

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: [Fiscal Resources Committee](#)

Agenda for Wednesday, July 3, 2024

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

Zoom Meeting

1. Welcome
2. State/District Budget Update – Ingram
 - 2023-24 Second Principal Apportionment and 2022-23 Recalculation Memo/posted June 25, 2024
 - 2023-24 Second Principal Apportionment Exhibit “C”-Statewide posted June 24, 2024
 - 2023-24 Second Principal Apportionment Exhibit “C”-RSCCD posted June 24, 2024
 - 2023-24 Second Principal Adjustment Report
 - Final State Budget 2024-25 report link: <http://www.ebudget.ca.gov>
 - SSC – CalSTRS Adopts 2024-25 Employer Contribution Rates
 - SSC – Proposition 98 Maneuver-What’s the Issue?
 - SSC – Reserve Cap Bill Held in Appropriations Committee
 - SSC – Appropriations Committee Take up Suspense Files
 - SSC – Top Legislative Issues-May 24, 2024
 - SSC – 2024-25 May Revision Dartboard
 - SSC – The Proposition 98 Deal-Local Impacts
 - SSC – Proposition 98 Breakdown: An Interview With the LAO
 - SSC – UCLA Economists: Slow but Steady Economy
 - SSC – Top Legislative Issues-June 7, 2024
 - SSC – California Supreme Court to Weigh in on Tax Ballot Measures
 - SSC – Legislature Approves 2024-25 State Budget
 - SSC – Top Legislative Issues-June 21, 2024
 - SSC – 2024-25 State Budget Agreement Reached
 - SSC – State Revenues Slightly Higher
 - [DOF – Finance Bulletin-June 2024](#)
3. Approval of Committee Co-Chair – **Action Item**
4. 2024-25 Proposed Adopted Budget Assumptions – **Action Item**
5. Discussion of ASCIP Rebates
6. Standing Report from District Council – Claire Coyne
7. Informational Handouts
 - District-wide expenditure report link: <https://intranet.rsccd.edu>
 - Vacant Funded Position List as of June 27, 2024
 - Monthly Cash Flow Summary as of May 31, 2024
 - [SAC Planning and Budget Committee Agendas and Minutes](#)
 - [SCC Budget Committee Agendas and Minutes](#)
8. Approval of FRC Minutes – May 15, 2024
9. Other

Next FRC Committee Meeting: Wednesday, August 21, 2024, 1:30 pm – 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

June 25, 2024

FS 24-04 | Via Website and Email

TO: Chief Executive Officers
Chief Business Officers

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

RE: 2023-24 Second Principal Apportionment

This memo describes the 2023-24 Second Principal (P2) apportionment calculations for the Student Centered Funding Formula (SCFF) and various categorical programs. **The SCFF P2 apportionment includes a temporary 8.74% deficit factor due primarily to a decline in Education Protection Account (EPA) resources, as described below.** 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: consisting of 1) the basic allocation which relies on college and center size based on prior year data, and 2) the Full Time Equivalent Student (FTES) allocation which is based on current year FTES enrollment and a three-year average for credit 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.

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 P2

At 2023-24 P2, SCFF calculations reflect district reported FTES estimates, supplemental and student success metric data reported as of March 13, 2024, county reported property tax, district reported enrollment fees, updated 2023-24 EPA resources, and currently available general fund.

Notably, there was a significant decline in anticipated EPA funding at 2023-24 P2, resulting in a point-in-time revenue deficit that will be reduced once additional general fund revenues are appropriated and available for expenditure in the 2024 Budget Act and/or associated legislation. This is discussed in greater detail in the Education Protection Account (EPA) section of this memo.

2023-24 Second Principal Apportionment
June 25, 2024

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 P2. Growth applied beyond districts' growth targets was proportionally adjusted to not exceed the budget. Growth will be reassessed at 2023-24 R1 when final FTES are reported.

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 P2 reflect metric data updates provided by districts through March 13, 2024. Aside from any pending audit adjustments, this is the final data set used for calculating the 2023-24 supplemental and student success allocations.

Compared to the metric data used at 2023-24 P1, there was a net decline in the regional living wage data; There was a delay in available transfer data at 2023-24 P1, which was nonetheless included in the SCFF calculations for the same period. However, this delay had a subsequent impact on the regional living wage data that is now being used at 2023-24 P2.

Total Computational Revenue

The 2023-24 P2 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 P2, the statewide SCFF Max TCR is \$9.55 billion.

SCFF Component	2023-24 P2 Amount (Statewide) (In Millions)
FTES Allocation	\$5,919
Basic Allocation	\$986

2023-24 Second Principal Apportionment
June 25, 2024

SCFF Component	2023-24 P2 Amount (Statewide) (In Millions)
Supplemental Allocation	\$1,434
Student Success Allocation	\$1,025
SCFF Calculated Revenue (TCR A)	\$9,364
TCR Stability (TCR B)	\$9,387
Hold Harmless Revenue (TCR C)	\$8,697
2023-24 TCR (Max of A, B, or C)	\$9,554
Stability Protection Adjustment	\$94
Hold Harmless Protection Adjustment	\$97
Property Tax & ERAF	\$4,493
Less Property Tax Excess	(\$463)
Student Enrollment Fees	\$414
Education Protection Account (EPA)	\$867
State General Fund Allocation	\$3,480
Deficit Factor	8.74%
Surplus (Deficit)	(\$764)

2023-24 P2 TCR Status	Number of Districts
SCFF Calculated Revenue (TCR A)	24
TCR Stability (TCR B)	37
Hold Harmless Revenue (TCR C)	11

2023-24 Second Principal Apportionment

June 25, 2024

Education Protection Account (EPA)

The Fiscal Year (FY) 2023-24 EPA funding allocation was updated by the Department of Finance in June 2024 from \$1.72 billion to \$867 million, a decrease of \$848 million. The California Community Colleges do not have a continuous appropriation (automatic backfill) for decreases in EPA and local revenues in the same manner that the K-12 system does. As is the case this year, historically, and upon discretion of the Governor and Legislature, community colleges have received backfills of needed general fund revenues in the subsequent Budget Act and/or associated legislation. Once enacted, the 2024 Budget Act and/or associated legislation is expected to provide the revenue to offset the June 2024 decrease in 2023-24 EPA funding. Since the Budget Act and/or associated legislation had not been enacted at the time of certification, 2023-24 P2 does not include the 2023-24 general fund revenue increases to offset the decrease in 2023-24 EPA funding, resulting in a temporary revenue deficit of 8.74% at 2023-24 P2.

As of the third quarter payment in March 2024, districts have received \$1.29 billion in 2023-24 EPA payments, resulting in \$419.5 million in payments above the revised June 2024 EPA funding allocation. To minimize the impact of the temporary revenue deficit at 2023-24 P2, 2023-24 EPA payments will not be processed in June 2024. The 2023-24 EPA payments will be accounted for by offsetting the first quarter and second quarter 2024-25 EPA payments in September and December 2024, respectively.

To offset the decrease in 2023-24 EPA funding, additional 2023-24 general fund revenues will be allocated to districts once funds are available at the State Controller's Office. Additional 2023-24 general fund payments will be processed through an early 2023-24 Recalculation apportionment, estimated to occur in September or October 2024.

2023-24 P2 Exhibits

- Exhibit A (District Monthly Payments by Program)
- 2023-24 Adjustment Report June 2024
- 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 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.

2023-24 Second Principal Apportionment
June 25, 2024

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.
FTES Restoration Protection (EDC 84750.4(d)(2)(D))	Ability to restore FTES that have declined in the previous 3 years.
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:

- **Prior Formula Comparison to SCFF:** Presents an analysis and comparison of the prior funding formula (SB 361) and SCFF. Data was last updated February 2023 and will no longer be updated.
- **Analysis of Counts and Patterns Across the SCFF:** 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 June 2024.
- **SCFF Resource Estimator:** Provides districts with a planning tool to estimate funding amounts. This data is updated after each apportionment period. Data last updated March 2024.

The SCFF Resource Estimator allows users to modify assumptions regarding 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 P2 data in the coming weeks.

2023-24 Second Principal Apportionment

June 25, 2024

2019-20 State General Apportionment

\$5.7 million in State General Apportionment has been reappropriated to effectively close the remaining 2019-20 R1 SCFF revenue deficit consistent with Senate Bill 101, the Budget Act of 2023. Refer to the 2019-20 R1 June 2024 Revision Exhibit D on our [website](#) for allocations by district.

Categorical Programs

A total of 56 programs certified their district allocations at 2023-24 P2 totaling over \$3 billion. The following exhibits pertaining to 2023-24 P2 program allocations can be found on our [website](#):

- Exhibit A, B4, D (District Monthly Payments by program)
- Adjustment Report June 2024
- Exhibit A, B4, D (Apprenticeship Training and Instruction, Local Education Agencies)
- Exhibit A, B4 (Healthcare Focused Vocational Pathways, Local Education Agencies)
- Exhibit B4 (Statewide Community College)
- Exhibit B4 (Reimbursement, Vocational Education (Perkins))

Additional information regarding 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 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
2023-24 Second Principal
Statewide Totals
Exhibit C - Page 1**

Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)		
I. Base Allocation (FTES + Basic Allocation)		\$ 6,905,036,557
II. Supplemental Allocation		1,433,609,203
III. Student Success Allocation		1,024,957,959
	Student Centered Funding Formula (SCFF) Calculated Revenue (A)	\$ 9,363,603,719
	2022-23 SCFF Calculated Revenue + COLA (B)	9,386,680,258
	Hold Harmless Revenue (C)	8,696,694,966
	Stability Protection Adjustment	93,812,901
	Hold Harmless Protection Adjustment	96,641,653
	2023-24 TCR (Max of A, B, or C)	\$ 9,554,058,273
Revenue Sources		
Property Tax & ERAF		\$ 4,493,117,053
Less Property Tax Excess		(463,089,226)
Student Enrollment Fees		413,551,481
Education Protection Account (EPA)	Minimum of at least \$100 x Funded FTES	Funded FTES: 1,087,711.16 x Rate: varies
State General Fund Allocation		867,115,700
		3,479,573,986
State General Fund Allocation		
General Fund Allocation	\$ 3,394,805,229	
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)	84,768,757	
Subtotal State General Fund Allocation	\$3,479,573,986	
Adjustment(s)	(2,462,153)	
Total State General Fund Allocation (Exhibit A)	\$3,477,111,833	
	Available Revenue	\$ 8,790,268,994
	2023-24 TCR (Max of A, B, or C)	9,554,058,273
7 Fully Community Supported Districts	See memo for additional information regarding revenue deficit at 2023-24 P2.	7.9944% Revenue Deficit \$ (763,789,279)

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	8,911.22	(69,939.04)	(8,259.58)	897,141.70	950,833.76	1,939.58	952,773.35
Incarcerated Credit	4,988.11	5,764.96	87.04	(636.76)	(237.36)	4,977.88	4,977.88	87.72	5,065.60
Special Admit Credit	37,776.67	41,532.54	363.36	11,190.57	1,153.56	54,240.04	54,240.04	1,247.34	55,487.38
CDCP	40,664.65	41,185.15	(135.85)	1,261.13	5,130.02	47,440.45	47,440.45	822.38	48,262.83
Noncredit	29,235.82	27,724.65	2,443.59	(3,891.76)	(219.82)	26,056.66	26,056.66	65.35	26,122.01
Total FTES=>>>	1,101,595.73	1,082,636.41	11,669.36	(62,015.86)	(2,433.19)	1,029,856.73	1,083,548.79	4,162.37	1,087,711.16
Total Values=>>>		\$5,848,225,144	\$59,885,241	(\$298,396,607)	\$0				
Change from PY to CY=>>>		(\$175,730,623)							

variable	j = g x l 2023-24 Applied #2 Revenue	k = h x l 2023-24 Growth Revenue	l 2023-24 P2 Rate \$*	m = j + k 2023-24 Total Revenue
Credit	\$4,992,801,211	\$ 10,171,614	\$5,238.37	\$5,002,972,825
Incarcerated Credit	36,670,549	644,365	\$7,345.93	37,314,914
Special Admit Credit	399,247,791	9,261,236	\$7,345.93	408,509,027
CDCP	348,494,113	6,041,119	\$7,345.93	354,535,232
Noncredit	115,100,425	288,665	\$4,417.31	115,389,090
Total	\$5,892,314,089	\$26,406,999		\$5,918,721,088

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

n 2023-24 Applied #0	o = f + h 2023-24 Applied #3	p = n - o 2023-24 Unfunded FTES	q = p x l 2023-24 Unfunded FTES Value
903,758.36	899,081.28	4,677.08	\$ 24,610,839
5,092.89	5,065.60	27.29	200,490
56,928.87	55,487.38	1,441.49	10,641,737
48,388.16	48,262.83	125.33	920,665
26,122.01	26,122.01	(0.00)	-
1,040,290.29	1,034,019.10	6,271.19	\$ 36,373,731

Total Value=>>>
\$5,672,494,521

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

variable	r ECA FTES	s Reported 320 2023-24 P2 FTES	t ECA Applied	n = s + t 2023-24 Applied #0
Credit	39,063.12	895,188.33	8,570.03	903,758.36
Incarcerated Credit	222.64	5,109.97	(17.08)	5,092.89
Special Admit Credit	1,366.29	57,620.31	(691.44)	56,928.87
CDCP	699.31	48,378.75	9.41	48,388.16
Noncredit	3,794.33	25,025.85	1,096.16	26,122.01
Total	45,145.69	1,031,323.21	8,967.08	1,040,290.29

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		

California Community Colleges
 2023-24 Second Principal
 Statewide Totals
 Exhibit C - Page 2

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
FTES Category	% target	2022-23 Applied #3 FTES	2023-24 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	40	\$85,860,640
Grandparented Centers			
≥ 1,000	2,146,515.89	16	34,344,256
≥ 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			\$,918,721,088
Total Base Allocation			\$6,905,036,557

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	382,900	1,238.71	474,301,017
Promise Grant Recipients	1	729,422	1,238.71	903,540,342
		Totals	1,157,343	\$1,433,609,203

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	53,922	58,674.67	\$ 2,921.68	\$171,428,407
Associate Degrees	3	62,853	63,221	60,782	62,285.33	2,191.26	136,483,202
Baccalaureate Degrees	3	271	296	243	270.00	2,191.26	591,639
Credit Certificates	2	21,593	23,834	25,465	23,630.67	1,460.84	34,520,582
Transfer Level Math and English	2	51,275	46,737	52,247	50,086.33	1,460.84	73,168,042
Transfer to a Four Year University	1.5	72,896	79,309	68,760	73,655.00	1,095.63	80,698,538
Nine or More CTE Units	1	187,049	171,400	185,112	181,187.00	730.42	132,342,459
Regional Living Wage	1	182,842	190,121	187,981	186,981.33	730.42	136,574,750
All Students Subtotal		642,068	633,731	634,512	636,770.33		\$765,807,619
Pell Grant Recipients - Point Value \$184.24							
Associate Degrees for Transfer	6	35,472	32,445	29,933	32,616.67	\$ 1,105.43	\$36,055,399
Associate Degrees	4.5	33,822	34,090	32,886	33,599.33	829.07	27,856,245
Baccalaureate Degrees	4.5	124	150	109	127.67	829.07	105,844
Credit Certificates	3	9,218	10,339	10,849	10,135.33	552.71	5,601,943
Transfer Level Math and English	3	18,184	17,548	20,769	18,833.67	552.71	10,409,639
Transfer to a Four Year University	2.25	34,565	35,620	30,401	33,528.67	414.54	13,898,834
Nine or More CTE Units	1.5	82,832	76,915	84,191	81,312.67	276.36	22,471,334
Regional Living Wage	1.5	50,868	60,149	59,535	56,850.67	276.36	15,711,094
Pell Grant Recipients Subtotal		265,085	267,256	268,673	267,004.67		\$132,110,332
Promise Grant Recipients - Point Value \$184.24							
Associate Degrees for Transfer	4	47,880	44,092	40,285	44,085.67	\$ 736.95	\$32,489,044
Associate Degrees	3	47,263	47,640	45,732	46,878.33	552.71	25,910,325
Baccalaureate Degrees	3	179	211	170	186.67	552.71	103,173
Credit Certificates	2	13,893	15,391	15,854	15,046.00	368.48	5,544,096
Transfer Level Math and English	2	28,923	25,883	29,009	27,938.33	368.48	10,294,609
Transfer to a Four Year University	1.5	47,296	50,206	42,695	46,732.33	276.36	12,914,814
Nine or More CTE Units	1	123,335	112,484	120,425	118,748.00	184.24	21,877,908
Regional Living Wage	1	88,057	103,252	100,260	97,189.67	184.24	17,906,039
Promise Grant Recipients Subtotal		396,826	399,159	394,430	396,805.00		\$127,040,008
Total Headcounts		1,303,979	1,300,146	1,297,615	1,300,580.00		\$1,024,957,959

**California Community Colleges
2023-24 Second Principal
Rancho Santiago CCD
Exhibit C - Page 1**

Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)			
I. Base Allocation (FTES + Basic Allocation)		\$	184,729,166
II. Supplemental Allocation			27,224,309
III. Student Success Allocation			21,791,488
	Student Centered Funding Formula (SCFF) Calculated Revenue (A)	\$	233,744,963
	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)	\$	233,744,963
Revenue Sources			
Property Tax & ERAF		\$	114,241,873
Less Property Tax Excess			-
Student Enrollment Fees			8,657,316
Education Protection Account (EPA)	Minimum of at least \$100 x Funded FTES	Funded FTES: 28,827.28	x Rate: \$867.17
State General Fund Allocation			24,998,232
			65,417,335
State General Fund Allocation			
General Fund Allocation		\$	63,262,109
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)			2,155,226
	Subtotal State General Fund Allocation		\$65,417,335
Adjustment(s)			-
	Total State General Fund Allocation (Exhibit A)		\$65,417,335
		Available Revenue	\$ 213,314,756
		2023-24 TCR (Max of A, B, or C)	233,744,963
		8.7404% Revenue Deficit	\$ (20,430,207)
See memo for additional information regarding revenue deficit at 2023-24 P2.			

