# Fall Town Hall
# 2025-26
# RSCCD Budget

RANCHO SANTIAGO
Community College District

**Iris Ingram, Vice Chancellor,**
**Business Services**

**October 30, 2025**

# Order of Presentation

- **What's Happened Since We Last Talked?**
  - California Economy
  - National Economy
  - State Budget
- **This is How We Do It?**
  - Student Centered Funding Formula
    - Base Allocation
    - Supplemental Allocation
    - Student Success Allocation
- **What About Us?**
  - RSCCD Budget
  - FTES
  - Growth
  - Budget Allocation Model (BAM)
- **Me Worry?**

RANCHO SANTIAGO
Community College District

# What’s Happened Since We Last Talked?

Fall RSCCD Budget Town Hall
October 30, 2025

RANCHO SANTIAGO
Community College District

# The California Economy



## Labor Market

- Unemployment is holding steady at 5.5%
- 50,000 jobs were lost in the first four months of 2025
- Federal immigration policy is constraining the labor supply

## Growth

- California's gross domestic product is expected to continue trending down in the short term

## Domestic Migration

- California net domestic migration has moderated
- State population is expected to increase slightly in 2025, 2026, and future years

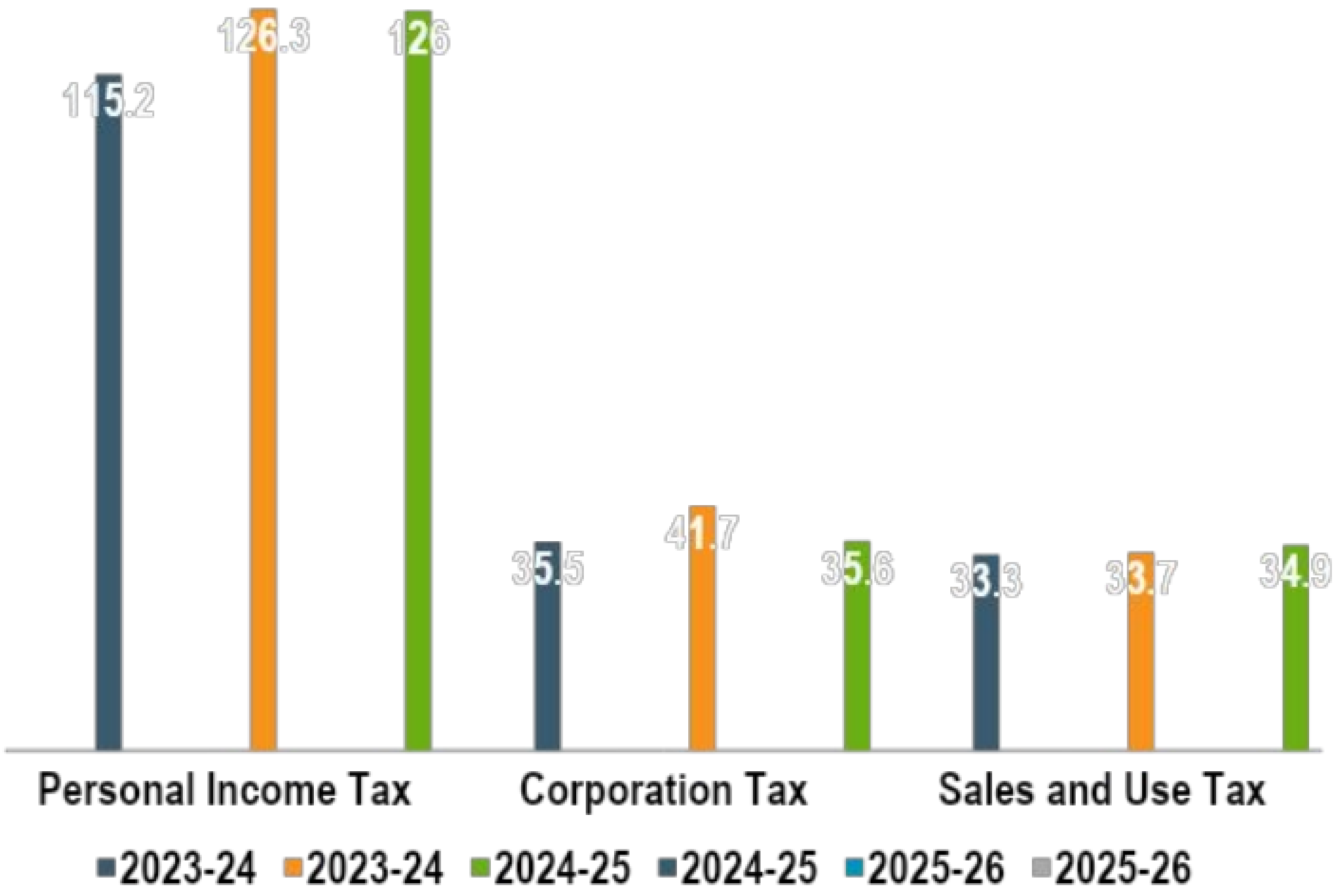
## Inflation

- California's Consumer Price Index is projected to peak at 4.2% by the end of 2025

## Housing

- In the first half of 2025, California issued 49,400 housing permits, which is the lowest level since 2014 (excluding pandemic)
- Deportations, high interest rates, tariffs on materials, and rebuilding of homes damaged and destroyed by Los Angeles County wildfires are expected to constrain the housing supply
- Elevated long-term interest rates and high housing costs make housing affordability challenging

# “Big Three” Taxes




- Personal income tax (PIT) is projected to remain relatively flat
- Los Angeles County taxpayers’ filing deadline is extended to October, making 2025-26 PIT projections more challenging
- Corporation tax is projected to decline significantly from 2024-25 to 2025-26

Source: 2025-26 May Revision Summary and 2025-26 Enacted Budget Summary

# How Are Revenues Faring Since Budget Enactment?

RANCHO SANTIAGO
Community College District

- According to the State Controller's Office, "Big Three" revenues are exceeding projections by $3.8 billion and total cash receipts are exceeding estimates in the Budget Act by $4.5 billion

| 2025-26 "Big Three" Tax Revenues (in thousands) | | | |
|---|---|---|---|
| | Projection | Actual | Difference |
| Personal Income | $26,878,096 | $30,819,901 | $3,941,805 |
| Corporation | $4,396,615 | $4,306,239 | ($90,376) |
| Sales and Use | $8,274,033 | $8,197,148 | ($76,885) |
| Total | $39,548,744 | $43,323,288 | $3,774,544 |

