

*RIVERSIDE COMMUNITY COLLEGE DISTRICT*  
***District Budget Advisory Council Meeting***  
*Friday, January 13, 2017 – 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. November 18, 2016
- III. Budget Update
  - A. State Budget Update
    - 1. Governor’s Budget Proposal for FY 2017-2018
  - B. District Budget Update
    - 1. P/T Faculty & Overload Budget Methodology
    - 2. Classified & Management Budget Allocation Methodology
    - 3. Redevelopment Fund Budget Allocation Methodology
- IV. Other
  - A. Privatized Bookstore Discussion
- V. Next Meeting
  - A. Friday, February 10, 2017 – 9:00AM to 11:00 AM at RCCD Building –  
3<sup>rd</sup> Floor, Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT  
District Budget Advisory Council Meeting*

*November 18, 2016  
RCCD Building - 309  
9:00 a.m. - 11:00 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)
Michael McQuead	(Moreno Valley College)
Rex Beck	(Norco College)
Asatar Bair	(Riverside City College)
Mark Sellick	(District)
Nate Finney	(Moreno Valley College)
Ana Molina	(Norco College)
Jennifer Lawson	(Riverside City College)
Gloria Aguilar	(District)
Rachelle Arispe	(Recorder)

Members Not Present

Nathaniel Jones	(Moreno Valley College)
Jacquelyn Smith	(District wide – Student)

Guest(s) Present

David Bobbitt	(Moreno Valley College)
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I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved, Gomez moved and DiSalvio seconded approval of the minutes for October 21, 2016. Finney abstained from approval of the minutes.

III. OTHER

A. Concur Travel

1. Askar briefed members on the Concur travel platform that the district wants to implement to the travel process. The task force which consists of representatives from each college, recommends that the Concur travel platform move forward for DSPC approval, Chancellor's Cabinet and the Board of Trustees.
  - a. Currently, the entire process for booking travel is very cumbersome, which delays booking and impacts the purchase price of airline tickets.

- b. Concur travel platform includes automation and streamlining of travel requests, encumbrances (no requisition or PO required), reservation confirmations by the end user or traveler, and expense management.
  - c. Mobile access is also available for administrators to approve travel requests when they are away from the office.
  - d. Concur travel will permit Risk Management and other departments the ability to have access to study abroad students by phone and can track their location instantly. Risk Management can also provide the students with risk or emergency updates via text message.
  - e. Concur travel is inclusive of all travel components and is efficient.
  - f. The same platform is presently used by the Department of General Services and other higher education entities. Both have had great success.
  - g. An American Express credit card (ghost card) will be used for airline, hotel and car rental charges.
  - h. College credit cards can also be an option for individual travelers. The colleges will be able to design their own process for use.
  - i. DiSalvio commented that she liked that Concur travel can be customized and that the reporting is automated. It will eliminate the delay of reimbursements. DiSalvio was also very impressed with the capabilities of knowing the safety of the students while they travel abroad.
  - j. Gomez added that she liked the credit card option for the traveler. It is nice to have the rules for the platform and credit card at each college. The e-receipts for reconciling expenses is a nice feature.
  - k. The implementation time would be based on the configuration and customization of the platform for each college. Concur indicates that it could take 6 months for implementation.
  - l. Brown reminded members that if implementation is not completed before summer 2017, it would need to be delayed for use until after September.
  - m. The fee for using the Concur travel platform is \$5-7 to book each airline ticket. There is also a cost based on the number of transactions; approximately \$14 per transaction. However, by using the American Express credit card, a rebate is received that will reduce the fees to each entity.
  - n. Askar indicated that the fees are reasonable and Concur offers contracted government discount pricing since our contract would piggy back on the CSUSB contract.
2. MOTION approved to move forward the Concur travel platform to DSPC, Chancellor's Cabinet and the Board of Trustees. Sellick motioned approval and Lawson, seconded. All in favor. No abstentions.

#### IV. BUDGET UPDATE

##### A. State Budget Update

- 1. Brown reviewed Handout #1 (League Analysis of the 2017-18 California's Fiscal Outlook) which identifies recent events that relate to the State budget.
  - a. Brown indicated that California has continued expansion. No recession is forecasted. Over the next 5 years California should still be in a good fiscal position.

- b. Current Year 2016-17 - Revenue from 2015-16 and for 2016-17 is down \$1.7 billion.
  - c. Budget Year 2017-18 - Revenue is predicted to increase by 5.4%, or \$8.1 billion due to increase of personal income taxes and Prop 55.
  - d. Prop 55 which was recently approved by the voters will contribute \$2-4 billion in additional revenue annually.
  - e. Prop 98, one-time funding will be limited for the 2017-18 budget. Brown indicated that \$15 million was received from a State Block Grant in the past but the prospect is more tenuous since the governor could pull back the money and repurpose for another year. If the funds are received, it is estimated to be \$2.8 billion for K-14, with approximate 11% going to community colleges. The colleges could receive an estimated \$308 million based on LOA's prediction for 2017-18.
  - f. Out-year projections are identified under two scenarios; Growth Scenario and Mild Recession Scenario. The slow Growth Scenario over five years shows an average annual growth rate of 3.8%.
  - g. Property tax assumptions are going well. It is a component of Prop 98 funding and the community college budget. If the state estimates property taxes high, colleges do not get any credit. If the state estimates low, the colleges have to make up the difference. If there are any shortfalls, the state deficits the entire system. When RCCD budgets, we estimate a reasonable property tax shortfall to make sure we have some coverage.
  - h. There is a growing concern for increased pension costs. RCCD is averaging over \$1 million annually for PERS/STRS.
  - i. Brown indicated that over the last several years, the priority has been to fund the Student Success and Student Equity Programs. Although we received general base increases for PERS/STRS and rising health costs in the past, we are still doing a lot of advocacy for future general operating base increases.
  - j. Gomez inquired on Prop 55 and its passing. Brown indicated that since Prop 55 passed, Prop 30 will continue at the same level.
  - k. Gomez inquired on the last sentence of page 4 handout, "...League advises districts to exercise caution but maintain focus on current ongoing initiatives...". She does not understand why we treat it as ongoing funds per the Chancellor, but yet the League indicates to exercise caution. Gomez is concerned about taking a hit later when funds are reduced. Brown responded that we have the responsibility to make sure that we make progress with all of the Student Success Programs.
  - l. Passage of Prop 51 will provide community colleges with \$2 billion for much needed construction projects. However, Governor Brown has sole authority to issue bonds. Governor Brown was not in favor of the bonds since he did not think the system was fair and equitable. Therefore, we may not see any of the funds from Prop 51. We will know more when the State budget is released.
2. Brown reviewed Handout #2 (CCC Budget Development for FY 2017-18) identifying the high priority items on the left column and the items on the right as the district's share. The other items such as: Technology, Campus Safety, and Mental Health Services are items that the system would like to receive funding for as currently they are funded from the general

funds. The three items on the bottom right: Deferred Maintenance and Instructional Support, Innovation Grants, and Promise Grants, are items that the district must apply for to receive funding.

- a. The highest priority items total \$575 million. We will know in January what our priorities are based on what we receive in the Governor's Proposal.
- b. The General Operating Base funds are our highest priority as it funds faculty, PERS/STRS, health and welfare.

#### B. District Budget Update

1. Brown reviewed Handout #3 (FTES by Term 2016-17/Nov 15, 2016) provided by Raj Bajaj at the District Enrollment Management Committee (DSPC).
  - a. Key factor on handout is the FTES at (937.21). With the FTES down it means that our base funding moving into the 2017-18 year will be down by 100 under our base funding level. This is problematic. Based on the reimbursement rate it would amount to \$4.5 million if we were not able to claim apportionment for our full target amount.
  - b. RCCD has the option to pull from 2016-17 summer. We need to figure out why we are not generating enrollment. What is going on and where we are heading?
  - c. Brown indicated that there have been marketing efforts to get additional enrollments. However, we still need action plans to increase enrollment for winter and spring terms before we finish out the fiscal year.
  - d. Gomez commented that we need to at least capture the roll over amount so we do not go into stability.
  - e. Brown responded that there is the ability to pull from summer again. However, if we do, the scenario could be detrimental. If we pulled 900 FTES to the level of our target, we would have to generate an additional 2,200 FTES for FY 2017-18.
  - f. Gomez commented that she is hoping that the colleges breakdown their totals and review their own enrollment. Then it should roll up to the DSPC.
  - g. Much discussion ensued between members regarding reasons for low enrollment, such as:
    - i. Asatar indicated that students have commented that the assessment tests and process to enroll is stringent.
    - ii. Lawson recommended DEMC members register for classes to see the issues students are having.
    - iii. Gomez suggested that on-boarding could be made easier for students.
    - iv. Beck suggested opening another section of the same class for those that are waitlisted.
    - v. Members suggested DEMC contact the counseling department and students to inquire on reasons for low enrollment.
    - vi. Sellick commented that we need to capture current students about their registration process and timing is essential.
    - vii. McQuead indicated that any concerns or comments he receives from students he provides the information to the senate.

#### C. Part-Time Faculty Budget Allocation

1. Brown provided an updated regarding the subgroup meeting on November 17, 2016.

- a. Modification to the WSCH calculation was discussed. What is in the historical cost? What is the split for the summer? There are some assignments and modeling that will be reviewed. Once the calculation is determined, the subgroup will bring it to DBAC for recommendation.
2. The subgroup is trying to determine the average historical costs for classified and administrative positions. Brown will be creating some examples. The subgroup needs to find a metric of how to design it.
3. Redevelopment allocation was discussed. Details to be worked out and brought back to DBAC for discussion.

V. OTHER

A. Categorically Funded Tenure Track Positions

1. Gomez wanted to discuss tenure track positions (e.g. Counselor positions) using categorical funding. She has concerns with using categorical funding as it effects priority hiring. Using categorical funding for tenure track positions is problematic if funding is reduced. Gomez is inquiring on the philosophy of its use. Is it a district concern or just a concern for each college?
2. Brown indicated that the presidents are supposed to be meeting with the Chancellor on this issue. Brown understands that there is a fiscal concern and there are pros and cons. However, it is a philosophy that the district needs to make a decision on.

B. Budget Development Calendar

1. Brown reviewed Handout #4 (2017-18 Budget Development Calendar) with members to confirm that the dates are in line with the 2017-18 budget development. The following updates have been requested:
  - a. Norco College Business & Facilities Planning council meeting move from May 9, 2017 to the week of May 15, 2017.
  - b. DSPC meeting moved from May 12, 2017 to May 19, 2017 in the afternoon.
  - c. Add DBAC meeting for Thursday, August 17, 2017 at 9:00 a.m.
  - d. Add DSPC meeting for Thursday, August 17, 2017 in the afternoon.

VI. NEXT MEETING

- A. Friday, December 16, 2016 – 9:00 a.m. to 11:00 a.m. at the District Office Building – Executive Conference Room 309

VII. MEETING ADJOURNED AT 10:45 A.M.



## 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 89<sup>th</sup> 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 6.9 percent 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.

<b>2016-17</b>		
On-Going Funds Allocated in Budget Act	\$71.7 billion	
<b>2017-18</b>		
LAO Estimated Prop 98 Guarantee	\$74.5 billion	
	New Prop 98 Funds	\$2.8 billion
<b>LAO Estimated CCC 2017-18 Split</b>	<b>\$308 million</b>	

### *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.

<b>Growth Scenario</b>	<b>Mild Recession Scenario</b>
<ul style="list-style-type: none"> <li>Increases from \$71.9 billion in 2016-17 to \$83.5 billion in 2020-21.</li> <li>Average annual growth rate under this scenario is 3.8%.</li> <li>Under this scenario, the state creates little new maintenance factor,</li> <li>By 2020-21, only \$200 million in outstanding maintenance factor obligation.</li> </ul>	<ul style="list-style-type: none"> <li>From 2017-18 to 2018-19 the guarantee declines by \$1.4 billion (1.9%).</li> <li>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%.</li> <li>In 2018-19, the state creates more than \$4 billion in new maintenance factor.</li> <li>State ends the period with \$3.1 billion in outstanding maintenance factor obligation.</li> </ul>

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

## Handout #1

**From:** Rodriguez, Mario [<mailto:mrodriguez@CCCCO.EDU>]  
**Sent:** Tuesday, January 10, 2017 11:07 AM  
**To:** [SO2CBO@LISTSERV.CCCNEXT.NET](mailto:SO2CBO@LISTSERV.CCCNEXT.NET)  
**Subject:** [External Sender] 2017-18 Governor's Budget for CCCs

Colleagues,

The 2017-18 Governor's Budget was released today. The budget summary indicates state revenues, which surged during several years of recovery, are now beginning to lag expectations. Despite this constraint, the budget provides roughly \$400 million in new Proposition 98 General Fund spending for CCCs. The state general fund is estimated to increase by approximately \$3.7 billion, or approximately 3% in 2017-18. Proposition 98 is estimated to increase by approximately \$2.1 billion, or approximately 3% in 2017-18.

Below is a summary of the augmentations for the CCC budget. There will be a note if the augmentation is one-time in nature.

### Educational Services

- \$150 million for implementation of guided pathways. While the yet to be release trailer bill will outline much of the programmatic requirements, the intent of the funds will be to support community colleges in leveraging the work our system has done over the past few years as they develop cohesive, integrated pathways to help more students achieve their educational objectives. (one-time) **\$3.68 million**
- \$20 million for an Innovation Awards program. As opposed to an outside committee administering the program, the Chancellor will have broad authority to select the focus of the grants and the awardees. (one-time) **Grant**
- \$5.4 million for a 1.48% COLA for the Apprenticeship, EOPS, DSPS, CalWORKs and the Child Care Tax Bailout programs. **\$.13 million**
- \$3.1 million for enrollment growth in the Full-Time Student Success Grant program. **Not sure how this will impact RCCD**

### Apportionments

- \$94.1 million for a 1.48% COLA to apportionments. **\$2.38 million**
- \$79.3 million for a 1.34% growth in access. These funds will be allocated through the recently revised growth formula. **\$2.95 million**
- \$23.6 million for a base increase to cover increasing operating costs, especially due to rising employer pension cost. **\$.58 million**

### Technology

- \$10 million for the Online Education Initiative to purchase a learning management system that will be provided free to colleges. **Cost Savings**
- \$6 million for the procurement of an integrated library system that allows every student to access a cloud-based, up-to-date library catalog. (one-time) **Cost Savings**

### Facilities and Equipment

- \$43.7 million for the Physical Plant and Instructional Equipment program. (one-time) **\$1.07 million**
- \$52.3 million for energy efficiency projects through the Proposition 39 program. (one-time) **\$1.28 million**

Traditionally the CCCs have received 10.93% of the Proposition 98 Guarantee. In 2014-15 the share is 10.92%, in 2015-16 the share is 10.94%, and in 2017-18 the share is 10.87%, which is approximately \$45 million less than what traditionally would be expected.

While the Board of Governors approved 29 projects for funding for 2017-18, the Governor's Budget includes five Proposition 51 bond funded projects. The Governor proposed to focus on projects that addressed critical health and safety needs as well as improving existing instructional infrastructure. **No RCCD Projects**

- Pasadena's Armen Sarafain Building Seismic Replacement
- San Francisco's Alemany Center Seismic Upgrade
- San Francisco's Ocean Campus Utility Replacement
- Fullerton's Business and Humanities Buildings Modernization
- Compton's Instructional Building 2 Replacement

In addition to the funding for our system, the Governor's Budget also proposes two additional executive team members to the Chancellor's Office. We appreciate the proposed expansion of capacity in our office and will continue to consider the best use of these new resources. **N/A**

The Governor's Budget also proposes phasing-out the Middle Class Scholarship program for new students. Beginning in 2017-18, awards will be renewed only for students who received awards in 2016-17.

This is a solid start to the 2017-18 budget process, and we appreciate the consideration and efforts the Governor and his team put forth in developing this budget. Here are a few concepts and ideas we should keep in mind as we move forward.

- The years of seeing significant increases in Proposition 98 are likely behind us. Given that the economy is nearing its peak, the sales and use tax portion of Proposition 30 is ending, and the backlog of Proposition 98 maintenance factor created during the recession has been paid off, we should expect modest growth in Proposition 98 until the next recession.
- Between 2013-14 and 2020-21, pension costs for the system will increase by over \$400 million as the state reduces the gap between the assets and liabilities in PERS and STRS. In addition to the estimated increases in employer contributions, the PERS governing board also recently took action to reduce their investment volatility by lowering their annual assumed rate of return from 7.5% to 7% over a three-year period. It is at least a possibility, if not likely, PERS employer rates will increase in future years based on the lowering of the return rate.
- Our system has already received \$368.7 million to increase our apportionments base. While this funding is unrestricted, there is a clear expectation from policy makers that these funds have been provided to ensure colleges are covered for new expenses related to pension costs increases. Given the outlook on Proposition 98, the known employer contribution increases for PERS and STRS, and the possibility of additional increases to employer rates in the future, it is imperative colleges anticipate and plan for these costs going forward.
- While funding for the Student Success and Support, Student Equity, Adult Education, and Strong Workforce programs did not receive an augmentation, they continue to receive the same level of funding as 2016-17. The success of these programs, and the likelihood of our system continuing to receive funding in future years, will be determined by our ability to maximize the return on the state's investment in these areas. Given this, it is critical colleges use these resources to support integrated and effective student success strategies. In addition, achieving the desired results will take sustained efforts, including appropriate levels of ongoing investments at the college level, while preserving a reasonable level of operating flexibility for when the next recession occurs.

The next steps in the budget process will be input from system stakeholders, a review by the Legislative Analyst's Office, and an initial round of legislative hearings prior to the release of the May Revision. I'll continue to provide updates along the way, but feel free to reach out to me with any questions, comments, or concerns related to budget.

## CCC Budget Development for FY 2017-2018

### Revised to Reflect Governor's Budget Proposal

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%~~<sup>1.48%</sup>) - ~~\$100 M~~<sup>94.1</sup> / ~~\$1.6 M~~<sup>2.38</sup>
- \* COLA for Categoricals (-1.48%) - \$5.4M/\$1.1M
- \* Access (~~2.00%~~<sup>1.34%</sup>) - ~~\$125 M~~<sup>79.3</sup> / ~~\$4.4 M~~<sup>2.95</sup>
- \* General Operating Base Increase - ~~\$200 M~~<sup>23.6</sup> / ~~\$4.8 M~~<sup>.6</sup>
- \* Full-Time Faculty Hiring - ~~\$100 M~~<sup>-0-</sup> / ~~\$2.5 M~~<sup>-0-</sup>
- \* Part-Time Faculty Hiring - ~~\$25 M~~<sup>-0-</sup> / ~~\$0.6 M~~<sup>-0-</sup>
- \* Veterans Resource Centers - ~~\$25 M~~<sup>-0-</sup> / ~~\$0.6 M~~<sup>-0-</sup>
- Professional Development ~~\$25 M~~<sup>-0-</sup>
- Online Education - ~~\$10 M~~<sup>-0-</sup>
- Outreach - ~~\$10 M~~<sup>-0-</sup>
- Integrated Library Services - ~~\$5 M~~<sup>.6</sup> - Cost Savings??
- Open Educational Resources - ~~\$20 M~~<sup>-0-</sup>
- Equal Employment Opportunity - ~~\$10 M~~<sup>-0-</sup>
- Pathways to Community College Teaching - ~~\$0.65 M~~<sup>-0-</sup>
- F/T Student Success Grant Enrollment Growth - \$3.1M/???
- Deferred Maintenance and Inst. Support - \$43.7M/\$1.1M
- Proposition 39 Energy Efficiency - \$52.3 M / \$1.3 M
- Innovation Grants - ~~\$25 M~~ - \$20 M - Apply
- Promise Grants - ~~\$15 M~~<sup>-0-</sup>
- Guided Pathways - \$150 M/\$3.7 M (One-Time)
- Technology - ~~\$50 M~~<sup>10</sup> - Cost Savings \$9M
- Campus Safety - ~~\$50 M~~<sup>-0-</sup>
- Mental Health Services - ~~\$25 M~~<sup>-0-</sup>

**Total Request = \$843.15 Million**

**\*Highest Priorities = \$575.00 Million**

**Likely Funding = \$400.00 Million**



***District Budget Advisory Council Meeting***

*Friday, February 10, 2017 – 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. January 13, 2017
- III. Budget Update
  - A. State Budget Update
    - 1. Governor’s Budget Proposal for FY 2017-2018
  - B. District Budget Update
    - 1. P/T Faculty & Overload Budget Methodology
    - 2. Classified & Management Position Budget Allocation Methodology
    - 3. Redevelopment Fund Budget Allocation Methodology
- IV. Other
  - A. Privatized Bookstore Discussion
- V. Next Meeting
  - A. Friday, March 17, 2017 – 9:00AM to 11:00 AM at RCCD Building –  
3<sup>rd</sup> Floor, Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT  
District Budget Advisory Council Meeting*

*January 13, 2017  
RCCD Building - 309  
9:00 a.m. - 11:00 a.m.*

MEETING MINUTES

Members Present

Aaron Brown	(District)
Majd Askar	(District)
Nathanial 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)
Mark Sellick	(District)
Nate Finney	(Moreno Valley College)
Ana Molina	(Norco College)
Rachelle Arispe	(Recorder)

Members Not Present

Asatar Bair	(Riverside City College)
Jennifer Lawson	(Riverside City College)
Gloria Aguilar	(District)
Jacquelyn Smith	(District wide – Student)

Guest(s) Present

Bryan Reece	(Norco College)
David Bobbitt	(Moreno Valley College)

I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved, Sellick moved and DiSalvio seconded approval of the minutes for November 18, 2016.

III. BUDGET UPDATE

A. State Budget Update

1. Brown reviewed Handout #1 - email from Mario Rodriguez providing a summary of the augmentations for the California Community College's (CCC) budget.
  - a. Brown announced that the Governor's 2017-18 Budget Proposal was released on January 10, 2017. Brown reviewed the highlights of the budget proposal with members.
    - i. \$150 million for Guided Pathways. If based on FTES it would be \$3.6 million to RCCD. The funds are one-time funds. The program provides

- guidance to students to transfer to a 4 year institution. Further detail on the funds will be released in the trailer bill.
- ii. \$20 million for Innovation Awards. The funds are one-time and awarded by an application process. Chancellor Burke indicated to Brown that RCCD is submitting for the Foster Youth Program. Awards can be up to \$2.5 million per award.
  - iii. \$5.4 million for augmenting the COLA for Categorical Programs. RCCD's portion would be approximately \$100K.
  - iv. \$3.1 million for enrollment growth in the Full-Time Student Success Grant. Brown does not know how this will impact RCCD at this point.
  - v. 1.48 % COLA has been proposed. RCCD's portion would be approximately \$2.38 million. However, last year there was .85% anticipated and we received zero (0) funds for final budget. COLA funding is statutory and based on an index.
  - vi. 1.34% in access/growth funds which equates to approximately 575 growth FTES. RCCD's portion would be approximately \$2.95 million at 1.95% using the revised growth formula.
  - vii. \$23.6 million base increase. RCCD's portion would be approximately \$.58 million. These funds are unrestricted.
    - Brown explained that the base increase was provided to help mitigate the scheduled increases for PERS and STRS during fiscal years 2014-15 through 2020-21. The projected cost was going to be approximately \$400 million during the time period due to PERS lowering their investment return rate. With lowering the investment return rate, the liability cost will increase to achieve the funding for the unfunded liability.
    - RCCD's combined cost for PERS and STRS is appropriately \$1.5-2 million annually. In prior years, the state provided \$370 million. With the additional \$23.6 base increase, the state assumes they have met the obligation for PERS and STRS.
  - viii. \$10 million for the Online Education Initiative to purchase a learning management system that will be provided free to colleges. Therefore, RCCD would realize cost savings of approximately \$85K a year, related to the amount paid to Blackboard.
  - ix. \$6 million for the procurement of an integrated library system that allows every student to access a cloud-based, up-to-date- library catalog. This should also be a cost savings to the district.
  - x. \$43.7 million for the Physical Plant and Instructional Equipment program. RCCD's portion would be \$1.7 million of these one-time funds. Currently, we still have Physical Plant funds available from previous years. The budget program amount is a substantial decrease from what we received in the prior years.
  - xi. \$52.3 million for energy efficiency projects through the Prop 39 program. RCCD's portion would be \$1.28 million.

- xii. The Prop 51 bond was approved by the voters in November. There were 29 eligible projects listed for FY2017-18. However, the Governor only identified 5 projects, most are infrastructure and health and safety related projects. The Governor does not like to issue debt and he has a philosophical issue with how facility funds are allocated, particularly with K-12 bonds. He wants a more equitable process in the distribution methodology.
    - o RCCD has 3 major projects in line for funding totaling \$135 million: Library and Learning Center (MVC), Multimedia and Arts Center (NC) and Secondary Effects (RCC).
    - o Brown thinks we will be left to fund our own projects. We have been funding our own projects for the last 10 years with the local Measure C bond. However, our bond funds are already fully committed and/or expended.
    - o Brown indicated that the district is exploring the possibility of another bond issuance for November 2018. However, there needs to be concurrence from our Board of Trustees to move forward and planning to make sure we structure the bond appropriately.
    - o If a bond is approved in 2018, the plan is for the funds to not only be used for new facilities but also for renovations, IT infrastructure, deferred maintenance, etc.
  - xiii. There are no funds allocated for mandate money. In prior years' the district received huge influxes. Since the Prop 98 maintenance factor is caught up, the CCC does not expect any more funding.
    - o Gomez asked if community colleges would be focused on Prop 98 since it is going down. Brown responded that the state can maneuver it to a point where it is not a set percentage. Brown does not think we could advocate for 11%. He thinks that the State has lea way on.
2. Brown reviewed Handout #2 – CCC Budget Development for FY 2017-2018 (Revised to Reflect Governor's Budget Proposal)
- a. Brown reviewed the differences between the Board of Governor's Budget Change Proposal compared to the Governor's Budget Proposal. Changes are indicated in red on the handout.
    - i. COLA amount for RCCD is \$2.38 million (Brown uses actual percentage to calculate amount).
    - ii. The requested initiatives identified on the handout totaled \$843.15 million. However, only approximately \$400 million was reflected on the Governor's Budget Proposal.
    - iii. Guided Pathways received most of the money at \$150 million. Pathways could help to improve student success.
      - o Beck inquired on the status of RCCD's growth and if anyone has been benchmarking. Beck thinks that Mt. San Jacinto has marketed

some of their smaller programs, which has contributed to their enrollment.

- Brown indicated that RCCD is 700 behind our FTES target. There are efforts underway to increase and makeup the shortfall.
- Sellick commented that the District Enrollment Management Committee is looking at the marketing of surrounding colleges. Students have difficulty enrolling and access to things that they need to be students. At RCC part of the issue is scheduling. RCC plans to do a master scheduling for the next two years to capture the FTES.
- Gomez added that the colleges have outreached to students who started the application process and inquired about any barriers. Most students responded that their jobs were preventing them from enrolling.
- Reece added that he believes the new student portal should assist with the online enrollment frustrations. Brown indicated that the student portal should be ready by Fall enrollment. The portal will have a single sign on and will be easier to access for everyone.

## B. District Budget Update

1. Part-Time Faculty & Overload Budget Methodology
  - a. The subgroup continues to meet monthly to discuss the different methodologies.
  - b. The subgroup is revisiting some of the metrics for the part-time and overload budget. Since there have been changes with the subgroup there is going to be some training at the next subgroup meeting to get everyone updated with the process. Then the subgroup will do an analysis to see if we are on track or if it needs to be changed. If there are any proposals, it will be brought to DBAC for discussion and recommendation.
2. Classified & Management Budget Allocation Methodology
  - a. The tenor of discussion was not to give the district anything until the district completes its strategic plan. It creates an incentive to get the district strategic plan completed. The college representatives will return to their college constituencies groups to have further discussions. If there are any proposals, it will be brought to DBAC for discussion and recommendation.
3. Redevelopment Fund Budget Allocation Methodology
  - a. Brown has some concerns with the redevelopment fund. It is a potential decreasing revenue source and the uncommitted funding is diminishing. Brown wants to do an analysis to determine how much to allocate out. He will return to the subgroup to discuss. If there are any proposals, it will be brought to DBAC for discussion and recommendation.
    - i. Currently there is an uncommitted ending balance of \$2.7 million as of FY2016/17.

- ii. Brown should know what the first half of the revenue stream will be next week which will assist in his estimate for this next year.

IV. OTHER

A. Privatized Bookstore Discussion

1. Asatar requested information on the privatized bookstore.
2. Brown inquired with DiSalvio how long ago the bookstore was privatized. Brown indicated Asatar wants to know how much revenue was earned before it was privatized and a comparison to now.
3. Gomez thinks that the faculty is not worried about revenue but rather the hassle of ordering and receiving their textbooks.
4. Brown indicated that this gives us an opportunity to build in some safeguards for the next RFP.
5. Gomez believes a forum would be helpful where faculty and students can express their frustrations and/or concerns with the bookstore.

B. Brown introduced Dr. Bryan Reece, new President for Norco College.

C. Beck inquired if there was feedback from the meeting with the Chancellor and presidents regarding the philosophy of the categorical funding of tenure track positions.

1. Brown did not know the exact percentage that was discussed.
2. Gomez indicated that she believes there was a quick decision made for the counselor positions - tenured track at 40%.
3. Reece indicated that the Chancellor wants to create a quasi MOA for the categorical funding.
4. Brown indicated that he will follow up with the Chancellor for some clarification since there still seems to be much confusion.

V. NEXT MEETING

- A. Friday, February 10, 2017 – 9:00 a.m. to 11:00 a.m. at the District Office Building – Executive Conference Room 309

VI. MEETING ADJOURNED AT 10:13 A.M.

## Handout #1

**From:** Rodriguez, Mario [<mailto:mrodriguez@CCCCO.EDU>]  
**Sent:** Tuesday, January 10, 2017 11:07 AM  
**To:** [SO2CBO@LISTSERV.CCCNEXT.NET](mailto:SO2CBO@LISTSERV.CCCNEXT.NET)  
**Subject:** [External Sender] 2017-18 Governor's Budget for CCCs

Colleagues,

The 2017-18 Governor's Budget was released today. The budget summary indicates state revenues, which surged during several years of recovery, are now beginning to lag expectations. Despite this constraint, the budget provides roughly \$400 million in new Proposition 98 General Fund spending for CCCs. The state general fund is estimated to increase by approximately \$3.7 billion, or approximately 3% in 2017-18. Proposition 98 is estimated to increase by approximately \$2.1 billion, or approximately 3% in 2017-18.

Below is a summary of the augmentations for the CCC budget. There will be a note if the augmentation is one-time in nature.

### Educational Services

- \$150 million for implementation of guided pathways. While the yet to be release trailer bill will outline much of the programmatic requirements, the intent of the funds will be to support community colleges in leveraging the work our system has done over the past few years as they develop cohesive, integrated pathways to help more students achieve their educational objectives. (one-time) **\$3.68 million**
- \$20 million for an Innovation Awards program. As opposed to an outside committee administering the program, the Chancellor will have broad authority to select the focus of the grants and the awardees. (one-time) **Grant**
- \$5.4 million for a 1.48% COLA for the Apprenticeship, EOPS, DSPS, CalWORKs and the Child Care Tax Bailout programs. **\$.13 million**
- \$3.1 million for enrollment growth in the Full-Time Student Success Grant program. **Not sure how this will impact RCCD**

### Apportionments

- \$94.1 million for a 1.48% COLA to apportionments. **\$2.38 million**
- \$79.3 million for a 1.34% growth in access. These funds will be allocated through the recently revised growth formula. **\$2.95 million**
- \$23.6 million for a base increase to cover increasing operating costs, especially due to rising employer pension cost. **\$.58 million**

### Technology

- \$10 million for the Online Education Initiative to purchase a learning management system that will be provided free to colleges. **Cost Savings**
- \$6 million for the procurement of an integrated library system that allows every student to access a cloud-based, up-to-date library catalog. (one-time) **Cost Savings**

### Facilities and Equipment

- \$43.7 million for the Physical Plant and Instructional Equipment program. (one-time) **\$1.07 million**
- \$52.3 million for energy efficiency projects through the Proposition 39 program. (one-time) **\$1.28 million**

Traditionally the CCCs have received 10.93% of the Proposition 98 Guarantee. In 2014-15 the share is 10.92%, in 2015-16 the share is 10.94%, and in 2017-18 the share is 10.87%, which is approximately \$45 million less than what traditionally would be expected.

While the Board of Governors approved 29 projects for funding for 2017-18, the Governor's Budget includes five Proposition 51 bond funded projects. The Governor proposed to focus on projects that addressed critical health and safety needs as well as improving existing instructional infrastructure. **No RCCD Projects**

- Pasadena's Armen Sarafain Building Seismic Replacement
- San Francisco's Alemany Center Seismic Upgrade
- San Francisco's Ocean Campus Utility Replacement
- Fullerton's Business and Humanities Buildings Modernization
- Compton's Instructional Building 2 Replacement

In addition to the funding for our system, the Governor's Budget also proposes two additional executive team members to the Chancellor's Office. We appreciate the proposed expansion of capacity in our office and will continue to consider the best use of these new resources. **N/A**

The Governor's Budget also proposes phasing-out the Middle Class Scholarship program for new students. Beginning in 2017-18, awards will be renewed only for students who received awards in 2016-17.

This is a solid start to the 2017-18 budget process, and we appreciate the consideration and efforts the Governor and his team put forth in developing this budget. Here are a few concepts and ideas we should keep in mind as we move forward.

- The years of seeing significant increases in Proposition 98 are likely behind us. Given that the economy is nearing its peak, the sales and use tax portion of Proposition 30 is ending, and the backlog of Proposition 98 maintenance factor created during the recession has been paid off, we should expect modest growth in Proposition 98 until the next recession.
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**Total Request = \$843.15 Million**  
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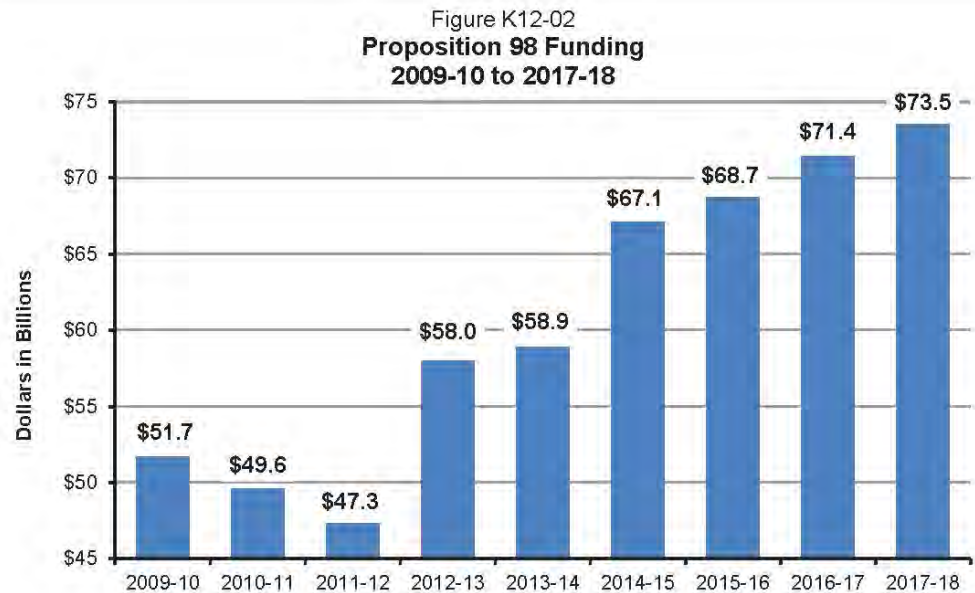


# **FY 2017-2018 Governor's Budget Proposal**

February 7, 2017

# Growth in the Proposition 98 Minimum Guarantee

- FY 2016-17 approved budget set the K-14 minimum guarantee at \$71.9 billion...now revised to \$71.4 billion.
- FY 2017-18 - Governor estimates the guarantee at \$73.5 billion.
  - A year over year increase of 2.94%



# FY 2017-2018 Governor's Budget Proposal

## Base Changes (In Millions)

### Unrestricted Ongoing Revenues

Access (1.34%/1.95 % - 575 credit FTES)  
COLA (1.48%)  
Base Increase

<u>State</u>	<u>RCCD</u>
\$ 79.3	\$ 2.9
94.1	2.4
<u>23.6</u>	<u>0.6</u>
<u>\$ 197.0</u>	<u>\$ 5.9</u>

Total Unrestricted Ongoing Revenues

### Unrestricted One-Time Revenues

State Mandate Block Grant

<u>\$ -</u>	<u>\$ -</u>
<u>\$ 197.0</u>	<u>\$ 5.9</u>

Total Unrestricted Revenues

# FY 2017-2018 Governor's Budget Proposal

## Base Changes *(In Millions)*

### Restricted Revenues

	<u>State</u>	<u>RCCD</u>
Proposition 39 - Energy Efficiency	\$ 52.3	\$ 1.3
Deferred Maintenance & Instructional Equipment	43.7	1.1
Categorical Program COLA (1.48%)	5.4	0.1
Total Restricted Revenues	<u>\$ 101.4</u>	<u>\$ 2.5</u>

# FY 2017-2018 Governor's Budget Proposal

*(In Millions)*

<u>Other</u>	<u>State</u>	<u>RCCD</u>
Guided Pathways	\$ 150.0	\$ 3.7
Innovation Awards	20.0	?
F/T Student Success Grant Enrollment Growth	3.1	?
Online Education Initiative (Cost Savings)	10.0	-
Integrated Library System (Cost Savings)	6.0	-
State General Obligation Bond - Proposition 51	13.0	-
Total Other	<u>\$ 202.1</u>	<u>\$ 3.7</u>

## Items to Consider

- Proposition 98 Guarantee – The CCC share should be 10.93%. The Governor’s Budget Proposal funds the CCC share at 10.87%...some \$45 million short of the guarantee.
- Proposition 51 - Public Schools Facilities Bond – The voters passed this proposition in November 2016. The CCC share is \$2.0 billion and was to be allocated to community college districts, with approved projects, over a three year term at \$667 million per year. There are 29 approved projects for FY 2017-18. The Governor’s Budget Proposal funds 5 projects (life/safety) totaling \$13 million.

## Items to Consider (continued)

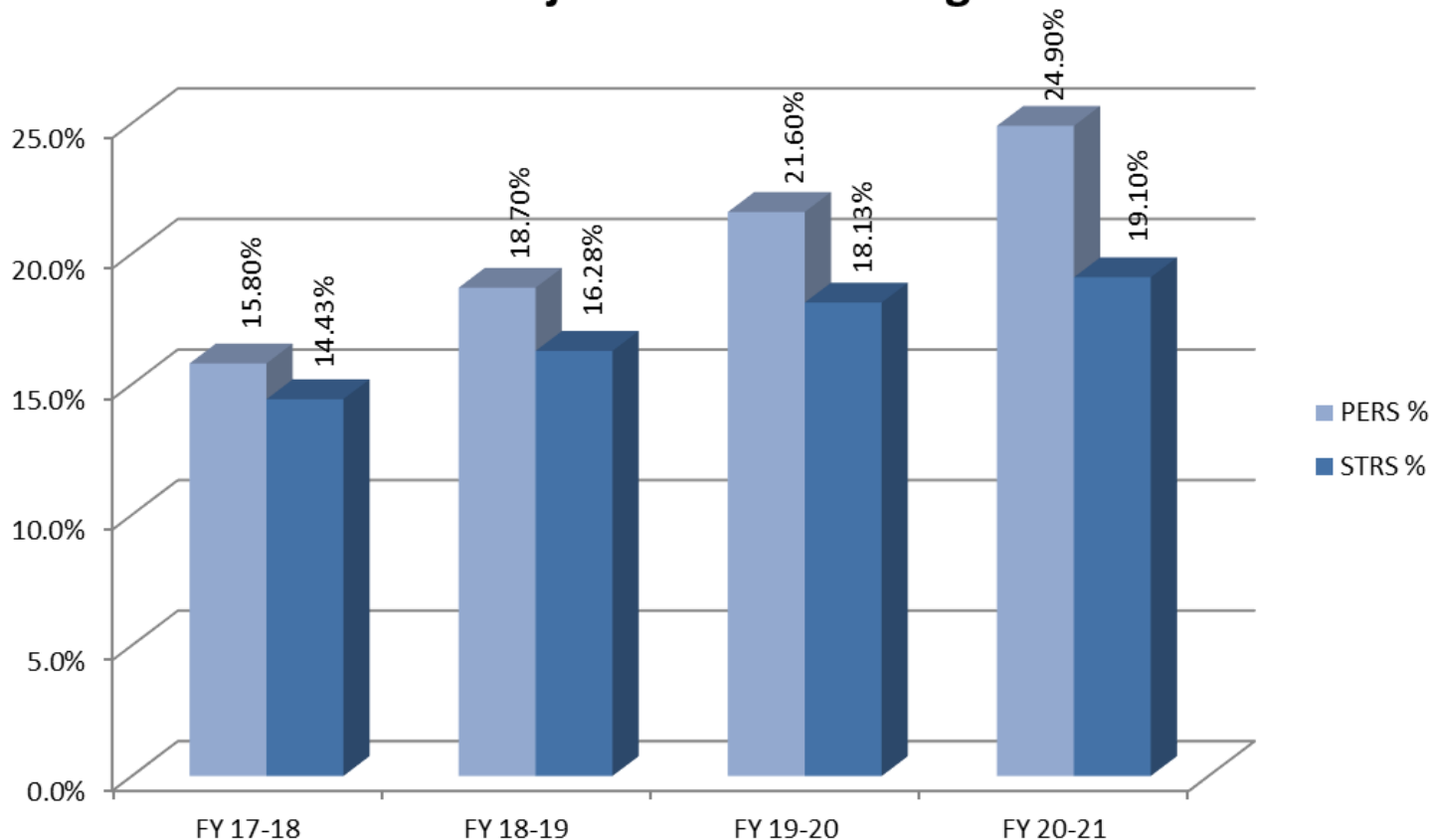
- Growth/Access – Statewide, CCC enrollment growth has been slowing over the past couple of years. Three percent (3%) growth funding was provided in FY 2015-16 and two percent (2%) was provided in FY 2016-17. In FY 2015-16, \$50+ million of unused growth funding was returned to the State. The Governor’s Budget Proposal provides 1.34% growth funding, reflecting the downward enrollment trend.
- Base Increase – In FY 2015-16, a \$267 million increase to Base funding was provided. In FY 2016-17, \$75 million was provided. The Governor’s Budget Proposal provides \$23.6 million, a significant funding reduction to provide for increasing operating costs such as salary and benefits, health insurance and pension costs (see charts).



# RIVERSIDE COMMUNITY COLLEGE DISTRICT

DBAC Handout  
February 10, 2017

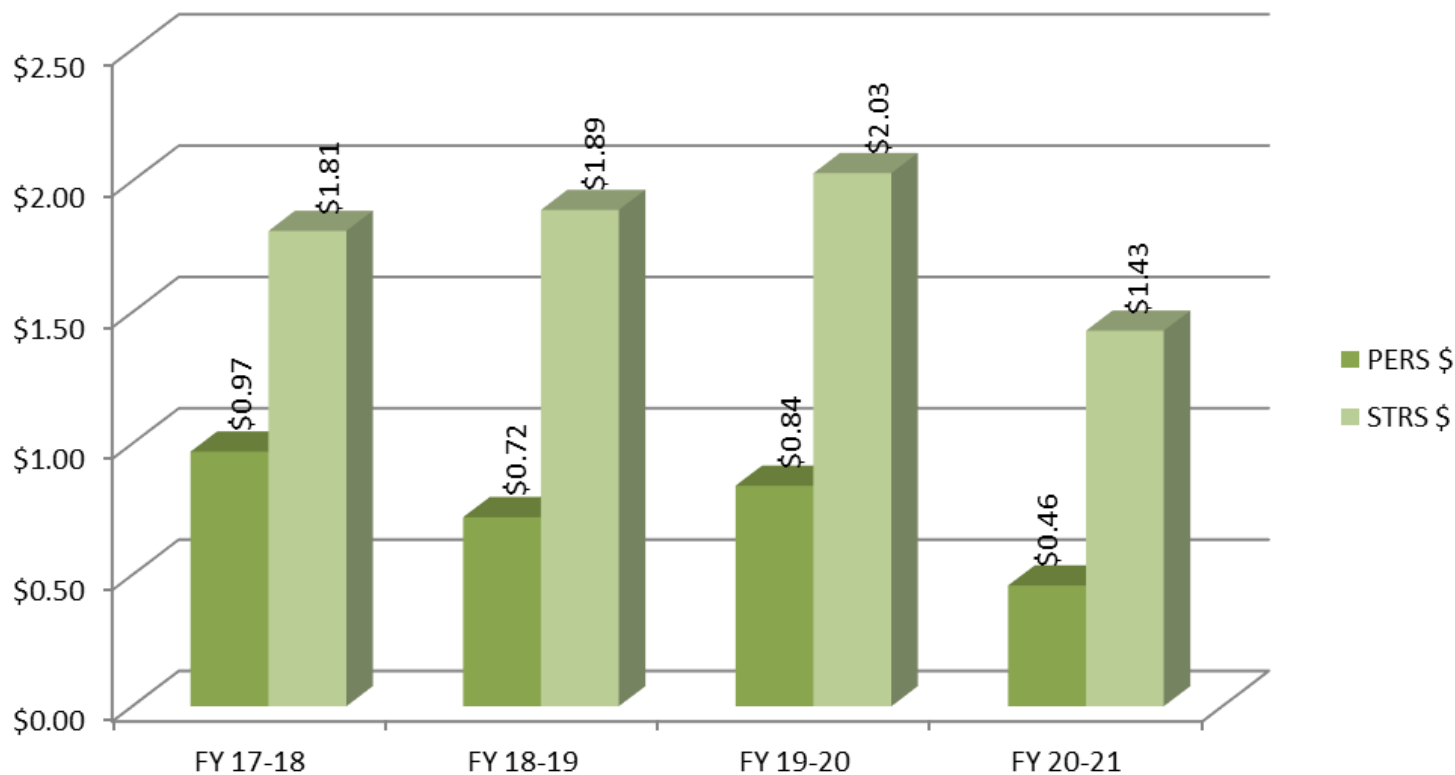
## PERS and STRS Projected % Rate Budget Increases



# RIVERSIDE COMMUNITY COLLEGE DISTRICT

DBAC Handout  
February 10, 2017

## PERS and STRS Projected \$ Annual Budget Increases



*RIVERSIDE COMMUNITY COLLEGE DISTRICT*  
***District Budget Advisory Council Meeting***

*Friday, April 21, 2017 – 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. January 13, 2017
  - B. February 10, 2017
- III. Budget Update
  - A. State Budget Update and District Budget Planning for FY 2017-18
  - B. FY 2017-18 Budget Recommendations
    - 1. DO/DSS Base Budget Augmentation Request
    - 2. Classified & Management Position Budget Allocation Request
    - 3. Redevelopment Fund Budget Allocation Request
    - 4. Non-Resident Tuition Fee Expenditure Budget Allocation Request
- IV. Other
  - A. DO/DSS Administration Program Review (Information Only)
  - B. IEPI – Fiscal Indicators Recommendation
- V. Next Meeting
  - A. Friday, May 19, 2017 – 9:00AM to 11:00 AM at RCCD Building –  
3<sup>rd</sup> Floor, Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT  
District Budget Advisory Council Meeting*

*January 13, 2017  
RCCD Building - 309  
9:00 a.m. - 11:00 a.m.*

MEETING MINUTES

Members Present

Aaron Brown	(District)
Majd Askar	(District)
Nathanial 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)
Mark Sellick	(District)
Nate Finney	(Moreno Valley College)
Ana Molina	(Norco College)
Rachelle Arispe	(Recorder)

Members Not Present

Asatar Bair	(Riverside City College)
Jennifer Lawson	(Riverside City College)
Gloria Aguilar	(District)
Jacquelyn Smith	(District wide – Student)

Guest(s) Present

Bryan Reece	(Norco College)
David Bobbitt	(Moreno Valley College)

I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved, Sellick moved and DiSalvio seconded approval of the minutes for November 18, 2016.

III. BUDGET UPDATE

A. State Budget Update

1. Brown reviewed Handout #1 - email from Mario Rodriguez providing a summary of the augmentations for the California Community College's (CCC) budget.
  - a. Brown announced that the Governor's 2017-18 Budget Proposal was released on January 10, 2017. Brown reviewed the highlights of the budget proposal with members.
    - i. \$150 million for Guided Pathways. If based on FTES it would be \$3.6 million to RCCD. The funds are one-time funds. The program provides

- guidance to students to transfer to a 4 year institution. Further detail on the funds will be released in the trailer bill.
- ii. \$20 million for Innovation Awards. The funds are one-time and awarded by an application process. Chancellor Burke indicated to Brown that RCCD is submitting for the Foster Youth Program. Awards can be up to \$2.5 million per award.
  - iii. \$5.4 million for augmenting the COLA for Categorical Programs. RCCD's portion would be approximately \$100K.
  - iv. \$3.1 million for enrollment growth in the Full-Time Student Success Grant. Brown does not know how this will impact RCCD at this point.
  - v. 1.48 % COLA has been proposed. RCCD's portion would be approximately \$2.38 million. However, last year there was .85% anticipated and we received zero (0) funds for final budget. COLA funding is statutory and based on an index.
  - vi. 1.34% in access/growth funds which equates to approximately 575 growth FTES. RCCD's portion would be approximately \$2.95 million at 1.95% using the revised growth formula.
  - vii. \$23.6 million base increase. RCCD's portion would be approximately \$.58 million. These funds are unrestricted.
    - Brown explained that the base increase was provided to help mitigate the scheduled increases for PERS and STRS during fiscal years 2014-15 through 2020-21. The projected cost was going to be approximately \$400 million during the time period due to PERS lowering their investment return rate. With lowering the investment return rate, the liability cost will increase to achieve the funding for the unfunded liability.
    - RCCD's combined cost for PERS and STRS is appropriately \$1.5-2 million annually. In prior years, the state provided \$370 million. With the additional \$23.6 base increase, the state assumes they have met the obligation for PERS and STRS.
  - viii. \$10 million for the Online Education Initiative to purchase a learning management system that will be provided free to colleges. Therefore, RCCD would realize cost savings of approximately \$85K a year, related to the amount paid to Blackboard.
  - ix. \$6 million for the procurement of an integrated library system that allows every student to access a cloud-based, up-to-date- library catalog. This should also be a cost savings to the district.
  - x. \$43. 7 million for the Physical Plant and Instructional Equipment program. RCCD's portion would be \$1.7 million of these one-time funds. Currently, we still have Physical Plant funds available from previous years. The budget program amount is a substantial decrease from what we received in the prior years.
  - xi. \$52.3 million for energy efficiency projects through the Prop 39 program. RCCD's portion would be \$1.28 million.

- xii. The Prop 51 bond was approved by the voters in November. There were 29 eligible projects listed for FY2017-18. However, the Governor only identified 5 projects, most are infrastructure and health and safety related projects. The Governor does not like to issue debt and he has a philosophical issue with how facility funds are allocated, particularly with K-12 bonds. He wants a more equitable process in the distribution methodology.
    - o RCCD has 3 major projects in line for funding totaling \$135 million: Library and Learning Center (MVC), Multimedia and Arts Center (NC) and Secondary Effects (RCC).
    - o Brown thinks we will be left to fund our own projects. We have been funding our own projects for the last 10 years with the local Measure C bond. However, our bond funds are already fully committed and/or expended.
    - o Brown indicated that the district is exploring the possibility of another bond issuance for November 2018. However, there needs to be concurrence from our Board of Trustees to move forward and planning to make sure we structure the bond appropriately.
    - o If a bond is approved in 2018, the plan is for the funds to not only be used for new facilities but also for renovations, IT infrastructure, deferred maintenance, etc.
  - xiii. There are no funds allocated for mandate money. In prior years' the district received huge influxes. Since the Prop 98 maintenance factor is caught up, the CCC does not expect any more funding.
    - o Gomez asked if community colleges would be focused on Prop 98 since it is going down. Brown responded that the state can maneuver it to a point where it is not a set percentage. Brown does not think we could advocate for 11%. He thinks that the State has lea way on.
2. Brown reviewed Handout #2 – CCC Budget Development for FY 2017-2018 (Revised to Reflect Governor's Budget Proposal)
- a. Brown reviewed the differences between the Board of Governor's Budget Change Proposal compared to the Governor's Budget Proposal. Changes are indicated in red on the handout.
    - i. COLA amount for RCCD is \$2.38 million (Brown uses actual percentage to calculate amount).
    - ii. The requested initiatives identified on the handout totaled \$843.15 million. However, only approximately \$400 million was reflected on the Governor's Budget Proposal.
    - iii. Guided Pathways received most of the money at \$150 million. Pathways could help to improve student success.
      - o Beck inquired on the status of RCCD's growth and if anyone has been benchmarking. Beck thinks that Mt. San Jacinto has marketed

some of their smaller programs, which has contributed to their enrollment.

- Brown indicated that RCCD is 700 behind our FTES target. There are efforts underway to increase and makeup the shortfall.
- Sellick commented that the District Enrollment Management Committee is looking at the marketing of surrounding colleges. Students have difficulty enrolling and access to things that they need to be students. At RCC part of the issue is scheduling. RCC plans to do a master scheduling for the next two years to capture the FTES.
- Gomez added that the colleges have outreached to students who started the application process and inquired about any barriers. Most students responded that their jobs were preventing them from enrolling.
- Reece added that he believes the new student portal should assist with the online enrollment frustrations. Brown indicated that the student portal should be ready by Fall enrollment. The portal will have a single sign on and will be easier to access for everyone.

## B. District Budget Update

1. Part-Time Faculty & Overload Budget Methodology
  - a. The subgroup continues to meet monthly to discuss the different methodologies.
  - b. The subgroup is revisiting some of the metrics for the part-time and overload budget. Since there have been changes with the subgroup there is going to be some training at the next subgroup meeting to get everyone updated with the process. Then the subgroup will do an analysis to see if we are on track or if it needs to be changed. If there are any proposals, it will be brought to DBAC for discussion and recommendation.
2. Classified & Management Budget Allocation Methodology
  - a. The tenor of discussion was not to give the district anything until the district completes its strategic plan. It creates an incentive to get the district strategic plan completed. The college representatives will return to their college constituencies groups to have further discussions. If there are any proposals, it will be brought to DBAC for discussion and recommendation.
3. Redevelopment Fund Budget Allocation Methodology
  - a. Brown has some concerns with the redevelopment fund. It is a potential decreasing revenue source and the uncommitted funding is diminishing. Brown wants to do an analysis to determine how much to allocate out. He will return to the subgroup to discuss. If there are any proposals, it will be brought to DBAC for discussion and recommendation.
    - i. Currently there is an uncommitted ending balance of \$2.7 million as of FY2016/17.

- ii. Brown should know what the first half of the revenue stream will be next week which will assist in his estimate for this next year.

IV. OTHER

A. Privatized Bookstore Discussion

1. Asatar requested information on the privatized bookstore.
2. Brown inquired with DiSalvio how long ago the bookstore was privatized. Brown indicated Asatar wants to know how much revenue was earned before it was privatized and a comparison to now.
3. Gomez thinks that the faculty is not worried about revenue but rather the hassle of ordering and receiving their textbooks.
4. Brown indicated that this gives us an opportunity to build in some safeguards for the next RFP.
5. Gomez believes a forum would be helpful where faculty and students can express their frustrations and/or concerns with the bookstore.

B. Brown introduced Dr. Bryan Reece, new President for Norco College.

C. Beck inquired if there was feedback from the meeting with the Chancellor and presidents regarding the philosophy of the categorical funding of tenure track positions.

1. Brown did not know the exact percentage that was discussed.
2. Gomez indicated that she believes there was a quick decision made for the counselor positions - tenured track at 40%.
3. Reece indicated that the Chancellor wants to create a quasi MOA for the categorical funding.
4. Brown indicated that he will follow up with the Chancellor for some clarification since there still seems to be much confusion.

V. NEXT MEETING

- A. Friday, February 10, 2017 – 9:00 a.m. to 11:00 a.m. at the District Office Building – Executive Conference Room 309

VI. MEETING ADJOURNED AT 10:13 A.M.



## Handout #1

**From:** Rodriguez, Mario [<mailto:mrodriguez@CCCCO.EDU>]  
**Sent:** Tuesday, January 10, 2017 11:07 AM  
**To:** [SO2CBO@LISTSERV.CCCNEXT.NET](mailto:SO2CBO@LISTSERV.CCCNEXT.NET)  
**Subject:** [External Sender] 2017-18 Governor's Budget for CCCs

Colleagues,

The 2017-18 Governor's Budget was released today. The budget summary indicates state revenues, which surged during several years of recovery, are now beginning to lag expectations. Despite this constraint, the budget provides roughly \$400 million in new Proposition 98 General Fund spending for CCCs. The state general fund is estimated to increase by approximately \$3.7 billion, or approximately 3% in 2017-18. Proposition 98 is estimated to increase by approximately \$2.1 billion, or approximately 3% in 2017-18.

Below is a summary of the augmentations for the CCC budget. There will be a note if the augmentation is one-time in nature.

### Educational Services

- \$150 million for implementation of guided pathways. While the yet to be release trailer bill will outline much of the programmatic requirements, the intent of the funds will be to support community colleges in leveraging the work our system has done over the past few years as they develop cohesive, integrated pathways to help more students achieve their educational objectives. (one-time) **\$3.68 million**
- \$20 million for an Innovation Awards program. As opposed to an outside committee administering the program, the Chancellor will have broad authority to select the focus of the grants and the awardees. (one-time) **Grant**
- \$5.4 million for a 1.48% COLA for the Apprenticeship, EOPS, DSPS, CalWORKs and the Child Care Tax Bailout programs. **\$.13 million**
- \$3.1 million for enrollment growth in the Full-Time Student Success Grant program. **Not sure how this will impact RCCD**

### Apportionments

- \$94.1 million for a 1.48% COLA to apportionments. **\$2.38 million**
- \$79.3 million for a 1.34% growth in access. These funds will be allocated through the recently revised growth formula. **\$2.95 million**
- \$23.6 million for a base increase to cover increasing operating costs, especially due to rising employer pension cost. **\$.58 million**

### Technology

- \$10 million for the Online Education Initiative to purchase a learning management system that will be provided free to colleges. **Cost Savings**
- \$6 million for the procurement of an integrated library system that allows every student to access a cloud-based, up-to-date library catalog. (one-time) **Cost Savings**

### Facilities and Equipment

- \$43.7 million for the Physical Plant and Instructional Equipment program. (one-time) **\$1.07 million**
- \$52.3 million for energy efficiency projects through the Proposition 39 program. (one-time) **\$1.28 million**

Traditionally the CCCs have received 10.93% of the Proposition 98 Guarantee. In 2014-15 the share is 10.92%, in 2015-16 the share is 10.94%, and in 2017-18 the share is 10.87%, which is approximately \$45 million less than what traditionally would be expected.

While the Board of Governors approved 29 projects for funding for 2017-18, the Governor's Budget includes five Proposition 51 bond funded projects. The Governor proposed to focus on projects that addressed critical health and safety needs as well as improving existing instructional infrastructure. **No RCCD Projects**

- Pasadena's Armen Sarafain Building Seismic Replacement
- San Francisco's Alemany Center Seismic Upgrade
- San Francisco's Ocean Campus Utility Replacement
- Fullerton's Business and Humanities Buildings Modernization
- Compton's Instructional Building 2 Replacement

In addition to the funding for our system, the Governor's Budget also proposes two additional executive team members to the Chancellor's Office. We appreciate the proposed expansion of capacity in our office and will continue to consider the best use of these new resources. **N/A**

The Governor's Budget also proposes phasing-out the Middle Class Scholarship program for new students. Beginning in 2017-18, awards will be renewed only for students who received awards in 2016-17.

This is a solid start to the 2017-18 budget process, and we appreciate the consideration and efforts the Governor and his team put forth in developing this budget. Here are a few concepts and ideas we should keep in mind as we move forward.

- The years of seeing significant increases in Proposition 98 are likely behind us. Given that the economy is nearing its peak, the sales and use tax portion of Proposition 30 is ending, and the backlog of Proposition 98 maintenance factor created during the recession has been paid off, we should expect modest growth in Proposition 98 until the next recession.
- Between 2013-14 and 2020-21, pension costs for the system will increase by over \$400 million as the state reduces the gap between the assets and liabilities in PERS and STRS. In addition to the estimated increases in employer contributions, the PERS governing board also recently took action to reduce their investment volatility by lowering their annual assumed rate of return from 7.5% to 7% over a three-year period. It is at least a possibility, if not likely, PERS employer rates will increase in future years based on the lowering of the return rate.
- Our system has already received \$368.7 million to increase our apportionments base. While this funding is unrestricted, there is a clear expectation from policy makers that these funds have been provided to ensure colleges are covered for new expenses related to pension costs increases. Given the outlook on Proposition 98, the known employer contribution increases for PERS and STRS, and the possibility of additional increases to employer rates in the future, it is imperative colleges anticipate and plan for these costs going forward.
- While funding for the Student Success and Support, Student Equity, Adult Education, and Strong Workforce programs did not receive an augmentation, they continue to receive the same level of funding as 2016-17. The success of these programs, and the likelihood of our system continuing to receive funding in future years, will be determined by our ability to maximize the return on the state's investment in these areas. Given this, it is critical colleges use these resources to support integrated and effective student success strategies. In addition, achieving the desired results will take sustained efforts, including appropriate levels of ongoing investments at the college level, while preserving a reasonable level of operating flexibility for when the next recession occurs.

The next steps in the budget process will be input from system stakeholders, a review by the Legislative Analyst's Office, and an initial round of legislative hearings prior to the release of the May Revision. I'll continue to provide updates along the way, but feel free to reach out to me with any questions, comments, or concerns related to budget.

