

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

[website: Fiscal Resources Committee](#)

Agenda for February 20, 2019

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

Executive Conference Room #114

1. Welcome
2. State/District Budget Update – Hardash
 - <http://fcmat.org/student-centered-funding-formula/>
 - SSC - CalSTRS and CalPERS Proposals in the Governor’s Budget
 - SSC - 2019-20 Trailer Bill Language Provides Additional Details Regarding CalSTRS Proposal
 - SSC - 2019-20 Trailer Bill Language Extend California Promise to Second Year
 - SSC - Why Does the Ending Balance Increase at Closing?
 - SSC - LAO Says Revenues Fall Short \$2.2 Billion
 - LAO 2019-20 Budget Proposition 98 Analysis
 - CCFS-320 reported at P1
3. 2019/20 RSCCD Tentative Budget Assumptions - **Action Item**
4. Review and Update of FRC Page in Planning Design Manual - **Action Item**
5. College Expected Year-end Balances – Satele and Hoffman
6. Continued Discussion of SCFF and Review of BAM - Cambridge West Partnership Consultants
7. Standing Report from District Council - Zarske
8. Informational Handouts
 - District-wide expenditure report link: <https://intranet.rsccd.edu>
 - Vacant Funded Position List as of February 12, 2019
 - Measure “Q” Project Cost Summary as of January 31, 2019
 - Monthly Cash Flow Summary as of January 31, 2019
 - [SAC Planning and Budget Committee Agendas and Minutes](#)
 - [SCC Budget Committee Agendas and Minutes](#)
9. Approval of FRC Minutes – January 23, 2019
10. Other

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

March 20, 2019

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.

SSC COMMUNITY COLLEGE UPDATE

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Volume 39

For Publication Date: February 08, 2019

No. 3

CalSTRS and CalPERS Proposals in the Governor's Budget

We have received many questions about the provisions in Governor Gavin Newsom's 2019-20 State Budget Proposal related to our pension systems and the potential impact on employer contribution rates. What follows is the information that is currently available.

California State Teachers' Retirement System Proposals

The Governor's Budget proposal includes \$3 billion in one-time funds for a two-pronged approach related to the employer share of the California State Teachers' Retirement System (CalSTRS). First, there is \$700 million proposed to directly offset a portion of the employer contribution rate increases that are specified in statute for the next two years. Based on current assumptions, the rates would be impacted as follows:

- 2019-20 contribution rate of 18.13% is reduced by 1.03% to 17.1%
- 2020-21 contribution rate of 19.10% is reduced by 1.00% to 18.10%

Secondly, the other \$2.3 billion is proposed for reducing the amount of the unfunded employer liability. Reducing the unfunded liability in this way, with all other things being equal, would have the effect of reducing employer contribution rates by approximately 0.5% in the years after the \$700 million above is applied.

As a result of both proposals in the Governor's Budget, the projected employer contribution rates have changed as follows:

	2018-19	2019-20	2020-21	2021-22	2022-23
Previous Projections	16.28%	18.13%	19.10%	18.60%	18.10%
Governor's Budget Proposal	16.28%	17.10%	18.10%	18.10%	17.60%
Difference	0.00%	-1.03%	-1.00%	-0.50%	-0.50%

These revised rates have been included in our Financial Projection Dartboard (Dartboard), which can be found [here](#). We understand the estimates for 2021-22 and 2022-23 might have changed slightly, and there will be revised estimates issued soon from CalSTRS. Once those are available we will update our Dartboard, but the rates for 2018-19 through 2020-21—can be relied upon for preparing any budget revisions needed at this time.

With respect to the state's share of CalSTRS, the Governor's Budget includes a \$3.3 billion payment for CalSTRS, which is an annual requirement. There is an additional \$1.1 billion proposed to buy down the state's portion of the CalSTRS unfunded liability in 2019-20, which will be the first payment of a proposed total of \$2.9 billion through 2022-23 to be used for this purpose. These actions would have no direct effect on employer contribution rates.

California Public Employees' Retirement System Proposal

The California Public Employees' Retirement System (CalPERS) retirement system includes state, special district, and other employees of contracted employers, in addition to school and community college employees. The proposal related to CalPERS in the Governor's Budget is to use \$3 billion in one-time funds to buy down the unfunded liability related to state employees. This would serve to reduce costs for the state but would have no impact on school employer contribution rates.

—*Sheila G. Vickers*

posted 01/29/2019

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2019-20 Trailer Bill Language Provides Additional Details Regarding CalSTRS Proposal

In the proposed education trailer bill recently released by the Department of Finance, more clarity is provided for the Governor's Budget proposal to invest \$3 billion in one-time, non-Proposition 98 funds for the employer share of the California State Teachers' Retirement System (CalSTRS) unfunded liability. While the budget summary described committing \$700 million specifically to reduce employer contribution rates, the proposed language directs an amount that would reduce employer contribution rates by 1% in 2019-20 and 1% in 2020-21. The amount left over after reducing employer rates would be used to reduce the employers' share of the unfunded liability and reduce employer contribution rates long term.

By distributing the \$3 billion in this fashion, local educational agencies have certainty of what their rates will be in 2019-20 and 2020-21; if a set amount were used instead, other variables could change the actual effect of the funding on the employer contribution rate. The amount allocated as a lump sum to reduce the unfunded liability will fluctuate depending on how much money is required to reduce the employer rates in each of the two years, and is expected to be just under \$2.3 billion.

With this new information, if the plan is approved by the Legislature as proposed, employer rates would be reduced in 2019-20 from 18.13% to 17.13%. Rates in 2020-21 will be reduced from 19.10% to 18.10%. The trailer bill language for the payments to CalSTRS is available [here](#).

—*Leilani Aguinaldo*

posted 02/05/2019

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2019-20 Trailer Bill Language—Extend California College Promise to Second Year

On Friday, February 1, 2019, the Department of Finance released the proposed trailer bill language—the implementing language of the California State Budget Bill, for the 2019-20 State Budget.

Governor’s California College Promise Proposal

One of the more significant community college proposals that Governor Gavin Newsom put forward is to provide \$40 million to extend the California College Promise for a second academic year, which would waive the enrollment fees for first-time, full-time students for two years.

The [trailer bill language](#) reflects what Governor Newsom’s January 10, 2019, summary document described about the proposal. The language would amend current law so that those students that currently meet the requirements of the California College Promise and attend a community college that meets the participation requirements of the program would have their second year of enrollment fees waived.

Legislative Response

Prior to the Governor’s January Budget release, Assembly Member Miguel Santiago (D-Los Angeles) introduced Assembly Bill 2, which is essentially the same proposal that is included in Governor Newsom’s 2019-20 Budget. If the Governor’s proposal is included in the enacted 2019-20 State Budget Act, then Assembly Member Santiago will likely amend his bill to another policy issue.

