



**Rancho Santiago Community College District
District Council Meeting**

July 6, 2020

3:00 p.m.

Via Zoom

<https://cccconfer.zoom.us/j/98809121545>

669-900-6833 / 988 0912 1545

Password is required and provided to District Council members in separate email.
Contact Debra Gerard at gerard_debra@rscsd.edu to obtain password.

Agenda

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|--|------------|
| 1. Chancellor's Update | Martinez |
| 2. Approval of Minutes - ACTION | Martinez |
| a. June 1, 2020 Meeting | |
| 3. Budget – ACTION | Hardash |
| a. 2020-2021 Adopted Budget Assumptions | |
| 4. Committee Reports - INFORMATION | |
| a. Planning & Organizational Effectiveness Committee | Perez |
| b. Human Resources Committee | Green |
| c. Fiscal Resources Committee | Hardash |
| d. Physical Resources Committee | Hardash |
| 5. Constituent Representative Reports - INFORMATION | |
| a. Academic Senate - SAC | Shahbazian |
| b. Academic Senate – SCC | Rutan |
| c. Classified Staff | Martin |
| d. Student Government – SAC | Renteria |
| e. Student Government – SCC | Gardner |
| 6. Other | |

Next Meeting: August 24, 2020



Rancho Santiago Community College District District Council Meeting

MINUTES

June 1, 2020

Members:	Marvin Martinez	Present
	Peter Hardash	Present
	Enrique Perez	Present
	Tracie Green	Present
	Linda Rose	Present
	John Hernandez	Present
	Jesse Gonzalez	Present
	Roy Shahbazian	Present
	Michael DeCarbo	Present
	Monica Zarske	Present
	Michael Taylor	Present
	Mary Mettler	Present
	Sheryl Martin	Present
	Zina Edwards	Present
	Edith Gill for Monica Renteria	Present
	Henry Gardner	Present
Guests:	Adam O'Connor	
	Jeff Lamb	
	Marilyn Flores	
	Leonor Aguilar	

Chancellor Marvin Martinez convened the meeting via Zoom Conference at 3:05 p.m.

1. Chancellor's Update

- a. Chancellor Martinez shared that over the weekend there was vandalism at the Digital Media Center. Repair is underway. He stated that curfews were being imposed in surrounding cities because of the protests that have turned into vandalism.
- b. Chancellor Martinez announced that Trustee Nelida Mendoza had been elected to the Santa Ana City Council and will be sworn in on June 2, 2020. This will mean she will be resigning from the RSCCD Board of Trustees. The Board will discuss the next steps which may include: (1) special election (2) appointment or (3) leave the vacancy until November 2020 election when the seat is up for election.

1. Chancellor's Update (continued)
 - c. Congratulations were extended to Dr. John Hernandez on his appointment as President of Irvine Valley College. While we wish him well in his new role, he will be missed. Chancellor Martinez reported he will be speaking to the Board about an appointment to serve as Interim President for the 2020-2021 academic year. He shared his commitment to offer internal candidates the opportunity for professional growth.
 - d. Finally, Mr. Martinez announced that the board had approved the appointment of Dr. Marilyn Flores to the position of Interim President at Santa Ana College on July 1, 2020.
2. Approval of Minutes
 - a. It was moved by Dr. Hernandez, seconded by Mr. Gonzalez and carried unanimously to approve the minutes of the May 4, 2020 meeting.
3. Budget
 - a. Vice Chancellor Hardash reported that the Fiscal Resources Committee had reviewed the 2020-2021 tentative budget and recommended approval with the request that the need for the Data Integrity Specialist be re-evaluated due to current budget conditions. Further, he provided a brief update on the current status of the state budget and May Revise. Assistant Vice Chancellor Adam O'Connor presented the tentative budget assumptions and shared two amendments that were made subsequent to FRC approval:
 - i. The Data Integrity Specialist position was removed
 - ii. Salary increases for management and CEFA employees were removedIt was moved by Mr. Perez, seconded by Mr. Gonzalez and carried unanimously via roll call vote to approve the 2020-2021 tentative budget with amendments.
4. Board Policies and Administrative Regulations
 - a. **AR 4240** – It was moved by Mr. Hardash and seconded by Mr. DeCarbo to approve revisions to AR 4240 – Academic Renewal. Discussion ensued. Leonor Aguilar, SCC Articulation Officer, provided background, process and decision-making related to the revision. The motion carried unanimously via a roll call vote to approve the revisions to the AR. The AR will be posted to the district website. *Note: Subsequent to approval it was noted that the word "certificate" in the first line of the third bullet of the AR should have been deleted. The deletion was included in revision to the AR.*
5. 2020 – 2021 Meeting Schedule
 - a. It was moved by Ms. Green seconded by Ms. Edwards and carried unanimously via a roll call vote to approve the 2020 – 2021 District Council meeting scheduled as presented.

