

# RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website : [Fiscal Resources Committee](#)

## Agenda for August 13, 2014

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

Executive Conference Room #114

1. Welcome
2. State/District Budget Update – Hardash
  - 2013-14 Second Principal Apportionment Background Memo posted 6-19-2014
  - 2013-14 Second Principal Apportionment Exhibit “C” dated posted 6-19-2014
  - Final State Budget 2014-15 report link: <http://www.ebudget.ca.gov>
  - Mc Callum Group- June 16, 2014
  - Dan Troy Email-June 16, 2014
  - CCLC Email- June 16, 2014
  - CCLC Email- June 17, 2014
  - SSC 2014-15 State Budget Approved- June 27, 2014
  - SSC 2014-15 Adopted State Budget Dartboard
  - “Blue Book” handouts from 7/30/14 State Budget Workshop
3. 2014-15 Proposed Adopted Budget Assumptions – Action Item
4. 2013-14 Year End Balances
5. Informational Handouts
  - Final 2013-14 District-wide expenditure report link: <https://intranet.rscsd.edu/Pages/default.aspx>
  - Vacant Funded Position List as of August 4, 2014
  - FTES Update as of 7-15-2014 Annual
  - Measure “E” Project Cost Summary as of 6-30-2014 on 8-5-2014
6. Approval of FRC Minutes – May 28, 2014
7. Other

**Next FRC Committee Meeting:** (email only for action regarding proposed 2014-15 Adopted Budget)

August 20, 2014

**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.**

**CALIFORNIA COMMUNITY COLLEGES  
CHANCELLOR'S OFFICE**

1102 Q STREET, STE. 4554  
SACRAMENTO, CA 95811-6549  
(916) 445-8752  
<http://www.cccco.edu>



**BACKGROUND MEMO/INFORMATION**

2013-14 Second Principal Apportionment

and

2012-13 Revised Recalculation – June 2014

**SYNOPSIS:** The 2013-14 Second Principal Apportionment for community college districts has been certified and the detailed information is available on the Chancellor's Office Fiscal Services Unit web site:

<http://extranet.cccco.edu/Divisions/FinanceFacilities/FiscalServicesUnit/Reports/AppportionmentReports/201314.aspx>

The following exhibits are available for viewing.

- Exhibit "A": District Apportionments and Payments by Program
- Exhibit "B-1": Summary of General and Grand Total Apportionments
- Exhibit "B-2A": Categorical Apportionments - Part 1
- Exhibit "B-2B": Categorical Apportionments - Part 2
- Exhibit "B-2C": Categorical Apportionments - Part 3
- Exhibit "B-3": Categorical and One-time Apportionments
- Exhibit "B-4": Monthly Payment Schedule
- Exhibit "C"<sup>1</sup>: First Principal Apportionment

Attached is additional background information for both the general apportionment and the categorical programs, along with program contact information.

<sup>1</sup> It should be noted that the numbers on the Exhibit C Statewide Total page cannot be derived easily from multiplying the FTES by the funding rates, due to various adjustments and differential funding rates.

## General Apportionment

**NOTE: The P2 Apportionment allocation is based on the 2013-14 Budget Act (Chapter 20, Statutes of 2013), which was enacted on June 27, 2013. The 2012-13 Revised Recalculation will be discussed in further detail on page 4.**

### **General Issues:**

Total and monthly certified program apportionment allocations are included within Exhibit A. State general apportionment and other general supplemental funds are summarized by county on Exhibit B-1. State categorical allowances are displayed on Exhibits B-2A through B-3. Exhibit B-4 provides the payment schedule by county for June 2014.

The 2013-14 Second Principal Apportionment (P2) allocations for June 2014 are based on each district's certified April 30<sup>th</sup> P2 Full Time Equivalent Student (FTES) along with each county's April 15<sup>th</sup> estimate of current year district property tax and each district's April 15<sup>th</sup> estimate of enrollment fee revenue for the current year.

### **Education Protection Act/Proposition 30 funding:**

On November 6, 2012, voters passed Proposition 30, the Schools and Local Public Safety Protection Act of 2012. This Act authorized the State of California to temporarily increase sales and income taxes for four and seven years, respectively, to generate funds for critical state and local services, including education, police and fire protection, and healthcare.

The Education Protection Account (EPA) was created to receive and disburse the revenues derived from the sales and income tax increases. For the 2013-14 year, EPA revenues will be distributed to districts quarterly. In 2013-14, as in 2012-13, any shortage in actual EPA funds compared to Budget Act estimates will be backfilled.

### **Access/Growth funding:**

After multiple years of reductions in community college funding, the system is now receiving additional funding to increase access. We will be distributing any funds designated in 2013-14 budget language as "Growth" the same way we did in 2010-11 and 2012-13 – to repay the workload reductions that districts experienced in 2009-10 and 2011-12. It should be noted that this is the last year that districts will have a chance to recover funds that were lost due to the 2009-10 cut, as the state has now provided more growth funding than the \$190 million that was cut in that year. Districts must first restore any stability eligibility they may have before they can begin to access the growth funds to recover their workload reductions.

After repaying all eligible 2009-10 workload reduction cuts, growth funds will also be applied toward repaying the 2011-12 reduction. Since districts are growing at varying rates, it is anticipated that some may not fully recover all their 2009-10 cuts, while others will recover all of their 2009-10 cut and make significant headway on recovering their 2011-12 cut as well. However, it is difficult to accurately predict a target as to how much a district can grow, as FTES levels fluctuate throughout the course of a year. At P2, growth funding has been allocated with \$5 million going toward the 2009-10 reduction and \$81 million applied to the 2011-12 reduction. This is subject to change at Recal as updated FTES totals become available.

Districts should also be aware that the state's provision of growth funding in 2013-14 will result in the basic allocation thresholds being raised in proportion to the lowering that occurred during the 2011-12 workload reduction. Based on the amount of growth funding provided this year, the thresholds will increase by approximately 1.5% over the 2012-13 levels.

**General Apportionment Deficit:**

The statewide deficit at P2 is \$89 million or 1.58%; however, this figure is somewhat distorted by the point-in-time data used in the P2 calculations. At P1 the deficit was \$226 million or 4%. The majority of the large decrease in deficit from P1 to P2 is attributable to the State Controller's Office directing us to distribute more EPA funds than originally estimated, **but this increase will be offset by a reduction in state general fund revenue that has not occurred yet.** We expect two adjustments to be made to our funding: a decrease of \$79 million to offset the increased EPA funding, and an increase of \$108 million for the RDA backfill. The net effect will be a lowering of the deficit by approximately \$29 million, leaving a potential deficit of \$60 million or just over 1% at the end of the year if nothing else changes.

Deficits arise from shortfalls in various sources of revenue. For P2, property taxes as estimated by the counties in April 2014 came in approximately \$178 million lower than the Department of Finance (DOF) estimate at the beginning of the fiscal year. This figure includes the \$108 million from Redevelopment Agency (RDA) residual payments and asset liquidations that will be backfilled, but there is no promise of backfill on the \$70 million of "regular" property taxes. Likewise, enrollment fees reported by districts in January also came in lower than DOF estimated at the beginning of the year, by approximately \$12 million, and there is no guaranteed backfill for these either. It should be noted, however, that these numbers tend to fluctuate significantly throughout the year, and it is impossible to estimate where they will ultimately end up.

Several other factors contribute to the deficit, including stability restoration of more than \$33 million.

**Deferrals:**

The deferrals have been reduced to \$592 million in 2013-14. Monthly payments shown in Exhibit B-4 are net of the deferral payments.

**First Principal Apportionment Allocations and FTES:**

The total ACTUAL statewide FTES for the second period of 2013-14 decreased by 3,586 FTES from P1, going from 1,124,481 to 1,120,913 FTES in the current year. This represents a decrease of approximately .3%. FUNDED statewide FTES at P2 was 1,107,367 which left more than 13,500 unfunded FTES in the system. Restoration of prior year declines resulted in an increase in total FTES of about 7,300 FTES.

**Please remember P2 is an estimate and things will undoubtedly change at Recal.**

**Revised 2012-13 Recalculation:**

The 2012-13 Recal has been revised for several reasons. First, some districts' FTES levels were reduced as a result of audit findings. This reduces the amount of funding they are eligible to receive, and may result in a slight increase in funding to other districts. Secondly, there were some EPA funds that were overpaid to a couple of districts, and those funds are being redistributed to all other districts as they are recollected. This process will continue in the next quarterly allocation of EPA funds in September, so on the Exhibit D there is an Unpaid Balance column at the end of the EPA line. You will receive these funds in September.

Finally, some minor adjustments have been made to individual districts' funding, but whenever any change is made to Total Computational Revenue (TCR), the EPA allocations must be recalculated.

## Categorical Apportionment

Assembly Bill No. 101, Approved by the Governor September 26, 2013, reduced the eleven categorical programs that fell under the flexibility provisions in FY 2009-10 to eight (Academic Senate, Equal Employment Opportunity, Part-Time Faculty Office Hours, Part-Time Faculty Health Benefits, Part-Time Faculty Compensation, Economic Development, Transfer Education and Articulation, and Childcare Tax Bailout). Education Trailer Bill, ABX4 2, provides districts with the authority to move funds from these eight categorical programs to any other categorical program. In addition, these eight categorical programs are locked in at the 2008-09 district allocation level, adjusted proportionally to the level of the 2009-10 cut.

Below are narrative descriptions for some of the categorical programs funded through the P2 Apportionment.

**Basic Skills:** Website URL with additional information

<http://extranet.cccco.edu/Divisions/AcademicAffairs/BasicSkillsEnglishasaSecondLanguage.aspx>

**Cooperative Agencies Resources for Education (CARE):** The FY 2013-2014 Second Principal Apportionments Report (P2) for CARE is in the amount of \$9,320,657. The CARE P2 reflects revised allocations to the districts as of May 23, 2014, specifically one-time adjustments made to the CARE allocations at these districts: Feather River CCD (Feather River); Gavilan CCD (Gavilan); Kern CCD (Bakersfield); Palomar CCD (Palomar); Peralta CCD (Alameda); and Riverside CCD (Moreno Valley).

**Extended Opportunity Programs and Services (EOPS):** The FY 2013-14 Second Principal Apportionments report (P2) for EOPS is in the amount of \$79.273 million and reflects the actual allocations to the colleges. The EOPS P2 includes \$92,285 awarded to Pasadena Area CCD for the EOPS Statewide Set-Aside Funds Contract #C13-0353, which is in effect from July 1, 2013 through October 31, 2014. The EOPS P2 also reflects one-time adjustments to increase the program allocations at Los Angeles Trade Technical College and Ventura College which were awarded EOPS reallocated funds at mid-year. Allocations to fund all other college EOPS programs remain unchanged from the P1.

**Disabled Student Programs and Services (DSPS):** Disabled Student Programs and Services (DSPS): The FY 2013-14 Second Principal Apportionment report (P2) for DSPS totals \$84,223,000. In P2 colleges received an additional \$212,501 in redirected PADS funds and unspent grant funds, in addition to DHH funds returned by the colleges. The DSPS P2 reflects one-time adjustments to increase DSPS program allocations by \$4,945 at colleges that requested DSPS P2 funding by the deadline, and \$666 in DHH funding at colleges that requested P2 DHH funding by the deadline and promised the appropriate match. Allocations at all of the other colleges remain unchanged from the P1. P2 totals may also be found at our website under "DSPS allocations":

<http://extranet.cccco.edu/Divisions/StudentServices/DSPS/Allocations.aspx>

**Matriculation Credit -:** The 2013-14 Second Principal Apportionments report (P2) for Credit Matriculation allocates \$75,452,000 to operate the 113 SSSP programs. This P2 also includes \$500,000 allocated to Pasadena Area CCD for the set-aside contract.

**Matriculation Non-Credit -:** The 2013-14 Second Principal Apportionments report (P2) for Non-Credit Matriculation allocates \$9,381,000 to the 57 districts who have non-credit programs.

**Part-Time Faculty Compensation:** Funding for this program falls under the “flexibility” provisions embodied in ABX4 2. The P1 allocations remain unchanged from the allocations made at the 2012-13 First Principal Apportionment. Therefore, we are providing districts that received allocations under these programs in 2008-09, with the same allocation amounts, less the amount of the 2009-10 cuts to these two programs, which equaled 51 percent. These P1 allocations will not change at the P2 or the final Recalculation, unless a mid-year correction is made to these programs through the budget process.

**Part-Time Faculty Office Hours and Health Benefits:** Funding for these two programs falls under the “flexibility” provisions embodied in ABX4 2. Therefore, we are providing districts that received allocations under these programs in 2008-09, with the same allocation amounts, less the amount of the 2009-10 cuts to these two programs, which equaled 51 percent. These P1 allocations will not change at the P2 or the final Recalculation, unless a mid-year correction is made to these programs through the budget process.

