



Rancho Santiago Community College District
District Council Meeting

July 10, 2023

1:30 p.m.

Via Zoom

<https://us06web.zoom.us/j/87485821809>

669-444-9171 / 874 8582 1809

Passcode is required and provided to District Council members in separate email.

Contact Debra Gerard at gerard_debra@rscdd.edu to obtain passcode.

Agenda

- | | |
|---|----------|
| 1. Call to Order/Update | Martinez |
| 2. Approval of Minutes - ACTION
a. June 5, 2023 Meeting | Martinez |
| 3. Approval of 2023-2024 Adopted Budget Assumptions - ACTION | Ingram |

Next Meeting: August 28, 2023



Rancho Santiago Community College District District Council Meeting

MINUTES June 5, 2023

Members:	Marvin Martinez	Absent
	Enrique Perez	Present
	Iris Ingram	Present
	Alistair Winter for Cheng Yu Hou	Present
	Annebelle Nery	Present
	Jeannie Kim	Present
	Jesse Gonzalez	Present
	Jim Isbell	Present
	Craig Rutan	Present
	William Nguyen	Present
	Corinna Evett	Absent
	Tara Kubicka-Miller	Present
	Tyler Johnson	Present
	Zina Edwards	Present
	Ambar Nakagami	Present
	SAC Student	Absent
	SCC Student	Absent
Guests:	Adam O'Connor	
	Chi-Chung Keung	

1. Call to Order/Update

- a. In the Chancellor's absence, Vice Chancellor Perez convened the meeting via Zoom Conference at 1:35 p.m.

2. Approval of Minutes

- a. It was moved by Ms. Ingram, seconded by Dr. Kim and carried with an abstention from Mr. Nguyen to approve the minutes of the May 1, 2023 meeting. Mr. Winter was absent for the vote.

3. Approval of 2023-2024 Tentative Budget

- a. Vice Chancellor Ingram presented the 2023-2024 tentative budget which had been reviewed and recommended by the Planning and Organizational Effectiveness Committee and the Fiscal Resources Committee. Discussion ensued. Ms. Ingram committed to providing Dr. Nery with the additional information she requested relating to ongoing district expenses. It was moved by Mr. Rutan, seconded by Dr. Kim and carried with no votes from Dr. Nery and Mr. Isbell to approve the 2023-2024 tentative budget as presented.

4. Administrative Regulations

- a. AR 7280 – Remote Work: Mr. Winter presented the NEW administrative regulation governing the ability for classified, confidential and management personnel to work remotely. This does not affect faculty. It was moved by Mr. Isbell, seconded by Mr. Johnson and carried to approve AR 7280 as presented. Ms. Ingram was not presented for the vote.

5. Participatory Governance Committee Reports

- a. Planning and Organizational Effectiveness Committee (POEC)
Vice-Chair Rutan provided a report of the May 24, 2023 meeting. Because there was not a quorum, no action was taken. The next meeting will be held on June 28, 2023.
- b. Human Resources Committee (HRC)
Asst. Vice Chancellor Winter reported on the May 10, 2023 meeting.
- c. Fiscal Resources Committee (FRC)
Ms. Ingram reported on the May 18, 2023 meeting.
- d. Physical Resources Committee (PRC)
Ms. Ingram reported on the May 3, 2023.
- e. Technology Advisory Group (TAG)
Asst. Vice Chancellor Gonzalez reported on the May 4, 2023 meeting. The next meeting will be held in fall 2023.

6. Constituent Representative Reports

- a. Academic Senate/SAC: Mr. Isbell reported on the SAC Academic Senate activities. He also stated that this will be his last report as Academic Senate President. Incoming Academic Senate President Claire Coyne will be at the next meeting.
- b. Academic Senate/SCC: Mr. Rutan reported on the SCC Academic Senate activities.
- c. CSEA: Mr. Johnson provided a report on CSEA activities.
- d. Student Government/SAC: No report.
- e. Student Government/SCC: No report.

