

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: [Fiscal Resources Committee](#)

Agenda for Wednesday, September 18, 2024

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

Zoom Meeting

1. Welcome
2. State/District Budget Update – Ingram
 - [2024-25 Adopted Budget](#)
 - [9/9/2024 Board PowerPoint presentation on the 2024-25 Adopted Budget](#)
 - LAO — The 2024-25 Budget: Overview of the Spending Plan
 - SSC – Inflation Continues to Cool
 - SSC – Legislative Year Nears Finish Line
 - SSC – Big Three Tax Revenues Impacting Fiscal Outlook
 - SSC – Budget Cleanup Legislation Introduced
 - SSC – Top Legislative Issues- August 23, 2024
 - SSC – Legislature Wraps up the 2023-24 Legislative Session
 - SSC – Calculating Your Annual Gann Limit
 - [DOF – Finance Bulletin-August 2024](#)
3. Multi-year Projections
4. Economic Development Report – Postponed to October meeting
5. 2025-26 Draft Budget Calendar
6. Standing Report from District Council – Tara Kubicka-Miller
7. Informational Handouts
 - District-wide expenditure report link: <https://intranet.rscgd.edu>
 - Vacant Funded Position List as of September 10, 2024
 - Monthly Cash Flow Summary as of August 31, 2024
 - [SAC Planning and Budget Committee Agendas and Minutes](#)
 - [SCC Budget Committee Agendas and Minutes](#)
8. Approval of FRC Minutes – August 21, 2024
9. Other

Next FRC Committee Meeting: Wednesday, October 16, 2024, 1:30 pm – 3:00 pm

The Rancho Santiago Community College District aspires to provide equitable, exemplary educational programs and services in safe, inclusive, and supportive learning environments that empower our diverse students and communities to achieve their personal, professional, and academic goals.

The 2024-25 Budget:

Overview of the Spending Plan

2024 - 25 BUDGET

INTRODUCTION

Each year, our office publishes the California Spending Plan to summarize the annual state budget. This publication provides an overview of the *2024-25 Budget Act*, gives a brief description of how the budget process unfolded, and then highlights major features of the budget approved by the Legislature and signed by the Governor.

All figures in this publication reflect actions taken through early July 2024, but we have updated the narrative to reflect actions taken later in the legislative session. In addition to this report, we have released a series of issue-specific, online posts that give more detail on the major actions in the budget package.

THE BUDGET PROBLEM

In this section, we present our estimates of the budget problem the Legislature addressed in the 2024 budget package. The state faced a budget problem, or deficit, this year. The estimates of the budget problem in this section are predicated on the administration's June 2024 revenue projections and spending proposals. Our analysis also focuses on the three-year budget window under consideration: 2022-23 through 2024-25.

What Is a Budget Problem? In the context of budget development, a budget problem occurs when estimated resources are insufficient to cover the costs of currently authorized services. Under the State Constitution, a budget problem must be solved, for example, by increasing revenues or reducing spending.

\$55 BILLION BUDGET PROBLEM

Budget Package Addressed a \$55 Billion Budget Problem. We estimate the Legislature addressed a \$55 billion budget problem in the 2024-25 budget package. This budget problem is essentially unchanged compared to the one addressed by the Governor in the May Revision (\$55 billion). That said, our estimate of the budget problem is higher than the figure cited by the administration (\$47 billion). The reasons for this difference are the same as those we cited in our analyses of the Governor's budget and May Revision. The main driver of differences is our differing treatment of baseline spending for schools and community colleges. (For more information on this and other differences, see: [The 2024-25 Budget: Initial Comments on the Governor's May Revision.](#))

HOW THE SPENDING PLAN ADDRESSES THE BUDGET PROBLEM

The state has several types of solutions—or options—for addressing a budget problem, but the most important include: reserve withdrawals, spending reductions, revenue increases, and cost shifts (for example, between funds). **Figure 1** on the next page summarizes the budget solutions that the budget package used to address the \$55 billion budget problem. Spending-related solutions (including both school and community college spending and other spending) total \$39 billion and represent about 70 percent of the total solutions. Spending-related solutions include reductions, fund shifts, delays, and reversions. In addition, the budget package includes about \$6 billion in reserve withdrawals, \$2 billion in cost shifts, and about \$8 billion in revenue-related solutions. The remainder of this section describes each of these solution types in more detail. Appendix 1 and 2, available online, list all of the solutions by area.

Spending-Related Solutions (\$20 Billion)

The budget package includes \$20 billion in spending-related solutions (excluding school and community colleges spending, which is described later in this section). Spending-related solutions in the budget window include: \$16 billion one time or temporary and \$4 billion ongoing, which grow to about \$6 billion over time.

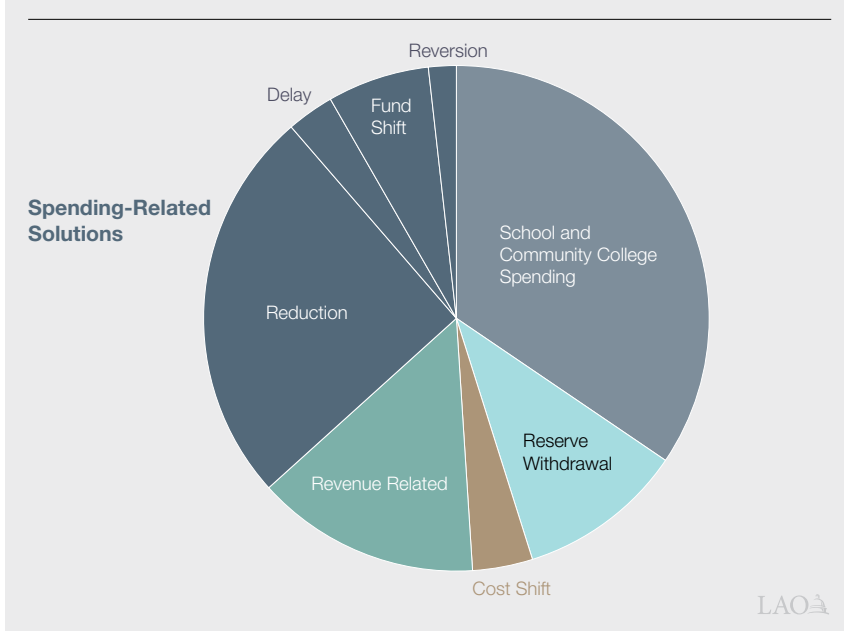
Reductions (\$14 Billion).

Under our definition, a spending reduction occurs when the state reduces spending relative to what was established under current law or policy. More colloquially, these are spending cuts. We estimate the budget package includes about \$14 billion in spending-related reductions. Of this total, about \$10 billion in spending reductions are one time or temporary and \$4 billion are ongoing, which grow to \$6 billion over time. Some of the largest reductions include: \$2 billion in ongoing reductions to state operations; about \$1.7 billion in various adjustments related to past allocations for disaster response, including for fires, floods, and the pandemic; and a nearly \$500 million reduction to the learning-aligned employment program.

Fund Shifts (\$4 Billion). Fund shifts are budget solutions that use other fund sources—for example, special funds—to pay for a cost typically incurred by the General Fund. These shifts reduce expenditures from the General Fund as they simultaneously displace spending that these other funds otherwise would have supported. As a result, we consider these to be a type of spending-related solution because they typically result in lower overall state spending, inclusive of all funds. We estimate the budget package includes \$3.6 billion in fund shifts. This primarily includes General Fund costs that have been shifted to the Greenhouse Gas Reduction Fund (GGRF), federal funds, and other special funds. The budget also shifts some General Fund costs for child care to Proposition 64 and federal funds.

Delays (\$2 Billion). We define a delay as an expenditure reduction that occurs in the budget window (2022-23 through 2024-25), but has an associated expenditure increase in a future year of the multiyear window (2025-26 through 2027-28). That is, the Legislature has moved the spending to a year in the near future. (We do not categorize a

Figure 1

How the Budget Package Addresses the Deficit

proposal as a delay if it would shift the cost outside of the multiyear window) Nearly \$2 billion of the budget package's spending-related solutions are delays. (As a result, proposed spending is higher in the out-years.)

Reversions (\$1 Billion). Costs for state programs sometimes come in lower than the amount that was appropriated. This often occurs, for example, when the state overestimates uptake in a new program or as a routine matter in programs where spending is uncertain due to factors like caseload. When actual state costs are below budgeted amounts, a reversion occurs after a period of time—typically, three years. The reversion returns the unspent funds to the General Fund. This year's budget package accelerates some reversions that would have otherwise occurred in the future and proactively reverts certain funds that otherwise are continuously appropriated (which has the effect of realizing savings from the unspent funds that would not otherwise occur). While not all of these amounts represent lower state spending over the long term, they do result in savings today at a cost of forgone savings in the future. As a result, we count them as spending-related solutions. We estimate the budget package includes nearly \$1 billion in reversions.

Reserve Withdrawals (\$6 Billion)

Budget Stabilization Account (\$5 Billion).

Proposition 2 (2014) governs deposits into and withdrawals from the state's general-purpose constitutional reserve—the Budget Stabilization Account (BSA). Under these rules, the state can make withdrawals from the constitutionally required balance of the BSA in a fiscal emergency, which occurs when estimated resources for the upcoming year are insufficient to cover the costs of the previous three enacted budgets, adjusted for inflation and population. When a budget emergency is declared, the state can withdraw up to half of the constitutional balance of the BSA. (The Legislature also can withdraw the entire “discretionary” balance of the BSA at any time, which are amounts that were deposited into the fund on top of Proposition 2 requirements.) The Governor issued a budget emergency proclamation on June 26, 2024. The budget package suspends the BSA deposit for 2024-25 and uses a withdrawal of about \$5 billion from the fund to cover a part of the budget problem.

Safety Net Reserve (\$1 Billion). The budget package withdraws the entire balance of the Safety Net Reserve—\$900 million. The Safety Net Reserve was designed to help cover costs of increasing caseload in Medi-Cal and the California Work Opportunity and Responsibility to Kids (CalWORKs) program in the event of an economic downturn.

Cost Shifts (\$2 Billion)

The budget package includes slightly more than \$2 billion in cost shifts. We define cost shifts as budget actions that achieve savings in the present, but result in a binding obligation or higher cost for the state in a future year. In that way, these actions can be similar to borrowing, but are often not explicitly structured as such. For example, major categories of cost shifts include: an additional \$1.7 billion in special fund loans to the General Fund and \$400 million in savings generated by extending the repayment schedule for some existing loans.

Revenue-Related Solutions (\$8 Billion)

We estimate the May Revision includes nearly \$8 billion in revenue-related solutions.

The largest revenue solution is a temporary increase in corporation tax revenues by about \$6 billion in 2024-25. This is generated by not allowing (1) any businesses to use tax credits to reduce their taxes by more than \$5 million and (2) businesses with \$1 million or more in income to use net operating loss (NOL) deductions. These limits apply to tax years 2024, 2025, and 2026. The budget package also creates a new mechanism for taxpayers to recoup these temporary tax increases as tax refunds in future years. In addition, the May Revision includes a proposal to increase the managed care organization (MCO) tax and use the nearly \$2 billion in increased revenues to offset General Fund costs.

School and Community College Spending (\$19 Billion)

Suspends Proposition 98 Requirement and Reduces Spending (\$13 Billion). Proposition 98 (1988) sets a minimum funding requirement for schools and community colleges using a series of formulas in the State Constitution. The state meets the requirement through a combination of state General Fund and local property tax revenue. For 2023-24, the budget invokes a provision allowing the state to suspend the minimum requirement with a two-thirds vote of each house of the Legislature. It then reduces spending on schools and community colleges by \$8.3 billion relative to the level otherwise required that year. Separate from this action, the budget makes a \$2.6 billion reduction attributable to 2022-23. This reduction does not require suspension because funding remains above the minimum requirement that year. (The budget also contains numerous actions—primarily reserve withdrawals—to insulate school and community college budgets from these reductions.) Both of these reductions lower the Proposition 98 requirement on an ongoing basis, though the suspension creates an obligation to increase funding more quickly in the future. The combined effect of these reductions—including their effect on 2024-25—is to reduce General Fund spending by \$12.7 billion over the 2022-23 through 2024-25 period.

Accrues Cost of Previous Payments to Future Fiscal Years (\$6 Billion). The budget introduces a new type of fiscal maneuver that accrues \$6.2 billion in previous school and community college payments to future fiscal years. Specifically, the state will not recognize these payments as a cost to the General Fund in the year it provided them (2022-23). Instead, it will recognize the cost in equal installments over ten years, beginning in 2026-27. These costs, when recognized, will be

attributed to the non-Proposition 98 side of the state budget. Though not formally structured as borrowing, the maneuver is similar to the state taking an internal loan from its cash reserves. The maneuver does not delay or reduce any payments to schools or community colleges. It also does not reduce the Proposition 98 funding requirement moving forward. It will, however, reduce funding available for other state programs over the next ten years.

BUDGET CONDITION

In this section, we describe the overall condition of the General Fund budget, the condition of the school and community college budget, and state appropriations limit (SAL) estimates under the spending plan. As is the case in the previous section, all of the figures here use the administration’s budget estimates as of June 2024.

General Fund

Figure 2 summarizes the condition of the General Fund under the revenue and spending assumptions in the June 2024 budget package, as estimated by the administration. The state would end 2024-25 with \$3.5 billion in the Special Fund for Economic Uncertainties (SFEU). (The SFEU is the

state’s operating reserve and essentially functions like an end-of-year balance.)

General Fund Reserves \$21 Billion Under Spending Plan. As mentioned earlier, the budget package uses \$5 billion from the BSA and \$900 million from the Safety Net Reserve to help address the budget problem. This means the state would end 2024-25 with \$21 billion in General Fund reserves.