## Chancellor's Office Contact Information

**General Apportionment contact:**

Randy Fong - (916) 327-6238  
[rfong@cccco.edu](mailto:rfong@cccco.edu)

**Categorical Apportionments contact:**

Patricia Servin - (916) 445-1163  
[pservin@cccco.edu](mailto:pservin@cccco.edu)

**Categorical Program contacts:**

Apprenticeship  
John Dunn  
(916) 445-8026

Basic Skills  
LeBaron Woodyard  
(916) 445-1780

California Work Opportunities and Responsibility to Kids  
(CalWORKs)  
Temporary Assistance for Needy Families (TANF)  
Jason Orta  
(916) 327-5890

Disabled Students Program and Services (DSPS)  
State Hospital Developmental Centers  
Scott Berenson  
(916) 322-3234 or  
Scott Valverde  
(916) 445-5809

Equal Employment Opportunity (EEO)  
Leslie LeBlanc  
(916) 445-1997

Extended Opportunity Programs and Services  
Cheryl Fong  
(916) 323-5954

Cooperative Agencies Resources for Education (CARE)  
Cheryl Fong  
(916) 323-5954

Instructional Equipment & Library Materials  
Hoang Nguyen  
(916) 327-5363

Scheduled Maintenance and Repair  
Hoang Nguyen  
(916) 327-5363

Credit / Non Credit Matriculation  
Debra Sheldon  
(916) 322-2818

Student Financial Aid Administration  
Terence Gardner  
(916) 327-5892

Telecommunications Allocations  
Bonnie Edwards  
(916) 327-5899

**CALIFORNIA COMMUNITY COLLEGES  
2013-14 SECOND PRINCIPAL APPORTIONMENT  
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Workload Restoration	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,564.825082	4,636.492854	21,734.640	703.485	0.000	0.000	0.000	22,438.125	49.415	22,487.540
Noncredit FTES	2,744.957800	2,788.053637	463.740	-215.790	0.000	0.000	0.000	247.950	0.000	247.950
Noncredit - CDCP FTES	3,232.067600	3,282.811061	5,986.660	229.990	0.000	0.000	0.000	6,216.650	0.000	6,216.650
<b>Total FTES:</b>			28,185.040	717.685	0.000	0.000	0.000	28,902.725	49.415	28,952.140

**I Base Revenues +/- Restore or Decline**

A Basic Allocation		\$9,964,636	
B Basic FTES Revenue	\$119,837,067		
C Workload Reduction	\$0		
D Revised Base FTES Revenue		\$119,837,067	
1 Credit Base Revenue	\$99,214,830		
2 Noncredit Base Revenue	\$1,272,947		
3 Career Development College NonCr	\$19,349,290		
E Current Year Decline		\$0	
<b>Total Base Revenue Less Decline</b>		\$129,801,703	

**V Other Revenues Adjustments**

A Revenue Adjustment	\$0
<b>Total Revenue Adjustments</b>	\$0

**VI Stability Adjustment**

\$0

**VII Total Computational Revenue**

(sum of II, III, IV, V, & VI) \$135,254,671

**VIII District Revenue Source**

A1 Property Taxes	\$44,709,056
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$7,676,721
C State General Apportionment	\$60,125,956
D Estimated EPA	\$20,419,045
<b>Available Revenue</b>	\$132,930,778
E Revenue Shortfall	0.9828183901 \$2,323,893
<b>Total Revenue Plus Shortfall</b>	\$135,254,671

**II Inflation Adjustment**

A Statewide Inflation Adjustment	1.57%
B Inflation Adjustment	\$2,037,887
<b>C Current Year Base Revenue + Inflation Adjustment</b>	\$131,839,590

**III Basic Allocation & Restoration**

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 09-10 Workload Reduction	\$0
E Restoration of 11-12 Workload Reduction	\$3,415,081
<b>Total Basic Allocation &amp; Restoration</b>	\$3,415,081

**IX Other Allowances and Total Apportionments**

A State General Apportionment	\$60,125,956
B Statewide Average Replacement Cost	\$60,289
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
<b>Net State General Apportionment</b>	\$60,125,956

**IV Growth**

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
<b>Total Growth Revenue</b>	\$0

**X Unrestored Decline as of July 1st of Current Year**

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
<b>Total</b>	\$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA  
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES				
> 18,749	> 9,375	<= 9,375	Rural	> 18,749	> 9,375	<= 9,375	
\$5,535,909	\$4,428,727	\$3,321,545	\$553,591	\$4,428,727	\$3,875,136	\$3,321,545	Total Colleges
0	0	0	0	1	0	1	2
\$0	\$0	\$0	\$0	\$4,428,727	\$0	\$3,321,545	Total Colleges Rev.
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue			
1	\$1,107,182		1	\$1,107,182			
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels				Total Grandfathered or Previously Approved Centers			Total Basic Allocation Revenue
> 938	> 703	> 469	> 234	<= 100			
\$1,107,182	\$830,386	\$553,591	\$276,795	\$138,398			\$9,964,636
Number of Grandfathered or Previously Approved Centers: @ Total FTES				Total Grandfathered or Approved Center			
1	0	0	0	0	1		
Grandfathered or Previously Approved Center Revenue:				Total Grandfathered or Approved Center			
\$1,107,182	\$0	\$0	\$0	\$0	\$1,107,182		



## SACRAMENTO REPORT June 16, 2014

### BUDGET UPDATE

Last week, legislative leaders and the administration completed negotiations around a final budget package that was voted on Sunday and sent to the Governor. Once again, the Governor won on almost all of the contentious issues including the revenue number to be used in the budget package. There were discussions that there could be additional revenues freed up if the ultimate package used the LAO property tax numbers, but in the final deal, that did not happen and the administration held firm on their overall revenue estimates.

Senator Steinberg was able to negotiate funding for an additional pathways program and provide funding for preschool. The additional programmatic funding was made available by freeing up some of the proposed deferral funding. Under the redirection of the deferral funding, the community college split of Proposition 98 was reduced, but there was a positive trigger put in place that provides for funding to go into the deferral if revenues come in closer to the LAO estimated levels than those of the administration. If revenues come in higher, there would be an opportunity to address the lower split in the budget year with the allocation of settle up funding in next year's budget. Additionally, the \$250 million in pathways funding is counted toward the K-12 side of the Proposition 98 split, but community colleges may apply for some of the funding which was part of Senator Steinberg's and the Governor's argument for reducing the community college portion of the split in adding programmatic funding from the deferrals.

For community colleges, the final budget package was very similar to the Governor's proposed May Revise package with some additional funding to cover mandates and funding shifted from equity plans to cover DSPS. The final budget also includes an increase in Cal Grant B access awards which are critical to community college students.

The final budget package contains the following elements:

- ✓ 2.75% growth funding
- ✓ .85% COLA
- ✓ \$100 million for Student Support and Success
- ✓ \$70 million for student equity plans
- ✓ \$30 million for DSPS
- ✓ \$50 million Economic and Workforce Development
- ✓ \$49.5 million to cover mandates to be allocated to districts based on FTES
  - This could be used to cover additional costs that have not been covered the past through years or to cover the increased CalSTRS costs.
- ✓ \$148 million for maintenance and instructional equipment with flexibility to determine the split of the funding at the local level with no match requirement



- ✓ Reduction of \$94.46 million in deferral payments leaving that much to completely eliminate them
- ✓ Increase in Cal Grant B award to \$1,648.

The final budget package included a number of other components. Those include:

- ✓ Positive trigger language specifying that if revenues end up higher than budget act estimates, then funding will be allocated pay back the \$94.46 million in deferral payments that were not covered.
- ✓ Plan to fully fund CalSTRS over 30 years. The proposal includes rate increases from all three sources, the state, employer and employee. For the employer, the rate increases will go from 8.25% to just over 19% over 7 years. The first increase of .63% begins in the budget year and for community colleges is estimated to cost approximately \$14 million.
- ✓ Trailer bill language requiring districts, as a condition of receiving Student Success and Support Program funding, to maintain a student equity plan for each community college in a community college district. The plans need to be completed by January 1, 2015 and are required to be updated every three academic years.
- ✓ Language to increase the level of funding for CDCP courses to the credit rate effective in the 2015-16 fiscal year.
- ✓ Requirement that the Board of Governors adopt a new budget growth formula for use beginning with the 2015-16 fiscal year which will be based on each community college district area's need for access. The language specifies that multiple factors shall be considered, but the primary factors shall be:
  1. The number of persons under 25 without a college degree and the number of persons 25 to 64 years old without a college degree.
  2. Number of persons unemployed, have limited English skills, who are in poverty or exhibit other signs of being disadvantaged, as determined by the Chancellor.
- ✓ Language providing that the state chancellor may provide for a maximum growth cap based on need between 5% and 10%.
- ✓ Language requiring reporting of where growth funding apportionments are being allocated.
- ✓ Language providing for 3 years of stabilization funding to City College of San Francisco consistent with the version of SB 965 (Leno) which passed out of Senate Education.



Once again, the Governor was successful in getting most of what he wanted in the final budget negotiation. The requirement that legislators pass a balanced budget by June 15<sup>th</sup> or lose pay has really shifted the balance of power in negotiations to the administration. While we heard rumblings that a higher revenue number may be used in order to add programs championed by outgoing Senate Pro Tem Steinberg, ultimately, the Governor stood strong on his budget estimates and funding was only provided to those programs through a redirection of deferral funding. We knew that Senator Steinberg would be pushing for additional programmatic funding for his priorities which would provide additional spending for community colleges. Because of this, we prioritized funding for mandates as it would provide the flexibility needed to cover increased costs such as those associated with CalSTRS.

Just prior to the final agreement, the State Controller released the latest revenue numbers for May 2014 and did not give the Legislature any additional ammunition in pushing for higher revenue estimates. For the month, revenues were below the Governor's proposed budget estimates by approximately \$389 million. That said, year-to-date revenues were still above expectations by \$1.8 billion. Should economic conditions hold, we would anticipate that revenues would end up higher than the final budget act next year, triggering the language to provide backfill for redirected deferral payments.

The administration is already considering options for next year's January proposal and ideas that we have should be developed soon. Next year, with the majority of deferrals paid down, there could be a significant amount of funding freed up. We anticipate issues around mandate payments, the CDCP rate increase, the completion of a new growth formula and adult education to be at the top of next year's list.

## Huegli, Gina

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**From:** O'Connor, Adam  
**Sent:** Monday, August 04, 2014 5:41 PM  
**To:** Huegli, Gina  
**Subject:** FW: Budget Update: Final Agreement

**Adam M. O'Connor, CPA**  
**Assistant Vice Chancellor, Fiscal Services**  
**Rancho Santiago Community College District**

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**From:** Troy, Dan [mailto:dtroy@CCCCO.EDU]  
**Sent:** Monday, June 16, 2014 10:55 AM  
**To:** SO2CBO@LISTSERV.CCCNEXT.NET  
**Subject:** Budget Update: Final Agreement

Colleagues,

Yesterday, the Legislature passed the final version of the 2014-15 and sent it to the Governor's desk. The details of the budget did not change from the my report of the Conference Committee agreement (for reference, that message is included below).

I would like to draw your attention to a few additional notes on the agreement:

- The STRS employer rate for the 14-15 year will 8.88% (an increase of 0.63%). From the 2015-16 through the 2019-20 fiscal years, the rate will grow by an additional 1.85%, annually. In 2020-21, it will further grow by 0.97%, resulting in an employer contribution rate of 19.1% at that time. The details can be viewed in AB 1469.
- Trailer legislation includes legislative intent that funds provided for increased access "be expended for purposes of increasing the number of FTES in courses or programs that support the primary missions of the segment." The Chancellor's Office will also be required to annually report on the number of course sections and FTES that were added in the previous year that are "within the primary missions of the segment." Clearly, there is significant interest from the Legislature in *how* the system grows, not just in how *much* it grows. The details can be viewed in the Education Omnibus bill, SB 860.

Recapping some major details of the Budget Act:

- 2.75% for increased access
- 0.85% COLA
- \$148M for maintenance and instructional equipment (includes district flexibility and removes the local match)
- \$100M increase for the SSSP
- \$70M for Student Equity Plans
- \$50M increase for EWD
- \$49.5M for earlier mandate reimbursement claims

- \$37.5M for Proposition 39 energy efficiency projects and workforce development
- \$30M increase for DSPS
- All but \$94.6M of system deferrals will be paid down
- A positive trigger allowing the Director of Finance to increase Proposition 98 funding if, in his determination, the Proposition 98 guarantee is higher than estimated at the time of the Budget Act. The first call on additional expenditures will be to pay down the remaining deferrals.
- Language equalizing the funding rate for CDCP FTES to the same level as credit FTES, as of the 2015-16 fiscal year
- An increase in the Cal Grant B award to \$1,648

Overall, we are very pleased to see the Governor and Legislature provide a budget so clearly supportive of access and success. While the Budget Act does not regain ground for the lost purchasing power of the recessionary years, for the second consecutive year it does fund the annual COLA described in statute. We are also pleased to see that districts are permitted flexibility as to how they choose to allocate their share of the \$148M in Physical Plant/Instructional Equipment funding, and will not be required to meet a local match. Also, the partial funding for prior mandate claims chips away at the state's obligations to community college districts. The planned increase in CDCP rates will more adequately fund this important work and help incentivize the provision of CTE instruction.

With 72 districts come 72 opinions (at least!) of what makes a good budget, but we believe this agreement continues the progress made in 2013-14 budget to restore access to higher education and to support efforts to improve student completion and success.

Regards,  
Dan Troy

Vice Chancellor, College Finance and Facilities Planning  
California Community Colleges Chancellor's Office

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**From:** Troy, Dan

**Sent:** Wednesday, June 11, 2014 9:34 PM

**To:** System Office Memos to CBOs ([SO2CBO@LISTSERV.CCCNEXT.NET](mailto:SO2CBO@LISTSERV.CCCNEXT.NET)); System Office Memos to CEOs ([SO2CEO@LISTSERV.CCCNEXT.NET](mailto:SO2CEO@LISTSERV.CCCNEXT.NET))

**Subject:** Budget Update: Conference Committee Agreement

Colleagues,

Earlier this evening, the joint Budget Conference Committee met and approved the major provisions of the 2014-15 budget for the California Community Colleges and other areas of the budget.

