

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website : [Fiscal Resources Committee](#)

Agenda for March 19, 2014

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

Executive Conference Room #114

1. Welcome
2. State/District Budget Update – Hardash
3. Tracking all Intersession Expenses – DeCarbo
4. Budget Allocation Model (BAM) Review
 - BAM SB 361 Model
5. Multi-Year Projection Budget Based on Recommended Assumptions
6. Informational Handouts
 - District-wide expenditure report link: <https://intranet.rscsd.edu>
 - Vacant Funded Position List as of March 11, 2014
 - Measure “E” Project Cost Summary as of March 3, 2014
 - Monthly Cash Flow Statement as of February 28, 2014
7. Approval of FRC Minutes – February 26, 2014 and March 12, 2014
8. Other

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

April 23, 2014

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.

RSCCD BAM REVIEW

February 2014

(References are from the BAM included in the back of the 2013/14 Adopted Budget)

- Assuming acceptable by POEC, update to include new DO Budget Augmentation Flowchart (reference page 114)
- Update reference in BAM page 106 to state POEC rather than FRC review if BAM is meeting the goal
- Update reference in BAM page 108 to state POEC rather than FRC review of DO/DW services
- Page 109 – regarding 50% calc, still need to establish each college base 50% level. Wording states that any financial penalties for not meeting 50% shared proportionately by both campuses. Should this be changed to affect on the campus that doesn't meet their particular level?
- Page 109 states each college will determine what level of growth they believe they can achieve and targets will be discussed and established through Chancellor's Cabinet. Page 112 states that plans from the POEC to seek growth funding requires FRC recommendation and approval by the Chancellor. How to reconcile these statements?
- Clarify the intent of vacancy budgets on page 112 by deleting the words "~~...at the previous employee's exit level, new vacancies...~~". Add language below to the sentence "If a position becomes vacant during a fiscal year, the Budget Center has the discretion to move [unused and available budget from the previous employee's position] for other one-time needs."
- Page 113 – Are there any updates to the Long-term Plans?
- Page 114 reference to DEMC - What is their charge? Still an active committee?
- Other thoughts?



Rancho Santiago Community College District

Budget Allocation Model

Based on SB 361

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

Introduction

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

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

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

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

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

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

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

Implementation

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

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

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

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

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

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

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

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

Revenue Allocation

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

College and District Operations Budgets and Expenditure Responsibilities

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

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

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

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

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

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

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

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

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

District Reserves and Deficits

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

The Chancellor reserves the right to adjust allocations as necessary.

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

College Budget and Expenditure Responsibilities

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

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

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

Budget Center Reserves and Deficits

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

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

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

Revenue Modifications

Apportionment Revenue Adjustments

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

An example of revenue allocation and FTES change:

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

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

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

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

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

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

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

Allocation of New State Revenues

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

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

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

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

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

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

Other Modifications

Salary and Benefits Cost

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

Grants/Special Projects

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

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

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

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

Banked LHE Load Liability

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

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

Other Possible Strategic Modifications

Summer FTES

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

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

Long-Term Plans

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

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

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

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

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

Full-Time Faculty Obligation Number (FON)

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

Budget Input

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

Appendices Attached

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

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

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

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

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

Rancho Santiago Community College District

Budget Allocation Model Based on SB 361

Appendix A – Definition of Terms

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

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

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

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

BAM – Budget Allocation Model.

BAPR – Budget and Planning Review Committee.

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

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

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

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

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

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

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

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

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

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

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

FRC – Fiscal Resources Committee.

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

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

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

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

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

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

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

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

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

POE – Planning and Organizational Effectiveness Committee.

