

2013-2014 ADOPTED BUDGET

Board of Trustees Meeting
September 09, 2013

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

Outline of Presentation

1. State Budget Status
2. RSCCD 2013-2014 Proposed Adopted Budget
3. What's Next?
4. Recommendation

State Budget Status

State Budget Status

- ▣ State Budget Overview
 - Reviewed at August BOT meeting
- ▣ Good news for a change...however still funding concerns
- ▣ Redevelopment Agency (RDA) Revenue dispute
 - \$80 million actual discrepancy with DOF estimates
 - ▣ Tax increment residual revenues (ongoing)
 - ▣ Asset liquidation revenues (one time)
 - Guaranteed backfill?
 - Hold Harmless language in Budget Act?
 - Attempts to resolve discrepancy
 - DOF feels there is no discrepancy, however, willing to listen
 - ▣ RSCCD = \$2 million shortfall for 12/13
 - Current year shortfall unknown
 - Most likely similar amount
- ▣ Structural system wide apportionment deficits
 - \$40 to \$50 million statewide structural deficits
 - ▣ RSCCD = \$1 million to \$1.3 million

State Budget Status

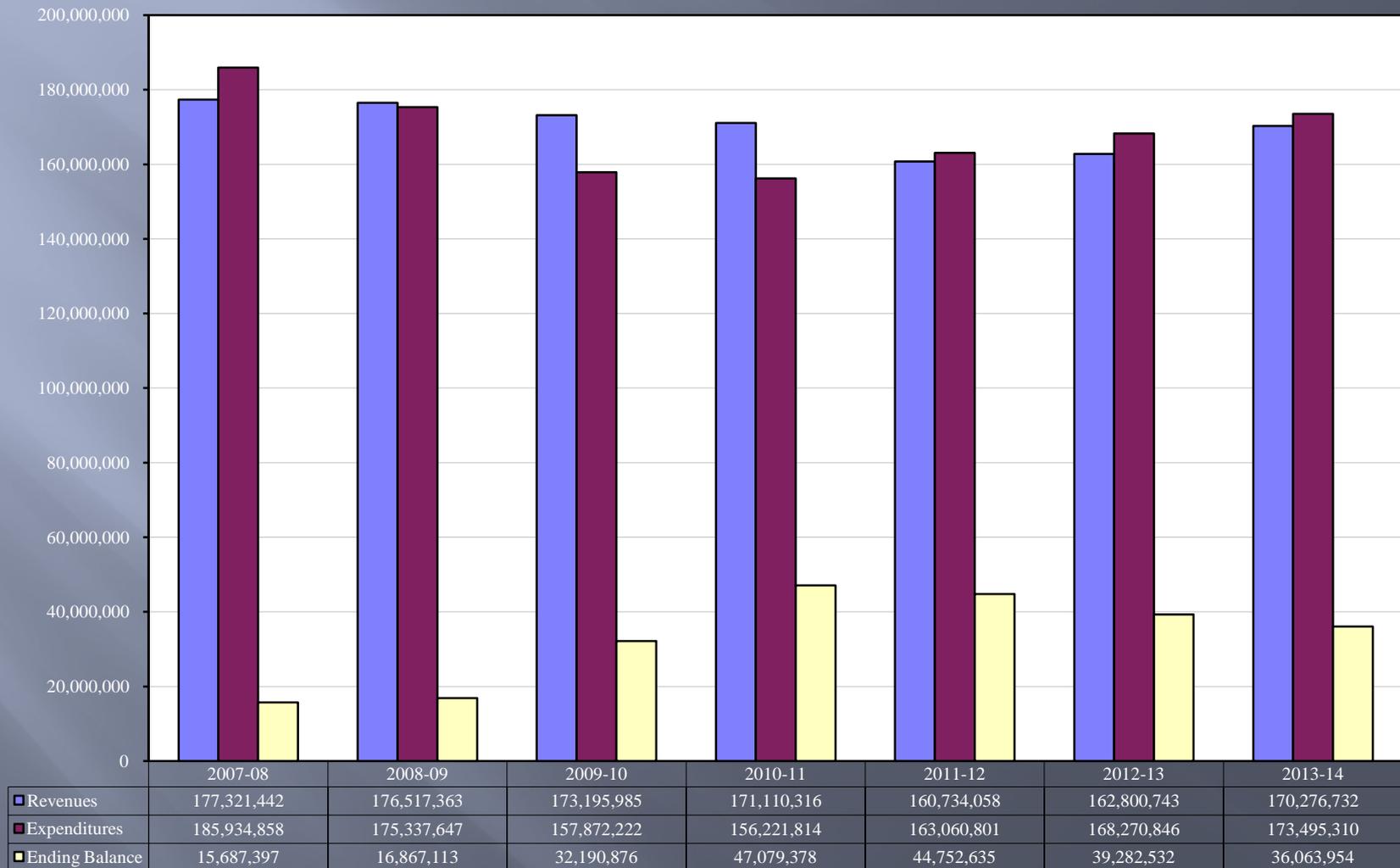
- ▣ Prop 30 Education Protection Account (EPA)
 - Approximately \$9 million shortfall in 12/13 compared to DOF estimates
 - Guaranteed backfill?
 - ▣ RSCCD = \$235,000 shortfall in 12/13
 - Current year shortfall unknown
- ▣ New Money in Budget Act for COLA and growth
 - However, partially offset with funding discrepancies and structural apportionment deficits
- ▣ Faculty Obligation Number (FON) concerns
 - Expect FON not to be waived by BOG this fall
 - Need to hire approximately 24 new full time faculty for fall 2014-2015
- ▣ 50% Law Compliance concerns
 - Adopted Budget 50% Law calculation not in compliance at 46.42%
 - Will need to make spending adjustments to bring into compliance
- ▣ However, in spite of all of these, the economy and Prop 98 funding outlook appears more promising

