

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: [Fiscal Resources Committee](#)

Agenda for April 15, 2026

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

Zoom Meeting

1. Welcome
2. State/District Budget Update – Iris Ingram
 - SSC – Top Legislative Issues—March 13, 2026
 - SSC – Senate Education Budget Subcommittee Gets New Chair
 - SSC – Federal Government Challenges California Oil Setback Law
 - SSC – State Revenues Exceed Projections Amid Moderating Economic Trends
 - DOF – [Finance Bulletin- March 2026](#)
3. Review of Updated Allocation Simulation
4. Review of Updated Budget Assumptions
5. Annual Review of RSCCD Budget Allocation Model (BAM) – **ACTION**
6. Updated AR 7400 Travel – **ACTION**
7. Standing Report from District Council – Tara Kubicka-Miller
8. Informational Handouts
 - District-wide expenditure report link: <https://intranet.rsccd.edu>
 - Vacant Funded Position List as of April 2, 2026
 - Monthly Cash Flow Summary as of March 31, 2026
 - [SAC Planning and Budget Committee Agendas and Minutes](#)
 - [SCC Budget Committee Agendas and Minutes](#)
9. Approval of FRC Minutes – March 18, 2026 – **ACTION**
10. Other

Next FRC Committee Meeting: Thursday, May 20, 2026, 1:30-3:00 pm

The Rancho Santiago Community College District aspires to provide equitable, exemplary educational programs and services in safe, inclusive, and supportive learning environments that empower our diverse students and communities to achieve their personal, professional, and academic goals.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—March 13, 2026

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#) Copyright 2026 School Services of California, Inc. posted March 13, 2026

The Assembly Higher Education Committee, chaired by Assemblymember Mike Fong (D-Alhambra), and the Senate Education Committee, chaired by Senator Sasha Renée Pérez (D-Pasadena), will hold their first hearings on 2026 legislation next week.

The Assembly Higher Education Committee will meet on Tuesday, March 17, 2026, to consider seven measures, while the Senate Education Committee will meet on Wednesday, March 18, 2026, to consider three bills.

The reason that next week's committee agendas seem light is that only the earliest of this year's bills have met the requirement to be in print for 30 days before receiving a policy committee hearing. Numerous bills will start being amended over the next several weeks since they were introduced as "spot bills" and must have some substance before being referred to a policy committee.

Policy committee agendas will increase significantly over the next month and a half as hundreds of education-related bills with fiscal implications must be approved in policy committees by April 24, 2026. Bills without fiscal effects have an additional week to meet that deadline.

To jump to certain topics, click on any of the appropriate links below:

- [College and Career](#)
- [Education Finance](#)
- [Employees](#)
- [Financial Aid](#)
- [Instruction](#)
- [Tuition and Fees](#)
- [2026 Legislative Calendar](#)

College and Career

[Assembly Bill \(AB\) 2466 \(Fong\)](#)—**Strong Workforce Program: Work-Based Learning Opportunities: Regional Consortia**. This bill would expand how funds from the California Community Colleges (CCC) Strong Workforce Program can be used to support paid work-based learning opportunities. Existing law allows community college districts (CCDs) to use their allocated Strong Workforce Program funds to provide direct support to students or employers for paid work-based learning. This bill would additionally allow regional career technical education consortia that receive Strong Workforce Program funding to use their funds in the same way—providing direct support to students, employers, or both to increase employability and employment.

Education Finance

[AB 2121 \(Berman, D-Menlo Park\)](#)—**Community Colleges: Current Expense of Education: Exclusions**. This bill would allow CCDs to temporarily exclude certain locally funded student support expenditures from the calculation of their "current expense of education." Normally, districts must spend at least 50% of this amount on classroom instructor salaries under the state's "50 percent law." The bill permits districts to temporarily exclude local spending used to maintain student-support programs—such as TRIO and other federally funded initiatives—that lost federal funding after September 10, 2025. CCDs using the exclusion must certify their eligibility to the Chancellor's Office annually, and the measure includes safeguards to ensure it does not reduce instructional spending, faculty positions, or instructional quality. The authority would expire by July 1, 2031, or sooner if the federal funding is restored, and the bill would take effect immediately as an urgency statute.

Employees

[AB 1898 \(Schultz, D-Burbank\)](#)—**Workplace Artificial Intelligence**. This bill requires an employer to provide written notice to an affected worker and the worker's bargaining representative if a workplace artificial intelligence tool was used to assist the employer in making employment-related decisions or to surveil the workplace.

[AB 1961](#) (Ahrens, D-Silicon Valley)—**Civil Actions: Protective Orders: Workplace Violence**. Current law allows an employer to seek a workplace violence restraining order on behalf of an employee who has suffered harassment, unlawful violence, or a credible threat of violence. This bill would authorize an employer to seek a workplace violence restraining order on behalf of a reasonably identifiable group or class of employees if a credible threat of violence is generally directed at the employer's workplace or at the employer's employees.

Financial Aid

[AB 1534](#) (Irwin, D-Thousand Oaks)—**Student Financial Aid: Federal Workforce Pell Grant Program**. As amended on March 5, 2026, this bill would establish a state authorization process for colleges that want to offer short-term training programs funded by federal Workforce Pell Grants. The bill would prohibit public and private postsecondary institutions that receive state student aid from distributing or advertising Workforce Pell Grants for short-term programs unless the institution has been authorized by a designated California state entity and demonstrates that the program meets federal eligibility requirements. Institutions seeking approval would have to submit information verifying that their programs qualify, certify the accuracy of that information under penalty of perjury, and provide documentation if requested. The state entity responsible for authorization would review the programs and consult with workforce agencies and an advisory body before approving them.

AB 1534 will be heard by the Assembly Higher Education Committee next Tuesday.

Instruction

[AB 1552](#) (Jackson, D-Moreno Valley)—**Public Postsecondary Education: General Education History and Government Courses: Civic Engagement, Civic Discord, Democracy, and Democratic Institutions**. As amended on March 19, 2026, this bill would require the CCC and the California State University (CSU), and request the University of California (UC), to review and update certain U.S. history and government courses to ensure they include content on civic engagement, civic conflict, and the functioning of democratic institutions. Campuses would work with their academic senates to conduct the review and consider updates. The bill would also require each campus of the CCC and CSU, and request the UC, to submit a report to the Legislature by the 2028-29 academic year with recommendations for improving students' understanding of American democracy and expanding civic engagement opportunities. The bill's requirements would sunset on January 1, 2033.

AB 1552 will be heard by the Assembly Higher Education Committee next Tuesday.

[AB 1728](#) (Alanis, R-Modesto)—**Community Colleges: Common Course Numbering System: Firefighting and Law Enforcement Education Courses**. This bill would require the CCC common course numbering system for general education and transfer pathway courses to also include firefighting and law enforcement education courses.

AB 1728 will be heard by the Assembly Higher Education Committee next Tuesday.

Tuition and Fees

[AB 1555](#) (Hadwick, R-Alturas)—**Community Colleges: Exemption from Nonresident Tuition Fee: College of the Siskiyous**. This bill would exempt up to 200 students per academic year who reside in specified Oregon counties (Jackson, Josephine, and Klamath) from paying nonresident tuition at College of the Siskiyous. It would require the Siskiyou Joint CCD to adopt rules for residency classification and appeals.

AB 1555 will be heard by the Assembly Higher Education Committee next Tuesday.

2026 Legislative Calendar—Upcoming Holidays and Deadlines

March 26—Spring recess begins upon adjournment

March 30—Cesar Chavez Day observed



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Senate Education Budget Subcommittee Gets New Chair



BY KYLE HYLAND

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posted March 16, 2026

As budget subcommittee season gets underway hearing the Governor's 2026-27 State Budget proposal, there appears to be a change of the guard for the Senate Budget Subcommittee No. 1 on Education, with Senator Sasha Renée Pérez (D-Alhambra) now leading the committee.

Earlier this year, we reported that Senator Lena Gonzalez (D-Long Beach) had been appointed chair of the subcommittee, with Senators Rosilicie Ochoa Bogh (R-Yucaipa) and Sasha Renée Pérez serving as the other members (see the article "[Senate Leader Limón Announces Committee Assignments](#)" in the January 2026 *Community College Update*).

However, since that announcement, the membership of the Senate Budget Subcommittee No. 1 on Education has changed. The Senate Budget and Fiscal Review Committee website now lists the following members for Subcommittee No. 1:

- Senator Sasha Renée Pérez, Chair
- Senator Bob Archuleta (D-Pico Rivera)
- Senator Rosilicie Ochoa Bogh

Notably, there does not appear to have been a formal public announcement from Senate leadership regarding this change in membership. Instead, the updated roster appears on the committee's official web page and has been reflected in recent subcommittee hearing materials.

Senators Pérez and Ochoa Bogh both served on the subcommittee last year, but this is Senator Archuleta's first year as a subcommittee member.

Senator Archuleta represents Senate District 30, which includes portions of southeastern Los Angeles County and northern Orange County. He was elected to the State Senate in 2018 after previously serving on the Pico Rivera City Council and as mayor of the city.

As a reminder, Senate Budget Subcommittee No. 1 on Education is tasked with vetting and approving education issues in the State Budget. Throughout the spring, the subcommittee will hear testimony on the Governor's 2026-27 State Budget education proposals from the Department of Finance, the Legislative Analyst's Office, and education interest holders.

The subcommittee ultimately helps shape education investments and policy proposals in the Legislature's version of the State Budget before legislative leaders and the Newsom Administration finalize the annual budget agreement.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Federal Government Challenges California Oil Setback Law



BY KYLE HYLAND

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posted March 16, 2026

Senate Bill (SB) 1137 (Gonzalez, Statutes of 2022), a law restricting oil and gas drilling near homes and other sensitive locations, is now the subject of a federal lawsuit after its implementation was delayed for more than a year by a referendum effort.

SB 1137 establishes a 3,200-foot setback between new oil and gas wells and “sensitive receptors.” The law prohibits new oil wells from being built within 3,200 feet of a residence, education resource, community resource, health care facility, dormitory, or any building open to the public. An “education resource” includes preschools, schools maintaining grades TK-12, daycare centers, parks, playgrounds, universities, and community colleges. While the law does not impose new requirements on TK-14 education, it is intended to create a buffer to reduce students’ and staff’s potential exposure to emissions from nearby drilling operations.

Soon after Governor Gavin Newsom signed the bill, oil industry groups, led by the California Independent Petroleum Association, launched a referendum to repeal it. When the referendum qualified for the November 2024 ballot in early 2023, the law was automatically suspended pending the vote, delaying its implementation despite a statutory effective date of January 1, 2023. The proponents withdrew the referendum in June 2024, however, so it never appeared on the ballot and SB 1137 took effect immediately after the withdrawal.

On January 14, 2026, the Trump Administration filed a lawsuit in the U.S. District Court for the Eastern District of California challenging the law, arguing that California’s setback requirements interfere with federal authority over oil and gas development. California officials maintain that the state has broad authority to regulate oil production to protect public health and safety.

The U.S. Department of Justice has indicated it may seek a preliminary injunction, but the case remains in its initial stages, and no trial date has been set. As a result, while the lawsuit seeks to invalidate the statute, no court has issued an injunction blocking SB 1137, and the law remains in effect while the litigation proceeds in federal court.

We will continue to monitor the case, as its outcome could influence how California regulates oil drilling near TK-14 schools.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

State Revenues Exceed Projections Amid Moderating Economic Trends



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In its March 2026 issue of the monthly *Finance Bulletin*, the Department of Finance reports that General Fund revenues for February came in slightly above the Governor’s Budget projections, while fiscal year-to-date (YTD) revenues continue to show strong performance. February receipts exceeded projections by \$154 million (1.4%), and YTD revenues are higher than expected by \$7.0 billion (5.1%), largely driven by continued strength in personal income tax and corporation tax collections.

Revenue Trends

Revenue performance in February was mixed across the major tax categories. Personal income tax receipts fell short of projections for the month by \$395 million (6.8%), primarily due to higher-than-anticipated refunds. Despite this monthly shortfall, personal income tax collections remain strong on a year-to-date basis, exceeding projections by \$4.3 billion (4.8%).

Corporation tax receipts continued to outperform expectations. February revenues exceeded projections by \$362 million, and YTD collections are higher by \$1.8 billion (9.3%). This strength is largely attributable to higher pass-through entity tax payments and lower refund activity.

