

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: [Fiscal Resources Committee](#)

Agenda for May 28, 2025

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

Zoom Meeting

1. Welcome
2. State/District Budget Update – Ingram
 - [Governor's May Revise](#)
 - Joint Analysis Governor's 2025-26 May Revision
 - LAO– Initial Comments on the Governor's May Revision *additional handout*
 - SSC – Governor Releases the Master Plan for Career Education
 - SSC – Legislature Takes Early Budget Action
 - SSC – CalPERS Approves 2025-26 Employer Contribution Rate
 - SSC – Top Legislative Issues-April 18, 2025
 - SSC – The Economy, State Revenues, and Proposition 98
 - SSC – 2024-25 Second Quarterly Lottery Apportionment
 - SSC – Finance Bulletin Shows Near-Term Fiscal Stability
 - SSC – April Tax Revenues Meeting Expectations
 - SSC – Statutory COLA for 2025-26 Is 2.30%
 - SSC – Trump Proposes Significant Education Reductions
 - SSC – Top Legislative Issues- May 2, 2025
 - SSC – LAO Releases Updated State Revenue Outlook
 - SSC – CalSTRS Adopts 2025-26 Employer Contribution Rate
 - SSC – Will California Establish an Education and Workforce Interagency Council?
 - SSC – Initial Impressions from Governor Newsom's 2025-26 May Revision
 - SSC – An Overview of the 2025-26 Governor's May Revision
 - [DOF – Finance Bulletin-April 2025](#)
3. 2024-25 FTES (P2) Estimated Actuals Comparison to 2023-24 (RECAL) Actuals
4. 2025-26 Proposed Meeting Schedule – **ACTION**
5. [2025-26 Proposed Tentative Budget](#) – **ACTION**
6. Budget Allocation Model Updated Language – **ACTION**
7. Standing Report from District Council – Tara Kubicka-Miller
8. Informational Handouts
 - 50% Law Calculation
 - District-wide expenditure report link: <https://intranet.rscsd.edu>
 - Vacant Funded Position List as of May 14, 2025
 - Monthly Cash Flow Summary as of April 30, 2025
 - [SAC Planning and Budget Committee Agendas and Minutes](#)
 - [SCC Budget Committee Agendas and Minutes](#)
9. Approval of FRC Minutes – April 16, 2025 – **ACTION**
10. Other

Next FRC Committee Meeting: Wednesday, July 2, 2025, 1:30-3:00 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.

Joint Analysis

Governor's 2025-26 May Revision

May 14, 2025



California Community Colleges



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COMMUNITY COLLEGE ADMINISTRATORS



COMMUNITY COLLEGE
LEAGUE OF CALIFORNIA

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Purpose of Report

This analysis was prepared by the California Community Colleges Chancellor’s Office (Chancellor’s Office) with support from the:

- Association of California Community College Administrators (ACCCA),
- Association of Chief Business Officials (ACBO), and
- Community College League of California (League).

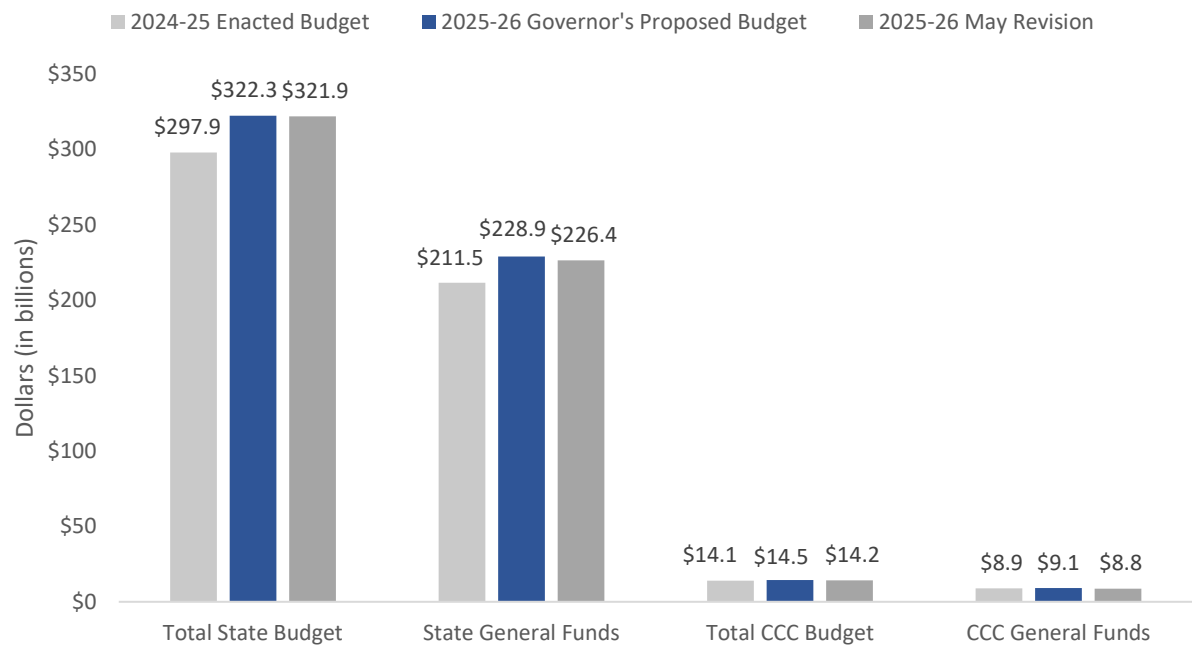
Its purpose is to provide information about the Governor’s May Revision as a common resource for each organization’s further analyses and advocacy efforts. Over the next couple of months, updated analyses will describe any proposed trailer bills and the enacted budget.

Summary of Key Budget Changes

On Wednesday, May 14, Governor Newsom released his May Revision budget proposal for the 2025-26 fiscal year. Following are some key changes in the proposal compared to the enacted budget for 2024-25 and the Governor’s Budget for 2025-26 released in January.

- Under the May Revision, the overall state budget would be slightly lower than proposed in January but still higher than the 2024-25 enacted budget, increasing by about 8% to \$321.9 billion, with a projected budget deficit of about \$12 billion rather than the roughly balanced budget expected in January. General Fund spending would increase by about \$15 billion (7%) to \$226.4 billion.

Figure 1: May Revision for 2025-26 budget reflects expected deficit of \$12 billion (dollars in billions).



- The budget proposal for the California Community Colleges reflects a focus on maintaining stability and taking steps toward implementation of the Master Plan for Career Education, including a vision of a Career Passport that would follow a student’s educational journey. Overall, funding is about flat compared to the current-year enacted budget.
- The revised proposal for ongoing spending includes about \$217.5 million for a 2.3% cost-of-living adjustment (COLA) for community college apportionments, about \$12.9 million less than the Governor’s January proposal included for a COLA of 2.43%. It includes an additional \$27.7 million for COLAs and adjustments to certain categorical programs. The proposal includes \$139.9 million to fund 2.35% enrollment growth, a substantial increase over the \$30.4 million for systemwide enrollment growth of 0.5% that was previously proposed.
- The revised proposal eliminates one-time funding previously proposed for the Statewide Technology Transformation, and reduces the funding proposed for the establishment of a Systemwide Common Data Platform, scaling up Credit for Prior Learning, and developing a Career Passport.
- The Governor’s revised proposal includes \$68.5 million in capital outlay funding from Proposition 51 and Proposition 2 to support the working drawings and construction phases for one continuing project and the preliminary plans and working drawings of 29 new projects. Consistent with the agreement included in Assembly Bill 176 (2024), the revised proposal provides \$4.2 million in capital outlay funding from Proposition 2 to address life-safety concerns for the Davies Hall project at American River College.

Changes in Overall Budget Framework

REVISED BUDGET PROPOSAL REFLECTS REVENUE SLOWDOWN

In January, the Administration projected a roughly balanced budget for 2025-26 based on the two-year budget planning process in the 2024 Budget Act that addressed a projected deficit of over \$30 billion for 2025-26. However, the Governor’s May Revision reflects reduced revenue expectations compared to the Governor’s Budget, related to stock market volatility and the impact of tariffs, and now projects a budget deficit of about \$12 billion. The Administration’s new proposal also describes significant increases in costs in some areas, particularly for Medi-Cal, that are expected to continue at higher rates than projected in January and contribute to the structural imbalance in future years. The May revision addresses the budget shortfall through a combination of program reductions (largely related to health care), revenues and borrowing, and fund shifts.

MUTED EXPECTATIONS RELATED TO FEDERAL UNCERTAINTY

The Legislative Analyst's Office's (LAO) updated [revenue outlook](#) supports the caution expressed by the Administration due to economic uncertainty. The LAO anticipates that "Big Three" tax revenues across 2023-24 and 2024-25 will be over \$5 billion above Governor's Budget projections, while 2025-26 revenues will be nearly \$8 billion below the January projections. The higher revenues LAO estimates for the prior and current year are related to higher-than-expected income tax collections, but stock-market driven tax collections may not be sustainable in the current environment. The state's economy has been stagnant, with no job growth in 2025 so far. Consumer spending has declined, impacting sales tax collections, conditions that could weigh down income and corporate tax collections. In addition, federal policy turbulence around tariffs and declining consumer sentiment increases the risks to the state's revenue outlook. With larger deficits anticipated in future years, actions to begin lowering those deficits are needed this year, according to the LAO. The state may not be able to backfill federal cuts to critical health or other programs given the challenges in funding existing state programs.

Changes to California Community Colleges Funding

In this section, we detail changes to proposals included in the Governor's Budget (and described in our January analysis) and describe new proposals presented as part of the May Revision.

PROPOSITION 98 ESTIMATE FOR BUDGET YEAR ADJUSTED DOWNWARD

Minimum Guarantee for Community Colleges Drops

The Governor's Budget in January adjusted Proposition 98 estimates for the current year upward based on revenues that were running somewhat ahead of projections. Table 1 shows the Department of Finance's estimates of the minimum guarantee for the current and budget years as of the May Revision. The May Revision approximately maintains that revised estimate for the current year, as a significant drop in property taxes negated any benefit from higher-than-expected income tax receipts, with an overall estimate of \$118.9 billion (compared to \$119.2 billion estimated in January). The minimum guarantee for 2025-26 is now estimated at \$114.6 billion, lower than what was expected in January based on revenues running behind projections. The May Revision maintains the settle up proposal from the Governor's Budget in January, but the amount has been lowered from \$1.6 billion to \$1.3 billion.

Consistent with the Governor's Budget in January, the May Revision indicates that the deferrals included in the 2024-25 State Budget are repaid in 2025-26. The May Revision defers \$531.6 million from 2025-26 to 2026-27 and adjusts the state funding sources for the 2024-25 Student Centered Funding Formula (SCFF) to include payment from the Rainy Day Fund. To address current expectations for Proposition 98, the May Revision does the following:

- Provides \$210.1 million one-time to fully fund the SCFF in the current year.
- Provides \$104.7 million ongoing to fully fund the SCFF in 2025-26.
- Provides \$311 million one-time towards 2024-25 deferral repayment.
- Imposes a \$59 million one-time reduction to offset apportionment deferrals to be covered with funds from the Public School System Stabilization Account (see below).
- Defers \$531.6 million from the SCFF for 2025-26 to 2026-27 (for May and June 2026).
- Provides \$3.8 million one-time in the current year and \$8 million in 2025-26 for community colleges impacted by the Los Angeles wildfires.

The revised budget proposal also makes a change to the Proposition 98 split. The Transitional Kindergarten expansion fund recalibration has been pulled out because the total cost of the program is all on the K-12 side of the split. This action impacts community college funding in the amount of \$492 million, of which \$230 million is ongoing.

Table 1: California Community Colleges Proposition 98 Funding by Source (In Millions)

Source	2024-25 Revised	2025-26 Governor's Budget (GB)	2025-26 May Revision	Change From GB (Amount)	Change From GB (Percent)
ALL PROPOSITION 98 PROGRAMS					
General Fund	\$86,620	\$84,603	\$80,747	\$(3,856)	-4.6%
Local property tax	32,317	34,321	33,821	\$(500)	-1.5%
Totals	\$118,937	\$118,924	\$114,568	\$(4,356)	-3.7%
COMMUNITY COLLEGES ONLY ^a					
General Fund	\$9,036	\$9,041	\$8,472	\$(569)	-6.3%
Local property tax	4,232	4,538	4,438	\$(100)	-2.2%
Totals	\$13,268	\$13,579	\$12,910	\$(669)	-4.9%

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

Provides Districts with a Funding Floor

The 2021 Budget Act extended the SCFF's hold harmless provision through the current year, 2024-25, under which districts will earn at least their 2017-18 total computational revenue (adjusted by COLA each year). The 2022 Budget Act extended the revenue protections in a modified form beginning in 2025-26, with a district's 2024-25 funding representing its new "floor." Starting in 2025-26, districts will be funded at their SCFF generated amount that year or their "floor" (2024-25 funding amount), whichever is higher. This revised hold harmless provision will no longer include adjustments to reflect

cumulative COLAs over time, as is the case with the provision in effect through 2024-25, so a district's hold harmless amount would not grow.

Withdrawal from Public School System Stabilization Account (PSSSA)

Proposition 2, approved by voters in November 2014, created the PSSSA, a state reserve for schools and community colleges that receives funding if several conditions are satisfied. Based on conditions and projections in January, the Governor's Budget proposed deposits of about \$1.2 billion for 2024-25 and \$376 million for 2025-26 to support Student Centered Funding Formula resources. The May Revision eliminates those deposits related to the state's reduced revenues. The proposal projects a balance of \$540 million in the PSSSA at the end of the current year but withdraws that amount for 2025-26, leaving no remaining funds in the account at the end of the budget year.

CALIFORNIA COMMUNITY COLLEGES FUNDING ADJUSTMENTS DOWN

The May Revision adjustments to funding for the California Community Colleges are lower by about \$111 million compared to the Governor's Budget, as reflected in Table 2. The system would receive about \$508 million in ongoing funding and base adjustments, higher than proposed in January, and \$280 million for one-time programs and initiatives, lower than what was proposed in January.

Table 2: Proposed 2025-26 Changes in Proposition 98 Funding for the System (In Millions)

	Governor's Budget	May Revision	Change from Governor's Budget
POLICY ADJUSTMENTS			
Ongoing (Proposition 98)			
Provide 2.3% COLA for SCFF	\$230.39	\$217.49	-\$12.90
Provide for 2.35% enrollment growth	\$30.44	\$139.94	\$109.50
Ensure no deficit in SCFF for 2025-26	\$0.00	\$104.70	\$104.70
Provide 2.3% COLA for Adult Education Program	\$15.87	\$15.02	-\$0.85
Expand Rising Scholars Network	\$30.00	\$10.00	-\$20.00
Expand Credit for Prior Learning	\$7.00	\$5.00	-\$2.00
Provide 2.3% COLA for Extended Opportunity Programs and Services (EOPS)	\$4.50	\$4.26	-\$0.24
Provide 2.3% COLA for Disabled Students Programs and Services (DSPS)	\$4.24	\$4.02	-\$0.22
Adjustments for financial aid administration	\$1.70	\$3.31	\$1.61
Student housing lease revenue bond payments	\$0.00	\$2.47	\$2.47
Provide 2.3% COLA for CalWORKs student services	\$1.35	\$1.28	-\$0.07

Provide 2.3% COLA for Apprenticeship (community college districts RSI)	\$0.85	\$0.81	-\$0.04
Provide 2.3% COLA for Cooperative Agencies Resources for Education (CARE)	\$0.82	\$0.78	-\$0.04
Provide 2.3% COLA and an enrollment-based adjustment for Mandates Block Grant and reimbursements	\$0.95	\$0.36	-\$0.59
Provide 2.3% COLA for Childcare tax bailout	\$0.11	\$0.10	-\$0.01
Create Common Cloud Data Platform	\$29.00	\$0.00	-\$29.00
Lease revenue debt service adjustments	\$2.44	-\$0.03	-\$2.47
Decrease in available funds from Equal Opportunity Fund	-\$1.11	-\$1.11	\$0.00
Subtotal Ongoing (Proposition 98) Policy Adjustments	\$358.55	\$508.40	\$149.85
One-Time (Proposition 98)			
Ensure no deficit in SCFF for 2024-25	\$0.00	\$210.10	\$210.10
Develop Career Passport	\$50.00	\$25.00	-\$25.00
Systemwide Common Cloud Data Platform	\$133.50	\$12.00	-\$121.50
Statewide technology transformation	\$168.02	\$0.00	-\$168.02
Expand Credit for Prior Learning	\$43.00	\$15.00	-\$28.00
Fire-related property tax backfill for 2025-26	\$0.00	\$8.00	\$8.00
Reappropriate funds to expand e-Transcript California	\$0.00	\$6.60	\$6.60
Fire-related property tax backfill for 2024-25	\$0.00	\$3.80	\$3.80
Subtotal One-Time Policy Adjustments	\$394.52	\$280.50	-\$114.02
TECHNICAL ADJUSTMENTS			
Student Centered Funding Formula (SCFF) other base adjustments (aside from COLA and Growth) ^a	\$29.00	-\$118.00	-\$147.00
Subtotal Technical Adjustments	\$29.00	-\$118.00	-\$147.00
TOTAL CHANGES	\$782.07	\$670.90	-\$111.17

^a SCFF technical adjustments match estimated resources with DOF's estimates of workload measures including reported FTES, supplemental, and success metrics.

* Any adjustments related to deferrals are not displayed.

The estimated and proposed Total Computational Revenue (TCR) for the SCFF increases by \$239.4 million from \$9.74 billion to \$9.98 billion. This reflects a proposed COLA of 2.3% (\$217.5 million) and \$139.9 million for FTES growth of 2.35% and modified estimates for hold harmless and other underlying estimation factors. Further, the following adjustments are reflected in associated offsetting revenues (all comparisons are from the 2024-25 Budget Act to the 2025-26 Governor's May Revision proposal):

- Property tax revenues are estimated to increase by \$142.1 million from \$4.30 billion to \$4.44 billion.
- Enrollment Fee revenues are estimated to increase by \$32.4 million from \$406.1 million to \$438.5 million.

- Education Protection Account funding is estimated to increase by \$251.1 million from \$1.05 billion to \$1.3 billion.

Table 3 reflects the final SCFF rates for 2023-24 and 2024-25, along with the projected rates for 2025-26, as modified by COLA.

Table 3: Proposed 2025-26 Student Centered Funding Formula Rates (rounded)

Allocations	2024-25 Rates*	Proposed 2025-26 Rates	Estimated Change from 2024-25 (Amount)	Estimated Change from 2024-25 (Percent)
Base Credit*	\$5,294	\$5,416	\$122	2.30%
Incarcerated Credit*	7,425	7,596	171	2.30%
Special Admit Credit*	7,425	7,596	171	2.30%
CDCP	7,425	7,596	171	2.30%
Noncredit	4,465	4,568	103	2.30%
Supplemental Point Value	1,252	1,281	29	2.30%
Student Success Main Point Value	738	755	17	2.30%
Student Success Equity Point Value	186	190	4	2.30%
Single College District				
Small College	6,508,449	6,658,143	149,694	2.30%
Medium College	8,677,936	8,877,529	199,593	2.30%
Large College	10,847,420	11,096,911	249,491	2.30%
Multi College District				
Small College	6,508,449	6,658,143	149,694	2.30%
Medium College	7,593,194	7,767,837	174,643	2.30%
Large College	8,677,936	8,877,529	199,593	2.30%
Designated Rural College	2,070,088	2,117,700	47,612	2.30%
State Approved Centers	2,169,484	2,219,382	49,898	2.30%
Grandparented Centers				
Small Center	271,187	277,424	6,237	2.30%
Small Medium Center	542,371	554,846	12,475	2.30%
Medium Center	1,084,741	1,109,690	24,949	2.30%
Medium Large Center	1,627,112	1,664,536	37,424	2.30%
Large Center	2,169,484	2,219,382	49,898	2.30%

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

Appendix B compares the Governor's May Revision to the 2025-26 Board of Governors' budget request. Below we update information on the administration's more significant policy decisions and related information.

MAJOR POLICY DECISIONS REFLECT GOAL OF STABILITY

The revised budget proposal continues to include funding for a COLA and more substantial enrollment growth than has typically been provided. One-time funds have been significantly reduced compared to the January proposal.

Provides 2.3% COLA for Apportionments and 2.35% Growth

The proposal includes an increase of nearly \$140 million **ongoing** to fund 2.35% enrollment growth and about \$217.5 million **ongoing** to support a COLA of 2.3% for apportionments. The enrollment growth funding is \$109.5 million dollars more than what was proposed in the Governor's Budget for 0.5% growth. The proposed COLA is slightly lower than the 2.43% proposed in January, but larger than the 1.07% provided last year. Another \$27.2 million **ongoing** would support a COLA of 2.3% for selected categorical programs and the Adult Education program.

Scales Back Investment in Common Data Platform and Technology Transformation

The Governor's Budget proposed an investment of \$133.5 million one-time and \$29 million ongoing to fund the process to create a systemwide Common Cloud Data Platform that would integrate a suite of Technology tools, including e-Transcripts, the Mapping Articulated Pathways platform, and Program Pathways Mapper. It also included \$168 million one-time to complete the Statewide Technology Transformation to standardize and streamline data collection. The May Revision rescinds the proposed funding for the Statewide Technology Transformation and dramatically reduces the funding for the Common Cloud to \$12 million **one-time** and rescinds ongoing funding for this purpose.

Adds Funds for e-Transcript California

The 2024-25 State Budget provided \$12 million one-time for expanding use of e-Transcript California, of which \$6.6 million was from reappropriated funds. Those reappropriated funds did not materialize as envisioned, so the May Revision adds \$6.6 million **one-time** consistent with the intent of last year's action, to maintain the full \$12 million investment in e-Transcript implementation.

Reduces Proposals for Credit for Prior Learning and Career Passport

The Governor's Budget included \$93 million one-time and \$7 million ongoing toward efforts related to the Master Plan for Career Education, including scaling up credit for prior learning (\$43 million one-time and \$7 million ongoing) and development of a state-sanctioned Career Passport (\$50 million one-time) to combine traditional academic records with verified skills and credentials earned outside the classroom. The May Revision reduces these proposed investments to \$15 million **one-time** and \$5 million

ongoing for expanding credit for prior learning, and \$25 million **one-time** for the Career Passport.

According to trailer bill language, the Credit for Prior Learning Initiative would build on the Mapping Articulated Pathways Initiative to provide credit for prior learning opportunities at every college through maintenance of systemwide processes and a technology infrastructure for analyzing and validating relevant prior learning and facilitating the award and documentation of credit. Colleges would be required to evaluate prior learning of all incoming students as part of education planning, and to accept transcribed credit for prior learning from other campuses as transfer credit, including for general education and major preparation.

Trailer bill language clarifies that the California Career Passport Program is intended to accomplish at least three goals: (1) enabling the linkage and monitoring of validated information on a person's academic and third-party records of education, training, and skills; (2) ensuring the information is kept secure and private; and (3) providing individuals access to their information at no cost for use in applying for employment and training. The funds could be used until June 30, 2030 for costs related to technology infrastructure, data security, and outreach to promote awareness and use of the Career Passport.

Increases Support for Rising Scholars, But by a Lesser Amount

The May Revision provides an increase of \$10 million **ongoing** to the Rising Scholars Network, rather than the \$30 million hike proposed in January, bringing total funding for the program to \$35 million annually. Rising Scholar programs serve justice-involved students on college campuses and in federal or state prisons, county jails, juvenile facilities, or other correctional institutions. Current statute limits the number of institutions that may participate in Rising Scholars to 65 colleges, but trailer bill language removes that limitation and allows any number of colleges to enter into agreements with the Chancellor's Office to receive program funds. Beginning in 2025-26, the Board of Governors may prioritize funding applications that demonstrate positive student outcomes.

Revises Statewide Funding Plan for Affordable Student Housing

The 2024-25 State Budget established a plan for a statewide lease revenue bond program as an alternative to local lease revenue bonds. It authorized the State Public Works Board (SPWB) to issue revenue bonds in the amount of \$804.7 million to finance approved student housing projects, and to enter into agreements with the Board of Governors and the participating colleges to borrow funds for project costs. The bond program was to cover 13 approved projects (excluding the four intersegmental projects to be funded by UC/CSU and the two CCC projects not appropriate for the state revenue lease bond).

Since the implementation of the enacted budget, two student housing projects at College of the Canyons and San Diego City College are no longer moving forward as originally considered. The College of the Canyons has rescinded its plans, while San Diego City

College has indicated its plans to utilize an alternative financing structure. In response to these changes, the May Revision rescinds its \$136.9 million allocation to support these affordable student housing projects. In addition, the \$81.3 million in unspecified appropriation provided in the 2023-24 State Budget for affordable housing has also been rescinded.

Continues Some Multi-Year Investments

As in the Governor's Budget, the May Revision proposes to continue for a second year the earmarking of \$60 million of Strong Workforce Program funds to nursing program expansion via the Rebuilding Nursing Infrastructure Grant Program, a provision of the 2024 Budget Act intended to be continued for five years. The governor's proposal also includes the third and final allocation of \$10 million for the LGBTQ+ student support pilot program originally funded in the 2023 Budget Act for three years.

Aligns Certain Reporting Requirements

Trailer bill language updates reporting requirements for specified programs. The Chancellor's Office must submit annual reports to the Legislature on the implementation of the Hire UP pilot program on or before March 1 through 2029. The reports summarize information on participants' outcomes, based on information participating colleges must provide for the evaluation. For the Native American Student Support and Success Program, an annual report is required on or before September 1 through 2027, summarizing information provided by colleges receiving grants on the services they provide and the progress and outcomes of supported students. Instead of submitting annual reports through 2030, the Chancellor's Office will submit an intermittent report in 2027 and a final report by September 1, 2030. Lastly, the May Revision updates the reporting requirement for the Institutional Effectiveness and Partnership Initiative to require triennial reporting rather than annual.

Rescinds Funding for Education Coordination

The Governor's Budget proposal in January included \$5 million in ongoing funding to establish the California Education Interagency Council as a mechanism to streamline education and workforce systems, ensure better coordination across segments and agencies, and maximize the impact of state investments in education. The May Revision withdraws that proposal as part of efforts to address the projected deficit.

LOCAL SUPPORT FUNDING IS LARGELY STABLE FOR ONGOING PROGRAMS

Table 4 shows proposed local assistance funding by program for the current and budget years as of the May Revision. As the table shows, most categorical programs received level or workload funding in the Governor's revised proposal, with certain programs receiving cost-of-living adjustments consistent with recent practices. Decreases in funding are related to revised estimates of underlying factors.

Table 4: California Community Colleges Ongoing Funding by Program^a (In Millions)

Program	2024-25 Revised	2025-26 Proposed	Change Amount	Percent Change	Explanation of Change
Student Centered Funding Formula	\$9,737.46	\$9,976.86	\$239.40	2.46%	COLA, growth, SCFF technical adjustments.
Adult Education Program – Main ^b	\$659.14	\$674.16	\$15.02	2.30%	COLA
Student Equity and Achievement Program	\$523.98	\$523.98	\$0.00	0.00%	
Student Success Completion Grant	412.60	412.60	\$0.00	0.00%	
Strong Workforce Program	290.40	290.40	\$0.00	0.00%	\$60 million to Rebuilding Nursing Infrastructure Grant Program annually for 5 years through 2028-29
Part-time faculty health insurance	200.49	200.49	\$0.00	0.00%	
Extended Opportunity Programs and Services (EOPS)	185.04	189.30	\$4.26	2.30%	COLA
Disabled Students Programs and Services (DSPS)	174.67	178.69	\$4.02	2.30%	COLA
Full-time faculty hiring	150.00	150.00	\$0.00	0.00%	
California College Promise (AB 19)	91.21	91.21	\$0.00	0.00%	
Integrated technology	89.50	89.50	0.00	0.00%	
Financial aid administration	80.42	83.73	3.31	4.12%	Waived fees and per unit adjustment
CalWORKs student services	55.64	56.92	1.28	2.30%	COLA
NextUp (foster youth program)	54.11	54.11	0.00	0.00%	
Basic needs centers	43.29	43.29	0.00	0.00%	
Mathematics, Engineering, Science Achievement (MESA)	39.42	39.42	\$0.00	0.00%	

Mandates Block Grant and reimbursements	38.80	39.16	0.36	0.94%	COLA and updated enrollment adjustment
Apprenticeship (community college districts RSI)	34.69	35.62	\$0.93	2.69%	COLA
Rising Scholars Network	25.00	35.00	10.00	40.00%	Add base funding to expand network
Cooperative Agencies Resources for Education (CARE)	33.84	34.61	0.78	2.30%	COLA
Student mental health services	32.47	32.47	0.00	0.00%	
CA Apprenticeship Initiative	30.00	30.00	0.00	0.00%	
Institutional effectiveness initiative	27.50	27.50	0.00	0.00%	
Part-time faculty compensation	26.54	26.54	0.00	0.00%	
Part-time faculty office hours	23.63	23.63	0.00	0.00%	
Homeless and Housing Insecurity Program ("Rapid Rehousing")	20.56	20.56	0.00	0.00%	
Economic and Workforce Development	22.93	22.93	0.00	0.00%	
California Virtual Campus	20.00	20.00	0.00	0.00%	
California Online Community College (Calbright College)	15.00	15.00	0.00	0.00%	
Nursing grants	13.38	13.38	0.00	0.00%	
Puente Project	13.33	13.33	0.00	0.00%	
Equal Employment Opportunity Program	13.88	12.77	-1.11	-7.99%	Decrease in available Equal Opportunity Fund
Lease revenue bond payments	12.79	12.77	-0.03	-0.20%	Lease Revenue Debt Service Adjustments
Dreamer Resource Liaisons	11.60	11.60	0.00	0.00%	

Veterans Resource Centers	10.82	10.82	0.00	0.00%	
Immigrant legal services through CDSS	10.00	10.00	0.00	0.00%	
Classified Employee Summer Assistance Program	10.00	10.00	0.00	0.00%	
Umoja	9.18	9.18	0.00	0.00%	
Asian American and Native Hawaiian and Pacific Islander (AANHPI) Student Achievement Program	8.00	8.00	0.00	0.00%	
Foster Parent Education Program	6.15	6.15	0.00	0.00%	
Credit for Prior Learning Policies	0.00	5.00	5.00	N/A	Expand Credit for Prior Learning Policies
Childcare tax bailout	4.32	4.42	0.10	2.30%	COLA
Rising Scholars Network-Textbooks/Digital Course Content for Inmates	3.00	3.00	0.00	0.00%	
Student housing lease revenue bond payments	0.00	2.47	2.47	N/A	Lease revenue debt service for community college housing projects
Middle College High School Program	1.84	1.84	0.00	0.00%	
Academic Senate	1.80	1.80	0.00	0.00%	
Historically Black Colleges and Universities (HBCU) Transfer Pathway project	1.38	1.38	0.00	0.00%	
African American Male Education Network and Development (A2MEND)	1.10	1.10	0.00	0.00%	

FCMAT	0.77	0.77	0.00	0.00%	
Transfer education and articulation (excluding HBCU Transfer Pathway project)	0.70	0.70	0.00	0.00%	
Total	\$13,272.35	\$13,558.14	\$285.79	2.15%	

^a Table reflects total programmatic funding for the system, including amounts from prior years available for use in the years displayed.

^b The Adult Education program total includes resources that go to the K-12 system but are included in the CCC budget. The K-12 Strong Workforce program and K-12 Apprenticeship program are not listed above but are also included in the CCC budget.

Table 5 shows proposed one-time local assistance funding by program for 2025-26. The few one-time investments for the community colleges are primarily related to initiating key provisions of the Master Plan for Career Education.

Table 5: California Community Colleges One-Time Funding by Program^a (In Millions)

Program	2024-25 Revised	2025-26 Proposed	Explanation of Change
Develop Career Passport	0.0	25.0	Adds one-time funds
Scale up Credit for Prior Learning	6.0	15.0	Additional one-time funds added
Common Cloud Data Platform	0.0	12.0	Adds one-time funds
LGBTQ+ Student Support	10.0	10.0	Third and final year of one-time funds from 2023 Budget Act
Property tax backfill for colleges impacted by Los Angeles wildfires	3.8	8.0	Adds one-time funds
Expand e-Transcript California	5.4	6.6	Adds one-time funds to make up for unrealized reappropriated funds in 2024-25 allocation.
Total	\$25.20	\$51.60	

CAPITAL OUTLAY INVESTMENTS HIGHER THAN CURRENT YEAR

The Governor's May Revision includes \$68.5 million in capital outlay funding from Propositions 51 and 2, less than proposed in the Governor's Budget and considerably more than the \$29 million provided in the 2024 Budget Act. The funding is to support the construction phase for 1 project and the preliminary plans and working drawings of 29

additional projects, as listed in Table 6. Consistent with the agreement included in Assembly Bill 176 (2024), the revised proposal provides \$4.3 million in capital outlay funding from Proposition 2 to address life-safety concerns for the Davies Hall project at American River College for the initial project phases. The \$2.469 million included in the January Governor’s Budget to cover the lease revenue debt service for selected community college housing projects has been shifted to non-Proposition 98 resources, but there are no other changes to student housing.

