



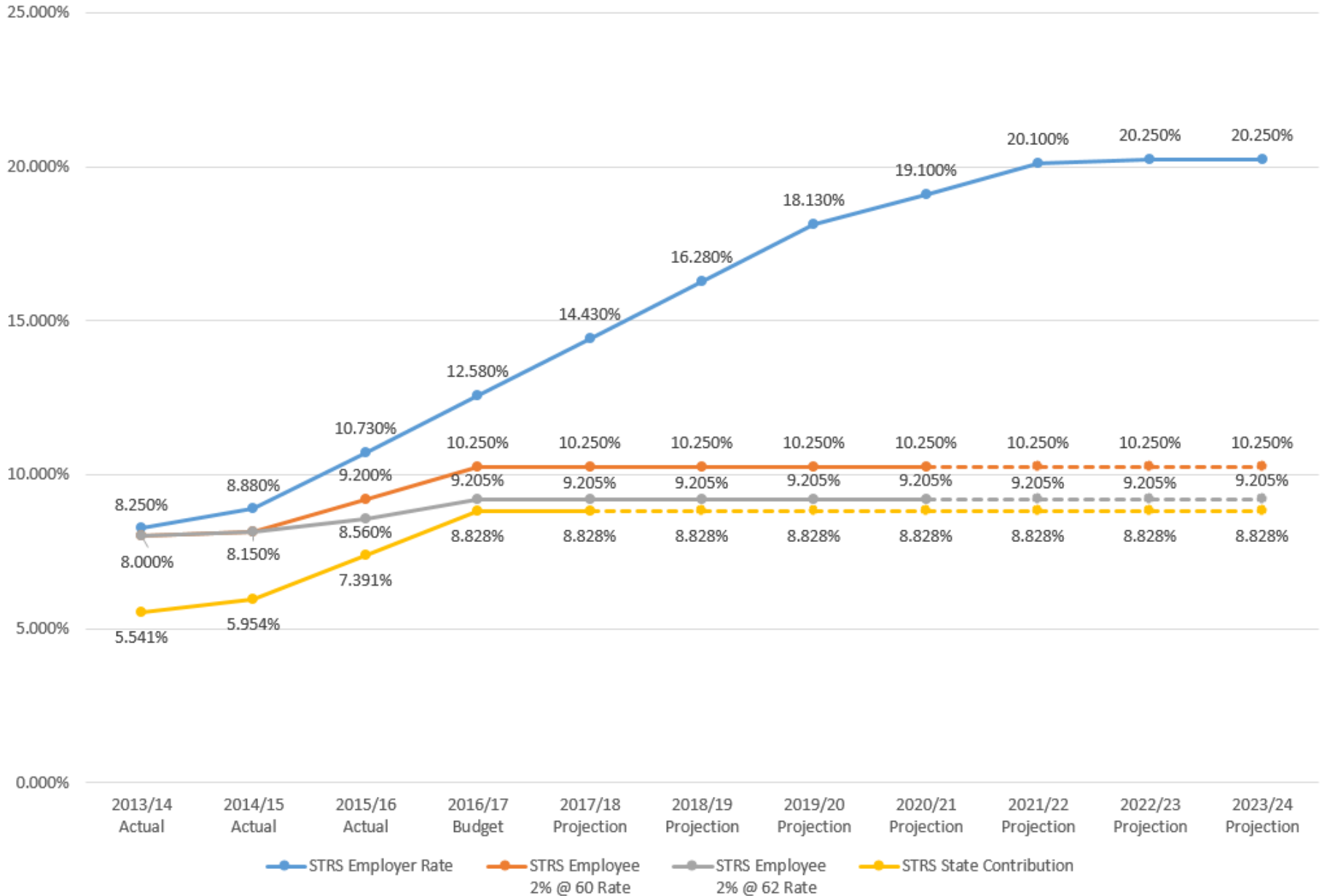
# Board of Trustees Meeting April 24, 2017 District Financial Status Discussion

*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*

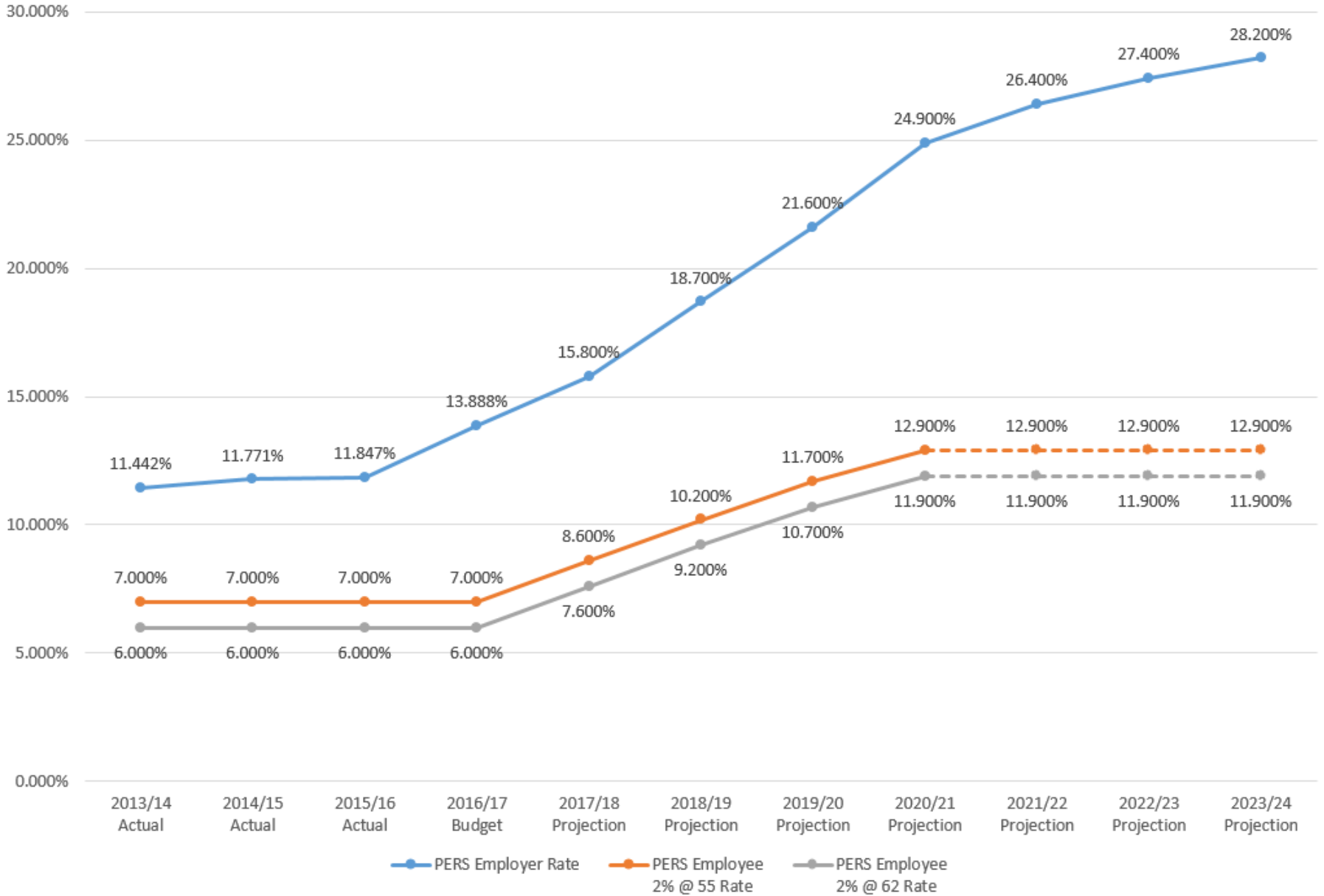
# Discussion Topics

- CalSTRS and CalPERS Increasing Costs
- Employee Benefits Increasing Costs as a Percentage of Total Expenses
- Lack of Growth Funding Due to Declining Enrollments
- Multi-year Projections of New Revenues and New Expenditures
- Discussion

