

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: [Fiscal Resources Committee](#)

Agenda for November 15, 2017

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

Executive Conference Room #114

1. Welcome
2. State/District Budget Update – Hardash
 - LAO Fiscal Outlook: [http://www.lao.ca.gov/Publications/Fiscal Outlook](http://www.lao.ca.gov/Publications/Fiscal%20Outlook)
3. Continued Discussion of MYPs, Stabilization and Restoration of FTES – Hardash
 - Presentation made to District Council on 11/6/2017
4. BAM Language Review – Continued Discussion
5. Standing Report from District Council – Mettler
6. Informational Handouts
 - District-wide expenditure report link: <https://intranet.rscsd.edu>
 - Vacant Funded Position List as of November 2, 2017
 - Measure “Q” Project Cost Summary October 31, 2017
 - Monthly Cash Flow Summary as of October 31, 2017
 - [SAC Planning and Budget Committee Agendas and Minutes](#)
 - [SCC Budget Committee Agendas and Minutes](#)
7. Approval of FRC Minutes – October 18, 2017
8. Other

Next FRC Committee Meeting: January 24, 2018

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.

Multi-year Projections

- ▣ Multi-year Projections (MYP)
- ▣ Projections, based on assumptions
- ▣ Several models reviewed by FRC each year
- ▣ No matter the assumptions, similar pattern over time
- ▣ Ongoing expense increases (~\$5 million/year) outpace ongoing revenues
- ▣ Easier to project expenditures in future years
- ▣ Future revenues very difficult to project as they are dependent on a number of external factors such as state revenue, prop 98, growth or decline of FTES
- ▣ Projections are harder to get accurate the further out we project
- ▣ Look back at past projections

FAMILY BUDGET MYP SIMULATION

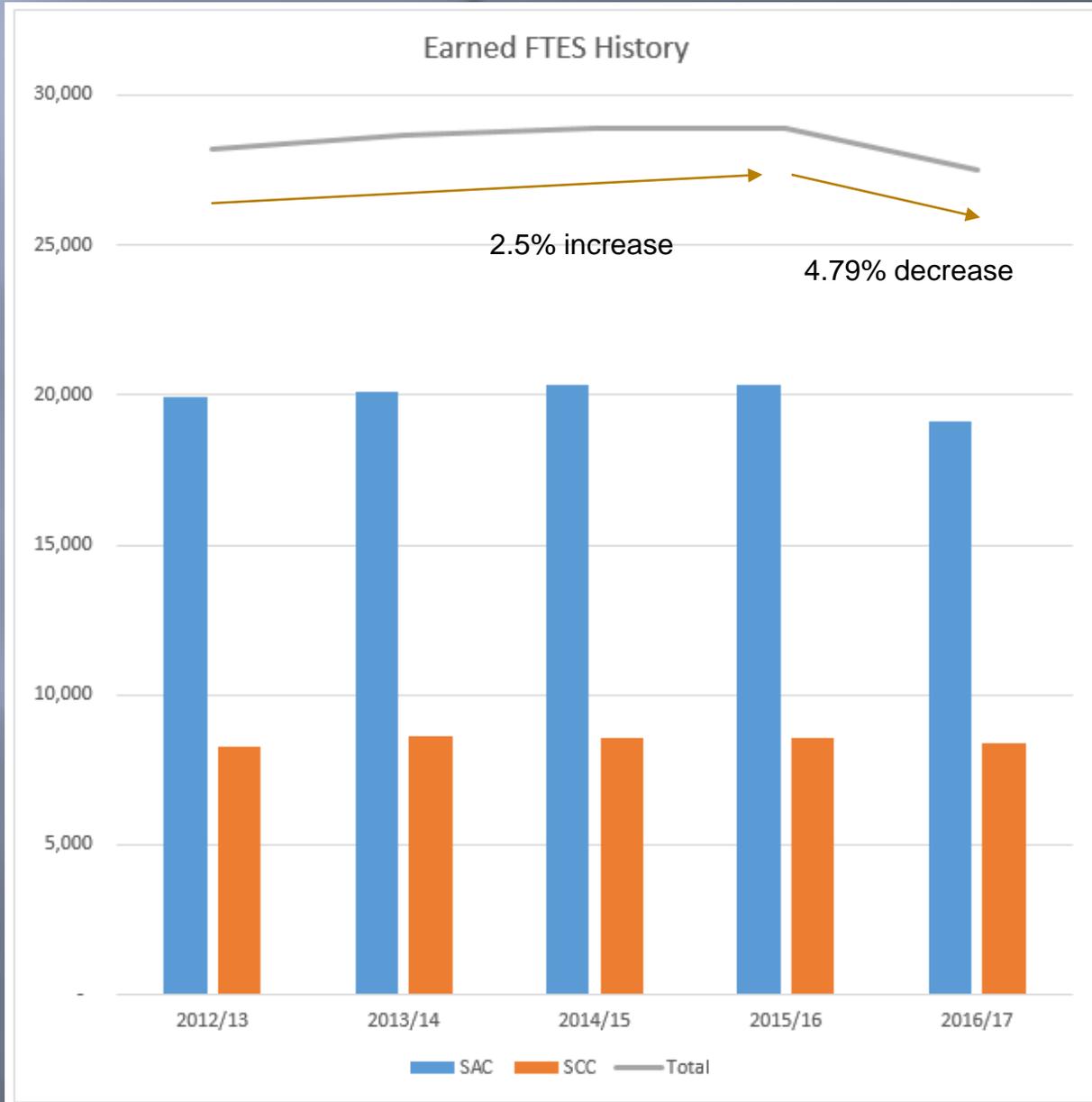
Assumptions:

Yearly Salary Increase	2.00%
Taxes Cost Increase	0.00%
Housing Cost Increase	2.75%
Utilities Cost Increase	1.00%
Trans/Gas/Insurance Cost Increase	2.00%
Health Cost Increase	3.00%
Food/Ent Cost Increase	1.75%
Other Ongoing Cost Increases	1.50%
One-time repairs, emergencies of \$1000 each year	

Multi-year Projection

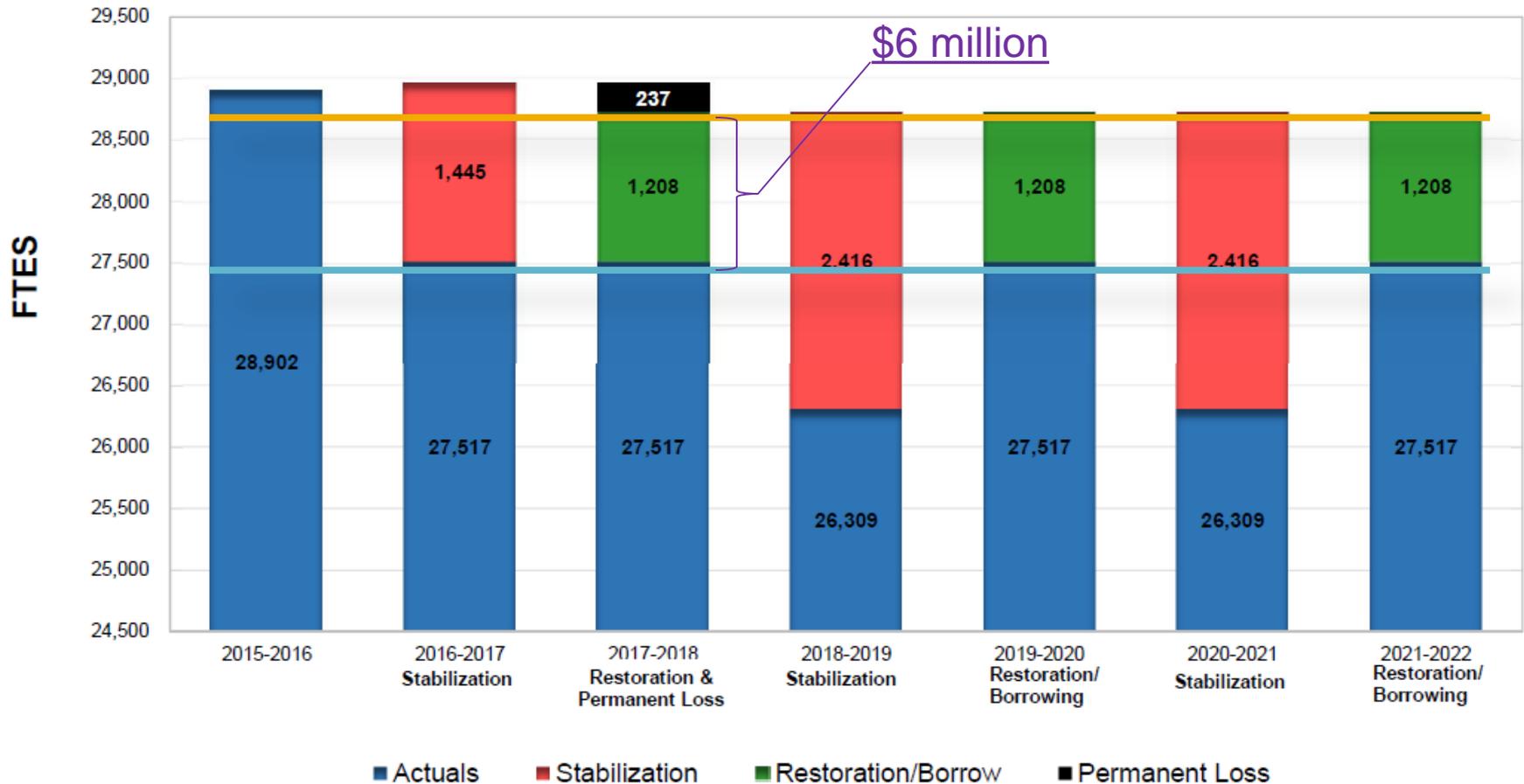
	Actual 2016/17	Estimated 2017/18	Estimated 2018/19	Estimated 2019/20	Estimated 2020/21
Salary	\$70,000	\$71,400	\$72,828	\$74,285	\$75,770
Taxes	\$35,000	\$35,700	\$36,414	\$37,142	\$37,885
Housing Cost	\$20,000	\$20,550	\$21,115	\$21,696	\$22,292
Utilities	\$1,975	\$1,995	\$2,015	\$2,035	\$2,055
Trans/Gas/Insurance Cost	\$3,000	\$3,060	\$3,121	\$3,184	\$3,247
Health Cost	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
Food/Entertainment Cost	\$5,000	\$5,088	\$5,177	\$5,267	\$5,359
Other Ongoing Costs	\$2,000	\$2,030	\$2,060	\$2,091	\$2,123
One-time Costs (Car, Appliance, Etc)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Beginning Savings Balance	\$1,000	\$1,025	\$943	\$747	\$431
Yearly Savings/(Overspent)	\$25	(\$82)	(\$196)	(\$316)	(\$443)
Ending Savings Balance	\$1,025	\$943	\$747	\$431	(\$12)

