RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: Fiscal Resources Committee

Agenda for February 17, 2021

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

Zoom Meeting

1. Welcome

2. State/District Budget Update – O'Connor
   - SSC – Dartboard for 2021-22 Governor's Budget
   - SSC – Ask SSC…. With Deferral Buy Downs, Should We Stop Our TRANs?
   - SSC – Our Reflections on the 2021 Governor's Budget
   - SSC – Biden Administration Unveils $1.9 Trillion Relief Package
   - SSC – LAO Analyzes Governor's Spending Plan
   - SSC – $19 Billion in New State Spending-What That Means for You
   - SSC – 2021-22 State Budget-Emergency Financial Assistance
   - SSC – The Case for COLA Cautions

3. 2021/22 RSCCD Tentative Budget Assumptions - **Action**

4. College Projected 2020-21 Year-end Balances – Satele and Hoffman

5. FTES Update for P1

6. Continued Discussion of SCFF and Review of BAM - Cambridge West Partnership Consultants
   - Internal Hold Harmless Provision Language - **Action**

7. Standing Report from District Council - Craig Rutan

8. Informational Handouts
   - District-wide expenditure report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of February 9, 2021
   - Measure "Q" Project Cost Summary as of January 31, 2021
   - Monthly Cash Flow Summary as of January 31, 2021
   - SAC Planning and Budget Committee Agendas and Minutes
   - SCC Budget Committee Agendas and Minutes
   - Districtwide Enrollment Management Workgroup Minutes

9. Approval of FRC Minutes – January 13, 2021

10. Other

Next FRC Committee Meeting: March 17, 2021, 1:30-3:00 pm

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.

Click Here for COVID-19 Related Resources

TO VIEW THE GOVERNOR'S BUDGET WORKSHOP, CLICK HERE.

COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JANUARY 1, 2021

Dartboard for 2021–22 Governor's Budget Now Available

BY SSC TEAM

posted January 15, 2021

We are releasing the latest version of School Services of California Inc.'s (SSC's) Financial Projection Dartboard (Dartboard), which is based on Governor Gavin Newsom's State Budget proposal for 2021–22. This version of the Dartboard reflects Governor Newsom's proposals for community colleges in 2021–22, along with revised estimates for Lottery revenues and other factors to assist you with multiyear financial projections.

The Dartboard, as usual, includes estimates of the future cost-of-living adjustments (COLAs) prepared by the Department of Finance. This year, due to economic uncertainties, recommended planning COLAs in the out years are included in the Dartboard by SSC based upon estimates provided by an independent economist.

The updated SSC Dartboard, along with any of the historic dartboards, can be found here.

SSC Community College Financial Projection Dartboard
2021–22 Governor's Budget

This version of the School Services of California Inc. (SSC) Financial Projection Dartboard is based on the 2021–22 Governor's Budget proposal. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

Factor		2020–21	2021–22	2022–23	2023–24	2024–25
Statutory COLA for Student Centered Funding Formula and Latest Department of Finance Projections		2.31%	1.50%	2.98%	3.05%	N/A
SSC's Recommended Planning COLA[1]		0.00%	1.50%	1.28%	1.61%	1.90%
Growth Funding		0.00%	0.50%	TBD	TBD	TBD
State Categorical Programs	Planning COLA[2]	0.00%	1.50%	1.28%	1.61%	1.90%
	Funding	$136 million	$483.1 million[3]	Ongoing unless otherwise stated	Ongoing unless otherwise stated	Ongoing unless otherwise stated
California CPI		1.44%	1.57%	1.82%	2.12%	2.40%
Interest Rate for Ten-Year Treasuries		0.98%	1.48%	1.65%	1.90%	2.10%
California Lottery[4]	Unrestricted per FTES*	$150	$150	$150	$150	$150
	Restricted per FTES	$49	$49	$49	$49	$49
Mandate Block Grant (per FTES)		$30.16	$30.61	$31.00	$31.50	$32.10
CalSTRS Employer Rate[5]		16.15%	15.92%	18.00%	18.00%	18.00%
CalPERS Employer Rate[5]		20.70%	23.00%	26.30%	27.30%	27.80%

*Full-time equivalent student

[1]Estimated Statutory COLAs in 2022–23 and beyond are estimated using an independent economist and represent an alternative more closely aligned with the changes in the CPI.

[2]COLA for Adult Education Block Grant, Disabled Student Programs and Services, Extended Opportunity Programs and Services, special services for California Work Opportunity and Responsibility to Kids, Child Care Tax Bailout programs, and the Mandate Block Grant.

[3] The 2021–22 Governor's Budget includes additional programmatic funding sources:

- $250 million in one-time funding ($100 million of which is proposed for early budget action) for emergency financial assistance for full-time, low-income community college students and others meeting criteria
- $100 million one-time to address food and housing insecurity for students
- $35 million (of which $20 million is one-time) to augment the California Apprenticeship Initiative and expand work-based learning
- $30 million in ongoing funds to support student technology access
- $20 million in one-time funding, proposed for early budget action, to improve student retention, particularly those whose enrollment is impacted by COVID-19
- $20 million in one-time funds to provide culturally competent online professional development for faculty
- $15 million in one-time funds for zero textbook cost degrees
- $10.6 million in ongoing funds to support distance learning and online student support services
- $2.5 million in one-time funds to provide instructional materials for dual enrollment students

[4]Lottery funding is initially based on prior-year actual annual FTES and is ultimately based on current-year annual FTES.

[5]California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) rates in 2020–21 and 2021–22 were bought down by a $2.3 billion payment from state of California. Rates in the following years are subject to change based on determination by the respective governing boards.

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TO VIEW THE GOVERNOR'S BUDGET WORKSHOP, CLICK HERE.

COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JANUARY 1, 2021

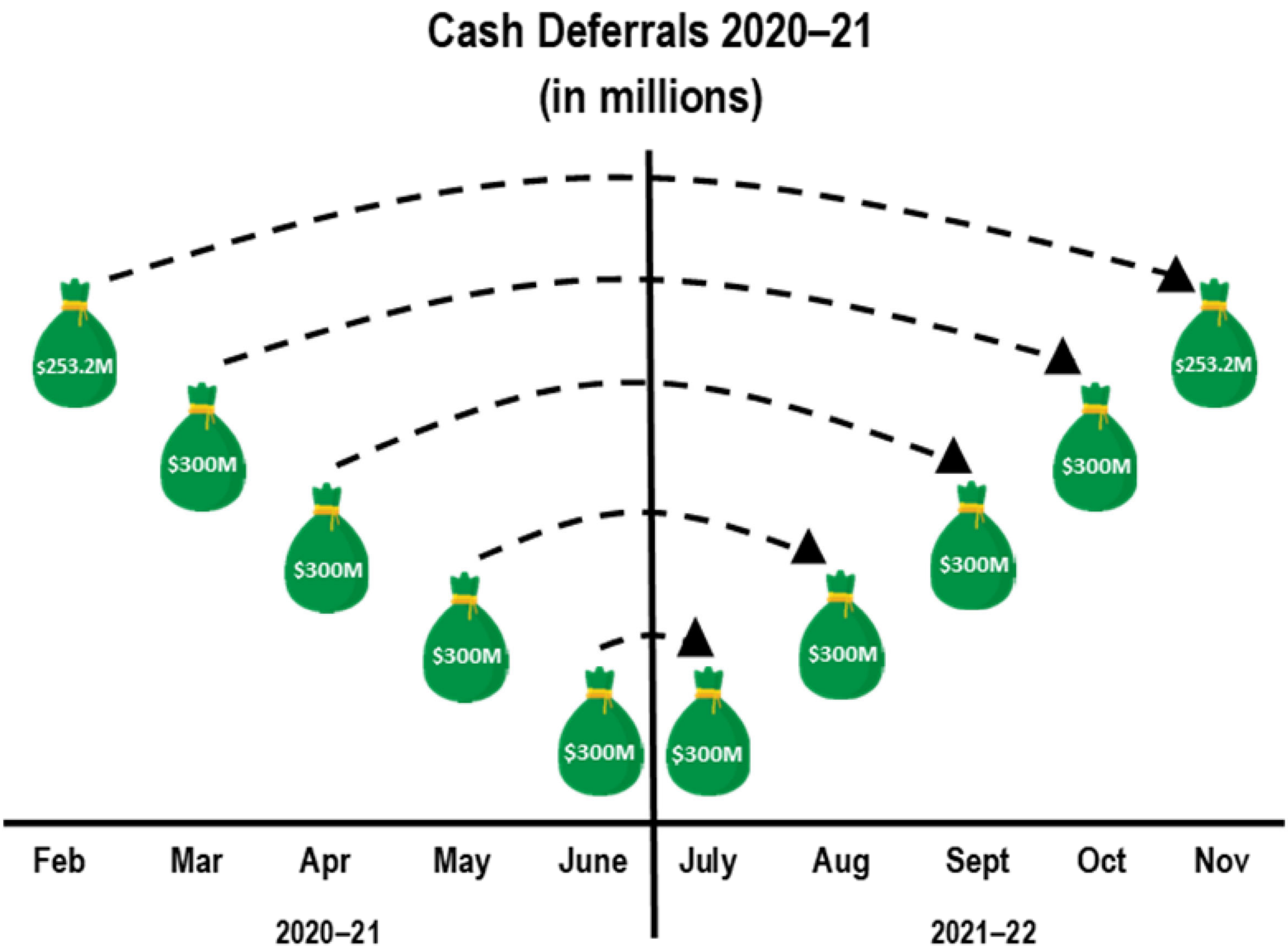
Ask SSC . . . With Deferral Buy Downs, Should We Stop Our TRANs?

BY BRIANNA GARCÍA

posted January 13, 2021

Q. Since Governor Gavin Newsom's State Budget proposal for 2021–22 includes a buy down of cash deferrals, should we pull the plug on our Tax and Revenue Anticipation Notes (TRANs) for this year?

A. No, because the cash deferrals for 2020–21 starting next month (February 2021) are not affected by the Governor's Budget. These deferrals are still in place:



The Governor's Budget proposal to buy down approximately $1.1 billion of the almost $1.5 billion in cash deferrals for community colleges would not affect the cash deferrals until 2021–22, which would begin in February of 2022. In the meantime, continue your cash borrowing procedures if needed given that the deferrals are in effect this year. Also, remember that the buy down of the deferrals is only a proposal at this point, so when projecting your cash needs for next year, we recommend that you assume all of the deferrals are ongoing until legislation is enacted to buy them down.

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COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JANUARY 1, 2021

Our Reflections on the 2021 Governor's Budget

BY SSC TEAM

posted January 14, 2021

2020 will forever be a year that brought unimaginable challenges and turmoil. The COVID-19 pandemic upended every aspect of life worldwide. It forced us to adapt in ways we never would have imagined—from finding ways to stay productive while working from home, with many of us sharing our new "office space" and precious broadband with loved ones who, too, are working or learning remotely. At this time a year ago, the Governor's Budget left us blissfully but cautiously planning for a normal, if not abundant, year. We were poised to ensure that the state recognized education's ever-increasing demands on its resources and to trumpet the horn that, as one of the world's largest economies, California can and must do better by way of investing in its students—its future.

One year on and ten months into the pandemic, the world around us is starkly different.

COVID-19 placed new demands on educational leaders to serve as stabilizing agents for their communities, their families, and their students. They embraced—perhaps with some trepidation—their new role as determinants of the best way to continue meeting the educational needs of their students while ensuring their health and the health of faculty and staff. And we cannot forget about those who, in addition to these unprecedented challenges, led communities through the tumult and devastation of the worst fires in California history. For all of this, we at

School Services of California Inc. hold each and every one of you in the highest regard and thank you for being the committed stewards of our two million students and their families who depend on you.

As you prepare to plan your budgets and continued academic programs with the release of Governor Gavin Newsom's third State Budget proposal, we remain steadfast in our commitment to providing you with timely information and to help you operationalize it in your local context.

The 2021–22 Governor's Budget includes much to celebrate—due in large part to significantly more revenue pouring into state coffers and by extension Proposition 98. This unexpected economic turnaround allows the Governor to propose deep investments to help educational leaders ameliorate instruction and learning in a COVID-19 environment. It allows him to pay off a significant chunk of the state's "credit card" that we know as deferrals. It also allows him to provide significant one-time resources to address the needs of students during the continued economic turmoil.

However meritorious these proposals are, we recognize that they come with trade-offs. Perhaps the most significant trade-off is that the funding tied to them could otherwise be provided to local leaders with the discretion they may need and want to tailor resources in ways that respond to the unique needs of their communities and their students—something Governor Newsom's predecessor valued as a manifestation of subsidiarity.

As with all releases, the unveiling of the 2021–22 Governor's Budget marks the start of intensive discourse and debate about the most important, the most effective, and the most prudent investments the state can make in any given year that reflect its collective value system. We stand proud with each of you to ensure that investments in our students remain at the heart of it.

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COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JANUARY 1, 2021

Biden Administration Unveils $1.9 Trillion Relief Package

BY KYLE HYLAND

posted January 22, 2021

On the evening of Thursday, January 14, 2021, officials from President Joe Biden's Administration unveiled the details of their touted $1.9 trillion rescue package that they are asking Congress to enact within the next several weeks.

Billed the "American Rescue Plan," the relief package would provide an additional $170 billion for education, which would be allocated in the following way:

- $130 billion to support K–12 schools in safely reopening. This proposed funding is flexible and could be used for reducing class sizes, modifying classrooms for social distancing, improving ventilation, providing personal protective equipment, implementing mitigation and cleaning measures, hiring of nurses and counselors, expanding community schools, providing summer school, and closing the digital divide. A portion of this funding would be reserved for a COVID-19 Educational Equity Challenge Grant, which would support state and local governments in partnerships with teachers, parents, and other stakeholders to respond to educational challenges under COVID-19.
- $35 billion for the Higher Education Emergency Relief Fund. This funding could be used to implement public health protocols, execute distance learning plans, and provide emergency grants to students in need.
- $5 billion for the Hardest Hit Education Fund. Governors could use this funding to support educational programs and the learning needs of students significantly impacted by COVID-19. Governors would have discretion to use this funding for early childhood education, K–12 schools, or higher education.

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COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JANUARY 1, 2021

LAO Analyzes Governor's Spending Plan

BY PATTI F. HERRERA, EDD
BY MATT PHILLIPS, CPA

posted January 25, 2021

Shortly after its release, the Legislative Analyst's Office (LAO) issued an analysis of Governor Gavin Newsom's third State Budget proposal, offering issues for state lawmakers to consider as Budget negotiations begin.

