



Rancho Santiago Community College District
District Council Meeting

May 4, 2026

1:30 p.m.

Via Zoom

<https://rsccd-edu.zoom.us/j/88499771253>

669-444-9171 / 884 9977 1253

Agenda

- | | |
|---|----------------|
| 1. Call to Order/Update | Martinez |
| 2. Approval of District Council Meeting Minutes - ACTION | Martinez |
| a. March 30, 2026 Meeting | |
| 3. Human Resources Items - ACTION | Olson |
| a. Approval of Reorg #1480 – DO/Business Svcs/Fiscal Services | |
| 4. Board Policies and Administrative Regulations - ACTION | |
| a. AR 3750.2 Data Classification (NEW) | Gonzalez |
| 5. FRC Recommended Updates to the Budget Allocation Model – ACTION | O’Connor |
| 6. 2026-2027 District Council Meeting Dates - INFORMATION | Martinez |
| 7. Committee Reports – INFORMATION | |
| a. Planning & Organizational Effectiveness Committee | Perez |
| b. Human Resources Committee | Olson |
| c. Fiscal Resources Committee | Ingram |
| d. Physical Resources Committee | Ingram |
| e. Technology Advisory Group | Gonzalez |
| 8. Constituent Representative Reports - INFORMATION | |
| a. Academic Senate - SAC | Coyne |
| b. Academic Senate - SCC | Kubicka-Miller |
| c. Classified Staff | Johnson |
| d. Student Government - SAC | Ramirez |
| e. Student Government – SCC | Lopez |

Next Meeting:

June 1, 2026



Rancho Santiago Community College District District Council Meeting

MINUTES March 30, 2026

Members:	Marvin Martinez	Present
	Enrique Perez	Present
	Iris Ingram	Present
	Kristin Olson	Present
	Annebelle Nery	Present
	Jeannie Kim	Absent
	Jesse Gonzalez	Present
	Claire Coyne	Present
	Tara Kubicka-Miller	Present
	Alejandro Moreno for Steve Bautista	Present
	Sara Gonzalez	Absent
	Tyler Johnson	Present
	Diana Casares	Present
	Bridgette Hernandez	Absent
	Kimberly Ramirez	Present
	Kayla Lopez	Present
Guests:		
	Sarah Fisher	

1. Call to Order/Update
 - a. Chancellor Martinez convened the meeting via Zoom Conference at 1:33 p.m.
2. Approval of Minutes
 - a. It was moved by Ms. Ingram and seconded by Ms. Coyne to approve the minutes of the March 2, 2026 meeting. The motion carried with an abstention from Diana Casares. Ms. Lopez was not present at the vote.
3. Approval of Human Resources Items
 - a. Reorg #1480 – DO/Business Svcs/Fiscal Services: It was moved by Ms. Ingram and seconded by Mr. Perez to approve Reorg #1480. Discussion ensued and questions were raised. It was agreed to bring the Reorg back to the May 4, 2026 District Council meeting for approval to allow for the questions to be answered.
 - b. Job Description – Director, RSCCD Foundation: It was moved by Ms. Coyne and seconded by Mr. Moreno to approve the job description. The motion carried with an abstention by Ms. Ramirez.

4. Board Policies and Administrative Regulations

- a. BP 4040 Library and Learning Support Services: District Council received an update from Dr. Nery that references were updated on this board policy.
- b. AR 4040 Library and Learning Support Services: It was moved by Ms. Coyne and seconded by Mr. Moreno to approved AR 4040. The motion carried unanimously.
- c. AR 4102 Career Education Programs: District Council received an update from Dr. Nery that references were updated on this administrative regulation.

5. Committee Reports

- a. Planning and Organizational Effectiveness Committee (POEC)
Vice Chancellor Perez reported on the recent meetings.
- b. Human Resources Committee (HRC)
Vice Chancellor Olson reported on the recent meetings.
- c. Fiscal Resources Committee (FRC)
Vice Chancellor Ingram reported on the recent meetings.
- d. Physical Resources Committee (PRC)
Ms. Ingram reported on the recent meetings.
- e. Technology Advisory Group (TAG)
Asst. Vice Chancellor Gonzalez reported on the recent meetings.

6. Constituent Representative Reports

- a. Academic Senate/SAC: Ms. Coyne reported on the SAC Academic Senate meetings and activities.
- b. Academic Senate/SCC: Ms. Kubicka-Miller reported on the SCC Academic Senate meetings and activities.
- c. CSEA: Mr. Johnson reported on CSEA 579 activities.
- d. Student Government/SAC: Ms. Ramirez reported on SAC ASG activities.
- e. Student Government/SCC: Ms. Lopez report on SCC ASG activities.

7. Other

- a. Ms. Coyne announced that Ms. Kubicka-Miller had been re-elected as President and Albert Alvano had been elected as Vice President of the SCC Academic Senate.

Next Meeting: The next meeting will be held on Monday, May 4, 2026
Meeting Adjourned: 2:21p.m.

REORGANIZATION REQUEST FORM

Number # 1480
Assigned by Human Resources

Use this form and the reorganization process to make a permanent personnel change in your program or department.
If additional documentation is necessary, please attach additional pages.

Site/Department/Division: District Office/Business Services/ Fiscal Services - Accounting

Manager/Supervisor: Rasel Menendez *[Signature]* 2/17/25

Position(s) affected

CURRENT POSITION	PROPOSED POSITION
	One (1) District Accounting Supervisor (Grade I)

Current annual salary/benefits cost \$ NA Proposed annual salary/benefits cost \$ 221,523.78

Specify budget impact – include exact amounts or the best available estimate and the source of funding:

RESTRICTED FUNDS GENERAL FUNDS

Source of funding (account numbers): 12-3401-672000-54212-2110 (No Cost to the Colleges) *(Attach necessary budget change forms)*

Reason for reorganization

See attached.

Will there be duties and/or responsibilities that will no longer be performed/required in this department/division?
No Yes If yes, please explain below.

Does this change affect more than one department/division? No Yes If yes, please explain below.

Please note: You are required to attach both current and proposed organization charts (*highlighting all positions affected, both current and proposed*) with this form.

Submitted by (District Cabinet Member): Iris Ingram *[Signature]* Date: 2/19/2026

SIGNATURES AND/OR REVIEW DATES

Human Resources (Signature/Date): <u>Alistair Winter</u> <small>Alistair Winter (Feb 20, 2026 09:26:22 PST)</small>	Business Operations & Fiscal Services (Signature/Date): <i>[Signature]</i> <u>2/18/26</u> <small>Maria Gil (Feb 20, 2026 09:26:47 PST)</small> <i>[Signature]</i> <small>Miguel Gonzalez</small>
COLLEGE POSITIONS	DISTRICT POSITIONS
President's Council Approval (Signature/Date):	Chancellor's Cabinet Approval (Signature/Date): <i>[Signature]</i> <small>Marvin Martinez (Mar 2, 2026 13:21:24 PST)</small> <i>[Signature]</i> <small>Debra Gerard</small>
Chancellor's Cabinet Approval (Signature/Date):	Chancellor's Cabinet Approval (Signature/Date):
CSEA (Signature/Date):	CSEA (Signature/Date):

Debra Gerard

District Accounting Supervisor – New Position
Rationale and Cost Breakdown

The accounting department consists of nine staff members who report directly to the Director of Accounting, Audit, and Advisory Services. This new position will strengthen leadership and oversight in the department. This role is also essential for ensuring seamless transitions during absences, or unexpected departures or leadership changes within the Accounting Department or Fiscal Services. It also provides an opportunity for a clear growth path for high-performing staff who are both interested in and capable of stepping into managerial roles, helping to retain talent and maintain motivation within RSCCD. By establishing this position, the organization minimizes the risks of losing critical knowledge due to leadership vacancies, giving way to effective succession planning and talent development.

Furthermore, the Director of Accounting, Audit, and Advisory Services manages both the District's internal audit and accounting departments. This new role will help better supervise and review and approve the work of nine (9) analysts and accountants, all performing high-level and complex accounting transactions on a day to day basis. This position will also help address new developments and responsibilities for the team, such as new Government Accounting Standard Board (GASB) pronouncements, and other new mandatory and required compliance requirements.

This new job description was previously approved during the July 21, 2025 District Council meeting and was subsequently approved by the Board the following month.

The accounting team directly performs the required fiscal agent duties and this supervisor will directly support this team.

RSCCD

2025-2026 Cost of Position

COST OF NEW POSITION -MANAGEMENT CONFIDENTIAL CONTRACT

POSITION TITLE	District Accounting Supervisor		
GRADE & STEP	MONTHLY RATE	NO OF MONTHS	ANNUAL COST
Grade I (Step 4)	\$ 11,799.527	12	\$ 141,594.32

SALARY RELATED TAX/BENEFITS	BENEFIT RATE	BENEFIT COST	
PERS	26.810%	37,961.44	
SOCIAL SECURITY	6.200%	8,778.85	
MEDICARE	1.450%	2,053.12	
UNEMPLOYMENT	0.050%	70.80	
WORKERS COMP	1.750%	2,477.90	
ACTIVE RET. INS. COST	0.000%	-	
TOTAL TAX & BENEFIT COST	36.260%	\$ 51,342.11	\$ 51,342.11
TOTAL SALARY & BENEFIT COST			\$ 192,936.43

FRINGE BENEFITS COST	BENEFIT RATE	BENEFIT COST	
FRINGE BENEFITS		3,320.00	
SOCIAL SECURITY	6.200%	205.84	
MEDICARE	1.450%	48.14	
UNEMPLOYMENT	0.050%	1.66	
WORKERS COMP	1.750%	58.10	
ACTIVE RET. INS. COST	0.000%	-	
TOTAL FRINGE BENEFIT COST	9.450%	\$ 3,633.74	\$ 3,633.74

INSURANCE BENEFITS			
LIFE INSURANCE (ANNUAL OR \$50,000 minimum)			
(Annual Life Insurance X \$0.075/1000 X 12 Months) \$	141,594.32	127.43	
MEDICAL INSURANCE (see below)		24,826.18	
TOTAL INSURANCE COST		24,953.61	\$ 24,953.61