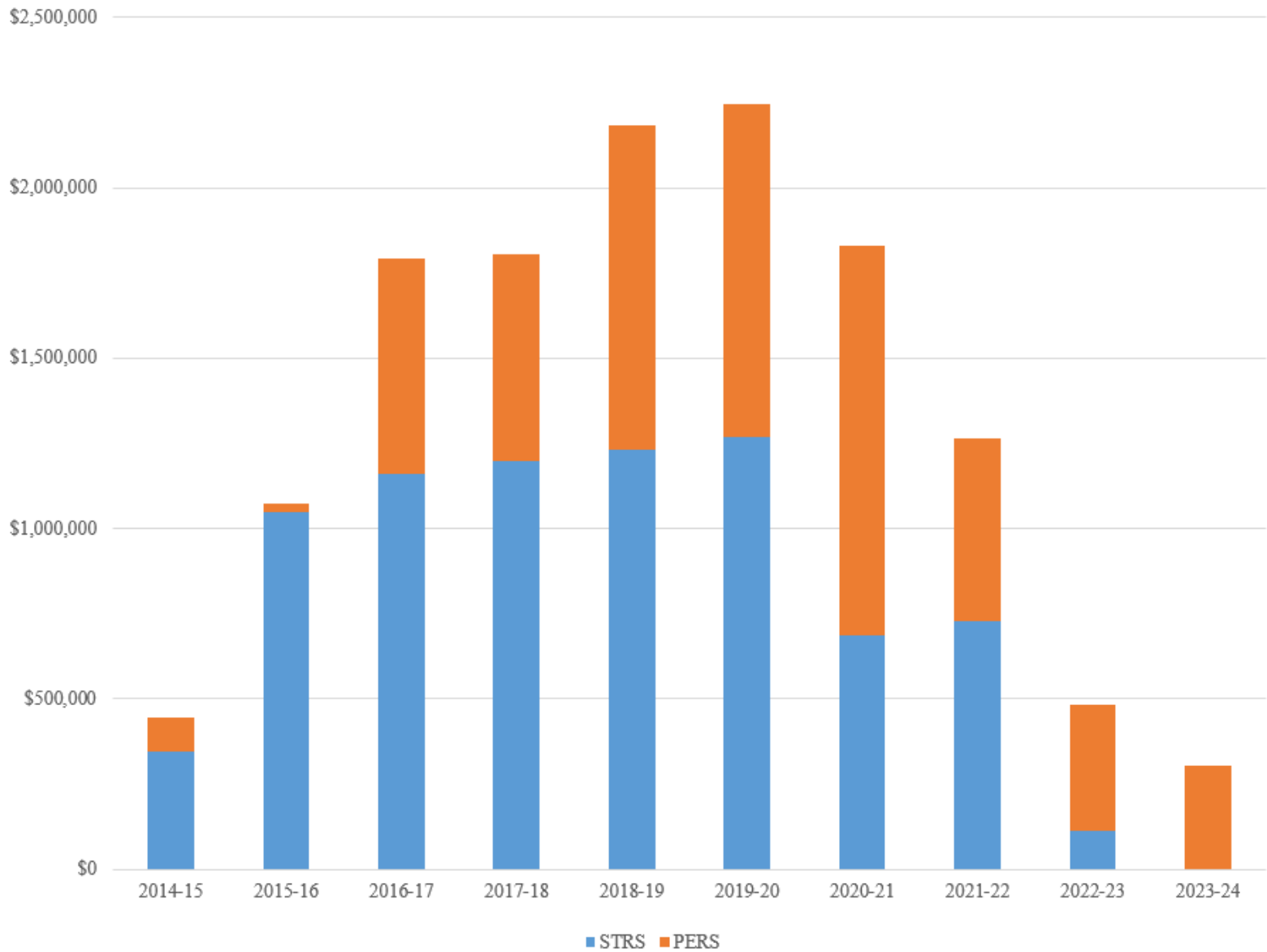
### STRS Employer/Employee/State Contribution Rate



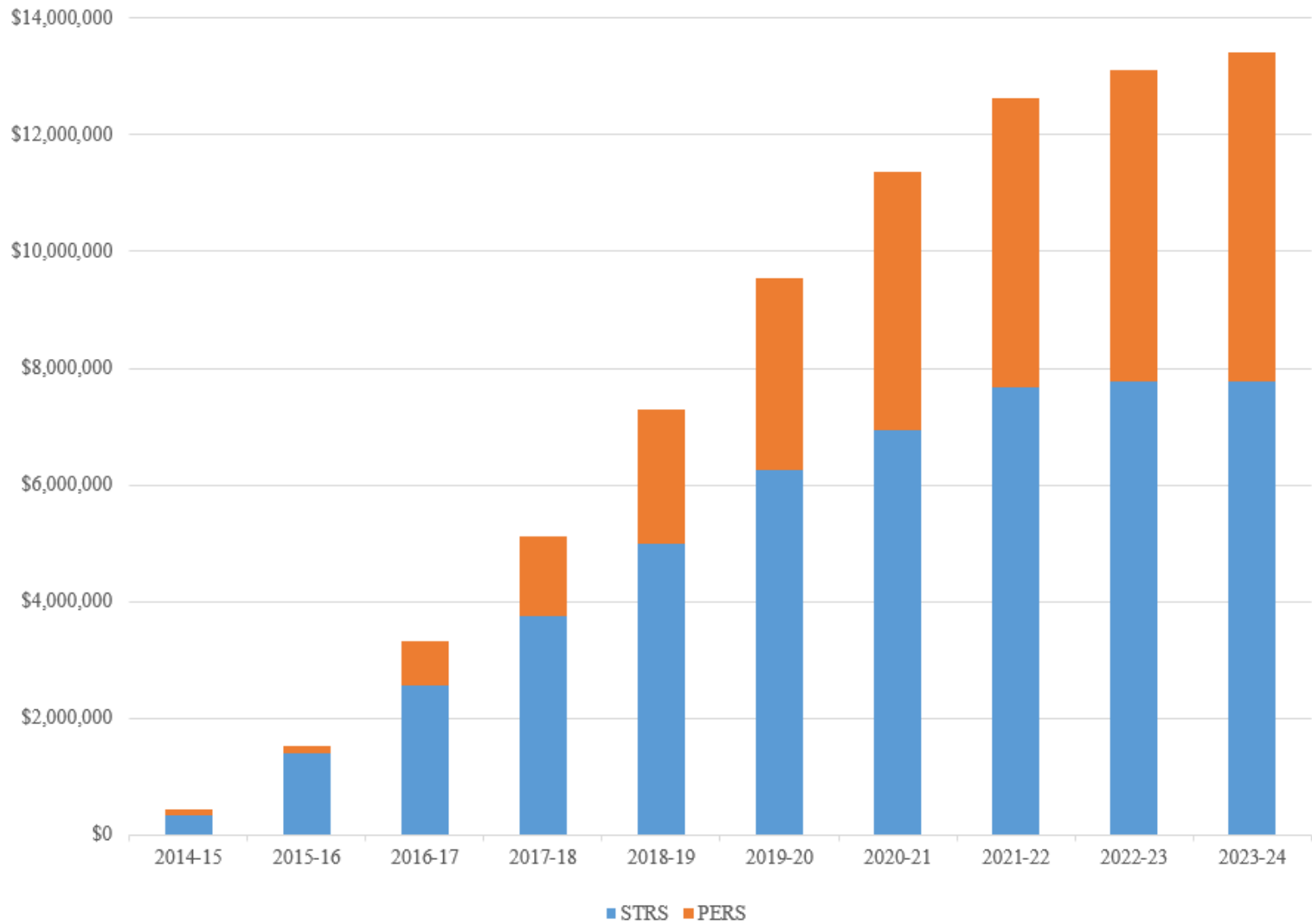
### PERS Employer/Employee Contribution Rate



