



Rancho Santiago Community College District
District Council Meeting
March 2, 2015
Executive Conference Room
3:00 – 5:00 p.m.

Agenda

1. Approval of Minutes of February 9, 2015 Meeting
2. FRC Recommendation on the 2015-2016 Tentative Budget Assumptions Hardash
3. Committee Reports
 - a. Planning & Organizational Effectiveness Committee Didion
 - b. Human Resources Committee Didion
 - c. Fiscal Resources Committee Hardash
 - d. Physical Resources Committee Hardash
 - e. Technology Advisory Group Krichmar
4. Constituent Representative Reports
 - a. Academic Senate - SAC Zarske
 - b. Academic Senate – SCC Evett
 - c. Classified Staff Andrews
 - d. Student Government – SAC Manriquez
 - e. Student Government – SCC Soberano
5. Other

Next Meeting: March 16, 2015

Mission Statement

The mission of the Rancho Santiago Community College District is to provide quality educational programs and services that address the needs of our diverse students and communities.

The mission of Santa Ana College is to be a leader and partner in meeting the intellectual, cultural, technological, and workforce development needs of our diverse community. Santa Ana College provides access and equity in a dynamic learning environment that prepares students for transfer, careers and lifelong intellectual pursuits in a global community.

Santiago Canyon College is an innovative learning community dedicated to intellectual and personal growth. Our purpose is to foster student success and to help students achieve these core outcomes: to learn, to act, to communicate and to think critically. We are committed to maintaining standards of excellence and providing accessible, transferable, and engaging education to a diverse community.



Rancho Santiago Community College District District Council Meeting

MINUTES

February 9, 2015

Members:	Raúl Rodríguez	Absent
	John Didion	Present
	Peter Hardash	Present
	Erlinda Martinez	Present
	John Weispfenning	Present
	John Zarske	Present
	Corinna Evett	Present
	Sarah Salas for Tom Andrews	Present
	Raquel Manriquez	Present
	Hector Soberano	Present
	Lee Krichmar	Present
	Raymond Hicks	Present
	Bonnie Jaros	Present
	John Smith	Absent
	Jim Granitto	Absent
	Victoria Williams	Present

1. Approval of Minutes of December 1, 2014

It was moved by Mr. Hardash, seconded by Ms. Williams and carried unanimously to approve the minutes of the December 1, 2014 meeting.

2. Annual Progress Report on Goals

Executive Vice Chancellor Didion presented the Annual Progress Report on Goals that, along with the 12 Measures of Success, will be provided to the Board of Trustees for the February 23, 2015 Annual Planning Session. The report has been approved by the Planning and Organizational Effectiveness Committee and is being forwarded to District Council for review and approval. A discussion of how the document will be presented ensued. It was agreed that the document would be sent to the Trustees well in advance of the February 23, 2015 meeting for their review. The group, by consensus, approved forwarding the report to the Board of Trustees.

3. Reorganizations

Mr. Didion presented two reorganizations:

- A. The addition of staff to fulfill our obligation as grantee for the CTE grant to monitor other entities and create required reports. All costs associated with these additional personnel will be paid by the grant. The group, by consensus, approved this reorganization.

3. Reorganizations (continued)

- B. The need for higher level director for the Early Head Start (EHS) Program as required by the EHS grant. The cost associated with this will be paid by the grant. The group, by consensus, approved this reorganization.

4. International Education Opportunities

Dr. Jaros stated that when she learned of the district's involvement in Saudi Arabia she sought a better understanding of the project. She further stated that she had received information about the project and rationale for RSCCD involvement. Mr. Didion provided background and information to the committee about the project. The project in Saudi Arabia is being undertaken by the RSCCD Foundation in support of their goal for bringing additional income into the district. The project is to act as a consultant to two existing vocational colleges in Saudi Arabia to provide a diagnostic need assessment in all areas of their college operations. The Foundation has a local partner in Saudi Arabia. Discussion ensued. It was noted that RSCCD faculty be given the first opportunity to become involved in this project if they wish before anyone outside the district.

