

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

[website : Fiscal Resources Committee](#)

January 21, 2015

1. State/District Budget Update

-  Board Budget Update January 12, 2015
-  Dan Troy's Email January 9, 2015
 - 2015-16 Governor's Budget Proposal
-  Brice Harris State Chancellor Email January 9, 2015
 - 2015-16 Governor's Budget Proposal
-  Sacramento Bee Article by Dan Walters January 13, 2015
 - Opinion Budget OK now but how long?
-  [LAO 2015-16 Overview of Governor's Budget](#) link
-  School Services of California
 - Governor Releases Budget Proposal for 2015-2016
 - Governor's Proposals for 2015-16 State Budget and Education
 - Legislative Analyst's Office View of Governor's Budget
 - Themes for 2015-16 Governor's State Budget

2. Mid-Year Updates

-  Unrestricted General Fund Expenditure Update
-  FTES Update as of January 7, 2015 at (P1)

3. 2015-2016 Draft Budget Calendar (action requested at February 25th meeting along with budget assumptions)

4. Informational Handouts

-  District-wide expenditure report link: <https://intranet.rsccd.edu>
-  Vacant Funded Position List as of January 14, 2015
-  Measure "E" Project Cost Summary December 31, 2014
-  Monthly Cash Flow Statement as of December 31, 2014



2014-2015
BUDGET UPDATE
GOVERNOR'S 2015-2016 PROPOSED BUDGET

Board of Trustees Meeting
January 12, 2015

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

State Budget Update Governor's Proposed Budget

- Governor presented Proposed Budget on January 9th
- State economy continues to improve
 - ❖ Additional sales, personal and corporate income tax revenues from improving economy, increased employment, capital gains and increased consumer confidence
 - ❖ Augmented by Prop 30 temporary tax revenues
- Additional combined revenues project State Budget surpluses in near future
 - ❖ Governor proposes to place some excess revenues in reserve
 - ❖ Prop 2 – Rainy Day Reserve - \$2.8 billion
- Large share of new state revenues are going to K-14 education to fund the Prop 98 minimum funding guarantee

State Budget Update Governor's Proposed Budget

- \$8 billion increase in Prop 98 funding for K-14
- Community Colleges - \$1 billion increase
 - ❖ 10.95% share of Prop 98
 - ❖ Includes on-going and one-time prior year Prop 98 settle up funds
- No Prop 2 Rainy Day Reserve for Prop 98
 - ❖ All funding allocated for use by K-14
- Governor urges “restraint” on overall budget
 - ❖ “We have a carefully balanced budget, more precarious than I’d like, but it is balanced.”
- State Chancellor – Brice Harris
 - ❖ “best our system has seen in years”
 - ❖ “caution you about this strong proposal”
 - ❖ “there are significant financial clouds on the horizon” with “increased operating expenses”

State Budget Update Governor's Proposed Budget Community Colleges Impact

- No increase to student enrollment fees proposed
 - ❖ Remains at \$46 per credit unit
- \$106.9 million (2.0%) in growth/access/restoration funding
 - ❖ RSCCD = potential to earn approximately \$2.6 million
 - ❖ Utilizing the new prescribed growth formula beginning 2015/16
- \$125 million increase to base allocation funding
 - ❖ Varies depending on college size and approved centers
 - ❖ Assist with increased PERS, STRS, professional development, converting part-time faculty positions to full-time faculty positions and other general expenses
 - ❖ RSCCD = depending on how allocated, approximately \$2.4 million to \$3.1 million

State Budget Update Governor's Proposed Budget Community Colleges Impact

- COLA (Cost of Living Allowance) - \$92.4 million
 - ❖ Governor proposes a 1.58% statutory COLA for general purpose apportionments
 - ❖ RSCCD = approximately \$2.3 million
- Student Success and Support Program – additional \$100 million expansion
 - ❖ Formerly Matriculation program
 - ❖ RSCCD = approximately \$2.5 million
 - ❖ One to one matching requirement
 - ✓ Arguably this uses up all of the base allocation increase in funding
 - ✓ State Chancellor now has the ability to deem no match requirement...
- Student Equity Program – additional \$100 million
 - ❖ RSCCD = approximately \$2.5 million
 - ❖ No matching requirement

State Budget Update Governor's Proposed Budget Community Colleges Impact

- Career Development College Preparation (CDCP) per FTES funding rate equalization - \$49 million
 - ❖ “enhanced non-credit”
 - ❖ Equalizes CDCP rate at the credit rate
 - ❖ Current 2014/15 Credit FTES rate = \$4,675.90
 - ❖ Current 2014/15 CDCP FTES rate = \$3,310.72
 - ❖ RSCCD = approximately \$7 - \$8 million new revenue
 - ❖ RSCCD largest CDCP program in the system
 - ✓ Approximately 5,800 - 6,450 FTES
 - ❖ Unknown to what extent the new funds are restricted/unrestricted

State Budget Update Governor's Proposed Budget Community Colleges Impact

- Apprenticeship Program - \$29.1 million
 - ❖ \$14.1 million to grow existing programs
 - ❖ \$15 million to create innovative demonstration projects focused on new and emerging industries with unmet labor market demand
 - ❖ RSCCD = unknown at this time
- Career Technical Education - \$48 million
 - ❖ One-time funds
 - ❖ Support Career Technical Education Pathways program
 - ❖ RSCCD = unknown at this time

State Budget Update Governor's Proposed Budget Community Colleges Impact

- Pay down of outstanding Mandate claims - \$353.3 million
 - ❖ One-time funds – Block Grant
 - ❖ Allocation on per FTES basis (est. \$308)
 - ✓ Based on 2014/15 P-2 FTES
 - ❖ Retire outstanding mandate claims to the extent districts have any such obligations on the books
 - ❖ Appears to be unrestricted funding
 - ❖ Scheduled Maintenance, Instruction Equipment, other one-time costs
 - ❖ RSCCD = approximately \$8.7 million
 - ✓ No match required

State Budget Update Governor's Proposed Budget Community Colleges Impact

- Apportionment Deferrals - \$94.5 million
 - ❖ Eliminates (buys back) all community college's apportionment deferrals (IOU's)
 - ❖ RSCCD = \$2.5 million
 - ❖ Does not provide any additional funds to districts (no new money)
 - ❖ Pays off entirely the state's apportionment deferrals - IOU's
- Proposition 39 Energy Efficiency program - \$39.6 million
 - ❖ Third year out of a five year program
 - ❖ RSCCD = approximately \$950,000
 - ✓ About the same as current year allocation
 - ❖ RSCCD third year projects already defined and submitted

State Budget Update Governor's Proposed Budget Community Colleges Impact

- Adult Education – K-14 - \$500 million
 - ❖ Funding for K-14 consortiums formed by AB86
 - ❖ To fund primary and secondary basic skills, classes and courses in citizenship and ESL, short-term FTE and programs for adults with disabilities
 - ❖ Consortiums will each designate an allocation committee with prescribed seven members
 - ❖ Allocation committee will determine how to allocate funds for direct instruction, support services and administration of the consortium
 - ❖ RSCCD = unknown at this time

State Budget Update Governor's Proposed Budget Community Colleges Impact

- This is a great start in budget deliberations for the community college system!
 - ❖ Although still some critics within the system
- Devil is in the details
 - ❖ Need to see proposed trailer bill implementation language
- Concern with new Growth Allocation Model
 - ❖ Dictated and prescribed by 2014/15 State Budget Act
 - ❖ Practically no one in the CCD system likes it – rare common agreement
 - ❖ Advocating for delay until 2016/17 and revisit of prescribed data elements
 - ❖ Constraints RSCCD to less than 2% growth funding per year regardless of student demand
 - ✓ Other large district constrained to 1%
 - ❖ Provides for low growth in many areas where there is high growth demand and for high growth in many areas where there is lower demand

State Budget Proecss Update “it ain’t over ‘til it’s over”

- Governor’s Proposed Budget just starts State Budget process and discussions for 2015/16 budget
 - ❖ Legislative committees hold hearings
 - ❖ Not much happens until after April 15th
- May Revise (expected May 15th) updates state revenues and expenditures
 - ❖ This is generally when serious budget discussions start
- Legislature has a June 15th deadline to enact a State Budget to forward to the Governor for signature by July 1st
 - ❖ Or they don’t get paid

From: Troy, Dan [<mailto:dtroy@CCCCO.EDU>]
Sent: Friday, January 09, 2015 10:05 AM
To: SO2CBO@LISTSERV.CCCNEXT.NET
Subject: 2015-16 Governor's Budget Proposal

Colleagues,

This morning Governor Brown released his 2015-16 budget proposal, and the outlook for Proposition 98 and for the California Community Colleges appears very positive. While we will learn more details about the proposals in the coming days and weeks, I wanted to provide you with the key components of the proposals as soon as possible.

Proposed 2015-16 Augmentations for CCCs

- **\$200M for student success** – These funds will be split evenly between Student Success and Support Program (SSSP) and Student Equity Plans. We are aware that districts will want to know what local match will be required for the budget year, and we're committed to informing you of that decision soon.
- **\$125M to increase base allocation funding** – This increase is intended to ease the constrained discretionary funding environment colleges have experienced since the economic downturn. These funds can help colleges address the scheduled increases in STRS and PERS contribution rates, for example.
- **\$106.9M for Increased Access** – This funding would increase access for approximately 45,000 students (headcount).
- **\$92.4M for COLA** – This would fund the statutory cost-of-living-adjustment of 1.58%.
- **\$49M to fund CDCP rate equalization** – Legislation passed concurrently with the 2014 Budget Act equalized the CDCP rate to that of the resident credit rate commencing with the 2015-16 year. This augmentation would fund that increased cost.
- **\$48M for Career Technical Education** – These *one-time* funds are proposed for support of the SB 1070 Career Technical Education Pathways Program.
- **\$29.1M for Apprenticeship** - \$14.1M of these funds would restore the rates and seats of current programs back to the 2007-08 levels and an additional \$15M is proposed for innovative apprenticeship projects that focus on new and emerging industries with unmet labor market demand.
- **\$39.6M for Proposition 39** – These funds support projects and workforce development related to energy sustainability, consistent with the provisions of Proposition 39.

In addition to these proposed funds for the budget year, the Department of Finance now estimates that Proposition 98 obligations for the current and prior year were significantly higher than budgeted. This results in the availability of significant *one-time* resources.

- **\$94.5M to retire deferrals** - Legislation passed concurrently with the 2014 Budget Act identified deferrals as the first call on any new current year Proposition 98 expenditures. This funding would completely retire system deferrals, which had reached as high as \$961M just prior to the passage of Proposition 30.

- **\$353.3M to pay down outstanding mandate claims** – These one-time funds would be allocated to districts on a per-FTES basis. They would retire outstanding mandate claims, to the extent districts have any such obligations on the books. While the majority of these funds are attributable to the current and prior years, approximately \$125M counts against the 2015-16 minimum guarantee.

