



San Bernardino Community College District
DISTRICT BUDGET ADVISORY COMMITTEE
May 16, 2024
2:00 pm-3:00 pm Pacific Time

MEETING AGENDA

District Budget Advisory Committee (DBAC)

Via Zoom: <https://cccconfer.zoom.us/j/360544163>

Or Dial-In: 669-900-6833 | Meeting ID: 360 544 163

I. Welcome & Introductions

Jose F. Torres, Executive Vice Chancellor

II. DBAC Evaluation Survey -

https://sbccdir.co1.qualtrics.com/jfe/form/SV_0roHocFIKSeUlo6

III. Approval of Minutes

A. Confirmation of Quorum

B. Approval of Minutes from February 15, 2024

IV. Current Topics

A. State Budget Update

B. SBCCD 2024-25 General Fund Unrestricted Preliminary Budget

V. Next Meeting Date & Adjournment

The next meeting is scheduled for June 20, 2024, at 2 p.m.

Committee Charge

The District Budget Advisory Committee is to share budget information with identified constituencies. It is intended to provide a forum for budget discussion and input. It is also a committee where explanations of Board action can be discussed. The committee is neither a decision-making body nor is it intended to undermine or replace the budget allocation processes of the colleges. Responsibilities include, but are not limited to the following.

- Review and evaluate current, projected or proposed Federal, State and local funding affecting California Community Colleges and SBCCD.*
- Review budgetary policies, administrative procedures, allocation model formulas and guidelines, and the financial well-being of the District. (Union issues which are conducted as a part of labor negotiations are not a part of this Committee's responsibility.)*
- Review both general fund unrestricted and restricted revenue sources, enrollment growth projections, and other workload measures.*
- Review and make recommendations to Chancellor's Council regarding budget assumptions (revenues, allocations, COLA and growth).*
- Promote budget awareness and communicate budget issues.*



District Budget Advisory Committee (DBAC)

Meeting Minutes – February 15, 2024, 2:00 p.m.

Page 1 of 2

I. Welcome & Introductions

Larry Strong brought the meeting to order shortly after 2:00 p.m. Self-introductions were made for the benefit of new SBVC Academic Senate representative Anthony Castro.

II. Approval of Minutes

A. Confirm a Quorum

Quorum was confirmed.

B. Approve Minutes of January 18, 2024

Karen Peterson made a motion to approve the minutes from January 18. This motion was seconded by Mike Strong and approved by a majority vote of the members present.

III. Current Topic

A. State Budget Update

Larry briefly reminded the group of where we were in the budget cycle and advised that there is much uncertainty regarding the 2024-25 State budget as discussed at last month's DBAC meeting. Considering this, SBCCD is putting into effect a few proactive savings initiatives, including maintenance of current spending levels in the non-salary/benefits object codes. Consequently, reductions were made to the submitted DSO development budgets.

B. DSO Unrestricted General Fund (UGF) Department Budgets

The group reviewed the DSO department UGF budgets. Larry thoroughly explained the document and where to find granular detail regarding the budgets. Someone asked about Books+ and Linda Fontanilla advised that the funds being used to support this initiative had run out last semester. Although SBCCD is exploring other means of funding this program, there has been no source identified yet.

Members were encouraged to email the information to their constituent groups and to feel free to reach out to Fiscal Services with any questions, comments, or concerns.

Linda asked that the materials being discussed be forwarded to her and was advised they would be sent to everyone by email as soon as the meeting broke.

IV. Next Meeting Date & Adjournment

The meeting ended at approximately 2:30 p.m. The next meeting is scheduled for Thursday, March 21 at 2:00 p.m.



QUORUM: Definition of Quorum is established by Chancellor's Council. Committees cannot vote or make decisions unless they have met quorum, but in order to encourage participation, committee members can provide a designee or a proxy if they are not able to attend.

<u>yes</u>	1) 50% + one of appointed voting members (not 50% of members plus vacancies).		
<u>yes</u>	2) One faculty member from each campus		
<u>yes</u>	3) Two persons from each site (CHC, SBVC, DSO)		
<u>yes</u>	4) Three of four constituent groups represented (faculty, classified, student, management)		
1	Faculty, SBVC (2 of 2) (appointed by Academic Senate President)	Anthony Castro	<i>present</i>
2	Faculty, SBVC (1 of 2) (appointed by Academic Senate President)	Davena Burns-Peters	<i>present</i>
3	Black Faculty & Staff Association	Denise Knight	<i>present</i>
4	Latino Faculty, Staff, & Administrators Association	Ernest Guillen (proxy)	<i>present</i>
5	Classified, SBVC (appointed by Classified Senate President)	Girija Raghavan	<i>absent</i>
6	Police Officer's Association	James Quigley Angelica Arechavaleta	<i>absent</i>
7	Classified, DSO (appointed by CSEA)	Jesse Neimeyer-Romero	<i>present</i>
8	Executive Vice Chancellor, Chair	Jose Torres	<i>present</i>
9	Faculty, CHC (2 of 2) (appointed by Academic Senate President)	Josh Robles	<i>absent</i>
10	Classified, CHC (appointed by Classified Senate President)	Karen Peterson	<i>present</i>
11	VP, Admin Services, SBVC	Keith Bacon	<i>present</i>
12	Confidential Group	Kelly Goodrich	<i>present</i>
13	Management, CHC (appointed by college president)	Kevin Horan	<i>absent</i>
14	Director of Fiscal Services	Larry Strong	<i>present</i>
15	Management, SBVC (appointed by college president)	Linda Fontanilla	<i>present</i>
16	Chief Technology Officer	Roger Robles (proxy)	<i>present</i>
17	Faculty, CHC (1 of 2) (appointed by Academic Senate President)	Meridyth McLaren Natalie Lopez	<i>present</i>
18	VP, Admin Services, CHC	Mike Strong	<i>present</i>
19	ASG President or designee, SBVC	Nelva Ruiz-Martinez Dyami Ruiz-Martinez	<i>present</i>
20	Asian Pacific Islanders Association	Patty Quach	<i>present</i>
21	CTA (appointed by CTA)	Riase Jakpor	<i>present</i>
22	ASG President or designee, CHC	Robert Alexander	<i>absent</i>
23	Management Association	Stephanie Lewis	<i>absent</i>
24	Business Manager	Steve Sutorus	<i>absent</i>
25	CSEA Treasurer (appointed by CSEA)	Yendis Battle	<i>present</i>

