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 April 17, 2013

1:30 p.m. - 3:00 p.m.
District Office Board Room

1. Welcome

2. State/District Budget Update-Peter Hardash
    - Education Protection Account (EPA) Accounting Advisory April 3, 2013
    - CCFS-311 Addendum
    - Townsend Board Presentation April 1, 2013
    - Proposition 39 Update
    - Tentative Budget Calendar Reminder

3. P2 Attendance Report CCFS-320

4. Budget Allocation Model Narrative (BAMIT recommendation) – First Reading

5. Informational Handouts
    - District-wide expenditure report link: https://intranet.rsccd.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

6. Approval of FRC Minutes – March 20, 2013

7. Other

    - Cancel meeting of June 5th?

Next FRC Committee Meeting: (District Office Board Room 1:30 pm – 3:00 pm)
May 29, 2013
June 5, 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.

CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE
1102 Q STREET, SUITE 4554
SACRAMENTO, CA 95811-6549
(916) 445-8752
http://www.cccco.edu

Memorandum

April 3, 2013

TO: Chief Business Officers

FROM: Frederick E. Harris, Assistant Vice Chancellor
College Finance and Facilities Planning

SUBJECT: **Accounting Advisory**: Proposition 30 Education Protection Account guidelines

Proposition 30, The Schools and Local Public Safety Protection Act of 2012 passed in November 2012. This proposition temporarily raises the sales and use tax by .25 cents for four years and raises the income tax rate for high income earners ($250,000 for individuals and $500,000 for couples) for seven years to provide continuing funding for local school districts and community colleges. The Education Protection Account (EPA) is created in the General Fund to receive and disburse these temporary tax revenues.

Districts have sole authority to determine how the moneys received from the EPA are spent, provided that the governing board makes these spending determinations in open session of a public meeting of the governing board. Each entity receiving funds must annually publish on its Internet web site an accounting of how much money was received from the EPA and how that money was spent. Additionally, the annual independent financial and compliance audit required of community colleges shall ascertain and verify whether the funds provided from the EPA have been properly disbursed and expended as required by law. Expenses incurred to comply with these additional audit requirements may be paid from the EPA.

EPA expenditures should be recorded annually on the CCFS-311 (Prop 30 EPA expenditure report, copy attached), which can also be used as a template for districts to publish their EPA expenditures on their website.

Revenue for EPA funds are unrestricted and should be recorded in object code 8630. The Act specifically prohibits the expenditure of EPA funds for administrative salaries and benefits or any other administrative costs. We are confident that colleges will incur a sufficient level of non-administrative costs (e.g., instruction and student support costs) to easily ensure that EPA funds are not used for administrative costs.

Consistent with the *Budget and Accounting Manual,* administrative costs include:

- General administration: district-wide administrative activities including governing board, chancellor, and district-level fiscal and personnel services.
- Campus administration: activities concerned with directing and managing the operation of a particular campus.
- Instructional administration: activities for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students.

Contact: If you have any questions, please contact Michael Yarber at (916) 327-6818 or via e-mail at myarber@cccco.edu.

Enclosure

CALIFORNIA COMMUNITY COLLEGES

Annual Financial and Budget Report

SUPPLEMENTAL DATA

Schools and Local Public Safety Protection Act

Prop 30 EPA Expenditure Report

For Actual Year: 2012-2013 Budget Year: 2013-2014 District ID: Name: Rancho Santiago CCD

Activity Classification	Activity Code			Unrestricted	
EPA Proceeds:	8630				21,147,689
Activity Classification	**Activity Code**	**Salaries and Benefits (1000 - 3000)**	**Operating Expenses (4000 - 5000)**	**Capital Outlay (6000)**	**Total**
Insructional Activities	0100-5900	21,147,689			21,147,689
Other Support Activities (list below)	6XXX				
Total Expenditures for EPA*		21,147,689	0	0	21,147,689
Revenues less Expenditures					0

***Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.**

Item 2.1
Chanc. Rpt

TOWNSEND

TPA

MEMORANDUM

To: Rancho Santiago Community College District

From: Townsend Public Affairs, Inc.

Date: April 1, 2013

RE: Debrief of State Advocacy Day Meetings related to the Governor's 2013-14 State Budget Proposal on Adult Education Realignment

The Rancho Santiago Community College District and North Orange County Community College District coordinated advocacy efforts concerning the Governor's 2013-14 State Budget proposal to realign adult education to the California Community College system. TPA coordinated a targeted day of meetings in Sacramento on March 13, 2013 to advocate the District's position and concerns.