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	-	-	-	18,232.79	18,270.81	-	18,270.81
Incarcerated Credit	-	-	-	-	-	-	-	-	-
Special Admit Credit	940.72	1,334.45	-	-	-	1,334.45	1,334.45	133.51	1,467.96
CDCP	5,636.03	6,216.00	373.30	-	-	6,589.30	6,589.30	186.65	6,775.95
Noncredit	1,279.37	1,510.83	801.72	-	-	2,312.55	2,312.55	-	2,312.55
Total FTES=>>>	26,202.98	27,294.07	1,175.02	-	-	28,469.09	28,507.12	320.16	28,827.28
Total Values=>>>		\$157,649,017	\$6,283,719	\$0	\$0				
Change from PY to CY=>>>		\$12,026,614							

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 P2 Rate \$*	2023-24 Total Revenue
Credit	\$95,709,333	\$ -	\$5,238.37	\$95,709,333
Incarcerated Credit	-	-	\$7,345.93	-
Special Admit Credit	9,802,773	980,785	\$7,345.93	10,783,558
CDCP	48,404,554	1,371,081	\$7,345.93	49,775,635
Noncredit	10,215,256	-	\$4,417.31	10,215,256
Total	\$164,131,916	\$2,351,866		\$166,483,782

n	o = f + h	p = n - o	q = p x l
2023-24 Applied #0	2023-24 Applied #3	2023-24 Unfunded FTES	2023-24 Unfunded FTES Value
18,656.37	18,232.79	423.58	\$ 2,218,870
-	-	-	-
1,627.53	1,467.96	159.57	1,172,159
6,775.95	6,775.95	-	-
2,312.55	2,312.55	-	-
29,372.40	28,789.25	583.15	\$ 3,391,029

Total Value=>>> \$169,675,631

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

variable	r	s	t	n = s + t
FTES Category	ECA FTES	Reported 320 2023-24 P2 FTES	ECA Applied	2023-24 Applied #0
Credit	-	18,656.37	-	18,656.37
Incarcerated Credit	-	-	-	-
Special Admit Credit	-	1,627.53	-	1,627.53
CDCP	-	6,775.95	-	6,775.95
Noncredit	-	2,312.55	-	2,312.55
Total	-	29,372.40	-	29,372.40

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		

California Community Colleges
 2023-24 Second Principal
 Rancho Santiago CCD
 Exhibit C - Page 2

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	166,483,782
Total Base Allocation	\$184,729,166

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	1,484	963.33	1,095.63	1,055,456
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	7,086	6,083.67	730.42	4,443,627
All Students Subtotal		15,394	13,625	17,568	15,529.00		\$17,260,537
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	598	397.00	414.54	164,571
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	999	715.33	276.36	197,687
Pell Grant Recipients Subtotal		3,853	4,044	4,715	4,204.00		\$2,136,102
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	914	605.33	276.36	167,288
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	2,222	1,698.00	184.24	312,836
Promise Grant Recipients Subtotal		7,087	6,949	8,216	7,417.33		\$2,394,849
Total Headcounts		26,334	24,618	30,499	27,150.33		\$21,791,488

California Community Colleges
2019-20 and 2022-23 Adjustments
2023-24 Second Principal Adjustment Report

June 2024

District	2022-23 Adjustments June 2024	2022-23 Adjustments June 2024	2023-24 P2 District Categorical Total	2019-20 Adjustments June 2024	2023-24 P2 District State General Apportionment Total
	Foster Care Education	Foster and Kinship Care Education - Reimbursement		State General Apportionment	
Allan Hancock Community College District	-	297	297	51,967	51,967
Antelope Valley Community College District	-	3,502	3,502	66,298	66,298
Barstow Community College District	-	(986)	(986)	18,988	18,988
Butte-Glenn Community College District	-	6,666	6,666	57,403	57,403
Cabrillo Community College District	-	-	-	54,319	54,319
Cerritos Community College District	-	5,812	5,812	93,399	93,399
Chabot-Las Positas Community College District	-	2,970	2,970	95,780	95,780
Chaffey Community College District	-	-	-	92,511	92,511
Citrus Community College District	-	5,274	5,274	63,674	63,674
Coast Community College District	-	-	-	168,230	168,230
Compton Community College District	-	2,648	2,648	33,758	33,758
Contra Costa Community College District	-	(30,720)	(30,720)	151,432	151,432
Copper Mountain Community College District	-	-	-	12,577	12,577
Desert Community College District	-	-	-	60,239	60,239
El Camino Community College District	-	2,958	2,958	105,066	105,066
Feather River Community College District	-	-	-	13,295	13,295
Foothill-De Anza Community College District	-	-	-	131,568	131,568
Gavilan Community College District	-	-	-	28,706	28,706
Glendale Community College District	-	-	-	78,471	78,471
Grossmont-Cuyamaca Community College District	-	21,053	21,053	97,300	97,300
Hartnell Community College District	-	(5,023)	(5,023)	42,005	42,005
Imperial Community College District	-	1,436	1,436	44,607	44,607
Kern Community College District	-	(6,542)	(6,542)	141,757	141,757
Lake Tahoe Community College District	-	2,709	2,709	13,834	13,834

California Community Colleges
2019-20 and 2022-23 Adjustments
2023-24 Second Principal Adjustment Report

District	2022-23 Adjustments June 2024	2022-23 Adjustments June 2024	2023-24 P2 District Categorical Total	2019-20 Adjustments June 2024	2023-24 P2 District State General Apportionment Total
	Foster Care Education	Foster and Kinship Care Education - Reimbursement		State General Apportionment	
Lassen Community College District	-	-	-	14,357	14,357
Long Beach Community College District	-	6,956	6,956	106,168	106,168
Los Angeles Community College District	-	27,001	27,001	538,893	538,893
Los Rios Community College District	-	8,336	8,336	270,370	270,370
Marin Community College District	-	526	526	-	-
Mendocino-Lake Community College District	-	-	-	20,569	20,569
Merced Community College District	-	-	-	55,966	55,966
Miracosta Community College District	-	-	-	-	-
Monterey Peninsula Community College District	-	-	-	34,591	34,591
Mt. San Antonio Community College District	-	-	-	165,331	165,331
Mt. San Jacinto Community College District	-	-	-	68,516	68,516
Napa Valley Community College District	-	-	-	-	-
North Orange County Community College District	-	-	-	179,727	179,727
Ohlone Community College District	-	-	-	43,375	43,375
Palo Verde Community College District	-	-	-	16,521	16,521
Palomar Community College District	-	-	-	96,553	96,553
Pasadena Area Community College District	-	768	768	124,270	124,270
Peralta Community College District	-	-	-	102,002	102,002
Rancho Santiago Community College District	-	-	-	146,750	146,750
Redwoods Community College District	-	2,318	2,318	25,388	25,388
Rio Hondo Community College District	-	(5,544)	(5,544)	69,767	69,767
Riverside Community College District	-	1,215	1,215	167,950	167,950
San Bernardino Community College District	-	(8,756)	(8,756)	86,814	86,814
San Diego Community College District	-	-	-	218,859	218,859

California Community Colleges
2019-20 and 2022-23 Adjustments
2023-24 Second Principal Adjustment Report

District	2022-23 Adjustments June 2024	2022-23 Adjustments June 2024	2023-24 P2 District Categorical Total	2019-20 Adjustments June 2024	2023-24 P2 District State General Apportionment Total
	Foster Care Education	Foster and Kinship Care Education - Reimbursement		State General Apportionment	
San Francisco Community College District	-	(1,779)	(1,779)	114,172	114,172
San Joaquin Delta Community College District	-	1,630	1,630	85,619	85,619
San José-Evergreen Community College District	-	-	-	-	-
San Luis Obispo County Community College District	-	(20,604)	(20,604)	43,647	43,647
San Mateo County Community College District	-	(5,874)	(5,874)	-	-
Santa Barbara Community College District	-	2,562	2,562	68,669	68,669
Santa Clarita Community College District	-	2,150	2,150	85,633	85,633
Santa Monica Community College District	-	-	-	115,562	115,562
Sequoias Community College District	-	6,024	6,024	61,647	61,647
Shasta-Tehama-Trinity Community College District	11,615	5,216	16,831	41,244	41,244
Sierra Community College District	-	3,578	3,578	-	-
Siskiyou Community College District	(11,615)	(5,676)	(17,291)	16,145	16,145
Solano County Community College District	-	469	469	43,163	43,163
Sonoma County Community College District	-	-	-	95,050	95,050
South Orange County Community College District	-	(4,395)	(4,395)	-	-
Southwestern Community College District	-	-	-	82,378	82,378
State Center Community College District	-	2,688	2,688	181,150	181,150
Ventura County Community College District	-	337	337	141,959	141,959
Victor Valley Community College District	-	-	-	55,233	55,233
West Hills Community College District	-	-	-	39,878	39,878
West Kern Community College District	-	-	-	24,103	24,103
West Valley-Mission Community College District	-	-	-	-	-
Yosemite Community College District	-	4,160	4,160	92,474	92,474
Yuba Community College District	-	5,271	5,271	48,353	48,353
Statewide Total	-	40,631	40,631	5,706,000	5,706,000

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

CalSTRS Adopts 2024-25 Employer Contribution Rate

✓ BY TEDDI WENTWORTH

✓ BY MICHELLE MCKAY UNDERWOOD

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posted May 14, 2024

Yesterday, May 2, 2024, the California State Teachers Retirement System (CalSTRS) Board (Board) was presented with its staff recommendation for the employer contribution rate for 2024-25 based on its June 30, 2023, actuarial valuation report. The 2024-25 employer contribution rate was adopted to maintain the employer contribution rate of 19.10%.

Employer Contribution Rate	Fiscal Year (FY) 2023-24	FY 2024-25
Base	8.25%	8.25%
Supplemental Rate	10.85%	10.85%
Total Employer Contribution Rate	19.10%	19.10%

Staff acknowledged that because CalSTRS is ahead of pace in meeting the target obligation, instead of lowering the employer contribution rate, they opted to keep the employer rate at the existing rate of 19.10% to continue to maintain the stability in the employer contribution rate going forward; thus, reducing the likelihood of the Board to raise the employer contribution rate in the future.

The CalSTRS contribution rate for members subject to Public Employees' Pension Reform Act (PEPRA) will remain at 10.205% and the contribution rate for CalSTRS members not subject to PEPRA is set by statute and is currently 10.250% of salary. As of June 30, 2023, 2% at 62 members represented 39% of the total number of active members.

Member's Contribution Rate	June 30, 2022 Valuation (Rate for FY 2023-24)	June 30, 2023 Valuation (Rate for FY 2024-25)
2% at 60 Members	10.250%	10.250%
2% at 62 Members	10.205%	10.205%

School Services of California Inc. (SSC) will include this information in the May Revision edition of the SSC Financial Projection Dartboard.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Proposition 98 Maneuver—What's the Issue?

 BY JOHN GRAY

 BY PATTI F. HERRERA, EDD

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posted May 17, 2024

When Governor Gavin Newsom first proposed to address the unexpected, unprecedented, and precipitous drop in the calculated 2022–23 minimum guarantee through future “payments” to education from the state General Fund above the constitutional levels in those future years, we scratched our heads and asked, “Did the Governor just create a Proposition 98 *Test 4*?”

Since January, Proposition 98 hawks have been analyzing what the Legislative Analyst’s Office refers to as the Governor’s “maneuver” for its impact on education funding now and into the future, as well as against the backdrop of the California Constitution, which establishes the legal foundation for calculating the guaranteed level of funding for school districts and community colleges each year. The release of the May Revision begins final budget negotiations in earnest as the Legislature and Governor Newsom sprint toward their constitutional deadlines to pass and then enact a balanced budget by July 1.

Like in January, the Newsom Administration maintains its proposed Proposition 98 maneuver while acknowledging that the problem it is attempting to address grew by another \$800 million—a problem now measured at \$8.8 billion.

The Problem

As a reminder, the \$8.8 billion problem stems from the fact that the 2023–24 Enacted Budget was passed months before the state had a clear picture of the amount of revenues it could expect to receive from personal income and corporation taxes for the 2022 tax year since the Internal Revenue Service delayed the tax filing deadline from the spring to the fall. The tax filing delay, coupled with aggressive revenue assumptions, laid fertile ground for what we assessed to be the riskiest budget in over a decade. We hoped we were wrong. By December 2023, our fears were realized when 2022 tax receipts came in \$26 billion lower than Budget Act estimates.

Remember that Proposition 98 is dependent on the performance of the economy and state revenues. The significant shortfall in 2022 tax collections translated to nearly a \$10 billion reduction to the calculated 2022–23 Proposition 98 minimum guarantee, and after adjusting for revised costs within the guarantee, the net amount the state allocated to K–12 and community college agencies above the revised lower constitutional funding level is \$8.8 billion at May Revision. The \$8.8 billion allocation itself is not the problem. The problem is that budgeted state expenditures and revised state revenues for the 2022–23 fiscal year per the Enacted Budget last June no longer reconcile. That is, the state doesn’t have room in the 2022–23 budget to absorb an \$8.8 billion appropriation to education above the revised constitutional obligated level of \$97.5 billion.

To address the State Budget problem this creates, the Newsom Administration’s maneuver proposes to accrue the budget impact of the cash provided to education in fiscal year 2022–23 over a period of five years in annual payments of just under \$1.8 billion from non-Proposition 98 General Fund resources in each fiscal year beginning in 2025–26 through 2029–30. Under the maneuver, neither the \$8.8 billion allocation in 2022–23 nor the future \$1.8 billion supplemental “payments” to K–14 education are variables included in the calculation of the minimum guarantee.

Therein lies the rising controversy the proposal has drawn as lawmakers roll up their collective sleeves to pass a balanced budget.