5. Participatory Governance Committee Roles

Mr. Didion reported that he will speak with the Chancellor about the scheduling of a District Council retreat as discussed in the last meeting.

6. Committee Reports

A. Planning and Organizational Effectiveness Committee (POE)

Mr. Didion reported that the committee continues to work on how to better align timelines in budgeting and planning.

B. Human Resources Committee (HRC)

Mr. Didion reported that the committee is reviewing hiring regulations. The Academic Senate Presidents requested the opportunity to review and provide input into the process. It was further reported that the EEO plan was sent to the State Chancellor's Office.

C. Fiscal Resources Committee (FRC)

Vice Chancellor Hardash reported that the next meeting is scheduled for February 25. At that meeting the committee will look at the calendar to insure District Council reviews the budget assumptions before they are taken to the Board for approval.

D. Physical Resources Committee (PRC)

Mr. Hardash reported that detailed updates on the district's projects are provided at the committee meetings and are posted to the PRC webpage. All were encouraged to review these documents if interested. The next meeting is scheduled for March 4.

- E. Technology Advisory Group (TAG)
Assistant Vice Chancellor Krichmar provided a report on the current items being discussed by TAG which included: A/V standards for the smart classroom, virtual desktop, Ellucian mobile and desktop standards.

- 7. Constituent Representative Reports
 - A. Academic Senate/SAC: Academic Senate President Zarske provided an update on senate activities.
 - B. Academic Senate/SCC: Academic Senate President Evett provided an update on senate activities.
 - C. CSEA: Sarah Salas, on behalf of President Tom Andrews provided an update on CSEA activities.
 - D. Student Government/SAC: ASG President Raquel Manriquez reported on the ASG activities at SCC.
 - E. Student Government/SCC: ASG President Hector Soberano reported on the ASG activities at SCC.

- 8. Next Meeting: The next District Council meeting will be held on Monday, March 2, 2015 in the Executive Conference Room (#114).

Meeting Adjournment: 4:00 p.m.

Approved:

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2015-16 Tentative Budget Assumptions
DRAFT as of February 25, 2015**

I. State Revenue

A. Budgeting will continue to utilize the District's Budget Allocation Model Based on SB 361.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth
2011/12	28,182.19	27,711.41	27,711.41	-9.95%
2012/13	27,711.41	28,185.04	28,185.04	1.71%
2013/14	28,185.04	28,688.93 ^a	28,688.93 ^a	1.79%
2014/15	P1 28,688.93	28,975.82 ^b	28,975.82 ^b	1.00%

a - based on 2013/14 Recalculation received 2/19/2015

b - based on College Presidents' estimate as of 2/17/2015

The Governor's January budget proposal includes 2% Restoration/Access/Growth funding, 1.58% COLA, an unrestricted increase to the Base Allocation and equalizing the CDCP FTES funding rate at the credit FTES rate.

Base Allocation Increase	\$2,400,000
CDCP Funding Enhancement	\$7,000,000
Projected COLA of 1.58%	\$2,300,000
Projected Restoration/Access/Growth 1% (Est.)	\$1,300,000
Projected Deficit (Estimated at 1.72%)	(\$2,400,000)
Base Increase for 2015/16	<u>\$10,600,000</u>

2015/16 Est. 1% R/A/Growth for FTES planning 29,266

C. Education Protection Account (EPA) funding estimated at \$21,783,177 based actual on 2014/15 Advance. These are not additional funds, rather the EPA is only a portion of general purpose funds that offsets what would otherwise be state aid in the apportionments. Our intention is to charge a portion of faculty salaries against this funding source in compliance with EPA requirements.

D. Unrestricted lottery is projected at \$128 per FTES (\$3,807,597). Restricted lottery at \$34 per FTES (\$1,011,393). (2014/15 P1 of resident & nonresident factored FTES, 29,746.85 x 128 = \$3,807,597 unrestricted lottery; 29,746.85 x 34 = \$1,011,393. These rates are increased and with an increase in FTES there is a slight increase in revenue.

