RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: Fiscal Resources Committee

Agenda for March 20, 2024

1:30 p.m. - 3:00 p.m.
Zoom Meeting

1. Welcome
2. State/District Budget Update – Iris Ingram
   - Apportionment Memo February 27, 2024
   - 2022/23 Apportionment Recal Report Exhibit C RSCCD Statewide
   - 2022/23 Recal Reconciliation
   - 2023/24 Apportionment P1 Report Exhibit C RSCCD Statewide
   - LAO 2024/25 Budget California Community Colleges
   - SSC – Top Legislative Issues-February 16, 2024
   - SSC – January 2024 State Cash Receipts Below Forecast
   - SSC – LAO to Legislature: Deteriorating Budget Condition Ahead
   - SSC – Top Legislative Issues-March 1, 2024
   - SSC – Inflation Shows Persistence
   - SSC – UCLA Economist: A Return to Normalcy
   - DOF – Finance Bulletin-February 2024
3. Discussion of Deficit Factor
4. Updated 2024/25 Tentative Budget Assumptions
5. Projected 2023/24 Year-end Balances – Satele, Hoffman, and O'Connor
6. Annual Review of RSCCD Budget Allocation Model (BAM)
7. 2024/25 Proposed Meeting Schedule - **ACTION**
8. Standing Report from District Council – Claire Coyne
9. Informational Handouts
   - District-wide expenditure report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of March 14, 2024
   - Monthly Cash Flow Summary as of February 29, 2024
   - SAC Planning and Budget Committee Agendas and Minutes
   - SCC Budget Committee Agendas and Minutes
10. Approval of FRC Minutes – February 21, 2024
11. Other

Next FRC Committee Meeting: April 17, 2024, 1:30-3:00 pm

The Rancho Santiago Community College District aspires to provide equitable, exemplary educational programs and services in safe, inclusive, and supportive learning environments that empower our diverse students and communities to achieve their personal, professional, and academic goals.

MEMORANDUM
February 27, 2024

FS 24-03 | Via Website and Email

TO: Chief Executive Officers
Chief Business Officers

FROM: Fiscal Services Unit
College Finance and Facilities Planning Division
Office of Institutional Supports & Success

RE: 2023-24 First Principal Apportionment

This memo describes the 2023-24 First Principal (P1) apportionment calculations for the Student Centered Funding Formula (SCFF) and various categorical programs. Associated exhibits are available on the Chancellor's Office Fiscal Services Unit Apportionment Reports website.

SCFF General Background

The SCFF consists of three principal components – the base allocation, supplemental allocation, and student success allocation with the following parameters:

- The base allocation relies primarily on college and center size based on prior year data and current year Full Time Equivalent Student (FTES) enrollment. The base allocation consists of the basic allocation and FTES allocation.
- The supplemental allocation is based on prior year data.
- The student success allocation is based on an average of three prior years of data.

Generally, the Chancellor's Office certifies apportionments three times per year with the Advance Apportionment (AD) released in July, First Principal (P1) and Recalculation (R1) in February, and Second Principal (P2) in June. Additional certification revisions are completed as necessary.

SCFF 2023-24 P1

At 2023-24 P1, SCFF calculations reflect district reported FTES estimates, supplemental and student success metric data reported as of January 17, 2024, transfer metric data as of January 24, 2024, county reported property tax, district reported enrollment fees, estimated 2023-24 Education Protection Account (EPA) resources, and available general fund.

FTES Allocation

If a district was opted-in to an optional Title 5 COVID-19 emergency conditions allowance in 2021-22 and/or 2022-23, the emergency conditions allowance credit FTES are used as data point(s) in calculating the credit FTES three-year average.

Growth has been applied to districts that reported an increase in FTES value above the prior year base value (2022-23 Applied #3) that exceeds the available restoration balance. Statewide growth need exceeded the statewide growth budget at 2023-24 P1. Growth applied beyond districts' growth targets was proportionally adjusted to not exceed the budget. Growth will be reassessed at 2023-24 P2 with updated FTES data.

Basic Allocation

Prior year FTES data is used to determine the current year basic allocation for college and center size. If a district's reported FTES for a college or center is below the prior year funding size, the prior three FTES data years are used to determine eligibility for a stability protection. If a district was opted-in to the COVID-19 emergency conditions allowance in prior years, the emergency conditions allowance FTES is used to determine stability funding size. Declines in college or center FTES will not result in a reduction to base revenue until the third year after the decline, and there is no base revenue reduction if the college or center FTES has been restored back to or above the pre-decline amount.

Supplemental and Student Success Allocations

The supplemental and student success allocations at 2023-24 P1 reflect metric data updates provided by districts through January 17, 2024, and transfer metric data received through January 24, 2024.

Total Computational Revenue

The 2023-24 P1 Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) TCR calculated by formula in 2023-24, (B) TCR stability protection (2022-23 calculated TCR plus COLA), or (C) Hold Harmless (2017-18 TCR plus yearly COLAs). At 2023-24 P1, the statewide SCFF Max TCR is $9.54. billion.

The revenue deficit at 2023-24 P1 for non-basic aid districts increased to 3.55% compared to 2.29% at 2023-24 Advance. Factors contributing to the increased deficit are an increase in statewide Max TCR and a net decrease in estimated local property tax revenues statewide at 2023-24 P1. The revenue deficit may change at each apportionment cycle depending on updated data and revenues.

SCFF Component	2023-24 P1 Amount (Statewide) (In Millions)
FTES Allocation	$5,861
Basic Allocation	$986
Supplemental Allocation	$1,434
Student Success Allocation	$1,029
SCFF Calculated Revenue (TCR A)	$9,310

SCFF Component	2023-24 P1 Amount (Statewide) (In Millions)
TCR Stability (TCR B)	$9,387
Hold Harmless Revenue (TCR C)	$8,697
2023-24 TCR (Max of A, B, or C)	$9,545
Stability Protection Adjustment	$122
Hold Harmless Protection Adjustment	$113
Property Tax & ERAF	$4,376
Less Property Tax Excess	($455)
Student Enrollment Fees	$405
Education Protection Account (EPA)	$1,716
State General Fund Allocation	$3,194
Deficit Factor	3.55%
Surplus (Deficit)	($310)

2023-24 P1 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	25
TCR Stability (TCR B)	36
Hold Harmless Revenue (TCR C)	11

2023-24 P1 Exhibits

- Exhibit A (District Monthly Payments by Program)
- Exhibit B4 (County Monthly Payment Schedule)
- Exhibit C (Statewide and District SCFF details)
- Educational Revenue Augmentation Fund (ERAF) Memo
- ERAF and Property Tax Distribution by County and District

SCFF 2022-23 R1

At 2022-23 R1, SCFF calculations were updated with actual FTES data (including an optional Title 5 COVID-19 emergency conditions allowance), offsetting revenues, including district reported property tax, district reported student enrollment fees, and an updated annual certification of the Education Protection Account (EPA), and other minor adjustments.

Growth has been applied to districts that increased in actual reported FTES value above the prior year base value (2021-22 Applied #3) and above the available restoration balance. Growth was allowed to exceed districts' growth authority up to a total growth applied of 10% of districts' preceding fiscal year's FTES base value, in alignment with Education Code 54750.5.

The 2022-23 R1 Total Computational Revenue (Max TCR) consists of the highest of the following three TCR calculations for each district: (A) TCR calculated by formula in 2022-23, (B) TCR stability protection (2021-22 calculated TCR plus COLA), or (C) Hold Harmless (2017-18 TCR plus yearly COLAs). At 2022-23 R1, the statewide SCFF Max TCR is $8.75. billion.

SCFF Component	2022-23 R1 Amount (Statewide) (In Millions)
FTES Allocation	$5,492
Basic Allocation	$921
Supplemental Allocation	$1,295
Student Success Allocation	$966
SCFF Calculated Revenue (TCR A)	$8,674
TCR Stability (TCR B)	$8,012
Hold Harmless Revenue (TCR C)	$8,036
2022-23 TCR (Max of A, B, or C)	$8,747
Stability Protection Adjustment	$0
Hold Harmless Protection Adjustment	$74

SCFF Component	2022-23 R1 Amount (Statewide) (In Millions)
Property Tax & ERAF	$4,345
Less Property Tax Excess	($471)
Student Enrollment Fees	$466
Education Protection Account (EPA)	$503
State General Fund Allocation	$3,905
Deficit Factor	0.00%
Surplus (Deficit)	$0

2022-23 R1 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	60
TCR Stability (TCR B)	0
Hold Harmless Revenue (TCR C)	12

SCFF Funding Protections

Fiscal year 2022-23 was the final year for the optional Title 5 COVID-19 emergency conditions allowance. However, there are several funding protections applicable under the SCFF, summarized below.

Protection	Description
Hold Harmless (EDC 84750.4(h))	Districts receive no less than their 2017-18 TCR plus applicable cumulative annual cost of living adjustments through 2024-25. The 2022 Budget Act extended the Hold Harmless protection in a modified form. Starting in 2025-26, the Hold Harmless provision will no longer reflect cumulative COLAs over time. A district's 2024-25 TCR will represent its new "floor," below which it cannot drop.
Stability Protection (EDC 84750.4(g)(4)(A))	Commencing in 2020-21, declines in the SCFF TCR (excluding the hold harmless) are applicable in the year after the decline and include any applicable COLA. This protection is similar to the former FTES stability protection provided under SB 361, however is based on SCFF calculated revenue TCR.
FTES Restoration Protection (EDC 84750.4(d)(2)(D))	Ability to restore FTES that have declined in the previous 3 years. This protection is converted to a funding amount to provide flexibility.
Basic Allocation Protection (Title 5 § 58776)	Declines in college and center basic allocation tiers are effective 3 years after the initial decline. Increases or new colleges or centers are eligible for funding in the year following the increase or establishment.

SCFF Dashboard

Since the adoption of the SCFF, the Chancellor's Office has collaborated with system partners to develop tools and resources to support SCFF implementation. The SCFF Dashboard provides analytics and visualizations about the California Community Colleges funding formula. There are three dashboard interfaces:

- Dashboard 1: Presents an analysis and comparison of the prior funding formula (SB 361) and SCFF. This data is updated each year after Recalculation. Data last updated February 2023.
- Dashboard 2: Provides analysis and trends in the SCFF supplemental and student success counts, funding protections, and race and ethnicity analyses. This data is updated each year after Recalculation. Data last updated February 2023.
- Dashboard 3: Provides districts with a planning tool, known as the SCFF Resource Estimator. This data is updated after each apportionment period. Data last updated August 2023.

Dashboard 3, the SCFF Resource Estimator, allows users to modify assumptions about levels of general enrollment, low-income student enrollment, and student success, in addition to cost of living adjustments to generate projections of funding levels in future years. The SCFF Resource Estimator is designed to provide five-year estimates. The SCFF Resource Estimator will be updated with 2023-24 P1 data in the coming weeks.

Categorical Programs

A total of 51 categorical programs certified their district allocations at 2023-24 P1 totaling over $2.9 billion. The following exhibits pertaining to 2023-24 P1 categorical program allocations can be found on our website:

- Exhibit A (District Monthly Payments by program)
- Exhibit A/B4 (Apprenticeship Training and Instruction, Local Education Agencies)
- Exhibit B4 (Healthcare Focused Vocational Pathways, Local Education Agencies)
- Exhibit A/B-4 (Statewide Community College)
- Exhibit B4 (Reimbursement, Vocational Education (Perkins))

Additional information regarding categorical programs can be found in the Compendium of Allocations and Resources (the Compendium) on the Budget News web page.

Contacts

For questions regarding the SCFF please email scff@cccco.edu.

For general questions regarding apportionment payments please email apportionments@cccco.edu.

For questions regarding specific categorical programs, please contact the appropriate staff specified in Appendix B: Summary of Categorical Program Accounting of the Compendium on the Budget News web page.

California Community Colleges
2022-23 Recalculation
Rancho Santiago CCD
Exhibit C - Page 1

Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)

I. Base Allocation (FTES + Basic Allocation)	$	162,643,814
II. Supplemental Allocation		23,682,179
III. Student Success Allocation		20,476,216
Student Centered Funding Formula (SCFF) Calculated Revenue (A)	$	206,802,209
2021-22 SCFF Calculated Revenue + COLA (B)		189,459,847
Hold Harmless Revenue (C)		195,753,297
Stability Protection Adjustment		-
Hold Harmless Protection Adjustment		-
2022-23 TCR (Max of A, B, or C)	**$**	**206,802,209**

Revenue Sources

Property Tax & ERAF		$	100,269,587
Less Property Tax Excess			-
Student Enrollment Fees			8,749,732
Education Protection Account (EPA)	Minimum of at least $100 x Funded FTES / Funded FTES: 27,316.74 x Rate: $490.07		13,387,182
State General Fund Allocation			84,395,708

State General Fund Allocation

General Fund Allocation	$	82,404,185
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)		1,991,523
Subtotal State General Fund Allocation		**$84,395,708**
Adjustment(s)		-
Total State General Fund Allocation (Exhibit A)		**$84,395,708**

	Available Revenue	**$**	**206,802,209**
	2022-23 TCR (Max of A, B, or C)		**206,802,209**
0.0000%	Revenue Deficit	$	-

Supporting Sections

Section Ia: FTES Data and Calculations

variable	a	b	c	d	e	f = b + c + d + e	g = f (except credit = (a + b + f)/3)	h	i = g + h
FTES Category	**2020-21 Applied #3**	**2021-22 Applied #3**	**2022-23 Restoration**	**2022-23 Decline**	**2022-23 Adjustment**	**2022-23 Applied #1**	**2022-23 Applied #2**	**2022-23 Growth**	**2022-23 Funded**
Credit	18,186.72	18,346.86	(114.07)	-	-	18,232.79	18,255.46	-	18,255.46
Incarcerated Credit	-	-	-	-	-	-	-	-	-
Special Admit Credit	643.04	940.72	393.73	-	-	1,334.45	1,334.45	-	1,334.45
CDCP	5,341.22	5,636.03	579.97	-	-	6,216.00	6,216.00	-	6,216.00
Noncredit	1,162.76	1,279.37	231.46	-	-	1,510.83	1,510.83	-	1,510.83
Total FTES=>>>	25,333.74	26,202.98	1,091.09	-	-	27,294.07	27,316.74	-	27,316.74
Total Values=>>>		$138,672,516	$7,002,050	$0	$0				
Change from PY to CY=>>>		$7,002,051							

variable	j = g x l	k = h x l	l	m = j + k
FTES Category	**2022-23 Applied #2 Revenue**	**2022-23 Growth Revenue**	**2022-23 R1 Rate $***	**2022-23 Total Revenue**
Credit	$88,365,264	$ -	$4,840.49	$88,365,264
Incarcerated Credit	-	-	$6,787.96	-
Special Admit Credit	9,058,189	-	$6,787.96	9,058,189
CDCP	42,193,941	-	$6,787.96	42,193,941
Noncredit	6,166,890	-	$4,081.79	6,166,890
Total	$145,784,284	$0		**$145,784,284**

	n	o = f + h	p = n - o	q = p x l
FTES Category	**2022-23 Applied #0**	**2022-23 Applied #3**	**2022-23 Unfunded FTES**	**2022-23 Unfunded FTES Value**
Credit	18,232.79	18,232.79	-	$ -
Incarcerated Credit	-	-	-	-
Special Admit Credit	1,334.45	1,334.45	-	-
CDCP	6,216.00	6,216.00	-	-
Noncredit	1,510.83	1,510.83	-	-
Total	27,294.07	27,294.07	-	$ -
Total Value=>>>	$145,674,567			

Section Ib: 2022-23 FTES Modifications

variable	r	s	t	u	n = s + t + u
			Emergency Conditions Allowance (ECA)		
FTES Category	**Applied #0 19-20 FTES**	**Reported 320 2022-23 R1 FTES**	**COVID-19**	**Other**	**2022-23 Applied #0**
Credit	21,522.80	18,232.79	-	-	18,232.79
Incarcerated Credit	-	-	-	-	-
Special Admit Credit	425.86	1,334.45	-	-	1,334.45
CDCP	5,035.22	6,216.00	-	-	6,216.00
Noncredit	1,214.59	1,510.83	-	-	1,510.83
Total	28,198.47	27,294.07	-	-	27,294.07

Definitions: PY: 2021-22 CY: 2022-23

PY App#3: PY App#1 plus PY Growth, is the base for CY

CY App#0: Reported R1 FTES with COVID-19 and other ECA and statutory protections. These FTES are used in the calculations of the CY funded FTES.

CY App#1: Base for CY plus any restoration, decline or adjustment

CY App#2: FTES that will be funded not including growth

CY App#3: CY App#1 plus Growth and used as the base for the following year

CY Adjustment: Alignment of FTES to available resources.

Change Prior Year to Current Year: CY App#0 value minus PY App#3 value and is the sum of CY restoration, decline, growth and unapplied values

California Community Colleges
2022-23 Recalculation
Rancho Santiago CCD
Exhibit C - Page 2

Section Ic: FTES Restoration Authority

variable	v	w	y	z = (v + w + y) x l
FTES Category	**2019-20**	**2020-21**	**2021-22**	**Total $**
Credit	-	3,336.08	-	$ 16,148,245
Incarcerated Credit	-	-	-	-
Special Admit Credit	-	(217.18)	-	(1,474,209)
CDCP	-	(306.00)	-	(2,077,115)
Noncredit	-	51.83	-	211,559
Total	-	2,864.73	-	$ 12,808,480

Section Id: FTES Growth Authority

variable	aa	ab	ac = aa x ab
FTES Category	**% target**	**2021-22 Applied #3 FTES**	**2022-23 Growth FTES**
Credit	0.10%	18,346.86	18.52
Incarcerated Credit	0.10%	-	-
Special Admit Credit	0.10%	940.72	0.95
CDCP	0.10%	5,636.03	5.69
Noncredit	0.10%	1,279.37	1.29
Total		26,202.98	26.45
		Total Growth FTES Value =>>>	$ 140,001

Section Ie: Basic Allocation

District Type/FTES	Funding Rate	Number of Colleges	Basic Allocation
Single College Districts			
≥ 20,000	9,917,373.09	-	$0
≥ 10,000 & < 20,000	7,933,898.79	-	-
< 10,000	5,950,421.36	-	-
Multi-College Districts			
≥ 20,000	7,933,898.79	-	-
≥ 10,000 & < 20,000	6,942,160.85	1	6,942,161
< 10,000	5,950,421.36	1	5,950,421
Additional Rural $	1,892,600.56	-	-
		Subtotal	$12,892,582

FTES	Funding Rate	Number of Centers	Basic Allocation
State Approved Centers			
≥ 1,000	$1,983,474.31	1	$1,983,474
Grandparented Centers			
≥ 1,000	1,983,474.31	1	1,983,474
≥ 750 & < 1,000	1,487,605.34	-	-
≥ 500 & < 750	991,736.37	-	-
≥ 250 & < 500	495,868.97	-	-
≥ 100 & < 250	247,936.04	-	-
		Subtotal	$3,966,948
		Total Basic Allocation	$16,859,530
		Total FTES Allocation	145,784,284
		Total Base Allocation	**$162,643,814**

Section II: Supplemental Allocation

Supplemental Allocation - Point Value $1144.62	**Points**	**2021-22 Headcount**	**Rate**	**Revenue**
AB540 Students	1	1,699	$1,144.62	$1,944,709
Pell Grant Recipients	1	5,815	1,144.62	6,655,963
Promise Grant Recipients	1	13,176	1,144.62	15,081,507
	Totals	20,690		**$23,682,179**

Section III: Student Success Allocation

All Students - Point Value $674.94	**Points**	**2019-20 Headcount**	**2020-21 Headcount**	**2021-22 Headcount**	**Three Year Average**	**Rate = Point Value x Points**	**Revenue**
Associate Degrees for Transfer	4	1,299	1,220	1,146	1,221.67	$ 2,699.76	$3,298,203
Associate Degrees	3	1,425	1,255	1,329	1,336.33	2,024.82	2,705,831
Baccalaureate Degrees	3	11	16	7	11.33	2,024.82	22,948
Credit Certificates	2	524	583	450	519.00	1,349.88	700,587
Transfer Level Math and English	2	1,097	1,008	887	997.33	1,349.88	1,346,279
Transfer to a Four Year University	1.5	1,412	755	651	939.33	1,012.41	950,989
Nine or More CTE Units	1	4,104	4,762	3,785	4,217.00	674.94	2,846,218
Regional Living Wage	1	8,163	5,795	5,370	6,442.67	674.94	4,348,408
	All Students Subtotal	18,035	15,394	13,625	15,684.67		$16,219,463
Pell Grant Recipients - Point Value $170.24							
Associate Degrees for Transfer	6	624	583	542	583.00	$ 1,021.46	$595,514
Associate Degrees	4.5	618	532	574	574.67	766.10	440,251
Baccalaureate Degrees	4.5	4	3	5	4.00	766.10	3,064
Credit Certificates	3	177	194	165	178.67	510.73	91,251
Transfer Level Math and English	3	459	343	329	377.00	510.73	192,546
Transfer to a Four Year University	2.25	599	329	264	397.33	383.05	152,198
Nine or More CTE Units	1.5	1,310	1,395	1,492	1,399.00	255.37	357,257
Regional Living Wage	1.5	689	474	673	612.00	255.37	156,284
	Pell Grant Recipients Subtotal	4,480	3,853	4,044	4,125.67		$1,988,365
Promise Grant Recipients - Point Value $170.24							
Associate Degrees for Transfer	4	936	884	852	890.67	$ 680.98	$606,523
Associate Degrees	3	1,035	913	969	972.33	510.73	496,602
Baccalaureate Degrees	3	10	7	7	8.00	510.73	4,086
Credit Certificates	2	338	344	288	323.33	340.49	110,091
Transfer Level Math and English	2	711	600	501	604.00	340.49	205,655
Transfer to a Four Year University	1.5	904	475	427	602.00	255.37	153,730
Nine or More CTE Units	1	2,554	2,647	2,250	2,483.67	170.24	422,829
Regional Living Wage	1	1,866	1,217	1,655	1,579.33	170.24	268,872
	Promise Grant Recipients Subtotal	8,354	7,087	6,949	7,463.33		$2,268,388
	Total Headcounts	30,869	26,334	24,618	27,273.67		
						Total Student Success Allocation	**$20,476,216**

California Community Colleges
2022-23 Recalculation
Statewide Totals
Exhibit C - Page 1

Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)

I. Base Allocation (FTES + Basic Allocation)	$ 6,412,497,258
II. Supplemental Allocation	1,295,305,280
III. Student Success Allocation	965,899,419
Student Centered Funding Formula (SCFF) Calculated Revenue (A)	$ 8,673,701,957
2021-22 SCFF Calculated Revenue + COLA (B)	8,012,349,847
Hold Harmless Revenue (C)	8,036,125,452
Stability Protection Adjustment	-
Hold Harmless Protection Adjustment	73,596,518
2022-23 TCR (Max of A, B, or C)	**$ 8,747,298,475**

Revenue Sources

Property Tax & ERAF			$ 4,344,625,304
Less Property Tax Excess			(471,044,880)
Student Enrollment Fees			465,879,622
Education Protection Account (EPA)	Minimum of at least $100 x Funded FTES	Funded FTES: 1,100,664.61 x Rate: varies	503,137,910
State General Fund Allocation			3,904,700,519

State General Fund Allocation	
General Fund Allocation	$ 3,826,370,491
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)	78,330,028
Subtotal State General Fund Allocation	**$3,904,700,519**
Adjustment(s)	(2,462,153)
Total State General Fund Allocation (Exhibit A)	**$3,902,238,366**

Available Revenue	**$ 8,747,298,475**
2022-23 TCR (Max of A, B, or C)	**8,747,298,475**
8 Fully Community Supported Districts — 0.0000% Revenue Deficit	$ -

Supporting Sections

Section Ia: FTES Data and Calculations

variable	a	b	c	d	e	f = b + c + d + e	g = f (except credit = (a + b + f)/3)	h	i = g + h
FTES Category	**2020-21 Applied #3**	**2021-22 Applied #3**	**2022-23 Restoration**	**2022-23 Decline**	**2022-23 Adjustment**	**2022-23 Applied #1**	**2022-23 Applied #2**	**2022-23 Growth**	**2022-23 Funded**
Credit	994,809.49	988,931.25	(1,459.94)	(22,603.03)	(40.21)	964,828.07	982,856.27	1,601.03	984,457.30
Incarcerated Credit	4,766.21	4,988.11	201.14	250.24	4.23	5,443.71	5,443.71	321.25	5,764.96
Special Admit Credit	36,813.62	37,776.12	1,645.43	972.97	5.77	40,400.29	40,400.29	1,132.25	41,532.54
CDCP	40,221.68	40,664.65	955.98	(545.50)	7.32	41,082.45	41,082.45	102.70	41,185.15
Noncredit	28,755.00	29,235.82	131.53	(1,687.01)	18.89	27,699.23	27,699.23	25.42	27,724.65
Total FTES=>>>	1,105,366.01	1,101,595.95	1,474.14	(23,612.33)	(4.01)	1,079,453.75	1,097,481.96	3,182.65	1,100,664.61
Total Values=>>>		$5,485,244,256	$12,483,799	($112,147,875)	$0				
Change from PY to CY=>>>		($51,780,154)							

variable	j = g x l	k = h x l	l	m = j + k
FTES Category	**2022-23 Applied #2 Revenue**	**2022-23 Growth Revenue**	**2022-23 R1 Rate $***	**2022-23 Total Revenue**
Credit	$4,769,301,790	$ 7,754,018	$4,840.49	$4,777,055,808
Incarcerated Credit	37,248,355	2,187,264	$6,787.96	39,435,619
Special Admit Credit	274,763,824	7,692,760	$6,787.96	282,456,584
CDCP	278,865,903	697,140	$6,787.96	279,563,043
Noncredit	113,062,437	103,751	$4,081.79	113,166,188
Total	$5,473,242,309	$18,434,933		**$5,491,677,242**

*Rates reflect statewide rates applicable to the majority of districts.

variable	n	o = f + h	p = n - o	q = p x l
FTES Category	**2022-23 Applied #0**	**2022-23 Applied #3**	**2022-23 Unfunded FTES**	**2022-23 Unfunded FTES Value**
Credit	971,219.05	966,429.10	4,789.95	$ 23,195,120
Incarcerated Credit	5,835.32	5,764.96	70.36	477,577
Special Admit Credit	41,794.05	41,532.54	261.51	1,778,881
CDCP	41,774.05	41,185.15	588.90	3,997,413
Noncredit	27,724.65	27,724.65	0.00	-
Total	1,088,347.12	1,082,636.41	5,710.71	$ 29,448,991
Total Value=>>>	$5,433,464,102			

Section Ib: 2022-23 FTES Modifications

variable	r	s	t	u	n = s + t + u
			Emergency Conditions Allowance (ECA)		
FTES Category	**Applied #0 19-20 FTES**	**Reported 320 2022-23 R1 FTES**	**COVID-19**	**Other**	**2022-23 Applied #0**
Credit	1,004,343.02	815,422.18	142,041.02	13,755.85	971,219.05
Incarcerated Credit	5,203.78	5,443.25	353.82	38.25	5,835.32
Special Admit Credit	36,200.70	51,843.82	(9,530.49)	(519.28)	41,794.05
CDCP	40,325.68	44,950.15	(3,254.79)	78.69	41,774.05
Noncredit	29,776.47	21,658.34	4,796.94	1,269.37	27,724.65
Total	1,115,849.65	939,317.74	134,406.50	14,622.88	1,088,347.12

Definitions: PY: 2021-22 CY: 2022-23

PY App#3: PY App#1 plus PY Growth, is the base for CY

CY App#0: Reported R1 FTES with COVID-19 and other ECA and statutory protections. These FTES are used in the calculations of the CY funded FTES.

CY App#1: Base for CY plus any restoration, decline or adjustment

CY App#2: FTES that will be funded not including growth

CY App#3: CY App#1 plus Growth and used as the base for the following year

CY Adjustment: Alignment of FTES to available resources.

