The mission of the Rancho Santiago Community College District is to provide quality educational programs and services that address the needs of our diverse students and communities.
Outline of Presentation

- Brief Overview of State Budget “May Revise”
- Community College Allocations and Impacts to RSCCD
- 2021/22 Tentative Budget Preview
Governor Newsom unveiled “California Comeback Plan” on May 14 based on strong fiscal projections in 2020/21 and 2021/22

$100 Billion being allocated ($75 Billion surplus + $25 Billion Federal Funds)

400 new proposals, mix of ongoing and one-time allocations

$24 Billion in reserves including $4.6 Billion in Prop 98 Reserve

Gann Limit estimated to exceed $16 Billion. Amount must be split between return of funds to taxpayers and education

$12 Billion proposed in $600 “tax rebates” to those making less than $75,000

$8 Billion to K-14 potentially allocated in 2022/23. If allocated by FTES, estimate $17 million one-time funds to RSCCD

LAO suggests limiting number of programs and not spending all at once, and notes the Gann Limit funds may not materialize to the estimated amount

Remember this is a proposal and the final budget WILL change
State Budget Overview

LAO Revenue Outlook
Total General Fund Revenue and Transfers (Minus BSA), In Billions

The shaded regions show how much revenues might differ from our main forecast. The upper shaded area shows the most likely range of possibilities barring a major recession. The lower shaded area shows how far revenues are likely to fall should a major recession occur.
State Budget Overview

**Governor's Major Spending Choices in 2021-22 May Revision**

*(In Billions)*

- **Schools and Community Colleges**
- **Other**
- **Resources and Environment**
- **Higher Education**
- **Housing and Homelessness**
- **Health**
- **Transportation**
- **Human Services**
- **Business Assistance**
- **Criminal Justice**

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*Proposition 98 spending—includes General Fund and local property tax revenue.*

*ARP = American Rescue Plan.*
## Community College Investment Themes

- Restore Institutional Resources
- Diversity, Equity, and Inclusion
- College Affordability and Basic Needs
- Pathways
- Workforce
- Pandemic Recovery
CCD Allocations and Impacts to RSCCD – Ongoing

- Pay off all deferrals enacted in 2020/21 – Cash flow $47 million
- 4.05% Cost of Living Adjustment (COLA) - $7 million + 1.7% for categorical programs
- 0.5% Growth – No impact as RSCCD is in Hold Harmless
- 5% increase to SEA Program - $660,000. Must tie our equity goals to these funds and fully close gaps by 2027
- 5% increase to Strong Workforce Program - $1.4 million
- $50 million to expand vocational training for ESL Students
- $30 million to establish Basic Needs Centers
CCD Allocations and Impacts to RSCCD – One-time

- $4 Billion over two years for Student Housing projects (60% for CCDs)
- $1 Billion over two years for Learning-aligned Employment Program
- $341 million + $250 million Federal Funds for Deferred Maintenance/Instructional Equipment - $11 million
- $150 million to support implementation of Guided Pathways
- $115 million to expand zero-textbook cost pathways
- $75 million for dual enrollment through college and career partnerships
- $20 million to implement EEO best practices
CCD Allocations and Impacts to RSCCD – One-time

- $50 million COVID-19 transition back to in-person instruction - $1 million ($2.8 million previously received)
- $250 million Early Action for student aid - $2 million
- In addition to Federal HEER Funds (Higher Education Emergency Relief Funds):
  - HEERF I – $4.8 million institutional + $4.2 million student aid (all fully spent)
  - HEERF II – $20.1 million institutional + $4.2 million student aid ($14.5 million remaining)
  - HEERF III - $19.9 million institutional (+ MSI allocation) + $20.4 million student aid (just received)
- Significant amount of funds remain available to assist in return to the workplace and offsetting district costs
2021/22 Tentative Budget Preview

- 2021/22 Tentative Budget will be on the June 21 Board of Trustees docket for approval.
- $7.4 million estimated budget gap in January will be balanced based on the increased proposed COLA and use of approximately $4 million in HEER Funds used for offsetting lost revenues and earned indirect cost.
- Tentative Budgets are always a “placeholder” budget in order to continue to pay employees and obligations starting July 1.
- Review and recommendation by Fiscal Resources Committee (May 20) and expected by District Council (June 7).
- Approval of State budget expected by June 15. Again, things WILL change.
- Once adopted, RSCCD Budget Assumptions will be updated accordingly.
- Proposed Adopted Budget will be on the September 13 Board of Trustees docket.
Questions?