The Legal Concerns of the Maneuver

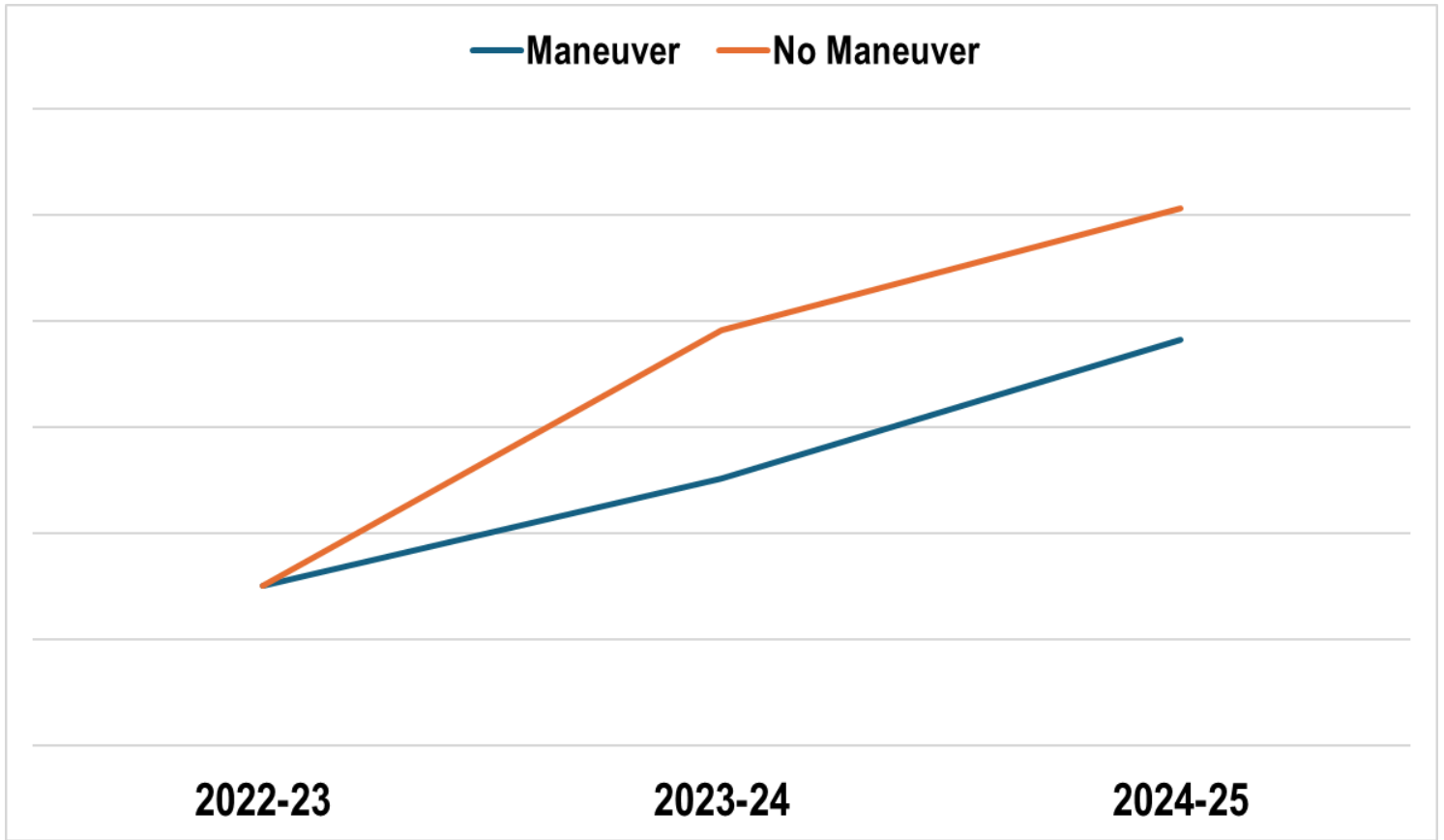
Criticisms of the Governor’s proposed maneuver are anchored in legal concerns about his treatment of the constitutional requirements to calculate Proposition 98 annually. Specifically, at issue are provisions embedded in the California Constitution that Proposition 98, under the Test 2 and Test 3 formulas, requires total combined General Fund and local property tax allocations to school districts and community colleges in a fiscal year “shall not be less than the total amount from these sources in the prior fiscal year,” which is then adjusted for changes in revenue per capita and student attendance.

Applying these provisions for Test 2 and Test 3 requires an allocation to education above the minimum guarantee to be included as an adjustment or augmentation in the Proposition 98 calculation for subsequent fiscal years—referred to as the Proposition 98 base. The maneuver excludes the \$8.8 billion allocation in 2022–23 from the Proposition 98 base in both 2023–24 and 2024–25, which will have out-year impacts on total funding for education in the long-term.

Here's what it looks like when the \$8.8 billion allocation in excess of the revised calculated 2022–23 minimum guarantee is treated differently.

Proposition 98 Minimum Guarantee

Differences in Funding Level Based on Treatment of 2022-23 Excess Allocation



The estimated impact on education funding in the current and budget year is approximately \$12-14 billion. That is, the Newsom Administration’s maneuver would reduce Proposition 98 funding by \$12-14 billion across the two years, with significant implications for education funding in the outyears.

If Not the Maneuver, Then What?

If the final budget deal doesn’t include the Governor’s maneuver, he and the Legislature will have to grapple with increased obligated funding for education that is significantly higher than the May Revision levels for 2023-24 and 2024-25. Importantly, the state began running an operating deficit in Proposition 98 two years ago when the cost of education investments began outpacing growth in Proposition 98. The \$8.8 billion problem deepens the deficit.

So, if lawmakers avoid the maneuver, then what options do they have to meet the state’s constitutional obligations to education?

This is the question that legislative budget leaders began asking yesterday, May 16, 2024, at their first hearings to review and evaluate the Governor’s May Revision.

The range of options is wide, and any option or combination of options come with trade-offs, not just for education but for the rest of the State Budget. For example, the constitution provides a mechanism for the state when the General Fund cannot support its obligation, which is to “suspend” the minimum guarantee and fund education at a lower level than the constitutional minimum. This requires a two-thirds vote of the Legislature and creates an obligation for the state to restore education funding to the higher level through what is referred to as “maintenance factor” payments.

Other options to address the problem include alternative uses of the Proposition 98 reserve, reducing existing programs, reallocating unused previously appropriated resources, and deferrals among other things.

At this point, it is not clear how the final budget will address the problem. But we will cover this and any developments in breaking *Community College Update* articles. Buckle up and stay tuned.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Reserve Cap Bill Held in Appropriations Committee



BY KYLE HYLAND

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posted May 17, 2024

Senate Bill (SB) 1388 (Archuleta, D-Pico Rivera), arguably the most contentious community college bill introduced this year (see "[CCD Reserve Cap Bill Introduced](#)") in the March 2024 *Community College Update*), was held by the Senate Appropriations Committee and is now considered dead, barring any rule waivers.

SB 1388 would have prohibited a community college district's (CCD) annual unrestricted General Fund balance from exceeding 16.7% of its unrestricted General Fund expenditures. The bill would have only allowed a CCD to exceed that cap if it met all of the following conditions:

- Participates in the Part-Time Community College Faculty Health Insurance Program
- Participates in the Community College Part-Time Faculty Office Hours Program
- Has at least 75% of hours of credit instruction taught by full-time instructors

The Government Finance Officers Association and the California Community Colleges Chancellor's Office recommend CCDs maintain a minimum of 16.7% for their unrestricted reserves. The 16.7% number has been historically thought of as the floor for CCD reserves. SB 1388 would have locked in the 16.7% rate as the ceiling, which would have significantly impacted districts at a time when the economy is softening, and state revenues are underperforming.

SB 1388 was co-sponsored by the California Federation of Teachers, California Community College Independents, the California Teachers Association, and the Faculty Association of California's Community Colleges. The bill was opposed by more than 60 community college organizations, including 26 CCDs and 28 individual community colleges.

While the bill is effectively dead for 2024, it could be an issue that is brought up again in future legislative years and will be something for community college interest holders to keep an eye on.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Appropriations Committees Take up Suspense Files



BY KYLE HYLAND

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posted May 24, 2024

Last Thursday, May 16, 2024, the Appropriations Committees in both the Senate and the Assembly took up their suspense files and quickly disposed of nearly 1,000 measures, one day before the deadline for fiscal bills to be sent to the house floors.

The suspense file is a sort of legislative purgatory, where measures that are deemed to have a fiscal impact of a certain magnitude are placed until all those measures can be dealt with at once. In many cases, bills that go onto the committee's suspense file are held, never come off, and are effectively killed without legislators having to cast a vote in favor or opposition.

Thursday's hearings released hundreds of bills from the suspense files. Many of these bills were able to move on because of authors agreeing to amendments that addressed fiscal concerns, added coauthors, or reduced costs. Those bills now head to their house floors for a vote before they can go into the second house and move forward in the legislative process. Since we are in the second year of the two-year legislative session, bills that did not make it out of the Appropriations Committees will be considered dead for the remainder of the legislative session, barring any rule waivers.

Of the 341 bills on the Senate suspense file, 87 measures, nearly 26%, were held by the committee. Of the 668 bills on the Assembly suspense file, 231 measures, nearly 35%, were held by the committee.

Below we highlight some of the significant California Community Colleges (CCC) bills that will be moving forward in 2024 and also the noteworthy bills that were held by the committees and thus considered dead. You can find the full results of the Assembly Appropriations Committee [here](#) and the results of the Senate Appropriations Committee [here](#).

Bills Approved by the Appropriations Committees

[Assembly Bill \(AB\) 1818](#) (Jackson, D-Moreno Valley)—Public Postsecondary Education: Homeless Students: Parking. This bill would require the California Community Colleges Chancellor's Office (CCCCO) and the California State University (CSU) Chancellor's Office to each establish a pilot program to allow overnight parking on campuses by eligible students. The community college pilot program would be limited to 20 campuses.

SSC Comment: This bill was approved 63-0 by the Assembly on Wednesday, May 22, 2024, and is now in the Senate.

[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 to eligible students who enroll in nine or more units per semester who are considered full-time as part of a disabled student programs and services Academic Accommodation Plan.

SSC Comment: This bill was approved 73-0 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 1905](#) (Addis)—Public Postsecondary Education: Employment: Settlements, Informal Resolutions, and Retreat Rights. This bill would place conditions upon the use of settlements, informal resolutions, retreat rights, and letters of recommendations for public postsecondary education institutions for employees who are the respondent in a sexual harassment complaint.

SSC Comment: This bill was approved 73-0 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 1997](#) (McKinnor, D-Inglewood)—Teachers' Retirement Law. This bill would make various changes, effective not later than July 1, 2027, to the Teachers' Retirement Law, including changes related to creditable compensation, creditable service, and the reporting of compensation.

SSC Comment: This bill was approved 72-0 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 2033](#) (Reyes, D-Colton)—Public Postsecondary Education: Electronic Benefits Transfer Cards: Basic Needs Services and Resources. This bill would require the CCC and CSU to implement various programs and tools, as defined, to help students access basic needs resources on and off campus.

SSC Comment: This bill was approved 73-0 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 2057](#) (Berman, D-Menlo Park)—Associate Degree for Transfer Intersegmental Implementation Committee. This bill would extend the sunset of the Associate Degree for Transfer Intersegmental Implementation Committee by two years, and would require California to adopt and monitor certain goals.

SSC Comment: This bill was approved 73-0 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 2076](#) (McCarty, D-Sacramento)—California Student Housing Revolving Loan Fund Act of 2022: State Fund Loan. This bill would require the State Controller, upon appropriation by the Legislature, to loan \$200 million from the Pooled Money Investment Account in the 2024-25 fiscal year, and deposit it into the Student Housing Revolving Loan Fund.

SSC Comment: This bill was approved 72-0 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 2088](#) (McCarty)—K-14 Classified Employees: Part-Time or Full-Time Vacancies: Public Postings. This bill would require K-14 employers to offer classified job vacancies to current employees for ten business days before the education employer may offer the position to an external candidate.

SSC Comment: This bill was approved 52-11 by the Assembly on Wednesday, May 22, 2024, and is now in the Senate.

[AB 2093](#) (Santiago, D-Los Angeles)—Community Colleges: California College Promise: Fee Waiver Eligibility and Funding Formula. This bill would extend the term of eligibility of the California College Promise Grant for an additional two academic years for first-time community college students and returning community college students who matriculate into upper division coursework of a community college baccalaureate degree program.

SSC Comment: This bill was approved 62-3 by the Assembly on Thursday, May 23, 2024, and is now in the Senate.

[AB 2104](#) (Soria, D-Fresno) and [Senate Bill \(SB\) 895](#) (Roth, D-Riverside)—Community Colleges: Baccalaureate Degree in Nursing Pilot Program. These bills would require the CCCCO to establish a Community College Baccalaureate Degree in Nursing Pilot Program authorizing 15 community college districts (CCDs) to offer a Bachelor of Science in Nursing degree.

SSC Comment: AB 2104 was approved 65-1 by the Assembly on Wednesday, May 22, 2024, and is now in the Senate. SB 895 was approved 38-0 by the Senate on Wednesday, May 22, 2024, and is now in the Assembly.

[AB 2193](#) (Holden, D-Pasadena)—Hazing Educational Institutions: Prohibition and Civil Liability: Reports and Resources. This bill would authorize, as of January 1, 2026, a civil action against a higher educational institution for an instance of hazing under certain circumstances.

SSC Comment: This bill was approved 55-1 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 2277](#) (Wallis, R-Palm Springs)—Community Colleges: Part-Time Faculty. This bill would require CCDs 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%.

SSC Comment: This bill was approved 73-0 by the Assembly on Thursday, May 23, 2024, and is now in the Senate.

[AB 2326](#) (Alvarez, D-San Diego)—Equity in Higher Education Act: Discrimination: Compliance, Regulations, and Reports. This bill would delineate which entities with the public higher education institutions are responsible for ensuring campus programs are free from discrimination and who has the authority to oversee and monitor compliance with state and federal laws.

SSC Comment: This bill was approved 72-0 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 2421](#) (Low, D-Campbell)—Employer-Employee Relations: Confidential Communications. This bill would add an explicit prohibition against local public agency employers, the state, public school employers, higher education employers, and the San Francisco Bay Area Rapid Transit District from questioning an employee regarding communications made in confidence between the employee and an employee representative in connection with representation.

SSC Comment: This bill was approved 61-0 by the Assembly on Wednesday, May 22, 2024, and is now in the Senate.

[AB 2458](#) (Berman)—Public Postsecondary Education: Student Parents. This bill would require each campus of the CCC and the CSU to develop and implement a campus policy for estimating and adjusting cost of attendance information for student parents.

SSC Comment: This bill was approved 73-0 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 2494](#) (Calderon, D-Whittier)—Employer Notification: Continuation Coverage. This bill would require all employers to provide a notice to employees, following termination or reduction in hours, stating that the employee may be eligible for coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, or COBRA, and that the employee will receive an election notice from the plan administrator or group health plan.

SSC Comment: This bill was approved 71-0 by the Assembly on Thursday, May 23, 2024, and is now in the Senate.

[AB 2500](#) (Fong, D-Alhambra)—Public Financial Aid: Application Deadlines: Postponement. This bill would authorize the California Student Aid Commission to grant a 30-day deadline extension to applicants in regions that experience a qualifying event, such as a natural disaster on a permanent basis.

SSC Comment: This bill was approved 73-0 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 2586](#) (Alvarez)—Public Postsecondary Education: Student Employment. This bill would prohibit the CCC, CSU, and University of California from disqualifying a student from being hired for an employment position due to their failure to provide proof of federal work authorization, except where that proof is required by federal law or where that proof is required as a condition of a grant that funds the particular employment position for which the student has applied.

SSC Comment: This bill was approved 59-4 by the Assembly on Wednesday, May 22, 2024, and is now in the Senate.

[AB 2821](#) (Grayson, D-Concord)—Postsecondary Education: Students With Disabilities. This bill would require the CCC Board of Governors (BOG) of the CCC and the CSU Trustees to provide a Disability Access and Compliance Training Program that meets prescribed requirements.

SSC Comment: This bill was approved 73-0 by the Assembly on Thursday, May 23, 2024, and is now in the Senate.

[AB 2834](#) (Rendon, D-Lakewood)—Public Postsecondary Education: Part-Time Faculty. This this bill would revise the policy preferences of the Legislature with respect to part-time community college faculty to express the preference that the names of part-time faculty be listed in the schedule of classes and the bulletin of classes offered once they are assigned to a course.

