

## SENATE REPORT 2-25-2020

- I. Budget Update
- II. SCC is asking for more \$\$
- III. How we spend our \$\$ & its impacts
- IV. Work on FON (for better planning)
- V. Work on suppl (for generating more \$\$)

<b>Rancho Santiago Community College District</b> <b>Unrestricted General Fund Summary</b> <b>DRAFT 2020/21 Tentative Budget Assumptions</b> <b>February 10, 2020</b>
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	<b>* <u>New Revenues</u></b>	Ongoing Only	One-Time
<b>A</b>	Student Centered Funding Formula (see note below)		
<b>B</b>	COLA 2.29%	\$4,003,793	
<b>B</b>	Growth	\$0	
<b>B</b>	State Augmentation	\$0	
<b>D</b>	Unrestricted Lottery	\$352,286	
<b>H</b>	Mandates Block Grant	\$77,096	
<b>I</b>	Non-Resident Tuition	\$0	
<b>J</b>	Interest Earnings	\$0	
<b>L</b>	Apprenticeship - SCC	\$0	
<b>EGHK</b>	Misc Income	(\$53,641)	
	<b>Total</b>	\$4,379,534	\$0
	<b><u>New Expenditures</u></b>		
<b>B</b>	Salary Schedule Increases/Collective Bargaining 4.00%	\$5,710,477	
<b>C</b>	Step/Column	\$1,686,330	
<b>D</b>	Health and Welfare/Benefits Increase (3.5%)	\$926,074	
<b>D</b>	CalSTRS Increase	\$1,253,020	
<b>D</b>	CalPERS Increase	\$1,125,548	
<b>E</b>	Full Time Faculty Obligation Hires	\$0	
<b>E/F</b>	Hourly Faculty Budgets (Match Budget to Actual Expense)	\$0	
<b>G</b>	Decreased Cost of Retiree Health Benefit ADC	(\$1,899,032)	
<b>H</b>	Capital Outlay/Scheduled Maintenance Contribution	\$0	
<b>I</b>	Utilities Increase	\$100,000	
<b>J</b>	ITS Licensing/Contract Escalation Cost	\$125,000	
<b>K</b>	Property, Liability and All Risks Insurance	\$0	
<b>II.L</b>	Apprenticeship - SCC	\$0	
<b>L</b>	Other Additional DS/Institutional Costs	\$800,000	\$0
<b>N</b>	SCC ADA Settlement Costs	\$0	\$2,000,000
<b>O</b>	Round One Budget Reductions	(\$3,000,000)	
	<b>Total</b>	\$6,827,417	\$2,000,000
	2020/21 Budget Year Unallocated (Deficit)	(\$2,447,883)	
	2019/20 Structural Unallocated (Deficit)	\$1,809,582	
	Savings Faculty replacement budget at VI-12	\$590,360	
	Savings 2019/20 all employees - budgeted vs actual		
	Total Net Unallocated (Deficit)	(\$47,941)	(\$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

**RSCCD - Estimate 2019-20 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11  
Based on Student Centered Funding Formula - Hold Harmless Calculation 2017-18 TCR + COLA**

