

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

website: [Fiscal Resources Committee](#)

Agenda for April 19, 2023

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

Zoom Meeting

1. Welcome
2. State/District Budget Update – Iris Ingram
 - DOF – March 2023 Finance Bulletin
 - SSC – Top Legislative Issues– March 10, 2023
 - SSC – Inflation Up as Expected
 - SSC – UCLA Economists Uncertain About Future
 - SSC – 2023-24 Unemployment Insurance Rate Announced
 - SSC – March Madness and Predictions for California Revenues
 - SSC – Despite Lurking Financial Crisis, Feds Raise Rates
 - SSC – Top Legislatives Issues – March 24, 2023
 - SSC – Top Legislative Issues – April 7, 2023
 - SSC – March Inflation Down
 - SSC – CalPERS Set to Adopt 2023-24 Employer Contribution Rate
 - SSC – Income Tax Withholdings Portend Bleak May Revision
3. 2022-23 FTES (P2) Estimated Actuals Comparison to 2021-22 (RECALC) Actuals – *will be as additional handout*
4. Standing Report from District Council – Jim Isbell
5. Informational Handouts
 - District-wide expenditure report link: <https://intranet.rscsd.edu>
 - Vacant Funded Position List as of April 10, 2023
 - Monthly Cash Flow Summary as of March 31, 2023
 - [SAC Planning and Budget Committee Agendas and Minutes](#)
 - [SCC Budget Committee Agendas and Minutes](#)
 - Districtwide Enrollment Management Workgroup Minutes – *no materials, meeting cancelled*
6. Approval of FRC Minutes – March 15, 2023
7. Other

Next FRC Committee Meeting: Thursday, May 18, 2023, 1:30-3:00 pm

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



Finance Bulletin

Joe Stephenshaw, Director

Economic Update

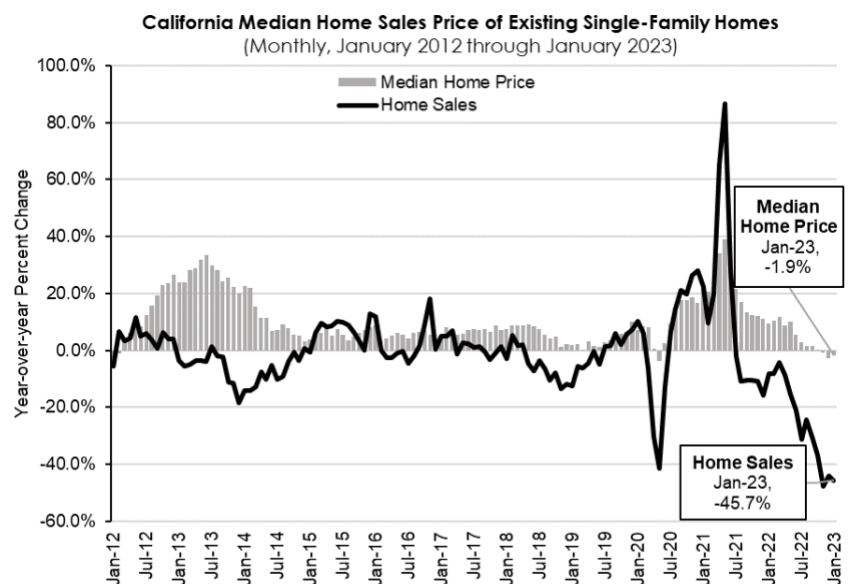
In February 2023, U.S. headline inflation slowed for the eighth consecutive month, falling to 6 percent year-over-year from 6.4 percent in January and over three percentage points below its peak of 9.1 percent in June 2022. Core inflation--excluding food and energy--slowed 0.1 percentage point to 5.5 percent year-over-year. Food inflation remained high, but slowed from 10.1 percent in January to 9.5 percent, while energy inflation slowed sharply from 8.7 percent to 5.2 percent. Shelter inflation is a lagging indicator measuring current rents and it rose from 7.9 percent to 8.1 percent in February. This measure typically changes slower than other components, and is expected to reflect recent declines in asking rents later in 2023.

LABOR MARKET CONDITIONS

- In February 2023, the U.S. unemployment rate rose 0.2 percentage point to 3.6 percent as civilian unemployment increased by 242,000 with 177,000 more people employed. The U.S. added 311,000 nonfarm jobs with seven sectors gaining jobs driven by leisure and hospitality (105,000) and educational and health services (74,000), followed by government (46,000), professional and business services (45,000), trade, transportation, and utilities (38,000), construction (24,000), and other services (9,000). Three sectors lost jobs in February: information (-25,000), manufacturing (-4,000), and financial activities (-1,000). Mining and logging remained unchanged.
- Following annual benchmark revisions to state employment numbers, California recovered its nearly 2.8 million pandemic-related job losses in June 2022, rather than in October 2022, and the unemployment rate of 16.1 percent peaked a month earlier in April 2020 rather than May 2020.
- California's unemployment rate rose 0.1 percentage point to 4.2 percent in January 2023 as civilian employment increased by 21,300 and civilian unemployment increased by 23,500 people. California added 96,700 nonfarm jobs in January 2023. Eight sectors added jobs: government (46,000), leisure and hospitality (20,800), trade, transportation, and utilities (19,900), educational and health services (11,000), professional and business services (9,500), manufacturing (2,100), other services (1,800), and mining and logging (100). Three sectors lost jobs: construction (-7,300), information (-5,000), and financial activities (-2,200). California accounted for nearly 19 percent of the 517,000 U.S. nonfarm jobs added in January in 2023.

BUILDING ACTIVITY & INTERNATIONAL TRADE

- The statewide median price of existing single-family homes decreased to \$751,330 in January 2023, down 3 percent from December 2022 and down 1.9 percent from January 2022. Sales of existing single-family homes in California totaled 241,520 units (seasonally adjusted annualized rate) in January 2023, up 0.4 percent from December 2022 but down 45.7 percent from January 2022. The average 30-year mortgage rate for January 2023 was 6.27, down from 6.36 in December 2022, up from 3.45 in January 2022.
- California merchandise exports in January 2023 decreased 1.6 percent from December 2022 but was up 9.3 percent from January 2022. California merchandise imports in January 2023 decreased by 6.3 percent from December 2022 and decreased 11 percent from January 2022.



Source: California Association of Realtors

MONTHLY CASH REPORT

Preliminary General Fund agency cash receipts for the first eight months of the 2022-23 fiscal year were \$4.698 billion below the 2023-24 Governor's Budget forecast of \$114.045 billion. Fiscal year-to-date shortfalls were due largely to lower personal income tax and corporate tax receipts that exclude Pass-Through Entity (PTE) Elective Tax payments. The Governor's Budget monthly cashflow reflects the expected impact of delayed payment and filing deadlines for Californians in most counties to May 15 due to winter storms and flooding in January. These deadlines were further delayed to October 16, adding significant uncertainty to the interpretation of cash results. While adjustments were made to January receipts, the Governor's Budget did not assume any cashflow impact of the delayed deadlines on February receipts as there are no due dates in February and it is not a significant month for personal income tax and corporation tax.

- Personal income tax cash receipts for the first eight months of the fiscal year were \$3.637 billion below the forecast of \$69.389 billion and were \$204 million below forecast in February. February withholding was \$412 million below forecast, and down 0.9 percent from February 2022. Withholding has declined on a year-over-year basis every month since July. February refunds were \$476 million lower than projected, likely offsetting accelerated refund processing that occurred in January. Estimated, final, and other payments were below forecast for the month, however, it is possible that lower refunds and payments in February were related to the delayed tax deadline to some extent.
- Corporation tax cash receipts for the first eight months of the fiscal year were \$784 million below the forecast of \$17.503 billion and were \$988 million below forecast in February. February refunds were \$796 million higher than projected, due largely to the processing of a large refund related to tax year 2021. While PTE Elective Tax payments were \$170 million below projections in February, they were \$1.106 billion higher for the fiscal year-to-date. Excluding PTE payments, net corporation tax revenues were cumulatively down \$1.889 billion for the fiscal year-to-date compared to forecast.
- Sales and use tax cash receipts for the first eight months of the fiscal year were \$481 million below the forecast of \$23.003 billion and were \$357 million below forecast in February. This shortfall is likely related to the timing of collections, as a larger-than-expected amount of cash receipts shifted from February to March.

2022-23 Comparison of Actual and Forecast Agency General Fund Revenues (Dollars in Millions)

Revenue Source	FEBRUARY 2023				2022-23 YEAR-TO-DATE			
	Forecast	Actual	Difference	Percent Difference	Forecast	Actual	Difference	Percent Difference
Personal Income	\$4,124	\$3,920	-\$204	-5.0%	\$69,389	\$65,752	-\$3,637	-5.2%
Withholding	7,347	6,936	-412	-5.6%	60,770	59,047	-1,723	-2.8%
Estimated Payments	303	184	-119	-39.2%	12,244	11,587	-657	-5.4%
Final Payments	268	211	-57	-21.4%	4,460	4,480	20	0.4%
Other Payments	412	318	-94	-22.8%	4,972	4,533	-439	-8.8%
Refunds	-4,126	-3,650	476	-11.5%	-11,678	-12,579	-901	7.7%
MHSF Transfer	-74	-70	4	-5.0%	-1,243	-1,178	65	-5.2%
Corporation	\$593	-\$395	-\$988	-166.5%	\$17,503	\$16,720	-\$784	-4.5%
Estimated Payments	261	261	0	0.0%	8,091	7,223	-868	-10.7%
PTE Payments	258	88	-170	-65.8%	8,414	9,520	1,106	13.1%
Other Payments	273	252	-21	-7.8%	2,904	2,956	52	1.8%
Refunds	-200	-996	-796	399.1%	-1,907	-2,980	-1,073	56.3%
Sales & Use	\$4,070	\$3,712	-\$357	-8.8%	\$23,003	\$22,522	-\$481	-2.1%
Insurance	\$57	\$63	\$7	12.3%	\$1,855	\$1,838	-\$17	-0.9%
Pooled Money Interest	\$81	\$194	\$113	139.7%	\$886	\$941	\$55	6.2%
Alcohol	\$28	\$28	\$1	2.2%	\$299	\$296	-\$3	-1.1%
Tobacco	\$3	\$3	\$0	-10.2%	\$33	\$33	\$0	-0.5%
Other	\$80	\$127	\$48	59.8%	\$1,077	\$1,246	\$169	15.7%
Total	\$9,034	\$7,652	-\$1,382	-15.3%	\$114,045	\$109,347	-\$4,698	-4.1%

This is an agency cash report and the data may differ from the Controller's report to the extent that cash received by agencies has not yet been reported to the Controller. The personal income total includes Individual Shared Responsibility Penalty transfers. The forecast is from the 2023-24 Governor's Budget.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—March 10, 2023

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#)

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Neither the Senate Education Committee, chaired by Senator Josh Newman (D-Fullerton), nor the Assembly Higher Education Committee, chaired by Assemblymember Mike Fong (D-Alhambra), have held a policy committee hearing since the February 17, 2023, bill introduction deadline. The Senate Education Committee has scheduled its first hearing on 2023 bills for Wednesday, March 22, 2023, while the Assembly Higher Education Committee has yet to schedule its first hearing to consider bills introduced this year.

