advantages and disadvantages. Several structures are discussed briefly below.

TRANs can be issued by an individual community college district (technically, by the county on behalf of the community college district). While individual issuances provide the community college district with the most control over the issuance process, including determining the issuance timing and repayment dates, costs of issuance can be higher, and, if the TRANs is relatively small, interest rates may be higher as well.

TRANs can also be issued in a “pooled” format with multiple issuers joining together. The benefits of a pooled approach can include lower issuance costs, since costs are shared among participants, and potentially lower interest rates for smaller issuers. The Community College League of California offers a statewide TRANs pool via the called the California Community College Financing Authority (a joint powers authority), which is planning to issue TRANs in July 2020. Further information is available on the Community College League of California [website](#).

TRANs also can be issued in a pool format by the county superintendent of schools (or the county on behalf of the county superintendent of schools), with the county superintendent issuing loans to participating districts (community college and/or school districts). TRANs repayment by the county superintendent of schools is funded from loan payments by participating districts (and the county superintendent if also receiving TRANs proceeds). Under this structure, typically the county superintendent of schools is liable for any repayment shortfall from participating districts, which can provide additional credit and interest rate benefits to the participants.

### *Issues*

Historically, it’s been common for California community college districts to be able to obtain the highest credit ratings possible on their TRANs issuances. However, given the challenging economic environment affecting all California public agencies, obtaining the highest credit ratings can no longer be assumed. As a consequence, community college districts should be prepared for higher interest costs (especially when compared to investment earnings rates).

### **Conclusion**

In conclusion, with sharp declines in and significant deferrals of state revenue that will affect ending cash balances in the current fiscal year and beyond, now is the time to begin working on cash flow projections and educating the governing board. Approval of the budget is not the end of

financial planning for the coming year—budget implementation requires cash management, which will be a monthly endeavor for the foreseeable future.

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## COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: MAY 1, 2020

### Senate Rejects Governor's Education Cuts

**BY KYLE HYLAND**

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posted May 29, 2020

The Senate Budget and Fiscal Review Committee, chaired by Senator Holly Mitchell (D-Los Angeles), met yesterday and adopted the Senate budget plan for the 2020–21 State Budget. In their version of the budget, the committee rejects almost all of Governor Gavin Newsom's proposed education reductions in the May Revision (see "[An Overview of the 2020–21 Governor's May Revision](#)" in the May 2020 *Community College Update*). Some of the highlights of the Senate's Proposition 98 package include:

- Fully funding the Local Control Funding Formula, including the 2.31% cost-of-living adjustment (COLA)
- Providing an average daily attendance hold harmless for local educational agencies in the 2020–21 fiscal year and requiring distance learning in the event of school closures
- Amending the Governor's special education proposal to provide \$545 million to increase Assembly Bill 602 base rates and \$100 million for a low incidence disabilities cost pool
- Funding K–12 categorical programs at their 2019–20 levels, including all Career Technical Education programs and the After School Education Safety Program
- Maintaining and applying a COLA to the Standard Reimbursement Rate for State Preschool and full-day State Preschool add-on rate
- Eliminating the statutory growth reduction for State Preschool slots
- Funding the California Community Colleges (CCC) Student Centered Funding Formula, including a COLA
- Funding CCC categorical programs at 2019–20 levels, including the Strong Workforce Program and the Student Equity and Achievement Program
- Reducing CalBright College funding by \$77 million one-time above the Governor's \$3 million ongoing and not providing a backfill for the College if federal funds become available
- Funding adult education programs at the 2019–20 levels

The committee's budget rejects the \$8.1 billion reductions in Proposition 98 funding that Governor Newsom has proposed in his May Revision. Rather than implementing a strategy similar to the Governor's "trigger off" plan, which would essentially backfill the May Revision cuts if additional federal dollars materialize, the Senate's plan assumes that additional federal funding will be available, but includes a "trigger on" solution that would reduce spending in the event that the federal government does not approve an additional stimulus package (see "[HEROES Act Faces an Uphill Battle in the Senate](#)" in the *May 2020 Community College Update*).

However, even if federal funds do not materialize, the Senate's proposed trigger cuts would not be applied to Proposition 98 or health and human services. In the event that the federal government does not provide more aid to state and local governments, the Senate proposal would convert an additional \$5.3 billion of Proposition 98 funding into a deferral, which would preserve K-14 programmatic funding.

The committee also approved placeholder trailer bill language for their budget proposals, which gives them flexibility to make changes to the implementing language of the 2020-21 State Budget as it continues to go through the process. It's important to remember that the Legislature only needs to approve the State Budget Act by the June 15 constitutional deadline, while budget trailer bills can be approved days or even weeks after the main budget bill has been passed.

The budget plan approved by the Senate Budget and Fiscal Review Committee will need to be passed by the full Senate to officially make it the upper house's version of the 2020-21 State Budget. We still do not know when the Assembly Budget Committee will approve their budget plan and how much it will differ from what the Senate is proposing, though we understand their intention is to complete this process next week. There are rumors that the Legislature is looking to avoid going into a Budget Conference Committee this year, but the only way for them to circumvent that step is for the two houses to pass an identical budget.

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## COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JUNE 1, 2020

### Legislature Reaches Agreement on 2020–21 State Budget

 [BY KYLE HYLAND](#) [BY PATTI F. HERRERA, EDD](#)

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posted June 3, 2020

On Wednesday afternoon, June 3, 2020, Senate President pro Tempore Toni Atkins (D-San Diego); Assembly Speaker Anthony Rendon (D-Lakewood); and Budget Committee Chairs Senator Holly Mitchell (D-Los Angeles) and Assemblymember Phil Ting (D-San Francisco) announced that the Senate and Assembly have reached an agreement on the 2020–21 State Budget.

The Proposition 98 package in the agreed upon framework adopts the approach approved last week by the Senate Budget and Fiscal Review Committee (see [“Senate Rejects Governor’s Education Cuts”](#) in the May 2020 *Community College Update*), including the following:

- Funding the Student Centered Funding Formula, including the 2.31% cost-of-living-adjustment (COLA)
- Funding community college categorical programs at 2019–20 levels, including the Strong Workforce Program and adult education programs
- Reducing CalBright College funding by \$77 million one-time above Governor Gavin Newsom’s \$3 million ongoing
- Maintaining and applying a COLA to the Standard Reimbursement Rate for the California State Preschool Program and the full-day State Preschool add-on rate
- Eliminating the statutory growth reduction for State Preschool slots

The Legislature’s budget rejects the \$8.1 billion reductions to Proposition 98 funding proposed in the Governor’s May Revision and over appropriates the minimum guarantee by approximately \$2.7 billion for 2020–21. While the agreement assumes that additional federal funding will materialize, there are trigger cuts built into the budget should the federal government not provide additional aid by September 1. However, even if the federal government does not approve additional funding, the proposed trigger cuts would not be applied to Proposition 98 nor health and human services, including early childhood programs. Instead, the state would convert an additional \$5.3 billion (\$4.63 billion for K–12 and \$674 million for community colleges) of Proposition 98 funding into a deferral, effectively preserving K–14 programmatic funding.

It's important to note that both the Assembly and Senate still need to officially adopt the 2020–21 State Budget Act by the June 15 constitutional deadline, and we are still waiting for the release of details related to relevant budget policies included in the legislative budget deal that will further illuminate the full extent of the legislative approach to the State Budget. While the Legislature needs to adopt the main budget bill by June 15, budget trailer bills are not subject to the same deadline and can be approved days or weeks after the State Budget Act.

We remind our readers that the Legislature is poised to adopt a budget that looks significantly different than the Governor's version, and legislative leadership still needs to negotiate with the Administration before the 2020–21 State Budget is implemented. The Governor also has the power to veto the entire budget and send it back to the Legislature or approve the budget with line-item reductions, giving Governor Newsom a lot of leverage in the upcoming budget negotiations.

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## COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JUNE 1, 2020

### Additional Details of the 2020–21 Legislative Budget Plan

 [BY MICHELLE MCKAY UNDERWOOD](#)

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Just prior to the Assembly’s hearing on the recently unveiled legislative plan for the 2020–21 State Budget (see “[Legislature Reaches Agreement on 2020–21 State Budget](#),” in the current issue of the *Community College Update*), additional details on the plan for the California Community Colleges were provided. The Legislature intends to:

- Provide a 2.31% cost-of-living adjustment and 0.50% growth funding for the Student Centered Funding Formula (SCFF)
- Approve the May Revision proposal to extend the hold harmless period for the SCFF by an additional two years
- Eliminate Calbright College and require the Calbright Board of Trustees to develop a closure plan by December 2020, which effectually:
  - Provides \$75 million in one-time funding redirected from Calbright College to support a basic needs/learning loss/COVID-19 response block grant to colleges in order to support expenses such as mental health services, housing and food insecurity, re-engagement for students who left college in spring 2020, technology, and development of online courses and student supports
  - Increases support for the part-time faculty office hours and compensation programs by about \$10.6 million, redirected from Calbright College
- Provide \$20 million in one-time funds to support costs associated with apprenticeship instructional hours
- Provide \$11.4 million in ongoing funds to support food pantries
- Provide \$5.8 million in ongoing funds to support the Dreamer Resource Liaison program
- Approve the May Revision proposal to *withdraw* several items from Governor Gavin Newsom’s State Budget proposal, including:
  - Funding for textbooks for dual enrollment students

- Zero-textbook-cost degrees
- Faculty diversity fellowship programs
- Work-based learning models
- 2020–21 apprenticeship instructional hours

### **Next Steps**

The Newsom Administration did not tip its hand regarding whether it supported the Legislature’s plan to assume federal funds in the structure of the 2020–21 State Budget. That will be a key aspect to negotiations between united legislative leaders and Governor Newsom.

By June 12, 2020, the main State Budget Bill will need to be in print in order to comply with the 72-hour in print rule before legislation can be voted on. Both houses of the Legislature are expected to vote on June 15, the constitutional deadline to approve the State Budget. Trailer bills detailing the proposals for community college districts may not necessarily be approved on June 15; however, the Assembly is scheduled to go on a month-long summer recess on June 19, so we expect trailer bills to be wrapped up before then. Stay tuned.

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## COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JUNE 1, 2020

### Legislature to Adopt Budget on Monday despite No Deal with the Governor

**BY KYLE HYLAND**

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posted June 11, 2020

On Wednesday, June 10, 2020, Senate President pro Tempore Toni Atkins (D-San Diego) and Assembly Speaker Anthony Rendon (D-Lakewood) announced in a joint [statement](#) that the Legislature will meet the constitutional deadline to approve the 2020–21 State Budget Act by adopting their version of the Budget this upcoming Monday, June 15, 2020 (see “[Legislature Reaches Agreement on 2020–21 State Budget](#)” in the June 2020 *Community College Update*).

Despite not being able to come to an agreement with Governor Gavin Newsom’s office, the Legislature intends to adopt the main Budget bill that will be in print on Friday, June 12, 2020, in order to meet the constitutional 72-hour in print rule, which mandates that all bills be published in print and online at least 72 hours before the Legislature can vote on it. While the Governor has the authority to waive the this requirement pursuant to an emergency proclamation, which the state is currently under due to the COVID-19 pandemic, it is unlikely that the Governor will exercise this authority for the Budget bill as negotiations remain ongoing with the Legislature.

The intent of the 72-hour rule is to give the public time to review and comment on bill language before it is voted on. The main structure and components of the legislative Budget were known last week at the announcement of the deal between the two houses, so few new details emerged with the main Budget bill and the few trailer bills now in print. However, clarity on the 2019–20 deferral was provided, in that this will be a budget deferral for community colleges and not a cash deferral. In other words, there will be an accounting entry to score \$30 million of the state apportionment for May 2020 and \$300 million of the state apportionment for June 2020 to the 2020–21 Proposition 98 appropriations.

Legislative leaders announced that negotiations with the Governor continue to be productive and that they will approve any amendments to the Legislature’s version of the Budget as soon as they are eligible for floor action. This means that the final 2020–21 State Budget Act that Governor Newsom will eventually sign into law will likely look different from the bill that the Legislature will be approving on Monday, June 15, 2020.