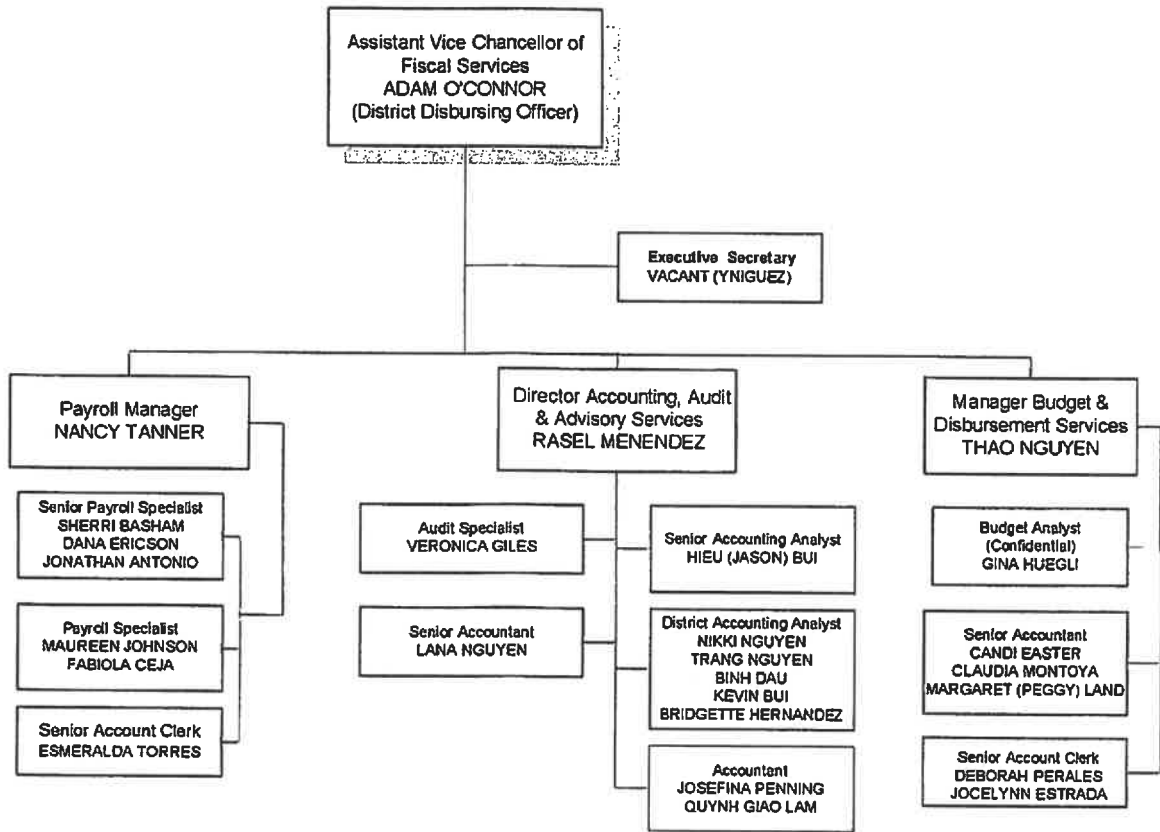
TOTAL COST OF POSITION	\$ 221,523.78
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BENEFITS =	\$ 79,929.46
BENEFIT COST AS A PERCENT OF CONTRACT =	56.45%

Admn., Superv/Mang. & Conf.	Max	45,220.68	25,296.98	AVERAGE
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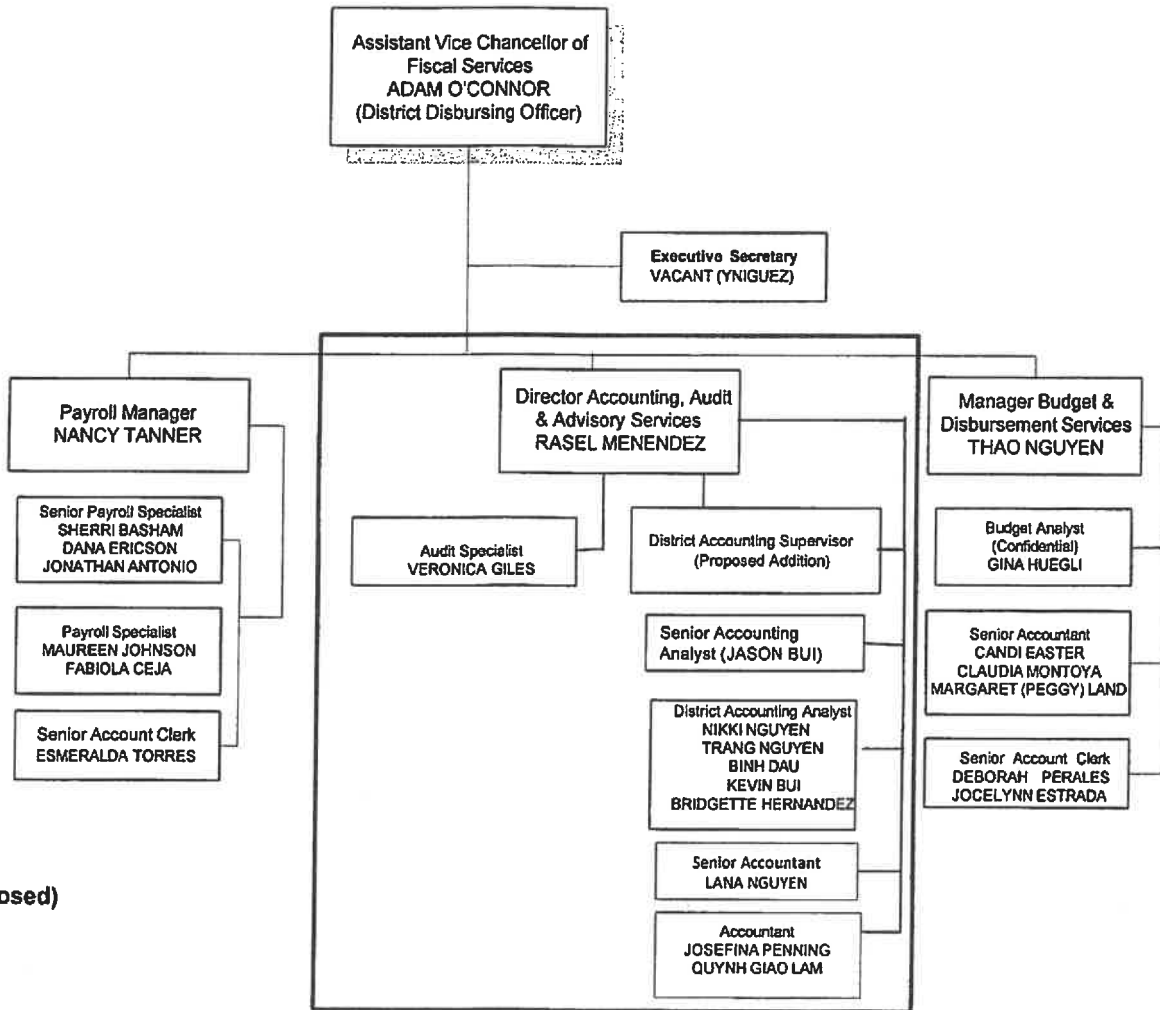
NOTE: WHEN CALCULATING A VACANT POSITION PLEASE USE AVERAGE \$\$ FOR H&W

**Rancho Santiago Community College District
BUSINESS SERVICES
FISCAL SERVICES**



Fiscal_Services (Current)

**Rancho Santiago Community College District
BUSINESS SERVICES
FISCAL SERVICES**



Fiscal Services (Proposed)

**DISTRICT ACCOUNTING SUPERVISOR
JOB DESCRIPTION – CLASSIFIED SUPERVISORY**

POSITION OVERVIEW

The District Accounting Supervisor supports the oversight and management of professional and clerical accounting staff within the Accounting Department. This position collaborates with Information Technology Services (ITS) on Fiscal Services matters and collaborates in special accounting-related projects. Additionally, this position assists in providing training and support to accounting personnel and other employees requiring guidance in accounting-related activities, ensuring compliance with federal, state, and local regulations, contractual obligations, and district policies. The Accounting Supervisor reports directly to the Director of Accounting, Audit, and Advisory Services.

ESSENTIAL DUTIES AND RESPONSIBILITIES

The duties listed below are essential for this position and illustrate the types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to this class.

1. Assists in supervising, assigning, training and reviewing the work of the assigned professional and clerical accounting staff by prioritizing projects, delegating assignments, setting deadlines, reviewing work, and assisting in completing staff's performance reviews.
2. Assists with authorizing budget transfers, requests for reimbursement and coding of purchase and personnel requisitions, assuring compliance with Title 5 regulations, community college accounting manual, contractual obligations and district policy.
3. Assists to coordinate year-end-financial closing with college budget centers and district personnel; analyzes accruals and carryover budgets
4. Maintains the chart of accounts of the district and foundations to enable and facilitate accurate preparation of financial reports, making changes, additions, deletions and reclassifying existing accounts.
5. Research and develop procedures to identify, analyze and resolve complex accounting problems; develop recommendations for presentations to administrators and management at the District and Colleges; maintain and updates accounting related desk procedures as necessary.
6. Assists in reviewing the district budget, accounting transactions, bank reconciliations, balance sheet reconciliations, accounts payable and accounts receivable, and financial reports for categorical/special programs, assuring accuracy and compliance with Title 5 requirements and the Community College Budget and Accounting Manual.
7. Analyzes a variety of financial information, corresponds and interacts with internal and external auditors on all financial transactions for the district including any financial aspect of audits.
8. Coordinates and reviews the work of accounting staff to ensure the accuracy and compliance of the general ledger and district budget in collaboration with county officials; reviews complex financial reconciliations, including of faculty load banking records and accrued leave balances; assists in overseeing the federal student financial assistance program budgets, monitoring cash balances, and requesting funds as needed.
9. Assists in coordinating financial aid payments and disbursements to students with the financial aid director; assists in coordinating accounts receivable and collection of district awards and loans.
10. Assists in developing, implementing, and maintaining an integrated, automated financial management/ accounting system; conducts training workshops for district staff in the proper utilization of the financial/accounting system for transactions related to all funds, including auxiliary operations and foundations.

