



**BUDGET COMMITTEE MEETING**  
Mar. 20, 2019 -- 2:00-3:30 p.m.  
Board Room  
**MINUTES**

**CALL TO ORDER:** The meeting was called to order at 2:04 p.m. by Committee Chair, Morris Rodrigue.

**ROLL CALL:**

x	Jill Ault	x	Katie Littlepage	x	Morris Rodrigue		Student Rep.
x	Don Cingrani		Sue Loring		Kathy Royce		
x	Crystal Mair		Tom Masulis	x	Susan Schroth		

**APPROVAL OF MINUTES:** None

**PUBLIC COMMENTS:** None

**REPORTS:** None

**DISCUSSION/ACTION:**

**A) State Budget Update (Handouts)**

Morris said as things change at the state level it gives us the opportunity to do some projections. Exhibit C –CCC 2018-19 First Principal Apportionment (P1).

The numbers in P1 can change over the year, but this tells us current numbers based on what we have put in the system for our FTES and our metrics. This would be the level we would be funded at this point in time, keeping in mind this report is all unrestricted general fund dollars. The good news is that we did well on the metrics. The state projected on the 2017-18 metrics and we budgeted on 2016-17 metrics. The 2017-18 metrics outperformed. What this means is that based on the new funding formula, and if it holds we would have a TCR of \$47.2M.

The bad news is the state under estimated with the new funding formula, and we have less property taxes coming in. The state is approximately under projection \$324M on the income side, which about \$180M of that number is property tax. In addition, the state has under projected the costs of the funding formula. Therefore, according to the current projections we may not get all our funding.

In a normal year the state applies a shortfall percentage equally to each school. This year they have a serious concern about the fact that they promised each school they would get funded based on the 2017-18 TCR plus COLA. But if we look at the dollars currently projected there just isn't enough projected to fully fund the formula.

Without an increase in property tax collections our budget would be approximately \$43M, and there was also an error on the form in terms of how they initially presented the new funding formula. If the \$180M in property taxes comes in they will start applying that across the board to every school. The property tax shortfall is across the state.

Morris said the only thing he has confidence in is receiving \$43M and some property taxes dollars. This does not affect this year too much, but it makes it more challenging looking to next year. There will need to be structural changes at the state level down the road.

Susan asked what the current fund balance is. Morris said it is approximately \$10.5M.

We are budgeting \$44M and we have no idea what next year is going to look like. With this information, we will be more cautious when building the budget. Jill said that if PG&E files bankruptcy, it could affect us.

**B) Multi Year Projections (Handouts)**

Morris said he has been adjusting the numbers using what we currently have budgeted, and explained that the multi-year projection worksheets are used as a decision making tool, and showed several different scenarios.

Morris said we can assume COLA and salary raises for future years, and also assume the under budget/deficit factor. Health care costs go up or down only if we add or reduce staff, or if the District and the union negotiate raising the cap. The projection is based on the assumption that the current staffing levels are flat. The committee had an in-depth discussion regarding different scenarios using the multi-year project tool.

Morris also gave an overview of a graph showing a trend in 2018-19. The blue line show the loss, and the orange line shows the decline for the ending fund balance. This is assuming a 2% COLA, and the reason it is staying flat is the continued increase cost for STRS and PERS. The majority of the budget resides in salaries and benefits, approximately 83%. We are hopeful that we will get more than what we budgeted, but we never fully know until the state budget passes in June.

Susan asked how confident Morris is about capturing all the metrics with the new funding formula. Morris said he is very confident.

**C) ACCJC Report**

The ACCJC Report is a yearly report. The ACCJC requests information about audit reports, the OPEB Trust, cash balance and cash position. Most of the data is fixed, and pulled from other reports. Because this is considered a status report the ACCJC only asks questions if there is an indication of a problem. The full report should be available for discussion at the next meeting.