Sales and use tax receipts came in modestly above projections for February by \$180 million (4.2%) and are essentially on target for the fiscal year, exceeding projections by only \$1 million.

	“Big Three” Taxes In millions			2025-26 Year to Date		
	February 2026					
	Forecast	March <i>Finance Bulletin</i>	Difference	Forecast	March <i>Finance Bulletin</i>	Difference
Personal Income Tax	\$5,772	\$5,377	\$(395)	\$89,263	\$93,577	\$4,314
Corporation Tax	\$175	\$537	\$362	\$19,564	\$21,391	\$1,827
Sales and Use Tax	\$4,323	\$4,503	\$180	\$23,439	\$23,440	\$1
Total	\$10,270	\$10,417	\$147¹	\$132,266	\$138,408	\$6,142¹

¹Total revenues in the table are limited to “Big Three” taxes and do not include all state revenues reported in the *Finance Bulletin*.

Economic Conditions

Recent national indicators point to continued economic expansion at a moderating pace. In March, the Federal Reserve maintained the federal funds rate target range at 3.5% to 3.75%, signaling a continued data-dependent approach to future policy adjustments. U.S. headline and core inflation remained unchanged in February, with the Consumer Price Index (CPI) increasing 2.4% and core CPI, which excludes food and energy increasing 2.5% over the past 12 months, while personal income and consumer spending continue to reflect steady household demand. According to the *Finance Bulletin*, economic growth slowed in late 2025, with U.S. real gross domestic product increasing at a 0.7% annualized rate in the fourth quarter, a notable deceleration from earlier in the year.

At the state level, economic conditions in California generally reflect similar trends, though with some continued differences in magnitude. Labor market conditions in California remain relatively stable but continue to lag slightly behind national trends. The *Finance Bulletin* notes that employment gains have been modest and uneven across sectors, with some industries experiencing job losses that offset gains in others.

Housing activity in California shows mixed signals. The *Finance Bulletin* indicates that building activity and permits remain below prior levels, reflecting continued constraints in housing supply, although conditions have shown some stabilization relative to earlier periods.

Inflationary pressures in California, while easing, continue to be influenced by components such as housing, which remain a key driver of overall price levels.

Outlook

Overall, the state's revenue picture through February remains favorable, supported by strong year-to-date performance in personal income and corporation taxes. At the same time, moderating economic growth, stable but uneven labor market conditions, and ongoing housing constraints suggest a more measured economic environment moving forward.

Updated U.S. and state economic conditions, along with state revenue estimates and their implications for Proposition 98, will be reflected in the Governor's May Revision. We will continue to monitor these developments and provide additional analysis as new information becomes available.

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2026/27 Tentative Budget Assumptions
March 27, 2026**

I. State Revenue

A. The District's earned revenue is projected to be greater than hold harmless. Budgeting for 2026/27 will use the Student Centered Funding Formula (SCFF) at the full calculated revenue.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth	Funded Growth
2019/20	Recal	27,028.98	26,889.30	4.26%	-4.20%
2020/21	Recal	25,333.74	26,993.32	-6.27%	0.39%
2021/22	Recal	26,202.98	27,208.25	3.43%	0.80%
2022/23	Recal	27,294.07	27,316.74	4.16%	0.40%
2023/24	Recal	29,002.84	28,664.35	6.26%	4.93%
2024/25	Recal	31,020.35	29,703.50	6.96%	3.63%
2025/26	P1	32,872.58	30,267.47	5.97%	1.90%

The governor's state budget proposal includes 1.50% systemwide growth funding and 2.41% COLA. The components remain at 70/20/10 split with funded COLA added to all metrics each year. Any changes to our funding related to the SCFF will be incorporated when known.

Projected COLA of 2.41%	\$6,352,097
Projected Growth of 1.5%	\$4,030,910

Fund 13 set aside for 2% Deficit Factor (SAC=\$3,717,800/SCC=\$1,459,474) \$5,177,274

2026/27 Potential Growth at 1.5% 33,366 FTES

C. Education Protection Account (EPA) funding estimated at \$42,329,100 based on 2025/26 @ Advance. These are not additional funds. The EPA is only a portion of general purpose funds that offsets what would otherwise be state aid in the apportionments. We intend to charge a portion of faculty salaries to this funding source in compliance with EPA requirements.

D. Unrestricted lottery is projected at \$190 per FTES (\$6,394,726). Restricted lottery at \$82 per FTES (\$2,759,829). (2025/26 @ P1 of resident & nonresident factored FTES, 33,656.45 x \$190 = \$6,394,726 unrestricted lottery; 33,656.45 x \$82 = \$2,759,829 restricted lottery)

E. Estimated reimbursement for part-time faculty compensation is estimated at \$722,412 (2025/26 @ Advance). Estimated reimbursement for part-time faculty health benefits is estimated at \$215,434 (2024/25 actuals).

F. Categorical programs will continue to be budgeted separately; self-supporting, matching revenues and expenditures. COLA is being proposed on certain categorical programs. Without COLA, other categorical reductions would be required to remain in balance if settlements are reached with bargaining groups. The colleges will need to budget for any program match requirements using unrestricted funds.

G. College Promise Grants (BOG fee waivers 2% administration) funding estimated at 2025/26 @ Advance of \$355,987.

H. Mandated Programs Block Grant estimated at a total budget of \$1,052,295 (\$36.46 x 28,861.63 Funded FTES @ P2). Increase of \$5,463. No additional one-time allocation proposed.

II. Other Revenue

I. Non-Resident Tuition budgeted at \$4,300,000. (SAC \$2,700,000, SCC \$1,600,000).

J. Interest earnings estimated at \$3,000,000.

K. Other miscellaneous income (includes fines, fees, rents, etc.) is estimated at approximately \$464,737.

L. Apprenticeship revenue estimated at \$6,562,448 (620,856 hrs x \$10.57). Adjusted for COLA, increase of \$155,214

M Scheduled Maintenance/Instructional Equipment allocation - \$3 million estimated.

N Full-time Faculty Hiring Allocation - no new allocation is proposed at this time.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2026/27 Tentative Budget Assumptions
March 27, 2026

III. Appropriations and Expenditures

- A. As the District's budget model is a revenue allocation model, revenues flow through the model to the colleges as earned. The colleges have the responsibility, within their earned revenue, to budget for ALL necessary expenditures including but not limited to all full time and part time employees, utilities, instructional services agreements, multi-year maintenance and other contracts, supplies, equipment and other operating costs.
- B. Salary Schedule Adjustments - estimated 3.2% for unrestricted general fund = \$6.7 million.
The colleges will need to budget for bargained increased costs in Salaries and Benefits for part-time employees. The estimated cost of a 1% salary increase is \$2.6 million for all funds. The estimated cost of a 1% salary increase is \$2.1 million for the unrestricted general fund.
- C. Step and column movement is budgeted at an additional cost of approximately \$2.37 million including benefits for FD 11 (FARSCCD approximate cost \$666,340, CSEA approximate cost \$1,153,518, Management/Other approximate cost \$554,912) For all funds, it is estimated to = \$3.34 million (FARSCCD = \$771,360, CSEA = \$1,796,029, Management/Others = \$769,961) In addition, the colleges would need to budget for step/column increases for P/T faculty.
- D. Health and Welfare benefit premium cost increase as of 1/1/2026 is estimated at 11.0% for an additional cost of approximately \$1,051,973 for active employees. For retirees estimated to be \$464,504. PT Health continue budget of \$1M.
State Unemployment Insurance (.05%). Workers' Compensation Insurance (1.75%)
CalSTRS employer contribution rate will stay the same in 2026/27 at 19.10% for no increase.
(Note: The cost of each 1% increase in the STRS rate is approximately \$760,000.)
CalPERS employer contribution rate will decrease in 2026/27 from 26.81% to 26.40% for a decrease of \$215,233.
(Note: The cost of each 1% increase in the PERS rate is approximately \$464,000.)
- E. The full-time faculty obligation (FON) for Fall 2026 is estimated to be 358. The Fall 2025 report indicated the District was 32.6 faculty over its FON and will meet its Fall 2025 obligation without the need to hire additional faculty. The current cost for a new position is budgeted at Class VI, Step 11 at approximately \$197,863. Penalties for not meeting the obligation amount to approximately \$92,322 per FTE not filled. Each faculty hired over the FON adds cost of (\$197,863 - \$74,531) = \$123,332 if deduct hourly cost. A minimum of 10 faculty need to be hired to meet FON for Fall 2026. (SAC - hiring 11 credit/1 non-fon/1 categorical/SCC - 0 new faculty)
- F. The current rate per Lecture Hour Equivalent (LHE) effective 7/1/26 for hourly faculty is \$112.81 x 18 hrs/LHE= \$2.031 (FY 2026/27) (Total cost of salary and benefits of part-time faculty to teach 30 LHE = \$74,531)
- G. Retiree Health Benefit Fund (OPEB/GASB 75 Obligation) - The calculated Employer Contribution Target is estimated to be less than our current pay as you go therefore the district employer payroll contribution remains at 0% of total salaries.
- H. Capital Projects - The District will continue to budget \$1.5 million for capital outlay needs as a transfer from General Fund to Capital Outlay Fund (no change). Removal of transfer \$2.2 million from General Fund to Debt Service Fund to repay Certificates of Participation (COP) until COPs are issued.
- I. Utilities cost increases of 15%, estimated at \$115,000.
- J. Information Technology licensing contract escalation cost estimated at \$252,000.
- K. Property and Liability Insurance transfer estimated at \$3,900,000.
- L. Other additional DSO/Institutional Cost expenses:
- | | Ongoing Cost | One-time Cost |
|---|--------------|---------------|
| HR - budget TB test reimbursement | \$ 8,000 | |
| ITS - centralized funding for software requests | \$ 406,077 | |
| Board special counsel | \$ 100,000 | |
| CEFA MOU re: participatory governance | \$ 10,000 | |
| Out-of-State payroll processing | \$ 687,127 | |
| | \$ - | |
| | \$ - | |
| | . | |
- M. Tenth & final contribution of Santiago Canyon College ADA Settlement expenses of \$2 million from available one-time funds.
- N. SRP 2 Expense Reduction (SRP completely paid).

Rancho Santiago Community College District Unrestricted General Fund Summary 2026/27 Tentative Budget Assumptions March 27, 2026

	* <u>New Revenues</u>	Ongoing Only	One-Time
A	Student Centered Funding Formula		
B	Projected COLA of 2.41%	\$6,352,097	
B	Projected Growth of 1.5%	\$4,030,910	
D	Unrestricted Lottery	\$438,596	
H	Mandates Block Grant	\$0	
I	Non-Resident Tuition	\$300,000	
J	Interest Earnings	\$0	
L	Apprenticeship - SCC	\$155,214	
EGK	Misc Income	\$426,899	
N	Full-time Faculty Allocation	\$0	
	Total	\$11,703,716	
	 <u>New Expenditures</u>		
B	Salary Schedule Increases/Collective Bargaining	\$6,716,183	
C	Step/Column	\$2,374,770	
D	Health and Welfare/Benefits Est. Increase 11.0% - Active	\$1,051,973	
D	Health and Welfare/Benefits - Retirees	\$464,504	
D	Health and Welfare - Part-time Faculty (placeholder)	\$0	
D	CalSTRS Changes	\$0	
D	CalPERS Changes	(\$215,233)	
D	Workers' Compensation Insurance (WCI)	\$0	
E	Full Time Faculty Obligation Hires	\$2,176,493	
E	Non-Credit Faculty (Non FON)	\$197,863	
E/F	Hourly Faculty Budgets (Match Budget to Actual Expense)	\$0	
G	Cost of Retiree Health Benefit (OPEB Cost)	\$0	
H	Capital Outlay/Scheduled Maintenance	\$0	
H	Certificates of Participation	(\$2,200,000)	
I	Utilities Increase	\$115,000	
J	ITS Licensing/Contract Escalation Cost	\$252,000	
K	Property, Liability and All Risks Insurance	\$0	
II.L	Apprenticeship - SCC	\$0	
L	Other Additional DSO/Institutional Costs	\$1,211,204	
M	SCC ADA Settlement Costs-final payment	\$0	\$2,000,000
N	SRP 2 Expense Reduction (SRP completely paid).	(\$765,064)	
	Total	\$11,379,692	\$2,000,000
	2026/27 Budget Year Unallocated (Deficit)	\$324,023	
	2025/26 Structural Unallocated (Deficit)	\$3,286,511	
**	SCC est. ongoing budget reductions	\$1,100,000	
	Vacancies / Reorgs / Other Adjustments	\$488,279	
	Total Est. Unallocated (Deficit)	\$5,198,813	

* Reference to budget assumption number

** Subject to SCC participatory governance process

Cost Analysis of Out-of-State Employee Payroll Processing

As the colleges continue to hire out-of-state employees even though they have been told numerous times that the Orange County Department of Education (OCDE) cannot process out-of-state payroll, we are forced to add the necessary costs to process this payroll outside of the county. The following analysis conducted by Business Services staff reflects our best estimates of the additional efforts and costs required for processing payroll for District employees residing outside of the state of California.