## CCC Budget Development for FY 2017-2018

### Revised to Reflect Governor's Budget Proposal

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%~~<sup>1.48%</sup>) - ~~\$100 M~~<sup>94.1</sup> / ~~\$1.6 M~~<sup>2.38</sup>
  - \* COLA for Categoricals (-1.48%) - \$5.4M/\$1M
  - \* Access (~~2.00%~~<sup>1.34%</sup>) - ~~\$125 M~~<sup>79.3</sup> / ~~\$4.4 M~~<sup>2.95</sup>
  - \* General Operating Base Increase - ~~\$200 M~~<sup>23.6</sup> / ~~\$4.8 M~~<sup>.6</sup>
  - \* Full-Time Faculty Hiring - ~~\$100 M~~<sup>-0-</sup> / ~~\$2.5 M~~<sup>-0-</sup>
  - \* Part-Time Faculty Hiring - ~~\$25 M~~<sup>-0-</sup> / ~~\$0.6 M~~<sup>-0-</sup>
  - \* Veterans Resource Centers - ~~\$25 M~~<sup>-0-</sup> / ~~\$0.6 M~~<sup>-0-</sup>
- 
- Technology - ~~\$50 M~~<sup>10</sup> - Cost Savings \$0.9M
  - Campus Safety - ~~\$50 M~~<sup>-0-</sup>
  - Mental Health Services - ~~\$25 M~~<sup>-0-</sup>
- 
- Professional Development ~~\$25 M~~<sup>-0-</sup>
  - Online Education - ~~\$10 M~~<sup>-0-</sup>
  - Outreach - ~~\$10 M~~<sup>-0-</sup>
  - Integrated Library Services - ~~\$5 M~~<sup>.6</sup> - Cost Savings???
  - Open Educational Resources - ~~\$20 M~~<sup>-0-</sup>
  - Equal Employment Opportunity - ~~\$10 M~~<sup>-0-</sup>
  - Pathways to Community College Teaching - ~~\$65 M~~<sup>-0-</sup>
  - F/T Student Success Grant Enrollment Growth - \$3.1M/???
- 
- Deferred Maintenance and Inst. Support - \$43.7M/\$1.1M
  - Proposition 39 Energy Efficiency - \$52.3 M / \$1.3 M
  - Innovation Grants - ~~\$25 M~~ - \$20 M - Apply
  - Promise Grants - ~~\$15 M~~<sup>-0-</sup>
  - Guided Pathways - \$150 M/\$3.7 M (One-Time)

**Total Request = \$843.15 Million**  
**\*Highest Priorities = \$575.00 Million**  
**Likely Funding = \$400.00 Million**

*RIVERSIDE COMMUNITY COLLEGE DISTRICT  
District Budget Advisory Council Meeting*

*February 10, 2017  
RCCD Building - 309  
9:00 a.m. - 11:00 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)  
Michael McQuead (Moreno Valley College)  
Rex Beck (Norco College)  
Rachelle Arispe (Recorder)

Members Not Present

Nathaniel Jones (Moreno Valley College)  
Asatar Bair (Riverside City College)  
Mark Sellick (District)  
Nate Finney (Moreno Valley College)  
Ana Molina (Norco College)  
Jennifer Lawson (Riverside City College)  
Jacquelyn Smith (District wide – Student)

Guest(s) Present

David Bobbitt (Moreno Valley College)

I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Quorum not achieved. Minutes for January 13, 2017 will be moved to next meeting for approval.

III. BUDGET UPDATE

A. State Budget Update

1. Brown described the Governor’s Budget Proposal as “cautious” since the rate of increase is slowing compared to the last several years.
  - a. The large influxes of revenue are probably over for the foreseeable future. The influxes of revenue are mainly due to the maintenance factor from Prop 98, which are now all paid off from FY 2016-17.

- i. The federal policy changes could have an impact on the state budget, including the UC and CSU systems, healthcare insurance coverage - specifically Covered CA, the affordable housing issues, and transportation issues.
  - ii. Brown indicated that California is overdue for a recession. Our current economic recovery is the 3<sup>rd</sup> longest on record for the State of California. Therefore, the message from the Governor's Budget Proposal is that local governments should be taking a very conservative approach when developing their own budgets.
2. Brown reviewed Handout #1 – FY 2017-2018 Governor's Budget Proposal Presentation that he presented at the February 7, 2017 Board of Trustees meeting.
  - a. For FY 2017-18 the K-14 minimum guarantee is at \$73.5 billion, a year over year increase of 2.94%.
  - b. Unrestricted Ongoing Revenues for RCCD include Access at \$2.9 million, COLA at \$2.4 million, and a base increase of \$.6 million.
  - c. No funds were provided for unrestricted one-time revenues, State Mandate Block Grant.
  - d. Restricted Revenues for RCCD include Proposition 39 funds at \$1.3 million, Deferred Maintenance and Instructional Equipment at \$1.1 million, and Categorical Program COLA is at \$.1 million.
  - e. Other State funds proposed, totaling \$202.1 million, include: Guided Pathways (distributed by 20% equally for all the colleges in the system, 35% by FTES for each college, and 45% based on Pell participants), Innovation Awards, F/T Student Success Grant Enrollment Growth, Online Education Initiative (cost savings to RCCD), Integrated Library System (cost savings to RCCD), and the State General Obligation Bond – Proposition 51.
  - f. Proposition 98 Guarantee, the community colleges are entitled to 10.93% of the Prop 98 funds. However, for the last 15 years, the community colleges have been shorted their entitled percentage. Again, the current budget proposes the share at 10.87%, equal to \$45 million short of the guarantee.
    - i. Brown stated that he recently heard from the Department of Finance that there may be an opportunity to receive a deferral of apportionment rather than a revenue reduction of the entitled share.
  - g. Proposition 51 – Public Schools Facilities Bond, allocates \$2 billion to community college districts for approved projects over a 3 year term (1<sup>st</sup> year \$750 M, 2<sup>nd</sup> year \$750 M and 3<sup>rd</sup> year \$500M). The distribution is for 29 projects approved for FY 2017-18. However, the Governor's proposal only funds 5 life/safety projects totaling \$13 million. RCCD is not included in the 29 projects for FY 2017-18.

- h. Growth/Access – Statewide enrollment growth has been slowing over the past several years. Community college districts will probably return \$51 million of growth money due to lower than budgeted system-wide enrollment for FY 2015-16.
  - i. RCCD planned to reach growth target for the FY 2015-16. However, to do so 400 FTES was pulled from 2016-17 Summer. For FY 2016-17, the trend is under the target number by 140 FTES (P1). Brown estimated RCCD might be 300-400 short on FTES for FY 2016-17.
  - ii. Brown and Gomez commented that they have talked to surrounding colleges and they are all having enrollment issues.
- i. The base increase for FY 2016-17 was \$75 million. However, the Governor’s Budget Proposal for FY 2017-18 provides only \$23.6 million.
  - i. Brown indicated that there may be approximately \$75 million more additional funding in the May Revise. This would provide approximately \$1.2 million more for RCCD.
- j. PERS and STRS rates will be increasing again, as they have the last four years. Brown commented that RCCD may be able to weather the storm the next few years with the \$15 million set-aside. However, our revenue and expenditures are out of balance and healthcare is on an upward trend. Therefore, the set aside will diminish quickly if revenues begin to retract.
- k. Gomez commented on her concerns with student success and equity funding. She indicated that onboarding is very challenging, even with faculty. The one-time funding is helpful for these needs.
  - i. Beck added that Sacramento should have a standardized survey system where the public could provide their thoughts or suggestions about community colleges. This could help with the funding and provide a better perception about community colleges. Internal measurements are needed. Perception is reality and if a customer does not have a positive perception then problems arise.
  - ii. Brown responded that he has not heard of any effort to initiate a standardized survey, but he could bring it up at a future Institutional Effectiveness Partnership Initiative meeting he attends.

**B. District Budget Update**

**1. Part-Time Faculty & Overload Budget Methodology**

- a. The subgroup had a training/update session to go over the methodology and review the components that way everyone understands how the calculations are made and make sure everyone thinks the methodology is on the right track.
- b. At the next meeting, the subgroup will look at a comparisons of what was predicted and what actually occurred in the prior fiscal year.

- c. The subgroup will provide the information in a couple of months once fully reviewed.
  2. Classified & Management Budget Allocation Methodology
    - a. Brown indicated that the Chancellor offered his own suggestion on how the methodology should work for classified and management positions. Brown will share the Chancellor's suggestion at the next subgroup meeting.
    - b. An allocation was discussed in the amount of \$600K, setting aside \$60K in a holding account, with the remaining balances, allocated based on the FTES percentages.
      - i. DiSalvio indicated that since the district does not have a strategic plan, RCC is not in favor of the set-aside. However, if the \$60K is set-aside RCC proposes it be kept in a holding account. Then at a predetermined time during the year, if the funds are not spent, it be allocated to the colleges. RCC's ultimate vote would be to allocate the funds based on the BAM.
    - c. Once the suggestion from the Chancellor is discussed with the subgroup, the agreed upon methodology will be returned to DBAC for recommendation to DSPC.
  3. Redevelopment Fund Budget Allocation Methodology
    - a. Brown indicated that he discussed with the subgroup having a reserve to meet ongoing and emergency needs for IT Infrastructure until there is a successful bond issuance. Brown would like to maintain an adequate reserve, just to meet the needs of IT Infrastructure equipment and end of life IT equipment. The approximate annual cost currently is \$1 million. There is no other source of funds besides Redevelopment funds to pay for these needs. Therefore, for FY 2017-18 Brown proposed using \$2 million of Redevelopment funds and allocate \$1 million to IT Infrastructure and the other \$1 million be allocated to the colleges based on the FTES percentages. The IT Infrastructure allocation would be used to add wireless access points, replace end of life routers and servers to increase to 12 GB connectivity, begin replacing end of life phones, and upgrade the firewall.
    - b. The subgroup is taking the suggestion back to their colleges for discussion and will return to the next subgroup meeting with their responses.

## II. OTHER

### A. Privatized Bookstore Discussion

1. Brown indicated that the district's current contract expires in June.
2. Askar added that the majority of the colleges use Follet. Additionally, a committee has been formed to discuss the future bookstore contract. They will be meeting in February.

III.

IV. NEXT MEETING

A. Friday, March 17, 2017 – 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.





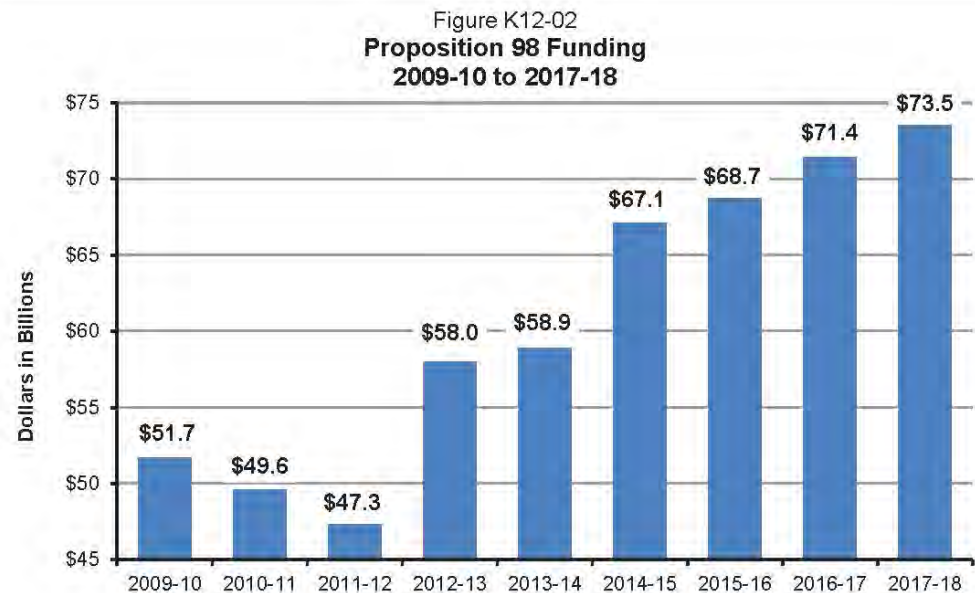
# **FY 2017-2018 Governor's Budget Proposal**

February 7, 2017

# Growth in the Proposition 98 Minimum Guarantee

- FY 2016-17 approved budget set the K-14 minimum guarantee at \$71.9 billion...now revised to \$71.4 billion.

- A year over year increase of 2.94%



# FY 2017-2018 Governor's Budget Proposal

## Base Changes (In Millions)

<u>Unrestricted Ongoing Revenues</u>	<u>State</u>	<u>RCCD</u>
Access (1.34%/1.95 % - 575 credit FTES)	\$ 79.3	\$ 2.9
COLA (1.48%)	94.1	2.4
Base Increase	23.6	0.6
Total Unrestricted Ongoing Revenues	<u>\$ 197.0</u>	<u>\$ 5.9</u>
 <u>Unrestricted One-Time Revenues</u>		
State Mandate Block Grant	<u>\$ -</u>	<u>\$ -</u>
Total Unrestricted Revenues	<u><u>\$ 197.0</u></u>	<u><u>\$ 5.9</u></u>

# FY 2017-2018 Governor's Budget Proposal

## Base Changes

*(In Millions)*

### Restricted Revenues

Proposition 39 - Energy Efficiency

Deferred Maintenance & Instructional Equipment

Categorical Program COLA (1.48%)

Total Restricted Revenues

<u>State</u>	<u>RCCD</u>
\$ 52.3	\$ 1.3
43.7	1.1
5.4	0.1
<u>\$ 101.4</u>	<u>\$ 2.5</u>

# FY 2017-2018 Governor's Budget Proposal

*(In Millions)*

<u>Other</u>	<u>State</u>	<u>RCCD</u>
Guided Pathways	\$ 150.0	\$ 3.7
Innovation Awards	20.0	?
F/T Student Success Grant Enrollment Growth	3.1	?
Online Education Initiative (Cost Savings)	10.0	-
Integrated Library System (Cost Savings)	6.0	-
State General Obligation Bond - Proposition 51	13.0	-
Total Other	<u>\$ 202.1</u>	<u>\$ 3.7</u>

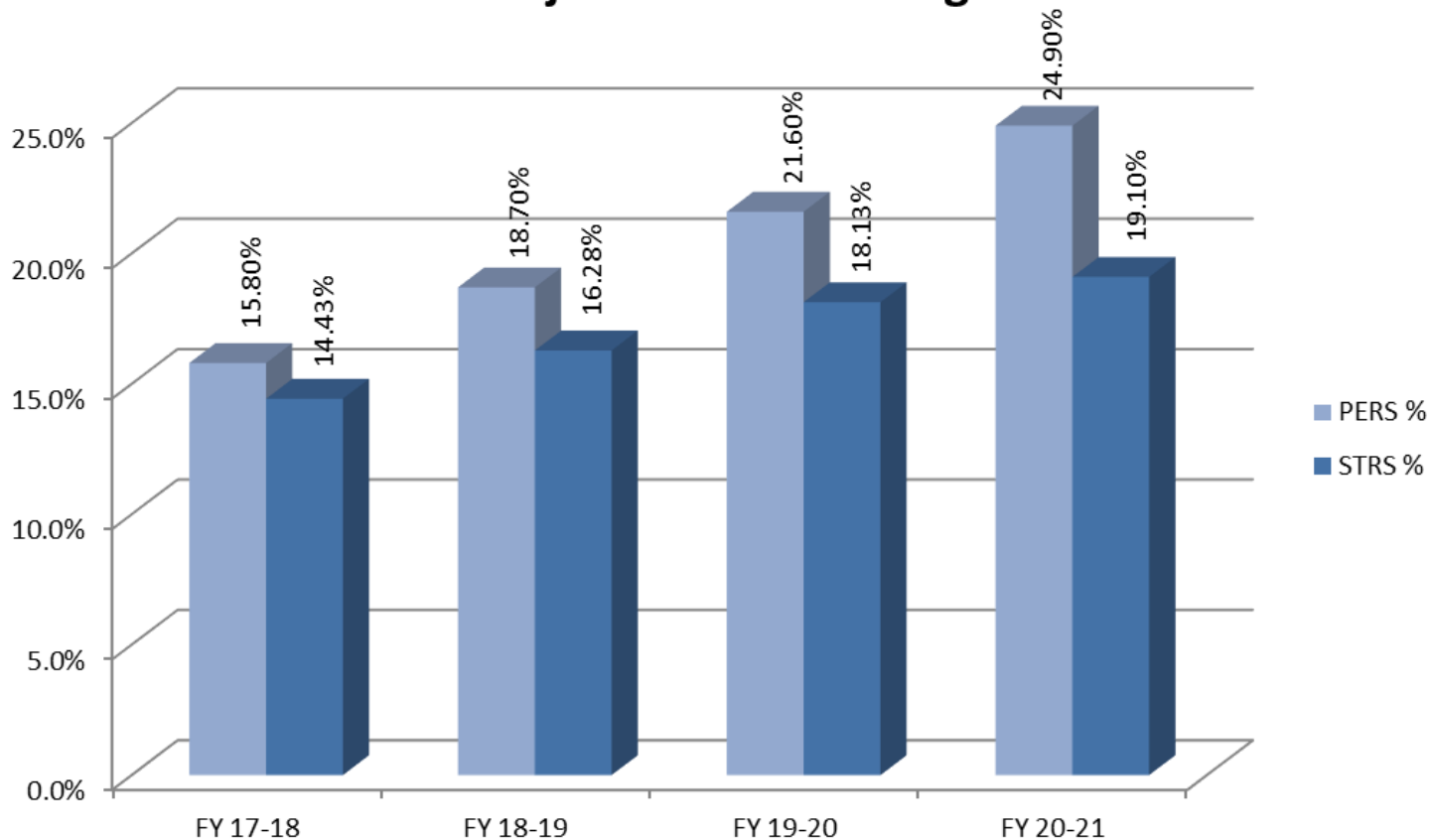


# Items to Consider



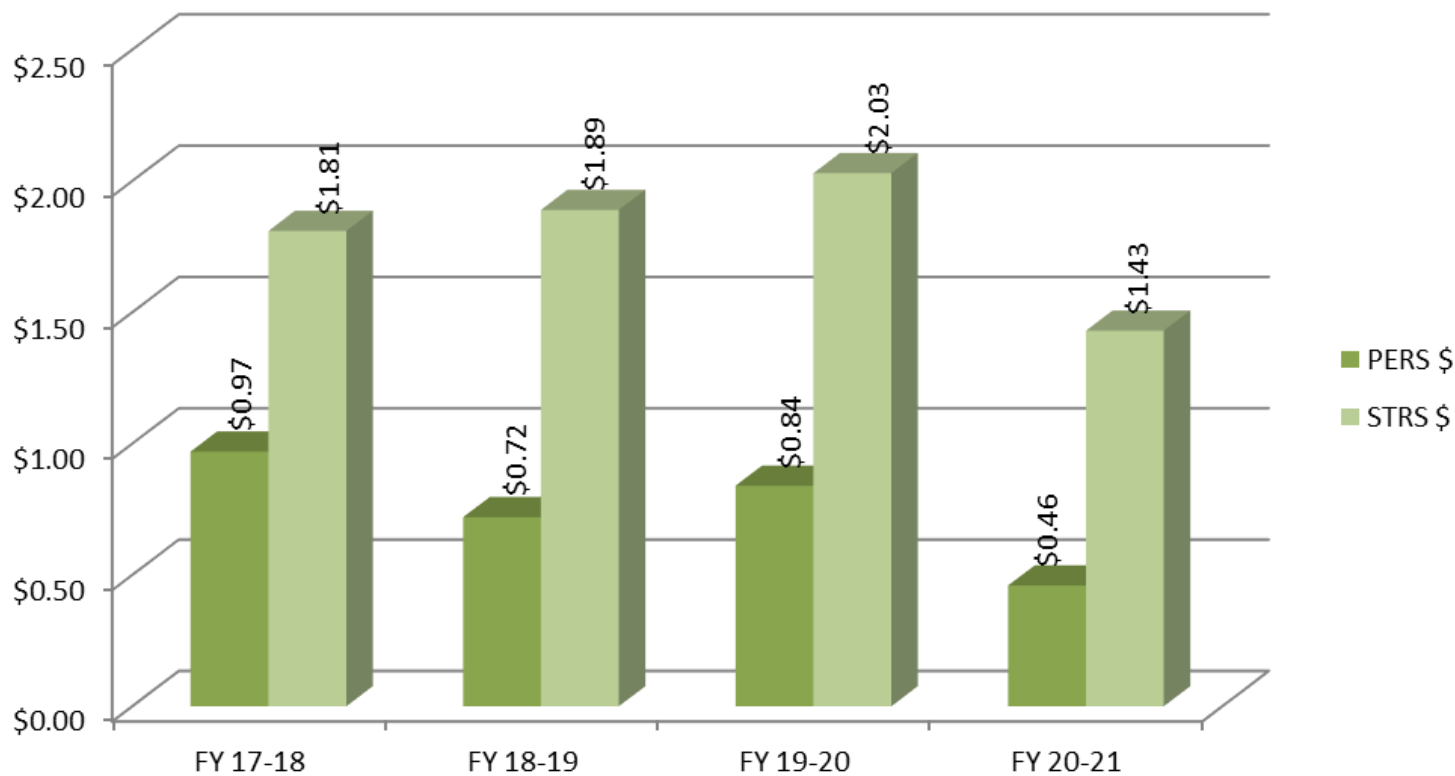
# Items to Consider (continued)

## PERS and STRS Projected % Rate Budget Increases





## PERS and STRS Projected \$ Annual Budget Increases



Riverside Community College District  
Classified and Management Budget Allocation  
FY 2017-2018

DBAC Handout #2  
February 10, 2017

Total Amount for Classified/Mgmt Budget Allocation	\$ 600,000
Set-Aside	<u>(60,000)</u>
Remaining to Allocate	<u>\$ 540,000</u>

Distribution

RCC (53.80%)	\$ 290,520
NC (23.10%)	124,740
MVC (23.10%)	<u>124,740</u>
	<u>\$ 540,000</u>



# **FY 2017-2018 BUDGET PLANNING**

April 21, 2017



**GOVERNOR'S FY 2017-18  
BUDGET PROPOSAL  
COMMUNITY COLLEGE SYSTEM  
AND  
RIVERSIDE COMMUNITY COLLEGE DISTRICT**



# FY 2017-2018 Governor's Budget Proposal

**Base Changes**  
*(In Millions)*

**Unrestricted Ongoing Revenues**

Growth (1.34%/1.96% - 580 credit FTES)  
 COLA (1.48%)  
 Base Increase

	<u>State</u>	<u>RCCD</u>
	\$ 79.3	\$ 2.9
	94.1	2.4
	<u>23.6</u>	<u>0.6</u>
Total Unrestricted Ongoing Revenues	<u>\$ 197.0</u>	<u>\$ 5.9</u>

**Unrestricted One-Time Revenues**

State Mandate Block Grant

	<u>\$ -</u>	<u>\$ -</u>
Total Unrestricted Revenues	<u>\$ 197.0</u>	<u>\$ 5.9</u>



# FY 2017-2018 Governor's Budget Proposal

## Base Changes (In Millions)

### Restricted Revenues

	<u>State</u>	<u>RCCD</u>
Proposition 39 - Energy Efficiency	\$ 52.3	\$ 1.3
Deferred Maintenance & Instructional Equipment	43.7	1.1
Categorical Program COLA (1.48%)	5.4	0.1
Total Restricted Revenues	<u>\$ 101.4</u>	<u>\$ 2.5</u>



# FY 2017-2018 Governor's Budget Proposal

*(In Millions)*

<u>Other</u>	<u>State</u>
Guided Pathways	\$ 150.0
Innovation Awards	20.0
F/T Student Success Grant Enrollment Growth	3.1
Online Education Initiative (Cost Savings)	10.0
Integrated Library System (Cost Savings)	6.0
State General Obligation Bond - Proposition 51	13.0
Total Other	<u>\$ 202.1</u>



**BUDGET PLANNING  
FY 2016-2017  
ENDING BALANCE ESTIMATE**





# FY 2016–17 Credit FTES Projections

Base FTES	28,599.64
Growth at P1 (Planned 835 at 2.92%; Actual 3.42%)	<u>979.25</u>
Total Funded FTES	29,578.89
Actual FTES*	<u>29,578.89</u>
Total Unfunded FTES	<u>-</u>
Unfunded FTES %	<u><u>0.0%</u></u>

\* Actual FTES subsequent to the P1 reporting period is projected to be lower than the District’s revised FTES Target by 649.84 FTES based on projections by the Dean of Educational Services. Since millions of dollars are still undistributed as of P1, the District Enrollment Management Committee is discussing rolling back 649.84 FTES from Summer 2017 to FY 2016-17 to realize the planned apportionment revenue contained in the adopted budget.



*(In Millions)*

**FY 2016-17 Revenues**

Adopted Budget	<u>\$ 175.38</u>
FY 2015-16 Additional Apportionment (NET)	\$ 0.02
FY 2016-17 Additional Growth Funding	0.95
Lottery	0.08
Other	<u>0.07</u>
Total Revenue Adjustments	<u>\$ 1.12</u>
Net Revenues	<u>\$ 176.50</u>



*(In Millions)*

**FY 2016-17 Expenditures**

Adopted Budget	<u>\$ 199.91</u>
Estimated Budget Savings:	
Salaries and Benefits	\$ 5.85
Supplies and Services*	21.05
Capital Outlay	<u>0.13</u>
Total Expenditure Budget Savings	<u>\$ 27.03</u>
Net Expenditures	<u>\$ 172.88</u>
Net Current Year Estimated Surplus	\$ 3.62
Beginning Balance at July 1, 2016	<u>36.52</u>
Estimated Ending Balance at June 30, 2017*	<u>\$ 40.14</u>
Estimated Ending Balance Percentage	<u><u>18.84%</u></u>

\*Included in these balances is \$15.41 million of one-time State Mandate Block Grant funds that were set-aside in FY 2016-17 for future years to mitigate revenue reductions and increasing costs for STRS, PERS and health insurance.



# **BUDGET PLANNING FY 2017-2018**



# FY 2017–18 Credit FTES Projections

Base FTES	29,578.89
Growth (System 1.34%; RCCD 1.96%)*	<u>295.79</u>
Total Funded FTES	29,874.68
Unfunded FTES	<u>-</u>
FTES Target	<u><u>29,874.68</u></u>

## FTES Funding Production for FY 2017-18

Growth	295.79
Unfunded	-
Summer 2017 Rolled to FY 2016-17*	<u>649.84</u>
	<u><u>945.63</u></u>

\* District Enrollment Management continues to discuss enrollment targets for FY 2017-18. Final decisions have not been made regarding the amount of achievable growth or the number of FTES to roll from Summer 2017 to FY 2016-17. For purposes of this presentation, it has been assumed that the growth target will be set at RCCD’s full growth percentage and that 649.84 FTES will be rolled from Summer 2017 to FY 2016-17 to achieve the enrollment target contained in the adopted budget.



*(In Millions)*

**FY 2017-18 Ongoing Revenue Budget**

Beginning Revenue Budget	<u>\$ 172.76</u>
FY 2016-17 Base Apportionment Increase (Net)	\$ 0.51
FY 2017-18 Apportionment:	
COLA (1.48%)	2.39
Growth (1.96%)	1.52
Deficit (.50%)	(0.83)
Base Allocation Increase	<u>0.58</u>
Total Ongoing Revenue Budget Adjustments	<u>\$ 4.17</u>
Total Ongoing Revenue Budget	<u>\$ 176.93</u>



*(In Millions)*

**FY 2017-18 Ongoing Expenditure Budget**

Beginning Expenditure Budget	<u>\$ 178.58</u>
Compensation Adjustments:	
COLA (1.48%) + Contract for Full-time Salaries (2.00.%)	\$ 3.26
COLA (1.48%) + Contract for Part-time Faculty Salaries (2.50%)	
+ Growth	1.51
Step/Column/Growth/Placement/Classification	1.00
Employee Benefits	2.13
New Full-Time Faculty Positions (12)	1.75
New Classified Staff/Management Position Allocation	0.80
Part-Time Faculty and Overload Offset	
for New Full-Time Faculty Positions	(0.64)
Contracts and Agreements	0.20
Sabbatical Leave Backfill	0.06



*(In Millions)*

**FY 2017-18 Ongoing Expenditure Budget (continued)**

Utilities	0.08
La Sierra Loan Payoff Reversal (ongoing)	(1.27)
Election Cost - "Off-Year"	(0.30)
Other	<u>(0.15)</u>
Total Ongoing Expenditure Budget Adjustments	<u>\$ 8.43</u>
Total Ongoing Expenditure Budget	<u>\$ 187.01</u>
Net Ongoing Budget Shortfall	<u><u>\$ (10.08)</u></u>





*(In Millions)*

**FY 2016-17 One-Time Revenue Budget**

Beginning Revenue Budget	\$ 2.62
FY 2016-2017 State Mandate Block Grant Reversal	<u>(2.62)</u>
Total One-Time Revenue Budget	<u>\$ -</u>

**FY 2016-17 One-Time Expenditure Budget**

Beginning Expenditure Budget	\$ 21.33
Retirement Incentive Funding Cost Reversal	(5.41)
La Sierra Loan Payoff Reversal (One-Time)	(1.36)
Net Adjustment to Set-Aside for Future Operating Costs	<u>3.56</u>
Total One-Time Expenditure Budget	<u>\$ 18.12</u>
Net One-Time Budget	<u><u>\$ (18.12)</u></u>



*(In Millions)*

**Summary**

Net Ongoing Budget Shortfall	\$ (10.08)
Net One-Time Budget	<u>(18.12)</u>
Total Difference	\$ (28.20)
Estimated Beginning Balance at July 1, 2016	<u>40.14</u>
Total Available Funds	\$ 11.94
Less, 5% Ending Balance Target	<u>(11.94)</u>
Budget (Shortfall) Surplus	<u><u>\$ -</u></u>



# FY 2017–18 Budget Planning Issues

## □ Governor's Budget Proposal

- **Proposition 98 Guarantee** – The CCC share should be 10.93%. The Governor's Budget proposal funds the CCC share at 10.87%...some \$45 million short of the guarantee.
  - In 15 out of past 24 years CCD's have been shorted their share of Prop 98.
- **Systemwide Enrollment** – Statewide, CCC enrollment growth has been slowing over the past couple of years. Three percent (3%) growth funding was provided in FY 2015-16 and two percent (2%) was provided in FY 2016-17. In FY 2015-16, \$50+ million of unused growth funding was returned to the State. The Governor's Budget Proposal provides 1.34% growth funding, reflecting the downward enrollment trend.
- **Base Allocation** – In FY 2015-16, a \$267 million increase to Base funding was provided. In FY 2016-17, \$75 million was provided. The Governor's Budget Proposal provides \$23.6 million, a significant funding reduction, to provide for increasing operating costs such as salary and benefits, health insurance and pension costs.



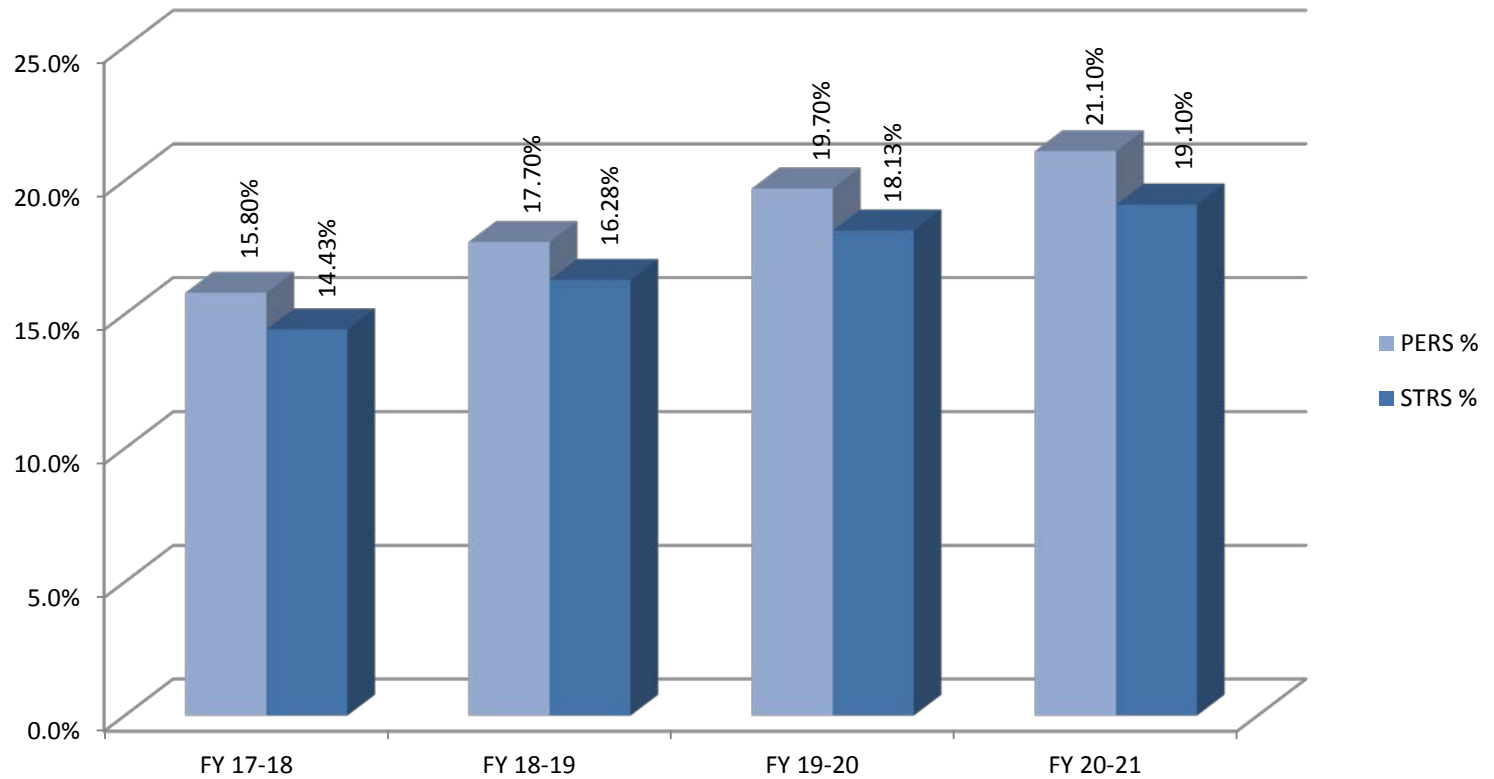
# **FY 2017–18 Budget Planning Issues**

**(continued)**

- ❑ **Proposition 51 – Public Schools Facilities Bond** – The voters passed this proposition in November 2016. The CCC share is \$2.0 billion and was to be allocated to community college districts, with approved projects, over a three year term at \$750 million per year. There are 29 approved projects for FY 2017-18. The Governor’s Budget Proposal funds 5 projects (life/safety) totaling \$13 million.
- ❑ **FY 2016-17 Results**
- ❑ **Health Insurance**
- ❑ **PERS & STRS** – (See subsequent pages)

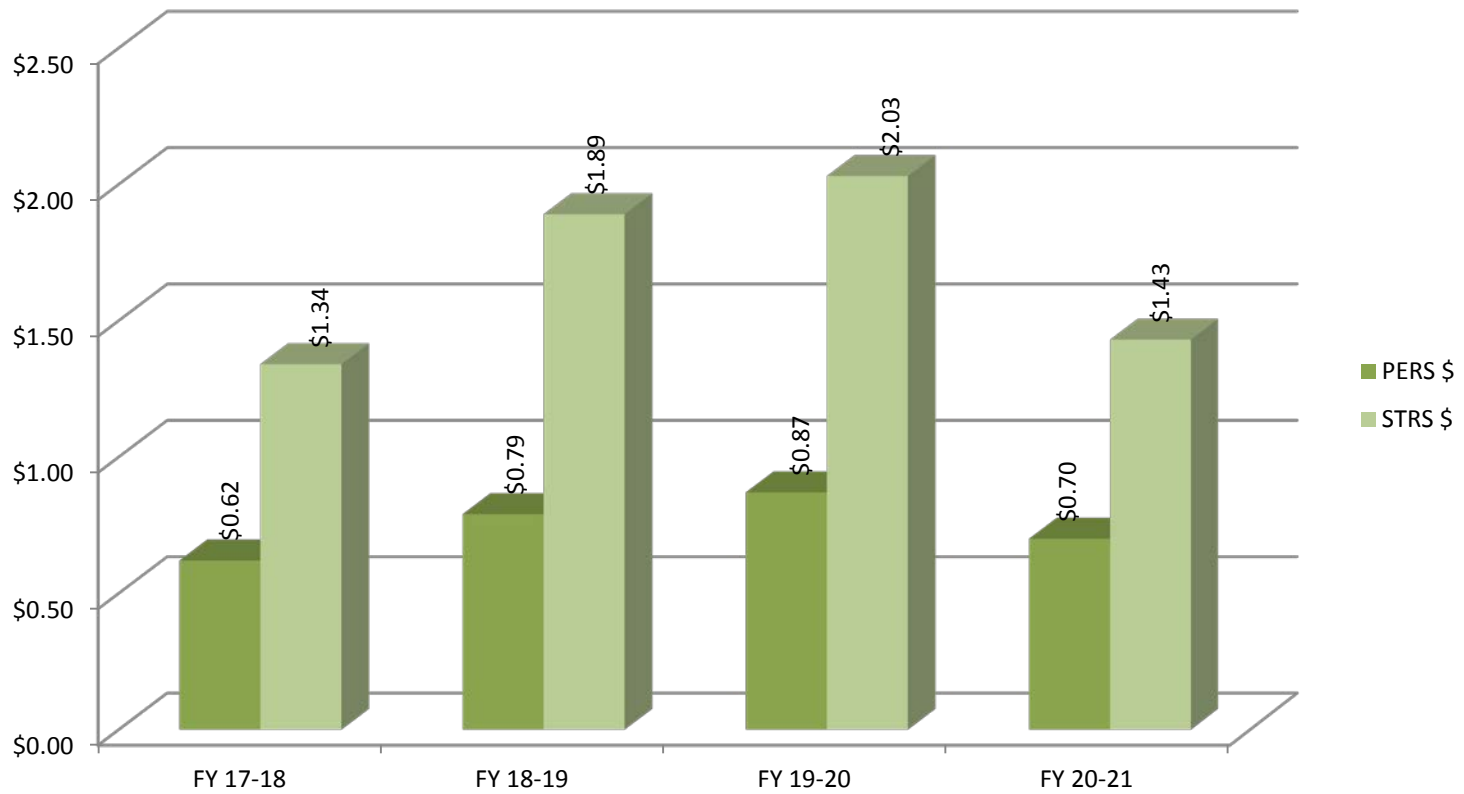


## PERS and STRS Projected % Rate Budget Increases





### PERS and STRS Projected \$ Annual Budget Increases

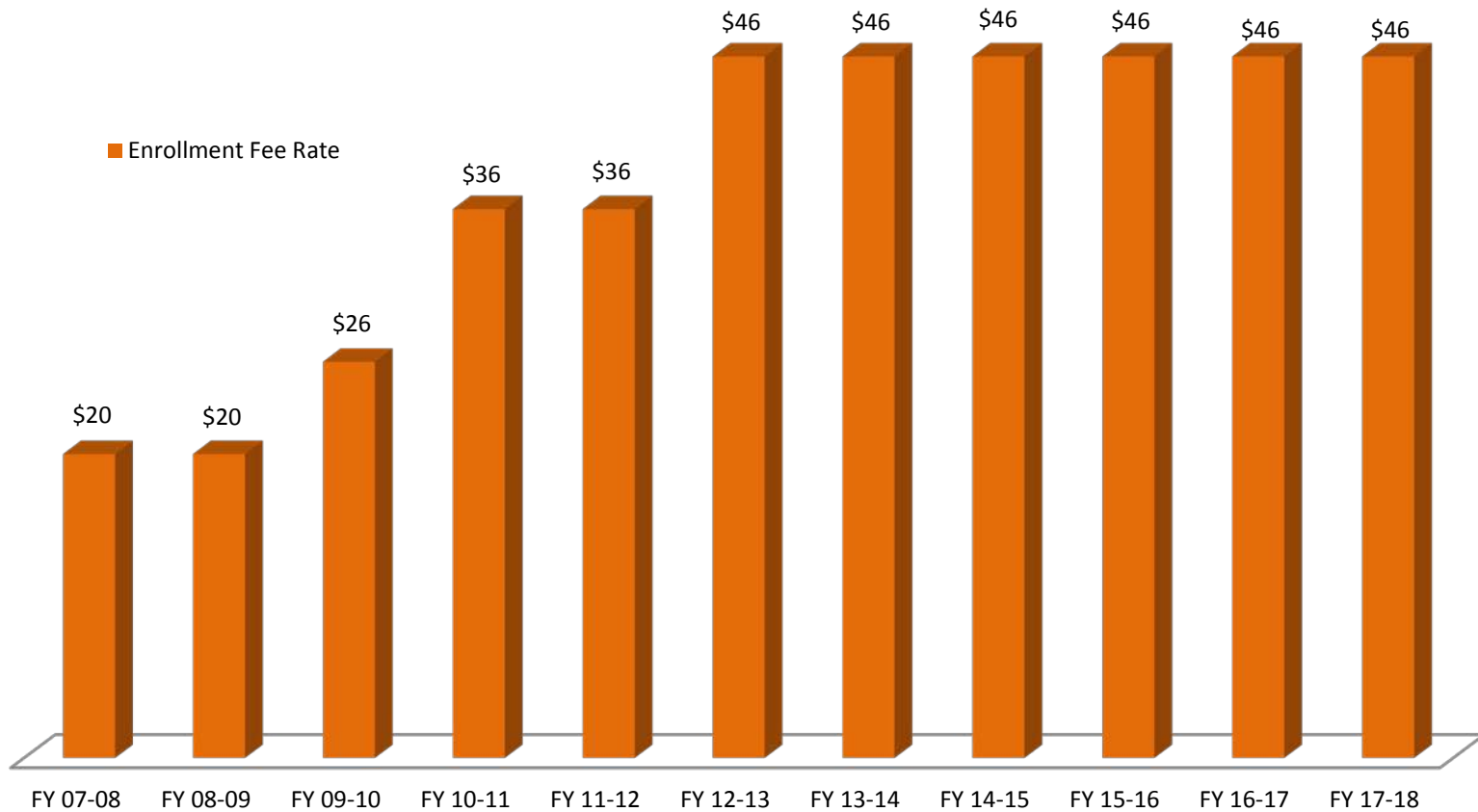




# RECENT BUDGET HISTORY



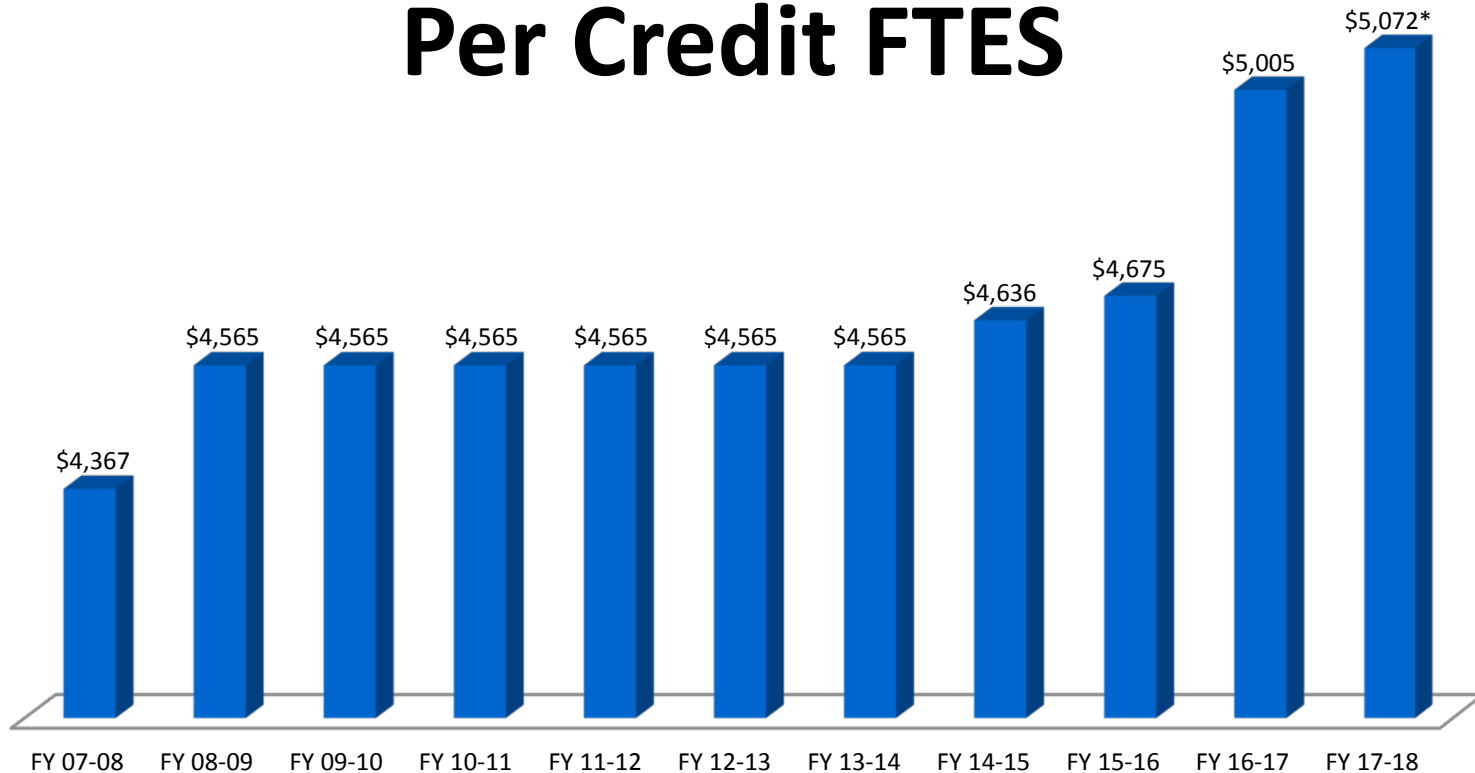
# Enrollment Fee Rate Per Unit







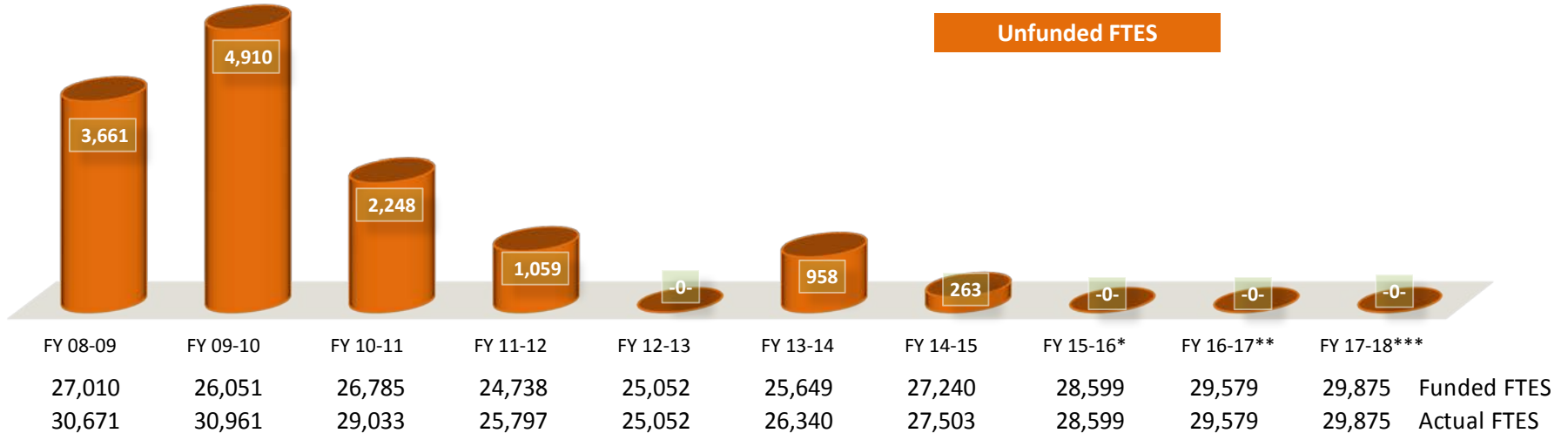
# CCC Base Funding Rate Per Credit FTES



\* The FY 2017-18 funding rate per credit FTES is estimated since the base allocation and full-time faculty hiring increases for FY2016-17 have not been “folded” into the funding rates by the State Chancellor’s Office.



# Credit FTES



\* Based on P1 Recalculation

\*\* Based on the District Enrollment Management Committee discussions and estimated availability of State funding.

\*\*\* Based on the Governor’s Budget Proposal and preliminary estimate of the District’s ability to achieve growth allocation. The District Enrollment Committee discussions are continuing.



# **FY 2017-2018 BUDGET DEVELOPMENT TIMELINE**



➤ **March-May**

- Legislative Hearings

➤ **May**

- May Revise - Second week of May
- Norco College Business & Facilities Planning Council Meeting - May 16, 2017
- Moreno Valley College Resource Subcommittee Meeting - May 17, 2017
- Riverside City College Resource Development & Administrative Services Leadership Council - May 18, 2017
- DBAC & DSPC Meetings – May 19, 2017
- Tentative RCCD Budget Completed

➤ **June**

- Tentative RCCD Budget to Resources Committee - June 13, 2017
- DSPC Meeting - June 9, 2017
- Second Principal Apportionment Report
- DBAC Meeting - June 22, 2017
- Tentative RCCD Budget to Board of Trustees – June 20, 2017
- State Budget Adoption by June 30



➤ **July**

- New Fiscal Year Begins - July 1, 2017

➤ **August**

- State Budget Workshops/Advance Apportionment
- RCCD Year-End Closing
- DSPC Meeting – August 17, 2017
- Final RCCD Budget Completed
- DBAC Meeting - August 17, 2017

➤ **September**

- Final RCCD Budget to Resources Committee
- Final RCCD Budget to Board of Trustees - September 19, 2017

Riverside Community College District  
DO/DSS Administrative Program Review  
Base Budget Augmentation Request  
FY 2017-2018

DBAC Handout  
April 21, 2017

Positions

<u>Department</u>	<u>Description</u>	<u>Budget Request</u>
Accounting Services	Auxiliary Business Services Bookkeeper	\$ 105,000
Police	Police Officer (RCC) - General Fund Portion Only	<u>\$ 57,500</u>
	Total Positions Budget Augmentation Request	\$ 162,500

Other

HRER	Campus Clarity Training/Law Room Site License	<u>\$ 30,000</u>
	Total Base Budget Augmentatioin Requests	<u><u>\$ 192,500</u></u>

Riverside Community College District  
Classified and Management Budget Allocation  
FY 2017-2018

Total Amount for Classified/Mgmt Budget Allocation    \$ 800,000

Distribution

RCC	\$ 376,600
NC	161,700
MVC	161,700
DO/DSS	<u>100,000</u>
	<u>\$ 800,000</u>

Note:

Allocation to Colleges based on 53.8%/23.1%/23.1% of total funded amount , less \$100,000 for DO/DSS.

Riverside Community College District  
Redevelopment Fund Budget Allocation  
FY 2017-2018

DBAC Handout  
April 21, 2017

Total FY 2016-2017 Uncommitted Fund Balance	\$ 2,702,034
FY 2017-2018 Estimated Revenue	2,000,000
FY 2017-2018 Distribution	<u>(2,000,000)</u>
Estimated FY 2017-2018 Contingency	<u>\$ 2,702,034</u>

Distribution

IT Infrastructure Projects*	\$ 1,000,000
RCC (53.80%)	538,000
NC (23.10%)	231,000
MVC (23.10%)	<u>231,000</u>
	<u>\$ 2,000,000</u>

\* IT Infrastructure Projects

Firewall Upgrade (10GB Connectivity)	\$ 191,000
Wireless Access Points	250,000
Router/Switches (10GB Connectivity)	454,000
Phone System Upgrade (EOL)	<u>105,000</u>
Total	<u>\$ 1,000,000</u>



**Riverside Community College District**  
**Nonresident Tuition Fee - FY 2017-2018 Base Augmentation Calculation**

DBAC Handout  
 April 21, 2017

	<b>Estimate Fiscal Year 2017-2018</b>	<b>Budget Fiscal Year 2016-2017</b>
Nonresident Tuition Fee Revenue	\$ 3,385,274	\$ 2,849,550
Rate per unit	\$ 234	\$ 211
Units	14,467	14,183
 Non-resident FTES	 704 *	 690
Units per FTES	20.56	20.56

<b>RCC</b>	<b>84.16%</b>	<b>2,849,046</b>	<b>84.16%</b>	<b>2,398,181</b>
<b>NC</b>	<b>9.92%</b>	<b>335,819</b>	<b>9.92%</b>	<b>282,675</b>
<b>MVC</b>	<b>5.92%</b>	<b>200,408</b>	<b>5.92%</b>	<b>168,693</b>
<b>Total</b>	<b>100.00%</b>	<b>3,385,274</b>	<b>100.00%</b>	<b>2,849,550</b>

**Riverside**

Nonresident Tuition Fee Revenue	\$ 2,849,046	\$ 2,398,182
Rate per unit	\$ 234	\$ 211
Units	12,175.41	11,365.79
 Potential revenue		
Non-resident FTES	574	562
Units per FTES	21.21	20.23

**Norco**

Nonresident Tuition Fee Revenue	\$ 335,819	\$ 282,675
Rate per unit	\$ 234	\$ 211
Units	1,435.12	1,339.69
 Potential revenue		
Non-resident FTES	67	66
Units per FTES	21.27	20.25

**Moreno Valley**

Nonresident Tuition Fee Revenue	\$ 200,408	\$ 168,693
Rate per unit	\$ 234	\$ 211
Units	856.45	799.49
 Potential revenue		
Non-resident FTES	63	62
Units per FTES	13.55	12.91

Combined Total	3,385,274	2,849,550
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\* - Assumes 2% Growth in Non-Resident FTES

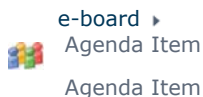
		<b>NC</b>	<b>MVC</b>	<b>RCC</b>	<b>Total</b>
<b>Base Revenue Budget Year</b>	<b>FY 09/10**</b>	<b>190,221</b>	<b>236,123</b>	<b>1,518,656</b>	<b>1,945,000</b>
<b>Estimate for</b>	<b>FY 17/18</b>	<b>335,819</b>	<b>200,408</b>	<b>2,849,046</b>	<b>3,385,274</b>
<b>Revenue Budget Difference</b>		<b>145,598</b>	<b>(35,715)</b>	<b>1,330,390</b>	<b>1,440,274</b>

\*\* - Total Budget in FY 09/10 was \$1,945,000 and was coded all to RCC. For purposes of calculating a Base Revenue Budget split for FY 09/10, FY 10/11 Non-Resident FTES percentages by college were used to apply against FY 09/10 Non-Resident FTES since a split by college was not available, as follows:  
 Total - 511 (100%); RCC - 399 (78.08%); NC - 50 (9.78%); MVC - 62 (12.14%).

## RCCD DO/DSS Administrative Program Review - Prioritized Items

FY 2017-2018		Total
General Counsel	Laptop with Docking Station	\$ 4,000
	NACUA Membership (Ongoing)	\$ 3,180
	<b>Subtotal</b>	<b>\$ 7,180</b>
Foundation	Associate Director of Development	\$ 108,000
	Laptop for Associate Director	\$ 3,000
	M&O Budget for Alumni House	\$ 5,000
	<b>Subtotal</b>	<b>\$ 116,000</b>
Human Resources & Employee Relations	.5 FTE Benefits Clerk	\$ -
	Stride Wkstns; 2 Dskchrs, 2 Keybrds, 2 Dual Monitor	\$ 12,311
	Two (2) Replacement Copiers	\$ 14,000
	Association of Title IX Admin (ATIXA) Membership	\$ 5,000
	Campus Clarity Training/Law Room Site License	\$ 30,000
	ACHRO/EEO Annual Training Institute	\$ 3,600
	PHR/SPHR Training Certification Materials	\$ 1,000
	HR Staff Training	\$ 7,000
<b>Subtotal</b>	<b>\$ 72,911</b>	
Business and Financial Services	Police Officer Position for RCC	\$ 115,000
	Auxiliary Business Services Bookkeeper Position	\$ 105,000
	Desktop Computers	\$ 3,000
	Standing Desks (15)	\$ 6,000
	Two (2) Replacement Police Patrol Vehicles	\$ 70,000
	Three (3) Portable Police Radios	\$ 18,000
	Four (4) Breaching Tool Sets	\$ 2,952
	Storage Locker for CAADO Office	\$ 1,200
	Three (3) Mobile Data Computers for Police Vehicles	\$ 11,276
	CAADO Safety Supplies (Ongoing)	\$ 3,000
	CERT/First Aid and CPR Training at CAADO for Safety Committee	\$ 12,000
	Post Management Training for Three (3) Supervisors	\$ 4,000
	Business Continuity - Disaster Preparation/Recovery	\$ 5,000
	Bloodbone Pathogens Universal Precautions Program	\$ 5,000
	Combined Threat Level Index Report	\$ 5,000
	Fleet Vehicle Maintenance Program	\$ 20,000
<b>Subtotal</b>	<b>\$ 386,428</b>	
IT	Network Security Specialist Position	\$ 135,000
	Infrastructure Projects (Firewalls/Wireless/Routers/Switches/Phones)	\$ 1,000,000
	Ten (10) Desktop Computers	\$ 30,000
	<b>Subtotal</b>	<b>\$ 1,165,000</b>
Institutional Research	Laptop	\$ 3,000
	Economic Modeling Specialists Services	\$ 11,000
	<b>Subtotal</b>	<b>\$ 14,000</b>
Grants	Two (2) Desktop Computers	\$ 6,000
	<b>Subtotal</b>	<b>\$ 6,000</b>

RCCD DO/DSS Administrative Program Review - Prioritized Items FY 2017-2018		Total
Institutional Reporting	Network Printer Maintenance	\$ 500
	Desktop Computer	\$ 3,000
	<b>Subtotal</b>	<b>\$ 3,500</b>
Educational Services	Network Printer Maintenance	\$ 500
	Desktop Computer	\$ 3,000
	<b>Subtotal</b>	<b>\$ 3,500</b>
Distance Education	Course Designer Position	\$ 111,468
	Distance Education Video Hardware	\$ 15,000
	Laptop for Administrative Assistant	\$ 3,000
	Desktop Computer for Course Designer	\$ 3,000
	Workstation for Analyst Programmer	\$ 3,500
	Automatic Captioning support (Reimb by State - No Cost)	\$ -
	<b>Subtotal</b>	<b>\$ 135,968</b>
Strategic Comm	District Office Camera	\$ 1,500
	Laptop	\$ 3,000
	<b>Subtotal</b>	<b>\$ 4,500</b>
Admin Supp Cntr	Remodel Mail Room	\$ 5,000
	<b>Subtotal</b>	<b>\$ 5,000</b>
Facilities, Planning and Design	Director of Planning Position	\$ 180,000
	Laser Measurement Tool	\$ 220
	Sound Level Meter	\$ 160
	Smart Levels -Long and Short	\$ 400
	Electrical Outlet Tester	\$ 160
	Monitors for Staff	\$ 2,800
	ONUMA/GIS Planning Tool	\$ 1,000
	CCFC Board of Directors Travel Requirements	\$ 3,000
	Future Bond - Plan Development and Review Consulting Services	\$ 30,000
	Utility Infrastructure Planning Consulting Services	\$ 12,000
	Standards Development	\$ 30,000
	<b>Subtotal</b>	<b>\$ 259,740</b>
<b>Total</b>		<b>\$ 2,179,727</b>



## Agenda Item (IV-D-0)

Meeting	5/2/2017 - Committee
Agenda Item	Committee - Resources (IV-D-0)
Subject	FY 2017-2018 Institutional Effectiveness Goals for Fiscal Viability and Programmatic Compliance with State and Federal Guidelines
College/District	District
Funding	Various Resources
Recommended Action	It is recommended that the Board of Trustees approve the Goals for Fiscal Viability and Programmatic Compliance for FY 2017-2018.

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### Background Narrative:

As a condition of receipt of Student Success and Support Program funds, each district must develop, adopt and post a goals framework that addresses fiscal viability and programmatic compliance with state and federal guidelines. Presented for the Board of Trustees review and approval are the short-term (1-year) and long-term (6-year). These goals conform to the Framework of Indicators, pursuant to the Education Code section 84754.6 and adopted by the Board of Governors.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services

### Attachments:

[05022017\\_Presentation for FY 2017-2018 Goals for Fiscal Viability and Programmatic Compliance](#)



**FY 2017-2018**  
**Institutional Effectiveness Goals**  
**for Fiscal Viability and**  
**Programmatic Compliance**  
**with State and Federal Guidelines**



## 2017-2018 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.

## **2017-2018 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 . . . .”

## 2017-2018 Institutional Effectiveness Goals

### **Fiscal Viability - Fund Balance (Continued)**

#### Recommendation

- 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 2017-2018 and the subsequent six years under the Institutional Effectiveness Initiative.



## 2017-2018 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.

## 2017-2018 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.

**2017-2018 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 2017-2018 and the subsequent six years under the Institutional Effectiveness Initiative.

*RIVERSIDE COMMUNITY COLLEGE DISTRICT*  
***District Budget Advisory Council Meeting***

*Friday, May 19, 2017 – 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. April 21, 2017
- III. Budget Update
  - A. State Budget Update/ RCCD Tentative Budget for FY 2017-18
    - 1. Budget Savings Distribution
    - 2. Deferred Maintenance/Instructional Equipment Allocation
  - B. FY 2017-18 Budget Recommendations
    - 1. Classified/Management Base Budget Allocation
    - 2. Non-Resident Tuition Fee Expenditure Base Budget Allocation
- IV. Next Meeting
  - A. Thursday, June 22, 2017 – 9:00AM to 11:00 AM at RCCD Building –  
3<sup>rd</sup> Floor, Conference Room 309

*RIVERSIDE COMMUNITY COLLEGE DISTRICT  
District Budget Advisory Council Meeting*

*April 21, 2017  
RCCD Building - 309  
9:00 a.m. - 11:00 a.m.*

MEETING MINUTES

Members Present

Aaron Brown (District)  
Majd Askar (District)  
Nathanial 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)  
Asatar Bair (Riverside City College)  
Nate Finney (Moreno Valley College)  
Anna Molina (Norco College)  
Jennifer Lawson (Riverside City College)  
Rachelle Arispe (Recorder)

Members Not Present

Mark Sellick (District)  
Jacquelyn Smith (District wide – Student)

Guest(s) Present

Michael Burke (District)  
Chris Carlson (District)  
Terri Hampton (District)  
Michael Simmons (District)  
Robert Gunzel (District)  
Melissa Elwood (District)  
David Bobbitt (Moreno Valley College)  
Monica Green (Norco College)

I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved. Beck moved and DiSalvio seconded approval of the minutes for January 13, 2017. Gomez moved and DiSalvio seconded approval of the minutes for February 10, 2017. Lawson abstained from approval of the minutes for both meetings.