**DISTRICT ACCOUNTING SUPERVISOR
JOB DESCRIPTION – CLASSIFIED SUPERVISORY**

11. Assures compliance with a variety of local, state and federal laws, codes and regulations, including Government Accounting Standards Board (GASB) regulations; in conjunction with ITS, responsible for the finance or accounting component of the district information system, liaise with fiscal services department management and staff, ITS staff, and vendors to identify, define and document operational objectives and requirements; existing operational procedures and transactions, workflows, and issues; data collection and ownership, and information reporting requirements and responsibilities related to the use of the district information system package;
12. Interview and assist in selecting permanent staff; train, develop, supervise, and evaluate assigned personnel assuring compliance with District, County and State requirements; recommend disciplinary action as necessary; resolve technical problems and/or procedural questions; prepare written performance evaluations regarding subordinates; counsel and advise staff as needed.
13. Performs related duties as required.

KNOWLEDGE AND ABILITIES

Knowledge of:

1. Principles, practices, and procedures of accounting, with an emphasis on governmental accounting, including Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) regulations.
2. Applicable sections of State Education Code and other applicable laws.
3. Higher education accounting and budgeting methods.
4. Federal, state, and local laws, ordinances, codes, regulations, and policies affecting accounting and financial systems.
5. Enterprise systems and accounting software.
6. Principles of management, supervision, and training, as well as financial reporting requirements particularly pertaining to governmental and higher education fiscal procedures.

Ability to:

1. Communicate effectively, both verbally and in writing.
2. Plan, organize, and oversee accounting operations while meeting critical deadlines.
3. Analyze complex financial data, draw sound conclusions, and provide well-reasoned recommendations.
4. Prepare clear and comprehensive financial reports.
5. Develop and implement procedures that improve efficiency and ensure compliance with policies and regulations.
6. Interpret and apply a wide range of governmental and departmental policies and regulations.
7. Effectively use computers, enterprise accounting systems, and related software.
8. Direct and coordinate the work of others.
9. Demonstrate a sensitivity to, and understanding of the diverse academic, socioeconomic, cultural, and ethnic backgrounds of community college students and personnel, including those with physical or learning disabilities.
10. Establish and maintain cooperative working relationships with internal college and district personnel, external auditors, vendors, professional colleagues and representatives from various outside agencies.

**DISTRICT ACCOUNTING SUPERVISOR
JOB DESCRIPTION – CLASSIFIED SUPERVISORY**

MINIMUM QUALIFICATIONS

Education and Experience:

Any combination of training and experience equivalent to a Bachelor's Degree from an accredited college or university with a major in accounting, business administration, finance; or a closely related field including or supplemented by at least 24 semester units in accounting. A minimum of five years of increasingly responsible accounting experience, including experience in a lead or supervisory capacity.

Desirable qualifications:

A valid license to practice as a Certified Public Accountant in California, experience in financial management at a supervisory level and experience in higher education accounting is desirable.

Board of Trustees Approval Date: August 11, 2025

Rancho Santiago Community College District
ADMINISTRATIVE REGULATION
Chapter 3
General Institution

AR 3750.2 Data Classification (NEW)

Reference(s):

Family Educational Rights and Privacy Act ("FERPA"), 20 U.S.C. §1232g(b),
34 CFR Part 99
National Institute of Standards and Technology (NIST) "Guide to Protecting the
Confidentiality of Personally Identifiable Information," Special Publication 800-122
Education Code Section 70902
California Civil Code 1798.29, 1798.82, and 1798.84
Federal Rules of Civil Procedure 16, 26, 33, 34, 37, 45
FTC Regulations 16 CFR 313.3(n), 16 CFR 314.1-5
Gramm-Leach Bliley Act Sections 501, 505(b)(2); U.S. Code 15 USC 6801(b), 6805(b)(2)

Purpose and Scope

The purpose of this Administrative Regulation is to establish requirements for classifying and protecting Rancho Santiago Community College District (RSCCD) data assets.

A data asset is a definable piece of information, regardless of format, that is recognized as valuable to the organization. Classifying information is at the core of an information security program because it specifies how information, based on its sensitivity and value, will be protected from unauthorized disclosure, use, modification, or deletion.

This regulation applies to all RSCCD students, employees and board members and to others granted use of RSCCD's data assets. This regulation refers to all data assets collected, generated, maintained, and entrusted to RSCCD in paper or electronic form, whether individually controlled or shared, whether used for teaching, research, administrative, or other purposes.

Data Classification

Data classification is the process of assigning value to data in order to organize it according to its risk to loss or harm from disclosure. Users of RSCCD systems must understand the importance of securely handling the information that they can access and the standards that have been created to ensure data protection.

Specific protection requirements are mandated for certain types of data, such as credit card information or Payment Card Industry data (PCI), Personally Identifiable Information (PII), Protected Health Information (PHI), and Financial Data. Consistent use of this Data Classification Administrative Regulation will help to ensure RSCCD maintains adequate data protection.

Aggregated and Disaggregated data

Aggregated data is information that combines and summarizes information to provide a high-level overview. Disaggregated data is information that allows for a deeper exploration of specific dimensions within large datasets, helping to understand subsets better.

Responsibilities

RSCCD Designated Data Stewards, as defined in AR 3750.1, have the responsibility to classify the subset of data that they are responsible for. RSCCD Data Trustees have the final authority to classify the data related to the functions managed, administered or run by the units and personnel who report to them or by the Data Stewards designated by them. In the context of data classification, the responsibilities of both Data Stewards and Data Trustees include the following:

- Determining the level of confidentiality that should be assigned to information.
- Working with Information Technology Services (ITS) to select security controls that are appropriate to the level of sensitivity, value or confidentiality of the application or data it processes.
- Ensuring that third parties to whom data has been entrusted meet RSCCD security and data privacy requirements.

Classification of Data Assets

RSCCD classifies information according to its sensitivity and the potential impact of disclosure. In general, information is disclosed when there is a business need-to-know. Information must be consistently handled according to its requirements for confidentiality and disclosure. If the classification level is set too high, the cost of protection will be excessive in relation to the value or sensitivity of the data. If it is set too low, the risk of compromise could be increased. Downgrading to a lower classification at a future date is appropriate should conditions warrant.

Data Classification Categories

Information that is owned, used, created or maintained by RSCCD must be classified into one of three categories:

- Public
- Internal
- Restricted (Confidential)

Public

Public data is information that is suitable for routine public disclosure and use. This type of data is non-sensitive and does not require any special handling, security, or protection measures. The security level for public data is minimal, ensuring its availability to large audiences. Examples of public data may include:

- Publicly accessible web pages
- Academic recruiting materials
- Materials that, by California State law, must be published publicly, including certain academic and grant budgets
- Qualitative data that has been sufficiently anonymized to protect an individual's identity

- Student Educational Records defined as “directory” information on RSCCD’s Board Policy 5040 Student Records, Directory Information and Privacy.
- Disaggregated data that does not contain any Personal Information, as defined within the “Internal” data section in this document
- Aggregated data may include Internal Data as long as aggregation does not allow for identification of individuals. However, in no case shall groups smaller than ten be reported or displayed.

Public data can be freely shared without any restrictions.

Internal

Internal data is information about RSCCD or internal processes that must be guarded due to proprietary or institutional considerations, but which is not classified as sensitive data or otherwise considered confidential. This classification may apply even if there are no regulatory or contractual requirements for its protection.

Data in this category is generally available to employees, contractors, students, or business associates, but is not routinely distributed outside RSCCD. Some Internal data may be limited to individuals who have a legitimate business purpose for accessing the data and not be available to everyone. Examples of Internal data may include:

- Personal Information:
 - Full Names
 - Full Address
 - Telephone Number
 - Email Address
 - Signature
 - Religious or Philosophic beliefs
- Demographics:
 - Race
 - Ethnicity
 - Date of Birth (excluding students who are a member of an athletic team)
 - Place of Birth
 - Gender
 - Sexual Orientation
- Student Educational Records not defined as “directory” information on RSCCD’s Board Policy 5040 Student Records, Directory Information and Privacy, such as
 - Grades
 - Courses taken
 - Schedule
 - Test Scores
 - Counseling records
- RSCCD internal procedures, forms, and manuals
- Data which is on the internal Intranet, but has not been approved for external communication
- Internal presentation materials

Restricted (also called Confidential)

Restricted data is information that is sensitive in nature, and may be proprietary, personally identifiable, or otherwise be sensitive. Unauthorized compromise or disclosure of the information would be likely to cause serious financial, legal, or reputation damage to RSCCD, or result in embarrassment or difficulty for RSCCD, its trustees, employees, or students.