6. Committee Reports

- a. Planning and Organizational Effectiveness Committee (POEC)
Vice Chancellor Perez reported on the May 27, 2020 meeting. The next meeting will be held on June 24, 2020.
- b. Human Resources Committee (HRC)
Vice Chancellor Green reported on the May 13, 2020 meeting. The next meeting will be held on June 10, 2020.
- c. Fiscal Resources Committee (FRC)
Vice Chancellor Hardash on the May 21, 2020 meeting. The next meeting will be held on July 1, 2020.
- d. Physical Resources Committee (PRC)
Mr. Hardash reported on the May 6, 2020. The presentation from the meeting is posted on the PRC website. The next meeting will be held on September 2, 2020.
- e. Technology Advisory Group (TAG)
Assistant Vice Chancellor Gonzalez reported on the May 7, 2020 meeting. Mr. Gonzalez went over the schedule of technology contracts. District Council members received clarification about the contracts. The next meeting will be held on September 3, 2020.

7. Constituent Representative Reports

- a. Academic Senate/SAC: Mr. Shahbazian reported on the activities of the SAC Academic Senate.
- b. Academic Senate/SCC: Mr. DeCarbo reported on the activities of the SCC Academic Senate.
- c. CSEA: Ms. Martin reported that the next meeting of Chapter 579 is scheduled for June 19, 2020.
- d. Student Government/SAC: Edith Gil, on behalf of newly elected SAC ASG President Monica Renteria, reported on the activities of the SAC ASG.
- e. Student Government/SCC: Newly elected SCC ASG President Henry Gardner reported on the activities of the SCC ASG.

8. Next Meeting: The next meeting will be held on Monday, July 6, 2020.

Meeting Adjourned: 4:12 p.m.

Approved:

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2020/21 Adopted Budget Assumptions
June 29, 2020**

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.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth
2014/15	28,688.93	28,908.08	28,908.08	0.76%
2015/16	28,908.08	28,901.64	28,901.64	-0.02%
2016/17	28,901.64	27,517.31	28,901.64	-4.79%
2017/18	28,901.64	29,378.53	29,375.93	1.65%
2018/19	P3 29,375.93	25,925.52	28,068.86	-11.75%
2019/20	P1 28,068.86	28,198.47	Unknown	0.46%

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 state budget proposes 0% systemwide growth funding, 0% 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 COLA added each year. Any changes to our funding related to the new formula will be incorporated when known.

Projected COLA of 0%	\$0
Projected Growth/Access	\$0
Deficit Factor (2%)	(\$3,576,838)
Apportionment Base Incr (Decr) for 2020/21	<u><u>(\$3,576,838)</u></u>

2020/21 Potential Growth at 0.5% 28,209

C. Education Protection Account (EPA) funding estimated at \$26,437,430 based on 2019/20 @ 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 \$153 per FTES (\$4,414,163). Restricted lottery at \$54 per FTES (\$1,557,940). (2019/20 @ P1 of resident & nonresident factored FTES, 28,850.74 x \$153 = \$4,414,163 unrestricted lottery; 28,850.74 x \$54 = \$1,557,940.) Increase of about 9%.

E. **Estimated reimbursement for part-time faculty compensation is estimated at \$458,559 (2019/20 @ P2). Decrease of \$156,251.**

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 2019/20 @ Advance of \$278,496. Slight decrease.

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

II. Other Revenue

I. **Non-Resident Tuition budgeted at \$1,900,000. (SAC \$1,200,000, SCC \$700,000) - 50% reduction-SAC, 30% reduction-SCC.**

J. Interest earnings estimated at \$1,400,000. Unchanged.

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

L. **Apprenticeship revenue estimated at \$4,198,711. Increase of \$1,039,239. (Corresponding expenses of \$1,039,239 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
2020/21 Adopted Budget Assumptions
June 29, 2020**