Major Policy Change for Adult Education

In an effort to address the decrease in adult education offerings that occurred largely due to the flexing and subsequent repeal of the K12 Adult Education categorical item, the legislature passed AB 86 in 2013. As you know, \$25M was provided in the 2013 Budget Act for 2-year grants to local K12/CCC consortia to develop regional adult education service plans. K12 districts were required to maintain 2012-13 levels of spending on adult education programs during that time.

The Governor proposes a \$500M Adult Education Block Grant to fund courses in elementary and secondary basic skills, citizenship, ESL, programs for adults with disabilities, short-term CTE programs, and programs for apprentices. The Governor emphasizes the need for course offerings to be linked with regional economic needs and provide clear pathways to in-demand jobs. The Chancellor and the Superintendent of Public Instruction will jointly approve allocation of funds to each consortium, with an emphasis on providing funds to regions with the greatest need for adult education. Funds provided to each consortium will be allocated by a local allocation board designated by consortium members. Each consortium will be required to annually report its progress toward fulfilling adult education plans. One important provision is that, in order to ease the transition to the new program, funding will be provided to K12 districts in the amount of their maintenance of effort for adult education. Future funding would depend on consortium plans and reporting.

It should be noted that this proposal does not restrict any community college adult education offerings, whether credit or noncredit, currently funded through the base apportionment. The \$500M is proposed as funding in addition to existing CCC offerings.

This is a very major policy change that will receive considerable attention and debate during the legislative process, and the Chancellor's Office will be highly engaged in that process and will endeavor to keep you apprised of events as they transpire.

Conclusion

Clearly, this budget proposal reflects the strong rebound in state revenues – which have primarily benefitted the Proposition 98 guarantee – that has occurred since the passage of Proposition 30.

While the 2015-16 year appears to be a strong one for the California Community Colleges, we need to remember that districts will face substantial challenges in the coming years due to increases in the STRS and PERS employer contribution rates. Further, these increases will need to be addressed by colleges as Proposition 30 revenues phase out (the sales tax provision expires on December 31, 2016 and the income tax provision expires two years later). Moreover, many districts also face large OPEB liabilities. By proposing significant increases in discretionary resources, the Governor demonstrates his commitment to increasing local control while also providing districts with the funds they need to protect themselves for tougher times ahead.

We will provide more updates as they become available. Next steps include an analysis of the budget proposal by the Legislative Analyst's Office, and a review by legislative committees. Revenues will be revised in May before a final budget is likely passed in June.

Regards,
Dan Troy

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

From: Harris, Brice
Sent: Friday, January 09, 2015 10:16 AM
To: asp-all; bot-all; cbo-all; ceo-all; cio-all; govr-all; pio-all; cccco/all
Subject: 2015-16 Governor's Budget Proposal
Importance: High

Colleagues:

By now you have seen Vice Chancellor of Finance Dan Troy's summary of the January budget released earlier today by Governor Brown. Needless to say this is the best community college budget we have seen in many years, and frankly the best I have seen in my more than two-decade tenure in California. In proposing over \$800 million in ongoing funding and over \$300 million in one-time-only funds, Governor Brown has made clear his support for community colleges. Not only is his proposed financial investment important, but it is also significant that his priorities dovetail almost perfectly with our own. He has funded the restoration of access and student success for the third consecutive year, perhaps the first time in recent memory that a Governor has financially supported our initiatives over multiple years. The faith he continues to show in our system is a credit to all the tremendous work our colleges have done in recent years to serve as many students as possible, and to help our students succeed in greater and greater numbers.

In addition to acknowledging the tremendous support of Governor Brown for our colleges, my other reason for writing today is to caution you about this strong proposal. As we know, this is but the first step in what will be a long and protracted budget process. There will be some who want to see these numbers lowered and others who want to see the Governor's priorities changed. Even within our system there will be pressure to move money from one priority to another. Although this is certainly to be expected, we must work together to come to internal agreement about our priorities and to communicate that agreement in the Legislature. Over the next few weeks we will be working with all constituent groups to seek common ground on our budget messaging. If you have opinions about the budget I encourage you to work with your Consultation Council representatives to bring your suggestions through our shared-governance process.

Finally, a word about the future. Although I do not want to put a wet blanket on this excellent budget proposal, there are significant financial clouds on the horizon and I want us all to keep those issues in mind as we work on the budget this year. It is clear from the amount of discretion the Governor is suggesting in the \$125 million for support of "increased operating expenses," that he expects us to use these dollars wisely to solve some of our current and future financial issues. As we are all painfully aware, our colleges are facing tremendous needs for faculty and staff, increases in STRS and PERS contributions, un-funded or under-funded retiree health costs, professional development needs, and other core funding needs. Any one of these needs alone could encumber the entire \$125 million. Further, although Prop 98 may continue to grow in the out years, we do not expect the increases to be nearly as large and if Proposition 30 sunsets as planned, that will place even more pressure on a State budget with many more priorities than dollars. All of this is to say that this is a very important year for us financially. As we work together to present a united front in the Legislature let us be sure to push for expenditures that will ensure a quality education for our students, support our most important asset - our employees, and maintain financially healthy colleges.

Thank you for everything you do for our students. Have a great Spring term.

Brice

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Dan Walters

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Opinion: Budget OK now, but how long?

BY DAN WALTERS - DWALTERS@SACBEE.COM

01/13/2015 4:49 PM | Updated: 01/13/2015 7:59 PM

Story

Comments

As California's economy continues its slow but steady recovery from the Great Recession, it will make balancing the state budget relatively easy, at least for another couple of years.

Gov. Jerry Brown and the Legislature will squabble a bit, mostly over whether to spend or save revenue in excess of current commitments. But Brown, who prefers the latter, will have the last word.

The longer-term picture – the final two years of Brown’s governorship – is much cloudier.

Both Brown and the Legislature’s budget analyst, Mac Taylor, assume that the state’s economy will continue to expand modestly through the decade, with unemployment, once 12-plus percent, declining to about 5 percent.

Related

Fiscal analyst offers early take on ‘prudent’ Jerry Brown budget

But, as Brown warns in his proposed 2015-16 budget, “economic expansions do not last forever. In the post-war period, the average

expansion has been about five years. The current expansion has already exceeded the average by nine months. While there are few signs of immediate contraction, another recession is inevitable.”

That cautious attitude is why Brown insists on saving and paying down debt rather than expanding public services, saying, “it is obvious the state cannot take on new ongoing spending commitments.”

Given the global economic lethargy and California’s tendency toward boom-and-bust economic cycles – one of each about once a decade – it would be a minor miracle if Brown completes his governorship without at least a mild downturn.

The reserve fund that he is building could cushion a mild one, but a major recession would quickly consume it. Legislative Analyst Taylor warns about “sudden tax revenue declines that will inevitably return with little

About This Blog

Dan Walters' column appears in dozens of California newspapers. He joined the Sacramento Union's Capitol bureau in 1975 and in 1981 began writing the state's only daily newspaper column devoted to California political, economic and social events. He and the column moved to The Sacramento Bee in 1984. Contact him at dwalters@sacbee.com or 916-321-1195. Twitter: [@WaltersBee](https://twitter.com/WaltersBee)

More Dan Walters

warning.”

Another unknown, meanwhile, is whether the temporary tax increases that voters approved in 2012, accounting for about \$7 billion a year, will phase out, finally disappearing just about the time Brown relinquishes the governorship.

Interest groups most dependent on the budget – educators particularly – are already beating the drums for extending the tax increases or making them permanent and probably will push a ballot measure to that effect next year.

Brown is playing it coy over whether he would oppose such a measure. Asked about it at his budget unveiling, he responded, “I said that’s a temporary tax and that’s my position.”

Superficially, that sounds as if he would oppose a 2016 tax measure. But were it to merely extend the extra taxes for a few more years, it would still be “a temporary tax” and not violate Brown’s artfully worded position.

Taylor, meanwhile, believes that if the economy does continue to grow, expiration of the temporary taxes would have only minor impact, slowing the increase of revenue a bit but not causing a “cliff effect.”

That is, however, a very big “if.”

Call The Bee's Dan Walters, (916) 321-1195. Back columns, sacbee.com/dan-walters. Follow him on Twitter @WaltersBee.

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COMMUNITY COLLEGE UPDATE

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Volume 28

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No. 2

Governor Releases Budget Proposals for 2015-16

Overview

The purpose of this article is to provide a quick overview of Governor Jerry Brown's 2015-16 State Budget. The Governor's Budget Proposal for 2015-16 proposes a record \$113 billion General Fund State Budget to provide K-14 education with an increase of about \$8 billion, including \$1 billion for community colleges.

K-14 Education

The single largest Proposition 98 expenditure continues to be implementation of the K-12 Local Control Funding Formula (LCFF)—almost \$4 billion more is proposed to fund the LCFF in 2015-16.

For Adult Education, the Governor proposes a \$500 million block grant, which the Governor indicates is an integral component of the state's workforce development strategy.

Governor Brown's success for Proposition 2 mandates that a portion of state revenue growth that exceeds a minimum level, especially from taxes on volatile capital gains, be dedicated to a rainy day fund. The Governor's Budget reflects the new requirement, providing \$2.8 billion to the state's rainy day fund; no deposit is proposed for the Proposition 98 portion of the Rainy Day Fund.

Community College Proposals

The Governor's 2015-16 State Budget Proposal includes significant increases specific to community colleges. The State Budget includes an increase of \$125 million in base allocation funding to reflect increased operating expenses, including the increase in required contributions for employee pensions. The Budget also includes \$106.9 million to fund 2% growth, and the State Budget summary continues with the new growth formula starting in the 2015-16 fiscal year. Also, \$92.4 million to fund the 1.58% cost-of-living adjustment is proposed. Governor Brown proposes no changes to current fee levels.

The State Budget proposes to use \$94.5 million to eliminate the last apportionment deferral starting this year.

The Governor proposes an increase of \$200 million for student success programs: \$100 million for the Student Success and Support Program, and \$100 million for student equity plans.

In addition to the \$500 million for Adult Education (discussed above), Governor Brown's State Budget proposes these additional funding streams:

- Prior-Year Mandates: \$353.3 million in one-time funds, to be allocated on a per full-time equivalent student (FTES) basis, to further pay down outstanding state mandate claims

- Enhanced Non-Credit Rate: \$49 million
- Career Technical Education Pathways Program: \$48 million in one-time funds to the Chancellor's Office
- Proposition 39: \$39.6 million for energy efficiency program grants
- Apprenticeship: \$29.1 million

According to Department of Finance calculations, community colleges receive a 10.95% share of Proposition 98 funds in this Governor's Budget.

The Rest of Higher Education

An increase of \$119.5 million is provided to the University of California (UC) system, contingent on the system keeping tuition flat, not increasing nonresident enrollment, and taking action to control costs. The California State University system is also receiving an additional \$119.5 million, which is also intended to keep tuition and fees flat, and \$25 million for innovation awards for more timely degree completion.

