

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

2323 N. Broadway, Santa Ana, California 92706

Office: (714) 480-7321 Fax: (714) 796-3935

Fiscal Resources Committee

Agenda for May 29, 2013

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

District Office Board Room

1. Welcome
2. State/District Budget Update – Hardash
 - Governor’s May Revise Summary
 - CCLC Draft 2013/14 May Revise Overview 5/13
 - Dan Troy Email 5/14, CCLC Email 5/14, McCallum Group Email 5/14
 - Schools Services Early Analysis & Overview 5/14
 - Schools Services Report of LAO Overview of May Revise 5/17
 - CCLC Email 5/20
 - Schools Services May Revision ACBO Presentation 5/22
 - CCLC Email 5/23, Dan Troy Email 5/23
 - Schools Services 2013/14 May Revise Dartboard
3. 2013/2014 General Fund Tentative Budget Recommendation – Action
4. Budget Allocation Model Narrative (BAMIT recommendation, Second Reading) – Action
5. Draft 2013/2014 FRC Meeting Calendar
6. Update FRC Roster
 - Alternates
7. The Pursuit of Growth Funds Next Year – DeCarbo
8. Defining our Charge Back System and Building in Efficiency Checks - DeCarbo
9. Informational Handouts
 - District-wide expenditure report link: <https://intranet.rscsd.edu>
 - Vacant Funded Position List as of May 6, 2013
 - Measure “E” Project Cost Summary as of May 13, 2013
 - Monthly Cash Flow Statement as of April 30, 2013
10. Approval of FRC Minutes – April 17, 2013
11. Other

Next FRC Committee Meeting: (District Office Board Room 1:30 pm – 3:00 pm)

August 21, 2013

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.

Rancho Santiago Community College District

Sound Fiscal Management Self-Assessment Checklist 2013/2014

1. Deficit Spending - Is this area acceptable? **YES**

Is the district spending within their revenue budget in the current year? **No**

The district had budgeted deficit spending (current year expenditures exceeding current year revenue) of its Budget Stabilization Fund in 2011/12 of \$8.3 million (with an actual spend down of \$3 million) and has planned for deficit spending in the adopted budget for 2012/13 of \$7.2 million. The expected spend down is anticipated to be less than this amount and the tentative budget for 2013/14 again will utilize the Budget Stabilization Fund. Although the district at this time is not spending within the earned revenues, with a beginning reserve in 2011/12 and 2012/13 of over \$43 million, these were conscious decisions to utilize these funds for stabilization purposes.

Has the district controlled deficit spending over multiple years? **Yes**

Is deficit spending addressed by fund balance, ongoing revenue increases, or expenditure reductions? **Currently addressed using one-time funding through the Budget Stabilization Fund.**

Are district revenue estimates based upon past history? **Reserve estimates are based on a number of factors including State Chancellor's Office and Department of Finance estimates and local revenue estimates which are evaluated each year.**

Does the district automatically build in growth revenue estimates? **No, FTES growth must be earned before the revenue is budgeted.**

2. Fund Balance – Is this area acceptable? **YES**

Is the district's fund balance stable or consistently increasing? **Yes, other than the planned deficit spending in 2011/12 through 2013/14.**

Is the fund balance increasing due to on-going revenue increases and/or expenditure reductions? **The fund balance had grown in the previous years mainly due to conservative revenue estimates and anticipated state budget reductions that did not materialize within that fiscal year.**

3. Enrollment - Is this area acceptable? **NO**

Has the district's enrollment been increasing or stable for multiple years? **Enrollment has been declining due to state cutbacks.**

Are the district's enrollment projections updated at least semiannually? **No.**

Are staffing adjustments consistent with the enrollment trends? **Campuses and centers manage enrollment trends and staffing.**

Does the district analyze enrollment and full time equivalent students (FTES) data? **The district only prepares 320 reports to the State Chancellor's Office. The campuses manage enrollement.**

Does the district track historical data to establish future trends between P-1 and annual for projection purposes? **The district prepares FTES information in spreadsheets for the colleges to utilize.**

Has the district avoided stabilization funding? **No, the district did not earn maximum funded FTES in 2011/12 and was in stabilization and therefore is in restoration in 2012/13. The district does not expect to fully restore the FTES in 2012/13 unless it borrows from summer 2013.**

4. Unrestricted General Fund Balance – Is this area acceptable? **YES**

Is the district's unrestricted general fund balance consistently maintained at or above the recommended minimum prudent level (5% of the total unrestricted general fund expenditures)? **Yes, the unrestricted ending fund balance has not been below 8% since 2006/07.**

Is the district's unrestricted fund balance maintained throughout the year? **Yes, although Budget Stabilization Funds are temporarily being used to offset the current year budgeted deficit spending.**

5. Cash Flow Borrowing - Is this area acceptable? **YES**

Can the district manage its cash flow without interfund borrowing? **Yes. Currently the district is managing its cash flow without the need for interfund borrowing.**

Is the district repaying TRANS and/or borrowed funds within the required statutory period? **N/A**

6. Bargaining Agreements - Is this area acceptable? NO/YES

Has the district settled bargaining agreements within new revenue sources during the past three years? **No, salary and benefit increases have been negotiated even though revenues are declining. The Faculty collective bargaining agreement includes a 9th place ranking formula. This formula requires salary increases even without additional sources of ongoing funds.**

Did the district conduct a pre-settlement analysis identifying an ongoing revenue source to support the agreement? **Fiscal Services prepared a total compensation cost analysis after the negotiated settlement; however no ongoing revenue source could be identified to cover the additional ongoing salary and benefits costs. One-time Budget Stabilization Funds are being utilized to offset this ongoing cost increase.**

Did the district correctly identify the related costs? **Both the salary and related benefits costs were identified after the settlement.**

Did the district address budget reductions necessary to sustain the total compensation increase? **One-time Budget Stabilization Funds are being utilized to offset this ongoing cost increase. Future reductions will be necessary without additional revenue sources.**

7. Unrestricted General Fund Staffing - Is this area acceptable? NO

Is the district ensuring it is not using one-time funds to pay for permanent staff or other ongoing expenses? **No, however the district continues to transition to a new budget model. In 2012/13 the district established a new fund (Fund 13) to account for one-time, and carryover unrestricted general funds separately from Fund 11. Fund 11 will account for ongoing unrestricted general funds to balance current year revenues with current year expenses. As the 2013/14 tentative budget calls for deficit spending at this time, one-time funds are being used for ongoing costs.**

Is the percentage of district general fund budget allocated to salaries and benefits at or less than the statewide average (i.e. the statewide average for 2003-04 is 85%)? **Yes. The 2013/14 tentative budget shows 84.3%.**

8. Internal Controls - Is this area acceptable? YES

Does the district have adequate internal controls to insure the integrity of the general ledger? **Yes.**

Does the district have adequate internal controls to safeguard the district's assets? **Yes.**

Both of these are evidenced by unqualified audit opinions with no material weaknesses or significant deficiencies noted recently, with only minor federal and state compliance issues noted.

9. Management Information Systems - Is this area acceptable? YES

Is the district data accurate and timely? **Yes.**

Are the county and state reports filed in a timely manner? **Yes.**

Are key fiscal reports readily available and understandable? **Yes.**

10. Position Control – Is this area acceptable? NO

Is position control integrated with payroll? **No. The district is currently in process of creating and programming a position control system. Phase I went live in 2012/13 and includes only a salary encumbrance system for full- and part-time staff salaries.**

Does the district control unauthorized hiring? **Human Resources processes all hiring in accordance with board policies and procedures.**

Does the district have controls over part-time academic staff hiring? **Human Resources processes all hiring in accordance with board policies and procedures.**

11. Budget Monitoring - Is this area acceptable? YES

Is there sufficient consideration to the budget, related to long-term bargaining agreements? **The district is implementing Multi-Year Projection models (MYP) for use in collective bargaining and budget preparation.**

Are budget revisions completed in a timely manner? **Yes, monthly.**

Does the district openly discuss the impact of budget revisions at the board level? **Budget updates are presented to and discussed with the Board of Trustees at regularly scheduled public meetings.**

Are budget revisions made or confirmed by the board in a timely manner after the collective bargaining agreements are ratified? **Yes.**

Has the district's long-term debt decreased from the prior fiscal year? **Yes.**

Has the district identified the repayment sources for the long-term debt? **The district's budget assumptions include funding the OPEB liability at 1% of salaries plus \$500,000 each year. In 2011/12, the district contributed the full Annual Required Contribution (ARC).**

Does the district compile annualized revenue and expenditure projections throughout the year? **Yes, district Fiscal Services does make projections throughout the year. In the new revenue allocation budget model, it will be important for the colleges to do their own frequent projections as well.**

12. Retiree Health Benefits - Is this area acceptable? YES

Has the district completed an actuarial calculation to determine the unfunded liability? **Yes, the district contracts for a new actuarial study every other year.**

Does the district have a plan for addressing the retiree benefits liabilities? **Although the district's budget assumptions call for funding the OPEB liability at 1% of salaries plus \$500,000 each year, this does not fund the full Annual Required Contribution (ARC). The district has taken significant steps toward funding this long-term liability by contributing additional funds to the Retiree Benefits Fund, although this still poses a large burden on future budgets, primarily the annual premium cost increases for lifetime health benefits.**

13. Leadership/Stability - Is this area acceptable? YES

Has the district experienced recent turnover in its management team (including the Chief Executive Officer, Chief Business Officer, and Board of Trustees)? **No.**

14. District Liability – Is this area acceptable? YES

Has the district performed the proper legal analysis regarding potential lawsuits that may require the district to maintain increased reserve levels? **Yes. The district belongs to Joint Powers Authority (JPA) for property and liability insurance, which helps analyze and monitor liability.**

Has the district set up contingent liabilities for anticipated settlements, legal fees, etc? **Yes.**

15. Reporting – Is this area acceptable? YES

Has the district filed the annual audit report with the System Office on a timely basis? **Yes.**

Has the district taken appropriate actions to address material findings cited in their annual audit report? **Yes, the district takes audit findings seriously and promptly corrects any issues.**

Has the district met the requirements of the 50 percent law? **Yes, to date the district is slightly above 50%.**

Have the Quarterly Financial Status Reports (CCFS-311Q), Annual Financial and Budget Reports (CCFS-311), and Apportionment Attendance Reports (CCFS-320) been submitted to the System Office on or before the stated deadlines? **Yes.**

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
2007-08 to 2013-14
Proposition 98

5/29/13 10:12 AM

BUDGET ITEMS	2007-08 REVISED BUDGET ACT	2013-2014 GOVERNOR MAY REVISION	2013-14 SENATE ACTIONS	2013-14 ASSEMBLY ACTIONS
General Apportionment				
General Fund Apportionments	3,079,349	1,644,747	1,761,410	1,820,980
Growth for Apportionments	106,373	89,421	89,421	90,501
	3,185,722	1,734,168	1,850,831	1,911,481
Categorical Programs				
Apprenticeship - CCC FLEXED	15,229	7,174	7,174	15,468
Apprenticeship - K-12 NON-FLEXED		15,694	15,694	
Basic Skills	33,100	20,037	20,037	33,620
Student Financial Aid Administration	51,640	67,537	67,537	72,140
Extended Opportunity Programs and Services	106,786	64,273	89,273	117,195
CARE	15,505	9,332	10,632	17,016
Disabled Students	115,011	69,223	94,223	126,817
Special Services for CalWORKs Recipients	43,580	26,695	34,539	44,264
Foster Care Education Program	5,242	5,254	5,254	5,336
Matriculation	101,803	99,183	99,183	113,401
Academic Senate for the Community Colleges	467	318	415	474
Equal Employment Opportunity	1,747	767	767	779
Part-time Faculty Health Insurance	1,000	490	823	1,016
Part-time Faculty Compensation	50,828	24,907	24,907	51,626
Part-time Faculty Office Hours	7,172	3,514	5,932	7,285
Telecommunications and Technology Services	26,197	15,290	15,290	15,530
Fund for Student Success	6,158	3,792	3,792	6,255
Economic Development	40,690	22,929	22,929	23,289
Transfer Education and Articulation	1,424	698	698	1,446
Physical Plant and Instructional Support	27,345	-	-	-
Career Technical Education	10,000	-	-	-
Childcare Tax Bail Out	6,836	3,350	3,350	7,655
Nursing Support	20,957	13,378	13,378	22,447
Adult Education		30,000	30,000	7,200
Common Assessment				10,000
Online Ed		16,910	16,910	16,910
Categorical Sub-total	688,717	520,745	582,737	717,169
Total 6870-101 Item	3,874,439	2,254,913	2,433,568	2,628,650
General Funds (Fed Funds backed out)	3,874,439	2,254,913	2,433,568	2,628,650
Revenue Bond Debt Service	63,111	63,583	63,583	63,583
FCMAT	570	570	570	570
Mandates	4,000	33,355	33,355	33,355
Energy Efficiency Projects (Prop 39)		51,000	51,000	51,000
Deferral (SBX4 16 Sec XX)	200,000	621,233	621,233	401,134
Education Protection Act		688,710	688,710	688,710
TECH ADJ : NEW DEFERRAL & QEIA		48,000	48,000	48,000
P-98 Over Appropriation Shift (SB 1133)				
RDA Backfill/Offset				
Subtotal General Fund	4,142,120	3,761,364	3,940,019	3,915,002
Local Property Taxes	1,970,767	2,241,815	2,241,815	2,241,815
Total Proposition 98	6,112,887	6,003,179	6,181,834	6,156,817

DRAFT
2013-14 MAY REVISION
(Discussion)

Overview

Governor Brown released his 2013-14 May Revision spending plan on Tuesday, May 14th and surprised budget watchers by scoring lower revenue projections in the current year and budget year. The Governor acknowledged the receipt of a \$4.5 billion of unexpected tax revenues; however the Administration asserted the majority of these revenues are one time and thus will not provide the state with ongoing revenues to address recent cuts – particularly on the non-Proposition 98 side of the budget.

The notable changes included in the May Revision impact the following areas:

- K-14 Proposition 98:
 - Proposition 98 increase of \$2.9 billion attributed to higher revenues
 - Refinements to both the K-12 local control funding formula and the adult education proposal
 - Faster deferral buy-down schedule than identified in January
 - \$1B of one-time revenue to address K-12 professional development surrounding common core
- Medi-Cal expansion in response to the federal affordable care act
- Changes to the Enterprise Zone Program
- Select backfill of federal sequestration reductions
- No restoration of funding for health and human services program.

Proposition 98 — 2012-13 Current Year (CY) and 2013-14 Budget Year (BY)

In the May Revision, the Administration proposes a \$55.5 B Proposition 98 guarantee. In January, the Administration proposed \$56.2 B for the BY; however NOW based upon lower revenue projections Proposition 98 is proposed to receive \$900 M less in ongoing revenue. The Administration has also revised the 2012-13 Proposition 98 guarantee to equal \$56.5 B. This represents a \$3 billion dollar increase over the \$53.5 B proposed in January and the Administration is proposing the increase be directed at one-time expenditures.

Proposition 98 Components

Total Guarantee

2012-13: \$56.5 B (In January \$53.5B)

2013-14: \$53.5 B (In January \$56.2B)

K-12/Community College Split

2012-13 CCC 10.55% K-12 89.45% (In January CCC 10.83% K-12 89.17%; CCC in May Revise are proposed to receive roughly \$21 million less using the statutory split of 10.93%)

2013-14 CCC 10.88% K-12 89.12% (In January CCC 11.38% -higher split driven primarily by scoring \$300 of adult ed proposal to CCCs and K-12 88.62%; CCCs in May Revise are proposed to receive roughly \$3 million less using the statutory split of 10.93%)

Year-to-year change

CCC: (-\$393) million (In January +\$597 million)
K-12: (-\$548) million (In January +\$2,061 million)

The Administration's Proposition 98 proposal for the budget year is premised on a Test 3 calculation which is based on the change in per-capita General Fund. Test 3 is used in low revenue years when General Fund revenues decline or grow slowly. A "low revenue year" is defined as one in which General Fund revenue growth per-capita lags behind per-capita personal income growth.

The cost-of-living adjustment (COLA) factor is calculated at 1.57% and the Administration is proposing an \$87.5 million augmentation to the unrestricted Apportionment for the community colleges to fund the COLA.

It should be noted that both K-12 and community colleges received no COLA adjustment for the five years of 2008-09 to 2012-13; however, K-12 will eventually have its foregone COLA scored and restored through the 2012-13 fiscal year under the governor's proposal. The K-12 deficit factor adjustment essentially backfills the lost purchasing power once the state's budget situation improves. For K-12, the Governor is proposing that under the new "Local Flexibility Funding," no deficit factor would be created for K-12 beginning in the 2013-14 fiscal year. While there is neither a statutory timetable for the repayment nor a statutory requirement to create a deficit factor, K-12 has consistently elevated this as a top priority and the factor has historically been funded. It should be emphasized that for the community colleges, the lack of COLA for the period 2007-08 through 2012-13 created a cumulative loss of purchasing power totaling 18.3% and translates into roughly \$994 million.

California Community Colleges

The community colleges are projected to receive -\$394 million LESS Proposition 98 in 2013-14. The following are the community college May Revision highlights:

Adult Education. The Administration withdraws their original proposal and reduces the \$300 million augmentation in favor of a proposal which provides more time to transition, is less destabilizing to the community colleges, and promotes collaboration between K-12 and CCC adult education providers. The Administration proposes the programmatic changes occur in the budget process via budget bill language and the education trailer bill. Specifically the proposal provides:

- \$30 M for planning and implementation grants allocated to be distributed to regional consortia of community colleges and school districts. The regional consortia will create a plan to serve adults in the region. Awardees would be selected by the Chancellor's Office and the State Department of Education and the funds would be appropriated in the CCC budget. In addition, the Administration proposes the typically one year encumbrance period be extended to two years in recognition of the time it will take to assemble the regional consortia.
- Regional consortia participants could include local correctional facilities, other local public entities, and community based organizations.
- Beginning in 2015-16, the Administration proposes \$500 million of NEW Proposition 98 funds for the "Adult Education Partnership Program" which shall be administered by the Chancellor's Office. In order to be funded, a regional consortia shall include at a

minimum one community college district (who will act as the fiscal agent) and one school district.

- The funding rate for the regional consortia shall equal the career development college preparation rate (enhanced non-credit rate) of \$3,232 per FTES (any statutory COLA proposed in 2013-14, 2014-15, and 2015-16 would increase the rate). It should be noted, prior to categorical flexibility K-12 adult education was funded at \$2,645 per ADA.
- The Administration's plan specifies that only five non-credit categories (adult elementary and secondary education, vocational training, English as a second language, adults with disabilities, and citizenship) be funded by the new "Adult Education Partnership" program; HOWEVER a community college district may still have funded through the regular apportionment all nine non-credit categories specified in the Education code 84757 (parenting, programs for older adults, education programs for home economics, and health and safety education).
- Of the funds made available for the Adult Education Partnership Program, a MINIMUM of 2/3rds shall be restricted to existing providers in a regional consortia if they maintain their 2012-13 level of state funded spending for adult education and correctional education in 2013-14 and 2014-15.
- The Administration defines pre-collegiate course offerings as "adult education" and community colleges districts who offer this type of instruction will have it counted toward their maintenance of effort. The administration is NOT proposing to fund pre-collegiate credit courses now funded through the unrestricted apportionment at the lower career development college preparation rate beginning in 2015-16. Given CCCs are the largest providers of adult education/non-credit/pre-collegiate courses in the state it is expected much of the new funding will be earmarked for community colleges.

OTHER SIGNIFICANT COMMUNITY COLLEGE ADJUSTMENTS

Budget Year

- \$87.5 million to fund a 1.57% COLA to the unrestricted apportionment
- \$89.4 million to fund 1.63% of enrollment restoration/access
- \$64 million of additional deferral buy-down. This amount represents 10% of the outstanding deferral (\$621 million) and reduces the outstanding deferral to \$557 million in the budget year.
- \$50 million to fund an augmentation of the Matriculation/Student Success and Support categorical program
 - Includes budget bill language which permits the Chancellor to utilize up to \$7 million for the purpose of procuring and/or developing E-Transcript and E-Planning tools.
 - The Administration withdrew its proposal to change census accounting practices and the May Revision proposes to develop for consideration, as part of the 2014-15 Budget, "a broad-based framework to improve student success and establish appropriate incentives to encourage course and degree completions, as well as cost effectiveness".
- Policy – Continue to require all students complete a FAFSA in order to obtain financial aid (including the BOG fee waiver). Provides one academic term to

complete all documentation necessary to validate financial need and requires the Board of Governors develop standards for documenting independent student status. This policy would commence in the 2014-15 year.

- This change to the current Board of Governors fee waiver eligibility criteria coupled with the requirement to complete a FAFSA will likely result in fewer BOG recipients. Staff note this as an issue, because several funding formulas are driven by the number of BOG recipients which will result in a reduced level for the Student Financial Aid Administration categorical program (-\$3.5 million) at exactly the time additional workload is placed upon financial aid offices.

Current Year

- \$179 million of additional deferral buy-down; this amount is added to the \$159 million earmarked in June 2012 during the 2012-13 budget deliberations. The two amounts combined equal \$339 million (35% buy-down of the outstanding \$961 deferral) and reduces the original \$961 million deferral to \$621 million in the current year.

OTHER SIGNIFICANT NON-PROPOSITION 98 ADJUSTMENTS

Student Aid Commission

- A decrease of \$23.6 M GF in 2012-13 and \$42 M GF in 2013-14 to reflect revised participation estimates in the Cal Grant program.

Analysis

The Administration's Adult Education proposal is much improved from the original proposal released in February. The Administration's revised adult education proposal provides each district with flexibility to evaluate local priorities and determine the type of non credit courses to be offered. In addition, the Administration's plan rewards districts who continued to prioritize the delivery of adult education during the fiscal downturn and despite the revenue uncertainty surrounding the passage of Proposition 30. While significant concern was raised in February regarding establishing the adult education program as a categorical, it should be noted that the Education trailer bill language ensures that at a minimum funding rate for the new program will receive a cost of living adjustment each time one is provided in the state budget. Over the two year planning period perhaps a mechanism can be devised to ensure the program receives "growth" in the future.

Huegli, Gina

From: Troy, Dan [dtroy@CCCCO.EDU]
Sent: Tuesday, May 14, 2013 10:28 AM
To: SO2CBO@LISTSERV.CCCNEXT.NET
Subject: May Revision Highlights

Colleagues,

Below are the highlights of the Governor's May Revision proposal as it relates to the California Community Colleges. Please note that more detailed information is required to fully analyze the impact of the proposals, but I thought it would be helpful to communicate the high-level details. There will be more details to discuss over the next few days and weeks.

May Revision Highlights*

***Please note that details are revealed slowly. The figures referenced below are may be rounded, and policy initiative details require an examination of related trailer bill language, which has not been released to us at this time.**

Policy Proposals –

- 1) 90-unit cap proposal withdrawn
- 2) Census proposal withdrawn
- 3) Online proposal doesn't change
- 4) FAFSA: require BOG to develop process for determining student independence (e.g., prior year tax return).
Allow 1 term grace period for completion of FAFSA.

Adult Ed –

- Initial proposal withdrawn
- \$30M, to be spent over 2 years, is proposed for planning of regional adult ed programs (consortium that could include CCDs, K12, CBOs, jails, etc.)
- Plan is for \$500M to be appropriated in 2015-16
- Entities participating in consortia must maintain 12-13 effort to be eligible for any new funds
- All programs funded at CDCP rate
- Instructor qualifications subject to consortium plans

Budget Year –

- About \$227M in programmatic funds (\$30M more than was proposed in January)
- The Governor would allocate the funds as follows:
 1. \$87.5M for COLA (1.57%),
 2. \$89.4M to restore access (1.63%)
 3. \$50M for the Student Success and Support Program (the old Matriculation program) with an allowance that up to \$7M could be shifted from that amount to develop e-transcript and e-planning tools.

Deferral Buy Down –

- The Governor proposes to use the current year increase in Proposition 98 obligations to pay down an additional \$179.9M in deferrals. This would reduce the total system-wide deferral to \$621.2M.
- The Governor would further pay down an additional \$64.5M in deferrals in the budget year, reducing the system-wide deferral to \$557.5M.

RDAs –

Statute passed concurrent with the 2012-13 budget requires the state to backfill any shortage in property taxes related to the dissolution of RDAs that were assumed as part of the CCC budget. This truing up process is required to be done on or before June 30.

Currently, the Department of Finance's estimate of this shortfall differs greatly from the reports of actual disbursements our office has received from the counties. While exact estimates from Finance are not yet available as of this writing, they believe we will receive approximately \$150M more by June than what has been reported to us so far this year.

Ensuring that the full current year backfill is provided by June 30 is our most important priority, and Department of Finance continues to assure us that it will be provided, whatever the final figures are. We will work with staff to communicate the importance of truing up our budget. Certainly, ensuring the current year apportionment is not deficiated should take precedence over any other proposals.

I will communicate more details as they become available. The next step includes review by legislative committees, which should begin next week.

Regards,
Dan Troy

Vice Chancellor, College Finance and Facilities Planning
California Community Colleges Chancellor's Office

Huegli, Gina

From: Scott Lay [scottlay@cleague.org]
Sent: Tuesday, May 14, 2013 11:08 AM
To: O'Connor, Adam
Subject: Budget Update: Governor releases May Revision (05/14/2013)



May 14, 2013

Dear Adam,

Governor Brown released his revised 2013-2014 budget proposal this morning:

2013-14 Governor's State Budget Proposal		
Item	January Proposal	May Proposal
Apportionment Changes	\$196.9 million, unspecified	<ul style="list-style-type: none"> • Cost-of-living adjustment: \$87,500,000 (1.57%) • Enrollment growth: \$89,400,000 (1.5%)
Student Success (formerly Matriculation):	\$49,183,000	\$99,183,000
Expanding the Delivery of Courses through Technology:	\$16,910,000	\$16,910,000
Adult Education:	\$315,700,000 and shift existing adult education responsibility to community colleges	\$30,000,000 for two-year planning grants, with a \$500,000,000 pot available in 2015-16 for regional consortia of schools and CCs. Apprenticeship would continue to be transferred to the Chancellor's Office.
Deferral Buy-down	\$179,000,000	\$341,000,000 (one-time funds in 2012-13)
Change apportionment to weighted census	Proposed	(Not discussed in May Revision documents; already rejected by legislative committees)
Require FAFSA for BOG Waivers	Proposed	Implement a requirement in 2014-15 to require students to complete FAFSA after one term and to require Board of Governors to develop standards for documenting independent student status.

Implement 90-unit cap on state support (full student cost beyond 90)	Proposed	(Not discussed in May Revision documents; already rejected by legislative committees)
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We are diving into the details of the May Revision, and are concerned that the significant current year deficit is not addressed. However, we applaud the governor for finding a balanced approach to student access, success, and equity, as well as his recognition that more time is needed to provide a seamless transition to a new model of delivering adult and noncredit education.

The Legislature is now expected to begin taking action on the final budget, with completion by June 15. We will be meeting with the Consultation Council on Thursday and the CEOCCC board on Friday to develop an advocacy response.

We hope that we can continue to count on your strong support!

If you have any questions, please don't hesitate to contact me at scottlay@ccleague.org or Theresa Tena at ttena@ccleague.org.

Sincerely,



Scott Lay
 President and Chief Executive Officer
 Orange Coast College '94

Community College League of California
2017 O Street, Sacramento, California 95811
916.444.8641 . www.ccleague.org

From: McCallum Group, Inc. [sacramento@mcgroup.com]
Sent: Tuesday, May 14, 2013 12:37 PM
To: O'Connor, Adam
Subject: Sacramento Report - May Revise

If you're having trouble viewing this email, you may [see it online](#).



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BUDGET UPDATE - May Revise

The administration released their updated budget proposal known as the May Revise this morning. As expected, revenues are well above January budget proposal estimates. While current analysis has the state running approximately \$4.5 billion above January budget proposal estimates, the administration was conservative in their estimates and determined that revenues will be approximately \$2.8 billion above January estimates through the end of the fiscal year.

For the budget year, the administration indicates due to some federal actions or inactions estimated personal income growth has dropped from 4.3% to 2.2%. Due to the changed economic projections, May Revise revenue estimates for next year are down by approximately \$1.8 billion from the January proposal. Additionally, the administration is proposing a \$1.1 billion reserve. With the added revenues in the current year, the administration proposes to significantly increase the level of payments to reduce deferred payments.