Targeted meetings included:

- Office of Governor Brown and Department of Finance
  - Cathy McBride, Deputy Legislative Secretary
  - Nick Schweizer, Program Budget Manager
  - Ryan Storm, Assistant Program Budget Manager
- Senate Budget Subcommittee on Education
- Assembly Budget Subcommittee on Higher Education
- Office of Senator Hannah-Beth Jackson (Member, Education)
- Office of Senator Loni Hancock (Member, Education)
- Office of Senator Marty Block (Member, Education & Veterans Affairs)
- Office of Senator Ricardo Lara (Member, Education)
- Office of Superintendent Tom Torlakson, California Department of Education
- Senator Bob Huff (Senate Republican Leader) (Member, Education)
- Senator Lou Correa (Vice Chair, Veterans Affairs) (Member, Education)
- Senator Mark Wyland (Vice Chair, Education)
- Assembly Member Rocky Chavez (Vice Chair, Higher Education & Veterans Affairs Committees)
- Assembly Member Das Williams (Chair, Higher Education)
- Office of Assembly Member Al Muratsuchi (Member, Budget Subcommittee #2 on Education Finance)
- Office of Assembly Member Brian Nestande (Member, Budget Subcommittee #2 on Education Finance)
- Office of Assembly Member Susan Bonilla (Chair, Budget Subcommittee #2 on Education Finance)

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March 21, 2013

The Honorable Edmund G. Brown, Jr.
Governor of California
State Capitol
Sacramento, CA 95814

Dear Governor Brown,

On behalf of the North Orange County, Rancho Santiago, San Diego Community College Districts and Mt. San Antonio College, this letter is to express concerns about the 2013-14 State Budget proposal and the Department of Finance's (DOF's) proposed language in the Education Trailer Bill related to the transition of adult education from K-12 to the Community College system.

Preserve existing noncredit instruction. We believe strongly that any policy proposal adopted must maintain current Community College noncredit instruction. It is not sensible, nor strategic, to eliminate existing noncredit instruction in Community Colleges, much of which has been recognized as a model for the state and nation in meeting the pre-collegiate and vocational needs of adult learners. These existing Community College model programs can serve as resources to the rest of the state in migrating Adult Education to Community Colleges. Accordingly, the Districts propose keeping the nine current noncredit mission areas and related apportionment funding model and using the $300 million funding shift from K-12 as seed money for districts to begin developing, or enhancing current, adult education programs.

Funding Allocation System. We believe that the best, most straightforward funding allocation to districts should be based on FTES. The allocation should be at the credit FTES rate, given that the courses would be focused on state priority areas of career and college readiness. The proposal to allocate the $300 million in funds through categorical block grants would be harmful to the long-term sustainability of Adult Education programs. The impact of categorical flexibility on K-12 Adult Education programs demonstrated that this funding model puts these programs in a second tier, and puts them at significant risk during difficult budget times. Although K-12 is currently allocated approximately $600 million for adult education through a Categorical Block Grant model, it is estimated that approximately $300 million has been transferred out of adult education and into the K-12 general education programs as a result of categorical flexibility.

Expectations must be realistic and clearly defined. The Adult Education programs offered by K-12 districts have covered a broad range of instructional areas, including basic skills, vocational training, English as a Second Language classes, programs for disabled students, and enrichment courses. The types of courses offered have varied widely across schools and over time in order to meet the needs of each individual community; therefore, communities have come to expect a broad array of services from K-12 Adult Education programs. For the proposed policy initiative to succeed, the $300

Ben Hueso, Senator

Brian Maienschein, Assembly Member

Mark Wyland, Senator

Shirley Weber, Assembly Member

Tom Daly, Assembly Member

Curt Hagman, Assembly Member

- **Legislative Update:** This week will be a big week in the capitol as a number of committees meet to consider major community college bills. Among the bills that will be heard is AB 450 in Assembly Elections and Redistricting. The bill would move LACCD trustee elections from at large to trustee areas and LACCD is opposed to the bill as it would Balkanize management of the district. Additionally, the Assembly Higher Education Committee will hear AB 955 which would authorize a community college district to offer fee-based extension courses during intercessions. Committees will be meeting regularly the next couple weeks as fiscal bills need to pass their first committee by the end of April.

BUDGET UPDATE

It is early, but we have major meetings set up for this Friday with members of legislative staff and the administration staff before they make their recommendations for the May Revise. We want to make sure that the interests of our clients are covered. We will be discussing:

- Allocation of apportionments. With $91 million going to cover statutory COLA of 1.65% and the rest of the proposed funding, $106 million going for restoration.
- Reducing the level of funding that goes to the deferral and redirecting that funding to categorical programs, specifically the student success and support categorical program.
- Protect existing noncredit in the adult education proposal and support a targeted investment in the five areas through enhanced noncredit.
- Support Proposition 39 funding going out on an FTES basis with flexibility at the local level to use some of the funding for job training.

