



Chancellor's Message

California's 113 community colleges are largely dependent on the state for funding their instructional and student services programs. The state, in turn, is dependent on stock market gains and often-volatile income tax revenues for much of the funding that the state of California invests in our community colleges. For 2016-17, Gov. Jerry Brown's budget – and so Los Rios' budget represents a cautious and pragmatic approach to spending. The watchword is “restraint” in light of a slow-growth economy and an uncertain revenue future.

The 2016-17 budget includes 2 percent growth for instruction, but many if not most districts in the state – including Los Rios – are experiencing flat or declining enrollments. Therefore, these funds will likely go to a relatively small number of districts. In addition, the statutory COLA, proposed at 0.47 percent in January, has now been reduced to zero. The governor's spending plan includes only \$75 million to increase the base. That translates to about a 1.2 percent increase at a time when colleges are facing growing costs, including retirement and health benefits. Los Rios' budget includes a small projection for growth although achieving growth will be difficult. There is an appropriation for Folsom Lake College's Rancho Cordova Center and an estimate of \$3.6 million for the base allocation increase.

For Los Rios, maintaining current enrollment, let alone achieving growth, will require us to continue our “all hands on deck” focused, collaborative commitment to enrollment management in the months ahead. Our District is still emerging from five years of drastic cuts, from 2008-09 through 2012-13.

Indeed, Los Rios filed an official 2015-16 attendance report in July with the state Chancellor's Office that confirmed that the District did not achieve its base service level. As a consequence, the District will, for the first time in its history, be “in stability” for the just-completed 2015-16 year, meaning the District will receive a “stability level” of state funding. Stability funding means that a district is funded to its

previously determined base service level, regardless of the number of students it actually served. Stability amounts to a “hold harmless” provision for a year. But stability funding lasts only one year. Looking ahead to the current fiscal year that began July 1, the District must increase access to meet our base service level in 2016-17 or the state will reduce our funding in proportion to our enrollment shortfall.

It is challenging to go from reductions to growth, particularly in the face of low unemployment and a plateauing in the size of high school graduating classes. The District and the Los Rios Colleges continue to work to spread the word that there are courses open and classroom seats available. We are aggressively seeking new students while at the same time encouraging our current students to persist and “save your spot” from one semester to the next through a multi-faceted enrollment and marketing campaign.

Looking forward, the 2016-17 state budget reflects a prudent spending plan. The governor is advising caution despite somewhat improved fiscal conditions: he continues to emphasize the importance of substantially increasing the state's Rainy Day Fund to help the state weather significant fluctuations in volatile tax collections. Indeed, one reason Los Rios weathered the last downturn and will be prepared when the next inevitable recession comes is our core value of fiscal prudence. We continue to plan thoughtfully for the many challenges ahead, including the funding of public employee retirement costs.

California's largest public employee pension funds, the California Public Employees' Retirement System and the California State Teachers' Retirement System, have significant unfunded liabilities. The need to fund these liabilities is compelling. The challenge is identifying resources to do so without compromising our programs, services and overall commitment to students.



Chancellor's Message

Another critical matter facing California today is the ongoing concern over natural resources. Leading by example, Los Rios continues to be responsible with all our resources, especially water, energy, land use and the construction and maintenance of our buildings and grounds.

With a newly approved 2016 Strategic Plan, complete with new Mission and Vision statements, values, goal and strategies, the District is newly empowered and focused on expanding and enhancing access and opportunity for our students, to help guide them to find their success in the classroom and community.

Our seasoned, dedicated faculty and staff are ready to engage the next wave of motivated students. Despite the less than optimal state support for our community colleges, we continue to be optimistic about the future for our District and our students, and for how the educational opportunities we provide help shape our students' futures for the better.

One reason for that optimism is the generosity shown time and time again by all of Los Rios' friends and supporters. We continue in our

efforts to plan and implement a districtwide fundraising campaign that we believe will help provide the promise of a community college education to all who work for it. The interest that our region has already shown in supporting such an exciting and important initiative is yet another reminder of the greater Sacramento community's commitment to and generosity toward the Los Rios Colleges and our resilient students.

The Los Rios Community College District is a unique place with an enviable reputation for academic excellence, community commitment and fiscal stability.

On behalf of the Los Rios Board of Trustees and all our employees, we pledge to continue to be prudent stewards of our financial resources as we work together with all our community partners to provide the means by which our students can change their lives and enrich their community.