The UC Regents recently took up the matter of increasing tuition, so this will be a contentious issue in the budget deliberations.

More to Come . . .

Stay tuned for a more detailed *Community College Update* article later today, which will reflect our additional analysis and further details in order to allow you to assess the impact of the Governor's State Budget Proposal on your district.

—SSC Staff

posted 01/09/2015

THE COMMUNITY COLLEGE UPDATE

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Volume 28

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No. 2

Governor's Proposals for the 2015-16 State Budget and Education

Preface

The Governor's State Budget Proposals for 2015-16 continue the positive theme that has existed over the past two years for public education. As the economy has improved, and been aided by the additional \$7 billion in annual revenues provided by Proposition 30, Governor Jerry Brown has been able to advance his agenda for public education with authority. Proposition 98 continues to show strong growth, much stronger than the financial resources devoted to the non-Proposition 98 side of the State Budget. As a result, much of the Governor's State Budget press conference was devoted to discussion of how the state addresses other needs while providing enhanced funding for education.

But we think that in the longer term, providing additional funding for public education is exactly on point in addressing the pervasive cycle of poverty that has existed in California for decades, but has been growing at record levels through this past long and deep recession. People who have choices do not choose to be poor intentionally; but when encumbered by lack of opportunity or lack of motivation to seize that opportunity, large numbers of California residents are sentenced to a life of poverty. The personal downward spiral, which begins with low personal expectations, lack of support at home, and inadequate support at school starts early, and the effects can last through an entire lifetime unless there is appropriate intervention.

The Governor addresses those interventions in a variety of strands in this State Budget. First, the Governor provides additional resources for early childhood education. Then he follows that with increased gap funding for the K-12 Local Control Funding Formula (LCFF), funding that benefits all children. And finally he shores up the third leg of the stool, Adult Education, California Community Colleges, and Regional Occupational Center/Program (ROC/P)/Career- Technical Education (CTE).

We especially want to recognize the Governor's efforts to maintain Adult Education and CTE in what could have been, without the Administration's intervention, the final year of their existence, especially in the K-12 sector. Given that under current law, beginning in 2015-16, funding for these two programs in K-12 education was no longer protected in any way and competed directly with other student needs, it was likely that these programs would have been reduced again as they have been over the past seven years. Our current level of effort in each program is less than half of the level of effort in 2007-08. School Services of California Inc., (SSC) has championed this cause because we believe that after a decade of furlough days, high class sizes, and poorly supported classroom programs, a generation of children have been shortchanged on their fundamental right to a free and appropriate public education. We think that the Governor is absolutely doing the right thing in making sure this generation of students does not also suffer the loss of programs that have traditionally allowed them to catch up. We cannot affect the past, but what we do today affects the future of each and every one of our students, and we applaud the Governor's keen understanding of that connection.

We detail the numbers below, and for public education they are all good. But we also want to talk about additional policy considerations in this State Budget. The Governor has again clearly signaled that he is fully committed to the K-12 LCFF and that he will stay the course. He also signals, through Proposition 2 and the “rainy day fund,” a recognition that California’s economy remains cyclical and will at some point reverse course. In his presentation, the Governor was also willing to admit that the totally inappropriate and much hated caps on K-12 local school district reserves that were also enacted by Proposition 2 deserve additional discussion, and he invites that discussion in his State Budget.

As we detail the proposals below, they stand in stark contrast to the negative context in which we began planning for the years 2008-09 through 2012-13. We are in a very different place economically, and that gives us the opportunity to put our students in a very different place; our challenge as educators is to make sure that every student benefits from the uncommon opportunities we have before us today.

Overview of the Governor’s Budget Proposals

Governor Jerry Brown released his 2015-16 proposed State Budget as scheduled on Friday, January 9, 2015, explaining its major themes and initiatives in a press conference which began just after 10:00 a.m. His State Budget projects state revenues of \$113.4 billion in the budget year, plus \$1.4 billion in carryover funds, to cover \$113.3 billion in state expenditures. Confirming what many believe to be a strengthening economy, the Governor’s Department of Finance (DOF) forecasts General Fund revenues to increase \$2.6 billion in the current year above the 2014-15 State Budget Act level, and \$5.3 billion in 2015-16.

The Health and Human Services programs (e.g., Medi-Cal, California Work Opportunity and Responsibility to Kids [CalWORKs], and Supplement Security Income/State Supplementary Payment) receive only modest increases to cover anticipated caseload growth, while cities and counties would receive \$533 million to pay for prior-year unfunded mandates.

With the details to be worked out over the course of State Budget negotiations with the Legislature, the Governor’s State Budget calls for a plan to reduce the state’s unfunded liability for retiree health care costs and a new way to fund K-12 school facilities. The State Budget Proposal also continues the Governor’s effort to build a high-speed rail project, connecting northern and southern California.

During his press conference, the Governor was asked about whether he would support extending the higher tax rates under Proposition 30. The Governor responded, “I said that it’s a temporary tax and that’s my position.”

Finally, while not a headline-grabbing policy initiative, the Governor’s State Budget proposes to add \$1.2 billion to the state’s newly revised “rainy day fund,” for a total of \$2.8 billion pursuant to Proposition 2, the voter-approved initiative championed by the Governor last November.

The Economy and Revenues

Economic Outlook

The Governor’s State Budget presents a more rosy picture for the U.S. and California economies, far better than the early years of the recovery which officially began in 2009. Just last year, the outlook was for a slow economic recovery, but recent developments point to growing strength.

As evidence of this strength, the Governor's DOF points to an improving jobs market, increases in business investment, and a stronger outlook for housing. The State Budget forecast assumes that the Federal Reserve will begin to raise interest rates in the second half of 2015 as the economy heats up.

At the national level, the DOF projects real gross domestic product growth at 2.6% in 2015, increasing slightly to 2.8% in 2016. The U.S. unemployment rate falls from 6.2% in 2014 to 5.7% in 2015 and 5.5% in 2016. These forces, however, are partially offset by slow growth the nation's major trading partners, including China, Japan, and the European Union (EU). In fact, there is growing evidence that several EU countries are slipping into a deflationary environment, with falling prices and falling consumer spending. This situation will reduce U.S. exports to these countries.

These risks notwithstanding, the broader economic outlook bodes well for the nation and the state. Economists at the University of California, Los Angeles had estimated that the fall in oil from an average of \$100 per barrel to \$75 per barrel at the time their forecast was developed translates into a savings of about \$67 billion for U.S. consumers over the course of a year. Oil is now trading around \$50 per barrel, suggesting an even greater boost to consumers and the economy.

The Governor's State Budget anticipates steady growth for the California economy, with the state's unemployment rate falling to 6.3% by the end of 2015. The State Budget notes that the state added an average of 22,000 jobs per month through the first three quarters of 2014, and this trend is expected to continue into 2015. Along with this improvement in the labor market, the State Budget projects improving personal income, up 4.5% in 2015 and 5.2% in 2016.

State Revenues

The Governor's State Budget acknowledges a significant improvement in the state revenue outlook when compared to the assumptions contained in the 2014-15 State Budget Act. For 2013-14, the State Budget identifies an additional \$490 million in General Fund revenue and an additional \$2.6 billion in the current year. The revenue outlook for the budget year is very encouraging. The State Budget Proposal reflects a 4.9% increase in revenues, equal to an additional \$5.3 billion above the revised current-year level.

These annual gains are attributable to stronger-than-expected performance of the personal income tax receipts from both capital gains and wages. The Governor's State Budget notes that the Standard & Poor's index was expected to reach 1,900 at the end of 2014, but by mid-December was over 2,050, helping to explain the strong performance of the personal income tax. Capital gains revenue generated from the rising stock market, however, is very volatile and difficult to forecast.

Another area of caution is the lagging performance of the sales and use tax. The Governor's State Budget notes that this tax is expected to bring in \$1.4 billion less than originally forecast for the 2014-15 and 2015-16 fiscal years. Through November 2014, this tax has increased 5.9% after adjusting for a one-time accounting error.

Like last year, the DOF's long-term revenue forecast is strikingly similar to the Legislative Analyst's Office (LAO's) forecast released in November 2014. By 2018-19, the DOF forecasts General Fund revenues of \$121.4 billion from the three major taxes (the income tax, the sales and use tax, and the corporation tax). The LAO forecasts \$120.9 billion, a difference of just 0.4%.

Proposition 98

Proposition 98, adopted by state voters in 1988, sets in the State Constitution a series of complex formulas that establish the minimum funding level for K-12 education and the community colleges from one year to the next. This target level is determined by prior-year appropriations that count toward the guarantee and (1) workload changes as measured by the change in average daily attendance (ADA), and (2) inflation adjustments as measured by the change in either per capita personal income or per capita state General Fund revenues, whichever is less. For California public education in 2014-15 and 2015-16, these factors are yielding significant gains under the constitutional guarantee.

Current-Year Minimum Guarantee

For the current year, the Governor's State Budget acknowledges that the strengthening economy is boosting the minimum guarantee above the level adopted in the 2014-15 State Budget Act. For the current year, the Proposition 98 guarantee is now estimated at \$63.2 billion, up \$2.3 billion from the enacted level. This increase is based on rising state General Fund revenues and funding under Test 1 of Proposition 98 (i.e., 39.47% of state revenues must be allocated to K-14 education on top of the amount provided by the local property tax).

Proposition 98 also requires the state to account for state funding that falls below the long-term target established by Test 2 (i.e., adjustments required by annual changes in per capita personal income). This cumulative shortfall is termed Maintenance Factor. As of June 30, 2014, the state owed K-14 education approximately \$6.4 billion in Maintenance Factor payments and was expected to make payments of \$3.8 billion in 2014-15 and \$725 million in 2015-16, resulting in \$1.9 billion at the end of the Budget year.

2015-16 Minimum Guarantee

For 2015-16, the Governor's State Budget proposes a Proposition 98 guarantee of \$65.7 billion, an increase of \$2.5 billion, or 4%, from the revised current-year level. The guarantee is based on Test 2, the change in per capita personal income, which is estimated at 2.91%, and the change in K-12 ADA, which is expected to be flat in 2015-16.

Over the course of the "Budget window," the Governor's State Budget proposes "increased investment of \$7.8 billion" for K-12 education and the community colleges under Proposition 98.

Proposition 2 and Proposition 98 Reserves

With California's improving economic conditions and the passage of Proposition 2, the state's "Rainy Day Fund," the Governor's State Budget proposes an additional deposit into the state's reserve and anticipates that, by the end of the year, the "Rainy Day Fund" will have a balance of \$2.8 billion.

Recall that Proposition 2 also established a state reserve specifically for K-14 education, the Proposition 98 reserve that, among other things, institutes a cap on local K-12 school districts' reserve at specified levels in any fiscal year following a deposit into the Proposition 98 reserve.