**OTHER/ANNOUNCEMENTS:** None

**ADJOURNMENT:** Schroth/Cingrani- meeting ended at 2:40 p.m.

**NEXT MEETING:** April 3, 2019

Recorder,

*Sherry Nicholas*  
Executive Assistant  
Administrative Services

3/20/19

Shasta College  
Budget Scenario Study Spreadsheet  
FUND 11 Only  
3-20-19 Draft

SCENARIO DATA	
Assumed COLA	2.00%
Assumed raises	2.00%
Assumed % under budget	4.00%
Assumed healthcare	0.00%
Income Adjustment	0

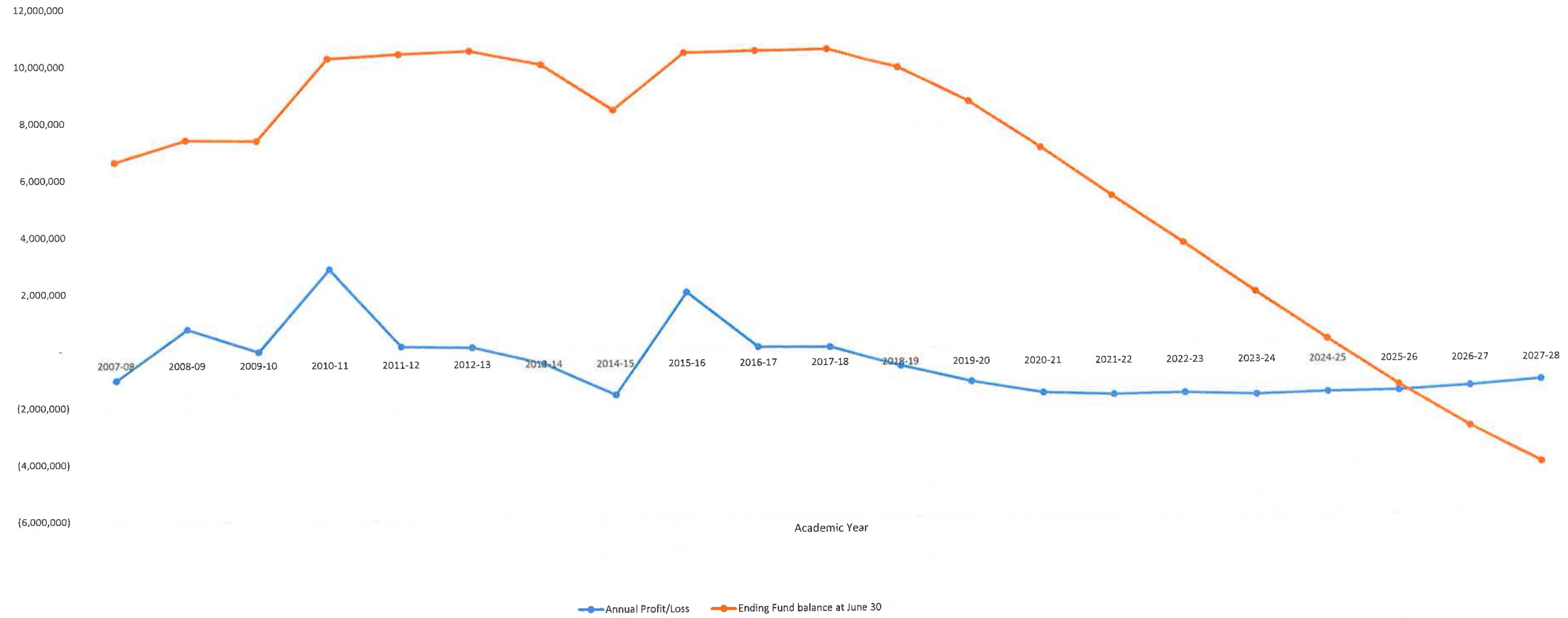
Year	Actual, Budgeted or Projection	Fund 11 budget (income in \$)	Fund 11 Total Computational Revenue (TCR)	STRS Salary Totals	PERS Salary Totals	Student wages	STRS Employer cost (%)	STRS Employer cost (\$)	PERS Employer cost (%)	PERS Employer cost (\$)	Other Payroll Taxes/ Workers Comp	Other Payroll taxes/WC as % of total payroll	Retiree Health Benefit Total	Retiree Health Benefit as % of total income	Health Care Benefit Costs	All other budget (utilities, supplies, etc.)	State funded COLA (%)	On-schedule raises (%) [See note #8]	Off-schedule raises (%) [See note #8]	Total Budget Need after assumptions	Year	Annual Profit/Loss	Ending Fund balance at June 30	Minimum 5% reserve	10% reserve
2007-08	Actual	40,015,239	36,418,143	17,622,086	8,292,965	259,192	8.25%	1,390,856	9.31%	729,747	1,671,689	6.39%	1,778,922	4.45%	3,422,666	5,875,437	4.53%	6.53%	0.00%	41,043,560	2007-08	(1,028,321)	6,658,436	2,052,178	4,104,356
2008-09	Actual	42,347,738	38,830,402	17,921,956	7,793,492	274,700	8.25%	1,395,262	9.43%	729,609	1,764,500	6.79%	2,016,303	4.76%	3,541,503	6,130,208	0.00%	1.50%	0.00%	41,567,533	2008-09	780,205	7,438,641	2,078,377	4,156,753
2009-10	Actual	41,282,077	37,307,640	16,958,926	7,676,227	225,508	8.25%	1,340,174	9.71%	700,087	1,808,839	7.28%	2,364,198	5.73%	3,581,755	6,651,905	0.00%	0.00%	0.00%	41,307,619	2009-10	(25,542)	7,413,099	2,065,381	4,130,762
2010-11	Actual	46,745,068	38,425,337	16,261,164	7,410,201	162,574	8.25%	1,305,401	10.71%	752,395	1,886,509	7.92%	6,071,395	12.99%	3,420,077	6,594,819	0.00%	0.00%	0.00%	43,864,535	2010-11	2,880,533	10,293,632	2,193,227	4,386,454