We also may see an attempt by the Legislature to amend the California College Promise program so that it captures more students than it currently allows. At last week’s Assembly Budget hearing, Assembly Member Kevin McCarty (D-Sacramento) said he hopes to work with the Administration to tweak the program so that it allows certain full-time students, who may not technically be first-time students, into the program. The example he gave is a student who went to a community college at 18 or 19 years old and did not have a good experience, so they left but are now back several years later and have minimal units on their record.

We will be sure to continue to track this proposal as it moves through the process. Stay tuned.

—Kyle Hyland

posted 02/07/2019

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No. 3

Ask SSC . . . Why Does the Ending Balance Increase at Closing?

Q. We just began negotiations with our unions for next year and they say they don't believe the District's budget numbers because every year we close the books with more money in the ending balance. How can we respond to this? Do you have any ideas for better managing the ending balance?

A. First of all, a budget reflects the latest estimates of revenues and expenditures based upon the most current information available. There are so many moving parts in a local educational agency's (LEA) budget—think of all of the individual line items that make up revenues and expenditures. Each line item can move either up or down when you are making budget revisions based upon the latest assumptions. An increase in any given item can be masked by a decrease in another item, or many items could move in the same direction.

To start, we recommend that you conduct an analysis of the major revenue and expenditure line items in your LEA's budget going back a few years, comparing your budget to the final actuals, in order to determine where the significant variances occur. For example, if you have a good position control system there should not be significant variances in the salaries and benefits line items. But if there are, and since personnel costs comprise 85% to 90% of expenditures, you should determine why and take steps to minimize those variances. One potential cause is vacancy savings—most LEAs begin each fiscal year with unfilled positions and employees come and go during the year. Despite best efforts, those positions remain unfilled while applicants are screened and interviewed. These unfilled positions result in vacancy savings, reducing personnel costs. If your LEA plans for the full cost of salaries and benefits in the budget—assuming that every position is filled all year long—you should consider reviewing your vacancy savings based on historical trends and including an estimated amount of savings anticipated for the year. This can be reviewed and adjusted at each budget revision so that the savings are amortized through the year as vacancies occur.

Expenditures for books, supplies, and services are typically the areas where, upon closing the books, significant amounts are not spent. This is because department, program, and college budgets across your LEA are managed by many different people and, despite the best laid plans, funds are not fully expended. We recommend that, when preparing midyear budget revisions, you conduct an analysis of these expenditure budgets and determine an amount for each major object code that is not expected to be spent. These amounts can be set up as negative line items in the budget and will allow the LEA to more closely estimate its General Fund ending balance for the year. On the other hand, positive variances, reflecting unbudgeted costs, indicate that some department, program, or college expenditure budgets are not updated or that expenditures are allowed to exceed budgets. If this is the case, we recommend that you determine why this has occurred and put in place procedures to prevent this in the future.

Remember that a budget reflects the latest estimates of revenues and expenditures based upon the most current information or assumptions available. It is always helpful to your stakeholders to clearly

identify the assumptions that are being used in a given version of the budget and how they may have changed from the last version of the budget.

Lastly, because a budget is an estimate, it will never be “accurate”—in fact, it will be exactly wrong but should be approximately right, given some thoughtful analysis and adjustments to better estimate the ending balance. And, if the budget is appropriately conservative, then any significant “surprises” will most likely be positive ones.

—*Sheila G. Vickers*

posted 02/06/2019

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No. 4

LAO Says Revenues Fall Short \$2.2 Billion

State General Fund revenues fell short by \$2.2 billion for December 2018 and January 2019, according to the Legislative Analyst's Office (LAO). In a February 7, 2019, blog post, the LAO reported that collections from the personal income tax fell short by \$2.7 billion, which was partially offset by higher-than-expected revenues from the corporation tax of \$434 million. The LAO did not report on collections from the sales and use tax or other minor General Fund revenue sources.

The LAO concludes that most of the shortfall can be attributed to two factors: (1) changes in taxpayer behavior brought about by federal tax law changes enacted in December 2017, and (2) the stock market sell-off in December 2018.

The LAO explains that prior to the enactment of the federal changes, all payments for state and local taxes (SALT) could be deducted on federal tax returns. However, the December 2017 changes limited SALT deductions to \$10,000 annually, which in turn significantly weakened the incentive for taxpayers to prepay their estimated taxes. (Note: This behavioral effect does not apply to wage and salary income earners whose tax liability is captured through payroll withholdings.) As a result, December estimated payments were significantly below collections in prior years (\$1.1 billion in 2018 vs. \$7.7 billion in 2017).

The LAO believes that taxpayers affected by these changes will pay more of their total tax liability in April, as opposed to December, for 2018 and beyond. The LAO anticipates that over \$1 billion of the \$2.7 billion shortfall could be made up when final tax payments are made in April.

The LAO also noted the big stock market sell-off in December 2018, with prices falling 15% from the high recorded just three months earlier in September. This sell-off could explain some of the weakness in capital gains revenues in December and January. LAO estimates that the drop in financial markets could account for about \$1 billion of the revenue shortfall.

The LAO points out that, despite this recent development, for much of 2018 stock prices experienced year-over-year growth, with December 2018 prices still 10% ahead of prices one year earlier and 30% higher than December 2013. Thus, given the overall strength of the stock market, there may be other unidentified factors that drove down state revenue collections for the two months in question.

The Department of Finance is expected to release its *Finance Bulletin* within the next several days. This report will give a full accounting of the performance of all General Fund revenues sources through January 2019.

—Robert Miyashiro

posted 02/13/2019

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2015-16, 2016-17, 2017-18 ACTUAL FTES COMPARISON TO P1 ESTIMATED ACTUALS