The law required certain conditions to be met before the state could make a deposit into the Proposition 98 reserve, including:

- Extinguishing the existing Maintenance Factor
- Requiring that the Proposition 98 Minimum Guarantee be determined using Test 1

- Fully paying increases in student enrollment and funding the COLA

The Governor's State Budget stipulates that it does not anticipate economic conditions requiring a deposit into the Proposition 98 Reserve for 2015-16 through 2018-19. However, the Administration recognizes concerns from education stakeholders about the impact of capping K-local reserves on K-12 LEAs' ability to maintain fiscal solvency and exercise prudent multiyear State Budgeting practices. Responding to these concerns, the State Budget promises to "engage in a dialogue . . . in the coming months to protect the financial security and health of local school districts."

K-14 Apportionment Deferrals

The Governor's State Budget proposes \$900 million in one-time Proposition 98 funds in 2014-15 to eliminate all remaining outstanding deferral debt for K-12, and an additional \$94.5 million to completely eliminate the California Community Colleges (CCC) deferral. At their peak, the inter-year deferrals for K-14 had reached a high of \$9.5 billion, or about 20% of annual Proposition 98 payments. The CCC deferrals had peaked at \$961 million in 2011-12.

To be clear, while dollars used to finally eliminate the deferrals count toward Proposition 98 expenditures for the state's purposes, they do not initially provide more spending authority.

Adult Education

In the 2013 State Budget Act, \$25 million was added for Planning Grants for consortia of community colleges and school districts in 70 regions. The Governor's State Budget proposes \$500 million for the Adult Education Block Grant to fund programs in basic skills, citizenship, English as a Second Language, and CTE programs that provide pathways to high-demand jobs. The Block Grant further promotes collaboration through workforce investment boards, social services, and correctional rehabilitation agencies that benefit from Adult Education.

The State Budget Proposal requires that each consortium designate an allocation board for planning and allocating funds. Each committee will then coordinate with partners to ensure integration of funding streams and resources for Adult Education. The consortia will report to the Chancellor and the State Superintendent of Public Instruction (SSPI) on progress toward meeting the goals of their Adult Education plans and to jointly approve the allocation of funds. Similar to the LCFF, Adult Education programs serving the highest needs will have priority. Distributions will be sent to providers based on the recommendations of the allocation committees. Administration costs for the Block Grant will be capped at 5%.

For the initial year (2015-16) funding will be provided directly to the K-12 school districts in the same amounts as their maintenance of effort (MOE) requirement for Adult Education as jointly determined by the Chancellor and SSPI. Future allocations will be distributed based on the local allocation committees.

CalSTRS and CalPERS

Employer costs for retirement benefits for both the California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) are projected to nearly double over the next several years. The 2015-16 State Budget Proposal does not address these cost increases for K-12 education; however, as discussed below, the Governor does propose increasing the

base allocations for community colleges partly in recognition of increased expenses in the area of pension benefits.

Child Care and Preschool

The Governor's State Budget proposes to increase funding by a total of \$21.5 million (\$9.2 million from Proposition 98 and \$12.3 million in non-Proposition 98 funds) to provide for the 1.58% statutory cost-of-living-adjustment (COLA) for capped child care programs in 2015-16. The COLA for capped child care programs was suspended from 2008-09 through 2014-15.

Workload adjustments are proposed for the CalWORKs Stage 2 and 3 programs in 2015-16 to reflect adjustments in the number of cases, as well as an increase in the cost per case.

In 2015-16, the Governor proposes an increase of \$33.6 million (\$14.8 million from Proposition 98 funds and \$18.8 million in non-Proposition 98 funds) to support 4,000 full-day wraparound preschool slots. These slots were created as part of the 2014 State Budget Act and will be effective June 15, 2015. The \$33.6 million reflects the difference in the full-year cost for these slots in 2015-16.

Also of note, due to the reauthorization of the federal Child Care and Development Block Grant (i.e., General Child Care, Migrant Child Care, Alternative Payment, CalWORKs Stage 3, and child care quality programs) there are several new federal requirements for these funded programs that states must implement in order to continue to receive these funds:

- Annualized licensing inspections
- Health and safety inspections for nonfamily license-exempt providers
- Allowing for extended income eligibility
- Providing additional funding for child care quality activities
- Restructuring professional development for child care providers and staff
- Increasing local child care program information provided to families

Though states will have several years to implement the changes, it is not anticipated that the Block Grant funds will be sufficient to maintain current service levels and also cover the associated costs of the new requirements, resulting in an increased state contribution—which will likely bring new challenges to the state over the next few years. A net decrease of \$14.9 million in federal Child Care and Development funds is expected in 2015-16 to reflect a reduction of available carryover funding.

Community College Proposals

The Governor's 2015-16 State Budget proposal provides a 10.95% share of Proposition 98 funding to community colleges, which results in significant funding increases. For general apportionments, community colleges are proposed to receive:

- \$125 million more in base allocation funding to reflect increased operating expenses, including the increase in required contributions for employee pensions
- \$106.9 million to fund 2% growth, with reinforcement of the requirement for a new growth formula starting in 2015-16
- \$92.4 million to fund the estimated 1.58% statutory COLA

The Governor proposes no changes to current fee levels. And, as discussed above, the increase in revenues for the current year results in the elimination of the one \$94.5 million apportionment deferral that remains, effective with the current year.

An additional \$351.3 million in one-time funds are provided to further pay down outstanding state mandate claims, to be allocated on a per full-time equivalent student (FTES) basis. The Governor suggests using the mandate funds to address one-time costs such as deferred maintenance and instructional equipment; therefore, the State Budget does not contain a specific line item to fund them. Consistent with common practice, there is virtually no funding for current year mandate claims.

Other community college State Budget proposals include:

- \$39.6 million for Proposition 39 energy efficiency program grants
- \$25 million (instead of the current year's \$50 million) to fund Awards for Innovation in Higher Education

Student Success and Support Program

The Governor's proposal reinforces the importance of the system's efforts on student success, starting with the Student Success Task Force and including the enhancements made to the measure of student success. To this end, the Governor proposes an additional \$200 million for student success programs in 2015-16, \$100 million of which is to fund student equity plans.

Workforce Investments

The Governor dedicates a section of the State Budget Summary to the myriad investments in California's workforce. The proposals that can impact community colleges are as follows:

- \$500 million for the Adult Education Block Grant, which involves significant policy changes as discussed above
- \$48 million in one-time funds for the Chancellor's Office to extend, for one additional year, the Career Technical Education Pathways Program
 - Note: K-12 education is proposed to receive \$250 million in each of the next three years for incentive grants with a requirement to provide matching funds and demonstrate the ability to maintain the programs with other resources once the grants expire; priority will be given to partnerships between local agencies to offer regional programs
- \$29.1 million for community college apprenticeship programs: \$15 million to support new apprenticeship programs in high-growth industries for emerging and transitioning occupations; and \$14 million for existing programs
- \$49 million for community colleges to increase the non-credit rate for certain courses to the credit rate as originally proposed in the current year State Budget Act

The Governor's proposals are meant to align the efforts of local workforce investment boards, community colleges, other local educational agencies, and county human services agencies, with the purpose of enhancing workforce development across California in a more coordinated manner.

The Rest of Higher Education

The Governor's State Budget acknowledges that both the University of California (UC) and the California State University (CSU) systems proposed 2015-16 system State Budgets higher than the long-term funding plan a 4% General Fund increase would provide. UC's proposal includes tuition and fee increases or replacing in-state students with nonresident students. CSU's proposal includes

additional state General Fund resources. The Governor instead sticks to the \$119.5 million increase in funding previously committed, with strings:

- The UC must abandon the tuition and fee increases and refrain from increasing nonresident student enrollment
- The UC must further explore cost containment measures; the Governor expects a committee staffed by the Administration and the UC to solicit cost containment proposals and develop proposals to reduce UC costs
- The CSU must not increase tuition

Acknowledging the CSU completion rate within four years of 17.3%, the Governor proposes \$25 million for the system for innovation awards to improve the completion rate.

The rest of the Governor's higher education proposals include a \$68.9 million increase in the current year and a \$198.2 million increase in 2015-16 for Cal Grants to reflect increased participation, as well as an increase of \$45 million in 2015-16 for the Middle Class Scholarship Program.

K-12 Education Proposals

The Governor's 2015-16 State Budget continues implementation of the LCFF with an infusion of \$4.048 billion in additional Proposition 98 revenues. This proposed increase is expected to provide an average per pupil increase of 8.7% (\$675 per ADA). Actual percentage and per-ADA increases for individual school districts and charter schools can vary significantly from this average, depending on the LEA gap between current funding and the LCFF full implementation target. The implementation plan for LCFF continues to assume that it will be fully funded by 2020-21.

Funding for most categorical programs was consolidated into the LCFF in 2013-14. Those categorical programs still funded outside the LCFF, including Special Education, Child Nutrition, Foster Youth, Preschool, American Indian Centers, and the American Indian Early Education Program are provided with the estimated 1.58% COLA in the Governor's State Budget.

While the Governor's State Budget does not identify funding for a school construction state assistance program, the Administration recommends foundational tenets for the next program aligned closely to the tenets of the LCFF, which are (1) enhanced local control and flexibility and (2) targeting resources to areas of need. The Governor proposes to achieve these principles by doing the following:

- Enhance access to local property wealth by increasing the statutory Proposition 39 caps of \$30 or \$60 per \$100,000 in assessed valuation to, at a minimum, match the rate of inflation experienced since the passage of Proposition 39
- Reform developer fees and other K-12 facilities programs to enhance the ability to leverage local funds for facilities needs

Arguing that the tradition of funding K-12 facilities projects on a first-come, first-served basis disproportionately advantages larger districts with dedicated facilities staff, the State Budget proposes a program that instead targets funds to districts with low per-pupil assessed values with needs that cannot be met with local resources. Additionally, the State Budget identifies health and safety projects and severely overcrowded schools as a priority for state resources.

Close

The Governor's State Budget Proposals do not mark the end of the State Budget cycle—they mark the beginning. The Legislature will have a lot to say about the Governor's priorities, especially with all the new revenues streaming in. This would be the third year in a row that the Governor has made public education his highest priority. In his press conference announcing his State Budget, the Governor made the valid point that education took more than its fair share of reductions during the last recession. We predict the Legislature will push for improvements in other areas of the State Budget, as they did the last couple of years. The Governor will again be tested, but he has proven that he can stand his ground.

We will keep you informed as the State Budget deliberations ensue, so stay tuned...

—*SSC Staff*

posted 01/09/2015

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Legislative Analyst's Office View of Governor's Budget

In a report released on January 13, 2015, four days after the release of Governor Jerry Brown's 2015-16 State Budget proposal, the Legislative Analyst's Office (LAO) concludes that the Governor's State Budget proposal for 2015-16 is "generally prudent" and, if enacted by the Legislature, "could help avoid the boom and bust budgeting of the past."