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 not providing the calculated Cost of Living Allowance (COLA). Any collectively bargained increased costs will be added to the budget. The estimated cost of a 1% salary increase is \$1.80 million for all funds. The estimated cost of a 1% salary increase is \$1.43 million for the unrestricted general fund.
- C. Step and column movement is budgeted at an additional cost of approximately \$1.69 million including benefits for FD 11 & 13 (FARSCCD approximate cost \$546,816 CSEA approximate cost \$641,986, Management/Other approximate cost \$497,528) For all funds, it is estimated to = \$2.42 million (FARSCCD = \$642,315, CSEA = \$1,007,254, Management/Others = \$766,088) 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 1/1/2021 is estimated at 3.5% for an additional cost of approximately \$646,936 for active employees and an additional cost of \$279,138 for retirees, for a combined increase of \$926,074 for unrestricted general fund. The additional cost increase for all funds is estimated to = \$976,180
State Unemployment Insurance local experience charges are estimated at \$250,000 (2019/20 budgeted amount). Unchanged.
CalSTRS employer contribution rate will decrease in 2020/21 from 17.10% to 16.15% for a decrease of \$694,283.
(Note: The cost of each 1% increase in the STRS rate is approximately \$740,000.)
CalPERS employer contribution rate will increase in 2020/21 from 19.721% to 20.70% for an increase of \$381,285.
(Note: The cost of each 1% increase in the PERS rate is approximately \$390,000.)
- E. The full-time faculty obligation (FON) for Fall 2020 has not been calculated at this time. The District will temporary recruit to replace 10 faculty vacancies. SAC is recruiting for 7 positions. SCC is recruiting for 3 positions. The current cost for a new position is budgeted at Class VI, Step 12 at approximately \$154,847. Penalties for not meeting the obligation amount to approximately \$80,250 per FTE not filled.
SAC = 14 faculty not filled for FY 2020-21
Part-time replacements
SCC = 5 faculty not filled for FY 2020-21
Part-time replacements
- F. The current rate per Lecture Hour Equivalent (LHE) effective 7/1/20 for hourly faculty is \$1,455. Increase of \$56 per LHE.
- G. Retiree Health Benefit Fund (OPEB/GASB 75 Obligation) - The calculated Actuarially Determined Contribution (ADC) as of July 1, 2020 is estimated to be \$10,224,861. The District will therefore decrease the employer payroll contribution rate of 2.75% to 1.10% of total salaries. This reduction provides a savings of \$1,899,032 to the unrestricted general fund and \$2,483,330 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:
- | | |
|----------------------------------|-------------------|
| Ellucian increased contract cost | \$ 400,000 |
| Title IX Costs | \$ 100,000 |
- M. **Child Development Fund - The District will NOT continue to budget \$250,000 as an interfund transfer from the unrestricted general fund as a contingency plan. (\$140,000 each year was transferred since 2014/15 and will stop in 2020/21)**
- N. Estimated annual cost of Santiago Canyon College ADA Settlement expenses of \$2 million from available funds.
- O. Round One budget reductions totalling \$3 million are being made for this tentative budget due to State Budget uncertainty.

Rancho Santiago Community College District Unrestricted General Fund Summary 2020/21 Adopted Budget Assumptions June 29, 2020
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*	<u>New Revenues</u>	Ongoing Only	One-Time
A	Student Centered Funding Formula		
B	COLA 0%	\$0	
B	Growth	\$0	
B	Deficit Factor (2%)	(\$3,576,838)	
D	Unrestricted Lottery	\$352,286	
H	Mandates Block Grant	\$77,096	
I	Non-Resident Tuition	(\$1,500,000)	
J	Interest Earnings	\$0	
L	Apprenticeship - SCC	\$1,039,239	
EGK	Misc Income	(\$171,009)	
	Total	(\$3,779,226)	\$0
	<u>New Expenditures</u>		
B	Salary Schedule Increases/Collective Bargaining 4.00% **	\$4,019,430	
C	Step/Column	\$1,686,330	
D	Health and Welfare/Benefits Increase (3.5%)	\$926,074	
D	CalSTRS Decrease	(\$694,283)	
D	CalPERS Increase	\$381,285	
E	Full Time Faculty Obligation Hires	(\$2,942,093)	
E/F	Hourly Faculty Budgets (Match Budget to Actual Expense)	\$1,015,954	
G	Decreased Cost of Retiree Health Benefit ADC	(\$1,899,032)	
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	\$1,039,239	
L	Other Additional DS/Institutional Costs	\$500,000	\$0
M	Elimination of UGF transfer to Child Development Fund	(\$250,000)	
N	SCC ADA Settlement Costs	\$0	\$2,000,000
O	Round One Budget Reductions	(\$3,000,000)	
	Total	\$1,007,904	\$2,000,000
	2020/21 Budget Year Unallocated (Deficit)	(\$4,787,130)	
	2019/20 Structural Unallocated (Deficit)	\$1,809,582	
	Savings Faculty replacement budget at VI-12	\$590,360	
	Savings 2019/20 - budgeted vs actual & rebudgeted vacancies	\$550,012	
	Total Net Unallocated (Deficit)	(\$1,837,176)	(\$2,000,000)

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