

LOS RIOS COMMUNITY COLLEGE DISTRICT

PRESENTED TO BOARD OF TRUSTEES

DATE: September 11, 2019

SUBJECT:	Public Hearing: Adoption of 2019-20 Proposed Budgets	ATTACHMENT: Yes	
		ENCLOSURE: Budget Book	
AGENDA ITEM:		TYPE OF BOARD CONSIDERATION:	
RECOMMENDED BY:	<div style="text-align: right; margin-right: 20px;"><i>MR</i></div> Mario Rodriguez, Vice Chancellor Finance and Administration	CONSENT/ROUTINE	
		FIRST READING	
APPROVED FOR CONSIDERATION:	Brian King, Chancellor	ACTION	X
		INFORMATION	

BACKGROUND:

The 2019-20 General fund tentative budget, adopted by the Board of Trustees in June, has been revised to reflect the enacted State budget. The Board is required to hold a public hearing on the proposed budget for the fiscal year on or before the 15th day of September. Budget revisions will be brought to the Board as needed, typically at least twice during the year.

The Governor’s May Revise proposal for California’s Community Colleges was the basis for the tentative budget. The enacted State budget is very similar to the May Revise, with the following major changes:

- Refinements to the Student Centered Funding Formula that only include the highest award per year for outcomes, adjustments to the definition of a transfer student, provides a three-year average for the outcomes portion of the formula, and locks in the outcomes portion of the formula to 10-percent.
- Expands financial aid by increasing the competitive Cal Grant awards and removes the prohibition on AB540 students applying for competitive Cal Grants.
- Allocates funding towards both the CalPERS and CalSTRS retirement systems to reduce the unfunded liability and slightly lower the employer contribution rates.
- Awards all of the California Community College Board of Governor’s approved capital outlay projects funded through Proposition 51.

The enacted budget reduces the Los Rios Tentative budget by approximately \$900,000 under the Student Centered Funding Formula. The funding formula changes between the May revise and enacted result in a slightly lower projection for 2019-20. The X budget projects the formula would yield the same funding as 2018- 19, which is less than the hold harmless but maintains the current operational level. The Y budget projects the formula will yield the same as the hold harmless. The Z budget projects funding above the hold harmless.

The District's fiscal health is strong. The budget is balanced and reserves are healthy. In 2016-17, the Board modified its policy on the level of general fund contingency reserves from 3% to 5%. At the end of 2018-19, the uncommitted fund balance was at 5% of revenues and the overall unrestricted general fund balance was over 16% of expenditures. Additionally, there are sufficient resources in the Capital Outlay Projects Fund that could be accessed to support operational needs if needed. Further, the District continues to fund and refine projections to mitigate the impact of increasing employer contributions required by CalPERS and CalSTRS.

STATUS:

The budget scenarios for the General Fund are titled the X, Y, and Z budgets. The X budget projects the formula would yield the same funding as 2018-19, which is less than the hold harmless but maintains the current operational level. The Y budget projects the formula will yield the same as the hold harmless. The Z budget projects funding above the hold harmless. All three include a hold back of on-going funds to reflect that those revenues are from the summer shift and will be regarded as one-time only. All three also reflect an increase in on-going funding due to the COLA.

The variations in the X, Y and Z budgets are captured in the appropriation area entitled Program and Salary Improvement and the three budgets are summarized on the attached General Fund schedule. The District is currently operating at the X budget level.

RECOMMENDATION:

It is recommended that the Board of Trustees conduct a public hearing to receive comments on the proposed budgets and adopt the 2019-20 proposed budgets for the General Fund (Z budget), Instructionally-Related, Special Revenue, Capital Projects, Debt Service, Enterprise, Internal Service, Fiduciary, Trust and Auxiliary Funds of the District for filing with the appropriate County/State agencies.