The reason that neither education committee has yet to hear any 2023 bills is because only the earliest of this year's bills have met the requirement to be in print for 30 days before receiving a policy committee hearing. Numerous bills will start being amended over the next several weeks since they were introduced as "spot bills" and must have some substance before being referred to a policy committee.

The education policy committees' agendas will be picking up over the next month and a half as hundreds of education bills that have fiscal implications will need to be approved in policy committees by April 28, 2023; bills without fiscal effects will have an additional week to meet that deadline.

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

- [Access](#)
- [Employees](#)
- [Facilities](#)
- [Health/Safety](#)
- [2023 Legislative Calendar—Upcoming Holidays and Deadlines](#)

Access

[Assembly Bill \(AB\) 255](#) (Alanis, R-Modesto)—Public Postsecondary Education: Priority Registration for First Responders. This bill would require each community college district (CCD) and the California State University (CSU) to grant priority for registration for enrollment to first responders. First responders are defined as

peace officers, firefighters, paramedics, emergency medical technicians, and public safety dispatchers or public safety telecommunicators.

This bill has been referred to the Assembly Higher Education Committee but has yet to be scheduled for a hearing.

[AB 359](#) (Holden, D-Pasadena)—Pupil Instruction: Dual Enrollment: College and Career Access Pathways Partnerships. This bill would require the California Community Colleges Chancellor's Office (CCCCO) to enter into a contract with a CCD and the California Department of Education to enter into a contract with a school district, county office of education (COE), or consortium of COEs for the purposes of providing technical support and services for College and Career Access Pathways (CCAP) partnerships. The bill would require the contracted entities to annually submit a report to the Legislature, the CCCCCO, the State Superintendent of Public Instruction, and the Department of Finance that includes the support and services provided for CCAP partnerships pursuant to these provisions. The bill would make the implementation of these provisions contingent upon an appropriation.

This bill has been double referred to the Assembly Higher Education Committee and the Assembly Education Committee but has not been scheduled for a hearing yet.

[AB 368](#) (Holden)—College and Career Access Pathways Partnerships. This bill would require a CCD participating in a CCAP partnership to enroll high school pupils in any course that is part of a CCAP partnership offered at a community college campus and would expressly authorize courses to be offered at the community college campus or the participating high school campus. The bill would require a CCD to assign priority for enrollment and course registration to a pupil seeking to enroll in a community college course that is required for the pupil's CCAP partnership program. The bill would also exempt all pupils seeking to enroll in a community college course that is required for the pupil's CCAP partnership program from specified fee requirements.

This bill has been double referred to the Assembly Higher Education Committee and the Assembly Education Committee but has not been scheduled for a hearing yet.

Employees

[AB 472](#) (Wicks, D-Oakland)—Classified School District and Community College Employees: Compulsory Leaves of Absence: Compensation. Existing law authorizes governing boards to grant leaves of absence and vacations with or without pay to classified employees. This bill would explicitly provide that the above-referenced authority of the governing boards of school and community college districts to grant leaves of absence and vacations with or without pay applies to voluntary leaves of absence and vacations. AB 472 would also require a classified employee placed on an involuntary leave of absence while the employee has criminal charges, an investigation, or an administrative matter pending, to receive full compensation for the period of involuntary leave if the matter is resolved in favor of the employee, regardless of whether or not a merit system has been adopted.

This bill will be heard in the Assembly Public Employment and Retirement Committee on March 22, 2023. If it is approved by that committee, it will then move to the Assembly Higher Education Committee for consideration.

AB 1699 (McCarty, D-Sacramento)—K-14 Classified Employees: Part-Time or Full-Time Vacancies: Public Postings. This bill would require vacancies for part-time or full-time positions of a school or community college district to be open only to current regular and hourly employees before the vacancy may be posted publicly for the general public to apply. The bill would require an interested part-time employee who does not meet the minimum qualifications for a vacancy to be offered paid on-the-job training for that vacancy. AB 1699 would also require an education employer to accept a current part-time employee's number of years of service with the education employer, regardless of the capacity in which they were earned, when that part-time employee applies for an additional part-time assignment that requires a certain number of years of service. The bill would require classified employees who work part-time assignments that equal the number of hours for a full-time assignment for the same education employer to receive the same benefits as employees who work a full-time assignment.

This bill has yet to be assigned to a committee, but it will likely be double referred to the Assembly Higher Education Committee and the Assembly Education Committee.

Senate Bill (SB) 433 (Cortese, D-San Jose)—Classified School and Community College Employees: Disciplinary Hearings: Impartial Third-Party Hearing Officers. This bill would remove the authority of a school or community college board to subject an employee to disciplinary action for due cause. Instead, this authority would be delegated to a third-party official, agreed upon by both the district and collective bargaining unit. SB 433 would require the impartial third-party hearing officer to be paid for by the school district or CCD and determine whether sufficient cause exists for disciplinary action against a permanent employee unless the exclusive representative and the school district or CCD enter into a collective bargaining agreement providing an alternative method of determining cause. The bill would not apply to merit districts.

This bill has been double referred to the Senate Education Committee and the Senate Labor, Public Employment and Retirement Committee. However, no hearing date has been set yet.

Facilities

AB 24.7 (Muratsuchi, D-Torrance)—Education Finance: School Facilities: Kindergarten Through Community College Public Education Facilities Bond Act of 2024. This bill would place an unspecified K-14 school facilities bond before voters on either the primary or General Election ballot in 2024.

This bill has been double referred to the Assembly Higher Education Committee and the Assembly Education Committee but has not been scheduled for a hearing yet.

SB 28 (Glazer, D-Contra Costa)—Education Finance: School Facilities: Public Preschool, K-12, and College Health and Safety Bond Act of 2024. This bill would place a \$15.5 billion preschool through higher education bond before voters on the March 5, 2024, statewide primary election. Each higher education segment would

receive \$2 billion.

This bill will be heard in the Senate Education Committee on March 22, 2023. If it is approved by that committee, it will then move to the Senate Governance and Finance Committee for consideration.

SSC Comment: The Legislature would not place competing bond proposals before voters in 2024. This means that Senator Steve Glazer, Assemblymember Al Muratsuchi, and the various interest holders will need to craft one proposal for the Legislature to approve and place before voters on either the 2024 primary or General Election ballot.

Health/Safety

AB 299 (Holden)—Hazing: Educational Institutions: Civil Liability. This bill would establish civil liability for higher education institutions and K-12 schools with direct involvement in, or that knew/should have known of, the dangerous hazing practices of the school organization at the time of an alleged hazing incident. For purposes of determining whether an educational institution fails to proactively prevent, discover, or stop the dangerous hazing practices, the bill would authorize consideration of the extent to which the institution had specific antihazing measures in place at the time of the alleged hazing incident.

This bill will be heard in the Assembly Judiciary Committee next Tuesday, March 14, 2023. If it is approved, then it will go to the Assembly Higher Education Committee for consideration.

AB 1558 (Gallagher, R-Yuba City)—Postsecondary Education: Safety: Credible Threats. This bill would require each campus of the California Community Colleges and the CSU to take action after receiving a credible threat to student, faculty, or staff safety. The bill would require each campus that has received a threat to determine, through a third-party risk assessment, whether the threat is credible. AB 1558 would then require the campus, if the campus determines the threat is credible, to determine whether the individual poses an immediate threat to the physical health or safety of any student, or other individual on campus, which justifies their removal from campus.

This bill has not yet been referred to any committee, but it will likely be referred to the Assembly Higher Education Committee in the coming days.

2023 Legislative Calendar—Upcoming Holidays and Deadlines

March 30—Spring recess begins upon adjournment.

March 31—Cesar Chavez Day observed.

April 10—Legislature reconvenes from spring recess.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Inflation Up as Expected

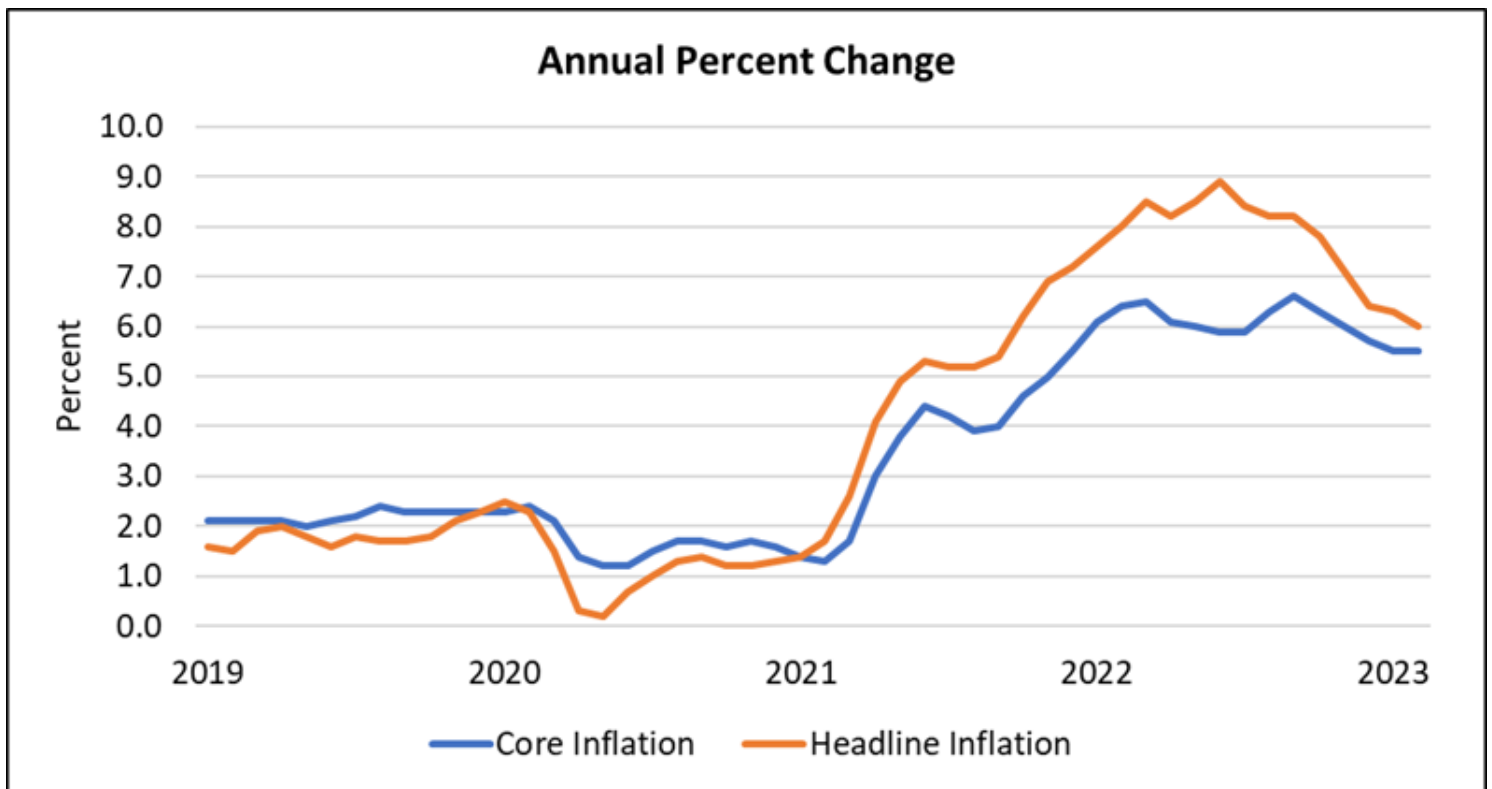
✉ [BY PATTI F. HERRERA, EDD](#)