RSCCD
2013-2014
Proposed Adopted Budget

Proposed Adopted Budget

- ▣ Includes Fiscal Resources Committee (FRC) recommended and Board approved budget assumptions for the Adopted Budget
- ▣ FRC reviewed and recommended the proposed Adopted Budget to the Chancellor
- ▣ Second year transition to the new SB 361 Budget Allocation Model (BAM)
- ▣ Includes full BAM write-up

Recap of Revenues and Expenditures General Fund (Combined 11, 12 & 13)

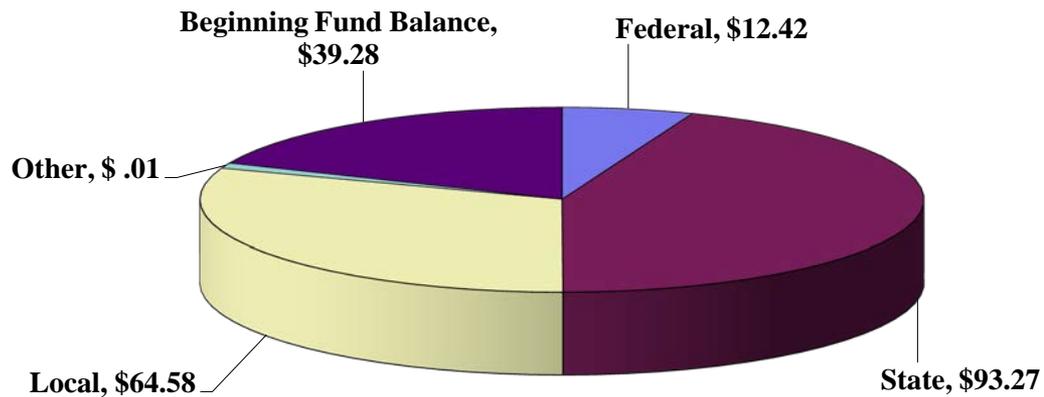


Proposed Adopted Budget

- ▣ 2013/14 Budgeted Unrestricted General Fund Expenditures, including carryover funds:
 - Santa Ana College \$75,194,341
 - Santiago Canyon College \$33,704,335
 - District Office \$26,238,350
 - Districtwide Costs \$10,308,240