Joint Analysis

Governor's 2024-25 May Revision

May 15, 2024



California Community Colleges



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ASSOCIATION OF CALIFORNIA
COMMUNITY COLLEGE ADMINISTRATORS



COMMUNITY COLLEGE
LEAGUE OF CALIFORNIA

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Purpose of Report

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

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

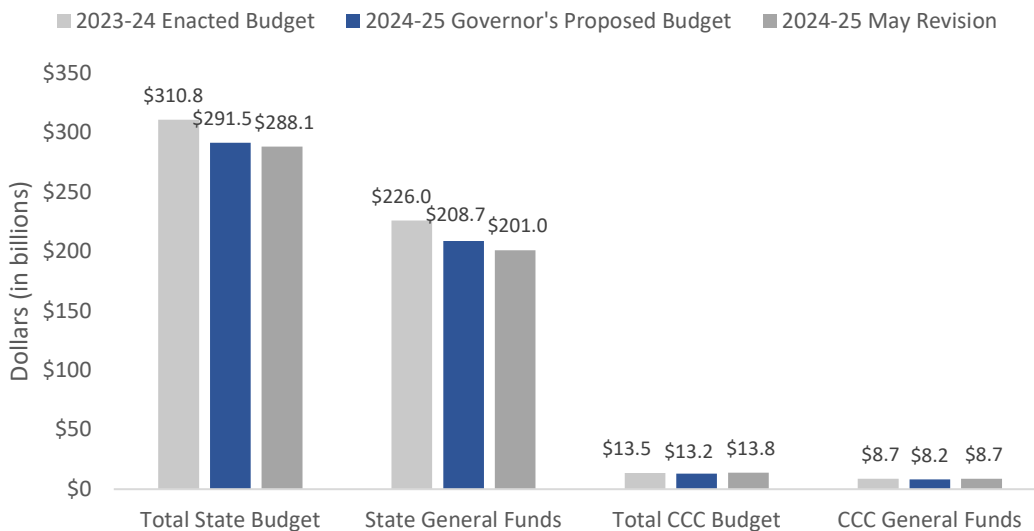
Its purpose is to provide information about the Governor’s May Revision as a common resource for each organization’s further analyses and advocacy efforts. Over the next couple of months, updated analyses will describe any proposed trailer bills and the enacted budget.

Summary of Key Budget Changes

On Friday, May 10, Governor Newsom held a press conference to announce the major features of the May Revision for the 2024-25 fiscal year, and the Department of Finance has since released more detailed information. Following are some key changes in the proposal compared to the enacted budget for 2023-24 and the Governor’s Budget for 2024-25 released in January.

- Under the May Revision, the overall state budget would be lower than proposed in January and lower than the 2023-24 enacted budget, decreasing by about 7% to \$288 billion related to a projected budget deficit of \$45 billion. General Fund spending would decrease by about \$25 billion (11.1%) to \$201 billion.

Figure 1: May Revision for 2024-25 budget reflects projected deficit of \$45 billion (dollars in billions).



- The budget proposal for the California Community Colleges focuses on stability in the context of the significant budget deficit. It includes no major core reductions to programs or services, instead drawing on reserves and operational savings to bring the overall budget in balance. Overall, funding increases slightly compared to the current year enacted budget.
- Revised proposals for ongoing spending include about \$100 million for a 1.07% cost-of-living adjustment (COLA) for community college apportionments, \$31 million more than the Governor’s original proposed COLA of 0.76% in the January budget proposal. The proposal also includes an additional \$13 million for COLAs and adjustments to certain categorical programs, and \$28 million for systemwide enrollment growth of 0.5%.
- One-time funding in the revised proposal remains limited but retains the previously proposed \$60 million for expansion of nursing program capacity from the Governor’s Budget and adds \$35 million for several projects related to the system’s Vision 2030 priorities.
- The Governor’s revised proposal includes \$29 million in capital outlay funding from Proposition 51 to support the working drawings and construction phases for one continuing project, the same as included in the Governor’s Budget.

Changes in Overall Budget Framework

The Governor’s May Revision proposes modest additional ongoing resources of approximately \$142 million to California Community Colleges appropriations and categorical programs, as compared to the 2023 Budget Act, up from the \$110 million increase proposed in January.

REVISED BUDGET PROPOSAL REFLECTS HIGHER EXPECTED DEFICIT

In January, the Administration projected a \$38 billion deficit for 2024-25 which, while significant, was smaller than that estimated by the Legislative Analyst’s Office (LAO). In February, the [LAO](#) provided an updated estimate that substantially increased its own deficit projection based on revenue collections that continue to lag behind projections, which were nearly \$6 billion below projections at the end of March. In its update, the LAO recommended budget solutions that start with pulling back or reducing specified one-time and temporary spending that has yet to be disbursed or committed, with the largest amounts related to the environment, infrastructure, and housing. The Governor’s May Revision also reflects the lower-than-projected state revenues and now projects a total budget deficit of \$44.9 billion, an increase of \$7 billion over the \$38 billion estimated in the Governor’s Budget. The proposal expects an additional \$28.4 billion deficit for 2025-26 (for deficits totaling about \$73 billion over two years). The Administration cautions that

persistent inflation and elevated interest rates could hamper economic activity by more than projected and worsen budget conditions.