Proposition 98 Reserve Has Small Balance. As required by the State Constitution, the budget also withdraws the entire balance from the Proposition 98 Reserve (\$8.4 billion) in 2023-24 to supplement the funding provided to schools and community colleges. In 2024-25, the budget begins to build back the Proposition 98 Reserve by making a discretionary deposit of nearly \$1.1 billion.

Revenues. **Figure 3** displays the administration’s revenue projections as incorporated into the June 2024 budget package. As the figure shows, revenues from the state’s three major sources are expected to grow from 2023-24 to 2024-25, including with 5 percent growth in the personal income tax, the state’s single largest revenue source. The reason the state faces a budget problem this year, despite growing revenues in the budget year, is that revenue shortfalls relative to past estimates have occurred in the prior year and current year.

Figure 2

General Fund Condition Summary

(In Millions)

| | 2022-23 Revised | 2023-24 Revised | 2024-25 Enacted |
|-------------------------|--------------------|--------------------|--------------------|
| Prior-year fund balance | \$63,751 | \$47,119 | \$13,444 |
| Revenues and transfers | 178,557 | 189,399 | 212,139 |
| Expenditures | 195,189 | 223,075 | 211,504 |
| Ending fund balance | \$47,119 | \$13,444 | \$14,078 |
| Encumbrances | \$10,569 | \$10,569 | \$10,569 |
| SFEU Balance | \$36,550 | \$2,875 | \$3,509 |
| Reserves | | | |
| BSA | \$21,708 | \$22,559 | \$17,633 |
| SFEU | 36,550 | 2,875 | 3,509 |
| Safety net | 900 | 900 | — |
| Total Reserves | \$59,158 | \$26,334 | \$21,142 |

SFEU = Special Fund for Economic Uncertainties and BSA = Budget Stabilization Account.

Figure 3

General Fund Revenue Estimates

(Dollars in Millions)

| | Revised | | Enacted 2024-25 | Change From 2023-24 | |
|---------------------------------------|------------------|------------------|--------------------|---------------------|------------|
| | 2022-23 | 2023-24 | | Amount | Percent |
| Personal income tax | \$100,451 | \$111,203 | \$116,556 | \$5,353 | 5% |
| Sales and use tax | 33,324 | 33,320 | 34,045 | 725 | 2 |
| Corporation tax | 36,337 | 33,282 | 42,557 | 9,274 | 28 |
| Total, Major Revenue Sources | \$170,111 | \$177,805 | \$193,158 | \$15,352 | 9% |
| Insurance tax | \$3,707 | \$3,905 | \$4,016 | \$110 | 3% |
| Other revenues | 5,409 | 6,788 | 7,004 | 216 | 3 |
| Transfers and loans | -670 | 900 | 7,961 | 7,061 | 784 |
| Totals, Revenues and Transfers | \$178,557 | \$189,399 | \$212,139 | \$22,739 | 12% |

Note: Reflects administration estimates of budget actions taken through July 1, 2024.

Spending. Figure 4 displays the administration’s June 2024 estimates of total state and federal spending in the 2024-25 budget package. As the figure shows, the spending plan assumes total state spending of \$295 billion in 2024-25. This is \$31 billion lower than to the 2023-24 level, and includes a 19 percent decrease in special fund spending and a 5 percent decrease in General Fund spending.

Declines in state spending this year are generally attributable to the state’s budget problem. (The “Major Features” section of this report also describes some of the major discretionary spending choices and budget solutions reflected in the spending plan.)

Bond Funds. The state is seeking approval of two bond measures on the November 2024 ballot: Proposition 2 and Proposition 4. Proposition 2 would allow the state to borrow \$10 billion to build new facilities and renovate existing facilities at school districts and community colleges. The cost to repay this bond would be about \$500 million each year for 35 years. Proposition 4 would allow the state to borrow \$10 billion to pay for various natural resources and climate activities. The cost to repay this bond would be about \$400 million each year for 40 years. The cost to repay both bonds would total about \$900 million each year. (New bond spending that would occur as a result of these measures are not part of the estimates in Figure 4.)

Figure 4

Total State and General Fund Expenditures

(Dollars in Millions)

| | Revised | | Enacted 2024-25 | Change From 2023-24 | |
|----------------------|------------------|------------------|--------------------|---------------------|-------------|
| | 2022-23 | 2023-24 | | Amount | Percent |
| General Fund | \$195,189 | \$223,075 | \$211,504 | -\$11,571 | -5% |
| Special funds | 74,899 | 103,594 | 83,985 | -19,609 | -19 |
| Budget Totals | \$270,089 | \$326,668 | \$295,489 | -\$31,179 | -10% |
| Bond funds | \$3,951 | \$5,319 | \$2,373 | -\$2,946 | -55% |
| Federal funds | 139,741 | 162,163 | 152,988 | -9,176 | -6 |

Note: Reflects administration estimates of budget actions taken through July 1, 2024.

School and Community College Budget

Reflects Decrease in Funding Compared With Previous Budget Estimate. Compared with the estimate the state made in June 2023, the June 2024 budget reflects a \$9.8 billion decrease in Proposition 98 funding across the 2022-23 through 2024-25 period (Figure 5, on the next page). This reduction consists of an \$11.7 billion decrease in state General Fund, partially offset by a \$1.9 billion increase in local property tax revenue. Most of the General Fund reduction is attributable to the suspension of the Proposition 98 funding requirement in 2023-24.

Withdraws Funding From State School Reserve to Mitigate Funding Drop. Proposition 2 established a constitutional reserve account for school and community college funding and set forth rules requiring deposits and withdrawals under certain conditions. One of these rules requires the state to withdraw the entire balance of \$8.4 billion in 2023-24 to address the drop in funding that year.

Figure 5

School and Community College Funding Levels Under Proposition 98

(In Millions)

| | 2022-23 | 2023-24 | 2024-25 | Totals |
|------------------------------|------------------|------------------|------------------|------------------|
| June 2023 | | | | |
| General Fund | \$78,117 | \$77,457 | \$79,739 | \$235,314 |
| Local property tax | 29,241 | 30,854 | 31,881 | 91,977 |
| Totals | \$107,359 | \$108,312 | \$111,621 | \$327,291 |
| June 2024 | | | | |
| General Fund | \$73,946 | \$67,095 | \$82,612 | \$223,653 |
| Local property tax | 29,774 | 31,389 | 32,670 | 93,834 |
| Totals | \$103,720 | \$98,484 | \$115,283 | \$317,487 |
| Change From June 2023 | | | | |
| General Fund | -\$4,172 | -\$10,362 | \$2,873 | -\$11,661 |
| Local property tax | 532 | 535 | 789 | \$1,856 |
| Totals | -\$3,639 | -\$9,827 | \$3,662 | -\$9,804 |

The budget uses this funding to compensate for the reduction in state General Fund. In 2024-25, the budget begins to build back the reserve by making a discretionary deposit of nearly \$1.1 billion.

Scores Savings Related to Attendance and a Few Other Adjustments. The state allocates most funding to schools based on their average daily attendance. In response to significant declines in attendance over the past several years, the state adopted a series of policies temporarily funding school districts based on the attendance they reported prior to the COVID-19 pandemic. For 2024-25, the budget assumes savings of \$1.8 billion as these higher pre-pandemic attendance levels phase out of district funding calculations. In addition, the budget obtains \$1.2 billion in savings by (1) deferring some payments from 2024-25 to 2025-26, (2) reducing funding for State Preschool that is expected to go unused, and (3) repurposing certain unspent appropriations from previous years. Under the Constitution, the state must dedicate all of these savings to other school and community college purposes.

Funds Small Cost-of-Living Adjustment (COLA) for Existing Programs.

After accounting for the reduction in overall funding, reserve withdrawals and deposits, cost savings, and various other baseline adjustments, the state has \$1.5 billion available to augment school and community college programs. The budget allocates most this amount to cover a 1.07 percent COLA for existing programs. Most of the remaining funds are allocated to cover enrollment- and caseload-driven increases in a few specific areas.

THE STATE APPROPRIATIONS LIMIT

Under Proposition 4 (1979), the Constitution limits how the state can use revenues that exceed a certain limit—a set of formulas known as the SAL. The SAL was recently an important constraint in the budget process and has impacted the Legislature’s budget decisions. For the last couple of years, however, the SAL has not been salient to the budget process. This is because declines in revenues have meant the state has more room under the limit. **Figure 6** provides an overview of the SAL estimates in this year’s budget. As the figure shows, the state is expected to have room across all years in the budget window, including \$31 billion in 2022-23, \$21 billion in 2023-24, and \$16 billion in 2024-25.

Figure 6

State Appropriations Limit (SAL) Estimates

(In Billions)

| | 2022-23 | 2023-24 | 2024-25 |
|--|----------------|----------------|----------------|
| SAL Revenues and Transfers | \$212.2 | \$227.6 | \$247.5 |
| Exclusions | -107.4 | -106.5 | -115.9 |
| Appropriations Subject to the Limit | \$104.8 | \$121.0 | \$131.7 |
| Limit | \$135.7 | \$141.5 | \$147.6 |
| Room/Negative Room | \$30.8 | \$20.5 | \$15.9 |
| Excess Revenues? | No | | |

Note: Reflects administration estimates of budget actions taken through July 1, 2024.

EVOLUTION OF THE BUDGET

This section provides an overview of the 2024-25 budget process. **Figure 7** contains a list of the budget-related legislation passed on or before July 2, 2024.

Governor’s January Budget Proposal

Governor’s Budget Addressed a \$58 Billion Budget Problem. In January, we estimated that the administration solved a budget problem of \$58 billion. (Our estimate of the Governor’s budget deficit was larger than the administration’s estimate—\$38 billion—largely due to differences in what we considered to be baseline changes. This basic difference persisted throughout

the budget season.) The Governor’s budget solutions focused on spending. Spending-related solutions (including both school and community college spending and other spending) totaled \$41 billion and represented nearly three-quarters of the total. In addition, the Governor’s budget included \$13 billion in reserve withdrawals, which represented about half of the reserve total; \$4 billion in cost shifts; and about \$400 million in revenue-related solutions.

The Governor’s Budget Planned for Significant Future Budget Deficits. The Governor’s budget included the administration’s estimates of multiyear revenues and spending.

Under those projections, the state would have faced operating deficits of \$37 billion in 2025-26, \$30 billion in 2026-27, and \$28 billion in 2027-28. (Our office also projected the budget’s multiyear position in December. The administration’s deficit estimates were very similar to our December projections of the budget’s multiyear position.)

Early Action Package

In April, the Legislature passed an early action package that reduced the size of the budget problem by \$17.3 billion (Chapter 9 of 2024 [AB 106, Gabriel]). Across the three-year budget window, the early action package included \$12.9 billion in spending-related solutions and \$4.4 billion in cost shifts (see above for our definitions of these terms). Some the largest of these actions included: \$4 billion in fund shifts and revenue increases in the MCO tax package, about \$1.6 billion in General Fund savings generated by deferring June 2025 payroll into July 2025, and \$1.3 billion in savings generated by reallocating an existing 2023-24

Figure 7

Budget-Related Legislation Passed On or Before July 2, 2024

| Bill Number | Chapter | Subject |
|--|---------|---|
| Budget Bills and Amendments | | |
| AB 107 | 22 | 2024-25 Budget Act |
| AB 106 | 9 | Amendments to the 2022-23 Budget Act and 2023-24 Budget Act |
| SB 108 | 35 | Amendments to the 2024-25 Budget Act |
| SB 109 | 36 | Amendments to the 2023-24 Budget Act |
| Early Action Trailer Bills (Passed Before June 1, 2024) | | |
| SB 136 | 6 | Managed care organization tax |
| Other Trailer Bills Passed On or Before July 2, 2024 | | |
| AB 160 | 39 | Managed care organization tax |
| AB 161 | 46 | Human services |
| AB 162 | 47 | Developmental services |
| AB 166 | 48 | Housing |
| AB 168 | 49 | Public safety |
| AB 169 | 50 | Public safety: juvenile justice |
| AB 170 | 51 | Courts |
| AB 171 | 52 | Employment |
| AB 173 | 53 | Transportation |
| SB 153 | 38 | Education finance |
| SB 154 | 27 | Education finance: Proposition 98 suspension |
| SB 155 | 71 | Higher education |
| SB 156 | 72 | Resources |
| SB 159 | 40 | Health |
| SB 163 | 73 | Early learning and childcare |
| SB 164 | 41 | State government |
| SB 167 | 34 | Taxation |
| SB 174 | 74 | Resources |
| SB 175 | 42 | Taxation |

Note: This figure includes budget bills and trailer bills identified in Section 39.00 in the 2024-25 Budget Act that were passed by the Legislature on or before July 2, 2024. Ordered by bill number.

California Public Employees’ Retirement System payment made under Proposition 2. A complete list of the early action solutions are available in Appendix 3.

Governor’s May Revision

We Estimated Governor Addressed a \$55 Billion Budget Problem. In April, the Legislature took early action on a number of budget items. This early action package reduced the budget problem from January by \$17 billion. However, erosions to the administration’s revenue forecast—which declined by \$12 billion—plus increases to baseline costs, including in Medi-Cal, nearly entirely offset this reduction. As a result, at the May Revision, we estimated that the budget problem was \$55 billion under the administration’s estimates and assumptions, only slightly lower than the budget problem estimated in January.

Governor Proposed Addressing This Deficit by Adjusting Spending. The May Revision proposed primarily solving the budget problem by adjusting spending. Spending-related solutions (including both school and community college spending and other spending) represented nearly 90 percent of the total solutions. Of this total, \$22 billion were related to school and community college funding changes and \$16 billion were spending reductions, while the remaining solutions comprised other types, like fund shifts. Compared to January, the Governor proposed that the state use much less in reserves. Specifically, the Governor reduced total reserve withdrawals from \$13 billion proposed in January to \$4 billion in May.