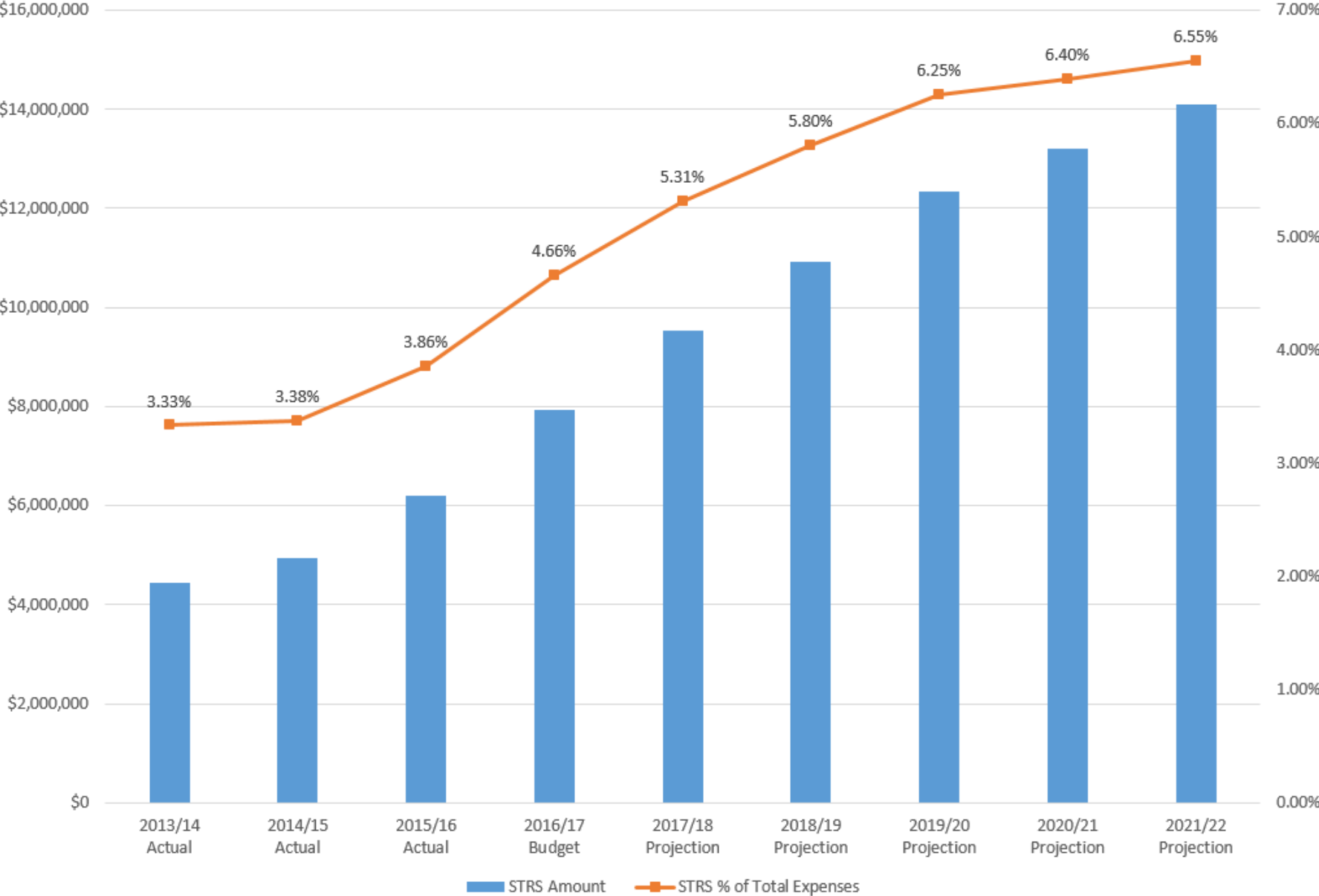
### STRS & PERS Annual Increases - Unrestricted General Fund



## STRS & PERS Cumulative Impact - Unrestricted General Fund



### STRS Amount/STRS % of Total Expenses - Unrestricted General Fund



### PERS Amount/PERS % of Total Expenses - Unrestricted General Fund





**Rancho Santiago Community College District**  
**Tentative Budget**  
**2017-18**

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

	STRS				PERS				Total Annual Impact	Combined Cumulative Impact
	Annual Change	Rate	Annual Impact <sup>1</sup>	Cumulative Impact	Annual Change	Rate	Annual Impact <sup>2</sup>	Cumulative Impact		
2013-14		8.250%				11.442%				
2014-15	0.630	8.880%	\$346,500	\$346,500	0.329	11.771%	\$98,700	\$98,700	\$445,200	\$445,200
2015-16	1.850	10.730%	\$1,048,025	\$1,394,525	0.076	11.847%	\$23,484	\$122,184	\$1,071,509	\$1,516,709
2016-17	1.850	12.580%	\$1,161,452	\$2,555,977	2.041	13.888%	\$630,063	\$752,247	\$1,791,515	\$3,308,224
2017-18	1.850	14.430%	\$1,196,296	\$3,752,273	1.912	15.800%	\$607,948	\$1,360,195	\$1,804,243	\$5,112,467
2018-19	1.850	16.280%	\$1,232,184	\$4,984,457	2.900	18.700%	\$949,759	\$2,309,954	\$2,181,943	\$7,294,411
2019-20	1.850	18.130%	\$1,269,150	\$6,253,607	2.900	21.600%	\$978,252	\$3,288,205	\$2,247,402	\$9,541,812
2020-21	0.970	19.100%	\$685,410	\$6,939,017	3.300	24.900%	\$1,146,579	\$4,434,784	\$1,831,988	\$11,373,800
2021-22	1.000	20.100% *	\$727,806	\$7,666,823	1.500	26.400%	\$536,807	\$4,971,591	\$1,264,613	\$12,638,414
2022-23	0.150	20.250% *	\$112,446	\$7,779,269	1.000	27.400%	\$368,608	\$5,340,199	\$481,054	\$13,119,467
2023-24	0.000	20.250% *	\$0	\$7,779,269	0.800	28.200%	\$303,733	\$5,643,931	\$303,733	\$13,423,200

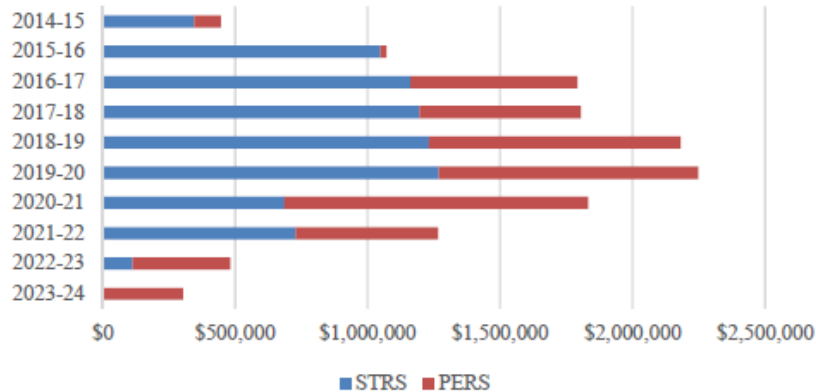
<sup>1</sup> Each 1% increase in STRS rate is approximately \$700,000