Table 6: Proposed Capital Outlay Projects in the California Community Colleges (In Millions)

District, College	Project	2025-26 State Cost	2025-26 Total Cost	All Years State Cost	All Years Total Cost
NEW PROJECTS - Proposition 2					
Antelope Valley, Antelope Valley College	Gymnasium Replacement	\$1,622,000	\$3,374,000	\$24,601,000	\$46,711,000
Citrus, Citrus College	New Career Technical Education Building	\$3,226,000	\$8,025,000	\$47,520,000	\$116,852,000
Coast, Golden West College	Gym Replacement	\$2,002,000	\$4,128,000	\$29,421,000	\$57,790,000
Coast, Orange Coast College	Skills Lab Replacement	\$1,110,000	\$2,018,000	\$13,418,000	\$26,435,000
El Camino, El Camino College	Hydronic Line Replacement	\$813,000	\$1,084,000	\$9,155,000	\$12,206,000
Foothill-De Anza, De Anza College	Physical Education Complex Renovation	\$3,386,000	\$4,485,000	\$41,090,000	\$54,422,000
Hartnell, Hartnell College	Buildings F, G & H (Gymnasium) Replacement	\$1,764,000	\$3,177,000	\$19,603,000	\$38,310,000
Imperial, Imperial Valley College	Gym Modernization	\$1,039,000	\$2,078,000	\$12,798,000	\$25,677,000
Kern, Bakersfield College	Center for Student Success	\$1,934,000	\$3,869,000	\$28,786,000	\$56,256,000
Long Beach, Liberal Arts Campus	Building B Replacement	\$382,000	\$874,000	\$24,782,000	\$51,641,000
Los Angeles, Los Angeles City	Kinesiology Replacement	\$1,294,000	\$3,069,000	\$17,592,000	\$41,958,000
Los Angeles, Pierce College	Sewer Utility Infrastructure Replacement	\$692,000	\$923,000	\$7,385,000	\$9,847,000
Los Angeles, Los Angeles Trade-Technical College	Advanced Transportation & Manufacturing Replacement	\$6,047,000	\$14,849,000	\$91,161,000	\$219,471,000
Los Angeles, Valley College	Sewer Utility Infrastructure Replacement	\$591,000	\$788,000	\$5,885,000	\$7,845,000
Los Rios, American River College	Davies Hall	\$4,329,000	\$5,772,000	\$61,033,000	\$81,143,000
Mendocino-Lake, Willis Center	Willis Center, Phase 2	\$1,343,000	\$2,066,000	\$14,609,000	\$28,647,000

Merced, Merced College	Music, Art, Theater Complex	\$1,469,000	\$3,915,000	\$24,379,000	\$48,009,000
Mt. San Antonio, Mt. San Antonio College	Library Replacement	\$3,896,000	\$10,871,000	\$57,958,000	\$160,190,000
North Orange, Fullerton College	STEM Vocational Center	\$1,922,000	\$3,844,000	\$27,496,000	\$56,417,000
Peralta, Merritt College	Buildings E & F, Kinesiology and Physical Training	\$1,676,000	\$3,997,000	\$22,834,000	\$54,805,000
Rio Hondo, Rio Hondo College	Business & Art Building Replacement	\$1,594,000	\$3,187,000	\$23,233,000	\$45,813,000
Riverside, Ben Clark Training Center	Ben Clark Training Center: Education Building 2 Phase 1	\$1,335,000	\$3,185,000	\$16,246,000	\$39,489,000
Riverside, Moreno Valley College	Library Learning Resource Center (LLRC)	\$2,997,000	\$7,343,000	\$44,420,000	\$106,322,000
Riverside, Norco College	Library Learning Resource Center & Student Services	\$2,512,000	\$6,038,000	\$34,340,000	\$82,749,000
Riverside, Riverside City College	Cosmetology Building	\$1,617,000	\$3,844,000	\$20,196,000	\$48,782,000
San Mateo, Skyline College	Boiler Plant Replacement	\$454,000	\$605,000	\$6,087,000	\$8,077,000
Shasta-Tehama-Trinity, Shasta College	Life Sciences (Building 1600) Renovation	\$680,000	\$1,433,000	\$8,569,000	\$16,832,000
State Center, Clovis College	Kinesiology & Wellness Center	\$1,682,000	\$3,364,000	\$24,374,000	\$48,607,000
State Center, Reedley College	Modernization of Agriculture Instruction Complex	\$1,295,000	\$2,590,000	\$16,806,000	\$32,405,000
CONTINUING PROJECTS - Proposition 51					
Peralta, College of Alameda	Aviation Complex Replacement	\$13,836,000	\$50,071,000	\$14,889,000	\$52,178,000
Total		\$68,539,000	\$164,866,000	\$790,666,000	\$1,675,886,000

REDUCTION TO STATE OPERATIONS

The Chancellor's Office provides leadership and oversight to the system, administers dozens of systemwide programs, and manages day-to-day operations of the system. The office is involved in implementing initiatives like Guided Pathways, reforms to remedial education and transfer, and the Student Centered Funding Formula, as well as the statewide components of Vision 2030. In addition, the Chancellor's Office provides technical assistance to districts and conducts regional and statewide professional development activities. Consistent with actions taken in the 2024-25 State Budget to apply administrative efficiency reductions to all state agencies, the May Revision continues to apply a reduction to the Chancellor's Office operational budget of \$2.14 million (6% reduction) in the current year and \$1.2 million ongoing (3.4% reduction) to reflect targeted operational efficiencies and funding associated with currently vacant positions.

Next Steps

Following release of the Governor’s May Revision, the budget process moves very quickly. LAO typically publishes analyses of the May Revision within a few days. Budget subcommittees convene to review the proposals and often take action on both January and May proposals within about a week. Subcommittees report their recommendations to full committees, which in turn report to their respective houses. The state constitutional deadline for the Legislature to approve a budget is June 15. (See Appendix A for a more complete overview of the state budget process.)

For more information throughout the budget process, please visit the Budget News section of the Chancellor’s Office website:

<https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Budget-News>

Appendix A: Overview of the State Budget Process

The Governor and the Legislature adopt a new budget every year. The Constitution requires a balanced budget such that, if proposed expenditures exceed estimated revenues, the Governor is required to recommend changes in the budget. The fiscal year runs from July 1 through June 30.

Governor’s Budget Proposal. The California Constitution requires that the Governor submit a budget to the Legislature by January 10 of each year. The Director of Finance, who functions as the chief financial advisor to the Governor, directs the preparation of the Governor’s Budget. The state’s basic approach is incremental budgeting, estimating first the costs of existing programs and then adjusting those program levels. By law, the chairs of the budget committees in each house of the Legislature—the Senate Budget and Fiscal Review Committee and the Assembly Budget Committee—introduce bills reflecting the Governor’s proposal. These are called budget bills, and the two budget bills are identical at the time they are introduced.

Related Legislation. Some budget changes require that changes be made to existing law. In these cases, separate bills—called “trailer bills”—are considered with the budget. By law, all proposed statutory changes necessary to implement the Governor’s Budget are due to the Legislature by February 1.

Legislative Analyses. Following the release of the Governor’s Budget in January, the LAO begins its analyses of and recommendations on the Governor’s proposals. These analyses, each specific to a budget area (such as higher education) or set of budget proposals (such as transportation proposals), typically are released beginning in mid-January and continuing into March.

Governor’s Revised Proposals. Finance proposes adjustments to the January budget through “spring letters.” Existing law requires Finance to submit most changes to the Legislature by April 1. Existing law requires Finance to submit, by May 14, revised revenue estimates, changes to Proposition 98, and changes to programs budgeted based on enrollment, caseload, and population. For that reason, the May Revision typically includes significant changes for the California Community Colleges budget. Following release of the May Revision, the LAO publishes additional analyses evaluating new and amended proposals.

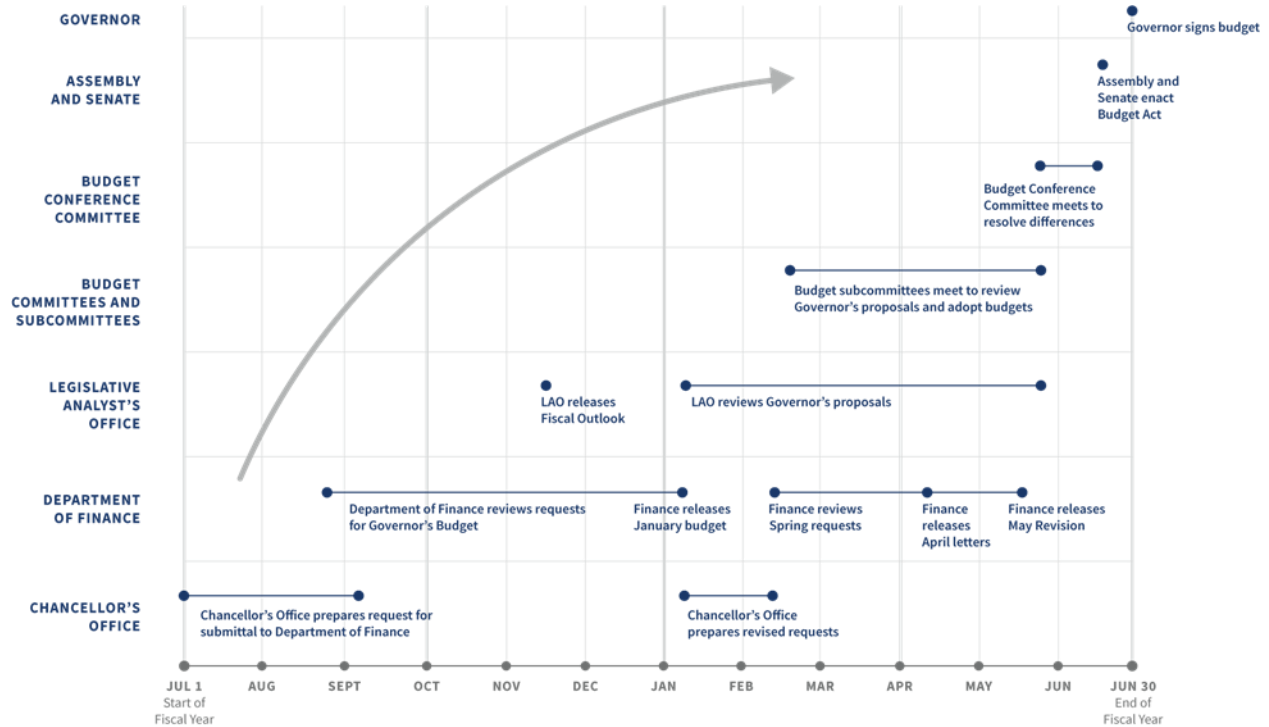
Legislative Review. The budget committees assign the items in the budget to subcommittees, which are organized by areas of state government (e.g., education). Many subcommittees rely heavily on the LAO analyses in developing their hearing agendas. For each January budget proposal, a subcommittee can adopt, reject, or modify the proposal. Any January proposals not acted on remain in the budget by default. May proposals, in contrast, must be acted on to be included in the budget. In addition to acting on the Governor’s budget proposals, subcommittees also can add their own proposals to the budget.

When a subcommittee completes its actions, it reports its recommendations back to the full committee for approval. Through this process, each house develops a version of the budget that is a modification of the Governor's January budget proposal.

A budget conference committee is then appointed to resolve differences between the Senate and Assembly versions of the budget. The administration commonly engages with legislative leaders during this time to influence conference committee negotiations. The committee's report reflecting the budget deal between the houses is then sent to the full houses for approval.

Budget Enactment. Typically, the Governor has 12 days to sign or veto the budget bill. The Governor also has the authority to reduce or eliminate any appropriation included in the budget. Because the budget bill is an urgency measure, the bill takes effect as soon as it is signed.

SEQUENCE OF THE ANNUAL STATE BUDGET PROCESS



Appendix B: Board of Governors' Budget and Legislative Request Compared to Governor's May Revision

The system budget request considered needs over multiple years to achieve *Vision 2030* and Roadmap goals, and support students' economic mobility.

Board of Governor's Request	May Revision Proposal
Ongoing Investments	
Foundational Resources. \$69 million to fully fund enrollment growth. Requests inflationary adjustments for all categorical programs, elimination of the 10% cap on FTES growth, funding for minimum 1.5% growth annually, and modification of the SCFF calculation to recognize credit FTES at the higher of the three-year average or the current year amount.	Provides \$217.5 million for a COLA of 2.3% to general apportionments, \$X million for the same COLA to selected categorical programs, and \$139.9 million for 2.35% enrollment growth. No change made to the FTES growth cap or the calculation of credit FTES.
Pathways and Student Supports. \$60 million to expand career pathways through the California Apprenticeship Initiative; \$10 million increase for financial aid office administration; \$10 million to expand Rising Scholars Network; \$7 million to expand Credit for Prior Learning; \$875,000 to increase support for burden-free instructional materials.	Provides \$10 million to expand Rising Scholars and \$5 million to expand Credit for Prior Learning.
Faculty Supports. Unspecified amount to be determined to increase support for part-time faculty health insurance program.	Not included.
Technology and Data Sharing. \$29 million to launch Phase 1 of Common ERP transition and unspecified multi-year request to complete Phase 2.	Not included.
One-Time Investments	
Pathways and Student Supports. \$50 million to expand Credit for Prior Learning policies.	Provides \$15 million to expand Credit for Prior Learning, and \$25 million to develop a Career Passport.
Technology and Data Sharing. \$162.5 million for Phase 1 of Common ERP transition.	Provides \$6.6 million for expanding use of e-Transcript California.
Non-Proposition 98 Investments	
Capacity to Support the System. \$9 million to exempt the Chancellor's Office from funding reduction to state agencies and build capacity.	Not included.
Financial Aid. Unspecified amount to commence initial implementation of the Cal Grant Equity Framework.	Not included.

Appendix C: Local Budgets and State Requirements

BUDGET PLANNING AND FORECASTING

Based on the information used in developing the May Revision, it would be reasonable for districts to plan their budgets using information shown in Table C-1 below.

Table C-1: Planning Factors for Proposed 2025-26 Budget

Factor	2023-24	2024-25	2025-26
Cost-of-living adjustment (COLA)	8.13%	1.07%	2.30%
State Lottery funding per FTES ^a	\$249	\$273	TBD
Mandated Costs Block Grant funding per FTES	\$35.37	\$35.64	\$36.46
RSI reimbursement per hour	\$8.82	\$10.05	\$10.32
Financial aid administration per College Promise Grant	\$0.91	\$0.91	\$0.91
Public Employees' Retirement System (CalPERS) employer contribution rates	26.68%	27.05%	26.81%
State Teachers' Retirement System (CalSTRS) employer contribution rates	19.10%	19.10%	19.10%

^a 2025-26 estimate not available, will be updated when 2025-26 budget bill is complete.

STATE REQUIREMENTS FOR DISTRICT BUDGET APPROVAL

Existing law requires the governing board of each district to adopt an annual budget and financial report that shows proposed expenditures and estimated revenues by specified deadlines. Financial reporting deadlines are shown in Table C-2.

Table C-2: Financial Reporting Deadlines for 2025-26

Activity	Regulatory Due Date	Title 5 Section
Submit tentative budget to county officer.	July 1, 2025	58305(a)
Make available for public inspection a statement of prior year receipts and expenditures and current year expenses.	September 15, 2025	58300
Hold a public hearing on the proposed budget. Adopt a final budget.	September 15, 2025	58301
Complete the adopted annual financial and budget report and make public.	September 30, 2025	58305(d)
Submit an annual financial and budget report to Chancellor's Office.	October 10, 2025	58305(d)
Submit an audit report to the Chancellor's Office.	December 31, 2025	59106

If the governing board of any district fails to develop a budget as described, the chancellor may withhold any apportionment of state or local money to the district for the current fiscal year until the district makes a proper budget. These penalties are not imposed on a district if the chancellor determines that unique circumstances made it

impossible for the district to comply with the provisions or if there were delays in the adoption of the annual state budget.

The total amount proposed for each major classification of expenditures is the maximum amount that may be expended for that classification for the fiscal year. Through a resolution, the governing board may make budget adjustments or authorize transfers from the reserve for contingencies to any classification (with a two-thirds vote) or between classifications (with a majority vote).

STATE REQUIREMENTS RELATED TO EXPENDITURES

State law includes two main requirements for districts' use of apportionments. The Chancellor's Office monitors district compliance with both requirements and annually updates the Board of Governors.

Full-Time Faculty Obligation

Education Code Section 87482.6 recognizes the goal of the Board of Governors that 75% of the hours of credit instruction in the California Community Colleges should be taught by full-time faculty. Each district has a baseline reflecting the number of full-time faculty in 1988-89. Each year, if the Board of Governors determines that adequate funds exist in the budget, districts are required to increase their base number of full-time faculty over the prior year in proportion to the amount of growth in funded credit full-time equivalent students. Funded credit FTES includes emergency conditions allowance protections, such as those approved for fires and for the COVID-19 pandemic. Districts with emergency conditions allowances approved per regulation will not have their full-time faculty obligation reduced for actual reported FTES declines while the protection is in place. The target number of faculty is called the Faculty Obligation Number (FON). An additional increase to the FON is required when the budget includes funds specifically for the purpose of increasing the full-time faculty percentage. The chancellor is required to assess a penalty for a district that does not meet its FON for a given year.

Fifty Percent Law

A second requirement related to budget levels is a statutory requirement that each district spend at least half of its Current Expense of Education each fiscal year for salaries and benefits of classroom instructors. Under existing law, a district may apply for an exemption under limited circumstances.

Appendix D: Districts' Fiscal Health

The Board of Governors has established standards for sound fiscal management and a process to monitor and evaluate the financial health of community college districts. These standards are intended to be progressive, with the focus on prevention and assistance at the initial level and more direct intervention at the highest level.

Under that process, each district is required to regularly report to its governing board the status of the district's financial condition and to submit quarterly reports to the Chancellor's Office three times a year in November, February, and May. Based on these reports, the Chancellor is required to determine if intervention is needed. Specifically, intervention may be necessary if a district's report indicates a high probability that, if trends continue unabated, the district will need an emergency apportionment from the state within three years or that the district is not in compliance with principles of sound fiscal management. The Chancellor's Office's intervention could include, but is not limited to, requiring the submission of additional reports, requiring the district to respond to specific concerns, or directing the district to prepare and adopt a plan for achieving fiscal stability. The Chancellor also could assign a fiscal monitor or special trustee.

The Chancellor's Office believes that the evaluation of fiscal health should not be limited to times of crisis. Accordingly, the Fiscal Forward Portfolio has been implemented to support best practices in governance and continued accreditation, and to provide training and technical assistance to new chief executive officers and chief business officers through personalized desk sessions with Chancellor's Office staff.

The Chancellor's Office's ongoing fiscal health analysis includes review of key financial indicators, results of annual audit reports, and other factors. A primary financial health indicator is the district's unrestricted reserves balance. **The Chancellor's Office recommends that districts adopt policies to maintain sufficient unrestricted reserves with a suggested minimum of two months of general fund operating expenditures or revenues, consistent with Budgeting Best Practices published by the Government Finance Officers Association.**

Districts are strongly encouraged to regularly assess risks to their fiscal health. The Fiscal Crisis and Management Assistance Team has developed a Fiscal Health Risk Analysis for districts as a management tool to evaluate key fiscal indicators that may help measure a district's risk of insolvency in the current and two subsequent fiscal years.

Appendix E: Glossary

Appropriation: Money set apart by legislation for a specific use, with limits in the amount and period during which the expenditure is to be recognized.

Augmentation: An increase to a previously authorized appropriation or allotment.

Bond Funds: Funds used to account for the receipt and disbursement of non-self-liquidating general obligation bond proceeds.

Budget: A plan of operation expressed in terms of financial or other resource requirements for a specific period.

Budget Act (BA): An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget, amended by the Legislature, and signed by the Governor.

Budget Year (BY): The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year).

Capital Outlay: Expenditures that result in acquisition or addition of land, planning and construction of new buildings, expansion or modification of existing buildings, or purchase of equipment related to such construction, or a combination of these.

Cost of Living Adjustment (COLA): Increases provided in state-funded programs intended to offset the effects of inflation.

Current Year (CY): The present state fiscal year, beginning July 1 and ending June 30 (in contrast to past or future periods).

Department of Finance (DOF or Finance): A state fiscal control agency. The Director of Finance is appointed by the Governor and serves as the chief fiscal policy advisor.

Education Protection Account (EPA): The Education Protection Account (EPA) was created in November 2012 by Proposition 30, the Schools and Local Public Safety Protection Act of 2012, and amended by Proposition 55 in November 2016. Of the funds in the account, 89 percent is provided to K-12 education and 11 percent to community colleges. These funds are set to expire on December 31, 2030.

Expenditure: Amount of an appropriation spent or used.

Fiscal Year (FY): A 12-month budgeting and accounting period. In California state government, the fiscal year begins July 1 and ends the following June 30.

Fund: A legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations.

General Fund (GF): The predominant fund for financing state operations; used to account for revenues that are not specifically designated by any other fund.

Governor's Budget: The publication the Governor presents to the Legislature by January 10 each year, which includes recommended expenditures and estimates of revenues.

Lease Revenue Bond: Lease-revenue bonds are used in the state's capital outlay program to finance projects. The revenue stream paying the debt service on the bond is created from lease payments made by the occupying entity to the governmental financing entity which constructs the facility or causes it to be constructed.

Legislative Analyst's Office (LAO): A nonpartisan office that provides fiscal and policy advice to the Legislature.

Local Assistance: Expenditures made for the support of local government or other locally administered activities.

May Revision: An update to the Governor's Budget presented by Finance to the Legislature by May 14 of each year.

Past Year or Prior Year (PY): The most recently completed state fiscal year, beginning July 1 and ending June 30.

Proposition 98: A section of the California Constitution that, among other provisions, specifies a minimum funding guarantee for schools and community colleges. California Community Colleges typically receive 10.93% of the funds.

Related and Supplemental Instruction (RSI): An organized and systematic form of instruction designed to provide apprentices with knowledge including the theoretical and technical subjects related and supplemental to the skill(s) involved.

Reserve: An amount set aside in a fund to provide for an unanticipated decline in revenue or increase in expenditures.

Revenue: Government income, generally derived from taxes, licenses and fees, and investment earnings, which are appropriated for the payment of public expenses.

State Operations: Expenditures for the support of state government.

Statute: A law enacted by the Legislature.

Workload Budget: The level of funding needed to support the current cost of already-authorized services.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Governor Releases the Master Plan for Career Education



[BY KYLE HYLAND](#)

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posted April 11, 2025

Last Wednesday, April 2, 2025, Governor Gavin Newsom released the full Master Plan for Career Education (Master Plan), which can be found [here](#).

The Master Plan's central goal is to ensure every Californian can pursue a meaningful career path through accessible, high-quality career education. It supports lifelong learning that adapts to the evolving workforce needs, with a focus on equity and economic mobility.

The Master Plan specifically calls for six primary plans of action:

- **Create a State Planning and Coordinating Body.** The state should create a new statewide planning and coordinating body that brings together the state's education segments, workforce training providers, and employers. The coordinating body should evaluate changing economic needs and demand for skills, develop sector-based and cross-sector strategies, create statewide goals, align federal and state plans, coordinate efforts to maximize funding, coordinate implementation of specific federal and state programs, codesign programs to address workforce opportunities, and connect with regions.
- **Strengthen Regional Coordination.** The Governor's Office should evaluate how successful regional coordination models can be expanded to create sustainable forums in which educators, workforce training providers, and employers work together with a clear division of responsibilities across partners.
- **Support Skills-Based Hiring Through a Career Passport.** State agencies and institutions of higher education should make it easier for employers to make hiring decisions based on individuals' skills in addition to their academic credentials.
- **Develop Career Pathways for High School and College Students.** Pushing for universal availability and implementation of pathways programs would provide students from all backgrounds with clear roadmaps to gainful employment and career advancement. These pathways can be designed to provide experiential learning opportunities, shorten the time to a career, alleviate financial pressures, and empower individuals to actualize their dreams, all while contributing to social and economic mobility within communities.

- **Strengthen Workforce Training for Young People and Adults.** For adults who need additional training and for opportunity youth, education and workforce development agencies should ensure access to education, workforce training, and jobs that allow them to advance in stable, well-paying career pathways.
- **Increase Access to and Affordability of Education and Workforce Training.** State agencies and institutions of higher education should ensure that eligible learners from all backgrounds and parts of the state can easily access education, workforce training, and public benefits that open doors to more rewarding, well-paying jobs.

The Master Plan also sets out specific success indicators, including the following:

- Increased rates of college and career readiness
- Greater credential attainment and job placement
- Reduced equity gaps across income, race/ethnicity, and geography
- Strengthened data systems to track outcomes and inform decision-making

The Master Plan emphasizes the need for alignment with employers in the labor market implementation of career education programs. This includes employer engagement in designing and delivering programs; an expansion of apprenticeships, internships, and industry certifications; and an aim to future-proof the workforce by aligning training with in-demand sectors such as healthcare, green jobs, and technology.

The Master Plan's Proposed State Budget Investments

In his 2025-26 State Budget proposal, Governor Newsom has proposed several investments to help with the implementation of the Master Plan. Those investments are as follows:

- \$3 million (ongoing) to support the California College Guidance Initiative and the Cradle-to-Career Data System
- \$50 million (one-time) to establish the California Career Passport for the purpose of providing individuals a secure digital tool that displays individuals' preparation for employment, their academic records, and credit for prior learning, including military service
- \$40 million (\$33 million one-time and \$7 million ongoing) to establish the Credit for Prior Learning Initiative, which would award college credit for validated college-level skills, knowledge, and competencies gained through experiences inside or outside of traditional academic settings
- \$5 million (ongoing, non-Proposition 98) to establish the California Education Interagency Council, composed of state officers for purposes of evaluating workforce and economic changes in the state, integrating and aligning education and employment systems, maximizing funding impact, supporting adult skill development, coordinating regional education and workforce needs, and serving as a forum for discussions of intersegmental and cross-sector policy issues

- \$4 million (one-time, non-Proposition 98) for the Labor and Workforce Development Agency to evaluate how regional coordination models can be expanded

Next Steps

Now that the Master Plan has been released, lawmakers can use the document as a blueprint to guide them on career education investments. Additionally, the Legislature is currently vetting the Governor's Master Plan funding proposals, and we will see if those proposals make it into the final version of the 2025-26 State Budget.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Legislature Takes Early Budget Action



BY MEGAN BAIER



BY ANJANETTE PELLETIER

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posted April 14, 2025

Today, April 14, 2025, Governor Gavin Newsom signed [Assembly Bill \(AB\) 100 \(Gabriel, D-Encino\)](#), which contains a number of provisions to appropriate funds and make policy changes to the 2023-24 and 2024-25 Enacted Budgets, prior to the state's June 2025-26 budget enactment. Of significant note, the state's Medi-Cal program, which provides health care to low-income Californians, is facing significantly higher current-year costs than last year's Enacted Budget anticipated. There have been a number of policy changes to Medi-Cal in recent years that have increased program enrollment, particularly among seniors. Those policy changes include eliminating asset ceilings, eliminating cost share requirements for low-income seniors, allowing individuals to access the program without regard to immigration status, and a series of changes related to continuous coverage. Further, Medi-Cal's prescription drug costs have soared, outpacing estimates.

The Legislature will need to take further actions to increase funding or lower program costs to keep Medi-Cal solvent in the coming months, as costs continue to rise and are anticipated to present more budgetary challenges heading into the 2025-26 fiscal year.

Further complicating the budgetary picture, at the federal level, there are components of the House budget proposal that may result in reductions to health care funding to the states. California gets roughly 75% of its Medi-Cal funding from the federal government. State leaders have acknowledged California would not have the ability to backfill significant federal reductions.

We will continue to monitor the state's budget condition and any federal action's impacts on California, including the newly adopted House budget proposal and efforts to reach a fiscal 2025 federal budget agreement.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

CalPERS Approves 2025-26 Employer Contribution Rate

 [BY MICHELLE MCKAY UNDERWOOD](#)

 [BY TEDDI WENTWORTH](#)

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posted April 15, 2025

Yesterday, April 14, 2025, the California Public Employees' Retirement System (CalPERS) Board adopted the 2025-26 schools employer contribution rate at 26.81% and projects out-year rates as follows:

Fiscal Year	2026-27	2027-28	2028-29	2029-30	2030-31
Projected Rates	26.90%	27.80%	27.40%	27.00%	26.20%

The 2025-26 employer contribution rate is a decrease from the current-year rate of 27.05% while also coming in lower than previously projected in the June 30, 2023, annual valuation report.

The out-year projections will fluctuate based on actual future investment returns and other demographic changes. The 2025-26 rate will not change from here, and the next anticipated update to out-year estimates is expected fall 2025, after the release of the 2024-25 valuation report this summer. As such, school employers (including community colleges) should utilize these rates as they update their multiyear projections.

The CalPERS contribution rate for members subject to the Public Employees' Pension Reform Act (PEPRA) will remain at 8% for 2025-26, and the contribution rate for CalPERS members not subject to PEPRA (i.e., classic members) is set by statute and is currently 7% of salary. As of June 30, 2024, PEPRA members represented 67% of the total active population of the Schools Pool.

These new projected rates will be included in the May Revision edition of the School Services of California Inc. Financial Projection Dartboard.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—April 18, 2025

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#)

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Upon adjournment last Thursday, April 10, 2025, the Legislature left for spring recess and will return to Sacramento this upcoming Monday, April 21, 2025.

Prior to leaving for spring recess last week, both the Assembly Higher Education Committee, chaired by Assemblymember Mike Fong (D-Alhambra), and the Senate Education Committee, chaired by Senator Sasha Renée Pérez (D-Alhambra), met to consider 30 policy bills. The Assembly Higher Education Committee met last Tuesday, April 8, 2025, and approved all 17 measures on the agenda while the Senate Education Committee met last Wednesday, April 9, 2025, and approved the 13 bills heard.

When the Legislature returns from its spring recess on Monday, it will have two weeks for fiscal bills to clear policy committees, while nonfiscal bills will have until Friday, May 9, 2025, to meet that deadline.

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

- [Education Finance](#)
- [Employees](#)
- [Financial Aid](#)
- [Instruction](#)
- [Miscellaneous](#)

Education Finance

[Assembly Bill \(AB\) 1433](#) (Sharp-Collins, D-San Diego)—**Education Finance: Funding: Noncredit Instruction**. This bill would require the Board of Governors (BOG) to allocate base funding for designated categorical programs to noncredit colleges and noncredit centers that meet specified conditions. The bill would specify that the categorical programs

eligible for those base funding allocations include disabled student programs and services, mental health services, and veteran resource centers. The bill would require the BOG, in consultation with California Community Colleges Chancellor's Office (CCCCO), to determine the methodology for allocating the base funding.

AB 1433 was approved 9-0 in the Assembly Higher Education Committee last week and will be heard next in the Assembly Military and Veterans Affairs Committee. The bill will need to clear this committee to meet the May 2, 2025, deadline for fiscal bills to clear first house policy committees.

Employees

AB 1067 (Quirk-Silva, D-Fullerton)—Public Employees' Retirement: Felony Convictions. If a public employee retires while under investigation for misconduct, this bill requires the public employer to continue the investigation even after the employee retires. If the investigation indicates that a public employee may have committed a crime, the public employer would be required to refer the matter to the appropriate law enforcement agency.

AB 1067 will be heard in the Assembly Public Employment and Retirement Committee next Wednesday, April 23, 2025. The bill will need to clear this committee to meet the May 2, 2025, deadline for fiscal bills to clear first house policy committees.

Senate Bill (SB) 494 (Cortese, D-San Jose)—Classified School and Community College Employees: Disciplinary Hearings: Appeals: Contracted Administrative Law Judges. As amended on April 10, 2025, this bill would authorize a permanent classified employee of a community college district (CCD) or K-12 school district to appeal disciplinary action to a contracted administrative law judge, paid by the school district and jointly selected by the district and the employee or their employee organization unless the employee organization and the school district have agreed to an alternative method of appealing disciplinary action. The bill would require this alternative method of appealing a disciplinary action to be subject to judicial review pursuant to specified standards of review of arbitration awards.

SB 494 was approved 4-1 in the Senate Labor, Public Employment, and Retirement Committee on March 26, 2025, and will be heard in the Senate Education Committee next Wednesday, April 23, 2025. The bill will need to clear this committee to meet the May 2, 2025, deadline for fiscal bills to clear first house policy committees.

SSC Comment: Governor Gavin Newsom vetoed a similar bill last year—SB 433 (Cortese).

Financial Aid

SB 305 (Reyes, D-San Bernardino)—Seymour-Campbell Student Success Act of 2012: Free Application for Federal Student Aid and California Dream Act Application. As amended on April 10, 2025, this bill would require community colleges to, commencing with the 2026-27 academic year, provide students with specified information related to completing and submitting the Free Application for Federal Student Aid (FAFSA) and the California Dream Act Application (CADAA). The bill would also require community colleges to confirm, commencing with the 2027-28 academic year, that students who have not opted out have completed and submitted the FAFSA or the CADAA. The bill would require CCDs to ensure that students are directed to services to assist students in complying with the bill's requirements, and that the information shared by students is managed in compliance with state and federal privacy laws. The bill would require the California Student Aid Commission (CSAC) to adopt regulations that include model opt-out forms and acceptable use policies.

SB 305 will be heard in the Senate Education Committee next Wednesday, April 23, 2025, and it needs to clear that committee to meet the May 2, 2025, deadline for fiscal bills to clear first house policy committees.

SSC Comment: K-12 high schools are already required to confirm that their high school seniors complete the FAFSA, CADAA, or complete the opt-out form. Senator Eloise Gómez Reyes authored the bill in the Assembly that placed this requirement on K-12 schools.

SB 323 (Pérez)—Student Aid Commission: California Dream Act Application. As amended on March 25, 2025, this bill would require CSAC, by the start of the 2026–27 financial aid cycle, to amend the CADAA, and any of its grant processing systems, to clarify and ensure that the application can be used by any student eligible for state financial aid programs, regardless of their eligibility for federal financial aid. The bill requires CSAC to consult with the segments of postsecondary education in promoting the CADAA in a manner that maximizes the amount of federal aid that students may access while also apprising students of the choices available regarding which application they and their families may use.

SB 323 will be heard in the Senate Education Committee next Wednesday, April 23, 2025, and it needs to clear that committee to meet the May 2, 2025, deadline for fiscal bills to clear first house policy committees.

Instruction

AB 988 (Fong)—Statewide Dual Enrollment Framework: Advisory Board. As amended on April 10, 2025, this bill would establish a dual enrollment advisory board to provide input and feedback to the State Superintendent of Public Instruction (SSPI). The advisory board would include three K-12 credentialed teachers, one K-12 administrator, one high school counselor, one representative from the California College Guidance Initiative, one community college faculty member, one representative from the Academic Senate for California Community Colleges (CCC), one representative from the Academic Senate of the California State University (CSU), one community college administrator, the Chancellor of the CCC, the Chancellor of the CSU, the President of the University of California (UC), and four members of the public.