2011-12	Actual	38,902,902	34,930,921	15,637,769	7,506,993	146,677	8.25%	1,228,042	10.92%	752,620	2,010,627	8.63%	2,118,440	5.45%	3,296,734	6,064,993	0.00%	1.00%	0.00%	38,762,895	2011-12	140,007	10,433,639	1,938,145	3,876,290
2012-13	Actual	39,139,788	35,368,186	15,590,254	7,392,076	146,686	8.25%	1,234,327	11.47%	810,152	1,845,064	7.98%	2,433,401	6.22%	3,252,844	6,342,048	0.00%	0.00%	0.00%	39,046,852	2012-13	92,936	10,526,575	1,952,343	3,904,685
2013-14	Actual	41,028,156	37,431,735	16,451,356	7,682,414	139,233	8.25%	1,172,766	11.44%	848,107	1,629,689	6.71%	3,690,531	9.00%	3,267,717	6,637,943	1.57%	0.00%	0.79%	41,519,756	2013-14	(491,600)	10,034,975	2,075,988	4,151,976
2014-15	Actual	39,795,563	35,654,647	16,446,231	7,827,479	144,724	8.88%	1,266,578	11.77%	834,143	1,625,154	6.66%	2,515,493	6.32%	3,127,395	7,518,998	1.02%	2.55%	0.00%	41,402,746	2014-15	(1,607,183)	8,427,792	2,070,137	4,140,275
2015-16	Actual	46,013,646	38,162,905	17,208,843	7,717,298	251,766	10.73%	1,594,815	11.85%	887,352	1,469,420	5.84%	4,242,174	9.22%	3,113,514	7,629,430	0.85%	2.42%	0.00%	44,018,061	2015-16	1,995,585	10,423,377	2,200,903	4,401,806
2016-17	Actual	44,452,929	39,983,945	17,599,336	8,441,393	289,175	12.59%	1,828,144	13.89%	1,161,964	1,568,357	5.96%	2,809,580	6.32%	3,170,356	7,533,277	0.00%	1.00%	2.00%	44,401,582	2016-17	51,347	10,474,724	2,220,079	4,440,158
2017-18	Est. Actual	46,391,865	41,788,858	18,271,342	9,164,316	282,903	14.43%	2,172,576	15.53%	1,422,135	1,629,113	5.88%	2,961,764	6.38%	3,165,847	7,290,152	1.56%	2.06%	2.00%	46,360,148	2017-18	31,717	10,506,441	2,318,007	4,636,015
2018-19	Projected	47,917,816	44,055,000	17,766,866	9,885,954	364,016	16.28%	2,755,272	18.10%	1,715,219	1,631,803	5.82%	2,700,000	5.63%	3,252,284	8,493,319	2.71%	2.00%	0.00%	48,564,732	2018-19	(646,916)	9,859,525	2,428,237	4,856,473