Recap of FTES



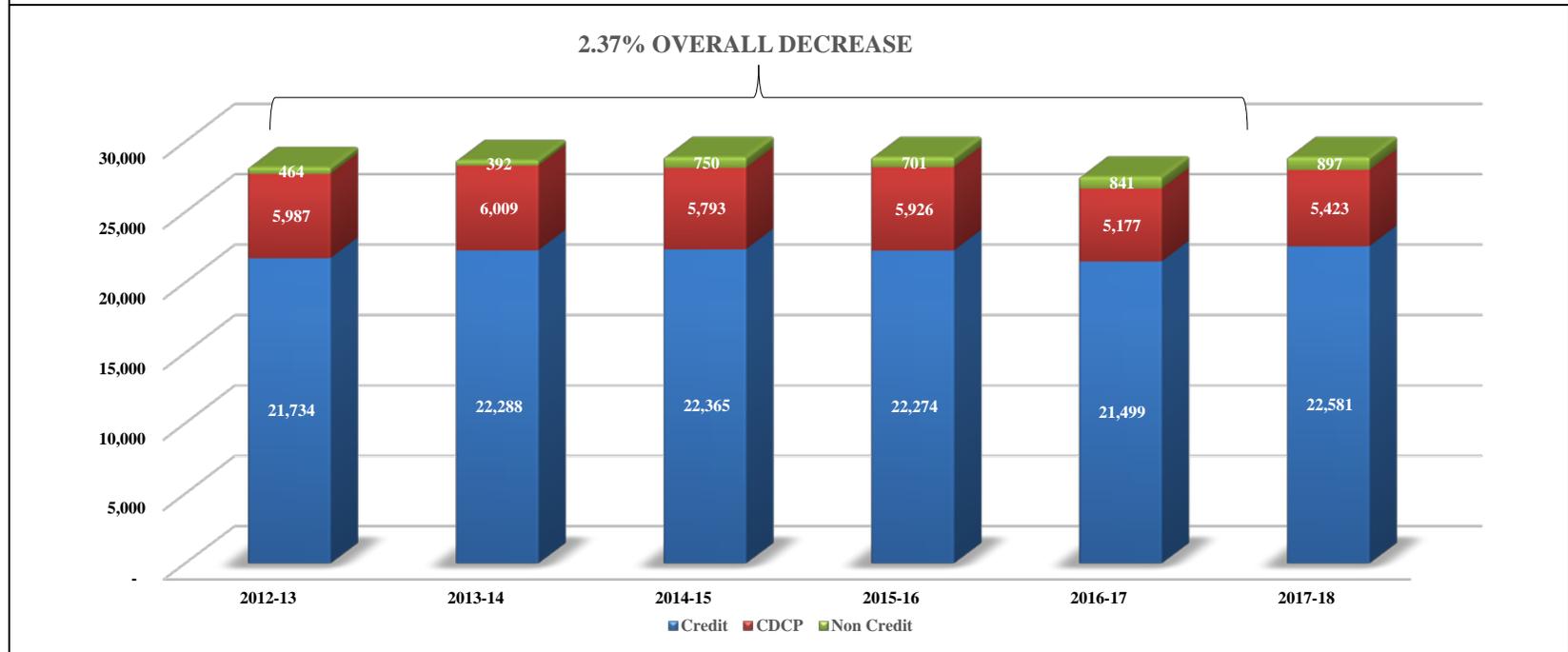
Stabilization, Borrowing and Restoration

RSCCD Effects of Stabilization and Borrowing FTES
Based on 2016-2017 P3 Negative Growth -4.79%



Rancho Santiago Community College District
Adopted Budget
2017-18

Recap of Full-Time Equivalent Students																	
	2012-13 Actual		2013-14 Actual		change FTES	2014-15 Actual		change FTES	2015-16 Actual		change FTES	2016-17 Actual		change FTES	2017-18 Targets		change FTES
SAC																	
Credit	15,375		15,493			15,530			15,519			14,935			15,687		
CDCP	4,275		4,289			4,254			4,328			3,668			3,852		
Non-Credit	283		305			567			483			504			529		
Total	19,933	70.72%	20,087	70.02%	0.77%	20,351	70.40%	1.31%	20,330	70.34%	-0.10%	19,107	69.44%	-6.02%	20,068	69.44%	5.03%
SCC																	
Credit	6,359		6,795			6,835			6,755			6,564			6,894		
CDCP	1,712		1,720			1,539			1,598			1,509			1,571		
Non-Credit	181		87			183			218			337			368		
Total	8,252	29.28%	8,602	29.98%	4.24%	8,557	29.60%	-0.52%	8,571	29.66%	0.16%	8,410	30.56%	-1.88%	8,833	30.56%	5.03%
Total																	
Credit	21,734		22,288			22,365			22,274			21,499			22,581		
CDCP	5,987		6,009			5,793			5,926			5,177			5,423		
Non-Credit	464		392			750			701			841			897		
Total	28,185	100.00%	28,689	100.00%	1.79%	28,908	100.00%	0.76%	28,901	100.00%	-0.02%	27,517	100.00%	-4.79%	28,901	100.00%	5.03%



Multi-year Projections Looking into the Crystal Ball

- ▣ What does the future have in store?
- ▣ Multi-Year budget projections (pages 108 - 112)
 - ▣ Baseline, best and worst case modeling
 - MYP's are based on best information we know now
 - District's ability to earn back from FTES decline and any Growth funding?
 - Continuing STRS/PERS cost increases
 - Stable H&W premium cost increases?
- ▣ Regardless of which assumption model chosen, the Budget Stabilization Fund is estimated to be exhausted between 2019 and 2021 without additional ongoing revenues or expenditure reductions
- ▣ Need to closely monitor state economy/budget developments and make expenditure reductions as necessary into the foreseeable future

**Rancho Santiago Community College District
Unrestricted General Fund 5 Year MYP
Base Version - 4.79% FTES Decline in 2016-17, Partial Restoration**