The administration proposes the following for community colleges:

Current Year (2012-13)

- \$340 million deferral buy down

Budget Year (2013-14)

- \$227 million in programmatic funding (up from \$197 million in January)
 - \$87.5 million for COLA (1.57%)
 - \$89.4 million for restoration of access (1.63%)
 - \$50 million for the Student Success and Support Program with allowance of up to \$7 million for development of e-transcript and e-panning tools
- \$64.5 million deferral buy down

Adult Education

- Withdrawal of January budget proposal
- \$30 million in 2013-14 for planning and implementation grants
- \$500 million in 2015-16 to fund adult education programs jointly run by regional consortia of school districts and community college districts. Available funding will not be available for parenting, home economics and programs for older adults.
- Districts making up the consortium must maintain current level of spending for adult education in 2013-14 and into the future to be eligible for funding.

Proposition 39

- Additional \$1.5 million in funding for total of \$51 million
 -
- The administration continues to propose that the funding go out on an FTES basis with broad authority for use of the funds.

Policy Proposals

- 90-unit cap proposal withdrawn
- Census date proposal withdrawn (administration indicates that they will propose to develop for consideration as part of 2014-15 budget a broad based framework to improve student success that includes incentives to encourage course and degree completions as well as cost effectiveness).
- FASFA proposal: requires the Board of Governors to develop a process for determining student independence and provides for one-academic term for completion of FASFA.

Provides for new policy commencing with 2014-15 academic year.

- **Online Education proposal remains unchanged.**

The constitutional deadline for passage of the budget is June 15th. With the relatively new authority to pass a budget with a majority vote and members losing pay if a budget is not passed by the deadline, it is almost assured that a budget will be passed by June 15th. This leaves a small window of time for legislative budget committees to meet to craft the Legislature's version of the budget. The Legislature will be moving rapidly in the coming weeks.

There are still a number of questions around the budget. The Assembly and Senate Education Budget Committees seem inclined to put additional funding into categorical programs other than the Student Success and Support Initiative. It is unclear if, with such a large deferral buy down in the current year, the Legislature will want to redirect some of the \$65 million in deferral buy down in the budget year to programmatic funding, specifically DSPS and EOPS. Additionally, there are questions as to whether or not the current year deferral buy down funding might be able to be spent in other one time areas like deferred maintenance or other one time student success expenses.

We are still analyzing the administration's May Revise proposal and getting more details on some of the administration's proposal changes.

We will have additional information and updates in Monday's Sacramento Report.

**McCallum Group, Inc.
1415 L Street, Suite 720
Sacramento, CA 95814**

916-446-5058 - Phone
916-446-4542- Fax

info@mccallumgroupinc.com
www.mccallumgroupinc.com
www.collegebraintrust.com

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Free COMMUNITY COLLEGE UPDATE

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Volume 26

For Publication Date: May 17, 2013

No. 10

Early News on May Revision

Today, May 14, 2013, Governor Jerry Brown unveiled his May Revision State Budget for 2013-14. While we have much to wade through and analyze about this proposed Budget, here are the initial highlights:

Adult Education: Governor Brown dropped his January proposal to shift K-12 Adult Education programs to community colleges and to eliminate noncredit funding. Instead, Governor Brown proposes the status quo for two years with \$30 million in one-time funds for planning and implementation grants, along with \$500 million in ongoing funds starting in 2015-16 to fund adult education programs jointly operated by community colleges and school districts on a regional basis.

Apportionments: Governor Brown increased his January proposal for an increase to apportionments by \$30 million, for a total of \$226.9 million:

- \$87.5 million to fund a cost-of-living adjustment of 1.57%
- \$89.4 million for growth
- \$50 million for additional student support services, including orientation, assessments, counseling, advising, and education planning, as in the Student Success Act

Deferrals: Governor Brown proposes to use the \$179.9 million in deferral buy downs in his January Budget for 2013-14, instead be applied to 2012-13, because of the increase in Proposition 98 funds available in the current year. He then proposes an additional \$63.7 million to buy down cross-year deferrals starting in 2013-14, resulting in a total remaining deferral amount of \$557.5 million in 2013-14.

Census Dates: Governor Brown withdraws his January proposal for census date reform. He has replaced it with a proposal for consideration in the 2014-15 State Budget for a process to develop a broad-based framework to improve student success and establish appropriate incentives.

90-Unit Cap: Governor Brown withdraws his January proposal to impose a 90-unit cap on state funded units.

Fee Waivers: Governor Brown postpones his January proposal to require that each student be required to fill out a Free Application for Federal Student Aid and include both parent and student income. He proposes:

- To provide students one academic term to collect all documentation necessary to validate financial need
- That the Board of Governors establish criteria that provide emancipated students the opportunity to demonstrate that they are living independently of their parents and are financially in need

- That the new policies become effective in 2014-15

Apprenticeship: Governor Brown proposes status quo for the current structure of apprenticeship programs but removes them from the categorical flexibility list.

As we work our way through the details that are available, we will provide a more comprehensive report to you later today.

—*Sheila G. Vickers*

posted 05/14/2013

SSC COMMUNITY COLLEGE UPDATE

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No. 10

An Overview of the 2013-14 Governor's May Revision

Preface

Governor Jerry Brown's announcement of his May Revision to his January Governor's Budget proposals was a mixture of good news and bad news. Against a backdrop of increased current-year and reduced future-year economic expectations, the Administration made decisions regarding the appropriate allocation of funds.

First, the good news: the Governor recognized increased revenues to be received by the state in 2012-13 of \$4.5 billion above the level anticipated in January. The biggest downside is the Governor's revised revenue forecast for 2013-14. On the heels of a very positive revision for 2012-13 revenues, the Governor projects a downward adjustment to state revenues for 2013-14.

The Governor chose to put a significant portion of the Proposition 98 gains against a bigger buy down of deferrals. While we agree that deferrals need to be taken down, the pace of the buyback competes with program dollars in the near term.

Proposition 98

Proposition 98 sets, in the State Constitution, a series of complex formulas that establish the minimum funding level for K-12 education and the community colleges from one year to the next. This target level is determined by prior-year appropriations that count toward the guarantee, plus (1) workload changes as measured by the change in K-12 average daily attendance (ADA) and (2) inflation adjustments as measured by the change in either per capita personal income or per capita state General Fund revenues, whichever is less. Under certain circumstances, the minimum level is set by a fixed percentage of General Fund revenues, called "Test 1," and it is this percentage that determined the Proposition 98 funding level for both 2011-12 and 2012-13. For 2013-14, the Governor's Budget projects that the Proposition 98 minimum guarantee will be determined by "Test 3," adjusting the guarantee based on the change in per capita state General Fund revenues.

The Governor's May Revision shows an increase to the Proposition 98 minimum guarantee of \$2.9 billion in the current year compared with his January Budget estimate, pegging the 2012-13 guarantee at \$56.5 billion. However, because the Governor's May Revision also forecasts a weakening economy that results in a forecast of declining state revenues for 2013-14, the 2013-14 Proposition 98 guarantee is estimated to drop by \$941 million in the Budget year, to \$55.3 billion. In January, the Governor's Budget estimated that the 2012-13 Proposition 98 guarantee was "over appropriated" by \$163 million, and proposed to use those funds to pre-pay obligations under the terms of the *CTA v. Schwarzenegger* settlement agreement for the Quality Education Investment Act (QEIA) program. Because of the revised estimate that increases the 2012-13 guarantee by \$2.9 billion, that proposal is now rescinded, and the QEIA payment will be made according to the settlement schedule.

While we are seeing dramatic swings in the calculation of the Proposition 98 minimum guarantee in 2012-13 and 2013-14 compared to the Governor's January Budget proposal, ongoing K-14 programmatic spending under the May Revision stays relatively unchanged. Current-year increases are proposed to be used for one-time purposes—to increase the deferral buyback - and the impact of the Budget-year decrease in Proposition 98 funding is offset by reducing the amount of the deferral buyback that was proposed in January for 2013-14 rather than making significant adjustments to the spending proposed for other purposes.

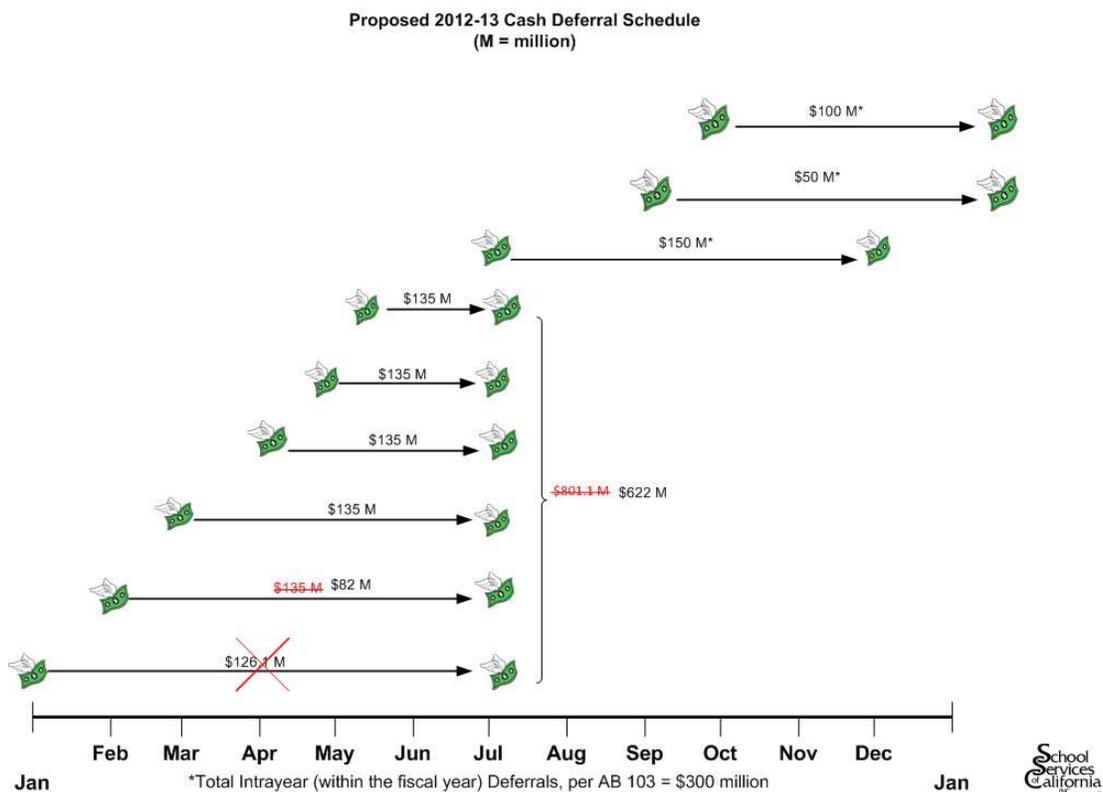
Community College Apportionments and Deferrals

The chart below illustrates the apportionment-related proposals from the Governor's January Budget and compares them to the May Revision proposals:

	January	May Revision
Apportionment Increase	\$196.9 million (or 3.6%)	\$226.9 million
Allocation Methodology	To be determined by the Board of Governors (BOG)	<ul style="list-style-type: none"> • \$87.5 million for the 1.57% cost-of-living adjustment • \$89.4 million (1.63%) for growth/workload restoration • \$50 million for additional student support services including orientation, assessments, counseling, advising, and education planning, in accordance with the Student Success Act of 2012
Deferral Buy Down	\$179.9 million for cross-year deferrals	\$243.6 million total
Timeline	2013-14	\$179.9 million in 2012-13 \$63.7 million in 2013-14
Deferrals Remaining After 2013-14	\$621.2 million	\$557.5 million

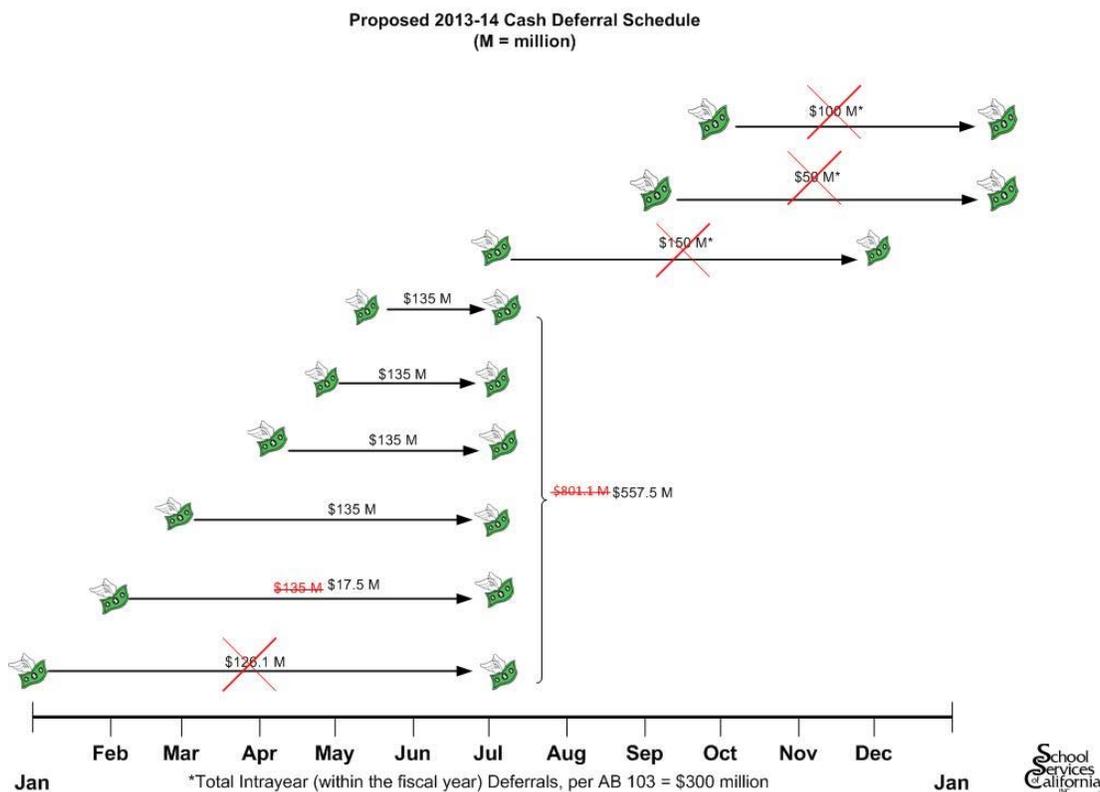
Of the \$50 million noted above for additional student support services, up to \$7 million can be used by the Chancellor's Office to purchase and/or develop E-Transcript and E-Planning tools.

The chart below illustrates the Governor's proposed revised deferral schedule for 2012-13:



The above chart reflects a reduction in deferrals across the 2012-13 fiscal year end from \$801.1 million to \$622 million. However, in reality, local districts won't see an improvement in their cash between now and the end of the year because this is not in current statute and modifying the cash disbursement processes for May and June is logistically impractical. But this maneuver allows the Administration to score the \$179.9 million in cash deferral buy down toward 2012-13 Proposition 98 expenditures.

The chart below illustrates the Governor's proposed cash deferral schedule for 2013-14:



Redevelopment Agencies

Assembly Bill 26 of the First Extraordinary Session (Chapter 5/2011) eliminated the state's redevelopment agencies (RDAs). The successor agencies that followed are tasked with retiring the former RDAs' outstanding debts and utilizing the property tax revenue that the former RDAs would have received to retire the debts and other contractual or "enforceable obligations" they are required to pay. Any property tax revenue remaining after payment of enforceable obligations is distributed to cities, counties, special districts, and K-14 schools located within the boundaries of the former RDAs pursuant to the existing formulas. These residual pass-through payments that go to K-14 schools result in an offset of state Proposition 98 General Fund expenditures.

The May Revision estimates Proposition 98 General Fund savings resulting from the dissolution of RDAs to be \$2.1 billion in 2012-13, which is the same as in the Governor's January Budget. In 2013-14, Proposition 98 General Fund savings are estimated to be \$1.5 billion, which is \$400 million higher than the amount provided in the Governor's Budget. This revision has no net effect on local community college funding levels.

Adult Education

The Governor's May Revision proposes maintaining the status quo for existing K-12 and community college adult education programs for two years. His new proposal allows school districts and community colleges to retain authority to independently continue existing adult education programs but provide that over time, they will join a regional adult education consortium to gain access to additional dedicated adult education funding and to ensure coordination with other local adult education providers.

The May Revision withdraws the \$300 million augmentation proposed for community colleges for adult education in the January Budget. It also withdraws the proposed elimination of noncredit funding. Instead, the May Revision includes \$30 million in 2013-14 for two-year planning and implementation grants and conveys the Administration's intent to provide \$500 million in Proposition 98 funds effective 2015-16 to fund adult education schools jointly operated by regional consortia of K-12 and community college districts. The planning grant applications must identify how the consortia will integrate existing programs with the new partnership program, including how to best serve adults in local correctional facilities. The California Department of Education and Chancellor's Office are charged with jointly reviewing the plans and allocating future funding. At least \$350 million of the proposed \$500 million must be apportioned to existing adult education providers. Priority for funding will be given to English as a Second Language, citizenship, high school diploma, general education development, and workplace education. The consortia will be required to develop course sequencing pathways, providing adult learners with planning tools to attain their goals. The proposal requires districts in each consortium to maintain their current level of adult education spending in 2013-14, 2014-15, and into the future to generate the new funding.

Technology Funds

Unchanged from January, the Governor proposes to dedicate \$16.9 million to increase the number of courses available through the use of technology for:

- Creation of a "virtual campus" to increase statewide access to 250 new courses delivered through technology
- Creation of a common centralized delivery and support infrastructure for all courses delivered through technology and for all colleges
- Expansion of options for students to earn college credit for demonstrated knowledge and skills through credit by exam

Policy Proposals

Governor Brown's May Revision withdraws or changes several policy changes that would have had a significant impact on community college students and funding:

- Governor Brown no longer proposes to place caps on the number of units a higher education student can take—in the case of community colleges, the cap would have been at 90 semester credit units
 - Instead, Governor Brown will focus on "alternative incentives to increase cost effectiveness"
- Governor Brown no longer proposes to apportion funding to community colleges based on course completion instead of the current census date enrollment
 - Instead, for consideration as part of the 2014-15 State Budget, Governor Brown proposes to develop a framework to improve student success and establish appropriate incentives to encourage course and degree completions
- Governor Brown modified his proposal to require students seeking a BOG fee waiver fill out a Free Application for Federal Student Aid and include both parent and student income to determine waiver eligibility; the revised proposal would:
 - Provide students one academic term to collect all documentation necessary to validate financial need

- Require that the BOG establish criteria that provide emancipated students the opportunity to demonstrate that they are living independently of their parents and are financially in need
- Make the new policies effective in 2014-15

Technical Adjustments

Along with these significant changes, the May Revision also outlines technical adjustments:

- \$70.8 million decrease in Proposition 98 General Fund support to reflect increased property tax revenues
- \$39.8 million decrease in Proposition 98 General Fund support to reflect lower-than-anticipated BOG fee waivers
- \$23.6 million General Fund decrease in 2012-13 and \$42 million General Fund decrease in 2013-14 to reflect revised Cal Grant program participation

Apprenticeship Programs

The May Revision proposes to remove apprenticeship from the list of categorical funds that can be used flexibly and allows community colleges to contract with high schools, unified districts, regional occupational centers/programs, or adult school apprenticeship programs. Governor Brown also proposes to allow colleges to administer programs covering areas outside their district boundaries, similar to K-12 programs.

Cal Grants

As in January, there are no policy changes proposed for Cal Grants, but adjustments are proposed both in the current year and in 2013-14 to accommodate revisions in estimated participation rates.

State Mandates

The May Revision continues the January Proposal to fund the Mandate Block Grant (MBG), enacted in the 2012-13 State Budget, at the same level of \$33.3 million for community colleges. However, the May Revision proposes to move the deadline to decide whether to take the MBG forward from September 30 to August 30 each year starting in 2013-14.

Governor Brown proposes to suspend six additional education mandates to conform with the approach taken on these mandates for local governments: Absentee ballots, Brendon Maguire Act, California Public Records Act, Mandate Reimbursement Process I and II, Open Meetings/Brown Act Reform, and Sex Offenders: Disclosure by Law Enforcement Officers.

There still is no significant funding provided for prior years' cost-based mandate claims. However, as part of a multiyear Budget plan, the May Revision dedicates billions to pay down state debt to reduce the state's liability for unpaid costs to local governments, schools, and community colleges for state mandates from \$4.9 billion in 2012-13 to \$3.1 billion by the end of 2016-17. Details on repayment have not been provided.

University of California (UC) and California State University (CSU)

Governor Brown continues his January proposal for a multiyear stable funding plan for the UC and CSU. Governor Brown is proposing a 5% increase in 2013-14, to become a total of a 20% increase through 2016-17. This would come with a freeze on resident tuition rates for the next four years.

The proposal comes with student success expectations of improved graduation rates, increased numbers of transfer students from community colleges, increased numbers of degrees completed, particularly by low-income students, and reductions in the cost per degree.

Governor Brown had proposed a cap on the number of units that could be state funded, just as he did for community colleges, in the January proposal. And, just as for community colleges, Governor Brown has withdrawn that proposal for the UC and CSU in the May Revision.

—*SSC Staff*

posted 05/14/2013

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No. 11

Legislative Analyst's Overview of the Governor's May Revision

The Legislative Analyst's Office (LAO) just released its [Overview of the May Revision](#). In its assessment of the Administration's proposal, the LAO highlights four main observations:

- **The Administration's View of the Economy and Revenues Seems Too Pessimistic.** In a surprising course of events, the LAO's three-year forecast of General Fund revenues is \$3.2 billion higher than the revenues contained in Governor Jerry Brown's May Revision. The difference is largely attributed to capital gains-related tax revenues and assumptions regarding future stock trends.
- **Many Reasons for the Legislature to Adopt a Cautious Approach.** While the LAO acknowledges the improved fiscal condition of the state, the overview also points out the volatility of capital gains revenue, and a need for building reserves and paying off state debts.
- **The Proposition 98 Maintenance Factor Means Most of the Newly Calculated Revenue Goes to Schools.** Since the Proposition 98 Maintenance Factor policy provides that a very large portion of the new revenue be provided to schools and community colleges, all but several hundred million of the new revenue mentioned above would go to schools. The LAO has thus suggested as part of the overview that the Legislature forego additional maintenance factor repayments, and instead prioritize building a reserve and augmentation of targeted, unspecified programs.
- **Time for the Legislature to Take Charge of the State's Future Fiscal Plans.** Should the economy continue to improve, the LAO suggests that the state limit its growth in new or restored spending commitments, and instead plan for how to pay down some of the big impending bills that are looming on the horizon. The overview specifically mentions the future California State Teachers' Retirement System (CalSTRS) liabilities as one of the outstanding obligations.

Beyond suggesting an alternative interpretation of the Proposition 98 General Fund Maintenance Factor, which would reduce the amount of General Fund resources provided to schools from previous years by about \$2.9 billion in 2013-14, the LAO found the mix of one-time and ongoing education spending in the May Revision reasonable. The LAO also supported the overall framework of the Governor's Local Control Funding Formula, the proposed overhaul to the K-12 education funding formula, and found the May Revision adult education proposal generally promising. The LAO urges the Legislature to adopt the Governor's May Revision proposal that changes the January proposal for an unallocated augmentation for the community college system to instead targeted allocations of a cost-of-living adjustment, growth/workload reduction, and student support.

Finally, the LAO points out that that the May Revision doesn't include the additional General Fund calculations associated with the Education Protection Account, which they estimate at \$68 million per year in 2012-13 and 2013-14. They recommend reducing expenditures to build in these costs and maintain spending at the minimum Proposition 98 guarantee in both years.

Given the pressing demands for restorations of past budget cuts, the next few weeks will show whether the Legislature will act on the LAO's more optimistic revenues forecast.

—*Jeff Bell*

posted 05/17/2013

Huegli, Gina

From: Scott Lay [scottlay@cleague.org]
Sent: Monday, May 20, 2013 4:01 PM
To: O'Connor, Adam
Subject: Budget update (05/20/2013)



May 20, 2013

Dear Adam,

Good afternoon from Orange County, where Academic Senate for California Community Colleges president Michelle Pilati and I will be speaking on effective participatory governance shortly. Meanwhile, I'm in constant communication with League Vice President Theresa Tena, who is monitoring actions in Sacramento.

As you likely know, the Legislative Analyst's Office (LAO) [released a report](#) midday Friday that projected that state revenues would exceed the governor's May Revision projections by \$2.8 billion. At the same time, the LAO provided an option to the Legislature by which funding for K-12 and community colleges ("Proposition 98") could actually be cut from the governor's May budget proposal. Talk about confusing!

The LAO's report provides a balanced possibility to conclude the 2013-14 state budget in a manner that restores access, addresses inflation, and begins the process of restoring our critical student success categorical programs--all for community colleges, while also addressing essential K-12 and other needs outside of the state's K-14 "Proposition 98" funding priority.

While the governor's May Revision was the best in years for community colleges, we recognize the non-education priorities and the fact that many of our students and their families rely on the state's health and social safety net that enables them to attend college. The LAO's increased revenue picture provides hope that we can tackle both educational and non-educational state needs.

As we talk to the Legislature this week, we are speaking about these priorities:

- 2012-13 ("One-time") funds: **A proportional share** (~10.93%) to the \$1 billion provided to K-12, used to address scheduled and deferred maintenance, instructional equipment and library materials, and professional development.
- 2013-14 ("Ongoing") funds:
 - **Adopt the governor's proposal** of 1.63% enrollment restoration, 1.57% cost-of-living adjustment, and \$50 million augmentation to the Student Success and Support Program (formally known as Matriculation, for total funding of \$99.2 million)
 - To the extent additional funds are available, we support the following (not in a specific order):
 - **addressing the roughly 18% in COLAs** skipped during the state's recession to restore educational quality
 - **augmenting enrollment restoration** to around 2%
 - **restoring targeted access-driven and student success categorical programs** cut in recent years on a proportional basis, prioritizing those serving our most economically and physically challenged students

This is a very uncertain budget, as the revenue forecast has not been this cloudy since 2001-02. The governor and legislators of both parties have mutual desires to restore access to, and quality of, programs that have been cut since 2009-10, without making the same mistakes of falsely relying on revenues received by the state on a one-time basis for ongoing programs.

We are talking with legislators and the administration about your ongoing needs and will continue to articulate them and hope to have more definitive news for you later on this week.