Revenue Windfall

One of the most notable analyses is the difference in the estimated windfall that the state has to spend as a result of California's better-than-expected economic condition. You may recall that the LAO anticipated the state would have over $26 billion in unanticipated revenue by the end of the current fiscal year. Comparatively, in the Governor's 2021–22 spending plan, the Administration estimates a $15.5 billion windfall. The variance stems from some key underlying assumptions that the LAO and the Administration use, including the state's obligation to shore up the state's rainy day fund, higher costs associated with COVID-19, and participation rates in various state social programs. After accounting for these differences, the LAO's and the Administration's overall state revenue estimates are materially similar.

Proposition 98

The LAO provides a high-level overview of the Administration's estimates for the Proposition 98 minimum guarantee and Governor Newsom's major K–14 education proposals. In general, the LAO believes that the Governor's overall spending approach—his mix of one-time and ongoing proposals—is reasonable. And unsurprisingly, the LAO believes that the Administration's proposal to repeal the 2020 Budget Act's K–14 supplemental payment requirements—which could have increased revenue for K–12 and community college agencies by $18.4 billion through 2024–25—is also reasonable considering the relative health of education funding when compared to out-year deficits for the noneducation budget.

According to the LAO, Governor Newsom has $19.1 billion in new Proposition 98 spending proposals attributable to adjustments across the State Budget, current, and prior fiscal year. Of that, K–12 spending comprises $17.3 billion while community college spending makes up the remaining $1.8 billion. In each segment, Governor Newsom proposes to use 85% ($14.9 billion) and 89% ($1.6 billion), respectively, of the new Proposition 98 resources for one-time purposes across a variety of special programs. However, the bulk of one-time investments is focused on retiring $8.4 billion of the payment deferrals imposed on K–14 agencies through the 2020 Budget Act. The largest ongoing investments for K–12 and community colleges are increases to their general apportionments to accommodate a 3.84% compounded cost-of-living adjustment (COLA) and a 1.5% COLA for the Local Control Funding Formula and the Student Centered Funding Formula, respectively.

The most notable critique of the Governor's Proposition 98 spending plan is that it does not sufficiently address payment deferrals and growing pension obligations. On these matters, the LAO offers:

> Although some additional state funding directed toward academic support and reopening schools might be warranted, we think the budget misses an opportunity to make more progress on two other issues . . . Paying down deferrals would better position [local educational agencies] and the state to weather economic volatility by reducing pressure on future Proposition 98 budgets. Paying down future pension costs could help smooth out a notable increase in costs currently projected for 2022–23.

To view the LAO estimates of the Governor's Proposition 98 spending proposals, click here.

The rescue package calls for a $20 billion investment to mount a national vaccination program whereby the federal government would partner with state and local governments to launch community vaccination centers and deploy mobile vaccination units to rural communities. Additionally, the plan proposes $50 billion to expand testing capacity and support schools and local governments in implementing regular testing protocols to ensure a safe reopening of schools and businesses.

The relief package also asks Congress to provide $350 billion in emergency funding for state and local governments to ensure that they can keep front line public workers employed, assist with vaccine distribution, expand testing capacity, help with reopening schools, and maintain other essential services. Republicans opposed providing aid to state and local governments in the $900 billion relief package that was approved in December and likely will not support this proposed investment in the plan. Another proposal that Republicans are likely to oppose is President Biden asking Congress to raise the minimum wage to $15 per hour, which would more than double the current federal rate of $7.25 per hour.

The "American Rescue Plan" will be the Biden Administration's first real test of the narrow Democratic control of Congress (see "Georgia Senate Runoff Hands Democrats a Government Trifecta" in the January 2021 *Community College Update*). While the plan likely won't face many roadblocks in clearing the House of Representatives, the Senate is a different story as there are more procedural hurdles to overcome in approving legislation. Additionally, Democrats will not be able to afford any defecting votes from their party in the Senate unless they can get a Republican vote in return, and some fiscally conservative Democrats may have reservations about the plan's price tag and its more progressive proposals such as more than doubling the current federal minimum wage and providing $1,400 stimulus checks to Americans.

We will continue to monitor and provide our analysis on the $1.9 trillion rescue plan and its effect on California education as it is debated and makes its way through Congress.

Click Here for COVID-19 Related Resources

COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: JANUARY 1, 2021

$19 Billion in New State Spending—What That Means for You

BY PATTI F. HERRERA, EDD
BY MATT PHILLIPS, CPA

posted January 26, 2021

By now, you've likely had an opportunity to digest the Governor's Budget proposal for 2021–22. The Governor's Budget includes a mix of ongoing spending, mostly in the form of a cost-of-living adjustment (COLA), and one-time spending for the retirement of deferrals and specific programs. As is the case with each of the three budget releases (the Governor's Budget, the May Revision, and the Enacted Budget), chief business officers across the state must synthesize the deluge of financial information, and translate the statewide messaging into a digestible format so that it is communicable and understood by local stakeholders.

The Legislative Analyst's Office (LAO) recently released its analysis of the Governor's Budget, which we discussed in our January 2021 *Community College Update* article, "LAO Analyzes Governor's Spending Plan." The analysis itemizes the Governor's proposed spending plan.

Proposition 98 Spending Proposals (in millions)

TK–12

	Amount	% of Spending
Ongoing		
LCFF growth and COLA (3.84%)	$ 1,991	12%
COLA for select categorical programs (1.50%)	88	1%

Preschool-aged children with disabilities grant		300	2%
Mental health services grant		25	0%
Ongoing Total		2,404	
One-Time			
Deferral paydown		7,318	42%
Expanded learning and academic intervention		4,557	26%
In-person instruction		2,000	12%
Other restricted grants		1,027	6%
One-Time Total		14,902	
K–12 Total	$	17,306	
Community College			
Ongoing			
COLA for apportionments (1.50%)	$	111	6%
Enrollment growth		23	1%
Other specific programs		79	4%
Ongoing Total		213	
One-Time			
Deferral paydown		1,127	64%
Emergency student financial aid grants		250	14%
Student basic needs		100	6%
Other specific programs		78	4%
One-Time Total		1,555	
Community College Total	$	1,768	

Total Proposition 98 "New" Spending	$	19,074

Source: LAO Overview of the Governor's Budget proposal for 2021–22

While it may be helpful to see the consolidated $19.1 billion in Proposition 98 spending—$17.3 billion is for K–12 and $1.8 billion is for community colleges—it's important to put the proposals in context. A significant share of the revenue that funds Governor Gavin Newsom's proposals come from unexpected state revenues beyond the 2020 Enacted Budget estimates. Those projections assumed draconian decreases in General Fund revenues, and consequentially, staggering decreases in the minimum funding guaranteed under Proposition 98.

As you can see, 42% and 64% of the K–12 and community college spending, respectively, is dedicated to paying down the deferrals that were introduced as part of the 2020 Enacted Budget. While we applaud the Governor for addressing the deferrals, the repayment of the deferrals does not translate into new resources for K–14 local agencies. Additionally, another 20% of California Community Colleges (CCC) spending is earmarked to support students that are financially struggling. While this represents additional resources for our neediest students, it comes, in part, at the expense of restoring lost revenue from the suspended COLA to the Student Centered Funding Formula (SCFF) for 2020–21. We recognize that Governor Newsom is proposing a "catch-up" COLA in 2021–22 for K–12; however, his spending proposals exclude this funding also lost by the CCC.

Helping local communities understand the impact of the Governor's Budget on local agency finances is a critical transparency step to engender trust and engagement. It is equally critical to remind stakeholders that the Governor's Budget is subject to the scrutiny of state lawmakers and ultimately must be adopted by the Legislature before it, or any of its components, becomes law. As the Governor and Legislature begin to negotiate the 2021–22 State Budget, the top priorities of the Governor, the Senate, and the Assembly will become more evident after Governor Newsom releases his May Revision when California's revenue picture for the upcoming fiscal year is clear.

The entire table and details of one-time spending can be found here.

[Click Here for COVID-19 Related Resources]

COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: FEBRUARY 1, 2021

2021–22 State Budget—Emergency Financial Assistance

BY MICHELLE MCKAY UNDERWOOD

posted February 9, 2021

As the next major step in the State Budget process, the Department of Finance released trailer bill language last week. One of the Budget items proposed by Governor Gavin Newsom to address COVID-19 economic difficulties is $150 million in emergency financial assistance grants for full-time, low-income community college students. The trailer bill specifies that funding will be allocated to districts based on:

- the head count of students who are eligible to receive Pell Grant financial aid; and
- the number of Assembly Bill 540 students who meet the income criteria applicable to the California Dream Act application

Districts will distribute these grants to students who self-certify that they meet all of the following criteria:

- The student is currently enrolled on a full-time basis, or was employed full-time or the equivalent of full-time, for at least a total of one year over the past two fiscal years, and not enrolled as a full-time student at a postsecondary educational institution
- The student is able to demonstrate an emergency financial aid need and that they either currently qualify as low-income by meeting requirements to receive a fee waiver or that they are projected to receive a fee waiver for the upcoming semester or quarter

- The student either:
    - earned a grade point average of at least 2.0 in one of their previous three semester terms, or in one of their previous four quarter terms, irrespective of whether the term occurred at the student's prior or current local educational agency, community college, or four-year postsecondary educational institution; or
    - was employed full-time, or the equivalent of full-time, for at least a total of one year over the past two fiscal years

The trailer bill language does not specify the amount of the grant per student.

Analysis

The trailer bill language counts these grants as meeting the Proposition 98 minimum guarantee for community college districts in the 2020–21 year. While financial aid is clearly a need in the community college system, a hot topic of discussion will be using Proposition 98 as a source for these grants. Other potential uses of these funds include further elimination of deferrals.

Click Here for COVID-19 Related Resources

COMMUNITY COLLEGE UPDATE

PUBLICATION DATE: FEBRUARY 1, 2021

The Case for COLA Caution

BY JOHN GRAY
BY PATTI F. HERRERA, EDD
BY DAVE HECKLER
BY MATT PHILLIPS, CPA

posted February 11, 2021

Rest assured that when we published our 2021–22 Governor's Budget Dartboard with our out-year cost-of-living-adjustment (COLA) estimates that are lower than those of the Department of Finance (DOF), we were cognizant of the impact it would have on our K–12 and community college clients, which are in the throes of budget development and multiyear projections (MYP). Publishing alternative estimates is not something we do regularly nor without great and careful deliberation.

Since the publication of our Dartboard, we have received many inquiries about our COLA estimates and why they are significantly different from DOF's official out-year estimates. We know these questions come to us from public education agencies that not only need to meet their obligations demonstrating fiscal soundness, but that are also in the midst of (or anticipate imminent) negotiations with their local labor partners. So, "getting it right" is of paramount importance.

The Composition of COLA

COLAs for K–12 and community college agencies are derived from a specific index—the federal Implicit Price Deflator for state and local governments—embedded in the laws for K–14 general apportionments. The index is comprised of a basket of goods and services consumed by local and state government entities across the nation, adjusted annually (up or down) to reflect their aggregate costs. The idea, of course, is to maintain the purchasing power of public dollars year-over-year to ensure that public agencies, such as school districts and community colleges, can maintain the current level of educational services.

In other words, the Implicit Price Deflator is the public agency version of the better-known Consumer Price Index (CPI). But because governments spend their resources differently from private citizens, it is important to track the change in the cost of goods and services specifically for them.

While we use the same index the DOF uses for our out-year COLA estimates, some of our cost assumptions for factors in the index differ markedly from the DOF's assumptions.

It is no secret that state and local governments have borne a significant cost burden to address and mitigate the health and economic effects of COVID-19. Last May (2020), Governor Gavin Newsom warned that California was staring down a $54 billion budget shortfall after starting off the new year celebrating an anticipated surplus. And California, unlike most of the nation, is lucky. While one of 50 states in the union, California is unique. We have the Silicon Valley—home to some of the most innovative and wealthiest companies and owners in the world. And perhaps second only to New York, California has one of the most aggressive and progressive tax structures in the United States—meaning, we aggressively tax our highest income earners (the "one-percenters") the most. The combination of housing some of the world's most advanced technology companies and our progressive tax system has cushioned state coffers—and by extension, education funding—from a dreaded COVID-19 recession. Others have not been so lucky.

COLA: Recent History

Although crux of this publication unpacks the differences in future statutory COLA estimates, we would be remiss if we did not acknowledge an equally important trend related to the statutory COLA. This is that the statutory COLA does not always equate to what the state funds. The current year has "No COLA" and a "Catch-up COLA" is being considered in 2021–22—at least for K–12. This dynamic creates additional risks to the assumptions public education agencies use in budget development and MYP.

COLA: The Near- and Medium-Term View

Importantly, the Implicit Price Deflator accounts for the economic conditions of all local and state public agencies across the nation. Nearly 60% of the index is related to the wages of local and state government workers, while the remainder is tied to transportation and other operational costs.

Although the final statutory COLA will be based on actual changes in state and local government spending, the figures are still largely unknown. We currently have seven of eight data points needed to calculate the 2021–22 statutory COLA, only three of eight data points for the 2022–23 statutory COLA, and none of the data points for 2023–24.

The horizon paints a sobering picture with respect to the wages of public employees. Because of budgetary impact of COVID-19 on public agencies, it is difficult to imagine anything but small wage increases over the coming years. In fact, the State of California imposed a 10% furlough on its employees last June, which has yet to be restored even though the state's economy and General Fund picture have rebounded beyond anyone's wildest dreams. Moreover, debate continues in Washington, D.C. over the need to provide local and state governments additional stimulus funds, so their fiscal recovery is anything but certain.

Similarly, with respect to non-wage costs, price increases (i.e., petroleum costs) are moderate now with downward pressure looking into the future. For example, the surplus of commercial property vacated because of stay-at-home orders or choices by private companies will surely drive down lease payments.

The combination of these factors influences School Services of California Inc.'s COLA estimates for the coming years and suggest nominal to moderate increases in the near and medium term. Consequently, we urge caution on behalf of our clients.

Assess Your Risk Tolerance

Ultimately, the assumptions each public education agency uses to build its budgets and MYP depends on its unique tolerances for risk. Agencies with healthy reserves and plans to address known cost increases, may tolerate more risks to their budgets. However, there are factors that every agency should consider when conducting a risk assessment, including local student enrollment trends (namely, declining enrollment), which will drive state apportionments. It also includes rising pension obligations when similar Budget Act benefits to buy down employer contribution rates fade away the same year.

If public education agencies do not properly account for these out-year cost pressures when considering which COLA assumptions to apply, it could create very difficult local conditions in the near and medium term. Consequently, we counsel our clients to evaluate their out-year risks carefully to determine the COLA assumptions they can afford to use.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2021/22 Tentative Budget Assumptions
February 10, 2021

I. State Revenue

A. Budgeting will begin using the new Student Centered Funding Formula (SCFF) at the hold harmless provision for the 2017/18 Total Computational Revenue plus outyear cost of living adjustments (COLA) as we are a hold harmless district less estimated deficit factor.