Adopted Budget Assumptions : July 25, 2017

	A	B	C	D	E	F	G	H
1			2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
2			Actuals	Proposed	Projected	Projected	Projected	Projected
3				Budget	Budget	Budget	Budget	Budget
4								
5								
6	Assumptions:							
7	Revenue:							
8		General Apportionment Deficit Factor	-0.708%	-0.708%	-1.000%	-1.000%	-1.000%	-1.000%
9		Growth/Access	-4.790%	0.00%	0.000%	0.000%	0.000%	0.000%
10		Stabilization	\$7,207,310	\$0	\$6,046,204	\$0	\$6,046,204	\$0
11		Restoration/Borrowing	\$0	\$6,046,204	\$0	\$6,046,204	\$0	\$6,046,204
12		Permanent Loss	\$0	(\$1,161,106)	\$0	\$0	\$0	\$0
13		Cost of Living Adjustment	0.00%	1.560%	2.15%	2.35%	2.57%	2.57%
14		One time Funds Prior Year Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
15		Lottery Revenue-Unrestricted	\$143.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00
17		Base Allocation Increase	\$2,042,728	\$4,286,638	\$0.00	\$0.00	\$0.00	\$0.00
18	Expenditure:							
19		Step/Column/Salary Net Adjustment	1.200%	2.760%	3.350%	3.550%	3.770%	3.770%
21		Allocation of Full time Faculty	\$0	\$0	\$0	\$0	\$0	\$0
22		STRS Rate	12.580%	14.430%	16.280%	18.130%	19.100%	20.100%
23		PERS Rate	13.888%	15.531%	18.100%	20.800%	23.800%	25.200%
24		Health and Welfare Premium Percent Increase (District Cost)	2.500%	3.500%	3.500%	3.500%	3.500%	3.500%
28		Utilities Cost Increase	5.000%	2.500%	2.500%	2.500%	2.500%	2.500%
30		ITS Licensing/Contract Escalation Cost	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
34								
35								
36	Multi-Year Projection:							
37		Beginning Budget Stabilization Balance	\$13,690,485	\$14,621,068	\$14,621,068	\$12,216,672	\$3,674,551	(\$10,466,659)
38		Budget Stabilization adjustment per updated BAM language	\$930,583	\$0	\$0	\$0	\$0	\$0
39		Total Revenue	173,324,838	177,086,474	181,189,280	183,373,787	185,950,706	188,567,421
40		Total Expenditure	164,064,450	175,997,534	183,593,676	191,915,907	200,091,916	208,050,993
41		Estimated COLA	0	2,435,506	0	0	0	0
42		#7910 Unrestricted Contingency	9,260,388	0	0	0	0	0
43		Surplus/ (Deficit)	0	(1,346,566)	(2,404,397)	(8,542,120)	(14,141,210)	(19,483,572)
44		Ending Budget Stabilization Balance	\$14,621,068	\$14,621,068	\$12,216,672	\$3,674,551	(\$10,466,659)	(\$29,950,231)
45		Percentage	8.9%	8.3%	6.7%	1.9%	-5.2%	-14.4%

**Rancho Santiago Community College District
Unrestricted General Fund 5 Year MYP
Best Case Version - Full Restoration, 1% Growth**

Adopted Budget Assumptions : July 25, 2017

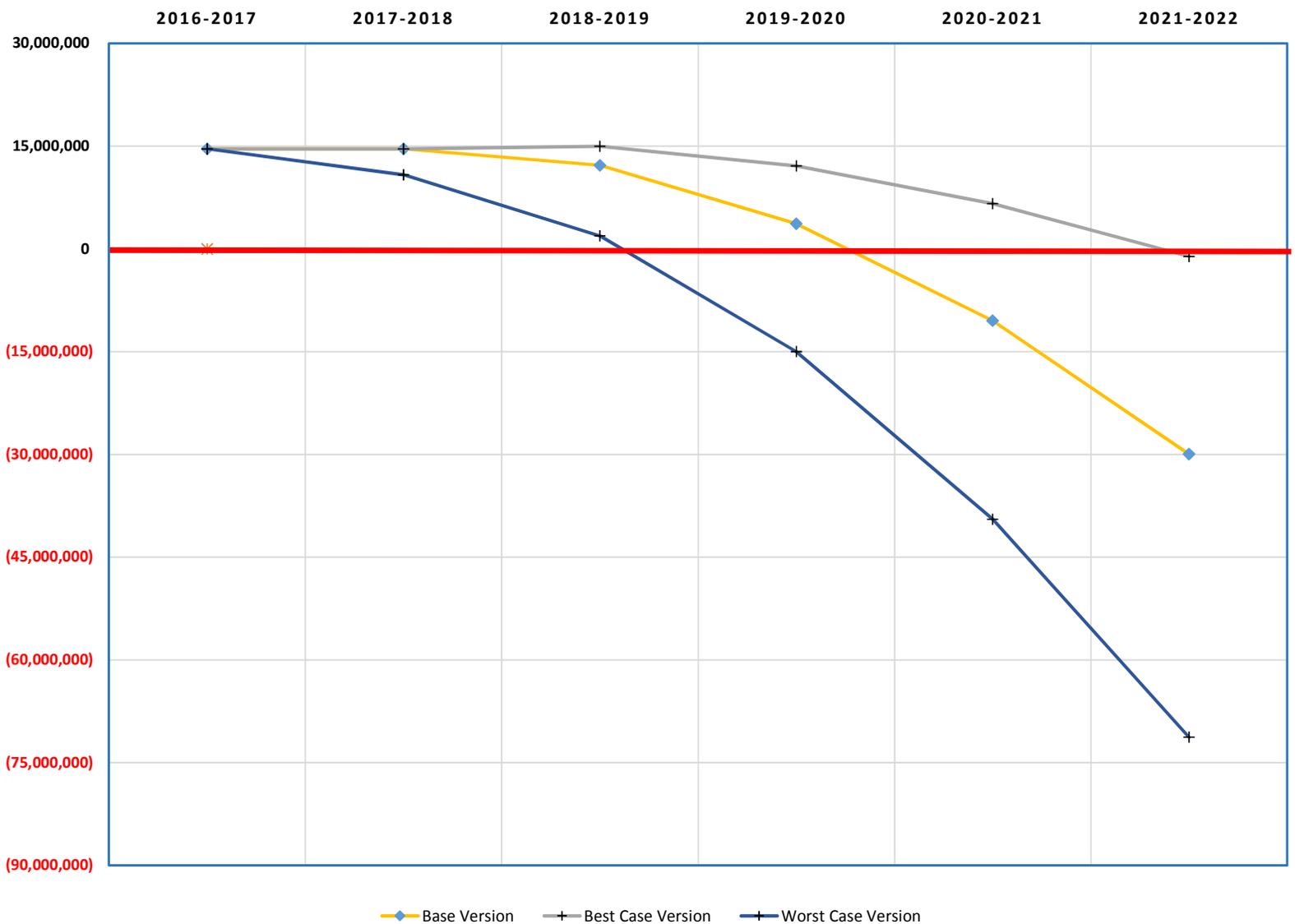
	A	B	C	D	E	F	G	H
1			2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
2			Actuals	Proposed	Projected	Projected	Projected	Projected
3				Budget	Budget	Budget	Budget	Budget
4								
5								
6	Assumptions:							
7	Revenue:							
8		General Apportionment Deficit Factor	-0.708%	-0.708%	0.000%	0.000%	0.000%	0.000%
9		Growth/Access	-4.790%	0.00%	1.000%	1.000%	1.000%	1.000%
10		Stabilization	\$7,207,310	\$0	\$0	\$0	\$0	\$0
11		Full Restoration	\$0	\$7,207,310	\$0	\$0	\$0	\$0
12		Permanent Loss	\$0	\$0	\$0	\$0	\$0	\$0
13		Cost of Living Adjustment	0.00%	1.560%	2.15%	2.35%	2.57%	2.57%
14		One time Funds Prior Year Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
15		Lottery Revenue-Unrestricted	\$143.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00
17		Base Allocation Increase	\$2,042,728	\$4,286,638	\$0	\$0	\$0	\$0
18	Expenditure:							
19		Step/Column/Salary Net Adjustment	1.200%	2.760%	3.350%	3.550%	3.770%	3.770%
21		Allocation of Full time Faculty	\$0	\$0	\$0	\$0	\$0	\$0
22		STRS Rate	12.580%	14.430%	16.280%	18.130%	19.100%	20.100%
23		PERS Rate	13.888%	15.531%	18.100%	20.800%	23.800%	25.200%
24		Health and Welfare Premium Percent Increase (District Cost)	2.500%	3.500%	3.500%	3.500%	3.500%	3.500%
28		Utilities Cost Increase	5.000%	2.500%	2.500%	2.500%	2.500%	2.500%
30		ITS Licensing/Contract Escalation Cost	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
34								
35								
36	Multi-Year Projection:							
37		Beginning Budget Stabilization Balance	\$13,690,485	\$14,621,068	\$14,621,068	\$14,990,724	\$12,099,496	\$6,611,821
38		Budget Stabilization adjustment per updated BAM language	\$930,583	\$0	\$0	\$0	\$0	\$0
39		Total Revenue	173,324,838	178,247,580	184,481,177	190,108,303	196,305,859	202,724,668
40		Total Expenditure	164,064,450	175,997,534	184,111,521	192,999,531	201,793,534	210,425,172
41		Estimated COLA	0	2,435,506	0	0	0	0
42		#7910 Unrestricted Contingency	9,260,388					
43		Surplus/ (Deficit)	0	(185,460)	369,656	(2,891,228)	(5,487,675)	(7,700,504)
44		Ending Budget Stabilization Balance	\$14,621,068	\$14,621,068	\$14,990,724	\$12,099,496	\$6,611,821	(\$1,088,683)
45		Percentage	8.9%	8.3%	8.1%	6.3%	3.3%	-0.5%

**Rancho Santiago Community College District
Unrestricted General Fund 5 Year MYP
Worst Case Version - Partial Restoration, Negative 1% Growth, 6% H&W, 5% Utilities Increases**