SSC Comment: This bill was approved 72-0 by the Assembly on Wednesday, May 22, 2024, and is now in the Senate.

[AB 2901](#) (Aguiar-Curry, D-Winters)—School and Community College Employees: Paid Disability and Parental Leave. The bill would require K-14 districts to provide up to 14 weeks of a leave of absence with specified pay benefits for an employe who is required to be absent from duty because of pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions.

SSC Comment: This bill was approved 67-1 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[AB 2925](#) (Friedman, D-Burbank)—Postsecondary Education: Equity in Higher Education Act: Prohibition on Discrimination: Training. This bill would provide that California's postsecondary educational institutions have an affirmative obligation to combat discrimination on the basis of disability, gender, gender identity, gender expression, nationality or national identify, race or ethnicity, religion, sexual orientation, and other specified characteristics, and a responsibility to provide equal educational opportunity.

SSC Comment: This bill was approved 73-0 by the Assembly on Tuesday, May 21, 2024, and is now.

[AB 2936](#) (Jackson)—Higher Education Reconciliation Act. This bill would require, by July 1, 2025, the CCCCO and the CSU Chancellor to convene an interest holder workgroup for each of their respective segments and submit recommendations to the Legislature related to responding to cultural and political conflicts that arise, with the goal of promoting reconciliation on each of its respective campuses.

SSC Comment: This bill was approved 71-0 by the Assembly on Thursday, May 23, 2024, and is now in the Senate.

[AB 3116](#) (Garcia, D-Coachella)—Housing Development: Density Bonuses: Student Housing Developments. This bill would allow student housing for community college students to be eligible for density bonus, incentives, waivers, and concessions under Density Bonus Law, if the housing development project dedicates 20% of the units to lower-income students.

SSC Comment: This bill was approved 71-0 by the Assembly on Tuesday, May 21, 2024, and is now in the Senate.

[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 allow Glendale Community College and two other colleges selected by the CCCCO to exempt from nonresident tuition fees a low-income student who is a resident of a region impacted by war or regional conflict and limits the number of students who may be exempted in any given academic year to no more than 150 full-time equivalent students at a community college.

SSC Comment: This bill was approved 33-4 by the Senate on Tuesday, May 21, 2024, and is now in the Assembly.

[SB 1166](#) (Dodd, D-Napa)—Public Postsecondary Education: Annual Report: Sex Discrimination. This bill would require the CCC, by December 1, 2026, and by each December 1 thereafter, to submit a report to the Legislature that provides a summation of the activities undertaken by each district or campus, as applicable, and by each systemwide Title IX office, to ensure campus programs and activities are free from sex discrimination.

SSC Comment: This bill was approved 37-0 by the Senate on Thursday, May 23, 2024, and is now in the Assembly.

[SB 1244](#) (Newman, D-Fullerton)—Dual Enrollment: College and Career Access Pathways Partnerships. This bill would authorize a CCD to enter into a College and Career Access Pathways partnership with a school district, charter school, or county office of education within the service area of another CCD.

SSC Comment: This bill was approved 37-0 by the Senate on Thursday, May 23, 2024, and is now in the Assembly.

[SB 1287](#) (Glazer, D-Orinda)—**Public Postsecondary Education: Equity in Higher Education Act: Prohibition on Violence, Harassment, Intimidation, and Discrimination**. This bill would require the CCC BOG and the CSU Trustees to adopt and enforce policies in institution-based student codes of conduct that prohibit violence, harassment, intimidation, and discrimination, interfering through force or intimidation with First Amendment rights, or calling for genocide.

SSC Comment: This bill was approved 30-1 by the Senate on Wednesday, May 22, 2024, and is now in the Assembly.

Bills Held by the Appropriations Committees

[AB 1839](#) (Alanis, R-Modesto)—**Peace Officers: Education and Hiring Grants**. This bill would have established the Law Enforcement Officer Grant Program to provide grants to individuals enrolled in a modern policing degree program at a CCC who commit to work for four years as a peace officer at a law enforcement agency.

[AB 1914](#) (Grayson)—**Community Colleges: Providers of Care for Individuals With Developmental Disabilities: Model Curriculum**. This bill would have required the CCCCO to develop a model curriculum for a certification program for providers of care for individuals with developmental disabilities.

[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 have authorized CCC transfer students attending certain “Black-serving” colleges and universities to access a grant from the College Access Tax Credit Fund.

[AB 2150](#) (Arambula, D-Fresno)—**Public Social Services: Higher Education**. This bill would have required a county human services agency to receive input from basic needs directors and basic needs coordinators when developing the protocols for engagement between the county human services agency and institutions of public higher education.

[AB 2751](#) (Haney, D-San Francisco)—**Employer Communications During Nonworking Hours**. The bill would have required public and private employers to establish a workplace policy that provides employees the right to disconnect from communications from the employer during nonworking hours.

[SB 1388](#) (Archuleta, D-Pico Rivera)—**Education Finance: Community Colleges: General Fund Balance**. This bill would have prohibited a CCD's annual unrestricted General Fund balance from exceeding 16.7% of its unrestricted General Fund expenditures (see “[Reserve Cap Bill Held in Appropriations Committee](#)” in the May 2024 *Community College Update*).

Next Steps

The bills passed by the Appropriations Committees, along with the scores of bills already awaiting consideration by the full Senate and Assembly, were debated this week and will need to be approved by the house of origin by the end of the day on Friday, May 24, 2024. Bills that meet this deadline will then go to the second house, where the committee process starts anew. Bills that do not clear this deadline will be considered dead.

We will continue to provide updates on the bills, including any significant amendments taken in the Appropriations Committee, which continue to make it through the legislative process with our “Top Legislative Issues” series. Stay tuned.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—May 24, 2024

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#)

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Last week, the Assembly and Senate Appropriations Committees took up their respective suspense files and approved 691 bills and held 318 measures (see “[Appropriations Committees Take up Suspense Files](#)” in the May 2024 *Community College Update*).

This week, the Assembly and Senate held lengthy floor sessions in order to consider those 691 bills and meet today’s house of origin deadline. Since we are in the second year of the 2023-24 Legislative Session, any bill that falls short of mustering sufficient votes for passing this latest legislative hurdle will be considered dead, barring any rule waivers.

While most bills clear the house of origin deadline, it is much harder to get out of the second house than the first for various reasons. Second house policy committees expect the kinks of a bill to be substantially worked out by this point in the process and are not as forgiving as when a bill was just a few weeks old, as is the case during the first round of policy committee hearings. Additionally, priorities of one house may not align with the priorities of the other, making certain measures more difficult to pass than others.

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

- [Access](#)
- [Employees](#)
- [Facilities](#)
- [Instruction](#)
- [School and Student Safety](#)
- [Student Services](#)

- [Tuition and Fees](#)

Access

[Assembly Bill \(AB\) 2057](#) (Berman, D-Menlo Park)—Associate Degree for Transfer Intersegmental Implementation Committee. As amended on May 16, 2024, this bill would extend the sunset of the Associate Degree for Transfer (ADT) Intersegmental Implementation Committee by two years. The bill would require transfer model curriculum (TMC) drafts to be in place for the high-unit science, technology, engineering, and mathematics pathways of biology, chemistry, computer science, engineering, environmental science, mathematics, and physics for purposes of meeting admissions eligibility to the California State University (CSU) and University of California (UC) segments, and other four-year institutions participating in the ADT. Within 18 months of the approval of a new TMC, or the approval of revisions to an existing TMC, the bill would require the California Community Colleges (CCC) to create an ADT for each adopted TMC. For a student who earns an ADT created under the parameters of a TMC, the bill would require a determination of similarity to ensure that students who earn the ADT are guaranteed admission in that similar major at one of the CSU campuses offering that major.

Employees

[AB 2088](#) (McCarty, D-Sacramento)—K-14 Classified Employees: Part-Time or Full-Time Vacancies: Public Postings. This bill establishes a statutory right of first refusal to current, regular nonprobationary classified employees of school and community college districts (CCDs) relating to part-time and full-time vacant positions. Current classified employees must meet the minimum qualifications for the vacant position and must apply for the position within ten business days of receiving notice for the new classified position. As amended May 16, 2024, the bill clarifies that education employers may post the position to the general public during the ten-day period and may offer the position to an external candidate after the ten-day period.

[AB 2277](#) (Wallis, R-Palm Springs)—Community Colleges: Part-Time Faculty. As amended on March 6, 2024, 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. The bill would require, in all cases, part-time, temporary faculty assignments to be less than 30 hours per week, consistent with the terms and guidelines of the federal Patient Protection and Affordable Care Act.

Facilities

[AB 2076](#) (McCarty)—California Student Housing Revolving Loan Fund Act of 2022: State Fund Loan. As amended on May 16, 2024, this bill would require the State Controller, upon an appropriation, to loan \$200 million from the Pooled Money Investment Account in the 2024-25 fiscal year, and deposit it into the Student

Housing Revolving Loan Fund, which provides 30-year loans to the CCC, CSU, and UC to support building affordable student, faculty, and staff housing. The bill stipulates that the CCC, CSU, and UC must repay the loans at a 3% interest rate.

Instruction

AB 2104 (Soria, D-Fresno)—**Community Colleges: Baccalaureate Degree in Nursing Pilot Program**. As amended on May 16, 2024, this bill would require the California Community Colleges Chancellor's Office (CCCCO) 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 would be limited to ten 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 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**. As amended on May 16, 2024, this bill would require the CCCCCO 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 would be limited to 15 CCDs statewide and would require the CCCCCO to identify and select eligible CCDs based on the following criteria:

- The CCCCCO is encouraged to ensure there is equitable access between the northern, central, and southern parts of the state to the pilot program
- Priority shall be given to CCDs located in underserved nursing areas
- CCDs shall have a nationally accredited nursing program

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.

School and Student Safety

AB 1818 (Jackson, D-Moreno Valley)—Public Postsecondary Education: Overnight Student parking: pilot program. As amended on May 16, 2024, this bill would require the CCCCO and the CSU Chancellor’s Office to each establish a pilot program to allow overnight parking on campuses by eligible students.

For the CCC pilot program, the bill would require the CCCCO to determine a plan for implementing the pilot and to choose 20 campuses to participate in the pilot. The bill requires the plan to include a form that an eligible student seeking to access the overnight facilities must complete, information about monitoring of overnight parking for safety, and procedures for reporting and responding to threats, the designation of one or more parking areas on each pilot campus, overnight parking rules, and other requirements.

The bill defines an eligible student as a student that attends a pilot campus, is enrolled in coursework, has paid enrollment fees, and is in good standing. The bill also requires the plan to provide an authorization that allows a student from any campus in a CCD to use the parking area of the pilot campus, provided that the participating student applies for an overnight parking permit.

AB 2193 (Holden, D-Pasadena)—Hazing Educational Institutions: Prohibition and Civil Liability: Reports and Resources. As amended on May 16, 2024, this bill would expressly prohibit a person from being subjected to hazing in any program or activity conducted by an educational institution that receives, or benefits from, state financial assistance or enrolls students who receive state student financial aid. The bill would, beginning January 1, 2026, establish civil liability for an educational institution if (1) the institution has direct involvement in the hazing practice of the organization, or knew or should have known of the hazing practice and failed to take reasonable steps to stop the hazing practice, and (2) the organization involved in the hazing is affiliated with the educational institution at the time of the alleged hazing incident.

For purposes of determining whether an educational institution “knew or should have known of the hazing practice and failed to take reasonable steps to stop the hazing practice of the organization,” the bill would establish a rebuttable presumption that an educational institution took reasonable steps to address hazing if the educational institution had taken specified antihazing measures.

Student Services

AB 2033 (Reyes, D-Colton)— Public Postsecondary Education: Electronic Benefits Transfer Cards: Basic Needs Services and Resources. As amended on May 16, 2024, this bill would require each campus of the CCC and CSU to identify and apply for at least one general store or a store that sells food on campus to become an authorized retail food store under the federal Supplemental Nutrition Assistance Program and, if approved, ensure the store, within a reasonable time, accepts the use of electronic benefits transfer cards. If a campus does not have a general store or a store that sells food on campus, then this requirement would not apply.

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. As amended on May 16, 2024, this bill would allow Glendale Community College and two other colleges selected by the CCCCCO to exempt from nonresident tuition fees a low-income student who is a resident of a region impacted by war or regional conflict and limits the number of students who may be exempted in any given academic year to no more than 150 full-time equivalent students at a community college.

2024 Legislative Calendar—Upcoming Holidays and Deadlines

May 24—Last day for each house to pass bills introduced in that house

May 27—Memorial Day

May 28—Committee meetings may resume

June 15—Budget bill must be passed by midnight



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

2024-25 May Revision Dartboard Now Available

 [BY MICHELLE MCKAY UNDERWOOD](#)

 [BY KYLE HYLAND](#)

Copyright 2024 School Services of California, Inc.

posted May 28, 2024

With the release of the 2024-25 May Revision, the School Services of California Inc. Financial Projection Dartboard (Dartboard) has been updated to incorporate the latest budget and financial planning factors to assist in developing local agency budgets. Included in the Dartboard are the proposed factors for the current and out-year statutory cost-of-living adjustment (COLA), as well as the funded COLA for the Student Centered Funding Formula provided by the Department of Finance (DOF).

Factor	2023-24	2024-25	2025-26	2026-27	2027-28
DOF Estimated Statutory COLA	8.22% ¹	1.07% ¹	2.93%	3.08%	3.30%

¹Percentage represents final calculated statutory COLA for respective year

This widely used planning tool provides the foundation for budget assumptions related to other revenues and expenditures including Lottery and Mandate Block Grant rates, as well as California’s Consumer Price Index for the current and future years. With potential annual changes to the minimum wage due to inflation, we are also including this factor on the Dartboard. As a reminder, any rate changes to the minimum wage go into effect on January 1 of the respective year.

SSC Community College Financial Projection Dartboard 2024-25 May Revision

This version of the School Services of California Inc. (SSC) Financial Projection Dartboard is based on the 2024-25 May Revision. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We have also updated the Student Centered Funding Formula (SCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

SCFF PLANNING FACTORS					
Factor	2023-24	2024-25 ¹	2025-26	2026-27	2027-28
Department of Finance Statutory COLA	8.22%	1.07%	2.93%	3.08%	3.30%
Growth Funding	0.50%	0.50%	TBD	TBD	TBD
SCFF Basic Allocation Increase	N/A	N/A	TBD	TBD	TBD
SCFF Base Funding Increase	N/A	N/A	TBD	TBD	TBD

SCFF RATE FACTORS FOR 2023-24 and 2024-25		
	2023-24	2024-25
Base Credit	\$5,238	\$5,294
Supplemental Point Value	\$1,239	\$1,252
Student Success Main Point Value	\$730	\$738
Student Success Equity Point Value	\$184	\$186
Incarcerated Credit, Special Admit Credit, CDCP*	\$7,346	\$7,425
Noncredit	\$4,417	\$4,465

OTHER PLANNING FACTORS						
Factors		2023-24	2024-25	2025-26	2026-27	2027-28
California CPI		3.33%	3.10%	2.86%	2.87%	2.80%
California Lottery	Unrestricted per FTES**	\$177	\$177	\$177	\$177	\$177
	Restricted per FTES	\$72	\$72	\$72	\$72	\$72
Mandate Block Grant		\$35.37	\$35.75	\$36.80	\$37.93	\$39.18
Interest Rate for Ten-Year Treasuries		4.32%	4.19%	3.76%	3.70%	3.70%
CalSTRS Employer Rate ²		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate ²		26.68%	27.05%	27.60%	28.00%	29.20%
Unemployment Insurance Rate ³		0.05%	0.05%	0.05%	0.05%	0.05%
Minimum Wage ⁴		\$16.00	\$16.50	\$17.00	\$17.40	\$17.90

*Career development and college preparation

**Full-time equivalent student

¹Applies to Adult Education, Extended Opportunity Programs and Services, Disabled Students Programs and Services, Apprenticeship, CalWORKs, Mandate Block Grant, Cooperative Agencies Resources for Education, and the Childcare Tax Bailout

²California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) rates in 2024-25 are final, and the subsequent years' rates are subject to change based on determination by the respective governing boards

³Unemployment rate in 2024-25 is final based on determination by the Employment Development Department and the subsequent years' rates are subject to actual experience of the pool and will be calculated in accordance with California Unemployment Insurance Code Section 823(b)(2)

⁴Minimum wage increases are effective January 1 of the respective year



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

The Proposition 98 Deal—Local Impacts

 [BY PATTI F. HERRERA, EDD](#)

 [BY JOHN GRAY](#)

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posted May 31, 2024

Just two weeks after the release of his May Revision, Governor Gavin Newsom announced on Tuesday, May 28, 2024, that he had reached a new Proposition 98 deal with the California Teachers Association (CTA) as an alternative to his earlier Proposition 98 maneuver proposal that would have reduced K-14 education funding by over \$12 billion and very likely would have been legally challenged.

