



# 2021-2022 Governor's May Revise

Board of Trustees Meeting

May 24, 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

- Brief Overview of State Budget “May Revise”
- Community College Allocations and Impacts to RSCCD
- 2021/22 Tentative Budget Preview

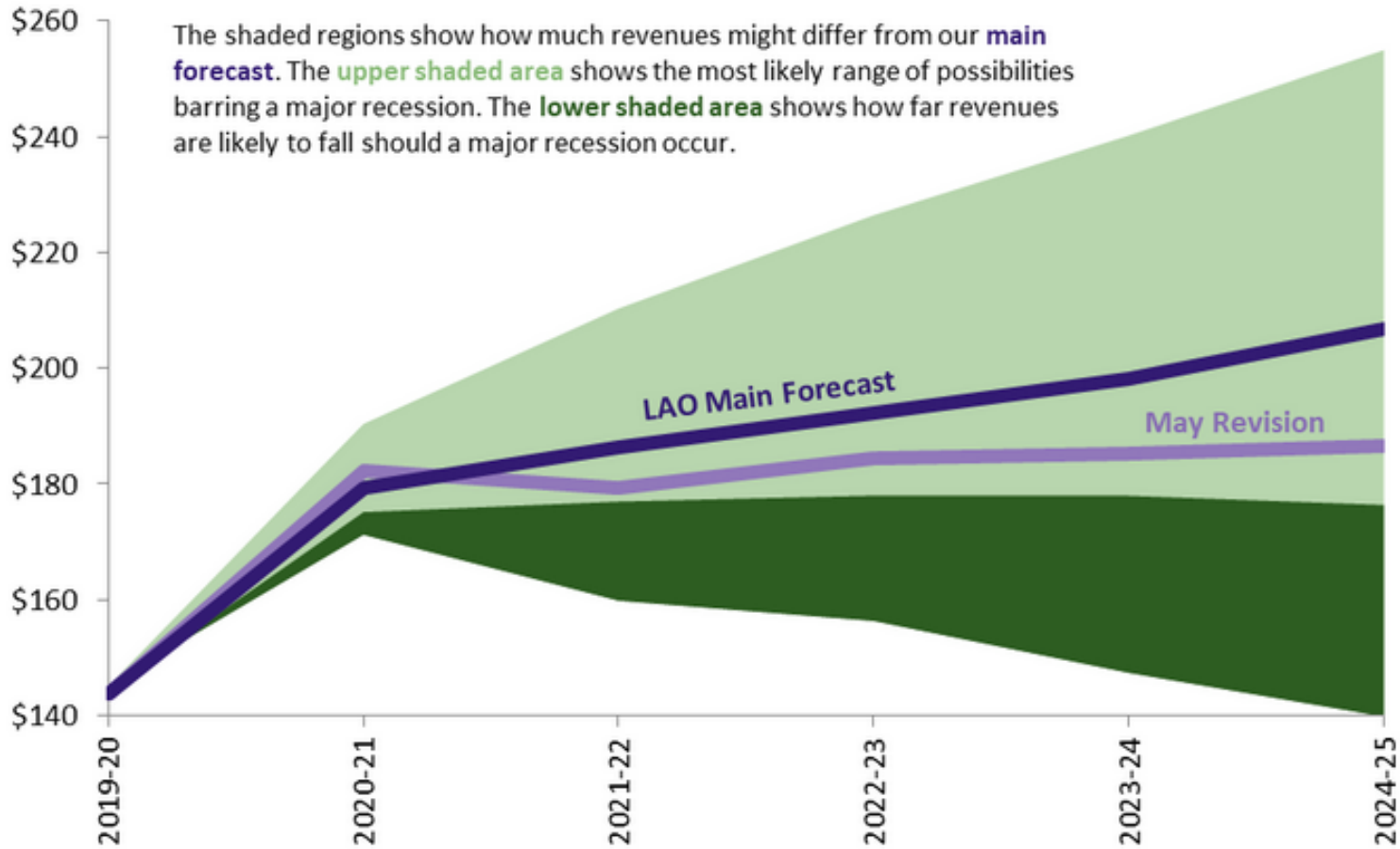
# State Budget Overview

- Governor Newsom unveiled “California Comeback Plan” on May 14 based on strong fiscal projections in 2020/21 and 2021/22
- \$100 Billion being allocated (\$75 Billion surplus + \$25 Billion Federal Funds)
- 400 new proposals, mix of ongoing and one-time allocations
- \$24 Billion in reserves including \$4.6 Billion in Prop 98 Reserve
