



BUDGET COMMITTEE MEETING

Wednesday, May 03, 2023
 Location (In Person – Room 2150)
 2:00-3:30 p.m.

APPROVED MINUTES

ROLL CALL:

X	Jill Ault	X	Elsa Gomez	X	Darren Gurney	X	Tim Johnston
X	Kathleen Littlepage	X	Heidi Loftus	X	Tom Masulis	X	Rob McCandles
X	Sam Osborne	X	Ryder Yannello				

Guests: Stacy Bartlett, Corinne Ewing, Crystal Mair, Keri Mathews, Taryn Roberts, and Angie Yannello

1. **CALL TO ORDER:** The meeting was called to order at 2:05 p.m. by Committee Chair, Jill Ault. All committee members present.
2. **APPROVAL OF MINUTES:** April 19, 2023 – (Darren Gurney) motioned to approve minutes, seconded (Heidi Loftus), motion passed, no abstentions/objections.
3. **PUBLIC COMMENTS:** None
4. **REPORTS:** None
5. **DISCUSSION/ACTION ITEMS:**

A) Caring Campus – Corinne Ewing – (Attachment A)

Jill invited Corinne Ewing to speak about Caring Campus as this is one of the ways Shasta College is working to drive student success and engagement within our District. Corinne spoke regarding the initiative and its focus on how behavioral changes and interpersonal relationships lead to persistence and success rates. PowerPoint presentation shared with committee, see Attachment A.

B) 2023-24 Tentative Budget – (Attachment B)

Jill shared the 2023-24 Tentative Budget spreadsheet and advised this budget will go to College Council for final review and then to Board, at their June 7th meeting. Jill outlined the changes to the budget since the last committee meeting.

Fund 11: General Fund - Unrestricted

- New activity code for IT (Information Technology), expense increase of \$26K.
- Updated 2022-23 Estimated Actuals, \$280K increase to net income.
- 2023-24, PERS (Public Employees Retirement) increase 25.37% to 26.68%. PERS projected to increase over next several years. STRS (State Teachers Retirement) 19.1% this year, employee rate stays static.
- Estimating \$3.7M of net income for 2023-24 year.
- Current year - 2022-23, has a total projected ending fund balance of \$15.5M.
- 2023-24 year, after the Discount Factor, the projected expenditures is \$63M with a \$16.5M ending fund balance. SCFF (Student Centered Funding Formula) is estimated at \$58.4M. Jill advised that we are budgeting 5% COLA (Cost of Living Adjustment) and Salary Schedule to the funding formula.

Jill asked the committee if there are any questions on the Fund 11 Budget. No questions were asked by committee.

Fund 12: General Fund - Restricted

- Fund 11 & 12 combined have a total Operating Budget of \$95M. K16 grant along with other grants, help to increase Fund 12.

Funds 23, 24, 25: Debt Service – Lease Revenue Bonds

Fund 34: Special Revenue Fund

- Cal Fire agreement is bringing new revenue to Fund 34. Jill advised that this is a big increase to this fund, this is the first time this budget has ever been in the black. Jill mentioned that bringing Starbucks to campus had a projected profit however once Starbucks opened we were impacted from COVID, this was a big indicator on the effect of “in person” classes generating revenue.

Crystal Mair inquired about the Bookstore commission, does Shasta College receive commission when staff purchases through them directly? Jill to review the contract for what is excluded in revenue.

Fund 41: Capital Outlay

- Scheduled Maintenance money, Property Tax Revenue, Lease Revenue Bonds, and Debt Service all transfer into this fund. Jill advised that we will have some expenses that hit in this fund from Cal Fire however we will get paid back so that will all be a wash. There has been talk, from the state, about pulling back 25% of Scheduled Maintenance money to fund COLA.

Fund 43: General Obligation Bond

- Selling Series D, fourth issuance. \$130M of bonds sold by June 2023. We expect this fund balance to go down.

Fund 61: Self Insurance

- New fund allowed by the fiscal standards committee. SWACC (Statewide Association of Community Colleges) property and liability insurance payments hit this fund.

Fund 71 and 72: Student Rep Fee

Fund 74: Student Financial Aid

- 2022-23 total purposed budget of \$26.8M. Estimated at \$25M for 2023-24. All the Federal Stimulus – HEERF (Higher Education Emergency Relief Fund) monies need to be spent by June 30, 2023. A total of \$39M of COVID monies has already been spent. Taryn Roberts stated that there is about \$400K of Instructional monies left to spend, all of this is currently accounted for. Jill said some of the ongoing expenses has been for technology purchases. The indirect costs have been transferred to Fund 41 for future IT replacement expenditures.

Fund 75: Scholarship and Loan

Fund 77: Scholarship/Endowment – These monies are managed by the Investment Committee.

Fund 78: Student Clubs

- Ending fund balance of \$185K. Jill explained that each club has their own guidelines on how monies can be spent.

Fund 79: PARS (Public Agency Retirement Services)

- 2022-23 Ending Fund Balance \$9.5M. Jill mentioned that next year, we will grow back some investment gains, anticipated to be closer to \$10M.

No questions were asked by the Committee regarding Tentative Budget changes. Jill advised that the state will adopt a final budget by June 30th, 2023, we will do the work to incorporate the state budget into our budget.

Elsa Gomez asked about the \$1M transfer. Jill responded that there is an expected surplus above the budgeted surplus for 2022-23. \$700K transferred to Capital Outlay and \$300K transferred to Fund 36 for Block 7 (downtown SC Community Leadership Building).

Crystal Mair asked if parking fees would be reinstated for fall 2023 semester, Jill confirmed that all parking fees will be reinstated, to begin fall 2023. Lonnie Seay, in Campus Safety, is currently looking at an automated parking system, this is projected to begin spring 2024. Elsa inquired about the downtown parking situation and if a resolution has been made, Jill advised this is still an evolving process.

Motion to move budget forward to College Council was made by Darren Gurney, seconded by Rob McCandless. Motion passed, no abstentions or objections.

C) 2023-24 Statutory COLA – Community College Update – (Attachment C)

Jill explained Attachment C, stating in January 2023 an 8.13% COLA formula was forecasted, this is reflective of current economic conditions as it relates to inflation. Jill went on to say that COLA has traditionally been applied to the SCFF however the focus has now shifted as the state has to determine if they can afford to fund the full statutory COLA. The state needs to fund K12, however they are not required to fund Community Colleges. Jill mentioned that the information she has been researching shows personal income tax withholdings are coming in low and that there are 1.9 jobs for every 1 person, this is not indicative of a recession. Jill stated that the May Revise should be out by May 15th, 2023, this will give us a better idea of what the governor is proposing.

D) Senate Democrat Release 2023-24 State Budget Plan – (Attachment D)

Jill mentioned that this article is relating more to the Senate Budget Committee. The governor's proposal is to fund COLA for Community Colleges, without using Deferred Maintenance funds. Jill talked about Prop 98 guarantee, 2/3rds is used for one time funding, and we are not expecting a high level of funds to keep coming in.

6. OTHER:

The committee was notified that this would be the last meeting of the semester. Jill to keep the committee apprised as more information becomes available, after the May revise is released.

Jill thanked Tom Masulis for his time invested in Budget Committee and how he brought a lot of historical perspective and reason to the committee.

Stacy Bartlett inquired if a Budget Forum has been done in the past. Jill advised this is not something she has done while in this position however it is something she could look into incorporating in fall of 2023. Jill to seek recommendations on the best format for a budget forum. Stacy mentioned that this would be an educational opportunity as there seems to be some misguided notions as it relates to the budget. Rob mentioned that basic budget information, relating to Fund 11 & 12, is shared with faculty.

Jill mentioned that she tried to bring a lot of educational material to the committee this year, there is a lot that influences the budget, it's important to focus on the things we can manage and prepare for the things unforeseen.