Sincerely,



Scott Lay
President and Chief Executive Officer
Orange Coast College '94

Community College League of California
2017 O Street, Sacramento, California 95811
916.444.8641 . www.ccleague.org



2013-14 May Revision

Presented at the 2013 Spring Conference
Association of Chief Business Officials

Presented by
Michelle McKay Underwood, Director, Legislative Services

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Themes for the May Revision

2



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- Economic growth, though the pace is slow, and the passage of Proposition 30 provide the state with more revenue in 2012-13
 - But Governor Jerry Brown projects slower growth for 2013-14
- The level of Proposition 98 is increased by the higher revenues
 - Much of the increase is used to quicken the pace of deferral buy backs
 - Programmatic funding in 2013-14 is increased minimally over the Governor's January proposal
- Details provided on the community college augmentation proposal
- The state recognizes a substantial increase of \$4.5 billion in revenues for 2012-13, most of which are committed by statute to Proposition 98
 - The Governor has the responsibility for determining how much of the revenue is one time or ongoing, and then adjusting his State Budget proposal accordingly
 - No major increases are proposed for any area of the State Budget other than education

The Rest of the Budget

3

- Additional current-year and budget-year funding for K-12 education
 - Major finance reform proposal remains on the table
 - One-time, current-year augmentation of \$1 billion for implementation of Common Core State Standards
- An additional \$467 million in Medi-Cal costs primarily due to the federal government and courts rejecting or delaying approval of previously adopted legislative actions
- State short- and long-term borrowing costs decreased by \$484 million
- An additional \$72 million for county probation departments as they assist the state in lowering its prison population
- An additional \$48 million for California Work Opportunity and Responsibility to Kids (CalWORKs) for job training and subsidized employment opportunities

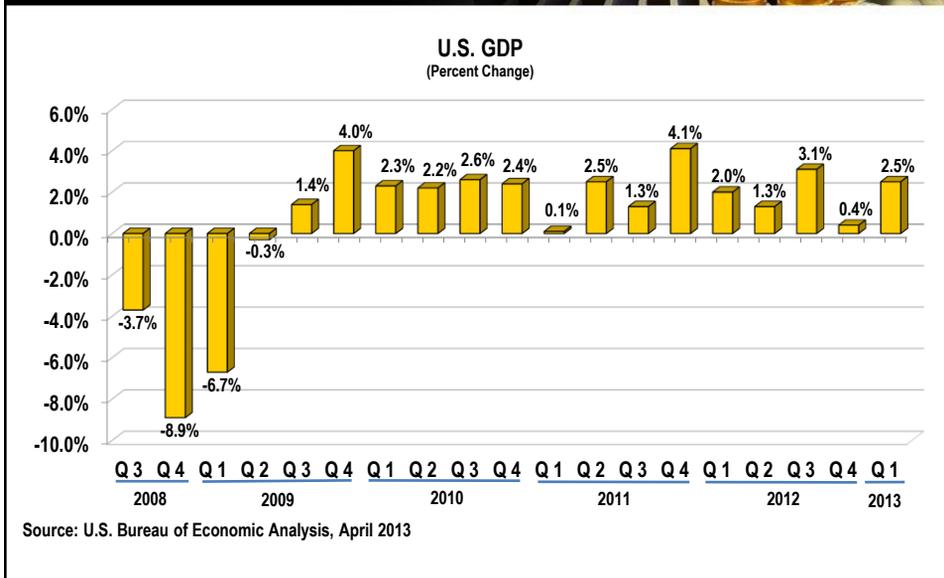
The National Economy

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- The U.S. economy is beginning to ramp up
 - UCLA projects gross domestic product (GDP) to increase from 2% annually in the current year to 3% in 2014 and beyond
 - Unfortunately, this is below the 4% to 6% rates of prior recoveries
- Strength is attributed to:
 - Historically low interest rates
 - Rising prices in the housing market
 - Multifamily housing is particularly strong
 - Increasing auto sales, with the vehicle fleet the oldest on record
- But risks remain:
 - Federal sequestration and the long-term budget deficit
 - Recessions in Europe and Japan
 - Higher payroll and income taxes and the Affordable Care Act (ACA) implementation
 - International financial or political crises

U.S. Economic Outlook

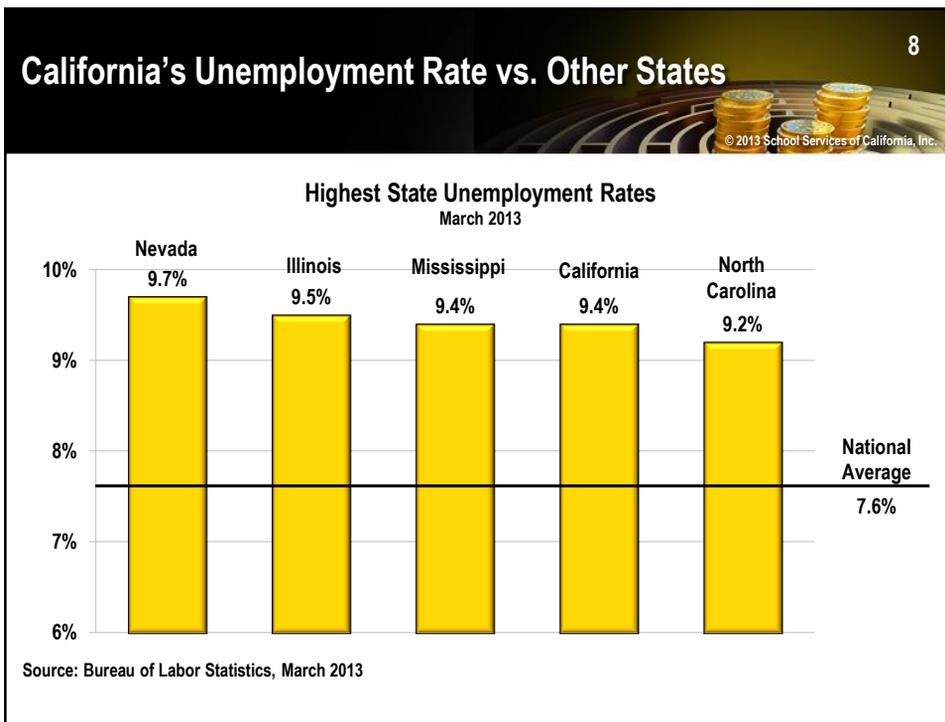
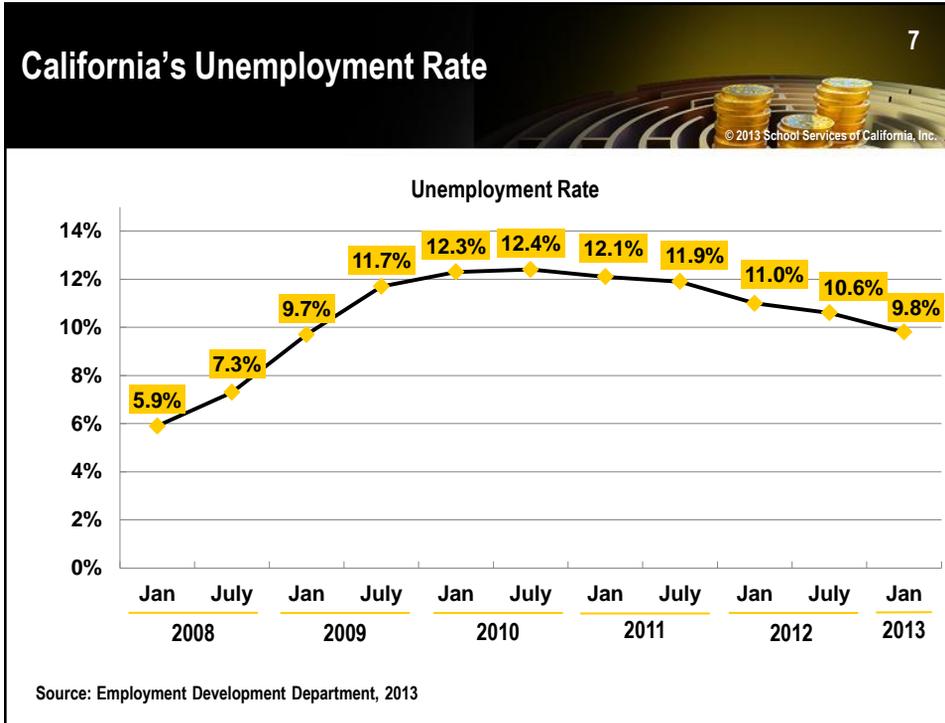
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The California Economy

6

- The California economy continues its slow path of recovery
 - Inflation-adjusted personal income is expected to increase 1.4% in 2013 and 3.6% in 2014, according to UCLA
 - By 2014, the California unemployment rate is expected to fall to 8.4%, one percentage point higher than the U.S. rate, but 1.4% lower than currently
- Of concern, however, is the bifurcated path of the state economy
 - The inland regions are characterized by continuing high unemployment and ailing housing markets
 - The coastal regions enjoy relatively low unemployment, improving housing markets, and higher average incomes
 - This situation has led to out migration from the inland counties and net inflows into coastal counties



Budget Risks Are Lower in 2013-14

9

- Compared to prior years, the proposed 2013-14 State Budget faces considerably less risk of falling out of balance
 - Unlike the 2012-13 spending plan, it is not dependent upon voter approval of a major tax initiative
 - Proposition 30 provides both sales tax and income tax revenues
 - Unlike the 2011-12 State Budget, it is not dependent upon an unrealistic revenue projection
 - The plan does not rely on an infusion of federal funds to maintain programs
 - It is not reliant on unrealistic operational efficiencies in state programs
 - The overall economic outlook is the best it has been in more than five years

The Administration's Downward Revision

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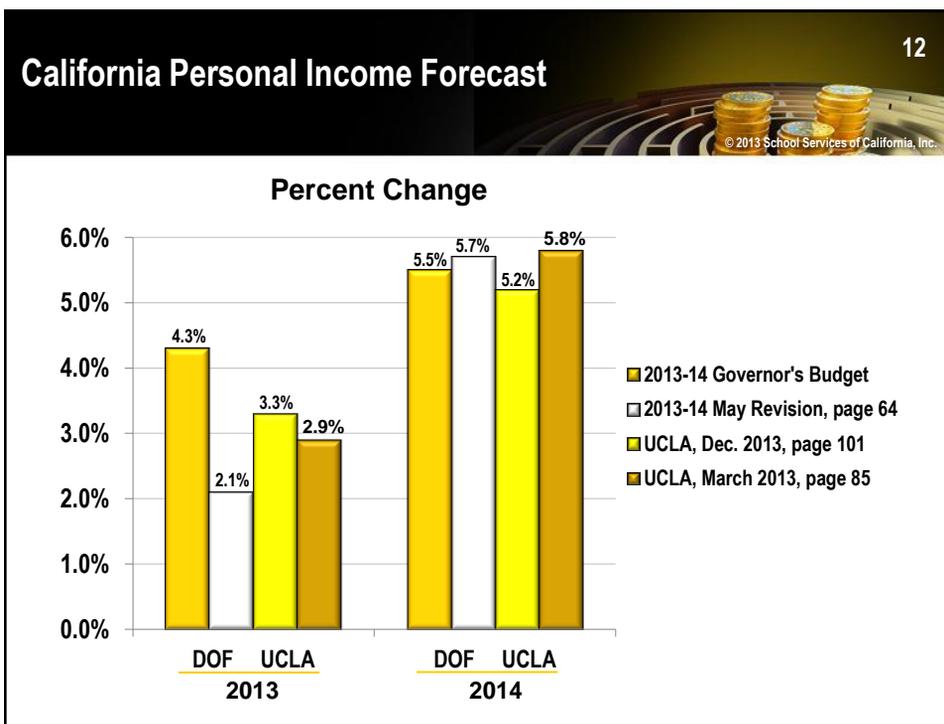
- The Governor's May Revision paints a more pessimistic economic outlook in 2013 and 2014
- On the plus side, the forecast acknowledges:
 - The economy was gaining strength in the first quarter of this year
 - The unemployment rate continues to fall, and jobs are being created
 - The housing market is recovering
 - Inflation remains low, and business profits are up
- However, the January Budget assumed that the federal lawmakers would avoid across-the-board tax hikes and budget cuts
 - Tax rates for high-income earners have risen, and the payroll tax holiday was allowed to expire
 - Sequestration cuts have been imposed

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Slower Growth in 2013-14



- As a result of the drag that the federal tax hikes and spending cuts will have on the economy, the Department of Finance (DOF) has lowered the outlook for California personal income growth in 2013 from 4.3% in January to 2.1% in the May Revision
- This slowdown in the economic outlook in turn lowers the revenue forecast for 2013-14
 - Total 2013-14 General Fund revenue drops \$1.3 billion from the January estimate to \$97.2 billion
 - Each of the three major taxes are revised downward
- A rebound, however, is forecast to begin in 2014-15, with the three major taxes combined expected to grow 9.3% in that year and 6.7% in 2015-16



General Fund Revenues — Current Year

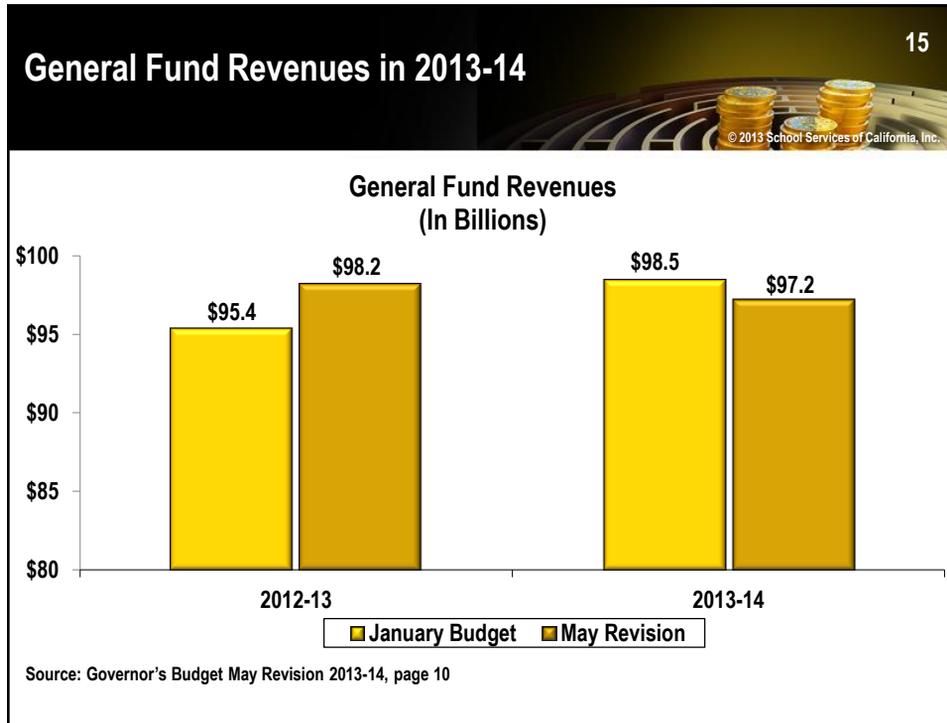
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- Two major tax increases have combined to boost current-year revenues above the Governor's Budget forecast:
 - The passage of Proposition 30 in November 2012, which raised the sales tax on all consumers and the income tax on high-income earners
 - The increase in federal tax rates for high-income earners, causing an acceleration of income recognition
- Also, an improving economy is adding payroll jobs, but there may be a decline in hours worked per week
- These factors have resulted in an upward revision in current-year General Fund revenue of \$2.8 billion
- The question for state revenue forecasters: How much of the current-year gain has come at the expense of 2013-14 revenues, and how much will be ongoing?

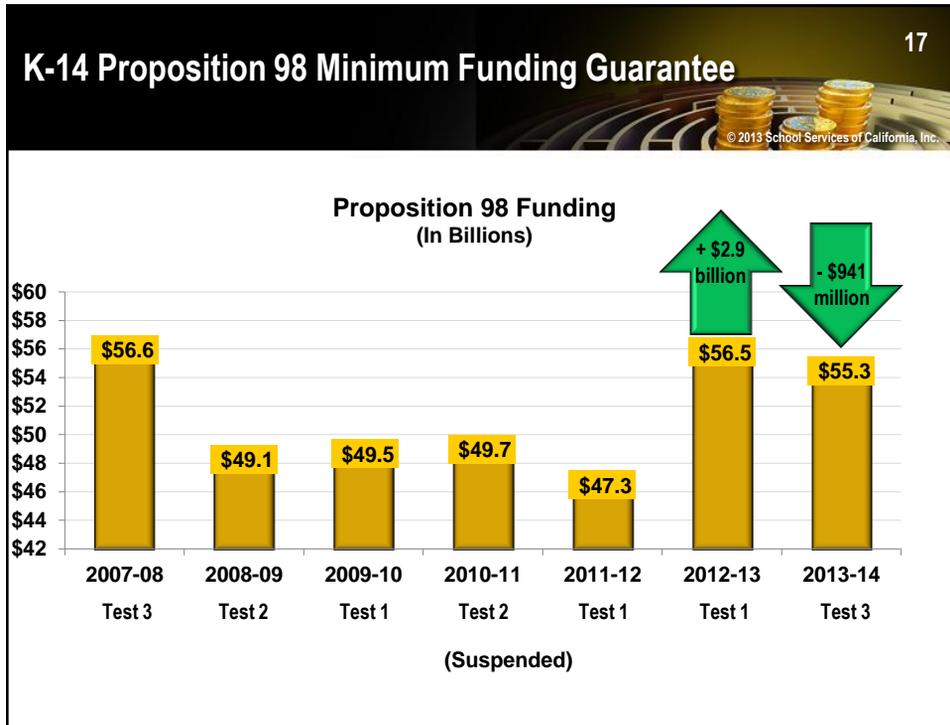
General Fund Revenues in 2013-14

14

- The January Governor's Budget forecasted General Fund revenues and transfers in 2013-14 of \$98.5 billion, a 3.3% gain over the expected current-year total, reflecting an expanding economy
- The May Revision, however, lowers the forecast for the budget year to \$97.2 billion, a reduction of \$1.3 billion from the January estimate
 - With this revision, General Fund revenues decline 1% from 2012-13
 - Most of this decline is in the personal income tax, with the outlook for capital gains income falling significantly
- The Administration's long-term forecast, however, shows a substantial boost in 2014-15, with revenues from the three major taxes growing a combined 9.3%, or almost \$8 billion



- ### Proposition 98 Minimum Funding Guarantee
- 16
- Compared with the January Budget:
 - The 2012-13 Proposition 98 minimum guarantee increases by \$2.9 billion, to a total of \$56.5 billion – a 5.4% increase since January and a 19.5% change from 2011-12
 - For 2013-14, Proposition 98 *declines* by \$941 million, to \$55.3 billion
 - What changed?
 - \$4.5 billion in revenues, unanticipated for the current year, boost 2012-13
 - Pessimistic economic outlook depresses revenue forecast for the remainder of this year and into 2014, causing Proposition 98 to drop in the budget year



- ### In Broad Strokes
- 18
- Apportionment increase increased
 - Allocated to cost-of-living adjustment, restoration, and student success
 - Adult education proposal withdrawn
 - Proposes status quo for two years
 - Intent to reinvestment in 2015-16
 - Deferrals buy down accelerated
 - Proposition 39 funding increase to reflect additional revenues
 - 90-unit cap and census date policy proposals removed
 - Instead “process to develop a broad-based framework to improve student success and establish appropriate incentives”
 - Postpones proposal to require that each student be required to fill out a Free Application for Federal Student Aid and include both parent and student income

Comparing the Proposals

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	January	May Revision
Apportionment Increase	\$196.9 million	\$226.9 million
Allocation Methodology	To be determined by the Board of Governors	\$87.5 million for the 1.57% cost-of-living adjustment (COLA) \$89.4 million (1.63%) for workload restoration \$50 million for student support services in accordance with the Student Success Act of 2012
Deferral Buy Down	\$179.9 million for cross-year deferrals	\$243.6 million total
Timeline	2013-14	\$179.9 million in 2012-13 \$63.7 million in 2013-14
Deferrals Remaining After 2013-14	\$621.2 million	\$557.5 million

Huegli, Gina

From: Scott Lay [scottlay@cleague.org]
Sent: Thursday, May 23, 2013 4:27 PM
To: O'Connor, Adam
Subject: CORRECTED: Budget update (05/23/2013)



May 23, 2013

Dear Adam,

The Assembly and Senate budget subcommittee with jurisdiction over the education budget are largely wrapping up their work today, and taking the first significant action on community college items.

The Senate full budget committee is expected to act on its version of the budget tomorrow, while the Assembly is expected to do it Tuesday following the Memorial Day holiday. Each house will then consider versions, before sending it to a bicameral, bipartisan conference committee. The budget is expected to be completed by June 15, although there are major differences between the houses and between the Legislature and the governor.

The houses are taking significantly different approaches, which will be reconciled in the conference committee process. The Assembly chose to use more one-time funds to pay down the deferral in the current year, and then allocated significant funds for most community college categoricals in the 2013-14 year. This included cost-of-living adjustments and, in some cases, full restorations to the 2007-08 spending level. Additionally, the Assembly increased the proposed funding for community college restoration/growth from 1.65% to 2.2%.

The Senate was more conservative, providing \$30 million in one-time funds and around \$68 million more in ongoing funds for targeted categoricals beyond the May Revise.

Here is a quick comparison of the spending plans for community colleges emerging from subcommittees today:

Item	2012-13 Spending Level	2013-14 Governor May Revise	2013-14 Senate Subcmte	2013-14 Assembly Subcmte
Instructional Equipment	\$0	\$0	\$12 million (one-time funds)	\$0
Scheduled maintenance	\$0	\$0	\$12 million (one-time funds)	\$0
Professional Development	\$0	\$0	\$6 million (one-time funds)	\$0
Enrollment Growth	1%	1.63%	1.63%	2.2%
Cost-of-living adjustment	0	1.57%	1.57%	1.57%
Online education platform and prof. development	\$0	\$16.9 million	\$16.9 million	\$16.9 million
Student Success and Support (formerly Matric)	\$49.2 million	\$99.2 million	\$99.2 million	\$113.4 million

EOPS	\$73.6 million	\$73.6 million	\$98.6 million	\$134.1 million
CARE	\$9.3 million	\$9.3 million	\$10.6 million	\$9.3 million
DSPS	\$69.2 million	\$69.2 million	\$94.2 million	\$126.8 million
CalWORKs Services	\$26.7 million	\$26.7 million	\$34.5 million	\$44.3 million
Student Financial Aid Admin	\$71.0 million	\$67.5 million	\$67.5 million	\$72.1 million
Foster Care Education Program	\$5.25 million	\$5.25 million	\$5.25 million	\$5.34 million
Fund for Student Success	\$3.8 million	\$3.8 million	\$3.8 million	\$6.3 million
Nursing Support	\$13.4 million	\$13.4 million	\$13.4 million	\$22.4 million
Telecom/Technology	\$15.3 million	\$15.3 million	\$15.3 million	\$15.5 million
Academic Senate	\$318,000	\$318,000	\$415,000	\$474,000
Childcare Tax Bailout	\$3.3 million	\$3.3 million	\$3.3 million	\$7.7 million
Equal Employment Opportunity	\$767,000	\$767,000	\$767,000	\$779,000
Economic Development	\$22.9 million	\$22.9 million	\$22.9 million	\$23.3 million
Apprenticeship	\$7.2 million	\$7.2 million	\$7.2 million	\$15.5 million
Part-time Faculty Office Hours	\$3.5 million	\$3.5 million	\$5.9 million	\$7.2 million
Part-time Faculty Health Insurance	\$490,000	\$490,000	\$820,000	\$1.0 million
Part-time Faculty Compensation	\$24.9 million	\$24.9 million	\$24.9 million	\$51.6 million
Transfer Education and Articulation	\$698,000	\$698,000	\$698,000	\$1.4 million

I must reiterate that we are still early in the budget process, and the governor has not weighed in on how much of the additional revenue identified by the Legislative Analyst's Office he might be willing to sign.

I want to thank our coalition of community college advocates who joined arms this week to work to justify the additional augmentations provided by both the Senate and the Assembly. While we all would probably have different overall spending priorities, our unified front maximized the community college position as we near the conference committee process.

Sincerely,



Scott Lay
 President and Chief Executive Officer
 Orange Coast College '94

Community College League of California
 2017 O Street, Sacramento, California 95811
 916.444.8641 . www.ccleague.org

Huegli, Gina

From: Troy, Dan [dtroy@CCCCO.EDU]
Sent: Thursday, May 23, 2013 7:12 PM
To: SO2CBO@LISTSERV.CCCNEXT.NET
Subject: Update on the Budget

Colleagues,

On Thursday, the budget subcommittees of each house took actions to close out their approach to the education budget. Clearly excited by the news of the LAO's more optimistic revenue estimates, both houses chose to fund Proposition 98 at significantly higher levels than the Governor proposed in his May Revision. By and large, the actions were very favorable for the California Community Colleges, though each house took different approaches toward expenditure totals and programmatic choices. Here's a brief summary of the actions as they relate to the CCCs:

The Senate adopted the Governor's May Revision proposals of funding access (1.63%), COLA (1.57%), and \$50M in Student Success and Support (formerly, Matriculation). They modified the Student Success and Support language to add common assessment development to the items that can be funded through Student Success (the May Revision allowed for \$7M of the funds to be used for e-planning and e-transcripts, so this action adds a 3rd option within that same \$7M).

Additionally, they provided funds above the Governor's level for the 13-14 year:

- \$25M for EOPS
- \$25M for DSPS
- \$7.8M for CalWORKs
- \$2.4M for PT Faculty Office Hours
- \$333k for PT Faculty Health Insurance
- \$1.3M for CARE
- \$97K for the Academic Senate
- \$598k for Fin Aid Administration (they rejected a technical funding reduction in the May Revision – the program is normally funded on a formula basis)

The Senate also added 1-time funds for the following:

- \$12M for maintenance
- \$12M for instructional equipment
- \$6M for professional development

The Senate approved the Governor's \$16.9M online initiative with some additional reporting language and rejected the FAFSA reform (the Assembly had already rejected the FAFSA proposal earlier in the process). Notably, the Senate has not yet taken action on the Governor's adult education proposal. It is anticipated that the Senate will act on that proposal tomorrow (Friday). At that time, they will also take action on Proposition 39 expenditures and may make other additional adjustments, as well.

Overall, the Senate approved \$30M in one-time funding above the Governor's May Revision level and about \$63M in ongoing funds above the Governor's 2013-14 level. While they take the opportunity to increase spending above the Governor's proposal, they do not spend as much as the LAO assumptions would seemingly allow.

The Assembly took a very different approach. They chose to appropriate all the way up to the LAO's estimate. They would fund even more deferrals in the CY than the Governor, so as to create more room for funding ongoing program in the 2013-14 year.

On top of the \$180M in increased deferrals the Governor proposed to buy down in the current year May Revision proposal, the Assembly added another \$40M. They intend to include language (not yet provided) that will set aside \$77M of the CY deferral pay down to be implemented as a positive trigger – in other words, the current year deferral pay down can decrease by up to \$77M if the revenues do not materialize.

For the 2013-14 year, the Assembly appropriates far above the level of both the Governor and the Senate:

- They increase funding for FTES access from \$89.4M to \$122.4M (they estimate this as a 2.2% total increase over the current year).
- They increase categorical program spending by \$160M over the Governor MR level – restoring many categorical programs back to their previous levels and more (see the table below).
- They provide \$10M for common assessment implementation (no further details at this time)
- They reject the Governor’s approach on adult education. Instead, the Assembly provides over \$600M to restore adult education funding within K12. Whereas the Governor had proposed \$30M in local planning grants to establish local consortia to provide adult education (and promised \$500M in new funding commencing in 2015-16), the Assembly proposes \$7.2M to for local planning to encourage more regional collaboration among K12/CCC districts. Essentially, the Assembly prefers the old Adult Ed system.

The Assembly also approved the Governor’s \$16.9M online initiative. Further, they appropriated \$51M in Proposition 39 funds to the CCCs (similar to the Governor’s level).

Below is a table provided by Assembly staff that identifies their changes to categorical program funding levels. They display funding for the programs in 2007-08, the Governor’s proposed May Revision, and the Assembly’s plan (in bold) for 2013-14:

California Community Colleges				
Categorical Budget				
Assembly Plan				
(Dollars in thousands)				
BUDGET ITEMS	2007-08	2013-14	Assembly Plan	Dollar Difference from 07-08
	Budget Act	May Revise		
Categorical Funding				
Student Financial Aid Administration	51,640	67,537	72,140	20,500
Foster Care Education Program	5,254	5254	5336	82
CalWORKs	43,580	26,695	44,264	684
Fund for Student Success (MESA/Puente)	6,158	3,792	6,255	97
Student Success Initiative - Basic Skills	33,100	20,037	33,620	520
Nursing Support	22,100	13,378	22,447	347
Disabled Students	115,011	69,223	126,817	11,806
Extended Opportunity Programs & Services	122,291	73,605	134,211	11,920

Telecom & Technology Services	26,197	15,290	15,530	(10,667)
Academic Senate	467	318	474	7
Childcare Tax Bail Out	6,836	3,350	7,655	819
Equal Employment Opportunity	1,747	767	779	(968)
Economic Development	46,790	22,929	23,289	(23,501)
Apprenticeship	15,229	7,174	15,468	239
Part-time Faculty Office Hours	7,172	3,514	7,285	113
Part-time Faculty Health Insurance	1,000	490	1,016	16
Part-time Faculty Compensation	50,828	24,907	51,626	798
Transfer Education and Articulation	1,424	698	1,446	22
Matriculation - Student Success	101,803	99,183	113,401	11,598
Total Categorical Funding	705,972	520,745	681,411	(24,561)

Please note that some of the Assembly actions were made without much detail or explanation, so clarifications and corrections may be forthcoming, but this is the best information I have right now.

Once each house ties up some loose ends, it is anticipated that they will convene a joint conference committee to sort out the differences between the two houses. This process could begin as early as next week, though that may be an ambitious schedule. Major areas of disagreement include total funding levels, programing priorities, and, likely, the approach to adult education. Of course, sorting out the differences between the houses may be easier than convincing the Governor to sign a final budget that spends well beyond his May Revision proposal.

I'll try to keep you posted on major developments as they arise.

Regards,

Dan Troy
Vice Chancellor, College Finance and Facilities Planning
California Community Colleges Chancellor's Office

SSC Community College Financial Projection Dartboard Governor's 2013-14 May Revision

This version of SSC's Financial Projection Dartboard is based on the Governor's 2013-14 May Revision. We have updated the cost-of-living adjustment (COLA), consumer price index (CPI), and ten-year T-bill planning factors to reflect economic forecasts. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are, at best, general guidelines.

Factor		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Statutory COLA for Apportionments		3.24%	1.57%	1.80%	2.20%	2.50%	2.70%
Funded COLA		0.00%	1.57%	1.80%	2.20%	2.50%	2.70%
Growth/Restoration Funding		\$50 million	1.63% (\$89.4 million)	Ongoing	Ongoing	Ongoing	Ongoing
State Categorical Programs		-\$313 million continued from 2009-10	Up to \$117.9 million ¹	Ongoing	Ongoing	Ongoing	Ongoing
California CPI		2.30%	2.20%	2.30%	2.50%	2.70%	2.80%
California Lottery ²	Base Prop 20	\$124 \$30	\$124 \$30	\$124 \$30	\$124 \$30	\$123 \$30	\$123 \$30
PERS Employer Rate ³		11.417%	11.417%	11.417%	13.3%	14.6%	15.9%
Interest Rate for 10-Year Treasuries		1.79%	2.10%	2.40%	2.60%	2.90%	3.10%

¹ Reflects \$50 million in student support funds, \$51 million for energy efficiency projects, and \$16.9 million in technology funds available. The categorical funding cuts itemized below are unrestored as of this time.