The adult education discussion has been very fluid since the Assembly rejected the administration's proposal. We have indicated opposition to the administration's proposal to eliminate noncredit, however have also indicated support for a targeted investment of some of the $300 million for community colleges in enhanced noncredit in the five areas of emphasis that the Governor has identified.

Unfortunately, one of the areas where we agree with the administration, use of Proposition 39 funds, will be very tough to get through the Senate (see section below). However, the fight is not over yet, as CTA, CFT and CSEA have yet to weigh in on the issue. They all, likely would prefer an FTES funding methodology.

PROPOSITION 39 HEARING

The Senate held a joint hearing of Budget Subcommittee 1 on Education and Subcommittee 2 on Resources, Environmental Protection, Energy and Transportation. The topic of the hearing was Proposition 39. Being the author of SB 39 which would allocate funds from the initiative, Senator de León also participated in the hearing.

The hearing examined the Governor's Proposition 39 proposal, the Legislative Analyst Office's alternative proposal, as well as treatment of Proposition 98 revenues in calculating the Proposition 98 minimum guarantee. The Governor's proposal would put all of the additional funding into K-14 education and allocate the funding on an ADA/FTES basis while the LAO proposal puts the Energy Commission in charge of a grant-based program that would make most state and local entities eligible for the grants. The administration and the LAO also disagree on whether or not the funding for energy efficiency is "inside" or "outside" of the Proposition 98 minimum guarantee. Legislative counsel has weighed in on the issue opining that the funding ought to be outside proposition 98. If the legislature allocates the funding outside of Proposition 98, it would mean that additional funding would have to be allocated to schools and community colleges outside of the $450 million in Proposition 39 funds.

The members of the two committees, as well as Senator de León indicated that they are inclined to put the funding out on a grant basis. They indicated that they had a concern with the lack of oversight in the distribution plan by the Governor. Also, that it may not place energy efficiency projects in the areas where they are most needed. Senator Beall also picked up on the job training component of the initiative and indicated that he would like to see a greater emphasis on job training providers.

None of the members of the committees were in favor of the Governor's plan. The committee held the item open, but Chair of the Education Committee, Senator Block, indicated to Department of Finance, that, based on the comments from the committee members in the hearing, that the administration ought to reconsider their proposal before reintroducing a Proposition 39 proposal with the May Revise.

The bottom line is that the Governor's proposal does not have much support in the Senate. The majority of the members would prefer that the funding go out on a grant basis and many would like it to be available to entities other than K-14 education. The problem is that opening up the funding to other entities, because it is such a small amount of funding, would mean that the funding could be spread incredibly thin.

The Senate and Assembly budget subcommittees will meet this week to discuss community college issues, including the 90 unit cap, the census date proposal and the proposal to authorize the Board of Governors to apportion the $197 million in funding to community colleges.

PPIC REPORT

The Public Policy Institute of California Released a report examining how budget cuts have impacted California's community colleges. The report notes that budget cuts have made it increasingly difficult for community colleges to meet their many missions and provide access to Californians. The report notes that the system has experienced approximately $1.5 billion in

RSCCD Tentative Budget Calendar

Fiscal Year 2013 – 2014

January 23, 2013

January 10, 2013	Governor’s 2013-2014 Proposed Budget	
February 20, 2013	BAPR Committee Develops Budget Assumptions	
March 20, 2013	Chancellor Reviews Recommended Budget Assumptions	Changes
	?????-Reductions	
April 15, 2013	Board Approves Budget Assumptions	
April 22, 2013	Business & Fiscal Services Sends Budget Development Worksheets to Budget Centers	
	SAC/CEC; SCC/OEC; District Operations	
May 15, 2013	Governor’s May Revise	
May 20, 2013	Budget Deadline for Budget Centers to submit Budget Change Forms to Business Operation & Fiscal Services	
May 29, 2013	Tentative Budget to BAPR Committee For Recommendation to Chancellor	
May 30-31, 2013	Chancellor Reviews Tentative Budget	Changes
June 10, 2013	Chancellor’s Cabinet Reviews Recommended Tentative Budget	
June 12-14, 2013	Budget on Display for Public Review	
June 17, 2013	Board of Trustees Approves Tentative Budget	

