

TOWN HALL

Regarding the 2024-25 BUDGET

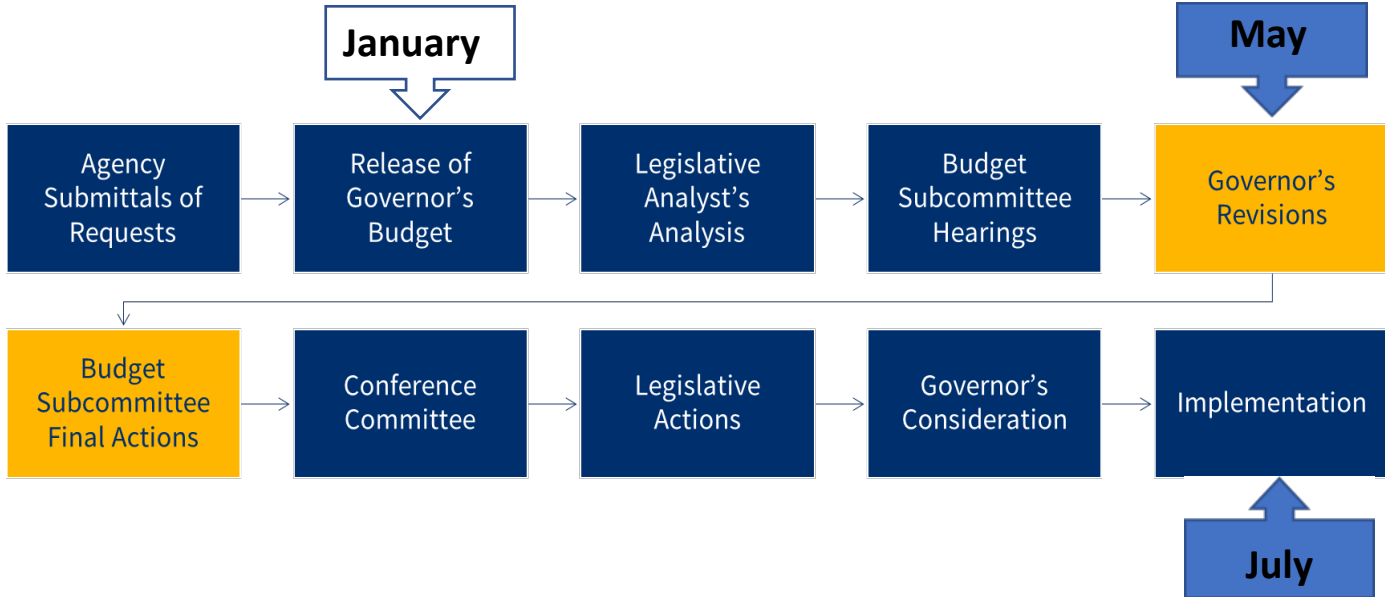
May 30, 2024

Iris Ingram, Vice Chancellor,
Business Services

Order of Presentation

- State Budget Process & Timeline
- RSCCD Budget Assumptions
- May Revise
- RSCCD Tentative Budget Projections
- Appendices:
 - Budget Terminology & Definitions
- Questions

Annual State Budget Process/Timeline





Annual State Budget Process/Timeline

- **January 10th**
 - Governor releases proposed budget
- **January – May**
 - Legislative hearings are held
- **Late January**
 - LAO release its analysis of the budget
- **May 15th (May 10, 2024)**
 - Deadline for Governor to release revisions of proposed budget (May Revise)
- **June 15th**
 - Constitutional deadline for Legislature to send a budget to the Governor
- **September 15th**
 - Adopted Budget sent to Governor

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2024/25 Tentative Budget Assumptions
May 15, 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	-4.79%	0.00%
2017/18	28,901.64	29,378.53	29,375.93	1.65%	1.64%
2018/19		25,925.52	28,068.86	-11.75%	-4.45%
2019/20	Recal	27,028.98	26,889.30	4.28%	-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	P2	29,372.40	28,908.60	7.61%	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 1.07% 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 1.07%	\$2,409,837
Projected SCFF Base Increase	\$0
Projected Growth/Restoration/SAC Large College	\$15,428,960
Deficit Factor (3.55%)	(\$8,395,559)