Executive Summary

INTRODUCTION

The Los Rios Community College District is a two-year public college district that serves the greater Sacramento region totaling over two million residents. Los Rios comprises four separately accredited colleges: American River, Cosumnes River, Folsom Lake and Sacramento City serving students at their main campuses as well as education centers in Davis, Elk Grove, Natomas, Placerville, Rancho Cordova and West Sacramento. The colleges offer AA/AS degrees, certificates and transfer education opportunities. The District's 2,400 square mile service area includes all of Sacramento County, most of El Dorado County and parts of Yolo, Placer and Solano counties. Over 75,000 students enroll in our colleges during our primary terms.

The annual budget is an important component in communicating with the district's constituents and one of the most significant responsibilities and requirements for a community college district. The budget outlines the utilization of available financial resources and serves as a planning document for the year.

The budget process for the upcoming fiscal year begins in January with the release of the Governor's proposed budget. The January proposal reflects the Governor's goals and objectives for the coming year and highlights significant issues, policies, and initiatives of the Administration. For community colleges, which are primarily State funded, the January proposal is an early indicator of strategic changes in programs as funding proposals are linked to programmatic requirements. At the May Revise, the Governor updates his initial proposal to reflect changes in projected revenues as well as appropriations, which generally are the result of dialog with the

State's legislative bodies following the January proposal. With the issuance of the May Revise, the legislature begins its final budget process which, by law, is to result in a budget by June 15th for the Governor to sign by June 30th.

Because the State dictates to a considerable extent the manner of how funds are earned and expended, a district's budget is almost entirely contingent upon the adoption of the State Budget Act.

STATE BUDGET OVERVIEW

With the passage of Proposition 30 in 2012-13, California eliminated its structural deficit and began paying down its debt. Proposition 30 increased tax revenues by raising the State sales tax rate and tax rates for high income taxpayers. The revenues generated by Prop. 30 are being used to support base funding as well as pay down "the wall of debt" accumulated since 2000. In addition, revenue growth from the economic recovery provided the opportunity to restore funding to critical programs and services as well as provide funding for new initiatives. For 2016-17, the economic outlook has tempered the budget proposal. While it is still an overall positive year, the Governor referenced Aesop's fable of the Grasshopper and the Ant in his May Revision to emphasize the need to save up for the days of necessity. The State is much better positioned for an economic downturn now than it was when the great recession hit in 2007. That is due to prudence on the Governor's part in proposing balanced budgets as well as to the voters in passing Proposition 30, a temporary increase. Concern looms over the expiration of Proposition 30 expressed in the May Revision narrative as "the budget is currently projected to return to deficit spending when Proposition 30 revenues expire."



Executive Summary

January Proposal – Community Colleges

The January proposal for on-going general purpose programs included 2% for enrollment growth and a cost of living adjustment (COLA) of 0.47%. Noticeably lacking was further funding of the base augmentation as well as funding for additional full-time faculty.

On the categorical side, \$248M in on going funds was allocated for the Workforce and CTE Pathways program. This allocation was made in support of the recommendations of a taskforce of the State Chancellor's Office that focused on improving the delivery of career and technical education to provide a strong workforce. Other restricted allocations included funding to augment the Basic Skills Initiative. Other categorical programs were maintained at 2015-16 levels. Funding supported by Proposition 39 for energy efficiency and clean energy jobs programs was proposed at \$45.2M.

One-time allocations included \$76.3M to further pay mandated cost claims. This is contrasted against the 2015-16 allocation of \$604M. The reduction was primarily attributed to the State having paid off most of the outstanding claims. There was a substantial increase in funding for scheduled maintenance and instructional equipment. That allocation was proposed at \$289M versus \$148M in 2015-16. Although funded as one-time, a large portion of it was on-going in terms of the Proposition 98 guarantee. In this regard, the Governor was looking forward in allocating on going funds to a use that could be fairly easily reduced in the event of a downturn in revenues.

Enrollment fees were maintained at \$46 per credit unit. Enrollment fees were \$20 per unit in 2008-09, reflecting a 130% increase in the intervening years.

Adult Education has been a focus of the Governor's since 2012-13. During the budget downturn, K-12 districts were allowed to "flex" their adult education funding. Many districts chose to reduce or even eliminate adult programs to use the funds for compulsory K-12 programs. For 2015-16, \$500M was funded for the restoration of Adult Education and that was maintained but not augmented for 2016-17. Los Rios is a member of the regional consortium working to deliver a more cohesive program for Adult Education. K-12 districts are still the primary providers of Adult Education in our region.