Change Prior Year to Current Year: CY App#0 value minus PY App#3 value and is the sum of CY restoration, decline, growth and unapplied values

California Community Colleges
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Statewide Totals
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Section Ic: FTES Restoration Authority

variable	v	w	y	z = (v + w + y) x l
FTES Category	**2019-20**	**2020-21**	**2021-22**	**Total $**
Credit	14,585.65	11,151.54	7,669.23	$ 162,115,317
Incarcerated Credit	176.03	108.28	(88.15)	1,357,114
Special Admit Credit	1,402.48	(1,015.03)	(742.28)	(2,270,068)
CDCP	1,219.05	2,566.46	(56.86)	25,309,945
Noncredit	549.21	1,753.46	(135.42)	8,846,259
Total	17,932.42	14,564.71	6,646.52	$ 195,358,567

Section Id: FTES Growth Authority

variable	aa	ab	ac = aa x ab
FTES Category	**% target**	**2021-22 Applied #3 FTES**	**2022-23 Growth FTES**
Credit		988,931.25	4,648.54
Incarcerated Credit		4,988.11	112.18
Special Admit Credit		37,776.12	259.82
CDCP		40,664.65	158.28
Noncredit		29,235.82	82.27
Total		1,101,595.95	5,261.09
		Total Growth FTES Value =>>>	$ 26,470,788

Section Ie: Basic Allocation

District Type/FTES	Funding Rate	Number of Colleges	Basic Allocation
Single College Districts			
≥ 20,000	9,917,373.09	6	$59,504,238
≥ 10,000 & < 20,000	7,933,898.79	20	158,677,980
< 10,000	5,950,421.36	23	136,859,683
Multi-College Districts			
≥ 20,000	7,933,898.79	2	15,867,798
≥ 10,000 & < 20,000	6,942,160.85	26	180,496,186
< 10,000	5,950,421.36	38	226,115,998
Additional Rural $	1,892,600.56	11	20,818,611
		Subtotal	$798,340,494

FTES	Funding Rate	Number of Centers	Basic Allocation
State Approved Centers			
≥ 1,000	$1,983,474.31	38	$75,372,012
Grandparented Centers			
≥ 1,000	1,983,474.31	17	33,719,058
≥ 750 & < 1,000	1,487,605.34	3	4,462,815
≥ 500 & < 750	991,736.37	4	3,966,944
≥ 250 & < 500	495,868.97	9	4,462,821
≥ 100 & < 250	247,936.04	2	495,872
		Subtotal	$122,479,522
		Total Basic Allocation	$920,820,016
		Total FTES Allocation	5,491,677,242
		Total Base Allocation	**$6,412,497,258**

Section II: Supplemental Allocation

Supplemental Allocation - Point Value $1144.62	Points	2021-22 Headcount	Rate	Revenue
AB540 Students	1	45,095	$1,144.62	$51,616,616
Pell Grant Recipients	1	362,439	1,144.62	414,854,766
Promise Grant Recipients	1	724,113	1,144.62	828,833,898
Totals		1,131,647		**$1,295,305,280**

Section III: Student Success Allocation

	Points	2019-20 Headcount	2020-21 Headcount	2021-22 Headcount	Three Year Average	Rate = Point Value x Points	Revenue
All Students - Point Value $674.94							
Associate Degrees for Transfer	4	58,678	63,289	58,813	60,260.00	$ 2,699.76	$162,687,335
Associate Degrees	3	63,733	62,853	63,221	63,269.00	2,024.82	128,108,176
Baccalaureate Degrees	3	221	271	296	262.67	2,024.82	531,852
Credit Certificates	2	21,390	21,593	23,834	22,272.33	1,349.88	30,064,940
Transfer Level Math and English	2	55,268	51,275	46,737	51,093.33	1,349.88	68,969,783
Transfer to a Four Year University	1.5	72,350	72,896	79,309	74,851.67	1,012.41	75,780,480
Nine or More CTE Units	1	191,976	187,049	171,400	183,475.00	674.94	123,834,465
Regional Living Wage	1	215,025	182,842	190,121	195,996.00	674.94	132,285,376
	All Students Subtotal	678,641	642,068	633,731	651,480.00		$722,262,407
Pell Grant Recipients - Point Value $170.24							
Associate Degrees for Transfer	6	32,661	35,472	32,445	33,526.00	$ 1,021.46	$34,245,610
Associate Degrees	4.5	34,166	33,822	34,090	34,026.00	766.10	26,067,254
Baccalaureate Degrees	4.5	99	124	150	124.33	766.10	95,251
Credit Certificates	3	9,449	9,218	10,339	9,668.67	510.73	4,938,101
Transfer Level Math and English	3	21,913	18,184	17,548	19,215.00	510.73	9,813,715
Transfer to a Four Year University	2.25	33,057	34,565	35,620	34,414.00	383.05	13,182,252
Nine or More CTE Units	1.5	88,008	82,832	76,915	82,585.00	255.37	21,089,405
Regional Living Wage	1.5	59,739	50,868	60,149	56,918.67	255.37	14,535,099
	Pell Grant Recipients Subtotal	279,092	265,085	267,256	270,477.67		$123,966,687
Promise Grant Recipients - Point Value $170.24							
Associate Degrees for Transfer	4	43,738	47,880	44,092	45,236.67	$ 680.98	$30,805,090
Associate Degrees	3	47,510	47,263	47,640	47,471.00	510.73	24,244,963
Baccalaureate Degrees	3	163	179	211	184.33	510.73	94,147
Credit Certificates	2	13,859	13,893	15,391	14,381.00	340.49	4,896,559
Transfer Level Math and English	2	32,523	28,923	25,883	29,109.67	340.49	9,911,493
Transfer to a Four Year University	1.5	46,006	47,296	50,206	47,836.00	255.37	12,215,694
Nine or More CTE Units	1	128,164	123,335	112,484	121,327.67	170.24	20,655,312
Regional Living Wage	1	105,566	88,057	103,252	98,958.33	170.24	16,847,067
	Promise Grant Recipients Subtotal	417,529	396,826	399,159	404,504.67		$119,670,325
	Total Headcounts	1,375,262	1,303,979	1,300,146	1,326,462.33		
						Total Student Success Allocation	**$965,899,419**

FY 22/23 Apportionment Reconciliation

	FY 22/23 @ P2 Exhibit C	Booked FY 22/23	FY 22/23 @ Recal	
Base Allocation	159,001,364		162,643,814	
Supplemental	23,682,179		23,682,179	
Student Success	20,661,637		20,476,216	
	203,345,180	-	206,802,209	
Booked		**199,278,276**	**7,523,933**	**increase**
Property Tax & ERAF	101,211,465	100,269,588	100,269,587	
Student Enrollment	8,577,987	8,808,097	8,749,732	
EPA	13,398,042	31,794,017	13,387,182	
General Fund	58,141,575	58,141,575	84,395,708	
	181,329,069	199,013,277	206,802,209	

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Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)		
I. Base Allocation (FTES + Basic Allocation)	$	159,001,364
II. Supplemental Allocation		23,682,179
III. Student Success Allocation		20,661,637
Student Centered Funding Formula (SCFF) Calculated Revenue **(A)**	$	203,345,180
2021-22 SCFF Calculated Revenue + COLA (B)		189,459,847
Hold Harmless Revenue **(C)**		195,753,297
Stability Protection Adjustment		-
Hold Harmless Protection Adjustment		-
2022-23 TCR (Max of A, B, or C)	**$**	**203,345,180**
Revenue Sources		
Property Tax & ERAF	$	101,211,465
Less Property Tax Excess		-
Student Enrollment Fees		8,577,987
Education Protection Account (EPA) — Minimum of at least $100 x Funded FTES — Funded FTES: 26,783.85 x Rate: $500.23		13,398,042
State General Fund Allocation		58,141,575

State General Fund Allocation		
General Fund Allocation	$	56,150,052
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)		1,991,523
Subtotal State General Fund Allocation		**$58,141,575**
Adjustment(s)		-
Total State General Fund Allocation (Exhibit A)		**$58,141,575**

	Available Revenue	**$**	**181,329,069**
	2022-23 TCR (Max of A, B, or C)		**203,345,180**
See memo for additional information regarding revenue deficit at 2022-23 P2. 10.8270%	Revenue Deficit	$	(22,016,111)

California Community Colleges
2022-23 Recalculation
Rancho Santiago CCD
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Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)		
I. Base Allocation (FTES + Basic Allocation)	$	162,643,814
II. Supplemental Allocation		23,682,179
III. Student Success Allocation		20,476,216
Student Centered Funding Formula (SCFF) Calculated Revenue (A)	$	206,802,209
2021-22 SCFF Calculated Revenue + COLA (B)		189,459,847
Hold Harmless Revenue (C)		195,753,297
Stability Protection Adjustment		-
Hold Harmless Protection Adjustment		-
2022-23 TCR (Max of A, B, or C)	**$**	**206,802,209**
Revenue Sources		
Property Tax & ERAF	$	100,269,587
Less Property Tax Excess		-
Student Enrollment Fees		8,749,732
Education Protection Account (EPA) — Minimum of at least $100 x Funded FTES — Funded FTES: 27,316.74 x Rate: $490.07		13,387,182
State General Fund Allocation		84,395,708

State General Fund Allocation		
General Fund Allocation	$	82,404,185
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)		1,991,523
Subtotal State General Fund Allocation		**$84,395,708**
Adjustment(s)		-
Total State General Fund Allocation (Exhibit A)		**$84,395,708**

	Available Revenue	**$**	**206,802,209**
	2022-23 TCR (Max of A, B, or C)		**206,802,209**
0.0000%	Revenue Deficit	$	-

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Rancho Santiago CCD
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Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)

I. Base Allocation (FTES + Basic Allocation)	$	184,971,570
II. Supplemental Allocation		27,224,309
III. Student Success Allocation		21,888,896
Student Centered Funding Formula (SCFF) Calculated Revenue (A)	$	234,084,775
2022-23 SCFF Calculated Revenue + COLA (B)		223,801,351
Hold Harmless Revenue (C)		211,844,218
Stability Protection Adjustment		-
Hold Harmless Protection Adjustment		-
2023-24 TCR (Max of A, B, or C)	**$**	**234,084,775**

Revenue Sources

Property Tax & ERAF		$	112,606,030
Less Property Tax Excess			-
Student Enrollment Fees			7,267,370
Education Protection Account (EPA)	Minimum of at least $100 x Funded FTES — Funded FTES: 28,908.60 x Rate: $1,763.73		50,987,040
State General Fund Allocation			54,911,604

State General Fund Allocation		
General Fund Allocation	$	52,756,378
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)		2,155,226
Subtotal State General Fund Allocation		**$54,911,604**
Adjustment(s)		-
Total State General Fund Allocation (Exhibit A)		**$54,911,604**

	Available Revenue	**$**	**225,772,044**
	2023-24 TCR (Max of A, B, or C)		**234,084,775**
3.5512%	Revenue Deficit	$	(8,312,731)

Supporting Sections

Section Ia: FTES Data and Calculations

variable	a	b	c	d	e	f = b + c + d + e	g = f (except credit = (a + b + f)/3)	h	i = g + h
FTES Category	**2021-22 Applied #3**	**2022-23 Applied #3**	**2023-24 Restoration**	**2023-24 Decline**	**2023-24 Adjustment**	**2023-24 Applied #1**	**2023-24 Applied #2**	**2023-24 Growth**	**2023-24 Funded**
Credit	18,346.86	18,232.79	(4.08)	-	-	18,228.71	18,269.45	-	18,269.45
Incarcerated Credit	-	-	-	-	-	-	-	-	-
Special Admit Credit	940.72	1,334.45	-	-	-	1,334.45	1,334.45	17.41	1,351.86
CDCP	5,636.03	6,216.00	302.74	-	-	6,518.74	6,518.74	333.81	6,852.55
Noncredit	1,279.37	1,510.83	923.90	-	-	2,434.73	2,434.73	-	2,434.73
Total FTES=>>>	26,202.98	27,294.07	1,222.56	-	-	28,516.63	28,557.38	351.22	28,908.60
Total Values=>>>		$157,649,017	$6,283,719	$0	$0				
Change from PY to CY=>>>		$11,269,810							

variable	j = g x l	k = h x l	l	m = j + k
FTES Category	**2023-24 Applied #2 Revenue**	**2023-24 Growth Revenue**	**2023-24 P1 Rate $***	**2023-24 Total Revenue**
Credit	$95,702,209	$ -	$5,238.37	$95,702,209
Incarcerated Credit	-	-	$7,345.93	-
Special Admit Credit	9,802,772	127,908	$7,345.93	9,930,680
CDCP	47,886,220	2,452,113	$7,345.93	50,338,333
Noncredit	10,754,964	-	$4,417.31	10,754,964
Total	$164,146,165	$2,580,021		**$166,726,186**

	n	o = f + h	p = n - o	q = p x l
FTES Category	**2023-24 Applied #0**	**2023-24 Applied #3**	**2023-24 Unfunded FTES**	**2023-24 Unfunded FTES Value**
Credit	18,228.71	18,228.71	-	$ -
Incarcerated Credit	-	-	-	-
Special Admit Credit	1,679.40	1,351.86	327.54	2,406,070
CDCP	6,852.55	6,852.55	-	-
Noncredit	2,434.73	2,434.73	-	-
Total	29,195.39	28,867.85	327.54	$ 2,406,070
Total Value=>>>	$168,918,827			

Section Ib: 2023-24 FTES Emergency Conditions Allowance (ECA)

variable	r	s	t	n = s + t
FTES Category	**ECA FTES**	**Reported 320 2023-24 P1 FTES**	**ECA Applied**	**2023-24 Applied #0**
Credit	-	18,228.71	-	18,228.71
Incarcerated Credit	-	-	-	-
Special Admit Credit	-	1,679.40	-	1,679.40
CDCP	-	6,852.55	-	6,852.55
Noncredit	-	2,434.73	-	2,434.73
Total	-	29,195.39	-	29,195.39

Definitions: PY: 2022-23 CY: 2023-24

PY App#3: PY App#1 plus PY Growth, is the base for CY.
CY App#0: Reported FTES with any ECA or statutory protections. These FTES are used in the calculations of the CY funded FTES.
CY App#1: Base for CY plus any restoration, decline or adjustment.
CY App#2: FTES that will be funded not including growth. Includes Credit 3-year average.
CY App#3: CY App#1 plus Growth. Used as the base for the following year.
CY Adjustment: Alignment of FTES to available resources.
Change Prior Year to Current Year: CY App#0 value minus PY App#3 value and is the sum of CY restoration, decline, growth and unapplied values

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Section Ic: FTES Restoration Authority

variable	v	w	y	z = (v + w + y) x l
FTES Category	**2020-21**	**2021-22**	**2022-23**	**Total $**
Credit	3,450.15	-	-	$ 18,073,172
Incarcerated Credit	-	-	-	-
Special Admit Credit	(610.91)	-	-	(4,487,700)
CDCP	(885.97)	-	-	(6,508,271)
Noncredit	(179.63)	-	-	(793,482)
Total	1,773.64	-	-	$ 6,283,719

Section Id: FTES Growth Authority

variable	aa	ab	ac = aa x ab
FTES Category	**% target**	**2022-23 Applied #3 FTES**	**2023-24 Growth FTES**
Credit	0.10%	18,232.79	17.92
Incarcerated Credit	0.10%	-	-
Special Admit Credit	0.10%	1,334.45	1.31
CDCP	0.10%	6,216.00	6.11
Noncredit	0.10%	1,510.83	1.49
Total		27,294.07	26.83
		Total Growth FTES Value =>>>	$ 154,568

Section Ie: Basic Allocation

District Type/FTES	**Funding Rate**	**Number of Colleges**	**Basic Allocation**
Single College Districts			
≥ 20,000	10,732,581.16	-	$0
≥ 10,000 & < 20,000	8,586,065.27	-	-
< 10,000	6,439,546.00	-	-
Multi-College Districts			
≥ 20,000	8,586,065.27	-	-
≥ 10,000 & < 20,000	7,512,806.48	1	7,512,806
< 10,000	6,439,546.00	1	6,439,546
Additional Rural $	2,048,172.33	-	-
		Subtotal	$13,952,352

FTES	**Funding Rate**	**Number of Centers**	**Basic Allocation**
State Approved Centers			
≥ 1,000	$2,146,515.89	1	$2,146,516
Grandparented Centers			
≥ 1,000	2,146,515.89	1	2,146,516
≥ 750 & < 1,000	1,609,886.50	-	-
≥ 500 & < 750	1,073,257.10	-	-
≥ 250 & < 500	536,629.40	-	-
≥ 100 & < 250	268,316.39	-	-
		Subtotal	$4,293,032
		Total Basic Allocation	$18,245,384
		Total FTES Allocation	166,726,186
		Total Base Allocation	**$184,971,570**

Section II: Supplemental Allocation

Supplemental Allocation - Point Value $1238.71	**Points**	**2022-23 Headcount**	**Rate**	**Revenue**
AB540 Students	1	1,504	$1,238.71	$1,863,016
Pell Grant Recipients	1	6,202	1,238.71	7,682,463
Promise Grant Recipients	1	14,272	1,238.71	17,678,830
Totals		21,978		**$27,224,309**

Section III: Student Success Allocation

All Students - Point Value $730.42	**Points**	**2020-21 Headcount**	**2021-22 Headcount**	**2022-23 Headcount**	**Three Year Average**	**Rate = Point Value x Points**	**Revenue**
Associate Degrees for Transfer	4	1,220	1,146	1,104	1,156.67	$ 2,921.68	$3,379,406
Associate Degrees	3	1,255	1,329	1,176	1,253.33	2,191.26	2,746,376
Baccalaureate Degrees	3	16	7	15	12.67	2,191.26	27,756
Credit Certificates	2	583	450	1,030	687.67	1,460.84	1,004,570
Transfer Level Math and English	2	1,008	887	897	930.67	1,460.84	1,359,554
Transfer to a Four Year University	1.5	755	651	1,478	961.33	1,095.63	1,053,264
Nine or More CTE Units	1	4,762	3,785	4,776	4,441.00	730.42	3,243,792
Regional Living Wage	1	5,795	5,370	7,437	6,200.67	730.42	4,529,086
All Students Subtotal		15,394	13,625	17,913	15,644.00		$17,343,804
Pell Grant Recipients - Point Value $184.24							
Associate Degrees for Transfer	6	583	542	545	556.67	$ 1,105.43	$615,355
Associate Degrees	4.5	532	574	532	546.00	829.07	452,673
Baccalaureate Degrees	4.5	3	5	11	6.33	829.07	5,251
Credit Certificates	3	194	165	289	216.00	552.71	119,386
Transfer Level Math and English	3	343	329	337	336.33	552.71	185,896
Transfer to a Four Year University	2.25	329	264	597	396.67	414.54	164,433
Nine or More CTE Units	1.5	1,395	1,492	1,404	1,430.33	276.36	395,283
Regional Living Wage	1.5	474	673	1,065	737.33	276.36	203,767
Pell Grant Recipients Subtotal		3,853	4,044	4,780	4,225.67		$2,142,044
Promise Grant Recipients - Point Value $184.24							
Associate Degrees for Transfer	4	884	852	809	848.33	$ 736.95	$625,181
Associate Degrees	3	913	969	837	906.33	552.71	500,943
Baccalaureate Degrees	3	7	7	15	9.67	552.71	5,343
Credit Certificates	2	344	288	475	369.00	368.48	135,968
Transfer Level Math and English	2	600	501	497	532.67	368.48	196,275
Transfer to a Four Year University	1.5	475	427	911	604.33	276.36	167,012
Nine or More CTE Units	1	2,647	2,250	2,447	2,448.00	184.24	451,015
Regional Living Wage	1	1,217	1,655	2,360	1,744.00	184.24	321,311
Promise Grant Recipients Subtotal		7,087	6,949	8,351	7,462.33		$2,403,048
Total Headcounts		26,334	24,618	31,044	27,332.00		
						Total Student Success Allocation	**$21,888,896**

California Community Colleges
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Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)

I. Base Allocation (FTES + Basic Allocation)	$	6,847,625,848
II. Supplemental Allocation		1,433,599,293
III. Student Success Allocation		1,028,558,492
Student Centered Funding Formula (SCFF) Calculated Revenue (A)	$	9,309,783,633
2022-23 SCFF Calculated Revenue + COLA (B)		9,386,680,258
Hold Harmless Revenue (C)		8,696,694,966
Stability Protection Adjustment		121,903,622
Hold Harmless Protection Adjustment		112,958,513
2023-24 TCR (Max of A, B, or C)	**$**	**9,544,645,768**

Revenue Sources

Property Tax & ERAF		$	4,375,916,108
Less Property Tax Excess			(455,431,447)
Student Enrollment Fees			404,799,292
Education Protection Account (EPA)	Minimum of at least $100 x Funded FTES; Funded FTES: 1,081,160.76 x Rate: varies		1,715,500,050
State General Fund Allocation			3,193,844,153

State General Fund Allocation		
General Fund Allocation	$	3,109,075,396
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)		84,768,757
Subtotal State General Fund Allocation		**$3,193,844,153**
Adjustment(s)		(2,462,153)
Total State General Fund Allocation (Exhibit A)		**$3,191,382,000**

Available Revenue		**$**	**9,234,628,156**
2023-24 TCR (Max of A, B, or C)			**9,544,645,768**
7 Fully Community Supported Districts	3.2481% Revenue Deficit	$	(310,017,612)

Supporting Sections

Section Ia: FTES Data and Calculations

variable	a	b	c	d	e	f = b + c + d + e	g = f (except credit = (a + b + f)/3)	h	i = g + h
FTES Category	**2021-22 Applied #3**	**2022-23 Applied #3**	**2023-24 Restoration**	**2023-24 Decline**	**2023-24 Adjustment**	**2023-24 Applied #1**	**2023-24 Applied #2**	**2023-24 Growth**	**2023-24 Funded**
Credit	988,930.49	966,429.10	8,939.09	(66,500.07)	(6,893.14)	901,974.99	952,444.86	2,649.19	955,094.05
Incarcerated Credit	4,988.11	5,764.96	(20.85)	(750.59)	(324.98)	4,668.54	4,668.54	88.60	4,757.14
Special Admit Credit	37,776.67	41,532.54	(1,156.97)	6,604.83	80.36	47,060.77	47,060.77	891.82	47,952.59
CDCP	40,664.65	41,185.15	(554.17)	(973.27)	5,401.63	45,059.34	45,059.34	692.45	45,751.80
Noncredit	29,235.82	27,724.65	2,593.91	(2,380.81)	(362.61)	27,575.14	27,575.14	30.05	27,605.19
Total FTES=>>>	1,101,595.73	1,082,636.41	9,801.01	(63,999.91)	(2,098.73)	1,026,338.78	1,076,808.65	4,352.11	1,081,160.76
Total Values=>>>		$5,848,225,144	$45,602,830	($324,593,697)	$0				
Change from PY to CY=>>>		($223,650,091)							

variable	j = g x l	k = h x l	l	m = j + k
FTES Category	**2023-24 Applied #2 Revenue**	**2023-24 Growth Revenue**	**2023-24 P1 Rate $***	**2023-24 Total Revenue**
Credit	$5,001,266,807	$ 13,907,155	$5,238.37	$5,015,173,962
Incarcerated Credit	34,359,215	650,860	$7,345.93	35,010,075
Special Admit Credit	346,466,666	6,629,543	$7,345.93	353,096,209
CDCP	331,002,658	5,086,718	$7,345.93	336,089,376
Noncredit	121,808,037	132,720	$4,417.31	121,940,757
Total	$5,834,903,383	$26,406,996		**$5,861,310,379**

*Rates reflect statewide rates applicable to the majority of districts.

variable	n	o = f + h	p = n - o	q = p x l
FTES Category	**2023-24 Applied #0**	**2023-24 Applied #3**	**2023-24 Unfunded FTES**	**2023-24 Unfunded FTES Value**
Credit	908,924.78	904,624.18	4,300.60	$ 22,593,321
Incarcerated Credit	4,757.14	4,757.14	(0.00)	-
Special Admit Credit	48,759.10	47,952.59	806.51	5,962,504
CDCP	45,803.25	45,751.80	51.45	377,958
Noncredit	27,605.19	27,605.19	0.00	-
Total	1,035,849.46	1,030,690.89	5,158.57	$ 28,933,783
Total Value=>>>	$5,624,575,053			

Section Ib: 2023-24 FTES Emergency Conditions Allowance (ECA)

variable	r	s	t	n = s + t
FTES Category	**ECA FTES**	**Reported 320 2023-24 P1 FTES**	**ECA Applied**	**2023-24 Applied #0**
Credit	39,032.37	899,642.92	9,281.86	908,924.78
Incarcerated Credit	219.04	4,729.22	27.92	4,757.14
Special Admit Credit	1,163.26	49,206.44	(447.34)	48,759.10
CDCP	643.36	45,740.86	62.39	45,803.25
Noncredit	4,032.71	26,668.42	936.77	27,605.19
Total	45,090.74	1,025,987.86	9,861.60	1,035,849.46

Definitions: PY: 2022-23 CY: 2023-24

PY App#3: PY App#1 plus PY Growth, is the base for CY.

CY App#0: Reported FTES with any ECA or statutory protections. These FTES are used in the calculations of the CY funded FTES.

CY App#1: Base for CY plus any restoration, decline or adjustment.

CY App#2: FTES that will be funded not including growth. Includes Credit 3-year average.

CY App#3: CY App#1 plus Growth. Used as the base for the following year.

CY Adjustment: Alignment of FTES to available resources.

Change Prior Year to Current Year: CY App#0 value minus PY App#3 value and is the sum of CY restoration, decline, growth and unapplied values

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Section Ic: FTES Restoration Authority

variable	v	w	y	z = (v + w + y) x l
FTES Category	**2020-21**	**2021-22**	**2022-23**	**Total $**
Credit	13,191.27	6,202.75	22,603.03	$ 220,934,263
Incarcerated Credit	101.64	7.50	(250.24)	(1,016,117)
Special Admit Credit	(1,336.28)	100.81	(972.97)	(16,267,138)
CDCP	2,275.17	(53.25)	545.50	20,329,265
Noncredit	1,767.86	(123.36)	1,687.01	14,716,323
Total	15,999.66	6,134.45	23,612.33	$ 238,696,596

Section Id: FTES Growth Authority

variable	aa	ab	ac = aa x ab
		2022-23	**2023-24**
FTES Category	**% target**	**Applied #3 FTES**	**Growth FTES**
Credit		966,429.10	4,404.14
Incarcerated Credit		5,764.96	69.40
Special Admit Credit		41,532.54	173.97
CDCP		41,185.15	159.83
Noncredit		27,724.65	92.21
Total		1,082,636.41	4,899.54
		Total Growth FTES Value =>>>	$ 26,407,000

Section Ie: Basic Allocation

District Type/FTES	**Funding Rate**	**Number of Colleges**	**Basic Allocation**
Single College Districts			
≥ 20,000	10,732,581.16	3	$32,197,743
≥ 10,000 & < 20,000	8,586,065.27	23	197,479,495
< 10,000	6,439,546.00	23	148,109,558
Multi-College Districts			
≥ 20,000	8,586,065.27	1	8,586,065
≥ 10,000 & < 20,000	7,512,806.48	23	172,794,538
< 10,000	6,439,546.00	42	270,460,932
Additional Rural $	2,048,172.33	11	22,529,892
		Subtotal	$852,158,223

FTES	**Funding Rate**	**Number of Centers**	**Basic Allocation**
State Approved Centers			
≥ 1,000	$2,146,515.89	38	$81,567,608
Grandparented Centers			
≥ 1,000	2,146,515.89	18	38,637,288
≥ 750 & < 1,000	1,609,886.50	3	4,829,658
≥ 500 & < 750	1,073,257.10	4	4,293,028
≥ 250 & < 500	536,629.40	8	4,293,032
≥ 100 & < 250	268,316.39	2	536,632
		Subtotal	$134,157,246
		Total Basic Allocation	$986,315,469
		Total FTES Allocation	5,861,310,379
		Total Base Allocation	**$6,847,625,848**

Section II: Supplemental Allocation

Supplemental Allocation - Point Value $1238.71	**Points**	**2022-23 Headcount**	**Rate**	**Revenue**
AB540 Students	1	45,021	$1,238.71	$55,767,844
Pell Grant Recipients	1	382,908	1,238.71	474,310,927
Promise Grant Recipients	1	729,406	1,238.71	903,520,522
Totals		1,157,335		**$1,433,599,293**

Section III: Student Success Allocation

All Students - Point Value $730.42	**Points**	**2020-21 Headcount**	**2021-22 Headcount**	**2022-23 Headcount**	**Three Year Average**	**Rate = Point Value x Points**	**Revenue**
Associate Degrees for Transfer	4	63,289	58,813	53,862	58,654.67	$ 2,921.68	$171,369,974
Associate Degrees	3	62,853	63,221	60,682	62,252.00	2,191.26	136,410,160
Baccalaureate Degrees	3	271	296	241	269.33	2,191.26	590,178
Credit Certificates	2	21,593	23,834	25,283	23,570.00	1,460.84	34,431,958
Transfer Level Math and English	2	51,275	46,737	52,261	50,091.00	1,460.84	73,174,860
Transfer to a Four Year University	1.5	72,896	79,309	68,461	73,555.33	1,095.63	80,589,341
Nine or More CTE Units	1	187,049	171,400	185,201	181,216.67	730.42	132,364,128
Regional Living Wage	1	182,842	190,121	200,666	191,209.67	730.42	139,663,207
	All Students Subtotal	642,068	633,731	646,657	640,818.67		$768,593,806
Pell Grant Recipients - Point Value $184.24							
Associate Degrees for Transfer	6	35,472	32,445	29,914	32,610.33	$ 1,105.43	$36,048,399
Associate Degrees	4.5	33,822	34,090	32,847	33,586.33	829.07	27,845,468
Baccalaureate Degrees	4.5	124	150	108	127.33	829.07	105,568
Credit Certificates	3	9,218	10,339	10,804	10,120.33	552.71	5,593,654
Transfer Level Math and English	3	18,184	17,548	20,776	18,836.00	552.71	10,410,928
Transfer to a Four Year University	2.25	34,565	35,620	30,294	33,493.00	414.54	13,884,048
Nine or More CTE Units	1.5	82,832	76,915	84,183	81,310.00	276.36	22,470,598
Regional Living Wage	1.5	50,868	60,149	64,157	58,391.33	276.36	16,136,864
	Pell Grant Recipients Subtotal	265,085	267,256	273,083	268,474.67		$132,495,527
Promise Grant Recipients - Point Value $184.24							
Associate Degrees for Transfer	4	47,880	44,092	40,253	44,075.00	$ 736.95	$32,481,183
Associate Degrees	3	47,263	47,640	45,673	46,858.67	552.71	25,899,455
Baccalaureate Degrees	3	179	211	169	186.33	552.71	102,989
Credit Certificates	2	13,893	15,391	15,775	15,019.67	368.48	5,534,393
Transfer Level Math and English	2	28,923	25,883	29,016	27,940.67	368.48	10,295,469
Transfer to a Four Year University	1.5	47,296	50,206	42,521	46,674.33	276.36	12,898,786
Nine or More CTE Units	1	123,335	112,484	120,418	118,745.67	184.24	21,877,478
Regional Living Wage	1	88,057	103,252	107,968	99,759.00	184.24	18,379,406
	Promise Grant Recipients Subtotal	396,826	399,159	401,793	399,259.33		$127,469,159
	Total Headcounts	1,303,979	1,300,146	1,321,533	1,308,552.67		
						Total Student Success Allocation	**$1,028,558,492**

LAO

The 2024-25 Budget:

California Community Colleges

GABRIEL PETEK | LEGISLATIVE ANALYST | FEBRUARY 2024

SUMMARY

Brief Covers the California Community Colleges (CCC) Budget. This brief analyzes the Governor's budget proposals relating to CCC enrollment, apportionments, and nursing education. In addition, the brief provides a number of recommendations and options to help the Legislature address the large gap between current CCC spending and available Proposition 98 funding.