EARLY ACTION PLAN TOOK SOME STEPS TO ADDRESS DEFICIT

Assembly Bill 106, passed in April, amended the Budget Act of 2023 to reduce the expected \$45 billion shortfall by \$17.3 billion. The early action [agreement](#) included a mix of \$3.6 billion in reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in shifts of costs from the General Fund to other state funds. The primary higher education-related issue included in the early action plan was a \$499 million deferral of the expected five percent increase in funding for the University of California (UC) and California State University (CSU) systems under the Compacts. While no changes to CCC funding were included in the plan, the bill's language authorizes the Administration to freeze additional one-time funding from the 2021, 2022, or 2023 Budget Acts.

SOME ADDITIONAL ACTIONS ARE PLANNED OVER TWO YEARS

The revised budget plan uses several mechanisms to close the remainder of the projected shortfall for 2024-25 of \$27.6 billion, including some funding delays and reductions from the 2022-23 and 2023-24 budgets, internal borrowing and fund shifts, and withdrawal of some state reserves. The proposal maintains the Governor's Budget withdrawal of \$12.2 billion from the Budget Stabilization Account (BSA) and \$900 million from the Safety Net reserve but spreads the use of the BSA withdrawal over two years such that \$3.3 billion would be used in 2024-25 and \$8.9 billion would be shifted to 2025-26. Spreading the use of reserves over two years would leave nearly \$23 billion in reserves in 2024-25, including \$19.4 billion in the BSA and \$3.4 billion in the Special Fund for Economic Uncertainties.

The May Revision includes other proposals to address the projected deficit for 2025-26 through similar mechanisms as those planned for 2024-25, and notes that two-year budget planning should be the approach going forward. As was the case in the Governor's Budget, the May Revision points to the need for legislation that would allow the state to save more during economic upswings to better protect state services during budget downturns, and proposes a requirement that the state set aside a portion of any anticipated surplus in a new reserve account to be allocated in a subsequent budget year once it actually materializes. This could be easier than amending Proposition 2 to allow larger deposits into the BSA, which would require voter approval.

ENACTED BUDGET COULD INCLUDE ALTERNATIVE SOLUTIONS

It is critical to note that the final enacted budget may look different than the May Revision proposal and will be developed through negotiations between the Administration and Legislature. The Chancellor's Office has received numerous requests for information regarding remaining unspent funds in various areas. The May Revision continues to borrow nearly \$9 billion from future non-Proposition 98 sources which has drawn

criticism from both the Legislative Analyst’s Office and various K-14 stakeholder groups. Should the concept of borrowing from future non-Proposition 98 sources be rejected by the Legislature, it could lead to programmatic reductions and/or deferrals. Active discussions around alternative budget solutions are ongoing. The Chancellor’s Office will continue to advocate for funding stability given community colleges’ central role in providing equitable access to higher education, serving as engines of social and economic mobility for Californians, and bolstering the state’s economy.

Changes to California Community Colleges Funding

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

PROPOSITION 98 ESTIMATE REMAINS SIMILAR

Minimum Guarantee for Community Colleges Shows Small Increase

The Governor’s Budget in January revised Proposition 98 estimates for current and prior years downward based on weaker than expected revenues. Table 1 shows the Department of Finance’s estimates of the minimum guarantee for the current and budget years as of the May Revision, demonstrating an even larger reduction for 2023-24 (\$102.6 billion rather than the \$105.6 billion estimated in January). The minimum guarantee for 2024-25 is \$109.1 billion, about the same as was estimated in January. As noted earlier, the 2024-25 estimate reflects the continued reliance on a budget maneuver that postpones recognition of overpayments to districts for 2022-23 that ended up exceeding revised Proposition 98 estimates for that year by \$8.8 billion (pushing the cost for that overpayment to the future).

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

Source	2023-24 Revised	2024-25 Governor's Budget (GB)	2024-25 May Revision	Change From GB (Amount)	Change From GB (Percent)
ALL PROPOSITION 98 PROGRAMS					
General Fund	\$71,500	\$76,894	\$76,606	\$(288)	-0.4%
Local property tax	31,072	32,185	32,524	\$339	1.1%
Totals	\$102,572	\$109,050	\$109,129	\$79	0.1%
COMMUNITY COLLEGES ONLY ^a					
General Fund	\$7,851	\$8,193	\$8,336	\$143	1.7%
Local property tax	4,075	4,210	4,285	\$75	1.8%
Totals	\$11,926	\$12,403	\$12,621	\$218	1.8%

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

District Revenue Protections Continue

The 2021 Budget Act extended the Student Centered Funding Formula’s (SCFF) hold harmless provision through 2024-25, under which districts will earn at least their 2017-18 total computational revenue (adjusted by COLA each year). The 2022 Budget Act extended the revenue protections in a modified form beginning in 2025-26, with a district’s 2024-25 funding representing its new “floor.” Starting in 2025-26, districts will be funded at their SCFF generated amount that year or their “floor” (2024-25 funding amount), whichever is higher. This revised hold harmless provision will no longer include adjustments to reflect cumulative COLAs over time, as is the case with the provision in effect through 2024-25, so a district’s hold harmless amount would not grow.