7. ANNOUNCEMENTS: None

8. ADJOURNMENT: Motion to adjourn (Heidi Loftus), seconded (Ryder Yannello), meeting adjourned at 3:10p.m.

9. NEXT MEETING: Tentative – August 2023

Minutes Recorded By:
Angie Yannello
Sub Executive Assistant
Administrative Services



CARING CAMPUS BUDGET COMMITTEE PRESENTATION

MAY 3, 2023

How We Got Here

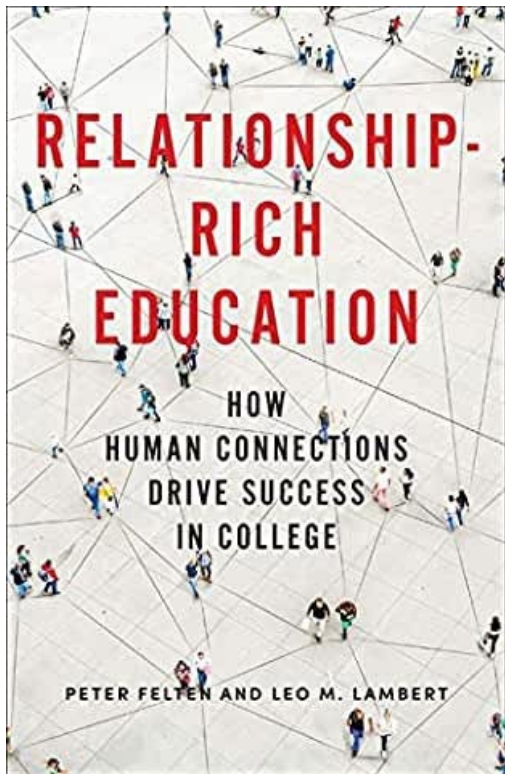
The California Community Colleges Chancellor's Office (CCCCO) embraced the power of Caring Campus to support Guided Pathways statewide and the Vision for Success with funding for IEBC's Caring Campus work.

Shasta College completed a readiness assessment and was selected to participate in the 2023 spring cohort due to the successful work already being done on our campus.

Caring Campus is now at 60 California colleges and 120 colleges nationwide.

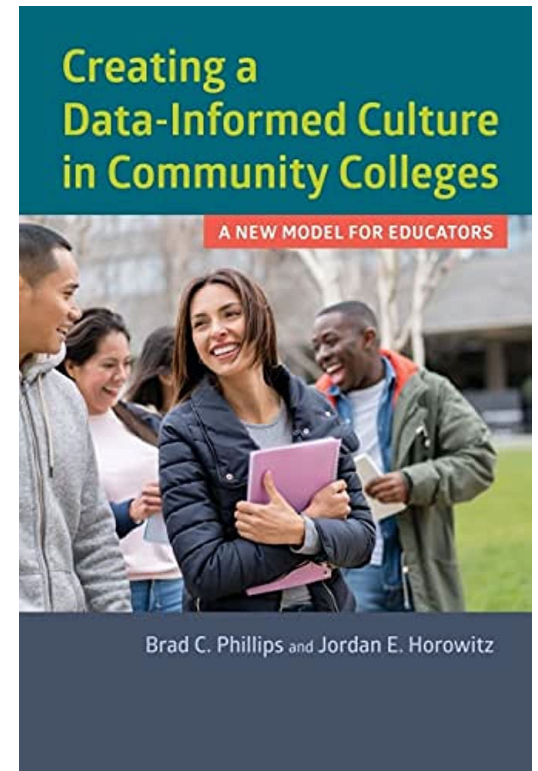


What is *Caring Campus*?

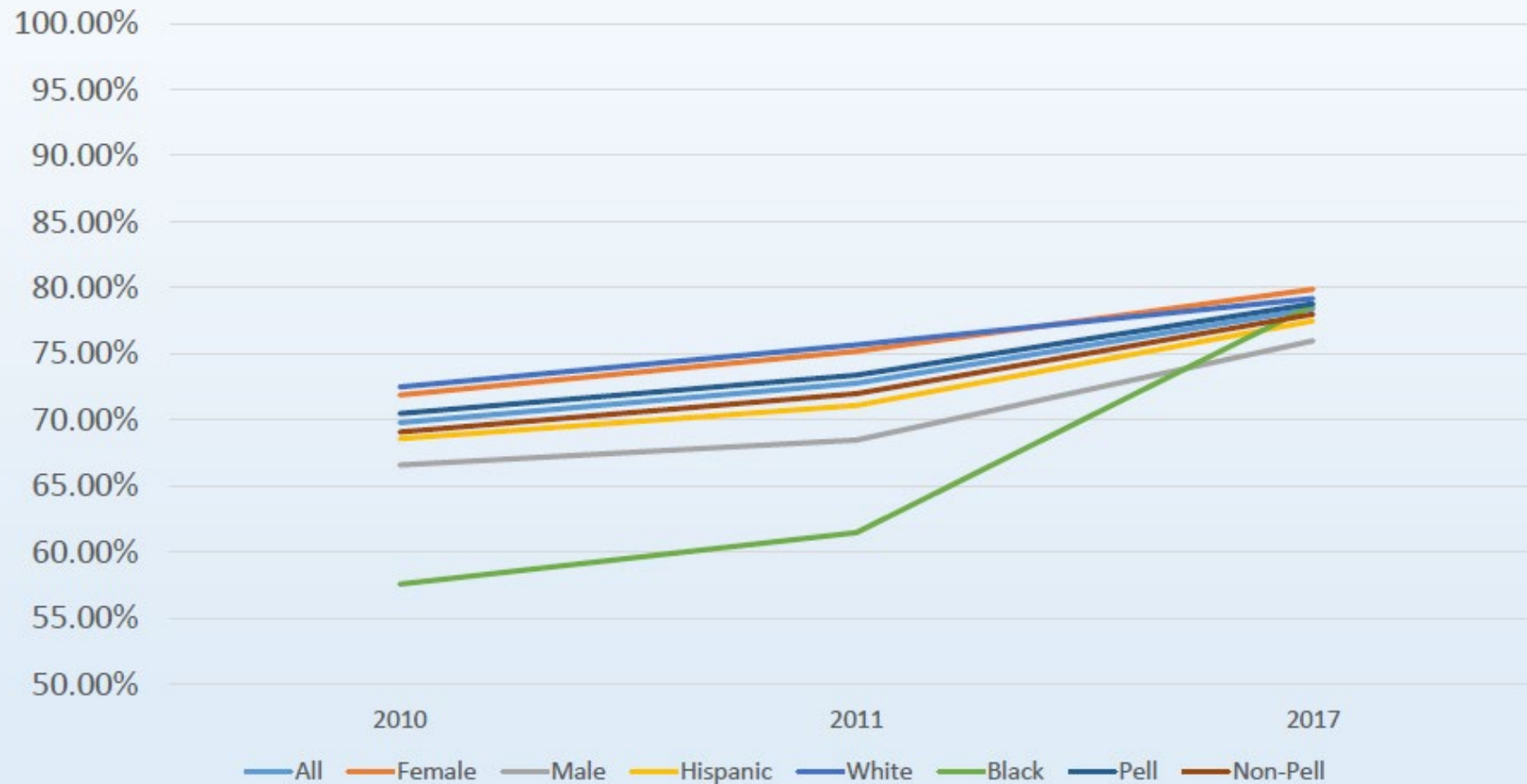


A focus on behavioral changes that have been proven to “influence students’ sense of belonging and their academic self-concept and motivation” through enhanced interpersonal experiences which results in improved student retention and success as well as a reduction in equity gaps.