Governor's Budget Plan for CCC Has Notable Drawbacks. In responding to the drop in the Proposition 98 minimum guarantee for 2022-23, the Governor proposes a budget maneuver that effectively borrows from the future non-Proposition 98 side of the budget—setting problematic fiscal precedent and worsening the state's out-year deficits. In addition, the Governor's budget likely overestimates the amount of funding available to the colleges in 2023-24 and 2024-25. The Governor's budget also proposes to increase ongoing spending in 2024-25 by providing a cost-of-living adjustment (COLA) to certain CCC programs, despite not being able to afford even existing CCC spending commitments. Furthermore, the Governor misses many opportunities to pull back funds remaining from prior budgets to achieve one-time budget solutions.

Recommend Rejecting Budget Maneuver, Using Proposition 98 Reserves Instead. Given the significant drawbacks to the Governor's CCC budget plan, we recommend the Legislature take a different approach. For 2022-23, instead of adopting the Governor's problematic budget maneuver, we recommend the Legislature use Proposition 98 reserves to address the funding shortfall. This alternative is sound from a legal perspective, avoids setting a troubling fiscal precedent, does not worsen future budget deficits, and is in line with the underlying rationale for having a Proposition 98 Reserve account.

Recommend Reverting Funds Remaining From Recent CCC Initiatives. Based on our February 2024 revenue estimates, an $800 million gap exists in 2023-24 between CCC spending and available Proposition 98 funding. We recommend the Legislature address the bulk of this gap by reverting certain unallocated and unspent CCC funds. We identify many unused funds from recent CCC initiatives that could be pulled back on a one-time basis. In many cases, the funds we identify are available because of insufficient take-up rate by colleges or students for newly created programs. The Legislature could consider our list a starting point, adding items, if needed.

Recommend Identifying Ongoing Solutions Outside of Colleges' Core Programs. Beyond one-time solutions, the Legislature might need to look for ongoing solutions to balance the CCC budget. Based on our February 2024 revenue estimates, approximately $700 million in ongoing CCC solutions would be required to align ongoing spending with the minimum guarantee in 2024-25. The $700 million assumes that the Legislature does not fund the Governor's CCC COLA proposals. More or less savings might be needed depending on budget developments from now through June 2025. In deliberating over the coming months on how to achieve savings, we recommend the Legislature attempt to preserve funding in certain core areas, including CCC's core instructional mission and aid for financially needy students. Outside of these core areas, we identify several ways the Legislature could achieve ongoing savings, including by reducing state support for certain athletic activities, enrichment activities, and aid for non-financially needy students. As with our list of one-time solutions, the Legislature could use our list of ongoing solutions as a starting point, potentially adding items, as needed.

INTRODUCTION

CCC Has Broad Mission. The CCC system is one of California's three public higher education segments. The system consists of 115 colleges operated by 72 locally governed districts located throughout the state, plus one statewide online community college administered by the Board of Governors. The colleges offer a breadth of academic programs, including lower-division transferable coursework, career technical education, precollegiate basic skills instruction, and citizenship classes. The state also allows community colleges to offer baccalaureate degrees in certain occupational fields as long as they do not duplicate the programs offered by the University of California (UC) or the California State University (CSU). In addition to their core academic programs, colleges are authorized to offer state-supported instruction that is primarily recreational in nature (such as golf and yoga classes).

Brief Focuses on CCC Budget. This brief analyzes the Governor's budget proposals for CCC. We begin by describing the Governor's overall budget plan for CCC and providing our high-level assessment of that plan. The next four sections of the brief focus on CCC enrollment, apportionments, a loophole related to summer enrollment, and nursing education, respectively. Within those sections, we identify a few opportunities for the Legislature to achieve budget savings. The last section covers other opportunities the Legislature has to achieve one-time and ongoing budget savings.

OVERVIEW

In this section, we first cover major Proposition 98 proposals impacting community colleges. We then assess the Governor's overall Proposition 98 plan for the colleges and provide associated high-level recommendations. In the last section, we cover certain non-Proposition 98 proposals for the colleges.

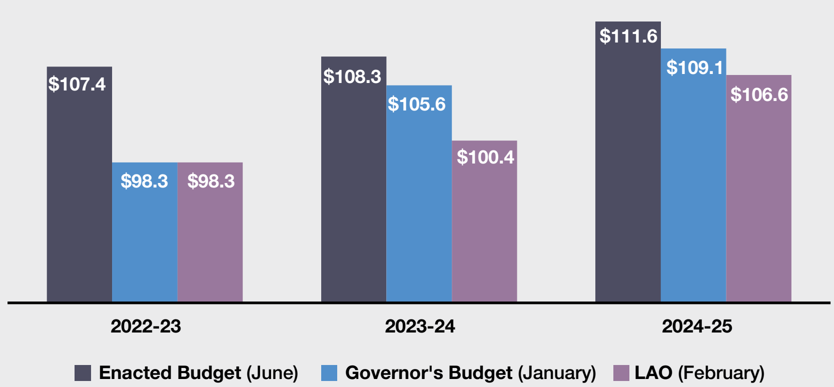
Proposition 98 Proposals

Proposition 98 Minimum Guarantee Is Revised Downward Over Budget Window. Proposition 98 (1988) established a constitutional funding formula that sets a minimum annual funding level for schools and community colleges. Commonly known as the "minimum guarantee," this funding requirement is met through a combination of state General Fund and local property tax revenue. Since the 2023-24 budget was enacted, the administration has revised its estimates of state General Fund revenues down substantially. These downward revenue revisions in turn lead to significant downward revisions in the administration's estimates of the Proposition 98 minimum guarantee from 2022-23 through 2024-25. As **Figure 1** shows, the minimum guarantee is down even further in 2023-24 and 2024-25 under our February 2024 estimates.

Figure 1

State Is Facing Notable Downward Revisions to Proposition 98 Guarantee

(In Billions)



We discuss these estimates in more detail in *The 2024-25 Budget: Proposition 98 K-12 Education Analysis*.

State Faces Unusually Large Drop in 2022-23 Proposition 98 Guarantee. Of the downward revisions, \$9.1 billion is attributable to 2022-23. This is the largest reduction to the guarantee in a prior year since the passage of Proposition 98 in 1988. Previous downward revisions to the prior-year guarantee have been no more than a few hundreds of millions of dollars. The administration attributes the unusually large adjustment primarily to the late tax filing deadline for 2022 returns (November rather than April 2023) and the lack of reliable revenue data prior to budget enactment in June 2023.

Governor Proposes Large Budget Maneuver Relating to Reduction in 2022-23 Guarantee. The Governor proposes to realign Proposition 98 spending with the revised estimate of the minimum guarantee in 2022-23. The main way the Governor addresses the reduction in the guarantee is by proposing to reclassify \$8 billion in Proposition 98 General Fund payments already made to schools and community colleges. Of the \$8 billion, \$910 million would be attributed to community colleges. The \$8 billion would be reclassified as non-Proposition 98 General Fund payments, removed from the state's books in 2022-23, and recognized back on the state's books in even increments spread across 2025-26 through 2029-30. This maneuver would not reduce any previous funding provided to colleges or attempt to recoup any of this funding in subsequent years—districts would retain the associated cash they originally received. Rather than colleges being affected, the impact of the maneuver would occur entirely on the non-Proposition 98 side of the budget beginning in 2025-26. In effect, the state would be borrowing from future non-Proposition 98 funds to pay for 2022-23 school and college spending. Unlike a traditional loan, however, the state would not score this mechanism as borrowing, make payments to an external creditor, or accrue any interest.

Governor Proposes Using Proposition 98 Reserves to Address Reduction in 2023-24 Guarantee. Under the Governor's budget, the minimum guarantee in 2023-24 is revised downward by \$2.7 billion. The Governor's budget also accounts for higher baseline costs in several programs (mostly involving K-12 schools). The main way the Governor proposes to address the lower guarantee and higher costs is by making a \$3 billion discretionary withdrawal from the Proposition 98 Reserve. Of this amount, the Governor proposes using \$236 million to cover ongoing community college apportionment costs. (We discuss apportionment costs in more detail in the "Apportionments" section of this brief.)

Governor Proposes Increasing CCC Spending in 2024-25. Despite not having sufficient Proposition 98 funds to cover existing Proposition 98 program costs, the Governor's budget contains some Proposition 98 program augmentations in 2024-25. As **Figure 2** shows, the largest CCC proposal is to provide apportionments with \$69 million to cover a 0.76 percent COLA—the same COLA rate proposed for the K-12 Local Control Funding Formula (LCFF). The Governor also proposes providing a 0.76 percent COLA to seven CCC categorical programs at a total cost of \$9.3 million. The Governor proposes \$30 million for 0.5 percent systemwide CCC enrollment growth

Figure 2

Governor's Budget Proposes Some Proposition 98 Spending Increases for CCC

2024-25 (In Millions)

Ongoing Spending	
COLA for apportionments (0.76 percent)	\$69
Student Success Completion Grant (caseload adjustment)	50
Enrollment growth (0.5 percent)	30
COLA for select categorical programs (0.76 percent)[a]	9
Subtotal	(\$158)
One-Time Initiatives	
Nursing education	\$60
Subtotal	(\$60)
Total Spending Increases	**\$218**

[a] Applies to the Adult Education Program, apprenticeship programs, CalWORKs student services, campus child care support, Disabled Students Programs and Services, Extended Opportunity Programs and Services, and the mandates block grant.

COLA = cost-of-living adjustment.

In addition, the Governor's budget contains $60 million one-time Proposition 98 General Fund to expand CCC nursing education. (Last year, the state adopted a five-year funding plan totaling $300 million to expand CCC nursing education, with the programmatic details of the initiative to be subject to future legislation.)

Governor Accommodates Higher Proposed Spending in 2024-25 Using More Reserves. To cover his new proposed CCC spending in 2024-25, the Governor proposes to make another discretionary withdrawal from the Proposition 98 Reserve. For schools and colleges combined, the Governor proposes to withdraw $2.6 billion. Of this amount, $486 million would be used for ongoing community college apportionment costs. Under the Governor's plan, $3.9 billion in Proposition 98 reserves would remain available entering 2025-26.

Assessment

Proposed Budget Maneuver Worsens State's Out-Year Deficits. We have major concerns with the Governor's proposed budget maneuver for addressing the drop in the 2022-23 guarantee. As we discuss in *The 2024-25 Budget: Overview of the Governor's Budget*, the state is projected to have multiyear budget deficits of roughly $30 billion annually. The Governor's proposed maneuver contributes to these projected budget deficits over the outlook period and beyond (through 2029-30). Carrying $8 billion in effectively greater internal debt would make balancing the state budget more difficult in the coming years. Moreover, the impact would be felt fully on the non-Proposition 98 side of the budget—potentially at the expense of health care programs, social services, and other state programs beyond education. The maneuver sets problematic fiscal precedent by borrowing from the future to pay for past operating costs. We describe these and other concerns in more detail in *The 2024-25 Budget: The Governor's Proposition 98 Funding Maneuver.*

Proposed CCC Operating Shortfall Worsens CCC Budget Outlook. Whereas the Governor's proposed funding maneuver makes balancing the non-Proposition 98 side of the budget more difficult beginning in 2025-26, his proposed Proposition 98 operating shortfalls make balancing the Proposition 98 side of the budget more difficult too. Under the Governor's plan, community colleges would enter 2025-26 with a $486 million apportionment shortfall. The Governor's plan also leaves schools with a nearly $2.2 billion LCFF shortfall entering 2025-26. These combined shortfalls mean the first $2.7 billion of any new Proposition 98 funding in 2025-26 would need to go first to backfilling funding gaps in existing programs. Entering 2025-26 with existing operating shortfalls means both existing programs are at greater risk of cuts and any new priorities are less likely to be addressed.

Governor's Plan Misses Opportunities to Achieve CCC Savings. The Governor's plan relies solely on his proposed budget maneuver and drawing down Proposition 98 Reserves. Other than caseload and technical adjustments, the Governor's plan includes no components aimed at lowering CCC spending, despite the state's revised budget outlook. In taking this approach, the Governor misses opportunities to achieve savings over the budget window. Moreover, the savings opportunities that could be achieved now (like reverting unallocated funds from prior-year initiatives) would have little negative impact on districts. By missing these opportunities now, the Governor's plan makes realigning CCC spending with available Proposition 98 funding even more difficult moving forward.

Recommendations

Use Proposition 98 Reserves in Place of Funding Maneuver to Address 2022-23 Drop in Guarantee. Under the Governor's plan, the state would be using Proposition 98 reserves to *increase* CCC spending amid budget deficits. We recommend the Legislature take a more prudent approach and use the reserves instead to address the large decline in the 2022-23 minimum guarantee. We think reserves provide the greatest benefit for the state budget—and for colleges—when the state is facing a large, unexpected shortfall and would need to adopt disruptive alternatives if it did not withdraw reserves. The significant drop in the prior-year guarantee meets these conditions in 2022-23. In contrast to the Governor's proposed maneuver, using reserves to address the 2022-23 shortfall would work within an existing legal framework, avoid setting a problematic fiscal precedent, and not worsen future state budget deficits. It also would be consistent with the state's original rationale for creating the Proposition 98 Reserve account.

Identify More CCC Budget Solutions to Address 2023-24 Drop in Guarantee. Based on our February 2024 estimates of the 2023-24 minimum guarantee, the Legislature is facing an approximately $800 million gap that year between available Proposition 98 CCC funding and existing CCC spending. If the Legislature used Proposition 98 reserves to address the 2022-23 situation, it would have approximately $175 million in Proposition 98 reserves remaining to support CCC program spending in 2023-24. Although the estimated CCC funding gap in 2023-24 is still subject to considerable uncertainty, we recommend the Legislature begin identifying additional potential Proposition 98 budget solutions. Toward this end, we recommend the Legislature revisit recent CCC initiatives to determine if any associated funding remains unallocated or unspent. As discussed in the "Budget Solutions" section of this brief, we estimate the Legislature could achieve hundreds of millions of dollars in additional Proposition 98 budget solutions by identifying still available funds from recent CCC initiatives. Pulling back these funds could yield potentially enough savings to address the entire CCC budget gap in 2023-24.

Hold Core CCC Spending Flat in 2024-25. As a starting point in building the CCC budget for 2024-25, we recommend not increasing ongoing CCC spending. To this end, we recommend not providing a COLA to apportionments (or any CCC program). Typically, when facing multiyear deficits, the state aims to contain, not increase, spending. Though we recommend not providing a COLA to CCC apportionments, we recommend the Legislature place a high initial priority on maintaining funding for the colleges' core instructional costs. Districts cover their core instructional costs by relying on certain components of their apportionment funding. Typically, colleges have more difficulty responding to reductions in this apportionment funding compared to their other program funding.

Begin Considering Ways to Achieve Ongoing General Fund Savings. After all Proposition 98 reserves have been spent and all opportunities for pulling back unallocated or unearned funds have been exhausted, the state still might face a notable Proposition 98 CCC budget problem. Under our February estimates, hundreds of millions of dollars in ongoing Proposition 98 CCC budget solutions would be needed. In this situation, we recommend the Legislature attempt to preserve funding for key priorities such as CCC's core instructional mission, student support services, and aid for financially needy students. Areas the Legislature might consider finding savings is by eliminating state support for athletics and classes that are primarily enrichment in nature, as well as eliminating fee waivers for non-financially needy students. Reducing these types of programs would minimize the negative implications for colleges' core programs and low-income students. The "Budget Solutions" section of this brief identifies a number of options that would result in ongoing General Fund savings.

Non-Proposition 98 Proposals

Total Funding for CCC in 2024-25 Is Up From Revised 2023-24 Level. Under the Governor's budget, total funding for the colleges would reach $18.4 billion in 2024-25, a 2.8 percent increase over the revised 2023-24 level. As Figure 3 on the next page shows, non-Proposition 98 General Fund support would increase by just over 9 percent ($55 million) in 2024-25, largely due to an increase in debt service payments on state general obligation bonds for CCC facilities.

Governor Proposes No Increase in CCC Enrollment Fees. Beyond Proposition 98 funding and non-Proposition 98 General Fund, much of CCC's remaining funding comes from student fees (including enrollment fees) and various local sources (such as revenue from facility rentals and community service programs). The Governor proposes no increase to enrollment fees for 2024-25. Since summer 2012, CCC enrollment fees have been held flat at $46 per unit (or $1,380 for a full-time student taking 30 semester units per year). Community college fees in California remain the lowest of any state and significantly below the national average. In 2022-23, community college tuition averaged approximately $5,100 nationally—more than triple the CCC enrollment fee level.

Figure 3

Total CCC Funding Increases Moderately Under Governor's Budget

(Dollars in Millions Except Funding Per Student)

	2022-23 Revised	2023-24 Revised	2024-25 Proposed	Change From 2023-24	
				Amount	Percent
Proposition 98					
General Fund[a]	$7,634	$8,425	$8,679	$255	3.0%
Local property tax	3,860	4,036	4,210	175	4.3
Subtotals	($11,494)	($12,460)	($12,890)	($430)	(3.4%)
Other State					
Other General Fund	$618	$606	$661	$55	9.1%
Lottery	367	316	316	—[b]	-0.1
Special funds	24	103	98	-4	-4.1
Subtotals	($1,009)	($1,025)	($1,075)	($50)	(4.9%)
Other Local					
Enrollment fees	$407	$407	$409	$1	0.4%
Other local revenue[c]	3,514	3,537	3,559	22	0.6
Subtotals	($3,921)	($3,944)	($3,968)	($24)	(0.6%)
Federal	$441	$441	$441	—	—
Totals	**$16,865**	**$17,869**	**$18,373**	**$504**	**2.8%**
FTE students[d]	1,100,681	1,100,417	1,098,591	-$1,826	-0.2%[e]
Proposition 98 funding per FTE student[f]	$10,442	$11,323	$11,733	$410	3.6

[a] Includes withdrawals from the Proposition 98 Reserve ($11,000 in 2022-23, $236 million in 2023-24, and $486 million in 2024-25).

[b] Difference of less than $500,000.

[c] Primarily consists of revenue from student fees (other than enrollment fees), sales and services, and grants and contracts, as well as local debt-service payments.

[d] Reflects budgeted FTE students.

[e] Reflects the net change after accounting for the proposed 0.5 percent systemwide enrollment growth together with all other enrollment adjustments.

[f] Reflects Proposition 98 funding, including reserve withdrawals, per budgeted FTE student.

FTE = full-time equivalent.

Governor's Budget Funds One Continuing Academic Capital Project. The Governor proposes to provide $29 million in state general obligation bond funding to continue one previously authorized community college project—the College of the Siskiyous Theater and McCloud Hall renovation. The bond funds would come from Proposition 51 (2016). This project is funded for the construction phase. In 2022-23, the state approved $1.6 million for preliminary plans and working drawings. Construction is scheduled to start in January 2025 and be completed by June 2026.

Governor Returns to Paying Cash for a Few Student Housing Projects. In response to the budget deficit the state faced last year, the 2023-24 budget package converted 19 CCC student housing projects from being funded up front with cash to being debt financed. Specifically, the state rescinded a total of about $1 billion one-time non-Proposition 98 General Fund, replacing it with $61.5 million ongoing non-Proposition 98 General Fund for debt financing. Under the arrangement, most of the CCC projects (16) were to issue local revenue bonds or wait for a state lease revenue bond or other state financing alternative to be developed as part of the 2024-25 budget process. Three intersegmental projects involving the Merced, Riverside, and Santa Cruz areas are being funded with UC revenue bonds. Since enactment of the *2023-24 Budget Act*, the administration has determined that three of the CCC projects (in the Napa, Santa Rosa, and Imperial Valley areas) are not good candidates for a state lease revenue bond program. The Governor's budget proposes to return to funding these three projects up front with cash—using $50.6 million of the ongoing non-Proposition 98 General Fund appropriation provided last year (generating $10.9 million in 2023-24 savings).

Additional Student Housing Financing Proposal Is Likely to Be Submitted in the May Revision. The *Governor's Budget Summary* indicates that the administration is committed to using a state lease revenue bond approach for financing the remaining 13 CCC projects. The Governor intends to submit a corresponding proposal at the May Revision. Given timing issues entailed in developing such a program, the administration believes no associated funding would be needed in 2024-25.

ENROLLMENT

In this section, we provide background on community college enrollment trends, describe the Governor's proposal to fund enrollment growth, assess the proposal, and offer associated recommendations.

Background

Several Factors Influence CCC Enrollment. Under state law, community colleges operate as open access institutions. That is, all persons 18 years or older may attend a community college. (While CCC does not deny admission to students, there is no guarantee of access to a particular class.) Many factors affect the number of students who attend community colleges, including changes in the state's population, particularly among young adults; local economic conditions, particularly the local job market; the availability of certain classes; and the perceived value of the education to potential students.

Prior to the Pandemic, CCC Enrollment Had Plateaued. Following the Great Recession, as the economy and state funding began recovering (2012-13 through 2015-16), systemwide CCC enrollment grew. As Figure 4 shows, CCC enrollment flattened thereafter. The plateau in CCC enrollment during this period was commonly attributed to the long economic expansion, strong labor market, and unemployment remaining at or near record lows.

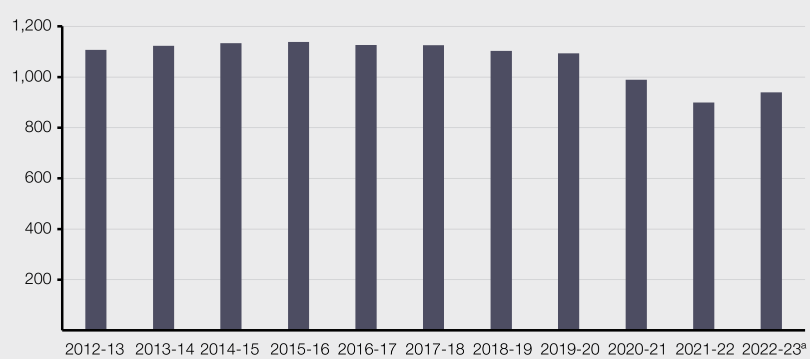
CCC Enrollment Dropped Notably During the Pandemic. As Figure 4 also shows, between 2018-19 (the last full year before the start of the pandemic) and 2021-22, full-time equivalent (FTE) students at CCC declined by more than 200,000 (19 percent). The drop in CCC enrollment was consistent with national community college enrollment trends over this period. While CCC enrollment declines over these years affected virtually every student demographic group, most districts reported the largest enrollment declines among African American, male, lower-income, and older adult students. These group-specific impacts also were consistent with national trends.

Enrollment Levels Are Increasing in Many Districts. After three years of enrollment drops, data from the Chancellor's Office indicates that enrollment rose overall in 2022-23—increasing

Figure 4

After Having Plateaued, CCC Enrollment Declined During the Pandemic

Resident Full-Time Equivalent Students (In Thousands)



[a] Reflects estimate from Chancellor's Office based on district data reported as of November 2023.

by an estimated 4 percent (in FTE terms) over 2021-22 levels. Figure 5 shows that while some districts were back at or above their pre-pandemic enrollment levels in 2022-23, most community colleges remained below those levels. Fall 2023 data will not be released by the Chancellor's Office until late February 2024, but some data suggests continued growth in 2023-24. Based on information our office received in January 2024 directly from 20 districts (representing more than one-quarter of districts in the state), fall 2023 enrollment was strong, with districts reporting growth over fall 2022 levels of between 4 percent and 18 percent. This data suggests more districts are likely to return to their pre-pandemic levels over the next couple of years.

Several Factors Likely Contributing to Recent Enrollment Increases. District administrators cite a number of reasons for the recent rebound in enrollment. Unemployment in the state has ticked up over the past year (increasing from 3.8 percent in September 2022 to 5.1 percent by December 2023), which likely has resulted in more individuals deciding to earn a CCC education. Many districts also have indicated they have increased enrollment among nontraditional students, including dually enrolled high school students and incarcerated students. Additionally, colleges have increased outreach to local high schools, and many colleges have created phone banks to contact individuals who recently dropped out of college or had completed a CCC application recently but did not register for classes. In addition, a number of colleges have begun to offer more flexible courses, with shorter terms and more frequent start dates (rather than only offering typical semester start dates).

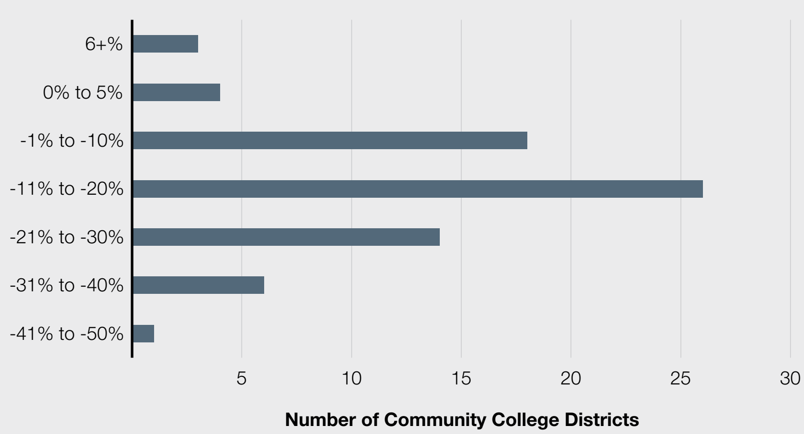
State Has Certain Rules for Allocating Enrollment Growth Funds Across Districts. Statute does not specify how the state is to go about determining how much CCC growth funding to provide in any given year. Historically, the state has considered several state-level factors, including changes in the adult population, the unemployment rate, and prior-year enrollment trends. When the state funds growth, it provides districts with a uniform rate for each major type of instruction. (The weighted average rate is about $5,400 per student in 2023-24.) The Chancellor's Office uses a statutory formula to allocate that enrollment growth funding across districts. The allocation formula takes into account several local-level factors, including local rates of educational attainment, unemployment, poverty, and enrollment. Funding for districts that are unable to reach their budgeted growth targets is eventually redistributed to other districts who grow beyond those targets.