A 2009-10 cut of 32% (except as noted in list). Programs are "protected" because the funding restrictions and requirements remain.

Protected Programs

- Basic Skills
- CalWORKs (augmented 2009-10)
- Career-Technical Education (augmented 2010-11)
- Cooperative Agency Resources for Education (CARE)
- Disabled Students Programs and Services (DSPS)
- Extended Opportunity Programs and Services (EOPS) (48% cut)
- Fund for Student Success
- Foster Care Education (25% cut)
- Nursing Program Support
- Student Financial Aid Administration
- Telecommunications and Technology

A 2009-10 cut of 62% (except as noted in list). Programs are "unprotected" because, following a public hearing of the governing board, districts can redirect the funding to any other state categorical program, and funding restrictions and requirements are waived as a result through 2014-15. Funding allocations are proportional based on 2008-09.

Unprotected Programs

- Apprenticeship⁴
- Campus Child Care Tax Bailout
- Economic Development
- Equal Employment Opportunity
- Matriculation
- Part-time Faculty Compensation (71% cut)
- Part-time Faculty Health Insurance
- Part-time Faculty Office Hours
- Physical Plant/Instructional Support (funding eliminated)
- Transfer Education and Articulation

² The forecast for Lottery funding per FTES includes both base (unrestricted) funding and the amount restricted by Proposition 20 for instructional materials. Lottery funding is initially based on prior year actual annual FTES, and is ultimately based on current-year annual FTES.

³ The California Public Employees' Retirement System (CalPERS) has changed its asset smoothing and amortization method, which will have the effect of less rate volatility, but the rate is expected to increase significantly over a number of years. These estimates reflect the estimated rates provided to the CalPERS Board with increases starting in 2014-15; however, the CalPERS Board voted to implement the rate increases starting in 2015-16. These are the best estimates until CalPERS revises them.

⁴ Governor Brown proposes to remove Apprenticeship from the list of flexed categorical programs.

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2013-14 Tentative Budget Assumptions
2/27/2013 (Updated 5/14/2013)**

I. State Revenue

A. Budgeting will continue to utilize the District's Budget Allocation Model Based on SB 361, modified using carryover resources to balance the budget.

B. FTES Workload Measure Assumptions:

Year		Base	Actual	Funded		Actual Growth
2010/11		29,961.80	30,515.15	30,515.15		1.85%
2011/12	a	28,182.19	27,711.41	27,711.41		-9.95%
2012/13		27,711.41	28,192.21	28,000.00	EST.	1.04%

a - based on 2011/12 Recalculation received 2/21/2013

b - based on 2012/13 P1 (March Revision) received 3/8/2013

c - based on 2012/13 P2 attendance reporting certified 4/19/2013

(P1 estimated 28,169.402 funded FTES)

The Governor's May Revise includes funding for Cost of Living Adjustment (COLA) at 1.57% or \$87,500,000 systemwide and Restoration/Growth at 1.50% or \$89,400,000 systemwide.

Projected COLA (Est.)	2,185,000
Projected Restoration/Growth (Est.)	2,235,000
Projected Deficit	-
Base for 2013/14	<u>4,420,000</u>

2013/14 Est. 1.50% Restoration/Growth for target FTES: 28,420

D. Unrestricted lottery is projected at \$124.25 per FTES (\$3,593,558). Restricted lottery at \$30 per FTES (\$867,660). (2012/13 P1 of resident & nonresident factored FTES, 28,922 x 124.25 = \$3,593,558 unrestricted lottery; 28,922 x 30 = \$867,660)

E. Estimated reimbursement for part-time faculty compensation is estimated at \$691,661 (2012/13 budgeted amount).

F. Categorical programs will continue to be budgeted separately; self-supporting, matching revenues and expenditures. No COLA has been proposed by the Governor for categorical programs. However, if the district were to settle with employees for a COLA, this will increase expenditures without increased revenues for these programs. Other categorical reductions would therefore be required to remain in balance with state funding. Nothing budgeted at this time related to the proposal for systemwide funding of the Student Success Act (Matriculation).

G. BOG fee waivers administration total funding estimated at \$100,000.

II. Local Revenue

H. Non-Resident Tuition budgeted at \$1,600,000.

I. Interest earnings estimated at \$150,000.

J. Other miscellaneous income is estimated at \$581,499 (2012/13 budgeted amount).

K. Mandated Block Grant reduced based on systemwide FTES growth, estimated at a total budget of \$750,000.

L. Apprenticeship revenue estimated at \$1,389,973 (2012/13 budgeted amount).

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2013-14 Tentative Budget Assumptions
2/27/2013 (Updated 5/14/2013)**

III. Appropriations and Expenditures

- A. The Tentative Base Budget for 2013/14 will begin with a rollover in total budget by site from 2012/13. The 2013/14 Tentative Budget will be balanced by using a material portion of the 2012/13 unrestricted ending balance in excess of the 5% Restricted Reserve (Budget Stabilization Fund).
- B. The COLA revenue (estimated at **\$2.185 million**) will be set aside in districtwide expenditure accounts subject to collective bargaining.
- C. Step and column movement is budgeted at an additional cost of approximately \$1.1 million and benefits of approximately \$220,000.
- D. Health and Welfare benefit premium cost **decrease** estimated at **-3.1%** for a potential **savings** pending plan changes for active employees from open enrollment period, and an additional **savings** of \$300,000 for retirees. State Unemployment Insurance local experience charges are estimated at \$250,000 (2012/13 budgeted amount). CalPERS employer contribution rate estimated to remain the same in 2013/14 at 11.417%. The cost of each 1% increase in the PERS rate is approximately \$300,000. There is currently no proposed increase in the STRS rate although projections indicate large increases beginning 2014/15. The cost of each 1% increase in the STRS rate is approximately \$550,000.
- E. The full-time faculty obligation (FON) for Fall 2013 is estimated at 329.80 but district have not been required to comply with this requirement for several years due to the budget crisis. It is expected that the requirement to comply with the FON will be reinstated in 2014-15. The District is currently recruiting 13 faculty positions (two of which do not count toward the FON) for an estimated total of 11 positions counting toward the obligation. Therefore, the District expects to be 14.80 positions below the obligation in 2014-15 if additional hiring does not occur prior to July 1, 2014. This could result in a penalty of approximately \$904k if they aren't filled. ($15 \times 60,289 = \$904,335$)

The additional cost of new faculty being hired for Fall 2013 is estimated at \$847,381. SAC is filling four vacancies and adding seven new positions. SCC is filling two vacancies. (The cost of the seven new positions is budgeted at Class VI, Step 10 $\$84,041.19 \times 7 = \$588,288.33 + \$37,013.3 \times 7 = \$259,093.10$, for a total of \$847,381.43).
- F. The current rate per Lecture Hour Equivalent (LHE) for hourly faculty is \$1,100 effective Spring 2013. This represents a 2% increase from 2012.
- G. Retiree Health Benefit Fund - The District will continue to contribute 1% of total salaries plus an additional \$500,000 toward the Annual Required Contribution (ARC).
- H. Capital Outlay Fund - The District will continue to contribute \$1,500,000 for various Scheduled Maintenance and Capital Projects.
- I. Other Districtwide expenses:
 - Property and Liability Insurance cost, estimated at \$1,700,000
 - Trustee Election Expense -0- in 2013/14 as there is no election.
- J. Utilities cost increases including 5% overall estimated at \$200,000 plus \$250,000 due to opening of SCC Humanities, Pool and Gym complex, should be budgeted.
- K. Information Technology licensing contract escalation of 7%, estimated at \$125,000.

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2013-14 Tentative Budget Assumptions Updated from
February 14, 2013**

I. State Revenue

B. FTES Workload Measure Assumptions:					Actual
Year	Base		Actual	Funded	Growth
2010/11	29,961.80		30,515.15	30,515.15	1.85%
2011/12	28,585.12	a	27,711.41	27,711.41 (Est.)	-9.81%
2012/13	28,000.00	(Est.)	28,494.66	b TBD	

a - based on Chancellor's Office 2011-12 "Blue Book" (August 2011)

b - based on RSCCD reporting at P1 on 1/15/2013

No 2011/12 Recal or 2012/13 P1 reports available yet from state Chancellor's Office.

Estimated funded FTES in 2011/12 of 27,711.41 and 2012/13 of 28,000.

The Governor's budget proposal includes 2.6% additional funding without specifics. For tentative budget we will assume it will be allocated between Cost of Living Adjustment (COLA) and Restoration/Growth:

Projected COLA of 1.65% (Est.)	2,300,000
Projected Restoration/Growth 1.95% (Est.)	2,700,000
Projected Deficit	-
Base for 2013/14	<u>5,000,000</u>

2013/14 Est. 1.95% Restoration/Growth for target FTES: 28,546

- F. Categorical programs will continue to be budgeted separately; self-supporting, matching revenues and expenditures. No COLA has been proposed by the Governor for categorical programs. However, if the district were to settle with employees for a COLA, this will increase expenditures without increased revenues for these programs. Other categorical reductions would therefore be required to remain in balance with state funding.

III. Appropriations and Expenditures

- B. The COLA revenue (estimated at \$2.3 million) will be set aside in districtwide expenditure accounts subject to collective bargaining.
- D. Health and Welfare benefit premium cost increase estimated at 5% is an additional cost of approximately \$700,000 for active employees and an additional cost of \$300,000 for retirees.
State Unemployment Insurance local experience charges are estimated at \$250,000 (2012/13 budgeted amount).
CalPERS employer contribution rate estimated to remain the same in 2013/14 at 11.417%.
The cost of each 1% increase in the PERS rate is approximately \$300,000.
There is currently no proposed increase in the STRS rate although projections indicate large increases beginning 2014/15.
The cost of each 1% increase in the STRS rate is approximately \$550,000.

Rancho Santiago Community College District
Tentative Budget
2013-14

General Fund Revenue Budget - Combined - Restricted and Unrestricted - Fund 11, 12, 13					
<u>Revenues by Source</u>	2011-12 Actual Revenue	2012-13 Revised Budget	2012-13 Estimated Revenue	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8100 Federal Revenues					
8110 Forest Reserve	\$9,215	\$0	\$0	\$0	-
8120 Higher Education Act	2,388,177	5,055,493	2,300,000	4,899,093	113.00
8130 Workforce Investment Act (JTPA)	411,696	998,944	400,000	784,450	96.11
8140 Temporary Assistance for Needy Families (TANF)	107,115	105,798	105,798	105,798	-
8150 Student Financial Aid	12,535	64,359	62,782	64,049	2.02
8160 Veterans Education	0	0	0	0	-
8170 Vocational Technical Education Act (VTEA)	1,386,343	1,589,015	1,589,015	1,589,015	-
8199 Other Federal Revenues (ABE, CAMP, SBA, Gear Up, NSF)	7,675,245	7,488,606	7,400,000	6,817,788	(7.87)
Total Federal Revenues	<u>11,990,326</u>	<u>15,302,215</u>	<u>11,857,595</u>	<u>14,260,193</u>	20.26
8600 State Revenues					
8611 Apprenticeship Allowance	1,389,973	1,389,973	1,389,973	1,389,973	-
8612 State General Apportionment	79,976,584	55,744,465	55,744,465	59,510,048	6.76
8612 State General Apportionment-prior year adjustment	1,620,985	0	0	0	-
8619 Other General Apportionments-Enrollment Fee Admin-2%	84,026	240,102	240,102	100,000	(58.35)
8619 Other General Apportionments-Part-Time Faculty Compensation	691,647	691,647	691,647	691,661	0.00
8622 Extended Opportunity Programs & Services (EOPS)	1,301,244	1,257,850	1,257,850	1,257,850	-
8623 Disabled Students Programs & Services (DSPS)	1,524,642	1,332,262	1,332,262	1,332,262	-
8625 CalWORKS	270,760	324,246	324,246	324,246	-
8626 Telecomm./Technology Infrastructure Prog. (TTIP)	49,098	71,317	71,317	71,317	-
8629 Other Gen Categorical Apport-BSI	678,905	1,833,999	650,000	1,302,310	100.36
8629 Other Gen Categorical Apport-CARE	77,824	85,202	85,202	85,202	-
8629 Other Gen Categorical Apport-Equal Employment Opportunity	1,659	23,908	23,908	23,908	-
8629 Other Gen Categorical Apport-Matriculation-Credit	1,273,163	1,331,008	1,331,008	1,331,008	-
8629 Other Gen Categorical Apport-Matriculation-Non-Credit	1,310,273	1,327,254	1,327,254	1,327,254	-
8629 Other Gen Categorical Apport-Student Financial Aid Admin	1,137,904	987,383	987,383	987,383	-
8630 Education Protection Account	0	21,147,689	21,147,689	21,147,689	-
8659 Other Reimb Categorical Allow-Career Tech Education	548,409	22,712,797	1,565,108	1,565,108	-

Rancho Santiago Community College District
Tentative Budget
2013-14

General Fund Revenue Budget - Combined - Restricted and Unrestricted - Fund 11, 12, 13					
<u>Revenues by Source</u>	2011-12 Actual Revenue	2012-13 Revised Budget	2012-13 Estimated Revenue	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8659 Other Reimb Categorical Allow-Economic Development	1,570,446	2,732,766	1,500,000	2,314,837	54.32
8659 Other Reimb Categorical Allow-Other	372,989	745,791	300,000	713,291	137.76
8672 Homeowners' Property Tax Relief	319,546	319,546	319,546	319,546	-
8681 State Lottery Proceeds	4,732,850	4,218,528	4,218,528	4,461,218	5.75
8682 State Mandated Costs	157,777	782,028	782,028	750,000	(4.10)
8699 Other Misc State Revenue	(828)	0	0	0	-
Total State Revenues	99,089,876	119,299,761	95,289,516	101,006,111	6.00
8800 Local Revenues					
8810 Tax Allocation, Redevelopment	1,429,768	5,660,871	5,660,871	5,660,871	-
8811 Tax Allocation, Secured Roll	35,897,784	37,077,730	37,077,730	36,045,761	(2.78)
8812 Tax Allocation, Supplement Roll	229,754	442,560	442,560	442,560	-
8813 Tax Allocation, Unsecured Roll	1,471,379	1,396,649	1,396,649	1,396,649	-
8816 Prior Years' Taxes	851,293	905,430	905,430	905,430	-
8817 Education Revenue Augmentation Fund (ERAF)	(2,511,684)	(1,031,969)	(1,625,945)	0	(100.00)
8820 Contrib, Gifts, Grants & Endowment	(74)	17,662	16,612	16,612	-
8831 Contract Instructional Service	56,598	169,861	123,269	169,861	37.80
8850 Rents and Leases	347,800	310,202	303,675	308,890	1.72
8860 Interest & Investment Income	315,940	261,000	164,220	150,000	(8.66)
8867 Gain(Loss)on Invest-Unrealized	2,413	0	0	0	-
8874 CCC Enrollment Fees	7,588,394	8,146,704	8,788,217	8,146,704	(7.30)
8876 Health Services Fees	961,766	1,011,833	1,067,520	1,011,833	(5.22)
8880 Nonresident Tuition	1,616,463	1,650,000	1,479,654	1,600,000	8.13
8882 Parking Fees & Bus Passes	859,906	860,000	816,512	860,000	5.33
8885 Student ID & ASB Fees	52,778	0	53,562	0	(100.00)
8890 Other Local Revenues (Student Transcript/Representation/ Discounts/Fines/Instr. Mat./Health Serv. Use Fees, etc.)	536,004	520,790	456,660	232,651	(49.05)
8891 Other Local Rev - Special Proj	(93,602)	722,333	855,833	591,162	(30.93)
Total Local Revenues	49,612,680	58,121,656	57,983,029	57,538,984	(0.77)

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Rancho Santiago Community College District
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General Fund Revenue Budget - Combined - Restricted and Unrestricted - Fund 11, 12, 13					
<u>Revenues by Source</u>	2011-12 Actual Revenue	2012-13 Revised Budget	2012-13 Estimated Revenue	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8900 Other Financing Sources					
8910 Proceeds-Sale of Equip & Suppl	41,176	5,000	20,007	5,000	(75.01)
8981 Interfund Transfer In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	-
Total Other Sources	<u>41,176</u>	<u>5,000</u>	<u>20,007</u>	<u>5,000</u>	(75.01)
Total Revenues	<u>160,734,058</u>	<u>192,728,632</u>	<u>165,150,147</u>	<u>172,810,288</u>	4.64
Net Beginning Balance	47,079,378	44,752,635	44,752,635	41,941,956	(6.28)
Adjustments to Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	-
Adjusted Beginning Fund Balance	<u>47,079,378</u>	<u>44,752,635</u>	<u>44,752,635</u>	<u>41,941,956</u>	(6.28)
Total Revenues, Other Financing Sources and Beginning Fund Balance	<u><u>\$207,813,436</u></u>	<u><u>\$237,481,267</u></u>	<u><u>\$209,902,782</u></u>	<u><u>\$214,752,244</u></u>	2.31

Rancho Santiago Community College District
Tentative Budget
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General Fund Expenditure Budget - Combined - Restricted and Unrestricted - Fund 11, 12, 13

<u>Expenditures by Object</u>	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
1000 Academic Salaries					
1100 Instructional Salaries, Regular Contract	\$23,189,065	\$23,315,376	\$23,263,204	\$23,981,815	3.09
1200 Non-Instructional Salaries, Regular Contract	14,451,136	14,755,394	14,530,055	14,886,787	2.46
1300 Instructional Salaries, Other Non-Regular	18,848,361	17,123,728	18,937,165	17,008,069	(10.19)
1400 Non-Instructional Salaries, Other Non-Regular	3,734,717	4,553,393	4,198,234	4,120,432	(1.85)
Subtotal	<u>60,223,279</u>	<u>59,747,891</u>	<u>60,928,658</u>	<u>59,997,103</u>	(1.53)
2000 Classified Salaries					
2100 Non-Instructional Salaries, Regular Full Time	28,722,000	31,488,085	28,810,025	32,029,122	11.17
2200 Instructional Aides, Regular Full Time	871,035	914,947	911,408	928,102	1.83
2300 Non-Instructional Salaries, Other	4,413,985	5,699,752	4,371,478	5,160,897	18.06
2400 Instructional Aides, Other	2,194,030	2,567,906	2,670,416	2,702,634	1.21
Subtotal	<u>36,201,050</u>	<u>40,670,690</u>	<u>36,763,327</u>	<u>40,820,755</u>	11.04
3000 Employee Benefits					
3100 State Teachers' Retirement System Fund	4,717,125	4,725,853	4,764,440	4,864,215	2.09
3200 Public Employees' Retirement System Fund	3,707,322	4,312,508	3,897,877	4,230,921	8.54
3300 Old Age, Survivors, Disability, and Health Ins.	3,558,175	3,952,200	3,615,372	3,819,907	5.66
3400 Health and Welfare Benefits	22,204,270	21,829,371	23,536,246	22,189,292	(5.72)
3500 State Unemployment Insurance	1,719,726	1,335,846	1,296,332	1,359,556	4.88
3600 Workers' Compensation Insurance	2,423,298	2,375,585	2,451,592	2,416,059	(1.45)
3900 Other Benefits	1,248,559	1,300,104	1,224,473	1,306,208	6.68
Subtotal	<u>39,578,475</u>	<u>39,831,467</u>	<u>40,786,332</u>	<u>40,186,158</u>	(1.47)
TOTAL SALARIES/BENEFITS	136,002,804	140,250,048	138,478,317	141,004,016	1.82
Salaries/Benefits Cost % of Total Expenditures	85%	80%	84%	82%	

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Rancho Santiago Community College District
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General Fund Expenditure Budget - Combined - Restricted and Unrestricted - Fund 11, 12, 13

<u>Expenditures by Object</u>	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
4000 Books and Supplies					
4100 Textbooks	0	650	650	0	(100.00)
4200 Other Books	100,701	148,821	78,319	133,062	69.90
4300 Instructional Supplies	791,075	1,582,799	938,693	1,154,901	23.03
4400 Media Supplies	0	0	0	0	-
4500 Maintenance Supplies	231,033	288,106	234,717	282,729	20.46
4600 Non-Instructional Supplies	894,195	1,123,534	819,581	1,034,313	26.20
4700 Food Supplies	99,040	158,699	98,466	145,944	48.22
Subtotal	2,116,044	3,302,609	2,170,426	2,750,949	26.75
5000 Services and Other Operating Expenses					
5100 Personal & Consultant Svcs	3,224,484	4,584,185	3,944,678	3,982,921	0.97
5200 Travel & Conference Expenses	450,697	774,399	571,565	618,621	8.23
5300 Dues & Memberships	166,141	195,338	142,828	181,044	26.76
5400 Insurance	1,440,580	1,896,220	1,896,220	1,972,599	4.03
5500 Utilities & Housekeeping Svcs	3,814,079	4,712,607	4,128,832	4,515,430	9.36
5600 Rents, Leases & Repairs	3,385,507	4,075,034	3,370,269	4,123,414	22.35
5700 Legal, Election & Audit Exp	709,480	918,330	814,570	510,305	(37.35)
5800 Other Operating Exp & Services	4,872,974	6,468,344	5,384,832	6,089,618	13.09
5900 Other (Transp., Postage, Reproduction, Special Proj., etc.)	1,219,725	5,481,774	615,863	4,294,213	597.27
Subtotal	19,283,667	29,106,231	20,869,657	26,288,165	25.96
6000 Sites, Buildings, Books, and Equipment					
6100 Sites & Site Improvements	0	0	0	0	-
6200 Buildings	2,989	115,000	0	115,000	-
6300 Library Books	73,971	70,892	61,973	58,642	(5.37)
6400 Equipment	2,823,482	2,734,594	2,444,420	2,659,347	8.79
Subtotal	2,900,442	2,920,486	2,506,393	2,832,989	13.03
Subtotal, Expenditures (1000 - 6000)	160,302,957	175,579,374	164,024,793	172,876,119	5.40

Rancho Santiago Community College District
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General Fund Expenditure Budget - Combined - Restricted and Unrestricted - Fund 11, 12, 13

<u>Expenditures by Object</u>	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
7000 Other Outgo					
7200 Intrafund Transfers Out	0	0	60	0	(100.00)
7300 Interfund Transfers Out	2,109,019	3,313,574	3,313,573	1,500,000	(54.73)
7600 Other Student Aid	648,825	665,192	622,400	612,154	(1.65)
Subtotal	<u>2,757,844</u>	<u>3,978,766</u>	<u>3,936,033</u>	<u>2,112,154</u>	(46.34)
Subtotal, Expenditures (1000 - 7000)	<u>163,060,801</u>	<u>179,558,140</u>	<u>167,960,826</u>	<u>174,988,273</u>	4.18
7900 Reserve for Contingencies					
7920 Restricted Contingency-Safety & Parking-3610	0	242,411	0	192,427	-
7920 Restricted Contingency-Campus Health Services-3250	0	190,438	0	190,438	-
7920 Restricted Contingency-Health Services-3450	0	166,243	0	166,243	-
7930 Board Policy Contingency (5%)	0	7,190,256	0	7,219,521	-
7940 Reserved for Special Purposes-Student ID Card Fees	0	0	0	0	-
7940 Revolving Cash Accounts	0	100,000	0	100,000	-
7950 Budget Stabilization	0	26,168,429	0	26,414,420	-
Total Designated	<u>0</u>	<u>34,057,777</u>	<u>0</u>	<u>34,283,049</u>	-
7910 Estimated COLA	0	0	0	2,185,000	-
7910 Estimated Growth/Restoration	0	0	0	2,235,000	-
7910 Unrestricted Contingency	44,752,635	23,865,350	41,941,956	1,060,922	(97.47)
Subtotal Expenditures (7900)	<u>44,752,635</u>	<u>57,923,127</u>	<u>41,941,956</u>	<u>39,763,971</u>	(5.19)
Total Expenditures, Other Outgo and Ending Fund Balance	<u>\$207,813,436</u>	<u>\$237,481,267</u>	<u>\$209,902,782</u>	<u>\$214,752,244</u>	2.31

Rancho Santiago Community College District
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General Fund Revenue Budget - Combined - Unrestricted - Fund 11, 13						
<u>Revenues by Source</u>	2012-13 Adopted Budget	2012-13 Allocated Budget	2012-13 Estimated Revenue	% change 12/13 Est/ 12/13 Budget	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8100 Federal Revenues						
8110 Forest Reserve	\$0	\$0	\$0	-	\$0	-
Total Federal Revenues	<u>0</u>	<u>0</u>	<u>0</u>	-	<u>0</u>	-
8600 State Revenues						
8611 Apprenticeship Allowance	1,389,973	1,389,973	1,389,973	-	1,389,973	-
8612 State General Apportionment	77,439,142	55,744,465	55,744,465	-	59,510,048	6.76
8619 Other General Apportionments-Enroll Fee Admin-2%	86,730	240,102	240,102	-	100,000	(58.35)
8619 Other General Apportionments-Part-Time Fac Comp	691,661	691,647	691,647	-	691,661	0.00
8630 Education Protection Account	0	21,147,689	21,147,689	-	21,147,689	-
8672 Homeowners' Property Tax Relief	364,243	319,546	319,546	-	319,546	-
8681 State Lottery Proceeds	3,515,440	3,431,069	3,431,069	-	3,593,558	4.74
8682 State Mandated Costs	782,028	782,028	782,028	-	750,000	(4.10)
Total State Revenues	<u>84,269,217</u>	<u>83,746,519</u>	<u>83,746,519</u>	-	<u>87,502,475</u>	4.48
8800 Local Revenues						
8810 Tax Allocation, Redevelopment	1,629,760	5,660,871	5,660,871	-	5,660,871	-
8811 Tax Allocation, Secured Roll	38,056,069	37,077,730	37,077,730	-	36,045,761	(2.78)
8812 Tax Allocation, Supplement Roll	261,891	442,560	442,560	-	442,560	-
8813 Tax Allocation, Unsecured Roll	1,677,192	1,396,649	1,396,649	-	1,396,649	-
8816 Prior Years' Taxes	970,370	905,430	905,430	-	905,430	-
8817 Education Revenue Augmentation Fund (ERAF)	0	(1,031,969)	(1,625,945)	57.56	0	(100.00)
8820 Contrib, Gifts, Grants & Endowment	1,050	1,050	0	(100.00)	0	-
8850 Rents and Leases	310,202	310,202	303,675	(2.10)	308,890	1.72
8860 Interest & Investment Income	261,000	261,000	164,220	(37.08)	150,000	(8.66)
8874 CCC Enrollment Fees	7,419,246	8,146,704	8,788,217	7.87	8,146,704	(7.30)
8880 Nonresident Tuition	1,650,000	1,650,000	1,479,654	(10.32)	1,600,000	8.13
8885 Student ID & ASB Fees	0	0	53,562	-	0	(100.00)
8890 Transcript/Representation/ Discounts/Fines/Instr. Mat./Health Serv. Use Fees,	63,265	293,183	254,156	(13.31)	84,200	(66.87)

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Rancho Santiago Community College District
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General Fund Revenue Budget - Combined - Unrestricted - Fund 11, 13						
<u>Revenues by Source</u>	2012-13 Adopted Budget	2012-13 Allocated Budget	2012-13 Estimated Revenue	% change 12/13 Est/ 12/13 Budget	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8891 Other Local Rev - Special Proj	0	125,000	563,290	350.63	0	(100.00)
Total Local Revenues	52,300,045	55,238,410	55,464,069	0.41	54,741,065	(1.30)
8900 Other Financing Sources						
8910 Proceeds-Sale of Equip & Suppl	5,000	5,000	20,007	300.14	5,000	(75.01)
8981 Interfund Transfer In	0	0	0	-	0	-
Total Other Sources	5,000	5,000	20,007	300.14	5,000	(75.01)
Total Revenues	136,574,262	138,989,929	139,230,595	0.17	142,248,540	2.17
Net Beginning Balance	43,608,426	43,608,426	43,608,426	-	41,356,750	(5.16)
Adjustments to Beginning Balance	0	0	0	-	0	-
Adjusted Beginning Fund Balance	43,608,426	43,608,426	43,608,426	-	41,356,750	(5.16)
Total Revenues, Other Financing Sources and Beginning Fund Balance	<u>\$180,182,688</u>	<u>\$182,598,355</u>	<u>\$182,839,021</u>	0.13	<u>\$183,605,290</u>	0.42