“Decades of research demonstrate that peer-to-peer, student-faculty, and student-staff relationships are the foundation of learning. Belonging and achieving in college...effects are particularly strong for students of color and first-generation students.” (2020)



Student Course Success Rates Achievement Gap Closing



Common campus-wide behaviors that all staff commit to

Communicate a sense of belonging for, and appreciation and value of individual students

Encourage a service-mindset

Create a sense of campus and community connectedness

Easy to implement with little or no resource commitment

Easy to monitor, evaluate, and adjust as needed

Ensure efforts in a traditional and virtual environment



Caring Campus Behaviors

Top 5 Behavior Commitments



INSTITUTE *for* EVIDENCE-BASED CHANGE



Caring Campus

1: Ten-Foot Rule

2: Nametags

3: Cross-Departmental Awareness

4: Warm Referrals

5: First Week Greetings

“90 Day” Plan

Two Zoom-session workgroups with facilitator

Sub-committees focused on specific projects for kickoff

Developing staff trainings to introduce *Caring Campus*

Swag giveaways

Leading by example



Next Steps – General Timeline

Summer 2023

- Staff Training Days will include ***Caring Campus*** previews
- Develop local communication and assessment strategies
- Work with Marketing team on branding
- Work with IT to develop website

Fall 2023

- ***Caring Campus*** Flex Day Presentation (keynote)
- ***Caring Campus*** Classified Staff Engagement Activities

Spring 2024

- ***Caring Campus*** progress check in
- Awards for model behavior and planning for the 2024-25 academic year

Leadership Resources and Support Needed



Time to meet to bring *Caring Campus* to life and get to know other departments



Ongoing *Caring Campus* Committee with Leadership support



Model the behaviors across the campus



Intentional integration of departments – focus on connection and streamlining services



Add agenda item to department meetings to check in on progress



Campus wide accountability!



Questions?

CONTACT CORINNE EWING

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Thank you



**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget**

Summary of All Funds					
Fund	Fund Title	Estimated Beginning Fund Balance	2023-2024		Estimated Ending Fund Balance
			Budgeted Income	Budgeted Expenditures	
General Funds					
11	General Fund - Unrestricted	\$ 15,535,456	\$ 64,442,733	\$ 66,794,250	\$ 13,183,940
12	General Fund - Restricted	-	32,740,092	32,740,092	-
Debt Service Funds					
23	2002 General Obligation Bond Interest & Redemption Fund	2,079,708	1,966,047	2,275,447	1,770,308
24	Lease Revenue Bond Interest & Redemption Fund	24,217	767,847	767,730	24,334
25	2016 General Obligation Bond Interest & Redemption Fund	6,503,051	6,436,744	5,304,522	7,635,273
Special Revenue Funds					
34	Revenue Fund	727,053	3,154,726	3,024,890	856,889
35	Repair and Replacement Reserve Fund	262,063	2,555	28,000	236,618
36	Auxiliary Fund	1,816,220	980,996	1,078,051	1,719,165
37	Parking Improvement Fund	1,628,768	2,618	44,387	1,586,999
Capital Projects Funds					
41	Capital Outlay Projects Fund	14,672,543	1,151,753	3,155,000	12,669,296
43	2016 General Obligation Bond Project Fund	65,568,833	305,166	10,882,897	54,991,102
Internal Service Funds					
61	Self Insurance Fund	-	637,783	637,783	-
Trust Funds					
71	Associated Students	351,913	51,573	23,020	380,466
72	Student Rep Fee	9,116	10,047	-	19,163
74	Student Financial Aid Fund	-	25,035,259	25,035,259	-
75	Scholarship and Loan Fund	344,017	411,000	405,000	350,017
77	Shasta College Trustees' Scholarship Fund	4,724,224	86,000	85,000	4,725,224
78	Student Clubs	185,647	82,000	82,000	185,647
79	PARS Trust	9,462,763	400,000	21,000	9,841,763
Totals 2023-2024 Tentative Budget		\$ 123,895,592	\$ 138,664,939	\$ 152,384,328	\$ 110,176,204

**Shasta-Tehama-Trinity Joint Community College District
2023-2024**

**Tentative Budget
General Fund - Unrestricted**

Fund 11

23/24 BUDGET ASSUMPTION: 5.0% COLA on the funding formula (SCFF) and all employee groups	2020-2021 Actuals	2021-2022 Actuals	2022-2023 Adopted Budget	2022-2023 Estimated Actuals	2023-2024 Tentative Budget
Beginning Fund Balance-Undesignated	\$ 10,137,672	\$ 17,638,801	\$ 11,784,566	\$ 11,784,566	\$ 15,535,456
Estimated Beginning Balance 7/1/22					
INCOME					
Federal Income					
Forest Reserve Fund	\$ 59,666	\$ 76,518	\$ 60,000	\$ 60,000	\$ 72,000
Miscellaneous (Federal Projects)	203,710	21,150	900	-	-
Total Federal Income	\$ 263,376	\$ 97,668	\$ 60,900	\$ 60,000	\$ 72,000
State Income					
State Apportionment	\$ 18,611,983	\$ 16,502,520	\$ 24,136,139	\$ 23,172,051	\$ 23,944,652
PY Apportionment Adjustment	1,483,352	(65,003)	-	480,575	-
Educational Protection Act	11,426,143	14,101,107	10,000,000	11,420,808	11,000,000
California College Grants (BOG)	147,554	129,383	91,429	-	-
California College Promise	125,974	112,255	173,579	-	-
Full time Faculty	277,951	996,646	996,646	996,646	996,646
Part-time Faculty	182,629	221,533	220,556	220,556	220,556
Part-time Faculty Office Hours	80,593	73,502	55,000	55,000	55,000
Home Owners Exemption - All Counties	213,202	221,762	252,852	234,889	252,836
Timber Tax Receipts	132,888	91,727	131,773	97,634	105,095
Lottery	1,392,800	1,342,693	1,200,000	1,200,000	1,200,000
Mandated Cost Block Grant	197,998	214,828	200,000	231,114	230,000
Miscellaneous (State Projects)	325,250	351,040	120,000	23,310	123,000
Total State Income	\$ 34,598,317	\$ 34,293,993	\$ 37,577,974	\$ 38,132,583	\$ 38,127,785
Local Income					
Property Taxes	\$ 19,010,464	\$ 20,461,963	\$ 20,364,503	\$ 21,825,620	\$ 23,469,228
Contract Education	-	-	20,000	16,000	20,000
Sales	42,396	51,071	24,400	26,987	41,000
Rentals and Leases (Facilities)	65,672	28,843	60,000	60,000	55,000
Interest	180,647	126,891	94,500	258,807	144,670
Community Education	125,016	176,446	130,000	152,574	150,000
Enrollment Fees	1,325,903	1,284,829	1,250,000	1,411,289	1,298,850
Non-Resident Tuition	540,192	693,210	610,000	772,888	750,000
Student Fees and Charges	266,430	236,794	272,120	226,603	259,000
Miscellaneous Local Income	101,530	80,015	45,200	39,652	54,200
Total Local Income	\$ 21,658,250	\$ 23,140,062	\$ 22,870,723	\$ 24,790,420	\$ 26,241,948
Other Financing Sources					
Interfund Transfers In	\$ -	\$ 557,235	\$ -	\$ -	\$ -
Other Income	2,368	1,098	2,500	100	1,000
Total Other Financing Sources	\$ 2,368	\$ 558,333	\$ 2,500	\$ 100	\$ 1,000
Total Income	\$ 56,522,311	\$ 58,090,056	\$ 60,512,097	\$ 62,983,103	\$ 64,442,733