The bill would require the SSPI, in collaboration with the dual enrollment advisory board, to develop a statewide dual enrollment framework to provide guidance for how dual enrollment programs should operate in the state.

AB 988 was approved 8–0 in the Assembly Higher Education Committee last week and will be heard in the Assembly Education Committee on Wednesday, April 30, 2025. The bill will need to clear this committee to meet the May 2, 2025, deadline for fiscal bills to clear first house policy committees.

SB 744 (Cabaldon, D-Yolo)—Community Colleges: Credit for Students with Prior Learning. This bill requires the CCCCO to award credit for competency-based educational opportunities that recognize students' prior learning. It further expands the type of noncredit courses eligible for state apportionment funding to include individualized evaluation assessment and portfolio review of students' prior learning and competencies for the awarding of credit for competency-based educational opportunities. The bill requires that the methods for awarding credit for competency-based educational opportunities, include, but not be limited to, all of the following: military service; credit by

examination; and evaluation of trainings, certifications, apprenticeships, licenses, and service learning, including certifications earned as part of the Golden State Pathways Program or career technical education programs in secondary schools.

SB 744 was approved 7-0 in the Senate Education Committee last week and is now in the Senate Appropriations Committee. This means that the bill has cleared the May 2, 2025, deadline for fiscal bills to get out of first house policy committees.

Miscellaneous

AB 1093 (Solache, D-Lynwood)—Public Postsecondary Education: California-Mexico Higher Education Development and Academic Exchange Program. This bill would establish, until January 1, 2032, the California-Mexico Higher Education Development and Academic Exchange Program. The program would be made available to 400 students who attend a campus of the CCC, the CSU, or the UC to attend universities in Mexico and for 400 students who attend a university in Mexico to attend a campus of the UC, CSU, or CCC each year. The bill would establish the California-Mexico Higher Education Development and Academic Exchange Program in the State Treasury as a regional matching fund. It is the intent of the bill that \$40 million of the fund be provided by California and \$20 million of the fund be provided by Mexico for a total of \$60 million.

AB 1093 was approved 7-1 in the Assembly Higher Education Committee last week and is now in the Assembly Appropriations Committee. This means that the bill has cleared the May 2, 2025, deadline for fiscal bills to get out of first house policy committees.

2025 Legislative Calendar—Upcoming Holidays and Deadlines

April 21—Legislature reconvenes from spring recess

May 2—Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

The Economy, State Revenues, and Proposition 98



BY PATTI F. HERRERA, EDD

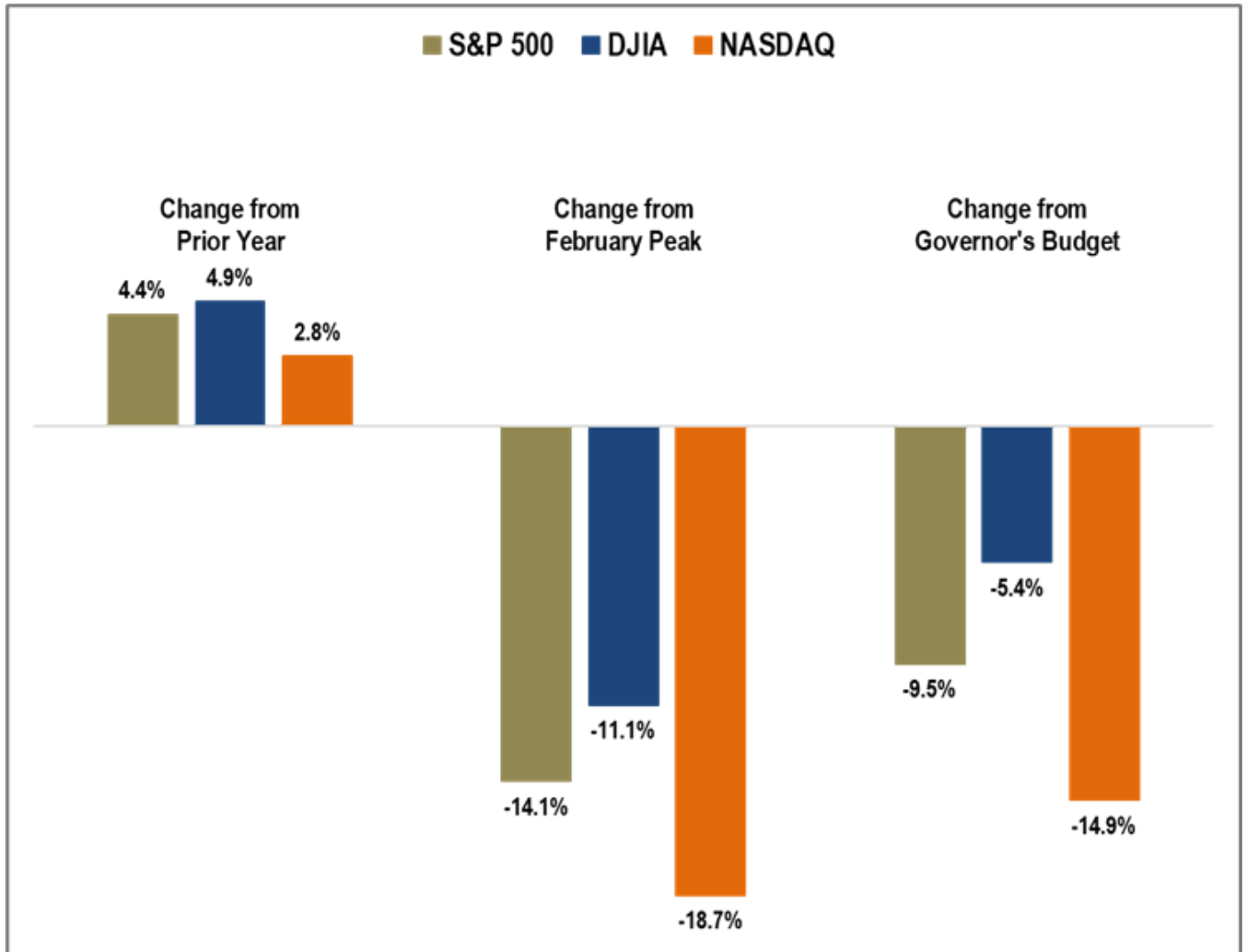
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posted April 21, 2025

The 2025-26 May Revision is set to be released on the heels of California's [lawsuit](#) challenging the invocation of the International Economic Emergency Powers Act of 1977 by President Trump to impose across-the-board 10% tariffs on all U.S. trading partners. Governor Gavin Newsom cited the disproportionate impact they have on California's economy, arguing that the state has already experienced hundreds of billions of dollars in losses. As the fifth largest economy in the world and the U.S.'s largest trading partner, California is highly susceptible to the economic impact of international trade relations.

While there is no consensus about the long-term impact of tariffs, the imposition of new tariffs coupled with continued threats to expand sectoral tariffs undoubtedly has already spawned growing uncertainty about the direction of the overall economy. Perhaps the clearest evidence of this can be seen in Wall Street's recent volatility. While the three major U.S. indexes have increased from a year ago, all three have experienced significant decreases since Governor Newsom released his 2025-26 State Budget proposal on January 10, 2025, and from the market's peak in mid-February.

Figure 1. Wall Street Performance



Source: Federal Reserve Economic Data

The declines and volatility are attributable to how investors and businesses are reacting to changes in U.S. trade relations—both the U.S.-imposed duties as well as how countries, like China, are responding in kind. Since President Trump announced the implementation of 10% tariffs on April 2, 2025, the S&P 500, the Dow Jones Industrial Average (DJIA), and the NASDAQ are down by 6.3%, 5.5%, and 6.5%, respectively.

The condition of the state General Fund relies heavily on the health of California's economy. Even more, California's progressive tax system ties state General Fund revenues directly to the stock market as the state taxes capital gains realizations as part of personal income. In his January State Budget proposal, Governor Newsom assumed that capital gains taxes would comprise 8.5% and 9.1% of total state General Fund revenues in 2024–25 and 2025–26, respectively. If the stock market does not improve markedly, it is likely that we will see downward adjustments to state revenue estimates when the Governor issues his May Revision in just under a month.

How macroeconomic trends may impact state General Fund revenue is but one issue with which the Governor and the Legislature must contend. The others are changes in federal policy that can create pressures on the California Budget through potential reductions in federal revenues that fund programs such as Medi-Cal or, for education, school meals. The uncertainty of federal policy and the fiscal implications for California pose significant challenges for lawmakers as they try to design and pass a balanced Budget while wearing a blindfold.

These conditions make for cautious budgeting.

While we are certain to see a May Revision that projects an increase in the 2024-25 Proposition 98 minimum guarantee as year-to-date revenues outpace January estimates, we may simultaneously see more cautious revenue estimates for the 2025-26 minimum guarantee, which in January was already slightly below the revised current-year level.

Finally, as the budget-year outlook becomes murkier for all the reasons we've highlighted, what inspired Governor Newsom to propose temporarily withholding \$1.6 billion he estimated the state would be obligated to spend on TK-12 and community college districts in fiscal year 2024-25 is sure to be even more important. That is, Governor Newsom—and perhaps his legislative colleagues—will want to avoid inadvertently “over-appropriating” Proposition 98 when the state may very well need every cent to manage the rest of the Budget.

We will provide an in-depth analysis of the national and state economy and the impacts on Proposition 98 when the May Revision is released next month.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

2024-25 Second Quarter Lottery Apportionment

 [BY KYLE HYLAND](#)

 [BY MICHELLE MCKAY UNDERWOOD](#)

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posted April 23, 2025

The State Controller's Office (SCO) distributed the 2024-25 second quarter Lottery apportionment on March 28, 2025. Community colleges should receive \$64.58 per full-time equivalent student (FTES) for the unrestricted Lottery apportionment and \$13.56 per FTES for the Proposition 20 restricted Lottery apportionment. A total of \$146,518,560.55 has been apportioned to community colleges for the first and second quarters.

The annual Lottery estimates for 2024-25 remain at \$273.00 per FTES (\$191.00 per FTES in unrestricted Lottery revenues and \$82.00 per FTES in Proposition 20 Lottery revenues). Community college districts should budget annual Lottery apportionments on the most recent projections posted by the California Community Colleges Chancellor's Office (CCCCO) [here](#), which are also available on the current School Services of California Inc. [Financial Projection Dartboard](#).

We will report any action by the Lottery Commission that may impact the Lottery funding for the 2024-25 fiscal year. We anticipate the release of Lottery projections for 2025-26, inclusive of projected per-FTES funding levels, in the summer.

Finally, the recent audit report on the 50% law (see "[State Auditor Recommends Change to 50% Law](#)" in the April 2025 *Community College Update*) noted a "lack of direction" related to the use of Lottery funds and recommends the CCCCCO provide districts with guidance about what constitutes an instructional and noninstructional purpose when expending Lottery funds.

For more detail on the second quarter apportionment for 2024-25 and other Lottery funding information, visit the CCCCCO website [here](#). For the apportionment detail, please visit the SCO website [here](#).



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Finance Bulletin Shows Near-Term Fiscal Stability



BY [WENDI MCCASKILL](#)

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posted April 23, 2025

Yesterday, April 22, 2025, the Department of Finance released the April 2025 *Finance Bulletin*, painting a picture of fiscal stability in the near term. Preliminary General Fund cash receipts were \$144 million below the Governor’s Budget forecast in March, and \$4.4 billion above the fiscal year-to-date forecast. The increase is primarily due to higher-than-forecasted personal income tax receipts, while corporation and sales tax receipts were lower than projected.

2024-25 Actual and Forecast Year-to-Date General Fund Revenues

(In Millions)	March 2025 YTD ¹ Forecast	March 2025 YTD Actual	Difference
Personal Income Tax	\$82,284	\$85,799	\$3,515
Corporation Tax	\$22,262	\$22,027	-\$235
Sales and Use Tax	\$25,650	\$25,324	-\$326
Miscellaneous	\$6,446	\$7,941	\$1,494
Total²	\$136,643	\$141,091	\$4,448

¹Year-to-date

²May appear inaccurate due to rounding

U.S. year-over-year headline inflation slowed from 2.8% in February to 2.4% in March. March core inflation, which excludes food and energy, was 2.8%. U.S. gross domestic product (GDP) grew at a seasonally adjusted annualized rate of 2.4% in the fourth quarter of 2024. That is up slightly from the previous estimate of 2.3% and following a 3.1% growth

in the third quarter, bringing U.S. annual GDP growth to 2.8% in 2024. California's GDP also experienced growth at 1.4% in the fourth quarter of 2024, bringing California's annual growth to 3.6% for 2024. California experienced growth in personal income (6.5%) in 2024.

The U.S. unemployment rate increased to 4.2% in March while California's unemployment fell slightly to 5.3%, continuing to exceed the nation's. California has the fourth highest unemployment rate in the nation behind Michigan, the District of Columbia, and Nevada.¹ Three California employment sectors gained jobs (private education and health services, government, and other services) while seven sectors (trade, transportation, and utilities; leisure and hospitality; construction; information; professional and business services; manufacturing; and financial activities) lost jobs. Two sectors (mining and logging) remained unchanged.

As we approach the release of the May Revision next month, we anticipate a projected increase to the 2024-25 Proposition 98 minimum guarantee due to current-year revenues above forecasted figures. However, as mentioned in our recent *Community College Update* article, "[The Economy, State Revenues, and Proposition 98](#)," the condition of the General Fund is predicated on the health of California's economy. Moving forward, the impact of national policy and market volatility on California's economy is unclear and is likely to result in a May Revision reflective of cautious budget assumptions.

¹U.S. Bureau of Labor Statistics, "State Unemployment Rates, March 2025, Seasonally Adjusted"



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

April Tax Revenues Meeting Expectations

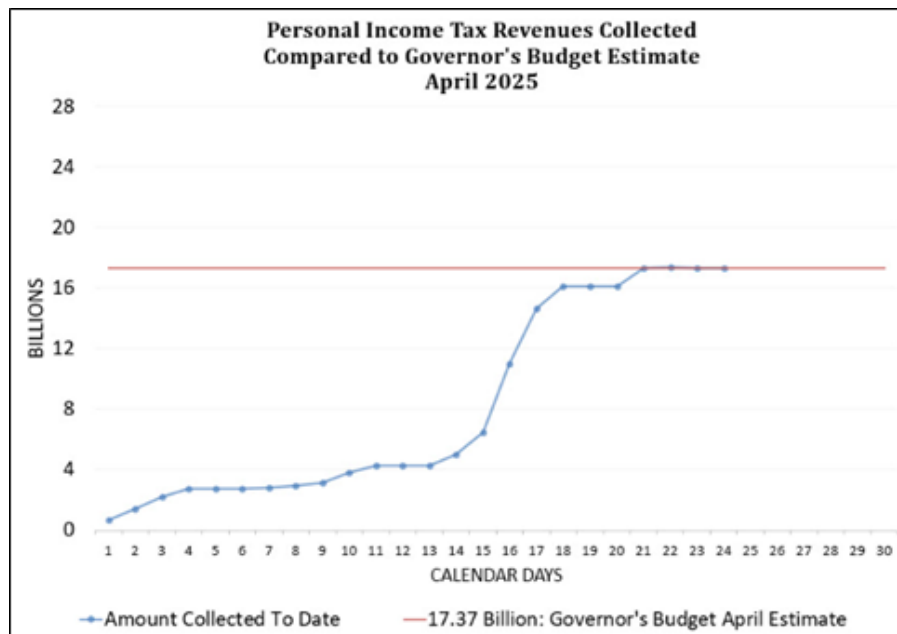
✉ [BY MATT PHILLIPS, CPA](#)

✉ [BY DAVE HECKLER](#)

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posted April 29, 2025

The State Controller's Office, via its [daily income tax collection tracker](#), is reporting that the Administration's projection of \$17.37 billion will be met, and likely exceeded. Personal income tax receipts through April 24, 2025, total \$17.35 billion with four business days remaining in April. The final days of April are unlikely to yield significant tax collections, but it is promising that the month's projections are likely to be met.



Source: State Controller's Office website as of April 28, 2025

It is important to note that the April tax collections are meeting projections in spite of the significant wildfires that raged through Los Angeles and Ventura Counties in January 2025, which resulted in Governor Gavin Newsom extending the 2024 fiscal year tax filing deadline to October 15, 2025, for individuals, households, and businesses in Los Angeles County. It is too soon to know how many individuals and businesses utilized the additional time, but Los Angeles County is home to approximately 25% of the state's population and 14 Fortune 500 companies.

The state and local educational agencies are only weeks away from the enactment and adoption of their 2025-26 budgets, respectively. While the state revenue projections for 2024-25 are positive, the fiscal health of the state is much more precarious for the 2025-26 fiscal year and beyond. The full economic impacts of the wildfires are not yet known, but it is reasonable to assume that the impacts will be negative. Additionally, the short-term impacts of tariffs have resulted in significant volatility in the stock market, with the S&P 500 down more than 12%—6,147 to 5,475—since its peak in January 2025. There is still a long way to go in the 2025 fiscal year, but the first four months have been fraught with uncertainty and instability.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Statutory COLA for 2025-26 Is 2.30%

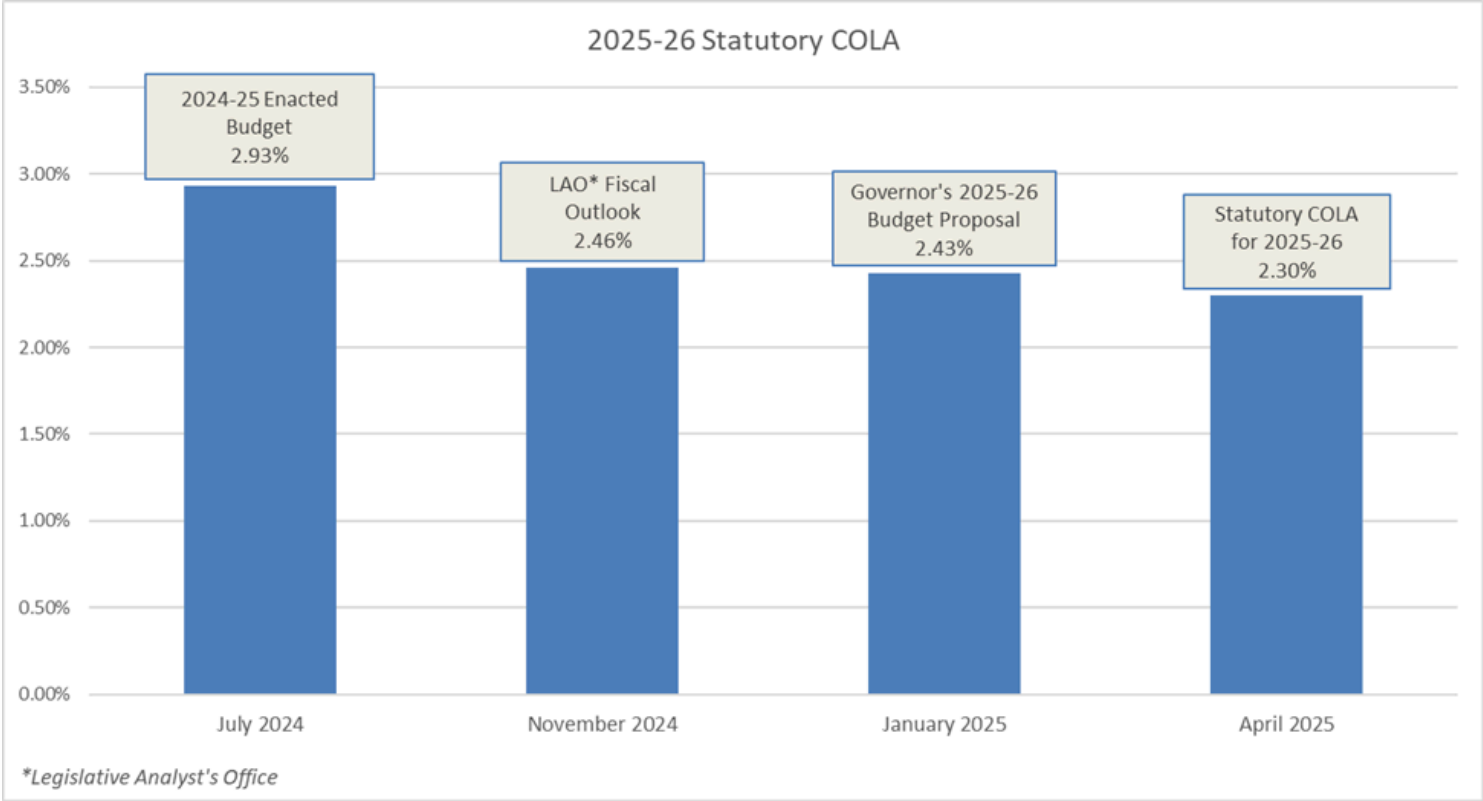
 [BY DAVE HECKLER](#)
 [BY MATT PHILLIPS, CPA](#)

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posted April 30, 2025

Today, April 30, 2025, the U.S. Department of Commerce released the 2025 first quarter value of the implicit price deflator for state and local government goods and services, which provides the final data point needed to calculate the 2025-26 statutory cost-of-living adjustment (COLA) for K-14 education per Education Code Section 42238.02(d)(2).

The latest data point sets the statutory COLA for 2025-26 to be 2.30%, which is below the forecasted 2.93% when the 2024-25 State Budget was adopted. The calculation of the statutory COLA is unrelated to state factors. Rather, the COLA is calculated based on nationally aggregated data of state and local government consumption.



Between the release of the May Revision and the enactment of the 2025-26 State Budget, the Governor and Legislature must determine if there will be sufficient revenues in 2025-26 to fund the statutory COLA. As noted in the recent *Community College Update* article, "[April Tax Revenues Meeting Expectations](#)," the state's revenues are ahead of schedule for the 2024 calendar year. However, geopolitical policies have created uncertainty which is highlighted in the current major stock market indices. Those indices have a direct correlation to state income due primarily to the state's progressive tax structure. The Governor will unveil his May Revision in less than two weeks, which will provide clarity on how his office views the near-term forecast for the state economy.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Trump Proposes Significant Education Reductions



BY MICHELLE MCKAY UNDERWOOD

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posted May 2, 2025

Today, May 2, 2025, President Donald Trump released his proposed budget for fiscal year 2026, which includes significant reductions to education programs. The President calls for a 15.3% reduction in education funding compared to 2025 levels, which would reduce funding from \$78.7 billion to \$66.7 billion.

The following information is extracted directly from the [letter](#) sent from the Director of the Office of Management and Budget to the Chair of the Senate Committee on Appropriations, which provides an overview of the discretionary request.

Program Name	Change from 2025 Enacted	Brief Description of Program
Federal Work-Study (FWS)	-\$980 million	Reform of this poorly targeted program should redistribute remaining funding to institutions that serve the most low-income students and provide a wage subsidy to gain career-oriented opportunities to improve long-term employment outcomes of students.
Supplemental Educational Opportunity Grants (SEOG)	-\$910 million	This program is ineffective, poorly targeted, and inconsistent with the Administration's priorities.
TRIO programs and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	-\$1.579 billion	TRIO and GEAR UP are a relic of the past when financial incentives were needed to motivate Institutions of Higher Education (IHEs) to engage with low-income students and increase access. Today, the pendulum has swung and access to college is not the obstacle it was for students of limited means.
Adult Education	-\$729 million	K-12 outcomes will improve as education returns to the States, which would make remedial education for adults less necessary. The Budget redirects resources to programs that more directly prepare students for meaningful careers.
Child Care Access Means Parents in School (CCAMPIS)	-\$75 million	The Budget proposes to eliminate CCAMPIS because subsidizing child care for parents in college is unaffordable and duplicative.
Fund for the Improvement of Postsecondary Education (FIPSE) and Graduate Assistance in Areas of National Need	-\$195 million	The Congress has also abused FIPSE by using it to fund initiatives unrelated to students or institutional reforms, including earmarking \$1.2 million for San Diego Community College's LGBTQIA+ PRIDE Center staffing.
Strengthening Institutions	-\$112 million	These funds have been used to promote DEI, inconsistent with the Administration's priorities and Executive Orders. It is not the responsibility of Federal taxpayers to support a new "Guided Pathways Village, expanding the current Learning Communities and creating a new Ethnic and Pride Inclusion Center for historically underserved students, including LGBTQ+ students."

Make America Skilled Again Grant Consolidation (Department of Labor)	-\$1.64 billion	<p>Consistent with the Administration's efforts to promote the full range of post-secondary education and training options, the Budget proposes to give States and localities the flexibility to spend workforce dollars to best support their workers and economies, instead of funneling taxpayer dollars to progressive non-profits finding work for illegal immigrants or focusing on DEI.</p> <p>States would now have more control and flexibility to coordinate with employers and would have to spend at least 10 percent of their MASA grant on apprenticeship, a proven model that trains workers while they earn a paycheck and offers a valuable alternative to college.</p>
ED Program Administration	-\$127 million	Program Administration funding is needed for: personnel compensation and benefits for staff retained; fixed and variable costs in non-personnel categories; and costs from deferred resignations, voluntary retirements, and reductions in force.
Teacher Quality Partnerships	-\$70 million	Eliminating this program would allow States and districts to have more control of teacher preparation, recruitment, and retention based on their local context.
Job Corps	-\$1.584 billion	The Budget eliminates Job Corps, which has been a failed experiment to help America's youth—and, in some cases, has harmed them.

Other reductions related to education include the elimination of preschool development grants and a 35% reduction to the Office of Civil Rights.

Like the California State Budget process, the President's proposal is one component of a monthslong conversation. The next federal fiscal year begins October 1, 2025.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—May 2, 2025

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#)

Copyright 2025 School Services of California, Inc. posted May 2, 2025

It has been a busy two weeks of hearings as legislators raced against today's deadline for fiscal bills to clear policy committees.

The Assembly Higher Education Committee, chaired by Assemblymember Mike Fong (D-Alhambra), met this past Tuesday, April 29, 2025, and approved all 16 bills on the agenda. The Senate Education Committee, chaired by Senator Sasha Renée Pérez (D-Alhambra), met this past Wednesday, April 30, 2025, and approved 12 of the 14 bills on the agenda.

Bills with no fiscal effect have until next Friday, May 9, 2025, to clear policy committee. It is unclear whether either education committee will need to meet next week to consider any outstanding nonfiscal measures. After these deadlines pass, the Legislature will shift its focus to the Appropriations Committees, which will analyze the cost implications that the bills would have on the state and local agencies.

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

- [Access](#)
- [College and Career](#)
- [Employees](#)
- [Financial Aid](#)
- [Governance and District Operations](#)
- [Instruction](#)

Access

Assembly Bill (AB) 934 (Berman, D-Menlo Park)—Community Colleges: Degrees and Certificates: Education Plans. As amended on March 24, 2025, this bill would require the Board of Governors to require all community colleges to award degrees and certificates retroactively in accordance with specified provisions. The bill would require, commencing with the 2026–27 academic year, a community college, before the beginning of the spring term of the academic year, to identify students who, during the previous five academic years, (1) have completed the semester or quarter units required to receive a degree or certificate; (2) need 12 semester units or 18 quarter units, or less, to complete the minimum number of units required to receive a degree or certificate; or (3) have completed the general education transfer requirements, and to notify those students.

AB 934 was approved unanimously in the Assembly Higher Education Committee on Tuesday, April 22, 2025, and is now in the Assembly Appropriations Committee.

Senate Bill (SB) 640 (Cabaldon, D-Yolo)—Public Postsecondary Education: Admission, Transfer, and Enrollment. As amended on April 21, 2025, this bill would establish the California State University (CSU) Direct Admission Program under which a pupil graduating from a high school of a participating local educational agency (LEA) is deemed eligible for enrollment into a designated CSU campus. The bill would require, upon the implementation of transcript-informed pupil accounts, the reporting available on the CaliforniaColleges.edu platform to be used to provide the data required to determine eligibility for the program. The bill would require a participating LEA to identify each pupil who is eligible under the program on or before September 1 of each year. The bill would require the California College Guidance Initiative, on behalf of the CSU, to transmit a letter of direct admission to each identified pupil that notifies the pupil that they have been directly admitted. The bill would also require the Associate Degree for Transfer Intersegmental Implementation Committee to create at least five transfer model curricula (TMCs) that are not related to existing associate degree for transfer (ADT). Once a TMC is finalized, the bill would require community college districts (CCD) to create an ADT for the finalized TMC.

SB 640 was approved unanimously in the Senate Education Committee this past Wednesday, April 30, 2025, and is now in the Senate Appropriations Committee.

College and Career

SB 638 (Padilla, D-San Diego)—California Education and Workforce Development Coordinating Entity: Career Technical Education and Career Pathways Grant Program. As amended on April 22, 2025, this bill would establish the California Education and Workforce Development Coordinating Entity within the Government Operations Agency to serve as the statewide planning and coordinating body for career technical education (CTE), career pathways, and workforce development. The membership would include the Chancellor of the California Community Colleges, the chair of the Student Aid Commission, a student enrolled at one of three public segments of higher education (Assembly appointment), and a student enrolled in a postsecondary CTE program (appointed by the Senate).

SB 638 was approved unanimously by the Senate Education Committee on Wednesday, April 30, 2025, and will now go to the Senate Appropriations Committee.

SB 790 (Cabaldon)—Postsecondary Education: Postsecondary Education Coordinating Entity: Interstate Reciprocity Agreements for Distance Education: Out-of-State Postsecondary Educational Institutions. As amended on April 10, 2025, this bill would eliminate the California Postsecondary Education Commission and would require Governor Gavin

Newsom to designate a state agency, department, or office as the principal coordinating body for postsecondary education. This entity's responsibilities would include the following:

- Implementing, coordinating, and evaluating the Master Plan for Career Education
- Overseeing intersegmental state policies and initiatives across postsecondary institutions
- Administering interstate reciprocity agreements for distance education should the Governor enter into such agreements

SB 790 was approved 6-0 (one abstention) by the Senate Education Committee on Wednesday, April 30, 2025, and will now go to the Senate Appropriations Committee.

Employees

AB 374 (Nguyen, D-Elk Grove)—K-14 Classified Employees: Payment of Wages: Itemized Statements. As amended on April 9, 2025, this bill would require a K-14 public school employer to provide a classified school employee an accurate itemized statement that shows growth wages earned, total hours worked, all deductions, net wages earned, inclusive dates of the period for which the employee is paid, the employee's name and last four digits of their social security number, the name and address of the employer, the applicable hourly rates in effect during pay period, and the total number hours of paid and unpaid leave taken during the pay period. The bill specifies that the itemized statement must be required as a detachable part of the check, as a printed statement issued concurrently with direct deposit, or as a digital statement made available through a secure employee portal.

This bill was approved 8-0 (two abstentions) in the Assembly Higher Education Committee on April 22, 2025. Since the bill is considered a nonfiscal measure, it bypassed the Assembly Appropriations Committee and is currently on the Assembly floor.

AB 1028 (Fong)—Community Colleges: Temporary Employees. As amended on April 23, 2025, this bill would require, if a CCD terminates a part-time faculty member, the governing board to comply with the procedures as delineated in the collective bargaining agreement (CBA). If the CBA does not contain provisions regarding the termination of part-time employees, then the governing board must provide a written explanation for why the part-time faculty member was terminated if the part-time faculty member asks for the explanation within ten days of the termination. If the provisions of the bill directly conflict with the terms of a CBA in effect on January 1, 2026, then the provisions shall become operative on the employees governed by that agreement upon its expiration.

AB 1028 was approved 7-2 by the Assembly Higher Education Committee this past Tuesday, April 29, 2025, and is now in the Assembly Appropriations Committee.

Financial Aid

AB 791 (Berman)—Student Financial Aid: Cal Grant Program: Cost of Attendance. As amended on April 24, 2025, this bill would require institutions of higher education, no later than the start of the 2026-27 academic year, to develop and implement a cost of attendance policy and adjustment process to estimate and adjust cost of attendance information in a manner that is consistent with federal law.

AB 791 was approved unanimously in the Assembly Higher Education Committee on Tuesday, April 22, 2025, and is now in the Assembly Appropriations Committee.

Governance and District Operations

AB 395 (Gabriel, D-Encino)—Holidays. As amended on May 1, 2025, this bill would require, beginning with the 2026-27 academic year, the governing board of a CCD and the CSU, and requests the University of California (UC), to make every reasonable effort, when developing academic calendars, to avoid calendaring an institutional event on a date for which the institution of higher education knows, or has reason to know, that members of the public would be unable to participate or be present due to the ritual observance of a religious, cultural, or ancestral holiday. The bill would require the governing board of a CCD and the CSU, and would request the UC, in considering and making a determination of which dates to avoid, to seek input from the student and faculty organizations on campus.

AB 395 was approved unanimously in the Assembly Higher Education Committee this past Tuesday, April 29, 2025, and will now go to the Assembly Appropriations Committee.

Instruction

AB 1400 (Soria, D-Merced)—Community Colleges: Baccalaureate Degree in Nursing Pilot Program. As amended on March 24, 2025, 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 bill would limit the pilot program to 15 CCDs statewide and would require the CCCCCO to identify and select eligible CCDs based on specified criteria. The bill would require the CCCCCO to develop a process designed to assist CCDs with nursing programs that are applying for national accreditation for the purpose of qualifying for the pilot program, as provided. The bill would require each participating CCD to give priority registration for enrollment in the pilot program to students with an associate degree in nursing from that CCD.

AB 1400 was approved unanimously in the Assembly Higher Education Committee this past Tuesday, April 29, 2025, and will now go to the Assembly Appropriations Committee.

SSC Comment: Governor Newsom vetoed a nearly identical bill last year, citing ongoing state funding provided via the Rebuilding Nursing Infrastructure Grant Program and the belief that the Legislature should instead focus on ways to incentivize healthcare professionals to come and live and work in those communities, rather than expanding degree authority.