Rancho Santiago Community College District
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General Fund Expenditure Budget - Combined - Unrestricted - Fund 11, 13						
<u>Expenditures by Object</u>	2012-13 Adopted Budget	2012-13 Allocated Budget	2012-13 Estimated Expenses	% change 12/13 Est/ 12/13 Budget	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
1000 Academic Salaries						
1100 Instructional Salaries, Regular Contract	\$23,262,109	\$23,114,341	\$23,099,410	(0.06)	\$23,780,780	2.95
1200 Non-Instructional Salaries, Regular Contract	12,765,283	12,965,419	12,854,694	(0.85)	13,148,210	2.28
1300 Instructional Salaries, Other Non-Regular	16,521,572	16,504,932	18,522,181	12.22	16,457,233	(11.15)
1400 Non-Instructional Salaries, Other Non-Regular	1,045,037	1,004,207	1,102,536	9.79	963,037	(12.65)
Subtotal	<u>53,594,001</u>	<u>53,588,899</u>	<u>55,578,821</u>	3.71	<u>54,349,260</u>	(2.21)
2000 Classified Salaries						
2100 Non-Instructional Salaries, Regular Full Time	26,070,318	25,905,983	23,617,359	(8.83)	26,496,710	12.19
2200 Instructional Aides, Regular Full Time	903,689	914,947	911,408	(0.39)	928,102	1.83
2300 Non-Instructional Salaries, Other	1,710,650	1,846,563	1,469,189	(20.44)	1,675,103	14.02
2400 Instructional Aides, Other	1,431,086	1,422,130	1,846,956	29.87	1,591,904	(13.81)
Subtotal	<u>30,115,743</u>	<u>30,089,623</u>	<u>27,844,912</u>	(7.46)	<u>30,691,819</u>	10.22
3000 Employee Benefits						
3100 State Teachers' Retirement System Fund	4,237,792	4,254,401	4,390,353	3.20	4,434,690	1.01
3200 Public Employees' Retirement System Fund	3,304,817	3,359,935	3,079,960	(8.33)	3,305,159	7.31
3300 Old Age, Survivors, Disability, and Health Ins.	3,110,657	3,151,696	2,942,882	(6.63)	3,055,450	3.83
3400 Health and Welfare Benefits	20,017,980	19,925,520	21,806,633	9.44	20,289,226	(6.96)
3500 State Unemployment Insurance	1,136,811	1,142,138	1,144,199	0.18	1,177,249	2.89
3600 Workers' Compensation Insurance	1,952,958	1,970,984	2,108,026	6.95	2,037,919	(3.33)
3900 Other Benefits	1,130,038	1,133,547	1,073,171	(5.33)	1,141,843	6.40
Subtotal	<u>34,891,053</u>	<u>34,938,221</u>	<u>36,545,224</u>	4.60	<u>35,441,536</u>	(3.02)
TOTAL SALARIES/BENEFITS	118,600,797	118,616,743	119,968,957	0.85	120,482,615	0.43

Rancho Santiago Community College District
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General Fund Expenditure Budget - Combined - Unrestricted - Fund 11, 13

<u>Expenditures by Object</u>	2012-13 Adopted Budget	2012-13 Allocated Budget	2012-13 Estimated Expenses	% change 12/13 Est/ 12/13 Budget	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
4000 Books and Supplies						
4100 Textbooks	0	650	650	-	0	(100.00)
4200 Other Books	6,500	7,670	3,590	(53.19)	6,670	85.79
4300 Instructional Supplies	146,624	120,251	56,205	(53.26)	153,302	172.76
4400 Media Supplies	0	0	0	-	0	-
4500 Maintenance Supplies	273,977	276,081	222,711	(19.33)	270,704	21.55
4600 Non-Instructional Supplies	622,239	616,277	488,102	(20.80)	607,787	24.52
4700 Food Supplies	11,441	9,691	4,782	(50.66)	13,114	174.24
Subtotal	<u>1,060,781</u>	<u>1,030,620</u>	<u>776,040</u>	(24.70)	<u>1,051,577</u>	35.51
5000 Services and Other Operating Expenses						
5100 Personal & Consultant Svcs	830,682	1,026,957	794,069	(22.68)	868,378	9.36
5200 Travel & Conference Expenses	155,081	290,357	245,803	(15.34)	171,077	(30.40)
5300 Dues & Memberships	157,419	170,524	124,164	(27.19)	156,480	26.03
5400 Insurance	1,826,654	1,826,654	1,826,654	-	1,903,033	4.18
5500 Utilities & Housekeeping Svcs	4,380,535	4,704,248	4,124,374	(12.33)	4,507,776	9.30
5600 Rents, Leases & Repairs	3,686,164	3,791,566	3,148,105	(16.97)	3,821,509	21.39
5700 Legal, Election & Audit Exp	915,780	916,865	814,570	(11.16)	508,840	(37.53)
5800 Other Operating Exp & Services	5,651,125	5,666,498	4,949,315	(12.66)	5,454,511	10.21
5900 Other (Transp., Postge, Reprod., Spec. Proj., etc.)	3,676,451	3,734,168	312,711	(91.63)	2,608,333	734.10
Subtotal	<u>21,279,891</u>	<u>22,127,837</u>	<u>16,339,765</u>	(26.16)	<u>19,999,937</u>	22.40
6000 Sites, Buildings, Books, and Equipment						
6100 Sites & Site Improvements	0	0	0	-	0	-
6200 Buildings	117,989	115,000	0	(100.00)	115,000	-
6300 Library Books	39,196	38,285	37,281	(2.62)	34,801	(6.65)
6400 Equipment	1,206,463	1,179,950	1,046,595	(11.30)	1,206,497	15.28
Subtotal	<u>1,363,648</u>	<u>1,333,235</u>	<u>1,083,876</u>	(18.70)	<u>1,356,298</u>	25.13
Subtotal, Expenditures (1000 - 6000)	<u>142,305,117</u>	<u>143,108,435</u>	<u>138,168,638</u>	(3.45)	<u>142,890,427</u>	3.42

Rancho Santiago Community College District
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General Fund Expenditure Budget - Combined - Unrestricted - Fund 11, 13						
<u>Expenditures by Object</u>	2012-13 Adopted Budget	2012-13 Allocated Budget	2012-13 Estimated Expenses	% change 12/13 Est/ 12/13 Budget	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
7000 Other Outgo						
7200 Intrafund Transfers Out	0	0	60	-	0	(100.00)
7300 Interfund Transfers Out	1,500,000	3,313,574	3,313,573	(0.00)	1,500,000	(54.73)
7600 Other Student Aid	0	0	0	-	0	-
Subtotal	<u>1,500,000</u>	<u>3,313,574</u>	<u>3,313,633</u>	0.00	<u>1,500,000</u>	(54.73)
Subtotal, Expenditures (1000 - 7000)	<u>143,805,117</u>	<u>146,422,009</u>	<u>141,482,271</u>	(3.37)	<u>144,390,427</u>	2.06
7900 Reserve for Contingencies						
7930 Board Policy Contingency (5%)	7,190,256	7,190,256	0	(100.00)	7,219,521	-
7940 Reserved for Special Purposes	0	0	0	-	0	-
7940 Revolving Cash Accounts	100,000	100,000	0	(100.00)	100,000	-
7950 Budget Stabilization	27,442,983	26,168,429	0	(100.00)	26,414,420	-
Total Designated	<u>34,733,239</u>	<u>33,458,685</u>	<u>0</u>	(100.00)	<u>33,733,941</u>	-
7910 Estimated COLA	0	0	0	-	2,185,000	-
7910 Estimated Growth/Restoration	0	0	0	-	2,235,000	-
7910 Unrestricted Contingency	1,644,332	2,717,661	41,356,750	1,421.78	1,060,922	(97.43)
Subtotal Expenditures (7900)	<u>36,377,571</u>	<u>36,176,346</u>	<u>41,356,750</u>	14.32	<u>39,214,863</u>	(5.18)
Total Expenditures, Other Outgo and Ending Fund Balance	<u>\$180,182,688</u>	<u>\$182,598,355</u>	<u>\$182,839,021</u>	0.13	<u>\$183,605,290</u>	0.42

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Santa Ana College	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	37,534,813		0		37,534,813		3,892,287		41,427,100	
Classified Salaries	11,990,684		722,339		12,713,023		5,791,315		18,504,338	
Employee Benefits	15,706,184		35,391		15,741,575		2,869,368		18,610,943	
Supplies & Materials	630,531		8,438		638,969		1,014,266		1,653,235	
Other Operating Exp & Services	1,157,282		6,257,933		7,415,215		3,660,959		11,076,174	
Capital Outlay	77,160		75,000		152,160		967,665		1,119,825	
Other Outgo	0		600,000		600,000		766,863		1,366,863	
Grand Total	\$67,096,654	54.85%	\$7,699,101	59.47%	\$74,795,755	55.29%	\$18,962,723	60.88%	\$93,758,478	56.34%

Santiago Canyon College	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	15,991,645		0		15,991,645		1,733,443		17,725,088	
Classified Salaries	5,942,514		97,700		6,040,214		2,311,246		8,351,460	
Employee Benefits	7,256,554		41,694		7,298,248		1,134,534		8,432,782	
Supplies & Materials	156,697		500		157,197		553,977		711,174	
Other Operating Exp & Services	879,984		3,055,806		3,935,790		964,937		4,900,727	
Capital Outlay	16,409		0		16,409		414,449		430,858	
Other Outgo	0		345,000		345,000		201,972		546,972	
Grand Total	\$30,243,803	24.72%	\$3,540,700	27.35%	\$33,784,503	24.97%	\$7,314,558	23.48%	\$41,099,061	24.69%

District Office	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	822,802		0		822,802		22,113		844,915	
Classified Salaries	11,938,582		0		11,938,582		2,026,375		13,964,957	
Employee Benefits	5,636,506		0		5,636,506		740,720		6,377,226	
Supplies & Materials	255,411		0		255,411		131,129		386,540	
Other Operating Exp & Services	5,155,248		1,590,651		6,745,899		1,662,332		8,408,231	
Capital Outlay	1,187,729		0		1,187,729		94,577		1,282,306	
Other Outgo	0		115,922		115,922		192,427		308,349	
Grand Total	\$24,996,278	20.43%	\$1,706,573	13.18%	\$26,702,851	19.74%	\$4,869,673	15.63%	\$31,572,524	18.97%

Total Expenditures-excludes Districtwide	\$122,336,735	100.00%	\$12,946,374	100.00%	\$135,283,109	100.00%	\$31,146,954	100.00%	\$166,430,063	100.00%
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Districtwide	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Employee Benefits-retiree benefits	6,765,207		0		6,765,207		0		6,765,207	
Election	0		0		0		0		0	
Other Operating Exp & Services-prop&liability ins	1,903,033		0		1,903,033		0		1,903,033	
Other Outgo-Interfund Transfers	0		1,500,000		1,500,000		0		1,500,000	
Other Outgo-Board Policy Contingency	0		7,219,521		7,219,521		0		7,219,521	
Other Outgo-Reserves	20,089,868		11,498,969		31,588,837		0		31,588,837	
Grand Total	\$28,758,108	19.03%	\$20,218,490	60.96%	\$48,976,598	26.58%	\$0	0.00%	\$48,976,598	22.74%

Total Expenditures-includes Districtwide	\$151,094,843		\$33,164,864		\$184,259,707		\$31,146,954		\$215,406,661	
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Unrestricted General Fund Revenue Budget - Fund 11					
<u>Revenues by Source</u>	2011-12 Actual Revenue	2012-13 Revised Budget	2012-13 Estimated Revenue	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8100 Federal Revenues					
8110 Forest Reserve	\$9,215	\$0	\$0	\$0	-
8120 Higher Education Act	0	0	0	0	-
8130 Workforce Investment Act (JTPA)	0	0	0	0	-
8140 Temporary Assistance for Needy Families (TANF)	0	0	0	0	-
8150 Student Financial Aid	0	0	0	0	-
8160 Veterans Education	0	0	0	0	-
8170 Vocational Technical Education Act (VTEA)	0	0	0	0	-
8199 Other Federal Revenues (ABE, CAMP, SBA, Gear Up, NSF)	0	0	0	0	-
Total Federal Revenues	9,215	0	0	0	-
8600 State Revenues					
8611 Apprenticeship Allowance	1,389,973	1,389,973	1,389,973	1,389,973	-
8612 State General Apportionment	79,976,584	55,744,465	55,744,465	59,510,048	6.76
8612 State General Apportionment-prior year adjustment	1,620,985	0	0	0	-
8619 Other General Apportionments-Enrollment Fee Admin-2%	84,026	240,102	240,102	100,000	(58.35)
8619 Other General Apportionments-Part-Time Faculty Compensation	691,647	691,647	691,647	691,661	0.00
8622 Extended Opportunity Programs & Services (EOPS)	0	0	0	0	-
8623 Disabled Students Programs & Services (DSPS)	0	0	0	0	-
8625 CalWORKS	0	0	0	0	-
8626 Telecomm./Technology Infrastructure Prog. (TTIP)	0	0	0	0	-
8629 Other Gen Categorical Apport-BSI	0	0	0	0	-
8629 Other Gen Categorical Apport-CARE	0	0	0	0	-
8629 Other Gen Categorical Apport-Equal Employment Opportunity	0	0	0	0	-
8629 Other Gen Categorical Apport-Matriculation-Credit	0	0	0	0	-
8629 Other Gen Categorical Apport-Matriculation-Non-Credit	0	0	0	0	-
8629 Other Gen Categorical Apport-Student Financial Aid Admin	0	0	0	0	-
8630 Education Protection Account	0	21,147,689	21,147,689	21,147,689	-

Rancho Santiago Community College District
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Unrestricted General Fund Revenue Budget - Fund 11					
<u>Revenues by Source</u>	2011-12 Actual Revenue	2012-13 Revised Budget	2012-13 Estimated Revenue	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8659 Other Reimb Categorical Allow-Career Tech Education	0	0	0	0	-
8659 Other Reimb Categorical Allow-Economic Development	0	0	0	0	-
8659 Other Reimb Categorical Allow-Other	0	0	0	0	-
8672 Homeowners' Property Tax Relief	319,546	319,546	319,546	319,546	-
8681 State Lottery Proceeds	3,833,379	3,431,069	3,431,069	3,593,558	4.74
8682 State Mandated Costs	157,777	0	0	0	-
8699 Other Misc State Revenue	(828)	0	0	0	-
Total State Revenues	<u>88,073,089</u>	<u>82,964,491</u>	<u>82,964,491</u>	<u>86,752,475</u>	4.57
8800 Local Revenues					
8810 Tax Allocation, Redevelopment	1,429,768	5,660,871	5,660,871	5,660,871	-
8811 Tax Allocation, Secured Roll	35,897,784	37,077,730	37,077,730	36,045,761	(2.78)
8812 Tax Allocation, Supplement Roll	229,754	442,560	442,560	442,560	-
8813 Tax Allocation, Unsecured Roll	1,471,379	1,396,649	1,396,649	1,396,649	-
Property Tax Deficit Estimate	0	0	0	0	-
8816 Prior Years' Taxes	851,293	905,430	905,430	905,430	-
8817 Education Revenue Augmentation Fund (ERAF)	(2,511,684)	(1,031,969)	(1,625,945)	0	(100.00)
8820 Contrib, Gifts, Grants & Endowment	5	1,050	0	0	-
8831 Contract Instructional Service	0	0	0	0	-
8850 Rents and Leases	347,800	310,202	295,737	300,952	1.76
8860 Interest & Investment Income	315,940	261,000	164,220	150,000	(8.66)
8867 Gain(Loss)on Invest-Unrealized	2,413	0	0	0	-
8874 CCC Enrollment Fees	7,588,394	8,146,704	8,788,217	8,146,704	(7.30)
CCC Enrollment Fees (Deficit Factor)	0	0	0	0	-
8876 Health Services Fees	0	0	0	0	-
8880 Nonresident Tuition	1,616,463	1,650,000	1,479,654	1,600,000	8.13
8882 Parking Fees & Bus Passes	0	0	0	0	-
8885 Student ID & ASB Fees	52,778	0	53,562	0	(100.00)
8890 Other Local Revenues (Student Transcript/Representation/ Discounts/Fines/Instr. Mat./Health Serv. Use Fees, etc.)	404,644	55,851	109,741	24,200	(77.95)

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Unrestricted General Fund Revenue Budget - Fund 11					
<u>Revenues by Source</u>	2011-12 Actual Revenue	2012-13 Revised Budget	2012-13 Estimated Revenue	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8891 Other Local Rev - Special Proj	(313,290)	0	438,290	0	(100.00)
Total Local Revenues	<u>47,383,441</u>	<u>54,876,078</u>	<u>55,186,716</u>	<u>54,673,127</u>	(0.93)
8900 Other Financing Sources					
8910 Proceeds-Sale of Equip & Suppl	41,176	5,000	20,007	5,000	(75.01)
8981 Interfund Transfer In	0	0	0	0	-
Total Other Sources	<u>41,176</u>	<u>5,000</u>	<u>20,007</u>	<u>5,000</u>	(75.01)
Total Revenues	<u>135,506,921</u>	<u>137,845,569</u>	<u>138,171,214</u>	<u>141,430,602</u>	2.36
Net Beginning Balance	46,173,393	0	0	9,009,824	-
Adjustments to Beginning Balance	77,904 *	0 *	0	0	-
Adjusted Beginning Fund Balance	<u>46,251,297</u>	<u>0</u>	<u>0</u>	<u>9,009,824</u>	-
Total Revenues, Other Financing Sources and Beginning Fund Balance	<u>\$181,758,218</u>	<u>\$137,845,569</u>	<u>\$138,171,214</u>	<u>\$150,440,426</u>	8.88

* Adjustment to Beginning Fund Balance from Fund 12 to Fund 11 - due to negative fund balance for Project #3450 - Health Services

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Rancho Santiago Community College District
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Unrestricted General Fund Expenditure Budget - Fund 11

<u>Expenditures by Object</u>	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
1000 Academic Salaries					
1100 Instructional Salaries, Regular Contract	\$23,042,653	\$23,114,341	\$23,099,410	\$23,780,780	2.95
1200 Non-Instructional Salaries, Regular Contract	12,769,424	12,965,419	12,854,694	13,148,210	2.28
1300 Instructional Salaries, Other Non-Regular	18,397,589	16,496,415	18,513,665	16,457,233	(11.11)
1400 Non-Instructional Salaries, Other Non-Regular	864,390	955,199	1,062,411	963,037	(9.35)
Subtotal	<u>55,074,056</u>	<u>53,531,374</u>	<u>55,530,180</u>	<u>54,349,260</u>	(2.13)
2000 Classified Salaries					
2100 Non-Instructional Salaries, Regular Full Time	24,149,438	25,784,304	23,571,758	26,440,710	12.17
2200 Instructional Aides, Regular Full Time	871,035	914,947	911,408	928,102	1.83
2300 Non-Instructional Salaries, Other	1,238,645	1,501,164	1,419,748	1,367,103	(3.71)
2400 Instructional Aides, Other	1,372,832	963,027	1,424,496	1,135,865	(20.26)
Subtotal	<u>27,631,950</u>	<u>29,163,442</u>	<u>27,327,410</u>	<u>29,871,780</u>	9.31
3000 Employee Benefits					
3100 State Teachers' Retirement System Fund	4,362,624	4,250,488	4,386,908	4,434,690	1.09
3200 Public Employees' Retirement System Fund	2,997,997	3,345,096	3,071,832	3,297,959	7.36
3300 Old Age, Survivors, Disability, and Health Ins.	2,932,456	3,126,345	2,923,657	3,036,659	3.87
3400 Health and Welfare Benefits	20,708,086	19,884,739	21,792,967	20,261,181	(7.03)
3500 State Unemployment Insurance	1,508,160	1,132,223	1,137,519	1,168,834	2.75
3600 Workers' Compensation Insurance	2,091,083	1,954,475	2,093,404	2,024,635	(3.29)
3900 Other Benefits	1,112,486	1,131,519	1,072,721	1,140,493	6.32
Subtotal	<u>35,712,892</u>	<u>34,824,885</u>	<u>36,479,008</u>	<u>35,364,451</u>	(3.06)
TOTAL SALARIES/BENEFITS	118,418,898	117,519,701	119,336,598	119,585,491	0.21

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Unrestricted General Fund Expenditure Budget - Fund 11

Expenditures by Object	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
4000 Books and Supplies					
4100 Textbooks	0	650	650	0	(100.00)
4200 Other Books	2,864	7,670	3,590	6,670	85.79
4300 Instructional Supplies	102,629	120,251	56,205	153,302	172.76
4400 Media Supplies	0	0	0	0	-
4500 Maintenance Supplies	231,033	262,731	216,649	270,704	24.95
4600 Non-Instructional Supplies	576,712	600,628	482,504	598,849	24.11
4700 Food Supplies	6,236	9,364	4,782	13,114	174.24
Subtotal	<u>919,474</u>	<u>1,001,294</u>	<u>764,380</u>	<u>1,042,639</u>	36.40
5000 Services and Other Operating Expenses					
5100 Personal & Consultant Svcs	798,888	862,368	742,345	800,997	7.90
5200 Travel & Conference Expenses	68,010	195,694	157,769	158,177	0.26
5300 Dues & Memberships	137,979	154,755	124,164	156,480	26.03
5400 Insurance	1,375,425	1,826,654	1,826,654	1,903,033	4.18
5500 Utilities & Housekeeping Svcs	3,809,314	611,976	611,976	597,357	(2.39)
5600 Rents, Leases & Repairs	3,127,936	3,376,975	3,043,889	3,571,509	17.33
5700 Legal, Election & Audit Exp	709,480	548,780	548,780	508,840	(7.28)
5800 Other Operating Exp & Services	4,425,756	373,872	373,872	388,950	4.03
5900 Other (Transp., Postage, Reproduction, Special Proj., etc.)	877,810	1,082,037	266,143	1,010,204	279.57
Subtotal	<u>15,330,598</u>	<u>9,033,111</u>	<u>7,695,592</u>	<u>9,095,547</u>	18.19
6000 Sites, Buildings, Books, and Equipment					
6100 Sites & Site Improvements	0	0	0	0	-
6200 Buildings	2,989	115,000	0	115,000	-
6300 Library Books	33,112	38,285	37,281	34,801	(6.65)
6400 Equipment	1,401,836	1,156,791	1,037,479	1,131,497	9.06
Subtotal	<u>1,437,937</u>	<u>1,310,076</u>	<u>1,074,760</u>	<u>1,281,298</u>	19.22
Subtotal, Expenditures (1000 - 6000)	<u>136,106,907</u>	<u>128,864,182</u>	<u>128,871,330</u>	<u>131,004,975</u>	1.66

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Unrestricted General Fund Expenditure Budget - Fund 11					
Expenditures by Object	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
7000 Other Outgo					
7200 Intrafund Transfers Out	(66,322)	0	60	0	(100.00)
7300 Interfund Transfers Out	2,109,019	290,000	290,000	0	(100.00)
7600 Other Student Aid	188	0	0	0	-
Subtotal	<u>2,042,885</u>	<u>290,000</u>	<u>290,060</u>	<u>0</u>	(100.00)
Subtotal, Expenditures (1000 - 7000)	<u>138,149,792</u>	<u>129,154,182</u>	<u>129,161,390</u>	<u>131,004,975</u>	1.43
7900 Reserve for Contingencies					
7910 Estimated COLA	0	0	0	2,185,000	-
7910 Estimated Growth/Restoration	0	0	0	2,235,000	-
7950 Budget Stabilization	0	6,655,073	0	15,015,451	-
Total Designated	<u>0</u>	<u>6,655,073</u>	<u>0</u>	<u>19,435,451</u>	-
7910 Unrestricted Contingency	43,608,426	2,036,314	9,009,824	0	(100.00)
Subtotal Expenditures (7900)	<u>43,608,426</u>	<u>8,691,387</u>	<u>9,009,824</u>	<u>19,435,451</u>	115.71
Total Expenditures, Other Outgo and Ending Fund Balance	<u><u>\$181,758,218</u></u>	<u><u>\$137,845,569</u></u>	<u><u>\$138,171,214</u></u>	<u><u>\$150,440,426</u></u>	8.88

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Restricted General Fund Revenue Budget - Fund 12					
<u>Revenues by Source</u>	2011-12 Actual Revenue	2012-13 Revised Budget	2012-13 Estimated Revenue	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8100 Federal Revenues					
8110 Forest Reserve	\$0	\$0	\$0	\$0	-
8120 Higher Education Act	2,388,177	5,055,493	2,300,000	4,899,093	113.00
8130 Workforce Investment Act (JTPA)	411,696	998,944	400,000	784,450	96.11
8140 Temporary Assistance for Needy Families (TANF)	107,115	105,798	105,798	105,798	-
8150 Student Financial Aid	12,535	64,359	62,782	64,049	2.02
8160 Veterans Education	0	0	0	0	-
8170 Vocational Technical Education Act (VTEA)	1,386,343	1,589,015	1,589,015	1,589,015	-
8199 Other Federal Revenues (ABE, CAMP, SBA, Gear Up, NSF)	7,675,245	7,488,606	7,400,000	6,817,788	(7.87)
Total Federal Revenues	<u>11,981,111</u>	<u>15,302,215</u>	<u>11,857,595</u>	<u>14,260,193</u>	20.26
8600 State Revenues					
8611 Apprenticeship Allowance	0	0	0	0	-
8612 State General Apportionment	0	0	0	0	-
8612 State General Apportionment-prior year adjustment	0	0	0	0	-
8619 Other General Apportionments-Enrollment Fee Admin-2%	0	0	0	0	-
8619 Other General Apportionments-Part-Time Faculty Compensation	0	0	0	0	-
8622 Extended Opportunity Programs & Services (EOPS)	1,301,244	1,257,850	1,257,850	1,257,850	-
8623 Disabled Students Programs & Services (DSPS)	1,524,642	1,332,262	1,332,262	1,332,262	-
8625 CalWORKS	270,760	324,246	324,246	324,246	-
8626 Telecomm./Technology Infrastructure Prog. (TTIP)	49,098	71,317	71,317	71,317	-
8629 Other Gen Categorical Apport-BSI	678,905	1,833,999	650,000	1,302,310	100.36
8629 Other Gen Categorical Apport-CARE	77,824	85,202	85,202	85,202	-
8629 Other Gen Categorical Apport-Equal Employment Opportunity	1,659	23,908	23,908	23,908	-
8629 Other Gen Categorical Apport-Matriculation-Credit	1,273,163	1,331,008	1,331,008	1,331,008	-
8629 Other Gen Categorical Apport-Matriculation-Non-Credit	1,310,273	1,327,254	1,327,254	1,327,254	-
8629 Other Gen Categorical Apport-Student Financial Aid Admin	1,137,904	987,383	987,383	987,383	-
8659 Other Reimb Categorical Allow-Career Tech Education	548,409	1,565,108	1,565,108	1,565,108	-
8659 Other Reimb Categorical Allow-Economic Development	1,570,446	2,732,766	1,500,000	2,314,837	54.32

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Restricted General Fund Revenue Budget - Fund 12					
Revenues by Source	2011-12 Actual Revenue	2012-13 Revised Budget	2012-13 Estimated Revenue	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8659 Other Reimb Categorical Allow-Other	372,989	745,791	300,000	713,291	137.76
8672 Homeowners' Property Tax Relief	0	0	0	0	-
8681 State Lottery Proceeds	899,471	787,459	787,459	867,660	10.18
8682 State Mandated Costs	0	0	0	0	-
8699 Other Misc State Revenue	0	0	0	0	-
Total State Revenues	<u>11,016,787</u>	<u>14,405,553</u>	<u>11,542,997</u>	<u>13,503,636</u>	16.99
8800 Local Revenues					
8810 Tax Allocation, Redevelopment	0	0	0	0	-
8811 Tax Allocation, Secured Roll	0	0	0	0	-
8812 Tax Allocation, Supplement Roll	0	0	0	0	-
8813 Tax Allocation, Unsecured Roll	0	0	0	0	-
Property Tax Deficit Estimate	0	0	0	0	-
8816 Prior Years' Taxes	0	0	0	0	-
8817 Education Revenue Augmentation Fund (ERAF)	0	0	0	0	-
8820 Contrib, Gifts, Grants & Endowment	(79)	16,612	16,612	16,612	-
8831 Contract Instructional Service	56,598	169,861	123,269	169,861	37.80
8850 Rents and Leases	0	0	0	0	-
8860 Interest & Investment Income	0	0	0	0	-
8867 Gain(Loss)on Invest-Unrealized	0	0	0	0	-
8874 CCC Enrollment Fees	0	0	0	0	-
CCC Enrollment Fees (Deficit Factor)	0	0	0	0	-
8876 Health Services Fees	961,766	1,011,833	1,067,520	1,011,833	(5.22)
8880 Nonresident Tuition	0	0	0	0	-
8882 Parking Fees & Bus Passes	859,906	860,000	816,512	860,000	5.33
8885 Student ID & ASB Fees	0	0	0	0	-
8890 Other Local Revenues (Instr. Mat./Health Serv. Use Fees, etc.)	131,361	227,607	202,504	148,451	(26.69)
8891 Other Local Rev - Special Proj	219,688	597,333	292,543	591,162	102.08
Total Local Revenues	<u>2,229,240</u>	<u>2,883,246</u>	<u>2,518,960</u>	<u>2,797,919</u>	11.07