The LAO notes that there is upside potential in the Administration's revenue estimate for the current year. Citing the strength of revenues collected in December, the LAO concludes that a revenue gain of \$1 billion to \$2 billion in the current year "seems likely" and an even larger gain is possible. Because of the requirements of Proposition 98, any state General Fund revenue gain will primarily accrue to K-12 education and the community colleges, a development reflected in the Governor's State Budget for revenues that have already been recognized by the Administration.

The LAO also notes that the Administration's 2015-16 forecast does not reflect the effect of the recent drop in oil prices, due to the timing of these developments. The Administration's forecast assumes that oil will trade for an average of \$80 per barrel in 2015. In recent weeks, the price of oil has actually fallen below \$50 per barrel. The LAO cites national studies that lower oil prices could result in a 0.5% to 1% boost to economic output, with California benefiting in kind.

Although the Governor lays out several possible uses for the proposed \$125 million in CCC base allocations (along with the increases for UC and CSU), the LAO questions the increase, noting "the Legislature likely will have difficulty assessing whether the augmentations are needed and ultimately whether any monies provided would be spent on the highest state priorities," but does not provide an alternative for the CCC funds. The LAO also suggests a wider approach to student success than the current funding structure of eight separate categorical programs, calling for more flexibility to use these funds in a manner "that best meets the needs of their students."

While generally supportive of the Governor's workforce education and training initiative—\$500 million for Adult Education, \$250 million for a K-12 Career Technical Education (CTE) Incentive Grant Program, and \$48 million for CTE Pathways Initiative at the Chancellor's Office—the LAO points out that these proposals do nothing to streamline the existing, overlapping regional groupings, citing 15 community college economic development regions, 49 workforce investment boards and 70 adult education consortia. Nevertheless, in the end the LAO calls the Governor's goals in this area laudable.

Finally, the LAO notes that Proposition 98 funding in the current year could be increased above the Governor's Budget proposal by upward of \$2 billion at the May Revision in just four months. This is due to the underlying strength of the California economy and the potential for greater tax revenues. The Analyst, however, cautions that committing too much into ongoing programs could unravel the progress made under the LCFF if the state economy were to slip into a recession.

For a full copy of the report go to: <http://www.lao.ca.gov/Publications/Detail/3157>.

—*Robert Miyashiro*

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Themes for 2015-16 Governor's State Budget

We have often opined that the economy in California is very much like the weather in the Sierra; if you don't like what you see, just wait a few minutes and it will be different. That is certainly true this year. The political landscape is stabilized by the re-election of Governor Jerry Brown, a leader whom we think will be remembered as one of the most successful governors in the history of the state. We don't always agree with everything he proposes, but his ability to drive his ideas skillfully through whatever resistance he encounters is unmatched by any recent Governor. The confidence he has earned from others over a long political career allows him to build consensus around ideas that have previously been non-starters.

The Governor's move two years ago to eliminate redevelopment agencies (RDAs) faced tremendous opposition, but today, the RDAs are gone and an estimated \$4 billion in local taxes have been returned to other local governmental agencies. For better or worse, the high speed rail initiative is moving forward. And, at the same time that improvements have been made in education and other state programs, the "Wall of Debt" the Governor inherited has crumbled.

So, the bottom line is that we believe the Governor will continue to implement the major elements of his agenda over the next four years. We have seen him lead with equal dexterity using both a velvet glove and an iron fist. And we do not see any indication of a lessening in the passion and focus the Governor brings to the task at hand.

A Stronger Economy Helps

The Governor's Budget proposals for 2015-16 continue the positive theme that has existed over the past two years for public education. The economy has improved and been aided by the additional \$7 billion in annual revenues provided by Proposition 30. As a result, Governor Brown has been able to advance his agenda for public education at a pace greater than initially anticipated.

The non-Proposition 98 side of the Budget continues to show slow growth as a result of education having the major claim on all new revenues. As a result, much of the Governor's Budget presentation was devoted to discussion of how the state addresses other needs while providing enhanced funding for education. But, at the same time, the Governor clearly acknowledged that the growth in the education budget was warranted largely because of the fact that the cuts to education were much deeper than to other areas of the State Budget.

Elimination of Poverty

The Governor has taken several opportunities to voice his concern and his approach for improving the lives of those who are at or below poverty levels. He has stressed the need to help people work their way up the ladder to a higher station in life. We think that an improved system of public education is the first step in addressing the pervasive cycle of poverty that has existed in California

for decades, but has been growing at record levels through this past, long, and deep recession. People who have choices do not choose to be poor; but large numbers of California residents are sentenced to a life of poverty. The personal downward spiral, which begins with low personal expectations, lack of support at home, and inadequate support at school starts early, and the effects can last through an entire lifetime unless there is appropriate intervention. That intervention comes primarily from a robust, effective, and sensitive public education system. The Governor addresses those interventions in a variety of strands in his Budget.

Career Technical Education (CTE) and Adult Education

We want to recognize the Governor's efforts to maintain Adult Education and CTE in what could have been, without the Administration's intervention, the final year of their existence of these programs in K-12 education. Given that, under current law, beginning in 2015-16, K-12 funding for these two programs was no longer protected in any way and competed directly with other student needs, it was likely that these programs would have been reduced again as they have been over the past seven years.

Our current level of effort in each program is less than half of the level of effort in 2007-08. School Services of California Inc., (SSC) has championed this cause because we believe that after a decade of furlough days, high class sizes, and poorly supported classroom programs, a generation of children have been shortchanged on their fundamental right to a free and appropriate public education. We think that the Governor is absolutely doing the right thing in making sure this generation of students does not also suffer the loss of programs that have traditionally allowed them to catch up. We cannot affect the past, but what we do today affects the future of each and every one of our students, and we applaud the Governor's keen understanding of that connection.

Policy Considerations

The policy considerations in this Budget are clear and warrant comment. Through Proposition 2 and the "Rainy Day Fund," the Governor recognizes that California's economy remains cyclical and will at some point reverse course. We are not yet ready to, in reliance on the Rainy Day Fund, recommend a reduction in the level of fiscal preparedness of local K-12 school districts. We have too often seen rainy day reserves become too big a temptation for state government and see them spent while the sun is shining.

Policy considerations also extend to restoring the fiscal health of public employee retirement plans. There is no question that reform of both California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System (CalSTRS) is long overdue. Both retirement plans affect school and community college district costs and both are scheduled to double in cost, making the Governor's proposal to provide base funding increases critically important. As we look at the promise of increased apportionment funding as proposed in the Governor's Budget, we see that CalSTRS cost increases alone will consume much of the new revenues.

In Summary

As we see the Governor's 2015-16 Budget proposals, they stand in stark contrast to the negative context in which we began planning for the years 2008-09 through 2012-13. We are in a very different place economically, and that gives us the opportunity to put our students and our work force in a very different place; our challenge as educators is to make sure that every student benefits from

the uncommon opportunities we have before us today. We are very grateful for the opportunities that lie before us.

—*John Gray and Ron Bennett*

posted 01/14/2015

**MID YEAR EXPENDITURE FOR FUND 11 & 13
COMPARISON BY LOCATION - 12/31/XX**

	FY 2013-2014					FY 2014-2015				
	Adopted Budget	YTD Budget	YTD Actual	Available	% Avail	Adopted Budget	YTD Budget	YTD Actual	Available	% Avail
Aca Salaries (excl. 1300's)	24,528,462.00	24,541,916.00	12,225,063.10	12,316,852.90	50.19%	26,824,143.00	26,385,561.00	12,940,207.79	13,445,353.21	50.96%
1300's	14,200,578.00	14,223,986.00	7,507,873.29	6,716,112.71	47.22%	12,649,675.00	14,049,773.00	7,343,816.31	6,705,956.69	47.73%
2 Classified Salaries	12,435,668.00	12,426,244.00	5,773,310.75	6,652,933.25	53.54%	12,664,308.00	12,586,335.00	5,998,066.64	6,588,268.36	52.34%
3 Employee Benefits	15,668,902.00	15,623,003.00	7,234,238.84	8,388,764.16	53.69%	17,326,609.00	16,834,668.00	7,862,618.25	8,972,049.75	53.30%
4 Supplies & Materials	638,016.00	626,387.00	177,696.00	448,691.00	71.63%	651,309.00	521,341.00	165,366.29	355,974.71	68.28%
5 Other Operating Exp	6,842,819.00	6,804,778.00	2,529,225.30	4,275,552.70	62.83%	6,663,740.00	6,811,618.00	2,310,058.79	4,501,559.21	66.09%
6 Capital Outlay	170,610.00	311,816.00	37,275.52	274,540.48	88.05%	159,253.00	162,573.00	36,826.88	125,746.12	77.35%
7 Other Outgo	709,286.00	699,286.00	-	699,286.00	100.00%	509,758.00	209,481.00	-	209,481.00	100.00%
Santa Ana College	75,194,341.00	75,257,416.00	35,484,682.80	39,772,733.20	52.85%	77,448,795.00	77,561,350.00	36,656,960.95	40,904,389.05	52.74%
Aca Salaries (excl. 1300's)	12,494,360.00	12,480,075.00	6,226,856.41	6,253,218.59	50.11%	13,125,284.00	12,912,072.00	6,380,521.65	6,531,550.35	50.58%
1300's	3,458,860.00	3,484,671.00	2,853,907.57	630,763.43	18.10%	3,449,647.00	3,427,953.00	2,893,115.54	534,837.46	15.60%
2 Classified Salaries	6,077,536.00	6,228,774.00	2,830,322.45	3,398,451.55	54.56%	6,116,439.00	5,680,301.00	3,020,538.79	2,659,762.21	46.82%
3 Employee Benefits	7,262,508.00	7,364,521.00	3,502,273.97	3,862,247.03	52.44%	7,873,252.00	7,754,760.00	3,732,718.16	4,022,041.84	51.87%
4 Supplies & Materials	156,008.00	168,282.00	59,999.31	108,282.69	64.35%	165,788.00	131,122.00	7,929.42	123,192.58	93.95%
5 Other Operating Exp	3,960,517.00	3,961,533.00	1,323,441.75	2,638,091.25	66.59%	2,928,348.00	3,665,535.00	1,330,367.40	2,335,167.60	63.71%
6 Capital Outlay	57,688.00	70,114.00	12,466.94	57,647.06	82.22%	57,688.00	42,343.00	7,834.07	34,508.93	81.50%
7 Other Outgo	236,858.00	57,067.00	-	57,067.00	100.00%	236,858.00	-	-	-	0.00%
Santiago Canyon College	33,704,335.00	33,815,037.00	16,809,268.40	17,005,768.60	50.29%	33,953,304.00	33,614,086.00	17,373,025.03	16,241,060.97	48.32%
1 Academic Salaries	822,802.00	822,802.00	419,967.39	402,834.61	48.96%	846,304.00	846,304.00	426,748.67	419,555.33	49.58%
2 Classified Salaries	11,884,885.00	11,937,360.00	5,472,511.70	6,464,848.30	54.16%	12,865,582.00	12,837,983.00	5,995,981.49	6,842,001.51	53.29%
3 Employee Benefits	5,819,532.00	5,821,200.00	2,578,756.34	3,242,443.66	55.70%	6,317,335.00	6,315,972.00	2,908,634.21	3,407,337.79	53.95%
4 Supplies & Materials	255,641.00	253,175.00	54,566.85	198,608.15	78.45%	328,702.00	315,268.00	56,302.01	258,965.99	82.14%
5 Other Operating Exp	5,942,519.00	6,308,703.00	2,851,033.74	3,457,669.26	54.81%	6,072,543.00	6,259,421.00	2,765,541.64	3,493,879.36	55.82%
6 Capital Outlay	1,196,850.00	1,088,489.00	38,432.14	1,050,056.86	96.47%	1,111,850.00	1,137,820.00	364,029.24	773,790.76	68.01%
7 Other Outgo	316,121.00	121.00	-	121.00	100.00%	476,352.00	305,900.00	-	305,900.00	100.00%
District Services	26,238,350.00	26,231,850.00	11,415,268.16	14,816,581.84	56.48%	28,018,668.00	28,018,668.00	12,517,237.26	15,501,430.74	55.33%
TOTAL FUND 11 and FUND 13	135,137,026.00	135,304,303.00	63,709,219.36	71,595,083.64	52.91%	139,420,767.00	139,194,104.00	66,547,223.24	72,646,880.76	52.19%