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posted March 14, 2023

As expected, U.S. headline inflation rose 0.4% in February 2023, down slightly from January when inflation rose 0.5% on a monthly basis. Year-over-year, inflation is up 6.0%, still exceeding the target rate of 2.0% set by the Federal Reserve. Core inflation, which excludes food and energy, increased slightly more than it did a month ago, by 0.5% (or 5.5% on an annual basis).

**Core and Headline Inflation
(2019-2023)**



According to the U.S. Bureau of Labor Statistics, sharp increases in the cost of shelter drove inflation last month, making up 70% of the increase. Monthly shelter costs increased 0.8% while other items increased more modestly or even decreased. The cost of food remained relatively high, as well, at 9.5% on an annual basis. Headline inflation was anchored by decreasing gasoline prices and slowing rates in energy overall. The cost of gas fell by 2.0% from a year ago while overall energy costs increased 5.2% on a yearly basis.

Since Wall Street anticipated February's inflation report, the markets reacted positively to today's news in contrast to reactions to the recent crisis in the banking industry. Investors continue to expect the Federal Reserve to increase the federal funds rate by at least 0.25% when it meets next week in its protracted battle against inflation.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

UCLA Economists Uncertain About Future



BY PATTI F. HERRERA, EDD

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posted March 15, 2023

Economists at the UCLA Anderson School of Management offer two scenarios for the national and California economies in its first forecast of 2023—one in which the economy continues to grow, albeit sluggishly, and one in which the economy contracts later this year and into the early part of 2024. The UCLA Anderson Forecast (Forecast) attributes the uncertain economy mostly to the endogenous decisions of the Federal Reserve (Fed) and how it continues to manage inflation in a persistently tight labor market and in an economy where consumers are still spending despite its money tightening policies. The Fed, notes the UCLA economists, does not have a good track record of reigning in spending without causing a recession. In fact, nine of the last twelve events when the Fed has tightened monetary policy has resulted in a recession.

The Forecast offers that the Fed may be willing to tolerate a mild recession and higher unemployment in order to bring inflation down closer to its target rate. The strongest indicators predicting a recession—defined by Dr. Ed Leamer as “a period of sustained unwanted idleness”—in the coming months is the inverted relationship between the yields on short- versus long-term U.S. treasuries largely as a result of Fed monetary policy and declining residential investments as a percentage of overall national production.

Fifty-three percent of the UCLA economists believe that the economy will begin to recede in the second half of 2023. The Forecast’s recession scenario shows the economy contracting by 1.5%, or by \$316 billion, at its trough. As shown in the chart below, a future recession, if one, will be relatively mild and swift, according to the Forecast.

Quarterly Real Gross Domestic Product Growth, Annual Rates



The cause of persistent inflation is what remains unknown. Essentially, does current economic data suggest changing trends in overall consumer and business spending patterns, or does it reflect temporary behaviors from an economy that is still recuperating from COVID-19—an economic, long COVID, if you will? If it is the latter, we may be able to avoid a recession as inflation naturally abates; however, if it is the former, the Fed will likely continue to raise interest rates to increase unemployment and cool spending.

Historically, California tends to be worse off than the rest of the nation. This was the case in the most recent recessions that hit the technology sector particularly hard. UCLA economist, Jerry Nickelsburg, says this time could be different due to a number of factors.

First, California's job market remains healthy and is performing better than pre-pandemic levels. While certain labor sectors continue to lag (namely, hospitality and leisure), the state has gained jobs in high-tech manufacturing, healthcare, and other high-paying industries. And while the housing market has cooled, California is among a handful of states that saw an increase in the number of new building permits issued, with 68% of southern California developers indicating they plan to build multi-housing units in the next year despite the higher costs of borrowing vis-à-vis interest rates.

A looming and unanswered question during today's, March 15, 2023, Forecast conference is what the collapse of Silicon Valley Bank and Signature Bank portends for Fed action, the financial sector, and the overall economy. It's too soon to tell, say UCLA economists; one data point does not make a trend. However, economist Dr. Leo Feler reminded us that there's a saying in Silicon Valley of "move fast and break things." He offered that it appears that the Fed has moved fast and broke Silicon Valley Bank.

Can the Fed avoid breaking anything else?

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

2023-24 Unemployment Insurance Rate Announced

 [BY MATT PHILLIPS, CPA](#)

 [BY LEILANI AGUINALDO](#)

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posted March 17, 2023

The Employment Development Department (EDD) announced that the School Employees Fund (SEF) Unemployment Insurance rate (Rate) for the 2023-24 fiscal year will be 0.05%. The decrease represents a return to levels not seen since before the onset of the COVID-19 pandemic.

The COVID-19 pandemic and initial fear of a significant economic recession resulted in layoffs, and in response, the EDD, in [March 2021](#), announced an increase in the SEF Rate from 0.05% to 1.23%, an increase of more than 2400%. Governor Gavin Newsom and the Legislature, as part of the 2021 Enacted Budget, provided relief to temper the increase to 0.50%, rather than 1.23%. This increase was still significant, but not as significant as it would have been without the intervention of the Governor and Legislature.

The rate of 0.05% is locked in for one fiscal year and the EDD will provide a new Rate for the 2024-25 fiscal year by April 1, 2024. The announcement from the EDD can be found [here](#).

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

March Madness and Predictions for California Revenues

 [BY ANJANETTE PELLETIER](#)

 [BY BRIANNA GARCÍA](#)

Copyright 2023 School Services of California, Inc.

posted March 17, 2023

This is March. My bracket, like many others, is busted after first-round mayhem. March Madness has come to Sacramento, with fans clutching tournament predictions, hoping for wins or thrilling upsets, and dreading broken brackets. Similarly, those watching California's General Fund cash receipts grasp at economic indicators to predict whether the "Big Three" revenue generators of personal income tax (PIT), corporation tax (CT), and sales and use tax (SUT) will catch up with forecasts before the buzzer sounds.

To complete our fiscal bracket predictions, we look to the March *Finance Bulletin* (Bulletin) released by the Department of Finance (DOF), which provides an economic update highlighting inflationary improvements but lagging tax receipts in the first eight months of the fiscal year. Multiple inflation indicators slowed across the economy, with continued declines for U.S. headline and core inflation in year-over-year comparisons. Food inflation remained high despite modest decreases to 9.5% in January, while energy inflation decreased dramatically from 8.7% to 5.2%. Shelter inflation, which typically lags other inflation components, was the only area to show a slight increase since January.

Unemployment rates increased slightly across the U.S. and California, while jobs were added to most state and national employment sectors. Annual benchmark adjustments to state employment numbers were incorporated in this *Bulletin*, indicating that California recovered pandemic-related job losses in June rather than October 2022, and that the high point of pandemic-related unemployment occurred in April rather than May 2020.

Related to housing activity, the statewide median home sales price decreased in January 2023 and the overall number of sales decreased by 45.7% compared to January 2022. This dramatic decline in home sales coincided with year-over-year average 30-year mortgage rate increases from 3.45% in January 2022 to 6.27% in January 2023.

In the eighth month of the fiscal year, General Fund cash receipts were well below the 2023-24 Governor's Budget forecast, with a shortfall of \$4.698 billion. Fiscal year-to-date deficits continue to be impacted by the pass-through entity (PTE) elective tax credits, as well as lower PIT and CT receipts. While the delay of PIT revenues, due to weather-related emergencies across California, were reflected in monthly cash flow projections, the DOF indicates the additional extension of tax deadlines to October 16 interferes with the

predictability of cash receipts (see “[IRS Tax Deadline Extended to October 16](#)” in the March 2023 *Community College Update*). Year-to-date PIT receipts were \$3.637 billion below forecasted amounts, while CT receipts were \$784 million below and SUT receipts were \$481 million below forecasts.

California 2022-23 Big Three Taxes (Year-to-Date)
In millions

	2022 Forecast	Actual	Difference
Personal Income Tax	\$69,389	\$65,752	-\$3,637
Sales and Use Tax	\$17,503	\$16,720	-\$784
Corporation Tax	\$23,003	\$22,522	-\$481
Total	\$109,895	\$104,994	-\$4,901

These conditions leave us rooting for the economy to bounce back, survive and advance, and finish the fiscal year with wins for California and cutting down the nets. However, the unpredictability of tax revenue receipts into next fiscal year will result in a hazy May Revision, which would typically be when the Governor updates his budget proposals based on updated revenue projections.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Despite Lurking Financial Crisis, Feds Raise Rates

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

 [BY JOHN GRAY](#)

Copyright 2023 School Services of California, Inc.

posted March 22, 2023

Today, March 22, 2023, the Federal Reserve (Fed) raised the federal funds rate by 25 basis points to bring the Fed target rate between 4.75% and 5.00%. Despite the recent turmoil in the banking sector set off by the collapse of Silicon Valley Bank, followed by Signature Bank, and struggles with Credit Suisse and First Republic Bank, many economy hawks expected the Fed to remain steadfast in its combat against inflation, which is still hovering well over 2%, and cooling the economy—namely, the buoyant labor market and high consumer demand.

When the banking crisis began, some initially believed the Fed would be persuaded to pause its rate hikes since higher interest rates led to the precipitous devaluation of bank assets. However, others believed just the opposite—that the Fed would raise rates to stave off contagion of the banking crisis by signaling belief that the trouble with Silicon Valley Bank and the others is limited. The Fed is in the midst of the most aggressive tightening campaign since the 1980s.