LOS RIOS COMMUNITY COLLEGE DISTRICT
General Fund
2019-2020 Adopted Budget

Schedule I

	X MINIMUM FUNDING	Y MID-RANGE FUNDING	Z BUDGET MAXIMUM OPTIMISTIC
BEGINNING FUND BALANCE, JULY 1:			
Uncommitted	\$ 21,432,062	\$ 21,432,062	\$ 21,432,062
Committed	36,536,917	36,536,917	36,536,917
Restricted	8,382,766	8,382,766	8,382,766
Total Beginning Fund Balance	<u>66,351,745</u>	<u>66,351,745</u>	<u>66,351,745</u>
REVENUES:			
Base Revenue	201,997,465	201,997,465	201,997,465
Cost of Living Adjustment (COLA) - Net	6,687,816	6,687,816	6,687,816
Funding above 2018-19 final (On-going & OTO)		5,144,033	16,890,212
Enrollment Fees and Property Taxes	<u>109,380,887</u>	<u>109,380,887</u>	<u>109,380,887</u>
Total Base Allocation, COLA & Growth	<u>318,066,168</u>	<u>323,210,201</u>	<u>334,956,380</u>
Lottery	<u>5,900,000</u>	<u>6,961,055</u>	<u>8,022,110</u>
Other Revenue:			
Non-Resident/International Student Tuition	4,679,444	4,679,444	4,679,444
Other State	20,127,539	20,127,539	20,127,539
Community Services	1,185,458	1,185,458	1,185,458
Other Income	4,424,910	6,156,410	6,156,410
Interfund Transfers, Other	<u>212,605</u>	<u>212,605</u>	<u>212,605</u>
Total Other Revenue	<u>30,629,956</u>	<u>32,361,456</u>	<u>32,361,456</u>
Total General Purpose Revenue	<u>354,596,124</u>	<u>362,532,712</u>	<u>375,339,946</u>
Special Program Revenue	<u>111,064,159</u>	<u>111,064,159</u>	<u>111,064,159</u>
Total Revenue	<u>465,660,283</u>	<u>473,596,871</u>	<u>486,404,105</u>
Total Revenue & Beginning Fund Balance	<u>\$ 532,012,028</u>	<u>\$ 539,948,616</u>	<u>\$ 552,755,850</u>
APPROPRIATIONS:			
Current Operational Level	\$ 493,182,435	\$ 493,182,435	\$ 493,182,435
Program and Salary Improvement	<u>8,113,622</u>	<u>16,050,210</u>	<u>28,857,444</u>
Total Appropriations	<u>501,296,057</u>	<u>509,232,645</u>	<u>522,039,879</u>
ENDING FUND BALANCE, JUNE 30:			
Uncommitted	21,432,062	21,432,062	21,432,062
Committed	4,686,917	4,686,917	4,686,917
Restricted	4,596,992	4,596,992	4,596,992
Total Ending Fund Balance	<u>30,715,971</u>	<u>30,715,971</u>	<u>30,715,971</u>
Total Appropriations & Ending Fund Balance	<u>\$ 532,012,028</u>	<u>\$ 539,948,616</u>	<u>\$ 552,755,850</u>

LOS RIOS COMMUNITY COLLEGE DISTRICT **Schedule II**
Other Governmental Funds - General Fund Sub-Fund and Special Revenue
2019-2020 Adopted Budget

DESCRIPTION	INSTRUCTIONALLY RELATED ACTIVITIES FUND	CHILD DEVELOPMENT FUND
Beginning Fund Balance, July 1:		
Uncommitted	\$ 4,059,740	\$ 249,996
Total Beginning Fund Balance	4,059,740	249,996
Revenues:		
Federal		117,000
State		1,766,010
Local	1,617,713	133,000
Interfund Transfers In	615,705	1,022,412
Total Revenues	2,233,418	3,038,422
Total Revenues and Beginning Fund Balance	\$ 6,293,158	\$ 3,288,418
Appropriations:		
Academic Salaries	\$ 2,000	\$ -
Classified Salaries	188,211	1,803,975
Employee Benefits	5,746	982,246
Books, Supplies, and Food	764,000	195,072
Other Operating Expenses	1,145,894	37,554
Capital Outlay	100,092	19,575
Interfund Transfers Out	5,575	
Payments to Students	21,900	
Total Appropriations	2,233,418	3,038,422
Ending Fund Balance, June 30:		
Uncommitted	4,059,740	249,996
Total Ending Fund Balance	4,059,740	249,996
Total Appropriations and Ending Fund Balance	\$ 6,293,158	\$ 3,288,418

LOS RIOS COMMUNITY COLLEGE DISTRICT
Other Governmental Funds - Capital Projects Funds
2019-2020 Adopted Budget

Schedule III

DESCRIPTION	CAPITAL OUTLAY PROJECTS FUND	BOND PROJECTS FUNDS*
Beginning Fund Balance, July 1:		
Uncommitted	\$ 13,300,000	\$ -
Committed Funds/Projects in Progress	107,831,590	141,318,387
Total Beginning Fund Balance	121,131,590	141,318,387
Revenues:		
State	3,314,061	
Local, including Interest Income	3,324,463	100,000
Interfund Transfers In	14,741,778	
Total Revenues	21,380,302	100,000
Total Revenues and Beginning Fund Balance	\$ 142,511,892	\$ 141,418,387
Appropriations:		
Capital Outlay	\$ 128,976,529	\$ 141,383,387
Interfund Transfers Out/Other	235,363	
Bond Issuance and Service Costs		35,000
Total Appropriations	129,211,892	141,418,387
Ending Fund Balance, June 30:		
Uncommitted	13,300,000	
Total Ending Fund Balance	13,300,000	-
Total Appropriations and Ending Fund Balance	\$ 142,511,892	\$ 141,418,387

* Prior year appropriations include projects spanning more than one fiscal year that will not be fully expended. Funds remaining at year-end will be re-appropriated in the Adopted Budget.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Other Governmental Funds - Debt Service Funds
2019-2020 Adopted Budget