Some of the significant differences for education that still need to be worked out between the two parties include:

- Budget revenue assumptions and whether or not to include additional federal aid in the adopted budget as well as appropriate “trigger on” or “trigger off” reductions in order to

balance the budget

- Whether Proposition 98 and health and human services reductions can be averted, regardless if the state receives additional federal funding, by increasing the amount of payment deferrals to K–12 and community college districts and maximizing the use of state reserve funds
- Whether or not to eliminate funding for Calbright College and develop a closure plan

These are some very significant differences between the Governor and Legislature (see “[A Conversation with Senator Roth: 2020–21 State Budget—Video](#)” in the June 2020 *Community College Update*), and we are unsure how close the two sides are to making a deal on these key issues. It is important to remember that Governor Newsom will have significant leverage in these final negotiations as he has the power to veto the entire budget and send it back to the Legislature or approve the budget with line-item reductions.

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## COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JUNE 1, 2020

### Legislature Approves 2020–21 State Budget Act Despite No Deal

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#)

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Meeting its June 15 constitutional deadline to act on a state spending plan for the upcoming fiscal year, the Assembly and Senate approved [Senate Bill \(SB\) 74](#)—the Legislature’s version of the 2020–21 State Budget—hours before the midnight deadline (for more details on the Legislature’s version of the Budget, see “[Legislature Reaches Agreement on 2020–21 State Budget](#)” and “[Additional Details of the 2020–21 Legislative Budget Plan](#)” in the June 2020 *Community College Update*).

The Legislature approved SB 74 despite not yet reaching a final agreement on the 2020–21 State Budget Act with Governor Gavin Newsom (see “[Legislature to Adopt Budget on Monday Despite No Deal with the Governor](#)” in the June 2020 *Community College Update*). While legislative leadership and the Governor continue to maintain that the ongoing negotiations remain positive, the fact that they have yet to come to a deal means that the final version of the 2020–21 State Budget will look different than the version that was approved by the Legislature today.

This means that once a deal has been made with Governor Newsom, the Legislature will likely approve a subsequent Budget bill that reflects the compromise and makes necessary amendments to SB 74.

In addition to the main Budget bill, the Legislature also passed Assembly Bill (AB) 76, which defers nearly \$1.9 billion in K–12 funding that should have been distributed in June and \$330 million in community college apportionments that were distributed in May and will be distributed in June, although they will be counted towards the budget year. AB 76 defers these payments to July 2020, and specifies that the K–12 deferral must be paid by July 15, 2020.

The Governor has 12 days after receiving SB 74 to take one of the following actions:

- Approve the Budget bill as presented to him
- Approve the Budget bill with specific line item reductions
- Veto the Budget bill and send it back to the Legislature

We will be sure to keep you apprised of the final 2020–21 State Budget negotiations, including the details of the deal once it is announced by the Governor and legislative leaders. Stay tuned.

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## COMMUNITY COLLEGE UPDATE

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PUBLICATION DATE: JUNE 1, 2020

By the Way . . . Governor Newsom and Legislative Leaders Reach Deal on 2020–21 State Budget.



**[BY SSC TEAM](#)**

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posted June 22, 2020

Governor Gavin Newsom, Senate President pro Tempore Toni Atkins (D-San Diego), and Assembly Speaker Anthony Rendon (D-Lakewood) announced this morning that they have reached an agreement on the 2020–21 State Budget.

The deal will likely be reflected in an additional State Budget bill that will make the necessary changes to Senate Bill 74, the 2020–21 State Budget Act, that the Legislature approved and sent to Governor Gavin Newsom last Monday, June 15 (see “[Legislature Approves 2020–21 State Budget Act Despite No Deal](#)” in the June 2020 *Community College Update*). Once the language for the State Budget deal and trailer bills are in print, the Legislature will have to wait 72 hours before being able to vote on the bills and send them to Governor Newsom for his consideration.

While the language of the State Budget deal and corresponding trailer bills is not yet available, School Services of California Inc. staff will be providing our analysis of the State Budget deal in subsequent *Community College Update* articles and videos over the next few days and weeks.

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# COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JUNE 1, 2020

## 2020–21 State Education Budget Details Emerge

**BY SSC TEAM**

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posted June 23, 2020

After much anticipation on June 22, 2020, Governor Gavin Newsom and legislative leaders announced a budget agreement that addresses the state’s multi-billion dollar deficit just days before the new fiscal year begins on July 1 (see “[By the Way . . . Governor Newsom and Legislative Leaders Reach Deal on 2020–21 State Budget](#)” in the June 2020 *Community College Update*). In a joint statement with Senate President pro Tempore Toni Atkins (D–San Diego) and Assembly Speaker Anthony Rendon (D–Lakewood), Governor Newsom intimated that the deal represents tough decisions and that more work will be necessary to keep the state’s fiscal house in order.

In the coming days, the Legislature will need to approve a budget bill (Senate Bill [SB] 121/Assembly Bill [AB] 89) that represents the agreement, along with policy trailer bills that detail many of the budget provisions. Yesterday, several bills including the Education Omnibus Budget Trailer Bill (SB 98/AB 77), the Postsecondary Education Trailer Bill (SB 116/AB 94), and the Public Employment and Retirement Trailer Bill (SB 111/AB 84) were amended with budget details that are relevant to community colleges. We highlight some of the significant key features below.

### Student Centered Funding Formula

The compromise reached by the Legislature and the Governor rejects the May Revision proposal to reduce apportionment funding in the Student Centered Funding Formula (SCFF), but does not provide the 2.31% cost-of-living adjustment. Additionally, the language in SB 116/AB 94 stipulates that for 2020–21 the SCFF maintains the 70/20/10 split between base, supplemental, and student success allocations; provides a hold harmless for the full-time equivalent student count; allows for data from 2018–19 to be used in for supplemental and student success allocations in lieu of the 2019–20 numbers; and extends the apportionment hold harmless by two years, through fiscal year 2023–24. The trailer bill language also excludes COVID-19 related expenditures from the 50% law calculations.

### Deferrals

Instead of imposing cuts to the SCFF, lawmakers rely on community college apportionment deferrals totaling \$1.45 billion. The budget agreement requires the following schedule for deferred payments:

- \$300 million from June 2021 to July 2021

- \$300 million from May 2021 to August 2021
- \$300 million from April 2021 to September 2021
- \$300 million from March 2021 to October 2021
- \$253 million from February 2021 to November 2021

The budget agreement provides that if sufficient federal funds materialize later this summer, then \$791.1 million would not be deferred.

### **Calbright College**

One of the looming questions during budget deliberations was whether Calbright College would survive as the Legislature’s version of the budget eliminated the online college and redirected its funding. However, the budget deal struck between the Administration and the Legislature does not eliminate Calbright College, but does reduce its ongoing funding by \$5 million and its one-time funding by \$40 million.

### **Categorical Programs**

The budget compromise adopts the Legislature’s model of retaining categorical programs at their 2019–20 spending level, including the Strong Workforce Program (SWP) and the Student Equity and Achievement Program (SEAP). Additionally, SB 116/AB 94 adds language to the SWP encouraging colleges to focus on short-term workforce training programs to assist economic recovery and job placement. The trailer bill language also allows SEAP funds to provide support to or establish on-campus food pantries or regular food distributions.

### **COVID-19 Response Block Grant**

The agreement also includes \$120 million (\$66.3 million in Proposition 98 funding) for the California Community College COVID-19 Response Block Grant, which funds activities that support student learning and mitigate learning loss; this includes professional development, information technology, mental health services, cleaning supplies, and protective equipment.

### **CalSTRS and CalPERS**

Trailer bill language in SB 111/AB 84 details the state investment to buy down employer contribution rates for the California State Teachers’ Retirement System (CalSTRS) and the California Public Employees’ Retirement System (CalPERS) in 2020–21. The bill also removes the CalSTRS Board’s ability to change the rate in 2020–21, instead keeping the 2019–20 rate in statute. A future *Community College Update* article will detail the employer contribution rates that are included in the budget agreement.

### **Classified Staff Protections**

Finally, the budget agreement forecloses the authority of community college districts to lay off classified staff who hold positions in nutrition, transportation, or custodial services from July 1, 2020, to June 30, 2021.

### **Next Steps**

The Assembly and Senate are poised to take final actions to approve the new budget bill reflecting the agreement and trailer bills by Friday, June 26, 2020, in time for Governor Newsom to act on them by Saturday, June 27—his deadline to act on the original budget bill approved by the Legislature.

[Click Here for COVID-19 Related Resources](#)

## COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JUNE 1, 2020

### CalPERS and CalSTRS Employer Contribution Rates

 [BY MICHELLE MCKAY UNDERWOOD](#) [BY CHARLENE QUILAO](#)

Copyright 2020 School Services of California, Inc. posted June 26, 2020

As previously reported in the *Community College Update* article “[2020–21 State Education Budget Details Emerge](#)” that was posted on June 23, 2020, Assembly Bill (AB) 84 details the state investment to buy down school and community college employer contribution rates for the California State Teachers’ Retirement System (CalSTRS) and the California Public Employees’ Retirement System (CalPERS) in 2020–21 and 2021–22.

Assuming that the Legislature approves the bill—as anticipated—and that Governor Gavin Newsom signs it, the CalPERS schools pool employer contribution rates would be reduced from 22.67% to 20.70% in 2020–21, and from 24.60% to 22.84% in 2021–22. For CalSTRS, the employer contribution rates would be 16.15% in 2020–21 and approximately 16.00% in 2021–22. While the 2020–21 rates will be set once AB 84 is signed into law, the 2021–22 rates will be subject to some fluctuation, and updates will be provided by each system as we approach that fiscal year.

The bill will also remove the CalSTRS Board’s ability to change the state contribution rate in 2020–21 and will instead keep the 2019–20 rate in statute.

Though these rates are not official until the Governor signs AB 84, we fully expect the rates will be at, or near, the estimated rates indicated in this article. We will continue to report on all of the bills that have been approved and signed with the 2020–21 State Budget, including AB 84. Stay tuned . . .

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT  
UNRESTRICTED GENERAL FUND  
2020/21 Adopted Budget Assumptions  
June 25, 2020**

I. State Revenue

A. Budgeting will begin using the new Student Centered Funding Formula (SCFF) at the hold harmless provision for the 2017/18 Total Computational Revenue plus outyear cost of living adjustments (COLA) as we are a hold harmless district.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth
2014/15	28,688.93	28,908.08	28,908.08	0.76%
2015/16	28,908.08	28,901.64	28,901.64	-0.02%
2016/17	28,901.64	27,517.31	28,901.64	a -4.79%
2017/18	28,901.64	29,378.53	29,375.93	b 1.65%
2018/19	P3 29,375.93	25,925.52	28,068.86	c -11.75%
2019/20	P1 28,068.86	28,198.47	Unknown	0.46%

a - based on submitted P3, District went into Stabilization in FY 2016/17

b - based on submitted P3, the district shifted 1,392.91 FTES from summer 2018

c - To maintain the 2015/16 funding level and produce growth FTES in 2017/18, the district borrowed from summer 2018 which reduced FTES in 2018/19.

The state budget proposes 0% systemwide growth funding, 0% COLA, and no base allocation increase.

The effects of the SCFF on our budget is not fully known at this time. The components will now remain at 70/20/10 split with COLA added each year. Any changes to our funding related to the new formula will be incorporated when known.

Projected COLA of 0%	\$0
Projected Growth/Access	\$0
Deficit Factor (2%)	(\$3,576,838)
Apportionment Base Incr (Decr) for 2020/21	<u>(\$3,576,838)</u>

2020/21 Potential Growth at 0.5% 28,209

C. Education Protection Account (EPA) funding estimated at \$26,437,430 based on 2019/20 @ Advance. These are not additional funds. The EPA is only a portion of general purpose funds that offsets what would otherwise be state aid in the apportionments. We intend to charge a portion of faculty salaries to this funding source in compliance with EPA requirements.

D. Unrestricted lottery is projected at \$153 per FTES (\$4,414,163). Restricted lottery at \$54 per FTES (\$1,557,940). (2019/20 @ P1 of resident & nonresident factored FTES, 28,850.74 x \$153 = \$4,414,163 unrestricted lottery; 28,850.74 x \$54 = \$1,557,940.) Increase of about 9%.