In his remarks, Chair Jerome Powell reiterated that the Fed would make its decisions on a month-to-month basis evaluating economic data. He acknowledged that rate hikes could lead to below-trend economic activity and a softening labor market, something the Fed is willing to tolerate to reach its long-term goal of price stability and sound economic fundamentals.

The Fed's assessment that the banking crisis is limited remains unknown. Many would argue that it is too soon to tell and if central banking tools will be effective in curbing fears and contagion. What we do know is that what happens in the banking sector will have a reverberating effect on the overall economy.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—March 24, 2023

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#)

Copyright 2023 School Services of California, Inc. posted March 24, 2023

Both the Assembly Higher Education Committee and the Senate Education Committees held their first bill hearings of the year this past week.

The Assembly Higher Education, chaired by Assemblymember Mike Fong (D-Alhambra), met on Tuesday afternoon and approved 11 bills. The Senate Education Committee, chaired by Senator Josh Newman (D-Fullerton), met on Wednesday morning and approved 16 bills. The Senate Education Committee is slated to meet again next Wednesday, March 29, 2023, to consider 15 measures while the Assembly Higher Education Committee has not scheduled their next hearing.

The Legislature will leave for its spring recess upon adjournment next Thursday, March 30, 2023, and will not return until Monday, April 10, 2023. When the Legislature returns, they will have three weeks for fiscal bills to clear policy committees, while nonfiscal bills will have until Friday, May 5, 2023. This means that policy committees will ramp up after the spring recess in order for legislators to meet these critical deadlines.

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

- [Affordability](#)
- [College and Career](#)
- [Governance and District Operations](#)
- [Student Health](#)
- [Student Services](#)
- [Tuition and Fees](#)
- [Veterans](#)

Affordability

[Assembly Bill \(AB\) 25](#) (McCarty, D-Sacramento)—Student Financial Aid: Middle Class Scholarship Program. Existing law makes an undergraduate student eligible for a scholarship award under the Middle Class Scholarship Program (MCSP) if the student is enrolled in upper division coursework in a community college baccalaureate program or enrolled at the University of California (UC) or the California State University (CSU) and meets certain eligibility requirements.

As amended on March 16, this bill would prohibit the Student Aid Commission, a community college operating a baccalaureate degree program, the UC, and CSU from considering any basic needs emergency aid in the awarding or adjusting of MCSP awards.

This bill is currently in the Assembly Higher Education Committee awaiting a hearing date.

[AB 607](#) (Kalra, D-San Jose)—Public Postsecondary Education: Course Materials. This bill would require each campus of the California Community Colleges (CCC) and the CSU to prominently display, by means that may include a link to a separate webpage, the estimated costs for each course of all required course materials and fees directly related to those materials, for no less than 75% of the total number of courses on the online campus schedule.

This bill was approved 11-0 (one absent member) by the Assembly Higher Education Committee on Tuesday and will now go to the Assembly Appropriations Committee where its fiscal implications will be scrutinized.

College and Career

[AB 634](#) (Ward, D-San Diego)—Community Colleges: Career Development and College Preparation Courses. This bill would authorize a community college to claim state attendance funding based on census day attendance accounting rules for a student enrolled in an enhanced noncredit course (including a distance education course) at a community college that is not an open-entry, open-exit courses. The bill would also specify that a community college may continue to claim state attendance funding using positive attendance accounting they so choose. Finally, the bill would require the Board of Governors (BOG) to adopt regulations to implement this change no later than May 31, 2024.

This bill was approved 10-0 (two absent members) by the Assembly Higher Education Committee on Tuesday and will now go to the Assembly Appropriations committee where its fiscal implications will be scrutinized.

[Senate Bill \(SB\) 467](#) (Portantino, D-Burbank)—Community Colleges: Apprenticeship or Internship Training Programs. This bill would prohibit a student from being denied admission to a community college apprenticeship or internship training program because the student uses an individual tax identification number for purposes of the background check required by the class or program.

This bill was approved unanimously by the Senate Education Committee on Wednesday and as a nonfiscal bill will now go to the house floor and await a vote by the full Senate.

Governance and District Operations

[AB 264](#) (Ting, D-San Francisco)—Community Colleges: Lunar New Year Holiday. This bill would authorize community college districts, pursuant to a memorandum of understanding, to replace closing on Lincoln Day or Washington Day with Lunar New Year.

This bill was approved unanimously by the Assembly Higher Education Committee on Tuesday and will now go to the Assembly Appropriations Committee where its fiscal implications will be scrutinized.

Student Health

[AB 659](#) (Aguiar-Curry, D-Davis)—Cancer Prevention Act. As amended on March 21, this bill would require the public higher education segments to require first-time enrollees at those institutions who are 26 or younger to provide proof of full immunization against human papillomavirus prior to enrollment. The bill would authorize an extension with conditional enrollment and would set forth a medical exemption from the immunization requirement.

This bill is in the Assembly Health Committee but has yet to be scheduled for a hearing.

Student Services

[AB 456](#) (Maienschein, D-San Diego)—Public Postsecondary Education: Campus Mental Health Hotlines. This bill would require each campus of the California Community Colleges (CCC) and California State University (CSU) without a mental health hotline to establish a campus mental health hotline for students to access mental health services remotely that operates during working hours. The bill would permit each campus to establish its working hours and states that if a verbal hotline cannot be established, a campus may utilize text hotlines or online messaging platforms offered by the campus.

This bill was approved 9-0 (three absent members) by the Assembly Higher Education Committee on Tuesday and will now go to the Assembly Appropriations Committee where its fiscal implications will be scrutinized.

[AB 610](#) (Holden, D-Pasadena)—Youth Transit Pass Pilot Program: Free Youth Transit Passes. This bill would create a free student transit program by awarding grants to transit agencies for the costs of creating, designing, developing, advertising, distributing, and implementing free transit passes to persons attending certain educational institutions (including the CCC), providing free transit service to holders of those passes.

This bill was approved 14-0 (one absence) on March 10 in the Assembly Transportation Committee and is now awaiting a hearing in the Assembly Appropriations Committee., which is chaired by the author.

Tuition and Fees

[AB 91](#) (Alvarez, D-San Diego)—Community Colleges: Exemption from Nonresident Tuition Fee: San Diego and Imperial Counties Community Colleges Association. As amended on March 13, this bill would exempt from the nonresident tuition fee, a nonresident, low-income student who is a resident of Mexico, registers

for lower division courses at a San Diego and Imperial Counties Community Colleges Association (SDICCCA) college and has residence within 45 miles of the California-Mexico border.

As amended on March 13, this bill would limit this exemption to 150 full-time equivalent students at each SDICCCA college and would require the SDICCCA to submit a report to the Legislature that includes the demographics, attendance rate, and class completion rate of students receiving an exemption pursuant to this paragraph by January 1, 2028. The bill's provisions would sunset on July 1, 2028.

This bill was approved 8-2 (two absent members) by the Assembly Higher Education Committee on Tuesday and will now go to the Assembly Appropriations Committee where its fiscal implications will be scrutinized.

Veterans

[AB 322](#) (Mathis, R-Porterville)—Veteran and California National Guard Supplemental Orientation Act of 2023. This bill would require the CCC and CSU to develop and include within first-year student orientation a supplemental module of services and resources available for students who are veterans of the Armed Forces of the United States and members of the California National Guard. The supplemental module would be required to include, at a minimum, information on local resources and services the college offers for veteran students, including counseling.

This bill was approved unanimously by the Assembly Higher Education Committee on Tuesday and will now go to the Assembly Military and Veterans Affairs Committee.

2023 Legislative Calendar—Upcoming Holidays and Deadlines

March 30—Spring recess begins upon adjournment.

March 31—Cesar Chavez Day observed.

April 10—Legislature reconvenes from spring recess.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—April 7, 2023

 [BY SSC GOVERNMENTAL RELATIONS TEAM](#)

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Last Wednesday, March 29, 2023, prior to the Legislature leaving for spring recess, the Senate Education Committee, chaired by Senator Josh Newman (D-Fullerton), approved 15 measures, and rejected one (granting that bill reconsideration). The Assembly Higher Education Committee did not meet prior to adjournment but will meet when the Legislature returns to Sacramento next week.

Upon adjournment last Thursday, March 30, the Legislature left for spring recess and will return this upcoming Monday, April 10. Both the Assembly Higher Education Committee and the Senate Education Committee are slated to meet next Tuesday, April 11, and Wednesday, April 12, respectfully, to consider another 33 bills.

When the Legislature returns, they will have three weeks for fiscal bills to clear policy committees, while nonfiscal bills will have until Friday, May 5, to meet that deadline.

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

- [College and Career](#)
- [Employees](#)
- [Governance and District Operations](#)
- [Health and Safety](#)
- [Instruction](#)
- [Miscellaneous](#)
- [Tuition and Fees](#)

College and Career

[Assembly Bill \(AB\) 1370](#) (Ta, R-Westminster)—California Community Colleges Economic and Workforce Development Program. As amended on March 28, 2023, this bill would extend operation of the California Community Colleges (CCC) Economic and Workforce Development Program indefinitely and would repeal the Job Development Incentive Training Program. The bill would revise and recast the principles governing the CCC Economic and Workforce Development Program, provisions on the duties and membership of the program’s advisory committee, the decision criteria for allocating program funds to colleges, and the definitions that apply to the program’s provisions.

AB 1370 will be heard in the Assembly Higher Education Committee next Tuesday, April 11, 2023.

Employees

[Senate Bill \(SB\) 791](#) (McGuire, D-Healdsburg)—Postsecondary Education: Academic and Administrative Employees: Disclosure of Sexual Harassment. As amended on March 22, 2023, this bill would require community college districts (CCDs) and the California State University (CSU) to require as part of the hiring process for an appointment to an academic or administrative position that the applicant disclose any final administrative decision or final judicial decision determining that the applicant committed sexual harassment. The bill would prohibit CCDs and the CSU from asking an applicant to disclose information concerning any final administrative decision or final judicial decision described above, including any inquiry about an applicable decision on any employment application, until it has determined that the applicant meets the minimum employment qualifications stated in the notice issued for the position.

SB 791 will be heard in the Senate Education Committee next Wednesday, April 12, 2023.

Governance and District Operations

[AB 1379](#) (Papan, D-San Mateo)—Open Meetings: Local Agencies: Teleconferences. As amended on March 23, 2023, this bill would amend the Brown Act to remove the requirement to post agendas for teleconferenced meetings at all locations and would instead limit the posting to a newly defined “singular designated physical meeting location,” which is required to have either two-way audiovisual capabilities or two-way telephone service for the public to remotely hear and address the body. The bill would require the legislative body to hold at least two meetings in person each year.

