

RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting

Friday, January 22, 2016- RCC DL 409

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

AGENDA

- I. Welcome and Call to Order
- II. Approval of Minutes
 - A. December 10, 2015
- VI. State Budget Update
 - A. Governor's Budget Proposal
- VII. Other
 - A. Budget/Issues – Update
 - 1. Structural Budget Deficit
 - 2. Budget Allocation Model 3.0 and BAM Guidelines
 - 3. Part-time Faculty and Overload Budget Allocation Methodology
 - B. Recommendations to DSPC
 - 1. DBAC Membership
 - 2. DBAC Purpose
 - 3. DSPC Membership
 - 4. Budget Development Calendar
- V. Next Meeting(s)
 - A. Future DBAC Meeting location – CAA/DO Building?
 - B. Friday, February 26, 2016 – 1pm



ASSOCIATION OF CHIEF BUSINESS OFFICIALS

December 9, 2015

Mr. Michael Cohen
Director, Department of Finance
915 L Street
Sacramento, CA 95814

Dear Michael,

First and foremost, I want to thank you and your staff for the time you have been willing to take out of busy schedules to attend our board meetings of the Association of Chief Business Officials (ACBO) this year. I believe the time has been well spent and the relationships we have developed with you and your staff have been quite valuable. I understand that due to workloads, especially during certain times of the year, staff cannot always make our meetings, but the invitation will remain open for as many meetings they can attend.

As your office prepares for the Governor's January budget proposal, I want to take this opportunity to let you know ACBO's budget priorities for this coming fiscal year. When we met with Keith Nazaam and Chris Ferguson in October, they encouraged us to develop a list of our highest priorities. Those priorities are as follows:

1. Continuous Appropriation – We realize that providing a continuous appropriation similar to K-12 requires a conscious decision to set aside funding to provide for an automatic backfill for when revenue is overestimated in the budget. Colleges need guaranteed funding to plan and schedule classes appropriately. If funding is set aside to cover potential apportionment revenue deficits, the colleges will be better able to provide the necessary classes and in return be assured that the state will cover those costs. We appreciate the guarantees that we have been provided for RDA and Prop 30, but this is only part of the equation. Any funds that are not needed to cover a potential revenue deficit in the budget year could be rolled over into the following year and distributed to the colleges as one-time funds.
2. Unrestricted Ongoing Funds – Our highest priority for ongoing funds would be to fund the statutory **cost of living adjustment (COLA)**, recently estimated to be 1.99% by the LAO. Also of high priority is for additional unrestricted **base operating funds** to help cover the increasing costs of pensions, specifically due to the significant STRS and PERS rate increases through 2020-21, as well as other increasing operating costs like utilities, campus security, mental health, technology services, and other operating costs that have continued to increase even during the period when no COLA was funded. While **access funding** continues to be a focus for our system, the 3 percent augmentation originally requested by the Board of Governors may be too high as a system because not all districts are growing due to their local demographics. Also, to address

the shortage of middle-skilled workers, funding for **Workforce, Job Creation and a Strong Economy** to increase the number of students obtaining CTE degrees, certificates and credentials is crucial for closing the skills gap.

3. Restricted Block Grant – As one-time funds are available, it is important that these funds be provided in a flexible form to address the numerous and unique needs of all 113 colleges. We recommend that these funds be identified to be used for deferred maintenance projects, instructional equipment needs, technology infrastructure, campus security projects, professional development, and to help colleges address ADA transition plans, as well as projects in response to the California drought. Again, recognizing the need for flexibility so all 113 colleges can determine the best use of the one-time funds based upon their most pressing needs.

4. Capital Outlay Bond Program – The ACBO Board supports submitting for voter approval a statewide education capital outlay bond in November 2016. As you know, there hasn't been a statewide education bond for community colleges since 2006, and there are billions of dollars in capital outlay need identified each year by the 72 districts. In May 2015, the Board of Governors approved \$490 million for 21 different projects under the assumption that a statewide bond would be on the November 2016 ballot; it is essential to community colleges that these projects move forward.

Thank you again for the time and collaborative relationship you and your staff have with the ACBO Board and we appreciate your efforts in providing funding to our community colleges so that we may provide access and support to students throughout our system as they pursue their educational goals and positively impact our state's economic conditions for generations to come. We hope this list establishes a clearer picture of our highest priorities and are hopeful that a strong economic outlook will lead to a positive budget proposal for California's community colleges in January.

Take care and Happy Holidays!



Andrew Suleski
President, Association of Chief Business Officials

cc: Dan Troy, Vice Chancellor Fiscal Policy, CCC Chancellor's Office
Mario Rodriguez, Assistant Vice Chancellor College Finance, CCC Chancellor's Office
Keely Bosler, Department of Finance
Keith Nazaam, Department of Finance
Chris Ferguson, Department of Finance
Jeff Bell, Department of Finance
Erika Li, Department of Finance

FY 2016-2017 Governor's Budget Proposal

Base Changes

(In Millions)

Unrestricted Ongoing Revenues

Access (2%/2.4 % - Equals 674 Credit FTES)

COLA (.47%)

Base Allocation Increase

Full-Time Faculty Hiring

Total Unrestricted Ongoing Revenues

	<u>State</u>	<u>RCCD</u>
	\$ 114.7	\$ 3.4
	\$ 29.3	\$ 0.7
	\$ -	\$ -
	\$ -	\$ -
	<u>\$ 144.0</u>	<u>\$ 4.1</u>

Unrestricted One-Time Revenues

State Mandate Block Grant

Total Unrestricted Revenues

	<u>\$ 76.3</u>	<u>\$ 1.8</u>
	<u><u>\$ 220.3</u></u>	<u><u>\$ 5.9</u></u>

FY 2016-2017 Governor's Budget Proposal

Base Changes (In Millions)

<u>Restricted Revenues</u>	<u>State</u>	<u>RCCD</u>
Proposition 39 - Energy Revenues (Total - \$45 Million)	\$ 6.4	\$ 0.1
Deferred Maintenance & Instructional Equipment (Total - \$289 Million)*	\$ 141.0	\$ 3.3
Student Success and Student Equity (No Increase)	\$ -	\$ -
Total Restricted Revenues	<u>\$ 147.4</u>	<u>\$ 3.4</u>

*Of the \$289 million allocation, \$255 million represents ongoing resources which the Governor/Legislature could redirect to other ongoing needs, such as a Base Allocation increase.

FY 2016-2017 Governor's Budget Proposal

(In Millions)

<u>Other</u>	<u>State</u>	<u>RCCD</u>
Strong Workforce Program	\$ 200.0	?
Career Technical Education Pathways (SB 1070)	\$ 48.0	?
Cal Grant	\$ 39.0	?
Basic Skills Program	\$ 30.0	?
Innovation Awards	\$ 25.0	?
Zero-Textbook-Cost Degrees	\$ 5.0	?
Institutional Effectiveness - Implementing Statewide Performance Strategies	\$ 10.0	?
Data Security - Telecommunications & Technology Infrastructure Program	\$ 3.0	?
Apprenticeship Program	\$ 1.8	?
Total Other	<u>\$ 361.8</u>	<u>?</u>

Note – Information about these proposals will be detailed in yet-to-be released Trailer Bill language associated with the Governor's Budget Proposal.

California Community Colleges

2015-2016 APPORTIONMENT ATTENDANCE REPORT

Period: P1

District: Riverside

PART I. FULL-TIME EQUIVALENT STUDENTS

State Residents (and Nonresidents Attending Noncredit Courses)	
Attendance FTES	Factored FTES

Summer Intersession (Summer 2015 Only)

1. Noncredit (Parts IV.A.1 + VII.A.3)	31.54	31.54
2. Credit (Parts III.A.1 + VI.A.1)	2,080.29	2,080.29

Summer Intersession Courses (Summer 2016 Prior to July 1, 2016)

1. Noncredit (Parts IV.B.1 + VII.B.3)	0.00	0.00
2. Credit (Parts III.B.1 + VI.B.2 + VI.B.1)	0.00	0.00

Primary Terms (Exclusive of Summer Intersession)

1. Census Procedure Courses

(a) Weekly Census Contact Hours (Part II)	17,835.04	17,835.04
(b) Daily Census Contact Hours (Part III)	2,439.02	2,439.02

2. Actual Hours of Attendance Procedure Courses

(a) Noncredit (Part IV.C)	60.29	60.29
(b) Credit (Part IV.D)	2,425.75	2,425.75

3. Alternative Attendance Accounting Procedure Courses

(a) Weekly Census Procedure Courses (Part V)(Credit)	2,206.48	2,206.48
(b) Daily Census Procedure Courses (Part V)(Credit)	1,432.44	1,432.44
(c) Noncredit Independent Study/Distance Education Courses (Part VII.C)	0.00	0.00

Total FTES

Total Credit FTES	28,419.02	28,419.02
Total Noncredit FTES	91.83	91.83
Total FTES	28,510.85	28,510.85

Supplemental Information	FTES
Inservice Training Courses	500.00
Basic Skills Courses and Immigrant Education (Noncredit)	48.00
Basic Skills Courses and Immigrant Education (Credit)	3,050.00

Credit FTES Ceiling 2015-16 Updated January 08_P1, 2016.

	Target Summ 15	Actual Summ 15	Difference	Target Fall 15	Actual Fall 15	Difference	Target Win16	Estimate Win 16	Difference	Revised Target Spr16	Estimated Spring 2016	Difference	Revised Annual Planned 2015-2016	Annual Estimated 2015-2016	Difference	P3 2014- 2015 July 15th
MVC	632.00	584.12	(47.88)	2,830.00	2,892.00	62.00	453.00	528.09	75.09	2,690.95	2,599.00	(91.95)	6,605.95	6,603.21	(3.30)	6,464.48
NC	394.53	408.70	14.17	2,959.01	2,963.00	3.99	394.53	505.00	110.47	2,858.44	2,920.00	61.56	6,606.51	6,796.70	190.19	6,337.64
RCC	1,301.73	1,238.42	(63.31)	6,508.67	6,510.69	2.02	1,301.73	1,260.00	(41.73)	6,274.47	6,010.00	(264.47)	15,386.60	15,019.11	(367.50)	14,701.05
District	2,328.26	2,231.24	(97.02)	12,297.68	12,365.69	68.01	2,149.26	2,293.09	143.83	11,823.87	11,529.00	(294.87)	28,599.07	28,419.02	(180.62)	27,503.17

	Target	Credit Base Funding	Total Estimated	% Increase planned	% Increase based on Estimate
District	28,599.07	28,086.24	28,419.02	1.83%	1.18%

Notes:

Estimate based on 90% positive attendance

Summer 2015: Actuals

For MOV, 104.11 FTES from Bridge Classes accounted for in Summer 2015.

79.28 FTES from Bridge Classes accounted for in Fall 2015.

Fall 2015: Expected variation of 1% (+/-)

Win 2016: Based on actual scheduled sections and enrollments.

Spring 2016: Based on actual scheduled sections.

TBA compliance accounted for Summer and Fall.

Compiled by Raj

Format modified by Aaron on 1-15-16

District Budget Advisory Council

The District Budget Advisory Council (DBAC) **is a standing committee which** serves as the primary advisor on fiscal and budget matters to the District Strategic Planning Committee (DSPC). DBAC provides a collaborative forum for the exchange of information necessary to inform strategic decisions regarding budget and fiscal policies, procedures, planning, budget development, and resource allocations within the Riverside Community College District (RCCD). DBAC works towards continuous evaluation and quality improvement of the budget allocation process by systematically assessing the effectiveness of resource allocation methodologies within approved principles and guidelines to advance the mission and goals of RCCD.

Current Membership:

Vice Chancellor, Business and Financial Services (District) – Aaron Brown
Associate Professor, Politics (Riverside) – Mark Sellick
Professor, Mathematics (Riverside) – Mary Legner
Associate Professor, CIS (Moreno Valley) – Michael McQuead
Associate Professor, Business Administration (Norco) – Tom Wagner
Student (Riverside) – Arturo Quiroz
Classified Representative (Norco) – Diane Thursby
Classified Representative (Riverside) – Jennifer Lawson
Classified Representative (Moreno Valley) – Nate Finney
Classified Representative (District) – Tim Ragusa
Vice President, Business Services (Norco) – Beth Gomez
Vice President, Business Services (Riverside) – Mazie L. Brewington
Vice President Business Services (Moreno Valley) – Norm Godin

Proposed Membership Categories:

District

Vice Chancellor, Business and Financial Services – Chair
Director, Business Services
Classified – 1

Riverside City College

Vice President, Business Services
Faculty – 1
Classified – 1

Moreno Valley College

Vice President Business Services
Faculty – 1
Classified – 1

Norco College

Vice President Business Services
Faculty – 1
Classified – 1

Districtwide

Faculty – 1
Student – 1

Notes:

1. Vice Chancellor, Director of Business Services, Vice Presidents of Business Services positions are permanent members of the Council
2. All other members commit to serving a minimum of two year terms
3. Vice Chancellor votes on recommendations only in the event of a tie
4. College Academic Senates Presidents will appoint faculty representatives for the college. District Academic Senate will appoint the District wide representative. **CSEA will appoint staff representatives for the colleges.** Student Trustee will appoint the student representative.
5. Members may send proxies to DBAC meetings

RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting

REVISED

Friday, February 26, 2016- RCC DL 409

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

AGENDA

I. Welcome and Call to Order

II. Approval of Minutes

A. January 22, 2015

III. State Budget Update

A. FY 2016-17

B. FY 2015-16 (P1)

1. Enrollment

a. FY 2014-15

b. FY 2015-16

c. FY 2016-17

IV. Other

A. Budget/Issues – Update

1. Structural Budget Deficit/Budget Stability Plan

V. Next Meeting(s)

A. Friday, March 25, 2016 – 1:00PM to 3:00 PM at CAA/DO Building -

Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting*

*January 22, 2016
RCC – DL 409
1:00 p.m. - 3:00 p.m.*

MEETING MINUTES

PRESENT

Aaron Brown, Vice Chancellor, Business and Financial Services (District)
Beth Gomez, Vice President, Business Services (Norco)
Mazie L. Brewington, Vice President, Business Services (Riverside)
Diann Thursby, Classified Representative (Norco)
Michael McQuead, Associate Professor, CIS (Moreno Valley)
Jennifer Lawson, Classified Representative (Riverside)
Nate Finney, Classified Representative (Moreno Valley)
Rachelle Arispe, Executive Administrative Assistant to the Vice Chancellor (Recorder)

GUEST

Majd Askar, Director, Business Services (District)

ABSENT

Tom Wagner, Associate Professor, Business Administration (Norco)
Norm Godin, Vice President Business Services (Moreno Valley)
Mark Sellick, Associate Professor, Politics (Riverside)
Mary Legner, Professor, Mathematics (Riverside)
Arturo Quiroz, Student Representative (Riverside)
Tim Ragusa, Classified Representative (District)

I. MEETING WAS CALLED TO ORDER

A. By Aaron Brown

II. MINUTES

A. Once a quorum was achieved, Finney moved, and Thursby seconded, approval of the minutes for December 10, 2015.

III. STATE BUDGET UPDATE

A. ACBO Letter to the Department of Finance – Handout #1

1. Brown reviewed the ACBO letter that was sent to the Department of Finance to articulate the budget priorities for the community colleges. Priorities included: (1) setting aside funds in case there is a deficit to property taxes, enrollment fees or both; (2) advocating for a cost of living adjustment, ACCESS funding, and base operating funds; (3)

advocating for expanded usage of one time funds for technology infrastructure, security projects and ADA Transition Plans (with more flexibility); and (4) Capital Outlay Program.

- B. 2016-17 Governor's Budget Proposal Presentation – Handout #2
 - 1. Brown provided RCCD's Governor's Budget Proposal power point presentation (slides 4-9) that is being presented at the Board of Trustees meeting on 02/02/2016.
 - a. Brown reviewed the base allocations for the State and RCCD.
 - b. Colleges are advocating for one time funds and requesting more base money that way we can use it for other areas.
 - c. "Other" funds (slide 6) will be defined in the Trailer Bill. Once defined then we will know the impact to the district.

IV. OTHER

- A. Budget/Issues – Updates
 - 1. Brown reviewed 2015-16 Apportionment Attendance Report (P1) – Handout #3 and the Credit FTES Ceiling 2015-16 Report – Handout #4.
 - a. P1 FTES is at 28,510.85 compared to RCCD's revised target at an estimate of 28,419.02, delta of 180.
 - b. Currently at P1 there is 330 FTES based on the funded level, most will be funded. However, if we meet our target and we stand to capture a significant amount of money for the additional 180 FTES. We might want to consider pulling back FTES from summer 2016 if the State has additional funding available but there are many things to take into consideration.
 - c. Although Handout #4 is derived from January 8th reconciliation (Raj Bajaj), Brown indicates that the numbers aren't bad, as long as we stay in the range.
 - d. Gomez and McQuead request Brown to ask Raj Bajaj to add the VP's of Business to his distribution list when emailing the Credit FTES Ceiling spreadsheets.
 - 2. Brown provided a brief review of the subgroup meeting with the Director of Business Services, VP's of Business and himself. The attendees discussed scenarios on ways to address the budget shortfall and reserve. Our current reserve policy is 5% of the total available funds which includes the beginning fund balance plus revenues.
 - a. While maintaining the 5% reserve, we have considered eliminating the one time funds from the calculation so only ongoing revenues and expenditures are included. Elimination of

one time funds would increase the reserve level. Then the 5% reserve would be applied to one of the three different bases:

- i. Total Available Funds
 - ii. Revenues
 - iii. Expenditures
- b. The consensus was to apply the 5% reserve to ongoing revenues.
 - c. The consensus was to also use FY 2015-16 BAM expenditure percentages by entity to derive how much of the budget shortfall would apply to each entity, after dividing the budget shortfall amount by two to have a two-year implementation. The budget shortfall amount for each entity would be set-aside in an expenditure holding account that could not be used for any reason during the fiscal year. A new calculation would be made in the next fiscal year and the amounts would be added to the set-aside from the previous fiscal year. This would act as a quasi-reserve.
 - d. Brown will be providing a draft of this scenario at the next subgroup meeting for review. Once there is a consensus from the subgroup, it will be brought to the DBAC members for review. If approved, constituents will need to approve and the Board Policy will need to be updated. If all is done timely, we should be able to incorporate this into the next budget.

B. Recommendation to DSPC – Handout #5

1. Brown stated that the DBAC purpose, membership, and budget planning calendar was submitted and approved by DSPC. However, the language indicated in red on Handout #5, regarding the membership, was requested to be added.
 - a. Gomez suggested that the language, “All classified staff representatives”, be added to number four of the third page.
2. Brown will contact the various college committees to appoint a representative to attend the next DBAC meeting.
 - a. Gomez suggested for Brown to indicate in his email to the college committees to encourage that the representative chosen, be involved in the budget college committees.
3. Brown provided DBAC’s recommendation on the DSPC membership, and they had no opposition to the recommendation. DSPC is still in the process of organizing their purpose and membership.
4. Brown provided DBAC’s recommendation to move DSPC’s May 20th meeting and add a DSPC meeting for the afternoon of August 20th. DSPC approved.

5. Brown will provide an updated Annual Planning Calendar and Budget Development Timeline for the next DBAC meeting.

V. FUTURE MEETINGS

- A. Members agreed to have DBAC meetings held at the new Centennial Plaza, beginning in March.
- B. Next meeting Friday, February 26, 2016 – 1:00 p.m.



ASSOCIATION OF CHIEF BUSINESS OFFICIALS

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MVC	632.00	584.12	(47.88)	2,830.00	2,892.00	62.00	453.00	528.09	75.09	2,690.95	2,599.00	(91.95)	6,605.95	6,603.21	(3.30)	6,464.48
NC	394.53	408.70	14.17	2,959.01	2,963.00	3.99	394.53	505.00	110.47	2,858.44	2,920.00	61.56	6,606.51	6,796.70	190.19	6,337.64
RCC	1,301.73	1,238.42	(63.31)	6,508.67	6,510.69	2.02	1,301.73	1,260.00	(41.73)	6,274.47	6,010.00	(264.47)	15,386.60	15,019.11	(367.50)	14,701.05
District	2,328.26	2,231.24	(97.02)	12,297.68	12,365.69	68.01	2,149.26	2,293.09	143.83	11,823.87	11,529.00	(294.87)	28,599.07	28,419.02	(180.62)	27,503.17

	Target	Credit Base Funding	Total Estimated	% Increase planned	% Increase based on Estimate
District	28,599.07	28,086.24	28,419.02	1.83%	1.18%

Notes:

Estimate based on 90% positive attendance

Summer 2015: Actuals

For MOV, 104.11 FTES from Bridge Classes accounted for in Summer 2015.

79.28 FTES from Bridge Classes accounted for in Fall 2015.

Fall 2015: Expected variation of 1% (+/-)

Win 2016: Based on actual scheduled sections and enrollments.

Spring 2016: Based on actual scheduled sections.

TBA compliance accounted for Summer and Fall.

Compiled by Raj

Format modified by Aaron on 1-15-16

District Budget Advisory Council

The District Budget Advisory Council (DBAC) **is a standing committee which** serves as the primary advisor on fiscal and budget matters to the District Strategic Planning Committee (DSPC). DBAC provides a collaborative forum for the exchange of information necessary to inform strategic decisions regarding budget and fiscal policies, procedures, planning, budget development, and resource allocations within the Riverside Community College District (RCCD). DBAC works towards continuous evaluation and quality improvement of the budget allocation process by systematically assessing the effectiveness of resource allocation methodologies within approved principles and guidelines to advance the mission and goals of RCCD.

Current Membership:

Vice Chancellor, Business and Financial Services (District) – Aaron Brown
Associate Professor, Politics (Riverside) – Mark Sellick
Professor, Mathematics (Riverside) – Mary Legner
Associate Professor, CIS (Moreno Valley) – Michael McQuead
Associate Professor, Business Administration (Norco) – Tom Wagner
Student (Riverside) – Arturo Quiroz
Classified Representative (Norco) – Diane Thursby
Classified Representative (Riverside) – Jennifer Lawson
Classified Representative (Moreno Valley) – Nate Finney
Classified Representative (District) – Tim Ragusa
Vice President, Business Services (Norco) – Beth Gomez
Vice President, Business Services (Riverside) – Mazie L. Brewington
Vice President Business Services (Moreno Valley) – Norm Godin

Proposed Membership Categories:

District

Vice Chancellor, Business and Financial Services – Chair
Director, Business Services
Classified – 1

Riverside City College

Vice President, Business Services
Faculty – 1
Classified – 1

Moreno Valley College

Vice President Business Services
Faculty – 1
Classified – 1

Norco College

Vice President Business Services
Faculty – 1
Classified – 1

Districtwide

Faculty – 1
Student – 1

Notes:

1. Vice Chancellor, Director of Business Services, Vice Presidents of Business Services positions are permanent members of the Council
2. All other members commit to serving a minimum of two year terms
3. Vice Chancellor votes on recommendations only in the event of a tie
4. College Academic Senates Presidents will appoint faculty representatives for the college. District Academic Senate will appoint the District wide representative. **CSEA will appoint staff representatives for the colleges.** Student Trustee will appoint the student representative.
5. Members may send proxies to DBAC meetings

2015-16 Meeting Name	July	August	September	October	November	December	January	February	March	April	May	June
Begin Tentative Budget												
Governor's May Revision Released												
State Budget Adoption												
Begin Final Budget Development												
Year End Close												
ITSC												
DBAC												
Moreno Valley College												
Norco College												
Riverside City College												
DSPC												
Report(s) Due - Chancellor's Cabinet												
Chancellor's Cabinet												
Report(s) Due - BOT Committee												
BOT Committee												
Report(s) Due - BOT Regular												
BOT Regular												

2016-17 Meeting Name	July	August	September	October	November	December	January	February	March	April	May	June
Begin Tentative Budget												
Governor's May Revision Released												
State Budget Adoption												
Begin Final Budget Development												
Year End Close												
ITSC												
DBAC												
Moreno Valley College												
Norco College												
Riverside City College												
DSPC												
Report(s) Due - Chancellor's Cabinet												
Chancellor's Cabinet												
Report(s) Due - BOT Committee												
BOT Committee												
Report(s) Due - BOT Regular												
BOT Regular												

Important Dates - State/Internal	
Colleges	
ITSC	
DBAC	
DSPC	
Report(s) Due - Chancellor's Cabinet	
Chancellor's Cabinet	
Report(s) Due - BOT Meetings	
BOT Meetings	



State Budget Update February 2016

2016-17 BUDGET TRAILER BILL SUMMARY

The Budget Trailer Bill Language is the implementing statute needed to effectuate the proposals in the annual Budget Bill. The Governor's proposed 2016 Budget Trailer Bill was released on February 2. This year, the community college Trailer Bill proposal includes policy implementation details and requirements for:

- The Strong Workforce Program (Page 1)
- The Student Success for Basic Skills Program (Page 5)
- The Zero-Textbook-Cost Associate Degree Grant Program (Page 7)
- The Awards for Innovation in Higher Education (Page 8)
- The Adult Education Block Grant (Page 9)

Strong Workforce Program - Trailer Bill Language:

SUMMARY: The Governor's 2016-17 budget proposes \$200 million for the Strong Workforce Program. The Trailer Bill language statutorily establishes the program under §88820 Part 54.5 of the Education Code to expand the availability of quality community college CTE and workforce development programs. The proposal by the Administration would create a regional structure for the planning and development of new or expanded programs and it would use that regional structure to distribute funds to colleges.

The Strong Workforce Program would comply with the California Strategic Workforce Development Plan required by the federal Workforce Innovation and Opportunity Act (WIOA). The proposal calls for a regional structure based on California's WIOA Regional Planning Units.

Analysis:

The Strong Workforce proposal is one of the highest stakes item in the 2016-17 budget – the robust investment makes it important to establish a program construct that works for practitioners on the ground. The new Strong Workforce Program establishes a funding and planning model similar to Adult Education Block Grant (AEBG) in order to expand CTE offerings statewide; this indicates that regional planning is a key priority of the Administration. The principles outlined for the distribution of funds are consistent with the goals of the Strong Workforce Taskforce; they focus on expanded or new quality programs. The proposal does not establish a concrete plan to accomplish this but instead allows regional CTE consortia to make determinations around new or expanded programs among the participating colleges. As proposed, the Strong Workforce Program does not provide colleges with a base level of funding to address the ongoing costs of existing CTE programs.

The regional planning structure is a valuable piece of this new program. As proposed by the Governor, planning every four years is a reasonable timeframe. Regional planning will help statewide coordination and provide the opportunity to close service needs. However, there

are concerns about issues between districts in agreeing to a governance model, fiscal agent, and funding allocations. Currently, some college districts participate in multiple WIOA regions. However, the Department Of Finance (DOF) intends for each college district to participate in only one region, therefore the final regional structure will include multiple college districts per region. The proposal also emphasizes avoidance of duplication but some duplication may be necessary to support commuting students in high-density areas or rural areas with limited transportation options.

The new Strong Workforce Program moves to a performance accountability model in the 2017-18 fiscal year. Considering the level of planning needed to identify workforce priorities and to form regional structures for planning and funding, the timeline identified in the trailer bill seems too short for effective implementation. A few questions remain from the current language such as the final composition of the regions since WIOA regions are not aligned with current Doing What Matters regions and implications for other regional collaboratives in which colleges participate. Additionally, a framework statement on expanding programs for vulnerable populations or closing service gaps is not included in this proposal.

Structure Proposed for the Strong Workforce Program:

- Sets up a regional structure for planning of CTE programs and delivery of funds.
- No later than June 30, 2017, the Chancellor's Office shall present to the Board of Governors policies, regulations and guidance necessary to implement the Strong Workforce Program. Plan shall:
 1. Include regional development, implementation and sharing of effective practices, curriculum models and courses.
 2. Enable districts to develop CTE workforce outcome and CTE associate degrees for transfer.
 3. Provide performance and labor market data to help align programming with regional labor market needs.
 4. Encourage local efficiency through regional partnerships.
 5. Enable students to transfer college-level CTE credits across college districts, CSU and UC.
 6. Improve engagement with employers to provide work-based learning.
 7. Enable college districts to optimize their resources.
 8. Ensure expenditures are focused on improving workforce outcomes.
 9. Streamline the process for course and curriculum approval.
 10. Reevaluate the minimum qualifications for CTE instructors.
- The Chancellor's Office shall review plans every four-years and determine if each regional collaborative has made significant progress in meeting goals, and provide technical assistance to collaboratives that have not.

Conditions for Receiving Funds:

- Be member of a CTE regional consortium.
- Identify a regional fiscal agent.
- Identify and agree to a regional governance model.

- Participants can include K-12, CSU and workforce partners.
- Only community colleges can determine the governance model.
- Provide an analysis of regional labor market needs, an inventory of regional priorities, and programs and goals.
- Provide a work plan, a spending plan and budget for regionally prioritized projects.
 - Work plans are due every 4 years.
 - Update may be submitted annually.
- Funds appropriated shall supplement, not supplant.
- CTE regional consortia shall allocate funds only to college districts.

Receiving Funds In 2016-17:

- Chancellor’s Office will consider the following for allocation of 2016-17 funds:
 - 1. Local unemployment rates**
 - 2. Proportion of CTE FTES**
 - 3. Proportion of projected job openings.**
- Up to 5% to a college district for statewide activities and program administration.
- By August 30, 2016, the Chancellor’s Office shall recommend the allocation of funds to CTE regional consortia. Funds will be sent to the fiscal agent for distribution to college districts.

Receiving Funds After July 1, 2017:

- The Chancellor’s Office shall recommend allocation of funds to CTE regional consortia based on:
 1. 2016-17 criteria; **and**
 2. Portion of successful workforce outcomes as evidenced by WIOA performance accountability measures.
- Regional collaboratives shall have an approved plan that includes:
 - An identified fiscal agent
 - An identified governance model
 - Analysis of regional labor market needs including wage data
 - Regionally prioritized projects
 - Measurable regional goals aligned to WIOA
 - Description of alignment with other regional work plans and spending plans
- Plans shall be approved regionally every four years by January 31.
- Plans should avoid duplication.
- College districts shall meet at least annually with their regional collaborative
- College districts should utilize regional plans to inform campus-level planning

Federal WIOA Performance Accountability Measures:

The language also calls for alignment with the federal WIOA Performance Accountability Measures which consist of the following:

1. Percentage of participants who are in unsubsidized employment during the second quarter after exit from the program;
2. Percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program;

3. Median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program;
4. Percentage of participants who obtain a credential, diploma or GED during participation in or within 1 year after exit from the program;
5. Percentage of participants who, during a program year, are in an education that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment; and
6. Indicators of effectiveness in serving employers.

Student Success for Basic Skills Program – Trailer Bill Language:

SUMMARY: The Trailer Bill rewrites the current Basic Skills Initiative (BSI) and proposes to establish the Student Success for Basic Skills Program, adding §88815 Part 54.3 to the Education Code, to improve the number of students successfully completing basic skills course sequences and transitioning to college-level math and English coursework. The proposal by the Administration sets minimum conditions for colleges in order to access new basic skills funds. These minimum conditions include: 1) resubmitting a basic skills plan, and 2) implementing multiple measures.

This language corresponds to the Governor’s budget proposal which would augment funding for basic skills by \$30 million, bringing the total funding for the Student Success for Basic Skills program to \$50 million. The program allocates up to 5% to a selected college district for the administration of faculty and staff development to improve curriculum, instruction, and student services in English as a second language (ESL) and basic skills. Funds are designed to be released as grants to districts. While the program does not establish a competitive grant process, it does outline specific qualifying criteria and performance metrics for the funds. Under this proposal, college districts’ basic skills funding would be held harmless at 2015-16 levels, meaning colleges will not receive less funding than they received under the (current) the BSI and would be eligible for additional dollars if they meet the parameters of the bill.

Analysis:

The new Student Success of Basic Skills Program essentially reconfigures the distribution of Basic Skills dollars in an attempt to incentivize improved outcomes and performance. As proposed, it is unclear if the funding structure would reward districts that successfully move students through remedial course sequences to college level math and English, or if it would provide additional resources to districts struggling to improve basic skills outcomes. It is however clear that the Administration is hoping to move colleges towards the practices emphasized in the Basic Skills Transformation program (§88800 of the Education Code). The new program plans to rank colleges based on their outcomes in order to identify which colleges can benefit from technical assistance.

As proposed, the Student Success for Basic Skills programs intends to increase the number of students that progress through remedial course sequences and ultimately complete college-level courses. The proposal focused on measuring performance outcome in order to incentivize researched practices that more effectively place students in courses, accelerates completion, and promotes curriculum redesign.

It is likely that the new model will have unintended equity consequences by adding a performance factor to ESL programs which already serve vulnerable student populations.

The structure does not account for learning needs of retraining adults or immigrant populations who often take some time to arrive at transfer level. Additionally, the program provides a stronger weight to colleges that have applied or received Basic Skills Transformation program grants. Due to the late release of the grant RFP and

implementation criteria, the timeline is problematic and may limit the colleges that can potentially qualify for new ongoing basic skills resources.

Use of Funds:

Funding can be used for a variety of purposes, including:

- Program and curriculum planning and development
- Student assessment
- Advisement and counseling services
- Tutoring
- Articulation
- Instructional equipment and materials
- Implementation or expansion of practices identified in the Basic Skills Transformation Program of 2015.

Eligibility Criteria and Funding Allocation:

A college district must:

1. Complete a revised assessment of programs and activities serving basic skills and ESL students
2. Submit to the Chancellor's Office an action and expenditure plan
3. Establish multiple measures for assessment and placement

Funding Allocation Based On:

- The percent of students who first enroll in a course below transfer level English or math or ESL and complete a college level course.
- The percent of incoming students undergoing assessment to pass college-level English or math within one year and within two years
- A 20% weighting for districts that participated in the prior year's basic skills grant
- Minimum allocation of \$100,000 per college
- Five lowest-performing districts will be encouraged to apply for technical assistance

Basic Skills Transformation (Budget Act of 2015) – Qualifying Criteria (§88810):

The 2016-17 Budget Trailer Bill language references these criteria in order to qualify for new basic skills funds.

Expand the use or application of, two or more of the following evidence-based practices:

1. Adopting placement tests that include multiple measures of student performance.
2. Increasing the placements into gateway English and mathematics courses that are transferable to UC or CSU and CTE pathways, with remedial instruction integrated.
3. Aligning content in remedial courses with programs of study.
4. Contextualizing remedial instruction.
5. Providing student support services that are integrated with instruction.
6. Developing two-and three-course sequences for completion of a college-level English or mathematics course, or both, for underprepared students, by either utilizing technology or other effective basic skills course practices.

Zero-Textbook-Cost Associate Degree Grant Program – Trailer Bill Language:

SUMMARY: The Trailer Bill adds Article 4 (§78050) to the Education Code, the Zero-Textbook-Cost Associate Degree Grant Program, to reduce the overall cost of education for students. A “zero-textbook-cost degree” is defined as an associate’s degree or CTE certificate that can be earned without conventional textbook costs. The program calls for the Chancellor’s Office to distribute grants of up to \$500,000 for each zero-textbook-cost degree (Z-degree) it develops. The Chancellor may distribute both planning and implementation grants. This language implements the Governor’s proposed \$5 million, one-time grant proposal to reduce student textbook costs.

Analysis:

The Administration hopes to address college affordability by eliminating the reliance on traditional textbooks. Textbooks have become one of community college students’ highest educational expenses. It is likely that the development of Z-degrees will be an extensive process; therefore, the two-year period of fund availability makes the program more promising. The Academic Senate of California Community Colleges is engaged in this effort and will encourage colleges to work collaboratively with their local academic senates in the development of these degrees. The focus on increasing college affordability is consistent with League policy priorities.

Conditions for Receiving Funds:

1. Develop and implement a Z-degree from an existing associate degree for transfer (ADT) or existing CTE certificate, or develop a certificate with high market value as a Z-degree.
2. Give priority to developing Z-degrees from existing degrees for transfer.
3. Develop model Z-degrees and post them on the California Digital Open Source Library.
4. Ensure that Z-degrees are clearly identified in college catalogs and course schedules.
5. Provide the Chancellor’s Office with planning and outcome information.
6. Consult with the college’s academic senate.
7. Include faculty, administrators, and other content-focused staff.

Up to 10% of the funds allocated in the Budget Act of 2016 for this program can be allocated to a college for administration of the program. By June 30, 2019, the Chancellor’s Office shall report to the Legislature and DOF on: 1) the number of degrees developed, 2) the estimated annual savings by students, 3) the number of students who completed Z-degrees, and 4) recommendations to increase or improve the program. Funds not awarded in 2016-17 may be awarded in 2017-18.

Awards for Innovation in Higher Education – Trailer Bill Language:

The Trailer Bill adds Article 2.6 (§6010.96) to the Education Code, establishing the Awards for Innovation in Higher Education program. The program establishes a Committee on Awards for Innovation in Higher Education consisting of 7 members, include the Director of Finance, an appointee of the Speaker of the Assembly, an appointee of the Senate Rules Committee and four appointees of the Governor. The proposal uses \$25 million in one-time funds allocated in the proposed Budget Bill and make awards of at least \$4 million each.

Criteria For Receiving an Award:

At least one award shall be made in each category:

1. Implementation of a concurrent enrollment program that allows students to earn a diploma and an associate degree for transfer (ADT) or CTE credential.
2. Implementation of a program that allows students to earn industry-recognized credentials and an ADT.
3. Implementation of a program that allows students to earn industry-recognized credentials through skill competencies and prior learning.
4. A set of fully online courses for basic skills in both English and math.
5. A set of fully online courses that meet IGETC, are included in the C-ID system, and available to all California residents.
6. Wide use of open educational resources (OER).

Analysis:

This is the third year the Department of Finance has proposed the Awards for Innovation; however, instead of structuring the program as a prize for a college's existing efforts, this year the awards are structured as incentives to advance specific educational practices that increase access and save students time and money. The proposed structure may provide colleges with start-up resources for practices that have been supported by the League, such as concurrent enrollment and OER. The program does not have to be implemented at the time of application but an applicant must provide evidence that the program can be implemented in a short period of time and is sustainable. .

Adult Education Trailer Bill Amendment:

The Trailer Bill amends §84905 of the Education Code, the Adult Education Block Grant (AEBG). The amendments states that each consortia shall consider the input of students, school district teachers, community college faculty, principals, administrators, classified staff and the local bargaining units of the school districts and community college districts before it makes a decision.

Analysis:

This amendment addresses concerns posed by organizations representing faculty and classified staff that their input was not considered when approving AEBG regional consortia plans. This amendment will likely prevent the introduction of a bill sponsored by CSEA to specifically including classified staff in consortia planning. The proposal respects local control and does not prescribe how input should be considered.

Handout #3

Credit FTES Ceiling 2015-16 Updated February 22nd, 2016.

	Target Summ 15	Actual Summ 15	Diff	Target Fall 15	Actual Fall 15	Diff	Target Win16	Estimate Win 16	Diff	Revised Target Spr16	Estimated Spring 2016	Diff	Revised District Ceiling 2015- 2016	Annual Estimated 2015-2016	Diff	P3 2014- 2015 July 15th
MVC	632.00	584.12	(47.88)	2,830.00	2,892.00	62.00	453.00	494.00	41.00	2,690.95	2,516.00	(174.95)	6,606.51	6,486.12	(120.39)	6,464.48
NC	394.53	408.70	14.17	2,959.01	2,963.00	3.99	394.53	481.00	86.47	2,858.44	2,871.00	12.56	6,606.51	6,723.70	117.19	6,337.64
RCC	1,301.73	1,238.42	(63.31)	6,508.67	6,510.69	2.02	1,301.73	1,261.00	(40.73)	6,274.47	5,900.00	(374.47)	15,386.61	14,910.11	(476.50)	14,701.05
District	2,328.26	2,231.24	(97.02)	12,297.68	12,365.69	68.01	2,149.26	2,236.00	86.74	11,823.87	11,287.00	(536.87)	28,599.64	28,119.93	(479.71)	27,503.17

	Target	Credit Base Funding	Total Estimated	% Increase planned	% Increase based on Estimate
District	28,599.64	28,086.24	28,119.93	1.83%	0.12%

Notes:

Summer 2015: Actuals
 For MOV, 104.11 FTES from Bridge Classes accounted for in Summer 2015.
 79.28 FTES from Bridge Classes accounted for in Fall 2015.

Win 2016: Actuals
 Spring 2016: Based on actual scheduled sections.
 TBA compliance accounted for Summer and Fall.

Compiled by Raj
 Format modified by Aaron for presentation purposes on 2-24-16

**CALIFORNIA COMMUNITY COLLEGES
2015-16 FIRST PRINCIPAL APPORTIONMENT
RIVERSIDE COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903033	4,723.597254	27,240.260	1,091.564	0.000	0.000	28,331.824	87.196	28,419.020
Noncredit FTES	2,811.752093	2,840.431965	156.860	-65.030	0.000	0.000	91.830	0.000	91.830
Noncredit - CDCP FTES	4,675.903043	4,723.597254	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			27,397.120	1,026.534	0.000	0.000	28,423.654	87.196	28,510.850

I Base Revenues +/- Restore or Decline

A Basic Allocation			\$10,774,172
B Basic FTES Revenue Before Workload Reduction		\$127,813,866	
C Workload Reduction		\$0.00	
D Revised Base FTES Revenue			\$127,813,866
1 Credit Base Revenue		\$127,372,815	
2 Noncredit Base Revenue		\$441,051	
3 Career Development College NonCr		\$0	
E Current Year Decline			\$0
Total Base Revenue Less Decline			\$138,588,038

V Other Revenue Adjustments

A Misc. Revenue Adjustments	\$0
B Full-Time Faculty Hiring	\$1,553,833
C Base Increase	\$6,778,451
Total Revenue Adjustments	\$8,332,284

VI Stability Adjustment

Stability Adjustment	\$0
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VII Total Computational Revenue

(sum of II, III, IV, V, & VI)	\$153,305,316
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II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%
B Inflation Adjustment	\$1,413,598
C Current Year Base Revenue + Inflation Adjustment	\$140,001,636

VIII District Revenue Source

A1 Property Taxes	\$32,608,233
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$8,660,636
C State General Apportionment	\$86,220,754
D Estimated EPA	\$23,850,213
Available Revenue	\$151,339,836
E Revenue Shortfall	0.9871793096
Total Revenue Plus Shortfall	\$153,305,316

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$0
Total Basic Allocation & Restoration	\$0

IX Other Allowances and Total Apportionments

A State General Apportionment	\$86,220,754
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$86,220,754

IV Growth

A Unconstrained Growth Rate	4.03%
B Constrained Growth Rate	3.95%
C Constrained Growth Cap	\$4,971,396
D Actual Growth	\$4,971,396
E Funded Credit Growth Revenue	\$5,156,109
F Funded Noncredit Growth Revenue	\$-184,713
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$4,971,396

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Mult-College District Funding Rate: Total FTES			Total Colleges			
> 19,880	> 9,940	<= 9,940	Rural	> 19,880	> 9,940	<= 9,940	1	2	3
\$5,670,617	\$4,536,493	\$3,402,370	\$567,062	\$4,536,493	\$3,969,432	\$3,402,370			
FTES:							0	0	0
Revenue:							0	0	1
\$0	\$0	\$0	\$0	\$0	\$3,969,432	\$6,804,740			\$10,774,172
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue					
0	\$1,134,123	0	0	\$0					
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels					Total Grandfathered or Previously Approved Centers		Total Basic Allocation Revenue		
> 994	> 746	> 497	> 249	<= 100					
\$1,134,123	\$850,592	\$567,062	\$283,531	\$141,765					
Number of Grandfathered or Previously Approved Centers: @ Total FTES					0		\$10,774,172		
0	0	0	0	0	0				
Grandfathered or Previously Approved Center Revenue:					Total Grandfathered or Approved Center				
\$0	\$0	\$0	\$0	\$0	\$0				

**CALIFORNIA COMMUNITY COLLEGES
2014-15 RECALCULATION APPORTIONMENT
RIVERSIDE COMMUNITY COLLEGE DISTRICT**

EXHIBIT E

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload Restoration FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,636.492856	4,675.900000	25,652.359	1,390.422	197.480	0.000	0.000	27,240.260	262.910	27,503.170
Noncredit FTES	2,788.053637	2,811.752093	159.630	-2.426	-0.344	0.000	0.000	156.860	0.000	156.860
Noncredit - CDCP FTES	3,282.811061	3,310.714955	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			25,811.989	1,387.996	197.135	0.000	0.000	27,397.120	262.910	27,660.030

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$10,683,364
B Basic FTES Revenue Before Workload Reduction	\$119,382,036	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$119,382,036
1 Credit Base Revenue	\$118,936,979	
2 Noncredit Base Revenue	\$445,057	
3 Career Development College NonCr	\$0	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$130,065,400

II Inflation Adjustment

A Statewide Inflation Adjustment	0.85%
B Inflation Adjustment	\$1,105,556
Total Inflation Adjustment	\$1,105,556

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$6,494,656
Total Basic Allocation & Restoration	\$6,494,656

IV Growth

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$0

V Other Revenues Adjustments

A Revenue Adjustment	\$0
B Funding of Unfunded FTES	\$922,427
Total Revenue Adjustments	\$922,427

VI Stability Adjustment

	\$0
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VII Total Computational Revenue

(sum of II, III, IV, V, & VI)	\$138,588,039
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VIII District Revenue Source

A1 Property Taxes	\$33,904,392
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$8,101,250
C State General Apportionment	\$71,562,214
D Estimated EPA	\$25,020,183
Available Revenue	\$138,588,039
E Revenue Shortfall	1.000000000
Total Revenue Plus Shortfall	\$138,588,039

IX Other Allowances and Total Apportionments

A State General Apportionment	\$71,562,214
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$71,562,214

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Mult-College District Funding Rate: Total FTES			
> 19,288	> 9,644	<= 9,644	Rural	> 19,288	> 9,644	<= 9,644
\$5,622,823	\$4,498,258	\$3,373,694	\$562,282	\$4,498,258	\$3,935,976	\$3,373,694
						Total Colleges
0	0	0	0	0	1	2
						Total Colleges Rev.
\$0	\$0	\$0	\$0	\$0	\$3,935,976	\$6,747,388
						\$10,683,364
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue		
0	\$1,124,565	0	0	\$0		
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels						
> 964	> 723	> 482	> 241	<= 100	Total Grandfathered or Previously Approved Centers	
\$1,124,565	\$843,423	\$562,282	\$281,141	\$140,571	0	
					Total Basic Allocation Revenue	
					\$10,683,364	
Number of Grandfathered or Previously Approved Centers: @ Total FTES						
0	0	0	0	0	0	
Grandfathered or Previously Approved Center Revenue:						
\$0	\$0	\$0	\$0	\$0	\$0	

**Riverside Community College District
 District Enrollment Management Committee
 FY 2016-2017 Enrollment Target/Ceiling Discussion
 February 24, 2016**

Handout #5

	<u>FY 2014-15 (P2)</u>		<u>FY 2014-15 (Recalc)</u>		<u>Difference</u>
Base Credit FTES	25,652.36		25,652.36		
Growth/Workload Restoration	<u>1,404.09</u> 5.47%		<u>1,587.90</u> 6.19%		
Funded Credit FTES	27,056.45		<u>27,240.26</u>		
Reported FTES (P3)	<u>27,503.17</u>		<u>27,503.17</u>		
Unfunded	<u><u>(446.72)</u></u> 1.65%		<u><u>(262.91)</u></u> 0.97%		<u><u>183.81</u></u>
					\$ 859,477
			Plus No Deficit		\$ 437,645

Riverside Community College District
 District Enrollment Management Committee
 FY 2016-2017 Enrollment Target/Ceiling Discussion
 February 24, 2016

Handout #6

	<u>FY 2015-16 (Adv)</u>		<u>FY 2015-16 (Adv Rev)</u>		<u>FY 2015-16 (P1)</u>		<u>FY 2015-16 (Recalc & P1)</u>		<u>FY 2015-16 (Recalc & Est)</u>	
Base Credit FTES	27,056.45		27,056.45		27,056.45		27,240.26		27,240.26	
Growth/Workload Restoration	<u>1,029.79</u>	3.81%	<u>1,029.79</u>	3.81%	<u>1,029.79</u>	3.81%	<u>1,178.76</u>	4.33%	<u>1,178.76</u>	4.33%
Funded Credit FTES	28,086.24		28,086.24		28,086.24		28,419.02		28,419.02	
Estimated/Reported FTES	<u>28,465.64</u>		<u>28,599.64</u>		28,419.02		28,419.02		28,119.93	
Unfunded	<u>(379.40)</u>	1.35%	<u>(513.40)</u>	1.83%	<u>(332.78)</u>	1.18%	<u>-</u>	0.00%	<u>299.09</u>	-1.05%
									<u>\$ (1,412,781)</u>	
							FY 2015-16 Est Total FTES		28,119.93	
							FY 2014-15 Total FTES		<u>(27,503.17)</u>	
							Total FTES Produced		<u>616.76</u>	

**Riverside Community College District
 District Enrollment Management Committee
 FY 2016-2017 Enrollment Target/Ceiling Discussion
 February 24, 2016**

Handout #7

	FY 2016-17 (Projection 1)		FY 2016-17 (Projection 2)	
Base Credit FTES	28,419.02		28,119.93	
Growth/Workload Restoration	682.06	2.40%	674.88	2.40%
Funded Credit FTES	29,101.08		28,794.81	
Estimated/Reported FTES	28,519.05		28,218.91	
Unfunded	(582.02)	2.00%	(575.90)	2.00%
Growth FTES	682.06		674.88	
Unfunded FTES	582.02		575.90	
Summer 2016	211.89		-	
Total FTES Production	1,475.97		1,250.77	

**CALIFORNIA COMMUNITY COLLEGES
2015-16 FIRST PRINCIPAL APPORTIONMENT
CHAFFEY COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903031	4,723.597254	14,337.910	1,139.936	0.000	0.000	15,477.846	9.344	15,487.190
Noncredit FTES	2,811.752093	2,840.431965	340.730	16.330	0.000	0.000	357.060	0.000	357.060
Noncredit - CDCP FTES	4,675.903043	4,723.597254	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			14,678.640	1,156.266	0.000	0.000	15,834.906	9.344	15,844.250

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$6,804,739
B Basic FTES Revenue Before Workload Reduction	\$68,000,725	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$68,000,725
1 Credit Base Revenue	\$67,042,677	
2 Noncredit Base Revenue	\$958,048	
3 Career Development College NonCr	\$0	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$74,805,464

V Other Revenue Adjustments

A Misc. Revenue Adjustments	\$0
B Full-Time Faculty Hiring	\$858,970
C Base Increase	\$3,787,262
Total Revenue Adjustments	\$4,646,232

VI Stability Adjustment

VI Stability Adjustment	\$0
VII Total Computational Revenue	\$85,645,693
(sum of II, III, IV, V, & VI)	

II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%
B Inflation Adjustment	\$763,016
C Current Year Base Revenue + Inflation Adjustment	\$75,568,480

VIII District Revenue Source

A1 Property Taxes	\$21,339,407
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$5,194,000
C State General Apportionment	\$44,748,708
D Estimated EPA	\$13,265,541
E Available Revenue	\$84,547,656
E Revenue Shortfall	0.9871793086
Total Revenue Plus Shortfall	\$85,645,693

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$0
Total Basic Allocation & Restoration	\$0

IX Other Allowances and Total Apportionments

A State General Apportionment	\$44,748,708
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$44,748,708

IV Growth

A Unconstrained Growth Rate	8.31%
B Constrained Growth Rate	8.11%
C Constrained Growth Cap	\$5,430,981
D Actual Growth	\$5,430,981
E Funded Credit Growth Revenue	\$5,384,597
F Funded Noncredit Growth Revenue	\$46,384
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$5,430,981

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Mult-College District Funding Rate: Total FTES				
> 19,880	> 9,940	<= 9,940	Rural	> 19,880	> 9,940	<= 9,940	Total Colleges
\$5,670,617	\$4,536,493	\$3,402,370	\$567,062	\$4,536,493	\$3,969,432	\$3,402,370	
FTES:							
0	1	0	0	0	0	0	1
Revenue:							Total Colleges Rev.
\$0	\$4,536,493	\$0	\$0	\$0	\$0	\$0	\$4,536,493
State Approved Center: Funding Rates			Total State Approved Centers		Total State Approved Centers Revenue		
2	\$1,134,123		2	\$2,268,246			
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels							
> 994	> 746	> 497	> 249	<= 100			
\$1,134,123	\$850,592	\$567,062	\$283,531	\$141,765			
Number of Grandfathered or Previously Approved Centers: @ Total FTES							
0	0	0	0	0			
Grandfathered or Previously Approved Center Revenue:							
\$0	\$0	\$0	\$0	\$0			\$6,804,739

**CALIFORNIA COMMUNITY COLLEGES
2014-15 RECALCULATION APPORTIONMENT
CHAFFEY COMMUNITY COLLEGE DISTRICT**

EXHIBIT E

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload				Total Funded FTES	Unfunded FTES	Actual FTES
				Restoration FTES	Growth FTES	Restored FTES	Stability FTES			
Credit FTES	4,636.492834	4,675.900000	13,682.398	655.512	0.000	0.000	0.000	14,337.910	0.000	14,337.910
Noncredit FTES	2,788.053637	2,811.752093	336.870	3.860	0.000	0.000	0.000	340.730	0.000	340.730
Noncredit - CDCP FTES	3,282.811061	3,310.714955	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			14,019.268	659.372	0.000	0.000	0.000	14,678.640	0.000	14,678.640

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$6,747,388
B Basic FTES Revenue Before Workload Reduction	\$64,377,552	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$64,377,552
1 Credit Base Revenue	\$63,438,340	
2 Noncredit Base Revenue	\$939,212	
3 Career Development College NonCr	\$0	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$71,124,940

II Inflation Adjustment

A Statewide Inflation Adjustment	0.85%	
B Inflation Adjustment	\$604,562	
Total Inflation Adjustment		\$604,562

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$3,075,964
Total Basic Allocation & Restoration	\$3,075,964

IV Growth

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$0

V Other Revenues Adjustments

A Revenue Adjustment	\$0
B Funding of Unfunded FTES	\$0
Total Revenue Adjustments	\$0

VI Stability Adjustment

	\$0
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VII Total Computational Revenue

(sum of II, III, IV, V, & VI)	\$74,805,466
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VIII District Revenue Source

A1 Property Taxes	\$27,238,638
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$4,539,232
C State General Apportionment	\$29,554,400
D Estimated EPA	\$13,473,196
Available Revenue	\$74,805,466
E Revenue Shortfall	1.0000000000
Total Revenue Plus Shortfall	\$74,805,466

IX Other Allowances and Total Apportionments

A State General Apportionment	\$29,554,400
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$29,554,400

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES				Total Colleges
> 19,288	> 9,644	<= 9,644	Rural	> 19,288	> 9,644	<= 9,644	
\$5,622,823	\$4,498,258	\$3,373,694	\$562,282	\$4,498,258	\$3,935,976	\$3,373,694	
0	1	0	0	0	0	0	1
Revenue:							Total Colleges Rev.
\$0	\$4,498,258	\$0	\$0	\$0	\$0	\$0	\$4,498,258
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue			
2	\$1,124,565		2	\$2,249,130			
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels							
> 964	> 723	> 482	> 241	<= 100	Total Grandfathered or Previously Approved Centers		Total Basic Allocation Revenue
\$1,124,565	\$843,423	\$562,282	\$281,141	\$140,571	0		\$6,747,388
Number of Grandfathered or Previously Approved Centers: @ Total FTES							
0	0	0	0	0	0		
Grandfathered or Previously Approved Center Revenue:							
\$0	\$0	\$0	\$0	\$0	\$0		

**CALIFORNIA COMMUNITY COLLEGES
2015-16 FIRST PRINCIPAL APPORTIONMENT
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903023	4,723.597254	10,093.711	1,102.569	0.000	0.000	11,196.280	0.000	11,196.280
Noncredit FTES	2,811.752093	2,840.431965	509.320	-88.260	0.000	0.000	421.060	0.000	421.060
Noncredit - CDCP FTES	4,675.903043	4,723.597254	141.970	88.790	0.000	0.000	230.760	0.000	230.760
Total FTES:			10,745.001	1,103.099	0.000	0.000	11,848.100	0.000	11,848.100

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$5,670,616
B Basic FTES Revenue Before Workload Reduction	\$49,293,136	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue	\$49,293,136	
1 Credit Base Revenue	\$47,197,216	
2 Noncredit Base Revenue	\$1,432,082	
3 Career Development College NonCr	\$663,838	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$54,963,752

II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%
B Inflation Adjustment	\$560,630
C Current Year Base Revenue + Inflation Adjustment	\$55,524,382

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$0
Total Basic Allocation & Restoration	\$0

IV Growth

A Unconstrained Growth Rate	11.57%
B Constrained Growth Rate	11.27%
C Constrained Growth Cap	\$5,468,266
D Actual Growth	\$5,376,801
E Funded Credit Growth Revenue	\$5,208,090
F Funded Noncredit Growth Revenue	\$-250,697
G Funded Noncredit CDCP Growth Revenue	\$419,408
Total Growth Revenue	\$5,376,801

V Other Revenue Adjustments

A Misc. Revenue Adjustments	\$0
B Full-Time Faculty Hiring	\$639,346
C Base Increase	\$2,847,535
Total Revenue Adjustments	\$3,486,881

VI Stability Adjustment

	\$0
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VII Total Computational Revenue

(sum of II, III, IV, V, & VI)	\$64,388,064
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VIII District Revenue Source

A1 Property Taxes	\$23,414,539
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$3,085,040
C State General Apportionment	\$26,954,835
D Estimated EPA	\$10,108,150
Available Revenue	\$63,562,564
E Revenue Shortfall	0.9871793008
Total Revenue Plus Shortfall	\$64,388,064

IX Other Allowances and Total Apportionments

A State General Apportionment	\$26,954,835
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$26,954,835

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES					Multi-College District Funding Rate: Total FTES				
> 19,880	> 9,940	<= 9,940	Rural	> 19,880	> 9,940	<= 9,940			
\$5,670,617	\$4,536,493	\$3,402,370	\$567,062	\$4,536,493	\$3,969,432	\$3,402,370			Total Colleges
0	1	0	0	0	0	0			1
\$0	\$4,536,493	\$0	\$0	\$0	\$0	\$0			Total Colleges Rev.
									\$4,536,493
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue					
1	\$1,134,123		1	\$1,134,123					
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels									
> 994	> 746	> 497	> 249	<= 100				Total	Total
\$1,134,123	\$850,592	\$567,062	\$283,531	\$141,765				Total Grandfathered or Previously Approved Centers	Total Basic Allocation Revenue
0	0	0	0	0				0	\$5,670,616
Number of Grandfathered or Previously Approved Centers: @ Total FTES									
0	0	0	0	0				0	
Grandfathered or Previously Approved Center Revenue:									
\$0	\$0	\$0	\$0	\$0				\$0	

**CALIFORNIA COMMUNITY COLLEGES
2014-15 RECALCULATION APPORTIONMENT
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT**