May Revise/Enacted Budget

The Governor's May Revise reflected changes to revenue forecasts following the January proposal for both the current and budget year. In contrast to the prior three budgets where revenue forecasts improved after the January proposal, revenues fell short of projections between January and May resulting in a May revision that was fairly close to status quo with the January proposal. The primary change was funding \$75M in base augmentation which was critical given that the statutory COLA for 2016-17 was zero.

As has been the case under Governor Brown, the enacted budget was essentially the May revise with a few changes for categorical programs.



Executive Summary

Summary of Major Budget Line Items					
Description	2015-16	2016-17 Budget			Comment
		January Proposal	May	Enacted	
COLA	\$61M, 1.02%	\$29.3M, 0.47%	Zero	Zero	Statutory Rate decreased between January and May to zero
Growth	156.5M, 3%	\$114.7M (2.00%)	\$114.7M (2.00%)	\$114.7M (2.00%)	Enrollment growth was funded at 3% in 2015-16; However, many districts are not growing
Base Augmentation	\$266.7	Zero	\$75M	\$75M	Funding is intended to help districts pay for increases to employer contributions for retirement benefits (STRS/PERS)
Mandate Past Claims	\$604M	\$76.3M	\$105.5M	\$105.5M	To be distributed on per FTES basis to all districts regardless of past claim liability
Increase Regular Faculty	\$62.3M	Zero	Zero	Zero	Funding to support more full-time faculty positions. Stratified requirement using full-time to part-time ratio
Student Success & Support	\$299.2M	No Augment	No Augment	No Augment	Program replaced Matriculation.
Student Equity	\$155M	No Augment	No Augment	No Augment	New program for 2014-15 funded at \$70M; 2015-16 total \$155M
COLA for Categorical programs	\$2.5	\$1.3	Zero	Zero	COLA for EOPS, CalWORKS, DSPS, and Child Care Tax Bailout
Categorical Restoration	Zero	Zero	Zero	\$14.8M	CalWORKS restored (\$8.7M); Part-time faculty office hours (\$3.7M), and MESA (\$2.4M)
Scheduled Maintenance /Instructional Equipment	\$148M	\$289M	\$219.4M	\$184.6M	Change from January to May Revise and then final was primarily to fund base augmentation and categorical programs
CTE – Strong Workforce	No Augmentation	\$248M	\$248M	\$248M	Strong workforce \$200M; \$48M for CTE pathways
Basic Skills Program	One Time grants	\$30M	\$30M	\$30M	Funding for programs to aid success of basic skills students



Executive Summary

LOS RIOS' PROJECTED REVENUE INCREASES

The amounts below reflect State Chancellor's Office estimates from the enacted budget for Los Rios funding augmentations for 2016-17:

Growth (potential – growth rate of 1.2%)	\$3.1M
COLA	Zero
Base Augmentation Increase	\$3.6M
Rancho Cordova Center Base Allocation	\$1.1M
Strong Workforce (Local)	\$5.2M
Strong Workforce (Regional)	\$6.97M
Basic Skills	TBD
SMSR/SIEF & LM – One-time Only (OTO)	\$8.4M
Prior Years' Claims for Mandated Costs (OTO)	\$4.8M

Restoring Access (Growth)

Workload for community colleges is measured by Full-Time Equivalent Students (FTES). A large share of the reductions in funding in 2009-10 and 2011-12 were to general apportionment with corresponding workload reductions. Los Rios' 2008-09 funded level was 53,013 FTES. For 2014-15, the funded level was 52,170.

Restored FTES of 2,130 at the final calculation for 2014-15 brought the base workload for 2015-16 to 52,170, still 843 below 2008-09. Because Los Rios had unfunded FTES, it qualified for the maximum allowable restoration through 2013-14 which was the last year that the State used the restoration process for distributing growth funds.

Growth Rate Formula

Senate Bill 860 specified new requirements for the distribution of growth funds. The Chancellor's office developed a formula in accordance with SB 860. SB 860 directs growth toward each community's need for access to community colleges. The primary factors in the formula are the number of people within the district's boundaries with no college degree, and the number of people who exhibit signs of being disadvantaged, e.g., unemployed. Los Rios' growth rate is low compared to its rates under the former formula that used population changes. At this time, the growth rate appears sufficient relative to demand. With growth funded State-wide at 2%, Los Rios' growth entitlement is 1.2%, or \$3.1M.