While subcommittees of both houses had previously voted to augment the CCCs by \$246M by assuming the higher budget year revenue that has been estimated by the Legislative Analyst's Office (my message from May 23<sup>rd</sup> described those increases), similar to last year, the Governor held fast to the level of spending proposed in the May Revision. Ultimately, Governor Brown has prevailed.

A key adjustment made to K14 Proposition 98 spending is that it will no longer be the case that deferrals will be completely eliminated as of the 2014-15 fiscal year. Some of this funding will be diverted within the minimum guarantee to fund legislative priorities such as preschool/child care, another round of funding for the Career Pathways Trust competitive grant program (\$250M, similar to the current year), and funding for prior mandate claims.

To that end, the Conference budget looks very similar to the Governor’s May Revision, with a few notable changes:

- Funding for Student Equity Plans will be reduced from \$100M to \$70M
- \$30M augmentation for DSPS
- \$49.5M for reimbursement of previous mandate claims
- A reduction of \$94.465M in the paydown of deferrals
- Districts will have flexibility to determine the split of expenditures between maintenance and instructional equipment (\$148M)
- Cal Grant B awards will increase to \$1,648

Further, the final budget will include a *positive* trigger: If the Department of Finance determines as of the 2015 May Revision that the Proposition 98 guarantee is higher than what is estimated at the time of the budget agreement, additional expenditures will occur. The first priority would be to paydown the remaining K14 deferrals (\$94.465M for the CCCs).

Otherwise, the provisions of the Conference agreement are very similar to the Governor’s May Revision (2.75% increased access, 0.85% COLA, \$50M increase for EWD, etc.). My message of May 13<sup>th</sup> covers the May Revision proposal in detail.

The current expectation is that the Conference budget will be voted on by each house over the weekend (probably Sunday), so the Legislature will meet the June 15<sup>th</sup> deadline.

Until the budget is final and signed by the Governor, changes are always possible. Further, in some cases there can be changes made to the budget bill language or included in trailer bills that have affect us of which we may not yet be fully aware. I will try to keep you updated as new information emerges.

Regards,  
Dan Troy

Vice Chancellor, College Finance and Facilities Planning  
California Community Colleges Chancellor’s Office

\*\*\*\*\*

## Huegli, Gina

**From:** O'Connor, Adam  
**Sent:** Tuesday, August 05, 2014 1:10 PM  
**To:** Huegli, Gina  
**Subject:** FW: Legislature approves 2014-15 State Budget

**Adam M. O'Connor, CPA**  
**Assistant Vice Chancellor, Fiscal Services**  
**Rancho Santiago Community College District**

**From:** Scott Lay [<mailto:scottlay@cleague.org>]  
**Sent:** Monday, June 16, 2014 7:57 AM  
**To:** O'Connor, Adam  
**Subject:** Legislature approves 2014-15 State Budget



June 16, 2014

Dear Adam,

Last night, both houses of the Legislature approved the state budget and the implementing trailer bills. The governor is expected to approve the budget, although changes via line-item vetoes are likely. However, we have high confidence in the community college budget as adopted.



The budget for community colleges was as described last week, which I repeat below.

We are reviewing the trailer bills, which were largely made public last night.

The package includes the phased-in "fix" for the State Teachers Retirement System, although uses a slower phase-in for contributions proposed by the Legislature, and requires STRS to report on periodically on the need for actuarial adjustments:

<b>Proposed STRS Contribution Rates</b> <i>Adopted Budget</i>				
	<b>Employer</b>	<b>Employee (pre-2013 hire date)</b>	<b>Employee (post-2013 hire date)</b>	<b>State</b>

2013-14	8.25%	8%	8	3.04%
2014-15	8.63	8.15	8.15	3.45
2015-16	10.48	9.20	8.56	4.89
2016-17	12.33	10.25	9.205	6.33
2017-18	14.18	10.25	9.205	6.33
2018-19	16.03	10.25	9.205	6.33
2019-20	17.88	10.25	9.205	6.33
2020-21	18.85	10.25	9.205	6.33

The plan allows CalSTRS to annually adjust the state employer rate beginning July 1, 2021, and caps any annual such increase at 1% for employers and 0.5% for the state.

2014-15 State Budget for Community Colleges					
Item (amounts in 000s)	2013- 14 Enacted	2014-15 January	2014-15 May Revision	2014-15 Passed by Legislature	Note
<b>Ongoing Funds</b>					
Cost-of-living adjustment	1.57%	0.86%	0.85%	0.85%	General apportionment only
Enrollment Growth	1.63%	3%	2.75%	2.75%	General apportionment only
Student Success and Support Program	\$99,183	\$199,183	\$199,183	\$199,183	Variable match (3 local:1 state on \$99.2 million, 2:1 on \$100 million)
Student Success and Support Program - Equity	\$0	\$100,000	\$100,000	\$70,000	
Disabled Students Programs and Services	\$84,223	\$84,223	\$84,223	\$114,223	
Extended Opportunity Programs and Services	\$88,605	\$88,605	\$88,605	\$88,605	

Economic and Workforce Development	\$22,929	\$22,929	\$22,929	\$22,929	<i>See one-time funds below</i>
Student Financial Aid Administration	\$67,537	\$67,896	\$67,896	\$67,896	
CalWORKs	\$35,545	\$35,545	\$35,545	\$35,545	
Part-time Faculty Compensation	\$24,907	\$24,907	\$24,907	\$24,907	
Basic Skills	\$20,037	\$20,037	\$20,037	\$20,037	
Telecommunications and Technology Infrastructure	\$15,790	\$15,790	\$20,390	\$20,390	
Nursing Education	\$13,378	\$13,378	\$13,378	\$13,378	
Foster Care Education Program	\$11,786	\$11,786	\$11,786	\$11,786	
Part-time Faculty Office Hours	\$3,514	\$3,514	\$3,514	\$3,514	
Campus Childcare Tax Bailout	\$3,350	\$3,350	\$3,350	\$3,350	
Transfer and Articulation	\$698	\$698	\$698	\$698	
Part-time Faculty Health Insurance	\$490	\$490	\$490	\$490	
<b><i>One-Time Funds</i></b>					
Physical Plant and Instructional Equipment		\$175,000	\$148,000 (maintenance only)	\$148,000 (maintenance or equipment)	<i>no match in 2014-15</i>
Economic and Workforce Development			\$50,000	\$50,000	<i>to increase student success in career-technical programs</i>
Telecommunications and Technology			\$1,400	\$1,400	
Mandates				\$49,500	<i>to address mandate backlog</i>

Finally, the budget includes language providing three-year phased-out stability for City College of San

Francisco, and rejects language proposed by the Administration to allow up to 25% flexibility in Basic Skills, EOPS, and CalWORKs.

While never perfect, this is an outstanding budget, which will put more than \$600 million to work for California's community college students. Additionally, the spending plan eliminates more than 80% of the deferrals to community colleges and, if revenues match the Legislative Analyst's Office projections, would eliminate all deferrals this year.

Again, thank you for your advocacy, and to the advocates from the League, Chancellor's Office, and all of our coalition partners in Sacramento.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Lay". The signature is written in a cursive, flowing style.

Scott Lay  
President and Chief Executive Officer, The League  
Orange Coast College '94

## Huegli, Gina

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**From:** O'Connor, Adam  
**Sent:** Tuesday, August 05, 2014 1:10 PM  
**To:** Huegli, Gina  
**Subject:** FW: STRS, reserve limits, and the pinch

**Adam M. O'Connor, CPA**  
**Assistant Vice Chancellor, Fiscal Services**  
**Rancho Santiago Community College District**

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**From:** Scott Lay [<mailto:scottlay@cleague.org>]  
**Sent:** Tuesday, June 17, 2014 8:11 AM  
**To:** O'Connor, Adam  
**Subject:** STRS, reserve limits, and the pinch



*Sent to CEOs and CBOs*

June 17, 2014

Dear Adam,

I need to correct my chart on the STRS contribution rates included in the budget approved by the Legislature on Sunday evening. My numbers were flawed by early morning math, so each year's employer contribution needs to be increased by 0.25%.

I distributed this information to the CBO-ALL listserv yesterday, but I know some of colleges may have vacancies in these positions, so I'm sending a bit broader.

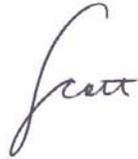
Further, I've had lots of questions about whether the proposed reserve limits for K-12 districts--contingent on the passage of the Rainy Day Fund ballot measure--apply to community colleges. As the language was part of the Local Control Funding Formula trailer bill, they do not apply to community colleges. However, this is not something we want to broadcast too loudly, which could lead to an effort to apply it to community colleges as well.

Here are the STRS rates:

<b>Proposed STRS Contribution Rates Adopted Budget</b>				
	<b>Employer</b>	<b>Employee (pre-2013 hire date)</b>	<b>Employee (post- 2013 hire date)</b>	<b>State</b>
2013-14	8.25%	8%	8	3.04%
2014-15	8.88	8.15	8.15	3.45
2015-16	10.73	9.20	8.56	4.89
2016-17	12.58	10.25	9.205	6.33
2017-18	14.43	10.25	9.205	6.33
2018-19	16.28	10.25	9.205	6.33
2019-20	18.13	10.25	9.205	6.33
2020-21	19.10	10.25	9.205	6.33

Finally, obviously, there are huge concerns about the impact on our students of the STRS and PERS rate increases, particularly in the later years of this decade when Proposition 98 is expected to grow quite slowly absent an extension of Proposition 30. While the Legislature agreed to pursue the governor's proposal to "fully fund" (100%) STRS by 2047, I believe that all options will be on the table later this decade. These will consider revenues, service demands, and the need to set aside money for our outstanding liabilities.

Sincerely,



Scott Lay  
President and Chief Executive Officer, The League  
Orange Coast College '94

# **COMMUNITY COLLEGE UPDATE**

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Volume 27

For Publication Date: June 27, 2014

No. 13

## **2014-15 State Budget Approved**

Consistent with the Budget Conference Committee action, but with some important differences from Governor Jerry Brown's May Revision, the Legislature approved the 2014-15 State Budget on June 15, 2014. Senate Bill (SB) 852 and more than a dozen trailer bills were approved by both houses.

The 2014-15 State Budget is based on Governor Brown's lower revenue forecast, and much of the framework is the same as the May Revision, but with important changes.

### **Deferrals**

To balance working within the Governor's revenue figures and spending priorities, the 2014-15 State Budget does not eliminate all deferrals. For 2014-15, nearly \$1 billion in deferrals are still active for K-14 education. However, the State Budget includes a positive trigger—if next year's May Revision reflects higher than anticipated revenues, an additional payment of up to the full amount of deferrals would be made, potentially resulting in the full elimination of deferrals by the end of 2014-15.

### **Mandates**

The 2014-15 State Budget will begin to chip away at the education mandates portion of the Wall of Debt. For community colleges \$49.5 million will be provided towards funding prior mandate claims on a per-full-time equivalent student basis. The Budget trailer bill states a district can chose to use these funds for "any one-time purpose, as determined by the governing board."

### **CalSTRS Rates**

Selecting a path between the Governor's proposal and the Legislature's alternative proposal, the California State Teachers' Retirement System (CalSTRS) rate schedule for employers takes a smaller step in year one, but does not spike at year four as the alternative proposal would have. As specified in Assembly Bill (AB) 1469, the employer and employee rates on the member's compensation that is creditable to the Defined Benefit Program earned after July 1 of each year as follows:

<b>Year</b>	<b>Employer</b>	<b>Pre-PEPRA Employee</b>	<b>Post-PEPRA Employee</b>
2013-14	8.25%	8.00%	8.00%
2014-15	8.88%	8.15%	8.15%

2015-16	10.73%	9.2%	8.56%
2016-17	12.58%	10.25%	9.205%
2017-18	14.43%	10.25%	9.205%
2018-19	16.28%	10.25%	9.205%
2019-20	18.13%	10.25%	9.205%
2020-21	19.1%	10.25%	9.205%

CalSTRS is given the authority to adjust the employer contribution rate after 2020-21 to reflect the contribution required to eliminate the current unfunded actuarial obligation by June 30, 2046. (They will also be able to adjust the state rate, but not the employee rate.) The increase or decrease cannot change by more than 1% and cannot supplant the state's obligation.

### **Career Pathways Program Trust**

A major priority of Senate President pro Tempore Darrell Steinberg, a second round of funding will be provided for the Career Pathways Program. The 2014-15 State Budget includes another \$250 million for this program.

### **Early Childhood Education**

The 2014-15 State Budget provides additional funding for preschool and makes a few changes to the existing Transitional Kindergarten program. In total, funding was increased by \$155 million in Proposition 98 support and an additional \$100 million in non-Proposition 98 funds for the following:

- 7,500 additional full year, part-day preschool slots
- 500 additional alternative payment slots
- 1,000 general slots
- An increase in the standard reimbursement rate of 5%
- \$50 million for quality grants to local educational agencies
- \$35 million in one-time money targeted to professional development and facilities

### **Next Steps**

Meeting the Legislature's deadline, the main State Budget bill has been sent to the Governor. As of this writing, trailer bills are in the procedural step of "engrossing and enrolling," which comes before the transmittal to the Governor. Last year, several trailer bills, including the Local Control Funding Formula trailer bill, sat at this step as the Governor and Legislature worked out a deal around the controversial issue around the California Public Records Act. The 12-day clock for the Governor to sign or veto a bill doesn't start until the bill leaves engrossing and is presented to the Governor.