As previously stated OCDE does not offer processing for out-of-state payroll. However, it will need to be involved in any implementation, because RSCCD will have to export data sufficient to allow the reporting of earnings to CalPERS and/or CalSTRS retirement systems, federal and state tax authorities, if employee qualifies and/or when an employee reaches Mandatory membership, etc.

However, processing payroll for out-of-state employees cannot be completely outsourced and will also require hiring approximately 4.0 FTE additional employees to facilitate the implementation of the system changes, process payroll, post to the General Ledger and ITS Services for extracting data for OCDE, accounting and assisting with specialized reporting and/or data integrity processes.

We reviewed several outside payroll processing companies for applicability. After review, and based on conversations with Purvi Shah, Payroll Manager at Coast Community College District (the only community college district in Orange County that has processed out-of-state payroll), it appears that the Greenshades Co. would be able to effectively process all taxes and issue related W-2's as necessary on our behalf.

Based on the current usage of out-of-state employees, the Greenshades proposal includes tax service (federal and five states to start), single workspace/EIN licensing, and the required HR Core module for up to three employees, which delivers the required pay records for Payroll Tax Service. It also includes remote implementation and administrative training services plus professional services to assist with client-managed integration with one year of licensing and support.

Workspace fee	\$367
Payroll Tax Service Core	\$5,105
Payroll Tax Service 5 State	\$7,501
Professional Services	\$3,700
HR Core	\$90
Implementation Fee	<u>\$85</u>
Greenshades quote:	\$16,848 Annual Service Fee

Additional state processing fees depend entirely on how many additional states are needed each year. Each additional added state will cost \$2,276.

There are no monthly costs on top of the proposed licensing as licensing and HR Core are billed Annually.

In addition to the above estimated implementation and outsourcing fees, RSCCD will need to hire a minimum of four additional employees as there is currently no capacity to add additional workload in Payroll, Accounting or ITS to current employees. One Payroll Specialist, one Sr. Accountant, one Application Specialist III and one Application Specialist IV will be required. Costs are based on 2026/27 salary schedules.

Payroll Specialist cost of position	\$115,386
Sr. Accountant cost of position	\$135,972
Application Specialist III cost of position	\$162,730
Application Specialist IV cost of position	\$201,191
Annual supplies, equipment, training	\$ 55,000
Total Greenshades Annual Service Fee	<u>\$ 16,848</u>

Annual cost to process out-of-state payroll **\$687,127**

This cost will increase annually based on contract escalation costs, additional added states, Cost of Living Adjustments and benefits cost increases.

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2026/27 Tentative Budget Assumptions
March 27, 2026**

I. State Revenue

A. The District's earned revenue is projected to be greater than hold harmless. Budgeting for 2026/27 will use the Student Centered Funding Formula (SCFF) at the full calculated revenue.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth	Funded Growth
2019/20	Recal	27,028.98	26,889.30	4.26%	-4.20%
2020/21	Recal	25,333.74	26,993.32	-6.27%	0.39%
2021/22	Recal	26,202.98	27,208.25	3.43%	0.80%
2022/23	Recal	27,294.07	27,316.74	4.16%	0.40%
2023/24	Recal	29,002.84	28,664.35	6.26%	4.93%
2024/25	Recal	31,020.35	29,703.50	6.96%	3.63%
2025/26	P1	32,872.58	30,267.47	5.97%	1.90%

The governor's state budget proposal includes 1.50% systemwide growth funding and 2.41% COLA. The components remain at 70/20/10 split with funded COLA added to all metrics each year. Any changes to our funding related to the SCFF will be incorporated when known.

Projected COLA of 2.41%	\$6,352,097
Projected Growth of 1.5%	\$4,030,910

Fund 13 set aside for 2% Deficit Factor (SAC=\$3,717,800/SCC=\$1,459,474) \$5,177,274

2026/27 Potential Growth at 1.5% 33,366 FTES

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D. Unrestricted lottery is projected at \$190 per FTES (\$6,394,726). Restricted lottery at \$82 per FTES (\$2,759,829). (2025/26 @ P1 of resident & nonresident factored FTES, 33,656.45 x \$190 = \$6,394,726 unrestricted lottery; 33,656.45 x \$82 = \$2,759,829 restricted lottery)

E. Estimated reimbursement for part-time faculty compensation is estimated at \$722,412 (2025/26 @ Advance). Estimated reimbursement for part-time faculty health benefits is estimated at \$215,434 (2024/25 actuals).

F. Categorical programs will continue to be budgeted separately; self-supporting, matching revenues and expenditures. COLA is being proposed on certain categorical programs. Without COLA, other categorical reductions would be required to remain in balance if settlements are reached with bargaining groups. The colleges will need to budget for any program match requirements using unrestricted funds.

G. College Promise Grants (BOG fee waivers 2% administration) funding estimated at 2025/26 @ Advance of \$355,987.

H. Mandated Programs Block Grant estimated at a total budget of \$1,052,295 (\$36.46 x 28,861.63 Funded FTES @ P2). Increase of \$5,463. No additional one-time allocation proposed.

II. Other Revenue

I. Non-Resident Tuition budgeted at \$4,300,000. (SAC \$2,700,000, SCC \$1,600,000).

J. Interest earnings estimated at \$3,000,000.

K. Other miscellaneous income (includes fines, fees, rents, etc.) is estimated at approximately \$464,737.

L. Apprenticeship revenue estimated at \$6,562,448 (620,856 hrs x \$10.57). Adjusted for COLA, increase of \$155,214

M. Scheduled Maintenance/Instructional Equipment allocation - \$3 million estimated.

N. Full-time Faculty Hiring Allocation - no new allocation is proposed at this time.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2026/27 Tentative Budget Assumptions
March 27, 2026

III. Appropriations and Expenditures

- A. As the District's budget model is a revenue allocation model, revenues flow through the model to the colleges as earned. The colleges have the responsibility, within their earned revenue, to budget for ALL necessary expenditures including but not limited to all full time and part time employees, utilities, instructional services agreements, multi-year maintenance and other contracts, supplies, equipment and other operating costs.
- B. Salary Schedule Adjustments - estimated 3.2% for unrestricted general fund = \$6.7 million.
The colleges will need to budget for bargained increased costs in Salaries and Benefits for part-time employees. The estimated cost of a 1% salary increase is \$2.6 million for all funds. The estimated cost of a 1% salary increase is \$2.1 million for the unrestricted general fund.
- C. Step and column movement is budgeted at an additional cost of approximately \$2.37 million including benefits for FD 11 (FARSCCD approximate cost \$666,340, CSEA approximate cost \$1,153,518, Management/Other approximate cost \$554,912) For all funds, it is estimated to = \$3.34 million (FARSCCD = \$771,360, CSEA = \$1,796,029, Management/Others = \$769,961) In addition, the colleges would need to budget for step/column increases for P/T faculty.
- D. Health and Welfare benefit premium cost increase as of 1/1/2026 is estimated at 11.0% for an additional cost of approximately \$1,051,973 for active employees. For retirees estimated to be \$464,504. PT Health continue budget of \$1M.
State Unemployment Insurance (.05%). Workers' Compensation Insurance (1.75%)
CalSTRS employer contribution rate will stay the same in 2026/27 at 19.10% for no increase.
(Note: The cost of each 1% increase in the STRS rate is approximately \$760,000.)
CalPERS employer contribution rate will decrease in 2026/27 from 26.81% to 26.40% for a decrease of \$215,233.
(Note: The cost of each 1% increase in the PERS rate is approximately \$464,000.)
- E. The full-time faculty obligation (FON) for Fall 2026 is estimated to be 358. The Fall 2025 report indicated the District was 32.6 faculty over its FON and will meet its Fall 2025 obligation without the need to hire additional faculty. The current cost for a new position is budgeted at Class VI, Step 11 at approximately \$197,863. Penalties for not meeting the obligation amount to approximately \$92,322 per FTE not filled. Each faculty hired over the FON adds cost of (\$197,863 - \$74,531) = \$123,332 if deduct hourly cost. A minimum of 10 faculty need to be hired to meet FON for Fall 2026. (SAC - hiring 11 credit/1 non-fon/1 categorical/SCC - 0 new faculty)
- F. The current rate per Lecture Hour Equivalent (LHE) effective 7/1/26 for hourly faculty is \$112.81 x 18 hrs/LHE= \$2.031 (FY 2026/27) (Total cost of salary and benefits of part-time faculty to teach 30 LHE = \$74,531)
- G. Retiree Health Benefit Fund (OPEB/GASB 75 Obligation) - The calculated Employer Contribution Target is estimated to be less than our current pay as you go therefore the district employer payroll contribution remains at 0% of total salaries.
- H. Capital Projects - The District will continue to budget \$1.5 million for capital outlay needs as a transfer from General Fund to Capital Outlay Fund (no change). Removal of transfer \$2.2 million from General Fund to Debt Service Fund to repay Certificates of Participation (COP) until COPs are issued.
- I. Utilities cost increases of 15%, estimated at \$115,000.
- J. Information Technology licensing contract escalation cost estimated at \$252,000.
- K. Property and Liability Insurance transfer estimated at \$3,900,000.
- L. Other additional DSO/Institutional Cost expenses:
- | | Ongoing Cost | One-time Cost |
|---|--------------|---------------|
| HR - budget TB test reimbursement | \$ 8,000 | |
| ITS - centralized funding for software requests | \$ 406,077 | |
| Board special counsel | \$ 100,000 | |
| CEFA MOU re: participatory governance | \$ 10,000 | |
| Out-of-State payroll processing | \$ 687,127 | |
| Parking/Safety costs over budget | \$ 859,481 | |
| | \$ - | |
- M. Tenth & final contribution of Santiago Canyon College ADA Settlement expenses of \$2 million from available one-time funds.
- N. SRP 2 Expense Reduction (SRP completely paid).