Cost of Living Adjustment (COLA)/Basic Allocation Increase

As mentioned earlier, the COLA for 2016-17 is zero. COLAs were not funded from 2008-09 through 2012-13 though statutorily they should have been funded cumulatively at 15.8%. For Los Rios, the foregone revenue through 2012-13 totaled over \$138M. The increase of \$3.6M to the funding rates for the basic allocations and workload measures is not intended to make up for lost COLA's but rather as an acknowledgement of the need for additional base funding due to the increased pension costs.

	2012-13	2013-14	2014-15	2015-16	2016-17
COLA %	0.00%	1.57%	0.85%	1.02%	0.00%
COLA \$	\$ -	\$ 3,798,642	\$ 2,134,283	\$ 2,691,684	\$ -



Executive Summary

PENSION BENEFIT COSTS

The District's regular and adjunct employees participate in two state-wide public pension systems. Both systems are attempting to address their unfunded liability through increased employer and employee contributions as detailed below.

California Public Employees' Retirement System (CalPERS)

CalPERS is the retirement system for classified employees. CalPERS Board has the authority to set rates and is addressing the unfunded liability by increasing employer contribution rates, fairly significantly. The 2020-21 rate is currently projected at 19.8%. Employee contributions remain at 7%.

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
11.442%	11.771%	11.847%	13.888%	15.5%	17.10%

California State Teachers' Retirement System (STRS)

The Governor's plan to fund the \$74B unfunded liability of STRS was perhaps the most critical element of the 2014-15 budget. The goal is to achieve full funding by 2045-46. The largest share will be borne by employers, more than doubling the current contribution over seven years. Employees also have an increase to their contribution and the State is contributing more as well. Los Rios' contribution for STRS in 2013-14 for general purpose and categorical services exceeded \$9M. For the initial year, the change in the contribution rate was only 63 percentage points which was around \$700,000 for general purpose

positions. The 2015-16 increase of 185 percentage points required another \$2M. This does not include the increased contributions required of employees. The rate increases are shown in the following table.

Year	Employer	Employee Contribution	
		Pre-PEPRA*	Post-PEPRA*
2013-14	8.25%	8.00%	8.00%
2014-15	8.88%	8.15%	8.15%
2015-16	10.73%	9.20%	8.56%
2016-17	12.58%	10.25%	9.205%
2017-18	14.43%	10.25%	9.205%
2018-19	16.28%	10.25%	9.205%
2019-20	18.13%	10.25%	9.205%
2020-21+	19.10%	10.25%	9.205%

**PEPRA stands for Public Employee Pension Reform Act. The act established different pension benefits for employees who become members after 1/1/2013.*

While there is acknowledgement of the need to address the State's liabilities, rate increases of this magnitude will be difficult to fund without significant increases to general purpose funding. As stated earlier, the base augmentation increase is intended to help districts fund the increase in pension costs. The District, working with its employee groups, designated a portion of the increase in 2015-16 to support both the current year's increase as well as the 2016-17 and part of the 2017-18 increase. The 2016-17 augmentation will also be a source to support these costs. The District currently projects that with the 2016-17 contributions, it will have approximately 60% of the total projected increase funded.



Executive Summary

CATEGORICAL AND DESIGNATED ALLOCATIONS

Categorical Programs

Many programs were significantly reduced and some eliminated in 2009-10. Since 2012-13, most major programs have been restored although Part-Time Faculty Compensation and Healthcare remain funded at the reduced level. Matriculation was eliminated and replaced by the Student Success and Support program. Strong Workforce and Student Equity are new programs.

New Faculty

Funding was added to the base in 2015-16 to support hiring of full-time faculty. The California Community Colleges Chancellor's Office (CCCCO) gave each district the number of regular faculty positions that should be added as determined from a ranking using the full-time to part-time faculty ratio. For Los Rios, which has a high ratio, the number of faculty hires is 22. Those positions were included in the 2015-16 hiring process to start in fall 2016. Funds remaining after providing for the new positions were designated to be used to support other faculty related purposes.

One-time Funds - Mandated Costs Outstanding Claims and SMSR/SIEF

The proposal distributes the funds on the basis of full-time equivalent students (FTES). More detail information regarding the planned use of the funds for the mandates claims is found later in this section.

OTHER SIGNIFICANT STATE BUDGET FACTORS

Expiration of Proposition 30 (Temporary Tax Increases)

Tax increases under Proposition 30 were temporary with the sales tax portion expiring on Dec. 31, 2016 and the income tax increase two years later. Projections are that State revenues will not decrease much with the sales tax expiration but there are concerns that programs could be impacted if the taxes are not extended. There is a ballot measure in November 2016 to extend the personal income tax provision.