Withdrawal from Public School System Stabilization Account (PSSSA)

Proposition 2, approved by voters in November 2014, created the PSSSA, a state reserve for schools and community colleges that receives funding if several conditions are satisfied. The Governor’s Budget proposed withdrawals of about \$236 million for 2023-24 and \$486 million for 2024-25 to support Student Centered Funding Formula resources. The May Revision increases the proposed withdrawals to \$532.5 million for 2023-24 and \$381.5 million for 2024-25 related to the state’s decreased revenues. The proposal would eliminate the balance in the PSSSA at the end of 2024-25.

CALIFORNIA COMMUNITY COLLEGES FUNDING INCREASES

The May Revision increases funding for the California Community Colleges by \$59 million compared to the Governor’s Budget, as reflected in Table 2. The system would receive about \$24 million in additional ongoing funding and base adjustments and \$35 million for additional one-time programs and initiatives compared to what was proposed in January.

Table 2: Proposed 2024-25 Changes in Proposition 98 Funding for the System (In Millions)

	Governor's Budget	May Revision	Change from Governor's Budget
POLICY ADJUSTMENTS			
Ongoing (Proposition 98)			
Provide 1.07% COLA for SCFF	\$69.15	\$100.22	\$31.07
Provide for 0.5% enrollment growth	\$29.59	\$28.09	-\$1.49
Provide 1.07% COLA for Adult Education Program	\$4.91	\$6.92	\$2.00
Provide 1.07% COLA for Extended Opportunity Programs and Services (EOPS)	\$1.40	\$1.96	\$0.56
Adjustments for financial aid administration	\$1.53	\$1.93	\$0.40
Provide 1.07% COLA for Disabled Students Programs and Services (DSPS)	\$1.31	\$1.85	\$0.54

Provide 1.07% COLA for Apprenticeship (community college districts RSI)	\$0.24	\$0.35	\$0.11
Provide 1.07% COLA for CalWORKs student services	\$0.42	\$0.59	\$0.17
Provide 1.07% COLA and an enrollment-based adjustment for Mandates Block Grant and reimbursements	\$0.94	\$0.52	-\$0.42
Provide 1.07% COLA for Cooperative Agencies Resources for Education (CARE)	\$0.25	\$0.36	\$0.11
Provide 1.07% COLA for Childcare tax bailout	\$0.03	\$0.05	\$0.01
Subtotal Ongoing (Proposition 98) Policy Adjustments^a	\$109.78	\$142.82	\$33.04
One-Time (Proposition 98)			
Expand nursing program capacity	\$60.00	\$60.00	\$0.00
Expand eTranscript California	\$0.00	\$12.00	\$12.00
Common cloud data platform demonstration project	\$0.00	\$12.00	\$12.00
Mapping pathways for Credit for Prior Learning	\$0.00	\$6.00	\$6.00
Pathways for low-income workers demonstration project	\$0.00	\$5.00	\$5.00
Subtotal One-Time Policy Adjustments	\$60.00	\$95.00	\$35.00
TECHNICAL ADJUSTMENTS			
Student Centered Funding Formula (SCFF) other base adjustments (aside from COLA and Growth) ^b	-\$111.92	-\$120.69	-\$8.77
Subtotal Technical Adjustments	-\$111.92	-\$120.69	-\$8.77
TOTAL CHANGES	\$57.86	\$117.13	\$59.27

^a The subtotal for ongoing policy adjustments does not match what was shown in Table 2 of our Joint Analysis of the Governor's Budget report in January. That table mistakenly included an adjustment for Affordable Student Housing that does not involve Proposition 98 funds.

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

The estimated and proposed Total Computational Revenue (TCR) for the SCFF increases by \$7.6 million from \$9.56 billion to \$9.57 billion. This reflects a proposed COLA of 1.07% (\$100.2 million) and \$28 million for FTES growth of 0.5% and modified estimates for hold harmless and other underlying estimation factors. Further, the following adjustments are reflected in associated offsetting revenues (all comparisons are from the 2023-24 Budget Act to the 2024-25 Governor's May Revision proposal):

- Property tax revenues are estimated to increase by \$144.3 million from \$4.0 billion to \$4.1 billion.
- Enrollment Fee revenues are estimated to decrease by \$1.4 million from \$407.5 million to \$406.1 million.
- Education Protection Account funding is estimated to decrease by \$150.7 million from \$1.54 billion to \$1.39 billion.

Table 3 reflects the final SCFF rates for 2022-23 and 2023-24, along with the projected rates for 2024-25, as modified by COLA.

Table 3: Proposed 2024-25 Student Centered Funding Formula Rates (rounded)

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

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

Appendix B compares the Governor’s May Revision to the 2024-25 Board of Governors’ budget request. Below we update information on the administration’s more significant policy decisions and related information.

MAJOR POLICY DECISIONS FOCUS ON STABILITY

The revised budget proposal continues to include funding for a small COLA and enrollment growth, supported by withdrawals from the PSSSA. The one-time funds included in the proposal are targeted toward expanding nursing program capacity and several projects related to the system’s Vision 2030 priorities.

Apportionments Receive 1.07% COLA and 0.5% Growth

The proposal includes an increase of \$28 million **ongoing** to fund 0.5% enrollment growth and \$100.2 million **ongoing** to support a COLA of 1.07% for apportionments. While much smaller than in the last few years, the proposed COLA is the same as for the K-12 system. Another \$13.1 million **ongoing** would support a COLA of 1.07% for selected categorical programs and the Adult Education program.

Proposal for Investment in Nursing Workforce is Maintained

The May Revision continues to include a proposed investment of \$60 million **one-time** to begin addressing California’s nursing shortage, with the goal of providing that amount per year over the next five years to expand Associate Degree in Nursing (ADN) program capacity in the community colleges and Bachelor of Science in Nursing (BSN) partnerships with four-year universities. The proposal follows through on intent language included in the current year budget. Provisions governing how the funds are to be spent will be negotiated through the legislative trailer bill process.