Restricted data may be protected by statutes, regulations, or contractual requirements. Disclosure is limited to those within RSCCD on a “need-to-know” basis only. Disclosure to parties outside of RSCCD must be authorized by appropriate Data Trustees and may need to be covered by a data protection or data sharing binding agreement. Examples may include:

- Government-issued Identification number:
 - Social Security Number
 - Taxpayer Identification Number
 - Passport Number
 - Driver’s License or other federal/state issued identification number
- Financial Data:
 - Account Number
 - Credit or Debit Card Number
 - Credit Report Information
 - Personal Identification, Password or password that would permit access to an individual’s financial account
 - Check if access, transmitted or stored by Supplier to deliver the Goods and/or Services Personally identifiable (as defined below) information of our employees, contractors, or students
 - ISIR FTI Data
 - Data that requires Payment Card Industry data (PCI) protection requirements
- Precise Geolocation Data:
 - Precise personal location data obtained from cell tower or Wi-Fi triangulation techniques or latitude, longitude coordinates obtained through GPS technology if such data is sufficiently precise to locate an individual or device.
- Personal Characteristics:
 - Photographic images (particularly of face or other identifying characteristics)
- Biometric data:
 - Retina scans, voice signatures or facial geometry
 - Fingerprints
 - Genetic data
- Medical information:
 - Individual’s medical history, mental or physical condition, medical treatment, or diagnosis by a healthcare professional
 - Data qualified as Protected Health Information (PHI)
- Health Insurance data:
 - Individual’s health insurance policy number or subscriber identification number
 - Any unique identifier used by a health insurer to identify an individual
 - Any information in an individual’s application and claims history, including any appeals records
- Audit reports or results that expose information security configurations or controls
- System and network configuration details, including diagrams, passwords, programs or

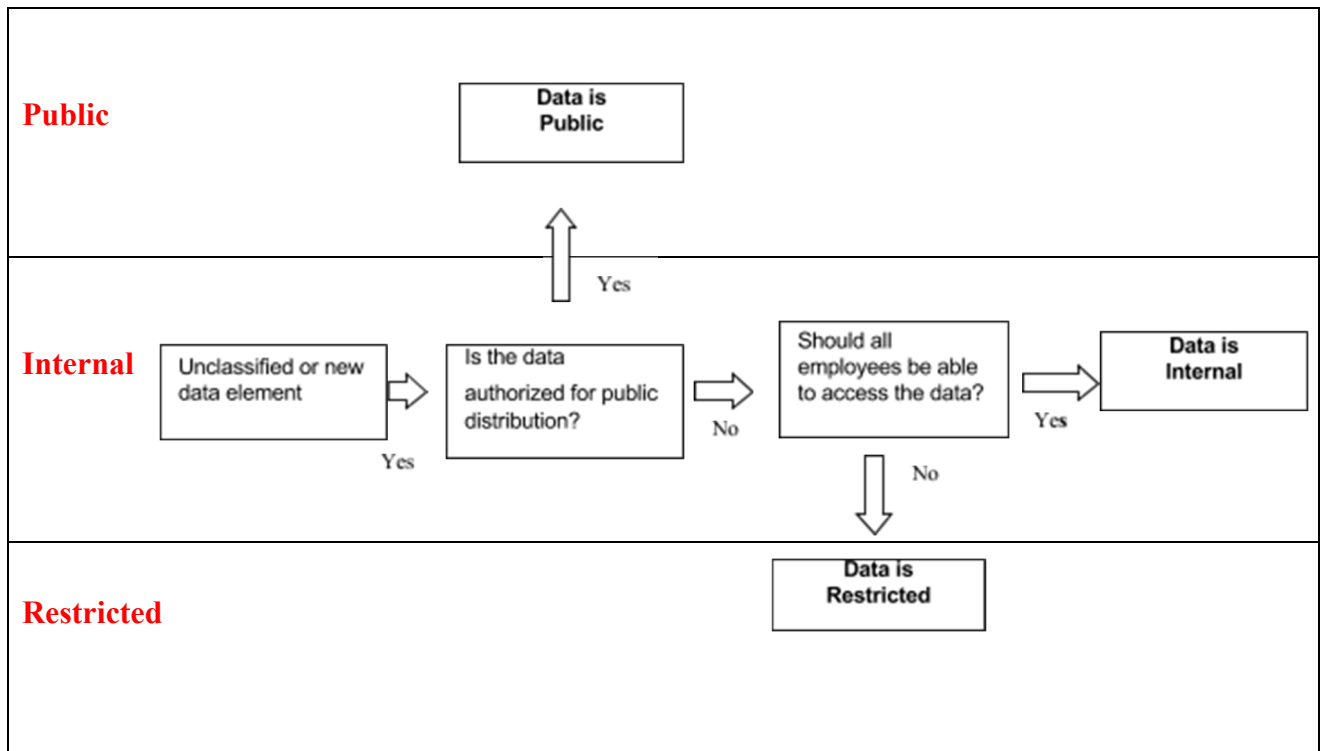
- other IT-specific documentation
- Personally Identifiable Information (PII): Defined as an individual's first name and last name or first initial and last name in combination with any one or more items classified as Restricted data. However, Personally Identifiable Information shall not include information that is lawfully obtained from publicly available information, or from federal, state, or local government records lawfully made available to the general public.

Minimum Classification

All information should be assumed *Internal* unless classified otherwise.

Classification Flow Chart

The Classification Flow Chart below is intended to assist a Data Trustee, Data Steward, document creator or user to assist in quickly determining the classification of a data element or document.



Adopted: xxxxxx, 2026



Rancho Santiago Community College District Budget Allocation Model Based on the Student Centered Funding Formula

The “*Rancho Santiago Community College District Budget Allocation Model Based on the SCFF*” was recommended at the November 18, 2020 Fiscal Resource Committee meeting, updated on April 20, 2022, on March 15, 2023, on May 15, 2024, ~~and again~~ on May 28, 2025, ~~and again on April 15, 2026~~.

Introduction

In February of 2012, the Rancho Santiago Community College District approved and adopted a revenue allocation formula, based on SB 361, in order to provide the greatest amount of flexibility for each of the campuses. The change was initiated by the district Budget Allocation and Planning Review Committee (BAPR) and a technical subgroup of BAPR who was then delegated the task of reviewing the model that the District had been using for the previous ten years. The BAPR workgroup proceeded to review and evaluate approximately 20 other California community college multi-campus budget allocation models. Following the review of other models, the BAPR workgroup ultimately decided on a revenue allocation model as opposed to the expenditure allocation model that had been in effect in the District. On July 1, 2018, the Student Centered Funding Formula (SCFF) was adopted by the State of California marking one of the biggest changes to California Community College funding yet. The SCFF is based on three allocations:

- 1) Base Allocation (70% of state funding) is based on the number of colleges and comprehensive centers in the community college district and total FTES generation
- 2) Supplemental Allocation (20% of state funding) is based on the number of low-income students.
- 3) Student Success Allocation (10% of state funding) is based on student progress such as transfer, completion, and wage earnings.

RSCCD’s Fiscal Resource Committee (FRC), as the current participatory governance body in charge of reviewing and evaluating the RSCCD revenue allocation model, determined that based on the new

distribution of funds from the State, the District's current budget model needed to be reviewed and revised to be in accordance with the Student Centered Funding Formula.

Noncredit and Career Development and College Preparation (CDCP) funding are considered fully funded in the base allocation and do not qualify for supplemental and success funding. See Appendix A - Definition of Terms for enhanced descriptions.

The goal of the BAM is to create a documented revenue allocation process that provides financial stability and encourages fiscal accountability at all levels in times of either increasing or decreasing revenue streams. It is also intended to be transparent, fair, predictable and consistent, using quantitative, verifiable factors with performance incentives. FRC will annually review the BAM language.

Under State law, the District is the legal entity and is ultimately responsible for actions, decisions and legal obligations of the entire organization. The Board of Trustees of the Rancho Santiago Community College District has clear statutory authority and responsibility and, ultimately, makes all final decisions. Likewise, the Chancellor, under the direction of the Board of Trustees, is responsible for the successful operation, reputation, and fiscal integrity of the entire District. The funding model does not supplant the Chancellor's role, nor does it reduce the responsibility of the District Services and Operations staff to fulfill their fiduciary role of providing appropriate oversight of the operations of the entire District. It is important that guidelines, procedures and responsibility be clear with regard to District compliance with any and all laws and regulations such as the 50% Law, full-time/part-time faculty requirements, Faculty Obligation Number (FON), attendance accounting, audit requirements, fiscal and related accounting standards, procurement and contract law, employment relations and collective bargaining, payroll processing and related reporting requirements, etc. The oversight of these requirements is to be maintained by District Services and Operations, which has a responsibility to provide direction and data to the colleges to assure they have appropriate information for decision making with regard to resource allocation at the local level, thus, assuring District compliance with legal and regulatory requirements.

All revenue is considered District revenue because the district is the legal entity authorized by the State of California to receive and expend income and to incur expenses. However, the majority of revenue is provided by the taxpayers of California for the sole purpose of providing educational services to the communities and students served by the District. Services such as classes, programs, and student services are, with few exceptions, the responsibility of the colleges. It is the intent of the revenue allocation model to allocate the majority of funds to the colleges in order to provide those educational services. The model intends to provide an opportunity to maximize resource allocation decisions at the local college level. Each college president is responsible for the successful operation and performance of his/her college as it relates to resource allocation and utilization. The purpose and function of the District Services and Operations in this structure is to maintain the fiscal and operational integrity of the District and its individual colleges and centers and to facilitate college operations so that their needs are met and fiscal stability is assured. District Services and Operations is responsible for providing certain centralized functions, both to provide efficient operations as well as to assist in coordination between District Services and Operations and the colleges. Examples of these services include: human resources, business services, fiscal and budgetary oversight, procurement, construction and capital outlay, district safety and security and information technology. On the broadest level, the goal of this partnership is to encourage and support collaboration between the colleges and District Services and Operations.

This BAM should be reviewed on an annual basis by the FRC to evaluate any changes in the SCFF as updates are signed into law and recommend any related changes to the BAM to District Council.

College and District Services and Operations Budgets and Expenditure Responsibilities

Since the RSCCD BAM is a revenue allocation model, all expenditures and allocation of revenues under the model are the responsibilities of the colleges and centers. Revenue responsibilities for the colleges, District Services and Operations and Institutional Costs are summarized in Table 1.

Expenditure responsibilities for the colleges, District Services and Operations and Institutional Costs are summarized in Table 2.