EXHIBIT E

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload Restoration FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,636.492857	4,675.900000	9,563.802	491.900	38.010	0.000	0.000	10,093.711	55.069	10,148.780
Noncredit FTES	2,788.053637	2,811.752093	376.000	123.757	9.563	0.000	0.000	509.320	0.000	509.320
Noncredit - CDCP FTES	3,282.811061	3,310.714955	190.010	-44.594	-3.446	0.000	0.000	141.970	0.000	141.970
Total FTES:			10,129.812	571.063	44.127	0.000	0.000	10,745.001	55.069	10,800.070

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$5,622,823
B Basic FTES Revenue Before Workload Reduction	\$46,014,573	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$46,014,573
1 Credit Base Revenue	\$44,342,498	
2 Noncredit Base Revenue	\$1,048,308	
3 Career Development College NonCr	\$623,767	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$51,637,396

II Inflation Adjustment

A Statewide Inflation Adjustment	0.85%	
B Inflation Adjustment		\$438,918
Total Inflation Adjustment		\$438,918

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$2,500,413
Total Basic Allocation & Restoration	\$2,500,413

IV Growth

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$0

V Other Revenues Adjustments

A Revenue Adjustment	\$0
B Funding of Unfunded FTES	\$193,210
Total Revenue Adjustments	\$193,210

VI Stability Adjustment

	\$0
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VII Total Computational Revenue (sum of II, III, IV, V, & VI)

	\$54,769,937
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VIII District Revenue Source

A1 Property Taxes	\$21,981,344
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$2,871,171
C State General Apportionment	\$19,966,096
D Estimated EPA	\$9,951,326
Available Revenue	\$54,769,937
E Revenue Shortfall	1.0000000000
Total Revenue Plus Shortfall	\$54,769,937

IX Other Allowances and Total Apportionments

A State General Apportionment	\$19,966,096
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$19,966,096

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Mult-College District Funding Rate: Total FTES				
> 19,288	> 9,644	<= 9,644	Rural	> 19,288	> 9,644	<= 9,644	Total Colleges
\$5,622,823	\$4,498,258	\$3,373,694	\$562,282	\$4,498,258	\$3,935,976	\$3,373,694	
0	1	0	0	0	0	0	1
\$0	\$4,498,258	\$0	\$0	\$0	\$0	\$0	\$4,498,258
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue			
1	\$1,124,565		1	\$1,124,565			
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels							
> 964	> 723	> 482	> 241	<= 100			
\$1,124,565	\$843,423	\$562,282	\$281,141	\$140,571			
Number of Grandfathered or Previously Approved Centers: @ Total FTES					Total Grandfathered or Previously Approved Centers	Total Basic Allocation Revenue	
0	0	0	0	0	0	\$5,622,823	
Grandfathered or Previously Approved Center Revenue:					Total Grandfathered or Approved Center		
\$0	\$0	\$0	\$0	\$0	\$0		

**CALIFORNIA COMMUNITY COLLEGES
2015-16 FIRST PRINCIPAL APPORTIONMENT
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903053	4,723.597254	14,439.214	1,016.466	0.000	0.000	15,455.680	0.000	15,455.680
Noncredit FTES	2,811.752093	2,840.431965	56.590	-55.160	0.000	0.000	1.430	0.000	1.430
Noncredit - CDCP FTES	4,675.903043	4,723.597254	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			14,495.804	961.306	0.000	0.000	15,457.110	0.000	15,457.110

I Base Revenues +/- Restore or Decline

A Basic Allocation	\$7,371,802
B Basic FTES Revenue Before Workload Reduction	\$67,675,481
C Workload Reduction	\$0.00
D Revised Base FTES Revenue	\$67,675,481
1 Credit Base Revenue	\$67,516,364
2 Noncredit Base Revenue	\$159,117
3 Career Development College NonCr	\$0
E Current Year Decline	\$0
Total Base Revenue Less Decline	\$75,047,283

V Other Revenue Adjustments

A Misc. Revenue Adjustments	\$0
B Full-Time Faculty Hiring	\$846,051
C Base Increase	\$3,761,920
Total Revenue Adjustments	\$4,607,971

VI Stability Adjustment

VI Stability Adjustment	\$0
VII Total Computational Revenue (sum of II, III, IV, V, & VI)	\$85,065,435

II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%
B Inflation Adjustment	\$765,482
C Current Year Base Revenue + Inflation Adjustment	\$75,812,765

VIII District Revenue Source

A1 Property Taxes	\$16,893,275
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$3,483,569
C State General Apportionment	\$50,146,100
D Estimated EPA	\$13,451,893
Available Revenue	\$83,974,837
E Revenue Shortfall	0.9871793050 \$1,090,598
Total Revenue Plus Shortfall	\$85,065,435

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$0
Total Basic Allocation & Restoration	\$0

IX Other Allowances and Total Apportionments

A State General Apportionment	\$50,146,100
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$50,146,100

IV Growth

A Unconstrained Growth Rate	7.79%
B Constrained Growth Rate	7.60%
C Constrained Growth Cap	\$5,043,374
D Actual Growth	\$4,644,699
E Funded Credit Growth Revenue	\$4,801,377
F Funded Noncredit Growth Revenue	-\$156,678
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$4,644,699

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES			Total Colleges
> 19,880	> 9,940	<= 9,940	Rural	> 19,880	> 9,940	
\$5,670,617	\$4,536,493	\$3,402,370	\$567,062	\$4,536,493	\$3,969,432	\$3,402,370
FTES:	0	0	0	0	1	1
Revenue:	\$0	\$0	\$0	\$0	\$3,969,432	\$3,402,370
Total Colleges Rev. \$7,371,802						
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue		Total Basic Allocation Revenue
> 994	> 746	> 497	> 249	<= 100	Total Grandfathered or Previously Approved Centers	
\$1,134,123	\$850,592	\$567,062	\$283,531	\$141,765	0	\$7,371,802
Number of Grandfathered or Previously Approved Centers: @ Total FTES						
0	0	0	0	0	0	
Grandfathered or Previously Approved Center Revenue:						
\$0	\$0	\$0	\$0	\$0	\$0	

**CALIFORNIA COMMUNITY COLLEGES
2014-15 RECALCULATION APPORTIONMENT
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

EXHIBIT E

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload Restoration FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,636.492866	4,675.900000	13,574.180	704.785	160.249	0.000	0.000	14,439.214	221.666	14,660.880
Noncredit FTES	2,788.053637	2,811.752093	2.040	44.445	10.105	0.000	0.000	56.590	0.000	56.590
Noncredit - CDCP FTES	3,282.811061	3,310.714955	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			13,576.220	749.229	170.354	0.000	0.000	14,495.804	221.666	14,717.470

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$7,309,670
B Basic FTES Revenue Before Workload Reduction	\$62,942,279	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$62,942,279
1 Credit Base Revenue	\$62,936,591	
2 Noncredit Base Revenue	\$5,688	
3 Career Development College NonCr	\$0	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$70,251,949

II Inflation Adjustment

A Statewide Inflation Adjustment	0.85%
B Inflation Adjustment	\$597,142
Total Inflation Adjustment	\$597,142

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$3,420,471
Total Basic Allocation & Restoration	\$3,420,471

IV Growth

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$0

V Other Revenues Adjustments

A Revenue Adjustment	\$0
B Funding of Unfunded FTES	\$777,722
Total Revenue Adjustments	\$777,722

VI Stability Adjustment

VI Stability Adjustment	\$0
VII Total Computational Revenue (sum of II, III, IV, V, & VI)	\$75,047,284

VIII District Revenue Source

A1 Property Taxes	\$18,396,862
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$3,931,153
C State General Apportionment	\$39,083,110
D Estimated EPA	\$13,636,159
Available Revenue	\$75,047,284
E Revenue Shortfall	1.000000000
Total Revenue Plus Shortfall	\$75,047,284

IX Other Allowances and Total Apportionments

A State General Apportionment	\$39,083,110
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$39,083,110

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES				
> 19,288	> 9,644	<= 9,644	Rural	> 19,288	> 9,644	<= 9,644	Total Colleges
\$5,622,823	\$4,498,258	\$3,373,694	\$562,282	\$4,498,258	\$3,935,976	\$3,373,694	
FTES:	0	0	0	0	1	1	2
Revenue:	\$0	\$0	\$0	\$0	\$3,935,976	\$3,373,694	\$7,309,670
State Approved Center: Funding Rates			Total State Approved Centers		Total State Approved Centers Revenue		
0	\$1,124,565	0	0	\$0			
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels							
> 964	> 723	> 482	> 241	<= 100			
\$1,124,565	\$843,423	\$562,282	\$281,141	\$140,571	Total Grandfathered or Previously Approved Centers		Total Basic Allocation Revenue
Number of Grandfathered or Previously Approved Centers: @ Total FTES							
0	0	0	0	0	0		\$7,309,670
Grandfathered or Previously Approved Center Revenue:					Total Grandfathered or Approved Center		
\$0	\$0	\$0	\$0	\$0	\$0		

BP 6200 BUDGET PREPARATION**References:**

Education Code Section 70902(b)(5);
Title 5 Sections 58300 et seq.;
The California Community Colleges Budget and Accounting Manual
ACCJC Accreditation Standard III.D

Each year, the Chancellor shall present to the Board of Trustees a budget, prepared in accordance with all applicable laws and regulations. The schedule for presentation and review of budget proposals shall comply with State law and regulations, and provide adequate time for Board review.

The District shall employ the concept of a fund balance target in the annual budget development process. The fund balance target concept shall apply to the Unrestricted General Fund budget and shall be equal to a minimum of 5.0 percent of the sum of the projected beginning fund balance for a particular fiscal year and the estimated revenues for that year. The fund balance target amount shall be the first item funded in the budget for any fiscal year. This fund balance target concept may also be extended to other funds of the District when and where applicable

Budget preparation shall meet the following criteria:

- The annual budget shall support the District's strategic and educational plans;
- Assumptions upon which the budget is based shall be presented to the Board of Trustees for review; and
- A schedule shall be provided to the Board of Trustees each year that includes dates for presentation of the tentative budget, required public hearing(s), Board review, and approval of the final budget. At the public hearings, interested persons may appear and address the Board of Trustees regarding the proposed budget or any item in the proposed budget.

Date Approved: May 15 2007

Revised: November 25, 2014 (references only)
(Replaces Policy 7080)

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FY 2015-2016 Final Budget

Contingency History

FY	Adopted Contingency Balance	% of Avaliable Funds	Ending Fund Balance	% of Avaliable Funds
2014-15*	7,801,811	4.28%	14,667,941	9.15%
2013-14	6,358,532	4.23%	12,743,536	7.65%
2012-13	4,560,030	3.23%	11,407,409	7.95%
2011-12	5,840,447	3.94%	6,805,919	4.73%
2010-11	8,729,056	5.60%	13,217,249	8.48%
2009-10	8,391,878	5.50%	11,253,316	7.22%
2008-09	12,566,801	7.68%	13,903,627	8.74%
2007-08	9,423,484	6.14%	19,259,076	12.37%

*Estimate

**Riverside Community College District
Proposed Reserve Calculation Change
and
Budget Stability Plan**

Handout #13

	Possible Scenarios			
	Total Available Funds	Reserve Calculation - Ongoing Total Available Funds Only	Reserve Calculation - Ongoing Revenue Only	Reserve Calculation - Ongoing Expenditures Only
Beginning Balance at July 1, 2015	\$ 10.45	\$ 10.45	\$ 10.45	\$ 10.45
Revenue Budget (Deficit)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)
Expenditure Budget Savings	\$ 20.55	\$ 20.55	\$ 20.55	\$ 20.55
Less, One-Time	<u>\$ -</u>	<u>\$ (15.04)</u>	<u>\$ (15.04)</u>	<u>\$ (15.04)</u>
Beginning Balance at July 1, 2016	\$ 30.16	\$ 15.12	\$ 15.12	\$ 15.12
Revenue Budget	<u>\$ 166.88</u>	<u>\$ 165.09</u>	<u>\$ 165.09</u>	<u>\$ 165.09</u>
Total Available Funds	\$ 197.04	<u>\$ 180.21</u>	\$ 180.21	\$ 180.21
Less, Required Reserve Balance	<u>\$ (10.84)</u>	<u>\$ (9.91)</u>	<u>\$ (9.08)</u>	<u>\$ (9.69)</u>
Amount Available for Expenditures	\$ 186.20	\$ 170.30	\$ 171.13	\$ 170.52
Expenditure Budget	<u>\$ (186.20)</u>	<u>\$ (176.22)</u>	<u>\$ (176.22)</u>	<u>\$ (176.22)</u>
Budget (Shortfall)/Surplus	<u>\$ -</u>	<u>\$ (5.92)</u>	<u>\$ (5.09)</u>	<u>\$ (5.70)</u>
Three Year Implementation		<u>\$ (1.97)</u>	<u>\$ (1.70)</u>	<u>\$ (1.90)</u>
<u>Entity Reserve Holding Account</u>				
DO/DSS	\$ -	\$ (0.27)	\$ (0.23)	\$ (0.26)
RCC	\$ -	\$ (0.93)	\$ (0.80)	\$ (0.90)
NC	\$ -	\$ (0.36)	\$ (0.31)	\$ (0.35)
MVC	<u>\$ -</u>	<u>\$ (0.40)</u>	<u>\$ (0.35)</u>	<u>\$ (0.39)</u>
Total	<u>\$ -</u>	<u>\$ (1.97)</u>	<u>\$ (1.70)</u>	<u>\$ (1.90)</u>

FY 15-16 BAM Expenditure Percentages (After Removal of One-Time)

DO/DSS	\$ 22.82	13.83%
RCC	\$ 77.98	47.26%
NC	\$ 30.46	18.46%
MVC	<u>\$ 33.74</u>	<u>20.45%</u>
Total	<u>\$ 165.00</u>	<u>100.00%</u>

1. Calculate 5% reserve requirement using ongoing revenues only (eliminate one-time revenues for the calculation).
2. Calculate ongoing budget shortfall after eliminating one-time revenues and expenditures.
3. Utilize a multi-year strategy (3 Years) to set-aside the ongoing budget shortfall into "restricted" holding accounts for each entity.
4. Use BAM Expenditure Percentages to determine each entity's proportionate share of the budget shortfall, after elimination of one-time budget items that are maintained in holding accounts.
5. Physically transfer budget to a "restricted" holding account within each entity, under the college Vice President's of Business Services and Vice Chancellor of Business and Financial Services, respectively. The transferred budgets can't be used for any purpose during the fiscal year.
6. **Entity generated budget savings will remain at the entity level.**

Riverside Community College District
Proposed Reserve Calculation Change
and
Budget Shortfall Treatment
One-Time Holding Accounts

	FY 15-16 BAM %	College Only FY 15-16 BAM %	BAM Totals FY 15-16 BAM Totals	Mandates	CAADO/CSA	GL&P	Indirect	Utilities	Revised Totals After Holding Reallocation	Revised %
RCC	43.16%	54.85%	\$ 77,980,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,980,357	47.26%
NC	16.86%	21.42%	30,456,424	-	-	-	-	-	30,456,424	18.46%
MVC	<u>18.68%</u>	<u>23.73%</u>	<u>33,744,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,744,773</u>	<u>20.45%</u>
Total Colleges	78.70%	<u>100.00%</u>	\$ 142,181,554	\$ -	\$ 125,000	\$ 169,040	\$ 303,731	\$ 85,000	\$ 142,181,554	86.17%
DO/DSS	<u>21.31%</u>		<u>38,505,343</u>	<u>(15,004,000)</u>	<u>(125,000)</u>	<u>(169,040)</u>	<u>(303,731)</u>	<u>(85,000)</u>	<u>22,818,572</u>	<u>13.83%</u>
Total	<u>100.01%</u>		<u>\$ 180,686,897</u>	<u>\$ (15,004,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,000,126</u>	<u>100.00%</u>

2015-2016 BUDGET

BUDGET ALLOCATION MODEL

The construct of the Budget Allocation Model was based on a FTES model reflective of how resources are allocated from the State. The State model does not differentiate, and makes no provision for, high cost programs versus any other program offered at a community college. One credit FTES rate is applied to all earned credit FTES, regardless of the cost to produce the FTES.

The District's previous credit FTES based Budget Allocation Model was developed and implemented in FY 2013-14, albeit with the substantial issue of entity budget alignment still left unresolved. A "one size fits all" rate was calculated and applied to the credit FTES generated by each college, similar to the State model. Inequities emerged between the revenues generated by each college versus the expenditures incurred by each college. This basic stumbling block issue has remained since its implementation, despite the numerous discussions and analytical attempts made to resolve it.

A need was identified to allocate resources to the colleges in a way that provides enhanced budget autonomy and reflects the unique instructional programs and organizational structures that have developed based on decisions made over time. In other words, a model that recognizes the "realities" of the decisions that have been made and one that moves the District closer to aligning allocated college revenues with allocated expenditures (i.e. Entity Budget Alignment).

During FY 2014-15, discussions ensued with District and college constituency groups to revise the Budget Allocation Model (BAM 2.0). The basic framework to revise the model was consideration for the known cost of producing FTES at each college. The method should reflect the decisions mentioned earlier regarding the unique instructional program offerings and organizational structures at each college that derive the individual FTES rate per college. The resulting rates would then be applied to the funding rate per credit FTES.

The following comprise the framework for the revised Budget Allocation Model:

- Using historical total actual expenditures and FTES for each college, calculate separate rates per FTES using a seven (7) year average; transitioning to a ten (10) year rolling average over time.
 - The rolling average will smooth out year-to-year anomalies, program level efficiencies and inefficiencies, high cost and low cost programs, staff seniority, changes in administration, etc., etc.
 - Note – Application of the ratios will result in a remainder that will be allocated on an FTES percentage basis in order to balance the model.
 - Total actual expenditures takes into consideration ALL costs (support, administration, instruction, facilities) to produce the FTES.
 - The starting point for historical expenditures is FY 2008-09 since this is when three college status started.
 - Adhere to the following BAM Principles as much as possible:
 - #3 – Equitable Allocation of Resources

2015-2016 BUDGET

BUDGET ALLOCATION MODEL

- #4 – Enrollment Management Decisions Drive the Allocation of Resources
 - #5 – Simple, Readily Communicable and Understood, and as Easy to Administer as Possible
 - #6 – Defined in Measurable Terms to Maintain Objectivity and Predictability and the Outcome is Independently Verifiable
 - #7 – Driven by Verifiable Data
- Revises the Budget Allocation Model but does not result in reduction of or additional resources for the colleges
 - Provides a baseline to begin moving forward on implementing other components of the BAM as well as a basis for closing the remaining budget gap in future years

After vetting by the colleges' shared governance groups and considerable discussion at the District Budget Advisory Council (DBAC), DBAC reached consensus to move the proposal forward to the District Strategic Planning Committee (DSPC) as a transitional model to achieving entity budget equilibrium. DSPC considered the proposal and reached consensus to move the proposal forward to the Chancellor's Cabinet. Chancellor's Cabinet approved the revised Budget Allocation Model (BAM 2.0) for implementation effective for FY 2015-16.

BAM 2.0 will be monitored to assess its effectiveness and will be evaluated prior to the FY 2016-17 budget development cycle.

Following are the BAM principles, components, FY 2015-16 Budget Allocation Model, and credit FTES rate ratios (Exhibit D).

BAM Principles

1. Equilibrium in the operating budget structural balance is maintained through assurance that ongoing expenditures do not exceed ongoing revenues and that compliance with State and District reserve requirements is maintained.
2. The BAM recognizes that resource allocation is linked to District-wide strategic planning.
3. The BAM provides for the equitable allocation of available resources to the three (3) colleges and the District Office, while ensuring compliance with statutory and regulatory requirements.
4. Enrollment management decisions drive the allocation of operational resources.
5. The BAM is simple, readily communicable and understood, and as easy to administer as possible.
6. The BAM is defined in measurable terms to maintain objectivity and predictability and so that the outcome is independently verifiable.
7. The BAM is driven by verifiable data.

2015-2016 BUDGET

BUDGET ALLOCATION MODEL

Policy/Organizational Considerations

1. Defining the roles of the District vis-à-vis the District's four major entities in the budget development and execution processes.
2. Defining the way in which compliance with statutory, regulatory and policy requirements shall be assured (e.g. FON, 50% Law, categorical match).
3. Defining self-insurance funding.
4. Defining DSPTS services and funding levels.

BAM Components

1. RCCD's BAM will mirror the State funding model for the California Community Colleges for the basic allocation, full-time-equivalent student (FTES) apportionment, one-time funding, and one-time funding on an annual basis (e.g. Prop 30). The model will comply with budget-related statutory and regulatory requirements (e.g. 50% Law, FON, etc.).
2. The minimum 5% required level of District reserves and funding for the district office will be the first allocations of the District's "Total Available Funds" in the Unrestricted General Fund.
3. In recognition that it may be necessary to transition over time to a point whereby each of the colleges achieve equilibrium between allocated revenues and the expenditures needed to support instructional service levels to students, a separate allocation may be provided.
4. Non-State apportionment, one-time funds, ongoing funds and entrepreneurial revenues (e.g. Norco College Trading Post, Riverside City College Splash, Nonresident tuition, indirect cost reimbursements, lease/rental income, etc.) that are specific to a particular entity will be retained by the respective college that generates the revenue.
5. Revenue sources that are not specifically identifiable to a particular entity will be allocated based on the same methodology used to allocate apportionment revenues unless otherwise specified by the funding source.
6. A minimum of 1% of total available funds will be allocated for contingency at the entity level.
7. Child Care Centers, Food Services, Performance Riverside, Contract Education, Community Education, and Bookstore must be self-sustaining by entity.
8. Interfund loans will be allocated "off the top" of the District budget.
9. The budget allocated for the District Office and District Support Services shall correlate with the percent increase/decrease of the aggregate budget allocated to the colleges.

District Budget Advisory Council Meeting

Friday, March 25, 2016, 2016 – RCCD Building, Conference Room 309

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

AGENDA

- I. Welcome and Call to Order
- II. Approval of Minutes
 - A. January 22, 2015
 - B. February 26, 2016
- III. Budget Update
 - A. State Budget Update
 - B. FY 2016-17 Budget Planning Presentation
 - C. Structural Budget Deficit/Budget Stability Plan (Subgroup Meeting)
- IV. Other
 - A. District Strategic Planning Committee – Update
 - B. Enrollment Management – Update
- V. Next Meeting
 - A. Friday, April 29, 2016 – 1:00PM to 3:00 PM at RCCD Building -
Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting*

*January 22, 2016
RCC – DL 409
1:00 p.m. - 3:00 p.m.*

MEETING MINUTES

PRESENT

Aaron Brown, Vice Chancellor, Business and Financial Services (District)
Beth Gomez, Vice President, Business Services (Norco)
Mazie L. Brewington, Vice President, Business Services (Riverside)
Diann Thursby, Classified Representative (Norco)
Michael McQuead, Associate Professor, CIS (Moreno Valley)
Jennifer Lawson, Classified Representative (Riverside)
Nate Finney, Classified Representative (Moreno Valley)
Rachelle Arispe, Executive Administrative Assistant to the Vice Chancellor (Recorder)

GUEST

Majd Askar, Director, Business Services (District)

ABSENT

Tom Wagner, Associate Professor, Business Administration (Norco)
Norm Godin, Vice President Business Services (Moreno Valley)
Mark Sellick, Associate Professor, Politics (Riverside)
Mary Legner, Professor, Mathematics (Riverside)
Arturo Quiroz, Student Representative (Riverside)
Tim Ragusa, Classified Representative (District)

I. MEETING WAS CALLED TO ORDER

A. By Aaron Brown

II. MINUTES

A. Once a quorum was achieved, Finney moved, and Thursby seconded, approval of the minutes for December 10, 2015.

III. STATE BUDGET UPDATE

A. ACBO Letter to the Department of Finance – Handout #1

1. Brown reviewed the ACBO letter that was sent to the Department of Finance to articulate the budget priorities for the community colleges. Priorities included: (1) setting aside funds in case there is a deficit to property taxes, enrollment fees or both; (2) advocating for a cost of living adjustment, ACCESS funding, and base operating funds; (3)

advocating for expanded usage of one time funds for technology infrastructure, security projects and ADA Transition Plans (with more flexibility); and (4) Capital Outlay Program.

- B. 2016-17 Governor's Budget Proposal Presentation – Handout #2
 - 1. Brown provided RCCD's Governor's Budget Proposal power point presentation (slides 4-9) that is being presented at the Board of Trustees meeting on 02/02/2016.
 - a. Brown reviewed the base allocations for the State and RCCD.
 - b. Colleges are advocating for one time funds and requesting more base money that way we can use it for other areas.
 - c. "Other" funds (slide 6) will be defined in the Trailer Bill. Once defined then we will know the impact to the district.

IV. OTHER

- A. Budget/Issues – Updates
 - 1. Brown reviewed 2015-16 Apportionment Attendance Report (P1) – Handout #3 and the Credit FTES Ceiling 2015-16 Report – Handout #4.
 - a. P1 FTES is at 28,510.85 compared to RCCD's revised target at an estimate of 28,419.02, delta of 180.
 - b. Currently at P1 there is 330 FTES based on the funded level, most will be funded. However, if we meet our target and we stand to capture a significant amount of money for the additional 180 FTES. We might want to consider pulling back FTES from summer 2016 if the State has additional funding available but there are many things to take into consideration.
 - c. Although Handout #4 is derived from January 8th reconciliation (Raj Bajaj), Brown indicates that the numbers aren't bad, as long as we stay in the range.
 - d. Gomez and McQuead request Brown to ask Raj Bajaj to add the VP's of Business to his distribution list when emailing the Credit FTES Ceiling spreadsheets.
 - 2. Brown provided a brief review of the subgroup meeting with the Director of Business Services, VP's of Business and himself. The attendees discussed scenarios on ways to address the budget shortfall and reserve. Our current reserve policy is 5% of the total available funds which includes the beginning fund balance plus revenues.
 - a. While maintaining the 5% reserve, we have considered eliminating the one time funds from the calculation so only ongoing revenues and expenditures are included. Elimination of

one time funds would increase the reserve level. Then the 5% reserve would be applied to one of the three different bases:

- i. Total Available Funds
 - ii. Revenues
 - iii. Expenditures
- b. The consensus was to apply the 5% reserve to ongoing revenues.
 - c. The consensus was to also use FY 2015-16 BAM expenditure percentages by entity to derive how much of the budget shortfall would apply to each entity, after dividing the budget shortfall amount by two to have a two-year implementation. The budget shortfall amount for each entity would be set-aside in an expenditure holding account that could not be used for any reason during the fiscal year. A new calculation would be made in the next fiscal year and the amounts would be added to the set-aside from the previous fiscal year. This would act as a quasi-reserve.
 - d. Brown will be providing a draft of this scenario at the next subgroup meeting for review. Once there is a consensus from the subgroup, it will be brought to the DBAC members for review. If approved, constituents will need to approve and the Board Policy will need to be updated. If all is done timely, we should be able to incorporate this into the next budget.

B. Recommendation to DSPC – Handout #5

1. Brown stated that the DBAC purpose, membership, and budget planning calendar was submitted and approved by DSPC. However, the language indicated in red on Handout #5, regarding the membership, was requested to be added.
 - a. Gomez suggested that the language, “All classified staff representatives”, be added to number four of the third page.
2. Brown will contact the various college committees to appoint a representative to attend the next DBAC meeting.
 - a. Gomez suggested for Brown to indicate in his email to the college committees to encourage that the representative chosen, be involved in the budget college committees.
3. Brown provided DBAC’s recommendation on the DSPC membership, and they had no opposition to the recommendation. DSPC is still in the process of organizing their purpose and membership.
4. Brown provided DBAC’s recommendation to move DSPC’s May 20th meeting and add a DSPC meeting for the afternoon of August 20th. DSPC approved.

5. Brown will provide an updated Annual Planning Calendar and Budget Development Timeline for the next DBAC meeting.

V. FUTURE MEETINGS

- A. Members agreed to have DBAC meetings held at the new Centennial Plaza, beginning in March.
- B. Next meeting Friday, February 26, 2016 – 1:00 p.m.



ASSOCIATION OF CHIEF BUSINESS OFFICIALS

December 9, 2015

Mr. Michael Cohen
Director, Department of Finance
915 L Street
Sacramento, CA 95814

Dear Michael,

First and foremost, I want to thank you and your staff for the time you have been willing to take out of busy schedules to attend our board meetings of the Association of Chief Business Officials (ACBO) this year. I believe the time has been well spent and the relationships we have developed with you and your staff have been quite valuable. I understand that due to workloads, especially during certain times of the year, staff cannot always make our meetings, but the invitation will remain open for as many meetings they can attend.

As your office prepares for the Governor's January budget proposal, I want to take this opportunity to let you know ACBO's budget priorities for this coming fiscal year. When we met with Keith Nazaam and Chris Ferguson in October, they encouraged us to develop a list of our highest priorities. Those priorities are as follows:

1. Continuous Appropriation – We realize that providing a continuous appropriation similar to K-12 requires a conscious decision to set aside funding to provide for an automatic backfill for when revenue is overestimated in the budget. Colleges need guaranteed funding to plan and schedule classes appropriately. If funding is set aside to cover potential apportionment revenue deficits, the colleges will be better able to provide the necessary classes and in return be assured that the state will cover those costs. We appreciate the guarantees that we have been provided for RDA and Prop 30, but this is only part of the equation. Any funds that are not needed to cover a potential revenue deficit in the budget year could be rolled over into the following year and distributed to the colleges as one-time funds.
2. Unrestricted Ongoing Funds – Our highest priority for ongoing funds would be to fund the statutory **cost of living adjustment (COLA)**, recently estimated to be 1.99% by the LAO. Also of high priority is for additional unrestricted **base operating funds** to help cover the increasing costs of pensions, specifically due to the significant STRS and PERS rate increases through 2020-21, as well as other increasing operating costs like utilities, campus security, mental health, technology services, and other operating costs that have continued to increase even during the period when no COLA was funded. While **access funding** continues to be a focus for our system, the 3 percent augmentation originally requested by the Board of Governors may be too high as a system because not all districts are growing due to their local demographics. Also, to address

the shortage of middle-skilled workers, funding for **Workforce, Job Creation and a Strong Economy** to increase the number of students obtaining CTE degrees, certificates and credentials is crucial for closing the skills gap.

3. Restricted Block Grant – As one-time funds are available, it is important that these funds be provided in a flexible form to address the numerous and unique needs of all 113 colleges. We recommend that these funds be identified to be used for deferred maintenance projects, instructional equipment needs, technology infrastructure, campus security projects, professional development, and to help colleges address ADA transition plans, as well as projects in response to the California drought. Again, recognizing the need for flexibility so all 113 colleges can determine the best use of the one-time funds based upon their most pressing needs.
4. Capital Outlay Bond Program – The ACBO Board supports submitting for voter approval a statewide education capital outlay bond in November 2016. As you know, there hasn't been a statewide education bond for community colleges since 2006, and there are billions of dollars in capital outlay need identified each year by the 72 districts. In May 2015, the Board of Governors approved \$490 million for 21 different projects under the assumption that a statewide bond would be on the November 2016 ballot; it is essential to community colleges that these projects move forward.

Thank you again for the time and collaborative relationship you and your staff have with the ACBO Board and we appreciate your efforts in providing funding to our community colleges so that we may provide access and support to students throughout our system as they pursue their educational goals and positively impact our state's economic conditions for generations to come. We hope this list establishes a clearer picture of our highest priorities and are hopeful that a strong economic outlook will lead to a positive budget proposal for California's community colleges in January.

Take care and Happy Holidays!



Andrew Suleski
President, Association of Chief Business Officials

cc: Dan Troy, Vice Chancellor Fiscal Policy, CCC Chancellor's Office
Mario Rodriguez, Assistant Vice Chancellor College Finance, CCC Chancellor's Office
Keely Bosler, Department of Finance
Keith Nazaam, Department of Finance
Chris Ferguson, Department of Finance
Jeff Bell, Department of Finance
Erika Li, Department of Finance

FY 2016-2017 Governor's Budget Proposal

Base Changes

(In Millions)

Unrestricted Ongoing Revenues

Access (2%/2.4 % - Equals 674 Credit FTES)

COLA (.47%)

Base Allocation Increase

Full-Time Faculty Hiring

Total Unrestricted Ongoing Revenues

	<u>State</u>	<u>RCCD</u>
	\$ 114.7	\$ 3.4
	\$ 29.3	\$ 0.7
	\$ -	\$ -
	\$ -	\$ -
	<u>\$ 144.0</u>	<u>\$ 4.1</u>

Unrestricted One-Time Revenues

State Mandate Block Grant

Total Unrestricted Revenues

	<u>\$ 76.3</u>	<u>\$ 1.8</u>
	<u><u>\$ 220.3</u></u>	<u><u>\$ 5.9</u></u>

FY 2016-2017 Governor's Budget Proposal

Base Changes (In Millions)

<u>Restricted Revenues</u>	<u>State</u>	<u>RCCD</u>
Proposition 39 - Energy Revenues (Total - \$45 Million)	\$ 6.4	\$ 0.1
Deferred Maintenance & Instructional Equipment (Total - \$289 Million)*	\$ 141.0	\$ 3.3
Student Success and Student Equity (No Increase)	\$ -	\$ -
Total Restricted Revenues	<u>\$ 147.4</u>	<u>\$ 3.4</u>

*Of the \$289 million allocation, \$255 million represents ongoing resources which the Governor/Legislature could redirect to other ongoing needs, such as a Base Allocation increase.

FY 2016-2017 Governor's Budget Proposal

(In Millions)

<u>Other</u>	<u>State</u>	<u>RCCD</u>
Strong Workforce Program	\$ 200.0	?
Career Technical Education Pathways (SB 1070)	\$ 48.0	?
Cal Grant	\$ 39.0	?
Basic Skills Program	\$ 30.0	?
Innovation Awards	\$ 25.0	?
Zero-Textbook-Cost Degrees	\$ 5.0	?
Institutional Effectiveness - Implementing Statewide Performance Strategies	\$ 10.0	?
Data Security - Telecommunications & Technology Infrastructure Program	\$ 3.0	?
Apprenticeship Program	\$ 1.8	?
Total Other	<u>\$ 361.8</u>	<u>?</u>

Note – Information about these proposals will be detailed in yet-to-be released Trailer Bill language associated with the Governor's Budget Proposal.

California Community Colleges

2015-2016 APPORTIONMENT ATTENDANCE REPORT

Period: P1

District: Riverside

PART I. FULL-TIME EQUIVALENT STUDENTS

State Residents (and Nonresidents Attending Noncredit Courses)	
Attendance FTES	Factored FTES

Summer Intersession (Summer 2015 Only)

1. Noncredit (Parts IV.A.1 + VII.A.3)	31.54	31.54
2. Credit (Parts III.A.1 + VI.A.1)	2,080.29	2,080.29

Summer Intersession Courses (Summer 2016 Prior to July 1, 2016)

1. Noncredit (Parts IV.B.1 + VII.B.3)	0.00	0.00
2. Credit (Parts III.B.1 + VI.B.2 + VI.B.1)	0.00	0.00

Primary Terms (Exclusive of Summer Intersession)

1. Census Procedure Courses

(a) Weekly Census Contact Hours (Part II)	17,835.04	17,835.04
(b) Daily Census Contact Hours (Part III)	2,439.02	2,439.02

2. Actual Hours of Attendance Procedure Courses

(a) Noncredit (Part IV.C)	60.29	60.29
(b) Credit (Part IV.D)	2,425.75	2,425.75

3. Alternative Attendance Accounting Procedure Courses

(a) Weekly Census Procedure Courses (Part V)(Credit)	2,206.48	2,206.48
(b) Daily Census Procedure Courses (Part V)(Credit)	1,432.44	1,432.44
(c) Noncredit Independent Study/Distance Education Courses (Part VII.C)	0.00	0.00

Total FTES

Total Credit FTES	28,419.02	28,419.02
Total Noncredit FTES	91.83	91.83
Total FTES	28,510.85	28,510.85

Supplemental Information	FTES
Inservice Training Courses	500.00
Basic Skills Courses and Immigrant Education (Noncredit)	48.00
Basic Skills Courses and Immigrant Education (Credit)	3,050.00

Credit FTES Ceiling 2015-16 Updated January 08_P1, 2016.

	Target Summ 15	Actual Summ 15	Difference	Target Fall 15	Actual Fall 15	Difference	Target Win16	Estimate Win 16	Difference	Revised Target Spr16	Estimated Spring 2016	Difference	Revised Annual Planned 2015-2016	Annual Estimated 2015-2016	Difference	P3 2014- 2015 July 15th
MVC	632.00	584.12	(47.88)	2,830.00	2,892.00	62.00	453.00	528.09	75.09	2,690.95	2,599.00	(91.95)	6,605.95	6,603.21	(3.30)	6,464.48
NC	394.53	408.70	14.17	2,959.01	2,963.00	3.99	394.53	505.00	110.47	2,858.44	2,920.00	61.56	6,606.51	6,796.70	190.19	6,337.64
RCC	1,301.73	1,238.42	(63.31)	6,508.67	6,510.69	2.02	1,301.73	1,260.00	(41.73)	6,274.47	6,010.00	(264.47)	15,386.60	15,019.11	(367.50)	14,701.05
District	2,328.26	2,231.24	(97.02)	12,297.68	12,365.69	68.01	2,149.26	2,293.09	143.83	11,823.87	11,529.00	(294.87)	28,599.07	28,419.02	(180.62)	27,503.17

	Target	Credit Base Funding	Total Estimated	% Increase planned	% Increase based on Estimate
District	28,599.07	28,086.24	28,419.02	1.83%	1.18%

Notes:

Estimate based on 90% positive attendance

Summer 2015: Actuals

For MOV, 104.11 FTES from Bridge Classes accounted for in Summer 2015.

79.28 FTES from Bridge Classes accounted for in Fall 2015.

Fall 2015: Expected variation of 1% (+/-)

Win 2016: Based on actual scheduled sections and enrollments.

Spring 2016: Based on actual scheduled sections.

TBA compliance accounted for Summer and Fall.

Compiled by Raj

Format modified by Aaron on 1-15-16

District Budget Advisory Council

The District Budget Advisory Council (DBAC) **is a standing committee which** serves as the primary advisor on fiscal and budget matters to the District Strategic Planning Committee (DSPC). DBAC provides a collaborative forum for the exchange of information necessary to inform strategic decisions regarding budget and fiscal policies, procedures, planning, budget development, and resource allocations within the Riverside Community College District (RCCD). DBAC works towards continuous evaluation and quality improvement of the budget allocation process by systematically assessing the effectiveness of resource allocation methodologies within approved principles and guidelines to advance the mission and goals of RCCD.

Current Membership:

Vice Chancellor, Business and Financial Services (District) – Aaron Brown
Associate Professor, Politics (Riverside) – Mark Sellick
Professor, Mathematics (Riverside) – Mary Legner
Associate Professor, CIS (Moreno Valley) – Michael McQuead
Associate Professor, Business Administration (Norco) – Tom Wagner
Student (Riverside) – Arturo Quiroz
Classified Representative (Norco) – Diane Thursby
Classified Representative (Riverside) – Jennifer Lawson
Classified Representative (Moreno Valley) – Nate Finney
Classified Representative (District) – Tim Ragusa
Vice President, Business Services (Norco) – Beth Gomez
Vice President, Business Services (Riverside) – Mazie L. Brewington
Vice President Business Services (Moreno Valley) – Norm Godin

Proposed Membership Categories:

District

Vice Chancellor, Business and Financial Services – Chair
Director, Business Services
Classified – 1

Riverside City College

Vice President, Business Services
Faculty – 1
Classified – 1

Moreno Valley College

Vice President Business Services
Faculty – 1
Classified – 1

Norco College

Vice President Business Services
Faculty – 1
Classified – 1

Districtwide

Faculty – 1
Student – 1

Notes:

1. Vice Chancellor, Director of Business Services, Vice Presidents of Business Services positions are permanent members of the Council
2. All other members commit to serving a minimum of two year terms
3. Vice Chancellor votes on recommendations only in the event of a tie
4. College Academic Senates Presidents will appoint faculty representatives for the college. District Academic Senate will appoint the District wide representative. **CSEA will appoint staff representatives for the colleges.** Student Trustee will appoint the student representative.
5. Members may send proxies to DBAC meetings

*RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting*

*February 26, 2016
RCC – DL 409
1:00 p.m. - 3:00 p.m.*

MEETING MINUTES

PRESENT

Aaron Brown, Vice Chancellor, Business and Financial Services (District)
Norm Godin, Vice President Business Services (Moreno Valley)
Michael McQuead, Associate Professor, CIS (Moreno Valley)
Nate Finney, Classified Representative (Moreno Valley)
Tom Wagner, Associate Professor, Business Administration (Norco)
Beth Gomez, Vice President, Business Services (Norco)
Mary Legner, Professor, Mathematics (Riverside)
Rachelle Arispe, Executive Administrative Assistant to the Vice Chancellor (Recorder)

ABSENT

Diann Thursby, Classified Representative (Norco)
Mazie L. Brewington, Vice President, Business Services (Riverside)
Mark Sellick, Associate Professor, Politics (Riverside)
Jennifer Lawson, Classified Representative (Riverside)
Vacant, Student Representative (Riverside)
Majd Askar, Director, Business Services (District)
Tim Ragusa, Classified Representative (District)

I. MEETING WAS CALLED TO ORDER

A. By Aaron Brown

II. MINUTES

A. A quorum was not achieved. Therefore, approval of the minutes for January 22, 2016, will be moved to the next meeting on March 25, 2016.

III. DBAC MEMBERSHIP

A. Brown indicated on February 9th, an email was sent to the College/District Academic Senate Presidents, CSEA President, and the Student Trustee; requesting a recommendation for DBAC membership. The only response received was from Norco College, appointing Peggy Campo and Tom Wagner. Brown will provide an update at the next meeting.

IV. STATE BUDGET UPDATE

A. FY 2016-17

1. Community College League of California – 2016-17 Budget Trailer Bill Summary – Handout #2
 - a. Brown reviewed the CCLC State Budget Update handout, identifying eligibility criteria and allocation methods for multiple items such as: Strong Workforce Program, Student Success for Basic Skills, Zero Textbook-Cost Degree Grant Program, Awards for Innovation in Higher Education, and Adult Education. Brown reminded members that the items are just proposals at this point. They still need to go through State Budget process.
- B. FY 2015-16 (P1)
 1. Credit FTES Ceiling 2015-16 (P1) Update – Handout #3
 - a. Brown provided an update of the FTES provided by Raj Bajaj. Spring has a large drop to 537 FTES. In reviewing the revised target in comparison to the estimated actual projection, we are down by almost 480 FTES.
 2. CCC 2015-16 First Principal Apportionment (Exhibit C & E) – Handout #4
 - a. Brown reviewed 2014-15 (Exhibit E) and identified a difference from what the District originally projected, and noted the additional growth and workload restoration FTES funded for 2014-15. RCCD produced 27,503 FTES with unfunded FTES of 262.
 - b. Brown then reviewed 2015-16 (Exhibit C) identifying the base FTES balance rolled-over from 2014-15 as 27,240.
 3. FY 2016-17 Enrollment Target/Ceiling Discussion – Handout #5, 6 & 7
 - a. Brown explained the State apportionment recalculation process. Then Brown reviewed the calculations provided on the handouts. Brown's FY 2015-16 (Recalculation & P1) on Handout #6 reflects FTES being fully funded since the state has an estimate of \$54 million available in excess growth funding. Comparing the two years on the handouts, the District will only produce a total of 616 FTES.
 - i. Members were very concerned and vocal regarding the FTES projection. Members want the Enrollment Management (EM) Committee to strategize and advertise/market the colleges that way they can produce more enrollment. Gomez indicated that another EM Committee meeting is scheduled on March 9th to discuss rolling back Summer 2016 FTES to capture more FTES in FY 2015-16. Each college is supposed to go back to their

campuses to plan what is realistic. Peggy Cartwright is planning to meet with the college Presidents to determine a marketing strategy for next year. Gomez suggested that maybe we should not be so stringent on the student application process. That way we won't turn students away. Brown suggested that all the concerns members have need to be brought to Enrollment Management.

- b. Brown reviewed Handout #7 which identifies two scenarios for FY 2016-17. Projection 1 indicates that RCCD would need to produce 1,563 FTES using 299 of enrollment from Summer 2016 (which would be rolled back into the FY 2015-16) to meet the target. Projection 2 indicates that RCCD will leave growth "on the table" and make it up the next year. Brown reminded members that RCCD needs to reasonably gauge what our demand is.
4. CCC 2014-15 & 2015-16 Apportionment for Local Colleges – Handouts #8, 9 & 10
 - a. Brown provided apportionment reports at P1 for Chaffey, Mt. San Jacinto, and San Bernardino Community Colleges and compared all of their FTES to RCCD. It shows the other colleges are growing between 800-1000 FTES each, and RCCD is at 616 FTES.

V. OTHER

A. Budget/Issues – Updates

1. BP 6200 Budget Preparation – Handout #11 & Contingency History – Handout #12
 - a. Brown provided Handout #11 indicating RCCD's current reserve policy at 5% of the total available funds, which includes the beginning fund balance plus revenues.
 - b. Brown explained the "Budget Problem" and how RCCD's budget has been imbalanced for some time. Each year, the District adds to the base budget, allowing the base budget to roll over every year. Although, RCCD has had a budget savings historically (Handout #12), which includes vacant positions, the District has had to still request that the Board of Trustees suspend the 5% reserve. If the reserve is not suspended, RCCD would have to cut expenditures. The methodology RCCD has been using is very conservative, is not common among other Community College

- District's, and is not a methodology used by the State Chancellor's Office, credit agencies, etc.
- c. Chancellor Burke has tasked the DBAC subgroup to address the budget imbalance so we can move forward.
2. Proposed Reserve Calculation Change and Budget Stability Plan – Handout #13
- a. Brown reviewed a possible scenario (Handout #13) that the DBAC subgroup created. Brown explained what each column consisted of on the handout. The “Total Available Funds” column (1) includes ALL funds (one-time and ongoing). The “Total Available Funds Only” column (2) shows the reserve calculation as the current policy states with the exception that one-time funds have been eliminated. The ongoing “Revenue Only” column (3) shows the reserve calculation using revenues only with one-time eliminated. The “Expenditures Only” column (4) shows the reserve calculation using expenditures only eliminated. It was the consensus of the subgroup that using “Revenue Only” would best reflect what we wanted achieved. As revenues are going up or down, the reserve will reflect that movement. Once the scenario is calculated, it shows an approximate shortfall of \$5 million (this is based on preliminary numbers).
 - b. A restricted holding account would be created for each college to act as a “quasi-reserve account”, in addition to the \$9 million of the actual reserve. The “quasi-reserve” will be funded over several years. So a big hit is not incurred in one particular year. The calculation will need to be done every year. The subgroup recommended it be completed over three years and applied to each entity.
 - c. Brown and Gomez suggested that the BAM be revised concurrently with the Budget Stability Plan. When Brown updates the Budget District wide projection, the Budget Stability Plan could be folded into the BAM to see how it works. DBAC could then make modifications, as necessary, before the revised BAM is adopted for the FY 2016-17 Budget.
 - i. Gomez expressed Norco College's concern on the implementation period of the 3-4 years.
 - d. Brown requested Gomez and Godin to articulate #6 at the bottom of Handout #13 (highlighted in red). The “carry over of one-time funds” needs to be modeled and reviewed at the next DBAC

subgroup meeting. This is to ensure that everyone is “on the same page” for this issue.

- e. Brown will update DSPC on the Budget Stability Plan discussions.

VI. FUTURE MEETING

- A. Next meeting Friday, March 25, 2016 – 1:00 p.m. to 3:00 p.m. at the District Office Building (3801 Market St.) – Executive Conference Room 309



State Budget Update February 2016

2016-17 BUDGET TRAILER BILL SUMMARY

The Budget Trailer Bill Language is the implementing statute needed to effectuate the proposals in the annual Budget Bill. The Governor's proposed 2016 Budget Trailer Bill was released on February 2. This year, the community college Trailer Bill proposal includes policy implementation details and requirements for:

- The Strong Workforce Program (Page 1)
- The Student Success for Basic Skills Program (Page 5)
- The Zero-Textbook-Cost Associate Degree Grant Program (Page 7)
- The Awards for Innovation in Higher Education (Page 8)
- The Adult Education Block Grant (Page 9)

Strong Workforce Program - Trailer Bill Language:

SUMMARY: The Governor's 2016-17 budget proposes \$200 million for the Strong Workforce Program. The Trailer Bill language statutorily establishes the program under §88820 Part 54.5 of the Education Code to expand the availability of quality community college CTE and workforce development programs. The proposal by the Administration would create a regional structure for the planning and development of new or expanded programs and it would use that regional structure to distribute funds to colleges.

The Strong Workforce Program would comply with the California Strategic Workforce Development Plan required by the federal Workforce Innovation and Opportunity Act (WIOA). The proposal calls for a regional structure based on California's WIOA Regional Planning Units.

Analysis:

The Strong Workforce proposal is one of the highest stakes item in the 2016-17 budget – the robust investment makes it important to establish a program construct that works for practitioners on the ground. The new Strong Workforce Program establishes a funding and planning model similar to Adult Education Block Grant (AEBG) in order to expand CTE offerings statewide; this indicates that regional planning is a key priority of the Administration. The principles outlined for the distribution of funds are consistent with the goals of the Strong Workforce Taskforce; they focus on expanded or new quality programs. The proposal does not establish a concrete plan to accomplish this but instead allows regional CTE consortia to make determinations around new or expanded programs among the participating colleges. As proposed, the Strong Workforce Program does not provide colleges with a base level of funding to address the ongoing costs of existing CTE programs.

The regional planning structure is a valuable piece of this new program. As proposed by the Governor, planning every four years is a reasonable timeframe. Regional planning will help statewide coordination and provide the opportunity to close service needs. However, there

are concerns about issues between districts in agreeing to a governance model, fiscal agent, and funding allocations. Currently, some college districts participate in multiple WIOA regions. However, the Department Of Finance (DOF) intends for each college district to participate in only one region, therefore the final regional structure will include multiple college districts per region. The proposal also emphasizes avoidance of duplication but some duplication may be necessary to support commuting students in high-density areas or rural areas with limited transportation options.

The new Strong Workforce Program moves to a performance accountability model in the 2017-18 fiscal year. Considering the level of planning needed to identify workforce priorities and to form regional structures for planning and funding, the timeline identified in the trailer bill seems too short for effective implementation. A few questions remain from the current language such as the final composition of the regions since WIOA regions are not aligned with current Doing What Matters regions and implications for other regional collaboratives in which colleges participate. Additionally, a framework statement on expanding programs for vulnerable populations or closing service gaps is not included in this proposal.

Structure Proposed for the Strong Workforce Program:

- Sets up a regional structure for planning of CTE programs and delivery of funds.
- No later than June 30, 2017, the Chancellor's Office shall present to the Board of Governors policies, regulations and guidance necessary to implement the Strong Workforce Program. Plan shall:
 1. Include regional development, implementation and sharing of effective practices, curriculum models and courses.
 2. Enable districts to develop CTE workforce outcome and CTE associate degrees for transfer.
 3. Provide performance and labor market data to help align programming with regional labor market needs.
 4. Encourage local efficiency through regional partnerships.
 5. Enable students to transfer college-level CTE credits across college districts, CSU and UC.
 6. Improve engagement with employers to provide work-based learning.
 7. Enable college districts to optimize their resources.
 8. Ensure expenditures are focused on improving workforce outcomes.
 9. Streamline the process for course and curriculum approval.
 10. Reevaluate the minimum qualifications for CTE instructors.
- The Chancellor's Office shall review plans every four-years and determine if each regional collaborative has made significant progress in meeting goals, and provide technical assistance to collaboratives that have not.

Conditions for Receiving Funds:

- Be member of a CTE regional consortium.
- Identify a regional fiscal agent.
- Identify and agree to a regional governance model.

- Participants can include K-12, CSU and workforce partners.
- Only community colleges can determine the governance model.
- Provide an analysis of regional labor market needs, an inventory of regional priorities, and programs and goals.
- Provide a work plan, a spending plan and budget for regionally prioritized projects.
 - Work plans are due every 4 years.
 - Update may be submitted annually.
- Funds appropriated shall supplement, not supplant.
- CTE regional consortia shall allocate funds only to college districts.

Receiving Funds In 2016-17:

- Chancellor's Office will consider the following for allocation of 2016-17 funds:
 - 1. Local unemployment rates**
 - 2. Proportion of CTE FTES**
 - 3. Proportion of projected job openings.**
- Up to 5% to a college district for statewide activities and program administration.
- By August 30, 2016, the Chancellor's Office shall recommend the allocation of funds to CTE regional consortia. Funds will be sent to the fiscal agent for distribution to college districts.

Receiving Funds After July 1, 2017:

- The Chancellor's Office shall recommend allocation of funds to CTE regional consortia based on:
 1. 2016-17 criteria; **and**
 2. Portion of successful workforce outcomes as evidenced by WIOA performance accountability measures.
- Regional collaboratives shall have an approved plan that includes:
 - An identified fiscal agent
 - An identified governance model
 - Analysis of regional labor market needs including wage data
 - Regionally prioritized projects
 - Measurable regional goals aligned to WIOA
 - Description of alignment with other regional work plans and spending plans
- Plans shall be approved regionally every four years by January 31.
- Plans should avoid duplication.
- College districts shall meet at least annually with their regional collaborative
- College districts should utilize regional plans to inform campus-level planning

Federal WIOA Performance Accountability Measures:

The language also calls for alignment with the federal WIOA Performance Accountability Measures which consist of the following:

1. Percentage of participants who are in unsubsidized employment during the second quarter after exit from the program;
2. Percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program;

3. Median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program;
4. Percentage of participants who obtain a credential, diploma or GED during participation in or within 1 year after exit from the program;
5. Percentage of participants who, during a program year, are in an education that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment; and
6. Indicators of effectiveness in serving employers.

Student Success for Basic Skills Program – Trailer Bill Language:

SUMMARY: The Trailer Bill rewrites the current Basic Skills Initiative (BSI) and proposes to establish the Student Success for Basic Skills Program, adding §88815 Part 54.3 to the Education Code, to improve the number of students successfully completing basic skills course sequences and transitioning to college-level math and English coursework. The proposal by the Administration sets minimum conditions for colleges in order to access new basic skills funds. These minimum conditions include: 1) resubmitting a basic skills plan, and 2) implementing multiple measures.

This language corresponds to the Governor’s budget proposal which would augment funding for basic skills by \$30 million, bringing the total funding for the Student Success for Basic Skills program to \$50 million. The program allocates up to 5% to a selected college district for the administration of faculty and staff development to improve curriculum, instruction, and student services in English as a second language (ESL) and basic skills. Funds are designed to be released as grants to districts. While the program does not establish a competitive grant process, it does outline specific qualifying criteria and performance metrics for the funds. Under this proposal, college districts’ basic skills funding would be held harmless at 2015-16 levels, meaning colleges will not receive less funding than they received under the (current) the BSI and would be eligible for additional dollars if they meet the parameters of the bill.

Analysis:

The new Student Success of Basic Skills Program essentially reconfigures the distribution of Basic Skills dollars in an attempt to incentivize improved outcomes and performance. As proposed, it is unclear if the funding structure would reward districts that successfully move students through remedial course sequences to college level math and English, or if it would provide additional resources to districts struggling to improve basic skills outcomes. It is however clear that the Administration is hoping to move colleges towards the practices emphasized in the Basic Skills Transformation program (§88800 of the Education Code). The new program plans to rank colleges based on their outcomes in order to identify which colleges can benefit from technical assistance.

As proposed, the Student Success for Basic Skills programs intends to increase the number of students that progress through remedial course sequences and ultimately complete college-level courses. The proposal focused on measuring performance outcome in order to incentivize researched practices that more effectively place students in courses, accelerates completion, and promotes curriculum redesign.

It is likely that the new model will have unintended equity consequences by adding a performance factor to ESL programs which already serve vulnerable student populations.

The structure does not account for learning needs of retraining adults or immigrant populations who often take some time to arrive at transfer level. Additionally, the program provides a stronger weight to colleges that have applied or received Basic Skills Transformation program grants. Due to the late release of the grant RFP and

implementation criteria, the timeline is problematic and may limit the colleges that can potentially qualify for new ongoing basic skills resources.

Use of Funds:

Funding can be used for a variety of purposes, including:

- Program and curriculum planning and development
- Student assessment
- Advisement and counseling services
- Tutoring
- Articulation
- Instructional equipment and materials
- Implementation or expansion of practices identified in the Basic Skills Transformation Program of 2015.

Eligibility Criteria and Funding Allocation:

A college district must:

1. Complete a revised assessment of programs and activities serving basic skills and ESL students
2. Submit to the Chancellor's Office an action and expenditure plan
3. Establish multiple measures for assessment and placement

Funding Allocation Based On:

- The percent of students who first enroll in a course below transfer level English or math or ESL and complete a college level course.
- The percent of incoming students undergoing assessment to pass college-level English or math within one year and within two years
- A 20% weighting for districts that participated in the prior year's basic skills grant
- Minimum allocation of \$100,000 per college
- Five lowest-performing districts will be encouraged to apply for technical assistance

Basic Skills Transformation (Budget Act of 2015) – Qualifying Criteria (§88810):

The 2016-17 Budget Trailer Bill language references these criteria in order to qualify for new basic skills funds.

Expand the use or application of, two or more of the following evidence-based practices:

1. Adopting placement tests that include multiple measures of student performance.
2. Increasing the placements into gateway English and mathematics courses that are transferable to UC or CSU and CTE pathways, with remedial instruction integrated.
3. Aligning content in remedial courses with programs of study.
4. Contextualizing remedial instruction.
5. Providing student support services that are integrated with instruction.
6. Developing two-and three-course sequences for completion of a college-level English or mathematics course, or both, for underprepared students, by either utilizing technology or other effective basic skills course practices.

Zero-Textbook-Cost Associate Degree Grant Program – Trailer Bill Language:

SUMMARY: The Trailer Bill adds Article 4 (§78050) to the Education Code, the Zero-Textbook-Cost Associate Degree Grant Program, to reduce the overall cost of education for students. A “zero-textbook-cost degree” is defined as an associate’s degree or CTE certificate that can be earned without conventional textbook costs. The program calls for the Chancellor’s Office to distribute grants of up to \$500,000 for each zero-textbook-cost degree (Z-degree) it develops. The Chancellor may distribute both planning and implementation grants. This language implements the Governor’s proposed \$5 million, one-time grant proposal to reduce student textbook costs.

Analysis:

The Administration hopes to address college affordability by eliminating the reliance on traditional textbooks. Textbooks have become one of community college students’ highest educational expenses. It is likely that the development of Z-degrees will be an extensive process; therefore, the two-year period of fund availability makes the program more promising. The Academic Senate of California Community Colleges is engaged in this effort and will encourage colleges to work collaboratively with their local academic senates in the development of these degrees. The focus on increasing college affordability is consistent with League policy priorities.