Shasta-Tehama-Trinity Joint Community College District 2023-2024

Tentative Budget General Fund - Unrestricted

Fund 11

23/24 BUDGET ASSUMPTION: 5.0% COLA on the funding formula (SCFF) and all employee groups	2020-2021	2021-2022	2022-2023	2022-2023	2023-2024
	Actuals	Actuals	Adopted Budget	Estimated Actuals	Tentative Budget
EXPENDITURES					
Academic Salaries					
Instructional Contract	\$ 10,802,414	\$ 10,991,318	\$ 12,037,552	\$ 11,188,504	\$ 12,643,958
Non Instructional Contract	979,354	1,347,859	1,150,012	1,160,846	1,193,283
Academic Administrators	2,437,051	2,837,876	2,996,098	2,764,846	2,800,077
Instructional Hourly	4,393,216	4,994,660	5,300,000	6,068,990	6,500,000
Non Instructional Hourly	214,990	207,666	188,297	218,256	227,947
Total Academic Salaries	\$ 18,827,025	\$ 20,379,379	\$ 21,671,959	\$ 21,401,442	\$ 23,365,265
Classified Salaries					
Non Instructional Contract	\$ 5,914,718	\$ 5,959,710	\$ 7,487,568	\$ 6,805,724	\$ 8,088,141
Instructional Aides Contract	670,983	829,637	945,547	887,904	966,263
Classified Management/Supervisory/Confidential	2,626,894	2,901,978	3,318,450	3,537,826	4,200,976
Non Instructional Hourly	463,419	739,696	779,206	741,388	789,598
Instructional Aides Hourly	351,579	309,405	207,803	252,178	235,980
Students Hourly	197,798	241,638	564,402	343,554	761,524
Total Classified Salaries	\$ 10,225,391	\$ 10,982,064	\$ 13,302,976	\$ 12,568,574	\$ 15,042,482
Employee Benefits					
STRS - State Teachers Retirement	\$ 2,493,116	\$ 2,722,576	\$ 3,852,565	\$ 3,108,316	\$ 4,168,117
PERS - Public Employees Retirement	2,079,027	2,436,542	3,341,855	3,194,430	3,934,247
Social Security & Medicare	1,116,641	1,219,012	1,379,364	1,332,556	1,526,935
Medical/Dental/Vision/Life Insurance	3,116,308	3,001,412	3,384,857	3,010,368	3,374,095
Unemployment Insurance	290,319	47,860	171,890	160,726	37,646
Workers Compensation Insurance	518,819	503,714	443,340	507,930	609,914
Retirees Health Benefits	2,718,782	2,805,055	2,500,000	3,654,344	3,000,000
Total Employee Benefits	\$ 12,333,012	\$ 12,736,171	\$ 15,073,871	\$ 14,968,670	\$ 16,650,954
Supplies					
Instructional	\$ 131,676	\$ 49,247	\$ 248,378	\$ 220,464	\$ 278,242
Non-Instructional	523,116	740,827	970,956	736,725	1,023,296
Total Supplies	\$ 654,792	\$ 790,074	\$ 1,219,334	\$ 957,189	\$ 1,301,538
Other Operating Expenses					
Dues and Memberships	\$ 147,600	\$ 154,754	\$ 189,834	\$ 159,446	\$ 188,760
Insurance	361,687	409,237	613,308	586,685	25,600
Legal and Professional Services	256,464	132,176	384,000	232,119	411,000
Election	33,511	-	110,000	83,298	-
Postage	71,027	76,238	125,702	57,165	133,470
Staff Development, Travel, and Conference	42,503	134,026	320,446	152,759	400,715
Building and Equipment Rental/Leases	218,889	110,018	191,309	324,699	169,661
Personal/Consultant Services	262,310	209,717	284,662	240,112	285,460
Repairs	265,885	299,161	398,762	234,169	383,750
Utilities/Electricity/Gas/Water/Waste/Telephone	1,325,662	1,216,061	1,317,726	1,427,925	1,459,665
Service Fees/Other Charges	832,984	1,085,649	1,416,313	1,026,461	1,707,060

Shasta-Tehama-Trinity Joint Community College District 2023-2024

Tentative Budget General Fund - Unrestricted

Fund 11

23/24 BUDGET ASSUMPTION: 5.0% COLA on the funding formula (SCFF) and all employee groups	2020-2021 Actuals	2021-2022 Actuals	2022-2023 Adopted Budget	2022-2023 Estimated Actuals	2023-2024 Tentative Budget
Software Licenses	924,464	1,098,686	1,522,023	1,237,698	1,549,172
Advertising, Printing, and Misc. Operating	639,301	465,972	645,460	380,752	688,933
Field Trips (Classroom Related, Athletics)	27,729	211,819	371,474	290,439	410,220
Operating Backcharges	(60,241)	(138,639)	(233,258)	(135,532)	(185,000)
Total Other Operating Expenses	\$ 5,349,775	\$ 5,464,875	\$ 7,657,761	\$ 6,298,195	\$ 7,628,466
Capital Outlay					
Site Development	\$ -	\$ -	\$ -	\$ 25,694	\$ -
Building Improvement	-	-	3,000	-	-
Library Books	-	3,000	-	-	-
Equipment	267,209	383,123	763,911	650,208	861,242
Total Capital Outlay	\$ 267,209	\$ 386,123	\$ 766,911	\$ 675,902	\$ 861,242
Other Outgo					
Interfund Transfers (Debt Service)	\$ 1,252,704	\$ 421,677	\$ 419,277	\$ 419,277	\$ 422,252
Interfund Transfers (Other Funds)	-	2,671,722	1,832,000	1,832,000	1,461,411
Transfer to PARS Trust	-	10,000,000	-	-	-
Student Aid	4,092	5,024	7,200	3,758	7,200
Debt Principal and Interest	107,181	107,181	107,206	107,206	53,440
Total Other Outgo	\$ 1,363,977	\$ 13,205,604	\$ 2,365,683	\$ 2,362,241	\$ 1,944,303
Total Expenditures	\$ 49,021,181	\$ 63,944,290	\$ 62,058,495	\$ 59,232,213	\$ 66,794,250
Discount Factor @ 4.5% (see Note below)	\$ -	\$ -	\$ (2,792,632)		\$ (3,339,712)
Projected Expenditures	\$ 49,021,181	\$ 63,944,290	\$ 59,265,862	\$ 59,232,213	\$ 63,454,537
Net Income/(Loss)	\$ 7,501,129	\$ (5,854,235)	\$ 1,246,235	\$ 3,750,890	\$ 988,196
Ending Fund Balance	\$ 17,638,801	\$ 11,784,566	\$ 13,030,801	\$ 15,535,456	\$ 16,523,652

36.0% 18.4% 22.0% 26.2% 26.0%

Note

Budgets are created using conservative estimates which will tend to overestimate expenses. A "discount factor" using the past 5 year actual to budget is being used to provide a more realistic estimate for expenses and the ending fund balance.

FUND BALANCE					
17% Minimum Reserve Requirement	2,451,059	3,197,215	2,963,293	2,961,611	3,172,727
3% Reserve for Budget Stabilization	2,451,059	3,197,215	2,963,293	2,961,611	3,172,727
5% Reserve for Economic Uncertainty	12,736,683	5,390,137	7,104,215	9,612,235	10,178,198
Unrestricted Fund Balance Total	\$ 17,638,801	\$ 11,784,566	\$ 13,030,801	\$ 15,535,456	\$ 16,523,652

	20/21 Actuals	21/22 Actuals	22/23 Budget	22/23 Estimated Actuals	23/24 Proposed Budget
SCFF	\$ 50,377,669	\$ 52,931,817	\$ 57,345,000	\$ 58,461,735	\$ 61,384,822
Deficit Factor 1.5%			(860,175)		(920,772)
Full Time Faculty Hiring	(374,558)	(393,548)	(374,558)	(419,365)	(419,365)
EPA	(11,426,143)	(14,101,107)	(10,000,000)	(11,420,808)	(11,000,000)
Prop Tax	(19,010,464)	(20,461,963)	(20,364,503)	(21,825,620)	(23,469,228)
HO & Timber Tax	(346,998)	(313,489)	(384,625)	(384,625)	(357,931)
Enrollment fees collected @ 98%	(1,299,385)	(1,259,132)	(1,225,000)	(1,383,063)	(1,272,873)
General Apportionment	\$ 17,920,121	\$ 16,402,578	\$ 24,136,139	\$ 23,028,254	\$ 23,944,652

Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
General Fund - Restricted

Fund 12	2022-2023		2022-2023		2023-2024	
	Adopted Budget		Estimated Actuals		Tentative Budget	
Beginning Fund Balance	\$	-	\$	-	\$	-
INCOME						
Federal Income						
Federal Stimulus-COVID	\$	4,833,003	\$	3,581,000	\$	-
College To Career		225,808		290,000		285,789
College Work Study Program		308,534		150,485		308,534
Office on Violence Against Women		206,965		126,259		130,761
TANF		14,614		14,614		-
TRIO/SSS		397,007		302,353		396,336
TRIO/Talent Search		259,668		205,999		212,723
TRIO/Upward Bound		460,888		292,569		542,339
VTEA		343,144		409,891		400,000
Miscellaneous Federal Grants		840,411		1,342,055		1,496,007
Total Federal Income	\$	7,890,042	\$	6,715,225	\$	3,772,489
State Income						
California College Grants (BOG)	\$	-	\$	91,429	\$	94,813
California College Promise		-		173,579		176,083
Adult Ed Block Grant - AEBG		400,000		267,294		530,291
Block Grant/Instructional Equipment		50,000		331,489		-
Board Financial Assistance		347,064		368,861		399,661
CalWORKs		404,724		319,570		602,645
CARE Program		197,110		140,847		245,011
Basic Needs		313,886		105,716		411,511
EOPS		976,958		856,575		1,354,715
EWD Grants		2,956,817		1,145,975		2,516,249
Forest Health/Cal Fire		1,254,094		683,192		975,448
Foster Parent Training		178,990		178,990		167,529
Guided Pathways		250,195		175,211		242,334
Innovation Award		600,000		892,841		900,000
Lottery		500,000		500,000		500,000
NEXTUP, formerly CAFYES		698,806		465,555		832,243
Nursing Grants		496,799		141,799		345,182
PACE, formerly DSPS		773,726		575,542		787,978
Strong Workforce Program		3,830,935		2,971,928		3,433,339
Student Equity and Achievement Program		3,794,471		2,005,456		2,907,053
Mental Health Support		225,127		139,406		211,732
Technology Grants		48,000		21,722		171,695
K-16 Collaborative Grant		6,906,666		4,126,501		4,067,350
Veterans Resource		88,856		75,821		121,760
Miscellaneous State Grants		3,626,379		3,443,692		3,951,256
Total State Income	\$	28,919,603	\$	20,198,991	\$	25,945,878

Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
General Fund - Restricted

Fund 12	2022-2023	2022-2023	2023-2024
	Adopted Budget	Estimated Actuals	Tentative Budget
Local Income			
Health Services Fees	\$ 437,677	\$ 391,192	\$ 352,409
Lumina	-	-	-
Parking Services Fees	240,000	-	272,610
Step-Up	340,638	150,788	341,603
Foundation	66,820	235,904	572,652
Miscellaneous Local Grants	570,495	564,401	639,275
Total Local Income	\$ 1,655,630	\$ 1,342,285	\$ 2,178,549
Other Financing Sources			
Adult Ed Consortium-Member	\$ 790,348	\$ 807,603	\$ 843,176
Total Other Financing Sources	\$ 790,348	\$ 807,603	\$ 843,176
Total Income	\$ 39,255,623	\$ 29,064,104	\$ 32,740,092

EXPENDITURES

Academic Salaries			
Instructional Contract	\$ 837,535	\$ 888,914	\$ 872,078
Non Instructional Contract	1,627,746	1,723,220	1,524,775
Academic Administrators	1,286,203	1,141,468	1,802,672
Instructional Hourly	142,197	159,658	37,150
Non Instructional Hourly	721,820	783,774	822,000
Total Academic Salaries	\$ 4,615,501	\$ 4,697,034	\$ 5,058,675
Classified Salaries			
Non Instructional Contract	\$ 2,805,906	\$ 2,304,162	\$ 3,241,717
Instructional Contract	143,994	126,190	164,616
Classified Management	3,855,956	3,121,006	4,271,691
Non Instructional Hourly	438,068	323,674	679,129
Instructional Aides Hourly	267,566	192,288	175,280
Students Hourly	557,795	817,618	1,087,865
Total Classified Salaries	\$ 8,069,285	\$ 6,884,938	\$ 9,620,298
Employee Benefits			
STRS - State Teachers Retirement	\$ 761,476	\$ 722,014	\$ 856,662
PERS - Public Employees Retirement	1,934,514	1,470,492	2,407,754
Social Security & Medicare	692,545	529,962	807,732
Medical/Dental/Vision/Life Insurance	1,357,967	1,139,124	1,446,081
Unemployment Insurance	58,863	51,332	12,716
Workers Compensation Insurance	165,551	168,930	232,511
Retirees Health Benefits	205,082	175,478	230,694
Total Employee Benefits	\$ 5,175,998	\$ 4,257,332	\$ 5,994,150
Supplies			
Instructional	\$ 542,104	\$ 365,673	\$ 476,461
Non-Instructional	611,095	168,465	777,315
Total Supplies	\$ 1,153,199	\$ 534,138	\$ 1,253,776

**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
General Fund - Restricted**

Fund 12	2022-2023 Adopted Budget	2022-2023 Estimated Actuals	2023-2024 Tentative Budget
Other Operating Expenses			
Building and Copier Leases	\$ 46,250	\$ 26,052	\$ 10,000
Personal/Consultant Services	5,346,564	3,612,954	2,742,600
Service Fees/Other Charges	4,517,048	1,347,488	2,309,788
Software License	191,384	200,453	158,969
Travel	766,415	292,509	705,987
Advertising, Printing, and Miscellaneous Operating	463,232	189,687	360,758
Field Trips	200,877	82,709	154,333
Total Other Operating Expenses	\$ 11,531,770	\$ 5,751,852	\$ 6,442,435
Capital Outlay			
Buildings/Site Improvements	\$ 2,500,000	\$ 117,015	\$ -
Library Books	81,730	86,930	120,150
Equipment	3,101,957	1,900,916	1,653,426
Total Capital Outlay	\$ 5,683,687	\$ 2,104,861	\$ 1,773,576
Other Outgo			
Interfund Transfers	\$ 72,915	\$ 3,268,117	\$ -
AEBG Fiscal Agent Transfers	790,348	807,603	859,484
Student Aid-Grant	102,600	5,840	45,000
Student Aid-Reimbursement, other	2,060,320	752,389	1,692,698
Total Other Outgo	\$ 3,026,183	\$ 4,833,949	\$ 2,597,182
Total Expenditures, Capital Outlay & Other Outgo	\$ 39,255,623	\$ 29,064,104	32,740,092
Net Income	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -

**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
2002 General Obligation Bond Interest and Redemption**

Fund 23

	2022-2023 Estimated Actual	2023-2024 Tentative Budget
Beginning Fund Balance	\$ 2,441,851	\$ 2,079,708
INCOME		
Interest	\$ 11,613	\$ 12,509
Taxes	1,812,958	1,953,538
Bond Proceeds	-	-
Total Income	\$ 1,824,571	1,966,047

	2022-2023 Estimated Actual	2023-2024 Tentative Budget
EXPENDITURES		
Debt Principal Reduction	\$ 1,405,500	\$ 1,545,000
Debt Interest Reduction	780,614	729,747
Held in Escrow	-	-
Bond Issuance Cost	-	-
Service Fees	600	700
Total Expenditures	\$ 2,186,714	\$ 2,275,447
Net Income/(Loss)	\$ (362,143)	\$ (309,400)
Ending Fund Balance	\$ 2,079,708	\$ 1,770,308

**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Lease Revenue Bond Interest and Redemption**

Fund 24

2022-2023 Estimated Actual	2023-2024 Tentative Budget
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Beginning Fund Balance	\$	24,110	\$	24,217
INCOME				
Interest	\$	108	\$	116
Proceeds from Refinancing		-		-
Transfer from General Fund		419,277		422,252
Transfer from Capital Outlay Fund		-		-
Transfer from Revenue Fund		304,928		307,092
Transfer from Parking Fund		38,116		38,387
Total Income	\$	762,429	\$	767,847