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 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. The base FTES split of **XX%** SAC and **XX%** 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. For purposes of example only, a base of 71.10%/28.90% is used. 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 71.10%/28.90% 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 <u>one year</u>, 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	19,908	71.10%	2.00%	20,306.16	71.10%
SCC	8,092	28.90%	2.00%	8,253.84	28.90%
	28,000		2.00%	28,560.00	
	Base FTES	% split	Scenario #2	New FTES	% split
SAC	19,908	71.10%	2.81%	20,468.00	71.67%
SCC	8,092	28.90%	0.00%	8,092.00	28.33%
	28,000		2.00%	28,560.00	
	Base FTES	% split	Scenario #3	New FTES	% split
SAC	19,908		3.00%	20,505.24	
unfunded				(199.08)	
SAC	19,908	71.10%	2.00%	20,306.16	71.10%
SCC	8,092	28.90%	2.00%	8,253.84	28.90%
	28,000		2.00%	28,560.00	
	Base FTES	% split	Scenario #4	New FTES	% split
SAC	19,908		3.00%	20,505.24	
unfunded				(138.39)	
SAC	19,908	71.10%	2.30%	20,366.85	71.31%
SCC	8,092	28.90%	1.25%	8,193.15	28.69%
	28,000		2.00%	28,560.00	
YEAR 1	Base FTES	% split	Scenario #5	New FTES	% split
Actual Generated:					
SAC	19,908	71.10%	-1.00%	19,708.92	70.48%
SCC	8,092	28.90%	2.00%	8,253.84	29.52%
	28,000		-0.133%	27,962.76	
Calculated for Stability:					
SAC	19,908		-1.00%	19,708.92	
stabilization				199.08	
SAC	19,908	71.10%	0.00%	19,908.00	70.69%
SCC	8,092	28.90%	2.00%	8,253.84	29.31%
	28,000		0.578%	28,161.84	
YEAR 2					
Actual Generated:					
SAC	19,708.92	70.48%	1.01%	19,908.00	70.69%
SCC	8,253.84	29.52%	0.00%	8,253.84	29.31%
	27,962.76		0.712%	28,161.84	

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

<u>Colleges:</u> 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.

<u>District Operations:</u> 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 ☑	Santiago Canyon College & OEC ☑	District Office ☑	Districtwide ☑
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**
Percentages	*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**	**SAC**	**CEC**	**SCC/OEC**	**SCC**	**OEC**	**DO**	**DW**	**TOTAL**
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