(P1) FINAL

As of January 8, 2019

	2015-2016			2016-2017			2017-2018			2017-2018			2018-2019			2018-2019		
	(RECALC) Reporting			Actuals as of July 10, 2017			(P3) Actuals as of July 16, 2018			(P3) Actuals <i>with borrow</i> as of July 16, 2018			(P1) Estimated Actuals as of January 8, 2019			Better (Worse) P3 17/18 vs. P1 Estimated Actuals		
	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC
SUMMER 2018 On or After 7/1/2018																		
NC	56.06	32.50	23.55	46.46	18.57	27.89	104.79	60.04	44.75	104.79	60.04	44.75	74.77	28.24	46.53	(30.02)	(31.80)	1.78
CDCP	545.93	422.18	123.75	411.66	306.58	105.08	354.89	263.54	91.35	354.89	263.54	91.35	359.95	267.22	92.73	5.06	3.68	1.38
CR	1,716.50	1,220.82	495.68	1,686.29	1,223.17	463.12	1,739.30	1,240.71	498.59	1,739.30	1,240.71	498.59	346.94	273.84	73.10	(1,392.36)	(966.87)	(425.49)
SUMMER TOTALS	2,318.48	1,675.50	642.98	2,144.41	1,548.32	596.09	2,198.98	1,564.29	634.69	2,198.98	1,564.29	634.69	781.66	569.30	212.36	(1,417.32)	(994.99)	(422.33)
FALL 2018																		
NC	271.35	202.06	69.29	297.64	183.83	113.81	318.43	302.62	15.81	318.43	302.62	15.81	285.74	276.33	9.41	(32.69)	(26.29)	(6.40)
CDCP	2,010.82	1,513.73	497.09	1,831.52	1,363.75	467.77	1,774.90	1,374.44	400.46	1,774.90	1,374.44	400.46	1,846.58	1,448.35	398.23	71.68	73.91	(2.23)
CR																		
IS_DSCH	289.39	156.99	132.40	322.85	186.49	136.36	432.18	274.64	157.54	432.18	274.64	157.54	490.78	319.31	171.47	58.60	44.67	13.93
IS_WSCH	486.32	305.88	180.44	534.85	357.99	176.86	609.25	390.47	218.78	609.25	390.47	218.78	832.72	507.14	325.58	223.47	116.67	106.80
DSCH	459.97	301.50	158.47	381.14	248.62	132.52	312.86	217.06	95.80	312.86	217.06	95.80	257.26	216.31	40.95	(55.60)	(0.75)	(54.85)
Positive	1,572.32	1,513.65	58.67	1,135.35	1,068.42	66.92	1,474.16	1,366.75	107.41	1,474.16	1,366.75	107.41	1,355.82	1,270.16	85.66	(118.34)	(96.59)	(21.75)
WSCH	7,278.08	4,691.78	2,586.30	7,072.66	4,552.12	2,520.54	7,060.85	4,599.31	2,461.54	7,060.85	4,599.31	2,461.54	6,829.30	4,444.51	2,384.79	(231.55)	(154.80)	(76.75)
TOTAL CR	10,086.08	6,969.80	3,116.28	9,446.85	6,413.64	3,033.20	9,889.30	6,848.23	3,041.07	9,889.30	6,848.23	3,041.07	9,765.88	6,757.43	3,008.45	(123.42)	(90.80)	(32.62)
FALL TOTALS	12,368.25	8,685.59	3,682.66	11,576.01	7,961.22	3,614.79	11,982.63	8,525.29	3,457.34	11,982.63	8,525.29	3,457.34	11,898.20	8,482.11	3,416.09	(84.43)	(43.18)	(41.25)
SPRING 2019																		
NC	358.79	233.28	125.51	509.85	300.87	208.98	663.03	299.30	363.73	663.03	299.30	363.73	386.43	359.24	27.19	(276.60)	59.94	(336.54)
CDCP	3,154.95	2,178.04	976.91	2,783.89	1,860.89	923.00	2,837.65	1,899.61	938.04	2,837.65	1,899.61	938.04	3,033.99	1,882.85	1,151.14	196.34	(16.76)	213.10
CR																		
Jan. Intersession	793.53	556.22	237.31	836.45	585.28	251.17	789.91	520.10	269.81	789.91	520.10	269.81	800.06	497.84	302.22	10.15	(22.26)	32.41
IS_DSCH	315.91	191.47	124.44	371.04	200.39	170.65	456.55	266.68	189.87	456.55	266.68	189.87	429.60	267.74	161.86	(26.95)	1.06	(28.01)
IS_WSCH	459.68	311.98	147.70	555.08	378.00	177.08	696.63	453.46	243.17	696.63	453.46	243.17	831.45	588.28	243.17	134.82	134.82	0.00
DSCH	405.97	309.85	96.12	348.21	271.92	76.29	291.73	258.80	32.93	291.73	258.80	32.93	342.83	310.54	32.29	51.10	51.74	(0.64)
Positive	1,641.91	1,579.67	62.24	1,565.30	1,500.13	65.16	1,641.82	1,546.20	95.62	1,641.82	1,546.20	95.62	1,570.74	1,468.82	101.92	(71.08)	(77.28)	6.30
WSCH	6,796.56	4,331.81	2,464.75	6,651.88	4,327.28	2,324.60	6,362.84	4,129.31	2,233.53	6,362.84	4,129.31	2,233.53	6,233.65	4,000.06	2,233.59	(129.19)	(129.25)	0.06
TOTAL CR	10,413.56	7,281.00	3,132.56	10,327.96	7,263.00	3,064.95	10,239.48	7,174.55	3,064.93	10,239.48	7,174.55	3,064.93	10,208.33	7,133.28	3,075.05	(31.15)	(41.27)	10.12
SPRING TOTALS	13,927.30	9,692.32	4,234.98	13,621.69	9,424.76	4,196.94	13,740.16	9,373.46	4,366.70	13,740.16	9,373.46	4,366.70	13,628.75	9,375.37	4,253.38	(111.41)	1.91	(113.32)
SUMMER 2019 On or Before 6/30/2019																		
NC	15.95	15.95	0.00	0.72	0.72	0.00	6.03	4.37	1.66	6.03	4.37	1.66	4.37	4.37	0.00	(1.66)	0.00	(1.66)
CDCP	213.71	213.71	0.00	136.43	136.43	0.00	14.27	0.03	14.24	14.27	0.03	14.24	0.03	0.03	0.00	(14.24)	0.00	(14.24)
CR	54.46	43.77	10.69	38.05	35.74	2.31	43.55	32.69	10.86	43.55	32.69	10.86	35.50	32.69	2.81	(8.05)	0.00	(8.05)
Borrowed	3.48	3.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,392.91	942.34	450.57	0.00	0.00	0.00	(1,392.91)	(942.34)	(450.57)
SUMMER TOTALS	287.60	276.91	10.69	175.20	172.89	2.31	63.85	37.09	26.76	1,456.76	979.43	477.33	39.90	37.09	2.81	(1,416.86)	(942.34)	(474.52)
COMBINED																		
NC	702.14	483.79	218.35	854.66	503.98	350.68	1,092.28	666.33	425.95	1,092.28	666.33	425.95	751.31	668.18	83.13	(340.97)	1.85	(342.82)
CDCP	5,925.41	4,327.66	1,597.75	5,163.50	3,667.65	1,495.86	4,981.71	3,537.62	1,444.09	4,981.71	3,537.62	1,444.09	5,240.55	3,598.45	1,642.10	258.84	60.83	198.01
CREDIT	22,274.08	15,518.87	6,755.21	21,499.15	14,935.56	6,563.59	21,911.63	15,296.18	6,615.45	23,304.54	16,238.52	7,066.02	20,356.65	14,197.24	6,159.41	(2,947.89)	(2,041.28)	(906.61)
TOTAL	28,901.63	20,330.32	8,571.31	27,517.31	19,107.19	8,410.13	27,985.62	19,500.13	8,485.49	29,378.53	20,442.47	8,936.06	26,348.51	18,463.87	7,884.64	(3,030.02)	(1,978.60)	(1,051.42)
Non-Credit	68.90%	31.10%		58.97%	41.03%		61.00%	39.00%		61.00%	39.00%		88.94%	88.94%		11.06%		
CDCP	73.04%	26.96%		71.03%	28.97%		71.01%	28.99%		71.01%	28.99%		68.67%	68.67%		31.33%		
Credit	69.67%	30.33%		69.47%	30.53%		69.81%	30.19%		69.68%	30.32%		69.74%	69.74%		30.26%		
Total	70.34%	29.66%		69.44%	30.56%		69.68%	30.32%		69.58%	30.42%		70.08%	70.08%		29.92%		
Growth Total District					-4.79%													
Growth Total by Campus					-6.02%	-1.88%												
Growth Total District								1.70%										
Growth Total by Campus								2.06%	0.90%									
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RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2019-20 Tentative Budget Assumptions
February 14, 2019