<sup>2</sup> Each 1% increase in PERS rate is approximately \$350,000

Employee Contribution % for STRS = 10.25%/9.205%

Employee Contribution % for PERS = 8.60%/7.60%

STRS & PERS Annual Increases

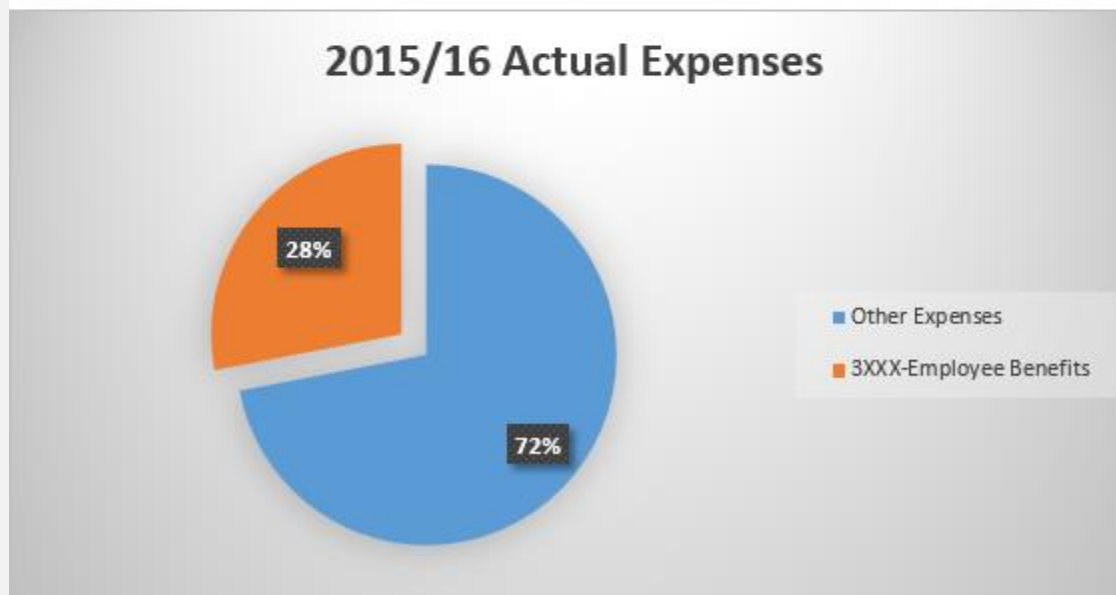
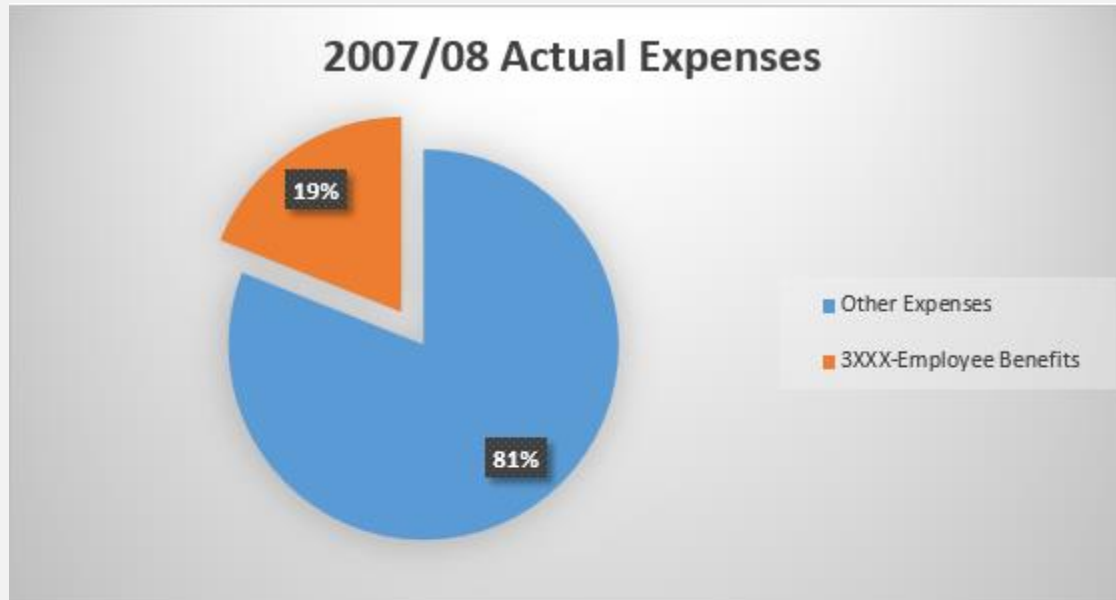


STRS & PERS Cumulative Impact



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

# Comparison of Benefit Cost to Total Expenses



**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT  
2015-16 RECALC FTES COMPARISON TO 2016-17 P2 ACTUAL**

**(P2) FINAL**

As of April 7, 2017

	2015-2016			2016-2017			2016-2017		
	(RECALC) Reporting			(P2) Actuals as of April 7, 2017			Better (Worse) 15/16 RECALC vs. Actuals as of April 7, 2017		
	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC
<b>SUMMER 2016 On or After 7/1/2016</b>									
NC	56.05	32.50	23.55	46.46	18.57	27.89	(9.59)	(13.93)	4.34
CDCP	545.93	422.18	123.75	411.66	308.58	105.08	(134.27)	(115.60)	(18.67)
CR	1,716.50	1,220.82	495.68	1,685.26	1,222.14	463.12	(31.24)	1.32	(32.56)
<b>SUMMER TOTALS</b>	<b>2,318.48</b>	<b>1,675.50</b>	<b>642.98</b>	<b>2,143.38</b>	<b>1,547.29</b>	<b>596.09</b>	<b>(175.10)</b>	<b>(128.21)</b>	<b>(46.89)</b>
<b>FALL 2016</b>									
NC	271.35	202.06	69.29	297.95	184.92	113.03	26.60	(17.14)	43.74
CDCP	2,010.82	1,513.73	497.09	1,838.89	1,388.20	470.69	(171.93)	(145.53)	(26.40)
CR									
IS, DSCH	289.39	156.99	132.40	323.39	187.03	136.36	34.00	30.04	3.96
IS, WSCH	486.32	305.88	180.44	524.10	348.00	176.10	37.78	42.12	(4.34)
DSCH	459.97	301.50	158.47	382.59	250.92	131.67	(77.38)	(50.58)	(26.80)
Positive	1,572.32	1,513.65	58.67	1,128.53	1,062.18	66.35	(443.79)	(451.47)	7.68
WSCH	7,278.08	4,691.78	2,586.30	7,228.60	4,708.02	2,520.58	(51.48)	14.24	(65.72)
<b>TOTAL CR</b>	<b>10,086.08</b>	<b>6,969.80</b>	<b>3,116.28</b>	<b>9,585.21</b>	<b>6,554.15</b>	<b>3,031.06</b>	<b>(500.87)</b>	<b>(415.65)</b>	<b>(85.22)</b>
<b>FALL TOTALS</b>	<b>12,368.25</b>	<b>8,685.59</b>	<b>3,682.66</b>	<b>11,722.05</b>	<b>8,107.27</b>	<b>3,614.78</b>	<b>(646.20)</b>	<b>(578.32)</b>	<b>(67.88)</b>
<b>SPRING 2017</b>									
NC	358.79	233.28	125.51	415.14	240.53	174.61	56.35	7.25	49.10
CDCP	3,154.95	2,178.04	976.91	2,680.11	1,753.82	926.29	(474.84)	(424.22)	(50.62)
CR									
Jan. intersession	793.53	556.22	237.31	834.00	583.85	250.35	40.47	27.43	13.04
IS, DSCH	315.91	191.47	124.44	408.97	222.42	186.55	93.06	30.95	62.11
IS, WSCH	459.68	311.98	147.70	543.66	386.45	177.21	83.98	54.47	29.51
DSCH	405.97	309.85	96.12	363.16	287.44	75.72	(42.81)	(22.41)	(20.40)
Positive	1,641.91	1,579.67	62.24	1,677.82	1,571.01	106.81	35.91	(8.66)	44.57
WSCH	6,796.56	4,331.81	2,464.75	6,649.12	4,324.88	2,324.24	(147.44)	(6.93)	(140.51)
<b>TOTAL CR</b>	<b>10,413.56</b>	<b>7,281.00</b>	<b>3,132.56</b>	<b>10,476.73</b>	<b>7,355.85</b>	<b>3,120.88</b>	<b>63.17</b>	<b>74.85</b>	<b>(11.68)</b>
<b>SPRING TOTALS</b>	<b>13,927.30</b>	<b>9,692.32</b>	<b>4,234.98</b>	<b>13,571.98</b>	<b>9,350.20</b>	<b>4,221.78</b>	<b>(355.32)</b>	<b>(342.12)</b>	<b>(13.20)</b>
<b>SUMMER 2017 On or Before 6/30/2017</b>									
NC	15.95	15.95	0.00	18.00	18.00	0.00	2.05	2.05	0.00
CDCP	213.71	213.71	0.00	250.00	250.00	0.00	36.29	36.29	0.00
CR	54.46	43.77	10.69	49.00	42.00	7.00	(5.46)	(1.77)	(3.69)
Borrowed	3.48	3.48	0.00	0.00	0.00	0.00	(3.48)	(3.48)	0.00
<b>SUMMER TOTALS</b>	<b>287.60</b>	<b>276.91</b>	<b>10.69</b>	<b>317.00</b>	<b>310.00</b>	<b>7.00</b>	<b>29.40</b>	<b>33.09</b>	<b>(3.69)</b>
<b>COMBINED</b>									
NC	702.14	483.79	218.35	777.55	462.02	315.53	75.41	(21.77)	97.18
CDCP	5,925.41	4,327.66	1,597.75	5,180.66	3,678.60	1,502.06	(744.75)	(649.06)	(95.69)
CREDIT	22,274.08	15,518.87	6,755.21	21,796.20	15,174.14	6,622.06	(477.88)	(344.73)	(133.15)
<b>TOTAL</b>	<b>28,901.63</b>	<b>20,330.32</b>	<b>8,571.31</b>	<b>27,754.41</b>	<b>19,314.76</b>	<b>8,439.65</b>	<b>(1,147.22)</b>	<b>(1,015.56)</b>	<b>(131.66)</b>
Non-Credit		68.90%	31.10%		59.42%	40.58%			
CDCP		73.04%	26.96%		71.01%	28.99%			
Credit		69.67%	30.33%		69.62%	30.38%			
Total		70.34%	29.66%		69.59%	30.41%			