2025 Legislative Calendar—Upcoming Holidays and Deadlines

May 2—Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house

May 9—Last day for policy committees to hear and report to the floor nonfiscal bills introduced in their house

May 16—Last day for policy committees to meet prior to June 9



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

LAO Releases Updated State Revenue Outlook

✉ BY MEGAN BAIER

✉ BY PATTI F. HERRERA, EDD

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posted May 7, 2025

The Legislative Analyst's Office (LAO) released its "[Updated 'Big Three' Revenue Outlook](#)" on May 7, 2025, just a week ahead of the Governor's May Revision budget release. The LAO forecasts that state revenues will remain strong in the current fiscal year and by and large match the Governor's projections. However, moving into the budget year, or fiscal year 2025-26, the LAO forecasts flat revenue growth, reflecting significant risks and challenges ahead.

The LAO estimates the state income taxes will end the current fiscal year (2024-25) nearly 20% higher than two years ago with state income tax collections being the primary driver of this growth. Typically, income tax collections indicate a strong revenue outlook; however, the LAO cites the state's stagnant economy, stock market volatility, and the potential impacts of expanded tariffs as significant risk factors.

California's economy has been experiencing an extended slowdown for the last two years. The LAO cites rising unemployment and slowing hiring, noting that the state has added no jobs thus far in 2025. In addition, consumer spending has been in decline. These factors have dampened sales tax collections and, if they persist, could impact income and corporation tax collections.

Stock market gains have in large part driven the strong income tax collections over the last two years. Despite recent volatility, the stock market is up nearly 40% as compared to two years ago. The LAO points out stock market growth has frequently been unpredictable and is not a solid basis for revenue growth. There are also indications that the current market is vulnerable.

Finally, the LAO discusses how federal policies pose risks to California's economy. The Trump Administration's tariff policies that have evolved over the last few months will increase costs for consumers and businesses. The impact on the economy is still unknown, but both consumer sentiment and economic forecasters' confidence in the economy has dropped.

We will be paying close attention to Governor Gavin Newsom's May Revision that will be released next week and see how he proposes to manage the economic challenges ahead.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

CalSTRS Adopts 2025-26 Employer Contribution Rate

BY TEDDI WENTWORTH
BY MICHELLE MCKAY UNDERWOOD

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Yesterday, May 8, 2025, the California State Teachers' Retirement System (CalSTRS) Board (Board) was presented with its staff recommendation for the employer contribution rate for 2025-26 based on its June 30, 2024, actuarial valuation report. The 2025-26 employer contribution rate was adopted to maintain the employer contribution rate of 19.10%.

Employer Contribution Rate	Fiscal Year (FY) 2024-25	FY 2025-26
Base	8.25%	8.25%
Supplemental Rate	10.85%	10.85%
Total Employer Contribution Rate	19.10%	19.10%

It was recommended to keep the employer rate at the existing level to continue to maintain the stability in the employer contribution rate, improve funding levels more quickly, and reduce the likelihood the Board may have to raise the employer rate in the future. Several risks could require the Board to increase the employer rate in the future, largely due to the uncertainty around enrollment levels.

The CalSTRS contribution rate for members subject to the 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, 2024, 2% at 62 members represented 43% of the total number of active members.

Member's Contribution Rate	June 30, 2023 Valuation (Rate for FY 2024-25)	June 30, 2024 Valuation (Rate for FY 2025-26)
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

Will California Establish an Education and Workforce Interagency Council?



[BY KYLE HYLAND](#)

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posted May 14, 2025

One of the six points of action outlined in Governor Gavin Newsom's Master Plan for Career Education (see "[Governor Releases the Master Plan for Career Education](#)") in the April 2025 *Community College Update*) is to establish a statewide planning and coordinating body that brings together the state's education segments, workforce training providers, and employers.

To implement this coordinating body, Governor Newsom is proposing \$5 million (ongoing, non-Proposition 98) to establish the [California Education Interagency Council](#) (Council). Additionally, several bills have been introduced by the Legislature that would look to establish a similar body, which shows that there is an appetite among lawmakers to establish an education and workforce coordinating body. We evaluate the Governor's State Budget proposal as well as the bills that have been introduced below.

California Education Interagency Council—State Budget Proposal

The Council would be housed under the Government Operations Agency and would look to accomplish the following five goals:

1. Proactively evaluate and address the changing nature of work and the economy, and support the advancement of state educational attainment, equity, and workforce goals
2. Integrate and align efforts across elementary and secondary education, postsecondary education, employers, and the statewide workforce system, and maximize the impact of federal and state funding investments to ensure effective student pathways to quality work and well-paying careers and to contribute to economic growth
3. Increase collaboration across postsecondary education and the workforce development systems statewide, and with employers to ensure flexibility and support for meeting the skill-building and upskilling needs of adults
4. Work in regions throughout the state to ensure that education supply and statewide workforce demand are aligned
5. Be a forum for communication to discuss the impacts of proposed intersegmental and cross-sector issues

The Governor proposes that the Council be comprised of all of the following members (or a designee who reports directly to the member):

- The President of the State Board of Education
- The State Superintendent of Public Instruction
- The President of the University of California (UC)
- The Chancellor of the California State University (CSU)
- The Chancellor of the California Community Colleges (CCC)
- The Chief of the Bureau for Private Postsecondary Education
- The Secretary of the Labor and Workforce Development
- The Director of the Governor's Office of Business and Economic Development

Under the Governor’s proposal, the Council would evaluate a variety of data sources and annually identify both statewide and regional progress towards achieving goals and addressing gaps in education and employment.

Legislation to Establish Education/Workforce Coordinating Body

[Assembly Bill \(AB\) 95](#) (Fong, D-Alhambra)—**California Education Interagency Council**. As amended on April 23, 2025, this bill would establish a substantially similar Council, including the same name, as proposed by Governor Newsom. The only real difference between the two proposals is that AB 95 would add the Director of Finance to the Council membership and would require the Council to release a work plan produced in consultation with the chair of the Assembly Committee on Education, the chair of the Assembly Committee on Higher Education, the chair of the Senate Committee on Education, the Governor, and other interest holders.

[Senate Bill \(SB\) 638](#) (Padilla, D-San Diego)—**California Education and Workforce Development Coordinating Entity: Career Technical Education and Career Pathways Grant Program**. As amended on April 22, 2025, this bill would establish the California Education and Workforce Development Coordinating Entity within the Government Operations Agency to serve as the statewide planning and coordinating body for career technical education (CTE), career pathways, and workforce development.

The membership would include seven of the eight members in the Governor’s proposal (SB 638 does not include the Secretary of Labor) as well as the following:

- President of the Association of Independent California Colleges and Universities
- Chair of the California Workforce Development Board
- Chair of the Student Aid Commission
- One representative of a local workforce development board (Assembly appointee)
- One student enrolled at the CCC, CSU, or UC (Assembly appointee)
- One representative from the California Apprenticeship Council (Senate appointee)
- One student enrolled in a postsecondary CTE program (Senate appointee)
- A labor representative with workforce development experience (Governor appointee)

[SB 790](#) (Cabaldon, D-Yolo)—**Postsecondary Education: Postsecondary Education Coordinating Entity: Interstate Reciprocity Agreements for Distance Education: Out-of-State Postsecondary Educational Institutions**. As amended on April 10, 2025, this bill would eliminate the California Postsecondary Education Commission and would require Governor Newsom to designate a state agency, department, or office as the principal coordinating body for postsecondary education. This entity’s responsibilities would include the following:

- Implementing, coordinating, and evaluating the Master Plan for Career Education
- Overseeing intersegmental state policies and initiatives across postsecondary institutions
- Administering interstate reciprocity agreements for distance education should the Governor enter into such agreements

All three of these bills are in the first house Appropriations Committee where the measures’ fiscal impacts are being analyzed.

Next Steps

The Governor proposed this Council back in January when he unveiled his 2025-26 State Budget proposal. With the Governor set to release his May Revision today, May 14, 2025, we will be looking for any modifications to this proposal. We will also be monitoring whether the Legislature will support the Governor’s proposal and how it may modify it based on the language from the bills summarized above.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Initial Impressions from Governor Newsom's 2025-26 May Revision



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posted May 14, 2025

Today, May 14, 2025, Governor Gavin Newsom laid out the details for his revised 2025-26 State Budget proposal.

The purpose of this article is to provide a quick overview of Governor Newsom's assertions regarding the 2025-26 May Revision. We address the California Community Colleges (CCC) topics highlighted by Governor Newsom this morning in his press conference, press release, and high-level State Budget summary, but reserve our commentary and in-depth details for inclusion in our *Community College Update* article, to be released later today.

Economic Outlook

Citing the Trump Administration's tariffs and the increased expenditure growth above the January Governor's Budget proposal, particularly in Medi-Cal, the Governor says that the state must now close an estimated shortfall of \$12 billion to balance the budget. In order to balance the budget, the Governor proposes a number of solutions including reductions, borrowing, fund shifts, and funding triggers.

After proposed withdrawals, the proposal would include a total of \$15.7 billion in reserves to remain at the end of 2025-26, including the Rainy Day Fund at \$11.2 billion and the Special Fund for Economic Uncertainties at \$4.5 billion.

Level of Proposition 98 Funding

The minimum guarantee is calculated to be \$98.5 billion in 2023-24, \$118.9 billion in 2024-25, and \$114.6 billion in 2025-26. These revised Proposition 98 levels represent an increase of approximately \$2.9 billion over the three-year period relative to the 2024 Budget Act, and a decrease of approximately \$4.6 billion from Governor's Budget.

The Governor continues his proposal from January to appropriate less than the calculated Proposition 98 minimum guarantee in 2024-25 at \$117.6 billion, instead of the currently calculated level of \$118.9 billion. The Governor says this proposal is intended to mitigate the risk of potentially appropriating more resources to the

minimum guarantee that are ultimately available in the final calculation for 2024-25.

The Governor's Budget proposal puts the minimum guarantee in a Test 2 for 2023-24 and continues to be in a Test 1 for 2024-25 and 2025-26. This means that the funding level of the minimum guarantee for 2024-25 and 2025-26 is equal to roughly 40% of General Fund revenues, plus local property tax revenues.

Proposition 98 Funding Split—CCC Reduction

The Governor is proposing a shift in how transitional kindergarten (TK) expansion funds are distributed between TK-12 schools and community colleges. In prior years, consistent with the statutory Proposition 98 split, 10.93% of the amount of General Fund rebenchd into the Proposition 98 minimum guarantee for the cost of TK expansion was added to the CCC budget. Over the three-year budget window, this has resulted in \$492.4 million in increased resources for community colleges. The May Revision shifts the full TK expansion funding to the TK-12 education side of the Proposition 98 budget, which reduces the resources for the CCC by \$492.4 million.

PSSSA

The May Revision maintains the withdrawal of the full \$8.4 billion balance in the Public School System Stabilization Account (PSSSA) in 2023-24. The Governor's January Budget proposal included deposits into the Proposition 98 Rainy Day Fund of \$1.2 billion in 2024-25 (this was a mandatory deposit) and \$376 million in 2025-26 (this was a discretionary deposit). Adjustments in capital gains revenues at the 2025-26 May Revision are projected to reduce the mandatory deposit in 2024-25 to \$540 million. Additionally, a decrease in the Proposition 98 minimum guarantee triggers a mandatory withdrawal of \$540 million in 2025-26, exhausting the remaining fund balance.

SCFF and Enrollment Growth

Governor Newsom is proposing a one-time increase of \$210.2 million to fully fund the Student Centered Funding Formula (SCFF) in 2024-25 and an ongoing increase of \$104.7 million in 2025-26.

The Governor is proposing an ongoing increase of \$109.5 million to fund 2.35% enrollment growth in the SCFF in 2025-26, which is an increase from the Governor's Budget proposal of 0.50%.

To fully fund the SCFF, the May Revision proposes deferring \$531.6 million in SCFF funding from 2025-26 to 2026-27. (Budgetary deferrals of \$243.7 million for the CCCs from the 2024 Budget Act are fully repaid in the three-year budget window.) Additionally, the May Revision uses \$59 million from the PSSSA to support SCFF costs in 2025-26.

Categorical Programs

The Governor proposes to apply the 2.30% cost-of-living adjustment (COLA) for select categorical programs and the Adult Education Program.

In order to address the budget shortfall, the Governor is proposing the following modifications to his January budget investments outside of the SCFF:

- Withdraws a one-time investment of \$168 million one-time for the Collaborative Enterprise Resource Planning Project
- Reduces the \$162.5 million proposal for the Common Cloud Data Platform down to \$12 million one-time
- Reduces the Career Passport proposal from \$50 million to \$25 million one-time
- Reduces the Credit for Prior Learning proposal from \$50 million to \$15 million one-time and from \$7 million to \$5 million ongoing
- Reduces the proposed \$30 million ongoing augmentation for the Rising Scholars Network to \$10 million ongoing
- Suspends the statutory COLA for the California State Preschool Program in 2025-26

Master Plan for Career Education

In his January State Budget proposal, the Governor proposed to provide \$5 million ongoing (non-Proposition 98) for to establish the California Education Interagency Council, which was proposed as part of the implementation of the Master Plan for Career Education. However, the Governor is now proposing to withdraw this proposal in the May Revision.

The May Revision also reduces the proposed investment for the Labor and Workforce Development Agency to support evaluation of the expansion of regional coordination models to support implementation of the Master Plan for Career Education from \$4 million one-time (non-Proposition 98) down to \$1 million (non-Proposition 98).

Summary

This broad extract of Governor Newsom's revised State Budget proposal is provided to keep you informed. Over the next few hours and days, we will be working to distill the information and make it actionable for community colleges.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

An Overview of the 2025-26 Governor's May Revision



BY SSC TEAM

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posted May 14, 2025

Overview of the Governor's May Revision Proposals

Leading up to May 14, 2025, Governor Gavin Newsom's press office sought to set the tone of the May Revision, highlighting state spending and programs to address homeless encampments, behavioral health treatment facilities, and clean water while also sounding economic alarm bells.

When Governor Newsom's press conference began, he kicked off his comments lauding the size of California's economy and quickly pivoted to actual and anticipated impacts of federal policy, specifically, tariffs imposed by President Donald Trump. The Governor's May Revision resolves the dual problems of lower revenues in 2025-26 and increased health care costs in the current and near term through a combination of reductions, borrowing, funding shifts, and expenditures that would only be activated if sufficient revenues materialize.

The Economy and Revenues

At the release of the May Revision, Governor Newsom noted that California has advanced from the fifth to the fourth largest economy in the world while highlighting the high level of uncertainty in both the California and national economies. Specifically, broad elevated tariffs, strict immigration policies, and cuts to the federal workforce are mentioned as a cause of a "significantly dampened outlook" since the release of the Governor's Budget in January. Although cash receipts are estimated to have exceeded the Governor's Budget forecast for the "Big Three" sources of state revenue (personal income, corporation, and sales and use taxes) through April 2025 by \$7.9 billion, overall, revenues of the "Big Three" are projected to be lower by \$4.8 billion over the budget window. When compared to the Governor's Budget figures, personal income tax saw an increase in 2023-24 and 2024-25 and a significant decrease in 2025-26 projections. Corporation tax estimates and projections show an increase in 2023-24 and a decrease in 2024-25 and 2025-26. Sales and use tax shows a decrease in each of the three years.

"Big Three" Revenue Sources (In Millions)						
	2023-24		2024-25		2025-26	
	Governor's Budget	May Revision	Governor's Budget	May Revision	Governor's Budget	May Revision
Personal Income Tax	\$113,380	\$115,166	\$121,106	\$125,706	\$133,815	\$126,107
Corporation Tax	\$34,318	\$35,456	\$43,199	\$41,296	\$37,377	\$35,293
Sales Tax	\$33,342	\$33,339	\$34,110	\$33,706	\$35,125	\$34,866
Total	\$181,040	\$183,961	\$198,415	\$200,708	\$206,317	\$196,266

Beyond the budget window, the long-term May Revision forecast projects cumulatively lower General Fund revenues attributed to the "Big Three" by \$22.7 in 2026-27 through 2028-29 with a peak yearly revenue downgrade of \$13.7 billion in 2026-27.

The May Revision, and what will become the 2025-26 Enacted Budget in late June, has some risks. The immediate risks noted by the Governor are changes to federal policy, notably tariffs to which the Governor attributes the downgrade in both the economic and revenue forecasts. In addition, expenditure growth above the Governor's Budget has contributed to an estimated \$12 billion shortfall.

With regard to major economic indicators, the May Revision forecasts a "growth recession" due to a slowdown in gross domestic product (GDP) growth, lower job growth, and higher unemployment. After the "growth recession" ends in the third quarter of 2025, a slow growth period, with an average GDP growth of 1.7%, is anticipated from 2026 through 2028.

Proposition 98 Minimum Guarantee

Due to California's deteriorated budget condition, the May Revision reduces the Proposition 98 minimum guarantee across 2023-24, 2024-25, and 2025-26 by a total of \$4.6 billion from the Governor's Budget estimates.

Proposition 98 Minimum Guarantee (In Billions)								
2023-24			2024-25			2025-26		
Governor's Budget	May Revision	Difference	Governor's Budget	May Revision	Difference	Governor's Budget	May Revision	Difference
\$98.50	\$98.50	-	\$119.20	\$118.90	-\$0.30	\$118.90	\$114.60	-\$4.30

The May Revision maintains (but marginally reduces) the Governor's Budget proposal to delay fully appropriating the 2024-25 minimum guarantee to TK-12 and community college agencies to mitigate against the risk of providing more funding to education than the California Constitution requires. In January, the Governor proposed delaying \$1.6 billion of the 2024-25 guarantee. At the May Revision (due a revised downward adjustment to the guarantee), the delayed amount is now proposed at \$1.3 billion. The minimum guarantee in 2024-25 and 2025-26 continues to be determined by Test 1, or roughly 40% of General Fund revenue.

The May Revision also maintains the commitment to "rebench" the minimum guarantee for costs associated with implementing universal transitional kindergarten (TK) in 2025-26. Significantly, the May Revision proposes to change the share of Proposition 98 resources that go to TK-12 and community college districts (CCDs), increasing the TK-12 share by a proposed \$492.4 million and making an equal reduction for CCDs. The rationale is that the California Community Colleges (CCC) budget has benefited from the expansion of Proposition 98 revenues without a corresponding expansion of cost since the rebench is meant to address additional resources needed to educate TK students.

Proposition 98 Rainy Day Fund and Deferrals

The May Revision maintains the full withdrawal of the \$8.4 billion balance from 2023-24. Due to changes in capital gains revenues, the May Revision reduces the mandatory deposit into the Public School System Stabilization Account (PSSSA) in 2024-25 from \$1.2 billion to \$540 million. In 2025-26, rather than deposit an additional \$376 million, the drop in the Proposition 98 guarantee triggers a mandatory withdrawal from the PSSSA, which will completely deplete the PSSSA.

The May Revision uses \$59 million from the PSSSA to support Student Centered Funding Formula (SCFF) costs in 2025-26.

Finally, the May Revision continues to retire a total of \$490.3 million in Proposition 98 apportionment deferrals from the 2024-25 Enacted Budget but proposes to institute new deferrals. For the CCC, the May Revision proposes deferring \$531.6 million in SCFF apportionments from 2025-26 to 2026-27.

COLA

The May Revision fully funds the statutory cost-of-living adjustment (COLA) of 2.30% for the SCFF, which is slightly lower than the January estimate of 2.43%.

Other community college programs that are funded outside of the SCFF that are also proposed to receive the 2.3% COLA are: Adult Education, Extended Opportunity Programs and Services, Disabled Students Programs and Services, Apprenticeship, CalWORKs Student Services, Mandates Block Grant and reimbursements, Cooperative Agencies Resources for Education, and the childcare tax bailout.

The State Preschool Program rates are not adjusted by the statutory COLA (see Early Childhood Education section below).

SCFF and Enrollment Growth

In addition to applying the 2.30% COLA to the SCFF, the May Revision also proposes a one-time increase of \$210.2 million to fully fund the SCFF in 2024-25 and an ongoing increase of \$104.7 million in 2025-26.

The Governor is proposing an ongoing increase of \$109.5 million to fund 2.35% enrollment growth in the SCFF in 2025-26, which is an increase from the Governor's Budget proposal of 0.50%.

Modified Investments

In addition to the Master Plan for Career Education (Master Plan) modified investments (see Career Education section below), the Governor is also proposing the following modifications to his January State Budget investments outside of the SCFF:

- Withdraws the proposed one-time investment of \$168 million one-time for the Collaborative Enterprise Resource Planning Project
- Reduces the proposed \$162.5 million proposal for the Common Cloud Data Platform down to \$12 million one-time

- Reduces the proposed \$30 million ongoing augmentation for the Rising Scholars Network to \$10 million ongoing

Early Childhood Education

To help address the budget shortfall, the May Revision proposes to suspend the COLA in 2025-26 for the California State Preschool Program and child care but maintains funding for the Cost of Care Plus Rate to fund provider stipends. The May Revision includes \$7 billion (\$4.5 billion General Fund) for Department of Social Services administered child care and development programs and maintains prior commitments for the state to move to a single-rate system based on cost of care.

Career Education

In January, Governor Newsom touted the release of the Master Plan and proposed several significant investments for its implementation (see the article [“Governor Releases the Master Plan for Career Education”](#) in the April 2025 *Community College Update*).

However, the Governor proposes to pare down or eliminate those investments in his May Revision. The modifications to those investments are as follows:

- Withdraws the \$5 million (ongoing, non-Proposition 98) investment to establish the California Education Interagency Council (see the article [“Will California Establish an Education and Workforce Interagency Council?”](#) in the May 2025 *Community College Update*)
- Reduces the \$4 million one-time funds (non-Proposition 98) proposed for the Labor and Workforce Development Agency to evaluate the expansion of regional coordination models down to \$1 million (non-Proposition 98)
- Reduces the Career Passport proposal from \$50 million to \$25 million one-time
- Reduces the Credit for Prior Learning proposal from \$50 million to \$15 million one-time and from \$7 million to \$5 million ongoing

The Rest of Higher Education and K-12

In his January State Budget proposal, Governor Newsom proposed a 7.95% base funding reduction to both the University of California (UC) and California State University (CSU) systems. However, the Governor has revised the reductions for the UC and CSU systems from 7.95% to 3% for 2025-26.

The K-12 education budget is similar to the CCC budget. Governor Newsom is proposing to apply the COLA to the Local Control Funding Formula (LCFF) and select categorical programs but is also using one-time dollars and deferrals to fund the LCFF. The Governor also reduced the funding for the K-12 Student Support and Professional Development Discretionary Block Grant from \$1.8 billion to \$1.7 billion but maintains the flexibility of the grant to address rising costs and other state priorities.

Closing

In isolation, the 2025-26 May Revision proposals for K-14 education are lack luster. As in January, COLA is funded for the SCFF and select categorical programs. On the downside, one-time dollars and deferrals are needed to keep the SCFF funding stable and a sizeable amount of resources are shifting to the K-12 portion of the Proposition 98 split.

But taken in the context of an uncertain—and potentially contracting—state economy and significant reductions and budget solutions outside K-14 education, CCDs can be cautiously, mildly optimistic about the 2025-26 fiscal year, with an emphasis on *cautious*. That said, CCDs will need to be *cautious* in their planning until the Governor and Legislature come to an agreement on a final 2025-26 spending plan. And *cautious* when it comes to federal education funds. With continued uncertainty for the near term, we suggest you embrace the mild optimism when you can.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2024-25 FTES (P2) ESTIMATED ACTUALS COMPARISON TO 2023-24 FTES (RECALC) ACTUALS

FINAL

RG reports as of April 7, 2025

RG reports as of April 7, 2025		2021-2022			2022-2023			2023-2024			2024-2025			2024-2025		
		(RECALC) with Summer Shift Actuals as of October 24, 2022			(RECALC) with Summer Shift Actuals as of October 17, 2023			(RECALC) Actuals with Summer Shift as of October 14, 2024			(P2) Estimated Actuals as of April 7, 2025 RG reports			Better (Worse) 2024-25 (P2) vs. 2023-24 (RECALC) with Summer Shift Actuals		
		TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC
SUMMER																
NC		156.71	55.08	101.63	119.40	55.67	63.73	159.89	81.89	78.00	147.05	92.46	54.59	(12.84)	10.57	(23.41)
NC-IS/DE		71.06	48.38	22.68	146.75	79.11	67.64	265.61	161.78	103.83	392.58	361.25	31.33	126.97	199.47	(72.50)
CDCP		265.71	150.24	115.47	336.93	223.26	113.67	445.77	357.21	88.56	337.96	277.69	60.27	(107.81)	(79.52)	(28.29)
CDCP-IS/DE		803.28	561.13	242.15	855.00	651.78	203.22	953.24	633.05	320.19	1,221.78	829.16	392.62	268.54	196.11	72.43
CR		1,628.95	1,124.10	504.85	541.51	384.55	156.96	624.39	438.72	185.67	1,955.43	1,449.95	505.48	1,331.04	1,011.23	319.81
SUMMER TOTALS		2,925.71	1,938.93	986.78	1,999.59	1,394.37	605.22	2,448.90	1,672.65	776.25	4,054.80	3,010.51	1,044.29	1,605.90	1,337.86	268.04
FALL																
NC	F	282.82	124.79	158.03	305.20	169.17	136.03	358.10	194.73	163.37	429.16	206.67	222.49	71.06	11.94	59.12
NC-IS/DE	F	104.43	65.25	39.18	240.96	174.47	66.49	478.63	347.65	130.98	616.37	547.64	68.73	137.74	199.99	(62.25)
CDCP	F	830.11	469.83	360.28	1,021.84	782.73	239.11	1,057.40	774.20	283.20	1,141.66	804.08	337.58	84.26	29.88	54.38
CDCP-IS/DE	F	1,211.61	843.21	368.40	1,101.22	710.37	390.85	1,451.32	938.92	512.40	1,712.71	1,125.69	587.02	261.39	186.77	74.62
CR																
IS, DSCH	F	1,473.45	940.95	532.50	1,779.81	1,200.79	579.02	1,928.85	1,291.21	637.64	2,178.66	1,529.54	649.12	249.81	238.33	11.48
IS, WSCH	F	1,845.66	1,076.56	769.10	1,881.49	1,257.59	623.90	2,018.58	1,357.45	661.13	2,026.80	1,378.30	648.50	8.22	20.85	(12.63)
DSCH	F	148.59	115.28	33.31	339.39	284.53	54.86	181.37	147.81	33.56	179.63	142.50	37.13	(1.74)	(5.31)	3.57
Positive	F	1,365.64	1,263.56	102.08	1,444.75	1,348.84	95.91	1,359.65	1,241.22	118.43	1,214.00	1,181.94	32.06	(145.65)	(59.28)	(86.37)
WSCH	F	3,301.12	2,311.64	989.48	3,107.41	1,993.72	1,113.69	3,311.55	2,183.46	1,128.09	3,174.32	2,152.39	1,021.93	(137.23)	(31.07)	(106.16)
TOTAL CR		8,134.46	5,707.99	2,426.47	8,552.85	6,085.47	2,467.38	8,800.00	6,221.15	2,578.85	8,773.41	6,384.67	2,388.74	(26.59)	163.52	(190.11)
FALL TOTALS		10,563.43	7,211.07	3,352.36	11,222.07	7,922.21	3,299.86	12,145.45	8,476.65	3,668.80	12,673.31	9,068.75	3,604.56	527.86	592.10	(64.24)
SPRING																
NC	F	125.22	69.62	55.60	342.82	185.23	157.59	407.68	186.43	221.25	495.61	153.21	342.40	87.93	(33.22)	121.15
NC-IS/DE	F	535.81	276.10	259.71	351.65	202.73	148.92	500.30	447.47	52.83	636.96	563.55	73.41	136.66	116.08	20.58
CDCP	F	767.69	388.28	379.41	1,253.79	937.51	316.28	1,212.00	867.10	344.90	1,298.85	821.08	477.77	86.85	(46.02)	132.87
CDCP-IS/DE	F	1,702.71	1,227.93	474.78	1,579.83	919.16	660.67	1,663.32	1,079.70	583.62	2,067.07	1,414.39	652.68	403.75	334.69	69.06
CR																
Jan. intersession	F	774.19	507.74	266.45	910.20	633.65	276.55	1,029.13	711.88	317.25	1,162.22	801.04	361.18	133.09	89.16	43.93
IS, DSCH	F	1,548.96	1,059.77	489.19	1,699.12	1,218.82	480.30	2,059.71	1,450.31	609.40	2,167.63	1,478.27	689.36	107.92	27.96	79.96
IS, WSCH	F	1,754.24	1,096.14	658.10	1,930.62	1,214.55	716.07	1,980.97	1,273.23	707.74	1,995.22	1,236.79	758.43	14.25	(36.44)	50.69
DSCH	F	155.83	123.65	32.18	237.46	210.89	26.57	294.70	268.29	26.41	176.00	160.74	15.26	(118.70)	(107.55)	(11.15)
Positive	F	1,372.18	1,314.73	57.45	1,474.84	1,401.87	72.97	1,632.62	1,584.24	48.38	1,330.99	1,282.78	48.21	(301.63)	(301.46)	(0.17)
WSCH	F	2,571.06	1,706.08	864.98	2,600.96	1,665.53	935.43	2,708.55	1,801.37	907.18	2,840.82	1,958.16	882.66	132.27	156.79	(24.52)
TOTAL CR		8,176.46	5,808.11	2,368.35	8,853.20	6,345.31	2,507.89	9,705.68	7,089.32	2,616.36	9,672.88	6,917.78	2,755.10	(32.80)	(171.54)	138.74
SPRING TOTALS		11,307.89	7,770.04	3,537.85	12,381.29	8,589.94	3,791.35	13,488.98	9,670.02	3,818.96	14,171.37	9,870.01	4,301.36	682.39	199.99	482.40
SUMMER																
NC		0.27	0.27	0.00	0.62	0.62	0.00	54.31	0.54	53.77	54.16	0.00	54.16	(0.15)	(0.54)	0.39
NC-IS/DE		3.05	0.87	2.18	3.43	0.00	3.43	46.02	0.00	46.02	46.35	0.00	46.35	0.33	0.00	0.33
CDCP		45.47	44.64	0.83	62.67	61.33	1.34	132.80	69.86	62.94	63.39	0.00	63.39	(69.41)	(69.86)	0.45
CDCP-IS/DE		9.45	3.53	5.92	4.72	0.87	3.85	54.54	18.70	35.84	36.10	0.00	36.10	(18.44)	(18.70)	0.26
CR		40.47	30.37	10.10	55.53	43.01	12.52	26.84	26.32	0.52	0.00	0.00	0.00	(26.84)	(26.32)	(0.52)
Summer Shift (CR)		1,307.24	934.59	372.65	1,564.15	1,096.48	467.67	605.00	403.33	201.67	0.00	0.00	0.00	(605.00)	(403.33)	(201.67)
SUMMER TOTALS		1,405.95	1,014.27	391.68	1,691.12	1,202.31	488.81	919.51	518.75	400.76	200.00	0.00	200.00	(719.51)	(518.75)	(200.76)
COMBINED																
NC		565.02	249.76	315.26	768.04	410.69	357.35	979.98	463.59	516.39	1,125.98	452.34	673.64	146.00	(11.25)	157.25
NC-IS/DE		714.35	390.60	323.75	742.79	456.31	286.48	1,290.56	956.90	333.66	1,692.26	1,472.44	219.82	401.70	515.54	(113.84)
CDCP		1,908.98	1,052.99	855.99	2,675.23	2,004.83	670.40	2,847.97	2,068.37	779.60	2,841.86	1,902.85	939.01	(6.11)	(165.52)	159.41
CDCP-IS/DE		3,727.05	2,635.80	1,091.25	3,540.77	2,282.18	1,258.59	4,122.42	2,670.37	1,452.05	5,037.66	3,369.24	1,668.42	915.24	698.87	216.37
CREDIT		19,287.58	13,605.16	5,682.42	19,567.24	13,954.82	5,612.42	19,761.91	14,178.84	5,583.07	20,401.72	14,752.40	5,649.32	639.81	573.56	66.25
TOTAL		26,202.98	17,934.31	8,268.67	27,294.07	19,108.83	8,185.24	29,002.84	20,338.07	8,664.77	31,099.48	21,949.27	9,150.21	2,096.64	1,611.20	485.44
Non-Credit			44.20%	55.80%		53.47%	46.53%	Non-Credit	47.31%	52.69%		40.17%	59.83%			
NC-IS/DE			54.68%	45.32%		61.43%	38.57%	NC-IS/DE	74.15%	25.85%		87.01%	12.99%			
CDCP			55.16%	44.84%		74.94%	25.06%	CDCP	72.63%	27.37%		66.96%	33.04%			
CDCP-IS/DE			70.72%	29.28%		64.45%	35.55%	CDCP-IS/DE	64.78%	35.22%		66.88%	33.12%			
Credit			70.54%	29.46%		71.32%	28.68%	Credit	71.75%	28.25%		72.31%	27.69%			
Credit-Special Admit			76.34%	23.66%		76.90%	23.10%	Credit-Special Admit	78.16%	21.84%		76.91%	23.09%			
Total			68.44%	31.56%		70.01%	29.99%	Total	70.12%	29.88%		70.58%	29.42%			
Special Admit		940.72	718.16	222.56	1,334.45	1,026.14	308.31	1,625.49	1,270.48	355.01	1,601.57	1,231.73	369.84			
Non-Resident FTES		446.18	318.95	127.23	514.49	354.23	160.26	605.52	419.97	185.55	691.30	492.08	199.22			
Non-Credit Inmates in Correctional Facilities		875.90	313.45	562.45	791.57	341.17	450.40	812.56	443.75	368.81	809.86	326.99	482.87			

Fiscal Resources Committee

2025/2026 Proposed Meeting Schedule

All meetings will be held from 1:30 – 3:00 p.m.
Zoom or Executive Conference Room – District Office

July 2, 2025

August 20, 2025

September 17, 2025

October 15, 2025

November 19, 2025

January 21, 2026

February 18, 2026

March 18, 2026

April 15, 2026

May 20, 2026

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.



RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2025/26 Tentative Budget Assumptions
May 19, 2025

I. State Revenue

A. The District's earned revenue is projected to be greater than hold harmless in 2023/24. Budgeting for 2025/26 will use the Student Centered Funding Formula (SCFF) at the full calculated revenue less estimated deficit factor.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded		Actual Growth	Funded Growth
2016/17	28,901.64	27,517.31	28,901.64	a	-4.79%	0.00%
2017/18	28,901.64	29,378.53	29,375.93	b	1.65%	1.64%
2018/19	Recal	25,925.52	28,068.86	c	-11.75%	-4.45%
2019/20	Recal	27,028.98	26,889.30		4.26%	-4.20%
2020/21	Recal	25,333.74	26,993.32		-6.27%	0.39%
2021/22	Recal	26,202.98	27,208.25		3.43%	0.80%
2022/23	Recal	27,294.07	26,783.85		4.16%	-1.56%
2023/24	Recal	29,002.84	28,827.28		6.26%	7.63%
2024/25	P2	31,099.48	28,952.44	P1	7.23%	0.43%

a - based on submitted P3, District went into Stabilization in FY 2016/17

b - based on submitted P3, the district shifted 1,392.91 FTES from summer 2018

c - To maintain the 2015/16 funding level and produce growth FTES in 2017/18, the district borrowed from summer 2018 which reduced FTES in 2018/19.

The governor's state budget proposal includes 2.35% systemwide growth funding and 2.30% COLA. The components remain at 70/20/10 split with funded COLA added to all metrics each year. Any changes to our funding related to the SCFF will be incorporated when known.

Projected COLA of 2.30%	\$5,524,591
Projected SCFF Base Increase	\$0
Projected Growth/Restoration	\$0
Deficit Factor (from 3.55% to 2%)	\$3,484,558

2025/26 Potential Growth at 2.35%

31,830 FTES

C. Education Protection Account (EPA) funding estimated at \$32,015,508 based on 2024/25 @ P1. 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 \$191 per FTES (\$6,072,039). Restricted lottery at \$82 per FTES (\$2,606,844). (2024/25 @ P2 of resident & nonresident factored FTES, 31,790.78 x \$191 = \$6,072,039 unrestricted lottery; 31,790.78 x \$82 = \$2,606,844 restricted lottery)

E. Estimated reimbursement for part-time faculty compensation is estimated at \$707,056 (2024/25 @ P1).

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 2024/25 @ P1 of \$219,878.

H. Mandates Block Grant estimated at a total budget of \$1,046,832 (\$35.64 x 29,372.40 FTES @ P2). No additional one-time allocation proposed.

II. Other Revenue

I. Non-Resident Tuition budgeted at \$4,000,000. (SAC \$2,500,000, SCC \$1,500,000). Increase of \$300,000.

J. Interest earnings estimated at \$3,000,000.

K. Other miscellaneous income (includes fines, fees, rents, etc.) is estimated at approximately \$404,737.

L. Apprenticeship revenue estimated at \$5,733,479. Increase of \$506,125.

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
2025/26 Tentative Budget Assumptions
May 19, 2025

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 2.30% for unrestricted general fund = \$4,284,669
(FARSCCD approximate cost \$2,028,664, CSEA approximate cost \$1,184,483, Management/Other approximate cost \$1,071,522)
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 \$2.49 million for all funds. The estimated cost of a 1% salary increase is \$1.86 million for the unrestricted general fund.
- C. Step and column movement is budgeted at an additional cost of approximately \$2.35 million including benefits for FD 11
(FARSCCD approximate cost \$758,246 CSEA approximate cost \$658,140, Management/Other approximate cost \$935,559)
For all funds, it is estimated to = \$3.74 million (FARSCCD = \$863,599, CSEA = \$1,516,603, Management/Others = \$1,355,858)
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 1/1/2026 is estimated at 3.0% for an additional cost of approximately \$613,747 for active employees. For retirees estimated to be \$184,273. PT Health continue budget of \$1M.
State Unemployment Insurance (.05%)
CalSTRS employer contribution rate will stay the same in 2025/26 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 decrease in 2025/26 from 27.05% to 26.81% for a decrease of \$111,474.
(Note: The cost of each 1% increase in the PERS rate is approximately \$464,000.)
- E. The full-time faculty obligation (FON) for Fall 2025 is estimated to be 354. The Fall 2024 report indicated the District was 66.6 faculty over its FON and will meet its Fall 2025 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 \$97,855 per FTE not filled. Each faculty hired over the FON adds cost of (\$182,677- \$63,944) = \$118,733 if deduct hourly cost.
- F. The current rate per Lecture Hour Equivalent (LHE) effective 7/1/25 for hourly faculty is \$96.39 x 18 hrs/LHE= \$1,735 (FY 2025/26)
(Total cost of salary and benefits of part-time faculty to teach 30 LHE = \$63,944)
- G. Retiree Health Benefit Fund (OPEB/GASB 75 Obligation) - The calculated Employer Contribution Target is estimated to be less than our current pay as you go therefore the district employer payroll contribution remains at 0% of total salaries.
- 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 5%, estimated at \$240,000.
- K. Property and Liability Insurance transfer estimated at \$3,900,000 adding \$1M for expected annual cost of AB218 assessments.
- L. Other additional DSO/Institutional Cost expenses: approved on 11/4/24 at DC
- | | Ongoing Cost | One-time Cost |
|---|--------------|---------------|
| Business Services | | |
| (Reorg 1436 - Senior Communications Dispatcher Clerk) (Reorg 1437 - Senior District Safety Officer) | \$ 233,294 | |
| ITS Positions | | |
| (Reorg 1429 -Networks Specialist III) | \$ 198,387 | |
| (Reorg 1430 - Information Security Specialist) | | |
| ITS - Distance Education Technology | \$ 492,432 | |
- M. Ninth contribution of Santiago Canyon College ADA Settlement expenses of \$2 million from available one-time funds.
- N. SRP 1 Expense Reduction

<p align="center">Rancho Santiago Community College District Unrestricted General Fund Summary 2025/26 Tentative Budget Assumptions May 19, 2025</p>

*	<u>New Revenues</u>	Ongoing Only	One-Time
A	Student Centered Funding Formula		
B	Projected COLA of 2.30%	\$5,524,591	
B	Projected SCFF Base Increase	\$0	
B	Projected Growth/Restoration	\$0	
B	Deficit Factor (from 3.55% to 2%)	\$3,484,558	
D	Unrestricted Lottery	\$400,674	
H	Mandates Block Grant	\$0	
I	Non-Resident Tuition	\$300,000	
J	Interest Earnings	\$0	
L	Apprenticeship - SCC	\$506,125	
EGK	Misc Income	\$83,750	
N	Full-time Faculty Allocation	\$0	
	Total	\$10,299,698	
	<u>New Expenditures</u>		
B	Salary Schedule Increases/Collective Bargaining - 2.30%	\$4,284,669	
C	Step/Column	\$2,351,945	
D	Health and Welfare/Benefits Est. Increase 3.0% - Active	\$613,747	
D	Health and Welfare/Benefits - Retirees	\$184,273	
D	Health and Welfare - Part-time Faculty (placeholder)	\$0	
D	CalSTRS Changes	\$0	
D	CalPERS Changes	(\$111,474)	
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)	\$0	
H	Capital Outlay/Scheduled Maintenance Contribution	\$0	
I	Utilities Increase	\$100,000	
J	ITS Licensing/Contract Escalation Cost	\$240,000	
K	Property, Liability and All Risks Insurance	\$1,000,000	
II.L	Apprenticeship - SCC	\$0	
L	Other Additional DSO/Institutional Costs	\$924,113	
M	SCC ADA Settlement Costs	\$0	\$2,000,000
N	SRP 1 Expense Reduction	(\$1,214,561)	
	Total	\$8,372,712	\$2,000,000
	2025/26 Budget Year Unallocated (Deficit)	\$1,926,986	
	2024/25 Structural Unallocated (Deficit)	\$1,943,969	
	Additional College added ongoing cost during FY 24/25	(1,007,627)	
	Employee Changes in H/W Plan Savings & Other	838,288	
	Total Est. Unallocated (Deficit)	\$3,701,616	

* Reference to budget assumption number

Rancho Santiago Community College District
Tentative Budget
2025-26

DRAFT

Unrestricted General Fund Revenue Budget - Fund 11						
		2023-24 Actual Revenue	2024-25 Revised Budget	2024-25 Estimated Revenue	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
<u>Revenues by Source</u>						
8100	Federal Revenues					
8110	Forest Reserve	\$4,624	\$0	\$4,802	\$0	(100.00)
	Total Federal Revenues	<u>4,624</u>	<u>0</u>	<u>4,802</u>	<u>0</u>	(100.00)
8600	State Revenues					
8611	Apprenticeship Allowance	7,262,747	6,239,603	5,733,479	5,733,479	-
8612	State General Apportionment	76,762,085	73,179,827	71,561,508	74,917,691	* 4.69
8612	State General Apportionment-estimated COLA	16,090,921	2,409,837	2,409,837	5,524,591	* 129.25
8612	State General Apportionment-Deficit	(4,674,899)	(8,395,559)	(4,803,992)	(4,911,001)	* 2.23
8611-8630	State General Apportionment&EPA&Appr-prior year adjustment	11,467,557	0	0	0	-
8619	Other General Apportionments-Full-time Faculty Allocation	3,325,444	3,325,444	3,325,444	3,325,444	-
8619	Other General Apportionments-Enrollment Fee Admin-2%	245,695	245,695	219,878	219,878	-
8619	Other General Apportionments-PT Faculty Comp & Office Hr	558,571	597,489	707,056	707,056	-
8619	Other General Apportionments-PT Health Insurance	48,577	0	0	0	-
8630	Education Protection Account	19,483,379	31,343,535	31,343,535	32,015,508	* 2.14
8672-8673	Homeowners' Property Tax Relief/Timber Yield Tax	252,524	261,247	261,247	261,247	* -
8681	State Lottery Proceeds	6,861,753	5,671,365	5,671,365	6,072,039	7.06
8682	State Mandated Costs	934,725	1,046,832	1,046,832	1,046,832	-
8699	Other Misc State Revenue	0	0	1,611	0	(100.00)
	Total State Revenues	<u>138,619,079</u>	<u>115,925,315</u>	<u>117,477,800</u>	<u>124,912,764</u>	6.33
8800	Local Revenues					
8811	Tax Allocation, Secured Roll	62,549,641	71,053,504	70,023,528	71,053,504	* 1.47
8812	Tax Allocation, Supplement Roll	1,639,652	2,551,559	2,551,559	2,551,559	* -
8813	Tax Allocation, Unsecured Roll	1,867,222	1,867,222	1,782,942	1,867,222	* 4.73
8816	Prior Years' Taxes	505,354	505,354	505,354	505,354	* -
8817	Education Revenue Augmentation Fund (ERAF)	35,857,012	35,857,012	35,857,012	35,857,012	* -
8818	RDA Funds - Pass Thru AB	776,817	776,817	776,817	776,817	* -

Rancho Santiago Community College District
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Unrestricted General Fund Revenue Budget - Fund 11

		2023-24 Actual Revenue	2024-25 Revised Budget	2024-25 Estimated Revenue	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
<u>Revenues by Source</u>						
8819	RDA Funds - Residuals	8,811,668	8,811,668	8,811,668	8,811,668	* -
8850	Rents and Leases	64,457	404,870	145,495	338,480	132.64
8860	Interest & Investment Income	7,962,049	3,000,000	5,585,218	3,000,000	(46.29)
8866/8867	Gain(Loss)on Invest-Realized/Unrealized	0	0	0	0	-
8874	CCC Enrollment Fees	7,660,762	8,657,316	8,657,316	8,657,316	* -
8875	Bachelor's Program Fee	85,008	40,000	68,292	40,000	(41.43)
8880	Nonresident Tuition	3,741,128	3,700,000	4,058,743	4,000,000	(1.45)
8890	Other Local Revenues (Student Transcript/Representation/ Discounts/Fines/Instr. Mat./Health Serv. Use Fees, etc.)	3,072,990	524,200	1,622,897	524,200	(67.70)
	Total Local Revenues	134,593,760	137,749,522	140,446,841	137,983,132	(1.75)
8900	Other Financing Sources					
8910	Proceeds-Sale of Equip & Suppl	104,344	5,000	13,380	5,000	(62.63)
8981/8983	Interfund/Intrafund Transfer In	7,354	0	0	0	-
	Total Other Sources	111,698	5,000	13,380	5,000	(62.63)
	Total Revenues	273,329,161	253,679,837	257,942,823	262,900,896	1.92
	Net Beginning Balance	0	0	0	0	-
	Adjustments to Beginning Balance	0	0	0	0	-
	Adjusted Beginning Fund Balance	0	0	0	0	-
	Total Revenues, Other Financing Sources and Beginning Fund Balance	\$273,329,161	\$253,679,837	\$257,942,823	\$262,900,896	1.92
	 * Component of Apportionment				\$237,888,488	

Rancho Santiago Community College District
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Unrestricted General Fund Expenditure Budget - Fund 11

<u>Expenditures by Object</u>		2023-24 Actual Expenses	2024-25 Revised Budget	2024-25 Estimated Expenses	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
1000	Academic Salaries					
1100	Instructional Salaries, Regular Contract	\$34,392,900	\$37,839,387	\$36,046,034	\$37,845,339	4.99
1200	Non-Instructional Salaries, Regular Contract	16,960,656	20,634,794	19,830,480	20,591,759	3.84
1300	Instructional Salaries, Other Non-Regular	43,283,721	33,677,197	45,968,016	33,699,563	(26.69)
1400	Non-Instructional Salaries, Other Non-Regular	2,551,709	1,890,276	2,113,668	1,915,642	(9.37)
	Subtotal	<u>97,188,986</u>	<u>94,041,654</u>	<u>103,958,198</u>	<u>94,052,303</u>	(9.53)
2000	Classified Salaries					
2100	Non-Instructional Salaries, Regular Full Time	39,259,325	48,479,952	45,842,319	49,210,782	7.35
2200	Instructional Aides, Regular Full Time	694,399	1,033,010	950,131	988,933	4.08
2300	Non-Instructional Salaries, Other	2,106,593	1,906,051	1,949,462	1,815,483	(6.87)
2400	Instructional Aides, Other	1,354,554	1,808,042	1,361,503	1,835,288	34.80
	Subtotal	<u>43,414,871</u>	<u>53,227,055</u>	<u>50,103,415</u>	<u>53,850,486</u>	7.48
3000	Employee Benefits					
3100	State Teachers' Retirement System Fund	15,877,614	17,030,773	16,492,940	16,987,787	3.00
3200	Public Employees' Retirement System Fund	11,859,384	15,015,865	13,806,884	15,224,990	10.27
3300	Old Age, Survivors, Disability, and Health Ins.	4,941,783	5,690,375	5,305,763	5,773,457	8.81
3400	Health and Welfare Benefits	25,052,566	30,001,539	27,491,049	30,093,731	9.47
3500	State Unemployment Insurance	112,003	326,703	123,478	326,010	164.02
3600	Workers' Compensation Insurance	2,140,095	2,230,523	2,323,522	2,240,294	(3.58)
3900	Other Benefits	3,258,853	3,520,493	3,351,703	2,364,973	(29.44)
	Subtotal	<u>63,242,298</u>	<u>73,816,271</u>	<u>68,895,339</u>	<u>73,011,242</u>	5.97
	<i>TOTAL SALARIES/BENEFITS</i>	<i>203,846,155</i>	<i>221,084,980</i>	<i>222,956,952</i>	<i>220,914,031</i>	(0.92)
	Salaries/Benefits Cost % of Total Expenditures	90.34%	89.20%	89.04%	89.24%	

Rancho Santiago Community College District
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Unrestricted General Fund Expenditure Budget - Fund 11

		2023-24	2024-25	2024-25	2025-26	% change
		Actual	Revised	Estimated	Tentative	25/26 Tent/
		Expenses	Budget	Expenses	Budget	24/25 Est
<u>Expenditures by Object</u>						
4000	Books and Supplies					
4100	Textbooks	0	0	0	0	-
4200	Other Books	6,384	7,168	4,389	7,168	63.32
4300	Instructional Supplies	53,887	6,072	2,671	3,072	15.01
4400	Media Supplies	0	0	0	0	-
4500	Maintenance Supplies	83,624	144,309	103,446	142,952	38.19
4600	Non-Instructional Supplies	689,910	852,341	714,642	755,593	5.73
4700	Food Supplies	19,830	25,699	11,583	20,699	78.70
	Subtotal	<u>853,635</u>	<u>1,035,589</u>	<u>836,731</u>	<u>929,484</u>	11.09
5000	Services and Other Operating Expenses					
5100	Personal & Consultant Svcs	2,197,083	2,859,836	2,763,925	2,883,950	4.34
5200	Travel & Conference Expenses	174,606	240,870	149,156	279,577	87.44
5300	Dues & Memberships	134,645	164,032	142,120	158,153	11.28
5400	Insurance	0	0	0	0	-
5500	Utilities & Housekeeping Svcs	4,414,699	5,155,123	5,169,227	5,555,668	7.48
5600	Rents, Leases & Repairs	2,293,113	2,399,137	2,162,936	3,955,813	82.89
5700	Legal, Election & Audit Exp	742,037	1,363,344	1,354,466	1,074,797	(20.65)
5800	Other Operating Exp & Services	3,814,449	7,306,845	7,432,586	6,247,092	(15.95)
5900	Other (Transp., Postage, Reproduction, Special Proj., etc.)	2,637,648	4,683,381	4,658,541	4,978,142	6.86
	Subtotal	<u>16,408,280</u>	<u>24,172,568</u>	<u>23,832,957</u>	<u>25,133,192</u>	5.46
6000	Sites, Buildings, Books, and Equipment					
6100	Sites & Site Improvements	684,384	0	0	0	-
6200	Buildings	2,760,014	360,000	1,827,771	0	(100.00)
6300	Library Books	948	800	799	800	0.13
6400	Equipment	1,088,835	1,211,210	959,488	569,925	(40.60)
	Subtotal	<u>4,534,181</u>	<u>1,572,010</u>	<u>2,788,058</u>	<u>570,725</u>	(79.53)
	Subtotal, Expenditures (1000 - 6000)	<u>225,642,251</u>	<u>247,865,147</u>	<u>250,414,698</u>	<u>247,547,432</u>	(1.15)

Rancho Santiago Community College District
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Unrestricted General Fund Expenditure Budget - Fund 11

		2023-24 Actual Expenses	2024-25 Revised Budget	2024-25 Estimated Expenses	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
<u>Expenditures by Object</u>						
7000	Other Outgo					
7200	Intrafund Transfers Out	(6,720)	0	19	0	(100.00)
7300	Interfund Transfers Out	4,244,000	4,477,412	4,400,000	5,400,000	22.73
7600	Other Student Aid	0	0	0	0	-
	Subtotal	<u>4,237,280</u>	<u>4,477,412</u>	<u>4,400,019</u>	<u>5,400,000</u>	22.73
	Subtotal, Expenditures (1000 - 7000)	<u>229,879,531</u>	<u>252,342,559</u>	<u>254,814,717</u>	<u>252,947,432</u>	(0.73)
7900	Reserve for Contingencies					
7910	Estimated COLA	0	0	0	4,284,669	-
7910	SAC/SCC	0	1,337,278	0	1,967,179	-
7950	Budget Stabilization	0	0	0	0	-
	Total Designated	<u>0</u>	<u>1,337,278</u>	<u>0</u>	<u>6,251,848</u>	-
7910	Unrestricted Contingency	43,449,630	0	3,128,106	3,701,616	18.33
	Subtotal Expenditures (7900)	<u>43,449,630</u>	<u>1,337,278</u>	<u>3,128,106</u>	<u>9,953,464</u>	218.19
Total Expenditures, Other Outgo and Ending Fund Balance		<u>\$273,329,161</u>	<u>\$253,679,837</u>	<u>\$257,942,823</u>	<u>\$262,900,896</u>	1.92

Rancho Santiago Community College District
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Unrestricted - One-Time - General Fund Revenue Budget - Fund 13

		2023-24 Actual Revenue	2024-25 Revised Budget	2024-25 Estimated Revenue	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
<u>Revenues by Source</u>						
8100	Federal Revenues					
	Total Federal Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	-
8600	State Revenues					
8611	Apprenticeship Allowance	0	0	0	0	-
8682	State Mandated Costs	0	0	0	0	-
8699	Other Misc State Revenue	<u>6,424,110</u>	<u>7,584,025</u>	<u>7,584,025</u>	<u>7,584,025</u>	-
	Total State Revenues	<u>6,424,110</u>	<u>7,584,025</u>	<u>7,584,025</u>	<u>7,584,025</u>	-
8800	Local Revenues					
8850	Rentals Short-term/Lease Facilities	53,113	60,000	195,279	528,840	170.81
8890	Other Local Revenues (Student Transcript/Representation/ Discounts/Fines/Instr. Mat./Health Serv. Use Fees, etc.)	<u>5,592,286</u>	<u>266,014</u>	<u>117,069</u>	<u>254,922</u>	<u>117.75</u>
8891	Other Local Rev - Special Proj	0	0	0	0	-
	Total Local Revenues	<u>5,645,399</u>	<u>326,014</u>	<u>312,348</u>	<u>783,762</u>	<u>150.93</u>
8900	Other Financing Sources					
8981/8983	Interfund/Intrafund Transfer In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	-
	Total Revenues	<u>12,069,509</u>	<u>7,910,039</u>	<u>7,896,373</u>	<u>8,367,787</u>	<u>5.97</u>
	Net Beginning Balance	69,995,935	108,927,680	108,927,680	91,755,767	(15.76)
	Adjustments to Beginning Balance	0	0	0	0	-
	Adjusted Beginning Fund Balance	<u>69,995,935</u>	<u>108,927,680</u>	<u>108,927,680</u>	<u>91,755,767</u>	<u>(15.76)</u>
	Total Revenues, Other Financing Sources and Beginning Fund Balance	<u><u>\$82,065,444</u></u>	<u><u>\$116,837,719</u></u>	<u><u>\$116,824,053</u></u>	<u><u>\$100,123,554</u></u>	<u>(14.30)</u>

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Unrestricted - One-Time - General Fund Expenditure Budget - Fund 13

<u>Expenditures by Object</u>		2023-24 Actual Expenses	2024-25 Revised Budget	2024-25 Estimated Expenses	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
1000	Academic Salaries					
1100	Instructional Salaries, Regular Contract	\$173,357	\$182,727	\$163,284	\$0	(100.00)
1200	Non-Instructional Salaries, Regular Contract	238,148	388,642	369,303	0	(100.00)
1300	Instructional Salaries, Other Non-Regular	40,642	1,101,937	0	400,000	-
1400	Non-Instructional Salaries, Other Non-Regular	523,292	532,036	610,309	0	(100.00)
	Subtotal	<u>975,439</u>	<u>2,205,342</u>	<u>1,142,896</u>	<u>400,000</u>	(65.00)
2000	Classified Salaries					
2100	Non-Instructional Salaries, Regular Full Time	81,648	171,833	156,728	154,254	(1.58)
2200	Instructional Aides, Regular Full Time	0	0	0	0	-
2300	Non-Instructional Salaries, Other	423,753	268,958	298,012	24,043	(91.93)
2400	Instructional Aides, Other	1,909	0	0	0	-
	Subtotal	<u>507,310</u>	<u>440,791</u>	<u>454,740</u>	<u>178,297</u>	(60.79)
3000	Employee Benefits					
3100	State Teachers' Retirement System Fund	6,550,389	7,948,334	7,990,732	7,660,425	(4.13)
3200	Public Employees' Retirement System Fund	51,559	105,816	86,124	46,335	(46.20)
3300	Old Age, Survivors, Disability, and Health Ins.	44,066	65,745	52,271	18,960	(63.73)
3400	Health and Welfare Benefits	102,356	112,042	104,650	41,152	(60.68)
3500	State Unemployment Insurance	696	1,627	787	293	(62.77)
3600	Workers' Compensation Insurance	23,035	39,893	25,500	8,722	(65.80)
3900	Other Benefits	6,553	13,834	10,655	2,779	(73.92)
	Subtotal	<u>6,778,654</u>	<u>8,287,291</u>	<u>8,270,719</u>	<u>7,778,666</u>	(5.95)
	<i>TOTAL SALARIES/BENEFITS</i>	<i>8,261,403</i>	<i>10,933,424</i>	<i>9,868,355</i>	<i>8,356,963</i>	(15.32)

Rancho Santiago Community College District
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Unrestricted - One-Time - General Fund Expenditure Budget - Fund 13

		2023-24	2024-25	2024-25	2025-26	% change
		Actual	Revised	Estimated	Tentative	25/26 Tent/ 24/25 Est
<u>Expenditures by Object</u>		Expenses	Budget	Expenses	Budget	
4000	Books and Supplies					
4100	Textbooks	0	0	0	0	-
4200	Other Books	6,270	6,500	557	0	(100.00)
4300	Instructional Supplies	8,698	25,199	0	2,060	-
4400	Media Supplies	0	0	0	0	-
4500	Maintenance Supplies	79,772	164,314	110,605	92,000	(16.82)
4600	Non-Instructional Supplies	389,690	971,932	666,339	431,091	(35.30)
4700	Food Supplies	14,429	69,987	25,114	66,577	165.10
	Subtotal	<u>498,859</u>	<u>1,237,932</u>	<u>802,615</u>	<u>591,728</u>	(26.27)
5000	Services and Other Operating Expenses					
5100	Personal & Consultant Svcs	1,570,102	2,791,613	2,091,914	2,656,174	26.97
5200	Travel & Conference Expenses	243,581	417,020	222,764	170,352	(23.53)
5300	Dues & Memberships	84,154	170,535	108,206	145,465	34.43
5400	Insurance	0	0	0	0	-
5500	Utilities & Housekeeping Svcs	337,606	342,700	33,576	90,600	169.84
5600	Rents, Leases & Repairs	988,319	1,508,200	1,143,390	843,200	(26.25)
5700	Legal, Election & Audit Exp	106,635	656,321	550,254	274,505	(50.11)
5800	Other Operating Exp & Services	1,829,119	3,452,725	2,768,184	2,984,618	7.82
5900	Other (Transp., Postage, Reproduction, Special Proj., etc.)	144,277	13,788,793	885,135	2,897,228	227.32
	Subtotal	<u>5,303,793</u>	<u>23,127,907</u>	<u>7,803,423</u>	<u>10,062,142</u>	28.95
6000	Sites, Buildings, Books, and Equipment					
6100	Sites & Site Improvements	0	0	0	0	-
6200	Buildings	0	750	0	750	-
6300	Library Books	0	0	0	0	-
6400	Equipment	306,447	604,896	363,110	18,153	(95.00)
	Subtotal	<u>306,447</u>	<u>605,646</u>	<u>363,110</u>	<u>18,903</u>	(94.79)
	Subtotal, Expenditures (1000 - 6000)	<u>14,370,502</u>	<u>35,904,909</u>	<u>18,837,503</u>	<u>19,029,736</u>	1.02

Rancho Santiago Community College District
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Unrestricted - One-Time - General Fund Expenditure Budget - Fund 13

		2023-24 Actual Expenses	2024-25 Revised Budget	2024-25 Estimated Expenses	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
<u>Expenditures by Object</u>						
7000	Other Outgo					
7200	Intrafund Transfers Out	10,000	0	10,000	0	(100.00)
7300	Interfund Transfers Out	2,172,788	2,203,000	9,203,020	2,240,146	(75.66)
7600	Other Student Aid	34,104	403,905	145,869	175,000	19.97
	Subtotal	<u>2,216,892</u>	<u>2,606,905</u>	<u>9,358,889</u>	<u>2,415,146</u>	(74.19)
	Subtotal, Expenditures (1000 - 7000)	<u>16,587,394</u>	<u>38,511,814</u>	<u>28,196,392</u>	<u>21,444,882</u>	(23.94)
7900	Reserve for Contingencies					
7930	Board Policy Contingency	0	71,584,073	0	71,584,073	-
7940	Revolving Cash Accounts	0	100,000	0	100,000	-
7940	Employee Vacation Payout	0	50,000	0	50,000	-
7950	Budget Stabilization	0	6,312,876	0	6,640,118	-
	Total Designated	<u>0</u>	<u>78,046,949</u>	<u>0</u>	<u>78,374,191</u>	-
7910	Unrestricted Contingency	65,478,050	278,956	88,627,661	304,481	(99.66)
	Subtotal Expenditures (7900)	<u>65,478,050</u>	<u>78,325,905</u>	<u>88,627,661</u>	<u>78,678,672</u>	(11.23)
Total Expenditures, Other Outgo and Ending Fund Balance		<u><u>\$82,065,444</u></u>	<u><u>\$116,837,719</u></u>	<u><u>\$116,824,053</u></u>	<u><u>\$100,123,554</u></u>	(14.30)

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General Fund Revenue Budget - Combined - Unrestricted - Fund 11, 13

<u>Revenues by Source</u>		2024-25 Adopted Budget	2024-25 Allocated Budget	2024-25 Estimated Revenue	% change 24/25 Est/ 24/25 Budget	2025-26 Tentative Budget	% change 24/25 Tent/ 23/24 Est
8100	Federal Revenues						
8110	Forest Reserve	\$0	\$0	\$4,802	-	\$0	(100.00)
	Total Federal Revenues	0	0	4,802	-	0	(100.00)
8600	State Revenues						
8611	Apprenticeship Allowance	5,227,354	6,239,603	5,733,479	(8.11)	5,733,479	-
8612	State General Apportionment	73,179,827	73,179,827	71,561,508	(2.21)	74,917,691	4.69
8612	State General Apportionment-estimated COLA	2,409,837	2,409,837	2,409,837	-	5,524,591	129.25
8612	State General Apportionment-Deficit	(8,395,559)	(8,395,559)	(4,803,992)	(42.78)	(4,911,001)	2.23
8612	State General Apportionment-prior year adjustment	0	0	0	-	0	-
8619	Other General Apportionments-Full-time Faculty Alloc	3,325,444	3,325,444	3,325,444	-	3,325,444	-
8619	Other General Apportionments-Enroll Fee Admin-2%	245,695	245,695	219,878	(10.51)	219,878	-
8619	Other General Apportionments-Part-Time Fac Comp	597,489	597,489	707,056	18.34	707,056	-
8630	Education Protection Account	31,343,535	31,343,535	31,343,535	-	32,015,508	2.14
8672	Homeowners' Property Tax Relief	261,247	261,247	261,247	-	261,247	-
8681	State Lottery Proceeds	5,671,365	5,671,365	5,671,365	-	6,072,039	7.06
8682	State Mandated Costs	1,046,832	1,046,832	1,046,832	-	1,046,832	-
8699	Other Misc State Revenue	7,584,025	7,584,025	7,585,636	0.02	7,584,025	(0.02)
	Total State Revenues	122,497,091	123,509,340	125,061,825	1.26	132,496,789	5.95
8800	Local Revenues						
8811	Tax Allocation, Secured Roll	71,053,504	71,053,504	70,023,528	(1.45)	71,053,504	1.47
8812	Tax Allocation, Supplement Roll	2,551,559	2,551,559	2,551,559	-	2,551,559	-
8813	Tax Allocation, Unsecured Roll	1,867,222	1,867,222	1,782,942	(4.51)	1,867,222	4.73
8816	Prior Years' Taxes	505,354	505,354	505,354	-	505,354	-
8817	Education Revenue Augmentation Fund (ERAF)	35,857,012	35,857,012	35,857,012	-	35,857,012	-
8818	RDA Funds - Pass Thru AB	776,817	776,817	776,817	-	776,817	-
8819	RDA Funds - Residuals	8,811,668	8,811,668	8,811,668	-	8,811,668	-
8850	Rents and Leases	398,480	464,870	340,774	(26.69)	867,320	154.51

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General Fund Revenue Budget - Combined - Unrestricted - Fund 11, 13

		2024-25 Adopted Budget	2024-25 Allocated Budget	2024-25 Estimated Revenue	% change 24/25 Est/ 24/25 Budget	2025-26 Tentative Budget	% change 24/25 Tent/ 23/24 Est
<u>Revenues by Source</u>							
8860	Interest & Investment Income	3,000,000	3,000,000	5,585,218	86.17	3,000,000	(46.29)
8874	CCC Enrollment Fees	8,657,316	8,657,316	8,657,316	-	8,657,316	-
8875	Bachelor's Program Fee	40,000	40,000	68,292	70.73	40,000	(41.43)
8880	Nonresident Tuition	3,700,000	3,700,000	4,058,743	9.70	4,000,000	(1.45)
8890	Transcript/Representation/ Discounts/Fines/Instr. Mat./Health Serv. Use Fees,	785,172	790,214	1,739,966	120.19	779,122	(55.22)
8891	Other Local Rev - Special Proj	0	0	0	-	0	-
	Total Local Revenues	<u>138,004,104</u>	<u>138,075,536</u>	<u>140,759,189</u>	1.94	<u>138,766,894</u>	(1.42)
8900	Other Financing Sources						
8910	Proceeds-Sale of Equip & Suppl	5,000	5,000	13,380	167.60	5,000	(62.63)
8981/8983	Interfund/Intrafund Transfer In	0	0	0	-	0	-
	Total Other Sources	<u>5,000</u>	<u>5,000</u>	<u>13,380</u>	167.60	<u>5,000</u>	(62.63)
	Total Revenues	<u>260,506,195</u>	<u>261,589,876</u>	<u>265,839,196</u>	1.62	<u>271,268,683</u>	2.04
	Net Beginning Balance	108,927,680	108,927,680	108,927,680	-	91,755,767	(15.76)
	Adjustments to Beginning Balance	0	0	0	-	0	-
	Adjusted Beginning Fund Balance	<u>108,927,680</u>	<u>108,927,680</u>	<u>108,927,680</u>	-	<u>91,755,767</u>	(15.76)
	Total Revenues, Other Financing Sources and Beginning Fund Balance	<u>\$369,433,875</u>	<u>\$370,517,556</u>	<u>\$374,766,876</u>	1.15	<u>\$363,024,450</u>	(3.13)