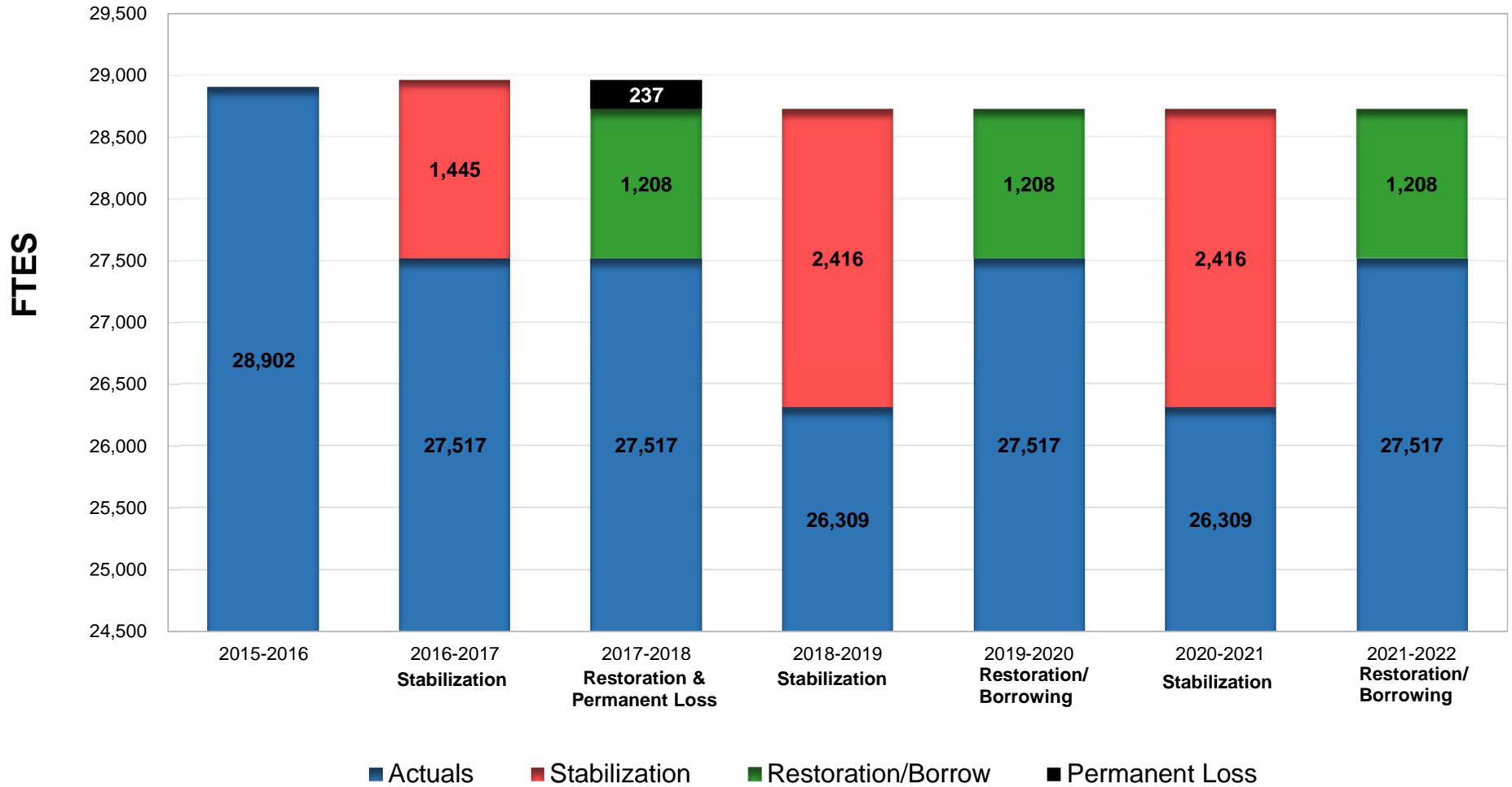
Adopted Budget Assumptions : July 25, 2017

	A	B	C	D	E	F	G	H
1			2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
2			Actuals	Proposed	Projected	Projected	Projected	Projected
3				Budget	Budget	Budget	Budget	Budget
4								
5								
6	Assumptions:							
7	Revenue:							
8		General Apportionment Deficit Factor	-0.708%	-0.708%	-1.000%	-1.000%	-1.000%	-1.000%
9		Growth/Access	-4.790%	0.00%	-1.000%	-1.000%	-1.000%	-1.000%
10		Stabilization	\$7,207,310	\$0	\$0	\$0	\$0	\$0
11		Restoration/Borrowing	\$0	\$3,603,655	\$0	\$0	\$0	\$0
12		Permanent Loss	\$0	(\$3,603,655)	\$0	\$0	\$0	\$0
13		Cost of Living Adjustment	0.00%	1.560%	2.15%	2.35%	2.57%	2.57%
14		One time Funds Prior Year Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
15		Lottery Revenue-Unrestricted	\$143.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00
17		Base Allocation Increase	\$2,042,728	\$4,286,638	\$0.00	\$0.00	\$0.00	\$0.00
18	Expenditure:							
19		Step/Column/Salary Net Adjustment	1.200%	2.760%	3.350%	3.550%	3.770%	3.770%
21		Allocation of Full time Faculty	\$0	\$0	\$0	\$0	\$0	\$0
22		STRS Rate	12.580%	14.430%	16.280%	18.130%	19.100%	20.100%
23		PERS Rate	13.888%	15.531%	18.100%	20.800%	23.800%	25.200%
24		Health and Welfare Premium Percent Increase (District Cost)	2.500%	3.500%	6.000%	6.000%	6.000%	6.000%
28		Utilities Cost Increase	5.000%	2.500%	5.000%	5.000%	5.000%	5.000%
30		ITS Licensing/Contract Escalation Cost	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
34								
35								
36	Multi-Year Projection:							
37		Beginning Budget Stabilization Balance	\$13,690,485	\$14,621,068	\$10,831,953	\$1,917,865	(\$15,002,973)	(\$39,464,058)
38		Budget Stabilization adjustment per updated BAM language	\$930,583	\$0	\$0	\$0	\$0	\$0
39		Total Revenue	173,324,838	174,643,925	174,829,285	175,325,205	176,165,124	177,009,486
40		Total Expenditure	164,064,450	175,997,534	183,743,373	192,246,043	200,626,209	208,816,544
41		Estimated COLA	0	2,435,506	0	0	0	0
42		#7910 Unrestricted Contingency	9,260,388	0	0	0	0	0
43		Surplus/ (Deficit)	0	(3,789,115)	(8,914,088)	(16,920,838)	(24,461,085)	(31,807,058)
44		Ending Budget Stabilization Balance	\$14,621,068	\$10,831,953	\$1,917,865	(\$15,002,973)	(\$39,464,058)	(\$71,271,116)
45		Percentage	8.9%	6.2%	1.0%	-7.8%	-19.7%	-34.1%

UNRESTRICTED GENERAL FUND MULTI-YEAR PROJECTION CHANGES IN BUDGET STABILIZATION FUND BALANCE FY 2016-2017 TO 2021-2022



RSCCD Effects of Stabilization and Borrowing FTES Based on 2016-2017 P3 Negative Growth **-4.79%**



**Rancho Santiago Community College District
Unrestricted General Fund 5 Year MYP
Base Version - 4.79% FTES Decline in 2016-17, Partial Restoration**

Adopted Budget Assumptions : July 25, 2017

	A	B	C	D	E	F	G	H
1			2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
2			Actuals	Proposed	Projected	Projected	Projected	Projected
3				Budget	Budget	Budget	Budget	Budget
4								
5								
6	Assumptions:							
7	Revenue:							
8		General Apportionment Deficit Factor	-0.708%	-0.708%	-1.000%	-1.000%	-1.000%	-1.000%
9		Growth/Access	-4.790%	0.00%	0.000%	0.000%	0.000%	0.000%
10		Stabilization	\$7,207,310	\$0	\$6,046,204	\$0	\$6,046,204	\$0
11		Restoration/Borrowing	\$0	\$6,046,204	\$0	\$6,046,204	\$0	\$6,046,204
12		Permanent Loss	\$0	(\$1,161,106)	\$0	\$0	\$0	\$0
13		Cost of Living Adjustment	0.00%	1.560%	2.15%	2.35%	2.57%	2.57%
14		One time Funds Prior Year Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
15		Lottery Revenue-Unrestricted	\$143.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00
17		Base Allocation Increase	\$2,042,728	\$4,286,638	\$0.00	\$0.00	\$0.00	\$0.00
18	Expenditure:							
19		Step/Column/Salary Net Adjustment	1.200%	2.760%	3.350%	3.550%	3.770%	3.770%
21		Allocation of Full time Faculty	\$0	\$0	\$0	\$0	\$0	\$0
22		STRS Rate	12.580%	14.430%	16.280%	18.130%	19.100%	20.100%
23		PERS Rate	13.888%	15.531%	18.100%	20.800%	23.800%	25.200%
24		Health and Welfare Premium Percent Increase (District Cost)	2.500%	3.500%	3.500%	3.500%	3.500%	3.500%
28		Utilities Cost Increase	5.000%	2.500%	2.500%	2.500%	2.500%	2.500%
30		ITS Licensing/Contract Escalation Cost	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
34								
35								
36	Multi-Year Projection:							
37		Beginning Budget Stabilization Balance	\$13,690,485	\$14,621,068	\$14,621,068	\$12,216,672	\$3,674,551	(\$10,466,659)
38		Budget Stabilization adjustment per updated BAM language	\$930,583	\$0	\$0	\$0	\$0	\$0
39		Total Revenue	173,324,838	177,086,474	181,189,280	183,373,787	185,950,706	188,567,421
40		Total Expenditure	164,064,450	175,997,534	183,593,676	191,915,907	200,091,916	208,050,993
41		Estimated COLA	0	2,435,506	0	0	0	0
42		#7910 Unrestricted Contingency	9,260,388	0	0	0	0	0
43		Surplus/ (Deficit)	0	(1,346,566)	(2,404,397)	(8,542,120)	(14,141,210)	(19,483,572)
44		Ending Budget Stabilization Balance	\$14,621,068	\$14,621,068	\$12,216,672	\$3,674,551	(\$10,466,659)	(\$29,950,231)
45		Percentage	8.9%	8.3%	6.7%	1.9%	-5.2%	-14.4%