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2014-15 FTES TARGET COMPARISON TO ACTUAL**

1-7-2015 for P1 Final	2013-2014 RECALC (10-20-2014)			2014-2015			2014-2015 (P1)			2014-2015			2014-2015		
	Annual Reporting			Campus Determined Targets			Actuals/Estimated Actuals as of 1-7-2015			Better (Worse) 2013-2014 Recalc vs. P1 as of 1-7-2015			Better (Worse) Target vs. P1 as of 1-7-2015		
	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC
SUMMER 2014															
NC	612.26	446.74	165.52	547.00	407.00	140.00	547.41	407.12	140.29	(64.85)	(39.62)	(25.23)	0.41	0.12	0.29
CR	1,684.37	1,143.15	541.22	1,531.24	1,023.00	508.24	1,529.16	1,020.90	508.26	(155.21)	(122.25)	(32.96)	(2.08)	(2.10)	0.02
SUMMER TOTALS	2,296.63	1,589.89	706.74	2,078.24	1,430.00	648.24	2,076.57	1,428.02	648.55	(220.06)	(161.87)	(58.19)	(1.67)	(1.98)	0.31
FALL															
NC	2,376.74	1,766.24	610.50	2,306.00	1,650.00	656.00	2,132.13	1,549.98	582.15	(244.61)	(216.26)	(28.35)	(173.87)	(100.02)	(73.85)
CR															
IS, DSCH	189.82	80.09	109.73	257.00	152.00	105.00	243.81	135.72	108.09	53.99	55.63	(1.64)	(13.19)	(16.28)	3.09
IS, WSCH	426.62	289.01	137.61	393.00	263.00	130.00	359.24	259.77	99.47	(67.38)	(29.24)	(38.14)	(33.76)	(3.23)	(30.53)
DSCH	431.80	271.60	160.20	475.00	325.00	150.00	487.56	309.49	178.07	55.76	37.89	17.87	12.56	(15.51)	28.07
Positive	1,486.71	1,449.96	36.75	1,565.00	1,525.00	40.00	1,694.16	1,640.19	53.97	207.45	190.23	17.22	129.16	115.19	13.97
WSCH	7,379.94	4,781.49	2,598.45	7,354.00	4,679.00	2,675.00	7,358.59	4,683.00	2,675.59	(21.35)	(98.49)	77.14	4.59	4.00	0.59
TOTAL CR	9,914.89	6,872.15	3,042.74	10,044.00	6,944.00	3,100.00	10,143.36	7,028.17	3,115.19	228.47	156.02	72.45	99.36	84.17	15.19
FALL TOTALS	12,291.63	8,638.39	3,653.24	12,350.00	8,594.00	3,756.00	12,275.49	8,578.15	3,697.34	(16.14)	(60.24)	44.10	(74.51)	(15.85)	(58.66)
SPRING															
NC	3,240.79	2,209.80	1,030.99	3,618.00	2,550.00	1,068.00	3,663.64	2,644.88	1,018.76	422.85	435.08	(12.23)	45.64	94.88	(49.24)
CR															
Jan. intersession	627.30	459.01	168.29	675.00	475.00	200.00	672.23	459.35	212.88	44.93	0.34	44.59	(2.77)	(15.65)	12.88
IS, DSCH	189.29	66.54	122.75	277.00	152.00	125.00	257.05	145.69	111.36	67.76	79.15	(11.39)	(19.95)	(6.31)	(13.64)
IS, WSCH	385.01	277.60	107.41	410.00	270.00	140.00	410.01	270.00	140.01	25.00	(7.60)	32.60	0.01	0.00	0.01
DSCH	497.05	347.91	149.14	488.00	350.00	138.00	415.10	272.50	142.60	(81.95)	(75.41)	(6.54)	(72.90)	(77.50)	4.60
Positive	1,777.08	1,726.08	51.00	1,850.00	1,810.00	40.00	1,998.71	1,940.46	58.25	221.63	214.38	7.25	148.71	130.46	18.25
WSCH	7,179.55	4,567.52	2,612.03	7,275.76	4,550.00	2,725.76	7,274.83	4,550.01	2,724.82	95.28	(17.51)	112.79	(0.93)	0.01	(0.94)
TOTAL CR	10,655.28	7,444.66	3,210.62	10,975.76	7,607.00	3,368.76	11,027.93	7,638.01	3,389.92	372.65	193.35	179.30	52.17	31.01	21.16
SPRING TOTALS	13,896.07	9,654.46	4,241.61	14,593.76	10,157.00	4,436.76	14,691.57	10,282.89	4,408.68	795.50	628.43	167.07	97.81	125.89	(28.08)
SUMMER 2015															
NC	171.34	171.34	0.00	171.00	171.00	0.00	171.00	171.00	0.00	(0.34)	(0.34)	0.00	0.00	0.00	0.00
CR	33.26	33.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(33.26)	(33.26)	0.00	0.00	0.00	0.00
Borrowed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUMMER TOTALS	204.60	204.60	0.00	171.00	171.00	0.00	171.00	171.00	0.00	(33.60)	(33.60)	0.00	0.00	0.00	0.00
COMBINED															
NC	6,401.13	4,594.12	1,807.01	6,642.00	4,778.00	1,864.00	6,514.18	4,772.98	1,741.20	113.05	178.86	(65.81)	(127.82)	(5.02)	(122.80)
CREDIT	22,287.80	15,493.22	6,794.58	22,551.00	15,574.00	6,977.00	22,700.45	15,687.08	7,013.37	412.65	193.86	218.79	149.45	113.08	36.37
TOTAL	28,688.93	20,087.34	8,601.59	29,193.00	20,352.00	8,841.00	29,214.63	20,460.06	8,754.57	525.70	372.72	152.98	21.63	108.06	(86.43)

NOTE: Actuals
 Non-Credit 71.77% 28.23%
 Credit 69.51% 30.49%
 Total 70.02% 29.98%

Non-Credit 71.94% 28.06%
 Credit 69.06% 30.94%
 Total 69.72% 30.28%

Non-Credit 73.27% 26.73%
 Credit 69.10% 30.90%
 Total 70.03% 29.97%

Revised Target Growth	1.76%
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State Estimated Potential R/A/Growth	2.75%
29,478.00	20,626.00 8,852.00
	69.97% 30.03%

Annualizers	SAC	SCC
Weekly	1.9716	2.0184
Daily	3.0841	2.5821
PAC-Credit	2.1834	2.0814
PAC-NonCredit	2.7064	2.7500
IW	2.0394	2.4075
ID	2.7094	2.7115

Estimated P1 Growth	1.83%
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Est. actuals
 Updated projections

Estimated Factors *Updated at P3	(F)
SAC CEC	1.0372
SAC-DSCH	1.0232
SAC-Positive	1.0162
SCC-OEC	1.0342
SCC-DSCH	1.0134
SCC-Positive	1.0355

Rancho Santiago Community College District
Annual FTES Comparison by Term
Actual 2012-13, 2013-14 and 2014-15 Target and P1 Actuals/Estimated Actuals

	Actual	Actual	Change in	Revised	P1	Change from 2013-2014		
	2012-2013	(Recalc) 2013-2014		Target	2014-2015			
Summer Term (July-August)	SAC							
	Credit	1,140.37	1,143.15		1,023.00	1,020.90		
	Non-Credit	297.55	446.74		407.00	407.12		
	Total	1,437.92	1,589.89	10.57%	1,430.00	1,428.02	(161.87)	-10.18%
	SCC							
	Credit	404.62	541.22		508.24	508.26		
	Non-Credit	165.94	165.52		140.00	140.29		
	Total	570.56	706.74	23.87%	648.24	648.55	(58.19)	-8.23%
	District Total							
	Credit	1,544.99	1,684.37		1,531.24	1,529.16		
Non-Credit	463.49	612.26		547.00	547.41			
Total	2,008.48	2,296.63	14.35%	2,078.24	2,076.57	(220.06)	-9.58%	

	Actual	Actual	Change in	Revised	P1	Change from 2013-2014		
	2012-2013	(Recalc) 2013-2014		Target	2014-2015			
Fall Term	SAC							
	Credit	7,248.95	6,872.15		6,944.00	7,028.17		
	Non-Credit	1,688.28	1,766.24		1,650.00	1,549.98		
	Total	8,937.23	8,638.39	-3.34%	8,594.00	8,578.15	(60.24)	-0.70%
	SCC							
	Credit	2,953.55	3,042.74		3,100.00	3,115.19		
	Non-Credit	756.24	610.50		656.00	582.15		
	Total	3,709.79	3,653.24	-1.52%	3,756.00	3,697.34	44.10	1.21%
	District Total							
	Credit	10,202.50	9,914.89		10,044.00	10,143.36		
Non-Credit	2,444.52	2,376.74		2,306.00	2,132.13			
Total	12,647.02	12,291.63	-2.81%	12,350.00	12,275.49	(16.14)	-0.13%	

	Actual	Actual	Change in	Revised	P1	Change from 2013-2014		
	2012-2013	(Recalc) 2013-2014		Target	2014-2015			
Estimated Spring Term	SAC							
	Credit	6,947.47	7,444.66		7,607.00	7,638.01		
	Non-Credit	2,466.68	2,209.80		2,550.00	2,644.88		
	Total	9,414.15	9,654.46	2.55%	10,157.00	10,282.89	628.43	6.51%
	SCC							
	Credit	3,000.96	3,210.62		3,368.76	3,389.92		
	Non-Credit	913.79	1,030.99		1,068.00	1,018.76		
	Total	3,914.75	4,241.61	8.35%	4,436.76	4,408.68	167.07	3.94%
	District Total							
	Credit	9,948.43	10,655.28		10,975.76	11,027.93		
Non-Credit	3,380.47	3,240.79		3,618.00	3,663.64			
Total	13,328.90	13,896.07	4.26%	14,593.76	14,691.57	795.50	5.72%	