Funds for Low-Income Workers Project are Included

The revised budget proposal includes \$5 million **one-time** for a Pathways for Learners of Low-Income Demonstration Project. The project involves a partnership to support the development of educational pathways for working learners in the United Domestic Workers (UDW) by leveraging data analysis to identify their educational goals and relevant certificates and degrees at California community colleges, with the flexible modalities and student supports that low-income learners need. The homecare and childcare workforce are historically underrecognized and underserved, and this partnership seeks to empower these communities by assisting them to further their expertise in a myriad of educational fields, while dismantling barriers and constructing statewide educational pathways for these working learners. This will include supporting providers in applying for supportive services like childcare and transportation, lending laptops and electronics, and providing other instructional materials. Union representatives will assist in identifying additional barriers to community college integration and creating a pipeline between the Chancellor’s Office and UDW to provide continuous support for these workers and their families. Current planning is for three cohorts of at least sixty students that would be

enrolled in vocational English as a Second Language (ESL) courses and healthcare courses, with other classes and certifications being identified by Summer 2024.

Proposal Supports Mapping Credit for Prior Learning Pathways

The May Revision includes \$6 million **one-time** for a Mapping Articulated Pathways for Credit for Prior Learning (CPL) Demonstration Project. The effort will seek to embed CPL policies on pathways to provide greater access for working adults toward high-demand, high-wage careers. Several colleges would receive a grant to establish campuswide practices in awarding credit for prior learning or develop a comprehensive framework to institutionalize this practice, resulting in equitable access and successful completion, transfer, and livable wage employment for working adults. The goal is to use technology to automate and streamline the articulation process while making articulations at one college shareable and adoptable at other colleges, creating a transparent ecosystem that maximizes credit for prior learning and allows students to access their eligible credits at participating colleges. Given the central role they play in the articulation process, the grants could also be used to provide faculty with professional development and technical assistance that promotes cultural and academic development.

Investments Would Support Systemwide Technology Adoption

The Governor’s revised proposal includes \$12 million **one-time** for a Common Cloud Data Platform Demonstration Project. The funds would support efforts to chart the challenges and benefits of establishing a shared, multi-district data infrastructure. The three-year project would create a “Digital Transformation Center” and, by leveraging pre-existing partnerships among districts, would deliver a core data architecture and a set of data governance principles to yield functional and fiscal benefits to individual college districts and the system office. The work would establish a foundation for a future shared solution to expand statewide, with streamlined accountability reporting, fiscal reporting, security, and analytics.

The proposal also includes \$12 million **one-time** to support the expansion of e-Transcript California across all 116 colleges. The funding would allow colleges to capture as much student record movement between segments as possible, reducing reliance and usage of commercial third-party transcript ordering services. The funding would support grants to colleges to offset local costs related to one-time connectivity, setup, and integration of the platform.

Statewide Funding Plan for Approved Affordable Student Housing

The 2023 Budget Act eliminated the 2022-23 General Fund appropriation for the Affordable Student Housing grants and instead called for those projects to be funded by locally issued lease revenue bonds. This change retroactively applied to the twelve community college projects originally funded in the 2022 Budget Act, and the seven community college housing projects authorized in the 2023 Budget Act, as well as any

future affordable student housing projects. The 2023 Budget Act provided ongoing funds to support debt service for UC/CSU student housing projects in 2022-23 and 2023-24 funded with lease revenue bonds. Community college housing projects were to be funded through local revenue bonds to be issued by community college districts or as part of a state pool. The May Revision continues the plan for a *statewide* lease revenue bond program as an alternative to local lease revenue bonds that was outlined in the Governor’s Budget, with trailer bill language expected to be released soon. The bond program would cover 13 approved projects (excluding the four intersegmental projects to be funded by UC/CSU and the two CCC projects not appropriate for the state revenue lease bond). The two CCC projects that do not fit within the parameters of a state revenue lease bond will be funded with redirected annual rent subsidy funds from the \$61.5 million in non-Prop. 98 funds initially authorized by the Higher Education Student Housing Grant Program for debt service in 2023-24. No new projects are expected to be approved in 2024-25.

Cal Grant Reform Options Under Consideration for Future Years

The Fiscal Year 2022-23 State Budget enacted the Cal Grant Reform Act, making *all* community college students with financial need entitled to a revised “Cal Grant 2” financial aid award that would increase with inflation over time to support students’ total cost of attendance beyond tuition. However, implementation of the Cal Grant Reform Act was made dependent on the DOF determining, in the spring of 2024, that there would be sufficient revenues over a multi-year period to support this expansion of financial aid. Full expansion would add approximately \$245 million to the \$2.4 billion cost of the program in 2024-25, a challenging prospect in the context of the significant deficit. While the May Revision does not include funding to implement the Cal Grant Reform Act, legislative leaders have publicly discussed options that would include incremental, phased-in steps toward full implementation. Ideas for a partial roll-out to limit the cost include increasing community college cash award amounts to reflect inflation without expanding eligibility, maintaining the 2.0 GPA requirement to qualify for a grant but reducing the number of units required, or making a further reduction to the income limits to qualify for grants. A final determination will be dependent on negotiations between the Administration and the Legislature.