May Revision Included More Emphasis on Addressing Multiyear Deficits, Particularly in 2025-26. In addition to solving the budget problem in the budget window, the Governor’s May Revision proposed actions to also close the budget gap in 2025-26, including a sizeable reserve withdrawal in that year. (The administration emphasized that the state was solving the budget

problem across two years.) On a multiyear basis, under both our office’s and the administration’s projections, the state would face smaller operating deficits under the May Revision compared to January. Our office concluded that, under the May Revision, the budget was likely balanced, particularly in the near term.

Legislature’s Budget

The Legislature passed an initial budget on June 15, 2024. The main structural difference between the legislative package and the May Revision was that the legislative package started the proposed limitation on NOLs and tax credits one year earlier—resulting in roughly \$5 billion in additional revenue. The Legislature’s budget used that additional budget capacity to reject some of the Governor’s spending solutions and/or provide other augmentations. Those spending augmentations included, for example: \$1 billion for Homeless Housing, Assistance, and Prevention (HHAP) Program Round 6; about \$800 million to undo reductions to the Middle Class Scholarship program; roughly \$600 million to undo a delay to the implementation of Department of Developmental Services service provider rate reform; and \$400 million for legislative district requests. The legislative package also included a large number of other smaller changes across a variety of programs. The legislative package used slightly more (nearly \$1 billion) in general purpose reserves than the May Revision.

Figure 8

Budget-Related Legislation Passed After July 2, 2024

| Bill Number | Chapter | Subject |
|--|---------|---|
| Budget Bills and Amendments | | |
| AB 180 | | Amendments to the 2024-25 Budget Act |
| SB 157 | | Amendments to the 2024-25 Budget Act |
| SB 158 | | Amendments to the 2022-23 Budget Act and 2023-24 Budget Act |
| Trailer Bills Passed After July 1, 2023 | | |
| AB 218 | | Oil and gas |
| SB 176 | | Education finance |
| SB 177 | | Health |
| SB 178 | | Resources |
| SB 179 | | State government |
| SB 181 | | Bargaining unit agreements |

Note: This figure includes budget bills and trailer bills identified in Section 39.00 in the 2024-25 Budget Act that were passed by the Legislature after July 2, 2024. Ordered by bill number.

Final Budget Package

The Legislature passed an amended budget act and associated trailer bills on June 26, 2024.

The Legislature also took some additional actions

later in the legislative session, which are listed in **Figure 8**. The next section of this report describes the major features of the final budget package.

MAJOR FEATURES OF THE 2024-25 SPENDING PLAN

This section briefly describes the major spending actions in the 2024-25 budget package, including some actions that were part of the early action package. We discuss these and other actions in more detail in a series of online publications.

K-14 Education

Funds Modest COLA and a Few Smaller Augmentations. The state calculates the statutory COLA each year based on a price index published by the federal government. For 2024-25, the budget provides \$1 billion to cover a 1.07 percent COLA for existing school and community college programs. For schools, the budget also provides an increase of \$300 million (\$179 million ongoing and \$121 million one time) to cover cost increases related to universal school meals. For community colleges, the budget also provides (1) \$50 million ongoing for caseload increases in the Student Success Completion Grant program and (2) \$25 million ongoing to increase enrollment by 0.5 percent.

Implements Small Payment Deferral. The budget reduces spending in 2024-25 by deferring \$487 million in payments to 2025-26. Of this deferral, half applies to schools and half applies to community colleges. The state will implement the deferral by delaying a portion of the payment districts ordinarily would receive in June 2025 to July 2025. The law allows school districts to be exempt from this deferral (meaning they would receive all of their funding on time) if they can show the delay would cause fiscal insolvency. The purpose of the deferral is to reduce spending in 2024-25 to the minimum level required by Proposition 98.

Resources and Environment

Changes to Multiyear Climate-Related Budget Packages. To help address the budget problem, the spending plan makes a number of changes to one-time and temporary funding that was agreed to in previous budgets for climate, resources, and environmental programs. Specifically, the budget agreement both reduces program support and shifts planned funding from the General Fund to the GGRF, as well as delays the timing for some planned expenditures. These changes have the cumulative effect of lowering planned non-Proposition 98 General Fund spending for these packages by roughly \$6.4 billion across the six-year period spanning 2021-22 through 2026-27. (This total excludes an additional \$2.3 billion in budget solutions resulting from reductions and fund shifts to environmental programs that were not included as part of these thematic packages.) While the spending plan includes less spending than previous budgets initially agreed upon for several activities—such as related to water, extreme heat, and coastal resilience—a heavy reliance on shifting from General Fund to GGRF across multiple years allows it to maintain the majority of overall intended funding for most of the original thematic climate-related packages. In total, the spending plan maintains a total of \$29 billion for these packages across a seven-year period (2021-28), which represents 79 percent of the original multiyear planned amounts (\$36 billion).

Some Notable New Fire Response and Other Spending. Despite the budget condition, the spending plan does include some significant new spending for environment-related activities, including from the General Fund. In particular, it provides \$199 million (\$197 million from the General Fund) and 338 positions in 2024-25 to

2024 - 25 BUDGET

begin implementing a shift to a 66-hour workweek for firefighters at the California Department of Forestry and Fire Protection (CalFire), as contemplated in a 2022 memorandum of understanding (MOU) between the state and the firefighter union. (CalFire's current workweek is 72 hours.) As of the budget act, the costs of implementing the shift were anticipated to rise to \$770 million (\$756 million General Fund) on an ongoing annual basis and 2,457 permanent positions by 2028-29. After approving the budget act, the Legislature ratified an MOU between the state and the union representing CalFire that includes additional provisions to implement the 66-hour duty week. The terms of this agreement will increase these costs as the reduction in duty week hours is put in place beyond the amounts envisioned in the budget act. The budget package also includes \$94 million in one-time General Fund for flood prevention activities, \$65 million in one-time GGRF for projects at the Salton Sea, and roughly \$45 million in ongoing General Fund to make recent temporary expansions of CalFire hand crews permanent.

State Operations

Unallocated Reduction to State Operations Expenditures. The budget assumes that the Department of Finance identifies and implements \$2.2 billion in ongoing reductions to General Fund state operations expenditures beginning in 2024-25. While this reduction generally is unallocated, the budget explicitly requires that \$392 million of the total reduction be applied to the California Department of Corrections and Rehabilitation (CDCR).

Reduction to State Positions. The budget assumes that sufficient positions are held vacant in order to revert \$762.5 million to the General Fund in 2024-25. Beginning in 2025-26, the budget assumes that this reduction is achieved by permanently reducing the number of state positions.

Reorganizes the Governor's Office of Planning and Research (OPR). The budget package reorganizes the activities formerly housed under OPR. First, it establishes the Governor's Office of Service and Community

Engagement which now will house California Volunteers programs and the Office of Community Partnerships and Strategic Communications. Second, it transfers a zero-emission vehicle program and the California Jobs First program to the Governor's Office of Business and Economic Development and the Precision Medicine Program to the Health and Human Services Agency. Finally, it maintains the remaining OPR programs in the newly renamed Governor's Office of Climate and Land Use Innovation. The budget does not include additional funding to implement these changes.

Health

Changes to MCO Tax Package. Last year's budget renewed a tax on health plan enrollment known as the MCO tax. It extended this tax through 2026. The net revenue generated by the tax was to (1) help offset General Fund spending in Medi-Cal and (2) augment funding for Medi-Cal and other health programs. Recognizing the substantial budget problem facing the state, this year's spending plan makes three key changes to this package. First, it increases the tax rate on health plan enrollment in Medi-Cal, generating more net revenue to the state (\$2.8 billion through 2024-25 and \$7.1 billion through 2026-27). Second, it notably reduces how much tax revenue is used for augmentations, instead using more money to help offset General Fund spending (\$3.5 billion through 2024-25 and \$7.7 billion through 2026-27). Third, it changes which Medi-Cal services and health programs receive augmentations and delays the start of some funding increases to 2026. As a result of these actions, the revised MCO tax package provides a substantial budget solution to the state (\$6.3 billion through 2024-25 and nearly \$15 billion through 2026-27).

Transportation

Changes to Multiyear Transportation Infrastructure Package. To address the General Fund shortfall, the budget makes a few reductions to spending agreed to in prior years as a multiyear transportation infrastructure package. Specifically, the budget cuts \$400 million from the Active Transportation Program, \$200 million planned for grade separation projects, and \$75 million from the Highways-to-Boulevards Pilot Program.

(The budget package also reduces \$96 million in General Fund that had been provided outside of the transportation infrastructure package for projects at the Port of Oakland.) The spending plan includes additional changes to transportation expenditures that do not affect planned funding totals. These include delaying the timing of when some funding will be provided (including for the Zero-Emission Transit Capital Program established as part of the 2023-24 budget package) and shifting funding from the General Fund to GGRF and the State Highway Account (including a total of \$1.3 billion across the competitive-based and formula-based Transit and Intercity Rail Capital Programs shifted to GGRF).

Universities

Base Funding Increases for Universities in 2024-25, Decreases in 2025-26. The budget plan increases base General Fund support for the University of California (UC) and the California State University (CSU) by a total of \$468 million (approximately 5 percent) in 2024-25. The universities may use these base augmentations for any operating cost, including increases in employee salaries and benefits. Provisional language requires the universities to report to the Legislature by December 31, 2025 on how they used these funds. These ongoing increases are partly offset by one-time base General Fund reductions totaling \$200 million in 2024-25. In a related budget action, the state plans to reduce ongoing base General Fund support for UC and CSU by a total of \$774 million in 2025-26. These reductions are part of a broader action to reduce state operations spending across agencies by 7.95 percent.

Out-Year Base Augmentations for Universities Are Deferred. Under the budget agreement, the state plans to defer UC and CSU base augmentations over the subsequent two years. Specifically, the state plans to delay base university augmentations totaling \$493 million from 2025-26 until 2026-27. In 2026-27, the state plans to provide these base augmentations, as well as one-time back payments to compensate for the forgone funds in the previous year. The state then plans to defer the same amount (\$493 million) from 2026-27 until 2027-28. This [UC EdBudget table](#) and this [CSU EdBudget table](#) (both online) show all base increases, decreases, and deferrals under the budget agreement.

State Sets Enrollment Growth Expectations for UC and CSU. The state expects UC and CSU to enroll more resident undergraduate students over the next few years. In 2024-25, UC is to increase by 2,927 full-time equivalent (FTE) students (1.4 percent) and CSU is to increase by 6,338 FTE students (1.9 percent). UC is to continue growing its resident undergraduate enrollment by 1.4 percent annually through 2026-27. CSU is to grow by 3 percent in 2025-26. Although UC's and CSU's base augmentations are to cover most of the associated cost, the budget includes \$31 million in 2024-25 specifically for UC to replace 902 FTE nonresident undergraduate students with resident students at the Berkeley, Los Angeles, and San Diego campuses (combined). Provisional language authorizes the administration to reduce funding proportionally if any of these UC or CSU enrollment expectations are not met. This [EdBudget table](#) shows enacted higher education enrollment levels. (As is the case with the base augmentations, the state plans to defer the UC nonresident replacement funding for 2025-26.)

Housing and Homelessness

Eliminates Most Remaining One-Time Funding for Housing. Previously enacted budgets authorized significant, albeit primarily one-time and temporary, funding for housing and homelessness, including authorizing some spending actions for 2024-25. The 2024-25 spending plan reduces much of the one-time, unspent funding for several major housing programs by a total of \$1.4 billion General Fund. Examples of the programs with the largest reductions include the Foreclosure Intervention Housing Preservation Program (\$400 million General Fund), Infill Infrastructure Program (\$235 million General Fund), and CalHome (\$153 million General Fund). Although the Governor's budget proposal initially included reductions that would essentially eliminate state funding for the Multifamily Housing Program (proposed reduction of \$250 million General Fund), Housing Navigator and Maintenance Program (proposed reduction of \$13.7 million), and Regional Early Action Planning program (\$300 million proposed reduction), the final budget did not include reductions of this magnitude. Instead, smaller than proposed reductions were made to the Multifamily Housing Program (\$10 million

2024 - 25 BUDGET

General Fund reduction) and the Regional Early Action Planning Program (\$40 million General Fund reduction), and no reductions were made to the Housing Navigator and Maintenance Program.

Provides New, One-Time Augmentations for Certain Homelessness Programs. The 2024-25 budget includes \$1 billion General Fund for a sixth round of local funding for the HHAP Program. Additionally, the 2024-25 budget includes \$150 million for the Encampment Resolution Funding program. The spending plan includes budget-related legislation aimed to increase oversight and accountability for both programs. At a high level, this legislation will require the reporting of additional performance measures, ongoing monitoring by the Department of Housing and Community Development, and increased reporting requirements for all recipients. Finally, the 2024-25 budget continues the recent practice of providing an additional \$500 million for the state Low-Income Housing Tax Credit Program. (Because these credits would not be claimed until the housing units are complete, the General Fund impact of these tax credits will occur in a few years.)

Child Care

Funds New Child Care Slots and Modifies Multiyear Expansion Plan. The budget package includes \$229 million (\$117 million General Fund and \$111 million federal funds) for 11,000 new center-based child care slots beginning October 1, 2024. These slots will have full-year costs of \$305 million beginning in 2025-26. The budget also modifies and adds into statute details related to the multiyear slot expansion plan. (In 2021-22, the Legislature and Governor agreed to add 206,500 child care slots by 2025-26. Full implementation was delayed to 2026-27 in the

2023-24 budget.) Specifically, trailer legislation indicates intent to add 44,000 slots in 2026-27 and 33,000 slots in 2027-28 to fully meet the goals of the expansion plan.