NOTE:

Actuals  
Est. actuals  
Updated projections

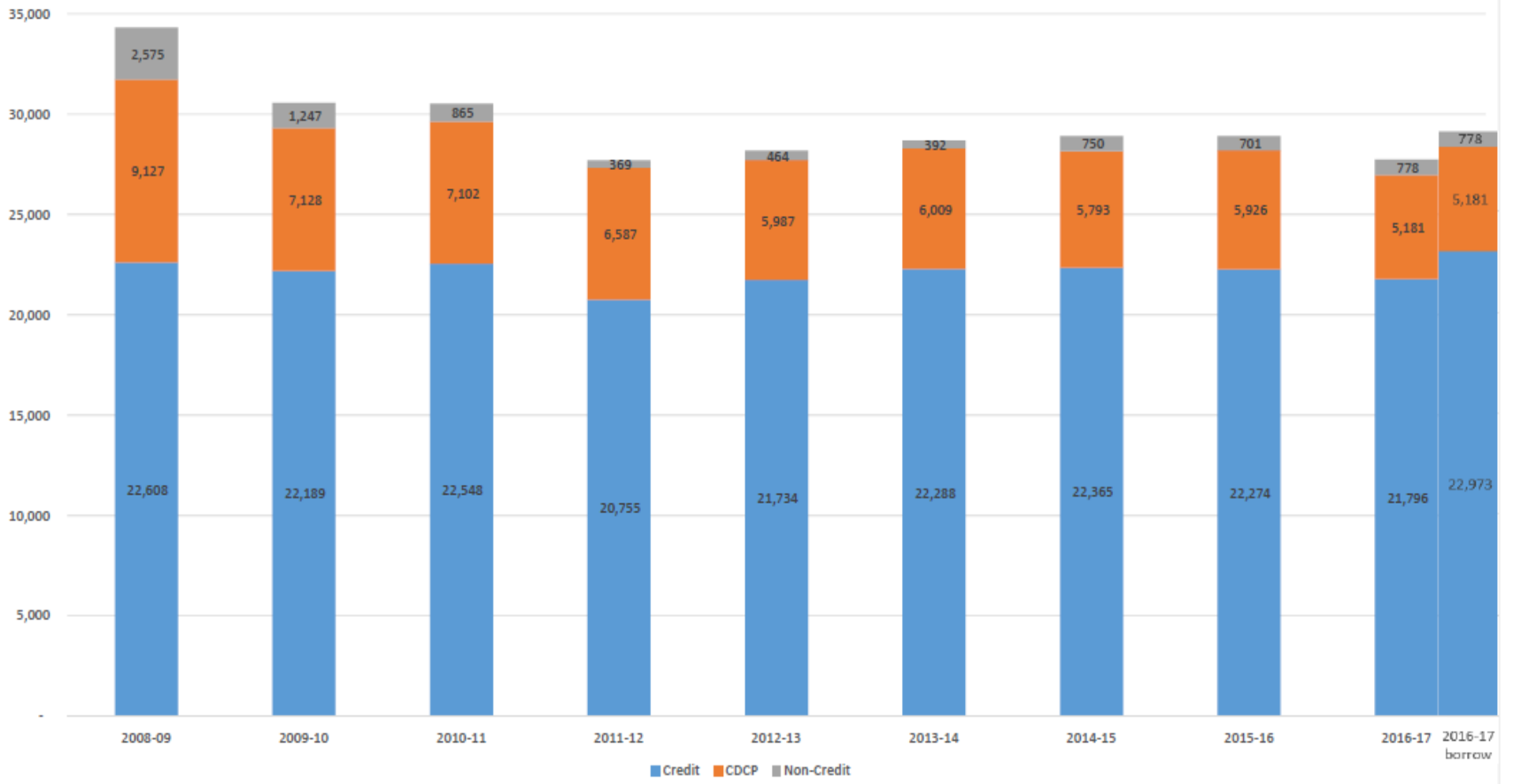
Growth Total District	<b>-3.97%</b>
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Growth Total by Campus	<b>-5.00%</b>	<b>-1.54%</b>
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## TOTAL FTES History