**Rancho Santiago Community College District
Unrestricted General Fund 5 Year MYP
Best Case Version - Full Restoration, 1% Growth**

Adopted Budget Assumptions : July 25, 2017

	A	B	C	D	E	F	G	H
1			2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
2			Actuals	Proposed	Projected	Projected	Projected	Projected
3				Budget	Budget	Budget	Budget	Budget
4								
5								
6	Assumptions:							
7	Revenue:							
8		General Apportionment Deficit Factor	-0.708%	-0.708%	0.000%	0.000%	0.000%	0.000%
9		Growth/Access	-4.790%	0.00%	1.000%	1.000%	1.000%	1.000%
10		Stabilization	\$7,207,310	\$0	\$0	\$0	\$0	\$0
11		Full Restoration	\$0	\$7,207,310	\$0	\$0	\$0	\$0
12		Permanent Loss	\$0	\$0	\$0	\$0	\$0	\$0
13		Cost of Living Adjustment	0.00%	1.560%	2.15%	2.35%	2.57%	2.57%
14		One time Funds Prior Year Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
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17		Base Allocation Increase	\$2,042,728	\$4,286,638	\$0	\$0	\$0	\$0
18	Expenditure:							
19		Step/Column/Salary Net Adjustment	1.200%	2.760%	3.350%	3.550%	3.770%	3.770%
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28		Utilities Cost Increase	5.000%	2.500%	2.500%	2.500%	2.500%	2.500%
30		ITS Licensing/Contract Escalation Cost	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
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36	Multi-Year Projection:							
37		Beginning Budget Stabilization Balance	\$13,690,485	\$14,621,068	\$14,621,068	\$14,990,724	\$12,099,496	\$6,611,821
38		Budget Stabilization adjustment per updated BAM language	\$930,583	\$0	\$0	\$0	\$0	\$0
39		Total Revenue	173,324,838	178,247,580	184,481,177	190,108,303	196,305,859	202,724,668
40		Total Expenditure	164,064,450	175,997,534	184,111,521	192,999,531	201,793,534	210,425,172
41		Estimated COLA	0	2,435,506	0	0	0	0
42		#7910 Unrestricted Contingency	9,260,388					
43		Surplus/ (Deficit)	0	(185,460)	369,656	(2,891,228)	(5,487,675)	(7,700,504)
44		Ending Budget Stabilization Balance	\$14,621,068	\$14,621,068	\$14,990,724	\$12,099,496	\$6,611,821	(\$1,088,683)
45		Percentage	8.9%	8.3%	8.1%	6.3%	3.3%	-0.5%

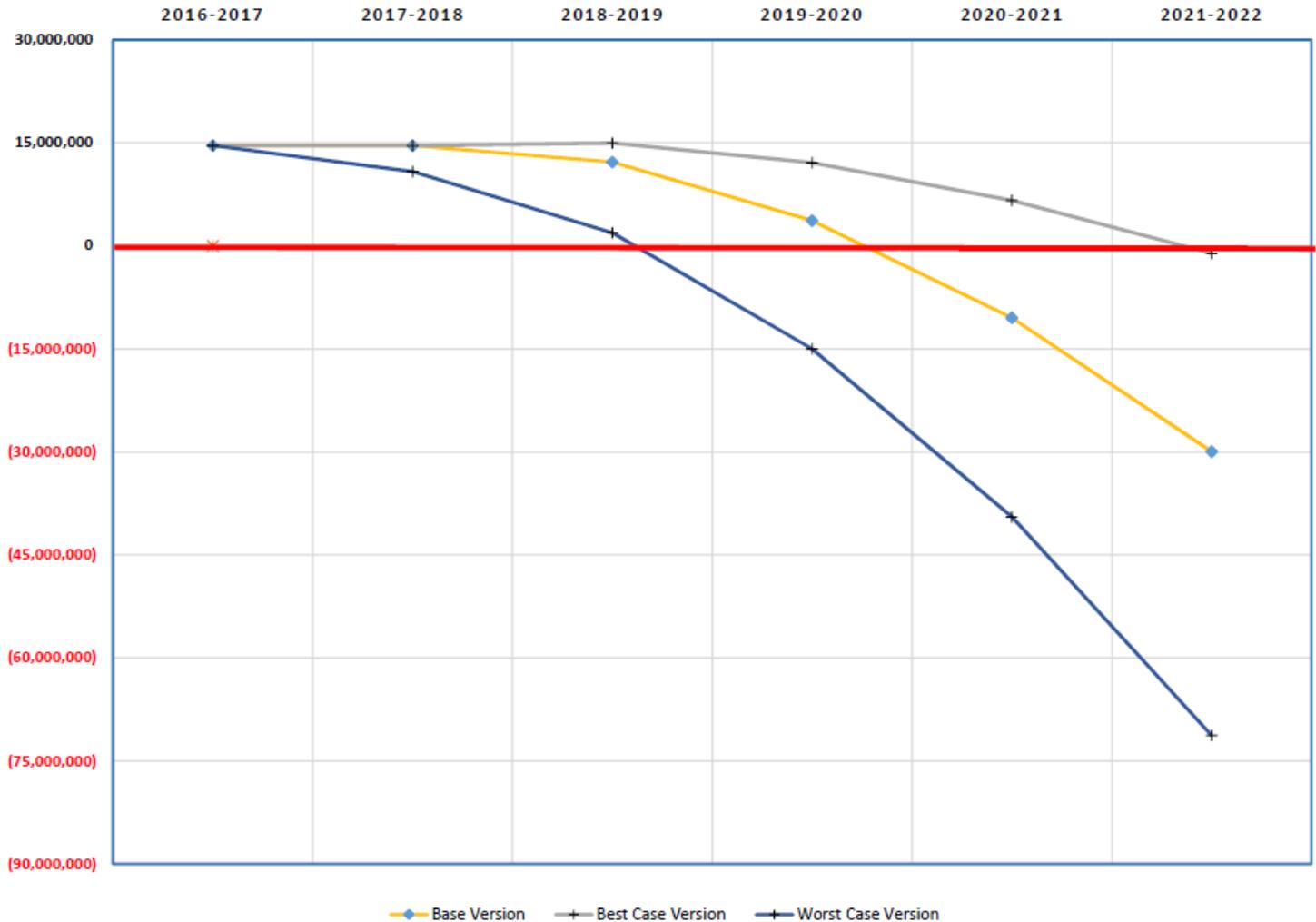
**Rancho Santiago Community College District
Unrestricted General Fund 5 Year MYP
Worst Case Version - Partial Restoration, Negative 1% Growth, 6% H&W, 5% Utilities Increases**

Adopted Budget Assumptions : July 25, 2017

	A	B	C	D	E	F	G	H
1			2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
2			Actuals	Proposed	Projected	Projected	Projected	Projected
3				Budget	Budget	Budget	Budget	Budget
4								
5								
6	Assumptions:							
7	Revenue:							
8		General Apportionment Deficit Factor	-0.708%	-0.708%	-1.000%	-1.000%	-1.000%	-1.000%
9		Growth/Access	-4.790%	0.00%	-1.000%	-1.000%	-1.000%	-1.000%
10		Stabilization	\$7,207,310	\$0	\$0	\$0	\$0	\$0
11		Restoration/Borrowing	\$0	\$3,603,655	\$0	\$0	\$0	\$0
12		Permanent Loss	\$0	(\$3,603,655)	\$0	\$0	\$0	\$0
13		Cost of Living Adjustment	0.00%	1.560%	2.15%	2.35%	2.57%	2.57%
14		One time Funds Prior Year Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
15		Lottery Revenue-Unrestricted	\$143.00	\$146.00	\$146.00	\$146.00	\$146.00	\$146.00
17		Base Allocation Increase	\$2,042,728	\$4,286,638	\$0.00	\$0.00	\$0.00	\$0.00
18	Expenditure:							
19		Step/Column/Salary Net Adjustment	1.200%	2.760%	3.350%	3.550%	3.770%	3.770%
21		Allocation of Full time Faculty	\$0	\$0	\$0	\$0	\$0	\$0
22		STRS Rate	12.580%	14.430%	16.280%	18.130%	19.100%	20.100%
23		PERS Rate	13.888%	15.531%	18.100%	20.800%	23.800%	25.200%
24		Health and Welfare Premium Percent Increase (District Cost)	2.500%	3.500%	6.000%	6.000%	6.000%	6.000%
28		Utilities Cost Increase	5.000%	2.500%	5.000%	5.000%	5.000%	5.000%
30		ITS Licensing/Contract Escalation Cost	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
34								
35								
36	Multi-Year Projection:							
37		Beginning Budget Stabilization Balance	\$13,690,485	\$14,621,068	\$10,831,953	\$1,917,865	(\$15,002,973)	(\$39,464,058)
38		Budget Stabilization adjustment per updated BAM language	\$930,583	\$0	\$0	\$0	\$0	\$0
39		Total Revenue	173,324,838	174,643,925	174,829,285	175,325,205	176,165,124	177,009,486
40		Total Expenditure	164,064,450	175,997,534	183,743,373	192,246,043	200,626,209	208,816,544
41		Estimated COLA	0	2,435,506	0	0	0	0
42		#7910 Unrestricted Contingency	9,260,388	0	0	0	0	0
43		Surplus/ (Deficit)	0	(3,789,115)	(8,914,088)	(16,920,838)	(24,461,085)	(31,807,058)
44		Ending Budget Stabilization Balance	\$14,621,068	\$10,831,953	\$1,917,865	(\$15,002,973)	(\$39,464,058)	(\$71,271,116)
45		Percentage	8.9%	6.2%	1.0%	-7.8%	-19.7%	-34.1%