### III. BUDGET UPDATE

#### A. State Budget Update and District Budget Planning for FY 2017-18

1. Brown provided members with a State Budget update. There is likely to be \$100 to \$150 million more in the May Revise. The possible changes are as follows:
  - a. President Trump has issued a preliminary budget proposal that includes:
    - i. Complete elimination of the Federal Supplemental Education Opportunity Grant (FFEOG), that includes approximately \$1 million annually to RCCD;
    - ii. Significant reduction to the Federal Work Study Program that includes approximately \$1 million annually to RCCD;
    - iii. Reduction to the Federal TRIO programs, which does not indicate the specific program(s) impacted.
  - b. COLA may be higher than the 1.48% that was in the Governor's Proposal.
  - c. High possibility that growth will be revised downward from 1.34% to 1% or lower.
  - d. It is likely there will be more base money which could increase from \$23.6 million to an estimated \$75 million - \$1.3 million for RCCD.
  - e. Possible restoration to Prop 98 percentage from the 10.87%, up to our statutory of 10.93% - \$45 million.
  - f. Funds in the amount of \$25 million could be added for part-time faculty office hours and health insurance.
  - g. More money could be added in Scheduled Maintenance and Instructional Equipment.
  - h. There could be 7 additional life/safety projects approved for Prop 51.
2. P1 Reporting status: 29 out of 72 districts were in stability. 10 out of 72 districts generated less than 1% of growth. In total, about 54% of the community colleges were generating negligible growth or were in decline.
3. Brown heard at the So. CA CBO meeting that Peter Hardash (Vice Chancellor, Rancho Santiago CCD) did an analysis and found that the total for districts in Stability and/or Restoration is \$300 million. The first call on of Growth money is Restoration. The majority of districts will probably not restore so there may be enough funding for actual growth.

#### B. Brown provided a revised copy of the FY 2017-18 Budget Planning presentation.

1. The presentation included adjustments to reflect the change in 80 FTES that was inadvertently as an increase to Norco College's growth target.
2. The Enrollment Management Committee agreed on a FTES a target of 1% instead of 1.96% for FY 2017-18.
3. Brown compared prior year funding and indicated that there is a big reduction in funding for FY 2017-18.

4. In FY 2015-16 the target was short by 440 FTES. The district is going to be short 650 FTES for FY 2016-17. We planned for about 835 FTES growth at 2.92%, being short by 650, leaves us with 185 FTES of real growth (under 1%). If we do not rollback summer into FY 2016-17, we would be short on funding by \$3.25 million.
    - a. The recommendation from District Enrollment Management Committee (DEMC) was to roll back the 650 FTES, and lower the growth target for FY 2017-18 to 1%.
  5. Salary and benefits reflected on the presentation identify a possible \$6 million savings, inclusive of part-time faculty. There are a lot of fully funded, vacant positions that are producing the potential savings. Expenditures reflected on the presentation are from the end of February.
    - a. As of March 2<sup>nd</sup>, there were 109 vacant positions. The savings is a timing issue. As the positions are filled and spending is completed at the end of the year, it is anticipated that the estimated ending balance of \$40 million shown on the Power Point, will be reduced by about \$2 million.
    - b. Brown continued to remind members that the large ending balance is driven by different factors: vacant positions, \$15 million of set-a-side of the State Mandate Block Grant funds, and a large amount of unspent funds in the 5000 series.
    - c. Brown confirmed that once the colleges identify positions from the \$150,000 allocation, the funds will be transferred to the College 997 holding account.
  6. The growth of 1.96% (slide 11), should reflect 1% at \$295.79 based on DEMC's proposal (the amount is correct on the presentation). If the 1.96% remained, FTES would be 580. Instead, with 1%, FTES is 295, a difference of 284 FTES. With the growth funding rate for FY 2017-18 estimated at \$5,148, it produces a \$1.5 million reduction of potential revenue.
  7. The ongoing expenditures are estimates (slides 13-14). The preliminary figures for health care include a negative 3.86% increase to Kaiser, 5% for the PPO plan, and a 9% increase for Health Net. Keenan is still negotiating the Health Net rates. Utilities include a 2% increase. A reduction is reflected for the La Sierra loan payoff, retirement payoff and "off-year" election costs. Net ongoing budget shortfall is estimated at \$10.08 million.
    - a. Brown reminded members that, DBAC will have to work on reducing the structural deficit for FY 2018-19.
  8. FY 2016-17 one-time expenditure budget (slide 15) includes the reversal of the incentive and La Sierra payoff retirement.
  9. PERS and STRS increased their rates from 12.58% to 14.43% (\$1.34 million) and 13.88% to 15.88% (\$600K), respectively.
- C. FY 2017-18 Budget Recommendations (handouts provided)

1. DO/DSS Base Budget Augmentation Request – includes two positions and a HR compliance training license. The ABS Bookkeeper position was requested by the colleges. The RCC Officer position is due to a shift coverage safety issue and are not part of the district administrative program review process.
  - a. Auxiliary Business Services Bookkeeper position was presented by Monica Green (Norco College - Vice President, Student Services) and Melissa Elwood (Controller). The position relates to the financial aid offices for each college. The position directly supports the students by distributing financial aid and also performs a financial aid reconciliation process. Green and Elwood explained that there is a compliance and internal control issue having funds awarded and reconciled by the Financial Aid office. It needs to be separated. There is also reconciliation process that needs to be completed at the district level with a centralized contact, rather than the current process of having to go through multiple people to get answers. The position would create better efficiency and awarding of funds would be on a more frequent basis. As an example, for a student to receive financial aid by the fall term (August/September). A student would have to have all of their paperwork reviewed and submitted by July. By having the position, it will shorten the timeline for the student and increase the disbursements to more students in a more efficient manner.
    - i. Gomez inquired if this has been a systemic problem or is it new. Green responded that she has been hearing the request since 2010 from Financial Aid.
    - ii. Lawson inquired if this position currently exists or if it is new. Elwood responded that there is a current position at the district level. However, the current position only works on some financial aid and mostly auxiliary accounts (RCCD, Foundation, and Trust).
    - iii. Burke reminded members that the compliance issue is very concerning and awarding and distributing financial aid funds needs to be separated.
  - b. The Police Officer (RCC) position was presented by Michael Simmons (Director, Risk Management, Safety & Police Services) and Robert Gunzel (Chief of Police). Simmons and Gunzel explained that an additional police officer position in Riverside is needed due to a shortage of officers for the evening coverage. There is a lot of traffic recorded in the evenings and most police contacts with individuals are two officer contacts. The Fox parking structure and CAADO need persistent and consistent monitoring. Currently, police borrow from other shifts and other colleges to cover the evening shifts. There is a 4-hour gap and sometimes 8-hour gap due to rotations.



Additionally, the shortage does not account for people on vacation or sick leave. Although the Police department is in the process of developing a five (5) year strategic staffing plan, the requested position is an attempt to address the coverage issue so that police officers are safe.

- i. Beck inquired if security staff could be hired instead of another police officer. Gunzel responded that police would still be called to assist if there was a problem.
  - ii. Lawson agrees with the shortage of security at CAADO as she is usually working events in the evening. She believes it is a long time coming to achieve a proper level of coverage.
  - iii. Finney agrees that there should be security coverage with no gaps.
  - iv. Beck commented that he has concerns right now about not being able to lock classrooms from the inside if there is an active shooter on campus. He inquired if there was a plan for new locks to the classroom. Simmons responded that options are being researched and there should be a resolution soon.
- c. The Campus Clarity Training/Law Room Site License purchase was presented by Terri Hampton (Vice Chancellor, HRER). Hampton provided a brief overview of the online training program. The goal is to continue using it to ensure that our training programs are compliant with the various laws and regulations that we need to adhere to. This is a training program that is for students, facility, and staff alike. It is continually updated so if laws or requirements change we are notified. As a district, we are ultimately the ones responding to particular issues that come up such as legal matters, grievances and complaints but we also recognize that each of the colleges are fully accredited in their own right. With this online training format, it enables us to work together and make adjustments based on the needs of the individual campuses while staying in compliance with the law. Campus Clarity will ensure that we are in compliance with Section 508, AB 1825 training, sexual harassment and non-discriminatory training, AB 2053, Title 9, campus sexual violence elimination, clarity disclosure environment, and FIRMA. There are other trainings and learning opportunities for everyone as well.
- i. Beck inquired if the CCC Chancellor's Office offered any alternatives. Hampton responded that they did not. Askar commented that she would suggest negotiations with Campus Clarity to the Foundation for California Community Colleges, College Buys.
  - ii. Jones inquired on the reporting characteristics and if it has capacity of a learning management system. Hampton responded that there is a reporting capability. A learning management

system is a direction that we, as an organization, need to move too. However, Human Resources is currently in the process of upgrading and migrating to the newest version of People Admin (applicant tracking system), that has components for a learning management system but we have not contracted to purchase that license yet.

- d. After review of the two positions and training license, Brown reviewed the funding amount for each and indicated that a recommendation to fund the items would be required to move forward to DSPC.
    - i. Auxiliary Business Services Bookkeeper - \$105,000
    - ii. Police Officer - \$57,500
    - iii. Campus Clarity Training/Law Room Site License - \$30,000.
  - e. Brown clarified the distinction between District Office and District Support Services as requested by Jones.
    - i. District Office (DO) is the offices of the Chancellor, Vice Chancellor's and Chief of Staff.
    - ii. District Support Services (DSS) are all of the district operational areas such as accounting services, budget, payroll, human resources and information technology.
  - f. Gomez indicated that she was not arguing for the need or validity of the requests, just the process but has concerns of what the shared governance would say. She thinks that the items should be prioritized in the District Administrative Program Review and funded accordingly with the DO/DSS allocation and any savings they have accrued. Brown commented that he would have advocated stronger for an allocation greater than \$100,000 because of these items.
  - g. DiSalvio commented that Dr. Isaac was in support of the police officer position, but she needs to get more information on the other two items.
  - h. Jones suggested having an allocation methodology for the items and review the "need".
  - i. Brown, Gomez, Jones and DiSalvio agreed to move the discussion to the subgroup and meet as soon as possible.
  - j. Burke added that he, and the district, have a responsibility to be in compliance and the need has to be resolved.
2. Non-Resident Tuition Fee Expenditure Budget Allocation Request (handout provided)
- a. Brown received a request to include an expenditure budget relative to the amount of the non-resident tuition fees (domestic/international) for the Promise Program.

- b. Brown explained that the revenue from non-resident tuition is normally used to pay for existing expenditures district wide. However, establishing an expenditure line from non-resident tuition will increase the projected \$10 million deficit by an additional \$1.4 million.
  - c. The process to identify the amount of base expenditure budget established was based on the non-resident FTES generated by each college and the non-resident tuition assignable to each college.
    - i. FY 2009-10 was used as the base year since this was the year we transitioned from a single college to a multi-college district. Non-resident tuition revenue was only coded to RCC so it needed to be split out by college using non-resident FTES by college. Then FY 2017-18 was projected using the FY 2016-17 non-resident tuition fee budget and increasing by 2%. FY 2017-18 was then compared to FY 2009-10 (base year). The difference, \$1.44 million, is the amount of base expenditures budget to establish. The calculated amount is only an estimate at this point. The calculation will be refined once FY 2016-17 actuals are known.
    - ii. The units per FTES are calculated over history. Units per FTES are the units divided by the non-resident FTES gives the 21.21.
  - d. If the general principle is agreed upon, then each year there would be adjustments to the base expenditure budget, based on the change associated with the non-resident tuition.
  - e. After much discussion regarding the budget augmentation, members decide to move the discussion to the DBAC subgroup for further review.
3. Redevelopment Fund Budget Allocation Request – handout identifying \$2 million to be distributed: 1) \$1.0 million to IT Infrastructure Projects and; 2) \$1.0 million to the three colleges using the FTES allocation percentages (53.8%, 23.1%, 23.1%). Recommendation to move budget allocation to DSPC was requested.
- a. Gomez moved, and DiSalvio seconded approval of the Redevelopment Fund Budget allocation recommendation as follows: IT Infrastructure Projects - \$1 million, Riverside City College - \$538,000, Moreno Valley College - \$231,000, and Norco College - \$231,000.

#### IV. OTHER

- A. DO/DSS Administration Program Review – handout provided to members as an information item.
- B. IEPI – Fiscal Indicators Recommendation – board report draft and presentation. Brown inquired if the colleges were planning to adopt updated IEPI Indicators for approval at the May or June Board of Trustees meeting. The colleges were going to return to their

departments and coordinate with the district if an update is necessary. Item will be discussed at District Strategic Planning Council.

V. NEXT MEETING

A. Friday, May 19, 2017 – 9:00 a.m. to 11:00 a.m. at the District Office Building – Executive Conference Room 309

VI. MEETING ADJOURNED AT 11:15 A.M.



# **FY 2017-2018 BUDGET PLANNING**

April 21, 2017



**GOVERNOR'S FY 2017-18  
BUDGET PROPOSAL  
COMMUNITY COLLEGE SYSTEM  
AND  
RIVERSIDE COMMUNITY COLLEGE DISTRICT**



# FY 2017-2018 Governor's Budget Proposal

## Base Changes (In Millions)

<u>Unrestricted Ongoing Revenues</u>	<u>State</u>	<u>RCCD</u>
Growth (1.34%/1.96% - 580 credit FTES)	\$ 79.3	\$ 2.9
COLA (1.48%)	94.1	2.4
Base Increase	<u>23.6</u>	<u>0.6</u>
Total Unrestricted Ongoing Revenues	<u>\$ 197.0</u>	<u>\$ 5.9</u>
<u>Unrestricted One-Time Revenues</u>		
State Mandate Block Grant	<u>\$ -</u>	<u>\$ -</u>
Total Unrestricted Revenues	<u><u>\$ 197.0</u></u>	<u><u>\$ 5.9</u></u>



# FY 2017-2018 Governor's Budget Proposal

## Base Changes (In Millions)

### Restricted Revenues

	<u>State</u>	<u>RCCD</u>
Proposition 39 - Energy Efficiency	\$ 52.3	\$ 1.3
Deferred Maintenance & Instructional Equipment	43.7	1.1
Categorical Program COLA (1.48%)	5.4	0.1
Total Restricted Revenues	<u>\$ 101.4</u>	<u>\$ 2.5</u>





# FY 2017-2018 Governor's Budget Proposal

*(In Millions)*

<u>Other</u>	<u>State</u>
Guided Pathways	\$ 150.0
Innovation Awards	20.0
F/T Student Success Grant Enrollment Growth	3.1
Online Education Initiative (Cost Savings)	10.0
Integrated Library System (Cost Savings)	6.0
State General Obligation Bond - Proposition 51	13.0
Total Other	<u>\$ 202.1</u>



**BUDGET PLANNING  
FY 2016-2017  
ENDING BALANCE ESTIMATE**



# FY 2016–17 Credit FTES Projections

Base FTES	28,599.64
Growth at P1 (Planned 835 at 2.92%; Actual 3.42%)	<u>979.25</u>
Total Funded FTES	29,578.89
Actual FTES*	<u>29,578.89</u>
Total Unfunded FTES	<u>-</u>
Unfunded FTES %	<u><u>0.0%</u></u>

\* Actual FTES subsequent to the P1 reporting period is projected to be lower than the District’s revised FTES Target by 649.84 FTES based on projections by the Dean of Educational Services. Since millions of dollars are still undistributed as of P1, the District Enrollment Management Committee is discussing rolling back 649.84 FTES from Summer 2017 to FY 2016-17 to realize the planned apportionment revenue contained in the adopted budget.



*(In Millions)*

**FY 2016-17 Revenues**

Adopted Budget	<u>\$ 175.38</u>
FY 2015-16 Additional Apportionment (NET)	\$ 0.02
FY 2016-17 Additional Growth Funding	0.95
Lottery	0.08
Other	<u>0.07</u>
Total Revenue Adjustments	<u>\$ 1.12</u>
Net Revenues	<u>\$ 176.50</u>



*(In Millions)*

**FY 2016-17 Expenditures**

Adopted Budget	<u>\$ 199.91</u>
Estimated Budget Savings:	
Salaries and Benefits	\$ 5.85
Supplies and Services*	21.05
Capital Outlay	<u>0.13</u>
Total Expenditure Budget Savings	<u>\$ 27.03</u>
Net Expenditures	<u>\$ 172.88</u>
Net Current Year Estimated Surplus	\$ 3.62
Beginning Balance at July 1, 2016	<u>36.52</u>
Estimated Ending Balance at June 30, 2017*	<u>\$ 40.14</u>
Estimated Ending Balance Percentage	<u><u>18.84%</u></u>

\*Included in these balances is \$15.41 million of one-time State Mandate Block Grant funds that were set-aside in FY 2016-17 for future years to mitigate revenue reductions and increasing costs for STRS, PERS and health insurance.



# **BUDGET PLANNING FY 2017-2018**



# FY 2017–18 Credit FTES Projections

Base FTES	29,578.89
Growth (System 1.34%; RCCD 1.96%)*	<u>295.79</u>
Total Funded FTES	29,874.68
Unfunded FTES	<u>-</u>
FTES Target	<u><u>29,874.68</u></u>

## FTES Funding Production for FY 2017-18

Growth	295.79
Unfunded	-
Summer 2017 Rolled to FY 2016-17*	<u>649.84</u>
	<u><u>945.63</u></u>

\* District Enrollment Management continues to discuss enrollment targets for FY 2017-18. Final decisions have not been made regarding the amount of achievable growth or the number of FTES to roll from Summer 2017 to FY 2016-17. For purposes of this presentation, it has been assumed that the growth target will be set at RCCD’s full growth percentage and that 649.84 FTES will be rolled from Summer 2017 to FY 2016-17 to achieve the enrollment target contained in the adopted budget.



*(In Millions)*

**FY 2017-18 Ongoing Revenue Budget**

Beginning Revenue Budget	<u>\$ 172.76</u>
FY 2016-17 Base Apportionment Increase (Net)	\$ 0.51
FY 2017-18 Apportionment:	
COLA (1.48%)	2.39
Growth (1.96%)	1.52
Deficit (.50%)	(0.83)
Base Allocation Increase	<u>0.58</u>
Total Ongoing Revenue Budget Adjustments	<u>\$ 4.17</u>
Total Ongoing Revenue Budget	<u>\$ 176.93</u>





*(In Millions)*

**FY 2017-18 Ongoing Expenditure Budget**

Beginning Expenditure Budget	<u>\$ 178.58</u>
Compensation Adjustments:	
COLA (1.48%) + Contract for Full-time Salaries (2.00.%)	\$ 3.26
COLA (1.48%) + Contract for Part-time Faculty Salaries (2.50%)	
+ Growth	1.51
Step/Column/Growth/Placement/Classification	1.00
Employee Benefits	2.13
New Full-Time Faculty Positions (12)	1.75
New Classified Staff/Management Position Allocation	0.80
Part-Time Faculty and Overload Offset	
for New Full-Time Faculty Positions	(0.64)
Contracts and Agreements	0.20
Sabbatical Leave Backfill	0.06



*(In Millions)*

**FY 2017-18 Ongoing Expenditure Budget (continued)**

Utilities	0.08
La Sierra Loan Payoff Reversal (ongoing)	(1.27)
Election Cost - "Off-Year"	(0.30)
Other	<u>(0.15)</u>
Total Ongoing Expenditure Budget Adjustments	<u>\$ 8.43</u>
Total Ongoing Expenditure Budget	<u>\$ 187.01</u>
Net Ongoing Budget Shortfall	<u><u>\$ (10.08)</u></u>



*(In Millions)*

**FY 2016-17 One-Time Revenue Budget**

Beginning Revenue Budget	\$ 2.62
FY 2016-2017 State Mandate Block Grant Reversal	<u>(2.62)</u>
Total One-Time Revenue Budget	<u>\$ -</u>

**FY 2016-17 One-Time Expenditure Budget**

Beginning Expenditure Budget	\$ 21.33
Retirement Incentive Funding Cost Reversal	(5.41)
La Sierra Loan Payoff Reversal (One-Time)	(1.36)
Net Adjustment to Set-Aside for Future Operating Costs	<u>3.56</u>
Total One-Time Expenditure Budget	<u>\$ 18.12</u>
Net One-Time Budget	<u><u>\$ (18.12)</u></u>



*(In Millions)*

**Summary**

Net Ongoing Budget Shortfall	\$ (10.08)
Net One-Time Budget	<u>(18.12)</u>
Total Difference	\$ (28.20)
Estimated Beginning Balance at July 1, 2016	<u>40.14</u>
Total Available Funds	\$ 11.94
Less, 5% Ending Balance Target	<u>(11.94)</u>
Budget (Shortfall) Surplus	<u><u>\$ -</u></u>



# FY 2017–18 Budget Planning Issues

## □ Governor's Budget Proposal

- **Proposition 98 Guarantee** – The CCC share should be 10.93%. The Governor's Budget proposal funds the CCC share at 10.87%...some \$45 million short of the guarantee.
  - In 15 out of past 24 years CCD's have been shorted their share of Prop 98.
- **Systemwide Enrollment** – Statewide, CCC enrollment growth has been slowing over the past couple of years. Three percent (3%) growth funding was provided in FY 2015-16 and two percent (2%) was provided in FY 2016-17. In FY 2015-16, \$50+ million of unused growth funding was returned to the State. The Governor's Budget Proposal provides 1.34% growth funding, reflecting the downward enrollment trend.
- **Base Allocation** – In FY 2015-16, a \$267 million increase to Base funding was provided. In FY 2016-17, \$75 million was provided. The Governor's Budget Proposal provides \$23.6 million, a significant funding reduction, to provide for increasing operating costs such as salary and benefits, health insurance and pension costs.



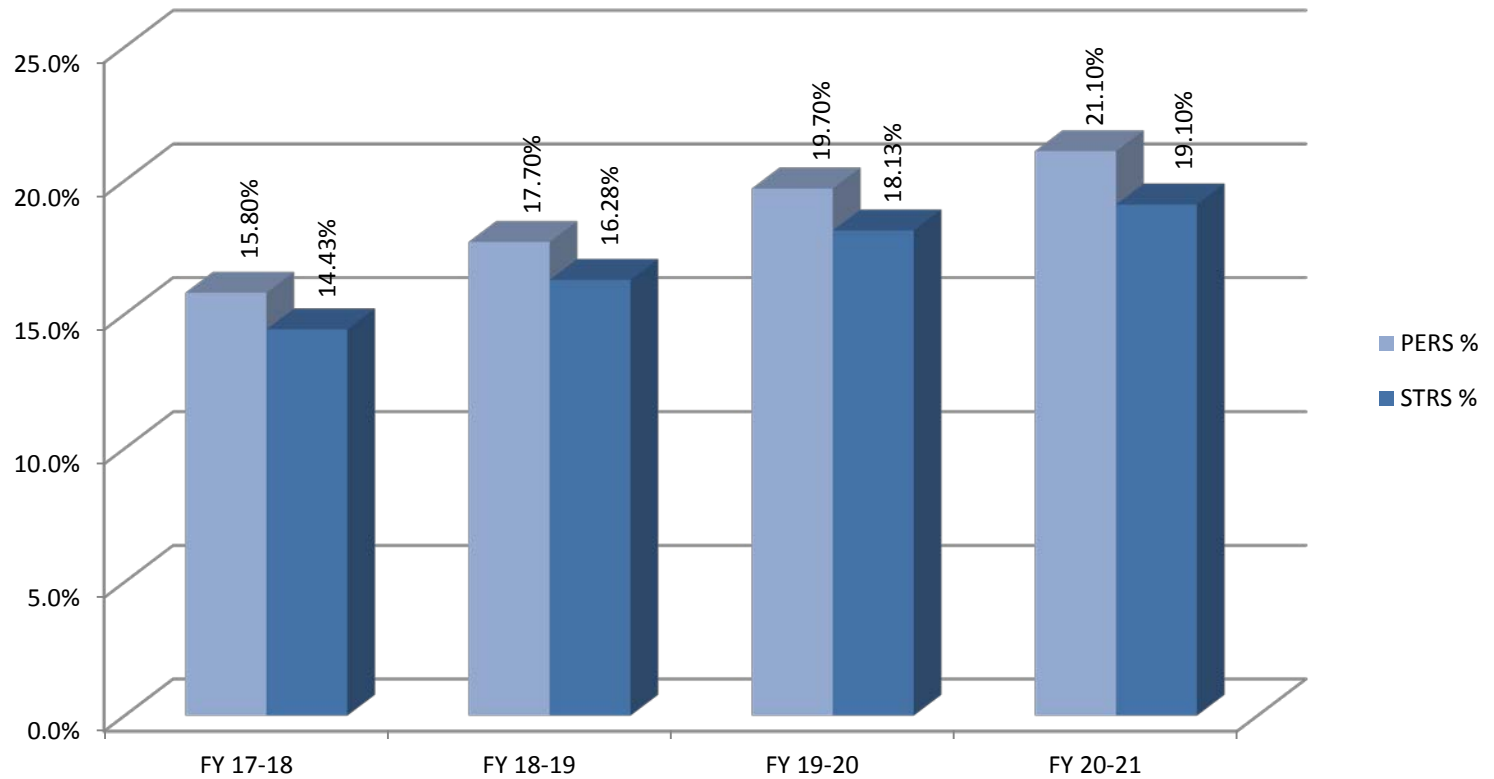
# **FY 2017–18 Budget Planning Issues**

**(continued)**

- ❑ **Proposition 51 – Public Schools Facilities Bond** – The voters passed this proposition in November 2016. The CCC share is \$2.0 billion and was to be allocated to community college districts, with approved projects, over a three year term at \$750 million per year. There are 29 approved projects for FY 2017-18. The Governor’s Budget Proposal funds 5 projects (life/safety) totaling \$13 million.
- ❑ **FY 2016-17 Results**
- ❑ **Health Insurance**
- ❑ **PERS & STRS** – (See subsequent pages)

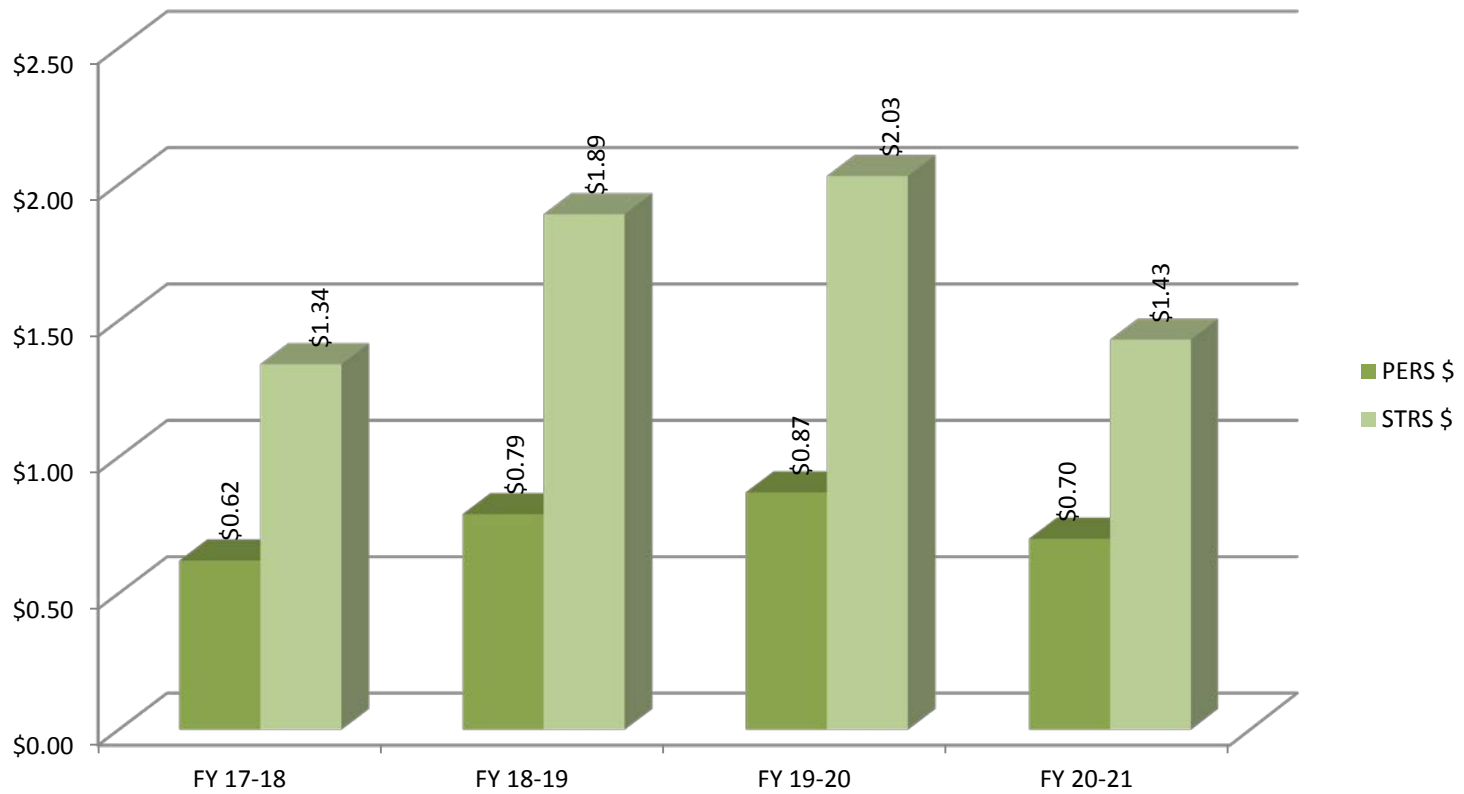


## PERS and STRS Projected % Rate Budget Increases





### PERS and STRS Projected \$ Annual Budget Increases



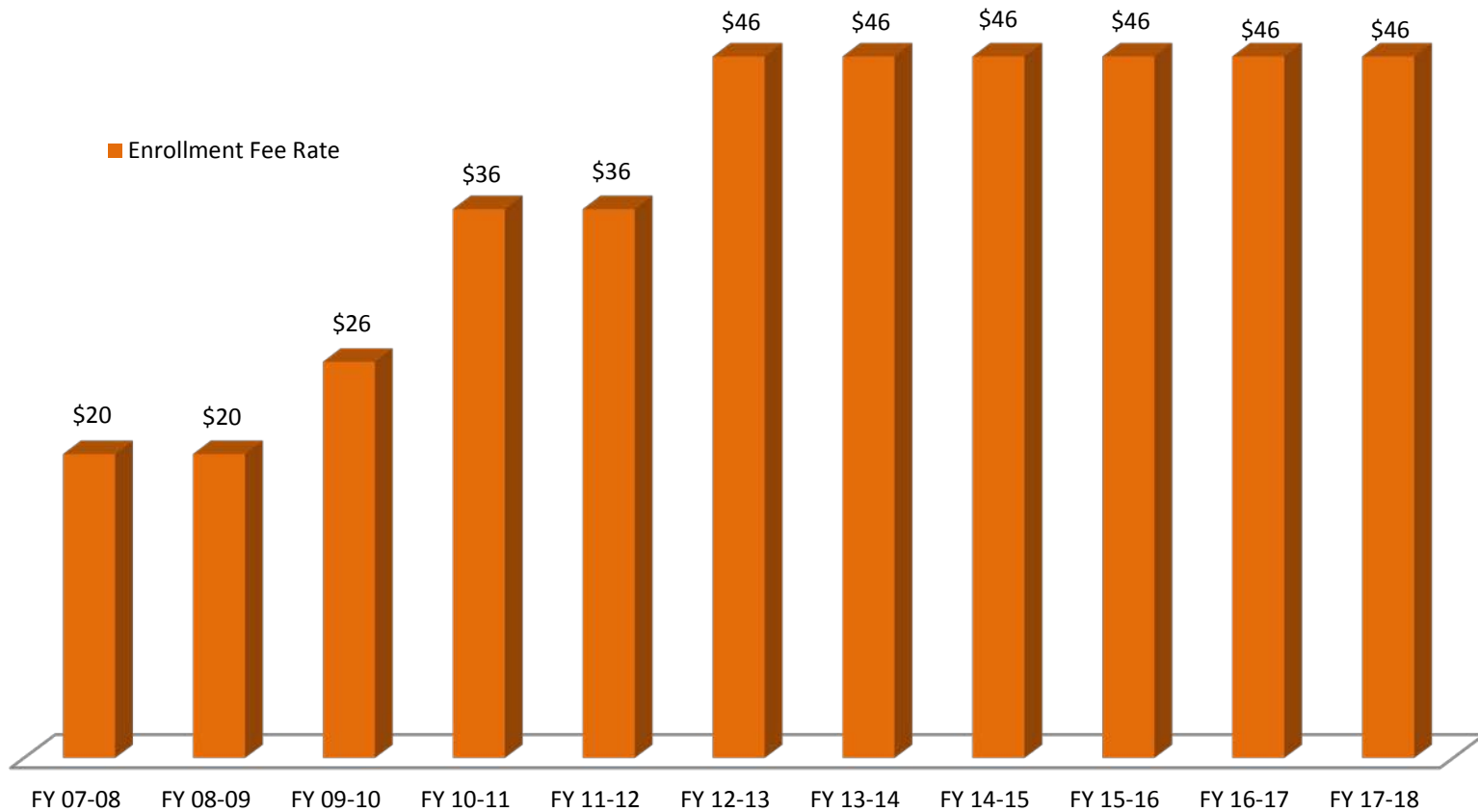




# RECENT BUDGET HISTORY

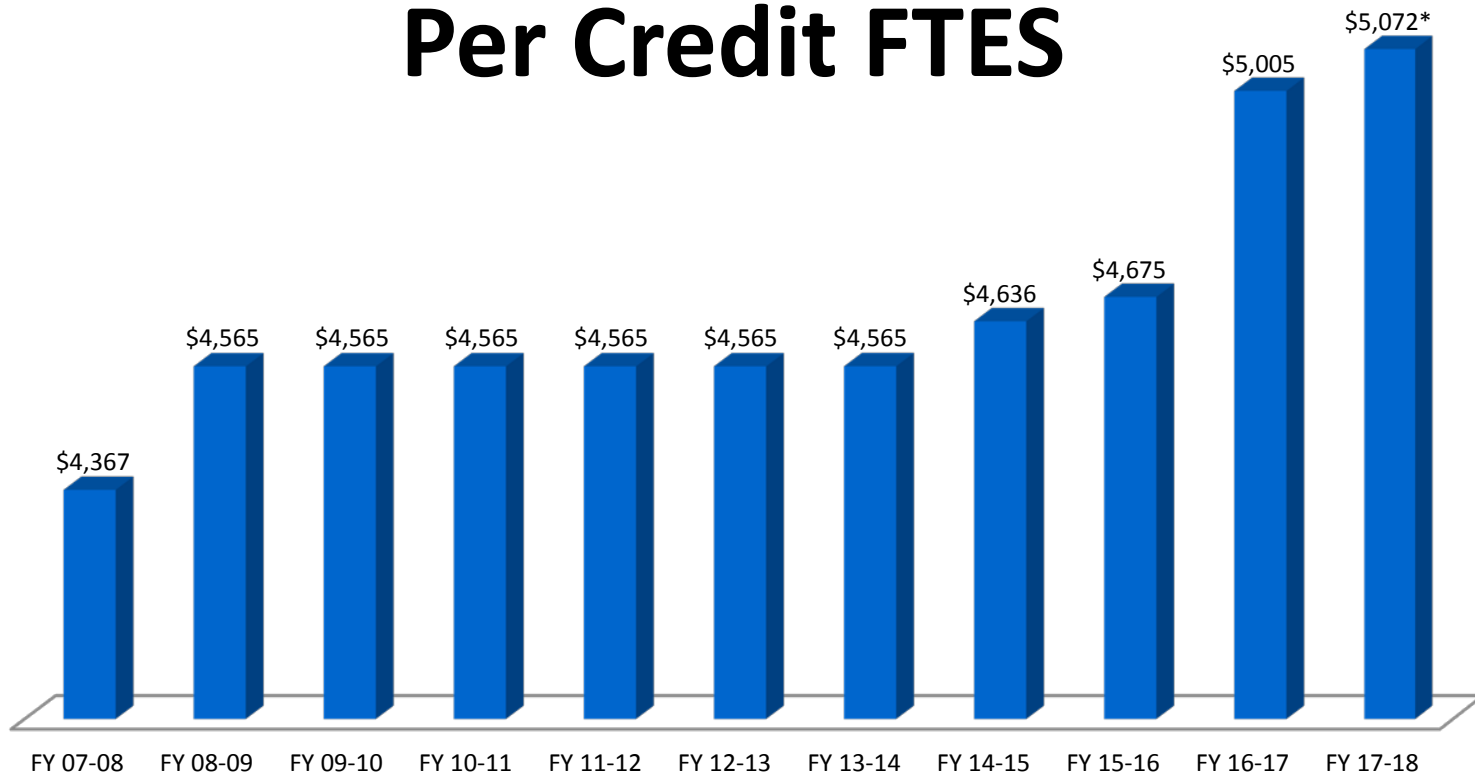


# Enrollment Fee Rate Per Unit





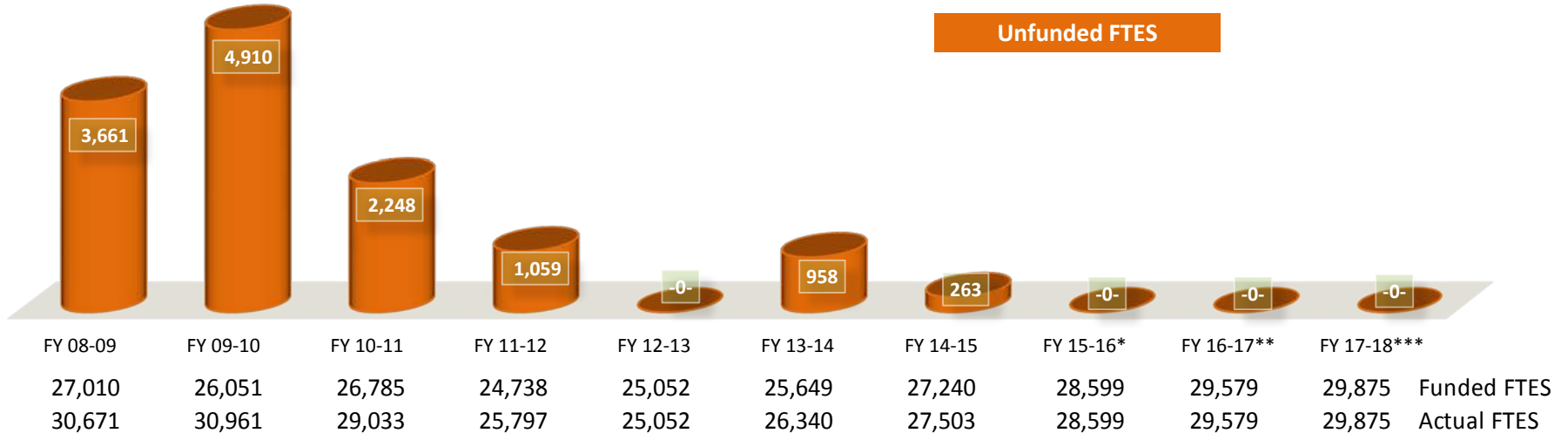
# CCC Base Funding Rate Per Credit FTES



\* The FY 2017-18 funding rate per credit FTES is estimated since the base allocation and full-time faculty hiring increases for FY2016-17 have not been “folded” into the funding rates by the State Chancellor’s Office.



# Credit FTES



\* Based on P1 Recalculation

\*\* Based on the District Enrollment Management Committee discussions and estimated availability of State funding.

\*\*\* Based on the Governor's Budget Proposal and preliminary estimate of the District's ability to achieve growth allocation. The District Enrollment Committee discussions are continuing.



# **FY 2017-2018 BUDGET DEVELOPMENT TIMELINE**



➤ **March-May**

- Legislative Hearings

➤ **May**

- May Revise - Second week of May
- Norco College Business & Facilities Planning Council Meeting - May 16, 2017
- Moreno Valley College Resource Subcommittee Meeting - May 17, 2017
- Riverside City College Resource Development & Administrative Services Leadership Council - May 18, 2017
- DBAC & DSPC Meetings – May 19, 2017
- Tentative RCCD Budget Completed

➤ **June**

- Tentative RCCD Budget to Resources Committee - June 13, 2017
- DSPC Meeting - June 9, 2017
- Second Principal Apportionment Report
- DBAC Meeting - June 22, 2017
- Tentative RCCD Budget to Board of Trustees – June 20, 2017
- State Budget Adoption by June 30



➤ **July**

- New Fiscal Year Begins - July 1, 2017

➤ **August**

- State Budget Workshops/Advance Apportionment
- RCCD Year-End Closing
- DSPC Meeting – August 17, 2017
- Final RCCD Budget Completed
- DBAC Meeting - August 17, 2017

➤ **September**

- Final RCCD Budget to Resources Committee
- Final RCCD Budget to Board of Trustees - September 19, 2017

Riverside Community College District  
DO/DSS Administrative Program Review  
Base Budget Augmentation Request  
FY 2017-2018

DBAC Handout  
April 21, 2017

Positions

<u>Department</u>	<u>Description</u>	<u>Budget Request</u>
Accounting Services	Auxiliary Business Services Bookkeeper	\$ 105,000
Police	Police Officer (RCC) - General Fund Portion Only	<u>\$ 57,500</u>
	Total Positions Budget Augmentation Request	\$ 162,500

Other

HRER	Campus Clarity Training/Law Room Site License	<u>\$ 30,000</u>
	Total Base Budget Augmentatioin Requests	<u><u>\$ 192,500</u></u>



Riverside Community College District  
Classified and Management Budget Allocation  
FY 2017-2018

Total Amount for Classified/Mgmt Budget Allocation    \$ 800,000

Distribution

RCC	\$ 376,600
NC	161,700
MVC	161,700
DO/DSS	<u>100,000</u>
	<u>\$ 800,000</u>

Note:

Allocation to Colleges based on 53.8%/23.1%/23.1% of total funded amount , less \$100,000 for DO/DSS.

Riverside Community College District  
Redevelopment Fund Budget Allocation  
FY 2017-2018

Total FY 2016-2017 Uncommitted Fund Balance	\$ 2,702,034
FY 2017-2018 Estimated Revenue	2,000,000
FY 2017-2018 Distribution	<u>(2,000,000)</u>
Estimated FY 2017-2018 Contingency	<u>\$ 2,702,034</u>

Distribution

IT Infrastructure Projects*	\$ 1,000,000
RCC (53.80%)	538,000
NC (23.10%)	231,000
MVC (23.10%)	<u>231,000</u>
	<u>\$ 2,000,000</u>

\* IT Infrastructure Projects

Firewall Upgrade (10GB Connectivity)	\$ 191,000
Wireless Access Points	250,000
Router/Switches (10GB Connectivity)	454,000
Phone System Upgrade (EOL)	<u>105,000</u>
Total	<u>\$ 1,000,000</u>

**Riverside Community College District**  
**Nonresident Tuition Fee - FY 2017-2018 Base Augmentation Calculation**

DBAC Handout  
 April 21, 2017

	<b>Estimate Fiscal Year 2017-2018</b>	<b>Budget Fiscal Year 2016-2017</b>
Nonresident Tuition Fee Revenue	\$ 3,385,274	\$ 2,849,550
Rate per unit	\$ 234	\$ 211
Units	14,467	14,183
Non-resident FTES	704 *	690
Units per FTES	20.56	20.56

<b>RCC</b>	<b>84.16%</b>	<b>2,849,046</b>	<b>84.16%</b>	<b>2,398,181</b>
<b>NC</b>	<b>9.92%</b>	<b>335,819</b>	<b>9.92%</b>	<b>282,675</b>
<b>MVC</b>	<b>5.92%</b>	<b>200,408</b>	<b>5.92%</b>	<b>168,693</b>
<b>Total</b>	<b>100.00%</b>	<b>3,385,274</b>	<b>100.00%</b>	<b>2,849,550</b>

**Riverside**

Nonresident Tuition Fee Revenue	\$ 2,849,046	\$ 2,398,182
Rate per unit	\$ 234	\$ 211
Units	12,175.41	11,365.79
Potential revenue		
Non-resident FTES	574	562
Units per FTES	21.21	20.23

**Norco**

Nonresident Tuition Fee Revenue	\$ 335,819	\$ 282,675
Rate per unit	\$ 234	\$ 211
Units	1,435.12	1,339.69
Potential revenue		
Non-resident FTES	67	66
Units per FTES	21.27	20.25

**Moreno Valley**

Nonresident Tuition Fee Revenue	\$ 200,408	\$ 168,693
Rate per unit	\$ 234	\$ 211
Units	856.45	799.49
Potential revenue		
Non-resident FTES	63	62
Units per FTES	13.55	12.91

Combined Total	3,385,274	2,849,550
----------------	-----------	-----------

\* - Assumes 2% Growth in Non-Resident FTES

			<b>NC</b>	<b>MVC</b>	<b>RCC</b>	<b>Total</b>
<b>Base Revenue Budget Year</b>	<b>FY 09/10**</b>		<b>190,221</b>	<b>236,123</b>	<b>1,518,656</b>	<b>1,945,000</b>
<b>Estimate for</b>	<b>FY 17/18</b>		<b>335,819</b>	<b>200,408</b>	<b>2,849,046</b>	<b>3,385,274</b>
<b>Revenue Budget Difference</b>			<b>145,598</b>	<b>(35,715)</b>	<b>1,330,390</b>	<b>1,440,274</b>

\*\* - Total Budget in FY 09/10 was \$1,945,000 and was coded all to RCC. For purposes of calculating a Base Revenue Budget split for FY 09/10, FY 10/11 Non-Resident FTES percentages by college were used to apply against FY 09/10 Non-Resident FTES since a split by college was not available, as follows:  
 Total - 511 (100%); RCC - 399 (78.08%); NC - 50 (9.78%); MVC - 62 (12.14%).

## RCCD DO/DSS Administrative Program Review - Prioritized Items

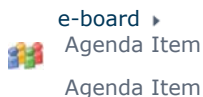
FY 2017-2018

Total

General Counsel	Laptop with Docking Station	\$ 4,000
	NACUA Membership (Ongoing)	\$ 3,180
	<b>Subtotal</b>	<b>\$ 7,180</b>
Foundation	Associate Director of Development	\$ 108,000
	Laptop for Associate Director	\$ 3,000
	M&O Budget for Alumni House	\$ 5,000
	<b>Subtotal</b>	<b>\$ 116,000</b>
Human Resources & Employee Relations	.5 FTE Benefits Clerk	\$ -
	Stride Wkstns; 2 Dskchrs, 2 Keybrds,2 Dual Monitor	\$ 12,311
	Two (2) Replacement Copiers	\$ 14,000
	Association of Title IX Admin (ATIXA) Membership	\$ 5,000
	Campus Clarity Training/Law Room Site License	\$ 30,000
	ACHRO/EEO Annual Training Institute	\$ 3,600
	PHR/SPHR Training Certification Materials	\$ 1,000
	HR Staff Training	\$ 7,000
<b>Subtotal</b>	<b>\$ 72,911</b>	
Business and Financial Services	Police Officer Position for RCC	\$ 115,000
	Auxiliary Business Services Bookkeeper Position	\$ 105,000
	Desktop Computers	\$ 3,000
	Standing Desks (15)	\$ 6,000
	Two (2) Replacement Police Patrol Vehicles	\$ 70,000
	Three (3) Portable Police Radios	\$ 18,000
	Four (4) Breaching Tool Sets	\$ 2,952
	Storage Locker for CAADO Office	\$ 1,200
	Three (3) Mobile Data Computers for Police Vehicles	\$ 11,276
	CAADO Safety Supplies (Ongoing)	\$ 3,000
	CERT/First Aid and CPR Training at CAADO for Safety Committee	\$ 12,000
	Post Management Training for Three (3) Supervisors	\$ 4,000
	Business Continuity - Disaster Preparation/Recovery	\$ 5,000
	Bloodbone Pathogens Universal Precautions Program	\$ 5,000
	Combined Threat Level Index Report	\$ 5,000
	Fleet Vehicle Maintenance Program	\$ 20,000
<b>Subtotal</b>	<b>\$ 386,428</b>	
IT	Network Security Specialist Position	\$ 135,000
	Infrastructure Projects (Firewalls/Wireless/Routers/Switches/Phones)	\$ 1,000,000
	Ten (10) Desktop Computers	\$ 30,000
	<b>Subtotal</b>	<b>\$ 1,165,000</b>
Institutional Research	Laptop	\$ 3,000
	Economic Modeling Specialists Services	\$ 11,000
	<b>Subtotal</b>	<b>\$ 14,000</b>
Grants	Two (2) Desktop Computers	\$ 6,000
	<b>Subtotal</b>	<b>\$ 6,000</b>

**RCCD DO/DSS Administrative Program Review - Prioritized Items  
FY 2017-2018**
**Total**

Institutional Reporting	Network Printer Maintenance	\$ 500
	Desktop Computer	\$ 3,000
	<b>Subtotal</b>	<b>\$ 3,500</b>
Educational Services	Network Printer Maintenance	\$ 500
	Desktop Computer	\$ 3,000
	<b>Subtotal</b>	<b>\$ 3,500</b>
Distance Education	Course Designer Position	\$ 111,468
	Distance Education Video Hardware	\$ 15,000
	Laptop for Administrative Assistant	\$ 3,000
	Desktop Computer for Course Designer	\$ 3,000
	Workstation for Analyst Programmer	\$ 3,500
	Automatic Captioning support (Reimb by State - No Cost)	\$ -
	<b>Subtotal</b>	<b>\$ 135,968</b>
Strategic Comm	District Office Camera	\$ 1,500
	Laptop	\$ 3,000
	<b>Subtotal</b>	<b>\$ 4,500</b>
Admin Supp Cntr	Remodel Mail Room	\$ 5,000
	<b>Subtotal</b>	<b>\$ 5,000</b>
Facilities, Planning and Design	Director of Planning Position	\$ 180,000
	Laser Measurement Tool	\$ 220
	Sound Level Meter	\$ 160
	Smart Levels -Long and Short	\$ 400
	Electrical Outlet Tester	\$ 160
	Monitors for Staff	\$ 2,800
	ONUMA/GIS Planning Tool	\$ 1,000
	CCFC Board of Directors Travel Requirements	\$ 3,000
	Future Bond - Plan Development and Review Consulting Services	\$ 30,000
	Utility Infrastructure Planning Consulting Services	\$ 12,000
	Standards Development	\$ 30,000
	<b>Subtotal</b>	<b>\$ 259,740</b>
<b>Total</b>		<b>\$ 2,179,727</b>



## Agenda Item (IV-D-0)

Meeting	5/2/2017 - Committee
Agenda Item	Committee - Resources (IV-D-0)
Subject	FY 2017-2018 Institutional Effectiveness Goals for Fiscal Viability and Programmatic Compliance with State and Federal Guidelines
College/District	District
Funding	Various Resources
Recommended Action	It is recommended that the Board of Trustees approve the Goals for Fiscal Viability and Programmatic Compliance for FY 2017-2018.

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### Background Narrative:

As a condition of receipt of Student Success and Support Program funds, each district must develop, adopt and post a goals framework that addresses fiscal viability and programmatic compliance with state and federal guidelines. Presented for the Board of Trustees review and approval are the short-term (1-year) and long-term (6-year). These goals conform to the Framework of Indicators, pursuant to the Education Code section 84754.6 and adopted by the Board of Governors.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services

### Attachments:

[05022017\\_Presentation for FY 2017-2018 Goals for Fiscal Viability and Programmatic Compliance](#)



**FY 2017-2018**  
**Institutional Effectiveness Goals**  
**for Fiscal Viability and**  
**Programmatic Compliance**  
**with State and Federal Guidelines**



## 2017-2018 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.



## **2017-2018 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 . . . .”

## 2017-2018 Institutional Effectiveness Goals

### **Fiscal Viability - Fund Balance (Continued)**

#### Recommendation

- 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 2017-2018 and the subsequent six years under the Institutional Effectiveness Initiative.

## 2017-2018 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.

## 2017-2018 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.

**2017-2018 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 2017-2018 and the subsequent six years under the Institutional Effectiveness Initiative.



# FY 2017-2018 TENTATIVE BUDGET

June 13, 2017

## **Riverside Community College District 2017-2018 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 2018 reflects a continuation of the adopted FY 2016-2017 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 2017-2018 Governor's Budget Proposal

DBAC Handout  
May 10, 2017

*(In Millions)*

## Unrestricted Ongoing Revenues

	<u>State</u>	<u>RCCD</u>
Growth (1.00%/1.00% - 296 credit FTES)	\$ 57.8	\$ 1.5
COLA (1.56%)	97.0	2.5
Base Increase	183.6	4.5
Total Unrestricted Ongoing Revenues	<u>\$ 338.4</u>	<u>\$ 8.5</u>

## Unrestricted One-Time Revenues

FY 2015-16 Apportionment Revenue in Excess of Entitlement	\$ 45.8	\$ 1.1
Backfill for Lower than Estimated RDA Revenue	31.7	.80
Total Unrestricted One-Time Revenues	<u>\$ 77.5</u>	<u>\$ 1.9</u>
Total Unrestricted Revenues	<u>\$ 415.9</u>	<u>\$ 10.4</u>



# FY 2017-2018 Governor's Budget Proposal

DBAC Handout  
May 19, 2017

(In Millions)

## Restricted Revenues

	<u>State</u>	<u>RCCD</u>
Proposition 39 - Energy Efficiency	\$ 46.5	\$ 1.1
Deferred Maintenance & Instructional Equipment*	43.7	1.1
Categorical Program COLA (1.56%)	<u>5.7</u>	<u>0.1</u>
Total Restricted Revenues	<u>\$ 95.9</u>	<u>\$ 2.3</u>

\*An additional \$92.1 million of Deferred Maintenance & Instructional Equipment funding has been proposed in the "May Revise". However, this allocation will not be received until FY 2018-19 and, even then, will be dependent on Proposition 98 results. This amount has not been established in the Tentative Budget due to the uncertainty surrounding this allocation and until further clarification is provided through the State budget process.



# FY 2017-2018 Governor's Budget Proposal

DBAC Handout  
May 9, 2017

(In Millions)

## Other

## State

Guided Pathways	\$ 150.0
Equal Employment Opportunity Program	1.8
Innovation Awards	20.0
F/T Student Success Grant Enrollment Growth	3.1
Online Education Initiative (Cost Savings)	10.0
Integrated Library System (Cost Savings)	6.0
State General Obligation Bond - Proposition 51*	<u>13.0</u>
Total Other	<u><u>\$ 203.9</u></u>

\*The "May Revise" did not provide for additional Capital Outlay projects beyond the five included in the Governor's January Budget Proposal. However, a letter from the Department of Finance approved four additional projects.



**FY 2016-2017**  
**ENDING BALANCE ESTIMATE**

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# FY 2016–2017 Credit FTES Projections

Base FTES	28,599.64
Growth/Access at P2 (Planned 835 at 2.92%; Actual 3.42%)	<u>979.25</u>
Total Funded FTES	29,578.89
Actual FTES*	<u>29,578.89</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 FTES Target by 650 FTES as of April 2017. 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 2017-18, the District Enrollment Management Committee approved rolling back 650 FTES from Summer 2017 to FY 2016-17.



# FY 2016-2017 Revenues

DBAC Handout  
May 19, 2017

*(In Millions)*

Adopted Budget	<u>\$ 175.38</u>
FY 2015-16 Additional Apportionment (Net)	\$ 0.02
FY 2016-17 Additional Funded FTES and Elimination of the Deficit Factor	1.74
Lottery	0.31
Other	<u>0.26</u>
Total Revenue Adjustments	<u>\$ 2.33</u>
Net Revenues	<u>\$ 177.71</u>



# FY 2016-2017 Expenditures

DBAC Handout  
May 19, 2017

*(In Millions)*

Adopted Budget	<u>\$ 199.91</u>
Estimated Budget Savings:	
Salaries and Benefits	\$ 3.26
Supplies and Services*	17.74
Capital Outlay	<u>0.50</u>
Total Expenditure Budget Savings	<u>\$ 21.50</u>
Net Expenditures	<u>\$ 178.41</u>
Net Current Year Estimated Surplus	\$ (0.70)
Beginning Balance at July 1, 2016	<u>36.52</u>
Estimated Ending Balance at June 30, 2017*	<u><u>\$ 35.82</u></u>
Estimated Ending Balance Percentage	<u><u>16.72%</u></u>

\* Included in this balance is \$15.41 million of one-time State Mandate Block Grant funds that were set-aside in FY 2016-17 for future years to mitigate revenue reductions and increasing costs for STRS, PERS, and health insurance.