2024/25 Potential Growth at 0.5%

29,519 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
May 15, 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 = \$5,143,388 (FARSCCD approximate cost \$2,162,512, CSEA approximate cost \$1,778,207, Management/Other approximate cost \$1,202,669) 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 as a transfer from General Fund to Capital Outlay Fund (no change).
- I. Utilities cost increases of 15%, estimated at \$100,000.
- J. Information Technology licensing contract escalation cost of 4.5%, estimated at \$195,000.
- 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)	\$ 133,311	
Human Resources (Reorg 1370 - 2 Senior Business Partners and 1 Business Partner)	\$ 538,773	
ITS Positions (Reorg 1387 - FT Enterprise Applications Manager and Reorg 1388 - PT Media Systems Electronic Technician)	\$ 286,217	
Facilities Planning - Energy/Sustainability Manager	\$ 218,204	
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
May 15, 2024

*	<u>New Revenues</u>	Ongoing Only	One-Time
A	Student Centered Funding Formula		
B	Projected COLA of 1.07%	\$2,409,837	
B	Projected SCFF Base Increase	\$0	
B	Projected Growth/Restoration/SAC Large College	\$15,428,960	
B	Deficit Factor (3.55%) - additional	(\$4,006,837)	
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	<u>\$17,044,799</u>	
	 <u>New Expenditures</u>		
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 FGN)	\$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	\$195,000	
K	Property, Liability and All Risks Insurance	\$0	
II.L	Apprenticeship - SCC	\$0	
L	Other Additional DSO/Institutional Costs	\$1,216,505	
M	SCC ADA Settlement Costs	\$0	\$2,000,000
	Total	<u>\$10,746,367</u>	<u>\$2,000,000</u>
	2024/25 Budget Year Unallocated (Deficit)	<u>\$6,298,432</u>	
	2023/24 Structural Unallocated (Deficit)	<u>\$11,631,362</u>	
	Additional College added ongoing cost during FY 23/24	<u>(11,019,127)</u>	
	Total Est. Unallocated (Deficit)	<u>\$6,910,667</u>	
	COLA for Hourly positions to be budgeted by Colleges	<u>\$1,429,752</u>	
	Total Amount to be Allocated through BAM	<u>\$8,340,419</u>	