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
<b>APPORTIONMENT REVENUE</b>									
Basic Allocation	\$ 6,529,605	\$ 5,223,684	\$ 1,305,921	\$ 5,223,682	\$ 3,917,761	\$ 1,305,921			\$ 11,753,287
FTES - based on 18/19 Annual	\$ 74,801,834	\$ 54,944,846	\$ 19,856,988	\$ 33,078,825	\$ 24,497,900	\$ 8,580,925			\$ 107,880,659
SCFF - Supplemental Allocation - based on 18/19 Annual	\$ 18,424,234	\$ 18,424,234	\$ -	\$ 6,866,646	\$ 6,866,646	\$ -			\$ 25,290,880
SCFF - Student Success Allocation - based on 18/19 Annual	\$ 12,933,544	\$ 12,933,544	\$ -	\$ 6,992,518	\$ 6,992,518	\$ -			\$ 19,926,062
Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Subtotal	\$ 112,689,216	\$ 91,526,307	\$ 21,162,909	\$ 52,161,672	\$ 42,274,826	\$ 9,886,846			\$ 164,850,888
18/19 COLA - 2.71%	\$ 3,237,685	\$ 2,664,170	\$ 573,515	\$ 1,229,774	\$ 961,841	\$ 267,934			\$ 4,467,459
19/20 COLA - 3.26%	\$ 3,773,225	\$ 3,064,617	\$ 708,607	\$ 1,746,553	\$ 1,415,507	\$ 331,046			\$ 5,519,778
Deficit Coefficient (0.656%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Additional Student Centered Funding Formula	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
<b>TOTAL ESTIMATED APPORTIONMENT REVENUE</b>	<b>\$ 119,700,126</b>	<b>\$ 97,255,094</b>	<b>\$ 22,445,031</b>	<b>\$ 55,137,999</b>	<b>\$ 44,652,174</b>	<b>\$ 10,485,825</b>			<b>\$ 174,838,125</b>
<i>Percentages</i>	<i>68.46%</i>	<i>55.63%</i>	<i>12.84%</i>	<i>31.54%</i>	<i>25.54%</i>	<i>6.00%</i>			
<b>OTHER STATE REVENUE</b>									
Lottery, Unrestricted	\$ 2,825,985	\$ 2,248,522	\$ 577,463	\$ 1,236,095	\$ 976,729	\$ 259,366			\$ 4,062,080
State Mandate	\$ 551,482	\$ 551,482	\$ -	\$ 241,345	\$ 241,345	\$ -			\$ 792,827
Full-Time Faculty Hiring Allocation	\$ 871,966	\$ 871,966	\$ -	\$ 435,918	\$ 435,918	\$ -			\$ 1,307,884
Part-Time Faculty Compensation	\$ 427,655	\$ 338,006	\$ 89,649	\$ 187,155	\$ 146,889	\$ 40,266			\$ 614,810
<b>Subtotal, Other State Revenue</b>	<b>\$ 4,677,089</b>	<b>\$ 4,009,977</b>	<b>\$ 667,112</b>	<b>\$ 2,100,512</b>	<b>\$ 1,800,881</b>	<b>\$ 299,631</b>			<b>\$ 6,777,601</b>
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$ 124,377,215</b>	<b>\$ 101,265,071</b>	<b>\$ 23,112,144</b>	<b>\$ 57,238,511</b>	<b>\$ 46,453,055</b>	<b>\$ 10,785,456</b>			<b>\$ 181,615,726</b>
<i>Percentages</i>	<i>68.48%</i>	<i>55.76%</i>	<i>12.73%</i>	<i>31.52%</i>	<i>25.58%</i>	<i>5.94%</i>			
<b>Less Institutional Cost Expenditures</b>									<b>\$ 12,070,370</b>
<b>Less Net District Services Expenditures</b>									<b>\$ 30,571,841</b>
									<b>\$ 138,973,515</b>
<b>ESTIMATED REVENUE</b>	<b>\$ 95,174,240</b>	<b>\$ 77,488,680</b>	<b>\$ 17,685,560</b>	<b>\$ 43,799,275</b>	<b>\$ 35,546,175</b>	<b>\$ 8,253,100</b>			<b>\$ 138,973,515</b>
<b>BUDGET EXPENDITURES FOR FY 2019-20</b>									
SAC/CEC Expenses - F/T & Ongoing	\$ 96,317,757	\$ 85,685,192	\$ 10,632,565						\$ 96,317,757
SCC/OEC Expenses - F/T & Ongoing				\$ 47,579,128	\$ 40,969,835	\$ 6,609,293			\$ 47,579,128
District Services Expenses - F/T & Ongoing							\$ 32,499,295		\$ 32,499,295
Institutional Cost									
Retirees Instructional-local experience charge								\$ 3,705,419	\$ 3,705,419
Retirees Non-Instructional-local experience charge								\$ 4,519,951	\$ 4,519,951
Property & Liability								\$ 1,970,000	\$ 1,970,000
Election								\$ 125,000	\$ 125,000
Interfund Transfer								\$ 1,750,000	\$ 1,750,000
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$ 96,317,757</b>	<b>\$ 85,685,192</b>	<b>\$ 10,632,565</b>	<b>\$ 47,579,128</b>	<b>\$ 40,969,835</b>	<b>\$ 6,609,293</b>	<b>\$ 32,499,295</b>	<b>\$ 12,070,370</b>	<b>\$ 188,466,550</b>
Percent of Total Estimated Expenditures	51.11%	45.46%	5.64%	25.25%	21.74%	3.51%	17.24%	6.40%	
<b>ESTIMATED EXPENSES UNDER/(OVER) REVENUE</b>	<b>\$ (1,143,517)</b>	<b>\$ (8,196,512)</b>	<b>\$ 7,052,995</b>	<b>\$ (3,779,853)</b>	<b>\$ (5,423,660)</b>	<b>\$ 1,643,807</b>			<b>\$ (4,923,370)</b>
<b>OTHER STATE REVENUE</b>									
Apprenticeship				\$ 3,159,472	\$ 3,159,472				\$ 3,159,472
Enrollment Fees 2%								\$ 293,254	\$ 293,254
<b>LOCAL REVENUE</b>									
Non Resident Tuition	\$ 2,400,000	\$ 2,400,000		\$ 1,000,000	\$ 1,000,000				\$ 3,400,000
Interest/Investments								\$ 1,400,000	\$ 1,400,000
Rents/Leases	\$ 48,480	\$ 48,480		\$ 125,000	\$ 125,000		\$ 205,000		\$ 378,480
Proceeds-Sale of Equipment								\$ 5,000	\$ 5,000
Other Local								\$ 24,200	\$ 24,200
<b>Subtotal, Other Local Revenue</b>	<b>\$ 2,448,480</b>	<b>\$ 2,448,480</b>	<b>\$ -</b>	<b>\$ 4,284,472</b>	<b>\$ 4,284,472</b>	<b>\$ -</b>	<b>\$ 205,000</b>	<b>\$ 1,722,454</b>	<b>\$ 8,660,406</b>
<b>ESTIMATED ENDING BALANCE FOR 6/30/20</b>	<b>\$ 1,304,963</b>	<b>\$ (5,748,032)</b>	<b>\$ 7,052,995</b>	<b>\$ 504,619</b>	<b>\$ (1,139,188)</b>	<b>\$ 1,643,807</b>			<b>\$ 1,809,582</b>