LOCAL SUPPORT FUNDING IS LARGELY STABLE FOR ONGOING PROGRAMS

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

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

Program	2023-24 Revised	2024-25 Proposed	Change Amount	Percent Change	Explanation of Change
Student Centered Funding Formula	\$ 9,563.70	\$ 9,571.33	\$ 7.62	0.08%	2023-24 updated as of May Revise. 2024-25 adjusted for COLA, growth, and other base adjustments
Adult Education Program – Main ^b	652.22	659.14	6.91	1.06%	COLA
Student Equity and Achievement Program	523.98	523.98	0.00	0.00%	
Student Success Completion Grant	362.60	412.60	50.00	13.79%	Adjust for revised estimate of recipients
Part-time faculty health insurance	200.49	200.49	0.00	0.00%	
Strong Workforce Program	290.40	290.40	0.00	0.00%	
Extended Opportunity Programs and Services (EOPS)	183.08	185.04	1.96	1.07%	COLA
Disabled Students Programs and Services (DSPS)	172.82	174.67	1.85	1.07%	COLA
Full-time faculty hiring	150.00	150.00	0.00	0.00%	
California College Promise (AB 19)	91.21	91.21	0.00	0.00%	
Integrated technology	89.50	89.50	0.00	0.00%	
Financial aid administration	78.49	80.42	1.93	2.46%	Waived fees and per unit adjustments
CalWORKs student services	55.05	55.64	0.59	1.07%	COLA
NextUp (foster youth program)	54.11	54.11	0.00	0.00%	
Basic needs centers	43.29	43.29	0.00	0.00%	
Institutional effectiveness initiative	41.50	27.50	-14.00	-33.73%	Removal of one-time funds
Mathematics, Engineering, Science Achievement (MESA)	39.42	39.42	0.00	0.00%	

Mandates Block Grant and reimbursements	38.29	38.80	0.51	1.32%	COLA and enrollment-based adjustment
Apprenticeship (community college districts)	34.34	34.69	0.35	1.01%	COLA and technical adjustment
Cooperative Agencies Resources for Education (CARE)	33.48	33.84	0.36	1.07%	COLA
Student mental health services	32.47	32.47	0.00	0.00%	
CA Apprenticeship Initiative	30.00	30.00	0.00	0.00%	
Part-time faculty compensation	26.54	26.54	0.00	0.00%	
Rising Scholars Network	25.00	25.00	0.00	0.00%	
Part-time faculty office hours	23.63	23.63	0.00	0.00%	
Economic and Workforce Development	22.93	22.93	0.00	0.00%	
Homeless and Housing Insecurity Program ("Rapid Rehousing")	20.56	20.56	0.00	0.00%	
California Virtual Campus	20.00	20.00	0.00	0.00%	
California Online Community College (Calbright College)	15.00	15.00	0.00	0.00%	
Equal Employment Opportunity Program	17.08	13.88	-3.21	-18.76%	Includes \$12.77 million ongoing and adjustments for annual one-time funds sourced from faculty obligation penalties.
Nursing grants	13.38	13.38	0.00	0.00%	
Puente Project	13.33	13.33	0.00	0.00%	
Lease revenue bond payments	12.80	12.79	-0.01	-0.08%	Lease Revenue Debt Service adjustments
Dreamer Resource Liaisons	11.60	11.60	0.00	0.00%	
Veterans Resource Centers	10.82	10.82	0.00	0.00%	
Immigrant legal services through CDSS	10.00	10.00	0.00	0.00%	

Classified Employee Summer Assistance Program	10.00	10.00	0.00	0.00%	
LGBTQ+ Student Support	10.00	10.00	0.00	0.00%	
Umoja	9.18	9.18	0.00	0.00%	
Asian American and Native Hawaiian and Pacific Islander (AANHPI) Student Achievement Program	8.00	8.00	0.00	0.00%	
Foster Parent Education Program	6.15	6.15	0.00	0.00%	
Childcare tax bailout	4.28	4.32	0.05	1.08%	COLA
Digital Course Content for Inmates	3.00	3.00	0.00	0.00%	
Middle College High School Program	1.84	1.84	0.00	0.00%	
Academic Senate	1.80	1.80	0.00	0.00%	
Historically Black Colleges and Universities (HBCU) Transfer Pathway project	1.38	1.38	0.00	0.00%	
African American Male Education Network and Development (A2MEND)	1.10	1.10	0.00	0.00%	
FCMAT	0.85	0.77	-0.08	-8.88%	Removal of one-time funds
Transfer education and articulation (excluding HBCU Transfer Pathway project)	0.70	0.70	0.00	0.00%	
Total	\$13,061.38	\$13,116.21	\$54.83	0.42%	

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

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

Table 5 shows proposed one-time local assistance funding by program for 2024-25. Given the expected state budget deficit, the budget proposal for community colleges includes only a few one-time investments.

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

Program	2023-24 Revised	2024-25 Proposed	Explanation of Change
Nursing program capacity	0.0	60.0	One-time funds added
Pathways for Low-Income Workers Demonstration Project	0.0	5.0	One-time funds added
Common Cloud Data Platform Demonstration Project	0.0	12.00	One-time funds added
Mapping Articulated Pathways for Credit for Prior Learning	0.0	6.0	One-time funds added
Expand e-Transcript California	0.0	12.00	One-time funds added
Total	\$0.00	\$95.00	

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

CAPITAL OUTLAY INVESTMENTS ARE LIMITED

The Governor's May Revision continues to include only one project, providing \$29.3 million **one-time** in capital outlay funding from Proposition 51, approved by voters in 2016, to continue with remodeling of the theater and McCloud Hall at College of the Siskiyous.

The Administration also commits to pursuing a statewide education facilities bond, with the exact amount of the bond and the split of funds to be determined through negotiations with the Legislature.

REDUCTION TO STATE OPERATIONS

The Chancellor's Office provides leadership and oversight to the system, administers dozens of systemwide programs, and manages day-to-day operations of the system. The office is involved in implementing several recent initiatives, including Guided Pathways, reforms to remedial education and transfer, and the Student Centered Funding Formula, as well as the statewide components of Vision 2030. In addition, the Chancellor's Office provides technical assistance to districts and conducts regional and statewide professional development activities. The May Revision applies an administrative reduction of 7.95% to all state agencies compared to the levels proposed in the Governor's Budget. This would result in about \$25 million in non-Proposition 98 General Funds for the Chancellor's Office in 2024-25, down from the \$27.1 million proposed in

January and lower than the \$25.7 million provided in the 2023 Budget Act. The revised proposal keeps level the additional \$12.2 million in special funds and reimbursements for Chancellor's Office operations.