- The state's strong cash position is expected to increase as the tax filing extension for residents of Los Angeles County impacted by the January 2025 wildfires were due October 15, 2025

# 2025-26 Education Budget—Proposition 98

## Proposition 98

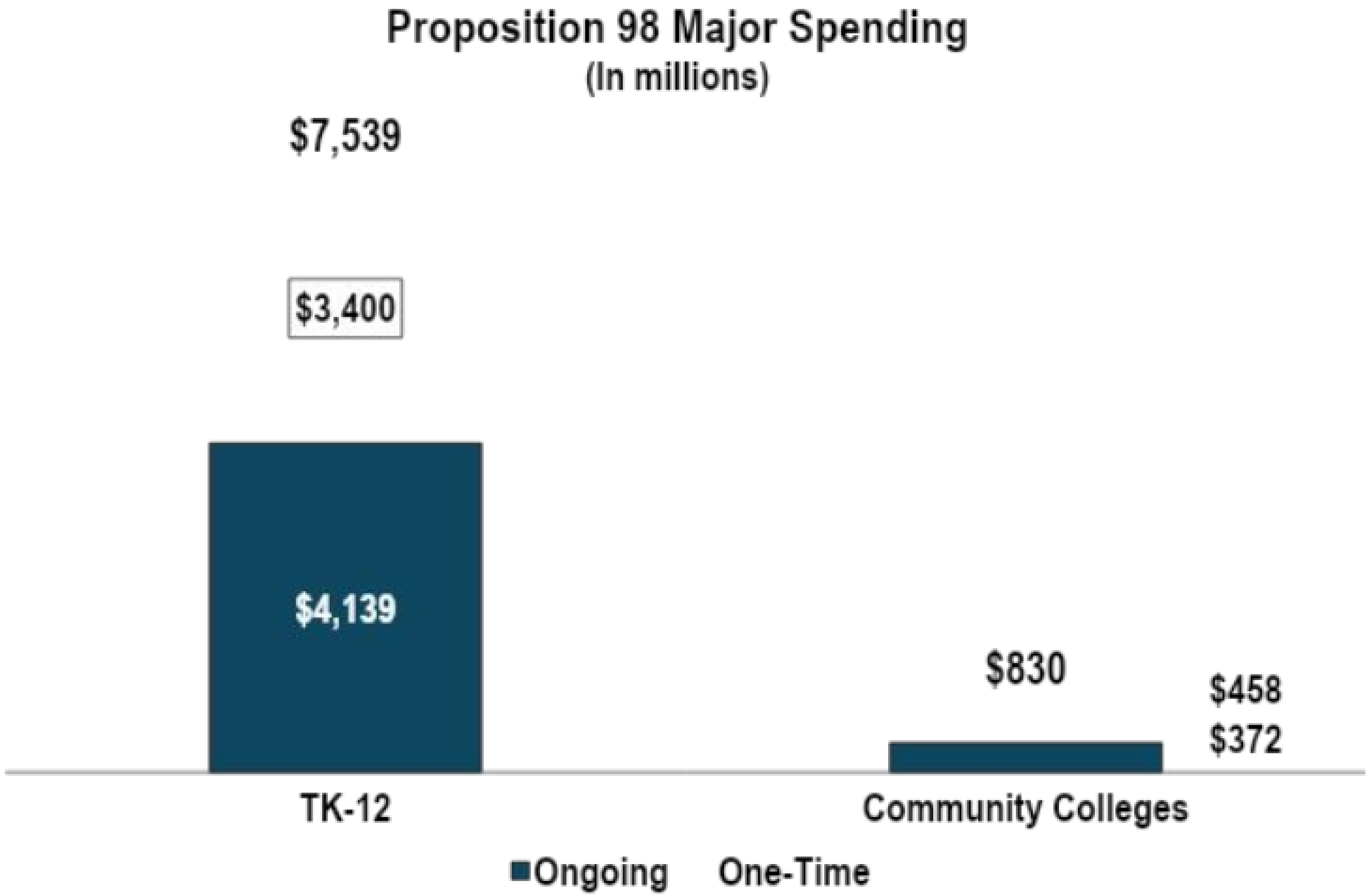
Better-than-expected revenues from Wall Street's rebound and a required Maintenance Factor payment buoys 2024-25

Test 1 mutes education funding in 2025-26, reducing revenue by $5.4 billion below 2024-25 level

Enacted Budget relies on deferrals and reserves

Enacted Budget uses novel Settle Up

## No cuts! Some increased funding for programs!



# California Community Colleges Budget—Property Taxes and Other Investments

- The State Budget provides $8.1 million to backfill 2025-26 projected property tax revenue losses from wildfires and $3.8 million one-time to backfill for 2024-25 property tax revenue losses
- The budget also includes the following investments:
  - An increase of $10 million ongoing for the Rising Scholars Program
  - $12 million one-time for the Common Cloud Data Platform
  - $6.6 million one-time to support e-Transcript California
  - $20 million one-time for emergency financial aid
  - $15 million one-time for Dreamer Resource Liaisons
  - $5.1 million one-time for financial aid support and outreach to students
  - $10 million one-time for Emergency Medical Technician/Paramedic Apprenticeship Academies
  - $6.33 million one-time for reimbursements for firefighter apprenticeship training
  - $10 million one-time for Community College Healthy Schools Pathway Program

# Career Technical Education—Master Plan Investments

- The Enacted Budget includes several investments that implement some of the six primary areas of action outlined in the Governor's Master Plan for Career Education

**$1.5 Million**
Establish an Education and Workforce Development Coordinating Council
Area of Action #1

**$1 Million**
Evaluate how regional coordination models can be expanded
Area of Action #2

**$25 Million**
Establish a Career Passport through the Chancellor's Office
Area of Action #3

**$15 Million One-Time**
**$5 Million Ongoing**
Support the Credit for Prior Learning Initiative
Area of Action #5

# Trailer Bill Clean Up Language

- Senate Bill 148 (Committee on Budget and Fiscal Review, Statutes of 2025) makes various changes effecting the CCCCO, including:
  - Allows unused emergency aid funding to be redistributed to other districts
  - Allows unused Zero-Textbook-Cost Degree Program funds to be used by the CCCCO to support a systemwide technology platform
  - Sets aside up to 3.5% of MESA program funds, beginning in 2026-27, to be used by the CCCCO to develop statewide coordination and support for the program
  - Streamlines payments for specific categorical program funds
- The bill also includes technical language to enact the deferral and use Proposition 98 rainy day funds as intended in the current-year budget

# This is How We Do It

Fall RSCCD Budget Town Hall
October 30, 2025

# Student Centered Funding Formula (SCFF)

- The base allocation consisting of :
  1) college and center size based on prior year data
  2) Full Time Equivalent Student (FTES) allocation based on current year (CY) FTES enrollment <u>and</u> a three-year average for <u>credit</u> FTES.
- The supplemental allocation is based on prior year data.
- The student success allocation is based on an average of three prior years of data.