Next Meeting: The next meeting will be held on Monday, July 10, 2023
Meeting Adjourned: 2:20 p.m.
Approved: July 10, 2023

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2023/24 Adopted Budget Assumptions
June 15, 2023

I. State Revenue

A. Budgeting will begin using the Student Centered Funding Formula (SCFF) at the hold harmless provision for the 2017/18 Total Computational Revenue plus outyear cost of living adjustments (COLA) plus estimated revenue earned above hold harmless less estimated deficit factor.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth
2016/17	28,901.64	27,517.31	28,901.64	a -4.79%
2017/18	28,901.64	29,378.53	29,375.93	b 1.65%
2018/19	Recal	25,925.52	28,068.86	c -11.75%
2019/20	Recal	27,028.98	26,889.30	4.26%
2020/21	Recal	25,333.74	26,993.32	-6.27%
2021/22	Recal	26,202.98	27,208.25	3.43%
2022/23	P2	25,602.96	26,971.89	-2.29%

a - based on submitted P3, District went into Stabilization in FY 2016/17

b - based on submitted P3, the district shifted 1,392.91 FTES from summer 2018

c - To maintain the 2015/16 funding level and produce growth FTES in 2017/18, the district borrowed from summer 2018 which reduced FTES in 2018/19.

The governor's state budget proposal includes .5% systemwide growth funding, 8.22% COLA. The components now 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 8.22%	\$16,090,921
Projected SCFF Base Increase	\$0
Projected Growth/Restoration	\$5,783,744
Deficit Factor (2%)	(\$4,352,560)

2023/24 Potential Growth at 0.5%

26,334 FTES

C. Education Protection Account (EPA) funding estimated at \$38,980,355 based on 2022/23 @ 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 \$170 per FTES (\$4,449,862). Restricted lottery at \$67 per FTES (\$1,753,769). (2022/23 @ P1 of resident & nonresident factored FTES, 26,175.66 x \$170 = \$4,449,862 unrestricted lottery; 26,175.66 x \$67 = \$1,753,769 restricted lottery)

E. Estimated reimbursement for part-time faculty compensation is estimated at \$568,828 (2022/23 @ Advance).

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 2022/23 @ Advance of \$232,423.

H. Mandates Block Grant estimated at a total budget of \$825,239 (\$32.68 x 25,252.10). No additional one-time allocation proposed.

II. Other Revenue

I. Non-Resident Tuition budgeted at \$3,000,000. (SAC \$2,000,000, SCC \$1,000,000).

J. Interest earnings estimated at \$900,000.

K. Other miscellaneous income (includes fines, fees, rents, etc.) is estimated at approximately \$404,737.

L. Apprenticeship revenue estimated at \$5,227,354. (Corresponding expenses are also budgeted for apprenticeship course offerings.)

M. Scheduled Maintenance/Instructional Equipment allocation. Unknown at this time.

N. Full-time Faculty Hiring Allocation (\$3,325,444 - \$2,367,141 = \$958,303)

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2023/24 Adopted Budget Assumptions
June 15, 2023**

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 at 5% for unrestricted general fund = \$7,669,263 (FARSCCD approximate cost \$3,859,222 CSEA approximate cost \$2,090,750, Management/Other approximate cost \$1,719,291) 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 \$2.05 million for all funds. The estimated cost of a 1% salary increase is \$1.53 million for the unrestricted general fund.
- C. Step and column movement is budgeted at an additional cost of approximately \$1.77 million including benefits for FD 11 & 13 (FARSCCD approximate cost \$893,243 CSEA approximate cost \$483,621, Management/Other approximate cost \$397,652) For all funds, it is estimated to = \$2.46 million (FARSCCD = \$1,114,537, CSEA = \$770,322, Management/Others = \$571,510) 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 1/1/2024 is estimated at 3.5% for an additional cost of approximately \$601,137 for active employees and \$288,637 for retirees, for a combined increase of \$889,774 for unrestricted general fund. The additional cost increase for all funds is estimated to = \$1,070,323.
State Unemployment Insurance (.50% to .05%)
 CalSTRS employer contribution rate will stay the same in 2023/24 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 increase in 2023/24 from 25.37% to 26.68% for a increase of \$548,796.
 (Note: The cost of each 1% increase in the PERS rate is approximately \$411,000.)
- E. The full-time faculty obligation (FON) for Fall 2023 is estimated to be 348. The Fall 2022 report indicated the District was 17.8 faculty under its FON. The current cost for a new position is budgeted at Class VI, Step 12 at approximately **\$175,733**. Penalties for not meeting the obligation amount to approximately \$87,151 per FTE not filled. Each faculty hired over the FON adds cost of (**\$175,733 - \$61,114**)= **\$114,619** if deduct hourly cost. Hiring of 26 new faculty for FY 2023/24 (SAC=18 and SCC=8).
 SAC hiring 12.5 = **\$2,196,663** unrestricted general fund, hiring 2.5 = \$440,435 in restricted general fund (categorical program), and hiring 3 non-credit non-FON = **\$527,199**.
 SCC hiring 6 = **\$1,054,398** unrestricted general fund and hiring 2 non-credit non-FON = **\$351,466**.
 Unrestricted General Fund will be budgeted for 18.5 position, the differences of funding will need to be provided by the colleges.
- F. The current rate per Lecture Hour Equivalent (LHE) effective 7/1/23 for hourly faculty is \$92.69 x 18 hrs/LHE= \$1,669 (FY 2023/24) (Total cost of salary and benefits of part-time faculty to teach 30 LHE = **\$61,114**)
- G. Retiree Health Benefit Fund (OPEB/GASB 75 Obligation) - The calculated Employer Contribution Target remains less than our current pay as you go, therefore there is no additional need to fund this liability this year.
- H. Capital Outlay Fund - The District will continue to budget \$1.5 million for capital outlay needs.
- I. Utilities cost increases of 15%, estimated at \$100,000.
- J. Information Technology licensing contract escalation cost of 7%, estimated at \$150,000.
- K. Property and Liability Insurance transfer estimated at \$1,970,000. Unchanged.
- L. Other additional DS/Institutional Cost expenses:
- | | Ongoing Cost | One-time Cost |
|-------------------|--------------|---------------|
| Business Services | \$ 1,612,336 | |
| P & C Recruitment | \$ 50,000 | |
- M. Seventh contribution of Santiago Canyon College ADA Settlement expenses of \$2 million from available one-time funds.