- Gann Limit estimated to exceed \$16 Billion. Amount must be split between return of funds to taxpayers and education
- \$12 Billion proposed in \$600 “tax rebates” to those making less than \$75,000
- \$8 Billion to K-14 potentially allocated in 2022/23. If allocated by FTES, estimate \$17 million one-time funds to RSCCD
- LAO suggests limiting number of programs and not spending all at once, and notes the Gann Limit funds may not materialize to the estimated amount
- Remember this is a proposal and the final budget WILL change

# State Budget Overview

## LAO Revenue Outlook

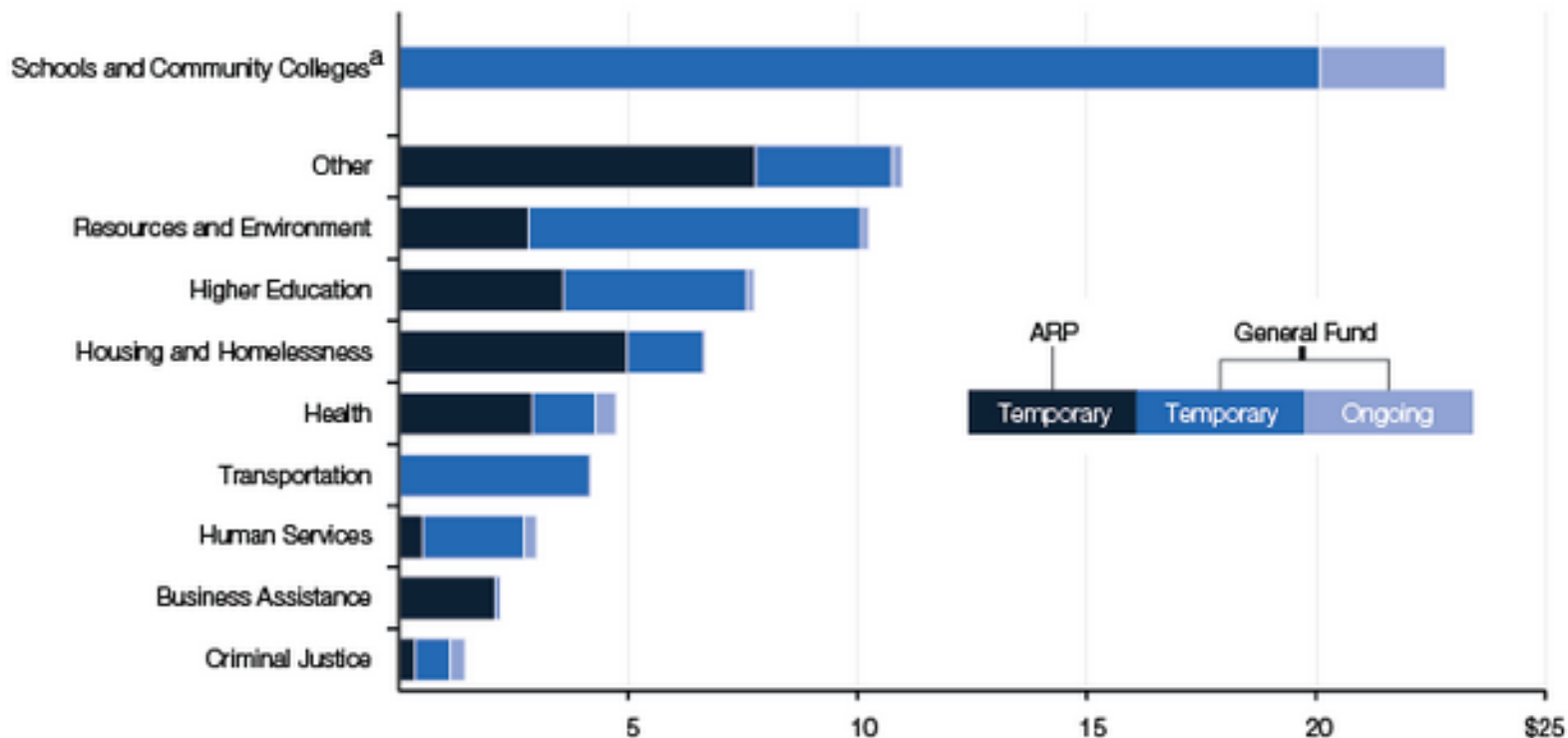
Total General Fund Revenue and Transfers (Minus BSA), In Billions