TABLE 1 Revenue and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services and Operations ☑	Institutional Cost ☑
Federal Revenue- (81XX)					
1	Grants Agreement	✓	✓	✓	
2	General Fund Matching Requirement	✓	✓	✓	
3	In-Kind Contribution (no additional cost to general fund)	✓	✓	✓	
4	Indirect Cost (overhead)	✓	✓	✓	
State Revenue- (86XX)					
1	Base Funding	✓	✓	✓	
	Supplemental Funding	✓	✓	✓	
	Student Success Funding	✓	✓	✓	
2	Apportionment	✓	✓		
3	COLA or Negative COLA	✓	✓	✓ subject to collective bargaining	
4	Growth, Work Load Measure Reduction, <i>Negative Growth</i>	✓	✓	✓	
5	Categorical Augmentation/Reduction	✓	✓	✓	
6	General Fund Matching Requirement	✓	✓	✓	
7	Apprenticeship	✓	✓		
8	In-Kind Contribution	✓	✓	✓	
9	Indirect Cost	✓	✓	✓	

TABLE 1 Revenue and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services and Operations ☑	Institutional Cost ☑
State Revenue- (86XX)					
10	Lottery				
	- Unrestricted (abate cost of utilities)	✓	✓	✓	
	- Restricted-Proposition 20	✓	✓		
11	Instructional Equipment Matches (3:1)	✓	✓		
12	Scheduled Maintenance Matches	✓	✓	✓	
13	Part-time Faculty Compensation Funding	✓	✓	✓ subject to collective bargaining	
14	State Mandated Cost	✓	✓	✓	
Local Revenue- (88XX)					
1	Contributions	✓	✓	✓	
2	Fundraising	✓	✓	✓	
3	Proceed of Sales	✓	✓	✓	
4	Health Services Fees	✓	✓		
5	Rents and Leases	✓	✓	✓	
6	Enrollment Fees	✓	✓		
7	Non-Resident Tuition	✓	✓		
8	Student ID and ASB Fees	✓	✓		
9	Parking Fees			✓	

TABLE 2 Expenditure and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services and Operations ☑	Institutional Cost ☑
Academic Salaries- (1XXX)					
1	State required full-time Faculty Obligation Number (FON)	✓	✓	✓	
2	Bank Leave	✓	✓	✓	
3	Impact upon the 50% law calculation	✓	✓	✓	
4	Faculty Release Time	✓	✓	✓	
5	Faculty Vacancy, Temporary or Permanent	✓	✓	✓	
6	Faculty Load Banking Liability	✓	✓	✓	
7	Adjunct Faculty Cost/Production	✓	✓		
8	Department Chair Reassigned Time	✓	✓		
9	Management of Sabbaticals (Budgeted at colleges)	✓	✓	✓	
10	Sick Leave Accrual Cost	✓	✓	✓	
11	Administrator Vacation	✓	✓	✓	
Classified Salaries- (2XXX)					
1	Classified Vacancy, Temporary or Permanent	✓	✓	✓	
2	Working Out-of-Class	✓	✓	✓	
3	Vacation Accrual Cost	✓	✓	✓	
4	Overtime	✓	✓	✓	
5	Sick Leave Accrual Cost	✓	✓	✓	
6	Compensation Time taken	✓	✓	✓	
Employee Benefits-(3XXX)					
1	STRS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
2	PERS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
3	OASDI Employer Rates, Increase/(Decrease)	✓	✓	✓	

TABLE 2 Expenditure and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services and Operations ☑	Institutional Cost ☑
Employee Benefits-(3XXX)					
4	Medicare Employer Rates, Increase/(Decrease)	✓	✓	✓	
5	Health and Welfare Benefits, Increases/(Decrease)	✓	✓	✓	
6	SUI Rates, Increase/(Decrease)	✓	✓	✓	
7	Workers' Comp. Rates, Increase/(Decrease)	✓	✓	✓	
8	Retiree Health Benefit Cost				
	-OPEB Liability vs. "Pay-As-You-Go"				✓
9	Cash Benefit Fluctuation, Increase/(Decrease)	✓	✓	✓	
Other Operating Exp & Services-(5XXX)					
1	Property and Liability Insurance Cost				✓
2	Utilities				
	-Gas	✓	✓	✓	
	-Water	✓	✓	✓	
	-Electricity	✓	✓	✓	
	-Waste Management	✓	✓	✓	
	-Water District, Sewer Fees	✓	✓	✓	
3	Audit			✓	
4	Board of Trustee Elections				✓
5	Scheduled Maintenance	✓	✓	✓	
6	Copyrights/Royalties Expenses	✓	✓	✓	
Capital Outlay-(6XXX)					
1	Equipment Budget				
	-Instructional	✓	✓	✓	
	-Non-Instructional	✓	✓	✓	
2	Improvement to Buildings	✓	✓	✓	
3	Improvement to Sites	✓	✓	✓	

The revenue allocations will be regularly reviewed by the FRC. In reviewing the allocation of general funds, the FRC should take into consideration all revenues, including restricted revenues, available to each of the Budget Centers less any apportionment deficits, property tax shortfalls or uncollected student fees or shortfalls. If necessary, the FRC will recommend adjustments to District Council for submission to the Chancellor.

The expenditures allocated for District Services and Operations and for Institutional Costs will be developed based on the projected levels of expenditure for the prior fiscal year, taking into account unusual or one-time anomalies, reviewed by the FRC and the District Council and approved by the Chancellor and the Board of Trustees. Any transfers made between District departments during a fiscal year are one-time in nature and do not increase the overall District budget. If any permanent transfers are made at Tentative or Adopted budget, one department is reduced and another increased by the same amount and also do not increase the overall District budget.

DISTRICT SERVICES AND OPERATIONS – Examples are those expenses associated with the operations of and the services provided by the Chancellor’s Office, Board of Trustees, Public Affairs, Human Resources, Risk Management, Educational Services, Institutional Research, Business Services, Internal Auditing, Fiscal Services, Payroll, Purchasing, Facilities Planning, ITS and Safety Services. The Publications Department operates on a chargeback system in Fund 13 and therefore their funds carryover from year to year to operate the enterprise. Economic Development expenditures are to be included in the District Services and Operations budget and clearly delineated from other District expenditures. An annual report of Economic Development activities and related costs will be presented to FRC.

INSTITUTIONAL COSTS – Examples are those expenses associated with State and Federal regulatory issues, property, liability and other insurances, board election, interfund transfers and Retiree Health Benefit Costs. As the board election expense is incurred every other year, it will be budgeted each year at one-half of the estimated cost. In the off years, the funds will remain unspent and specifically carried over to the next year to be used solely for the purpose of the election expense. If there is insufficient budget, the colleges will be assessed the difference based on the current SCFF split. If any funds remain unspent in an election year, it will be allocated to the colleges based on the current SCFF split for one-time uses.

~~An annual review of District Services and Institutional Costs will be conducted by the District Council each fall in order to give time to complete the evaluation in time to prepare for the following fiscal year budget cycle and implement any suggestions. The review will include an evaluation of the effectiveness of the services provided to assure the District is appropriately funded. If the District Council believes a change to the allocation is necessary, it will submit its recommendation to the FRC for funding consideration and recommendation to the Chancellor.~~

District Reserves and Deficits

The Board of Trustees will establish a reserve through board policy, state guidelines and budget assumptions.

The Chancellor reserves the right to adjust allocations as necessary.

The Board of Trustees is solely responsible for labor negotiations with employee groups. Nothing in this budget model shall be interpreted to infringe upon the Board's ability to collectively bargain and negotiate in good faith with employee organizations and meet and confer with unrepresented employees.

College Budget and Expenditure Responsibilities

Colleges will be responsible for funding the current programs and services that they operate as part of their budget plans within the revenues each generate. There are some basic guidelines the colleges must follow:

- Allocating resources to achieve the maximum state funded level of FTES and other SCFF metrics is a primary objective for all colleges.
- Requirements of the collective bargaining agreements apply to college level decisions.
- To ensure that the District complies with the State required full-time Faculty Obligation Number (FON), the District Chancellor will establish a FON for each college. Each college is required to fund at least that number of full-time faculty positions. Any financial penalties imposed by the state due to FON non-compliance will be borne proportionately by the college(s) not in compliance unless a districtwide strategic decision is made to fall below FON and other funding sources are identified.
- In making expenditure decisions, the impact upon the 50% law calculation must be considered and budgeted appropriately. Any financial penalties imposed by the state due to 50% law non-compliance will be borne proportionally (by SCFF split) by both campuses.
- With unpredictable state funding, the cost of physical plant maintenance is especially important. Lack of maintenance of the operations and district facilities and grounds will have a significant impact on the campuses and therefore needs to be addressed with a detailed plan and dedicated budget whether or not funds are allocated from the state.

Budget Center Reserves and Deficits

At the Adopted Budget each college shall set aside a contingency reserve in the Unrestricted General Fund equal to a minimum of 1% of its total current year budgeted Fund 11 expenditures to handle unforeseen expenses. If the contingency reserve is unspent by fiscal year end, the college reserve rolls over into the colleges' beginning balance for the following fiscal year. The District Services and Operations and Institutional Cost allocations are budgeted as defined in the model for the appropriate operation of the district and therefore are not subject to carryover, unless specifically delineated. The Chancellor and Board of Trustees reserve the right to modify the budget as deemed necessary.

If a college incurs an overall deficit for any given year, the following sequential steps will be implemented:

The college reserve shall first be used to cover any deficit (structural and/or one-time). If reserves are not sufficient to cover the deficit, then the college is to prepare an immediate expenditure reduction plan that covers the amount of deficit along with a plan to replenish the 1% minimum reserve level. Once the college reserve has been exhausted, in circumstances when any remaining deficit is greater than 1.5% of budgeted Fund 11 expenditures, and a reduction plan has been prepared up to the 1.5% level, the college may request a temporary loan from District Reserves. The request, including a proposed payback period,

should be submitted to the FRC for review. If the FRC supports the request, it will forward the recommendation to the District Council for review and recommendation to the Chancellor who will make the final determination.

Instead of budgeting a districtwide deficit factor by reducing ongoing funding in Fund 11, each college will budget its share of a calculated deficit factor as recommended by FRC and determined by the Chancellor, but not less than 2%, in one-time funds in a Fund 13 contingency account. This account may not be utilized throughout the fiscal year unless the State Chancellor's office has confirmed there will be no deficit for that year. The colleges will then be required to budget for all ongoing costs in Fund 11 beginning in fiscal year 2025-26.

Revenue Modifications

Apportionment Revenue Adjustments

It is very likely each fiscal year that the District's revenues from state apportionment could be adjusted after the close of the fiscal year in the fall, but most likely at the P1 recalculation, which occurs eight months after the close of the fiscal year. This budget model therefore will be fluid, with changes made throughout the fiscal year (P-1, P-2, P-annual) as necessary. Any increase or decrease to prior year revenues is treated as a one-time addition or reduction to the colleges' current budget year and distributed in the model based on the most up to date SCFF apportionment split reported by the District and funded by the state.