E. **Estimated reimbursement for part-time faculty compensation is estimated at \$458,559 (2019/20 @ P2). Decrease of \$156,251.**

F. Categorical programs will continue to be budgeted separately; self-supporting, matching revenues and expenditures. COLA is being proposed on certain categorical programs. Without COLA, other categorical reductions would be required to remain in balance if settlements are reached with bargaining groups. The colleges will need to budget for any program match requirements using unrestricted funds.

G. College Promise Grants (BOG fee waivers 2% administration) funding estimated at 2019/20 @ Advance of \$278,496. Slight decrease.

H. Mandates Block Grant estimated at a total budget of \$869,923 (\$30.85 x 28,198.47). Slight increase. No additional one-time allocation proposed.

II. Other Revenue

I. **Non-Resident Tuition budgeted at \$1,700,000. (SAC \$1,200,000, SCC \$500,000) - 50% reduction.**

J. Interest earnings estimated at \$1,400,000. Unchanged.

K. Other miscellaneous income (includes fines, fees, rents, etc.) is estimated at approximately \$407,680. Unchanged.

L. **Apprenticeship revenue estimated at \$4,198,711. Increase of \$1,039,239. (Corresponding expenses of \$1,039,239 are also budgeted for additional apprenticeship course offerings.)**

M. Scheduled Maintenance/Instructional Equipment allocation. \$0 provided in the state budget.

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT  
UNRESTRICTED GENERAL FUND  
2020/21 Adopted Budget Assumptions  
June 25, 2020**

- III. Appropriations and Expenditures
  - A. As the District's budget model is a revenue allocation model, revenues flow through the model to the colleges as earned. The colleges have the responsibility, within their earned revenue, to budget for ALL necessary expenditures including but not limited to all full time and part time employees, utilities, instructional services agreements, multi-year maintenance and other contracts, supplies, equipment and other operating costs.
  - B. The state is not providing the calculated Cost of Living Allowance (COLA). Any collectively bargained increased costs will be added to the budget. The estimated cost of a 1% salary increase is \$1.80 million for all funds. The estimated cost of a 1% salary increase is \$1.43 million for the unrestricted general fund.
  - C. Step and column movement is budgeted at an additional cost of approximately \$1.69 million including benefits for FD 11 & 13 (FARSCCD approximate cost \$546,816 CSEA approximate cost \$641,986, Management/Other approximate cost \$497,528) For all funds, it is estimated to = \$2.42 million (FARSCCD = \$642,315, CSEA = \$1,007,254, Management/Others = \$766,088) In addition, the colleges would need to budget for step/column increases for P/T faculty.
  - D. Health and Welfare benefit premium cost increase as of 1/1/2021 is estimated at 3.5% for an additional cost of approximately \$646,936 for active employees and an additional cost of \$279,138 for retirees, for a combined increase of \$926,074 for unrestricted general fund. The additional cost increase for all funds is estimated to = \$976,180  
State Unemployment Insurance local experience charges are estimated at \$250,000 (2019/20 budgeted amount). Unchanged.  
**CalSTRS employer contribution rate will decrease in 2020/21 from 17.10% to 16.15% for a decrease of \$694,283.**  
(Note: The cost of each 1% increase in the STRS rate is approximately \$740,000.)  
**CalPERS employer contribution rate will increase in 2020/21 from 19.721% to 20.70% for an increase of \$381,285.**  
(Note: The cost of each 1% increase in the PERS rate is approximately \$390,000.)
  - E. The full-time faculty obligation (FON) for Fall 2020 has not been calculated at this time. The District will temporary recruit to replace 10 faculty vacancies. SAC is recruiting for 7 positions. SCC is recruiting for 3 positions. The current cost for a new position is budgeted at Class VI, Step 12 at approximately \$154,847. Penalties for not meeting the obligation amount to approximately \$80,250 per FTE not filled.  
**SAC = 14 faculty not filled for FY 2020-21**  
**Part-time replacements**  
**SCC = 5 faculty not filled for FY 2020-21**  
**Part-time replacements**
  - F. The current rate per Lecture Hour Equivalent (LHE) effective 7/1/20 for hourly faculty is \$1,455. Increase of \$56 per LHE.
  - G. Retiree Health Benefit Fund (OPEB/GASB 75 Obligation) - The calculated Actuarially Determined Contribution (ADC) as of July 1, 2020 is estimated to be \$10,224,861. The District will therefore decrease the employer payroll contribution rate of 2.75% to 1.10% of total salaries. This reduction provides a savings of \$1,899,032 to the unrestricted general fund and \$2,483,330 for all funds.
  - H. Capital Outlay Fund - The District will continue to budget \$1.5 million for capital outlay needs.
  - I. Utilities cost increases of 2.5%, estimated at \$100,000.
  - J. Information Technology licensing contract escalation cost of 7%, estimated at \$125,000.
  - K. Property and Liability Insurance transfer estimated at \$1,970,000. Unchanged.
  - L. Other additional DS/Institutional Cost expenses:
 

Ellucian increased contract cost	\$ 400,000
<b>Title IX Costs</b>	<b>\$ 100,000</b>
  - M. **Child Development Fund - The District will NOT continue to budget \$250,000 as an interfund transfer from the unrestricted general fund as a contingency plan. (\$140,000 each year was transferred since 2014/15 and will stop in 2020/21)**
  - N. Estimated annual cost of Santiago Canyon College ADA Settlement expenses of \$2 million from available funds.
  - O. Round One budget reductions totalling \$3 million are being made for this tentative budget due to State Budget uncertainty.
  - P. **Supplemental Retirement Program with a first year savings of \$3,072,586 based on payout of 75% of salary and of 50% replacement to be sequestered in a board designated reserve.**

DRAFT

<b>Rancho Santiago Community College District</b> <b>Unrestricted General Fund Summary</b> <b>2020/21 Adopted Budget Assumptions</b> <b>June 25, 2020</b>
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*	<u>New Revenues</u>	Ongoing Only	One-Time
A	Student Centered Funding Formula		
B	COLA 0%	\$0	
B	Growth	\$0	
B	Deficit Factor (2%)	(\$3,576,838)	
D	Unrestricted Lottery	\$352,286	
H	Mandates Block Grant	\$77,096	
I	Non-Resident Tuition (50% reduction)	(\$1,700,000)	
J	Interest Earnings	\$0	
L	Apprenticeship - SCC	\$1,039,239	
EGK	Misc Income	(\$171,009)	
	<b>Total</b>	<u>(\$3,979,226)</u>	<u>\$0</u>
	<b><u>New Expenditures</u></b>		
B	Salary Schedule Increases/Collective Bargaining 4.00% **	\$4,019,430	
C	Step/Column	\$1,686,330	
D	Health and Welfare/Benefits Increase (3.5%)	\$926,074	
D	CalSTRS Decrease	(\$694,283)	
D	CalPERS Increase	\$381,285	
E	Full Time Faculty Obligation Hires	(\$2,942,093)	
E/F	Hourly Faculty Budgets (Match Budget to Actual Expense)	\$1,015,954	
G	Decreased Cost of Retiree Health Benefit ADC	(\$1,899,032)	
H	Capital Outlay/Scheduled Maintenance Contribution	\$0	
I	Utilities Increase	\$100,000	
J	ITS Licensing/Contract Escalation Cost	\$125,000	
K	Property, Liability and All Risks Insurance	\$0	
II.L	Apprenticeship - SCC	\$1,039,239	
L	Other Additional DS/Institutional Costs	\$500,000	\$0
M	Elimination of UGF transfer to Child Development Fund	(\$250,000)	
N	SCC ADA Settlement Costs	\$0	\$2,000,000
O	Round One Budget Reductions	(\$3,000,000)	
P	Supplemental Retirement Program with a first year savings	(\$3,072,586)	
	<b>Total</b>	<u>(\$2,064,682)</u>	<u>\$2,000,000</u>
	2020/21 Budget Year Unallocated (Deficit)	<u>(\$1,914,544)</u>	
	2019/20 Structural Unallocated (Deficit)	\$1,809,582	
	Savings Faculty replacement budget at VI-12	\$590,360	
	Savings 2019/20 - budgeted vs actual & rebudgeted vacancies	\$550,012	
	Board Designated Reserve	(\$3,072,586)	
	<b>Total Net Unallocated (Deficit)</b>	<u>(\$2,037,176)</u>	<u>(\$2,000,000)</u>

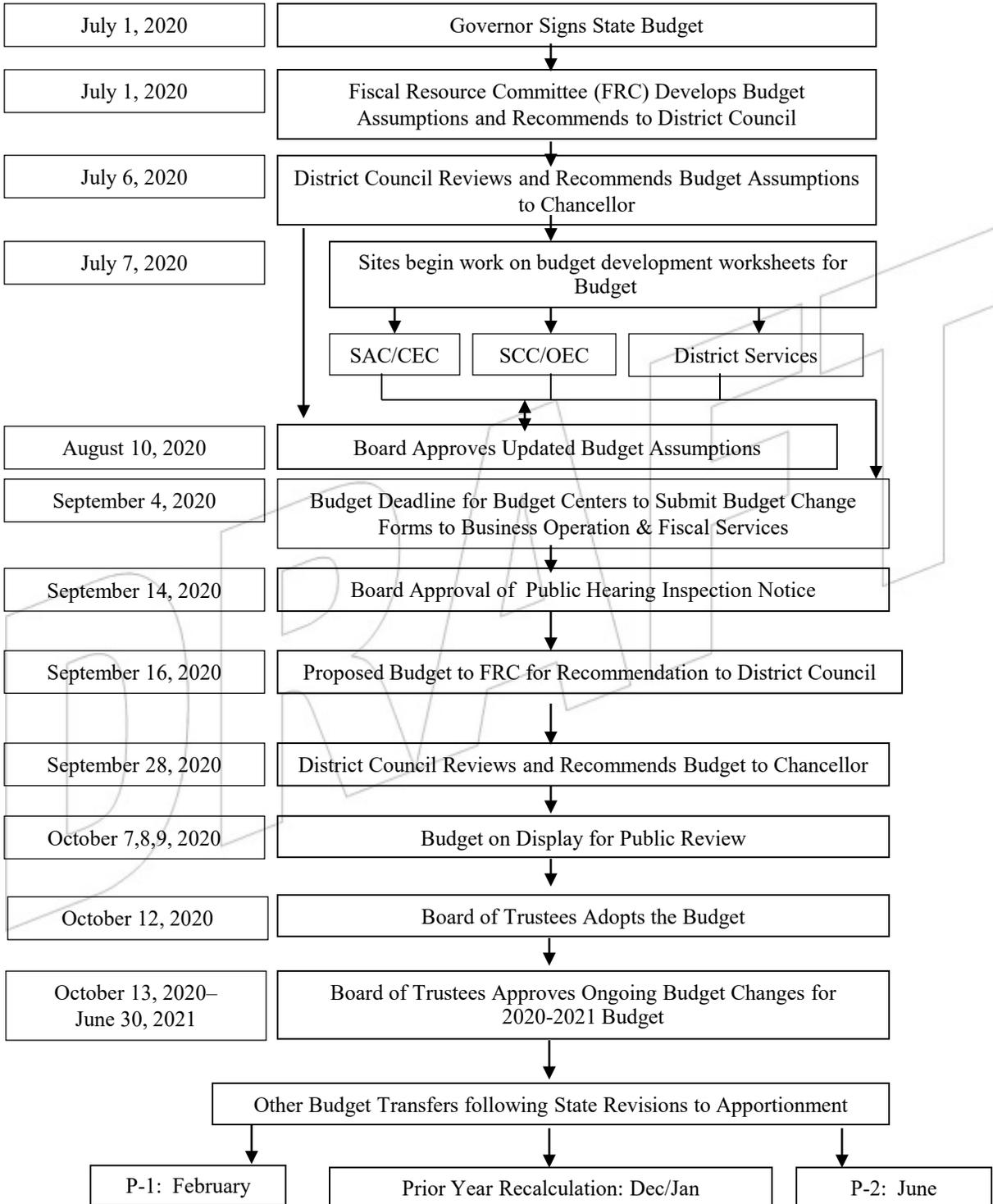
In addition, as both college budgets for adjunct faculty have been underbudgeted in total by approximately \$6.5 million, the colleges need to appropriately fund adjunct faculty costs tied to the class schedules offered and prior year actual costs when adjusted for new full-time faculty hired.