Rancho Santiago Community College District Unrestricted General Fund Summary 2026/27 Tentative Budget Assumptions March 27, 2026

	* <u>New Revenues</u>	Ongoing Only	One-Time
A	Student Centered Funding Formula		
B	Projected COLA of 2.41%	\$6,352,097	
B	Projected Growth of 1.5%	\$4,030,910	
D	Unrestricted Lottery	\$438,596	
H	Mandates Block Grant	\$0	
I	Non-Resident Tuition	\$300,000	
J	Interest Earnings	\$0	
L	Apprenticeship - SCC	\$155,214	
EGK	Misc Income	\$426,899	
N	Full-time Faculty Allocation	\$0	
	Total	\$11,703,716	
	 <u>New Expenditures</u>		
B	Salary Schedule Increases/Collective Bargaining	\$6,716,183	
C	Step/Column	\$2,374,770	
D	Health and Welfare/Benefits Est. Increase 11.0% - Active	\$1,051,973	
D	Health and Welfare/Benefits - Retirees	\$464,504	
D	Health and Welfare - Part-time Faculty (placeholder)	\$0	
D	CalSTRS Changes	\$0	
D	CalPERS Changes	(\$215,233)	
D	Workers' Compensation Insurance (WCI)	\$0	
E	Full Time Faculty Obligation Hires	\$2,176,493	
E	Non-Credit Faculty (Non FON)	\$197,863	
E/F	Hourly Faculty Budgets (Match Budget to Actual Expense)	\$0	
G	Cost of Retiree Health Benefit (OPEB Cost)	\$0	
H	Capital Outlay/Scheduled Maintenance	\$0	
H	Certificates of Participation	(\$2,200,000)	
I	Utilities Increase	\$115,000	
J	ITS Licensing/Contract Escalation Cost	\$252,000	
K	Property, Liability and All Risks Insurance	\$0	
II.L	Apprenticeship - SCC	\$0	
L	Other Additional DSO/Institutional Costs	\$2,070,685	
M	SCC ADA Settlement Costs-final payment	\$0	\$2,000,000
N	SRP 2 Expense Reduction (SRP completely paid).	(\$765,064)	
	Total	\$12,239,173	\$2,000,000
	2026/27 Budget Year Unallocated (Deficit)	(\$535,458)	
	2025/26 Structural Unallocated (Deficit)	\$3,286,511	
**	SCC est. ongoing budget reductions	\$1,100,000	
	Vacancies / Reorgs / Other Adjustments	\$488,279	
	Total Est. Unallocated (Deficit)	\$4,339,332	

* Reference to budget assumption number

** Subject to SCC participatory governance process

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2026/27 Tentative Budget Assumptions
March 27, 2026**

I. State Revenue

A. The District's earned revenue is projected to be greater than hold harmless. Budgeting for 2026/27 will use the Student Centered Funding Formula (SCFF) at the full calculated revenue.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth	Funded Growth
2019/20	Recal	27,028.98	26,889.30	4.26%	-4.20%
2020/21	Recal	25,333.74	26,993.32	-6.27%	0.39%
2021/22	Recal	26,202.98	27,208.25	3.43%	0.80%
2022/23	Recal	27,294.07	27,316.74	4.16%	0.40%
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RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2026/27 Tentative Budget Assumptions
March 27, 2026

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| CEFA MOU re: participatory governance | \$ 10,000 | |
| Out-of-State payroll processing | \$ 687,127 | |
| Parking/Safety costs over budget | \$ 859,481 | |
| Zero student parking fees | \$ 500,077 | |
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Rancho Santiago Community College District Unrestricted General Fund Summary 2026/27 Tentative Budget Assumptions March 27, 2026

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L	Other Additional DSO/Institutional Costs	\$2,570,762	
M	SCC ADA Settlement Costs-final payment	\$0	\$2,000,000
N	SRP 2 Expense Reduction (SRP completely paid).	(\$765,064)	
	Total	\$12,739,250	\$2,000,000
	2026/27 Budget Year Unallocated (Deficit)	(\$1,035,535)	
	2025/26 Structural Unallocated (Deficit)	\$3,286,511	
**	SCC est. ongoing budget reductions	\$1,100,000	
	Vacancies / Reorgs / Other Adjustments	\$488,279	
	Total Est. Unallocated (Deficit)	\$3,839,255	

* Reference to budget assumption number

** Subject to SCC participatory governance process



Rancho Santiago Community College District Budget Allocation Model Based on the Student Centered Funding Formula

The *“Rancho Santiago Community College District Budget Allocation Model Based on the SCFF”* was recommended at the November 18, 2020 Fiscal Resource Committee meeting, updated on April 20, 2022, on March 15, 2023, on May 15, 2024, and again on May 28, 2025.

Introduction

In February of 2012, the Rancho Santiago Community College District approved and adopted a revenue allocation formula, based on SB 361, in order to provide the greatest amount of flexibility for each of the campuses. The change was initiated by the district Budget Allocation and Planning Review Committee (BAPR) and a technical subgroup of BAPR who was then delegated the task of reviewing the model that the District had been using for the previous ten years. The BAPR workgroup proceeded to review and evaluate approximately 20 other California community college multi-campus budget allocation models. Following the review of other models, the BAPR workgroup ultimately decided on a revenue allocation model as opposed to the expenditure allocation model that had been in effect in the District. On July 1, 2018, the Student Centered Funding Formula (SCFF) was adopted by the State of California marking one of the biggest changes to California Community College funding yet. The SCFF is based on three allocations:

- 1) Base Allocation (70% of state funding) is based on the number of colleges and comprehensive centers in the community college district and total FTES generation
- 2) Supplemental Allocation (20% of state funding) is based on the number of low-income students.
- 3) Student Success Allocation (10% of state funding) is based on student progress such as transfer, completion, and wage earnings.

RSCCD’s Fiscal Resource Committee (FRC), as the current participatory governance body in charge of reviewing and evaluating the RSCCD revenue allocation model, determined that based on the new

distribution of funds from the State, the District's current budget model needed to be reviewed and revised to be in accordance with the Student Centered Funding Formula.

Noncredit and Career Development and College Preparation (CDCP) funding are considered fully funded in the base allocation and do not qualify for supplemental and success funding. See Appendix A - Definition of Terms for enhanced descriptions.

The goal of the BAM is to create a documented revenue allocation process that provides financial stability and encourages fiscal accountability at all levels in times of either increasing or decreasing revenue streams. It is also intended to be transparent, fair, predictable and consistent, using quantitative, verifiable factors with performance incentives. FRC will annually review the BAM language.

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

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

This BAM should be reviewed on an annual basis by the FRC to evaluate any changes in the SCFF as updates are signed into law and recommend any related changes to the BAM to District Council.

College and District Services and Operations Budgets and Expenditure Responsibilities

Since the RSCCD BAM is a revenue allocation model, all expenditures and allocation of revenues under the model are the responsibilities of the colleges and centers. Revenue responsibilities for the colleges, District Services and Operations and Institutional Costs are summarized in Table 1.

Expenditure responsibilities for the colleges, District Services and Operations and Institutional Costs are summarized in Table 2.

TABLE 1 Revenue and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services and Operations ☑	Institutional Cost ☑
Federal Revenue- (81XX)					
1	Grants Agreement	✓	✓	✓	
2	General Fund Matching Requirement	✓	✓	✓	
3	In-Kind Contribution (no additional cost to general fund)	✓	✓	✓	
4	Indirect Cost (overhead)	✓	✓	✓	
State Revenue- (86XX)					
1	Base Funding	✓	✓	✓	
	Supplemental Funding	✓	✓	✓	
	Student Success Funding	✓	✓	✓	
2	Apportionment	✓	✓		
3	COLA or Negative COLA	✓	✓	✓ subject to collective bargaining	
4	Growth, Work Load Measure Reduction, <i>Negative Growth</i>	✓	✓	✓	
5	Categorical Augmentation/Reduction	✓	✓	✓	
6	General Fund Matching Requirement	✓	✓	✓	
7	Apprenticeship	✓	✓		
8	In-Kind Contribution	✓	✓	✓	
9	Indirect Cost	✓	✓	✓	

TABLE 1 Revenue and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services and Operations ☑	Institutional Cost ☑
State Revenue- (86XX)					
10	Lottery				
	- Unrestricted (abate cost of utilities)	✓	✓	✓	
	- Restricted-Proposition 20	✓	✓		
11	Instructional Equipment Matches (3:1)	✓	✓		
12	Scheduled Maintenance Matches	✓	✓	✓	
13	Part-time Faculty Compensation Funding	✓	✓	✓ subject to collective bargaining	
14	State Mandated Cost	✓	✓	✓	
Local Revenue- (88XX)					
1	Contributions	✓	✓	✓	
2	Fundraising	✓	✓	✓	
3	Proceed of Sales	✓	✓	✓	
4	Health Services Fees	✓	✓		
5	Rents and Leases	✓	✓	✓	
6	Enrollment Fees	✓	✓		
7	Non-Resident Tuition	✓	✓		
8	Student ID and ASB Fees	✓	✓		
9	Parking Fees			✓	

TABLE 2 Expenditure and Budget Responsibilities		Santa Ana College & CEC <input checked="" type="checkbox"/>	Santiago Canyon College & OEC <input checked="" type="checkbox"/>	District Services and Operations <input checked="" type="checkbox"/>	Institutional Cost <input checked="" type="checkbox"/>
Academic Salaries- (1XXX)					
1	State required full-time Faculty Obligation Number (FON)	✓	✓	✓	
2	Bank Leave	✓	✓	✓	
3	Impact upon the 50% law calculation	✓	✓	✓	
4	Faculty Release Time	✓	✓	✓	
5	Faculty Vacancy, Temporary or Permanent	✓	✓	✓	
6	Faculty Load Banking Liability	✓	✓	✓	
7	Adjunct Faculty Cost/Production	✓	✓		
8	Department Chair Reassigned Time	✓	✓		
9	Management of Sabbaticals (Budgeted at colleges)	✓	✓	✓	
10	Sick Leave Accrual Cost	✓	✓	✓	
11	Administrator Vacation	✓	✓	✓	
Classified Salaries- (2XXX)					
1	Classified Vacancy, Temporary or Permanent	✓	✓	✓	
2	Working Out-of-Class	✓	✓	✓	
3	Vacation Accrual Cost	✓	✓	✓	
4	Overtime	✓	✓	✓	
5	Sick Leave Accrual Cost	✓	✓	✓	
6	Compensation Time taken	✓	✓	✓	
Employee Benefits-(3XXX)					
1	STRS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
2	PERS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
3	OASDI Employer Rates, Increase/(Decrease)	✓	✓	✓	

TABLE 2 Expenditure and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services and Operations ☑	Institutional Cost ☑
Employee Benefits-(3XXX)					
4	Medicare Employer Rates, Increase/(Decrease)	✓	✓	✓	
5	Health and Welfare Benefits, Increases/(Decrease)	✓	✓	✓	
6	SUI Rates, Increase/(Decrease)	✓	✓	✓	
7	Workers' Comp. Rates, Increase/(Decrease)	✓	✓	✓	
8	Retiree Health Benefit Cost				
	-OPEB Liability vs. "Pay-As-You-Go"				✓
9	Cash Benefit Fluctuation, Increase/(Decrease)	✓	✓	✓	
Other Operating Exp & Services-(5XXX)					
1	Property and Liability Insurance Cost				✓
2	Utilities				
	-Gas	✓	✓	✓	
	-Water	✓	✓	✓	
	-Electricity	✓	✓	✓	
	-Waste Management	✓	✓	✓	
	-Water District, Sewer Fees	✓	✓	✓	
3	Audit			✓	
4	Board of Trustee Elections				✓
5	Scheduled Maintenance	✓	✓	✓	
6	Copyrights/Royalties Expenses	✓	✓	✓	
Capital Outlay-(6XXX)					
1	Equipment Budget				
	-Instructional	✓	✓	✓	
	-Non-Instructional	✓	✓	✓	
2	Improvement to Buildings	✓	✓	✓	
3	Improvement to Sites	✓	✓	✓	

The revenue allocations will be regularly reviewed by the FRC. In reviewing the allocation of general funds, the FRC should take into consideration all revenues, including restricted revenues, available to each of the Budget Centers less any apportionment deficits, property tax shortfalls or uncollected student fees or shortfalls. If necessary, the FRC will recommend adjustments to District Council for submission to the Chancellor.

The expenditures allocated for District Services and Operations and for Institutional Costs will be developed based on the projected levels of expenditure for the prior fiscal year, taking into account unusual or one-time anomalies, reviewed by the FRC and the District Council and approved by the Chancellor and the Board of Trustees. Any transfers made between District departments during a fiscal year are one-time in nature and do not increase the overall District budget. If any permanent transfers are made at Tentative or Adopted budget, one department is reduced and another increased by the same amount and also do not increase the overall District budget.

DISTRICT SERVICES AND OPERATIONS – Examples are those expenses associated with the operations of and the services provided by the Chancellor’s Office, Board of Trustees, Public Affairs, Human Resources, Risk Management, Educational Services, Institutional Research, Business Services, Internal Auditing, Fiscal Services, Payroll, Purchasing, Facilities Planning, ITS and Safety Services. The Publications Department operates on a chargeback system in Fund 13 and therefore their funds carryover from year to year to operate the enterprise. Economic Development expenditures are to be included in the District Services and Operations budget and clearly delineated from other District expenditures. An annual report of Economic Development activities and related costs will be presented to FRC.

INSTITUTIONAL COSTS – Examples are those expenses associated with State and Federal regulatory issues, property, liability and other insurances, board election, interfund transfers and Retiree Health Benefit Costs. As the board election expense is incurred every other year, it will be budgeted each year at one-half of the estimated cost. In the off years, the funds will remain unspent and specifically carried over to the next year to be used solely for the purpose of the election expense. If there is insufficient budget, the colleges will be assessed the difference based on the current SCFF split. If any funds remain unspent in an election year, it will be allocated to the colleges based on the current SCFF split for one-time uses.

