Shasta College

BUDGET COMMITTEE
April 29, 2026, 2:30 –3:30 p.m.
In Person – Board Room 154

APPROVED MINUTES

X	Becky McCall (Chair)	X	Jackie Parker (Co-Chair)	X	Stacey Bartlett	X	Kevin Christ
X	Scott Gordon	X	Jim Harrell		Rob McCandless	X	Jennine Meier
X	Juanne Van Der Linde	X	Courtney Zimbardo		Student Rep Evelyn Degutis		

Guests: Destinee Ecklin, Heidi Dias, Angela Nava, William Breitbach, Angela Simonis, Kris Marquez, Crystal Mair, Tim Johnston

1. **CALL TO ORDER**

Becky welcomed Kevin Christ, new member of Budget Committee.

2. **APPROVAL OF MINUTES –** April 15, 2026 Minutes

It was moved by Scott Gordon and seconded by Jim Harrell to approve the minutes of April 15, 2026, all approved, no abstentions.

3. **PUBLIC COMMENTS:** This portion of the meeting is reserved for persons wishing to address the Budget Committee on any matter not on the agenda. No action will be taken. Speakers are limited to three minutes.

Public comment by Scott & Juanne: gifted Becky a shirt that says, “Relax I have a spreadsheet for that”.

4. **REPORTS**
   No reports.

5. **DISCUSSION ITEMS**

   A) 50% Overview

In addition to the PowerPoint presentation:

- Becky mentioned she has a document that discusses the background of what was happening when the 50% calc was created in 1959, she has shared it and it is located on the intranet page that Becky created to store all the fiscal resources.
- Becky advised instructional aids may have split salary codes to reflect their share of time in the classroom as instructional and out of class time as non-instructional.

- William asked about stipends – Becky advised if the stipend is directly related to improving the instructional program, it can be included in the numerator.
- Tutoring is included in the instructional side.
- There is a bill proposed that may include more exclusions for the 50% calc.
- GLs will need to be revised in response to the TOP to CIP transition and we have until the Summer of 2028.
- Scott suggested updating the budget format to separate the numerator, denominator, and exclusion amounts. Becky advised they probably wouldn't change how it is presented due to the complexity but may add an addendum.
- Slide 19 – Crystal Mair asked why student health fees at $70,000 were included in exempt costs when that is income not expenses. Jackie advised it is the expenses not covered by the income from the student health fees.
- Take away: please consider how spending impacts the 50% calculation.
- Angela asked if it would help if grants paid for software, and Becky responded that the expense would eventually go to general funds if the grant ended and it was needed for services/business processes, so it would only help while the grant can cover it. Angela also asked if it's best to have faculty paid through grants, and Becky responded that grants are excluded so it does not help the 50% calculation.

B) Budget Updates

- The 2026-2027 Tentative Budget is going to College Council on May 5th 2026, and then to the Board in June.

6. OTHER

7. ANNOUNCEMENTS

Stacey shared Program Review Committee commenced last week and highlighted the work the Business Department completed.

Tim mentioned the May revise is coming soon. He also said there are rumblings of changing the 50% calculation, and a discussion topic from that is adding COLA to SEAP as a stop gap. SEAP pays for a majority of faculty counselors, who are on the non-instructional side.

8. ADJOURNMENT

Motion to adjourn by Stacey and seconded by Courtney at 3:34 pm.