**RSCCD - Estimate 2019-20 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11  
Based on Student Centered Funding Formula - Hold Harmless Calculation 2017-18 TCR + COLA**

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
<b>APPORTIONMENT REVENUE</b>									
Basic Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
FTES - based on 18/19 Annual	\$ 74,801,834	\$ 54,944,846	\$ 19,856,988	\$ 33,078,825	\$ 24,497,900	\$ 8,580,925			\$ 107,880,659
SCFF - Supplemental Allocation - based on 18/19 Annual	\$ 18,424,234	\$ 18,424,234	\$ -	\$ 6,866,646	\$ 6,866,646	\$ -			\$ 25,290,880
SCFF - Student Success Allocation - based on 18/19 Annual	\$ 12,933,544	\$ 12,933,544	\$ -	\$ 6,992,518	\$ 6,992,518	\$ -			\$ 19,926,062
Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Subtotal	\$ 106,159,611	\$ 86,302,623	\$ 19,856,988	\$ 46,937,990	\$ 38,357,065	\$ 8,580,925			\$ 153,097,601
18/19 COLA - 2.71%	\$ 3,281,594	\$ 2,702,158	\$ 579,436	\$ 1,185,865	\$ 935,470	\$ 250,395			\$ 4,467,459
19/20 COLA - 3.26%	\$ 3,827,477	\$ 3,111,553	\$ 715,923	\$ 1,692,301	\$ 1,382,925	\$ 309,377			\$ 5,519,778
Deficit Coefficient (0.656%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Additional Student Centered Funding Formula	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
<b>TOTAL ESTIMATED APPORTIONMENT REVENUE</b>	<b>\$ 113,268,682</b>	<b>\$ 92,116,334</b>	<b>\$ 21,152,348</b>	<b>\$ 49,816,156</b>	<b>\$ 40,675,460</b>	<b>\$ 9,140,697</b>			<b>\$ 163,084,838</b>
<i>Percentages</i>	<i>69.45%</i>	<i>56.48%</i>	<i>12.97%</i>	<i>30.53%</i>	<i>24.94%</i>	<i>5.60%</i>			
<b>OTHER STATE REVENUE</b>									
Lottery, Unrestricted	\$ 2,825,985	\$ 2,248,522	\$ 577,463	\$ 1,236,095	\$ 976,729	\$ 259,366			\$ 4,062,080
State Mandate	\$ 551,482	\$ 551,482	\$ -	\$ 241,345	\$ 241,345	\$ -			\$ 792,827
Full-Time Faculty Hiring Allocation	\$ 871,966	\$ 871,966	\$ -	\$ 435,918	\$ 435,918	\$ -			\$ 1,307,884
Part-Time Faculty Compensation	\$ 427,655	\$ 338,006	\$ 89,649	\$ 187,155	\$ 146,889	\$ 40,266			\$ 614,810
<b>Subtotal, Other State Revenue</b>	<b>\$ 4,677,089</b>	<b>\$ 4,009,977</b>	<b>\$ 667,112</b>	<b>\$ 2,100,512</b>	<b>\$ 1,800,881</b>	<b>\$ 299,631</b>			<b>\$ 6,777,601</b>
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$ 117,945,771</b>	<b>\$ 96,126,310</b>	<b>\$ 21,819,460</b>	<b>\$ 51,916,668</b>	<b>\$ 42,476,340</b>	<b>\$ 9,440,328</b>			<b>\$ 169,862,439</b>
<i>Percentages</i>	<i>69.44%</i>	<i>56.59%</i>	<i>12.85%</i>	<i>30.56%</i>	<i>25.01%</i>	<i>5.56%</i>			
<b>Less Institutional Cost Expenditures</b>									<b>\$ 12,070,370</b>
<b>Less Net District Services Expenditures</b>									<b>\$ 30,571,841</b>
									<b>\$ 127,220,228</b>
<b>ESTIMATED REVENUE</b>	<b>\$ 88,336,703</b>	<b>\$ 71,994,793</b>	<b>\$ 16,341,910</b>	<b>\$ 38,883,525</b>	<b>\$ 31,813,094</b>	<b>\$ 7,070,431</b>			<b>\$ 127,220,228</b>
<b>BUDGET EXPENDITURES FOR FY 2019-20</b>									
SAC/CEC Expenses - F/T & Ongoing	\$ 96,317,757	\$ 85,685,192	\$ 10,632,565						\$ 96,317,757
SCC/OEC Expenses - F/T & Ongoing				\$ 47,579,128	\$ 40,969,835	\$ 6,609,293			\$ 47,579,128
District Services Expenses - F/T & Ongoing							\$ 32,499,295		\$ 32,499,295
Institutional Cost									
Retirees Instructional-local experience charge								\$ 3,705,419	\$ 3,705,419
Retirees Non-Instructional-local experience charge								\$ 4,519,951	\$ 4,519,951
Property & Liability								\$ 1,970,000	\$ 1,970,000
Election								\$ 125,000	\$ 125,000
Interfund Transfer								\$ 1,750,000	\$ 1,750,000
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$ 96,317,757</b>	<b>\$ 85,685,192</b>	<b>\$ 10,632,565</b>	<b>\$ 47,579,128</b>	<b>\$ 40,969,835</b>	<b>\$ 6,609,293</b>	<b>\$ 32,499,295</b>	<b>\$ 12,070,370</b>	<b>\$ 188,466,550</b>
Percent of Total Estimated Expenditures	51.11%	45.46%	5.64%	25.25%	21.74%	3.51%	17.24%	6.40%	
<b>ESTIMATED EXPENSES UNDER/(OVER) REVENUE</b>	<b>\$ (7,981,054)</b>	<b>\$ (13,690,399)</b>	<b>\$ 5,709,345</b>	<b>\$ (8,695,603)</b>	<b>\$ (9,156,741)</b>	<b>\$ 461,138</b>			<b>\$ (16,676,657)</b>