Subsequent articles on many of these topics will dive further into the details of these proposals and the practical application at the local level.

—*Michelle McKay Underwood*

posted 06/16/2014

## SSC Community College Financial Projection Dashboard 2014-15 Adopted State Budget

This version of SSC's Financial Projection Dashboard is based on the Governor's 2014-15 May Revision Proposal. We have updated the cost-of-living adjustment (COLA), consumer price index (CPI), and ten-year T-bill planning factors to reflect economic forecasts. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are, at best, general guidelines.

Factor		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Statutory COLA for Apportionments		1.57%	0.85%	2.10%	2.30%	2.50%	2.60%
<b>Growth/Restoration Funding</b>		<b>1.63%</b> <b>(\$89.4 million)</b>	<b>2.75%</b> <b>(\$140.4 million)</b>	<b>Ongoing<sup>1</sup></b>	<b>Ongoing<sup>1</sup></b>	<b>Ongoing<sup>1</sup></b>	<b>Ongoing<sup>1</sup></b>
State Categorical Programs		Up to \$191 million <sup>2</sup>	Up to \$485 million <sup>3</sup>	Ongoing (except for one-time funds)			
California CPI		1.50%	2.40%	2.60%	2.70%	2.70%	2.60%
California Lottery <sup>4</sup>	Base Prop 20	\$125 \$31	\$128 \$34	\$128 \$34	\$128 \$34	\$128 \$34	\$128 \$34
CalPERS Employer Rate		11.442%	11.771%	12.60%	15.00%	16.60%	18.20%
CalSTRS Employer Rate		8.25%	8.88%	10.73%	12.58%	14.43%	16.28%
Interest Rate for 10-Year Treasuries		2.70%	2.80%	3.20%	3.30%	3.40%	3.30%

<sup>1</sup> Apportionment growth funding will be allocated to districts in a yet-to-be developed needs-based formula starting in 2015-16.

<sup>2</sup> The following categorical programs are "protected" because the funding restrictions and requirements remain.

Protected Programs	
Apprenticeship	Fund for Student Success
Basic Skills	Foster Care Education
CalWORKs (Augmented 2010-11)	Matriculation
Career-Technical Education (Augmented 2010-11)	Nursing Program Support
Cooperative Agency Resources for Education (CARE)	Student Financial Aid Administration
Disabled Students Programs and Services (DSPS)	Telecommunications and Technology
Extended Opportunity Programs and Services (EOPS)	

The following categorical programs are "unprotected" because, following a public hearing of the governing board, districts can redirect the funding to any other state categorical program, and funding restrictions and requirements are waived as a result through 2014-15. Funding allocations are proportional based on 2008-09.

Unprotected Programs	
Campus Child Care Tax Bailout	Part-time Faculty Health Insurance
Economic Development	Part-time Faculty Office Hours
Equal Employment Opportunity	Physical Plant/Instructional Support (funding eliminated)
Part-time Faculty Compensation	Transfer Education and Articulation

<sup>3</sup> This total does not include the \$50 million in one-time funds for Awards for Innovation in Higher Education competitive grants or the \$250 million for the Career Pathways Trust. The 2014-15 State Budget includes the following for categorical programs:

- \$100 million for Student Success and Support, with the potential for a lower match requirement
- \$148 million in one-time funds for deferred maintenance or instructional equipment, with no local match required
- \$37.5 million for energy efficiency projects from Proposition 39
- \$50 million in one-time funds for the Economic and Workforce Development program at the Chancellor's Office
- \$70 million for student equity
- \$30 million for DSPS
- \$49.5 million in one-time funds for prior-year state mandates (to be allocated on a per-FTES basis)

<sup>4</sup> The forecast for Lottery funding per FTES includes both base (unrestricted) funding and the amount restricted by Proposition 20 for instructional materials. Lottery funding is initially based on prior year actual annual FTES, and is ultimately based on current-year annual FTES.

# 2014-15 Budget Workshop

California Community Colleges  
Chancellor's Office

College Finance and  
Facilities Planning  
Division



# 2014-15 Budget Overview



Budget Math and Path

## 2014-15 Budget

- SB 852 signed by Governor June 20, 2014
- For 4th consecutive year, passed on time and with few Republican votes
- Prop 25 puts majority clearly in charge



## The Big Picture

- Total General Fund expenditures = \$108 billion
- \$12 billion higher than what was approved in the 2013 budget
- No threat of trigger cuts

## The Big Picture

- The Budget includes a reserve of \$1.4 billion
- June cash report showed 13-14 GF revenues almost \$400m above budget estimate
- The LAO more optimistic - \$2.5 billion more in revenues from 11-12 through 14-15

## The Big Picture

- The budget is based on the Governor's more conservative forecast
- Approach clearly intended to protect state from boom and bust budgeting cycles
- Governor has clearly laid out his path
  - Protect against boom and bust cycles
  - Retire debt
  - Focus new money on education

## Wall of Debt

- Budget eliminates \$10B in debt:
  - \$5.1 billion in K-14 deferrals
  - \$3.9 billion in Economic Recovery Bonds
  - Remainder in mandates, loans, maintenance factor
- Positive Trigger would further reduce deferrals to schools and colleges

## Rainy Day Fund on November Ballot

- Require deposits to RDF when capital gains exceed 8% of GF revenues, plus set aside 1.5% of GF
- Maximum of 10%
- First 15 years: Half goes toward debts and liabilities. Afterward, savings or additional debt payments
- Allow withdrawal for disasters or if spending remains at or below highest level of spending of the prior 3 years.
- Proposition 98 reserve to smooth out boom and bust. Only in play under unusual circumstances.

## CalSTRS

- 30-year obligation of \$74.4 billion (only 67% funded)
- Agreement reached:
  - State GF contribution to increase from 3% to 6.3% as of 2016-17
  - Employee rate will increase from 8% to 10.25% as of 2016-17
  - Employer rate will increase from 8.25% to 19.1% as of 2021 (increase to 8.88% in 2014-15)
- Significant cost obligation for colleges and schools

## K12 Highlights

- \$4.75 billion increase for LCFF
- \$4.7 billion for paying down deferrals
- \$400.5 billion in one-time payments for old mandate reimbursement claims
- \$250 million for Career Pathways Trust
- K12: LCFF and debt obligation payments for the foreseeable future

## UC and CSU

- Multiyear funding plan in place: 5% - 5% - 4% - 4% from 2013-14 through 2016-17
- UC and CSU each receive an increase of \$142.2M
- No fee increases. Holding the line on fees through 2016-17 is a priority for the Governor
- \$50M for Higher Education Innovation Grants to promote innovative methods of promoting degrees, 4-year completion rates, and CCC transfers

## Community Colleges

- Access - \$140.4 million (2.75%)
- COLA - \$47.3 million (0.85%)
- Categorical Programs:
  - ❖ \$100 million for Student Success and Support Program
  - ❖ \$70 million for Student Equity Plans
  - ❖ \$30 million for DSPPS

*2.1  
1.0  
41.375M  
see*

## Community Colleges

- \$498 million for paying down deferrals – Only \$94 million left!
- \$148 million for deferred maintenance and instructional equipment. Flexible locally and specified as one-time
- \$50 million one-time increase for the Economic and Workforce Development program
- \$49.5 million to pay down mandates, although *funding is allocated per FTES*. Funding received will offset district's prior claims to the extent any exists
- \$39.7 million for Proposition 39 (\$32.7 million for projects)

## Community Colleges: What's New?

- Technical Assistance –
  - \$1.1 million and 9 positions to the CCCCCO for goal setting and monitoring of institutional effectiveness
  - \$2.5 million for technical assistance to support implementation of effective practices at colleges
- CDCP Rate –
  - Commencing in 2015-16, the CDCP rate will equal the credit rate
- Positive Trigger –
  - Director of Finance can further pay down deferrals during the year if Proposition 98 guarantee is higher than estimated

## Community Colleges: What's New?

- Growth Allocation –
  - New formula effective in 15-16
  - “Primary factors” to include individuals under/over 25 within district boundaries without a college degree and number of unemployed and disadvantaged
  - Focus on “primary missions of the segment” (i.e., credit and noncredit courses *excluding* NC courses for older adults, home economics, and health and safety education)
  - Fiscal Affairs Workgroup hoping to present a proposal in near future

## Cautions and Concerns

- Proposition 30 is *temporary*
  - Sales tax increase terminates at the end of 2016 (approximately 21% of Prop 30 revenues)
  - Income tax increase terminates at end 2018
- STRS obligations
  - Reluctance to identify source to address employer costs
  - At 19.1%, effective cost increase is over \$300 million
- Deficits
  - Progress in some areas, but continued exposure to shortfalls in property taxes and fees

## Community Colleges: Budget Trends

- Focus on low-income and disadvantaged populations
- Wall of debt: Deferrals and Mandates
- More flexible support items (SSSP, Student Equity Plans)
- Scrutiny on course offerings

## 2014-15 Budget



**CALIFORNIA COMMUNITY COLLEGES  
2014-15 ADVANCE PRINCIPAL APPORTIONMENT  
STATEWIDE TOTAL**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload Restoration FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,836.492854	4,875.900000	1,042,570.557	28,815.211	0.000	8,101.115	0.000	1,079,486.882	2,102.485	1,081,589.387
Noncredit FTES	2,788.053637	2,811.752093	29,904.113	772.949	0.000	265.028	0.000	30,942.090	83.427	31,025.519
Noncredit - CDCP FTES	3,282.811061	3,310.714955	34,986.880	1,049.478	0.000	261.780	0.000	38,278.139	0.000	38,278.141
<b>Total FTES:</b>			<b>1,107,441.550</b>	<b>30,637.638</b>	<b>0.000</b>	<b>8,627.923</b>	<b>0.000</b>	<b>1,148,707.111</b>	<b>2,185.914</b>	<b>1,148,893.027</b>

**I Base Revenues +/- Restore or Decline**

A Basic Allocation	\$517,440,303
B Basic FTES Revenue Before Workload Reduction	\$5,075,133,855
C Workload Reduction	\$0.00
D Revised Base FTES Revenue	\$5,075,133,855
1 Credit Base Revenue	\$4,876,969,922
2 Noncredit Base Revenue	\$83,374,274
3 Career Development College NonCr	\$114,789,659
E Current Year Decline	\$0
<b>Total Base Revenue Less Decline</b>	<b>\$5,592,574,158</b>

**II Inflation Adjustment**

A Statewide Inflation Adjustment	
B Inflation Adjustment	\$47,536,882
C Current Year Base Revenue + Inflation Adjustment	\$5,640,111,040

**III Basic Allocation & Restoration**

A Basic Allocation Adjustment	-\$843,424
B Basic Allocation Adjustment COLA	-\$7,169
C Stability Restoration	\$39,491,901
D Restoration of 11-12 Workload Reduction	\$140,385,000
<b>Total Basic Allocation &amp; Restoration</b>	<b>\$179,026,308</b>

**IV Growth**

A Unadjusted Growth Rate	
B Constrained Growth Rate	
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
<b>Total Growth Revenue</b>	<b>\$0</b>

**V Other Revenues Adjustments**

A Revenue Adjustment	\$945,135
<b>Total Revenue Adjustments</b>	<b>\$945,135</b>

**VI Stability Adjustment**

<b>VI Stability Adjustment</b>	<b>\$0</b>
--------------------------------	------------

**VII Total Computational Revenue**

(sum of II, III, IV, V, & VI)	\$5,820,082,483
-------------------------------	-----------------

**VIII District Revenue Source**

A1 Property Taxes	\$2,438,937,492
A2 Less Property Taxes Excess	-\$184,614,548
B Student Enrollment Fees	\$422,880,884
C State General Apportionment	\$2,303,053,000
D Estimated EPA	\$820,075,850
<b>Available Revenue</b>	<b>\$5,790,332,678</b>
E Revenue Shortfall	0.9948884221
<b>Total Revenue Plus Shortfall</b>	<b>\$5,820,082,483</b>

**IX Other Allowances and Total Apportionments**

A State General Apportionment	\$2,303,053,000
B Statewide Average Replacement Cost	
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
<b>Net State General Apportionment</b>	<b>\$2,303,053,000</b>

**X Unrestored Decline as of July 1st of Current Year**

A 1st Year	\$52,216,255
B 2nd Year	\$22,998,829
C 3rd Year	\$16,920,975
<b>Total</b>	<b>\$92,136,059</b>

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA  
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES			Total Colleges
> 19,320	> 9,660	<= 9,660	Rural	> 19,320	> 9,660	
\$5,622,823	\$4,498,288	\$3,373,694	\$582,282	\$4,498,258	\$3,935,976	\$3,373,694
8	19	25	11	4	27	31
Revenue:						114
\$44,982,584	\$85,466,902	\$84,342,350	\$6,185,102	\$17,993,032	\$106,271,352	\$104,584,514
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue		
33	\$1,124,565		33	\$37,110,645		
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels						
> 966	> 725	> 483	> 242	<= 100		
\$1,124,565	\$843,423	\$582,282	\$281,141	\$140,571	Total Grandfathered or Previously Approved Centers	Total Basic Allocation Revenue
Number of Grandfathered or Previously Approved Centers: @ Total FTES						
22	1	2	10	1	36	\$516,596,879
Grandfathered or Previously Approved Center Revenue:						
\$24,740,430	\$843,423	\$1,124,564	\$2,811,410	\$140,571	\$29,660,398	