Conditions for Receiving Funds:

1. Develop and implement a Z-degree from an existing associate degree for transfer (ADT) or existing CTE certificate, or develop a certificate with high market value as a Z-degree.
2. Give priority to developing Z-degrees from existing degrees for transfer.
3. Develop model Z-degrees and post them on the California Digital Open Source Library.
4. Ensure that Z-degrees are clearly identified in college catalogs and course schedules.
5. Provide the Chancellor’s Office with planning and outcome information.
6. Consult with the college’s academic senate.
7. Include faculty, administrators, and other content-focused staff.

Up to 10% of the funds allocated in the Budget Act of 2016 for this program can be allocated to a college for administration of the program. By June 30, 2019, the Chancellor’s Office shall report to the Legislature and DOF on: 1) the number of degrees developed, 2) the estimated annual savings by students, 3) the number of students who completed Z-degrees, and 4) recommendations to increase or improve the program. Funds not awarded in 2016-17 may be awarded in 2017-18.

Awards for Innovation in Higher Education – Trailer Bill Language:

The Trailer Bill adds Article 2.6 (§6010.96) to the Education Code, establishing the Awards for Innovation in Higher Education program. The program establishes a Committee on Awards for Innovation in Higher Education consisting of 7 members, include the Director of Finance, an appointee of the Speaker of the Assembly, an appointee of the Senate Rules Committee and four appointees of the Governor. The proposal uses \$25 million in one-time funds allocated in the proposed Budget Bill and make awards of at least \$4 million each.

Criteria For Receiving an Award:

At least one award shall be made in each category:

1. Implementation of a concurrent enrollment program that allows students to earn a diploma and an associate degree for transfer (ADT) or CTE credential.
2. Implementation of a program that allows students to earn industry-recognized credentials and an ADT.
3. Implementation of a program that allows students to earn industry-recognized credentials through skill competencies and prior learning.
4. A set of fully online courses for basic skills in both English and math.
5. A set of fully online courses that meet IGETC, are included in the C-ID system, and available to all California residents.
6. Wide use of open educational resources (OER).

Analysis:

This is the third year the Department of Finance has proposed the Awards for Innovation; however, instead of structuring the program as a prize for a college's existing efforts, this year the awards are structured as incentives to advance specific educational practices that increase access and save students time and money. The proposed structure may provide colleges with start-up resources for practices that have been supported by the League, such as concurrent enrollment and OER. The program does not have to be implemented at the time of application but an applicant must provide evidence that the program can be implemented in a short period of time and is sustainable. .

Adult Education Trailer Bill Amendment:

The Trailer Bill amends §84905 of the Education Code, the Adult Education Block Grant (AEBG). The amendments states that each consortia shall consider the input of students, school district teachers, community college faculty, principals, administrators, classified staff and the local bargaining units of the school districts and community college districts before it makes a decision.

Analysis:

This amendment addresses concerns posed by organizations representing faculty and classified staff that their input was not considered when approving AEBG regional consortia plans. This amendment will likely prevent the introduction of a bill sponsored by CSEA to specifically including classified staff in consortia planning. The proposal respects local control and does not prescribe how input should be considered.

Handout #3

Credit FTES Ceiling 2015-16 Updated February 22nd, 2016.

	Target Summ 15	Actual Summ 15	Diff	Target Fall 15	Actual Fall 15	Diff	Target Win16	Estimate Win 16	Diff	Revised Target Spr16	Estimated Spring 2016	Diff	Revised District Ceiling 2015- 2016	Annual Estimated 2015-2016	Diff	P3 2014- 2015 July 15th
MVC	632.00	584.12	(47.88)	2,830.00	2,892.00	62.00	453.00	494.00	41.00	2,690.95	2,516.00	(174.95)	6,606.51	6,486.12	(120.39)	6,464.48
NC	394.53	408.70	14.17	2,959.01	2,963.00	3.99	394.53	481.00	86.47	2,858.44	2,871.00	12.56	6,606.51	6,723.70	117.19	6,337.64
RCC	1,301.73	1,238.42	(63.31)	6,508.67	6,510.69	2.02	1,301.73	1,261.00	(40.73)	6,274.47	5,900.00	(374.47)	15,386.61	14,910.11	(476.50)	14,701.05
District	2,328.26	2,231.24	(97.02)	12,297.68	12,365.69	68.01	2,149.26	2,236.00	86.74	11,823.87	11,287.00	(536.87)	28,599.64	28,119.93	(479.71)	27,503.17

	Target	Credit Base Funding	Total Estimated	% Increase planned	% Increase based on Estimate
District	28,599.64	28,086.24	28,119.93	1.83%	0.12%

Notes:

Summer 2015: Actuals
 For MOV, 104.11 FTES from Bridge Classes accounted for in Summer 2015.
 79.28 FTES from Bridge Classes accounted for in Fall 2015.

Win 2016: Actuals
 Spring 2016: Based on actual scheduled sections.
 TBA compliance accounted for Summer and Fall.

Compiled by Raj
 Format modified by Aaron for presentation purposes on 2-24-16

**CALIFORNIA COMMUNITY COLLEGES
2015-16 FIRST PRINCIPAL APPORTIONMENT
RIVERSIDE COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903033	4,723.597254	27,240.260	1,091.564	0.000	0.000	28,331.824	87.196	28,419.020
Noncredit FTES	2,811.752093	2,840.431965	156.860	-65.030	0.000	0.000	91.830	0.000	91.830
Noncredit - CDCP FTES	4,675.903043	4,723.597254	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			27,397.120	1,026.534	0.000	0.000	28,423.654	87.196	28,510.850

I Base Revenues +/- Restore or Decline

A Basic Allocation			\$10,774,172
B Basic FTES Revenue Before Workload Reduction		\$127,813,866	
C Workload Reduction		\$0.00	
D Revised Base FTES Revenue			\$127,813,866
1 Credit Base Revenue		\$127,372,815	
2 Noncredit Base Revenue		\$441,051	
3 Career Development College NonCr		\$0	
E Current Year Decline			\$0
Total Base Revenue Less Decline			\$138,588,038

V Other Revenue Adjustments

A Misc. Revenue Adjustments	\$0
B Full-Time Faculty Hiring	\$1,553,833
C Base Increase	\$6,778,451
Total Revenue Adjustments	\$8,332,284

VI Stability Adjustment

Stability Adjustment	\$0
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VII Total Computational Revenue

(sum of II, III, IV, V, & VI)	\$153,305,316
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II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%
B Inflation Adjustment	\$1,413,598
C Current Year Base Revenue + Inflation Adjustment	\$140,001,636

VIII District Revenue Source

A1 Property Taxes	\$32,608,233
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$8,660,636
C State General Apportionment	\$86,220,754
D Estimated EPA	\$23,850,213
Available Revenue	\$151,339,836
E Revenue Shortfall	0.9871793096
Total Revenue Plus Shortfall	\$153,305,316

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$0
Total Basic Allocation & Restoration	\$0

IX Other Allowances and Total Apportionments

A State General Apportionment	\$86,220,754
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$86,220,754

IV Growth

A Unconstrained Growth Rate	4.03%
B Constrained Growth Rate	3.95%
C Constrained Growth Cap	\$4,971,396
D Actual Growth	\$4,971,396
E Funded Credit Growth Revenue	\$5,156,109
F Funded Noncredit Growth Revenue	\$-184,713
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$4,971,396

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Mult-College District Funding Rate: Total FTES			Total Colleges					
> 19,880	> 9,940	<= 9,940	Rural	> 19,880	> 9,940	<= 9,940	1	2	3		
\$5,670,617	\$4,536,493	\$3,402,370	\$567,062	\$4,536,493	\$3,969,432	\$3,402,370					
FTES:							0	1	2	3	
Revenue:							0	0	1	2	3
\$0	\$0	\$0	\$0	\$0	\$3,969,432	\$6,804,740			\$10,774,172		
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue							
0	\$1,134,123		0	\$0							
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels					Total Grandfathered or Previously Approved Centers		Total Basic Allocation Revenue				
> 994	> 746	> 497	> 249	<= 100							
\$1,134,123	\$850,592	\$567,062	\$283,531	\$141,765							
Number of Grandfathered or Previously Approved Centers: @ Total FTES					0		\$10,774,172				
0	0	0	0	0	0						
Grandfathered or Previously Approved Center Revenue:					Total Grandfathered or Approved Center						
\$0	\$0	\$0	\$0	\$0	\$0						

**CALIFORNIA COMMUNITY COLLEGES
2014-15 RECALCULATION APPORTIONMENT
RIVERSIDE COMMUNITY COLLEGE DISTRICT**

EXHIBIT E

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload Restoration FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,636.492856	4,675.900000	25,652.359	1,390.422	197.480	0.000	0.000	27,240.260	262.910	27,503.170
Noncredit FTES	2,788.053637	2,811.752093	159.630	-2.426	-0.344	0.000	0.000	156.860	0.000	156.860
Noncredit - CDCP FTES	3,282.811061	3,310.714955	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			25,811.989	1,387.996	197.135	0.000	0.000	27,397.120	262.910	27,660.030

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$10,683,364
B Basic FTES Revenue Before Workload Reduction	\$119,382,036	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$119,382,036
1 Credit Base Revenue	\$118,936,979	
2 Noncredit Base Revenue	\$445,057	
3 Career Development College NonCr	\$0	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$130,065,400

II Inflation Adjustment

A Statewide Inflation Adjustment	0.85%
B Inflation Adjustment	\$1,105,556
Total Inflation Adjustment	\$1,105,556

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$6,494,656
Total Basic Allocation & Restoration	\$6,494,656

IV Growth

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$0

V Other Revenues Adjustments

A Revenue Adjustment	\$0
B Funding of Unfunded FTES	\$922,427
Total Revenue Adjustments	\$922,427

VI Stability Adjustment

	\$0
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VII Total Computational Revenue

(sum of II, III, IV, V, & VI)	\$138,588,039
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VIII District Revenue Source

A1 Property Taxes	\$33,904,392
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$8,101,250
C State General Apportionment	\$71,562,214
D Estimated EPA	\$25,020,183
Available Revenue	\$138,588,039
E Revenue Shortfall	1.000000000
Total Revenue Plus Shortfall	\$138,588,039

IX Other Allowances and Total Apportionments

A State General Apportionment	\$71,562,214
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$71,562,214

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Mult-College District Funding Rate: Total FTES			
> 19,288	> 9,644	<= 9,644	Rural	> 19,288	> 9,644	<= 9,644
\$5,622,823	\$4,498,258	\$3,373,694	\$562,282	\$4,498,258	\$3,935,976	\$3,373,694
						Total Colleges
0	0	0	0	0	1	2
						Total Colleges Rev.
\$0	\$0	\$0	\$0	\$0	\$3,935,976	\$6,747,388
						\$10,683,364
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue		
0	\$1,124,565	0	0	\$0		
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels						
> 964	> 723	> 482	> 241	<= 100		
\$1,124,565	\$843,423	\$562,282	\$281,141	\$140,571		
Number of Grandfathered or Previously Approved Centers: @ Total FTES					Total Grandfathered or Previously Approved Centers	Total Basic Allocation Revenue
0	0	0	0	0	0	\$10,683,364
Grandfathered or Previously Approved Center Revenue:					Total Grandfathered or Approved Center	
\$0	\$0	\$0	\$0	\$0	\$0	

**Riverside Community College District
 District Enrollment Management Committee
 FY 2016-2017 Enrollment Target/Ceiling Discussion
 February 24, 2016**

Handout #5

	<u>FY 2014-15 (P2)</u>		<u>FY 2014-15 (Recalc)</u>		<u>Difference</u>
Base Credit FTES	25,652.36		25,652.36		
Growth/Workload Restoration	<u>1,404.09</u>	5.47%	<u>1,587.90</u>	6.19%	
Funded Credit FTES	27,056.45		27,240.26		
Reported FTES (P3)	<u>27,503.17</u>		<u>27,503.17</u>		
Unfunded	<u>(446.72)</u>	1.65%	<u>(262.91)</u>	0.97%	<u>183.81</u>
					\$ 859,477
			Plus No Deficit		\$ 437,645

Riverside Community College District
 District Enrollment Management Committee
 FY 2016-2017 Enrollment Target/Ceiling Discussion
 February 24, 2016

Handout #6

	<u>FY 2015-16 (Adv)</u>		<u>FY 2015-16 (Adv Rev)</u>		<u>FY 2015-16 (P1)</u>		<u>FY 2015-16 (Recalc & P1)</u>		<u>FY 2015-16 (Recalc & Est)</u>	
Base Credit FTES	27,056.45		27,056.45		27,056.45		27,240.26		27,240.26	
Growth/Workload Restoration	<u>1,029.79</u>	3.81%	<u>1,029.79</u>	3.81%	<u>1,029.79</u>	3.81%	<u>1,178.76</u>	4.33%	<u>1,178.76</u>	4.33%
Funded Credit FTES	28,086.24		28,086.24		28,086.24		28,419.02		28,419.02	
Estimated/Reported FTES	<u>28,465.64</u>		<u>28,599.64</u>		28,419.02		28,419.02		28,119.93	
Unfunded	<u>(379.40)</u>	1.35%	<u>(513.40)</u>	1.83%	<u>(332.78)</u>	1.18%	<u>-</u>	0.00%	<u>299.09</u>	-1.05%
									<u>\$ (1,412,781)</u>	
							FY 2015-16 Est Total FTES		28,119.93	
							FY 2014-15 Total FTES		<u>(27,503.17)</u>	
							Total FTES Produced		<u>616.76</u>	

**Riverside Community College District
 District Enrollment Management Committee
 FY 2016-2017 Enrollment Target/Ceiling Discussion
 February 24, 2016**

Handout #7

	FY 2016-17 (Projection 1)		FY 2016-17 (Projection 2)	
Base Credit FTES	28,419.02		28,119.93	
Growth/Workload Restoration	682.06	2.40%	674.88	2.40%
Funded Credit FTES	29,101.08		28,794.81	
Estimated/Reported FTES	28,519.05		28,218.91	
Unfunded	(582.02)	2.00%	(575.90)	2.00%
Growth FTES	682.06		674.88	
Unfunded FTES	582.02		575.90	
Summer 2016	211.89		-	
Total FTES Production	1,475.97		1,250.77	

**CALIFORNIA COMMUNITY COLLEGES
2015-16 FIRST PRINCIPAL APPORTIONMENT
CHAFFEY COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903031	4,723.597254	14,337.910	1,139.936	0.000	0.000	15,477.846	9.344	15,487.190
Noncredit FTES	2,811.752093	2,840.431965	340.730	16.330	0.000	0.000	357.060	0.000	357.060
Noncredit - CDCP FTES	4,675.903043	4,723.597254	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			14,678.640	1,156.266	0.000	0.000	15,834.906	9.344	15,844.250

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$6,804,739
B Basic FTES Revenue Before Workload Reduction	\$68,000,725	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$68,000,725
1 Credit Base Revenue	\$67,042,677	
2 Noncredit Base Revenue	\$958,048	
3 Career Development College NonCr	\$0	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$74,805,464

V Other Revenue Adjustments

A Misc. Revenue Adjustments	\$0
B Full-Time Faculty Hiring	\$858,970
C. Base Increase	\$3,787,262
Total Revenue Adjustments	\$4,646,232

VI Stability Adjustment

VI Stability Adjustment	\$0
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VII Total Computational Revenue

VII Total Computational Revenue (sum of II, III, IV, V, & VI)	\$85,645,693
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II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%
B Inflation Adjustment	\$763,016
C Current Year Base Revenue + Inflation Adjustment	\$75,568,480

VIII District Revenue Source

A1 Property Taxes	\$21,339,407
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$5,194,000
C State General Apportionment	\$44,748,708
D Estimated EPA	\$13,265,541
Available Revenue	\$84,547,656
E Revenue Shortfall	0.9871793086
Total Revenue Plus Shortfall	\$85,645,693

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$0
Total Basic Allocation & Restoration	\$0

IX Other Allowances and Total Apportionments

A State General Apportionment	\$44,748,708
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$44,748,708

IV Growth

A Unconstrained Growth Rate	8.31%
B Constrained Growth Rate	8.11%
C Constrained Growth Cap	\$5,430,981
D Actual Growth	\$5,430,981
E Funded Credit Growth Revenue	\$5,384,597
F Funded Noncredit Growth Revenue	\$46,384
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$5,430,981

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Mult-College District Funding Rate: Total FTES				
> 19,880	> 9,940	<= 9,940	Rural	> 19,880	> 9,940	<= 9,940	Total Colleges
\$5,670,617	\$4,536,493	\$3,402,370	\$567,062	\$4,536,493	\$3,969,432	\$3,402,370	
FTES:							
0	1	0	0	0	0	0	1
Revenue:							Total Colleges Rev.
\$0	\$4,536,493	\$0	\$0	\$0	\$0	\$0	\$4,536,493
State Approved Center: Funding Rates			Total State Approved Centers		Total State Approved Centers Revenue		
2	\$1,134,123		2		\$2,268,246		
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels							
> 994	> 746	> 497	> 249	<= 100			
\$1,134,123	\$850,592	\$567,062	\$283,531	\$141,765			
Number of Grandfathered or Previously Approved Centers: @ Total FTES					Total Grandfathered or Previously Approved Centers		Total Basic Allocation Revenue
0	0	0	0	0	0	\$6,804,739	
Grandfathered or Previously Approved Center Revenue:					Total Grandfathered or Approved Center		
\$0	\$0	\$0	\$0	\$0	\$0		

**CALIFORNIA COMMUNITY COLLEGES
2014-15 RECALCULATION APPORTIONMENT
CHAFFEY COMMUNITY COLLEGE DISTRICT**

EXHIBIT E

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload				Total Funded FTES	Unfunded FTES	Actual FTES
				Restoration FTES	Growth FTES	Restored FTES	Stability FTES			
Credit FTES	4,636.492834	4,675.900000	13,682.398	655.512	0.000	0.000	0.000	14,337.910	0.000	14,337.910
Noncredit FTES	2,788.053637	2,811.752093	336.870	3.860	0.000	0.000	0.000	340.730	0.000	340.730
Noncredit - CDCP FTES	3,282.811061	3,310.714955	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			14,019.268	659.372	0.000	0.000	0.000	14,678.640	0.000	14,678.640

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$6,747,388
B Basic FTES Revenue Before Workload Reduction	\$64,377,552	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$64,377,552
1 Credit Base Revenue	\$63,438,340	
2 Noncredit Base Revenue	\$939,212	
3 Career Development College NonCr	\$0	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$71,124,940

II Inflation Adjustment

A Statewide Inflation Adjustment	0.85%	
B Inflation Adjustment	\$604,562	
Total Inflation Adjustment		\$604,562

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0	
B Basic Allocation Adjustment COLA	\$0	
C Stability Restoration	\$0	
D Restoration of 11-12 Workload Reduction	\$3,075,964	
Total Basic Allocation & Restoration		\$3,075,964

IV Growth

A Unadjusted Growth Rate	0.00%	
B Constrained Growth Rate	0.00%	
C Constrained Growth Cap	\$0	
D Actual Growth	\$0	
E Funded Credit Growth Revenue	\$0	
F Funded Noncredit Growth Revenue	\$0	
G Funded Noncredit CDCP Growth Revenue	\$0	
Total Growth Revenue		\$0

V Other Revenues Adjustments

A Revenue Adjustment	\$0
B Funding of Unfunded FTES	\$0
Total Revenue Adjustments	\$0

VI Stability Adjustment

	\$0
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VII Total Computational Revenue

(sum of II, III, IV, V, & VI)	\$74,805,466
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VIII District Revenue Source

A1 Property Taxes	\$27,238,638
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$4,539,232
C State General Apportionment	\$29,554,400
D Estimated EPA	\$13,473,196
Available Revenue	\$74,805,466
E Revenue Shortfall	1.0000000000
Total Revenue Plus Shortfall	\$74,805,466

IX Other Allowances and Total Apportionments

A State General Apportionment	\$29,554,400
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$29,554,400

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES				Total Colleges
> 19,288	> 9,644	<= 9,644	Rural	> 19,288	> 9,644	<= 9,644	
\$5,622,823	\$4,498,258	\$3,373,694	\$562,282	\$4,498,258	\$3,935,976	\$3,373,694	
0	1	0	0	0	0	0	1
Revenue:							Total Colleges Rev.
\$0	\$4,498,258	\$0	\$0	\$0	\$0	\$0	\$4,498,258
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue			
2	\$1,124,565		2	\$2,249,130			
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels							
> 964	> 723	> 482	> 241	<= 100	Total Grandfathered or Previously Approved Centers		Total Basic Allocation Revenue
\$1,124,565	\$843,423	\$562,282	\$281,141	\$140,571	0		\$6,747,388
Number of Grandfathered or Previously Approved Centers: @ Total FTES							
0	0	0	0	0	0		
Grandfathered or Previously Approved Center Revenue:							
\$0	\$0	\$0	\$0	\$0	\$0		

**CALIFORNIA COMMUNITY COLLEGES
2015-16 FIRST PRINCIPAL APPORTIONMENT
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903023	4,723.597254	10,093.711	1,102.569	0.000	0.000	11,196.280	0.000	11,196.280
Noncredit FTES	2,811.752093	2,840.431965	509.320	-88.260	0.000	0.000	421.060	0.000	421.060
Noncredit - CDCP FTES	4,675.903043	4,723.597254	141.970	88.790	0.000	0.000	230.760	0.000	230.760
Total FTES:			10,745.001	1,103.099	0.000	0.000	11,848.100	0.000	11,848.100

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$5,670,616
B Basic FTES Revenue Before Workload Reduction	\$49,293,136	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue	\$49,293,136	
1 Credit Base Revenue	\$47,197,216	
2 Noncredit Base Revenue	\$1,432,082	
3 Career Development College NonCr	\$663,838	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$54,963,752

II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%
B Inflation Adjustment	\$560,630
C Current Year Base Revenue + Inflation Adjustment	\$55,524,382

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$0
Total Basic Allocation & Restoration	\$0

IV Growth

A Unconstrained Growth Rate	11.57%
B Constrained Growth Rate	11.27%
C Constrained Growth Cap	\$5,468,266
D Actual Growth	\$5,376,801
E Funded Credit Growth Revenue	\$5,208,090
F Funded Noncredit Growth Revenue	\$-250,697
G Funded Noncredit CDCP Growth Revenue	\$419,408
Total Growth Revenue	\$5,376,801

V Other Revenue Adjustments

A Misc. Revenue Adjustments	\$0
B Full-Time Faculty Hiring	\$639,346
C Base Increase	\$2,847,535
Total Revenue Adjustments	\$3,486,881

VI Stability Adjustment

	\$0
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VII Total Computational Revenue

(sum of II, III, IV, V, & VI)	\$64,388,064
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VIII District Revenue Source

A1 Property Taxes	\$23,414,539
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$3,085,040
C State General Apportionment	\$26,954,835
D Estimated EPA	\$10,108,150
Available Revenue	\$63,562,564
E Revenue Shortfall	0.9871793008
Total Revenue Plus Shortfall	\$64,388,064

IX Other Allowances and Total Apportionments

A State General Apportionment	\$26,954,835
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$26,954,835

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES				Multi-College District Funding Rate: Total FTES				
> 19,880	> 9,940	<= 9,940		Rural	> 19,880	> 9,940	<= 9,940	
\$5,670,617	\$4,536,493	\$3,402,370		\$567,062	\$4,536,493	\$3,969,432	\$3,402,370	Total Colleges
0	1	0		0	0	0	0	Total Colleges Rev.
\$0	\$4,536,493	\$0		\$0	\$0	\$0	\$0	\$4,536,493
State Approved Center: Funding Rates				Total State Approved Centers		Total State Approved Centers Revenue		
1	\$1,134,123			1	\$1,134,123			
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels								
> 994	> 746	> 497	> 249	<= 100				
\$1,134,123	\$850,592	\$567,062	\$283,531	\$141,765				Total Grandfathered or Previously Approved Centers
Number of Grandfathered or Previously Approved Centers: @ Total FTES								Total Basic Allocation Revenue
0	0	0	0	0	0			\$5,670,616
Grandfathered or Previously Approved Center Revenue:								Total Grandfathered or Approved Center
\$0	\$0	\$0	\$0	\$0	\$0			\$0

**CALIFORNIA COMMUNITY COLLEGES
2014-15 RECALCULATION APPORTIONMENT
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT**

EXHIBIT E

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload				Total Funded FTES	Unfunded FTES	Actual FTES
				Restoration FTES	Growth FTES	Restored FTES	Stability FTES			
Credit FTES	4,636.492857	4,675.900000	9,563.802	491.900	38.010	0.000	0.000	10,093.711	55.069	10,148.780
Noncredit FTES	2,788.053637	2,811.752093	376.000	123.757	9.563	0.000	0.000	509.320	0.000	509.320
Noncredit - CDCP FTES	3,282.811061	3,310.714955	190.010	-44.594	-3.446	0.000	0.000	141.970	0.000	141.970
Total FTES:			10,129.812	571.063	44.127	0.000	0.000	10,745.001	55.069	10,800.070

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$5,622,823
B Basic FTES Revenue Before Workload Reduction	\$46,014,573	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$46,014,573
1 Credit Base Revenue	\$44,342,498	
2 Noncredit Base Revenue	\$1,048,308	
3 Career Development College NonCr	\$623,767	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$51,637,396

II Inflation Adjustment

A Statewide Inflation Adjustment	0.85%	
B Inflation Adjustment		\$438,918
Total Inflation Adjustment		\$438,918

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$2,500,413
Total Basic Allocation & Restoration	\$2,500,413

IV Growth

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$0

V Other Revenues Adjustments

A Revenue Adjustment	\$0
B Funding of Unfunded FTES	\$193,210
Total Revenue Adjustments	\$193,210

VI Stability Adjustment

	\$0
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VII Total Computational Revenue

(sum of II, III, IV, V, & VI)	\$54,769,937
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VIII District Revenue Source

A1 Property Taxes	\$21,981,344
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$2,871,171
C State General Apportionment	\$19,966,096
D Estimated EPA	\$9,951,326
Available Revenue	\$54,769,937
E Revenue Shortfall	1.0000000000
Total Revenue Plus Shortfall	\$54,769,937

IX Other Allowances and Total Apportionments

A State General Apportionment	\$19,966,096
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$19,966,096

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Mult-College District Funding Rate: Total FTES				Total Colleges
> 19,288	> 9,644	<= 9,644	Rural	> 19,288	> 9,644	<= 9,644	
\$5,622,823	\$4,498,258	\$3,373,694	\$562,282	\$4,498,258	\$3,935,976	\$3,373,694	
FTES:							
0	1	0	0	0	0	0	1
Revenue:							Total Colleges Rev.
\$0	\$4,498,258	\$0	\$0	\$0	\$0	\$0	\$4,498,258
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue			
1	\$1,124,565		1	\$1,124,565			
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels							
> 964	> 723	> 482	> 241	<= 100			
\$1,124,565	\$843,423	\$562,282	\$281,141	\$140,571	Total Grandfathered or Previously Approved Centers		Total Basic Allocation Revenue
Number of Grandfathered or Previously Approved Centers: @ Total FTES							
0	0	0	0	0	0		\$5,622,823
Grandfathered or Previously Approved Center Revenue:							Total Grandfathered or Approved Center
\$0	\$0	\$0	\$0	\$0	\$0		

**CALIFORNIA COMMUNITY COLLEGES
2015-16 FIRST PRINCIPAL APPORTIONMENT
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903053	4,723.597254	14,439.214	1,016.466	0.000	0.000	15,455.680	0.000	15,455.680
Noncredit FTES	2,811.752093	2,840.431965	56.590	-55.160	0.000	0.000	1,430	0.000	1,430
Noncredit - CDCP FTES	4,675.903043	4,723.597254	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			14,495.804	961.306	0.000	0.000	15,457.110	0.000	15,457.110

I Base Revenues +/- Restore or Decline

A Basic Allocation	\$7,371,802
B Basic FTES Revenue Before Workload Reduction	\$67,675,481
C Workload Reduction	\$0.00
D Revised Base FTES Revenue	\$67,675,481
1 Credit Base Revenue	\$67,516,364
2 Noncredit Base Revenue	\$159,117
3 Career Development College NonCr	\$0
E Current Year Decline	\$0
Total Base Revenue Less Decline	\$75,047,283

V Other Revenue Adjustments

A Misc. Revenue Adjustments	\$0
B Full-Time Faculty Hiring	\$846,051
C Base Increase	\$3,761,920
Total Revenue Adjustments	\$4,607,971

VI Stability Adjustment

VI Total Computational Revenue (sum of II, III, IV, V, & VI)	\$85,065,435
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II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%
B Inflation Adjustment	\$765,482
C Current Year Base Revenue + Inflation Adjustment	\$75,812,765

VIII District Revenue Source

A1 Property Taxes	\$16,893,275
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$3,483,569
C State General Apportionment	\$50,146,100
D Estimated EPA	\$13,451,893
Available Revenue	\$83,974,837
E Revenue Shortfall	0.9871793050 \$1,090,598
Total Revenue Plus Shortfall	\$85,065,435

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$0
Total Basic Allocation & Restoration	\$0

IX Other Allowances and Total Apportionments

A State General Apportionment	\$50,146,100
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$50,146,100

IV Growth

A Unconstrained Growth Rate	7.79%
B Constrained Growth Rate	7.60%
C Constrained Growth Cap	\$5,043,374
D Actual Growth	\$4,644,699
E Funded Credit Growth Revenue	\$4,801,377
F Funded Noncredit Growth Revenue	-\$156,678
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$4,644,699

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES			Total Colleges
> 19,880	> 9,940	<= 9,940	Rural	> 19,880	> 9,940	
\$5,670,617	\$4,536,493	\$3,402,370	\$567,062	\$4,536,493	\$3,969,432	\$3,402,370
FTES:	0	0	0	0	1	1
Revenue:	\$0	\$0	\$0	\$0	\$3,969,432	\$3,402,370
						\$7,371,802
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue		Total Basic Allocation Revenue
> 994	> 746	> 497	> 249	<= 100	Total Grandfathered or Previously Approved Centers	
\$1,134,123	\$850,592	\$567,062	\$283,531	\$141,765	0	\$7,371,802
Number of Grandfathered or Previously Approved Centers: @ Total FTES					0	
Grandfathered or Previously Approved Center Revenue:					Total Grandfathered or Approved Center	
\$0	\$0	\$0	\$0	\$0	\$0	

**CALIFORNIA COMMUNITY COLLEGES
2014-15 RECALCULATION APPORTIONMENT
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

EXHIBIT E

Workload measures:	Base Funding	Marginal Funding	Base FTES	11-12 Workload Restoration FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,636.492866	4,675.900000	13,574.180	704.785	160.249	0.000	0.000	14,439.214	221.666	14,660.880
Noncredit FTES	2,788.053637	2,811.752093	2.040	44.445	10.105	0.000	0.000	56.590	0.000	56.590
Noncredit - CDCP FTES	3,282.811061	3,310.714955	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTES:			13,576.220	749.229	170.354	0.000	0.000	14,495.804	221.666	14,717.470

I Base Revenues +/- Restore or Decline

A Basic Allocation		\$7,309,670
B Basic FTES Revenue Before Workload Reduction	\$62,942,279	
C Workload Reduction	\$0.00	
D Revised Base FTES Revenue		\$62,942,279
1 Credit Base Revenue	\$62,936,591	
2 Noncredit Base Revenue	\$5,688	
3 Career Development College NonCr	\$0	
E Current Year Decline		\$0
Total Base Revenue Less Decline		\$70,251,949

II Inflation Adjustment

A Statewide Inflation Adjustment	0.85%
B Inflation Adjustment	\$597,142
Total Inflation Adjustment	\$597,142

III Basic Allocation & Restoration

A Basic Allocation Adjustment	\$0
B Basic Allocation Adjustment COLA	\$0
C Stability Restoration	\$0
D Restoration of 11-12 Workload Reduction	\$3,420,471
Total Basic Allocation & Restoration	\$3,420,471

IV Growth

A Unadjusted Growth Rate	0.00%
B Constrained Growth Rate	0.00%
C Constrained Growth Cap	\$0
D Actual Growth	\$0
E Funded Credit Growth Revenue	\$0
F Funded Noncredit Growth Revenue	\$0
G Funded Noncredit CDCP Growth Revenue	\$0
Total Growth Revenue	\$0

V Other Revenues Adjustments

A Revenue Adjustment	\$0
B Funding of Unfunded FTES	\$777,722
Total Revenue Adjustments	\$777,722

VI Stability Adjustment

VI Stability Adjustment	\$0
VII Total Computational Revenue (sum of II, III, IV, V, & VI)	\$75,047,284

VIII District Revenue Source

A1 Property Taxes	\$18,396,862
A2 Less Property Taxes Excess	\$0
B Student Enrollment Fees	\$3,931,153
C State General Apportionment	\$39,083,110
D Estimated EPA	\$13,636,159
Available Revenue	\$75,047,284
E Revenue Shortfall	1.000000000
Total Revenue Plus Shortfall	\$75,047,284

IX Other Allowances and Total Apportionments

A State General Apportionment	\$39,083,110
B Statewide Average Replacement Cost	\$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	\$0
Net State General Apportionment	\$39,083,110

X Unrestored Decline as of July 1st of Current Year

A 1st Year	\$0
B 2nd Year	\$0
C 3rd Year	\$0
Total	\$0

Regular Growth Caps adjusted by a factor of 0.00000000 to match funding.

**Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):**

Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES				
> 19,288	> 9,644	<= 9,644	Rural	> 19,288	> 9,644	<= 9,644	Total Colleges
\$5,622,823	\$4,498,258	\$3,373,694	\$562,282	\$4,498,258	\$3,935,976	\$3,373,694	
FTES:	0	0	0	0	1	1	2
Revenue:	\$0	\$0	\$0	\$0	\$3,935,976	\$3,373,694	\$7,309,670
State Approved Center: Funding Rates			Total State Approved Centers	Total State Approved Centers Revenue			
0	\$1,124,565	0	0	\$0			
Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels							
> 964	> 723	> 482	> 241	<= 100			
\$1,124,565	\$843,423	\$562,282	\$281,141	\$140,571	Total Grandfathered or Previously Approved Centers		Total Basic Allocation Revenue
Number of Grandfathered or Previously Approved Centers: @ Total FTES					0	0	\$7,309,670
Grandfathered or Previously Approved Center Revenue:					Total Grandfathered or Approved Center		
\$0	\$0	\$0	\$0	\$0	\$0		

BP 6200 BUDGET PREPARATION**References:**

Education Code Section 70902(b)(5);
Title 5 Sections 58300 et seq.;
The California Community Colleges Budget and Accounting Manual
ACCJC Accreditation Standard III.D

Each year, the Chancellor shall present to the Board of Trustees a budget, prepared in accordance with all applicable laws and regulations. The schedule for presentation and review of budget proposals shall comply with State law and regulations, and provide adequate time for Board review.

The District shall employ the concept of a fund balance target in the annual budget development process. The fund balance target concept shall apply to the Unrestricted General Fund budget and shall be equal to a minimum of 5.0 percent of the sum of the projected beginning fund balance for a particular fiscal year and the estimated revenues for that year. The fund balance target amount shall be the first item funded in the budget for any fiscal year. This fund balance target concept may also be extended to other funds of the District when and where applicable

Budget preparation shall meet the following criteria:

- The annual budget shall support the District's strategic and educational plans;
- Assumptions upon which the budget is based shall be presented to the Board of Trustees for review; and
- A schedule shall be provided to the Board of Trustees each year that includes dates for presentation of the tentative budget, required public hearing(s), Board review, and approval of the final budget. At the public hearings, interested persons may appear and address the Board of Trustees regarding the proposed budget or any item in the proposed budget.

Date Approved: May 15 2007

Revised: November 25, 2014 (references only)
(Replaces Policy 7080)

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FY 2015-2016 Final Budget

Contingency History

FY	Adopted Contingency Balance	% of Avaliable Funds	Ending Fund Balance	% of Avaliable Funds
2014-15*	7,801,811	4.28%	14,667,941	9.15%
2013-14	6,358,532	4.23%	12,743,536	7.65%
2012-13	4,560,030	3.23%	11,407,409	7.95%
2011-12	5,840,447	3.94%	6,805,919	4.73%
2010-11	8,729,056	5.60%	13,217,249	8.48%
2009-10	8,391,878	5.50%	11,253,316	7.22%
2008-09	12,566,801	7.68%	13,903,627	8.74%
2007-08	9,423,484	6.14%	19,259,076	12.37%

*Estimate

**Riverside Community College District
Proposed Reserve Calculation Change
and
Budget Stability Plan**

Handout #13

	Possible Scenarios			
	Total Available Funds	Reserve Calculation - Ongoing Total Available Funds Only	Reserve Calculation - Ongoing Revenue Only	Reserve Calculation - Ongoing Expenditures Only
Beginning Balance at July 1, 2015	\$ 10.45	\$ 10.45	\$ 10.45	\$ 10.45
Revenue Budget (Deficit)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)
Expenditure Budget Savings	\$ 20.55	\$ 20.55	\$ 20.55	\$ 20.55
Less, One-Time	<u>\$ -</u>	<u>\$ (15.04)</u>	<u>\$ (15.04)</u>	<u>\$ (15.04)</u>
Beginning Balance at July 1, 2016	\$ 30.16	\$ 15.12	\$ 15.12	\$ 15.12
Revenue Budget	<u>\$ 166.88</u>	<u>\$ 165.09</u>	<u>\$ 165.09</u>	<u>\$ 165.09</u>
Total Available Funds	\$ 197.04	<u>\$ 180.21</u>	\$ 180.21	\$ 180.21
Less, Required Reserve Balance	<u>\$ (10.84)</u>	<u>\$ (9.91)</u>	<u>\$ (9.08)</u>	<u>\$ (9.69)</u>
Amount Available for Expenditures	\$ 186.20	\$ 170.30	\$ 171.13	\$ 170.52
Expenditure Budget	<u>\$ (186.20)</u>	<u>\$ (176.22)</u>	<u>\$ (176.22)</u>	<u>\$ (176.22)</u>
Budget (Shortfall)/Surplus	<u>\$ -</u>	<u>\$ (5.92)</u>	<u>\$ (5.09)</u>	<u>\$ (5.70)</u>
Three Year Implementation		<u>\$ (1.97)</u>	<u>\$ (1.70)</u>	<u>\$ (1.90)</u>
<u>Entity Reserve Holding Account</u>				
DO/DSS	\$ -	\$ (0.27)	\$ (0.23)	\$ (0.26)
RCC	\$ -	\$ (0.93)	\$ (0.80)	\$ (0.90)
NC	\$ -	\$ (0.36)	\$ (0.31)	\$ (0.35)
MVC	<u>\$ -</u>	<u>\$ (0.40)</u>	<u>\$ (0.35)</u>	<u>\$ (0.39)</u>
Total	<u>\$ -</u>	<u>\$ (1.97)</u>	<u>\$ (1.70)</u>	<u>\$ (1.90)</u>

FY 15-16 BAM Expenditure Percentages (After Removal of One-Time)

DO/DSS	\$ 22.82	13.83%
RCC	\$ 77.98	47.26%
NC	\$ 30.46	18.46%
MVC	<u>\$ 33.74</u>	<u>20.45%</u>
Total	<u>\$ 165.00</u>	<u>100.00%</u>

1. Calculate 5% reserve requirement using ongoing revenues only (eliminate one-time revenues for the calculation).
2. Calculate ongoing budget shortfall after eliminating one-time revenues and expenditures.
3. Utilize a multi-year strategy (3 Years) to set-aside the ongoing budget shortfall into "restricted" holding accounts for each entity.
4. Use BAM Expenditure Percentages to determine each entity's proportionate share of the budget shortfall, after elimination of one-time budget items that are maintained in holding accounts.
5. Physically transfer budget to a "restricted" holding account within each entity, under the college Vice President's of Business Services and Vice Chancellor of Business and Financial Services, respectively. The transferred budgets can't be used for any purpose during the fiscal year.
6. **Entity generated budget savings will remain at the entity level.**

Riverside Community College District
Proposed Reserve Calculation Change
and
Budget Shortfall Treatment
One-Time Holding Accounts

	FY 15-16 BAM %	College Only FY 15-16 BAM %	BAM Totals FY 15-16 BAM Totals	Mandates	CAADO/CSA	GL&P	Indirect	Utilities	Revised Totals After Holding Reallocation	Revised %
RCC	43.16%	54.85%	\$ 77,980,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,980,357	47.26%
NC	16.86%	21.42%	30,456,424	-	-	-	-	-	30,456,424	18.46%
MVC	<u>18.68%</u>	<u>23.73%</u>	<u>33,744,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,744,773</u>	<u>20.45%</u>
Total Colleges	78.70%	<u>100.00%</u>	\$ 142,181,554	\$ -	\$ 125,000	\$ 169,040	\$ 303,731	\$ 85,000	\$ 142,181,554	86.17%
DO/DSS	<u>21.31%</u>		<u>38,505,343</u>	<u>(15,004,000)</u>	<u>(125,000)</u>	<u>(169,040)</u>	<u>(303,731)</u>	<u>(85,000)</u>	<u>22,818,572</u>	<u>13.83%</u>
Total	<u>100.01%</u>		<u>\$ 180,686,897</u>	<u>\$ (15,004,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,000,126</u>	<u>100.00%</u>

2015-2016 BUDGET

BUDGET ALLOCATION MODEL

The construct of the Budget Allocation Model was based on a FTES model reflective of how resources are allocated from the State. The State model does not differentiate, and makes no provision for, high cost programs versus any other program offered at a community college. One credit FTES rate is applied to all earned credit FTES, regardless of the cost to produce the FTES.

The District's previous credit FTES based Budget Allocation Model was developed and implemented in FY 2013-14, albeit with the substantial issue of entity budget alignment still left unresolved. A "one size fits all" rate was calculated and applied to the credit FTES generated by each college, similar to the State model. Inequities emerged between the revenues generated by each college versus the expenditures incurred by each college. This basic stumbling block issue has remained since its implementation, despite the numerous discussions and analytical attempts made to resolve it.

A need was identified to allocate resources to the colleges in a way that provides enhanced budget autonomy and reflects the unique instructional programs and organizational structures that have developed based on decisions made over time. In other words, a model that recognizes the "realities" of the decisions that have been made and one that moves the District closer to aligning allocated college revenues with allocated expenditures (i.e. Entity Budget Alignment).

During FY 2014-15, discussions ensued with District and college constituency groups to revise the Budget Allocation Model (BAM 2.0). The basic framework to revise the model was consideration for the known cost of producing FTES at each college. The method should reflect the decisions mentioned earlier regarding the unique instructional program offerings and organizational structures at each college that derive the individual FTES rate per college. The resulting rates would then be applied to the funding rate per credit FTES.

The following comprise the framework for the revised Budget Allocation Model:

- Using historical total actual expenditures and FTES for each college, calculate separate rates per FTES using a seven (7) year average; transitioning to a ten (10) year rolling average over time.
 - The rolling average will smooth out year-to-year anomalies, program level efficiencies and inefficiencies, high cost and low cost programs, staff seniority, changes in administration, etc., etc.
 - Note – Application of the ratios will result in a remainder that will be allocated on an FTES percentage basis in order to balance the model.
 - Total actual expenditures takes into consideration ALL costs (support, administration, instruction, facilities) to produce the FTES.
 - The starting point for historical expenditures is FY 2008-09 since this is when three college status started.
 - Adhere to the following BAM Principles as much as possible:
 - #3 – Equitable Allocation of Resources

2015-2016 BUDGET

BUDGET ALLOCATION MODEL

- #4 – Enrollment Management Decisions Drive the Allocation of Resources
 - #5 – Simple, Readily Communicable and Understood, and as Easy to Administer as Possible
 - #6 – Defined in Measurable Terms to Maintain Objectivity and Predictability and the Outcome is Independently Verifiable
 - #7 – Driven by Verifiable Data
- Revises the Budget Allocation Model but does not result in reduction of or additional resources for the colleges
 - Provides a baseline to begin moving forward on implementing other components of the BAM as well as a basis for closing the remaining budget gap in future years

After vetting by the colleges' shared governance groups and considerable discussion at the District Budget Advisory Council (DBAC), DBAC reached consensus to move the proposal forward to the District Strategic Planning Committee (DSPC) as a transitional model to achieving entity budget equilibrium. DSPC considered the proposal and reached consensus to move the proposal forward to the Chancellor's Cabinet. Chancellor's Cabinet approved the revised Budget Allocation Model (BAM 2.0) for implementation effective for FY 2015-16.

BAM 2.0 will be monitored to assess its effectiveness and will be evaluated prior to the FY 2016-17 budget development cycle.

Following are the BAM principles, components, FY 2015-16 Budget Allocation Model, and credit FTES rate ratios (Exhibit D).

BAM Principles

1. Equilibrium in the operating budget structural balance is maintained through assurance that ongoing expenditures do not exceed ongoing revenues and that compliance with State and District reserve requirements is maintained.
2. The BAM recognizes that resource allocation is linked to District-wide strategic planning.
3. The BAM provides for the equitable allocation of available resources to the three (3) colleges and the District Office, while ensuring compliance with statutory and regulatory requirements.
4. Enrollment management decisions drive the allocation of operational resources.
5. The BAM is simple, readily communicable and understood, and as easy to administer as possible.
6. The BAM is defined in measurable terms to maintain objectivity and predictability and so that the outcome is independently verifiable.
7. The BAM is driven by verifiable data.

2015-2016 BUDGET

BUDGET ALLOCATION MODEL

Policy/Organizational Considerations

1. Defining the roles of the District vis-à-vis the District's four major entities in the budget development and execution processes.
2. Defining the way in which compliance with statutory, regulatory and policy requirements shall be assured (e.g. FON, 50% Law, categorical match).
3. Defining self-insurance funding.
4. Defining DSPTS services and funding levels.

BAM Components

1. RCCD's BAM will mirror the State funding model for the California Community Colleges for the basic allocation, full-time-equivalent student (FTES) apportionment, one-time funding, and one-time funding on an annual basis (e.g. Prop 30). The model will comply with budget-related statutory and regulatory requirements (e.g. 50% Law, FON, etc.).
2. The minimum 5% required level of District reserves and funding for the district office will be the first allocations of the District's "Total Available Funds" in the Unrestricted General Fund.
3. In recognition that it may be necessary to transition over time to a point whereby each of the colleges achieve equilibrium between allocated revenues and the expenditures needed to support instructional service levels to students, a separate allocation may be provided.
4. Non-State apportionment, one-time funds, ongoing funds and entrepreneurial revenues (e.g. Norco College Trading Post, Riverside City College Splash, Nonresident tuition, indirect cost reimbursements, lease/rental income, etc.) that are specific to a particular entity will be retained by the respective college that generates the revenue.
5. Revenue sources that are not specifically identifiable to a particular entity will be allocated based on the same methodology used to allocate apportionment revenues unless otherwise specified by the funding source.
6. A minimum of 1% of total available funds will be allocated for contingency at the entity level.
7. Child Care Centers, Food Services, Performance Riverside, Contract Education, Community Education, and Bookstore must be self-sustaining by entity.
8. Interfund loans will be allocated "off the top" of the District budget.
9. The budget allocated for the District Office and District Support Services shall correlate with the percent increase/decrease of the aggregate budget allocated to the colleges.

**Riverside Community College District
FY 2016-17 FTES Planning**

	FY 2015-16
FTES Target	28,599.64
FTES Estimate as of February 22, 2016	28,119.93
FTES Target vs. Actual Difference	(479.71) *

* FTES Needed from Summer 2016 to Achieve FY 2015-16 FTES Target

479.71 FTES at \$4,723.59/FTES = \$2.27 million in FY 2015-16 which rolls into the base for FY 2016-17

	FY 2016-17	
Base Credit FTES	28,599.64	
FTES Growth	686.39	2.40%
Funded Credit FTES	29,286.03	
FTES Target	29,578.89	
Unfunded	292.86	1.00%

FTES Production for FY 2016-17

Growth FTES	686.39
Unfunded FTES	292.86
Summer 2016 Rolled to FY 2015-16	479.71
Total FTES Production	1,458.96 *

FY 2016-2017 Target	29,578.89
FY 2015-2016 Actual FTES (As of February 22, 2016)	28,119.93
Total FTES Production	1,458.96

* Actual FY 2015-16 FTES Growth 616.76

686.39 FTES at \$5,037.60/FTES = \$3.46 million in FY 2016-17 (at growth rate)

292.86 FTES at \$5,037.60/FTES = \$1.48 million in FY 2016-17 **(at growth rate IF funded)**

479.71 FTES at \$4,723.59/FTES = \$2.27 million in FY 2016-17 - Rolled from FY 2015-16 (at base rate)

	FY 15-16	FY 16-17	Change
Ongoing Revenue and Expenditure Analysis			
Resident Credit FTES (Actual/Target)	28,599.64	29,578.89	979.25
Resident Credit Funded	28,599.64	29,286.03	686.39
Unfunded FTES	-	292.86	
Unfunded %	0.00%	1.00%	
Ongoing Revenue Assumptions			
Apportionment (Ongoing Revenues)			
Access (New Growth Formula)	3.00%/3.88%	2.00%/2.40%	
FY 14-15 and 15-16 Additional			\$ 3.85
FY 16-17			3.46
RDA Revenue Deferral Reversal			1.13
COLA	1.02%	0.47%	0.73
Basic Allocation			-
Full-Time Faculty Hiring Positions			-
Deficit Factor	0.093%	0.055%	(0.87)
Total Apportionment			<u>\$ 8.30</u>
Local - Other (Various - Ongoing but Variable)			<u>\$ 0.20</u>
Total Ongoing Revenues			<u>\$ 8.50</u>
Ongoing Expenditure Assumptions			
Academic and Classified Salaries			
Full-Time Compensation (COLA .47% and Contract 2.00%)	4.02%	2.47%	\$ 2.18
Part-Time Compensation (COLA .47% and Contract 2.50%)	5.02%	2.97%	1.01
Step/Column/Prof Growth/Other			0.77
Administrator Position Elimination (Tillquist and Thomas)			(0.42)
Sabbatical Leave Backfill			0.21
New FT Faculty (20 @ \$144k)			2.89
New Classified Positions (RCC - AST and RCC - Sports Info Dir)			0.21
New Administrator Position (0)			-
Total Academic and Classified Salaries			<u>\$ 6.85</u>
Employee Benefits			
Health Insurance	2.00%/43.28%	9.00%/15.00%	\$ 2.14
Employee Benefits - Budget Reduction Strategy (3%)	N/A	3.00%	(0.54)
Workers' Compensation	1.00%	0.50%	(0.53)
Property and General Liability	1.89%	1.89%	-
PERS	11.847%	13.047%	0.36
STRS	10.73%	12.58%	1.28
Total Employee Benefits			<u>\$ 2.71</u>
Service and Operating Expenses			
Election Costs - "On Year"			\$ 0.30
District Administrative Program Review			0.31
OPEB - GASB 45 Funding Plan (Rate = .36%)			0.07
New Facilities (Kane Student Services)			0.25
Utilities			0.20
Legal Expense			0.10
Contracts/Agreements			0.10
Miscellaneous Adjustments			-
Total Services and Operating Expenses			<u>\$ 1.33</u>
Total Ongoing Expenditures			<u>\$ 10.89</u>
One-Time Revenue Assumptions			
State - Other (One-Time Revenues)			
State Mandate Reimbursement (FY 16-17)			\$ 1.79
State Mandate Reimbursement (Less FY 15-16)			(15.34)
Total One-Time Revenues			<u>\$ (13.55)</u>
One-Time Expenditure Assumptions			
Expenditure			
Reverse FY 15-16 Set-Aside for Future Operating Costs			\$ (15.00)
Retirement Incentive Cost - Base Adjustment			2.29
La Sierra Loan Repayment in Full			1.36
FY 16-17 Set-Aside for Future Operating Costs			<u>13.61</u>
Total One-Time Expenditures			<u>\$ 2.26</u>

Riverside Community College District
 Projected Budget Change Summary
 FY 2016-2017

Handout #3

Final as of
 03/14/2016

	FY 2015-2016	Projected	FY 2016-2017	
	Adopted	Changes	Projected	
	Budget	Budget	Budget	
<u>Ongoing Revenues</u>				
Apportionment	\$ 84.74	\$ 8.30	\$ 93.04	
Federal	0.19	-	0.19	
State - Other (Exclusive of Mandate Reimb)	29.85	-	29.85	
Local	46.47	0.20	46.67	
Other	0.37	-	0.37	
Total Ongoing Revenues	<u>\$ 161.62</u>	<u>\$ 8.50</u>	<u>\$ 170.12</u>	
<u>Ongoing Expenditures</u>				
Academic and Classified Salaries	\$ 103.97	\$ 6.85	\$ 110.82	
Employee Benefits	36.86	2.71	39.57	
Books and Supplies	2.22	-	2.22	
Services and Operating Expenses	20.38	1.33	21.71	
Capital Outlay	0.98	-	0.98	
Interfund	1.27	-	1.27	
Intrafund	0.50	-	0.50	
Total Ongoing Expenditures	<u>\$ 166.18</u>	<u>\$ 10.89</u>	<u>\$ 177.07</u>	
Ongoing Revenue and Expenditure Difference	<u>\$ (4.56)</u>	<u>\$ (2.39)</u>	<u>\$ (6.95)</u>	
<u>One-Time Revenues</u>				
State - Mandate Reimbursement	\$ 15.34	\$ (13.55)	\$ 1.79	
<u>One-Time Expenditures</u>				
One-Time Expenditures	<u>\$ 15.00</u>	<u>\$ 2.26</u>	<u>\$ 17.26</u>	
One-Time Revenue and Expenditure Difference	<u>\$ 0.34</u>	<u>\$ (15.81)</u>	<u>\$ (15.47)</u>	
Total Revenue and Expenditure Difference	\$ (4.22)	\$ (18.20)	\$ (22.42)	
Beginning Fund Balance	<u>14.67</u>		<u>33.73</u>	17.44%
Ending Fund Balance	\$ 10.45		\$ 11.31	
5% Ending Balance Requirement	<u>(10.45)</u>		<u>(11.31)</u>	
Budget (Shortfall) Excess	<u><u>\$ 0.00</u></u>		<u><u>\$ (0.00)</u></u>	

**Riverside Community College District
Proposed Reserve Calculation Change
and
Budget Stability Plan**

	Possible Scenarios			
	Total Available Funds	Reserve Calculation - Ongoing Total Available Funds Only	Reserve Calculation - Ongoing Revenue Only	Reserve Calculation - Ongoing Expenditures Only
Beginning Balance at July 1, 2015	\$ 10.45	\$ 10.45	\$ 10.45	\$ 10.45
Revenue Budget (Deficit)	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77
Expenditure Budget Savings	\$ 21.51	\$ 21.51	\$ 21.51	\$ 21.51
Less, One-Time	<u>\$ -</u>	<u>\$ (15.04)</u>	<u>\$ (15.04)</u>	<u>\$ (15.04)</u>
Beginning Balance at July 1, 2016	\$ 33.73	\$ 18.69	\$ 18.69	\$ 18.69
Revenue Budget	<u>\$ 171.92</u>	<u>\$ 170.12</u>	<u>\$ 170.12</u>	<u>\$ 170.12</u>
Total Available Funds	\$ 205.65	<u>\$ 188.81</u>	\$ 188.81	\$ 188.81
Less, Required Reserve Balance	<u>\$ (11.31)</u>	<u>\$ (10.38)</u>	<u>\$ (9.36)</u>	<u>\$ (9.74)</u>
Amount Available for Expenditures	\$ 194.34	\$ 178.43	\$ 179.45	\$ 179.07
Expenditure Budget	<u>\$ (194.34)</u>	<u>\$ (177.07)</u>	<u>\$ (177.07)</u>	<u>\$ (177.07)</u>
Budget (Shortfall)/Surplus	<u>\$ -</u>	<u>\$ 1.36</u>	<u>\$ 2.38</u>	<u>\$ 2.00</u>
Three Year Implementation		<u>\$ 0.45</u>	<u>\$ 0.79</u>	<u>\$ 0.67</u>
<u>Entity Reserve Holding Account</u>				
DO/DSS	\$ -	\$ 0.06	\$ 0.11	\$ 0.09
RCC	\$ -	\$ 0.21	\$ 0.38	\$ 0.32
NC	\$ -	\$ 0.08	\$ 0.15	\$ 0.12
MVC	<u>\$ -</u>	<u>\$ 0.09</u>	<u>\$ 0.16</u>	<u>\$ 0.14</u>
Total	<u>\$ -</u>	<u>\$ 0.45</u>	<u>\$ 0.79</u>	<u>\$ 0.67</u>

FY 15-16 BAM Expenditure Percentages (After Removal of One-Time)

DO/DSS	\$ 22.82	13.83%
RCC	\$ 77.98	47.26%
NC	\$ 30.46	18.46%
MVC	<u>\$ 33.74</u>	<u>20.45%</u>
Total	<u>\$ 165.00</u>	<u>100.00%</u>

- Calculate 5% reserve requirement using ongoing revenues only (eliminate one-time revenues for the calculation).
- Calculate ongoing budget shortfall after eliminating one-time revenues and expenditures.
- Utilize a multi-year strategy (3 Years) to set-aside the ongoing budget shortfall into "restricted" holding accounts for each entity
- Use BAM Expenditure Percentages to determine each entity's proportionate share of the budget shortfall, after elimination of one-time budget items that are maintained in holding accounts.
- Physically transfer budget to a "restricted" holding account within each entity, under the college Vice President's of Business Services and Vice Chancellor of Business and Financial Services, respectively. The transferred budgets can't be used for any purposes during the fiscal year.
- Entity generated budget savings will remain at the entity level.**

District Budget Advisory Council Meeting

Friday, April 29, 2016, 2016 – RCCD Building, Conference Room 309

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

AGENDA

- I. Welcome and Call to Order
- II. Approval of Minutes
 - A. March 25, 2016
- III. Budget Update
 - A. State Budget Update
 - B. Structural Budget Deficit/Budget Stability Plan (Subgroup Meeting)
- IV. Other
 - A. FY 2016-2017 Institutional Effectiveness Goals for Fiscal Viability and Programmatic Compliance with State and Federal Guidelines
 - B. District Strategic Planning Committee – Update
 - C. Enrollment Management – Update
- V. Next Meeting
 - A. Friday, May 20, 2016 – 8:00AM to 10:00 AM at RCCD Building - Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting*

*March 25, 2016
RCCD Building - 309
1:00 p.m. - 3:00 p.m.*

MEETING MINUTES

Members Present

Aaron Brown (District)
Majd Askar (District)
Norm Godin (Moreno Valley College)
Beth Gomez (Norco College)
Sherrie DiSalvio (Riverside City College)
Michael McQuead (Moreno Valley College)
Tom Wagner (Norco College)
Mary Legner (Riverside City College)
Peggy Campo (District wide)
Nate Finney (Moreno Valley College)
Tim Ragusa (Riverside City College)
Diann Thursby (Riverside City College)
Jennifer Lawson (Riverside City College)
Jacquelyn Smith (District wide - Student)

Guest(s) Present

Irv Hendrick (Norco College)
Rachelle Arispe (Recorder)

I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

- A. Once a quorum was achieved, Legner moved and McQuead seconded approval of the minutes for January 22, 2016. Campo and Ragusa abstained.
- B. Legner moved and Gomez seconded approval of the minutes for February 26, 2016. Campo and Ragusa abstained.