Public Safety

Various Public Safety Reductions. The budget reflects numerous reductions to General Fund spending on public safety programs. Notable examples include:

- \$169 million (increasing to \$225 million in 2025-26 and ongoing) in reductions to CDCR associated with prison capacity deactivations. This consists of (1) \$77 million (increasing to \$132 million) from the planned deactivation of Chuckawalla Valley State Prison in Blythe, (2) \$82 million from the deactivation of 42 housing units across 11 state prisons, and (3) \$10 million (increasing to \$11 million) related to reduced administrative costs resulting from these and previous deactivations.
- \$97 million in ongoing reductions to trial court operations funding.
- \$93 million in one-time reductions to Governor's Office of Emergency Services grant programs. This includes (1) \$45 million from the Prepare California community hardening grant program, (2) \$21 million from a gun buyback program, (3) \$15 million from the Seismic Retrofitting Program for Soft Story Multifamily Housing, and (4) \$12 million from the California Wildfire Mitigation home hardening program.

APPENDIX

Note: In the online version of this report, we include a series of Appendix tables that have detailed information on the budget solutions reflected in the *2024-25 Budget Act* as well as early action taken in the legislative session.

LAO PUBLICATIONS

This report was prepared by Ann Hollingshead with contributions from analysts across the office, and reviewed by Carolyn Chu. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Inflation Continues to Cool

 [BY WENDI MCCASKILL](#)

 [BY MATT PHILLIPS, CPA](#)

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posted August 15, 2024

On Wednesday, August 14, 2024, the U.S. Bureau of Labor Statistics reported updates to the Consumer Price Index (CPI). The annual CPI—a U.S. measure of inflation—increased to 2.9% in July, an improvement over the 3.0% and 3.3% figures reported for June and May. This is the smallest 12-month increase to headline inflation since March 2021.

July core inflation, which excludes the costs for food and energy, came in at 3.2% year over year, a decline from June's 3.6% year-over-year rate. The shelter index continues to be the largest contributor to inflation, with motor vehicle insurance, household furnishings and operations, education, recreation, and personal care indexes also increasing since last month. The increase to the shelter index was higher than anticipated and increased shelter costs continue to be a concern to economists.

The 2.9% headline inflation figure is welcome news for those looking to cooling inflation as an indication that the Federal Open Market Committee (FOMC) will reduce the federal funds rate at its September meeting. After increases to the federal funds rate spanning from March 2022 to July 2023, rates have remained unchanged at a target range of 5.25–5.50%. The Federal Reserve has consistently maintained that more progress needs to be made towards 2.0% annual inflation before a federal funds rate reduction can be realized.

As we have noted in the past, while the CPI is an oft watched inflationary measure and tracked by the Federal Reserve, the gauge it prefers is the Personal Consumption Expenditures (PCE) Price Index. The June PCE reported by the U.S. Bureau of Economic Analysis on July 26, 2024, is 2.5%. The July figure will be released August 30, 2024. This will be the last update of the PCE prior to the September meeting of the FOMC.

The continued cooldown of inflation was in alignment with expectations and did not come as a surprise. Wall Street responded well to the CPI figures. On Wednesday, the S&P 500 ended the day up by 0.38%. The Nasdaq also rose 0.03%, and the Dow Jones Industrial Average increased by 0.61%.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Legislative Year Nears Finish Line

 [BY MICHELLE MCKAY UNDERWOOD](#)

Copyright 2024 School Services of California, Inc. posted August 16, 2024

Yesterday, Thursday, August 15, 2024, the Appropriations Committees in both the Senate and the Assembly, chaired by Senator Anna Caballero (D-Merced) and Assemblymember Buffy Wicks (D-Oakland), respectively, dispatched several hundred bills with little commentary other than to announce the vote and provide a short description of any amendments taken. The Senate had the heavier workload with 515 bills to consider compared to 315 in the Assembly.

With yesterday's actions, the bills approved by the committees will move forward to the Senate and Assembly floors for consideration before the legislative year ends on August 31, 2024. Below is a summary of a number of noteworthy education bills that will be moving forward to the house floors as well as those significant education bills that were ultimately held by the committees.

Bills Approved by the Appropriations Committees

- [Assembly Bill \(AB\) 359](#) (Holden, D-Pasadena) would provide that College and Career Access Pathways (CCAP) partnerships can offer dual enrollment to all students and prioritize those not typically college bound or underrepresented in higher education.
- [AB 2088](#) (McCarty, D-Sacramento) would require school and community college districts (CCDs) to notice any vacancies for part-time and full-time classified positions to current regular nonprobationary classified employees, and offer them first refusal over all applicants, except those on reemployment or voluntary demotion lists, during a ten-day notice period.
- [AB 2104](#) (Soria, D-Fresno) would require the California Community Colleges Chancellor's Office (CCCCO) to develop a Baccalaureate Degree in Nursing Pilot Program.
- [AB 2193](#) (Holden) would establish civil liability for a public or private postsecondary educational institution relating to student hazing.

- [AB 2277](#) (Wallis, R-Palm Springs) would increase the maximum amount of instructional hours that a part-time community college faculty member may teach at any one CCD.
- [AB 2326](#) (Alvarez, D-San Diego) would delineate which public higher education entities are responsible for ensuring campus programs are free from discrimination and who has the authority to oversee and monitor compliance with state and federal laws.
- [AB 2901](#) (Aguiar-Curry, D-Winters) would require school districts and CCDs to provide up to 14 weeks of paid leave for employees experiencing pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions.
- [AB 2925](#) (Friedman, D-Glendale) would provide that California's postsecondary educational institutions have an affirmative obligation to combat discrimination and a responsibility to provide equal educational opportunity.
- [AB 2936](#) (Jackson, D-Moreno Valley) would require the California Community Colleges (CCC) to develop a reconciliation master plan for use on each of their respective campuses to address cultural and political conflicts that arise on campus.
- [Senate Bill \(SB\) 895](#) (Roth, D-Riverside) would require the CCCCO to develop a Baccalaureate Degree in Nursing Pilot Program.
- [SB 1244](#) (Newman, D-Fullerton) would authorize a local educational agency (LEA) to enter into a CCAP dual enrollment partnership with a CCD outside the LEA's service area in certain circumstances.
- [SB 1287](#) (Glazer, D-Orinda) would state that CCDs have the primary responsibility to prevent and address conduct that either creates a hostile environment for students on campus or results in differential treatment of students on campus.
- [SB 1491](#) (Eggman, D-Stockton) would amend the Equity in Higher Education Act to update definitions regarding sexual orientation, require the CCC and the California State University to designate an employee to meet the needs of LGBTQ+ members on campus, and provide additional notification requirements to inform students of their rights to report discriminatory incidents to the U.S. Department of Education.

Bills Held by the Appropriations Committees

- [AB 1160](#) (Pacheco, D-Downey) would have prohibited institutions of higher education from taking specified actions against a student on the grounds that the student owes institutional debt.
- [AB 1818](#) (Jackson) would have required the CCCCO to establish a pilot program to allow overnight parking on select campuses by students.

Next Steps

Many of the approved bills summarized above will be amended (and some quite significantly), but since specific language of those amendments is not yet available, we will use next week's "Top Legislative Issues" article to provide updated summaries for many of the key measures below.

Bills that overcame this final committee hurdle will now move to the floor for final votes and to the Governor. The last day to send bills to Governor Gavin Newsom is August 31 when the Legislature concludes its two-year legislative session.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

“Big Three” Tax Revenues Impacting Fiscal Outlook

 [BY ANJANETTE PELLETIER](#)

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posted August 21, 2024

The economic update released for August 2024 by the Department of Finance (DOF) highlights continuing growth for the U.S. gross domestic product and nationwide slowing of headline inflation, which was at 2.9% at the end of July 2024. The eyes of fiscal analysts have been on inflationary indicators, with markets and consumers alike hoping for a gradual decrease to interest rates and cost pressures from food, energy, transportation, and shelter, which all experienced mild decreases in year-over-year comparisons (see “[Inflation Continues to Cool](#)” in the August 2024 *Community College Update*). In the labor market, U.S. unemployment rose slightly to 4.3%, while California still outpaces the nation at 5.2% for the third consecutive month.

For California’s budget, which is largely dependent on the “Big Three” taxes (personal income tax [PIT], corporation tax [CT], and sales and use tax [SUT]), forecasts in the Enacted Budget are monitored closely. For July, which is not typically a large month for tax receipts, the preliminary General Fund cash receipts outpaced forecasts by \$983 million, or 10.1%, over forecasts, mostly in PIT and CT receipts. The DOF Finance Bulletin downplays the impact of this single month of strong PIT and CT payments, citing a variety of factors, including the need to consider tax withholding receipts over the course of multiple months to establish long-term trends, that the overage in CT receipts were likely due to large payments from a few corporations, and highlighting that SUT receipts were \$306 million, or 18.4%, below expectations. Shown below are 2024-25 year-to-date tax receipts for the “Big Three” taxes.

2024-25 Comparison of Actual and Forecast General Fund Revenues (Dollars in Millions)

| Revenue Source | Forecast | Actual | Difference | Percent Difference |
|-----------------|----------|---------|------------|--------------------|
| Personal Income | \$7,164 | \$7,582 | \$418 | 5.8% |
| Corporation | \$521 | \$1,365 | \$844 | 161.8% |
| Sales and Use | \$1,664 | \$1,358 | -\$306 | -13.8% |

The Legislative Analyst’s Office (LAO) released an “Updated ‘Big Three’ Revenue Outlook” article reflecting recent revenue and economic data, which results in higher “Big Three” revenue estimates. The updated forecast, which can be viewed on the LAO’s [website](#), shows PIT, CT, and SUT estimates more closely aligned with the revenue projections included in the 2024-25 Budget Act, and estimates a total revenue difference of only \$3.0 billion less through the 2024-25 fiscal year. The LAO notes there is still a broad range of where overall revenues could fall over the course of the entire fiscal year, with possibilities widening into 2025-26.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Budget Cleanup Legislation Introduced

 [BY KYLE HYLAND](#)

 [BY MICHELLE MCKAY UNDERWOOD](#)

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posted August 21, 2024

On Tuesday, August 13, 2024, the Legislature published the anticipated cleanup language for the 2024-25 Enacted State Budget. The key details impacting community colleges are included in [Senate Bill \(SB\) 176](#).

While SB 176 mostly makes technical, cleanup changes to the K-12 education provisions of the Enacted Budget, the bill does make several noteworthy amendments for community colleges, including the following:

- Increases the number of Rising Scholars Programs that can be funded to 65 (from the current cap of 50) and allows for funding prioritization for programs that show improvement in achieving the student outcome goals
- Allows the California Community Colleges Board of Governors to prioritize funding for capital outlay projects in 2025-26 that address campus facility safety concerns regarding the use of concrete “lift slab”
- Makes changes to several reporting requirements for the California Community Colleges Chancellor’s Office, including moving the deadline for some reports

Additionally, two appropriations cleanup bills, SB 157 and SB 158, affect community college funding as follows:

- SB 157 would provide a cost-of-living adjustment for the California Work Opportunity and Responsibility to Kids and Extended Opportunity Programs and Services categorical programs, which was inadvertently left out of the June budget
- SB 158 would adjust the funding needed to cover debt service costs for California Community Colleges student housing projects

Next Steps

These bills were heard by the Assembly Budget Committee last Thursday, August 15, 2024, and will be heard by the Senate Budget and Fiscal Review Committee next Monday, August 26, 2024.

SB 176 and other budget trailer bills will need to clear the Legislature by the end of session, which is August 31, 2024. It is important to note that due to the 72-hour rule in the California Constitution, the last day that SB 176 can be amended by the Legislature is Wednesday, August 28, 2024.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—August 23, 2024

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#)

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The final dash to the end of the legislative session kicked off last Thursday, August 15, 2024, with the Senate and Assembly Appropriations Committees taking up their suspense files and dispensing with 830 bills (see “[Legislative Year Nears Finish Line](#)” in the August 2024 *Community College Update*).

Many of the bills that cleared the Appropriations Committees were amended over the past few days to address cost concerns or any issues that would make them potentially less successful in seeking Governor Gavin Newsom’s signature. This week’s “Top Legislative Issues” features several noteworthy California Community Colleges (CCC) bills that have been amended since last week’s suspense file hearings.

These bills will get a full floor vote in the second house and, if they have been amended during their time there, will go back to their house of origin for a concurrence vote on amendments, and then it is off to Governor Newsom’s desk. This all must be done before the end of Saturday, August 31, 2024—the deadline for bills to be sent to Governor Newsom for the second and final year of the 2023-24 legislative session.

Due to the passage of Proposition 54 in 2016, all bills must be published in print and online for at least 72 hours before each house of the Legislature can vote on them. This means that all amended bills must be in print by next Wednesday, August 28, 2024, in order to comply with the 72-hour rule in the California Constitution.

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

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

Access

[Assembly Bill \(AB\) 2057](#) (Berman, D-Menlo Park)—Associate Degree for Transfer. This bill extends the Associate Degree for Transfer (ADT) Intersegmental Implementation Committee by two years. This bill further requires that the transfer model curricula used to develop ADTs be submitted to the California Community Colleges Chancellor’s

Office (CCCCO) for high-unit science, technology, engineering, and mathematics majors by January 1, 2025. This bill requires that the ADT Intersegmental Committee report to the Legislature on actions taken, milestones achieved, and progress in closing equity gaps by race and ethnicity in transfer outcomes.

The author amended this bill in the Senate Appropriations Committee to remove the requirement for the segments to adopt and monitor certain goals that are designed to prioritize closing equity gaps by race and ethnicity in transfer outcomes.

Employees

AB 1905 (Addis, D-Morro Bay)—**Public Postsecondary Education: Employment: Settlements, Informal Resolutions, and Retreat Rights.** This bill requires the CCC, California State University (CSU), and University of California (UC), as a condition of receiving state financial assistance, to each adopt a written policy that prohibits an employee from being eligible for retreat rights and from receiving a letter of recommendation if the employee is the respondent in a sexual harassment complaint where a final determination has been made, the employee resigned, or the employee enters into a settlement with the institution.