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

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

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

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

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

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

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

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

Rancho Santiago Community College District

Budget Allocation Model Based on SB 361

Appendix B – Transition Plan

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

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

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

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

Other transitional agreements that were made include:

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

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

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

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

**Rancho Santiago Community College District
Unrestricted General Fund 3 Year Multi-Year Projection**

	2012-2013 Actuals	2013-2014 Revised Budget	2014-2015 Projected Budget	2015-2016 Projected Budget	2016-2017 Projected Budget
Assumptions:					
Revenue:					
General Apportionment Deficit Factor	-2.000%	-1.000%	-1.000%	-1.000%	-1.000%
Growth/Access	0.000%	1.630%	2.000%	2.000%	2.000%
Cost of Living Adjustment	0.000%	1.570%	0.860%	2.200%	2.400%
One time Funds 2012/13 P3 Adjustment	\$0	\$2,300,000	\$0	\$0	\$0
Lottery Revenue-Unrestricted	\$124.00	\$126.00	\$126.00	\$126.00	\$126.00
Education Protection Account (EPA) funding ends December 2016					(633,600)
Expenditure:					
Step/Column/Salary Net Adjustment	1.000%	3.000%	2.060%	3.400%	3.600%
Part-time Faculty/FON Obligation	0.00	\$1,154,944	\$2,289,507	\$851,669	\$851,669
STRS Rate	8.250%	8.250%	8.250%	8.250%	8.250%
PERS Rate	11.417%	11.442%	11.700%	12.600%	15.000%
Health and Welfare Premium Percent Increase (District Cost)	8.200%	-3.100%	7.500%	7.500%	7.500%
OEC Contribution	0	\$7,000,000	0	0	0
FON Penalty		\$800,000			
Trustee Election	\$124,715	\$0	\$400,000	\$0	\$400,000
Utilities Cost Increase	4.200%	5.000%	5.000%	5.000%	5.000%
Carryover:					
Assumes carryover funds are not spent	\$5,502,072	\$5,502,072	\$5,502,072	\$5,502,072	\$5,502,072

Multi-Year Projection:					
Beginning Budget Stabilization Balance	\$30,797,204	\$25,035,466	\$16,909,412	\$9,424,171	(\$2,809,245)
Total Revenue	137,265,841	141,473,719	142,157,274	143,627,783	144,606,596
Total Expenditure	143,027,578	144,099,773	149,642,515	155,861,199	163,863,583
Total Budget Centers Carryover	0	0	0	0	0
OEC Contribution/FON Penalty/One time Funds 2012/13 P3 Adjustment	0	5,500,000	0	0	0
Surplus/ (Deficit)	(5,761,738)	(8,126,054)	(7,485,241)	(12,233,417)	(19,256,988)
Ending Budget Stabilization Balance	\$25,035,466	\$16,909,412	\$9,424,171	(\$2,809,245)	(\$22,066,233)
Percentage	17.5%	11.7%	6.3%	-1.8%	-13.5%

**Rancho Santiago Community College District
Unrestricted General Fund 3 Year Multi-Year Projection**

	2012-2013 Actuals	2013-2014 Revised Budget	2014-2015 Projected Budget	2015-2016 Projected Budget	2016-2017 Projected Budget
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Multi-Year Projection: Santa Ana College					
Total Revenue	69,252,544	73,857,578	73,370,795	73,705,592	72,917,126
Total Expenditure	70,785,851	74,461,041	77,674,476	81,322,272	85,446,558
Surplus/ (Deficit)	<u>(1,533,308)</u>	<u>(603,463)</u>	<u>(4,303,681)</u>	<u>(7,616,680)</u>	<u>(12,529,433)</u>

Multi-Year Projection: Santiago Canyon College					
Total Revenue	29,851,582	31,502,104	31,321,289	31,459,369	31,134,182
Total Expenditure	33,182,609	33,524,695	34,502,849	36,076,105	37,861,737
Surplus/ (Deficit)	<u>(3,331,027)</u>	<u>(2,022,591)</u>	<u>(3,181,560)</u>	<u>(4,616,737)</u>	<u>(6,727,555)</u>

Multi-Year Projection: District Office & Districtwide					
Total Revenue	897,919	648,165	618,165	618,165	618,165
District Office Expenditures	24,944,550	25,805,797	26,605,810	27,118,467	28,689,583
Districtwide Expenditure	14,114,568	10,308,240	10,859,380	11,344,356	11,865,704
Net Expenditures	<u>38,161,199</u>	<u>35,465,872</u>	<u>36,847,025</u>	<u>37,844,657</u>	<u>39,937,123</u>