III. BUDGET UPDATE

A. State Budget Update

1. Brown indicated that he has not heard much on the State budget except that the .47% COLA could be lower. COLA is set by formula at the end of the year.

2. Brown also heard that the Department of Finance is advocating for a base allocation increase. The increase could come from the Scheduled Maintenance/Instructional Equipment allocation. Approximately \$255 million of the \$289 million is ongoing base money. There is also a possibility of new money funding the base allocation increase.
3. Additionally, Brown heard that there is more money in the State budget for the FY 2015-16 year so it is likely there will be more one-time money. The amount and allocation of this money is unknown at this time.

B. FY 2016-17 Budget Planning Presentation

1. RCCD FY 2016-17 FTES Planning – Handout #1

- a. Brown provided an update of the FTES target and estimate for FY 2015-16 and FY 2016-17.
 - b. Brown indicated that the data shows that the District is below target by almost 480 FTES. The P1 recalculation provided an additional 184 FTES than what was planned. The apportionment deficit was also eliminated. This creates an increase for FY 2014-15 and FY 2015-16.
 - c. There is a significant amount of money in the system to fund additional FTES in FY 2015-16. Approximately \$54 million was not distributed at P1.
 - d. The District Enrollment Management Committee (DEMC) wants to capture all of the target FTES for FY 2015-16 by rolling back 480 FTES from Summer 2016. This will also count in the base for FY2016-17. By following this path, it resets the funded base moving into FY 2016-17. It also means the District starts FY 2016-17 approximately 480 FTES behind in reaching the FY 2016-17 target.
 - e. Brown reviewed the FTES scenarios listed on Handout #1 to the members.
 - f. The District will have to produce 1,459 FTES (growth, unfunded, Summer 2016) for FY 2016-17, more than double the FY 2015-16 FTES produced.
 - g. Apportionment for FY 2016-17 would be approximately \$7 million higher than the budgeted amount from FY 2015-16.
 - h. Enrollment marketing funds would increase from \$50,000 last year, to \$105,000 for FY 2016-17.
2. RCCD Projected Budget Change Summary FY 2016-17 – Handout #2

- a. Brown reviewed the handout identifying the change in FTES and how it translates into revenue. The data is based on State projections so it will fluctuate.
- b. The Districts must defer apportionment revenue in FY 2015-16 due to a Chancellor Office directive, but it will be reversed in FY 2016-17. The adjustment is \$1.3 million (net between the two years equals zero). It is related to the elimination of Redevelopment Agencies. District's received an advance of property taxes to protect them from property tax shortfalls.
- c. Increased FTES and a rate calculation change will result in an increase in lottery revenue for FY 2015-16 and FY 2016-17.
- d. Brown identified administrative positions that were eliminated, new positions authorized by the Chancellor and positions that changed. Gomez and Godin had a concern regarding the decision to backfill a position for RCC. Historically budget follows a position. Gomez commented that we are augmenting the BAM and we are widening the gap by backfilling a position for RCC. Godin inquired why the cost of an added position to RCC is not absorbed by the college rather than the General Fund. He added that other colleges do not have the position that RCC is adding - Sports Info. Director.
- e. Health insurance rates for the health plans will not be finalized until June (or later). Health Net is estimated at a 9% increase. The Kaiser and RCCD plans are each estimated to increase by 15%. The health insurance increase totals approximately \$2.1 million.
- f. The DBAC subgroup is reviewing the history of budgeted ongoing revenues vs. budgeted ongoing expenditures (Budget Stability). Typically there is 3% of unspent funds in the employee benefits area. The subgroup is looking at the feasibility of "negative" budgeting 3% of employee benefits. This would equate to approximately \$.5 million.
- g. The Worker's Compensation rate is anticipated to decrease by .5% (or possibly lower), depending on the actuarial evaluation results.
- h. It is not anticipated that the general property and general liability rate will change. The actuarial evaluation results will determine if a change is needed.
- i. The increases to the PERS/STRS statutory rates have been applied.

- j. Election costs are estimated at \$300K. Actual cost will not be known until approximately six months after the election.
- k. District Administrative Program Review (DAPR) is estimated at a \$300K increase to the base. Costs consists of: 1) an increase to the distant streaming annual fee; 2) Cloud based tracking and subscription services for Grants; 3) Help Desk Technician position (recommended by ITSC); 4) enrollment marketing; and 5) SharePoint Administrator position.
 - i. Gomez has a concern regarding the DAPR and she questions the process.
 - ii. Brown provided a brief explanation of the DAPR process: 1) administrators of each District department meet to share their priorities and to discuss; 2) Vice Chancellor's and Chief of Staff review, discuss and set priorities; and 3) Vice Chancellors and Chief of Staff submit the information to the Chancellor to discuss and prioritize. The Chancellor then decides what he will support and approve.
 - iii. Brown suggests that the program review be discussed at the next subgroup meeting that way a formalized recommendation can be made.
- l. Brown indicated that the OPEB rate may need to be increased. However, the District will not know until the end of the year. Brown reminded members that the OPEB commitment is a minimum of \$250,000 per year. Adjustments will be made accordingly.
- m. A preliminary budget augmentation of \$250,000 for the Student Services Building at RCC has been provided.
- n. Utilities are estimated and are difficult to gauge, especially when new facilities come onboard.
- o. Legal expenses are estimated to range from \$700K to 800K for FY 2015-16. However, an exact amount will not be known until later in the year. There were some extraordinary expenses for FY 2015-16 (CSEA Bargaining) that won't repeat in FY 2016-17. An augmentation of \$100K was provided.
- p. Contracts and agreement are an estimate. Additional information has been requested from the Vice Presidents of Business Services and the Associate Vice Chancellor of Information Services.
- q. One-time expenditures are being re-established at \$13.61 million.

- r. The preliminary estimated cost for the early retirement incentives is \$3.2 million – so far, the participants are as follows: PERS 13, STRS 9, and PARS 10 employees. Currently, \$850K is already in the base budget. Brown would like to pay-off this money using one-time funds in one year to free up base money for future years.
 - s. The La Sierra loan balance is at \$2.6 million with two years remaining. Brown would like to pay-off the retirement incentive liability using one-time funds to free-up base money for future years.
3. RCCD Projected Budget Change Summary FY 2016-17 – Handout #3
- a. The projected changes described above are reflected on the handout.
 - b. Budget savings estimates are shown for FY2015-16. It is estimated that the ending fund balance will be approximately \$34 million (includes \$15 million set-aside from the State).
 - c. The remaining fund balance increase is primarily a result of not filling the full-time faculty positions (14) and receiving higher than expected apportionment.

C. Structural Budget Deficit/Budget Stability Plan (Subgroup Meeting)

1. RCCD Proposed Reserve Calculation Change & Budget Stability Plan – Handout #4
- a. DBAC Subgroup is working on the reserve requirement and budget allocation model.
 - b. The goal is to have enough reserve set aside so the District does not have to reduce the 5% reserve target.
 - c. The additional reserve would be segregated from the expenditure budget and restricted for use. The reserve can be built up for a specific purpose.
 - d. DBAC Subgroup will continue to work on the stability plan.

IV. OTHER

A. District Strategic Planning Committee (DSPC) - Update

- 1. Brown briefly updated members on the SharePoint position, Enrollment Management, and the Environmental Scan for DSPC.
- 2. Chancellor announced that the Center for Social Justice & Civil Liberties is transitioning to RCC.
- 3. Brown announced that the General Counsel position has been filled with Patrick Pyle. Pyle came from Southwestern Law School. He was a Dean and also worked for UCR. His position will report directly to

the Chancellor. All contracts and agreements will be reviewed by Pyle (no longer by Michael Simmons).

B. Prop 30 - Update

1. Brown briefly updated members on Prop 30 (inquiry by Godin).
2. RCCD receives \$23 million District wide annually. However, the funds fluctuate throughout the year.

C. DBAC Membership

1. Membership should be confirmed by the next meeting (April).

V. MEETING ADJOURNED AT 2:28 P.M.

VI. FUTURE MEETING

- A. Next meeting Friday, April 29, 2016 – 1:00 p.m. to 3:00 p.m. at the District Office Building – Executive Conference Room 309

**Riverside Community College District
FY 2016-17 FTES Planning**

Handout #1

	FY 2015-16
FTES Target	28,599.64
FTES Estimate as of February 22, 2016	28,119.93
FTES Target vs. Actual Difference	(479.71) *

* FTES Needed from Summer 2016 to Achieve FY 2015-16 FTES Target

479.71 FTES at \$4,723.59/FTES = \$2.27 million in FY 2015-16 which rolls into the base for FY 2016-17

	FY 2016-17	
Base Credit FTES	28,599.64	
FTES Growth	686.39	2.40%
Funded Credit FTES	29,286.03	
FTES Target	29,578.89	
Unfunded	292.86	1.00%

FTES Production for FY 2016-17

Growth FTES	686.39
Unfunded FTES	292.86
Summer 2016 Rolled to FY 2015-16	479.71
Total FTES Production	1,458.96 *

FY 2016-2017 Target	29,578.89
FY 2015-2016 Actual FTES (As of February 22, 2016)	28,119.93
Total FTES Production	1,458.96

* Actual FY 2015-16 FTES Growth 616.76

686.39 FTES at \$5,037.60/FTES = \$3.46 million in FY 2016-17 (at growth rate)

292.86 FTES at \$5,037.60/FTES = \$1.48 million in FY 2016-17 **(at growth rate IF funded)**

479.71 FTES at \$4,723.59/FTES = \$2.27 million in FY 2016-17 - Rolled from FY 2015-16 (at base rate)

	FY 15-16	FY 16-17	Change
Ongoing Revenue and Expenditure Analysis			
Resident Credit FTES (Actual/Target)	28,599.64	29,578.89	979.25
Resident Credit Funded	28,599.64	29,286.03	686.39
Unfunded FTES	-	292.86	
Unfunded %	0.00%	1.00%	
Ongoing Revenue Assumptions			
Apportionment (Ongoing Revenues)			
Access (New Growth Formula)	3.00%/3.88%	2.00%/2.40%	
FY 14-15 and 15-16 Additional			\$ 3.85
FY 16-17			3.46
RDA Revenue Deferral Reversal			1.13
COLA	1.02%	0.47%	0.73
Basic Allocation			-
Full-Time Faculty Hiring Positions			-
Deficit Factor	0.093%	0.055%	(0.87)
Total Apportionment			<u>\$ 8.30</u>
Local - Other (Various - Ongoing but Variable)			<u>\$ 0.20</u>
Total Ongoing Revenues			<u>\$ 8.50</u>
Ongoing Expenditure Assumptions			
Academic and Classified Salaries			
Full-Time Compensation (COLA .47% and Contract 2.00%)	4.02%	2.47%	\$ 2.18
Part-Time Compensation (COLA .47% and Contract 2.50%)	5.02%	2.97%	1.01
Step/Column/Prof Growth/Other			0.77
Administrator Position Elimination (Tillquist and Thomas)			(0.42)
Sabbatical Leave Backfill			0.21
New FT Faculty (20 @ \$144k)			2.89
New Classified Positions (RCC - AST and RCC - Sports Info Dir)			0.21
New Administrator Position (0)			-
Total Academic and Classified Salaries			<u>\$ 6.85</u>
Employee Benefits			
Health Insurance	2.00%/43.28%	9.00%/15.00%	\$ 2.14
Employee Benefits - Budget Reduction Strategy (3%)	N/A	3.00%	(0.54)
Workers' Compensation	1.00%	0.50%	(0.53)
Property and General Liability	1.89%	1.89%	-
PERS	11.847%	13.047%	0.36
STRS	10.73%	12.58%	1.28
Total Employee Benefits			<u>\$ 2.71</u>
Service and Operating Expenses			
Election Costs - "On Year"			\$ 0.30
District Administrative Program Review			0.31
OPEB - GASB 45 Funding Plan (Rate = .36%)			0.07
New Facilities (Kane Student Services)			0.25
Utilities			0.20
Legal Expense			0.10
Contracts/Agreements			0.10
Miscellaneous Adjustments			-
Total Services and Operating Expenses			<u>\$ 1.33</u>
Total Ongoing Expenditures			<u>\$ 10.89</u>
One-Time Revenue Assumptions			
State - Other (One-Time Revenues)			
State Mandate Reimbursement (FY 16-17)			\$ 1.79
State Mandate Reimbursement (Less FY 15-16)			(15.34)
Total One-Time Revenues			<u>\$ (13.55)</u>
One-Time Expenditure Assumptions			
Expenditure			
Reverse FY 15-16 Set-Aside for Future Operating Costs			\$ (15.00)
Retirement Incentive Cost - Base Adjustment			2.29
La Sierra Loan Repayment in Full			1.36
FY 16-17 Set-Aside for Future Operating Costs			<u>13.61</u>
Total One-Time Expenditures			<u>\$ 2.26</u>

Riverside Community College District
 Projected Budget Change Summary
 FY 2016-2017

Handout #3

Final as of
 03/14/2016

	FY 2015-2016	Projected	FY 2016-2017	
	Adopted	Changes	Projected	
	Budget	Budget	Budget	
<u>Ongoing Revenues</u>				
Apportionment	\$ 84.74	\$ 8.30	\$ 93.04	
Federal	0.19	-	0.19	
State - Other (Exclusive of Mandate Reimb)	29.85	-	29.85	
Local	46.47	0.20	46.67	
Other	0.37	-	0.37	
Total Ongoing Revenues	<u>\$ 161.62</u>	<u>\$ 8.50</u>	<u>\$ 170.12</u>	
<u>Ongoing Expenditures</u>				
Academic and Classified Salaries	\$ 103.97	\$ 6.85	\$ 110.82	
Employee Benefits	36.86	2.71	39.57	
Books and Supplies	2.22	-	2.22	
Services and Operating Expenses	20.38	1.33	21.71	
Capital Outlay	0.98	-	0.98	
Interfund	1.27	-	1.27	
Intrafund	0.50	-	0.50	
Total Ongoing Expenditures	<u>\$ 166.18</u>	<u>\$ 10.89</u>	<u>\$ 177.07</u>	
Ongoing Revenue and Expenditure Difference	<u>\$ (4.56)</u>	<u>\$ (2.39)</u>	<u>\$ (6.95)</u>	
<u>One-Time Revenues</u>				
State - Mandate Reimbursement	\$ 15.34	\$ (13.55)	\$ 1.79	
<u>One-Time Expenditures</u>				
One-Time Expenditures	<u>\$ 15.00</u>	<u>\$ 2.26</u>	<u>\$ 17.26</u>	
One-Time Revenue and Expenditure Difference	<u>\$ 0.34</u>	<u>\$ (15.81)</u>	<u>\$ (15.47)</u>	
Total Revenue and Expenditure Difference	\$ (4.22)	\$ (18.20)	\$ (22.42)	
Beginning Fund Balance	<u>14.67</u>		<u>33.73</u>	17.44%
Ending Fund Balance	\$ 10.45		\$ 11.31	
5% Ending Balance Requirement	<u>(10.45)</u>		<u>(11.31)</u>	
Budget (Shortfall) Excess	<u><u>\$ 0.00</u></u>		<u><u>\$ (0.00)</u></u>	

**Riverside Community College District
Proposed Reserve Calculation Change
and
Budget Stability Plan**

	Possible Scenarios			
	Total Available Funds	Reserve Calculation - Ongoing Total Available Funds Only	Reserve Calculation - Ongoing Revenue Only	Reserve Calculation - Ongoing Expenditures Only
Beginning Balance at July 1, 2015	\$ 10.45	\$ 10.45	\$ 10.45	\$ 10.45
Revenue Budget (Deficit)	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77
Expenditure Budget Savings	\$ 21.51	\$ 21.51	\$ 21.51	\$ 21.51
Less, One-Time	<u>\$ -</u>	<u>\$ (15.04)</u>	<u>\$ (15.04)</u>	<u>\$ (15.04)</u>
Beginning Balance at July 1, 2016	\$ 33.73	\$ 18.69	\$ 18.69	\$ 18.69
Revenue Budget	<u>\$ 171.92</u>	<u>\$ 170.12</u>	<u>\$ 170.12</u>	<u>\$ 170.12</u>
Total Available Funds	\$ 205.65	<u>\$ 188.81</u>	\$ 188.81	\$ 188.81
Less, Required Reserve Balance	<u>\$ (11.31)</u>	<u>\$ (10.38)</u>	<u>\$ (9.36)</u>	<u>\$ (9.74)</u>
Amount Available for Expenditures	\$ 194.34	\$ 178.43	\$ 179.45	\$ 179.07
Expenditure Budget	<u>\$ (194.34)</u>	<u>\$ (177.07)</u>	<u>\$ (177.07)</u>	<u>\$ (177.07)</u>
Budget (Shortfall)/Surplus	<u>\$ -</u>	<u>\$ 1.36</u>	<u>\$ 2.38</u>	<u>\$ 2.00</u>
Three Year Implementation		<u>\$ 0.45</u>	<u>\$ 0.79</u>	<u>\$ 0.67</u>
<u>Entity Reserve Holding Account</u>				
DO/DSS	\$ -	\$ 0.06	\$ 0.11	\$ 0.09
RCC	\$ -	\$ 0.21	\$ 0.38	\$ 0.32
NC	\$ -	\$ 0.08	\$ 0.15	\$ 0.12
MVC	<u>\$ -</u>	<u>\$ 0.09</u>	<u>\$ 0.16</u>	<u>\$ 0.14</u>
Total	<u>\$ -</u>	<u>\$ 0.45</u>	<u>\$ 0.79</u>	<u>\$ 0.67</u>

FY 15-16 BAM Expenditure Percentages (After Removal of One-Time)

DO/DSS	\$ 22.82	13.83%
RCC	\$ 77.98	47.26%
NC	\$ 30.46	18.46%
MVC	<u>\$ 33.74</u>	<u>20.45%</u>
Total	<u>\$ 165.00</u>	<u>100.00%</u>

- Calculate 5% reserve requirement using ongoing revenues only (eliminate one-time revenues for the calculation).
- Calculate ongoing budget shortfall after eliminating one-time revenues and expenditures.
- Utilize a multi-year strategy (3 Years) to set-aside the ongoing budget shortfall into "restricted" holding accounts for each entity
- Use BAM Expenditure Percentages to determine each entity's proportionate share of the budget shortfall, after elimination of one-time budget items that are maintained in holding accounts.
- Physically transfer budget to a "restricted" holding account within each entity, under the college Vice President's of Business Services and Vice Chancellor of Business and Financial Services, respectively. The transferred budgets can't be used for any purposes during the fiscal year.
- Entity generated budget savings will remain at the entity level.**

**Riverside Community College District
Proposed Reserve Calculation Change
and
Budget Stability Plan**

Handout #1 (Revised)


	Possible Scenarios			
	Total Available Funds	Reserve Calculation - Ongoing Total Available Funds Only	Reserve Calculation - Ongoing Revenue Only	Reserve Calculation - Ongoing Expenditures Only
Beginning Balance at July 1, 2015	\$ 10.45	\$ 10.45	\$ 10.45	\$ 10.45
Revenue Budget (Deficit)	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77
Expenditure Budget Savings	\$ 21.51	\$ 21.51	\$ 21.51	\$ 21.51
Less, One-Time	\$ -	\$ (15.04)	\$ (15.04)	\$ (15.04)
Beginning Balance at July 1, 2016	\$ 33.73	\$ 18.69	\$ 18.69	\$ 18.69
Revenue Budget	\$ 171.92	\$ 170.24	\$ 170.24	\$ 170.24
Total Available Funds	\$ 205.65	\$ 188.93	\$ 188.93	\$ 188.93
Less, Required Reserve Balance	\$ (11.31)	\$ (10.39)	\$ (9.36)	\$ (9.86)
Amount Available for Expenditures	\$ 194.34	\$ 178.54	\$ 179.57	\$ 179.07
Expenditure Budget	\$ (194.34)	\$ (179.30)	\$ (179.30)	\$ (179.30)
Budget (Shortfall)/Surplus	\$ -	\$ (0.76)	\$ 0.27	\$ (0.23)
Three Year Implementation		\$ (0.25)	\$ 0.09	\$ (0.08)
<u>Entity Reserve Holding Account</u>				
DO/DSS	\$ -	\$ (0.04)	\$ 0.01	\$ (0.01)
RCC	\$ -	\$ (0.12)	\$ 0.04	\$ (0.04)
NC	\$ -	\$ (0.05)	\$ 0.02	\$ (0.01)
MVC	\$ -	\$ (0.05)	\$ 0.02	\$ (0.02)
Total	\$ -	\$ (0.25)	\$ 0.09	\$ (0.08)

FY 15-16 BAM Expenditure Percentages (After Removal of One-Time)

DO/DSS	\$ 22.82	13.83%
RCC	\$ 77.98	47.26%
NC	\$ 30.46	18.46%
MVC	\$ 33.74	20.45%
Total	\$ 165.00	100.00%


- Calculate 5% reserve requirement using ongoing expenditures only (eliminate one-time revenues for the calculation).
- Calculate ongoing budget shortfall after eliminating one-time revenues and expenditures.
- Utilize a multi-year strategy (3 Years) to set-aside the ongoing budget shortfall into "restricted" holding accounts for each entity.
- Use BAM Expenditure Percentages to determine each entity's proportionate share of the budget shortfall, after elimination of one-time budget items that are maintained in holding accounts.
- Physically transfer budget to a "restricted" holding account within each entity, under the college Vice President's of Business Services and Vice Chancellor of Business and Financial Services, respectively. The transferred budgets can't be used for any purpose during the fiscal year.
- Entity generated budget savings will remain at the entity level and will be recorded as a component of the 1% entity contingency. The 1% entity contingency will not be available to appropriate for spending purposes until such time as the 1% level has been exceeded. The 1% entity contingency will not be considered part of the Districtwide 5% reserve requirement. However, if the 5% budget reserve requirement is not achieved, the entity contingency can be used to provide for Districtwide 5% reserve requirement in accordance with the Budget Stability Plan/Reserve Calculation process detailed above.
- Reserve balances (deficits) for other unrestricted general fund Resources (Community Education, Performance Riverside, Bookstore, Customized Solutions) will be included in the 1% contingency for the entity responsible for the Resource.

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**FY 2016-2017
Institutional Effectiveness Goals
for Fiscal Viability and
Programmatic Compliance
with State and Federal Guidelines**

RCCD | RIVERSIDE COMMUNITY
COLLEGE DISTRICT



2016-2017 Institutional Effectiveness Goals
Fiscal Viability - Fund Balance

- **State Chancellor's Office Definition**
 - Ending unrestricted general fund balance as a percentage of total expenditures. This indicator demonstrates the district's ability to maintain solvency and adjust to unforeseen circumstances.

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2016-2017 Institutional Effectiveness Goals
Fiscal Viability - Fund Balance (Continued)

District Board Policy 6200 - Budget Preparation

- “The District shall employ the concept of a fund balance target in the annual budget development process. The fund balance target concept shall apply to the Unrestricted General Fund budget and shall be equal to a minimum of 5.0 percent of the sum of the projected beginning fund balance for a particular fiscal year and the estimated revenues for that year. The fund balance target amount shall be the first item funded in the budget for any fiscal year”

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2016-2017 Institutional Effectiveness Goals
Fiscal Viability - Fund Balance (Continued)

Recommendation

- The District’s Board Policy 6200 as it relates to establishing a fund balance target is a more conservative approach than the fund balance fiscal indicator under the Institutional Effectiveness Initiative. Therefore, it is recommended that the Board of Trustees approve adoption of the minimum 5.0 percent unrestricted general fund balance target as described in Board Policy 6200 as the fiscal viability goal for FY 2016-2017 and the subsequent six years under the Institutional Effectiveness Initiative.

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2016-2017 Institutional Effectiveness Goals

Fiscal Viability - Fund Balance (Continued)

* It should be noted that the District Budget Advisory Council (DBAC), a sub-committee of the District Strategic Planning Council (DSPC), is currently working on a Budget Stability Plan, the goal of which is to align the ongoing revenue budget with the ongoing expenditure budget. Integral to the Budget Stability Plan is the fund balance target calculation. Once the work of DBAC is complete and DSPC has approved the Budget Stability Plan, it will be brought to the Board of Trustees for consideration and approval. Any adopted changes may necessitate revision to the adopted Fiscal Viability Goals under IEPI.

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2016-2017 Institutional Effectiveness Goals

**Programmatic Compliance with State and Federal Guidelines –
Financial Statements/State and Federal Compliance
– State Chancellor’s Office Definition**

- **Audit Opinions**
 - Independent audit opinions relating to financial statements, state award compliance, and federal award compliance. Internal controls over financial reporting, state programs, and federal programs. Achieving “Unmodified” or “Unqualified” opinions with no or minimal material weaknesses or significant deficiencies.

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2016-2017 Institutional Effectiveness Goals
**Programmatic Compliance with State and Federal Guidelines –
Financial Statements/State and Federal Compliance (Continued)**

District Audited Financial Statements

- Historically the District has instituted strong internal control procedures to: safeguard public funds; provide fiscal accountability; ensure fiscal viability for the institution; and to minimize or prevent material weaknesses or significant deficiencies. Adherence to these ethos and practices have been demonstrated over time by the issuance of unmodified or “clean” opinions and the lack of audit findings relating to the District’s financial statements and state and federal award programs in the District’s annual independent audit reports.

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2016-2017 Institutional Effectiveness Goals
**Programmatic Compliance with State and Federal Guidelines –
Financial Statements/State and Federal Compliance (Continued)**

Recommendation

- It is recommended that the Board of Trustees approve adoption of “unmodified” or “unqualified” opinions with no material weaknesses or significant deficiencies as the goals for financial reporting and compliance with state/federal program guidelines for FY 2016-2017 and the subsequent six years under the Institutional Effectiveness Initiative.

Riverside Community College District
FY 2016-17 FTES Planning
as of April 27, 2016

Handout #3

	FY 2015-16
FTES Target	28,599.64
FTES Estimate as of April 12, 2016	28,301.17
FTES Target vs. Actual Difference	(298.47) *

* FTES Needed from Summer 2016 to Achieve FY 2015-16 FTES Target
298.7 FTES at \$4,723.59/FTES = \$1.41 million in FY 2015-16 which rolls into the base for FY 2016-17

	FY 2016-17	
Base Credit FTES	28,599.64	
FTES Growth	686.39	2.40%
Funded Credit FTES	29,286.03	
FTES Target	29,578.89	
Unfunded	292.86	1.00%

FTES Production for FY 2016-17

Growth FTES	686.39
Unfunded FTES	292.86
Summer 2016 Rolled to FY 2015-16	298.47
Total FTES Production	1,277.72 *

FY 2016-2017 Target	29,578.89
FY 2015-2016 Actual FTES (As of April 12, 2016)	28,301.17
Total FTES Production	1,277.72
* Actual FY 2015-16 FTES Growth	616.76

686.39 FTES at \$5,042.43/FTES = \$3.46 million in FY 2016-17 (at growth rate)

298.47 FTES at \$5,042.43/FTES = \$1.51 million in FY 2016-17 **(at growth rate IF funded)**

298.47 FTES at \$4,723.59/FTES = \$1.41 million in FY 2016-17 - Rolled from FY 2015-16 (at base rate)

Riverside Community College District
 Projected Budget Change Summary
 FY 2016-2017

Final as of
 04/26/2016

Handout #4

	FY 2015-2016 Adopted Budget	Projected Changes	FY 2016-2017 Projected Budget	
<u>Ongoing Revenues</u>				
Apportionment	\$ 84.74	\$ 8.42	\$ 93.16	
Federal	0.19	-	0.19	
State - Other (Exclusive of Mandate Reimb)	29.85	-	29.85	
Local	46.47	0.20	46.67	
Other	0.37	-	0.37	
Total Ongoing Revenues	<u>\$ 161.62</u>	<u>\$ 8.62</u>	<u>\$ 170.24</u>	
<u>Ongoing Expenditures</u>				
Academic and Classified Salaries	\$ 103.97	\$ 8.82	\$ 112.79	
Employee Benefits	36.86	2.74	39.60	
Books and Supplies	2.22	-	2.22	
Services and Operating Expenses	20.38	1.56	21.94	
Capital Outlay	0.98	-	0.98	
Interfund	1.27	-	1.27	
Intrafund	0.50	-	0.50	
Total Ongoing Expenditures	<u>\$ 166.18</u>	<u>\$ 13.12</u>	<u>\$ 179.30</u>	
Ongoing Revenue and Expenditure Difference	<u>\$ (4.56)</u>	<u>\$ (4.50)</u>	<u>\$ (9.06)</u>	
<u>One-Time Revenues</u>				
State - Mandate Reimbursement	\$ 15.34	\$ (13.55)	\$ 1.79	
<u>One-Time Expenditures</u>				
One-Time Expenditures	<u>\$ 15.00</u>	<u>\$ (0.08)</u>	<u>\$ 14.92</u>	
One-Time Revenue and Expenditure Difference	<u>\$ 0.34</u>	<u>\$ (13.47)</u>	<u>\$ (13.13)</u>	
Total Revenue and Expenditure Difference	\$ (4.22)	\$ (17.97)	\$ (22.19)	
Beginning Fund Balance	<u>14.67</u>		<u>33.49</u>	17.34%
Ending Fund Balance	\$ 10.45		\$ 11.30	
5% Ending Balance Requirement	<u>(10.45)</u>		<u>(11.30)</u>	
Budget (Shortfall) Excess	<u>\$ 0.00</u>		<u>\$ (0.00)</u>	

Riverside Community College District
 Projected Budget Change Summary
 FY 2016-17

Projection as of
 04/26/2016

Handout #4 (continued)

	FY 15-16	FY 16-17	Change
Ongoing Revenue and Expenditure Analysis			
Resident Credit FTES (Actual/Target)	28,599.64	29,578.89	979.25
Resident Credit Funded	28,599.64	29,286.03	686.39
Unfunded FTES	-	292.86	
Unfunded %	0.00%	1.00%	
Ongoing Revenue Assumptions			
Apportionment (Ongoing Revenues)			
Access (New Growth Formula)	3.00%/3.88%	2.00%/2.40%	
FY 14-15 and 15-16 Additional			\$ 3.60
FY 16-17			3.46
RDA Revenue Deferral Reversal			1.13
COLA	1.02%	0.47%	0.73
Basic Allocation			-
Full-Time Faculty Hiring Positions			-
Deficit Factor	0.093%	0.055%	(0.50)
Total Apportionment			<u>\$ 8.42</u>
Local - Other (Various - Ongoing but Variable)			<u>\$ 0.20</u>
Total Ongoing Revenues			<u>\$ 8.62</u>
Ongoing Expenditure Assumptions			
Academic and Classified Salaries			
Full-Time Compensation (COLA .47% and Contract 2.00%)	4.02%	2.47%	\$ 2.18
Part-Time Compensation (COLA .47% and Contract 2.50%)	5.02%	2.97%	1.01
Part-Time Compensation (Enrollment Growth)			1.79
Impact of CSEA Contract (Besides Contractual Salary Increase)			0.18
Step/Column/Prof Growth/Other			0.77
Administrator Position Elimination (Tillquist and Thomas)			(0.42)
Sabbatical Leave Backfill			0.21
New FT Faculty (20 @ \$124k)			2.89
New Classified Positions (RCC - AST and RCC - Sports Info Dir)			0.21
New Administrator Position (0)			-
Total Academic and Classified Salaries			<u>\$ 8.82</u>
Employee Benefits			
Health Insurance	2.00%/43.28%	9.00%/15.00%	\$ 2.14
Employee Benefits - Budget Reduction Strategy (3%)	N/A	3.00%	(0.54)
Workers' Compensation	1.00%	0.50%	(0.53)
Property and General Liability	1.89%	1.89%	-
PERS	11.847%	13.887%	0.39
STRS	10.73%	12.58%	1.28
Total Employee Benefits			<u>\$ 2.74</u>
Service and Operating Expenses			
Election Costs - "On Year"			\$ 0.30
District Administrative Program Review			0.49
OPEB - GASB 45 Funding Plan (Rate = .36%)			0.07
New Facilities (RCC Kane SS - \$250K & CSA/CAADO - \$50K)			0.30
Utilities			0.20
Legal Expense			0.10
Contracts/Agreements			0.10
Miscellaneous Adjustments			-
Total Services and Operating Expenses			<u>\$ 1.56</u>
Total Ongoing Expenditures			<u>\$ 13.12</u>
One-Time Revenue Assumptions			
State - Other (One-Time Revenues)			
State Mandate Reimbursement (FY 16-17)			\$ 1.79
State Mandate Reimbursement (Less FY 15-16)			(15.34)
Total One-Time Revenues			<u>\$ (13.55)</u>
One-Time Expenditure Assumptions			
Expenditure			
Reverse FY 15-16 Set-Aside for Future Operating Costs			\$ (15.00)
Retirement Incentive Cost - Base Adjustment			2.29
La Sierra Loan Repayment in Full			1.36
FY 16-17 Set-Aside for Future Operating Costs			11.27
Total One-Time Expenditures			<u>\$ (0.08)</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

District Budget Advisory Council Meeting

Friday, May 20, 2016, 2016 – RCCD Building, Conference Room 309

8:00 a.m. - 10:00 a.m.

AGENDA

- I. Welcome and Call to Order
- II. Approval of Minutes
 - A. April 29, 2016
- III. Budget Update
 - A. State Budget Update – May Revision
 - B. RCCD FY 2016-17 Tentative Budget
 - C. District Administrative Program Review
 - D. Structural Budget Deficit/Budget Stability Plan (Subgroup Meeting)
- IV. Other
- V. Next Meeting
 - A. Thursday, June 23, 2016 – 8:00AM to 10:00 AM at RCCD Building - Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting*

*April 29, 2016
RCCD Building - 309
1:00 p.m. - 3:00 p.m.*

MEETING MINUTES

Members Present

Aaron Brown	(District)
Majd Askar	(District)
Norm Godin	(Moreno Valley College)
Beth Gomez	(Norco College)
Sherrie DiSalvio	(Riverside City College)
Michael McQuead	(Moreno Valley College)
Rex Beck	(Norco College)
Mary Legner	(Riverside City College)
Peggy Campo	(District wide)
Erin Power	(Norco College)
Jennifer Lawson	(Riverside City College)
Gloria Aguilar	(District)
Rachelle Arispe	(Recorder)

Members Not Present

Nate Finney	(Moreno Valley College)
Jacquelyn Smith	(District wide – Student)

I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved, Campo moved and Godin seconded approval of the minutes for March 25, 2016. Aguilar and Power abstained.

III. BUDGET UPDATE

A. State Budget Update

1. Brown provided an update regarding the State budget.

a. The State is on track with their earlier projections.

b. ACBO has been advocating for a Base Allocation increase and the Department of Finance seems to be receptive.

c. If new money is not found, the Scheduled Maintenance/Instructional Equipment allocation will be used to pay for the Base Allocation increase.

- d. In FY 2014-15 funded FTES was reduced, but the apportionment deficit will be eliminated. The Chancellor's Office found they had over allocated growth money. A total of 19 districts were impacted.

B. Structural Budget Deficit/Budget Stability Plan (Subgroup Meeting)

1. Brown provided an update to members regarding the subgroup's plan to effectively deal with entity budget savings. The subgroup suggested creating a set-aside of the actual contingency for each entity (MVC, NC, RCC, and DO/DSS) each year until it builds up to the 1% level specified in the BAM principles.
2. Any funds over and above the 1% would become available for appropriation.
3. The set-aside contingency will not be a part of the 5% base.
4. If the District, as a whole, should have a budget shortfall and/or fall below the 5% Reserve, the 1% would provide the entities a source of funds to use to achieve the reserve level.
5. The set-aside contingency would provide protection for the District as a whole. If the set-aside contingency needs to be used, subsequent to budget adoption, Board approval would be required.
 - a. Gomez is concerned if there is an entity budget shortfall. Other entities should not have to cover the shortage. Brown suggested this concern be addressed in the next subgroup meeting. Gomez commented that the subgroup should review the college that she recently visited for accreditation – Los Angeles Trade-Tech Community College (LATTC). LATTC has a policy where they have two years to pay back any budget shortfall.
6. Brown commented that historically our District rolls over the budget, then adds the increases for salary, healthcare, PERS/STRS, etc. – the district does not reduce budget. Therefore, the District has the same budget each year then starts adding costs. To develop the budget, the District begins with revenues, budgets the 5% reserve then adds the base expenditures. Since our District has a disconnect between revenues and expenditures, the 5% reserve is difficult to achieve.
7. The District could decrease the budget to make the revenues and expenditures align. However, there is no support for that strategy. The 1% set-aside contingency forces the District to retain a reserve, rather than reduce the budget.
8. Gomez clarified to members that the 1% contingency is one-time funds, therefore, it cannot be used for staffing, etc.

9. Gomez indicated that she was also concerned about the P/T faculty and utility budgets since they are not entity controlled.
10. Gomez suggested that F/T and associate faculty be reviewed together and a model for associate faculty be completed as well. Gomez agreed with Brown that the current process for P/T faculty and utility budgets remain the same for FY 2016-17.
11. Brown provided the Proposed Reserve Calculation Change and Budget Stability Plan (Handout #1) developed by the DBAC subgroup for members to review and recommend a motion to move forward to DSPC for approval.
 - a. MOTION (1) to adopt Reserve Calculation Change and Budget Stability Plan (Handout #1), numbers 1 through 6, as stated, and recommend DSPC approval. Godin motioned approval and Campo, seconded.
 - b. The Budget Stability Plan applies to Resource 1000 only. However, after discussion, members agreed to include reserve balances (deficits) for other unrestricted general fund Resources (Fund 11 - Community Education, Performance Riverside, Bookstore and Customized Solutions) in the 1% contingency for the entity responsible for the Resources.
 - c. MOTION (2) approved to amend the Reserve Calculation Change and Budget Stability Plan with Fund 11 to be included in the 1% contingency. Godin motioned approval and Campo, seconded. Lawson opposed the motion. The amended information will be added as #7 to the Budget Stability Plan. Brown will email to members the updated Handout with the amended information added.

IV. OTHER

- A. FY 2016-2017 Institutional Effectiveness Goals for Fiscal Viability and Programmatic Compliance with State and Federal Guidelines (Handout #2)
 1. Brown updated members of the three fiscal goals: fund balance, State compliance and program compliance. The definition of each goal is described in the presentation.
 2. Since these goals are required to the State Chancellor's office before the end of May-June, Brown recommends approval and make amendments as changes occur relative to the Budget Stability Plan.
 3. Brown requested the members to review and recommend a motion to move forward to DSPC for approval.

- a. MOTION to adopt FY 2016-2017 Institutional Effectiveness Goals for Fiscal Viability and Programmatic Compliance with State and Federal Guidelines (Handout #2) and recommend to DSPC approval. Campo motioned approval and Gomez, seconded.
- B. District Strategic Planning Committee - Update
1. Brown very briefly updated members that at the last DSPC meeting he provided members the same Budget Update that he provided at the March DBAC meeting.
- C. Enrollment Management - Update
1. Brown updated members that two items were discussed at the last Enrollment Management meeting; marketing and an FTES report for P2.
 2. FY 2015-16 has a total budget of \$34K for MVC and NC, RCC chose to roll over their funds to FY 2016-17. Total budget for FY 2016-17 is approximately \$230K.
 3. Brown provided members data for RCCD FY 2016-17 FTES Planning (Handout #3). Handout showed improvement for FY 2015-16 FTES, which is beneficial to the District, as the District will not have to make up as much FTES next year.
 - a. Godin commented that the Escalation Growth Formula negatively affects Fall 2015 space inventory. If the bond measure passes, RCCD will not qualify.
 - b. Gomez indicated that classified staff, faculty, managers and administrators need to be educated on space inventory, especially the Enrollment Management Committee. The training describes how we use space and how the categories matter and impact our data.
 - i. Gomez commented that space inventory is the reason why their college is adding walls in spaces rather than individual offices.
 - ii. Brown also commented that the District was considering moving the Police and Safety offices to the Administration and Chavez buildings. However, after further discussions, the load ratios would be affected, so now the plan is on hold.
 4. Brown provided an update to the Projected Budget Change Summary FY 2016-17 (Handout #4). The first page of the handout is a summary of the projected budget, and the second page is the projected budget in detail.

- a. The adjustments from the April revision of P1 are reflected in the handout and show a reduction of over \$1million. Brown indicated that he reduced the expected deficit for FY 2015-16 based on information he received at the last ACBO Board meeting. Therefore, the overall impact was a decrease to revenue of approximately \$100K. Brown increased expenditures by approximately \$2 million, factoring in P/T faculty overload enrollment growth (COLA + Contractual Agreement). The net increase is a difference of \$1.8 million.
 - b. The marketing budget was also increased.
5. Brown updated members that the DBAC membership is completed. Membership for FY2015-16 through FY 2017-18 is as follows:
- a. Aaron Brown, Vice Chancellor, Business & Financial Services (District)
 - b. Majd Askar, Director, Business Services (District)
 - c. Norm Godin, Vice President, Business Services (MVC)
 - d. Beth Gomez, Vice President, Business Services (NC)
 - e. Mazie Brewington, Vice President, Business Services (RCC)
 - f. Michael McQuead, Faculty (MVC)
 - g. Rex Beck, Faculty (NC)
 - h. Mary Legner, Faculty (RCC)
 - i. Peggy Campo, Faculty (District wide)
 - j. Nate Finney, Classified (MVC)
 - k. Erin Power, Classified (NC)
 - l. Jennifer Lawson, Classified (RCC)
 - m. Gloria Aguilar, Classified (District)
 - n. Jacquelyn Smith, Student

V. MEETING ADJOURNED AT 2:45 P.M.

VI. FUTURE MEETING

- A. Next meeting Friday, May 20, 2016 – 8:00 a.m. to 10:00 a.m. at the District Office Building – Executive Conference Room 309

**Riverside Community College District
Proposed Reserve Calculation Change
and
Budget Stability Plan**

Handout #1 (Revised)


	Possible Scenarios			
	Total Available Funds	Reserve Calculation - Ongoing Total Available Funds Only	Reserve Calculation - Ongoing Revenue Only	Reserve Calculation - Ongoing Expenditures Only
Beginning Balance at July 1, 2015	\$ 10.45	\$ 10.45	\$ 10.45	\$ 10.45
Revenue Budget (Deficit)	\$ 1.77	\$ 1.77	\$ 1.77	\$ 1.77
Expenditure Budget Savings	\$ 21.51	\$ 21.51	\$ 21.51	\$ 21.51
Less, One-Time	\$ -	\$ (15.04)	\$ (15.04)	\$ (15.04)
Beginning Balance at July 1, 2016	\$ 33.73	\$ 18.69	\$ 18.69	\$ 18.69
Revenue Budget	\$ 171.92	\$ 170.24	\$ 170.24	\$ 170.24
Total Available Funds	\$ 205.65	\$ 188.93	\$ 188.93	\$ 188.93
Less, Required Reserve Balance	\$ (11.31)	\$ (10.39)	\$ (9.36)	\$ (9.86)
Amount Available for Expenditures	\$ 194.34	\$ 178.54	\$ 179.57	\$ 179.07
Expenditure Budget	\$ (194.34)	\$ (179.30)	\$ (179.30)	\$ (179.30)
Budget (Shortfall)/Surplus	\$ -	\$ (0.76)	\$ 0.27	\$ (0.23)
Three Year Implementation		\$ (0.25)	\$ 0.09	\$ (0.08)
<u>Entity Reserve Holding Account</u>				
DO/DSS	\$ -	\$ (0.04)	\$ 0.01	\$ (0.01)
RCC	\$ -	\$ (0.12)	\$ 0.04	\$ (0.04)
NC	\$ -	\$ (0.05)	\$ 0.02	\$ (0.01)
MVC	\$ -	\$ (0.05)	\$ 0.02	\$ (0.02)
Total	\$ -	\$ (0.25)	\$ 0.09	\$ (0.08)

FY 15-16 BAM Expenditure Percentages (After Removal of One-Time)

DO/DSS	\$ 22.82	13.83%
RCC	\$ 77.98	47.26%
NC	\$ 30.46	18.46%
MVC	\$ 33.74	20.45%
Total	\$ 165.00	100.00%


- Calculate 5% reserve requirement using ongoing expenditures only (eliminate one-time revenues for the calculation).
- Calculate ongoing budget shortfall after eliminating one-time revenues and expenditures.
- Utilize a multi-year strategy (3 Years) to set-aside the ongoing budget shortfall into "restricted" holding accounts for each entity.
- Use BAM Expenditure Percentages to determine each entity's proportionate share of the budget shortfall, after elimination of one-time budget items that are maintained in holding accounts.
- Physically transfer budget to a "restricted" holding account within each entity, under the college Vice President's of Business Services and Vice Chancellor of Business and Financial Services, respectively. The transferred budgets can't be used for any purpose during the fiscal year.
- Entity generated budget savings will remain at the entity level and will be recorded as a component of the 1% entity contingency. The 1% entity contingency will not be available to appropriate for spending purposes until such time as the 1% level has been exceeded. The 1% entity contingency will not be considered part of the Districtwide 5% reserve requirement. However, if the 5% budget reserve requirement is not achieved, the entity contingency can be used to provide for Districtwide 5% reserve requirement in accordance with the Budget Stability Plan/Reserve Calculation process detailed above.
- Reserve balances (deficits) for other unrestricted general fund Resources (Community Education, Performance Riverside, Bookstore, Customized Solutions) will be included in the 1% contingency for the entity responsible for the Resource.

RCCD | RIVERSIDE COMMUNITY
COLLEGE DISTRICT



**FY 2016-2017
Institutional Effectiveness Goals
for Fiscal Viability and
Programmatic Compliance
with State and Federal Guidelines**

RCCD | RIVERSIDE COMMUNITY
COLLEGE DISTRICT



2016-2017 Institutional Effectiveness Goals
Fiscal Viability - Fund Balance

- **State Chancellor's Office Definition**
 - Ending unrestricted general fund balance as a percentage of total expenditures. This indicator demonstrates the district's ability to maintain solvency and adjust to unforeseen circumstances.

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COLLEGE DISTRICT

2016-2017 Institutional Effectiveness Goals
Fiscal Viability - Fund Balance (Continued)

District Board Policy 6200 - Budget Preparation

- “The District shall employ the concept of a fund balance target in the annual budget development process. The fund balance target concept shall apply to the Unrestricted General Fund budget and shall be equal to a minimum of 5.0 percent of the sum of the projected beginning fund balance for a particular fiscal year and the estimated revenues for that year. The fund balance target amount shall be the first item funded in the budget for any fiscal year”

RCCD | RIVERSIDE COMMUNITY
COLLEGE DISTRICT

2016-2017 Institutional Effectiveness Goals
Fiscal Viability - Fund Balance (Continued)

Recommendation

- The District’s Board Policy 6200 as it relates to establishing a fund balance target is a more conservative approach than the fund balance fiscal indicator under the Institutional Effectiveness Initiative. Therefore, it is recommended that the Board of Trustees approve adoption of the minimum 5.0 percent unrestricted general fund balance target as described in Board Policy 6200 as the fiscal viability goal for FY 2016-2017 and the subsequent six years under the Institutional Effectiveness Initiative.

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2016-2017 Institutional Effectiveness Goals

Fiscal Viability - Fund Balance (Continued)

* It should be noted that the District Budget Advisory Council (DBAC), a sub-committee of the District Strategic Planning Council (DSPC), is currently working on a Budget Stability Plan, the goal of which is to align the ongoing revenue budget with the ongoing expenditure budget. Integral to the Budget Stability Plan is the fund balance target calculation. Once the work of DBAC is complete and DSPC has approved the Budget Stability Plan, it will be brought to the Board of Trustees for consideration and approval. Any adopted changes may necessitate revision to the adopted Fiscal Viability Goals under IEPI.

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2016-2017 Institutional Effectiveness Goals

**Programmatic Compliance with State and Federal Guidelines –
Financial Statements/State and Federal Compliance
– State Chancellor’s Office Definition**

- **Audit Opinions**
 - Independent audit opinions relating to financial statements, state award compliance, and federal award compliance. Internal controls over financial reporting, state programs, and federal programs. Achieving “Unmodified” or “Unqualified” opinions with no or minimal material weaknesses or significant deficiencies.

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2016-2017 Institutional Effectiveness Goals
**Programmatic Compliance with State and Federal Guidelines –
 Financial Statements/State and Federal Compliance (Continued)**

District Audited Financial Statements

- Historically the District has instituted strong internal control procedures to: safeguard public funds; provide fiscal accountability; ensure fiscal viability for the institution; and to minimize or prevent material weaknesses or significant deficiencies. Adherence to these ethos and practices have been demonstrated over time by the issuance of unmodified or “clean” opinions and the lack of audit findings relating to the District’s financial statements and state and federal award programs in the District’s annual independent audit reports.

RCCD | RIVERSIDE COMMUNITY COLLEGE DISTRICT

2016-2017 Institutional Effectiveness Goals
**Programmatic Compliance with State and Federal Guidelines –
 Financial Statements/State and Federal Compliance (Continued)**

Recommendation

- It is recommended that the Board of Trustees approve adoption of “unmodified” or “unqualified” opinions with no material weaknesses or significant deficiencies as the goals for financial reporting and compliance with state/federal program guidelines for FY 2016-2017 and the subsequent six years under the Institutional Effectiveness Initiative.

Riverside Community College District
FY 2016-17 FTES Planning
as of April 27, 2016

Handout #3

	FY 2015-16
FTES Target	28,599.64
FTES Estimate as of April 12, 2016	28,301.17
FTES Target vs. Actual Difference	(298.47) *

* FTES Needed from Summer 2016 to Achieve FY 2015-16 FTES Target
298.7 FTES at \$4,723.59/FTES = \$1.41 million in FY 2015-16 which rolls into the base for FY 2016-17

	FY 2016-17	
Base Credit FTES	28,599.64	
FTES Growth	686.39	2.40%
Funded Credit FTES	29,286.03	
FTES Target	29,578.89	
Unfunded	292.86	1.00%

FTES Production for FY 2016-17

Growth FTES	686.39
Unfunded FTES	292.86
Summer 2016 Rolled to FY 2015-16	298.47
Total FTES Production	1,277.72 *

FY 2016-2017 Target	29,578.89
FY 2015-2016 Actual FTES (As of April 12, 2016)	28,301.17
Total FTES Production	1,277.72

* Actual FY 2015-16 FTES Growth 616.76

686.39 FTES at \$5,042.43/FTES = \$3.46 million in FY 2016-17 (at growth rate)

298.47 FTES at \$5,042.43/FTES = \$1.51 million in FY 2016-17 **(at growth rate IF funded)**

298.47 FTES at \$4,723.59/FTES = \$1.41 million in FY 2016-17 - Rolled from FY 2015-16 (at base rate)

Riverside Community College District
 Projected Budget Change Summary
 FY 2016-2017

Final as of
 04/26/2016

Handout #4

	FY 2015-2016 Adopted Budget	Projected Changes	FY 2016-2017 Projected Budget	
<u>Ongoing Revenues</u>				
Apportionment	\$ 84.74	\$ 8.42	\$ 93.16	
Federal	0.19	-	0.19	
State - Other (Exclusive of Mandate Reimb)	29.85	-	29.85	
Local	46.47	0.20	46.67	
Other	0.37	-	0.37	
Total Ongoing Revenues	<u>\$ 161.62</u>	<u>\$ 8.62</u>	<u>\$ 170.24</u>	
<u>Ongoing Expenditures</u>				
Academic and Classified Salaries	\$ 103.97	\$ 8.82	\$ 112.79	
Employee Benefits	36.86	2.74	39.60	
Books and Supplies	2.22	-	2.22	
Services and Operating Expenses	20.38	1.56	21.94	
Capital Outlay	0.98	-	0.98	
Interfund	1.27	-	1.27	
Intrafund	0.50	-	0.50	
Total Ongoing Expenditures	<u>\$ 166.18</u>	<u>\$ 13.12</u>	<u>\$ 179.30</u>	
Ongoing Revenue and Expenditure Difference	<u>\$ (4.56)</u>	<u>\$ (4.50)</u>	<u>\$ (9.06)</u>	
<u>One-Time Revenues</u>				
State - Mandate Reimbursement	\$ 15.34	\$ (13.55)	\$ 1.79	
<u>One-Time Expenditures</u>				
One-Time Expenditures	<u>\$ 15.00</u>	<u>\$ (0.08)</u>	<u>\$ 14.92</u>	
One-Time Revenue and Expenditure Difference	<u>\$ 0.34</u>	<u>\$ (13.47)</u>	<u>\$ (13.13)</u>	
Total Revenue and Expenditure Difference	\$ (4.22)	\$ (17.97)	\$ (22.19)	
Beginning Fund Balance	<u>14.67</u>		<u>33.49</u>	17.34%
Ending Fund Balance	\$ 10.45		\$ 11.30	
5% Ending Balance Requirement	<u>(10.45)</u>		<u>(11.30)</u>	
Budget (Shortfall) Excess	<u>\$ 0.00</u>		<u>\$ (0.00)</u>	

Riverside Community College District
 Projected Budget Change Summary
 FY 2016-17

Projection as of
 04/26/2016

Handout #4 (continued)

	FY 15-16	FY 16-17	Change
Ongoing Revenue and Expenditure Analysis			
Resident Credit FTES (Actual/Target)	28,599.64	29,578.89	979.25
Resident Credit Funded	28,599.64	29,286.03	686.39
Unfunded FTES	-	292.86	
Unfunded %	0.00%	1.00%	
Ongoing Revenue Assumptions			
Apportionment (Ongoing Revenues)			
Access (New Growth Formula)	3.00%/3.88%	2.00%/2.40%	
FY 14-15 and 15-16 Additional			\$ 3.60
FY 16-17			3.46
RDA Revenue Deferral Reversal			1.13
COLA	1.02%	0.47%	0.73
Basic Allocation			-
Full-Time Faculty Hiring Positions			-
Deficit Factor	0.093%	0.055%	(0.50)
Total Apportionment			<u>\$ 8.42</u>
Local - Other (Various - Ongoing but Variable)			<u>\$ 0.20</u>
Total Ongoing Revenues			<u>\$ 8.62</u>
Ongoing Expenditure Assumptions			
Academic and Classified Salaries			
Full-Time Compensation (COLA .47% and Contract 2.00%)	4.02%	2.47%	\$ 2.18
Part-Time Compensation (COLA .47% and Contract 2.50%)	5.02%	2.97%	1.01
Part-Time Compensation (Enrollment Growth)			1.79
Impact of CSEA Contract (Besides Contractual Salary Increase)			0.18
Step/Column/Prof Growth/Other			0.77
Administrator Position Elimination (Tillquist and Thomas)			(0.42)
Sabbatical Leave Backfill			0.21
New FT Faculty (20 @ \$124k)			2.89
New Classified Positions (RCC - AST and RCC - Sports Info Dir)			0.21
New Administrator Position (0)			-
Total Academic and Classified Salaries			<u>\$ 8.82</u>
Employee Benefits			
Health Insurance	2.00%/43.28%	9.00%/15.00%	\$ 2.14
Employee Benefits - Budget Reduction Strategy (3%)	N/A	3.00%	(0.54)
Workers' Compensation	1.00%	0.50%	(0.53)
Property and General Liability	1.89%	1.89%	-
PERS	11.847%	13.887%	0.39
STRS	10.73%	12.58%	1.28
Total Employee Benefits			<u>\$ 2.74</u>
Service and Operating Expenses			
Election Costs - "On Year"			\$ 0.30
District Administrative Program Review			0.49
OPEB - GASB 45 Funding Plan (Rate = .36%)			0.07
New Facilities (RCC Kane SS - \$250K & CSA/CAADO - \$50K)			0.30
Utilities			0.20
Legal Expense			0.10
Contracts/Agreements			0.10
Miscellaneous Adjustments			-
Total Services and Operating Expenses			<u>\$ 1.56</u>
Total Ongoing Expenditures			<u>\$ 13.12</u>
One-Time Revenue Assumptions			
State - Other (One-Time Revenues)			
State Mandate Reimbursement (FY 16-17)			\$ 1.79
State Mandate Reimbursement (Less FY 15-16)			(15.34)
Total One-Time Revenues			<u>\$ (13.55)</u>
One-Time Expenditure Assumptions			
Expenditure			
Reverse FY 15-16 Set-Aside for Future Operating Costs			\$ (15.00)
Retirement Incentive Cost - Base Adjustment			2.29
La Sierra Loan Repayment in Full			1.36
FY 16-17 Set-Aside for Future Operating Costs			11.27
Total One-Time Expenditures			<u>\$ (0.08)</u>

From: Rodriguez, Mario <mrodriguez@CCCCO.EDU>
Sent: Friday, May 13, 2016 10:10 AM
To: SO2CBO@LISTSERV.CCCNEXT.NET
Subject: [External Sender] 2016-17 May Revision Update for CCC

Colleagues,

The Governor just released his 2016-17 May Revision, which includes an update of his projections, policies, and priorities outlined in his Governor's Budget released in January. Below is a brief analysis of the May Revision as it relates to the California Community Colleges. Please note the adjustments are ongoing unless otherwise noted as one-time.

Proposition 98

The 2016-17 Proposition 98 Minimum Guarantee increased from \$71.6 billion at Governor's Budget to \$71.9 billion at May Revision, however, 2015-16 decreased from \$69.2 billion at Governor's Budget to \$69.1 billion, which is still greater than the 2015-16 Budget Act estimate of \$68.4 billion. 2014-15 increased from \$66.7 billion to \$67.2 billion.

The May Revision maintains our 10.93% split for 2014-15, 2015-16, and 2016-17.

Apportionments

A \$75 million increase is proposed for a base increase. These funds will help colleges make up for the purchasing power lost during the recent recession and to help mitigate other cost increases on the horizon (pension, health care, campus safety, technology, etc.).

A \$38.6 million increase is proposed to cover lower than initially estimated 2015-16 property taxes. To the extent our property tax deficit is less than this amount at P2, these remaining funds will be allocated as one-time mandated costs payments. (One-time)

A \$29.3 million decrease is proposed to reflect a 0% COLA. This is a technical adjustment that is consistent with the K-12's statutory apportionment adjustment.

The May Revision maintains enrollment growth funding of 2%.

A \$29.2 million increase to retire prior mandate claims, which brings the new total to \$108.5 million. While these funds are unrestricted, language encourages these funds to be used to promote campus security, technology, and professional development.

Facilities

A \$70.1 million decrease for the Deferred Maintenance and Instructional Equipment program to help support other priorities contained in the May Revision. This lowers the total amount for the program to \$219.4 million. In addition, the cap for seismic retrofit projects is proposed to increase to \$646,000. (One-time)

A \$4.1 million increase for Proposition 39 energy efficiency projects. This increases the total amount for the program to \$49.3 million for the fourth year of the program.

Trailer bill language will also increase the Division of State Architect minimum project cost thresholds to \$100,000 for structural and \$225,000 for nonstructural. This proposal will improve efficiency by allowing more projects to be exempt from Division of State Architect approval.