Rancho Santiago Community College District
Unrestricted General Fund Summary
2023/24 Adopted Budget Assumptions
June 15, 2023

*	<u>New Revenues</u>	Ongoing Only	One-Time
A	Student Centered Funding Formula		
B	Projected COLA of 8.22%	\$16,090,921	
B	Projected SCFF Base Increase	\$0	
B	Projected Growth/Restoration	\$5,783,744	
B	Deficit Factor (2%) - additional	(\$421,170)	
D	Unrestricted Lottery	\$165,140	
H	Mandates Block Grant	\$0	
I	Non-Resident Tuition	\$500,000	
J	Interest Earnings	\$0	
L	Apprenticeship - SCC	\$0	
EGK	Misc Income	\$0	
N	Full-time Faculty Allocation	\$958,303	
	Total	\$23,076,938	
	<u>New Expenditures</u>		
B	Salary Schedule Increases/Collective Bargaining **	\$7,669,263	
C	Step/Column	\$1,774,516	
D	Health and Welfare/Benefits Est. Increase 3.5% - Active	\$601,137	
D	Health and Welfare/Benefits Est. Increase 3.5% - Retirees	\$288,637	
D	CalSTRS Increase	\$0	
D	CalPERS Increase	\$548,796	
D	State Unemployment (.50% to .05%)	(\$532,020)	
E	Full Time Faculty Obligation Hires	\$3,251,061	
E	Non-Credit Faculty (Non FON)	\$878,665	
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 Contribution	\$0	
I	Utilities Increase	\$100,000	
J	ITS Licensing/Contract Escalation Cost	\$150,000	
K	Property, Liability and All Risks Insurance	\$0	
II.L	Apprenticeship - SCC	\$0	
L	Other Additional DS/Institutional Costs	\$1,662,336	
M	SCC ADA Settlement Costs	\$0	\$2,000,000
	Total	\$16,392,390	\$2,000,000
	2023/24 Budget Year Unallocated (Deficit)	\$6,684,548	
	2022/23 Structural Unallocated (Deficit)	(\$2,388,864)	
	Total Est. Unallocated (Deficit)	\$4,295,684	
	Vacancies & Other Adjustments	\$760,904	
		\$5,056,588	

SRP Savings/Rightsizing Recap

Beginning Balance 7/1/22 SRP Savings	\$14,655,522
Est SRP Savings FY 2022/23	\$8,745,467
FON Penalty (17.8 x \$87,151)	(\$1,551,288)
SRP Cost for FY 2023/24	(\$1,979,622)
SRP Cost for FY 2024/25	(\$1,979,622)
SRP Cost for FY 2025/26	(\$765,062)
Ending Balance	\$17,125,395

* Reference to budget assumption number

** 5.00% for FARSCCD/CSEA/CEFA/Management set aside