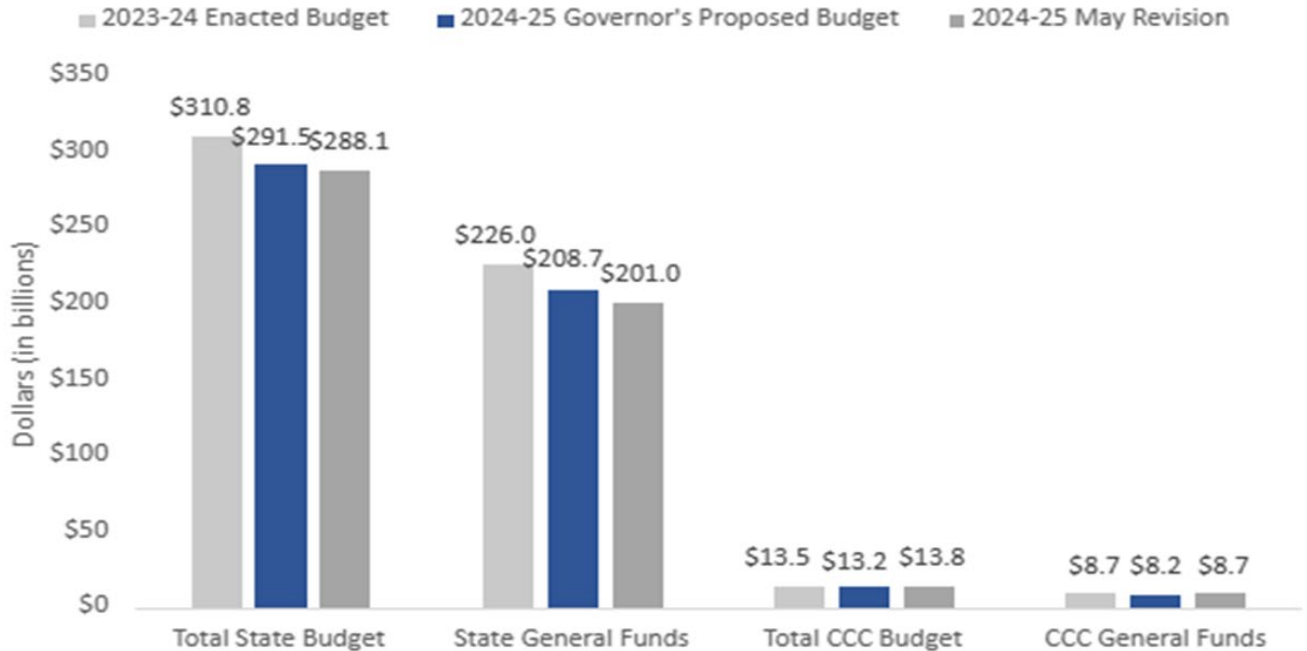
* Reference to budget assumption number

Note	SAC	\$ 7,257,601
	BC done in FY 23/24	<u>(6,914,631)</u>
	balance as of 4/30/24	<u>\$ 342,970</u>
	SCC	\$ 4,373,761
	BC done in FY 23/24	<u>(4,104,496)</u>
	balance as of 4/30/24	<u>\$ 269,265</u>

FY24-25 May Revision



Figure 1: May Revision for 202425 budget reflects projected deficit of \$45 billion (dollars in billions).



FY24-25 May Revise

- **Deficit estimate increases** – now estimated at about \$45 billion, \$7 billion higher than the \$38 billion estimated in January (lower-than-expected revenues, impact of inflation on costs)
- **Early action plan addresses some of it** – AB 106 amended 2023 Budget Act to reduce shortfall by \$17.3 billion (reductions in one-time funding, delays and deferrals, cost shifts, use of reserves)
- **Additional solutions** – more reductions, revenues/internal borrowing, delays/deferrals, and fund shifts; no trigger items
- **Reserves use spread over 2 years** – rather than use \$12.2 billion from BSA in 2024-25, spread that over 2 years (\$3.3b 2024-25, \$8.9b 2025-26), leaving \$23 billion remaining in that reserve

FY23-24 May Revise



- **Maintains** Prop 98 funding maneuver to avoid cuts to K-14
- **Increases** withdrawal from PSSSA, using the entire reserve
- **Defers** 5% increases for UC/CSU (part of early action plan)
- **Reduces** support for Middle Class Scholarship Program and Golden State Teacher Grant Program
- **Eliminates** the planned 2025-26 investment in Preschool/T-K implementation and remaining one-time funds for School Facilities Aid Program
- **Eliminates** remaining one-time funds for Learning Aligned Employment and funds for Children and Youth Behavioral Health Initiative
- **Does not trigger** Cal Grant Reform changes

Proposition 98 Estimates (millions)

Source	2023-24 Revised	2024-25 Gov Budget	2024-25 May Revise	Change from GB (Amount)	Change from GB (Percent)
All Proposition 98 Programs					
General Fund	\$ 71,500	\$ 76,894	\$ 76,606	\$ (288)	-0.4%
Local Property Tax	\$ 31,072	\$ 32,185	\$ 32,524	\$ 339	1.1%
Totals	\$ 102,572	\$ 109,050	\$ 109,129	\$ 79	0.1%
Community Colleges Only^a					
General Fund	\$ 7,035	\$ 8,193	\$ 7,513	\$ (680)	-8.3%
Local property tax	\$ 4,075	\$ 4,210	\$ 4,285	\$ 75	1.8%
Totals	\$ 11,110	\$ 12,403	\$ 11,798	\$ (605)	-4.9%

Notes:

^a CCC totals include resources that go to the K-12 system via the Adult Education, Apprenticeship, and K-12 Strong Workforce programs

Revisions to Community College Apportionments



- No changes to Student Centered Funding Formula, with revised hold harmless provision (Funding Floor) beginning in 2025-26
- Total Computational Revenue for SCFF increases by \$7.6 million to approximately \$9.57 billion
- Reflects COLA of 1.07% (\$100.2 million), FTES growth of 0.5% (\$28 million) and modified estimates of underlying factors
- A few new one-time investments

Proposed Adjustments to Community Colleges



2024-25 Policy Adjustments in CCC Spending -- Ongoing	<i>Gov Budget (In Millions)</i>	<i>May Revise (In Millions)</i>
Provide COLA for Student Centered Funding Formula (0.76% in GB increased to 1.07% in MR)	\$69.2	\$100.2
Provide same COLA for selected categorical programs	9.5	13.0
Fund 0.5% enrollment growth	29.6	28.1
Adjustment for financial aid administration	1.5	1.9
Total Ongoing Adjustments^a	\$109.8	\$142.8

