

FY 2023-24 Tentative Budget

**Board of Trustees Meeting
June 12, 2023**



Iris Ingram, Vice Chancellor, Business Services

State Economy & Revenues

In Millions	2021-22		2022-23		2023-24	
	Governor's Budget	May Revision	Governor's Budget	May Revision	Governor's Budget	May Revision
Personal Income Tax	\$136,762	\$137,144	\$128,905	\$122,769	\$126,695	\$118,136
Corporation Tax	\$45,298	\$45,128	\$38,482	\$42,091	\$39,308	\$42,081
Sales Tax	\$32,915	\$33,026	\$32,851	\$33,072	\$33,599	\$33,366
Total	\$214,975	\$215,298	\$200,238	\$197,932	\$199,602	\$193,583



Prop 98 : Minimum Guarantee

In Millions	2021-22			2022-23			2023-24			Change from 2021-22
	Governor's Budget	May Revision	Change	Governor's Budget	May Revision	Change	Governor's Budget	May Revision	Change	
General Fund	\$83,630	\$83,754	\$124	\$79,103	\$78,115	(\$988)	\$79,613	\$77,435	(\$2,178)	(\$6,319)
Property Tax	\$26,785	\$26,800	\$15	\$27,889	\$28,656	\$767	\$29,204	\$29,404	\$200	\$2,604
TOTAL	\$110,415	\$110,554	\$139	\$106,992	\$106,771	(\$221)	\$108,817	\$106,839	(\$1,978)	(\$3,715)



Update Since May Revise

- Senate and Assembly have not yet reached agreement, except...
 - Student Centered Funding Formula—Both houses both approve the \$678 million ongoing to apply the 8.22% cost-of-living adjustment (COLA) to the Student Centered Funding Formula.
 - Enrollment Growth—Both the Assembly and Senate approve the \$26.4 million ongoing to recognize 0.5% enrollment growth.
 - Categorical Programs—The Senate approves the 8.22% COLA for select categorical programs, while the Assembly approves the 8.22% COLA for the select categorical programs as well as a COLA for basic needs centers, mental health services, rapid rehousing, NextUp, MESA, Puente, veterans resource centers, and Umoja.
 - Deferred Maintenance Reduction—Both houses approve the \$452 million (one-time) deferred maintenance reduction proposed by the Governor.
 - COVID-19 Recovery Block Grant Reduction—Both the Assembly and Senate reject the \$345 million (one-time) reduction proposed by the Governor.



Update

- Recruitment and Retention Initiatives—Both houses reject the \$100 million proposed by the Governor for recruitment and retention in 2023-24. Additionally, the Senate proposes to reduce the one-time \$150 million included in 2022-23 by \$46.446 million.
- Categorical Program Flexibility—Both the Assembly and Senate reject the Governor’s proposal to provide spending flexibility for the Student Equity and Achievement Program, Student Financial Aid, and Student Mental Health Resources programs.
- Workforce Training Grants—Both houses approve the \$14 million (one-time) to support the administration of workforce training grants in collaboration with the California Department of Forestry and Fire Protection.
- Debt-Free College for Foster Youth—The Senate proposes \$14 million ongoing to amend the Student Success Completion Grant program so that former and current foster youth students committing to a certain number of units have their total cost of attendance covered.



Update

- Associate Degree in Nursing Program—The Senate proposes \$60 million per year, beginning in 2024-25, for at least five years to educate and maintain the next generation of registered nurses.
- Calbright College—The Assembly proposes to eliminate Calbright College and to adopt trailer bill language directing the college to develop a closure plan.
- Full-Time Faculty Language—The Assembly proposes to adopt trailer bill language to implement recommendations made by the State Auditor to improve colleges' use of funding to increase full-time faculty and to achieve the state goal of 75% of instruction taught by full-time faculty.
- Any agreement with the Newsom administration which is still to be negotiated
- No legislative Conference Committee required to resolve differences between Senate and Assembly versions
- Actual budget language will be contained in subsequent trailer bills
- Final numbers will be contained in ADOPTED BUDGET (September BOT meeting)

2023-24 Budget Assumptions

Rancho Santiago Community College District
Unrestricted General Fund Summary
2023/24 Tentative Budget Assumptions
May 15, 2023