**FY 2017-2018  
TENTATIVE BUDGET**

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# FY 2017-2018 Credit FTES Projections

DBAC Handout  
May 19, 2017

Base FTES	29,578.89
Growth (System 1.00%; RCCD 1.00%)	<u>295.79</u>
Total Funded FTES	29,874.68
Unfunded FTES	<u>-</u>
FTES Target	<u><u>29,874.68</u></u>

## FTES Funding Production for FY 2017-18

Growth	295.79
Unfunded	-
Summer 2017 Rolled to FY 2016-17	<u>649.84</u>
	<u><u>945.63</u></u>



# FY 2017-2018 Ongoing Revenue Budget

DBAC Handout  
May 19, 2017

*(In Millions)*

Beginning Ongoing Revenue Budget	\$ 172.76
FY 2016-17 Apportionment Increase (Net)	\$ 0.64
FY 2017-18 Apportionment:	
COLA (1.56%)	2.52
Growth (1.00%)	1.52
Base Allocation Increase	4.50
Non-Resident Tuition	0.54
Other	0.13
Total Ongoing Revenue Budget Adjustments	\$ 9.85
Total Ongoing Revenue Budget	\$ 182.61



# FY 2017-2018 Ongoing Revenue Budget

DBAC Handout  
May 19, 2017

*(In Millions)*

Beginning Expenditure Budget	\$ <u>178.58</u>
Compensation Adjustments:	
COLA (1.56%) + Contract for Full-Time Salaries (2.00%)	\$ 3.46
COLA (1.56%) + Contract for Part-Time Faculty Salaries (2.50%) + Growth, Less Offset for New Full-Time Faculty	0.85
Step/Column/Growth/Placement/Classification/Other	0.99
Health Insurance - Rate Changes	0.92
Health Insurance - Employees Changing Health Plans	(0.36)
Health Insurance - Retirees Reaching Age 65	(0.31)
PERS	0.62
STRS	1.34
New Full-Time Faculty Positions (12)	1.77
New Classified Staff/Management Position Allocation	0.80



# FY 2017-2018 Ongoing Expenditure Budget

DBAC Handout  
May 19, 2017

*(In Millions)*

Sabbatical Leave Backfill	0.07
Retirement Incentive Reversal (Ongoing)	(0.85)
Contracts and Agreements	0.20
Model United Nations Augmentation	0.01
Non-Resident Tuition Fee Base Expenditure Augmentation	1.44
Utilities	0.08
La Sierra Loan Payoff Reversal (Ongoing)	(1.27)
Election Cost - "Off-Year"	(0.30)
Other	0.10
Total Ongoing Expenditure Budget Adjustments	<u>\$ 9.56</u>
Total Ongoing Expenditure Budget	<u>\$ 188.14</u>
Net Ongoing Budget Shortfall	<u><u>\$ (5.53)</u></u>



# FY 2017-2018 Tentative Budget

DBAC Handout  
May 19, 2017

*(In Millions)*

## FY 2016-17 One-Time Revenue Budget

Beginning Revenue Budget	\$	2.62
FY 2016-2017 State Mandate Block Grant Reversal		(2.62)
FY 2015-2016 Apportionment Revenue in Excess of Entitlement		1.12
Backfill for Lower than Estimated RDA Revenue		0.78
Total One-Time Revenue Budget	\$	<u>1.90</u>

## FY 2016-17 One-Time Expenditure Budget

Beginning Expenditure Budget	\$	21.33
Retirement Incentive Funding Cost Reversal		(4.56)
La Sierra Loan Payoff Reversal		(1.36)
Net Adjustment to Set-Aside for Future Operating Costs		4.43
Total One-Time Expenditure Budget	\$	<u>19.84</u>
Net One-Time Budget	\$	<u>(17.94)</u>



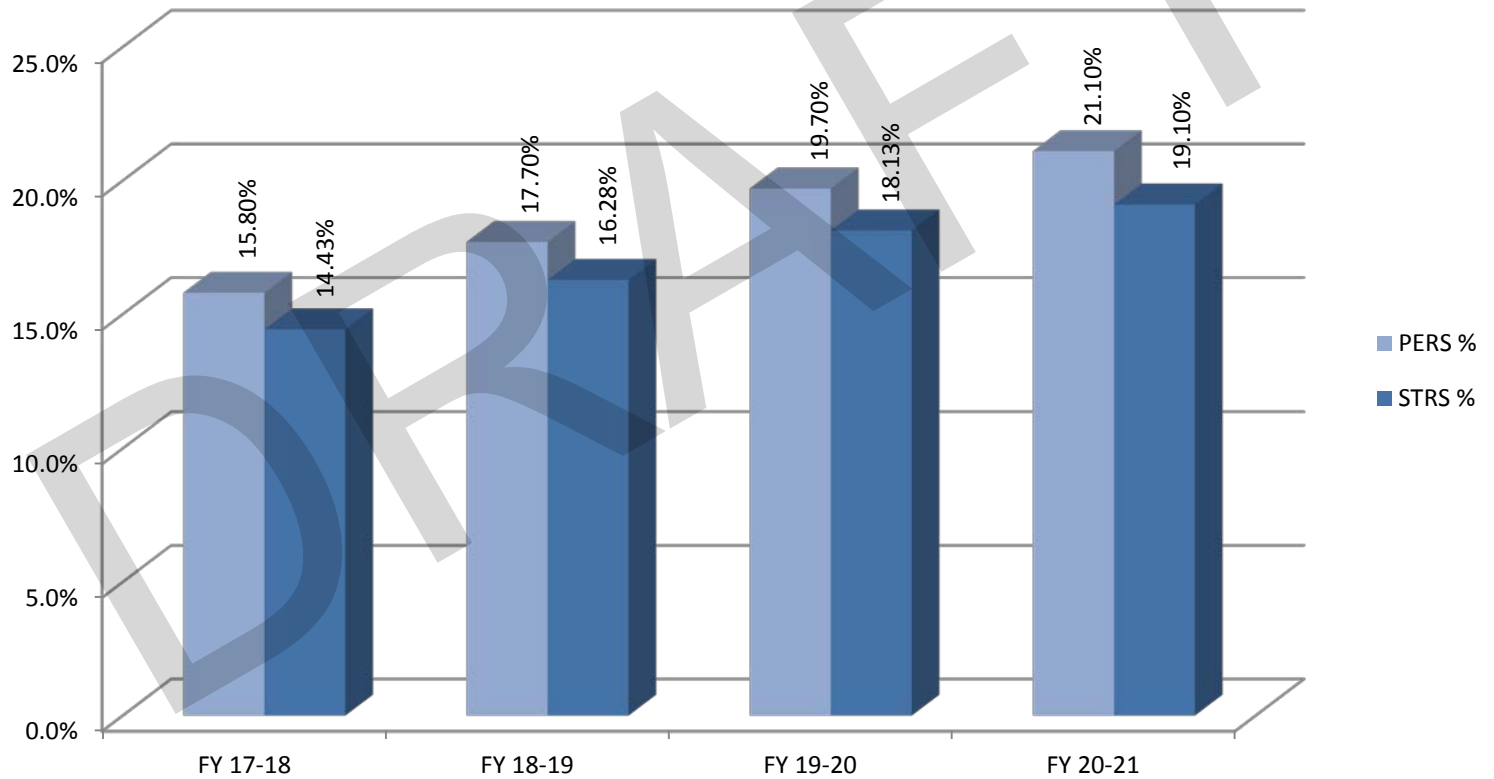
# Summary

*(In Millions)*

Net Ongoing Budget	\$ (5.53)
Net One-Time Budget	<u>(17.94)</u>
Total Difference	\$ (23.47)
Estimated Beginning Balance at July 1, 2017	<u>35.82</u>
Total Available Funds	\$ 12.35
Less, 5% Ending Balance Target	<u>(12.35)</u>
Budget (Shortfall) Surplus	<u><u>\$ -</u></u>

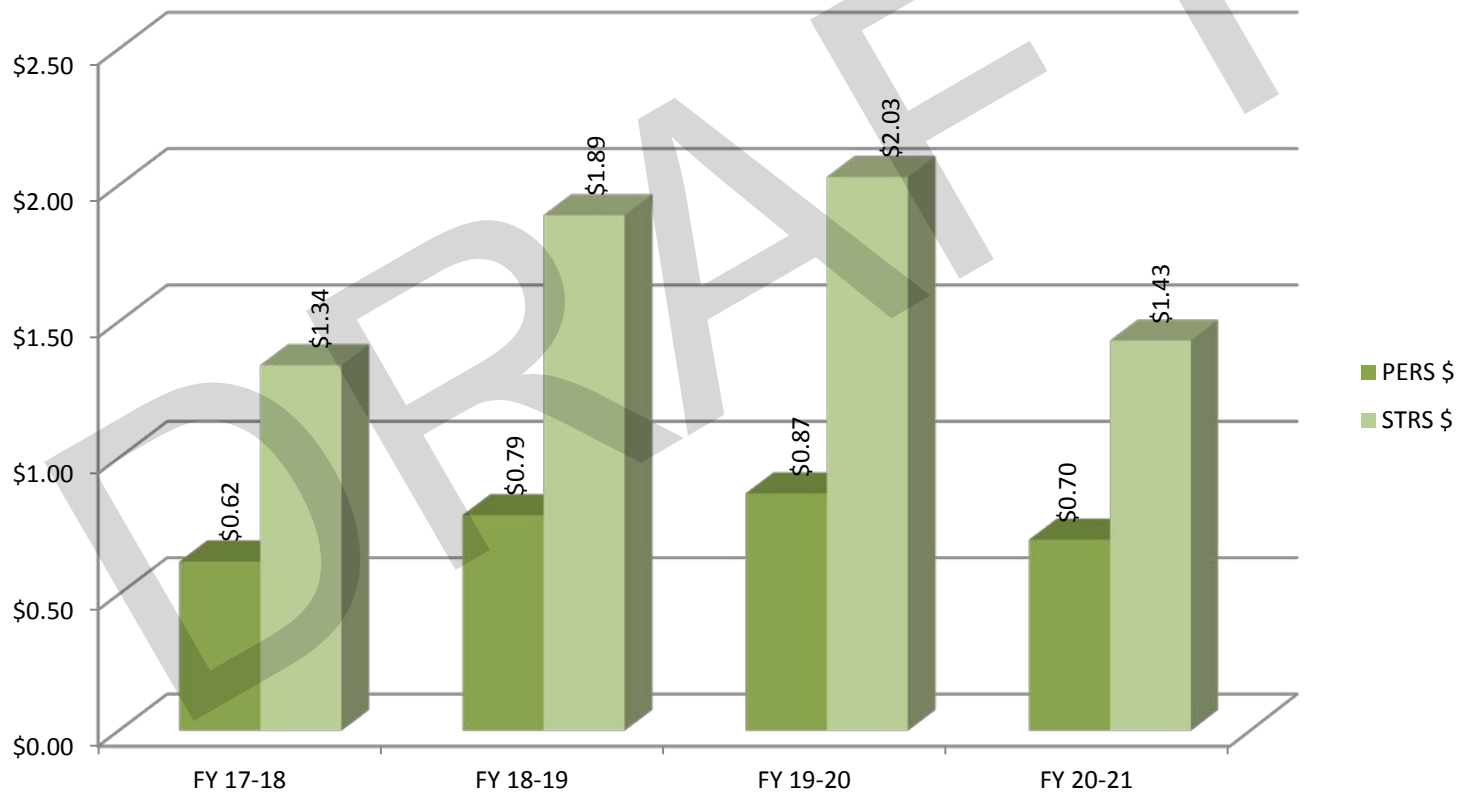


### PERS and STRS Projected % Rate Budget Increases





### PERS and STRS Projected \$ Annual Budget Increases







# HISTORICAL BUDGET INFORMATION

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# Contingency History

<b>FY</b>	<b>Adopted Contingency Balance</b>	<b>% of Avaliable Funds</b>	<b>Ending Fund Balance</b>	<b>% of Avaliable Funds</b>
2016-17*	\$ 11,987,323	5.66%	\$ 35,811,630 **	16.72%
2015-16	\$ 10,447,116	5.45%	\$ 36,517,185	18.32%
2014-15	\$ 7,801,811	4.28%	\$ 14,667,941	9.05%
2013-14	\$ 6,358,532	4.23%	\$ 12,743,536	8.39%
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%	\$ 11,172,448	7.33%
2008-09	\$ 12,566,801	7.68%	\$ 13,903,627	8.74%
2007-08	\$ 9,423,484	6.14%	\$ 19,259,076	12.37%

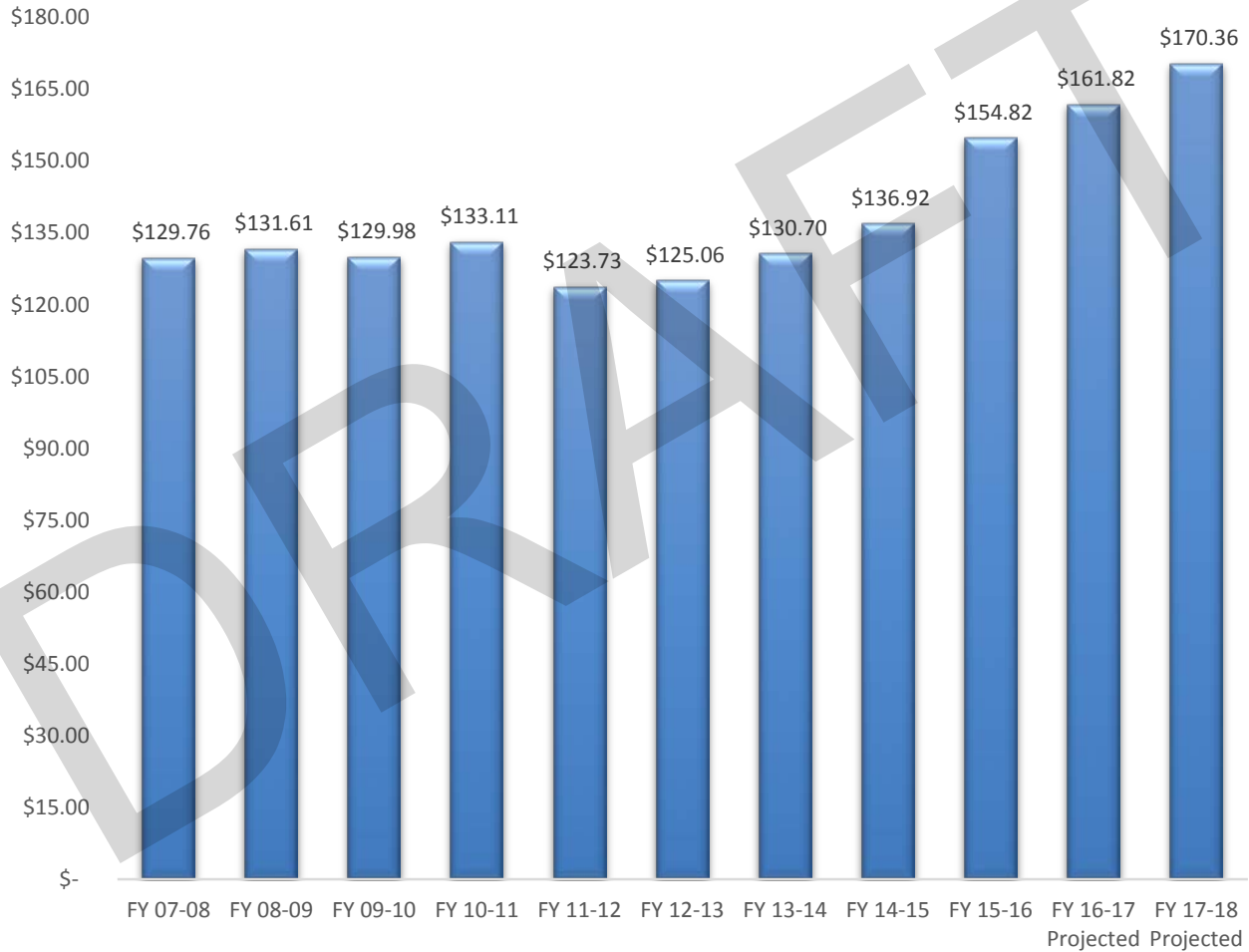
\*Estimate

\*\*Includes \$15.41 million of one-time State Mandate Block Grant funds set-aside for future years as a hedge against revenue reductions and increasing costs such as PERS, STRS, and health insurance. Without the one-time funds, the ending fund balance would be \$20.40 million (9.52%).



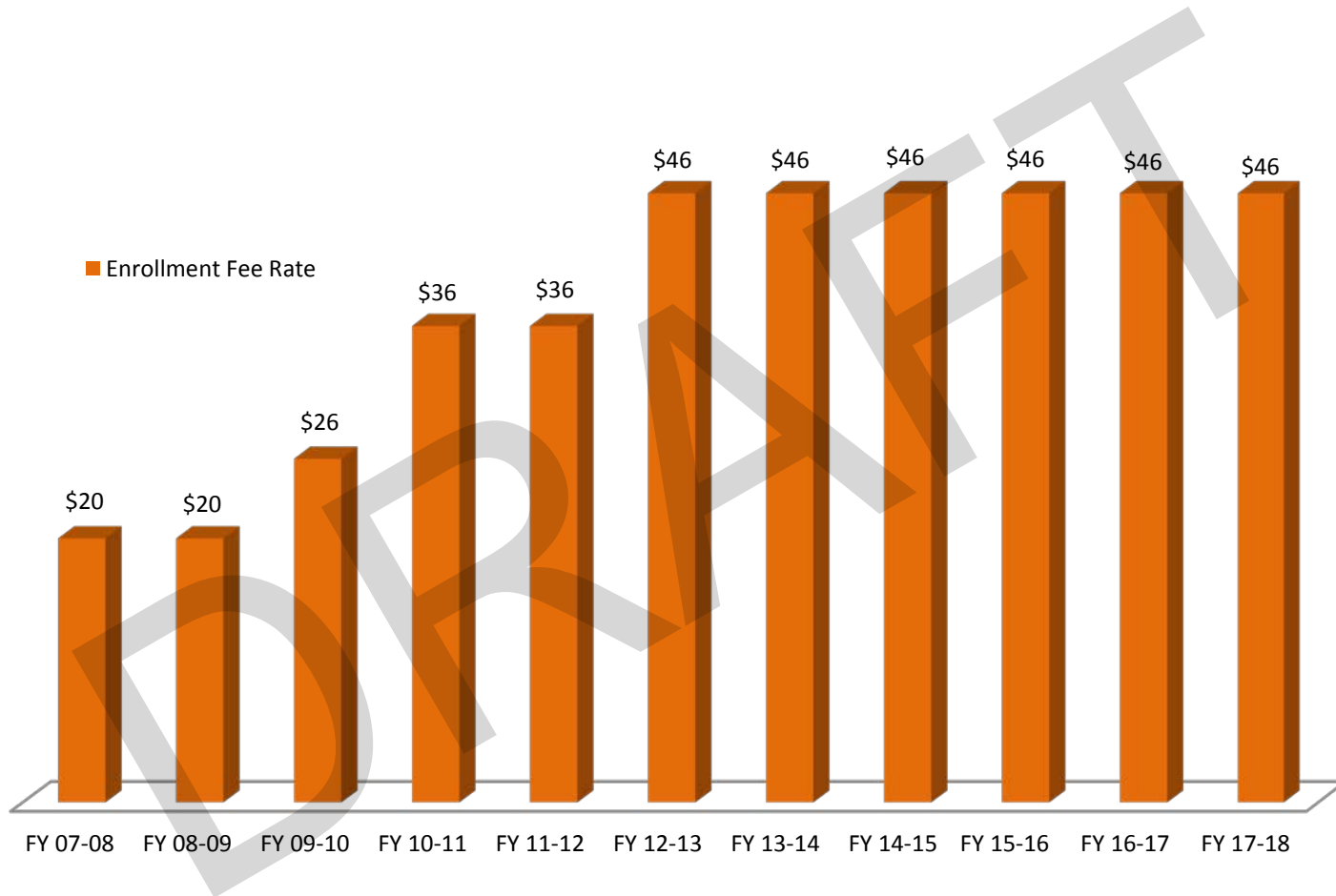
# General Apportionment

(In Millions)



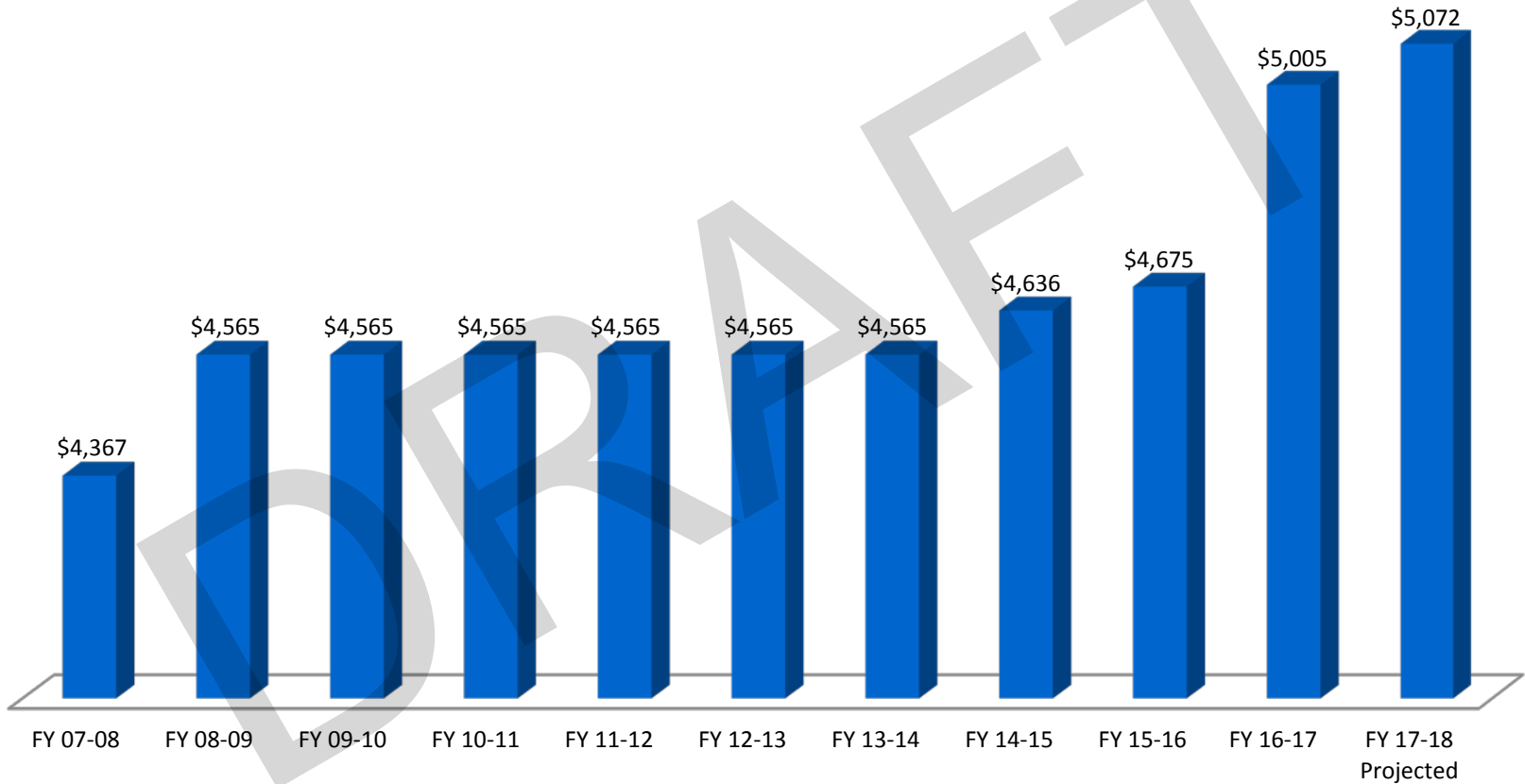


# Enrollment Fee Rate Per Unit



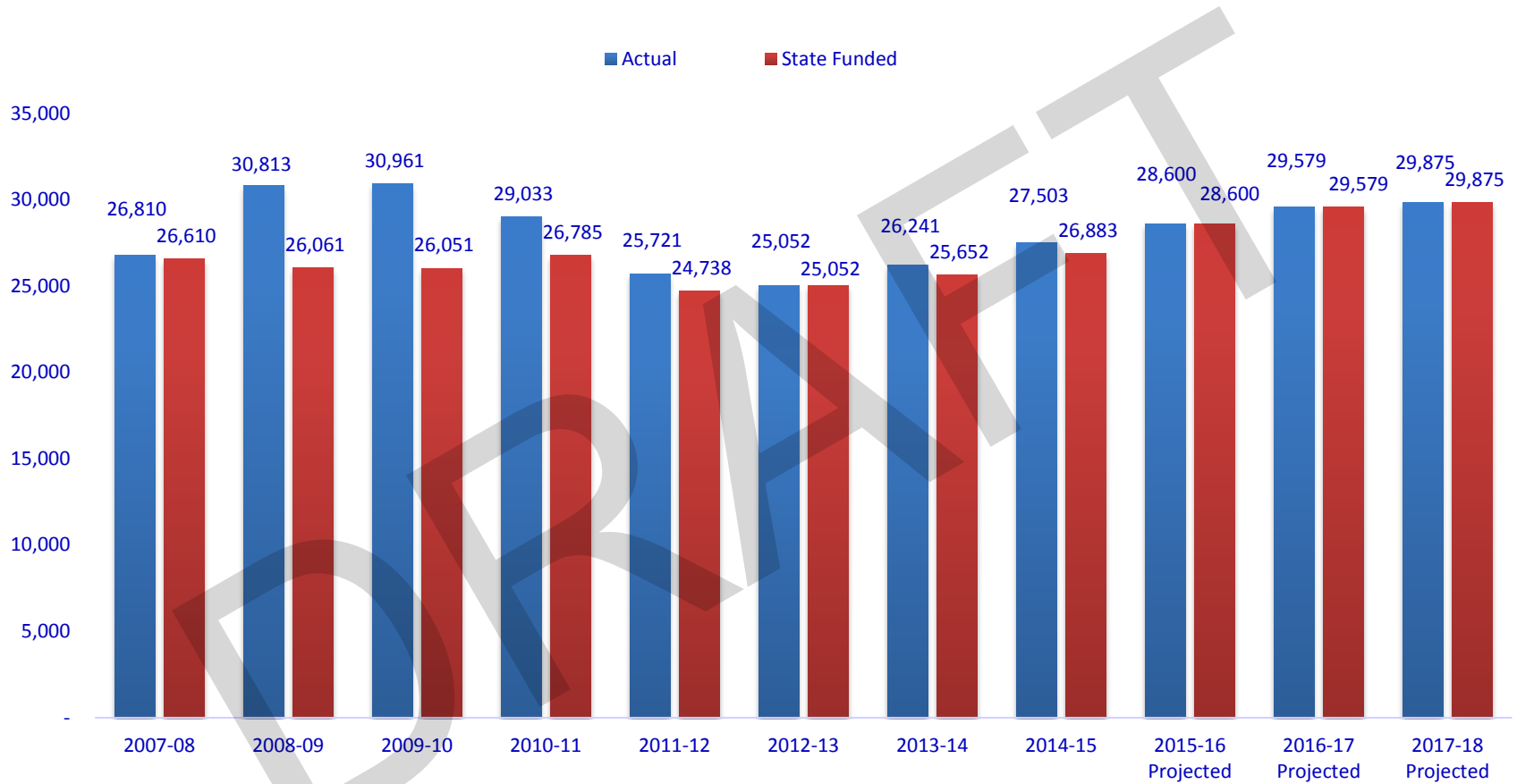


# CCC Base Funding Rate Per Credit FTES



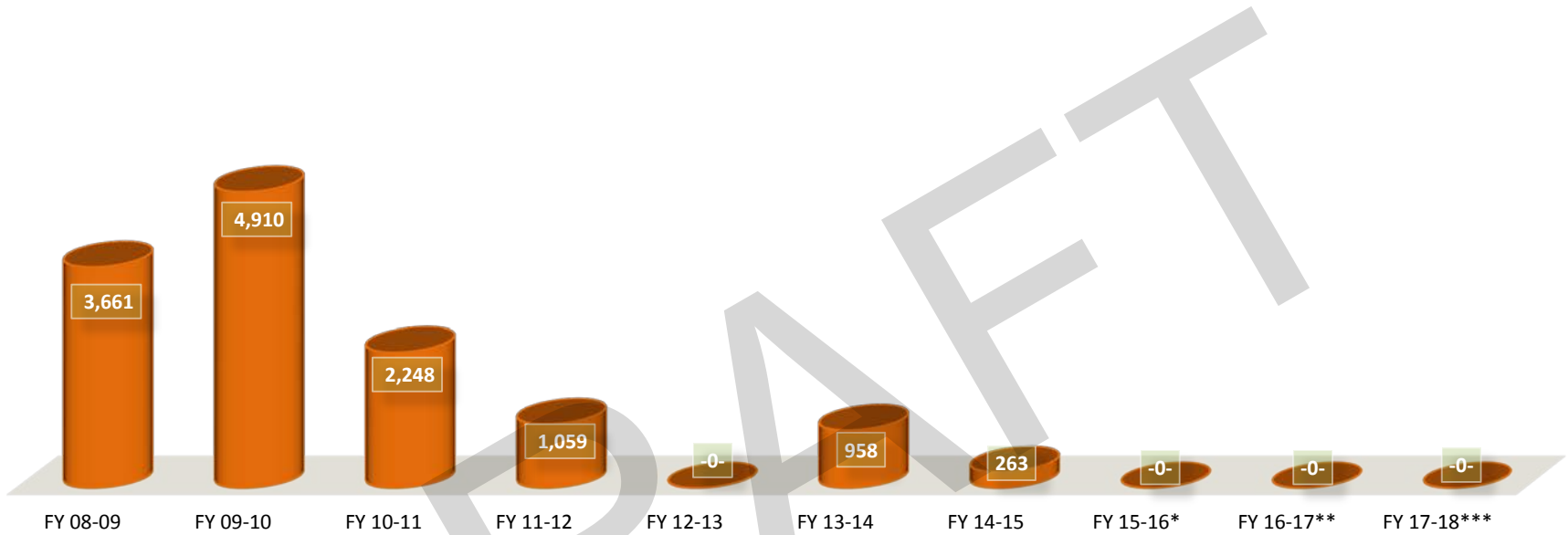


# Credit FTES





# Unfunded Credit FTES



\* Based on P1 Recalculation

\*\* Based on the District Enrollment Management Committee discussions and estimated availability of State funding.

\*\*\* Based on the Governor's Budget Proposal and preliminary estimate of the District's ability to achieve growth allocation. The District Enrollment Committee discussions are continuing.



**FY 2017-2018  
BUDGET DEVELOPMENT  
TIMELINE**

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➤ **June**

- Tentative Budget to Resources Committee
- Second Principal Apportionment Report
- Tentative Budget to Board of Trustees on June 20, 2017
- State Budget Adoption

➤ **July**

- New Fiscal Year Begins on July 1, 2017

➤ **August**

- State Budget Workshops/Advance Apportionment
- RCCD Year-End Closing
- Final Budget Completed

➤ **September**

- Final Budget to Resources Committee
- Final Budget to Board of Trustees on September 19, 2017

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**TENTATIVE BUDGET**

**FISCAL YEAR 2017-2018**

**DRAFT**

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS  
 2017-2018

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget</u> <u>2016-2017</u>	<u>Tentative Budget</u> <u>2017-2018</u>
	<u>District</u>		
<u>General Funds</u>			
<u>Unrestricted - Fund 11</u>			
<u>Resource</u>			
1000	General Operating	\$ 208,510,156	\$ 220,319,890
1080	Community Education	(58,608)	(142,843)
1090	Performance Riverside	(149,723)	(86,744)
1110	Bookstore (Contract-Operated)	1,392,325	1,791,831
1170	Customized Solutions	<u>355,738</u>	<u>451,720</u>
	Total Unrestricted General Funds	<u>210,049,888</u>	<u>222,333,854</u>
<u>Restricted - Fund 12</u>			
<u>Resource</u>			
1050	Parking	2,245,382	2,809,607
1070	Student Health	3,565,569	3,523,644
1120	Center for Social Justice and Civil Liberties	202,581	212,083
1180	Redevelopment Pass-Through	6,405,964	7,541,822
1190	Grants and Categorical Programs	<u>51,302,759</u>	<u>51,302,759</u>
	Total Restricted General Funds	<u>63,722,255</u>	<u>65,389,915</u>
	Total General Funds	<u>273,772,143</u>	<u>287,723,769</u>
<u>Special Revenue - Funds 32 &amp; 33</u>			
<u>Resource</u>			
3200	Food Services	4,020,966	4,141,157
3300	Child Care	<u>2,096,425</u>	<u>2,352,465</u>
	Total Special Revenue Funds	<u>6,117,391</u>	<u>6,493,622</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS  
 2017-2018

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget 2016-2017</u>	<u>Tentative Budget 2017-2018</u>
<u>Capital Projects - Fund 41</u>			
<u>Resource</u>			
4100	State Construction & Scheduled Maintenance	8,379,247	8,478,833
4130	La Sierra Capital	<u>3,140,491</u>	<u>1,693,800</u>
	Total Capital Projects Funds	<u>11,519,738</u>	<u>10,172,633</u>
<u>General Obligation Bond - Fund 43</u>			
<u>Resource</u>			
4370	2010D Capital Appreciation Bonds	-	-
4390	2015E Capital Appreciation Bonds	<u>9,128,843</u>	<u>8,303,227</u>
	Total General Obligation Bond Funds	<u>9,128,843</u>	<u>8,303,227</u>
<u>Internal Service - Fund 61</u>			
<u>Resource</u>			
6100	Self-Insured PPO Health Plan	7,368,812	12,469,295
6110	Self-Insured Workers' Compensation	4,440,882	3,096,922
6120	Self-Insured General Liability	<u>2,764,680</u>	<u>2,792,716</u>
	Total Internal Service Funds	<u>14,574,374</u>	<u>18,358,933</u>
<u>Other Internal Services - Fund 69</u>			
<u>Resource</u>			
6900	Other Internal Services, Retirees' Benefits	601,035	878,206
	Total Other Internal Services Funds	<u>601,035</u>	<u>878,206</u>
	Total District Funds	<u>\$ 315,713,524</u>	<u>\$ 331,930,390</u>

Expendable Trust and Agency

Student Financial Aid Accounts

Student Federal Grants	\$ 67,775,000	\$ 67,775,000
State of California Student Grants	4,700,000	4,700,000

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS  
 2017-2018

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget 2016-2017</u>	<u>Tentative Budget 2017-2018</u>
	Local Scholarships Student Grants	<u>586,605</u>	<u>586,605</u>
	Total Student Financial Aid Accounts	<u>73,061,605</u>	<u>73,061,605</u>
<u>Other Account</u>			
	Associated Students of RCCD	<u>2,624,981</u>	<u>2,624,981</u>
	Total Expendable Trust and Agency	<u>\$ 75,686,586</u>	<u>\$ 75,686,586</u>
	Grand Total	<u>\$ 391,400,110</u>	<u>\$ 407,616,976</u>

DRAFT

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 11, RESOURCE 1000 - UNRESTRICTED GENERAL FUND - INCOME

TENTATIVE OPERATING BUDGET  
 2017-2018

Estimated Beginning Balance, July 1		\$ 35,811,630
Federal Income		
Student Financial Aid Adm. Fees	\$ 196,606	
Total Federal Income		196,606
State General Apportionment		98,690,330
Other State Income		
Apprenticeship	481,789	
Enrollment Fee Waiver Administration	454,399	
Education Protection Account	23,568,130	
Homeowner's Prop Tax Exemption	448,452	
Lottery	4,200,000	
Part-Time Faculty Compensation/Hours/Health Ins	628,290	
PY Apportionment Excess/RDA Backfill	1,898,750	
State Mandated Costs	796,198	
Total Other State Income		32,476,008
Local Income		
RDA Asset Liquidation	418,914	
Property Taxes	38,641,689	
Food Sales / Commissions	123,000	
State Dated Checks (Resource 0800)	60,000	
Interest	204,000	
Enrollment Fees	8,597,316	
Nonresident Student Fees	3,385,273	
Transcript / Late Application Fees	122,000	
Other Student Fees	208,470	
Cosmetology / Dental Hygiene / Other Sales	49,600	
Leases and Rental Income	795,323	
Donations	8,280	
Miscellaneous Local Income	165,021	
Total Local Income		52,778,886
Other/Incoming Transfers		
Sales - Obsolete Equipment	9,100	
Indirect Costs Recovery	357,330	
Total Other/Incoming Transfers		366,430
Total Income		\$ 184,508,260
Total Available Funds		\$ 220,319,890

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 11, RESOURCE 1000 - UNRESTRICTED GENERAL FUND - EXPENDITURES

TENTATIVE OPERATING BUDGET  
 2017-2018

Object Code

1100	Regular Full-Time Teaching	\$ 34,147,091	
1200	Regular Full-Time Non-Teaching	15,257,529	
1300	Part-Time Hourly Teaching and Overload	28,735,474	
1400	Part-Time Hourly Non-Teaching	<u>1,886,902</u>	
	Total Academic Salaries		\$ 80,026,996
2100	Regular Full-Time and Part-Time Classified	30,831,219	
2200	Regular Full-Time Instructional aides	2,242,878	
2300	Student Help Non-Instructional and Classified Overtime	1,297,086	
2400	Student Help Instructional Aides	<u>396,232</u>	
	Total Classified Salaries		34,767,415
3000	Employee Benefits		45,867,822
4000	Books and Supplies		2,506,821
5000	Services and Operating Expenditures		42,202,471
6000	Capital Outlay		1,157,241
8999	Intrafund Transfers		
	Bookstore (Resource 1110)	(1,051,333)	
	Center for Social Justice (Resource 1120)	129,783	
	College Work Study (Resource 1190)	348,265	
	DSP&S (Resource 1190)	665,157	
	RCC Promise (Resource 1190)	1,330,390	
	SFAP Fiscal Coord 14-16 (Resource 1190)	14,341	
	Veterans Education (Resource 1190)	<u>4,842</u>	
	Total Intrafund Transfers		<u>1,441,445</u>
	Total Resource 1000 Expenditures Excluding Contingency		\$ 207,970,211
7900	Contingency / Reserve		<u>12,349,679</u>
	Total Resource 1000 Expenditures Including Contingency / Reserves		<u>\$ 220,319,890</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 12, RESOURCE 1050 - PARKING

TENTATIVE OPERATING BUDGET  
 2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ (232,224)
Local Income		
Rents and Leases	\$ 1,354	
Parking Permits/Fines	<u>3,040,477</u>	
Total Local Income		<u>3,041,831</u>
Total Available Funds (TAF)		<u>\$ 2,809,607</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 1,557,265
3000	Employee Benefits	555,390
4000	Book and Supplies	50,221
5000	Services and Operating Expenditures	833,211
6000	Capital Outlay	<u>190,350</u>
	Total Expenditures	3,186,437
7900	Contingency/Reserve/(Deficit)	<u>(376,830)</u>
	Total Resource 1050 Expenditures Including Contingency/Reserves	<u>\$ 2,809,607</u>



RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 12, RESOURCE 1070 - STUDENT HEALTH

TENTATIVE OPERATING BUDGET  
 2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ 2,043,144
State Income		
Health Care		30,000
Local Income		
Health Fees	\$ 1,398,000	
Interest	20,600	
Other	<u>31,900</u>	
Total Local Income		<u>1,450,500</u>
Total Available Funds (TAF)		<u>\$ 3,523,644</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$ 483,095
2000	Classified Salaries	733,791
3000	Employee Benefits	383,729
4000	Book and Supplies	140,230
5000	Services and Operating Expenditures	303,645
6000	Capital Outlay	<u>43,266</u>
	Total Expenditures	2,087,756
7900	* Contingency/Reserves	<u>1,435,888</u>
	Total Resource 1070 Expenditures Including Contingency/Reserves	<u>\$ 3,523,644</u>

\* 5% Contingency reserve calculated from TAF equals \$176,182

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
FUND 11, RESOURCE 1080 - COMMUNITY EDUCATION

TENTATIVE OPERATING BUDGET  
2017-2018

INCOME

Estimated Beginning Balance, July 1	\$ (282,849)
Local Income	<u>140,006</u>
Total Available Funds (TAF)	<u>\$ (142,843)</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 87,738
3000	Employee Benefits	18,364
4000	Book and Supplies	2,500
5000	Services and Operating Expenditures	<u>31,703</u>
	Total Expenditures	140,305
7900	Contingency/Reserves/(Deficit)	<u>(283,148)</u>
	Total Resource 1080 Expenditures Including Contingency/Reserves	<u>\$ (142,843)</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 11, RESOURCE 1090 - PERFORMANCE RIVERSIDE

TENTATIVE OPERATING BUDGET  
 2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ (646,984)
Local Income		
Donations	\$	50,000
Box Office Receipts		200,240
Other Local Income		35,000
Intrafund Transfers from Resource 1110		<u>275,000</u>
Total Income		<u>560,240</u>
Total Available Funds (TAF)		<u>\$ (86,744)</u>

EXPENDITURES

<u>Object Code</u>		
1000	Academic Salaries	\$ 21,611
2000	Classified Salaries	178,178
3000	Employee Benefits	85,739
4000	Book and Supplies	5,472
5000	Services and Operating Expenditures	<u>230,246</u>
	Total Expenditures	521,246
7900	Contingency/Reserves/(Deficit)	<u>(607,990)</u>
Total Resource 1090 Expenditures Including Contingency/Reserves		<u>\$ (86,744)</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 11, RESOURCE 1110 - BOOKSTORE (CONTRACTOR-OPERATED)

TENTATIVE OPERATING BUDGET  
 2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ 690,561
Local Income		
Commissions	\$ 1,100,000	
Interest	<u>1,270</u>	
Total Local Income		<u>1,101,270</u>
Total Available Funds (TAF)		<u>\$ 1,791,831</u>

EXPENDITURES

Object Code

5000	Services and Operating Expenditures	\$ 43,600
7390	Interfund Transfer to Resource 3200	105,045
7390	Interfund Transfer to Resource 3300	75,000
8999	Intrafund Transfer to Resource 1000	1,051,333
8999	Intrafund Transfer to Resource 1090	<u>275,000</u>
	Total Expenditures	1,549,978
7900	* Contingency/Reserves	<u>241,853</u>
	Total Resource 1110 Expenditures Including Contingency/Reserves	<u>\$ 1,791,831</u>

\* 5% Contingency reserve calculated from TAF equals \$89,592

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 12, RESOURCE 1120 - CENTER FOR SOCIAL JUSTICE AND CIVIL LIBERTIES

TENTATIVE OPERATING BUDGET  
 2017-2018

INCOME

Estimated Beginning Balance, July 1		\$	56,900
Local Income			
Interest	\$	400	
Other Local Income		<u>25,000</u>	
Total Local Income			25,400
Intrafund Transfer From Resource 1000 - General Fund			<u>129,783</u>
Total Income			<u>155,183</u>
Total Available Funds (TAF)		\$	<u>212,083</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$	83,437
3000	Employee Benefits		54,898
4000	Book and Supplies		4,910
5000	Services and Operating Expenditures		58,406
6000	Capital Outlay		<u>211</u>
	Total Expenditures		201,862
7900	* Contingency/Reserves		<u>10,221</u>
	Total Resource 1120 Expenditures Including Contingency/Reserves	\$	<u>212,083</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 11, RESOURCE 1170 - CUSTOMIZED SOLUTIONS

TENTATIVE OPERATING BUDGET  
 2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ (198,956)
Local Income		
Interest	\$ 300	
Contract Revenue	<u>650,376</u>	
Total Local Income		<u>650,676</u>
Total Available Funds (TAF)		<u>\$ 451,720</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 75,836
3000	Employee Benefits	24,330
4000	Book and Supplies	27,566
5000	Services and Operating Expenditures	581,776
6000	Capital Outlay	<u>3,500</u>
	Total Expenditures	713,008
7900	Contingency/Reserves/(Deficit)	<u>(261,288)</u>
	Total Resource 1170 Expenditures Including Contingency/Reserves	<u>\$ 451,720</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
FUND 12, RESOURCE 1180 - REDEVELOPMENT PASS-THROUGH

TENTATIVE OPERATING BUDGET  
2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ 5,652,072
Local Income		
Interest	\$ 39,250	
Redevelopment Agency Agreements	<u>1,850,500</u>	
Total Local Income		<u>1,889,750</u>
Total Available Funds (TAF)		<u>\$ 7,541,822</u>

EXPENDITURES

<u>Object Code</u>		
5000	Services and Operating Expenditures	\$ 453,691
6000	Capital Outlay	<u>4,114,591</u>
	Total Expenditures	4,568,282
7900	* Contingency/Reserves	<u>2,973,540</u>
	Total Resource 1180 Expenditures Including Contingency/Reserves	<u>\$ 7,541,822</u>

\* 5% Contingency reserve calculated from TAF equals \$377,091

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 32, RESOURCE 3200 - FOOD SERVICES

TENTATIVE OPERATING BUDGET  
 2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ 994,330
Local Income		
Food Sales/Commissions	\$ 2,894,012	
Pepsi Sponsorship	143,870	
Interest	<u>3,900</u>	
Total Local Income		3,041,782
Interfund Transfer From Resource 1110 - Bookstore Fund		<u>105,045</u>
Total Income		<u>3,146,827</u>
Total Available Funds (TAF)		<u>\$ 4,141,157</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 1,031,603
3000	Employee Benefits	376,504
4000	Books and Supplies	1,282,711
5000	Services and Operating Expenditures	226,401
6000	Capital Outlay	<u>36,809</u>
	Total Expenditures	2,954,028
7900	* Contingency/Reserves	<u>1,187,129</u>
	Total Resource 3200 Expenditures Including Contingency/Reserves	<u>\$ 4,141,157</u>

\* 5% Contingency reserve calculated from TAF equals \$207,058



RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 33, RESOURCE 3300 - CHILD CARE

TENTATIVE OPERATING BUDGET  
 2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ 928,490
Federal Income		
Lunch Program		72,327
State Income		
Tax Bailout Funds		24,000
Local Income		
Parent Fees	\$ 1,248,184	
Interest Income	4,400	
Other Local Revenue	<u>64</u>	
Total Local Income		<u>1,252,648</u>
Interfund Transfer From Resource 1110 - Bookstore Fund		<u>75,000</u>
Total Income		<u>1,423,975</u>
Total Available Funds (TAF)		<u>\$ 2,352,465</u>

EXPENDITURES

<u>Object Code</u>		
1000	Academic Salaries	\$ 696,611
2000	Classified Salaries	411,637
3000	Employee Benefits	228,793
4000	Books and Supplies	58,911
5000	Services and Operating Expenditures	67,658
6000	Capital Outlay	<u>33,000</u>
	Total Expenditures	1,496,610
7900	* Contingency/Reserves	<u>855,855</u>
Total Resource 3300 Expenditures Including Contingency/Reserves		<u>\$ 2,352,465</u>

\* 5% Contingency reserve calculated from TAF equals \$117,623

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
FUND 41, RESOURCE 4100 - STATE CONSTRUCTION/SCHEDULED MAINTENANCE

TENTATIVE OPERATING BUDGET  
2017-2018

INCOME

Estimated Beginning Balance, July 1		\$	-
State Income	\$ 8,294,358		
Local Income	<u>184,475</u>		
Total Income			<u>8,478,833</u>
Total Available Funds (TAF)		\$	<u>8,478,833</u>

EXPENDITURES

<u>Object Code</u>			
6000	Capital Outlay	\$	<u>8,478,833</u>
	Total Expenditures		8,478,833
7900	Contingency/Reserves		<u>-</u>
Total Resource 4100 Expenditures Including Contingency/Reserves		\$	<u>8,478,833</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
FUND 41, RESOURCE 4130 - LA SIERRA CAPITAL

TENTATIVE OPERATING BUDGET  
2017-2018

INCOME

Estimated Beginning Balance, July 1	\$ 1,683,800
Local Income	<u>10,000</u>
Total Available Funds (TAF)	<u>\$ 1,693,800</u>

EXPENDITURES

Object Code

6000	Capital Outlay	\$ 1,485,801
	Total Expenditures	1,485,801
7900	Contingency/Reserves	<u>207,999</u>
	Total Resource 4130 Expenditures Including Contingency/Reserves	<u>\$ 1,693,800</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 43, RESOURCE 4390 - 2015E CAPITAL APPRECIATION BONDS

TENTATIVE OPERATING BUDGET  
 2017-2018

INCOME

Estimated Beginning Balance, July 1	\$ 8,243,227
Local Income	<u>60,000</u>
Total Available Funds (TAF)	<u>\$ 8,303,227</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 748,402
3000	Employee Benefits	381,014
5000	Services and Operating Expenditures	89,521
6000	Capital Outlay	<u>19,281,196</u>
	Total Expenditures	20,500,133
7900	Contingency/Reserves	<u>(12,196,906)</u>
	Total Resource 4390 Expenditures Including Contingency/Reserves	<u>\$ 8,303,227</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
FUND 61, RESOURCE 6100 - SELF-INSURED PPO HEALTH PLAN

TENTATIVE OPERATING BUDGET  
2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ 3,570,438
Local Income		
Interest	\$ 1,600	
Self-Insurance Health Plan Assessments from other Funds	<u>8,897,257</u>	
Total Local Income		<u>8,898,857</u>
Total Available Funds (TAF)		<u>\$ 12,469,295</u>

EXPENDITURES

<u>Object Code</u>		
2000	Classified Salaries	\$ 114,551
3000	Employee Benefits	45,026
5000	Services and Operating Expenditures	<u>8,619,132</u>
	Total Expenditures	8,778,709
7900	Contingency/Reserves	<u>3,690,586</u>
	Total Resource 6100 Expenditures Including Contingency/Reserves	<u>\$ 12,469,295</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
FUND 61, RESOURCE 6110 - SELF-INSURED WORKERS' COMPENSATION

TENTATIVE OPERATING BUDGET  
2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ 2,355,085
Local Income		
Interest	\$ 20,000	
Workers Compensation Premium Assessments from other Funds	<u>721,837</u>	
Total Local Income		<u>741,837</u>
Total Available Funds (TAF)		<u>\$ 3,096,922</u>

EXPENDITURES

<u>Object Code</u>		
2000	Classified Salaries	\$ 448,503
3000	Employee Benefits	226,593
4000	Books and Supplies	12,275
5000	Services and Operating Expenditures	<u>1,653,185</u>
	Total Expenditures	2,340,556
7900	Contingency/Reserves	<u>756,366</u>
	Total Resource 6110 Expenditures Including Contingency/Reserves	<u>\$ 3,096,922</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 FUND 61, RESOURCE 6120 - SELF-INSURED GENERAL LIABILITY

TENTATIVE OPERATING BUDGET  
 2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ 1,316,063
Local Income		
Interest	\$ 2,800	
General Liability Premium Assessments from other Funds	<u>1,473,853</u>	
Total Local Income		<u>1,476,653</u>
Total Available Funds (TAF)		<u>\$ 2,792,716</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 190,289
3000	Employee Benefits	99,588
4000	Books and Supplies	700
5000	Services and Operating Expenditures	<u>1,529,885</u>
	Total Expenditures	1,820,462
7900	Contingency/Reserves	<u>972,254</u>
	Total Resource 6120 Expenditures Including Contingency/Reserves	<u>\$ 2,792,716</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
FUND 69, RESOURCE 6900 - OTHER INTERNAL SERVICES, RETIREES' BENEFITS

TENTATIVE OPERATING BUDGET  
2017-2018

INCOME

Estimated Beginning Balance, July 1		\$ 598,690
Contract Services - OPEB	\$ 279,307	
Interest	<u>209</u>	
Total Income		<u>279,516</u>
Total Available Funds (TAF)		<u>\$ 878,206</u>

EXPENDITURES

<u>Object Code</u>		\$ -
Total Expenditures		-
7900 Contingency/Reserves		<u>878,206</u>
Total Resource 6900 Expenditures Including Contingency/Reserves		<u>\$ 878,206</u>



RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 STUDENT FEDERAL GRANTS

TENTATIVE OPERATING BUDGET  
 2017-2018

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 67,775,000

Total Available Funds (TAF) \$ 67,775,000

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 \$ 67,775,000

Total Student Federal Grants \$ 67,775,000

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 STATE OF CALIFORNIA STUDENT GRANTS

TENTATIVE OPERATING BUDGET  
 2017-2018

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		200,000	
Total State Income			<u>4,700,000</u>
Total Available Funds (TAF)			<u>\$ 4,700,000</u>

EXPENDITURES

<u>Object Code</u>			
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		200,000
	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  
2017-2018

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><u>586,605</u></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><u>586,605</u></u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 ASSOCIATED STUDENTS OF RCCD

TENATIVE BUDGET  
 2017-2018

INCOME

Unaudited Beginning Balance, July 1			\$ 1,580,628
Local Income			
ASRCC			
Student Fees	\$	578,182	
Interest		404	
Athletic Events		20,000	
Commissions		5,000	
Total ASRCC Local Income			603,586
ASNC			
Student Fees		249,861	
Interest		173	
Total ASNC Local Income			250,034
ASMVC			
Student Fees		190,560	
Interest		173	
Total ASMVC Local Income			190,733
Total Local Income ASRCCD			\$ 1,044,353
Total Available Funds (TAF)			\$ 2,624,981

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%	180,000
	Total Expenditures	100.00%	\$ 1,148,265
	Total ASRCCD Ending Fund Balance		1,476,716
	Total ASRCCD Expenditures plus Ending Balances		\$ 2,624,981

Riverside Community College District  
Classified and Management Budget Allocation  
FY 2017-2018

Total Amount for Classified/Mgmt Budget Allocation    \$ 800,000

Distribution

RCC	\$ 376,600
NC	161,700
MVC	161,700
DO/DSS	<u>100,000</u>
	<u>\$ 800,000</u>

Note:

Allocation to Colleges based on 53.8%/23.1%/23.1% of total funded amount , less \$100,000 for DO/DSS.

**Riverside Community College District**  
**Nonresident Tuition Fee - FY 2017-2018 Base Augmentation Calculation**

DBAC Handout  
 May 19, 2017

	<u>Estimate Fiscal Year 2017-2018</u>	<u>Budget Fiscal Year 2016-2017</u>
Nonresident Tuition Fee Revenue	\$ 3,385,274	\$ 2,849,550
Rate per unit	\$ 234	\$ 211
Units	<u>14,467</u>	<u>14,183</u>
Non-resident FTES	704 *	690
Units per FTES	20.56	20.56

<b>RCC</b>	<b>84.16%</b>	<b>2,849,046</b>	<b>84.16%</b>	<b>2,398,181</b>
<b>NC</b>	<b>9.92%</b>	<b>335,819</b>	<b>9.92%</b>	<b>282,675</b>
<b>MVC</b>	<b>5.92%</b>	<b>200,408</b>	<b>5.92%</b>	<b>168,693</b>
<b>Total</b>	<b><u>100.00%</u></b>	<b><u>3,385,274</u></b>	<b><u>100.00%</u></b>	<b><u>2,849,550</u></b>

**Riverside**

Nonresident Tuition Fee Revenue	\$ 2,849,046	\$ 2,398,182
Rate per unit	\$ 234	\$ 211
Units	<u>12,175.41</u>	<u>11,365.79</u>
Potential revenue		
Non-resident FTES	574	562
Units per FTES	21.21	20.23

**Norco**

Nonresident Tuition Fee Revenue	\$ 335,819	\$ 282,675
Rate per unit	\$ 234	\$ 211
Units	<u>1,435.12</u>	<u>1,339.69</u>
Potential revenue		
Non-resident FTES	67	66
Units per FTES	21.27	20.25

**Moreno Valley**

Nonresident Tuition Fee Revenue	\$ 200,408	\$ 168,693
Rate per unit	\$ 234	\$ 211
Units	<u>856.45</u>	<u>799.49</u>
Potential revenue		
Non-resident FTES	63	62
Units per FTES	13.55	12.91

Combined Total	<u>3,385,274</u>	<u>2,849,550</u>
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\* - Assumes 2% Growth in Non-Resident FTES

		<u>NC</u>	<u>MVC</u>	<u>RCC</u>	<u>Total</u>
<b>Base Revenue Budget Year</b>	<b>FY 09/10**</b>	<b>190,221</b>	<b>236,123</b>	<b>1,518,656</b>	<b>1,945,000</b>
<b>Estimate for</b>	<b>FY 17/18</b>	<b>335,819</b>	<b>200,408</b>	<b>2,849,046</b>	<b>3,385,274</b>
<b>Revenue Budget Difference</b>		<b>145,598</b>	<b>(35,715)</b>	<b>1,330,390</b>	<b>1,440,274</b>

\*\* - Total Budget in FY 09/10 was \$1,945,000 and was coded all to RCC. For purposes of calculating a Base Revenue Budget split for FY 09/10, FY 10/11 Non-Resident FTES percentages by college were used to apply against FY 09/10 Non-Resident FTES since a split by college was not available, as follows:  
 Total - 511 (100%); RCC - 399 (78.08%); NC - 50 (9.78%); MVC - 62 (12.14%).

*RIVERSIDE COMMUNITY COLLEGE DISTRICT*

***District Budget Advisory Council Meeting***

*Thursday, August 17, 2017 – 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. May 19, 2017
- III. Budget Update
  - A. State Budget Update/ RCCD Final Budget Update for FY 2017-18
    - 1. FY 2016-17 FTES – Summer 2017 Rollback
    - 2. FY 2017-18 Budget Change Worksheet
  - B. FY 2017-18 Budget Recommendations
    - 1. Part-Time Faculty and Overload Budget Allocation Update
    - 2. Non-Resident Tuition Fee Expenditure Base Budget Allocation Update
    - 3. Deferred Maintenance/Instructional Equipment Allocation (Handout A)
    - 4. Budget Savings Allocation (Handout B)
- IV. Next Meeting
  - A. Friday, September 22, 2017 – 9:00 AM to 11:00 AM at RCCD Building – 2<sup>nd</sup> Floor, Conference Room 209A

*RIVERSIDE COMMUNITY COLLEGE DISTRICT  
District Budget Advisory Council Meeting*

*May 19, 2017  
RCCD Building - 309  
9:00 a.m. - 11:00 a.m.*

MEETING MINUTES

Members Present

Aaron Brown	(District)
Majd Askar	(District)
Nathanial 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)
Asatar Bair	(Riverside City College)
Mark Sellick	(District)
Nate Finney	(Moreno Valley College)
Rachelle Arispe	(Recorder)

Members Not Present

Anna Molina	(Norco College)
Jennifer Lawson	(Riverside City College)
Jacquelyn Smith	(District wide – Student)

Guest(s) Present

David Bobbitt	(Moreno Valley College)
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I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved. Beck moved and DiSalvio seconded approval of the minutes for April 21, 2017. Sellick abstained from approval of the minutes.

III. BUDGET UPDATE

A. State Budget Update and RCCD Tentative Budget for FY 2017-18

1. Brown reviewed updates to the State budget and RCCD's Tentative Budget FY 2017-18 presentation.
  - a. Growth decreased from 1.34% to 1% - \$21M difference state-wide
  - b. COLA increased to 1.56% - \$2.9M difference state-wide
  - c. Base increased by \$160M
  - d. FY 2015-16 Apportionment and revenue entitlement - \$45.8M



- e. Redevelopment revenue backfill - \$31.7M state-wide
- f. Restricted revenue reduced for Prop 98 - \$6M state-wide
- g. Categorical COLA - 1.48% to 1.56%
- h. Deferred Maintenance augmentation - \$92.1M (allocated in May of 2019)
  - i. Due to the uncertainty of the amount the district will receive, Brown is taking a conservative approach and not including the additional amount in the Tentative Budget. Once the district knows the exact allocated amount, the DBAC subgroup will discuss the distribution of funds.
- i. The State Senate wants to fund their program proposals by using part of the Deferred Maintenance allocation as follows:
  - i. Community College Completion Grant - \$50M
  - ii. Part-time Faculty Office Hours - \$5M
  - iii. Innovation Grants – Removal of \$20M
  - iv. Veterans Resource Centers - \$10M (one-time)
  - v. Compton Community Colleges separation from El Camino Community College - \$1M (one-time)
  - vi. Course ID Project Support - \$1M (one-time)
  - vii. Community Colleges will be given \$2.5M (one-time) to help comply with federal and state laws to prevent and address violence and sexual harassment on and off campus.
- j. Guided Pathways funding is the same. However, 20% will be distributed equally to all the colleges in the state, 35% based on FTES basis, and 45% will go to PELL Grants based on the need.
  - i. Gomez and Sellick inquired on how the two grants that Norco competed for are being funded. Brown said he will follow up on their inquiry.
- k. Equal Employment Opportunity Program will have an additional \$1.8 million dollars. The additional funds are from districts that did not make their FON requirement. The funds will be distributed equally to those colleges who have approved EEO Plans.
- l. Innovation Awards (\$20 million total) may be eliminated to fund other initiatives.
- m. The District's FTES projections for 2016-17 indicate that we are short by 750 FTES. The Enrollment Management Committee agreed to recapture the FTES by rolling back summer to achieve our full target amount. The amount of growth in 2017-18 is estimated to be .46%. In summer 2016, we had almost 2,400 FTES. We can absorb 750 FTES, but it creates pressure for the colleges to recapture in FY 2017-18.
- n. Funding for the Online Education Initiative is \$10 million. It will result in an \$85,000 savings for our district. Beck commented that he was concerned

about the price that is being paid for the purchase of Canvas (software conversion from Blackboard). Beck does not understand how a net savings could be calculated. McQuead thinks we should have an overlapping of the two systems since it is not always a smooth transition with software conversions. Sellick believes his colleagues should be intimately involved with the 18-month pilot program as other colleges are already using Canvas.

- o. The State General Obligation Bond (Prop 51) funds five projects for a total of \$13 million. However, the State Chancellor's Office received a letter from the Department of Finance to approve four more projects. The Senate approved all the Capital Outlay projects for the 2017-18 year. Now we will need to see if the Assembly and Governor agree.
- p. If the May Revise holds, there will be an elimination of the deficit factor.
- q. Preliminary projections of District FY 2016-17 expenditures were revised upward and the ending balance is estimated at \$35.8 million, inclusive of the State Mandate Block Grant amount of \$15.41 million. This equals 16.72% of total available funds.
- r. The District's FY 2017-18 Credit FTES projection includes the Enrollment Management Committee's decision to keep the overall target the same. The reduction from the 1% to the .46% results in a reduction revenue of approximately \$800K.
- s. Calculations based on the May Revise include:
  - i. COLA increased - 1.48% to 1.56% (\$130K)
  - ii. Growth - 1% (no change)
  - iii. Deficit factor eliminated - \$800K
  - iv. Base allocation – \$4 million increase
- t. Expenditure changes include:
  - i. Adjustment for COLA on Full-Time and Part-Time faculty
  - ii. Health Insurance Rates (tentative): Kaiser decreased by 3.86%, Health Net increase by 18.27%; PPO at 0%; and Delta decreased by 2.62%.
  - iii. Twelve (12) new faculty positions
  - iv. An allocation for new classified and/or management positions
  - v. Backfill of sabbatical leave – 1 additional
  - vi. Elimination of retirement incentive (ongoing and one-time)
  - vii. Contracts (no change)
  - viii. Model United Nations - .01% augmentation
  - ix. Non-Resident Tuition Fee Base Augmentation - 1.44% (tentative)
  - x. Utilities (no change)
  - xi. La Sierra Payoff Reversal (no change)
  - xii. Election Cost (no change)
  - xiii. Other (includes miscellaneous) - increased slightly

- u. An ongoing budget shortfall of \$5.5M is a significant improvement due to the base increase in the May Revise.
  - v. One-time State Mandate funds of \$2.6 million were eliminated.
  - w. The two items included in the May Revise: Revenue Excess of Entitlement and Backfill for ADA Shortfall, may not hold.
  - x. The set-aside amount is \$19.84M. Brown would like to have a discussion with the DBAC subgroup on the use of budget savings for FY 2017-18.
  - y. PERS and STRS rate increases are expected to go up since the investment return assumption changes are not reflected in the rates. The increases are due to lower than expected investment returns. Also, benefits were increased during the Governor Gray Davis years.
  - z. The Contingency History page shows a \$35.8 million ending fund balance. Without the set-aside, we would be at 9.5%. Brown reminded members that there are still approximately 100 unfilled positions not filled which represents over \$7 million in the budget.
    - i. Brown explained that the reserve is slightly over 5% because three separate resources (Performance Riverside, Community Education and Customized Solutions) have negative balances and are part of the General Fund.
    - ii. Jones suggested the DBAC subgroup discuss a policy beyond the 5% reserve.
    - iii. Sellick explained that a discussion at a recent Board of Trustees meeting ensued regarding some of the Board members wanting a higher reserve. However, other Board members did not think it was good for the college community.
    - iv. Brown suggested that a discussion of budget savings distribution and the reserve be moved to the DBAC subgroup so a detailed review can be made and a recommendation can be moved forward to DBAC.
    - v. Beck added that the subgroup may want to look at Community Education and Customized Solutions activities and evaluate the programs that are financially negative. The programs that are not doing well financially, could be moved to Academics to create FTES. Brown responded that discussions are already being held regarding both programs. They are planning to move Community Education activities to the college/colleges. Brown added that Customized Solution has had some leadership issues that should be resolved within the next year.
2. Deferred Maintenance/Instructional Equipment Allocation
- a. Brown suggested that this be discussed at the next DBAC subgroup meeting or during the summer, once more information on Deferred Maintenance/Instructional Equipment is received.

- B. FY 2017-18 Budget Recommendations – Brown explained that the DBAC subgroup discussed and agreed to the following recommendations for the Classified/Management Base Budget Allocation and the Non-Resident Tuition Fee Expenditure Base Budget Allocation. Therefore, Brown requested for a motion to move the two recommendations forward to the District Strategic Planning Committee.
1. DBAC recommends a Classified/Management Base Budget Allocation of \$800,000 to be distributed as follows: \$100,000 to DO/DSS and; 2) \$700,000 to the three colleges using the FTES allocation percentages. DiSalvio moved, Sellick seconded.
  2. DBAC recommends a Non-Resident Tuition Fee Expenditure Base Budget Allocation based on the change in the non-resident tuition fee budget from the base year of FY 2009-10 to FY 2017-18, calculated from non-resident FTES and the applicable non-resident tuition rate for the 2017-18 fiscal year. For FY 2017-18, the subsequent year adjustments, the base allocation will be finalized after year end closing and determination of non-resident FTES projections each year. Sellick moved, Finney seconded, and Jones opposed.

IV. NEXT MEETING

- A. Thursday, June 22, 2017 – 2:30 p.m. to 4:00 p.m. at the District Office Building – Executive Conference Room 309

V. MEETING ADJOURNED AT 10:35 A.M.

**FTES by Term 2016-2017/P3 Final**

Credit Res. FTES	Target Summ16	Actual Summ 16	Roll Over to 2015-2016	Actual Summ 16 Reported at P1	Target Fall 16	Fall 16	Target Winter 17	Winter 17	Target Spring 17	Spring 17	Actual Target	Actual without rollover from next year	Short fall Annual	To be rolled Over from 17Sum
MVC	608	608.79	-101.77	507.02	2844	2807.31	678.96	542.23	2898	2467.13	6832.72	6323.69	509.03	203.256
NC	508.69	480.66	-101.77	378.89	2993.34	3065.03	550.23	521.13	2860.46	2831.15	6832.72	6796.20	36.52	203.256
RCC*	1432.21	1297.34	-237.02	1060.32	6842.78	6658.91	1591.62	1432.03	6728	6427.85	15913.45	15579.11	334.34	473.378
District	2548.9	2386.79	-440.56	1946.23	12680.1	12531.25	2820.81	2495.39	12486.5	11726.13	29578.89	28699.00	879.89	879.89

2016-2017 Final to be Reported	
MOV	6526.95
NOR	6999.46
RCC	16052.49
DIST	29578.89

Annual Generated 2016-2017 FTES without Roll over	
MOV	6425.46
NOR	6897.97
RCC	15816.13
District	29139.56

Bridge Classes: Overlapping fiscal years.