RANCHO SANTIAGO
Community College District

# And…

- The Chancellor's Office certifies apportionments three times per year
  - **Advance** Apportionment (AD) released in **July**,
    - At the Advance apportionment, the Chancellor's Office uses estimates and previously reported data to calculate the components of the SCFF to disburse resources for the first seven months of the fiscal year.
  - First Principal (**P1**) and **Recalc**ulation (R1) in **February**
  - Second Principal (**P2)** in **June**.

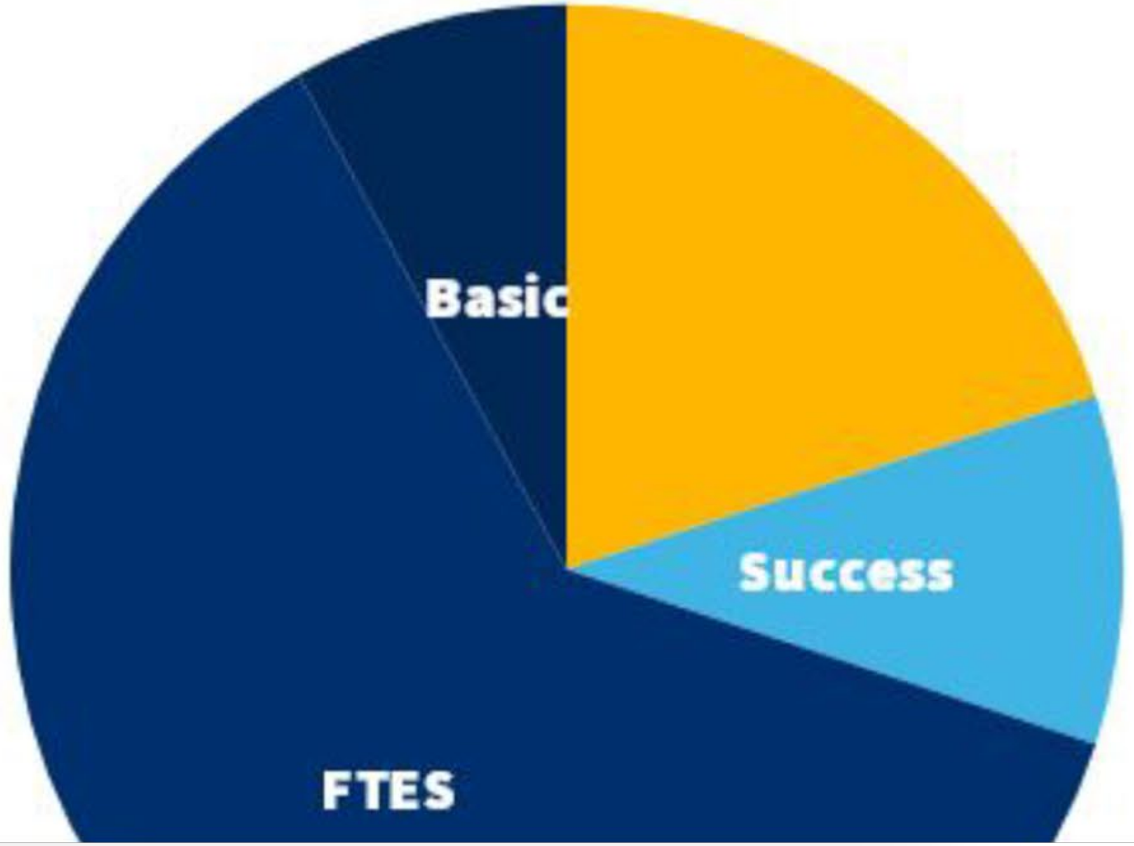
RANCHO SANTIAGO
Community College District

# Total Computational Revenue

I. Base = Basic + FTES

II. Supplemental

III. Success



# Exhibit C: FTES Data and Calculations



California Community Colleges
2024-25 Early Recalculation July 2025
Rancho Santiago CCD
Exhibit C - Page 1

**Total Computational Revenue and Revenue Sources**

| | | |
|---|---|---|
| **Total Computational Revenue (TCR)** | | |
| I. Base Allocation (FTES + Basic Allocation) | $ | 197,016,909 |
| II. Supplemental Allocation | | 29,767,887 |
| III. Student Success Allocation | | 22,427,939 |
| Student Centered Funding Formula (SCFF) Calculated Revenue (A) | $ | 249,212,735 |
| 2023-24 SCFF Calculated Revenue + COLA (B) | | 235,229,160 |
| Hold Harmless Revenue (C) | | 214,110,951 |
| Stability Protection Adjustment | | - |
| Hold Harmless Protection Adjustment | | - |
| **2024-25 TCR (Max of A, B, or C)** | **$** | **249,212,735** |

**Revenue Sources**

| | | |
|---|---|---|
| Property Tax & ERAF | $ | 120,744,225 |
| Less Property Tax Excess | | - |
| Student Enrollment Fees | | 8,657,316 |
| Education Protection Account (EPA) — Minimum of at least $100 x Funded FTES; Funded FTES: 30,242.23 x Rate: $1,676.69 | | 50,706,885 |
| State General Fund Allocation | | 69,104,309 |

| **State General Fund Allocation** | | |
|---|---|---|
| General Fund Allocation | $ | 66,926,022 |
| Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only) | | 2,178,287 |
| **Subtotal State General Fund Allocation** | | **$69,104,309** |
| Adjustment(s) | | - |
| **State General Fund Allocation** | | **$69,104,309** |
| **State General Fund Certification (Exhibit A/D)** | | **$67,879,629** |
| **Balance (Refer to 2025-26 Advance Memo)** | | **$1,224,680** |

| | | |
|---|---|---|
| **Available Revenue** | **$** | **249,212,735** |
| **2024-25 TCR (Max of A, B, or C)** | | **249,212,735** |
| 0.0000% Revenue Deficit | $ | - |