B. FTES Workload Measure Assumptions:

Year		Base	Actual	Funded		Actual Growth
2015/16		28,908.08	28,901.64	28,901.64		-0.02%
2016/17		28,901.64	27,517.31	28,901.64	a	-4.79%
2017/18		28,901.64	29,378.53	29,375.93	b	1.65%
2018/19	P3		25,925.52	28,068.86	c	-11.75%
2019/20	P3		27,028.98	26,889.30		4.26%
2020/21	P1		24,590.94			-9.02%

a - based on submitted P3, District went into Stabilization in FY 2016/17
b - based on submitted P3, the district shifted 1,392.91 FTES from summer 2018
c - To maintain the 2015/16 funding level and produce growth FTES in 2017/18, the district borrowed from summer 2018 which reduced FTES in 2018/19.

The governor's state budget proposal includes .5% systemwide growth funding, 1.5% COLA, and no base allocation increase. The effects of the SCFF on our budget is not fully known at this time. The components will now remain at 70/20/10 split with funded COLA added each year. Any changes to our funding related to the new formula will be incorporated when known.

Projected COLA of 1.5%	$2,622,572
Projected Growth/Access	$0
Deficit Factor (2%)	($3,496,763)
Apportionment Base Incr (Decr) for 2020/21	**($874,191)**
2021/22 Potential Growth at 0.5%	27,164

C. Education Protection Account (EPA) funding estimated at $29,927,255 based on 2020/21 @ Advance. These are not additional funds. The EPA is only a portion of general purpose funds that offsets what would otherwise be state aid in the apportionments. We intend to charge a portion of faculty salaries to this funding source in compliance with EPA requirements.

D. Unrestricted lottery is projected at $150 per FTES ($3,757,379). Restricted lottery at $49 per FTES ($1,353,211). (2020/21 @ P1 of resident & nonresident factored FTES, 25,049.19 x $150 = $3,757,379 unrestricted lottery; 25,049.19 x $49 = $1,227,410.) Decrease of $385,103.

E. Estimated reimbursement for part-time faculty compensation is estimated at $554,206 (2020/21 @ Advance). Increase of $95,647.

F. Categorical programs will continue to be budgeted separately; self-supporting, matching revenues and expenditures. COLA is being proposed on certain categorical programs. Without COLA, other categorical reductions would be required to remain in balance if settlements are reached with bargaining groups. The colleges will need to budget for any program match requirements using unrestricted funds.

G. College Promise Grants (BOG fee waivers 2% administration) funding estimated at 2020/21 @ Advance of $279,888. Slight increase.

H. Mandates Block Grant estimated at a total budget of $869,923 ($30.85 x 28,198.47). Unchanged. No additional one-time allocation proposed.

II. Other Revenue

I. Non-Resident Tuition budgeted at $2,700,000. (SAC $2,000,000, SCC $700,000). Increase of 800,000.

J. Interest earnings estimated at $1,000,000. Decrease of $400,000.

K. Other miscellaneous income (includes fines, fees, rents, etc.) is estimated at approximately $407,680. Unchanged.

L. Apprenticeship revenue estimated at $3,951,786. Unchanged. (Corresponding expenses are also budgeted for additional apprenticeship course offerings.)

M Scheduled Maintenance/Instructional Equipment allocation. $0 provided in the state budget.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2021/22 Tentative Budget Assumptions
February 10, 2021

III. Appropriations and Expenditures

A. As the District's budget model is a revenue allocation model, revenues flow through the model to the colleges as earned. The colleges have the responsibility, within their earned revenue, to budget for ALL necessary expenditures including but not limited to all full time and part time employees, utilities, instructional services agreements, multi-year maintenance and other contracts, supplies, equipment and other operating costs.

B. The state is providing 1.5% Cost of Living Allowance (COLA). COLA of 4% was negotiated for FARSCCD & CSEA bargaining groups. This 4% excludes employees who took the Supplemental Retirement Program (SRP). The College will need to budget for bargained increased costs in Salaries and Benefits for part-time employees. The estimated cost of a 1% salary increase is $1.78 million for all funds. The estimated cost of a 1% salary increase is $1.40 million for the unrestricted general fund.

C. Step and column movement is budgeted at an additional cost of approximately $1.30 million including benefits for FD 11 & 13 (FARSCCD approximate cost $487,405 CSEA approximate cost $439,025, Management/Other approximate cost $376,085) For all funds, it is estimated to = $1.81 million (FARSCCD = $575,359, CSEA = $719,851, Management/Others = $514,692) In addition, the colleges would need to budget for step/column increases for P/T faculty.

D. Health and Welfare benefit premium cost increase as of 1/1/2022 is estimated at 3.5% for an additional cost of approximately $859,571 for active employees and a reduction of $440,379 for retirees, for a combined increase of $419,192 for unrestricted general fund. The additional cost increase for all funds is estimated to = $1,130,585
State Unemployment Insurance local experience charges are estimated at $250,000 (2019/20 budgeted amount). Unchanged.
CalSTRS employer contribution rate will decrease in 2021/22 from 16.15% to 15.92% for a decrease of $171,451
(Note: The cost of each 1% increase in the STRS rate is approximately $740,000.)
CalPERS employer contribution rate will increase in 2021/22 from 20.70% to 23.00% for an increase of $913,683.
(Note: The cost of each 1% increase in the PERS rate is approximately $390,000.)

E. The full-time faculty obligation (FON) for Fall 2021 has not been calculated at this time. The Fall 2020 report indicated the District was 33.8 faculty over its FON. This number will be reduced based on faculty taking the SRP. The current cost for a new position is budgeted at Class VI, Step 12 at approximately $156,349. Penalties for not meeting the obligation amount to approximately $80,250 per FTE not filled.

F. The current rate per Lecture Hour Equivalent (LHE) effective 7/1/21 for hourly faculty is $1,513. Increase of $58 per LHE.

G. Retiree Health Benefit Fund (OPEB/GASB 75 Obligation) - The calculated Actuarially Determined Contribution (ADC) for FY 2021/22 is estimated to be $10,478,640. The District will therefore increase the employer payroll contribution rate of 1.10% to 2.00% of total salaries. This increases of $1,036,245 to the unrestricted general fund and $1,456,616 for all funds.

H. Capital Outlay Fund - The District will continue to budget $1.5 million for capital outlay needs.

I. Utilities cost increases of 2.5%, estimated at $100,000.

J. Information Technology licensing contract escalation cost of 7%, estimated at $125,000.

K. Property and Liability Insurance transfer estimated at $1,970,000. Unchanged.

L. Other additional DS/Institutional Cost expenses:

	Ongoing Cost	One-time Cost
Leadership Academy	$ 518,379	
DMC Operating Cost	$ 96,682	$ 71,500

M. Estimated annual cost of Santiago Canyon College ADA Settlement expenses of $2 million from available funds.

Rancho Santiago Community College District
Unrestricted General Fund Summary
2021/22 Tentative Budget Assumptions
February 10, 2021

*		Ongoing Only	One-Time
*	**New Revenues**	Ongoing Only	One-Time
A	Student Centered Funding Formula		
B	Projected COLA of 1.5%	$2,622,572	
B	Growth	$0	
B	Deficit Factor (2%)	$0	
D	Unrestricted Lottery	($385,103)	
H	Mandates Block Grant	$0	
I	Non-Resident Tuition	$800,000	
J	Interest Earnings	($400,000)	
L	Apprenticeship - SCC	$0	
EGK	Misc Income	$97,039	
	Total	$2,734,508	$0
	New Expenditures		
B	Salary Schedule Increases/Collective Bargaining 4.00% **	$3,339,144	
C	Step/Column	$1,302,515	
D	Health and Welfare/Benefits Increase (3.5%)	$859,571	
D	H/W Estimated Savings due to Retiree Companion Care	($440,379)	
D	CalSTRS Decrease	($171,451)	
D	CalPERS Increase	$913,683	
E	Full Time Faculty Obligation Hires	$0	
E/F	Hourly Faculty Budgets (Match Budget to Actual Expense)	$0	
G	Increased Cost of Retiree Health Benefit ADC	$1,036,245	
H	Capital Outlay/Scheduled Maintenance Contribution	$0	
I	Utilities Increase	$100,000	
J	ITS Licensing/Contract Escalation Cost	$125,000	
K	Property, Liability and All Risks Insurance	$0	
II.L	Apprenticeship - SCC	$0	
L	Other Additional DS/Institutional Costs	$615,061	$71,500
M	SCC ADA Settlement Costs	$0	$2,000,000
	Total	$7,679,389	$2,071,500
	2021/22 Budget Year Unallocated (Deficit)	($4,944,881)	
	2020/21 Structural Unallocated (Deficit)	($2,228,268)	
	Summer 2021 Est. Utilities Savings for 4/10 work schedule	$120,000	
	Other Estimated Savings	$0	
	Total Net Unallocated (Deficit)	($7,053,149)	($2,071,500)

In addition, as both college budgets for adjunct faculty have been underbudgeted in total by approximately $6.5 million, the colleges need to appropriately fund adjunct faculty costs tied to the class schedules offered and prior year actual costs when adjusted for new full-time faculty hired.

* *Reference to budget assumption number*
** *Excludes Management & CEFA*

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2019-20 FTES (RECALC) ACTUALS COMPARISON TO 2020-21 FTES (P1) ESTIMATED ACTUALS

P1-FINAL

RG reports As of January 8 & 11, 2021		2017-2018			2018-2019			2019-2020			2020-2021			2020-2021		
		(P3) Actuals *with borrow* as of July 16, 2018			(RECALC) Reporting as of October 25, 2019			(RECALC) Actuals RG reports as of September 24, 2020			(P1) Estimated Actuals as of January 8 & 11, 2021			Better (Worse) RECALC 19/20 vs. P1 Esimated Actuals		
		TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC
SUMMER 2020 On or After 7/1/2020																
NC		104.79	60.04	44.75	74.77	28.24	46.53	150.75	73.54	77.21	230.43	89.64	140.79	79.68	16.10	63.58
CDCP		354.89	263.54	91.35	359.96	267.23	92.73	730.14	563.39	166.75	666.11	546.13	119.98	(64.03)	(17.26)	(46.77)
CDCP-IS/DE		0.00	0.00	0.00	0.00	0.00	0.00	10.40	0.00	10.40	118.71	2.15	116.56	108.31	2.15	106.16
CR		1,739.30	1,240.71	498.59	350.26	274.09	76.17	1,901.49	1,360.92	540.57	1,847.52	1,219.47	628.05	(53.97)	(141.45)	87.48
SUMMER TOTALS		2,198.98	1,564.29	634.69	784.99	569.56	215.43	2,792.78	1,997.85	794.93	2,862.77	1,857.39	1,005.38	69.99	(140.46)	210.45
FALL2020																
NC	F	318.43	302.62	15.81	281.37	271.89	9.48	303.02	294.97	8.05	404.58	219.20	185.38	101.56	(75.77)	177.33
CDCP		1,774.90	1,374.44	400.46	1,849.94	1,449.80	400.14	1,881.55	1,376.12	505.43	1,273.77	1,009.52	264.25	(607.78)	(366.60)	(241.18)
CDCP-IS/DE		0.00	0.00	0.00	0.00	0.00	0.00	38.54	0.00	38.54	319.02	14.27	304.75	280.48	14.27	266.21
CR																
IS, DSCH		432.18	274.64	157.54	491.42	319.37	172.05	723.02	426.51	296.51	1,154.64	741.16	413.48	431.62	314.65	116.97
IS, WSCH		609.25	390.47	218.78	834.54	507.30	327.24	927.57	587.94	339.63	1,502.25	1,009.76	492.49	574.68	421.82	152.86
DSCH	F	312.86	217.06	95.80	258.57	217.38	41.19	259.24	200.81	58.43	101.88	73.39	28.49	(157.36)	(127.42)	(29.94)
Positive	F	1,474.16	1,366.75	107.41	1,448.96	1,343.74	105.22	1,396.83	1,304.52	92.31	617.96	590.58	27.38	(778.87)	(713.94)	(64.93)
WSCH		7,060.85	4,599.31	2,461.54	6,829.19	4,442.46	2,386.73	6,570.22	4,271.14	2,299.08	4,488.95	2,734.10	1,754.85	(2,081.27)	(1,537.04)	(544.23)
TOTAL CR		9,889.30	6,848.23	3,041.07	9,862.68	6,830.25	3,032.43	9,876.88	6,790.92	3,085.96	7,865.68	5,148.99	2,716.69	(2,011.20)	(1,641.93)	(369.27)
FALL TOTALS		11,982.63	8,525.29	3,457.34	11,993.99	8,551.94	3,442.05	12,099.99	8,462.01	3,637.98	9,863.05	6,391.98	3,471.07	(2,236.94)	(2,070.03)	(166.91)
SPRING2021																
NC	F	663.03	299.30	363.73	581.70	292.95	288.75	532.31	207.51	324.80	562.38	328.80	233.58	30.07	121.29	(91.22)
CDCP		2,837.65	1,899.61	938.04	2,288.22	1,453.33	834.89	1,835.68	1,164.42	671.26	1,847.24	1,514.28	332.96	11.56	349.86	(338.30)
CDCP-IS/DE		0.00	0.00	0.00	20.64	0.00	20.64	81.65	18.04	63.61	405.40	21.41	383.99	323.75	3.37	320.38
CR																
Jan. intersession	F	789.91	520.10	269.81	874.97	574.54	300.43	859.53	565.79	293.74	735.80	471.32	264.48	(123.73)	(94.47)	(29.26)
IS, DSCH		456.55	266.68	189.87	610.67	349.08	261.59	820.88	524.42	296.46	1,026.68	731.75	294.93	205.80	207.33	(1.53)
IS, WSCH		696.63	453.46	243.17	856.42	551.51	304.91	1,127.20	758.44	368.76	1,378.29	1,009.76	368.53	251.09	251.32	(0.23)
DSCH	F	291.73	258.80	32.93	326.34	276.43	49.91	248.89	215.60	33.29	106.10	73.16	32.94	(142.79)	(142.44)	(0.35)
Positive	F	1,641.82	1,546.20	95.62	1,618.64	1,555.36	63.28	942.83	891.03	51.80	1,291.93	1,218.64	73.29	349.10	327.61	21.49
WSCH		6,362.84	4,129.31	2,233.53	5,923.83	3,816.29	2,107.54	5,616.31	3,648.03	1,968.28	4,511.30	2,542.71	1,968.59	(1,105.01)	(1,105.32)	0.31
TOTAL CR		10,239.48	7,174.55	3,064.93	10,210.87	7,123.21	3,087.66	9,615.64	6,603.31	3,012.33	9,050.10	6,047.34	3,002.76	(565.54)	(555.97)	(9.57)
SPRING TOTALS		13,740.16	9,373.46	4,366.70	13,101.43	8,869.49	4,231.94	12,065.28	7,993.28	4,072.00	11,865.12	7,911.83	3,953.29	(200.16)	(81.45)	(118.71)
SUMMER 2021 On or Before 6/30/2021																
NC		6.03	4.37	1.66	2.63	1.35	1.28	2.23	2.23	0.00	0.00	0.00	0.00	(2.23)	(2.23)	0.00
CDCP		14.27	0.03	14.24	13.67	12.85	0.82	40.46	39.01	1.45	0.00	0.00	0.00	(40.46)	(39.01)	(1.45)
CDCP-IS/DE		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CR		43.55	32.69	10.86	28.82	19.31	9.51	28.24	23.52	4.72	0.00	0.00	0.00	(28.24)	(23.52)	(4.72)
Borrowed		1,392.91	942.34	450.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUMMER TOTALS		1,456.76	979.43	477.33	45.12	33.51	11.61	70.93	64.76	6.17	0.00	0.00	0.00	(70.93)	(64.76)	(6.17)
COMBINED																
NC		1,092.28	666.33	425.95	940.47	594.43	346.04	988.31	578.25	410.06	1,197.39	637.64	559.75	209.08	59.39	149.69
CDCP		4,981.71	3,537.62	1,444.09	4,511.79	3,183.21	1,328.58	4,487.83	3,142.94	1,344.89	3,787.12	3,069.93	717.19	(700.71)	(73.01)	(627.70)
CDCP-IS/DE		0.00	0.00	0.00	20.64	0.00	20.64	130.59	18.04	112.55	843.13	37.83	805.30	712.54	19.79	692.75
CREDIT		23,304.54	16,238.52	7,066.02	20,452.63	14,246.86	6,205.77	21,422.25	14,778.67	6,643.58	18,763.30	12,415.80	6,347.50	(2,658.95)	(2,362.87)	(296.08)
TOTAL		29,378.53	20,442.47	8,936.06	25,925.53	18,024.50	7,901.03	27,028.98	18,517.90	8,511.08	24,590.94	16,161.20	8,429.74	(2,438.04)	(2,356.70)	(81.34)
		Non-Credit	61.00%	39.00%	Non-Credit	63.21%	36.79%	Non-Credit	58.51%	41.49%	Non-Credit	53.25%	46.75%			
		CDCP	71.01%	28.99%	CDCP	70.55%	29.45%	CDCP	70.03%	29.97%	CDCP	81.06%	18.94%			
		NC IS/DE	0.00%	0.00%	NC IS/DE	0.00%	100.00%	CDCP-IS/DE	13.81%	86.19%	CDCP-IS/DE	4.49%	95.51%			
		Credit	69.68%	30.32%	Credit	69.66%	30.34%	Credit	68.99%	31.01%	Credit	66.17%	33.83%			
		Credit-Special Admit	63.10%	36.90%	Credit-Special Admit	62.59%	37.41%	Credit-Special Adm	69.18%	30.82%	Credit-Special Adm	62.02%	37.98%			
		Total	69.58%	30.42%	Total	69.52%	30.48%	Total	68.51%	31.49%	Total	65.72%	34.28%			
Special Admit		2,196.94	1,386.25	810.69	2,439.54	1,526.80	912.74	688.76	476.47	212.29	630.01	390.76	239.25			
Non-Resident FTES		666.41	500.68	165.73	659.21	466.52	192.69	591.31	421.06	170.25	458.25	331.87	126.38			
Non-Credit Inmates in Correctional Facilites		0.00	0.00	0.00	391.23	183.77	207.46	476.32	235.76	240.56	371.42	306.42	65.00			
		Growth Total District % (+/-)	6.76%		Growth Total District % (+/-)	-11.75%		Growth Total District % (+/-)	4.26%		Growth Total District % (+/-)	-9.02%				
		Growth Total % (+/-) by Campus	6.99%	6.25%	Growth Total % (+/-) by Campus	-11.83%	-11.58%	Growth Total % (+/-) by Campus	2.74%	7.72%	Growth Total % (+/-) by Campus	-12.73%	-0.96%			