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Restricted General Fund Revenue Budget - Fund 12					
<u>Revenues by Source</u>	2011-12 Actual Revenue	2012-13 Revised Budget	2012-13 Estimated Revenue	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8900 Other Financing Sources					
8910 Proceeds-Sale of Equip & Suppl	0	0	0	0	-
8981 Interfund Transfer In	0	0	0	0	-
Total Other Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	-
Total Revenues	<u>25,227,138</u>	<u>32,591,014</u>	<u>25,919,552</u>	<u>30,561,748</u>	17.91
Net Beginning Balance	905,985	1,144,209	1,144,209	585,206	(48.85)
Adjustments to Beginning Balance	(77,904) *	0	0	0	-
Adjusted Beginning Fund Balance	<u>828,081</u>	<u>1,144,209</u>	<u>1,144,209</u>	<u>585,206</u>	(48.85)
Total Revenues, Other Financing Sources and Beginning Fund Balance	<u><u>\$26,055,219</u></u>	<u><u>\$33,735,223</u></u>	<u><u>\$27,063,761</u></u>	<u><u>\$31,146,954</u></u>	15.09

* Adjustment to Beginning Fund Balance from Fund 12 to Fund 11 - due to negative fund balance for Project #3450 - Health Services

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Restricted General Fund Expenditure Budget - Fund 12

<u>Expenditures by Object</u>	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
1000 Academic Salaries					
1100 Instructional Salaries, Regular Contract	\$146,412	\$201,035	\$163,794	\$201,035	22.74
1200 Non-Instructional Salaries, Regular Contract	1,681,712	1,789,975	1,675,361	1,738,577	3.77
1300 Instructional Salaries, Other Non-Regular	450,772	618,796	414,984	550,836	32.74
1400 Non-Instructional Salaries, Other Non-Regular	2,870,327	3,549,186	3,095,698	3,157,395	1.99
Subtotal	<u>5,149,223</u>	<u>6,158,992</u>	<u>5,349,837</u>	<u>5,647,843</u>	5.57
2000 Classified Salaries					
2100 Non-Instructional Salaries, Regular Full Time	4,572,562	5,590,670	5,192,666	5,532,412	6.54
2200 Instructional Aides, Regular Full Time	0	0	0	0	-
2300 Non-Instructional Salaries, Other	3,175,340	3,844,621	2,902,289	3,485,794	20.10
2400 Instructional Aides, Other	821,197	1,145,776	823,460	1,110,730	34.89
Subtotal	<u>8,569,099</u>	<u>10,581,067</u>	<u>8,918,415</u>	<u>10,128,936</u>	13.57
3000 Employee Benefits					
3100 State Teachers' Retirement System Fund	354,501	471,452	374,087	429,525	14.82
3200 Public Employees' Retirement System Fund	709,325	952,573	817,917	925,762	13.19
3300 Old Age, Survivors, Disability, and Health Ins.	625,719	800,504	672,490	764,457	13.68
3400 Health and Welfare Benefits	1,496,184	1,903,851	1,729,613	1,900,066	9.85
3500 State Unemployment Insurance	211,567	193,708	152,133	182,307	19.83
3600 Workers' Compensation Insurance	332,215	404,601	343,566	378,140	10.06
3900 Other Benefits	136,073	166,557	151,302	164,365	8.63
Subtotal	<u>3,865,584</u>	<u>4,893,246</u>	<u>4,241,108</u>	<u>4,744,622</u>	11.87
TOTAL SALARIES/BENEFITS	17,583,906	21,633,305	18,509,360	20,521,401	10.87

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Restricted General Fund Expenditure Budget - Fund 12

<u>Expenditures by Object</u>	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
4000 Books and Supplies					
4100 Textbooks	0	0	0	0	-
4200 Other Books	97,837	141,151	74,729	126,392	69.13
4300 Instructional Supplies	688,446	1,462,548	882,488	1,001,599	13.50
4400 Media Supplies	0	0	0	0	-
4500 Maintenance Supplies	0	12,025	12,006	12,025	0.16
4600 Non-Instructional Supplies	317,483	507,257	331,479	426,526	28.67
4700 Food Supplies	92,804	149,008	93,684	132,830	41.79
Subtotal	1,196,570	2,271,989	1,394,386	1,699,372	21.87
5000 Services and Other Operating Expenses					
5100 Personal & Consultant Svcs	2,425,596	3,557,228	3,150,609	3,114,543	(1.14)
5200 Travel & Conference Expenses	382,687	484,042	325,762	447,544	37.38
5300 Dues & Memberships	28,162	24,814	18,664	24,564	31.61
5400 Insurance	65,155	69,566	69,566	69,566	-
5500 Utilities & Housekeeping Svcs	4,765	8,359	4,458	7,654	71.69
5600 Rents, Leases & Repairs	257,571	283,468	222,164	301,905	35.89
5700 Legal, Election & Audit Exp	0	1,465	0	1,465	-
5800 Other Operating Exp & Services	447,219	801,846	435,517	635,107	45.83
5900 Other (Transp., Postage, Reproduction, Special Proj., etc.)	341,915	1,747,606	303,152	1,685,880	456.12
Subtotal	3,953,070	6,978,394	4,529,892	6,288,228	38.82
6000 Sites, Buildings, Books, and Equipment					
6100 Sites & Site Improvements	0	0	0	0	-
6200 Buildings	0	0	0	0	-
6300 Library Books	40,859	32,607	24,692	23,841	(3.45)
6400 Equipment	1,421,646	1,554,644	1,397,825	1,452,850	3.94
Subtotal	1,462,505	1,587,251	1,422,517	1,476,691	3.81
Subtotal, Expenditures (1000 - 6000)	24,196,051	32,470,939	25,856,155	29,985,692	15.97

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Restricted General Fund Expenditure Budget - Fund 12					
<u>Expenditures by Object</u>	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
7000 Other Outgo					
7200 Intrafund Transfers Out	66,322	0	0	0	-
7300 Interfund Transfers Out	0	0	0	0	-
7600 Other Student Aid	648,637	665,192	622,400	612,154	(1.65)
Subtotal	<u>714,959</u>	<u>665,192</u>	<u>622,400</u>	<u>612,154</u>	(1.65)
Subtotal, Expenditures (1000 - 7000)	<u>24,911,010</u>	<u>33,136,131</u>	<u>26,478,555</u>	<u>30,597,846</u>	15.56
7900 Reserve for Contingencies					
7920 Restricted Contingency-Safety & Parking-3610	0	242,411	0	192,427	-
7920 Restricted Contingency-Campus Health Services-3250	0	190,438	0	190,438	-
7920 Restricted Contingency-Health Services-3450	0	166,243	0	166,243	-
Total Designated	<u>0</u>	<u>599,092</u>	<u>0</u>	<u>549,108</u>	-
7910 Unrestricted Contingency	1,144,209	0	585,206	0	(100.00)
Subtotal Expenditures (7900)	<u>1,144,209</u>	<u>599,092</u>	<u>585,206</u>	<u>549,108</u>	(6.17)
Total Expenditures, Other Outgo and Ending Fund Balance	<u><u>\$26,055,219</u></u>	<u><u>\$33,735,223</u></u>	<u><u>\$27,063,761</u></u>	<u><u>\$31,146,954</u></u>	15.09

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Unrestricted - One-Time - General Fund Revenue Budget - Fund 13						
<u>Revenues by Source</u>		2011-12 Actual Revenue	2012-13 Revised Budget	2012-13 Estimated Revenue	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
8100	Federal Revenues					
	Total Federal Revenues	\$0	\$0	\$0	\$0	-
8600	State Revenues					
8682	State Mandated Costs	0	782,028	782,028	750,000	(4.10)
	Total State Revenues	0	782,028	782,028	750,000	(4.10)
8800	Local Revenues					
8850	Rentals Short-term	0	0	7,938	7,938	-
8890	Other Local Revenues (Student Transcript/Representation/ Discounts/Fines/Instr. Mat./Health Serv. Use Fees, etc.)	0	237,332	144,415	60,000	(58.45)
8891	Other Local Rev - Special Proj	0	125,000	125,000	0	(100.00)
	Total Local Revenues	0	362,332	277,353	67,938	(75.50)
8900	Other Financing Sources					
	Total Other Sources	0	0	0	0	-
	Total Revenues	0	1,144,360	1,059,381	817,938	(22.79)
	Net Beginning Balance	0	43,608,426	43,608,426	32,346,926	(25.82)
	Adjustments to Beginning Balance	0	0	0	0	-
	Adjusted Beginning Fund Balance	0	43,608,426	43,608,426	32,346,926	(25.82)
	Total Revenues, Other Financing Sources and Beginning Fund Balance	\$0	\$44,752,786	\$44,667,807	\$33,164,864	(25.75)

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Rancho Santiago Community College District
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Unrestricted - One-Time - General Fund Expenditure Budget - Fund 13					
<u>Expenditures by Object</u>	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
1000 Academic Salaries					
1100 Instructional Salaries, Regular Contract	\$0	\$0	\$0	\$0	-
1200 Non-Instructional Salaries, Regular Contract	0	0	0	0	-
1300 Instructional Salaries, Other Non-Regular	0	8,517	8,516	0	(100.00)
1400 Non-Instructional Salaries, Other Non-Regular	0	49,008	40,125	0	(100.00)
Subtotal	<u>0</u>	<u>57,525</u>	<u>48,641</u>	<u>0</u>	(100.00)
2000 Classified Salaries					
2100 Non-Instructional Salaries, Regular Full Time	0	113,111	45,601	56,000	22.80
2200 Instructional Aides, Regular Full Time	0	0	0	0	-
2300 Non-Instructional Salaries, Other	0	353,967	49,441	308,000	522.96
2400 Instructional Aides, Other	0	459,103	422,460	456,039	7.95
Subtotal	<u>0</u>	<u>926,181</u>	<u>517,502</u>	<u>820,039</u>	58.46
3000 Employee Benefits					
3100 State Teachers' Retirement System Fund	0	3,913	3,445	0	(100.00)
3200 Public Employees' Retirement System Fund	0	14,839	8,128	7,200	(11.42)
3300 Old Age, Survivors, Disability, and Health Ins.	0	25,351	19,225	18,791	(2.26)
3400 Health and Welfare Benefits	0	40,781	13,666	28,045	105.22
3500 State Unemployment Insurance	0	9,915	6,680	8,415	25.97
3600 Workers' Compensation Insurance	0	16,509	14,622	13,284	(9.15)
3900 Other Benefits	0	2,028	450	1,350	200.00
Subtotal	<u>0</u>	<u>113,336</u>	<u>66,216</u>	<u>77,085</u>	16.41
TOTAL SALARIES/BENEFITS	0	1,097,042	632,359	897,124	41.87

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Rancho Santiago Community College District
Tentative Budget
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Unrestricted - One-Time - General Fund Expenditure Budget - Fund 13					
Expenditures by Object	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
4000 Books and Supplies					
4100 Textbooks	0	0	0	0	-
4200 Other Books	0	0	0	0	-
4300 Instructional Supplies	0	0	0	0	-
4400 Media Supplies	0	0	0	0	-
4500 Maintenance Supplies	0	13,350	6,062	0	(100.00)
4600 Non-Instructional Supplies	0	15,649	5,598	8,938	59.66
4700 Food Supplies	0	327	0	0	-
Subtotal	0	29,326	11,660	8,938	(23.34)
5000 Services and Other Operating Expenses					
5100 Personal & Consultant Svcs	0	164,589	51,724	67,381	30.27
5200 Travel & Conference Expenses	0	94,663	88,034	12,900	(85.35)
5300 Dues & Memberships	0	15,769	0	0	-
5400 Insurance	0	0	0	0	-
5500 Utilities & Housekeeping Svcs	0	4,092,272	3,512,398	3,910,419	11.33
5600 Rents, Leases & Repairs	0	414,591	104,216	250,000	139.89
5700 Legal, Election & Audit Exp	0	368,085	265,790	0	(100.00)
5800 Other Operating Exp & Services	0	5,292,626	4,575,443	5,065,561	10.71
5900 Other (Transp., Postage, Reproduction, Special Proj., etc.)	0	2,652,131	46,568	1,598,129	3,331.82
Subtotal	0	13,094,726	8,644,173	10,904,390	26.15
6000 Sites, Buildings, Books, and Equipment					
6100 Sites & Site Improvements	0	0	0	0	-
6200 Buildings	0	0	0	0	-
6300 Library Books	0	0	0	0	-
6400 Equipment	0	23,159	9,116	75,000	722.73
Subtotal	0	23,159	9,116	75,000	722.73
Subtotal, Expenditures (1000 - 6000)	0	14,244,253	9,297,308	11,885,452	27.84

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Rancho Santiago Community College District
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Unrestricted - One-Time - General Fund Expenditure Budget - Fund 13					
<u>Expenditures by Object</u>	2011-12 Actual Expenses	2012-13 Revised Budget	2012-13 Estimated Expenses	2013-14 Tentative Budget	% change 13/14 Tent/ 12/13 Est
7000 Other Outgo					
7200 Intrafund Transfers Out	0	0	0	0	-
7300 Interfund Transfers Out	0	3,023,574	3,023,573	1,500,000	(50.39)
7600 Other Student Aid	0	0	0	0	-
Subtotal	0	3,023,574	3,023,573	1,500,000	(50.39)
Subtotal, Expenditures (1000 - 7000)	0	17,267,827	12,320,881	13,385,452	8.64
7900 Reserve for Contingencies					
7930 Board Policy Contingency (5%)	0	7,190,256	0	7,219,521	-
7940 Reserved for Special Purposes-Student ID Card Fees	0	0	0	0	-
7940 Revolving Cash Accounts	0	100,000	0	100,000	-
7950 Budget Stabilization	0	19,513,356	0	11,398,969	-
Total Designated	0	26,803,612	0	18,718,490	-
7910 Unrestricted Contingency	0	681,347	32,346,926	1,060,922	(96.72)
Subtotal Expenditures (7900)	0	27,484,959	32,346,926	19,779,412	(38.85)
Total Expenditures, Other Outgo and Ending Fund Balance	\$0	\$44,752,786	\$44,667,807	\$33,164,864	(25.75)

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Budget Allocation Model					
FTES Credit vs. Non-Credit Breakdown					
<u>Full-Time Equivalent Students</u>	Santa Ana College		Santiago Canyon College		Total FTES
	FTES	%	FTES	%	
2012/13 Estimated Annual @ P2					
Credit	15,417	70.83%	6,351	29.17%	21,768
Non-Credit	4,540	70.67%	1,884	29.33%	6,424
Total	19,957	70.79%	8,235	29.21%	28,192
2013/14 Projected					
Credit	15,315	70.84%	6,305	29.16%	21,620
Non-Credit	4,509	70.67%	1,871	29.33%	6,380
Total	19,824	70.80%	8,176	29.20%	28,000

Expenditures by Major Object (2 Colleges Only) (Fund 11, 12, 13)						
<u>Expenditures by Object</u>		Santa Ana College		Santiago Canyon College		Adopted Budget
		\$	%	\$	%	
1000	Academic Salaries	\$41,427,100	70.03%	\$17,725,088	29.97%	\$59,152,188
2000	Classified Salaries	\$18,504,338	68.90%	\$8,351,460	31.10%	26,855,798
3000	Employee Benefits	\$18,610,943	68.82%	\$8,432,782	31.18%	27,043,725
4000	Books and Supplies	\$1,653,235	69.92%	\$711,174	30.08%	2,364,409
5000	Services and Other Operating Expenses	\$11,076,174	69.33%	\$4,900,727	30.67%	15,976,901
6000	Sites, Buildings, Books, and Equipment	\$1,119,825	72.21%	\$430,858	27.79%	1,550,683
7000	Other Outgo and Contingencies	\$1,366,863	71.42%	\$546,972	28.58%	1,913,835
Total Expenditures		\$93,758,478	69.52%	\$41,099,061	30.48%	\$134,857,539

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Rancho Santiago Community College District
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FY 2012-13 Estimate Ending Balance and Carryover		
BREAKDOWN OF UNRESTRICTED FUND BALANCE		
2012/13 Beginning Fund Balance		\$ 43,608,426
2012/13 Change in Fund Balance		<u>(2,251,676)</u>
Ending Balance FY 2012/13 / Beginning Balance FY 2013-14		41,356,750
Estimate Carryover for Santa Ana College	\$ 3,051,256	
Estimate Carryover for Santiago Canyon College	1,037,567	
Estimate Carryover for District Office	<u>697,204</u>	
Total Budget Center Carryovers		4,786,027
5% Board Policy Contingency		7,219,521
Revolving Cash		<u>100,000</u>
Beginning Budget Stabilization Fund		29,251,202
Budgeted Spenddown		<u>(2,836,782)</u>
Ending Budget Stabilization Fund		<u><u>\$ 26,414,420</u></u>
RECONCILIATION OF USE OF BUDGET STABILIZATION FUND		
Total Budgeted Expenditures - Fund 13		\$ 13,385,452
+ Unrestricted Contingency		1,060,922
- Expenditures from One-Time Revenue		<u>(817,938)</u>
Net Fund 13 Expenditure Budget		13,628,436
+ Fund 11 FY 12/13 Estimated Unspent Balance		9,009,824
- Fund 11 Budget Stabilization Fund		<u>(15,015,451)</u>
Total Unrestricted General Fund Expenditures Over Revenue		7,622,809
- One-Time Carryovers		<u>(4,786,027)</u>
Budgeted Spenddown of Budget Stabilization Fund		<u><u>\$ 2,836,782</u></u>

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RSCCD - 2013-14 Tentative Budget SB 361 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11 & 13
Based on 12-13 Second Period Reported FTES - scaled down to 28,000 FTES and split 70.8% - SAC/29.2% - SCC

Part 1 - SB 361 Simulation

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	DO	DW	TOTAL
APPORTIONMENT REVENUE									
Base Allocation	\$ 4,428,727	\$ 4,428,727		\$ 3,321,545	\$ 3,321,545				\$ 7,750,272
Grandfathered or Approved Center	\$ 1,107,182		\$ 1,107,182	\$ 1,107,182		\$ 1,107,182			\$ 2,214,364
FTES Base	\$ 84,412,886	\$ 69,908,199	\$ 14,504,687	\$ 34,777,736	\$ 28,782,914	\$ 5,994,821			\$ 119,190,622
Subtotal	\$ 89,948,795	\$ 74,336,926	\$ 15,611,869	\$ 39,206,463	\$ 32,104,459	\$ 7,102,003	\$ -	\$ -	\$ 129,155,258
Projected COLA -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Restoration/Growth	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Deficit Coefficient -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
One-time apportionment adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Property Tax Deficit Factor (ERAF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Enrollment Fee Deficit Factor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
TOTAL ESTIMATED APPORTIONMENT REVENUE	\$ 89,948,795	\$ 74,336,926	\$ 15,611,869	\$ 39,206,463	\$ 32,104,459	\$ 7,102,003	\$ -	\$ -	\$ 129,155,258
Percentages	69.64%	57.56%	12.09%	30.36%	24.86%	5.50%			
OTHER STATE REVENUE									
Lottery, Unrestricted	\$ 2,553,670	\$ 1,983,645	\$ 570,025	\$ 1,039,888	\$ 803,322	\$ 236,566			\$ 3,593,558
Return to Title IV	\$ -			\$ -					\$ -
Part-Time Faculty Compensation	\$ 489,632	\$ 378,253	\$ 111,379	\$ 202,029	\$ 155,806	\$ 46,223			\$ 691,661
Subtotal, Other State Revenue	\$ 3,043,302	\$ 2,361,898	\$ 681,404	\$ 1,241,917	\$ 959,128	\$ 282,789	\$ -	\$ -	\$ 4,285,219
TOTAL ESTIMATED REVENUE	\$ 92,992,097	\$ 76,698,825	\$ 16,293,272	\$ 40,448,380	\$ 33,063,587	\$ 7,384,793	\$ -	\$ -	\$ 133,440,477
Excludes District-wide Expenditures								*	\$ 10,168,240
									\$ 123,272,237
ESTIMATED REVENUE WITH 19.49% FOR DO	\$ 69,119,146	\$ 57,122,553	\$ 11,996,592	\$ 30,127,332	\$ 24,669,956	\$ 5,457,376	\$ 24,025,759		\$ 123,272,237
	56.07%	46.34%	9.73%	24.44%	20.01%	4.43%	19.49%		
BUDGET EXPENDITURES FOR FY 2013-14									
SAC/CEC Expenses	\$ 74,795,755	\$ 64,791,124	\$ 10,004,631						\$ 74,795,755
SCC/OEC Expenses				\$ 33,784,503	\$ 29,226,368	\$ 4,558,135			\$ 33,784,503
DO Expenses							\$ 26,702,851		\$ 26,702,851
District-wide Services									
Retirees Instructional								\$ 3,563,038	\$ 3,563,038
Retirees Non-Instructional								\$ 3,202,169	\$ 3,202,169
All Risks Insurance								\$ 203,033	\$ 203,033
Property & Liability								\$ 1,700,000	\$ 1,700,000
Election								\$ -	\$ -
Interfund Transfer								\$ 1,500,000	\$ 1,500,000
Projected COLA - (Est.)								\$ -	\$ -
Restoration/Growth - (Est.)								\$ -	\$ -
TOTAL ESTIMATED EXPENDITURES	\$ 74,795,755	\$ 64,791,124	\$ 10,004,631	\$ 33,784,503	\$ 29,226,368	\$ 4,558,135	\$ 26,702,851	\$ 10,168,240	\$ 145,451,349
Percent of Total Estimated Expenditures	51.42%	44.54%	6.88%	23.23%	20.09%	3.13%	18.36%	6.99%	
ESTIMATED EXPENSES UNDER/(OVER) REVENUE	\$ (5,676,609)	\$ (7,668,571)	\$ 1,991,961	\$ (3,657,171)	\$ (4,556,412)	\$ 899,241	\$ (2,677,092)		\$ (12,010,872)
OTHER STATE REVENUE									
Projected COLA - (Est.)								\$ -	\$ -
Restoration/Growth - (Est.)								\$ -	\$ -
Apprenticeship				\$ 1,389,973	\$ 1,389,973				\$ 1,389,973
Enrollment Fees 2%								\$ 100,000	\$ 100,000
State Mandated Cost								\$ 750,000	\$ 750,000
LOCAL REVENUE									
Non Resident Tuition	\$ 1,358,770	\$ 1,358,770		\$ 241,230	\$ 241,230				\$ 1,600,000
Interest/Investments	\$ -	\$ -		\$ -	\$ -			\$ 150,000	\$ 150,000
Rents/Leases	\$ 56,418	\$ 56,418		\$ 22,472	\$ 22,472		\$ 230,000		\$ 308,890
Proceeds-Sale of Equipment	\$ -	\$ -		\$ -	\$ -			\$ 5,000	\$ 5,000
Other Local	\$ 60,000	\$ 60,000		\$ -	\$ -			\$ 24,200	\$ 84,200
Subtotal, Other Local Revenue	\$ 1,475,188	\$ 1,475,188	\$ -	\$ 1,653,675	\$ 1,653,675	\$ -	\$ 230,000	\$ 1,029,200	\$ 4,388,063
ESTIMATED ENDING BALANCE FOR 6/30/14	\$ (4,201,421)	\$ (6,193,383)	\$ 1,991,961	\$ (2,003,496)	\$ (2,902,737)	\$ 899,241	\$ (1,417,892)	\$ -	\$ (7,622,809)



Rancho Santiago Community College District

Budget Allocation Model

Based on SB 361

- The “*Rancho Santiago Community College District Budget Allocation Model Based on SB361, February 8, 2012*” was approved at the February 22, 2012 Budget Allocation and Planning Review Committee Meeting

Introduction

In 2008, both colleges were visited by ACCJC Accreditation Teams in the normal accreditation cycle. The Teams noticed that the district’s budget allocation model that was in place for approximately ten years had not been annually reviewed as to its effectiveness as stated in the model documents. The existing revenue allocation model was developed when the district transformed into a multi college district. The visiting Team recommended a review of the existing budget allocation model and recommended changes as necessary.

The Budget Allocation and Planning Review Committee (BAPR) charged the BAPR Workgroup, a technical subgroup of BAPR, with the task of reviewing the ten year old model. In the process, the Workgroup requested to evaluate other California Community College multi-campus budget allocation models. Approximately twenty models were reviewed. Ultimately, the Workgroup focused on a revenue allocation model as opposed to an expenditure allocation model. A revenue allocation model allocates revenues (state and local) generated in a budget year to the college campuses in the district based on the state funding model that allocates state apportionment revenues to districts. An expenditure allocation model allocates, by agreed upon formulas, expenditure appropriations for full-time faculty staffing, adjunct faculty staffing, classified and administrative staffing, associated health and welfare benefit costs, supply and equipment budgets, utility costs, legal and other services. The BAPR Workgroup ultimately decided on a revenue allocation formula in order to provide the greatest amount of flexibility for the campuses.

Senate Bill 361, passed in 2006, changed the formula of earned state apportionment revenues to essentially two elements, 1) Basic Allocations for college/center base funding rates based on FTES size of the college and center and 2) Full Time Equivalent Students (FTES) based on earned and funded FTES. The BAPR Workgroup determined that since this is how our primary funding comes from the state this model should be used for distribution on earned revenues to the colleges. The colleges and centers are the only entities in the district that generates this type of funding. Revenue earned and funded by the state will be earned and funded at the colleges. The Budget Allocation Model (BAM) described in this document provides the guidelines, formulas, and basic steps for the development of an annual district-wide budget including the allocation of budget expenditure responsibilities for Santa Ana College, Santiago Canyon College and District Operations referred to as the three district Budget Centers. The budget is the financial plan for the district, and application of this model should be utilized to implement the district’s vision, mission statement, district strategic plan and the technology strategic plan as well as the colleges’ mission statements, educational master plans, facilities master plans and other planning resources. The annual implementation of the budget allocation model is to be aligned with all of these plans. To ensure that budget allocation is tied to planning, it is the responsibility of District Council to review budget and planning during the fiscal year and, if necessary, recommend adjustments to the budget allocation model to keep the two aligned for the coming year. The Chancellor and the Board of Trustees are ultimately responsible for the annual budget and the expenditures associated with the budget. In February of 2013, the Board of Trustees adopted a new planning design manual. This document eliminated BAPR and created the Fiscal Resources Committee (FRC). FRC is responsible for recommending

the annual budget to the District Council for its recommendation to the Chancellor and Board of Trustees. FRC is also responsible for annual review of the model for accreditation and can recommend any modifications to the guidelines.

The goal of the BAM is to create a documented revenue allocation process that provides financial stability and encourages fiscal accountability at all levels in times of either increasing or decreasing revenue streams. It is also intended to be simple, transparent, easy to understand, fair, predictable and consistent, using quantitative, verifiable factors with performance incentives. FRC should conduct a review(s) during each fiscal year to assess if the operation of the budget allocation model is meeting the goal.

Under state law, the District is the legal entity and is ultimately responsible for actions, decisions and legal obligations of the entire organization. The Board of Trustees of the Rancho Santiago Community College District has clear statutory authority and responsibility and, ultimately, makes all final decisions. Likewise, the Chancellor, under the direction of the Board of Trustees, is responsible for the successful operation, reputation, and fiscal integrity of the entire District. The funding model does not supplant the Chancellor's role, nor does it reduce the responsibility of the District Operations staff to fulfill their fiduciary role of providing appropriate oversight of the operations of the entire District. It is important that guidelines, procedures and responsibility be clear with regard to District compliance with any and all laws and regulations such as the 50% Law, full-time/part-time faculty requirements, Faculty Obligation Number (FON), attendance accounting, audit requirements, fiscal and related accounting standards, procurement and contract law, employment relations and collective bargaining, payroll processing and related reporting requirements, etc. The oversight of these requirements are to be maintained by District Operations, which has a responsibility to provide direction and data to the colleges to assure they have appropriate information for decision making with regard to resource allocation at the local level, thus, assuring District compliance with legal and regulatory requirements.

All revenue is considered District revenue because the district is the legal entity authorized by the State of California to receive and expend income and to incur expenses. However, the majority of revenue is provided by the taxpayers of California for the sole purpose of providing educational services to the communities and students served by the District. Services such as classes, programs, and student services are, with few exceptions, the responsibility of the colleges. It is the intent of the Revenue Allocation Model to allocate the majority of funds to the colleges in order to provide those educational services. The model intends to provide an opportunity to maximize resource allocation decisions at the local college level. Each college president is responsible for the successful operation and performance of his/her college as it relates to resource allocation and utilization. The purpose and function of the District Operations in this structure is to maintain the fiscal and operational integrity of the District and its individual colleges and centers and to facilitate college operations so that their needs are met and fiscal stability is assured. District Operations has responsibility for providing certain centralized functions, both to provide efficient operations as well as to assist in coordination between District Operations and the colleges. Examples of these services include human resources, business operations, fiscal and budgetary oversight, procurement, construction and capital outlay, and information technology. On the broadest level, the goal of this partnership is to encourage and support collaboration between the colleges and District Operations.