# Exhibit C: FTES Data and Calculations

## Supporting Sections

### Section Ia: FTES Data and Calculations

| *variable* / FTES Category | a<br>2022-23<br>Applied #3 | b<br>2023-24<br>Applied #3 | c<br>2024-25<br>Restoration | d<br>2024-25<br>Decline | e<br>2024-25<br>Adjustment | f = b + c + d + e<br>2024-25<br>Applied #1 | g = f<br>(except credit = (a + b + f)/3)<br>2024-25<br>Applied #2 | h<br>2024-25<br>Growth | i = g + h<br>2024-25<br>Funded |
|---|---|---|---|---|---|---|---|---|---|
| Credit | 18,232.79 | 18,136.42 | - | - | - | 18,136.42 | 18,168.54 | - | 18,168.54 |
| Incarcerated Credit | - | - | - | - | - | - | - | - | - |
| Special Admit Credit | 1,334.45 | 1,334.45 | - | - | - | 1,334.45 | 1,334.45 | 41.48 | 1,375.93 |
| CDCP | 6,216.00 | 6,820.67 | - | - | - | 6,820.67 | 6,820.67 | 1,058.85 | 7,879.52 |
| Noncredit | 1,510.83 | 2,270.54 | - | - | - | 2,270.54 | 2,270.54 | 547.70 | 2,818.24 |
| Total FTES=>>> | 27,294.07 | 28,562.08 | - | - | - | 28,562.08 | 28,594.20 | 1,648.03 | 30,242.23 |
| Total Values=>>> | | $166,706,824 | $0 | $0 | $0 | $166,706,824 | | | |
| Change from PY to CY=>>> | | $15,804,006 | | | | | | | |

| *variable* / FTES Category | j = g x l<br>2024-25<br>Applied #2<br>Revenue | k = h x l<br>2024-25<br>Growth Revenue | l<br>2024-25 Rate $* | m = j + k<br>2024-25<br>Total Revenue |
|---|---|---|---|---|
| Credit | $96,191,962 | $ - | $5,294.42 | $96,191,962 |
| Incarcerated Credit | - | - | $7,424.53 | - |
| Special Admit Credit | 9,907,662 | 307,959 | $7,424.53 | 10,215,621 |
| CDCP | 50,640,271 | 7,861,450 | $7,424.53 | 58,501,721 |
| Noncredit | 10,137,003 | 2,445,249 | $4,464.58 | 12,582,252 |
| Total | $166,876,898 | $10,614,658 | | $177,491,556 |

| | n<br>2024-25<br>Applied #0 | o = f + h<br>2024-25<br>Applied #3 | p = n - o<br>2024-25<br>Unfunded FTES | q = p x l<br>2024-25<br>Unfunded FTES Value |
|---|---|---|---|---|
| Credit | 18,800.15 | 18,136.42 | 663.73 | $ 3,514,068 |
| Incarcerated Credit | - | - | - | - |
| Special Admit Credit | 1,601.57 | 1,375.93 | 225.64 | 1,675,281 |
| CDCP | 7,879.52 | 7,879.52 | - | - |
| Noncredit | 2,818.24 | 2,818.24 | - | - |
| Total | 31,099.48 | 30,210.11 | 889.37 | $ 5,189,349 |
| Total Value=>>> | $182,510,830 | | | |

### Section Ib: 2024-25 FTES Emergency Conditions Allowance (ECA)

| *variable* / FTES Category | r<br>ECA<br>FTES | s<br>Reported 320<br>2024-25 P2 FTES | t<br>ECA<br>Applied | n = s + t<br>2024-25<br>Applied #0 |
|---|---|---|---|---|
| Credit | - | 18,800.15 | - | 18,800.15 |
| Incarcerated Credit | - | - | - | - |
| Special Admit Credit | - | 1,601.57 | - | 1,601.57 |
| CDCP | - | 7,879.52 | - | 7,879.52 |
| Noncredit | - | 2,818.24 | - | 2,818.24 |
| Total | - | 31,099.48 | - | 31,099.48 |

| Definitions: | PY: 2023-24 | CY: 2024-25 |
|---|---|---|

**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

# Exhibit C:
# Base Allocation

RANCHO SANTIAGO
Community College District

Section Ie: Basic Allocation

| District Type/FTES | Funding Rate | Number of Colleges | Basic Allocation |
|---|---|---|---|
| Single College Districts | | | |
| ≥ 20,000 | 10,847,419.78 | - | $0 |
| ≥ 10,000 & < 20,000 | 8,677,936.16 | - | - |
| < 10,000 | 6,508,449.14 | - | - |
| Multi-College Districts | | | |
| ≥ 20,000 | 8,677,936.16 | 1 | 8,677,936 |
| ≥ 10,000 & < 20,000 | 7,593,193.50 | - | - |
| < 10,000 | 6,508,449.14 | 1 | 6,508,449 |
| Additional Rural $ | 2,070,087.77 | - | - |
| | | Subtotal | $15,186,385 |

| FTES | Funding Rate | Number of Centers | Basic Allocation |
|---|---|---|---|
| State Approved Centers | | | |
| ≥ 1,000 | $2,169,483.61 | 1 | $2,169,484 |
| Grandparented Centers | | | |
| ≥ 1,000 | 2,169,483.61 | 1 | 2,169,484 |
| ≥ 750 & < 1,000 | 1,627,112.28 | - | - |
| ≥ 500 & < 750 | 1,084,740.95 | - | - |
| ≥ 250 & < 500 | 542,371.33 | - | - |
| ≥ 100 & < 250 | 271,187.37 | - | - |
| | | Subtotal | $4,338,968 |
| | | Total Basic Allocation | $19,525,353 |
| | | Total FTES Allocation | 177,491,556 |
| | | **Total Base Allocation** | **$197,016,909** |