Recap of Full-Time Equivalent Students

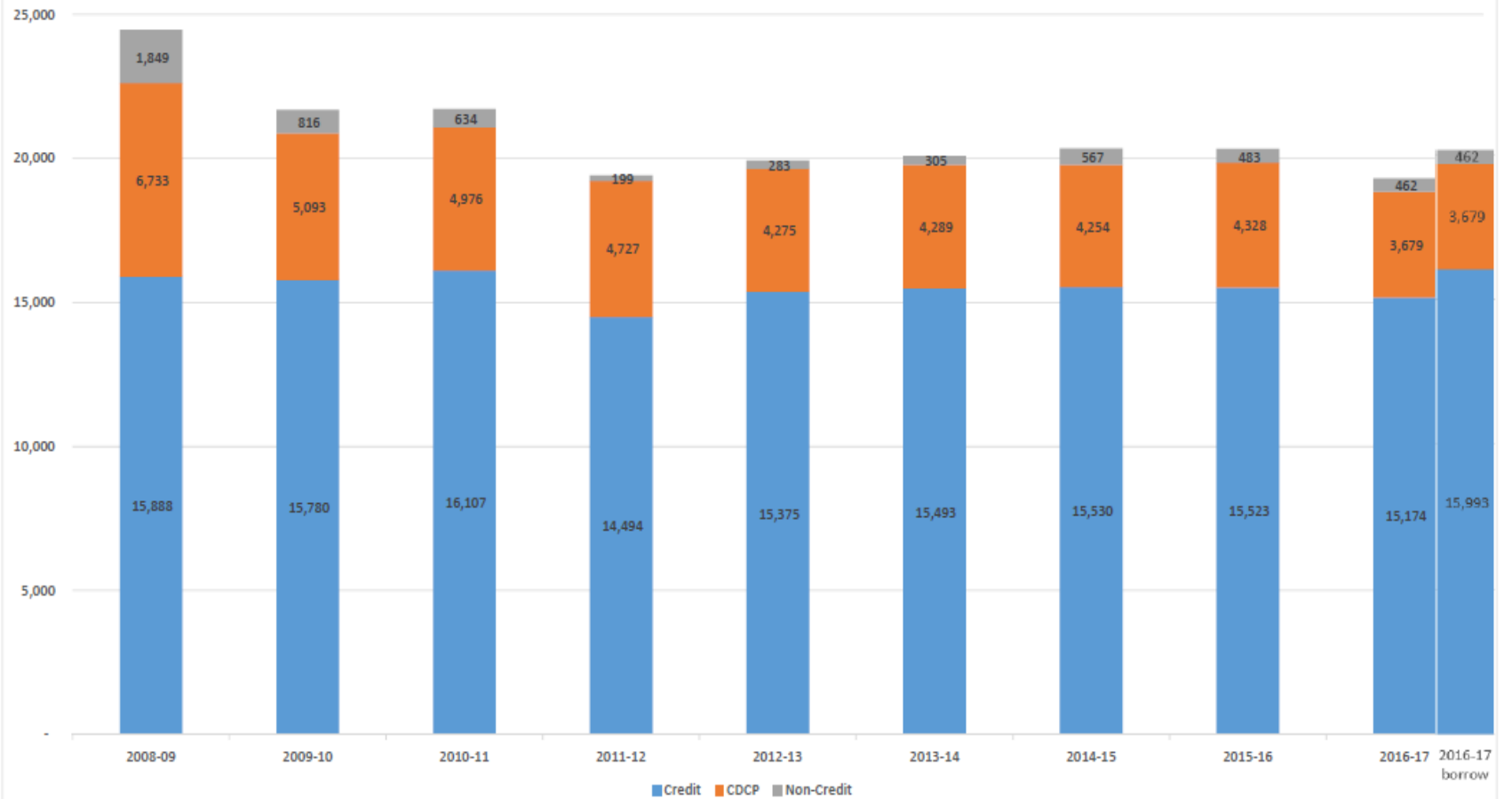
	2008-09 Actual	2009-10 Actual	change FTEs	% Δ FTEs	2010-11 Actual	change FTEs	% Δ FTEs	2011-12 Actual	change FTEs	% Δ FTEs	2012-13 Actual	change FTEs	% Δ FTEs	2013-14 Actual	change FTEs	% Δ FTEs	2014-15 Actual	change FTEs	% Δ FTEs	2015-16 Actual	change FTEs	% Δ FTEs	2016-17 @ P2	change FTEs	% Δ FTEs	2016-17 Borrow	change FTEs	% Δ FTEs
<b>TOTAL</b>	22,608	22,189	(419)	-1.85%	22,548	359	1.62%	20,755	(1,793)	-7.95%	21,734	979	4.72%	22,288	554	2.55%	22,365	77	0.35%	22,274	(91)	-0.41%	21,796	(569)	-2.15%	22,973	699	3.14%
Credit	9,127	7,128	(1,999)	-21.90%	7,102	(26)	-0.36%	6,587	(515)	-7.25%	5,987	(600)	-9.11%	6,009	22	0.37%	5,793	(216)	-3.59%	5,926	133	2.30%	5,181	(612)	-12.57%	5,181	(745)	-12.57%
Non-Credit	2,575	1,247	(1,328)	-51.57%	865	(382)	-30.63%	369	(496)	-57.34%	464	95	25.75%	392	(72)	-15.52%	750	358	91.33%	701	(49)	-6.53%	778	28	10.98%	778	77	10.98%
<b>Total</b>	<b>34,310</b>	<b>30,564</b>	<b>(3,746)</b>	<b>-10.92%</b>	<b>30,515</b>	<b>(49)</b>	<b>-0.16%</b>	<b>27,711</b>	<b>(2,804)</b>	<b>-9.19%</b>	<b>28,185</b>	<b>474</b>	<b>1.71%</b>	<b>28,689</b>	<b>504</b>	<b>1.79%</b>	<b>28,908</b>	<b>219</b>	<b>0.76%</b>	<b>28,901</b>	<b>(7)</b>	<b>-0.02%</b>	<b>27,755</b>	<b>(1,153)</b>	<b>-3.97%</b>	<b>28,932</b>	<b>31</b>	<b>0.11%</b>



### SAC FTES History

Recap of Full-Time Equivalent Students

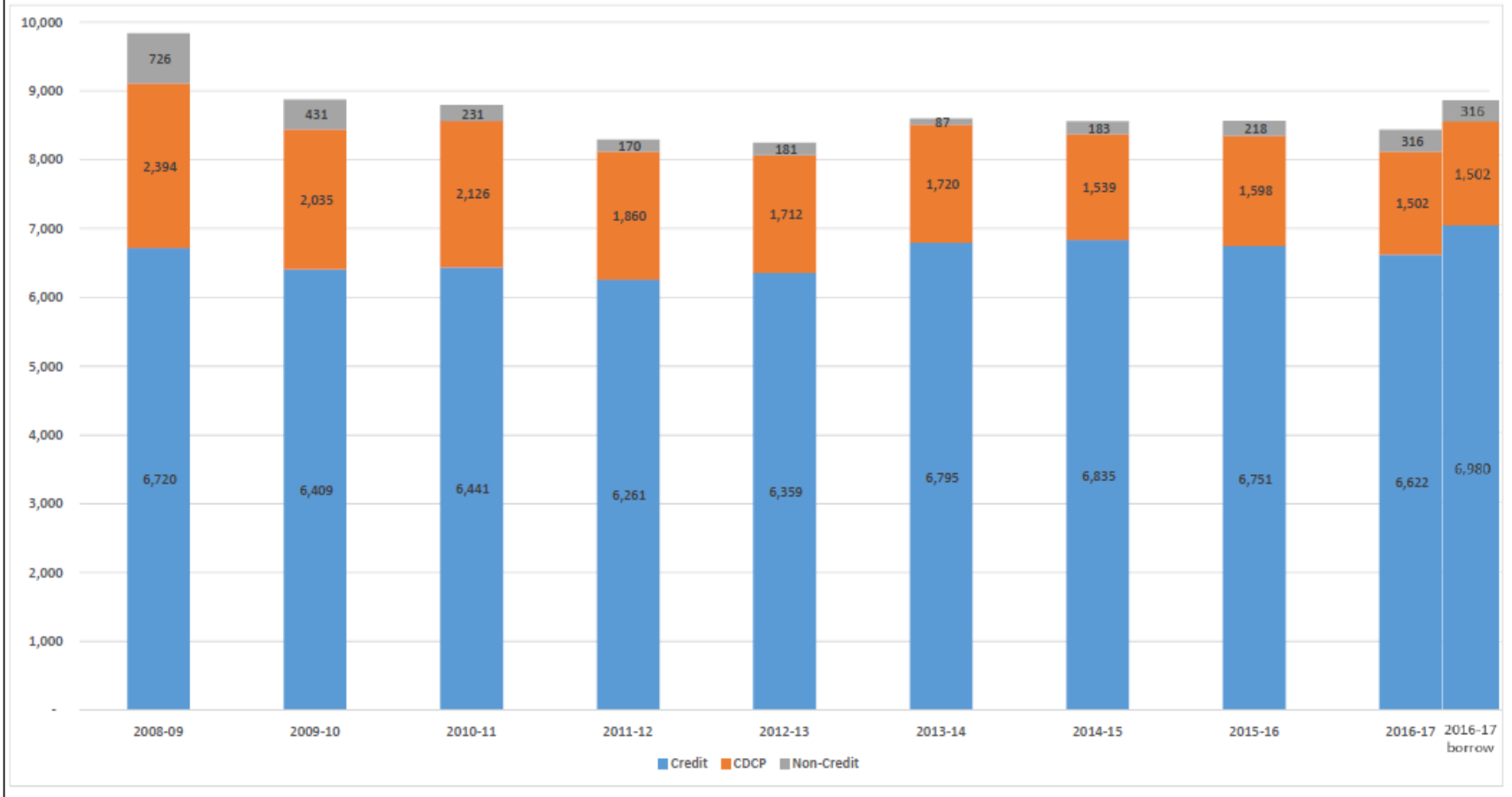
SAC	2008-09	2009-10	change	% Δ	2010-11	change	% Δ	2011-12	change	% Δ	2012-13	change	% Δ	2013-14	change	% Δ	2014-15	change	% Δ	2015-16	change	% Δ	2016-17	change	% Δ	2016-17	change	% Δ
	Actual	Actual	FTES	FTES	Actual	FTES	FTES	Actual	FTES	FTES	Actual	FTES	FTES	Actual	FTES	FTES	Actual	FTES	FTES	Actual	FTES	FTES	@ P2	FTES	FTES	borrow	FTES	FTES
Credit	15,888	15,780	(108)	-0.68%	16,107	327	2.07%	14,494	(1,613)	-10.01%	15,375	881	6.08%	15,493	118	0.77%	15,530	37	0.24%	15,523	(7)	-0.05%	15,174	(349)	-2.25%	15,993	470	3.03%
CDCP	6,733	5,093	(1,640)	-24.36%	4,976	(117)	-2.30%	4,727	(249)	-5.00%	4,275	(452)	-9.56%	4,289	14	0.33%	4,254	(35)	-0.82%	4,328	74	1.74%	3,679	(649)	-15.00%	3,679	(649)	-15.00%
Non-Credit	1,849	816	(1,033)	-55.87%	634	(182)	-22.30%	199	(435)	-68.61%	283	84	42.21%	305	22	7.77%	567	262	85.90%	483	(84)	-14.81%	462	(21)	-4.35%	462	(21)	-4.35%
<b>Total</b>	<b>24,470</b>	<b>21,689</b>	<b>(2,781)</b>	<b>-11.36%</b>	<b>21,717</b>	<b>28</b>	<b>0.13%</b>	<b>19,420</b>	<b>(2,297)</b>	<b>-10.58%</b>	<b>19,933</b>	<b>513</b>	<b>2.64%</b>	<b>20,087</b>	<b>154</b>	<b>0.77%</b>	<b>20,351</b>	<b>264</b>	<b>1.31%</b>	<b>20,334</b>	<b>(17)</b>	<b>-0.08%</b>	<b>19,315</b>	<b>(1,019)</b>	<b>-5.01%</b>	<b>20,134</b>	<b>(200)</b>	<b>-0.98%</b>