9. NEXT MEETING: May 13, 2026

50% Law in California Community Colleges

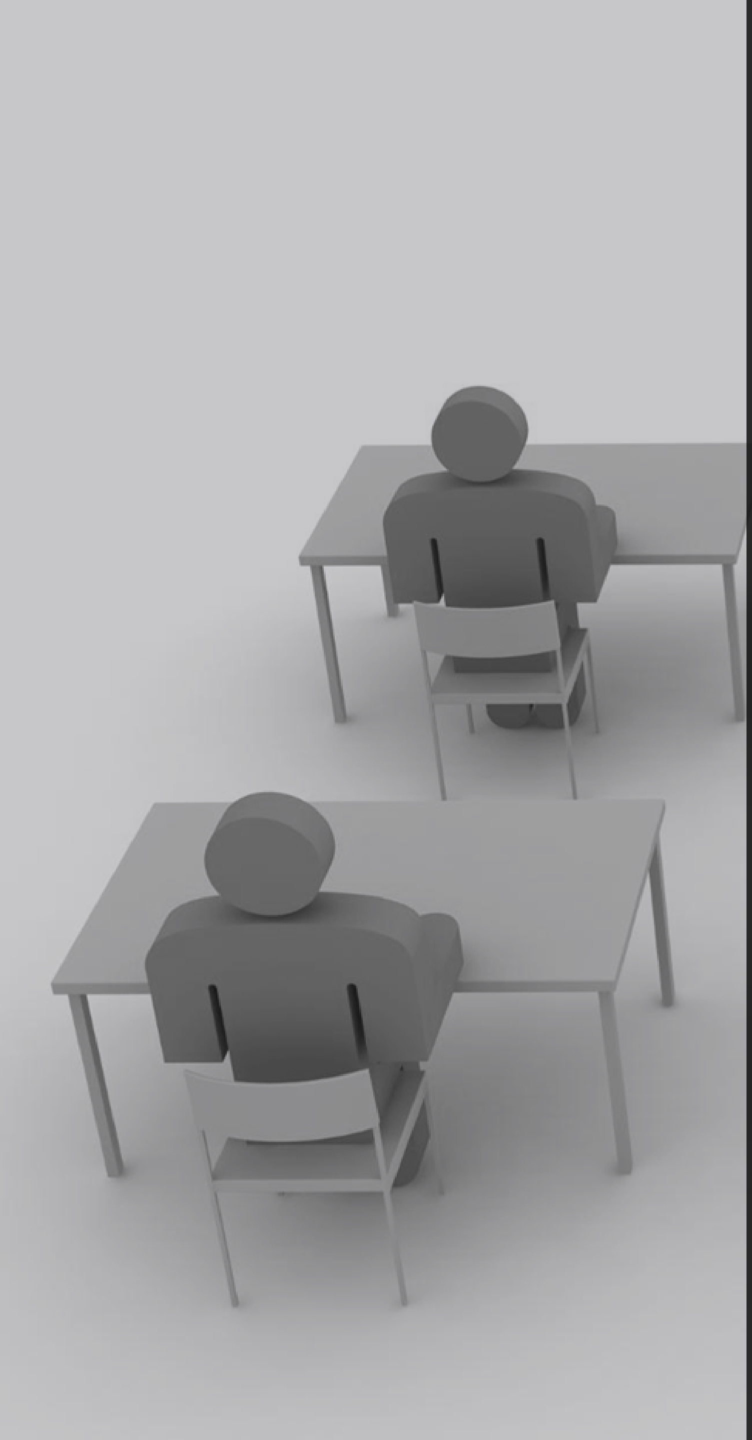
Budget Committee

April 29th 2026

Presented by: Becky McCall, Vice President of Administrative Services

Overview

- Originated from 1959 legislation to reduce class sizes and rebalance spending
- Enacted in 1961 for K-12 and junior colleges
- Requires 50% of current educational costs to be spent on instructional salaries and benefits
- Reported annually via CCFS-311 and audited independently