Vacant Funded Positions as of 4/9/2013 - 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
39.5%-fd 11 60.5%-fd 12	Irwin, Kari	Director, OC Women's Business		**District**	4/8/2013		10,473	
11	Manager, Fiscal Services	Manager, Fiscal Services	Reorganization	**District**	7/1/2012	Recruiting #CL13-0400	185,655	**406,725**
11	Partridge, Bob	AVC, Facility Planning	Retirement	**District**	7/1/2010	Recruiting #CL12-0367	210,597	
11	Bobp, Mary Ellen	Librarian	Retirement	**SAC**	4/1/2013		18,089	
11	Brown, Sharon	Professor, Art/Digital Imaging/Multimedia	Retirement	**SAC**	12/15/2012	** Recruiting*	71,259	
87.5%-fd 11 12.5%-fd 12	Carrera, Cheryl	Professor, Math	Interim assisgnment	**SAC**	8/20/2012	Interim as Dean, Science, Math & Health Services	114,526	
11	Chidester, Dan	Director, Fire Education	Retirement	**SAC**	5/31/2013		-	
11	Comeau, Carol	Dean, Science, Math & Health Sciences	Retirement	**SAC**	6/21/2012	Recruiting #AC13-0286. Interim Cheryl Carrera effective 8/21/2012 per July 23 H/R Docket	21,330	**327,947**
11	Gable, Marsha	Associate Dean, EOPS	Resignation	**SAC**	2/1/2013	Recruiting #AC13-0281	41,722	
11	Mallory, Lee	Professor, ESL	Retirement	**SAC**	12/15/2012	** Recruiting*	61,020	
11	Mitchell, Earl	Professor, Business	Retirement	**SAC**	5/27/2013	** Recruiting*	-	
11	Ripley, Ed	Vice President, Continuing Education	Retirement	**SAC**	6/30/2011	James Kennedy, Interim	-	
11	Dillon, Patricia	Director, Apprenticeship Program	Medical Layoff	**SCC**	12/17/2012	replaced by K. Irwin	-	
11	Gates, James	Professor, Water Utility Science	Retirement	**SCC**	5/20/2012	*50,000 reduced in salary account for 2012-13 tentative budget-Recruiting #AC13-0282*	89,746	
11	Kennedy, James	Dean, Instr & Std Svcs	Interim assisgnment	**OEC**	8/1/2011	*Interim assignment as VP Continuing Ed-CEC One time reduction for 2012-13 tentative budget*	-	**269,297**
11	Singhal, Meena	Dean, Arts, Humanities & Social Sciences	Resignation	**SCC**	2/28/2013	*M. Womack, Interim*	-	
11	Stringer, Martin	Associate Dean/Athletic Director	Interim assisgnment	**SCC**	7/1/2010	*Martin Stringer, Interim Dean Bus/Math/Sci One time reduction for 2012-13 tentative budget. Recruiting #AC12-0273*	-	
11	Tomlinson, Terry	Professor, High School Subjects	Retirement	**OEC**	6/7/2013		-	
11	Womack, Melinda	Professor, Communications	Interim assisgnment	**SCC**	2/19/2013	*Interim assignment, Dean, Arts Hum & Social Sci*	54,578	
11	Yorba, Joseph	Associate Professor, Math	Retirement	**SCC**	8/9/2012	Recruiting #AC13-0288	124,972	
	****Note: SAC hiring 11 faculty, only 3 vacant faculty position, SCC hiring 2 faulty, 3 vacant faculty position***						1,003,969	
	Classified	**Title**	**Reasons**		**Effective Date**	**Notes**	**2012-13 Annual Budgeted Salary/Ben**	**Total Unr. General Fund by Site**
11	Audit Specialist	Audit Specialist	Reorganization	**District**	7/1/2010		103,413	
11	Contreras, Jose	Senior Custodian	Administrative Term	**District**	10/24/2011	REDUCE TO 47.5%/12 MONTHS	20,652	
11	Fadaiefard, Mohammad	Tech Specialist I	Resignation	**District**	4/2/2013		8,754	
11	Gumbert, Robb	Facility Planning Specialist	Retirement	**District**	12/13/2012		43,276	
60%-fd 11/ 40%-fd 12	Harvey, Hermando	District Safety Officer	Resignation	**District**	12/31/2012	Reorg to 1 FT position	6,145	
11	Iranpour, Shahryar	Technology Specialist II	Medical Layoff	**District**	12/18/2012		53,858	
11	Larson, Nancy	Administrative Secretary	Retirement	**District**	12/30/2011		86,025	
50%-fd 11/ 50%-fd 12	Linnen, Jason	Computer Lab Tech	Layoff	**District**	10/8/2012		25,053	**635,302**
11	McMinimy, Velan	Auxiliary Services Specialist	shift charges to Fd 31	**District**	12/1/2012		38,888	
11	Panganiban, Felix	Senior Accountant	Retirement	**District**	12/30/2012		36,721	
11	Quinn, David	Network Specialist IV	Retirement	**District**	4/15/2013	Recruiting #CL13-0395	2,088	
11	Smith, James	Computer Tech	Reorganization	**District**	7/1/2011	Employee waived medical and dental insurance therefore amounts are not budgeted.Department code change from 14142 to 54142. Recruiting #CL13-0396	74,475	
11	Tran, Trini	Application Specialist III	Promotion	**District**	9/10/2012	Recruiting #CL13-0382	59,368	
11	Wright, Wanda	Helpdesk Analyst	Deceased	**District**	11/13/2011	Department code change from 24143 to 54143	76,586	
11	Arriaza, Cecilia	Student Services Coordinator	Resignation	**SAC**	7/2/2012	defund 3 months #BMPR13547. Recruiting #CL13-0397	51,156	
11	Bennett, Margaret	Administrative Clerk	Retirement	**SAC**	12/18/2012	Recruiting #CL13-0388	20,083	
11	Ediss, Michael	Custodian	change position	**SAC**	9/26/2011		65,783	
11	Eimers, Jane	Administrative Secretary	Retirement	**SAC**	5/31/2013		1,271	
11	Franco, Mark	Counseling Assistant	change position	**SAC**	11/27/2011		25,634	
11	Facilities Manager	Facilities Manager	Dismissal	**SAC**		Interim, Ron Jones - Recruiting #CL12-0390 (Bromberger)	-	
75%-fd 11 25%-fd 12	Garcia, Paula	High School & Community Outreach	Retirement	**SAC**	12/30/2012		25,833	
11	Huynh, Kim	Instructional Assistant	Resignation	**SAC**	9/25/2012		12,408	**497,245**
11	Lokos, Joseph	Lead Gardener/Admin. Services	Retirement	**SAC**	12/30/2012		25,276	
11	Lopez, Eduardo	Instructional Assistant	Resignation	**SAC**	8/24/2012		14,488	
11	Lopez, Felipe	Custodian	Promotion	**SAC**	12/24/2012		39,179	
11	Mai, Kathy	Instructional Assistant	Resignation	**SAC**	12/13/2012		8,484	
11	Martinez, Jacob	Custodian	Termination	**SAC**	9/24/2012		52,766	
70%-fd 11 30%-fd 12	Matsuda, Georgia	Administrative Secretary	Retirement	**CEC**	3/29/2013		5,741	
11	Negrete, Stephanie	Senior Clerk	Administrative Term	**CEC**	9/26/2011	defund 3 months	45,249	
11	Nelson, Patricia	Intermediate Clerk	Medical Layoff	**SAC**	3/5/2013		2,781	
11	Quan, Hoai	Data Entry Clerk	Retirement	**SAC**	7/17/2013		-	
11	Quiggle, John	Auto Mechanic Maintenance	Retirement	**SAC**	8/31/2012		70,674	
11	Salcido, Irene	Intermediate Clerk	Retirement	**SAC**	1/30/2013		21,081	
11	Schaffner, Welsey	Instructional Assistant	Medical Layoff	**SAC**	2/15/2012		9,360	
11	Campos, Claudia	Instructional Assistant	Resignation	**OEC**	12/13/2012		8,374	
11	Fogleman, Patricia	Library Technician II	Retirement	**SCC**	7/26/2012		71,977	
11	Holmes, Michelle	Learning Assistant	Resignation	**SCC**	2/8/2013		6,445	
11	Moreno, Maria	Instructional Assistant	Resignation	**OEC**	10/8/2012		13,496	
11	Moss, Jonathan	Science Lab Coordinator	Resignation	**SCC**	1/11/2013	Recruiting #CL13-0401	23,812	
11	Nguyen, Tuyen	A/R Tech Spec	Promotion	**SCC**	10/30/2012		56,285	**350,324**
11	Olmos, Robert	Student Services Coordinator	Resignation	**SCC**	8/1/2012		25,205	
11	Saterfield, Kalonji	Transfer Center Specialist	change position	**SCC**	4/8/2012		76,547	
11	Tran, Kieu Loan	Admissions & Records Specialist II	Resignation	**SCC**	7/15/2011		27,466	
11	Wilksen, Terry	Executive Secretary	Retirement	**SCC**	12/30/2012	Recruiting #CL12-0387	40,716	
12	Aguirre Ruiz, Armando	Student Activities Specialist	Resignation	**OEC**	10/4/2012			
12	Arredondo, Sandra	Administrative Clerk	change position	**SAC**	11/1/2012			
12	Bonnema, Carol	Administrative Clerk	Retirement	**SAC**	12/30/2012			
12	Counts, Christopher	District Safety Officer	Change position	**SAC**	7/3/2012	Reorg to 1 FT position		
12	Deluna, James	Learning Facilitator	Resignation	**SCC**	9/16/2011			
12	Fast, Debra	Financial Aid Tech	Termination	**SCC**	12/2/2011			
12	Fennell, Katryn	Intermediate Clerk	Resignation	**SCC**	6/28/2012			
12	Frausto, Jesus	Instructional Assistant	Resignation	**SCC**	8/18/2012			
12	Herrlein, Ann	Instructional Assistant	Resignation	**SAC**	3/23/2012			
12	Hurtado, Diane	Student Services Specialist	Resignation	**SAC**	6/30/2011			
12	Janus, Louise	DSPS Specialist	Promotion	**SAC**	8/14/2011			