### SCC FTES History

Recap of Full-Time Equivalent Students

	2008-09 Actual	2009-10 Actual	change FTES	% Δ FTES	2010-11 Actual	change FTES	% Δ FTES	2011-12 Actual	change FTES	% Δ FTES	2012-13 Actual	change FTES	% Δ FTES	2013-14 Actual	change FTES	% Δ FTES	2014-15 Actual	change FTES	% Δ FTES	2015-16 Actual	change FTES	% Δ FTES	2016-17 @ P2	change FTES	% Δ FTES	2016-17 borrow	change FTES	% Δ FTES
SCC																												
Credit	6,720	6,409	(311)	-4.63%	6,441	32	0.50%	6,261	(180)	-2.79%	6,359	98	1.57%	6,795	436	6.86%	6,835	40	0.59%	6,751	(84)	-1.23%	6,622	(129)	-1.91%	6,980	229	3.39%
CDCP	2,394	2,035	(359)	-15.00%	2,126	91	4.47%	1,860	(266)	-12.51%	1,712	(148)	-7.96%	1,720	8	0.47%	1,539	(181)	-10.52%	1,598	59	3.83%	1,502	(96)	-6.01%	1,502	(96)	-6.01%
Non-Credit	726	431	(295)	-40.63%	231	(200)	-46.40%	170	(61)	-26.41%	181	11	6.47%	87	(94)	-51.93%	183	96	110.34%	218	35	19.13%	316	98	44.95%	316	98	44.95%
Total	9,840	8,875	(965)	-9.81%	8,798	(77)	-0.87%	8,291	(507)	-5.76%	8,252	(39)	-0.47%	8,602	350	4.24%	8,557	(45)	-0.52%	8,567	10	0.12%	8,440	(127)	-1.48%	8,798	231	2.70%



**Rancho Santiago Community College District  
Unrestricted General Fund 5 Year Multi-Year Projection  
Base Version-Negative Growth at (P2) -3.97% & 3.5% H&W**

Tentative Budget Assumptions : March 6, 2017

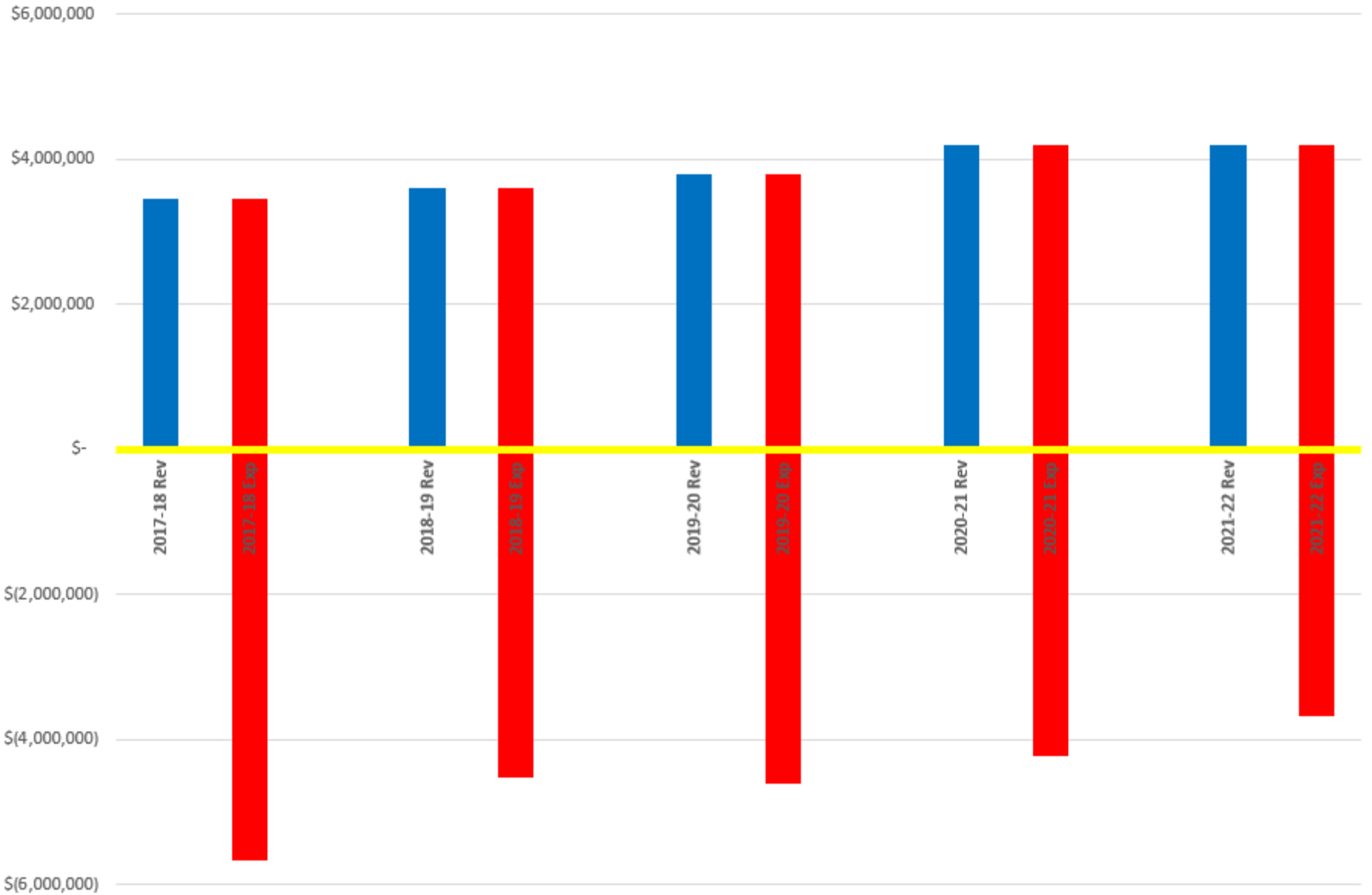
	A	B	C	D	E	F	G	H
			2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
			Estimated	Proposed	Projected	Projected	Projected	Projected
			Actuals	Budget	Budget	Budget	Budget	Budget
1								
2								
3								
4								
5								
6		<b>Assumptions:</b>						
7		<b>Revenue:</b>						
8		General Apportionment Deficit Factor	-0.708%	-0.708%	-1.000%	-1.000%	-1.000%	-1.000%
9		Growth/Access	-3.970%	0.00%	0.000%	0.000%	0.000%	0.000%
10		Stabilization	\$5,893,110	\$0	\$0	\$0	\$0	\$0
11		Borrowing	\$0	\$0	\$0	\$0	\$0	\$0
12		Permanent Loss	\$0	(\$5,893,110)	\$0	\$0	\$0	\$0
13		Cost of Living Adjustment	0.00%	1.480%	2.40%	2.53%	2.66%	2.66%
14		One time Funds Prior Year Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
15		Lottery Revenue-Unrestricted	\$140.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00
16		Prop 30 Education Protection Account (EPA) funding Sales tax expire 12/2016 & Personal Income tax extended with Prop 55 through 12/2030	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17		Base Allocation and CDCP Rate Increase	\$1,904,074	\$590,000	\$0.00	\$0.00	\$0.00	\$0.00
18		<b>Expenditure:</b>						
19		Step/Column/Salary Net Adjustment	1.200%	2.680%	3.600%	3.730%	3.860%	3.860%
21		Allocation of Full time Faculty	\$0	\$0	\$0	\$0	\$0	\$0
22		STRS Rate	12.580%	14.430%	16.280%	18.130%	19.100%	20.100%
23		PERS Rate	13.888%	15.800%	18.700%	21.600%	24.900%	26.400%
24		Health and Welfare Premium Percent Increase (District Cost)	2.500%	3.50%	3.500%	3.500%	3.500%	3.500%
28		Utilities Cost Increase	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
30		ITS Licensing/Contract Escalation Cost	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
34								
35								
36		<b>Multi-Year Projection:</b>						
37		Beginning Budget Stabilization Balance	\$13,690,485	\$13,690,485	\$8,359,151	(\$3,101,174)	(\$20,908,503)	(\$48,046,455)
38		Total Revenue	170,814,255	174,259,661	176,467,854	178,914,879	178,145,253	180,828,040
39		Total Expenditure	170,814,255	179,590,995	187,928,179	196,722,208	205,283,204	213,613,835
40		Unallocated #7910 Unrestricted Contingency	0	0	0	0	0	0
41		Surplus/ (Deficit)	0	(5,331,334)	(11,460,325)	(17,807,329)	(27,137,952)	(32,785,796)
42		Ending Budget Stabilization Balance	\$13,690,485	\$8,359,151	(\$3,101,174)	(\$20,908,503)	(\$48,046,455)	(\$80,832,250)
43		Percentage	8.0%	4.7%	-1.7%	-10.6%	-23.4%	-37.8%