* <u>New Revenues</u>	Ongoing Only	One-Time
A Student Centered Funding Formula		
B Projected COLA of 8.22%	\$16,090,921	
B Projected SCFF Base Increase	\$0	
B Projected Growth/Restoration	\$5,783,744	
B Deficit Factor (2%) - additional	(\$421,170)	
D Unrestricted Lottery	\$165,140	
H Mandates Block Grant	\$0	
I Non-Resident Tuition	\$500,000	
J Interest Earnings	\$0	
L Apprenticeship - SCC	\$0	
EGK Misc Income	\$0	
N Full-time Faculty Allocation	\$958,303	
Total	\$23,076,938	
 <u>New Expenditures</u>		
B Salary Schedule Increases/Collective Bargaining **	\$7,669,263	
C Step/Column	\$1,774,516	
D Health and Welfare/Benefits Est. Increase 3.5% - Active	\$601,137	
D Health and Welfare/Benefits Est. Increase 3.5% - Retirees	\$288,637	
D CalSTRS Increase	\$0	
D CalPERS Increase	\$682,853	
D State Unemployment (.50% to .20%)	(\$354,680)	
E Full Time Faculty Obligation Hires	\$3,259,219	
E Non-Credit Faculty (Non FON)	\$880,870	
E/F Hourly Faculty Budgets (Match Budget to Actual Expense)	\$0	
G Cost of Retiree Health Benefit (OPEB Cost)	\$0	
H Capital Outlay/Scheduled Maintenance Contribution	\$0	
I Utilities Increase	\$100,000	
J ITS Licensing/Contract Escalation Cost	\$150,000	
K Property, Liability and All Risks Insurance	\$0	
III.L Apprenticeship - SCC	\$0	
L Other Additional DS/Institutional Costs	\$1,662,336	
M SCC ADA Settlement Costs	\$0	\$2,000,000
Total	\$16,714,151	\$2,000,000
2023/24 Budget Year Unallocated (Deficit)	\$6,362,788	
2022/23 Structural Unallocated (Deficit)	(\$2,388,864)	
Total Est. Unallocated (Deficit)	\$3,973,924	
Vacancies & Other Adjustments	\$760,904	
	\$4,734,828	

SRP Savings/Rightsizing Recap

Beginning Balance 7/1/22 SRP Savings	\$14,655,522
Est SRP Savings FY 2022/23	\$8,745,467
FON Penalty (17.8 x \$87,151)	(\$1,551,288)
SRP Cost for FY 2023/24	(\$1,979,622)
SRP Cost for FY 2024/25	(\$1,979,622)
SRP Cost for FY 2025/26	(\$765,062)
Ending Balance	\$17,125,395

* Reference to budget assumption number
 ** 5.00% for FARSCCD/CSEA/CEFA/Management set aside