Overview

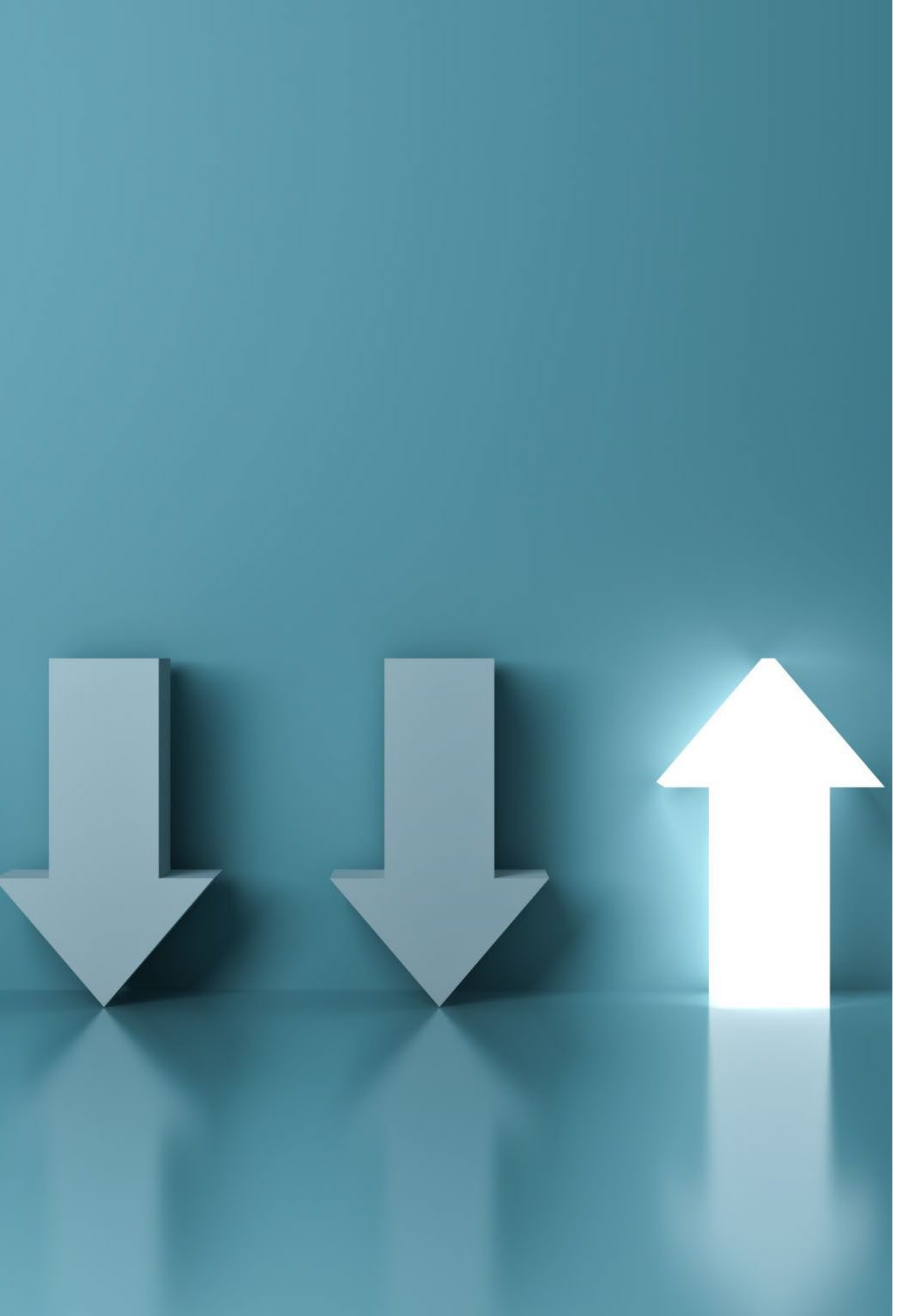
The Fifty Percent Law requires all community college districts to spend at least half of their "Current Expense of Education" for "Salaries of Classroom Instructors." (Includes Classroom Aids)

Education Code Section 84362 and the implementing regulations in the California Code of Regulations title 5, section 59200, et. al., provide for exemptions under certain circumstances.

50% Rules:

- Education Code (EC) Sections 84362 and 84363
- California Code of Regulations Sections 59204 - 59214
- Contracted District Audit Manual (CDAM)
- Budget & Accounting Manual (BAM)

Fifty Percent Law | California Community Colleges Chancellor's Office



50% Challenges

Counselors and Librarians are faculty, but are not counted on the instructional side.

Pension increases for CalPERS have grown and are non-instructional.

Instructional technology not included on instructional side.

Instructional materials not included instruction on instructional side.

Funding model includes metrics that are not related to direct instruction. Example is the supplemental portion, which include headcount of Pell, AB540 & Promise students-services that occur mainly in student services.