# State Budget Overview

## Governor's Major Spending Choices in 2021-22 May Revision

(In Billions)



<sup>a</sup> Proposition 98 spending—includes General Fund and local property tax revenue.

ARP = American Rescue Plan.

# State Budget Overview

6

## Community College Investment Themes

Restore Institutional Resources

Diversity, Equity, and Inclusion

College Affordability and Basic Needs

Pathways

Workforce

Pandemic Recovery

# CCD Allocations and Impacts to RSCCD – Ongoing

7

- Pay off all deferrals enacted in 2020/21 – Cash flow \$47 million
- 4.05% Cost of Living Adjustment (COLA) - \$7 million + 1.7% for categorical programs
- 0.5% Growth – No impact as RSCCD is in Hold Harmless
- 5% increase to SEA Program - \$660,000. Must tie our equity goals to these funds and fully close gaps by 2027
- 5% increase to Strong Workforce Program - \$1.4 million
- \$50 million to expand vocational training for ESL Students
- \$30 million to establish Basic Needs Centers

# CCD Allocations and Impacts to RSCCD – One-time

- \$4 Billion over two years for Student Housing projects (60% for CCDs)
- \$1 Billion over two years for Learning-aligned Employment Program
- \$341 million + \$250 million Federal Funds for Deferred Maintenance/Instructional Equipment - \$11 million
- \$150 million to support implementation of Guided Pathways
- \$115 million to expand zero-textbook cost pathways
- \$75 million for dual enrollment through college and career partnerships
- \$20 million to implement EEO best practices



# CCD Allocations and Impacts to RSCCD – One-time

- \$50 million COVID-19 transition back to in-person instruction - \$1 million (\$2.8 million previously received)
- \$250 million Early Action for student aid - \$2 million
- In addition to Federal HEERF Funds (Higher Education Emergency Relief Funds):
  - HEERF I – \$4.8 million institutional + \$4.2 million student aid (all fully spent)
  - HEERF II – \$20.1 million institutional + \$4.2 million student aid (\$14.5 million remaining)
  - HEERF III - \$19.9 million institutional (+ MSI allocation) + \$20.4 million student aid (just received)
- Significant amount of funds remain available to assist in return to the workplace and offsetting district costs

# 2021 /22 Tentative Budget Preview

10

- 2021/22 Tentative Budget will be on the June 21 Board of Trustees docket for approval
- \$7.4 million estimated budget gap in January will be balanced based on the increased proposed COLA and use of approximately \$4 million in HEER Funds used for offsetting lost revenues and earned indirect cost
- Tentative Budgets are always a “placeholder” budget in order to continue to pay employees and obligations starting July 1
- Review and recommendation by Fiscal Resources Committee (May 20) and expected by District Council (June 7)
- Approval of State budget expected by June 15. Again, things WILL change
- Once adopted, RSCCD Budget Assumptions will be updated accordingly
- Proposed Adopted Budget will be on the September 13 Board of Trustees docket

Questions?