Proposed 2024-25 SCFF Rates

Allocations	2023-24 Rates*	Proposed 2024-25 Rates	Estimated Change from 2023-24 (Amount)	Estimated Change from 2023-24 (Percent)
Base Credit*	\$5,238	\$5,294	\$56	1.07%
Incarcerated Credit*	7,346	7,425	79	1.07%
Special Admit Credit*	7,346	7,425	79	1.07%
CDCP	7,346	7,425	79	1.07%
Noncredit	4,417	4,465	47	1.07%
Supplemental Point Value	1,239	1,252	13	1.07%
Student Success Main Point Value	730	738	8	1.07%
Student Success Equity Point Value	184	186	2	1.07%
Single College District				
Small College	6,439,546	6,508,449	68,903	1.07%
Medium College	8,586,065	8,677,936	91,871	1.07%
Large College	10,732,581	10,847,420	114,839	1.07%
Multi College District				
Small College	6,439,546	6,508,449	68,903	1.07%
Medium College	7,512,806	7,593,194	80,387	1.07%
Large College	8,586,065	8,677,936	91,871	1.07%
Designated Rural College	2,048,172	2,070,088	21,915	1.07%
State Approved Centers	2,146,516	2,169,484	22,968	1.07%
Grandparented Centers				
Small Center	268,316	271,187	2,871	1.07%
Small Medium Center	536,629	542,371	5,742	1.07%
Medium Center	1,073,257	1,084,741	11,484	1.07%
Medium Large Center	1,609,886	1,627,112	17,226	1.07%
Large Center	2,146,516	2,169,484	22,968	1.07%

* Ten districts receive higher credit FTES rates, as specified in statute.

Ongoing Discussions

- Proposition 98 maneuvers
- Unspent Funds
- Conference Committee of Senate and Assembly versions
 - Due to Governor by June 15th
- Budget Bill signed by June 30th
 - Might still contain a “Budget Jr.” version



RSCCD 2024-25 Tentative Budget

Rancho Santiago Community College District Tentative Budget 2024-25

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	61,043,192		225,658		61,268,850		9,735,755		71,004,605	
Classified Salaries	19,866,834		164,680		20,031,514		15,844,504		35,876,018	
Employee Benefits	34,543,286		180,699		34,723,985		10,366,511		45,090,496	
Supplies & Materials	501,089		284,525		785,614		3,304,426		4,090,040	
Other Operating Exp & Services	6,780,634		5,307,136		12,087,770		16,384,683		28,472,453	
Capital Outlay	388,792		478,274		867,066		2,997,695		3,346,761	
Other Outgo	5,495,256		120,000		5,615,256		1,997,641		7,612,897	
Grand Total	\$128,619,083	53.91%	\$6,760,972	69.16%	\$135,380,055	54.51%	\$60,113,215	46.34%	\$195,493,270	51.71%

Santiago Canyon College	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	28,205,535		400,000		28,605,535		5,713,785		34,319,320	
Classified Salaries	10,522,998		24,041		10,547,039		8,505,662		19,052,701	
Employee Benefits	16,993,125		94,077		17,087,202		5,895,794		22,982,996	
Supplies & Materials	0		245,985		245,985		1,477,946		1,723,931	
Other Operating Exp & Services	5,684,912		1,415,525		7,100,437		9,481,744		16,582,181	
Capital Outlay	770		0		770		819,455		820,225	
Other Outgo	2,171,772		0		2,171,772		2,179,240		4,351,012	
Grand Total	\$63,579,112	26.65%	\$2,179,628	22.30%	\$65,758,740	26.48%	\$34,073,626	26.27%	\$99,832,366	26.41%

District Services	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	409,412		0		409,412		419,436		828,848	
Classified Salaries	21,930,943		0		21,930,943		5,304,745		27,235,688	
Employee Benefits	12,871,949		0		12,871,949		2,939,788		15,811,737	
Supplies & Materials	289,929		83,861		373,790		244,144		617,934	
Other Operating Exp & Services	10,670,167		747,761		11,417,928		26,040,108		37,458,036	
Capital Outlay	210,805		3,770		214,575		247,778		462,353	
Other Outgo	0		0		0		339,024		339,024	
Grand Total	\$46,383,205	19.44%	\$835,392	8.55%	\$47,218,597	19.01%	\$35,535,023	27.39%	\$82,753,620	21.89%