NOTE: (F) Factored

Rancho Santiago CCD: College Level SCFF Data

Unduplicated Headcount: XXX | SAC Unduplicated Headcount: XXX | SCC Unduplicated Headcount: XXX

ASSUME FY 2020/21 PRODUCE 0% INCREASE IN FTES AS FY 2019/20 @ RECAL

Category	Group	Item	2020-21 Data: State Num.	2020-21 Data: Calculated w/ Annual Reported FTES	2020-21 Funding Rate	2020-21 Estimated Funding (District Numbers)	SAC 2020-21 Data	SAC 2020-21 Estimated Funding	SAC Proportion - based on FTES/Headcounts/3 yr average	SAC Proportion - based on $	SCC 2020-21 Data	SCC 2020-21 Estimated Funding	SCC Proportion - based on FTES/Headcounts/3 yr average	SCC Proportion - based on $
Base Allocation		Basic Allocation ($)				$ 12,136,510		$ 6,742,507		55.56%		$ 5,394,003		44.44%
				FTES			FTES				FTES			
		Traditional Credit		20,432.12	$ 4,009	$ 81,912,382	14,136.16	$ 56,671,852	69.19%	69.19%	6,295.97	$ 25,240,530	30.81%	30.81%
		Special Admit Credit		688.76	$ 5,622	$ 3,872,167	476.47	$ 2,678,686	69.18%	69.18%	212.29	$ 1,193,482	30.82%	30.82%
		Incarcerated Credit		-	$ 5,622	$ -	-	$ -			-	$ -		
		Non-Credit		988.31	$ 3,381	$ 3,341,110	578.25	$ 1,954,849	58.51%	58.51%	410.06	$ 1,386,261	41.49%	41.49%
		Non Credit CDCP		4,618.42	$ 5,622	$ 25,964,480	3,160.98	$ 17,770,840	68.44%	68.44%	1,457.44	$ 8,193,640	31.56%	31.56%
		Non-Credit Incarcerated		-	$ 3,381	$ -	-	$ -			-	$ -		
		Total	-	**26,728**		**$ 127,226,650**	**18,352**	**$ 85,818,734**	**68.66%**	**67.45%**	**8,376**	**$ 41,407,916**	**31.34%**	**32.55%**
Supplemental Allocation			18-19 Headcount				Headcount				Headcount			
		Pell Grant Recipients	6,176	6,176	$ 948	$ 5,854,848	4,331	$ 4,105,788	70.13%	70.13%	1,845	$ 1,749,060	29.87%	29.87%
		AB540 Students	2,334	2,334	$ 948	$ 2,212,632	1,844	$ 1,748,112	79.01%	79.01%	490	$ 464,520	20.99%	20.99%
		California Promise Grant Recipients	18,407	18,407	$ 948	$ 17,449,836	14,027	$ 13,297,596	76.20%	76.20%	4,380	$ 4,152,240	23.80%	23.80%
		Total	**26,917**	**26,917**		**$ 25,517,316**	**20,202**	**$ 19,151,496**	**75.05%**	**75.05%**	**6,715**	**$ 6,365,820**	**24.95%**	**24.95%**
Student Success Allocation			(3-yr Average)				3-yr Average				3-yr Average			
	All Students	Associate Degrees	1,449	1,448.67	$ 1,677	$ 2,429,420	1,038	$ 1,740,726	71.65%	71.65%	411	$ 688,694	28.35%	28.35%
	All Students	Associate Degrees for Transfer	1,096	1,096.33	$ 2,236	$ 2,451,394	608	$ 1,359,488	55.46%	55.46%	488	$ 1,091,906	44.54%	44.54%
	All Students	Baccalaureate Degrees	8	7.67	$ 1,677	$ 12,863	8	$ 12,863	100.00%	100.00%	-	$ -	0.00%	0.00%
	All Students	Credit Certificates	385	384.67	$ 1,118	$ 430,061	259	$ 289,562	67.33%	67.33%	126	$ 140,499	32.67%	32.67%
	All Students	Nine or More CTE Units	4,572	4,571.67	$ 559	$ 2,555,564	3,459	$ 1,933,581	75.66%	75.66%	1,113	$ 621,983	24.34%	24.34%
	All Students	Transfer	1,273	1,272.67	$ 839	$ 1,067,134	675	$ 565,988	53.04%	53.04%	598	$ 501,146	46.96%	46.96%
	All Students	Transfer Level Math and English	837	837.00	$ 1,118	$ 935,766	378	$ 422,604	45.16%	45.16%	459	$ 513,162	54.84%	54.84%
	All Students	Achieved Regional Living Wage	6,393	6,393.00	$ 559	$ 3,573,687	4,733	$ 2,645,747	74.03%	74.03%	1,660	$ 927,940	25.97%	25.97%
	All Students	Total	16,012	16,011.68		$ 13,455,887	11,158	$ 8,970,558	69.68%	66.67%	4,854	$ 4,485,329	30.32%	33.33%
	Pell Grant Recipients Bonus	Associate Degrees	608	607.67	$ 635	$ 385,567	472	$ 299,484	77.67%	77.67%	136	$ 86,083	22.33%	22.33%
	Pell Grant Recipients Bonus	Associate Degrees for Transfer	518	518.00	$ 846	$ 438,228	349	$ 295,254	67.37%	67.37%	169	$ 142,974	32.63%	32.63%
	Pell Grant Recipients Bonus	Baccalaureate Degrees	4	4.00	$ 635	$ 2,538	4	$ 2,538	100.00%	100.00%	-	$ -	0.00%	0.00%
	Pell Grant Recipients Bonus	Credit Certificates	145	144.67	$ 423	$ 61,195	120	$ 50,760	82.95%	82.95%	25	$ 10,435	17.05%	17.05%
	Pell Grant Recipients Bonus	Nine or More CTE Units	1,111	1,111.00	$ 212	$ 234,977	925	$ 195,638	83.26%	83.26%	186	$ 39,339	16.74%	16.74%
	Pell Grant Recipients Bonus	Transfer	553	553.00	$ 317	$ 175,439	354	$ 112,307	64.01%	64.01%	199	$ 63,133	35.99%	35.99%
	Pell Grant Recipients Bonus	Transfer Level Math and English	323	323.00	$ 423	$ 136,629	192	$ 81,216	59.44%	59.44%	131	$ 55,413	40.56%	40.56%
	Pell Grant Recipients Bonus	Achieved Regional Living Wage	439	438.67	$ 212	$ 92,779	350	$ 74,025	79.79%	79.79%	89	$ 18,754	20.21%	20.21%
	Pell Grant Recipients Bonus	Total	3,700	3,700.01		$ 1,527,351	2,766	$ 1,111,221	74.76%	72.75%	934	$ 416,130	25.24%	27.25%
	California Promise Grant Recipients Bonus	Associate Degrees	1,040	1,039.67	$ 423	$ 439,780	812	$ 343,476	78.10%	78.10%	228	$ 96,304	21.90%	21.90%
	California Promise Grant Recipients Bonus	Associate Degrees for Transfer	787	787.00	$ 564	$ 443,868	524	$ 295,536	66.58%	66.58%	263	$ 148,332	33.42%	33.42%
	California Promise Grant Recipients Bonus	Baccalaureate Degrees	7	6.67	$ 423	$ 2,821	7	$ 2,821	100.00%	100.00%	-	$ -	0.00%	0.00%
	California Promise Grant Recipients Bonus	Credit Certificates	270	270.33	$ 282	$ 76,233	217	$ 61,194	80.27%	80.27%	53	$ 15,039	19.73%	19.73%
	California Promise Grant Recipients Bonus	Nine or More CTE Units	2,300	2,300.33	$ 141	$ 324,347	1,943	$ 273,963	84.47%	84.47%	357	$ 50,384	15.53%	15.53%
	California Promise Grant Recipients Bonus	Transfer	837	836.67	$ 212	$ 176,956	537	$ 113,576	64.18%	64.18%	300	$ 63,380	35.82%	35.82%
	California Promise Grant Recipients Bonus	Transfer Level Math and English	505	504.67	$ 282	$ 142,317	300	$ 84,600	59.44%	59.44%	205	$ 57,717	40.56%	40.56%
	California Promise Grant Recipients Bonus	Achieved Regional Living Wage	1,231	1,231.00	$ 141	$ 173,571	981	$ 138,321	79.69%	79.69%	250	$ 35,250	20.31%	20.31%
	California Promise Grant Recipients Bonus	Total	6,976	6,976.34		$ 1,779,893	5,321	$ 1,313,487	76.27%	73.80%	1,656	$ 466,406	23.73%	26.20%
		Total	**26,688**	**26,688**		**$ 16,763,132**	**19,244**	**$ 11,395,266**	**72.11%**	**67.98%**	**7,444**	**$ 5,367,866**	**27.89%**	**32.02%**
		Total Computational Revenue		80,333		$ 169,507,098	57,798	$ 116,365,496	71.95%	68.65%	22,534	$ 53,141,602	28.05%	31.35%
								B				A		
							Sum of A & B	$ 169,507,098						
		Hold Harmless Funding				$ 174,838,125		$ 120,025,210				$ 54,812,915		
		Hold Harmless Protection				$ (5,331,027)		$ (3,659,714)				$ (1,671,312)		