Revenue Shortfalls/Structural Deficit

The funding entitlement for most districts is comprised of: general apportionment, local property taxes, student enrollment fees, and most recently, revenues from the Education Protection Account (EPA) established by Proposition 30. A sub-set of local property taxes is taxes received from redevelopment agencies (RDAs). Property tax revenues are a significant component of the State's funding for Proposition 98 (K-14). The State's formula for community college general purpose funding is as follows:

- + Determine each district's revenue entitlement (basic allocation plus funding for students served), then fund by:
- Projected total property tax revenues (including RDA)
- Projected total enrollment fees * 98%
- Projected Educational Protection Account revenues
- = Balance remaining is funded by State General Apportionment



Executive Summary

If property taxes or enrollment fees come in short of Department of Finance projections, the State does not increase general apportionment. Rather funding is “deficited” meaning districts do not receive their full revenue entitlement.

Even with robust revenues in 2013-14, there was still a deficit of .45%. There was no deficit for 2014-15, although that was not known until February 2016. For 2015-16, the deficit factor at the first principal apportionment was 1.2%. Fortunately, the second principal apportionment had no deficit for 2015-16.

The Chancellor’s Office of the California community colleges issued its 2016-17 advance apportionment reflecting a small deficit factor of less than 1%, although most likely there will not be a deficit for the year.

Shift in Funding Sources

Another area for possible concern is the underlying change in sources supporting the annual funding for California’s community colleges. The shift to higher reliance on property taxes, enrollment fees and temporary taxes (Prop. 30 or EPA) without guaranteed backfill by the State general fund is problematic.

In 2008-09, 66% of the funding for California community colleges was State General Fund. In 2014-15, that same source was 37%.

Revenue Source	\$ in Millions			
	Statewide	% of Total	Los Rios	% of Total
Apportionment	\$2,147	37%	\$ 142	54%
Property Taxes	2,297	40%	58	22%
Student Enrollment Fees	410	7%	15	6%
EPA	958	16%	48	18%
Total Revenue	5,812		264	
Deficit	-		-	
Total Entitlement	\$5,812	100%	\$ 264	100%

Source: Final Recalculation for 2014-15

State Facility Bond

A ballot measure for state school educational facilities bonds is slated for the November 2016 election. If this measure passes, it will provide \$2 billion for community college facilities. Additional information regarding Los Rios’ projects that are eligible for State bond funds can be found in the Information section under “Capital Facilities Program.”



Executive Summary

BUDGET FORECAST

During the budget crisis, the District funded significant cost increases in its employee benefit programs as well as step and column movement for salaries. Reductions were made in staffing levels for the instructional program and through attrition in other areas. Operational allocations were also reduced and employees shouldered a portion of the medical premium increase. Those cost reductions, as well as one-time resources and reserves, enabled the district to preserve its salary schedules and avoid any layoffs. As revenues are restored, the District's budget planning continues to focus on three primary interests:

- Preserving core programs and services for students
- Protecting regular employees
- Maintaining fiscal stability

Restoring reserves has been an area of focus by all stakeholders. Similar to the State's planning, the District recognizes the need to plan for the next economic downturn.

Revenue Assumptions

Stability

Stability is the term used by the State when a district's funding is maintained (stabilized) at its base workload level even though the district did not achieve that level. The first year a district reports attendance below its base workload level, the State does not reduce

funding. Following that year, if a district does not achieve the base level, its funding is reduced to the level reported. Los Rios had never been in "stability", although it had experienced years where achieving growth was challenging and had periodically borrowed from summer terms. For 2015-16, the District planned to achieve enough FTES to report its base funding level partially through expansion of its summer term as well as partnerships with public safety and apprenticeship programs. However, the growth in those areas was not sufficient and the District reported FTES below base when it filed its annual attendance report in July. Therefore, the District will receive stabilization funds for 2015-16. In 2016-17, if the District does not achieve at least its base level of FTES, its funding will be reduced to the reported level. Based upon current projections, the District will have sufficient FTES to avoid a reduction in funding.

Reserves

Due to the uncertainty regarding enrollment for 2016-17, the District and its employee groups agreed to designate over \$8 million to reserves to support 2016-17 compensation improvements. This amount combined with the additional \$5 million in funds reserved for supporting pension cost increases results in an increase in beginning fund balance of over \$13 million compared to 2015-16 reserves. The District also has restored a substantial portion of the reserves in its Capital Outlay project fund that were used to support the general fund during the economic downturn. The District has prudently managed the funds received from the robust 2015-16 budget to guard against a potential downturn at the State level or a reduction in funding due to a decline in enrollment.