This bill was amended by the author in the Senate Appropriations Committee to clarify changes and provide that each public postsecondary educational institution, in order to receive state financial assistance, must adopt a written policy that, at a minimum, includes the provisions currently specified in the bill that prohibit retreat rights and letters of recommendation for employees.

AB 2088 (McCarty, D-Sacramento)—**K-14 Classified Employees: Part-Time or Full-Time Vacancies: Public Postings.** As amended on May 16, 2024, this bill establishes a statutory right of first refusal to current, regular nonprobationary classified employees of school and community college districts (CCDs) for part-time and full-time vacant positions. Current classified employees must meet the minimum qualifications for the vacant position and must apply for the position within ten business days of receiving notice for the new classified position. Education employers may only offer a vacant classified position to an external candidate after posting the position for ten days and if no qualified internal candidate applies for the position.

AB 2277 (Wallis, R-Palm Springs)—**Community Colleges: Part-Time Faculty.** This bill requires CCDs, as a condition of receiving funding allocated for the Student Equity and Achievement Program, to increase the maximum amount of instructional hours that a part-time community college faculty member could teach at a community college from the range of 60-67% of a full-time equivalent load to 80-85%. The bill would require CCDs to commence the negotiation of the bill's provisions no later than the expiration of any negotiated agreement in effect on January 1, 2025, and for any CCD that does not have a collective bargaining agreement in effect as of January 1, 2025.

The bill was amended in the Senate Appropriations Committee to clarify that all workload (instructional time, office hours, and mandatory meetings) pertaining to part-time assignments average less than 30 hours a week in order to avoid triggering Affordable Care Act requirements.

AB 2901 (Aguiar-Curry, D-Winters)—**School and Community College Employees: Paid Disability and Parental Leave.** AB 2901 would require a K-14 district to provide up to 14 weeks of paid pregnancy leave for employees who experience pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions, and the bill continues through the legislative process.

The bill was amended in the Senate Appropriations Committee to delay implementation to January 1, 2028, and it would take effect only if an appropriation is made for these purposes.

Instruction

Senate Bill (SB) 895 (Roth, D-Riverside)—**Community Colleges: Baccalaureate Degree in Nursing Pilot Program.** This bill would require the CCCCCO to develop a Baccalaureate Degree in Nursing Pilot Program that authorizes select CCDs to offer a bachelor of science in nursing degree. The pilot program would be limited to ten CCDs statewide and would require the CCCCCO to identify and select eligible CCDs based on the following criteria:

- The CCCCCO is encouraged to ensure there is equitable access between the northern, central, and southern parts of the state to the pilot program.
- Priority shall be given to CCDs located in underserved nursing areas.
- CCDs shall have a nationally accredited nursing program.
- The CCCCCO shall give positive consideration where a CCD has a successful associate degree in nursing to bachelor of science in nursing concurrent enrollment partnership with the CSU, the UC, or an independent institution of higher education.

The total number of participants in a pilot program at a CCD would be limited to 25% of the CCD's associate degree in nursing class size. The bill would also require the Legislative Analyst's Office to conduct an evaluation of the pilot program to determine the effectiveness and the need to continue or expand the program.

The Assembly Appropriations Committee amended the bill from 15 CCDs down to ten.

School and Student Safety

AB 1841 (Weber, D-San Diego)—**Student Safety: Opioid Overdose Reversal Medication: Student Housing Facilities.** As amended on August 19, 2024, this bill requires each CCD and the Trustees of the CSU to notify students of the presence and location of opioid overdose reversal medication and that each residential advisor and house manager, or the equivalent position, has received opioid overdose prevention and treatment training. The bill would require that each campus train all students who live on campus on the use of opioid overdose reversal medication during student orientation for each academic semester or term. The bill would also require the governing board of each CCD and the Trustees of the CSU to require each campus health center located on a campus within their respective segments to distribute, at the beginning of each academic semester or term, two doses of a federally approved opioid overdose reversal medication obtained through the Naloxone Distribution Project to each university- or college-affiliated student housing facility.

AB 2193 (Holden, D-Pasadena)—Hazing Educational Institutions: Prohibition and Civil Liability: Reports and Resources. This bill expressly prohibits a person from being subjected to hazing in any program or activity conducted by an educational institution that receives, or benefits from, state financial assistance or enrolls students who receive state student financial aid. The bill would, beginning January 1, 2026, additionally authorize a person against whom hazing is directed on or after January 1, 2026, to commence a civil action against an educational institution if (1) the institution has direct involvement in the hazing practice of the organization, or knew or should have known of the hazing practice and failed to take reasonable steps to stop the hazing practice, and (2) the organization involved in the hazing is affiliated with the educational institution at the time of the alleged hazing incident. For purposes of determining whether an educational institution “knew or should have known of the hazing practice and failed to take reasonable steps to stop the hazing practice of the organization,” the bill would establish a rebuttable presumption that an educational institution took reasonable steps to address hazing if the educational institution had taken specified antihazing measures.

The bill was amended in the Senate Appropriations Committee to clarify that the measure is perspective and only applies to incidents alleged to have occurred on or after January 1, 2026.

2024 Legislative Calendar—Upcoming Holidays and Deadlines

August 19-31—Floor session only; no committee may meet for any purpose except the Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees

August 23—Last day to amend bills on the floor

August 31—Last day for each house to pass bills; final recess begins upon adjournment

September 2—Labor Day

September 30—Last day for the Governor to sign or veto bills passed by the Legislature before September 1 and in the Governor’s possession on or after September 1



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Legislature Wraps up the 2023-24 Legislative Session



BY KYLE HYLAND

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posted September 6, 2024

Into the wee hours on Sunday, September 1, 2024, the California Legislature concluded its work for the final year of the 2023-24 legislative session. While the California Constitution explicitly states that no bill can be approved by the Legislature after August 31 of the second year of the legislative session, that deadline does not apply to urgency measures, which was the case for the final bills heard by lawmakers before they gaveled the session to a close.

The Legislature sent a number of significant bills to Governor Gavin Newsom over the final days of session that have implications for community college districts (CCDs), should they be signed into law. Below, we highlight the noteworthy community college related measures that lawmakers approved during the final days of session and summarize any significant bills that failed to meet the August 31 deadline.

As a reminder, since we are in the final year of the legislative session, any bill that did not meet the August 31 deadline is officially dead. This means if a legislator wants to pursue any of these proposals next year when the 2025-26 legislative session begins, they will have to reintroduce the proposal as a new bill and start the legislative process anew.

Bills Sent to Governor Newsom

[Assembly Bill \(AB\) 176](#) (Committee on Budget)—Education Finance: Education Omnibus Trailer Bill. This is the education cleanup trailer bill that mostly makes technical, cleanup changes to the education provisions of the 2024-25 Enacted Budget (see "[Budget Cleanup Legislation Introduced](#)" in the August 2024 *Community College Update*).

[AB 359](#) (Holden, D-Pasadena)—Pupil Instruction: Dual Enrollment: College and Career Access Pathways Partnerships. This bill would amend the College and Career Access Pathways (CCAP) program to align with best practices from other dual enrollment programs and to streamline access to dual enrollment for K-12 students throughout the state.

AB 1905 (Addis, D-Morro Bay)—Public Postsecondary Education: Employment: Settlements, Informal Resolutions, and Retreat Rights. This bill would require the California Community Colleges (CCC), California State University (CSU), and University of California to adopt a written policy that prohibits an employee from being eligible for retreat rights and from receiving a letter of recommendation if the employee is the respondent in a sexual harassment complaint where a final determination has been made, the employee resigned, or the employee enters into a settlement with the institution.

AB 1997 (McKinnor, D-Inglewood)—Teachers' Retirement Law. This bill would redefine “annualized pay rate” to mean the salary a person could earn during a school term in a position subject to membership if creditable service was performed for that position on a full-time basis, to be determined pursuant to a publicly available pay schedule by a prescribed method.

AB 2057 (Berman, D-Menlo Park)—Associate Degree for Transfer. This bill would extend the Associate Degree for Transfer Intersegmental Implementation Committee by two years and would require the Intersegmental Committee to report to the Legislature on actions taken and milestones achieved in progress towards closing equity gaps by race and ethnicity in transfer outcomes.

AB 2088 (McCarty, D-Sacramento)—K-14 Classified Employees: Part-Time or Full-Time Vacancies: Public Postings. This bill would establish a statutory right of first refusal to current, regular non-probationary classified employees of K-14 districts for vacant classified positions.

AB 2104 (Soria, D-Fresno)—Community Colleges: Baccalaureate Degree in Nursing Pilot Program. This bill would require the California Community Colleges Chancellor's Office (CCCCO) to develop a Baccalaureate Degree in Nursing Pilot Program for ten CCDs.

AB 2193 (Holden)—Hazing: Educational Institutions: Prohibition and Civil Liability: Reports and Resources. This bill would establish civil liability for a public or private institution of higher education by a person harmed by a hazing incident that occurred on or after January 1, 2026, from an organization affiliated with the educational institution under specified circumstances.

AB 2277 (Wallis, R-Palm Springs)—Community Colleges: Part-Time Faculty. This bill would increase the maximum amount of instructional hours that a part-time community college faculty member could teach at a community college from the range of 60-67% of a full-time equivalent load to 80-85%.

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

AB 2925 (Friedman, D-Glendale)—Postsecondary Education: Equity in Higher Education Act: Prohibition on Discrimination: Training. This bill would provide that California's postsecondary educational institutions have an affirmative obligation to combat discrimination and a responsibility to provide equal educational

opportunity.

AB 2936 (Jackson, D-Moreno Valley)—**Higher Education Reconciliation Act**. This bill would require the CCC, contingent upon an appropriation, to develop a reconciliation master plan for use on each of their respective campuses to address cultural and political conflicts that arise on campus.

Senate Bill (SB) 895 (Roth, D-Riverside)—**Community Colleges: Baccalaureate Degree in Nursing Pilot Program**. This bill would require the CCCC to develop a Baccalaureate Degree in Nursing Pilot Program for ten CCDs.

SB 1244 (Newman, D-Fullerton)—**Pupil Instruction: Dual Enrollment: College and Career Access Pathways Partnerships**. This bill would authorize a CCD to enter a CCAP partnership with a K-12 local educational agency located within the service area of another CCD under specified circumstances.

SB 1491 (Eggman, D-Stockton)—**Postsecondary Education: Equity in Higher Education Act**. This bill would amend the Equity in Higher Education Act to update definitions regarding sexual orientation, require the CCC and the CSU to designate an employee to meet the needs of LGBTQ+ members on campus, and provide additional notification requirements to inform students of their rights to report discriminatory incidents to the U.S. Department of Education.

Bills That Failed the End-of-Session Deadline

AB 2901 (Aguiar-Curry, D-Winters)—**School and Community College Employees: Paid Disability and Parental Leave**. AB 2901 would have required a K-14 district to provide up to 14 weeks of paid pregnancy leave for employees who experience pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions.

Next Steps

The Legislature is now on recess from regular session until Monday, December 2, 2024. When they return in December, they will swear in the new legislators that won their November 2024 elections and then will not return until January 2025, which is when the 2025-26 legislative session officially begins.

It is important to note that while the Legislature is technically on recess from regular session until December, Governor Newsom did call for a [special session](#) on August 31 to address gasoline prices. Assembly Speaker Robert Rivas (D-Salinas) has already told reporters that he plans on scheduling hearings for the special session in the coming weeks. However, Senate President pro Tempore Mike McGuire (D-North Coast) released a [statement](#) that the Senate will not be conducting a special session but looks forward to continuing conversations with the Governor and Speaker on this issue.

The Governor has until September 30 to sign or veto the bills sent to him during the final days of the legislative session. Any budget bills or urgency measures will go into effect immediately upon the Governor's signature. The remaining bills would take effect beginning January 1, 2025, unless an alternative implementation date is included in the bill.

We will monitor the Governor's actions on these bills over the next month through subsequent *Community College Update* articles and provide analysis on how these bills will impact CCDs.



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Calculating Your Annual Gann Limit



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

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posted September 9, 2024

It's that time of the year for community college districts (CCDs) to perform their Gann Limit calculations, submit the information to their governing boards for approval via a board resolution, and, per Government Code Section (GC §) 7908(c), provide the information to the California Community Colleges Chancellor's Office (CCCCO) and the Director of Finance. This information is reported to the CCCCCO on the Annual Financial and Budget Report, CCFS-311 Gann Appropriations Limit form. CCDs are required to submit this report by October 10, 2024.

The Gann Limit is calculated by multiplying the prior-year limit by the:

1. Statewide factor for per capita personal income change (or price factor), and
2. The CCD's percentage change in full-time equivalent students from the prior year to the current year.

As reported by the Department of Finance, the 2024-25 price factor is 1.04%.

CCDs whose revenues exceed their Gann Limits are required to increase their spending limit by "borrowing" from the state's limit in an amount equal to their proceeds of taxes (see GC § 7902.1). Conversely, if a CCD's Gann Limit is higher than its proceeds of taxes, it must decrease its limit by an amount equal to its revenues.

The 2024-25 Gann Limit Worksheet can be found [here](#).