Rancho Santiago Community College District
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General Fund Expenditure Budget - Combined - Unrestricted - Fund 11, 13

<u>Expenditures by Object</u>		2024-25 Adopted Budget	2024-25 Allocated Budget	2024-25 Estimated Expenses	% change 24/25 Est/ 24/25 Budget	2025-26 Tentative Budget	% change 24/25 Tent/ 23/24 Est
1000	Academic Salaries						
1100	Instructional Salaries, Regular Contract	\$38,542,317	\$38,022,114	\$36,209,318	(4.77)	\$37,845,339	4.52
1200	Non-Instructional Salaries, Regular Contract	20,545,442	21,023,436	20,199,783	(3.92)	20,591,759	1.94
1300	Instructional Salaries, Other Non-Regular	33,231,725	34,779,134	45,968,016	32.17	34,099,563	(25.82)
1400	Non-Instructional Salaries, Other Non-Regular	2,018,370	2,422,312	2,723,977	12.45	1,915,642	(29.67)
	Subtotal	<u>94,337,854</u>	<u>96,246,996</u>	<u>105,101,094</u>	9.20	<u>94,452,303</u>	(10.13)
2000	Classified Salaries						
2100	Non-Instructional Salaries, Regular Full Time	48,793,124	48,651,785	45,999,047	(5.45)	49,365,036	7.32
2200	Instructional Aides, Regular Full Time	1,033,010	1,033,010	950,131	(8.02)	988,933	4.08
2300	Non-Instructional Salaries, Other	1,866,758	2,175,009	2,247,474	3.33	1,839,526	(18.15)
2400	Instructional Aides, Other	1,811,336	1,808,042	1,361,503	(24.70)	1,835,288	34.80
	Subtotal	<u>53,504,228</u>	<u>53,667,846</u>	<u>50,558,155</u>	(5.79)	<u>54,028,783</u>	6.86
3000	Employee Benefits						
3100	State Teachers' Retirement System Fund	24,722,788	24,979,107	24,483,672	(1.98)	24,648,212	0.67
3200	Public Employees' Retirement System Fund	15,115,974	15,121,681	13,893,008	(8.13)	15,271,325	9.92
3300	Old Age, Survivors, Disability, and Health Ins.	5,714,466	5,756,120	5,358,034	(6.92)	5,792,417	8.11
3400	Health and Welfare Benefits	30,111,031	30,113,581	27,595,699	(8.36)	30,134,883	9.20
3500	State Unemployment Insurance	326,306	328,330	124,265	(62.15)	326,303	162.59
3600	Workers' Compensation Insurance	2,239,538	2,270,416	2,349,022	3.46	2,249,016	(4.26)
3900	Other Benefits	3,535,703	3,534,327	3,362,358	(4.87)	2,367,752	(29.58)
	Subtotal	<u>81,765,806</u>	<u>82,103,562</u>	<u>77,166,058</u>	(6.01)	<u>80,789,908</u>	4.70
	TOTAL SALARIES/BENEFITS	229,607,888	232,018,404	232,825,307	(2.61)	229,270,994	(1.53)
	Salaries/Benefits Cost % of Total Expenditures	81.41%	81.76%	86.47%		86.01%	

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General Fund Expenditure Budget - Combined - Unrestricted - Fund 11, 13

<u>Expenditures by Object</u>	2024-25 Adopted Budget	2024-25 Allocated Budget	2024-25 Estimated Expenses	% change 24/25 Est/ 24/25 Budget	2025-26 Tentative Budget	% change 24/25 Tent/ 23/24 Est
4000 Books and Supplies						
4100 Textbooks	0	0	0	-	0	-
4200 Other Books	7,168	13,668	4,946	(63.81)	7,168	44.93
4300 Instructional Supplies	16,271	31,271	2,671	(91.46)	5,132	92.14
4400 Media Supplies	0	0	0	-	0	-
4500 Maintenance Supplies	212,151	308,623	214,051	(30.64)	234,952	9.76
4600 Non-Instructional Supplies	1,187,596	1,824,273	1,380,981	(24.30)	1,186,684	(14.07)
4700 Food Supplies	41,012	95,686	36,697	(61.65)	87,276	137.83
Subtotal	<u>1,464,198</u>	<u>2,273,521</u>	<u>1,639,346</u>	(27.89)	<u>1,521,212</u>	(7.21)
5000 Services and Other Operating Expenses						
5100 Personal & Consultant Svcs	5,800,667	5,651,449	4,855,839	(14.08)	5,540,124	14.09
5200 Travel & Conference Expenses	487,281	657,890	371,920	(43.47)	449,929	20.97
5300 Dues & Memberships	298,863	334,567	250,326	(25.18)	303,618	21.29
5400 Insurance	0	0	0	-	0	-
5500 Utilities & Housekeeping Svcs	5,739,718	5,497,823	5,202,803	(5.37)	5,646,268	8.52
5600 Rents, Leases & Repairs	4,860,568	3,907,337	3,306,326	(15.38)	4,799,013	45.15
5700 Legal, Election & Audit Exp	1,340,038	2,019,665	1,904,720	(5.69)	1,349,302	(29.16)
5800 Other Operating Exp & Services	8,019,763	10,759,570	10,200,770	(5.19)	9,231,710	(9.50)
5900 Other (Transp., Postge, Reprod., Spec. Proj., etc.)	23,683,471	18,472,174	5,543,676	(69.99)	7,875,370	42.06
Subtotal	<u>50,230,369</u>	<u>47,300,475</u>	<u>31,636,380</u>	(33.12)	<u>35,195,334</u>	11.25
6000 Sites, Buildings, Books, and Equipment						
6100 Sites & Site Improvements	0	0	0	-	0	-
6200 Buildings	750	360,750	1,827,771	406.66	750	(99.96)
6300 Library Books	800	800	799	(0.13)	800	0.13
6400 Equipment	735,077	1,816,106	1,322,598	(27.17)	588,078	(55.54)
Subtotal	<u>736,627</u>	<u>2,177,656</u>	<u>3,151,168</u>	44.70	<u>589,628</u>	(81.29)
Subtotal, Expenditures (1000 - 6000)	<u>282,039,082</u>	<u>283,770,056</u>	<u>269,252,201</u>	(5.12)	<u>266,577,168</u>	(0.99)

Rancho Santiago Community College District
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General Fund Expenditure Budget - Combined - Unrestricted - Fund 11, 13

		2024-25 Adopted Budget	2024-25 Allocated Budget	2024-25 Estimated Expenses	% change 24/25 Est/ 24/25 Budget	2025-26 Tentative Budget	% change 24/25 Tent/ 23/24 Est
<u>Expenditures by Object</u>							
7000	Other Outgo						
7200	Intrafund Transfers Out	0	0	10,019	-	0	(100.00)
7300	Interfund Transfers Out	6,598,477	6,680,412	13,603,020	103.63	7,640,146	(43.83)
7600	Other Student Aid	0	403,905	145,869	(63.89)	175,000	19.97
	Subtotal	<u>6,598,477</u>	<u>7,084,317</u>	<u>13,758,908</u>	94.22	<u>7,815,146</u>	(43.20)
	Subtotal, Expenditures (1000 - 7000)	<u>288,637,559</u>	<u>290,854,373</u>	<u>283,011,109</u>	(2.70)	<u>274,392,314</u>	(3.05)
7900	Reserve for Contingencies						
7910	Estimated COLA	0	0	0	-	4,284,669	-
7930	Board Policy Contingency	71,584,073	71,584,073	0	(100.00)	71,584,073	-
7940	Revolving Cash Accounts	100,000	100,000	0	(100.00)	100,000	-
7940	Employee Vacation Payout	50,000	50,000	0	(100.00)	50,000	-
7950	Budget Stabilization	6,790,118	6,312,876	0	(100.00)	6,640,118	-
	Total Designated	<u>78,524,191</u>	<u>78,046,949</u>	<u>0</u>	(100.00)	<u>82,658,860</u>	-
7910	Unrestricted Contingency	2,272,125	1,616,234	91,755,767	5,577.13	5,973,276	(93.49)
	Subtotal Expenditures (7900)	<u>80,796,316</u>	<u>79,663,183</u>	<u>91,755,767</u>	15.18	<u>88,632,136</u>	(3.40)
Total Expenditures, Other Outgo and Ending Fund Balance		<u>\$369,433,875</u>	<u>\$370,517,556</u>	<u>\$374,766,876</u>	1.15	<u>\$363,024,450</u>	(3.13)

Rancho Santiago Community College District
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Restricted General Fund Revenue Budget - Fund 12

<u>Revenues by Source</u>		2023-24 Actual Revenue	2024-25 Revised Budget	2024-25 Estimated Revenue	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
8100	Federal Revenues					
8120	Higher Education Act	\$4,180,643	\$8,006,659	\$3,354,409	\$8,126,375	142.26
8140	Temporary Assistance for Needy Families (TANF)	116,189	89,553	53,811	142,243	164.34
8150	Student Financial Aid	4,212	358,852	352,022	293,076	(16.74)
8170	Vocational Technical Education Act (VTEA)	1,262,807	1,710,488	1,318,449	843,146	(36.05)
8199	Other Federal Revenues (ABE, CAMP, SBA, Gear Up, NSF)	3,943,776	10,165,643	4,507,844	11,303,974	150.76
	Total Federal Revenues	<u>9,507,627</u>	<u>20,331,195</u>	<u>9,586,535</u>	<u>20,708,814</u>	116.02
8600	State Revenues					
8622	Extended Opportunity Programs & Services (EOPS)	2,465,095	2,848,604	2,527,940	2,842,720	12.45
8623	Disabled Students Programs & Services (DSPS)	1,856,175	3,653,135	3,284,625	3,653,135	11.22
8625	CalWORKS	940,471	1,373,586	1,210,930	1,373,586	13.43
8626	Telecomm./Technology Infrastructure Prog. (TTIP)	0	2,341	2,341	2,341	-
8629	Other Gen Categorical Apport-BSI	582,944	814,044	814,044	814,044	-
8629	Other Gen Categorical Apport-CARE	185,852	186,369	186,369	211,369	13.41
8629	Other Gen Categorical Apport-Adult Ed Block/CTE SWP	37,609,113	58,970,912	35,000,000	51,525,088	47.21
8629	Other Gen Categorical Apport-Equal Employment Opportunity	232,111	687,357	687,357	550,371	(19.93)
8629	Other Gen Categorical Apport-Guided Pathways	312,679	660,274	660,274	582,121	(11.84)
8629	Other Gen Categorical Apport-Matriculation-Credit	4,997,823	6,731,453	6,731,453	6,731,453	-
8629	Other Gen Categorical Apport-Matriculation-Non-Credit	1,744,389	1,745,421	1,745,421	1,772,791	1.57
8629	Other Gen Categorical Apport-SEAP	5,417,100	5,594,143	5,594,143	5,594,143	-
8629	Other Gen Categorical Apport-Student Equity	1,771,710	3,771,807	3,771,807	3,800,888	0.77
8629	Other Gen Categorical Apport-Student Financial Aid Admin	1,373,742	2,090,693	2,090,693	2,090,693	-
8629	Other Gen Categorical Apport-Other	5,998,651	18,961,413	4,698,049	20,821,050	343.19
8659	Other Reimb Categorical Allow-Career Tech/Econ Dev	2,288,795	12,176,406	2,343,992	10,313,060	339.98
8659	Other Reimb Categorical Allow-Other	663,187	9,841,558	650,000	9,702,165	1,392.64

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Restricted General Fund Revenue Budget - Fund 12						
		2023-24 Actual Revenue	2024-25 Revised Budget	2024-25 Estimated Revenue	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
<u>Revenues by Source</u>						
8681	State Lottery Proceeds	3,569,257	2,384,827	2,384,827	2,606,844	9.31
8699	Other Misc State	4,480,257	5,333,385	6,163,541	5,312,633	(13.81)
	Total State Revenues	76,489,351	137,827,728	80,547,806	130,300,495	61.77
8800	Local Revenues					
8820	Contrib, Gifts, Grants & Endowment	0	500	0	500	-
883X	Contract Instructional Service/All Other Contract	1,392,552	5,461,501	1,383,501	5,390,501	289.63
8867	Gain (Loss) on Invest	0	0	0	0	-
8876	Health Services Fees	1,086,301	972,300	1,259,498	972,300	(22.80)
8882	Parking Fees & Bus Passes	411,600	1,513,122	416,636	1,513,122	263.18
8890	Other Local Revenues (Instr. Mat./Health Serv. Use Fees, etc.)	277,635	287,562	281,118	287,562	2.29
8891	Other Local Rev - Special Proj	294,662	904,914	536,593	901,223	67.95
	Total Local Revenues	3,462,750	9,139,899	3,877,346	9,065,208	133.80
8900	Other Financing Sources					
8910	Proceeds-Sale of Equip & Suppl	0	0	0	0	-
8981/8983	Interfund/Intrafund Transfer In	133,705	0	0	0	-
8999	Revenue - Clearing	0	0	0	0	-
	Total Other Sources	133,705	0	0	0	-
	Total Revenues	89,593,433	167,298,822	94,011,687	160,074,517	70.27
	Net Beginning Balance	6,089,542	7,055,845	7,055,845	2,556,062	(63.77)
	Adjustments to Beginning Balance	0	0	0	0	-
	Adjusted Beginning Fund Balance	6,089,542	7,055,845	7,055,845	2,556,062	(63.77)
Total Revenues, Other Financing Sources and Beginning Fund Balance		\$95,682,975	\$174,354,667	\$101,067,532	\$162,630,579	60.91

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Restricted General Fund Expenditure Budget - Fund 12

<u>Expenditures by Object</u>		2023-24 Actual Expenses	2024-25 Revised Budget	2024-25 Estimated Expenses	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
1000	Academic Salaries					
1100	Instructional Salaries, Regular Contract	\$157,621	\$414,529	\$262,658	\$435,459	65.79
1200	Non-Instructional Salaries, Regular Contract	7,241,732	10,171,733	7,562,156	10,761,600	42.31
1300	Instructional Salaries, Other Non-Regular	194,657	475,929	282,166	441,178	56.35
1400	Non-Instructional Salaries, Other Non-Regular	5,832,798	9,628,021	6,105,838	9,187,202	50.47
	Subtotal	<u>13,426,808</u>	<u>20,690,212</u>	<u>14,212,818</u>	<u>20,825,439</u>	46.53
2000	Classified Salaries					
2100	Non-Instructional Salaries, Regular Full Time	11,967,859	24,182,892	14,228,645	25,316,628	77.93
2200	Instructional Aides, Regular Full Time	57,329	126,308	122,570	176,333	43.86
2300	Non-Instructional Salaries, Other	4,508,209	8,089,389	5,195,680	7,916,208	52.36
2400	Instructional Aides, Other	864,110	1,495,500	674,832	1,411,683	109.19
	Subtotal	<u>17,397,507</u>	<u>33,894,089</u>	<u>20,221,727</u>	<u>34,820,852</u>	72.20
3000	Employee Benefits					
3100	State Teachers' Retirement System Fund	2,879,057	4,263,633	2,243,123	4,210,046	87.69
3200	Public Employees' Retirement System Fund	4,038,592	7,827,794	4,742,272	8,242,943	73.82
3300	Old Age, Survivors, Disability, and Health Ins.	1,421,110	2,761,883	1,626,887	2,819,059	73.28
3400	Health and Welfare Benefits	4,225,589	7,301,511	4,536,638	7,819,737	72.37
3500	State Unemployment Insurance	14,752	63,680	16,441	67,236	308.95
3600	Workers' Compensation Insurance	459,296	854,173	515,146	855,437	66.06
3900	Other Benefits	310,631	613,670	349,933	636,610	81.92
	Subtotal	<u>13,349,027</u>	<u>23,686,344</u>	<u>14,030,440</u>	<u>24,651,068</u>	75.70
	<i>TOTAL SALARIES/BENEFITS</i>	<i>44,173,342</i>	<i>78,270,645</i>	<i>48,464,985</i>	<i>80,297,359</i>	65.68

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Restricted General Fund Expenditure Budget - Fund 12

		2023-24	2024-25	2024-25	2025-26	% change
		Actual	Revised	Estimated	Tentative	25/26 Tent/
		Expenses	Budget	Expenses	Budget	24/25 Est
<u>Expenditures by Object</u>						
4000	Books and Supplies					
4100	Textbooks	0	0	0	0	-
4200	Other Books	105,270	472,720	174,352	344,252	97.45
4300	Instructional Supplies	1,884,253	5,337,064	2,086,060	2,500,758	19.88
4400	Media Supplies	0	0	0	0	-
4500	Maintenance Supplies	16,422	21,898	16,447	17,500	6.40
4600	Non-Instructional Supplies	662,815	1,660,926	846,039	1,276,982	50.94
4700	Food Supplies	440,868	999,439	520,104	811,850	56.09
	Subtotal	<u>3,109,628</u>	<u>8,492,047</u>	<u>3,643,002</u>	<u>4,951,342</u>	35.91
5000	Services and Other Operating Expenses					
5100	Personal & Consultant Svcs	30,315,645	49,515,678	34,981,876	43,269,467	23.69
5200	Travel & Conference Expenses	761,417	2,355,960	613,809	1,855,041	202.22
5300	Dues & Memberships	40,371	118,671	37,318	104,836	180.93
5400	Insurance	53,357	59,995	55,934	59,995	7.26
5500	Utilities & Housekeeping Svcs	48,120	94,773	78,248	80,253	2.56
5600	Rents, Leases & Repairs	167,926	325,436	148,168	398,745	169.12
5700	Legal, Election & Audit Exp	74,680	120,000	105,320	120,000	13.94
5800	Other Operating Exp & Services	1,233,296	3,478,323	1,120,137	3,316,952	196.12
5900	Other (Transp., Postage, Reproduction, Special Proj., etc.)	2,681,652	17,644,164	2,561,476	17,604,134	587.27
	Subtotal	<u>35,376,464</u>	<u>73,713,000</u>	<u>39,702,286</u>	<u>66,809,423</u>	68.28
6000	Sites, Buildings, Books, and Equipment					
6100	Sites & Site Improvements	37,744	579,198	172,256	423,041	145.59
6200	Buildings	306,509	947,077	368,750	784,880	112.85
6300	Library Books	213,911	273,469	232,869	272,132	16.86
6400	Equipment	3,316,735	7,154,605	4,107,449	4,662,515	13.51
6900	Project Contingencies	0	17,250	0	17,250	-
	Subtotal	<u>3,874,899</u>	<u>8,971,599</u>	<u>4,881,324</u>	<u>6,159,818</u>	26.19
	Subtotal, Expenditures (1000 - 6000)	<u>86,534,333</u>	<u>169,447,291</u>	<u>96,691,597</u>	<u>158,217,942</u>	63.63

Rancho Santiago Community College District
Tentative Budget
2025-26

DRAFT

Restricted General Fund Expenditure Budget - Fund 12

		2023-24 Actual Expenses	2024-25 Revised Budget	2024-25 Estimated Expenses	2025-26 Tentative Budget	% change 25/26 Tent/ 24/25 Est
<u>Expenditures by Object</u>						
7000	Other Outgo					
7200	Intrafund Transfers Out	130,425	0	0	0	-
7300	Interfund Transfers Out	936	0	3,154	0	(100.00)
7400	Other Transfers	419,992	440,289	440,289	440,289	-
7600	Other Student Aid	1,541,444	3,175,915	1,376,430	2,699,720	96.14
	Subtotal	<u>2,092,797</u>	<u>3,616,204</u>	<u>1,819,873</u>	<u>3,140,009</u>	72.54
	Subtotal, Expenditures (1000 - 7000)	<u>88,627,130</u>	<u>173,063,495</u>	<u>98,511,470</u>	<u>161,357,951</u>	63.80
7900	Reserve for Contingencies					
7920	Restricted Contingency-Family Pact 2339 & 2340	0	134,094	0	134,094	-
7920	Restricted Contingency-Campus Health Services-3250	0	144,578	0	144,578	-
7920	Restricted Contingency-Health Services-3450	0	1,012,500	0	993,956	-
7920	Restricted Contingency-Safety & Parking-3610	0	0	0	0	-
	Total Designated	<u>0</u>	<u>1,291,172</u>	<u>0</u>	<u>1,272,628</u>	-
7910	Unrestricted Contingency	7,055,845	0	2,556,062	0	(100.00)
	Subtotal Expenditures (7900)	<u>7,055,845</u>	<u>1,291,172</u>	<u>2,556,062</u>	<u>1,272,628</u>	(50.21)
Total Expenditures, Other Outgo and Ending Fund Balance		<u>\$95,682,975</u>	<u>\$174,354,667</u>	<u>\$101,067,532</u>	<u>\$162,630,579</u>	60.91

Rancho Santiago Community College District
Tentative Budget
2025-26

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Santa Ana College	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	64,435,264		0		64,435,264		12,030,433		76,465,697	
Classified Salaries	20,534,607		154,254		20,688,861		16,323,963		37,012,824	
Employee Benefits	35,315,783		100,668		35,416,451		11,672,539		47,088,990	
Supplies & Materials	609,975		281,371		891,346		3,075,688		3,967,034	
Other Operating Exp & Services	7,347,791		7,493,109		14,840,900		13,415,309		28,256,209	
Capital Outlay	360,792		18,062		378,854		4,182,889		4,561,743	
Other Outgo	524,276		719,627		1,243,903		2,164,296		3,408,199	
Grand Total	\$129,128,488	53.42%	\$8,767,091	72.81%	\$137,895,579	54.34%	\$62,865,117	38.83%	\$200,760,696	48.30%

Santiago Canyon College	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	29,168,043		400,000		29,568,043		8,511,229		38,079,272	
Classified Salaries	10,738,943		24,043		10,762,986		11,143,626		21,906,612	
Employee Benefits	17,263,536		93,973		17,357,509		8,319,807		25,677,316	
Supplies & Materials	0		245,785		245,785		1,737,045		1,982,830	
Other Operating Exp & Services	5,812,384		1,348,459		7,160,843		10,365,445		17,526,288	
Capital Outlay	770		0		770		1,620,864		1,621,634	
Other Outgo	1,442,903		0		1,442,903		1,928,052		3,370,955	
Grand Total	\$64,426,579	26.65%	\$2,112,260	17.54%	\$66,538,839	26.22%	\$43,626,068	26.95%	\$110,164,907	26.50%

District Services and Operations	Fund 11 Unrestricted	%	Fund 13 One-Time	%	Fund 11/13 Unrestricted	%	Fund 12 Restricted	%	Fund 11/12/13 Combined	%
Academic Salaries	448,996		0		448,996		283,777		732,773	
Classified Salaries	22,576,936		0		22,576,936		7,353,263		29,930,199	
Employee Benefits	13,130,033		64,572		13,194,605		3,920,164		17,114,769	
Supplies & Materials	319,509		1,095,574		1,415,083		138,609		1,553,692	
Other Operating Exp & Services	11,490,131		841		11,490,972		43,028,669		54,519,641	
Capital Outlay	209,163		0		209,163		356,065		565,228	
Other Outgo	0		0		0		320,289		320,289	
Grand Total	\$48,174,768	19.93%	\$1,160,987	9.64%	\$49,335,755	19.44%	\$55,400,836	34.22%	\$104,736,591	25.20%

Total Expenditures-excludes Institutional Costs	\$241,729,835	100.00%	\$12,040,338	100.00%	\$253,770,173	100.00%	\$161,892,021	100.00%	\$415,662,194	100.00%
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Institutional Costs	Fund 11 Unrestricted		Fund 13 One-Time		Fund 11/13 Unrestricted		Fund 12 Restricted		Fund 11/12/13 Combined	
Employee Benefits-retiree benefits/ local experience charge/STRS & PERS on behalf	6,894,712		7,584,025		14,478,737		738,558		15,217,295	
Election	125,000		125,000		250,000		0		250,000	
Other Operating Exp & Services-prop&liability ins	3,900,000		0		3,900,000		0		3,900,000	
Other Operating - SCC-ADA settlement expense	0		2,000,000		2,000,000		0		2,000,000	
Other Outgo-Interfund Transfers	1,500,000		0		1,500,000		0		1,500,000	
Other Outgo-Board Policy Contingency	0		71,584,073		71,584,073		0		71,584,073	
Other Outgo-Reserves SRP exp	765,064		0		765,064		0		765,064	
Other Outgo-Reserves	7,986,285		6,790,118		14,776,403		0		14,776,403	
Grand Total	\$21,171,061		\$88,083,216		\$109,254,277		\$738,558		\$109,992,835	

Total Expenditures-includes Institutional Costs **\$262,900,896**

\$100,123,554

\$363,024,450

\$162,630,579

\$525,655,029

RSCCD - Estimate 2025/26 Revenue Allocation Simulation for Unrestricted General Fund -- FD 11
Based on Student Centered Funding Formula

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	SAC/CEC	SAC	CEC	SCC/OEC	SCC	OEC	DS&O	Institutional Cost	TOTAL
APPORTIONMENT REVENUE									
Basic Allocation	\$ 10,847,420	\$ 8,677,936	\$ 2,169,484	\$ 8,677,933	\$ 6,508,449	\$ 2,169,484			\$ 19,525,353
FTES - 24/25 @ P2 split	\$ 116,076,088	\$ 74,818,007	\$ 41,258,081	\$ 49,475,475	\$ 29,310,497	\$ 20,164,977			\$ 165,551,563
SCFF - Supplemental Allocation	\$ 22,992,271	\$ 22,992,271	\$ -	\$ 6,775,616	\$ 6,775,616	\$ -			\$ 29,767,887
SCFF - Student Success Allocation	\$ 14,912,431	\$ 14,912,431	\$ -	\$ 7,517,664	\$ 7,517,664	\$ -			\$ 22,430,095
Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Subtotal	\$ 164,828,211	\$ 121,400,646	\$ 43,427,565	\$ 72,446,687	\$ 50,112,226	\$ 22,334,461			\$ 237,274,898
25/26 COLA - 2.30%	\$ 3,837,778	\$ 2,826,632	\$ 1,011,146	\$ 1,686,813	\$ 1,166,788	\$ 520,025			\$ 5,524,591
Deficit Coefficient	\$ (3,411,535)	\$ (2,512,692)	\$ (898,843)	\$ (1,499,466)	\$ (1,037,199)	\$ (462,268)			\$ (4,911,001)
TOTAL ESTIMATED APPORTIONMENT REVENUE	\$ 165,254,455	\$ 121,714,586	\$ 43,539,869	\$ 72,634,033	\$ 50,241,815	\$ 22,392,218			\$ 237,888,488
Percentages	69.47%	51.16%	18.30%	30.53%	21.12%	9.41%			
OTHER STATE REVENUE									
Lottery, Unrestricted	\$ 4,286,298	\$ 2,911,696	\$ 1,374,602	\$ 1,785,741	\$ 1,117,071	\$ 668,670			\$ 6,072,039
State Mandate	\$ 738,829	\$ 738,829	\$ -	\$ 308,003	\$ 308,003	\$ -			\$ 1,046,832
Full-Time Faculty Hiring Allocation	\$ 2,217,074	\$ 2,217,074	\$ -	\$ 1,108,370	\$ 1,108,370	\$ -			\$ 3,325,444
Part-Time Faculty Compensation	\$ 499,023	\$ 335,400	\$ 163,623	\$ 208,033	\$ 128,439	\$ 79,594			\$ 707,056
Subtotal, Other State Revenue	\$ 7,741,224	\$ 6,202,998	\$ 1,538,225	\$ 3,410,147	\$ 2,661,884	\$ 748,264			\$ 11,151,371
TOTAL ESTIMATED REVENUE	\$ 172,995,678	\$ 127,917,585	\$ 45,078,094	\$ 76,044,181	\$ 52,903,699	\$ 23,140,482			\$ 249,039,859
Percentages	69.47%	51.36%	18.10%	30.53%	21.24%	9.29%			
Less Institutional Cost Expenditures									\$ 16,704,381
Less Net District Services and Operations Expenditures									\$ 44,424,540
									\$ 187,910,938
ESTIMATED REVENUE	\$ 130,532,439	\$ 96,519,141	\$ 34,013,298	\$ 57,378,499	\$ 39,918,043	\$ 17,460,457			\$ 187,910,938
BUDGET EXPENDITURES FOR FY 2025/26									
SAC/CEC Expenses - F/T & Ongoing	\$ 129,128,488	\$ 109,585,133	\$ 19,543,355						\$ 129,128,488
SCC/OEC Expenses - F/T & Ongoing				\$ 64,426,579	\$ 53,524,804	\$ 10,901,775			\$ 64,426,579
District Services and Operations Expenses - F/T & Ongoing							\$ 48,174,768		\$ 48,174,768
SRP Expenses	\$ 317,271	\$ 317,271		\$ 243,943	\$ 243,943		\$ 203,850		\$ 765,064
Institutional Cost									
Retirees Instructional-local experience charge								\$ 2,846,671	\$ 2,846,671
Retirees Non-Instructional-local experience charge								\$ 4,048,041	\$ 4,048,041
Set Aside COLA								\$ 4,284,669	\$ 4,284,669
Property & Liability & AB218 Assessment								\$ 3,900,000	\$ 3,900,000
Election								\$ 125,000	\$ 125,000
Interfund Transfer								\$ 1,500,000	\$ 1,500,000
TOTAL ESTIMATED EXPENDITURES	\$ 129,445,759	\$ 109,902,404	\$ 19,543,355	\$ 64,670,522	\$ 53,768,747	\$ 10,901,775	\$ 48,378,618	\$ 16,704,381	\$ 259,199,280
Percent of Total Estimated Expenditures	49.94%	42.40%	7.54%	24.95%	20.74%	4.21%	18.66%	6.44%	
ESTIMATED EXPENSES UNDER/(OVER) REVENUE	\$ 1,086,680	\$ (13,383,263)	\$ 14,469,943	\$ (7,292,023)	\$ (13,850,704)	\$ 6,558,682			\$ (6,205,343)
OTHER STATE REVENUE									
Apprenticeship				\$ 5,733,479	\$ 5,733,479				\$ 5,733,479
Enrollment Fees 2%								\$ 219,878	\$ 219,878
LOCAL REVENUE									
Non Resident Tuition	\$ 2,500,000	\$ 2,500,000		\$ 1,500,000	\$ 1,500,000				\$ 4,000,000
Interest/Investments								\$ 3,000,000	\$ 3,000,000
Rents/Leases	\$ 8,480	\$ 8,480		\$ 125,000	\$ 125,000		\$ 205,000		\$ 338,480
Proceeds-Sale of Equipment								\$ 5,000	\$ 5,000
Other Local	\$ 40,000	\$ 40,000						\$ 524,200	\$ 564,200
Subtotal, Other Local Revenue	\$ 2,548,480	\$ 2,548,480	\$ -	\$ 7,358,479	\$ 7,358,479	\$ -	\$ 205,000	\$ 3,749,078	\$ 13,861,037
ESTIMATED ENDING BALANCE FOR 6/30/26	3,635,160	\$ (10,834,783)	\$ 14,469,943	66,456	\$ (6,492,225)	\$ 6,558,682			\$ 3,701,616



Rancho Santiago Community College District Budget Allocation Model Based on the Student Centered Funding Formula

The "*Rancho Santiago Community College District Budget Allocation Model Based on the SCFF*" was recommended at the November 18, 2020 Fiscal Resource Committee meeting, updated on April 20, 2022, on March 15, 2023, ~~and again~~ on May 15, 2024, ~~and again on XXX 2025~~.

Introduction

In February of 2012, the Rancho Santiago Community College District approved and adopted a revenue allocation formula, based on SB 361, in order to provide the greatest amount of flexibility for each of the campuses. The change was initiated by the district Budget Allocation and Planning Review Committee (BAPR) and a technical subgroup of BAPR who was then delegated the task of reviewing the model that the District had been using for the previous ten years. The BAPR workgroup proceeded to review and evaluate approximately 20 other California community college multi-campus budget allocation models. Following the review of other models, the BAPR workgroup ultimately decided on a revenue allocation model as opposed to the expenditure allocation model that had been in effect in the District. On July 1, 2018, the Student Centered Funding Formula (SCFF) was adopted by the State of California marking one of the biggest changes to California Community College funding yet. The SCFF is based on three allocations:

- 1) Base Allocation (70% of state funding) is based on the number of colleges and comprehensive centers in the community college district and total FTES generation
- 2) Supplemental Allocation (20% of state funding) is based on the number of low-income students.
- 3) Student Success Allocation (10% of state funding) is based on student progress such as transfer, completion, and wage earnings.

RSCCD's Fiscal Resource Committee (FRC), as the current participatory governance body in charge of reviewing and evaluating the RSCCD revenue allocation model, determined that based on the new

distribution of funds from the State, the District's current budget model needed to be reviewed and revised to be in accordance with the Student Centered Funding Formula.

Noncredit and Career Development and College Preparation (CDCP) funding are considered fully funded in the base allocation and do not qualify for supplemental and success funding. See Appendix A - Definition of Terms for enhanced descriptions.

The goal of the BAM is to create a documented revenue allocation process that provides financial stability and encourages fiscal accountability at all levels in times of either increasing or decreasing revenue streams. It is also intended to be transparent, fair, predictable and consistent, using quantitative, verifiable factors with performance incentives. FRC will annually review the BAM language.