Unused Growth Funds May Be Used for Backfilling Apportionment Shortfalls. For many years, the annual budget act has contained provisional language allowing the CCC Chancellor's Office to allocate unused systemwide enrollment growth funding to backfill any shortfalls in CCC apportionment funding. Shortfalls can occur as a result of colleges generating lower-than-budgeted enrollment fee revenue or local property tax revenue. The provisional budget language allows the Chancellor's Office to redirect unearned growth funds in this way after

Figure 5

Most Districts Have Not Returned to Pre-Pandemic Enrollment Levels

Estimated Change in FTE Students, 2022-23 Compared to 2018-19



FTE = full-time equivalent.

underlying apportionment data has been finalized, which occurs after the close of the fiscal year. After addressing any apportionment shortfalls, remaining unused enrollment funding flows into the Proposition 98 Reversion Account. Funds in this account may be redirected for any one-time Proposition 98 purpose.

Proposal

Governor's Budget Funds Enrollment Growth. The Governor's budget includes $30 million ongoing Proposition 98 General Fund for 0.5 percent systemwide CCC enrollment growth in 2024-25. This equates to about 5,400 additional FTE students. The average base rate for each of these students is $5,440. To be eligible for these growth funds, a district must first recover to its pre-pandemic enrollment level. The Governor's proposed enrollment growth rate of 0.5 percent is the same rate the state has adopted the past three years. The Governor's budget also continues the practice of including provisional language redirecting any unearned enrollment growth funds first to backfilling apportionment shortfalls.

Assessment

Likely That Some of 2022-23 Growth Funding Will Not Be Earned by Districts. Based on data reported by the Chancellor's Office to our office in early February 2024, $19 million of $27 million in 2022-23 enrollment growth funding had been earned by districts. The Chancellor's Office has identified no apportionment funding shortfalls for 2022-23. The Chancellor's Office plans to release final 2022-23 enrollment and funding data by the end of February 2024. Any 2022-23 growth funds not earned by districts or not needed for an apportionment shortfall would become available for other Proposition 98 purposes, including Proposition 98 budget solutions. (The June 2023 budget swept the entire $24 million in enrollment growth funding from 2021-22, as none of it was earned.)

Better Information Is Coming on 2023-24 Enrollment. As of this writing, estimating 2023-24 CCC enrollment remains difficult given that the Chancellor's Office is still processing fall 2023 district enrollment submissions and the spring 2024 term is just beginning. By the time of the May Revision, the Chancellor's Office will have provided the Legislature with preliminary enrollment data for 2023-24. This data will show which districts are reporting enrollment increases and declines and the magnitude of those changes. It also will show how many districts are on track to earn any of the 2023-24 enrollment growth funds. Apportionment data for 2023-24, however, will not be finalized until February 2025, such that the Legislature might not want to take any associated budget action until next year. At that time, if some or all of the 2023-24 enrollment growth funds end up not being earned by districts or needed for an apportionment shortfall, the Legislature could redirect available funds for other Proposition 98 purposes, including Proposition 98 budget solutions.

Several Factors Could Guide 2024-25 Enrollment Growth Decision. If some districts are on track to grow in 2023-24, it could mean they might continue to grow in 2024-25. Student demand also might increase in 2024-25 if the state's unemployment rate continues to tick upward, the job market weakens, or entry-level wage growth slows. These developments often are accompanied by an increase in the number of individuals seeking reskilling or upskilling. By providing funding for enrollment growth in 2024-25, the state could encourage and reward districts for expanding access to students. Countering these growth pressures, however, is demographic data indicating declines in both the college-age population (ages 18-24) and the broader working-age adult population (ages 25-64) in the state.

Recommendations

Sweep 2022-23 Growth Funds. Once 2022-23 enrollment and funding data are finalized later this fiscal year, we recommend the Legislature use any unearned enrollment growth funds to help achieve Proposition 98 budget savings. Based upon preliminary data, $8 million would be available as savings. This action could be one of several ways the Legislature achieves Proposition 98 savings. Given the notable downward revisions in the Proposition 98 minimum guarantee over the budget window, such savings would help the state balance the budget.

Consider Forthcoming Data, Together With State's Budget Condition, to Decide on Growth Funding for 2024-25. We recommend the Legislature also use updated enrollment data, as well as updated data on available Proposition 98 funding, to make its decision on CCC enrollment growth for 2024-25. If the updated enrollment data indicate districts are growing in 2023-24, the Legislature could view the Governor's proposed growth funding in 2024-25 as warranted. Ultimately, though, the Legislature will want to weigh the benefits of providing more access to individuals seeking a CCC education with the need to find General Fund savings to address the state's significant budget problem. Were updated revenue estimates at the May Revision to suggest a more significant budget problem for the state, we recommend the Legislature not provide any growth funding for community colleges in 2024-25.

APPORTIONMENTS

In this section, we focus on community college apportionments. Community colleges use their apportionment funding to cover their core operating costs. Below, we first provide background on community colleges' core operating costs and how colleges generally cover those costs. We then describe the Governor's proposal to provide a COLA for apportionments and select categorical programs, assess the proposal, and provide an associated recommendation.

Cost Pressures

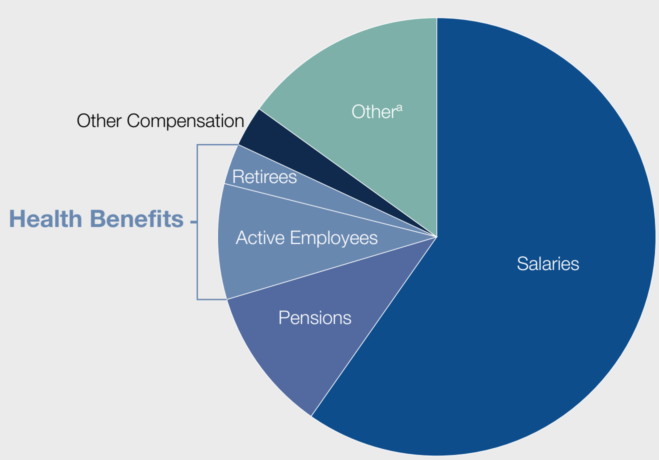
Compensation Is Largest Community College Operating Cost. Colleges use the bulk of apportionment funding on employee compensation. As Figure 6 shows, all compensation-related costs—including salaries, retirement benefits, health care benefits, workers' compensation, and unemployment insurance—typically account for 80 percent to 85 percent of a district's budget. The remainder of a district's budget is for various other core operating costs, including utilities, insurance, software licenses, equipment, and supplies.

Salary Decisions Are Made Locally. Most community college employees are represented by labor unions. Several unions represent faculty throughout the state, with the largest being the California Federation of Teachers. The California School Employees Association is the main union for classified staff. Each community college negotiates with the local branches of these unions. Through collective bargaining agreements, community college districts and their employees make key compensation decisions, including salary decisions. These agreements are ratified by local community college district governing boards. The Legislature does not ratify these local agreements. Over the past several years, salaries for community college

Figure 6

Bulk of District Spending Is for Compensation

Stylized Community College District Budget



[a] Includes operating expenses such as campus utility and technology costs.

faculty generally have increased. For tenure and tenure-track faculty, the average salary has been growing slightly quicker than inflation, reaching $114,630 in 2022.

Districts Are Likely to Feel Some Salary Pressure in 2024-25. Between 2021-22 and 2022-23, both inflation and wage growth (across the nation and in California) were at their highest levels in several decades. Although inflation and wage growth among workers have slowed noticeably over the past year, both are likely to remain above historical averages for the next few years. As a result, community college districts are likely to continue feeling pressure to provide their employees with salary increases. This is particularly true in districts that report having challenges recruiting faculty and other staff due to less competitive salary levels.

Districts' Pension Costs Also Are Rising. About half of CCC employees (namely faculty) participate in the California State Teachers' Retirement System (CalSTRS), with the other half (namely staff and administrators) participating in the California Public Employees' Retirement System (CalPERS). Districts' employer contribution rates for these two systems are set by the respective retirement boards, rather than at the local community college district level (meaning all college districts are subject to the same contribution rates). Districts' pension costs have been increasing over time. In 2013-14, districts' employer contribution rate was 8.3 percent of payroll for CalSTRS and 11.4 percent of payroll for CalPERS. Those rates are up to 19.1 percent of payroll for CalSTRS and 26.7 percent of payroll for CalPERS in 2023-24. Based on current assumptions, districts' CalSTRS contribution rate is expected to stay constant at 19.1 percent in 2024-25, whereas the CalPERS rate is projected to increase to 27.8 percent. (Community colleges are not included in the Governor's CalPERS proposal involving changes in how a previous state supplemental payment is applied.) Accounting for both retirement systems, community college costs are expected to increase by $76 million in 2024-25.

Colleges Face Various Other Cost Pressures. Similar to other education segments, community college districts generally also expect to see higher costs in 2024-25 for health care premiums, insurance, equipment, supplies, and utilities. Health care costs are the largest of these remaining cost pressures. Districts are likely to face even greater pressure in this area than normal, as premiums in 2024 are increasing at historically high rates. Cost drivers include new medical technologies, increases in prescription drug costs, and inflation. Districts generally cover premium increases for their respective health care plans, though those decisions are collectively bargained. In some cases, employees are responsible for covering all or a portion of the premium increases.

COLA Is Typically Subject to Collective Bargaining at District Level. The state typically provides apportionment funding with a COLA to help districts cover operating cost increases. In most cases, districts, in turn, negotiate a COLA rate with their bargaining units. In negotiating a COLA rate with employee unions, districts typically take into account a number of factors, including changes in the costs of housing and other expenses for employees, the competitiveness of salaries relative to other districts, and the need for the district to address non-salary cost pressures (such as pension liabilities and cost increases to utilities and other operating expenses). A relatively small proportion of districts (likely less than 10 percent) automatically apply any state-funded COLA rate to employees.

Staffing Levels Have Declined, Particularly Among Part-Time Faculty, Over the Past Few Years. While districts are facing pressure to increase salaries and cover pension and health care rate increases, staffing levels systemwide are down. From fall 2019 to fall 2022, the total number of CCC FTE employees declined by 2.5 percent, falling from nearly 66,000 FTE employees in fall 2019 to approximately 64,000 FTE employees in fall 2022. Part-time faculty—which historically have made up nearly half of all CCC employees—experienced the largest decline (14 percent in both FTE and headcount terms). This decline was due to districts offering fewer course sections as a result of lower enrollment. When districts reduce course sections, they typically reduce their use of part-time faculty, who are hired as temporary employees, compared to full-time faculty, who are hired as permanent employees. Most districts across the state have been affected by enrollment declines and, in turn, have experienced staffing reductions. While CCC compensation costs have increased over the past several years, they have been offset somewhat due to these reductions in staffing.

Staffing Might Begin to Rebound. Though fall 2023 staffing data are not yet available, two factors discussed in the "Enrollment" section of this brief could result in districts adding somewhat more employees in 2023-24 and 2024-25. Staffing could increase due to an enrollment rebound at community colleges and signs of a weaker labor market in the state.

Funding

Community Colleges Rely Heavily on Funding From Apportionments. All community college districts (except the statewide online Calbright College) receive funding from apportionments. The amount each district receives is based on the state's Student Centered Funding Formula (SCFF). SCFF takes into account many factors, including the amount of credit and noncredit instruction each district provides. In 2023-24, community college districts collectively received 70 percent of all their Proposition 98 funding through apportionments. The remainder of CCC Proposition 98 funding is allocated to community colleges districts through more than 40 categorical programs.

Apportionment Funding Has Increased Significantly Over Past Three Years. Although the state is not statutorily required to provide a COLA for apportionments (as it is for school districts' LCFF), the state has a long-standing practice of providing a COLA when Proposition 98 funds are available. Over the past three years, community colleges have received historically large COLAs—with COLAs of 5.07 percent in 2021-22, 6.56 percent in 2022-23, and 8.22 percent in 2023-24. In 2022-23, districts received an additional 8.3 percent base apportionment increase on top of the COLA. These apportionment funding increases are much higher than the average COLA rate over the past 30 years, which is just under 3 percent.

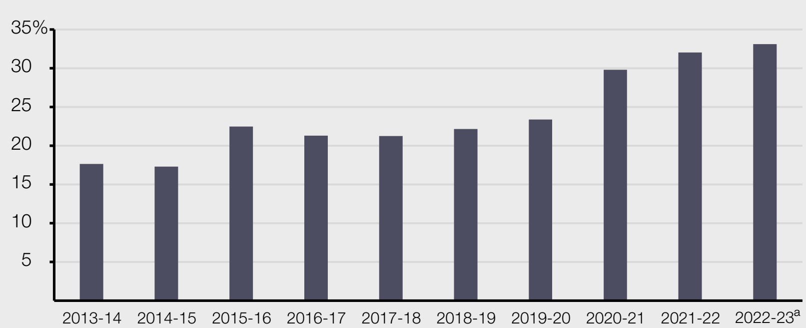
Proposition 98 Funding Per Student Is Much Higher Today Than Before the Pandemic. As a result of these apportionments increases—as well as funding increases for numerous categorical programs in recent years—budgeted per-student Proposition 98 funding is at an all-time high. Since 2018-19, per-student funding has reached new all-time highs nearly every year. Under the Governor's Proposition 98 plan, *budgeted* CCC per-student funding in 2024-25 would be approximately $1,500 (14 percent) higher than that pre-pandemic level (2018-19), after adjusting for inflation. Moreover, *actual* funding per student is significantly above budgeted funding per student. Though enrollment has dropped since 2018-19, funding has not been adjusted accordingly. Rather, a series of hold-harmless provisions has largely insulated community colleges from the fiscal impact of enrollment declines. We estimate actual funding per student in 2022-23 is approximately $3,100 (31 percent) higher than the 2018-19 level, after adjusting for inflation.

Systemwide Reserves Continue to Increase. In addition to the state's Proposition 98 Reserve, districts maintain their own local reserves. Figure 7 shows that district unrestricted reserves increased over the past several years.

Figure 7

Community College Reserves Have Grown Significantly Since the Pandemic

Unrestricted District Reserves as Percent of Annual Expenditures



[a] Estimate from the Chancellor's Office as of January 2024.

Whereas unrestricted reserves totaled $1.8 billion (22 percent of expenditures) in 2018-19, they grew to an estimated $3.1 billion (33 percent of expenditures) in 2022-23. Both the Government Finance Officers Association and the Chancellor's Office's recommend that unrestricted reserves comprise a minimum of 16.7 percent (two months) of expenditures.

Funding Increases, Together With Budget Savings, Contributed to Higher Reserve Levels. The increase in districts' local reserves is the result of at least three factors. One factor is that the state notably increased community college funding during the pandemic years despite enrollment drops. Given enrollment drops and large state augmentations (even beyond high COLA rates), districts purposefully have tended not to spend all their state allotments the past few years. Additionally, federal relief funds provided during the pandemic reduced pressure on local and state funds that colleges would otherwise have needed to cover technology and certain other operating costs. Amid these federal and state funding increases, colleges also achieved savings from staff reductions and vacancies.

Proposal

Governor Proposes COLA for Apportionments and Certain Categorical Programs. The Governor's budget includes $69 million to cover a 0.76 percent COLA for apportionments. This is the same COLA rate the Governor proposes for the K-12 LCFF.

The Governor's budget also includes a 0.76 percent COLA for seven CCC categorical programs, at a total cost of $9 million. The COLA rate is based on a particular price index, as described in more detail in the nearby box. The COLA rate will be revised in late April, as new data from the federal government is released at that time.

Assessment

Proposed COLA Worsens State's Funding Shortfall for CCC. Under the Governor's budget, the state has insufficient Proposition 98 funds to cover even existing CCC costs, before applying any COLA in 2024-25. Given Proposition 98 funding is insufficient to cover CCC costs, the Governor proposes to draw down $486 million in Proposition 98 reserves. The Governor must dedicate $78 million of his proposed Proposition 98 Reserve withdrawal for covering the added ongoing cost of the proposed COLA for CCC apportionments and certain CCC categorical programs. Historically, the state has not used reserves to augment ongoing spending. Rather, the state historically has used reserves during times of recessions to mitigate program reductions.

Recommendation

Reject Proposal, Revisit Available Funding Next Year. As a first step in addressing the lowered estimates of the minimum guarantee, we recommend the Legislature not provide a COLA to CCC apportionments or any CCC categorical programs, thereby containing ongoing spending in 2024-25.

How the K-14 Cost-of-Living Adjustment (COLA) Is Calculated

Lower Energy Costs May Be a Factor Behind Low COLA Rate. The state calculates a statutory COLA each year using a price index published by the federal government. This index reflects changes in the cost of goods and services purchased by state and local governments across the country. Costs for employee wages and benefits are the largest factor affecting the index, but other factors, including costs for fuel, utilities, supplies, equipment, and facilities, also affect the index. The 0.76 percent COLA rate in the Governor's budget is below the historical average of about 3 percent. One key factor likely contributing to the low COLA rate in 2024-25 is the recent decline in energy prices. The COLA rate for the budget year is based on prices for the 12-month period ending in March 2024 compared to the previous 12-month period (April 2022 through March 2023). Energy prices peaked in summer 2022 and have since fallen. Given energy prices are among the most volatile of all the factors contributing to the index, they can have an outsized effect on the COLA rate.

This would result in savings of $78 million Proposition 98 General Fund relative to the Governor's budget. Under the Governor's budget proposal, one-time reserves are required to cover these higher ongoing costs. Such an approach sets up the state for more difficult choices next year. Were the Legislature not to provide the COLA in 2024-25, it would lessen the ongoing shortfall for CCC programs and allow for better choices in 2025-26. This recommendation is consistent with our office's recommendations not to increase funding and spending expectations for CSU and UC in 2024-25. If sufficient state revenues do not materialize over the coming months, all higher education segments face the further prospect of ongoing program cuts.

Colleges Likely Would Not Experience Significant Financial Hardship Without a COLA. While a year without a COLA would have implications for districts, it likely would be manageable given the circumstances. The likely leaner budget year comes after several years of high apportionment funding increases, including a large above-COLA base increase in 2022-23. Districts generally also have relatively high local reserves that could be tapped to address cost increases that are unavoidable in the near term (such as higher health care premiums or software licenses and other technology). The impact of not providing a COLA in 2024-25 also might be mitigated by a weakening statewide labor market and slowing wage growth, making it easier for districts to recruit and retain employees.

SUMMER LOOPHOLE

In this section, we first provide background on SCFF, the rules for counting and reporting enrollment, and a new CCC funding protection. We then describe how a CCC policy on reporting summer enrollment will increase apportionment costs over the next several years. Next, we provide an assessment of that policy and offer an associated recommendation.

Background

Enrollment Is the Largest Component of SCFF. SCFF is the main community college funding formula. The formula consists of (1) a base allocation linked to enrollment, (2) a supplemental allocation linked to low-income student counts, and (3) a student success allocation linked to specified student outcomes. For each of these three components, the state sets funding rates. About 70 percent of districts' SCFF funding is from the base allocation linked to enrollment.

Enrollment Is Counted on the "Census Date." Community college districts typically operate four academic terms—the primary fall and spring terms, along with shorter summer and winter intercessions (often about half of the length of the primary terms). Unlike K-12 schools, which are funded on students' daily attendance, most community college enrollment is based on the number of students enrolled in a course on the census date. The census date is a point defined in CCC regulations as one-fifth into a given academic term.

Regulations Give Districts Flexibility on Reporting Summer Enrollment. SCFF calculations rely on data that community college districts report. For some components of SCFF, including the low-income student counts and student success points, districts must report their data for each fiscal year beginning with summer term and extending through spring term. (For example, data for the summer 2021 term through spring 2022 term were used for these components of the 2021-22 SCFF calculations.) For many years, CCC regulations have contained a loophole for summer enrollment. For SCFF calculations, summer classes that have a census date in one fiscal year and end in the following fiscal year may be reported in either fiscal year. Under these regulations, districts are allowed to "double up" summer enrollment in a given fiscal year—for example, counting both summer 2021 and summer 2022 enrollment to their 2021-22 SCFF enrollment calculations.

A New SCFF Hold Harmless Funding Policy Goes Into Effect in 2025-26. SCFF has several funding protections that allow districts to earn more in apportionment funding than they would otherwise earn through the formula's regular calculations and funding rates. (As discussed in the "Enrollment" section of this brief, many districts are benefiting from these provisions given their enrollment is down notably from pre-pandemic levels.) The 2022-23 budget modified one of these funding protections by setting a new hold harmless funding level. Specifically, beginning in 2025-26, districts are to receive no less total apportionment funding than they received in 2024-25. The intent of this policy is to provide a funding floor for districts experiencing enrollment declines. In addition, because the hold harmless amount will not grow by COLA each year, the intent is to eventually move all districts off the hold harmless provision and into the regular SCFF formula calculations (whereby districts have incentives to enroll low-income students and have good outcomes for all students).

Assessment

New Hold Harmless Policy Creates a Strong Incentive for Districts to Use Summer Loophole. Districts use the summer loophole (counting two summer terms toward one fiscal year) to boost district funding in a given year above what it would be otherwise. Over the next few years, using the summer loophole will become even more appealing to districts. This is because many districts likely will be on hold harmless in 2025-26 due to recent enrollment declines. In order to maximize this funding, they have an incentive to push as much enrollment as they can into 2023-24. By doing so, they could boost their funding level in 2024-25 by taking advantage of a different funding protection known as stability. (Some growing districts could receive more funding using the summer loophole if instead they push summer enrollments into 2024-25.)

Left Unchanged, Summer Loophole Could Add Hundreds of Millions of Dollars in SCFF Costs. Systemwide, summer enrollment averages 12 percent of total annual enrollment, though the share can be as high as 20 percent in some districts. Doubling up summer enrollment in one year therefore can have large implications on districts' funding. Estimating the cost of the summer loophole, however, is difficult given final 2023-24 enrollment and funding data, including summer 2024 data, are not yet available. Based on our discussions with several districts and some preliminary modeling, we estimate the loophole could result in roughly $100 million in additional costs annually from 2024-25 through 2026-27, for a total of about $300 million in costs. SCFF costs likely would continue to be a few millions of dollars higher beyond 2026-27, until all districts reach enrollment levels moving them off the hold harmless provision. The administration has not built these costs into their SCFF calculations. The summer loophole also will have distributional effects, as districts taking advantage of the summer loophole effectively generate more under the formula (without any workload justification) than other districts. Given projected budget deficits and the prospect of spending reductions, we think this is a particularly bad time to be raising SCFF costs and potentially redistributing available funds among districts to reward those that use a loophole.

Summer Loophole Distorts Enrollment Data. Beyond these issues, the summer loophole can obscure actual enrollment trends. A district could report an enrollment decrease between two years, for example, but that may be due solely to its decision to report two summers' worth of enrollment in the prior year. The summer loophole thus makes enrollment tracking and legislative oversight more difficult.

Recommendation

Recommend Legislature Close Summer Loophole. We recommend the Legislature specify in statute that the summer term is to be the first term counted in a fiscal year and summer-term enrollment is to be reported only once each fiscal year. We recommend including this new policy in June 2024 trailer legislation and making it apply starting in summer 2024. The new policy would mean that enrollment in the summer 2024 term would be counted only for 2024-25 (and enrollment in the summer 2025 term would be counted only for 2025-26). This approach would align summer enrollment reporting with the reporting of the other components of SCFF. (In addition, counting summer term as the first term of the fiscal year is the same as CSU's and UC's policy.) It also would eliminate a loophole that would otherwise drive up the cost of the formula substantially over the next few years. Finally, our recommendation would make enrollment reporting more meaningful and allow for improved legislative oversight.

NURSING EDUCATION

In this section, we first provide background on the state requirements to become a registered nurse (RN), nursing education programs, recent trends in the nursing workforce, and funding sources for CCC nursing programs. We then describe the Governor's proposal to fund a new nursing education initiative, assess the proposal, and provide an associated recommendation.

State Nursing Requirements and Programs

RNs Must Be Licensed to Work in California. California's more than 300,000 RNs provide a variety of health care services in various settings, including hospitals, medical offices and clinics, extended care facilities, and laboratories. All RNs in the state must have a license issued by the California Board of Registered Nursing. To obtain a license, students must graduate from an approved nursing program, pass a national licensing examination, and complete certain other steps (such as undergoing a criminal background check).

Students Have Three Main Education Routes to Becoming a Nurse. In California, three main types of pre-licensure education programs are available to persons seeking to become an RN. The most common option is for students to enroll in a four-year program at a university culminating in a Bachelor's of Science in Nursing (BSN) degree. The next most common route is for students to enroll at a two-year program at a community college culminating in an Associate Degree in Nursing (ADN). The third route is for students to enroll in a university program culminating in a Master's of Science in Nursing (MSN) degree. Pre-licensure master's programs accept individuals who hold a bachelor's degree in a non-nursing field. Generally, students in such a master's program complete educational requirements for an RN license in about 18 months, then continue for another 18 months to obtain an MSN. All three types of pre-licensure programs combine classroom instruction, "hands on" training in a simulation lab, and clinical placement in a hospital or other health facility.

Community Colleges Are Key Providers of Nursing Education. In 2022-23, 144 public and private postsecondary institutions in California offered a total of 152 pre-licensure programs. Figure 8 shows community colleges are a major educator of RNs, offering 77 of the state's 92 associate degree programs. A total of 13,982 students graduated from a pre-licensure program in 2022-23—39 percent with an associate degree, 55 percent with a bachelor's degree, and 6 percent with a master's degree.

Figure 8

California Has Many Pre-Licensure Nursing Programs

2022-23

	Programs	Graduates
Associate Degree in Nursing		
CCC	77	4,488
County of Los Angeles program	1	73
Private institutions	14	866
Subtotals	(92)	(5,427)
Bachelor's of Science in Nursing		
CSU	17	1,804
UC	2	94
Private institutions	28	5,851
Subtotals	(47)	(7,749)
Master's of Science in Nursing[a]		
CSU	1	42
UC	4	176
Private institutions	8	588
Subtotals	(13)	(806)
Totals	**152**	**13,982**

[a] Reflects programs enrolling students who do not yet have a registered nursing license.

Community Colleges Have Developed BSN Partnerships With Universities. State law limits community college RN programs to offering the ADN. In a number of cases, though, community colleges have collaborated with universities, particularly CSU campuses, to design pathways from the ADN to the BSN. For example, 13 Los Angeles-area community colleges have partnered with CSU Los Angeles to create an accelerated ADN-to-BSN program. In that program, CCC students begin taking upper-division courses through the university while still enrolled in their ADN program, enabling them to earn a BSN from CSU Los Angeles within one year of graduating from one of the partnering community colleges.

Nursing Workforce

State Faced Nursing Shortage Throughout the 2000s. Beginning in the 1990s, health care employers indicated that the size of the nursing workforce was insufficient to adequately staff health care facilities—particularly hospitals, which are statutorily required to maintain minimum nurse-to-patient ratios. Despite paying higher wages and encouraging—and in some cases *requiring*—existing staff to work overtime, the state continued to experience a gap between supply of and demand for RNs throughout the 2000s.

State Responded to Shortage by Expanding Capacity in Nursing Programs. The Legislature responded to this nursing shortage in a number of ways, most notably by providing targeted funding to the state's public higher education segments to increase enrollment in their pre-licensure nursing programs. As a result of these and other factors (including an increase in the number of private colleges launching nursing programs), the number of students annually graduating and obtaining an RN license more than doubled during the 2000s—from about 5,100 graduates in 2000-01 to 10,600 graduates by 2010-11.

Prior to Pandemic, Nursing Workforce Was in Good Shape Overall. According to a 2017 forecast prepared by the University of California, San Francisco (UCSF) for the Board of Registered Nursing, the number of nursing graduates in the state (approximately 11,000 per year across the state's pre-licensure programs) likely was sufficient to ensure an adequate nursing workforce in the state through at least 2027. While the overall nursing workforce was sufficient to meet overall workforce demands, some hospital officials reported difficulty attracting nurses to work in particular regions of the state (including the Central Valley and certain rural areas). In addition, the UCSF report cautioned that reductions in the employment rates of older RNs could affect the forecast.

Nursing Shortage Re-Emerged as a Result of the Pandemic. During the pandemic, many older RNs left nursing and some younger RNs quit their nursing jobs due to higher stress levels and family or other personal considerations. In addition, many pre-licensure nursing education programs experienced enrollment declines due to social distancing requirements, reduced access to clinical sites, and less student demand. These factors resulted in a reduction of the supply of RNs compared with previous projections and a mismatch between supply and demand. According to a February 2024 report by UCSF (unpublished), there currently is an estimated statewide supply-demand gap of 17,000 FTE nurses. Hospitals and other health care employers are using various means in response to the short-staffing, including paying nurses to work more overtime and using more traveling nurses (who live in other states and come to California to work for short periods of time).

Statewide Shortage Is Projected to Close Within Four Years. With the pandemic having subsided, nursing schools in the state have reported returning to pre-pandemic levels of enrollment. All three types of pre-licensure nursing programs anticipate further growth in the coming years. The number of new graduates from these programs is anticipated to fill more of the expected job openings. Given these developments, UCSF forecasts that the supply-demand mismatch will gradually decline over the next few years, closing entirely by 2028. UCSF cautions, however, that if newly graduated RNs and experienced nurses are not retained in the workforce due to burnout or job dissatisfaction, the shortage could persist. Also, the study cautions that even were supply numbers to match demand on a statewide basis, regional differences could persist.