MEASURE E

Projects Cost Summary
3/03/14

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2013-2014		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3001	Renovation of Buildings / Building "G" Renovation	9,821,991	8,805,445	449,070	519,985	9,774,500	47,491	100%
3003	Renovate Campus Infrastructure Design/Construct Maintenance/Operations Design/Construct Classroom Building	25,107,448	24,814,523	109,397	183,490	25,107,410	38	100%
3008	Renovate & Expand Athletic Fields	10,087,487	9,724,371	346,004	17,110	10,087,485	2	100%
3029	Parking Lot #11 Expansion and Improvements	11,853,677	1,512,846	132,172	216,101	1,861,119	9,992,558	16%
3030	Perimeter Site Improvements	7,021,303	2,250,658	3,172,299	1,158,399	6,581,356	439,947	94%
3031	Tessman Planetarium Upgrade and Restroom Addition	2,958,325	22,367	27,344	74,622	124,333	2,833,992	4%
3032	Dunlap Hall Renovation	1,566,050	676,197	1,072	888,781	1,566,050	-	100%
3035	Johnson Center Renovation	51,800	22,801	26,499	2,500	51,800	-	100%
3036	Temporary Village	4,265,771	52,487	1,903,412	715,555	2,671,454	1,594,317	63%
3042	Central Plant (Design)	3,394,992	-	335,472	3,059,520	3,394,992	-	100%
3043	Property Acquisition 17th/Bristol	5,062,998	-	187,054	4,857,744	5,044,798	18,200	100%
3045	Chavez Hall Renovation	906,492	-	5,000	-	5,000	901,492	1%
TOTAL SANTA ANA COLLEGE		82,098,334	47,881,695	6,694,795	11,693,807	66,270,297	15,828,037	81%
SANTIAGO CANYON COLLEGE								
3004	SCC Infrastructure	37,927,873	37,044,235	137,368	411,492	37,593,095	334,778	99%
3022	Humanities Building	32,731,753	28,088,199	2,690,913	657,737	31,436,849	1,294,904	96%
3025	Athletics and Aquatics Center: Netting and Sound System	20,454,610	19,422,287	186,773	233,066	19,842,126	612,484	97%
3026	Science and Math Building	26,450,914	26,415,954	10	34,950	26,450,914	-	100%
3046	Orange Education Center Building Certification	3,824,922	-	-	89,603	89,603	3,735,319	2%
TOTAL SANTIAGO CANYON COLLEGE		121,390,072	110,970,675	3,015,064	1,426,848	115,412,587	5,977,485	95%
DISTRICT/ DISTRICTWIDE OPERATIONS								
3044	Project Closeout/Certification	1,046,825	-	76,757	60,942	137,699	909,126	13%
TOTAL DISTRICT/DISTRICTWIDE		1,046,825	-	76,757	60,942	137,699	909,126	13%
ACTIVE PROJECTS - ALL SITES		204,535,231	158,852,370	9,786,616	13,181,596	181,820,582	22,714,649	89%

MEASURE E

Projects Cost Summary
3/03/14

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2013-2014		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
COMPLETED PROJECTS								
SANTA ANA COLLEGE								
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	10,362,051	10,362,051	-	-	10,362,051	-	100%
3017	Design Women's Locker Room Construct Women's Locker Room Augment State-Funded PE Seismic Project	14,455,332	14,455,332	-	-	14,455,332	-	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	14,000,656	-	-	14,000,656	-	100%
3028	Design & Construct Parking Structure	2,046,955	2,046,955	-	-	2,046,955	-	100%
3034	SAC Sheriff Training Academy Road	56,239	56,239	-	-	56,239	-	100%
3038	Campus Lighting Upgrade	6,825	3,412	3,413	-	6,825	-	100%
TOTAL SANTA ANA COLLEGE		88,014,051	88,010,638	3,413	-	88,014,051	-	100%
SANTIAGO CANYON COLLEGE								
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%
3027	Construct Additional Parking Facilities	1,047,212	1,047,212	-	-	1,047,212	-	100%
TOTAL SANTIAGO CANYON COLLEGE		65,842,028	65,842,028	-	-	65,842,028	-	100%
DISTRICT/ DISTRICTWIDE OPERATIONS								
3009	Replace Aging Telephone & Computer Network	14,056,433	14,056,433	-	-	14,056,433	-	100%
3039	LED Lighting Upgrade	157,200	-	157,200	-	157,200	-	100%
TOTAL DISTRICT/DISTRICTWIDE		14,213,633	14,056,433	157,200	-	14,213,633	-	100%
COMPLETED PROJECTS - ALL SITES		168,069,712	167,909,099	160,613	-	168,069,712	-	100%
RECAP:								
Santa Ana College		170,112,385	135,892,333	6,698,208	11,693,807	154,284,348	15,828,037	91%
Santiago Canyon College		187,232,100	176,812,703	3,015,064	1,426,848	181,254,615	5,977,485	97%
District/Districtwide Operations		15,260,458	14,056,433	233,957	60,942	14,351,332	909,126	94%
GRAND TOTAL - ALL SITES		372,604,943	326,761,469	9,947,229	13,181,597	349,890,295	22,714,648	94%