Total Expenditures-excludes Institutional Costs	\$238,581,400	100.00%	\$9,775,992	100.00%	\$248,357,392	100.00%	\$129,721,864	100.00%	\$378,079,256	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	6,710,439	7,584,025	14,294,464	738,558	15,033,022
Election	125,000	125,000	250,000	0	250,000
Other Operating Exp & Services-prop&liability ins	2,500,000	0	2,500,000	0	2,500,000
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	63,158,542	63,158,542	0	63,158,542
Other Outgo-Reserves SRP exp	1,979,625	0	1,979,625	0	1,979,625
Other Outgo-Reserves	0	1,843,609	1,843,609	0	1,843,609
Grand Total	\$12,815,064	\$74,711,176	\$87,526,240	\$738,558	\$88,264,798

Total Expenditures-includes Institutional Costs	\$251,396,464	\$84,487,168	\$335,883,632	\$130,460,422	\$466,344,054
--	----------------------	---------------------	----------------------	----------------------	----------------------

RSCCD - Estimate 2024/25 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11
Based on Student Centered Funding Formula



DRAFT

	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	District Services	Institutional Cost	TOTAL
APPORTIONMENT REVENUE									
Basic Allocation	\$ 10,732,581	\$ 8,586,065	\$ 2,146,516	\$ 8,586,062	\$ 6,439,546	\$ 2,146,516			\$ 19,318,643
FTES - 23/24 @ P2 split	\$ 115,894,692	\$ 76,432,724	\$ 39,461,968	\$ 50,538,521	\$ 30,708,805	\$ 19,829,715			\$ 166,433,213
SCFF - Supplemental Allocation	\$ 20,704,087	\$ 20,704,087	\$ -	\$ 6,520,222	\$ 6,520,222	\$ -			\$ 27,224,309
SCFF - Student Success Allocation	\$ 14,387,571	\$ 14,387,571	\$ -	\$ 7,501,325	\$ 7,501,325	\$ -			\$ 21,888,896
Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Subtotal	\$ 161,718,932	\$ 120,110,448	\$ 41,608,484	\$ 73,146,129	\$ 51,169,898	\$ 21,976,231			\$ 234,865,061
24/25 COLA - 0.76%	\$ 1,178,582	\$ 875,346	\$ 303,236	\$ 533,078	\$ 372,918	\$ 160,159			\$ 1,711,660
Deficit Coefficient	\$ (5,763,788)	\$ (4,280,830)	\$ (1,482,959)	\$ (2,606,985)	\$ (1,823,735)	\$ (783,250)			\$ (8,370,773)
TOTAL ESTIMATED APPORTIONMENT REVENUE	\$ 157,133,726	\$ 116,704,964	\$ 40,428,761	\$ 71,072,222	\$ 49,719,081	\$ 21,383,141			\$ 228,205,948
<i>Percentages</i>	<i>68.86%</i>	<i>51.14%</i>	<i>17.72%</i>	<i>31.14%</i>	<i>21.79%</i>	<i>9.36%</i>			
OTHER STATE REVENUE									
Lottery, Unrestricted	\$ 3,670,525	\$ 2,608,353	\$ 1,062,172	\$ 1,603,870	\$ 1,068,815	\$ 535,056			\$ 5,274,395
State Mandate	\$ 635,564	\$ 635,564	\$ -	\$ 276,895	\$ 276,895	\$ -			\$ 912,459
Full-Time Faculty Hiring Allocation	\$ 2,217,074	\$ 2,217,074	\$ -	\$ 1,108,370	\$ 1,108,370	\$ -			\$ 3,325,444
Part-Time Faculty Compensation	\$ 416,175	\$ 293,230	\$ 122,945	\$ 181,314	\$ 119,382	\$ 61,932			\$ 597,489
Subtotal, Other State Revenue	\$ 6,939,337	\$ 5,754,220	\$ 1,185,117	\$ 3,170,540	\$ 2,573,463	\$ 596,988			\$ 10,109,787
TOTAL ESTIMATED REVENUE	\$ 164,073,062	\$ 122,459,184	\$ 41,613,878	\$ 74,242,673	\$ 52,292,544	\$ 21,980,129			\$ 238,315,735
<i>Percentages</i>	<i>68.85%</i>	<i>51.39%</i>	<i>17.46%</i>	<i>31.15%</i>	<i>21.94%</i>	<i>9.21%</i>			
Less Institutional Cost Expenditures									\$ 10,835,439
Less Net District Services Expenditures									\$ 42,879,485
									\$ 184,600,811
ESTIMATED REVENUE	\$ 127,091,987	\$ 94,857,626	\$ 32,234,362	\$ 57,508,824	\$ 40,506,121	\$ 17,002,702			\$ 184,600,811