CCC Nursing Funding

Main Source of CCC Nursing Funding Is Apportionments. Just like other types of instruction, community college districts claim apportionment funding (through SCFF) for each FTE student enrolled in one of their nursing programs. Under SCFF, community college districts receive additional funding if an enrolled student is low income and for each successful student outcome (including graduation). We estimate that community college districts generated about $100 million in SCFF funding for the 11,845 FTE nursing students enrolled in 2022-23 (about $8,500 per actual FTE student).

State Also Funds a CCC Nursing Categorical Program. Since 2006-07, the state also has funded a CCC nursing categorical program designed to expand enrollment and provide supplemental student support (such as tutoring). Since 2009-10, the Legislature has provided $13.4 million annually in Proposition 98 General Fund. Funding is distributed through grants to virtually every ADN program in recognition of the relatively high cost to educate nurses. High costs are mainly due to smaller required student-to-faculty ratios in simulation labs and clinical settings as well as the need for specialized equipment.

Colleges Also Can Use Strong Workforce Program and Other Categorical Program Funds for Nursing Education. In addition to providing supplemental funds for nursing specifically, since 2016-17, the Legislature has provided ongoing funding for the CCC Strong Workforce Program (SWP). The associated $290 million in Proposition 98 General Fund support is intended to help career technical education programs (like nursing) cover their higher instructional costs. SWP funds also are intended to make programs more aligned with industry demand and to facilitate regional planning and coordination. The majority of SWP funds go directly to colleges, with the remainder allocated to eight regional SWP consortia. Based on our discussions with several consortia and colleges, some SWP funding is being used annually for nursing. Some SWP funds, for example, are helping to purchase lab equipment or start new programs. In addition to SWP funds, colleges can use funding they receive from the Student Equity and Achievement program and other student services programs to support their nursing students.

Some CCC Nursing Programs Also Receive State-Funded "Song-Brown" Grants. Originally established by Chapter 1175 of 1973 (SB 1224, Song), the Song-Brown program was created to address shortages of primary care physicians by increasing support for training programs. Since that initial legislation, the Song-Brown program has expanded to support nursing and certain other education and training programs. Recently, the Legislature has provided $50 million one-time non-Proposition 98 General Fund over three years ($20 million in 2022-23 and $15 million each in 2023-24 and 2024-25) for grants specifically to pre-licensure nursing programs in the state. Priority is given to programs in medically underserved areas that prepare students to serve in multi-cultural communities, low-income neighborhoods, and rural communities. In March 2023, the Department of Health Care Access and Information (HCAI), which administers this initiative, awarded a total of $17 million to 34 nursing programs, including 17 community college ADN programs. HCAI intends to announced the next round of grantees in March 2024.

Governor's Proposal

Governor's Budget Includes $60 Million for Nursing Education. The 2023-24 higher education trailer legislation, Chapter 50 of 2023 (SB 117, Committee on Budget and Fiscal Review), included a five-year plan to provide additional funding for CCC nursing programs. The legislation appropriated a total of $300 million Proposition 98 General Fund over five years ($60 million annually from 2024-25 through 2028-29) so as to "expand nursing programs and bachelor of science in nursing partnerships to grow, educate, and maintain the next generation of registered nurses through the community college system, subject to future legislation." The Governor's budget provides $60 million for 2024-25. The *Governor's Budget Summary* indicates that details on how the funds would be used is "subject to future statutory changes."

Assessment

Nursing Enrollment Is Back on Track. After declining during the pandemic, nursing programs reported in fall 2023 that they have capacity and plans to increase enrollment slots, as **Figure 9** shows. Nursing programs also are reporting strong demand from students again, with community college and many other nursing programs reporting far more applications than they can accommodate. CCC programs have an incentive to enroll these students because they are funded based on enrollment and receive additional state funding for their nursing programs. Private programs, meanwhile, have an incentive to fill enrollment slots with tuition-paying students. Given these circumstances, it is unclear why additional state funding is needed as proposed in the Governor's budget.

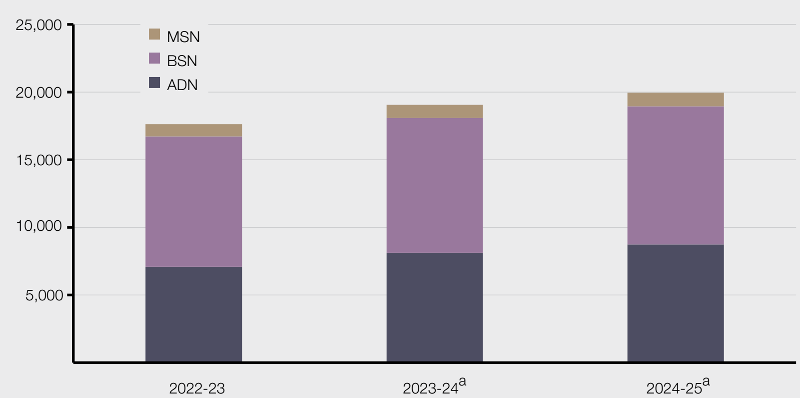
SWP Designed to Address Regional Challenges. To the extent regional supply challenges persist, existing SWP funding is well-suited to support nursing programs. The underlying rationale for SWP is that some programs (just like nursing) have especially high costs due to equipment and low student-faculty ratios. In addition, the Legislature recognized when it created SWP that some industry sectors (like health care) might benefit from regional coordination and planning. The SWP structure allows for providers and employers to identify workforce needs and develop a regional strategy. Data provided by the Chancellor's Office show that all eight regional consortia have large annual surpluses of SWP funding (particularly the Central Valley/Mother Lode, South Central Coast, and Inland Empire/Desert consortia). These funds are available to use for nursing programs and other local and regional workforce priorities.

Staffing Attrition Appears to Be Key Threat to a Balanced Workforce in the State. Various studies have identified dissatisfaction among nurses. A 2022 survey of RNs by the Board of Registered Nursing found that 6 percent of RNs feel "completely burned out," with another 31 percent reporting that they are "definitely burning out." The highest burnout rates are most common among nurses under 45 years old. UCSF has warned that shortages could persist if RNs are not retained in the workforce. State funding for community colleges, as proposed by the Governor, would not address this problem. UCSF recommends instead that employers "redouble their efforts to retain experienced RNs" and develop programs for newly graduated RNs to promote successful transition into the workforce. A number of researchers and policy groups suggest that health care employers consider a number of evidence-based strategies toward that end, including providing more workplace flexibility, providing services such as childcare, and developing peer support groups. Such employer initiatives could help not just with retaining existing staff but potentially attracting back former RNs.

Figure 9

Nursing Education Programs in the State Indicate Plans to Grow

Headcount Enrollment of New Students in Pre-Licensure Programs



[a] Anticipated by programs based upon California Board of Registered Nursing survey.

MSN = Master's of Science in Nursing; BSN = Bachelor's of Science in Nursing ; and ADN = Associate Degree in Nursing.

LAO

Recommendation

Recommend Legislature Reject Proposal. Given that data suggests the current mismatch between supply and demand of RNs is temporary and that lack of state funding does not seem be a key reason underlying the shortage, we recommend the Legislature reject this proposal. To the extent individual regions continue to seek increases in their nursing supply pipeline in response to local shortages, colleges already have funding from apportionments, SWP, and other state programs that can be used for this purpose.

BUDGET SOLUTIONS

In this section, we discuss a number of legislative options for achieving additional CCC savings in light of the state's budget situation and the significant downward revisions to the Proposition 98 minimum guarantee.

State Adopted Many One-Time CCC Initiatives Over Past Three Years. From 2021-22 through 2023-24, the Legislature approved a total of about $3 billion in one-time Proposition 98 General Fund support for more than 60 one-time CCC initiatives and projects. Some of the largest appropriations were for facilities maintenance, student outreach, student basic needs, and an initiative for faculty to create open educational resources.

State Also Expanded Funding for Ongoing CCC Programs. During the past several years, the state has appropriated ongoing funding both to create new CCC programs and to expand existing ones. For example, the state created a CCC student mental health program and doubled funding for the California Apprenticeship Initiative. In some cases, the CCC augmentations provided by the state have been exceptionally large. For example, in 2022-23, the state increased annual funding for the long-standing Part-Time Faculty Health Insurance Program from $490,000 to $200.5 million (a 400-fold increase).

Recommend Reverting Unallocated and Unspent Funds to Address CCC Budget Gap in 2023-24. As we discuss in the "Overview" section of this brief, the CCC budget has an approximately $800 million gap between current spending and available funding under our office's February revenue estimates. The budget gap could end up being higher or lower depending upon revenue developments over the coming months. Under our recommended approach, Proposition 98 reserves likely could help address a small part of the budget gap in 2023-24, but hundreds of millions of dollars likely still would be needed in other budget solutions. One-time solutions are a typical way for addressing reductions in the current-year minimum guarantee, as these types of solutions tend to be the least disruptive. Figure 10 provides a list of ways the Legislature could achieve one-time savings. In many cases, the identified funds are available because of insufficient take-up rate by colleges or students for newly created programs. In many cases, additional savings are likely to emerge as spending data for 2023-24 is collected and reported. The Legislature could consider our list a starting point, adding items, if needed, as more information becomes available in the coming months.

Recommend Achieving Ongoing General Fund Savings Outside of Core Programs. Under our office's February revenue estimates, approximately $700 million in ongoing CCC solutions would be required to align ongoing spending with the minimum guarantee in 2024-25. (The $700 million assumes that the Governor's CCC COLA proposals, totaling $78 million, have been withdrawn.) More or less savings might be needed depending on budget developments over the coming months. In thinking about budget solutions for 2024-25, we recommend the Legislature attempt to preserve funding for key priorities, including CCC's core instructional mission, student support services, and aid for financially needy students. Areas the Legislature might consider finding savings include athletics, enrichment activities, and aid for non-financially needy students. Reducing these latter types of programs would minimize the

Figure 10

Some Funds From Recent CCC Initiatives Remain Available for Budget Solution

Proposition 98 General Fund One-Time Solutions (In Millions)

Program	Amount	Implementation Update
Strong Workforce Program	$381[a]	Amount shown reflects total unspent regional and district funds of $27.4 million from 2020-21, $105.7 million from 2021-22, and $248 million from 2022-23. Unspent funds from years prior to 2020-21 might still be available to sweep too. By March 2024, the Chancellor's Office will have an update on regional and district spending from 2023-24 allocations. (In 2023-24, regions received $110.4 million and districts received $165.5 million.)
Part-Time Faculty Health Insurance program	177[a]	Of the $200.5 million ongoing appropriated for this program in 2022-23, only $23.3 million was claimed by districts for reimbursement. Program participation might be low again in 2023-24. The Legislature will have an update on how much was claimed for reimbursements in 2023-24 by June 2024.
Health care pathways for English learners	100	The 2022-23 budget provided $130 million for allocation over three years ($30 million in 2022-23 and $50 million each in the following two years). The first round of awardees, which includes community colleges and adult schools, was announced in summer 2023 and the first $30 million was disbursed in December 2023.
Student Success Completion Grant	100[a]	In 2022-23, the state provided $413 million for these grants, which are available to financially needy students attending college full time. According to the Chancellor's Office, colleges have not been able to fully award that amount because there were not enough eligible students. Additional savings might be realized in 2023-24 depending on the take-up rate. (The 2023-24 budget provided $363 million for the program.)
Zero Textbook Cost initiative	66	The 2021-22 budget provided $115 million one-time funding for this initiative. As of the end of February 2024, the Chancellor's Office expects to have allocated $48.6 million for grants and other program expenses.
Part-time Faculty Office Hours program	51[a]	Amount shown includes savings of $27 million from 2021-22 and $23.6 million from 2022-23 due to low participation by districts. Program might have additional savings in 2023-24. The Legislature will have an update on how much was claimed for reimbursements in 2023-24 by June 2024. (The 2023-24 budget provided $24 million for the program.)
California Apprenticeship Initiative	43	Amount shown includes savings of $2.4 million from 2021-22 and $10.2 million from 2022-23, as well as $29.9 million in unallocated funds from 2023-24.
Classified Employee Summer Assistance program	10[a]	The 2022-23 budget provided $10 million ongoing for this new program. The Chancellor's Office reports low participation by employees in 2022-23. Systemwide, 128 classified employees participated, generating a total of $473,000 in program costs. Program might have additional savings in 2023-24 if participation remains low.
Enrollment growth	8	Amount shown reflects an estimate of unearned and unused enrollment growth funds in 2022-23. (The June 2023 budget reverted the entire $24 million in enrollment growth funding from 2021-22, as none of it was earned.)
Calbright College	—[b]	At the end of 2022-23, Calbright had $43 million in remaining one-time startup funds. By early March 2024, Calbright will provide an update on year-to-date spending in 2023-24.
COVID-19 block grant	—[b]	As of June 30, 2023, districts had spent or encumbered $127 million of the $650 million provided for this block grant. Colleges reported using these funds for discharging unpaid student fees, providing emergency student grants, purchasing technology for faculty and staff, and conducting student outreach activities, among other uses. The 2023-24 budget also permitted block grant funds to be used for facilities maintenance. By March 1, 2024, the Chancellor's Office is required to provide the Legislature an update on spending by districts. Potentially, a large amount of savings could remain.
Total	**$936[a]**	

[a] Reflects the minimum amount of budget solution available based on data through January 2024. As more data become available over the coming months, the Legislature very likely could achieve additional savings from the 2023-24 appropriation.

[b] A savings estimate will be available by early March 2024.

negative implications for colleges' core programs and low-income students. Figure 11 provides a list of ongoing savings options that focus on areas outside of colleges' core programs. As with our list of one-time solutions, the Legislature could use our list of ongoing solutions as a starting point, potentially adding items, as needed.

Begin Identifying Solutions Now. We recommend the Legislature use the next few months to begin identifying the CCC solutions it would need to balance the budget. We believe that now is the time to establish budget priorities, consider options, and assess trade-offs. Waiting until May to begin this work, by contrast, would place the Legislature in a more difficult position and provide little time for careful deliberation.

Figure 11

Additional Budget Solution Can Be Achieved by Revisiting Certain Ongoing CCC Programs

Program	Amount	Description
Apportionment funding for intercollegiate athletics	$100	Currently, districts can generate apportionment funding for college sports teams' practice and conditioning/work-out time. In 2022-23, 15,720 full-time equivalent students in sports practices were claimed for apportionment funding. The Legislature could eliminate this funding given sports practice time is out of CCC's core instructional mission.
Apportionment funding for physical education classes	100	Colleges offer to the community various physical education classes such as tennis, Pilates, and fitness training. While this type of instruction may have personal value to the participants, it is outside of CCC's core instructional mission. Colleges could still offer this type of instruction to individuals on a fully fee-supported basis.
College Promise program	91	Program primarily waives enrollment fees for students without financial need. The Legislature could eliminate these non-need-based grants while continuing to provide about $600 million annually for need-based fee waivers (through the similarly named California College Promise Grant, formerly the Board of Governors fee waiver).
State funding for CCC noncredit fine arts and other enrichment activity classes	40	The Legislature could narrow the instructional program areas for which districts could claim apportionments, eliminating funding in the areas listed. Doing so would align state rules with current rules for the California Adult Education Program, which prohibits state funds from being used for enrichment activity classes. Colleges could still offer these types of classes to the community on a fee-supported basis (like adult schools currently do).
Enrollment fees	35	The Legislature could increase the CCC enrollment fee for credit courses from $46 to $50 per unit. Total enrollment fees for a student attending full time and taking 30 units would increase from $1,380 to $1,500 per year. CCC fees would still be the lowest in the country and only non-financially needy students are required to pay enrollment fees. Fee level also would be well below what freshmen and sophomores at CSU and UC pay for comparable courses. CCC enrollment fees have been $46 per unit since summer 2012. Every dollar increase in enrollment fee revenue generates a like amount of Proposition 98 General Fund savings.
Strong Workforce Program	—[a]	Based on available data through 2022-23, program has a large operating surplus.
Total	**$366**	

[a] The Chancellor's Office is in the midst of compiling 2023-24 data on the program. That data will allow for a better estimate of the ongoing operating surplus.

LAO PUBLICATIONS

This report was prepared by Paul Steenhausen and reviewed by Jennifer Pacella. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—February 16, 2024

BY SSC GOVERNMENTAL RELATIONS TEAM

posted February 16, 2024

Today, Friday, February 16, 2024, is the deadline for legislators to introduce any bills to be considered for the final year of the 2023-24 Legislative Session.

The Capitol community is currently sifting through the more than 1,700 bills that have been introduced for consideration in 2024, on top of the active two-year bills that were introduced last year but missed a deadline. Of those measures, a few hundred directly amend Education Code but scores more affect Labor or Government Code sections that also apply to community college districts (CCDs). Additionally, dozens of bills stating the Legislature's intent to change various aspects of the Education Code have been introduced. In order to meet the bill introduction deadline, oftentimes bills are introduced with a kernel of an idea, with the details to be amended into the bill at a later date.

Over the course of the legislative year, culminating with Governor Gavin Newsom's action deadline of September 30, 2024, we will be highlighting the legislative issues that will be the most important for CCDs to follow.

To jump to certain topics, click on any of the appropriate links below:

- Employees
- Financial Aid
- Instruction
- School and Student Safety
- Student Services
- Tuition and Fees

Employees

Assembly Bill (AB) 2277 **(Wallis, R-Palm Springs)—Community Colleges: Part-Time Faculty**. This bill would require CCDs, as a condition of receiving funding allocated for the Student Equity and Achievement Program, to increase the maximum amount of instructional hours that a part-time community college faculty member could teach at a community college from the range of 60-67% of a full-time equivalent load to 80-85%. The bill would require CCDs to commence the negotiation of these terms no later than the expiration of any negotiated agreement in effect on January 1, 2025, and for any CCD that does not have a collective bargaining agreement in effect as of January 1, 2025, upon the effective date of the bill.

Two previous iterations of this bill were vetoed by Governor Newsom in 2021 and 2022. In his veto messages the Governor cited the $200 million ongoing that was provided in the 2022 State Budget Act for the Part-Time Faculty Community College Health Insurance Program and the need to wait to see how many part-time faculty will benefit from the investment. He also cited the estimated $26-$150 million annual cost pressures this bill would add to Proposition 98.

Financial Aid

AB 1885 **(Addis, D-Morro Bay)—Student Success Completion Grant Program**. This bill would require each participating community college in the Student Success Completion Grant Program to award $1,298 per semester (or the quarterly equivalent) to eligible students who enroll in nine or more units per semester (or the quarterly equivalent number of units) who are considered full-time as part of a disabled student programs and services Academic Accommodation Plan.

This bill is being cosponsored by the California Community Colleges Chancellor's Office (CCCCO) and the California Community Colleges (CCC) Student Senate.

Instruction

AB 1891 **(Weber, D-La Mesa)—Community Colleges: Allied Health Programs**. This bill would, until January 1, 2030, authorize the usage of a multicriteria screening process, a random selection process, or a blended combination of the two for admission decisions in allied health programs.
The CCCCO is sponsoring this bill.

AB 2104 **(Soria, D-Fresno)—Community Colleges: Baccalaureate Degree in Nursing Pilot Program**. This bill would require the Chancellor's Office to develop a Baccalaureate Degree in Nursing Pilot Program that authorizes select CCDs to offer a Bachelor of Science in Nursing degree. The pilot program, which would sunset on January 1, 2031, would be limited to 15 CCDs statewide and would require the Chancellor's Office to identify eligible CCDs based on at least two of the following criteria:

- CCDs that demonstrate equitable access to the pilot program, with a particular focus on regions showing a need for healthcare professionals
- CCDs that are located in broadly recognized underserved nursing areas
- CCDs where the service area of the district includes communities with persistent poverty

The total number of participants in a pilot program at a CCD would be limited to 25% of the CCD's associate degree in nursing class size. However, for CCDs located in persistent poverty communities this limit may be increased to up to 75%.

AB 2104 would require the Legislative Analyst's Office (LAO) to conduct an evaluation of the pilot program to determine the effectiveness and the need to continue or expand the program.

Senate Bill (SB) 895 **(Roth, D-Riverside)—Community Colleges: Baccalaureate Degree in Nursing Pilot Program**. Like AB 2104, this bill would also require the Chancellor's Office to develop a Baccalaureate Degree in Nursing Pilot Program that authorizes select CCDs to offer a Bachelor of Science in Nursing degree. The pilot program, which would sunset on January 1, 2031, would be limited to 15 CCDs statewide and would require the Chancellor's Office to identify eligible CCDs based on the following criteria:

- There is equitable access between the northern, central, and southern parts of the state to the pilot program
- Priority is given to CCDs in underserved nursing areas

The total number of participants in a pilot program at a CCD would be limited to 25% of the CCD's associate degree in nursing class size. The bill would also require the LAO to conduct an evaluation of the pilot program to determine the effectiveness and the need to continue or expand the program.

SSC Comment: As you can see, AB 2104 and SB 895 are substantially similar bills, which means that Assemblymember Esmeralda Soria, Senator Richard Roth, and the proponents of these measures will likely work together on this issue and move one bill forward.

School and Student Safety

AB 1818 **(Jackson, D-Moreno Valley)—Public Postsecondary Education: Homeless Students: Parking**. This bill would require the CCC and California State University (CSU) campuses to allow overnight parking by a student attending its campus if all of the following circumstances apply:

- The student uses the vehicle as housing
- The student has a valid parking permit issued by the campus
- The vehicle is parked in or on a campus-owned and controlled parking lot or parking structure

The bill would prohibit the CCC and CSU campuses from citing or otherwise penalizing a student attending their campuses for using a vehicle as housing if the student has a valid parking permit issued by the campus and the vehicle is parked in or on a campus-owned and controlled parking lot or parking structure.

This bill is substantially similar to a 2019 measure (AB 302) by Assemblymember Marc Berman that would have required community college campuses with parking facilities to grant overnight access to those facilities to specified homeless students. AB 302 made it out of the Assembly and all the way to the Senate floor but was ultimately sent to the inactive file, which likely means that the author did not have the votes in the Senate, or he believed that Governor Newsom would have vetoed the measure.

AB 2193 **(Holden, D-Pasadena)—Hazing Educational Institutions: Civil Liability: Resources**. This bill would establish civil liability for institutions of higher education (IHEs), including community colleges, for hazing instances. Specifically, AB 2193 would hold an IHE liable for hazing if the IHE had direct involvement in the hazing practices of the organization, or knew or, in the exercise of ordinary care, reasonably should have known of the hazing practices of the organization to which the student is seeking membership and unreasonably failed to prevent, discover, or stop the hazing practices, and the organization involved in the hazing is affiliated with the educational institution at the time of the alleged hazing incident.

AB 2193 is a reintroduction of last year's AB 299, which was vetoed by Governor Newsom for creating expansive financial exposure even for IHEs that are taking appropriate steps to protect students from hazing. The veto message encourages the author to more clearly define when liability arises when IHEs have taken statutorily defined reasonable steps to prevent hazing.

As currently written, AB 2193 is the exact same bill as the one that was vetoed last year but it is likely that Assemblymember Chris Holden will make amendments so that it has a better chance of getting signed this year.

Student Services

AB 2033 **(Reyes, D-Colton)—Community Colleges: Electronic Benefits Transfer Cards**. This bill would require, by September 1, 2025, at least one convenience or grocery store located on each campus of the CCC to accept the use of electronic benefit transfer (EBT) cards.

AB 2033 is being sponsored by the CCC Student Senate.

AB 2458 **(Berman, D-Menlo Park)—Public Postsecondary Education: Student Parents**. Existing law requires each campus of the CCC and CSU to host a student parent webpage that contains information that lists all on- and off-campus student parent services and resources. This bill would require the information on those webpages to include additional information, including several other federal and state tax credits, state and federal financial aid applications and programs, and the California Work Opportunity and Responsibility to Kids program.

The bill would also require each campus of the CCC and CSU to develop and implement a campus policy for estimating and adjusting cost of attendance information for student parents, establish a data field in the campus's data management information system to identify student parents for certain purposes, and update its campus net price calculator to include a baseline student parent cost estimate.

Tuition and Fees

SB 971 **(Portantino, D-Burbank)—Community Colleges: Exemption From Nonresident Tuition Fee: Resident of a Region Impacted by War or Regional Conflict**. This bill would exempt from the nonresident tuition fee a nonresident, low-income student who:

- Is a resident of a region impacted by war or other regional conflict;
- Registers for lower division courses at a community college; and
- Has indicated that they have sought residency in California in an effort to find relief from identified conflicts in their nation of origin.

The bill would, in any academic year, prohibit more than 150 full-time equivalent students at a community college from being exempted from payment of the nonresident tuition fee pursuant to this exemption. The bill would require CCDs that choose to use this exemption to adopt one uniform policy to determine a student's residence classification, establish procedures for an appeal and review of the residence classification, and determine whether a student is low income.

2024 Legislative Calendar—Upcoming Holidays and Deadlines

- February 16— Last day for bills to be introduced.
- February 19— Presidents’ Day.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

January 2024 State Cash Receipts Below Forecast

BY JOHN GRAY

BY PATTI F. HERRERA, EDD

posted February 21, 2024

State General Fund cash receipts for the month January 2024 were almost 20% below the most recent updated Governor's Budget forecast. The California Department of Finance's (DOF) February 2024 *Finance Bulletin* highlighted that fiscal year-to-date cash receipts are down 4.8% below forecast, as noted in Figure 1 below. As the Governor's Budget forecast was recently updated at the end of November 2023, the year-to-date shortfall to forecast is almost all related to the January 2024 cash receipts.

The bulk of the month's shortfall was due largely to lower-than-expected personal income tax receipts. Withholdings were down by $1 billion (10.8%) while estimated payments were down by almost $4 billion (36.1%) for January. Monthly withholdings represent a more real-time indicator of economic activity while estimated payments are often more volatile and tied to stock market compensation as noted in the *Finance Bulletin*.

Both corporation and sales and use tax revenues were down slightly on both a monthly and year-to-date basis by 4.6% and 1.1%, respectively.

Figure 1: 2023-24 Comparison of Actual and Forecast Agency General Fund Revenues (Dollars in Millions) Year-to-Date through January 2024

Revenue Source	Forecast	Actual	Difference	Percent Difference
Personal Income	$76,176	$71,491	-$4,685	-6.2%
Corporation	$21,506	$20,527	-$980	-4.6%
Sales and Use	$18,756	$18,557	-$199	-1.1%
Total*	$121,467	$115,586	-$5,882	-4.8%

*Includes other agency cash receipts

Regarding labor market conditions, the DOF noted that California's unemployment rate rose by 0.2% in December 2023 to 5.1%. Also, 3,600 Californians dropped out of the labor force causing the labor participation rate to fall to 62.0%, a decrease of 0.2% from November 2023. The U.S. unemployment rate remained at 3.7%.

In California, construction is an important economic driver and leading economic indicator. Building activity is slowing down with the number of building permits down 2.0% from November 2023 and down 2.9% from a year ago. December 2023 year-to-date permits of 56,000 single-family homes and 54,000 multi-family units were down 6.0% and up 0.6%, respectively.

With the Governor's Budget forecast barely a month old, January's revenues are not encouraging when compared to the recently revised forecast. While it is too early to tell, we will be monitoring and reporting as we head towards the Governor's May Revision.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

LAO to Legislature: Deteriorating Budget Condition Ahead

BY PATTI F. HERRERA, EDD
BY MICHELLE MCKAY UNDERWOOD

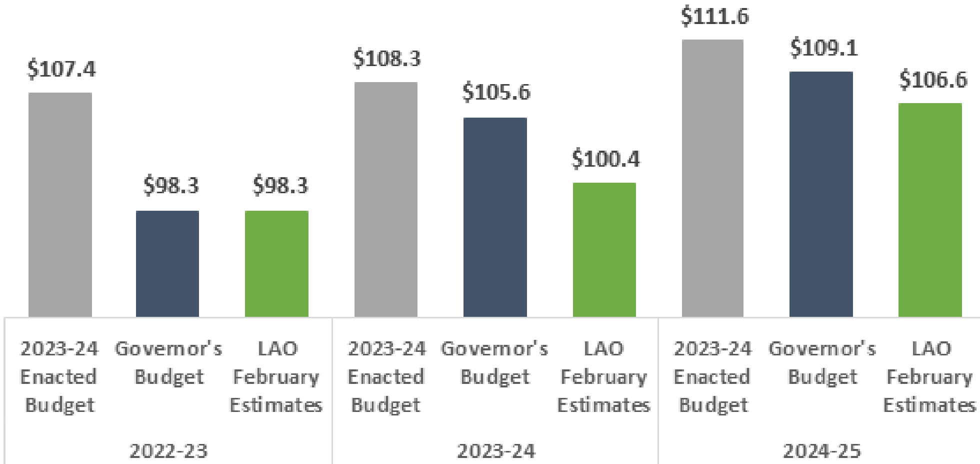
posted February 21, 2024

The Legislative Analyst's Office (LAO) issued two separate reports on February 15, 2024, analyzing Proposition 98 and Governor Gavin Newsom's education budget proposal within the context of a deteriorating budget condition. The analyses acknowledge that when the Governor issued his 2024-25 Governor's Budget on January 10, 2024, he was:

- Solving an estimated $58 billion State Budget deficit (for comparison, during the height of the COVID-19 recession, the 2020-21 Enacted Budget addressed a $54 billion deficit)
- Addressing unanticipated reductions in available revenues to K-12 school and community college agencies in the prior and current year with $13.7 billion in spending solutions—$8 billion of which is attributable to a funding maneuver the LAO strongly recommends the Legislature reject
- Proposing an additional $1.4 billion in new K-12 one-time and ongoing spending, with the largest share attributable to funding a 0.76% cost-of-living adjustment (COLA) ($628 million)

The LAO evaluates the Governor's January fiscal policy and spending proposals highlighting that, under its most recent revenue estimates, the State Budget and Proposition 98 deficits are likely to grow by May. Specifically, they estimate that the Proposition 98 minimum guarantee could drop by another $7.7 billion from the Governor's Budget estimates in 2023-24 and 2024-25 (see Figure 1).