2019-20	Projected	48,798,916	44,936,100	18,122,204	10,083,673	394,350	18.13%	2,922,956	20.70%	2,087,320	1,716,014	6.00%	2,903,269	5.95%	3,252,284	8,535,785	2.00%	2.00%	0.00%	50,017,855	2019-20	(1,218,939)	8,640,586	2,500,893	5,001,786
2020-21	Projected	49,697,638	45,834,822	18,484,648	10,285,347	424,685	19.10%	3,148,568	23.40%	2,406,771	1,751,681	6.00%	3,072,046	6.04%	3,252,284	8,578,464	2.00%	2.00%	0.00%	51,332,571	2020-21	(1,634,933)	7,005,652	2,566,629	5,133,257
2021-22	Projected	50,614,334	46,751,518	18,854,341	10,491,054	455,020	19.10%	3,219,179	24.50%	2,570,308	1,788,025	6.00%	3,072,046	6.07%	3,252,284	8,621,357	2.00%	2.00%	0.00%	52,323,613	2021-22	(1,709,278)	5,296,374	2,616,181	5,232,361
2022-23	Projected	51,549,365	47,686,549	19,231,427	10,700,875	455,020	19.10%	3,291,203	25.00%	2,675,219	1,823,239	6.00%	3,126,346	6.06%	3,252,284	8,664,463	2.00%	2.00%	0.00%	53,220,076	2022-23	(1,670,711)	3,625,663	2,661,004	5,322,008
2023-24	Projected	52,503,096	48,640,280	19,616,056	10,914,892	455,020	19.10%	3,364,667	26.80%	2,925,191	1,859,158	6.00%	3,153,918	6.01%	3,252,284	8,707,786	2.00%	2.00%	0.00%	54,248,972	2023-24	(1,745,876)	1,879,787	2,712,449	5,424,897
2024-25	Projected	53,475,901	49,613,085	20,008,377	11,133,190	455,020	19.10%	3,439,600	27.30%	3,039,361	1,895,795	6.00%	3,171,336	5.93%	3,252,284	8,751,325	2.00%	2.00%	0.00%	55,146,288	2024-25	(1,670,386)	209,401	2,757,314	5,514,629
2025-26	Projected	54,468,163	50,605,347	20,408,545	11,355,854	455,020	19.10%	3,516,032	28.20%	3,202,351	1,933,165	6.00%	3,182,617	5.84%	3,252,284	8,795,081	2.00%	2.00%	0.00%	56,100,948	2025-26	(1,632,785)	(1,423,385)	2,805,047	5,610,095
2026-27	Projected	55,480,270	51,617,454	20,816,716	11,582,971	455,020	19.10%	3,593,993	28.20%	3,266,398	1,971,282	6.00%	3,182,380	5.74%	3,252,284	8,839,057	2.00%	2.00%	0.00%	56,960,100	2026-27	(1,479,830)	(2,903,214)	2,848,005	5,696,010
2027-28	Projected	56,512,619	52,649,803	21,233,050	11,814,630	455,020	19.10%	3,673,513	28.20%	3,331,726	2,010,162	6.00%	3,142,550	5.56%	3,252,284	8,883,252	2.00%	2.00%	0.00%	57,796,186	2027-28	(1,283,567)	(4,186,782)	2,889,809	5,779,619