\* Reference to budget assumption number

\*\* Excludes Management & CEFA

# RSCCD Adopted Budget Calendar

Fiscal Year 2020 – 2021  
May 27, 2020



## **SCC suggested language change**

From:

### **Basic Allocation**

Colleges are funded 100% of the basic allocation (the number of each college's comprehensive centers and total FTES earned). Basic allocation is not subject to share in District Services costs or Institutional costs.

To:

### **Basic Allocation**

Funding based on the number of colleges and comprehensive centers in the community college district. Rates for the size of colleges and comprehensive educational centers were established as part of SB 361, remain in the SCFF, and henceforth are adjusted annually by COLA. There are 3 separate rates for colleges in multi-college districts. The highest rate is for large colleges, such as Santa Ana College (SAC), defined by a college that earns 20,000 or more FTES per year. The lowest rate is for small college, such as Santiago Canyon College (SCC), defined as a college that earns less than 10,000 FTES per year. The third, middle rate is for medium sized colleges defined as a college that earns between 10,000 FTES and 19,999 FTES. Within each of the 3 categories, the rate remains the same (for example, a medium sized college earns the same dollar amount regardless of whether it earns 10,000 FTES or 19,999 FTES and only realizes an increase after it reaches 20,000 FTES). In addition, there is a separate basic allocation for State Approved Centers such as the Orange Education Center (OEC) and for Grandfathered Centers such as the Centennial Education Center (CEC). For RSCCD, both basic allocations for OEC and CEC are at the same rate. Because the basic allocation for colleges is based on the size of a college (small, medium, or large), the basic allocation is no longer included as part of the section of the BAM used to support District Services and Institutional costs. Instead, basic allocation is now in the section of the BAM under OTHER STATE REVENUES that is 100% allocated to each college.

**RSCCD - Estimate 2019-20 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11  
Based on Student Centered Funding Formula - Hold Harmless Calculation 2017-18 TCR + COLA**

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
<b>APPORTIONMENT REVENUE</b>									
Basic Allocation	\$ 6,529,605	\$ 5,223,684	\$ 1,305,921	\$ 5,223,682	\$ 3,917,761	\$ 1,305,921			\$ 11,753,287
FTES - based on 18/19 Annual	\$ 74,801,834	\$ 54,944,846	\$ 19,856,988	\$ 33,078,825	\$ 24,497,900	\$ 8,580,925			\$ 107,880,659
SCFF - Supplemental Allocation - based on 18/19 Annual	\$ 18,424,234	\$ 18,424,234	\$ -	\$ 6,866,646	\$ 6,866,646	\$ -			\$ 25,290,880
SCFF - Student Success Allocation - based on 18/19 Annual	\$ 12,933,544	\$ 12,933,544	\$ -	\$ 6,992,518	\$ 6,992,518	\$ -			\$ 19,926,062
Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Subtotal	\$ 112,689,216	\$ 91,526,307	\$ 21,162,909	\$ 52,161,672	\$ 42,274,826	\$ 9,886,846			\$ 164,850,888
18/19 COLA - 2.71%	\$ 3,237,685	\$ 2,664,170	\$ 573,515	\$ 1,229,774	\$ 961,841	\$ 267,934			\$ 4,467,459
19/20 COLA - 3.26%	\$ 3,773,225	\$ 3,064,617	\$ 708,607	\$ 1,746,553	\$ 1,415,507	\$ 331,046			\$ 5,519,778
Deficit Coefficient (0.656%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Additional Student Centered Funding Formula	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
<b>TOTAL ESTIMATED APPORTIONMENT REVENUE</b>	<b>\$ 119,700,126</b>	<b>\$ 97,255,094</b>	<b>\$ 22,445,031</b>	<b>\$ 55,137,999</b>	<b>\$ 44,652,174</b>	<b>\$ 10,485,825</b>			<b>\$ 174,838,125</b>
<i>Percentages</i>	<i>68.46%</i>	<i>55.63%</i>	<i>12.84%</i>	<i>31.54%</i>	<i>25.54%</i>	<i>6.00%</i>			
<b>OTHER STATE REVENUE</b>									
Lottery, Unrestricted	\$ 2,825,985	\$ 2,248,522	\$ 577,463	\$ 1,236,095	\$ 976,729	\$ 259,366			\$ 4,062,080
State Mandate	\$ 551,482	\$ 551,482	\$ -	\$ 241,345	\$ 241,345	\$ -			\$ 792,827
Full-Time Faculty Hiring Allocation	\$ 871,966	\$ 871,966	\$ -	\$ 435,918	\$ 435,918	\$ -			\$ 1,307,884
Part-Time Faculty Compensation	\$ 427,655	\$ 338,006	\$ 89,649	\$ 187,155	\$ 146,889	\$ 40,266			\$ 614,810
<b>Subtotal, Other State Revenue</b>	<b>\$ 4,677,089</b>	<b>\$ 4,009,977</b>	<b>\$ 667,112</b>	<b>\$ 2,100,512</b>	<b>\$ 1,800,881</b>	<b>\$ 299,631</b>			<b>\$ 6,777,601</b>
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$ 124,377,215</b>	<b>\$ 101,265,071</b>	<b>\$ 23,112,144</b>	<b>\$ 57,238,511</b>	<b>\$ 46,453,055</b>	<b>\$ 10,785,456</b>			<b>\$ 181,615,726</b>
<i>Percentages</i>	<i>68.48%</i>	<i>55.76%</i>	<i>12.73%</i>	<i>31.52%</i>	<i>25.58%</i>	<i>5.94%</i>			
<b>Less Institutional Cost Expenditures</b>									<b>\$ 12,070,370</b>
<b>Less Net District Services Expenditures</b>									<b>\$ 30,571,841</b>
									<b>\$ 138,973,515</b>
<b>ESTIMATED REVENUE</b>	<b>\$ 95,174,240</b>	<b>\$ 77,488,680</b>	<b>\$ 17,685,560</b>	<b>\$ 43,799,275</b>	<b>\$ 35,546,175</b>	<b>\$ 8,253,100</b>			<b>\$ 138,973,515</b>
<b>BUDGET EXPENDITURES FOR FY 2019-20</b>									
SAC/CEC Expenses - F/T & Ongoing	\$ 96,317,757	\$ 85,685,192	\$ 10,632,565						\$ 96,317,757
SCC/OEC Expenses - F/T & Ongoing				\$ 47,579,128	\$ 40,969,835	\$ 6,609,293			\$ 47,579,128
District Services Expenses - F/T & Ongoing							\$ 32,499,295		\$ 32,499,295
Institutional Cost									
Retirees Instructional-local experience charge								\$ 3,705,419	\$ 3,705,419
Retirees Non-Instructional-local experience charge								\$ 4,519,951	\$ 4,519,951
Property & Liability								\$ 1,970,000	\$ 1,970,000
Election								\$ 125,000	\$ 125,000
Interfund Transfer								\$ 1,750,000	\$ 1,750,000
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$ 96,317,757</b>	<b>\$ 85,685,192</b>	<b>\$ 10,632,565</b>	<b>\$ 47,579,128</b>	<b>\$ 40,969,835</b>	<b>\$ 6,609,293</b>	<b>\$ 32,499,295</b>	<b>\$ 12,070,370</b>	<b>\$ 188,466,550</b>
Percent of Total Estimated Expenditures	51.11%	45.46%	5.64%	25.25%	21.74%	3.51%	17.24%	6.40%	
<b>ESTIMATED EXPENSES UNDER/(OVER) REVENUE</b>	<b>\$ (1,143,517)</b>	<b>\$ (8,196,512)</b>	<b>\$ 7,052,995</b>	<b>\$ (3,779,853)</b>	<b>\$ (5,423,660)</b>	<b>\$ 1,643,807</b>			<b>\$ (4,923,370)</b>
<b>OTHER STATE REVENUE</b>									
Apprenticeship				\$ 3,159,472	\$ 3,159,472				\$ 3,159,472
Enrollment Fees 2%								\$ 293,254	\$ 293,254
<b>LOCAL REVENUE</b>									
Non Resident Tuition	\$ 2,400,000	\$ 2,400,000		\$ 1,000,000	\$ 1,000,000				\$ 3,400,000
Interest/Investments								\$ 1,400,000	\$ 1,400,000
Rents/Leases	\$ 48,480	\$ 48,480		\$ 125,000	\$ 125,000		\$ 205,000		\$ 378,480
Proceeds-Sale of Equipment								\$ 5,000	\$ 5,000
Other Local								\$ 24,200	\$ 24,200
Subtotal, Other Local Revenue	\$ 2,448,480	\$ 2,448,480	\$ -	\$ 4,284,472	\$ 4,284,472	\$ -	\$ 205,000	\$ 1,722,454	\$ 8,660,406
<b>ESTIMATED ENDING BALANCE FOR 6/30/20</b>	<b>1,304,963</b>	<b>(5,748,032)</b>	<b>7,052,995</b>	<b>504,619</b>	<b>(1,139,188)</b>	<b>1,643,807</b>			<b>\$ 1,809,582</b>

**RSCCD - Estimate 2019-20 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11  
Based on Student Centered Funding Formula - Hold Harmless Calculation 2017-18 TCR + COLA**