Rancho Santiago Community College District
Tentative Budget
2023-24

DRAFT

Unrestricted General Fund Revenue Budget - Fund 11		2021-22	2022-23	2022-23	2023-24	% change
<u>Revenues by Source</u>		Actual	Revised	Estimated	Tentative	23/24 Tent/ 22/23 Est
		Revenue	Budget	Revenue	Budget	
8100	Federal Revenues					
8110	Forest Reserve	\$9,009	\$0	\$0	\$0	-
	Total Federal Revenues	9,009	0	0	0	-
8600	State Revenues					
8611	Apprenticeship Allowance	3,835,723	5,227,354	5,227,454	5,227,354	(0.00)
8612	State General Apportionment	18,311,686	27,486,797	34,261,206	46,137,624 *	34.66
8612	State General Apportionment-estimated COLA	8,864,293	12,050,879	12,050,879	16,090,921 *	33.52
8612	Base Allocation Increase	0	816,204	816,204	0 *	(100.00)
8612	Estimated Restoration/Access/Growth	0	0	0	0 *	-
8612	State General Apportionment-Deficit	0	(3,931,390)	(3,931,390)	(4,352,560) *	10.71
8612-8630	State General Apportionment&EPA-prior year adjustment	2,658,997	0	0	0	-
8619	Other General Apportionments-Full-time Faculty Allocation	3,325,444	2,367,141	2,367,141	3,325,444	40.48
8619	Other General Apportionments-Enrollment Fee Admin-2%	275,040	232,423	232,423	232,423	-
8619	Other General Apportionments-PT Faculty Comp & Office Hr	580,995	568,828	568,828	568,828	-
8629	Other General Categorical-Return to Title IV	0	0	0	0	-
8630	Education Protection Account	53,830,227	38,980,355	38,980,355	38,980,355 *	-
8672-8673	Homeowners' Property Tax Relief/Timber Yield Tax	257,769	298,303	298,303	298,303 *	-
8681	State Lottery Proceeds	4,015,645	4,284,722	3,774,757	4,449,862	17.88
8682	State Mandated Costs	847,080	825,239	825,239	825,239	-
8699	Other Misc State Revenue - STRS on-behalf entry	0	0	0	0	-
	Total State Revenues	96,802,899	89,206,855	95,471,399	111,783,793	17.09
8800	Local Revenues					
8811	Tax Allocation, Secured Roll	56,266,309	65,114,154	65,114,154	65,114,154 *	-
8812	Tax Allocation, Supplement Roll	1,305,939	1,511,297	1,511,297	1,511,297 *	-
8813	Tax Allocation, Unsecured Roll	1,729,240	2,001,162	2,001,162	2,001,162 *	-
8816	Prior Years' Taxes	453,706	525,051	525,051	525,051 *	-
8817	Education Revenue Augmentation Fund (ERAF)	25,219,979	29,185,806	29,185,806	29,185,806 *	-
8818	RDA Funds - Pass Thru AB	675,355	781,554	781,554	781,554 *	-



Rancho Santiago Community College District
Tentative Budget
2023-24

DRAFT

Santa Ana College	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	56,379,735		160,642		56,540,377		9,828,393		66,368,770	
Classified Salaries	16,315,624		65,233		16,380,857		14,482,320		30,863,177	
Employee Benefits	29,573,634		106,549		29,680,183		9,767,121		39,447,304	
Supplies & Materials	434,776		206,563		641,339		2,294,320		2,935,659	