Figure 1. Changes in the Proposition 98 Minimum Guarantee (in billions)



Addressing the 2022-23 Proposition 98 Reduction

Perhaps the most problematic proposal included in the Governor's Budget from the LAO's perspective is how the Administration intends to protect school and community college agencies from a $9.1 billion decrease in the 2022-23 (or prior year) minimum guarantee through an unprecedented interest-free internal borrowing of state cash resources that would exacerbate out-year State Budget deficits by accounting for the payback of the "loan" over five years beginning in 2025-26. In a separate analysis, the LAO highlights multiple fiscal policy concerns with the proposal, including that it would create a binding future budget obligation for the Legislature and would require non-education government programs and services to bear the cost of the borrowing.

Evaluating the Governor's CCC Spending Plan

The LAO's fiscal concerns about the Governor's education spending plan are not limited to the treatment of the 2022-23 minimum guarantee. Its concerns extend to the Administration's new ongoing and one-time investments that amount to $218 million in new spending. To this point, the LAO highlights that if the Legislature were to reject the Governor's above-mentioned funding maneuver and state and Proposition 98 resources were to decline by the LAO's February estimates, it would need to solve a $14 billion Proposition 98 problem across the budget window. The LAO identifies several alternatives for the Legislature to consider, including:

- Using the Proposition 98 reserve to allow K-12 and community college agencies to retain their cash resources the state provided in 2022-23 (in lieu of the Governor's funding maneuver)
- Providing no COLA for 2024-25 for the Student Centered Funding Formula (SCFF) or any California Community Colleges (CCC) categorical programs
- Rejecting most of the Governor's new spending proposals
- Sweeping some unspent funds
- Reducing spending in existing programs through policy adjustments

Proposed Budget Solutions

Based on its February 2024 estimates of the 2023-24 minimum guarantee, the Legislature is facing an approximately $800 million gap that year between available Proposition 98 CCC funding and existing CCC spending. Below is a brief summary of the key analyses and recommendations to close the budget gap.

- **Growth Funds**: After three years of enrollment drops, data from the California Community Colleges Chancellor's Office indicates that enrollment rose overall in 2022-23—increasing by an estimated 4% (in full-time equivalent terms) over 2021-22 levels. That said, not all growth funds from 2022-23 are likely to be used. The LAO recommends sweeping all unused growth funds from 2022-23 (estimated at $8 million) and consider not funding growth in 2024-25 if revenue estimates at the May Revision suggest a more significant budget problem.

- **Summer Enrollment**: For SCFF calculations, summer classes that have a census date in one fiscal year and end in the following fiscal year may be reported in either fiscal year. Based on some preliminary modeling, the LAO estimates the "summer loophole" could result in roughly $100 million in additional costs annually from 2024-25 through 2026-27, and costs would continue until all districts reach enrollment levels moving them off the SCFF hold harmless provision. For these reasons, the LAO recommends the Legislature specify in statute that the summer term is to be the first term counted in a fiscal year and summer-term enrollment is to be reported only once each fiscal year.

- **CCC Nursing Funding**: The 2023-24 Enacted Budget included a $300 million, five-year plan to provide additional funding for CCC nursing programs to "expand nursing programs and bachelor of science in nursing partnerships to grow, educate, and maintain the next generation of registered nurses [RNs] through the community college system, subject to future legislation." The LAO notes that data suggests the current mismatch between supply and demand of RNs is temporary and that lack of state funding does not seem be a key reason underlying the shortage, and as a result recommends the Legislature reject the Governor's $60 million first-year funding proposal.

- **Unspent Funds**: The LAO recommends the Legislature consider sweeping unspent funding from 11 programs, totaling at least $936 million (and likely more) one-time if all funds were swept from programs such as:

  - Strong Workforce Program—$381 million
  - Part-Time Faculty Health Insurance Program—$177 million
  - Health care pathways for English learners—$100 million
  - Student Success Completion Grant—$100 million

- **Revisiting Certain Ongoing CCC Programs**: Due to the potentially grave budget situation, the LAO recommends protecting core CCC priorities (core instructional mission, student support services, and aid for financially needy students) while considering reducing support for other initiatives:

  - Apportionment funding for intercollegiate athletics—$100 million
  - Apportionment funding for physical education classes—$100 million
  - California College Promise non-need-based grants—$91 million

- State funding for CCC noncredit fine arts and other enrichment activity classes—$40 million

Finally, the LAO noted that an increase in the CCC enrollment fee for credit courses from $46 to $50 per unit would generate $35 million annually.

The Assembly and Senate budget subcommittees responsible for the education budget are slated to hear the Governor’s Proposition 98 proposals on February 27 and 28, respectively, while the Assembly today began its discussion of community colleges during a higher education overview hearing. The hearings and ensuing discussions may provide early indications of the Legislature’s positions on some of the Governor’s proposals. Stay tuned.

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COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—March 1, 2024

BY SSC GOVERNMENTAL RELATIONS TEAM

posted March 1, 2024

Neither the Assembly Higher Education Committee, chaired by Assemblymember Mike Fong (D-Alhambra), nor the Senate Education Committee, chaired by Senator Josh Newman (D-Fullerton), have held a policy committee hearing since February 16, 2024, the bill introduction deadline two weeks ago. The Assembly Higher Education Committee will not hold its first hearing on 2024 bills until Tuesday, March 12, 2024, while the Senate Education Committee will hold its first hearing the following week on Wednesday, March 20, 2024.

The reason that neither education committee has yet to hear any 2024 measures is because only the earliest of this year's bills have met the requirement to be in print for 30 days before receiving a policy committee hearing. Numerous bills will start being amended over the next several weeks since they were introduced as "spot bills" and must have some substance before being referred to a policy committee.

The education policy committees' agendas will be picking up towards the end of the month and into April as hundreds of education bills that have fiscal implications will need to be approved in policy committees by April 26, 2024; bills without fiscal effects will have an additional week to meet that deadline.

To jump to certain topics, click on any of the appropriate links below:

- Dual Enrollment
- Facilities
- Financial Aid
- Instruction
- School and Student Safety

Dual Enrollment

Assembly Bill (AB) 359 (Holden, D-Pasadena)—Pupil Instruction: Dual Enrollment: College and Career Access Pathways Partnerships. This bill would significantly amend the Career and College Access Pathways (CCAP) dual enrollment program to align with best practices from other dual enrollment programs and to streamline access for students throughout the state (see "Legislature Looks to Expand Dual Enrollment" in the February 2024 *Community College Update* for a comprehensive analysis on this bill).

AB 359 is a two-year bill, meaning it was introduced in 2023, and thus is already in the Senate since all two-year bills needed to clear their house of origin by the end of January.

AB 2019 **(Fong, R-Bakersfield)—Early and Middle College High Schools and Programs: College and Career Access Pathways Partnerships.** This bill would expand the definition of early and middle college high schools to include early and middle college programs so students can qualify for reduced instructional minute requirements and would extend the reduction in instructional minutes to include students in courses under a CCAP agreement.

This bill will be heard by the Assembly Higher Education Committee on March 12, 2024.

Senate Bill (SB) 1244 **(Newman)—Dual Enrollment: College and Career Access Pathways Partnerships.** This bill would authorize a community college district (CCD) to enter into a CCAP partnership with a local educational agency within the service area of another CCD if the CCD in the service area has declined a request from, or has failed to take action within 60 calendar days of a request to, either enter into a CCAP partnership or to approve another CCD to enter into a CCAP partnership.

Facilities

SB 1091 **(Menjivar, D-San Fernando Valley/Burbank)—Accessibility Requirements for Greening Projects.** In 2023, the Legislature passed and the Governor signed SB 515 (Stern) into law that limits the cost of complying with the requirement to provide an accessible path of travel to a free-standing, open-sided shade structure project to 20% of the adjusted construction cost of the shade structure project. SB 1091 would expand the limitation to include "greening projects," which the bill defines as "an intervention that introduces vegetation and natural features into the urban realm, including, but not limited to, creating and restoring green space, replacing asphalt with greenways along pedestrian and bicycle routes, planting trees, and installing green walls and green roofs."

Financial Aid

AB 2027 **(Gipson, D-Carson)—Student Financial Aid: College Access Tax Credit Fund: Community College Student Transfers: Historically Black Graduate Professional Schools.** This bill would require the College Access Tax Credit Fund moneys continuously appropriated to the Student Aid Commission to also be used for awards for qualifying community college student transfers to certain Historically Black Graduate Professional Schools that are physically located in California and offer undergraduate studies.

This bill will be heard by the Assembly Higher Education Committee on March 12, 2024.

Instruction

AB 1914 **(Grayson, D-Concord)—Community Colleges: Providers of Care for Individuals With Developmental Disabilities: Model Curriculum.** This bill would require the California Community Colleges Chancellor's Office (CCCCO) to develop a model curriculum for a certification program for providers of care for individuals with developmental disabilities, designed to be offered at community college campuses where there is sufficient student interest and a properly qualified faculty to sustain a certification program. The bill would require the CCCCO, in developing the model curriculum, to consult with individuals and organizations with expertise in providing care to individuals with developmental disabilities and the training of practitioners for that task.

This bill will be heard by the Assembly Higher Education Committee on March 12, 2024.

AB 2035 (Fong)—Public Postsecondary Education: Community Colleges: Statewide Baccalaureate Degree Program. This bill would require that a CCD be provided with one timeline in which to apply for a baccalaureate degree program, with a total of 30 baccalaureate degree programs approved per academic year, and that a minimum of 45 working days be taken to validate the submitted information and assess the workforce value of the proposed baccalaureate degree program. This bill would provide that the California State University (CSU) and the University of California have 45 working days after receipt of the proposal for a baccalaureate degree to submit written objections with supporting evidence, and the chancellor has 45 working days after receipt of written objections to convene with the applicant and the segment or segments that raised an objection to collaborate and establish a written agreement before the program is approved.

AB 2044 (Chen, R-Yorba Linda)—Public Postsecondary Education: Community Colleges: Statewide Baccalaureate Degree Program. When conducting a review to approve the elimination of an associate degree program, existing law requires the CCCCO to evaluate changes to the labor market viability of the associate degree and changes to the minimum education required to maintain program accreditation. This bill would require the CCCCO to additionally evaluate whether baccalaureate degree holders are paid more than associate degree holders in the same field when conducting a review to approve the elimination of an associate degree program.

School and Student Safety

AB 1839 (Alanis, R-Modesto)—Peace Officers: Education and Hiring Grants. This bill would, subject to an appropriation, establish the Law Enforcement Officer Grant Program under the administration of the Student Aid Commission. The program would provide grants of up to $6,000 per year to individuals enrolled in a modern policing degree program at a California community college who commit to work for four years as a peace officer at a law enforcement agency. The bill would require the CCCCO to develop materials to be distributed to counselors’ offices in high schools. The bill would require those materials to inform high school students about the existence of the modern policing degree program and the grant program.

This bill will be heard by the Assembly Higher Education Committee on March 12, 2024.

AB 1841 (Weber, D-San Deigo)—Student Safety: Opioid Overdose Reversal Medication: Student Housing Facilities. This bill would require CCDs and the CSU to require each university or college-affiliated student-housing facility to stock federally approved opioid overdose reversal medication obtained through the Naloxone Distribution Project, train all residential staff members at each university or college-affiliated student-housing facility on the administration of the opioid overdose reversal medication, and distribute the opioid overdose reversal medication to all university or college-affiliated Greek-life housing facilities.

This bill will be heard by the Assembly Higher Education Committee on March 12, 2024.

2024 Legislative Calendar—Upcoming Holidays and Deadlines

March 21—Spring recess begins upon adjournment

March 29—Cesar Chavez Day observed

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Inflation Shows Persistence

BY PATTI F. HERRERA, EDD
BY WENDI MCCASKILL

posted March 13, 2024

The U.S. Bureau of Labor Statistics reported yesterday, March 12, 2024, that the Consumer Price Index (CPI)—the U.S. measure of inflation—increased to 3.2% in February, up slightly from January's 3.1% year-over-year figure, and is higher than economists predicted. The increase is attributable primarily to the continued rise in the shelter and energy indexes.

February core inflation, which excludes the costs for food and energy, came in at 3.8% year over year. This represents a slight decrease from the 3.9% core inflation reported for January. Shelter saw a 5.7% year-over-year increase and accounts for approximately two-thirds of the core inflation rise. Also notable, motor vehicle insurance showed a 20.6% year-over-year climb.

The Atlanta Federal Reserve's sticky-price index or sticky-price CPI was also updated yesterday. The sticky-price CPI is calculated based on a subset of goods and services included in the CPI that are less volatile to price fluctuations. Due to the infrequency with which these goods and services change in price, they are thought to better incorporate inflation expectations. Examples of sticky-price items include motor vehicle maintenance and repair, personal care products and services, and household furnishings. On an annualized basis, the overall sticky-price CPI increased by 4% and the core sticky-price CPI (exclusive of food and energy) increased 4.3% in February. The 12-month increase for both was 4.4%.

The concern on the part of economists is that the "stickiness" of inflation will make it more difficult for inflation to reach the 2% goal set by the Federal Reserve Board and delay the anticipated reduction to the federal funds rate.

At the start of the day, all three stock market indexes were showing losses in response to the slightly higher-than-forecasted inflation figures. At the day's close, however, Wall Street showed gains across all three indexes with the Dow Jones Industrial Average up by 0.61%, S&P 500 up about 1.2% to a new record high, and Nasdaq increasing by 1.5% after two days of losses.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

UCLA Economists: A Return to Normalcy

BY PATTI F. HERRERA, EDD

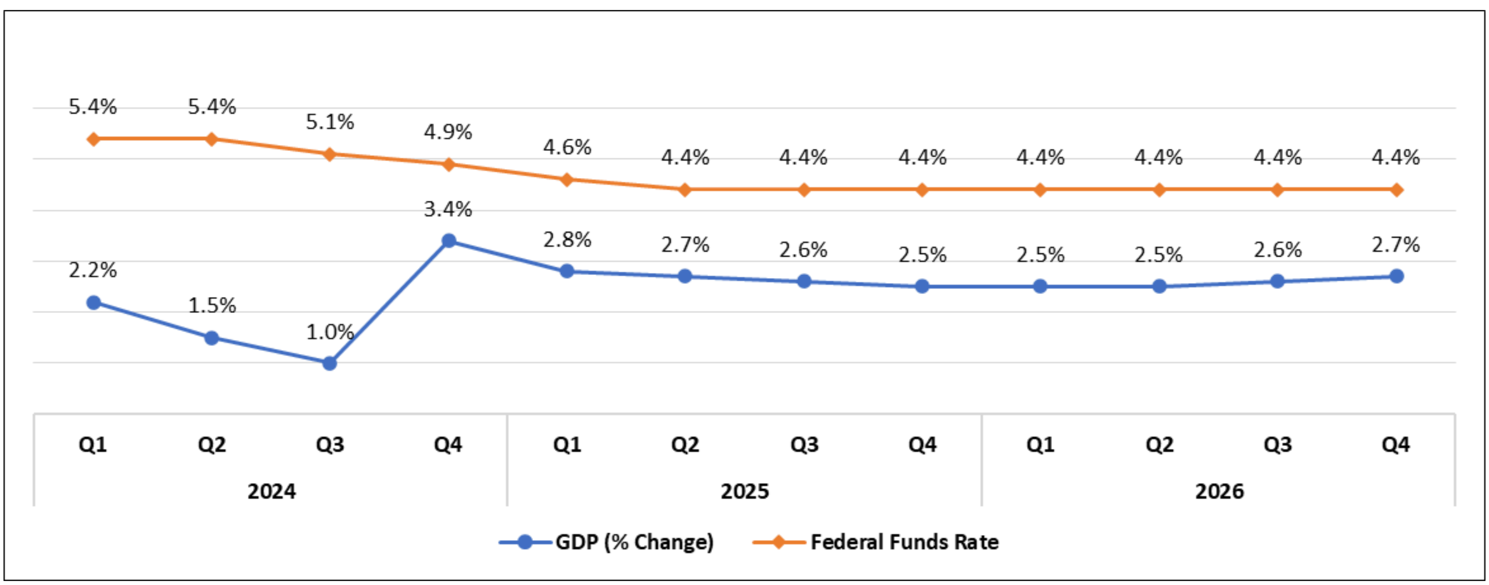
posted March 14, 2024

In the first of its 2024 quarterly reports, UCLA Anderson Forecast (Forecast) economists continue to predict slow growth for the U.S. and California economies and a return to more normal trends with no recession in the near term. This is due largely to expected economic weakness in 2024 as interest-sensitive sectors feel the delayed impact of the Federal Reserve's (Fed) restrictive monetary policies offset by the tailwinds of strong consumer demand, a robust labor market, and a new national industrial policy spawned by major federal investments in infrastructure, technology, and climate change.

GDP and Interest Rates

According to the Forecast, the U.S. economy will reach a trough later this fall before rebounding and reaching a plateau of 2.7% by the end of 2026. This corresponds with the Forecast's expectations that the Fed will refrain from cutting interest rates in the first part of 2024, followed by three consecutive rate reductions beginning in the fourth quarter of this year (Figure 1).

Figure 1. U.S. Gross Domestic Product (GDP) and Federal Funds Rate



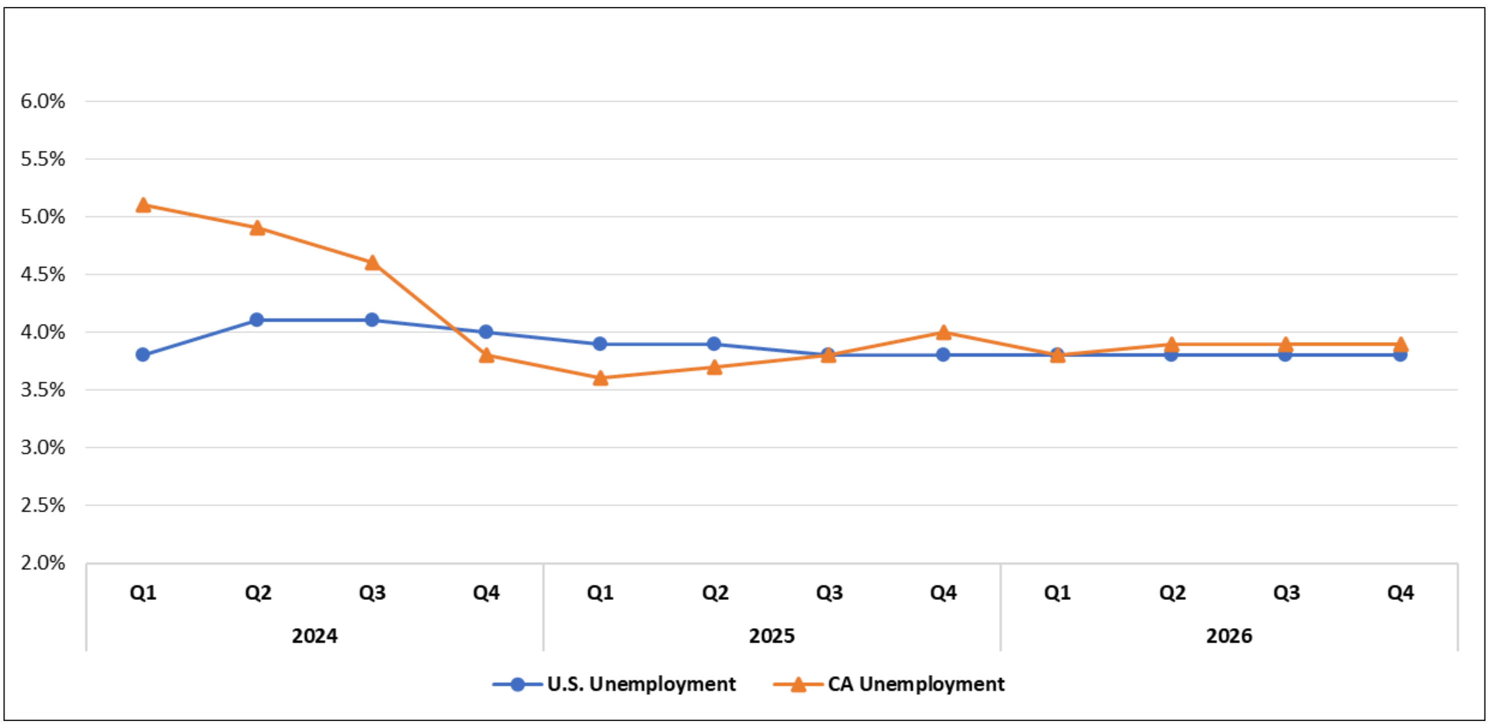
Source: UCLA Anderson Forecast, March 2024

The Forecast notes that the inversion of the ten-year and two-year treasury yields, which historically has been a reliable predictor of economic recessions, has sustained its longest run. And UCLA economists don't expect that to change any time soon. However, they are careful to highlight that a yield curve is "simply a market prediction of future interest rates," or what bond holders expect to yield from their investments in the short- and long-term. Given that the Fed will need to manage an economy in 2024 that is sensitive to even mild shocks, they predict that the Fed will ease rates before holding firm in the wake of sticky inflation (see "Inflation Shows Persistence" in the March 2024 *Community College Update*).

Labor Market

Full employment is sustained nationally and in California across the forecast period. The current modest uptick in the U.S. unemployment rate is not the result of increased layoffs but rather of more people entering the workforce, outpacing new job openings. The California job market has recovered beyond pre-pandemic levels in almost all sectors and most of the state. The notable industry that has been affected by layoffs is technology, namely in the Bay Area and San Francisco, but these jobs are being consumed elsewhere out of continued demand for high-skilled workers in manufacturing, which has increased by 26% since 2018, and in an evolving economy reliant on artificial intelligence. Tight labor market conditions create two opposing dynamics for the economy: (1) sustained consumer demand as personal income remains healthy, and (2) slow growth due to less labor supply.

Figure 2. U.S. and California Unemployment Rate



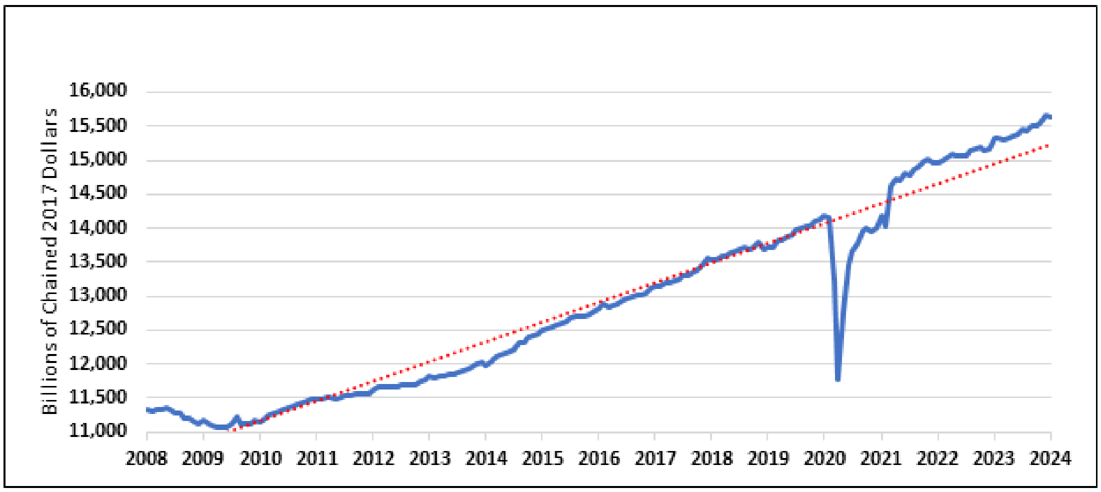
Source: UCLA Anderson Forecast, March 2024

U.S. Economic Outlook

The drivers of economic growth, according to the Forecast, are consumption and investment. The latter is buoyed by increased defense spending domestically and among allied nations. Geopolitical conflicts in Europe, the Middle East, and tensions in the Pacific are creating demand for U.S. defense goods. The U.S. satisfies 40% of defense demand from its allies.

Figure 3 illustrates a collective spending pattern that UCLA economists note occur after major historical events, such as the Great Depression, World Wars I and II, and the COVID-19 health pandemic. And this is an unwillingness among American consumers to defer gratification and instead to engage in more epicurean behaviors. Since 2021, American spending has outpaced and continues to outpace historical trends. The Forecast predicts that strong personal income will sustain current consumer patterns.

Figure 3. U.S. Real Personal Consumption Expenditures



Source: Federal Reserve Economic Data

California

The outlook for California is similar to that of the U.S., which is unsurprising given that it is the fifth largest economy in the world. Increased investments in high-tech manufacturing, which the state disproportionately houses, alongside seaport diversions from the East Coast and the Gulf of Mexico resulting from labor strikes and climate conditions, are contributing to California's economic growth.

While the Forecast takes note of California's current budget deficit, it frames the problem as the gap between anticipated General Fund revenues and desired future spending—not as a problem stemming from an underperforming economy.

Instead, the state's growth, particularly in the housing market, will be constrained by limited workforce supply due to the persistence of a tight labor market.

Risks and Conclusion

The Forecast identifies several risks to the U.S. economy—namely, geopolitical conflict in Eastern Europe, the Middle East, and tension in areas of Asia. While the economists noted the gridlock in political Washington D.C. and assumes it will continue through 2026, the Forecast predicts that the economy both expects the dysfunction and that its impact will be short-term. For California, the risks are more endemic to persistent problems faced by the state: housing availability and affordability, homelessness, public safety (particularly in urban centers), disruptive climate events, and a shutdown of trade with China (resulting either from a recession in China or trade policies).

Despite these risks, economic tailwinds prevail and the U.S. and California economies continue to grow, albeit slowly through 2026 with no recession in sight.

California Department of Finance

February 2024

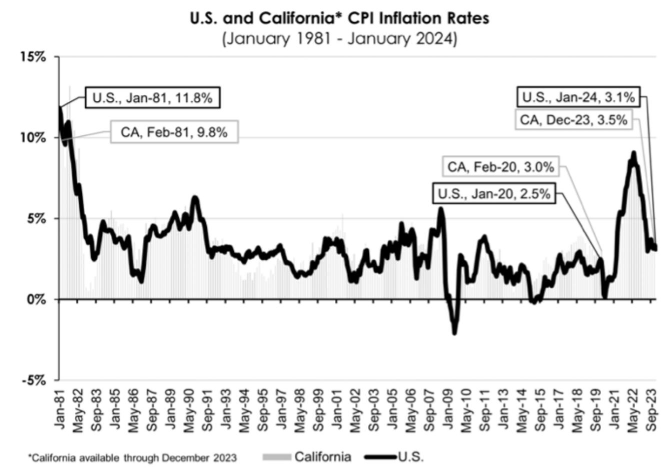
Finance Bulletin

Joe Stephenshaw, Director

Economic Update

- U.S. real GDP grew at a 3.3-percent seasonally adjusted annualized rate (SAAR) in the fourth quarter of 2023, following 4.9-percent growth in the third quarter and above its pre-pandemic (2015-2019 average) level of 2.5 percent. Growth in the fourth quarter of 2023 was driven primarily by personal consumption expenditures and government purchases, which contributed 1.9 percentage points and 0.6 percentage point, respectively. Annually, U.S. real GDP grew by 2.5 percent in 2023 following growth of 1.9 percent in 2022.