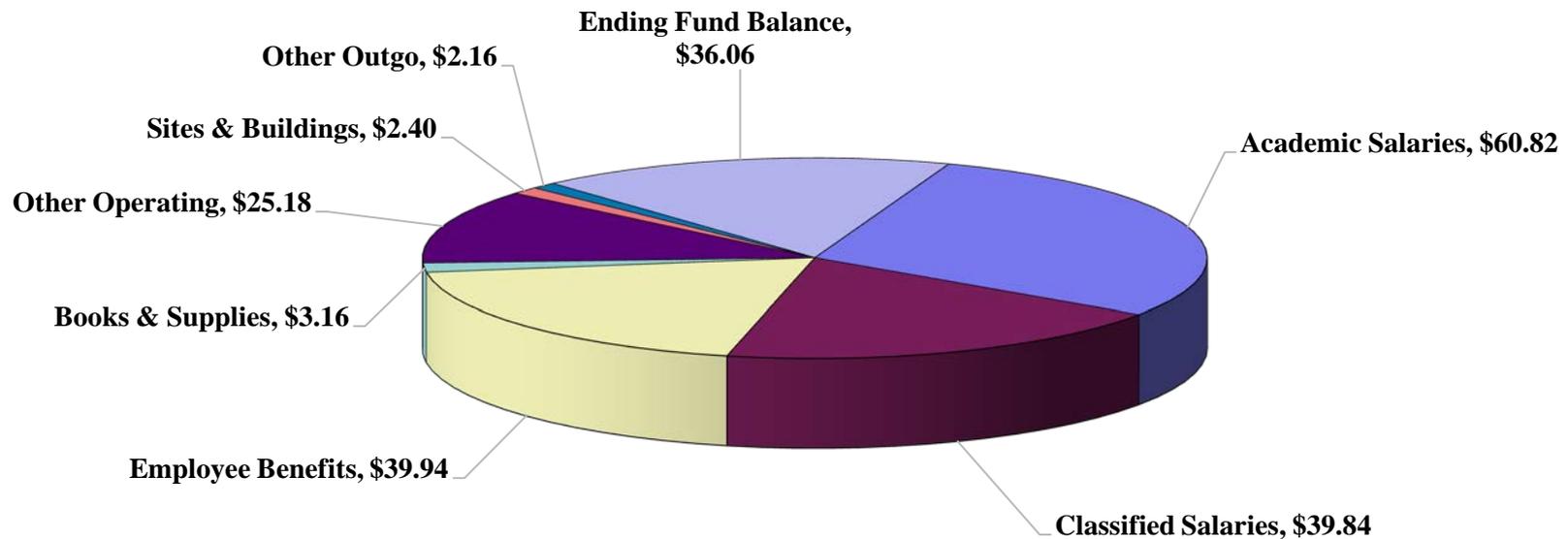
Proposed Adopted Budget

**Total Combined General Fund Revenue \$170.28 million,
Plus Beginning Balance of \$39.28 million**



Proposed Adopted Budget

**Total Combined General Fund Expenditures
\$173.49million, Plus Ending Fund Balance of \$36.06 million**



Proposed Adopted Budget Reserves and Carryovers

- ▣ Reserve for Economic Uncertainty
 - 5% Board Policy Contingency - \$7,209,150
- ▣ Other Designated Reserves
 - ▣ Restricted Program Reserves & Revolving Cash - \$1,026,548
 - ▣ COLA \$2,037,839 & Restoration/ Access/Growth \$2,148,935
- ▣ Budget Center Carryover Funds - \$5,502,072
 - ▣ Santa Ana College - \$3,620,244
 - ▣ Santiago Canyon College - \$984,425
 - ▣ District Office - \$897,403
- ▣ Beginning Budget Stabilization Fund - \$25,035,466
- ▣ Ending Budget Stabilization Fund - \$22,379,217

List of all District Funds Budgeted

List of Funds Budgeted

General Fund

Expenditures	\$ 173,495,310
Board Policy Contingency (5%)	7,209,150
Restricted Reserves	5,213,322
Budget Stabilization	22,379,217
Unrestricted Contingency	1,262,265

Total General Fund

\$ 209,559,264

Bond Interest and Redemption Funds	34,135,770
Bookstore Fund	10,442,879
Child Development Fund	5,223,614
Capital Outlay Projects Fund	29,454,411
General Obligation Bond Funds - Measure E	45,889,654
Self-Insurance Fund - Property and Liability	3,262,215
Self-Insurance Fund - Workers' Compensation	8,649,270
Retiree Benefits Fund	(5,114,913)
Associated Students Fund	390,076
Representation Fee Trust Fund	53,020
Student Financial Aid Fund	27,450,647
Community Education Fund	1,005,866
Diversified Trust Fund	2,140,657

Total All Funds

\$ 372,542,430

What's Next?

What's Next?

- ▣ Will there be additional Prop 98 revenues in 13/14?
- ▣ RDA funding issues resolved?
- ▣ EPA funding issues resolved?
- ▣ System wide structural deficit resolved?
- ▣ Closely monitor 50% Law compliance
- ▣ Improving economy and tax revenues will hopefully transpire into improved real funding for the community colleges

Recommendation

Adopted Budget Recommendation

- ▣ Recommend approval of the proposed 2013-2014 Adopted Budget, as presented