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
<b>APPORTIONMENT REVENUE</b>									
Basic Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
FTES - based on 18/19 Annual	\$ 74,801,834	\$ 54,944,846	\$ 19,856,988	\$ 33,078,825	\$ 24,497,900	\$ 8,580,925			\$ 107,880,659
SCFF - Supplemental Allocation - based on 18/19 Annual	\$ 18,424,234	\$ 18,424,234	\$ -	\$ 6,866,646	\$ 6,866,646	\$ -			\$ 25,290,880
SCFF - Student Success Allocation - based on 18/19 Annual	\$ 12,933,544	\$ 12,933,544	\$ -	\$ 6,992,518	\$ 6,992,518	\$ -			\$ 19,926,062
Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Subtotal	\$ 106,159,611	\$ 86,302,623	\$ 19,856,988	\$ 46,937,990	\$ 38,357,065	\$ 8,580,925			\$ 153,097,601
18/19 COLA - 2.71%	\$ 3,281,594	\$ 2,702,158	\$ 579,436	\$ 1,185,865	\$ 935,470	\$ 250,395			\$ 4,467,459
19/20 COLA - 3.26%	\$ 3,827,477	\$ 3,111,553	\$ 715,923	\$ 1,692,301	\$ 1,382,925	\$ 309,377			\$ 5,519,778
Deficit Coefficient (0.656%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Additional Student Centered Funding Formula	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
<b>TOTAL ESTIMATED APPORTIONMENT REVENUE</b>	<b>\$ 113,268,682</b>	<b>\$ 92,116,334</b>	<b>\$ 21,152,348</b>	<b>\$ 49,816,156</b>	<b>\$ 40,675,460</b>	<b>\$ 9,140,697</b>			<b>\$ 163,084,838</b>
<i>Percentages</i>	<i>69.45%</i>	<i>56.48%</i>	<i>12.97%</i>	<i>30.55%</i>	<i>24.94%</i>	<i>5.60%</i>			
<b>OTHER STATE REVENUE</b>									
Lottery, Unrestricted	\$ 2,825,985	\$ 2,248,522	\$ 577,463	\$ 1,236,095	\$ 976,729	\$ 259,366			\$ 4,062,080
State Mandate	\$ 551,482	\$ 551,482	\$ -	\$ 241,345	\$ 241,345	\$ -			\$ 792,827
Full-Time Faculty Hiring Allocation	\$ 871,966	\$ 871,966	\$ -	\$ 435,918	\$ 435,918	\$ -			\$ 1,307,884
Part-Time Faculty Compensation	\$ 427,655	\$ 338,006	\$ 89,649	\$ 187,155	\$ 146,889	\$ 40,266			\$ 614,810
<b>Subtotal, Other State Revenue</b>	<b>\$ 4,677,089</b>	<b>\$ 4,009,977</b>	<b>\$ 667,112</b>	<b>\$ 2,100,512</b>	<b>\$ 1,800,881</b>	<b>\$ 299,631</b>			<b>\$ 6,777,601</b>
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$ 117,945,771</b>	<b>\$ 96,126,310</b>	<b>\$ 21,819,460</b>	<b>\$ 51,916,668</b>	<b>\$ 42,476,340</b>	<b>\$ 9,440,328</b>			<b>\$ 169,862,439</b>
<i>Percentages</i>	<i>69.44%</i>	<i>56.59%</i>	<i>12.85%</i>	<i>30.56%</i>	<i>25.01%</i>	<i>5.56%</i>			
<b>Less Institutional Cost Expenditures</b>									<b>\$ 12,070,370</b>
<b>Less Net District Services Expenditures</b>									<b>\$ 30,571,841</b>
									<b>\$ 127,220,228</b>
<b>ESTIMATED REVENUE</b>	<b>\$ 88,336,703</b>	<b>\$ 71,994,793</b>	<b>\$ 16,341,910</b>	<b>\$ 38,883,525</b>	<b>\$ 31,813,094</b>	<b>\$ 7,070,431</b>			<b>\$ 127,220,228</b>
<b>BUDGET EXPENDITURES FOR FY 2019-20</b>									
SAC/CEC Expenses - F/T & Ongoing	\$ 96,317,757	\$ 85,685,192	\$ 10,632,565						\$ 96,317,757
SCC/OEC Expenses - F/T & Ongoing				\$ 47,579,128	\$ 40,969,835	\$ 6,609,293			\$ 47,579,128
District Services Expenses - F/T & Ongoing							\$ 32,499,295		\$ 32,499,295
Institutional Cost									
Retirees Instructional-local experience charge								\$ 3,705,419	\$ 3,705,419
Retirees Non-Instructional-local experience charge								\$ 4,519,951	\$ 4,519,951
Property & Liability								\$ 1,970,000	\$ 1,970,000
Election								\$ 125,000	\$ 125,000
Interfund Transfer								\$ 1,750,000	\$ 1,750,000
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$ 96,317,757</b>	<b>\$ 85,685,192</b>	<b>\$ 10,632,565</b>	<b>\$ 47,579,128</b>	<b>\$ 40,969,835</b>	<b>\$ 6,609,293</b>	<b>\$ 32,499,295</b>	<b>\$ 12,070,370</b>	<b>\$ 188,466,550</b>
Percent of Total Estimated Expenditures	51.11%	45.46%	5.64%	25.25%	21.74%	3.51%	17.24%	6.40%	
<b>ESTIMATED EXPENSES UNDER/(OVER) REVENUE</b>	<b>\$ (7,981,054)</b>	<b>\$ (13,690,399)</b>	<b>\$ 5,709,345</b>	<b>\$ (8,695,603)</b>	<b>\$ (9,156,741)</b>	<b>\$ 461,138</b>			<b>\$ (16,676,657)</b>
<b>OTHER STATE REVENUE</b>									
Apprenticeship				\$ 3,159,472	\$ 3,159,472				\$ 3,159,472
Enrollment Fees 2%								\$ 293,254	\$ 293,254
<b>BASE ALLOCATION</b>	<b>\$ 6,529,605</b>	<b>\$ 5,223,684</b>	<b>\$ 1,305,921</b>	<b>\$ 5,223,682</b>	<b>\$ 3,917,761</b>	<b>\$ 1,305,921</b>			<b>\$ 11,753,287</b>
<b>LOCAL REVENUE</b>									
Non Resident Tuition	\$ 2,400,000	\$ 2,400,000		\$ 1,000,000	\$ 1,000,000				\$ 3,400,000
Interest/Investments								\$ 1,400,000	\$ 1,400,000
Rents/Leases	\$ 48,480	\$ 48,480		\$ 125,000	\$ 125,000		\$ 205,000		\$ 378,480
Proceeds-Sale of Equipment								\$ 5,000	\$ 5,000
Other Local								\$ 24,200	\$ 24,200
Subtotal, Other Local Revenue	\$ 8,978,085	\$ 7,672,164	\$ 1,305,921	\$ 9,508,154	\$ 8,202,233	\$ 1,305,921	\$ 205,000	\$ 1,722,454	\$ 20,413,693
<b>ESTIMATED ENDING BALANCE FOR 6/30/20</b>	<b>997,031</b>	<b>(6,018,235)</b>	<b>7,015,266</b>	<b>812,551</b>	<b>(954,508)</b>	<b>1,767,059</b>			<b>\$ 1,809,582</b>

**RSCCD - Estimate 2019-20 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11  
Based on Student Centered Funding Formula - Hold Harmless Calculation 2017-18 TCR + COLA**

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
<b>APPORTIONMENT REVENUE</b>									
Basic Allocation	\$ 5,876,645	\$ 4,570,724	\$ 1,305,921	\$ 5,223,682	\$ 3,917,761	\$ 1,305,921			\$ 11,100,327
FTES - based on 18/19 Annual	\$ 74,801,834	\$ 54,944,846	\$ 19,856,988	\$ 33,078,825	\$ 24,497,900	\$ 8,580,925			\$ 107,880,659
SCFF - Supplemental Allocation - based on 18/19 Annual	\$ 18,424,234	\$ 18,424,234	\$ -	\$ 6,866,646	\$ 6,866,646	\$ -			\$ 25,290,880
SCFF - Student Success Allocation - based on 18/19 Annual	\$ 12,933,544	\$ 12,933,544	\$ -	\$ 6,992,518	\$ 6,992,518	\$ -			\$ 19,926,062
Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Subtotal	\$ 112,036,256	\$ 90,873,347	\$ 21,162,909	\$ 52,161,672	\$ 42,274,826	\$ 9,886,846			\$ 164,197,928
18/19 COLA - 2.71%	\$ 3,232,063	\$ 2,656,268	\$ 575,796	\$ 1,235,396	\$ 966,397	\$ 268,999			\$ 4,467,459
19/20 COLA - 3.26%	\$ 3,766,279	\$ 3,054,854	\$ 711,425	\$ 1,753,499	\$ 1,421,136	\$ 332,362			\$ 5,519,778
Deficit Coefficient (0.656%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Additional Student Centered Funding Formula	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
<b>TOTAL ESTIMATED APPORTIONMENT REVENUE</b>	<b>\$ 119,034,599</b>	<b>\$ 96,584,469</b>	<b>\$ 22,450,130</b>	<b>\$ 55,150,566</b>	<b>\$ 44,662,359</b>	<b>\$ 10,488,207</b>			<b>\$ 174,185,165</b>
<i>Percentages</i>	<i>68.34%</i>	<i>55.45%</i>	<i>12.89%</i>	<i>31.66%</i>	<i>25.64%</i>	<i>6.02%</i>			
<b>OTHER STATE REVENUE</b>									
Lottery, Unrestricted	\$ 2,825,985	\$ 2,248,522	\$ 577,463	\$ 1,236,095	\$ 976,729	\$ 259,366			\$ 4,062,080
State Mandate	\$ 551,482	\$ 551,482	\$ -	\$ 241,345	\$ 241,345	\$ -			\$ 792,827
Full-Time Faculty Hiring Allocation	\$ 871,966	\$ 871,966	\$ -	\$ 435,918	\$ 435,918	\$ -			\$ 1,307,884
Part-Time Faculty Compensation	\$ 427,655	\$ 338,006	\$ 89,649	\$ 187,155	\$ 146,889	\$ 40,266			\$ 614,810
<b>Subtotal, Other State Revenue</b>	<b>\$ 4,677,089</b>	<b>\$ 4,009,977</b>	<b>\$ 667,112</b>	<b>\$ 2,100,512</b>	<b>\$ 1,800,881</b>	<b>\$ 299,631</b>			<b>\$ 6,777,601</b>
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$ 123,711,688</b>	<b>\$ 100,594,446</b>	<b>\$ 23,117,242</b>	<b>\$ 57,251,078</b>	<b>\$ 46,463,240</b>	<b>\$ 10,787,838</b>			<b>\$ 180,962,766</b>
<i>Percentages</i>	<i>68.36%</i>	<i>55.59%</i>	<i>12.77%</i>	<i>31.64%</i>	<i>25.68%</i>	<i>5.96%</i>			
<b>Less Institutional Cost Expenditures</b>									<b>\$ 12,070,370</b>
<b>Less Net District Services Expenditures</b>									<b>\$ 30,571,841</b>
									<b>\$ 138,320,555</b>
<b>ESTIMATED REVENUE</b>	<b>\$ 94,560,167</b>	<b>\$ 76,890,290</b>	<b>\$ 17,669,877</b>	<b>\$ 43,760,388</b>	<b>\$ 35,514,605</b>	<b>\$ 8,245,783</b>			<b>\$ 138,320,555</b>
<b>BUDGET EXPENDITURES FOR FY 2019-20</b>									
SAC/CEC Expenses - F/T & Ongoing	\$ 96,317,757	\$ 85,685,192	\$ 10,632,565						\$ 96,317,757
SCC/OEC Expenses - F/T & Ongoing				\$ 47,579,128	\$ 40,969,835	\$ 6,609,293			\$ 47,579,128
District Services Expenses - F/T & Ongoing							\$ 32,499,295		\$ 32,499,295
Institutional Cost									
Retirees Instructional-local experience charge								\$ 3,705,419	\$ 3,705,419
Retirees Non-Instructional-local experience charge								\$ 4,519,951	\$ 4,519,951
Property & Liability								\$ 1,970,000	\$ 1,970,000
Election								\$ 125,000	\$ 125,000
Interfund Transfer								\$ 1,750,000	\$ 1,750,000
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$ 96,317,757</b>	<b>\$ 85,685,192</b>	<b>\$ 10,632,565</b>	<b>\$ 47,579,128</b>	<b>\$ 40,969,835</b>	<b>\$ 6,609,293</b>	<b>\$ 32,499,295</b>	<b>\$ 12,070,370</b>	<b>\$ 188,466,550</b>
Percent of Total Estimated Expenditures	51.11%	45.46%	5.64%	25.25%	21.74%	3.51%	17.24%	6.40%	
<b>ESTIMATED EXPENSES UNDER/(OVER) REVENUE</b>	<b>\$ (1,757,590)</b>	<b>\$ (8,794,902)</b>	<b>\$ 7,037,312</b>	<b>\$ (3,818,740)</b>	<b>\$ (5,455,230)</b>	<b>\$ 1,636,490</b>			<b>\$ (5,576,330)</b>
<b>OTHER STATE REVENUE</b>									
Apprenticeship				\$ 3,159,472	\$ 3,159,472				\$ 3,159,472
Enrollment Fees 2%								\$ 293,254	\$ 293,254
<b>LOCAL REVENUE</b>									
Non Resident Tuition	\$ 2,400,000	\$ 2,400,000		\$ 1,000,000	\$ 1,000,000				\$ 3,400,000
Interest/Investments								\$ 1,400,000	\$ 1,400,000
Rents/Leases	\$ 48,480	\$ 48,480		\$ 125,000	\$ 125,000		\$ 205,000		\$ 378,480
Proceeds-Sale of Equipment								\$ 5,000	\$ 5,000
Other Local								\$ 24,200	\$ 24,200
Subtotal, Other Local Revenue	\$ 2,448,480	\$ 2,448,480	\$ -	\$ 4,284,472	\$ 4,284,472	\$ -	\$ 205,000	\$ 1,722,454	\$ 8,660,406
<b>ESTIMATED ENDING BALANCE FOR 6/30/20</b>	<b>690,890</b>	<b>(6,346,422)</b>	<b>7,037,312</b>	<b>465,732</b>	<b>(1,170,758)</b>	<b>1,636,490</b>			<b>\$ 1,156,622</b>

**RSCCD - Estimate 2019-20 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11  
Based on Student Centered Funding Formula - Hold Harmless Calculation 2017-18 TCR + COLA**