- U.S. headline inflation decelerated to 3.1 percent year-over-year in January 2024, down 0.3 percentage point from December 2023 and down 6 percentage points from its most recent peak of 9.1 percent year-over-year in June 2022. Core inflation—which excludes food and energy—held steady at 3.9 percent year-over-year. Transportation inflation—which includes gasoline—slowed to 1.6 percent from 2.9 percent in December, while shelter inflation slowed for the tenth consecutive month to 6 percent from 6.2 percent in December. California headline inflation increased from 3.2 percent in October 2023 to 3.5 percent year-over-year in December 2023. California's core inflation also rose to 3.8 percent year-over-year in December 2023 from 3.6 percent in October.



Labor Market Conditions

- The U.S. unemployment rate held at 3.7 percent in January 2024 for the third month in a row and remained 0.3 percentage point above the recent record low of 3.4 percent in January and April of 2023. The U.S. civilian labor force and civilian household employment decreased by about 175,000 persons and 31,000 persons in January, respectively, while civilian unemployment decreased by 144,000. The labor force participation rate was unchanged at 62.5 percent and remained nearly one percentage point below its February 2020 pre-pandemic level of 63.3 percent. The U.S. added 353,000 nonfarm payroll jobs in in the month driven by private education and health services sector (112,000), followed by professional and business services (74,000), trade, transportation, and utilities (64,000), government (36,000), manufacturing (23,000), information (15,000), leisure and hospitality (11,000), construction (11,000), financial activities (8,000), and other services (5,000). Mining and logging was the only major sector that lost jobs (-6,000).

- The California unemployment rate rose 0.2 percentage point to 5.1 percent in December 2023, the latest available data. California civilian unemployment increased by 29,200, civilian household employment decreased by 32,700, and 3,600 people dropped out of the labor force. The state labor force participation rate decreased 0.2 percentage point from November to 62 percent. California added 23,400 nonfarm payroll jobs driven by private educational and health services (13,200), government (8,100), leisure and hospitality (7,100), manufacturing (2,600), other services (1,300), and construction (200). Five sectors lost jobs: professional and business services lost the most jobs (-3,800) followed by trade, transportation, and utilities (-2,100), information (-1,900), financial activities (-1,100), and mining and logging (-200).

Building Activity

- Year-to-date through December 2023, California permitted 110,000 housing units (SAAR), down 2 percent from November 2023 and down 2.9 percent from December 2022. December year-to-date permits consisted of 56,000 single-family units (up 0.4 percent from November, but down 6 percent year over year) and 54,000 multi-family units (down 4.4 percent from November, but up 0.6 percent year over year).

MONTHLY CASH REPORT

Preliminary General Fund agency cash receipts were $5 billion, or 19.7 percent, below the 2024-25 Governor's Budget forecast for January and were $5.9 billion, or 4.8 percent, below the fiscal year-to-date forecast of $121.5 billion. The Governor's Budget forecast was completed in late November; therefore the fiscal year-to-date differences in this report reflect variance since then. The primary driver of the cumulative shortfall was personal income tax estimated payments, which were $4.6 billion below forecast for the fiscal year-to-date, indicating weakness in receipts relating to tax year 2023. Additionally, fiscal year-to-date corporate tax cash receipts were $980 million below forecast due to $552 million in higher corporate refunds and $223 million in lower estimated payments.

- Personal income tax cash receipts were $4.7 billion, or 6.2 percent, below the fiscal year-to-date forecast of $76.2 billion. This was due to a $5-billion shortfall in January. Personal income tax estimated payments, which reflect the fourth quarter estimated payment for tax year 2023, were $4 billion below forecast in January, bringing the fiscal year-to-date shortfall to $4.6 billion. Personal income tax withholding receipts were $1 billion below forecast in January and $494 million below forecast fiscal year-to-date due to overages in November and December. While withholding reflects more of a real-time indicator of economic activity than estimated payments, single-month readings can be misleading: calendar changes can affect when payments are recorded, and the timing of stock-based compensation can also affect payments, therefore, withholding should be evaluated over multiple months for longer-term trends. Personal income tax withholding receipts were 1.9 percent below forecast from November through January, a variance due likely to normal volatility rather than underlying weakness relative to the forecast.
- Corporation tax cash receipts were $3 million below forecast in January and $980 million, or 4.6 percent, below the fiscal year-to-date forecast of $21.5 billion.
- Sales and use tax cash receipts were $53 million below forecast in January and $199 million, or 1.1 percent, below the fiscal year-to-date forecast of $18.8 billion. Sales and use tax receipts reflect part of the final payment for calendar year fourth quarter taxable sales, which was due on January 31.

2023-24 Comparison of Actual and Forecast Agency General Fund Revenues
(Dollars in Millions)

	JANUARY 2024				2023-24 YEAR-TO-DATE			
Revenue Source	**Forecast**	**Actual**	**Difference**	**Percent Difference**	**Forecast**	**Actual**	**Difference**	**Percent Difference**
Personal Income	**$20,386**	**$15,387**	**-$4,998**	**-24.5%**	**$76,176**	**$71,491**	**-$4,685**	**-6.2%**
Withholding	9,330	8,320	-1,010	-10.8%	53,905	53,410	-494	-0.9%
Estimated Payments	11,080	7,081	-3,999	-36.1%	20,036	15,418	-4,618	-23.1%
Final Payments	121	216	96	79.6%	8,576	8,942	366	4.3%
Other Payments	793	764	-29	-3.7%	3,945	3,729	-215	-5.5%
Refunds	-563	-711	-149	26.4%	-8,799	-8,608	191	-2.2%
MHSF Transfer	-365	-276	90	-24.5%	-1,365	-1,281	84	-6.2%
Corporation	**$2,232**	**$2,229**	**-$3**	**-0.1%**	**$21,506**	**$20,527**	**-$980**	**-4.6%**
Estimated Payments	390	460	70	17.8%	7,022	6,799	-223	-3.2%
PTET Payments	1,849	1,873	24	1.3%	13,814	13,761	-53	-0.4%
Other Payments	325	301	-23	-7.2%	3,313	3,162	-151	-4.6%
Refunds	-332	-405	-74	22.2%	-2,643	-3,195	-552	20.9%
Sales & Use	**$1,860**	**$1,807**	**-$53**	**-2.9%**	**$18,756**	**$18,557**	**-$199**	**-1.1%**
Insurance	**$45**	**$65**	**$20**	**44.5%**	**$1,912**	**$1,931**	**$19**	**1.0%**
Pooled Money Interest	**$291**	**$221**	**-$71**	**-24.3%**	**$1,705**	**$1,541**	**-$164**	**-9.6%**
Alcohol	**$44**	**$46**	**$2**	**3.7%**	**$267**	**$260**	**-$7**	**-2.5%**
Tobacco	**$4**	**$5**	**$1**	**33.4%**	**$29**	**$32**	**$3**	**10.8%**
Other	**$238**	**$385**	**$147**	**61.5%**	**$1,116**	**$1,247**	**$131**	**11.7%**
Total	**$25,100**	**$20,144**	**-$4,956**	**-19.7%**	**$121,467**	**$115,586**	**-$5,882**	**-4.8%**

This is an agency cash report and the data may differ from the Controller's report to the extent that cash received by agencies has not yet been reported to the Controller. The personal income total includes Individual Shared Responsibility Penalty transfers. The forecast is from the 2024-25 Governor's Budget.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2024/25 Tentative Budget Assumptions
March 6, 2024

I. State Revenue

A. The District's earned revenue is projected to be greater than hold harmless in 2023/24. Budgeting for 2024/25 will use the Student Centered Funding Formula (SCFF) at the full calculated revenue less estimated deficit factor.

B. FTES Workload Measure Assumptions:

Year		Base	Actual	Funded		Actual Growth	Funded Growth
2016/17		28,901.64	27,517.31	28,901.64	a	-4.79%	0.00%
2017/18		28,901.64	29,378.53	29,375.93	b	1.65%	1.64%
2018/19	Recal		25,925.52	28,068.86	c	-11.75%	-4.45%
2019/20	Recal		27,028.98	26,889.30		4.26%	-4.20%
2020/21	Recal		25,333.74	26,993.32		-6.27%	0.39%
2021/22	Recal		26,202.98	27,208.25		3.43%	0.80%
2022/23	Recal		27,294.07	26,783.85		4.16%	-1.56%
2023/24	P1		29,195.39	28,908.60		6.97%	7.93%

a - based on submitted P3, District went into Stabilization in FY 2016/17
b - based on submitted P3, the district shifted 1,392.91 FTES from summer 2018
c - To maintain the 2015/16 funding level and produce growth FTES in 2017/18, the district borrowed from summer 2018 which reduced FTES in 2018/19.

The governor's state budget proposal includes .5% systemwide growth funding and 0.76% COLA. The components remain at 70/20/10 split with funded COLA added to all metrics each year. Any changes to our funding related to the SCFF will be incorporated when known.

Projected COLA of 0.76%	$1,711,660
Projected SCFF Base Increase	$0
Projected Growth/Restoration/SAC Large College	$15,428,960
Deficit Factor (3.55%)	($8,370,773)

2024/25 Potential Growth at 0.5% — 29,341 FTES

C. Education Protection Account (EPA) funding estimated at $47,040,103 based on 2023/24 @ Advance. These are not additional funds. The EPA is only a portion of general purpose funds that offsets what would otherwise be state aid in the apportionments. We intend to charge a portion of faculty salaries to this funding source in compliance with EPA requirements.

D. Unrestricted lottery is projected at $177 per FTES ($5,274,395). Restricted lottery at $72 per FTES ($2,145,516). (2023/24 @ P1 of resident & nonresident factored FTES, 29,798.84 x $177 = $5,274,395 unrestricted lottery; 29,798.84 x $72 = $2,145,516 restricted lottery)

E. Estimated reimbursement for part-time faculty compensation is estimated at $597,489 (2023/24 @ Advance).

F. Categorical programs will continue to be budgeted separately; self-supporting, matching revenues and expenditures. COLA is being proposed on certain categorical programs. Without COLA, other categorical reductions would be required to remain in balance if settlements are reached with bargaining groups. The colleges will need to budget for any program match requirements using unrestricted funds.

G. College Promise Grants (BOG fee waivers 2% administration) funding estimated at 2023/24 @ Advance of $245,695.

H. Mandates Block Grant estimated at a total budget of $905,577 ($35.37 x 25,602.96 FTES @ P2). COLA of 0.76%. No additional one-time allocation proposed.

II. Other Revenue

I. Non-Resident Tuition budgeted at $3,700,000. (SAC $2,400,000, SCC $1,300,000). Increase of $700,000.

J. Interest earnings estimated at $3,000,000. Increase of $2,100,000.

K. Other miscellaneous income (includes fines, fees, rents, etc.) is estimated at approximately $404,737.

L. Apprenticeship revenue estimated at $5,227,354. (Corresponding expenses are also budgeted for apprenticeship course offerings.)

M Scheduled Maintenance/Instructional Equipment allocation - no new allocation is proposed at this time.

N Full-time Faculty Hiring Allocation - no new allocation is proposed at this time.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2024/25 Tentative Budget Assumptions
March 6, 2024

III. Appropriations and Expenditures

A. As the District's budget model is a revenue allocation model, revenues flow through the model to the colleges as earned. The colleges have the responsibility, within their earned revenue, to budget for ALL necessary expenditures including but not limited to all full time and part time employees, utilities, instructional services agreements, multi-year maintenance and other contracts, supplies, equipment and other operating costs.

B. Salary Schedule Adjustments - estimated at 4% for unrestricted general fund = $6,700,862
(FARSCCD approximate cost $3,265,977, CSEA approximate cost $1,817,535, Management/Other approximate cost $1,617,350)
The colleges will need to budget for bargained increased costs in Salaries and Benefits for part-time employees.
The estimated cost of a 1% salary increase is $2.27 million for all funds. The estimated cost of a 1% salary increase is $1.67 million for the unrestricted general fund.

C. Step and column movement is budgeted at an additional cost of approximately $2.26 million including benefits for FD 11
(FARSCCD approximate cost $1,103,900 CSEA approximate cost $614,327, Management/Other approximate cost $546,372)
For all funds, it is estimated to = $3.07 million (FARSCCD = $1,333,640, CSEA = $1,002,446, Management/Others = $733,435)
In addition, the colleges would need to budget for step/column increases for P/T faculty.

D. Health and Welfare benefit premium cost increase as of 1/1/2025 is estimated at 3.0% for an additional cost of approximately $606,621 for active employees. For retirees estimated to be $178,906.
State Unemployment Insurance (.05%)
CalSTRS employer contribution rate will stay the same in 2024/25 at 19.10% for no increase.
(Note: The cost of each 1% increase in the STRS rate is approximately $760,000.)
CalPERS employer contribution rate will increase in 2024/25 from 26.68% to 27.80% for a increase of $478,583.
(Note: The cost of each 1% increase in the PERS rate is approximately $427,000.)

E. The full-time faculty obligation (FON) for Fall 2024 is estimated to be 354. The Fall 2023 report indicated the District was 52.6 faculty over its FON and will meet its Fall 2024 obligation without the need to hire additional faculty. The current cost for a new position is budgeted at Class VI, Step 12 at approximately $182,677. Penalties for not meeting the obligation amount to approximately $92,511 per FTE not filled. Each faculty hired over the FON adds cost of ($182,677- $63,944) = $118,733 if deduct hourly cost.

F. The current rate per Lecture Hour Equivalent (LHE) effective 7/1/24 for hourly faculty is $96.39 x 18 hrs/LHE= $1,735 (FY 2024/25)
(Total cost of salary and benefits of part-time faculty to teach 30 LHE = $63,944)

G. Retiree Health Benefit Fund (OPEB/GASB 75 Obligation) - The calculated Employer Contribution Target is estimated to be less than our current pay as you go therefore the district will decrease the employer payroll contribution from .75% to 0% of total salaries. This provides savings of $994,709 for the unrestricted general fund.

H. Capital Outlay Fund - The District will continue to budget $1.5 million for capital outlay needs.

I. Utilities cost increases of 15%, estimated at $100,000.

J. Information Technology licensing contract escalation cost of 7%, estimated at $160,000.

K. Property and Liability Insurance transfer estimated at $2,500,000 (no change).

L. Other additional DSO/Institutional Cost expenses: approved at 10/25/23 POE

	Ongoing Cost	One-time Cost
Business Services (Reorg 1369 - Sr. Payroll Specialist)	$ 132,632	
Human Resources (Reorg 1370 - 2 Senior Business Partners and 1 Business Partner)	$ 508,334	
ITS Positions (Reorg 1387 - FT Enterprise Applications Manager and Reorg 1388 - PT Media Systems Electronic Technician)	$ 276,756	
Facilities Planning - Energy/Sustainability Manager	$ 217,820	
Chancellor's Office - $20K - Institutional Memberships + $20K - Travel/Conference Expense	$ 40,000	

M. Eighth contribution of Santiago Canyon College ADA Settlement expenses of $2 million from available one-time funds.

Rancho Santiago Community College District
Unrestricted General Fund Summary
2024/25 Tentative Budget Assumptions
March 6, 2024

*	New Revenues	Ongoing Only	One-Time
A	Student Centered Funding Formula		
B	Projected COLA of 0.76%	$1,711,660	
B	Projected SCFF Base Increase	$0	
B	Projected Growth/Restoration/SAC Large College	$15,428,960	
B	Deficit Factor (3.55%) - additional	($3,982,051)	
D	Unrestricted Lottery	$364,024	
H	Mandates Block Grant	$6,882	
I	Non-Resident Tuition	$700,000	
J	Interest Earnings	$2,100,000	
L	Apprenticeship - SCC	$0	
EGK	Misc Income	$41,933	
N	Full-time Faculty Allocation	$0	
	Total	**$16,371,408**	
	New Expenditures		
B	Salary Schedule Increases/Collective Bargaining	$6,700,862	
C	Step/Column	$2,264,599	
D	Health and Welfare/Benefits Est. Increase 3.0% - Active	$606,621	
D	Health and Welfare/Benefits - Retirees	$178,906	
D	Health and Welfare - Part-time Faculty (placeholder)	$0	
D	CalSTRS Increase	$0	
D	CalPERS Increase	$478,583	
D	State Unemployment	$0	
E	Full Time Faculty Obligation Hires	$0	
E	Non-Credit Faculty (Non FON)	$0	
E/F	Hourly Faculty Budgets (Match Budget to Actual Expense)	$0	
G	Cost of Retiree Health Benefit (OPEB Cost)	($994,709)	
H	Capital Outlay/Scheduled Maintenance Contribution	$0	
I	Utilities Increase	$100,000	
J	ITS Licensing/Contract Escalation Cost	$160,000	
K	Property, Liability and All Risks Insurance	$0	
II.L	Apprenticeship - SCC	$0	
L	Other Additional DSO/Institutional Costs	$1,175,542	
M	SCC ADA Settlement Costs	$0	$2,000,000
	Total	**$10,670,404**	**$2,000,000**
	2024/25 Budget Year Unallocated (Deficit)	$5,701,004	
	2023/24 Structural Unallocated (Deficit)	$11,631,362	
	Additional College added ongoing cost during FY 23/24	(10,873,195)	as of 2/28/24
	Total Est. Unallocated (Deficit)	$6,459,171	
	Vacancies & Other Adjustments & Reorgs	$0	
	Total Amount to be Allocated through BAM	**$6,459,171**	

* *Reference to budget assumption number*

Note	**SAC**	$ 7,257,601
	BC done in FY 23/24	(6,874,269)
	balance as of 2/28/24	$ 383,332
	SCC	$ 4,373,761
	BC done in FY 23/24	(3,998,926)
	balance as of 2/28/24	$ 374,835

Fiscal Resources Committee

2024/2025 Proposed Meeting Schedule

All meetings will be held from 1:30 – 3:00 p.m.
Zoom or Executive Conference Room – District Office

July 3, 2024

August 21, 2024

September 18, 2024

October 16, 2024

November 20, 2024

January 15, 2025

February 19, 2025

March 19, 2025

April 16, 2025

May 21, 2025

The Rancho Santiago Community College District aspires to provide equitable, exemplary educational programs and services in safe, inclusive, and supportive learning environments that empower our diverse students and communities to achieve their personal, professional, and academic goals.

Vacant Funded Positions for FY2023-24- Projected Annual Salary and Benefits Savings
As of March 14, 2024

Fund	Management/ Academic/ Confidential	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes	Vacant Account	2023-24 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Brown, Mikaila	2659235	Asst VC, P&C/Chief Diversity&Social Impact Officer	District	12/31/2023	57,415	BCF#BCTS2IOGL1 $29,232 to fund# 2320	11-0005-660000-53110-2110	88,655	
11	Chan, Derrick	2652974	Director of Academic and End User Support Services/SCC	District	12/16/2022	(18,056)	Hired Kimberly Perna#2724270 Eff:7/5/23	11-0000-678000-54143-2110	(21,058)	
11	Clark, Letitia C.	2633790	Chief Communication Officer	District	4/20/2022	-	Hired Chi-Chung Keung#2712975 Eff: 6/1/23.	11-0000-671000-52200-2110	-	
30%-fd 11 70%-fd 12	Director of Grants	REORG#1228	Director of Grants	District	6/22/2026	-	AVC Sarah Santoyo on 8/9/23 revised acct to 12-2180-679000-53345-2110-30%. CL22-00371 General funds are no longer available. Reorg#1228 Elinimated Executive Director Resource Development and added Director of Grants	12-2180-679000-5345-2110-30% 11-0000-679000-53345-2110-0% 12-3401-679000-53345-2110-70%	-	
11	Estevez, Jean	2439960	Revised Title to Asst.Vice Chancellor PC/HR, Learning, Innovation, Wellness & Equity from Director Admin, Institutional Equity, Compliance & Title IX	District	5/11/2021	218,107	Interim Assignmnet Sil Han Jin#2616593 Eff:7/1/23-12/31/23. Revised Title to Asst.Vice Chancellor PC/HR, Learning, Innovation, Wellness & Equity from Director Admin, Institutional Equity, Compliance & Title IX on Board docket March 14, 2022	11-0000-673000-53110-2110	325,833	557,706
11	Garcia, Elvia	1029353	Assistant to Vice Chancellor People & Culture	District	12/19/2022	(10,557)	Hired CL23-00543 Irene Glomba Eff:7/1/23. Interim Assignment Irena Glomba#1028144 Eff:11/28/22-6/30/23	11-0000-660000-53110-2120	529	
11	Huotari, Monte	1088579	Sergeant District Safety & Security	District	3/23/2023	-	CL23-00613 Hired Robert Witteman#1280163 Eff 9-1-2023	11-0000-695000-54164-2110-50% 11-0000-677000-54164-2110-50%	-	
11	Patikamanant, Tommy	2664667	Manager P&C Strategy Analytics and Equity	District	2/20/2023	104,322	Interim Carol Perez#1029987 7/1/23-9/30/23	11-0000-673000-53110-2110	163,746	
11	Randlph, Shelly	2336099	Internal Audit Manager	District	6/2/2023	-	Vacancy funds used for reorg1360	11-0000-672000-54113-2110	-	
11	Webb, Ralph	2555265	Chief Dist Safety & Security	District	7/31/2023	-	Interim David Waters#2579077 Eff:8/1/23-12/31/23	11-0000-677000-54161-2110-50% 11-0000-695000-54161-2110-50%	-	
11	Dombroske, Leona	1027923	Instructor Pharmacy Technology	SAC	8/21/2023	-	Site reduced funding to LTS Bassam Ayoub#2718367 11-0000-190500-16420-1116&11-0000-000000-10000-599	11-0000-122100-15719-1110	-	
11	Hassel, Elissa	1026808	Instructor, Esl Writing	SAC	12/12/2023	75,350		11-0000-150100-15620-1110-96% 11-0000-601000-15625-1280-4%	100,880	
11	Jones, Stephanie	2418945	Dean, Instructional & Student Services	CEC	1/3/2023	102,190	AC23-00683 Hired Jesus Miranda#2771308 Eff:2/20/24. Interim Assignment Steven Holman#2689249 Eff2/1/23-7/28/23 AC22-00521.	11-2490-601000-18100-1210	156,191	
11	Jones, Walter	2593581	Dean, Humanties & Social Sciences	SAC	6/30/2024	-		11-0000-601000-15605-1210	-	
11	Kushida, Cherylee	1028185	Coordinator, Distance Education	SAC	6/23/2023	-	Per SCF, Judith King#2244007 assigned 60% (9LHE) through June2025	11-0000-601000-15054-1250	-	
11	Manning, R Douglass	2308931	Dean Kinesiology,	SAC	6/30/2022	-	Hired AC23-00750 Picchi, Andrea#2776787 Eff:3/12/24. Interim Dean Courtney Doussett#2665165 Eff:8/29/22-6/30/23 AC22-00303	11-0000-601000-15410-1210	-	
11	Mercado-Cota-Teresa	1027921	Assistant Dean, Student Services	SAC	12/31/2022	-	Reorg#1339 Assistant Dean, Student Services Position Eliminated and added Director, Administrative Services	11-0000-649000-19100-1210	-	621,527
11	Mixer, Dale	1029179	Instructor, Nursing	SAC	12/31/2023	66,043		11-0000-123010-16640-1110	89,470	
11	Director, Administrative Services	REORG#1339	Director, Administrative Services	SAC		90,618	Hired CL23-00665 Eden Andom#2763973 Eff:2/5/24. Reorg#1339 Assistant Dean, Student Services Position Eliminated and added Director, Administrative Services	11-0000-679000-17100-2110	145,455	
11	Ross, John	1069465		SAC	6/10/2024	-		11-0000-122100-15719-1110	-	
11	Virgoe, Brad	1055072	Director of Criminal Justice	SAC	6/30/2021	(6,671)	Hired AC23-00562 Ernesto Gomez#1277463 Eff:7/1/23Interim Assignment Ernestp Gomez #1277463 Eff:7/1/22-6/30/23	11-0000-601000-15712-1210	(25,644)	
11	Ward, Robert	2409846	Maintenance Supervisor	SAC	11/15/2021	93,484	WOC Miguel Rubio-Lopez#1546867 6/1/23-12/8/23	11-0000-651000-17400-2110	155,174	
11	New Assistant Director, Athletics & Sports Information	REORG#1303	New Assistant Director, Athletics & Sports Information	SCC		-	Hired Nicho Dellavalle#2729354 Eff: 7/25/23REORG#1303 Eliminated Associate Dean, Business and Career Technical Education and created new Assistant Director, Athletics & Sports Information CL22-00474	11-0000-601000-25132-2110	17,280	
11	Castro, Melba	1034219	VP, Student Service	SCC	5/19/2023	12,025	AC23-00620 Hired Christopher Sweeten #2732802 Eff:8/15/23	11-0000-649000-29050-1210-95% 11-0000-684000-29050-1250-5%	21,519	
11	Ceja, Daniel	1100167	Custodian	SCC	10/31/2022	-	REORG#1277 ELIMINATED Custodian position and created Lead Custodian position	11-0000-653000-27200-2130	-	
11	Coto, Jennifer	1029536	Dean, Enrollment & Support Services	SCC	10/13/2020	-	Site used funds from Dean, Enrollment & Support Services vacancy to fund Dean of Student Development&Deputy Tile IX Coordinator REORG# 1318	11-0000-620000-29100-1210	-	178,598
11	Flores, Marilyn	2041264	VP, Academic Affairs-SCC	SCC	7/1/2022	-	Hired AC23-00298 Jason Park#2730022 Eff: 8/1/23 Interim Assignment Jose Vargas#1026660 7/1/22-9/14/22 Interim Assignment Aaron Voelcker#1985186 10/5/22-6/30/23	11-0000-601000-25051-1210-100%	-	
11	Odegard, Esther	1026531	Assistant to President	SCC	7/31/2023	94,627	WOC Ann Kelly#1030363 Eff:7/24/23-8/15/23&8/16/23-11/30/23, 3/30/24	11-0000-660000-21100-2120	154,629	
11	Tragarz, Roberta	1026947	Instructor, English	SCC	6/10/2024	-		11-0000-150100-25315-1110	-	
11	Rodriguez, Lilia	2642773	Public Information Officer	SCC	2/14/2023	6,619	Hired CL23-00590 Eugene Fields#1062647 Eff:7/1/23	11-0000-671000-21100-2110	(14,830)	
						885,514			**1,357,830**	
Fund	**Classified**	**EMPLOYEE ID#**	**Title**	**Site**	**Effective Date**	**Annual Salary**	**Notes**		**2023-24 Estimated Annual Budgeted Sal/Ben**	**Total Unr. General Fund by Site**
11	Ayala, Jose A.	1030842	P/T District Safety Officer	District	8/30/2020	-	Reorg#1345 moved funds to new F/T Locksmith Position	11-0000-677000-54167-2310-60% 11-0000-695000-54167-2310-40%	-	
11	Delzer, Michelle	2756963	Purchasing Services Assistant	District	3/12/2024	43,400		11-0000-677000-54151-2130		
11	Elhadidy, Anas	2473844	Application Specialist III	District	2/24/2022	(6,278)	Hired CL22-00283 Carlos Guzman#2728651 Eff:8/7/23	11-0000-678000-54144-2130	(4,727)	
11	Eng, Gregory	2258588	Reprographics Technician	District	1/3/2024	12,824		11-0000-677000-52500-2310	17,521	
11	Ericson, Dana	1505154	Senior Account Clerk	District	9/24/2023	54,027		11-0000-672000-54213-2130	93,497	
11	Gil, Darlene	1987076	Title IX Specialist	District	12/18/2022	-	Reorg#1324 Elinimated position created P&C Business Partner. CL23-00598 Hired Lysette Miranda#2729497 Eff:8/21/23	11-0000-673000-53110-2130	-	
11	Gomez, Emmeline	2684332	P & C Business Partner	District	2/20/2024	28,064	WOC Leslie Castillo#1825367 Eff:2/20/24-6/30/24	11-0000-673000-53110-2130	41,936	
11	Lee, Patrick	1416553	P/T District Safety Officer	District	1/24/2021	-	Reorg#1345 moved funds to new F/T Locksmith Position	11-0000-695000-54166-2310	-	
11	Locksmith	Reorg#1345	Locksmith	District	6/1/2023	64,971	Reorg#1345 new F/T Locksmith Position	11-0000-677000-54161-2130	112,668	

Vacant Funded Positions for FY2023-24- Projected Annual Salary and Benefits Savings
As of March 14, 2024