	Actual	Actual	Change in	Revised	P1	Change from 2013-2014		
	2012-2013	(Recalc) 2013-2014		Target	2014-2015			
Estimated Summer Term (June)	SAC							
	Credit	38.71	33.26		0.00	0.00		
	Non-Credit	105.42	171.34		171.00	171.00		
	Total	144.13	204.60	41.96%	171.00	171.00	(33.60)	-16.42%
	SCC							
	Credit	0.00	0.00		0.00	0.00		
	Non-Credit	56.50	0.00		0.00	0.00		
	Total	56.50	0.00	-100.00%	0.00	0.00	0.00	#DIV/0!
	District Total							
	Credit	38.71	33.26		0.00	0.00		
Non-Credit	161.92	171.34		171.00	171.00			
Total	200.63	204.60	1.98%	171.00	171.00	(33.60)	-16.42%	

	Actual	Actual	Change in	Revised	P1	Change from 2013-2014		
	2012-2013	(Recalc) 2013-2014		Target	2014-2015			
District Total	SAC							
	Credit	15,375.50	15,493.22		15,574.00	15,687.08		
	Non-Credit	4,557.93	4,594.12		4,778.00	4,772.98		
	Total	19,933.43	20,087.34	0.77%	20,352.00	20,460.06	372.72	1.86%
	SCC							
	Credit	6,359.13	6,794.58		6,977.00	7,013.37		
	Non-Credit	1,892.47	1,807.01		1,864.00	1,741.20		
	Total	8,251.60	8,601.59	4.24%	8,841.00	8,754.57	152.98	1.78%
	District Total							
	Credit	21,734.63	22,287.80		22,551.00	22,700.45		
Non-Credit	6,450.40	6,401.13		6,642.00	6,514.18			
Total	28,185.03	28,688.93	1.79%	29,193.00	29,214.63	525.70	1.83%	

RSCCD Budget Calendar

Fiscal Year 2015 – 2016

January 15, 2015

January 9, 2015	Governor's 2015-2016 Proposed Budget Released
January 12, 2015	Budget Presentation at Board of Trustees Meeting
January 14, 2015	ACBO State Budget Workshop
Jan 15-Feb 24, 2015	2015-2016 Budget Development Begins
February 25, 2015	Fiscal Resource Committee (FRC) Recommends Tentative Budget Assumptions to District Council
March 2, 2015	District Council Recommends Budget Assumptions to Chancellor
March 23, 2015	Chancellor Recommends & Board Approves Tentative Budget Assumptions
May 15, 2015	Governor's May Revise
May 27, 2015	FRC Recommends Tentative Budget to District Council
June 1, 2015	District Council Recommends Tentative Budget to Chancellor
June 15, 2015	Chancellor Recommends Tentative Budget to Board of Trustees
July 1, 2015	Governor Signs the 2015/16 State Budget
July 20, 2015	Update Budget Assumptions & Begin Year End Closing
August 19, 2015	FRC Recommends Adopted Budget to District Council
August 24, 2015	District Council Recommends Adopted Budget to Chancellor
September 14, 2015	Chancellor Recommends Adopted Budget to Board of Trustees

Vacant Funded Positions as of 1/14/2015 - Projected Annual Salary and Benefits Savings

Fund	Management/ Academic/ Confidential	Title	Reasons	Site	Effective Date	Notes	2014-15 Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Quan, Hoai	Data Entry Clerk	Retirement	SAC	7/17/2013		57,395	
11	Salazar, Lilliana	Custodian	Medical Layoff	SAC	5/23/2014		76,585	
11	Schaffner, Welsey	Instructional Assistant	Medical Layoff	SAC	2/15/2012	Recruiting #CL13-0424. Recruitment on hold. Site submitted reorg#859 eliminating IA position. Budget change form (BMPR15003) moved funds to New Fine Art & Theatre Facilities Technician	-	
11	Serratos, Brenda	Administrative Secretary	Promotion	CEC	4/4/2014	Promotion to Accountant at SAC. Replaced Abejar vacancy Site submitted reorg#854 eliminating admin secretary position vacated by Serratos for new Graduation Specialist position Per HR on 12/4/2014 reorg was cancelled	88,137	
11	Simmavong, Ketsana	Support Services Assistant	Medical Layoff	SAC	4/1/2014	Req#CL14-0552.Per Elouise in HR, Chancellor's cabinet put position on hold 7-14-14	81,060	
11	Storekeeper	PT Ongoing Fire-Tech Storekeeper	New position FY 13-14	SAC	6/24/2013	reorg #794/Req#CL14-0565	18,117	
11	Stump, Suzanne	A/R Spec II	Retirement	SAC	7/28/2014	CL14-0590. Per HR on 12/4/2014, requisition put on hold by Chancellor	60,282	
11	Tran, Anthony Vu	Instructional Assistant	Resignation	SAC	10/6/2014		11,414	
11	Trujillo-Zuniga, Beatrice	Senior Clerk	change to FT	SAC	9/29/2014	CL14-0607 Per HR on 12/4/2014, requisition put on hold by Chancellor	16,610	
11	Villegas, Jose Roberto	Custodian	Retirement	CEC	12/31/2014	CL14-0612 Closed on 1-12-15, department to review applications	30,746	
11	Walczak, Katharine	Instructional Center Spec	Resignation	SAC	8/17/2014		65,214	
11	Durdella, Diane	Administrative Secretary	Retirement	SCC	7/31/2014	#B014657 SCC 2014-15 reductions/budget cuts to 11-0000-000000-20000-5800	68,298	
11	Holmes, Michelle	Learning Assistant	Resignation	SCC	2/8/2013	#B014657 SCC 2014-15 reductions/budget cuts to 11-0000-000000-20000-5800	-	84,071
11	Romero, Esther	Admissions & Records Specialist II	change to FT	SCC	8/25/2014		15,773	
12	Cervantes, Eduardo	High School & Community Outreach	Resignation	SCC	11/7/2014	CL14-0614		
12	Chaidez, Maria	Career Guidance Specialist	Resignation	SCC	8/22/2014			
12	Corona Santos, Masiel	Instructional Assistant	Resignation	CEC	12/21/2013	CL14-0538		
12	Deluna, James	Learning Facilitator	Resignation	SCC	9/16/2011			
12	Donaldson, Brandi	Career Technician	Resignation	SAC	9/19/2013			
12	Franco, Mark	Transfer Center Specialist	Resignation	SAC	1/2/2014			
12	Gallegos Jr., Jaime	Counseling Assistant	Resignation	CEC	12/15/2014			
12	Gerali (Hernandez), Jacquelyn	Student Services Coordinator	Resignation	SAC	10/4/2013			
12	Herrera Gil, Diana	Instructional Assistant	Resignation	SCC	8/18/2014	CL14-0577		
12	Hernandez, Marisa	Administrative Secretary	Resignation	SAC	2/25/2014			
12	Herrera, Melven	Media Systems Electronic Technician	Change to FT	SCC/OEC	2/9/2014			
12	Herrlein, Ann	Instructional Assistant	Resignation	SAC	3/23/2012			
12	Hurtado, Diane	Student Services Specialist	Resignation	SAC	6/30/2011			
12	Huynh, Thydan	Instructional Assistant	Resignation	OEC	9/9/2014			
12	Janus, Louise	DSPS Specialist	Promotion	SAC	8/14/2011			
12	Johnson, Nicole	Learning Facilitator	Resignation	SCC	8/17/2011			
12	Johnson, Rondi	Career Technician	Resignation	SAC	6/30/2014			
12	Lopez, Jesus	Instructional Assistant	change position	OEC	9/7/2014			
12	Macias, Victor	Marketing Specialist	Resignation	District	2/21/2014			
12	Mathews, Kimberly	Career Technician	Resignation-change pos	SAC	10/27/2013			
12	Melgoza-Hurtado, Angelica	Student Services Specialist	Change to FT	SCC	5/18/2014			
12	Mendoza, Emelda	Instructional Assistant	Resignation/Reorg#840	CEC	1/29/2014	Reorg#840 changed vacant position from 12 months to school session		
12	Meraz, Norma	Admissions Assistant	Resignation	SAC	5/22/2014	Reorg#869/Requisition#CL14-0611. Reorg#869 changed the position from Admission Assistant to Admission&Records Specialist I. Account and bilingual stipend on salary remained the same		
12	Morphew, Linda	Career Technician	Resignation	SAC	6/30/2014			
12	Pinon, Elizabeth	Administrative Secretary	Change position	SAC	11/12/2013			
12	Ramirez, Cristina	Instructional Assistant	Resignation	CEC	6/10/2011	CL14-0530		
12	Ramos Olivarez, Gloria	Administrative Clerk	Resignation	SAC	12/8/2014			
12	Rivera, Karen	Financial Aid Technician	Resignation	SAC	1/9/2015			
12	Sanchez, Elida	Instructional Assistant	Resignation	CEC	6/26/2014	CL14-0567		
12	Sanchez, Marisol	Senior Clerk	Change to FT	SAC	8/24/2014			
12	Schuster, Bradley	Research Analyst	Resignation	DO	7/25/2013			
12	Trejo, Connie	Instructional Assistant	Resignation	CEC	6/26/2014			
12	Vasquez, Yolanda	Admissions Assistant	Retirement	CEC	12/30/2014			
12	Wajner, Slawa	Instructional Assistant	Retirement	CEC	12/17/2014			
12	Director, Special Programs	Director, Special Programs	Reorganization#890	SCC		CL15-0631/Reorg#890		
12	Student Services Specialist	Student Services Specialist	CL15-0606	SCC		CL15-0606		
33	Bernal, Imelda	Administrative Clerk	Retirement	SAC	6/30/2013			
33	Humphreys, Margaret	Head Teacher	Retirement	SAC	7/24/2014			
33	Maraya, Elsie	Master Teacher	Retirement	SAC	1/7/2014			
33	Morse, Leah	Master Teacher	Resignation	SCC	6/30/2015			
33	Oyenoki, Sharla	Head Teacher	Retirement	SAC	7/24/2014			
33	Peirano, Olga	Teacher	Retirement	OEC	4/30/2013			
33	Valadez, Jacqueline	Administrative Secretary	Resignation	DO	9/2/2014			
	Master Teacher/Parent Educator	Master Teacher/Parent Educator	Reorg#839	DO	3/5/2014	Reorg#839		
	Student Services Coordinator	Student Services Coordinator	Reorg#841/CL14-0583	SAC	3/13/2014	Reorg#841/CL14-0583		
	(2) P/T Student Services Coordinator	(2) P/T Student Services Coordinator	Reorg#842/CL14-0585	SAC	3/13/2014	Reorg#842/CL14-0585		
	P/T Senior Interpreter	P/T Senior Interpreter	Reorg#853	SCC	4/24/2014	Reorg#853		
	Student Services Specialist	Student Services Specialist	Reorg#864/CL14-0599	SAC	9/11/2014	Reorg#864/CL14-0599		
	General Office Clerk	General Office Clerk	Reorg#864/CL14-0600	SAC	9/11/2014	Reorg#864/CL14-0600		
	Job Developer	Job Developer	Reorg#864/CL14-0601	SAC	9/11/2014	Reorg#864/CL14-0601		
	Assessment Assistant	Assessment Assistant	Reorganization#858, Requisition#CL14-0539	CEC	10/27/2014	Reorganization#858, Requisition#CL14-0539		
	Special Projects Specialist	Special Projects Specialist	Reorganization#861, Requisition#CL14-0597	SCC	6/16/2014	Reorganization#861, Requisition#CL14-0597		
	Student Services Coordinator	Student Services Coordinator	Reorganization#862, Requisition#CL14-0598	SCC	6/16/2014	Reorganization#862, Requisition#CL14-0598		
	Assessment Assistant	Assessment Assistant	Reorganization#865, Requisition#CL14-0591	SCC	7/9/2014	Reorganization#865, Requisition#CL14-0591		
	Counselor	Counselor	Reorganization#868	SCC		Reorganization#868		
	Part time Alternate Media Specialist	Part time Alternate Media Specialist	Reorganization#874	SAC	9/16/2014	Reorganization#874		
	Admission & Records Specialist I	Admission & Records Specialist I	Reorganization#869, Requisition#CL14-0611	CEC	9/10/2014	Reorganization#869, Requisition#CL14-0611		
	P/T Student Services Coordinator	Student Services Coordinator	Reorganization#875	SAC	10/22/2014	Reorganization#875		
	(2) Student Services Specialist	(2) Student Services Specialist	Reorganization#875	SAC	10/22/2014	Reorganization#875		
	Transfer Center Specialist	Transfer Center Specialist	Reorganization#875	SAC	10/22/2014	Reorganization#875		
	Assessment Assistant	Assessment Assistant	Reorganization#875	SAC	10/22/2014	Reorganization#875		