Next Steps

Following release of the Governor's May Revision, the budget process moves very quickly. LAO typically publishes analyses of the May Revision within a few days. Budget subcommittees convene to review the proposals and often take action on both January and May proposals within about a week. Subcommittees report their recommendations to full committees, which in turn report to their respective houses. Not long after, a budget conference committee convenes to resolve differences between the two houses' versions of the budget by June 15, the state constitutional deadline for the Legislature to approve a budget. (See Appendix A for a more complete overview of the state budget process.)

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

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

Appendix A: Overview of the State Budget Process

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

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

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

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

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

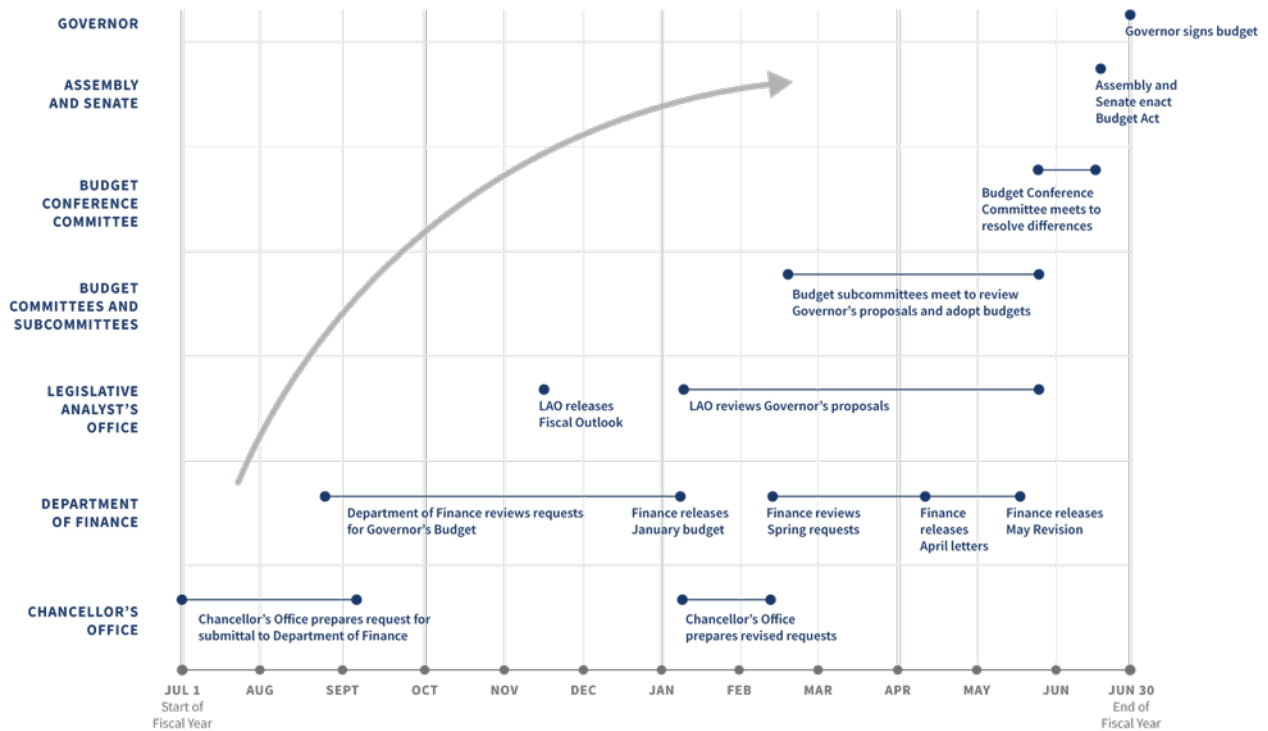
Legislative Review. The budget committees assign the items in the budget to subcommittees, which are organized by areas of state government (e.g., education). Many subcommittees rely heavily on the LAO analyses in developing their hearing agendas. For each January budget proposal, a subcommittee can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

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

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

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

SEQUENCE OF THE ANNUAL STATE BUDGET PROCESS



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

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

Board of Governor's Request	Governor's May Revision Proposal
Ongoing Investments	
Foundational Resources. \$500 million for base funding increase.	Provides \$100 million for a COLA of 1.07% and \$28 million for 0.5% enrollment growth.
Pathways and Student Supports. \$60 million increase for DSPS; \$40 million for Childcare Expansion Fund; \$30 million for California Apprenticeship Initiative; \$6 million to expand Military Articulation Platform. Extension of deadline for common course numbers from 2024 to 2027. Policy changes to provide equitable access to dual enrollment pathways.	See one-time funds for nursing program expansion below.
Support for Faculty. \$50 million for faculty supports (office hours, professional development, curriculum development) and full-time faculty hiring.	Not included.
Technology and Data Sharing. \$24.9 million to launch Phase 1 of Common ERP transition; \$12 million for expanding use of eTranscript California (additional request after BOG request submitted).	See one-time funds for expanding use of eTranscript California below.
One-Time Investments	
Pathways and Student Supports.	Provides \$60 million per year for five years to expand nursing program capacity.
Technology and Data Sharing. \$310.1 million for Phase 1 of Common ERP transition (specifies plan to request another \$214 million in 2027-28 for Phase 2).	Provides \$12 million for expanding use of eTranscript California.
Vision 2030 Priorities (additional request after BOG request submitted). \$5 million for a low-income workers demonstration project; \$6 million for mapping pathways for Credit for Prior Learning (CPL); \$10 million for a common data platform demonstration project.	Provides \$5 million for Low-Income Workers Demonstration Project, \$6 million for mapping pathways for CPL, and \$12 million for Common Cloud Data Platform Demonstration Project.
Non-Proposition 98 Investments	
College Affordability and Supports. State-issued lease revenue bonds to support 19 approved and 5 new student housing projects. Policy changes for flexibility in the SSCG program for DSPS students, and study of structural barriers to residency.	Pursuing statewide lease revenue bond program for 13 approved projects (excludes 4 intersegmental projects to be funded by UC/CSU and 2 projects that were too far along for SLRB). No new projects approved.