**Rancho Santiago Community College District
Unrestricted General Fund 5 Year MYP**

Based on College's Projected Growth in Enrollment in FY 2024/25 Capped at 0.5% and Other Metrics (with 3.55% Deficit in FY 2024/25, 2% in out years)

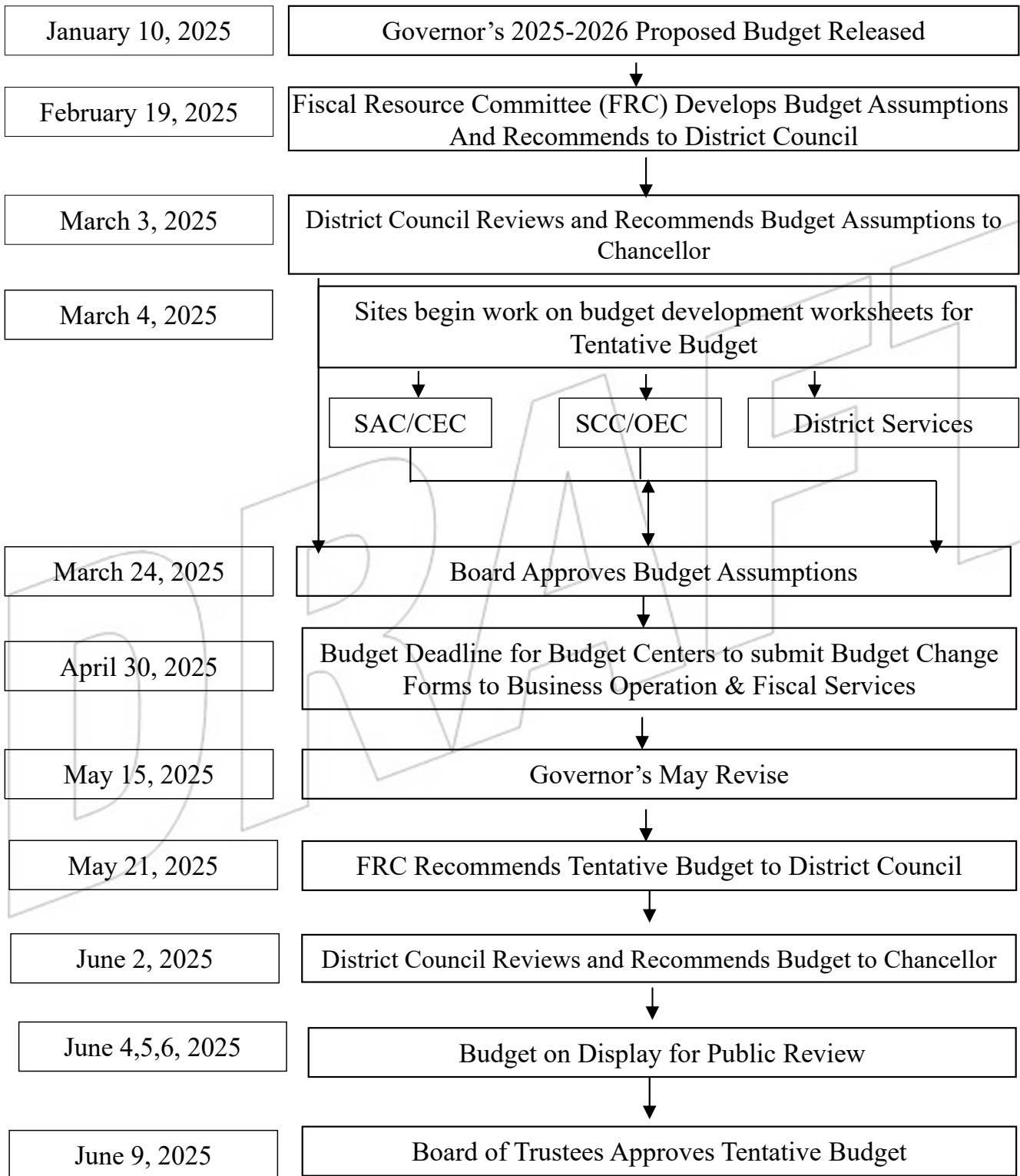
| ASSUMPTIONS | Est Actual 2023-24 | Projected 2024-25 | Projected 2025-26 | Projected 2026-27 | Projected 2027-28 | Projection Assumptions |
|------------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|--|
| Revenue | | | | | | |
| Apportionment COLA % | 8.22% | 1.07% | 2.93% | 3.08% | 3.30% | Based on SSC's Recommended Planning COLA |
| Credit FTES | 18,174.01 | 18,644.72 | 18,737.94 | 18,831.63 | 18,925.79 | Based on college's projected growth |
| Non-credit FTES | 2,419.96 | 2,482.64 | 2,495.05 | 2,507.53 | 2,520.06 | Based on college's projected growth |
| CDCP FTES | 6,871.93 | 7,049.91 | 7,085.16 | 7,120.59 | 7,156.19 | Based on college's projected growth |
| Special Admit - FTES | 1,622.01 | 1,664.02 | 1,672.34 | 1,680.70 | 1,689.11 | Based on college's projected growth |
| SAC projected growth | | 2.59% | 0.50% | 0.50% | 0.50% | |
| SCC projected growth | | 2.59% | 0.50% | 0.50% | 0.50% | |
| Total Reported FTES | 29,087.91 | 29,841.29 | 29,990.49 | 30,140.45 | 30,291.15 | |
| Total Estimated Funded FTES | 28,827.28 | 28,906.97 | 29,075.35 | 29,294.56 | 29,388.25 | |
| Change in Funded FTES | 6.57% | 2.59% | 0.50% | 0.50% | 0.50% | No borrowing in FY 25-26 |
| 3 Year Credit Average Used in SCFF | 18,251.22 | 18,350.51 | 18,518.89 | 18,738.10 | 18,831.79 | 3 Year Average Credit FTES |
| Lottery Revenue - Unrestricted \$ | 177 | 191 | 191 | 191 | 191 | Based on SSC's Dartboard 24-25 - 7/23/24 |
| Deficit Factor \$ | (4,674,899) | (8,395,559) | (4,890,399) | (5,065,650) | (5,233,383) | |

| | | | | | | |
|---|---------|---------|---------|---------|---------|---|
| Expenditure | | | | | | |
| Expenditure COLA % | 5.00% | 4.00% | 2.93% | 3.08% | 3.30% | |
| Step/Column | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | |
| STRS | 19.10% | 19.10% | 19.10% | 19.10% | 19.10% | STRS based on SSC's Dartboard 24-25 - 7/23/24 |
| PERS | 26.68% | 27.05% | 27.60% | 28.00% | 29.20% | PERS based on SSC's Dartboard 24-25 - 7/23/24 |
| SUI | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | SUI based on SSC's Dartboard 24-25 - 7/23/24 |
| H/W Premium Increase (District Cost) | 3.50% | 3.00% | 3.50% | 3.50% | 3.50% | |
| Utilities Cost Increase | 2.50% | 15.00% | 2.50% | 2.50% | 2.50% | |
| ITS Licensing/Contract Escalation Cost \$ | 150,000 | 195,000 | 195,000 | 195,000 | 195,000 | |

| MULTI YEAR PROJECTION | Est Actual 2023-24 | Projected 2024-25 | Projected 2025-26 | Projected 2026-27 | Projected 2027-28 |
|------------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| <i>Basic Allocation</i> | 18,245,384 | 18,440,610 | 18,980,920 | 19,565,532 | 20,211,195 |
| <i>- Less large college factor</i> | | | | | |
| <i>FTES allocation</i> | | | | | |
| <i>Credit</i> | 95,709,298 | 97,155,294 | 100,919,558 | 105,259,251 | 109,043,742 |
| <i>Special Admit</i> | 10,783,532 | 10,898,916 | 11,218,254 | 11,563,776 | 11,919,940 |
| <i>CDCP</i> | 49,775,656 | 50,308,256 | 51,782,288 | 53,377,182 | 55,021,200 |
| <i>Non-Credit</i> | 10,215,257 | 10,324,561 | 10,627,070 | 10,954,384 | 11,291,779 |
| <i>Supplemental</i> | 27,224,311 | 27,515,619 | 28,321,827 | 29,194,139 | 30,093,319 |
| <i>Student Success</i> | 21,791,524 | 22,024,693 | 22,670,016 | 23,368,253 | 24,087,995 |
| Calculated Amount | 233,744,963 | 236,667,949 | 244,519,934 | 253,282,518 | 261,669,170 |
| HOLD HARMLESS | 211,844,218 | 214,110,952 | 236,667,949 | 236,667,949 | 236,667,949 |
| Est Apportionment (FD 11) | 229,070,064 | 228,272,390 | 239,629,535 | 248,216,867 | 256,435,786 |
| Est Other Income (FD 11) | 44,259,097 | 24,328,808 | 24,328,808 | 24,328,808 | 24,328,808 |
| Est Ongoing Expense (FD 11) | 229,879,531 | 252,601,198 | 260,489,511 | 269,179,635 | 279,001,229 |
| Est One Time Net Expense (FD 13) | 4,517,885 | | | | |
| Est Unrestricted FD change | 38,931,745 | 0 | 3,468,832 | 3,366,040 | 1,763,365 |

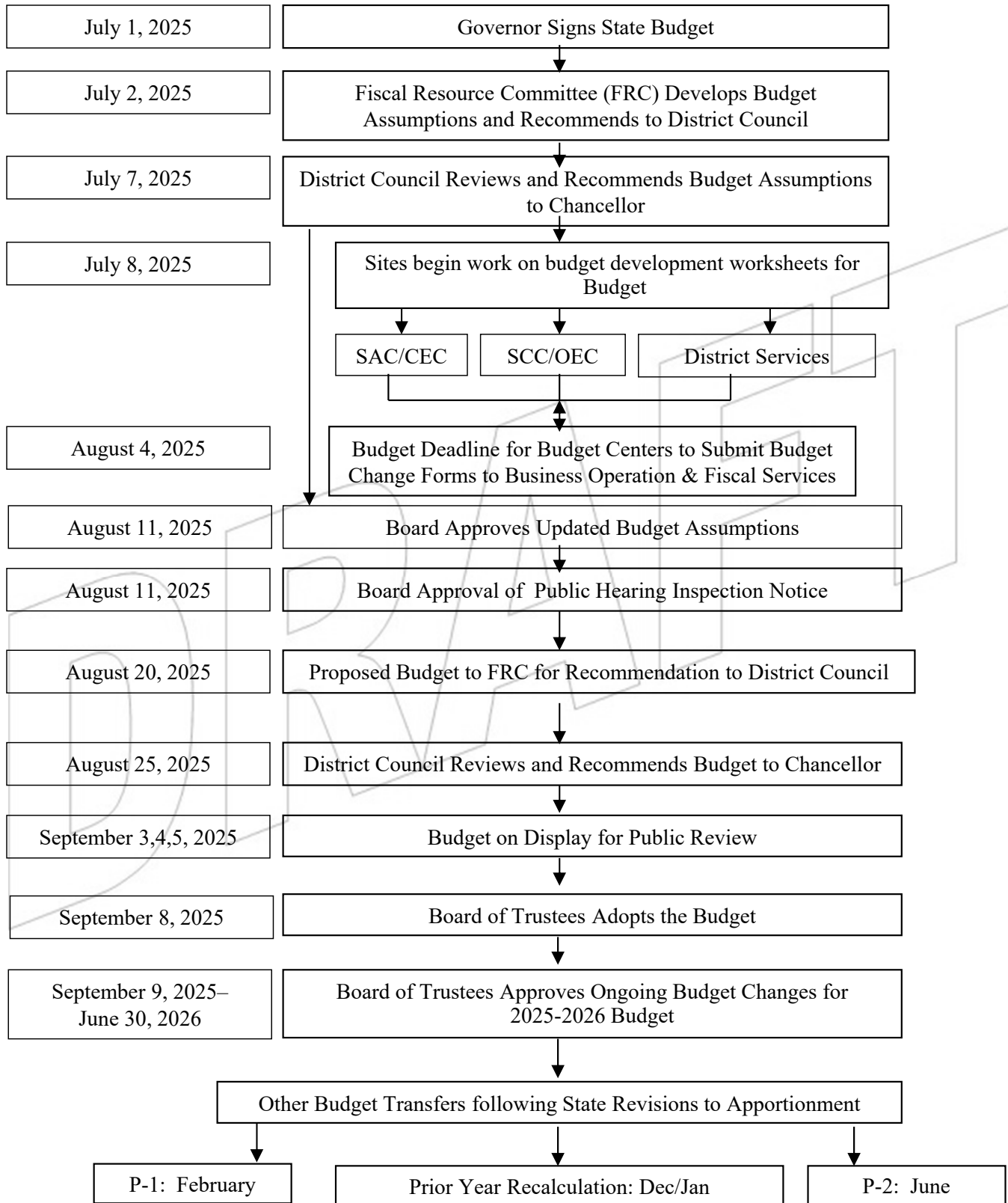
RSCCD Tentative Budget Calendar

**Fiscal Year 2025 – 2026
September 4, 2024**



RSCCD Adopted Budget Calendar

Fiscal Year 2025 – 2026
September 4, 2024



Vacant Funded Positions for FY2024-25- Projected Annual Salary and Benefits Savings
As of September 10, 2024