**CALIFORNIA COMMUNITY COLLEGES  
2014-15 ADVANCE PRINCIPAL APPORTIONMENT  
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload Restoration FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,636,492,844	4,675,900,000	22,438,125	755,995	0,000	0,000	0,000	23,194,120	85,435	23,279,554
Noncredit FTES	2,788,053,637	2,811,752,093	247,950	9,298	0,000	0,000	0,000	257,248	0,000	257,248
Noncredit - CDCP FTES	3,282,811,061	3,310,714,955	6,216,650	233,124	0,000	0,000	0,000	6,449,774	0,000	6,449,774
<b>Total FTES:</b>			<b>28,902,725</b>	<b>998,417</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>	<b>29,901,142</b>	<b>85,435</b>	<b>29,986,576</b>

**I Base Revenues +/- Restore or Decline**

A Basic Allocation		\$10,121,082
B Basic FTES Revenue Before Workload Reduction	\$125,133,589	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$125,133,589
1 Credit Base Revenue	\$104,034,204	
2 Noncredit Base Revenue	\$691,298	
3 Career Development College NonCr	\$20,408,087	
E Current Year Decline		\$0
<b>Total Base Revenue Less Decline</b>		<b>\$135,254,671</b>

**II Inflation Adjustment**

A Statewide Inflation Adjustment	0.85%
B Inflation Adjustment	\$1,149,685
<b>C Current Year Base Revenue + Inflation Adjustment</b>	<b>\$136,404,336</b>

**III Basic Allocation & Restoration**

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$4,332,911
<b>Total Basic Allocation &amp; Restoration</b>	<b>\$4,332,911</b>

**IV Growth**

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
<b>Total Growth Revenue</b>	<b>\$0</b>

**V Other Revenues Adjustments**

A Revenue Adjustment	\$0
<b>Total Revenue Adjustments</b>	<b>\$0</b>

**VI Stability Adjustment**

	\$0
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**VII Total Computational Revenue**

(sum of II, III, IV, V, & VI)	\$140,737,247
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**VIII District Revenue Source**

A1 Property Taxes	\$48,389,417
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$7,854,253
C State General Apportionment	\$61,929,831
D Estimated EPA	\$21,783,177
<b>Available Revenue</b>	<b>\$139,956,678</b>
E Revenue Shortfall	0.8944537173
<b>Total Revenue Plus Shortfall</b>	<b>\$140,737,247</b>

**IX Other Allowances and Total Apportionments**

A State General Apportionment	\$61,929,831
B Statewide Average Replacement Cost	\$69,532
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
<b>Net State General Apportionment</b>	<b>\$61,929,831</b>

**X Unrestored Decline as of July 1st of Current Year**

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
<b>Total</b>	<b>\$0</b>

Regular Growth Caps adjusted by a factor of ~~0.00000000~~ to match funding.

**Basic Allocation Calculation Before Current Year COLA  
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES				Multi-College District Funding Rate: Total FTES				
> 19,320	> 9,660	≤ 9,660	Sum	> 19,320	> 9,660	≤ 9,660		
\$5,622,823	\$4,498,258	\$3,373,694	\$562,282	\$4,498,258	\$3,935,976	\$3,373,694		<b>Total Colleges</b>
0	0	0	0	1	0	1		<b>2</b>
Revenue:	\$0	\$0	\$0	\$4,498,258	\$0	\$3,373,694		<b>Total Colleges Rev.</b>
								<b>\$7,871,952</b>
<b>State Approved Center: Funding Rates</b>				<b>Total State Approved Centers</b>				
1	\$1,124,565		1	\$1,124,565				
<b>Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels</b>				<b>Total Grandfathered or Previously Approved Centers</b>				
> 986	> 725	> 493	> 242	≤ 100				
\$1,124,565	\$843,423	\$562,282	\$281,141	\$140,571				
<b>Number of Grandfathered or Previously Approved Centers: @ Total FTES</b>				<b>Total Grandfathered or Previously Approved Center</b>				
1	0	0	0	0				
<b>Grandfathered or Previously Approved Center Revenue:</b>				<b>Total Grandfathered or Previously Approved Center</b>				
\$1,124,565	\$0	\$0	\$0	\$0				<b>\$10,121,082</b>

**CALIFORNIA COMMUNITY COLLEGES  
2014-15 ADVANCE PRINCIPAL APPORTIONMENT  
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTEs	11-12 Workload Restoration FTEs	Growth FTEs	Restored FTEs	Stability FTEs	Total Funded FTEs	Unfunded FTEs	Actual FTEs
Credit FTEs	4,636.492844	4,675.900000	22,438.125	755.995	0.000	0.000	0.000	23,194.120	85.435	23,279.554
Noncredit FTEs	2,788.053637	2,811.752083	247.950	9.298	0.000	0.000	0.000	257.248	0.000	257.248
Noncredit - CDCP FTEs	3,282.811061	3,310.714955	6,216.650	233.124	0.000	0.000	0.000	6,449.774	0.000	6,449.774
<b>Total FTEs:</b>			<b>28,902.725</b>	<b>998.417</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>29,901.142</b>	<b>85.435</b>	<b>29,986.576</b>

**I Base Revenues +/- Restore or Decline**

A Basic Allocation		\$10,121,082
B Basic FTEs Revenue Before Workload Reduction	\$125,133,589	
C Workload Reduction	\$0.00	
D Revised Base FTEs Revenue		\$125,133,589
1 Credit Base Revenue	\$104,034,204	
2 Noncredit Base Revenue	\$691,298	
3 Career Development College NonCr	\$20,408,087	
E Current Year Decline		\$0
<b>Total Base Revenue Less Decline</b>		<b>\$135,254,871</b>

**V Other Revenues Adjustments**

A Revenue Adjustment	\$0
<b>Total Revenue Adjustments</b>	<b>\$0</b>

**VI Stability Adjustment**

Stability Adjustment	\$0
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**VII Total Computational Revenue (sum of I, III, IV, V, & VI)**

\$140,737,247

*138,821,765*

**VIII District Revenue Source**

A1 Property Taxes	\$48,389,417
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$7,854,253
C State General Apportionment	\$81,929,831
D Estimated EPA	\$21,783,177
Available Revenue	\$139,056,678
E Revenue Shortfall	0.9944537173
<b>Total Revenue Plus Shortfall</b>	<b>\$140,737,247</b>

**IX Other Allowances and Total Apportionments**

A State General Apportionment	\$81,929,831
B Statewide Average Replacement Cost	\$69,532
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
<b>Net State General Apportionment</b>	<b>\$81,929,831</b>

**X Unrestored Decline as of July 1st of Current Year**

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
<b>Total</b>	<b>\$0</b>

**II Inflation Adjustment**

A Statewide Inflation Adjustment	0.85%
B Inflation Adjustment	\$1,149,685
<b>C Current Year Base Revenue + Inflation Adjustment</b>	<b>\$136,404,336</b>

**III Basic Allocation & Restoration**

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$4,332,611
<b>Total Basic Allocation &amp; Restoration</b>	<b>\$4,332,611</b>

**IV Growth**

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
<b>Total Growth Revenue</b>	<b>\$0</b>

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA  
College/Center Base Funding Rates (Current Year FTEs Thresholds):**

Single College District Funding Rates: Total FTEs			Multi-College District Funding Rate: Total FTEs					
> 19,320	> 9,660	<= 9,660	Rural	> 19,320	> 9,660	<= 9,660	Total Colleges	
\$5,822,823	\$4,498,258	\$3,373,694	\$582,282	\$4,498,258	\$3,936,976	\$3,373,694		
<b>FTEs:</b>	0	0	0	1	0	1	2	
<b>Revenue:</b>	\$0	\$0	\$0	\$4,498,258	\$0	\$3,373,694	\$7,871,952	
<b>State Approved Center: Funding Rates</b>			<b>Total State Approved Centers</b>	<b>Total State Approved Centers Revenue</b>				
1	\$1,124,565		1	\$1,124,565				
<b>Grandfathered or Previously Approved Center: Funding Rates @ FTEs Levels</b>								
> 966	> 725	> 483	> 242	<= 100				
\$1,124,565	\$843,423	\$582,282	\$281,141	\$140,571	<b>Total Grandfathered or Previously Approved Centers</b>	<b>Total Basic Allocation Revenue</b>		
<b>Number of Grandfathered or Previously Approved Centers: @ Total FTEs</b>								
1	0	0	0	0	1	\$10,121,082		
<b>Grandfathered or Previously Approved Center Revenue:</b>								
\$1,124,565	\$0	\$0	\$0	\$0	\$1,124,565			

## California Community Colleges

### 2014-15 Budget Workshop

#### 2014-15 Deferrals

##### APPORTIONMENT DEFERRALS:

- **Intra-Year Deferrals:** There are no intra-year deferrals scheduled for FY 2014-15.
- **Inter-Year Deferrals:** The 2014-15 State Budget (SB 852) package (with pending clean-up language) includes inter-year deferrals for community college apportionments totaling \$94 million, down \$498 million from last year's original total deferral amount. The Chancellor's Office will defer monthly payments to districts on the following schedule, with the repayment of the deferred amounts occurring in mid-July, 2015: The month and amount of the inter-year deferral is listed below:

Deferral		Repayment	
<u>June</u>	<u>\$94,465,000</u>	<u>July 2015</u>	<u>\$94,465,000</u>
<b>Total</b>	<b>\$94,465,000</b>	<b>Total</b>	<b>\$94,465,000</b>

- **Deferrals may be reduced or eliminated due to a "Positive Trigger."** If the Proposition 98 guarantee is determined to be higher than estimated at the time the budget was enacted, any increased revenues will first be applied to pay down the deferrals.

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT**  
**UNRESTRICTED GENERAL FUND**  
**DRAFT 2014-15 Adopted Budget Assumptions**  
**August 5, 2014**

## I. State Revenue

A. Budgeting will continue to utilize the District's Budget Allocation Model Based on SB 361, modified if necessary using the Budget Stabilization Fund.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth
2010/11	29,961.80	30,515.15	30,515.15	1.85%
2011/12	28,182.19	27,711.41	27,711.41	-9.95%
2012/13	a 27,711.41	28,185.04	28,185.04	1.71%
2013/14	b 28,185.04	28,628.08	c 28,628.08	P3 est. 1.57%

a - based on 2012/13 Recalculation received 2/6/2014

b - based on 2013/14 P2 received 6/18/2014

c - based on 2013/14 P3 320 submitted 7/15/2014

The state budget includes 2.75% Restoration/Access/Growth funding and .85% COLA.

Projected COLA of 0.85%	<b>\$1,138,982</b>	
Projected Restoration/Access/Growth 2.75% (Est.)	<b>3,684,941</b>	
Projected Increase in Deficit (Estimated at 1.72%)	<b>(1,038,825)</b>	(Total Deficit of \$2,385,181 based on P2)
Base Increase for 2014/15	<b><u>\$3,785,098</u></b>	

2014/15 Est. 2.75% R/A/Growth for FTES planning 29,415

- C. Education Protection Account (EPA) funding estimated at \$21,783,177 based on 2014/15 Advanced Apportionment. 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 (\$3,720,335). Restricted lottery at \$34 per FTES (\$988,214). (2013/14 P-annual of resident & nonresident factored FTES, 29,065.12 x 128 = \$3,720,335 unrestricted lottery; 29,065.12 x 34 = \$988,214. Increase in unrestricted revenue of \$114,570.
- E. Estimated reimbursement for part-time faculty compensation is estimated at \$691,647 (2014/15 advance app.). 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. Finalized match requirements for 2014/15 SSSP is at 2:1 for all funds. Total increased amount of restricted state revenue of \$2.8 million and therefore additional match is required. SCC is currently adequately matched. SAC will require an additional \$1.75 million in new unrestricted match to accept these state funds.
- G. BOG fee waivers 2% administration funding estimated at 2014/15 advance apportionment of \$250,674. Slight Increase.
- H. Mandates Block Grant reduced systemwide, estimated at a total budget of \$740,000. Decrease of \$10,000. In addition with a one-time \$49.5 million allocation statewide for past Mandated Cost reimbursement, we expect to receive \$900,000.

## II. Local Revenue

- I. Non-Resident Tuition budgeted at \$1,500,000. Decrease of \$100,000.
- J. Interest earnings estimated at \$120,000. Decrease of \$30,000.
- K. Other miscellaneous income (includes fines, fees, rents, etc.) is estimated at \$337,147. Slight Decrease.
- L. Apprenticeship revenue estimated at \$1,389,971 (2014/15 advance apportionment). Unchanged.
- M. Scheduled Maintenance/Instr. Equipment allocation estimated at \$3.8 million (no match required for 2014/15).
- N. Energy Efficiency/Prop 39 revenue is estimated at \$816,070. Decrease from 2013/14.