**Rancho Santiago Community College
Unrestricted General Fund Cash Flow Summary
FY 2013-14, 2012-2013, 2011-2012 YTD-February 28, 2014**

	FY 2013/2014											
	July	August	September	October	November	December	January	February	March	April	May	June
Beginning Fund Balance	\$38,041,016.13	\$41,887,699.97	\$38,273,514.95	\$38,688,688.15	\$23,991,289.19	\$19,495,673.39	\$34,220,353.92	\$34,747,228.00	\$30,603,991.10	\$30,603,991.10	\$30,603,991.10	\$30,603,991.10
Total Revenues	10,633,556.66	7,512,478.15	11,348,517.88	6,107,262.90	9,095,910.84	27,141,703.57	11,706,459.73	8,127,997.25				
Total Expenditures	6,786,872.82	11,126,663.17	10,933,344.68	20,804,661.86	13,591,526.64	12,417,023.04	11,179,585.65	12,271,234.15				
Change in Fund Balance	3,846,683.84	(3,614,185.02)	415,173.20	(14,697,398.96)	(4,495,615.80)	14,724,680.53	526,874.08	(4,143,236.90)	0.00	0.00	0.00	0.00
Ending Fund Balance	\$41,887,699.97	\$38,273,514.95	\$38,688,688.15	\$23,991,289.19	\$19,495,673.39	\$34,220,353.92	\$34,747,228.00	\$30,603,991.10	\$30,603,991.10	\$30,603,991.10	\$30,603,991.10	\$30,603,991.10
	FY 2012/2013 ¹											
	July	August	September	October	November	December	January	February	March	April	May	June
Beginning Fund Balance	\$43,867,759.21	\$45,064,223.43	\$42,680,768.77	\$34,999,185.38	\$25,592,219.28	\$26,110,634.15	\$42,703,804.07	\$37,375,292.75	\$26,174,139.21	\$15,079,007.51	\$18,190,051.48	\$9,508,085.73
Total Revenues	7,646,065.57	7,562,696.70	4,970,261.79	3,013,770.15	12,977,976.06	27,750,969.09	5,258,057.77	552,507.40	2,725,857.51	15,455,742.61	3,116,098.07	46,170,759.38
Total Expenditures	6,449,601.35	9,946,151.36	12,651,845.18	12,420,736.25	12,459,561.19	11,157,799.17	10,586,569.09	11,753,660.94	13,820,989.21	12,344,698.64	11,798,063.82	17,637,828.98
Change in Fund Balance	1,196,464.22	(2,383,454.66)	(7,681,583.39)	(9,406,966.10)	518,414.87	16,593,169.92	(5,328,511.32)	(11,201,153.54)	(11,095,131.70)	3,111,043.97	(8,681,965.75)	28,532,930.40
Ending Fund Balance	\$45,064,223.43	\$42,680,768.77	\$34,999,185.38	\$25,592,219.28	\$26,110,634.15	\$42,703,804.07	\$37,375,292.75	\$26,174,139.21	\$15,079,007.51	\$18,190,051.48	\$9,508,085.73	\$38,041,016.13
	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

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)