Instructional

A \$300,000 increase for the Academic Senate to, in part, support implementing the Workforce Taskforce recommendations. These funds will also help support the great work our Academic Senate has done on various initiatives in recent years.

A \$3 million increase for a new program to support digital content on e-readers in state correctional facilities. This is a new program that is attempting to eliminate a potential barrier of success for incarcerated students.

A \$5 million increase for statewide activities necessary to support the Adult Education Block Grant program. These funds will be used to continue providing webinars, trainings, convenings, professional development, and technical assistance over the next three years. (One-time)

There are no changes to the Basic Skills Initiative program; however, the \$30 million increase provided at the Governor's Budget remains in the May Revision.

Technology

A \$20 million increase for the Online Education Initiative to support the development of courses in the Online Course Exchange. (One-time)

A \$5 million increase (Ongoing) and \$7 million (One-time) for the Telecommunications and Technology Infrastructure Program to support of 10 Gig circuits throughout the system. These circuits will be procured for and managed centrally to take advantage of our systems economies of scale.

There are no dollar changes to the zero-textbook cost degree proposal; however, the following changes to the program propose: (1) award amounts are decreased from a maximum of \$500,000 to a maximum of \$200,000 per grant, (2) financial sustainability of the degree is now a factor for consideration in the grant process, (3) faculty purview and compliance with ADA are now specifically mentioned, and (4) a start date of 2018-19 for these degrees to be offered is included.

Workforce

There are no dollar changes to the Strong Workforce Program; however, the May Revision proposes the following changes: (1) requires the Chancellor's Office to provide options for course approval to be completed in a half a year and one year, (2) requires the Chancellor's Office to provide options for curriculum to be portable once approved, (3) requires a 60%/40% (college/region) split of funding allocated to regions, (4) allows up to 60% of the funding received by the college to be used for ongoing purposes, and (5) makes maintenance of effort based on percent of CTE FTES to total FTES.

Other

The Compton Community College District's loans are proposed to be refinanced at 2.307%, which allows an opportunity for the district to reinvest in operation needs. The interest rate is the same as provided to two K-12 districts in the prior year's budget.

While the May Revision hasn't brought about a significant increase in resources to our system above the Governor's Budget, it's important to keep in mind we've still seen a significant increase above the 2015-16 Budget Act. As mentioned before, we are nearing the point when a normal economic expansion period should end; therefore, it's important to use the resources provided in this budget to position your college for the future.

Next steps in the budget process include a response by the Legislative Analyst's Office, review by the budget committees of each house, and a legislative conference committee to iron out differences between the two houses. It is expected that the budget will be approved and signed by the Governor prior to July 1, 2016. During this process, I'll continue to keep the system updated at key milestones.

Regards,
Mario Rodriguez
Acting Vice Chancellor
Finance and Facilities Division
CCC Chancellor's Office
(916) 324-9508
mrodriguez@cccco.edu

This Footer added by RCCD Information Services:

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Riverside Community College District
 Projected Budget Change Summary
 FY 2016-2017

Final as of
 05/16/2016

	FY 2015-2016 Adopted Budget	Projected Changes	FY 2016-2017 Projected Budget	
<u>Ongoing Revenues</u>				
Apportionment	\$ 84.74	\$ 9.98	\$ 94.72	
Federal	0.19	-	0.19	
State - Other (Exclusive of Mandate Reimb)	29.85	-	29.85	
Local	46.47	0.38	46.85	
Other	0.37	-	0.37	
Total Ongoing Revenues	<u>\$ 161.62</u>	<u>\$ 10.36</u>	<u>\$ 171.98</u>	
<u>Ongoing Expenditures</u>				
Academic and Classified Salaries	\$ 103.97	\$ 8.59	\$ 112.56	
Employee Benefits	36.86	1.99	38.85	
Books and Supplies	2.22	-	2.22	
Services and Operating Expenses	20.38	1.58	21.96	
Capital Outlay	0.98	-	0.98	
Interfund	1.27	-	1.27	
Intrafund	0.50	-	0.50	
Total Ongoing Expenditures	<u>\$ 166.18</u>	<u>\$ 12.16</u>	<u>\$ 178.34</u>	
Ongoing Revenue and Expenditure Difference	<u>\$ (4.56)</u>	<u>\$ (1.80)</u>	<u>\$ (6.36)</u>	
<u>One-Time Revenues</u>				
State - Mandate Reimbursement	\$ 15.34	\$ (12.41)	\$ 2.93	
<u>One-Time Expenditures</u>				
One-Time Expenditures	<u>\$ 15.00</u>	<u>\$ 3.60</u>	<u>\$ 18.60</u>	
One-Time Revenue and Expenditure Difference	<u>\$ 0.34</u>	<u>\$ (16.01)</u>	<u>\$ (15.67)</u>	
Total Revenue and Expenditure Difference	<u>\$ (4.22)</u>	<u>\$ (17.81)</u>	<u>\$ (22.03)</u>	
Beginning Fund Balance	<u>14.67</u>		<u>33.49</u>	17.34%
Ending Fund Balance	\$ 10.45		\$ 11.46	
5% Ending Balance Requirement	<u>(10.45)</u>		<u>(11.46)</u>	
Budget (Shortfall) Excess	<u><u>\$ 0.00</u></u>		<u><u>\$ (0.00)</u></u>	

Riverside Community College District
 Projected Budget Change Summary
 FY 2016-17

Projection as of
 05/16/2016

	FY 15-16	FY 16-17	Change
Ongoing Revenue and Expenditure Analysis			
Resident Credit FTES (Actual/Target)	28,599.64	29,578.89	979.25
Resident Credit Funded	28,599.64	29,383.27	783.63
Unfunded FTES	-	195.62	
Unfunded %	0.00%	0.67%	
Ongoing Revenue Assumptions			
Apportionment (Ongoing Revenues)			
Access (New Growth Formula)	3.00%/3.88%	2.00%/2.74%	
FY 14-15 and 15-16 Additional			\$ 3.60
FY 16-17			3.95
RDA Revenue Deferral Reversal			1.13
COLA	1.02%	0.00%	-
Basic Allocation			1.80
Full-Time Faculty Hiring Positions			-
Deficit Factor	0.093%	0.055%	(0.50)
Total Apportionment			<u>\$ 9.98</u>
Local - Other (Various - Ongoing but Variable)			<u>\$ 0.38</u>
Total Ongoing Revenues			<u>\$ 10.36</u>
Ongoing Expenditure Assumptions			
Academic and Classified Salaries			
Full-Time Compensation (COLA 0.00% and Contract 2.00%)	4.02%	2.00%	\$ 1.78
Part-Time Compensation (COLA 0.00% and Contract 2.50%)	5.02%	2.50%	0.85
Part-Time Compensation (Enrollment Growth)			1.79
Impact of CSEA Contract (Besides Contractual Salary Increase)			0.36
Step/Column/Prof Growth/Other			0.99
Administrator Position Elimination (AVCs, Econ Dev and Educ Serv)			(0.38)
Sabbatical Leave Backfill			0.21
New FT Faculty (20 @ \$124k)			2.80
New Classified Positions (RCC - AST and RCC - Sports Info Dir)			0.19
Total Academic and Classified Salaries			<u>\$ 8.59</u>
Employee Benefits			
Health Insurance - Active and Over 65 Retirees	2.00%/43.28%	9.00%/15.00%	\$ 1.37
Health Insurance - Under 65 Retirees			1.00
Employee Benefits - Adjustments and Budget Reduction Strategy (N/A	3.00%	(1.12)
Workers' Compensation	1.00%	0.50%	(0.53)
Property and General Liability	1.89%	1.20%	(0.40)
PERS	11.847%	13.887%	0.39
STRS	10.73%	12.58%	1.28
Total Employee Benefits			<u>\$ 1.99</u>
Service and Operating Expenses			
Election Costs - "On Year"			\$ 0.30
District Administrative Program Review			0.60
OPEB - GASB 45 Funding Plan	0.30%	0.20%	(0.05)
New Facilities (RCC Kane SS - \$250K & CSA/CAADO - \$50K)			0.30
Utilities			0.20
Legal Expense			0.10
Contracts/Agreements			0.05
Miscellaneous Adjustments			0.08
Total Services and Operating Expenses			<u>\$ 1.58</u>
Total Ongoing Expenditures			<u>\$ 12.16</u>
One-Time Revenue Assumptions			
State - Other (One-Time Revenues)			
State Mandate Reimbursement (FY 16-17)			\$ 2.59
State Mandate Reimbursement (Less FY 15-16)			(15.00)
Total One-Time Revenues			<u>\$ (12.41)</u>
One-Time Expenditure Assumptions			
Expenditure			
Reverse FY 15-16 Set-Aside for Future Operating Costs			\$ (15.00)
Retirement Incentive Cost - Base Adjustment			4.50
La Sierra Loan Repayment in Full			1.36
FY 16-17 Set-Aside for Future Operating Costs			12.74
Total One-Time Expenditures			<u>\$ 3.60</u>

Riverside Community College District
FY 2016-17 FTES Planning
 as of April 27, 2016

	<u>FY 2015-16</u>
FTES Target	28,599.64
FTES Estimate as of April 12, 2016	<u>28,301.17</u>
FTES Target vs. Actual Difference	<u><u>(298.47)</u></u> *

* FTES Needed from Summer 2016 to Achieve FY 2015-16 FTES Target

298.7 FTES at \$4,723.59/FTES = \$1.41 million in FY 2015-16 which rolls into the base for FY 2016-17

	<u>FY 2016-17</u>	
Base Credit FTES	28,599.64	
FTES Growth	<u>783.63</u>	2.74%
Funded Credit FTES	29,383.27	
FTES Target	<u>29,578.89</u>	
Unfunded	<u><u>195.62</u></u>	0.67%

FTES Production for FY 2016-17

Growth FTES	783.63
Unfunded FTES	195.62
Summer 2016 Rolled to FY 2015-16	<u>298.47</u>
Total FTES Production	<u><u>1,277.72</u></u> *

FY 2016-2017 Target	29,578.89
FY 2015-2016 Actual FTES (As of April 12, 2016)	<u>28,301.17</u>
Total FTES Production	<u><u>1,277.72</u></u>

* Actual FY 2015-16 FTES Growth 616.76

783.63 FTES at \$5,042.43/FTES = \$3.95 million in FY 2016-17 (at growth rate)

298.47 FTES at \$5,042.43/FTES = \$1.51 million in FY 2016-17 **(at growth rate IF funded)**

298.47 FTES at \$4,723.59/FTES = \$1.41 million in FY 2016-17 - Rolled from FY 2015-16 (at base rate)

**Riverside Community College District
Retirement Incentive Plans**

<u>Incentive Plan</u>	<u>#</u>	<u>Amount</u>
PARS	52	\$ 3,973,582
PERS	13	567,000
STRS	<u>9</u>	<u>797,000</u>
Total	<u>74</u>	\$ 5,337,582
Existing Budget		<u>(846,060)</u>
Budget Aumentation		<u><u>\$ 4,491,522</u></u>
Under 65 Retiree Health Insurance		<u><u>\$ 1,000,000</u></u>

Employee Classification

Faculty	31
Staff	33
Admin	<u>10</u>
Total	<u>74</u>

Riverside Community College District Retirement Incentive Cost Example

	<u>Salary</u>
<u>Project Manager</u>	
Range R, Step LS2	\$ 87,924
Range R, Step 1	<u>68,736</u>
Annual Salary Budget Savings	<u>\$ 19,188</u> *
Final Salary	\$ 87,924
Retirement Incentive %	<u>80.00%</u>
Retirement Incentive Cost	<u>\$ 70,339</u>
Annual Health Insurance to 65 Yrs	\$ 35,182
Number of Years to age 65	<u>6</u>
	<u>\$ 211,092</u>

* There may be health insurance cost savings depending on the health plan selected by the new employee.

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES
Administrative Program Review Priorities - Operating Budget

I. Funded by Existing DO/DSS Budget Savings

A. Functional Area: Vice Chancellor of Human Resources and Employee Relations

- 1. Upgrade to People Admin System** **\$1,500**
Rationale: Funding required to provide for increased ongoing costs associated with an upgrade to the existing system. People Admin is used to manage district wide HR and recruitment processes. Current upgrade brings additional functionality to existing system.
- 2. Administrative Assistant I** **\$82,921**
Rationale: Position was lost during FY 2010-11 budget crisis. Work has been absorbed as much as possible by existing staff since then. Move to downtown office resulted in no staffing of the front reception area in HR. The work is bargaining unit work of CSEA and needs to be staffed by a CSEA member.
- 3. Human Resources Principal Analyst for Compensation & Classification** **\$114,125**
Rationale: As part of the goal to bring professional-level support to HR, there is a need to provide for overall management of our compensation and classification system, conduct job analysis, analyze/revise job descriptions, and related activities. These skill sets do not exist with current personnel.

B. Functional Area: Vice Chancellor of Strategic Planning and Educational Services

1. Institutional Reporting

- a. Cell phone service **\$1,100**
Rationale: Existing expense not currently budgeted.
- b. Wireless Service **\$500**
Rationale: Existing expense not currently budgeted.

2. Economic Development

- a. Match for Existing SBDC Grant **\$25,000**
Rationale: Providing match honors the commitment made in connection with obtaining the SBDC Grant.
- b. Lease for Corona Facility **\$25,000**
Rationale: The original lease on this facility was entered into with the City of Corona Redevelopment Agency at \$1 per year. All Redevelopment Agencies were eliminated several years ago along with the stream of revenue that funded redevelopment activities. The lease renewal is at market rates.

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES
Administrative Program Review Priorities - Operating Budget

C. Functional Area: Vice Chancellor of Business and Financial Services

1. Safety and Police Services

- a. CSUSB Dispatch Contract **\$13,344**
Rationale: The District contracts with California State University, San Bernardino for police dispatch services. This represents an increase to the annual contract for those services.

D. Functional Area: Chancellor

1. Center for Social Justice and Civil Liberties (CSJ&CL)

- a. Federal Work Study (FWS) Students **\$2,000**
Rationale: Increased hours of operation will provide greater access for the community and District constituency groups. FWS students are currently used to cost-effectively staff the CSJ&CL for a minimal number of hours. Increasing the number of FWS students will permit an expansion of the hours of operation and implement more programs, events and exhibits.
- b. HVAC Maintenance Contract **\$6,000**
Rationale: The CSJ&CL is now included in the district wide HVAC maintenance contract to protect and preserve art pieces, whereas previously, the CSJ&CL was not covered.

Total **\$271,490**

II. Funded by Base Budget Increase

A. Functional Area: Vice Chancellor of Strategic Planning and Educational Services

1. Distance Education

- a. Streaming Video Annual Support Fee **\$20,000**
Rationale: Streaming video is an integral component of the operation of Distance Education for the District's colleges. A budget for the annual streaming video cost has not previously been provided.

2. Grants

- a. Cloud-Based Pre-Award Database Tracking System **\$6,000**
Rationale: System will provide office of Grants with the ability to track grant proposals, generate reports, manipulate data, facilitate data management, and maintain systematic grant compliance.
- b. Subscription to Support Foundation Campaigns **\$1,500**
Rationale: Subscription will provide donor information to support fundraising efforts by the RCCD Foundation.

B. Functional Area: Vice Chancellor of Business and Financial Services

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES Administrative Program Review Priorities - Operating Budget

1. Information Technology and Learning Services

- a. Help Desk Support Technician **\$94,704**
 Rationale: The Information Technology Strategic Council (ITSC) ranked this position as its highest priority to provide assistance throughout the District. This position will allow IT to address increased service requests and provide coverage during leaves. IT used to have two Help Desk Support Technician positions but did not re-fill the vacant position when the former incumbent retired.

- b. Help Desk Software System Training **\$3,500**
 Rationale: The new Help Desk Support Technician will need to be trained to use the help desk software system.

- c. SharePoint Administrator **\$125,989**
 Rationale: This position was requested and approved by District Strategic Planning Council as a priority recruitment. It will permit the colleges to implement TracDat, Office 365 and SharePoint software in support of the colleges' strategic planning processes, including program review. Currently, IT does not have the personnel resources to support these systems at the level required for full implementation.

2. Safety and Police Services

- a. Senior Officers (two) **\$53,281**
 Rationale: These positions will address significant police coverage issues by providing experienced, senior officers at the Moreno Valley and Norco Colleges (one each). By this action, each college will have two Senior Officer positions assigned to it. This will in turn free-up reserve officers. In addition, it will permit event planning and other duties to be handled at the college. The cost presented above represents the General Fund portion only. The remainder is allocated to the Parking Fund.

- b. Hourly CSO Conversion to Permanent Part-Time **\$26,568**
 Rationale: Community Service Officers (CSO) currently work on an hourly basis. The work is bargaining unit work of CSEA and needs to be staffed by CSEA members. The cost presented above represents the General Fund portion only. The remainder is allocated to the Parking Fund.

C. Functional Area: Chief of Staff and Facilities Development

1. Strategic Communications and Institutional Advancement

- a. Enrollment Marketing **\$273,036**
 Rationale: The District Enrollment Management Committee approved establishing enrollment targets for FY 2016-17. To assist the colleges in achieving those targets, DEMC approved initiation of a comprehensive, aggressive marketing campaigns involving the colleges and the Strategic Communications & Relations office. Enrollment marketing funding will be allocated based on college and District office requests as follows: District - \$65,402; Moreno Valley College - \$86,750; Norco College - \$72,884; and Riverside City College - \$48,000.

Total **\$604,578**

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES
Administrative Program Review Priorities - Operating Budget

III. Funded by Redevelopment and Scheduled Maintenance Funds

A. Functional Area: Vice Chancellor of Human Resources and Employee Relations

- 1. Computers (for two new positions) **\$4,000****
Rationale: The two new Human Resources positions will need computers to perform their work.
- 2. Compliance Management Software **\$60,000****
Rationale: The current process for managing complaints is not compliant with requirements for the Office of Civil Rights.
- 3. People Admin Reporting Module Upgrade **\$14,550****
Rationale: The reporting module for the People Admin system was not purchased when the system was implemented. Human Resources must extract data manually from the system when reports are required. The reporting module will automate the process and provide greater efficiency when extracting data for decision-making purposes.

B. Functional Area: Vice Chancellor of Strategic Planning and Educational Services

1. Distance Education

- a. TV Production Equipment **\$5,000****
Rationale: The TV production equipment used in Distance Education is past its useful life and is no longer supported.

2. Institutional Research

- a. Laptop **\$1,700****
Rationale: Current laptop is past its useful life and is obsolete. The nature of the work that is being performed requires a powerful computer to use statistical and mapping software.

B. Functional Area: Vice Chancellor of Business and Financial Services

1. Risk Management

- a. Voice Alert System Module **\$5,000****
Rationale: This module will enhance the siren and voice alert systems at RCC and NC with the ability to automatically notify District personnel when the system is off-line or malfunctioning.
- b. ADA Remediation **\$1,000,000****
Rationale: This item will remediate ADA deficiencies discovered in the Gomez vs. RCC litigation in addition to items arising from routine maintenance and inspections, student and staff complaints, and regulatory notification. Remediation will include such items as accessibility, signage, and wayfinding. Funding for this item will be derived from the State Physical Plant and Instructional Support (Scheduled Maintenance) allocation.

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES
Administrative Program Review Priorities - Operating Budget

2. Safety and Police Services

- a. Segway Transportation Unit **\$7,499**
 Rationale: This item will increase patrol effectiveness.
- b. Mobile Data Computers (Two) **\$7,517**
 Rationale: These will provide greater IT capability to the officers on patrol by allowing them to access critical data from their vehicles.
- c. Medical AED Unit and First Responder Kit **\$1,820**
 Rationale: This item will increase first responder effectiveness and will provide life-saving tools in the field.
- d. Forced Entry Tools **\$1,476**
 Rationale: This item will allow officers to be self-sufficient in emergencies instead of having to wait for equipment to arrive.

3. Information Technology and Learning Services

- a. Laptops/Desktops for Network Staff **\$25,000**
 Rationale: Current computer equipment is outdated and end of life. Upgraded equipment is necessary to adequately monitor network equipment.
- b. Technology Infrastructure
 - i. Learning Management System **\$86,750**
 - ii. Email Archiving **\$80,000**
 - iii. Wireless Access Point Upgrades **\$250,000**
 - iv. Server Expansion **\$50,000**
 - v. Disk Storage Expansion **\$90,000**
 - vi. RCC NOC Fire Suppression Sys. Replacement **\$80,000**

Rationale: The above are prioritized items to maintain/enhance the District's network infrastructure. Learning Management System provides a consolidated library of training materials and other resources (#2 Priority of ITSC). Email Archiving provides unlimited email logging and archiving beyond 30-day backup retention provided by Office 365. Wireless Access Point Upgrades provides higher connection speed required of newer devices allowing users to maintain the critical connectivity they expect. Server Expansion allows for the replacement of District servers that cannot be virtualized and will complete the server upgrade requirements for the next several years. Disk Storage Expansion provides additional disk storage to keep up with the institution's data growth needs by securing data in the network operations centers. Fire Suppression System Replacement is required to be replaced because the existing fire panel is at end-of-life. This upgrade replaces the current Halon System with a new, less dangerous fire suppression system and brings the RCC Network Operation Center in line with those at Moreno Valley and Norco Colleges.

**4. Vice Chancellor/Vice Presidents of Business Services –
 Parking Lots/Streets**

\$640,000

Rationale: Due to the financial difficulties experienced by the Parking Fund, it is not a reliable source for parking lot/street maintenance. As an alternative, an allocation from the Redevelopment Fund is being proposed to provide funding for more extensive parking lot and street projects.

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES Administrative Program Review Priorities - Operating Budget

D. Functional Area: Chancellor/Chief of Staff and Facilities Development

1. Strategic Communications and Institutional Advancement

- a. MacBook Pro **\$2,500**
Rationale: Replaces the existing, end-of-life computer for the Senior Public Affairs Officer position.

- b. Laptop/Monitor **\$3,000**
Rationale: Replaces the existing, end-of-life computer for the Administrative Assistant IV position.

2. Creative/Web Services

- a. Laptop **\$3,000**
Rationale: Replaces the existing, end-of-life computer for the Web Applications Developer position.

- b. iPads (Two) **\$2,000**
Rationale: Replaces existing, outdated iPads in order to provide enhanced website testing capabilities.

- c. HP Blade Server and SAN **\$61,000**
Rationale: Replaces end-of-life intranet, web conferencing and web servers in addition to providing additional storage capabilities to handle increased volume of recorded video usage.

3. RCCD Foundation/Advancement

- a. Colleague Advancement and Membership Modules **\$13,000**
Rationale: Provides enhanced capabilities for donor, alumni and affiliated group record-keeping, donor acknowledgement, and other donor communications.

4. Administrative Support Center

- a. 1 Ton Cargo Van **\$20,000**
Rationale: Current truck is at end-of-life and insufficient for daily courier runs. Limited capacity forces multiple daily runs.

5. Center for Social Justice and Civil Liberties

- a. Facility Infrastructure
 - i. Repair Uneven Concrete **\$2,000**
 - ii. Reposition Lighting for Displays **\$5,000**

Rationale: Repairs a potential hazard in temporary exhibit space and provides lighting on vacant wall space.

- b. Microphones and Speakers **\$2,000**
Rationale: Provides the CSJ&CL with better communication capabilities during events.

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES
Administrative Program Review Priorities - Operating Budget

- c. Computers (Two) **\$4,000**
Rationale: Replaces end-of-life computers used in archives and collection development that were repurposed when the CSJ&CL opened.

- d. Collection Management Software and Training **\$6,500**
Rationale: Provides the ability to manage the CSJ&CL's collection, including collection items loaned to other entities.

- e. Server Storage **\$5,000**
Rationale: Provides the CSJ&CL with the ability to store the digitized images of the entire collection and related materials.

Total	<u>\$2,041,312</u>
Scheduled Maintenance Funds	\$1,000,000
Redevelopment Funds	<u>\$1,541,312</u>
Total	<u>\$2,541,312</u>

District Budget Advisory Council Meeting

Thursday, June 23, 2016, 2016 – RCCD Building, Conference Room 309

8:00 a.m. - 10:00 a.m.

AGENDA

- I. Welcome and Call to Order
- II. Approval of Minutes
 - A. May 20, 2016
- III. Budget Update
 - A. State/District Budget Update
 - B. Redevelopment Fund Allocation
 - C. General Operating Fund Allocation
 - D. Structural Budget Deficit/Budget Stability Plan (Subgroup Meeting)
- IV. Other
 - A. FY 2016-17 Meeting Schedule
- V. Next Meeting
 - A. Thursday, July 21, 2016 – 8:00AM to 10:00 AM at RCCD Building - Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting*

*May 20, 2016
RCCD Building - 309
8:00 a.m. - 10:00 a.m.*

MEETING MINUTES

Members Present

Aaron Brown	(District)
Majd Askar	(District)
Norm Godin	(Moreno Valley College)
Beth Gomez	(Norco College)
Sherrie DiSalvio	(Riverside City College – Proxy for VP Business Services)
Michael McQuead	(Moreno Valley College)
Rex Beck	(Norco College)
Mary Legner	(Riverside City College)
Peggy Campo	(District wide)
Erin Power	(Norco College)
Jennifer Lawson	(Riverside City College)
Gloria Aguilar	(District)
Rachelle Arispe	(Recorder)

Members Not Present

Nate Finney	(Moreno Valley College)
Jacquelyn Smith	(District wide – Student)

Guest(s) Present

Jim Buysse	(Riverside City College - Consultant)
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I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved, Legner moved and McQuead seconded approval of the minutes for April 29, 2016.

III. BUDGET UPDATE

A. State Budget Update

1. Brown provided a brief update regarding the State budget.

a. State revenues are down almost \$2 billion dollars from the Governor's projection in January. However, there will be no cuts to community college funding.

- b. RCCD's major student demographic is at a low unemployment rate of 2.4%; a general unemployment rate is at 5%. As unemployment lowers - enrollment decreases, as unemployment rises - enrollment rises. Unfortunately, the funding cycle does not match.
 - c. The sales tax increase under Prop 30 is scheduled to terminate at the end of 2016. An extension of the income tax increase for another 12 years is proposed.
 - d. The Governor's message is to, "prepare for a rainy day".
 - e. An apportionment historical graph was presented by Brown. It shows a surge in resources. However, starting in the FY 2017-18 it is anticipated that the District will be receiving only growth and COLA. RCCD is not achieving our FTES targets like we anticipated. Student Success, Scheduled Maintenance and Instructional Equipment funds are not included in Resource 1000 revenue.
 - f. On the expense side, are increases to the PERS rate to 13.89 and the STRS rate to 12.58 (used to be 8.25%). Between PERS and STRS, the increase is about \$1.5 million to our base expenditure level. By FY 2020-21 the rates are projected to increase to 20.4% for PERS and 19.1% for STRS.
2. Brown provided a brief update on the May Revision (Handout #1)
 - a. No COLA
 - b. Additional money for State Mandate Block Grant funds to \$2.6 million.
 - c. Deferred Maintenance and Instructional Equipment was decreased to \$219 million, \$5.3 million to RCCD.
 - i. The spend down on the Deferred Maintenance may be three years, not two years.
 - d. Prop 39 Energy Efficiency increase is \$100K.
 - e. Senate Sub-Committee budget meeting just took action on May 18, 2016 and agreed to restore the Part-Time Faculty Office Hours by \$3.66 million, increase the base proposed in the May Revision by \$10.29 million, and reduce the Instructional Equipment program by \$6.4 million, one-time.
 3. RCCD FY 2016-17 Tentative Budget (Handout #2)
 - a. Brown reviewed handout out, page 2 of the Project Budget Change Summary as of May 16, 2016.
 - b. Brown indicated that the goal for FY2015-16 was to achieve the target of 28,599.64. However, the district was short by 298

FTES. Therefore, the district must borrow from summer to fully fund the target amount. Borrowing for the shortage was approved by District Enrollment Management at the last meeting. RCCD will need to generate 1,278 FTES to cover the 298 shortage.

- i. Godin asked if more FTES could be borrowed, that way the district could receive more money. Brown responded that more could be borrowed, but it is a risk to the district since we will have to make-up the FTES in FY 2016-17 and there is no guarantee that we will be funded.
- c. Growth was increased to 2.74%.
 - i. Gomez suggested the FTES target be increased and discussed at Enrollment Management. Brown responded that he will be reviewing it.
- d. No full-time hiring is included in the May Revise.
- e. Lottery has been increased due to higher FTES and increased funding rates. (More information will be known during final budget.)
- f. An estimate has been included for part-time faculty, based on worksheet developed by Gomez and Power. A portion of augmentation is related to contractual increases and the remainder to enrollment increases.
- g. CSEA contract impact includes: 10 and 11 month positions moved to 12 months; confidential positions covered under the bargaining unit; professional growth; differential pay increase; CSEA release time; and compensation study.
 - i. Gomez inquired if grants offices have been notified of the 10 and 11 month change. Brown did not know.
- h. Health Benefit rates: Health Net estimate was at 9%, now 10.9% max, Kaiser estimate was 15%, now 13%, PPO estimate was at 10%. However, after Brown reviewed information from Keenan, an increase may not be needed which could save the district \$700K.
- i. Beck inquired on the retiree cost for health insurance. Brown responded that retirees over 65 can elect to be covered under the PPO plan. The retiree only pays a portion, and the district is paying a subsidy for the retirees to stay on the plan. However, the retirees are not paying enough to cover the cost retirees incur.
- j. Gomez inquired about the Cadillac Tax impact on the district. Brown responded that before the tax was suspended, it was estimated to be \$1.8 million in the first year.

- k. Health Insurance related to employees under the retiree incentive, age 55 through age 65, will cost the district approximately \$1 million.
 - l. One budget reduction strategy was put in place for employee benefits. Half of the funds are related to adjustments that occur through the normal process and the other half is from retirees aging out of the plan.
 - m. The Worker's Compensation program is doing very well with claims management. Currently the rate is at 1%. The rate will be lowered to .5%, which will save the general fund \$.5 million.
 - n. The property and general liability rate will be lowered from 1.89% to 1.2%, a savings to the general fund of approximately \$400k.
 - o. OPEB is estimated by establishing a rate that gets close to the \$250K minimum.
 - i. Gomez expressed concern that the \$250K minimum for retiree health is too low and wants to discuss further since the rates of health care continue to increase.
 - p. Legal expenses are still high and another \$100K has been added. Property and liability is probably half of the cost. Under consideration is transferring the cost to the self-insured general liability and property fund. Once a proposal is received from Michael Simmons, Director of Risk Management, an analysis will be completed and brought to the DBAC members for review and discussion.
 - q. Contracts and agreements have a small increase. The Budget office will provide the VP's of Business detail with the one-time expenses.
 - r. Scheduled Maintenance will be used for ADA remediation projects. If all of the funds are not used, the remaining funds will revert to the colleges. A determination will be made by January each year.
4. Retirement Incentive Plans and the Retirement Incentive Cost Example (Handout #4)
- a. The Retirement Incentive Plan total cost for 74 employees is \$5,337,582. A budget augmentation of \$4,491,522 is needed since \$846,060 was already existing in the budget.
 - b. Health insurance cost for retirees under 65 is \$1 million.
 - c. Employee Classification: Faculty 31, Staff 33, Administrative 10

- d. Brown reviewed an example of a new employee replacing a retiree. If an employee is hired at Step 1, and chooses the lowest health insurance there “could” be a health insurance cost savings in the amount of \$19K. However, in reality the health insurance is still more than the annual budget savings for the salary.
 - e. Brown proposed to members to allow the district to retain the savings to help pay for the \$5 million in health costs from the retirement incentive. The savings would help protect the bottom line district wide and help mitigate some of the \$2.5 million disconnect of ongoing costs.
 - f. Members were not receptive to the district retaining the savings and they were under the assumption that the colleges would get to retain the savings.
 - g. DiSalvio commented that RCC is not in agreement and that they have already calculated the savings for RCC.
 - h. Brown reminded the members that the retirement incentive was to retain the position, not the savings.
 - i. Godin suggested keeping the savings in a holding account until the budget is aligned. Gomez agreed with Godin’s suggestion.
 - j. Buysse inquired about the FON requirement. Brown responded that the original plan was to establish the Retirement Incentive date to provide for protection. He expressed concern about FON compliances when the district extended the Retirement Incentive end date.
5. District Administrative Program Review (DAPR) (Handout #5)
- a. Brown reminded members that the dates for DAPR were moved back in the year so the district could better align with the colleges activities and bring them forth to various bodies.
 - b. Brown reviewed the handout with members and told members that the priorities would be submitted for FY 2016-17.
 - c. Suggestion were made to change #1 title to “...DSS Budget Reallocation”.
 - d. Some concerns from members were:
 - i. Section I.A. – Functional Area: Vice Chancellor of Human Resources and Employee Relations, why can’t budget savings be used?
 - ii. Section II.A.1 – Distant Education, the annual support fee should be determined by a shared governance process or the general benefit.

- iii. Section III.D.5 – Center for Social Justice and Civil Liberties, why is it under the District?
 - iv. Section III.B.3.b.i – Learning Management System, what is it?
 - v. Section III.B.4 – Parking Lots/Streets, members requested detail for the \$640K. Brown commented that the parking fees are limited. A \$1 increase may be an option. Patrick Pyle, General Counsel, is researching the revenues or exceptions.
- e. Campos is concerned on the overall process of the program review, as the colleges program review takes a lot of time.
 - f. Brown explained that the items on the District Program review are most of the items on Handout #2. Brown commented that there is this perception that the district is getting more of a benefit than the colleges and that is not the case. Brown reminded members that the district is responding to external needs.
 - g. Brown is open to suggestions of a different process for Program Review.
 - h. Brown reminded members that Capital Outlay surcharge is used at the colleges for new equipment. The district does not receive any of those funds and the college get to carry over what has not been spent. Colleges also receive Instructional Equipment funds. The district does not.
 - i. Brown suggested for the VP's of Business to provide a proposal for using Operating funds and Redevelopment funds. Proposal to include: 1) allocations out of the general fund (a discretionary allocation), and 2) allocations that would be allowable under the Redevelopment funds. The VP's of Business will provide a proposal for discussion at the DBAC subgroup meeting.
 - i. Buysse reminded members that Redevelopment restrictions need to be discussed as there are parameters to use the funds.
 - ii. Brown remarked that the Chancellor has indicated that he would like to see the Redevelopment funds used for a large sustainability project.
 - j. Brown clarified that Section III of the Program Review is not part of the general operating funds. Section I and II are part of the general operating funds.
6. Structural Budget Deficit/Budget Stability Plan (Subgroup Meeting)

- a. Gomez suggested to postpone the Budget Stability Plan for the final budget since it still needs some work.
- b. Brown indicated that they want to work on the final numbers during the summer and see if they could include the 1%, if it is feasible.

IV. MEETING ADJOURNED AT 10:50 A.M.

V. FUTURE MEETING

- A. Next meeting Thursday, June 23, 2016 – 8:00 a.m. to 10:00 a.m. at the District Office Building – Executive Conference Room 309

From: Rodriguez, Mario <mrodriguez@CCCCO.EDU>
Sent: Friday, May 13, 2016 10:10 AM
To: SO2CBO@LISTSERV.CCCNEXT.NET
Subject: [External Sender] 2016-17 May Revision Update for CCC

Colleagues,

The Governor just released his 2016-17 May Revision, which includes an update of his projections, policies, and priorities outlined in his Governor's Budget released in January. Below is a brief analysis of the May Revision as it relates to the California Community Colleges. Please note the adjustments are ongoing unless otherwise noted as one-time.

Proposition 98

The 2016-17 Proposition 98 Minimum Guarantee increased from \$71.6 billion at Governor's Budget to \$71.9 billion at May Revision, however, 2015-16 decreased from \$69.2 billion at Governor's Budget to \$69.1 billion, which is still greater than the 2015-16 Budget Act estimate of \$68.4 billion. 2014-15 increased from \$66.7 billion to \$67.2 billion.

The May Revision maintains our 10.93% split for 2014-15, 2015-16, and 2016-17.

Apportionments

A \$75 million increase is proposed for a base increase. These funds will help colleges make up for the purchasing power lost during the recent recession and to help mitigate other cost increases on the horizon (pension, health care, campus safety, technology, etc.).

A \$38.6 million increase is proposed to cover lower than initially estimated 2015-16 property taxes. To the extent our property tax deficit is less than this amount at P2, these remaining funds will be allocated as one-time mandated costs payments. (One-time)

A \$29.3 million decrease is proposed to reflect a 0% COLA. This is a technical adjustment that is consistent with the K-12's statutory apportionment adjustment.

The May Revision maintains enrollment growth funding of 2%.

A \$29.2 million increase to retire prior mandate claims, which brings the new total to \$108.5 million. While these funds are unrestricted, language encourages these funds to be used to promote campus security, technology, and professional development.

Facilities

A \$70.1 million decrease for the Deferred Maintenance and Instructional Equipment program to help support other priorities contained in the May Revision. This lowers the total amount for the program to \$219.4 million. In addition, the cap for seismic retrofit projects is proposed to increase to \$646,000. (One-time)

A \$4.1 million increase for Proposition 39 energy efficiency projects. This increases the total amount for the program to \$49.3 million for the fourth year of the program.

Trailer bill language will also increase the Division of State Architect minimum project cost thresholds to \$100,000 for structural and \$225,000 for nonstructural. This proposal will improve efficiency by allowing more projects to be exempt from Division of State Architect approval.

Instructional

A \$300,000 increase for the Academic Senate to, in part, support implementing the Workforce Taskforce recommendations. These funds will also help support the great work our Academic Senate has done on various initiatives in recent years.

A \$3 million increase for a new program to support digital content on e-readers in state correctional facilities. This is a new program that is attempting to eliminate a potential barrier of success for incarcerated students.

A \$5 million increase for statewide activities necessary to support the Adult Education Block Grant program. These funds will be used to continue providing webinars, trainings, convenings, professional development, and technical assistance over the next three years. (One-time)

There are no changes to the Basic Skills Initiative program; however, the \$30 million increase provided at the Governor's Budget remains in the May Revision.

Technology

A \$20 million increase for the Online Education Initiative to support the development of courses in the Online Course Exchange. (One-time)

A \$5 million increase (Ongoing) and \$7 million (One-time) for the Telecommunications and Technology Infrastructure Program to support of 10 Gig circuits throughout the system. These circuits will be procured for and managed centrally to take advantage of our systems economies of scale.

There are no dollar changes to the zero-textbook cost degree proposal; however, the following changes to the program propose: (1) award amounts are decreased from a maximum of \$500,000 to a maximum of \$200,000 per grant, (2) financial sustainability of the degree is now a factor for consideration in the grant process, (3) faculty purview and compliance with ADA are now specifically mentioned, and (4) a start date of 2018-19 for these degrees to be offered is included.

Workforce

There are no dollar changes to the Strong Workforce Program; however, the May Revision proposes the following changes: (1) requires the Chancellor's Office to provide options for course approval to be completed in a half a year and one year, (2) requires the Chancellor's Office to provide options for curriculum to be portable once approved, (3) requires a 60%/40% (college/region) split of funding allocated to regions, (4) allows up to 60% of the funding received by the college to be used for ongoing purposes, and (5) makes maintenance of effort based on percent of CTE FTES to total FTES.

Other

The Compton Community College District's loans are proposed to be refinanced at 2.307%, which allows an opportunity for the district to reinvest in operation needs. The interest rate is the same as provided to two K-12 districts in the prior year's budget.

While the May Revision hasn't brought about a significant increase in resources to our system above the Governor's Budget, it's important to keep in mind we've still seen a significant increase above the 2015-16 Budget Act. As mentioned before, we are nearing the point when a normal economic expansion period should end; therefore, it's important to use the resources provided in this budget to position your college for the future.

Next steps in the budget process include a response by the Legislative Analyst's Office, review by the budget committees of each house, and a legislative conference committee to iron out differences between the two houses. It is expected that the budget will be approved and signed by the Governor prior to July 1, 2016. During this process, I'll continue to keep the system updated at key milestones.

Regards,
Mario Rodriguez
Acting Vice Chancellor
Finance and Facilities Division
CCC Chancellor's Office
(916) 324-9508
mrodriguez@cccco.edu

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Riverside Community College District
 Projected Budget Change Summary
 FY 2016-2017

Final as of
 05/16/2016

	FY 2015-2016	Projected	FY 2016-2017	
	Adopted	Changes	Projected	
	Budget	Budget	Budget	
<u>Ongoing Revenues</u>				
Apportionment	\$ 84.74	\$ 9.98	\$ 94.72	
Federal	0.19	-	0.19	
State - Other (Exclusive of Mandate Reimb)	29.85	-	29.85	
Local	46.47	0.38	46.85	
Other	0.37	-	0.37	
Total Ongoing Revenues	<u>\$ 161.62</u>	<u>\$ 10.36</u>	<u>\$ 171.98</u>	
<u>Ongoing Expenditures</u>				
Academic and Classified Salaries	\$ 103.97	\$ 8.59	\$ 112.56	
Employee Benefits	36.86	1.99	38.85	
Books and Supplies	2.22	-	2.22	
Services and Operating Expenses	20.38	1.58	21.96	
Capital Outlay	0.98	-	0.98	
Interfund	1.27	-	1.27	
Intrafund	0.50	-	0.50	
Total Ongoing Expenditures	<u>\$ 166.18</u>	<u>\$ 12.16</u>	<u>\$ 178.34</u>	
Ongoing Revenue and Expenditure Difference	<u>\$ (4.56)</u>	<u>\$ (1.80)</u>	<u>\$ (6.36)</u>	
<u>One-Time Revenues</u>				
State - Mandate Reimbursement	\$ 15.34	\$ (12.41)	\$ 2.93	
<u>One-Time Expenditures</u>				
One-Time Expenditures	<u>\$ 15.00</u>	<u>\$ 3.60</u>	<u>\$ 18.60</u>	
One-Time Revenue and Expenditure Difference	<u>\$ 0.34</u>	<u>\$ (16.01)</u>	<u>\$ (15.67)</u>	
Total Revenue and Expenditure Difference	<u>\$ (4.22)</u>	<u>\$ (17.81)</u>	<u>\$ (22.03)</u>	
Beginning Fund Balance	<u>14.67</u>		<u>33.49</u>	17.34%
Ending Fund Balance	\$ 10.45		\$ 11.46	
5% Ending Balance Requirement	<u>(10.45)</u>		<u>(11.46)</u>	
Budget (Shortfall) Excess	<u><u>\$ 0.00</u></u>		<u><u>\$ (0.00)</u></u>	

Riverside Community College District
 Projected Budget Change Summary
 FY 2016-17

Projection as of
 05/16/2016

	FY 15-16	FY 16-17	Change
Ongoing Revenue and Expenditure Analysis			
Resident Credit FTES (Actual/Target)	28,599.64	29,578.89	979.25
Resident Credit Funded	28,599.64	29,383.27	783.63
Unfunded FTES	-	195.62	
Unfunded %	0.00%	0.67%	
Ongoing Revenue Assumptions			
Apportionment (Ongoing Revenues)			
Access (New Growth Formula)	3.00%/3.88%	2.00%/2.74%	
FY 14-15 and 15-16 Additional			\$ 3.60
FY 16-17			3.95
RDA Revenue Deferral Reversal			1.13
COLA	1.02%	0.00%	-
Basic Allocation			1.80
Full-Time Faculty Hiring Positions			-
Deficit Factor	0.093%	0.055%	(0.50)
Total Apportionment			<u>\$ 9.98</u>
Local - Other (Various - Ongoing but Variable)			<u>\$ 0.38</u>
Total Ongoing Revenues			<u>\$ 10.36</u>
Ongoing Expenditure Assumptions			
Academic and Classified Salaries			
Full-Time Compensation (COLA 0.00% and Contract 2.00%)	4.02%	2.00%	\$ 1.78
Part-Time Compensation (COLA 0.00% and Contract 2.50%)	5.02%	2.50%	0.85
Part-Time Compensation (Enrollment Growth)			1.79
Impact of CSEA Contract (Besides Contractual Salary Increase)			0.36
Step/Column/Prof Growth/Other			0.99
Administrator Position Elimination (AVCs, Econ Dev and Educ Serv)			(0.38)
Sabbatical Leave Backfill			0.21
New FT Faculty (20 @ \$124k)			2.80
New Classified Positions (RCC - AST and RCC - Sports Info Dir)			0.19
Total Academic and Classified Salaries			<u>\$ 8.59</u>
Employee Benefits			
Health Insurance - Active and Over 65 Retirees	2.00%/43.28%	9.00%/15.00%	\$ 1.37
Health Insurance - Under 65 Retirees			1.00
Employee Benefits - Adjustments and Budget Reduction Strategy (N/A	3.00%	(1.12)
Workers' Compensation	1.00%	0.50%	(0.53)
Property and General Liability	1.89%	1.20%	(0.40)
PERS	11.847%	13.887%	0.39
STRS	10.73%	12.58%	1.28
Total Employee Benefits			<u>\$ 1.99</u>
Service and Operating Expenses			
Election Costs - "On Year"			\$ 0.30
District Administrative Program Review			0.60
OPEB - GASB 45 Funding Plan	0.30%	0.20%	(0.05)
New Facilities (RCC Kane SS - \$250K & CSA/CAADO - \$50K)			0.30
Utilities			0.20
Legal Expense			0.10
Contracts/Agreements			0.05
Miscellaneous Adjustments			0.08
Total Services and Operating Expenses			<u>\$ 1.58</u>
Total Ongoing Expenditures			<u>\$ 12.16</u>
One-Time Revenue Assumptions			
State - Other (One-Time Revenues)			
State Mandate Reimbursement (FY 16-17)			\$ 2.59
State Mandate Reimbursement (Less FY 15-16)			(15.00)
Total One-Time Revenues			<u>\$ (12.41)</u>
One-Time Expenditure Assumptions			
Expenditure			
Reverse FY 15-16 Set-Aside for Future Operating Costs			\$ (15.00)
Retirement Incentive Cost - Base Adjustment			4.50
La Sierra Loan Repayment in Full			1.36
FY 16-17 Set-Aside for Future Operating Costs			12.74
Total One-Time Expenditures			<u>\$ 3.60</u>

Riverside Community College District
FY 2016-17 FTES Planning
 as of April 27, 2016

	FY 2015-16
FTES Target	28,599.64
FTES Estimate as of April 12, 2016	28,301.17
FTES Target vs. Actual Difference	(298.47) *

* FTES Needed from Summer 2016 to Achieve FY 2015-16 FTES Target

298.7 FTES at \$4,723.59/FTES = \$1.41 million in FY 2015-16 which rolls into the base for FY 2016-17

	FY 2016-17	
Base Credit FTES	28,599.64	
FTES Growth	783.63	2.74%
Funded Credit FTES	29,383.27	
FTES Target	29,578.89	
Unfunded	195.62	0.67%

FTES Production for FY 2016-17

Growth FTES	783.63
Unfunded FTES	195.62
Summer 2016 Rolled to FY 2015-16	298.47
Total FTES Production	1,277.72 *

FY 2016-2017 Target	29,578.89
FY 2015-2016 Actual FTES (As of April 12, 2016)	28,301.17
Total FTES Production	1,277.72

* Actual FY 2015-16 FTES Growth 616.76

783.63 FTES at \$5,042.43/FTES = \$3.95 million in FY 2016-17 (at growth rate)

298.47 FTES at \$5,042.43/FTES = \$1.51 million in FY 2016-17 **(at growth rate IF funded)**

298.47 FTES at \$4,723.59/FTES = \$1.41 million in FY 2016-17 - Rolled from FY 2015-16 (at base rate)

**Riverside Community College District
Retirement Incentive Plans**

<u>Incentive Plan</u>	<u>#</u>	<u>Amount</u>
PARS	52	\$ 3,973,582
PERS	13	567,000
STRS	<u>9</u>	<u>797,000</u>
Total	<u>74</u>	\$ 5,337,582
Existing Budget		<u>(846,060)</u>
Budget Aumentation		<u><u>\$ 4,491,522</u></u>
Under 65 Retiree Health Insurance		<u><u>\$ 1,000,000</u></u>

Employee Classification

Faculty	31
Staff	33
Admin	<u>10</u>
Total	<u>74</u>

Riverside Community College District Retirement Incentive Cost Example

	<u>Salary</u>
<u>Project Manager</u>	
Range R, Step LS2	\$ 87,924
Range R, Step 1	<u>68,736</u>
Annual Salary Budget Savings	<u>\$ 19,188</u> *
Final Salary	\$ 87,924
Retirement Incentive %	<u>80.00%</u>
Retirement Incentive Cost	<u>\$ 70,339</u>
Annual Health Insurance to 65 Yrs	\$ 35,182
Number of Years to age 65	<u>6</u>
	<u>\$ 211,092</u>

* There may be health insurance cost savings depending on the health plan selected by the new employee.

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES Administrative Program Review Priorities - Operating Budget

I. Funded by Existing DO/DSS Budget Savings

A. Functional Area: Vice Chancellor of Human Resources and Employee Relations

1. **Upgrade to People Admin System** **\$1,500**
Rationale: Funding required to provide for increased ongoing costs associated with an upgrade to the existing system. People Admin is used to manage district wide HR and recruitment processes. Current upgrade brings additional functionality to existing system.

2. **Administrative Assistant I** **\$82,921**
Rationale: Position was lost during FY 2010-11 budget crisis. Work has been absorbed as much as possible by existing staff since then. Move to downtown office resulted in no staffing of the front reception area in HR. The work is bargaining unit work of CSEA and needs to be staffed by a CSEA member.

3. **Human Resources Principal Analyst for Compensation & Classification** **\$114,125**
Rationale: As part of the goal to bring professional-level support to HR, there is a need to provide for overall management of our compensation and classification system, conduct job analysis, analyze/revise job descriptions, and related activities. These skill sets do not exist with current personnel.

B. Functional Area: Vice Chancellor of Strategic Planning and Educational Services

1. Institutional Reporting

- a. Cell phone service **\$1,100**
Rationale: Existing expense not currently budgeted.

- b. Wireless Service **\$500**
Rationale: Existing expense not currently budgeted.

2. Economic Development

- a. Match for Existing SBDC Grant **\$25,000**
Rationale: Providing match honors the commitment made in connection with obtaining the SBDC Grant.

- b. Lease for Corona Facility **\$25,000**
Rationale: The original lease on this facility was entered into with the City of Corona Redevelopment Agency at \$1 per year. All Redevelopment Agencies were eliminated several years ago along with the stream of revenue that funded redevelopment activities. The lease renewal is at market rates.

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES Administrative Program Review Priorities - Operating Budget

C. Functional Area: Vice Chancellor of Business and Financial Services

1. Safety and Police Services

- a. CSUSB Dispatch Contract **\$13,344**
Rationale: The District contracts with California State University, San Bernardino for police dispatch services. This represents an increase to the annual contract for those services.

D. Functional Area: Chancellor

1. Center for Social Justice and Civil Liberties (CSJ&CL)

- a. Federal Work Study (FWS) Students **\$2,000**
Rationale: Increased hours of operation will provide greater access for the community and District constituency groups. FWS students are currently used to cost-effectively staff the CSJ&CL for a minimal number of hours. Increasing the number of FWS students will permit an expansion of the hours of operation and implement more programs, events and exhibits.
- b. HVAC Maintenance Contract **\$6,000**
Rationale: The CSJ&CL is now included in the district wide HVAC maintenance contract to protect and preserve art pieces, whereas previously, the CSJ&CL was not covered.

Total **\$271,490**

II. Funded by Base Budget Increase

A. Functional Area: Vice Chancellor of Strategic Planning and Educational Services

1. Distance Education

- a. Streaming Video Annual Support Fee **\$20,000**
Rationale: Streaming video is an integral component of the operation of Distance Education for the District's colleges. A budget for the annual streaming video cost has not previously been provided.

2. Grants

- a. Cloud-Based Pre-Award Database Tracking System **\$6,000**
Rationale: System will provide office of Grants with the ability to track grant proposals, generate reports, manipulate data, facilitate data management, and maintain systematic grant compliance.
- b. Subscription to Support Foundation Campaigns **\$1,500**
Rationale: Subscription will provide donor information to support fundraising efforts by the RCCD Foundation.

B. Functional Area: Vice Chancellor of Business and Financial Services

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES

Administrative Program Review Priorities - Operating Budget

1. Information Technology and Learning Services

- a. Help Desk Support Technician **\$94,704**
Rationale: The Information Technology Strategic Council (ITSC) ranked this position as its highest priority to provide assistance throughout the District. This position will allow IT to address increased service requests and provide coverage during leaves. IT used to have two Help Desk Support Technician positions but did not re-fill the vacant position when the former incumbent retired.

- b. Help Desk Software System Training **\$3,500**
Rationale: The new Help Desk Support Technician will need to be trained to use the help desk software system.

- c. SharePoint Administrator **\$125,989**
Rationale: This position was requested and approved by District Strategic Planning Council as a priority recruitment. It will permit the colleges to implement TracDat, Office 365 and SharePoint software in support of the colleges' strategic planning processes, including program review. Currently, IT does not have the personnel resources to support these systems at the level required for full implementation.

2. Safety and Police Services

- a. Senior Officers (two) **\$53,281**
Rationale: These positions will address significant police coverage issues by providing experienced, senior officers at the Moreno Valley and Norco Colleges (one each). By this action, each college will have two Senior Officer positions assigned to it. This will in turn free-up reserve officers. In addition, it will permit event planning and other duties to be handled at the college. The cost presented above represents the General Fund portion only. The remainder is allocated to the Parking Fund.

- b. Hourly CSO Conversion to Permanent Part-Time **\$26,568**
Rationale: Community Service Officers (CSO) currently work on an hourly basis. The work is bargaining unit work of CSEA and needs to be staffed by CSEA members. The cost presented above represents the General Fund portion only. The remainder is allocated to the Parking Fund.

C. Functional Area: Chief of Staff and Facilities Development

1. Strategic Communications and Institutional Advancement

- a. Enrollment Marketing **\$273,036**
Rationale: The District Enrollment Management Committee approved establishing enrollment targets for FY 2016-17. To assist the colleges in achieving those targets, DEMC approved initiation of a comprehensive, aggressive marketing campaigns involving the colleges and the Strategic Communications & Relations office. Enrollment marketing funding will be allocated based on college and District office requests as follows: District - \$65,402; Moreno Valley College - \$86,750; Norco College - \$72,884; and Riverside City College - \$48,000.

Total **\$604,578**

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES **Administrative Program Review Priorities - Operating Budget**

III. Funded by Redevelopment and Scheduled Maintenance Funds

A. Functional Area: Vice Chancellor of Human Resources and Employee Relations

- 1. Computers (for two new positions) **\$4,000****
Rationale: The two new Human Resources positions will need computers to perform their work.

- 2. Compliance Management Software **\$60,000****
Rationale: The current process for managing complaints is not compliant with requirements for the Office of Civil Rights.

- 3. People Admin Reporting Module Upgrade **\$14,550****
Rationale: The reporting module for the People Admin system was not purchased when the system was implemented. Human Resources must extract data manually from the system when reports are required. The reporting module will automate the process and provide greater efficiency when extracting data for decision-making purposes.

B. Functional Area: Vice Chancellor of Strategic Planning and Educational Services

1. Distance Education

- a. TV Production Equipment **\$5,000****
Rationale: The TV production equipment used in Distance Education is past its useful life and is no longer supported.

2. Institutional Research

- a. Laptop **\$1,700****
Rationale: Current laptop is past its useful life and is obsolete. The nature of the work that is being performed requires a powerful computer to use statistical and mapping software.

B. Functional Area: Vice Chancellor of Business and Financial Services

1. Risk Management

- a. Voice Alert System Module **\$5,000****
Rationale: This module will enhance the siren and voice alert systems at RCC and NC with the ability to automatically notify District personnel when the system is off-line or malfunctioning.

- b. ADA Remediation **\$1,000,000****
Rationale: This item will remediate ADA deficiencies discovered in the Gomez vs. RCC litigation in addition to items arising from routine maintenance and inspections, student and staff complaints, and regulatory notification. Remediation will include such items as accessibility, signage, and wayfinding. Funding for this item will be derived from the State Physical Plant and Instructional Support (Scheduled Maintenance) allocation.

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES
Administrative Program Review Priorities - Operating Budget

2. Safety and Police Services

- a. Segway Transportation Unit **\$7,499**
 Rationale: This item will increase patrol effectiveness.
- b. Mobile Data Computers (Two) **\$7,517**
 Rationale: These will provide greater IT capability to the officers on patrol by allowing them to access critical data from their vehicles.
- c. Medical AED Unit and First Responder Kit **\$1,820**
 Rationale: This item will increase first responder effectiveness and will provide life-saving tools in the field.
- d. Forced Entry Tools **\$1,476**
 Rationale: This item will allow officers to be self-sufficient in emergencies instead of having to wait for equipment to arrive.

3. Information Technology and Learning Services

- a. Laptops/Desktops for Network Staff **\$25,000**
 Rationale: Current computer equipment is outdated and end of life. Upgraded equipment is necessary to adequately monitor network equipment.
- b. Technology Infrastructure
 - i. Learning Management System **\$86,750**
 - ii. Email Archiving **\$80,000**
 - iii. Wireless Access Point Upgrades **\$250,000**
 - iv. Server Expansion **\$50,000**
 - v. Disk Storage Expansion **\$90,000**
 - vi. RCC NOC Fire Suppression Sys. Replacement **\$80,000**

Rationale: The above are prioritized items to maintain/enhance the District's network infrastructure. Learning Management System provides a consolidated library of training materials and other resources (#2 Priority of ITSC). Email Archiving provides unlimited email logging and archiving beyond 30-day backup retention provided by Office 365. Wireless Access Point Upgrades provides higher connection speed required of newer devices allowing users to maintain the critical connectivity they expect. Server Expansion allows for the replacement of District servers that cannot be virtualized and will complete the server upgrade requirements for the next several years. Disk Storage Expansion provides additional disk storage to keep up with the institution's data growth needs by securing data in the network operations centers. Fire Suppression System Replacement is required to be replaced because the existing fire panel is at end-of-life. This upgrade replaces the current Halon System with a new, less dangerous fire suppression system and brings the RCC Network Operation Center in line with those at Moreno Valley and Norco Colleges.

**4. Vice Chancellor/Vice Presidents of Business Services -
 Parking Lots/Streets**

\$640,000

Rationale: Due to the financial difficulties experienced by the Parking Fund, it is not a reliable source for parking lot/street maintenance. As an alternative, an allocation from the Redevelopment Fund is being proposed to provide funding for more extensive parking lot and street projects.

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES

Administrative Program Review Priorities - Operating Budget

D. Functional Area: Chancellor/Chief of Staff and Facilities Development

1. Strategic Communications and Institutional Advancement

- a. MacBook Pro **\$2,500**
Rationale: Replaces the existing, end-of-life computer for the Senior Public Affairs Officer position.

- b. Laptop/Monitor **\$3,000**
Rationale: Replaces the existing, end-of-life computer for the Administrative Assistant IV position.

2. Creative/Web Services

- a. Laptop **\$3,000**
Rationale: Replaces the existing, end-of-life computer for the Web Applications Developer position.

- b. iPads (Two) **\$2,000**
Rationale: Replaces existing, outdated iPads in order to provide enhanced website testing capabilities.