I. State Revenue

A. Budgeting will begin using the new Student Centered Funding Formula (SCFF) and continue to utilize the District's Budget Allocation Model (BAM) based on the SB 361 for Tentative Budget as there are still many unknowns with the new state performance based funding formula.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth
2013/14	28,185.04	28,688.93	28,688.93	1.79%
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 a	28,901.64 a	-4.79%
2017/18	P3 28,901.64	29,378.53 b	29,378.53 b	1.65%
2018/19	P1 29,378.53	26,348.51	Unknown	-10.31%

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

The district went into stabilization in 2016/17 and was in restoration in 2017/18.

To maintain the 2015/16 funding level and produce growth FTES, the district borrowed from summer 2018 which reduces FTES in 2018/19.

The governor's proposed budget includes .55% systemwide growth funding, 3.46% COLA, and no base allocation increase. The effects of the SCFF on our budget is not fully known at this time. The governor proposes maintaining the split at 70/20/10 for this year plus COLA. Any changes to our funding related to the new formula will be incorporated in the Adopted Budget.

Projected COLA of 3.46%	\$6,070,000
Projected Growth/Access	\$0
Projected Base Allocation Increase	\$0
Continued Projected Deficit	\$0
Apportionment Base Incr (Decr) for 2019/20	\$6,070,000

2019/20 Potential Growth at 0.5% based on .55% system 29,525

C. Education Protection Account (EPA) funding estimated at \$26,163,294 based on 2018/19 @ 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 \$151 per FTES (\$4,082,069). Restricted lottery at \$53 per FTES (\$1,432,779). (2018/19 P1 of resident & nonresident factored FTES, 27,033.57 x 151 = \$4,082,069 unrestricted lottery; 27,033.57 x 53 = \$1,432,779.) Decrease of about 10%.

E. Estimated reimbursement for part-time faculty compensation is estimated at \$694,051 (2018/19 @ Advance). Unchanged.

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 were reached with bargaining groups. The colleges will need to budget for any program match requirements using unrestricted funds.

G. BOG fee waivers 2% administration funding estimated at 2018/19 @ Advance of \$293,254. Unchanged.

H. Mandates Block Grant estimated at a total budget of \$792,827 (30.09 x 26,348.51). Slight decrease. No additional one-time allocation proposed.

II. Other Revenue

I. Non-Resident Tuition budgeted at \$3,200,000. (SAC \$2,400,000, SCC \$800,000) - Unchanged

J. Interest earnings estimated at \$1,000,000. Increase of \$175,000.

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

L. Apprenticeship revenue estimated at \$2,757,300. Unchanged.
(Corresponding expenses related to this allocation must be budgeted for additional apprenticeship course offerings)

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2019-20 Tentative Budget Assumptions
February 14, 2019

M Scheduled Maintenance/Instructional Equipment allocation. - no allocation in proposed state budget

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 estimating a Cost of Living Allowance (COLA) of 3.46%. Any collectively bargained increased costs will be added to the budget. The estimated cost of a 1% salary increase is \$1.66 million for all funds. The estimated cost of a 1% salary increase is \$1.32 million for unrestricted general fund.
- C. Step and column movement is budgeted at an additional cost of approximately \$2.06 million including benefits for FD 11 & 13 (FARSCCD approximate cost \$577,291 CSEA approximate cost \$664,861, Management/Other approximate cost \$815,172) For all funds, it is estimated to = \$2.57 million (FARSCCD = \$657,895, CSEA = \$859,802, Management = \$1,052,246)
- D. Health and Welfare benefit premium cost increase as of 1/1/20 is estimated at 3.5% for an additional cost of approximately \$520,088 for active employees and an additional cost of \$224,056 for retirees, for a combined increase of \$744,144 for unrestricted general fund. The additional cost increase for all funds is estimated to = \$896,549. State Unemployment Insurance local experience charges are estimated at \$250,000 (2018/19 budgeted amount). Unchanged. The District will decrease the Worker's Compensation Insurance (WCI) rate from 2.25% to 1.5% of total salaries. CalSTRS employer contribution rate will increase in 2019/20 from 16.28% to 17.13% for an increase of \$630,304. The reduction from 18.13% originally estimated to 17.13% reduced the required CalSTRS contribution by \$741,533. (Note: The cost of each 1% increase in the STRS rate is approximately \$740,000.) CalPERS employer contribution rate will increase in 2019/20 from 18.062% to 20.70% for an increase of \$1,028,913 (Note: The cost of each 1% increase in the PERS rate is approximately \$390,000.)
- E. The full-time faculty obligation (FON) for Fall 2019 is estimated at 381. The District will recruit to replace 15 faculty vacancies and recruit 15 new faculty. SAC is recruiting for 21 positions (11 replacement, 10 new). SCC is recruiting for 9 positions (4 replacement, 5 new). Assuming all are successful recruitments, the District expects to meet its obligation. The current cost for a new position is budgeted at Class VI, Step 12 at approximately \$144,808. Penalties for not meeting the obligation amount to approximately \$77,063 per FTE not filled.
- F. The current rate per Lecture Hour Equivalent (LHE) effective 7/1/18 for hourly faculty is \$1,345. Increase of \$70 per LHE.
- G. Retiree Health Benefit Fund (OPEB/GASB 45 Obligation) - The District will increase the employer payroll contribution rate of 3.63% to 4.25% of total salaries to fund the total actuarially determined Annual Required Contribution (ARC). The calculated ARC is currently \$14,394.639.
- H. Capital Outlay Fund - Although there is no state allocation for Scheduled Maintenance/Instructional Equipment in the proposed state budget, 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: No requests have been submitted to date.
- M. Child Development Fund - The District will 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 expected again in 2018/19)
- N. Estimated annual cost of Santiago Canyon College ADA Settlement expenses of \$2 million from one-time funds.