# Exhibit C: Supplemental & Student Success Allocations

Section II: Supplemental Allocation

| Supplemental Allocation - Point Value $1,251.96 | Points | 2023-24 Headcount | Rate | Revenue |
|---|---|---|---|---|
| AB540 Students | 1 | 1,803 | $1,251.96 | $2,257,286 |
| Pell Grant Recipients | 1 | 6,688 | 1,251.96 | 8,373,118 |
| Promise Grant Recipients | 1 | 15,286 | 1,251.96 | 19,137,483 |
| Totals | | 23,777 | | $29,767,887 |

Section III: Student Success Allocation

| All Students - Point Value $738.23 | Points | 2021-22 Headcount | 2022-23 Headcount | 2023-24 Headcount | Three Year Average | Rate = Point Value x Points | Revenue |
|---|---|---|---|---|---|---|---|
| Associate Degrees for Transfer | 4 | 1,146 | 1,104 | 1,112 | 1,120.67 | $ 2,952.94 | $3,309,260 |
| Associate Degrees | 3 | 1,329 | 1,176 | 1,276 | 1,260.33 | 2,214.70 | 2,791,265 |
| Baccalaureate Degrees | 3 | 7 | 15 | 19 | 13.67 | 2,214.70 | 30,268 |
| Credit Certificates | 2 | 450 | 1,030 | 1,392 | 957.33 | 1,476.47 | 1,413,473 |
| Transfer Level Math and English | 2 | 887 | 897 | 947 | 910.33 | 1,476.47 | 1,344,079 |
| Transfer to a Four Year University | 1.5 | 651 | 1,484 | 1,183 | 1,106.00 | 1,107.35 | 1,224,731 |
| Nine or More CTE Units | 1 | 3,785 | 4,776 | 4,716 | 4,425.67 | 738.23 | 3,267,180 |
| Regional Living Wage | 1 | 5,370 | 7,086 | 5,093 | 5,849.67 | 738.23 | 4,318,427 |
| All Students Subtotal | | 13,625 | 17,568 | 15,738 | 15,643.67 | | $17,698,683 |
| **Pell Grant Recipients - Point Value $186.21** | | | | | | | |
| Associate Degrees for Transfer | 6 | 542 | 545 | 603 | 563.33 | $ 1,117.26 | $629,388 |
| Associate Degrees | 4.5 | 574 | 532 | 587 | 564.33 | 837.94 | 472,879 |
| Baccalaureate Degrees | 4.5 | 5 | 11 | 9 | 8.33 | 837.94 | 6,983 |
| Credit Certificates | 3 | 165 | 289 | 331 | 261.67 | 558.63 | 146,174 |
| Transfer Level Math and English | 3 | 329 | 337 | 388 | 351.33 | 558.63 | 196,265 |
| Transfer to a Four Year University | 2.25 | 264 | 598 | 482 | 448.00 | 418.97 | 187,699 |
| Nine or More CTE Units | 1.5 | 1,492 | 1,404 | 1,714 | 1,536.67 | 279.31 | 429,213 |
| Regional Living Wage | 1.5 | 673 | 999 | 453 | 708.33 | 279.31 | 197,848 |
| Pell Grant Recipients Subtotal | | 4,044 | 4,715 | 4,567 | 4,442.00 | | $2,266,449 |
| **Promise Grant Recipients - Point Value $186.21** | | | | | | | |
| Associate Degrees for Transfer | 4 | 852 | 809 | 819 | 826.67 | $ 744.84 | $615,733 |
| Associate Degrees | 3 | 969 | 837 | 943 | 916.33 | 558.63 | 511,890 |
| Baccalaureate Degrees | 3 | 7 | 15 | 16 | 12.67 | 558.63 | 7,076 |
| Credit Certificates | 2 | 288 | 475 | 574 | 445.67 | 372.42 | 165,975 |
| Transfer Level Math and English | 2 | 501 | 497 | 547 | 515.00 | 372.42 | 191,796 |
| Transfer to a Four Year University | 1.5 | 427 | 914 | 693 | 678.00 | 279.31 | 189,375 |
| Nine or More CTE Units | 1 | 2,250 | 2,447 | 2,915 | 2,537.33 | 186.21 | 472,475 |
| Regional Living Wage | 1 | 1,655 | 2,222 | 1,093 | 1,656.67 | 186.21 | 308,487 |
| Promise Grant Recipients Subtotal | | 6,949 | 8,216 | 7,600 | 7,588.33 | | $2,462,807 |
| Total Headcounts | | 24,618 | 30,499 | 27,905 | 27,674.00 | | |
| | | | | | Total Student Success Allocation | | $22,427,939 |

RANCHO SANTIAGO
Community College District

# Exhibit C:
# FTES 3-Year Average

RANCHO SANTIAGO
Community College District

| 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 | 2022-23 Applied #3 | 2023-24 Applied #3 | 2024-25 Restoration | 2024-25 Decline | 2024-25 Adjustment | 2024-25 Applied #1 | 2024-25 Applied #2 | 2024-25 Growth | 2024-25 Funded |
| Credit | 18,232.79 | 18,136.42 | - | - | - | 18,136.42 | 18,168.54 | - | 18,168.54 |
| Incarcerated Credit | - | - | - | - | - | - | - | - | - |
| Special Admit Credit | 1,334.45 | 1,334.45 | - | - | - | 1,334.45 | 1,334.45 | 41.48 | 1,375.93 |
| CDCP | 6,216.00 | 6,820.67 | - | - | - | 6,820.67 | 6,820.67 | 1,058.85 | 7,879.52 |
| Noncredit | 1,510.83 | 2,270.54 | - | - | - | 2,270.54 | 2,270.54 | 547.70 | 2,818.24 |
| Total FTES=>>> | 27,294.07 | 28,562.08 | - | - | - | 28,562.08 | 28,594.20 | 1,648.03 | 30,242.23 |
| Total Values=>>> | | $166,706,824 | $0 | $0 | $0 | $166,706,824 | | | |
| Change from PY to CY=>>> | | $15,804,006 | | | | | | | |