## Unrestricted General Fund Summary of Projected Revenues and Expenditures

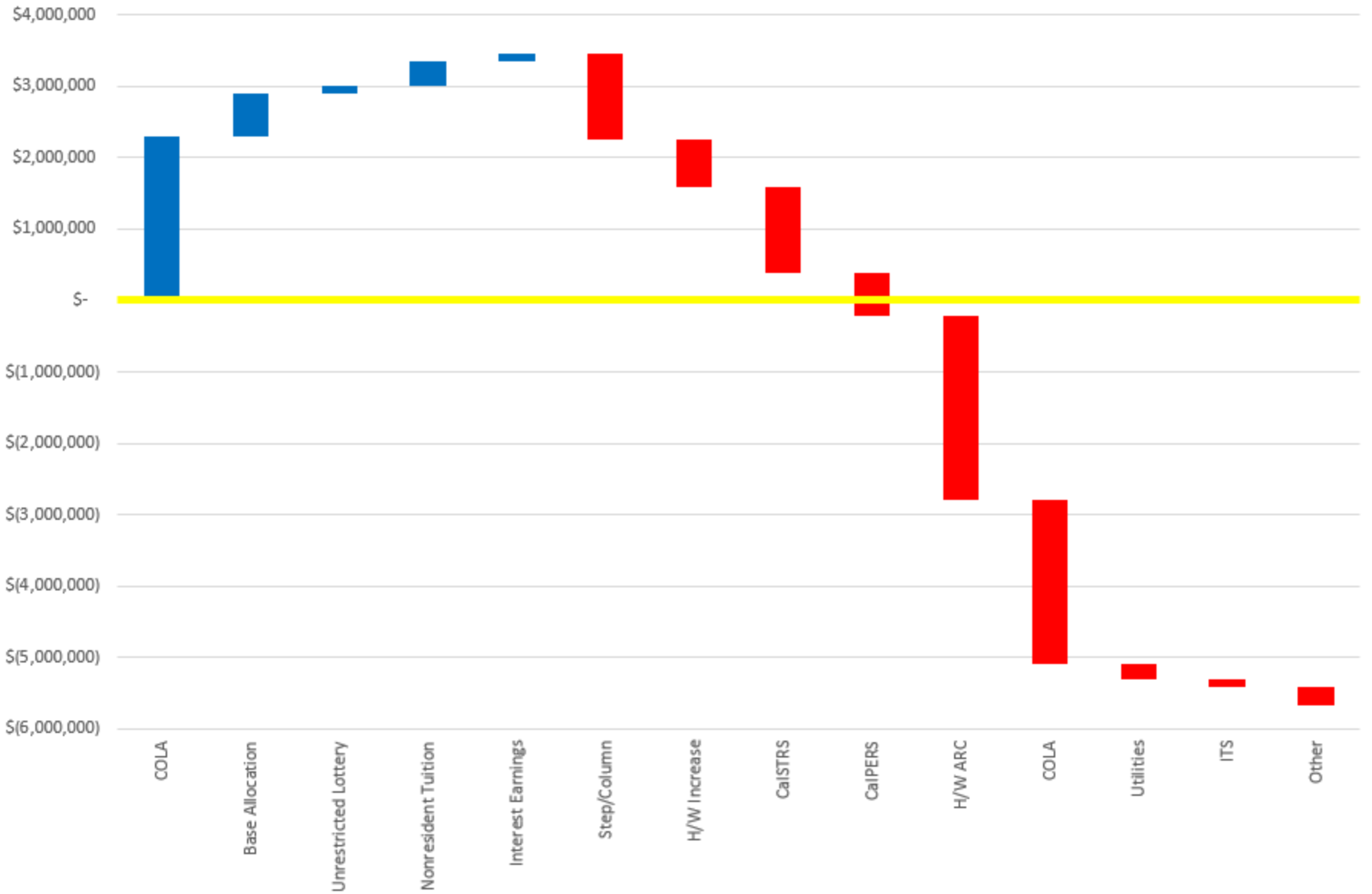
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
<b>NEW ONGOING REVENUES</b>					
COLA	\$ 2,300,000	\$ 3,600,000	\$ 3,800,000	\$ 4,200,000	\$ 4,200,000
Growth		?	?	?	?
Base Allocation	590,000	?	?	?	?
Unrestricted Lottery	126,529				
Non-Resident Tuition	325,000				
Interest Earnings	115,000				
<b>NEW ONGOING REVENUES</b>	<b>\$ 3,456,529</b>	<b>\$ 3,600,000</b>	<b>\$ 3,800,000</b>	<b>\$ 4,200,000</b>	<b>\$ 4,200,000</b>
<b>NEW ONGOING EXPENDITURES</b>					
COLA	\$ 2,300,000	\$ 3,600,000	\$ 3,800,000	\$ 4,200,000	\$ 4,200,000
Step/Column	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
H/W Increase	671,000	808,215	836,506	865,780	896,083
CalSTRS	1,196,296	1,232,184	1,269,150	685,410	727,806
CalPERS	607,948	949,759	978,252	1,146,579	536,807
Increased Cost to Retiree H/W-ARC	2,576,106				
Utilities Increase	200,000	200,000	200,000	200,000	200,000
ITS Escalation	125,000	125,000	125,000	125,000	125,000
Other Additional DS/IC	249,000				
<b>NEW ONGOING EXPENDITURES</b>	<b>\$ 9,125,350</b>	<b>\$ 8,115,158</b>	<b>\$ 8,408,908</b>	<b>\$ 8,422,769</b>	<b>\$ 7,885,696</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ (5,668,821)</b>	<b>\$ (4,515,158)</b>	<b>\$ (4,608,908)</b>	<b>\$ (4,222,769)</b>	<b>\$ (3,685,696)</b>



## FY 2017-18 to FY 2021-22 Estimated New Revenue and Expenses Summary Unrestricted General Fund



## FY 2017-18 Estimated New Revenue and Expenses Summary Unrestricted General Fund



# DISCUSSION