Under State law, the District is the legal entity and is ultimately responsible for actions, decisions and legal obligations of the entire organization. The Board of Trustees of the Rancho Santiago Community College District has clear statutory authority and responsibility and, ultimately, makes all final decisions. Likewise, the Chancellor, under the direction of the Board of Trustees, is responsible for the successful operation, reputation, and fiscal integrity of the entire District. The funding model does not supplant the Chancellor's role, nor does it reduce the responsibility of the District Services **and Operations** staff to fulfill their fiduciary role of providing appropriate oversight of the operations of the entire District. It is important that guidelines, procedures and responsibility be clear with regard to District compliance with any and all laws and regulations such as the 50% Law, full-time/part-time faculty requirements, Faculty Obligation Number (FON), attendance accounting, audit requirements, fiscal and related accounting standards, procurement and contract law, employment relations and collective bargaining, payroll processing and related reporting requirements, etc. The oversight of these requirements is to be maintained by District Services **and Operations**, which has a responsibility to provide direction and data to the colleges to assure they have appropriate information for decision making with regard to resource allocation at the local level, thus, assuring District compliance with legal and regulatory requirements.

All revenue is considered District revenue because the district is the legal entity authorized by the State of California to receive and expend income and to incur expenses. However, the majority of revenue is provided by the taxpayers of California for the sole purpose of providing educational services to the communities and students served by the District. Services such as classes, programs, and student services are, with few exceptions, the responsibility of the colleges. It is the intent of the **Revenue Allocation Model** to allocate the majority of funds to the colleges in order to provide those educational services. The model intends to provide an opportunity to maximize resource allocation decisions at the local college level. Each college president is responsible for the successful operation and performance of his/her college as it relates to resource allocation and utilization. The purpose and function of the District Services **and Operations** in this structure is to maintain the fiscal and operational integrity of the District and its individual colleges and centers and to facilitate college operations so that their needs are met and fiscal stability is assured. District Services **and Operations** is responsible for providing certain centralized functions, both to provide efficient operations as well as to assist in coordination between District Services **and Operations** and the colleges. Examples of these services include: human resources, business services, fiscal and budgetary oversight, procurement, construction and capital outlay, district safety and security and information technology. On the broadest level, the goal of this partnership is to encourage and support collaboration between the colleges and District Services **and Operations**.

This BAM should be reviewed on an annual basis by the FRC to evaluate any changes in the SCFF as updates are signed into law and recommend any related changes to the BAM to District Council.

College and District Services **and Operations** Budgets and Expenditure Responsibilities

Since the RSCCD BAM is a revenue allocation model, all expenditures and allocation of revenues under the model are the responsibilities of the colleges and centers. Revenue responsibilities for the colleges, District Services **and Operations** and Institutional Costs are summarized in Table 1.

Expenditure responsibilities for the colleges, District Services **and Operations** and Institutional Costs are summarized in Table 2.

TABLE 1 Revenue and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services and Operations ☑	Institutional Cost ☑
Federal Revenue- (81XX)					
1	Grants Agreement	✓	✓	✓	
2	General Fund Matching Requirement	✓	✓	✓	
3	In-Kind Contribution (no additional cost to general fund)	✓	✓	✓	
4	Indirect Cost (overhead)	✓	✓	✓	
State Revenue- (86XX)					
1	Base Funding	✓	✓	✓	
	Supplemental Funding	✓	✓	✓	
	Student Success Funding	✓	✓	✓	
2	Apportionment	✓	✓		
3	COLA or Negative COLA	✓	✓	✓ subject to collective bargaining	
4	Growth, Work Load Measure Reduction, <i>Negative Growth</i>	✓	✓	✓	
5	Categorical Augmentation/Reduction	✓	✓	✓	
6	General Fund Matching Requirement	✓	✓	✓	
7	Apprenticeship	✓	✓		
8	In-Kind Contribution	✓	✓	✓	
9	Indirect Cost	✓	✓	✓	

TABLE 1 Revenue and Budget Responsibilities		Santa Ana College & CEC <input checked="" type="checkbox"/>	Santiago Canyon College & OEC <input checked="" type="checkbox"/>	District Services and Operations <input checked="" type="checkbox"/>	Institutional Cost <input checked="" type="checkbox"/>
State Revenue- (86XX)					
10	Lottery				
	- Unrestricted (abate cost of utilities)	✓	✓	✓	
	- Restricted-Proposition 20	✓	✓		
11	Instructional Equipment Matches (3:1)	✓	✓		
12	Scheduled Maintenance Matches	✓	✓	✓	
13	Part-time Faculty Compensation Funding	✓	✓	✓ subject to collective bargaining	
14	State Mandated Cost	✓	✓	✓	
Local Revenue- (88XX)					
1	Contributions	✓	✓	✓	
2	Fundraising	✓	✓	✓	
3	Proceed of Sales	✓	✓	✓	
4	Health Services Fees	✓	✓		
5	Rents and Leases	✓	✓	✓	
6	Enrollment Fees	✓	✓		
7	Non-Resident Tuition	✓	✓		
8	Student ID and ASB Fees	✓	✓		
9	Parking Fees			✓	

TABLE 2 Expenditure and Budget Responsibilities		Santa Ana College & CEC <input checked="" type="checkbox"/>	Santiago Canyon College & OEC <input checked="" type="checkbox"/>	District Services and Operations <input checked="" type="checkbox"/>	Institutional Cost <input checked="" type="checkbox"/>
Academic Salaries- (1XXX)					
1	State required full-time Faculty Obligation Number (FON)	✓	✓	✓	
2	Bank Leave	✓	✓	✓	
3	Impact upon the 50% law calculation	✓	✓	✓	
4	Faculty Release Time	✓	✓	✓	
5	Faculty Vacancy, Temporary or Permanent	✓	✓	✓	
6	Faculty Load Banking Liability	✓	✓	✓	
7	Adjunct Faculty Cost/Production	✓	✓		
8	Department Chair Reassigned Time	✓	✓		
9	Management of Sabbaticals (Budgeted at colleges)	✓	✓	✓	
10	Sick Leave Accrual Cost	✓	✓	✓	
11	Administrator Vacation	✓	✓	✓	
Classified Salaries- (2XXX)					
1	Classified Vacancy, Temporary or Permanent	✓	✓	✓	
2	Working Out-of-Class	✓	✓	✓	
3	Vacation Accrual Cost	✓	✓	✓	
4	Overtime	✓	✓	✓	
5	Sick Leave Accrual Cost	✓	✓	✓	
6	Compensation Time taken	✓	✓	✓	
Employee Benefits-(3XXX)					
1	STRS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
2	PERS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
3	OASDI Employer Rates, Increase/(Decrease)	✓	✓	✓	

TABLE 2 Expenditure and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Services and Operations ☑	Institutional Cost ☑
Employee Benefits-(3XXX)					
4	Medicare Employer Rates, Increase/(Decrease)	✓	✓	✓	
5	Health and Welfare Benefits, Increases/(Decrease)	✓	✓	✓	
6	SUI Rates, Increase/(Decrease)	✓	✓	✓	
7	Workers' Comp. Rates, Increase/(Decrease)	✓	✓	✓	
8	Retiree Health Benefit Cost				
	-OPEB Liability vs. "Pay-As-You-Go"				✓
9	Cash Benefit Fluctuation, Increase/(Decrease)	✓	✓	✓	
Other Operating Exp & Services-(5XXX)					
1	Property and Liability Insurance Cost				✓
2	Utilities				
	-Gas	✓	✓	✓	
	-Water	✓	✓	✓	
	-Electricity	✓	✓	✓	
	-Waste Management	✓	✓	✓	
	-Water District, Sewer Fees	✓	✓	✓	
3	Audit			✓	
4	Board of Trustee Elections				✓
5	Scheduled Maintenance	✓	✓	✓	
6	Copyrights/Royalties Expenses	✓	✓	✓	
Capital Outlay-(6XXX)					
1	Equipment Budget				
	-Instructional	✓	✓	✓	
	-Non-Instructional	✓	✓	✓	
2	Improvement to Buildings	✓	✓	✓	
3	Improvement to Sites	✓	✓	✓	

The revenue allocations will be regularly reviewed by the FRC. In reviewing the allocation of general funds, the FRC should take into consideration all revenues, including restricted revenues, available to each of the Budget Centers less any apportionment deficits, property tax shortfalls or uncollected student fees or shortfalls. If necessary, the FRC will recommend adjustments to District Council for submission to the Chancellor.

The expenditures allocated for District Services **and Operations** and for Institutional Costs will be developed based on the projected levels of expenditure for the prior fiscal year, taking into account unusual or one-time anomalies, reviewed by the FRC and the District Council and approved by the Chancellor and the Board of Trustees. Any transfers made between District departments during a fiscal year are one-time in nature and do not increase the overall District budget. If any permanent transfers are made at Tentative or Adopted budget, one department is reduced and another increased by the same amount and also do not increase the overall District budget.

DISTRICT SERVICES AND OPERATIONS – Examples are those expenses associated with the operations of **and the services provided by** the Chancellor's Office, Board of Trustees, Public Affairs, Human Resources, Risk Management, Educational Services, Institutional Research, Business Services, Internal Auditing, Fiscal Services, Payroll, Purchasing, Facilities Planning, ITS and Safety Services. The Publications Department operates on a chargeback system in Fund 13 and therefore their funds carryover from year to year to operate the enterprise. Economic Development expenditures are to be included in the District Services **and Operations** budget and clearly delineated from other District expenditures. An annual report of Economic Development activities and related costs will be presented to FRC.

INSTITUTIONAL COSTS – Examples are those expenses associated with State and Federal regulatory issues, property, liability and other insurances, board election, interfund transfers and Retiree Health Benefit Costs. As the board election expense is incurred every other year, it will be budgeted each year at one-half of the estimated cost. In the off years, the funds will remain unspent and specifically carried over to the next year to be used solely for the purpose of the election expense. If there is insufficient budget, the colleges will be assessed the difference based on the current SCFF split. If any funds remain unspent in an election year, it will be allocated to the colleges based on the current SCFF split for one-time uses.

~~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 and implement any suggestions. The review will include an evaluation of the effectiveness of the services provided to assure the District is appropriately funded. If the District Council believes a change to the allocation is necessary, it will submit its recommendation to the FRC for funding consideration and recommendation to the Chancellor. ****DISCUSS WITH POE?****~~

District Reserves and Deficits

The Board of Trustees will establish a reserve through board policy, state guidelines and budget assumptions.

The Chancellor reserves the right to adjust allocations as necessary.

The Board of Trustees is solely responsible for labor negotiations with employee groups. Nothing in this budget model shall be interpreted to infringe upon the Board's ability to collectively bargain and negotiate in good faith with employee organizations and meet and confer with unrepresented employees.

College Budget and Expenditure Responsibilities

Colleges will be responsible for funding the current programs and services that they operate as part of their budget plans within the revenues each generate. There are some basic guidelines the colleges must follow:

- Allocating resources to achieve the maximum state funded level of FTES and other SCFF metrics is a primary objective for all colleges.
- Requirements of the collective bargaining agreements apply to college level decisions.
- To ensure that the District complies with the State required full-time Faculty Obligation Number (FON), the District Chancellor will establish a FON for each college. Each college is required to fund at least that number of full-time faculty positions. Any financial penalties imposed by the state due to FON non-compliance will be borne proportionately by the college(s) not in compliance unless a districtwide strategic decision is made to fall below FON and other funding sources are identified.
- In making expenditure decisions, the impact upon the 50% law calculation must be considered and budgeted appropriately. Any financial penalties imposed by the state due to 50% law non-compliance will be borne proportionally (by SCFF split) by both campuses.
- With unpredictable state funding, the cost of physical plant maintenance is especially important. Lack of maintenance of the operations and district facilities and grounds will have a significant impact on the campuses and therefore needs to be addressed with a detailed plan and dedicated budget whether or not funds are allocated from the state.

Budget Center Reserves and Deficits

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

If a college incurs an overall deficit for any given year, the following sequential steps will be implemented:

The college reserve shall first be used to cover any deficit (structural and/or one-time). If reserves are not sufficient to cover the deficit, then the college is to prepare an immediate expenditure reduction plan that covers the amount of deficit along with a plan to replenish the 1% minimum reserve level. Once the college reserve has been exhausted, in circumstances when any remaining deficit is greater than 1.5% of budgeted Fund 11 expenditures, and a reduction plan has been prepared up to the 1.5% level, the college may request a temporary loan from District Reserves. The request, including a proposed payback period,

should be submitted to the FRC for review. If the FRC supports the request, it will forward the recommendation to the District Council for review and recommendation to the Chancellor who will make the final determination.

Instead of budgeting a districtwide deficit factor by reducing ongoing funding in Fund 11, each college will budget its share of a calculated deficit factor as recommended by FRC and determined by the Chancellor, but not less than 2%, in one-time funds in a Fund 13 contingency account. This account may not be utilized throughout the fiscal year unless the State Chancellor's office has confirmed there will be no deficit for that year. The colleges will then be required to budget for all ongoing costs in Fund 11 beginning in fiscal year 2025-26.

Revenue Modifications

Apportionment Revenue Adjustments

It is very likely each fiscal year that the District's revenues from state apportionment could be adjusted after the close of the fiscal year in the fall, but most likely at the P1 recalculation, which occurs eight months after the close of the fiscal year. This budget model therefore will be fluid, with changes made throughout the fiscal year (P-1, P-2, P-annual) as necessary. Any increase or decrease to prior year revenues is treated as a one-time addition or reduction to the colleges' current budget year and distributed in the model based on the most up to date SCFF apportionment split reported by the District and funded by the state.

The apportionment includes funded FTES, basic allocations for colleges and centers, supplemental, and student success allocations.

An example of revenue allocation adjustment:

\$100,000,000 is originally split 70% Santa Ana College (\$70,000,000) and 30% Santiago Canyon College (\$30,000,000) based on the SCFF split at the time of budget adoption. At the final SCFF recalculation for that year, the District earns an additional \$500,000 based on the total funded apportionment. In addition, the split of apportionment changes to 71% / 29%. The total revenue of \$100,500,000 is then redistributed \$71,355,000 to Santa Ana College and \$29,145,000 to Santiago Canyon College which would result in a shift of \$855,000 between the colleges. A reduction in funding will follow the same calculation.

It is necessary in this model to set a base level of FTES for each college. Per agreement by the Chancellor and college Presidents, the base FTES split is determined by the prior year final FTES total. Similar to how the state sets a base for district FTES, this will be the beginning base level for each college. Each year through the planning process there will be a determination made if the district has growth potential for the coming fiscal year. Each college will determine what level of growth they believe they can achieve and targets will be discussed and established through Chancellor's Cabinet. For example, if the district believes it has the opportunity for 2% growth, the colleges will determine the level of growth they wish to pursue. If both colleges decide to pursue and earn 2% growth and the district is funded for 2% growth, then each college's base would increase 2% the following year. In this case the split would still remain 70.80% / 29.20% as both colleges moved up proportionately (Scenario #1).

	Base FTES	% split	Scenario #1	New FTES	% split
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

If instead, one college decides not to pursue growth and the other college pursues and earns the entire district 2% growth, all of these FTES will be added to that college's base and therefore its base will grow more than 2% and the split will then be adjusted (Scenario #2).

	Base FTES	% split	Scenario #2	New FTES	% split
SAC	19,824	70.80%	0.00%	19,824	69.41%
SCC	8,176	29.20%	6.85%	8,736	30.59%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

Using this same example in which the district believes it has the opportunity for 2% growth, and both colleges decide to pursue 2% growth, however one college generates 3% growth and the other generates 2%, the college generating more FTES would have unfunded over cap FTES. The outcome would be that each college is credited for 2% growth, each base increases 2% and the split remains (Scenario #3).

	Base FTES	% split	Scenario #3	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(198.24)	
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

If instead, one college generates 3% and the other college less than 2%, the college generating the additional FTES can earn its 2% target plus up to the difference between the other college's lost FTES opportunity and the total amount funded by the district (Scenario #4).

	Base FTES	% split	Scenario #4	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(136.92)	
SAC	19,824	70.80%	2.31%	20,281.80	71.01%
SCC	8,176	29.20%	1.25%	8,278.20	28.99%
	<u>28,000</u>		2.00%	<u>28,560.00</u>	

All of these examples exclude the effect of statewide apportionment deficits. In the case of any statewide deficits, the college revenues will be reduced accordingly. In addition, the Chancellor reserves the right to make changes to the base FTES as deemed necessary in the best interest of the district as a whole.

Hold Harmless

This model includes several hold harmless mechanisms in alignment with the SCFF. The chart below describes the various methods the State Chancellor's Office uses to fund districts in the event apportionments are reduced from year to year. Hold Harmless funding currently is extended through 2024/25.

In any given year, a district's funding under the new Student Centered Funding Formula (SCFF) would be the highest of the amounts included in the lines below:					
Line	Statutory Reference	2018-19	2019-20	2020-21	2021-22
1	Education Code section (ECS) 84750.4(b), 84750.4(c), 84750.4(d), 84750.4(e), and 84750.4(f) [STUDENT-CENTERED FUNDING FORMULA (SCFF)]	SCFF calculation	SCFF calculation	SCFF calculation	SCFF calculation
2	ECS 84750.4(g)(1)	2017-18 TCR. ^{/1}	2017-18 TCR. ^{/1}	N/A	N/A
3	ECS 84750.4(g)(2)	N/A	N/A	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2020-21 FTES, with basic allocation. ^{/1}	2017-18 credit, noncredit, and CDCP noncredit rates, multiplied by 2021-22 FTES, with basic allocation. ^{/1}
4	ECS 84750.4(g)(4)	N/A	Greater of lines 1 or 2 as calculated in 2018-19.	Greater of lines 1 or 2 as calculated in 2019-20.	Greater of lines 1 or 3 as calculated in 2020-21.
5	ECS 84750.4(h)	2017-18 TCR adjusted by 2018-19 COLA.	2017-18 TCR adjusted by 2018-19 and 2019-20 COLAs.	2017-18 TCR adjusted by 2018-19, 2019-20, and 2020-21 COLAs.	N/A
^{/1} Special provisions for San Francisco Community College District and Compton Community College District.					
TCR = Total Computational Revenue					

Stability

There remains one year of stabilization under SCFF following Hold Harmless. If a district drops below the prior year total apportionment, they are stabilized at the prior year apportionment amount for that year, giving the district the following year to regain the funding or be reduced to the actual amount earned.

Allocation of New State Revenues

Growth Funding: A college seeking the opportunity for growth funding will utilize its own carryover funds to offer a schedule to achieve the desired growth. Once the growth has been confirmed as earned and funded by the state and distributed to the district, the appropriate allocation will be made to the college(s) generating the funded growth back through the model. Growth/Restoration Funds will be allocated to the

colleges when they are actually earned.

Revenues which are not college specific (for example, student fees that cannot be identified by college), will be allocated based on total funded SCFF percentage split between the campuses.

After consultation with district's independent audit firm, the implementation team agreed that any unpaid, uncollected student fees will be written off as uncollectible at each year end. This way, only actual collected revenues are distributed in this model. At P-1, P-2 and P-annual, uncollected fee revenues will be adjusted.

Due to the instability of revenues, such as interest income, discounts earned, auction proceeds and vendor rebates (not including utility rebates which are budgeted in Fund 41 for the particular budget center), revenues from these sources will **not** be part of the revenue allocation formula. Income derived from these sources will be deposited to the institutional reserves. The ongoing state allocation for the Mandates Block Grant will be allocated to the colleges through the model. Any one-time Mandates allocations received from the state will be discussed by FRC and recommendations will be made for one-time uses.

Cost of Living Adjustments: COLAs included in the tentative and adopted budgets shall be distributed to the three budget centers pro rata based on total budgeted salary and benefits expenses and sequestered and not allocated for expenditure until after collective bargaining for all groups have been finalized.

Lottery Revenue: Income for current year lottery income is received based on the prior fiscal year's FTES split. At Tentative Budget, the allocation will be made based on projected FTES without carryover. At Adopted Budget, final FTES will be used and carryovers will be included.

Other Modifications

Salary and Benefits Cost

All authorized full-time and ongoing part-time positions shall be budgeted with corresponding and appropriate fixed cost and health and welfare benefits. Vacant positions will be budgeted at the beginning of the fiscal year or when newly created at the level Class VI, Step 11 for full-time faculty and at the mid-level for other positions (ex. Step 3 for CSEA, Step 4 for Management, and AA step 6 for teachers and BA step 6 for master teachers in child development), with the district's average cost for the health and welfare benefits by employee group. The full cost of all positions, regardless of the budgeted amount, including step and column movement costs, longevity increment costs and any additional collective bargaining agreement costs, will be charged to the particular Budget Center. The colleges are responsible for this entire cost, including any increases or adjustments to salary or benefits throughout the year. If a position becomes vacant during a fiscal year, the Budget Center has the discretion to move unused and available budget from the previous employee's position for other one-time costs until filled or defunded. Any payoffs of accrued vacation, or any additional costs incurred at separation from employment with the district, will be borne by the particular Budget Center. When there is a vacancy that won't be filled immediately, Human Resources should be consulted as to how long it can remain vacant. The colleges should also consult Human Resources and Fiscal Services regarding the FON when recommending to defund faculty positions.

Grants/Special Projects

Due to the timeliness issues related to grants, approvals rest with the respective Chancellor's Cabinet member, through established processes, in all cases except for Economic Development grants in which a new grant opportunity presents itself which requires an increase to the District **Services and Operations Office** budget due to match or other unrestricted general fund cost. In these cases, the grant will be reviewed by Chancellor's Cabinet with final approval made by the Chancellor.

Certain grants and special categorical programs are specifically allocated at the college level. In those cases, the specific college would receive the related funding. In other cases, certain grants and special categorical programs are allocated at the district level for both colleges based on particular criteria. In these cases, the allocation would be split pro rata to the colleges based on the same criteria used to allocate funding to the district, unless the two college presidents agree to some other split arrangement.

Some grants allow for charges of indirect costs. These charges will accumulate by Budget Center during each fiscal year. At fiscal year-end, once earned, each college will be allocated 100% of the total indirect costs earned by that college and transferred into Fund 13 the following year to be used for one-time expenses. The indirect costs earned by district projects will roll into the institutional ending fund balance with the exception of the District Educational Services grants. In order to increase support services and resources provided to the colleges and to acknowledge the additional costs associated with administering grants, any accumulated indirect costs generated from these grants will be distributed as follows: 25% will roll into the institutional ending fund balance, 25% will offset the overall District **Services and Operations** expenditures in that given year, and 50% will carryover specifically in a Fund 13 account to be used at the discretion of the Chancellor.

It is the district's goal to fully expend grants and other special project allocations by the end of the term; however, sometimes projects end with a small overage or can be under spent. For any overage or allowable amount remaining, these amounts will close into the respective Budget Center's Fund 13 using 7200 transfers.

Banked LHE Load Liability

The liability for banked LHE is accounted for in separate college accounts. The cost of faculty banking load will be charged to the college during the semester the course is taught and added to the liability. When an instructor takes banked leave, they will be paid their regular salary and District Fiscal Services will make a transfer from the liability to the college 1300 account to pay the backfill cost of teaching the load. A college cannot permanently fill a faculty position at the time someone takes their final year or semester off before retirement. Filling a vacancy cannot occur until the position is actually vacant. In consultation with Human Resources and Fiscal Services, a college can request to swap another faculty vacancy they may have in another discipline or pay the cost differential if they determine programmatically it needs to be filled sooner.

This method will appropriately account for the costs of each semester offerings and ensure an appropriate liability. Although the liability amounts will be accounted for by college, only District Fiscal Services will be able to make transfers from these accounts. Each year end a report will be run to reconcile the total cost of the liability and to determine if any additional transfers are required. The college will be charged or credited for the differences.

Other Possible Strategic Modifications

Summer FTES

The 3-year average used under SCFF for credit FTES funding has severely reduced the effectiveness of the “summer shift,” nevertheless, there may be times when it is in the best financial interest of the District to shift summer FTES between fiscal years. When this occurs, the first goal will be to shift FTES from both colleges in the same proportion as the total funded FTES for each of the colleges. If this is not possible, then care needs to be exercised to ensure that any such shift does not create a disadvantage to either college. If a disadvantage is apparent, then steps to mitigate this occurrence will be addressed by the FRC.

Borrowing Shifting of summer FTES is not a college-level decision, but rather it is a District-level determination. It is not a mechanism available to individual colleges to sustain their internal FTES levels.

Long-Term Plans

Colleges: Each college has a long-term plan for facilities and programs. The District Chancellor, in consultation with the Presidents, will evaluate additional funding that may accrue to the colleges beyond what the model provides. The source of this funding will also have to be identified.

Santa Ana College (SAC) utilizes the Educational Master Plan in concert with the SAC Strategic Plan to determine the long-term plans for the college. Long-term facilities plans are outlined in the latest Facilities Master Plan, and are rooted in the Educational Master Plan. SAC links planning to budget through the use of the SAC Comprehensive Budget Calendar, which includes planning milestones linked to the college’s program review process, Resource Allocation Request (RAR) process, and to the District’s planning and budget calendar. As a result of the Program Review Process, resource allocation needs are requested via the RAR process, which identifies specific resources required to achieve specific intended outcomes. The budget augmentation requests are then prioritized at the department, division, and area level in accordance with established budget criteria. The college’s Planning and Budget Committee reviews the prioritized RARs, and they are posted to the campus Planning and Budget web page for the campus community to review. As available resources are realized, the previously prioritized RAR are funded.

At Santiago Canyon College (SCC), long-term plans are developed similarly to short-term plans, and exist in a variety of interconnected processes and documents. Program Reviews are the root documents that form the college’s Educational Master Plan and serve to align planning with resource allocation. The allocation of resources is determined through a formal participatory governance process. The Planning and Institutional Effectiveness (PIE) committee is the participatory governance committee that is charged with the task of ensuring resource allocation is tied to planning. Through its planning cycle, the PIE committee receives resource requests from all college units and ensures that each request aligns with the college mission, college goals, and program reviews. All requests are then ranked by the PIE committee, placed on a college-wide prioritized list of resource requests, and forwarded to the college budget committee for review. If the budget committee identifies available funds, those funds are noted on the prioritized list, and sent back to the PIE committee. The PIE committee then forwards the prioritized list, along with the budget committee’s identification of available funds, to College Council for approval of the annual budget.

District Services and Operations: District Services and Operations and Institutional Costs may also require additional funding to implement new initiatives in support of the colleges and the district as a whole. 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.

Budget Input

Using a system for Position Control, Fiscal Services will budget 100% of all regular personnel cost of salary and benefits, and notify the Budget Centers of the difference between the computational total budget from the Budget Allocation Model and the cost of regular personnel. The remaining line item budgets will roll over from one year to the next so the Budget Centers are not required to input every line item. The Budget Centers can make any allowable budget changes at their discretion and will also be required to make changes to reconcile to the total allowable budget per the model.

Rancho Santiago Community College District

Budget Allocation Model Based on the SCFF

Appendix A – Definition of Terms

AB 1725 – Comprehensive California community college reform legislation passed in 1988, that covers community college mission, governance, finance, employment, accountability, staff diversity and staff development.

Accreditation – The review of the quality of higher education institutions and programs by an association comprised of institutional representatives. The Accrediting Commission for Community and Junior Colleges (ACCJC) of the Western Association of Schools and Colleges (WASC) accredits California's community colleges.

Apportionments – Allocations of State or federal aid, local taxes, or other monies among school districts or other governmental units. The district's base revenue provides most of the district's revenue. The State general apportionment is equal to the base revenue less budgeted property taxes and student fees. There are other smaller apportionments for programs such as apprenticeship and EOPS.

Augmentation – An increased appropriation of budget for an intended purpose.

Bank Leave – Faculty have the option to “bank” their beyond-contract teaching load instead of getting paid during that semester. They can later request a leave of absence using the banked LHE.

BAM – Budget Allocation Model

BAPR – Budget and Planning Review Committee.

Base Allocation (Funding) – The base allocation represents approximately 70% of the statewide funding for CCC's. The base allocation includes the Basic Allocation and FTES in Traditional Credit, Special Admit Credit, Incarcerated Credit, Traditional Noncredit, CDCP, and Incarcerated Noncredit. A district's base funding could be higher or lower than the 70% statewide target depending on FTES generation as a comparison to overall apportionment.

Base FTES – The amount of funded actual FTES from the prior year becomes the base FTES for the following year. For the tentative budget preparation, the prior year P1 will be used. For the proposed adopted budget, the prior year P2 will be used. At the annual certification at the end of February, an adjustment to actual will be made.

Basic Allocation – Funding based on the number of colleges and comprehensive educational centers in the community college district. Rates for the size of colleges and comprehensive educational centers were established as part of SB 361 and henceforth are adjusted annually by COLA. The district receives a basic allocation for CEC, OEC, SAC, and SCC. Current year FTES is used to determine the basic allocation.

Budget Center – The three Budget Centers of the district are Santa Ana College, Santiago Canyon College, and District Services **and Operations**.

Budget Stabilization Fund – The portion of the district's ending fund balance, in excess of the **12.5%** Board Policy Contingency **minimum amount of two months of combined general fund operating expenditures**, budget center carryovers and any restricted balances, available for one-time needs at the discretion of the chancellor and Board of Trustees. **This fund will be capped at \$3 million each July 1 unless the Chancellor determines a need for a higher balance. This need will be explained in writing to FRC.**

Cap – An enrollment limit beyond which districts do not receive funds for additional students.

Capital Outlay – Capital outlay expenditures are those that result in the acquisition of, or addition to, fixed assets. They are expenditures for land or existing buildings, improvement of sites, construction of buildings, additions to buildings, remodeling of buildings, or initial or additional equipment. Construction-related salaries and expenses are included.

Categorical Funds – Money from the State or federal government granted to qualifying districts for special programs, such as Student Equity and Achievement or Career Education. Expenditure of categorical funds is restricted to the fund's particular purpose. The funds are granted to districts in addition to their general apportionment.

Career Development and College Preparation (CDCP) - Noncredit courses offered in the four distinct categories (instructional domains) of English as a Second Language (ESL), Elementary and Secondary Basic Skills, Short-term Vocational, and Workforce Preparation are eligible for "enhanced funding" when sequenced to lead to a Chancellor's Office approved certificate of completion, or certificate of competency, in accordance with the provisions of the California Education Code governing Career Development and College Preparation (CDCP) programs.

CCCCO – California Community College Chancellor's Office

Comprehensive Educational Center – An off-campus site administered by a parent college that offers programs leading to certificates or degrees that are conferred by the parent institution. The district comprehensive centers are Centennial Education Center (CEC) and Orange Education Center (OEC).

COLA – Cost of Living Adjustment allocated from the State calculated by a change in the Consumer Price Index (CPI).

College Reserve – College-specific one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes.

Credit FTES – Credit FTES include traditional credit, special admit and incarcerated populations. Traditional credit FTES are funded based on a simple three-year rolling average of the current year and prior two years. Special admit and incarcerated FTES are funded based on the current year production.

Decline – When a District (or college internally) earns fewer FTES than the previous year. (please see Stabilization and Restoration)

Defund – Eliminating the cost of a position from the budget.

Ending Fund Balance – Defined in any fiscal year as Beginning Fund Balance plus total revenues minus total expenditures. The Ending Fund Balance rolls over into the next fiscal year and becomes the Beginning Fund Balance. It is comprised of College Reserves, Institutional Reserves and any other specific carryovers as defined in the model or otherwise designated by the Board.

Fifty Percent Law (50% Law) – Section 84362 of the Education Code, commonly known as the 50% Law, requires each community college district to spend at least half of its “current expense of education” each fiscal year on the “salaries of classroom instructors.” Salaries include benefits and salaries of instructional aides.

Fiscal Year – Twelve calendar months; in California, it is the period beginning July 1 and ending June 30. Some special projects use a fiscal year beginning October 1 and ending September 30, which is consistent with the federal government’s fiscal year.

FON – Faculty Obligation Number. The minimum number of full-time faculty the district is required to employ as set forth in title 5, section 53308.

FRC – Fiscal Resources Committee.

FTES – Full-Time Equivalent Students. The number of students in attendance as determined by actual count for each class hour of attendance or by prescribed census periods. Every 525 hours of actual attendance counts as one FTES. The number 525 is derived from the fact that 175 days of instruction are required each year, and students attending classes three hours per day for 175 days will be in attendance for 525 hours ($3 \times 175 = 525$). FTES are separated into the following categories for funding; traditional credit, special admit, incarcerated, traditional noncredit and CDCP.

Fund 11 – The unrestricted general fund used to account for ongoing revenue and expenditures.

Fund 12 – The restricted general fund used to account for categorical and special projects.

Fund 13 – The unrestricted general fund used to account for unrestricted carryovers and one-time revenues and expenses.

Growth – Funds provided in the State budget to support the enrollment of additional FTES.

In-Kind Contributions – Project-specific contributions of a service or a product provided by the organization or a third-party where the cost cannot be tracked back to a cash transaction which, if allowable by a particular grant, can be used to meet matching requirements if properly documented. In-kind expenses generally involve donated labor or other expense.

Indirect Cost – Indirect costs are institutional, general management costs (i.e., activities for the direction and control of the district as a whole) which would be very difficult to be charged directly to a particular project. General management costs consist of administrative activities necessary for the general operation of the agency, such as accounting, budgeting, payroll preparation, personnel services, purchasing, and centralized data processing. An indirect cost rate is the percentage of a district's indirect costs to its direct costs and is a standardized method of charging individual programs for their share of indirect costs.

Institutional Reserve – Overall districtwide one-time funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. The Institutional Reserve consists of the Board Policy Contingency, the Budget Stabilization Fund, and any other contingency fund held at the institutional level over and above the College Reserves.

Mandated Costs – District expenses which occur because of federal or State laws, decisions of federal or State courts, federal or State administrative regulations, or initiative measures.

Modification – The act of changing something.

Noncredit – Noncredit coursework consists of traditional noncredit and CDCP. CDCP is eligible for enhanced funding. Current year FTES are used to determine funding.

POE – Planning and Organizational Effectiveness Committee.

Proposition 98 – Proposition 98 refers to an initiative constitutional amendment adopted by California's voters at the November 1988 general election which created a minimum funding guarantee for K-14 education and also required that schools receive a portion of State revenues that exceed the State's appropriations limit.

Reserves – Funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. Districts that have less than a 5% reserve are subject to a fiscal "watch" to monitor their financial condition.