~~An annual review of District Services and Institutional Costs will be conducted by the District Council each fall in order to give time to complete the evaluation in time to prepare for the following fiscal year budget cycle and implement any suggestions. The review will include an evaluation of the effectiveness of the services provided to assure the District is appropriately funded. If the District Council believes a change to the allocation is necessary, it will submit its recommendation to the FRC for funding consideration and recommendation to the Chancellor. ****DISCUSS WITH POE?***~~

District Reserves and Deficits

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

The Chancellor reserves the right to adjust allocations as necessary.

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

College Budget and Expenditure Responsibilities

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

- Allocating resources to achieve the maximum state funded level of FTES and other SCFF metrics is a primary objective for all colleges.
- Requirements of the collective bargaining agreements apply to college level decisions.
- To ensure that the District complies with the State required full-time Faculty Obligation Number (FON), the District Chancellor will establish a FON for each college. Each college is required to fund at least that number of full-time faculty positions. Any financial penalties imposed by the state due to FON non-compliance will be borne proportionately by the college(s) not in compliance unless a districtwide strategic decision is made to fall below FON and other funding sources are identified.
- In making expenditure decisions, the impact upon the 50% law calculation must be considered and budgeted appropriately. Any financial penalties imposed by the state due to 50% law non-compliance will be borne proportionally (by SCFF split) by both campuses.
- With unpredictable state funding, the cost of physical plant maintenance is especially important. Lack of maintenance of the operations and district facilities and grounds will have a significant impact on the campuses and therefore needs to be addressed with a detailed plan and dedicated budget whether or not funds are allocated from the state.

Budget Center Reserves and Deficits

At the Adopted Budget each college shall set aside a contingency reserve in the Unrestricted General Fund equal to a minimum of 1% of its total current year budgeted Fund 11 expenditures to handle unforeseen expenses. If the contingency reserve is unspent by fiscal year end, the college reserve rolls over into the colleges' beginning balance for the following fiscal year. The District Services and Operations and Institutional Cost allocations are budgeted as defined in the model for the appropriate operation of the district and therefore are not subject to carryover, unless specifically delineated. The Chancellor and Board of Trustees reserve the right to modify the budget as deemed necessary.

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

The college reserve shall first be used to cover any deficit (structural and/or one-time). If reserves are not sufficient to cover the deficit, then the college is to prepare an immediate expenditure reduction plan that covers the amount of deficit along with a plan to replenish the 1% minimum reserve level. Once the college reserve has been exhausted, in circumstances when any remaining deficit is greater than 1.5% of budgeted Fund 11 expenditures, and a reduction plan has been prepared up to the 1.5% level, the college may request a temporary loan from District Reserves. The request, including a proposed payback period,

should be submitted to the FRC for review. If the FRC supports the request, it will forward the recommendation to the District Council for review and recommendation to the Chancellor who will make the final determination.

Instead of budgeting a districtwide deficit factor by reducing ongoing funding in Fund 11, each college will budget its share of a calculated deficit factor as recommended by FRC and determined by the Chancellor, but not less than 2%, in one-time funds in a Fund 13 contingency account. This account may not be utilized throughout the fiscal year unless the State Chancellor's office has confirmed there will be no deficit for that year. The colleges will then be required to budget for all ongoing costs in Fund 11 beginning in fiscal year 2025-26.

Revenue Modifications

Apportionment Revenue Adjustments

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

The apportionment includes funded FTES, basic allocations for colleges and centers, supplemental, and student success allocations.

An example of revenue allocation adjustment:

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

It is necessary in this model to set a base level of FTES for each college. Per agreement by the Chancellor and college Presidents, the base FTES split is determined by the prior year final FTES total. Similar to how the state sets a base for district FTES, this will be the beginning base level for each college. Each year through the planning process there will be a determination made if the district has growth potential for the coming fiscal year. Each college will determine what level of growth they believe they can achieve and targets will be discussed and established through Chancellor's Cabinet. For example, if the district believes it has the opportunity for 2% growth, the colleges will determine the level of growth they wish to pursue. If both colleges decide to pursue and earn 2% growth and the district is funded for 2% growth, then each college's base would increase 2% the following year. In this case the split would still remain 70.80% / 29.20% as both colleges moved up proportionately (Scenario #1).

	Base FTES	% split	Scenario #1	New FTES	% split
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

If instead, one college decides not to pursue growth and the other college pursues and earns the entire district 2% growth, all of these FTES will be added to that college's base and therefore its base will grow more than 2% and the split will then be adjusted (Scenario #2).

	Base FTES	% split	Scenario #2	New FTES	% split
SAC	19,824	70.80%	0.00%	19,824	69.41%
SCC	8,176	29.20%	6.85%	8,736	30.59%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

Using this same example in which the district believes it has the opportunity for 2% growth, and both colleges decide to pursue 2% growth, however one college generates 3% growth and the other generates 2%, the college generating more FTES would have unfunded over cap FTES. The outcome would be that each college is credited for 2% growth, each base increases 2% and the split remains (Scenario #3).

	Base FTES	% split	Scenario #3	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(198.24)	
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

If instead, one college generates 3% and the other college less than 2%, the college generating the additional FTES can earn its 2% target plus up to the difference between the other college's lost FTES opportunity and the total amount funded by the district (Scenario #4).

	Base FTES	% split	Scenario #4	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(136.92)	
SAC	19,824	70.80%	2.31%	20,281.80	71.01%
SCC	8,176	29.20%	1.25%	8,278.20	28.99%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

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

Hold Harmless

This model includes several hold harmless mechanisms in alignment with the SCFF. The chart below describes the various methods the State Chancellor's Office uses to fund districts in the event apportionments are reduced from year to year. Hold Harmless funding currently is extended through 2024/25.

In any given year, a district's funding under the new Student Centered Funding Formula (SCFF) would be the highest of the amounts included in the lines below:					
Line	Statutory Reference	2018-19	2019-20	2020-21	2021-22
1	Education Code section (ECS) 84750.4(b), 84750.4(c), 84750.4(d), 84750.4(e), and 84750.4(f) [STUDENT-CENTERED FUNDING FORMULA (SCFF)]	SCFF calculation	SCFF calculation	SCFF calculation	SCFF calculation
2	ECS 84750.4(g)(1)	2017-18 TCR. ^{/1}	2017-18 TCR. ^{/1}	N/A	N/A
3	ECS 84750.4(g)(2)	N/A	N/A	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2020-21 FTES, with basic allocation. ^{/1}	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2021-22 FTES, with basic allocation. ^{/1}
4	ECS 84750.4(g)(4)	N/A	Greater of lines 1 or 2 as calculated in 2018-19.	Greater of lines 1 or 2 as calculated in 2019-20.	Greater of lines 1 or 3 as calculated in 2020-21.
5	ECS 84750.4(h)	2017-18 TCR adjusted by 2018-19 COLA.	2017-18 TCR adjusted by 2018-19 and 2019-20 COLAs.	2017-18 TCR adjusted by 2018-19, 2019-20, and 2020-21 COLAs.	N/A
^{/1} Special provisions for San Francisco Community College District and Compton Community College District.					
TCR = Total Computational Revenue					

Stability

There remains one year of stabilization under SCFF following Hold Harmless. If a district drops below the prior year total apportionment, they are stabilized at the prior year apportionment amount for that year, giving the district the following year to regain the funding or be reduced to the actual amount earned.

Allocation of New State Revenues

Growth Funding: A college seeking the opportunity for growth funding will utilize its own carryover funds to offer a schedule to achieve the desired growth. Once the growth has been confirmed as earned and funded by the state and distributed to the district, the appropriate allocation will be made to the college(s) generating the funded growth back through the model. Growth/Restoration Funds will be allocated to the colleges when they are actually earned.

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

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

Due to the instability of revenues, such as interest income, discounts earned, auction proceeds and vendor rebates (not including utility rebates which are budgeted in Fund 41 for the particular budget center), revenues from these sources will **not** be part of the revenue allocation formula. Income derived from these sources will be deposited to the institutional reserves. The ongoing state allocation for the Mandates Block Grant will be allocated to the colleges through the model. Any one-time Mandates allocations received from the state will be discussed by FRC and recommendations will be made for one-time uses.

Cost of Living Adjustments: COLAs included in the tentative and adopted budgets shall be distributed to the three budget centers pro rata based on total budgeted salary and benefits expenses and sequestered and not allocated for expenditure until after collective bargaining for all groups have been finalized.

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

Other Modifications

Salary and Benefits Cost

All authorized full-time and ongoing part-time positions shall be budgeted with corresponding and appropriate fixed cost and health and welfare benefits. Vacant positions will be budgeted at the beginning of the fiscal year or when newly created at the level Class VI, Step 11 for full-time faculty and at the mid-level for other positions (ex. Step 3 for CSEA, Step 4 for Management, and AA step 6 for teachers and BA step 6 for master teachers in child development), with the district's average cost for the health and welfare benefits by employee group. The full cost of all positions, regardless of the budgeted amount, including step and column movement costs, longevity increment costs and any additional collective bargaining agreement costs, will be charged to the particular Budget Center. The colleges are responsible for this entire cost, including any increases or adjustments to salary or benefits throughout the year. If a position becomes vacant during a fiscal year, the Budget Center has the discretion to move unused and available budget from the previous employee's position for other one-time costs until filled or defunded. Any payoffs of accrued vacation, or any additional costs incurred at separation from employment with the district, will be borne by the particular Budget Center. When there is a vacancy that won't be filled immediately, Human Resources should be consulted as to how long it can remain vacant. The colleges should also consult Human Resources and Fiscal Services regarding the FON when recommending to defund faculty positions.

Grants/Special Projects

Due to the timeliness issues related to grants, approvals rest with the respective Chancellor's Cabinet member, through established processes, in all cases except for Economic Development grants in which a new grant opportunity presents itself which requires an increase to the District Services and Operations budget due to match or other unrestricted general fund cost. In these cases, the grant will be reviewed by Chancellor's Cabinet with final approval made by the Chancellor.

Certain grants and special categorical programs are specifically allocated at the college level. In those cases, the specific college would receive the related funding. In other cases, certain grants and special categorical programs are allocated at the district level for both colleges based on particular criteria. In these cases, the allocation would be split pro rata to the colleges based on the same criteria used to allocate funding to the district, unless the two college presidents agree to some other split arrangement.

Some grants allow for charges of indirect costs. These charges will accumulate by Budget Center during each fiscal year. At fiscal year-end, once earned, each college will be allocated 100% of the total indirect costs earned by that college and transferred into Fund 13 the following year to be used for one-time expenses. The indirect costs earned by district projects will roll into the institutional ending fund balance with the exception of the District Educational Services grants. In order to increase support services and resources provided to the colleges and to acknowledge the additional costs associated with administering grants, any accumulated indirect costs generated from these grants will be distributed as follows: 25% will roll into the institutional ending fund balance, 25% will offset the overall District Services and Operations expenditures in that given year, and 50% will carryover specifically in a Fund 13 account to be used at the discretion of the Chancellor.

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

Banked LHE Load Liability

The liability for banked LHE is accounted for in separate college accounts, based on the college where the full-time faculty member teaches the banked classes. Before the implementation of GASB Statement No. 101, the cost of faculty banking load ~~will be~~ was charged to the college during the semester the course ~~is~~ was taught and added to the liability. At each fiscal year-end, the total liability was recalculated and accrued at the unrestricted general fund, for any unclaimed banked load, adjusted to reflect the current salary rates. The full liability amount was recorded in the unrestricted general fund.

Beginning with the fiscal year ending June 30, 2025, the District is required to implement GASB No. 101. Under this standard, the accrual for load banking liability is limited to the portion estimated to be paid by the District in the following fiscal year. Under the modified accrual basis of accounting required by GASB, only the current portion of the liability is recorded in the unrestricted general fund.

The process for calculating the Banked LHE Load Liability remains unchanged. To comply with GASB 101, the District will also calculate an average withdrawal balance based on the prior five years of historical banked-load

usage. This average balance will represent the liability accrual for the fiscal year. The remaining portion which is expected to be paid beyond the next fiscal year will remain a long-term obligation of the college and will be recorded in a designated fund balance account. Although not recorded as an expenditure or liability in the college's unrestricted general fund, this amount must still be set aside and excluded from the fund balance available for spending.