The apportionment includes funded FTES, basic allocations for colleges and centers, supplemental, and student success allocations.

An example of revenue allocation adjustment:

\$100,000,000 is originally split 70% Santa Ana College (\$70,000,000) and 30% Santiago Canyon College (\$30,000,000) based on the SCFF split at the time of budget adoption. At the final SCFF recalculation for that year, the District earns an additional \$500,000 based on the total funded apportionment. In addition, the split of apportionment changes to 71% / 29%. The total revenue of \$100,500,000 is then redistributed \$71,355,000 to Santa Ana College and \$29,145,000 to Santiago Canyon College which would result in a shift of \$855,000 between the colleges. A reduction in funding will follow the same calculation.

It is necessary in this model to set a base level of FTES for each college. Per agreement by the Chancellor and college Presidents, the base FTES split is determined by the prior year final FTES total. Similar to how the state sets a base for district FTES, this will be the beginning base level for each college. Each year through the planning process there will be a determination made if the district has growth potential for the coming fiscal year. Each college will determine what level of growth they believe they can achieve and targets will be discussed and established through Chancellor's Cabinet. For example, if the district believes it has the opportunity for 2% growth, the colleges will determine the level of growth they wish to pursue. If both colleges decide to pursue and earn 2% growth and the district is funded for 2% growth, then each college's base would increase 2% the following year. In this case the split would still remain 70.80% / 29.20% as both colleges moved up proportionately (Scenario #1).

	Base FTES	% split	Scenario #1	New FTES	% split
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

If instead, one college decides not to pursue growth and the other college pursues and earns the entire district 2% growth, all of these FTES will be added to that college's base and therefore its base will grow more than 2% and the split will then be adjusted (Scenario #2).

	Base FTES	% split	Scenario #2	New FTES	% split
SAC	19,824	70.80%	0.00%	19,824	69.41%
SCC	8,176	29.20%	6.85%	8,736	30.59%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

Using this same example in which the district believes it has the opportunity for 2% growth, and both colleges decide to pursue 2% growth, however one college generates 3% growth and the other generates 2%, the college generating more FTES would have unfunded over cap FTES. The outcome would be that each college is credited for 2% growth, each base increases 2% and the split remains (Scenario #3).

	Base FTES	% split	Scenario #3	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(198.24)	
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

If instead, one college generates 3% and the other college less than 2%, the college generating the additional FTES can earn its 2% target plus up to the difference between the other college's lost FTES opportunity and the total amount funded by the district (Scenario #4).

	Base FTES	% split	Scenario #4	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(136.92)	
SAC	19,824	70.80%	2.31%	20,281.80	71.01%
SCC	8,176	29.20%	1.25%	8,278.20	28.99%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

All of these examples exclude the effect of statewide apportionment deficits. In the case of any statewide deficits, the college revenues will be reduced accordingly. In addition, the Chancellor reserves the right to make changes to the base FTES as deemed necessary in the best interest of the district as a whole.

Hold Harmless

This model includes several hold harmless mechanisms in alignment with the SCFF. The chart below describes the various methods the State Chancellor’s Office uses to fund districts in the event apportionments are reduced from year to year. Hold Harmless funding currently is extended through 2024/25.

In any given year, a district’s funding under the new Student Centered Funding Formula (SCFF) would be the highest of the amounts included in the lines below:

Line	Statutory Reference	2018-19	2019-20	2020-21	2021-22
1	Education Code section (ECS) 84750.4(b), 84750.4(c), 84750.4(d), 84750.4(e), and 84750.4(f) [STUDENT-CENTERED FUNDING FORMULA (SCFF)]	SCFF calculation	SCFF calculation	SCFF calculation	SCFF calculation
2	ECS 84750.4(g)(1)	2017-18 TCR. ^{/1}	2017-18 TCR. ^{/1}	N/A	N/A
3	ECS 84750.4(g)(2)	N/A	N/A	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2020-21 FTES, with basic allocation. ^{/1}	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2021-22 FTES, with basic allocation. ^{/1}
4	ECS 84750.4(g)(4)	N/A	Greater of lines 1 or 2 as calculated in 2018-19.	Greater of lines 1 or 2 as calculated in 2019-20.	Greater of lines 1 or 3 as calculated in 2020-21.
5	ECS 84750.4(h)	2017-18 TCR adjusted by 2018-19 COLA.	2017-18 TCR adjusted by 2018-19 and 2019-20 COLAs.	2017-18 TCR adjusted by 2018-19, 2019-20, and 2020-21 COLAs.	N/A
^{/1} Special provisions for San Francisco Community College District and Compton Community College District.					
TCR = Total Computational Revenue					

Stability

There remains one year of stabilization under SCFF following Hold Harmless. If a district drops below the prior year total apportionment, they are stabilized at the prior year apportionment amount for that year, giving the district the following year to regain the funding or be reduced to the actual amount earned.

Allocation of New State Revenues

Growth Funding: A college seeking the opportunity for growth funding will utilize its own carryover funds to offer a schedule to achieve the desired growth. Once the growth has been confirmed as earned and funded by the state and distributed to the district, the appropriate allocation will be made to the college(s) generating the funded growth back through the model. Growth/Restoration Funds will be allocated to the colleges when they are actually earned.

Revenues which are not college specific (for example, student fees that cannot be identified by college), will be allocated based on total funded SCFF percentage split between the campuses.

After consultation with district's independent audit firm, the implementation team agreed that any unpaid, uncollected student fees will be written off as uncollectible at each year end. This way, only actual collected revenues are distributed in this model. At P-1, P-2 and P-annual, uncollected fee revenues will be adjusted.

Due to the instability of revenues, such as interest income, discounts earned, auction proceeds and vendor rebates (not including utility rebates which are budgeted in Fund 41 for the particular budget center), revenues from these sources will **not** be part of the revenue allocation formula. Income derived from these sources will be deposited to the institutional reserves. The ongoing state allocation for the Mandates Block Grant will be allocated to the colleges through the model. Any one-time Mandates allocations received from the state will be discussed by FRC and recommendations will be made for one-time uses.

Cost of Living Adjustments: COLAs included in the tentative and adopted budgets shall be distributed to the three budget centers pro rata based on total budgeted salary and benefits expenses and sequestered and not allocated for expenditure until after collective bargaining for all groups have been finalized.

Lottery Revenue: Income for current year lottery income is received based on the prior fiscal year's FTES split. At Tentative Budget, the allocation will be made based on projected FTES without carryover. At Adopted Budget, final FTES will be used and carryovers will be included.

Other Modifications

Salary and Benefits Cost

All authorized full-time and ongoing part-time positions shall be budgeted with corresponding and appropriate fixed cost and health and welfare benefits. Vacant positions will be budgeted at the beginning of the fiscal year or when newly created at the level Class VI, Step 11 for full-time faculty and at the mid-level for other positions (ex. Step 3 for CSEA, Step 4 for Management, and AA step 6 for teachers and BA step 6 for master teachers in child development), with the district's average cost for the health and welfare benefits by employee group. The full cost of all positions, regardless of the budgeted amount, including step and column movement costs, longevity increment costs and any additional collective bargaining agreement costs, will be charged to the particular Budget Center. The colleges are responsible for this entire cost, including any increases or adjustments to salary or benefits throughout the year. If a position becomes vacant during a fiscal year, the Budget Center has the discretion to move unused and available budget from the previous employee's position for other one-time costs until filled or defunded. Any payoffs of accrued vacation, or any additional costs incurred at separation from employment with the district, will be borne by the particular Budget Center. When there is a vacancy that won't be filled immediately, Human Resources should be consulted as to how long it can remain vacant. The colleges should also consult Human Resources and Fiscal Services regarding the FON when recommending to defund faculty positions.

Grants/Special Projects

Due to the timeliness issues related to grants, approvals rest with the respective Chancellor's Cabinet member, through established processes, in all cases except for Economic Development grants in which a new grant opportunity presents itself which requires an increase to the District Services and Operations budget due to match or other unrestricted general fund cost. In these cases, the grant will be reviewed by Chancellor's Cabinet with final approval made by the Chancellor.

Certain grants and special categorical programs are specifically allocated at the college level. In those cases, the specific college would receive the related funding. In other cases, certain grants and special categorical programs are allocated at the district level for both colleges based on particular criteria. In these cases, the allocation would be split pro rata to the colleges based on the same criteria used to allocate funding to the district, unless the two college presidents agree to some other split arrangement.

Some grants allow for charges of indirect costs. These charges will accumulate by Budget Center during each fiscal year. At fiscal year-end, once earned, each college will be allocated 100% of the total indirect costs earned by that college and transferred into Fund 13 the following year to be used for one-time expenses. The indirect costs earned by district projects will roll into the institutional ending fund balance with the exception of the District Educational Services grants. In order to increase support services and resources provided to the colleges and to acknowledge the additional costs associated with administering grants, any accumulated indirect costs generated from these grants will be distributed as follows: 25% will roll into the institutional ending fund balance, 25% will offset the overall District Services and Operations expenditures in that given year, and 50% will carryover specifically in a Fund 13 account to be used at the discretion of the Chancellor.

It is the district's goal to fully expend grants and other special project allocations by the end of the term; however, sometimes projects end with a small overage or can be under spent. For any overage or allowable amount remaining, these amounts will close into the respective Budget Center's Fund 13 using 7200 transfers.

Banked LHE Load Liability

The liability for banked LHE is accounted for in separate college accounts, based on the college where the full-time faculty member teaches the banked classes. Before the implementation of GASB Statement No. 101, the cost of faculty banking load ~~will be~~ was charged to the college during the semester the course ~~is~~ was taught and added to the liability. At each fiscal year-end, the total liability was recalculated and accrued at the unrestricted general fund, for any unclaimed banked load, adjusted to reflect the current salary rates. The full liability amount was recorded in the unrestricted general fund.

Beginning with the fiscal year ending June 30, 2025, the District is required to implement GASB No. 101. Under this standard, the accrual for load banking liability is limited to the portion estimated to be paid by the District in the following fiscal year. Under the modified accrual basis of accounting required by GASB, only the current portion of the liability is recorded in the unrestricted general fund.