Since Monday, education budget hawks have been analyzing the negotiated alternative not only for what it means for the Proposition 98 minimum guarantee now and into the future, but for any impacts that it may have on community colleges.

Proposition 98 Deal—The Nuts and Bolts

The deal addresses the controversial treatment of \$8.8 billion allocated to K-14 educational agencies above the state's \$97.5 billion constitutional obligation in fiscal year 2022-23. The Governor's January and May maneuver would have excluded the excess allocation from the calculation of the minimum guarantee moving forward, which many criticized as unconstitutional. The new approach addresses the legal concerns; maintains education programs at their current levels for 2023-24 and 2024-25, the latter of which includes the statutory 1.07% cost-of-living adjustment; and recognizes the state's funding obligation to K-14 education in the current and budget years that are higher than Governor Newsom's May Revision levels.

To achieve these outcomes, the deal includes four essential components:

1. The inclusion of \$6.2 billion in funding allocated to K-14 in 2022-23 above the minimum guarantee in the Proposition 98 base used to calculate education funding under Test 2 and Test 3¹
2. The suspension of Proposition 98² in 2023-24 in recognition of the state's higher funding obligation compared to the May Revision level, totaling \$5.5 billion

3. Withdrawals from the Proposition 98 reserve to maintain education programs at their 2023-24 levels and adjusted levels for 2024-25
4. The use of budget deferrals in each fiscal year across the three-year budget window from June to July of \$2.6 billion in 2022-23, \$1.3 billion in 2023-24, and \$2.4 billion in 2024-25

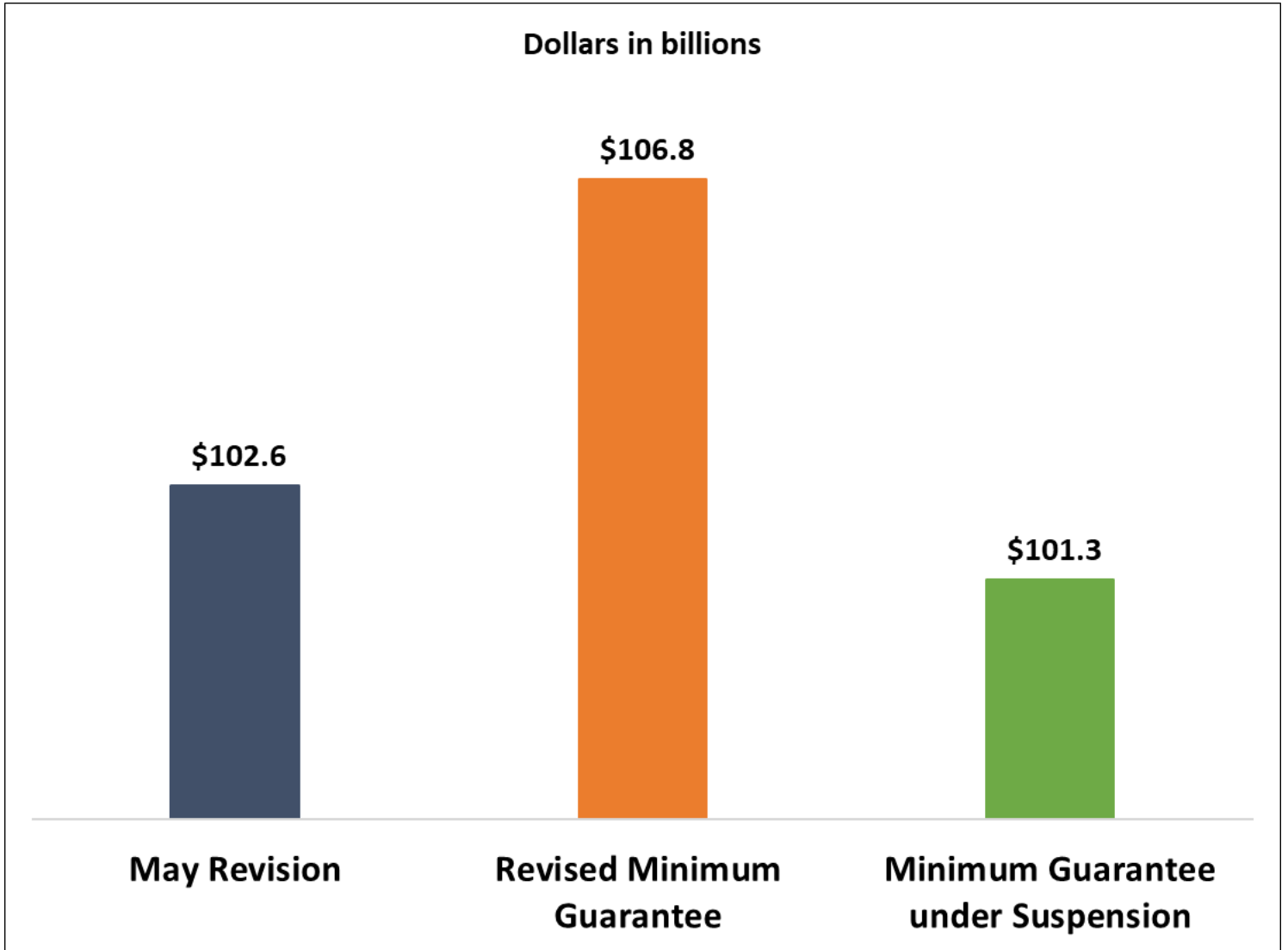
¹The deal excludes \$2.6 billion in funding for K-14 education as part of the 2022-23 Budget Act that was distributed after the close of the fiscal year; the exclusion of these funds reduces the \$8.8 billion problem to \$6.2 billion.

²Proposition 98 suspension requires a two-thirds vote of the Legislature and approval of the Governor. When the minimum guarantee is suspended, the state is constitutionally required to restore education funding to the higher (Test 2) level in the future through “maintenance factor” payments.

Proposition 98 Funding: 2022-23 Through 2024-25

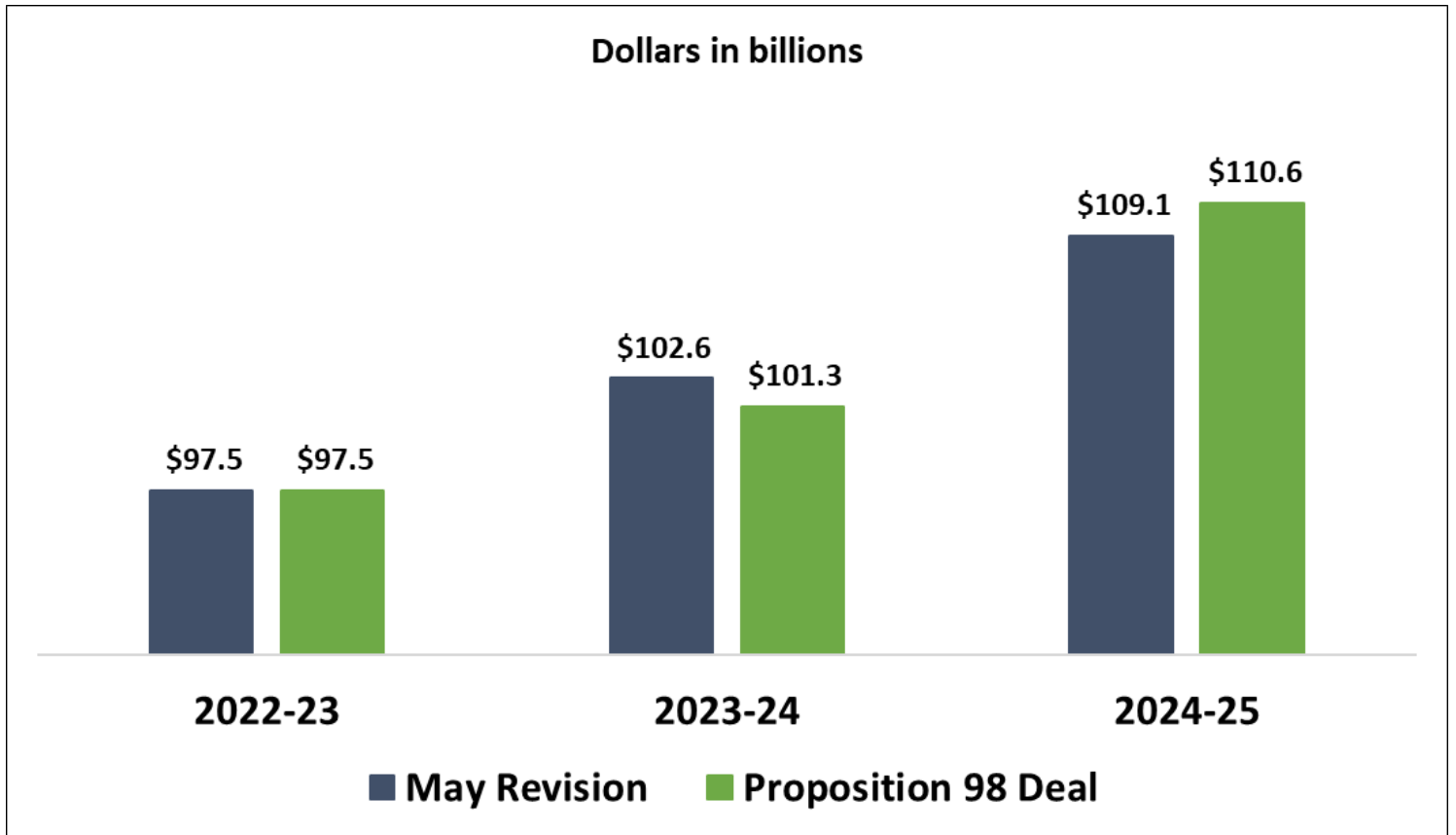
Under the deal, the minimum guarantee (the state’s constitutional obligation to K-14) increases from the May Revision levels in both the current and budget year—again, this results from the inclusion of the \$6.2 billion 2022-23 appropriation to education above that year’s funding level of \$97.5 billion. In 2023-24 and 2024-25, the Proposition 98 minimum guarantee would be approximately \$106.8 billion and \$109.3 billion, respectively.

The Evolution of the 2023-24 Proposition 98 Minimum Guarantee



However, since the state cannot afford its higher obligation of \$106.8 billion, the deal includes a Proposition 98 suspension level of \$5.5 billion, as shown in the chart above. The chart below shows state Proposition 98 spending across the budget window after accounting for the suspension of the minimum guarantee.

Proposition 98 Funding: May Revision vs. the Deal



Note: Funding in 2024-25 is \$110.6 billion as a result of a required \$1.3 billion maintenance factor payment

The Proposition 98 Deal and You

While the deal between Governor Newsom and the CTA results in adjustments to the minimum guarantee in the current and budget years, inclusive of a lower-than-obligated level in 2023-24, the deal would have little to no impact on K-14 districts.

This is because, as noted earlier, the deal spends down the Proposition 98 reserve to maintain local programs, as well as use budget deferrals (from June to July). While deferrals could present local cashflow issues, we believe that these short-term deferrals are not likely to require districts to borrow externally.

Items to Note and Monitor

There are two issues included in the deal that warrant monitoring and further consideration for their potential impact on the calculation and final determination of the Proposition 98 minimum guarantee in any fiscal year.

Proposition 98 Spike Protection

First, is the issue of how to calculate a little-known constitutional provision in Proposition 98 known as “spike protection,” which protects the state from unsustainable, high obligations to education when there are temporary spikes in state General Fund revenue, mostly associated with anomalously high capital gains revenue. The negotiated calculation of the Proposition 98 spike protection will impact future calculations of the minimum guarantee.

Certification of Prior-Year Minimum Guarantee

In 2019, the State Budget included changes to the final certification the Proposition 98 minimum guarantee. Importantly, once the minimum guarantee is certified, it cannot be adjusted for updated factors included in the calculation (i.e., state General Fund revenues and average daily attendance).

Proposition 98 certification was at the heart of the legal concerns the Governor’s proposed maneuver drew as critics argued that the state did not have the authority to exclude the \$8.8 billion appropriation from the Proposition 98 base since the fiscal year ended.

The deal purports to include language that would “allow the state to keep a fiscal year open for Proposition 98 computation purposes should significant tax revenue not be available.” In the specific case relevant for this budget year, \$26 billion in tax revenues were not available after the close of the 2022-23 fiscal year due to lower-than-expected 2022 personal income and corporation tax receipts.

The details of the language that would allow the state to adjust the Proposition 98 calculation of the minimum guarantee should be carefully analyzed for its potential impact on future education funding levels.

Next Steps

The Senate and Assembly Budget Committees adopted the 2024-25 legislative budget, which includes the Proposition 98 framework established by the deal. We anticipate that the details will emerge after legislative leaders and Governor Newsom reach a final budget agreement and the Legislature introduces the budget bill(s) and budget trailer bills.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Proposition 98 Breakdown: An Interview With the LAO



BY PATTI F. HERRERA, EDD

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posted June 7, 2024

Ken Kappahn, the state's leading expert on Proposition 98 and the Legislative Analyst's Office's (LAO) Principal Fiscal and Policy Analyst, explains the different revenue assumptions and their impact on State Budget negotiations and Proposition 98. The interview covers the varying assumptions between Governor Gavin Newsom's May Revision and the legislative budget package adopted by the Senate and Assembly budget committees on May 30, 2024. Finally, he discusses the protracted operating deficit in Proposition 98 and what the state will need to do to eradicate it.

SSC REPORTS

An interview with

Ken Kappahn
Principal Fiscal and Policy Analyst
Legislative Analyst's Office

Proposition 98 Breakdown: An
Interview With the LAO

<https://www.sscal.com/publications/community-college-update/proposition-98-breakdown-interview-lao>



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

UCLA Economists: Slow but Steady Economy

✉ BY PATTI F. HERRERA, EDD

✉ BY WENDI MCCASKILL

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posted June 7, 2024

In their 2024 second quarter report yesterday, June 6, 2024, UCLA Anderson Forecast (Forecast) economists continue to predict a slowing economy, with growth hitting a low point at the end of 2024. Slow growth is due to supply constraints as opposed to contracting demand. While slow growth is expected for both the U.S. and California economies, the California economy is atypically anticipated to grow more slowly than the U.S. economy in 2024. Once again, no recession is predicted. Expansionary fiscal policy, a new national industrial policy, and consumer spending are cited as contributing to fading recession concerns.

U.S. Growth

According to the Forecast, annualized Gross Domestic Product (GDP)—the measure of growth—will reach a low of 2.0% by the last quarter of 2024 before increasing to above-trend rates between 2.5% and 2.9% through the end of 2026. Projected lower growth in 2024 is attributed to higher interest rates, election uncertainty, and capacity constraints in manufacturing and labor markets. Productivity increases from innovative technologies are expected to begin contributing to growth late in 2026, driving higher wages and higher GDP. Due to the time it takes to adopt new technology, artificial intelligence (AI) and robotics are expected to impact growth after 2026. The Forecast notes that tight labor markets could accelerate the adoption of AI and robotics, resulting in an impact to the economy sooner than anticipated.