Rancho Santiago CCD: College Level SCFF Data

Unduplicated Headcount: XXX

SAC Unduplicated Headcount: XXX

SCC Unduplicated Headcount: XXX

FY 2020/21 @ P1

Allocation	Group	Item	2020-21 Data		2020-21 Funding Rate	2020-21 Estimated Funding (District Numbers)	SAC 2020-21 Data	SAC 2020-21 Estimated Funding	SAC Proportion - based on FTES/Headcounts/3 yr average	SAC Proportion - based on $	SCC 2020-21 Data	SCC 2020-21 Estimated Funding	SCC Proportion - based on FTES/Headcounts/3 yr average	SCC Proportion - based on $
Base Allocation		Basic Allocation ($)	State Num.	Calculated w/ Annual Reported FTES		$ 12,136,510		$ 6,742,507		55.56%		$ 5,394,003		44.44%
				FTES			FTES				FTES			
		Traditional Credit		19,565.39	$ 4,009	$ 78,437,649	13,377.10	$ 53,628,807	68.37%	68.37%	6,188.29	$ 24,808,841	31.63%	31.63%
		Special Admit Credit		630.01	$ 5,622	$ 3,541,878	390.76	$ 2,196,829	62.02%	62.02%	239.25	$ 1,345,049	37.98%	37.98%
		Incarcerated Credit		-	$ 5,622	$ -	-	$ -			-	$ -		
		Non-Credit		1,197.39	$ 3,381	$ 4,047,933	637.64	$ 2,155,625	53.25%	53.25%	559.75	$ 1,892,308	46.75%	46.75%
		Non Credit CDCP		4,630.25	$ 5,622	$ 26,030,988	3,107.76	$ 17,471,640	67.12%	67.12%	1,522.49	$ 8,559,347	32.88%	32.88%
		Non-Credit Incarcerated		-	$ 3,381	$ -	-	$ -			-	$ -		
		Total	-	**26,023**		**$ 124,194,957**	**17,513**	**$ 82,195,409**	67.30%	66.18%	**8,510**	**$ 41,999,548**	32.70%	33.82%
Supplemental Allocation			18-19 Headcount				Headcount				Headcount			
		Pell Grant Recipients	6,176	6,176	$ 948	$ 5,854,848	4,331	$ 4,105,788	70.13%	70.13%	1,845	$ 1,749,060	29.87%	29.87%
		AB540 Students	2,334	2,334	$ 948	$ 2,212,632	1,844	$ 1,748,112	79.01%	79.01%	490	$ 464,520	20.99%	20.99%
		California Promise Grant Recipients	18,407	18,407	$ 948	$ 17,449,836	14,027	$ 13,297,596	76.20%	76.20%	4,380	$ 4,152,240	23.80%	23.80%
		Total	**26,917**	**26,917**		**$ 25,517,316**	**20,202**	**$ 19,151,496**	75.05%	75.05%	**6,715**	**$ 6,365,820**	24.95%	24.95%
Student Success Allocation			(3-yr Average)				3-yr Average				3-yr Average			
	All Students	Associate Degrees	1,449	1,448.67	$ 1,677	$ 2,429,420	1,038	$ 1,740,726	71.65%	71.65%	411	$ 688,694	28.35%	28.35%
		Associate Degrees for Transfer	1,096	1,096.33	$ 2,236	$ 2,451,394	608	$ 1,359,488	55.46%	55.46%	488	$ 1,091,906	44.54%	44.54%
		Baccalaureate Degrees	8	7.67	$ 1,677	$ 12,863	8	$ 12,863	100.00%	100.00%	-	$ -	0.00%	0.00%
		Credit Certificates	385	384.67	$ 1,118	$ 430,061	259	$ 289,562	67.33%	67.33%	126	$ 140,499	32.67%	32.67%
		Nine or More CTE Units	4,572	4,571.67	$ 559	$ 2,555,564	3,459	$ 1,933,581	75.66%	75.66%	1,113	$ 621,983	24.34%	24.34%
		Transfer	1,273	1,272.67	$ 839	$ 1,067,134	675	$ 565,988	53.04%	53.04%	598	$ 501,146	46.96%	46.96%
		Transfer Level Math and English	837	837.00	$ 1,118	$ 935,766	378	$ 422,604	45.16%	45.16%	459	$ 513,162	54.84%	54.84%
		Achieved Regional Living Wage	6,393	6,393.00	$ 559	$ 3,573,687	4,733	$ 2,645,747	74.03%	74.03%	1,660	$ 927,940	25.97%	25.97%
		Total	16,012	16,011.68		$ 13,455,887	11,158	$ 8,970,558	69.68%	66.67%	4,854	$ 4,485,329	30.32%	33.33%
	Pell Grant Recipients Bonus	Associate Degrees	608	607.67	$ 635	$ 385,567	472	$ 299,484	77.67%	77.67%	136	$ 86,083	22.33%	22.33%
		Associate Degrees for Transfer	518	518.00	$ 846	$ 438,228	349	$ 295,254	67.37%	67.37%	169	$ 142,974	32.63%	32.63%
		Baccalaureate Degrees	4	4.00	$ 635	$ 2,538	4	$ 2,538	100.00%	100.00%	-	$ -	0.00%	0.00%
		Credit Certificates	145	144.67	$ 423	$ 61,195	120	$ 50,760	82.95%	82.95%	25	$ 10,435	17.05%	17.05%
		Nine or More CTE Units	1,111	1,111.00	$ 212	$ 234,977	925	$ 195,638	83.26%	83.26%	186	$ 39,339	16.74%	16.74%
		Transfer	553	553.00	$ 317	$ 175,439	354	$ 112,307	64.01%	64.01%	199	$ 63,133	35.99%	35.99%
		Transfer Level Math and English	323	323.00	$ 423	$ 136,629	192	$ 81,216	59.44%	59.44%	131	$ 55,413	40.56%	40.56%
		Achieved Regional Living Wage	439	438.67	$ 212	$ 92,779	350	$ 74,025	79.79%	79.79%	89	$ 18,754	20.21%	20.21%
		Total	3,700	3,700.01		$ 1,527,351	2,766	$ 1,111,221	74.76%	72.75%	934	$ 416,130	25.24%	27.25%
	California Promise Grant Recipients Bonus	Associate Degrees	1,040	1,039.67	$ 423	$ 439,780	812	$ 343,476	78.10%	78.10%	228	$ 96,304	21.90%	21.90%
		Associate Degrees for Transfer	787	787.00	$ 564	$ 443,868	524	$ 295,536	66.58%	66.58%	263	$ 148,332	33.42%	33.42%
		Baccalaureate Degrees	7	6.67	$ 423	$ 2,821	7	$ 2,821	100.00%	100.00%	-	$ -	0.00%	0.00%
		Credit Certificates	270	270.33	$ 282	$ 76,233	217	$ 61,194	80.27%	80.27%	53	$ 15,039	19.73%	19.73%
		Nine or More CTE Units	2,300	2,300.33	$ 141	$ 324,347	1,943	$ 273,963	84.47%	84.47%	357	$ 50,384	15.53%	15.53%
		Transfer	837	836.67	$ 212	$ 176,956	537	$ 113,576	64.18%	64.18%	300	$ 63,380	35.82%	35.82%
		Transfer Level Math and English	505	504.67	$ 282	$ 142,317	300	$ 84,600	59.44%	59.44%	205	$ 57,717	40.56%	40.56%
		Achieved Regional Living Wage	1,231	1,231.00	$ 141	$ 173,571	981	$ 138,321	79.69%	79.69%	250	$ 35,250	20.31%	20.31%
		Total	6,976	6,976.34		$ 1,779,893	5,321	$ 1,313,487	76.27%	73.80%	1,656	$ 466,406	23.73%	26.20%
		Total	**26,688**	**26,688**		**$ 16,763,132**	**19,244**	**$ 11,395,266**	72.11%	67.98%	**7,444**	**$ 5,367,866**	27.89%	32.02%
		Total Computational Revenue		79,628		$ 166,475,405	56,960	$ 112,742,171	71.53%	67.72%	22,668	$ 53,733,234	28.47%	32.28%
								B				A		
							Sum of A & B	$ 166,475,405						

	District	SAC		SCC
Hold Harmless Funding	$ 174,838,125	$ 118,405,657		$ 56,432,468
Hold Harmless Protection	$ (8,362,720)	$ (5,663,486)		$ (2,699,233)
		$ (1,619,553)	HH shift	$ 1,619,553
	$ (3,031,693)	$ (3,623,325)	if District not HH - reduction/increase would be	$ 591,632

Calculation Assuming FY 2020/21 funding just on FTES earnings	SAC	SCC	
FTES FY 2019/20 @ Recal	85,818,734.00	41,407,916.00	127,226,650.00
FTES FY 2020/21 @ P1	82,195,409.00	41,999,548.00	124,194,957.00
Income (loss)/earned	(3,623,325.00)	591,632.00	

Calculation Assuming FY 2020/21 funding	SAC	SCC	
FY 2020/21 - 0% change in FTES producing the same FTES as FY 2019/20			
Recal- Hold Harmless	120,025,210.00	54,812,915.00	174,838,125.00
Hold Harmless Funding FY 2020/21 @ P1	118,405,657.00	56,432,468.00	174,838,125.00
shift from SAC to SCC	(1,619,553.00)	1,619,553.00	
	loose	gain	

Calculation Assuming FY 2020/21 funding with no deficit factor	SAC	SCC	
Use FY 2017/18 split 68.65%/31.35%	120,026,372.81	54,811,752.19	174,838,125.00
Hold Harmless Funding FY 2020/21 @ P1 FTES	118,405,657.00	56,432,468.00	174,838,125.00
SAC would get	1,620,715.81	(1,620,715.81)	
	gain	loose	

no incentive for colleges trying to increase FTES to get out of hold harmless
penalize those that spent $ to produce the FTES

There are two items for review:

1. How are colleges held harmless?
2. What happens if the district grows out of hold harmless due to one colleges growth?

The Student Centered Funding Formula states a district's 17/18 TCR plus COLA's minus any deficit factor, prior year adjustments, etc. will be held harmless through the 23/24 fiscal year.

While the district is in hold harmless, the current RSCCD procedure states colleges will also be in hold harmless. Current law does not provide additional funding at the college level if one college emerges from hold harmless prior to the district emerging from hold harmless

If one college grows substantially compared to the other college and the district is no longer in hold harmless, both colleges will be funded based on the production metrics of the SCFF. (see "Out of HH Examples)

Unless the college that is growing is willing to share their revenues with the other college

Version 1 - SB361 (Maintain production/revenue percentages while in HH)

Establishes a split of revenues for SAC and SCC based on fiscal year 17/18
2020/2021 is projected

Year	District TCR	%	SAC	%	SCC
17/18	$ 164,650,772	68.65%	$ 113,033,135	31.35%	$ 51,617,637

Year	District TCR	%	SAC	%	SCC
18/19	$ 169,318,347	68.65%	$ 116,237,436	31.35%	$ 53,080,911
19/20	$ 171,965,013	68.65%	$ 118,054,379	31.35%	$ 53,910,634
20/21	$ 171,341,363	68.65%	$ 117,626,241	31.35%	$ 53,715,122

Version 2 - SCFF (Adjust revenues annualy based on current production/revenue and split the HH revenues according to the same split)

Actual TCR Split for Closeout
Includes Prior Year adjustments to Apportionment/EPA/Deficit

Year	District TCR	%	SAC	%	SCC
17/18	$ 164,650,772	68.65%	$ 113,033,135	31.35%	$ 51,617,637

Year	District TCR	%	SAC	%	SCC
18/19	$ 169,318,347	68.47%	$ 115,926,901	31.53%	$ 53,391,446
19/20	$ 171,965,013	69.02%	$ 118,687,714	30.98%	$ 53,277,299
20/21	$ 171,341,363	69.02%	$ 118,257,280	30.98%	$ 53,084,083

Change in $ by site compared to Version

Year	SAC	SCC
18/19	(310,535)	310,535
19/20	633,335	(633,335)
20/21	631,039	(631,039)

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=+12.85%/SCC=0% for all FTES	121,700,415	53,141,602	**174,842,017**
Hold Harmless	-	-	-
	121,700,415	**53,141,602**	**174,842,017**
split %	**69.61%**	**30.39%**	
shift in $ from FY 2019-20 @ Recal	**1,675,205**	**(1,671,313)**	

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=0%/SCC=+27.53% for all FTES	116,365,496	58,473,538	**174,839,034**
Hold Harmless	-	-	-
	116,365,496	**58,473,538**	**174,839,034**
split %	**66.56%**	**33.44%**	
shift in $ from FY 2019-20 @ Recal	**(3,659,714)**	**3,660,623**	

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=+12.85%/SCC=0% for all FTES	121,700,415	53,141,602	**174,842,017**
shift in $ from FY 2019-20 @ Recal	(1,671,313)	1,671,313	-
	120,029,102	**54,812,915**	**174,842,017**
split %	**68.65%**	**31.35%**	
Additional Amount earned beyond District HH	**3,892**		

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=0%/SCC=+27.53% for all FTES	116,365,496	58,473,538	**174,839,034**
shift in $ from FY 2019-20 @ Recal	3,659,714	(3,659,714)	-
	120,025,210	**54,813,824**	**174,839,034**
split %	**68.65%**	**31.35%**	
Additional Amount earned beyond District HH		**909**	

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=+12.85%/SCC=0% for all FTES	121,700,415	53,141,602	**174,842,017**
Hold Harmless		1,671,313	**1,671,313**
	121,700,415	**54,812,915**	**176,513,330**
split %	**68.95%**	**31.05%**	

OUT OF HOLD HARMLESS SCENARIOS	2020/21 SAC	SCC	TOTAL
FTES produced in FY 2020-21 SAC=0%/SCC=+27.53% for all FTES	116,365,496	58,473,538	**174,839,034**
Hold Harmless	3,659,714		**3,659,714**
	120,025,210	**58,473,538**	**178,498,748**
split %	**67.24%**	**32.76%**	

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 approved at the November 18th 2020 Fiscal Resource Committee meeting.

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 10 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 1st, 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 education funding did not change from SB361. Noncredit and CDCP funding are considered fully funded in the base allocation and do not qualify for supplemental and success funding. See 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. District Council should conduct a review(s) during each fiscal year to assess if the operation of the budget allocation model is meeting the goal.

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 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, 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 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 is responsible for providing certain centralized functions, both to provide efficient operations as well as to assist in coordination between District Services and the colleges. Examples of these services include; human resources, business operations, fiscal and budgetary oversight, procurement, construction and capital outlay, and information technology. On the broadest level, the goal of this partnership is to encourage and support collaboration between the colleges and District Services.

Implementation

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 18th2020 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 SCFF is in its infancy and will continue to be modified as the formula matures. This BAM should be reviewed on an annual basis by the FRC to evaluate the changes as updates are signed into law.

College and District Services 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 Institutional Costs are summarized in Table 1.

Expenditure responsibilities for the colleges and Institutional costs are summarized in Table 2.

	TABLE 1 **Revenue and Budget Responsibilities**	**Santa Ana College & CEC ☑**	**Santiago Canyon College & OEC ☑**	**District Services ☑**	**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, ***Negative Growth***	✓	✓	✓	
5	Categorical Augmentation/Reduction	✓	✓	✓	
6	General Fund Matching Requirement	✓	✓	✓	
7	Apprenticeship	✓	✓		
8	In-Kind Contribution	✓	✓	✓	
9	Indirect Cost	✓	✓	✓	
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 ☑	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					
12	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)	✓	✓	✓	
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					
3	Utilities				
	-Gas	✓	✓	✓	
	-Water	✓	✓	✓	
	-Electricity	✓	✓	✓	
	-Waste Management	✓	✓	✓	
	-Water District, Sewer Fees	✓	✓	✓	
4	Audit			✓	
5	Board of Trustee Elections				✓
6	Scheduled Maintenance	✓	✓	✓	
7	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 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.

DISTRICT SERVICES – Examples are those expenses associated with the operations of the Chancellor's Office, Board of Trustees, Public Affairs, Human Resources, Risk Management, Educational Services, Institutional Research, Business Operations, Internal Auditing, Fiscal Services, Payroll, Purchasing, Facilities Planning, ITS and Safety Services. Economic Development expenditures are to be included in the District Services budget but clearly delineated from other District expenditures.

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 FTES split. If any funds remain unspent in an election year, it will be allocated to the colleges based on the current FTES 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. There are some basic guidelines the colleges must follow:

- Allocating resources to achieve the state funded level of FTES is a primary objective for all colleges.
- Requirements of the collective bargaining agreements apply to college level decisions.
- The FON (Faculty Obligation Number) must be maintained by each college. Full-time faculty hiring recommendations by the colleges are monitored on an institutional basis. Any financial penalties imposed by the state due to FON non-compliance will be borne proportionately by the campus not in compliance.
- 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 FTES 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 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.