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT**  
**UNRESTRICTED GENERAL FUND**  
**DRAFT 2014-15 Adopted Budget Assumptions**  
**August 5, 2014**

III. Appropriations and Expenditures

- A. The Adopted Base Budget for 2014/15 will begin with a rollover in total 2013/14 Adopted Budget by site, as allocated by budget center. The 2014/15 Adopted Budget will be balanced if necessary by using a portion of the Budget Stabilization Fund.
- B. The Cost of Living Allowance (COLA) revenue (estimated at 0.85%, \$1.139 million) will be set aside in Institutional Cost expenditure accounts subject to collective bargaining.
- C. Step and column movement is budgeted at an additional cost of approximately \$1.2 million including benefits.
- D. Health and Welfare benefit premium cost increase finalized at 8.2% is an additional cost of approximately \$1,200,000 for active employees and an additional cost of \$450,000 for retirees, for a combined increase of \$1,650,000. State Unemployment Insurance local experience charges are estimated at \$250,000 (2013/14 budgeted amount). Unchanged. CalPERS employer contribution rate will increase in 2014/15 from 11.442% to 11.771% for an increase of \$98,700.  
 (Note: The cost of each 1% increase in the PERS rate is approximately \$300,000.)  
 CalSTRS rate will increase by 0.63% to 8.88% in 2014/15 for an increase of \$346,500, with large increases through 2020/21.  
 (Note: The cost of each 1% increase in the STRS rate is approximately \$550,000.)
- E. The full-time faculty obligation (FON) for Fall 2014 is estimated at 334.80. Although districts have not been required to comply with this requirement for several years due to the budget crisis, the FON has been reinstated for 2014/15 by the Board of Governors of the California Community Colleges. The District is currently recruiting 33 faculty positions (one of which does 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 \$69,532 per FTE not filled.
- The additional cost of new full-time faculty being hired for Fall 2014 is estimated at \$2.7 million. SAC is filling nine vacancies and adding 21 new positions. SCC is filling two vacancies and adding one new position. (The cost of the 22 new positions is budgeted at Class VI, Step 10  $\$85,360.54 \times 22 = \$1,877,932 + \$37,480.40 \times 22 = \$824,569$ , for a total of \$2,702,501).
- F. The current rate per Lecture Hour Equivalent (LHE) for hourly faculty is \$1,174 effective July 2013. This represents a 6.7% increase from 2012/2013.
- 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 2014/15 is \$8,350,167.
- H. Capital Outlay Fund - no match is required for Scheduled Maintenance in 2014/15.
- I. Utilities cost increases of 5%, estimated at \$200,000.
- J. Information Technology licensing contract escalation cost of 7%, estimated at \$125,000, plus Adobe ETLA agreement of \$72,105 for a total increase of \$197,105.
- K. Property and Liability Insurance cost estimated at \$1,800,000. Slight increase due to additional FTES.
- L. Child Development Fund - The district has historically budgeted \$140,000 interfund transfer from the unrestricted general fund to the Child Development Fund, and the Board has authorized up to \$200,000 if necessary. The fund closed 2013/14 with a deficit of \$337,238. The program staff is developing a plan to reduce the deficit in 2014/15, however without a plan at this time, the unrestricted general fund needs to plan to contribute up to \$350,000, an increase in \$150,000 authorization.
- M. Other additional District Services/Institutional Cost expenses:  
 Trustee Election Expense estimated at \$400,000  
 Legal Expenses of \$250,000  
 International Student Recruitment China Office \$24,000

**Rancho Santiago Community College District**  
**Unrestricted General Fund Summary**  
**DRAFT 2014-15 Adopted Budget Assumptions Analysis**  
**as of August 5, 2014**

\* **New Revenues**

<b>B</b>	COLA 0.85%	\$1,138,982
<b>B</b>	Growth 2.75%	\$3,684,941
<b>B</b>	Incr. in Apportionment Deficit 1.72% to \$2.3 million	(\$1,038,825)
<b>D</b>	Unrestricted Lottery	\$114,570
<b>H</b>	Mandates Block Grant/Reimbursement	\$890,000
<b>I</b>	Non-Resident Tuition	(\$100,000)
<b>J</b>	Interest Earnings	(\$30,000)
<b>K/G</b>	Misc Income	(\$59,405)
	<b>Total</b>	<u>\$4,600,263</u>

**New Expenditures**

<b>B</b>	COLA 0.85%	\$1,138,982
<b>C</b>	Step/Column	\$1,200,000
<b>D</b>	Health and Welfare/Benefits 8.2%	\$1,650,000
<b>D</b>	CalPERS Increase	\$98,700
<b>D</b>	CalSTRS Increase	\$346,500
<b>E</b>	Full Time Faculty Obligation Hires	\$2,702,501
<b>E/F</b>	Hourly Faculty Budgets (Convert to Full Time)	(\$774,840)
<b>I.F</b>	SSSP Match	\$0 <sup>1</sup>
<b>H</b>	Capital Outlay/Scheduled Maintenance Match	(\$750,000)
<b>I</b>	Utilities Increase	\$200,000
<b>J</b>	ITS Licensing/Contract Escalation Cost	\$197,105
<b>K</b>	Property and Liability Insurance	\$100,000
<b>L</b>	Child Development Fund Transfer	\$150,000
<b>M</b>	Other Additional DS/Institutional Costs	\$674,000
	<b>Total</b>	<u>\$6,932,948</u>

2014-15 Budget Year Deficit (\$2,332,685)

2013-14 Ongoing Base Structural Deficit (\$2,754,568)

**Total Ongoing 2014-15 Structural Deficit** (\$5,087,253)

<sup>1</sup> Additional restricted revenue for SSSP estimated at \$2.8 million. Unrestricted General Fund match requirements are now set at 2:1 for all SSSP funds. It is estimated that SAC will require an additional \$1.75 million in new unrestricted match in order to accept these state funds.

\* Reference to budget assumption number

## Vacant Funded Positions as of 7/29/2014 - Projected Annual Salary and Benefits Savings

Fund	Management/ Academic/ Confidential	Title	Reasons	Site	Effective Date	Notes	2014-15 Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Chin, Al	Director, District Safety & Security	Retirement	District	12/30/2013		151,879	
11	LeTourneau, Sylvia	Assistant Vice Chancellor	Resignation	District	7/3/2014	CL14-0560	175,522	428,534
11	Wooley, James	District Safety & Security Supervisor	Resignation	District	7/10/2014	CL14-0571	101,133	
11	Carrera, Cheryl	Professor, Math	Interim assignment	SAC	8/20/2012	Interim Dean, Science, Math & Health Services	141,737	
11	Comeau, Carol	Dean, Science, Math & Health Sciences	Retirement	SAC	6/21/2012	Recruiting #AC13-0286. Per Elouise, no finalist was chosen and department will need to submit new requisition. Cheryl Carrera will continue interim position until the end of Spring 2014. New Req#AC14-0375	-	
11	Dooley, Bennie Allen	Dean, Business Division	Resignation	SAC	8/1/2014	AC14-0393	150,889	
11	Kalko, John	Professor, Physical Science	Retirement	SAC	6/7/2014		136,845	
11	Kikawa, Eve	Professor, Dance	Interim assignment	SAC	8/20/2013	Interim Dean, Fine and Performing Arts	126,043	1,234,280
11	Rehm, Alice	Professor, Health Science/Nursing	Retirement	SAC	6/7/2014	AC14-0392	114,155	
11	Rose, Linda	Vice President, Academic Affairs	Resignation	SAC	8/3/2014	AC14-0389	149,837	
11	Maintenance Supervisor	Maintenance Supervisor	Reorg#857/Req#CL14-0581	SAC	8/4/2014	Reorg#857/Req#CL14-0581	109,376	
11	Director, Special Programs	Director, Special Programs	Reorg#809/Req#CL14-0474	SAC	10/8/2013	Reorg#809/Req#CL14-0474. Per Elouise in HR, Chancellor's cabinet put position on hold 7-14-14	139,437	
11	Turner, Sylvia	Dean Fine & Performing Arts	Retirement	SAC	7/31/2013	Recruiting #AC13-0310 - E. Kikawa (interim). New Req#AC14-0376	-	
25%-fd 11 75%-fd 12	Vu, John	Professor/Coordinator, GEAR UP	Retirement	SAC	6/30/2014		27,918	
11	Wilkes, Douglas	Professor/Automotive Technology	Retirement	SAC	7/24/2014		138,042	
11	Doughty, Corine	Dean, Business & Career Technical Education	Resignation	SCC	7/30/2014	AC14-0390	153,388	
11	Kawa, Steven	Vice President, Administrative Services	Retirement	SCC	10/31/2014	CL14-0553	101,511	
11	Kennedy, James	Dean, Instr & Std Svcs	Promotion	OEC	8/1/2011	Promotion to VP CEC effective March 11, 2014	201,763	695,766
11	Slager, Bonnie	Professor, Accounting	Retirement	SCC	6/6/2014		109,706	
11	Stringer, Martin	Associate Dean/Athletic Director	Promotion	SCC	7/1/2010	Promotion to Dean of Math & Sci - reduced out of salary account (-35220)	129,397	
							2,358,580	
	<b>Classified</b>	<b>Title</b>	<b>Reasons</b>		<b>Effective Date</b>	<b>Notes</b>	<b>2014-15 Annual Budgeted Salary/Ben</b>	<b>Total Unr. General Fund by Site</b>
11	Administrative Secretary	Administrative Secretary-P/T	reorg #856	District		reorg #856	22,832	
11	Audit Specialist	Audit Specialist	Reorganization	District	7/1/2010	Reorganization #729	103,053	
11	Briceno, Fabricio	District Safety Officer	Prob Dismissal	District	3/3/2014	CL14-0534	19,950	
11	Cottrell, Tammy	Help Desk Analyst	Promotion	District	11/25/2013	Req#CL14-0536 (REORG#836) Technical Specialist I (1 of 2 positions)	91,328	619,196
11	Custodian	3 Custodians	reorg #829	District		reorg #829/CL14-0579	49,451	
11	Douglas, Robert	District Safety Officer	Retirement	District	6/30/2014	CL14-0534	18,022	
11	Gorostiza, Genaro	District Safety Officer	Resignation	District	4/25/2014	CL14-0573	17,982	
11	Lundgren, John	Electronic Computer Tech II	Retirement	District	12/30/2013	Req#CL14-0536 (REORG#835) Technical Specialist I (2 of 2 positions)	91,306	
11	Mai, Ilene	Senior Clerk	Retirement	District	7/31/2014	CL14-0561	59,494	
11	Packard, Roxanne	Auxiliary Services Specialist	change to FT	District	9/4/2013		23,762	
11	Skinner, Daniel	District Safety Officer	Resignation	District	6/12/2014	CL14-0573	18,990	
11	Urbina, Thomas	District Safety Officer	change position	District	7/3/2014	CL14-0572	78,897	
11	Vasquez, Pilar	Senior Account Clerk	change to FT	District	5/26/2014		24,129	
11	Arroyo, Anabel	Student Program Specialist	Resignation	SAC	1/23/2014	CL14-0537	20,422	
11	Calhoun, Karen	Instructional Assistant	Retirement	SAC	6/5/2013		2,887	
11	Deluna, Daniel	Instructional Assistant	Resignation	CEC	3/8/2014	CL14-0538	13,204	
11	Duong, Tommy	Custodian	Resignation	SAC	5/18/2013		16,358	
11	Ediss, Michael	Custodian	change position	SAC	9/26/2011	CL14-0547	70,939	
11	Gonzalez, Jean	Custodian	Retirement	SAC	12/30/2013	CL14-0514	70,911	
11	Hadland, Susan	Admissions & Records Specialist II	Retirement	SAC	4/28/2014		56,502	
11	Huynh, Kim	Instructional Assistant	Resignation	SAC	9/25/2012		11,271	
11	Lokos, Joseph	Lead Gardener/Admin. Services	Retirement	SAC	12/30/2012		82,558	
11	Lopez, Felipe	Custodian	Promotion	SAC	12/23/2012	CL14-0547	70,911	
11	Martinez, Jacob	Custodian	Termination	SAC	9/24/2012	CL14-0514	70,911	1,187,821
11	Negrete, Stephanie	Senior Clerk	Administrative Term	CEC	9/26/2011	BO#B012712	77,985	
11	Nguyen, Dao	Admissions/Records Specialist II	change position	SAC	1/1/2014	CL14-0515	19,855	
11	Nguyen, Diem	Instructional Assistant-Chemistry	Resignation	SAC		CL14-0554	11,923	
11	Nguyen, Hai Duong	Instructional Assistant	Resignation	SAC	8/26/2013	CL14-0527	13,205	
33%-fd 11 67%-fd 12	Nguyen, Hung	A/R Tech Spec	Change to FT	SAC	10/27/2013		8,767	
11	Nguyen, Tuan Anh	Instructional Assistant	Resignation	SAC	11/11/2013	CL14-0527	14,210	
11	Nguyen, Tung M	Instructional Assistant	Resignation	SAC	8/26/2013	CL14-0527	15,186	
11	Nguyen, Yen	Learning Facilitator	Resignation	SAC	9/3/2013	CL14-0578. Site submitted BCF moving salary and benefits from 11-0000-611000-15635-2410 to 11-0000-150100-15635-2410	12,274	
11	Nunez, Vincent	Publications Assistant	Resignation	SAC	3/27/2014		17,077	
11	Quan, Hoai	Data Entry Clerk	Retirement	SAC	7/17/2013		57,395	
11	Quiggle, John	Auto Mechanic Maintenance	Retirement	SAC	8/31/2012	CL14-0550	85,003	
11	Salazar, Liliana	Custodian	Medical Layoff	SAC	5/23/2014	CL14-0547	76,585	
11	Schaffner, Welsey	Instructional Assistant	Medical Layoff	SAC	2/15/2012	Recruiting #CL13-0424. Recruitment on hold, site is submitting a reorg	12,560	
11	Serratos, Brenda	Administrative Secretary	Promotion	CEC	4/4/2014	Promotion to Accountant at SAC. Replaced Abejar vacancy	88,137	
11	Simmvong, Ketsana	Support Services Assistant	Medical Layoff	SAC	4/1/2014	Req#CL14-0552 Per Elouise in HR, Chancellor's cabinet put position on hold 7-14-14	81,060	
11	Nguyen, Son	Instructional Assistant	Resignation	SAC	2/4/2014	CL14-0576. Site submitted BCF moving salary and benefits from 11-0000-493087-15625-2410 to 11-0000-493087-15635-2410	12,237	
11	Storekeeper	PT Ongoing Fire-Tech Storekeeper	New position FY 13-14	SAC	6/24/2013	reorg #794/Req#CL14-0565	18,117	
11	Syal, Alka	Instructional Assistant	Resignation	SAC	7/1/2014	CL14-0575. Site submitted BCF moving salary and benefits from 11-0000-1520000-15675-2410 to 11-0000-1520000-15635-2410	14,158	
11	Walczak, Katharine	Student Services Coordinator	Resignation	SAC	8/17/2014		65,214	
25%-fd 11 75%-fd 12	Bath, Navanjot	Instructional Assistant	Resignation	SCC	7/5/2014	CL14-0558	3,543	
11	Durdella, Diane	Administrative Secretary	Retirement	SCC	7/31/2014		77,159	
11	Holmes, Michelle	Learning Assistant	Resignation	SCC	2/8/2013		21,128	
25%-fd 11 75%-fd 12	Jensen, Ashley	Learning Facilitator	change position	SCC	1/20/2014	CL14-0522	4,332	205,550
11	Nguyen, Mai	Admissions & Records Specialist I	change position	SCC	1/24/2014	CL14-0543	17,917	
25%-fd 11 75%-fd 12	Patel, Riki	Instructional Assistant	Resignation	SCC	7/5/2014	CL14-0557	3,543	
11	Rodriguez, Maria	Admissions & Records Specialist II	Promotion	SCC	5/19/2014	CL14-0556	77,928	
12	Angle, Jesse	Instructional Assistant	Resignation	SCC	5/25/2013	CL14-0541		
12	Bejarno, Luz	Instructional Center Technician	Resignation	CEC	12/19/2013	CL14-0533		
12	Campos, Griselda	Intermediate Clerk	Resignation	CEC	9/9/2013			
12	Senior Clerk	Senior Clerk	Reorg#855/Req#CL14-0568	SAC	7/8/2014	Reorg#855/Req#CL14-0568		
12	Caudillo, Margaret	Instructional Center Technician	Retirement	SAC	6/30/2014			
12	Clarke, Roger	District Safety Officer	change position	SAC	4/7/2014			
12	Corona Santos, Masiel	Instructional Assistant	Resignation	CEC	12/21/2013	CL14-0538		
12	Deluna, James	Learning Facilitator	Resignation	SCC	9/16/2011			
12	Donaldson, Brandi	Career Technician	Resignation	SAC	9/19/2013			
12	Franco, Mark	Transfer Center Specialist	Resignation	SAC	1/2/2014			
12	Gerall (Hernandez), Jacquelyn	Student Services Coordinator	Resignation	SAC	10/4/2013			
12	Gil-Herrera, Diana	Instructional Assistant	Resignation	SCC	8/18/2014	CL14-0577		
12	Gomez, Linda	Instructional Assistant	Resignation	OEC	10/23/2013			
12	Hernandez, Marisa	Administrative Secretary	Resignation	SAC	2/25/2014			
12	Herrera, Melven	Media Systems Electronic Technician	Change to FT	SCC/OEC	2/9/2014			
12	Herrlein, Ann	Instructional Assistant	Resignation	SAC	3/23/2012			
12	Hurtado, Diane	Student Services Specialist	Resignation	SAC	6/30/2011			
12	Janus, Louise	DSPS Specialist	Promotion	SAC	8/14/2011			
12	Johnson, Nicole	Learning Facilitator	Resignation	SCC	8/17/2011			
12	Macias, Victor	Marketing Specialist	Resignation	District	2/21/2014			
12	Mathews, Kimberly	Career Technician	Resignation-change position	SAC	10/27/2013			
12	Melgoza-Hurtado, Angelica	Student Services Specialist	Change to FT	SCC	5/18/2014			
12	Mendoza, Imelda	Instructional Assistant	Resignation	CEC	1/29/2014			
12	Meraz, Norma	Admissions Assistant	Resignation	SAC	5/22/2014			
12	Padron, Baltimore	Financial Aid Technician	Promotion	SCC	5/11/2014			
12	Pinon, Elizabeth	Administrative Secretary	Change position	SAC	11/12/2013			
12	Quiroz, Leticia	Instructional Assistant	Resignation	SAC	6/30/2014			
12	Ramirez, Cristina	Instructional Assistant	Resignation	CEC	6/10/2011	CL14-0530		
12	Sanchez, Elida	Instructional Assistant	Resignation	CEC	6/26/2014			
12	Schuster, Bradley	Research Analyst	Resignation	DO	7/25/2013			
12	Vu, Vivien	Student Program Specialist	Resignation	SCC	9/30/2013			
33	Bernal, Imelda	Administrative Clerk	Retirement	SAC	6/30/2013			
33	Humphreys, Margaret	Head Teacher	Retirement	SAC	7/24/2014			
33	Maraya, Elsie	Master Teacher	Retirement	SAC	1/7/2014			
33	Owens, Cheryl	Master Teacher	Resignation	SAC	1/1/2013			
33	Oyenoki, Sharia	Head Teacher	Retirement	SAC	7/24/2014			
33	Peirano, Olga	Teacher	Retirement	OEC	4/30/2013			
76	Siloti, Donna	Senior Account Clerk	Retirement	OEC	12/27/2013	CL14-0563		
							2,012,566	
<b>TOTAL</b>							<b>4,371,146</b>	