This bill is currently awaiting a hearing the Assembly Local Government Committee.

Health and Safety

[AB 1138](#) (Weber, D-San Diego)—Postsecondary Education: Sexual Assault and Sexual Violence Prevention: Transportation Services. As a condition of receiving state funds for student financial assistance, this bill would, as amended on March 30, 2023, require CCDs and the CSU to provide to students free of charge, and, to the extent possible, in a manner that protects student confidentiality, transportation to and from a rape crisis center for a medical examiner to administer a Sexual Assault Forensic Examination (SAFE) Kit. The bill would

authorize a campus health center staff member to transport the student to and from a rape crisis center for a medical examiner to administer the SAFE Kit. The bill would require, as a condition of receiving state financial assistance funds, the governing entities to submit a report to the Legislature on whether their respective institutions have provided transportation for students to and from a rape crisis center for a medical examiner to administer the SAFE Kit and the manner in which students received the transportation.

AB 1138 will be heard in the Assembly Higher Education Committee next Tuesday, April 11, 2023.

Instruction

[AB 689](#) (Carrillo, D-Los Angeles)—Community Colleges: Enrollment and Registration: Incumbent Health Care Workers. As amended on March 23, 2023, this bill would require a community college with a limited enrollment course or program to ensure that at least 15% of the admitted students, but no less than three students per incoming cohort, in the course or program are incumbent health care workers. The bill would require a community college that administers a priority enrollment system to grant priority in that system to students who are incumbent health care workers.

This bill is awaiting a hearing in the Assembly Higher Education Committee.

Miscellaneous

[AB 1275](#) (Arambula, D-Fresno)—Community Colleges: Student-Run Community College Organizations: Open Meetings: Teleconferences. This bill would authorize the recognized statewide community college student organization and other student-run community college organizations to use teleconferencing for their meetings without having to (1) post agendas at all teleconferencing locations, (2) identify each teleconference location in the notice and agenda, (3) make each teleconference location accessible to the public, and (4) require that a quorum of the student organization's members participate from a singular physical location.

AB 1275 will be heard in the Assembly Higher Education Committee next Tuesday, April 11, 2023.

Tuition and Fees

[AB 263](#) (Jones-Sawyer, D-Los Angeles)—Public Postsecondary Education: Pilot Program for Free Cost of Education: Working Group. This bill would require the Student Aid Commission to convene a working group to research and develop recommendations for the creation of a pilot program that would cover the cost of postsecondary education in the state by replacing the system of charging student tuition and fees. The bill would require the working group to include representatives from the California Department of Education; the CCC Board of Governors; the Trustees of the CSU; the Regents of the University of California; and faculty, staff, and students from the three higher education segments.

AB 263 will be heard in the Assembly Higher Education Committee next Tuesday, April 11, 2023.

SSC Comment: This is the third time Assemblymember Jones–Sawyer has attempted this bill. Last year, the bill was held in the Senate Appropriations Committee and in 2020 the bill was held in the Assembly Higher Education Committee (likely due to the truncated legislative schedule caused by COVID–19).

AB 1245 (McCarty, D–Sacramento)—Community Colleges: Childcare Providers: Fee Waivers. As amended on March 28, 2023, this bill would require CCDs to waive the fees for the following courses of students who are employed as childcare providers at the time of enrollment:

- Early childhood education courses
- Courses offered in approved educational programs leading to an associate degree or associate degree for transfer
- Coursework approved by the Commission on Teacher Credentialing that leads to specified child development permits

AB 1245 will be heard in the Assembly Higher Education Committee next Tuesday, April 11, 2023.

AB 1342 (Dahle, R–Bieber)—California College Promise: Fee Waiver Eligibility. This bill would require that a student who enrolls in community college, after having enrolled in community college as a specified special part- or full-time student or dual enrollment high school pupil, is considered a first-time student for purposes of receiving the California College Promise fee waiver.

AB 1342 will be heard in the Assembly Higher Education Committee next Tuesday, April 11, 2023.

AB 1745 (Soria, D–Merced)—Public Postsecondary Education: Veterans: Waiver of Mandatory Systemwide Tuition and Fees. Current law prohibits campuses of the state’s higher education segments from charging mandatory systemwide tuition or fees to specified students who apply for a waiver, including a child of any veteran of the United States military who has a service–connected disability, has been killed in service, or has died of a service–connected disability, where the annual income of the child, including the value of any support received from a parent, does not exceed the national poverty level. This bill would instead require that the annual income of the child not exceed the state poverty level in order to qualify.

AB 1745 will be heard in the Assembly Higher Education Committee next Tuesday, April 11, 2023.

2023 Legislative Calendar—Upcoming Holidays and Deadlines

April 10—Legislature reconvenes from spring recess.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

March Inflation Down

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

 [BY JOHN GRAY](#)

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posted April 12, 2023

Wall Street began an early rally with the March inflation report unexpectedly showing signs that the Federal Reserve's (Fed) interest rate hikes are working against rising costs. The markets expected the report to show no change to headline inflation from a month ago. However, the U.S. Bureau of Labor Statistics reported that aggregate costs rose only 0.1% in March (down 0.4% in February) and 5.0% from a year ago. Annual headline inflation was 6.0% in February.

Energy costs decreased 3.5% in March, and are down 6.4% from a year ago. However, reduced energy costs are offset by increases in shelter costs, which on a yearly basis are up 8.2%.

Today's inflation news follows recent reports that the labor market is showing signs of softening. Together, these indicators suggest that the Fed's monetary tightening policies may finally be having their intended effect of bringing inflation down to 2.0%. Predictions of Fed action causing a recession to vary widely. Some economists believe that a recession is looming later this year, while others believe it will occur in 2024. Still, others are optimistic that, if the Fed halts its rate hikes and then begins slowly reversing its policy, a Fed-induced recession can be averted.

Only time will tell.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

CalPERS Set to Adopt 2023-24 Employer Contribution Rate

 [BY MICHELLE MCKAY UNDERWOOD](#)

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posted April 13, 2023

Next week, the California Public Employees' Retirement System (CalPERS) Board will be presented with its staff recommendation for the Schools Pool employer contribution rate for 2023-24 based on its June 30, 2022, valuation. If adopted as recommended, the 2023-24 Schools Pool (including community colleges) employer contribution rate would be set at 26.68%, which is an increase from the current-year rate of 25.37% and a slight decrease from CalPERS's recent estimate of 27.00%.

At this time last year, the CalPERS employer contribution rate had been expected to peak in 2022-23 and begin a steady decline in 2023-24. This changed over the fall, however, upon CalPERS's reported return on investments of -7.5% for 2021-22. This return generated an actuarial investment loss of \$12.4 billion, which will cause an increasing employer contribution rate until 2027-28.

Next week's action also updates the outyear employer contribution rate estimates, which all decrease marginally compared to those released last winter and reach a new peak in 2027-28:

Fiscal Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
New Projected Rates*	26.68%	27.70%	28.30%	28.70%	30.00%	29.80%
Old Projected Rates	27.00%	28.10%	28.80%	29.20%	30.70%	N/A
*2023-24 employer contribution rate to be set on April 17, 2023; outyear projections will fluctuate based on future investment returns						

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

The CalPERS contribution rate for members subject to Public Employees' Pension Reform Act (PEPRA) is expected to remain at 8% and the contribution rate for CalPERS members not subject to PEPRA (i.e., classic members) is set by statute and is currently 7% of salary. As of June 30, 2022, there were 190,858 active PEPRA members in the Schools Pool, representing 57% of the total active population of the Schools Pool.

For additional background information, the CalPERS agenda item can be found [here](#).

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Income Tax Withholdings Portend Bleak May Revision

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

 [BY JOHN GRAY](#)

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posted April 12, 2023

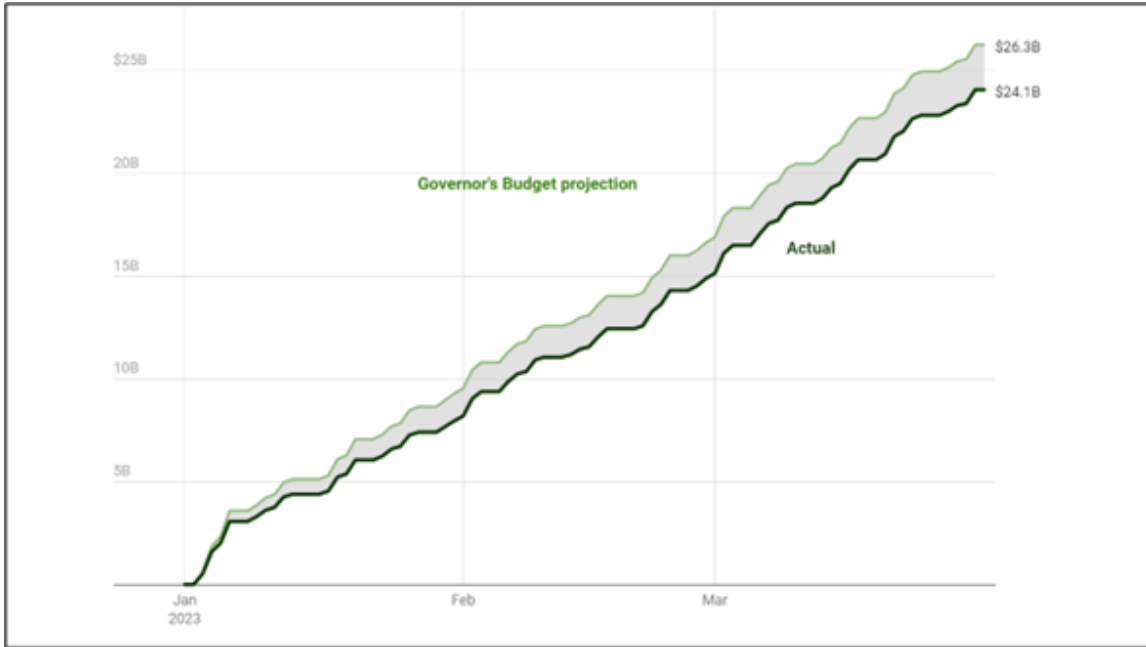
The Legislative Analyst's Office (LAO), which serves as a budget advisor to the California State Legislature, posted the latest trend in income tax withholdings for the current year and how it compares to last year.

Since Governor Gavin Newsom and the federal Internal Revenue Service significantly deferred 2022 income tax filings for many California residents from April to October, it will be difficult to estimate state revenue for the 2023-24 budget. Typically, April tax collections—namely, personal income tax receipts—are crucial for projecting state revenues for the annual budget.