Section:ADJ: Section 22136 FTES 54.67 for Fall (ends 10/27)

ADJ:Section 22059 FTES 5.47 For Summer (Ends 08/04)

ADJ: Section 20600 FTES 38.76 For Summer (ends 07/14)

Culinary:

45 FTES accounted for in Summer 16 for RCC.

Norco was allocated additional 80 FTES, no increase in the target for Norco.

**Riverside Community College District**  
**FY 2017-18 FTES Final Budget**  
as of August 17, 2017

	<b>FY 2016-17</b>
Actual FTES from FY 2015-2016	28,159.08
Summer 2016 FTES Rolled to FY 2015-2016	440.56
Total FY 2015-2016 FTES Reported	28,599.64
Growth FTES	835.11
Unfunded FTES	144.14
Adopted FTES Target for FY 2016-2017	29,578.89
Actual FTES at P3	28,699.00
FTES Target vs. Actual Difference	(879.89)

\* 879.89 FTES will be moved from Summer 2017 to FY 2016-2017 to achieve full FTES target funding.

MVC - 6,323.69 vs. 6,832.72 = (509.03); NC - 6,796.20 vs. 6,832.72 = (36.52); RCC - 15,555.49 vs. 15,579.11 = (334.34) Per Raj Report - 7-27-17

	<b>FY 2017-18</b>	<b>Growth Formula</b>
Base Credit FTES	29,578.89	29,578.89
FTES Growth	136.06	.46%/1.26%
Funded Credit FTES	29,714.95	236.63
FTES Target	29,714.95	\$ 5,151.2367
Unfunded	-	\$ 1,218,942

**FTES Funding Production for FY 2017-18**

Growth FTES	136.06
Unfunded FTES	-
Summer 2017 Rolled to FY 2016-17	879.89
Total FTES Production	1,015.95

FY 2017-2018 Target	29,714.95
FY 2016-2017 Actual FTES (Assumed P1)	28,699.00
Total FTES Production	1,015.95

	<b>FY 2017-2018 Target</b>	<b>FY 2016-2017 Actual at P3</b>	<b>FY 2017-2018 Production</b>	<b>FTES</b>
<b>MVC</b>	6,864.15	6,323.69	540.46	
<b>NC</b>	6,864.15	6,796.20	67.95	
<b>RCC</b>	15,986.64	15,579.11	407.53	
<b>Total</b>	29,714.95	28,699.00	1,015.95	

Riverside Community College District  
 Budget Change Summary  
 FY 2017-2018

DBAC Handout  
 As of 08/17/2017

	<b>FY 2016-2017</b>	<b>Projected</b>	<b>FY 2017-2018</b>	
	<b>Adopted</b>	<b>Changes</b>	<b>Projected</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	
<b><u>Ongoing Revenues</u></b>				
Apportionment	\$ 95.21	\$ 8.30	\$ 103.51	
Federal	0.19	-	0.19	
State - Other (Exclusive of Mandate Reimb)	30.20	-	30.20	
Local	46.79	-	46.79	
Other	0.37	2.55	2.92	
Total Ongoing Revenues	<u>\$ 172.76</u>	<u>\$ 10.85</u>	<u>\$ 183.61</u>	
<b><u>Ongoing Expenditures</u></b>				
Academic and Classified Salaries	\$ 112.61	\$ 8.57	\$ 121.18	
Employee Benefits	39.00	2.20	41.20	
Books and Supplies	2.22	-	2.22	
Services and Operating Expenses	22.00	0.79	22.79	
Capital Outlay	0.98	-	0.98	
Interfund	1.27	-	1.27	
Intrafund	0.50	-	0.50	
Total Ongoing Expenditures	<u>\$ 178.58</u>	<u>\$ 11.56</u>	<u>\$ 190.14</u>	
Ongoing Revenue and Expenditure Difference	<u>\$ (5.82)</u>	<u>\$ (0.71)</u>	<u>\$ (6.53)</u>	
<b><u>One-Time Revenues</u></b>				
State - Mandate Reimbursement	\$ 2.62	\$ (1.62)	\$ 1.00	
<b><u>One-Time Expenditures</u></b>				
One-Time Expenditures	<u>\$ 21.33</u>	<u>\$ 2.08</u>	<u>\$ 23.41</u>	
One-Time Revenue and Expenditure Difference	<u>\$ (18.71)</u>	<u>\$ (3.70)</u>	<u>\$ (22.41)</u>	
Total Revenue and Expenditure Difference	<u>\$ (24.53)</u>	<u>\$ (4.41)</u>	<u>\$ (28.94)</u>	
Beginning Fund Balance	<u>36.52</u>		<u>43.12</u>	19.87%
Ending Fund Balance	\$ 11.99		\$ 14.18	
5% Ending Balance Requirement	<u>(11.99)</u>		<u>(14.18)</u>	
Budget (Shortfall) Excess	<u><u>\$ (0.00)</u></u>		<u><u>\$ (0.00)</u></u>	

Riverside Community College District  
Budget Change Summary  
FY 2017-18

DBAC Handout  
As of 08/17/2017

	FY 16-17	FY 17-18	Change
<b>Ongoing Revenue and Expenditure Analysis</b>			
Resident Credit FTES (Actual/Target)	29,578.89	29,714.95	136.06
Resident Credit Funded	29,578.89	29,714.95	136.06
Unfunded FTES	-	-	
Unfunded %	0.00%	0.00%	
<b>Ongoing Revenue Assumptions</b>			
Apportionment (Ongoing Revenues)			
Growth	2.00%/3.42%	1.26%/ .46%	
FY 16-17 Additional			\$ 1.74
FY 16-17 Apportionment Deferral Reversal			(1.13)
FY 17-18			0.70
COLA	0.00%	1.56%	2.52
Base Funding Increase			4.47
Deficit Factor	0.000%	0.000%	-
Total Apportionment			<u>\$ 8.30</u>
Non-Resident Tuition			\$ 1.01
Interest Income			0.50
Indirect Cost Recovery			0.38
Lottery			0.20
Other (Various - Ongoing but Variable)			0.46
Total Apportionment			<u>\$ 2.55</u>
Total Ongoing Revenues			<u>\$ 10.85</u>
<b>Ongoing Expenditure Assumptions</b>			
Academic and Classified Salaries			
Full-Time Compensation (COLA 1.56% and Contract 2.00%)	2.00%	3.56%	\$ 3.52
Part-Time/Ovrld (COLA 1.56% and Contract 2.50%)	2.50%	4.06%	1.77
Part-Time/Ovrld Offset to New FT Faculty Positions			(0.66)
Step/Column/Prof Growth/Other			1.03
Reverse NC PY Temporary Backfill of NSF Positions			(0.15)
New FT Faculty (12 @ \$145k)			1.77
New Classified/Management Position Allocation			0.80
Education Services Re-Employment Specialist (Part-Time Faculty Seniority)			0.11
Sabbaticals - Base Change from PY			0.07
Other Personnel Changes			0.31
Total Academic and Classified Salaries			<u>\$ 8.57</u>
Employee Benefits			
Health Insurance - Active and Over 65 Retirees and OPEB	13.1%/9.0%/0.0%	-3.86%/18.27%/0.0%	\$ 0.84
Health Insurance - Employees Changing Health Plans			0.03
Health Insurance - Under 65 Retirees - Aged-Out (Net)			(0.32)
Employee Benefits Budget Reduction - Historical (3%)			-
Reverse FY 16-17 Retirement Incentive Cost (Ongoing)			(0.85)
OPEB Liability	0.20%	0.20%	-
Workers' Compensation	0.50%	1.00%	0.58
Property and General Liability	1.20%	1.20%	-
STRS	12.58%	14.43%	1.35
PERS	13.887%	15.53%	0.57
Total Employee Benefits			<u>\$ 2.20</u>
Service and Operating Expenses			
Election Costs - "Off Year"			\$ (0.30)
Non-Resident Base Budget Adjustment			1.92
Reverse FY 16-17 La Sierra Loan Repayment (Ongoing)			(1.27)
Utilities			(0.39)
Contracts/Agreements			0.30
Miscellaneous Adjustments			0.53
Total Services and Operating Expenses			<u>\$ 0.79</u>
Total Ongoing Expenditures			<u>\$ 11.56</u>
<b>One-Time Revenue Assumptions</b>			
State - Other (One-Time Revenues)			
State Mandate Reimbursement (Reverse FY 16-17)			\$ (2.62)
FY 15-16 Apportionment Rev in Excess of Entitlement			0.22
Backfill for Lower than Estimated RDA Revenue			0.78
Total One-Time Revenues			<u>\$ (1.62)</u>
<b>One-Time Expenditure Assumptions</b>			
Expenditure			
Reverse FY 16-17 Set-Aside for Future Operating Costs			\$ (15.41)
Reverse FY 16-17 Retirement Incentive Cost (One-Time)			(4.56)
Reverse FY 16-17 La Sierra Loan Repayment (One-Time)			(1.36)
Accumulated Budget Savings Distribution			8.00
FY 17-18 Set-Aside for Future Operating Costs			15.41
Total One-Time Expenditures			<u>\$ 2.08</u>



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
1	<b>17/18 Model with Historical Max Cost per FTES</b>															
2			(B*525)/ 16.4		C/D	Galaxy, Res 1000, Instructional FTE	E-F	F*525	(H*16.4)/ 525	B-I	16/17 Actuals FTES Historical Spreadsheet	J*K	L*1.0406		M-N	
3		Target FTES	WSCH	Factor	FTEF Needed to Teach WSCH	Total FT Faculty, Instructional FTE	PT & OL FTEF needed to Teach WSCH	WSCH Covered by FT	FTES Covered by FT	FTES Covered by PT & OL	Historical Max ( <b>Summer 2010 - Spring 2016</b> ) Cost Per FTES	17/18 Calculated Budget	17/18 Calculated Budget, Plus 4.06%	17/18 Projected Expenditures	17/18 Budget Less Projected Expenditures	
4	<b>Riverside City College</b>															
5	<b>17/18</b>															
6	Summer 17	361	11,569	525	22		22.04	-	-	361	2,421	874,783	910,299	1,273,072	(362,773)	
7	Fall 17	7,246	231,946	525	442	194.69	247.11	102,212	3,193	4,053	1,371	5,554,936	5,780,466	4,927,450	853,016	
8	Winter 18	1,150	36,800	525	70		70.10	-	-	1,150	1,438	1,653,082	1,720,197			
9	Spring 18	6,752	216,131	525	412	194.69	216.99	102,212	3,193	3,559	1,267	4,508,739	4,691,793			
10	Summer 18	479	15,335	525	29		29.21	-	-	479	2,421	1,159,596	1,206,676			
11	<b>ANNUAL:</b>	15,987	511,780		975	389.38	585.44	204,425	6,386	9,601		<b>13,751,135</b>	<b>14,309,431</b>	<b>6,200,522</b>	<b>490,243</b>	
12	<b>Norco College</b>															
13	<b>17/18</b>															
14	Summer 17	175	5,608	525	11		10.68	-	-	175	1,815	318,014	330,926	478,293	(147,367)	
15	Fall 17	3,181	101,846	525	194	68.67	125.32	36,052	1,126	2,055	1,251	2,571,846	2,676,263	2,599,663	76,600	
16	Winter 18	515	16,478	525	31		31.39	-	-	515	1,465	754,350	784,977			
17	Spring 18	2,849	91,209	525	174	68.67	105.06	36,052	1,126	1,723	1,180	2,033,166	2,115,712			
18	Summer 18	143	4,589	525	9		8.74	-	-	143	1,815	260,193	270,757			
19	<b>ANNUAL:</b>	6,864	219,731		419	137.34	281	72,104	2,252	4,612		<b>5,937,570</b>	<b>6,178,635</b>	<b>3,077,956</b>	<b>(70,767)</b>	
20	<b>Moreno Valley College</b>															
21	<b>17/18</b>															
22	Summer 17	276	8,838	525	17		16.83	-	-	276	1,952	538,800	560,676	501,865	58,811	
23	Fall 17	3,040	97,328	525	185	67.55	117.84	35,464	1,108	1,933	1,453	2,808,466	2,922,490	2,431,283	491,207	
24	Winter 18	564	18,058	525	34		34.40	-	-	564	2,079	1,172,883	1,220,502			
25	Spring 18	2,828	90,537	525	172	67.55	104.90	35,464	1,108	1,720	1,402	2,411,987	2,509,913			
26	Summer 18	155	4,971	525	9		9.47	-	-	155	1,952	303,075	315,380			
27	<b>ANNUAL:</b>	6,864	219,732		419	135.10	283.44	70,928	2,216	4,648		<b>7,235,212</b>	<b>7,528,961</b>	<b>2,933,148</b>	<b>550,018</b>	
28																
30	<b>Totals</b>	<b>29,715</b>	<b>951,243</b>	<b>525</b>	<b>1,812</b>	<b>331</b>	<b>1,150</b>	<b>173,728</b>	<b>10,854</b>	<b>18,861</b>	<b>1,685</b>	<b>26,923,918</b>	<b>28,017,027</b>	<b>12,211,627</b>	<b>969,493</b>	
32		*Assumption: FY16/17 total figures were correct & 12 New positions have not YET been added to View Budget Position, even though TTS is reflected														
33																
34																
35																
36																
37																

**Riverside Community College District**  
**Nonresident Tuition Fee - FY 2017-2018 Base Augmentation Calculation - FINAL**

	<b>Estimate Fiscal Year 2017-2018</b>	<b>Actual Fiscal Year 2016-2017</b>
Nonresident Tuition Fee Revenue	\$ 3,864,383	\$ 3,411,606
Rate per unit	\$ 234	\$ 211
Units	<u>16,514</u>	<u>16,169</u>
Non-resident FTES	739 *	724
Units per FTES	22.33	22.33

<b>RCC</b>	<b>84.79%</b>	<b>3,276,520</b>	<b>84.79%</b>	<b>2,892,621</b>
<b>NC</b>	<b>9.38%</b>	<b>362,440</b>	<b>9.38%</b>	<b>319,974</b>
<b>MVC</b>	<b>5.83%</b>	<b>225,423</b>	<b>5.83%</b>	<b>199,011</b>
<b>Total</b>	<b><u>100.00%</u></b>	<b><u>3,864,383</u></b>	<b><u>100.00%</u></b>	<b><u>3,411,606</u></b>

**Riverside**

Nonresident Tuition Fee Revenue	\$ 3,276,520	\$ 2,892,621
Rate per unit	\$ 234	\$ 211
Units	<u>14,002.22</u>	<u>13,709.10</u>
Potential revenue		
Non-resident FTES	600	588
Units per FTES	23.35	23.31

**Norco**

Nonresident Tuition Fee Revenue	\$ 362,440	\$ 319,974
Rate per unit	\$ 234	\$ 211
Units	<u>1,548.89</u>	<u>1,516.46</u>
Potential revenue		
Non-resident FTES	81	79
Units per FTES	19.22	19.20

**Moreno Valley**

Nonresident Tuition Fee Revenue	\$ 225,423	\$ 199,011
Rate per unit	\$ 234	\$ 211
Units	<u>963.35</u>	<u>943.18</u>
Potential revenue		
Non-resident FTES	58	57
Units per FTES	16.57	16.55

Combined Total	<u>\$ 3,864,383</u>	<u>\$ 3,411,606</u>
----------------	---------------------	---------------------

\* - Assumes 2% Growth in Non-Resident FTES

		<b>NC</b>	<b>MVC</b>	<b>RCC</b>	<b>Total</b>
<b>Base Revenue Budget Year</b>	<b>FY 09/10**</b>	<b>190,221</b>	<b>236,123</b>	<b>1,518,656</b>	<b>1,945,000</b>
<b>Estimate for</b>	<b>FY 17/18</b>	<b>362,440</b>	<b>225,423</b>	<b>3,276,520</b>	<b>3,864,383</b>
<b>Revenue Budget Difference</b>		<b><u>172,219</u></b>	<b><u>(10,700)</u></b>	<b><u>1,757,864</u></b>	<b><u>1,919,383</u></b>

\*\* - Total Budget in FY 09/10 was \$1,945,000 and was coded all to RCC. For purposes of calculating a Base Revenue Budget split for FY 09/10, FY 10/11 Non-Resident FTES percentages by college were used to apply against FY 09/10 Non-Resident FTES since a split by college was not available, as follows:  
Total - 511 (100%); RCC - 399 (78.08%); NC - 50 (9.78%); MVC - 62 (12.14%).

DISTRICT BUDGET ADVISORY COUNCIL  
FY 2017-18 BUDGET RECOMMENDATIONS

**HANDOUT A**

**Deferred Maintenance/Instructional Equipment Allocation**

To distribute the District's allocation of Deferred Maintenance/Instructional Equipment in the total amount of \$1,964,480 as follows: \$250,000 for ADA assessment and remediation at Moreno Valley and Norco Colleges; and the remaining balance of \$1,714,480 to the colleges using the historical FTES percentages – Riverside City College \$922,390 (53.80%), Moreno Valley College \$396,045 (23.10%), and Norco College \$396,045 (23.10%).

DISTRICT BUDGET ADVISORY COUNCIL  
FY 2017-18 BUDGET RECOMMENDATIONS

**HANDOUT B**

**Budget Savings Allocation**

To distribute accumulated budget savings in the total amount of \$8,000,000 for one-time expenditure purposes only, and adhering to Current Expenses of Education (50% Law) exclusion guidelines as much as possible, as follows: \$750,000 to District Support Services to be used only for high priority information technology infrastructure, and safety and police equipment; and the remaining balance of \$7,250,000 to the colleges using the historical FTES percentages – Riverside City College \$3,900,500 (53.80%), Moreno Valley College \$1,674,750 (23.10%), and Norco College \$1,674,750 (23.10%).

Prioritized RCCD IT Capital Requests Utilizing One-Time Allocation from Reserves  
July-17

Priority	Need	Descripton	Initial Cost	Recurring Cost	IT Area	Notes
1	RCC NOC Fire Suppression	The existing system is end of life and unsupported. We have district equipment which houses Colleague and numerous district wide enterprise applications.	\$80,000	\$5,000	Network	
2	Backup solution for district wide enterprise applications	Current system is end of life and cannot be upgraded to support new hardware.	\$100,000	\$10,000	Applications	
3	Upgrades to enterprise applications virtual environment	Upgrades to the District's virtual computing environment to replace end of life equipment and ensure future compatability. Virtual computing environment supports all District wide enterprise applications.	\$90,000	N/A	Applications	
4	Archive System	System to collect all email and archive it, regardless if the user has deleted it.	\$50,000	Not Available	Network	
5	VPN system	Our VPN system is going end of life and needs to be replaced soon. Note: VPN provides remote access to enterprise applications for staff/faculty at all district locations.	\$14,192	Not Available	Network	
6	Firewall Upgrades	Azure site to site firewall - Upgrade of firewall existing firewall for RCCD connection to Azure. Current firewall has a bandwidth limitation which potentially impacts use of cloud services.	\$15,000	\$1,500	Network	
7	Scrutinizer	This is a Network Flow analyzer which will help us determine what is moving across the district network. It will also help us clean up unnecessary and unwanted traffic on the network. It can be used by all segments of the Network Team (Security, Switches & Routers, Wifi, and Systems).	\$50,236	\$10,000	Network	
8	Firewall Upgrades	Dark Net firewall replacement. This firewall is used for the wireless guest network and needs to be upgraded due to end of life status.	\$15,000	\$1,500	Network	
			<b>\$414,428</b>			
9	Firewall Upgrades	CENIC firewall upgrade - Replacement of existing district firewalls and provide capacity for 40GB Internet connection in the future.	\$1,264,325	Not Available	Network	Low priority due to cost.
			<b>\$1,678,753</b>			

## RCCD Risk Management, Safety & Police Department Capital Needs Inventory

### Risk Management

Initiative	Purpose	Number	Estimated Cost	Total	Priority	DAPR
Standing Desks	Prevention of Industrial Injuries	15	400	6,000	1	X
Safety Committee Radios	Emergency Preparedness	10	200	2,000	2	
EOC Satellite Phones	Emergency Preparedness	4	2,000	8,000	3	
				<b>16,000</b>		

### Police Department

Initiative	Purpose	Number	Estimated Cost	Total	Priority	DAPR
CLETS Connectivity Equipment	Increase Communications	1 pkg	\$15,000	\$15,000	1	
New Patrol Vehicles (Explorer)	Increase Department Patrol Efficiency	8	\$42,000	\$336,000	2	X
Refurbish Patrol Vehicles (Crown Victoria)	Increase Department Patrol Efficiency	6	\$25,000	\$150,000	3	
T3 CSO Patrol Vehicles	Increase Patrol Range   Officer Safety	4	\$7,500	\$30,000	4	
Parking Services Truck	Increase Efficiency	1	\$15,000	\$15,000	5	
Radar Speed Sign	Life Safety	1	\$3,328	\$3,328	6	
Portable Police Radios	Increase Communication Effectiveness	3	\$6,000	\$18,000	7	X
Mobile Data Computer	Increase Operational Efficiency	1	\$3,800	\$3,800	8	X
Electronic Citation Devices	Increase Operational Efficiency	20	\$3,900	\$78,000	9	
				<b>\$649,128</b>		

#### Police Department

New Patrol Vehicles (4) - \$39K/Vehicle; \$70K incl in DAPR - Add'l \$8K Needed; Plus \$78K for 2 more	\$86,000
Refurbishment of Existing Patrol Vehicles (2) - \$25K/Vehicle	\$50,000
T3 CSO Patrol Vehicles (2)	\$15,000
Parking Service Truck to Replace Prior Vehicle (1)	\$25,000
CLETS Connection with Riverside County Sheriff (DOJ Connectivity)	\$15,000
Electronic Citation Devices (20)	\$78,000
Radar Speed Sign (Moveable)	<u>\$3,400</u>

#### Total One-Time Allocation

**\$272,400**

#### New Patrol Vehicles

Allocation from DAPR for Two (2) New Patrol Vehicles (DAPR Funding)	\$70,000	
Additional Amount Need - Cost is \$39K/Vehicle (One-Time Allocation)	<u>\$8,000</u>	
Total to Purchase Two (2) New Vehicles		\$78,000
Amount Needed to Purchase Additional Two (1) New Vehicles		<u>\$78,000</u>
Total to Purchase Four (4) New Vehicles		<u>\$156,000</u>

#### Funding Sources

DAPR	\$70,000
One-Time Allocation	<u>\$86,000</u>
Total Funding Sources	<u>\$156,000</u>

***District Budget Advisory Council Meeting***

*Friday, September 22, 2017 – 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. August 17, 2017
- III. Budget Update
  - A. FY 2017-18 RCCD Budget
    1. Deferred Maintenance/Instructional Equipment Allocation
  - B. State Budget Update
    1. FY 2018-19 Community College System Budget Request (BOG)
- IV. Other
  - A. Budget Allocation Model
- V. Next Meeting
  - A. Friday, October 13, 2017 – 1:30 PM to 3:30 PM at RCCD Building –  
3<sup>rd</sup> Floor, Conference Room 309A

*RIVERSIDE COMMUNITY COLLEGE DISTRICT  
District Budget Advisory Council Meeting*

*August 17, 2017  
RCCD Building - 309  
9:00 a.m. - 11:00 a.m.*

MEETING MINUTES

Members Present

Aaron Brown	(District)
Majd Askar	(District)
Nathaniel Jones	(Moreno Valley College)
Jim Reeves	(Norco College)
Chip West	(Riverside City College)
Asatar Bair	(Riverside City College)
Nate Finney	(Moreno Valley College)
Jennifer Lawson	(Riverside City College)
William Diehl	(District)
Rachelle Arispe	(Recorder)

Members Not Present

Michael McQuead	(Moreno Valley College)
Rex Beck	(Norco College)
Mark Sellick	(District)
Anna Molina	(Norco College)
Jacquelyn Smith	(District wide – Student)

Guest(s) Present

Samuel Lee	(Norco College)
David Bobbitt	(Moreno Valley College)

I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved. Finney moved and Jones seconded approval of the minutes for May 19, 2017. Lawson, Reeves, and West abstained from approval of the minutes.

III. BUDGET UPDATE

A. State Budget Update and RCCD Final Budget Update for FY 2017-18

1. FY 2016-17 FTES – Summer 2017 Rollback (Handout 1)

a. Brown reviewed the handout provided by Raj Bajaj and identified the FTES shortfall of 879.89 for 2016-17. The District Enrollment Management Committee (DEMC) approved rolling the equivalent of the shortfall from summer enrollment into 2016-17 to capture the full budgeted amount. Without



- rolling the enrollment, there would be a \$4.5 million shortfall in apportionment. Brown expects to receive full funding for the 2016-17 FTES target.
- b. Brown briefly reviewed the number of districts that are in restoration as of the Advanced apportionment. Currently, there are 42 out of the 72 that are in restoration. Restoration means that they have entered stability and they are trying to restore FTES so they do not lose base funding. At P2, there were 30 out of 72 districts in stability. Brown is confident that our district will receive all of the FTES funding planned for in our budget. We will not be able to confirm the success of this strategy until after the P3 reporting. P3 will show a lot of changes since other districts can roll their FTES as well.
2. FY 2017-18 Budget Change Worksheet (Handout 2)
    - a. DEMC decided to limit the amount of FY 2017-18 growth funding since we have to make up the 880 FTES in the 2017-18 fiscal year. The statewide growth number is 1%. RCCD's growth rate is at 1.26%, which equals 373 FTES. However, DEMC is limiting it to 66 growth FTES (.22%) plus the base of 29,578.89, for a total of 29,644.90 FTES for FY 2017-18.
    - b. Lawson inquired about the current status of the FTES numbers for fall semester. West and Reeves responded that their colleges FTES numbers are going to hit or exceed target. Jones indicated that MVC's FTES numbers are encouraging but it is still too early to tell.
  3. Budget Change Summary for FY 2017-18 (Handout #3)
    - a. The ending balance for FY 2016-17 was higher than the projected balance of \$35.82 million in the Tentative Budget. The ending balance increased to \$43.12 million, a difference of \$7.3 million.
  4. Budget Change Summary for FY 2017-18 (Handout #4) - shows revenue and expenditures in detail.
    - a. Due to the growth in non-resident students served, non-resident tuition increased by \$.47 million over the Tentative Budget projection. The current year projection indicates there will be an increase of \$1.01 million over the prior year budget amount.
    - b. Interest income has increased by \$.5 million.
    - c. Indirect cost recovery has increased as a result of the increased number and size of grants the district receives. Indirect cost recovery is anticipated to increase by approximately \$400K over the prior year.
    - d. Lottery is estimated to increase by a \$100K.
    - e. The Educational Services Re-Employment Specialist position cost was added as it is related to new legislation that went into effect. Part-time faculty assignments must be monitored to track seniority to comply with the law and the bargaining unit agreement. The position was added in the District Office Educational Services department. HRER does not have the capacity with

existing staff to track over 1,300 part-time faculty. If we do not comply, the district could lose Student Success funding. Brown suggested the colleges talk to their bargaining unit representative for more information.

- f. Other Personnel Changes includes costs for a combination of items which include conversion of five professional experts from RCC athletics and some staff (accounting positions) that work directly on Measure C projects.
  - g. Non-Resident Base Budget Adjustment was aligned to reflect projected non-resident income. The delta is a half a million higher than expected.
  - h. Utilities were estimated to increase for the Tentative Budget. However, after comparison with actuals, there was a \$400K reduction. The major savings was from RCC.
  - i. Miscellaneous Adjustments include an estimated increase of \$440K over the prior year for special revenue program fees (culinary, bookstore, cosmetology, dental, etc.). All unspent revenue is returned to the colleges. Brown explained that a special program number is set-up in the accounting system in order to track the revenue and expenses so colleges have the ability to carryover into the next year. Askar will email the Special Revenue Program list to the Vice Presidents of Business Services.
  - j. One-Time Revenue assumptions total \$1.62 million.
  - k. One-Time Expenditure assumptions total \$2.08 million and includes accumulated budget savings of \$7 million. The DBAC subgroup will discuss how the accumulated budget savings will be distributed.
- B. FY 2017-18 Budget Recommendations
- 1. Part-Time Faculty and Overload Budget Allocation Update (Handout #5)
    - a. Brown reviewed the 2017-18 model with historical maximum cost per FTES and indicated that the allocation appears to be working how it was intended. The FTES and FTEF projections, COLA and contract increase results in a budget of \$28 million. Brown indicated that the DBAC subgroup will continue to look at the model next year.
  - 2. Non-Resident Tuition Fee Expenditure Base Budget Allocation Update (Handout #6)
    - a. Brown provided the detail of the FY 2017-18 Base Augmentation calculation which considers nonresident tuition fee revenue and the rate per unit to result in the number of units. It also factors in the number of non-resident FTES generated and the actual revenue raised by each college.
    - b. The total revenue budget difference of \$1,919,383, is split by each college (identified at the bottom of the handout).
    - c. The FTES is based on where the actual FTES is earned.
    - d. RCC's amount, \$1,757,864, will be dedicated to the Promise Program.
  - 3. Deferred Maintenance/Instructional Equipment Allocation (Handout A)

- a. Brown reviewed the amounts and the budget recommendation language identified on Handout A.
  - b. Brown commented that our district cannot rely on the State to fund Deferred Maintenance/Instructional Equipment. A future local bond would be preferable.
  - c. The funds are split by last year's allocation since the colleges did not respond to the Budget office by the August 15<sup>th</sup> deadline. The budget office split the allocation as follows: 60% in scheduled maintenance and 40% is in instruction equipment. A board action will be required if the colleges want to change the percentage split.
  - d. Members agreed to move forward the Deferred Maintenance/Instructional Equipment Allocation recommendation (Handout A) to the District Strategic Planning Committee (DSPC) for approval.
4. Budget Savings Allocation (Handout B)
- a. Brown reviewed the amounts and the budget recommendation language identified on Handout B.
  - b. Brown reminded members that although the proposal is to distribute \$8,000,000 in accumulated budget savings, the colleges should still plan for a rainy day. There are additional expenditures around the corner such as: negotiations and the classification study; as well as, continued increases to PERS/STRS, health and welfare.
  - c. Although there are no restrictions on the funds, the colleges are encouraged to keep the 50% Law in mind AND that it is only one-time funding.
  - d. West commented that the items listed were good to RCC. Some questioned the big ticket items for the move to the March JPA Building. Brown responded that Chancellor Burke could respond at DSPC if there were any concerns.
  - e. Brown provided members for review Handout #8 – RCCD IT Capital Request Utilizing One-Time Allocation from Reserves and Handout #9 – RCCD Risk Management, Safety & Police Department Capital Needs Inventory.
  - f. Members agreed to move forward the Budget Savings Allocation recommendation (Handout B) to the District Strategic Planning Committee for approval.

IV. NEXT MEETING

- A. Friday, September 22, 2017 – 9:00 a.m. to 11:00 a.m. at the District Office Building – Executive Conference Room 209A, 2<sup>nd</sup> Floor.

V. MEETING ADJOURNED AT 10:15 A.M.

## FTES by Term 2016-2017/P3 Final

Credit Res. FTES	Target Summ16	Actual Summ 16	Roll Over to 2015-2016	Actual Summ 16 Reported at P1	Target Fall 16	Fall 16	Target Winter 17	Winter 17	Target Spring 17	Spring 17	Actual Target	Actual without rollover from next year	Short fall Annual	To be rolled Over from 17Sum
MVC	608	608.79	-101.77	507.02	2844	2807.31	678.96	542.23	2898	2467.13	6832.72	6323.69	509.03	203.256
NC	508.69	480.66	-101.77	378.89	2993.34	3065.03	550.23	521.13	2860.46	2831.15	6832.72	6796.20	36.52	203.256
RCC*	1432.21	1297.34	-237.02	1060.32	6842.78	6658.91	1591.62	1432.03	6728	6427.85	15913.45	15579.11	334.34	473.378
District	2548.9	2386.79	-440.56	1946.23	12680.1	12531.25	2820.81	2495.39	12486.5	11726.13	29578.89	28699.00	879.89	879.89

**2016-2017 Final  
to be Reported**

MOV	6526.95
NOR	6999.46
RCC	16052.49
DIST	29578.89

**Annual Generated  
2016-2017 FTES  
without Roll over**

MOV	6425.46
NOR	6897.97
RCC	15816.13
District	29139.56

Bridge Classes: Overlapping fiscal years.

Section:ADJ: Section 22136 FTES 54.67 for Fall (ends 10/27)

ADJ:Section 22059 FTES 5.47 For Summer (Ends 08/04)

ADJ: Section 20600 FTES 38.76 For Summer (ends 07/14)

Culinary:

45 FTES accounted for in Summer 16 for RCC.

Norco was allocated additional 80 FTES, no increase in the target for Norco.

**Riverside Community College District**  
**FY 2017-18 FTES Final Budget**  
as of August 17, 2017

DBAC 08/17/17  
Handout #2

	<b>FY 2016-17</b>
Actual FTES from FY 2015-2016	28,159.08
Summer 2016 FTES Rolled to FY 2015-2016	440.56
Total FY 2015-2016 FTES Reported	28,599.64
Growth FTES	835.11
Unfunded FTES	144.14
Adopted FTES Target for FY 2016-2017	29,578.89
Actual FTES at P3	28,699.00
FTES Target vs. Actual Difference	(879.89)

\* 879.89 FTES will be moved from Summer 2017 to FY 2016-2017 to achieve full FTES target funding.

MVC - 6,323.69 vs. 6,832.72 = (509.03); NC - 6,796.20 vs. 6,832.72 = (36.52); RCC - 15,555.49 vs. 15,579.11 = (334.34) Per Raj Report - 7-27-17

	<b>FY 2017-18</b>	<b>Growth Formula</b>
Base Credit FTES	29,578.89	29,578.89
FTES Growth	136.06	.46%/1.26%
Funded Credit FTES	29,714.95	236.63
FTES Target	29,714.95	\$ 5,151.2367
Unfunded	-	\$ 1,218,942
 <b><u>FTES Funding Production for FY 2017-18</u></b>		
Growth FTES	136.06	
Unfunded FTES	-	
Summer 2017 Rolled to FY 2016-17	879.89	
Total FTES Production	1,015.95	

FY 2017-2018 Target	29,714.95
FY 2016-2017 Actual FTES (Assumed P1)	28,699.00
Total FTES Production	1,015.95

	FY 2017-2018 Target	FY 2016-2017 Actual at P3	FY 2017-2018 Production	FTES
<b>MVC</b>	6,864.15	6,323.69	540.46	
<b>NC</b>	6,864.15	6,796.20	67.95	
<b>RCC</b>	15,986.64	15,579.11	407.53	
<b>Total</b>	29,714.95	28,699.00	1,015.95	

Riverside Community College District  
 Budget Change Summary  
 FY 2017-2018

DBAC Handout  
 As of 08/17/2017  
 Handout #3

	<b>FY 2016-2017</b>	<b>Projected</b>	<b>FY 2017-2018</b>	
	<b>Adopted</b>	<b>Changes</b>	<b>Projected</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	
<b><u>Ongoing Revenues</u></b>				
Apportionment	\$ 95.21	\$ 8.30	\$ 103.51	
Federal	0.19	-	0.19	
State - Other (Exclusive of Mandate Reimb)	30.20	-	30.20	
Local	46.79	-	46.79	
Other	0.37	2.55	2.92	
Total Ongoing Revenues	<u>\$ 172.76</u>	<u>\$ 10.85</u>	<u>\$ 183.61</u>	
<b><u>Ongoing Expenditures</u></b>				
Academic and Classified Salaries	\$ 112.61	\$ 8.57	\$ 121.18	
Employee Benefits	39.00	2.20	41.20	
Books and Supplies	2.22	-	2.22	
Services and Operating Expenses	22.00	0.79	22.79	
Capital Outlay	0.98	-	0.98	
Interfund	1.27	-	1.27	
Intrafund	0.50	-	0.50	
Total Ongoing Expenditures	<u>\$ 178.58</u>	<u>\$ 11.56</u>	<u>\$ 190.14</u>	
Ongoing Revenue and Expenditure Difference	<u>\$ (5.82)</u>	<u>\$ (0.71)</u>	<u>\$ (6.53)</u>	
<b><u>One-Time Revenues</u></b>				
State - Mandate Reimbursement	\$ 2.62	\$ (1.62)	\$ 1.00	
<b><u>One-Time Expenditures</u></b>				
One-Time Expenditures	<u>\$ 21.33</u>	<u>\$ 2.08</u>	<u>\$ 23.41</u>	
One-Time Revenue and Expenditure Difference	<u>\$ (18.71)</u>	<u>\$ (3.70)</u>	<u>\$ (22.41)</u>	
Total Revenue and Expenditure Difference	\$ (24.53)	\$ (4.41)	\$ (28.94)	
Beginning Fund Balance	<u>36.52</u>		<u>43.12</u>	19.87%
Ending Fund Balance	\$ 11.99		\$ 14.18	
5% Ending Balance Requirement	<u>(11.99)</u>		<u>(14.18)</u>	
Budget (Shortfall) Excess	<u><u>\$ (0.00)</u></u>		<u><u>\$ (0.00)</u></u>	

Riverside Community College District  
 Budget Change Summary  
 FY 2017-18

DBAC Handout  
 As of 08/17/2017

Handout #4

	FY 16-17	FY 17-18	Change
<b>Ongoing Revenue and Expenditure Analysis</b>			
Resident Credit FTES (Actual/Target)	29,578.89	29,714.95	136.06
Resident Credit Funded	29,578.89	29,714.95	136.06
Unfunded FTES	-	-	
Unfunded %	0.00%	0.00%	
<b>Ongoing Revenue Assumptions</b>			
Apportionment (Ongoing Revenues)			
Growth	2.00%/3.42%	1.26%/ .46%	
FY 16-17 Additional			\$ 1.74
FY 16-17 Apportionment Deferral Reversal			(1.13)
FY 17-18			0.70
COLA	0.00%	1.56%	2.52
Base Funding Increase			4.47
Deficit Factor	0.000%	0.000%	-
Total Apportionment			\$ 8.30
Non-Resident Tuition			\$ 1.01
Interest Income			0.50
Indirect Cost Recovery			0.38
Lottery			0.20
Other (Various - Ongoing but Variable)			0.46
Total Apportionment			\$ 2.55
Total Ongoing Revenues			\$ 10.85
<b>Ongoing Expenditure Assumptions</b>			
Academic and Classified Salaries			
Full-Time Compensation (COLA 1.56% and Contract 2.00%)	2.00%	3.56%	\$ 3.52
Part-Time/Ovrld (COLA 1.56% and Contract 2.50%)	2.50%	4.06%	1.77
Part-Time/Ovrld Offset to New FT Faculty Positions			(0.66)
Step/Column/Prof Growth/Other			1.03
Reverse NC PY Temporary Backfill of NSF Positions			(0.15)
New FT Faculty (12 @ \$145k)			1.77
New Classified/Management Position Allocation			0.80
Education Services Re-Employment Specialist (Part-Time Faculty Seniority)			0.11
Sabbaticals - Base Change from PY			0.07
Other Personnel Changes			0.31
Total Academic and Classified Salaries			\$ 8.57
Employee Benefits			
Health Insurance - Active and Over 65 Retirees and OPEB	13.1%/9.0%/0.0%	-3.86%/18.27%/0.0%	\$ 0.84
Health Insurance - Employees Changing Health Plans			0.03
Health Insurance - Under 65 Retirees - Aged-Out (Net)			(0.32)
Employee Benefits Budget Reduction - Historical (3%)			-
Reverse FY 16-17 Retirement Incentive Cost (Ongoing)			(0.85)
OPEB Liability	0.20%	0.20%	-
Workers' Compensation	0.50%	1.00%	0.58
Property and General Liability	1.20%	1.20%	-
STRS	12.58%	14.43%	1.35
PERS	13.887%	15.53%	0.57
Total Employee Benefits			\$ 2.20
Service and Operating Expenses			
Election Costs - "Off Year"			\$ (0.30)
Non-Resident Base Budget Adjustment			1.92
Reverse FY 16-17 La Sierra Loan Repayment (Ongoing)			(1.27)
Utilities			(0.39)
Contracts/Agreements			0.30
Miscellaneous Adjustments			0.53
Total Services and Operating Expenses			\$ 0.79
Total Ongoing Expenditures			\$ 11.56
<b>One-Time Revenue Assumptions</b>			
State - Other (One-Time Revenues)			
State Mandate Reimbursement (Reverse FY 16-17)			\$ (2.62)
FY 15-16 Apportionment Rev in Excess of Entitlement			0.22
Backfill for Lower than Estimated RDA Revenue			0.78
Total One-Time Revenues			\$ (1.62)
<b>One-Time Expenditure Assumptions</b>			
Expenditure			
Reverse FY 16-17 Set-Aside for Future Operating Costs			\$ (15.41)
Reverse FY 16-17 Retirement Incentive Cost (One-Time)			(4.56)
Reverse FY 16-17 La Sierra Loan Repayment (One-Time)			(1.36)
Accumulated Budget Savings Distribution			8.00
FY 17-18 Set-Aside for Future Operating Costs			15.41
Total One-Time Expenditures			\$ 2.08

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>17/18 Model with Historical Max Cost per FTES</b>														
2			(B*525)/ 16.4		C/D	Galaxy, Res 1000, Instructional FTE	E-F	F*525	(H*16.4)/ 525	B-I	16/17 Actuals FTES Historical Spreadsheet	J*K	L*1.0406		M-N
3		Target FTES	WSCH	Factor	FTEF Needed to Teach WSCH	Total FT Faculty, Instructional FTE	PT & OL FTEF needed to Teach WSCH	WSCH Covered by FT	FTES Covered by FT	FTES Covered by PT & OL	Historical Max ( <b>Summer 2010 - Spring 2016</b> ) Cost Per FTES	17/18 Calculated Budget	17/18 Calculated Budget, Plus 4.06%	17/18 Projected Expenditures	17/18 Budget Less Projected Expenditures
4	<b>Riverside City College</b>														
5	<b>17/18</b>														
6	Summer 17	361	11,569	525	22		22.04	-	-	361	2,421	874,783	910,299	1,273,072	(362,773)
7	Fall 17	7,246	231,946	525	442	194.69	247.11	102,212	3,193	4,053	1,371	5,554,936	5,780,466	4,927,450	853,016
8	Winter 18	1,150	36,800	525	70		70.10	-	-	1,150	1,438	1,653,082	1,720,197		
9	Spring 18	6,752	216,131	525	412	194.69	216.99	102,212	3,193	3,559	1,267	4,508,739	4,691,793		
10	Summer 18	479	15,335	525	29		29.21	-	-	479	2,421	1,159,596	1,206,676		
11	<b>ANNUAL:</b>	15,987	511,780		975	389.38	585.44	204,425	6,386	9,601		<b>13,751,135</b>	<b>14,309,431</b>	<b>6,200,522</b>	<b>490,243</b>
12	<b>Norco College</b>														
13	<b>17/18</b>														
14	Summer 17	175	5,608	525	11		10.68	-	-	175	1,815	318,014	330,926	478,293	(147,367)
15	Fall 17	3,181	101,846	525	194	68.67	125.32	36,052	1,126	2,055	1,251	2,571,846	2,676,263	2,599,663	76,600
16	Winter 18	515	16,478	525	31		31.39	-	-	515	1,465	754,350	784,977		
17	Spring 18	2,849	91,209	525	174	68.67	105.06	36,052	1,126	1,723	1,180	2,033,166	2,115,712		
18	Summer 18	143	4,589	525	9		8.74	-	-	143	1,815	260,193	270,757		
19	<b>ANNUAL:</b>	6,864	219,731		419	137.34	281	72,104	2,252	4,612		<b>5,937,570</b>	<b>6,178,635</b>	<b>3,077,956</b>	<b>(70,767)</b>
20	<b>Moreno Valley College</b>														
21	<b>17/18</b>														
22	Summer 17	276	8,838	525	17		16.83	-	-	276	1,952	538,800	560,676	501,865	58,811
23	Fall 17	3,040	97,328	525	185	67.55	117.84	35,464	1,108	1,933	1,453	2,808,466	2,922,490	2,431,283	491,207
24	Winter 18	564	18,058	525	34		34.40	-	-	564	2,079	1,172,883	1,220,502		
25	Spring 18	2,828	90,537	525	172	67.55	104.90	35,464	1,108	1,720	1,402	2,411,987	2,509,913		
26	Summer 18	155	4,971	525	9		9.47	-	-	155	1,952	303,075	315,380		
27	<b>ANNUAL:</b>	6,864	219,732		419	135.10	283.44	70,928	2,216	4,648		<b>7,235,212</b>	<b>7,528,961</b>	<b>2,933,148</b>	<b>550,018</b>
29	<b>Totals</b>	<b>29,715</b>	<b>951,243</b>	<b>525</b>	<b>1,812</b>	<b>331</b>	<b>1,150</b>	<b>173,728</b>	<b>10,854</b>	<b>18,861</b>	<b>1,685</b>	<b>26,923,918</b>	<b>28,017,027</b>	<b>12,211,627</b>	<b>969,493</b>
32	*Assumption: FY16/17 total figures were correct & 12 New positions have not YET been added to View Budget Position, even though TTS is reflected														
33															
34															
35															
36															
37															



**Riverside Community College District**  
**Nonresident Tuition Fee - FY 2017-2018 Base Augmentation Calculation - FINAL**

DBAC 08/17/17  
 Handout #6

	<u>Estimate Fiscal Year 2017-2018</u>	<u>Actual Fiscal Year 2016-2017</u>
Nonresident Tuition Fee Revenue	\$ 3,864,383	\$ 3,411,606
Rate per unit	\$ 234	\$ 211
Units	<u>16,514</u>	<u>16,169</u>
Non-resident FTES	739 *	724
Units per FTES	22.33	22.33

<b>RCC</b>	<b>84.79%</b>	<b>3,276,520</b>	<b>84.79%</b>	<b>2,892,621</b>
<b>NC</b>	<b>9.38%</b>	<b>362,440</b>	<b>9.38%</b>	<b>319,974</b>
<b>MVC</b>	<b>5.83%</b>	<b>225,423</b>	<b>5.83%</b>	<b>199,011</b>
<b>Total</b>	<b><u>100.00%</u></b>	<b><u>3,864,383</u></b>	<b><u>100.00%</u></b>	<b><u>3,411,606</u></b>

**Riverside**

Nonresident Tuition Fee Revenue	\$ 3,276,520	\$ 2,892,621
Rate per unit	\$ 234	\$ 211
Units	<u>14,002.22</u>	<u>13,709.10</u>
Potential revenue		
Non-resident FTES	600	588
Units per FTES	23.35	23.31

**Norco**

Nonresident Tuition Fee Revenue	\$ 362,440	\$ 319,974
Rate per unit	\$ 234	\$ 211
Units	<u>1,548.89</u>	<u>1,516.46</u>
Potential revenue		
Non-resident FTES	81	79
Units per FTES	19.22	19.20

**Moreno Valley**

Nonresident Tuition Fee Revenue	\$ 225,423	\$ 199,011
Rate per unit	\$ 234	\$ 211
Units	<u>963.35</u>	<u>943.18</u>
Potential revenue		
Non-resident FTES	58	57
Units per FTES	16.57	16.55

Combined Total	<u>\$ 3,864,383</u>	<u>\$ 3,411,606</u>
----------------	---------------------	---------------------

\* - Assumes 2% Growth in Non-Resident FTES

		<u>NC</u>	<u>MVC</u>	<u>RCC</u>	<u>Total</u>
<b>Base Revenue Budget Year</b>	<b>FY 09/10**</b>	<b>190,221</b>	<b>236,123</b>	<b>1,518,656</b>	<b>1,945,000</b>
<b>Estimate for</b>	<b>FY 17/18</b>	<b>362,440</b>	<b>225,423</b>	<b>3,276,520</b>	<b>3,864,383</b>
<b>Revenue Budget Difference</b>		<b><u>172,219</u></b>	<b><u>(10,700)</u></b>	<b><u>1,757,864</u></b>	<b><u>1,919,383</u></b>

\*\* - Total Budget in FY 09/10 was \$1,945,000 and was coded all to RCC. For purposes of calculating a Base Revenue Budget split for FY 09/10, FY 10/11 Non-Resident FTES percentages by college were used to apply against FY 09/10 Non-Resident FTES since a split by college was not available, as follows:  
 Total - 511 (100%); RCC - 399 (78.08%); NC - 50 (9.78%); MVC - 62 (12.14%).

Prioritized RCCD IT Capital Requests Utilizing One-Time Allocation from Reserves  
July-17

Priority	Need	Descripton	Initial Cost	Recurring Cost	IT Area	Notes
1	RCC NOC Fire Suppression	The existing system is end of life and unsupported. We have district equipment which houses Colleague and numerous district wide enterprise applications.	\$80,000	\$5,000	Network	
2	Backup solution for district wide enterprise applications	Current system is end of life and cannot be upgraded to support new hardware.	\$100,000	\$10,000	Applications	
3	Upgrades to enterprise applications virtual environment	Upgrades to the District's virtual computing environment to replace end of life equipment and ensure future compatability. Virtual computing environment supports all District wide enterprise applications.	\$90,000	N/A	Applications	
4	Archive System	System to collect all email and archive it, regardless if the user has deleted it.	\$50,000	Not Available	Network	
5	VPN system	Our VPN system is going end of life and needs to be replaced soon. Note: VPN provides remote access to enterprise applications for staff/faculty at all district locations.	\$14,192	Not Available	Network	
6	Firewall Upgrades	Azure site to site firewall - Upgrade of firewall existing firewall for RCCD connection to Azure. Current firewall has a bandwidth limitation which potentially impacts use of cloud services.	\$15,000	\$1,500	Network	
7	Scrutinizer	This is a Network Flow analyzer which will help us determine what is moving across the district network. It will also help us clean up unnecessary and unwanted traffic on the network. It can be used by all segments of the Network Team (Security, Switches & Routers, Wifi, and Systems).	\$50,236	\$10,000	Network	
8	Firewall Upgrades	Dark Net firewall replacement. This firewall is used for the wireless guest network and needs to be upgraded due to end of life status.	\$15,000	\$1,500	Network	
			<b>\$414,428</b>			
9	Firewall Upgrades	CENIC firewall upgrade - Replacement of existing district firewalls and provide capacity for 40GB Internet connection in the future.	\$1,264,325	Not Available	Network	Low priority due to cost.
			<b>\$1,678,753</b>			

RCCD Risk Management, Safety & Police Department Capital Needs Inventory						
Risk Management						
Initiative	Purpose	Number	Estimated Cost	Total	Priority	DAPR
Standing Desks	Prevention of Industrial Injuries	15	400	6,000	1	X
Safety Committee Radios	Emergency Preparedness	10	200	2,000	2	
EOC Satellite Phones	Emergency Preparedness	4	2,000	8,000	3	
				<b>16,000</b>		

Police Department						
Initiative	Purpose	Number	Estimated Cost	Total	Priority	DAPR
CLETS Connectivity Equipment	Increase Communications	1 pkg	\$15,000	\$15,000	1	
New Patrol Vehicles (Explorer)	Increase Department Patrol Efficiency	8	\$42,000	\$336,000	2	X
Refurbish Patrol Vehicles (Crown Victoria)	Increase Department Patrol Efficiency	6	\$25,000	\$150,000	3	
T3 CSO Patrol Vehicles	Increase Patrol Range   Officer Safety	4	\$7,500	\$30,000	4	
Parking Services Truck	Increase Efficiency	1	\$15,000	\$15,000	5	
Radar Speed Sign	Life Safety	1	\$3,328	\$3,328	6	
Portable Police Radios	Increase Communication Effectiveness	3	\$6,000	\$18,000	7	X
Mobile Data Computer	Increase Operational Efficiency	1	\$3,800	\$3,800	8	X
Electronic Citation Devices	Increase Operational Efficiency	20	\$3,900	\$78,000	9	
				<b>\$649,128</b>		

**Police Department**

New Patrol Vehicles (4) - \$39K/Vehicle; \$70K incl in DAPR - Add'l \$8K Needed; Plus \$78K for 2 more	\$86,000
Refurbishment of Existing Patrol Vehicles (2) - \$25K/Vehicle	\$50,000
T3 CSO Patrol Vehicles (2)	\$15,000
Parking Service Truck to Replace Prior Vehicle (1)	\$25,000
CLETS Connection with Riverside County Sheriff (DOJ Connectivity)	\$15,000
Electronic Citation Devices (20)	\$78,000
Radar Speed Sign (Moveable)	\$3,400

**Total One-Time Allocation \$272,400**

<b><u>New Patrol Vehicles</u></b>	
Allocation from DAPR for Two (2) New Patrol Vehicles (DAPR Funding)	\$70,000
Additional Amount Need - Cost is \$39K/Vehicle (One-Time Allocation)	<u>\$8,000</u>
Total to Purchase Two (2) New Vehicles	\$78,000
Amount Needed to Purchase Additional Two (1) New Vehicles	\$78,000
Total to Purchase Four (4) New Vehicles	<u>\$156,000</u>
<b><u>Funding Sources</u></b>	
DAPR	\$70,000
One-Time Allocation	<u>\$86,000</u>
Total Funding Sources	<u>\$156,000</u>

DISTRICT BUDGET ADVISORY COUNCIL  
FY 2017-18 BUDGET RECOMMENDATIONS

**HANDOUT A**

**Deferred Maintenance/Instructional Equipment Allocation**

To distribute the District's allocation of Deferred Maintenance/Instructional Equipment in the total amount of \$1,964,480 as follows: \$250,000 for ADA assessment and remediation at Moreno Valley and Norco Colleges; and the remaining balance of \$1,714,480 to the colleges using the historical FTES percentages – Riverside City College \$922,390 (53.80%), Moreno Valley College \$396,045 (23.10%), and Norco College \$396,045 (23.10%).

DISTRICT BUDGET ADVISORY COUNCIL  
FY 2017-18 BUDGET RECOMMENDATIONS

**HANDOUT B**

**Budget Savings Allocation**

To distribute accumulated budget savings in the total amount of \$8,000,000 for one-time expenditure purposes only, and adhering to Current Expenses of Education (50% Law) exclusion guidelines as much as possible, as follows: \$750,000 to District Support Services to be used only for high priority information technology infrastructure, and safety and police equipment; and the remaining balance of \$7,250,000 to the colleges using the historical FTES percentages – Riverside City College \$3,900,500 (53.80%), Moreno Valley College \$1,674,750 (23.10%), and Norco College \$1,674,750 (23.10%).

**CALIFORNIA COMMUNITY COLLEGES  
2018-19 BUDGET & LEGISLATIVE PROPOSAL**



*SEPTEMBER 18, 2017*

**PREPARED BY**

**MARIO RODRIGUEZ, VICE CHANCELLOR, COLLEGE FINANCE & FACILITIES PLANNING  
LAURA METUNE, VICE CHANCELLOR, GOVERNMENTAL RELATIONS**

**CHANCELLOR'S OFFICE, CALIFORNIA COMMUNITY COLLEGES  
1102 Q STREET  
SACRAMENTO, CA 95811-6549**

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## **TABLE OF CONTENTS**

<b>INTRODUCTION .....</b>	<b>1</b>
<b>2018-19 BUDGET AND LEGISLATIVE PROPOSAL OVERVIEW .....</b>	<b>3</b>
<b>2018-19 BUDGET AND LEGISLATIVE PROPOSAL NARRATIVE .....</b>	<b>4</b>
<b>2018-19 BUDGET REQUEST SUMMARY .....</b>	<b>10</b>



## INTRODUCTION

The California Community Colleges (CCCs) represent the largest system of higher education in the country and the largest workforce provider in California. More than two million students attend CCCs each year, seeking degrees and transfer to university, career technical education, and basic skills and remediation education. Our students represent one of the most diverse student bodies of any system, roughly matching the demographics of the state. The accessibility, affordability and quality of our community colleges has allowed California to send more young people to college than any other state, and to provide students seeking to transfer to a university a strong academic foundation.

Community colleges also face serious challenges as a system. Too few of our students make it to their desired goal, only 48 percent of community college students achieved their goal of obtaining a degree, certificate, or transfer within 6-years. Students who do complete their associate degree goals take a long time to do so, an average of 5.2 years; and, students accumulate significantly more units than are needed to graduate. Older and working adults are too often left behind due to a lack of supports and programming that serves adults who must also balance work, childcare and household demands. A focus on tuition has masked the overall affordability challenges our students face, and the state's financial aid structure does not provide sufficient assistance with non-tuition related costs of attendance. Serious achievement gaps exist, for low-income and students of color, and for regions throughout the state.

In July 2017, at the direction of Chancellor Oakley, the Foundation for California Community Colleges released the Vision for Success. This document outlined a vision for our system, with clear goals centered on the current and future needs of California. The report provided an honest look at the strengths and weaknesses of our system and framed a series of commitments that the system must make to California and our students in order to advance our goals for success.

The Vision for Success calls for the following system-wide five-year goals:

1. Increase by at least 20 percent the number of CCC students annually who acquire associate degrees, credentials, certificates, or specific skill sets that prepare them for an in-demand job.
2. Increase by 35 percent the number of CCC students system-wide transferring annually to a UC or CSU.
3. Decrease the average number of units accumulated by CCC students earning an associate's degree, from approximately 87 total units (the most recent system-wide average) to 79 total units.
4. Increase the percent of exiting CTE students who report being employed in their field of study, from the most recent statewide average of 60 percent to an improved rate of 69 percent.

5. Reduce equity gaps across all of the above measures by 40 percent within 5 years and closing those achievement gaps for good within 10 years.
6. Reduce regional achievement gaps across all of the above measures, with the ultimate goal of closing regional achievement gaps for good within 10 years.

The Vision for Success outlines seven core commitments the CCC system should make to achieve these ambitious goals:

1. Focus relentlessly on students' end goals.
2. Always design and decide with the student in mind.
3. Pair high expectations with high support.
4. Foster the use of data, inquiry, and evidence.
5. Take ownership of goals and performance.
6. Enable action and thoughtful innovation.
7. Lead the work of partnering across systems.

This document is built around the goals and commitments outlined in the Vision for Success and proposes to increase the state's investment in education to improve the colleges' ability to meet California's education and training needs.

The next section, 2018-19 Budget and Legislative Overview, describes the key pieces of the request in greater detail, while the last section contains the specific priorities for funding and policy changes for 2018-19.

## CALIFORNIA COMMUNITY COLLEGES 2018-19 BUDGET AND LEGISLATIVE REQUEST OVERVIEW

Historically, the Governmental Relations and Finance & Facilities Planning Divisions of the Chancellor's Office have worked independently to develop and present annual budget and legislative requests to the Board of Governors. In approaching the 2018-19 budget and policy agenda, the Chancellor's Office determined that change was necessary. Recognizing the interconnectedness of the Legislative fiscal and policy processes, and the need to collaborate and integrate across Chancellor's Office divisions, this document represents a combined California Community Colleges' Board of Governors' 2018-19 Budget and Legislative Request.

The timing of the release of the Vision for Success and the requirements of the budget cycle meant that the traditional process for consultation had to be condensed. Members of Consultation Council as well as internal and external stakeholders were invited to a joint legislative and budget planning meeting on August 21, 2017. This meeting provided an opportunity for the Chancellor's Office to provide an overview of budget and policy priorities and allow participants to submit additional items for consideration.

This request reflects the funding and policy priorities necessary to advance the goals outlined in the strategic vision, and identifies the following priorities:

- Base increase to provide flexible funding to provide high-quality educational opportunities
- Promise programs to assist students transitioning from high school to community college
- Financial aid that reflects the total cost of attendance to help students succeed
- Additional resources for full-time and part-time faculty
- Expansion of online learning options for students
- Support for a culture of data-informed decision-making

The system budget request for 2018-19 totals approximately \$382.5 million, the specific recommended funding increases are described in further detail in the next section, 2018-19 Budget and Legislative Request Narrative.

## **2018-19 BUDGET AND LEGISLATIVE REQUEST NARRATIVE**

The California Community Colleges budget and legislative request identifies the resources necessary for colleges to provide high-quality educational services that advance the goals outlined in the Vision for Success. The CCC system has been fortunate to receive increased funding in the past three budget cycles, and the increased revenue, combined with flexibility to address local needs, has gone a long way towards ensuring that the colleges can meet the challenges of meeting the state's workforce and educational needs for the 21<sup>st</sup> century.

This 2018-19 Board of Governors Budget and Legislative Proposal has been developed by the Chancellor's Office to ensure that colleges can function at maximum effectiveness to ensure the success of all students to meet their educational goals. The proposal identifies core priorities for funding and legislative changes in each of the Vision for Success goals. Details on each of these areas are provided below.

### **Vision for Success Goal #1**

**Increase by at least 20 percent the number of CCC students annually who acquire associate degrees, credentials, or specific skill sets that prepare them for an in-demand job.**

#### **General Operating Expenses**

**(\$200 million)**

For 2018-19 the system is requesting an increase in base funding of \$200 million to help address general operating expenses. A base increase is vital to providing colleges with unrestricted resources that allow colleges to enhance local programming and address regional and community needs. This request will support colleges as they work to address all of the goals outlined in the Vision for Success.

In 2015-16, 2016-17, and 2017-18, the CCC system received \$267 million, \$75 million, and \$183.6 million respectively, as an augmentation to base funding, partly in recognition of increasing costs and a decline in purchasing power due to non-payment of COLAs between 2007-08 and 2012-13. We estimate the cumulative purchasing power lost over those years at nearly \$1 billion. Compounded with the lost purchasing power is the fact that over the last 10 years, the colleges have experienced raising costs due to information technology to provide modern instruction, costs of modern equipment necessary for students to gain up-to-date skills and be competitive in the job market, higher utility bills and health care costs, campus security, and other expenses. Colleges do not have enough discretionary funding to cover these increasing costs which are essential to providing higher education in the 21<sup>st</sup> century.

#### **Flexible Learning Outcomes for Workers**

**(Funding/Statutory TBD)**

This spring, Governor Brown asked CCC Chancellor Oakley to review and recommend options for establishing a community college that exclusively offers fully online degree programs to make college more accessible and affordable for non-traditional students. Since this time, the Board of Governors has accepted the Vision for Success, which calls for the system to better serve working

adults in order to meet California's workforce needs. Chancellor Oakley has convened a workgroup to develop a plan to provide 3 – 5 options that enable the community colleges of California to better deliver on the student success goals outlined on in the Vision for Success, including online opportunities. This work group is co-chaired by Executive Vice Chancellor for Workforce and Digital Futures Van Ton-Quinlivan and Cerritos Colleges President Jose Fierro and has representation from the Academic Senate (ASCCC) and other system representatives. Chancellor Oakley has defined the target population for these options as 'adults with some college and no certification' as well as 'working adults with vocational needs' to enable them to earn certifications that lead better workforce outcomes. This endeavor is called "Flex Learning Options for Workers" (FLOW).