BUDGET EXPENDITURES FOR FY 2024/25									
SAC/CEC Expenses - F/T & Ongoing	\$ 123,123,827	\$ 107,027,563	\$ 16,096,264						\$ 123,123,827
SCC/OEC Expenses - F/T & Ongoing				\$ 61,407,340	\$ 50,944,571	\$ 10,462,769			\$ 61,407,340
District Services Expenses - F/T & Ongoing							\$ 46,383,205		\$ 46,383,205
SRP Expenses	\$ 921,384	\$ 921,384		\$ 582,066	\$ 582,066		\$ 476,175		\$ 1,979,625
Institutional Cost									
Retirees Instructional-local experience charge								\$ 2,767,836	\$ 2,767,836
Retirees Non-Instructional-local experience charge								\$ 3,942,603	\$ 3,942,603
Property & Liability								\$ 2,500,000	\$ 2,500,000
Election								\$ 125,000	\$ 125,000
Interfund Transfer								\$ 1,500,000	\$ 1,500,000
TOTAL ESTIMATED EXPENDITURES	\$ 124,045,211	\$ 107,948,947	\$ 16,096,264	\$ 61,989,406	\$ 51,526,637	\$ 10,462,769	\$ 46,859,380	\$ 10,835,439	\$ 243,729,436
<i>Percent of Total Estimated Expenditures</i>	<i>50.89%</i>	<i>44.29%</i>	<i>6.60%</i>	<i>25.43%</i>	<i>21.14%</i>	<i>4.29%</i>	<i>19.23%</i>	<i>4.45%</i>	
ESTIMATED EXPENSES UNDER/(OVER) REVENUE	\$ 3,946,776	\$ (13,091,321)	\$ 16,138,098	\$ (4,480,582)	\$ (11,020,516)	\$ 6,539,933			\$ (1,433,806)
OTHER STATE REVENUE									
Apprenticeship				\$ 5,227,354	\$ 5,227,354				\$ 5,227,354
Enrollment Fees 2%								\$ 245,695	\$ 245,695
LOCAL REVENUE									
Non Resident Tuition	\$ 2,400,000	\$ 2,400,000		\$ 1,300,000	\$ 1,300,000				\$ 3,700,000
Interest/Investments								\$ 3,000,000	\$ 3,000,000
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	\$ 2,448,480	\$ 2,448,480	\$ -	\$ 6,652,354	\$ 6,652,354	\$ -	\$ 205,000	\$ 3,774,895	\$ 13,080,729
ESTIMATED ENDING BALANCE FOR 6/30/25	\$ 5,495,256	\$ (10,642,841)	\$ 16,138,098	\$ 2,171,772	\$ (4,368,162)	\$ 6,539,933			\$ 7,667,028

Appendices

Budget/Fiscal Terminology

- FTES
 - Equals 15 units
 - one student taking five three-unit (3) classes
 - or five students taking one 3-unit class
- Apportionment funding is generally based upon an efficiency/productivity ratio of 525
 - Equal to two 17.5 week* terms (Fall & Spring) with 15-units of full-time courses each semester
 - $2(17.5 \times 15) = 525$
- Efficiency = Weighted Student Contact Hours (WSCH)/(FTEF) Full-time Equivalent Faculty
 - Larger class size produces more FTES per FTEF
 - Lower class size yields lower productivity ratios

* Term length variations exist

Budget/Fiscal Terminology



- The California Constitution specifies that money may be drawn from the Treasury only through an **appropriation** made by law.
 - The annual **budget act** is a bill that serves as the primary authority for expenditures (accounting for about two-thirds of appropriations).
 - Appropriations may also be made by the Constitution or other laws.
- Appropriations are identified by the **character** of the expenditure.
 - **State operations**, which are expenditures for support of state government.
 - **Local assistance**, which are expenditures for support of local activities.
 - **Capital outlay**, which are expenditures for buildings and related costs.
- A **fund** is a legal entity that provides for the segregation of moneys in the State Treasury. The **General Fund** is the primary fund for financing state government programs—accounting for revenues not specifically designated for any other fund.