Multi-year Projections

UNRESTRICTED GENERAL FUND MULTI-YEAR PROJECTION
 CHANGES IN BUDGET STABILIZATION FUND BALANCE
 FY 2016-2017 TO 2021-2022



Ongoing Issues

- ▣ System-wide structural deficit unresolved
- ▣ Several districts in Restoration or about to be
 - How will this be funded as districts restore?
- ▣ New State funding model?
 - Performance-based funding?
- ▣ Anticipated state economic slowdown
 - Prop 98 funding increases will continue to be limited
- ▣ Continued PERS/STRS cost increases
 - Any rate increases in the future over and above what we already know?
- ▣ Closely monitor budget throughout the year
 - Both Revenues and Expenditures

STRS/PERS Increases (Page 135)

STRS & PERS - Future Employer Rates and Additional Ongoing Unrestricted General Fund Costs

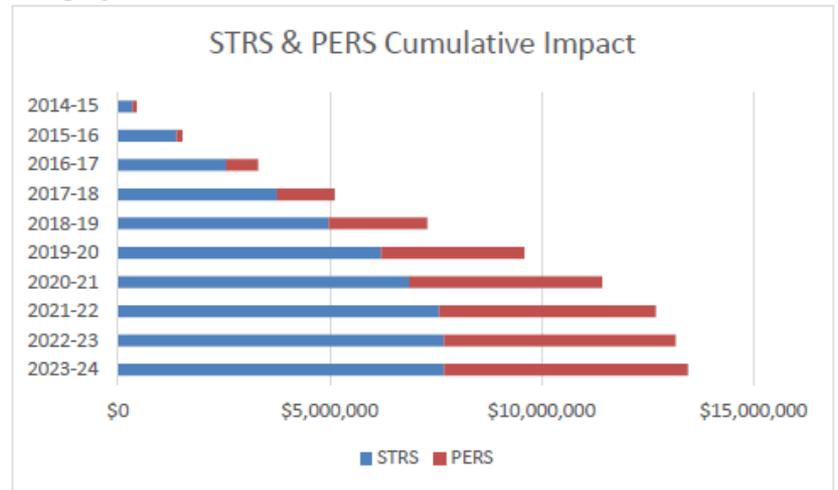
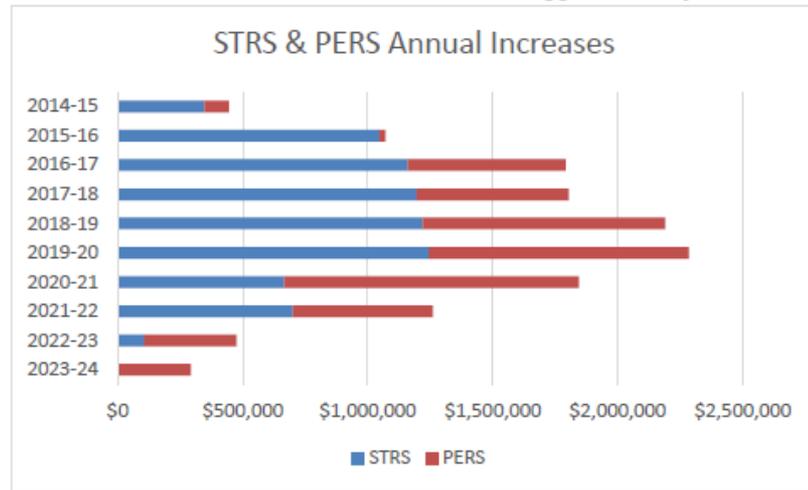
	STRS				PERS				Total Annual Impact	Combined Cumulative Impact
	Annual Change	Rate	Annual Impact ¹	Cumulative Impact	Annual Change	Rate	Annual Impact ²	Cumulative Impact		
2013-14		8.250%				11.442%				
2014-15	0.630	8.880%	\$346,500	\$346,500	0.329	11.771%	\$98,700	\$98,700	\$445,200	\$445,200
2015-16	1.850	10.730%	\$1,048,025	\$1,394,525	0.076	11.847%	\$23,484	\$122,184	\$1,071,509	\$1,516,709
2016-17	1.850	12.580%	\$1,161,452	\$2,555,977	2.041	13.888%	\$630,063	\$752,247	\$1,791,515	\$3,308,224
2017-18	1.850	14.430%	\$1,196,296	\$3,752,273	1.643	15.531%	\$607,948	\$1,360,195	\$1,804,244	\$5,112,468
2018-19	1.850	16.280%	\$1,220,221	\$4,972,494	2.569	18.100%	\$969,601	\$2,329,796	\$2,189,823	\$7,302,290
2019-20	1.850	18.130%	\$1,244,626	\$6,217,120	2.700	20.800%	\$1,039,425	\$3,369,221	\$2,284,050	\$9,586,341
2020-21	0.970	19.100%	\$665,639	\$6,882,759	3.000	23.800%	\$1,178,015	\$4,547,235	\$1,843,654	\$11,429,995
2021-22	1.000	20.100%	\$699,951	\$7,582,710	1.400	25.200%	\$560,735	\$5,107,970	\$1,260,686	\$12,690,680
2022-23	0.150	20.250%	\$107,092	\$7,689,802	0.900	26.100%	\$367,682	\$5,475,652	\$474,774	\$13,165,454
2023-24	0.000	20.250%	\$0	\$7,689,802	0.700	26.800%	\$291,694	\$5,767,346	\$291,694	\$13,457,149

¹ Each 1% increase in STRS rate is approximately \$700,000

² Each 1% increase in PERS rate is approximately \$350,000

Employee Contribution % for STRS = 10.25%/9.205%

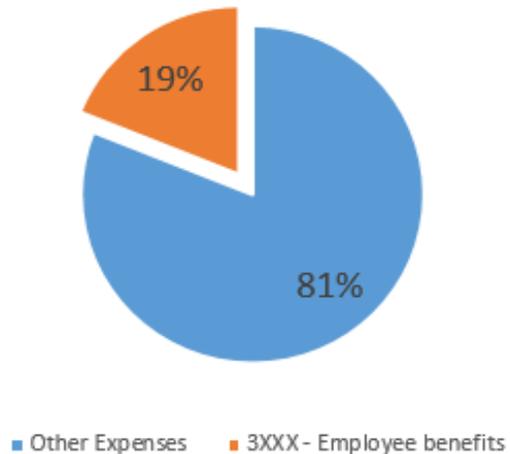
Employee Contribution % for PERS = 7.00%/6.50%



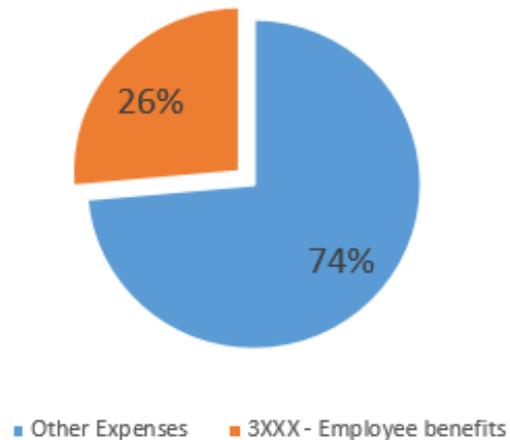
* Current law increases contribution rates to 19.1% beginning July 1, 2020, and also gives the CalSTRS Board authority to increase rates to 20.1% beginning July 1, 2021, and to 20.25% beginning July 1, 2022, if necessary. (Current law limits the employer contribution rate to 20.25%.)