2022-2023 Estimated Actual	2023-2024 Tentative Budget
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EXPENDITURES				
Debt Principal Reduction	\$	640,000	\$	660,000
Debt Interest Reduction		122,322		107,730
Bond Issuance Cost		-		-
Total Expenditures	\$	762,322	\$	767,730
Net Income/(Loss)	\$	107	\$	117
Ending Fund Balance	\$	24,217	\$	24,334

**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
2016 General Obligation Bond Interest and Redemption**

Fund 25

	2022-2023	2023-2024
	Estimated Actual	Tentative Budget
Beginning Fund Balance	\$ 5,607,890	\$ 6,503,051
INCOME		
Interest	\$ 24,678	\$ 26,562
Taxes	5,955,204	6,410,182
Bond Proceeds	-	-
Bond Premium	-	-
Total Income	\$ 5,979,882	\$ 6,436,744

	2022-2023	2023-2024
	Estimated Actual	Tentative Budget
EXPENDITURES		
Debt Principal Reduction	\$ 1,135,000	\$ 1,405,000
Debt Interest Reduction	3,945,321	3,894,522
Service Fees	4,400	5,000
Total Expenditures	\$ 5,084,721	\$ 5,304,522
Net Income/(Loss)	\$ 895,161	\$ 1,132,222
Ending Fund Balance	\$ 6,503,051	\$ 7,635,273

**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Revenue Fund**

Fund 34

	2022-2023	2023-2024
	Estimated Actual	Tentative Budget
Beginning Fund Balance	\$ 989,194	\$ 727,053
INCOME		
Food Service	\$ 448,479	\$ 1,311,200
Use of Facilities	-	600,000
Starbucks	249,983	450,000
Dormitory Rentals/Other Fees	385,994	383,500
Campus Center Fees	262,583	315,000
Bookstore Commissions	78,785	85,000
Bistro	2,702	5,000
Interest	4,669	5,026
Total Income	\$ 1,433,195	\$ 3,154,726
EXPENDITURES		
Salaries	\$ 616,996	\$ 769,868
Fringe Benefits	227,931	298,617
Supplies	360,265	687,825
Utilities	52,192	88,460
Other Operating Expenses	55,622	240,168
Building	-	5,000
Equipment	50,600	314,500
Transfer to Captial Outlay	-	300,000
Principal and Interest on Debt (Energy Loan)	26,801	13,360
Transfer to Interest and Redemption Fund	304,929	307,092
Total Expenditures	\$ 1,695,336	\$ 3,024,890
Net Income/(Loss)	\$ (262,141)	\$ 129,836
Ending Fund Balance	\$ 727,053	\$ 856,889

Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Repair and Replacemnt Reserve Fund

Fund 35

2022-2023	2023-2024
Estimated Actual	Tentative Budget

Beginning Fund Balance	\$	357,738	\$	262,063
INCOME				
Interest	\$	2,373	\$	2,555
Transfers from Revenue Fund-Dorm Loan		-		-
Transfers from Revenue Fund		-		-
Total Income	\$	2,373	\$	2,555

2022-2023	2023-2024
Estimated Actual	Tentative Budget

EXPENDITURES				
Supplies	\$	-	\$	-
Repairs		-		-
Service Fees		3,600		3,000
Site Improvements		-		-
Buildings		-		-
Equipment		94,448		25,000
Transfer to Revenue Fund		-		-
Total Expenditures	\$	98,048	\$	28,000
Net Income/(Loss)	\$	(95,675)	\$	(25,445)
Ending Fund Balance	\$	262,063	\$	236,618

**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Auxiliary Fund**

Fund 36

	2022-2023	2023-2024
	Estimated Actual	Tentative Budget
Beginning Fund Balance	\$ 1,324,686	\$ 1,816,220
INCOME		
Local Income	\$ 538,510	\$ 630,996
Incoming Transfers	300,000	350,000
Total Income	\$ 838,510	\$ 980,996

	2022-2023	2023-2024
	Estimated Actual	Tentative Budget
EXPENDITURES		
Salaries	\$ 82,703	\$ 125,182
Benefits	11,262	36,881
Supplies	54,771	185,577
Other Operating Expenses	85,617	626,800
Equipment/Other Capital	80,783	71,611
Student Aid and Awards	31,840	32,000
Total Expenditures	\$ 346,976	\$ 1,078,051
Net Income/(Loss)	\$ 491,534	\$ (97,055)
Ending Fund Balance	\$ 1,816,220	\$ 1,719,165

Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Parking Improvement Fund

Fund 37

	2022-2023	2023-2024
	Estimated Actual	Tentative Budget
Beginning Fund Balance	\$ 1,424,155	\$ 1,628,768
INCOME		
Interest	\$ 2,432	\$ 2,618
Transfer from Unrestricted Fund	-	-
Transfer from Restricted Fund	241,000	-
Total Income	\$ 243,432	\$ 2,618

	2022-2023	2023-2024
	Estimated Actual	Tentative Budget
EXPENDITURES		
Repairs and Operating Expenses	\$ 703	\$ 6,000
Site Improvement	-	-
Transfer to Interest and Redemption Fund	38,116	38,387
Total Expenditures	\$ 38,819	\$ 44,387
Net Income/(Loss)	\$ 204,613	\$ (41,769)
Ending Fund Balance	\$ 1,628,768	\$ 1,586,999

Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
2016 General Obligation Bond Project Fund

Fund 43

2022-2023	2023-2024
Estimated Actual	Tentative Budget

Beginning Fund Balance	\$	50,348,413	\$	65,568,833
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INCOME

Interest	\$	356,855	\$	305,166
Federal Stimulus Revenue HVAC		3,505,224		-
Bond Proceeds- Series D		19,000,000		-

Total Income	\$	22,862,079	\$	305,166
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2022-2023	2023-2024
Estimated Actual	Tentative Budget

EXPENDITURES

Salaries	\$	305,104	\$	429,877
Fringe Benefits		140,454		199,720
Supplies		5,539		136,000
Operating		64,062		117,300
Bond Issuance Cost		300,000		-
Bond Projects		6,826,500		10,000,000

Total Expenditures	\$	7,641,659	\$	10,882,897
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Net Income/(Loss)	\$	15,220,420	\$	(10,577,731)
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Ending Fund Balance	\$	65,568,833	\$	54,991,102
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**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Self Insurance Fund**

Fund 61

	2022-2023	2023-2024
	Estimated Actual	Tentative Budget
Beginning Fund Balance	\$ -	\$ -
INCOME		
Local Income	\$ -	\$ -
Incoming Transfers	-	637,783
Total Income	\$ -	\$ 637,783

	2022-2023	2023-2024
	Estimated Actual	Tentative Budget
EXPENDITURES		
Salaries	\$ -	\$ 18,694
Benefits	-	8,089
Insurance	-	611,000
Total Expenditures	\$ -	\$ 637,783
Net Income/(Loss)	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -

**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Associated Students and Student Rep Fee Trusts**

ASSOCIATED STUDENTS	2022-2023		2023-2024	
	Estimated	Actual	Tentative Budget	
Beginning Fund Balance - Fund 71	\$	311,260	\$	351,913
INCOME				
General	\$	-	\$	550
Activity Cards		42,350		45,000
Interest		5,399		6,023
Events		-		-
Total Income	\$	47,749	\$	51,573
EXPENDITURES				
Supplies	\$	4,895	\$	10,000
Operating Expenses		2,201		7,820
Equipment		-		3,200
Scholarships		-		2,000
Total Expenditures	\$	7,096	\$	23,020
Net Income/(Loss)	\$	40,653	\$	28,553
Ending Fund Balance	\$	351,913	\$	380,466