<p>Capacity to Support the System. General Fund support for a new Vice Chancellor of Information Security, Assistant Vice Chancellor of Workforce Development, and Director of Operations and Special Initiatives. Policy changes to streamline legislative reporting requirements.</p>	<p>Not included. Imposes 7.95% reduction in General Funds consistent with administrative reduction for all state agencies.</p>
<p>Workforce Education. Policy changes to better align EWD program with Strong Workforce, and to extend use of multi-criteria screening factors for limited enrollment healthcare program admissions.</p>	<p>Not mentioned.</p>

Appendix C: Local Budgets and State Requirements

BUDGET PLANNING AND FORECASTING

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

Table C-1: Planning Factors for Proposed 2024-25 Budget

Factor	2022-23	2023-24	2024-25
Cost-of-living adjustment (COLA)	6.56%	8.1322%	1.07%
State Lottery funding per FTES ^a	\$237	\$249	TBD
Mandated Costs Block Grant funding per FTES	\$32.68	\$35.37	\$35.75
RSI reimbursement per hour	\$8.82	\$8.82	\$10.08
Financial aid administration per College Promise Grant	\$0.91	\$0.91	\$0.91
Public Employees' Retirement System (CalPERS) employer contribution rates	25.37%	26.68%	27.05%
State Teachers' Retirement System (CalSTRS) employer contribution rates	19.10%	19.10%	19.10%

^a 2023-24 estimate not available

STATE REQUIREMENTS FOR DISTRICT BUDGET APPROVAL

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

Table C-2: Financial Reporting Deadlines for 2024-25

Activity	Regulatory Due Date	Title 5 Section
Submit tentative budget to county officer.	July 1, 2024	58305(a)
Make available for public inspection a statement of prior year receipts and expenditures and current year expenses.	September 15, 2024	58300
Hold a public hearing on the proposed budget. Adopt a final budget.	September 15, 2024	58301
Complete the adopted annual financial and budget report and make public.	September 30, 2024	58305(d)
Submit an annual financial and budget report to Chancellor's Office.	October 10, 2024	58305(d)
Submit an audit report to the Chancellor's Office.	December 31, 2024	59106

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

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

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

STATE REQUIREMENTS RELATED TO EXPENDITURES

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

Full-Time Faculty Obligation

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

Fifty Percent Law

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

Appendix D: Districts' Fiscal Health

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

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

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

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

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

Appendix E: Glossary

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

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

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

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

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

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

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

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

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

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

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

Expenditure: Amount of an appropriation spent or used.

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

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

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

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

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

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

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

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

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

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

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

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

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

State Operations: Expenditures for the support of state government.

Statute: A law enacted by the Legislature.

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

San Bernardino Community College District
Multi-Year Forecast



UNRESTRICTED GENERAL FUND | SUMMARY (4% FY2023-24 FTES Growth)

	Proposed Budget FY 2024-25	Forecast FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29
Revenues					
State-Based Revenue	130,634,468	130,634,467	136,114,841	139,898,533	142,944,806
Other Revenue	9,721,881	9,721,881	9,721,881	9,721,881	9,721,881
PARS Trust Gains	2,050,000	2,050,000	2,050,000	500,000	-
FCC Legal Fees Reimbursement/DSO Portion FCC	-	3,000,000	-	-	-
Commercial Building Profits	-	700,000	200,000	-	-
Total Revenues	142,406,349	146,106,348	148,086,722	150,120,415	152,666,687
Expenditures					
1000 - Academic Salaries	55,099,860	55,571,524	56,052,621	56,543,340	57,169,007
2000 - Classified Salaries	34,732,260	35,272,781	35,824,111	36,386,469	37,103,474
3000 - Benefits	36,503,540	36,991,756	37,492,385	38,005,756	38,591,450
4000 - Supplies	1,541,548	1,572,379	1,603,827	1,635,903	1,668,621
5000 - Other Expenses and Services	15,336,801	15,643,537	15,956,408	16,275,536	16,601,047
6000 - Capital Outlay	584,481	596,171	608,094	620,256	632,661
7000 - Other Outgo	1,215,591	1,200,000	1,200,000	1,200,000	1,200,000
Total Expenditures	145,014,081	146,848,147	148,737,446	150,667,260	152,966,260
Total Operating Gains/(Losses)	(2,607,732)	(741,799)	(650,724)	(546,845)	(299,573)
Early Retirement Savings Estimate	1,583,747	1,152,522	1,004,047	894,773	814,347
Vacant Position Savings Estimate	1,050,000	-	-	-	-
Beginning Fund Balance	23,864,468	23,890,483	24,301,206	24,654,528	25,002,456
Amount Added/(Used) to/(from) Fund Balance	26,015	410,723	353,323	347,928	514,774
Ending Fund Balance	23,890,483	24,301,206	24,654,528	25,002,456	25,517,230
Fund Balance in Months	2.01	2.00	2.00	2.00	2.01