Implementation

A detailed transition plan for the implementation of the new BAM should include:

- Standards and milestones for the initial year
- An evaluation process to determine if the standards and milestones have been achieved or if there is adequate progress
- A process to ensure planning is driving the budget

The 2012-2013 fiscal year is the transitional year from the old budget allocation model to the new SB 361 model. Essentially, the first year (2012-2013) of the new model is a rollover of expenditure appropriations from the prior year 2011-2012. Therefore the 2011/12 ending balance funds are used on a one time basis to cover the structural deficit spending in the 2012/13 fiscal year.

An SB 361 Budget Allocation Model Implementation Technical Committee (BAMIT) was established by the Budget Allocation and Planning Review Committee (BAPR) and began meeting in April 2012. The team included:

District Office:	
Peter Hardash	Vice Chancellor, Business Operations/Fiscal Services
John Didion	Executive Vice Chancellor
Adam O'Connor	Assistant Vice Chancellor, Fiscal Services
Gina Huegli	Budget Analyst
Thao Nguyen	Budget Analyst
Santa Ana College:	
Linda Rose	Vice President, Academic Affairs
Jim Kennedy	Interim Vice President, Administrative Services
Michael Collins	Vice President, Administrative Services
Santiago Canyon College:	
Aracely Mora	Vice President, Academic Affairs
Steve Kawa	Vice President, Administrative Services

BAMIT was tasked with evaluating any foreseeable implementation issues transitioning from the old model and to make recommendations on possible solutions.

The team spent the next five months meeting to discuss and agree on recommendations for implementing the transition to new model using a series of discussion topics. These agreements are either documented directly in this model narrative or included in an appendix if the topic was related solely to the transition year.

It was also agreed by BAMIT that any unforeseen issue that would arise should be brought back to FRC for review and recommendation.

Revenue Allocation

The SB 361 funding model essentially allocates revenues to the colleges in the same manner as received by the District from the State of California. This method allocates all earned revenues to the colleges.

College and District Operations Budgets and Expenditure Responsibilities

Since the BAM is a revenue allocation model, all expenditures and allocation of revenues under the model are the responsibilities of the colleges and centers. Expenditure responsibilities for the colleges, District Operations and district-wide services are summarized in Table 1.

Revenue and budget responsibilities are summarized on Table 2. The total annual revenue to each college will be the sum of base funding for each college and center as defined by SB 361 and applying the current FTES rates for credit base, noncredit base, career development and college preparation noncredit base revenues as well as any local unrestricted or restricted revenues earned by the college.

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

should take into consideration all revenues, including restricted revenues, available to each of the Budget Centers less any apportionment deficits, property tax shortfalls or uncollected student fees or shortfalls. If necessary, FRC will recommend adjustments to District Council for submission to the Chancellor.

The revenue allocated to District Operations and for district-wide services will be based on a budget prepared by the District Office, reviewed by FRC and the District Council and approved by the Chancellor and the Board of Trustees. This funding method is essentially a chargeback to the colleges.

DISTRICT OPERATIONS – Examples are those expenses associated with the operations of the Chancellor’s Office, Board of Trustees, Public Affairs, Human Resources, Risk Management, Educational Services, Institutional Research, Business Operations, Internal Auditing, Fiscal Services, Payroll, Purchasing, Facilities Planning, ITS and Safety Services. Economic Development expenditures are to be included in the District Operations budget but clearly delineated from other District Operations’ expenditures.

DISTRICT-WIDE SERVICES – Examples are those expenses associated with State and Federal regulatory issues, insurances, legal costs, Independent Audit Expenses and Retiree Health Benefit Costs.

Annual expenditure budgets for the District Operations and district-wide services will be developed based on the projected levels of expenditure for the prior fiscal year, taking into account unusual or one-time anomalies.

An annual review of District Operations and district-wide services will be conducted by FRC each fall in order to give time to complete the evaluation in time to prepare for the following fiscal year budget cycle and implement any suggestions. The review will include an evaluation of the effectiveness of the services provided to assure the District is appropriately funded. If FRC believes a change to the allocation is necessary, it will submit a recommendation to District Council for review and recommendation to the Chancellor.

District Reserves and Deficits

The Board of Trustees will establish a reserve through board policy, state guidelines and budget assumptions.

The Chancellor reserves the right to adjust allocations as necessary.

The Board of Trustees is solely responsible for labor negotiations with employee groups. Nothing in this budget model shall be interpreted to infringe upon the Board’s ability to collectively bargain and negotiate in good faith with employee organizations and meet and confer with unrepresented employees.

College Budget and Expenditure Responsibilities

Colleges will be responsible for funding the current programs and services that they operate as part of their budget plans. There are some basic guidelines the colleges must follow:

- Allocating resources to achieve the state funded level of FTES is a primary objective for all colleges.
- Requirements of the collective bargaining agreements apply to college level decisions.
- The FON (Faculty Obligation Number) must be maintained by each college. Full-time faculty hiring recommendations by the colleges are monitored on a district wide basis. Any financial penalties imposed by the state due to FON non-compliance will be borne proportionately by the campus not in compliance.

- In making expenditure decisions, the impact upon the 50% law calculation must be considered and budgeted appropriately. Any financial penalties imposed by the state due to 50% law non-compliance will be borne proportionally (by FTES split) by both campuses.
- With unpredictable state funding, the cost of physical plant maintenance is especially important. Lack of maintenance of the operations and district facilities and grounds will have a significant impact on the campuses and therefore needs to be addressed with a detailed plan and dedicated budget whether or not funds are allocated from the state.

Budget Center Reserves and Deficits

It is strongly recommended that the colleges and District Operations budget centers set aside at least a 1% contingency reserve to handle unplanned and unforeseen expenses. If unspent by year end, this reserve falls into the year-end balance and is included in the Budget Centers' beginning balance for the following fiscal year.

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

The Budget Center reserve shall first be used to cover any deficit. If reserves are not sufficient to cover budget expenses and/or reserves are not able to be replenished the following year, then the Budget Center is to prepare an expenditure reduction plan and/or submit a request for the use of District Reserves to help offset the deficit. The expenditure reduction plan and/or a request to use District Reserves is to be submitted to FRC. If FRC agrees with the expenditure reduction plan and/or the request to use District Reserves, it will forward the recommendation to District Council for review and recommendation to the Chancellor who will make the final determination.

Revenue Modifications

Apportionment Revenue Adjustments

It is very likely each fiscal year that the District's revenues from state apportionment could be adjusted after the close of the fiscal year in the fall, but most likely at the P1 recalculation, which occurs eight months after the close of the fiscal year. This budget model therefore will be fluid, with changes made throughout the fiscal year (P-1, P-2, P-annual) as necessary. Any increase or decrease to prior year revenues is treated as a onetime addition or reduction to the colleges' current budget year and distributed in the model based on the most up to date FTES split reported by the District and funded by the state.

An example of revenue allocation and FTES change:

\$100,000,000 is originally split 70% Santa Ana College (\$70,000,000) and 30% Santiago Canyon College (\$30,000,000) based on FTES split at the time. At the final FTES recalculation for that year, the District earns an additional \$500,000 based on the total funded FTES. In addition, the split of FTES changes to 71%/29%. The total revenue of \$100,500,000 is then redistributed \$71,355,000 to Santa Ana College and \$29,145,000 to Santiago Canyon College which would result in a shift of \$855,000 between the colleges. A reduction in funding will follow the same calculation

It is necessary in this model to set a base level of FTES for each college. Per agreement by the Chancellor and college Presidents, the base FTES split of 70.80% SAC and 29.20% SCC will be utilized for the 2013/14 tentative budget. Similar to how the state sets a base for district FTES, this will be the beginning base level for each college. Each year through the planning process there will be a determination made if the district has growth potential for the coming fiscal year. Each college will determine what level of growth they believe they

can achieve and targets will be discussed and established through Chancellor's Cabinet. For example, if the district believes it has the opportunity for 2% growth, the colleges will determine the level of growth they wish to pursue. If both colleges decide to pursue and earn 2% growth and the district is funded for 2% growth, then each college's base would increase 2% the following year. In this case the split would still remain 70.80%/29.20% as both colleges moved up proportionately (Scenario #1). If instead, one college decides not to pursue growth and the other college pursues and earns the entire district 2% growth, all of these FTES will be added to that college's base and therefore its base will grow more than 2% and the split will then be adjusted (Scenario #2).

Using this same example in which the district believes it has the opportunity for 2% growth, and both colleges decide to pursue 2% growth, however one college generates 3% growth and the other generates 2%, the college generating more FTES would have unfunded over cap FTES. The outcome would be that each college is credited for 2% growth, each base increases 2% and the split remains (Scenario #3). If instead, one college generates 3% and the other college less than 2%, the college generating the additional FTES can earn its 2% target plus up to the difference between the other college's lost FTES opportunity and the total amount funded by the district (Scenario #4).

This model should also include a stability mechanism. In a year in which a college earns less FTES than its base, the base FTES will remain intact following the state method for stabilization. That college is in funding stability for one year, but has up to three years in which to earn back to its base FTES. The funding for this stability will be from available district Budget Stabilization Funds. If this fund has been exhausted, the Chancellor will determine the source of funding. If the college does not earn back to its base during this period, then the new lower FTES base will be established. As an example (Scenario #5), year one there is 2% growth opportunity. One of the colleges earns 2% growth but the other college declines by 1%, going into stability. This year the college that declined is held at their base level of FTES while the other college is credited for their growth. In the second year of the example, there is no growth opportunity, but the college that declined recaptures FTES to the previous year base to emerge from stability. Note that since the other college grew in year one, the percentage split has now changed.

All of these examples exclude the effect of statewide apportionment deficits. In the case of any statewide deficits, the college revenues will be reduced accordingly. In addition, the Chancellor reserves the right to make changes to the base FTES as deemed necessary in the best interest of the district as a whole.

	Base FTES	% split	Scenario #1	New FTES	% split
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	
	Base FTES	% split	Scenario #2	New FTES	% split
SAC	19,824	70.80%	2.82%	20,384.00	71.37%
SCC	8,176	29.20%	0.00%	8,176.00	28.63%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	
	Base FTES	% split	Scenario #3	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(198.24)	
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	
	Base FTES	% split	Scenario #4	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(136.92)	
SAC	19,824	70.80%	2.31%	20,281.80	71.01%
SCC	8,176	29.20%	1.25%	8,278.20	28.99%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	
YEAR 1	Base FTES	% split	Scenario #5	New FTES	% split
Actual Generated:					
SAC	19,824	70.80%	-1.00%	19,625.76	70.18%
SCC	8,176	29.20%	2.00%	8,339.52	29.82%
	<u>28,000</u>		-0.124%	<u>27,965.28</u>	
Calculated for Stability:					
SAC	19,824		-1.00%	19,625.76	
stabilization				282.24	
SAC	19,824	70.80%	0.42%	19,908.00	70.48%
SCC	8,176	29.20%	2.00%	8,339.52	29.52%
	<u>28,000</u>		0.884%	<u>28,247.52</u>	
YEAR 2					
Actual Generated:					
SAC	19,625.76	70.18%	1.44%	19,908.00	70.48%
SCC	8,339.52	29.82%	0.00%	8,339.52	29.52%
	<u>27,965.28</u>		1.009%	<u>28,247.52</u>	

Allocation of New State Revenues

Growth Funding: Plans to seek growth funding requires FRC recommendation and approval by the Chancellor, and the plans should include how growth funds will be distributed if one of the colleges does not reach its growth target. A college seeking the opportunity for growth funding will utilize its own carryover funds to offer a schedule to achieve the desired growth. Once the growth has been confirmed as earned and funded by the state and distributed to the district, the appropriate allocation will be made to the college(s) generating the funded growth back through the model. Growth/Restoration Funds will be allocated to the colleges when they are actually earned.

Revenues which are not college specific (for example, student fees that cannot be identified by college), will be allocated based on total funded FTES percentage split between the campuses.

After consultation with district's independent audit firm, the implementation team agreed that any unpaid uncollected student fees will be written off as uncollectible at each year end. This way, only actual collected revenues are distributed in this model. At P-1, P-2 and P-annual, uncollected fee revenues will be adjusted.

Due to the instability of revenues, such as interest income, discounts earned, auction proceeds, vendor rebates (not including utility rebates which are budgeted in Fund 41 for the particular budget center) and mandated cost reimbursements, revenues from these sources will **not** be part of the revenue allocation formula. Income derived from these sources will be deposited to the district wide reserves. If an allocation is made to the colleges from mandated cost reimbursements and the claims are later challenged and require repayment, the colleges receiving the funds will be responsible for repayment at the time of repayment or withholding of funds from the state.

Cost of Living Adjustments: COLAs included in the tentative and adopted budgets shall be sequestered and not allocated for expenditure until after collective bargaining for all groups have been finalized.

Lottery Revenue: Income for current year lottery income is received based on the prior fiscal year's FTES split. At Tentative Budget, the allocation will be made based on projected FTES without carryover. At Adopted Budget, final FTES will be used and carryovers will be included.

Other Modifications

Salary and Benefits Cost

All authorized full time and ongoing part time positions shall be budgeted with corresponding and appropriate fixed cost and health and welfare benefits. Vacant positions will be budgeted at the previous employee's exit level, new vacancies at the ninth place ranking level (Class VI, Step 10) for full-time faculty and at the mid-level for other positions (ex. Step 3 for CSEA, Step 4 for Management), with the district's contractual cap for the health and welfare benefits. The full cost of all positions, regardless of the budgeted amount, including step and column movement costs, longevity increment costs and any additional collective bargaining agreement costs, will be charged to the particular Budget Center. The colleges are responsible for this entire cost, including any increases or adjustments to salary or benefits throughout the year. If a position becomes vacant during a fiscal year, the Budget Center has the discretion to move budget for other one-time needs. Any payoffs of accrued vacation, or any additional costs incurred at separation from employment with the district, will be borne by the particular Budget Center. When there is a vacancy that won't be filled immediately, Human Resources should be consulted as to how long it can remain vacant. The colleges should also consult Human Resources regarding the FON when recommending to defund faculty positions.

Grants/Special Projects

Due to the timeliness issues related to grants, approvals rest with the respective Chancellor's Cabinet member, through established processes, in all cases except for Economic Development grants in which a new grant opportunity presents itself which requires an increase to the District Office budget due to match or other

unrestricted general fund cost. In these cases, the grant will be reviewed by Chancellor's Cabinet with final approval made by the Chancellor.

Some grants allow for charges of indirect costs. These charges will accumulate by Budget Center during each fiscal year. At fiscal year end, once earned, each college will be allocated 100% of the total indirect earned by that college and transferred into Fund 13 the following year to be used for one-time expenses. The indirect earned by district projects will roll into the ending fund balance districtwide.

It is the district's goal to fully expend grants and other special project allocations by the end of the term, however sometimes projects end with a small overage or can be under spent. For any overage or allowable amount remaining, these amounts will close into the respective Budget Center's Fund 13 using 7200 transfers.

Banked LHE Load Liability

Beginning in 2012/13, the liability for banked LHE will be accounted for in separate college accounts. The cost of faculty banking load will be charged to the college during the semester the course is taught and added to the liability. When an instructor takes banked leave, they will be paid their regular salary and district office will make a transfer from the liability to the college 1300 account to pay the backfill cost of teaching the load. A college cannot permanently fill a faculty position at the time someone takes their final year or semester off before retirement. Filling a vacancy cannot occur until the position is actually vacant. In consultation with Human Resources and Fiscal Services, a college can request to swap another faculty vacancy they may have in another discipline or pay the cost differential if they determine programmatically it needs to be filled sooner.

This method will appropriately account for the costs of each semester offerings and ensure an appropriate liability. Although the liability amounts will be accounted for by college, only District Fiscal Services will be able to make transfers from these accounts. Each year end a report will be run to reconcile the total cost of the liability and if any additional transfers are required, the colleges will be charged for the differences.

Other Possible Strategic Modifications

Summer FTES

There may be times when it is in the best financial interest of the District to shift summer FTES between fiscal years. When this occurs, the first goal will be to shift FTES from both colleges in the same proportion as the total funded FTES for each of the colleges. If this is not possible, then care needs to be exercised to ensure that any such shift does not create a disadvantage to either college. If a disadvantage is apparent, then steps to mitigate this occurrence will be addressed by FRC.

Borrowing of summer FTES is not a college-level decision, but rather it is a District-level determination. It is not a mechanism available to individual colleges to sustain their internal FTES levels.

Long-Term Plans

Colleges: Each college has a long-term plan for facilities and programs. The Chancellor, in consultation with the Presidents, will evaluate additional funding that may accrue to the colleges beyond what the model provides. The source of this funding will also have to be identified.

Santa Ana College links planning to budget through the use of the Cyclical Academic Program Review Planning Calendar which is linked to the District Budget Planning Calendar. Action Plans that identify fiscal resources, during the Program Review Process, will be integrated with the college Budget Plans. The College Planning and Budget and Committee will monitor the integration of Program Review, and other planning with budget planning activities.

Planning at Santiago Canyon College exists in a variety of interconnected processes and documents. Accreditation Self Evaluations, campus-wide plans, program reviews, and department and unit plans work

together to inform and guide the work carried out by the college. Annual Department Planning Portfolios are created and updated along with outcomes assessment informed program reviews, which are carried out every three years. These serve as the central link that aligns planning with resource allocation. Through these processes, departments set goals, review progress, and determine priorities. The college's budget committee reviews requests for new and additional funding to ensure that said requests are supported by evidence from the outcomes assessment process, documented in Department Planning Portfolios and Program Reviews, and carried forward by means of Program Review Summary Reports. Based on this information, the budget committee recommends priorities for the annual budget to the College Council, which ultimately determines the college's funding priorities.

District Operations: District Operations and district wide services may also require additional funding to implement new initiatives in support of the colleges and the district as a whole. FRC will evaluate requests for such funds on a case-by-case basis and submit a recommendation to the Chancellor.

Full-Time Faculty Obligation Number (FON)

To ensure that the District complies with the State required full-time Faculty Obligation Number (FON), the Chancellor will establish a FON for each college. Each college shall be required to fund at least that number of full-time faculty positions. If the District falls below the FON and is penalized, the amount of the penalty will be deducted from the revenues of the college(s) causing the penalty. FRC, along with the District Enrollment Management Committee, should regularly review the FON targets and actuals and determine if any budget adjustment is necessary. If an adjustment is needed, FRC should develop a proposal and forward it to POEC for review and recommendation to the Chancellor.

Budget Input

Using a system for Position Control, Fiscal Services will budget 100% of all regular personnel cost of salary and benefits, and notify the Budget Centers of the difference between the computational total budget from the Budget Allocation Model and the cost of regular personnel. The remaining line item budgets will roll over from one year to the next so the Budget Centers are not required to input every line item. The Budget Centers can make any allowable budget changes at their discretion and will also be required to make changes to reconcile to the total allowable budget per the model.

Appendices Attached

- A. Definition of Terms**
- B. Transition Plan**
- C. 2012-13 Budget Allocation Model**

TABLE 1 Expenditure and Budget Responsibilities		Santa Ana College & CEC <input checked="" type="checkbox"/>	Santiago Canyon College & OEC <input checked="" type="checkbox"/>	District Office <input checked="" type="checkbox"/>	Districtwide <input checked="" type="checkbox"/>
Academic Salaries- (1XXX)					
1	State required full-time Faculty Obligation Number (FON)	✓	✓	✓	✓
2	Bank Leave	✓	✓		
3	Impact upon the 50% law calculation	✓	✓	✓	✓
4	Faculty Release Time	✓	✓		✓
5	Faculty Vacancy, Temporary or Permanent	✓	✓		
6	Faculty Load Banking Liability	✓	✓		
7	Adjunct Faculty Cost/Production	✓	✓		
8	Department Chair Reassigned Time	✓	✓		✓
9	Management of Sabbaticals (Budgeted at colleges)	✓	✓		✓
10	Sick Leave Accrual Cost	✓	✓		✓
11	AB1725	✓	✓		
12	Administrator Vacation	✓	✓	✓	
Classified Salaries- (2XXX)					
1	Classified Vacancy, Temporary or Permanent	✓	✓	✓	
2	Working Out of Class	✓	✓	✓	
3	Vacation Accrual Cost	✓	✓	✓	
4	Overtime	✓	✓	✓	
5	Sick Leave Accrual Cost	✓	✓	✓	
6	Compensation Time taken	✓	✓	✓	
Employee Benefits-(3XXX)					
1	STRS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
2	PERS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
3	OASDI Employer Rates, Increase/(Decrease)	✓	✓	✓	
4	Medicare Employer Rates, Increase/(Decrease)	✓	✓	✓	
5	Health and Welfare Benefits, Increases/(Decrease)	✓	✓	✓	
6	SUI Rates, Increase/(Decrease)	✓	✓	✓	
7	Workers' Comp. Rates, Increase/(Decrease)	✓	✓	✓	
8	Retiree Health Benefit Cost				
	-OPEB Liability vs. "Pay-as-you-go"				✓
9	Cash Benefit Fluctuation, Increase/(Decrease)	✓	✓	✓	
Other Operating Exp & Services-(5XXX)					
1	Property and Liability Insurance Cost				✓
2	Waiver of Cash Benefits	✓	✓	✓	
3	Utilities				
	-Gas	✓	✓	✓	

	-Water	✓	✓	✓	
	-Electricity	✓	✓	✓	
	-Waste Management	✓	✓	✓	
	-Water District, Sewer Fees	✓	✓	✓	
4	Audit				✓
5	Board of Trustee Elections				✓
6	Scheduled Maintenance	✓	✓		✓
7	Copyrights/Royalties Expenses	✓	✓		
Capital Outlay-(6XXX)					
1	Equipment Budget				
	-Instructional	✓	✓	✓	✓
	-Non-Instructional	✓	✓	✓	✓
2	Improvement to Buildings	✓	✓	✓	✓
3	Improvement to Sites	✓	✓	✓	✓

TABLE 2 Revenue and Budget Responsibilities		Santa Ana College & CEC ✓	Santiago Canyon College & OEC ✓	District Office ✓	Districtwide ✓
Federal Revenue- (81XX)					
1	Grants Agreements	✓	✓	✓	
2	General Fund Matching Requirement	✓	✓	✓	
3	In-Kind Contribution (no additional cost to general fund)	✓	✓	✓	
4	Indirect Cost (overhead)	✓	✓		✓
State Revenue- (86XX)					
1	Base Funding	✓	✓		
2	Apportionment	✓	✓		
3	COLA or Negative COLA	✓	✓	✓	✓ subject to collective bargaining
4	Growth, Work Load Measure Reduction, Negative Growth	✓	✓	✓	✓
5	Categorical Augmentation/Reduction	✓	✓	✓	
6	General Fund Matching Requirement	✓	✓	✓	
7	Apprenticeship	✓	✓		
8	In-Kind Contribution	✓	✓	✓	
9	Indirect Cost	✓	✓		✓
10	Lottery				
	- Unrestricted (abate cost of utilities)	✓	✓	✓	
	- Restricted-Proposition 20	✓	✓		

11	Instructional Equipment Matches (3:1)	✓	✓		✓ and will have chargeback to site proportionally
12	Scheduled Maintenance Matches (1:1)	✓	✓	✓	✓ and will have chargeback to site proportionally
13	Part time Faculty Compensation Funding	✓	✓		✓ subject to collective bargaining
14	State Mandated Cost				✓
Local Revenue- (88XX)					
1	Contributions	✓	✓	✓	
2	Fundraising	✓	✓	✓	
3	Proceed of Sales	✓	✓	✓	
4	Health Services Fees	✓	✓		
5	Rents and Leases	✓	✓	✓	
6	Enrollment Fees	✓	✓		
7	Non-Resident Tuition	✓	✓		
8	Student ID and ASB Fees	✓	✓		
9	Parking Fees				✓

Rancho Santiago Community College District

Budget Allocation Model Based on SB 361

Appendix A – Definition of Terms

AB 1725 – Comprehensive California community college reform legislation passed in 1988, that covers community college mission, governance, finance, employment, accountability, staff diversity and staff development.

Accreditation – The review of the quality of higher education institutions and programs by an association comprised of institutional representatives. The Accrediting Commission for Community and Junior Colleges (ACCJC) of the Western Association of Schools and Colleges (WASC) accredits California's community colleges.

Apportionments – Allocations of state or federal aid, local taxes, or other monies among school districts or other governmental units. The district's base revenue provides most of the district's revenue. The state general apportionment is equal to the base revenue less budgeted property taxes and student fees. There are other smaller apportionments for programs such as apprenticeship and EOPS.

Bank Leave – Faculty have the option to “bank” their beyond contract teaching load instead of getting paid during that semester. They can later request a leave of absence using the banked LHE.

BAM – Budget Allocation Model.

BAPR – Budget and Planning Review Committee.

Base FTES – The amount of funded actual FTES from the prior year becomes the base FTES for the following year. For the tentative budget preparation, the prior year P1 will be used. For the proposed adopted budget, the prior year P2 will be used. At the annual certification at the end of February, an adjustment to actual will be made.

Budget Center – The three Budget Centers of the district are Santa Ana College, Santiago Canyon College and the District Operations.

Budget Stabilization Fund – The portion of the district's ending fund balance, in excess of the 5% reserve, budget center carryovers and any restricted balances, used for one-time needs in the subsequent year.

Cap – An enrollment limit beyond which districts do not receive funds for additional students.

Capital Outlay – Capital outlay expenditures are those that result in the acquisition of, or addition to, fixed assets. They are expenditures for land or existing buildings, improvement of sites, construction of buildings, additions to buildings, remodeling of buildings, or initial or additional equipment. Construction-related salaries and expenses are included.

Categorical Funds – Money from the state or federal government granted to qualifying districts for special programs, such as Matriculation or Vocational Education. Expenditure of categorical funds is restricted to the fund's particular purpose. The funds are granted to districts in addition to their general apportionment.

Center – An off-campus site administered by a parent college that offers programs leading to certificates or degrees that are conferred by the parent institution. The district centers are Centennial Education Center and Orange Education Center.

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

Fifty Percent Law (50% Law) – Section 84362 of the Education Code, commonly known as the Fifty Percent Law, requires each community college district to spend at least half of its “current expense of education” each fiscal year on the “salaries of classroom instructors.” Salaries include benefits and the salaries of instructional aides.

Fiscal Year – Twelve calendar months; in California, it is the period beginning July 1 and ending June 30. Some special projects use a fiscal year beginning October 1 and ending September 30, which is consistent with the federal government’s fiscal year.

FON – Faculty Obligation Number, the number of full time faculty the district is required to employ as set forth in title 5, section 53308.

FRC – Fiscal Resources Committee.

FTES – Full Time Equivalent Students. The number of students in attendance as determined by actual count for each class hour of attendance or by prescribed census periods. Every 525 hours of actual attendance counts as one FTES. The number 525 is derived from the fact that 175 days of instruction are required each year, and students attending classes three hours per day for 175 days will be in attendance for 525 hours. That is, three times 175 equals 525.

Fund 11 – The unrestricted general fund used to account for ongoing revenue and expenditures.

Fund 12 – The restricted general fund used to account for categorical and special projects.

Fund 13 – The unrestricted general fund used to account for unrestricted carryovers and one-time revenues and expenses.

Growth – Funds provided in the state budget to support the enrollment of additional FTE students.

In-Kind Contributions – Project-specific contributions of a service or a product provided by the organization or a third-party where the cost cannot be tracked back to a cash transaction which, if allowable by a particular grant, can be used to meet matching requirements if properly documented. In-kind expenses generally involve donated labor or other expense.

Indirect Cost – Indirect costs are district-wide, general management costs (i.e., activities for the direction and control of the district as a whole) which would be very difficult to be charged directly to a particular project. General management costs consist of administrative activities necessary for the general operation of the agency, such as accounting, budgeting, payroll preparation, personnel services, purchasing, and centralized data processing. An indirect cost rate is the percentage of an district’s indirect costs to its direct costs and is a standardized method of charging individual programs for their share of indirect costs.

LHE – Lecture Hour Equivalent. The standard instructional work week for faculty is fifteen (15) LHE of classroom assignments, fifteen (15) hours of preparation, five (5) office hours, and five (5) hours of institutional service. The normal teaching load for faculty is thirty (30) LHE per school year.

Mandated Costs – District expenses which occur because of federal or state laws, decisions of federal or state courts, federal or state administrative regulations, or initiative measures.

POE – Planning and Organizational Effectiveness Committee.