When ~~an instructor~~ a faculty member takes banked leave, they will be paid from their regular salary accounts. ~~and~~ District Fiscal Services will then reimburse the college accounts for these expenditures based on the highest current beyond contract (Schedule B) salary rate according to the FARSCCD collective bargaining agreement, as these amounts have already been accrued in the prior year ~~make a transfer from the liability to the college 1300 account to pay the backfill cost of teaching the load~~. A college cannot permanently fill a faculty position at the time someone takes their final year or semester off before retirement. Filling a vacancy cannot occur until the position is actually vacant. In consultation with Human Resources and Fiscal Services, a college can request to swap another faculty vacancy they may have in another discipline or pay the cost differential if they determine programmatically it needs to be filled sooner.

~~This method will appropriately account for the costs of each semester offerings and ensure an appropriate liability.~~ Although the liability amounts will be accounted for by college, only District Fiscal Services will be able to make transfers from these accounts. Each year end a report will be run to reconcile the total cost of the liability and to determine if any additional transfers are required. The college will be charged or credited for the differences. **This accounting treatment ensures compliance with GASB requirements and supports the District's prudent fiscal management of its obligations related to full-time faculty load banking.**

Other Possible Strategic Modifications

Summer FTES

The 3-year average used under SCFF for credit FTES funding has severely reduced the effectiveness of the "summer shift," nevertheless, there may be times when it is in the best financial interest of the District to shift summer FTES between fiscal years. When this occurs, the first goal will be to shift FTES from both colleges in the same proportion as the total funded FTES for each of the colleges. If this is not possible, then care needs to be exercised to ensure that any such shift does not create a disadvantage to either college. If a disadvantage is apparent, then steps to mitigate this occurrence will be addressed by the FRC.

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

Long-Term Plans

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

Santa Ana College (SAC) utilizes the Educational Master Plan in concert with the SAC Strategic Plan to determine the long-term plans for the college. Long-term facilities plans are outlined in the latest Facilities Master Plan, and are rooted in the Educational Master Plan. SAC links planning to budget through the use of the SAC Comprehensive Budget Calendar, which includes planning milestones linked to the college's

program review process, Resource Allocation Request (RAR) process, and to the District's planning and budget calendar. As a result of the Program Review Process, resource allocation needs are requested via the RAR process, which identifies specific resources required to achieve specific intended outcomes. The budget augmentation requests are then prioritized at the department, division, and area level in accordance with established budget criteria. The college's Planning and Budget Committee reviews the prioritized RARs, and they are posted to the campus Planning and Budget web page for the campus community to review. As available resources are realized, the previously prioritized RAR are funded.

At Santiago Canyon College (SCC), long-term plans are developed similarly to short-term plans, and exist in a variety of interconnected processes and documents. Program Reviews are the root documents that form the college's Educational Master Plan and serve to align planning with resource allocation. The allocation of resources is determined through a formal participatory governance process. The Planning and Institutional Effectiveness (PIE) committee is the participatory governance committee that is charged with the task of ensuring resource allocation is tied to planning. Through its planning cycle, the PIE committee receives resource requests from all college units and ensures that each request aligns with the college mission, college goals, and program reviews. All requests are then ranked by the PIE committee, placed on a college-wide prioritized list of resource requests, and forwarded to the college budget committee for review. If the budget committee identifies available funds, those funds are noted on the prioritized list, and sent back to the PIE committee. The PIE committee then forwards the prioritized list, along with the budget committee's identification of available funds, to College Council for approval of the annual budget.

District Services and Operations: District Services and Operations and Institutional Costs may also require additional funding to implement new initiatives in support of the colleges and the district as a whole. POE will evaluate budget augmentation requests and forward a recommendation to District Council. District Council may then refer such requests to FRC for funding implementation.

Budget Input

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

Rancho Santiago Community College District **Budget Allocation Model Based on the SCFF**

Appendix A – Definition of Terms

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

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

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

Augmentation – An increased appropriation of budget for an intended purpose.

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

BAM – Budget Allocation Model

BAPR – Budget and Planning Review Committee.

Base Allocation (Funding) – The base allocation represents approximately 70% of the statewide funding for CCC's. The base allocation includes the Basic Allocation and FTES in Traditional Credit, Special Admit Credit, Incarcerated Credit, Traditional Noncredit, CDCP, and Incarcerated Noncredit. A district's base funding could be higher or lower than the 70% statewide target depending on FTES generation as a comparison to overall apportionment.

Base FTES – The amount of funded actual FTES from the prior year becomes the base FTES for the following year. For the tentative budget preparation, the ~~prior~~ current year P1 will be used **to begin the process and updated with P2 in April**. For the proposed adopted budget, the ~~prior~~ current year P2 will be used **to begin the process and updated with P3 (Annual) in July**. **The annual reporting is also used to close out the fiscal year end for carryover budgets in August. ~~At the annual certification at the end of February, an adjustment to actual will be made.~~**

Basic Allocation – Funding based on the number of colleges and comprehensive educational centers in the community college district. Rates for the size of colleges and comprehensive educational centers were

established as part of SB 361 and henceforth are adjusted annually by COLA. The district receives a basic allocation for CEC, OEC, SAC, and SCC. Current year FTES is used to determine the basic allocation.

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

Budget Stabilization Fund – The portion of the district’s ending fund balance, in excess of the Board Policy Contingency minimum amount of two months of combined general fund operating expenditures, budget center carryovers and any restricted balances, available for one-time needs at the discretion of the chancellor and Board of Trustees. This fund will be capped at \$3 million each July 1 unless the Chancellor determines a need for a higher balance. This need will be explained in writing to FRC.

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

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

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

Career Development and College Preparation (CDCP) - Noncredit courses offered in the four distinct categories (instructional domains) of English as a Second Language (ESL), Elementary and Secondary Basic Skills, Short-term Vocational, and Workforce Preparation are eligible for "enhanced funding" when sequenced to lead to a Chancellor's Office approved certificate of completion, or certificate of competency, in accordance with the provisions of the California Education Code governing Career Development and College Preparation (CDCP) programs.

CCCCO – California Community College Chancellor’s Office

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

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

College Reserve – College-specific one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes.

Credit FTES – Credit FTES include traditional credit, special admit and incarcerated populations. Traditional credit FTES are funded based on a simple three-year rolling average of the current year and prior two years. Special admit and incarcerated FTES are funded based on the current year production.

Decline – When a District (or college internally) earns fewer FTES than the previous year. (please see Stabilization and Restoration)

Defund – Eliminating the cost of a position from the budget.

Ending Fund Balance – Defined in any fiscal year as Beginning Fund Balance plus total revenues minus total expenditures. The Ending Fund Balance rolls over into the next fiscal year and becomes the Beginning Fund Balance. It is comprised of College Reserves, Institutional Reserves and any other specific carryovers as defined in the model or otherwise designated by the Board.

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

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

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

FRC – Fiscal Resources Committee.

FTES – Full-Time Equivalent Students. The number of students in attendance as determined by actual count for each class hour of attendance or by prescribed census periods. Every 525 hours of actual attendance counts as one FTES. The number 525 is derived from the fact that 175 days of instruction are required each year, and students attending classes three hours per day for 175 days will be in attendance for 525 hours (3 x 175 = 525). FTES are separated into the following categories for funding; traditional credit, special admit, incarcerated, traditional noncredit and CDCP.

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

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

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

Growth – Funds provided in the State budget to support the enrollment of additional FTES.

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

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

Institutional Reserve – Overall districtwide one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. The Institutional Reserve consists of the Board Policy Contingency, the Budget Stabilization Fund, and any other contingency fund held at the institutional level over and above the College Reserves.

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

Modification – The act of changing something.

Noncredit – Noncredit coursework consists of traditional noncredit and CDCP. CDCP is eligible for enhanced funding. Current year FTES are used to determine funding.

POE – Planning and Organizational Effectiveness Committee.

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

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

Restoration – A community college district is entitled to restore any reduction of apportionment revenue related to decreases in total FTES during the three years following the initial year of decrease if there is a subsequent increase in FTES.

SB 361 – The Community College Funding Model (Senate Bill 361), effective October 1, 2006 through July 1, 2018, included funding-based allocations depending on the number of FTES served, credit FTES funded at an equalized rate, noncredit FTES funded at an equalized rate, and enhanced noncredit FTES funded at an equalized rate. The intent of the formula was to provide a more equitable allocation of system-wide resources, and to eliminate the complexities of the previous Program-Based Funding model while still retaining focus on the primary component of that model instruction. In addition, the formula provided a base operational allocation for colleges and centers scaled for size.

SCFF – The Student Centered Funding Formula was adopted on July 1, 2018 as the new model for funding California community colleges. The SCFF is made up of three parts: Base Allocation,

Supplemental Allocation, and Student Success Allocation. The aim of the SCFF is to improve student outcomes as a whole while targeting student equity and success.

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

Stabilization – If a district drops below the prior year total apportionment, they are stabilized at the prior year apportionment amount for that year, giving the district the following year to regain the funding or be reduced to the actual amount earned.

Student Success Allocation (Funding) – Consists of approximately 10% of the statewide budget. Apportioned to districts based on a variety of metrics that measures student success. Some examples of the metrics used include associate degrees and certificates awarded, transfers, nine or more CTE units, number of students successfully completing transfer level Math and English in their first academic year and number of students achieving a regional living wage. The student success allocation is based on a simple three-year rolling average which uses the prior year; prior, prior year; and prior, prior, prior year outcome metrics. Students contributing to fully funded FTES populations (special admit and incarcerated) are not included for funding.

Supplemental Allocation (Funding) – Consists of approximately 20% of the statewide budget. Apportioned to districts based on districts students that are Pell Grant Recipients, AB540 students and/or California Promise Grant Recipients. Prior year data is used for funding.

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

Three-year Average – Traditional credit FTES data for any given fiscal year is the average of current year, prior year and prior, prior year. Special Admit and Incarcerated FTES are not included in the three-year average. A three-year average is also utilized for student success metrics. For student success, the three-year average uses the prior year; prior, prior year; and prior, prior, prior years to determine funded outcomes.

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

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

7200 Transfers – Intrafund transfers made between the restricted and unrestricted general fund to close a categorical or other special project at the end of the fiscal year or term of the project. **Transfers to the unrestricted general fund is only allowable if a project is underspent by \$25 or less. Otherwise, funds need to be returned to the granting agency.**

Appendix B – History of Allocation Model

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

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

Senate Bill 361, passed in 2006, changed the formula of earned state apportionment revenues to essentially two elements, 1) Basic Allocations for college/center base funding rates based on FTES size of the college and center and 2) Full Time Equivalent Students (FTES) based on earned and funded FTES. The BAPR Workgroup determined that since this is how our primary funding comes from the state this model should be used for distribution on earned revenues to the colleges. The colleges and centers are the only entities in the district that generates this type of funding. Revenue earned and funded by the state will be earned and funded at the colleges.

In the Spring of 2019, Rancho Santiago Community College District began the process of developing a new budget allocation model (BAM) to better align with the newly adopted Student Centered Funding Formula. On November 18, 2020 the Fiscal Resource Committee (FRC) finished their work and recommended a new BAM.

The following committee members participated in the process:

Santa Ana College	Santiago Canyon College	District
Bart Hoffman	Steven Deeley	Morrie Barembaum (FARSCCD)
Vanessa Urbina	Cristina Morones	Noemi Guzman
William Nguyen	Craig Rutan – Co-Chair	Adam O’Connor – Chair
Roy Shahbazian	Arleen Satele	Thao Nguyen
		Enrique Perez
Vaniethia Hubbard (alternate)	Syed Rizvi (alternate)	Erika Almaraz (alternate)

The Budget Allocation Model (BAM) described in this document provides the guidelines, formulas, and basic steps for the development of an annual district budget including the allocation of budget expenditure responsibilities for Santa Ana College, Santiago Canyon College, and District Services and Operations referred to as the three district Budget Centers. The budget is the financial plan for the district, and application of this model should be utilized to implement the district’s vision, mission statement, district strategic plan and the technology strategic plan as well as the colleges’ mission statements, educational master plans, facilities master plans and other planning resources. The annual implementation of the budget allocation model is to be aligned with all of these plans. To ensure that budget allocation is tied to planning, it is the responsibility of District Council to review budget and planning during the fiscal year and, if necessary, recommend adjustments to the budget allocation model to keep the two aligned for the coming year. The Chancellor and the Board of Trustees are ultimately responsible for the annual budget and the expenditures associated with the budget. In February of 2013, the Board of Trustees adopted a new planning design manual. This document eliminated BAPR and created the Fiscal Resources Committee (FRC). The FRC is responsible for recommending the annual budget to the District Council for its recommendation to the Chancellor and Board of Trustees. FRC is also responsible for annual review of the model for accreditation and can recommend any modifications to the guidelines.