- c. HP Blade Server and SAN **\$61,000**
Rationale: Replaces end-of-life intranet, web conferencing and web servers in addition to providing additional storage capabilities to handle increased volume of recorded video usage.

3. RCCD Foundation/Advancement

- a. Colleague Advancement and Membership Modules **\$13,000**
Rationale: Provides enhanced capabilities for donor, alumni and affiliated group record-keeping, donor acknowledgement, and other donor communications.

4. Administrative Support Center

- a. 1 Ton Cargo Van **\$20,000**
Rationale: Current truck is at end-of-life and insufficient for daily courier runs. Limited capacity forces multiple daily runs.

5. Center for Social Justice and Civil Liberties

- a. Facility Infrastructure
 - i. Repair Uneven Concrete **\$2,000**
 - ii. Reposition Lighting for Displays **\$5,000**

Rationale: Repairs a potential hazard in temporary exhibit space and provides lighting on vacant wall space.

- b. Microphones and Speakers **\$2,000**
Rationale: Provides the CSJ&CL with better communication capabilities during events.

DISTRICT OFFICE & DISTRICT SUPPORT SERVICES
Administrative Program Review Priorities - Operating Budget

- c. Computers (Two) **\$4,000**
Rationale: Replaces end-of-life computers used in archives and collection development that were repurposed when the CSJ&CL opened.

- d. Collection Management Software and Training **\$6,500**
Rationale: Provides the ability to manage the CSJ&CL's collection, including collection items loaned to other entities.

- e. Server Storage **\$5,000**
Rationale: Provides the CSJ&CL with the ability to store the digitized images of the entire collection and related materials.

Total	<u>\$2,041,312</u>
Scheduled Maintenance Funds	\$1,000,000
Redevelopment Funds	<u>\$1,541,312</u>
Total	<u>\$2,541,312</u>



FY 2016-2017 TENTATIVE BUDGET

June 14, 2016



Riverside Community College District 2016-2017 Tentative Budget

Riverside Community College District has adopted an approach to the Tentative Budget which yields a modified, continuing resolution budget. Thus, the Tentative Budget for fiscal 2017 reflects a continuation of the adopted FY 2015-2016 Budget, with certain modifications as described on the subsequent pages.



**GOVERNOR'S BUDGET PROPOSAL
COMMUNITY COLLEGE SYSTEM
AND
RIVERSIDE COMMUNITY COLLEGE DISTRICT
AS OF
"MAY REVISE"**



FY 2016-2017 Governor's Budget Proposal

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(In Millions)

Unrestricted Ongoing Revenues

	<u>State</u>	<u>RCCD</u>
Access (2%/2.84% - Equals 812 Credit FTES)	\$ 114.7	\$ 4.1
COLA (0.0%)	-	-
Basic Allocation Increase	75.0	1.8
Full-Time Faculty Hiring	-	-
Total Unrestricted Ongoing Revenues	<u>\$ 189.7</u>	<u>\$ 5.9</u>

Unrestricted One-Time Revenues

State Mandate Block Grant	<u>\$ 108.5</u>	<u>\$ 2.6</u>
Total Unrestricted Revenues	<u><u>\$ 298.2</u></u>	<u><u>\$ 8.5</u></u>



FY 2016-2017 Governor's Budget Proposal

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June 14, 2016
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(In Millions)

Restricted Revenues

	State	RCCD
Proposition 39 - Energy Efficiency	\$ 10.5	\$ 0.3
Deferred Maintenance & Instructional Equipment*	219.4	5.3
Student Success and Student Equity (No Increase)	-	-
Total Restricted Revenues	<u>\$ 229.9</u>	<u>\$ 5.6</u>

*Of the \$219.4 million allocation, approximately \$190 million represents ongoing resources.



FY 2016-2017 Governor's Budget Proposal

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June 14, 2016
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(In Millions)

<u>Other</u>	<u>State</u>
Academic Senate	\$ 0.3
Strong Workforce Program	200.0
Career Technical Education Pathways (SB 1070)	48.0
Cal Grant	39.0
Basic Skills Program	30.0
Innovation Awards	25.0
Zero-Textbook-Cost Degrees	5.0
Institutional Effectiveness - Implementing Statewide Performance Strategies	10.0
Data Security - Telecommunications & Technology Infrastructure Program	15.0
Apprenticeship Program	1.8
E-Reader Digital Context - State Corrections/Facilities	3.0
Adult Education Block Grant Support	5.0
Online Education Initiative	20.0
Total Other	<u>\$ 402.1</u>



FY 2015-2016 ENDING BALANCE ESTIMATE



FY 2015–2016 Credit FTES Projections

Base FTES	26,882.83
Growth/Access at P2 (Planned 1,030 at 3.81%; Actual 6.39%)	<u>1,716.81</u>
Total Funded FTES	28,599.64
Actual FTES*	<u>28,599.64</u>
Total Unfunded FTES	<u><u>-</u></u>
Unfunded FTES %	<u><u>0.0 %</u></u>

* Actual FTES is projected to be lower than the District's revised FTES Target by 421 FTES as of May 20, 2016. Because there is approximately \$24 million of undistributed apportionment as of P1 and the District's colleges believe they can generate additional FTES in an efficient manner in FY 2016-17, the District Enrollment Management Committee approved rolling back 421 FTES from Summer 2016 to FY 2015-16.



FY 2015-16 Revenues

(In Millions)

Adopted Budget	<u>\$ 176.97</u>
FY 2014-15 Apportionment (-174 FTES + Deficit Elimination)	\$ (1.01)
FY 2015-16 Additional Growth Funding (617 FTES)	4.35
RDA Revenue Deferral - State Chancellor's Office Directive	(1.13)
Board Financial Assistance Program - Restricted/Unrestricted Correction	(0.95)
Lottery	0.24
Other	<u>0.03</u>
Total Revenue Adjustments	<u>\$ 1.53</u>
Net Revenues	<u>\$ 178.50</u>



FY 2015-16 Expenditures

(In Millions)

Adopted Budget	<u>\$ 181.19</u>
Estimated Budget Savings:	
Salaries and Benefits	\$ 1.90
Supplies and Services*	19.15
Capital Outlay	<u>0.46</u>
Total Expenditure Budget Savings	<u>\$ 21.51</u>
Net Expenditures	<u>\$ 159.68</u>
Net Current Year Estimated Surplus	\$ 18.82
Beginning Balance at July 1, 2015	<u>14.67</u>
Estimated Ending Balance at June 30, 2016*	<u><u>\$ 33.49</u></u>
Estimated Ending Balance Percentage	<u><u>17.34%</u></u>

* Included in this balance is \$15 million of one-time State Mandate Block Grant funds that were set-aside in FY 2015-16 for future years as a hedge against increasing costs and revenue reductions.



As of the first principle apportionment measurement period (P1), the Chancellor's Office applied a system wide deficit of 1.22% against apportionment. This equates to \$71.15 million for the system and \$1.88 million for RCCD. This is primarily a result of county property tax estimates in April 2016. Over the past several years, and since the dissolution of Redevelopment Agencies, deficits estimated by the Chancellor's Office have been higher at P1. They are subsequently reduced at P2 and at the recalculation dates as property taxes are collected and reported. The Governor's "May Revise" Budget Proposal includes \$36 million to address a property tax shortfall. For purposes of the Tentative Budget, .25% has been used as an estimated deficit factor in case the "May Revise" set aside is not sufficient to cover the entire property tax shortfall.



FY 2016-2017 TENTATIVE BUDGET



FY 2016-2017 Credit FTES Projections

Base FTES	28,599.64
Growth/Access (System 2.00%; RCCD 2.84%)	<u>812.23</u>
Total Funded FTES	29,411.87
Unfunded FTES (.57%)	<u>167.02</u>
FTES Target	<u><u>29,578.89</u></u>

FTES Production for FY 2016-17

Growth	812.23
Unfunded	167.02
Summer 2016 Rolled to FY 2015-16	<u>421.44</u>
	<u><u>1,400.69</u></u>



FY 2016-2017 Ongoing Revenue Budget

(In Millions)

Beginning Ongoing Revenue Budget	<u>\$ 161.62</u>
FY 2014-15 Apportionment Increase	\$ (0.75)
FY 2015-16 Apportionment Increase	4.35
FY 2016-17 Apportionment:	
COLA (0.0%)	-
Access (2.84%)	4.13
Deficit (.55%)	(0.53)
Base Allocation Increase	1.80
Full-Time Faculty Hiring	-
RDA Revenue Deferral Reversal	1.13
Other	<u>0.38</u>
Total Ongoing Revenue Budget Adjustments	<u>\$ 10.51</u>
Total Ongoing Revenue Budget	<u>\$ 172.13</u>



FY 2016-2017 Ongoing Expenditure Budget

Backup
June 14, 2016
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(In Millions)

Beginning Expenditure Budget	<u>\$ 166.18</u>
Compensation Adjustments:	
COLA + Contract for Full-time Salaries (2.00%)	\$ 1.78
COLA + Contract for Part-time Faculty Salaries (2.50%)	0.85
Enrollment Growth - Part-time Faculty and Overload	1.79
CSEA Bargaining Unit Agreement Settlement	0.36
Step/Column/Growth/Placement/Classification/Other	0.82
Employee Benefits	1.99
New Full-Time Faculty Positions (20)	2.80
Contracts and Agreements	0.05
New Full-time Classified Positions	0.47
Enrollment Marketing	0.27



FY 2016-2017 Ongoing Expenditure Budget (continued)

(In Millions)

Utilities	0.20
New Facilities Operating Costs (RCC Kane and CAADO/CSA)	0.30
Legal Expense	0.10
Election Cost	0.30
Other	0.08
Total Ongoing Expenditure Budget Adjustments	<u>\$ 12.16</u>
Total Ongoing Expenditure Budget	<u>\$ 178.34</u>
Net Ongoing Budget Shortfall	<u><u>\$ (6.21)</u></u>



FY 2016-2017 Tentative Budget

(In Millions)

FY 2016-17 One-Time Revenue Budget

Beginning Revenue Budget	\$ 15.34
FY 2015-2016 State Mandate Block Grant Reversal	(15.00)
FY 2016-2017 State Mandate Block Grant	2.59
Total One-Time Revenue Budget	<u>\$ 2.93</u>

FY 2016-17 One-Time Expenditure Budget

Beginning Expenditure Budget	\$ 15.00
Retirement Incentive Funding Cost	4.50
La Sierra Loan Payoff	1.36
Net Adjustment to Set-Aside for Future Operating Costs	(2.12)
Total One-Time Expenditure Budget	<u>\$ 18.74</u>
Net One-Time Budget (Shortfall)	<u><u>\$ (15.81)</u></u>



Summary

(In Millions)

Net Ongoing Budget Shortfall	\$ (6.21)
Net One-Time Budget Shortfall	<u>(15.81)</u>
Total Difference	\$ (22.02)
Estimated Beginning Balance at July 1, 2016	<u>33.49</u>
Total Available Funds	\$ 11.47
Less, 5% Ending Balance Target	<u>(11.47)</u>
Budget (Shortfall) Surplus	<u><u>\$ -</u></u>



FY 2016-2017 BUDGET DEVELOPMENT ISSUES



FY 2016-2017 Budget Development Issues

- ❑ **Governor's Budget Proposal/May Revise**
 - Will it hold or will there be changes?
- ❑ **Enrollment**
 - Will we achieve our enrollment target? In an efficient manner?
- ❑ **FY 2015-16 Results**
 - Will our FTES be fully funded?
 - Will we realize projected budget savings?
 - Will the property tax shortfall set-aside be sufficient to eliminate the apportionment deficit?



FY 2016-2017 Budget Development Issues

(continued)

❑ **Ongoing Budget Shortfall**

- The year-over-year ongoing budget shortfall still persists, wherein ongoing budgeted expenditures exceed ongoing budgeted revenues.
- The District Budget Advisory Council continues to work on this issue.

❑ **Other General Funds**

- Parking, Community Education, Customized Solutions and Performance Riverside continue to show accumulated deficits, ultimately impacting the General Operating Fund.



HISTORICAL BUDGET INFORMATION



Contingency History

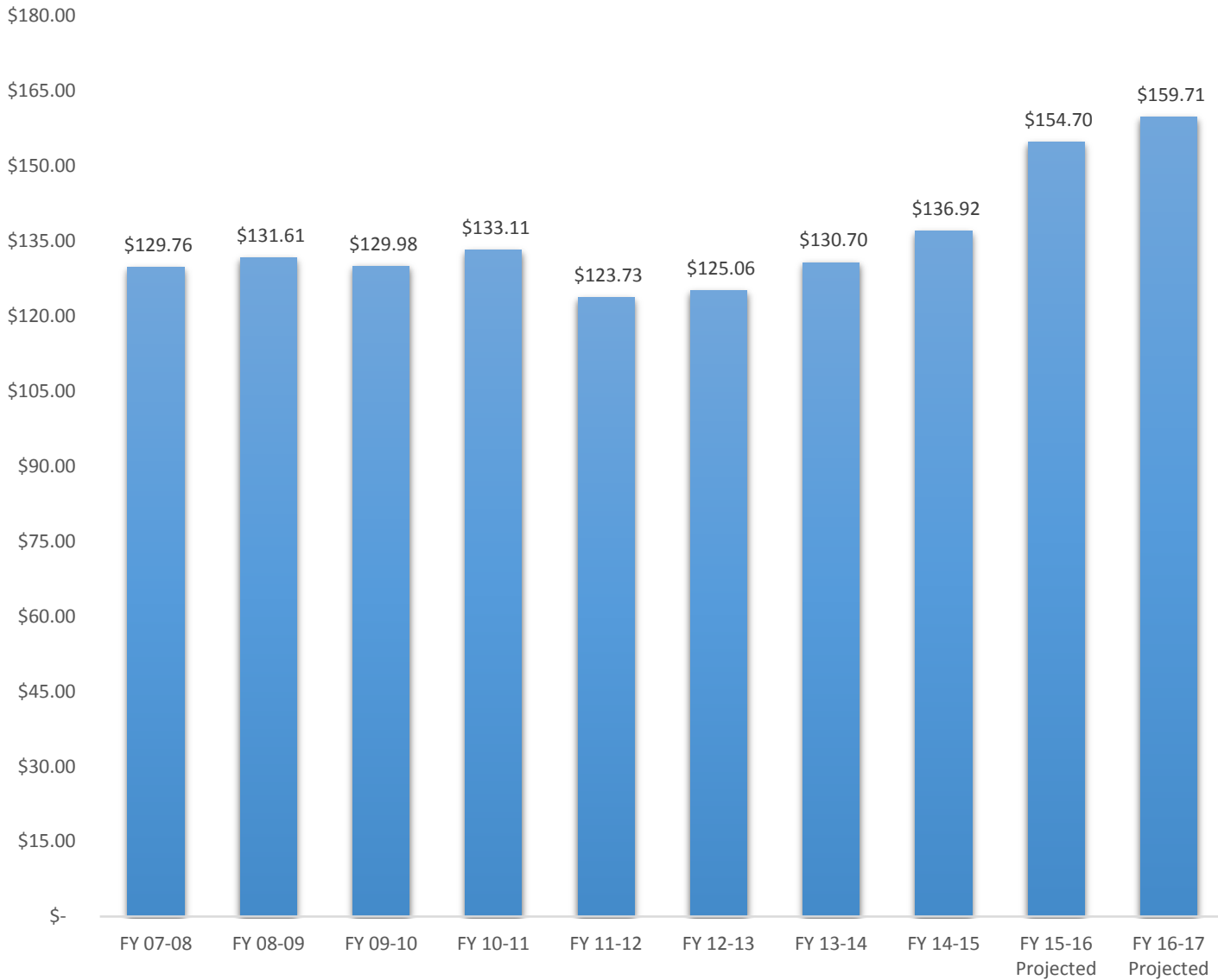
FY	Adopted Contingency Balance	% of Avaliable Funds	Ending Fund Balance	% of Avaliable Funds
2015-16*	\$ 10,447,116	5.45%	\$ 33,490,550**	17.34%
2014-15	\$ 7,801,811	4.28%	\$ 14,131,331	8.82%
2013-14	\$ 6,358,532	4.23%	\$ 12,743,536	7.65%
2012-13	\$ 4,560,030	3.23%	\$ 11,407,409	7.95%
2011-12	\$ 5,840,447	3.94%	\$ 6,805,919	4.73%
2010-11	\$ 8,729,056	5.60%	\$ 13,217,249	8.48%
2009-10	\$ 8,391,878	5.50%	\$ 11,253,316	7.22%
2008-09	\$ 12,566,801	7.68%	\$ 13,903,627	8.74%
2007-08	\$ 9,423,484	6.14%	\$ 19,259,076	12.37%

*Estimate

**Includes \$15 million of one-time State Mandate Block Grant funds set-aside for future years as a hedge against increasing costs such as PERS, STRS, health insurance, Bargaining Unit Contract increases, retirement incentive costs and revenue reductions. Without the one-time funds, the ending fund balance would be \$18,490,550 (9.57%).

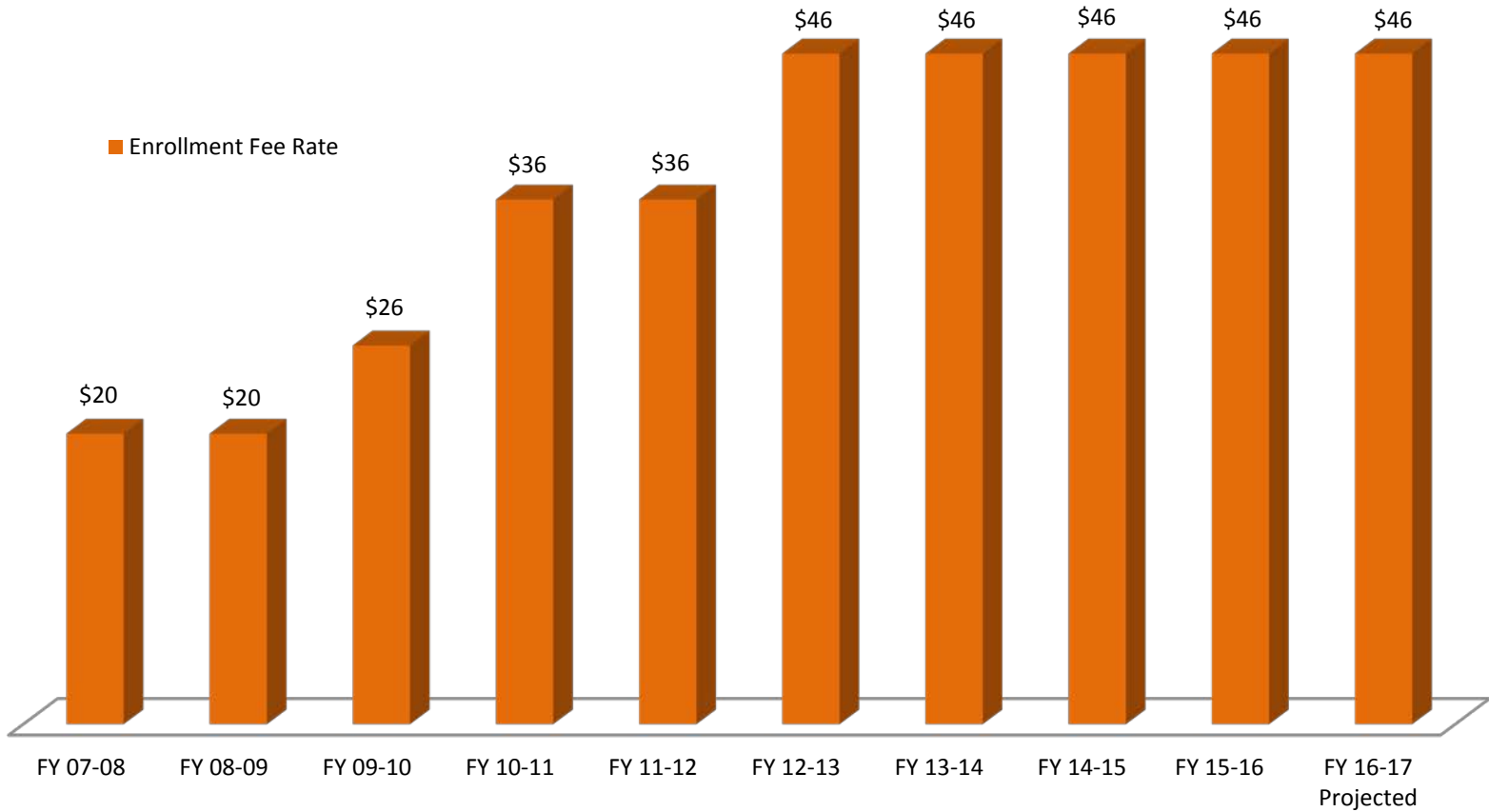


Apportionment



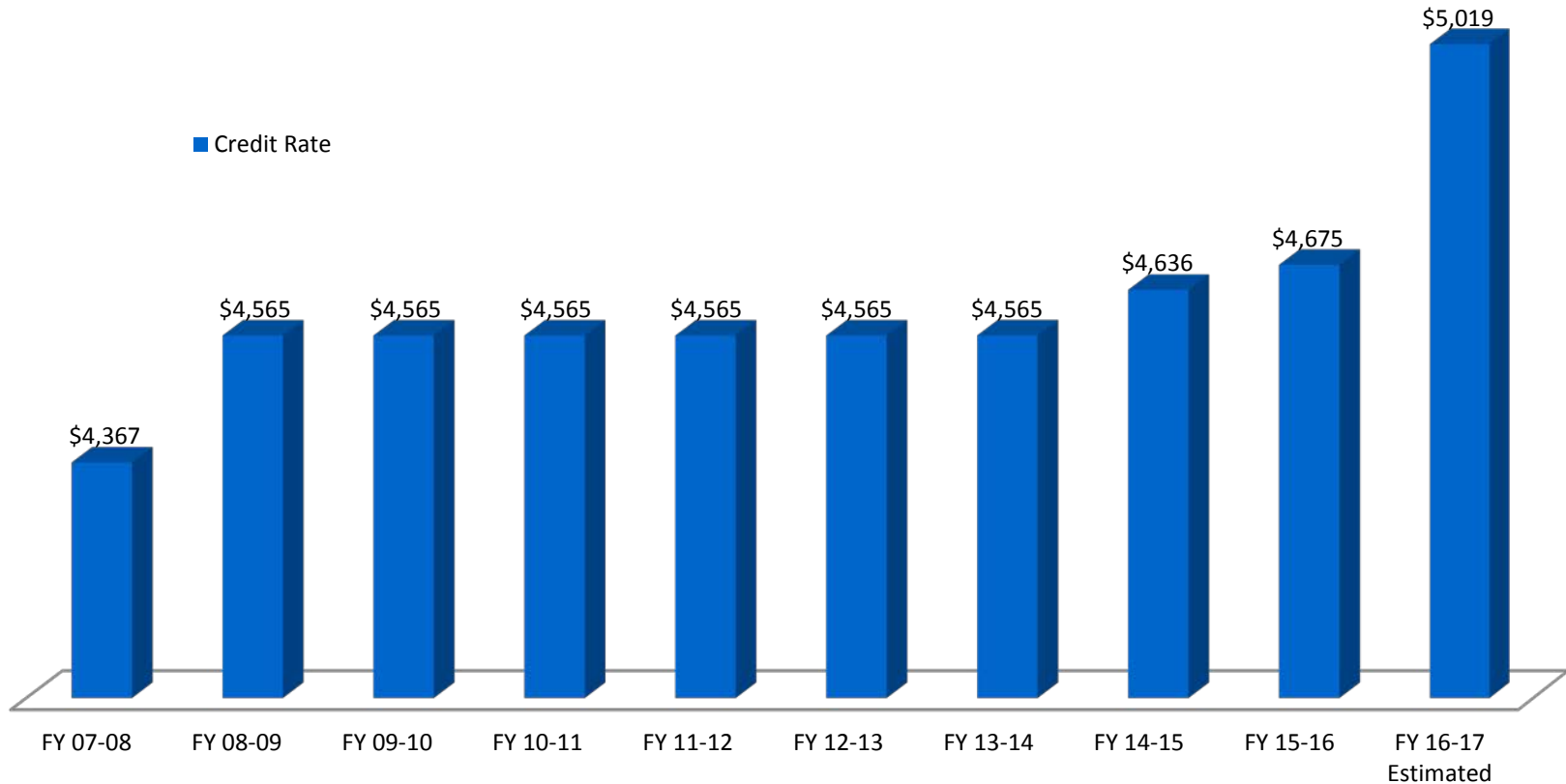


Enrollment Fee Rate Per Unit



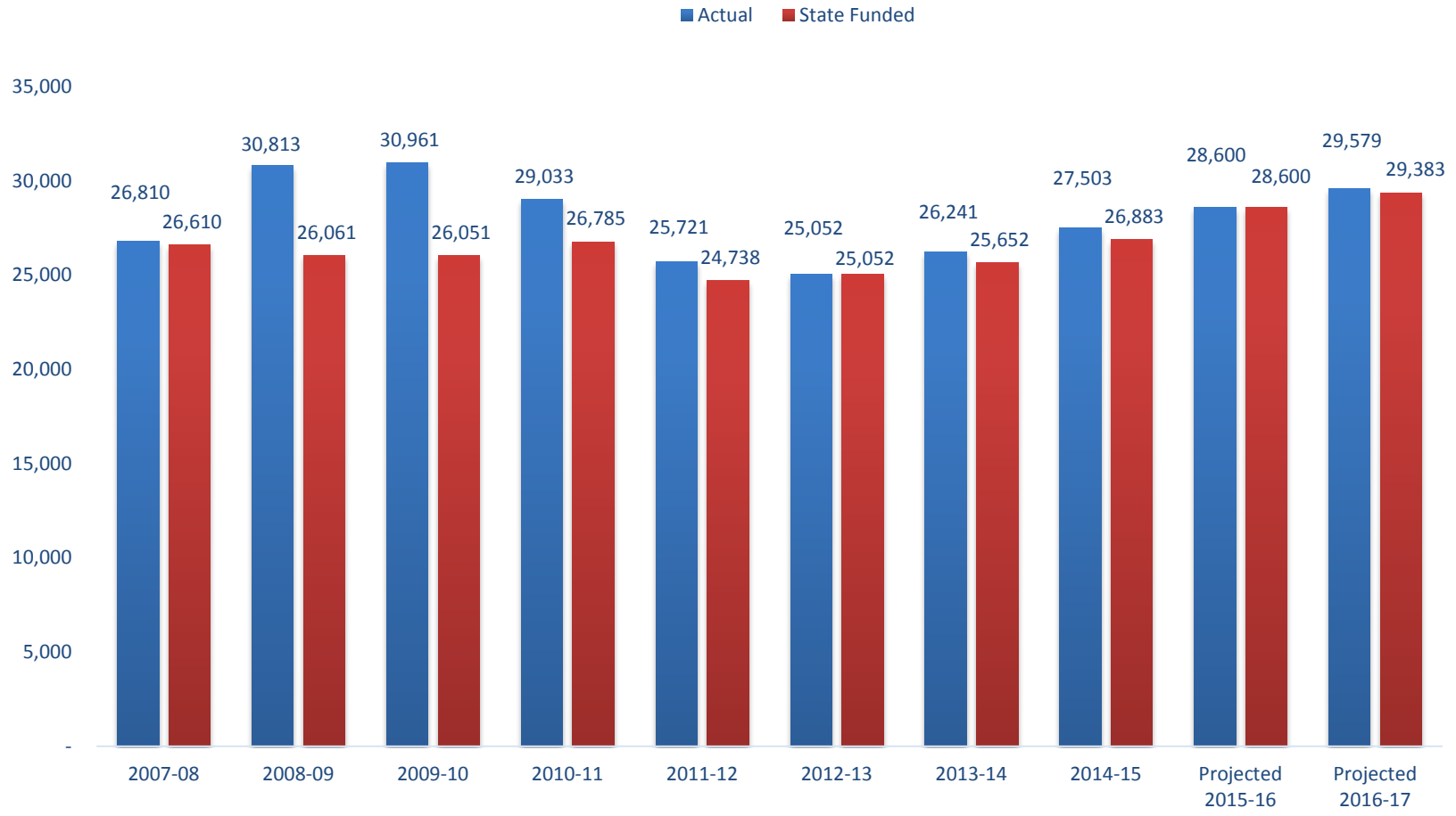


CCC Base Funding Rate Per Credit FTES



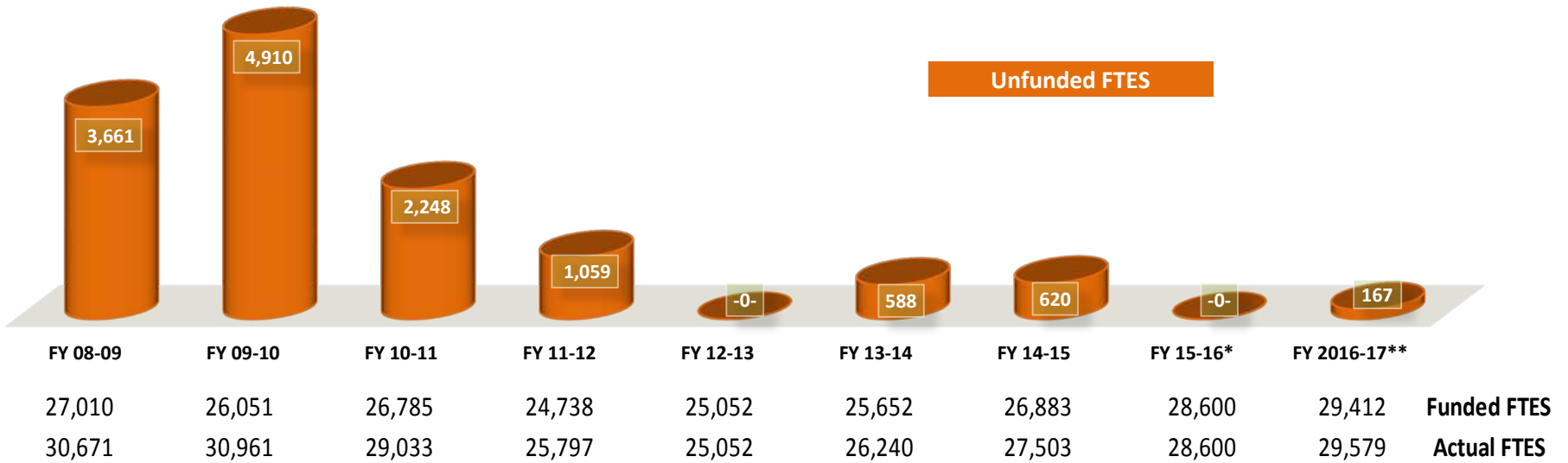


FTES





Unfunded Credit FTES



*As of P1

**Based on Governor’s “May Revise” Budget Proposal using new growth formula.



FY 2016-2017 BUDGET DEVELOPMENT TIMELINE



➤ **June**

- Tentative RCCD Budget to Resources Committee
- Second Principal Apportionment Report
- Tentative RCCD Budget to Board of Trustees on June 21, 2016

➤ **July**

- New Fiscal Year Begins on July 1, 2016

➤ **August**

- State Budget Workshops/Advance Apportionment
- RCCD Year-End Closing
- Final RCCD Budget Completed

➤ **September**

- Final RCCD Budget to Resources Committee
- Final RCCD Budget to Board of Trustees on or before September 20, 2016

RIVERSIDE COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET

FISCAL YEAR 2016-2017

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS
 2016-2017

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget 2015-2016</u>	<u>Tentative Budget 2016-2017</u>
	<u>District</u>		
<u>General Funds</u>			
<u>Unrestricted - Fund 11</u>			
<u>Resource</u>			
1000	General Operating	\$ 191,633,452	\$ 208,510,156
1080	Community Education	(59,136)	(58,608)
1090	Performance Riverside	(195,712)	(149,723)
1110	Bookstore (Contract-Operated)	1,243,354	1,392,325
1170	Customized Solutions	<u>1,432,978</u>	<u>355,738</u>
	Total Unrestricted General Funds	<u>194,054,936</u>	<u>210,049,888</u>
<u>Restricted - Fund 12</u>			
<u>Resource</u>			
1050	Parking	2,873,714	2,245,382
1070	Student Health	3,671,671	3,565,569
1120	Center for Social Justice and Civil Liberties	190,415	202,581
1180	Redevelopment Pass-Through	11,178,952	6,405,964
1190	Grants and Categorical Programs	<u>49,289,422</u>	<u>51,302,759</u>
	Total Restricted General Funds	<u>67,204,174</u>	<u>63,722,255</u>
	Total General Funds	<u>261,259,110</u>	<u>273,772,143</u>
<u>Special Revenue - Funds 32 & 33</u>			
<u>Resource</u>			
3200	Food Services	3,559,594	4,020,966
3300	Child Care	<u>1,976,953</u>	<u>2,096,425</u>
	Total Special Revenue Funds	<u>5,536,547</u>	<u>6,117,391</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS
 2016-2017

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget 2015-2016</u>	<u>Tentative Budget 2016-2017</u>
<u>Capital Projects - Fund 41</u>			
<u>Resource</u>			
4100	State Construction & Scheduled Maintenance	5,829,630	8,379,247
4130	La Sierra Capital	<u>9,800,141</u>	<u>3,140,491</u>
	Total Capital Projects Funds	<u>15,629,771</u>	<u>11,519,738</u>
<u>General Obligation Bond - Fund 43</u>			
<u>Resource</u>			
4370	2010D Capital Appreciation Bonds	947,615	-
4390	2015E Capital Appreciation Bonds	<u>45,460,596</u>	<u>9,128,843</u>
	Total General Obligation Bond Funds	<u>46,408,211</u>	<u>9,128,843</u>
<u>Internal Service - Fund 61</u>			
<u>Resource</u>			
6100	Self-Insured PPO Health Plan	6,174,450	7,368,812
6110	Self-Insured Workers' Compensation	4,960,281	4,440,882
6120	Self-Insured General Liability	<u>2,253,602</u>	<u>2,764,680</u>
	Total Internal Service Funds	<u>13,388,333</u>	<u>14,574,374</u>
<u>Other Internal Services - Fund 69</u>			
<u>Resource</u>			
6900	Other Internal Services, Retirees' Benefits	-	601,035
	Total Other Internal Services Funds	<u>-</u>	<u>601,035</u>
	Total District Funds	<u>\$ 342,221,972</u>	<u>\$ 306,584,681</u>

Expendable Trust and Agency

Student Financial Aid Accounts

Student Federal Grants	\$ 65,530,000	\$ 67,775,000
State of California Student Grants	3,790,000	4,700,000

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS
 2016-2017

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget 2015-2016</u>	<u>Tentative Budget 2016-2017</u>
	Local Scholarships Student Grants	<u>546,605</u>	<u>586,605</u>
	Total Student Financial Aid Accounts	<u>69,866,605</u>	<u>73,061,605</u>
<u>Other Account</u>			
	Associated Students of RCCD	<u>2,332,423</u>	<u>2,624,981</u>
	Total Expendable Trust and Agency	<u>\$ 72,199,028</u>	<u>\$ 75,686,586</u>
	Grand Total	<u>\$ 414,421,000</u>	<u>\$ 382,271,267</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1000 - UNRESTRICTED GENERAL FUND - INCOME

TENTATIVE OPERATING BUDGET
 2016-2017

Estimated Beginning Balance, July 1		\$ 33,490,000
Federal Income		
Student Financial Aid Adm. Fees	\$ 188,246	
Total Federal Income		188,246
State General Apportionment		93,872,243
Other State Income		
Apprenticeship	546,000	
Enrollment Fee Waiver Administration	438,399	
Education Protection Account	23,895,967	
Homeowner's Prop Tax Exemption	444,061	
Lottery	4,100,000	
Part-Time Faculty Compensation	630,940	
State Mandated Costs	3,687,413	
Total Other State Income		33,742,780
Local Income		
RDA Asset Liquidation	68,377	
Property Taxes	33,726,207	
Food Sales / Commissions	67,000	
Stale Dated Checks (Resource 0800)	60,000	
Interest	100,000	
Enrollment Fees	8,833,849	
Nonresident Student Fees	2,827,375	
Transcript / Late Application Fees	103,000	
Other Student Fees	223,942	
Cosmetology / Dental Hygiene / Other Sales	60,100	
Leases and Rental Income	651,065	
Donations	7,461	
Miscellaneous Local Income	119,481	
Total Local Income		46,847,857
Other/Incoming Transfers		
Sales - Obsolete Equipment	11,700	
Indirect Costs Recovery	357,330	
Total Other/Incoming Transfers		369,030
Total Income		\$ 175,020,156
Total Available Funds		\$ 208,510,156

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1000 - UNRESTRICTED GENERAL FUND - EXPENDITURES

TENTATIVE OPERATING BUDGET
 2016-2017

Object Code

1100	Regular Full-Time Teaching	\$ 32,936,239	
1200	Regular Full-Time Non-Teaching	14,518,175	
1300	Part-Time Hourly Teaching and Overload	29,115,879	
1400	Part-Time Hourly Non-Teaching	<u>1,694,187</u>	
	Total Academic Salaries		\$ 78,264,480
2100	Regular Full-Time and Part-Time Classified	28,481,139	
2200	Regular Full-Time Instructional aides	2,445,920	
2300	Student Help Non-Instructional and Classified Overtime	1,267,961	
2400	Student Help Instructional Aides	<u>395,671</u>	
	Total Classified Salaries		32,590,691
3000	Employee Benefits		45,718,977
4000	Books and Supplies		2,217,189
5000	Services and Operating Expenditures		34,153,882
6000	Capital Outlay		1,016,291
7300	Interfund Transfers		
	To Resource 4130	<u>2,630,000</u>	
	Total Interfund Transfers		2,630,000
8999	Intrafund Transfers		
	Bookstore (Resource 1110)	(712,709)	
	Center for Social Justice (Resource 1120)	149,847	
	College Work Study (Resource 1190)	338,342	
	DSP&S (Resource 1190)	665,157	
	Veterans Education (Resource 1190)	<u>4,842</u>	
	Total Intrafund Transfers		<u>445,479</u>
	Total Resource 1000 Expenditures Excluding Contingency		\$ 197,036,989
7900	Contingency / Reserve		<u>11,473,167</u>
	Total Resource 1000 Expenditures Including Contingency / Reserves		<u>\$ 208,510,156</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1050 - PARKING

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ (475,238)
Local Income		
Interest	\$ 411	
Rents and Leases	2,464	
Parking Permits/Fines	<u>2,717,745</u>	
Total Local Income		<u>2,720,620</u>
Total Available Funds (TAF)		<u>\$ 2,245,382</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 1,836,096
3000	Employee Benefits	746,128
4000	Book and Supplies	51,146
5000	Services and Operating Expenditures	693,783
6000	Capital Outlay	<u>204,057</u>
	Total Expenditures	3,531,210
7900	Contingency/Reserve/(Deficit)	<u>(1,285,828)</u>
	Total Resource 1050 Expenditures Including Contingency/Reserves	<u>\$ 2,245,382</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1070 - STUDENT HEALTH

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 2,139,982
Local Income		
Health Fees	\$ 1,341,701	
Interest	7,786	
Other	<u>76,100</u>	
Total Local Income		<u>1,425,587</u>
Total Available Funds (TAF)		<u>\$ 3,565,569</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$ 483,014
2000	Classified Salaries	529,026
3000	Employee Benefits	286,362
4000	Book and Supplies	105,530
5000	Services and Operating Expenditures	307,829
6000	Capital Outlay	<u>53,266</u>
	Total Expenditures	1,765,027
7900	* Contingency/Reserves	<u>1,800,542</u>
	Total Resource 1070 Expenditures Including Contingency/Reserves	<u>\$ 3,565,569</u>

* 5% Contingency reserve calculated from TAF equals \$178,278

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1080 - COMMUNITY EDUCATION

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1	\$ (236,414)
Local Income	<u>177,806</u>
Total Available Funds (TAF)	<u>\$ (58,608)</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 91,752
3000	Employee Benefits	24,663
4000	Book and Supplies	4,050
5000	Services and Operating Expenditures	<u>77,404</u>
	Total Expenditures	197,869
7900	Contingency/Reserves/(Deficit)	<u>(256,477)</u>
	Total Resource 1080 Expenditures Including Contingency/Reserves	<u>\$ (58,608)</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1090 - PERFORMANCE RIVERSIDE

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ (736,466)
Local Income		
Donations	\$	40,000
Box Office Receipts		231,733
Interest Income		10
Other Local Income		40,000
Intrafund Transfers from Resource 1110		<u>275,000</u>
Total Income		<u>586,743</u>
Total Available Funds (TAF)		<u>\$ (149,723)</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$	8,431
2000	Classified Salaries		172,197
3000	Employee Benefits		75,222
4000	Book and Supplies		24,013
5000	Services and Operating Expenditures		<u>199,563</u>
	Total Expenditures		479,426
7900	Contingency/Reserves/(Deficit)		<u>(629,149)</u>
Total Resource 1090 Expenditures Including Contingency/Reserves			<u>\$ (149,723)</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1110 - BOOKSTORE (CONTRACTOR-OPERATED)

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 357,218
Local Income		
Commissions	\$ 1,034,740	
Interest	<u>367</u>	
Total Local Income		<u>1,035,107</u>
Total Available Funds (TAF)		<u>\$ 1,392,325</u>

EXPENDITURES

Object Code

5000	Services and Operating Expenditures	\$ 43,600
7390	Interfund Transfer to Resource 3200	256,503
8999	Intrafund Transfer to Resource 1000	712,709
8999	Intrafund Transfer to Resource 1090	<u>275,000</u>
	Total Expenditures	1,287,812
7900	* Contingency/Reserves	<u>104,513</u>
	Total Resource 1110 Expenditures Including Contingency/Reserves	<u>\$ 1,392,325</u>

* 5% Contingency reserve calculated from TAF equals \$69,616

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1120 - CENTER FOR SOCIAL JUSTICE AND CIVIL LIBERTIES

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$	27,634
Local Income			
Interest	\$	100	
Other Local Income		<u>25,000</u>	
Total Local Income			25,100
Intrafund Transfer From Resource 1000 - General Fund			<u>149,847</u>
Total Income			<u>174,947</u>
Total Available Funds (TAF)		\$	<u>202,581</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$	79,840
3000	Employee Benefits		53,392
4000	Book and Supplies		3,922
5000	Services and Operating Expenditures		<u>63,473</u>
Total Expenditures			200,627
7900	* Contingency/Reserves		<u>1,954</u>
Total Resource 1120 Expenditures Including Contingency/Reserves		\$	<u>202,581</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1170 - CUSTOMIZED SOLUTIONS

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$	95,747
Local Income			
Interest		\$	300
Contract Revenue			<u>259,691</u>
Total Local Income			<u>259,991</u>
Total Available Funds (TAF)		\$	<u>355,738</u>

EXPENDITURES

Object Code

2000	Classified Salaries		\$	149,738
3000	Employee Benefits			75,879
4000	Book and Supplies			28,950
5000	Services and Operating Expenditures			295,583
6000	Capital Outlay			<u>3,500</u>
	Total Expenditures			553,650
7900	Contingency/Reserves/(Deficit)			<u>(197,912)</u>
	Total Resource 1170 Expenditures Including Contingency/Reserves		\$	<u>355,738</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1180 - REDEVELOPMENT PASS-THROUGH

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 4,723,964
Local Income		
Interest	\$ 30,300	
Redevelopment Agency Agreements	<u>1,651,700</u>	
Total Local Income		<u>1,682,000</u>
Total Available Funds (TAF)		<u>\$ 6,405,964</u>

EXPENDITURES

Object Code

5000	Services and Operating Expenditures	\$ 338,448
6000	Capital Outlay	<u>1,238,520</u>
	Total Expenditures	1,576,968
7900	* Contingency/Reserves	<u>4,828,996</u>
	Total Resource 1180 Expenditures Including Contingency/Reserves	<u>\$ 6,405,964</u>

* 5% Contingency reserve calculated from TAF equals \$320,298

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - INCOME

TENTATIVE OPERATING BUDGET
 2016-2017

Estimated Beginning Balance, July 1 \$ -

Federal Income

Bulletproof Vest Partnership	\$	813	
California State Trade Export Program		193,822	
College Connection		102,334	
College Connection II		72,995	
Community Tech Ed Regional Consortia		220,000	
Community Tech Ed Transitions		135,357	
Disabled Student Support Services		340,000	
ECS Consortium Grant		24,375	
Federal Work Study		1,041,057	
Flying with Swallows		218,428	
Foster & Kinship Care		67,128	
Moreno Valley Project TAP		290,027	
NSF - Supply Chain Technology Education		60,568	
Perkins Title I-C		1,038,596	
Procurement Assistance		455,896	
Riverside Urban Area Security Initiative		6,000	
Student Support Services RISE Norco		305,476	
Student Support Services TRIO MV		341,245	
Student Support Services TRIO Norco		310,041	
Student Support Services TRIO Riverside		340,000	
TANF 50%		181,976	
Title V Accelerating Pathways to Graduation & Transfer		957,132	
Title V HSI Ben Clark Training Center		875,138	
Title V HSI Pathways to Excellence		204,327	
Title V HSI STEM and Articulation		645,682	
Trade Adjustment Assistance		1,998,521	
Tri-Tech SBDC		476,527	
Upward Bound Math and Science		372,905	
Upward Bound TRIO AUSD		235,111	
Upward Bound TRIO Centennial HS		357,664	
Upward Bound TRIO Corona HS		286,911	
Upward Bound TRIO Riverside		414,427	
Veterans Education		40,998	
Veterans Student Support Services		328,000	
Workability Grant		<u>290,060</u>	
 Total Federal Income			 13,229,537

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - INCOME (continued)

TENTATIVE OPERATING BUDGET
 2016-2017

State Income

AB 86 Adult Education Block Grant	1,061,325	
Basic Skills	930,150	
Basic Skills and Student Outcomes Transformation	1,321,638	
California Career Pathways Trust	8,031,052	
CalWorks	815,287	
CalWorks Set-Aside	73,160	
CTE Enhancement Fund	107,398	
Deputy Sector Navigator	216,455	
DSP&S Allocation	2,113,495	
Enrollment Growth for ADN-RN 15/16	382,000	
EOPS - CARE	222,149	
EOPS Allocation	1,877,072	
EOPS Special Project Set-Aside	25,038	
Faculty and Staff Diversity	13,526	
Foster & Kinship Care Education	68,813	
Foster Paren Pre-Training	130,735	
Full Time Student Success	859,140	
Instructional Equipment	1,561,489	
Lottery	1,555,247	
Middle College High School	133,126	
Puente Project	1,500	
Sector Navigator	372,500	
SFAA - Base	422,928	
SFAA - Capacity	881,745	
SFAA - Implementation	26,388	
Song Brown Health Care Workforce Training	200,000	
Song Brown RN 15/17	108,000	
Song Brown RN Special Programs 15/17	125,000	
Song Brown RN Special Programs 17/18	125,000	
Staff Development	2,788	
Student Equity	4,948,957	
Student Financial Assistance Program - Fiscal Coord	437,000	
Student Success & Support Program	5,182,269	
Student Success & Support Program Set-Aside	<u>800,000</u>	
Total State Income		35,132,370

Local Income

4Faculty Web Services	8,437
CACT Seminars	21,084
Career Ladders Program	933
College Connection II	9,000
Completion Counts: CLIP	8,845

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - INCOME (continued)

TENTATIVE OPERATING BUDGET
 2016-2017

Created Equal: America's Civil Rights Struggle	1,200	
Foster Youth Advocacy Program	3,622	
Foster Youth Support Services	64,389	
Gateway to College	250,000	
Intn'l Student Capital Outlay Surcharge	704,649	
Leadership Academy	4,250	
Middle College High School - Val Verde	58,024	
Middle College High School - Moreno Valley	76,683	
Nuview USD Early College High School	267,642	
Procurement Assistance Center Income	4,000	
Riverside County Board of Supervisors	5,507	
Sector Navigator Income	31,700	
Seeking Safety Program	74,627	
Tri-Tech SBCD Cash Match	267,252	
Tri-Tech SBCD Seminars	20,366	
United Way - STEM "U" Late Your Mind	20,301	
Upward Bound Math & Science MVUSD	<u>30,000</u>	
Total Local Income		1,932,511
Interfund and Intrafund Transfers		
DSP&S Match/Over (from Resource 1000)	665,157	
Federal Work Study (from Resource 1000)	338,342	
Veterans Education	<u>4,842</u>	
Total Interfund and Intrafund Transfers		<u>1,008,341</u>
Total Income		<u>51,302,759</u>
Total Available Funds		<u>\$ 51,302,759</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - EXPENDITURES

TENTATIVE OPERATING BUDGET
2016-2017

<u>Object Code</u>		<u>Expenditures</u>
1000	Academic Salaries	\$ 4,895,316
2000	Classified Salaries	12,835,598
3000	Employee Benefits	6,262,794
4000	Book and Supplies	5,864,248
5000	Services and Operating Expenditures	15,850,668
6000	Capital Outlay	4,173,616
7600	Book Grants / Bus Passes	1,420,519
7900	Contingency / Reserves	<u> -</u>
Total Resource 1190 Expenditures Including Contingency / Reserves		<u>\$ 51,302,759</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 32, RESOURCE 3200 - FOOD SERVICES

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		<u>\$ 922,457</u>
Local Income		
Food Sales/Commissions	\$ 2,812,451	
Pepsi Sponsorship	181,503	
Interest	<u>2,825</u>	
Total Local Income		2,996,779
Interfund Transfer From Resource 1110 - Bookstore Fund		<u>101,730</u>
Total Income		<u>3,098,509</u>
Total Available Funds (TAF)		<u>\$ 4,020,966</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 1,066,464
3000	Employee Benefits	335,071
4000	Books and Supplies	1,224,958
5000	Services and Operating Expenditures	229,104
6000	Capital Outlay	<u>36,809</u>
	Total Expenditures	2,892,406
7900	* Contingency/Reserves	<u>1,128,560</u>
	Total Resource 3200 Expenditures Including Contingency/Reserves	<u>\$ 4,020,966</u>

* 5% Contingency reserve calculated from TAF equals \$201,048

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 33, RESOURCE 3300 - CHILD CARE

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 751,702
Federal Income		
Lunch Program		71,509
State Income		
Tax Bailout Funds		36,500
Local Income		
Parent Fees	\$ 1,160,000	
Interest Income	1,650	
Other Local Revenue	<u>64</u>	
Total Local Income		<u>1,161,714</u>
Interfund Transfer From Resource 1110 - Bookstore Fund		<u>75,000</u>
Total Income		<u>1,344,723</u>
Total Available Funds (TAF)		<u>\$ 2,096,425</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$ 628,797
2000	Classified Salaries	377,045
3000	Employee Benefits	190,470
4000	Books and Supplies	52,250
5000	Services and Operating Expenditures	82,935
6000	Capital Outlay	<u>37,087</u>
	Total Expenditures	1,368,584
7900	* Contingency/Reserves	<u>727,841</u>
	Total Resource 3300 Expenditures Including Contingency/Reserves	<u>\$ 2,096,425</u>

* 5% Contingency reserve calculated from TAF equals \$104,821

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 41, RESOURCE 4100 - STATE CONSTRUCTION/SCHEDULED MAINTENANCE

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$	-
State Income		\$	8,269,069
Local Income			<u>110,178</u>
Total Income			<u>8,379,247</u>
Total Available Funds (TAF)		\$	<u>8,379,247</u>

EXPENDITURES

Object Code

6000	Capital Outlay		\$	<u>8,379,247</u>
	Total Expenditures			8,379,247
7900	Contingency/Reserves			<u>-</u>
	Total Resource 4100 Expenditures Including Contingency/Reserves		\$	<u>8,379,247</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 41, RESOURCE 4130 - LA SIERRA CAPITAL

TENTATIVE OPERATING BUDGET
2016-2017

INCOME

Estimated Beginning Balance, July 1		<u>\$ 490,491</u>
Local Income	\$ 20,000	
Interfund Transfer From Resource 1000 - General Fund	<u>2,630,000</u>	
Total Income		<u>2,650,000</u>
Total Available Funds (TAF)		<u>\$ 3,140,491</u>

EXPENDITURES

Object Code

6000	Capital Outlay	<u>\$ 2,934,574</u>
	Total Expenditures	2,934,574
7900	Contingency/Reserves	<u>205,917</u>
	Total Resource 4130 Expenditures Including Contingency/Reserves	<u>\$ 3,140,491</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 43, RESOURCE 4390 - 2015E CAPITAL APPRECIATION BONDS

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1	\$ 8,906,625
Local Income	<u>222,218</u>
Total Available Funds (TAF)	<u>\$ 9,128,843</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 762,785
3000	Employee Benefits	368,017
5000	Services and Operating Expenditures	237,434
6000	Capital Outlay	<u>22,050,595</u>
	Total Expenditures	23,418,831
7900	Contingency/Reserves	<u>(14,289,988)</u>
	Total Resource 4390 Expenditures Including Contingency/Reserves	<u>\$ 9,128,843</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 61, RESOURCE 6100 - SELF-INSURED PPO HEALTH PLAN

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ (379,208)
Local Income		
Interest	\$ 1,600	
Self-Insurance Health Plan Assessments from other Funds	<u>7,746,420</u>	
Total Local Income		<u>7,748,020</u>
Total Available Funds (TAF)		<u>\$ 7,368,812</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 106,645
3000	Employee Benefits	37,258
4000	Books and Supplies	4,459
5000	Services and Operating Expenditures	<u>6,433,410</u>
	Total Expenditures	6,581,772
7900	Contingency/Reserves	<u>787,040</u>
	Total Resource 6100 Expenditures Including Contingency/Reserves	<u>\$ 7,368,812</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 61, RESOURCE 6110 - SELF-INSURED WORKERS' COMPENSATION

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 3,747,429
Local Income		
Interest	\$ 20,000	
Insurance	17,828	
Workers Compensation Premium Assessments from other Funds	<u>655,625</u>	
Total Local Income		<u>693,453</u>
Total Available Funds (TAF)		<u>\$ 4,440,882</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 422,233
3000	Employee Benefits	210,933
4000	Books and Supplies	14,328
5000	Services and Operating Expenditures	1,673,281
6000	Capital Outlay	<u>6,500</u>
	Total Expenditures	2,327,275
7900	Contingency/Reserves	<u>2,113,607</u>
	Total Resource 6110 Expenditures Including Contingency/Reserves	<u>\$ 4,440,882</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 61, RESOURCE 6120 - SELF-INSURED GENERAL LIABILITY

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 1,401,100
Local Income		
Interest	\$ 2,800	
General Liability Premium Assessments from other Funds	<u>1,360,780</u>	
Total Local Income		<u>1,363,580</u>
Total Available Funds (TAF)		<u>\$ 2,764,680</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$ 877
2000	Classified Salaries	178,367
3000	Employee Benefits	93,055
4000	Books and Supplies	1,800
5000	Services and Operating Expenditures	1,545,685
6000	Capital Outlay	<u>6,500</u>
	Total Expenditures	1,826,284
7900	Contingency/Reserves	<u>938,396</u>
	Total Resource 6120 Expenditures Including Contingency/Reserves	<u>\$ 2,764,680</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 69, RESOURCE 6900 - OTHER INTERNAL SERVICES, RETIREES' BENEFITS

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 328,965
Contract Services - OPEB	\$ 266,370	
Interest	<u>5,700</u>	
Total Income		<u>272,070</u>
Total Available Funds (TAF)		<u>\$ 601,035</u>

EXPENDITURES

Object Code

		\$ -
Total Expenditures		-
7900 Contingency/Reserves		<u>601,035</u>
Total Resource 6900 Expenditures Including Contingency/Reserves		<u>\$ 601,035</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 STUDENT FEDERAL GRANTS

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Unaudited Beginning Balance, July 1		\$	-
Federal Income			
Riverside City College PELL Student Grants & Book Waivers	\$ 35,000,000		
Norco College PELL Student Grants & Book Waivers	11,000,000		
Moreno Valley College PELL Student Grants & Book Waivers	14,000,000		
Riverside City College FSEOG Student Grants & Book Waivers	510,000		
Norco College FSEOG Student Grants & Book Waivers	325,000		
Moreno Valley College FSEOG Student Grants & Book Waivers	380,000		
Riversdie City College Federal Work Study	475,000		
Norco College Federal Work Study	325,000		
Moreno Valley College Federal Work Study	360,000		
Riverside City College Subsidized Loan	1,500,000		
Norco College Subsidized Loan	800,000		
Moreno Valley College Subsidized Loan	1,100,000		
Riverside City College Un-Subsidized Loan	900,000		
Norco College Un-Subsidized Loan	500,000		
Moreno Valley College Un-Subsidized Loan	<u>600,000</u>		
Total Federal Income			<u>67,775,000</u>
Total Available Funds (TAF)			<u>\$ 67,775,000</u>

EXPENDITURES

Object Code

7520	Riverside City College PELL Student Grants & Book Waivers	\$ 35,000,000	
	Norco College PELL Student Grants & Book Waivers	11,000,000	
	Moreno Valley College PELL Student Grants & Book Waivers	14,000,000	
	Riverside City College FSEOG Student Grants & Book Waivers	510,000	
	Norco College FSEOG Student Grants & Book Waivers	325,000	
	Moreno Valley College FSEOG Student Grants & Book Waivers	380,000	
	Riversdie City College Federal Work Study	475,000	
	Norco College Federal Work Study	325,000	
	Moreno Valley College Federal Work Study	360,000	
	Riverside City College Subsidized Loan	1,500,000	
	Norco College Subsidized Loan	800,000	
	Moreno Valley College Subsidized Loan	1,100,000	
	Riverside City College Un-Subsidized Loan	900,000	
	Norco College Un-Subsidized Loan	500,000	
	Moreno Valley College Un-Subsidized Loan	<u>600,000</u>	
	Total Student Federal Grants, Direct Loans, Work Study, and Book Waivers		<u>\$ 67,775,000</u>
	Total Student Federal Grants		<u>\$ 67,775,000</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 STATE OF CALIFORNIA STUDENT GRANTS

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Unaudited Beginning Balance, July 1		\$	-
State Income			
Riverside City College Cal Grants	\$	2,100,000	
Riverside City College FTSS Grant		510,000	
Norco College Cal Grants		1,000,000	
Norco College FTSS Grant		200,000	
Moreno Valley College Cal Grants		690,000	
Moreno Valley College FTSS Grant		<u>200,000</u>	
Total State Income			<u>4,700,000</u>
Total Available Funds (TAF)		\$	<u>4,700,000</u>

EXPENDITURES

Object Code

7520	Riverside City College Cal Grants	\$	2,100,000
	Riverside City College FTSS Grant		510,000
	Norco College Cal Grants		1,000,000
	Norco College FTSS Grant		200,000
	Moreno Valley College Cal Grants		690,000
	Moreno Valley College FTSS Grant		<u>200,000</u>
	Total State - Cal Grants and FTSS Grants	\$	<u>4,700,000</u>
	Total State of California Student Grants	\$	<u>4,700,000</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
LOCAL SCHOLARSHIPS STUDENT GRANTS

TENTATIVE OPERATING BUDGET
2016-2017

INCOME

Unaudited Beginning Balance, July 1		\$	46,605
Local Scholarships			
Riverside City College Local Scholarships	\$	250,000	
Norco College Local Scholarships		150,000	
Moreno Valley College Local Scholarships		<u>140,000</u>	
Total Local Income			<u>540,000</u>
Total Available Funds (TAF)		\$	<u>586,605</u>

EXPENDITURES

Object Code

7510	Riverside City College Local Scholarships	\$	271,573
	Norco College Local Scholarships		162,947
	Moreno Valley College Local Scholarships		<u>152,085</u>
	Total Local Scholarships	\$	<u>586,605</u>
	Total Local Scholarships Student Grants	\$	<u>586,605</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 ASSOCIATED STUDENTS OF RCCD

TENATIVE BUDGET
 2016-2017

INCOME

Unaudited Beginning Balance, July 1		<u>\$ 1,580,628</u>
Local Income		
ASRCC		
Student Fees	\$ 578,182	
Interest	404	
Athletic Events	20,000	
Commissions	5,000	
Total ASRCC Local Income		<u>603,586</u>
ASNC		
Student Fees	249,861	
Interest	173	
Total ASNC Local Income		<u>250,034</u>
ASMVC		
Student Fees	190,560	
Interest	173	
Total ASMVC Local Income		<u>190,733</u>
Total Local Income ASRCCD		<u>\$ 1,044,353</u>
Total Available Funds (TAF)		<u><u>\$ 2,624,981</u></u>

EXPENDITURES

Account Code

905	Organizations Funding	13.61%	\$ 156,300
906	Athletics	19.87%	228,200
910	Riverside ASB	18.18%	208,765
921	Norco ASB	18.99%	218,000
924	Norco - Organizations Funding	13.67%	157,000
930	Moreno Valley ASB	15.68%	<u>180,000</u>
Total Expenditures		100.00%	\$ 1,148,265
Total ASRCCD Ending Fund Balance			<u>1,476,716</u>
Total ASRCCD Expenditures plus Ending Balances			<u><u>\$ 2,624,981</u></u>

District Budget Advisory Council Meeting

Thursday, August 18, 2016, 2016 – RCCD Building, Conference Room 309

8:00 a.m. - 10:00 a.m.