Proposition 98 – Proposition 98 refers to an initiative constitutional amendment adopted by California’s voters at the November 1988 general election which created a minimum funding guarantee for K-14 education and also required that schools receive a portion of state revenues that exceed the state’s appropriations limit.

Reserves – Funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. Districts that have less than a 5% reserve are subject to a fiscal ‘watch’ to monitor their financial condition.

SB 361 – The New Community College Funding Model (Senate Bill 361), effective October 1, 2006, includes funding base allocations depending on the number of FTES served, credit FTES funded at an equalized rate, noncredit FTES funded at an equalized rate, and enhanced noncredit FTES funded at an equalized rate. The intent of the formula is to provide a more equitable allocation of system wide resources, and to eliminate the complexities of the previous Program Based Funding model while still retaining focus on the primary component of that model, instruction. In addition, the formula provides base operational allocations for colleges and centers scaled for size.

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

Target FTES – The estimated amount of agreed upon FTES the district or college anticipates the opportunity to earn growth/restoration funding during a fiscal year.

Title 5 – The portion of the California Code of Regulations containing regulations adopted by the Board of Governors which are applicable to community college districts.

1300 accounts – Object Codes 13XX designated to account for part time teaching and beyond contract salary cost.

7200 Transfers – Intrafund transfers made between the restricted and unrestricted general fund to close a categorical or other special project at the end of the fiscal year or term of the project.

Rancho Santiago Community College District

Budget Allocation Model Based on SB 361

Appendix B – Transition Plan

Rancho Santiago Community College District is transitioning to this new Budget Allocation Model in 2012/13. As the district is currently budgeting expenses in excess of revenues due to the prolonged state funding decline, it is acknowledged that the district will use some of its newly created “Budget Stabilization Fund” to balance its budget. As this is the case, during this transition Budget Centers are held accountable to the total expense allocation given in 2012/13, rather than the actual revenue received. It was agreed that the 2011/12 adopted budget would be rolled over as the starting place for 2012/13 before making cuts of \$5 million. All personnel cost was manually calculated to estimate actual cost of salaries and benefits and updated. In addition, the college Vice Presidents of Administrative Services and district office of Fiscal Services agreed to reductions in the budgeted cost for utilities and the amounts to budget for part-time ongoing positions to more closely match expected expenses as well.

The district created a new unrestricted general fund (Fund 13) to account for one-time and carryover funds separately from the ongoing unrestricted general fund (Fund 11). During the transition and in order to attempt to balance Fund 11 revenues and expenses, a number of “ongoing” costs were moved from Fund 11 to Fund 13. The intention through transition is to eventually have all ongoing costs in Fund 11 and all one-time costs in Fund 13.

The Budget Stabilization Fund was created from the overall ending fund balance after clearing out various designated contingency accounts such as child development, bank leave and vacation payout, etc., and deducting the board established 5% reserve and the Budget Center carryovers. The chancellor decided to allow the Budget Centers to carry over any remaining funds from 2011/12 into the transition year 2012/13, but if overspent, allow the Budget Center to begin 2012/13 with no penalty. In fact, the three Budget Centers each carried over funds to begin the new fiscal year (SAC - \$3,385,208; SCC - \$1,811,931; DO \$866,623).

The 2012/13 State Budget included language to allow for a mandated cost block grant at \$28 per FTES. The district decided to budget this revenue in Fund 13 and set aside those funds in a holding account to potentially use to offset the cost of the trigger language in the FARSCCD settlement if the governor’s tax measure passes in November 2012.

Other transitional agreements that were made include:

- It was agreed to clean up the previously budgeted project in Fund 11 for Datatel Implementation as there was no need to continue such a project. The budget was moved from project 3325 to 0000 and the colleges initiated status change forms for the individuals charged there.
- Rather than continuing to budget for an interfund transfer from Fund 11 to the Child Development Fund 33, beginning in 2012/13, 100% of the cost of the program will be charged to Fund 33. If the program has costs overruns, a transfer from reserves will need to be requested with an explanation for the need.
- Copyrights/Royalties to ASCAP, BMI, and SESAC were previously paid by the District Office on behalf of the colleges. As this cost is technically a site specific cost, it was agreed to budget and pay for this cost at the two colleges.
- It was agreed to keep the parking permit revenue and related costs centralized. The majority of these funds are allocated for safety personnel, however there could potentially be some funds available for lot maintenance. If/when spent on lot maintenance, it will be authorized and managed through the safety department. It was also pointed out that the full cost of lot maintenance cannot be covered by these funds. The Budget Centers will need to budget operational parking lot and access road maintenance along with all other maintenance costs.

- It was agreed to eliminate the budget in Human Resources for the cost of FARSCCD LHE released time and allocate the budget to the two colleges based on the final 2011/12 FTES split. The college that has faculty reassigned for FARSCCD duties will bear the cost to backfill their load. If FARSCCD reimburses for the cost of reassignment over the contract maximum, the college with the excess reassignment will receive the reimbursement. It was noted that although there is technically a related benefit cost, only the salary portion is invoiced to FARSCCD. It was agreed that this will be reviewed a fiscal year end 2012/13 to determine how this worked.
- Given the importance of the fall review of the allocation of resources in the adopted budget, which includes the District Operations, FRC suggests that the Planning and Organizational Effectiveness Committee create a process and a review instrument to evaluate the effectiveness of these allocations of resources to support planning.

RSCCD - 2012-13 Adopted Budget SB 361 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11 & 13
Based on 11-12 Annual Reported FTES APPENDIX C

Part 1 - SB 361 Simulation									
	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	DO	DW	TOTAL
APPORTIONMENT REVENUE									
Base Allocation	\$ 4,428,727	\$ 4,428,727		\$ 3,321,545	\$ 3,321,545				\$ 7,750,272
Grandfathered or Approved Center	\$ 1,107,182		\$ 1,107,182	\$ 1,107,182		\$ 1,107,182			\$ 2,214,364
FTES Base	\$ 82,005,274	\$ 66,191,473	\$ 15,813,801	\$ 35,032,479	\$ 28,554,627	\$ 6,477,852			\$ 117,037,753
Subtotal	\$ 87,541,183	\$ 70,620,200	\$ 16,920,983	\$ 39,461,206	\$ 31,876,172	\$ 7,585,034	\$ -	\$ -	\$ 127,002,389
Restoration/Stability Adjustment	\$ 571,663	\$ 426,788	\$ 144,875	\$ 243,861	\$ 184,114	\$ 59,747			\$ 815,524
Growth	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Deficit Coefficient - .9765055922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
One-time apportionment adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Property Tax Deficit Factor (ERAF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Enrollment Fee Deficit Factor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
TOTAL ESTIMATED APPORTIONMENT REVENUE	\$ 88,112,847	\$ 71,046,988	\$ 17,065,858	\$ 39,705,067	\$ 32,060,286	\$ 7,644,780	\$ -	\$ -	\$ 127,817,913
<i>Percentages</i>	68.94%	55.58%	13.35%	31.06%	25.08%	5.98%			
OTHER STATE REVENUE									
Lottery, Unrestricted	\$ 2,472,101	\$ 1,856,826	\$ 615,275	\$ 1,043,339	\$ 789,599	\$ 253,740			\$ 3,515,440
Return to Title IV	\$ -			\$ -					\$ -
Part-Time Faculty Compensation	\$ 484,838	\$ 361,967	\$ 122,871	\$ 206,823	\$ 156,151	\$ 50,672			\$ 691,661
Subtotal, Other State Revenue	\$ 2,956,940	\$ 2,218,793	\$ 738,146	\$ 1,250,161	\$ 945,749	\$ 304,412	\$ -	\$ -	\$ 4,207,101
TOTAL ESTIMATED REVENUE	\$ 91,069,786	\$ 73,265,782	\$ 17,804,005	\$ 40,955,228	\$ 33,006,036	\$ 7,949,193	\$ -	\$ -	\$ 132,025,014
Excludes District-wide Expenditures									* \$ 10,491,861
									\$ 121,533,153
ESTIMATED REVENUE WITH 19.49% FOR DO	\$ 67,451,576	\$ 54,387,431	\$ 13,064,145	\$ 30,394,766	\$ 24,542,583	\$ 5,852,183	\$ 23,686,812		\$ 121,533,153
	55.50%	44.75%	10.75%	25.01%	20.19%	4.82%	19.49%		
BUDGET EXPENDITURES FOR FY 2012-13									
SAC/CEC Expenses	\$ 74,031,140	\$ 64,179,689	\$ 9,851,451						\$ 74,031,140
SCC/OEC Expenses				\$ 33,698,194	\$ 29,350,942	\$ 4,347,252			\$ 33,698,194
DO Expenses							\$ 26,841,443		\$ 26,841,443
District-wide Services									
Retirees Instructional								\$ 3,563,038	\$ 3,563,038
Retirees Non-Instructional								\$ 3,202,169	\$ 3,202,169
All Risks Insurance								\$ 203,033	\$ 203,033
Property & Liability								\$ 1,623,621	\$ 1,623,621
Election								\$ 400,000	\$ 400,000
Interfund Transfer								\$ 1,500,000	\$ 1,500,000
TOTAL ESTIMATED EXPENDITURES	\$ 74,031,140	\$ 64,179,689	\$ 9,851,451	\$ 33,698,194	\$ 29,350,942	\$ 4,347,252	\$ 26,841,443	\$ 10,491,861	\$ 145,062,638
Percent of Total Estimated Expenditures	51.03%	44.24%	6.79%	23.23%	20.23%	3.00%	18.50%	7.23%	
ESTIMATED EXPENSES UNDER/(OVER) REVENUE	\$ (6,579,564)	\$ (9,792,258)	\$ 3,212,694	\$ (3,303,428)	\$ (4,808,359)	\$ 1,504,931	\$ (3,154,631)		\$ (13,037,624)
OTHER STATE REVENUE									
Apprenticeship				\$ 1,389,973	\$ 1,389,973				\$ 1,389,973
Enrollment Fees 2%								\$ 86,730	\$ 86,730
State Mandated Cost								\$ 782,028	\$ 782,028
LOCAL REVENUE									
Non Resident Tuition	\$ 1,407,385	\$ 1,407,385		\$ 242,615	\$ 242,615				\$ 1,650,000
Student Representation Fee	\$ -	\$ -		\$ 11,416	\$ 11,416				\$ 11,416
Library Fines	\$ 2,000	\$ 2,000		\$ 2,000	\$ 2,000				\$ 4,000
Interest/Investments	\$ -	\$ -		\$ -	\$ -			\$ 261,000	\$ 261,000
Rents/Leases	\$ 48,480	\$ 48,480		\$ 22,472	\$ 22,472	\$ 239,250			\$ 310,202
Proceeds-Sale of Equipment	\$ -	\$ -		\$ -	\$ -			\$ 5,000	\$ 5,000
Other Local	\$ 15,149	\$ 15,149		\$ -	\$ -			\$ 33,750	\$ 48,899
Subtotal, Other Local Revenue	\$ 1,473,014	\$ 1,473,014	\$ -	\$ 1,668,476	\$ 1,668,476	\$ -	\$ 239,250	\$ 1,168,508	\$ 4,549,248
ESTIMATED ENDING BALANCE FOR 6/30/13	\$ (5,106,550)	\$ (8,319,244)	\$ 3,212,694	\$ (1,634,952)	\$ (3,139,883)	\$ 1,504,931	\$ (1,746,873)	\$ -	\$ (8,488,376)
NOTE: Excludes reserves (79XX) of \$34,733,239									

Fiscal Resources Committee Recommended Schedule 2013-2014

FRC Meeting – Executive Conference Room #114/DO 1:30 – 3:00

- Wednesday, August 21, 2013
- Wednesday, September 25, 2013
- Wednesday, October 23, 2013
- Wednesday, November 20, 2013
- Wednesday, January 22, 2014
- Wednesday, February 26, 2014
- Wednesday, March 26, 2014
- Wednesday, April 23, 2014
- Wednesday, May 28, 2014



Foundation Resources Committee

Responsibilities:

- **Reviews and Evaluates Resource Allocation Model**
- **Monitors State Budget Development and Recommends Mid-Year Adjustments**
- **Develops Assumptions for Tentative & Adopted Budgets**
- **Develops District budget process calendar**
- **Reviews enrollment management and develops annual FTES targets**
- **Assesses effective use of financial resources**
- **Reviews and Evaluates Financial Management Processes**

Membership:

Santa Ana College	Santiago Canyon College	District
Michael T. Collins	Steve Kawa	Peter Hardash - Chair
Raymond Hicks	Michael DeCarbo - Co-chair	Adam O'Connor
Jeff McMillan	Morrie Barembaum	Sylvia LeTourneau
Esmeralda Abejar	Raul Gonzalez del Rio	Diane Hill

Agendas with Materials	Additional Handouts	Approved Minutes
February 20, 2013		February 20, 2013
March 20, 2013	March 20, 2013	March 20, 2013
April 17, 2013		April 17, 2013
May 29, 2013		May 29, 2013
June 5, 2013		June 5, 2013

BAPR Archives: [2012-13](#) | [2011-12](#) | [2010-11](#) | [2009-10](#) | [2008-09](#) | [2007-08](#) | [2006-07](#)

Next Meeting Scheduled: April 17, 2013 1:30 p.m., District Office Board Room 107

About

Budget Updates
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Colleges & Centers

Santa Ana College
 Santiago Canyon College
 Centennial Education Center
 Digital Media Center
 District Operations Center
 Orange Education Center
 Orange County Sheriff's
 Regional Training Academy
 Regional Fire Training Center

Leadership

Board of Trustees
 Chancellor
 Vice Chancellors
 College Presidents

Shared Governance

District Council
 Fiscal Resources Committee (FRC)
 District Curriculum and Instruction Council (DCIC)
 Physical Resources Committee (PRC)
 Sustainable RSCCD Committee (SRC)
 Technology Advisory Group (TAG)

Community

Bond Projects
 Community Services
 RSCCD Foundation

Vacant Funded Positions as of 5/6/2013 - Projected Annual Salary and Benefits Savings

Fund	Management/ Academic/ Confidential	Title	Reasons	Site	Effective Date	Notes	2012-13 Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
12	Villa, Mario	Intermediate Clerk	Retirement	CEC	12/31/2011	Recruiting #CL12-0344-on hold		
12	Zamudio, Fidel	Instructional Assistant	Resignation	CEC	10/30/2012			
31	Rice, Tera	Senior Cashier	Resignation	SCC	4/26/2013			
33	Bernal, Imelda	Administrative Clerk	Retirement	SAC	6/30/2013			
33	Owens, Cheryl	Master Teacher	Resignation	SAC	1/1/2013			
							1,337,720	
TOTAL							2,196,123	

MEASURE E

Projects Cost Summary
05/13/13

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2012-2013		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
SANTA ANA COLLEGE								
3001	Renovation of Buildings	10,995,679	8,682,970	17,942	930,731	9,631,643	1,364,036	88%
3003	Renovate Campus Infrastructure	28,894,131	23,208,339	1,436,547	484,004	25,128,890	3,765,241	87%
	Design/Construct Maintenance/Operations Design/Construct Classroom Building							
3008	Renovate & Expand Athletic Fields	12,864,000	3,406,752	4,503,100	1,956,736	9,866,588	2,997,412	77%
3029	SAC Improvements & Enhancements	2,685,371	1,307,333	128,065	308,737	1,744,135	941,236	65%
3030	SAC Perimeter Site Improvements	6,355,000	-	870,776	4,843,115	5,713,891	641,109	90%
3031	SAC Planetarium Upgrade & Restroom Addition	1,798,500	-	22,070	89,069	111,139	1,687,361	6%
3032	SAC Dunlap Hall Project	9,000,000	-	653,317	913,031	1,566,348	7,433,652	17%
3034	Sheriff Training Academy Road	101,352	-	48,607	3,885	52,492	48,860	52%
3035	SAC Johnson Center Repurposing	51,800	-	-	51,800	51,800	-	100%
3036	SAC Portable Village	113,500	-	-	113,500	113,500	-	100%
3002	SAC Library Renovation	339,623	339,623	-	-	339,623	-	100%
3007	Child Care/Classroom-Centennial Renovate and Improve Centennial Ed Center	1,662,032	1,662,032	-	-	1,662,032	-	100%
3013	Acquisition of Land Adjacent to SAC	15,962,453	15,962,453	-	-	15,962,453	-	100%
3016	Design New Child Development Center	10,362,051	10,353,893	924	7,234	10,362,051	-	100%
	Construct New Child Development Center							
3017	Design Women's Locker Room	14,457,044	14,426,357	22,679	8,008	14,457,044	-	100%
	Construct Women's Locker Room							
	Augment State-Funded PE Seismic Project							
3019	Design Sheriff Training Facility	29,121,885	29,121,885	-	-	29,121,885	-	100%
	Construct Sheriff Training Facility							
	Fire Science Program (Net 6 Facility) Fire Science Prog. @ MCAS, Inc. 2							
3020	Design/Construct Digital Media Center	14,000,656	13,999,906	750	-	14,000,656	-	100%
3028	Design & Construct Parking Structure	2,046,955	2,046,955	-	-	2,046,955	-	100%
TOTAL SANTA ANA COLLEGE		160,812,032	124,518,498	7,704,777	9,709,850	141,933,125	18,878,907	88%

MEASURE E

Projects Cost Summary
05/13/13

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2012-2013		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
SANTIAGO CANYON COLLEGE								
3022	Design Arts, Humanities and Social Science Bldg. Construct Arts, Humanities and Social Science Building	32,989,478	20,778,655	6,471,319	2,289,183	29,539,157	3,450,321	90%
3004	SCC Infrastructure	38,052,296	35,211,541	1,552,733	1,212,037	37,976,311	75,985	100%
3011	Land Acquisition	24,791,777	24,791,777	-	-	24,791,777	-	100%
3012	Acquire Prop & Construct Cont Ed	27,554,640	27,554,640	-	-	27,554,640	-	100%
3014	Construct New Library & Resource Center	4,375,350	4,375,350	-	-	4,375,350	-	100%
3021	Construct Student Services & Classroom Bldg	8,073,049	8,073,049	-	-	8,073,049	-	100%
3025	Design Gymnasium Building/Pool Complex Construct Gymnasium Building/Pool Complex	20,054,610	16,013,122	2,599,577	1,001,304	19,614,003	440,607	98%
3026	Design Science Center Construct Science Center Augment State-Funded Science Center	26,448,588	26,382,262	26,326	34,950	26,443,538	5,050	100%
3027	Construct Additional Parking Facilities	1,047,212	1,047,212	-	-	1,047,212	-	100%
TOTAL SANTIAGO CANYON COLLEGE		183,387,000	164,227,608	10,649,955	4,537,474	179,415,037	3,971,963	98%
DISTRICT OPERATIONS								
3009	Replace Aging Telephone & Computer Network	14,071,666	13,998,970	57,484	15,212	14,071,666	-	100%
GRAND TOTAL - ALL SITES		358,270,698	302,745,076	18,412,216	14,262,536	335,419,828	22,850,870	94%

SOURCES OF FUNDS

Original Bond Proceeds (Issuances I, II & III)	337,000,000
Refunding Proceeds Allocated to Projects	4,013,547
Allocated Interest	17,257,151

Total Project Allocation 358,270,698

Unallocated Funds 14,275,496

MEASURE E BOND PROGRAM 372,546,194

Rancho Santiago Community College
Unrestricted General Fund Cash Flow Summary
FY 2012-2013, 2011-2012, 2010-2011 YTD-April 30, 2013

	FY 2012/2013 ¹											
	July	August	September	October	November	December ²	January	February	March	April	May	June
Beginning Fund Balance	\$43,867,759.21	\$45,064,223.43	\$42,680,768.77	\$34,999,185.38	\$25,592,219.28	\$26,110,634.15	\$42,703,804.07	\$37,375,292.75	\$26,174,139.21	\$15,075,507.95	\$18,186,551.92	\$18,186,551.92
Total Revenues	7,646,065.57	7,562,696.70	4,970,261.79	3,013,770.15	12,977,976.06	27,750,969.09	5,258,057.77	552,507.40	2,725,857.51	15,455,742.61		
Total Expenditures	6,449,601.35	9,946,151.36	12,651,845.18	12,420,736.25	12,459,561.19	11,157,799.17	10,586,569.09	11,753,660.94	13,824,488.77	12,344,698.64		
Change in Fund Balance	1,196,464.22	(2,383,454.66)	(7,681,583.39)	(9,406,966.10)	518,414.87	16,593,169.92	(5,328,511.32)	(11,201,153.54)	(11,098,631.26)	3,111,043.97	0.00	0.00
Ending Fund Balance	\$45,064,223.43	\$42,680,768.77	\$34,999,185.38	\$25,592,219.28	\$26,110,634.15	\$42,703,804.07	\$37,375,292.75	\$26,174,139.21	\$15,075,507.95	\$18,186,551.92	\$18,186,551.92	\$18,186,551.92

	FY 2011/2012											
	July	August	September	October	November	December	January	February	March	April	May	June
Beginning Fund Balance	\$46,510,630.23	\$46,100,826.17	\$44,124,830.03	\$44,521,078.46	\$47,005,503.25	\$45,897,273.99	\$57,702,830.45	\$54,053,391.07	\$44,204,790.42	\$29,513,946.47	\$35,191,700.97	\$25,844,675.99
Total Revenues	6,825,093.09	8,604,770.47	11,773,097.35	14,009,712.72	10,510,149.91	22,550,256.32	6,595,149.87	4,032,853.71	(3,658,900.14)	17,357,273.48	2,534,531.41	34,372,932.97
Total Expenditures	7,234,897.15	10,580,766.61	11,376,848.92	11,525,287.93	11,618,379.17	10,744,699.86	10,244,589.25	13,881,454.36	11,031,943.81	11,679,518.98	11,881,556.39	16,349,849.75
Change in Fund Balance	(409,804.06)	(1,975,996.14)	396,248.43	2,484,424.79	(1,108,229.26)	11,805,556.46	(3,649,439.38)	(9,848,600.65)	(14,690,843.95)	5,677,754.50	(9,347,024.98)	18,023,083.22
Ending Fund Balance	\$46,100,826.17	\$44,124,830.03	\$44,521,078.46	\$47,005,503.25	\$45,897,273.99	\$57,702,830.45	\$54,053,391.07	\$44,204,790.42	\$29,513,946.47	\$35,191,700.97	\$25,844,675.99	\$43,867,759.21

	FY 2010/2011											
	July	August	September	October	November	December	January	February	March	April	May	June
Beginning Fund Balance	\$31,784,459.14	\$31,707,786.73	\$23,218,915.51	\$13,391,977.96	\$38,393,146.82	\$37,626,460.99	\$50,812,462.36	\$49,049,615.66	\$45,164,375.97	\$39,520,402.44	\$46,751,646.85	\$43,305,651.35
Total Revenues	7,196,165.21	1,553,433.59	1,225,846.90	36,455,433.92	10,288,007.11	23,933,026.28	8,592,243.99	7,264,930.45	5,325,966.54	18,674,392.21	7,974,571.36	17,915,851.49
Total Expenditures	7,272,837.62	10,042,304.81	11,052,784.45	11,454,265.06	11,054,692.94	10,747,024.91	10,355,090.69	11,150,170.14	10,969,940.07	11,443,147.80	11,420,566.86	14,710,872.61
Change in Fund Balance	(76,672.41)	(8,488,871.22)	(9,826,937.55)	25,001,168.86	(766,685.83)	13,186,001.37	(1,762,846.70)	(3,885,239.69)	(5,643,973.53)	7,231,244.41	(3,445,995.50)	3,204,978.88
Ending Fund Balance	\$31,707,786.73	\$23,218,915.51	\$13,391,977.96	\$38,393,146.82	\$37,626,460.99	\$50,812,462.36	\$49,049,615.66	\$45,164,375.97	\$39,520,402.44	\$46,751,646.85	\$43,305,651.35	\$46,510,630.23

Notes:

¹ Beginning in FY 2012-13, Unrestricted General Funds were divided between two subfunds: Unrestricted Ongoing General Fund (11) and Unrestricted One-Time Funds (13)

² December 2012 deferral repayment of \$8,035,813 and property tax allocation

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2323 N. Broadway, Santa Ana, California 92706
Office: (714) 480-7321 Fax: (714) 796-3935
Fiscal Resource Committee Meeting
Executive Conference Room
1:30 p.m. – 3:00 p.m.

Meeting Minutes for April 17, 2013

FRC Members Present: Peter Hardash, Ray Hicks, Steve Kawa, Sylvia LeTourneau, Raul Gonzalez del Rio, Diane Hill, Esmeralda Abejar, Michael Collins, Jeff McMillan and Michael DeCarbo

FRC Members Absent: Adam O'Connor, Morrie Barembaum

Guests Present: Bart Hoffman, Juan Vazquez and Jose Vargas

The meeting was called to order by Mr. Hardash at 1:40 p.m.

Mr. Hardash informed the committee that alternates should be appointed for each member committee. Please take information back to the college Presidents for these appointments. Alternates are encouraged to attend future meetings.

State/District Budget Update

- Education Protection Account (EPA) Accounting Advisory – April 3, 2013. Prop 30 created this new EPA account, the theory is that new revenues during the period of the new Prop 30 would go to community colleges. This is an accounting transaction; money cannot be used for administrative costs. RSCCD will claim faculty and in classroom costs for these funds. This is not extra money. Prop 30 EPA report will be placed on the district web site under Fiscal Services Audit Reports page as details develop.
- Adult Education: Townsend Public Affairs will be updating the Board on the advocacy visit to Sacramento at the next Board meeting and what is being done in support of adult education.
- May Revise: Teresa Tena's memo on the 2012-13 state budget and fiscal issues was distributed. The League put together three scenarios. Scenario 1 would result in \$10.3 million to RSCCD in the current year but a \$4.9 million loss to next year. Scenario 2 would result in \$7.3 million to RSCCD in the current year and \$825,000 next year. Scenario 3 would result in \$10.9 million to RSCCD in the current year and \$4.1 million next year, all based on the assumption that we receive the funds on an FTES basis.
- Prop 39: Governor proposed it all go to education, however, the ballot language is being challenged. Zero dollars have been distributed, still waiting to see how it will be allocated and how much RSCCD will get. Originally to be distributed by FTES, however, that has changed, no final ruling as of yet. If energy is included RSCCD will use funds for energy retrofitting, boiler replacements and chiller plants at both colleges.
- Tentative Budget Calendar: Distributed as information. Mr. Hardash informed the committee that the Chancellor met with both Presidents to discuss the FTES split. Based on their discussion, the split between both campuses will be SAC 70.80% and SCC 29.20% for the Tentative Budget. Discussion needs to take place on future growth, the Chancellor expects a transition plan, who would receive what share.

P2 Attendance Report CCFS-320

- Report shows RSCCD is below target. Using the data provided by the colleges, RSCCD is about 220 – 270 FTES short to restoring to our base. We will fall about 300 FTES short of our restoration base, about a \$1 million loss immediately and at P-2 it becomes our base for next year resulting in a \$2 million loss for next year. If there isn't more positive attendance, we will have to borrow from summer, however, that causing an issue for next year. The Chancellor plans to have discussion with the CIO's on the process of borrowing. Dr. McMillan said this is the second year in a row that the enrollment management group has failed to do what they are charged to do. This will have to go back to the Senate for discussion to figure out what the issues are with enrollment management. Mr. Hardash suggested speaking to the CIO's about the details. Mr. Vazquez suggested using the stabilization fund to keep the colleges whole and will make a recommendation to the Chancellor that he consider keeping the district whole by utilizing the stabilization fund. Discussion ensued on strategies for FTES funding.

Budget Allocation Model Narrative (BAMIT recommendation) – First Reading

- Please share with campus budget committees, collect feedback for second reading at the next FRC meeting. If necessary, BAMIT committee will reconvene to work through suggested language. The evaluation of this implementation document will happen yearly.

Information Handouts

- The following documents were distributed and discussed:
 - District-wide expenditure report link: <https://intranet.rscgd.edu>
 - Vacant Funded Position List as of April 9, 2013
 - Measure "E" Project Cost Summary as of April 3, 2013
 - Monthly Cash Flow Statement as of March 31, 2013
 - Membership of Fiscal Resources Committee

Approval of BAPRC Meeting Minutes – March 20, 2013

Mr. Hardash called for a motion to approve the FRC Minutes of the March 20, 2013 meeting. The motion was moved by Mr. DeCarbo and Mr. Kawa seconded the motion to approve the minutes as presented. Dr. McMillan abstained. Mr. DeCarbo asked that the Minutes reflect that approving the Minutes is not an approval of the additional handouts in the packet.

Meeting Schedule FRC Meeting – 1:30 – 3:00, Executive Conference Room #114 – District Office

May 29, 2013.

June 5, 2013 will be held only if necessary.

Adjournment

Mr. Hardash adjourned the meeting at 2:55 p.m.