Rancho Santiago Community College District
ADMINISTRATIVE REGULATION
Chapter 7
Human Resources

AR 7400 Travel

References:

Education Code Section 87032
2 Code of Federal Regulations Part 200.474

The Chancellor has designated authority for approval of travel requests to the Vice Chancellors and Presidents for employees in each of their respective areas. The travel requests may be for attendance at meetings, workshops, conferences, trainings or conventions that are within the scope of the employee's job assignment. The Chancellor must approve **in advance** all travel outside of the United States.

Employee travel will be reimbursed for actual, necessary, and reasonable expenses up to approved amounts as described in this Administrative Regulation and may be subject to additional limitations established by staff development or other funding sources.

The district retains the right to direct employees to attend relevant conventions or conferences.

Mileage:

Employees required to use their personal automobiles for travel within or outside the district to carry out their job assignments may receive reimbursement for business mileage incurred in accordance with the following guidelines:

1. Reimbursement for such business mileage shall be at the prevailing IRS standard rate.
2. All employees driving on district business shall take the most direct route possible.
3. Actual claimed business mileage driven will be reimbursed. Attach Google Maps or other similar online map printouts to support all mileage claims.
4. Employees requesting reimbursement must certify that their vehicle is covered by automobile insurance as required by district rules and regulations for Public Liability and Property damage.
5. A Mileage Reimbursement Claim form shall be filed with the District's Accounts Payable Department within 15 days following the month the mileage was incurred and only used when no other expenses are associated with the travel except related parking and tolls.
6. If any other travel-related expenses are incurred, the mileage reimbursement should be included on the Conference Request Claim form instead of using the Mileage Reimbursement Form.

Travel:

Employees authorized by the Chancellor, Vice Chancellors or Presidents to attend meetings, workshops, conferences, trainings or conventions may receive reimbursement for expenses incurred in accordance with the following guidelines:

1. A Conference Request Claim form must be completed, signed by the requestor, and required prior authorization signature obtained **before attendance** at any event. For any overnight stays within California, employees should fill out the last page of the form titled Hotel/Motel Transient Occupancy Tax Waiver to present upon check-in. Not all hotels accept the form, but when they do, it provides substantial savings to the district.
2. Allowable expenses associated with travel include only reasonable and necessary expenses: transportation, lodging, registration, meals not covered by conference registration and during the period of travel, car rentals, ground transportation (including Uber, Lyft or other rideshare transportation) fares (including gratuity not to exceed 20% of the fare), parking, mileage and other miscellaneous incidental charges such as minor supplies, postage, reproduction costs, telephone and electronic communication expenses with documentation of the business necessity.
 - a. **All** expenses should be the most economical and must be authenticated by the original itemized receipts, other than meals.
 - b. Transportation expenses must be the lowest economical and class roundtrip airfare using only commercial carriers for travel, or mileage not to exceed lowest economical roundtrip airfare, unless specifically approved **in advance** by the Chancellor, Vice Chancellor or President with documentation of the business necessity.
 - c. As each airline's options differ and are continuously changing, employees shall confirm that the fare booked is the particular airline's lowest economical fare. The district will not cover additional fees such as extra legroom, early check-in fees, exit row upgrades, additional baggage fees over a single checked bag plus a single carry-on bag if applicable, or any other upgraded or additional costs. Any upgraded or additional costs are personal expenses and will not be reimbursed.
 - d. If traveling with supplies, equipment or other heavy materials required for participation in the conference or event, employees should consider the cost of other courier or shipping methods to determine if it is less costly than checking additional bags (Purchasing Services department can assist with these options). In either case, documentation of the business necessity for this additional cost is required.
 - e. No reimbursements shall be made for tips/gratuities other than as noted in this Administrative Regulation, trip insurance, valet parking, personal expenses including telephone calls and entertainment expenses, or the purchase of alcoholic beverages.
 - f. Car rentals must be booked based on the most economical class of vehicle for the number of people traveling together. The District will not reimburse for premium or luxury vehicles or any other upgrades or additional costs.
 - g. Lodging for conferences within 50 miles of the District Office or College site is **not allowable** unless specifically approved **in advance** by the Chancellor, Vice Chancellor or President with documentation of the business necessity.
 - h. Lodging expenses are reimbursed for the actual dates of the approved conference. The night before or the night the conference ends may be

reimbursed if specifically approved **in advance** by the Chancellor, Vice Chancellor or President with documentation of the business necessity.

- i. The district shall not pay for lodging that exceeds the published standard single occupancy room rate for conferences. Most conferences offer a block of rooms at a reduced rate to those who book early, it is recommended that employees plan accordingly to book at the lower rates. Employees should also ask if a government rate is available and less expensive.
 - j. The district does not allow business lodging booked from vacation rental companies such as Airbnb, VRBO, etc.
3. Travel advances may be requested for the following:
- a. Transportation, registration, and lodging payable directly to the third party vendor can be paid in full.
 - b. Cash advances to the employee may **also** be requested **only** for **any** costs that will be incurred **prior** to travel, ~~and are limited to 75% of the total approved estimated expenses, including any expenses paid directly to vendors.~~ Other costs that will be incurred during travel will be reimbursed upon return.
 - c. Travel advances will not be authorized for any employee whose expenses will be reimbursed by outside funding or for any employee who has not reconciled prior travel advances with the district.
 - d. Air travel and lodging expenses are typically arranged on the Internet and charged to the employee's credit card. As an alternative employees may book through the District's authorized travel agency (For more information, see the FAQs on the Accounts Payable website). Booking through the travel agency will increase the total amount by at least \$35 per transaction, the travel agency service fee.
 - e. The district shall not contract with a travel agency owned or partially owned by an employee or a relative of an employee of the district. Further, the district shall not contract with an employee of a travel agency who is also an employee or a relative of an employee of the district.
 - f. Prepayments or advances for conferences paid with grant or categorical funds is not allowable when the payment and conference dates cross fiscal years without documentation of the specific authorization by the grant.
 - g. If using the District's authorized travel agency to book air travel, please submit a purchase requisition in Colleague for the air travel and submit a scanned **copy** of your approved Conference Request Claim form to the District's Purchasing Services Department via email to purchasing@rscdd.edu.
 - h. For all other travel/cash advances, a purchase requisition is not needed. Please submit one (1) **copy** of your approved Conference Request Claim Form to the District's Accounts Payable Department via interoffice mail. Include a copy of the conference agenda. Also include the invoice if requesting a travel advance payable directly to a third party vendor. If requesting a cash advance, include all travel confirmations/documentation **of payment that equals the total estimated expenses.**
 - i. Travel advances must be submitted 15 business days in advance to allow time for processing.

4. In accordance with IRS Publication 463, meal allowances are applicable only when travel requires absence from home or the district overnight during a usual and customary meal period. Meal allowances will not be provided for conferences or meetings where no overnight stay occurs.

For members of Chancellor's Cabinet, reasonable and necessary business meals should be charged to the district-issued credit card and supported by original receipts and proper documentation in accordance with the signed cardholder agreement.

For all other district employees, all meals for which expenses are actually incurred shall be paid at the per diem rate per meal using the current single low-level IRS rate. For fractional parts of a day that do not require overnight travel (i.e. the first day of a conference or the final day of a conference in which there was an overnight stay. For example, a conference ends at noon and you return home by 5 PM, a per diem for dinner would not be allowable), the appropriate meal expenses shall be reimbursed.

- a. The intent of travel meal reimbursement is to cover the incremental expense of having to eat out and not having the ability to eat at home. It is not intended to cover the entire cost of the meal.
 - b. When the cost of meals is included in a registration fee, separate reimbursement for the covered meals is **not allowed**. If the employee decides to purchase a meal instead of the included meal, this is a personal expense and will not be reimbursed.
 - c. No receipts are required for meal reimbursement. The District instead will reimburse employees using the IRS per diem rates as noted above.
5. Within fifteen (15) business days of returning from travel, the original Conference Request/Claim form must be reviewed and approved by the Immediate Management Supervisor to account for all expenses, and submitted via interoffice mail to the District's Accounts Payable Department
 - a. A claim form should include a check payable to RSCCD if the amount of expenses claimed are less than the amount advanced to the employee and should be submitted to the District's Accounts Payable Department within fifteen (15) business days from returning.
 - b. The claims for reimbursement **must include** original itemized receipts for **all** expenses incurred by the employee (except meals) including registration, transportation, lodging, car rental, airport/hotel parking, etc., along with a copy of the conference agenda and memo of explanation for miscellaneous expenses or any exceptions explaining the business necessity with the Immediate Management Supervisor approval.
 - c. Only allowable expenditures up to the amount authorized will be reimbursed.

Responsible Manager: Assistant Vice Chancellor of Fiscal Services

Revised: February 16, 2016
Revised: October 3, 2016
References Updated: November 7, 2016
Revised: July 10, 2017
Revised: April 1, 2019

Revised:	March 23, 2020
Revised:	November 1, 2021
Revised:	XXX

Vacant Funded Positions for FY 2025-26- Projected Annual Salary and Benefits Savings
As of April 2, 2026

Fund	Management/ Academic/ Confidential	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes	Vacant Account	2025-26 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Taylor, Katherine A.	1028961	P/T Admissions/Records Specialist I	SAC	10/01/2020	23,656		11-0000-620000-19205-2310-30%		
11	Urbina, Vanessa	2347469	Division Administrative Assistant	SAC	08/01/2025	72,666		11-2410-620000-19205-2310-70% 11-0000-601000-15505-2130	32,234 126,061	
11	Versara, Ashley	2793784	Admissions/Records Specialist I	SAC	10/05/2025		Hired CL25-01279 Pineda Jimenez, Marco#2094246 Eff:3/3/26	11-0000-620000-19205-2130	-	
11	Williams, Bonnie	2363492	Administrative Clerk	SAC	09/25/2025		Hired 1029787 - Gaston, Vanessa	11-0000-601000-15718-2310	-	
11	Calderon, Alfredo	1586163	Gardener/Utility Worker	SCC	09/02/2025	25,599		11-0000-650000-27300-2310	26,764	
11	Ceja, Daniel	1100167	Lead Custodian	SCC	05/19/2025	77,487	WOC Ramirez, Margarita#2443392 Eff:7/1/25-11/30/2025	11-0000-653000-27200-2130	140,883	
30%-fd 11								12-1542-649000-29905-2130-70%		
70%-fd 12	DelaTorre, Irma	1027036	Administrative Clerk	SCC	12/31/2024	19,424		11-0000-645000-29905-2130-30%	34,019	
50%-fd 11										
50%-fd 12	Dulalas, Luminacion Y	1026995								
11	Espinosa, Laura	1027423	Curriculum Specialist	SCC	08/19/2025	81,397		11-0000-601000-25051-2130	139,257	
60%-fd 11								11-0000-620000-28100-2130-60%, 12-1102-620000-28100-2130-23%		
40%-fd 12	Gardea, Maria Adilene	1292404	Administrative Clerk	OEC	05/12/2024	33,182		12-2462-620000-28100-2130-17%	57,799	
60%-fd 11								11-0000-620000-28100-2130-60%, 12-1102-620000-28100-2310-40%		
40%-fd 12	Gaston, Vanessa	1029787	P/T Administrative Clerk	OEC	04/13/2025	17,563			23,931	1,315,479.58
11	Gilbert, Jessica	1905429	PT Administrative Clerk	SCC	12/31/2023	27,880		11-0000-601000-25051-2130	37,989	
11	Karimpour, Jennifer	1679262	Auxiliary Services Specialist	SCC	11/01/2024	64,745		11-0000-691000-24126-2130	113,387	
11	Lopez Gomez, Valentin	1810444	Custodian	SCC	11/25/2025	28,278		11-0000-653000-27200-2130	52,466	
11	Luna, Miguel	2098323	Student Services Coordinator	SCC	09/18/2025	99,894		11-0000-631000-29325-2130-50% 11-0000-633000-29325-2130-50%	169,127	
11	Nguyen, Jay	1062155	P/T Admission & Records Specialist I	SCC	10/31/2023	23,655		11-0000-620000-29110-2310	32,232	
11	Orozco-Barriga, Carlos	2282309	P/T Custodian	SCC	03/14/2025	22,118	Site using vacancy funds for special projects TOE transfers for Vazquez Cordova, San Juana	11-0000-653000-27200-2310	30,138	
11	Ruizga, Elias	2090990	Custodian (GV)	OEC	04/11/2025	65,372		11-0000-653000-28100-2130	113,209	
11	Sura, Alma	1030200	Instructional Center Technician	OEC	03/03/2025	71,234		11-0000-110100-25350-2210	132,357	
11	Tran, Kieu-Loan T.	1030029	Admission Records Specialist III	SCC	03/01/2020	64,745		11-0000-620000-29100-2130	113,387	
11	Zul, Armida	1029218	Custodian	OEC	09/30/2024	53,852	CL25-01125	11-0000-653000-28100-2130	98,534	
						3,196,978			5,267,758	
TOTAL						4,580,406			7,300,878	