Rancho Santiago Community College District Unrestricted General Fund Summary 2019-20 Tentative Budget Assumptions Analysis February 14, 2019

	<u>New Revenues</u>	Ongoing Only	One-Time
*			
A	Student Centered Funding Formula	?	?
B	COLA 3.46%	\$6,070,000	
B	Growth	\$0	
B	Deficit Factor est	\$0	
D	Unrestricted Lottery	(\$454,717)	
H	Mandates Block Grant	(\$59,357)	
I	Non-Resident Tuition	\$0	
J	Interest Earnings	\$175,000	
L	Apprenticeship - SCC	\$0	
EGHK	Misc Income	\$0	
	Total	\$5,730,926	\$0
	<u>New Expenditures</u>		
B	COLA 3.46%	\$6,070,000	
C	Step/Column	\$2,057,324	
D	Health and Welfare/Benefits Increase (3.5% for 1/2 yr)	\$744,144	
D	CalSTRS Increase	\$630,304	
D	CalPERS Increase	\$1,028,913	
D	Decreased Cost of WCI	(\$822,293)	
E	Full Time Faculty Obligation Hires	\$2,172,120	
E/F	Hourly Faculty Budgets (Convert to Full Time)	(\$605,250)	
G	Increased Cost of Retiree Health Benefit ARC	\$679,762	
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	
L	Other Additional DS/Institutional Costs	\$0	
N	SCC ADA Settlement Costs	\$0	\$2,000,000
	Total	\$12,180,024	\$2,000,000
	2019-20 Budget Year Unallocated (Deficit)	(\$6,449,098)	
	2018/19 Structural Unallocated (Deficit)	\$3,009,134	
	2018/19 Additional cost of remaining CB settlements	(\$3,125,656)	
	2018/19 Additional SCFF revenue	\$7,456,980	
	2018/19 Additional full-time faculty revenue	\$1,307,884	
	Total Net Unallocated (Deficit)	\$2,199,244	(\$2,000,000)

Note: Budget Stabilization Fund Balance at 6/30/2019 is estimated at \$1 million due to the shift in Board Policy Contingency from 5% to 12.5%.

* Reference to budget assumption number

The Fiscal Resources Committee provides district-level fiscal review including annual evaluation of the District's Budget Allocation Model, as well as, develops and recommends tentative and adopted budget assumptions to District Council.

Committee	Responsibilities	Membership
Fiscal Resources	<p>Review and evaluate the RSCCD revenue allocation model Budget Allocation Model</p> <p>Monitor state budget development and recommend mid-year adjustments to the budget assumptions and budgets as needed</p> <p>Develop assumptions for tentative and adopted budgets</p> <p>Develop RSCCD District budget process calendar</p> <p>Review enrollment management and develop annual FTES targets</p> <p>Assess effective use of financial resources</p> <p>Review and evaluate financial management processes</p>	<ul style="list-style-type: none"> • Vice Chancellor, Business Operations & Fiscal Services (chair) • Assistant Vice Chancellor, Fiscal Services • Administrator appointed by Santa Ana College President • Administrator appointed by Santiago Canyon College President • Two faculty members appointed by each Academic Senate, Santa Ana College & Santiago Canyon College • A faculty member appointed by FARSCCD • Three Classified representatives appointed by CSEA (District Office, Santa Ana College & Santiago Canyon College) • One of the faculty representatives shall serve as committee co-chair

- Student representatives (SAC and SCC, when possible)



Base Apportionment Allocation Revenues

		Santiago Canyon College	Santa Ana College	Total (As Calculated by District Data)	Total
Base Allocation					
Basic Allocation		\$ 5,242,140	\$ 6,511,147		\$ 11,753,287
FTES Funding					
2017-18 Funded Credit FTES		6,615.45	15,296.18		21,911.63
Proportion of District Credit FTES		30.19%	69.81%		30.19%
Funding Rate					
3-Year Average of Traditional Credit FTES	\$ 3,727	\$ 23,708,407.44	\$ 54,818,352.16		\$ 78,526,760
		6,361.26	14,708.44	21,069.70	21,069.70
Fully Funded FTES	\$ 5,457	\$ 3,194,396.85	\$ 7,453,574.40		\$ 10,647,971
Special Admit FTES		583.36	1,361.17	1,944.53	1,944.53
Incarcerated Credit FTES		2.02	4.70	6.72	6.72
Non-Credit Rate					
Traditional Non-Credit FTES	\$ 3,347	\$ 1,806,823.54	\$ 3,481,871.57		\$ 5,288,695.11
		425.95	666.33	1,092.28	1,090.13
Incarcerated Non-Credit FTES		24.88	202.45	227.33	490.00
CDCP Rate	\$ 5,457	\$ 7,922,808.97	\$ 19,408,684.67		\$ 27,331,494
CDCP FTES		1,444.09	3,537.62	4,981.71	5,008.52
Total FTES Funding	\$	36,632,437	\$ 85,162,483		\$ 121,794,920
		30%	70%		
Base Allocation Total	\$	41,874,577	\$ 91,673,630		\$ 133,548,207
		31%	69%		
Supplemental Allocation					
Funding Rate					
Pell Students	\$ 919	\$ 1,621,480.88	\$ 4,157,191.12		\$ 5,778,672
Headcount		1,747	4,479	6,226.00	6,288.00
AB540 Students	\$ 919	\$ 466,852.00	\$ 1,667,066.00		\$ 2,133,918
Headcount		508	1,814	2,322.00	2,322.00
BOG Students	\$ 919	\$ 4,773,062.69	\$ 12,609,822.31		\$ 17,382,885
Headcount		5,875	15,521	21,396.00	18,915.00
Supplemental Allocation Total	\$	6,861,396	\$ 18,434,079		\$ 25,295,475
		27%	73%		
Student Success Allocation					
Funding Rate					
Associate's Degrees	\$ 1,320	\$ 1,505,160.83	\$ 2,853,479.17		\$ 4,358,640
Outcomes		1,142	2,165	3,307.00	3,302
Bachelor's Degrees	\$ 1,320	\$ -	\$ -		\$ -
Outcomes		-	-	-	-
Associate's Degrees for Transfer	\$ 1,760	\$ 959,200.00	\$ 1,217,920.00		\$ 2,177,120
Outcomes		545	692	1,237.00	1,237
Certificates	\$ 880	\$ 1,044,660.11	\$ 1,312,859.89		\$ 2,357,520
Outcomes		1,188	1,493	2,681.00	2,679
9+ CTE Units	\$ 440	\$ 515,724.00	\$ 1,203,356.00		\$ 1,719,080
Outcomes		1,171	2,732	3,903.00	3,907
Transfers	\$ 660	\$ 636,174.00	\$ 1,484,406.00		\$ 2,120,580
Outcomes		1,045	2,437	3,482.00	3,213
Math & English Completion	\$ 880	\$ 363,666.93	\$ 293,693.07		\$ 657,360
Outcomes		369	298	667.00	747
Regional Living Wage Attainment	\$ 440	\$ 915,024.00	\$ 2,135,056.00		\$ 3,050,080
Outcomes		2,259.6	5,272.4	7,532.00	6,932
All Students Success Total	\$	5,939,610	\$ 10,500,770		\$ 16,440,380
Pell Students Success Bonus Funding					
Associate's Degrees	\$ 500	\$ 220,289.47	\$ 543,945.53		\$ 764,235
Outcomes		390	963	1,353.00	1,530
Bachelor's Degrees	\$ 500	\$ -	\$ -		\$ -
Outcomes		-	-	-	-
Associate's Degrees for Transfer	\$ 666	\$ 126,889.74	\$ 264,718.26		\$ 391,608
Outcomes		174	363	537.00	588
Certificates	\$ 333	\$ 130,268.22	\$ 265,002.78		\$ 395,271
Outcomes		350	712	1,062.00	1,187
9+ CTE Units	\$ 167	\$ 53,346.60	\$ 124,475.40		\$ 177,822
Outcomes		320	747	1,067.00	1,068
Transfers	\$ 250	\$ 80,394.53	\$ 187,587.23		\$ 267,982
Outcomes		338	790	1,128.00	1,073
Math & English Completion	\$ 333	\$ 35,065.30	\$ 59,839.70		\$ 94,905
Outcomes		92	157	249.00	285
Regional Living Wage Attainment	\$ 167	\$ 21,178.80	\$ 49,417.20		\$ 70,596
Outcomes		108	253	361.00	424
Pell Students Success Bonus Total	\$	667,433	\$ 1,494,986		\$ 2,162,419
BOG Students Success Bonus Funding					
Associate's Degrees	\$ 333	\$ 225,461.09	\$ 621,357.91		\$ 846,819
Outcomes		631	1,739	2,370.00	2,543
Bachelor's Degrees	\$ 333	\$ -	\$ -		\$ -
Outcomes		-	-	-	-
Associate's Degrees for Transfer	\$ 444	\$ 127,671.58	\$ 263,492.42		\$ 391,164
Outcomes		282	582	864.00	881
Certificates	\$ 222	\$ 139,048.48	\$ 277,867.52		\$ 416,916
Outcomes		606	1,211	1,817.00	1,878
9+ CTE Units	\$ 111	\$ 71,828.10	\$ 167,598.90		\$ 239,427
Outcomes		646	1,507	2,153.00	2,157
Transfers	\$ 167	\$ 97,402.50	\$ 227,272.50		\$ 324,675
Outcomes		619	1,444	2,063.00	1,950
Math & English Completion	\$ 222	\$ 38,158.28	\$ 60,853.72		\$ 99,012
Outcomes		153	244	397.00	446
Regional Living Wage Attainment	\$ 111	\$ 42,690.60	\$ 99,611.40		\$ 142,302
Outcomes		362	846	1,208.00	1,282
BOG Students Success Bonus Total	\$	742,261	\$ 1,718,054		\$ 2,460,315
Success Allocation Total	\$	7,349,303	\$ 13,713,811		\$ 21,063,114
		35%	65%		
TOTAL BASE REVENUE	\$	56,085,276	\$ 123,821,520		\$ 179,906,795
		31%	69%		