Key Definitions

Total Cost of Direct Instruction- NUMERATOR

Includes Salaries and Benefits for all Full Time and Parttime Faculty (including Overload); Instructional Aids (including OT, ET, Temp, Sub); Instructional Cost for Instructional Service Agreements (ISA)

Classroom Instructor: "… an employee of the district employed in a position requiring minimum qualifications and whose duties require him or her to teach students of the district for at least one full instructional period each school day for which the employee is employed…"

Total Cost of Education- DENOMINATOR

Includes Salary and Benefits for all Academic and Classified employees; Supplies and Materials; Other Operating Expenses; Equipment Replacement

Exclusions:

The following are excluded: Student Health Services Fees, Retiree Benefits and Incentives, Rents/Leases, Lottery Expenses

“Salaries of Classroom Instructors” means:

1

(1) Salary paid to each instructor employed by the district whose duties require that the full time for which the instructor is employed be devoted to the instruction of students of the district

2

(2) The portion of the salary of each instructor whose duties require that a part, but not all, of the full time for which the instructor is employed be devoted to the instruction of students of the district

3

(3) Salary paid to each instructional aide employed by the district, any portion of whose duties are required to be performed under the supervision of an instructor

4

Note - The “salaries for classroom instructors” includes the salaries **and** fringe benefits for classroom instructors and instructional aides (full-time and part-time).

SALARIES OF CLASSROOM INSTRUCTORS *(NUMERATOR)*

Salaries of Instructional Aides

Must be directly involved in classroom instruction

Salaries split between direct instruction and other duties

Regular and temporary aides tracked under specific object codes

Supervision by an instructor is required for inclusion

Instructional Benefits & Services

Benefits tied to instructional roles are included (Object 3000)

Instructional Service Agreements (ISAs) may qualify if costs are reclassified to instructional codes

Only direct instructional costs count toward the numerator

DENOMINATOR: Current Cost of Education

EC 84362(c) defines Current Expense of Education (CEE) as:

The gross total expended within the General Fund 11:

- Academic salaries
- Classified salaries
- Employee benefits
- Books, supplies and equipment replacement
- Contracted services and other operating expenses related to instruction and general operations.

Exclusions

- Student transportation, food services, community services
- Lottery-funded expenditures
- Facility acquisition, retiree benefits, and leases
- Specific activity codes (e.g., 6810–7090) are excluded from the denominator

50% Law Calculation

Numerator: Unrestricted fund instructional salaries and benefits (includes instructional aides)

Denominator: Current cost of education minus exempted activities

Calculated annually for compliance

Fiscal GL Review: 2025/2026 Calc

ILLUSTRATION OF 50% LAW CALCULATION

		Numerator	Denominator
DIRECT COST OF INSTRUCTION			
Activity Codes: 01000-59XXX, 611XX			
110000	Salaries of Classroom Instructors	13,570,070	
130000	Salaries of Part-Time Instructors and Overload	7,500,000	
220000	Salaries of Classified Instructional Aides	1,016,354	
24XXXX	Salaries of Classified Instructional Aides; OT, ET, Temp, Sub	1,019,972	
3XXXXX	Employee Benefits related to above object codes	9,295,802	
	Less: Instructional Staff Retiree Benefits and Incentives	*(1,200,000)*	
573050	Direct Instructional Cost for Instructional Service Agreements	465,000	
Total Direct Cost of Instruction		**31,667,198**	
CURRENT EDUCATION EXPENSE			
Activity Codes: 01000-679XX			
1XXXXX	Academic Salaries		25,901,423
2XXXXX	Classified Salaries		13,949,864
3XXXXX	Employee Benefits		18,232,377
4XXXXX	Supplies and Materials		1,033,565
5XXXXX	Other Operating Expenses		7,302,994
642000	Equipment Replacement		-
Total Current Education Expense			**66,420,223**
EXCLUSIONS:			
Activities to Exclude			
64400	Student Health Services Above Fees Collected from Students		(69,446)
Retiree Benefits and Incentives			(2,422,480)
Objects to Exclude			
52XXXX	Rents and Leases		(282,081)
Lottery Expenses			
Program 263 all Object Codes			(1,653,272)
Total Exclusions		-	**(4,427,279)**
Calculation of 50% Law		**31,667,198**	**61,992,944**
		51.08%	