STUDENT REP FEE	2022-2023		2023-2024	
	Estimated	Actual	Tentative Budget	
Beginning Fund Balance - Fund 72	\$	-	\$	9,116
INCOME				
Student Rep Fee	\$	9,074	\$	10,000
Interest Income		42		47
Total Income	\$	9,116	\$	10,047
EXPENDITURES				
Operating Expenses	\$	-	\$	-
Total Expenditures	\$	-	\$	-
Net Income/(Loss)	\$	9,116	\$	10,047
Ending Fund Balance	\$	9,116	\$	19,163

Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Student Financial Aid Fund

Fund 74

2022-2023	2023-2024
Estimated Actual	Tentative Budget

Beginning Fund Balance	\$	-	\$	-
INCOME				
Federal				
PELL Grants	\$	12,419,018	\$	12,500,000
NSL-Federal/Local		2,115,130		2,500,000
Federal Stimulus-HEERF		2,362,355		-
SEOG Grants		386,188		390,000
TANF		66,728		80,365
National Service Award		22,416		50,000
Bureau of Indian Affairs		8,000		10,000
TRiO Grants		-		16,250
State				
Cal Grants	\$	3,184,288	\$	3,000,000
Student Success Completion Grant		5,744,068		5,500,000
CAFYES Grant		100,414		145,051
EOPS/CARE		464,859		832,920
Early Action		-		-
Other State Grants/Awards		1,684		-
Local				
Other Local Grants/Awards	\$	9,951	\$	10,673
Transfer from General Fund		-		-
Total Income	\$	26,885,099	\$	25,035,259

2022-2023	2023-2024
Estimated Actual	Tentative Budget

EXPENDITURES				
Federal				
PELL Grants	\$	12,419,018	\$	12,500,000
NSL-Federal/Local		2,115,130		2,500,000
Federal Stimulus		2,362,355		-
SEOG Grants		386,188		390,000
TANF		66,728		80,365
National Service Award		22,416		50,000
Bureau of Indian Affairs		8,000		10,000
TRiO Grants		-		16,250
State				
Cal Grants	\$	3,184,288	\$	3,000,000
Student Success Completion Grant		5,744,068		5,500,000
CAFYES Grant		100,414		145,051
EOPS/CARE		464,859		832,920
Early Action		-		-
Other State Grants/Awards		1,684		-
Local				
Other Local Grants/Awards	\$	9,951	\$	10,673
Total Expenditures	\$	26,885,099	\$	25,035,259
Net Income/(Loss)	\$	-	\$	-
Ending Fund Balance	\$	-	\$	-

**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Scholarship and Loan Fund**

Fund 75

2022-2023	2023-2024
Estimated Actual	Tentative Budget

Beginning Fund Balance	\$	253,556	\$	344,017
INFLOW				
Inflow				
Donations	\$	592,242	\$	325,000
Transfer from Trustee Scholarship Fund		111,942		86,000
Total Inflow	\$	704,184	\$	411,000

2022-2023	2023-2024
Estimated Actual	Tentative Budget

OUTGO				
Awards	\$	613,723	\$	405,000
Total Outgo	\$	613,723	\$	405,000
Net Inflow/Outgo	\$	90,461	\$	6,000
Ending Fund Balance	\$	344,017	\$	350,017

Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Shasta College Trustees' Scholarship Fund

Fund 77

2022-2023 Estimated Actual	2023-2024 Tentative Budget
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Beginning Fund Balance	\$ 4,750,166	\$ 4,724,224
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REVENUES

Investment Earnings	\$ 86,000	\$ 86,000
Contributions	-	-

Total Income	\$ 86,000	\$ 86,000
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2022-2023 Estimated Actual	2023-2024 Tentative Budget
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EXPENDITURES

Transfer to Scholarship/Loan Fund	\$ 111,942	\$ 85,000
Other Operating Expenses	-	-

Total Expenditures	\$ 111,942	\$ 85,000
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Net Income/(Loss)	\$ (25,942)	\$ 1,000
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Ending Fund Balance	\$ 4,724,224	\$ 4,725,224
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Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
Clubs - Funds Held in Trust

CLUBS TRUST	2022-2023		2023-2024	
	Estimated Actual		Tentative Budget	
Beginning Fund Balance - Fund 78	\$	177,804	\$	185,647
INFLOW				
Club Activities	\$	82,633	\$	82,000
Total Inflow	\$	82,633	\$	82,000
OUTGO				
Supplies	\$	-	\$	-
Operating Expenses		74,790		82,000
Scholarships		-		-
Total Outgo	\$	74,790	\$	82,000
Net Inflow/Outgo	\$	7,843	\$	-
Ending Fund Balance	\$	185,647	\$	185,647

**Shasta-Tehama-Trinity Joint Community College District
2023-2024
Tentative Budget
PARS Trust**

PARS Trust		2022-2023	2023-2024
		Estimated Actual	Tentative Budget
Beginning Fund Balance - Fund 79		\$ 9,143,763	\$ 9,462,763
INFLOW			
	Transfer from general	\$ -	\$ -
	Invest - Gains/[Losses]	340,000	400,000
Total Infow		\$ 340,000	\$ 400,000
OUTGO			
	Service Fees	\$ 21,000	\$ 21,000
	Transfers to general	-	-
Total Outgo		\$ 21,000	\$ 21,000
Net Inflow/Outgo		\$ 319,000	\$ 379,000
Ending Fund Balance		\$ 9,462,763	\$ 9,841,763