| Fund | 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 |
|-----------|--|--------------|--|----------|----------------|---------------|---|--|---|------------------------------------|
| 11 | Almaraz, Erika | 2340247 | Director, Accounting, Audit & Advisory | District | 6/14/2024 | 212,076 | | 11-0000-672000-54211-2110 | 301,859 | |
| 11 | Brown, Mikaila | 2659235 | Asst VC, P&C/Chief Diversity&Social Impact Officer | District | 12/31/2023 | - | Reorg#1412 Eliminated position | 11-0005-660000-53110-2110 11-0000-677000-54164-2110-50% 11-0000-695000-54164-2110-50% | - | |
| 11 | Jensen, Michael | 1167609 | Sergeant Dist Safety & Sergeant | District | 6/1/2024 | 136,642 | CL24-00953 | | 220,451 | |
| 11 | Jin, Sil Han | 2616593 | Director, People & Culture | District | 7/5/2024 | 162,977 | | 11-0000-673000-53110-2110 | 238,978 | 950,213 |
| 11 | Patikamanant, Tommy | 2664667 | Manager P&C Strategy Analytics and Equity | District | 2/20/2023 | - | Reorg#1412 Eliminated position | 11-0000-673000-53110-2110 | - | |
| 11 | Perez, Carol | 1029987 | Human Resource Analyst | District | 5/30/2024 | - | Melissa#2812896 eff:8/13/24 | 11-0000-673000-53110-2120 | - | |
| 11 | Principal Analyst(Reorg1412) | Reorg1412 | Principal Analyst(Reorg1412) | District | 6/4/2024 | 118,037 | | 11-0000-673000-53110-2110 | 188,926 | |
| 11 | Butler, Sara | 2712684 | Dean Academic Affairs | SAC | 6/27/2024 | 234,083 | Matthew Valerius#2679434 Acting Dean (1-year assignment)7/1/24-6/30/25 | 11-0000-601000-15055-1210 | 303,902 | |
| 11 | Chahhad, Mohamed | 2500258 | Instructor, Physics | SAC | 6/9/2024 | 141,483 | | 11-0000-190200-16435-1110 20% 11-0000-191100-16431-1110-80% | 184,000 | |
| 11 | Courter, William | 1026259 | Instructor, Geography | SAC | 6/8/2025 | - | Out on Bank Leave FA24&SP25 | 11-0000-220600-15650-1110 | - | 944,901 |
| 11 | Davaloz, Dallah | 1026125 | Public Information Officer | SAC | 9/6/2024 | 124,150 | CL24-01015. Interim Kim Young #2476926 Eff:9/9/24-6/30/25 | 11-0000-671000-11501-2110 | 190,719 | |
| 11 | Jones, Walter | 2593581 | Dean, Humanities & Social Sciences | SAC | 6/30/2024 | - | Hired AC23-00751 Galvan, Javier#1027584 Eff:7/1/24 | 11-0000-601000-15605-1210 | - | |
| 11 | Tanaka, Yoi | 2744077 | Associate Dean, Admissions & Records | SAC | 2/16/2024 | 183,199 | | 11-0000-620000-19205-1210 | 266,280 | |
| 11 | Vargas Navarro, Jose | 1026660 | VP, Continuing Education-OEC | OEC | 8/24/2024 | 218,821 | | 11-0000-601000-28100-1210-95% 11-0000-684000-28100-1210-5% | 304,989 | 535,826 |
| 11 | Wales, Charles | 2314075 | Facilities Manager | SCC | 6/7/2024 | 151,771 | | 11-0000-651000-27400-2110 | 230,837 | |
| | | | | | | 1,683,239 | | | 2,430,940 | |
| Fund | Classified | EMPLOYEE ID# | Title | Site | Effective Date | Annual Salary | Notes | | 2024-25 Estimated Annual Budgeted Sal/Ben | Total Unr. General Fund by Site |
| 11 | Cabrera, Anabelle | 1029249 | Business System Analyst | District | 7/12/2024 | 94,437 | | 11-0000-678000-54144-2130 | 149,470 | |
| 11 | Delzer, Michelle | 2756963 | Purchasing Services Assistant | District | 3/12/2024 | - | Hired CL24-00867 Suzanne Hoffman#2806472 Eff:7/9/24 Hired CL24-00883 Guadarrama, Aidar#1264403 Eff:9/23/24 | 11-0000-677000-54151-2130 11-0000-673000-53110-2130 11-0000-677000-52500-2310 | - | |
| 11 | Dorin, Mirela | 1030325 | Executive Secretary | District | 3/24/2024 | - | | 11-0000-673000-53110-2130 | - | |
| 11 | Eng, Gregory | 2258588 | Reprographics Technician | District | 1/3/2024 | 26,670 | | 11-0000-677000-52500-2310 | 36,338 | |
| 50%-fd 11 | Flores, Esther | 2312462 | Senior Purchasing Clerk | District | 7/15/2024 | 59,804 | | 11-0000-677000-54151-2130 | 103,072 | |
| 50%-fd 12 | Nguyen, Tyler | 2262222 | Research Analyst | District | 3/3/2023 | - | CL23-00617 Lateral Transfer Kevin Kawar#2339619 Eff:10/15/23 | 11-2410-679000-53340-2130-60% 12-3401-679000-53340-2130-50% | - | 628,324 |
| 11 | Palomares, Vanessa | 1851190 | Business Services Coordinator | District | 10/19/2022 | 76,718 | | 11-0000-701000-53350-2130 | 129,704 | |
| 11 | Smith, Nancy | 1794928 | Desktop Publishing Technician | District | 11/4/2022 | 71,191 | | 11-0000-677000-52600-2130 | 122,169 | |
| 11 | Tran, John | 1030000 | Media Systems Electronic Technician, Lead | District | 12/29/2023 | 52,184 | WOC Stephen Avila#2322397 7/1/24-12/31/24 | 11-0000-678000-54142-2130 | 87,571 | |
| 60%-fd 11 | Wittman, Robert | 1280163 | Senior District Safety Officer | District | 8/31/2023 | - | Hired CL23-00734 Jehoich, Brandon#1983078 Eff:7/22/24 | 11-0000-677000-54166-2130-60% 12-3610-695000-54166-2130-40% | - | |
| 50%-fd 11 | Arvizu, Gloria | 1030824 | Administrative Clerk | CEC | 6/16/2024 | - | | 11-0000-619000-18100-2130-50% 12-1101-619000-18100-2130-50% | - | |
| 11 | Briseno, Jennifer | 2712369 | P/T Student Services Specialist | SAC | 2/14/2024 | 27,880 | CL24-01023WOC Miller, Rebekah#12888994 Eff:7/1/24-12/31/24 WOC Paula Kincaid#2425277 Eff:8/20/24-10/31/24 | 11-0000-696000-19720-2310 | 37,987 | |
| 11 | Butler, Spencer | 2771282 | Student Services Coordinator | SAC | 7/23/2024 | 69,920 | | 11-0000-649000-19620-2130 | 118,166 | |
| 11 | Cardenas, Maria | 1588853 | Administrative Clerk | SAC | 8/20/2024 | 59,897 | | 11-0000-620000-18100-2130 | 96,124 | |
| 11 | Castillo, Norma | 1026405 | facilities Coordinator | SAC | 5/12/2024 | 71,190 | WOC Joanne Mejia#1233047 Eff:6/24/24-12/31/24 Hired CL24-00869 Maldonado, Vanessa#1687210 Eff:8/24/24 WOC Jasmine Barba#1271183 Eff:7/1/24-8/30/24 | 11-0000-683000-17100-2130 11-0000-632000-19510-2130-5% 12-2412-632000-19510-2130-64% 11-0000-653000-17200-2130 | 100,276 | |
| 36%-fd 11 | Cervantes, Mariana | 2730594 | Instructional Center Technician | SAC | 1/26/2024 | - | | 11-0000-620000-19205-2130 | 107,232 | |
| 64%-fd 12 | Chavez, Antonio | 1759169 | Custodian | SAC | 11/24/2023 | 55,134 | CL24-01007 | 11-0000-653000-17200-2130 | 100,276 | |
| 11 | Chavez, Elizabeth | 2613973 | Administrative Secreaty | SAC | 9/2/2024 | 65,731 | | 11-0000-620000-19205-2130 | 107,232 | |
| 11 | Delgado, Roberto | 1374929 | Custodian | SAC | 11/3/2023 | 55,134 | | 11-0000-653000-17200-2130 | 100,276 | |
| 11 | Fisher, Ivette | 1888390 | 11UB-CF-TECH1 | SAC | 6/5/2024 | 61,972 | | 11-0000-612000-15915-2130 | 95,450 | |
| 11 | Garcia, Jose | 1026942 | P/T Custodian | SAC | 4/1/2024 | 23,223 | | 11-0000-651000-17400-2130 11-0000-601000-18100-2130-70% 12-1102-601000-18100-2130-30% | 24,222 | |
| 70%-fd 11 | Gutierrez, Claudia | 1029121 | Division Administrative Assistant | CEC | 6/9/2024 | 65,266 | | 11-0000-620000-19205-2130-30% | 111,082 | |
| 11 | Hayes, Charles F. | 1026480 | Custodian | SAC | 6/1/2020 | - | Hired CL24-00857 Carlton, Terry#2814203 Eff:8/19/24 | 11-0000-653000-17200-2130 | - | |
| 11 | Hernandez, Eric | 1027374 | P/T Custodian | SAC | 5/17/2022 | 22,118 | | 11-0000-653000-17200-2130 | 30,136 | |
| 11 | Kawa, Kevin | 2339619 | Research Analyst | SAC | 10/14/2023 | - | Hired CL23-00745 Jannica Powers #2778085 Eff:7/8/24. | 11-0000-679000-11600-2130 | - | |
| 11 | Lopez, Felipe | 1027162 | Gardener/Utility Worker | SAC | 12/31/2021 | 59,429 | | 11-0000-655000-17300-2130 | 106,132 | |
| 35%-fd 11 | Miranda Zamora, Cristina | 1339369 | Auxiliary Services Specialist | SAC | 11/19/2019 | 22,661 | | 11-0000-699000-14121-2130-35% 31-0000-691000-14121-2130-65% | 39,684 | |
| 11 | Mora, Jorge | 1030245 | High School & Community Outreach Specialist | SAC | 6/30/2024 | 92,401 | | 11-0000-649000-18100-2130 | 142,199 | |
| 11 | Murillo, George | 1027926 | Skilled Maintenance Worker | SAC | 5/19/2024 | 82,205 | | 11-0000-651000-17400-2130 | 145,120 | |
| 11 | Naguib-Estefanous, Nancy A | 2018465 | Senior Clerk | SAC | 10/2/2022 | 59,429 | | 11-0000-646000-19405-2130 | 106,128 | |
| 11 | Nguyen, Thuy | 1026315 | Library Technician II | SAC | 12/30/2023 | - | Hired CL24-00821 Fisher, Ivette #1888390 effective 6/6/24. Hired CL24-00981 Hamman, Tyler#273286 Eff:7/29/24 | 11-0000-612000-15915-2130 11-0000-679000-11501-2130 | - | 2,599,307 |
| 11 | Pacino, Joseph | 1029364 | Instructional Media Producer | SAC | 5/31/2024 | - | | 11-0000-679000-11501-2130 | - | |
| 11 | Piscencia, Ambar | 1232951 | Administrative Clerk | SAC | 4/1/2024 | 64,745 | | 11-0000-660000-11000-2130 | 105,579 | |
| 11 | Ramirez, Leonardo | 1379054 | Skilled Maintenance Worker | SAC | 1/3/2022 | 67,571 | | 11-0000-651000-17400-2130 | 117,232 | |
| 11 | Razo, Mariano | 1029552 | Custodian | SAC | 3/25/2024 | 69,829 | | 11-0000-653000-17200-2130 | 126,772 | |
| 82%-fd 11 | Reimer, Lillian | 1025907 | Admissions/Records Specialist I | SAC | 8/16/2022 | 53,091 | | 11-0000-620000-18100-2130-82% 12-1102-620000-18100-2130-18% | 92,972 | |
| 11 | Rodriguez, Fidel | 1029186 | Lead Custodian | SAC | 7/31/2024 | 69,361 | | 11-0000-655000-17300-2130 | 116,098 | |
| 11 | Rodriguez, Hector | 2611615 | Gardener/Utility Worker | SAC | 5/3/2022 | 59,429 | | 11-0000-655000-17300-2130 | 106,132 | |
| 11 | Saldana, Maria | 1027925 | Library Clerk | SAC | 6/29/2024 | 74,177 | | 11-0000-612000-15915-2130 | 134,174 | |
| 11 | Sandoval, Christopher | 1904454 | Senior Clerk | SAC | 12/31/2023 | 59,429 | | 11-0000-660000-11000-2130 11-0000-632000-19510-2130-40% | 106,132 | |
| 40%-fd 11 | Student Services Specialist | REORG#1190 | Student Services Specialist | SAC | 12/29/2019 | 25,898 | Reorg#1190 (Nguyen, Cang#1030027) | 12-2416-632000-19510-2130-60% 11-0000-620000-19205-2130-30% 11-2410-620000-19205-2130-70% 11-0000-620000-19205-2130-40% | 45,353 | |
| 11 | Taylor, Katherine A. | 1028961 | P/T Admissions/Records Specialist I | SAC | 10/1/2020 | 23,656 | | 11-0000-620000-19205-2130-40% 11-2410-620000-19205-2130-10% | 32,231 | |
| 50%-fd 11 | Vu, Amy | 2335583 | Admissions/Records Specialist II | SAC | 9/30/2023 | - | Hired CL23-00748 Cabrera, Juan#2218013 eff:7/9/24 | 11-0000-620000-19205-2130-40% 12-2412-620000-19205-2130-50% | - | |
| 75%-fd 11 | Wilson, Gina | 1028331 | Graduation Speciaist | SAC | 7/31/2024 | 79,288 | WOC Tatakawa, Stephanie#2712439 Eff:8/1/24-6/30/25 | 11-2410-620000-19215-2130-40% 12-2412-649000-19205-2130-25% | 134,253 | |
| 82%-fd 11 | Yoder, Brian | 1028171 | Instructional Media Producer | SAC | 9/1/2023 | - | Hired CL23-00865 Collado Mendoza, Marcus#2633226 Eff:7/29/24 Hired CL23-00747 Cardenas, Maria#1588853 Eff:8/21/24 | 11-0000-679000-11501-2130 11-0000-620000-18100-2130-82% 12-1102-620000-18100-2130-18% | - | |
| 11 | Cruz, Edward | 2356350 | Instructional Center Technician | SCC | 8/30/2024 | 49,940 | Reorg1391 Hired CL24-00859 Dominguez, Oswald#2740147 Eff:8/12/24 | 11-0000-493062-28200-2210 | 91,464 | |
| 11 | Devora Murillo, Abraham | 2326045 | P/T Custodian | SCC | 2/21/2024 | - | | 11-0000-653000-17200-2310 | - | |
| 60%-fd 11 | Gardea, Maria Adilene | 1292404 | Administrative Clerk | OEC | 5/12/2024 | 7,680 | | 11-0000-620000-28100-2130-60%, 12-1102-620000-28100-2130-23% 12-2462-620000-28100-2130-17% | 26,434 | |
| 40%-fd 12 | Gilbert, Jessica | 1895429 | PT Administrative Clerk | SCC | 12/31/2023 | 27,880 | | 11-0000-651000-17400-2130 11-0000-649000-29110-2130 | 37,987 | |
| 11 | Gitonga, Kanana | 1030388 | International Student Coordinator | SCC | 1/31/2019 | - | | 11-0000-649000-29110-2130 | - | |
| 11 | Godinez, Ismael | 2633936 | Custodian-GY | SCC | 8/12/2024 | 50,964 | | 11-0000-653000-28100-2130 | 91,875 | |
| 11 | Hermen, Lisa | 1027710 | Senior Clerk | SCC | 3/31/2022 | - | | 11-0000-601000-25131-2130 | - | |
| 11 | Hernandez, Guadalupe | 1492326 | Custodian | SCC | 4/4/2023 | 51,287 | | 11-0000-653000-27200-2130 | 95,032 | |
| 11 | Kawafuchi, Emily | 1239034 | Transfer Center Specialist | SCC | 4/16/2023 | 67,571 | | 11-0000-631000-29305-2130 | 117,232 | |
| 11 | Kelly, Ann | 1030363 | Executive Secretary | SCC | 3/24/2024 | - | Hired CL24-00876 Ambar Nakagamii#2334466 Eff:7/8/24 | 11-0000-679000-27105-2130 | - | |