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
<b>APPORTIONMENT REVENUE</b>									
Basic Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
FTES - based on 18/19 Annual	\$ 74,801,834	\$ 54,944,846	\$ 19,856,988	\$ 33,078,825	\$ 24,497,900	\$ 8,580,925			\$ 107,880,659
SCFF - Supplemental Allocation - based on 18/19 Annual	\$ 18,424,234	\$ 18,424,234	\$ -	\$ 6,866,646	\$ 6,866,646	\$ -			\$ 25,290,880
SCFF - Student Success Allocation - based on 18/19 Annual	\$ 12,933,544	\$ 12,933,544	\$ -	\$ 6,992,518	\$ 6,992,518	\$ -			\$ 19,926,062
Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Subtotal	\$ 106,159,611	\$ 86,302,623	\$ 19,856,988	\$ 46,937,990	\$ 38,357,065	\$ 8,580,925			\$ 153,097,601
18/19 COLA - 2.71%	\$ 3,281,594	\$ 2,702,158	\$ 579,436	\$ 1,185,865	\$ 935,470	\$ 250,395			\$ 4,467,459
19/20 COLA - 3.26%	\$ 3,827,477	\$ 3,111,553	\$ 715,923	\$ 1,692,301	\$ 1,382,925	\$ 309,377			\$ 5,519,778
Deficit Coefficient (0.656%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Additional Student Centered Funding Formula	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
<b>TOTAL ESTIMATED APPORTIONMENT REVENUE</b>	<b>\$ 113,268,682</b>	<b>\$ 92,116,334</b>	<b>\$ 21,152,348</b>	<b>\$ 49,816,156</b>	<b>\$ 40,675,460</b>	<b>\$ 9,140,697</b>			<b>\$ 163,084,838</b>
<i>Percentages</i>	<i>69.45%</i>	<i>56.48%</i>	<i>12.97%</i>	<i>30.55%</i>	<i>24.94%</i>	<i>5.60%</i>			
<b>OTHER STATE REVENUE</b>									
Lottery, Unrestricted	\$ 2,825,985	\$ 2,248,522	\$ 577,463	\$ 1,236,095	\$ 976,729	\$ 259,366			\$ 4,062,080
State Mandate	\$ 551,482	\$ 551,482	\$ -	\$ 241,345	\$ 241,345	\$ -			\$ 792,827
Full-Time Faculty Hiring Allocation	\$ 871,966	\$ 871,966	\$ -	\$ 435,918	\$ 435,918	\$ -			\$ 1,307,884
Part-Time Faculty Compensation	\$ 427,655	\$ 338,006	\$ 89,649	\$ 187,155	\$ 146,889	\$ 40,266			\$ 614,810
<b>Subtotal, Other State Revenue</b>	<b>\$ 4,677,089</b>	<b>\$ 4,009,977</b>	<b>\$ 667,112</b>	<b>\$ 2,100,512</b>	<b>\$ 1,800,881</b>	<b>\$ 299,631</b>			<b>\$ 6,777,601</b>
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$ 117,945,771</b>	<b>\$ 96,126,310</b>	<b>\$ 21,819,460</b>	<b>\$ 51,916,668</b>	<b>\$ 42,476,340</b>	<b>\$ 9,440,328</b>			<b>\$ 169,862,439</b>
<i>Percentages</i>	<i>69.44%</i>	<i>56.59%</i>	<i>12.85%</i>	<i>30.56%</i>	<i>25.01%</i>	<i>5.56%</i>			
<b>Less Institutional Cost Expenditures</b>									<b>\$ 12,070,370</b>
<b>Less Net District Services Expenditures</b>									<b>\$ 30,571,841</b>
									<b>\$ 127,220,228</b>
<b>ESTIMATED REVENUE</b>	<b>\$ 88,336,703</b>	<b>\$ 71,994,793</b>	<b>\$ 16,341,910</b>	<b>\$ 38,883,525</b>	<b>\$ 31,813,094</b>	<b>\$ 7,070,431</b>			<b>\$ 127,220,228</b>
<b>BUDGET EXPENDITURES FOR FY 2019-20</b>									
SAC/CEC Expenses - F/T & Ongoing	\$ 96,317,757	\$ 85,685,192	\$ 10,632,565						\$ 96,317,757
SCC/OEC Expenses - F/T & Ongoing				\$ 47,579,128	\$ 40,969,835	\$ 6,609,293			\$ 47,579,128
District Services Expenses - F/T & Ongoing							\$ 32,499,295		\$ 32,499,295
Institutional Cost									
Retirees Instructional-local experience charge								\$ 3,705,419	\$ 3,705,419
Retirees Non-Instructional-local experience charge								\$ 4,519,951	\$ 4,519,951
Property & Liability								\$ 1,970,000	\$ 1,970,000
Election								\$ 125,000	\$ 125,000
Interfund Transfer								\$ 1,750,000	\$ 1,750,000
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$ 96,317,757</b>	<b>\$ 85,685,192</b>	<b>\$ 10,632,565</b>	<b>\$ 47,579,128</b>	<b>\$ 40,969,835</b>	<b>\$ 6,609,293</b>	<b>\$ 32,499,295</b>	<b>\$ 12,070,370</b>	<b>\$ 188,466,550</b>
Percent of Total Estimated Expenditures	51.11%	45.46%	5.64%	25.25%	21.74%	3.51%	17.24%	6.40%	
<b>ESTIMATED EXPENSES UNDER/(OVER) REVENUE</b>	<b>\$ (7,981,054)</b>	<b>\$ (13,690,399)</b>	<b>\$ 5,709,345</b>	<b>\$ (8,695,603)</b>	<b>\$ (9,156,741)</b>	<b>\$ 461,138</b>			<b>\$ (16,676,657)</b>
<b>OTHER STATE REVENUE</b>									
Apprenticeship				\$ 3,159,472	\$ 3,159,472				\$ 3,159,472
Enrollment Fees 2%								\$ 293,254	\$ 293,254
<b>BASE ALLOCATION</b>	<b>\$ 5,876,645</b>	<b>\$ 4,570,724</b>	<b>\$ 1,305,921</b>	<b>\$ 5,223,682</b>	<b>\$ 3,917,761</b>	<b>\$ 1,305,921</b>			<b>\$ 11,100,327</b>
<b>LOCAL REVENUE</b>									
Non Resident Tuition	\$ 2,400,000	\$ 2,400,000		\$ 1,000,000	\$ 1,000,000				\$ 3,400,000
Interest/Investments								\$ 1,400,000	\$ 1,400,000
Rents/Leases	\$ 48,480	\$ 48,480		\$ 125,000	\$ 125,000		\$ 205,000		\$ 378,480
Proceeds-Sale of Equipment								\$ 5,000	\$ 5,000
Other Local								\$ 24,200	\$ 24,200
Subtotal, Other Local Revenue	\$ 8,325,125	\$ 7,019,204	\$ 1,305,921	\$ 9,508,154	\$ 8,202,233	\$ 1,305,921	\$ 205,000	\$ 1,722,454	\$ 19,760,733
<b>ESTIMATED ENDING BALANCE FOR 6/30/20</b>	<b>344,071</b>	<b>(6,671,195)</b>	<b>7,015,266</b>	<b>812,551</b>	<b>(954,508)</b>	<b>1,767,059</b>			<b>\$ 1,156,622</b>

Vacant Funded Positions for FY2020-21- Projected Annual Salary and Benefits Savings  
As of June 25, 2020

Positions Defunded in FY20-21 Adopted Budget Assumptions										2020-21 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
Fund	Management/Academic/Confidential	Position ID	Title	Reasons	Site	Effective Date	Notes				
	11 Birk, John	5HR-UF-DIR	Director, Information System	Retirement	District	7/11/2019				209,459	618,208
	11 Bland, Antoinette	5SAFE-UF-CHIEF	Chief, District Safety & Security	Retirement	District	12/10/2018	Michael Toledo Interim Assignment 7/1/20-12/31/20. Board docket 5/26/20 CL20-1387			117,302	
	11 Iannaccone, Judith	5PAG-UF-DIR	Director, Public Affairs & Publications	Retirement	District	8/31/2018				194,298	
50%-fd 11 50%-fd 12	Santoyo, Sarah	5RDEV-UF-DIRX	Executive Director Resource Development	Promotion	District	1/28/2019				97,150	
	11 New-Assistant Professor of Physics AC19-0720				SAC		Funds used for McKenna-Sallade, Dawn salary shift from FD12 to FD11. AC19-0720 Professor of Physics was not hired, redirected to Performing Arts Bmpr20111 (11-0000-100600-15560-1110)			-	
	11 Argo, Rosemary A.	1FIRE-FF-IN	Instructor, Fire Technology	Retirement	SAC	12/13/2019				153,061	
50%-fd 11 50%-fd 12	Aguilar Beltran, Maria J.	1ASMT-NF-CORD	Coordinator, Testing	Change of Position	SAC	2/3/2020	For FY2020-21 site is defunding fund 11 (50%) salary and benefits as part of Phase 1 Reductions.			-	
	11 Brown, Laurence	1CMST-FF-IN	Instructor, Comm Studies	Retirement	SAC	6/7/2019	AC19-0805 Hired Beatriz Villa			-	
	11 Budarz, Timo	1PHYS-FF-IN	Instructor, Physics	Resignation	SAC	10/26/2018	AC19-0802 Hired Mohamed Chakhad (1 of 2)			-	
	11 Dominguez, Gary M.	1FIAC-AF-DIR	Director, Fire Instruction	Retirement	SAC	8/23/2019	06/30/21 Board docket 6/15/20			30,225	
	11 Doolittle, Glenn A.	1MGMT-FF-IN	Instructor, Management	Retirement	SAC	12/12/2018				96,731	
	11 English, Noemi	1DSL-FF-IN	Instructor, Automotive Technology/Engine	Resignation	SAC	10/8/2018	AC19-0804 ON HOLD			153,061	
	11 Fernandez, Joseph E.	1NURS-FF-IN	Nursing Instructor	Resignation	SAC	8/12/2019	AC20-0811 ON HOLD			153,061	
	11 Fosmire, Edward D.	1ART-FF-IN	Instructor, Art	Deceased	SAC	3/4/2020				153,061	
	11 Gallego Jr, Robert	1CNLS-NF-CN1	Counselor	Retirement	SAC	1/31/2020	Per Department Dean, Reymundo Robledo filling vacancy for Spring2020 only Currently interim assignment 7/1/20-6/30/21 as Dean Humanities & Social Sciences replacing Shelly Jaffray vacancy.			167,864	
	11 Galvan, Javier A.	1SPAN-FF-IN	Instructor, Spanish	Interim Assignment	SAC	7/1/2020				164,973	
	11 Gioux, Regina	1NURS-FF-IN	Instructor, Nursing	Retirement	SAC	12/15/2018	AC19-0801 Hired Taylor Uffelman			-	
	11 Holder, Vera M.	1CMST-FF-IN	Instructor, Communication Studies	Retirement	SAC	6/7/2019				153,061	
	11 Jaffray, Shelly C.	1HSS-AF-DN	Dean, Humanities & Social Sciences	Retirement	SAC	6/30/2019	Javier Galvan Interim Assignment 7/1/20-6/30/21. Board docket 5/26/20 AC20-0807 ON HOLD.			(6,469)	2,849,982
	11 Jenkins, Robert B.	1IAEI-FF-IN	Professor/Coordinator ESL	Retirement	SAC	5/22/2020	Per email from site, funds will be used for part-time manager Jerry Wheeler			153,674	
	11 Keith, Katharine C.	1EMLS-FF-IN2	Instructor, ESL Writing	Retirement	SAC	6/4/2021				-	
	11 Mahany, Donald	1FIAC-AF-DNAC1	Associate Dean, Fire Technology	Retirement	SAC	1/2/2020	AC19-0790			196,440	
	11 Miller, Rebecca	1SMHS-AF-DNAC	Associate Dean, Health Science/Nursing	Retirement	SAC	6/30/2020	Mary Steckler interim Assignment 7/1/20-6/30/21. Board docket 6/15/20. AC19-0794			(2,232)	
	11 Montes, Agustin	1ECON-FF-IN	Instructor, Economics	Retirement	SAC	6/9/2020				153,061	
50%-fd 11 50%-fd 12	Ortiz, Fernando	1ACA-NF-CORD9	Coordinator, Guided Pathways	Promotion	SAC	4/1/2019	For FY2020-21 site is defunding fund 11 (50%) salary and benefits as part of Phase 1 Reductions (BUIMP219).			-	
	11 Parolise, Michelle R.	1OTA-NF-CORD	Coordinator, OTA Program	Retirement	SAC	8/7/2019				154,287	
	11 Rogers, Neal	1MATH-FF-IN	Instructor, Math	Retirement	SAC	6/5/2020				153,061	
	11 Rose, Linda	1PRES-AF-PRES	President, SAC	Retirement	SAC	6/30/2020	Marilyn Flores Interim Assignment 7/1/20-6/30/21 Board docket 5/26/20			(24,697)	
	11 Sadler, Dennis	1CNLS-NF-CN1	Counselor/Instructor	Retirement	SAC	6/30/2019	AC19-0770 ON HOLD			167,864	
	11 Salgado, Susana	1HCTR-NF-PSYO	Psychologist, Health Services	Retirement	SAC	7/1/2019	NEW AC19-0719 Psychologist			165,754	
	11 Serrano, Maximiliano H.	1AUTO-FF-IN	Instructor, Automotive Technology	Resignation	SAC	10/5/2018	AC19-0802 Hired Alexander Natale (2 of 2)			-	
	11 Sherod, Susan M.	1ENGR-FF-IN	Engineering Instructor	Retirement	SAC	6/30/2019	AC20-0818 Hired Michael Delaby			-	
	11 Sneddon, Marta	1CIA-FF-IN	Instructor, CI/Fire Academy	Retirement	SAC	6/8/2019	AC20-0814 ON HOLD			153,061	
	11 Sotelo, Sergio R.	1OAD-AF-DN3	Dean, Instr & Std Svcs	Retirement	CEC	6/30/2020	Lorena Chavez Interim Assignment 7/1/20-6/30/21 Board docket 6/15/20			51,925	
	11 Wall, Brenda L.	1PAG-UF-OFCR	Public Information Officer	Resignation	SAC	5/18/2020				156,097	
	11 Waterman, Patricia J.	1ART-FF-IN	Instructor, Art	Retirement	SAC	6/9/2019	AC20-0813 Hired Do, Huy Q.			-	
	11 Wright, George	1CI-FF-IN	Instructor, Criminal Justice	Retirement	SAC	12/15/2018				153,061	
	11 Arteaga, Elizabeth	2CAR-AF-DNAC	Associate Dean, Business and Career Technical Education	Promotion	SCC	2/24/2020				208,589	
	11 Brooks, Debra A.	2ERTH-FF-IN	Instructor Earth & Space Science	Retirement	SCC	1/3/2020	AC19-0799 ON HOLD			153,061	
	11 Carrera, Cheryl	2MATH-FF-IN	Instructor, Math	Retirement	SCC	12/15/2019	AC19-0796 Hired Robert Valeriotte			-	
	11 Coto, Jennifer	2CG-NF-CORD	Coordinator, Hispanic Serving Institution	Change of Position	SCC	7/23/2019	AC19-0803 ON HOLD			165,777	
	11 Flores, Marilyn	2ACA-AF-VP	VP, Academic Affairs-SCC	Interim Assignment	SCC	7/1/2020	Martin Stringer Interim Assignment 7/1/20-6/30/21 Board docket 6/15/20			(9,448)	1,481,054
	11 Geissler, Joseph	2LIB-NF-LIB	Librarian	Deceased	SCC	3/9/2019	AC19-0797 ON HOLD Pending 1 year temp hire per H/R			153,061	
	11 Hernandez, John C.	2PRES-AF-PRES	President, SCC	Resignation	SCC	7/31/2020				301,429	
	11 Ho, Pao Fen (Alice)	2LIB-NF-LIB	Librarian	Retirement	SCC	7/24/2020				159,136	
	11 Moore, Kathleen V.	2MATH-FF-IN	Instructor, Math	Retirement	SCC	6/6/2020	AC19-0806 ON HOLD			153,061	
	11 Nguyen, Steven	2CHEM-FF-IN	Chemistry Instructor	Resignation	SCC	8/19/2019	AC19-0795 Hired Alexander Letourneau Jnanne Armstrong Interim Assignment 7/1/20-6/30/21. Board docket 5/26/20.			-	
	11 Vakil, David	2HSS-AF-DN	Dean, Arts, Humanities and Social Sciences	Resignation	SCC	6/30/2020	AC20-808 ON HOLD			43,328	
	11 Wong, Lana	2LIB-NF-LIB	Librarian	Retirement	SCC	6/5/2020	AC19-0798 ON HOLD			153,061	
										4,949,244	
										2020-21 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
Fund	Classified	Position ID	Title	Reasons	Site	Effective Date	Notes				
	11 Andrade Cortes, Jorge L.	5ACCT-CF-ANYS	Senior Accounting Analyst	Resignation	District	9/27/2019				137,434	
	11 Francis, DiemChau T.	5PAY-CF-SPPA1	Payroll Specialist	Resignation	District	5/29/2020				98,479	
	11 Intermediate Clerk	REORG#1193	Intermediate Clerk	REORG#1193	District	7/4/2019	Intermediate Clerk REORG#1193			79,140	
	11 Keehn, Kelly J.	5DMC-CF-CORD2	Business Services Coordinator	Probational Dismissal	District	4/17/2020	(BUIMP219) 2020-21 Phase I Reduction			-	