Benefits as Percentage of Total Expenses

2007/08 Actual Expenses



2016/17 Actual Expenses



SALARIES AND BENEFITS PERCENTAGE

- 2016-2017 actual and 2017-2018 budget for salaries and benefits cost as a percentage of total expenses = 86%

Vacant Funded Positions as of 11/2/2017 - Projected Annual Salary and Benefits Savings

Fund	Management/ Academic/ Confidential	Title	Reasons	Site	Effective Date	Notes	2016-17 Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Conner-Crabbe, Tracey	Director, Purchasing Services	Retirement	District	8/1/2017	Linda Melendez Interim Assignment 08/01/17-02/01/18	122,210	
11	Kincheloe, Diane	Payroll Manager	Retirement	District	1/1/2018	Tove Johnson Interim 8/22/17-12/29/17	22,050	144,259
11	Bryant, Micki	Dean of Counseling	Retirement	SAC	7/7/2017	Victoria Lugo Interim Assignment 8/21/2017 Not to exceed 82 days	130,218	
11	Becerra, Rosio	Associate Dean of Student Development	Resignation	SAC	4/24/2017	John Steffens - interim Associate Dean of Student Development	-	
11	Dahlen, Noel	Professor, Computer Science	Retirement	SAC	6/11/2017		158,122	
11	Director of Criminal Justice Academies (New Position)	Director of Criminal Justice Academies (New Position)	New position	SAC	9/15/2017	REORG#1042/AC17-0636	154,045	
11	Gaer, Susan	Professor/Coordinator	Retirement	CEC	12/21/2017		83,315	
11	Grant, Madeline	Professor, Management/Marketing	Promotion	SAC	9/23/2014		148,269	1,478,200
11	Goldmann, Dan	Professor, Biology	Retirement	SAC	12/16/2017		83,315	
11	Harding, Glen	Professor, Computer Science	Retirement	SAC	12/16/2017		84,167	
11	Huynh-Dang, KC	Professor, Pharmacy	Deceased	SAC	4/30/2017	Dombroske, Leona 1027923 temporary One- Year Contract. Is not entitled to cash benefits	1,879	
70%-fd 11 30%-fd 31	Langston, Rhonda	Director, Auxiliary Services	Retirement	SAC	5/1/2017	Jennie Adams interim Director Auxiliary Services 7/1/17-12/31/17	121,019	
11	Lopez, Carlos	VP, Academic Affairs	Resignation	SAC	8/28/2017	Carol Comeau Interim 8/21/17	119,920	
11	Lunquist, Sara	Vice President of Student Service	Retirement	SAC	8/1/2017	Frances Gusman Interim Assignment 8/21/2017 Not to exceed 77 days	113,258	
11	Marecek, Lynn	Professor, Math	Retirement	SAC	6/2/2018		-	
11	Shigematsu, Ted	Professor, Philosophy	Retirement	SAC	6/8/2017		143,991	
11	Valdez, Susanne	Professor, Human Development	Resignation	SAC	8/11/2017		136,680	
69%-fd 11 31%-fd 12	Carr-Rollitt, Lucy	Professor/Learning Disabilities	Retirement	SCC	6/1/2018		-	
11	Irwin, Kari	Assoc Dean, BCTED	Resignation	SCC	6/2/2017	Elizabeth Arteaga Interim Assignment	50,246	
11	Hernandez, John	Vice President of Student Services	Promotion		7/1/2016	Ruth Babeshoff, interim VP Student Services 7/1/17-06/30/18	32,678	
11	Kennedy, James	Dean, Instr & Std Svcs	Promotion	OEC	8/1/2011	A. Isira was interim, now vacant	193,258	410,796
11	Parrella, Michael	Professor, Political Science	Retirement	SCC	6/2/2018		-	
11	Walker, Mary	Coordinator, ESL Integrated	Retirement	SCC	6/30/2016	Reduced annual salary by \$11,211. Mr. Vargas VP moved funds to cover contract extension cost for D. Salcido 11-0000-493062- 28200-1112	134,613	
	Classified	Title	Reasons		Effective Date	Notes	2016-17 Annual Budgeted Salary/Ben	Total Unr. General Fund by Site
11	Cadotte, Angela	Payroll Specialist	Promotion	District	4/26/2017		92,541	
11	Easter, Candi	Accountant	Promotion	District	5/31/2017		99,400	
11	Elzea, Lynn	Technical Specialist I	Retirement	District	8/24/2017		71,765	
48%-fd 11 52%-fd 12	Frausto Aguado, Erica	Business Services Coordinator	Resignation	District	9/26/2014	CL14-0608 - FUNDING NEEDS TO BE ALL FD 12 WHEN HIRED	-	690,059
11	Gonzalez, Jaime	District Safety Office	Resignation	District	8/27/2017		12,161	
11	Hernandez, Saira	Senior Accountant (Reorg 1038)	Rescinded	District	9/19/2017	reorg 1038 Accountant (K. Truong vacant position) to Sr. Accountant CL17-1067	100,151	
11	Information Security Specialist REORG#1034	Information Security Specialist REORG#1034	REORG#1034	District	7/1/2017	CL17-1033	152,639	
11	Mora, Guadalupe	Custodian	Resignation	District	8/7/2017		15,607	
11	Pleitez, Roxana	Senior Account Clerk	Transfer	District	10/23/2017	CL17-1066	58,794	
11	Torres, Jetzamina	Business Services Coordinator	Promotion	District	10/31/2017		87,001	
70%-fd 11 30%-fd 12	Andrade, Jose	Instructional Center Technician	Promotion	SAC	2/12/2017		58,831	
11	Ames, Richard P	Gardener/Utility Worke	Retirement	SAC	6/11/2017		98,634	
36%-fd 11 64%-fd 12	DSPS Specialist REORG#1020	DSPS Specialist REORG#1020	REORG#1020	SAC	7/1/2017		33,315	
11	Freeman, Dianne	Support Services Assistant	Retirement	SAC	7/1/2016		95,953	
11	Guevara, Angela	Success Center Specialist	FT Coordinator	SAC	8/14/2016		89,881	
36%-fd 11 64%-fd 12	Instructional Center Technician REORG#1020	Instructional Center Technician REORG#1020	REORG#1020	SAC	7/1/2017	CL17-1044	29,772	
70%-fd 11 30%-fd 12	Lopez Mercedes, Jose A.	Administrative Secretary	Promotion	SAC	8/20/2017		58,204	845,818
11	Mills, Linda L	Library Technician II	Retirement	SAC	10/31/2017		65,867	
11	Palomares, Maria	Custodian	Promotion	SAC	9/7/2017	CL17-1058	62,996	
50%-fd 11 50%-fd 12	Pedroza, Guadalupe	Admission & Records Spec II	Retirement	SAC	12/30/2015		43,138	
75%-fd 11 25%-fd 12	Sanchez-Moreno, Marisol	Senior Clerk	Promotion	SAC	9/25/2017	Site submitted BCF for \$6,772 for substitute Senior Clerk for 40hrs for 12 weeks	38,932	
11	Villegas Villalpando, Jose Javier	Sr Custodian/Util Work	Retirement	SAC	6/30/2017		82,700	
94%-fd 11 6%-fd 31	White, Kathleen	Senior Accountant	Change site	SAC	9/5/2017	CL17-1055	87,595	
11	Bellis, Barbara	Library Technician	Retirement	SCC	8/18/2017		12,617	
14%-fd 11 86%-fd 12	Berganza, Leyvi C	High School & Community Outreach	Promotion	OEC	3/19/2017		14,163	
11	Cain, Nevin	Adm/Rec Spec I	Resignation	SCC	6/30/2017	CL17-1051	56,187	
11	Campbell, Amanda	Transfer Center Specialist	Resignation	SCC	8/11/2017		59,278	425,550
11	Hwang, Soo H.	Administrative Secretary	Probation Dismissal	SCC	10/13/2017	CL17-1069	93,394	
11	McWilliam, Janel	Instructional Coordinator/Analyst	Retirement	SCC	12/31/2017	CL17-1062	55,885	
11	Truong, James	Admissions & Records Spec II	Resignation	SCC	9/15/2017	CL17-1054	49,269	

Vacant Funded Positions as of 11/2/2017 - Projected Annual Salary and Benefits Savings

Fund	Management/ Academic/ Confidential	Title	Reasons	Site	Effective Date	Notes	2016-17 Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Vasquez, Pilar	Senior Account Clerk	Promotion	SCC	8/6/2017	CL17-1045	67,581	
11	Williams, Victoria	Facilities Coordinator	Retirement	SCC	2/18/2018		17,176	
TOTAL							3,994,682	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE Q