The process for calculating the Banked LHE Load Liability remains unchanged. To comply with GASB 101, the District will also calculate an average withdrawal balance based on the prior five years of historical banked-load

usage. This average balance will represent the liability accrual for the fiscal year. The remaining portion which is expected to be paid beyond the next fiscal year will remain a long-term obligation of the college and will be recorded in a designated fund balance account. Although not recorded as an expenditure or liability in the college's unrestricted general fund, this amount must still be set aside and excluded from the fund balance available for spending.

When ~~an instructor~~ a faculty member takes banked leave, they will be paid from their regular salary accounts. ~~and~~ District Fiscal Services will then reimburse the college accounts for these expenditures based on the highest current beyond contract (Schedule B) salary rate according to the FARSCCD collective bargaining agreement, as these amounts have already been accrued in the prior year ~~make a transfer from the liability to the college 1300 account to pay the backfill cost of teaching the load~~. A college cannot permanently fill a faculty position at the time someone takes their final year or semester off before retirement. Filling a vacancy cannot occur until the position is actually vacant. In consultation with Human Resources and Fiscal Services, a college can request to swap another faculty vacancy they may have in another discipline or pay the cost differential if they determine programmatically it needs to be filled sooner.

~~This method will appropriately account for the costs of each semester offerings and ensure an appropriate liability.~~ Although the liability amounts will be accounted for by college, only District Fiscal Services will be able to make transfers from these accounts. Each year end a report will be run to reconcile the total cost of the liability and to determine if any additional transfers are required. The college will be charged or credited for the differences. **This accounting treatment ensures compliance with GASB requirements.**

Other Possible Strategic Modifications

Summer FTES

The 3-year average used under SCFF for credit FTES funding has severely reduced the effectiveness of the "summer shift," nevertheless, there may be times when it is in the best financial interest of the District to shift summer FTES between fiscal years. When this occurs, the first goal will be to shift FTES from both colleges in the same proportion as the total funded FTES for each of the colleges. If this is not possible, then care needs to be exercised to ensure that any such shift does not create a disadvantage to either college. If a disadvantage is apparent, then steps to mitigate this occurrence will be addressed by the FRC.

Shifting of summer FTES is not a college-level decision, but rather it is a District-level determination. It is not a mechanism available to individual colleges to sustain their internal FTES levels.

Long-Term Plans

Colleges: Each college has a long-term plan for facilities and programs. The District Chancellor, in consultation with the Presidents, will evaluate additional funding that may accrue to the colleges beyond what the model provides. The source of this funding will also have to be identified.

Santa Ana College (SAC) utilizes the Educational Master Plan in concert with the SAC Strategic Plan to determine the long-term plans for the college. Long-term facilities plans are outlined in the latest Facilities Master Plan, and are rooted in the Educational Master Plan. SAC links planning to budget through the use of the SAC Comprehensive Budget Calendar, which includes planning milestones linked to the college's program review process, Resource Allocation Request (RAR) process, and to the District's planning and

budget calendar. As a result of the Program Review Process, resource allocation needs are requested via the RAR process, which identifies specific resources required to achieve specific intended outcomes. The budget augmentation requests are then prioritized at the department, division, and area level in accordance with established budget criteria. The college's Planning and Budget Committee reviews the prioritized RARs, and they are posted to the campus Planning and Budget web page for the campus community to review. As available resources are realized, the previously prioritized RAR are funded.

At Santiago Canyon College (SCC), long-term plans are developed similarly to short-term plans, and exist in a variety of interconnected processes and documents. Program Reviews are the root documents that form the college's Educational Master Plan and serve to align planning with resource allocation. The allocation of resources is determined through a formal participatory governance process. The Planning and Institutional Effectiveness (PIE) committee is the participatory governance committee that is charged with the task of ensuring resource allocation is tied to planning. Through its planning cycle, the PIE committee receives resource requests from all college units and ensures that each request aligns with the college mission, college goals, and program reviews. All requests are then ranked by the PIE committee, placed on a college-wide prioritized list of resource requests, and forwarded to the college budget committee for review. If the budget committee identifies available funds, those funds are noted on the prioritized list, and sent back to the PIE committee. The PIE committee then forwards the prioritized list, along with the budget committee's identification of available funds, to College Council for approval of the annual budget.

District Services and Operations: District Services and Operations and Institutional Costs may also require additional funding to implement new initiatives in support of the colleges and the district as a whole. POE will evaluate budget augmentation requests and forward a recommendation to District Council. District Council may then refer such requests to FRC for funding implementation.

Budget Input

Using a system for Position Control, Fiscal Services will budget 100% of all regular personnel cost of salary and benefits, and notify the Budget Centers of the difference between the computational total budget from the Budget Allocation Model and the cost of regular personnel. The remaining line item budgets will roll over from one year to the next so the Budget Centers are not required to input every line item. The Budget Centers can make any allowable budget changes at their discretion and will also be required to make changes to reconcile to the total allowable budget per the model.

Rancho Santiago Community College District

Budget Allocation Model Based on the SCFF

Appendix A – Definition of Terms

AB 1725 – Comprehensive California community college reform legislation passed in 1988, that covers community college mission, governance, finance, employment, accountability, staff diversity and staff development.

Accreditation – The review of the quality of higher education institutions and programs by an association comprised of institutional representatives. The Accrediting Commission for Community and Junior Colleges (ACCJC) of the Western Association of Schools and Colleges (WASC) accredits California's community colleges.

Apportionments – Allocations of State or federal aid, local taxes, or other monies among school districts or other governmental units. The district's base revenue provides most of the district's revenue. The State general apportionment is equal to the base revenue less budgeted property taxes and student fees. There are other smaller apportionments for programs such as apprenticeship and EOPS.

Augmentation – An increased appropriation of budget for an intended purpose.

Bank Leave – Faculty have the option to “bank” their beyond-contract teaching load instead of getting paid during that semester. They can later request a leave of absence using the banked LHE.

BAM – Budget Allocation Model

BAPR – Budget and Planning Review Committee.

Base Allocation (Funding) – The base allocation represents approximately 70% of the statewide funding for CCC's. The base allocation includes the Basic Allocation and FTES in Traditional Credit, Special Admit Credit, Incarcerated Credit, Traditional Noncredit, CDCP, and Incarcerated Noncredit. A district's base funding could be higher or lower than the 70% statewide target depending on FTES generation as a comparison to overall apportionment.

Base FTES – The amount of funded actual FTES from the prior year becomes the base FTES for the following year. For the tentative budget preparation, the ~~prior~~ current year P1 will be used **to begin the process and updated with P2 in April**. For the proposed adopted budget, the ~~prior~~ current year P2 will be used **to begin the process and updated with P3 (Annual) in July**. **The annual reporting is also used to close out the fiscal year end for carryover budgets in August. At the annual certification at the end of February, an adjustment to actual will be made.**

Basic Allocation – Funding based on the number of colleges and comprehensive educational centers in the community college district. Rates for the size of colleges and comprehensive educational centers were

established as part of SB 361 and henceforth are adjusted annually by COLA. The district receives a basic allocation for CEC, OEC, SAC, and SCC. Current year FTES is used to determine the basic allocation.

Budget Center – The three Budget Centers of the district are Santa Ana College, Santiago Canyon College, and District Services and Operations.

Budget Stabilization Fund – The portion of the district’s ending fund balance, in excess of the Board Policy Contingency minimum amount of two months of combined general fund operating expenditures, budget center carryovers and any restricted balances, available for one-time needs at the discretion of the chancellor and Board of Trustees. This fund will be capped at \$3 million each July 1 unless the Chancellor determines a need for a higher balance. This need will be explained in writing to FRC.

Cap – An enrollment limit beyond which districts do not receive funds for additional students.

Capital Outlay – Capital outlay expenditures are those that result in the acquisition of, or addition to, fixed assets. They are expenditures for land or existing buildings, improvement of sites, construction of buildings, additions to buildings, remodeling of buildings, or initial or additional equipment. Construction-related salaries and expenses are included.

Categorical Funds – Money from the State or federal government granted to qualifying districts for special programs, such as Student Equity and Achievement or Career Education. Expenditure of categorical funds is restricted to the fund's particular purpose. The funds are granted to districts in addition to their general apportionment.

Career Development and College Preparation (CDCP) - Noncredit courses offered in the four distinct categories (instructional domains) of English as a Second Language (ESL), Elementary and Secondary Basic Skills, Short-term Vocational, and Workforce Preparation are eligible for "enhanced funding" when sequenced to lead to a Chancellor's Office approved certificate of completion, or certificate of competency, in accordance with the provisions of the California Education Code governing Career Development and College Preparation (CDCP) programs.

CCCCO – California Community College Chancellor’s Office

Comprehensive Educational Center – An off-campus site administered by a parent college that offers programs leading to certificates or degrees that are conferred by the parent institution. The district comprehensive centers are Centennial Education Center (CEC) and Orange Education Center (OEC).

COLA – Cost of Living Adjustment allocated from the State calculated by a change in the Consumer Price Index (CPI).

College Reserve – College-specific one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes.

Credit FTES – Credit FTES include traditional credit, special admit and incarcerated populations. Traditional credit FTES are funded based on a simple three-year rolling average of the current year and prior two years. Special admit and incarcerated FTES are funded based on the current year production.

Decline – When a District (or college internally) earns fewer FTES than the previous year. (please see Stabilization and Restoration)

Defund – Eliminating the cost of a position from the budget.

Ending Fund Balance – Defined in any fiscal year as Beginning Fund Balance plus total revenues minus total expenditures. The Ending Fund Balance rolls over into the next fiscal year and becomes the Beginning Fund Balance. It is comprised of College Reserves, Institutional Reserves and any other specific carryovers as defined in the model or otherwise designated by the Board.

Fifty Percent Law (50% Law) – Section 84362 of the Education Code, commonly known as the 50% Law, requires each community college district to spend at least half of its “current expense of education” each fiscal year on the “salaries of classroom instructors.” Salaries include benefits and salaries of instructional aides.