# Exhibit C:
# Restoration and Growth

| Section Ic: FTES Restoration Authority | | | | |
|---|---|---|---|---|
| *variable* | v | w | y | z = (v + w + y) x I |
| FTES Category | 2021-22 | 2022-23 | 2023-24 | Total $ |
| Credit | - | - | - | $ - |
| Incarcerated Credit | - | - | - | - |
| Special Admit Credit | - | - | - | - |
| CDCP | - | - | - | - |
| Noncredit | - | - | - | - |
| Total | - | - | - | $ - |

| Section Id: FTES Growth Authority | | | |
|---|---|---|---|
| *variable* | aa | ab | ac = aa x ab |
| | | 2023-24 | 2024-25 |
| FTES Category | % target | Applied #3 FTES | Growth FTES |
| Credit | 0.54% | 18,136.42 | 97.20 |
| Incarcerated Credit | 0.54% | - | - |
| Special Admit Credit | 0.54% | 1,334.45 | 7.15 |
| CDCP | 0.54% | 6,820.67 | 36.56 |
| Noncredit | 0.54% | 2,270.54 | 12.17 |
| Total | | 28,562.08 | 153.08 |
| | | Total Growth FTES Value =>>> $ | 893,491 |

# 2025-26 SCFF Data

RANCHO SANTIAGO
Community College District

| Category | Data Used at 2025-26 Advance |
|---|---|
| FTES – Current Year | 2024-25 P2 reported FTES |
| FTES – Prior Year Applied #3 | 2024-25 P2 Applied #3 |
| FTES – Prior Prior Year Applied #3 | 2023-24 R1 Applied #3 |
| FTES – Basic Allocation | 2023-24 R1 reported college and center FTES |

April 20

November 1

| Category | Data Used at 2025-26 Advance |
|---|---|
| Supplemental | 2023-24 supplemental data reported as of March 11, 2025 |
| Student Success | 2022-23 data, and 2023-24 data reported as of March 11, 2025 twice to determine the three-year average |

# SCFF Rates

| Category | 2024-25 Rates | 2025-26 Rates |
|---|---|---|
| FTES – Credit* | $5,294.42 | $5,416.20 |
| FTES – Incarcerated Credit* | $7,424.53 | $7,595.29 |
| FTES – Special Admit Credit* | $7,424.53 | $7,595.29 |
| FTES – CDCP | $7,424.53 | $7,595.29 |
| FTES – Noncredit | $4,464.58 | $4,567.26 |
| Supplemental Point Value | $1,251.96 | $1,280.76 |
| Student Success Main Point Value | $738.23 | $755.21 |
| Student Success Equity Point Value | $186.21 | $190.49 |
| **Single College District** | | |
| Small College | $6,508,449.14 | $6,658,143.47 |
| Medium College | $8,677,936.16 | $8,877,528.70 |
| Large College | $10,847,419.78 | $11,096,910.43 |
| **Multi College District** | | |
| Small College | $6,508,449.14 | $6,658,143.47 |

RANCHO SANTIAGO
Community College District

# SCFF Rates

| SCFF Component | 2025-26 AD Amount (Statewide) (In Millions) |
|---|---|
| Student Success Allocation | $1,043 |
| SCFF Calculated Revenue (TCR A) | $9,778 |
| TCR Stability (TCR B) | $9,894 |
| Hold Harmless Revenue (TCR C) | $9,833 |
| 2025-26 TCR (Max of A, B, or C) | $10,011 |
| Stability Protection Adjustment | $94 |
| Hold Harmless Protection Adjustment | $140 |
| Property Tax & ERAF | $5,001 |
| Less Property Tax Excess | ($570) |
| Student Enrollment Fees | $432 |
| Education Protection Account (EPA) | $1,304 |
| State General Fund Allocation | $3,828 |
| Deficit Factor | 0.1799% |
| Deficit | ($16) |

RANCHO SANTIAGO
Community College District

# What About US?

Fall RSCCD Budget Town Hall
October 30, 2025

# 2025-26 Budget Assumptions: Partial List

I. State Revenue

A. The District's earned revenue is projected to be greater than hold harmless in 2023/24. Budgeting for 2025/26 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 | Recal | | 29,002.84 | 28,827.28 | | 6.26% | 7.63% |
| 2024/25 | Annual | | 30,668.01 | 28,861.63 | P2 | 5.74% | 0.12% |

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 2.35% systemwide growth funding and 2.30% 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 2.30% | $5,515,216 | |
| Projected SCFF Base Increase | $0 | |
| Projected 3rd Approved Center | $2,219,382 | |
| Projected Growth/Restoration | $13,438,499 | |
| Deficit Factor (from 3.55% to 0%) | $8,395,559 | |
| Fund 13 set aside for 2% Deficit Factor (SAC=$3,717,800/SCC=$1,459,474) | | $5,177,274 |

2025/26 Potential Growth at 2.35% $\boxed{31,389 \text{ FTES}}$

## Rancho Santiago Community College District

*Adopted Budget*

**2025-26**

| Santa Ana College | Fund 11 Unrestricted | % | Fund 13 One-Time | % | Fund 11/13 Unrestricted | % | Fund 12 Restricted | % | Fund 11/12/13 Combined | % |
|---|---|---|---|---|---|---|---|---|---|---|
| Academic Salaries | 69,021,801 | | 1,710 | | 69,023,511 | | 9,409,757 | | 78,433,268 | |
| Classified Salaries | 20,978,780 | | 154,254 | | 21,133,034 | | 14,161,012 | | 35,294,046 | |
| Employee Benefits | 36,981,975 | | 101,047 | | 37,083,022 | | 10,154,876 | | 47,237,898 | |
| Supplies & Materials | 796,181 | | 194,191 | | 990,372 | | 5,681,016 | | 6,671,388 | |
| Other Operating Exp & Services | 10,380,643 | | 8,962,058 | | 19,342,701 | | 10,525,109 | | 29,867,810 | |
| Capital Outlay | 86,508 | | 78,270 | | 164,778 | | 3,953,604 | | 4,118,382 | |
| Other Outgo | 175,472 | | 6,212,081 | | 6,387,553 | | 2,357,850 | | 8,745,403 | |
| **Grand Total** | **$138,421,360** | **53.99%** | **$15,703,611** | **62.10%** | **$154,124,971** | **54.72%** | **$56,243,224** | **42.14%** | **$210,368,195** | **50.68%** |