Vacant Funded Positions for FY2024-25- Projected Annual Salary and Benefits Savings
As of September 10, 2024

| Fund | 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 |
|------------------------|--|--------------|---|------|----------------|------------------|--|---|---|------------------------------------|
| 11 | Lara, Rene | 2083849 | Custodian | SCC | 5/27/2024 | - | Hired CL24-00933 Godinez, Ismael #26339936 Eff:8/12/24 He si not working Gy. | 11-0000-653000-27200-2130 | - | 1,013,033 |
| 11 | Lopez Gomez, Valentin | 1810444 | P/T Custodian | SCC | 2/21/2024 | - | Hired CL24-00859 Reyes, Sergio#2670695 Eff:8/12/24 | 11-0000-653000-27200-2310 | - | |
| 11 | McMinimy, Tawny | 1030826 | Auxiliary Services Specialist | SCC | 12/10/2023 | - | Hired CL24-00826 Mark Bui#2792307 Eff:6/26/24 | 11-0000-699000-24129-2130-9% 11-0000-699000-24129-2130-91% 12-2250-643000-29335-2130-91% 12-2250-643000-29335-2130-9% | - | |
| 91%-fd 11 9%-fd 12 | Melgoza, Angelica | 1055577 | High School & Community Outreach Specialist | SCC | 6/17/2024 | 82,873 | | 11-0000-655000-27300-2130 | 128,737 | |
| 11 | Mendoza, Misael | 2387469 | Gardener/Utility Worker | SCC | 5/28/2024 | - | Hired CL24-00985 Sanchez Nunez, Hugo #2815472 Eff:8/28/24 | 11-0000-655000-27300-2130 | - | |
| 11 | Nakagami, Ambar | 2333446 | facilities Coordinator | SCC | 7/7/2024 | 82,923 | | 11-0000-683000-27105-2130 | 142,849 | |
| 11 | Nguyen, Jay | 1062155 | P/T Admission & Records Specialist I | SCC | 10/31/2023 | 23,655 | | 11-0000-620000-29110-2310 | 32,230 | |
| 11 | Orellana, Yvette | 1111601 | Career Guidance Coordinator | SCC | 8/9/2024 | 63,427 | | 11-0000-634000-29320-2130 | 100,934 | |
| 11 | Ramirez, Margarito | 2443392 | P/T Custodian | SCC | 2/21/2024 | - | Hired CL24-00859 Merino Gonzalez, Jaime#2596109 Eff:8/12/24 | 11-0000-653000-27200-2310 | - | |
| 11 | Tolentino,Alfredo | 2599392 | P/T Gardener/Utility Worker | SCC | 6/26/2024 | 25,599 | | 11-0000-655000-27300-2310 | 34,879 | |
| 11 | Tran, Kieu-Loan T. | 1030029 | Admission Records Specialist III | SCC | 3/1/2020 | 64,745 | | 11-0000-620000-29100-2130 | 113,380 | |
| 90%-fd 11 10%-fd 31 | White Kathleen | 1028519 | Senior Accountant | SCC | 5/12/2024 | - | Reorg1418 eminated position | 11-0000-691000-24126-2130-90% 31-0000-691000-24126-2130-10% | - | |
| | | | | | | 2,519,610 | | | 4,240,664 | |
| TOTAL | | | | | | 4,202,849 | | | 6,671,604 | |

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2024-25, 2023-24, 2022-23
YTD Actuals- August 31, 2024

| 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 | \$112,983,608 | \$90,921,784 | \$90,921,784 | \$90,921,784 | \$90,921,784 | \$90,921,784 | \$90,921,784 | \$90,921,784 | \$90,921,784 | \$90,921,784 | \$90,921,784 | Total | Adopted Budget | Variance |
| Total Revenues | 19,472,410 | (1,962,290) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,510,120 | 0 | (17,510,120) |
| Total Expenditures | 15,416,481 | 20,099,534 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 35,516,015 | 0 | (35,516,015) |
| Change in Fund Balance | 4,055,929 | (22,061,824) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (18,005,895) | 0 | 18,005,895 |
| Ending Fund Balance | 112,983,608 | 90,921,784 | 90,921,784 | 90,921,784 | 90,921,784 | 90,921,784 | 90,921,784 | 90,921,784 | 90,921,784 | 90,921,784 | 90,921,784 | 90,921,784 | | | |
| 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 | Adopted Budget | Variance |
| 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 | 242,808,077 | (42,590,593) |
| 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 | 312,876,866 | 66,409,941 |
| 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 | (70,068,789) | (109,000,534) |
| 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 | Adopted Budget | Variance |
| 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 | 277,825,953 | 47,854,959 |
| 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 | 277,825,953 | 58,435,060 |
| 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 | 0 | (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

1:30 p.m. – 2:13 p.m.

Meeting Minutes for August 21, 2024

FRC Members Present: Iris Ingram, Claire Coyne, Sara Gonzalez, Madeline Grant, Noemi Guzman, Bart Hoffman, Tara Kubicka-Miller, Thao Nguyen (for Perez), Adam O'Connor, Chrissy Talarico, Arleen Satele, and Tommy Strong

FRC Members Absent: Ethan Harlan, Veronica Munoz, Kevin Ortiz, and Enrique Perez

Alternates/Guests Present: Jason Bui, Gina Huegli, Vaniethia Hubbard, and Kennethia Vega

1. Welcome: Vice Chancellor Ingram called the meeting to order at 1:30 p.m. via zoom upon achieving quorum.
2. State/District Budget Update
 - 2024/25 Advance Apportionment:
 - Memo
 - Exhibit R – FY 2024/25 Advance Apportionment (July 2024)
 - Exhibit A – Payments by Program (July 2024)
 - SSC – State Budget Bill, Fiscal Emergency Declared
 - SSC – Education Facilities Bond Agreement Reached
 - SSC – Governor Signs 2024-25 State Budget Package
 - SSC – K-14 School Facilities Bond Bill Signed
 - SSC – CCCCCO Releases Lottery Rate Accruals and Revenue Projections
 - SSC – Dartboard 2024-2025 Available
 - SSC – 2023-24 State Revenues Slightly Above Recent Estimates
 - SSC – November Ballot Measures Set
 - SSC – Strong Returns for CalPERS Investments
 - SSC – CalSTRS 2023-24 Investment Returns Surpass Benchmark
 - SSC – Top Legislative Issues-August 9, 2024
 - SSC – Summer Shift Repeal Considered by System

Ingram welcomed everyone to the first FRC meeting of the fall semester. She briefly discussed updates to the state/district budget, referencing information above for further understanding. She drew attention to Exhibit R and Exhibit A that are now posted on the State Chancellor's website that confirms advanced apportionment. While the Governor approved the budget last month, there are a few bills still pending, with 85-90% of the budget known.

3. Proposed Adopted General Fund Budget – **Action Item**

Ingram stated the district is required by law to approve an adopted budget and submit such to the State Chancellor's Office by September 15. Therefore, the adopted budget will be presented to the Board of Trustees for consideration of approval at the September 9 Board Meeting.

a. Budget Assumptions Update

O'Connor screenshared and discussed the 2024/25 Advance Apportionment memo stating the year ended with a large deficit factor, and the State is claiming that such will be eliminated once revenues are disbursed through a revised Exhibit C recal apportionment. As of two minutes prior to the start of this meeting, that was not yet posted. RSCCD closed the 2023/24 budget with a 2% deficit and should that be eliminated it will leave an additional \$4.3 million one-time funds to flow to the colleges through the model. He continued his review of Exhibit R, highlighting RSCCD Basic Allocation,

FTES Allocation, Supplemental and Student Services Allocation for a total 2024/25 revenue calculation of \$236.9 million vs. hold harmless at \$214 million. At advance, the deficit factor is 2.4% bringing the total calculated revenue to \$231.2 million. RSCCD budgeted a 3.55% deficit factor being conservative. Ingram stated that CCCCCO Vice Chancellor, Wrenna Finch, recently shared with CBOs throughout the State, that the Department of Finance is releasing a preliminary deficit number just under 7% as revenue estimates are not as robust as anticipated, and Ingram cautioned that the estimated deficit could increase during the coming year.

O'Connor continued review of documents pertaining to the action item for recommending approval of the proposed adopted budget, referencing pages 36-72 of the meeting materials. Budget assumption changes were noted with unrestricted lottery and mandates block grant increasing slightly and apprenticeship in decline. The colleges have budgeted the majority of the \$8 million of the unallocated funds bringing it down to \$1.9 million remaining, however, SCC has a \$1 million transfer to fund 1300 account that is pending. It was too late for the budget assumptions update and will leave approximately \$900,000 of unallocated funds between the two colleges.

O'Connor continued to provide an extensive review of the adopted budget materials with discussion related to the board policy reserves and two months of budgeted expenses at \$71.5 million. RSCCD was able to meet this target within two years. O'Connor also explained the 50% law with RSCCD at 54.63% in compliance and a bit up from last year.

Questions were asked and answers provided giving clarification to information received.

A motion by Hoffman to approve the 2024/25 proposed adopted general fund budget and forward a recommendation to District Council was seconded by Coyne. By roll call vote the motion passed unanimously.

- b. 2023/24 Recap of Unrestricted General Fund – Major Changes Comparing Adopted Budget to Actuals
O'Connor reviewed the comparison of adopted budget to actuals for 2023/24 by category. Adopted budget was set at \$242.8 million revenue, the actual revenue was \$285.4 million with a difference of \$42.5 million. Then on expenditure side estimated at \$256.2 million and spent \$246.5 million, with \$9.8 million in savings and fund balance of 11 and 13 at \$38.9 million. Questions were asked and answers provided giving clarification to information received.
4. Closeout of 2023/24 Budget
 - a. Recap of 2023/24 SCFF Metrics
Nguyen screenshared and reviewed SCFF model that is the calculated estimate for the carryover balance using P2 and Supplemental and Student Success Data as of 4/24/24 from the Research Department. FTES split is 69.86% for SAC and 30.14% for SCC. However, the dollar calculation that was allocated is 68.18% for SAC and 31.82% due to the different calculated components amounts. In the supplemental section SAC is receiving 76.05% and SCC is 23.95% on supplemental allocations. This is using the previous years' headcount to determine the split. On the Student Success allocation, the 3-year average is used which includes 2020-21, 2021-22, and 2022-23 reported numbers and these splits are 69.72% at SAC and 30.82% at SCC but due to the difference in component rates, the dollar splits are 65.63% for SAC and 34.37% for SCC. The total based on P2 Exhibit C with dollar allocation splits are 68.86% at SAC and 31.14% at SCC. Discussion ensued with suggestion to remove the percentage split and retain only the dollar splits to clear any potential confusion on this SCFF Metrics recap. Discussion continued to suggest line by line totals remain and the section totals would be removed. This update to the chart does not change the BAM but provides understanding to those reviewing the reports. It was agreed by consensus.
 - b. Final Budget Allocation Model Distribution Carryover
Nguyen screenshared and continued to review the final budget allocation model for distribution of the carryover amounts. Based on income received, SAC has an ending balance of \$19,198,132 and SCC has \$6,654,876 with a rough total of \$25.8 million for fund 11. For fund 13, the total carryover

balance with necessary adjustments made is \$14,216,837 for SAC and \$4,385,716 for SCC. It was confirmed that the SCC ADA reductions continue through 2026-27.

c. 50% Law Compliance Update

Nguyen screenshared and briefly reviewed 50% law compliance with SAC at 64.67%, SCC at 62.20% and Districtwide at 13.41% for a grand total of 54.63%. With RSCCD meeting compliance requirements. There were no questions.

5. Standing Report from District Council – (Kubicka-Miller)

Kubicka-Miller had no report as she had not yet attended District Council.

6. Informational Handouts

- District-wide expenditure report link: <https://intranet.rscsd.edu>
- Vacant Funded Position List as of August 15, 2024
- Monthly Cash Flow Summary as of June 30, 2024
- [SAC Planning and Budget Committee Agendas and Minutes](#)
- [SCC Budget Committee Agendas and Minutes](#)

General informational handouts above were referenced for further review.

7. Approval of FRC Minutes – July 3, 2024

A motion by O'Connor was seconded by Satele to approve the minutes of the July 3, 2024, meeting as presented. By roll call vote, the motion passed with four abstentions by Hoffman, Gonzalez, Kubicka-Miller, and Guzman, and Coyne was not present to vote.

8. Other

There were no further comments, questions, or discussion.

Next FRC Committee Meeting:

The next FRC meeting is September 18, 2024, at 1:30-3:00 p.m. This meeting adjourned at 2:13 p.m. with a motion by Hoffman that was seconded by Guzman.