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

2023-24 Statutory COLA Released

✉ **BY MATT PHILLIPS, CPA**

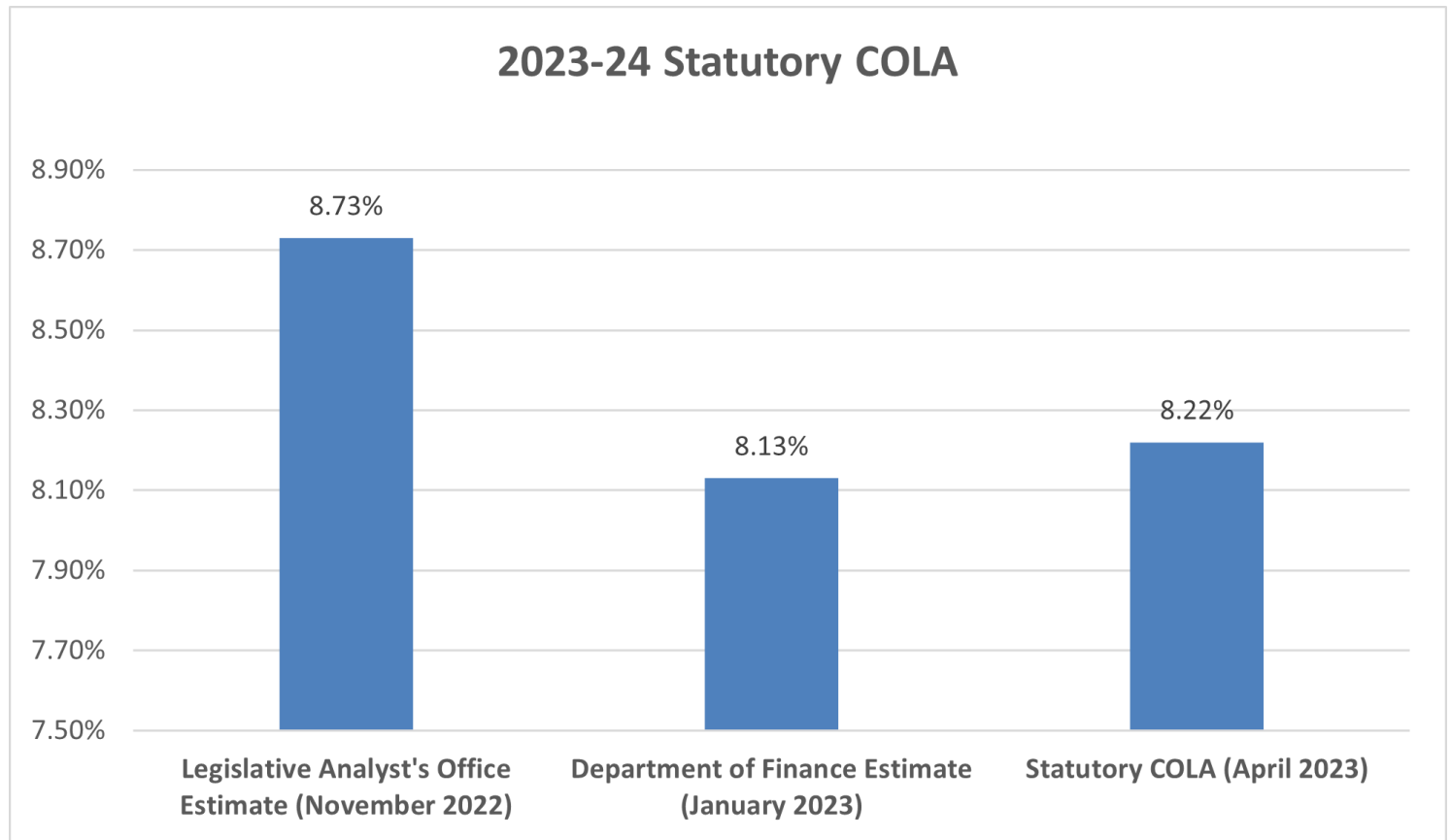
✉ **BY PATTI F. HERRERA, EDD**

✉ **BY DAVE HECKLER**

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posted April 27, 2023

Today, April 27, 2023, the U.S. Department of Commerce released the 2023 first quarter value of the implicit price deflator for state and local government goods and services, which provides the last data point needed to establish the 2023-24 statutory cost-of-living adjustment (COLA) for K-14 education.



Both the Legislative Analyst's Office and Department of Finance (DOF) provided their best estimates of the statutory COLA prior to the release of the seventh data point in January 2023, and it appears that the DOF's estimate was more accurate.

Although the statutory COLA is traditionally applied to the Student Centered Funding Formula and select categorical programs, the focus now shifts to whether the state can afford to fund the full statutory COLA. More specifically, what, if anything, will need to be cut to afford the impact of the statutory COLA? Recall that as part of the 2023-24 Governor's Budget released in January, he acknowledged that state revenues were below Enacted Budget projections, and proposed to reduce current-year deferred maintenance funds by \$213 million. Alternatively, to the state could reduce the funded COLA if Proposition 98 resources are insufficient to support the obligation.

The latest data from the [Finance Bulletin](#) shows that year-to-date tax revenue collections from the "Big Three" taxes are lagging behind Governor Gavin Newsom's January projections by \$5.1 billion, which amounts to a commensurate Proposition 98 reduction of \$2 billion.

An additional layer of uncertainty stems from the actual impact on tax receipts due to the extension of the tax filing deadline from April to October. This extension begs the question, will the tax receipts for April, the most significant month for personal income tax receipts, meet the projections?

And if they do not meet projections, how bad could it be? Due to the extension, Governor Newsom will have to make many assumptions when estimating 2023 tax receipts as he finalizes his May Revision budget proposal.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Senate Democrats Release 2023-24 State Budget Plan



BY KYLE HYLAND

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posted April 28, 2023

To position themselves ahead of Governor Gavin Newsom's May Revision, Senate Democrats released their "[Protect Our Progress](#)" State Budget plan for the 2023-24 fiscal year on Wednesday, April 26, 2023.

The plan relies on Governor Newsom's revenue forecast from his January State Budget proposal, but also includes \$26 billion in solutions to close the \$16.6 billion Budget gap identified by Governor Newsom in January. Senate Democrats propose no ongoing cuts to core programs and reject most of Governor Newsom's proposed cuts and delays to key infrastructure investments.

Like Governor Newsom, Senate Democrats do not propose to tap into any of the state's four reserve accounts in order to balance the budget, including the Proposition 98 Rainy Day Fund. In fact, Senate Democrats' proposal projects an ending balance of \$8.2 billion in the Proposition 98 Rainy Day Fund for 2023-24.

Senate Democrats offer two proposals to identify new state funds in this plan. The first is to pause the net operating loss (NOL) deduction whenever there is a "budget emergency." The NOL deduction is a tool that allows businesses to carry forward their losses to future tax years. The plan estimates that the proposal would provide about \$5 billion annually in new state funds, including an increase in Proposition 98 funding of approximately \$2 billion annually and \$3 billion for the General Fund. The second proposal is to increase California's corporate tax rate of 8.84% to 10.99% for taxable income over \$1.5 million. The plan estimates that this tax increase would generate about \$7.2 billion for 2023-24 and then \$6 billion annually for the state.

California Community Colleges

In their plan, Senate Democrats approve the proposed base increases for all three higher education systems, including the California Community Colleges (CCC). Additionally, the plan also approves the \$200 million recruitment and retention funding for the CCC that Governor Newsom proposed in his January State Budget.

The plan rejects a number of Governor Newsom's funding delays and reductions when it comes to housing and facilities and instead proposes to fund these projects via a \$10 billion Housing and Infrastructure Fund. As specified in the plan, the Housing and Infrastructure Fund would fund the one-time proposals and programs that the Governor proposed to cut or delay in his January State Budget proposal, which includes the proposed \$900 million delay to the Student Housing Revolving Loan Program and the proposed \$250 million delay for the Higher Education Student Housing Grant Program. The plan also outright rejects the proposed current-year \$213 million reduction for community college facilities maintenance and instructional equipment.

In addition to modifying many of the Governor's January proposals, the plan also offers new proposals and investments, including the following:

- Increases funding for basic needs, rapid rehousing, disabled students support, and mental health supportive services for CCC, California State University (CSU), and University of California (UC) students
- Provides community colleges a total of \$100 million in new ongoing funds for local discretionary purposes on activities that directly support students, mitigate learning loss related to COVID-19 impacts, and promote targeted recruitment and retention efforts
- Provides \$90 million per year for at least five years to grow, educate, and maintain the next generation of registered nurses, through the CCC system starting in 2024-25
- Provides a cost-of-living adjustment for categorical programs at community colleges such as Puente; Mathematics, Engineering, Umoja, Science Achievement (MESA); Student Equity and Achievement Program (SEAP), part-time faculty office hours and part-time faculty compensation
- Includes funding to bolster safe spaces, learning communities, and other support services for LGBTQ+ students in community colleges across the state
- Makes former foster youth the first population to achieve "Debt Free College" by expanding the Student Success Completion Grant for CCC former foster youth students and the Middle Class Scholarship for CSU and UC former foster youth

Next Steps

The Newsom Administration, who traditionally declines to comment on legislative proposals, has already come out against the tax increase upon which the Senate Democrats' plan is built. Administration spokesperson Anthony York said that, "It would be irresponsible to jeopardize the progress we've all made together over the last decade to protect the most vulnerable while putting our state on sound fiscal footing."

This signals that the tax increase is not likely an approach that the Newsom Administration will agree with when it comes time for the Legislature to negotiate the 2023-24 State Budget with Governor Newsom.

Regardless, the document provides a blueprint of the upper house's budget priorities and signals the investments that the Senate will be advocating for when they negotiate the 2023-24 State Budget package with their Assembly colleagues and Governor Newsom.

The Governor is required by statute to update his State Budget proposal by May 14—hence the term "May Revision"—to reflect updated General Fund revenues and changes in expenditures. The Legislature is constitutionally required to approve a State Budget by June 15 or risk forfeiting their pay. However, the Legislature also needs to work with the Newsom Administration on finalizing the State Budget as the Governor has the power to veto the entire Budget or use his "blue pencil" to make line-item reductions to

proposed investments. With the state operating as a Democratic trifecta, legislative leadership and Governor Newsom will do everything they can to avoid any potential line-item vetoes. Stay tuned.