Fiscal Year – Twelve calendar months; in California, it is the period beginning July 1 and ending June 30. Some special projects use a fiscal year beginning October 1 and ending September 30, which is consistent with the federal government’s fiscal year.

FON – Faculty Obligation Number. The minimum number of full-time faculty the district is required to employ as set forth in title 5, section 53308.

FRC – Fiscal Resources Committee.

FTES – Full-Time Equivalent Students. The number of students in attendance as determined by actual count for each class hour of attendance or by prescribed census periods. Every 525 hours of actual attendance counts as one FTES. The number 525 is derived from the fact that 175 days of instruction are required each year, and students attending classes three hours per day for 175 days will be in attendance for 525 hours (3 x 175 = 525). FTES are separated into the following categories for funding; traditional credit, special admit, incarcerated, traditional noncredit and CDCP.

Fund 11 – The unrestricted general fund used to account for ongoing revenue and expenditures.

Fund 12 – The restricted general fund used to account for categorical and special projects.

Fund 13 – The unrestricted general fund used to account for unrestricted carryovers and one-time revenues and expenses.

Growth – Funds provided in the State budget to support the enrollment of additional FTES.

In-Kind Contributions – Project-specific contributions of a service or a product provided by the organization or a third-party where the cost cannot be tracked back to a cash transaction which, if allowable by a particular grant, can be used to meet matching requirements if properly documented. In-kind expenses generally involve donated labor or other expense.

Indirect Cost – Indirect costs are institutional, general management costs (i.e., activities for the direction and control of the district as a whole) which would be very difficult to be charged directly to a particular project. General management costs consist of administrative activities necessary for the general operation of the agency, such as accounting, budgeting, payroll preparation, personnel services, purchasing, and centralized data processing. An indirect cost rate is the percentage of a district’s indirect costs to its direct costs and is a standardized method of charging individual programs for their share of indirect costs.

Institutional Reserve – Overall districtwide one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. The Institutional Reserve consists of the Board Policy Contingency, the Budget Stabilization Fund, and any other contingency fund held at the institutional level over and above the College Reserves.

Mandated Costs – District expenses which occur because of federal or State laws, decisions of federal or State courts, federal or State administrative regulations, or initiative measures.

Modification – The act of changing something.

Noncredit – Noncredit coursework consists of traditional noncredit and CDCP. CDCP is eligible for enhanced funding. Current year FTES are used to determine funding.

POE – Planning and Organizational Effectiveness Committee.

Proposition 98 – Proposition 98 refers to an initiative constitutional amendment adopted by California’s voters at the November 1988 general election which created a minimum funding guarantee for K-14 education and also required that schools receive a portion of State revenues that exceed the State’s appropriations limit.

Reserves – Funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. Districts that have less than a 5% reserve are subject to a fiscal “watch” to monitor their financial condition.

Restoration – A community college district is entitled to restore any reduction of apportionment revenue related to decreases in total FTES during the three years following the initial year of decrease if there is a subsequent increase in FTES.

SB 361 – The Community College Funding Model (Senate Bill 361), effective October 1, 2006 through July 1, 2018, included funding-based allocations depending on the number of FTES served, credit FTES funded at an equalized rate, noncredit FTES funded at an equalized rate, and enhanced noncredit FTES funded at an equalized rate. The intent of the formula was to provide a more equitable allocation of system-wide resources, and to eliminate the complexities of the previous Program-Based Funding model while still retaining focus on the primary component of that model instruction. In addition, the formula provided a base operational allocation for colleges and centers scaled for size.

SCFF – The Student Centered Funding Formula was adopted on July 1, 2018 as the new model for funding California community colleges. The SCFF is made up of three parts: Base Allocation,

Supplemental Allocation, and Student Success Allocation. The aim of the SCFF is to improve student outcomes as a whole while targeting student equity and success.

Seventy-five/twenty-five (75/25) – Refers to policy enacted as part of AB 1725 that sets 75% of the hours of credit instruction as a goal for classes to be taught by full-time faculty.

Stabilization – If a district drops below the prior year total apportionment, they are stabilized at the prior year apportionment amount for that year, giving the district the following year to regain the funding or be reduced to the actual amount earned.

Student Success Allocation (Funding) – Consists of approximately 10% of the statewide budget. Apportioned to districts based on a variety of metrics that measures student success. Some examples of the metrics used include associate degrees and certificates awarded, transfers, nine or more CTE units, number of students successfully completing transfer level Math and English in their first academic year and number of students achieving a regional living wage. The student success allocation is based on a simple three-year rolling average which uses the prior year; prior, prior year; and prior, prior, prior year outcome metrics. Students contributing to fully funded FTES populations (special admit and incarcerated) are not included for funding.

Supplemental Allocation (Funding) – Consists of approximately 20% of the statewide budget. Apportioned to districts based on districts students that are Pell Grant Recipients, AB540 students and/or California Promise Grant Recipients. Prior year data is used for funding.

Target FTES – The estimated amount of agreed upon FTES the district or college anticipates the opportunity to earn growth/restoration funding during a fiscal year.

Three-year Average – Traditional credit FTES data for any given fiscal year is the average of current year, prior year and prior, prior year. Special Admit and Incarcerated FTES are not included in the three-year average. A three-year average is also utilized for student success metrics. For student success, the three-year average uses the prior year; prior, prior year; and prior, prior, prior years to determine funded outcomes.

Title 5 – The portion of the California Code of Regulations containing regulations adopted by the Board of Governors which are applicable to community college districts.

1300 accounts – Object Codes 13XX designated to account for part-time teaching and beyond contract salary cost.

7200 Transfers – Intrafund transfers made between the restricted and unrestricted general fund to close a categorical or other special project at the end of the fiscal year or term of the project. **Transfers to the unrestricted general fund is only allowable if a project is underspent by \$25 or less. Otherwise, funds need to be returned to the granting agency.**

Appendix B – History of Allocation Model

In 2008, both colleges were visited by ACCJC Accreditation Teams in the normal accreditation cycle. The Teams noticed that the district's budget allocation model that was in place for approximately ten years had not been annually reviewed as to its effectiveness as stated in the model documents. The existing revenue allocation model was developed when the district transformed into a multi-college district. The visiting Team recommended a review of the existing budget allocation model and recommended changes as necessary.

The Budget Allocation and Planning Review Committee (BAPR) charged the BAPR Workgroup, a technical subgroup of BAPR, with the task of reviewing the ten-year-old model. In the process, the Workgroup requested to evaluate other California Community College multi-campus budget allocation models. Approximately twenty models were reviewed. Ultimately, the Workgroup focused on a revenue allocation model as opposed to an expenditure allocation model. A revenue allocation model allocates revenues (state and local) generated in a budget year to the college campuses in the district based on the state funding model that allocates state apportionment revenues to districts. An expenditure allocation model allocates, by agreed upon formulas, expenditure appropriations for full-time faculty staffing, adjunct faculty staffing, classified and administrative staffing, associated health and welfare benefit costs, supply and equipment budgets, utility costs, legal and other services. The BAPR Workgroup ultimately decided on a revenue allocation formula in order to provide the greatest amount of flexibility for the campuses.

Senate Bill 361, passed in 2006, changed the formula of earned state apportionment revenues to essentially two elements, 1) Basic Allocations for college/center base funding rates based on FTES size of the college and center and 2) Full Time Equivalent Students (FTES) based on earned and funded FTES. The BAPR Workgroup determined that since this is how our primary funding comes from the state this model should be used for distribution on earned revenues to the colleges. The colleges and centers are the only entities in the district that generates this type of funding. Revenue earned and funded by the state will be earned and funded at the colleges.

In the Spring of 2019, Rancho Santiago Community College District began the process of developing a new budget allocation model (BAM) to better align with the newly adopted Student Centered Funding Formula. On November 18, 2020 the Fiscal Resource Committee (FRC) finished their work and recommended a new BAM.

The following committee members participated in the process:

Santa Ana College	Santiago Canyon College	District
Bart Hoffman	Steven Deeley	Morrie Barembaum (FARSCCD)
Vanessa Urbina	Cristina Morones	Noemi Guzman
William Nguyen	Craig Rutan – Co-Chair	Adam O’Connor – Chair
Roy Shahbazian	Arleen Satele	Thao Nguyen
		Enrique Perez
Vaniethia Hubbard (alternate)	Syed Rizvi (alternate)	Erika Almaraz (alternate)

The Budget Allocation Model (BAM) described in this document provides the guidelines, formulas, and basic steps for the development of an annual district budget including the allocation of budget expenditure responsibilities for Santa Ana College, Santiago Canyon College, and District Services and Operations referred to as the three district Budget Centers. The budget is the financial plan for the district, and application of this model should be utilized to implement the district’s vision, mission statement, district strategic plan and the technology strategic plan as well as the colleges’ mission statements, educational master plans, facilities master plans and other planning resources. The annual implementation of the budget allocation model is to be aligned with all of these plans. To ensure that budget allocation is tied to planning, it is the responsibility of District Council to review budget and planning during the fiscal year and, if necessary, recommend adjustments to the budget allocation model to keep the two aligned for the coming year. The Chancellor and the Board of Trustees are ultimately responsible for the annual budget and the expenditures associated with the budget. In February of 2013, the Board of Trustees adopted a new planning design manual. This document eliminated BAPR and created the Fiscal Resources Committee (FRC). The FRC is responsible for recommending the annual budget to the District Council for its recommendation to the Chancellor and Board of Trustees. FRC is also responsible for annual review of the model for accreditation and can recommend any modifications to the guidelines.



Rancho Santiago Community College District 2026 - 2027 District Council Meetings

District Council meetings are generally held on the first Monday of the month from 1:30 to 3:00 p.m. via Zoom. Meeting participants include Chancellor's Cabinet members, Presidents of the district governance groups, and the Chairs and Co-Chairs of the district's five participatory governance committees. The Executive Assistant to the Chancellor provides administrative support to the committee.

Fall 2026

July 20

August 24

October 5

November 2

December 7

Spring 2027

January 25

March 1

March 29

May 3

June 7

Note: Spring 2027 meeting dates subject to change after 2027 Board Meeting calendar is approved