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT  
2013-14 FTES TARGET COMPARISON TO ACTUAL**

FINAL Data as of 7-9-2014 for P3 Reporting	2012-2013 Annual (7-17-2013) with Summer 2013 Borrowing			2013-2014			2013-2014			2013-2014		
	Annual Reporting			Campus Determined Targets			Actuals as of 7-9-2014 for P3 Reporting			Better (Worse) Target vs. Actual as of 7-9-2014		
	TOTAL	SAC <sup>1</sup>	SCC	TOTAL	SAC <sup>2</sup>	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC
<b>SUMMER 2013</b>												
NC	463.49	297.55	165.94	461.58	306.58	155.00	612.26	446.74	165.52	150.68	140.16	10.52
CR	1,420.18	1,015.56	404.62	1,641.28	1,101.28	540.00	1,678.18	1,136.96	541.22	36.90	35.68	1.22
<b>SUMMER TOTALS</b>	<b>1,883.67</b>	<b>1,313.11</b>	<b>570.56</b>	<b>2,102.86</b>	<b>1,407.86</b>	<b>695.00</b>	<b>2,290.44</b>	<b>1,583.70</b>	<b>706.74</b>	<b>187.58</b>	<b>175.84</b>	<b>11.74</b>
<b>FALL</b>												
NC	F 2,444.52	1,688.28	756.24	2,363.00	1,703.00	660.00	2,376.80	1,766.40	610.40	13.80	63.40	(49.60)
CR												
IS, DSCH		191.08	60.34	174.00	67.00	107.00	189.82	80.09	109.73	15.82	13.09	2.73
IS, WSCH		471.54	369.88	439.00	311.00	128.00	426.62	289.01	137.61	(12.38)	(21.99)	9.61
DSCH	F 366.59	207.55	159.04	418.00	273.00	145.00	431.80	271.60	160.20	13.80	(1.40)	15.20
Positive	F 1,793.26	1,738.69	54.57	1,825.00	1,775.00	50.00	1,448.04	1,411.29	36.75	(376.96)	(363.71)	(13.25)
WSCH		7,380.03	4,872.49	7,447.00	4,977.00	2,470.00	7,379.94	4,781.49	2,598.45	(67.06)	(195.51)	128.45
<b>TOTAL CR</b>		<b>10,202.50</b>	<b>7,248.95</b>	<b>10,303.00</b>	<b>7,403.00</b>	<b>2,900.00</b>	<b>9,876.22</b>	<b>6,833.48</b>	<b>3,042.74</b>	<b>(426.78)</b>	<b>(569.52)</b>	<b>142.74</b>
<b>FALL TOTALS</b>		<b>12,647.02</b>	<b>8,937.23</b>	<b>12,666.00</b>	<b>9,106.00</b>	<b>3,560.00</b>	<b>12,253.02</b>	<b>8,599.88</b>	<b>3,653.14</b>	<b>(412.98)</b>	<b>(506.12)</b>	<b>93.14</b>
<b>SPRING</b>												
NC	F 3,380.47	2,466.68	913.79	3,597.00	2,545.00	1,052.00	3,239.87	2,209.20	1,030.67	(357.13)	(335.80)	(21.33)
CR												
Jan. intersession	F 0.00	0.00	0.00	436.00	316.00	120.00	627.00	458.71	168.29	191.00	142.71	48.29
IS, DSCH		217.37	65.74	176.00	52.00	124.00	189.29	66.54	122.75	13.29	14.54	(1.25)
IS, WSCH		367.10	259.13	449.00	319.00	130.00	385.10	277.60	107.50	(63.90)	(41.40)	(22.50)
DSCH	F 372.61	222.23	150.38	403.00	278.00	125.00	497.22	348.09	149.13	94.22	70.09	24.13
Positive	F 1,891.98	1,836.71	55.27	1,887.00	1,837.00	50.00	1,765.24	1,717.21	48.03	(121.76)	(119.79)	(1.97)
WSCH		7,099.37	4,563.66	7,065.00	4,475.00	2,590.00	7,178.27	4,566.97	2,611.30	113.27	91.97	21.30
<b>TOTAL CR</b>		<b>9,948.43</b>	<b>6,947.47</b>	<b>10,416.00</b>	<b>7,277.00</b>	<b>3,139.00</b>	<b>10,642.12</b>	<b>7,435.12</b>	<b>3,207.00</b>	<b>226.12</b>	<b>158.12</b>	<b>68.00</b>
<b>SPRING TOTALS</b>		<b>13,328.90</b>	<b>9,414.15</b>	<b>14,013.00</b>	<b>9,822.00</b>	<b>4,191.00</b>	<b>13,881.99</b>	<b>9,644.32</b>	<b>4,237.67</b>	<b>(131.01)</b>	<b>(177.68)</b>	<b>46.67</b>
<b>SUMMER 2014</b>												
NC	161.92	105.42	56.50	105.42	105.42	0.00	171.22	171.22	0.00	65.80	65.80	0.00
CR	38.72	38.72	0.00	38.72	38.72	0.00	31.41	31.41	0.00	(7.31)	(7.31)	0.00
Borrowed	124.81	124.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>SUMMER TOTALS</b>	<b>325.45</b>	<b>268.95</b>	<b>56.50</b>	<b>144.14</b>	<b>144.14</b>	<b>0.00</b>	<b>202.63</b>	<b>202.63</b>	<b>0.00</b>	<b>58.49</b>	<b>58.49</b>	<b>0.00</b>
<b>COMBINED</b>												
NC	6,450.40	4,557.93	1,892.47	6,527.00	4,660.00	1,867.00	6,400.15	4,593.56	1,806.59	(126.85)	(66.44)	(60.41)
CREDIT	21,734.64	15,375.51	6,359.13	22,399.00	15,820.00	6,579.00	22,227.93	15,436.97	6,790.96	(171.07)	(383.03)	211.96
<b>TOTAL</b>	<b>28,185.04</b>	<b>19,933.44</b>	<b>8,251.60</b>	<b>28,926.00</b>	<b>20,480.00</b>	<b>8,446.00</b>	<b>28,628.08</b>	<b>20,030.53</b>	<b>8,597.55</b>	<b>(297.92)</b>	<b>(449.47)</b>	<b>151.55</b>
	Non-Credit	70.66%	29.34%	Non-Credit	71.40%	28.60%	Non-Credit	71.77%	28.23%			
	Credit	70.74%	29.26%	Credit	70.63%	29.37%	Credit	69.45%	30.55%			
	Total	70.72%	29.28%	Total	70.80%	29.20%	Total	69.97%	30.03%			

Abbreviations:  
 NC=noncredit students  
 CR=credit students  
 IS=independent study/work study  
 F = total faculty contact hours of instruction released for flex-time activities

NOTE: <sup>1</sup> Summer 2013 FTES with census date prior to July 1, 2013 were borrowed from Credit for 2012-13 Annual report  
<sup>1</sup> Summer 2013 FTES with census date prior to July 1, 2013 were borrowed from Credit for 2012-13 Annual report  
<sup>2</sup> SAC revised target 10-24-2013

	2.63% growth	
<b>28,926.00</b>	<b>20,480.00</b>	<b>8,446.00</b>
	70.80%	29.20%
<b>28,644.00</b>	1.63% growth	
<b>28,644.00</b>	<b>20,280.00</b>	<b>8,364.00</b>
	70.80%	29.20%

1.57% growth

Factors	
*Updated at P3	<b>(F)</b>
SAC CEC	1.0372
SAC-DSCH	1.0232
SAC-Positive	1.0162
SCC-OEC	1.0342
SCC-DSCH	1.0134
SCC-Positive	1.0355

