



BUDGET UPDATE

Governor's Proposed 2021-2022 Budget and Additional Federal Stimulus

Board of Trustees Meeting

January 11, 2021

The mission of the Rancho Santiago Community College District is to provide quality educational programs and services that address the needs of our diverse students and communities

Outline of Presentation

- COVID Stimulus Update
- Governor's Proposed 2021-2022 Budget Highlights
- Impacts to RSCCD Budget
- State Budget Process

COVID Stimulus Update

COVID Stimulus Update

- Previous one-time funding related to COVID-19, \$579 million to CCDs
- RSCCD received over \$11 million:
 - CARES Act Student Aid \$4.2 million
 - CARES Act Institutional Funds \$4.2 million
 - CARES Act MSI \$577 thousand
 - COVID-19 Block Grant \$2.8 million
- Approximately \$7 million spent to date

COVID Stimulus Update

- Additional Federal Stimulus funding related to COVID-19, ESTIMATED at \$1.2 billion to CCDs
- RSCCD estimated one-time allocation is \$21 million
- At least \$4.2 million to be spent on direct student aid, but more funding is encouraged
- Each institution to develop its own system to determine how to allocate the funds to students
- Other allowable uses include technology costs associated with a transition to distance education, related training, offset for lost revenue, student support activities and defraying other expenses associated with coronavirus
- More details to follow in the coming weeks

Governor's Proposed 2021-2022 Budget

Governor's Proposed 2021-2022 Budget

- \$227.2 billion proposal, with \$204 million in new ongoing funds and \$428 million in additional one-time funds for CCDs
- Main themes:
 - Economic Growth
 - COVID Relief
 - Workforce Development
 - Enrollment/Education
- Continued Pension Cost Offset
- Cautions that expenditures are growing faster than revenues

Governor's Proposed 2021-2022 Budget

- \$11.2 billion Early Action to address effects of COVID
 - Includes Student financial assistance and retention and re-enrollment strategies
- Buys down \$1.1 billion of the \$1.5 billion in deferrals for CCDs
- Funds 1.5% Cost of Living Adjustment (COLA)
- Funds 0.5% for Enrollment Growth

Governor's Proposed 2021-2022 Budget

Community College

\$250M: Financial aid grants

\$100M: Basic needs / food / housing

\$30M: Mental health

\$23.1M: Enrollment growth

\$20M: Professional Development

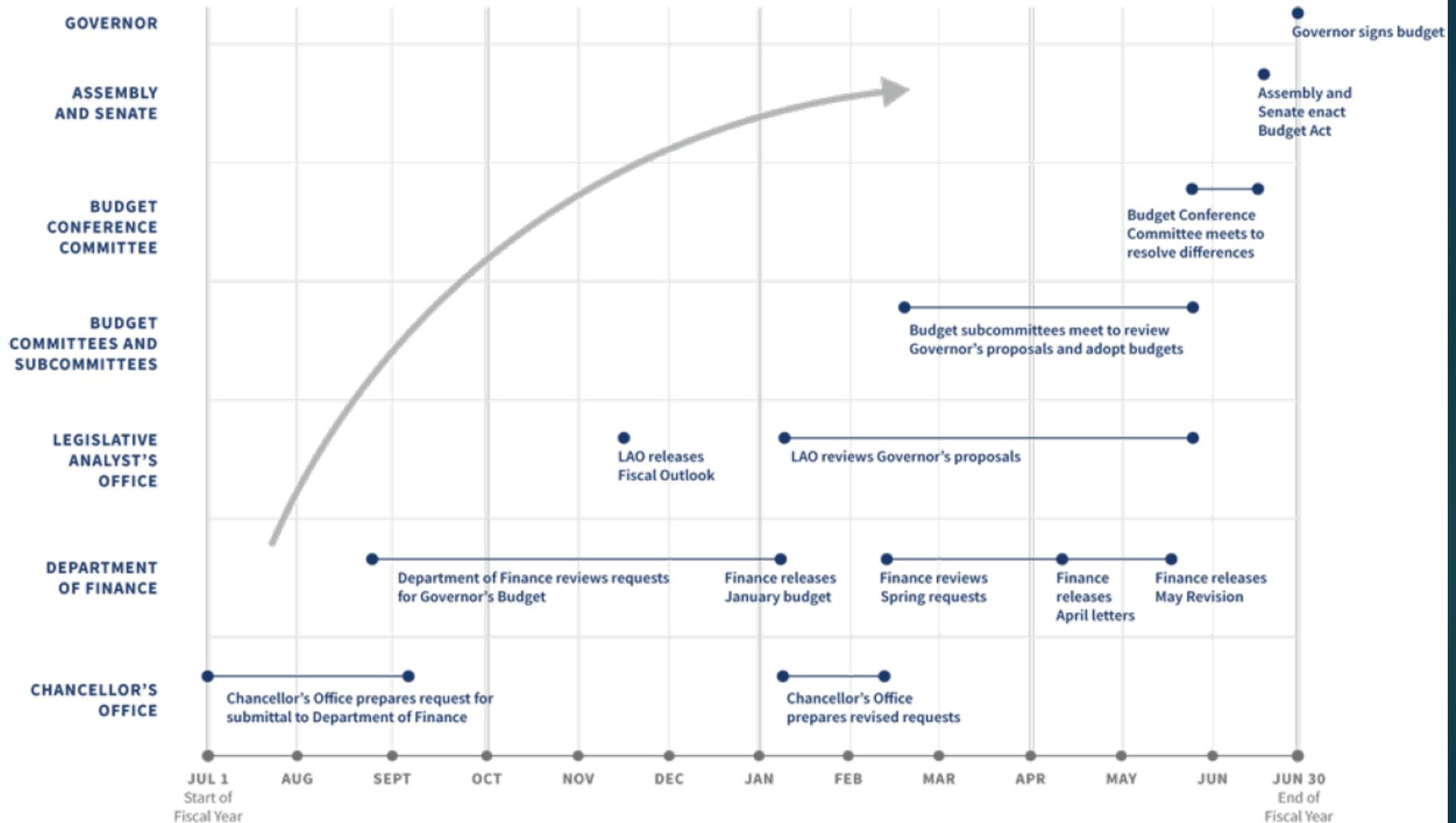
\$15M: Open-sourced textbooks

Impacts to RSCCD Budget

- Expense increases in 2021-2022 estimated at \$8 million plus \$2 million in one-time budget solution in 2020-2021, for \$10 million ongoing budget gap
- 1.5% COLA will add \$2.6 million in revenue
- No growth funding as RSCCD remains in Hold Harmless
- Will continue to work on budget solutions to create savings and bridge net \$7.4 million gap
- Expect some one-time allocations from 2019-2020 and 2020-2021
- Additional one-time categorical funding
- Deferral buy downs help with cash flow

State Budget Process

SEQUENCE OF THE ANNUAL STATE BUDGET PROCESS



Questions?