Fund	Management/ Academic/ Confidential	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes	Vacant Account	2023-24 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Lott, Glenn	2264736	Technical Specialist	District	1/31/2023	-	CL23-00575 Hired Wayne Corral#2764469 Eff:1/8/2024	11-0000-678000-54141-2130	-	
11	Negron, Victor	1069018	Senior Payroll Specialist	District	6/30/2023	33,496	CL23-0663 Hired Dana Ericson#1505154 Eff:9/24/23	11-0000-672000-54215-2130	58,597	
11	Nieto Mireles, Mario	2090959	Custodian	District	3/1/2023	-	CL23-00625 Hired Rosa Fierros#2620447 Eff:9/5/23	11-0000-653000-54133-2310	-	
50%-fd 11 50%-fd 12	Nguyen, Tyler	2262222	Research Analyst	District	3/3/2023	-	CL23-00617 Lateral Transfer Kevin Kawa#2339619 Eff:10/15/23	11-2410-679000-53340-2130-50% 12-3401-679000-53340-2130-50%	-	702,935
11	Ortiz, Steven	2611580	Mail/Warehouse Assistant	District	6/15/2023	23,148	Hired CL23-00666 Dominguez, Ricardo #1428115 Eff:11/6/23	11-0000-677000-54152-2130	41,555	
11	Palomares, Vanessa	1851190	Business Services Coordinator	District	10/19/2022	42,493	Nanci Cisneros Lopez#2464326 shift from FD12 to FD11@50%	11-0000-701000-53350-2130	64,036	
11	Pita, Lazaro R.	1298807	P/T District Safety Officer	District	11/23/2019	-	Reorg#1345 moved funds to new F/T Locksmith Position	11-0000-677000-54167-2310-60% 11-0000-695000-54167-2310-40%	-	
11	Reynolds, Danielle	2286360	Purchasing Assistant	District	1/19/2022	-	CL23-00608 Hired Michelle Delzer #2756963 Eff:11/20/23.Interim Assignment Esther Flores#2312462 7/1/23-11/17/23	11-0000-677000-54151-2130	-	
11	Santillan, Jason	1834093	Custodian	District	4/10/2023	-	CL23-00625 Hired Nina Lee Benson#2742626 Eff:9/18/23	11-0000-653000-54133-2310	-	
11	Smith, Nancy	1794928	Desktop Publishing Technician	District	11/4/2022	68,453		11-0000-677000-52600-2130	117,430	
11	Shipma, Phil L	1209698	P/T District Safety Officer	District	2/11/2021	-	Reorg#1345 moved funds to new F/T Locksmith Position	11-0000-695000-54163-2310	-	
86.20%-fd 11 13.80%-fd 12	Tingirides, Tiffany	2345107	Senior District Safety Officer	District	12/2/2022	-	Hired Oscar Medina#2689500 Eff:7/1/2023	11-0000-677000-54167-2130-86.20% 12-3610-695000-54167-2130-13.80%	-	
11	Tran, John	1030000	Media Systems Electronic Technician, Lead	District	12/29/2023	52,184	WOC Stephen Avila#2322397 1/3/24-6/30/24	11-0000-678000-54142-2130	87,775	
11	Tucker, David	1026632	Warehouse Storekeeper	District	4/2/2023	-	Hired Steven Ortiz#2611580 CL23-00610 Eff:6/16/23	11-0000-677000-54153-2130	-	
60%-fd 11 40%-fd 12	Witteman, Robert	1280163	Senior District Safety Officer	District	8/31/2023	41,698		11-0000-677000-54166-2130-60% 12-3610-695000-54166-2130-40%	72,647	
65%-fd 11 35%-fd 12	Berber, Christian	1580466	High School & Community Outreach Specialist	SAC	12/2/2022	-	CL22-00489 Hired Andrea Cristobal#2229410 Eff:9/18/23	11-2490-649000-18100-2130-65% 12-1102-649000-18100-2130-35%	-	
11	Boster Toinette	1029574	Administrative Clerk	SAC	1/3/2023	-	Hired Anay Palafox#2299314 Eff:6/21/23 CL23-00560	11-0000-601000-15716-2130-50% 11-0000-601000-15712-2130-50%	-	
11	Burke, Tamy	1460227	P/T Administrative Clerk	SAC	2/22/2022	26,809		11-0000-651000-17400-2310	36,629	
11	Cardona, Maria	1306613	Executive Secretary	SAC	2/23/2024	ADD INFORMATIO	Interim Assignment Norma Castillo#1026405 Eff:2/26/24-6/30/24			
36%-fd 11 64%-fd 12	Cervantes, Mariana	2730594	Instructional Center Technician	SAC	1/26/2024	9,996		11-0000-632000-19510-2130-5% 11-2410-632000-19510-2130-31% 12-2412-632000-19510-2130-64%	22,203	
11	Chavez, Antonio	1759169	Custodian	SAC	11/24/2023	34,729		11-0000-653000-17200-2130	65,877	
11	Dahl, Kayla	2338789	Administrative Secretary	SAC	1/4/2023	-	Hired CL23-00571 Keely Hamilton#2732622 Eff:8/7/23	11-0000-601000-15410-2130	-	
11	Delgado, Roberto	1374929	Custodian	SAC	11/3/2023	-	Zero Available funds. Site did not fund SRP replacement Robert Delgado	11-0000-653000-17200-2130	-	
40%-fd 11 60%-fd 12	Dinh, Amber	1069111	Instructional Center technician	SAC	1/3/2023	-	Hired CL23-00568 Jasmin Do#2415712 eff:7/17/23	11-0000-499900-19510-2210-20% 11-2410-499900-19510-2210-20% 12-2412-499900-19510-2210-60%	-	
11	Ellsworth, Kristin	2175738	Administrative Secretary	SAC	12/5/2022	-	Hired Sara Garcia#1212917 Eff: 6/5/23 CL23-00520	11-0000-709000-11300-2130	-	
20%-fd 11 80%-fd 12	Garcia Carmona, Javier	2047939	High School & Community Outreach Specialist	SAC	3/26/2023	-	Hired CL23-00607 Christian Berber#1580466 Eff:7/5/23 @100% FD12. Site Submitted SCF for new hire changing % split	11-0000-649000-19615-2130-20% 12-2549-649000-19615-2130-10% 12-2412-649000-19615-2130-70%	-	
11	Glomba, Irena	1028144	Executive Secretary	CEC	6/30/2023	-	CL23-00685 Hired Linda Tapia#2265577 Eff:11/20/23	11-0000-601000-18100-2130	-	
11	Hayes, Charles F.	1026480	Custodian	SAC	6/1/2020	53,013	CL20-00021	11-0000-653000-17200-2130	96,320	
11	Heller, Shelly	2375248	Science Lab Coordinator	SAC	1/27/2023	-	Hired Robert Campbell Eff:6/5/23 CL23-00579. WOC Robert Campbell#2672582 2/13/23-6/4/23	11-0000-190500-16420-2210-50% 11-0000-190100-16430-2210-50%	-	
11	Hernandez, Eric	1027374	P/T Custodian	SAC	5/1/2022	21,265		11-0000-653000-17200-2310	29,054	
11	Jusay, Modesto	1026710	Custodian	SAC	6/30/2022	36,973	Hired CL23-00727 Lopez, Pascual#2776344 Eff:3/4/2024	11-0000-653000-17200-2130	61,992	
11	Kawa, Kevin	2339619	Research Analyst	SAC	10/14/2023	78,264	Interim Assignment Betancourt, Ma Uriydiche#1027839 Eff:11/6/2023	11-0000-679000-11600-2130	119,358	
11	Cottrell-Koehler, Tammy	1035107	Distance Education Services Specialist	SAC	12/30/2023	48,705		11-0000-619000-15054-2130	77,433	
11	Lopez, Felipe	1027162	Gardener/Utility Worker	SAC	12/31/2021	57,143		11-0000-655000-17300-2130	101,967	
50%-fd 11 50%-fd 12	Maestas, Yvonne	1029309	Admission Record Specilaist II	SAC	5/1/2023	-	CL23-00632 Hired Nguyen, Jay#1062155 Eff:11/1/23	11-0000-620000-19205-2130-40% 11-2410-620000-19205-2130-10% 12-2412-620000-19205-2130-50%	-	
20%-fd 11 80%-fd 12	Marquez, Daniel	1062361	Student Services Coordinator	SAC	7/10/2023	-	CL23-00677 Hired Jazmine Navarro#2762542 Eff:1/10/24 Interim Assignment Basti Lopez De la Luz#1482197 Eff:7/24/23-1/15/24	11-0000-649000-19615-2130-20% 12-2549-649000-19615-2130-10% 12-2412-649000-19615-2130-70%	-	
35%-fd 11 65%-fd 31	Miranda Zamora, Cristina	1339369	Auxiliary Services Specialist	SAC	11/19/2019	21,790		11-0000-699000-14121-2130-35% 31-0000-691000-14121-2130-65%	38,136	1,700,570
11	Munoz, Edward J.	1027311	P/T Accountant	SAC	7/14/2020	31,014		11-0000-679000-17100-2310	42,374	
11	Naguib-Estefanous, Nancy A	2018465	Senior Clerk	SAC	10/2/2022	57,143		11-0000-646000-19405-2130	101,967	
75%-fd 11 25%-fd 13	Naguib-Estefanous, Nancy A	2018465	Scholarship Coordinator	SAC	7/23/2023	-	CL23-00687 Hired Xochitl Abarca#1666390 Eff:12/4/23	11-0000-709000-19550-2130-75% 13-3411-709000-19550-2130-25%	-	
11	Nguyen, Thuy	1026315	Library Technician II	SAC	12/30/2023	44,580	CL24-00821. WOC Ivette Fisher#1888390 2/12/24-6/28/24	11-0000-612000-15915-2130	66,688	
40%-fd 11 60%-fd 12	Marin, Perla	1056640	Administrative Clerk	SAC	9/8/2023	19,610		11-0000-632000-19510-2130-20% 11-2410-632000-19510-2130-20% 12-2412-632000-19510-2130-60%	36,563	
11	Packard, Roxanne	1807160	Auxiliary Services Specialist	SAC	1/14/2024	36,919		11-0000-699000-14121-2130	61,730	
11	Pleitez, Roxana	2027159	Division Administrative Assistant	SAC	6/25/2023	14,066	Roxana Pleitez#2027159 returned to position Eff:9/4/23	11-0000-601000-15605-2130	24,426	
11	Ramirez, Leonardo	1379054	Skilled Maintenance Worker	SAC	1/3/2022	64,972		11-0000-651000-17400-2130	112,670	
11	Razo, Mariano	1029552	Custodian	SAC	3/25/2024	17,059		11-0000-63000-17200-2130	30,644	
82%-fd 11 18%-fd 13	Reimer, Lillian	1025907	Admissions/Records Specialist I	SAC	8/16/2022	43,321		11-2490-620000-18100-2130-82% 12-1102-620000-18100-2130-18%	78,778	
11	Rodriguez, Hector	2611615	Gardener/Utility Worker	SAC	5/3/2022	57,143	CL22-00425	11-0000-655000-17300-2130	101,967	
11	Rodriguez, Natalie	1593301	Counseling Assistant	SAC	1/8/2023	-	Hired CL23-00572 Jose Rios Pineda#1456179 Eff:7/10/23	11-2410-631000-15310-2310	-	
36%-fd 11 64%-fd 12	Ruesga, Claudia	1030364	Instructional Center Technician	SAC	1/3/2023	-	Hired CL23-00568 Mariana Cervantes#2730594 Eff:7/27/23	11-0000-632000-19510-2130-5% 11-2410-632000-19510-2130-31% 12-2412-632000-19510-2130-64%	-	
11	Sandoval, Christopher	1904454	Senior Clerk	SAC	12/31/2023	32,725		11-0000-660000-11100-2130	50,390	
11	Stapleton, Amber	1029657	Admissions/Records Specialist I	SAC	5/22/2022	52,830		11-0000-620000-19205-2130-70% 11-2410-620000-19205-2130-30%	96,072	
40%-fd 11 60%-fd 12	Student Services Specialist	REORG#1190	Student Services Specialist	SAC	12/29/2019	24,902	Reorg#1190 (Nguyen, Cang#1030027)	11-2410-632000-19510-2130-20% 11-0000-632000-19510-2130-20% 12-2416-632000-19510-2130-60%	43,585	
11	Suzuki, Miya	2306123	Divison Administrative Assistant	SAC	7/13/2023	(0)	CL23-00700 Hired Christopher Sandoval#1904454 Eff1/1/2024	11-0000-601000-16100-2130	-	
10%-fd 11 90%-fd 12	Tapia, Linda	2265577	Divison Administrative Assistant	SAC	11/19/2023	-				
11	Taylor, Katherine A.	1028961	P/T Admissions/Records Specialist I	SAC	10/1/2020	22,743		11-0000-620000-19205-2310-30% 11-2410-620000-19205-2310-70%	31,074	
50%-fd 11 50%-fd 12	Vu, Amy	2233583	Admissions/Records Specialist II	SAC	9/30/2023	29,138		11-0000-620000-19205-2130-40% 11-2410-620000-19205-2130-10%	50,723	
11	Vu, Michelle	2344157	Counseling Assistant	SAC	1/31/2023	-	Hired CL23-00572 Maria Constantino Rodriguez#1217090 Eff:7/10/23	11-2410-631000-15310-2310	-	
11	Yoder, Brian	1028171	Instructional Media Producer	SAC	9/1/2023	14,002	BCF S&B $87,816 for 2320 hourly staff	11-0000-679000-11501-2130	43,449	
82%-fd 11 18%-fd 12	Zambrano, Wendy	1338982	Adm/Rec Spec Senior	CEC	8/10/2023	49,225	WOC Maria Cardenas#1588853 Eff:1/2/24-3/31/24. Reclassed from Admissions/Records Specialist III to Adm/Rec Spec Senior Eff:7/1/23. Resignation Eff: 8/10/23	11-2490-620000-18100-2130-82% 12-1102-620000-18100-2130-18%	78,500	
11	Bains, Kelsey	1030596	Athl Trainer/Therapist	SCC	7/19/2023	-	Hired CL23-00675 Francisco Partida#1820892 Eff:11/20/23	11-0000-620000-29100-2130	-	
11	Connaker, William	1027611	Learning Assistant	SCC	6/2/2023	29,319		11-0000-611000-29325-2410	40,059	
11	Davis, Wendy	1027078	Auxiliary Services Specialist	SCC	4/27/2023	77,439		11-0000-699000-24129-2130-91% 11-0000-696000-24129-2130-9%	116,937	
11	Delgado, Roberto	1374929	Gardener/Utility Worker	SCC	9/17/2023	20,317		11-0000-655000-27300-2310	27,760	
11	De La Rosa, Joel	2683159	Skilled Maintenance Worker	SCC	9/11/2023	47,145	Hired CL23-00736 Gavilanes, Jose#2241143 Eff:2/22/24	11-0000-651000-27400-2130	85,179	
11	Devora Murillo, Abraham	2326045	P/T Custodian	SCC	2/21/2024	7,089		11-0000-653000-27200-2310	7,447	
11	Gavilanes, Jose	2241143	Custodian	SCC	2/22/2024	27,841	Hired CL23-00737 Godinez, Ismael#2633936 Eff:2/22/24	11-0000-653000-28100-2130	50,156	
11	Gilbert, Jessica	1905429	PT Administrative Clerk	SCC	12/31/2023	14,825		11-0000-601000-25051-2310	20,255	
11	Gitonga, Kanana	1030388	International Student Coordinator	SCC	1/31/2019	84,993		11-0000-649000-29110-2130	140,043	
11	Hermen, Lisa	1027710	Senior Clerk	SCC	3/31/2022	28,572		11-0000-601000-25131-2130	62,099	
11	Hernandez, Guadalupe	1492326	Custodian	SCC	4/4/2023	58,572		11-0000-653000-27200-2130	96,468	
11	Kawafuchi, Emily	1239034	Transfer Center Specialist	SCC	4/16/2023	75,580		11-0000-631000-29305-2130	114,050	932,856
11	Lopez Gomez, Valentin	1810444	P/T Custodian	SCC	2/21/2024	7,089		11-0000-653000-27200-2310	7,447	

Vacant Funded Positions for FY2023-24- Projected Annual Salary and Benefits Savings
As of March 14, 2024

Fund	Management/ Academic/ Confidential	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes	Vacant Account	2023-24 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
11	Martin, Sheryl A.	1028421	Executive Secretary	**SCC**	8/9/2021	-	Hired CL22-00466 Martinez, Janette#1281847 Eff:7/24/2023 S.Martin returned to OEC on 10/4/22. Vacancy is now in Student Services Off.	11-0000-649000-29050-2130	-	
11	Nguyen, Jay	1062155	P/T Admission & Records Specialist I	**SCC**	10/31/2023	5,480	BCF moving $11,832 to hry acct	11-0000-620000-29110-2310	7,488	
11	Ramirez, Margarito	2443392	P/T Custodian	**SCC**	2/21/2024	7,089		11-0000-653000-27200-2310	7,447	
11	Reza, Juna	1029204	Custodian	**SCC**	8/29/2023	26,982	Hired CL23-00737 Devora Murillo, Abraham#2326045 Eff:2/22/2024	11-0000-653000-28100-2130	41,066	
11	Simoes, Antonio	2666411	P/T Gardener/Utility Worker	**SCC**	11/16/2022	-	Hired CL23-00564 Roberto Delgado#1374929 Eff 7/31/23	11-0000-655000-27300-2310	-	
11	Smilde, Mark	2635727	Senior Custodian/Utility Worker	**SCC**	8/11/2022	-	Hired Guadalupe Hernandez#1492326 effective April 4, 2023 CL22-00386.	11-0000-653000-27200-2130	-	
11	Tran, Kieu-Loan T.	1030029	Admission Records Specialist III	**SCC**	3/1/2020	62,255		11-0000-620000-29100-2130	108,956	
						2,039,145			3,336,361	
TOTAL						**2,924,659**			**4,694,191**	

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2023-24, 2022-23, 2021-22
YTD Actuals- February 29, 2024

FY 2023/2024

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	
Beginning Fund Balance	$69,995,934	$71,189,965	$61,135,633	$63,071,668	$59,741,664	$59,467,837	$70,745,858	$70,453,713	$29,665,634	$29,665,634	$29,665,634	$29,665,634	Total
Total Revenues	14,999,379	7,247,510	21,581,168	16,416,147	22,719,457	32,139,652	19,316,041	(19,471,821)	0	0	0	0	114,947,532
Total Expenditures	13,805,347	17,301,842	19,645,133	19,746,151	22,993,284	20,861,631	19,608,186	21,316,258	0	0	0	0	155,277,832
Change in Fund Balance	1,194,031	(10,054,333)	1,936,035	(3,330,004)	(273,827)	11,278,021	(292,145)	(40,788,079)	0	0	0	0	(40,330,300)
Ending Fund Balance	71,189,965	61,135,633	63,071,668	59,741,664	59,467,837	70,745,858	70,453,713	29,665,634	29,665,634	29,665,634	29,665,634	29,665,634	

FY 2022/2023

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	
Beginning Fund Balance	$59,415,833	$61,784,640	$52,663,482	$47,112,071	$44,117,698	$38,009,050	$59,834,822	$52,186,865	$55,286,293	$56,436,784	$64,728,465	$58,986,931	Total
Total Revenues	13,207,623	6,163,437	12,205,656	14,492,940	14,987,785	39,069,575	9,590,300	22,970,783	18,833,781	25,599,139	12,376,790	40,473,184	229,970,994
Total Expenditures	10,838,816	15,284,595	17,757,067	17,487,313	21,096,433	17,243,803	17,238,257	19,871,355	17,683,289	17,307,458	18,118,324	29,464,181	219,390,893
Change in Fund Balance	2,368,807	(9,121,158)	(5,551,411)	(2,994,373)	(6,108,648)	21,825,772	(7,647,956)	3,099,427	1,150,491	8,291,681	(5,741,534)	11,009,003	10,580,101
Ending Fund Balance	61,784,640	52,663,482	47,112,071	44,117,698	38,009,050	59,834,822	52,186,865	55,286,293	56,436,784	64,728,465	58,986,931	69,995,934	

FY 2021/2022

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	
Beginning Fund Balance	$46,370,067	$48,091,696	$35,602,855	$41,281,989	$26,324,996	$24,068,300	$50,130,982	$43,899,530	$33,460,128	$34,790,561	$42,595,206	$33,912,083	Total
Total Revenues	11,437,098	2,884,275	21,977,395	701,517	16,658,801	40,835,472	9,174,999	7,173,633	16,255,779	23,385,633	9,250,271	52,842,778	212,577,651
Total Expenditures	9,715,469	15,373,117	16,298,261	15,658,510	18,915,497	14,772,790	15,406,451	17,613,035	14,925,346	15,580,988	17,933,393	27,339,028	199,531,885
Change in Fund Balance	1,721,630	(12,488,842)	5,679,134	(14,956,992)	(2,256,696)	26,062,682	(6,231,452)	(10,439,402)	1,330,433	7,804,645	(8,683,122)	25,503,749	13,045,766
Ending Fund Balance	48,091,696	35,602,855	41,281,989	26,324,996	24,068,300	50,130,982	43,899,530	33,460,128	34,790,561	42,595,206	33,912,083	59,415,833	

DRAFT

Fiscal Resources Committee

Via Zoom Video Conference Call
1:32 p.m. – 1:53 p.m.

Meeting Minutes for February 21, 2024

FRC Members Present: Iris Ingram, Morrie Barembaum, Susana Cardenas, Matthew Beyersdorf (for Coyne), Steven Deeley (arrived at 1:38 pm), Madeline Grant, Noemi Guzman, Bart Hoffman, Veronica Munoz, Adam O'Connor, Enrique Perez (arrived at 1:32 pm), Tara Kubicka-Miller (for Rutan) and Arleen Satele

FRC Members Absent: Claire Coyne, Ethan Harlan, Kevin Ortiz, and Craig Rutan

Alternates/Guests Present: Jason Bui, Chrissy Gascon arrived at 1:34 pm (for Vargas), Gina Huegli, Kelvin Leeds, Thao Nguyen, Mark Reynoso, Kennethia Vega, and Barbie Yniguez

1. Welcome: Vice Chancellor Ingram called the meeting to order at 1:31 p.m. via zoom upon achieving quorum. She announced that Co-chair Coyne sent a proxy (Matthew Beyersdorf) as did Rutan (Tara Kubicka-Miller) due to their absence of this meeting.

2. State/District Budget Update
   - LAO – The 2024-25 Budget: Higher Education Overview
   - LAO – report link: [https://lao.ca.gov/The 2023-24 Budget: State Appropriations Limit Estimates](https://lao.ca.gov/)
   - SSC – Two Tear Bills Meet Critical Deadline
   - SSC – CCC Nursing Proposals-Budget and Legislative
   - SSC – State Revenues Underperform: Implications for Proposition 98
   - State Chancellor's Office Apportionment reports link: https://www.cccco.edu/Apportionment-Reports

   Ingram referenced resources above that provides valuable, financial, and third-party information regarding the financial and fiscal affairs of California Community Colleges and K-12 throughout the State. Since the last FRC meeting, the Governor released the proposed budget, and a week later held the Governor's Budget Workshop. During the months of February-April budget committees discuss the various proposals and submit a final proposed budget in May. There has been information about the State revenue still lagging, and while we are not technically in a recession (nationally, or in the State), we are not "high cotton" either and need to carefully watch spending and resources.

   Discussion ensued regarding the latest LAO deficit estimate of $78 billion. Vice Chancellor Ingram and Assistant Vice Chancellor O'Connor provided clarification for the difference in the estimated deficit as predicted by LAO and Governor's Office. It is the difference in the calculation of revenues versus expenses and the period of times included in that calculation. LAO estimate is accumulative instead of one year. It is anticipated the May Revise will be quite different from the January Governor's Proposed budget.

   O'Connor demonstrated onscreen how to click into State Chancellor's Office Apportionment Reports Link for the P1 and Recalc reports. Navigate to resources and click on First Principal Apportionment (P1) which should be posted before the end of the month. Currently there is 2022-2023 report and shortly it should include the 2023-2024 report. For Recalc, click the Recalculation Apportionment (R1) tab. This will provide information about revenues and how RSCCD ended last year and what is being looked at for this next budget year. This will include growth that we are unable to write into budget assumptions at this time. Those assumptions will be updated once the information is posted. Ingram reiterated that revenues lag about 18-24 months depending upon the period it takes for the numbers to get trued up.

3. 2024/2025 RSCCD Tentative Budget Assumptions - ACTION
O'Connor screenshared pages 18-20 and discussed first round changes to the 2024/2025 tentative budget assumptions which is the working document that progresses through the budget cycle. After action by FRC it is taken to District Council (with any changes between now and then), then it goes to the Board of Trustees (with any additional changes between now and then). O'Connor highlighted the following:
   - P1 – is blank while we wait for that funded P1 to be released from the State Chancellor's Office.

   Additional earned State Apportionment may include:
   - Projected COLA of 0.76% at about $1.7 million but could change.
   - Projected Growth/Restoration/SAC Large College again and pick-up $1 million.
   - Projected SCFF Base Increase was not added because there was no proposal.
   - Have not booked any projected growth or restoration that could be captured until P1 and R1 get posted hopefully next week. It is anticipated to increase, but unknown currently.

   Other Revenue
   - Other Revenue – Increased estimate for non-resident tuition based on how much has been earned thus far with SAC at $2.5 million and SCC at $1.4 million. These can be changed depending on what each college thinks they will generate. Satele confirmed SCC will be meeting tomorrow to discuss this matter further. At the February 26 Board meeting, we will increase the fee for non-resident tuition and will have an impact as well.
   - Interest earnings were increased significantly with the increase in interest rate, and therefore have increased by $2.1 million.
   - Apprenticeship is being left at the same current year budget. This can change as the assumptions progress.
   - No new allocations for scheduled maintenance/instructional equipment or full-time faculty hiring.

   Expenditures
   - Salary Schedule Adjustments - this is the last year for the already approved salary adjustments budgeted for a 4% salary increase for all employee groups and step and column for all employee groups.
   - Health and Welfare Benefits – estimated 3% increase and that could go up but likely not down. CalSTRS is not changing but CalPERS has increased from 26.68% to 27.80%.
   - Retiree Health Benefit Fund – increased contribution in the last year (current budget year) by .75% of payroll to ensure fully funding obligation with the new actuarial report that was completed recently and posted on the Fiscal Services webpage. This provides a saving of nearly $1 million to the unrestricted general fund.
   - Additional District/Institutional Costs that have been approved through POE and District Council to fund these additional positions in Business Services, Human Resources and ITS.
   - Discussion ensued regarding section E which is the rate of a new faculty member, but there is no new faculty projected at this time, only replacement faculty.

   O'Connor continued with a recap review of the assumptions including:
   - The deficit factor is now at $4.4 million (at 2%) which is an addition of $34,000 based on additional revenue.
   - Estimated new revenue totals $6.1 million.
   - Estimated expenditures total $10.4 million leaving a budget deficit of $4.2 million at this time.
   - Last year, RSCCD ended with an unallocated amount of $11.6 million that were allocated to the colleges on July 1 with $7.2 million to SAC (of which $6.8 million has been allocated, leaving $383,332) and $4.3 million to SCC (of which $2.2 million were allocated and another $1.6 million being allocated, leaving $400,000). Potentially looking at $3.3 million deficit at this stage of the

tentative budget process. As soon as there is more information on State Revenues, it is hoped it will cover the deficit.

A motion by Hoffman to approve the RSCCD Tentative Budget Assumptions was seconded by Beyersdorf and passed unanimously as presented by roll call vote. There were no questions.

4. Standing Report from District Council – Matthew Beyersdorf (for Coyne)
Beyersdorf on behalf of Coyne provided a brief report on the activities of the January 29, 2024, District Council meeting. He noted strategic directions were approved and forwarded to the Board of Trustees for approval at the February 12 meeting. Two board policies and 16 administrative regulations related to Business Services and Campus Safety were postponed allowing the colleges to review through shared governance processes and will be reconsidered by District Council on April 4, 2024. Two administrative regulations AR 3750.1 (Data Governance) and AR 7700 (Whistleblower Protection) were approved as presented. Several job descriptions within Human Resources were reviewed as first readings. The next District Council meeting is March 4, 2024.

5. Informational Handouts
   - District-wide expenditure report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of February 12, 2024
   - Monthly Cash Flow Summary as of January 31, 2024
   - SAC Planning and Budget Committee Agendas and Minutes
   - SCC Budget Committee Agendas and Minutes

Informational handouts above were referenced for further review.

Discussion ensued regarding the vacant funded positions and how funds are distributed when the positions are not filled. O'Connor provided clarification about how the BAM works with funds being accessible during the year and redistributed to the colleges at year end. For specific positions, O'Connor welcomed emails for further detailed information.

6. Approval of FRC Minutes – January 24, 2024
A motion by Hoffman was seconded by Satele to approve the minutes of the January 24, 2024, meeting as presented. The motion passed by roll call vote with two abstentions by Beyersdorf and Barembaum.

7. Other
There were no further comments, questions, or discussion.

Next FRC Committee Meeting:
The next FRC meeting is March 20, 2024, at 1:30-3:00 p.m. This meeting adjourned at 2:00 p.m. with a motion by Guzman that was seconded by Hoffman.