Interest Rates and Inflation

The Federal Reserve (Fed) has consistently indicated that lower inflation figures are needed to reduce the federal funds rate. Per the Forecast, inflation is predicted to fall 2.2% to 2.7% per year with residential rent, health insurance premiums, and car repairs largely responsible for cost increases. In addition, the Forecast notes that the current inverted yield curve is predictive of future lower short-term interest rates. No additional federal funds rate increases are anticipated and a reduction to the federal funds rate beginning in the fourth quarter of 2024, followed by three more reductions in the first and second quarters of 2025 is expected. The federal funds rate is forecasted to stabilize at 4.4% from the second quarter of 2025 through the end of 2026. The end of the longest running inverted yield curve is anticipated at the beginning of the fourth quarter of 2024 with the yield curve turning right side up at that time. The reduction in the federal funds rate is attributed to falling inflation rates and an improving economy. Historically, an inverted yield curve has been one of the most reliable predictors of a recession. This time, during the longest running inversion, the economy was able to avoid such a downturn.

Labor Market

The forecasted U.S. unemployment rate is predicted to rise to 4.1% in 2025 and stay at that level through 2026—the end of the forecast period. Increases to the U.S. unemployment rate are not noted as a concern. It is noted that unemployment rates of 3.8% to 4.2% are considered to be full employment.

California

While the California economy is predicted to grow more slowly than the U.S. economy in 2024, over the remaining two years of the forecast period (2025 and 2026), the California economy is anticipated to recover and grow slightly faster than the U.S. After a slowdown in movement of goods through California seaports and airports, the logistics sector is projected to grow through the next three years. Home prices continue to climb while supply is low. Economist David Shulman reported that with approximately 60% of mortgages at interest rates of 4% or lower, many homeowners are reluctant to sell existing homes, impacting the supply of available homes and highlighting the need for new home construction. Due to inclement weather, building permits are down for 2024 but are projected to grow in 2025 and 2026.

California's 5.3% unemployment rate is currently the highest in the nation and is projected to average 5.1%, 4.5%, and 4.2% for 2024, 2025, and 2026, respectively. UCLA economist Jerry Nickelsburg presented the disparities between California's two measures of unemployment, along with a subsector analysis of unemployment demonstrating areas of weakness. Most labor sectors and subsectors are anticipated to turn around in 2025 and 2026. Nickelsburg noted education, Hollywood, and couriers as key sectors/subsectors where the need for personnel has declined and where at least some of those who are unemployed will need to move into other sectors for jobs.

Risks

Risks to the U.S. economy are noted as substantial and as having the potential to move the economy off its growth path. Listed risks include Middle East and the Russia/Ukraine conflicts as well as election worries and supply chain interruption. For California, the risks are similar to those indicated in last quarter's March forecast—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).



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—June 7, 2024

 **BY SSC GOVERNMENTAL RELATIONS TEAM** Copyright 2024 School Services of California, Inc. posted June 7, 2024

Two weeks ago, both houses met their “house of origin” deadline, sending hundreds of bills to the second house. While most bills cleared their house of origin, there was a handful that fell short of mustering sufficient votes to pass this legislative process hurdle. Since this is the second year of the two-year legislative session, any bill that fails a deadline in 2024 will be considered dead, absent any rule waivers.

The policy process begins anew as bills move into their second house. Since the house of origin deadline, the Senate Education Committee, chaired by Senator Josh Newman (D-Fullerton), has already conducted two hearings, and has approved nearly 50 Assembly measures. The Assembly Higher Education Committee, chaired by Assemblymember Mike Fong (D-Alhambra), has yet to schedule a hearing to consider the higher education bills sent over by the Senate. It is not surprising to see the Senate begin their second house policy committee hearings earlier, as the Assembly sends over significantly more bills for the upper house to consider.

Policy committees will ramp up their work in the next month in order for bills to meet the July 3, 2024, deadline to clear policy committees. Consequently, this is the same day that the Legislature is scheduled to leave for its monthlong summer recess, upon adjournment of session.

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

- [Employees](#)
- [Facilities](#)
- [Instruction](#)
- [Miscellaneous](#)
- [Student Services](#)

Employees

[Assembly Bill \(AB\) 810 \(Friedman, D-Glendale\)](#)—Postsecondary Education: Hiring Practices: Academic, Athletic, and Administrative Appointments. As amended on June 3, 2024, this bill would require community college districts (CCDs) and the Trustees of the California State University (CSU) to require an applicant for an academic, athletic, or administrative position to sign a release form that authorizes the release of information by previous employers concerning any substantiated allegations of misconduct. The bill would also require California Community Colleges (CCC), CSU, the University of California, independent institutions of higher education, and private postsecondary educational institutions, during the process to authorize a volunteer in an athletic department, to contact the current or former employer to determine if the applicant violated any employment policies.

Facilities

[AB 2567 \(Mathis, R-Porterville\)](#)—Public Postsecondary Education: Student Housing: Data Collection: Veterans. As introduced on February 1, 2024, this bill would require the CCC and CSU campuses to provide campus-owned, campus-operated, or campus-affiliated student housing to include additional information regarding students who are veterans.

[AB 2707 \(Fong\)](#)—Community Colleges: Student Housing: Study. As amended on May 16, 2024, this bill would require the Legislative Analyst’s Office (LAO) to conduct a study evaluating the demographics and unique issues and barriers that housing-insecure community college students 25 years of age and older and students with dependents, as defined, face in securing housing. The bill would require the LAO to submit a report to the Legislature, on or before January 1, 2026, with the results of the study including policy recommendations.

Instruction

[AB 359 \(Holden, D-Pasadena\)](#)—Pupil Instruction: Dual Enrollment: College and Career Access Pathways Partnerships. As amended on April 30, 2024, 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. Specifically, the bill would do the following:

- Require that enrollment be prioritized for students who may not already be college bound or who are underrepresented in higher education
- Authorize a CCD participating in a CCAP partnership to offer physical education courses if the courses meet specified criteria
- Authorize a CCD to enter into a CCAP partnership with the governing board of a local educational agency (LEA) within the service area of another CCD under certain circumstances
- Require, commencing with the 2030-31 academic year, a CCAP agreement to certify that a student receive credit for completed community college courses if the courses are part of a memorandum of understanding between the LEA and CCD and the course meets certain conditions

AB 1891 (Weber, D-San Diego)—**Community Colleges: Allied Health Programs**. As amended on May 20, 2024, this bill would, until January 1, 2030, authorize the use of a multicriteria screening process, a random selection process, or a blended combination of the two for admission decisions in allied health programs.

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 California Community Colleges Chancellor's Office (CCCCO) to evaluate changes to the labor market viability of the associate degree and changes to the minimum education required to maintain program accreditation. As introduced on February 1, 2024, this bill would require the CCCCCO 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.

Miscellaneous

AB 1160 (Pacheco, D-Downey)—**Protecting Students From Creditor Colleges Act**. As amended on May 20, 2024, this bill would prohibit a public or private postsecondary school from refusing to provide a diploma for a student on the grounds that the student owes a debt, conditioning the provision of a diploma on the payment of a debt, charging a higher fee for obtaining a diploma, providing less favorable treatment of a diploma request because a student owes a debt, or using a diploma issue as a tool for debt collection. The bill would also prohibit a college from charging a higher tuition or fee, failing to confer a degree on a student that has satisfied all academic requirements for their course of study, or otherwise preventing a student from reenrolling, registering, or graduating at the college on the grounds that the student owes an institutional debt.

Student Services

AB 456 (Maienschein, D-San Diego)—**Public Postsecondary Education: Campus Mental Health Hotlines: Report**. As amended on May 30, 2024, this bill would require the CCCCCO and the Chancellor of the CSU to, by January 1, 2026, develop a plan to make a campus mental health hotline that is operated by an organization with the expertise in student mental health available to students on their respective campuses.

AB 1575 (Irwin, D-Thousand Oaks)—**Public Postsecondary Education: Students Codes of Conduct: Advisers**. As amended on May 21, 2024, this bill would authorize students who receive a disciplinary notification the right to have an adviser of their choosing and requires postsecondary education institutions to provide trainings for the aforementioned adviser.

2024 Legislative Calendar—Upcoming Holidays and Deadlines

- June 15—Budget bill must be passed by midnight
- June 27—Last day for a legislative measure to qualify for the November 5 General Election ballot
- July 3—Last day for policy committees to meet and report bills; summer recess begins upon adjournment, provided the budget bill has been passed



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

California Supreme Court to Weigh in on Tax Ballot Measure



BY KYLE HYLAND

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posted June 12, 2024

In the coming days, the California Supreme Court will issue a decision on whether a tax initiative supported by the Howard Jarvis Taxpayers Association and various pro-business groups will appear before voters on the November 5, 2024, General Election ballot. The measure, dubbed the California Taxpayer Protection and Government Accountability Initiative, would have wide-ranging impacts on state and local revenues, including K-14 education.

What Would the Ballot Measure Do?

The ballot measure would significantly amend the state Constitution by defining all state and local levies, charges, and fees as taxes. This would increase the number of revenue proposals subject to the higher state and local vote requirements for taxes.

At the local level, the initiative would change the vote threshold for an electorate-initiated local special tax increase from a majority vote to a two-thirds vote. Should the electorate want to place a special tax increase on its local ballot to raise revenue for the K-14 districts in its jurisdiction, it would now need to clear a two-thirds vote threshold instead of a majority vote.

At the state level, the measure would add an additional bar for any legislatively proposed tax increase. The measure would require all legislatively proposed tax increases to be approved by two-thirds of the Assembly and Senate (current law) *and* a majority of voters. However, the measure would still permit voters to approve a citizen-initiated tax increase by majority vote without legislative action. This means that if the Legislature wanted to approve a tax increase that would raise money for K-14 education, it would need to clear the legislative supermajority threshold already stipulated in law and then would have to get approval by a majority of voters.

The initiative would also require state and local tax measures to identify the type and amount (or rate) of the tax, the duration of the tax, and the use of revenue derived from the tax.

Any state or local tax approved between January 1, 2022, and the effective date of the measure, would be nullified 12 months from the initiative's effective date unless it fulfills the vote requirements specified in the measure or is reenacted in compliance with the requirement of this initiative.

Who Sued to Remove the Measure From the November Ballot?

Governor Gavin Newsom, the Legislature, and public labor leaders sued last fall to stop the initiative from appearing before voters on the November 5 General Election ballot. The state argues that the measure is too significant to be considered a constitutional amendment, and thus should be classified as a constitutional revision.

While voters can offer an amendment to the California Constitution via the initiative process, a constitutional revision can only be initiated upon a two-thirds vote of the Legislature.

The California Supreme Court heard arguments on this case in early May, with the disposition of the Justices' views mixed. If the California Supreme Court classifies the measure as an amendment, it will remain on the ballot.

However, should the California Supreme Court side with Governor Newsom and the initiative's opponents and classify the proposed ballot initiative as a revision to the Constitution, it will then be pulled from the ballot since it was not initiated by the Legislature.

When Will the Supreme Court Make Its Decision?

Both the proponents and opponents of the measure have asked the California Supreme Court to render a decision before June 27, 2024, which is the deadline for the Secretary of State to certify California's General Election ballot. This means that we should see a decision anytime between now and June 27.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Legislature Approves 2024-25 State Budget

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#)

Copyright 2024 School Services of California, Inc. posted June 13, 2024

Today, Thursday, June 13, 2024, the Assembly and Senate approved the 2024-25 State Budget in the form of [Assembly Bill \(AB\) 107](#) (Gabriel, D-Encino).

The plan represents the Legislature's approach to the upcoming fiscal year (see "[Joint Legislative State Budget Proposal Announced](#)" in the May 2024 *Community College Update*) and fulfills the Legislature's constitutional obligation to approve a spending plan before June 15. While the Legislature met its legal obligation, as widely reported, the budget bill—AB 107—does not represent a deal with Governor Gavin Newsom.

In addition to AB 107, the Legislature also approved [Senate Bill \(SB\) 154](#) (Committee on Budget and Fiscal Review), which suspends the Proposition 98 minimum guarantee in the current fiscal year. SB 154 conceptually aligns with the deal struck between Governor Newsom and the California Teachers Association (see "[The Proposition 98 Deal—Local Impacts](#)" in the May 2024 *Community College Update*), but there are some discrepancies in how much money to suspend in 2023-24, and how much money to leave in the Proposition 98 rainy day fund. The Governor and legislative leadership will have to work out these final details in the coming days.

Today's vote was largely perfunctory since California voters passed Proposition 25 (2010), which prevents lawmakers from getting paid for any days that the State Budget is late. In recent years when time was running out, the Legislature approved a placeholder budget to meet its constitutional obligation, buying legislative leaders additional time to negotiate with the Governor. Additionally, lawmakers have interpreted the constitutional provisions requiring an on-time budget to apply only to the major budget bill and not to the accompanying trailer (or policy) bills, such as the K-12 and higher education omnibus bills, which contain important implementing language for many of the initiatives contained in the budget. We do not expect to see any of the trailer bills released until after a deal is announced by the Governor and legislative leadership.

Once Governor Newsom receives the budget bill (as of this writing, he has not received AB 107 or SB 154 for approval), he will have 12 days to sign or veto the measures. This 12-day deadline effectively acts as the timeline for the Governor and legislative leadership to come to a deal on the 2024-25 State Budget. Once the

parties do come to an agreement, it will likely be reflected in a separate bill, known informally as “Budget Bill Jr.,” which will make the necessary amendments to AB 107 to reflect the agreement between the legislative leaders and the Governor and allow the Governor to sign both budget bills.

We will continue to monitor and report on State Budget developments, including any new information on budget trailer bills. Stay tuned.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—June 21, 2024

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#)

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Wednesday, July 3, 2024, is the deadline for second house policy committees to approve legislation and send bills to the Appropriations Committee or straight to the house floor.

The Legislature will also begin its monthlong summer recess upon adjournment of session on July 3, provided that the 2024-25 State Budget bill has been signed by Governor Gavin Newsom, and will not return to Sacramento until Monday, August 5, 2024.

When the Legislature returns from its summer recess, legislators will have two weeks to move bills through the Appropriations Committees and four weeks to complete floor votes. The last day for the Legislature to pass bills to Governor Newsom is by midnight on Saturday, August 31, 2024.

Since the Legislature will officially be on break when our next “Top Legislative Issues” installment is scheduled to be released, we will be taking a holiday from our “Top Legislative Issues” series. Our next issue will be posted on Friday, August 9, one week before bills need to be approved by the Appropriations Committees.

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

- [Access](#)
- [Employees](#)
- [Miscellaneous](#)
- [School and Student Safety](#)
- [Title IX and Trainings](#)

Access

[Assembly Bill \(AB\) 2057](#) (Berman, D-Menlo Park)—Associate Degree for Transfer Intersegmental Implementation Committee. Existing law establishes, until July 1, 2025, the Associate Degree for Transfer (ADT) Intersegmental Implementation Committee for specified purposes, including to serve as the primary entity charged with the oversight of the ADT. As amended on June 10, 2024, this bill would extend the sunset

of the ADT Intersegmental Implementation Committee by two years. The bill would also require transfer model curriculum (TMC) drafts to be submitted to the California Community Colleges Chancellor's Office (CCCCO) for the high-unit science, technology, engineering, and mathematics pathways of biology, chemistry, computer science, engineering, environmental science, mathematics, and physics for purposes of meeting admissions eligibility to the California State University (CSU) and University of California segments, and other four-year institutions participating in the ADT. Within 18 months of the creation of CCCCCO's templates for a new TMC, or the approval of revisions to an existing TMC, the bill would require community colleges to create an ADT for each adopted TMC. For a student who earns an ADT created under the parameters of a TMC, the bill would require a determination of similarity to ensure that students who earn the ADT are guaranteed admission in that similar major at one of the CSU campuses offering that major.

AB 2057 was approved by the Senate Education Committee this week and will now go to the Senate Appropriations Committee.

Employees

AB 2901 (Aguiar-Curry, D-Winters)—School and Community College Employees: Paid Disability and Parental Leave. As amended on May 16, 2024, this bill would require K-14 districts to provide up to 14 weeks of paid pregnancy leave for employees who experience pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions.