| Santiago Canyon College | Fund 11 Unrestricted | % | Fund 13 One-Time | % | Fund 11/13 Unrestricted | % | Fund 12 Restricted | % | Fund 11/12/13 Combined | % |
|---|---|---|---|---|---|---|---|---|---|---|
| Academic Salaries | 31,602,660 | | 400,300 | | 32,002,960 | | 7,593,039 | | 39,595,999 | |
| Classified Salaries | 10,746,443 | | 28,843 | | 10,775,286 | | 9,380,654 | | 20,155,940 | |
| Employee Benefits | 17,973,934 | | 94,112 | | 18,068,046 | | 6,795,380 | | 24,863,426 | |
| Supplies & Materials | 96,407 | | 315,185 | | 411,592 | | 3,013,412 | | 3,425,004 | |
| Other Operating Exp & Services | 7,336,393 | | 4,570,062 | | 11,906,455 | | 7,181,749 | | 19,088,204 | |
| Capital Outlay | 770 | | 10,000 | | 10,770 | | 1,527,241 | | 1,538,011 | |
| Other Outgo | 1,350,161 | | 2,282,365 | | 3,632,526 | | 1,464,235 | | 5,096,761 | |
| **Grand Total** | **$69,106,768** | **26.96%** | **$7,700,867** | **30.45%** | **$76,807,635** | **27.27%** | **$36,955,710** | **27.69%** | **$113,763,345** | **27.41%** |

| District Services and Operations | Fund 11 Unrestricted | % | Fund 13 One-Time | % | Fund 11/13 Unrestricted | % | Fund 12 Restricted | % | Fund 11/12/13 Combined | % |
|---|---|---|---|---|---|---|---|---|---|---|
| Academic Salaries | 448,996 | | 0 | | 448,996 | | 104,345 | | 553,341 | |
| Classified Salaries | 22,930,476 | | 7,153 | | 22,937,629 | | 6,011,875 | | 28,949,504 | |
| Employee Benefits | 13,434,147 | | 2,594 | | 13,436,741 | | 3,065,802 | | 16,502,543 | |
| Supplies & Materials | 320,737 | | 63,861 | | 384,598 | | 167,795 | | 552,393 | |
| Other Operating Exp & Services | 11,285,139 | | 1,810,271 | | 13,095,410 | | 30,729,319 | | 43,824,729 | |
| Capital Outlay | 414,427 | | 841 | | 415,268 | | 187,607 | | 602,875 | |
| Other Outgo | 0 | | 0 | | 0 | | 0 | | 0 | |
| **Grand Total** | **$48,833,922** | **19.05%** | **$1,884,720** | **7.45%** | **$50,718,642** | **18.01%** | **$40,266,743** | **30.17%** | **$90,985,385** | **21.92%** |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Expenditures-excludes Institutional Costs** | **$256,362,050** | **100.00%** | **$25,289,198** | **100.00%** | **$281,651,248** | **100.00%** | **$133,465,677** | **100.00%** | **$415,116,925** | **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 | 6,957,982 | | 7,584,025 | | 14,542,007 | | 738,558 | | 15,280,565 | |
| Election | 125,000 | | 125,000 | | 250,000 | | 0 | | 250,000 | |
| Other Operating Exp & Services-prop&liability ins | 3,900,000 | | 0 | | 3,900,000 | | 0 | | 3,900,000 | |
| Other Operating - SCC-ADA settlement expense | 0 | | 2,000,000 | | 2,000,000 | | 0 | | 2,000,000 | |
| Other Outgo-Interfund Transfers to Capital Outlay | 3,700,000 | | 0 | | 3,700,000 | | 0 | | 3,700,000 | |
| Other Outgo-Board Policy Contingency | 0 | | 71,617,041 | | 71,617,041 | | 0 | | 71,617,041 | |
| Other Outgo-Reserves SRP exp | 765,064 | | 0 | | 765,064 | | 0 | | 765,064 | |
| Other Outgo-Reserves | 12,163,718 | | 3,150,000 | | 15,313,718 | | 0 | | 15,313,718 | |
| **Grand Total** | **$27,611,764** | | **$84,476,066** | | **$112,087,830** | | **$738,558** | | **$112,826,388** | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Expenditures-includes Institutional Costs** | **$283,973,814** | | **$109,765,264** | | **$393,739,078** | | **$134,204,235** | | **$527,943,313** | |

# RSCCD Budget Allocation Model

- All revenue is considered District revenue because the district is the legal entity authorized by the State of California to receive and expend income and to incur expenses. However, the majority of revenue is provided by the taxpayers of California for the sole purpose of providing educational services to the communities and students served by the District.
- Services such as classes, programs, and student services are, with few exceptions, the responsibility of the colleges. It is the intent of the revenue allocation model to allocate the majority of funds to the colleges in order to provide those educational services. The model intends to provide an opportunity to maximize resource allocation decisions at the local college level.
- Each college president is responsible for the successful operation and performance of his/her college as it relates to resource allocation and utilization.
- The purpose and function of the District Services and Operations in this structure is to maintain the fiscal and operational integrity of the District and its individual colleges and centers and to facilitate college operations so that their needs are met and fiscal stability is assured.
- The RSCCD BAM is a revenue allocation model, all expenditures and allocation of revenues under the model are the responsibilities of the colleges and centers.

Link to full text of Budget Allocation Model: www.rsccd.edu/Departments/BusinessServices/Documents/BAM/Rancho%20Santiago%20CCD%20BAM%205-2025.pdf

# RSCCD Budget Allocation Model

- "…Colleges will be responsible for funding the current programs and services that they operate as part of their budget plans within the revenues each generate. There are some basic guidelines the colleges must follow:
  - Allocating resources to achieve the maximum state funded level of FTES and other SCFF metrics is a primary objective for all colleges.
  - Requirements of the collective bargaining agreements apply to college level decisions.
  - To ensure that the District complies with the State required full-time Faculty Obligation Number (FON), the District Chancellor will establish a FON for each college. Each college is required to fund at least that number of full-time faculty positions. Any financial penalties imposed by the state due to FON non-compliance will be borne proportionately by the college(s) not in compliance unless a districtwide strategic decision is made to fall below FON and other funding sources are identified…

# RSCCD Budget Allocation Model

RANCHO SANTIAGO
Community College District

- "...In making expenditure decisions, the impact upon the 50% law calculation must be considered and budgeted appropriately. Any financial penalties imposed by the state due to 50% law noncompliance will be borne proportionally (by SCFF split) by both campuses.
- With unpredictable state funding, the cost of physical plant maintenance is especially important. Lack of maintenance of the operations and district facilities and grounds will have a significant impact on the campuses and therefore needs to be addressed with a detailed plan and dedicated budget whether or not funds are allocated from the state..."