Restoration – A community college district is entitled to restore any reduction of apportionment revenue related to decreases in total FTES during the three years following the initial year of decrease if there is a subsequent increase in FTES.

SB 361 – The Community College Funding Model (Senate Bill 361), effective October 1, 2006 through July 1, 2018, included funding-based allocations depending on the number of FTES served, credit FTES funded at an equalized rate, noncredit FTES funded at an equalized rate, and enhanced noncredit FTES funded at an equalized rate. The intent of the formula was to provide a more equitable allocation of system-wide resources, and to eliminate the complexities of the previous Program-Based Funding model while still retaining focus on the primary component of that model instruction. In addition, the formula provided a base operational allocation for colleges and centers scaled for size.

SCFF – The Student Centered Funding Formula was adopted on July 1, 2018 as the new model for funding California community colleges. The SCFF is made up of three parts: Base Allocation,

Supplemental Allocation, and Student Success Allocation. The aim of the SCFF is to improve student outcomes as a whole while targeting student equity and success.

Seventy-five/twenty-five (75/25) – Refers to policy enacted as part of AB 1725 that sets 75% of the hours of credit instruction as a goal for classes to be taught by full-time faculty.

Stabilization – If a district drops below the prior year total apportionment, they are stabilized at the prior year apportionment amount for that year, giving the district the following year to regain the funding or be reduced to the actual amount earned.

Student Success Allocation (Funding) – Consists of approximately 10% of the statewide budget. Apportioned to districts based on a variety of metrics that measures student success. Some examples of the metrics used include associate degrees and certificates awarded, transfers, nine or more CTE units, number of students successfully completing transfer level Math and English in their first academic year and number of students achieving a regional living wage. The student success allocation is based on a simple three-year rolling average which uses the prior year; prior, prior year; and prior, prior, prior year outcome metrics. Students contributing to fully funded FTES populations (special admit and incarcerated) are not included for funding.

Supplemental Allocation (Funding) – Consists of approximately 20% of the statewide budget. Apportioned to districts based on districts students that are Pell Grant Recipients, AB540 students and/or California Promise Grant Recipients. Prior year data is used for funding.

Target FTES – The estimated amount of agreed upon FTES the district or college anticipates the opportunity to earn growth/restoration funding during a fiscal year.

Three-year Average – Traditional credit FTES data for any given fiscal year is the average of current year, prior year and prior, prior year. Special Admit and Incarcerated FTES are not included in the three-year average. A three-year average is also utilized for student success metrics. For student success, the three-year average uses the prior year; prior, prior year; and prior, prior, prior years to determine funded outcomes.

Title 5 – The portion of the California Code of Regulations containing regulations adopted by the Board of Governors which are applicable to community college districts.

1300 accounts – Object Codes 13XX designated to account for part-time teaching and beyond contract salary cost.

7200 Transfers – Intrafund transfers made between the restricted and unrestricted general fund to close a categorical or other special project at the end of the fiscal year or term of the project.

Appendix B – History of Allocation Model

In 2008, both colleges were visited by ACCJC Accreditation Teams in the normal accreditation cycle. The Teams noticed that the district's budget allocation model that was in place for approximately ten years had not been annually reviewed as to its effectiveness as stated in the model documents. The existing revenue allocation model was developed when the district transformed into a multi-college district. The visiting Team recommended a review of the existing budget allocation model and recommended changes as necessary.

The Budget Allocation and Planning Review Committee (BAPR) charged the BAPR Workgroup, a technical subgroup of BAPR, with the task of reviewing the ten-year-old model. In the process, the Workgroup requested to evaluate other California Community College multi-campus budget allocation models. Approximately twenty models were reviewed. Ultimately, the Workgroup focused on a revenue allocation model as opposed to an expenditure allocation model. A revenue allocation model allocates revenues (state and local) generated in a budget year to the college campuses in the district based on the state funding model that allocates state apportionment revenues to districts. An expenditure allocation model allocates, by agreed upon formulas, expenditure appropriations for full-time faculty staffing, adjunct faculty staffing, classified and administrative staffing, associated health and welfare benefit costs, supply and equipment budgets, utility costs, legal and other services. The BAPR Workgroup ultimately decided on a revenue allocation formula in order to provide the greatest amount of flexibility for the campuses.

Senate Bill 361, passed in 2006, changed the formula of earned state apportionment revenues to essentially two elements, 1) Basic Allocations for college/center base funding rates based on FTES size of the college and center and 2) Full Time Equivalent Students (FTES) based on earned and funded FTES. The BAPR Workgroup determined that since this is how our primary funding comes from the state this model should be used for distribution on earned revenues to the colleges. The colleges and centers are the only entities in the district that generates this type of funding. Revenue earned and funded by the state will be earned and funded at the colleges.

In the Spring of 2019, Rancho Santiago Community College District began the process of developing a new budget allocation model (BAM) to better align with the newly adopted Student Centered Funding Formula. On November 18, 2020 the Fiscal Resource Committee (FRC) finished their work and recommended a new BAM.

The following committee members participated in the process:

Santa Ana College	Santiago Canyon College	District
Bart Hoffman	Steven Deeley	Morrie Barembaum (FARSCCD)
Vanessa Urbina	Cristina Morones	Noemi Guzman
William Nguyen	Craig Rutan – Co-Chair	Adam O’Connor – Chair
Roy Shahbazian	Arleen Satele	Thao Nguyen
		Enrique Perez
Vaniethia Hubbard (alternate)	Syed Rizvi (alternate)	Erika Almaraz (alternate)

The Budget Allocation Model (BAM) described in this document provides the guidelines, formulas, and basic steps for the development of an annual district budget including the allocation of budget expenditure responsibilities for Santa Ana College, Santiago Canyon College, and District Services **and Operations** referred to as the three district Budget Centers. The budget is the financial plan for the district, and application of this model should be utilized to implement the district’s vision, mission statement, district strategic plan and the technology strategic plan as well as the colleges’ mission statements, educational master plans, facilities master plans and other planning resources. The annual implementation of the budget allocation model is to be aligned with all of these plans. To ensure that budget allocation is tied to planning, it is the responsibility of District Council to review budget and planning during the fiscal year and, if necessary, recommend adjustments to the budget allocation model to keep the two aligned for the coming year. The Chancellor and the Board of Trustees are ultimately responsible for the annual budget and the expenditures associated with the budget. In February of 2013, the Board of Trustees adopted a new planning design manual. This document eliminated BAPR and created the Fiscal Resources Committee (FRC). The FRC is responsible for recommending the annual budget to the District Council for its recommendation to the Chancellor and Board of Trustees. FRC is also responsible for annual review of the model for accreditation and can recommend any modifications to the guidelines.

<u>50% Law FY 24/25 Actual as of 4/30/25 - SAC</u>					
			2024/2025		
			Instructional Salary Cost (AC 0100-5900 & AC 6110)	Total (AC 0100-6799)	YTD Excluded Activities (6800- 7390)
					YTD Grand Total (0100-7xxx)
11xx	407	22,580,980	22,580,980	-	22,580,980
13xx		26,889,879	26,889,879	-	26,889,879
12xx	408		10,828,561	26,540	10,855,101
14xx			1,425,641	-	1,425,641
Sub-total Academic Salaries	409	49,470,859	61,725,061	26,540	61,751,601
21xx	411		11,673,208	981,088	12,654,296
23xx			676,148	149,440	825,588
22xx	416	383,594	383,594	-	383,594
24xx		898,661	898,661	-	898,661
Sub-total Classified Salaries	419	1,282,255	13,631,611	1,130,528	14,762,139
3xxx	429	15,256,212	27,432,185	678,892	28,111,077
4xxx	435		528,312	762	529,074
5xxx (Other Operating Expenses (in the numerator, include only direct instructional costs associated with instructional Service Agreements (5873)	449	881,121	5,969,966	187,631	6,157,597
6420 - Replacement Equipment	451		-	-	-
TOTAL (409+419+429+435+449+451)	459	66,890,447	109,287,135	2,024,353	111,311,488
Less Exclusions	469	-	1,915,679	-	1,915,679
<i>Instructional Staff Retiree Benefits (activity 590000)</i>		-	-	-	-
<i>Non-Instructional Staff Retiree Benefits (activity 674000)</i>			-	-	-
<i>student transportation (5966 object, activity 649000, fund 11)</i>			4,000		4,000
<i>student health services (project 3450, activity 644000, fund 11) beyond income received (above amount collected)</i>			(375,122)		(375,122)
<i>rents and leases (5610,5611,5612,5650,5651,5652, fund 11) instructional agreement (5871,5872)</i>			379,933	-	379,933
<i>Lottery exp (project 2390 and 2391, fund 11 up to income)</i>			1,906,868		1,906,868
TOTALS (459-469)	470	66,890,447	107,371,456		
Percent of CEE (470, col. 1/470, col. 2)	471	62.30%	100.00%		
50 Percent of Current Expense of Education (50% of 470, col 2)	472		53,685,728		
Nonexempted Deficiency from second preceding Fiscal Year	473		-		
Amt. Req. to be Expended for Salaries of Classroom Instructors (472+473)	474		53,685,728		

<u>50% Law FY 24/25 Actual as of 4/30/25 - SCC</u>					
			2024/2025		
			Instructional		
			Salary Cost	Total	YTD
			(AC 0100-5900	(AC 0100-6799)	Excluded
			&		Activities (6800-
			AC 6110)		7390)
					YTD
					Grand Total
					(0100-7xxx)
11xx	407	9,975,972	9,975,972	-	9,975,972
13xx		11,419,385	11,419,385	-	11,419,385
12xx	408		5,752,098	32,389	5,784,487
14xx			844,177	-	844,177
Sub-total Academic Salaries	409	21,395,357	27,991,632	32,389	28,024,021
21xx	411		6,356,252	253,927	6,610,179
23xx			601,921	10,344	612,265
22xx	416	345,750	345,750	-	345,750
24xx		240,152	240,152	-	240,152
Sub-total Classified Salaries	419	585,902	7,544,075	264,271	7,808,346
3xxx	429	6,791,168	13,543,238	151,908	13,695,146
4xxx	435		261,803	7,109	268,912
5xxx (Other Operating Expenses (in the numerator, include only direct instructional costs associated with instructional Service Agreements (5873)	449	3,679,860	5,483,525	7,106	5,490,631
6420 - Replacement Equipment	451		-		-
TOTAL (409+419+429+435+449+451)	459	32,452,287	54,824,273	462,783	55,287,056
Less Exclusions	469	-	1,111,829	-	1,111,829
Instructional Staff Retiree Benefits (activity 590000)		-	-	-	-
Non-Instructional Staff Retiree Benefits (activity 674000)		-	-	-	-
student transportation (5966 object, activity 649000, fund 11)		-	-	-	-
student health services (project 3450, activity 644000, fund 11) beyond income received (above amount collected)			(114,960)		(114,960)
rents and leases (5610,5611,5612,5650,5651,5652, fund 11) instructional agreement (5871,5872)		-	127,655		127,655
Lottery exp (project 2390 and 2391, fund 11 up to income)			1,099,134		1,099,134
TOTALS (459-469)	470	32,452,287	53,712,444		
Percent of CEE (470, col. 1/470, col. 2)	471	60.42%	100.00%		
50 Percent of Current Expense of Education (50% of 470, col 2)	472		26,856,222		
Nonexempted Deficiency from second preceding Fiscal Year	473		-		
Amt. Req. to be Expended for Salaries of Classroom Instructors (472+473)	474		26,856,222		

<u>50% Law FY 24/25 Actual as of 4/30/25 - RSCCD - Combined</u>					
			2024/2025		
			Instructional		
			Salary Cost	Total	YTD
			(AC 0100-5900	(AC 0100-6799)	Excluded
			&		Activities (6800-
			AC 6110)		7390)
					YTD
					Grand Total
					(0100-7xxx)
11xx	407	32,556,952	32,556,952	-	32,556,952
13xx		38,309,264	38,309,264	-	38,309,264
12xx	408		16,551,791	238,211	16,790,002
14xx			2,269,981	-	2,269,981
Sub-total Academic Salaries	409	70,866,216	89,687,988	238,211	89,926,199
21xx	411		31,798,353	3,604,042	35,402,395
23xx			1,674,067	300,541	1,974,608
22xx	416	722,943	722,943	-	722,943
24xx		1,134,587	1,134,587	-	1,134,587
Sub-total Classified Salaries	419	1,857,530	35,329,950	3,904,583	39,234,533
3xxx	429	24,728,821	55,709,146	2,175,089	57,884,235
4xxx	435		989,999	19,241	1,009,240
5xxx (Other Operating Expenses (in the numerator, include only direct instructional costs associated with instructional Service Agreements (5873)	449	4,560,981	19,230,275	1,025,559	20,255,834
6420 - Replacement Equipment	451		-	-	-
TOTAL (409+419+429+435+449+451)	459	102,013,548	200,947,358	7,362,683	208,310,041
Less Exclusions	469	2,660,009	10,210,280	117,438	10,327,718
Instructional Staff Retiree Benefits (activity 590000)		2,660,009	2,660,009	-	2,660,009
Non-Instructional Staff Retiree Benefits (activity 674000)		-	3,743,632	-	3,743,632
student transportation (5966 object, activity 649000, fund 11)		-	4,000	-	4,000
student health services (project 3450, activity 644000, fund 11) beyond income received (above amount		-	(490,082)	-	(490,082)
rents and leases (5610,5611,5612,5650,5651,5652, fund 11) instructional agreement (5871,5872)		-	607,621	-	607,621
Lottery exp (project 2390 and 2391, fund 11 up to income)		-	3,685,100	117,438	3,802,538
TOTALS (459-469)	470	99,353,539	190,737,078		
Percent of CEE (470, col. 1/470, col. 2)	471	52.09%	100.00%		
50 Percent of Current Expense of Education (50% of 470, col 2)	472		95,368,539		
Nonexempted Deficiency from second preceding Fiscal Year	473		-		
Amt. Req. to be Expended for Salaries of Classroom Instructors (472+473)	474		95,368,539		

H:\Department Directories\Fiscal Services\2024-2025\fiscal year 2024-2025 vacant positions data received as of May 14, 2025.xlsx, May 14-2025

Vacant Funded Positions for FY2024-25- Projected Annual Salary and Benefits Savings
As of May 14, 2025

	Management/ Academic/ Confidential	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes	Vacant Account	2024-25 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
Fund										
	11	Mora, Jorge	1030245	High School & Community Outreach Specialist	SAC	06/30/2024	- Hired CL24-00996 Maldonado, Vanessa#1687210 Eff:2/18/25	11-0000-649000-18100-2130	-	
	11	Murillo, George	1027926	Skilled Maintenance Worker	SAC	05/19/2024	- Hired CL24-00957 Adomo, Jessy#2205622 Eff:2/10/2025	11-0000-651000-17400-2130	-	
	11	Naguib-Estefanos, Nancy A	2018465	Senior Clerk	SAC	10/02/2022	59,429	11-0000-646000-19405-2130	-	106,128
	11	Nguyen, Hung	1030881	Admissions and Records Tech Specialist	SAC	11/24/2024	106,305	WOC Nguyen, Jay#1062155 Eff:9/3/24- 6/30/25	11-0000-620000-19205-2130-80% 11-2410-620000-19205-2130-20%	177,980
	11	Nguyen, Thuy	1026315	Library Technician II	SAC	12/30/2023	- Hired CL24-00821 Fisher, Ivette #1888390 Eff:6/6/24	11-0000-612000-15915-2130	-	
	11	Pacino, Joseph	1029364	Instructional Media Producer	SAC	05/31/2024	- Tyler#2737286 Eff:7/29/24	11-0000-679000-11501-2130	-	
75%-fd 11								11-0000-601000-18100-2130-75%	-	
25%-fd 12		Pittman, Ivonne	1423993	Division Administrative Assistant	CEC	01/26/2025	23,716	12-2490-601000-18100-2130-25%	-	41,467
	11	Plascencia, Ambar	2322951	Administrative Clerk	SAC	04/01/2024	- Hired CL24-00954 Flores, Destiny #2312326 Eff:10/7/24	11-0000-619000-15054-2130	-	
	11	Ramirez, Leonardo	1379054	Skilled Maintenance Worker	SAC	01/03/2022	- Hired CL24-00957 Pulido, Juan #2861384 Eff:2/3/2025	11-0000-651000-17400-2130	-	
	11	Razo, Mariano	1029552	Custodian	SAC	03/25/2024	69,829	11-0000-653000-17200-2130	-	126,772
82%-fd 11								11-0000-620000-18100-2130-82% 12-1102-620000-18100-2130-18%	-	
18%-fd 13		Reimer, Lillian	1025907	Admissions/Records Specialist I	SAC	08/16/2022	53,091	11-2250-643000-19300-2130-25%	-	92,972
25%-fd 11								12-2250-643000-19300-2130-64%	-	
75%-fd 12		Reimer, Tracy	1417177	Counseling Assistant	SAC	02/17/2025	4,970	12-2090-643000-19300-2130-11%	-	9,260
	11	Rodriguez, Fidel	1029186	Lead Custodian	SAC	07/31/2024	69,361	11-0000-655000-17300-2130	-	116,098
	11	Rodriguez, Hector	2611615	Gardener/Utility Worker	SAC	05/03/2022	59,429	11-0000-655000-17300-2130	-	106,132
	11	Saldana, Maria	1027925	Library Clerk	SAC	06/29/2024	- Hired CL24-01026 Britton, Bailey#2882736 Eff:3/19/25	11-0000-612000-15915-2130	-	
	11	Sandoval, Christopher	1904454	Senior Clerk	SAC	12/31/2023	- Hired CL24-00896 Galla, Christine Mae #2020181 Eff:1/23/2025	11-0000-660000-11100-2130	-	
	11	Sanchez-Moreno, Marisol	2039925	Division Administrative Assistant	SAC	11/11/2024	- Hired CL24-01079 Hilton, Anna#2847966 Eff:1-7-2025	11-0000-601000-15105-2130	-	
	11	Santamaria, Mark	1028966	HVAC Mechanic	SAC	11/02/2024	60,360	11-0000-651000-17400-2130	-	96,109
	11	Serna, Ashley	2039756	Intermediate Clerk	SAC	04/15/2025	10,232	11-0000-631000-15310-2130	-	10,830
40%-fd 11								11-0000-632000-19510-2130-40%	-	
60%-fd 12		Student Services Specialist	REORG#1190	Student Services Specialist	SAC	12/29/2019	25,898	12-2416-632000-19510-2130-60%	-	45,353
	11	Talarico, Chistina	2237788	Division Administrative Assistant	SAC	11/21/2024	47,231	11-0000-601000-15105-2130	-	78,922
	11	Taylor, Katherine A.	1028961	P/T Admissions/Records Specialist I	SAC	10/01/2020	23,656	11-0000-620000-19205-2310-30% 11-2410-620000-19205-2310-70%	-	32,231
50%-fd 11								11-0000-620000-19205-2130-40%	-	
50%-fd 12		Vu, Amy	2235583	Admissions/Records Specialist II	SAC	09/30/2023	- Hired CL23-00748 Cabrera, Juan#2218013 eff:7/9/24	11-2410-620000-19205-2130-10%	-	
							- Hired CL24-01042 Morales, Jessica#1348665 Eff:4/22/2025. WOC	11-0000-620000-19215-2130-35%	-	
75%-fd 11								11-2410-620000-19215-2130-40%	-	
25%-fd 12		Wilson, Gina	1028331	Graduation Specialist	SAC	07/31/2024	- Tatakawa, Stephanie#2712439 Eff:8/1/24- 6/30/25	12-2412-649000-19205-2130-25%	-	
	11	Yoder, Brian	1028171	Instructional Media Producer	SAC	09/01/2023	- Hired CL23-00865 Collado Mendoza, Marcos#2633328 Eff:7/29/24	11-0000-679000-11501-2130	-	
82%-fd 11								11-0000-690000-24129-2130-91%	-	
18%-fd 12		Zambrano, Wendy	1338982	Adm/Rec Spec Senior	CEC	08/10/2023	- Hired CL23-00747 Cardenas, Maria#1588853 Eff:8/21/24	11-0000-620000-18100-2130-82% 12-1102-620000-18100-2130-18%	-	
	11	Bui, Mark	2792307	Auxiliary Services Specialist	SCC	11/22/2024	- Hired CL24-01086 Ammann, Lynette	11-0000-696000-24129-2130-9%	-	
	11	Cruz, Edward	2356350	Instructional Center Technician	SCC	08/30/2024	- #1901212 Eff:12/9/2024	11-0000-699000-24129-2130-91%	-	
30%-fd 11						49,940	- Reorg1391	11-0000-493062-28200-2210	-	91,464
70%-fd 12		DelaTorre, Irma	1027036	Administrative Clerk	SCC	12/31/2024	16,359	12-1542-649000-29905-2130-70%	-	
	11	Devora Murillo, Abraham	2326045	P/T Custodian	SCC	02/21/2024	- Hired CL24-00859 Dominguez, Oswaldo#2740147 Eff:8/12/24	11-0000-645000-29905-2130-30%	-	27,326
								11-0000-653000-27200-2310	-	
60%-fd 11								11-0000-620000-28100-2130-60%, 12-1102-620000-28100-2130-23%	-	
40%-fd 12		Gardea, Maria Adilene	1292404	Administrative Clerk	OEC	05/12/2024	7,680	12-2462-620000-28100-2130-17%	-	26,434
		Gaston, Vanessa	1029787	P/T Administrative Clerk	OEC	04/13/2025	16,420	11-0000-620000-28100-2310-60%, 12-1102-620000-28100-2310-40%	-	9,141
	11	Gilbert, Jessica	1905429	PT Administrative Clerk	SCC	12/31/2023	27,880	11-0000-601000-25051-2310	-	37,987
	11	Gitonga, Kanana	1030388	International Student Coordinator	SCC	01/31/2019	-	11-0000-649000-29110-2130	-	
	11	Godinez, Ismael	2633936	Custodian-GY	SCC	08/12/2024	50,964	11-0000-653000-28100-2130	-	91,875
	11	Hermen, Lisa	1027710	Senior Clerk	SCC	03/31/2022	-	11-0000-601000-25131-2130	-	
	11	Hernandez, Guadalupe	1492326	Custodian	SCC	04/04/2023	51,287	11-0000-653000-27200-2130	-	95,032
	11	Karimpour, Jennifer	1679262	Auxiliary Services Specialist	SCC	11/01/2024	41,103	- WOC Reyes, Brenda#2270345 Eff:1/1/25- 6/30/25	11-0000-691000-24126-2130	73,441
	11	Kawafuchi, Emily	1239034	Transfer Center Specialist	SCC	04/16/2023	- Hired CL24-00961 Lawrence, Dominic#2846963 Eff:1/6/2025	11-0000-631000-29305-2130	-	
	11	Kelly, Ann	1030363	Executive Secretary	SCC	03/24/2024	- Hired CL24-00876 Ambar	11-0000-679000-27105-2130	-	
	11	Lasane, Jaysun	2229878	P/T Library Technician	SCC	10/13/2024	- Nakagami#2334446 Eff:7/8/24	11-0000-612000-25430-2310	-	
	11	Lara, Rene	2083849	Custodian	SCC	05/27/2024	- Hired CL24-01063 Salgado, Leslie#2884345 Eff:3/26/25	11-0000-620000-25430-2310	-	
	11	Lopez Gomez, Valentin	1810444	P/T Custodian	SCC	02/21/2024	- Hired CL24-00933 Godinez, Ismael #26339936 Eff:8/12/24 He si not working	11-0000-620000-25430-2310	-	
	11	McMinimy, Tawny	1030826	Auxiliary Services Specialist	SCC	12/10/2023	- GY.	11-0000-653000-27200-2130	-	1,016,408
								11-0000-653000-27200-2130	-	
	11	McMinimy, Tawny	1030826	Auxiliary Services Specialist	SCC	12/10/2023	- Hired CL24-00859 Reyes, Sergio#2670695 Eff:8/12/24	11-0000-653000-27200-2310	-	
							- Hired CL24-00826 Mark Bui#2792307	11-0000-696000-24129-2130-9%	-	
							- Eff:6/26/24	11-0000-699000-24129-2130-91%	-	
91%-fd 11								11-2250-643000-29335-2130-91%	-	
9%-fd 12		Melgoza, Angelica	1055577	High School & Community Outreach Specialist	SCC	06/17/2024	82,873	12-2250-643000-29335-2130-9%	-	128,737
	11	Mendoza, Misael	2387469	Gardener/Utility Worker	SCC	05/28/2024	- Hired CL24-00985 Sanchez Nunez, Hugo	11-0000-655000-27300-2130	-	
	11	Nakagami, Ambar	2333446	facilities Coordinator	SCC	07/07/2024	- #2815472 Eff:8/28/24	11-0000-683000-27105-2130	-	
	11	Nguyen, Jay	1062155	P/T Admission & Records Specialist I	SCC	10/31/2023	23,655	- Hired CL24-00994 Karimpour, Jennifer#1679262 Eff:11/1/2024	11-0000-620000-29110-2310	32,230
	11	Orellana, Yvette	1111601	Career Guidance Coordinator	SCC	08/09/2024	63,427	- Hired CL24-01037 Godzaski, Jennifer#2891314 Eff:5/1/2025 in FUND12	11-0000-634000-29320-2130	100,934
	11	Orozco-Barriga, Carlos	2282309	P/T Custodian	SCC	03/14/2025	5,535	11-0000-653000-27200-2310	-	7,542
	11	Ramirez, Margarito	2443392	P/T Custodian	SCC	02/21/2024	- Hired CL24-00859 Merino Gonzalez, Jaime#2596109 Eff:8/12/24	11-0000-653000-27200-2310	-	18,427
		Ruesga, Elias	2090990	Custodian (GY)	OEC	04/11/2025	10,648	11-0000-653000-28100-2130	-	
	11	Tolentino,Alfredo	2599392	P/T Gardener/Utility Worker	SCC	06/26/2024	- Hired CL24-00977 Calderon, Alfredo#1586163 Eff:11/18/24	11-0000-655000-27300-2310	-	
	11	Torres Gomez, Oscar	1030467	Lead Custodian	OEC	10/22/2024	51,084	12-0124-01124	-	84,799
	11	Tran, Kieu-Loan T.	1030029	Admission Records Specialist III	SCC	03/01/2020	64,745	11-0000-620000-29100-2130	-	113,380
90%-fd 11								11-0000-691000-24126-2130-90%	-	
10%-fd 31		White Kathleen	1028519	Senior Accountant	SCC	05/12/2024	- Reorg1418 eliminated position	31-0000-691000-24126-2130-10%	-	
	11	Zul, Armida	1029218	Custodian	OEC	09/30/2024	50,515	11-0000-653000-28100-2130	-	77,659
						2,202,812				
						2,918,304				
TOTAL									3,609,763	
									4,645,774	

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2024-25, 2023-24, 2022-23
YTD Actuals- April 30, 2025

	FY 2024/2025												
	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	\$108,927,679	\$113,085,702	\$101,086,209	\$91,710,283	\$78,176,459	\$77,090,855	\$90,365,919	\$84,533,631	\$77,985,239	\$74,793,555	\$82,417,480	\$82,417,480	Total
Total Revenues	19,472,410	7,947,480	12,511,262	8,911,894	24,669,507	35,190,815	15,012,323	15,578,467	21,020,528	30,187,459	0	0	190,502,145
Total Expenditures	15,314,386	19,946,973	21,887,189	22,445,717	25,755,111	21,915,751	20,844,611	22,126,859	24,212,212	22,563,534	0	0	217,012,343
Change in Fund Balance	4,158,023	(11,999,493)	(9,375,926)	(13,533,824)	(1,085,604)	13,275,064	(5,832,288)	(6,548,392)	(3,191,684)	7,623,925	0	0	(26,510,198)
Ending Fund Balance	113,085,702	101,086,209	91,710,283	78,176,459	77,090,855	90,365,919	84,533,631	77,985,239	74,793,555	82,417,480	82,417,480	82,417,480	
	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	\$71,193,146	\$61,145,109	\$63,533,219	\$60,187,237	\$59,940,448	\$71,637,035	\$71,291,816	\$63,539,135	\$77,687,365	\$84,911,330	\$75,100,098	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	64,494,321	285,398,670
Total Expenditures	13,802,167	17,295,547	19,193,058	19,762,128	22,966,246	20,443,065	19,661,260	20,404,013	20,889,085	19,524,592	21,859,023	30,666,740	246,466,925
Change in Fund Balance	1,197,212	(10,048,037)	2,388,110	(3,345,982)	(246,789)	11,696,586	(345,219)	(7,752,681)	14,148,231	7,223,964	(9,811,231)	33,827,581	38,931,745
Ending Fund Balance	71,193,146	61,145,109	63,533,219	60,187,237	59,940,448	71,637,035	71,291,816	63,539,135	77,687,365	84,911,330	75,100,098	108,927,679	
	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	

Fiscal Resources Committee

Via Zoom Video Conference Call
1:33 p.m. – 1:56 p.m.

Meeting Minutes for April 16, 2025

FRC Members Present: Iris Ingram, Claire Coyne, Madeline Grant, Sara Gonzalez, Noemi Guzman, Bart Hoffman (arrived at 1:40), Tara Kubicka-Miller, Valeri Lopez, Veronica Munoz, Thao Nguyen (for O'Connor), Arleen Satele (arrived at 1:36), and Tommy Strong

FRC Members Absent: Sarah Fisher, Adam O'Connor, Chrissy Talarico, and Noah Villa

Alternates/Guests Present: Jason Bui, Steven Deely, Gina Huegli, Kelvin Leeds, Kennethia Vega, and Barbie Yniguez

1. Welcome: Vice Chancellor Ingram called the meeting to order at 1:33 p.m. via zoom upon achieving quorum.
2. State/District Budget Update
 - SSC – Senate Approves CR, Averts a Government Shutdown
 - SSC – Lawmakers Introduce Dual Enrollment Legislation
 - SSC – State Cash Receipts Exceed Forecast for February
 - SSC – UCLA Economist Issue a Recession Watch
 - SSC – Fed Maintains Rates
 - SSC – 2025-26 Trailer Bill Language Examined
 - SSC – Additional Details on ERP and Common Cloud Proposals
 - SSC – Top Legislative issues- March 21, 2025
 - SSC – Will Tariffs Incite Global Trade War?
 - SSC – Top Legislative issues-April 4, 2025
 - SSC – State Auditor Recommends Changes to 50% Law
 - DOF – [Finance Bulletin- March 2025](#)

Ingram briefly referenced the state/district budget update information for further understanding, stating there are no major updates for the budget at this time. The legislature is taking early action to shore up Medi-Cal and will consider the same for other federal-funded programs in jeopardy of loss revenue. When there is less revenue there is less resources distributed.

3. Annual External Audit
The annual external audit (including districtwide, and three foundations for SAC, SCC and DO) was accepted by the Board of Trustees at the meeting of March 24, 2025. The audit report was submitted late to the State but met the federal deadline with no ramifications, especially to student financial aid.
4. Allocation FY 2023/24 Recalculation
Chancellor's Cabinet Meeting notes of March 24, 2025, confirm retainment of current practice of payment of the P1 deficit factor through the year-end closing process.
Ingram announced there will be no change in the current practice and payment to the colleges would continue at year-end closing of the P1 deficit factor.
5. Annual Review of RSCCD Budget Allocation Model (BAM)
Ingram confirmed the workgroup to include FRC members: O'Connor, Guzman, Hoffman, Kubicka-Miller, Satele, and Strong. The first meeting is scheduled for May 1, 2025, 2-4 p.m. based upon availability determined through doodle poll. The workgroup will determine if additional meetings are necessary and then present recommendation to FRC for final discussion and consideration. Discussion

ensued regarding potential alternate attending the scheduled meetings if workgroup volunteer was unable to attend.

6. May 2025 Meet Date Change – Wednesday, May 14 or Friday, May 23 - ACTION
Following discussion, a motion by Coyne to move the May 14 meeting to May 28 was seconded by Kubicka-Miller. By roll call vote, the motion passed unanimously.
7. 2025/26 Proposed Meeting Schedule - ACTION
Ingram stated that an additional review of costs to pay faculty members while off contract for attendance at participatory governance meetings is being conducted and is not yet complete. Therefore, a decision by the Chancellor's Cabinet has not been made. Staff must go back to look at the various other participatory governance committees meeting schedules, not just FRC, to determine off-contract time and total cost. Ingram also suggested that the January meeting could be managed through an email update, including the Governor's release of the budget in January of each year, while the July meeting is required for budget approval purposes. Coyne agreed there was value in conducting meeting in January to hear the latest budget updates as released and Grant extended appreciation for further consideration.

The proposed meeting schedule for 2025-26 is tabled for the May FRC meeting.

8. Standing Report from District Council – Kubicka-Miller
Kubicka-Miller reported there was not a District Council meeting since the last FRC update in March therefore she had nothing new to report.
9. Informational Handouts
 - District-wide expenditure report link: <https://intranet.rsccd.edu>
 - Vacant Funded Position List as of April 8, 2025
 - Monthly Cash Flow Summary as of March 31, 2025
 - [SAC Planning and Budget Committee Agendas and Minutes](#)
 - [SCC Budget Committee Agendas and Minutes](#)

General informational handouts, links, and webpages above were referenced for further review.

10. Approval of FRC Minutes – March 19, 2025
A motion by Hoffman to approve the minutes of March 19, 2025, meeting as presented was seconded by Kubicka-Miller. By roll call vote the motion passed unanimously.
11. Other
Grant briefly initiated discussion for the review of board policy and administrative regulation updates related to fiscal be presented to FRC for consideration. Ingram affirmed that such process occurs, but there is a cycle that follows CCLC updates that is distributed through the chancellor's office staff. There are no current updates currently for fiscal.

There were no further comments, questions, or discussions.

Next FRC Committee Meeting:

The next FRC meeting is May 28, 2025, at 1:30-3:00 p.m. With a motion by Hoffman that was seconded by Satele the meeting was unanimously adjourned at 1:56 p.m.