AGENDA

- I. Welcome and Call to Order
- II. Approval of Minutes
 - A. June 23, 2016
- III. Budget Update
 - A. State Budget Update
 - B. FY 2016-17 RCCD Final Budget
 - C. Structural Budget Deficit/Budget Stability Plan (Subgroup Meeting)
- IV. Other
- V. Next Meeting
 - A. Friday, September 16, 2016 – 9:00AM to 11:00 AM at RCCD Building - Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting*

*June 23, 2016
RCCD Building - 309
8:00 a.m. - 10:00 a.m.*

MEETING MINUTES

Members Present

Aaron Brown (District)
Majd Askar (District)
Beth Gomez (Norco College)
Sherrie DiSalvio (Riverside City College – Proxy for VP Business Services)
Rex Beck (Norco College)
Peggy Campo (District wide)
Nate Finney (Moreno Valley College)
Jennifer Lawson (Riverside City College)
Gloria Aguilar (District)

Members Not Present

Norm Godin (Moreno Valley College)
Michael McQuead (Moreno Valley College)
Mary Legner (Riverside City College)
Erin Power (Norco College)
Jacquelyn Smith (District wide – Student)
Rachelle Arispe (Recorder)

Guest(s) Present

Jim Buysse (Riverside City College - Consultant)

I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved, Legner moved and DiSalvio seconded approval of the minutes for May 20, 2016, with exception of adding a comment by DiSalvio under III.A.4.f. Per DiSalvio, comment should read, “RCC was not in agreement, and RCC already calculated the savings for RCC”. Lawson abstained from approval of the minutes.

1. DiSalvio inquired about what the outcome was regarding the District’s General Counsel (Patrick Pyle) researching the revenue/exceptions of increasing the parking fee (Section III.A.5.d.v. of meeting minutes). Brown explained that Pyle found that there is an option of increasing the parking fee. A separate rate

structure would need to be established only for Measure C facilities and accounted for separately. However, this option is not feasible.

III. BUDGET UPDATE

A. State/District Budget Update

1. Brown quickly summarized the state budget process to the members.
 - a. After the May Revise (Governor's revisions from January proposal), the budget is sent to both houses of the Legislature. The Legislature weighs in with their own proposals. Once the two houses compromise, then there are negotiations between both houses of Legislature and the Governor's Office. Lastly, the Governor's Office makes the ultimate decision and approves the final budget.
2. Brown reviewed with members the FY 2016-17 RCCD Tentative Budget presentation submitted to RCCD's Board of Trustees on June 21, 2016. The presentation identifies the changes from the May Revise and includes adjusted funding changes for costs we know so far such as; contract amounts, bargaining contracts, health and welfare estimates, fixed charge estimates, revenue estimates, etc. Once the final adjustments are made, the final budget will be approved by the Board of Trustees in September. Items briefly reviewed/discussed on the Tentative Budget are as follows:
 - a. Growth is \$2.84 million
 - b. No COLA
 - c. Base Allocation increase - \$1.8 million
 - d. State Block Grant - \$1.05 million
 - e. Prop 39 - \$200K
 - f. Deferred Maintenance - \$4.4 million
 - g. No increases to Student Success and Student Equity Funds
 - h. FY 2015-16 FTES at P2 indicates 421 FTES under the target. The P2 number could be adjusted at P3. Brown will have a better idea of how much is being funded once the P2 apportionment is posted. Brown believes it is still a good strategy to pull all of the shortfall from Summer 2016 FTES to FY 2015-16. Brown believes our district will get fully funded. However, there is a risk depending on how many other districts are going to do the same thing. It could jeopardize full FTES funding.
 - i. Gomez inquired on when the next Enrollment Management meeting was planned as she expressed a concern with having an update on summer enrollment. A summer enrollment update would be helpful to each

- college that way they could review their FTES and decide if any FTES needs to be moved.
- ii. Brown agreed that an update would be helpful and he would inquire of the Chancellor when the next meeting is scheduled and/or if an updated report could be generated.
 - i. There are some adjustments for the FY 2015-16 year that will affect our beginning balance for FY 2016-17, including a slight increase in lottery. In total the net revenue adjustment over budget is approximately \$1.53 million.
 - j. On the expenditures side, the district is looking at a salary/benefits savings of approximately \$1.9 million. If ending reserve balance is \$33.49 million, estimated ending balance is 17.34%.
 - k. Brown explained that when there is a property tax shortfall, a system-wide deficit is applied to all community college districts. However, in the Governor's proposal, it provides a set-aside amount of \$31.7 million to use to help eliminate a property tax deficit. The balance left over from the set-aside, if any, will be distributed by FTES to the community college districts.
 - l. Contract increases for all full-time employees and part-time faculty are included in the Tentative Budget. The enrollment growth adjustment is based on the methodology created by Gomez and Power to try to estimate part-time faculty and overload. Currently, there is difficulty factoring in the full-time faculty because of vacancies. Using the new methodology, \$1.9 million was established as the growth associated with reaching the FTES targets. The amount also includes step in column and reclassifications.
 - m. Employee benefits have increased by \$2.4 million for health insurance, which includes \$1.4 million for active employees and \$1 million for employees who took the early retirement incentive plan.
 - n. Workers Compensation reduced by \$.5 million and property reduced by \$.4 million.
 - o. PERS increased by \$400K and STRS increased by \$1.28 million.
 - i. Brown explained to members that he wants to have further conversations to discuss how DBAC could create a plan to fund the increased costs for PERS, STRS, and the ongoing health benefits. Brown indicated that at a recent Board of Trustees meeting, a Board member inquired on what the district's plan was for the increased fees.

- p. An estimate for utility increases is included.
 - q. New facility operating costs for RCC Kane and CAADO/CSA are included.
 - r. An adjustment for legal expenses is included. Some liability legal costs will be shifted to the Self Insured General Liability fund for Final Budget.
 - s. An increase for election costs is included.
 - t. Total ongoing expenditure budget equals \$178.34 million, with a net ongoing budget shortfall of \$6.2 million.
 - i. Campo inquired if this is a larger budget shortfall than last year. Brown responded that the net ongoing budget expenditures were \$5.46 million last year. Brown reminded members that \$1 million of the \$6.2 million is the early retirement incentive.
 - u. The one-time expenditures include the retirement incentive funding cost and the La Sierra loan payoff. These adjustments will free up \$2 million of ongoing base money – a benefit for FY 2017-18 and beyond.
3. Brown reminded members how many total retirees accepted the early retirement incentive and the total cost.
- a. Total retirees 76
 - i. Faculty - 31, Staff - 35, Administrators - 10
 - ii. PARS - 52, PERS -15, STRS - 9
 - b. Total approximate cost is \$5.4 million (\$846K already in the base budget).
4. The Tentative Budget has approximately \$13 million going into a budget holding account. These funds have been set-aside to deal with the impact of future bargaining unit settlement costs and increasing employee benefits.
5. Brown updated members about the status of the DBAC Subgroup. Brown indicated that they are still working on the ongoing budget shortfall. The subgroup will continue to meet during the summer and they will return with recommendations. Brown commented that there are a number of funds that are having financial difficulty, such as Parking, Community Education, Customized Solutions, and Performance Riverside. All these funds are projected to have accumulated deficits which ultimately impact the general fund.
- a. Lawson inquired about the Performance Riverside salaries being funded by their revenue. DiSalvio reminded Lawson that

Performance Riverside shows do not generate FTES. Salaries that are charged to Resource 1090 are paid for by ticket sales.

- b. Lawson commented that there should be an adjustment to the Performance Riverside salaries since they are doing more for academics. DiSalvio replied that the last adjustments made to the salaries were two years ago.

B. Redevelopment Fund Allocation

1. In May, the DBAC Subgroup created a methodology to allocate Redevelopment Funds to the colleges and DO/DSS. It was decided to allocate \$1.5 million of Redevelopment Funds with 1/5 (\$300K) each going to the three colleges, district and IT Infrastructure. It was agreed that the allocation would be reviewed and identified each year. Funds can only be spent on allowable Redevelopment Fund uses (Capital Outlay Only).
 - a. Brown provided some history regarding the Redevelopment funds.
 - i. The Redevelopment Fund is a restricted fund - Resource 1180. There are 40 separate redevelopment project areas in our District. RCCD receives tax increment funding that accrues to the District. However, over time this funding will decrease because of the elimination of Redevelopment Agencies. Currently, the annual revenue stream is around \$1.5 million.
 - b. One caveat to the future use of Redevelopment Funds is that Chancellor Burke is requesting at least one large district-wide sustainability project (i.e. solar project).
 - c. The IT Infrastructure allocation will go to multiple projects designed and prioritized by ITSC and approved under the District Administrative Program Review process. The approximate total cost of the IT projects is \$600K. The projects are: learning management system, email archiving, wireless access point upgrades, server expansion, disk storage expansion, and replacement of fire suppression system at RCC NOC. Brown and Herman will need to reprioritize the projects to conform to available funding.
 - d. MOTION to adopt the Redevelopment Funds methodology allocating 1/5 (\$300K) of the \$1.5 million to each college, district and IT Infrastructure with provision that the funds can only be spent on allowable Redevelopment Fund uses (Capital Outlay Only), and the allocation would be reviewed and identified each

year. Campo motioned approval and DiSalvio, seconded. All in favor. No abstentions.

C. General Operating Fund Allocation

1. Brown indicated that there is not a budget allocation for classified staff positions like there is for faculty positions.
2. Brown inquired if there should be a District commitment to provide an annual allocation so colleges and the district office can use those funds for classified position purposes.
3. Gomez explained that their college has already prioritized their three top needs. Gomez indicated that MVC is a year ahead.
4. DiSalvio responded that they have prioritized their positions as well.
5. Gomez indicated there will be a ratio used since not all of the positions are alike. Through their analysis, they are hoping to identify the high cost programs.
6. Brown suggested to the members that if they have any input, they can provide their input by email to the subgroup for review and discussion.
7. The subgroup will discuss the possible budget allocation for classified positions at their next meeting.

D. Structural Budget Deficit/Budget Stability Plan (Subgroup Meeting)

1. No report.

IV. OTHER

A. FY 2016-17 Meeting Schedule

1. Brown and members tentatively scheduled FY 2016-17 DBAC meeting dates.
2. Campo reminded members that Mark Sellick is replacing her, effective July 1, 2016.
3. Members preferred morning meetings to begin at 9am and end at 11am. Tentative dates are as follows:
 - a. Thursday, August 18, 2016
 - b. Friday, September 16, 2016
 - c. Friday, October 21, 2016
 - d. Friday, November 18, 2016
 - e. Friday, December 16, 2016
 - f. Friday, January 13, 2017
 - g. Friday, February 10, 2017
 - h. Friday, March 17, 2017
 - i. Friday, April 21, 2017
 - j. Friday, May 19, 2017
 - k. Thursday, June 22, 2017

V. MEETING ADJOURNED AT 9:20 A.M.

VI. NEXT MEETING

- A. Thursday, July 21, 2016 – 8:00 a.m. to 10:00 a.m. at the District Office Building
– Executive Conference Room 309



FY 2016-2017 TENTATIVE BUDGET

June 14, 2016



Riverside Community College District 2016-2017 Tentative Budget

Riverside Community College District has adopted an approach to the Tentative Budget which yields a modified, continuing resolution budget. Thus, the Tentative Budget for fiscal 2017 reflects a continuation of the adopted FY 2015-2016 Budget, with certain modifications as described on the subsequent pages.



**GOVERNOR'S BUDGET PROPOSAL
COMMUNITY COLLEGE SYSTEM
AND
RIVERSIDE COMMUNITY COLLEGE DISTRICT
AS OF
"MAY REVISE"**



FY 2016-2017 Governor's Budget Proposal

(In Millions)

Unrestricted Ongoing Revenues

	<u>State</u>	<u>RCCD</u>
Access (2%/2.84% - Equals 812 Credit FTES)	\$ 114.7	\$ 4.1
COLA (0.0%)	-	-
Basic Allocation Increase	75.0	1.8
Full-Time Faculty Hiring	-	-
Total Unrestricted Ongoing Revenues	<u>\$ 189.7</u>	<u>\$ 5.9</u>

Unrestricted One-Time Revenues

State Mandate Block Grant	<u>\$ 108.5</u>	<u>\$ 2.6</u>
Total Unrestricted Revenues	<u><u>\$ 298.2</u></u>	<u><u>\$ 8.5</u></u>



FY 2016-2017 Governor's Budget Proposal

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June 14, 2016
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(In Millions)

Restricted Revenues

	<u>State</u>	<u>RCCD</u>
Proposition 39 - Energy Efficiency	\$ 10.5	\$ 0.3
Deferred Maintenance & Instructional Equipment*	219.4	5.3
Student Success and Student Equity (No Increase)	-	-
Total Restricted Revenues	<u>\$ 229.9</u>	<u>\$ 5.6</u>

*Of the \$219.4 million allocation, approximately \$190 million represents ongoing resources.



FY 2016-2017 Governor's Budget Proposal

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(In Millions)

<u>Other</u>	<u>State</u>
Academic Senate	\$ 0.3
Strong Workforce Program	200.0
Career Technical Education Pathways (SB 1070)	48.0
Cal Grant	39.0
Basic Skills Program	30.0
Innovation Awards	25.0
Zero-Textbook-Cost Degrees	5.0
Institutional Effectiveness - Implementing Statewide Performance Strategies	10.0
Data Security - Telecommunications & Technology Infrastructure Program	15.0
Apprenticeship Program	1.8
E-Reader Digital Context - State Corrections/Facilities	3.0
Adult Education Block Grant Support	5.0
Online Education Initiative	20.0
Total Other	<u>\$ 402.1</u>



FY 2015-2016 ENDING BALANCE ESTIMATE



FY 2015–2016 Credit FTES Projections

Base FTES	26,882.83
Growth/Access at P2 (Planned 1,030 at 3.81%; Actual 6.39%)	<u>1,716.81</u>
Total Funded FTES	28,599.64
Actual FTES*	<u>28,599.64</u>
Total Unfunded FTES	<u><u>-</u></u>
Unfunded FTES %	<u><u>0.0 %</u></u>

* Actual FTES is projected to be lower than the District's revised FTES Target by 421 FTES as of May 20, 2016. Because there is approximately \$24 million of undistributed apportionment as of P1 and the District's colleges believe they can generate additional FTES in an efficient manner in FY 2016-17, the District Enrollment Management Committee approved rolling back 421 FTES from Summer 2016 to FY 2015-16.



FY 2015-16 Revenues

(In Millions)

Adopted Budget	<u>\$ 176.97</u>
FY 2014-15 Apportionment (-174 FTES + Deficit Elimination)	\$ (1.01)
FY 2015-16 Additional Growth Funding (617 FTES)	4.35
RDA Revenue Deferral - State Chancellor's Office Directive	(1.13)
Board Financial Assistance Program - Restricted/Unrestricted Correction	(0.95)
Lottery	0.24
Other	<u>0.03</u>
Total Revenue Adjustments	<u>\$ 1.53</u>
Net Revenues	<u>\$ 178.50</u>



FY 2015-16 Expenditures

(In Millions)

Adopted Budget	<u>\$ 181.19</u>
Estimated Budget Savings:	
Salaries and Benefits	\$ 1.90
Supplies and Services*	19.15
Capital Outlay	<u>0.46</u>
Total Expenditure Budget Savings	<u>\$ 21.51</u>
Net Expenditures	<u>\$ 159.68</u>
Net Current Year Estimated Surplus	\$ 18.82
Beginning Balance at July 1, 2015	<u>14.67</u>
Estimated Ending Balance at June 30, 2016*	<u><u>\$ 33.49</u></u>
Estimated Ending Balance Percentage	<u><u>17.34%</u></u>

* Included in this balance is \$15 million of one-time State Mandate Block Grant funds that were set-aside in FY 2015-16 for future years as a hedge against increasing costs and revenue reductions.



As of the first principle apportionment measurement period (P1), the Chancellor's Office applied a system wide deficit of 1.22% against apportionment. This equates to \$71.15 million for the system and \$1.88 million for RCCD. This is primarily a result of county property tax estimates in April 2016. Over the past several years, and since the dissolution of Redevelopment Agencies, deficits estimated by the Chancellor's Office have been higher at P1. They are subsequently reduced at P2 and at the recalculation dates as property taxes are collected and reported. The Governor's "May Revise" Budget Proposal includes \$36 million to address a property tax shortfall. For purposes of the Tentative Budget, .25% has been used as an estimated deficit factor in case the "May Revise" set aside is not sufficient to cover the entire property tax shortfall.



FY 2016-2017 TENTATIVE BUDGET



FY 2016-2017 Credit FTES Projections

Base FTES	28,599.64
Growth/Access (System 2.00%; RCCD 2.84%)	<u>812.23</u>
Total Funded FTES	29,411.87
Unfunded FTES (.57%)	<u>167.02</u>
FTES Target	<u><u>29,578.89</u></u>

FTES Production for FY 2016-17

Growth	812.23
Unfunded	167.02
Summer 2016 Rolled to FY 2015-16	<u>421.44</u>
	<u><u>1,400.69</u></u>



FY 2016-2017 Ongoing Revenue Budget

(In Millions)

Beginning Ongoing Revenue Budget	<u>\$ 161.62</u>
FY 2014-15 Apportionment Increase	\$ (0.75)
FY 2015-16 Apportionment Increase	4.35
FY 2016-17 Apportionment:	
COLA (0.0%)	-
Access (2.84%)	4.13
Deficit (.55%)	(0.53)
Base Allocation Increase	1.80
Full-Time Faculty Hiring	-
RDA Revenue Deferral Reversal	1.13
Other	<u>0.38</u>
Total Ongoing Revenue Budget Adjustments	<u>\$ 10.51</u>
Total Ongoing Revenue Budget	<u>\$ 172.13</u>



FY 2016-2017 Ongoing Expenditure Budget

(In Millions)

Beginning Expenditure Budget	<u>\$ 166.18</u>
Compensation Adjustments:	
COLA + Contract for Full-time Salaries (2.00%)	\$ 1.78
COLA + Contract for Part-time Faculty Salaries (2.50%)	0.85
Enrollment Growth - Part-time Faculty and Overload	1.79
CSEA Bargaining Unit Agreement Settlement	0.36
Step/Column/Growth/Placement/Classification/Other	0.82
Employee Benefits	1.99
New Full-Time Faculty Positions (20)	2.80
Contracts and Agreements	0.05
New Full-time Classified Positions	0.47
Enrollment Marketing	0.27



FY 2016-2017 Ongoing Expenditure Budget (continued)

(In Millions)

Utilities	0.20
New Facilities Operating Costs (RCC Kane and CAADO/CSA)	0.30
Legal Expense	0.10
Election Cost	0.30
Other	0.08
Total Ongoing Expenditure Budget Adjustments	<u>\$ 12.16</u>
Total Ongoing Expenditure Budget	<u>\$ 178.34</u>
Net Ongoing Budget Shortfall	<u><u>\$ (6.21)</u></u>



FY 2016-2017 Tentative Budget

(In Millions)

FY 2016-17 One-Time Revenue Budget

Beginning Revenue Budget	\$ 15.34
FY 2015-2016 State Mandate Block Grant Reversal	(15.00)
FY 2016-2017 State Mandate Block Grant	2.59
Total One-Time Revenue Budget	<u>\$ 2.93</u>

FY 2016-17 One-Time Expenditure Budget

Beginning Expenditure Budget	\$ 15.00
Retirement Incentive Funding Cost	4.50
La Sierra Loan Payoff	1.36
Net Adjustment to Set-Aside for Future Operating Costs	(2.12)
Total One-Time Expenditure Budget	<u>\$ 18.74</u>
Net One-Time Budget (Shortfall)	<u><u>\$ (15.81)</u></u>



Summary

(In Millions)

Net Ongoing Budget Shortfall	\$ (6.21)
Net One-Time Budget Shortfall	<u>(15.81)</u>
Total Difference	\$ (22.02)
Estimated Beginning Balance at July 1, 2016	<u>33.49</u>
Total Available Funds	\$ 11.47
Less, 5% Ending Balance Target	<u>(11.47)</u>
Budget (Shortfall) Surplus	<u><u>\$ -</u></u>



FY 2016-2017 BUDGET DEVELOPMENT ISSUES



FY 2016-2017 Budget Development Issues

- ❑ **Governor's Budget Proposal/May Revise**
 - Will it hold or will there be changes?
- ❑ **Enrollment**
 - Will we achieve our enrollment target? In an efficient manner?
- ❑ **FY 2015-16 Results**
 - Will our FTES be fully funded?
 - Will we realize projected budget savings?
 - Will the property tax shortfall set-aside be sufficient to eliminate the apportionment deficit?



FY 2016-2017 Budget Development Issues

(continued)

❑ Ongoing Budget Shortfall

- The year-over-year ongoing budget shortfall still persists, wherein ongoing budgeted expenditures exceed ongoing budgeted revenues.
- The District Budget Advisory Council continues to work on this issue.

❑ Other General Funds

- Parking, Community Education, Customized Solutions and Performance Riverside continue to show accumulated deficits, ultimately impacting the General Operating Fund.



HISTORICAL BUDGET INFORMATION



Contingency History

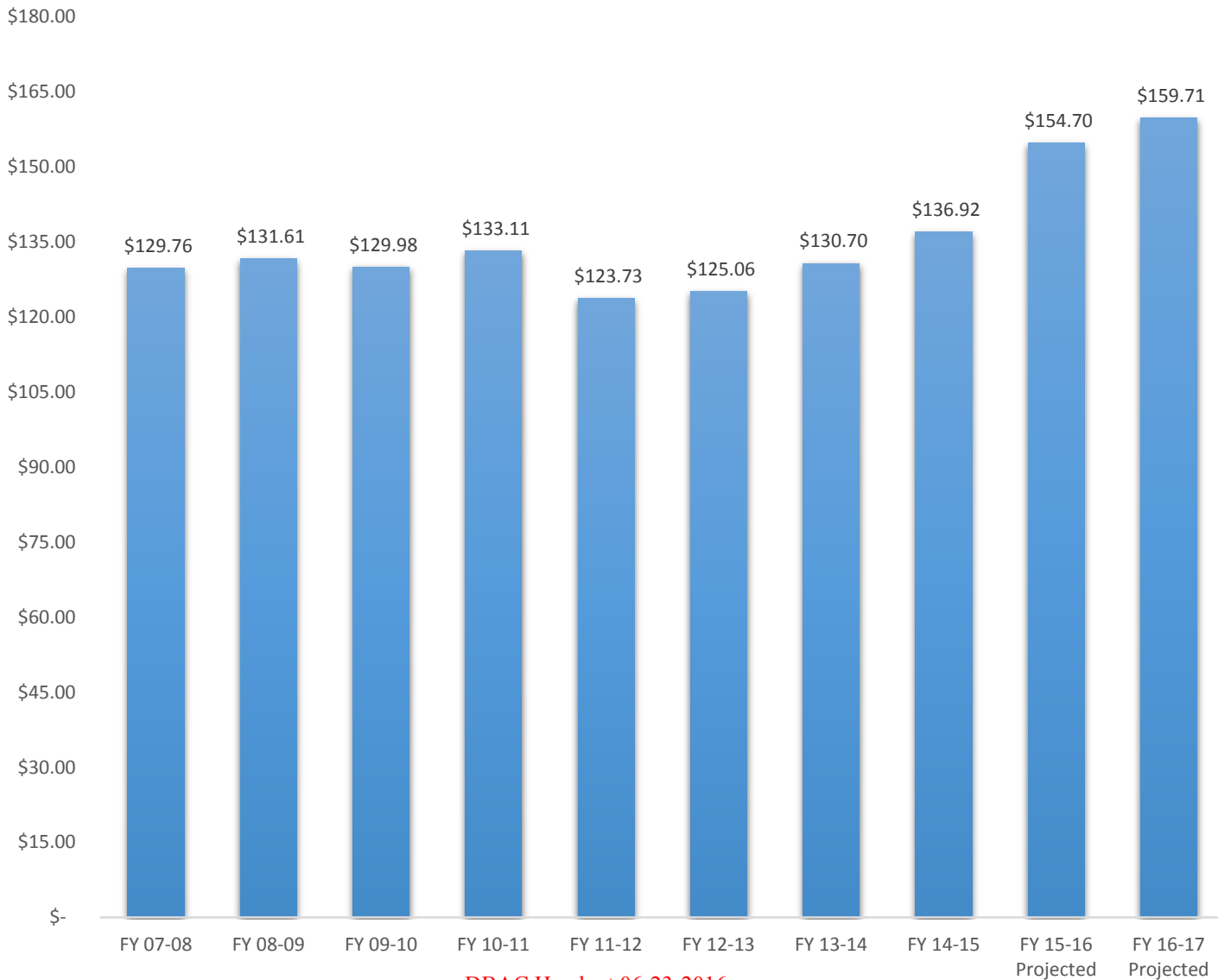
FY	Adopted Contingency Balance	% of Avaliable Funds	Ending Fund Balance	% of Avaliable Funds
2015-16*	\$ 10,447,116	5.45%	\$ 33,490,550**	17.34%
2014-15	\$ 7,801,811	4.28%	\$ 14,131,331	8.82%
2013-14	\$ 6,358,532	4.23%	\$ 12,743,536	7.65%
2012-13	\$ 4,560,030	3.23%	\$ 11,407,409	7.95%
2011-12	\$ 5,840,447	3.94%	\$ 6,805,919	4.73%
2010-11	\$ 8,729,056	5.60%	\$ 13,217,249	8.48%
2009-10	\$ 8,391,878	5.50%	\$ 11,253,316	7.22%
2008-09	\$ 12,566,801	7.68%	\$ 13,903,627	8.74%
2007-08	\$ 9,423,484	6.14%	\$ 19,259,076	12.37%

*Estimate

**Includes \$15 million of one-time State Mandate Block Grant funds set-aside for future years as a hedge against increasing costs such as PERS, STRS, health insurance, Bargaining Unit Contract increases, retirement incentive costs and revenue reductions. Without the one-time funds, the ending fund balance would be \$18,490,550 (9.57%).

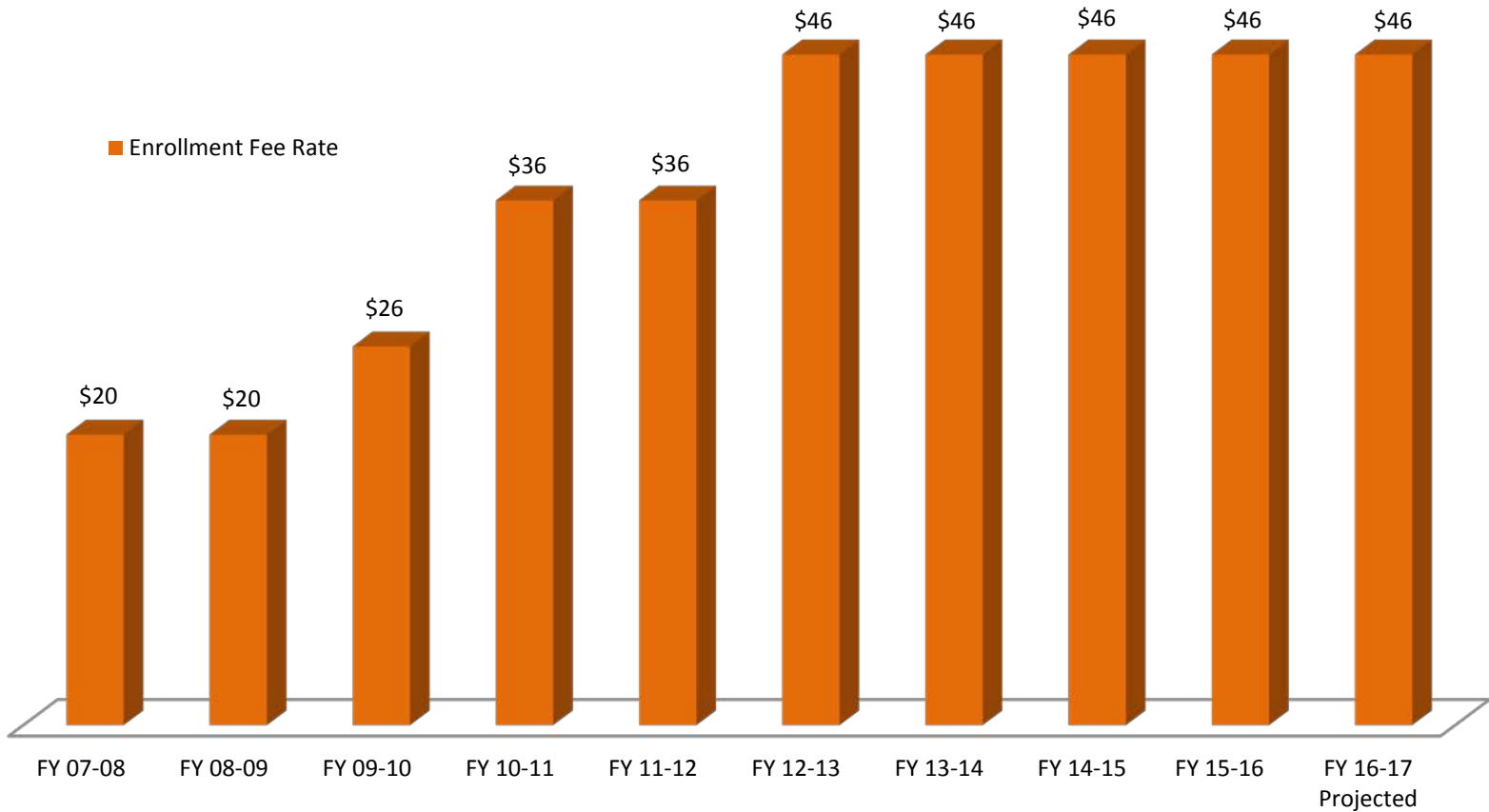


Apportionment



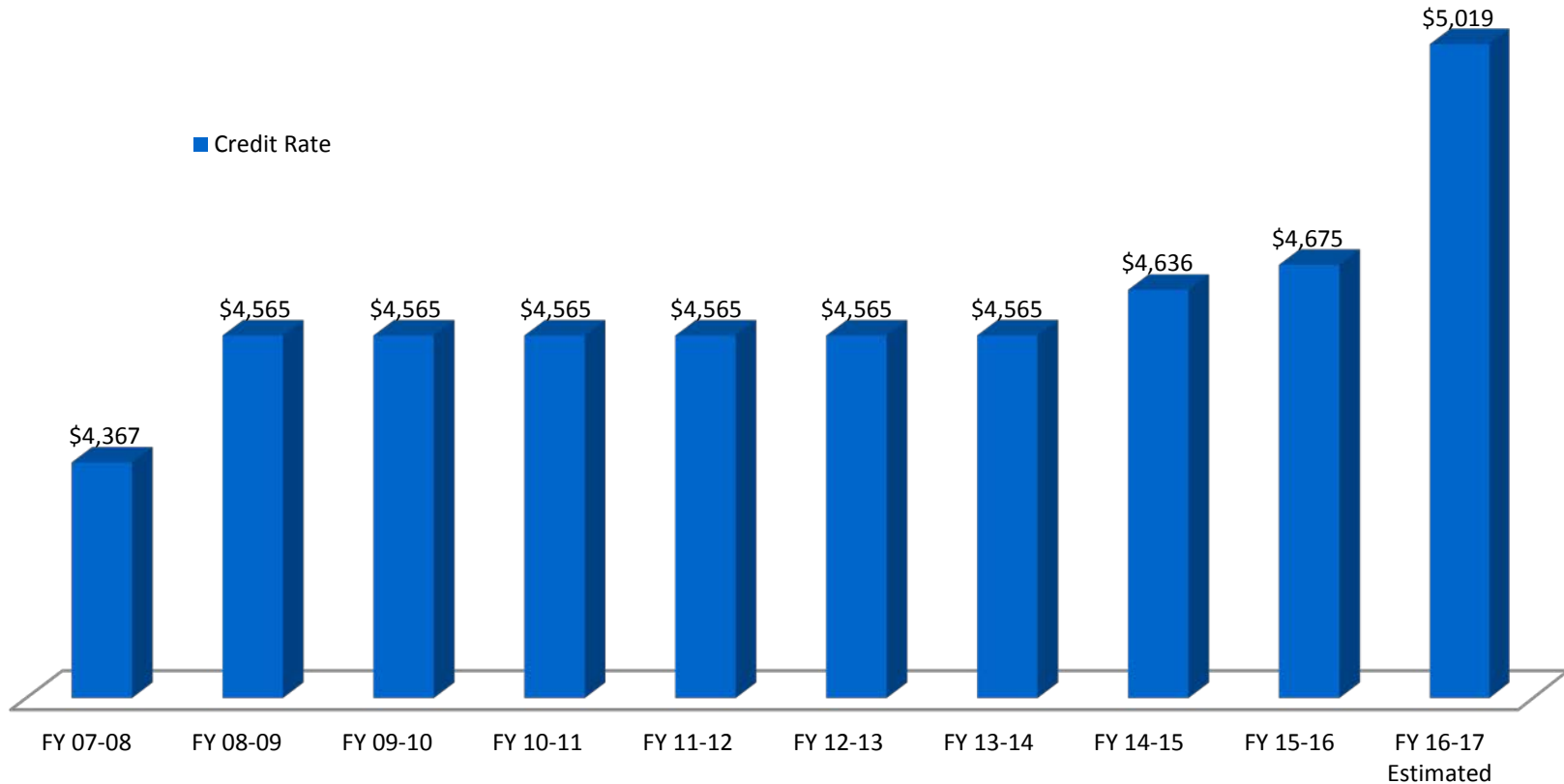


Enrollment Fee Rate Per Unit



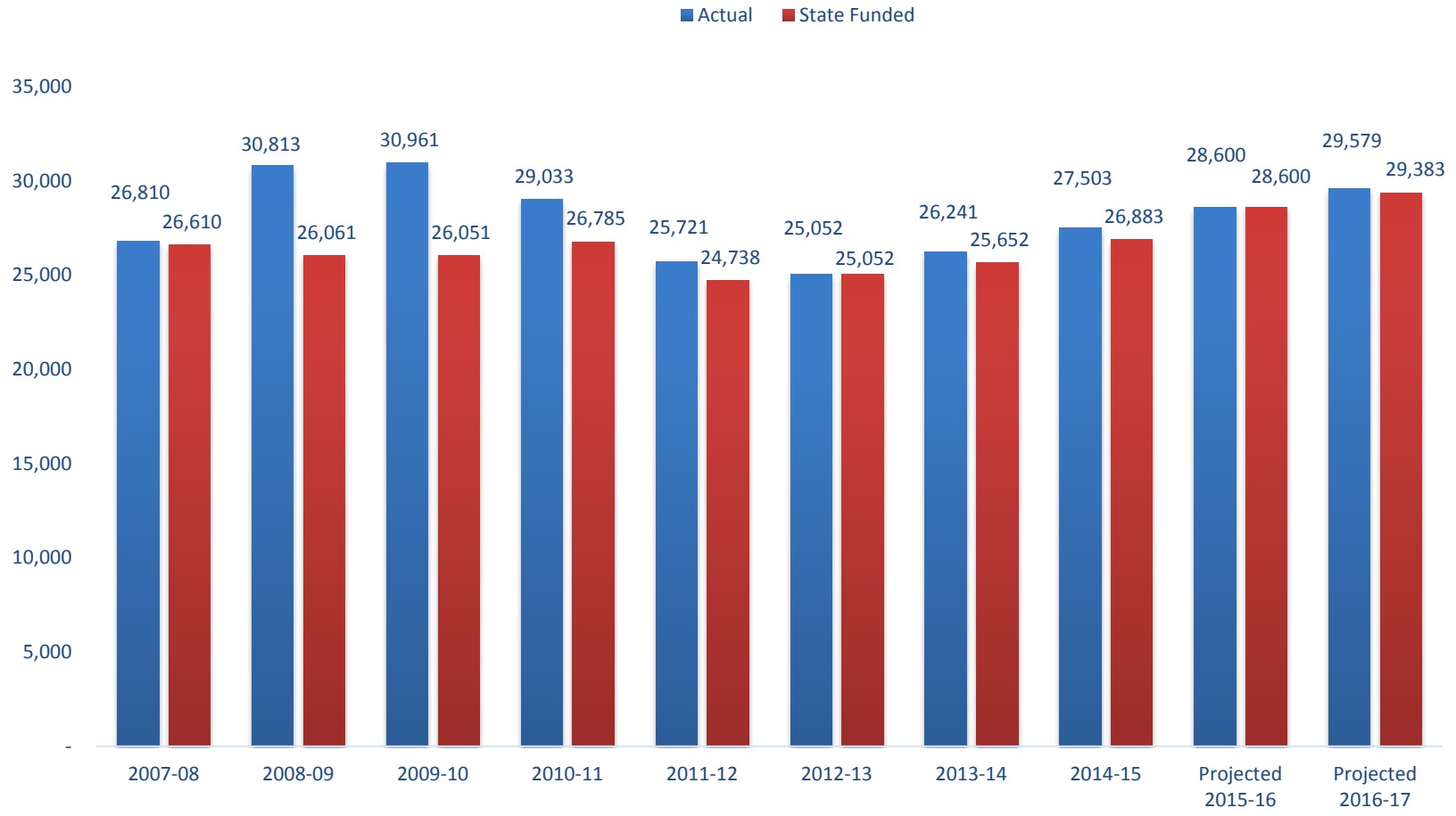


CCC Base Funding Rate Per Credit FTES



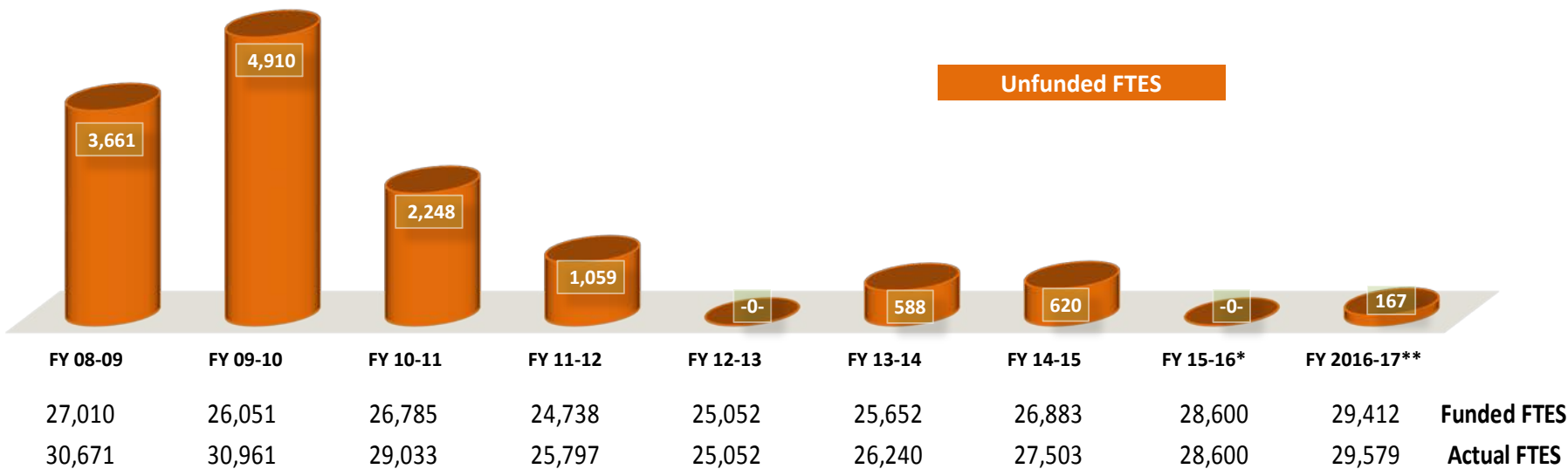


FTES





Unfunded Credit FTES



*As of P1

**Based on Governor’s “May Revise” Budget Proposal using new growth formula.



FY 2016-2017 BUDGET DEVELOPMENT TIMELINE



➤ **June**

- Tentative RCCD Budget to Resources Committee
- Second Principal Apportionment Report
- Tentative RCCD Budget to Board of Trustees on June 21, 2016

➤ **July**

- New Fiscal Year Begins on July 1, 2016

➤ **August**

- State Budget Workshops/Advance Apportionment
- RCCD Year-End Closing
- Final RCCD Budget Completed

➤ **September**

- Final RCCD Budget to Resources Committee
- Final RCCD Budget to Board of Trustees on or before September 20, 2016

RIVERSIDE COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET

FISCAL YEAR 2016-2017

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS
 2016-2017

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget 2015-2016</u>	<u>Tentative Budget 2016-2017</u>
	<u>District</u>		
<u>General Funds</u>			
<u>Unrestricted - Fund 11</u>			
<u>Resource</u>			
1000	General Operating	\$ 191,633,452	\$ 208,510,156
1080	Community Education	(59,136)	(58,608)
1090	Performance Riverside	(195,712)	(149,723)
1110	Bookstore (Contract-Operated)	1,243,354	1,392,325
1170	Customized Solutions	<u>1,432,978</u>	<u>355,738</u>
	Total Unrestricted General Funds	<u>194,054,936</u>	<u>210,049,888</u>
<u>Restricted - Fund 12</u>			
<u>Resource</u>			
1050	Parking	2,873,714	2,245,382
1070	Student Health	3,671,671	3,565,569
1120	Center for Social Justice and Civil Liberties	190,415	202,581
1180	Redevelopment Pass-Through	11,178,952	6,405,964
1190	Grants and Categorical Programs	<u>49,289,422</u>	<u>51,302,759</u>
	Total Restricted General Funds	<u>67,204,174</u>	<u>63,722,255</u>
	Total General Funds	<u>261,259,110</u>	<u>273,772,143</u>
<u>Special Revenue - Funds 32 & 33</u>			
<u>Resource</u>			
3200	Food Services	3,559,594	4,020,966
3300	Child Care	<u>1,976,953</u>	<u>2,096,425</u>
	Total Special Revenue Funds	<u>5,536,547</u>	<u>6,117,391</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS
 2016-2017

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget 2015-2016</u>	<u>Tentative Budget 2016-2017</u>
<u>Capital Projects - Fund 41</u>			
<u>Resource</u>			
4100	State Construction & Scheduled Maintenance	5,829,630	8,379,247
4130	La Sierra Capital	<u>9,800,141</u>	<u>3,140,491</u>
	Total Capital Projects Funds	<u>15,629,771</u>	<u>11,519,738</u>
<u>General Obligation Bond - Fund 43</u>			
<u>Resource</u>			
4370	2010D Capital Appreciation Bonds	947,615	-
4390	2015E Capital Appreciation Bonds	<u>45,460,596</u>	<u>9,128,843</u>
	Total General Obligation Bond Funds	<u>46,408,211</u>	<u>9,128,843</u>
<u>Internal Service - Fund 61</u>			
<u>Resource</u>			
6100	Self-Insured PPO Health Plan	6,174,450	7,368,812
6110	Self-Insured Workers' Compensation	4,960,281	4,440,882
6120	Self-Insured General Liability	<u>2,253,602</u>	<u>2,764,680</u>
	Total Internal Service Funds	<u>13,388,333</u>	<u>14,574,374</u>
<u>Other Internal Services - Fund 69</u>			
<u>Resource</u>			
6900	Other Internal Services, Retirees' Benefits	-	601,035
	Total Other Internal Services Funds	<u>-</u>	<u>601,035</u>
	Total District Funds	<u>\$ 342,221,972</u>	<u>\$ 306,584,681</u>

Expendable Trust and Agency

Student Financial Aid Accounts

Student Federal Grants	\$ 65,530,000	\$ 67,775,000
State of California Student Grants	3,790,000	4,700,000

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS
 2016-2017

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget 2015-2016</u>	<u>Tentative Budget 2016-2017</u>
	Local Scholarships Student Grants	<u>546,605</u>	<u>586,605</u>
	Total Student Financial Aid Accounts	<u>69,866,605</u>	<u>73,061,605</u>
<u>Other Account</u>			
	Associated Students of RCCD	<u>2,332,423</u>	<u>2,624,981</u>
	Total Expendable Trust and Agency	<u>\$ 72,199,028</u>	<u>\$ 75,686,586</u>
	Grand Total	<u>\$ 414,421,000</u>	<u>\$ 382,271,267</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1000 - UNRESTRICTED GENERAL FUND - INCOME

TENTATIVE OPERATING BUDGET
 2016-2017

Estimated Beginning Balance, July 1		\$ 33,490,000
Federal Income		
Student Financial Aid Adm. Fees	\$ 188,246	
Total Federal Income		188,246
State General Apportionment		93,872,243
Other State Income		
Apprenticeship	546,000	
Enrollment Fee Waiver Administration	438,399	
Education Protection Account	23,895,967	
Homeowner's Prop Tax Exemption	444,061	
Lottery	4,100,000	
Part-Time Faculty Compensation	630,940	
State Mandated Costs	3,687,413	
Total Other State Income		33,742,780
Local Income		
RDA Asset Liquidation	68,377	
Property Taxes	33,726,207	
Food Sales / Commissions	67,000	
State Dated Checks (Resource 0800)	60,000	
Interest	100,000	
Enrollment Fees	8,833,849	
Nonresident Student Fees	2,827,375	
Transcript / Late Application Fees	103,000	
Other Student Fees	223,942	
Cosmetology / Dental Hygiene / Other Sales	60,100	
Leases and Rental Income	651,065	
Donations	7,461	
Miscellaneous Local Income	119,481	
Total Local Income		46,847,857
Other/Incoming Transfers		
Sales - Obsolete Equipment	11,700	
Indirect Costs Recovery	357,330	
Total Other/Incoming Transfers		369,030
Total Income		\$ 175,020,156
Total Available Funds		\$ 208,510,156

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1000 - UNRESTRICTED GENERAL FUND - EXPENDITURES

TENTATIVE OPERATING BUDGET
 2016-2017

Object Code

1100	Regular Full-Time Teaching	\$ 32,936,239	
1200	Regular Full-Time Non-Teaching	14,518,175	
1300	Part-Time Hourly Teaching and Overload	29,115,879	
1400	Part-Time Hourly Non-Teaching	<u>1,694,187</u>	
	Total Academic Salaries		\$ 78,264,480
2100	Regular Full-Time and Part-Time Classified	28,481,139	
2200	Regular Full-Time Instructional aides	2,445,920	
2300	Student Help Non-Instructional and Classified Overtime	1,267,961	
2400	Student Help Instructional Aides	<u>395,671</u>	
	Total Classified Salaries		32,590,691
3000	Employee Benefits		45,718,977
4000	Books and Supplies		2,217,189
5000	Services and Operating Expenditures		34,153,882
6000	Capital Outlay		1,016,291
7300	Interfund Transfers		
	To Resource 4130	<u>2,630,000</u>	
	Total Interfund Transfers		2,630,000
8999	Intrafund Transfers		
	Bookstore (Resource 1110)	(712,709)	
	Center for Social Justice (Resource 1120)	149,847	
	College Work Study (Resource 1190)	338,342	
	DSP&S (Resource 1190)	665,157	
	Veterans Education (Resource 1190)	<u>4,842</u>	
	Total Intrafund Transfers		<u>445,479</u>
	Total Resource 1000 Expenditures Excluding Contingency		\$ 197,036,989
7900	Contingency / Reserve		<u>11,473,167</u>
	Total Resource 1000 Expenditures Including Contingency / Reserves		<u>\$ 208,510,156</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1050 - PARKING

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ (475,238)
Local Income		
Interest	\$ 411	
Rents and Leases	2,464	
Parking Permits/Fines	<u>2,717,745</u>	
Total Local Income		<u>2,720,620</u>
Total Available Funds (TAF)		<u>\$ 2,245,382</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 1,836,096
3000	Employee Benefits	746,128
4000	Book and Supplies	51,146
5000	Services and Operating Expenditures	693,783
6000	Capital Outlay	<u>204,057</u>
	Total Expenditures	3,531,210
7900	Contingency/Reserve/(Deficit)	<u>(1,285,828)</u>
	Total Resource 1050 Expenditures Including Contingency/Reserves	<u>\$ 2,245,382</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1070 - STUDENT HEALTH

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 2,139,982
Local Income		
Health Fees	\$ 1,341,701	
Interest	7,786	
Other	<u>76,100</u>	
Total Local Income		<u>1,425,587</u>
Total Available Funds (TAF)		<u>\$ 3,565,569</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$ 483,014
2000	Classified Salaries	529,026
3000	Employee Benefits	286,362
4000	Book and Supplies	105,530
5000	Services and Operating Expenditures	307,829
6000	Capital Outlay	<u>53,266</u>
	Total Expenditures	1,765,027
7900	* Contingency/Reserves	<u>1,800,542</u>
	Total Resource 1070 Expenditures Including Contingency/Reserves	<u>\$ 3,565,569</u>

* 5% Contingency reserve calculated from TAF equals \$178,278

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 11, RESOURCE 1080 - COMMUNITY EDUCATION

TENTATIVE OPERATING BUDGET
2016-2017

INCOME

Estimated Beginning Balance, July 1	\$ (236,414)
Local Income	<u>177,806</u>
Total Available Funds (TAF)	<u>\$ (58,608)</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 91,752
3000	Employee Benefits	24,663
4000	Book and Supplies	4,050
5000	Services and Operating Expenditures	<u>77,404</u>
	Total Expenditures	197,869
7900	Contingency/Reserves/(Deficit)	<u>(256,477)</u>
	Total Resource 1080 Expenditures Including Contingency/Reserves	<u>\$ (58,608)</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1090 - PERFORMANCE RIVERSIDE

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ (736,466)
Local Income		
Donations	\$	40,000
Box Office Receipts		231,733
Interest Income		10
Other Local Income		40,000
Intrafund Transfers from Resource 1110		<u>275,000</u>
Total Income		<u>586,743</u>
Total Available Funds (TAF)		<u>\$ (149,723)</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$	8,431
2000	Classified Salaries		172,197
3000	Employee Benefits		75,222
4000	Book and Supplies		24,013
5000	Services and Operating Expenditures		<u>199,563</u>
	Total Expenditures		479,426
7900	Contingency/Reserves/(Deficit)		<u>(629,149)</u>
Total Resource 1090 Expenditures Including Contingency/Reserves			<u>\$ (149,723)</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1110 - BOOKSTORE (CONTRACTOR-OPERATED)

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 357,218
Local Income		
Commissions	\$ 1,034,740	
Interest	<u>367</u>	
Total Local Income		<u>1,035,107</u>
Total Available Funds (TAF)		<u>\$ 1,392,325</u>

EXPENDITURES

Object Code

5000	Services and Operating Expenditures	\$ 43,600
7390	Interfund Transfer to Resource 3200	256,503
8999	Intrafund Transfer to Resource 1000	712,709
8999	Intrafund Transfer to Resource 1090	<u>275,000</u>
	Total Expenditures	1,287,812
7900	* Contingency/Reserves	<u>104,513</u>
	Total Resource 1110 Expenditures Including Contingency/Reserves	<u>\$ 1,392,325</u>

* 5% Contingency reserve calculated from TAF equals \$69,616

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1120 - CENTER FOR SOCIAL JUSTICE AND CIVIL LIBERTIES

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$	27,634
Local Income			
Interest	\$	100	
Other Local Income		<u>25,000</u>	
Total Local Income			25,100
Intrafund Transfer From Resource 1000 - General Fund			<u>149,847</u>
Total Income			<u>174,947</u>
Total Available Funds (TAF)		\$	<u>202,581</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$	79,840
3000	Employee Benefits		53,392
4000	Book and Supplies		3,922
5000	Services and Operating Expenditures		<u>63,473</u>
Total Expenditures			200,627
7900	* Contingency/Reserves		<u>1,954</u>
Total Resource 1120 Expenditures Including Contingency/Reserves		\$	<u>202,581</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1170 - CUSTOMIZED SOLUTIONS

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$	95,747
Local Income			
Interest		\$	300
Contract Revenue			<u>259,691</u>
Total Local Income			<u>259,991</u>
Total Available Funds (TAF)		\$	<u>355,738</u>

EXPENDITURES

Object Code

2000	Classified Salaries		\$	149,738
3000	Employee Benefits			75,879
4000	Book and Supplies			28,950
5000	Services and Operating Expenditures			295,583
6000	Capital Outlay			<u>3,500</u>
	Total Expenditures			553,650
7900	Contingency/Reserves/(Deficit)			<u>(197,912)</u>
	Total Resource 1170 Expenditures Including Contingency/Reserves		\$	<u>355,738</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 12, RESOURCE 1180 - REDEVELOPMENT PASS-THROUGH

TENTATIVE OPERATING BUDGET
2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 4,723,964
Local Income		
Interest	\$ 30,300	
Redevelopment Agency Agreements	<u>1,651,700</u>	
Total Local Income		<u>1,682,000</u>
Total Available Funds (TAF)		<u>\$ 6,405,964</u>

EXPENDITURES

Object Code

5000	Services and Operating Expenditures	\$ 338,448
6000	Capital Outlay	<u>1,238,520</u>
	Total Expenditures	1,576,968
7900	* Contingency/Reserves	<u>4,828,996</u>
	Total Resource 1180 Expenditures Including Contingency/Reserves	<u>\$ 6,405,964</u>

* 5% Contingency reserve calculated from TAF equals \$320,298

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - INCOME

TENTATIVE OPERATING BUDGET
 2016-2017

Estimated Beginning Balance, July 1 \$ -

Federal Income

Bulletproof Vest Partnership	\$	813	
California State Trade Export Program		193,822	
College Connection		102,334	
College Connection II		72,995	
Community Tech Ed Regional Consortia		220,000	
Community Tech Ed Transitions		135,357	
Disabled Student Support Services		340,000	
ECS Consortium Grant		24,375	
Federal Work Study		1,041,057	
Flying with Swallows		218,428	
Foster & Kinship Care		67,128	
Moreno Valley Project TAP		290,027	
NSF - Supply Chain Technology Education		60,568	
Perkins Title I-C		1,038,596	
Procurement Assistance		455,896	
Riverside Urban Area Security Initiative		6,000	
Student Support Services RISE Norco		305,476	
Student Support Services TRIO MV		341,245	
Student Support Services TRIO Norco		310,041	
Student Support Services TRIO Riverside		340,000	
TANF 50%		181,976	
Title V Accelerating Pathways to Graduation & Transfer		957,132	
Title V HSI Ben Clark Training Center		875,138	
Title V HSI Pathways to Excellence		204,327	
Title V HSI STEM and Articulation		645,682	
Trade Adjustment Assistance		1,998,521	
Tri-Tech SBDC		476,527	
Upward Bound Math and Science		372,905	
Upward Bound TRIO AUSD		235,111	
Upward Bound TRIO Centennial HS		357,664	
Upward Bound TRIO Corona HS		286,911	
Upward Bound TRIO Riverside		414,427	
Veterans Education		40,998	
Veterans Student Support Services		328,000	
Workability Grant		<u>290,060</u>	
Total Federal Income			13,229,537

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - INCOME (continued)

TENTATIVE OPERATING BUDGET
 2016-2017

State Income

AB 86 Adult Education Block Grant	1,061,325	
Basic Skills	930,150	
Basic Skills and Student Outcomes Transformation	1,321,638	
California Career Pathways Trust	8,031,052	
CalWorks	815,287	
CalWorks Set-Aside	73,160	
CTE Enhancement Fund	107,398	
Deputy Sector Navigator	216,455	
DSP&S Allocation	2,113,495	
Enrollment Growth for ADN-RN 15/16	382,000	
EOPS - CARE	222,149	
EOPS Allocation	1,877,072	
EOPS Special Project Set-Aside	25,038	
Faculty and Staff Diversity	13,526	
Foster & Kinship Care Education	68,813	
Foster Paren Pre-Training	130,735	
Full Time Student Success	859,140	
Instructional Equipment	1,561,489	
Lottery	1,555,247	
Middle College High School	133,126	
Puente Project	1,500	
Sector Navigator	372,500	
SFAA - Base	422,928	
SFAA - Capacity	881,745	
SFAA - Implementation	26,388	
Song Brown Health Care Workforce Training	200,000	
Song Brown RN 15/17	108,000	
Song Brown RN Special Programs 15/17	125,000	
Song Brown RN Special Programs 17/18	125,000	
Staff Development	2,788	
Student Equity	4,948,957	
Student Financial Assistance Program - Fiscal Coord	437,000	
Student Success & Support Program	5,182,269	
Student Success & Support Program Set-Aside	<u>800,000</u>	
Total State Income		35,132,370

Local Income

4Faculty Web Services	8,437
CACT Seminars	21,084
Career Ladders Program	933
College Connection II	9,000
Completion Counts: CLIP	8,845

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - INCOME (continued)