In the absence of April tax collection data, daily income tax withholding payments made and reported by employers serves as a reliable indicator of what we can anticipate later this fall when individuals file their 2022 tax returns. And the picture is bleak, according to the LAO.

March income tax withholdings were \$450 million below the Governor's January estimates. From the start of the calendar year through March, withholdings were \$2.2 billion below the Governor's projections.

2023 Withholdings Compared to Governor's Budget



Source: LAO

Additionally, the LAO reports that on a fiscal year basis, income tax withholdings are trending downward. While withholdings started off higher than the prior fiscal year, since last August, they have fallen significantly below 2021-22 levels. To date, personal income tax withholdings for fiscal year 2022-23 are \$4.0 billion lower than last year.

2022-23 Withholdings Compared to Prior Year



Source: LAO

Current income tax withholding data portend challenges ahead for the Governor's May Revision, and ultimately for the 2023-24 State Budget that he will negotiate with the Legislature in the next two months. We can be sure that there will be a downward adjustment to the Governor's January estimates for 2022-23. The question is: does the Governor believe that the economy and revenues will bounce back for 2023-24?

Vacant Funded Positions for FY2022-23- Projected Annual Salary and Benefits Savings
As of April 10, 2023

Fund	Management/ Academic/ Confidential	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes	Vacant Account	2022-23 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
			Director of Academic and End User Support Services/SCC	District	12/16/2022	52,774		11-0000-678000-54143-2110	101,193	
		11 Chan, Derrick	2652974				Resignation Nhadira Johnson#2567956 Eff:02/13/23. Interim Assignment Nhadira Johnson#2567956 Eff:6/28/22-6/30/23, CL22-00343. Hired Letitia Clark#2633790 CL21-00109 Reorg#1230 Eliminated Director, Public Affairs/Publications position and changed to Chief Communication Officer.	11-0000-671000-52200-2110	99,152	
		11 Clark, Letitia C.	2633790	Chief Communication Officer	District	4/20/2022	58,287			
30%-fd 11 70%-fd 12	Director of Grants	REORG#1228	Director of Grants	District	6/22/2026	40,880	CL22-00371 Reorg#1228 Eliminated Executive Director Resource Development and added Director of Grants	11-0000-679000-53345-2110-30% 12-3401-679000-53345-2110-70%	63,047	687,062
		11 Estevez, Jean	2439960	Revised Title to Asst.Vice Chancellor PC/HR, Learning, Innovation, Wellness & Equity from Director Admin, Institutional Equity, Compliance & Title IX	District	5/11/2021	207,721	Interim Assignmet Sil Han Jin#2616593 Eff11/21/22-5/5/23. CL22-00185. Jennifer De La Rosa Interim Assignment 7/1/22-9/30/22. Revised Title to Asst.Vice Chancellor PC/HR, Learning, Innovation, Wellness & Equity from Director Admin, Institutional Equity, Compliance & Title IX on Board docket March 14, 2022	11-0000-673000-53110-2110	309,111
		11 Garcia, Elvia	1029353	Assistant to Vice Chancellor People & Culture	District	12/19/2022	37,639	Interim Assignment Irena Glomba#1028144 Eff:11/28/22-3/31/23	11-0000-660000-53110-2120	54,283
		11 Patikamanant, Tommy	2664667	Manager P&C Strategy Analytics and Equity	District	2/20/2023	43,710		11-0000-673000-53110-2110	60,275
		11 Briones, Michael	1061005	Instructor, Music	SAC	8/1/2022	24,834	Part of salary used to fund BCF \$450,000 for ISA 11-0000-213350-15715-5873	11-0000-100400-15535-1110	56,635
		11 Ettinger, Becky	1026620	Instructor, Nursing	SAC	3/9/2022	147,061			212,782
		11 Kruienza, Alicia	2296718	Dean, Student Affairs	SAC	7/1/2022	82,213	Hired Gregory Toya#2685012 Eff:1/17/2023 AC22-00365	11-0000-649000-19620-1210-50% 11-2410-649000-19620-1210-50%	123,701
		11 Kushida, Cherylee	1028185	Coordinator, Distance Education	SAC	6/3/2023	-		11-0000-601000-15054-1250	-
		11 Gilmour, Dennis	1028933	Counselor	SAC	1/1/2023	78,734		11-2410-493010-15320-1110-53.30% 11-2410-631000-15310-1230-46.70%	112,175
		11 Gilreath, Genice	1026037	English & Read Instructor	SAC	7/24/2022	21,870	Part of salary used to fund BCF \$450,000 for ISA 11-0000-213350-15715-5873	11-0000-150100-15620-1110-20% 11-0000-152000-15675-1110-80%	43,445
		11 Hardy, Michelle	1029393	Instructor, Human Development	SAC	6/10/2022	133,969		11-0000-130500-15717-1110	196,725
		11 Horenstein, Daniel	2314022	Instructor, Planetarium	SAC	6/4/2022	85,539		11-0000-191100-16431-1110-80% 11-0000-619000-16431-1280-20%	118,467
		11 Jones, Stephanie	2418945	Dean, Instructional & Student Services	CEC	1/3/2023	(1,295)	Interim Assignment Steven Holman#2689249 Eff2/1/23-6/30/23 AC22-00521.	11-2490-601000-18100-1210	7,077
		11 Lamourelle, Chantal	1053437	Instructor, Human Development	SAC	8/22/2022	-	Part of salary used to fund BCF \$450,000 for ISA 11-0000-213350-15715-5873 Chantal Lamourelle replaced Maria hired Interim Dean Courtney Doussett#2665165 Eff:8/29/22-6/30/23 AC22-00303	11-0000-130500-15717-1110	30,742
		11 Manning, R Douglass	2308931	Dean Kinesiology,	SAC	6/30/2022	-		11-0000-601000-15410-1210	-
		11 Mandir, Joshua	1961420	Instructor, Chemistry	SAC	6/9/2021	130,969		11-0000-190500-16420-1110-80% 11-0000-601000-16420-1280-20%	191,857
		11 McMillan, Jeffrey	1028829	Instructor, Chemistry	SAC	6/4/2022	147,061		11-0000-190500-16420-1110	196,869
		11 Mercado-Cota-Teresa	1027921	Assistant Dean, Student Services	SAC	12/31/2022	74,493		11-0000-649000-19100-1210	111,835
		11 Ortiz, Fernando	1026742	Dean, Academic Affairs	SAC	1/31/2023	89,318	Employee resigned Dean position, returned to F/T Psychology Instructor effe 2/1/23	11-0000-601000-15055-1210	122,366
		11 Sili, Kenneth	1027536	Instructor, Mathematics	SAC	6/5/2023	-		11-0000-170100-16201-1110	-
		11 Tran, Melissa	1027087	English Instructor	SAC	6/30/2023	-	Employee om Bank Leave Fall2022 and Spring2023	11-0000-150100-15620-1110	-
		11 Virgoe, Brad	1055072	Director of Criminal Justice	SAC	6/30/2021	22,526	Interim Assignment Ernestp Gomez #1277463 Eff:7/1/22-6/30/23	11-0000-601000-15712-1210	46,953
		11 Ward, Robert	2409846	Maintenance Supervisor	SAC	11/15/2021	39,951	BCF#BCE1NICT3R transferred (\$83,379) to 11-2390-657000-17500-5520	11-0000-651000-17400-2110	66,622
		11 Waterman, Patricia J.	1027281	Instructor, Art	SAC	6/9/2019	110,923		11-0000-100200-15510-1110	137,747
		11 Arteaga, Elizabeth	1027713	Associate Dean, Business and Career Technical Education	SCC	2/24/2020	-	REORG#1303 Eliminated Associate Dean, Business and Career Technical Education and created new Assistant Director, Athletics & Sports Information	11-0000-601000-25205-1210-89% 11-3230-601000-25205-1210-11%	-
		11 Bailey, Denise	1668755	Instructor, Chemistry	SCC	8/24/2022	135,513	REORG#1303 Eliminated Associate Dean, Business and Career Technical Education and created new Assistant Director, Athletics & Sports Information CL22-00474	11-0000-601000-25132-2110 OR 11-0000-601000-25205-1210-89% 11-3230-601000-25205-1210-11%	255,128
		11 Carrera, Cheryl	1027004	Instructor, Math	SCC	12/15/2019	110,923		11-0000-190500-25163-1110	192,309
		11 Coto, Jennifer	1029536	Dean, Enrollment & Support Services	SCC	10/13/2020	194,433		11-0000-170100-25150-1110	161,767
		11 Flores, Marilyn	2041264	VP, Academic Affairs-SCC	SCC	7/1/2022	1	Interim Assignment Jose Vargas#1026600 7/1/22-9/14/22 Interim Assignment Aaron Voelcker#1985186 10/5/22-6/30/23	11-0000-620000-29100-1210	266,706
		11 Medina, Guillermo	2444288	Instructor, Health Education	SCC	6/2/2022	116,992		11-0000-620000-29100-1210 11-0000-083700-25133-1110-4% 11-0000-083500-25133-1110-36% 11-0000-083500-25132-1110-60%	168,249
		11 Nguyen, Steven	2318451	Chemistry Instructor	SCC	8/19/2019	110,923		11-0000-190500-25163-1110	136,693
		11 Rodriguez, Lilia	2642773	Public Information Officer	SCC	2/14/2023	31,791		11-0000-671000-21100-2110	60,551
						2,497,517			3,732,254	
Fund	Classified	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes		2022-23 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
		11 Ayala, Jose A.	1030842	P/T District Safety Officer	District	8/30/2020	19,587		11-0000-677000-54167-2310-60% 11-0000-695000-54167-2310-40%	20,517
		11 Beiza, Rene	2261815	P&C Business Partner	District	7/2/2022	32,156	Hired Emelyne Camacho #2572113 Eff: 10-24-22	11-0000-673000-53110-2130 11-0000-677000-54166-2130-60%	75,269
		11 Benjamin, Robert	1335325	Senior District Safety Officer	District	9/23/2021	68,541		11-0000-695000-54166-2130-40%	116,423
		11 Duenas, Veronica	1028722	P&C Business Partner	District	12/18/2022	10,538	CL22-00328 Hired Emmeline Gomez#2684332 Eff:2/14/23 CL23-00542	11-0000-673000-53110-2130 11-0000-677000-54167-2130-60%	29,506
60%-fd 11 40%-fd 12	Fouste, James	1027195	Senior District Safety Officer	District	12/2/2022	19,728		12-3610-695000-54167-2130-40%	31,077	
	11 Elhadidy, Anas	2473844	Application Specialist III	District	2/24/2022	112,418		11-0000-678000-54144-2130	175,690	
	11 Gil, Darlene	1987076	Title IX Specialist	District	12/18/2022	49,029		11-0000-673000-53110-2130	84,709	
	11 Lee, Patrick	1416553	P/T District Safety Officer	District	1/24/2021	19,586		11-0000-695000-54166-2130	20,516	
	11 Lott, Glenn	2264736	Technical Specialist	District	1/31/2023	33,094		11-0000-678000-54141-2130	58,463	906,063