<b>OTHER STATE REVENUE</b>									
Apprenticeship				\$ 3,159,472	\$ 3,159,472				\$ 3,159,472
Enrollment Fees 2%								\$ 293,254	\$ 293,254
<b>BASE ALLOCATION</b>	<b>\$ 6,529,605</b>	<b>\$ 5,223,684</b>	<b>\$ 1,305,921</b>	<b>\$ 5,223,682</b>	<b>\$ 3,917,761</b>	<b>\$ 1,305,921</b>			<b>\$ 11,753,287</b>
<b>LOCAL REVENUE</b>									
Non Resident Tuition	\$ 2,400,000	\$ 2,400,000		\$ 1,000,000	\$ 1,000,000				\$ 3,400,000
Interest/Investments								\$ 1,400,000	\$ 1,400,000
Rents/Leases	\$ 48,480	\$ 48,480		\$ 125,000	\$ 125,000		\$ 205,000		\$ 378,480
Proceeds-Sale of Equipment								\$ 5,000	\$ 5,000
Other Local								\$ 24,200	\$ 24,200
Subtotal, Other Local Revenue	\$ 8,978,085	\$ 7,672,164	\$ 1,305,921	\$ 9,508,154	\$ 8,202,233	\$ 1,305,921	\$ 205,000	\$ 1,722,454	\$ 20,413,693
<b>ESTIMATED ENDING BALANCE FOR 6/30/20</b>	<b>997,031</b>	<b>(6,018,235)</b>	<b>7,015,266</b>	<b>812,551</b>	<b>(954,508)</b>	<b>1,767,059</b>			<b>1,809,582</b>

**\$1,304,963**

**\$504,619**

## SCC is asking for more \$\$

1. Not a good practice
2. SAC has lots of unfunded liabilities
3. SCC efficiency (admin & academic)
4. SCC is a small inst. → the only real soln is for SCC to grow (new programs, dual enrollment...), which District can work with SCC to set a goal/vision

How SAC spend \$\$ and its impact on instruction

### Big vs Medium vs Small Spending

- Big Spending (construction): can't make any poor decisions → careful/detailed planning, thoughtful, smart
- Medium Spending (personnel): minimize admin positions, know what we're hiring/if the hired person can get the job done
- Small spending (instructional support): last thing to cut!! (save least \$\$)

Faculty should understand, participate and speak up when it matters b/c we can't do things we need/want without \$\$

Work on FON (for better planning)

Work on suppl (for generating more \$\$)