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 onetime addition or reduction to the colleges' current budget year and distributed in the model based on the most up to date apportionment split reported by the District and funded by the state.

The apportionment includes funded FTES, 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%
	28,000		2.00%	28,560.00	

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%	2.82%	20,384.00	71.37%
SCC	8,176	29.20%	0.00%	8,176.00	28.63%
	28,000		2.00%	28,560.00	

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%
	28,000		2.00%	28,560.00	

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%
	28,000		2.00%	28,560.00	

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.

Stability

The stability mechanism has been eliminated for all FTES in the SCFF.

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. The current statute extends the 2017-2018 (plus COLA) hold harmless protection through 2023-2024.

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

During the 2020-2021 academic year BAM review process, the process to hold each college harmless was agreed upon. The process maintains each of the colleges final total computational revenue (TCR) percentage split from the 2017-2018 fiscal year. The TCR split shall be adjusted by COLA's, deficit factors and prior year adjustments beginning in 2018 -2019 and shall continue until the district is no longer protected by the hold harmless provision in the statute or the district revenues grow beyond the hold harmless level. At that time, the colleges shall receive their share of total computational revenue each college produced based of the SCFF.

Example:

Year	TCR	%	SAC	%	SCC
17/18	$ 164,650,772	68.65%	$113,033,135	31.35%	$ 51,617,637

Future year revenues for SAC and SCC based on SCFF using 17/18 baseline spli

Year	Total SCFF (includes COLA)	%	SAC	%	SCC
18/19	$ 169,318,347	68.65%	$116,237,436	31.35%	$ 53,080,911
19/20	$ 171,965,013	68.65%	$118,054,379	31.35%	$ 53,910,634
20/21	$ 171,341,363	68.65%	$117,626,241	31.35%	$ 53,715,122

Allocation of New State Revenues

Growth Funding: Plans from the Planning and Organizational Effectiveness Committee (POE) to seek growth funding requires FRC recommendation and approval by the Chancellor, and the plans should include how growth funds will be distributed if one of the colleges does not reach its growth target. 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 FTES 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 ninth place ranking level (Class VI, Step 12) 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 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 Office 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.

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 expenditures in that given year, and 50% will carryover specifically in a Fund 13 account under Educational Services to be used for one-time expenses to increase support services to the colleges.

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. The cost of faculty banking load will be charged to the college during the semester the course is taught and added to the liability. When an instructor takes banked leave, they will be paid their regular salary and district office will 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 for the differences.

Other Possible Strategic Modifications

Summer FTES

The 3-year average for credit FTES 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.

Borrowing 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: District Services 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 consideration.

Full-Time Faculty Obligation Number (FON)

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. When a District falls below the FON a replacement cost penalty is required to be paid to the state. The amount of the replacement cost will be deducted from the revenues of the college(s) incurring the penalty.

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 A 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 year P1 will be used. For the proposed adopted budget, the prior year P2 will be used. 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 the District Services.

Budget Stabilization Fund – The portion of the district's ending fund balance, in excess of the 5% reserve, budget center carryovers and any restricted balances, available for one-time needs at the discretion of the chancellor and Board of Trustees.

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% Percent 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 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 FTE students.

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 1st 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 1st 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 percent of the hours of credit instruction as a goal for classes to be taught by full-time faculty.

Stabilization – Stabilization has been eliminated for all FTES in the SCFF.

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, prior prior, 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.

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. 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 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.

Vacant Funded Positions for FY2020-21- Projected Annual Salary and Benefits Savings
As of February 9, 2021

Fund	Management/ Academic/ Confidential	Position ID	Title	Reasons	Site	Effective Date	Notes	2020-21 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Birk, John	5HR-UF-DIR	Director, Information System	Retirement	District	7/11/2019	Richard Sturrus Interim Assignment 7/1/20-12/31/20. Board docket 8/10/20	125,868	
11	Coburn, Allison	5CONS-UF-MGR1	Facilities Project Manager	Resignation	District	2/5/2021		86,884	266,461
11	Iannaccone, Judith	5PAG-UF-DIR	Director, Public Affairs & Publications	Retirement	District	8/31/2018	Reorg#1280 submitted 12/14/20, currently under review. Ruth Cossio Muniz Interim Assignment to include Public Affairs 10/1/20	-	
50%-fd 11 50%-fd 12	Santoyo, Sarah	5RDEV-UF-DIRX	Executive Director Resource Development	Promotion	District	1/28/2019	BCF#BCQFYLE3I4 moved funds to 11_0000_679000_53345_2130	53,708	
11	Dominguez, Gary M.	1FIAC-AF-DIR	Director, Fire Instruction	Retirement	SAC	8/23/2019	Fred Ramsey Interim Assignment 8/19/20-6/30/21. Michael Busch resignation 8/18/20, Board docket 9/14/20. Michael Busch Interim Assignment 7/1/20-06/30/21 Board docket 6/15/20	-	
11	Galvan, Javier A.	1SPAN-FF-IN	Instructor, Spanish	Interim Assignment	SAC	7/1/2020	Currently interim assignment 7/1/20-6/30/21 as Dean Humanities & Social Sciences replacing Shelly Jaffray vacancy. Board docket 5/26/20	161,943	
11	Jaffray, Shelly C.	1HSS-AF-DN	Dean, Humanities & Social Sciences	Retirement	SAC	6/30/2019	Javier Galvan Interim Assignment 7/1/20-6/30/21. Board docket 5/26/20 AC20-0807 **ON HOLD**.	(5,891)	
11	Keith, Katharine C.	1EMLS-FF-IN2	Instructor, ESL Writing	Retirement	SAC	6/4/2021		-	382,957
11	Mahany, Donald	1FIAC-AF-DNAC1	Associate Dean, Fire Technology	Retirement	SAC	1/2/2020	Joseph Dulla Interim Assignment 8/31/20-6/30/21. Board Docket 9/14/20. AC19-0790	45,231	
11	Miller, Rebecca	1SMHS-AF-DNAC	Associate Dean, Health Science/Nursing	Retirement	SAC	6/30/2020	Mary Steckler Interim Assignment 7/1/20-6/30/21. Board docket 6/15/20. AC19-0794	(1,733)	
11	Rose, Linda	1PRES-AF-PRES	President, SAC	Retirement	SAC	6/30/2020	Marilyn Flores Interim Assignment 7/1/20-6/30/21 Board docket 5/26/20	(24,116)	
11	Sotelo, Sergio R.	10AD-AF-DN3	Dean, Instr & Std Svcs	Retirement	CEC	6/30/2020	Lorena Chavez Interim Assignment 7/1/20-6/30/21 Board docket 6/15/20	51,426	
11	Stowers, Deon	1CUST-UF-SUPR	Custodial Supervisor	Probational Dismissal	SAC	8/13/2020	Tuon, Sophanareth Interim Assignment 9/28/20-11/6/20		
11	Wall, Brenda L.	1PAG-UF-OFCR	Public Information Officer	Resignation	SAC	5/18/2020	CL20-0039	156,098	
11	Arteaga, Elizabeth	2CAR-AF-DNAC	Associate Dean, Business and Career Technical Education	Promotion	SCC	2/24/2020		208,589	
11	Bailey, Denise E.	2CHEM-FF-IN	Instructor, Chemistry	Interim Assignment	SCC	7/1/2020	Stacey Hamamura Temp hire 8/17/20-6/5/21. Board Docket 8/10/20. D. Bailey currently interim assignment 7/1/20-6/30/21 as Dean Mathematics & Sciences replacing Martin Stringer vacancy. Board docket 7/13/20	-	
11	Coto, Jennifer	2ESS-AF-DN	Dean, Enrollment & Support Services	Change of Assignment	SCC	10/13/2020	Loretta Jordan Interim Assignment 11/20/20-6/30/21	188,615	
11	Flores, Marilyn	2ACA-AF-VP	VP, Academic Affairs-SCC	Interim Assignment	SCC	7/1/2020	Martin Stringer Interim Assignment 7/1/20-6/30/21 Board docket 6/15/20	(8,830)	
11	Hernandez, John C.	2PRES-AF-PRES	President, SCC	Resignation	SCC	7/31/2020	Jose Vargas Interim Assignment as SCC President 7/1/20-6/30/21 Board Docket 7/13/20	32,723	781,227
11	Stringer, Martin R.	2MS-AF-DN	Dean, Math & Sci Div	Interim Assignment	SCC	7/1/2020	Denise Bailey Interim Assignment 7/1/20-6/30/21 Board docket 7/13/20	38,684	
11	Vakil, David	2HSS-AF-DN	Dean, Arts,Humanities and Social Sciences	Resignation	SCC	6/30/2020	Joanne Armstrong Interim Assignment 7/1/20-6/30/21. Board docket 5/26/20. AC20-808 **ON HOLD**	42,987	
11	Vargas Navarro, Jose F.	20AD-AF-VP	VP, Continuing Ed	Interim Assignment	OEC	7/1/2020	Effective 7/14/20, Jim Kennedy VP of both CEC&OEC. Board docket 7/13/20. J. Vargas currently interim assignment 7/1/20-6/30/21 as President,SCC replacing John Hernandez vacancy. Board docket 7/13/20	278,458	
								1,430,645	

Fund	Classified	Position ID	Title	Reasons	Site	Effective Date	Notes	2020-21 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Andrade Cortes, Jorge L.	5ACCT-CF-ANYS	Senior Accounting Analyst	Resignation	District	9/27/2019	BCF#BCIWZ9K6YD Excess Sick Leave Hardash $21,316 moved to 11-0000-660000-54111-3115	116,946	
11	Ayala, Jose A.	5YSP-CM-DSO6	P/T District Safety Officer	Resignation	District	8/30/2020		17,861	
11	Francis, DiemChau T.	5PAY-CF-SPPA1	Payroll Specialist	Resignation	District	5/29/2020		98,479	
11	Intermediate Clerk	REORG#1193	Intermediate Clerk	REORG#1193	District	7/4/2019	BCF#BCFJN42EPO moved $21,701 11_0000_673000_53110_2310 to fund P/T staff. REORG#1193 Intermediate Clerk	50,712	
11	Lee, Patrick	5SSP-CM-DSO8	P/T District Safety Officer	Resignation	District	1/24/2021		8,271	
11	Medrano, Miranda M.	5GCOM-CF-GRPH2	Graphic Designer	Termination	District	3/24/2020		114,326	634,633
11	Nguyen, James V.	5DMC-CF-CUSR	Senior Custodian/Utility Worker	Probational Dismissal	District	8/6/2019		70,842	
11	Pita, Lazaro R.	5YSP-CM-DSO5	P/T District Safety Officer	Resignation	District	11/23/2019		24,674	
11	Senior District Safety Officer	REORG#1200	Senior District Safety Officer	Retirement	District	4/25/2020	Hired Eric Hatch#1448096. REORG#1200 (Miranda, Francisco) CL20-00025	-	
11	Senior District Safety Officer	REORG#1202	Senior District Safety Officer	Resignation	District	5/1/2020	Hired Donald Voght#1144583 REORG#1202 (Knorr, David) CL20-00025	-	
11	Shipma, Phil L	5PARK-CM-DSO16	District Safety Officer	Resignation	District	2/11/2021		8,652	
11	Yamoto, Sec. Stephanie	5FACL-CF-SPFP	Facility Planning Specialist	Resignation	District	8/26/2019	CL19-1334 on hold	123,870	
11	Amaton, Jose	1CUST-CM-CUS4	P/T Custodian	Resignation	SAC	1/29/2021		8,689	
11	Benavides, Ricardo	1CUST-CF-CUS4	Custodian	Retirement	SAC	1/15/2020		81,464	
11	Cordova, Monica M.	1KNIA-CF-TT2	Athletic Trainer/ Therapist	Resignation	SAC	1/17/2020	CL20-00045. Hired Winnie Voong #1147305	-	
11	F/T Gardener/Utility Worker Reorg#1205 (Crawford, Jonathan P/T vacancy)	1GRDS-CM-WKR2	F/T Gardener/Utility Worker	Resignation	SAC	6/25/2019	F/T Gardener/Utility Worker Reorg#1205 (Crawford, Jonathan P/T vacancy)	86,182	
11	Diaz, Claudia R.	10AD-CF-CLAD4	Administrative Clerk	Promotion	CEC	4/5/2020		115,148	
25%-fd 11 75%-fd 12	Fernandez Gonzalez, Irma	1EOPS-CF-ASCN1	Counseling Assistant	Medical Layoff	SAC	2/14/2020		23,490	
11	Flores, Rodrigo	1CUST-CF-CUS9	Custodian	Promotion	SAC	1/4/2021		49,443	
11	Hayes, Charles F.	1CUST-CF-CUS11	Custodian	Retirement	SAC	6/1/2020	CL20-00021	82,074	
11	McAdam, Justin M.	1GRDS-CF-WKR8	Gardener/Utility Worker	Promotion	SAC	2/18/2020	Hired David Vargas#2475554 CL20-00022	-	
35%-fd 11 65%-fd 31	Miranda Zamora, Cristina	1AUX-CF-SPAS3	Auxiliary Services Specialist	Promotion	SAC	11/19/2019		32,213	
11	Molina Valdez, Jorge A.	1CUST-CF-CUS1	Custodian	Promotion	SAC	1/4/2021		58,637	
11	Munoz, Edward J.	1ADMS-CM-ACT	Accountant	Termination	SAC	7/14/2020		31,637	

Vacant Funded Positions for FY2020-21- Projected Annual Salary and Benefits Savings
As of February 9, 2021