Budget/Fiscal Terminology

- During the annual budget process, the state considers a three-year window. Generally, it:
 - Reflects actual expenditures for the **past year**.
 - Revises estimates of expenditures for the **current year**.
 - Projects expenditures for the upcoming **budget year**.
- The state develops budgets incrementally. That is:
 - It first estimates the costs of a **workload budget** (also called a baseline budget), which reflects the costs of the continuation of current laws and policies.
 - It then adjusts expenditures to reflect any policy changes (generally with a goal of aligning expenditures with revenues and desired reserves).
- To the extent changes in current laws are necessary to implement the budget, these changes are often made in **trailer bills**.

Budget/Fiscal Terminology



- Fund
 - “...fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equity or fund balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions and/or limitations.” (GASB Codification Section 1300, NCGA -1)
- Fund Accounting
 - Segregates financial information.
 - Resources are allocated to and accounted for in individual funds based on the purpose or use of funds as determined by donors or source of funds (i.e., resources)
 - Accounts for financial transactions related to specific activities or objectives are recorded within separate funds
 - For external reporting purposes, there are three (3) broad fund types: Governmental, Proprietary, and Fiduciary funds
 - Total revenue and total expenditure budget amounts on the same fund/project grant must be equal, i.e., a budget must balance as compared to a “for-profit” entity, which ideally has revenue in excess of expenses, i.e., “profit”

Prop 98



- The Constitution and related statutes (Proposition 98) specify a minimum guarantee of appropriations to school districts, community college districts, and some other agencies.
- Existing statutes specify that the California Community Colleges should receive the same share of Proposition 98 funds as the share received in the 1989-90 fiscal year.
- The minimum guarantee is generally calculated based on three “tests” (with other rules):
 - *Test 1*—Share of General Fund revenues based on share in 1986-87.
 - *Test 2*—Prior-year funding adjusted by changes in K-12 attendance and per capital personal income.
 - *Test 3*—Prior-year funding adjusted by changes in K-12 attendance and General Fund revenue.
- Considerations around funding for community colleges typically are distributional in nature. To the extent the legislature sought to increase appropriations to community college districts, the legislature could:
 - Choose to appropriate additional funds to community college districts.
 - Take actions that would increase the guarantee (such as by increasing General Fund revenues), which, by practice, would increase appropriations to community college districts.

District Reporting Requirements

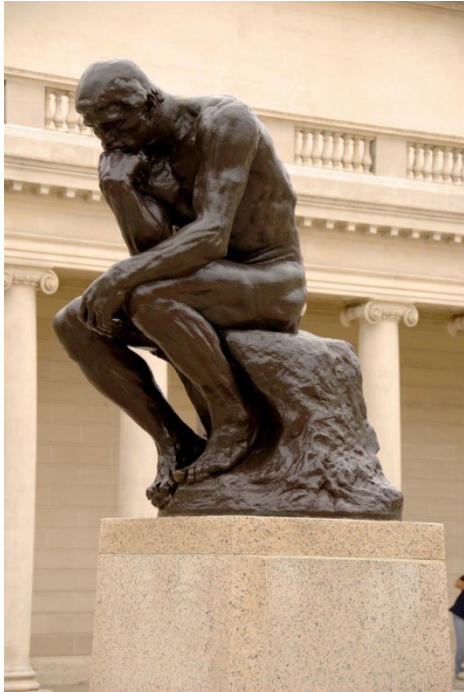


- Establishment of Non-Resident Tuition Rates & Student Fees
 - BOT Meeting February 26th
- Quarterly Investment Reports
 - BOT Meetings January, April, August, October
- Budget Assumptions & Updates
 - BOT Meeting March 25th, July 8th
- May Revise
 - BOT Meeting May 13th

District Reporting Requirements



- Tentative Budget – June 15th
 - BOT Meeting June 10th
- Adopted Budget – September 15th
 - BOT Meeting September 9th
- Apportionment Attendance Report (320)
 - P1, P2, and Recal
 - BOT Meetings
- Annual and Quarterly Financial Reports (311)
- GANN Limit
 - BOT Meeting – September 23rd
- Independent Annual Audits – December 31st
 - BOT Meeting December 16th



• Questions?