Other Operating Exp & Services	4,451,536		5,285,849		9,737,385		18,539,185		28,276,570	
Capital Outlay	16,312		0		16,312		1,402,179		1,418,491	
Other Outgo	0		313,682		313,682		1,489,083		1,802,765	
Grand Total	\$107,171,617	52.40%	\$6,138,518	57.54%	\$113,310,135	52.65%	\$57,802,601	38.41%	\$171,112,736	46.79%
Santiago Canyon College	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	26,329,914		700,000		27,029,914		5,037,792		32,067,706	
Classified Salaries	8,496,276		43,546		8,539,822		8,195,768		16,735,590	
Employee Benefits	14,576,541		164,431		14,740,972		5,761,692		20,502,664	
Supplies & Materials	0		317,830		317,830		1,013,754		1,331,584	
Other Operating Exp & Services	5,277,903		2,156,006		7,433,909		10,086,772		17,520,681	
Capital Outlay	2,674		58,650		61,324		937,811		999,135	
Other Outgo	0		0		0		1,278,554		1,278,554	
Grand Total	\$54,683,368	26.74%	\$3,440,463	32.25%	\$58,123,771	27.01%	\$32,312,143	21.47%	\$90,435,914	24.73%
District Services	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	378,526		0		378,526		0		378,526	
Classified Salaries	20,089,905		16,945		20,106,850		5,260,286		25,367,136	
Employee Benefits	11,645,877		837		11,646,714		2,726,499		14,373,213	
Supplies & Materials	288,936		93,158		382,094		135,404		517,498	
Other Operating Exp & Services	9,787,246		978,166		10,765,412		51,942,624		62,708,036	
Capital Outlay	359,505		750		360,255		224,495		584,750	
Other Outgo	120,000		0		120,000		80,100		200,100	
Grand Total	\$42,669,995	20.86%	\$1,089,856	10.22%	\$43,759,851	20.34%	\$60,369,408	40.12%	\$104,129,259	28.48%
Total Expenditures-excludes Institutional Costs	\$204,524,920	100.00%	\$10,668,837	100.00%	\$215,193,757	100.00%	\$150,484,152	100.00%	\$365,677,909	100.00%
Institutional Costs	Fund 11 Unrestricted		Fund 13 One-Time		Fund 11/13 Unrestricted		Fund 12 Restricted		Fund 11/12/13 Combined	
Employee Benefits-retiree benefits/ local experience charge/STRS & PERS on behalf	9,452,766		7,584,025		17,036,791		1,210,000		18,246,791	
Election	125,000		125,000		250,000		0		250,000	
Other Operating Exp & Services-prop&liability ins	1,970,000		0		1,970,000		0		1,970,000	
Other Operating - SCC-ADA settlement expense	0		2,000,000		2,000,000		0		2,000,000	
Other Outgo-Interfund Transfers	1,500,000		0		1,500,000		0		1,500,000	
Other Outgo-Board Policy Contingency	0		29,004,058		29,004,058		0		29,004,058	
Other Outgo-Reserves SRP savings/exp	11,220,922		21,400,989		32,621,911		0		32,621,911	
Other Outgo-Reserves	4,734,828		2,995,584		7,730,412		0		7,730,412	
Grand Total	\$29,003,516		\$63,109,656		\$92,113,172		\$1,210,000		\$93,323,172	
Total Expenditures-includes Institutional Costs	\$233,528,436		\$73,778,493		\$307,306,929		\$151,694,152		\$459,001,081	