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2025-26, 2024-25, 2023-24
YTD Actuals- March 31, 2026

FY 2025/2026													
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	
Beginning Fund Balance	\$101,397,475	\$118,419,558	\$103,084,459	\$102,522,863	\$83,503,439	\$82,724,353	\$111,879,475	\$100,198,494	\$72,407,344	\$51,471,890	\$51,471,890	\$51,471,890	Total
Total Revenues	33,882,478	5,192,837	21,697,262	10,896,331	24,110,339	53,683,243	12,573,287	(1,367,579)	1,361,795	0	0	0	162,029,992
Total Expenditures	16,860,395	20,527,936	22,258,858	29,915,754	24,889,425	24,528,120	24,254,268	26,423,571	22,297,249	0	0	0	211,955,577
Change in Fund Balance	17,022,083	(15,335,099)	(561,596)	(19,019,424)	(779,086)	29,155,122	(11,680,981)	(27,791,150)	(20,935,454)	0	0	0	(49,925,585)
Ending Fund Balance	118,419,558	103,084,459	102,522,863	83,503,439	82,724,353	111,879,475	100,198,494	72,407,344	51,471,890	51,471,890	51,471,890	51,471,890	
FY 2024/2025													
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	
Beginning Fund Balance	\$108,927,679	\$113,085,702	\$101,086,771	\$91,653,213	\$78,119,390	\$77,033,785	\$90,289,535	\$84,911,303	\$78,359,641	\$75,133,044	\$82,781,649	\$67,396,799	Total
Total Revenues	19,472,410	7,948,041	12,511,262	8,911,894	24,669,507	35,190,919	15,440,007	15,578,467	21,020,528	30,233,290	14,459,329	79,548,729	284,984,384
Total Expenditures	15,314,386	19,946,973	21,944,820	22,445,717	25,755,112	21,935,168	20,818,240	22,130,129	24,247,125	22,584,685	29,844,179	45,548,053	292,514,588
Change in Fund Balance	4,158,023	(11,998,932)	(9,433,557)	(13,533,824)	(1,085,605)	13,255,750	(5,378,232)	(6,551,662)	(3,226,597)	7,648,605	(15,384,850)	34,000,676	(7,530,204)
Ending Fund Balance	113,085,702	101,086,771	91,653,213	78,119,390	77,033,785	90,289,535	84,911,303	78,359,641	75,133,044	82,781,649	67,396,799	101,397,475	
FY 2023/2024													
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	
Beginning Fund Balance	\$69,995,934	\$71,193,146	\$61,145,109	\$63,533,219	\$60,187,237	\$59,940,448	\$71,637,035	\$71,291,816	\$63,539,135	\$77,687,365	\$84,911,330	\$75,100,098	Total
Total Revenues	14,999,379	7,247,510	21,581,168	16,416,147	22,719,457	32,139,652	19,316,041	12,651,332	35,037,316	26,748,556	12,047,791	64,494,321	285,398,670
Total Expenditures	13,802,167	17,295,547	19,193,058	19,762,128	22,966,246	20,443,065	19,661,260	20,404,013	20,889,085	19,524,592	21,859,023	30,666,740	246,466,925
Change in Fund Balance	1,197,212	(10,048,037)	2,388,110	(3,345,982)	(246,789)	11,696,586	(345,219)	(7,752,681)	14,148,231	7,223,964	(9,811,231)	33,827,581	38,931,745
Ending Fund Balance	71,193,146	61,145,109	63,533,219	60,187,237	59,940,448	71,637,035	71,291,816	63,539,135	77,687,365	84,911,330	75,100,098	108,927,679	

Fiscal Resource Committee Via Zoom Video Conference Call

Meeting Minutes for March 18, 2026

FRC Members present:

SAC: Bart Hoffman, Claire Coyne, Tommy Strong, Joanne Mejia

SCC: Arleen Satele, Sara Gonzalez, Tara Kubicka-Miller,

District: Iris Ingram, Adam O'Connor, Noemi Guzman, Madeline Grant

FRC Members absent: Veronica Munoz, Veronica Gonzalez, Sarah Fisher

Alternates present: Vaniethia Hubbard (1:38pm), Christopher Sweeten (1:46pm), Thao Nguyen

Guests present: Alicia Ayers, Jason Bui, Steven Deeley, Gina Huegli, Kelvin Leeds, Rasel Menendez, Annebelle Nery, Barbie Yniguez (Recorder)

1. Welcome

VC Ingram welcomed all to the meeting of the FRC and called the meeting to order at 1:32pm via zoom upon achieving quorum.

2. State/District Budget Update

- Apportionment Memo February 19, 2026
- 2024/25 Apportionment Recal Report Exhibit C RSCCD Statewide
- 2024/25 Recal Reconciliation
- 2025/26 Apportionment P1 Report Exhibit C RSCCD Statewide
- LAO – [The 2026-27 Budget: California Community Colleges](#)
- SSC – Top Legislative Issues February 13, 2026
- SSC – Two-Year Education Bills Advance to Second House
- SSC – First Quarter Lottery Apportionment for 2025-26
- SSC – State Revenues Remain Strong
- SSC – Trailer Bill Language Details \$100 Million Dual Enrollment Proposal
- SSC – LAO's State Tax Estimates Surge
- SSC – Top Legislative Issues—February 27, 2026
- SSC – Growth Amid Crosswinds_ The UCLA Anderson Forecast
- DOF – [Finance Bulletin-February 2026](#)

Items listed above include information from School Services Consulting and the Department of Finance, as well as the recal reconciliation and the apportionment report exhibit C from the State Chancellor's office.

O'Connor reported the deficit factor for 2024-25 concluded at zero percent and total computational revenue (TCR) of \$246.5 million. Payment was based on growth of 1,109 FTES and unpaid/unfunded FTES of 1,349 as of recal. \$6.8M in revenue was earned resulting in approximately \$4.5M for SAC and \$2.2M SCC.

P1 calculated revenue is still under full SCFF \$262.2M but little more than a 3 percent deficit factor included. If that number holds, a loss of \$8M in revenue could result. P1 payment was based on growth of 596 FTES and now have 2605 unfunded FTES. Discussion ensued and clarification was provided.

3. Projected 2025/26 Year-end Balances – Satele, Hoffman, and O’Connor

O’Connor explained the projected 2025/26 year-end balances are an estimation of the end-of-year carryover. District services and operations will be close to fully spending, or possibly overspending, the allocation based on the cost of safety and parking which is not covered via the parking fund.

Hoffman reported that SAC fund 11 is negative \$2.2M. Fund 13 is estimated to have an ending balance of \$6.8M resulting in \$4.6M positive.

Satele reported that SCC fund 11 is negative \$4.2M and with fund 13 offset, the end result is \$3.8M positive.

O’Connor asked Hoffman if the \$2.2M for COPs that will not be transferred were considered. Hoffman will investigate and provide the answer.

Grant asked for more definition concerning the overspend for district services and operations. O’Connor explained that it is unknown at this time how fund 12 will end for parking. The amount is to be determined. Whatever costs aren’t covered by fund 12 will need to be charged to fund 11.

Discussion concerning the SCC report continued with clarification provided.

Coyne asked if it would be possible to not charge parking fees. There was discussion and it was offered that an end-of-year estimate would be made along with estimation of costs for 2026-27 to determine the difference and bring that for consideration.

4. Review of Prior Year Deficit Factor

July advance apportionment for 2024-25 was reviewed. There was an estimated deficit of 2.405 percent. September advance, which is unusual, raised the apportionment deficit to 4.715 percent. P1 increased to 7.1165 percent. June P2 the deficit went to zero and held at zero in recal.

Regarding 2025-26, at advance there was a small deficit of 0.1799 percent. At P1 there was 3.0364 percent which affects the FON.

5. Updated AR 7400 Travel – ACTION

Kubicka-Miller reported that SCC Council has reviewed and recommended changes. VC Ingram suggested that recommendations from both college councils be provided to allow time for review and discussion at the April 15 meeting. Hoffman stated discussion is scheduled for their March 25 College Council meeting.

Action: Recommended revisions to AR 7400 should be provided following the SAC and SCC College Council meetings to allow time for administration to review prior to the April FRC meeting.

No vote was taken on AR 7400 Travel at this time.

6. Annual Review of RSCCD Budget Allocation Model (BAM)

O'Connor presented the BAM by screenshare and walked through suggested changes.

Two definition of terms had changes:

- 7200 intrafund transfers which are used to close projects between fund 12 and fund 11. Fiscal Services has established a threshold amount for transfers of \$25 or less, otherwise funds must be returned to the granting agency.
- Regarding Base FTES, Jim Kennedy had brought up last year that the language may be incorrect in how each reporting period is calculated. He was correct and the BAM has been updated to show the current P1 year will be used to begin the process and updated with P2 in April. The adopted budget, the current P2 would be the starting point and updated at the annual or P3 in July. At year close in August, the annual reporting is used to close out fiscal year end and used for carryovers. This revision is to clarify how it is being calculated, not making a change to what is being done.

Load banking section has no impact to the colleges. However, in order to comply with the GASB, a revision needs to be made. Instead of calculating the cost of banked load, and 100 percent is booked at the college as liability, GASB 101 requires only the current portion of the liability to be reported on fund 11. The remaining amount must be booked outside fund 11. The same calculation will be performed and the current portion charged (based on withdraw rate over 5-year historical trend) for purposes of the audit to comply with GASB 101. The difference would be included as part of the fund balance. Some will be a liability and some will be in fund balance (vs. a combination of that as all liability). There will be one additional line item as fund balance.

The section which was struck last year has been discussed with POE and will be removed.

Discussion ensued throughout the presentation and clarification was provided.

It was requested that the BAM be taken through the colleges' participatory review with the goal of it being returned to FRC in time for approval at the April 15 meeting.

The Budget Allocation Model was uploaded to the FRC website as an additional handout following the meeting.

7. 2026/27 Proposed Meeting Schedule – ACTION

The proposed meeting schedule was presented last month and displayed today for review by FRC members prior to voting.

A motion to approve the proposed meeting schedule was made by Hoffman with second by Grant. Roll call vote was taken and passed unanimously.

8. Standing Report from District Council – Tara Kubicka-Miller

Kubicka-Miller reported the last District Council was held March 2. Presentation was made on reports from California Community Colleges accessibility center with our RSCCD accessibility capability maturity model. The district office results were used as an example when going through everything received. Each of the reports were sent to Jesse and he made distribution to the appropriate parties (SCC, SAC, and DO).

A presentation on the tentative budget assumptions was made and passed unanimously.

The planning process manual (POE) was on agenda for approval; however, POE is continuing work on the calendar. The item has been moved to the March 30 District Council meeting.

AR4240 Academic Renewal was reviewed. A few minor edits were made (spelling out college names). The item was approved unanimously.

Informational Handouts

- District-wide expenditure report link: <https://intranet.rscdd.edu>
- Vacant Funded Position List as of March 13, 2026
- Monthly Cash Flow Summary as of February 28, 2026
- SAC Planning and Budget Committee Agendas and Minutes
- SCC Budget Committee Agendas and Minutes

9. Approval of FRC Minutes – February 18, 2026- ACTION

Motion to approve the February 18 minutes was made by Hoffman with second by Kubicka-Miller. Roll call vote was taken and passed unanimously.

10. Other

No issues were raised.

Meeting adjourned 2:17pm.

Next FRC Committee Meeting: April 15, 2026, 1:30-3:00 pm