E. Estimated reimbursement for part-time faculty compensation is estimated at \$691,647 (2014/15 Advance). Unchanged.

F. Categorical programs will continue to be budgeted separately; self-supporting, matching revenues and expenditures. No COLA has been proposed by the Governor for categorical programs. If the district were to settle with all bargaining groups for a COLA, this will increase expenditures without increased revenues for these categorical programs. Other categorical reductions would therefore be required to remain in balance with state funding. The colleges will need to budget for any program match requirements using unrestricted funds. Match requirements are unknown for 2015/16 SSSP funds. If there is a 1:1 match, this would require an additional expenditure of \$2.8 million as we estimate an increase of restricted state revenue of \$2.8 million.

G. BOG fee waivers 2% administration funding estimated at 2014/15 Advance of \$250,674. Unchanged

H. Mandates Block Grant estimated at a total budget of \$740,000. Unchanged. In addition, with a one-time \$351.3 million allocation statewide for past Mandated Cost reimbursement, we expect approximately \$8.7 million. These funds can be used for any one-time purposes including Scheduled Maintenance, Instructional Equipment, etc.

II. Other Revenue

I. Non-Resident Tuition budgeted at \$1,600,000. Increase of \$100,000.

J. Interest earnings estimated at \$120,000. Unchanged

K. Other miscellaneous income (includes fines, fees, rents, etc.) is estimated at \$337,147. Unchanged

L. Apprenticeship revenue estimated at \$1,389,971 (2014/15 Advance). Unchanged. There is a proposal to increase the allocation for Apprenticeship, but at this time it is not known how this might affect our budget.

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2015-16 Tentative Budget Assumptions
DRAFT as of February 25, 2015**

III. Appropriations and Expenditures

- A. The Tentative Base Budget for 2015/16 will begin with a rollover in total 2014/15 Adopted Budget by site, as allocated by budget center. The 2015/16 Tentative Budget will be balanced if necessary by using a portion of the Budget Stabilization Fund.
- B. The Cost of Living Allowance (COLA) estimated at 1.58%, \$2.3 million.
- C. Step and column movement is budgeted at an additional cost of approximately \$1.4 million including benefits. (FARSCCD approximate cost \$475,000, CSEA approximate cost \$480,000, Management/Other approximate cost \$445,000)
- D. Health and Welfare benefit premium cost increase is estimated at a minimum 10% for an additional cost of approximately \$1.47 million for active employees and an additional cost of \$630,000 for retirees, for a combined increase of \$2,100,000. State Unemployment Insurance local experience charges are estimated at \$250,000 (2014/15 budgeted amount). Unchanged. CalPERS employer contribution rate will increase in 2015/16 from 11.771% to 12.6% for an increase of \$255,693.
(Note: The cost of each 1% increase in the PERS rate is approximately \$300,000.)
CalSTRS employer contribution rate will increase in 2015/16 from 8.88% to 10.73% for an increase of \$1,048,025.
(Note: The cost of each 1% increase in the STRS rate is approximately \$550,000.)
- E. The full-time faculty obligation (FON) for Fall 2015 is estimated at 346.80. The District is currently recruiting 34 faculty positions (two of which do not count toward the FON) for an estimated total of 32 positions counting toward the obligation. The District expects to meet its obligation in 2014-15. Penalties for not meeting the obligation amount to approximately \$74,000 per FTE not filled.