On August 28-29, the workgroup met to review proposals in response to the Governor's request and Vision for Success goals. At the November meeting, the Board of Governors will be provided an overview of the workgroup findings and recommendations and will be asked to approve an associated budget and legislative request.

### **Vision for Success Goal #2**

**Increase by 35 percent the number of CCC students system-wide transferring annually to a UC or CSU.**

#### **Full-Time Faculty Hiring**

**(\$75 million)**

Full-time faculty benefit students and colleges by providing critical services such as academic advising during faculty office hours, ongoing curriculum development, and by participating in institutional planning and shared governance. Hiring additional full-time faculty will advance all of the goals in the Strategic Vision, and is a key component of academic and curricular redesign. Faculty are vital to meeting the goal of increasing transfer-intersegmental faculty partnerships can advance new transfer pathways and help ensure CCC students are well prepared for success at four-year universities. For 2018-19, the system is requesting \$75 million to support the hiring of approximately 800 additional full-time faculty.

#### **Part-Time Faculty Support**

**(\$25 million)**

While full-time faculty are crucial to the success of our students, part-time faculty also play a very important role in the CCC system. The three part-time faculty categorical programs (parity, office hours, and health insurance) were reduced by over 40 percent during the economic recession. The 2016-17 budget included \$3.7 million to restore the part-time faculty office hours program to the pre-recession level. The 2017-18 budget included \$5 million for the part-time faculty offices hours program. For 2018-19, we are requesting \$25 million to support part-time faculty.

#### **Cal Grants to Better Serve Community College Students**

**(TBD/Statutory)**

While Cal Grant funding is not part of the California Community Colleges' budget, expansion of the Cal Grant funding available to community college students is a key component of achieving

the goals outlined in the Vision for Success. Two-thirds of California's higher education students are attending a California Community College, however only six percent of the total funding awarded by the Cal Grant program goes to community college students. This funding disparity reduces the ability of community college students to take more classes, increasing the time it takes to obtain a degree.

To help our students achieve their educational goals and ultimately increase the number of bachelor's degrees in this state, we encourage the state to accelerate the investment in Cal Grant through expanding the Cal Grant Entitlement Program to cover a larger proportion of Community College students and increasing the number of Competitive awards. Given the importance of the state's need to support equity and access, the Chancellor's Office will seek an increase in Cal Grant funding and associated statutory changes to expand and enhance the program.

### **Vision for Success Goal #3**

**Decrease the average number of units accumulated by CCC students earning an associate's degree, from approximately 87 total units (the most recent system-wide average) to 79 total units.**

#### **Basic Skills Transformation Grants**

**(\$25 million, one-time / Statutory)**

Many students entering the CCC system need additional support in order to be successful in transfer-level coursework in English and/or math, but outcomes for students who are required to enroll in a traditional basic skills sequence are poor. According to the 2017 Statewide Student Success Scorecard, 34.2% of students who took a basic skills math course completed a college level math course within six years and 46.9% of students who took a basic skills English course completed a college-level English course within six years. The CCC and the state have sought to improve basic skills through expanding funding for the Basic Skills Initiative (BSI) and through establishing the Basic Skills and Student Outcomes Transformation Program. Colleges that have implemented high-impact practices to improve delivery of basic skills education have seen significant improvements. Funding has been insufficient to bring successful programs to scale.

The 2018-19 budget and legislative request includes the creation of a basic skills transformation grant program 2.0, to provide \$25 million (one-time) to fund grants to community colleges to support full-scale adoption of high-impact practices such as co-requisite remediation and contextualized basic skills courses.

#### **Professional Development**

**(\$25 million/Statutory)**

Ongoing professional development is a fundamental component of supporting the systemic change that will improve student success. Without a sustained and focused approach to professional development, individual institutions, let alone an entire educational system, cannot expect to change attitudes, help faculty and staff rethink how their colleges approach the issue of student success, and implement a continuous assessment process that brings about iterative improvement. Professional Development provides faculty and staff with the tools and skills necessary to address

the multiple needs and challenges faced with a comprehensive effort to improve student success in the CCC. Professional development enables faculty to be better prepared to work with all students from multiple backgrounds and educational needs. The increased use of technology will require new skills to facilitate more effective teaching and learning methods. For 2018-19, we are requesting \$25 million and associated statutory guidance to provide professional development that supports evidence-based practices aligned with the Strategic Vision.

**CCCCO Staffing and Professional Development** **(\$2.5 million)**

The Strategic Vision highlights the importance of the Chancellor's Office establishing a clear focus on student success, and providing strong, continuous support colleges as they strive to achieve these goals. For the CCCCCO, this means a transition away from a compliance-oriented oversight structure and toward a structure of support and technical assistance for colleges. This will require professional development and staffing resources aligned to this new role and responsibility. For 2018-19, we request \$2.5 million to support additional staff and ongoing professional development.

**Vision for Success Goal #4**

**Increase the percent of exiting CTE students who report being employed in their field of study, from the most recent statewide average of 60 percent to an improved rate of 69 percent.**

**Adult Education Data Sharing Agreements** **(Statutory)**

AB 104 (Chapter 13, Statutes of 2015) established the Adult Education Block Grant (AEBG), an integrated, regional delivery system designed to provide education and workforce services to underserved adults. To ensure that funding accelerates adults into employment, living wages, and full engagement in society, the legislation required the CCC Chancellor's Office and the California Department of Education to identify a process and indicators for measuring the effectiveness of each regional consortium. The 2018-19 Budget and Legislative Request includes a statutory proposal to authorize a data sharing arrangement to allow access to aggregate wage data to support program evaluation.

**Vision for Success Goal #5**

**Reduce equity gaps across all of the above measures by 40 percent within 5 years and closing those achievement gaps for good within 10 years.**

**Integration of Student Support Services** **(Statutory)**

SB 85 (2017 Education Trailer Bill) established the California Community College Guided Pathways Grant Program and required the Chancellor's Office to establish a program to support college implementation of the Guided Pathways framework. Specifically called out in the statute

is the goal of ensuring colleges integrate existing student-success programs and services. This request will authorize the Chancellor's Office to build on the integration effort that established a single report structure for the Basic Skills Initiative, Student Success and Support Program, and Student Equity Program and seek statutory changes that align these programs to the integration required under the Guided Pathways framework. This will create a flexible intake process to support students and will assist colleges in advancing the goal of reducing achievement gaps for underserved student populations.

### **Equal Employment Opportunity**

**(\$5 million)**

California Code of Regulations, title 5 section 53024.1 states that "[e]stablishing and maintaining a richly diverse workforce is an on-going process that requires continued institutionalized effort." Our colleges serve a highly diverse student population, reflective of the broader population of California, with 55 to 70 percent underrepresented students. Yet, in the past ten years, only 20 to 30 percent of full-time faculty hires were from underrepresented communities. At least 75 percent of the EEO Fund must be allocated to the districts to support activities to promote equal employment opportunity, including outreach and recruitment and in service training on the EEO requirements in title 5. In 2016, the Chancellor's Office changed the EEO Fund allocation model from an FTES allocation model to a performance-based method, whereby districts are required to meet multiple methods of success in promoting EEO in their pre-hiring, hiring, and post-hiring processes. The multiple methods allocation model required districts to certify compliance with certain title 5 requirements and identify specific efforts to promote EEO at the local level. Additional funding allocated to the districts would help colleges prioritize their efforts, institutionalize improved processes, and maintain positive momentum for EEO programs statewide. Additional funding for statewide EEO activities would allow the Chancellor's Office to provide further technical assistance, service, monitoring, and compliance functions.

### **Vision for Success Goal #6**

**Reduce regional achievement gaps across all of the above measures, with the ultimate goal of closing regional achievement gaps for good within 10 years.**

### **California Promise Framework**

**(\$25 million/Statutory)**

A successful College Promise program increases the number of high school students who graduate prepared for college, increases the number of students who earn a credential or degree from a community college, increases the number of student who successfully transfer to a UC or CSU, and reduces and eliminates achievement gaps and regional achievement gaps. The 2018-19 budget and legislative request proposes to establish a California Promise framework for the CCC system, to be administered by the Chancellor's Office. Under the program, which will require both budget appropriation and statutory authority, colleges would become eligible for funding to support the regional California Promise if they meet specified outlined participation requirements such as helping all students complete financial aid applications and participating in the guided pathways framework. The Chancellor's Office would be responsible for administering and monitoring compliance with the program.



**2018-19 BUDGET AND LEGISLATIVE REQUEST SUMMARY**

<b>Item</b>	<b>Funding</b>	<b>Statutory Change</b>
General Operating Expenses	\$200 Million	-
Project FLOW (Online Education)	TBD	TBD
Full-Time Faculty Hiring	\$75 Million	-
Part-Time Faculty Support	\$25 Million	-
Cal Grant Program / Financial Aid	TBD	Yes
Basic Skills Transformation Grants	\$25 Million (one-time)	Yes
Professional Development	\$25 Million	Yes
CCCCO Staffing and Development	\$2.5 Million	-
Adult Education Data Sharing	-	Yes
Integration of Student Support Services	-	Yes
Equal Employment Opportunity	\$5 Million	-
College Promise	\$25 Million	Yes

**Total On-Going Funding Request**

**\$382.5 million**

***District Budget Advisory Council Meeting***

*Thursday, November 9, 2017 – RCCD Building, Conference Room 309A*

*9:00 a.m. - 11:00 a.m.*

**AGENDA**

- I. Welcome and Call to Order
- II. Approval of Minutes
  - A. September 22, 2017
- III. Budget
  - A. Physical Plant and Instructional Support Allocation Methodology  
Revision
- IV. Other
  - A. Bookstore Discussion
  - B. Budget Allocation Model Update
  - C. Institutional Effectiveness Goals Framework of Indicators
    - 1. Fiscal Viability
    - 2. Programmatic Compliance with State and Federal Guidelines
  - D. Review and Approve BPAP 6307 – Debt Issuance and Management
- V. Next Meeting
  - A. Friday, December 15, 2017 – 1:30 PM to 3:30 PM at RCCD Building –  
3<sup>rd</sup> Floor, Conference Room 309A

*RIVERSIDE COMMUNITY COLLEGE DISTRICT  
District Budget Advisory Council Meeting*

*September 22, 2017  
RCCD Building - 309  
9:00 a.m. - 11:00 a.m.*

MEETING MINUTES

Members Present

Aaron Brown	(District)
Majd Askar	(District)
Nathaniel Jones	(Moreno Valley College)
Jim Reeves	(Norco College)
Chip West	(Riverside City College)
Michael McQuead	(Moreno Valley College)
Rex Beck	(Norco College)
Asatar Bair	(Riverside City College)
Mark Sellick	(District)
Jennifer Lawson	(Riverside City College)
William Diehl	(District)
Rachelle Arispe	(Recorder)

Members Not Present

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

Guest(s) Present

David Bobbitt	(Moreno Valley College)
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I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved, West moved and Bair seconded approval of the minutes for August 17, 2017. Beck and Sellick abstained.

III. BUDGET UPDATE

A. RCCD Budget

1. The California Community Colleges (CCC) Chancellor's Office announced that the Physical Plant and Instructional Support program allocation would be decreased by a total of \$7 million. The \$7 million will be shifted to financial aid to provide for

CCC students who are in the Deferred Action for Childhood Arrivals (DACA) program.

2. The Physical Plant and Instructional Support program's revised allocation amount is \$69,859,000. RCCD's allocation decreased by \$178,917, to a total of \$1,785,563.
3. Askar provided two handouts showing the original Physical Plant and Instructional Support distribution and the proposed distribution to the colleges and the district office.
4. The college's proposed distribution still includes 60% for Scheduled Maintenance and 40% for Instructional Support.
5. Askar explained that the college level split between Scheduled Maintenance and Instructional Support can be changed but it would need to go to the Board of Trustees as a budget adjustment.
6. Jones, Reeves and West agreed that the college distributions listed on the proposed handout could remain "as-is".
7. Brown remarked that the ADA Remediation project at RCC is in DSA. It is expected that DSA will be completed by early October.
8. Brown added that MVC has a signage project that has a fund reversion timeline of June 30, 2018. MVC needs to make a commitment by the first part of the calendar year that the project will be completed by June or the funds will need to be reallocated to the colleges.
9. Reeves inquired about the ADA allocation for MVC and NC. Brown responded that he will ask Michael Simmons to get in touch. Brown will provide an update at the next DBAC meeting.
  - a. Brown commented that Simmons only has an oversight role for ADA projects.
  - b. West asked if Facilities Planning and Development will be assisting with the project since they are assisting RCC with the ADA Remediation project. Brown responded that they were assisting.

#### B. State Budget Update

1. FY 2018-19 Community College System Budget Request (BOG) was reviewed by Brown. The proposal outlines vision and goals centered on the current and future needs of California. The proposal identified system-wide five-year goals and outlines seven core commitments that the CCC system should make to achieve their goals.
2. The system budget request for 2018-19 totals approximately \$382.5 million, excluding COLA and growth. Funding related to RCCD is described as follows:
  - a. General Operating Expenses - \$200 million state-wide/approximately \$5 million to RCCD (increased by 20% over the course of 5 years).
  - b. Flexible Learning Outcomes for Workers – Funding TBD. 100% online degree programs.

- i. Lawson and Sellick expressed their concerns over online education administered by the State.
  - ii. Brown remarked that the State's online college concept is in the embryonic planning stage.
- c. Full-Time Faculty Hiring - \$75 million state-wide to support the hiring of approximately 800 additional full-time faculty. This will advance the goals in the Strategic Vision and is a key component of academic and curricular redesign. RCCD's share of the allocated funds is approximately \$1.8 million - equivalent to roughly 16-17 positions.
  - i. Brown believes that our faculty obligation number will go up proportionately with the funds that we receive.
  - ii. Lawson commented that she has concerns with the staff support of all the new faculty hiring.
- d. Part-Time Faculty Support - \$25 million state-wide/approximately \$239K for RCCD.
- e. Professional Development - \$25 million state-wide/approximately \$600K for RCCD.
- f. Equal Employment Opportunity - \$5 million state-wide/ approximately \$100K for RCCD.

#### IV. Other

##### A. Budget Allocation Model

1. Brown indicated that the college presidents have made a proposal to revise the Budget Allocation Model (BAM).
2. Brown requested the members refer the discussion to the subgroup once key points are known. The council agreed to do so.
  - a. Sellick commented that once the Strategic Plan is in place, a revised BAM can be properly addressed. Making revisions at this point are premature. However, Sellick will accept discussing at subgroup.
  - b. Jones suggested that principles can be discussed and there could be some meaningful dialogue.

#### V. NEXT MEETING

- A. Friday, October 13, 2017 – 1:30 p.m. to 3:30 p.m. at the District Office Building – Executive Conference Room 309A.
  1. Due to a conflict with an event being held at Moreno Valley College, it was requested that the meeting be moved to a different date/time.
  2. Arispe will email members options for a different date/time in October.

#### VI. MEETING ADJOURNED AT 10:00 A.M.

FY 17-18 Physical Plant and Instructional Support Allocation  
(Original Allocation)

Total District Allocation		\$ 1,964,480		
	FTE Split	Total Allocation	SPP 653 - Scheduled Maintenance	SPP 075 - Instructional Supplies
ADA Set-Aside		\$ 250,000	\$ 250,000	
Riverside	53.8%	922,390	553,434	368,956
Norco	23.1%	396,045	237,627	158,418
Moreno Valley	23.1%	396,045	237,627	158,418
Totals	100%	\$ 1,964,480	\$ 1,278,688	\$ 685,792

60% in scheduled maintenance and 40% in instructional equipment

FY 17-18 Physical Plant and Instructional Support Allocation  
(Proposed Allocation)

Total District Allocation		1,785,563		
	FTE Split	Total Allocation	SPP 653 - Scheduled Maintenance	SPP 075 - Instructional Supplies
ADA Set-Aside		\$ 250,000	\$ 250,000	
Riverside	53.80%	826,133	495,680	330,453
Norco	23.10%	354,715	212,829	141,886
Moreno Valley	23.10%	354,715	212,829	141,886
Totals	100%	\$ 1,785,563	\$ 1,171,338	\$ 614,225

60% in scheduled maintenance and 40% in instructional equipment

**CALIFORNIA COMMUNITY COLLEGES  
2018-19 BUDGET & LEGISLATIVE PROPOSAL**



*SEPTEMBER 18, 2017*

**PREPARED BY**

**MARIO RODRIGUEZ, VICE CHANCELLOR, COLLEGE FINANCE & FACILITIES PLANNING  
LAURA METUNE, VICE CHANCELLOR, GOVERNMENTAL RELATIONS**

**CHANCELLOR'S OFFICE, CALIFORNIA COMMUNITY COLLEGES  
1102 Q STREET  
SACRAMENTO, CA 95811-6549**



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the Board**

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Joseph J. Bielanski, Jr.  
Scott Budnick  
Connie Conway  
Eman Dalili  
Thomas Epstein  
Cecilia V. Estolano  
Danny Hawkins  
Pamela Haynes  
Jennifer Perry  
Man Phan  
Gary Reed  
Valerie Lynne Shaw  
Nancy Sumner  
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*Chancellor*

Erik Skinner  
*Deputy Chancellor*

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*Executive Vice Chancellor / Educational Services Division*

Theresa Tena  
*Executive Vice Chancellor / Institutional Effectiveness and  
Innovation*

Van Ton-Quinlivan  
*Executive Vice Chancellor / Workforce and Digital Futures*

Paul Feist  
*Vice Chancellor / Communications*

Jacob Knapp  
*Acting General Counsel / Operations and General Counsel*

Laura Metune  
*Vice Chancellor / Governmental Relations*

Mario Rodriguez  
*Vice Chancellor / College Finance and Facilities Planning*

## TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>1</b>
<b>2018-19 BUDGET AND LEGISLATIVE PROPOSAL OVERVIEW .....</b>	<b>3</b>
<b>2018-19 BUDGET AND LEGISLATIVE PROPOSAL NARRATIVE .....</b>	<b>4</b>
<b>2018-19 BUDGET REQUEST SUMMARY .....</b>	<b>10</b>

## INTRODUCTION

The California Community Colleges (CCCs) represent the largest system of higher education in the country and the largest workforce provider in California. More than two million students attend CCCs each year, seeking degrees and transfer to university, career technical education, and basic skills and remediation education. Our students represent one of the most diverse student bodies of any system, roughly matching the demographics of the state. The accessibility, affordability and quality of our community colleges has allowed California to send more young people to college than any other state, and to provide students seeking to transfer to a university a strong academic foundation.

Community colleges also face serious challenges as a system. Too few of our students make it to their desired goal, only 48 percent of community college students achieved their goal of obtaining a degree, certificate, or transfer within 6-years. Students who do complete their associate degree goals take a long time to do so, an average of 5.2 years; and, students accumulate significantly more units than are needed to graduate. Older and working adults are too often left behind due to a lack of supports and programming that serves adults who must also balance work, childcare and household demands. A focus on tuition has masked the overall affordability challenges our students face, and the state's financial aid structure does not provide sufficient assistance with non-tuition related costs of attendance. Serious achievement gaps exist, for low-income and students of color, and for regions throughout the state.

In July 2017, at the direction of Chancellor Oakley, the Foundation for California Community Colleges released the Vision for Success. This document outlined a vision for our system, with clear goals centered on the current and future needs of California. The report provided an honest look at the strengths and weaknesses of our system and framed a series of commitments that the system must make to California and our students in order to advance our goals for success.

The Vision for Success calls for the following system-wide five-year goals:

1. Increase by at least 20 percent the number of CCC students annually who acquire associate degrees, credentials, certificates, or specific skill sets that prepare them for an in-demand job.
2. Increase by 35 percent the number of CCC students system-wide transferring annually to a UC or CSU.
3. Decrease the average number of units accumulated by CCC students earning an associate's degree, from approximately 87 total units (the most recent system-wide average) to 79 total units.
4. Increase the percent of exiting CTE students who report being employed in their field of study, from the most recent statewide average of 60 percent to an improved rate of 69 percent.

5. Reduce equity gaps across all of the above measures by 40 percent within 5 years and closing those achievement gaps for good within 10 years.
6. Reduce regional achievement gaps across all of the above measures, with the ultimate goal of closing regional achievement gaps for good within 10 years.

The Vision for Success outlines seven core commitments the CCC system should make to achieve these ambitious goals:

1. Focus relentlessly on students' end goals.
2. Always design and decide with the student in mind.
3. Pair high expectations with high support.
4. Foster the use of data, inquiry, and evidence.
5. Take ownership of goals and performance.
6. Enable action and thoughtful innovation.
7. Lead the work of partnering across systems.

This document is built around the goals and commitments outlined in the Vision for Success and proposes to increase the state's investment in education to improve the colleges' ability to meet California's education and training needs.

The next section, 2018-19 Budget and Legislative Overview, describes the key pieces of the request in greater detail, while the last section contains the specific priorities for funding and policy changes for 2018-19.

## CALIFORNIA COMMUNITY COLLEGES 2018-19 BUDGET AND LEGISLATIVE REQUEST OVERVIEW

Historically, the Governmental Relations and Finance & Facilities Planning Divisions of the Chancellor's Office have worked independently to develop and present annual budget and legislative requests to the Board of Governors. In approaching the 2018-19 budget and policy agenda, the Chancellor's Office determined that change was necessary. Recognizing the interconnectedness of the Legislative fiscal and policy processes, and the need to collaborate and integrate across Chancellor's Office divisions, this document represents a combined California Community Colleges' Board of Governors' 2018-19 Budget and Legislative Request.

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This 2018-19 Board of Governors Budget and Legislative Proposal has been developed by the Chancellor's Office to ensure that colleges can function at maximum effectiveness to ensure the success of all students to meet their educational goals. The proposal identifies core priorities for funding and legislative changes in each of the Vision for Success goals. Details on each of these areas are provided below.

### **Vision for Success Goal #1**

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#### **General Operating Expenses**

**(\$200 million)**

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#### **Flexible Learning Outcomes for Workers**

**(Funding/Statutory TBD)**

This spring, Governor Brown asked CCC Chancellor Oakley to review and recommend options for establishing a community college that exclusively offers fully online degree programs to make college more accessible and affordable for non-traditional students. Since this time, the Board of Governors has accepted the Vision for Success, which calls for the system to better serve working

adults in order to meet California's workforce needs. Chancellor Oakley has convened a workgroup to develop a plan to provide 3 – 5 options that enable the community colleges of California to better deliver on the student success goals outlined on in the Vision for Success, including online opportunities. This work group is co-chaired by Executive Vice Chancellor for Workforce and Digital Futures Van Ton-Quinlivan and Cerritos Colleges President Jose Fierro and has representation from the Academic Senate (ASCCC) and other system representatives. Chancellor Oakley has defined the target population for these options as 'adults with some college and no certification' as well as 'working adults with vocational needs' to enable them to earn certifications that lead better workforce outcomes. This endeavor is called "Flex Learning Options for Workers" (FLOW).

On August 28-29, the workgroup met to review proposals in response to the Governor's request and Vision for Success goals. At the November meeting, the Board of Governors will be provided an overview of the workgroup findings and recommendations and will be asked to approve an associated budget and legislative request.

### **Vision for Success Goal #2**

**Increase by 35 percent the number of CCC students system-wide transferring annually to a UC or CSU.**

#### **Full-Time Faculty Hiring**

**(\$75 million)**

Full-time faculty benefit students and colleges by providing critical services such as academic advising during faculty office hours, ongoing curriculum development, and by participating in institutional planning and shared governance. Hiring additional full-time faculty will advance all of the goals in the Strategic Vision, and is a key component of academic and curricular redesign. Faculty are vital to meeting the goal of increasing transfer-intersegmental faculty partnerships can advance new transfer pathways and help ensure CCC students are well prepared for success at four-year universities. For 2018-19, the system is requesting \$75 million to support the hiring of approximately 800 additional full-time faculty.

#### **Part-Time Faculty Support**

**(\$25 million)**

While full-time faculty are crucial to the success of our students, part-time faculty also play a very important role in the CCC system. The three part-time faculty categorical programs (parity, office hours, and health insurance) were reduced by over 40 percent during the economic recession. The 2016-17 budget included \$3.7 million to restore the part-time faculty office hours program to the pre-recession level. The 2017-18 budget included \$5 million for the part-time faculty offices hours program. For 2018-19, we are requesting \$25 million to support part-time faculty.

#### **Cal Grants to Better Serve Community College Students**

**(TBD/Statutory)**

While Cal Grant funding is not part of the California Community Colleges' budget, expansion of the Cal Grant funding available to community college students is a key component of achieving

the goals outlined in the Vision for Success. Two-thirds of California's higher education students are attending a California Community College, however only six percent of the total funding awarded by the Cal Grant program goes to community college students. This funding disparity reduces the ability of community college students to take more classes, increasing the time it takes to obtain a degree.

To help our students achieve their educational goals and ultimately increase the number of bachelor's degrees in this state, we encourage the state to accelerate the investment in Cal Grant through expanding the Cal Grant Entitlement Program to cover a larger proportion of Community College students and increasing the number of Competitive awards. Given the importance of the state's need to support equity and access, the Chancellor's Office will seek an increase in Cal Grant funding and associated statutory changes to expand and enhance the program.

### **Vision for Success Goal #3**

**Decrease the average number of units accumulated by CCC students earning an associate's degree, from approximately 87 total units (the most recent system-wide average) to 79 total units.**

#### **Basic Skills Transformation Grants**

**(\$25 million, one-time / Statutory)**

Many students entering the CCC system need additional support in order to be successful in transfer-level coursework in English and/or math, but outcomes for students who are required to enroll in a traditional basic skills sequence are poor. According to the 2017 Statewide Student Success Scorecard, 34.2% of students who took a basic skills math course completed a college level math course within six years and 46.9% of students who took a basic skills English course completed a college-level English course within six years. The CCC and the state have sought to improve basic skills through expanding funding for the Basic Skills Initiative (BSI) and through establishing the Basic Skills and Student Outcomes Transformation Program. Colleges that have implemented high-impact practices to improve delivery of basic skills education have seen significant improvements. Funding has been insufficient to bring successful programs to scale.

The 2018-19 budget and legislative request includes the creation of a basic skills transformation grant program 2.0, to provide \$25 million (one-time) to fund grants to community colleges to support full-scale adoption of high-impact practices such as co-requisite remediation and contextualized basic skills courses.

#### **Professional Development**

**(\$25 million/Statutory)**

Ongoing professional development is a fundamental component of supporting the systemic change that will improve student success. Without a sustained and focused approach to professional development, individual institutions, let alone an entire educational system, cannot expect to change attitudes, help faculty and staff rethink how their colleges approach the issue of student success, and implement a continuous assessment process that brings about iterative improvement. Professional Development provides faculty and staff with the tools and skills necessary to address



the multiple needs and challenges faced with a comprehensive effort to improve student success in the CCC. Professional development enables faculty to be better prepared to work with all students from multiple backgrounds and educational needs. The increased use of technology will require new skills to facilitate more effective teaching and learning methods. For 2018-19, we are requesting \$25 million and associated statutory guidance to provide professional development that supports evidence-based practices aligned with the Strategic Vision.

### **CCCCO Staffing and Professional Development** **(\$2.5 million)**

The Strategic Vision highlights the importance of the Chancellor's Office establishing a clear focus on student success, and providing strong, continuous support colleges as they strive to achieve these goals. For the CCCCCO, this means a transition away from a compliance-oriented oversight structure and toward a structure of support and technical assistance for colleges. This will require professional development and staffing resources aligned to this new role and responsibility. For 2018-19, we request \$2.5 million to support additional staff and ongoing professional development.

#### **Vision for Success Goal #4**

**Increase the percent of exiting CTE students who report being employed in their field of study, from the most recent statewide average of 60 percent to an improved rate of 69 percent.**

### **Adult Education Data Sharing Agreements** **(Statutory)**

AB 104 (Chapter 13, Statutes of 2015) established the Adult Education Block Grant (AEBG), an integrated, regional delivery system designed to provide education and workforce services to underserved adults. To ensure that funding accelerates adults into employment, living wages, and full engagement in society, the legislation required the CCC Chancellor's Office and the California Department of Education to identify a process and indicators for measuring the effectiveness of each regional consortium. The 2018-19 Budget and Legislative Request includes a statutory proposal to authorize a data sharing arrangement to allow access to aggregate wage data to support program evaluation.

#### **Vision for Success Goal #5**

**Reduce equity gaps across all of the above measures by 40 percent within 5 years and closing those achievement gaps for good within 10 years.**

### **Integration of Student Support Services** **(Statutory)**

SB 85 (2017 Education Trailer Bill) established the California Community College Guided Pathways Grant Program and required the Chancellor's Office to establish a program to support college implementation of the Guided Pathways framework. Specifically called out in the statute

is the goal of ensuring colleges integrate existing student-success programs and services. This request will authorize the Chancellor's Office to build on the integration effort that established a single report structure for the Basic Skills Initiative, Student Success and Support Program, and Student Equity Program and seek statutory changes that align these programs to the integration required under the Guided Pathways framework. This will create a flexible intake process to support students and will assist colleges in advancing the goal of reducing achievement gaps for underserved student populations.

### **Equal Employment Opportunity**

**(\$5 million)**

California Code of Regulations, title 5 section 53024.1 states that "[e]stablishing and maintaining a richly diverse workforce is an on-going process that requires continued institutionalized effort." Our colleges serve a highly diverse student population, reflective of the broader population of California, with 55 to 70 percent underrepresented students. Yet, in the past ten years, only 20 to 30 percent of full-time faculty hires were from underrepresented communities. At least 75 percent of the EEO Fund must be allocated to the districts to support activities to promote equal employment opportunity, including outreach and recruitment and in service training on the EEO requirements in title 5. In 2016, the Chancellor's Office changed the EEO Fund allocation model from an FTES allocation model to a performance-based method, whereby districts are required to meet multiple methods of success in promoting EEO in their pre-hiring, hiring, and post-hiring processes. The multiple methods allocation model required districts to certify compliance with certain title 5 requirements and identify specific efforts to promote EEO at the local level. Additional funding allocated to the districts would help colleges prioritize their efforts, institutionalize improved processes, and maintain positive momentum for EEO programs statewide. Additional funding for statewide EEO activities would allow the Chancellor's Office to provide further technical assistance, service, monitoring, and compliance functions.

### **Vision for Success Goal #6**

**Reduce regional achievement gaps across all of the above measures, with the ultimate goal of closing regional achievement gaps for good within 10 years.**

### **California Promise Framework**

**(\$25 million/Statutory)**

A successful College Promise program increases the number of high school students who graduate prepared for college, increases the number of students who earn a credential or degree from a community college, increases the number of student who successfully transfer to a UC or CSU, and reduces and eliminates achievement gaps and regional achievement gaps. The 2018-19 budget and legislative request proposes to establish a California Promise framework for the CCC system, to be administered by the Chancellor's Office. Under the program, which will require both budget appropriation and statutory authority, colleges would become eligible for funding to support the regional California Promise if they meet specified outlined participation requirements such as helping all students complete financial aid applications and participating in the guided pathways framework. The Chancellor's Office would be responsible for administering and monitoring compliance with the program.

**2018-19 BUDGET AND LEGISLATIVE REQUEST SUMMARY**

<b>Item</b>	<b>Funding</b>	<b>Statutory Change</b>
General Operating Expenses	\$200 Million	-
Project FLOW (Online Education)	TBD	TBD
Full-Time Faculty Hiring	\$75 Million	-
Part-Time Faculty Support	\$25 Million	-
Cal Grant Program / Financial Aid	TBD	Yes
Basic Skills Transformation Grants	\$25 Million (one-time)	Yes
Professional Development	\$25 Million	Yes
CCCCO Staffing and Development	\$2.5 Million	-
Adult Education Data Sharing	-	Yes
Integration of Student Support Services	-	Yes
Equal Employment Opportunity	\$5 Million	-
College Promise	\$25 Million	Yes

**Total On-Going Funding Request**

**\$382.5 million**

CALIFORNIA COMMUNITY COLLEGES

CHANCELLOR'S OFFICE

1102 Q STREET, SUITE 4400  
SACRAMENTO, CA 95811-6549  
(916) 322-4005  
<http://www.cccco.edu>



October 30, 2017

**TO:** Superintendents/Presidents  
Chief Business Officers  
Chief Student Services Officers  
Chief Instructional Officers

**FROM:** Theresa Tena, Vice Chancellor  
Institutional Effectiveness Division

**SUBJECT:** Requirement and Process for Adopting Institutional Effectiveness (IE)  
Goals Framework and Setting Year-Four IE College/District Goals

This memorandum formally notifies colleges/districts of the requirement that each college develop, adopt and post a goals framework as mandated by enacted legislation. In addition, it provides information about the Year-Four Framework of Indicators, a training webinar, and the process of adopting and posting college/district goals. More information can be found at <http://extranet.cccco.edu/Divisions/InstitutionalEffectiveness.aspx> or <http://iepi.cccco.edu/indicators>.

**Background:** In 2014, the California legislature established a system of indicators and goals to encourage California community colleges and districts to improve fiscal and operational effectiveness, while also reducing accreditation sanctions and audit findings. Pursuant to Education Code section [84754.6](#), the Board of Governors (BOG) adopted the Year-Four goals framework at its July 17, 2017 meeting to measure the ongoing condition of California community colleges'/districts' operational environment. This statute also requires that, as a condition of receipt of Student Success and Support Program funds, each college develop, adopt and post a goals framework that addresses, at a minimum, the following four areas: (1) student performance and outcomes, (2) accreditation status, (3) fiscal viability, and (4) programmatic compliance with state and federal guidelines. In accordance with statute, the Chancellor will also post system-wide goals adopted by the BOG along with the locally developed and adopted college/district goals by June 30, 2018.

**Adopting Framework and Year-Four Goals:** Each college should adopt the BOG-approved framework of indicators and set both short-term (1-year) and long-term (6-year) goals for the Year-Four indicators designated as "Required" in the Indicator Portal. In addition to the required goals, colleges/districts may choose to adopt some or all of the goals designated as "Optional." Please see the attached BOG Agenda Item 2.7 (July 2017) for new goal setting requirements. The process a college uses to adopt the framework and set goals should be locally determined, but colleges are encouraged to ensure that all appropriate constituency groups (e.g., Academic Senate, Classified Staff, and Student Senate) are engaged in a manner consistent with the college's collegial consultation process.

**Certifying/Posting Framework and Goals:** Like the previous three Framework of Indicators goal-setting cycles, the Institutional Effectiveness Online Indicator Portal will soon be available for posting goals and can be accessed at <https://misweb.cccco.edu/ie/>. A unique district password for posting college's/district's goals to the portal was sent to your district's Chief Information Systems Officer and should be shared as appropriate.

**Framework of Indicators Webinar:** To support your institution with Year-Four Framework of Indicators goal setting, the Institutional Effectiveness division plans to host a webinar in March 2018; details for the webinar will be announced soon.

**Action Requested:** **By Friday, June 15, 2018**, adopt the BOG-approved goals framework; and develop, adopt and post Year-Four goals. The Chancellor's Office will post each college's/district's goals on the institutional effectiveness website before June 30, 2018.

**Contact:** If you have any questions about the Year-Four Framework of Indicators, please feel free to contact me at [ttena@cccoco.edu](mailto:ttena@cccoco.edu) or Jeff Spano, Dean of Institutional Effectiveness at [jspano@cccoco.edu](mailto:jspano@cccoco.edu).

Attachments:  
BOG Agenda Item 2.7 (July 2017)



cc: Chief Information Systems Officer  
President, CCC Statewide Academic Senate



# The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS

DATE: July 17, 2017

SUBJECT: Institutional Effectiveness, Framework of Indicators		Item Number: 2.7	
		Attachment: Yes	
CATEGORY:	Institutional Effectiveness	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Theresa Tena, Vice Chancellor	Consent/Routine	
		First Reading	
Approved for Consideration:	 Eloy Ortiz Oakley, Chancellor	Action	X
		Information	

**ISSUE:** This item requests the Board of Governors' adoption of the Institutional Effectiveness Partnership Initiative (IEPI) Framework of Indicators pursuant to the requirements of Education Code section 84754.6.

**BACKGROUND:** Pursuant to California Education Code § 84754.6:

*The Chancellor, in coordination with CCC stakeholder groups, fiscal and policy committees of the Legislature, and the Department of Finance, shall develop and the Board of Governors shall adopt a framework of indicators to measure the ongoing condition of a community college's operational environment focused at a minimum on the following:*

- *Student performance and outcomes*
- *Accreditation status*
- *Fiscal viability*
- *Programmatic compliance with state and federal guidelines*

*As a condition of receipt of SSSP funds, each college shall develop, adopt, and post a goals framework that addresses at a minimum the four categories above.*

*By June 30, 2015 and before each fiscal year thereafter, the Chancellor shall post both of the following:*

- *Annually developed system-wide goals adopted by the Board of Governors*
- *Locally developed and adopted college/district goals (**Background cont.**)*

**RECOMMENDED ACTION:** It is recommended that the Board of Governors adopt the Year-Four IEPI Framework of Indicators, which includes minor modifications to previous Frameworks.

**(Background cont.)**

For the last three years, the Institutional Effectiveness Partnership Initiative's (IEPI) Framework of Indicators process has provided an opportunity for California community college professionals to set short- and long-term aspirational goals for their institutions. It also helps colleges and districts strengthen cross-silo communication and engender a shared commitment to local institutional improvement and student success. Since its implementation, local participation in the Framework of Indicators goalsetting process has been engaged and punctual. Colleges and districts tend to identify more than the required number goals, and to date, all 113 colleges certified that they have adopted, developed, and posted their goals frameworks by the annual deadline, June 15.

*A summary of the Year-Three Framework of Indicators goalsetting cycle<sup>1</sup>:* Although there were no new required goals in the Year-Three Framework the IEPI Advisory Committee's Indicators Workgroup added eight new optional college-level goals related to student performance and three district-level goals. The Board of Governors adopted the Year-Three Framework on November 14, 2016.

To provide helpful information about the Year-Three Framework, IEPI hosted a Framework of Indicators Portal webinar and two regional IEPI Indicators workshops. These trainings were well attended, with more than 100 California community college professionals participating in the webinar and 60 attending the regional workshops.

*Preparation for the Year-Four Framework of Indicators goalsetting cycle:* Congruent with previous goalsetting cycles, the development of the Year-Four Framework and goalsetting process has evolved through collaboration with community college partners and stakeholders. An important recommendation from IEPI's collaborators included seeking early adoption of the Year-Four Framework by the Board of Governors. An early adoption of the Year-Four Framework will allow colleges and districts added time to work together to adopt, develop, and post local goals.

**ANALYSIS:** In Year-Four, the goal of this effort is to continue to build upon metrics already collected and reported by colleges and districts. Colleges and districts will post locally developed and adopted goals using approved metrics by Friday, June 15, 2018. The Indicators Workgroup has proposed several modifications to the Framework for the Year-Four goalsetting cycle. Below is a summary of the proposed modifications.

**Proposed Modifications:**

- Adjust the requirement to set a goal for the *Successful Course Completion* indicator from required to optional
- Adjust the *Number of Degrees* indicator so that CTE and non-CTE award rates are listed separately
- Add a *Combined Number of Degrees and Certificates* indicator and require colleges to set both a short-term (1 year) goal and long-term (6 year) goal
- Require colleges to set a long-term (6 year) goal for the *Median Time to Degree* indicator
- Require colleges to set a long-term (6 year) goal for *Completion Rate-Overall*
- Require colleges to set short- and long-term *Transfer-Level Achievement* goals from at least one of the indicators for Math or English after one or two years

Attached is the proposed Year-Four Framework, which includes these suggested changes.

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<sup>1</sup>The Year-Three Framework of Indicators certification of completion forms were due on Thursday, June 15 2017. The CCCCCO received certifications from all 113 colleges at the time this agenda item was written.

Institutional Effectiveness Partnership Initiative Advisory Committee  
Framework of Indicators (Year 4)

College/District Indicator	Required/ Optional Indicator	Brief Definition
<b>Student Performance and Outcomes</b>		
Completion rate (Scorecard):	Optional	Percentage of degree, certificate and/or transfer-seeking students starting first time in 2011-12 tracked for six years through 2016-17 who completed a degree, certificate or transfer-related outcomes
• College-prepared	Optional	Student's lowest course attempted in Math and/or English was college level
• Unprepared for college	Optional	Student's lowest course attempted in Math and/or English was pre-collegiate level
• Overall	<b>Required</b>	<b>Student attempted any level of Math or English in the first three years (Only the long-term goal is required)</b>
Noncredit college choice	Optional	Each college may self-identify an indicator related to noncredit and provide a narrative of the result. This can, but is not required to be noncredit course success rate
College Choice Student Achievement (Basic Skills)	Required: at least one indicator must be selected for the college choice student achievement indicator	College must set a goal focused on unprepared students or basic skills students from Unprepared Completion Rate, Remedial Rate, or Transfer-level completion rate. College must identify which indicator has been chosen (Short- and long-term goals are required)
Remedial rate (Scorecard):	Optional	Percentage of credit students tracked for six years through 2016-17 who started first time in 2011-12 below transfer level in English, math and/or ESL and completed a college-level course in the same discipline
• Math	Optional	See above
• English	Optional	See above
• ESL	Optional	See above
Transfer-level achievement rate years 1 and 2	Required: at least one indicator must be selected for the college choice transfer-level achievement indicator	Percentage of degree, certificate and/or transfer-seeking students starting first time in 2015-16 tracked for one and two years through 2016-17 who completed transfer-level math/English course ( <b>Short- and long-term goals are required</b> )
• Math year 1	Optional	Completed transfer-level math in year 1
• Math year 2	Optional	Completed transfer-level math in year 1 or year 2
• English year 1	Optional	Completed transfer-level English in year 1
• English year 2	Optional	Completed transfer-level English in year 1 or year 2
CTE rate (Scorecard)	Optional	Percentage of students tracked for six years through 2016-17 who started first time in 2011-12 and completed more than eight units in courses classified as career technical education in a single discipline and completed a degree, certificate or transferred
Successful course completion (DataMart)	Optional	Percentage of students who earn a grade of "C" or better or "credit" in the fall term
Completion of non-CTE degrees (DataMart)	Optional	Number of associate degrees completed in 2016-17
Completion of CTE degrees (DataMart)	Optional	Number of CTE associate degrees completed in 2016-17
Combined degrees and certificates (DataMart)	Required	Number of associate degrees and Chancellor's Office approved certificate completed in 2016-17 ( <b>Short- and long-term goals are required</b> )
Completion of certificates (DataMart)	Optional	Number of Chancellor's Office-approved certificates completed in 2016-17
Number of low-unit certificates	Optional	Number of non-Chancellor's Office-approved certificates completed in 2016-17
Number of CDCP awards	Optional	Number of Career Development-College Preparation awards completed in 2016-17



Institutional Effectiveness Partnership Initiative Advisory Committee  
Framework of Indicators (Year 4)

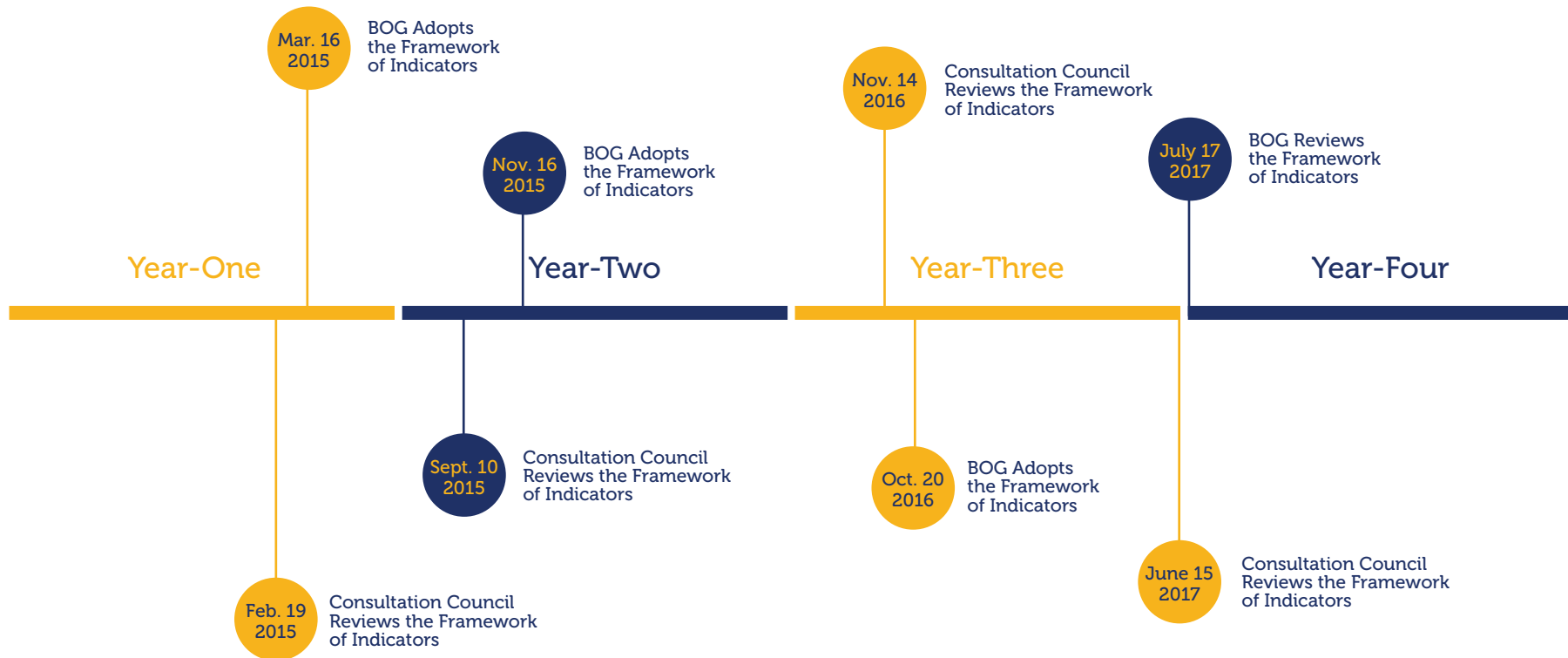
Number of students who transfer to 4-year institutions (DataMart)	Information Only	Number of students who transfer to a four-year institution, including CSU and UC, 2016-17 <sup>1</sup>
CTE Skills Builders	Optional	The median percentage change in wages for students who completed higher level CTE coursework in 2014-2015 and left the system without receiving any type of traditional outcome such as transfer to a four year college or completion of a degree or certificate
Median time to degree	Required	Median number of academic years needed to obtain an AA, AS or ADT ( <b>Only the long-term goal is required</b> )
District participation rate	Optional	Percentage of 18-24 year olds living within district boundaries who are enrolled in at least one of the district's colleges
<b>Accreditation Status</b>		
Accreditation status	Required	Latest ACCJC action (status code)
		Fully Accredited - No Action (FA-N); Fully Accredited - Reaffirmed (FA-RA); Fully Accredited - Sanction Removed (FA-SR); Fully Accredited - Sanction Removed and Reaffirmed (FA-SR/RA); Fully Accredited - Warning (FA-W); Fully Accredited - Probation (FA-P); Fully Accredited - Show Cause (FA-SC); Fully Accredited - Pending Termination (FA-PT); Accreditation Terminated (T) (No longer used by the accrediting agency after July 2015); Accreditation Withdrawn (WD); Fully Accredited - Restoration (FA-RS); Initial Accreditation (IA); Re-Application for Accreditation (RE-AP) ( <b>Short- and long-term goals required</b> )
Date of next visit	Optional	Informational item - no target collected.
<b>Fiscal Viability</b>		
Salary and Benefits	Optional	Salaries and benefits as a percentage of unrestricted general fund expenditures, excluding other outgoing expenditures
Full-Time Equivalent Students	Optional	Annual number of full-time equivalent students
Annual Operating Excess/(Deficiency)	Optional	Net increase or decrease in unrestricted general fund balance
Fund Balance	Required	Ending unrestricted general fund balance as a percentage of total expenditures ( <b>Short- and long-term goals are required</b> )
Cash Balance	Optional	Unrestricted and restricted general fund cash balance, excluding investments
OPEB Liability	Optional	The percentage of the OPEB liability that the district's set aside funds represents, including both funds in a trust and outside of a trust and designated for this liability
<b>Programmatic Compliance with State and Federal Guidelines</b>		
Audit Findings	All Required	Modified opinion, material weaknesses, or significant deficiencies as identified in independent audited financial statements ( <b>Short- and long-term goals are required</b> )
• Opinion for the Financial Statement		See above
• State Compliance		See above
• Federal Award/Compliance		See above
<b>College Choice</b>		
College Choice	Optional	Each college may self-identify an indicator related to any topic. Briefly explain the indicator and provide short-term and long-term goals. Goals must be presented as counts, percentages, or rates

<sup>1</sup> Metric dependent upon external variables (UC and CSU transfer admission policy) and therefore collected as information. Colleges are NOT expected to identify a goal. Each college is encouraged to engage in their local shared governance process to set goals (short term and long term) for the subsequent year.

# Institutional Effectiveness Framework of Indicators

California Community Colleges Chancellor's Office

## Multi-Year Timeline: 2015 – 2017





# INSTITUTIONAL EFFECTIVENESS FRAMEWORK OF INDICATORS

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# Framework of Indicators

## California Education Code § 84754.6:

- The Chancellor, in coordination with CCC stakeholder groups, fiscal and policy committees of the Legislature, and the Department of Finance, shall develop and the Board of Governors shall adopt a framework of indicators to measure the ongoing condition of a community colleges' operational environment focused at a minimum on the following:
  - Student performance and outcomes
  - Accreditation status
  - Fiscal viability
  - Programmatic compliance with state and federal guidelines

# Framework of Indicators

## California Education Code § 84754.6 (Continued):

- As a condition of receipt of SSSP funds, each college shall develop, adopt, and post a goals framework that addresses at a minimum the four categories.
- By June 30, 2015 and before each fiscal year thereafter, the Chancellor shall post both of the following:
  - Annually developed system-wide goals adopted by the Board of Governors
  - Locally developed and adopted college/district goals

# Fiscal Viability

## Fund Balance

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

# 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....”

# Fiscal Viability

## Fund Balance (Continued)

- Recommendation
  - 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 2018-2019 and the subsequent six years under the Institutional Effectiveness Framework of Indicators.



# Programmatic Compliance with State and Federal Guidelines

## Audit Opinions and Findings

- Independent audit opinions and findings 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 weakness or significant deficiencies.

# Programmatic Compliance with State and Federal Guidelines

## 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.

# Programmatic Compliance with State and Federal Guidelines

## 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 2018-2019 and the subsequent six years under the Institutional Effectiveness Framework of Indicators.

## Agenda Item (IV-A-0)

Meeting	11/7/2017 - Committee
Agenda Item	Committee - Governance (IV-A-0)
Subject	Board Policy for First Reading
College/District	District
Funding	
Recommended Action	It is recommended that the Board of Trustees accept for first reading Board Policy 6307 - Debt Issuance and Management.

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### Background Narrative:

Existing California law requires public agencies to provide information to the California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of the debt. Senate Bill 1029 (S.B. 1029), amends the law to place additional reporting obligations on issuers of debt. In part, S.B. 1029 requires that an issuer certify that it has adopted local debt policies concerning the use of debt and that the proposed debt issuances is consistent with the local debt policies. S.B. 1029 lists certain topics to be covered in the local debt policies.

The District expects to issue general obligation bonds, and potentially other debt instruments such as Tax and Revenue Anticipation Notes (TRAN) from time-to-time, and therefore must adopt a debt issuance and management policy in compliance with S.B. 1029.

The attached Board Policy is presented to the Board of Trustees for first reading.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services  
Patrick Pyle, General Counsel

### Attachments:

[BP 6307 Debt Issuance and Management](#)

Business and Fiscal Affairs  
DRAFT

**BP 6307 DEBT ISSUANCE AND MANAGEMENT**

**References:**

Government Code Section 8855  
Government Code Sections 53311 *et seq.*, 53506 *et seq.* and 53850 *et seq.*  
Education Code Sections 15000 *et seq.*, and 15264 *et seq.*  
Education Code Sections 17400 *et seq.*, 17430 *et seq.*, 17450 *et seq.*  
Education Code Section 17455 *et seq.*  
State Constitution Section 18 of Article XVI  
State Constitution Section 1(b)(2) of Article XIII A (Proposition 46)  
State Constitution Section 1 (b)(3) of Article XIII A (Proposition 39)

The Chancellor shall establish procedures for the issuance of indebtedness by the District in satisfaction of the requirements of SB 1029, codified as part of Government Code Section 8855, including fulfillment of its debt issuance reporting requirements to the California Debt and Investment Advisory Commission (CDIAC).

**Procedures shall include:**

- The purposes for which debt proceeds may be used.
- The types of debt that may be issued.
- The relationship of the debt to, and integration with, the District's capital improvement program.
- Policy goals related to the District's planning goals and objectives.
- The internal control procedures that the District has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.
- Reporting requirements to the California Debt and Investment Advisory Commission (CDIAC).

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**NOTE:** The **bold type** signifies **legally required** language recommended from the Community College League and legal counsel (Liebert Cassidy Whitmore). There does not appear to be a current Riverside CCD Policy that addresses this issue.

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**Date Adopted:**

*(This is a new policy recommended by the CCLC and the League's legal counsel)*

## AP 6307 DEBT ISSUANCE AND MANAGEMENT

### References:

- Government Code Section 8855
- Government Code Sections 53311 *et seq.*, 53506 *et seq.* and 53850 *et seq.*
- Education Code Sections 15000 *et seq.*, and 15264 *et seq.*
- Education Code Sections 17400 *et seq.*, 17430 *et seq.*, 17450 *et seq.*
- Education Code Section 17455 *et seq.*
- State Constitution Section 18 of Article XVI
- State Constitution Section 1(b)(2) of Article XIII A (Proposition 46)
- State Constitution Section 1 (b)(3) of Article XIII A (Proposition 39)

### I. Purpose and Goals

These administrative procedures provide a framework for debt management and capital planning and have been developed to meet the following goals:

- Identifying the purposes for which debt proceeds may be used.
- Identifying the types of debt that may be issued.
- Describing the relationship of the debt to, and integration with, the District's capital improvement program.
- Establishing goals related to the District's planning goals and objectives.
- Implementing internal control procedures to ensure that the proceeds of the proposed debt issuance will be directed to the intended use upon completion of the issuance.
- Reporting requirements for the California Debt and Investment Advisory Commission (CDIAC).

### II. Purposes for Which Debt Proceeds May be Used

Authority and Purposes of the Issuance of Debt - The laws of the State of California (the "State") authorize the District to incur debt to make lease payments, contract debt, borrow money, and issue bonds for district improvement projects. The District is authorized to contract debt to acquire, construct, reconstruct, rehabilitate, replace, improve, extend, enlarge, and equip such projects; to refund existing debt; or to provide for operational cash flow needs.

### III. Types of Debt Authorized to be Issued

## A. Short-Term

The District may deem it necessary to finance cash flow requirements under certain conditions. Such cash flow borrowing must be payable from taxes, income, revenue, cash receipts and other moneys attributable to the fiscal year in which the debt is issued.

General operating costs include, but are not limited to, those items normally funded in the District's annual operating budget.

The Chancellor, who may delegate to the Vice Chancellor, Business and Financial Services, will review potential financing methods to determine which is most prudent for the District. Potential financing sources include tax and revenue anticipation notes (TRAN), temporary borrowing from the Riverside County and office of the Treasurer - Tax Collector, and internal temporary interfund borrowing.

- a. Operations - The District may issue fixed-rate and/or variable rate short-term debt, which may include TRANs, when such instruments allow the District to meet its cash flow requirements.
- b. Facilities - The District may also issue bond anticipation notes ("BANs") to provide interim financing for bond projects that will ultimately be paid from general obligation bond (GO Bonds).

## B. Long-Term

Debt issues may be used to finance essential capital facilities projects and certain equipment where it is appropriate to spread the cost of the project over more than one budget year. Long-term debt shall not be used to fund District operations.

Long term debt in the form of GO Bonds may be issued under Article XIII A of the State Constitution, either under Proposition 46, which requires approval by at least a two-thirds (66.67%) majority of voters, or Proposition 39, which requires approval by at least 55% of voters, subject to certain accountability requirements and restrictions.

The District may also enter into long-term leases and/or Certificates of Participation (COPs) for public facilities, property, and equipment.

## C. Lease Financing

Lease-purchase obligations may be used as a means of financing capital equipment and certain capital facilities.

#### D. Use of General Obligation Bonds

Significant capital facility projects are anticipated to be funded by GO Bond proceeds, along with State Construction Act funding whenever possible. Projects financed by GO Bonds will conform to the constraints of applicable law and voter approved ballot measures.

### IV. Relationship of Debt to and Integration with District's Capital Improvement Program

#### A. Impact on Operating Budget and District Debt Burden

In evaluating financing options for capital facility projects, both short and long-term debt amortization will be evaluated when considering a debt issuance, along with the potential impact of debt service, and additional costs associated with new projects on the operating budget of the District. The cost of debt issued for major capital repairs or replacements will be evaluated against the potential cost of delaying such repairs.

#### B. Capital Improvement Program

District and College facilities staff have responsibility for the planning and management of capital improvement programs, subject to review and approval by the Board of Trustees. Facilities Master Plans will be supplemented and revised as appropriate to reflect current needs associated with real estate and facilities in keeping with the District's current needs for acquisition, development and/or improvement. Such plans shall include a summary of the estimated cost of each project, schedule timelines for the projects, the expected quarterly cash requirements, and annual appropriations, in order for the projects to be completed.

#### C. Considerations for Refunding:

- a. Best Interest - Whenever deemed to be in the best interest of the District, and the property taxpayers residing within the District, the District shall consider refunding or restructuring outstanding debt if it will be financially advantageous or beneficial for debt repayment and/or structuring flexibility.
- b. Net Present Value Analysis - The Vice Chancellor of Business and Financial Services shall review a net present value analysis of any proposed refunding to make a determination regarding the cost-effectiveness of the proposed refunding, using a minimum dollar amount and/or percentage savings as a benchmark.
- c. Maximize Expected Net Savings - The timing of any refunding shall be designed to maximize net savings over the life of the bonds.



- d. Compliance with Existing Legal Requirements - Any existing debt refunding shall comply with all applicable State and Federal laws governing such issuance.

## V. Goals Related to District's Planning Goals and Objectives

### A. The District shall pursue the following goals:

- a. Strive to fund major capital improvements from voter-approved GO Bond issues to preserve the availability of the District's General Fund for operating purposes and other purposes that cannot be funded by such bond issues.
- b. Endeavor to attain the best possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements.
- c. Take all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues.
- d. Remain mindful of its statutory debt limit and commitment made to the voters in relation to assessed value growth within the district and the tax burden needed to meet long-term capital requirements.
- e. Consider market conditions and District cash flows when timing the issuance of debt.
- f. Determine the amortization (maturity) schedule which will fit best within the overall debt structure of the District at the time the new debt is issued.
- g. Be mindful of matching the term of the issue to the useful lives of assets funded by that issue whenever practicable and economical, while considering repair and replacement costs of those assets to be incurred in future.
- h. Assess financial alternatives so as to minimize the encroachment on the District's General Fund.
- i. Consider its ability to expend the funds obtained in a timely, efficient and economical manner.

## VI. Internal Control Procedures for Issuance of Debt to Ensure Intended Use of Proceeds

## A. Structure of Debt Issues

- a. Maturity of Debt - The duration of a debt issue shall be consistent, to the extent possible, with the economic or useful life of the improvement or asset that the debt issue is financing. Accordingly, the District will strive to ensure that in the aggregate, the average life of the financing shall not exceed 120% of the average life of the assets being financed. In addition, the District shall consider the overall impact of the current and future debt burden of the financing when determining the duration of the debt issue.
- b. Debt Structure
  - i. GO Bonds
    - New Money Bond Issuances - For new money bond issuances, the District shall size the bond issuance consistent with the "spend-down" requirements of the Internal Revenue Code and within any limits approved by the District's voters. To the extent possible, the District will also consider credit issues, market factors (e.g. bank qualification) and tax law when sizing the District's bond issuance.
    - Refunding Bond Issuances - The sizing of refunding bonds will be determined by the amount of money that will be required to cover the principal of, accrued interest (if any) on, and redemption premium for the bonds to be defeased on the call date and to cover appropriate financing costs.
    - Maximum Maturity - All bonds issued by the District shall mature within the limits set forth in applicable provisions of the Education Code or the Government Code. The final maturity of bonds will also be limited to the average useful life of the assets financed or as otherwise required by tax law.
  - c. Lease-Purchase Obligations - The final maturity of equipment or real property lease obligations will be limited to the useful life of the assets to be financed.

## B. Debt Service Structure

The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, and, as practical, to recapture or maximize its debt capacity for future use.

### C. Use of Proceeds

The District shall be vigilant in using bond proceeds in accordance with the stated purposes for which such debt was incurred. In connection with the issuance of all GO Bonds:

- a. As required by Government Code Section 53410, the District shall only use GO Bond proceeds for the purposes approved by the District's voters; and
- b. The Vice Chancellor of Business and Financial Services shall have the responsibility of periodically providing to the District's Board of Trustees a written report which shall contain at least the following information:
  - i. The amount of the debt proceeds received and expended during the applicable reporting period; and
  - ii. The status of the acquisition, construction or financing of the district facility projects, as identified in any applicable bond measure, with the proceeds of the debt.

These reports may be combined with other periodic reports which include the same information, including but not limited to, periodic reports made to the California Debt and Investment Advisory Commission continuing disclosure reports, annual audit reports or other reports made in connection with the debt. These requirements shall apply only until the earliest of the following: (i) all the debt is redeemed or defeased, but if the debt is refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased, or (ii) all proceeds of the debt, or any investment earnings thereon, are fully expended.

- c. The District shall post on the District website the Annual Report of the District's Independent Bond Oversight Committee which has been given the responsibility to review the expenditure of GO Bond proceeds to assure the community that all GO Bond funds have been used for the construction, renovation, repair, furnishing and equipping of district facilities, and not used for teacher or administrator salaries or other operating expenses.
- d. The District shall hire an independent auditor to perform an annual independent financial and performance audit of the expenditure of GO Bond proceeds, and to post such audits on the District website.