Earlier this week, AB 2901 was approved by the Senate Labor, Public Employment, and Retirement Committee and will now go to the Senate Appropriations Committee. The Assembly Appropriations Committee estimated that this bill could potentially cost hundreds of millions of dollars annually for K-14 districts to provide maternity leave for up to 14 weeks at full pay and to provide substitute employees for that period.

Miscellaneous

AB 1855 (Arambula, D-Fresno)—Open Meetings: Teleconferences: Community College Student Body Associations and Student-Run Organizations. Existing law, until January 1, 2026, authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation if, among other requirements, the city council has adopted an authorizing resolution and two-thirds of the neighborhood city council votes to use alternate teleconference provisions, as specified. As amended on May 21, 2024, this bill would authorize a California Community Colleges (CCC) student body association and other specified student-run community college organizations to use similar alternate teleconferencing provisions related to notice, agenda, and public participation if, among other requirements, the board of trustees of the community college district (CCD) has adopted an authorizing resolution and two-thirds of an eligible legislative body votes to use the alternate teleconferencing provisions.

AB 1855 was approved by the Assembly Education Committee last week and as a nonfiscal bill is already on the Assembly floor.

School and Student Safety

AB 1818 (Jackson, D-Moreno Valley)—Public Postsecondary Education: Overnight Student Parking: Pilot Program. As amended on May 16, 2024, this bill would require the CCCCO and the CSU Chancellor’s Office to each establish a pilot program to allow overnight parking on campuses by eligible students.

For the CCC pilot program, the bill would require the CCCCO to determine a plan for implementing the pilot and to choose 20 campuses to participate in the pilot. The bill requires the plan to include a form that an eligible student seeking to access the overnight facilities must complete, information about monitoring of overnight parking for safety, and procedures for reporting and responding to threats, the designation of one or more parking areas on each pilot campus, overnight parking rules, and other requirements.

The bill defines an eligible student as a student that attends a pilot campus, is enrolled in coursework, has paid enrollment fees, and is in good standing. The bill also requires the plan to provide an authorization that allows a student from any campus in a CCD to use the parking area of the pilot campus, provided that the participating student applies for an overnight parking permit.

During this week’s Senate Education Committee hearing, the author accepted amendments that prohibits a recreational vehicle from accessing overnight parking areas of the pilot programs. The author also committed to commit to adding “contingent upon an appropriation” language to the bill. In the end, the bill was approved by the committee and will be heard on July 2 in the Senate Judiciary Committee.

Title XI and Trainings

AB 2326 (Alvarez, D-San Diego)—Equity in Higher Education Act: Discrimination: Compliance, Regulations, and Reports. As amended on June 3, 2024, this bill would delineate which public higher education entities are responsible for ensuring campus programs are free from discrimination and who has the authority to oversee and monitor compliance with state and federal laws. It would also require the leadership of all three public higher education segments to present to the Legislature their efforts in addressing and preventing discrimination on campus. For the CCC, the bill would delineate the dual responsibility for ensuring the programs and activities offered by a CCD as free from discrimination, including to the governing board of the CCD and the chief executive officer of each community college within the district.

AB 2326 was approved by the Senate Judiciary Committee this week and will now go to the Senate Appropriations Committee.

AB 2608 (Gabriel, D-Encino)—Postsecondary Education: Sexual Violence and Sexual Harassment: Training. As amended on April 18, 2024, this bill would require the CCC, the CSU, and independent institutions of higher education and private postsecondary educational institutions that receive state financial assistance to, by September 1, 2026, and biennially thereafter, consider updating the annual sexual violence and sexual harassment training for students. The bill would also require the annual sexual violence and sexual harassment training, beginning on September 1, 2026, to include additional topics, including how to recognize if someone is at risk of alcohol- and drug-facilitated sexual assault.

AB 2608 was approved by the Senate Education Committee this week and will now go to the Senate Appropriations Committee.

AB 2925 (Friedman, D-Burbank)—Postsecondary Education: Equity in Higher Education Act: Prohibition on Discrimination: Training. As amended on June 20, 2024, this bill would provide that California's postsecondary educational institutions have an affirmative obligation to combat discrimination on the basis of disability, gender, gender identity, gender expression, nationality or national identify, race or ethnicity, religion, sexual orientation, and other specified characteristics, and a responsibility to provide equal educational opportunity. Additionally, the bill would require the CCC and CSU to address discrimination against the five most targeted groups in the state as part of any antidiscrimination training or diversity, equity, and inclusion training that is offered by the institution.

AB 2925 was approved by the Senate Education Committee this past week and will be heard by the Senate Judiciary Committee next week. If the bill is approved by the Senate Judiciary Committee next week, then it will go to the Senate Appropriations Committee.

AB 2936 (Jackson)—Higher Education Reconciliation Act. As amended on June 11, 2024, this bill would require the CCC and the CSU to develop a reconciliation master plan for use on each of their respective campuses to address cultural and political conflicts that arise on campus. This bill would require the CCCC and the Chancellor of the CSU to convene workgroups in their respective segments that include representatives from faculty, staff, and students. The bill would require each workgroup to submit to the Legislature and leader of its respective system a report that includes recommendations related to responding to cultural and political conflicts that arise, with the goal of promoting reconciliation on each of its respective campuses. In preparing this report, the bill would require each workgroup, at a minimum, to evaluate and report on (1) existing systemwide and campus policies, procedures, and processes regarding cultural and political conflicts, and (2) systemwide and campus-level plans for responding to cultural and political conflicts that arise on campuses.

AB 2936 will be heard in the Senate Education Committee next week and if approved, will go to the Senate Appropriations Committee.

Senate Bill (SB) 1287 (Glazer, D-Orinda)—Public Postsecondary Education: Equity in Higher Education Act: Prohibition on Violence, Harassment, Intimidation, and Discrimination. As amended on June 20, 2024, this bill would state that CCDs districts, the Trustees of the CSU, and the Regents of the University of California have the primary responsibility to prevent and address conduct that either creates a hostile environment for students on campus or results in differential treatment of students on campus. The bill would require each CCD and the Trustees of the CSU to adopt rules and procedures to prohibit violent, harassing, intimidating, or discriminatory conduct that creates a hostile environment on campus, to prohibit conduct that limits or denies a person's ability to participate in the free exchange of ideas or the educational mission of the segment, and to establish, and require each campus to publish on their websites, reasonable time, place, and manner restrictions and, if applicable, any advance permitting requirements for protests on campus. The bill would require the CCDs and CSU Trustees to develop mandatory training programs to educate students on

what constitutes violent, harassing, intimidating, or discriminatory conduct that creates a hostile environment on campus, the procedures for investigating violations of the student code of conduct, when and where protests and gatherings may be held, as specified, and on how to exchange views in an atmosphere of mutual respect and civility.

SB 1287 was approved in the Assembly Higher Education Committee this past week and will be heard in the Assembly Judiciary Committee on July 2. If the bill is approved in the Assembly Judiciary Committee, then it will go to the Assembly Appropriations Committee.

SB 14.91 (Eggman, D-Stockton)—Postsecondary Education: Equity in Higher Education Act. As amended on May 16, 2024, this bill would amend the Equity in Higher Education Act to update definitions regarding sexual orientation, require the CCC and CSU to designate an employee to meet the needs of LGBTQ+ members on campus, and provide additional notification requirements to inform students of their rights to report discriminatory incidents to the U.S. Department of Education.

SB 1287 was approved by the Assembly Higher Education Committee this past week and will be heard next week by the Assembly Judiciary Committee. If the bill is approved in the Assembly Judiciary Committee, then it will go to the Assembly Appropriations Committee.

2024 Legislative Calendar—Upcoming Holidays and Deadlines

- June 27—Last day for a legislative measure to qualify for the November 5 General Election ballot
- July 3—Last day for policy committees to meet and report bills; summer recess begins upon adjournment, provided the budget bill has been passed
- July 4—Independence Day
- August 5—Legislature reconvenes from summer recess



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

2024-25 State Budget Agreement Reached



BY KYLE HYLAND

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posted June 26, 2024

On June 22, 2024, Governor Gavin Newsom, Senate President pro Tempore Mike McGuire (D-North Coast), and Assembly Speaker Anthony Rendon (D-Salinas) [announced](#) they had reached an agreement on the 2024-25 State Budget package.

The Assembly and Senate are expected to take action on the numerous bills needed to enact the State Budget this week. The bill that will make edits to the main 2024-25 State Budget bill, also known as budget bill jr., is [Assembly Bill \(AB\)/Senate Bill \(SB\) 108](#). Changes to the 2023-24 Enacted State Budget will be done through [AB 109/SB 109](#).

For policy changes impacting community college districts (CCDs), [AB/SB 155](#) is the bill to note as it is the higher education budget trailer bill. Additionally, there are Proposition 98 provisions in AB/SB 153, the education omnibus budget trailer bill, that impacts CCDs. Both bills make various changes to the Education Code, including the following:

- Adopts the following Proposition 98 framework:
 - Defers \$446.4 million from the Student Centered Funding Formula (SCFF) from 2023-24 to 2024-25
 - Defers \$243.7 million from the SCFF from 2024-25 to 2025-26
 - Uses \$545.9 million from the Proposition 98 reserve account to support California Community Colleges (CCC) apportionment costs in 2023-24
 - Uses \$241.8 million from the Proposition 98 reserve to cover a 2022-23 categorical program deferral in 2023-24
- Establishes the Rebuilding Nursing Infrastructure Grant Program to expand nursing programs and partnerships
 - The Budget Act of 2024 supports this program with \$60 million per year for five years, starting in 2024-25, with CCC Strong Workforce Program funding
- Establishes the financing structure for a statewide lease revenue bond program to support the construction of 13 community college affordable student housing facilities selected in the Budget Acts of 2022 and 2023 as a part of Higher Education Student Housing Grant Program
- Extends the deadline for returning and continuing students to submit a Free Application for Federal Student Aid and receive a Middle Class Scholarship award for the 2024-25 award year from May 2, 2024 to July 1, 2024
- Increases the reimbursement rate for the Part-Time Faculty Office Hours Program from 50% to 90% to encourage increased usage of the program by CCDs, provide office hours, and incentivize spending of funds
- Requires the California Student Aid Commission (CSAC) to use the three-year cohort default rate from 2020 (instead of the most recent rate) to determine whether an institution is eligible to participate in the Cal Grant program in the 2024-25 award year
- Removes CSAC's authority to establish an auxiliary organization for the purpose of providing operational and administrative services for the participation by the commission in the Federal Family Education Loan Program
- Requires the Chancellor's Office to report on projected district-by-district funding levels for next three years, summer enrollment data, changes over time related to performance metrics, and projections based on potential changes to the supplemental allocation

Summarized here are only some of the highlights of what will be included in the 2024-25 State Budget should it be enacted in law as currently drafted in trailer bills. The Legislature is poised to vote on the State Budget package this week and we will dig into the details of these new provisions of law through a series of *Community College Update* articles, with an emphasis on the significant changes since the May Revision. Stay tuned.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

State Revenues Slightly Higher



BY JOHN GRAY

BY LINETTE HODSON

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posted June 26, 2024

The June 2024 *Finance Bulletin* (Bulletin) was released, reflecting data through May 2024. The year-to-date General Fund revenues were \$2.8 billion, or 1.6%, above the most recent forecast. Recall that in Governor Gavin Newsom's 2024-25 May Revision, the "Big Three" sources of state revenue (personal income, corporation, and sales and use taxes) were forecasted to be lower by \$10.5 billion when compared to the January forecast for the three years 2022-23, 2023-24, and 2024-25. Specifically for 2023-24, personal income tax, corporation tax, and sales and use tax were lowered by \$2.6 billion, \$3.7 billion, and \$1.7 billion, respectively.

The two main drivers for the increase were the personal income tax withholding exceeding forecast by \$1.2 billion and corporation tax receipts exceeding forecast by \$752 million. With regards to withholding receipts, the Bulletin noted that they should generally be evaluated over multiple months for longer-term trends as single-month readings can be misleading due to when payments are recorded and the timing of stock-based compensation. For corporation tax receipts, the Bulletin noted that some of the strength may be related to pass-through entity elective payments prepayments that are due mid-June coming in earlier than expected.

2023-24, Comparison of Actual and Forecast General Fund Revenues

Revenue Source	Forecast	Actual	Difference	% Differenced
Personal Income	\$105,873	\$107,336	\$1,463	1.4%
Corporation	\$29,478	\$30,232	\$754	2.6%
Sales & Use	\$31,132	\$31,079	\$(53)	-0.2%
Other	\$9,133	\$9,763	\$630	6.9%
Total	\$175,616	\$178,410	\$2,794	1.6%

Source: Department of Finance Bulletin

California's unemployment rate fell 0.1% to a nationwide high of 5.2% in May, as household employment increased by 9,500, while the state's labor force and unemployment decreased by 17,700. Building activity through April 2024 has slowed on a seasonally adjusted rate down 4.9% while the median price of an existing single-family home has increased to a new record high of \$908,040. Sales of existing single-family homes in California were down 1.1% from April 2024, and down 6.1% from May 2023.

The alignment of forecasted and actual cash receipts at the state level, in conjunction with the announcement of a budget agreement, is good news for educational leaders. We continue to track and report on economic indicators and state cashflow regularly.

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2024/25 Adopted Budget Assumptions
June 17, 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	P2	29,372.40	28,827.28	P2	7.61%	7.63%

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 Adopted Budget Assumptions
June 17, 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 27.05% for a increase of \$158,103.
 (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 11** at approximately \$178,566. Penalties for not meeting the obligation amount to approximately \$92,511 per FTE not filled. Each faculty hired over the FON adds cost of (\$178,566- \$63,559) = \$115,007 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 = \$63,559)

- 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 \$2,900,000. Increase of \$400,000.**

- 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 Adopted Budget Assumptions June 17, 2024
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*	<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	\$17,044,799	
	<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	\$158,103	
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	\$195,000	
K	Property, Liability and All Risks Insurance	\$400,000	
II.L	Apprenticeship - SCC	\$0	
L	Other Additional DSO/Institutional Costs	\$1,216,505	
M	SCC ADA Settlement Costs	\$0	\$2,000,000
	Total	\$10,825,887	\$2,000,000
	2024/25 Budget Year Unallocated (Deficit)	\$6,218,912	
	2023/24 Structural Unallocated (Deficit)	\$11,631,362	
	Additional College added ongoing cost during FY 23/24	(11,019,127)	
	Total Est. Unallocated (Deficit)	\$6,831,147	
	COLA for Hourly positions to be budgeted by Colleges	\$1,429,752	
	Other Adjustments	(\$186,802)	
	Total Amount to be Allocated through BAM	\$8,074,097	