**Vacant Funded Positions for FY2020-21- Projected Annual Salary and Benefits Savings  
As of June 25, 2020**

Fund	Management/ Academic/ Confidential	Position ID	Title	Reasons	Site	Effective Date	Notes	2020-21 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Senior District Safety Officer	REORG#1202	Senior District Safety Officer	Resignation	District	5/1/2020	REORG#1202 (Knorr, David) CL20-1405	107,635	884,998
11	Medrano, Miranda M.	5GCOM-CF-GRPH2	Graphic Designer	Termination	District	3/24/2020		114,326	
11	Senior District Safety Officer	REORG#1200	Senior District Safety Officer	Retirement	District	4/25/2020	REORG#1200 (Miranda, Francisco) CL19-1322	115,798	882,373
11	Nguyen, James V.	5DMC-CF-CUSR	Senior Custodian/Utility Worker	Probational Dismissal	District	8/6/2019		83,642	
11	Pita, Lazaro R.	5YSP-CM-DSO5	P/T District Safety Officer	Resignation	District	11/23/2019		24,674	882,373
11	Yamoto, Sec. Stephanie	5FACL-CF-SPFP	Facility Planning Specialist	Resignation	District	8/26/2019	CL19-1334	123,870	
11	Benavides, Ricardo	1CUST-CF-CUS4	Custodian	Retirement	SAC	1/15/2020		81,464	882,373
11	Cordova, Monica M.	1KNIA-CF-TT2	Athletic Trainer/ Therapist	Resignation	SAC	1/17/2020	CL20-1388	112,500	
11	Crawford, Jonathan A.	1GRDS-CM-WKR2	P/T Gardener/Utility Worker	Resignation	SAC	6/25/2019	CL19-1309 Reorg#1095	28,117	882,373
11	Diaz, Claudia R.	10AD-CF-CLAD4	Administrative Clerk	Promotion	CEC	4/5/2020		115,148	
25%-fd 11	Fernandez Gonzalez, Irma	1EOPS-CF-ASCN1	Counseling Assistant	Medical Layoff	SAC	2/14/2020		23,490	882,373
75%-fd 12	Hayes, Charles F.	1CUST-CF-CUS11	Custodian	Retirement	SAC	6/1/2020		82,074	
11	McAdam, Justin M.	1GRDS-CF-WKR8	Gardener/Utility Worker	Promotion	SAC	2/18/2020		86,183	882,373
35%-fd 11	Miranda Zamora, Cristina	1AUX-CF-SPAS3	Auxiliary Services Specialist	Promotion	SAC	11/19/2019		32,213	
40%-fd 11	Student Services Specialist	REORG#1190	Student Services Specialist	Retirement	SAC	12/29/2019	Reorg#1190 (Nguyen, Cang)	33,459	882,373
60%-fd 12	Shirley, Jacqueline K.	1CNLS-CF-CLIN	Intermediate Clerk	Retirement	SAC	2/27/2020	CL20-1396	79,140	
11	Tapia, Manuel J.	1MAIN-CF-WKR7	Skilled Maintenance Worker	Resignation	SAC	2/7/2020		95,144	882,373
11	Tuon, Sophanareth	1CUST-CF-CUSR1	Senior Custodian/Utility Worker	Promotion	SAC	11/7/2019	CL19-1365	88,351	
11	Velazquez, Kimberly S.	1CNLS-CM-ASCN6	Counseling Assistant	Promotion	SAC	7/6/2020		25,089	882,373
14%-fd 11	Berganza, Leyvi C	20SS-CF-SPOR1	High School & Community Outreach Specialist	Promotion	OEC	3/19/2017		14,730	
86%-fd 12	Gitonga, Kanana	2INTL-CF-CORD	International Student Coordinator	Retirement	SCC	1/31/2019		118,058	243,903
11	Tran, Kieu-Loan T.	2ADM-CF-SPC3	Admission Records Specialist III	Promotion	SCC	3/1/2020	Jasmine Flores WOC 6/8/20-9/11/20	111,116	
<b>TOTAL</b>								2,011,274	<b>243,903</b>
								<b>6,960,518</b>	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE Q

Projects Cost Summary

05/31/20 on 06/03/20

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2019-2020		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
<b>ACTIVE PROJECTS</b>								
<b>SANTA ANA COLLEGE</b>								
3035/ 3056	Johnson Student Center	59,442,126	12,097,425	22,327,233	21,608,611	56,033,269	3,408,857	94%
	Agency Cost		477,737	1,156	7,349	486,243		
	Professional Services		3,710,137	1,230,322	2,231,115	7,171,574		
	Construction Services		7,909,551	21,011,521	19,285,182	48,206,254		
	Furniture and Equipment		-	84,233	84,965	169,198		
3049	Science Center & Building J Demolition	70,480,861	38,623,078	15,689,482	5,879,497	60,192,056	10,288,805	85%
	Agency Cost		427,263	-	1,696	428,959		
	Professional Services		7,089,932	1,299,393	1,210,367	9,599,693		
	Construction Services		31,105,882	14,047,397	3,355,260	48,508,538		
	Furniture and Equipment		-	342,692	1,312,174	1,654,866		
<b>TOTAL ACTIVE PROJECTS</b>		<b>129,922,987</b>	<b>50,720,503</b>	<b>38,016,715</b>	<b>27,488,108</b>	<b>116,225,326</b>	<b>13,697,661</b>	<b>89%</b>
<b>CLOSED PROJECTS</b>								
3032	Dunlap Hall Renovation	12,620,659	12,620,659	-	-	12,620,659	0	100%
	Agency Cost		559	-	-	559		
	Professional Services		1,139,116	-	-	1,139,116		
	Construction Services		11,480,984	-	-	11,480,984		
	Furniture and Equipment		-	-	-	-		
3042	Central Plant Infrastructure	57,266,535	57,266,535	-	-	57,266,535	0	100%
	Agency Cost		416,740	-	-	416,740		
	Professional Services		9,593,001	-	-	9,593,001		
	Construction Services		47,216,357	-	-	47,216,357		
	Furniture and Equipment		40,437	-	-	40,437		
3043	17th & Bristol Street Parking Lot	198,141	198,141	-	-	198,141	0	100%
	Agency Cost		16,151	-	-	16,151		
	Professional Services		128,994	-	-	128,994		
	Construction Services		52,996	-	-	52,996		
	Furniture and Equipment		-	-	-	-		
<b>TOTAL CLOSED PROJECTS</b>		<b>70,085,335</b>	<b>70,085,334</b>	<b>-</b>	<b>-</b>	<b>70,085,334</b>	<b>0</b>	<b>100%</b>
<b>GRAND TOTAL ALL PROJECTS</b>		<b>200,008,322</b>	<b>120,805,837</b>	<b>38,016,715</b>	<b>27,488,108</b>	<b>186,310,660</b>	<b>13,697,662</b>	<b>93%</b>
<b>SOURCE OF FUNDS</b>								
	ORIGINAL Bond Proceeds	198,000,000						
	Interest Earned	2,008,322						
	<b>Totals</b>	<b>200,008,322</b>						

**Rancho Santiago Community College**  
**FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary**  
**FY 2019-20, 2018-19, 2017-18**  
**YTD Actuals- May 31, 2020**

