



2016-2017
BUDGET UPDATE
2017-2018 TENTATIVE BUDGET ASSUMPTIONS

Board of Trustees Meeting
March 27, 2017

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

Proposed Tentative Budget Assumptions

- ▣ What are Budget Assumptions (expectations)?
 - What new revenues can districts reasonably expect in 2017-2018?
 - What new costs can districts reasonably expect (project) in 2017-2018?
 - These become the foundation to build the new 2017-2018 Tentative Budget when comparing to the current 2016-2017 Adopted Budget fiscal year revenues and expenses.

- ▣ The Tentative Budget each year considered a “placeholder” budget approved by July 1st each year in order to continue operations
 - Don't know yet how 2016-2017 fiscal year ends
 - Don't have final state enacted budget funding allocations

Proposed Tentative Budget Assumptions Process

- ▣ Tentative Budget Assumptions reviewed and approved by Fiscal Resources Committee (FRC) at February 22, 2017 meeting and recommended to District Council
- ▣ Tentative Budget Assumptions reviewed and approved by District Council at March 6, 2017 meeting as recommendation to the Chancellor
- ▣ Chancellor's recommendation to Board of Trustees as agenda item 4.3 on March 27, 2017 docket.

Proposed Tentative Budget Assumptions

What new unrestricted revenues expected?

<u>New Revenues</u>		Ongoing Only
COLA 1.48%		\$2,300,000
Growth (Decline of 2.17%)		\$0
Base Allocation		\$590,000
Deficit Factor est. at 0.7		\$0
Unrestricted Lottery		\$126,529
Mandates Block Grant (one-time)		\$0
Non-Resident Tuition		\$325,000
Interest Earnings		\$100,000
Apprenticeship - SCC		\$0
Misc Income		\$0
Total		\$3,441,529

Proposed Tentative Budget Assumptions

What new costs are expected?

<u>New Expenditures</u>		
COLA 1.48%		\$2,300,000
Step/Column		\$1,200,000
Health and Welfare/Benefits Increase		\$671,000
CalPERS Increase		\$607,948
CalSTRS Increase		\$1,196,296
Full Time Faculty Obligation Hires		\$0
Hourly Faculty Budgets (Convert to Full Time)		\$0
Increased Cost of Retiree Health Benefit ARC		\$2,576,106
Capital Outlay/Scheduled Maintenance Match		\$0
Utilities Increase		\$200,000
ITS Licensing/Contract Escalation Cost		\$125,000
Property, Liability and All Risks Insurance		\$0
Apprenticeship - SCC		\$0
Other Additional DS/Institutional Costs		\$220,000
Total		\$9,096,350

Proposed Tentative Budget Assumptions

- ▣ 2017-18 Budget Year Surplus (Deficit) - (\$5,654,821)
 - Projected deficit spending of \$5.6 million based on the net of new revenues and new expenditures
 - Won't know actual spend down until updated revenues and expenditures projected for 2016-2017 are combined into the 2017-2018 estimates

- ▣ Budget Stabilization Fund Balance at 6/30/2017 is estimated at \$13.7 million
 - The district is in stabilization (2.17%) at P-1 in 2016-17 based on current 320 reporting. This decline is equivalent to 692 FTES (\$3.4 million) and will result in reduction in revenue effective 7/1/2017 without borrowing FTES from summer 2017. These revenue estimates for 2017-2018 expect that the district will borrow credit FTES from 2017 summer programs in order to maintain base funded FTES in 2016-2017 and most likely be funded through stabilization in 2017-2018.

State/RSCCD Budget Process Update

- May Revision (due May 15th) updates state revenues and expenditures
 - This is generally when serious budget discussions begin at the state level
 - Include any material revenue adjustments to RSCCD Tentative Budget
- RSCCD Tentative Budget Board approval at June 12th meeting
- Legislature has a June 15th deadline to enact a State Budget to forward to the Governor for signature by July 1st