Vacant Funded Positions as of 4/9/2013 - 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	Johnson, Nicole	Learning Facilitator	Resignation	**SCC**	8/17/2011			
12	Nakagawa, Kelly	Instructional Assistant	Resignation	**OEC**	3/26/2013			
12	Nieto, Lilia	Instructional Assistant	Resignation	**CEC**	2/19/2013			
12	Ortiz, Alfonso	Student Services Specialist	Resignation	**SCC**	5/2/2011			
12	Quinonez Tapia, Edgar	District Safety Officer	change position	**SAC**	7/2/2012	Reorg to 1 FT position		
12	Ramirez, Cristina	Instructional Assistant	Resignation	**CEC**	6/10/2011			
12	Salazar, Mario	District Safety Officer	Resignation	**SCC**	6/2/2012			
12	Sandoval, Maricela	High School & Community Outreach	Promotion	**DO**	11/9/2011			
12	Steed, Annie	Administrative Secretary	Medical Layoff	**SAC**	3/16/2011	Recruiting #CL13-0380		
12	Valeriote, Robert	Instructional Assistant	Resignation	**SCC**	12/12/2012	Recruiting #CL13-0389		
12	Vargas, Jorge	Instructional Assistant	Promotion	**SAC**	3/19/2012			
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			
33	Bernal, Imelda	Administrative Clerk	Retirement	**SAC**	6/30/2013			
33	Garcia, Celia	Custodian	Resignation	**SAC**	9/24/2012			
33	Owens, Cheryl	Master Teacher	Resignation	**SAC**	1/1/2013			
							1,482,871	
TOTAL							**2,486,841**	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE E