Schedule IV

DESCRIPTION	BOND INTEREST AND REDEMPTION FUND	OTHER DEBT SERVICE FUND
Beginning Fund Balance, July 1:		
Restricted	\$ 33,709,437	\$ -
Committed		27,553
Total Beginning Fund Balance	33,709,437	27,553
Revenues:		
Local		
Property Taxes/Bond Premiums	38,482,089	
Interest Income	785,346	402,000
Total Revenues	39,267,435	402,000
Total Revenues and Beginning Fund Balance	\$ 72,976,872	\$ 429,553
Appropriations:		
Bond Principal/Interest Expense	\$ 39,260,285	\$ -
Bond Issuance/Service Costs	7,150	
Interfund Transfers Out/Other		402,000
Total Appropriations	39,267,435	402,000
Ending Fund Balance, June 30:		
Restricted	33,709,437	
Committed		27,553
Total Ending Fund Balance	33,709,437	27,553
Total Appropriations and Ending Fund Balance	\$ 72,976,872	\$ 429,553

LOS RIOS COMMUNITY COLLEGE DISTRICT
Enterprise Funds
2019-2020 Adopted Budget

Schedule V

DESCRIPTION	BOOKSTORE FUND	REGIONAL PERFORMING ARTS (HARRIS) CENTER FUND
Beginning Fund Balance:		
Uncommitted	\$ 1,152,404	\$ (265,186)
Committed	8,005,548	977,178
Total Beginning Fund Balance	9,157,952	711,992
Revenues:		
Local		
Auxiliary Operations/Sales	12,000,000	4,250,000
Other Local, Interest & Transfers	220,000	1,500,000
Interfund Transfers In		63,072
Total Revenues	12,220,000	5,813,072
Total Revenues and Beginning Fund Balance	\$ 21,377,952	\$ 6,525,064
Appropriations:		
Cost of Sales	\$ 8,200,000	\$ -
Classified Salaries	2,000,000	1,722,876
Employee Benefits	680,000	436,705
Depreciation	110,000	
Other Operating Expenses	657,272	3,653,491
Interfund Transfers Out/Other	572,728	
Total Appropriations	12,220,000	5,813,072
Ending Fund Balance:		
Uncommitted	1,152,404	(243,571)
Committed	8,005,548	955,563
Total Ending Fund Balance	9,157,952	711,992
Total Appropriations and Ending Fund Balance	\$ 21,377,952	\$ 6,525,064

The Bookstore Fund fiscal year is May 1st thru April 30th.

The Regional Performing Arts Center and Self Insurance Funds' fiscal years are July 1st thru June 30th.

LOS RIOS COMMUNITY COLLEGE DISTRICT
Internal Service Funds
2019-2020 Adopted Budget

Schedule VI

DESCRIPTION	SELF- INSURANCE FUND	RETIREE BENEFIT FUND
Beginning Fund Balance:		
Committed	\$ 734,237	\$ 12,932,722
Total Beginning Fund Balance	734,237	12,932,722
Revenues:		
Auxiliary Operations/Sales	7,382,577	
Other Local, Interest & Transfers	293,500	175,000
Total Revenues	7,676,077	175,000
Total Revenues and Beginning Fund Balance	\$ 8,410,314	\$ 13,107,722
Appropriations:		
Classified Salaries	\$ 202,593	\$ -
Employee Benefits	90,908	
Other Operating Expenses	7,382,576	
Total Appropriations	7,676,077	-
Ending Fund Balance:		
Committed	734,237	13,107,722
Total Ending Fund Balance	734,237	13,107,722
Total Appropriations and Ending Fund Balance	\$ 8,410,314	\$ 13,107,722

LOS RIOS COMMUNITY COLLEGE DISTRICT
Fiduciary, Trust and Auxiliary Funds
2019-2020 Adopted Budget

Schedule VII

DESCRIPTION	STUDENT FINANCIAL AID	STUDENT ASSOCIATION	SCHOLARSHIP AND LOAN FUND	FOUNDATION
Beginning Fund Balance, July 1:				
Uncommitted	\$ -	\$ 343,067	\$ -	\$ 1,876,429
Committed		573,613	1,544,354	13,492,457
Total Beginning Fund Balance	-	916,680	1,544,354	15,368,886
Revenues:				
Federal	84,988,776			
State	10,800,000			
Local		189,485	50,000	3,368,000
Interfund Transfers In	3,599,016		2,000	
Total Revenues	99,387,792	189,485	52,000	3,368,000
Total Revenues and Beginning Fund Balance	\$ 99,387,792	\$ 1,106,165	\$ 1,596,354	\$ 18,736,886
Appropriations:				
Classified Salaries	\$ -	\$ -	\$ -	\$ -
Books, Supplies & Materials		25,990	1,000	
Other Operating Expenses	145,548	154,095		
Student Financial Aid	99,242,244			
Scholarships/Awards		9,400	7,270	
Auxiliary Activities				8,411,745
In-Kind Contributions				256,000
Interfund Transfers Out			43,730	
Total Appropriations	99,387,792	189,485	52,000	8,667,745
Ending Fund Balance, June 30:				
Uncommitted		343,067		1,301,284
Committed		573,613	1,544,354	8,767,857
Total Ending Fund Balance	-	916,680	1,544,354	10,069,141
Total Appropriations and Ending Fund Balance	\$ 99,387,792	\$ 1,106,165	\$ 1,596,354	\$ 18,736,886