SCFF Calculation

Rancho Santiago Community College District

		2018-19		%	
Estimated State COLA		2.71%		change	
		FTES	Rate	Total	
Base Allocation	Basic Allocation			\$ 11,753,286	
	Credit FTES	3-Year Average Credit	21,069.70	\$ 3,727	\$ 78,526,760
		Special Admit	1,944.53	\$ 5,457	\$ 10,611,300
		Incarcerated Credit	6.72	\$ 5,457	\$ 36,671
		Subtotal	23,020.08		\$ 89,174,731
	Non-Credit FTES	Traditional Non Credit	1,090.13	\$ 3,347	\$ 3,648,665
		CDCP	5,008.52	\$ 5,457	\$ 27,331,494
		Incarcerated Non-Credit	490.00	\$ 3,347	\$ 1,640,030
		Subtotal	6,588.65		\$ 32,620,189
		Total	29,608.73		\$ 133,548,206
Supplemental Allocation		Headcount	Rate		
		Pell Grant Recipients	6,288	\$ 919	\$ 5,778,672
		State Nonresident Fee Waiver	2,322	\$ 919	\$ 2,133,918
		California Promise Grant Recipients	18,915	\$ 919	\$ 17,382,885
	Total	27,533		\$ 25,295,475	
Student Success Allocation	All Students	Outcomes	Rate		
		Associate Degrees	3,302	\$ 1,320	\$ 4,358,640
		Baccalaureate Degrees	-	\$ 1,320	\$ -
		Associate Degrees for Transfer	1,237	\$ 1,760	\$ 2,177,120
		Credit Certificates	2,679	\$ 880	\$ 2,357,520
		Nine or More CTE Units	3,907	\$ 440	\$ 1,719,080
		Transfer	3,213	\$ 660	\$ 2,120,580
		Transfer Level Math and English	747	\$ 880	\$ 657,360
	Achieved Regional Living Wage	6,932	\$ 440	\$ 3,050,080	
		Subtotal	22,852		\$ 16,440,380
	Equity: Pell Grant Recipients	Associate Degrees	1,530	\$ 500	\$ 764,235
		Baccalaureate Degrees	-	\$ 500	\$ -
		Associate Degrees for Transfer	588	\$ 666	\$ 391,608
		Credit Certificates	1,187	\$ 333	\$ 395,271
		Nine or More CTE Units	1,068	\$ 167	\$ 177,822
		Transfer	1,073	\$ 250	\$ 267,982
		Transfer Level Math and English	285	\$ 333	\$ 94,905
		Achieved Regional Living Wage	424	\$ 167	\$ 70,596
		Subtotal	6,140		\$ 2,162,419
	Equity: California Promise Grant Recipients	Associate Degrees	2,543	\$ 333	\$ 846,819
		Baccalaureate Degrees	-	\$ 333	\$ -
		Associate Degrees for Transfer	881	\$ 444	\$ 391,164
		Credit Certificates	1,878	\$ 222	\$ 416,916
		Nine or More CTE Units	2,157	\$ 111	\$ 239,427
		Transfer	1,950	\$ 167	\$ 324,675
		Transfer Level Math and English	446	\$ 222	\$ 99,012
		Achieved Regional Living Wage	1,282	\$ 111	\$ 142,302
		Subtotal	11,161		\$ 2,460,315
	Preliminary Total	40,153		\$ 21,063,114	
Success Growth	Available Growth				
	Maximum Growth		no limit		
	Funded Growth				
	Total			\$ 21,063,114	
Total SCFF before Hold Harmless				\$ 179,906,795	0.00%
Hold Harmless Funding				\$ -	
Total SCFF				\$ 179,906,795	0.00%