RSCCD - Estimate 2023/24 Revenue Allocation Simulation for Unrestricted General Fund – FD 11
Based on Student Centered Funding Formula - Calculation 2022/23 TCR + COLA

DRAFT

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
APPORTIONMENT REVENUE									
Basic Allocation	\$ 8,925,635	\$ 6,942,161	\$ 1,983,474	\$ 7,933,895	\$ 5,950,421	\$ 1,983,474			\$ 16,859,530
FTES - 22/23 @ P2 split with est College's projected Growth	\$ 97,510,557	\$ 66,334,177	\$ 31,176,380	\$ 43,640,679	\$ 27,728,259	\$ 15,912,420			\$ 141,151,236
SCFF - Supplemental Allocation	\$ 17,708,411	\$ 17,708,411	\$ -	\$ 5,973,769	\$ 5,973,769	\$ -			\$ 23,682,180
SCFF - Student Success Allocation	\$ 13,454,789	\$ 13,454,789	\$ -	\$ 7,205,510	\$ 7,205,510	\$ -			\$ 20,660,299
Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Subtotal	\$ 137,599,392	\$ 104,439,538	\$ 33,159,854	\$ 64,753,853	\$ 46,857,959	\$ 17,895,894			\$ 202,353,245
23/24 COLA - 8.22%	\$ 10,941,761	\$ 8,304,924	\$ 2,636,837	\$ 5,149,160	\$ 3,726,096	\$ 1,423,063			\$ 16,090,921
Deficit Coefficient	\$ (2,959,723)	\$ (2,246,464)	\$ (713,259)	\$ (1,392,837)	\$ (1,007,901)	\$ (384,936)			\$ (4,352,560)
TOTAL ESTIMATED APPORTIONMENT REVENUE	\$ 145,581,430	\$ 110,497,998	\$ 35,083,432	\$ 68,510,176	\$ 49,576,154	\$ 18,934,022			\$ 214,091,606
<i>Percentages</i>	68.00%	51.61%	16.39%	32.00%	23.16%	8.84%			
OTHER STATE REVENUE									
Lottery, Unrestricted	\$ 3,100,317	\$ 2,228,162	\$ 872,155	\$ 1,349,545	\$ 902,207	\$ 447,338			\$ 4,449,862
State Mandate	\$ 575,163	\$ 575,163	\$ -	\$ 250,076	\$ 250,076	\$ -			\$ 825,239
Full-Time Faculty Hiring Allocation	\$ 2,217,074	\$ 2,217,074	\$ -	\$ 1,108,370	\$ 1,108,370	\$ -			\$ 3,325,444
Part-Time Faculty Compensation	\$ 396,453	\$ 282,701	\$ 113,753	\$ 172,375	\$ 114,029	\$ 58,345			\$ 568,828
Subtotal, Other State Revenue	\$ 6,289,007	\$ 5,303,100	\$ 985,908	\$ 2,880,366	\$ 2,374,683	\$ 505,683			\$ 9,169,373
TOTAL ESTIMATED REVENUE	\$ 151,870,437	\$ 115,801,097	\$ 36,069,340	\$ 71,390,542	\$ 51,950,837	\$ 19,439,705			\$ 223,260,979
<i>Percentages</i>	68.02%	51.87%	16.16%	31.98%	23.27%	8.71%			
Less Institutional Cost Expenditures								\$ 13,047,766	\$ 13,047,766
Less Net District Services Expenditures								\$ 42,173,660	\$ 42,173,660
								\$ 168,039,553	\$ 168,039,553
ESTIMATED REVENUE	\$ 114,306,766	\$ 87,158,825	\$ 27,147,941	\$ 53,732,787	\$ 39,101,304	\$ 14,631,483			\$ 168,039,553
BUDGET EXPENDITURES FOR FY 2023/24									
SAC/CEC Expenses - F/T & Ongoing	\$ 107,171,617	\$ 94,901,528	\$ 12,270,089						\$ 107,171,617
SCC/OEC Expenses - F/T & Ongoing				\$ 54,683,308	\$ 46,724,382	\$ 7,958,926			\$ 54,683,308
District Services Expenses - F/T & Ongoing							\$ 42,669,995		\$ 42,669,995
SRP Expenses	\$ 921,384	\$ 921,384		\$ 582,066	\$ 582,066		\$ 476,175		\$ 1,979,625
Est SRP Savings	\$ 4,811,231	\$ 4,811,231		\$ 3,535,953	\$ 3,535,953		\$ 894,113		\$ 9,241,297
Institutional Cost								\$ 4,104,556	\$ 4,104,556
Retirees Instructional-local experience charge								\$ 5,348,210	\$ 5,348,210
Retirees Non-Instructional-local experience charge								\$ 1,970,000	\$ 1,970,000
Property & Liability								\$ 125,000	\$ 125,000
Election								\$ 1,500,000	\$ 1,500,000
Interfund Transfer									
TOTAL ESTIMATED EXPENDITURES	\$ 112,904,232	\$ 100,634,143	\$ 12,270,089	\$ 58,801,327	\$ 50,842,401	\$ 7,958,926	\$ 44,040,283	\$ 13,047,766	\$ 228,793,608
Percent of Total Estimated Expenditures	49.35%	43.98%	5.36%	25.70%	22.22%	3.48%	19.25%	5.70%	
ESTIMATED EXPENSES UNDER(OVER) REVENUE	\$ 1,402,534	\$ (13,475,318)	\$ 14,877,852	\$ (5,868,540)	\$ (11,741,097)	\$ 6,672,557			\$ (3,666,096)
OTHER STATE REVENUE									
Apprenticeship				\$ 5,227,354	\$ 5,227,354				\$ 5,227,354
Enrollment Fees 2%								\$ 232,423	\$ 232,423
LOCAL REVENUE									
Non Resident Tuition	\$ 2,000,000	\$ 2,000,000		\$ 1,000,000	\$ 1,000,000				\$ 3,000,000
Interest/Investments								\$ 900,000	\$ 900,000
Rents/Leases	\$ 8,480	\$ 8,480		\$ 125,000	\$ 125,000		\$ 205,000		\$ 338,480
Proceeds-Sale of Equipment								\$ 5,000	\$ 5,000
Other Local	\$ 40,000	\$ 40,000						\$ 524,200	\$ 564,200
Subtotal, Other Local Revenue	\$ 2,048,480	\$ 2,048,480	\$ -	\$ 6,352,354	\$ 6,352,354	\$ -	\$ 205,000	\$ 1,661,623	\$ 10,267,457
ESTIMATED ENDING BALANCE FOR 6/30/24	\$ 3,451,014	\$ (11,426,838)	\$ 14,877,852	\$ 1,283,814	\$ (5,388,743)	\$ 6,672,557			\$ 4,734,828