The additional cost of new full-time faculty being hired for Fall 2015 is estimated at \$1.5 million. SAC is filling 16 vacancies and adding six new positions. SCC is filling four vacancies and adding eight new positions. (The cost of the 14 new positions, along with shifts from categorical funding, is budgeted at Class VI, Step 10 at approximately \$125,000 each, including benefits.)
- F. The current rate per Lecture Hour Equivalent (LHE) effective 1/1/15 for hourly faculty is \$1,243. Incr. of 5.88% from 2013/14
- G. Retiree Health Benefit Fund (OPEB/GASB 45 Obligation) - The District will continue to contribute 1% of total salaries plus a minimum of \$500,000 (approx. \$1.5 million) to fund the total actuarially determined Annual Required Contribution (ARC). The actual ARC for 2015/16 is \$8,350,167.
- H. Capital Outlay Fund - As indicated in I.H above, there is no specific state allocation for Scheduled Maintenance however the district will address capital outlay needs using a portion of the one-time mandated cost reimbursement.
- I. Utilities cost increases of 5%, estimated at \$200,000.
- J. Information Technology licensing contract escalation cost of 7%, estimated at \$125,000, plus cost of OneCampus license \$22,000 for at total increase of \$147,000.
- K. Property and Liability Insurance cost estimated at \$1,850,000. Slight increase of \$50,000 due to additional FTES.
- L. Partial implementation of the Public Safety Task Force recommendations including increased cost of Chief and Lieutenant positions and three new Sergeant positions, estimated at \$432,137. **These new costs will be offset with cuts from other District Services.**
- M. Other additional DS/Institutional Cost expenses:
 - Trustee Election Expense \$-0- for 15/16 (reduction of \$400,000)
 - Legal Expenses of \$250,000 (in addition to \$250k PY)
 - International Student Recruitment China Office \$-0- additional (PY \$24,000 remains)
- N. Child Development Fund - Program staff continues to develop a plan to reduce the budget deficit. At this time a contribution of \$350,000 will continue to be budgeted as an interfund transfer from the unrestricted general fund.

Rancho Santiago Community College District
Unrestricted General Fund Summary
2015-16 Tentative Budget Assumptions Analysis
DRAFT as of February 25, 2015

*	<u>New Revenues</u>		Ongoing Only	One-Time
B	Base Allocation Increase	1	\$2,400,000	
B	CDCP FTES Funding Equalization	1	\$7,000,000	
B	COLA 1.58%		\$2,300,000	
B	Growth 1%		\$1,300,000	
D	Unrestricted Lottery		\$87,262	
H	Mandates Block Grant (one-time)	2		\$7,810,000
I	Non-Resident Tuition		\$100,000	
J	Interest Earnings			
K	Misc Income			
	Total		\$13,187,262	\$7,810,000
	<u>New Expenditures</u>			
B	COLA 1.58%		\$2,300,000	
C	Step/Column		\$1,400,000	
D	Health and Welfare/Benefits at 10%		\$2,100,000	
D	CalPERS Increase		\$255,693	
D	CalSTRS Increase		\$1,048,025	
E	Full Time Faculty Obligation Hires		\$1,462,500	
E/F	Hourly Faculty Budgets (Convert to Full Time)		\$0	
I.F	SSSP Match	3	\$0	
H	Capital Outlay/Scheduled Maintenance Match		\$750,000	\$1,500,000
I	Utilities Increase		\$200,000	
J	ITS Licensing/Contract Escalation Cost		\$147,000	
K	Property and Liability Insurance		\$50,000	
L	Public Safety Task Force Recommendations		\$0	
M	Election Expense			(\$400,000)
M	Other Additional DS/Institutional Costs		\$250,000	
	Total		\$9,963,218	\$1,100,000
	2015-16 Budget Year Surplus (Deficit)		\$3,224,044	\$6,710,000
	2014-15 Ongoing Base Structural Deficit		(\$8,394,806)	
	Total 2015-16 Net Revenue (Deficit)		(\$5,170,762)	\$1,539,238

Note: Budget Stabilization Fund Balance at 6/30/2015 is estimated at \$8,678,885.

1 At this time, these revenues are budgeted 100% unrestricted with NO specifically-related additional expenditures budgeted.

2 Budgeted 100% unrestricted but is not guaranteed. There is concern that this allocation might be reduced significantly if there is an increase in Prop 98 funding in 2014/15.

3 Additional restricted revenue for SSSP estimated at \$2.8 million. Match requirements are unknown for these new funds at this time. If the match is 1:1, the colleges will need to provide ~\$2.8 million in allowable match from unrestricted funds.

* Reference to budget assumption number