Vacant Funded Positions as of 1/14/2015 - Projected Annual Salary and Benefits Savings

Fund	Management/ Academic/ Confidential	Title	Reasons	Site	Effective Date	Notes	2014-15 Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
	Research Analyst	Research Analyst	Reorganization#875	SAC	10/22/2014	Reorganization#875		
	Instructional Center Technician	Instructional Center Technician	Reorganization#875	SAC	10/22/2014	Reorganization#875		
	Test Proctor	Test Proctor	Reorganization#875	SAC	10/22/2014	Reorganization#875		
	Business Systems Analyst	Business Systems Analyst	Reorganization#876	SAC	10/22/2014	Reorganization#876		
	Admission & Records Technology Specialist	Admission & Records Technology Specialist	Reorganization#876	SAC	10/22/2014	Reorganization#876		
	Admission & Records Specialist I	Admission & Records Specialist I	Reorganization#876	SAC	10/22/2014	Reorganization#876		
	(2) Graduation Specialist	(2) Graduation Specialist	Reorganization#876	SAC	10/22/2014	Reorganization#876		
	Admission & Records Specialist II	Admission & Records Specialist II	Reorganization#877	SAC	10/22/2014	Reorganization#877		
	Student Services Specialist	Student Services Specialist	Reorganization#878	SAC	10/22/2014	Reorganization#878		
	Asst Director SB Initiative-REORG#818	Asst Director SB Initiative	Reorganization#818	DO	10/3/2013	Reorganization#818		
							1,980,527	
TOTAL							3,318,390	

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2014-2015		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3029	Parking Lot #11 Expansion and Improvements	11,079,553	7,906,461	1,815,493	726,373	10,448,327	631,226	94%
3031	Tessman Planetarium Upgrade and Restroom Addition	4,909,452	716,875	1,748,746	1,563,800	4,029,420	880,032	82%
3032	Dunlap Hall Renovation	1,566,050	1,196,048	-	366,533	1,562,581	3,469	100%
3036	Temporary Village	4,544,605	2,327,249	1,458,138	112,355	3,897,742	646,863	86%
3045	Chavez Hall Renovation	239,950	5,000	45,075	34,033	84,108	155,842	35%
TOTAL SANTA ANA COLLEGE		22,339,610	12,151,633	5,067,452	2,803,094	20,022,179	2,317,431	90%
SANTIAGO CANYON COLLEGE								
3046	Orange Education Center Building Certification	5,000,000	244,325	-	718,749	963,074	4,036,926	19%
3672	SCC Building U Portables Certification	530,000	-	-	66,000	66,000	464,000	12%
TOTAL SANTIAGO CANYON COLLEGE		5,530,000	244,325	0	784,749	1,029,074	4,500,926	19%
DISTRICT/ DISTRICTWIDE OPERATIONS								
3044	Project Closeout/Certification	536,751	143,437	43,573	57,339	244,349	292,402	46%
TOTAL DISTRICT/DISTRICTWIDE		536,751	143,437	43,573	57,339	244,349	292,402	46%
ACTIVE PROJECTS - ALL SITES		28,406,361	12,539,395	5,111,025	3,645,182	21,295,602	7,110,759	75%

COMPLETED PROJECTS/PENDING CLOSE OUT								
SANTA ANA COLLEGE								
3001	Renovation of Buildings / Building "G" Renovation	9,826,032	9,302,490	-	8,072	9,310,562	515,470	95%
3002	SAC Library Renovation	339,623	339,623	-	-	339,623	-	100%
3003	Renovate Campus Infrastructure Design/Construct Maintenance/Operations Design/Construct Classroom Building	24,989,055	24,927,689	-	4,590	24,932,279	56,776	100%
3007	Child Care/Classroom-Centennial Renovate and Improve Centennial Ed Center	1,662,032	1,662,032	-	-	1,662,032	-	100%
3008	Renovate & Expand Athletic Fields	10,094,021	10,082,438	-	215	10,082,653	11,368	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%

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2014-2015		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
3030	Perimeter Site Improvements	7,297,666	6,165,992	17,518	589,471	6,772,981	524,685	93%
3034	SAC Sheriff Training Academy Road	56,239	56,239	-	-	56,239	-	100%
3035	Johnson Center Renovation	51,800	49,300	-	-	49,300	2,500	95%
3038	Campus Lighting Upgrade	6,825	6,825	-	-	6,825	-	100%
3042	Central Plant (Design)	4,451	3,539	-	912	4,450	1	100%
3043	Property Acquisition 17th/Bristol	5,188,603	5,060,077	1,077	1,617	5,062,771	125,832	98%
TOTAL SANTA ANA COLLEGE		145,465,679	143,605,575	18,595	604,877	144,229,047	1,236,632	99%
SANTIAGO CANYON COLLEGE								
3004	SCC Infrastructure	37,929,121	37,187,826	-	18,292	37,206,118	723,003	98%
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%
3022	Humanities Building	32,781,753	32,361,137	37,807	9,719	32,408,662	373,091	99%
3025	Athletics and Aquatics Center: Netting and Sound System	20,454,610	19,849,746	12,483	904	19,863,133	591,477	97%
3026	Science and Math Building	26,450,934	26,415,964	-	-	26,415,964	34,970	100%
3027	Construct Additional Parking Facilities	1,047,212	1,047,212	-	-	1,047,212	-	100%
TOTAL SANTIAGO CANYON COLLEGE		183,458,446	181,656,700	50,289	28,915	181,735,904	1,722,542	99%
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	14,213,633	-	-	14,213,633	-	100%
COMPLETED PROJECTS - ALL SITES		343,137,758	339,475,908	68,884	633,792	340,178,584	2,959,173	99%
RECAP:								
	Santa Ana College	167,805,289	155,757,208	5,086,047	3,407,971	164,251,226	3,554,063	98%
	Santiago Canyon College	188,988,446	181,901,025	50,289	813,664	182,764,978	6,223,468	97%
	District/Districtwide Operations	14,750,384	14,357,070	43,573	57,339	14,457,982	292,402	98%
GRAND TOTAL - ALL SITES		371,544,119	352,015,303	5,179,909	4,278,974	361,474,186	10,069,933	97%
SOURCE OF FUNDS								
	ORIGINAL Bond Proceeds	337,000,000						
	Refunding Proceeds	5,001,231						
	Interest Earned	30,603,712						
	Totals	372,604,943						

**Rancho Santiago Community College
Unrestricted General Fund Cash Flow Summary
FY 2014-15, 2013-2014, 2012-2013 YTD-December 31, 2014**

	FY 2014/2015											
	July	August	September	October	November	December	January	February	March	April	May	June
Beginning Fund Balance	\$27,674,517.62	\$32,601,428.23	\$29,339,995.11	\$28,683,474.87	\$21,911,414.48	\$22,605,021.82	\$15,115,709.79	\$15,115,709.79	\$15,115,709.79	\$15,115,709.79	\$15,115,709.79	\$15,115,709.79
Total Revenues	12,347,417.16	7,989,896.40	12,117,283.32	7,274,969.96	13,596,920.03	4,124,713.25						
Total Expenditures	7,420,506.55	11,251,329.52	12,773,803.56	14,047,030.35	12,903,312.69	11,614,025.28						
Change in Fund Balance	4,926,910.61	(3,261,433.12)	(656,520.24)	(6,772,060.39)	693,607.34	(7,489,312.03)	0.00	0.00	0.00	0.00	0.00	0.00
Ending Fund Balance	\$32,601,428.23	\$29,339,995.11	\$28,683,474.87	\$21,911,414.48	\$22,605,021.82	\$15,115,709.79	\$15,115,709.79	\$15,115,709.79	\$15,115,709.79	\$15,115,709.79	\$15,115,709.79	\$15,115,709.79

	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	\$34,226,442.98	\$34,753,317.06	\$30,609,859.00	\$24,741,131.75	\$28,277,853.11	\$19,262,978.98
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	6,265,170.50	16,419,598.47	3,812,811.82	25,254,449.42
Total Expenditures	6,786,872.82	11,126,663.17	10,933,344.68	20,804,661.86	13,591,526.64	12,410,933.98	11,179,585.65	12,271,455.31	12,133,897.75	12,882,877.11	12,827,685.95	16,842,910.78
Change in Fund Balance	3,846,683.84	(3,614,185.02)	415,173.20	(14,697,398.96)	(4,495,615.80)	14,730,769.59	526,874.08	(4,143,458.06)	(5,868,727.25)	3,536,721.36	(9,014,874.13)	8,411,538.64
Ending Fund Balance	\$41,887,699.97	\$38,273,514.95	\$38,688,688.15	\$23,991,289.19	\$19,495,673.39	\$34,226,442.98	\$34,753,317.06	\$30,609,859.00	\$24,741,131.75	\$28,277,853.11	\$19,262,978.98	\$27,674,517.62

	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

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)