Projects Cost Summary
04/03/13

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2012-2013 Expenditures	FY 2012-2013 Encumbrances	Cumulative Exp & Enc	Project Balance	% Spent
SANTA ANA COLLEGE								
3001	Renovation of Buildings	10,999,079	8,682,970	16,869	26,849	8,726,688	2,272,391	79%
3003	Renovate Campus Infrastructure Design/Construct Maintenance/Operations Design/Construct Classroom Building	28,894,131	23,208,339	1,308,073	598,010	25,114,422	3,779,709	87%
3008	Renovate & Expand Athletic Fields	12,864,000	3,406,752	4,029,114	2,386,649	9,822,515	3,041,485	76%
3029	SAC Improvements & Enhancements	2,685,371	1,307,333	26,651	411,036	1,745,020	940,351	65%
3030	SAC Perimeter Site Improvements	6,355,000	-	716,473	4,924,562	5,641,035	713,965	89%
3031	SAC Planetarium Upgrade & Restroom Addition	1,798,500	-	22,071	89,069	111,140	1,687,360	6%
3032	SAC Dunlap Hall Project	9,000,000	-	645,719	920,182	1,565,901	7,434,099	17%
3034	Sheriff Training Academy Road	101,352	-	3,500	47,852	51,352	50,000	51%
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 Construct New Child Development Center	10,354,817	10,353,893	924	-	10,354,817	-	100%
3017	Design Women's Locker Room Construct Women's Locker Room Augment State-Funded PE Seismic Project	14,453,644	14,426,357	22,679	4,608	14,453,644	-	100%
3019	Design Sheriff Training Facility Construct Sheriff Training Facility Fire Science Program (Net 6 Facility) Fire Science Prog. @ MCAS, Inc. 2	29,121,885	29,121,885	-	-	29,121,885 - 	-	100%
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	**160,639,498**	**124,518,498**	**6,792,823**	**9,408,817**	**140,720,138**	**19,919,360**	**88%**

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE E

Projects Cost Summary
04/03/13

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2012-2013 Expenditures	FY 2012-2013 Encumbrances	Cumulative Exp & Enc	Project Balance	% Spent
	SANTIAGO CANYON COLLEGE							
3022	Design Arts, Humanities and Social Science Bldg. Construct Arts, Humanities and Social Science Building	32,989,423	20,778,655	5,799,619	2,792,815	29,371,089 -	3,618,334	89%
3004	SCC Infrastructure	38,052,351	35,211,541	1,422,706.00	1,418,104.00	38,052,351	-	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	2,434,601	1,118,833 -	19,566,556	488,054	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**	**9,683,252**	**5,364,702**	**179,275,562**	**4,111,438**	**98%**
	DISTRICT OPERATIONS							
3009	Replace Aging Telephone & Computer Network	14,071,666	13,998,970	57,484	15,212.00	14,071,666	-	100%
	GRAND TOTAL - ALL SITES	**358,098,164**	**302,745,076**	**16,533,559**	**14,788,731**	**334,067,366**	**24,030,798**	**93%**

SOURCES OF FUNDS

Original Bond Proceeds (Issuances I, II & III)	337,000,000
Refunding Proceeds Allocated to Projects	3,841,013
Allocated Interest	17,257,151
Total Project Allocation	**358,098,164**
Unallocated Funds	14,448,030
MEASURE E BOND PROGRAM	**359,281,668**

Rancho Santiago Community College
Unrestricted General Fund Cash Flow Summary
FY 2012-2013, 2011-2012, 2010-2011 YTD-March 31, 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	$42,702,771.30	$37,374,259.98	$26,172,757.43	$15,002,305.24	$15,002,305.24	$15,002,305.24
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			
Total Expenditures	6,449,601.35	9,946,151.36	12,651,845.18	12,420,736.25	12,459,561.19	11,158,831.94	10,586,569.09	11,754,009.95	13,896,309.70			
Change in Fund Balance	1,196,464.22	(2,383,454.66)	(7,681,583.39)	(9,406,966.10)	518,414.87	16,592,137.15	(5,328,511.32)	(11,201,502.55)	(11,170,452.19)	0.00	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	$42,702,771.30	$37,374,259.98	$26,172,757.43	$15,002,305.24	$15,002,305.24	$15,002,305.24	$15,002,305.24

	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

Fiscal Resources Committee

Responsibilities:

- **Reviews and Evaluates Resource Allocation Model**
- **Monitors State Budget Development and Recommends Mid-Year Adjustments**
- **Develops Assumptions for Tenative & 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

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2323 N. Broadway, Santa Ana, California 92706
Office: (714) 480-7321 Fax: (714) 796-3935

Fiscal Resources Committee Meeting

District Office Board Room
1:30 p.m. – 3:00 p.m.