Fund	Management/ Academic/ Confidential	Position ID	Title	Reasons	Site	Effective Date	Notes	2020-21 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Sanchez, Salvador	1CUST-CF-CUSR2	Senior Custodian/Utility Worker/Day Shift	COA	SAC	2/10/2020	Hired Rodrigo Flores #1107246 CL20-00019. Replaced (SRP) employee Salvador Sanchez per HR status change form	-	762,817
11	Shirley, Jacqueline K.	1CNSL-CF-CLIN	Intermediate Clerk	Retirement	SAC	2/27/2020	BCF#BC9PG2H8TZ Fund short term hours from August 17 thru December 31st for Natalie Rodriguez 11-2410-631000-15310-2320 CL20-1396	69,579	
40%-fd 11 60%-fd 12	Student Services Specialist	REORG#1190	Student Services Specialist	Retirement	SAC	12/29/2019	Reorg#1190 (Nguyen, Cang)	33,459	
11	Talamantes, Edgar	1GRDS-CF-WKR3	Gardener/Utility Worker	Promotion	SAC	12/14/2020		47,554	
11	Tapia, Manuel J.	1MAIN-CF-WKR7	Skilled Maintenance Worker	Resignation	SAC	2/7/2020	CL20-00024. Hired Edgar Talamantes #2432260	-	
11	Taylor, Katherine A.	1ADM-CM-SPC1D	P/T Admissions/Records Specialist I	Retirement	SAC	10/1/2020		18,156	
11	Tuon, Sophanareth	1CUST-CF-CUSR1	Senior Custodian/Utility Worker	Promotion	SAC	11/7/2019	Hired Jorge A. Molina Valdez effective 1-4-2021 CL20-00020	-	
11	Velazquez, Kimberly S.	1CNSL-CM-ASCN6	Counseling Assistant	Promotion	SAC	7/6/2020		25,089	
	Bennett, Lauren A.	2ADM-CF-SPC1A	Admission Records Specialist I	Resignation	SCC	10/23/2020		46,033	
14%-fd 11 86%-fd 12	Berganza, Leyvi C	20SS-CF-SPOR1	High School & Community Outreach Specialist	Promotion	OEC	3/19/2017		14,730	
11	Flores, Jazmine N	2ADM-CF-SPC2	Admission Records Specialist II	Resignation	SCC	1/8/2021		35,039	
11	Gitonga, Kanana	2INTL-CF-CORD	International Student Coordinator	Retirement	SCC	1/31/2019	BCF#BC29Z387K0 Moved $20,899 and BCF#BCR7BDZEVM $25,350 to hourly accounts 11-0000-649000-29110-2320&2345,BCF#BCG7J8E3TI H&W $3569 cost moved to 11-0000-620000-29110-3415 to fund Jay Nguyen#1062155 H&W acct.	53,902	332,056
11	Heinsma, Todd	2GROS-CF-WKR3	Gardener/Utility Worker	Probational Dismissal	SCC	8/28/2020	CL20-00040	71,237	
11	Tran, Kieu-Loan T.	2ADM-CF-SPC3	Admission Records Specialist III	Promotion	SCC	3/1/2020	Jazmine Flores WOC 9/11/20-6/30/21 Board docket 8/10/20	111,116	
								1,729,506	
TOTAL								**3,160,151**	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
MEASURE Q
Projects Cost Summary
01/31/21 on 02/03/21

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2020-2021 Expenditures	FY 2020-2021 Encumbrances	Cumulative Exp & Enc	Project Balance	% Spent
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3035/ 3056	Johnson Student Center	59,198,222	36,998,707	10,657,279	10,542,622	58,198,608	999,614	98%
	Agency Cost		479,276	(1)	3,443	482,718		
	Professional Services		5,273,249	654,114	1,152,597	7,079,960		
	Construction Services		31,161,950	9,995,537	8,355,017	49,512,503		
	Furniture and Equipment		84,233	7,629	1,031,565	1,123,427		
3049	Science Center & Building J Demolition	70,480,861	55,803,846	1,867,231	4,111,888	61,782,966	8,697,895	88%
	Agency Cost		430,871	10,260	1,696	442,827		
	Professional Services		8,613,856	464,017	565,495	9,643,368		
	Construction Services		45,942,968	400,798	2,730,598	49,074,364		
	Furniture and Equipment		816,152	992,155	814,100	2,622,407		
	TOTAL ACTIVE PROJECTS	**129,679,083**	**92,802,553**	**12,524,510**	**14,654,511**	**119,981,574**	**9,697,509**	**93%**
CLOSED PROJECTS								
3032	Dunlap Hall Renovation	12,620,659	12,620,659	-	-	12,620,659	0	100%
	Agency Cost		559	-		559		
	Professional Services		1,139,116	-	-	1,139,116		
	Construction Services		11,480,984	-	-	11,480,984		
	Furniture and Equipment		-	-	-	-		
3042	Central Plant Infrastructure	57,266,535	57,266,535	-	-	57,266,535	0	100%
	Agency Cost		416,740	-	-	416,740		
	Professional Services		9,593,001	-	-	9,593,001		
	Construction Services		47,216,357	-	-	47,216,357		
	Furniture and Equipment		40,437	-	-	40,437		
3043	17th & Bristol Street Parking Lot	198,141	198,141	-	-	198,141	0	100%
	Agency Cost		16,151	-	-	16,151		
	Professional Services		128,994	-	-	128,994		
	Construction Services		52,996	-	-	52,996		
	Furniture and Equipment		-	-	-	-		
	TOTAL CLOSED PROJECTS	**70,085,335**	**70,085,334**	-	-	**70,085,334**	**0**	**100%**
	GRAND TOTAL ALL PROJECTS	**199,764,418**	**162,887,887**	**12,524,510**	**14,654,511**	**190,066,908**	**9,697,509**	**95%**

SOURCE OF FUNDS	
ORIGINAL Bond Proceeds	198,000,000
ACTUAL Bond Proceeds Recon Adjust.	(1,614,579)
Interest Earned	2,993,115
Interest/Expense (FY20/21)	385,881
Totals	**199,764,418**

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2020-21, 2019-20, 2018-19
YTD Actuals- January 31, 2021

	FY 2020/20201											
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
Beginning Fund Balance	$38,043,629	$37,889,783	$21,376,325	$29,613,899	$20,966,003	$18,433,072	$40,403,464	$35,256,417	$35,256,417	$35,256,417	$35,256,417	$35,256,417
Total Revenues	9,803,314	(1,484,159)	24,214,797	7,145,358	15,876,235	37,159,105	7,568,219	0	0	0	0	0
Total Expenditures	9,957,160	15,029,299	15,977,224	15,793,254	18,409,167	15,188,713	12,715,267	0	0	0	0	0
Change in Fund Balance	(153,846)	(16,513,458)	8,237,574	(8,647,895)	(2,532,931)	21,970,393	(5,147,048)	0	0	0	0	0
Ending Fund Balance	37,889,783	21,376,325	29,613,899	20,966,003	18,433,072	40,403,464	35,256,417	35,256,417	35,256,417	35,256,417	35,256,417	35,256,417

	FY 2019/2020											
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
Beginning Fund Balance	$38,759,045	$46,756,827	$39,862,144	$42,643,395	$31,406,449	$32,285,576	$51,748,699	$45,395,701	$27,255,963	$27,628,258	$31,992,321	$23,555,194
Total Revenues	18,530,608	6,957,617	17,893,333	6,103,920	18,289,460	35,095,906	8,486,077	1,438,315	15,146,041	20,661,983	7,845,575	41,652,047
Total Expenditures	10,532,826	13,852,300	15,112,081	17,340,866	17,410,333	15,632,783	14,839,075	19,578,053	14,773,746	16,297,921	16,282,702	27,163,612
Change in Fund Balance	7,997,782	(6,894,683)	2,781,251	(11,236,947)	879,127	19,463,123	(6,352,998)	(18,139,738)	372,295	4,364,063	(8,437,127)	14,488,435
Ending Fund Balance	46,756,827	39,862,144	42,643,395	31,406,449	32,285,576	51,748,699	45,395,701	27,255,963	27,628,258	31,992,321	23,555,194	38,043,629

	FY 2018/2019											
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual
Beginning Fund Balance	$37,903,213	$41,275,963	$35,157,531	$35,434,499	$27,561,284	$25,844,907	$39,405,066	$39,371,921	$28,793,164	$28,369,733	$39,111,613	$30,603,274
Total Revenues	12,626,143	6,732,548	14,600,385	7,442,505	17,105,605	29,957,387	14,004,082	6,570,808	15,379,629	26,037,945	9,298,822	31,999,654
Total Expenditures	9,253,392	12,850,980	14,323,417	15,315,721	18,821,982	16,397,228	14,037,228	17,149,564	15,803,060	15,296,065	17,807,162	23,843,882
Change in Fund Balance	3,372,750	(6,118,432)	276,968	(7,873,215)	(1,716,377)	13,560,159	(33,145)	(10,578,756)	(423,431)	10,741,880	(8,508,340)	8,155,771
Ending Fund Balance	41,275,963	35,157,531	35,434,499	27,561,284	25,844,907	39,405,066	39,371,921	28,793,164	28,369,733	39,111,613	30,603,274	38,759,045

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DISTRICTWIDE ENROLLMENT MANAGEMENT WORKGROUP (DEMW) MEETING

A G E N D A

February 5, 2021 12:00pm-1:30pm
https://cccconfer.zoom.us/j/95248335319 / 1-669-900-6833, 95248335319#

I.	Welcome	
II.	*Action Items – December 18, 2020 – Informational	
III.	*CWP Presentation – Update & Next Steps	Fred Trapp & George Walters
IV.	Enrollment Management Training Opportunity	Enrique Perez / Jesse Gonzalez
V.	Update – District Enrollment Management Reports	Jesse Gonzalez / Stuart Davis
VI.	*Use of Remaining Enrollment Management IEPI Funds	
VII.	Other	

Next meeting: Friday, February 19, 2021

**item attached*

Purpose of workgroup: to discuss strategic enrollment management related topics and issues from a districtwide perspective and learn how to better leverage resources districtwide to help our enrollment.

Workgroup Members:
Enrique Perez, Matthew Beyersdorf, Ashly Bootman, Ruth Cossio-Muniz, Stuart Davis, Corinna Everett, Jesse Gonzalez, Dr. Vaniethia Hubbard, Dr. James Kennedy, Dr. Jeff Lamb, Janice Love, Thao Nguyen, William Nguyen, Nga Pham, Syed Rizvi, Craig Rutan, Sarah Santoyo, John Steffens, Martin Stringer, and Aaron Voelcker

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DISTRICTWIDE ENROLLMENT MANAGEMENT WORKGROUP (DEMW) MEETING

Action Items

December 18, 2020 - 12:00pm-1:30pm via Zoom

Mr. Perez called the meeting to order at 12:03pm.

I. Welcome

- Mr. Perez reported on work being done with data and enrollment reports; importance was made on the Enrollment Management plans (EM) to be in good place.
- Next step is providing training on how to use reports and to have an index of what the reports are; the goal is to have a districtwide strategy on EM plans; will be sending out priorities for spring and next steps.
- CWP will be invited to provide a presentation on their work with colleges, feedback received, and next steps so all are on same page.
- Reports and data will be reviewed at President's Cabinets first.

II. *Action Items – November 13, 2020 – Informational

III. Update – District Enrollment Management Reports

a. Enrollment management reports recently completed by ITS - demonstration and review

- Mr. Gonzalez reported on production of reports that were being manually done at colleges; waiting on feedback from VP's; important to ensure reporting needs are being met
- Mr. Davis shared screen and provided overview of RG0546 report; it tracks set target FTES and other criteria for 4 terms; in discussions to do a summer trailer with the developer; this report can be shared with the group to spot check but is available on the test report repository.
- It was suggested having non-resident/resident total for credit but not necessarily needed for noncredit.
- Comparison by dept. and comparison by term is the important data for noncredit; comparing first day to first day is what noncredit looks at.
- Feedback and suggestions were was shared.
- Important to share notes on document defining data elements before writing reports.
- This report was part of a request but is it still needed? What question is being answered with this report?
- Discussion ensued; more feedback shared on 2nd report shared by Mr. Davis; suggestions were noted on modifying report for better performance.
- Dr. Lamb will connect with Mr. Davis on calculations.

- Mr. Davis shared this being a band-aid situation until data warehouse where data elements can be stored.
- A ticket request can be submitted if access is needed; Researchers at campuses and DO.
- It was shared that the colleges have task force groups, committees and subcommittees where they have discussions, track data in planning and preparation for each semester.
- Mr. Perez made clear the strategy is still to have a robust inventory of reports that the colleges can use to better inform their enrollment management plans as well as provide training on how to use reports.
- Mr. Davis will make note of Mr. Stringer's feedback to previous report shared as it relates to meta majors and Guided Pathways.

IV. Other
Next meeting scheduled for January 15, 2021.

Mr. Perez adjourned the meeting at 1:28pm.

**item attached*

Purpose of workgroup: to discuss strategic enrollment management related topics and issues from a districtwide perspective and learn how to better leverage resources districtwide to help our enrollment.

Present:
Enrique Perez, Matthew Beyersdorf, Ashly Bootman, Ruth Cossio-Muniz, Stuart Davis, Jesse Gonzalez, Dr. Vaniethia Hubbard, Dr. James Kennedy, Dr. Jeff Lamb, Janice Love, Thao Nguyen, William Nguyen, Nga Pham, Syed Rizvi, Craig Rutan, John Steffens, Martin Stringer, and Aaron Voelcker
Ms. Duenez present for action items.

Reporting for Strategic Enrollment Management

What the District Office Can Deliver

Project Purpose

1. Provide a comprehensive list of strategic enrollment management related reports to inform the college-level enrollment management work
2. Provide a description and purpose for each report
3. Validate each existing RSCCD District Office report

What is Strategic Enrollment Management (SEM)?

- An organizational concept and a ***systematic set of activities*** designed to enable educational institutions to exert more influence over their student enrollments.

  - Organized by strategic planning and supported by institutional research, enrollment management activities concern student college choice, transition to college, student attrition and retention, and student outcomes.

CWP

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Strategic Enrollment Management Action

- These processes are studied to guide institutional practices in the areas of new student recruitment and financial aid, student support services, curriculum development, and other academic areas that affect enrollments, student persistence, and student outcomes from college.*

*Hossler, Don. 1986. *Creating Effective Enrollment Management Systems.* New York: The College Board. (p. 5).

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Strategic Enrollment Management Is NOT

- It is not just:
  - A quick fix to current enrollment problems
  - An enhanced admissions or marketing operation
  - Exclusively focused on the schedule of classes
  - An explanation for enrollment-related decisions such as class cancellations, etc.
  - A planning document that sits unused on the shelf

Overarching Longer-term Outcomes

- From strategic enrollment management planning the district/colleges should:
  - Maximize the volume of students who enroll, have course success, complete programs of study, and transition into the workforce or a four-year institution.
  - As a result of the increased student volume and success, revenues to a district/college should increase. If managed efficiently, economically, and effectively the results should help ensure a district's/college's viability.