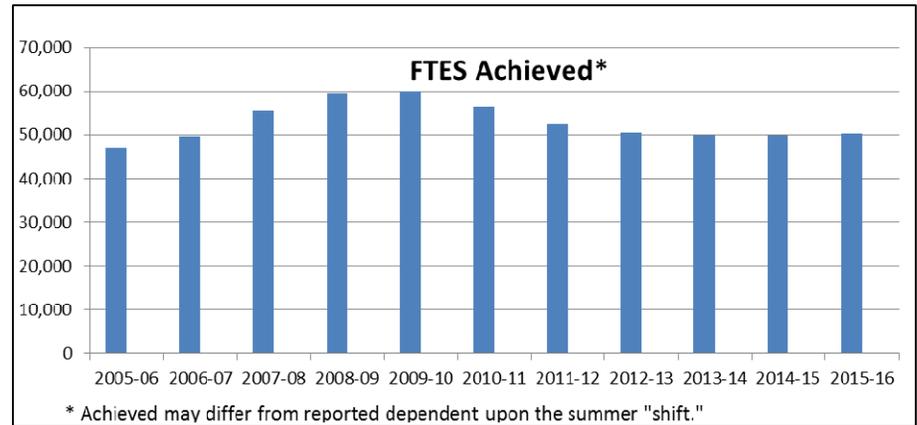
Executive Summary

X, Y, Z Budgets

The District budget process uses three potential revenue assumptions. As had been long-standing practice prior to the 2008-09 reductions, the revenue assumptions assume a base level expenditure plan (X budget) that is increased corresponding to the higher revenue levels in the Y and Z budgets. The X budget for 2016-17 includes the base allocation increase and base funding for the Rancho Cordova Center. The Center was approved by the Board of Governors in March 2016 and reported over 1,000 FTES in 2015-16 making it eligible for \$1.1M in basic allocation funding. The District spends at the X level until revenues above that level are realized. The X level is essentially the base funding level.

The Y budget includes growth at 0.58% and lottery revenues at \$2.1M over X. The District's growth cap under the new formula is 1.16%. The Z budget is set at cap plus lottery revenues at \$4.1M above X budget.

In 2013-14, the District maintained the size of its instructional program while achieving growth funding by being funded for over cap students. For 2014-15 and 2015-16, additional faculty were added to earn access (restoration) funds through additional course offerings. Attendance was shifted from the summer 2016 term to capture additional growth funding available in the 2014-15 year. Unfortunately, the addition of course sections did not generate sufficient additional enrollment. The following graph shows the District's actual service levels. The decline starting in 2010-11 was due to a planned reduction in the instructional program corresponding to funding reductions.



Appropriations

Instructional Program Increase - For 2016-17, 23 additional instructional FTEF were allocated for the summer term, an increase of 20%. The District is also continuing to expand its instructional offerings through its apprenticeship and public safety partnerships. Additional fall or spring FTEF will depend upon the enrollment trends for those terms. Based upon current projections, the District will achieve sufficient FTES to avoid a reduction in resources.

Growth in staffing - For 2015-16, the District added twenty-two faculty positions funded by the State authorization. These positions will be filled for fall 2016. Classified positions added included four custodial positions, to address workload increases as a result of the expansion of our facilities. A new police captain was also added and



Executive Summary

funds were provided to transition positions from VTEA to general purpose funding. Two new management positions were authorized in 2015-16 to oversee the Distance Education program at American River College and a dean for the Rancho Cordova Educational Center. Classified staffing for the new center was added from funding that was saved for future center staffing prior to the downturn.

Other Cost Increases

As described earlier, revenue reductions and no COLAs meant no new funding to support increases for salary step and column movement, health and welfare benefits, and other payroll and operational costs.

The cumulative increase in health premiums since 2008-09 is 69% or \$518 per month for the plan selected by most employees. Employees are shouldering part of that increase by paying at least \$96 per month toward premiums. In 2014-15, the District expanded its offerings for medical insurance. Employees may choose from traditional HMO plans from three different carriers and a high deductible health plan that can be used in conjunction with a Health Savings Account. For 2015-16, the District received a rate pass on its primary HMO plan and slight increases for the other plans. For 2016-17, the base rate increase for the Kaiser HMO is \$37.77 per month. Some employee groups chose to fund that increase while others preserved funds for salary improvements by increasing the employee contribution toward the premium.