Projects Cost Summary
10/31/17 on 11/03/17

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2017-2018		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3032	Dunlap Hall Renovation	12,634,041	12,620,659	-	13,382	12,634,041	0	100%
	Agency Cost		559	-		559		
	Professional Services		1,139,116	-	13,382	1,152,498		
	Construction Services		11,480,984	-	-	11,480,984		
	Furniture and Equipment		-	-	-	-		
3035	Johnson Student Center	39,449,764	1,839,798	160,365	3,346,333	5,346,496	34,103,268	14%
	Agency Cost		5,019	589	968	6,576		
	Professional Services		1,834,779	159,776	3,345,365	5,339,920		
	Construction Services		-	-	-	-		
	Furniture and Equipment		-	-	-	-		
3042	Central Plant Infrastructure	68,170,000	42,835,552	6,421,924	11,263,665	60,521,142	7,648,858	89%
	Agency Cost		315,395	146	1,833	317,374		
	Professional Services		7,845,853	654,232	3,287,687	11,787,772		
	Construction Services		34,674,304	5,767,545	7,951,476	48,393,325		
	Furniture and Equipment		-	-	22,670	22,670		
3043	17th & Bristol Street Parking Lot	2,500,000	198,141	-	639	198,780	2,301,220	8%
	Agency Cost		16,151	-	139	16,290		
	Professional Services		128,994	-	500	129,494		
	Construction Services		52,996	-	-	52,996		
	Furniture and Equipment		-	-	-	-		
3049	Science Center & Building J Demolition	73,380,861	3,711,723	222,989	4,603,797	8,538,509	64,842,352	12%
	Agency Cost		389,194	2,937	2,516	394,647		
	Professional Services		3,322,529	220,051	4,601,281	8,143,862		
	Construction Services		-	-	-	-		
	Furniture and Equipment		-	-	-	-		
3056	Johnson Demolition	2,500,000	2,780	1,866	-	4,646	2,495,354	0%
	Agency Cost		120	1,866	-	1,986		
	Professional Services		485	-	-	485		
	Construction Services		2,175	-	-	2,175		
	Furniture and Equipment		-	-	-	-		
TOTAL		198,634,666	61,208,652	6,807,144	19,227,817	87,243,613	111,391,053	44%
ACTIVE PROJECTS		198,634,666	61,208,652	6,807,144	19,227,817	87,243,613	111,391,053	44%
SOURCE OF FUNDS								
	ORIGINAL Bond Proceeds	198,000,000						
	Interest Earned	634,666						
	Totals	198,634,666						

Rancho Santiago Community College
FD 11-Unrestricted General Fund Cash Flow Summary
FY 2017-18, 2016-17, 2015-16
YTD Actuals-October 31, 2017

FY 2017/2018												
	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	\$32,022,154	\$36,872,353	\$31,324,394	\$31,264,532	\$22,731,939	\$22,731,939	\$22,731,939	\$22,731,939	\$22,731,939	\$22,731,939	\$22,731,939	\$22,731,939
Total Revenues	13,055,511	6,308,570	13,681,936	7,421,454								0
Total Expenditures	8,205,312	11,856,529	13,741,798	15,954,047								0
Change in Fund Balance	4,850,199	(5,547,959)	(59,862)	(8,532,593)	0	0	0	0	0	0	0	0
Ending Fund Balance	36,872,353	31,324,394	31,264,532	22,731,939	22,731,939	22,731,939	22,731,939	22,731,939	22,731,939	22,731,939	22,731,939	22,731,939

FY 2016/2017												
	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	\$22,761,766	\$29,083,567	\$24,366,720	\$26,036,297	\$18,487,187	\$19,653,832	\$27,883,820	\$28,558,283	\$17,225,147	\$17,587,250	\$25,705,845	\$14,151,827
Total Revenues	13,118,834	7,775,788	14,807,440	6,989,278	16,318,429	21,285,974	12,932,478	2,505,845	14,007,467	21,314,466	6,217,900	36,050,939
Total Expenditures	6,797,032	12,492,636	13,137,862	14,538,388	15,151,783	13,055,987	12,258,015	13,838,981	13,645,364	13,195,872	17,771,919	18,180,612
Change in Fund Balance	6,321,801	(4,716,848)	1,669,577	(7,549,110)	1,166,645	8,229,987	674,464	(11,333,136)	362,103	8,118,595	(11,554,018)	17,870,327
Ending Fund Balance	29,083,567	24,366,720	26,036,297	18,487,187	19,653,832	27,883,820	28,558,283	17,225,147	17,587,250	25,705,845	14,151,827	32,022,154

FY 2015/2016												
	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	\$11,814,215	\$19,185,043	\$13,857,956	\$18,639,317	\$11,810,207	\$7,822,762	\$34,079,299	\$27,961,170	\$22,938,331	\$23,710,784	\$33,236,706	\$26,093,444
Total Revenues	14,244,503	6,444,443	17,588,326	7,209,443	11,458,655	38,551,516	5,737,888	8,326,767	14,201,229	22,411,480	7,788,719	17,380,868
Total Expenditures	6,873,676	11,771,529	12,806,966	14,038,552	15,446,100	12,294,979	11,856,017	13,349,606	13,428,776	12,885,558	14,931,981	20,712,546
Change in Fund Balance	7,370,827	(5,327,086)	4,781,361	(6,829,110)	(3,987,446)	26,256,537	(6,118,129)	(5,022,839)	772,453	9,525,922	(7,143,262)	(3,331,678)
Ending Fund Balance	19,185,043	13,857,956	18,639,317	11,810,207	7,822,762	34,079,299	27,961,170	22,938,331	23,710,784	33,236,706	26,093,444	22,761,766

Notes:

¹ Beginning in FY 2015/16, will show cash flow activity for Unrestricted Ongoing General Fund (11) and not Unrestricted One-Time Funds (13)

Fiscal Resources Committee
Executive Conference Room – District Office
1:30 p.m. – 3:00 p.m.

Meeting Minutes for October 18, 2017

FRC Members Present: Morrie Barembaum, Michael Collins, Steven Deeley, Ed Fosmire, Maria Gil, Pilar Gutierrez-Lucero, Adam O'Connor, Arleen Satele, Monica Zarske

Alternates/Guests Present: Esmeralda Abejar, James Kennedy, Thao Nguyen, Leanna Nolan, Jose Vargas

1. Welcome: Mr. O'Connor called the meeting to order at 1:30 p.m.

2. State/District Budget Update – O'Connor
 - System request for 2018-2019
 - i. Total \$382.5 Million
 - ii. Some costs listed as TBD
 - iii. No COLA or growth as Chancellor Oakley believes those are a given in addition to the budget request
 - iv. General operating expenses - \$200 Million total, \$4.7 Million for RSCCD
 - v. Full time Faculty hiring – potential 12-18 new faculty for RSCCD but depends on how these funds would be allocated
 - Full time faculty funding would be ongoing, but not part of base, and the amount of allocation changes each year up or down, even though the positions were hired and costs go up

3. Discussion of Restoration of FTES – O'Connor
 - Presentation from Declining Enrollment Seminar included
 - RSCCD went into stabilization for 2016-2017
 - 2017-2018 is first year of restoration
 - Funding received for one year to keep stable (2016-2017)
 - Three years to restore back to base, but funding loss is immediate
 - i. Not considered growth
 - Can restore including inflation adjustment
 - Growth can only be made after restoring to base
 - If unable to fully restore, new base is calculated and any unrestored FTES is lost

Mr. O'Connor reviewed hypothetical examples demonstrating how various scenarios will affect our funding. Scenarios included growth and declining enrollment at different rates between the two campuses. Additional examples were included to show impact of borrowing from summer FTES. Examples were calculated using credit FTES rates, which are higher than non-credit. There was a suggestion to include a "deficit factor" in the model to adjust for the non-credit mix.

4. BAM Language Review – O'Connor

At the request of District Council, the BAM Subcommittee met and discussed the Budget Allocation Model and the request for funding by Santa Ana College. All members of the subcommittee except Ms. Gil were able to attend. There is potential for language to be in

conflict but issues seem to be resolved when model is looked at as a whole. The subcommittee reiterated their belief in the model and the need to be consistent in following the model. It was recommended by the subcommittee to uphold the original recommendation.

It was noted that the model should be reviewed for language changes during the current year review, but that would affect the future. There are opportunities to consider additional scenarios not previously considered, such as both colleges declining. The language regarding stabilization should also be reviewed as it becomes more relevant. It was requested that the BAM Language Review item be carried over to the next agenda and continued to be discussed.

Mr. O'Connor called for a motion on the subcommittee's recommendation. A motion was made by Ms. Zarske, seconded by Dr. Collins and approved unanimously to reiterate the original recommendation made to District Council.

7. Standing Report from District Council – Mettler
No update was given, as Ms. Mettler was not able to attend FRC.

8. Informational Handouts
The following handouts were distributed:
 - District-Wide Expenditure Report
 - Vacant Funded Position List as of October 6, 2017
 - Measure “Q” Project Cost Summary September 30, 2017
 - Monthly Cash Flow Summary as of September 30, 2017
 - SAC Planning and Budget Committee Agendas and Minutes
 - SCC Budget Committee Agendas and Minutes

9. Approval of FRC Minutes – September 27, 2017
Mr. O'Connor called for a motion to approve the Fiscal Resources Committee Minutes of the September 27, 2017 meeting. A motion was made by Mr. Deeley, seconded by Dr. Collins and approved unanimously.

10. Other
There were no additional comments or discussions.

Next meeting reminder: Wednesday, November 15, 2017, 1:30 – 3:00 in the Executive Conference Room, District Office

The meeting was adjourned at 2:15 p.m.