TENTATIVE OPERATING BUDGET
 2016-2017

Created Equal: America's Civil Rights Struggle	1,200	
Foster Youth Advocacy Program	3,622	
Foster Youth Support Services	64,389	
Gateway to College	250,000	
Intn'l Student Capital Outlay Surcharge	704,649	
Leadership Academy	4,250	
Middle College High School - Val Verde	58,024	
Middle College High School - Moreno Valley	76,683	
Nuview USD Early College High School	267,642	
Procurement Assistance Center Income	4,000	
Riverside County Board of Supervisors	5,507	
Sector Navigator Income	31,700	
Seeking Safety Program	74,627	
Tri-Tech SBCD Cash Match	267,252	
Tri-Tech SBCD Seminars	20,366	
United Way - STEM "U" Late Your Mind	20,301	
Upward Bound Math & Science MVUSD	<u>30,000</u>	
Total Local Income		1,932,511
Interfund and Intrafund Transfers		
DSP&S Match/Over (from Resource 1000)	665,157	
Federal Work Study (from Resource 1000)	338,342	
Veterans Education	<u>4,842</u>	
Total Interfund and Intrafund Transfers		<u>1,008,341</u>
Total Income		<u>51,302,759</u>
Total Available Funds		<u>\$ 51,302,759</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - EXPENDITURES

TENTATIVE OPERATING BUDGET
2016-2017

<u>Object Code</u>		<u>Expenditures</u>
1000	Academic Salaries	\$ 4,895,316
2000	Classified Salaries	12,835,598
3000	Employee Benefits	6,262,794
4000	Book and Supplies	5,864,248
5000	Services and Operating Expenditures	15,850,668
6000	Capital Outlay	4,173,616
7600	Book Grants / Bus Passes	1,420,519
7900	Contingency / Reserves	<u> -</u>
Total Resource 1190 Expenditures Including Contingency / Reserves		<u>\$ 51,302,759</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 32, RESOURCE 3200 - FOOD SERVICES

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		<u>\$ 922,457</u>
Local Income		
Food Sales/Commissions	\$ 2,812,451	
Pepsi Sponsorship	181,503	
Interest	<u>2,825</u>	
Total Local Income		2,996,779
Interfund Transfer From Resource 1110 - Bookstore Fund		<u>101,730</u>
Total Income		<u>3,098,509</u>
Total Available Funds (TAF)		<u>\$ 4,020,966</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 1,066,464
3000	Employee Benefits	335,071
4000	Books and Supplies	1,224,958
5000	Services and Operating Expenditures	229,104
6000	Capital Outlay	<u>36,809</u>
	Total Expenditures	2,892,406
7900	* Contingency/Reserves	<u>1,128,560</u>
	Total Resource 3200 Expenditures Including Contingency/Reserves	<u>\$ 4,020,966</u>

* 5% Contingency reserve calculated from TAF equals \$201,048

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 33, RESOURCE 3300 - CHILD CARE

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 751,702
Federal Income		
Lunch Program		71,509
State Income		
Tax Bailout Funds		36,500
Local Income		
Parent Fees	\$ 1,160,000	
Interest Income	1,650	
Other Local Revenue	<u>64</u>	
Total Local Income		<u>1,161,714</u>
Interfund Transfer From Resource 1110 - Bookstore Fund		<u>75,000</u>
Total Income		<u>1,344,723</u>
Total Available Funds (TAF)		<u>\$ 2,096,425</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$ 628,797
2000	Classified Salaries	377,045
3000	Employee Benefits	190,470
4000	Books and Supplies	52,250
5000	Services and Operating Expenditures	82,935
6000	Capital Outlay	<u>37,087</u>
	Total Expenditures	1,368,584
7900	* Contingency/Reserves	<u>727,841</u>
	Total Resource 3300 Expenditures Including Contingency/Reserves	<u>\$ 2,096,425</u>

* 5% Contingency reserve calculated from TAF equals \$104,821

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 41, RESOURCE 4100 - STATE CONSTRUCTION/SCHEDULED MAINTENANCE

TENTATIVE OPERATING BUDGET
2016-2017

INCOME

Estimated Beginning Balance, July 1		\$	-
State Income	\$ 8,269,069		
Local Income	<u>110,178</u>		
Total Income			<u>8,379,247</u>
Total Available Funds (TAF)		\$	<u>8,379,247</u>

EXPENDITURES

Object Code

6000	Capital Outlay	\$	<u>8,379,247</u>
	Total Expenditures		8,379,247
7900	Contingency/Reserves		<u>-</u>
Total Resource 4100 Expenditures Including Contingency/Reserves		\$	<u>8,379,247</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 41, RESOURCE 4130 - LA SIERRA CAPITAL

TENTATIVE OPERATING BUDGET
2016-2017

INCOME

Estimated Beginning Balance, July 1		<u>\$ 490,491</u>
Local Income	\$ 20,000	
Interfund Transfer From Resource 1000 - General Fund	<u>2,630,000</u>	
Total Income		<u>2,650,000</u>
Total Available Funds (TAF)		<u>\$ 3,140,491</u>

EXPENDITURES

Object Code

6000	Capital Outlay	<u>\$ 2,934,574</u>
	Total Expenditures	2,934,574
7900	Contingency/Reserves	<u>205,917</u>
	Total Resource 4130 Expenditures Including Contingency/Reserves	<u>\$ 3,140,491</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 43, RESOURCE 4390 - 2015E CAPITAL APPRECIATION BONDS

TENTATIVE OPERATING BUDGET
2016-2017

INCOME

Estimated Beginning Balance, July 1	\$ 8,906,625
Local Income	<u>222,218</u>
Total Available Funds (TAF)	<u>\$ 9,128,843</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 762,785
3000	Employee Benefits	368,017
5000	Services and Operating Expenditures	237,434
6000	Capital Outlay	<u>22,050,595</u>
	Total Expenditures	23,418,831
7900	Contingency/Reserves	<u>(14,289,988)</u>
	Total Resource 4390 Expenditures Including Contingency/Reserves	<u>\$ 9,128,843</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 61, RESOURCE 6100 - SELF-INSURED PPO HEALTH PLAN

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ (379,208)
Local Income		
Interest	\$ 1,600	
Self-Insurance Health Plan Assessments from other Funds	<u>7,746,420</u>	
Total Local Income		<u>7,748,020</u>
Total Available Funds (TAF)		<u>\$ 7,368,812</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 106,645
3000	Employee Benefits	37,258
4000	Books and Supplies	4,459
5000	Services and Operating Expenditures	<u>6,433,410</u>
	Total Expenditures	6,581,772
7900	Contingency/Reserves	<u>787,040</u>
	Total Resource 6100 Expenditures Including Contingency/Reserves	<u>\$ 7,368,812</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 61, RESOURCE 6110 - SELF-INSURED WORKERS' COMPENSATION

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 3,747,429
Local Income		
Interest	\$ 20,000	
Insurance	17,828	
Workers Compensation Premium Assessments from other Funds	<u>655,625</u>	
Total Local Income		<u>693,453</u>
Total Available Funds (TAF)		<u>\$ 4,440,882</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 422,233
3000	Employee Benefits	210,933
4000	Books and Supplies	14,328
5000	Services and Operating Expenditures	1,673,281
6000	Capital Outlay	<u>6,500</u>
	Total Expenditures	2,327,275
7900	Contingency/Reserves	<u>2,113,607</u>
	Total Resource 6110 Expenditures Including Contingency/Reserves	<u>\$ 4,440,882</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 61, RESOURCE 6120 - SELF-INSURED GENERAL LIABILITY

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 1,401,100
Local Income		
Interest	\$ 2,800	
General Liability Premium Assessments from other Funds	<u>1,360,780</u>	
Total Local Income		<u>1,363,580</u>
Total Available Funds (TAF)		<u>\$ 2,764,680</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$ 877
2000	Classified Salaries	178,367
3000	Employee Benefits	93,055
4000	Books and Supplies	1,800
5000	Services and Operating Expenditures	1,545,685
6000	Capital Outlay	<u>6,500</u>
	Total Expenditures	1,826,284
7900	Contingency/Reserves	<u>938,396</u>
	Total Resource 6120 Expenditures Including Contingency/Reserves	<u>\$ 2,764,680</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 69, RESOURCE 6900 - OTHER INTERNAL SERVICES, RETIREES' BENEFITS

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Estimated Beginning Balance, July 1		\$ 328,965
Contract Services - OPEB	\$ 266,370	
Interest	<u>5,700</u>	
Total Income		<u>272,070</u>
Total Available Funds (TAF)		<u>\$ 601,035</u>

EXPENDITURES

Object Code

		\$ -
Total Expenditures		-
7900 Contingency/Reserves		<u>601,035</u>
Total Resource 6900 Expenditures Including Contingency/Reserves		<u>\$ 601,035</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 STUDENT FEDERAL GRANTS

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Unaudited Beginning Balance, July 1		\$	-
Federal Income			
Riverside City College PELL Student Grants & Book Waivers	\$ 35,000,000		
Norco College PELL Student Grants & Book Waivers	11,000,000		
Moreno Valley College PELL Student Grants & Book Waivers	14,000,000		
Riverside City College FSEOG Student Grants & Book Waivers	510,000		
Norco College FSEOG Student Grants & Book Waivers	325,000		
Moreno Valley College FSEOG Student Grants & Book Waivers	380,000		
Riversdie City College Federal Work Study	475,000		
Norco College Federal Work Study	325,000		
Moreno Valley College Federal Work Study	360,000		
Riverside City College Subsidized Loan	1,500,000		
Norco College Subsidized Loan	800,000		
Moreno Valley College Subsidized Loan	1,100,000		
Riverside City College Un-Subsidized Loan	900,000		
Norco College Un-Subsidized Loan	500,000		
Moreno Valley College Un-Subsidized Loan	<u>600,000</u>		
Total Federal Income			<u>67,775,000</u>
Total Available Funds (TAF)			<u>\$ 67,775,000</u>

EXPENDITURES

Object Code

7520	Riverside City College PELL Student Grants & Book Waivers	\$ 35,000,000	
	Norco College PELL Student Grants & Book Waivers	11,000,000	
	Moreno Valley College PELL Student Grants & Book Waivers	14,000,000	
	Riverside City College FSEOG Student Grants & Book Waivers	510,000	
	Norco College FSEOG Student Grants & Book Waivers	325,000	
	Moreno Valley College FSEOG Student Grants & Book Waivers	380,000	
	Riversdie City College Federal Work Study	475,000	
	Norco College Federal Work Study	325,000	
	Moreno Valley College Federal Work Study	360,000	
	Riverside City College Subsidized Loan	1,500,000	
	Norco College Subsidized Loan	800,000	
	Moreno Valley College Subsidized Loan	1,100,000	
	Riverside City College Un-Subsidized Loan	900,000	
	Norco College Un-Subsidized Loan	500,000	
	Moreno Valley College Un-Subsidized Loan	<u>600,000</u>	
	Total Student Federal Grants, Direct Loans, Work Study, and Book Waivers		<u>\$ 67,775,000</u>
	Total Student Federal Grants		<u>\$ 67,775,000</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 STATE OF CALIFORNIA STUDENT GRANTS

TENTATIVE OPERATING BUDGET
 2016-2017

INCOME

Unaudited Beginning Balance, July 1		\$	-
State Income			
Riverside City College Cal Grants	\$	2,100,000	
Riverside City College FTSS Grant		510,000	
Norco College Cal Grants		1,000,000	
Norco College FTSS Grant		200,000	
Moreno Valley College Cal Grants		690,000	
Moreno Valley College FTSS Grant		<u>200,000</u>	
Total State Income			<u>4,700,000</u>
Total Available Funds (TAF)		\$	<u>4,700,000</u>

EXPENDITURES

Object Code

7520	Riverside City College Cal Grants	\$	2,100,000
	Riverside City College FTSS Grant		510,000
	Norco College Cal Grants		1,000,000
	Norco College FTSS Grant		200,000
	Moreno Valley College Cal Grants		690,000
	Moreno Valley College FTSS Grant		<u>200,000</u>
	Total State - Cal Grants and FTSS Grants	\$	<u>4,700,000</u>
	Total State of California Student Grants	\$	<u>4,700,000</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
LOCAL SCHOLARSHIPS STUDENT GRANTS

TENTATIVE OPERATING BUDGET
2016-2017

INCOME

Unaudited Beginning Balance, July 1		\$	46,605
Local Scholarships			
Riverside City College Local Scholarships	\$	250,000	
Norco College Local Scholarships		150,000	
Moreno Valley College Local Scholarships		<u>140,000</u>	
Total Local Income			<u>540,000</u>
Total Available Funds (TAF)		\$	<u>586,605</u>

EXPENDITURES

Object Code

7510	Riverside City College Local Scholarships	\$	271,573
	Norco College Local Scholarships		162,947
	Moreno Valley College Local Scholarships		<u>152,085</u>
	Total Local Scholarships	\$	<u>586,605</u>
	Total Local Scholarships Student Grants	\$	<u>586,605</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 ASSOCIATED STUDENTS OF RCCD

TENATIVE BUDGET
 2016-2017

INCOME

Unaudited Beginning Balance, July 1		<u>\$ 1,580,628</u>
Local Income		
ASRCC		
Student Fees	\$ 578,182	
Interest	404	
Athletic Events	20,000	
Commissions	5,000	
Total ASRCC Local Income		<u>603,586</u>
ASNC		
Student Fees	249,861	
Interest	173	
Total ASNC Local Income		<u>250,034</u>
ASMVC		
Student Fees	190,560	
Interest	173	
Total ASMVC Local Income		<u>190,733</u>
Total Local Income ASRCCD		<u>\$ 1,044,353</u>
Total Available Funds (TAF)		<u><u>\$ 2,624,981</u></u>

EXPENDITURES

<u>Account Code</u>			
905	Organizations Funding	13.61%	\$ 156,300
906	Athletics	19.87%	228,200
910	Riverside ASB	18.18%	208,765
921	Norco ASB	18.99%	218,000
924	Norco - Organizations Funding	13.67%	157,000
930	Moreno Valley ASB	15.68%	<u>180,000</u>
Total Expenditures		100.00%	\$ 1,148,265
Total ASRCCD Ending Fund Balance			<u>1,476,716</u>
Total ASRCCD Expenditures plus Ending Balances			<u><u>\$ 2,624,981</u></u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting
Friday, October 21, 2016 – RCCD Building, Conference Room 309
9:00 a.m. - 11:00 a.m.

AGENDA

- I. Welcome and Call to Order
- II. Approval of Minutes
 - A. August 18, 2016
- III. Budget Update
 - A. Board of Governor's 2017-18 Budget Proposal
 - B. Planning for FY 2017-18 Budget
 - 1. Year-End Purchasing Calendar
 - 2. Part-Time Faculty Overload Budget Allocation Method
 - 3. Classified/Management Staffing Allocation
 - 4. Structural Budget Deficit/Budget Stability Plan
 - 5. Budget Allocation Model Modifications
 - 6. Other
 - C. Other
- IV. Next Meeting
 - A. Friday, November 18, 2016 – 9:00AM to 11:00 AM at RCCD Building – 3rd Floor, Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting*

*August 18, 2016
RCCD Building - 309
8:00 a.m. - 10:00 a.m.*

MEETING MINUTES

Members Present

Aaron Brown	(District)
Majd Askar	(District)
Nathaniel Jones	(Moreno Valley College)
Beth Gomez	(Norco College)
Sherrie DiSalvio	(Riverside City College – Proxy for VP Business Services)
Michael McQuead	(Moreno Valley College)
Rex Beck	(Norco College)
Mary Legner	(Riverside City College)
Nate Finney	(Moreno Valley College)
Jennifer Lawson	(Riverside City College)
Gloria Aguilar	(District)
Rachelle Arispe	(Recorder)

Members Not Present

Mark Sellick	(District)
Jacquelyn Smith	(District wide – Student)

Guest(s) Present

Irv Hendrick	(Moreno Valley College)
David Bobbit	(Moreno Valley College)
Monica Green	(Norco College)
Jim Buysse	(Riverside City College - Consultant)

I. CALLED TO ORDER

- A. By Aaron Brown
- B. Brown introduced Dr. Nathaniel Jones as the new Vice President of Moreno Valley College District.

II. APPROVAL OF MINUTES

- A. Once a quorum was achieved, the minutes for June 23, 2016 were approved, except for a correction under II.A. Approval of Minutes. The May 20, 2016 minutes were originally approved by Peggy Campo instead of Mary Legner.

III. BUDGET UPDATE

A. State/District Budget Update

1. Reviewed the Projected Budget Change Summary - Handout #1 and Handout #2

- a. The ending balance is at \$36.58 million, \$3 million higher than expected. Increase is due to \$1 million more in revenue recognition (primarily from lottery and apportionment) and the remainder \$2 million is from savings in health insurance 5000 object code, unexpended funding in the admin contingency account, less expenses in rents/legal fees/repairs, not as much expended on the apprenticeship program, and less expended on the CAADO facility than anticipated.
- b. Apportionment revenue increased \$.5 million, primarily due to actual growth being 2.92%.
- c. Major changes in the expenditures include:
 - i. Realignment of the salary and benefits for Police from Resource 1050 to Resource 1000. The difference is approximately \$.5 million. The positions are split 50/50 between the General Fund.
 - ii. A classified and administrative position allocation in the amount of \$600K was added as agreed upon by the DBAC subgroup. The allocation will be split between the four entities at \$150K each.
 - iii. A temporary backfill in the amount of \$150K was added for two National Science Foundation grant positions at Norco College, if the grant is not renewed.
 - iv. Health benefits include a \$150K increase from originally estimated. The total increase for Health benefits is \$2 million. The rate increases are as follows: Kaiser - 13.1%, Health Net - 9%, and PPO Plan - 0%, Delta Dental - (1%), and Jefferson Pilot life insurance - 2%.
 - o Based on FY 2015-16 results, Keenan suggested a decrease to our rate by 18% for the PPO. Plan might be warranted. However, over the last two years the district had five claims that have exceeded our stop loss coverage of \$225K for each claim. It was decided to leave the PPO rate the same since PPO health benefit could be volatile with the recent retirees, more participants choosing the PPO plan, and unforeseen claims.
 - v. PERS increased from 11.8% to 13.8% and STRS increased from 10.7% to 12.5%, a \$2 million increase. Rates are planned to increase significantly for PERS/STRS in the next two years. The District is looking at total increases of \$2.5 to \$3 million in each of the next two years.
 - vi. The total increase for each of the next two years is approximately \$5 million for health benefits, PERS/STRS, growth, COLA, changes to fixed charges, new faculty and step in column.
 - vii. FTES growth is 2% system-wide. RCCD's growth is 2.92%, approximately 835 FTES. However, there are indications that enrollment demand is softening. The budget is predicated on achieving our FTES targets. If RCCD does not meet the target then we may have to borrow FTES again from summer. Brown reminded members that enrollment management is very important.
 - viii. Brown commented that the budget has been very good for RCCD the last couple of years. RCCD has had the opportunity to get their financial footing back after the "Great Recession". RCCD has been able to pay off some obligations and offer a

retirement incentive that will be fully paid off. However, we are facing the expiration of Prop 30 and it is uncertain if Prop 55 (to extend Prop 30 – sales tax and personal income tax) will pass. Prop 55 is polling marginal. If Prop 55 does not pass, RCCD will have to regroup. The State says there will be no significant change initially but the State will have to backfill from another area (i.e. social services, debt repayment, etc.) to fulfill the Prop 98 guarantee. RCCD is protected by Prop 98 (part of the K-14 funding formula 11%). However, RCCD would eventually see a gradual decline over time.

- ix. Brown indicated that the State is way overdue for a recession. The current economic cycle is the 4th longest in California history, about 3 years overdue. Softening enrollment demand and large, scheduled rate increases for health insurances and PERS/STRS, will present challenges moving forward.
- x. Brown reminded members that we need to be cognizant of these issues during discussions at our colleges, with the Board of Trustees level, and at District Strategic Planning. We have to be ready to react when future events happen.
- xi. Service and Operating costs did not change overall.
- xii. The State Mandate Block is different by \$30K.
- xiii. One-time expenditures include the Retirement Incentive Plan costs, La Sierra loan, and amounts over and above the 5% Reserve level makes-up the differential to re-budget as a set-aside.
- xiv. Positions update (other than faculty positions): 2-senior officers (MVC & NC), 1-Help Desk Support Technician (District), 1-Share Point Developer (District), 1-Sports Information Director – part-time (RCC), 1-Applications Support Technician (RCC), 3-Custodians (Centennial Plaza), 1-Maintenance Mechanic (Centennial Plaza), and conversion of 14-Community Service Aids – permanent part-time (District wide - 25/75 split).
- xv. The funding allocation for classified and/or management positions will be placed into the Vice President of Business Services location code until the colleges identify the positions they want to fill. The entire allocation to each college will stay with the college until the funds are spent.
 - MOTION: Gomez motioned to recommend a classified/management position allocation in the FY 2016-17 budget in the total amount of \$600,000 to be distributed to each college and district at \$150,000 each, with the provision that the funds can only be used for classified/management positions, and that the ongoing allocation would be reviewed and considered each year. Legnar seconded motion.
- xvi. On Handout #1, the \$9.87 million ending balance is calculated by 5% multiplying ongoing revenues with one-time monies stripped out (method agreed upon at the DBAC Subgroup), by 5%. The reserve balance is \$1 million less than the reserve balance using the current methodology based on the total available funds (beginning balance plus budgeted revenues).
 - Brown reminded members that over the last 3 years (prior to FY 2015-16) our district had to request Board of Trustees approval to suspend the 5% Reserve requirement because expenditures exceeded revenues by such an

amount that the 5% Reserve could not be achieved without cutting expenditures. It is difficult to propose cutting the expenditure budget when we have \$3 to 4 million at the bottom line each year, and especially now that we have been receiving significant revenues. The beginning balance for FY 2016-17 is \$36 million.

- If members agreed with the reserve balance calculation based on ongoing expenditures, Brown requested that members vote to recommend a modification to Board Policy.
- MOTION: Gomez motioned to recommend the reserve balance be calculated by 5% of the ongoing expenditures. Bobbitt seconded the motion.
- Jones inquired on what the reserve rate has been historically. Brown identified the reserve rate using the Contingency History slide from the FY 2016-17 Tentative Budget presentation. It indicates a big jump because of the one-time, \$15 million set-aside.
- Brown requested that members identify the main reasons why they recommend changing how the reserve is calculated so he could provide DSPC and the Board of Trustees with an informed decision.
 1. Brown conveyed to the members that it is uncomfortable taking a less conservative methodology the Board of Trustees. Brown requested feedback from the members regarding the main reasons to adjust our calculation methodology from more conservative to less conservative.
 2. Gomez commented that from a college standpoint, they have programs that they want to launch and the funds would give them the opportunity to do so. However, Beck responded why launch new programs if it is not sustainable?
 3. Bobbitt commented that the Board of Trustees can increase the reserve at any time.
 4. Jones asked members about the structural deficit and if this would be a measure by which it could be resolved. Gomez responded that it would be an impact. Jones also thinks that it would allow for more strategic investment in terms of long term viability of programs and the mission of the district.
 5. Hendrick remarked that maybe it could be a short term policy change since we have a high surplus.
 6. DiSalvio asked if the excess funds could be invested outside of the County Treasurer's office. Brown responded that there is an ability to do so but there is an impact to administratively manage it. The rate is marginal and he thinks the benefit would only be if it was for a long-term basis.
 7. Brown also conveyed to members that during a meeting with our credit rating agency last year during the most recent bond issuance,

the agency commented that they wanted to see our district with a larger reserve balance. The credit rating agency indicated that our reserve was at the lower end compared to other colleges in the country that have a 15% to 20% reserve. The indication Brown received from the credit rating agencies was that they are more comfortable with a 10% or higher reserve. Brown indicated that if our reserve is higher our rating would be higher, which impacts the cost of us issuing bonds. With a higher rating we can more favorably negotiate the sale of our bonds. Based on the credit rating agencies' comments, the Board of Trustees requested alternatives for increasing our reserve balance. Brown prepared an information only presentation for discussion. No action was taken by the Board of Trustees. Brown's sense is that the Board of Trustees are comfortable with the current reserve, if not a higher level. To recommend a lower reserve level might not be received well. Brown also has concerns with the projected expenditure increases, and softening to revenues. Brown commented that we do not receive enough ongoing funding to fully cover ongoing expenditures and his projections do not factor in a possible recession. Brown indicated that he is looking at the long-term to provide protection for the institution.

8. Beck responded that he shares Brown's angst but that we suffer from a mixed message from the State as the colleges are encouraged to improve their productivity with a number of graduates per FTES and no performance funding. The verbal message tells us to do what increases our graduate rates yet will reduce our FTES/funding. As we implement, our budget condition could worsen even more.
9. Brown commented that the State Chancellor's Office is looking at modifying the funding formula to take into consideration success factors rather than just access. The change is being driven by the fact that a number of districts in the state that are not able to produce growth, yet they still must serve their communities.
10. Beck said that he read Norco College is roughly 20% higher than the state average for success.
11. Gomez asked if the district is planning to issue a new bond and if the reserve would affect our credit rating. Brown indicated that a new bond may be issued in two years and that it is possible that it could impact our credit rating.
12. The set-aside funds were designed for us to have a "soft landing" to provide time to deal with constrained revenues vs. increased expenditures. During the last recession the District had a source of funding (La Sierra funds to borrow approximately \$7 million) to permit us to delay some of the more difficult budget decisions that

we were faced. It was only in the last year of the recession that there were layoffs.

13. Brown indicated that we produced a little over 600 FTES in FY 2015-16 (without the rollback). To meet our targets in FY 2016-17, we need to produce 835 in growth, 144 in unfunded and we have to make up 441 from summer that we pulled back to FY 2015-16, totaling 1400 FTES.
 14. Beck suggested that it is reasonable that initiatives should focus on growth to maintain our revenue adjustments. Brown responded that there have been discussions regarding this issue over the last nine months in the Enrollment Management meetings. Brown indicated that we are already 200+ below our target for summer, which is significant.
 15. MOTION WITHDRAWN: Gomez requested to withdraw her motion to change the reserve balance calculation and leave it status quo. However, Gomez does want to deal with the structural deficit given all the uncertainty. She wants to take the course of being conservative and see where it goes. Brown agrees with Gomez and wants to stay on course and continue to plan for the budget structural deficit.
- d. Brown inquired with members if they want to continue including the BAM in the final budget. Gomez thinks that we should include the BAM for historical purposes and for information. Brown agrees with Gomez and he said that it shows the changes that have occurred. The BAM identifies all the decisions that were made going into FY 2016-17 and how they impact all of the entities.
 - e. Brown provided a brief update from the Board of Governor's Chancellor's Office proposal for FY 2017-18.
 - i. Access at 2%
 - ii. COLA at 1%
 - iii. Advocate for a base increase
 - iv. Full time faculty hiring money
 - v. A number of initiatives that are restricted in nature, including Deferred Maintenance, Instructional Equipment and possibly a Safety initiative.
 - f. Brown thinks that the new California Community College Chancellor knows that there is some unfairness in the growth formula. They do not want the colleges to fail.
 - g. Brown indicated that the ACBO Board is proposing to lower our growth targets and provide for more base money. The ACBO Board is also advocating for technology infrastructure funding to support instructional programs. It has been increasingly difficult to be able to support the technology systems with no funding.
 - h. Chancellor Burke, Carlson, and Brown have been in discussions regarding the next bond authorization. They want to set it up to help fund scheduled maintenance and technology needs, both in the classroom and infrastructure. There is a way it can be done by structuring the debt issuance to coincide with the life of the asset. Our district

must plan effectively so bond issuances are layered and tiered based on the life of the assets we are purchasing.

IV. NEXT MEETING

A. Friday, September 16, 2016 – 9:00 a.m. to 11:00 a.m. at the District Office Building – Executive Conference Room 209

V. MEETING ADJOURNED AT 9:40 A.M.

Riverside Community College District
 Projected Budget Change Summary
 FY 2016-2017

Final as of
 08/16/2016

Handout #1

	FY 2015-2016 Adopted Budget	Projected Changes	FY 2016-2017 Projected Budget	
<u>Ongoing Revenues</u>				
Apportionment	\$ 84.74	\$ 10.47	\$ 95.21	
Federal	0.19	-	0.19	
State - Other (Exclusive of Mandate Reimb)	30.20	-	30.20	
Local	46.47	0.50	46.97	
Other	0.37	-	0.37	
Total Ongoing Revenues	<u>\$ 161.97</u>	<u>\$ 10.97</u>	<u>\$ 172.94</u>	
<u>Ongoing Expenditures</u>				
Academic and Classified Salaries	\$ 103.97	\$ 9.50	\$ 113.47	
Employee Benefits	36.86	2.14	39.00	
Books and Supplies	2.22	-	2.22	
Services and Operating Expenses	20.39	1.57	21.96	
Capital Outlay	0.98	-	0.98	
Interfund	1.27	-	1.27	
Intrafund	0.50	-	0.50	
Total Ongoing Expenditures	<u>\$ 166.19</u>	<u>\$ 13.21</u>	<u>\$ 179.40</u>	
Ongoing Revenue and Expenditure Difference	<u>\$ (4.22)</u>	<u>\$ (2.24)</u>	<u>\$ (6.46)</u>	
<u>One-Time Revenues</u>				
State - Mandate Reimbursement	\$ 15.00	\$ (12.38)	\$ 2.62	
<u>One-Time Expenditures</u>				
One-Time Expenditures	<u>\$ 15.00</u>	<u>\$ 7.87</u>	<u>\$ 22.87</u>	
One-Time Revenue and Expenditure Difference	<u>\$ -</u>	<u>\$ (20.25)</u>	<u>\$ (20.25)</u>	
Total Revenue and Expenditure Difference	<u>\$ (4.22)</u>	<u>\$ (22.49)</u>	<u>\$ (26.71)</u>	
Beginning Fund Balance	<u>14.67</u>		<u>36.58</u>	18.73%
Ending Fund Balance	\$ 10.45		\$ 9.87	
5% Ending Balance Requirement	<u>(10.45)</u>		<u>(9.87)</u>	
Budget (Shortfall) Excess	<u>\$ -</u>		<u>\$ -</u>	

Riverside Community College District
 Projected Budget Change Summary
 FY 2016-17

Projection as of
 08/16/2016

Handout #2

	FY 15-16	FY 16-17	Change
Ongoing Revenue and Expenditure Analysis			
Resident Credit FTES (Actual/Target)	28,599.64	29,578.89	979.25
Resident Credit Funded	28,599.64	29,434.75	835.11
Unfunded FTES	-	144.14	
Unfunded %	0.00%	0.49%	
Ongoing Revenue Assumptions			
Apportionment (Ongoing Revenues)			
Access (New Growth Formula)	3.00%/3.88%	2.00%/2.92%	
FY 14-15 and 15-16 Additional			\$ 3.98
FY 16-17			4.19
RDA Revenue Deferral Reversal			1.13
COLA	1.02%	0.00%	-
Basic Allocation			1.97
Full-Time Faculty Hiring Positions			-
Deficit Factor	0.000%	0.050%	(0.80)
Total Apportionment			\$ 10.47
Other (Various - Ongoing but Variable)			\$ 0.50
Total Ongoing Revenues			\$ 10.97
Ongoing Expenditure Assumptions			
Academic and Classified Salaries			
Full-Time Compensation (COLA 0.00% and Contract 2.00%)	4.02%	2.00%	\$ 1.71
Part-Time Compensation (COLA 0.00% and Contract 2.50%)	5.02%	2.50%	0.73
Part-Time Compensation (Enrollment Growth)			1.79
Impact of CSEA Contract (Besides Contractual Salary Increase)			0.35
Step/Column/Prof Growth/Other			0.90
Administrator Position Elimination (Tillquist and Thomas)			(0.38)
Sabbatical Leave Backfill			0.15
Realignment of Police Salaries/Benefits with Resource 1050			0.51
New FT Faculty (20 @ \$144k)			2.80
New Classified Position Allocation (\$150K/Entity)			0.60
New Classified Positions (RCC - AST and RCC - Sports Info Dir)			0.19
Temp Backfill - NSF Grant Positions (Ocegura and Molko)			0.15
Total Academic and Classified Salaries			\$ 9.50
Employee Benefits			
Health Insurance - Active and Over 65 Retirees and OPEB	2.00%/43.28%	0.0%/9.0%/13.1%	\$ 1.13
Health Insurance - Under 65 Retirees			0.75
Employee Benefits - Adjustments and Budget Reduction Strategy (3%)	N/A	3.00%	(0.40)
Workers' Compensation	1.00%	0.50%	(0.55)
Property and General Liability	1.89%	1.20%	(0.76)
PERS	11.847%	13.887%	0.64
STRS	10.73%	12.58%	1.33
Total Employee Benefits			\$ 2.14
Service and Operating Expenses			
Election Costs - "On Year"			\$ 0.30
District Administrative Program Review			0.60
New Facilities (RCC Kane SS - \$250K & CSA/CAADO - \$50K)			0.30
Utilities			0.17
Legal Expense			(0.37)
Contracts/Agreements			0.05
Miscellaneous Adjustments			0.52
Total Services and Operating Expenses			\$ 1.57
Total Ongoing Expenditures			\$ 13.21
One-Time Revenue Assumptions			
State - Other (One-Time Revenues)			
State Mandate Reimbursement (FY 16-17)			\$ 2.62
State Mandate Reimbursement (Less FY 15-16)			(15.00)
Total One-Time Revenues			\$ (12.38)
One-Time Expenditure Assumptions			
Expenditure			
Reverse FY 15-16 Set-Aside for Future Operating Costs			\$ (15.00)
Retirement Incentive Cost - Base Adjustment			4.56
La Sierra Loan Repayment in Full			1.36
FY 16-17 Set-Aside for Future Operating Costs			16.95
Total One-Time Expenditures			\$ 7.87

RIVERSIDE COMMUNITY COLLEGE DISTRICT

CCC Budget Development for FY 2017-2018

The California Community College FY 2017-18 budget request will be presented at the September 19-20, 2016 Board of Governor's meeting. The Board of Governor's met on July 18, 2016 and had preliminary discussions on the FY 2017-18 system request. It is anticipated that the following funding priorities will be requested:

- * COLA (1.00%) - \$100 Million
 - * Access (2.00%) - \$125 Million
 - * General Operating Base Increase - \$200 Million
 - * Full-Time Faculty Hiring - \$100 Million
 - * Part-Time Faculty Hiring - \$25 Million
 - * Veterans Resource Centers - \$25 Million
-
- ▶ Technology - \$50 Million
 - ▶ Campus Safety - \$50 Million
 - ▶ Mental Health Services - \$25 Million
 - ▶ Professional Development \$25 Million
 - ▶ Online Education - \$10 Million
 - ▶ Outreach - \$10 Million
 - ▶ Integrated Library Services - \$.5 Million
 - ▶ Deferred Maintenance and Instructional Support
 - ▶ Innovation Grants - \$25 Million
 - ▶ Promise Grants - \$15 Million
 - ▶ Open Educational Resources - \$20 Million
 - ▶ Equal Employment Opportunity - \$10 Million
 - ▶ Professional Development - \$25 Million
 - ▶ Pathways to Community College Teaching - \$.65 Million

Total Request = \$843.15 Million

***Highest Priorities = \$575.00 Million**

Likely Funding = \$400.00 Million

Riverside Community College District 2016/17 Year-End Purchasing Deadlines

Attached to this memo is a 2016/17 Year-End Purchasing Deadline calendar. This calendar is provided to allow for timely 2016/17 purchase order processing, delivery and payment.

To avoid delays with purchase orders that must be processed this fiscal year, requisitions must be fully approved and received by the Purchasing Department, no later than May 21st. Please ensure requisitions are complete and include all required information (travel notes, DIR information, authorized purchasers, etc). Approximately 30% of requisitions received are missing required information and result in additional delays.

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Generally Accepted Accounting Principles require that all expenses be recorded in the fiscal year that goods are received or services are rendered, regardless of which fiscal year the requisition is created or the invoice is paid. This also applies to grants and categorical program expenditures, regardless of the grant ending date.

Requisitions entered after the cutoff date will need to be routed to your **Vice President of Business Services for approval.** Due to increased volume experienced at the end of the fiscal year, any rush requests received after the cutoff date cannot be guaranteed.

Requisitions entered after the cutoff results in:

- Backlog of requisitions causing a delay in purchase order processing
- Risk of NOT receiving your order in the current FY 2016/17
- Backlog of invoices which cause a delay in payment and risk of having vendor accounts put on hold
- Delay in year-end closing and reporting which is needed to prepare the new Fiscal Year budget

ORIGINAL

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District Budget Advisory Council Meeting

Friday, November 18, 2016 – RCCD Building, Conference Room 209

9:00 a.m. - 11:00 a.m.

AGENDA

- I. Welcome and Call to Order
- II. Approval of Minutes
 - A. October 21, 2016
- III. Budget Update
 - A. State Budget Update
 - B. District Budget Update
 - C. Part-Time Faculty Budget Allocation
 - D. Classified/Management Staff Budget Allocation
- IV. Other
 - A. Categorically Funded Tenure Track Positions
 - B. Concur Travel
 - C. Budget Development Calendar
- V. Next Meeting
 - A. Friday, December 9, 2016 – 9:00AM to 11:00 AM at RCCD Building – 3rd Floor, Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting*

*October 21, 2016
RCCD Building - 309
9:00 a.m. - 11:00 a.m.*

MEETING MINUTES

Members Present

Majd Askar	(District)
Nathaniel Jones	(Moreno Valley College)
Beth Gomez	(Norco College)
Sherrie DiSalvio	(Riverside City College – Proxy for VP Business Services)
Rex Beck	(Norco College)
Mark Sellick	(District)
Asatar Bair	(Riverside City College)
Ana Molina	(Norco College)
Rachelle Arispe	(Recorder)

Members Not Present

Aaron Brown	(District)
Michael McQuead	(Moreno Valley College)
Nate Finney	(Moreno Valley College)
Jennifer Lawson	(Riverside City College)
Gloria Aguilar	(District)
Jacquelyn Smith	(District wide – Student)

Guest(s) Present

Melissa Elwood	(District)
David Bobbit	(Moreno Valley College)

I. CALLED TO ORDER

- A. By Majd Askar
- B. Askar requested Asatar Bair to introduce himself to the members since he is replacing Mary Legner, RCC Faculty Representative.

II. APPROVAL OF MINUTES

- A. Once a quorum was achieved, Gomez moved and Beck seconded approval of the minutes for August 18, 2016.

III. BUDGET UPDATE

- A. Board of Governor's 2017-18 Budget Proposal
 1. Askar provided members with Handout #1 as an information item identifying preliminary discussions by the Board of Governor's on the FY 2017-18 system request of \$843.15 million. The highest priorities are identified, totaling \$575 million. California Community Colleges are likely to receive \$400 million in funding.

2. Prop 55 funds are not included in the FY 2016-17 budget. Beck inquired on the projections or status of the proposition. Askar did not have a status. However, Gomez believes there is a majority for approval.
- B. Planning for FY 2017-18 Budget
1. The Year-End Purchasing Calendar (Handout #2) was provided identifying two options for the last day to enter purchase orders (including office supplies, Home Depot, and Barnes & Noble) for FY 2016-17.
 - a. Askar explained to members that two years ago purchasing processed approximately 6,000 purchase orders annually, now they process over 8,000 due to increased funding. After the FY 2015-16 deadline there was over 650 orders submitted. The Budget office could not begin budget development as they had to wait for accounts payable to close. The delay set back the Budget office by two weeks. By modifying the calendar it will assist the accounting and budget departments to close the year in a timely manner. Subsequently, Budget calculates ending balance in order to begin the new year final budget.
 - b. Melissa Elwood (Controller) explained the end of the year accounting process in regards to purchase orders. Elwood indicated that with every order encumbered, as of June 30, are automatically accrued. Each purchase order has to then be modified by accounts payable. However, with the enormous amount of late purchase orders this year end, accounts payable was not able to get to each one. Therefore, we now have accruals in Galaxy that should not have been created. Accounts payable must now clear the accruals that reflect a negative for this year. However, for Grants, once their accrual is cleared, they will have an increase to their budget.
 - c. Askar and Elwood also indicated how important it is that the colleges meet the deadline as it could create issues for auditing purposes.
 - d. Gomez agrees that the colleges need to take some ownership and ensure the funds are adequate on the purchase orders. However, she does not want to adversely impact graduation.
 - e. Gomez also expressed concerns with the processing and completion of purchase orders on the purchasing department's side. She suggested that there also needs to be a commitment on the part of Business Services to make sure the purchase orders are completed and processed in a timely manner.
 - f. Askar responded that since there has been an increase of funds in scheduled maintenance and instructional equipment, the purchasing specialists have been inundated. Due to this increased load, approval was just granted to add an additional purchasing specialist. Once the additional position is filled and there is sufficient training of the new employee, the added position should help in the process and completion of the purchase orders in a timely manner. Therefore, Askar committed to quicker turn-around time for purchase orders. DiSalvio indicated that she is willing to plan and provide more education to RCC regarding the deadlines. Last year there were a lot of exceptions, partly because RCC was understaffed and very late with program review purchases. DiSalvio is trying to get in front of the purchases this year to get it going in a better direction.

- g. Gomez and DiSalvio think that the June 15th deadline is a better option especially since the colleges have commencement and events in June.
 - h. Askar indicated that if there are any requisitions that come in after the deadline, the requisition will be routed to the Vice President of Business Services to approve. Therefore, the department will need to explain the reasons for the late submittal to their Vice President.
 - i. Askar requests that if the deadlines stay the same, the colleges need to regulate and enforce the processing before the year-end deadline. Therefore, Gomez, Jones and DiSalvio agreed that the June 15th deadline was reasonable and that they would return to their colleges to inform them of the Purchasing year-end deadlines.
2. Part-Time Faculty Overload Budget Allocation Method
- a. Askar reminded members that the DBAC subgroup has been reviewing the part-time faculty overload budget allocation method for the last two years. There was discussion in the last subgroup meeting that the methodology and the formulas may need to be reviewed.
 - i. Askar will email the spreadsheet to the subgroup once the numbers and formulas are refined. Sellick requested that a copy be provided to the entire committee.
 - b. Askar also wanted to make it clear to the colleges that when the part-time faculty overload budget allocation method was established, it was agreed that permanent faculty savings would not be used in order to offset any part-time faculty budget shortages. Only the classified and management salary savings could be used.
3. Classified/Management Staffing Allocation
- a. Askar reminded members of the approved distribution of \$600K for classified and management positions. The budget allocation amount for FY 2017-18 for each entity and the method of distribution still needs to be established and discussed at the next subgroup.
 - b. Jones inquired if there is an analysis of ratios between faculty FTE and student FTE in relationship to managerial and classified staff so that when we are increasing either students or faculty FTE there is some sort of corresponding increase for staff. Example: UCR added .25 of a staff FTE for every faculty position added. UCR tried to come up with different measures of administrative work load that were related to faculty and students.
 - c. Jones indicated that we need to determine the most appropriate metric to use to do the analysis (i.e. square footage, etc.).
 - d. Gomez responded that Norco College gathered information regarding the inventory of positions. However, focus should be on the general fund because the grants are self-supporting and can go away. Gomez agrees there should be a metric that ties the trigger of additional staffing, but we need to look at the existing footprint. If square footage is used, the type of building and age is a concern.
 - e. Beck commented that he has concerns about adding overhead that is grant funded and how a position would be back-funded with general funds once the grant funding is gone.

- f. Gomez agrees with Jones and suggests that a metric could be reviewed at the DBAC subgroup to start the discussion.
 - g. Askar inquired about position information previously gathered by Norco. Gomez responded that information gathered would not be helpful since each college is different.
 - h. Askar will add the suggested metric as an initiative for the subgroup to discuss.
4. Structural Budget Deficit/Budget Stability Plan and BAM Modifications
- a. Askar asked members if they want to consider working on the budget stability plan and BAM modifications more or bring it up as an initiative.
 - b. Gomez suggested that we do not do a stability plan until we have a good BAM.
 - c. Sellick agrees that discussion needs to continue.

IV. NEXT MEETING

- A. Friday, November 18, 2016 – 9:00 a.m. to 11:00 a.m. at the District Office Building – Executive Conference Room 309

V. MEETING ADJOURNED AT 10:00 A.M.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

CCC Budget Development for FY 2017-2018

The California Community College FY 2017-18 budget request will be presented at the September 19-20, 2016 Board of Governor's meeting. The Board of Governor's met on July 18, 2016 and had preliminary discussions on the FY 2017-18 system request. It is anticipated that the following funding priorities will be requested:

- * COLA (1.00%) - \$100 Million
 - * Access (2.00%) - \$125 Million
 - * General Operating Base Increase - \$200 Million
 - * Full-Time Faculty Hiring - \$100 Million
 - * Part-Time Faculty Hiring - \$25 Million
 - * Veterans Resource Centers - \$25 Million
-
- ▶ Technology - \$50 Million
 - ▶ Campus Safety - \$50 Million
 - ▶ Mental Health Services - \$25 Million
 - ▶ Professional Development \$25 Million
 - ▶ Online Education - \$10 Million
 - ▶ Outreach - \$10 Million
 - ▶ Integrated Library Services - \$.5 Million
 - ▶ Deferred Maintenance and Instructional Support
 - ▶ Innovation Grants - \$25 Million
 - ▶ Promise Grants - \$15 Million
 - ▶ Open Educational Resources - \$20 Million
 - ▶ Equal Employment Opportunity - \$10 Million
 - ▶ Professional Development - \$25 Million
 - ▶ Pathways to Community College Teaching - \$.65 Million

Total Request = \$843.15 Million

***Highest Priorities = \$575.00 Million**

Likely Funding = \$400.00 Million

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League Analysis of the 2017-18 *California's Fiscal Outlook*

Background

On November 16, the nonpartisan Legislative Analyst's Office (LAO) released the annual publication, *California's Fiscal Outlook*, including the revenue summaries for the first quarter of the fiscal year as well as a five-year fiscal forecast. The release of the report serves as a prelude to the annual budget deliberation process that begins every January with the release of the Governor's Budget Proposal.

Every year, state policymakers anticipate the *Fiscal Outlook* report as a first look at state revenue, reserve estimates, and spending commitments affecting the General Fund. Through an analysis of the economy, *Fiscal Outlook* outlines possible state revenue and spending trajectories over the next five years and illustrates any progress towards building budget reserves as required under Proposition 2, which was approved by voters in 2012. For education stakeholders, the LAO's analysis of Proposition 98 provides an insight into potential revenue growth or downturns. The report also discusses policy choices faced by the state, including debt repayment, budgetary commitments, and economic conditions.

Following is the Community College League of California's analysis and perspective on the LAO's *Fiscal Outlook* report. This *Fiscal Outlook* provides scenarios for economic growth and a scenario for a mild recession.

Economic Conditions

The *Fiscal Outlook* acknowledges that California's economic expansion continues and is currently in its 89th month. In California, income is up by 4 percent and job growth is up by 2.3 percent, however the percentage of those needing supplemental assistance as a result of high living-costs remains higher than the rest of the country. The *Fiscal Outlook* again warns about the uncertainty of an economic slowdown. The bulk of the economic expansion has been driven by the Bay Area (San Francisco, Oakland, and San Jose) which has shown strong job growth and the largest per capita personal income tax in the state. State revenue growth is primarily driven by personal income, a volatile economic indicator which comprises 70 percent of the General Fund. It is important to note that revenues from the sales and use tax (SUT) and the corporate tax (CT) are lower than anticipated in the current year.

The *Fiscal Outlook* acknowledges that forecasters are not good at projecting the end of economic expansions, therefore they provide indicators of looming recessions. These include reaching "full employment" combined with inflation, or major public policy change.

State Budget Outlook

The LAO predicts a positive outlook for the 2017-18 budget. The report illustrates that the state is better prepared to handle mild recessions than in past years. This optimistic

outlook is based on the assumption that current state policies continue and no new budget commitments are made. Provided those conditions are met, the LAO anticipates the state would end fiscal year 2017-18 with reserves of \$11.5 billion. The rules established by Proposition 2 require that nearly two-thirds of these reserves be set-aside in the Budget Stabilization Account (BSA). The Legislature would then have control over the remaining \$2.8 billion, down from \$4.3 billion last year. The LAO warns that if the Legislature were to make new funding commitments in the 2017-18 budget, it will likely face difficult choices by the end of the five-year forecast of 2020-21.

Current Year 2016-17

The 2016-17 Budget Act assumed revenue at \$122.5 billion. The *Fiscal Outlook* indicates that revenue for 2015-16 and 2016-17 are down \$1.7 billion. Final reserves are estimated at \$7.5 billion levels, down \$1 billion from budget assumptions. The decrease is due primarily to lower than projected sales taxes and corporate taxes.

Budget Year 2017-18

The *Fiscal Outlook* predicts that revenues will increase \$8.1 billion, or 5.4 percent, in 2017-18. The growth is driven by a 6.9percent increase in personal income tax (PIT). The LAO estimates that, under current law, General Fund spending will grow by \$4.1 billion in 2017-18. Increased spending is due to the Prop 98 guarantee and commitments to health and human services programs.

Proposition 98 Outlook

From 2017-18 through 2020-21 of the LAO forecast, Test 2 of Proposition 98 is operative. Generally, Test 2 is operative when there are changes in K-12 attendance and per capita personal income. For 2017-18, the LAO estimates the statutory COLA at about 1 percent.

One-Time Resources

The LAO indicates that the Proposition 98 Guarantee for 2015-16 and 2016-17 combined is down by \$388 million. The *Fiscal Outlook* estimates that 2015-16 spending exceeded revenue by \$351 million. The state will likely apply that as a payment towards its settle-up obligations of \$1 billion. As a result, one-time funding will be limited for the 2017-18 budget. In addition, the state will have no outstanding maintenance factor payment for the first time since 2005-06.

New Proposition 98 Funds Available in 2017-18

The LAO projects the Proposition 98 guarantee will increase 3.6 percent, (\$2.6 billion) from \$71.9 billion (the adjusted guarantee) in 2016-17 to \$74.5 billion in 2017-18. Combined with \$496 million that was allocated as one-time money in 2016-17, the *Fiscal Outlook* estimates a \$2.8 billion increase for K-14 education priorities for 2017-18. Using the approximate 11 percent statutory split between K-12 and community colleges, colleges could receive an estimated \$308 million in on-going increases for the 2016-17 fiscal year.

Further, the LAO predicts that the 2017-18 Proposition 98 guarantee is “modestly sensitive” to General Fund revenue declines. Revenue could increase up to about \$5.5 billion before having any effect on the minimum guarantee.

2016-17		
On-Going Funds Allocated in Budget Act	\$71.7 billion	
2017-18		
LAO Estimated Prop 98 Guarantee	\$74.5 billion	
	New Prop 98 Funds	\$2.8 billion
LAO Estimated CCC 2017-18 Split	\$308 million	

Out-Year Projections

This year, the LAO provided two hypothetical economic scenarios cautioning how the minimum guarantee would respond to either moderate growth or a mild recession beginning in the middle of 2018. Both scenarios include revenue for the passage of Proposition 55. Additionally, Proposition 51 does not affect the minimum guarantee but does provide community colleges with \$2 billion in bonds for building and renovations of facilities.

Growth Scenario	Mild Recession Scenario
<ul style="list-style-type: none"> Increases from \$71.9 billion in 2016-17 to \$83.5 billion in 2020-21. Average annual growth rate under this scenario is 3.8%. Under this scenario, the state creates little new maintenance factor, By 2020-21, only \$200 million in outstanding maintenance factor obligation. 	<ul style="list-style-type: none"> From 2017-18 to 2018-19 the guarantee declines by \$1.4 billion (1.9%). By 2020-21 the guarantee grows from \$71.9 billion in 2016-17 to \$78.1 billion, an average annual growth rate of 2.1%. In 2018-19, the state creates more than \$4 billion in new maintenance factor. State ends the period with \$3.1 billion in outstanding maintenance factor obligation.

Overall, the LAO notes a number of significant issues in K-14 that impact the five-year forecast period including the full phase-in of K-12’s new Local Control Funding Formula and the increased costs associated with CalSTRS contributions.

Local Property Tax Assumptions.

The LAO forecasts local property tax revenues to grow steadily during the forecast period, indicating that property tax revenue grows from \$20.9 billion in 2016-17 to \$25.6 billion by 2020-21. Both scenarios present a cautionary tale for community colleges. Community colleges do not receive an automatic backfill if Property tax revenue projections are lower than the assumptions in the Budget Act. The fact that much of the growth in the minimum guarantee is dependent on Property tax revenue (40 percent under the growth scenario and about 65 percent under the recession

scenario) indicates that funding could dramatically change if assumptions do not materialized.

Higher Education Issues

Growing pension costs continue to be a primary concern for community colleges. District contribution rates for CalSTRS will increase from 12.5 percent of payroll in 2016-17 to 18.1 percent by 2019-20. CalPERS contributions will increase 13 percent to 19.9 percent by 2019-20. For the 2017-18 fiscal year, the CalSTRS and CalPERS contribution rates are as follows:

Year	STRS	PERS
2017-18	14.43%	16.6%

The LAO illustrates two possible economic scenarios for pension impacts. Under a growth scenario, costs represent about 25percent of the \$24 billion cumulative funding increase districts would receive by 2020-21. In a recession scenario, costs represent about 33percent of the \$19 billion cumulative increase in Proposition 98 funding.

The report again illustrates a steady decline in K-12 average daily attendance. While this trend may take some time to materialize in higher education, it is nonetheless a critical trend to note, as future enrollment growth may also need to come from individuals who haven't recently been in an education setting.

Lastly, while the sales tax portion of Proposition 30 will expire on December 31, 2016, the current forecast illustrates that this portion of Proposition 30 should not have a major impact on education spending. On the other hand, the economy would have to remain steady in order to avoid reductions.

League Analysis

In past years, the LAO revenue estimates have generally been higher than those used by the Governor and Department of Finance in crafting the Governor's January proposal or those adopted in the Annual Budget Act. The *Fiscal Outlook* serves as a preview of the upcoming budget discussions.

It is important to note that anticipated new funds for community colleges of about \$308 million are significantly lower than the 2017-18 System Budget Proposal which requested \$752 million. Additionally, as we learned from the 2016-17 budget, while ongoing funds may be available in the Proposition 98 guarantee, the Governor has the discretion to allocate the resources as one-time funds.

Over the next several years, colleges will need to continue to focus on long-term cost pressures. The League's primary analysis is to be cautious of the state's heavy reliance on personal income tax, especially since much of the growth comes from Bay Area technology industries. Based on the forecasted economic conditions and long-term cost pressures, the League advises districts to exercise caution but to maintain focus on current ongoing initiatives like Student Success and Support Programs (SSSP) and Equity.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

CCC Budget Development for FY 2017-2018

The California Community College FY 2017-18 budget request will be presented at the September 19-20, 2016 Board of Governor's meeting. The Board of Governor's met on July 18, 2016 and had preliminary discussions on the FY 2017-18 system request. It is anticipated that the following funding priorities will be requested:

- * COLA (1.00%) - \$100 M / \$1.6 M
 - * Access (2.00%) - \$125 M / \$4.4 M
 - * General Operating Base Increase - \$200 M / \$4.8 M
 - * Full-Time Faculty Hiring - \$100 M / \$2.5 M
 - * Part-Time Faculty Hiring - \$25 M / \$.6 M
 - * Veterans Resource Centers - \$25 M / \$.6 M
-
- Technology - \$50 M
 - Campus Safety - \$50 M
 - Mental Health Services - \$25 M
-
- Professional Development \$25 M
 - Online Education - \$10 M
 - Outreach - \$10 M
 - Integrated Library Services - \$.5 M
 - Open Educational Resources - \$20 M
 - Equal Employment Opportunity - \$10 M
 - Professional Development - \$25 M
 - Pathways to Community College Teaching - \$.65 M
-
- Deferred Maintenance and Instructional Support
 - Innovation Grants - \$25 M
 - Promise Grants - \$15 M

Total Request = \$843.15 Million

***Highest Priorities = \$575.00 Million**

Likely Funding = \$400.00 Million

FTES by Term 2016-2017/Nov 15 ,2016									
Credit FTES	Target Summ16	Estimate Summ16	Roll Over to 2015-2016	Target Fall 16	Estimate Fall 16	Target Winter 17	Target Spring 17	Planned FTES	Actual Target
MVC	650	608	-101.77	2926	2800	550	2707	6833	6832.72
NC	508.69	480.37	-101.77	2993.34	3060	500.23	2830.46	6832.72	6832.72
RCC	1432.21	1298	-237.02	6842.78	6610	1139.94	6524.51	15939.44	15913.45
District	2590.9	2386.37	-440.56	12762.12	12470	2190.17	12061.97	29605.16	29578.89

Mid Year Review FTES	Target	Estimate	RollOver to 2015-2016	Adjusted Estimate Mid year	Estimated Shortfall
MVC	3576	3408	-101.77	3306.23	-269.77
NC	3502.03	3540.37	-101.77	3438.6	-63.43
RCC	8274.99	7908	-237.02	7670.98	-604.01
District	15353.02	14856.37	-440.56	14415.81	-937.21

Notes: Estimated Positive attendance at 90 %
TBA not accounted for.
5 Census Rosters not submitted for MVC.

Bridge Classes: Overlapping fiscal years.
Ben Clark: 44.54 FTES accounted for in Summer 16 for Adj Courses for MVC
49.15 FTES accounted for in Fall 16 for ADJ Courses for MVC

Culinary:
45 FTES accounted for in Summer 16 for RCC.

DISTRICT BUDGET ADVISORY COMMITTEE

2017-18 Budget Development Calendar

- May 13, 2017 – May Revise (tentative date)
- May 9, 2017 – NC Business & Facilities Planning Council Meeting
**Move to week of May 15, 2017*
- May 12, 2017 – DSPC Meeting
**Move to May 19, 2017 in the afternoon (after DBAC)*
- May 17, 2017 – MVC Resource Subcommittee Meeting
- May 18, 2017 – DBAC Subgroup Meeting to discuss May Revise (*tentative*)
- May 18, 2017 – RCC Resource Dvlpmnt. & Administrative Services Leadership Council
- May 19, 2017 – DBAC Meeting
- May 31, 2017 – Due Date for Chancellor's Cabinet
- June 5, 2017 – Chancellor Cabinet Meeting
- June 6, 2017 – Due Date for Committee Board Reports
- June 9, 2017 – DSPC Meeting
- June 13, 2017 – Board of Trustees Committee Meeting
- June 20, 2017 – Board of Trustees Regular Meeting
- June 22, 2017 – DBAC Meeting
- July 20, 2017 – DBAC Subgroup Meeting (*tentative*)
- July 2017 – No DBAC Meeting Scheduled (*Dark*)
- July 2017 – No DSPC Meeting Scheduled (*Dark*)
- Aug. 16, 2017 – DBAC Subgroup Meeting to discuss Final Budget (*tentative*)
- Aug. 17, 2017 – DBAC Meeting
**Add meeting*
- Aug. 17, 2017 – DSPC Meeting to discuss Final Budget
**Add meeting in the afternoon (after DBAC)*
- Aug. 23, 2017 – Due Date for Chancellor's Cabinet
- Aug. 28, 2017 – Chancellor Cabinet Meeting
- Aug. 29, 2017 – Due Date for Committee Board Reports
- Sept. 5, 2017 – Board of Trustees Committee Meeting
- Sept. 19, 2017 – Board of Trustees Regular Meeting