Vacant Funded Positions for FY2022-23- Projected Annual Salary and Benefits Savings
As of April 10, 2023

Fund	Management/ Academic/ Confidential	EMPLOYEE ID#	Title	Site	Effective Date	Annual Salary	Notes	Vacant Account	2022-23 Estimated Annual Budgeted Sal/Ben	Total Unr. General Fund by Site
50%-fd 11	11	Nieto Mireles, Mario	2090959	Custodian	District	3/1/2023		11-0000-653000-54133-2310		
50%-fd 12	11	Nguyen, Tyler	2262222	Research Analyst	District	3/3/2023	16,252	11-2410-679000-53340-2130-50%	23,249	
	11	Palomares, Vanessa	1851190	Business Services Coordinator	District	10/19/2022	51,999	3401-679000-53340-2130-50%	77,086	
	11	Pita, Lazaro R.	1298807	P/T District Safety Officer	District	11/23/2019	19,587	11-0000-701000-53350-2130	26,446	
	11	Reynolds, Danielle	2286360	Purchasing Assistant	District	1/19/2022	(6,404)	11-0000-677000-54167-2310-40%	15,227	
	11	Smith, Nancy	1794928	Desktop Publishing Technician	District	11/4/2022	50,319	11-0000-677000-52600-2130	87,019	
86.20%-fd 11	11	Shipma, Phil L	1209698	P/T District Safety Officer	District	2/11/2021	23,258	11-0000-695000-54163-2310	24,363	
13.80%-fd 12	11	Tingrides, Tiffany	2345107	Senior District Safety Officer	District	12/2/2022	27,257	11-0000-677000-54167-2310-86.20%	40,501	
65%-fd 11								11-2490-649000-18100-2130-65%		
35%-fd 12		Berber, Christian	1580466	High School & Community Outreach Specialist	SAC	12/2/2022	23,989	11-1102-649000-18100-2130-35%	35,766	
	11	Boster Toinette	1029574	Administrative Clerk	SAC	1/3/2023	35,675	11-0000-601000-15712-2130-50%	63,990	
	11	Burke, Tamy	1460227	P/T Administrative Clerk	SAC	2/22/2022	24,319	11-0000-651000-17400-2310	32,836	
	11	Castillo, Norma	1026405	Administrative Secretary	SAC	7/10/2022	42,320	Hired Toinette Boster Eff: 1-4-23 CL22-00359. Interim assignment Toinette Boster#1029574 eff 7/11/22-10/11/22	63,736	
	11	Dahi, Kayla	2338789	Administrative Secretary	SAC	1/4/2023	38,608	11-0000-601000-15712-2130	62,778	
40%-fd 11								11-0000-499900-19510-2210-20%		
60%-fd 12		Dinh, Amber	1069111	Instructional Center technician	SAC	1/3/2023	10,728	11-2410-499900-19510-2210-20%	18,190	
	11	Ellsworth, Kristin	2175738	Administrative Secretary	SAC	12/5/2022	38,030	11-2412-499900-19510-2210-60%	53,763	
25%-fd 11								11-0000-709000-11300-2130		
75%-fd 12		Fernandez Gonzalez, Irma	1030855	Counseling Assistant	SAC	2/14/2020	4,291	11-2250-643000-19300-2130-25%	9,941	
	11	Hayes, Charles F.	1026480	Custodian	SAC	6/1/2020	50,521	12-2250-643000-19300-2130-64%	92,078	
	11	Heller, Shelly	2375248	Science Lab Coordinator	SAC	1/27/2023	23,181	12-2090-643000-19300-2130-11%	35,443	
	11	Hernandez, Eric	1027374	P/T Custodian	SAC	5/1/2022	20,245	11-0000-190100-16430-2210-50%	27,335	
86%-fd 11								11-0000-619000-15110-2130-86%		
14%-fd 12		Instructional Center Technician Reorg#1162	REORG#1162	F/T Instructional Center Technician	SAC	7/1/2020		3482-632000-15110-2130-14%		
	11	Jusay, Modesto	1026710	Custodian	SAC	6/30/2022	52,837	11-0000-651000-17400-2130	95,215	
	11	Lopez, Felipe	1027162	Gardener/Utility Worker	SAC	12/31/2021	43,313	CL22-00425 BCF#BCTYBF2RID moved \$15,000 to 11_0000_651000_17400_2130	82,348	1,515,863
35%-fd 11								11-0000-699000-14121-2130-35%		
65%-fd 31		Miranda Zamora, Cristina	1339369	Auxiliary Services Specialist	SAC	11/19/2019	20,751	31-0000-691000-14121-2130-65%	36,374	
	11	Munoz, Edward J.	1027311	P/T Accountant	SAC	7/14/2020	28,128	11-0000-679000-17100-2310	37,978	
	11	Naguib-Estefanos, Nancy A	2018465	Senior Clerk	SAC	10/2/2022	47,681	11-0000-646000-19405-2130	86,710	
	11	Nguyen, Trang	1054142	Admissions/Records Specialist III	SAC	1/23/2023	31,426	11-0000-620000-19205-2130-80%	49,943	
	11	Ramirez, Leonardo	1379054	Skilled Maintenance Worker	SAC	1/3/2022	61,877	11-2410-620000-19205-2130-20%	107,421	
82%-fd 11								11-0000-651000-17400-2130		
18%-fd 13		Reimer, Lillian	1025907	Admissions/Records Specialist I	SAC	8/16/2022	34,749	11-2490-620000-18100-2130-82%	54,535	
	11	Rodriguez, Hector	2611615	Gardener/Utility Worker	SAC	5/3/2022	60,066	12-1102-620000-18100-2130-18%	97,506	
	11	Rodriguez, Natalie	1593301	Counseling Assistant	SAC	1/8/2023	8,444	CL22-00425	8,845	
	11	Roman, Alfonso W	1025210	Gardener/Utility Worker	SAC	4/19/2021	63,075	11-2410-631000-15310-2310	111,024	
36%-fd 11								11-0000-655000-17300-2130		
64%-fd 12		Ruesga, Claudia	1030364	Instructional Center Technician	SAC	1/3/2023	12,085	11-0000-632000-19510-2130-5%	18,488	
75%-fd 11								12-2549-649000-19105-2130-75%		
25%-fd 12		Serratos, Raquel	1779867	Senior Clerk	SAC	8/31/2022	45,050	11-0000-649000-19105-2130-25%	68,497	
	11	Stapleton, Amber	1029657	Admissions/Records Specialist I	SAC	5/22/2022	42,829	11-0000-620000-19205-2130-70%	80,451	
40%-fd 11								11-2410-620000-19205-2130-30%		
60%-fd 12		Student Services Specialist	REORG#1190	Student Services Specialist	SAC	12/29/2019	22,588	11-0000-632000-19510-2130-20%	40,048	
	11	Taylor, Katherine A.	1028961	P/T Admissions/Records Specialist I	SAC	10/1/2020	20,630	12-2416-632000-19510-2130-60%	27,855	
	11	Vu, Michelle	2344157	Counseling Assistant	SAC	1/31/2023	12,421	11-0000-620000-19205-2310-70%	16,771	
	11	Bennett, Lauren A.	1337295	Admission Records Specialist I	SCC	10/23/2020	50,314	11-2410-631000-15310-2310	91,799	
	11	Dorling, Jane	1433784	Library Technician II	SCC	8/11/2022	50,818	11-0000-612000-25430-2130	78,217	
	11	Gitonga, Kanana	1030388	International Student Coordinator	SCC	1/31/2019	80,945	11-0000-649000-29110-2130	133,182	
	11	Hermen, Lisa	1027710	Senior Clerk	SCC	3/31/2022	33,614	11-0000-601000-25131-2130	46,208	
	11	Martin, Sheryl A.	1028421	Executive Secretary	SCC	8/9/2021	72,277	11-0000-601000-25131-2130	121,470	
90%-fd 11								11-0000-620000-28100-2130-90%		
10%-fd 12		Rodriguez, Gisela	1027326	Administrative Clerk	SCC	12/4/2022	39,509	12-2572-631000-28100-2130-10%	61,980	725,817
	11	Simoes, Antonio	266411	P/T Gardener/Utility Worker	SCC	11/16/2022	21,490	11-0000-655000-27300-2310	22,511	
	11	Smilde, Mark	2635727	Senior Custodian/Utility Worker	SCC	8/11/2022	39,120	WOC Guadalupe Hernandez#1492326	66,527	
	11	Tran, Kieu-Loan T.	1030029	Admission Records Specialist III	SCC	3/1/2020	59,290	11-0000-653000-27200-2130	103,924	
							1,914,178		3,147,743	
TOTAL							4,411,695		6,879,998	

Rancho Santiago Community College
FD 11/13 Combined -- Unrestricted General Fund Cash Flow Summary
FY 2022-23, 2021-22, 2020-21
YTD Actuals- March 31, 2023

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	\$47,095,051	\$44,101,404	\$37,993,352	\$59,799,734	\$52,142,184	\$55,236,851	\$56,057,382	\$56,057,382	\$56,057,382
Total Revenues	13,207,623	6,163,437	12,205,794	14,492,940	14,987,785	39,069,575	9,590,300	22,970,783	18,794,361	0	0	0
Total Expenditures	10,838,816	15,284,595	17,774,225	17,486,587	21,095,838	17,263,193	17,247,849	19,876,116	17,973,830	0	0	0
Change in Fund Balance	2,368,807	(9,121,158)	(5,568,431)	(2,993,647)	(6,108,053)	21,806,382	(7,657,549)	3,094,667	820,531	0	0	0
Ending Fund Balance	61,784,640	52,663,482	47,095,051	44,101,404	37,993,352	59,799,734	52,142,184	55,236,851	56,057,382	56,057,382	56,057,382	56,057,382
FY 2021/2022												
	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	\$46,370,067	\$48,091,696	\$35,602,855	\$41,281,989	\$26,324,996	\$24,068,300	\$50,130,982	\$43,899,530	\$33,460,128	\$34,790,561	\$42,595,206	\$33,912,083
Total Revenues	11,437,098	2,884,275	21,977,395	701,517	16,658,801	40,835,472	9,174,999	7,173,633	16,255,779	23,385,633	9,250,271	52,842,778
Total Expenditures	9,715,469	15,373,117	16,298,261	15,658,510	18,915,497	14,772,790	15,406,451	17,613,035	14,925,346	15,580,988	17,933,393	27,339,028
Change in Fund Balance	1,721,630	(12,488,842)	5,679,134	(14,956,992)	(2,256,696)	26,062,682	(6,231,452)	(10,439,402)	1,330,433	7,804,645	(8,683,122)	25,503,749
Ending Fund Balance	48,091,696	35,602,855	41,281,989	26,324,996	24,068,300	50,130,982	43,899,530	33,460,128	34,790,561	42,595,206	33,912,083	59,415,833
FY 2020/2021												
	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	\$38,043,629	\$37,890,520	\$21,377,062	\$29,621,168	\$20,972,596	\$18,331,844	\$40,829,056	\$35,611,009	\$21,137,122	\$19,535,152	\$23,813,198	\$15,243,357
Total Revenues	9,803,314	(1,484,159)	24,214,797	7,145,358	15,876,235	37,159,108	7,568,219	1,329,565	13,748,589	19,224,264	5,986,870	58,955,542
Total Expenditures	9,956,422	15,029,299	15,970,692	15,793,930	18,516,988	14,661,896	12,786,266	15,803,453	15,350,560	14,946,217	14,556,711	27,828,832
Change in Fund Balance	(153,109)	(16,513,458)	8,244,105	(8,648,571)	(2,640,753)	22,497,212	(5,218,047)	(14,473,888)	(1,601,970)	4,278,047	(8,569,841)	31,126,710
Ending Fund Balance	37,890,520	21,377,062	29,621,168	20,972,596	18,331,844	40,829,056	35,611,009	21,137,122	19,535,152	23,813,198	15,243,357	46,370,067