Employer contributions to CalPERS, covering classified employees, have increased 2 points since 2008-09, an average increase of almost

\$1,200 per classified employee. Other cost increases are projected, including step increments net of decrements, and dental insurance. The CalSTRS increases are estimated at \$1.9M each year for 2016-17 through 2019-20.

Operational cost increases include utilities, which have risen due to rate increases and the increase in total square footage. The District is actively working to reduce its utility costs by lowering consumption.

One-time Appropriations

The unrestricted block grant for past mandates claims funding will be used to support items such as IT infrastructure as well as other equipment and other non-operational needs. The District working with its employee groups reached agreement to use part of the funds to support one-time reserves for PERS/STRS increases.

In 2015-16, the District made significant appropriations from the Mandate funds toward infrastructure, sustainability, and security improvements. Those initiatives are in progress and expected to yield savings but also to achieve other qualitative benefits for the District and those it serves.



Historical Overview

The Los Rios Community College District celebrated its 50th year in 2015-16. It was formed in 1965 as a result of the consolidation of ten separate K-12 “feeder” districts. At the time of its organization, the District consisted of two colleges: Sacramento City College and American River College. In 1970, the California Community College Board of Governors (BOG) and California Post Secondary Educational Commission (CPEC) approved the creation of Cosumnes River College serving the southern portion of the District. In February 2004, Folsom Lake College achieved college status.

In 2015-16, Folsom Lake College’s Rancho Cordova Educational Center was approved by the Board of Governors. With that approval, the District achieved the completion of its plan for educating a region. There are now six official centers: Folsom Lake College’s El Dorado and Rancho Cordova Centers, American River College’s Natomas Center, and Sacramento City College’s Davis and West Sacramento Centers, Cosumnes River College’s Elk Grove Center. In addition, American River College operates the Sacramento Regional Public Safety Training Center (SRPSTC). Although not an official center, the SRPSTC offers basic academy and in-service training in law enforcement, fire, and other public safety areas. The District’s facility master plans include future expansion of its centers. The Davis Center is slated to begin construction on its second phase in fall 2016.

The District served over 77,000 students in fall 2015. Based upon enrollment, the District is the second largest community college system in California and one of the largest in the nation.

Covering nearly 2,440 square miles, the District operates in five contiguous counties including Sacramento County, El Dorado County, Placer County, Yolo County, and Solano County. It encompasses the Cities of Sacramento, Elk Grove, Davis, Folsom, West Sacramento, Rancho Cordova, Citrus Heights, and various other Sacramento County municipalities.

Enrollment growth has slowed especially in the northern part of the State. The District’s facility plans were based upon projected growth well in excess of 100,000 students. For example, in 2008 the CCCC projected Los Rios’s enrollment for the fall 2017 term would exceed 127,000 students. In 2016, the CCCC is projecting slightly less than 77,000 students for fall 2017. Significantly lower projections likely mean deferring facility projects planned to meet the much higher projections. That is somewhat fortunate given the current lack of State funding to support facility projects. Since 2002, the District’s facility program has added or modernized over 2.2 million square feet. The program is also replacing and updating infrastructure to ensure the District is ready for the next fifty years.

Los Rios Community College District is proud of its past and very optimistic about its future. That so many Sacramento residents will enroll in our colleges signals a healthy community with an educated workforce and a growing economy.



Values, Vision, Mission and Goals

During the 2015-16 year, students, faculty and staff across the District came together to review and update the Los Rios Community College District Strategic Plan. Originally developed in 1997, the last plan, adopted in January 2011, served as the fourth official strategic plan for the District and many of the goals in that plan were realized. For the fifth plan which will guide the District through 2020-21, the planning process involved taking a look at where we are and where we want to be as a community college district. The 2016 Strategic Plan provides a thoughtful vision of the future of Los Rios. The vision centers on promoting student success through several initiatives that will be measured toward specific goals for improvements.

The 2016-17 District budgets are developed to reflect the educational programs of the Los Rios Community College District. The programs of the District are consistent with the mission of the California Community Colleges.

CALIFORNIA COMMUNITY COLLEGES' MISSION

The mission of the California Community Colleges is to provide high quality, lower division instruction for students who wish to obtain associate degrees, transfer to a baccalaureate institution, or prepare for an occupation as well as the provision of remedial English as a Second Language (ESL) and literacy instruction to all who require those services.