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Three "Es" for Public Service Agencies

- Efficiency
  - WSCH/FTEF or FTES/FTEF
    - Ideal WSCH/FTEF is 595; RSCCD 2019-20 ratio= 487
- Economy
  - Cost/FTES
  - Maximize FTES
  - Maximize supplemental allocation student count
- Effectiveness
  - Student success outcomes
  - Equity lens

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Common SEM Plan Topics

1. Environment and Context
2. Outreach and Recruiting
3. Onboarding
4. Curriculum and Scheduling
5. Supporting Students
6. Completion and Transition

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CWP Recommended Reports Listing

- Extensive matrix created (124 report suggestions)*
  - Phase number
  - Phase/stage name
  - Area of focus
  - Report number
  - Suggested Creator
  - Report Detail (sketch)
  - Purpose/"Research Question"
  - Likely Recipient
  - Expected Action
  - DO ITS Notes
  - DO Research Notes

CWP

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CWP Report Validation Process

- Access to the District Enrollment Management Tool and reporting inventory
- Comprehensive report list created
- District ITS and Research staff review and identification of available reports
- Examples of reports and dashboards provided
- Reports and dashboards reviewed

CWP

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Environment & Context Findings

- **The District Office is well positioned for reporting**
  - Participation rates in the service area
  - Center of Excellence for Orange County
  - Environmental scan for strategic plan
  - Enrollment Management Tool, RG0540, 0541,0546CC (term specific)
  - Dashboards for credit and noncredit enrollment management (trends)
  - RG0544, SCFF metrics (2-year comparison)

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Outreach & Recruiting Findings

- **The District Office is not well positioned for reporting**
- More logically college vs. district office
  - 4 reports on five-years of enrollment by zip code
  - 12 measures of success annual report
  - RG0300, Students concurrently enrolled in high school (term specific)
  - Student Success Measures, application to enrollment yield rate

CWP

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Onboarding Findings

- **The District Office is not well positioned for reporting**
- More logically college than district
  - RG0544, SCFF metrics (page 2 in particular)
  - RG0541, Term enrollment information
  - RG0543, Term section enrollment
  - Enrollment Management Tool (term specific)
  - CU0400, Student educational planning forecast
  - AB705 implementation

  - Who did not complete onboarding & why?
  - Registration audit table

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Curriculum & Scheduling Findings

- **The District Office is well positioned for reporting**
- Subphases
  - Planning a future schedule
  - Schedule data quality control
  - Monitoring the implementation of the schedule
  - After action reporting & assessment

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Curriculum & Scheduling

- Reports for planning the schedule (trends essential)
  - RG0544T, SCFF update report (more granular targeting to be added)
  - RG0544, SCFF metrics
  - RG0545, Distance Education Enrollment
  - Enrollment Management Dashboard
  - RG0546CC, FTES by department and term
  - RG0542, College credit enrollment comparison
  - Enrollment Management Tool
  - CU0321, Last time course offered

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Curriculum & Scheduling

- Quality control of schedule data (details & exceptions)
  - CU0201, Schedule audit
  - CU0202, Contact hours vs. scheduled hours
  - CU0300, Scheduled contact hours errors
  - AdAstra Reporting
  - CSSC, Course section schedule
  - Enrollment Management Tool
  - RG0544, SCFF Metrics
  - RG0544T, SCFF Update (more granular targeting to be added)

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Curriculum & Scheduling

- Monitoring schedule implementation (exceptions & big picture)
  - CSAR, Open and closed classes
  - Enrollment Management Tool
  - RG0540, Census enrollment report with FTES computation
  - RG0541, Term enrollment information
  - CU0201, Schedule audit
  - RG0544, SCFF metrics
  - RG0544T, SCFF metrics update

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Curriculum & Scheduling

- "After action" reporting (trends & current results)
  - Enrollment Management Tool
  - RG report series run after the term concludes

- Were targets achieved?
- Lessons learned
  - Discontinued classes
  - Classes carried under minimum enrollment count
  - Fill rates
  - Etc.

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Supporting Students Findings

- **The District Office is not well positioned for reporting**
- More logically college vs. district office
  - Student success metrics (SSM)
  - AB705 Placement and throughput

  - Student Equity & Achievement (SEA) initiative
  - #Real College survey
  - SAC case study on forming student success teams
  - Campus logic software for financial aid

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Completion & Transition Findings

- **The District Office is well positioned for reporting**
  - Facts N Status dashboard
  - AM0130, Graduates summary
  - AM0111, Graduates detail
  - CEADM02, Noncredit awards
  - AR0130, Degree applicable units
  - Certificate Tracking reports

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College Instructional Deans Perspective

- Summary matrix included in as Appendix G

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District Report Utilization Over 12 Months

- 18 reports evaluated
- Most commonly used reports
  - RG0540, Census enrollment with FTES computation
  - CU0201, Schedule audit
  - Executive Dashboard
- Crosswalk to report pages, see Appendix H

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Questions

NO. ______

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

Educational Services

To:	Board of Trustees	Date: October 12, 2020
Re:	Approval of Agreement with Invoke Learning Inc. for Professional Services	
Action:	Request for Approval	

BACKGROUND

The District has been working to advance its data strategy and analytics programs through existing data integrity, data quality and data governance initiatives currently underway. The District would like to use data insights to better address critical challenges around enrollment, retention, student success, engagement, and graduation.

ANALYSIS

The District would like to enter into an agreement with Invoke Learning Inc. for advisory services on the implementation of its data strategy as well as a six-month pilot for an enrollment management system. This agreement includes assistance in the design and implementation of specific architectural data strategies, upskill resources and vendor selection, as well as an option to extend the enrollment system pilot for an additional six months.

Performance period shall be from October 13, 2020 - October 12, 2021. The cost of the service engagement will not exceed $110,000. This includes $60,000 for professional services plus $25,000 for a six-month pilot for an enrollment management system, with an option to extend the pilot for an additional six-month period for $25,000.

This project will be funded by the ITS operational budget.

RECOMMENDATION

It is recommended the Board of Trustees approve the agreement with Invoke Learning Inc. for professional services as presented.

Fiscal Impact:	Not to exceed $110,000	Board Date: October 12, 2020
Prepared by:	Jesse Gonzalez, Assistant Vice Chancellor of Information Technology Services	
Submitted by:	Enrique Perez, J.D., Vice Chancellor, Educational Services	
Recommended by:	Marvin Martinez, Chancellor	

DRAFT

Fiscal Resources Committee

Via Zoom Video Conference Call
1:30 p.m. – 3:00 p.m.

Meeting Minutes for January 13, 2021

FRC Members Present: Adam O'Connor, Morrie Barembaum, Steven Deeley, Noemi Guzman, Bart Hoffman, Cristina Morones, Thao Nguyen, William Nguyen, Enrique Perez, Craig Rutan, Arleen Satele, Roy Shahbazian, and Vanessa Urbina

FRC Members Absent: None

Alternates/Guests Present: Erika Almaraz, Jacob Bereskin, Jason Bui, Vaniethia Hubbard, Mark Reynoso, Syed Rizvi, George Walters (CWP) and Barbie Yniguez

1. Welcome: Adam O'Connor called the meeting to order at 1:35 p.m. via zoom

2. State/District Budget Update
   - 2021-22 Proposed State Budget report link
   - LAO 2021-22 Overview of Governor's Budget link
   - DOF – November 2020 Finance Bulletin
   - DOF – December 2020 Finance Bulletin
   - SSC – Voters Reject the Split Roll Initiative but Approve Proposition 19
   - SSC – Ask SCC…what about the FON?
   - SSC – CalPERS System Funded Levels Increase
   - SSC – Congress Reaches Agreement on Stimulus and 2021 Spending Plan
   - SSC – Economy Faces Headwinds Despite Improvements
   - SSC – LAO Issues Rosy Fiscal Outlook for Education
   - SSC – New Contract Bid Threshold Effective 2021
   - SSC – LAO Makes Recommendations on Deferrals
   - CCCCO COVID Stimulus Update
   - Budget Presentation to Board of Trustees January 11, 2021

   Adam O'Connor referenced handouts noted above for further reading. He then reviewed the Budget presentation previously provided to the Board of Trustees on January 11, 2021 announcing budget updates and presentations are posted on the RSCCD Website. The presentation covers the following items: COVID Stimulus Update, Governor's Proposed 2021-2022 Budget Highlights, Impacts to RSCCD Budget and State Budget Process.

   O'Connor discussed the new Federal Stimulus whereby RSCCD could expect to receive $21 million one-time funds ($14.6 million for SAC and $6.5 million for SCC) with a requirement of at least $4.2 million be spent on direct student aid. Funds are to be allocated to students directly, be used on technology costs associated with distance education, faculty training, and loss revenue. Official amounts and details are yet to be confirmed.

   O'Connor discussed the Governor's proposed budget which is the starting point for the 2021-22 budget. The budget contains four main themes (economic growth, COVID relief, workforce development and enrollment/education) with some allocations to be acted upon this year called "early actions". These "early actions" include $600 checks to over 4 million people in California and small business assistance. Enrollment/education has been designated with $2 billion to support K-12 schools opening and support for community colleges. Pension costs offsets continue with the Governor committed to buying down PERS/STRS costs. This will not be a reduction in the RSCCD budget but less of an increase to the previous rates. The Governor continues to caution that expenses are outpacing revenue and expect deficits for the out years, thus the reason the majority of funds are one-time and not on-going. "Early actions" will be distributed this year if approved and includes financial assistance to students trying to get them back into the classroom. Of the $1.5 billion in deferrals for community colleges, only $1.1 billion is designated as buy down. It is anticipated that advocacy will encourage a complete buy down. The budget workshop is next week and more will be learned then. A 1.5% COLA (3.84% COLA for K-12) is proposed and growth at .5%; however, RSCCD will not be able to enjoy growth funds since enrollment has declined significantly. Other community college-specific allocations include: $250 million for financial aid grants; $100 million for basic needs/food/housing; $30 million for mental health; $23.1 million for enrollment growth; $20 million for professional development and $15 million for open-sourced textbooks.

The impacts to RSCCD include expense increases (which continue to outpace revenue) in 2021-2022 estimated at $8 million plus $2 million one-time budget solution for 2020-21, for a total $10 million ongoing budget gap. If the 1.5% COLA holds, that will add $2.6 million in revenue. P-1 FTES (full-time equivalent students) are posted and awaiting colleges' confirmation but appears to put RSCCD further into enrollment decline. There is a $7.4 million net gap that will need to be addressed. The first SRP (Supplemental Retirement Program) helped and there is consideration for a second SRP to create more savings. A discussion ensued about salaries, savings, SRP and right sizing as ways to create savings for the district. Some one-time revenue is expected based on recalculation for 2019-20 and 2020-21 of which some may not reach RSCCD because of the buying down of deferrals which helps with the cash flow (approximately $18-$25 million) but it is unclear at this time how much we may receive. The State budget development process was reviewed reminding everyone that the Governor's Proposed Budget in January is the starting point. The legislative hearings and advocacy will continue to the May revise and final budget approved June 15. The initial $500,000 carryover funds set aside for PPE purchases is now being distributed to the colleges with $344,945 to SAC and $155,055 to SCC by the end of the week. VPs were asked to provide fund 13 account numbers to Thao Nguyen for the transfer of funds.

3. Continued Discussion of SCFF and Review of BAM – Cambridge West Partnership Consultants
   George Walters referenced page 25 of the meeting materials and discussed the various scenarios of the proposed BAM language related to how the colleges are held harmless and what happens if the district grows out of hold harmless due to one college's growth. Walters reviewed current law and current RSCCD procedures noting the language of the law speaks to district not colleges. There is no new money if one college grows quicker than the other college.

   Further review of version 1 (using SB361 production/revenue split remaining the same) and version 2 (SCFF adjust revenues annually-actually following now) of hold harmless were shared and discussion ensued. It was noted the SAC workgroup supports version 1 as does Satele from SCC. O'Connor shared preliminary P-1 numbers with SAC enrollment down by 12.7% and SCC down less than .5% and the potential shift of approximately $1.6 million from SAC to SCC using version 1. If version 1 is selected, should previous years be trued up for 2018-19, 2019-20 rather than how it was allocated now? Hoffman and Satele agreed and confirmed this is what committee/workgroup discussed for months due to the pandemic, uncontrolled affects and massive swings that could be devastating to the colleges and district. It was suggested this be reviewed annually along with the BAM. Version 1 is safer, more predictable but has potential for bigger cliff in 2024-2025 when hold harmless ends. It is necessary to track production by each college even if there is a switch to version 1 so that each college is aware of how far out they are upon the conclusion of hold harmless and the potential for swings and dips due to enrollment fluctuations. At this point, it is necessary to get past COVID and plan with the best estimate because it is going to be a big cliff once hold harmless ends if the colleges don't increase enrollment.

   Walters will prepare final language with table as examples to be reviewed for action at next meeting.

4. FRC Accomplishments and Goals/Planning Design Review - ACTION

O'Connor reviewed FRC accomplishments for 2019-20 and goals for 2020-21. He confirmed committee responsibilities, membership and action requested by POE (Planning and Organizational Effectiveness committee).

Craig Rutan made a motion to forward accomplishments, goals and affirmation of committee responsibilities and membership to POE as presented. The motion was seconded by Arleen Satele. With no further discussion, questions, comments or opposition the motion passed unanimously.

5. Mid-Year Updates
O'Connor provided review of mid-year budget expenditures for 2020-21 in comparison to 2019-20 noting most were relatively consistent. Approximately 54% is available (SAC at 55.49%, SCC at 53.33% and DO at 52.04%) and on track to have little carryover at year end. This is information for planning purposes. Additionally, mid-year updates for fund 12 projects were sent to the colleges providing a mid-year check for all grants. P-1 FTES information will be available for next meeting after colleges review and confirm the numbers are accurate.

6. Standing Report from District Council - Rutan
Craig Rutan provided a brief report on the actions of District Council including approval of the changes to the BAM and creation of Administrative Regulation for Credit for Prior Learning as required by the Chancellor's Office. Additionally, District Council approved the reorganization of ITS which created a net savings.

7. Informational/Additional Handouts
    - District-wide expenditure report link: https://intranet.rsccd.edu
    - Vacant Funded Position List as of January 7, 2021
    - Measure "Q" Project Cost Summary December 31, 2020
    - Monthly Cash Flow Summary as of December 31, 2020
    - SAC Planning and Budget Committee Agendas and Minutes
    - SCC Budget Committee Agendas and Minutes
    - Districtwide Enrollment Management Workgroup Minutes
    - Joint Analysis-Governor's January Budget, 01-08-2021 & SSC Updates
    - State of California Budget 2021-2022
    - Overview of the Governor's 2021-2022 Budget, 01-11-2021

    Additional handouts were referenced for information purposes.

8. Approval of FRC Minutes – November 18, 2020
A motion was made by Enrique Perez and seconded by Noemi Guzman to approve the minutes of November 18, 2020 meeting. With no questions, comments, corrections, or opposition, the motion passed unanimously.

9. Other
William Nguyen suggested a future discussion item regarding the $10 million gap, potential savings from second SRP and possible recommendation from FRC to access those savings for the 2020-21 or 2021-22 budgets. O'Connor agreed it could be a future topic of discussion. He shared the Board's concern is for a potential financial cliff when hold harmless ends and utilizing those savings for that while making reductions now. Therefore they have sequestered those savings for now. Hold harmless as written in law concludes in 2023-24 fiscal cycle.

    Roy Shahbazian requested item for next meeting to include the potential SRP tentative budget assumption scenarios. O'Connor expects action by the Board of Trustees regarding the SRP at the next regular board meeting and if that is the case, estimates for tentative budget assumptions would be made. Further Shahbazian requested a variety of scenarios with adjunct faculty, with limited full-time faculty replacements, to get a better delta of the costs.

The next FRC meeting is scheduled for February 17, 2021 with a focus on tentative budget assumptions. This meeting adjourned at 2:50 p.m.