Scenarios - can change these to see effect

- Note #1: 11 year average for COLA (07-08 to 17-18) = 0.87%
- Note #2: 5 year average for COLA (13-14 to 17-18) = 1.00%
- Note #3: 11 year average on-schedule raise = 1.55%
- Note #4: TCR is included because state funded COLA applies to this amount of the revenue
- Note #5: These years had significant 1-time income/expenses that skews the total numbers
- Note #6: PERS rates are based on current projections - the PERS board takes action annually on rates
- Note #7: Raise history is based on faculty agreements - classified and administration varies from this history slightly
- Note #8: adjust income assumption

- Assumption #1: Payroll taxes/workers comp in out years is 6% of total payroll (the average of the last 5 years)
- Assumption #2: Health care share of premium cost remains same - or increases by X% for the district
- Assumption #3: STRS rates follow statutory increases. PERS rates follow projected increases
- Assumption #4: No retirements or step increases factored in the projections - assume they level out
- Assumption #5: We are able to keep enrollment and metrics from declining
- Assumption #6: Student wages go to \$15 an hour by 2021 and stay steady
- Assumption #7: Do not deposit any additional \$ into the trust - only pay-as-you-go actuarial estimates
- Assumption #8: Future STRS costs assumes \$2 million of PT faculty salaries are in Social Security, not STRS
- Assumption #9: Future PERS costs assumes \$1 million of PERS salaries are OT/ET
- Assumption #10: We are able to come in X% under budget in these areas in current & future years
- Assumption #11: We can keep all other cost increases to .5% per year

Ending Balance and Annual Profit/Loss over time



**California Community Colleges  
2018-19 First Principal Apportionment  
Shasta-Tehama-Trinity CCD  
Exhibit C-Page 2**

**Section Id: Basic Allocation Revenue Calculation**

District Type	FTES	Funding Rate a	Number of Colleges/Centers b	Basic Allocation a x b
<u>Single College District</u>	<10,000	3,917,761	1	3,917,761
	>= 10,000 & < 20,000	5,223,684	0	-
	>= 20,000	6,529,605	0	-
<u>Muti-College District</u>	< 10,000	3,917,761	0	-
	>= 10,000 & < 20,000	4,570,724	0	-
	>= 20,000	5,223,684	0	-
	Additional Rural \$	1,246,089	0	-
<u>Centers</u>				
State Approved	>= 1,000	1,305,921	0	-
Grandparented	>= 1,000	1,305,921	0	-
	>= 750 & < 1,000	979,440	0	-
	>= 500 & < 750	652,960	0	-
	>= 250 & < 500	326,480	0	-
	>= 100 & < 250	163,241	0	-
			<b>Total Basic Allocation</b>	<b>3,917,761</b>
			<b>Total FTES Revenue</b>	<b>27,215,216</b>
			<b>Basic Allocation</b>	<b>3,917,761</b>
			<b>Total Base Allocation</b>	<b>31,132,977</b>

**Section II: Supplemental Allocation**

	2017-18 Headcount	2018-19 Rate	Revenue
Pell Grant Recipients	3,815	919	3,505,985
AB540 Students	250	919	229,750
California Promise Grant Recipients	7,628	919	7,010,132
<b>Total Supplemental Allocation Revenue:</b>			<b>10,745,867</b>

**Section III: Student Success Allocation**

<u>All Students</u>	2017-18 Headcount	2018-19 Rate	Revenue
Associate Degree	694	1,320	916,080
Associate Degree for Transfer	260	1,760	457,600
Baccalaureate Degree	2	1,320	2,640
Credit Certificates	557	880	490,160
Nine or More CTE Units	1,527	440	671,880
Transfer	797	660	526,020
Transfer Level Math and English	109	880	95,920
Regional Living Wage	1,458	440	641,520
<b>All Students subtotal</b>	<b>5,404</b>		<b>3,801,820</b>
<u>Pell Grant Recipients</u>			
Associate Degree	486	499.50	242,757
Associate Degree for Transfer	166	666.00	110,556
Baccalaureate Degree	-	499.50	-
Credit Certificates	354	333.00	117,882
Nine or More CTE Units	995	166.50	165,668
Transfer	333	249.75	83,167
Transfer Level Math and English	47	333.00	15,651
Regional Living Wage	623	166.50	103,730
<b>Pell Grant Recipients subtotal</b>	<b>3,004</b>		<b>839,411</b>
<u>California Promise Grant Recipients</u>			
Associate Degree	580	333.00	193,140
Associate Degree for Transfer	206	444.00	91,464
Baccalaureate Degree	1	333.00	333
Credit Certificates	440	222.00	97,680
Nine or More CTE Units	1,264	111.00	140,304
Transfer	441	166.50	73,427
Transfer Level Math and English	65	222.00	14,430
Regional Living Wage	942	111.00	104,562
<b>California Promise Grant Recipients subtotal</b>	<b>3,939</b>		<b>715,340</b>
<b>Total Student Success Allocation Revenue:</b>			<b>5,356,571</b>