* Reference to budget assumption number

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

Vacant Funded Positions for FY2023-24- Projected Annual Salary and Benefits Savings
As of June 27, 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	Almaraz, Erika	2340247	Director, Accounting, Audit & Advisory	District	6/14/2024	-		11-0000-672000-54211-2110	-	
11	Brown, Mikaila	2659235	Asst VC, P&C/Chief Diversity&Social Impact Officer	District	12/31/2023	57,415	BCF#BCTS2IOGL1 S29,232 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	Director of Grants	REORG#1228	Director of Grants	District	6/22/2023	-	Hired Debbie Le#1808805 CL23-00371 Eff:4/22/24. 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 Eliminated 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%
70%-fd 12								-	-	-
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	-	Hired CL23-00733 George Williams#2780968 Eff:04/30/24. Interim Assignment Sil Han Jin#2616593 Eff:7/1/23-5/14/24. 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	-	266,452
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 CL23-00613 Hired Robert Wittenman#1280163 Eff 9-1-2023	11-0000-660000-53110-2120	529	
11	Huotari, Monte	1088579	Sergeant District Safety & Security	District	3/23/2023	-	Interim Carol Perez#1029987 7/1/23-6/30/24	11-0000-695000-54164-2110-50%	-	
11	Jensen, Michael	1167609	Sergeant District Safety & Security	District	6/1/2024	10,949		11-0000-677000-54164-2110-50%	17,652	
11	Patikamanant, Tommy	2664667	Manager P&C Strategy Analytics and Equity	District	2/20/2023	104,322		11-0000-695000-54164-2110-50%	163,746	
11	Perez, Carol	1029987	Senior Human Resource Analyst	District	5/30/2024	10,420	Position eliminated to funds used for reorg#1360	11-0000-673000-53110-2120	16,928	
11	Randolph, Shelly	2336099	Internal Audit Manager	District	6/2/2023	-	Hired CL24-00854 Michael Jensen#1167609 Eff:11/6/2023	11-0000-672000-54113-2110	-	
11	Water, David	2579077	Lieutenant District safety	District	2/26/2024	-	Hired David Waters CL23-00705 Eff:2/27/24. Interim David Waters#2579077 Eff:8/1/23-12/31/23	11-0000-695000-54164-2110-50%	-	
11	Webb, Ralph	2555265	Chief Dist Safety & Security	District	7/31/2023	-		11-0000-677000-54161-2110-50%	-	
11	Butler, sara	2712684	Dean Academic Affairs	SAC	6/27/2024	-		11-0000-601000-15055-1210	-	
11	Coffman, Jodi	1027535	Counselor	SAC	4/5/2024	28,236	Site reduced funding to LTS Bassam Ayoub#2718367 11-0000-190500-16420-11168.11-0000-000000-10000-599	11-2410-631000-15310-1230	39,059	
11	Dombroske, Leona	1027923	Instructor Pharmacy Technology	SAC	8/21/2023	-		11-0000-122100-15719-1110	-	
11	Hassel, Elissa	1026808	Instructor, ESL Writing	SAC	12/12/2023	75,350		11-0000-150100-15620-1110-96%	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 Eff:1/23-7/28/23 AC22-00521.	11-2490-601000-18100-1210	156,191	
11	Jones, Walter	2593581	Dean, Humanities & Social Sciences	SAC	6/30/2024	-	Hired AC23-00751 Galvan, Javier#1027584 Eff:7/1/24	11-0000-601000-15605-1210	-	
11	Kushida, Cheryl	1028185	Coordinator, Distance Education	SAC	6/23/2023	-	Per SCF, Judith King#2244007 assigned 60% (9LHE) through June 2025	11-0000-601000-15054-1250	-	
11	Macdonald, Julia	1026798	Instructor, Physical Education	SAC	6/8/2023	-		11-0000-083500-15420-1110@68%	-	
11	Manning, R Douglass	2308931	Dean Kinesiology,	SAC	6/30/2022	-	Hired AC23-00750 Picchi, Andrea#2776787 Eff:3/12/24. Interim Dean Courtney Dousset#2665165 Eff:8/29/22-2/12/24, AC22-00303	11-0000-083510-15420-1110@9%	-	631,308
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	11-0000-601000-15430-1110@13%	-	
11	Mixer, Dale	1029179	Instructor, Nursing	SAC	12/31/2023	66,043		11-0000-601000-15420-1280@10%	-	
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	11-0000-649000-19100-1210	-	
11	Patterson, Kathleen	1029851	Instructor, English	SAC	7/1/2024	-		11-0000-679000-17100-2110	145,455	
11	Ross, John	1069465		SAC	6/10/2024	-		11-0000-150100-15620-1110	-	
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	75,260	Hired CL23-00232 Vernola, Paul#1113251 Eff:4/22/24. WOC Miguel Rubio-Lopez#1546867 6/1/23-12/8/23	11-0000-651000-17400-2110	125,896	
11	New Assistant Director, Athletics & Sports Information	REORG#1303	New Assistant Director, Athletics & Sports Information	SCC		-	Hired Nicho Dellavalle#2729354 Eff: 7/25/23. REORG#1303 Eliminated Associate Dean, Business and Career Technical Education and created new Assistant Director, Athletics & Sports Information CL22-00474	11-0000-601000-25132-2110	16,942	
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%	21,519	
11	Ceja, Daniel	1100167	Custodian	SCC	10/31/2022	-	REORG#12777 ELIMINATED Custodian position and created Lead Custodian position	11-0000-684000-29050-1250-50%	-	
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 Title IX Coordinator REORG# 1318	11-0000-653000-27200-2130	-	
11	Fajardo, Lourdes	1026278	Instructor, Spanish	SCC	6/10/2024	-		11-0000-620000-29100-1210	-	86,462

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2023-24, 2022-23, 2021-22
YTD Actuals- May 31, 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	\$71,193,032	\$61,144,908	\$63,481,954	\$60,135,972	\$59,889,183	\$71,550,834	\$71,205,199	\$63,442,554	\$77,581,968	\$84,654,218	\$74,905,124	Total
Total Revenues	14,999,379	7,247,510	21,581,168	16,416,147	22,719,457	32,139,652	19,316,041	12,651,332	35,037,316	26,748,556	12,047,791	0	220,904,349
Total Expenditures	13,802,280	17,295,635	19,244,122	19,762,128	22,966,246	20,478,001	19,661,676	20,413,976	20,897,903	19,676,307	21,796,885	0	215,995,159
Change in Fund Balance	1,197,099	(10,048,125)	2,337,046	(3,345,982)	(246,789)	11,661,650	(345,635)	(7,762,644)	14,139,413	7,072,250	(9,749,094)	0	4,909,190
Ending Fund Balance	71,193,032	61,144,908	63,481,954	60,135,972	59,889,183	71,550,834	71,205,199	63,442,554	77,581,968	84,654,218	74,905,124	74,905,124	
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	

Fiscal Resources Committee

Via Zoom Video Conference Call

1:31 p.m. – 2:32 p.m.

Meeting Minutes for May 15, 2024

FRC Members Present: Iris Ingram, Claire Coyne, Morrie Barembaum, Steven Deeley, Noemi Guzman, Bart Hoffman, Veronica Munoz, Thao Nguyen (for Perez), Adam O’Connor, Kevin Ortiz, Craig Rutan, and Arleen Satele

FRC Members Absent: Madeline Grant, Ethan Harlan, and Enrique Perez

Alternates/Guests Present: Jason Bui, Gina Huegli, Vaniethia Hubbard, Tara Kubicka-Miller, Kelvin Leeds, Mark Reynoso, Tommy Strong, Jose Vargas, Kennethia Vega, and Barbie Yniguez

1. Welcome: Vice Chancellor Ingram called the meeting to order at 1:32 p.m. via zoom upon achieving quorum.
2. State/District Budget Update
 - [Governor’s May Revise](#)
 - Joint Analysis Governor’s 2024-25 May Revision *additional handout*
 - [LAO– Initial Comments on the Governor’s May Revision](#) *additional handout*
 - SSC – Top Legislative Issues-April 12, 2024
 - SSC – Inflation Outpaces Predictions Again
 - SSC – Governor Newsom Signs Early Action Budget Bill
 - SSC – CalPERS Approves 2024-25 Employer Contribution Rate
 - SSC – 2023-24 State Revenues Continue to Underperform
 - SSC – Statutory COLA for 2024-25 Now Available
 - SSC – Top Legislative Issues-April 26, 2024
 - SSC – LAO: Revenue Shortfall to Grow by \$19 Billion
 - SSC – The 2024-25 May Revision
 - [DOF – Finance Bulletin-April 2024](#)

Ingram announced the Joint Analysis of the Governor’s May Revise was released just an hour prior to the start of this meeting. It is still being reviewed, but as mentioned at the Board meeting on Monday, there are few surprises and few concrete decisions at this point. A COLA of 1.07% is proposed but there is no guarantee it will be funded. All is still pending negotiations between the Governor and the Legislature. The flexibility of the mandated block grant will be maintained due to the scheduled maintenance dollars that were cut last year and will not be restored this upcoming year. Therefore, maintaining the flexibility to use dollars left over from COVID and student support services grant funds the colleges received, is positive. The deficit factor is unknown, but it is projected in the tentative budget. While anticipated to be slightly lower, it will not be known until after P2 in June. Overall, community colleges have come out well in comparison to other State agencies. As more details become available, they will be shared appropriately. Ingram discussed a budget town hall scheduled for later this month where she will share information on the revised budget for 2023-24 as well as the tentative budget for 2024-25.

Ingram referenced the above documents and links for information and review.

O’Connor added that the Joint Analysis is now available and posted as additional handout on the FRC webpage. The LAO Analysis has not been received but will be distributed as soon as it is available.

3. 2023-24 FTES (P2) Estimated Actuals Comparison to 2022-23 (RECAL) Actuals
O'Connor screenshared and reviewed 2023-24 FTES (P2) estimated actuals comparison to 2022-23 (RECAL) actuals reporting overall slightly better than P1, a total 29,372 FTES, which is a slight increase for SAC of 327 FTES and decrease for SCC of 150 FTES at this reporting period. These are not final numbers. No questions were asked.
4. 2024-25 Proposed Tentative Budget – **Recommendation to District Council**
O'Connor screenshared and reviewed the 2024-25 proposed tentative budget starting with minor revisions to the tentative budget assumptions (pages 21-44 of the meeting materials). The colleges will receive \$7.7 million allocated through the BAM with \$1.4 million to be budgeted by the colleges for COLA for hourly positions (classified and adjunct faculty). Colleges were advised to budget carefully for the adjunct faculty positions as there was overspending this year. O'Connor noted the 0.76% COLA is part of the tentative budget assumptions and will be updated to the proposed 1.07% COLA that will add about \$670,000 net to the bottom line at \$8.3 million to be allocated through the BAM. Of course, things can still change.

O'Connor reviewed the estimated 2024/25 revenue allocation simulation for unrestricted fund 11 based on Student Centered Funding Formula and the college splits based on P2 estimates (with 0.76% COLA) brings total to \$7.6 million with SAC at just under \$5.5 million and SCC at just under \$2.2 million. That will be increased by \$670,000 when the COLA is updated.

Questions were asked and answers provided for clarification of the information received.

A motion by Coyne to approve the 2024-25 proposed tentative budget with a recommendation to the District Council was seconded by Satele. By roll call vote, the motion passed with one abstention (Barenbaum) and one member (Guzman) not present for vote.

5. Budget Allocation Model Updated Language – **Recommendation to District Council**
O'Connor reviewed redlined edits to the Budget Allocation Model with updated language (pages 45-66 of the meeting materials). He highlighted and discussed references to District Council annual reviews and assessments that were discussed in Chancellor's Cabinet. On page 46, it states *"District Council should conduct a review(s) during each fiscal year to assess if the operation of the budget allocation model is meeting the goal."* O'Connor noted this interpretation aligns with FRC reviewing the language of the model each year, and if it is determined that clarification is needed or that the model is not meeting the goal, then a recommendation is presented to District Council to update the language in the model, which is done every year. Therefore, he suggested the sentence be removed.

Further, on page 51, the BAM states *"An annual review of District Services and Institutional Costs will be conducted by the District Council each fall in order to give time to complete the evaluation in time to prepare for the following fiscal year budget cycle..."*, the Chancellor's inclination is not to bring this to District Council, unless FRC had a specific recommendation to act upon. O'Connor suggested that POE may be the appropriate governance body to review the services provided and if there was a change requested in the allocation it would be requested of FRC noting that on page 58 the BAM states *"POE will evaluate budget augmentation requests and forward a recommendation to District Council. District Council may then refer such requests to FRC for funding implementation."* O'Connor suggested the later paragraph may take care of what the previous paragraph was trying to say with the starting point being POE, then moving requests to District Council and FRC for funding implementation. The effectiveness of services is not an FRC charge and noted the districtwide survey results are presented to POE for review each year. It was further suggested the discussion occur at POE instead of District Council. O'Connor completed the review of the redline edits. Discussion ensued and clarification provided.

A motion by Hoffman to approve the Budget Allocation Model updated language as presented and with edits as discussed was seconded by Satele. By roll call vote, the motion passed with one member (Munoz) not present for vote.

6. Discussion of Budget Surplus (Reserves)

This item is in response to Co-Chair Coyne's survey conducted earlier in the year with information provided for clarification purposes of District Reserves. O'Connor provided an extensive review of the response (page 67 of the meeting materials) and explained the Board of Trustees increased the Board Policy Contingency from 5% to 12.5% in February 2019. Then in May 2023, increased the Board Policy contingency again to two months of total general fund (unrestricted and restricted) expenditures amounting to 16.67% to align with Chancellor's Office recommendation to follow advice of Government Finance Officers Association (GOFA). This goal was set to be achieved over time with various one-time funds. At adopted budget of 2023-24, the reserve amounted to \$54.4 million (an increase from \$26.8 million the year before). No ongoing cuts were made to increase the reserve. With the Supplemental Retirement Program (SRP), there was a build up of savings and when the separate accounting of the SRP funds ended, ongoing portion would go to the colleges and the one-time portion would be moved from the SRP bucket to the Reserves bucket increasing the reserve to 83% of the calculation for a two-month reserve. For 2024/25 we will add an additional \$8.2 million to the reserve from accumulated State revenues that had been set as payable that is no longer anticipated. This increases the reserve to 96% of the two months expenditures based on the 2023/24 adopted budget at \$62.6 million. The percentage is recalculated each year. The funds are necessary for unanticipated emergencies such as increasing volatility and uncertainty, precarious State budget, recessions, disasters, and other unforeseen circumstances.

Ingram clarified that the reserve increase was accomplished through one-time funds and did not necessitate any cuts by the colleges to build the reserve. This is simply moving money from one pot to another. The Board of Trustees chose to act on this matter, prior to the directive from the Chancellor's Office.

Questions were asked and answers provided giving clarification to the information received. Coyne commended staff for diligently addressing inquiries thoroughly.

7. Categorical Programs through Apportionment (College allocation vs. District allocation)

O'Connor reviewed information for clarification purposes in response to inquiries from the last FRC meeting, with a list of what categorical programs are allocated to the colleges and what categorical programs are allocated to the District (page 68 of the meeting materials). The percentages are allocated in the same manner as earned, which could include a variety of methods such as headcount, FTES or assigned square footage or as determined by the two Presidents. No further questions were asked.

8. Standing Report from District Council – (Coyne)

Coyne reported on the activities of the May 6, 2024, District Council meeting. She noted approval of several ARs that were previously postponed allowing the colleges to review the proposed changes:

- AR 3502 Networked Video Cameras (NEW) (with edits)
- AR 3505 Emergency Response Plan
- AR 3515 Reporting of Crimes
- AR 3516 Registered Sex Offender Information
- AR 6100 Delegation of Authority, Business and Fiscal Affairs
- AR 6200 Budget Preparation (with edits)
- AR 6250 Budget Management will be brought back to the June 3 District Council meeting allowing for further research and revision if necessary.
- AR 6300 Fiscal Management
- AR 6303 Fiscal Accountability
- AR 6305 Reserves (with edits)
- AR 6320 Investments
- AR 6400 Financial Audits
- AR 6450 Wireless or Cellular Telephone Use
- AR 6750 Vehicle Operation and Parking

- AR 6700 Campus Security Officers (NEW)

District Council also reviewed and approved the RSCCD Comprehensive Master Plan 2024-2032 as well as the first ever RSCCD District Services & Operations (DSO) Plan 2024-2028. Additionally, committee and representative reports were provided to the District Council. There were no questions.

9. Informational Handouts

- 50% Law Calculation
- District-wide expenditure report link: <https://intranet.rsccd.edu>
- Vacant Funded Position List as of May 7, 2024
- Monthly Cash Flow Summary as of April 30, 2024
- [SAC Planning and Budget Committee Agendas and Minutes](#)
- [SCC Budget Committee Agendas and Minutes](#)

Informational handouts above were referenced for further review. RSCCD remains within the zone of compliance of the 50% law calculation.

10. Approval of FRC Minutes – April 17, 2024

A motion by Hoffman was seconded by O'Connor to approve the minutes of the April 17, 2024, meeting as presented. By roll call vote, the motion passed unanimously.

11. Other

An inquiry was made regarding a statement made at the Joint Benefits Committee meeting referring to the rebate from ASCIP. Ingram noted the rebate was received in the fall though she did not recall the amount.

There were no further comments, questions, or discussion.

Next FRC Committee Meeting:

The next FRC meeting is July 3, 2024, at 1:30-3:00 p.m. This meeting adjourned at 2:27 p.m. with a motion by Coyne that was seconded by Hoffman.