Actuals  
**Est. actuals**  
**Updated projections**

## RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

## MEASURE E

Special Project Numbers	Description	Project Allocation	Projects Cost Su 6/02/14 Total PY Expenditures	FY 2013-2014		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
<b>ACTIVE PROJECTS</b>								
<b>SANTA ANA COLLEGE</b>								
3001	Renovation of Buildings / Building "G" Renovation	9,821,991	8,805,445	497,045	15,537	9,318,027	503,964	95%
3003	Renovate Campus Infrastructure Design/Construct Maintenance/Operations Design/Construct Classroom Building	25,081,085	24,814,523	113,166	4,590	24,932,279	148,805.81	99%
3008	Renovate & Expand Athletic Fields	10,087,487	9,724,371	358,067	215	10,082,653	4,833.77	100%
3029	Parking Lot #11 Expansion and Improvements	11,483,829	1,512,846	6,393,615	3,980,864	11,887,325	(403,496)	104%
3030	Perimeter Site Improvements	7,047,666	2,250,658	3,915,334	707,001	6,872,993	174,673	98%
3031	Tessman Planetarium Upgrade and Restroom Addition	3,027,699	22,367	694,508	2,239,607	2,956,482	71,217	98%
3032	Dunlap Hall Renovation	1,566,050	676,197	615,111	699,506	1,990,814	(424,764)	127%
3035	Johnson Center Renovation	51,800	22,801	26,499	2,500	51,800	0.25	100%
3036	Temporary Village	4,566,245	52,487	2,755,492	1,851,490	4,659,469	(93,224)	102%
3042	Central Plant (Design)	3,398,592	-	1,271,727	2,895,347	4,167,074	(768,482)	123%
3043	Property Acquisition 17th/Bristol	5,125,798	-	5,110,237	4,809	5,115,046	10,752	100%
3045	Chavez Hall Renovation	902,892	-	6,642	82,568	89,210	813,682	10%
<b>TOTAL SANTA ANA COLLEGE</b>		<b>82,161,134</b>	<b>47,881,695</b>	<b>21,757,442</b>	<b>12,484,034</b>	<b>82,123,171</b>	<b>37,963</b>	<b>100%</b>
<b>SANTIAGO CANYON COLLEGE</b>								
3004	SCC Infrastructure	37,927,873	37,044,235	143,591	62,189	37,250,015	677,858	98%
3022	Humanities Building	32,731,753	28,088,199	4,272,938	276,551	32,637,688	94,065	100%
3025	Athletics and Aquatics Center: Netting and Sound System	20,454,610	19,422,287	427,459	161,118	20,010,864	443,746	98%
3026	Science and Math Building	26,450,914	26,415,954	10	34,950	26,450,914	0	100%
3046	Orange Education Center Building Certification	3,762,122	-	383,918	2,118,941	2,502,859	1,259,263	67%
<b>TOTAL SANTIAGO CANYON COLLEGE</b>		<b>121,327,272</b>	<b>110,970,675</b>	<b>5,227,915</b>	<b>2,653,749</b>	<b>118,852,339</b>	<b>2,474,933</b>	<b>98%</b>
<b>DISTRICT/ DISTRICTWIDE OPERATIONS</b>								
3044	Project Closeout/Certification	1,046,825	-	143,437	74,017	217,454	829,371	21%
<b>TOTAL DISTRICT/DISTRICTWIDE</b>		<b>1,046,825</b>	<b>-</b>	<b>143,437</b>	<b>74,017</b>	<b>217,454</b>	<b>829,371</b>	<b>21%</b>
<b>ACTIVE PROJECTS - ALL SITES</b>		<b>204,535,231</b>	<b>158,852,370</b>	<b>27,128,794</b>	<b>15,211,800</b>	<b>201,192,964</b>	<b>3,342,267</b>	<b>98%</b>

Negative Project Balance due to Measure Q borrowing \$17,773,600 from Measure E to issue Purchase Orders.

## RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

## MEASURE E

Special Project Numbers	Description	Project Allocation	Projects Cost Su 6/02/14 Total PY Expenditures	FY 2013-2014		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
<b>COMPLETED PROJECTS</b>								
<b>SANTA ANA COLLEGE</b>								
3002	SAC Library Renovation	339,623	339,623	-	-	339,623	-	100%
3007	Child Care/Classroom-Centennial Renovate and Improve Centennial Ed Center	1,662,032	1,662,032	-	-	1,662,032	-	100%
3013	Acquisition of Land Adjacent to SAC	15,962,453	15,962,453	-	-	15,962,453	-	100%
3016	Design New Child Development Center Construct New Child Development Center	10,362,051	10,362,051	-	-	10,362,051	-	100%
3017	Design Women's Locker Room Construct Women's Locker Room Augment State-Funded PE Seismic Project	14,455,332	14,455,332	-	-	14,455,332	-	100%
3019	Design Sheriff Training Facility Construct Sheriff Training Facility Fire Science Program (Net 6 Facility) Fire Science Prog. @ MCAS, Inc. 2	29,121,885	29,121,885	-	-	29,121,885	-	100%
3020	Design/Construct Digital Media Center	14,000,656	14,000,656	-	-	14,000,656	-	100%
3028	Design & Construct Parking Structure	2,046,955	2,046,955	-	-	2,046,955	-	100%
3034	SAC Sheriff Training Academy Road	56,239	56,239	-	-	56,239	-	100%
3038	Campus Lighting Upgrade	6,825	3,412	3,413	-	6,825	0.50	100%
<b>TOTAL SANTA ANA COLLEGE</b>		<b>88,014,051</b>	<b>88,010,638</b>	<b>3,413</b>	<b>-</b>	<b>88,014,051</b>	<b>-</b>	<b>100%</b>
<b>SANTIAGO CANYON COLLEGE</b>								
3011	Land Acquisition	24,791,777	24,791,777	-	-	24,791,777	-	100%
3012	Acquire Prop & Construct Cont Ed	27,554,640	27,554,640	-	-	27,554,640	-	100%
3014	Construct New Library & Resource Center	4,375,350	4,375,350	-	-	4,375,350	-	100%
3021	Construct Student Services & Classroom Bldg	8,073,049	8,073,049	-	-	8,073,049	-	100%
3027	Construct Additional Parking Facilities	1,047,212	1,047,212	-	-	1,047,212	-	100%
<b>TOTAL SANTIAGO CANYON COLLEGE</b>		<b>65,842,028</b>	<b>65,842,028</b>	<b>-</b>	<b>-</b>	<b>65,842,028</b>	<b>-</b>	<b>100%</b>
<b>DISTRICT/ DISTRICTWIDE OPERATIONS</b>								
3009	Replace Aging Telephone & Computer Network	14,056,433	14,056,453	(20)	-	14,056,433	-	100%
3039	LED Lighting Upgrade	157,200	-	157,200	-	157,200	-	100%
<b>TOTAL DISTRICT/DISTRICTWIDE</b>		<b>14,213,633</b>	<b>14,056,453</b>	<b>157,180</b>	<b>-</b>	<b>14,213,633</b>	<b>-</b>	<b>100%</b>
<b>COMPLETED PROJECTS - ALL SITES</b>		<b>168,069,712</b>	<b>167,909,119</b>	<b>160,593</b>	<b>-</b>	<b>168,069,712</b>	<b>-</b>	<b>100%</b>
<b>RECAP:</b>								
Santa Ana College		170,175,185	135,892,333	21,760,855	12,484,034	170,137,222	37,963	100%
Santiago Canyon College		187,169,300	176,812,703	5,227,915	2,653,749	184,694,367	2,474,933	99%
District/Districtwide Operations		15,260,458	14,056,453	300,617	74,017	14,431,087	829,371	95%
<b>GRAND TOTAL - ALL SITES</b>		<b>372,604,943</b>	<b>326,761,489</b>	<b>27,289,386</b>	<b>15,211,800</b>	<b>369,262,675</b>	<b>3,342,267</b>	<b>99%</b>

Negative Project Balance due to Measure Q borrowing \$17,773,600 from Measure E to issue Purchase Orders.

## RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

2323 N. Broadway, Santa Ana, California 92706

Office: (714) 480-7321

Website: <http://rscgd.edu/Departments/Business-Operations/Pages/Fiscal-Resources-Committee.aspx>

### Fiscal Resources Committee

Executive Conference Room – District Office

1:30 p.m. – 3:00 p.m.

#### Meeting Minutes for May 28, 2014

**FRC Members Present:** Michael Collins, Ray Hicks, Jeff McMillan, Michael DeCarbo, Morrie Barembaum, Raul Gonzalez del Rio, Peter Hardash, Adam O'Connor, Sylvia LeTourneau and Diane Hill.

**Guests/Alternates Present:** Richard Kudlik, Jim Kennedy and Esmeralda Abejar

The meeting was called to order by Mr. Hardash at 1:35 p.m.

1. Welcome
2. State/District Budget Update – Mr. Hardash reviewed the following:
  - Governor's May Revise Link: <http://www.ebudget.ca.gov/FullBudgetSummary.pdf>
  - LAO Overview of 2014-2015 May Revision Link: <http://lao.ca.gov/reports/2014/budget/may-revision/overview-may-revision-051614.pdf>
  - [Board Power Point presentation on 2014-2015 Tentative Budget Link:](#)
  - Dan Troy's 5/13/14 email
  - CCLC 5/13/14 email
  - CCLC 5/21/14 email and chart
  - SSC Overview of 2014-15 May Revise
  - SSC 2014-15 May Revision Dartboard
3. 2014/15 General Fund Tentative Budget – Recommendation to the Chancellor  
Mr. Hardash reviewed the RSCGD Tentative Budget as follows:
  - New unrestricted revenue: COLA at 0.85% - \$1.2 million for RSCGD
  - Growth at 2.75%, \$3.6 million for RSCGD
  - Total new unrestricted revenue is \$4.7 million
  - New restricted (categorical) revenues: SSSP is \$100 million statewide with at 2:1 match
  - Student Equity is @100 million statewide
  - Scheduled Maintenance is \$149 million statewide and is one time funding
  - Economic Workforce Development is \$50 million statewide and also one time funding
  - Telecommunications and Technology is \$1.4 million statewide, also one time funding
  - New District expenditures: COLA – 0.85%, subject to collective bargaining is \$1.2 million
  - Step/Column movement is \$1.2 million
  - Health benefit premium increase is \$1.6 million
  - CalPERS and CALSTRS increase is \$786,200

- Full-Time Faculty Obligation is \$2.7 million (32 positions count toward FON)
- Total new district expenditures is \$7.4 million
- 2014-15 budget year deficit - \$2,773,647
- 2013-14 ongoing base structural deficit - \$2,754,568
- **Total ongoing 2014-15 structural deficit - \$5,528,215**
- **Once all stabilization funds are spent, within the next 12-18 months, RSCCD will have an \$8-12 million problem.**

Discussion ensued on the request for the \$900,000 in additional line items. This request was rejected by District Council and per the Chancellor now included in the Proposed Tentative Budget. Mr. Hardash asked for a motion to recommend the Proposed Tentative Budget to the Chancellor for Board of Trustee approval on June 9, 2014. It was agreed that there needs to be further discussion on our planning process, however FRC is not the lead on those discussions. A motion was made by Dr. McMillian, seconded by Mr. DeCarbo to recommend the Proposed Tentative Budget to the Chancellor as presented and for Hardash to relay the comments of the committee in the recommendation to the Chancellor. There were six yes votes, four no votes.

#### 4. Draft 2014/15 Meeting Calendar – Action

Draft calendar was distributed for review; this schedule coincides with other participatory governance committees. A motion was made by Mr. DeCarbo, seconded by Mr. Barembaum and approved unanimously.

#### 5. Budget Allocation Model (BAM) Review:

- BAM SB 361 Model
  - Mr. O'Connor has incorporated feedback from the colleges and reviewed with the committee. There are still some outstanding items on process to be discussed by the POE committee
  - It was discussed that the BAM should be reviewed during the late fall, prior to the annual review by the Board of Trustees. There was a motion and a second to recommend beginning discussion in District Council to discuss the effectiveness and implementation of the BAM. The recommendation was approved unanimously.
  - Workgroup on 50% FON needs to be worked on as well as:
    - What does DEMC do?
    - Language on growth
    - Augmentation process
    - Benchmark for District Operations

Mr. Hardash asked for a motion to on the modifications to the BAM Mr. DeCarbo made a motion, seconded by Dr. Collins and approved unanimously.

- FRC Workgroup Report on 50% Law/FON Discussions
  - Mr. Kudlik gave an update on the workgroups progress on the 50% law/FON. The workgroup has met twice and determined that SCC would increase instructional expenditures by \$1 million in fiscal year 2014/15 and continue to increase over the next 3-5 years. This is necessary in order to bridge the gap between SAC and SCC's instructional expenditures. Follow-up should occur on annual basis.

#### 6. Informational Handouts were distributed as information.

- District-wide expenditure report link: <https://intranet.rscdd.edu>
- Vacant Funded Position List as of May 15, 2014
- Measure "E" Project Cost Summary as of May 1, 2014
- Monthly Cash Flow Statement as of April 30, 2014

#### 7. Approval of FRC Minutes – April 23, 2014.

Mr. Hardash asked for a motion to approve the FRC Minutes of the April 23, 2014 meeting. Mr. Collins made a motion, seconded by Mr. DeCarbo. Mr. DeCarbo pointed out that these Minutes

include that the planning design model be reviewed by FRC, POE and District Council and that this same topic was once again discussed today. The Minutes were approved unanimously.

**Adjournment**

Mr. Hardash adjourned the meeting at 2:45 p.m.

**Meeting Schedule – Next Meeting:**

Next regular meeting: Wednesday, August 13, 2014 – 1:30 p.m. – Executive Conference Room,  
DO