### VII. Reporting Requirements to the California Debt and Investment Advisory Commission

No later than 30 days prior to the sale of any debt issue, the District shall submit a report of the proposed issuance to the California Debt and Investment Advisory Commission. The report of the proposed debt issuance shall include a certification by the District that it has adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those local debt policies.

No later than 21 days after the sale of the debt, the District shall submit a report of final sale to the CDIAC. A copy of the final official statement for the issue shall accompany the report of final sale. If there is no official statement, the District shall provide each of the following documents, if they exist, along with the report of final sale:

- Indenture
- Installment sales agreement
- Loan agreement
- Promissory note
- Bond purchase contract
- Resolution authorizing the issue
- Bond specimen
- Other disclosure document

The District shall submit an annual report for any issue of debt for which it has submitted a report of final sale on or after January 21, 2017. The annual report shall cover a reporting period from July 1 to June 30, inclusive, and shall be submitted no later than seven months after the end of the reporting period. The annual report shall consist of the following information:

- A. Debt authorized during the reporting period, which shall include the following: (1) Debt authorized at the beginning of the reporting period; (2) Debt authorized and issued during the reporting period; (3) Debt authorized but not issued at the end of the reporting period; and (4) Debt authority that has lapsed during the reporting period.
- B. Debt outstanding during the reporting period, which shall include the following: (1) Principal balance at the beginning of the reporting period; (2) Principal paid during the reporting period; and (3) Principal outstanding at the end of the reporting period.
- C. The use of proceeds of issued debt during the reporting period, which shall include the following: (1) Debt proceeds available at the beginning of the reporting period; (2) Proceeds spent during the reporting period and the purposes for which it was spent; and (3) Debt proceeds remaining at the end of the reporting period.

Office of Primary Responsibility: ***Vice Chancellor, Business & Financial Services***

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Administrative Approval:

DRAFT

*RIVERSIDE COMMUNITY COLLEGE DISTRICT*  
***District Budget Advisory Council Meeting***

*Friday, December 15, 2017 – CAADO, Conference Room 309A  
1:30 p.m. - 3:30 p.m.*

**AGENDA**

- I. Welcome and Call to Order
- II. Approval of Minutes
  - A. November 9, 2017
- III. Budget
  - A. State Budget
  - B. Budget Allocations Project Update
- IV. Other
  - A. Institutional Effectiveness Goals Recommendation
  - B. Review and Approve BPAP 6307 – Debt Issuance and Management
  - C. FY 2018-19 Non-Resident Tuition and Capital Outlay Surcharge
  - D. Evaluators
- V. Next Meeting
  - A. Friday, January 12, 2018 – 1:30 PM to 3:30 PM at CAADO –  
3<sup>rd</sup> Floor, Conference Room 309A

*RIVERSIDE COMMUNITY COLLEGE DISTRICT  
District Budget Advisory Council Meeting*

*November 9, 2017  
CAADO – Conference Room 309  
9:00 a.m. - 11:00 a.m.*

MEETING MINUTES

Members Present

Aaron Brown	(District)
Majd Askar	(District)
Nathaniel Jones	(Moreno Valley College)
Jim Reeves	(Norco College)
Sherrie DiSalvio	(Proxy - Riverside City College)
Rex Beck	(Norco College)
Asatar Bair	(Riverside City College)
Jennifer Lawson	(Riverside City College)
William Diehl	(District)
Rachelle Arispe	(Recorder)

Members Not Present

Michael McQuead	(Moreno Valley College)
Mark Sellick	(District)
Nate Finney	(Moreno Valley College)
Anna Molina	(Norco College)
Jacquelyn Smith	(District wide – Student)

Guest(s) Present

Susan Mills	(Riverside City College)
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I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved, Beck moved and Bair seconded approval of the minutes for September 22, 2017.

III. BUDGET

A. Physical Plant and Instructional Support Allocation Methodology Revision

1. A request was made by the three Vice Presidents of Business Services to revise the Physical Plant and Instructional Support Allocation methodology.
2. Brown suggested that after the VP's discuss the methodology it should be taken to the DBAC subgroup to review before it is brought to DBAC for a recommendation.

Jones and Reeves agree to the subgroup meeting. Once the VP's are ready to bring to the DBAC subgroup a meeting will be scheduled.

#### IV. Other

##### A. Bookstore Discussion

1. Bair requested a discussion and clarification on the bookstore and its commission.
2. Brown indicated that the privatization was prior to his employment. However, DiSalvio confirmed that the reason for the privatization was due to a drain on the general fund, including payroll issues, staff, etc.
3. Barnes & Noble is the successful vendor for the new bookstore contract. Their existing contract expires November 30, 2017 so an extension was agreed to while negotiation occurs on final details of the new contract.
4. Askar commented that a committee met 10 months ago with VP's of Business, and district/faculty representatives. The standard RFP process was selected by the committee. Proposals were received from Barnes & Noble and Follett. Both were very financially comparable. However, our experience with Barnes & Noble, additional meetings (face to face conversations), and the addition of many performance clauses within the contract, the committee moved forward with choosing Barnes & Noble. Additionally, if books are not available, Barnes & Noble will provide gift cards to students.
5. Bair commented that he was surprised the colleges could not return to "in-house" operation of the bookstore, especially with the amount of revenue being generated.
6. Jones replied that the core business of the vendor is selling books, where as it is not for the colleges.
7. Reeves added that the pricing was much better with Barnes & Noble as well. He explained his similar experience and the operations at a private institution. Reeves indicated that a retail outlet sells goods and services. Service is always a challenge. Barnes & Noble can help faculty put together a course pack, which is much less expensive for students, rather than purchasing an entire book.

##### B. Budget Allocation Model Update

1. Chancellor Burke requested Team Leader (Susan Mills) of Team A from the RCCD Strategic Planning Initiative to reassess the process of the Budget Allocation Model.
2. Brown read the email of the charge that Chancellor Burke emailed to Mills. The charge included a Board of Trustees goal, "To study the relationship between the three colleges and establish a model to equalize services and funding." Resources to be included (but not limited to) are FTES per college, budget, and new full-time faculty positions.
3. Mills explained that she has not sent the charge to the team as she needed an idea of what needs to be done. During accreditation, it was indicated that a BAM was needed for the college. The next accreditation visit is in 2020 so there is some urgency. Mills added that they are looking at age and cost of FTES at the college.



She added that the assessment should be completed by Spring 2018. The assessment will look at the existing model and associate strengths, weaknesses, principals, and components.

4. Beck commented that he does not understand why we do not have a flexible method rather than a fixed formula.
5. Brown reminded the committee that we have fallen back on historical allocations because, until we have a District Strategic Plan, we still must be able to allocate resources on an annual basis.
6. Brown added that if we go on a pure FTES model it will not work. We would not be able to transition even over 10 years because we do not receive enough annual additional resources. There would have to be a fundamental change of programs that are offered at each college.
7. Reeves commented that he hopes Team A can do a comparison with other districts. Brown suggested that Team A look at other multi-districts such as Los Rios, San Diego, etc.
8. Brown commented that he reminded the Chancellor and college presidents that if we set an arbitrary timeline we will not get the product that we want. Spring 2018 was not realistic because it is a very time-consuming process and it is going to take a substantial period of time to deliberate the best methodology. He added that it will not be completed before the next annual budget cycle. However, Brown suggested that we should have a mechanism for other programs that are being created while we are developing the revised BAM.
9. Beck commented that grant funding serves the grant specifically and not other general instructional programs. He does not think it is fair, because sometimes the grant will go away. Brown added that the grants are temporary resources and that we should build college instructional programs on permanent resources.
10. Mills commented that Team A will review the existing BAM and look at the principals and components to see if they are working.

C. Institutional Effectiveness Goals Framework of Indicators

1. Brown provided the committee with a copy of the notification from the State Chancellor's office regarding the requirements and process for adopting the Institutional Effectiveness (IE) Goals Framework and setting year-four IE College/District Goals. The deadline is June 30, 2018. The IE Goals are required in order to continue receiving SSSP funds.
2. Brown wanted to provide the information to the committee early that way the committee has time to establish the IE Goals after going through the college's shared governance processes.
3. Brown suggested that we go with the Board policy of a minimum of 5% of total available funds. Our district is typically above the level. Last year, we were at 19% and \$8 million was returned to the colleges.

4. Brown would like members to take back the information and review with their shared governance groups. If there are any fiscal liability and pragmatic compliance guidelines that the colleges would like to incorporate, members need to return it to DBAC to facilitate a discussion.

D. Review and Approve BPAP 6307-Debt Issuance and Management

1. Brown provided a draft of BPAP 6307 for members to review and take back to discuss with their shared governance groups. However, Brown is going to incorporate some revisions to the BPAP that were recently added by the state and resend to the DBAC group by email.
2. Brown reviewed the requirements and explained that the policy needs to be in place before the next general obligation issuance or refunding.
3. There is \$40 million remaining of the \$350 million bond authorization. \$8 million is left of the last issuance in March 2015. We must spend 85% of each issuance within 3 years. There is no issuance planned within this fiscal year. However, there could be a refunding.
4. Bair indicated that there should be an objective on the growth of the issuance. Brown replied that there could be a general statement added. However, the college should establish the language and return their recommendation to DBAC in December.
5. Brown would like members to approve and recommend BPAP 6307 at the December DBAC meeting that way it can be approved at DSPC in January. It would then be submitted for Board of Trustees reading on February 20, 2018 and approval on March 20, 2018.

V. NEXT MEETING

- A. Friday, December 15, 2017 – 1:30 p.m. to 3:30 p.m. at the District Office Building – Executive Conference Room 309A.

VI. MEETING ADJOURNED AT 10:30 A.M.

# Bookstore Outsourcing

## Survey Results

### Around the State

A survey was sent to the 72 California community college districts on January 31, 2017. There were 57 respondents. Below are the results.

- 31 districts are currently outsourcing their bookstore.
- 22 are currently managing their bookstore in-house.
- 4 responded that their districts are managing in-house, outsourcing and/or looking into outsourcing.

#### Outsourced Results

Out of the 31 districts reporting that they outsource their bookstore,

- 10 outsource to Barnes & Noble.
- 20 outsource to Follett.
- 29 rated vendor customer service as somewhat positive or very positive, and 1 rated service as neutral.
- 100% of these districts earn additional revenue from the vendor.
- 19 districts highly recommend their current vendor.
- 11 districts are passive about their vendor.
- 2 do not recommend their current vendor.

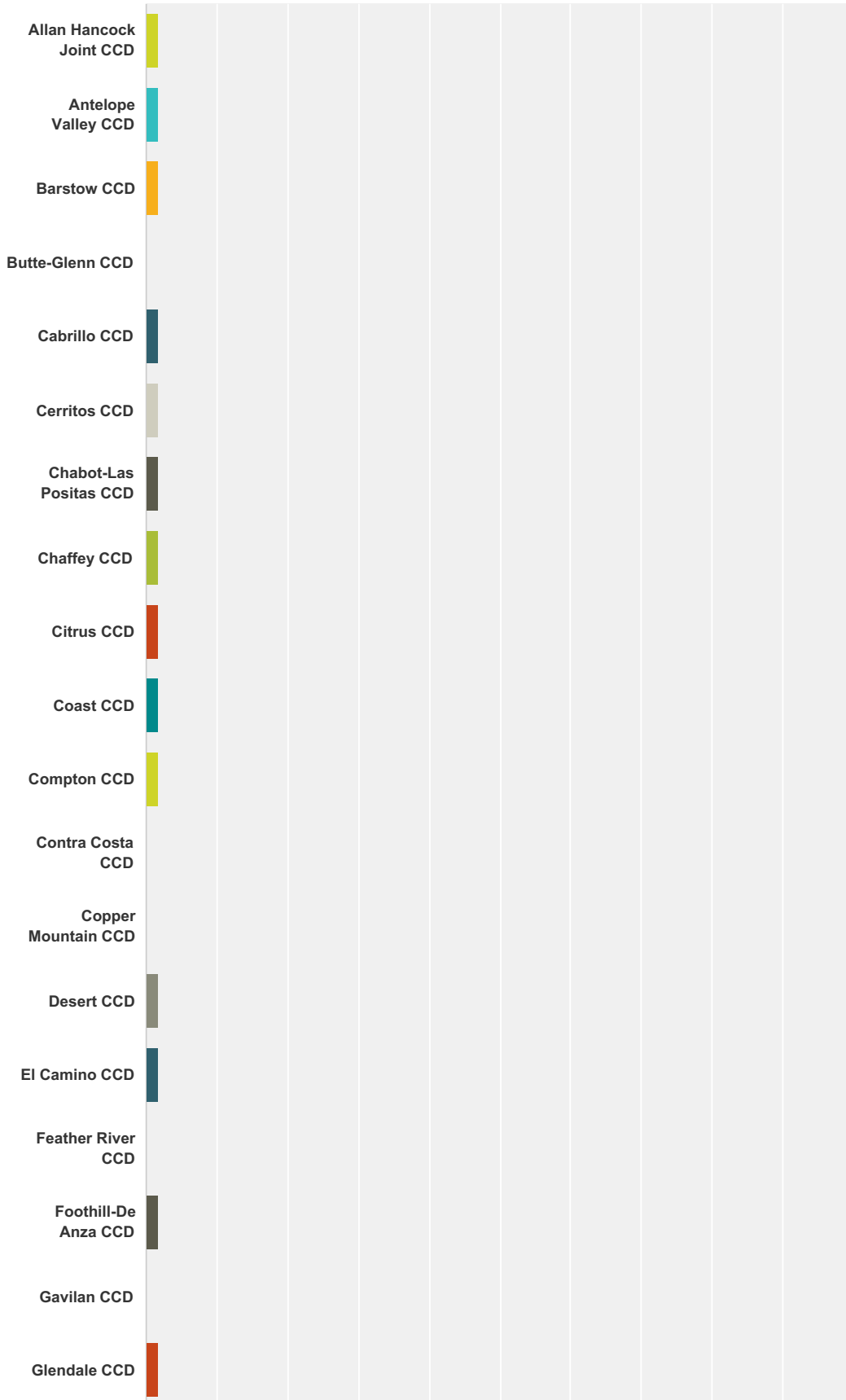
#### Managed In-House

Out of the 22 districts managing their bookstore in-house,

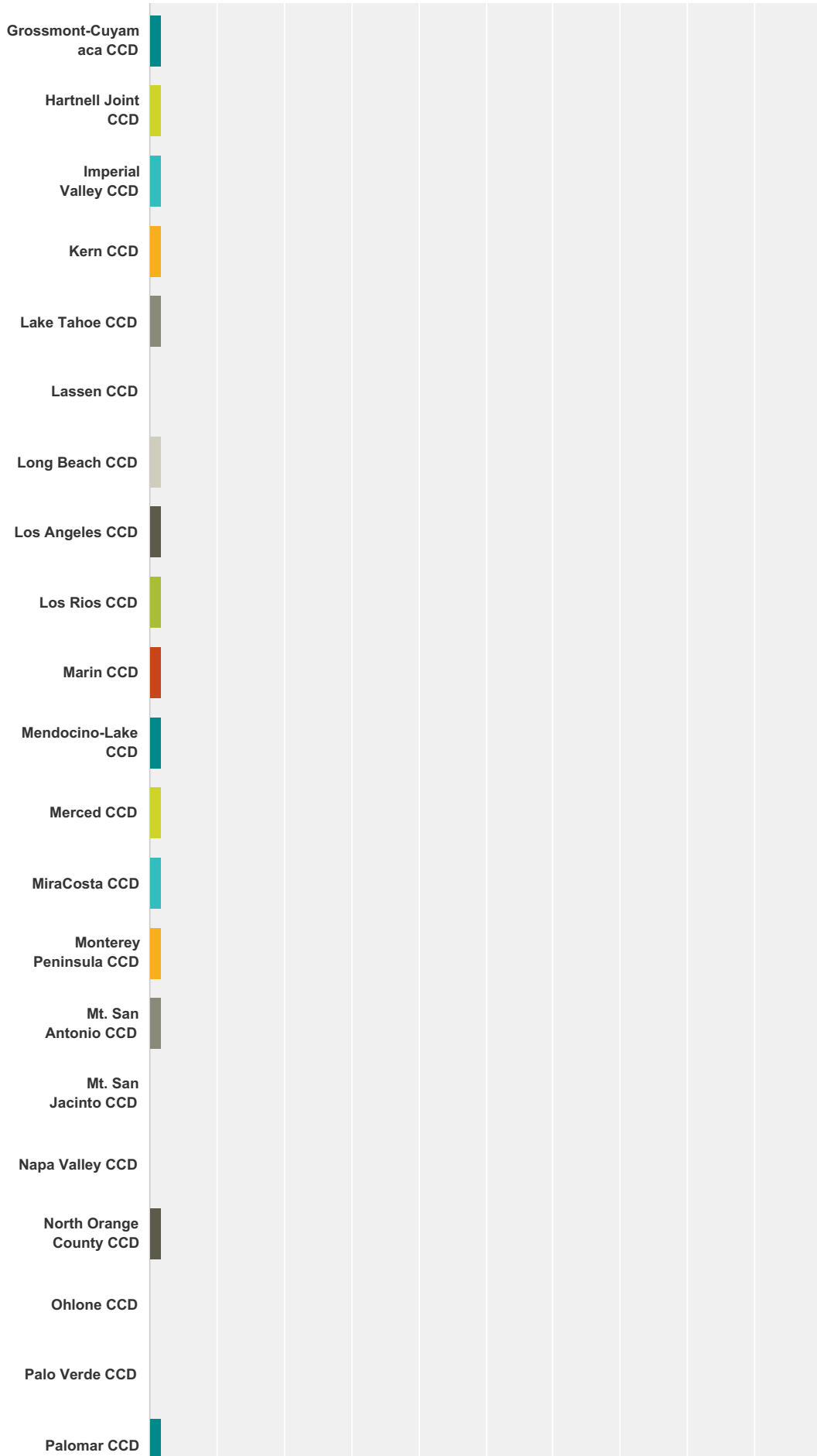
- 15 of the bookstores are financially self-sustaining.
- 4 bookstores are not financially self-sustaining.
- 3 bookstores are financially self-sustaining; however, it is becoming difficult.
- 16 bookstores are at least breaking even; 5 are not.
- 19 feel their bookstore customer service is either somewhat positive to very positive; 2 feel service is somewhat negative to very negative; and 1 is neutral.
- 11 districts are not seeking to outsource.
- 11 are seeking or considering seeking to outsource.
- 14 are happy with their bookstore.
- 8 are not happy with their bookstore or stated other dissatisfactions

### Q1 Select your district.

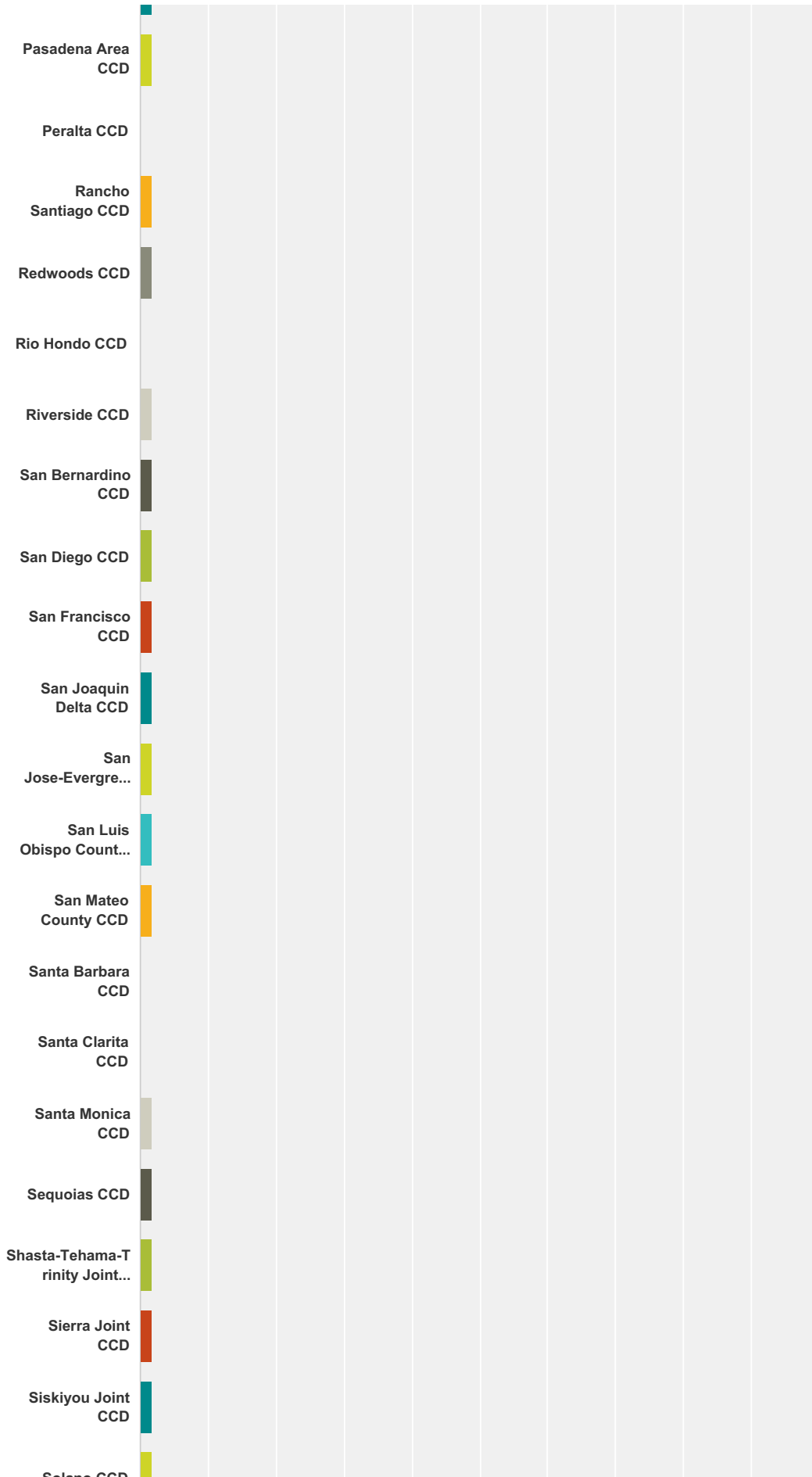
Answered: 57 Skipped: 0



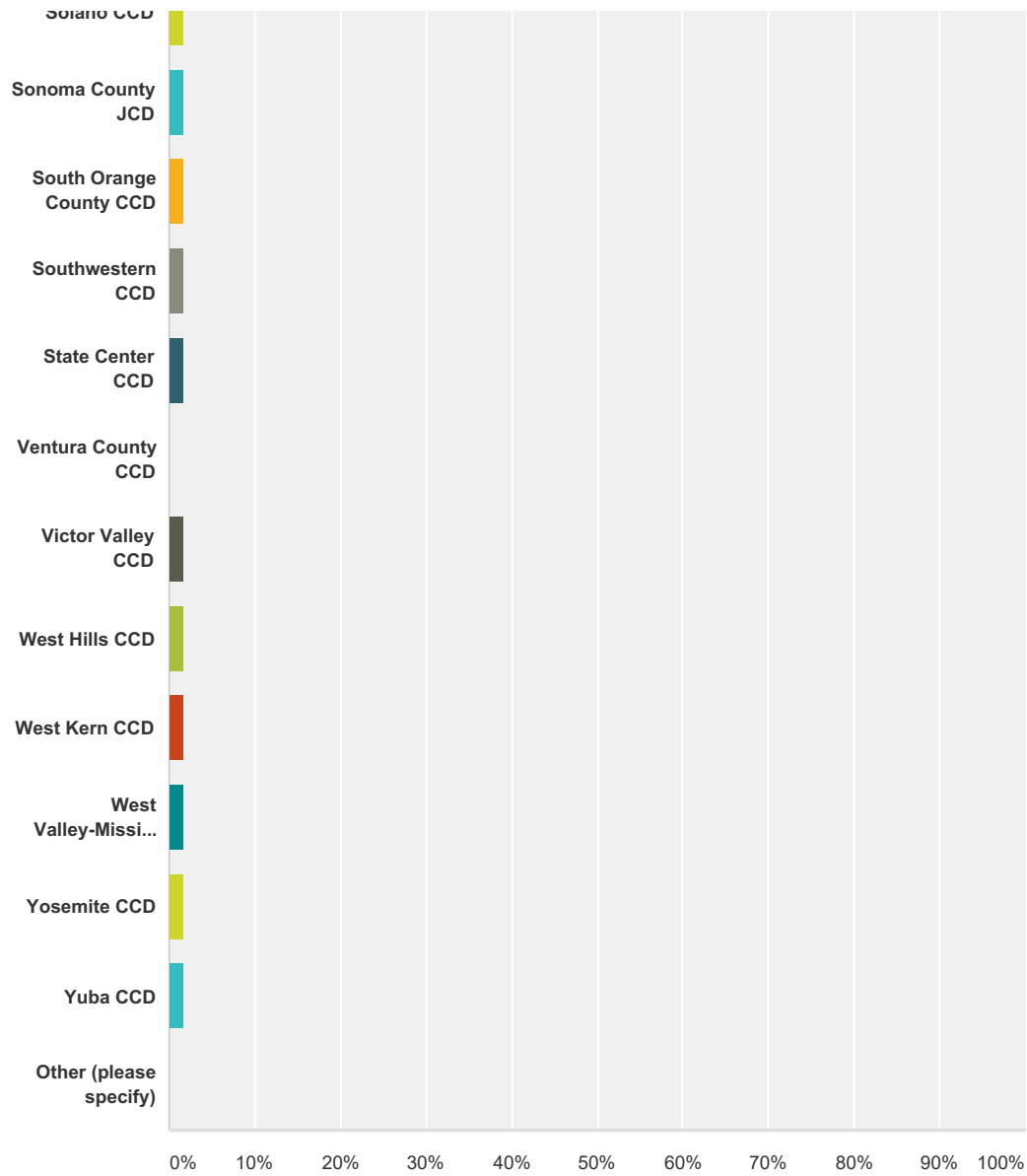
# Bookstore Survey



# Bookstore Survey



### Bookstore Survey



Answer Choices	Responses
Allan Hancock Joint CCD	1.75% 1
Antelope Valley CCD	1.75% 1
Barstow CCD	1.75% 1
Butte-Glenn CCD	0.00% 0
Cabrillo CCD	1.75% 1
Cerritos CCD	1.75% 1
Chabot-Las Positas CCD	1.75% 1
Chaffey CCD	1.75% 1
Citrus CCD	1.75% 1
Coast CCD	1.75% 1

# Bookstore Survey

Compton CCD	1.75%	1
Contra Costa CCD	0.00%	0
Copper Mountain CCD	0.00%	0
Desert CCD	1.75%	1
El Camino CCD	1.75%	1
Feather River CCD	0.00%	0
Foothill-De Anza CCD	1.75%	1
Gavilan CCD	0.00%	0
Glendale CCD	1.75%	1
Grossmont-Cuyamaca CCD	1.75%	1
Hartnell Joint CCD	1.75%	1
Imperial Valley CCD	1.75%	1
Kern CCD	1.75%	1
Lake Tahoe CCD	1.75%	1
Lassen CCD	0.00%	0
Long Beach CCD	1.75%	1
Los Angeles CCD	1.75%	1
Los Rios CCD	1.75%	1
Marin CCD	1.75%	1
Mendocino-Lake CCD	1.75%	1
Merced CCD	1.75%	1
MiraCosta CCD	1.75%	1
Monterey Peninsula CCD	1.75%	1
Mt. San Antonio CCD	1.75%	1
Mt. San Jacinto CCD	0.00%	0
Napa Valley CCD	0.00%	0
North Orange County CCD	1.75%	1
Ohlone CCD	0.00%	0
Palo Verde CCD	0.00%	0
Palomar CCD	1.75%	1
Pasadena Area CCD	1.75%	1
Peralta CCD	0.00%	0
Rancho Santiago CCD	1.75%	1
Redwoods CCD	1.75%	1
Rio Hondo CCD	0.00%	0



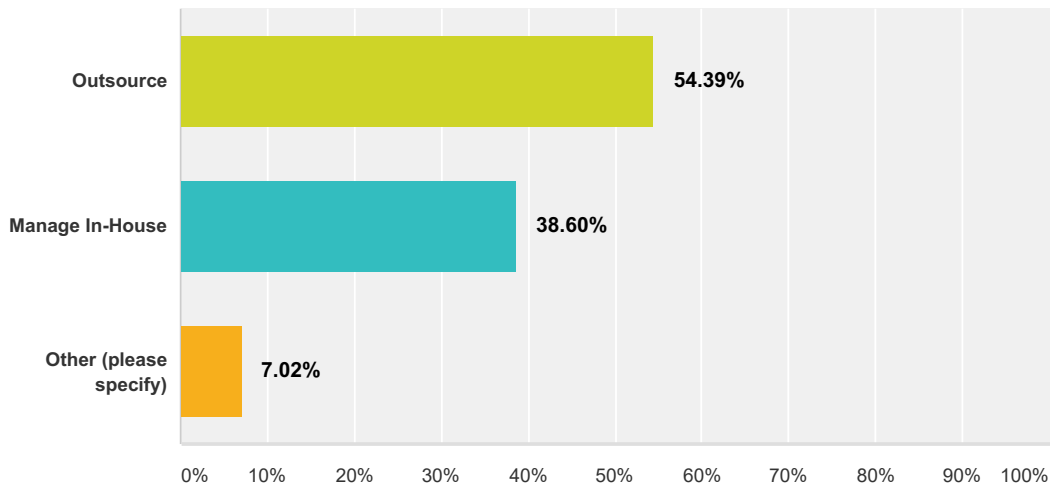
# Bookstore Survey

Riverside CCD	1.75%	1
San Bernardino CCD	1.75%	1
San Diego CCD	1.75%	1
San Francisco CCD	1.75%	1
San Joaquin Delta CCD	1.75%	1
San Jose-Evergreen CCD	1.75%	1
San Luis Obispo County CCD	1.75%	1
San Mateo County CCD	1.75%	1
Santa Barbara CCD	0.00%	0
Santa Clarita CCD	0.00%	0
Santa Monica CCD	1.75%	1
Sequoias CCD	1.75%	1
Shasta-Tehama-Trinity Joint CCD	1.75%	1
Sierra Joint CCD	1.75%	1
Siskiyou Joint CCD	1.75%	1
Solano CCD	1.75%	1
Sonoma County JCD	1.75%	1
South Orange County CCD	1.75%	1
Southwestern CCD	1.75%	1
State Center CCD	1.75%	1
Ventura County CCD	0.00%	0
Victor Valley CCD	1.75%	1
West Hills CCD	1.75%	1
West Kern CCD	1.75%	1
West Valley-Mission CCD	1.75%	1
Yosemite CCD	1.75%	1
Yuba CCD	1.75%	1
Other (please specify)	0.00%	0
<b>Total</b>		<b>57</b>

#	Other (please specify)	Date
	There are no responses.	

## Q2 Regarding your bookstore, do you...

Answered: 57 Skipped: 0

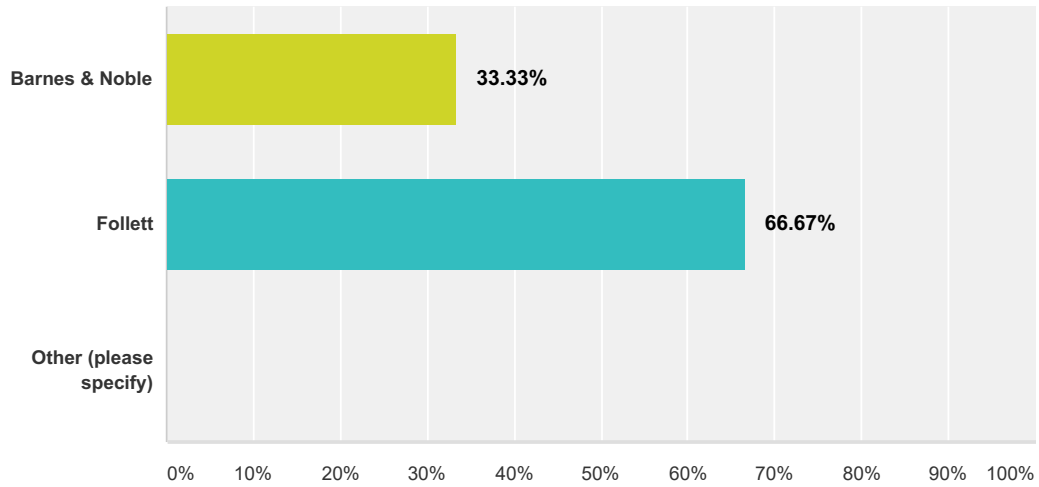


Answer Choices	Responses	Count
Outsource	54.39%	31
Manage In-House	38.60%	22
Other (please specify)	7.02%	4
<b>Total</b>		<b>57</b>

#	Other (please specify)	Date
1	Both, One campus outsources, the other manages in-house	2/1/2017 6:45 PM
2	Becasue of our relationship to ECCD, they operate it.	2/1/2017 11:35 AM
3	Outsource with Barnes and Noble, but the manager and staff are paid by COS	2/1/2017 10:18 AM
4	Currently Manage In-house, but are in the process of reviewing outsourcing proposals	1/31/2017 12:59 PM

### Q3 Who is your vendor?

Answered: 30 Skipped: 27

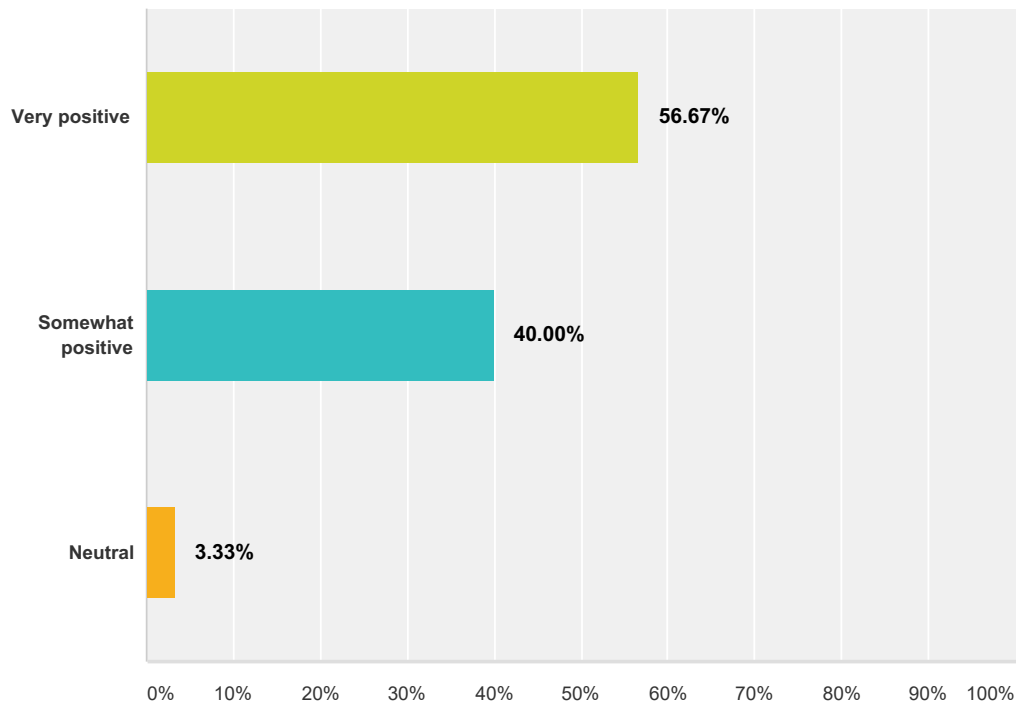


Answer Choices	Responses
Barnes & Noble	33.33% 10
Follett	66.67% 20
Other (please specify)	0.00% 0
<b>Total</b>	<b>30</b>

#	Other (please specify)	Date
	There are no responses.	

### Q4 Overall, how would you rate the quality of the vendor's customer service?

Answered: 30 Skipped: 27

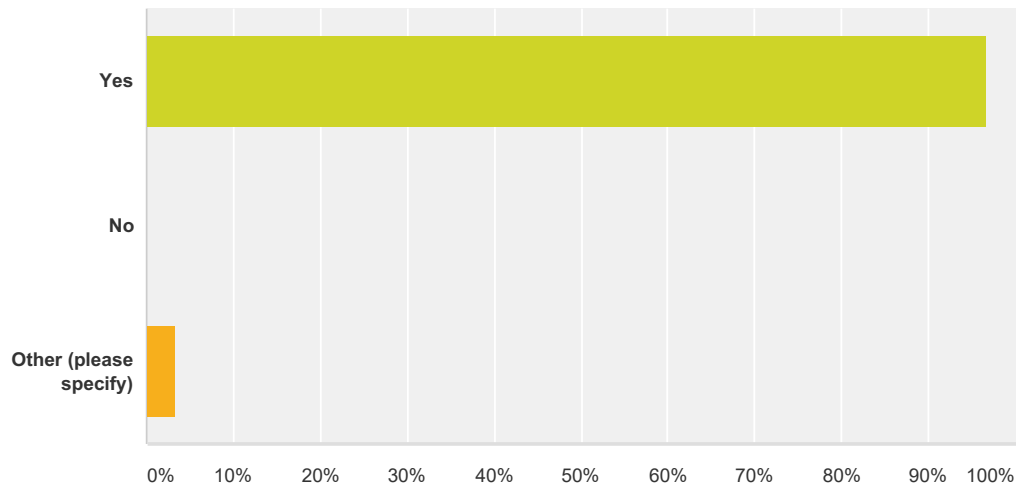


Answer Choices	Responses
Very positive	56.67% 17
Somewhat positive	40.00% 12
Neutral	3.33% 1
<b>Total</b>	<b>30</b>

#	Other (please specify)	Date
	There are no responses.	

### Q5 Do you earn additional revenue from the vendor?

Answered: 30 Skipped: 27

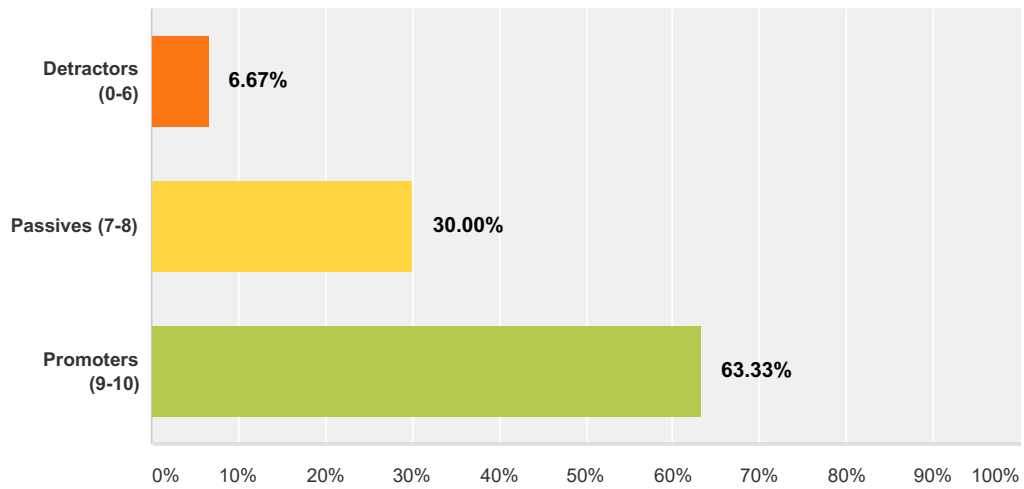


Answer Choices	Responses
Yes	96.67% 29
No	0.00% 0
Other (please specify)	3.33% 1
<b>Total</b>	<b>30</b>

#	Other (please specify)	Date
1	Commission	1/31/2017 1:19 PM

### Q6 How likely is it that you would recommend this vendor to a colleague?

Answered: 30 Skipped: 27

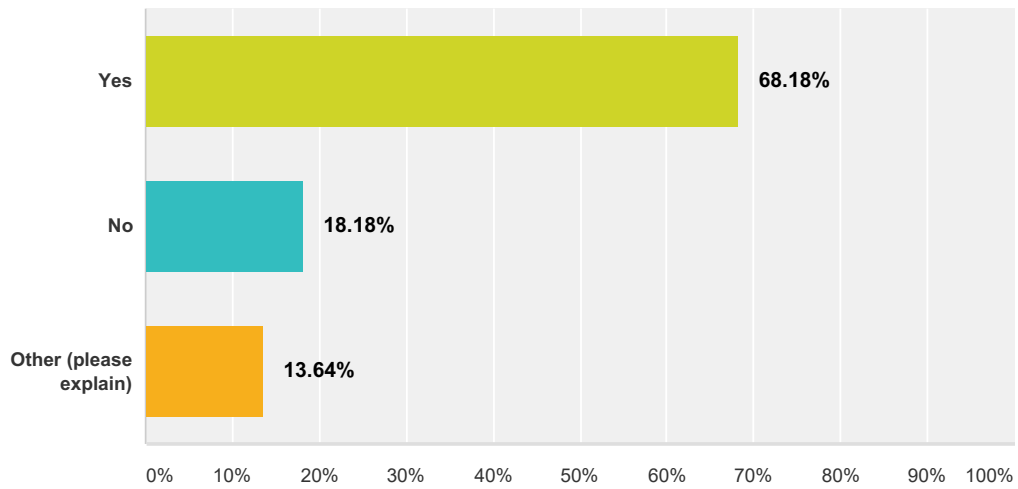


Detractors (0-6)	Passives (7-8)	Promoters (9-10)	Net Promoter® Score
6.67% 2	30.00% 9	63.33% 19	57

Basic Statistics				
Minimum	Maximum	Median	Mean	Standard Deviation
6.00	11.00	10.00	9.60	1.33

### Q7 Is your bookstore financially self-sustaining?

Answered: 22 Skipped: 35

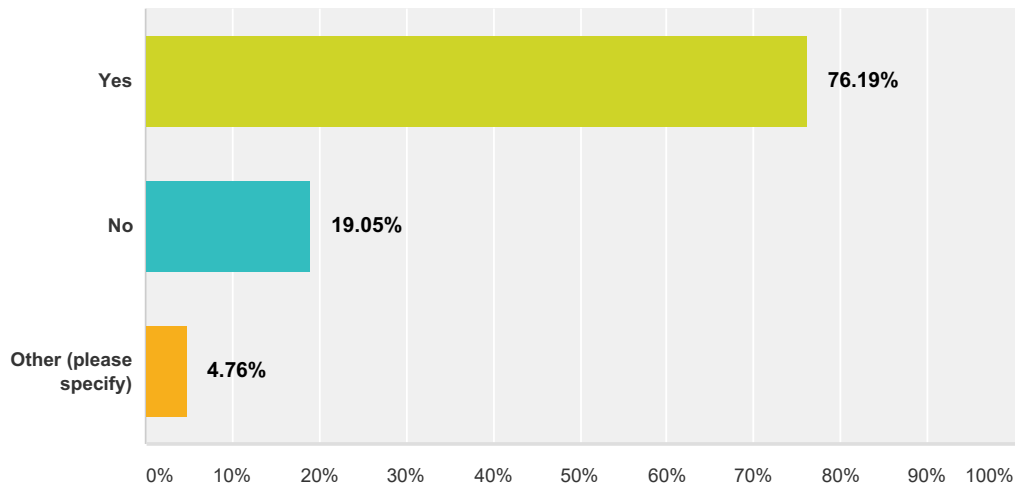


Answer Choices	Responses
Yes	68.18% 15
No	18.18% 4
Other (please explain)	13.64% 3
<b>Total</b>	<b>22</b>

#	Other (please explain)	Date
1	But it is getting more difficult.	2/1/2017 1:38 PM
2	it went through 3 deficit years but broke even last year	1/31/2017 3:40 PM
3	Currently, yes. However it is increasingly difficult given market competition.	1/31/2017 12:48 PM

### Q8 Is your bookstore profitable or at least breaking even?

Answered: 21 Skipped: 36



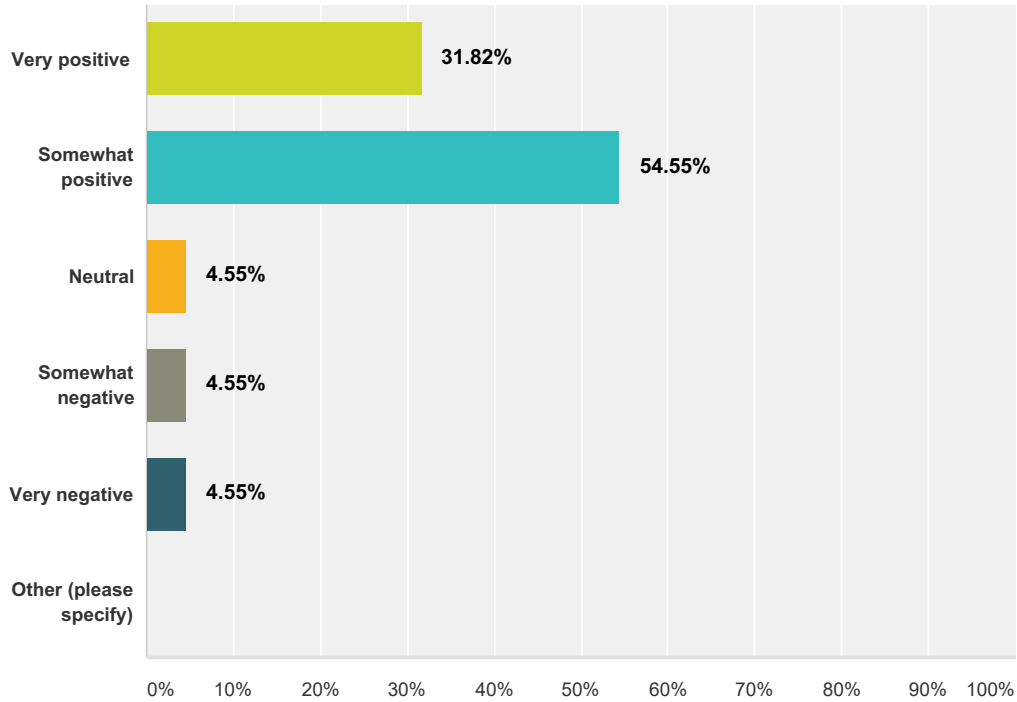
Answer Choices	Responses
Yes	76.19% 16
No	19.05% 4
Other (please specify)	4.76% 1
<b>Total</b>	<b>21</b>

#	Other (please specify)	Date
1	Currently, it looks like Folsom Lake College Store will close at a loss for FY17.	1/31/2017 12:48 PM



### Q9 Overall, how would you rate the quality of your bookstore customer service experience?

Answered: 22 Skipped: 35

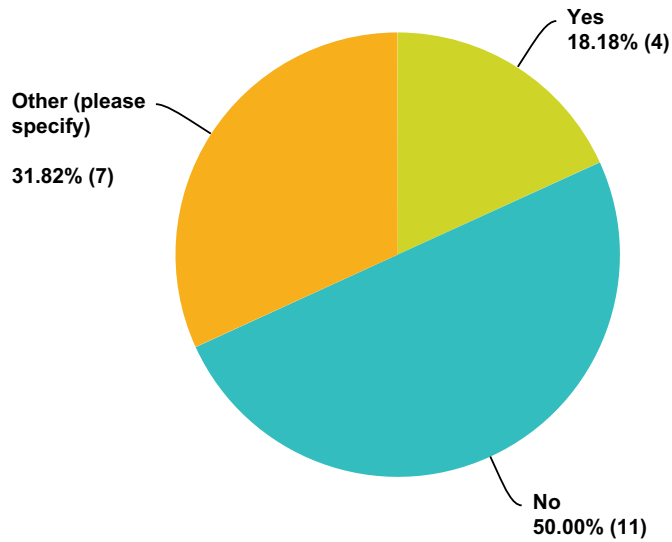


Answer Choices	Responses
Very positive	31.82% 7
Somewhat positive	54.55% 12
Neutral	4.55% 1
Somewhat negative	4.55% 1
Very negative	4.55% 1
Other (please specify)	0.00% 0
<b>Total</b>	<b>22</b>

#	Other (please specify)	Date
	There are no responses.	

### Q10 Are you seeking to outsource the bookstore in the future?

Answered: 22 Skipped: 35

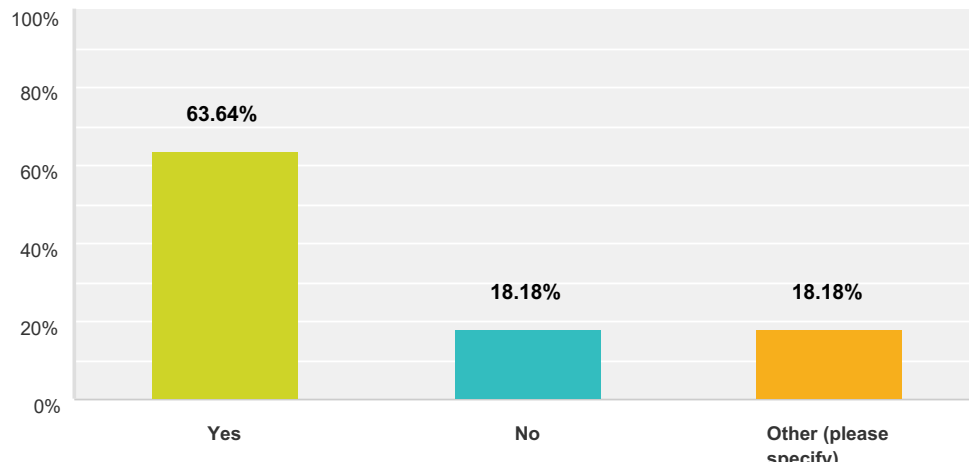


Answer Choices	Responses	
Yes	18.18%	4
No	50.00%	11
Other (please specify)	31.82%	7
<b>Total</b>		<b>22</b>

#	Other (please specify)	Date
1	Wish it was possible, but probably not	2/1/2017 7:17 PM
2	We are considering outsourcing the bookstore.	2/1/2017 1:38 PM
3	We are exploring that option	2/1/2017 10:01 AM
4	Will be completing an RFP, will determine next steps based on RFP responses	1/31/2017 3:27 PM
5	Researching the possibility	1/31/2017 1:09 PM
6	Maybe	1/31/2017 12:57 PM
7	We are looking at our options	1/31/2017 12:46 PM

### Q11 Are you happy with your current in-house bookstore?

Answered: 22 Skipped: 35



Answer Choices	Responses	
Yes	63.64%	14
No	18.18%	4
Other (please specify)	18.18%	4
<b>Total</b>		<b>22</b>

#	Other (please specify)	Date
1	We could do better but we are not experts with bookstores.	2/1/2017 1:38 PM
2	Yes but the store itself is unattractive so we are remodeling	1/31/2017 3:40 PM
3	Fairly happy about service provided, disappointed with revenues generated	1/31/2017 3:27 PM
4	Our stores are still making a slight profit and do the best job they can, however, we expect at some point in the future we will need to consider outsourcing.	1/31/2017 1:59 PM

**Q12 Please tell us about your current bookstore setup.**

Answered: 3 Skipped: 54

#	Responses	Date
1	One location. We don't not take in revenues but have an agreement that provides us commissions. These commissions are distributed to ASB, Foundation and Auxiliary.	2/1/2017 11:36 AM
2	Hybrid - Barnes and Noble contracts with us. They manage the bookstore and handle all inventory, advertising, etc. The manager could be paid by B&N or by the District, but chose to be paid by the District as classified management. The staff are paid by the District as classified employees. B&N reimburses us payroll costs, BUT, there is a limit to their reimbursements, and the last two years we have gone over due to student workers.	2/1/2017 10:20 AM
3	Two stores, one in Santa Rosa, the other at our Center in Petaluma. Sales were over \$10M prior to recession, now at \$5M. Anecdotal evidence of students migrating to Amazon for books.	1/31/2017 1:01 PM

### Q13 Please provide any additional comments you feel are relevant.

Answered: 20 Skipped: 37

#	Responses	Date
1	In AHC's situation it was not possible for us to self-operate and turn a profit in the past few years. Our labor costs were not competitive and on-line pricing was too competitive. Merchandise sales usually are where the money is made and that was not much of an opportunity for us.	2/1/2017 2:00 PM
2	College community very much likes B&N's engagement with constituency groups - students, faculty, and staff alike - and services they deliver.	2/1/2017 1:00 PM
3	West Valley/Mission long ago managed their own bookstores, got out of that business in 90's. Follett was first contractor, good at first but went downhill. B&N College is very cooperative, not perfect. These are honestly the only two options for in-person store service; there are "virtual" vendors, but they do not provide a campus experience. We renewed B&N without question.	2/1/2017 10:50 AM
4	Our vice chancellor of auxiliary services is really good about putting together customer service oriented programs that are entrepreneurial and revenue generating. Let me know if you want to meet him. Kathy Blackwood	2/1/2017 10:36 AM
5	Faculty and Students always complain about the bookstore prices. It's also difficult to staff the other two centers appropriately, within the budgets of the contract. Generally it works well, but we will go out for RFP when the contract is up.	2/1/2017 10:21 AM
6	It is difficult to make a bookstore cost effective when we do not have the buying power of a bigger store. However there are benefits to a Bookstore that is actually part of the campus. They are not just a retail store but they know how the college works and how to connect with faculty .	1/31/2017 3:41 PM
7	We are looking into the possibility of vending this out. We are profitable, but barely.	1/31/2017 3:29 PM
8	We have an on-site manager who is fabulous and works with students and staff to provide excellent service. Very flexible and assertive to address our needs.	1/31/2017 3:03 PM
9	We have a fabulous on-site manager who works with our staff and students to provide great service and prices. Very flexible and attentive to our needs.	1/31/2017 2:54 PM
10	The managers and staff of B&N are always open to assisting the college with special projects, promotions, etc.	1/31/2017 1:45 PM
11	We were not always happy with our Bookstore operations, mostly because of management issues. Have a great manager now and things are going very well!	1/31/2017 1:22 PM
12	A strong working relationship with the assigned Bookstore manager is a huge factor is how successful outsourcing becomes.	1/31/2017 1:15 PM
13	See Item #3	1/31/2017 1:01 PM
14	Please share your results. Thanks, Steve Crow scrow@mpc.edu	1/31/2017 12:59 PM
15	Los Rios is comprised of 4 colleges. FLC is the smallest college and it struggles to breakeven. As a district, we are working together to streamline business and purchasing processes. For example FLC shares an accountant with American River College. As a district we are exploring options on how to consolidate textbook buying, utilizing the accounting module of the MBS system, etc.	1/31/2017 12:56 PM
16	Long term viability is an issue with minimum wage going up, pension increases and publisher related challenges.	1/31/2017 12:47 PM
17	Concerned about current and future deficit spending and use of Fund 11 to cover operations.	1/31/2017 12:47 PM
18	The district operates 9 bookstore --all at the campus level with varying degrees of success. However, all show a profit at year end, and return a six-figure contribution to their respective campuses.	1/31/2017 12:46 PM
19	very good customer service to students, staff and faculty. Active partner in our foundation.	1/31/2017 12:45 PM
20	The manager at our store is extremely proactive and makes every effort to accommodate needs, respond to issues, etc.	1/31/2017 12:45 PM

CALIFORNIA COMMUNITY COLLEGES

CHANCELLOR'S OFFICE

1102 Q STREET, SUITE 4400  
SACRAMENTO, CA 95811-6549  
(916) 322-4005  
<http://www.cccco.edu>



October 30, 2017

**TO:** Superintendents/Presidents  
Chief Business Officers  
Chief Student Services Officers  
Chief Instructional Officers

**FROM:** Theresa Tena, Vice Chancellor  
Institutional Effectiveness Division

**SUBJECT:** Requirement and Process for Adopting Institutional Effectiveness (IE)  
Goals Framework and Setting Year-Four IE College/District Goals

This memorandum formally notifies colleges/districts of the requirement that each college develop, adopt and post a goals framework as mandated by enacted legislation. In addition, it provides information about the Year-Four Framework of Indicators, a training webinar, and the process of adopting and posting college/district goals. More information can be found at <http://extranet.cccco.edu/Divisions/InstitutionalEffectiveness.aspx> or <http://iepi.cccco.edu/indicators>.

**Background:** In 2014, the California legislature established a system of indicators and goals to encourage California community colleges and districts to improve fiscal and operational effectiveness, while also reducing accreditation sanctions and audit findings. Pursuant to Education Code section [84754.6](#), the Board of Governors (BOG) adopted the Year-Four goals framework at its July 17, 2017 meeting to measure the ongoing condition of California community colleges'/districts' operational environment. This statute also requires that, as a condition of receipt of Student Success and Support Program funds, each college develop, adopt and post a goals framework that addresses, at a minimum, the following four areas: (1) student performance and outcomes, (2) accreditation status, (3) fiscal viability, and (4) programmatic compliance with state and federal guidelines. In accordance with statute, the Chancellor will also post system-wide goals adopted by the BOG along with the locally developed and adopted college/district goals by June 30, 2018.

**Adopting Framework and Year-Four Goals:** Each college should adopt the BOG-approved framework of indicators and set both short-term (1-year) and long-term (6-year) goals for the Year-Four indicators designated as "Required" in the Indicator Portal. In addition to the required goals, colleges/districts may choose to adopt some or all of the goals designated as "Optional." Please see the attached BOG Agenda Item 2.7 (July 2017) for new goal setting requirements. The process a college uses to adopt the framework and set goals should be locally determined, but colleges are encouraged to ensure that all appropriate constituency groups (e.g., Academic Senate, Classified Staff, and Student Senate) are engaged in a manner consistent with the college's collegial consultation process.

**Certifying/Posting Framework and Goals:** Like the previous three Framework of Indicators goal-setting cycles, the Institutional Effectiveness Online Indicator Portal will soon be available for posting goals and can be accessed at <https://misweb.cccco.edu/ie/>. A unique district password for posting college's/district's goals to the portal was sent to your district's Chief Information Systems Officer and should be shared as appropriate.

**Framework of Indicators Webinar:** To support your institution with Year-Four Framework of Indicators goal setting, the Institutional Effectiveness division plans to host a webinar in March 2018; details for the webinar will be announced soon.

**Action Requested:** By Friday, June 15, 2018, adopt the BOG-approved goals framework; and develop, adopt and post Year-Four goals. The Chancellor's Office will post each college's/district's goals on the institutional effectiveness website before June 30, 2018.

**Contact:** If you have any questions about the Year-Four Framework of Indicators, please feel free to contact me at [ttena@cccoco.edu](mailto:ttena@cccoco.edu) or Jeff Spano, Dean of Institutional Effectiveness at [jspano@cccoco.edu](mailto:jspano@cccoco.edu).

Attachments:  
BOG Agenda Item 2.7 (July 2017)



cc: Chief Information Systems Officer  
President, CCC Statewide Academic Senate



# The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS

DATE: July 17, 2017

SUBJECT: Institutional Effectiveness, Framework of Indicators		Item Number: 2.7	
		Attachment: Yes	
CATEGORY:	Institutional Effectiveness	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Theresa Tena, Vice Chancellor	Consent/Routine	
		First Reading	
Approved for Consideration:	 Eloy Ortiz Oakley, Chancellor	Action	X
		Information	

**ISSUE:** This item requests the Board of Governors' adoption of the Institutional Effectiveness Partnership Initiative (IEPI) Framework of Indicators pursuant to the requirements of Education Code section 84754.6.

**BACKGROUND:** Pursuant to California Education Code § 84754.6:

*The Chancellor, in coordination with CCC stakeholder groups, fiscal and policy committees of the Legislature, and the Department of Finance, shall develop and the Board of Governors shall adopt a framework of indicators to measure the ongoing condition of a community college's operational environment focused at a minimum on the following:*

- *Student performance and outcomes*
- *Accreditation status*
- *Fiscal viability*
- *Programmatic compliance with state and federal guidelines*

*As a condition of receipt of SSSP funds, each college shall develop, adopt, and post a goals framework that addresses at a minimum the four categories above.*

*By June 30, 2015 and before each fiscal year thereafter, the Chancellor shall post both of the following:*

- *Annually developed system-wide goals adopted by the Board of Governors*
- *Locally developed and adopted college/district goals (**Background cont.**)*

**RECOMMENDED ACTION:** It is recommended that the Board of Governors adopt the Year-Four IEPI Framework of Indicators, which includes minor modifications to previous Frameworks.



**(Background cont.)**

For the last three years, the Institutional Effectiveness Partnership Initiative's (IEPI) Framework of Indicators process has provided an opportunity for California community college professionals to set short- and long-term aspirational goals for their institutions. It also helps colleges and districts strengthen cross-silo communication and engender a shared commitment to local institutional improvement and student success. Since its implementation, local participation in the Framework of Indicators goalsetting process has been engaged and punctual. Colleges and districts tend to identify more than the required number goals, and to date, all 113 colleges certified that they have adopted, developed, and posted their goals frameworks by the annual deadline, June 15.

*A summary of the Year-Three Framework of Indicators goalsetting cycle<sup>1</sup>:* Although there were no new required goals in the Year-Three Framework the IEPI Advisory Committee's Indicators Workgroup added eight new optional college-level goals related to student performance and three district-level goals. The Board of Governors adopted the Year-Three Framework on November 14, 2016.

To provide helpful information about the Year-Three Framework, IEPI hosted a Framework of Indicators Portal webinar and two regional IEPI Indicators workshops. These trainings were well attended, with more than 100 California community college professionals participating in the webinar and 60 attending the regional workshops.

*Preparation for the Year-Four Framework of Indicators goalsetting cycle:* Congruent with previous goalsetting cycles, the development of the Year-Four Framework and goalsetting process has evolved through collaboration with community college partners and stakeholders. An important recommendation from IEPI's collaborators included seeking early adoption of the Year-Four Framework by the Board of Governors. An early adoption of the Year-Four Framework will allow colleges and districts added time to work together to adopt, develop, and post local goals.

**ANALYSIS:** In Year-Four, the goal of this effort is to continue to build upon metrics already collected and reported by colleges and districts. Colleges and districts will post locally developed and adopted goals using approved metrics by Friday, June 15, 2018. The Indicators Workgroup has proposed several modifications to the Framework for the Year-Four goalsetting cycle. Below is a summary of the proposed modifications.

