



# 2013-2014 Tentative Budget

Board of Trustees Meeting  
June 17, 2013

*The mission of the Rancho Santiago Community College District is to provide quality educational programs and services that address the needs of our diverse students and communities*

# Overview

1. State Budget Update
2. RSCCD Tentative Budget

# State Budget Update

- State Budget Act approved by legislature last Thursday, June 13, 2013
  - On time state budget
  - Yet to be blue-penciled/signed by Governor
  - State Budget Act Trailer Bills approved on Friday June 14, 2013
- First good budget news in five years!
  - Proposition 30 passage
  - Recovering economy
- Trailer bill language is still being evaluated
  - Districts will receive more allocation detail in Blue Book at the state Chancellor's Budget Workshop in later July

# State Budget Update Community Colleges

- 1.57% - Cost of Living Allowance (COLA)
  - \$87.5 million
  - RSCCD = approximately \$2.2 million
- 1.63% - Restoration/Access/Growth
  - \$89.4 million
  - RSCCD = approximately \$2.2 million
    - Approximately 450 FTES increase
- Student Success (Matriculation) - \$50 million
  - RSCCD = approximately \$1.2 million
  - Not included in Tentative Budget
- DSPS - \$15 million
  - RSCCD = TBD, Not included in Tentative Budget
- EOPS - \$15 million
  - RSCCD = TBD, Not included in Tentative Budget
- CalWORKs - \$8 million
  - RSCCD = TBD, Not included in Tentative Budget

# State Budget Update

## Community Colleges

- Online Education Initiative - \$16.9 million
  - Statewide Chancellor’s Office initiative
- Scheduled Maintenance/Instructional Equipment
  - \$30 million – one time funds
  - RSCCD = approximately \$750,000 combined
  - Not included in Tentative Budget
- Energy Efficiency/Prop 39 - \$49 million
  - Workforce Development Grants – 15% - \$7 million
  - FTES allocation - \$42 million
  - RSCCD = approximately \$1 million
  - Allocations and regulations pending
  - Not included in Tentative Budget
- \$25M Revised Adult Ed/Apprenticeship proposal
  - To develop Adult Ed Consortia at local levels
  - RSCCD = TBD
  - Not included in Tentative Budget

# RSCCD Tentative Budget

- July 1<sup>st</sup> deadline by law for an approved operating district budget
- Tentative Budget is merely a placeholder in order to continue to pay employees and obligations after July 1<sup>st</sup>
  - More budget detail developed for Adopted Budget once “Blue Book” is issued in July
- RSCCD proposed Adopted Budget scheduled for September 9<sup>th</sup> Board of Trustees meeting

# RSCCD Tentative Budget

- Using our new institutional planning process, the Tentative Budget includes the Board approved 2013-2014 Tentative Budget Assumptions
  - Updated with additional information from P2 reporting period and May Revise
  - unanimously recommended by Fiscal Resources Committee (FRC)
- Tentative Budget continues utilizing the new SB361 Revenue Allocation Model for revenue allocations to the campuses
  - FTES split agreed to at 70.8% SAC / 29.2% SCC
  - Campuses decide expenditure appropriations
- Estimated spend down (deficit spending) of Budget Stabilization Funds - \$(2.5 million)

# Tentative Budget Restricted and Unrestricted

- Total current year revenue - \$172.8 million
- Federal Revenues = \$14.26 million – 8.3%
- State Revenues = \$101.00 million – 58.4%
  - Education Protection Account = \$21.15 million
- Local Revenues = \$57.54 million – 33.3%
  - Property taxes = \$44.77 million
  - Student fees = \$8.14 million (\$46/unit)
- Includes “placeholder” revenue for COLA and Restoration/Access/Growth of \$4.42 million
  - These funds are subject to collective bargaining and allocation between the campuses



# RSCCD Tentative Budget

- Total current year expenditures - \$174.7 million
  - Salaries and benefits - \$140.72 million
    - Approximately 82% of all district budgeted expenses
    - Includes step and column movement
    - Includes seven additional full time faculty positions
  - All vacant funded positions are budgeted
  - Does not include COLA and growth funding distribution – in account 7910 holding account
  - Includes 5% Board Policy reserve at \$7.2 million
  - Ending Budget Stabilization Fund of approximately \$26.7 million (unrestricted ending balance)

# All District Funds

General Fund	
Expenditures	\$ 174,710,184
Board Policy Contingency (5%)	7,205,617
Restricted Reserves	649,108
Budget Stabilization	26,706,413
Unrestricted Contingency	5,480,922
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Total General Fund	\$ 214,752,244
Bond Interest and Redemption Funds	29,050,290
Bookstore Fund	10,539,315
Child Development Fund	5,844,023
Capital Outlay Projects Fund	27,287,070
General Obligation Bond Funds	49,624,800
Self-Insurance Fund - Property and Liability	3,620,181
Self-Insurance Fund - Workers' Compensation	8,825,244
Retiree Benefits Fund	(7,310,763)
Associated Students Fund	391,998
Representation Fee Trust Fund	56,847
Student Financial Aid Fund	27,752,702
Community Education Fund	1,022,092
Diversified Trust Fund	1,932,718
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Total All Funds	<u>\$ 373,388,761</u>

# Tentative Budget Recommendation

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