**Budget Center Reserves and Deficits**

- At the Adopted Budget each college shall set aside a contingency reserve in the Unrestricted General Fund equal to a minimum of 1% of its total current year budgeted Fund 11 expenditures to handle unforeseen expenses. If the contingency reserve is unspent by fiscal year end, the college reserve rolls over into the colleges' beginning balance for the following fiscal year. The District Services and Operations and Institutional Cost allocations are budgeted as defined in the model for the appropriate operation of the district and therefore are not subject to carryover, unless specifically delineated. The Chancellor and Board of Trustees reserve the right to modify the budget as deemed necessary.

# RSCCD Budget Allocation Model

- "…If a college incurs an overall deficit for any given year, the following sequential steps will be implemented: The college reserve shall first be used to cover any deficit (structural and/or one-time). If reserves are not sufficient to cover the deficit, then the college is to prepare an immediate expenditure reduction plan that covers the amount of deficit along with a plan to replenish the 1% minimum reserve level. Once the college reserve has been exhausted, in circumstances when any remaining deficit is greater than 1.5% of budgeted Fund 11 expenditures, and a reduction plan has been prepared up to the 1.5% level, the college may request a temporary loan from District Reserves. The request, including a proposed payback period, should be submitted to the FRC for review. If the FRC supports the request, it will forward the recommendation to the District Council for review and recommendation to the Chancellor who will make the final determination…"

# Me? Worry?

Fall RSCCD Budget Town Hall
October 30, 2025

RANCHO SANTIAGO
Community College District

# Key Risk Factors for the California Economy

As a global economic competitor, geopolitical tension and uncertainty create risk for California

Unpredictable tariff and trade policies will have a similar impact on the state economy as it does on the national economy

The labor market continues to slump, with the California unemployment rate rising to the fourth highest in the nation and projected to rise above 6% in 2025

Housing affordability and persistent limited inventory continues to be an economic headwind

# Risks to the State Budget

**California General Fund**

56°

Mostly Cloudy

Mostly cloudy conditions with a chance of rain beginning in 2026-27.

| Now | 26-27 | 27-28 | 28-29 |
|---|---|---|---|

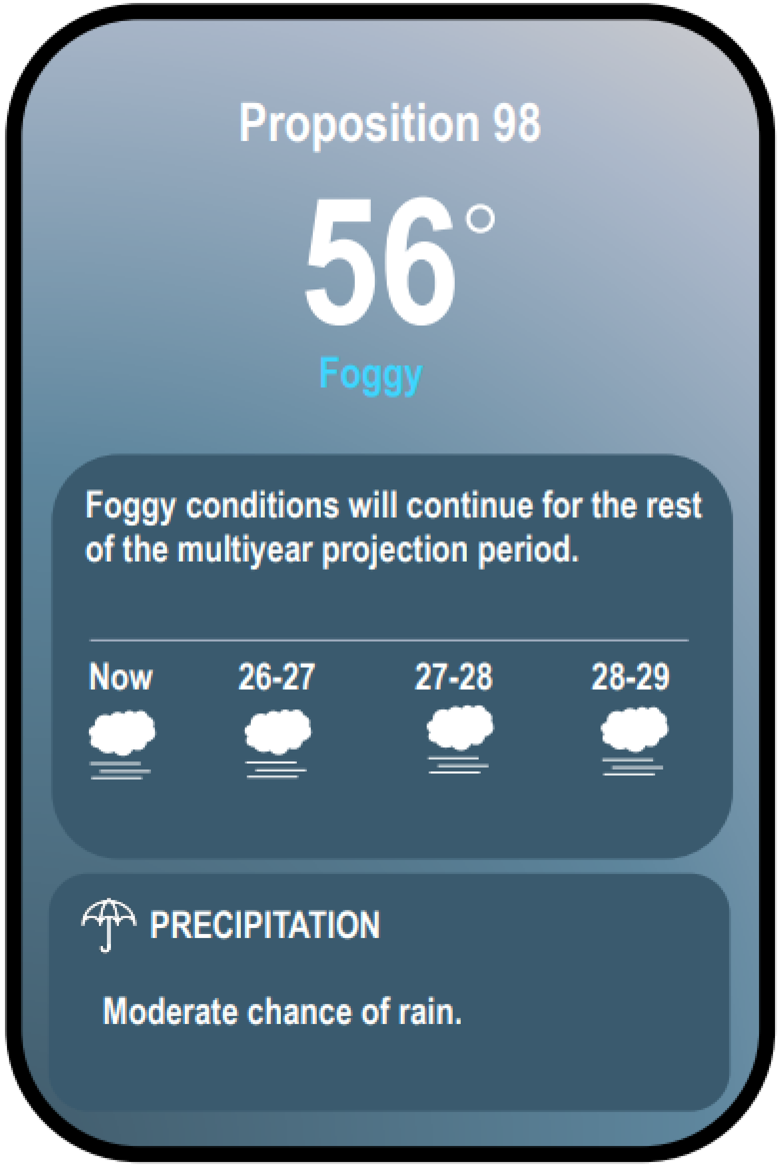
**PRECIPITATION**

Light rain in 2025-26 with worsening conditions

## California's General Fund Deteriorating Conditions

- State structural deficits through 2028-29
- Tariffs can reduce state revenue by over $15 billion
- Sensitive to federal fiscal and monetary policy changes
- Cost shifts from Washington D.C. to states will pressurize the budget

# Risks to Proposition 98 and Local Budgets




## Risks to the larger economy and State Budget continue to pose risks to Proposition 98 and education resources

- State structural deficits
- Federal funding changes and California programs
- Wall Street's reaction to fiscal, monetary, and trade policies
- Increasing costs and smaller cost-of-living adjustments

# Proposition 30/55—Major Concern by both Labor and Management

- Proposition 30 was initially passed at the strong urging of Governor Jerry Brown in 2012
  - The "urging" came in the form of a significant cut to K-14 funding if it did not pass
- Proposition 30 was set to expire in 2019, but the income tax portion was extended to 2030 with the passage of Proposition 55 in 2016
- From 2012-13 through 2023-24, Proposition 30/55 PIT made up about 6.2% of the "Big Three" revenues
- Proposition 30/55 revenues account for approximately 9% of the total PIT revenue
- There is currently a major focus by labor to either extend or make permanent the PIT provisions of Proposition 30/55


Questions?