Primary missions of the colleges are to offer academic and vocational education at the lower division level for recent high school graduates and those returning to school; and to advance California's economic growth and global competitiveness through education, training and

services that contribute to continuous workforce improvement. Essential functions of the colleges include: developmental instruction, English as a second language, adult noncredit instruction, and providing support services that help students to succeed. Fee-based Community Service education is designated as an authorized function.

By law, California Community Colleges are required to admit any resident with a high school diploma or equivalent and may admit anyone who is capable of benefiting from the instruction offered.

LOS RIOS COMMUNITY COLLEGE DISTRICT VISION

Like all plans, a vision builds upon past successes, but it does much more. The Los Rios Community College District coordinates our district and college planning activities by establishing a flexible framework of goals and directions to support innovative planning at each college and unit within the District. The mission and vision for the District are as follows:

MISSION STATEMENT

The Los Rios Colleges provide a vibrant learning environment that empowers all students to achieve their educational and career goals.

VISION STATEMENT

To transform the lives of students and enhance the vitality of our region. In order to achieve its mission, the District has identified and embraced five strategic goals which serve as the guidelines that our colleges, centers, and offices will use in developing their own strategies for achieving our vision.



Values, Vision, Mission and Goals

OUR FIVE STRATEGIC GOALS

1. Establish effective pathways that optimize student access and success.
2. Ensure equitable academic achievement across all racial, ethnic, socioeconomic and gender groups.
3. Provide exemplary teaching and learning opportunities.
4. Lead the region in workforce development.
5. Foster an outstanding working and learning environment.

VALUES

These core values serve as the foundation upon which the District operates. Our values guide and inspire how we manage the Los Rios District, interact with our students, colleagues and community, and establish programs that promote student success.

Students Are Our Highest Priority

Student Access: We are committed to providing educational opportunities that serve the needs of the greater Sacramento region's diverse population.

Student Success: We support our students' efforts to achieve success in their educational and career goals and as contributing members of society.

Lifelong Learning: We encourage a limitless spirit of openness and intellectual curiosity as enduring pursuits.

Student Support and Services: We promote a safe and supportive environment that serves the individual learning needs of all students.

Employees

Safe and Secure Work Environment: We embrace an accepting, inclusive and nurturing work environment that is free of threats and intimidation.

Professionalism: We encourage, promote and support the continuous professional development of all employees, acknowledging their unique contributions to creating a collegial workplace that is diverse in composition and thought.

Well-Being: We believe in a work-life balance and support the physical, mental and emotional well-being of our staff and faculty.

Diversity

Building Community: We recognize that diverse backgrounds and perspectives contribute to the Los Rios District's strength as a dynamic, inclusive educational community.

Relationships

Mutual Respect and Consideration: We believe effective working relationships are central to achieving our Mission and employ an interest-based approach to solving problems through collaboration, empathy, mutual respect and integrity.

Participatory Governance

Encouraging the Contributions of All Our Members: All members of the Los Rios community have the ability to contribute to our organizational success and are encouraged to do so.

Informed, Collaborative and Integrated Decision-Making: We value informed decisions made by people with diverse perspectives who are close to the issues.



Values, Vision, Mission and Goals

Community

Serving the Community: We address the cultural, economic and social needs of the region by building meaningful connections between our colleges and their communities.

Academic Excellence

Quality: We strive to deliver the highest quality programs, services and activities.

Academic Rigor: Los Rios' educational standards emphasize critical thinking and writing, analysis and excellence in educational experiences, stimulating faculty members to challenge themselves and their students in an atmosphere that inspires thoughtful teaching and learning.

Academic Integrity and Freedom: Los Rios is committed to academic integrity and embracing forthright, honest and ethical behavior.

Equity

Social Justice: We acknowledge and embrace our responsibility to empower underrepresented segments of our community and to ensure that all populations have the same access, support and opportunities to succeed.

Sustainability

Building a Culture of Sustainability: The Los Rios community is a wise steward for all its resources, protecting, preserving and nurturing its people, its environment, its property, its capital and its educational programs.

Innovation

Fostering Innovation and Responsible Risk-Taking: Los Rios supports and invests in change that increases the effectiveness of our programs, the productivity of our work and the successful outcomes of our students.

Integrity

The Highest Ethical Standards: Los Rios values integrity, transparency, accountability, honesty and professionalism, both in the workplace and the classroom.

2016-17 Strategies

During the coming year, the District will begin to implement the specific strategies in the plan. Part of the implementation process will be to identify the resources necessary to support those efforts.