**California Community Colleges  
2018-19 First Principal Apportionment  
Shasta-Tehama-Trinity CCD  
Exhibit C-Page 1**

3/20/19

**Total Computational Revenue and Revenue Source**

**Total Computational Revenue**

I. Base Allocation	31,132,926
II. Supplemental Allocation	10,745,867
III. Student Success Allocation	5,356,571
IV. Other Adjustments	-
	<hr/>
SCFF Calculated Revenue	47,235,364
Hold Harmless Calculation (2017-18 TCR+COLA)	42,921,686
<b>Total Computational Revenue</b>	<hr/> <b>47,235,364</b>

**Revenue Sources**

Property Tax	17,140,883
Less Property Tax Excess	-
Student Enrollment Fees	1,960,000
State General Apportionment	
General Apportionment	19,049,511
Full-Time Faculty Hiring Apportionment (2015-16 Funds Only)	362,730
<b>Total State General Apportionment</b>	<hr/> <b>19,412,241</b>
Education Protection Account	6,338,378
Available Revenue	<hr/> <b>44,851,502</b>
Deficit Factor	5.05%
Revenue Shortfall	<hr/> <b>2,383,862</b>
<b>Total Revenue Sources</b>	<hr/> <b>47,235,364</b>

**Supporting Sections**

**Section Ia: Base Allocation**

**FTES**

	2016-17 Funded	2017-18 Funded	Stability	Restoration	Stability Adjustment	Adjustment	2018-19 Applied #1	Credit 3 Year Average
Credit	7,040.15	5,471.13	-	884.89	-	-	6,356.02	6,495.21
Special Admit Credit		618.34	-	(304.93)	-	-	313.41	
Incarcerated Credit		-	-	-	-	-	-	
Non-Credit*		135.31	-	(28.05)	-	-	107.26	
CDCP*		32.81	-	(25.68)	-	-	7.13	
<b>Total</b>	<hr/> 7,040.15	<hr/> 6,257.59	<hr/> -	<hr/> 526.23	<hr/> -	<hr/> -	<hr/> 6,783.82	<hr/> 6,495.21

	2018-19 Applied #2	Growth	Stability Paid	2018-19 Paid	Rate \$	Total FTES Revenue \$	2018-19 Reported	2018-19 Unapplied
Credit	6,495.21	241.31	-	6,736.53	3,727.00	25,107,031	6,597.33	-
Special Admit Credit	313.41	-	-	313.41	5,457.00	1,710,278	313.41	-
Incarcerated Credit	-	-	-	-	5,457.00	-	-	-
Non-Credit*	107.26	-	-	107.26	3,347.00	358,999	107.26	-
CDCP*	7.13	-	-	7.13	5,457.00	38,908	7.13	-
<b>Total</b>	<hr/> 6,923.01	<hr/> 241.31	<hr/> -	<hr/> 7,164.33	<hr/> -	<hr/> 27,215,216	<hr/> 7,025.13	<hr/> -

\* Only FTES workload with stability.

**Section Ib: Base Allocation - Restoration Target**

	2015-16	2016-17	2017-18	Total Target \$
Credit	50.90	-	462.91	1,914,982
Special Admit Credit	-	-	-	-
Incarcerated Credit	-	-	-	-
Non-Credit	(27.17)	-	13.18	(44,593)
CDCP	8.88	-	1.89	57,090
<b>Total</b>	<hr/> 32.61	<hr/> -	<hr/> 477.98	<hr/> 1,927,479
<b>Total \$ Equivalent</b>			<b>1,927,479</b>	

**Section Ic: Base Allocation - Growth Target**

	FTES	0.50% 2018-19 Growth FTES
Credit	6,495.21	32.52
Special Admit Credit	618.34	3.10
Incarcerated Credit	-	-
Non-Credit	135.31	0.68
CDCP	32.81	0.16
<b>Total</b>	<hr/> 7,281.67	<hr/> 36.46
<b>Total \$ Equivalent</b>		<b>141,252</b>