Meeting Minutes for March 20, 2013

FRC Members Present: Michael T Collins, Raymond Hicks, Esmeralda Abejar, Steve Kawa, Michael DeCarbo, Morrie Barembaum, Raul Gonzalez del Rio, Peter Hardash, Adam O'Connor, Sylvia LeTourneau and Diane Hill

FRC Members Absent: Jeff McMillan

Guests Present: Jose Vargas and Jim Kennedy

The meeting was called to order by Mr. Hardash at 1:35 p.m.

Introductions/Committee Membership

- Mr. Hardash informed the committee that the Budget Allocation and Planning Review Committee (BAPR) is now officially the Fiscal Resources Committee (FRC) per the Planning document approved by the Board of Trustees at their March 11, 2013 meeting. The new membership includes the following: SAC: Collins, Hicks, McMillan and Abejar. SCC: Kawa, DeCarbo, Barembaum and Gonzalez del Rio and the District Office: Hardash, O'Connor, LeTourneau and Hill. The Planning document does not address alternates to the new composition of the shared governance committees. Mr. Hardash has asked for a ruling by Mr. Didion on the appointment of alternates to each committee; however this committee should assume there will be alternates. Discussion ensued. It was decided that Mr. Kennedy would serve as alternate for SAC and Mr. Vargas would serve as alternate for SCC.

State/District Budget Update

- The 2011-12 Recal and 2012/13 P-1 Report was reviewed by Mr. Hardash.
- March Revision, P-1, Exhibit C not accurate, not what was originally distributed. Original P-1, Workload Restoration ended with 27,711.41 funded by state, we expected more. Fiscal is trying to figure out if the district is getting the correct redistribution of the decline in non-credit and CDCP funding.
- Property taxes – blue book listed RSCCD at $42,759,525 however, it was bumped up to $44,770,817 on P-1 with no explanation.
- We have an apportionment deficit; however the numbers in P-1, again, are higher and unexplained, we will not know the actual amount until the last week in June 2013.
- The May Revise will have many changes from the Governor's Budget released in January 2013.

2012/13 RSCCD Tentative Budget Update

- The Board of Trustees approved the Budget Assumptions for the 2013/14 Tentative Budget. The only item holding up building the Tentative Budget is the FTES split, the revenue split between the campuses.

- Mr. DeCarbo distributed draft language to address the item to determine the FTES split from year to year in the Budget Allocation Model document:

  It shall be assumed that each year, each college will pursue growth funds. The projected growth percentage offered by the state will be divided amongst the colleges based upon that year's FTES percentage split and then added accordingly to each colleges' FTES target. If one college does not reach its target plus growth goal and the other college does, this will result in a recalibration of the FTES percentage split for the following year. If a college is unable to reach its target, or its target plus growth goal due to exigent circumstances, that college may petition the FRC to make a recommendation to the District Council to suspend or modify the recalibration for that year.
- One suggestion models what is in the document, capturing and maintaining what is currently in place: SAC 70%, SCC 30% of FTES split. What happens with growth? Does the college go after the growth? If so, then how is it split? Does the discussion happen on a regular year to year basis? Discussion ensued. It was determined that the BAMIT committee would continue discussion and word-smith the final language for the Budget Allocation Model document and to begin building the Tentative Budget. The BAMIT committee will meet on April 8th and will report out at the next FRC meeting on April 17th.

<u>Information Handouts</u>

- The following handouts were distributed as information:
  - Vacant Funded Position List as of March 7, 2013
  - Measure E Project Cost Summary dated March 1, 2013
  - Monthly Cash Flow Statement as of February 28, 2013
  - Mid-year Budget Comparison including District-wide costs as of March 13, 2013
- District-wide expenditure report through February 2013 is posted at the following link: https://intranet.rsccd.edu

<u>Approval of BAPRC Meeting Minutes – March 20, 2013</u>

Mr. Hardash called for a motion to approve the FRC Minutes of the March 20, 2013 meeting. The motion was moved by Mr. Barembaum, seconded by Mr. Gonzalez del Rio and approved unanimously as presented.

<u>Adjournment</u>

Mr. Hardash adjourned the meeting at 3:30 p.m.

<u>Meeting Schedule</u> <u>FRC Meeting – 1:30 – 3:00, Executive Conference Room (114), District Office</u>

April 17, 2013
May 29, 2013
June 5, 2013