Rancho Santiago CCD: College Level SCFF Data					Unduplicated Headcount: 89,547		Santiago Canyon College		Unduplicated Headcount: 28,412		SCC Proportion 2017-2018	Santa Ana College		Unduplicated Headcount: 61,305		SAC Proportion 2017-2018		
					2017-18		2018-19		2017-18			2018-19		2017-18			2018-19	
					Data		Funding Rate Estimated Funding		Data			Estimated Funding		Data			Estimated Funding	
					18-19 State Num. (Advance)		18-19 District Num. (Actual)		Difference									
Base Allocation					Basic Allocation (\$)				\$ 11,753,286		\$ 5,242,140				\$ 6,511,147			
					FTES						30.2%		FTES				69.8%	
					21,070	21,912	841.93	\$ 3,727	\$ 81,664,645	6,615.45	\$ 24,655,782	30.2%	15,296.18	\$ 57,008,863	69.8%			
					1,945	1,945	-	\$ 5,457	\$ 10,611,300	583.36	\$ 3,183,396		1,361.17	\$ 7,427,905				
					7	7	-	\$ 5,457	\$ 36,671	2.02	\$ 11,023		4.70	\$ 25,648				
					1,090	1,092	2.15	\$ 3,347	\$ 3,655,861	425.95	\$ 1,425,655	39.0%	666.33	\$ 2,230,207	61.0%			
					5,009	4,982	(26.81)	\$ 5,457	\$ 27,185,191	1,444.09	\$ 7,880,399	29.0%	3,537.62	\$ 19,304,792	71.0%			
					490	227	(262.67)	\$ 3,347	\$ 760,874	24.88	\$ 83,273		202.45	\$ 677,600				
					Total	29,610	30,164		\$ 135,667,829	9,096	\$ 42,481,668	30.2%	21,068	\$ 93,186,161	69.8%			
Supplemental Allocation					17-18 Headcount						Headcount		Headcount					
					6,288	6,266	(22.00)	\$ 919	\$ 5,758,454	1,747	\$ 1,605,493	27.9%	4,479	\$ 4,116,201	71.5%			
					2,322	2,322	-	\$ 919	\$ 2,133,918	508	\$ 466,852		1,814	\$ 1,667,066				
					18,915	21,396	2,481.00	\$ 919	\$ 19,662,924	5,875	\$ 5,399,125	27.5%	15,521	\$ 14,263,799	72.5%			
					Total	27,525	29,984		\$ 27,555,296	8,130	\$ 7,471,470	27.1%	21,814	\$ 20,047,066	72.8%			
Student Success Allocation					17-18 Outcomes						Outcomes		Outcomes					
All Students					3,302	3,307	5.00	\$ 1,320	\$ 4,365,240	1,142	\$ 1,507,440	34.5%	2,165	\$ 2,857,800	65.5%			
					1,237	1,237	-	\$ 1,760	\$ 2,177,120	545	\$ 959,200	44.1%	692	\$ 1,217,920	55.9%			
					2,679	2,681	2.00	\$ 880	\$ 2,359,280	1,188	\$ 1,045,440	44.3%	1,493	\$ 1,313,840	55.7%			
					3,907	3,903	(4.00)	\$ 40	\$ 156,120	1,171	\$ 46,836	30.0%	2,732	\$ 109,284	70.0%			
					3,213	3,482	269.00	\$ 660	\$ 2,298,120	1,045	\$ 689,436	30.0%	2,437	\$ 1,608,684	70.0%			
					747	667	(80.00)	\$ 880	\$ 586,960	369	\$ 324,720	55.3%	298	\$ 262,240	44.7%			
					6,932	7,532	600.00	\$ 440	\$ 3,314,080	2,260	\$ 994,224		5,272	\$ 2,319,856				
					Total	22,017	22,809		\$ 15,256,920	7,719	\$ 5,567,296	33.8%	15,090	\$ 9,689,624	66.2%			
Pell Grant Recipients Bonus					1,530	1,353	(177.00)	\$ 500	\$ 675,824	390	\$ 194,805	28.8%	963	\$ 481,019	71.2%			
					588	537	(51.00)	\$ 666	\$ 357,642	174	\$ 115,884	32.4%	363	\$ 241,758	67.6%			
					1,187	1,062	(125.00)	\$ 333	\$ 353,646	350	\$ 116,550	33.0%	712	\$ 237,096	67.0%			
					1,068	1,067	(1.00)	\$ 167	\$ 177,656	320	\$ 53,297	30.0%	747	\$ 124,359	70.0%			
					1,073	1,128	55.00	\$ 250	\$ 281,718	338	\$ 84,515	30.0%	790	\$ 197,203	70.0%			
					285	249	(36.00)	\$ 333	\$ 82,917	92	\$ 30,636	36.9%	157	\$ 52,281	63.1%			
					424	361	(63.00)	\$ 167	\$ 60,107	108	\$ 18,032		253	\$ 42,075				
					Total	6,155	5,757		\$ 1,989,509	1,773	\$ 613,719	30.8%	3,984	\$ 1,375,790	69.2%			
California Promise Grant Recipients Bonus					2,543	2,370	(173.00)	\$ 333	\$ 789,210	631	\$ 210,123	26.6%	1,739	\$ 579,087	73.4%			
					881	864	(17.00)	\$ 444	\$ 383,616	282	\$ 125,208	32.6%	582	\$ 258,408	67.4%			
					1,878	1,817	(61.00)	\$ 222	\$ 403,374	606	\$ 134,532	33.4%	1,211	\$ 268,842	66.6%			
					2,157	2,153	(4.00)	\$ 111	\$ 238,983	646	\$ 71,695	30.0%	1,507	\$ 167,288	70.0%			
					1,950	2,063	113.00	\$ 167	\$ 343,490	619	\$ 103,047	30.0%	1,444	\$ 240,443	70.0%			
					446	397	(49.00)	\$ 222	\$ 88,134	153	\$ 33,966	38.5%	244	\$ 54,168	61.5%			
					1,282	1,208	(74.00)	\$ 111	\$ 134,088	362	\$ 40,226		846	\$ 93,862				
					Total	11,137	5,448		\$ 2,380,895	3,299	\$ 718,797	60.6%	7,573	\$ 1,662,097	139.0%			
					Total	39,309	34,014		\$ 19,627,323	12,791	\$ 6,899,812	37.6%	26,647	\$ 12,727,511	78.3%			
					TCR as Computed by District Data				\$ 182,850,448		A. \$ 56,852,950		31.1%		B. \$ 125,960,738		68.9%	
					TCR as Computed by State Data				\$ 179,906,795									

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE Q

Projects Cost Summary
01/31/19 on 02/11/19

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2018-2019		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3035/ 3056	Johnson Student Center	55,104,204	2,894,922	833,418	51,057,869	54,786,209	317,995	99%
	Agency Cost		375,487	4,301	3,701	383,489		
	Professional Services		2,517,260	415,145	3,789,905	6,722,310		
	Construction Services		2,175	413,973	47,264,263	47,680,411		
	Furniture and Equipment		-	-	-	-		
3042	Central Plant Infrastructure	57,805,077	57,052,336	224,793	398,673	57,675,802	129,275	100%
	Agency Cost		416,740	-	-	416,740		
	Professional Services		9,381,093	222,502	398,673	10,002,269		
	Construction Services		47,216,357	-	-	47,216,357		
	Furniture and Equipment		38,146	2,291	-	40,437		
3049	Science Center & Building J Demolition	73,380,861	12,903,939	8,932,955	35,979,139	57,816,033	15,564,828	79%
	Agency Cost		423,648	3,615	1,696	428,959		
	Professional Services		4,962,728	825,405	3,292,004	9,080,137		
	Construction Services		7,517,563	8,103,935	32,685,439	48,306,937		
	Furniture and Equipment		-	-	-	-		
TOTAL ACTIVE PROJECTS		186,290,142	72,851,197	9,991,166	87,435,681	170,278,044	16,012,098	91%
CLOSED PROJECTS								
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		-	-	-	-		
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		-	-	-	-		
TOTAL CLOSED PROJECTS		12,818,800	12,818,799	0	0	12,818,799	0	100%
GRAND TOTAL ALL PROJECTS		199,108,942	85,669,997	9,991,166	87,435,681	183,096,843	16,012,098	92%
SOURCE OF FUNDS								
	ORIGINAL Bond Proceeds	198,000,000						
	Interest Earned	1,108,942						
	Totals	199,108,942						