	FY 2019/2020											
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
<b>Beginning Fund Balance</b>	\$38,759,045	\$46,756,827	\$39,862,144	\$42,643,395	\$31,406,449	\$32,285,576	\$51,748,699	\$45,395,701	\$27,255,963	\$27,586,915	\$31,944,801	\$23,714,747
<b>Total Revenues</b>	18,530,608	6,957,617	17,893,333	6,103,920	18,289,460	35,095,906	8,486,077	1,438,315	15,146,041	20,661,983	7,845,564	0
<b>Total Expenditures</b>	10,532,826	13,852,300	15,112,081	17,340,866	17,410,333	15,632,783	14,839,075	19,578,053	14,815,089	16,304,098	16,075,618	0
<b>Change in Fund Balance</b>	7,997,782	(6,894,683)	2,781,251	(11,236,947)	879,127	19,463,123	(6,352,998)	(18,139,738)	330,953	4,357,886	(8,230,055)	0
<b>Ending Fund Balance</b>	46,756,827	39,862,144	42,643,395	31,406,449	32,285,576	51,748,699	45,395,701	27,255,963	27,586,915	31,944,801	23,714,747	23,714,747
	FY 2018/2019											
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
<b>Beginning Fund Balance</b>	\$37,903,213	\$41,275,963	\$35,157,531	\$35,434,499	\$27,561,284	\$25,844,907	\$39,405,066	\$39,371,921	\$28,793,164	\$28,369,733	\$39,111,613	\$30,603,274
<b>Total Revenues</b>	12,626,143	6,732,548	14,600,385	7,442,505	17,105,605	29,957,387	14,004,082	6,570,808	15,379,629	26,037,945	9,298,822	31,999,654
<b>Total Expenditures</b>	9,253,392	12,850,980	14,323,417	15,315,721	18,821,982	16,397,228	14,037,228	17,149,564	15,803,060	15,296,065	17,807,162	23,843,882
<b>Change in Fund Balance</b>	3,372,750	(6,118,432)	276,968	(7,873,215)	(1,716,377)	13,560,159	(33,145)	(10,578,756)	(423,431)	10,741,880	(8,508,340)	8,155,771
<b>Ending Fund Balance</b>	41,275,963	35,157,531	35,434,499	27,561,284	25,844,907	39,405,066	39,371,921	28,793,164	28,369,733	39,111,613	30,603,274	38,759,045
	FY 2017/2018											
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
<b>Beginning Fund Balance</b>	\$35,254,317	\$40,165,384	\$34,555,513	\$34,261,380	\$26,080,179	\$27,224,885	\$42,521,590	\$43,680,834	\$33,946,676	\$32,674,972	\$35,963,224	\$26,790,583
<b>Total Revenues</b>	13,230,747	6,401,471	13,730,226	7,947,537	17,388,889	29,510,148	14,345,552	4,546,656	15,319,442	17,749,412	6,431,657	38,131,074
<b>Total Expenditures</b>	8,319,680	12,011,343	14,024,358	16,128,738	16,244,183	14,213,443	13,186,308	14,280,814	16,591,146	14,461,160	15,604,298	27,018,444
<b>Change in Fund Balance</b>	4,911,068	(5,609,872)	(294,132)	(8,181,201)	1,144,706	15,296,705	1,159,244	(9,734,158)	(1,271,704)	3,288,252	(9,172,641)	11,112,630
<b>Ending Fund Balance</b>	40,165,384	34,555,513	34,261,380	26,080,179	27,224,885	42,521,590	43,680,834	33,946,676	32,674,972	35,963,224	26,790,583	37,903,213

## **Fiscal Resources Committee**

Via Zoom Video Conference Call  
1:30 p.m. – 3:00 p.m.

### **Meeting Minutes for May 21, 2020**

**FRC Members Present:** Peter Hardash, Adam O'Connor, Morrie Barembaum, Steven Deeley, Noemi Guzman, Bart Hoffman, Cristina Morones, Thao Nguyen, William Nguyen, Arleen Satele, Roy Shahbazian, Michael Taylor, and Vanessa Urbina

**FRC Members Absent:** None

**Alternates/Guests Present:** Erika Almaraz, James Kennedy, Mark Reynoso, Craig Rutan, Jose Vargas, George Walters (CWP), and Barbie Yniguez

1. Welcome: Mr. Hardash called the meeting to order at 1:31 p.m. via zoom.
2. State/District Budget Update
  - Governor's May Revise
  - LAO – California's Spring Fiscal Outlook-2020
  - DOF – Finance Bulletin
  - DOF – Fiscal Update - May 7th
  - SSC – LAO Issues New Economic Outlook
  - SSC – Legislative Analyst's Office Releases Report on Reserve Balances
  - SSC – Ask SSC... What's Happening with Property Taxes
  - SSC – Here We Go Again – An SSC Editorial
  - SSC – It's Time to Batten Down the Hatches
  - SSC – The Director of the Department of Finance Provides an Interim Fiscal Update to the Legislature
  - SSC – 2020-21 CalPERS Rate and Updated Out-Year Estimates
  - SSC – Time to Fine-Tune MYPs – Be Prepared
  - SSC – Round II; \$6.3 Billion in Additional CARES Act Grants for Colleges and Universities
  - SSC – Statutory COLA Estimated at 2.31%
  - SSC – Chancellor's Office Suspends FON Penalties (estimating tool)
  - SSC – Finding the Low-Hanging Fruit – Part 1 of 2
  - SSC – Finding the Low-Hanging Fruit – Part 2 of 3
  - SSC – COVID-19 Decimates State Revenues, Education Funding
  - SSC – Strategies for Weathering the Storm
  - SSC – LAO Issues Additional Proposition 98 Recession Details
  - SSC – Initial Impression from Governor Newsom's 2020-21 May Revision
  - SSC – An Overview of the 2020-21 Governor's May Revision
  - CCCCCO - FS20-07 Extension of Fiscal Reporting Due Dates

Mr. Hardash referenced handouts which provide detailed information on State budget and Governor's proposal noting historically, the economy has tapered into a recession and slowly grew out of it. Never has there been a sudden stop in the economy like there is now due to the COVID-19 crisis. He reminded everyone that community colleges are funded by revenues the State receives not what the State spends; State spending does not affect Prop 98 guaranteed funding. The state revenue collections is what affects community colleges funding under Prop 98. Regardless of how it is shaped by the Governor's Office (\$54 billion) or the LAO (\$34 billion), it is a major problem. K-14 education funds are to be reduced by \$19 billion, meaning a \$1.1 billion cut for community colleges. Deferrals are helpful, instead of taking cuts right now, it

is like an IOU deferring apportionment to July (or later) instead of receiving in June. RSCCD deferral is projected at approximately \$8 million in IOU for the current 19/20 fiscal year and wards off any additional cuts in the 19/20 fiscal year. It is a cash flow problem when talking deferrals. The cut to apportionment is the single largest blow to our funding, being reduced by 10%, and is also quite confusing. Mr. Hardash explained in great detail and depth the base budget, cuts, deferrals, COLA, revenue and deficit. Strong Workforce Program is being reduced dramatically at approximately 60% (RSCCD is the fiscal agent) and this will have an impact. The \$593 million reduction to the formula is also incumbent upon basic aid districts helping with apportionment to the tune of 10-15%. Categorical programs are being reduced by 25%. Department of Finance said to the extent the funds from basic aid districts are not received, the \$593 million apportionment reduction will be larger to the remaining districts. No one should be surprised if the numbers are worst in August once the revenue is received for all personal tax, property tax, sales tax, etc. This is unprecedented, a stop to the economy, with projections stretching out and remaining flat for many years.

### 3. 2020-21 Proposed Tentative Budget

Mr. Hardash explained the tentative budget remains the same, but it will change once a final budget is approved by the legislature. The COLA will be taken away by way of the large deficit. RSCCD immediately loses \$4 million with an expected overall loss of \$5-6 million not to mention the additional expenses for PPE (personal protection equipment) and TRI (temporary remote instruction). There are expenses of which FEMA may be able to assist but it appears very limiting. CARES act funds is to help students. The institutional portion is very limiting and will also be used to assist students. Mr. Hardash also discussed the Governor's proposed PERS and STRS additional buy down that will help. However, the bigger issue is the financial cliff estimated in 2021-22. The tentative budget isn't real, it's a placeholder as loss of revenue and increased costs are identified. It is unclear what the costs will be for transition back to the classroom with physical distance requirements, additional cleaning and the ability to safeguard students, staff and community. Various questions were asked with answers provided and discussion ensued at great length.

Mr. O'Connor reviewed pages 75-106 of the meeting materials including the extension of fiscal reporting deadlines, the tentative budget assumptions and tentative budget.

It was moved by Roy Shahbazian to adopt the tentative budget with the recommendation that the need for the Data Integrity Specialist position be re-evaluated at this time due to current budget conditions. The motion was seconded by Steven Deeley and passed unanimously.

### 4. CARES and FEMA Funding Update

Mr. Hardash referenced pages 107-109 of the meeting materials and reported on CARES Act funds received and to be dispersed to students. A brief discussion ensued about the institutional component with Mr. Hardash pointing out there are many restrictions limiting the use of these funds and that Federal audits will follow.

### 5. Continued Discussion of SCFF and Review of BAM – Cambridge West Partnership Consultants

- BAM Simulation Review Based on SCC Proposed Language Change was discussed at great length with many providing various views and signifying the potential conflict that could erupt between the two colleges if the language changed.

It was moved by Arleen Satele to approve the proposed language change to the basic allocation as presented by SCC (Vargas). The motion was seconded by Steven Deeley. After additional discussion, Morrie Barembaum made a motion amending the previous motion that the vote be postponed until Adam O'Connor can work with SAC/SCC and make clear the effects of the language change with more understanding

of how it will work for both campuses. The motion was seconded by Cristina Morones. The motion passed unanimously to table the matter for further exploration.

Additionally, the following individuals volunteered to serve on workgroup to discuss the matter further: Jose Vargas, Bart Hoffman, William Nguyen, Arleen Satele, Steven Deeley, Jim Kennedy, Cristina Morones, Noemi Guzman and Vanessa Urbina along with Adam O'Connor. The workgroup is charged with making a recommendation that includes the positive and negative effects, weaknesses and strengths, and benefits and losses; making it very clear what the shift will be.

- Section 5 – “Other Modifications” – ACTION  
Mr. O'Connor reviewed and Mr. Walters discussed changes made since the last review. It was moved by Cristina Morones to approve section 5 – other modifications as presented. Bart Hoffman seconded the motion. The motion passed unanimously with no questions or comments.
6. Review Planning Design Manual (request from District Council) – Perez  
No discussion.
  7. Standing Report from District Council - Shahbazian  
Mr. Shahbazian briefly reported on the actions of District Council that approved one AR related to the evaluation of management employees. The other ARs presented to district council were tabled and failed vote respectively and may be brought back for reconsideration.
  8. Informational Handouts
    - 50% Law Calculation
    - District-wide expenditure report link: <https://intranet.rscdd.edu>
    - Vacant Funded Position List as of May 12, 2020
    - Measure “Q” Project Cost Summary as of April 30, 2020
    - Monthly Cash Flow Summary as of April 30, 2020
    - SAC Planning and Budget Committee Agendas and Minutes
    - SCC Budget Committee Agendas and Minutes
  9. Additional Handouts
    - Joint Analysis: Governor's 2020-21 May Revision (05-15-2020)
    - SSC-Community College Financial Projection Dartboard, May 2020 Revision
    - SSC-LAO Offers Financial Reaction to May Revision (05-20-2020)
  10. Approval of FRC Minutes – April 15, 2020  
A motion was made by Arleen Satele and seconded by Bart Hoffman, to approve the minutes of April 15, 2020 meeting as presented. With no questions, comments, corrections or abstentions, the motion passed unanimously.
  11. Other  
A brief discussion followed related to FTES and the district growing enrollment collaboratively between the two colleges. Mr. Hardash noted VC Perez is working with both campuses to develop a plan to grow including a marketing plan.

Next meeting reminder: Wednesday, July 1, 2020, 1:30 – 3:00 p.m. in the Executive Conference Room #114, District Office or via zoom as necessary.

This meeting adjourned at 3:09 p.m.