Fiscal Resources Committee

Via Zoom Video Conference Call

1:30 p.m. – 2:05 p.m.

Meeting Minutes for March 15, 2023

FRC Members Present: Iris Ingram, Morrie Barembaum, Susana Cardenas, Steven Deeley, Noemi Guzman, Ethan Harlan, Bart Hoffman, Jim Isbell, Jorge Lopez (arrived at 1:38 p.m.), Veronica Munoz (arrived at 1:36 p.m.), Adam O'Connor, Craig Rutan, and Arleen Satele

FRC Members Absent: Kajleb Demaniow, and Enrique Perez

Alternates/Guests Present: Erika Almaraz, Jason Bui, Ryan Foley, Gina Huegli, Kelvin Leeds, Cristina Morones (arrived at 1:37 p.m.), Thao Nguyen, Mark Reynoso, Kennethia Vega, and Barbie Yniguez

1. Welcome: Vice Chancellor Ingram called the meeting to order at 1:30 p.m. via zoom.

2. State/District Budget Update

- Apportionment Memo March 6, 2023
- 2021/22 Apportionment Recal Report Exhibit C RSCCD Statewide
- 2021/22 Recal Reconciliation
- 2022/23 Apportionment P1 Report Exhibit C RSCCD Statewide
- LAO 2023-24 Budget California Community Colleges
- LAO Proposition-98 Overview and K-12 Spending Plan
- California's budget deficit may be even larger than predicted
- DOF – February 2023 Finance Bulletin
- SSC – U.S. Headline Inflation Up
- SSC – State Drops Plan for Student Vaccine Mandate
- SSC – Revenue Picture Will Be Murky at the May Revision
- SSC – 2023-24 Governor's Budget Trailer Bill for Community Colleges
- SSC – Lawmakers Introduce Community College Bills
- SSC – California Community College Budget Hearings Scheduled
- SSC – State Revenues Shy of Governor's January Estimates
- SSC – State Auditor Releases Report on District Hiring Practices
- SSC – Top Legislative Issues-February 24, 2023
- SSC – President Biden Releases 2024 Budget

Ingram referenced the above resources with a focus on apportionment memo dated March 6, recal report exhibit C, recal reconciliation and 2022/23 P1 report that have direct impact to revenue and year end balances. However, more will be known after May Revise though revenues are not coming in as projected. O'Connor screen shared exhibit C (page 14 of meeting materials), noting the *Total Available Revenue* is showing at \$204 million and the State believes there will be sufficient funding with the deficit down to zero; that is unusual. Vice Chancellor Ingram shared that Lizette Navarette, CCCCCO Deputy Chancellor, informed the SCCBO group earlier today, that despite the projections of lowered revenue and potentially larger deficit, the zero deficit factor is still expected. No projections are changing at this time but stay tuned for May Revise.

O'Connor noted an error was discovered in the reporting of incarcerated FTES in credit and should have been reported in noncredit which reduced the actual available revenue to \$201 million. This error has been corrected and will appear on P2 report. This means that with the anticipated deficit at zero, pick up of restoration, RSCCD will gain about \$6 million over the projected budget.

3. Updated 2023/24 Tentative Budget Assumptions

O'Connor screen shared tentative budget assumptions (page 76-78 of meeting materials), and reviewed changes, such as updated P1 FTES number, projected growth/restoration at approximately \$5.8 million, which also affects the deficit factor. The only other change was to unrestricted lottery which decreased slightly. There are no changes to the expenditure assumptions. The recap reflects the changes to projected growth/restoration, deficit factor and unrestricted lottery funds, bringing total estimated unallocated deficit from \$4.3 million to \$3.8 million. There were no questions.

4. 2023/24 Proposed Meeting Schedule - ACTION

O'Connor screen shared the proposed meeting schedule for 2023/24 (page 79 of meeting materials), and noted typically the May meeting conflicts with the ACBO Conference and therefore the meeting is scheduled on a Thursday, but that did not occur this year and so the calendar proposes keeping FRC on Wednesday in May 2024. However, if ACBO Conference is scheduled for the same week, the date may change for the FRC meeting in May 2024.

A motion by Hoffman was seconded by Deeley to adopt the 2023/2024 Proposed Meeting Schedule as presented. The motion passed unanimously.

5. Projected 2022-23 Year-end Balances – Satele, Hoffman, and O'Connor

O'Connor explained this is the opportunity to review the first eight (8) months of the current year for each site and potentially project year-end balances for the remaining part of the year.

O'Connor reported that district services will spend close to the entire allocated budget and will be surprised if there is a carryover of \$500,000. Assuming deficit holds, there is a pickup of approximately \$6 million that would flow to the colleges at year end.

Hoffman reported that SAC projects slightly more than \$2 million in Fund 11, and a total estimated ending balance including Fund 13 to be slightly over \$6 million. Which is a bit of a reduction in comparison to last year, however, if the additional revenue is picked up that would be added to the carryover.

Satele reported that SCC doesn't have a rosy a report for Fund 11 with a projected estimate at year-end of \$43,432 and with Fund 13 reporting approximately \$3.4 million. As mentioned, the hope is to capture the additional revenue to cover the remainder of the year and prepare for next year. That is about even with the carryover from last year.

6. Annual Review of RSCCD Budget Allocation Model (BAM) – ACTION

O'Connor reviewed BAM changes (pages 80-103 of the meeting materials) and specifically:

- Definition of Apportionment (page 88) to include “basic allocations for colleges and centers,” which is simply a clarification of the definition.
- Scenario sample (page 90) changed to identify SAC below 70%. This doesn't change the way the model is implemented; it is just for clarification purposes. The 70%/30% split was never intended to be a floor or ceiling limitation, but ease of mathematical scenarios. Split is based on what the colleges earns.
- Grants/Special Projects (page 94) is a substantive change to address the distribution of funds for certain grants and special categorical projects specifically allocated at the district level based on particular criteria and allowing an alternative split arrangement as determined by the college presidents. An example would be the Presidents desire to split it differently than the criteria states. This is how it is done unless there is an agreement between the colleges and memorialized in writing. This change is designed to be an exception.

A motion by Isbell was seconded by Satele to approve the changes to the RSCCD BAM as presented. The motion passed unanimously.

7. Presentation regarding SRP Analysis and Recommendations

O'Connor reviewed the Supplemental Retirement Plan (SRP) 1 and 2 Analysis and recommendation (pages 104-109 of the meeting materials).

O'Connor noted the presentation is being shared with the next POE, District Council, Management Council, the Board Fiscal/Audit Committee in April and ultimately to the full Board of Trustees in May. This will include the board policy change regarding the reserve.

Due to the need of budget cuts, RSCCD initiated the SRP with a total of 75 employees participating and potentially gaining first year savings of \$3 million and five-year cumulative savings of \$18 million. Shortly after, a second SRP was offered with slightly less incentives but also provided reduction in load banking liability for faculty. The estimated total savings was projected at \$32.6 million with SRP 1 and SRP 2 which included a total of 124 retirements. This also reduced load banking liability by 10%. It was successful. In the first half of 2020, \$3.4 million was saved, in 2021/2022, \$9.2 million was saved, and estimated savings for 2022/23 at \$6 million and \$6 million projected for 2023/24 and 2024/25, and \$3 million in the half year of 2025 for a total of \$33.6 million of five years. However, the budget outlook has changed significantly over the last three years, with restoration that can be captured with over \$10-12 million potentially available within the three-year period of restoration. In order to capture restoration dollars, faculty and support staff need to be hired, so obviously, colleges need access to the ongoing funds of SRP. It is recommended to end the separate accounting of the SRP and these positions would be allocated back to the colleges and funds available July 1, 2023. The projected accumulated savings which is to be about \$14 million would be used as the one-time funding to transfer to increase reserves. This is similar to process of increasing reserve from 5% to 12.5% several years ago using the budget stabilization funds and therefore no budget cuts would be necessary. It gets RSCCD toward new reserve level to meet the new board policy. There were no questions or comments.

8. Standing Report from District Council – Isbell

Isbell briefly commented on the actions of District Council to include a reorganization for P&C eliminating two positions Chief Mediation/Culture Officer and a Title IX specialist and creating three other positions with a saving of about \$12,000. The new positions are Senior P&C Business Partner, Business Partner, and Administrative Clerk. There were no other actions taken by District Council.

9. Informational Handouts

- District-wide expenditure report link: <https://intranet.rscsd.edu>
- Vacant Funded Position List as of March 10, 2023
- Monthly Cash Flow Summary as of February 28, 2023
- [SAC Planning and Budget Committee Agendas and Minutes](#)
- [SCC Budget Committee Agendas and Minutes](#)
- Districtwide Enrollment Management Workgroup Minutes

Informational handouts above were referenced for further review.

10. Approval of FRC Minutes – January 25, 2023

A motion by O'Connor was seconded by Hoffman to approve the minutes of the January 25, 2023, meeting as presented. There were no questions, comments or corrections and the motion passed unanimously.

11. Other - None

A motion by Hoffman was seconded by Guzman to adjourn the meeting. The motion passed unanimously.

Next FRC Committee Meeting:

The next FRC meeting is April 19, 2023, at 1:30-3:00 p.m. This meeting adjourned at 2:05 p.m.