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2018-19, 2017-18, 2016-17
YTD Actuals- January 31, 2019

	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
Beginning Fund Balance	\$37,903,213	\$41,278,430	\$35,159,998	\$35,436,966	\$27,563,751	\$25,847,374	\$39,412,776	\$45,324,629	\$45,324,629	\$45,324,629	\$45,324,629	\$45,324,629
Total Revenues	12,626,143	6,732,548	14,600,385	7,442,505	17,105,605	29,957,387	19,339,796	0	0	0	0	0
Total Expenditures	9,250,925	12,850,980	14,323,417	15,315,721	18,821,982	16,391,985	13,427,943	0	0	0	0	0
Change in Fund Balance	3,375,218	(6,118,432)	276,968	(7,873,215)	(1,716,377)	13,565,401	5,911,853	0	0	0	0	0
Ending Fund Balance	41,278,430	35,159,998	35,436,966	27,563,751	25,847,374	39,412,776	45,324,629	45,324,629	45,324,629	45,324,629	45,324,629	45,324,629

	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
Beginning Fund Balance	\$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
Total Revenues	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
Total Expenditures	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
Change in Fund Balance	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
Ending Fund Balance	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

	FY 2016/2017											
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
Beginning Fund Balance	\$36,934,285	\$43,339,545	\$38,688,887	\$42,888,559	\$35,251,863	\$37,089,867	\$44,994,813	\$45,583,312	\$29,932,160	\$29,972,359	\$31,677,983	\$19,898,488
Total Revenues	13,317,549	7,899,458	17,481,417	7,032,694	17,260,075	21,386,237	13,039,249	1,848,175	14,033,540	21,401,470	6,295,496	35,646,442
Total Expenditures	6,912,289	12,550,116	13,281,745	14,669,390	15,422,071	13,481,291	12,450,751	17,499,326	13,993,341	19,695,846	18,074,991	20,290,613
Change in Fund Balance	6,405,260	(4,650,658)	4,199,672	(7,636,696)	1,838,004	7,904,946	588,498	(15,651,151)	40,199	1,705,624	(11,779,495)	15,355,829
Ending Fund Balance	43,339,545	38,688,887	42,888,559	35,251,863	37,089,867	44,994,813	45,583,312	29,932,160	29,972,359	31,677,983	19,898,488	35,254,317

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

Meeting Minutes for January 23, 2019

FRC Members Present: Morrie Barembaum, Peter Hardash, Bart Hoffman, Thao Nguyen, Adam O'Connor

Alternates/Guests Present: Jose Vargas, James Kennedy, John Hernandez, Enrique Perez, Roy Shabazian, George Walters

1. Welcome: Mr. Hardash called the meeting to order at 1:33 p.m.

2. State/District Budget Update

Mr. Hardash pointed out the handouts and links provided. He noted the following:

- Governor Newsom released the 2019-20 State Budget
 - i. The Joint Analysis of the State Budget was developed by ACCA, ACBO, CCCCCO and the League
 - ii. The minimum funding guarantee is being lowered
 - iii. The Governor is proposing a COLA of 3.46%
 - iv. The COLA is an estimate, the actual COLA isn't calculated until the end of March
 - v. Governor Newsom is proposing a \$3 billion one-time non-Prop 98 contribution to CalSTRS. \$700 million of that would be provided to buy down the employer contribution rates

3. Presentation to Board Fiscal Audit Committee

Mr. Hardash noted the Board Fiscal Audit Committee met November 20, 2018 with the auditor to present the prior year audit before it goes to the Board of Trustees.

4. Retiree Health Benefits Other Post-Employment Benefits (OPEB) – Establishment of Irrevocable Trust
20min – 34min

Mr. Hardash discussed the presentation from the January 7, 2019 Joint Benefits Committee Meeting and the timeline of OPEB Retiree Health Benefits and noted the following:

- RSCCD provides full time employees with two forms of Retiree Health Benefits at retirement
 - i. Lifetime Health Benefits – F/T employees hired prior to 1986/87 after 15 years of service
 - ii. Up to age 70 Health Benefits – F/T employees hired after 1986/87 after 15 years of service
- RSCCD pays annual retiree health premiums out of general fund
- Creates a huge unfunded liability to district's year to year budget as limited funding is set aside for this future obligation
- OPEB liability is now \$167.3 million
- The Board Fiscal Audit Committee approved investing \$40 million to Irrevocable Trust

5. Board Recommendations for Increase to Board Policy Contingency

Mr. O'Connor discussed the presentation from the January 18, 2019 RSCCD Board Policy Committee Meeting and noted the following:

- Current Board Policy Contingency is at 5%
- State recommended "prudent reserves"
- That amount is currently at \$9.3 million
- Several other neighboring community college districts have increased their Board Policy Contingency from 7% - 20%
- GFOA recommends that Districts have a minimum of two months of expenses in reserve
- School Services recommends a minimum of 10%
- Staff recommendation to Board Fiscal/Audit Committee on November 20th - Increase the Board Policy Contingency from 5% to 10%
- Board Fiscal/Audit Committee recommendation to increase from 5% to 12.5%

6. Mid-Year Updates

The following updates were provided:

- Unrestricted General Fund Expenditure Update
- FTES Update as of January 8, 2019 at (P1)

7. RSCCD 2017-18 Audit Reports Link

- Link provided to reports

8. Continued Discussion of SCFF and review of BAM – Cambridge West Partnership Consultants

Mr. Walters distributed a spreadsheet with campus data and discussed the District's data versus the State's data.

9. Standing Report from District Council

No update provided.

10. Informational Handouts

The following handouts were distributed:

- District-Wide Expenditure Report
- Vacant Funded Position List as of January 17, 2019
- Measure "Q" Project Cost Summary December 31, 2018
- Monthly Cash Flow Summary as of December 31, 2018
- SAC Planning and Budget Committee Agendas and Minutes
- SCC Budget Committee Agendas and Minutes

11. Approval of FRC Minutes – November 14, 2018

Mr. Hardash called for a motion to approve the minutes from the November 14, 2018 meeting. A motion was made by Mr. Hoffman seconded by Mr. Vargas and approved unanimously.

12. Other

No other items were discussed.

Next meeting reminder: Wednesday, February 20, 2019, 1:30 – 3:00 in the Executive Conference Room #114, District Office

The meeting was adjourned at 3:06 p.m.