**Proposed Modifications:**

- Adjust the requirement to set a goal for the *Successful Course Completion* indicator from required to optional
- Adjust the *Number of Degrees* indicator so that CTE and non-CTE award rates are listed separately
- Add a *Combined Number of Degrees and Certificates* indicator and require colleges to set both a short-term (1 year) goal and long-term (6 year) goal
- Require colleges to set a long-term (6 year) goal for the *Median Time to Degree* indicator
- Require colleges to set a long-term (6 year) goal for *Completion Rate-Overall*
- Require colleges to set short- and long-term *Transfer-Level Achievement* goals from at least one of the indicators for Math or English after one or two years

Attached is the proposed Year-Four Framework, which includes these suggested changes.

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<sup>1</sup>The Year-Three Framework of Indicators certification of completion forms were due on Thursday, June 15 2017. The CCCCCO received certifications from all 113 colleges at the time this agenda item was written.

Institutional Effectiveness Partnership Initiative Advisory Committee  
Framework of Indicators (Year 4)

College/District Indicator	Required/ Optional Indicator	Brief Definition
<b>Student Performance and Outcomes</b>		
Completion rate (Scorecard):	Optional	Percentage of degree, certificate and/or transfer-seeking students starting first time in 2011-12 tracked for six years through 2016-17 who completed a degree, certificate or transfer-related outcomes
• College-prepared	Optional	Student's lowest course attempted in Math and/or English was college level
• Unprepared for college	Optional	Student's lowest course attempted in Math and/or English was pre-collegiate level
• Overall	<b>Required</b>	<b>Student attempted any level of Math or English in the first three years (Only the long-term goal is required)</b>
Noncredit college choice	Optional	Each college may self-identify an indicator related to noncredit and provide a narrative of the result. This can, but is not required to be noncredit course success rate
College Choice Student Achievement (Basic Skills)	Required: at least one indicator must be selected for the college choice student achievement indicator	College must set a goal focused on unprepared students or basic skills students from Unprepared Completion Rate, Remedial Rate, or Transfer-level completion rate. College must identify which indicator has been chosen (Short- and long-term goals are required)
Remedial rate (Scorecard):	Optional	Percentage of credit students tracked for six years through 2016-17 who started first time in 2011-12 below transfer level in English, math and/or ESL and completed a college-level course in the same discipline
• Math	Optional	See above
• English	Optional	See above
• ESL	Optional	See above
Transfer-level achievement rate years 1 and 2	Required: at least one indicator must be selected for the college choice transfer-level achievement indicator	Percentage of degree, certificate and/or transfer-seeking students starting first time in 2015-16 tracked for one and two years through 2016-17 who completed transfer-level math/English course ( <b>Short- and long-term goals are required</b> )
• Math year 1	Optional	Completed transfer-level math in year 1
• Math year 2	Optional	Completed transfer-level math in year 1 or year 2
• English year 1	Optional	Completed transfer-level English in year 1
• English year 2	Optional	Completed transfer-level English in year 1 or year 2
CTE rate (Scorecard)	Optional	Percentage of students tracked for six years through 2016-17 who started first time in 2011-12 and completed more than eight units in courses classified as career technical education in a single discipline and completed a degree, certificate or transferred
Successful course completion (DataMart)	Optional	Percentage of students who earn a grade of "C" or better or "credit" in the fall term
Completion of non-CTE degrees (DataMart)	Optional	Number of associate degrees completed in 2016-17
Completion of CTE degrees (DataMart)	Optional	Number of CTE associate degrees completed in 2016-17
Combined degrees and certificates (DataMart)	Required	Number of associate degrees and Chancellor's Office approved certificate completed in 2016-17 ( <b>Short- and long-term goals are required</b> )
Completion of certificates (DataMart)	Optional	Number of Chancellor's Office-approved certificates completed in 2016-17
Number of low-unit certificates	Optional	Number of non-Chancellor's Office-approved certificates completed in 2016-17
Number of CDCP awards	Optional	Number of Career Development-College Preparation awards completed in 2016-17

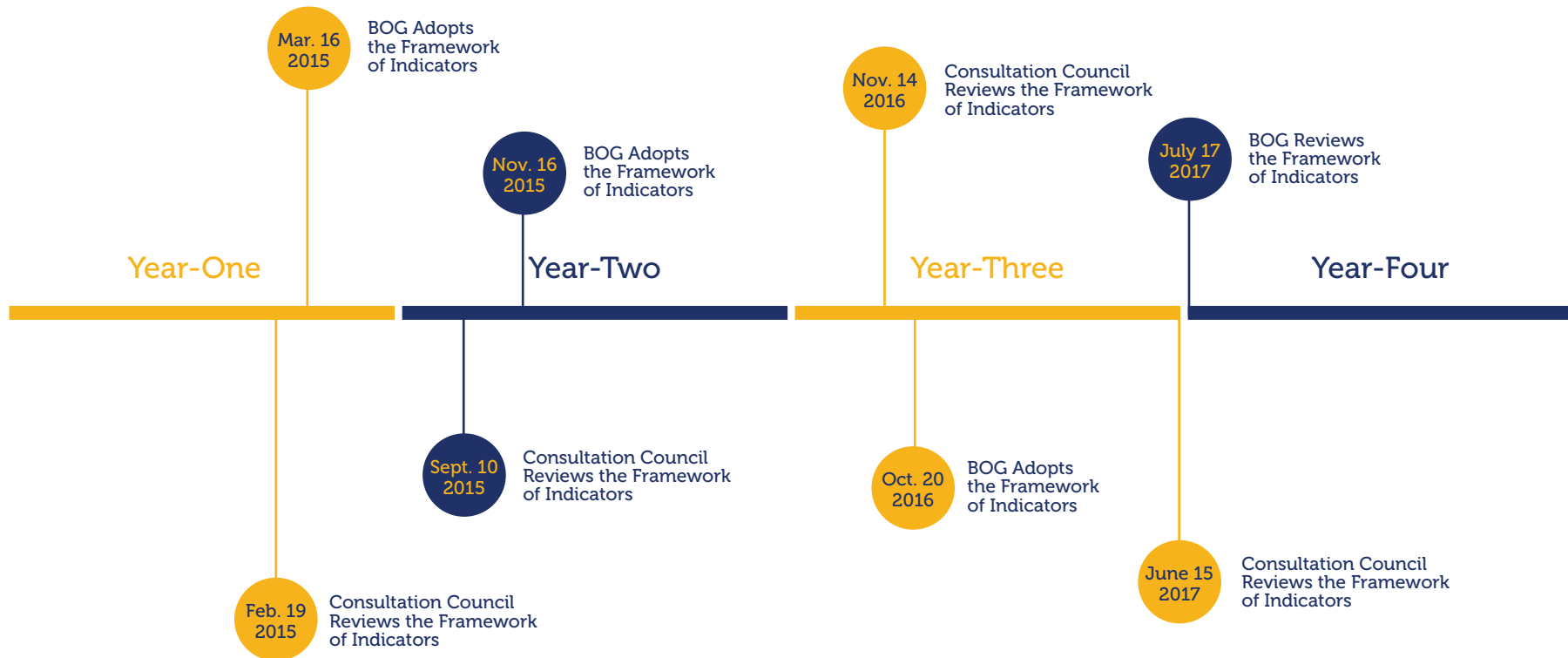
Institutional Effectiveness Partnership Initiative Advisory Committee  
Framework of Indicators (Year 4)

Number of students who transfer to 4-year institutions (DataMart)	Information Only	Number of students who transfer to a four-year institution, including CSU and UC, 2016-17 <sup>1</sup>
CTE Skills Builders	Optional	The median percentage change in wages for students who completed higher level CTE coursework in 2014-2015 and left the system without receiving any type of traditional outcome such as transfer to a four year college or completion of a degree or certificate
Median time to degree	Required	Median number of academic years needed to obtain an AA, AS or ADT ( <b>Only the long-term goal is required</b> )
District participation rate	Optional	Percentage of 18-24 year olds living within district boundaries who are enrolled in at least one of the district's colleges
<b>Accreditation Status</b>		
Accreditation status	Required	Latest ACCJC action (status code)
		Fully Accredited - No Action (FA-N); Fully Accredited - Reaffirmed (FA-RA); Fully Accredited - Sanction Removed (FA-SR); Fully Accredited - Sanction Removed and Reaffirmed (FA-SR/RA); Fully Accredited - Warning (FA-W); Fully Accredited - Probation (FA-P); Fully Accredited - Show Cause (FA-SC); Fully Accredited - Pending Termination (FA-PT); Accreditation Terminated (T) (No longer used by the accrediting agency after July 2015); Accreditation Withdrawn (WD); Fully Accredited - Restoration (FA-RS); Initial Accreditation (IA); Re-Application for Accreditation (RE-AP) ( <b>Short- and long-term goals required</b> )
Date of next visit	Optional	Informational item - no target collected.
<b>Fiscal Viability</b>		
Salary and Benefits	Optional	Salaries and benefits as a percentage of unrestricted general fund expenditures, excluding other outgoing expenditures
Full-Time Equivalent Students	Optional	Annual number of full-time equivalent students
Annual Operating Excess/(Deficiency)	Optional	Net increase or decrease in unrestricted general fund balance
Fund Balance	Required	Ending unrestricted general fund balance as a percentage of total expenditures ( <b>Short- and long-term goals are required</b> )
Cash Balance	Optional	Unrestricted and restricted general fund cash balance, excluding investments
OPEB Liability	Optional	The percentage of the OPEB liability that the district's set aside funds represents, including both funds in a trust and outside of a trust and designated for this liability
<b>Programmatic Compliance with State and Federal Guidelines</b>		
Audit Findings	All Required	Modified opinion, material weaknesses, or significant deficiencies as identified in independent audited financial statements ( <b>Short- and long-term goals are required</b> )
• Opinion for the Financial Statement		See above
• State Compliance		See above
• Federal Award/Compliance		See above
<b>College Choice</b>		
College Choice	Optional	Each college may self-identify an indicator related to any topic. Briefly explain the indicator and provide short-term and long-term goals. Goals must be presented as counts, percentages, or rates
<p>1 Metric dependent upon external variables (UC and CSU transfer admission policy) and therefore collected as information. Colleges are NOT expected to identify a goal. Each college is encouraged to engage in their local shared governance process to set goals (short term and long term) for the subsequent year.</p>		

# Institutional Effectiveness Framework of Indicators

California Community Colleges Chancellor's Office

## Multi-Year Timeline: 2015 – 2017





# INSTITUTIONAL EFFECTIVENESS FRAMEWORK OF INDICATORS

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# Framework of Indicators

## California Education Code § 84754.6:

- The Chancellor, in coordination with CCC stakeholder groups, fiscal and policy committees of the Legislature, and the Department of Finance, shall develop and the Board of Governors shall adopt a framework of indicators to measure the ongoing condition of a community colleges' operational environment focused at a minimum on the following:
  - Student performance and outcomes
  - Accreditation status
  - Fiscal viability
  - Programmatic compliance with state and federal guidelines

# Framework of Indicators

## California Education Code § 84754.6 (Continued):

- As a condition of receipt of SSSP funds, each college shall develop, adopt, and post a goals framework that addresses at a minimum the four categories.
- By June 30, 2015 and before each fiscal year thereafter, the Chancellor shall post both of the following:
  - Annually developed system-wide goals adopted by the Board of Governors
  - Locally developed and adopted college/district goals

# Fiscal Viability

## Fund Balance

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



# 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....”

# Fiscal Viability

## Fund Balance (Continued)

- Recommendation
  - 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 2018-2019 and the subsequent six years under the Institutional Effectiveness Framework of Indicators.

# Programmatic Compliance with State and Federal Guidelines

## Audit Opinions and Findings

- Independent audit opinions and findings 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 weakness or significant deficiencies.

# Programmatic Compliance with State and Federal Guidelines

## 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.

# Programmatic Compliance with State and Federal Guidelines

## 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 2018-2019 and the subsequent six years under the Institutional Effectiveness Framework of Indicators.

## Agenda Item (IV-A-0)

Meeting	11/7/2017 - Committee
Agenda Item	Committee - Governance (IV-A-0)
Subject	Board Policy for First Reading
College/District	District
Funding	
Recommended Action	It is recommended that the Board of Trustees accept for first reading Board Policy 6307 - Debt Issuance and Management.

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### Background Narrative:

Existing California law requires public agencies to provide information to the California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of the debt. Senate Bill 1029 (S.B. 1029), amends the law to place additional reporting obligations on issuers of debt. In part, S.B. 1029 requires that an issuer certify that it has adopted local debt policies concerning the use of debt and that the proposed debt issuances is consistent with the local debt policies. S.B. 1029 lists certain topics to be covered in the local debt policies.

The District expects to issue general obligation bonds, and potentially other debt instruments such as Tax and Revenue Anticipation Notes (TRAN) from time-to-time, and therefore must adopt a debt issuance and management policy in compliance with S.B. 1029.

The attached Board Policy is presented to the Board of Trustees for first reading.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services  
Patrick Pyle, General Counsel

### Attachments:

[BP 6307 Debt Issuance and Management](#)

Business and Fiscal Affairs  
DRAFT

**BP 6307 DEBT ISSUANCE AND MANAGEMENT**

**References:**

Government Code Section 8855  
Government Code Sections 53311 *et seq.*, 53506 *et seq.* and 53850 *et seq.*  
Education Code Sections 15000 *et seq.*, and 15264 *et seq.*  
Education Code Sections 17400 *et seq.*, 17430 *et seq.*, 17450 *et seq.*  
Education Code Section 17455 *et seq.*  
State Constitution Section 18 of Article XVI  
State Constitution Section 1(b)(2) of Article XIII A (Proposition 46)  
State Constitution Section 1 (b)(3) of Article XIII A (Proposition 39)

**The Chancellor shall establish procedures for the issuance of indebtedness by the District in satisfaction of the requirements of SB 1029, codified as part of Government Code Section 8855, including fulfillment of its debt issuance reporting requirements to the California Debt and Investment Advisory Commission (CDIAC).**

**Procedures shall include:**

- **The purposes for which debt proceeds may be used.**
- **The types of debt that may be issued.**
- **The relationship of the debt to, and integration with, the District's capital improvement program.**
- **Policy goals related to the District's planning goals and objectives.**
- **The internal control procedures that the District has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.**
- **Reporting requirements to the California Debt and Investment Advisory Commission (CDIAC).**

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**NOTE:** The **bold type** signifies **legally required** language recommended from the Community College League and legal counsel (Liebert Cassidy Whitmore). There does not appear to be a current Riverside CCD Policy that addresses this issue.

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**Date Adopted:**

*(This is a new policy recommended by the CCLC and the League's legal counsel)*

## AP 6307 DEBT ISSUANCE AND MANAGEMENT

### References:

- Government Code Section 8855
- Government Code Sections 53311 *et seq.*, 53506 *et seq.* and 53850 *et seq.*
- Education Code Sections 15000 *et seq.*, and 15264 *et seq.*
- Education Code Sections 17400 *et seq.*, 17430 *et seq.*, 17450 *et seq.*
- Education Code Section 17455 *et seq.*
- State Constitution Section 18 of Article XVI
- State Constitution Section 1(b)(2) of Article XIII A (Proposition 46)
- State Constitution Section 1 (b)(3) of Article XIII A (Proposition 39)

### I. Purpose and Goals

These administrative procedures provide a framework for debt management and capital planning and have been developed to meet the following goals:

- Identifying the purposes for which debt proceeds may be used.
- Identifying the types of debt that may be issued.
- Describing the relationship of the debt to, and integration with, the District's capital improvement program.
- Establishing goals related to the District's planning goals and objectives.
- Implementing internal control procedures to ensure that the proceeds of the proposed debt issuance will be directed to the intended use upon completion of the issuance.
- Reporting requirements for the California Debt and Investment Advisory Commission (CDIAC).

### II. Purposes for Which Debt Proceeds May be Used

Authority and Purposes of the Issuance of Debt - The laws of the State of California (the "State") authorize the District to incur debt to make lease payments, contract debt, borrow money, and issue bonds for district improvement projects. The District is authorized to contract debt to acquire, construct, reconstruct, rehabilitate, replace, improve, extend, enlarge, and equip such projects; to refund existing debt; or to provide for operational cash flow needs.

### III. Types of Debt Authorized to be Issued



## A. Short-Term

The District may deem it necessary to finance cash flow requirements under certain conditions. Such cash flow borrowing must be payable from taxes, income, revenue, cash receipts and other moneys attributable to the fiscal year in which the debt is issued.

General operating costs include, but are not limited to, those items normally funded in the District's annual operating budget.

The Chancellor, who may delegate to the Vice Chancellor, Business and Financial Services, will review potential financing methods to determine which is most prudent for the District. Potential financing sources include tax and revenue anticipation notes (TRAN), temporary borrowing from the Riverside County and office of the Treasurer - Tax Collector, and internal temporary interfund borrowing.

- a. Operations - The District may issue fixed-rate and/or variable rate short-term debt, which may include TRANs, when such instruments allow the District to meet its cash flow requirements.
- b. Facilities - The District may also issue bond anticipation notes ("BANs") to provide interim financing for bond projects that will ultimately be paid from general obligation bond (GO Bonds).

## B. Long-Term

Debt issues may be used to finance essential capital facilities projects and certain equipment where it is appropriate to spread the cost of the project over more than one budget year. Long-term debt shall not be used to fund District operations.

Long term debt in the form of GO Bonds may be issued under Article XIII A of the State Constitution, either under Proposition 46, which requires approval by at least a two-thirds (66.67%) majority of voters, or Proposition 39, which requires approval by at least 55% of voters, subject to certain accountability requirements and restrictions.

The District may also enter into long-term leases and/or Certificates of Participation (COPs) for public facilities, property, and equipment.

## C. Lease Financing

Lease-purchase obligations may be used as a means of financing capital equipment and certain capital facilities.

#### D. Use of General Obligation Bonds

Significant capital facility projects are anticipated to be funded by GO Bond proceeds, along with State Construction Act funding whenever possible. Projects financed by GO Bonds will conform to the constraints of applicable law and voter approved ballot measures.

### IV. Relationship of Debt to and Integration with District's Capital Improvement Program

#### A. Impact on Operating Budget and District Debt Burden

In evaluating financing options for capital facility projects, both short and long-term debt amortization will be evaluated when considering a debt issuance, along with the potential impact of debt service, and additional costs associated with new projects on the operating budget of the District. The cost of debt issued for major capital repairs or replacements will be evaluated against the potential cost of delaying such repairs.

#### B. Capital Improvement Program

District and College facilities staff have responsibility for the planning and management of capital improvement programs, subject to review and approval by the Board of Trustees. Facilities Master Plans will be supplemented and revised as appropriate to reflect current needs associated with real estate and facilities in keeping with the District's current needs for acquisition, development and/or improvement. Such plans shall include a summary of the estimated cost of each project, schedule timelines for the projects, the expected quarterly cash requirements, and annual appropriations, in order for the projects to be completed.

#### C. Considerations for Refunding:

- a. Best Interest - Whenever deemed to be in the best interest of the District, and the property taxpayers residing within the District, the District shall consider refunding or restructuring outstanding debt if it will be financially advantageous or beneficial for debt repayment and/or structuring flexibility.
- b. Net Present Value Analysis - The Vice Chancellor of Business and Financial Services shall review a net present value analysis of any proposed refunding to make a determination regarding the cost-effectiveness of the proposed refunding, using a minimum dollar amount and/or percentage savings as a benchmark.
- c. Maximize Expected Net Savings - The timing of any refunding shall be designed to maximize net savings over the life of the bonds.

- d. Compliance with Existing Legal Requirements - Any existing debt refunding shall comply with all applicable State and Federal laws governing such issuance.

## V. Goals Related to District's Planning Goals and Objectives

### A. The District shall pursue the following goals:

- a. Strive to fund major capital improvements from voter-approved GO Bond issues to preserve the availability of the District's General Fund for operating purposes and other purposes that cannot be funded by such bond issues.
- b. Endeavor to attain the best possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements.
- c. Take all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues.
- d. Remain mindful of its statutory debt limit and commitment made to the voters in relation to assessed value growth within the district and the tax burden needed to meet long-term capital requirements.
- e. Consider market conditions and District cash flows when timing the issuance of debt.
- f. Determine the amortization (maturity) schedule which will fit best within the overall debt structure of the District at the time the new debt is issued.
- g. Be mindful of matching the term of the issue to the useful lives of assets funded by that issue whenever practicable and economical, while considering repair and replacement costs of those assets to be incurred in future.
- h. Assess financial alternatives so as to minimize the encroachment on the District's General Fund.
- i. Consider its ability to expend the funds obtained in a timely, efficient and economical manner.

## VI. Internal Control Procedures for Issuance of Debt to Ensure Intended Use of Proceeds

## A. Structure of Debt Issues

- a. Maturity of Debt - The duration of a debt issue shall be consistent, to the extent possible, with the economic or useful life of the improvement or asset that the debt issue is financing. Accordingly, the District will strive to ensure that in the aggregate, the average life of the financing shall not exceed 120% of the average life of the assets being financed. In addition, the District shall consider the overall impact of the current and future debt burden of the financing when determining the duration of the debt issue.
- b. Debt Structure
  - i. GO Bonds
    - New Money Bond Issuances - For new money bond issuances, the District shall size the bond issuance consistent with the "spend-down" requirements of the Internal Revenue Code and within any limits approved by the District's voters. To the extent possible, the District will also consider credit issues, market factors (e.g. bank qualification) and tax law when sizing the District's bond issuance.
    - Refunding Bond Issuances - The sizing of refunding bonds will be determined by the amount of money that will be required to cover the principal of, accrued interest (if any) on, and redemption premium for the bonds to be defeased on the call date and to cover appropriate financing costs.
    - Maximum Maturity - All bonds issued by the District shall mature within the limits set forth in applicable provisions of the Education Code or the Government Code. The final maturity of bonds will also be limited to the average useful life of the assets financed or as otherwise required by tax law.
  - c. Lease-Purchase Obligations - The final maturity of equipment or real property lease obligations will be limited to the useful life of the assets to be financed.

## B. Debt Service Structure

The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, and, as practical, to recapture or maximize its debt capacity for future use.

### C. Use of Proceeds

The District shall be vigilant in using bond proceeds in accordance with the stated purposes for which such debt was incurred. In connection with the issuance of all GO Bonds:

- a. As required by Government Code Section 53410, the District shall only use GO Bond proceeds for the purposes approved by the District's voters; and
- b. The Vice Chancellor of Business and Financial Services shall have the responsibility of periodically providing to the District's Board of Trustees a written report which shall contain at least the following information:
  - i. The amount of the debt proceeds received and expended during the applicable reporting period; and
  - ii. The status of the acquisition, construction or financing of the district facility projects, as identified in any applicable bond measure, with the proceeds of the debt.

These reports may be combined with other periodic reports which include the same information, including but not limited to, periodic reports made to the California Debt and Investment Advisory Commission continuing disclosure reports, annual audit reports or other reports made in connection with the debt. These requirements shall apply only until the earliest of the following: (i) all the debt is redeemed or defeased, but if the debt is refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased, or (ii) all proceeds of the debt, or any investment earnings thereon, are fully expended.

- c. The District shall post on the District website the Annual Report of the District's Independent Bond Oversight Committee which has been given the responsibility to review the expenditure of GO Bond proceeds to assure the community that all GO Bond funds have been used for the construction, renovation, repair, furnishing and equipping of district facilities, and not used for teacher or administrator salaries or other operating expenses.
- d. The District shall hire an independent auditor to perform an annual independent financial and performance audit of the expenditure of GO Bond proceeds, and to post such audits on the District website.

### VII. Reporting Requirements to the California Debt and Investment Advisory Commission

No later than 30 days prior to the sale of any debt issue, the District shall submit a report of the proposed issuance to the California Debt and Investment Advisory Commission. The report of the proposed debt issuance shall include a certification by the District that it has adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those local debt policies.

No later than 21 days after the sale of the debt, the District shall submit a report of final sale to the CDIAC. A copy of the final official statement for the issue shall accompany the report of final sale. If there is no official statement, the District shall provide each of the following documents, if they exist, along with the report of final sale:

- Indenture
- Installment sales agreement
- Loan agreement
- Promissory note
- Bond purchase contract
- Resolution authorizing the issue
- Bond specimen
- Other disclosure document

The District shall submit an annual report for any issue of debt for which it has submitted a report of final sale on or after January 21, 2017. The annual report shall cover a reporting period from July 1 to June 30, inclusive, and shall be submitted no later than seven months after the end of the reporting period. The annual report shall consist of the following information:

- A. Debt authorized during the reporting period, which shall include the following: (1) Debt authorized at the beginning of the reporting period; (2) Debt authorized and issued during the reporting period; (3) Debt authorized but not issued at the end of the reporting period; and (4) Debt authority that has lapsed during the reporting period.
- B. Debt outstanding during the reporting period, which shall include the following: (1) Principal balance at the beginning of the reporting period; (2) Principal paid during the reporting period; and (3) Principal outstanding at the end of the reporting period.
- C. The use of proceeds of issued debt during the reporting period, which shall include the following: (1) Debt proceeds available at the beginning of the reporting period; (2) Proceeds spent during the reporting period and the purposes for which it was spent; and (3) Debt proceeds remaining at the end of the reporting period.

Office of Primary Responsibility: ***Vice Chancellor, Business & Financial Services***

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Administrative Approval:

DRAFT

CALIFORNIA COMMUNITY COLLEGES

CHANCELLOR'S OFFICE

1102 Q STREET, SUITE 4400  
SACRAMENTO, CA 95811-6549  
(916) 322-4005  
<http://www.cccco.edu>



October 30, 2017

**TO:** Superintendents/Presidents  
Chief Business Officers  
Chief Student Services Officers  
Chief Instructional Officers

**FROM:** Theresa Tena, Vice Chancellor  
Institutional Effectiveness Division

**SUBJECT:** Requirement and Process for Adopting Institutional Effectiveness (IE)  
Goals Framework and Setting Year-Four IE College/District Goals

This memorandum formally notifies colleges/districts of the requirement that each college develop, adopt and post a goals framework as mandated by enacted legislation. In addition, it provides information about the Year-Four Framework of Indicators, a training webinar, and the process of adopting and posting college/district goals. More information can be found at <http://extranet.cccco.edu/Divisions/InstitutionalEffectiveness.aspx> or <http://iepi.cccco.edu/indicators>.

**Background:** In 2014, the California legislature established a system of indicators and goals to encourage California community colleges and districts to improve fiscal and operational effectiveness, while also reducing accreditation sanctions and audit findings. Pursuant to Education Code section [84754.6](#), the Board of Governors (BOG) adopted the Year-Four goals framework at its July 17, 2017 meeting to measure the ongoing condition of California community colleges'/districts' operational environment. This statute also requires that, as a condition of receipt of Student Success and Support Program funds, each college develop, adopt and post a goals framework that addresses, at a minimum, the following four areas: (1) student performance and outcomes, (2) accreditation status, (3) fiscal viability, and (4) programmatic compliance with state and federal guidelines. In accordance with statute, the Chancellor will also post system-wide goals adopted by the BOG along with the locally developed and adopted college/district goals by June 30, 2018.

**Adopting Framework and Year-Four Goals:** Each college should adopt the BOG-approved framework of indicators and set both short-term (1-year) and long-term (6-year) goals for the Year-Four indicators designated as "Required" in the Indicator Portal. In addition to the required goals, colleges/districts may choose to adopt some or all of the goals designated as "Optional." Please see the attached BOG Agenda Item 2.7 (July 2017) for new goal setting requirements. The process a college uses to adopt the framework and set goals should be locally determined, but colleges are encouraged to ensure that all appropriate constituency groups (e.g., Academic Senate, Classified Staff, and Student Senate) are engaged in a manner consistent with the college's collegial consultation process.



**Certifying/Posting Framework and Goals:** Like the previous three Framework of Indicators goal-setting cycles, the Institutional Effectiveness Online Indicator Portal will soon be available for posting goals and can be accessed at <https://misweb.cccco.edu/ie/>. A unique district password for posting college's/district's goals to the portal was sent to your district's Chief Information Systems Officer and should be shared as appropriate.

**Framework of Indicators Webinar:** To support your institution with Year-Four Framework of Indicators goal setting, the Institutional Effectiveness division plans to host a webinar in March 2018; details for the webinar will be announced soon.

**Action Requested:** **By Friday, June 15, 2018**, adopt the BOG-approved goals framework; and develop, adopt and post Year-Four goals. The Chancellor's Office will post each college's/district's goals on the institutional effectiveness website before June 30, 2018.

**Contact:** If you have any questions about the Year-Four Framework of Indicators, please feel free to contact me at [ttena@cccoco.edu](mailto:ttena@cccoco.edu) or Jeff Spano, Dean of Institutional Effectiveness at [jspano@cccoco.edu](mailto:jspano@cccoco.edu).

Attachments:  
BOG Agenda Item 2.7 (July 2017)



cc: Chief Information Systems Officer  
President, CCC Statewide Academic Senate



# The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS

DATE: July 17, 2017

SUBJECT: Institutional Effectiveness, Framework of Indicators		Item Number: 2.7	
		Attachment: Yes	
CATEGORY:	Institutional Effectiveness	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Theresa Tena, Vice Chancellor	Consent/Routine	
		First Reading	
Approved for Consideration:	 Eloy Ortiz Oakley, Chancellor	Action	X
		Information	

**ISSUE:** This item requests the Board of Governors' adoption of the Institutional Effectiveness Partnership Initiative (IEPI) Framework of Indicators pursuant to the requirements of Education Code section 84754.6.

**BACKGROUND:** Pursuant to California Education Code § 84754.6:

*The Chancellor, in coordination with CCC stakeholder groups, fiscal and policy committees of the Legislature, and the Department of Finance, shall develop and the Board of Governors shall adopt a framework of indicators to measure the ongoing condition of a community college's operational environment focused at a minimum on the following:*

- *Student performance and outcomes*
- *Accreditation status*
- *Fiscal viability*
- *Programmatic compliance with state and federal guidelines*

*As a condition of receipt of SSSP funds, each college shall develop, adopt, and post a goals framework that addresses at a minimum the four categories above.*

*By June 30, 2015 and before each fiscal year thereafter, the Chancellor shall post both of the following:*

- *Annually developed system-wide goals adopted by the Board of Governors*
- *Locally developed and adopted college/district goals (**Background cont.**)*

**RECOMMENDED ACTION:** It is recommended that the Board of Governors adopt the Year-Four IEPI Framework of Indicators, which includes minor modifications to previous Frameworks.

**(Background cont.)**

For the last three years, the Institutional Effectiveness Partnership Initiative's (IEPI) Framework of Indicators process has provided an opportunity for California community college professionals to set short- and long-term aspirational goals for their institutions. It also helps colleges and districts strengthen cross-silo communication and engender a shared commitment to local institutional improvement and student success. Since its implementation, local participation in the Framework of Indicators goalsetting process has been engaged and punctual. Colleges and districts tend to identify more than the required number goals, and to date, all 113 colleges certified that they have adopted, developed, and posted their goals frameworks by the annual deadline, June 15.

*A summary of the Year-Three Framework of Indicators goalsetting cycle<sup>1</sup>:* Although there were no new required goals in the Year-Three Framework the IEPI Advisory Committee's Indicators Workgroup added eight new optional college-level goals related to student performance and three district-level goals. The Board of Governors adopted the Year-Three Framework on November 14, 2016.

To provide helpful information about the Year-Three Framework, IEPI hosted a Framework of Indicators Portal webinar and two regional IEPI Indicators workshops. These trainings were well attended, with more than 100 California community college professionals participating in the webinar and 60 attending the regional workshops.

*Preparation for the Year-Four Framework of Indicators goalsetting cycle:* Congruent with previous goalsetting cycles, the development of the Year-Four Framework and goalsetting process has evolved through collaboration with community college partners and stakeholders. An important recommendation from IEPI's collaborators included seeking early adoption of the Year-Four Framework by the Board of Governors. An early adoption of the Year-Four Framework will allow colleges and districts added time to work together to adopt, develop, and post local goals.

**ANALYSIS:** In Year-Four, the goal of this effort is to continue to build upon metrics already collected and reported by colleges and districts. Colleges and districts will post locally developed and adopted goals using approved metrics by Friday, June 15, 2018. The Indicators Workgroup has proposed several modifications to the Framework for the Year-Four goalsetting cycle. Below is a summary of the proposed modifications.

**Proposed Modifications:**

- Adjust the requirement to set a goal for the *Successful Course Completion* indicator from required to optional
- Adjust the *Number of Degrees* indicator so that CTE and non-CTE award rates are listed separately
- Add a *Combined Number of Degrees and Certificates* indicator and require colleges to set both a short-term (1 year) goal and long-term (6 year) goal
- Require colleges to set a long-term (6 year) goal for the *Median Time to Degree* indicator
- Require colleges to set a long-term (6 year) goal for *Completion Rate-Overall*
- Require colleges to set short- and long-term *Transfer-Level Achievement* goals from at least one of the indicators for Math or English after one or two years

Attached is the proposed Year-Four Framework, which includes these suggested changes.

<sup>1</sup>The Year-Three Framework of Indicators certification of completion forms were due on Thursday, June 15 2017. The CCCCCO received certifications from all 113 colleges at the time this agenda item was written.

Institutional Effectiveness Partnership Initiative Advisory Committee  
Framework of Indicators (Year 4)

College/District Indicator	Required/ Optional Indicator	Brief Definition
<b>Student Performance and Outcomes</b>		
Completion rate (Scorecard):	Optional	Percentage of degree, certificate and/or transfer-seeking students starting first time in 2011-12 tracked for six years through 2016-17 who completed a degree, certificate or transfer-related outcomes
• College-prepared	Optional	Student's lowest course attempted in Math and/or English was college level
• Unprepared for college	Optional	Student's lowest course attempted in Math and/or English was pre-collegiate level
• Overall	<b>Required</b>	<b>Student attempted any level of Math or English in the first three years (Only the long-term goal is required)</b>
Noncredit college choice	Optional	Each college may self-identify an indicator related to noncredit and provide a narrative of the result. This can, but is not required to be noncredit course success rate
College Choice Student Achievement (Basic Skills)	Required: at least one indicator must be selected for the college choice student achievement indicator	College must set a goal focused on unprepared students or basic skills students from Unprepared Completion Rate, Remedial Rate, or Transfer-level completion rate. College must identify which indicator has been chosen (Short- and long-term goals are required)
Remedial rate (Scorecard):	Optional	Percentage of credit students tracked for six years through 2016-17 who started first time in 2011-12 below transfer level in English, math and/or ESL and completed a college-level course in the same discipline
• Math	Optional	See above
• English	Optional	See above
• ESL	Optional	See above
Transfer-level achievement rate years 1 and 2	Required: at least one indicator must be selected for the college choice transfer-level achievement indicator	Percentage of degree, certificate and/or transfer-seeking students starting first time in 2015-16 tracked for one and two years through 2016-17 who completed transfer-level math/English course ( <b>Short- and long-term goals are required</b> )
• Math year 1	Optional	Completed transfer-level math in year 1
• Math year 2	Optional	Completed transfer-level math in year 1 or year 2
• English year 1	Optional	Completed transfer-level English in year 1
• English year 2	Optional	Completed transfer-level English in year 1 or year 2
CTE rate (Scorecard)	Optional	Percentage of students tracked for six years through 2016-17 who started first time in 2011-12 and completed more than eight units in courses classified as career technical education in a single discipline and completed a degree, certificate or transferred
Successful course completion (DataMart)	Optional	Percentage of students who earn a grade of "C" or better or "credit" in the fall term
Completion of non-CTE degrees (DataMart)	Optional	Number of associate degrees completed in 2016-17
Completion of CTE degrees (DataMart)	Optional	Number of CTE associate degrees completed in 2016-17
Combined degrees and certificates (DataMart)	Required	Number of associate degrees and Chancellor's Office approved certificate completed in 2016-17 ( <b>Short- and long-term goals are required</b> )
Completion of certificates (DataMart)	Optional	Number of Chancellor's Office-approved certificates completed in 2016-17
Number of low-unit certificates	Optional	Number of non-Chancellor's Office-approved certificates completed in 2016-17
Number of CDCP awards	Optional	Number of Career Development-College Preparation awards completed in 2016-17

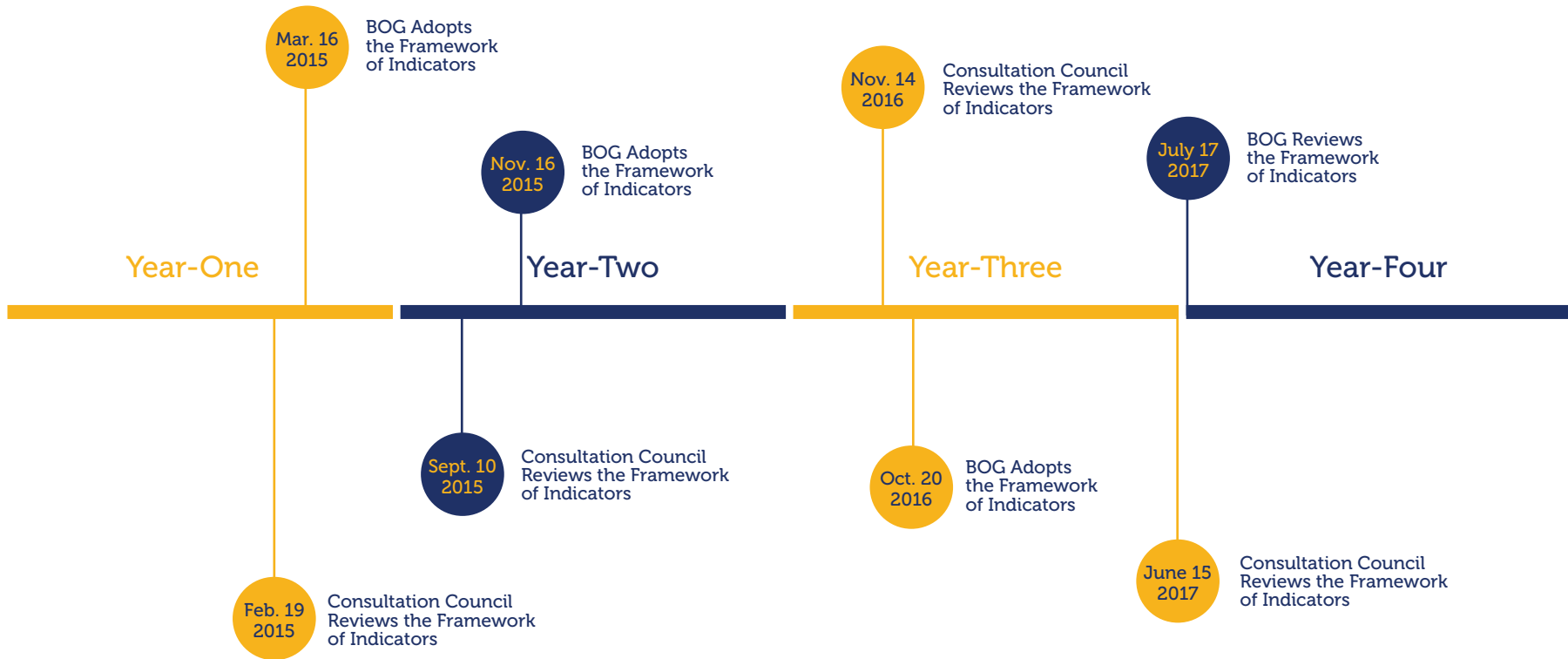
Institutional Effectiveness Partnership Initiative Advisory Committee  
Framework of Indicators (Year 4)

Number of students who transfer to 4-year institutions (DataMart)	Information Only	Number of students who transfer to a four-year institution, including CSU and UC, 2016-17 <sup>1</sup>
CTE Skills Builders	Optional	The median percentage change in wages for students who completed higher level CTE coursework in 2014-2015 and left the system without receiving any type of traditional outcome such as transfer to a four year college or completion of a degree or certificate
Median time to degree	Required	Median number of academic years needed to obtain an AA, AS or ADT ( <b>Only the long-term goal is required</b> )
District participation rate	Optional	Percentage of 18-24 year olds living within district boundaries who are enrolled in at least one of the district's colleges
<b>Accreditation Status</b>		
Accreditation status	Required	Latest ACCJC action (status code)
		Fully Accredited - No Action (FA-N); Fully Accredited - Reaffirmed (FA-RA); Fully Accredited - Sanction Removed (FA-SR); Fully Accredited - Sanction Removed and Reaffirmed (FA-SR/RA); Fully Accredited - Warning (FA-W); Fully Accredited - Probation (FA-P); Fully Accredited - Show Cause (FA-SC); Fully Accredited - Pending Termination (FA-PT); Accreditation Terminated (T) (No longer used by the accrediting agency after July 2015); Accreditation Withdrawn (WD); Fully Accredited - Restoration (FA-RS); Initial Accreditation (IA); Re-Application for Accreditation (RE-AP) ( <b>Short- and long-term goals required</b> )
Date of next visit	Optional	Informational item - no target collected.
<b>Fiscal Viability</b>		
Salary and Benefits	Optional	Salaries and benefits as a percentage of unrestricted general fund expenditures, excluding other outgoing expenditures
Full-Time Equivalent Students	Optional	Annual number of full-time equivalent students
Annual Operating Excess/(Deficiency)	Optional	Net increase or decrease in unrestricted general fund balance
Fund Balance	Required	Ending unrestricted general fund balance as a percentage of total expenditures ( <b>Short- and long-term goals are required</b> )
Cash Balance	Optional	Unrestricted and restricted general fund cash balance, excluding investments
OPEB Liability	Optional	The percentage of the OPEB liability that the district's set aside funds represents, including both funds in a trust and outside of a trust and designated for this liability
<b>Programmatic Compliance with State and Federal Guidelines</b>		
Audit Findings	All Required	Modified opinion, material weaknesses, or significant deficiencies as identified in independent audited financial statements ( <b>Short- and long-term goals are required</b> )
• Opinion for the Financial Statement		See above
• State Compliance		See above
• Federal Award/Compliance		See above
<b>College Choice</b>		
College Choice	Optional	Each college may self-identify an indicator related to any topic. Briefly explain the indicator and provide short-term and long-term goals. Goals must be presented as counts, percentages, or rates
<p>1 Metric dependent upon external variables (UC and CSU transfer admission policy) and therefore collected as information. Colleges are NOT expected to identify a goal. Each college is encouraged to engage in their local shared governance process to set goals (short term and long term) for the subsequent year.</p>		

# Institutional Effectiveness Framework of Indicators

California Community Colleges Chancellor's Office

## Multi-Year Timeline: 2015 – 2017





# INSTITUTIONAL EFFECTIVENESS FRAMEWORK OF INDICATORS

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# Framework of Indicators

## California Education Code § 84754.6:

- The Chancellor, in coordination with CCC stakeholder groups, fiscal and policy committees of the Legislature, and the Department of Finance, shall develop and the Board of Governors shall adopt a framework of indicators to measure the ongoing condition of a community colleges' operational environment focused at a minimum on the following:
  - Student performance and outcomes
  - Accreditation status
  - Fiscal viability
  - Programmatic compliance with state and federal guidelines



# Framework of Indicators

## California Education Code § 84754.6 (Continued):

- As a condition of receipt of SSSP funds, each college shall develop, adopt, and post a goals framework that addresses at a minimum the four categories.
- By June 30, 2015 and before each fiscal year thereafter, the Chancellor shall post both of the following:
  - Annually developed system-wide goals adopted by the Board of Governors
  - Locally developed and adopted college/district goals

# Fiscal Viability

## Fund Balance

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

# 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....”

# Fiscal Viability

## Fund Balance (Continued)

- Recommendation
  - 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 2018-2019 and the subsequent six years under the Institutional Effectiveness Framework of Indicators.

# Programmatic Compliance with State and Federal Guidelines

## Audit Opinions and Findings

- Independent audit opinions and findings 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 weakness or significant deficiencies.

# Programmatic Compliance with State and Federal Guidelines

## 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.

# Programmatic Compliance with State and Federal Guidelines

## 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 2018-2019 and the subsequent six years under the Institutional Effectiveness Framework of Indicators.

Business and Fiscal Affairs  
DRAFT

**BP 6307 DEBT ISSUANCE AND MANAGEMENT**

**References:**

**Government Code Section 5852.1**

Government Code Section 8855

Government Code Sections 53311 *et seq.*, 53506 *et seq.* and 53850 *et seq.*

Education Code Sections 15000 *et seq.*, and 15264 *et seq.*

Education Code Sections 17400 *et seq.*, 17430 *et seq.*, 17450 *et seq.*

Education Code Section 17455 *et seq.*

State Constitution Section 18 of Article XVI

State Constitution Section 1(b)(2) of Article XIII A (Proposition 46)

State Constitution Section 1 (b)(3) of Article XIII A (Proposition 39)

The Chancellor shall establish procedures for the issuance of indebtedness by the District in satisfaction of the requirements of SB 1029, codified as part of Government Code Section 8855, including fulfillment of its debt issuance reporting requirements to the California Debt and Investment Advisory Commission (CDIAC).

**Procedures shall include:**

- The purposes for which debt proceeds may be used.
- The types of debt that may be issued.
- The relationship of the debt to, and integration with, the District's capital improvement program.
- Policy goals related to the District's planning goals and objectives.
- The internal control procedures that the District has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.
- Reporting requirements to the California Debt and Investment Advisory Commission (CDIAC).
- **Required disclosures prior to issuance of bonds.**

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**NOTE:** The **bold type** signifies **legally required** language recommended from the Community College League and legal counsel (Liebert Cassidy Whitmore). There does not appear to be a current Riverside CCD Policy that addresses this issue.

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**Date Adopted:**

*(This is a new policy recommended by the CCLC and the League's legal counsel)*



# Riverside Community College District Administrative Procedure

No. 6307

Business and Fiscal Affairs  
DRAFT

## AP 6307 DEBT ISSUANCE AND MANAGEMENT

### References:

**Government Code Section 5852.1**

Government Code Section 8855

Government Code Sections 53311 *et seq.*, 53506 *et seq.* and 53850 *et seq.*

Education Code Sections 15000 *et seq.*, and 15264 *et seq.*

Education Code Sections 17400 *et seq.*, 17430 *et seq.*, 17450 *et seq.*

Education Code Section 17455 *et seq.*

State Constitution Section 18 of Article XVI

State Constitution Section 1(b)(2) of Article XIII A (Proposition 46)

State Constitution Section 1 (b)(3) of Article XIII A (Proposition 39)

### I. Purpose and Goals

These administrative procedures provide a framework for debt management and capital planning and have been developed to meet the following goals:

- Identifying the purposes for which debt proceeds may be used.
- Identifying the types of debt that may be issued.
- Describing the relationship of the debt to, and integration with, the District's capital improvement program.
- Establishing goals related to the District's planning goals and objectives.
- Implementing internal control procedures to ensure that the proceeds of the proposed debt issuance will be directed to the intended use upon completion of the issuance.
- Reporting requirements for the California Debt and Investment Advisory Commission (CDIAC).
- **Required disclosures prior to issuance of bonds.**

### II. Purposes for Which Debt Proceeds May be Used

Authority and Purposes of the Issuance of Debt - The laws of the State of California (the "State") authorize the District to incur debt to make lease payments, contract debt, borrow money, and issue bonds for district improvement projects. The District is authorized to contract debt to acquire, construct, reconstruct, rehabilitate, replace, improve, extend, enlarge, and equip such projects; to refund existing debt; or to provide for operational cash flow needs.

### III. Types of Debt Authorized to be Issued

#### A. Short-Term

The District may deem it necessary to finance cash flow requirements under certain conditions. Such cash flow borrowing must be payable from taxes, income, revenue, cash receipts and other moneys attributable to the fiscal year in which the debt is issued.

General operating costs include, but are not limited to, those items normally funded in the District's annual operating budget.

The Chancellor, who may delegate to the Vice Chancellor, Business and Financial Services, will review potential financing methods to determine which is most prudent for the District. Potential financing sources include tax and revenue anticipation notes (TRAN), temporary borrowing from the Riverside County and office of the Treasurer - Tax Collector, and internal temporary interfund borrowing.

- a. Operations - The District may issue fixed-rate and/or variable rate short-term debt, which may include TRANs, when such instruments allow the District to meet its cash flow requirements.
- b. Facilities - The District may also issue bond anticipation notes ("BANs") to provide interim financing for bond projects that will ultimately be paid from general obligation bond (GO Bonds).

#### B. Long-Term

Debt issues may be used to finance essential capital facilities projects and certain equipment where it is appropriate to spread the cost of the project over more than one budget year. Long-term debt shall not be used to fund District operations.

Long term debt in the form of GO Bonds may be issued under Article XIII A of the State Constitution, either under Proposition 46, which requires approval by at least a two-thirds (66.67%) majority of voters, or Proposition 39, which requires approval by at least 55% of voters, subject to certain accountability requirements and restrictions.

The District may also enter into long-term leases and/or Certificates of Participation (COPs) for public facilities, property, and equipment.

#### C. Lease Financing

Lease-purchase obligations may be used as a means of financing capital equipment and certain capital facilities.

#### D. Use of General Obligation Bonds

Significant capital facility projects are anticipated to be funded by GO Bond proceeds, along with State Construction Act funding whenever possible. Projects financed by GO Bonds will conform to the constraints of applicable law and voter approved ballot measures.

#### IV. Relationship of Debt to and Integration with District's Capital Improvement Program

##### Impact on Operating Budget and District Debt Burden

In evaluating financing options for capital facility projects, both short and long-term debt amortization will be evaluated when considering a debt issuance, along with the potential impact of debt service, and additional costs associated with new projects on the operating budget of the District. The cost of debt issued for major capital repairs or replacements will be evaluated against the potential cost of delaying such repairs.

##### Capital Improvement Program

District and College facilities staff have responsibility for the planning and management of capital improvement programs, subject to review and approval by the Board of Trustees. Facilities Master Plans will be supplemented and revised as appropriate to reflect current needs associated with real estate and facilities in keeping with the District's current needs for acquisition, development and/or improvement. Such plans shall include a summary of the estimated cost of each project, schedule timelines for the projects, the expected quarterly cash requirements, and annual appropriations, in order for the projects to be completed.

##### Considerations for Refunding:

- a. Best Interest - Whenever deemed to be in the best interest of the District, and the property taxpayers residing within the District, the District shall consider refunding or restructuring outstanding debt if it will be financially advantageous or beneficial for debt repayment and/or structuring flexibility.
- b. Net Present Value Analysis - The Vice Chancellor of Business and Financial Services shall review a net present value analysis of any proposed refunding to make a determination regarding the cost-effectiveness of the proposed refunding, using a minimum dollar amount and/or percentage savings as a benchmark.

- c. Maximize Expected Net Savings - The timing of any refunding shall be designed to maximize net savings over the life of the bonds.
- d. Compliance with Existing Legal Requirements - Any existing debt refunding shall comply with all applicable State and Federal laws governing such issuance.

## V. Goals Related to District's Planning Goals and Objectives

### A. The District shall pursue the following goals:

- a. Strive to fund major capital improvements from **State allocated construction funds and** voter-approved GO Bond issues to preserve the availability of the District's General Fund for operating purposes and other purposes that cannot be funded by such bond issues.
- b. Endeavor to attain the best possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements.
- c. Take all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues.
- d. Remain mindful of its statutory debt limit and commitment made to the voters in relation to assessed value growth within the district and the tax burden needed to meet long-term capital requirements.
- e. Consider market conditions and District cash flows when timing the issuance of debt.
- f. Determine the amortization (maturity) schedule which will fit best within the overall debt structure of the District at the time the new debt is issued.
- g. Be mindful of matching the term of the issue to the useful lives of assets funded by that issue whenever practicable and economical, while considering repair and replacement costs of those assets to be incurred in future.
- h. Assess financial alternatives so as to minimize the encroachment on the District's General Fund.
- i. Consider its ability to expend the funds obtained in a timely, efficient and economical manner.

## VI. Internal Control Procedures for Issuance of Debt to Ensure Intended Use of Proceeds

### A. Structure of Debt Issues

- a. Maturity of Debt - The duration of a debt issue shall be consistent, to the extent possible, with the economic or useful life of the improvement or asset that the debt issue is financing. Accordingly, the District will strive to ensure that in the aggregate, the average life of the financing shall not exceed 120% of the average life of the assets being financed. In addition, the District shall consider the overall impact of the current and future debt burden of the financing when determining the duration of the debt issue.
- b. Debt Structure
  - i. GO Bonds
    - New Money Bond Issuances - For new money bond issuances, the District shall size the bond issuance consistent with the "spend-down" requirements of the Internal Revenue Code and within any limits approved by the District's voters. To the extent possible, the District will also consider credit issues, market factors (e.g. bank qualification) and tax law when sizing the District's bond issuance.
    - Refunding Bond Issuances - The sizing of refunding bonds will be determined by the amount of money that will be required to cover the principal of, accrued interest (if any) on, and redemption premium for the bonds to be defeased on the call date and to cover appropriate financing costs.
    - Maximum Maturity - All bonds issued by the District shall mature within the limits set forth in applicable provisions of the Education Code or the Government Code. The final maturity of bonds will also be limited to the average useful life of the assets financed or as otherwise required by tax law.
- c. Lease-Purchase Obligations - The final maturity of equipment or real property lease obligations will be limited to the useful life of the assets to be financed.

### B. Debt Service Structure

The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, and, as practical, to recapture or maximize its debt capacity for future use.

### C. Use of Proceeds

The District shall be vigilant in using bond proceeds in accordance with the stated purposes for which such debt was incurred. In connection with the issuance of all GO Bonds:

- a. As required by Government Code Section 53410, the District shall only use GO Bond proceeds for the purposes approved by the District's voters; and
- b. The Vice Chancellor of Business and Financial Services shall have the responsibility of periodically providing to the District's Board of Trustees a written report which shall contain at least the following information:
  - i. The amount of the debt proceeds received and expended during the applicable reporting period; and
  - ii. The status of the acquisition, construction or financing of the district facility projects, as identified in any applicable bond measure, with the proceeds of the debt.

These reports may be combined with other periodic reports which include the same information, including but not limited to, periodic reports made to the California Debt and Investment Advisory Commission continuing disclosure reports, annual audit reports or other reports made in connection with the debt. These requirements shall apply only until the earliest of the following: (i) all the debt is redeemed or defeased, but if the debt is refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased, or (ii) all proceeds of the debt, or any investment earnings thereon, are fully expended.

- c. The District shall post on the District website the Annual Report of the District's Independent Bond Oversight Committee which has been given the responsibility to review the expenditure of GO Bond proceeds to assure the community that all GO Bond funds have been used for the construction, renovation, repair, furnishing and equipping of district facilities, and not used for teacher or administrator salaries or other operating expenses.

- d. The District shall hire an independent auditor to perform an annual independent financial and performance audit of the expenditure of GO Bond proceeds, and to post such audits on the District website.

## VII. Reporting Requirements to the California Debt and Investment Advisory Commission

No later than 30 days prior to the sale of any debt issue, the District shall submit a report of the proposed issuance to the California Debt and Investment Advisory Commission. The report of the proposed debt issuance shall include a certification by the District that it has adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those local debt policies.

No later than 21 days after the sale of the debt, the District shall submit a report of final sale to the CDIAC. A copy of the final official statement for the issue shall accompany the report of final sale. If there is no official statement, the District shall provide each of the following documents, if they exist, along with the report of final sale:

- Indenture
- Installment sales agreement
- Loan agreement
- Promissory note
- Bond purchase contract
- Resolution authorizing the issue
- Bond specimen
- Other disclosure document

The District shall submit an annual report for any issue of debt for which it has submitted a report of final sale on or after January 21, 2017. The annual report shall cover a reporting period from July 1 to June 30, inclusive, and shall be submitted no later than seven months after the end of the reporting period. The annual report shall consist of the following information:

- A. Debt authorized during the reporting period, which shall include the following: (1) Debt authorized at the beginning of the reporting period; (2) Debt authorized and issued during the reporting period; (3) Debt authorized but not issued at the end of the reporting period; and (4) Debt authority that has lapsed during the reporting period.
- B. Debt outstanding during the reporting period, which shall include the following: (1) Principal balance at the beginning of the reporting period; (2) Principal paid during the reporting period; and (3) Principal outstanding at the end of the reporting period.
- C. The use of proceeds of issued debt during the reporting period, which shall include the following: (1) Debt proceeds available at the beginning of the

reporting period; (2) Proceeds spent during the reporting period and the purposes for which it was spent; and (3) Debt proceeds remaining at the end of the reporting period.

### VIII. Required Disclosures Prior to Issuance of Bonds

The District as a public entity authorized to issue bonds, is required to obtain and disclose the following in a meeting open to the public prior to approving the issuance of bonds with a term greater than thirteen (13) months:

#### A. True Interest Cost:

- a. The rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds.

#### B. Finance Charge:

- a. The sum of all fees and charges paid to third parties.

#### C. Accounting for the Proceeds of the Bonds:

- a. The amount of proceeds received by the District for the sale of the bonds, less the Finance Charge of the bonds described in (B) above, and any reserves or capitalized interest paid or funded with proceeds of the bonds.

#### D. Total Payment Amount:

- a. The sum total of all payments the borrower will make to pay debt service on the bonds, plus the Finance Charge of the bonds described in (B) above, not paid with proceeds of the bonds. The Total Payment Amount shall be calculated to the final maturity of the bonds.

Office of Primary Responsibility: ***Vice Chancellor, Business & Financial Services***

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Administrative Approval:



## California Community Colleges 2018-19 NONRESIDENT FEES WORKSHEET

### NONRESIDENT TUITION FEE CALCULATIONS FOR OPTIONS 1 THROUGH 7

2018-19 NONRESIDENT TUITION FEE (EC 76140)	(Col. 1) Statewide	(Col. 2) District	(Col. 3) 10% or More Noncredit FTES
<b>A. Expense of Education for Base Year</b> (2016-17 CCFS 311, Expenditures by Activity Report, AC 0100-6700, Cols: 1-3)	\$8,691,115,474	\$ 203,222,971	\$ _____
<b>B. Annual Attendance FTES</b> (Recal 2016-17)	<u>1,173,780</u>	<u>30,376</u>	_____
<b>C. Average Expense of Education per FTES</b> (A ÷ B)	\$7,404	\$ 6,690	\$ _____
<b>D. U.S. Consumer Price Index Factor</b> (2 years)	x <u>1.046</u>	x <u>1.046</u>	x <u>1.046</u>
<b>E. Average Cost per FTES for Tuition Year</b> (C x D)	<u>\$7,745</u>	\$ 6,998	\$ _____
<b>F. Average Per Unit Nonresident Cost – Semester (Qtr)</b>	<u>\$258 (\$172)</u>	\$ 233	\$ _____
<b>G. Highest year Statewide average – Semester (Qtr)</b>	<u>\$258 (\$172)</u>	\$ 233	\$ _____
<b>H. Comparable 12 state average – Semester (Qtr)</b>	<u>\$424 (\$283)</u>	\$ 424	\$ _____

**Annual Attendance FTES** includes all student contact hours of attendance in credit and noncredit courses for resident and nonresident students; Round tuition fee to the nearest dollar.

**Column 3** is an option for use by a district with ten percent or more noncredit FTES (*Section 76140(e)(1)(A)*). If your district qualifies, then fill out this column with noncredit FTES and noncredit expense of education data excluded.

### NONRESIDENT TUITION FEE CALCULATIONS FOR OPTIONS 6 OR 7

**Option 6.** The greater amount of the calculations of statewide nonresident tuition for 2013-14 through 2016-17 is \$258 per semester unit or \$172 per quarter unit (2016-17).

**Option 7.** The average of the nonresident tuition fees of public community colleges in 2016-17 of no less than 12 states comparable to California in cost of living is \$424 per semester unit or \$283 per quarter unit.

**Requirement for Use of Option 6 or 7:** The additional revenue generated by the increased nonresident tuition permitted under options 6 or 7 shall be used to expand and enhance services to resident students (*EC 76140(e)(2)*). Districts meeting one or more criteria below shall be considered in compliance with the requirements of *EC 76140(e)(2)*. Please check all that apply:

- Revenue from nonresident tuition was less than 5% of total general fund revenue.
- Actual resident FTES was greater than funded resident FTES.
- Percent expenditures for counseling and student services were greater than statewide average (AC 6300 plus 6400 divided by AC 0100-6700, Cols. 1-3).
- Percent expenditures for instructional services were greater than statewide average (AC 0100-5900 divided by AC 0100-6700, Cols. 1-3).

Continue to next page ►

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The district governing board at its \_\_\_\_\_ January 16 \_\_\_\_\_, 20 18 meeting adopted a **nonresident tuition fee** of \$ 258 per semester unit or \$ N/A per quarter unit.

Basis for adoption is (*place an X in one box only*).

- 1. Statewide average cost, per column 1.
- 2. District average cost, per column 2.
- 3. District average cost with 10% or more noncredit FTES, per column 3.
- 4. Contiguous district. \_\_\_\_\_ . (*Specify district and its fee*).
- 5. No more than district average cost (Col. 2 or 3); no less than statewide average cost.
- 6. Statewide average cost, from 2016-17 (\$258 per semester unit; \$172 per quarter unit).
- 7. No more than average tuition of 12 states with cost of living comparable to California.

**NONRESIDENT CAPITAL OUTLAY FEE (EC 76141)**

For districts electing to charge a **capital outlay fee** to any nonresident student, please compute this fee as follows:

- a. Capital Outlay expense for 2016-17 \$ 10,234,456
- b. FTES for 2016-17 30,376
- c. Capital outlay expense per FTES (*line a divided by line b*) 337
- d. Capital Outlay Fee per unit:
  - 1. Per semester unit (*line c divided by 30 units*) 11

**OR**

- 2. Per quarter unit (*line c divided by 45 units*) N/A
- e. 2018-19 Nonresident Student Capital Outlay Fee (not to exceed *the lesser of line d OR 50% of adopted 2018-19 Nonresident Tuition Fee*) \$11

The district governing board at its \_\_\_\_\_ January 16 \_\_\_\_\_, 20 18 meeting adopted a **nonresident capital outlay fee** of \$ 11 per semester unit or \$ N/A per quarter unit.

**Upon adoption of nonresident tuition and/or capital outlay fees by your district governing board by February 1, 2018, please submit a copy of this report by February 15, 2018 to:**

**California Community Colleges Chancellor's Office  
Fiscal Services Unit (attn. Michael Yarber)  
1102 Q Street,  
Sacramento, CA 95811-6549 FAX (916) 323-8245**

**District:** Riverside Community College District  
**Contact Person:** Aaron S. Brown, Vice Chancellor, Business & Financial Services  
**Phone Number & email:** (951) 222-8789 / aaron.brown@rccd.edu