ILLUSTRATION OF 50% LAW CALCULATION		
		Numerator
DIRECT COST OF INSTRUCTION		
	Activity Codes: 01000-59XXX, 611XX	
110000	Salaries of Classroom Instructors	13,570,070
130000	Salaries of Part-Time Instructors and Overload	7,500,000
220000	Salaries of Classified Instructional Aides	1,016,354
24XXXX	Salaries of Classified Instructional Aides; OT, ET, Temp, Sub	1,019,972
3XXXXX	Employee Benefits related to above object codes	9,295,802
	Less: Instructional Staff Retiree Benefits and Incentives	*(1,200,000)*
573050	Direct Instructional Cost for Instructional Service Agreements (ISA	465,000
Total Direct Cost of Instruction		**31,667,198**

Fiscal GL Review: Numerator

CURRENT EDUCATION EXPENSE			
	Activity Codes: 01000-679XX		
1XXXXX	Academic Salaries		25,901,423
2XXXXX	Classified Salaries		13,949,864
3XXXXX	Employee Benefits		18,232,377
4XXXXX	Supplies and Materials		1,033,565
5XXXXX	Other Operating Expenses		7,302,994
642000	Equipment Replacement		-
Total Current Education Expense			**66,420,223**

Fiscal GL Review: Denominator

EXCLUSIONS:				
Activities to Exclude				
	64400	Student Health Services Above Fees Collected from Students		(69,446)
Retiree Benefits and Incentives				(2,422,480)
Objects to Exclude				
	52XXXX	Rents and Leases		(282,081)
Lottery Expenses				
	Program 263 all Object Codes			(1,653,272)
Total Exclusions			**-**	**(4,427,279)**

Fiscal GL Review: Exclusions

FY26 Fiscal Year Projection:

Total Educational Expenses:	Before Exclusions	Percent
Instructional	$ 31,667,198.00	48%
Current Cost of Education (CCE)	$ 66,420,223.00	

Exempted Activities (6800-7300)	Total
Exempted Lottery	$ 1,653,272.00
Exempted Rent/Leases	$ 282,081.00
Student Health Services Fees	$ 69,446.00
Retiree Benefits and Incentives	$ 2,422,480.00
Total:	$ 4,427,279.00

Total Educational Expenses after Exclusions:	After Exclusions	Percent
Instructional	$ 31,667,198.00	
Current Cost of Education (CCE)	$ 61,992,944.00	51.08%

Shasta-Tehama-Trinity Joint Community College District
2026-2027
Tentative Budget 50% Overlay
General Fund - Unrestricted

Key:
numerator
denominator
exempt

Fund 11	2025-2026 Adopted Budget	2025-2026 Estimated Actuals	2026-2027 Tentative Budget			
EXPENDITURES						
Academic Salaries						
Instructional Contract	$ 14,028,240	$ 13,570,070	$ 14,059,279	1100		
Non Instructional Contract	1,450,682	1,441,784	1,609,208	1220/1230		
Academic Administrators	3,006,600	2,962,126	3,099,953	1200/1210		
Instructional Hourly	6,500,000	7,500,000	7,500,000	1300		
Non Instructional Hourly	419,897	519,524	480,440	1400		
Total Academic Salaries	$ 25,405,419	$ 25,993,504	$ 26,748,880			
Classified Salaries						
Non Instructional Contract	$ 9,330,593	$ 8,873,562	$ 9,467,536	2100		
Instructional Aides Contract	1,036,236	1,016,354	1,111,628	2200		
Classified Management/Supervisory/Confidential	4,753,696	4,645,450	4,921,272	2110/20/30		
Non Instructional Hourly	959,831	882,556	979,849	2310/20/30/40/50		
Instructional Aides Hourly	530,640	1,019,972	983,334	2410/20/30/40/50		
Students Hourly	735,195	410,944	725,465	237000	247000	
Total Classified Salaries	$ 17,346,191	$ 16,848,838	$ 18,189,084			
Employee Benefits						
STRS - State Teachers Retirement	$ 4,517,347	$ 3,904,644	$ 4,722,738	313	311	
STRS - On-Behalf Payment	$ -	$ 2,000,000	$ 2,000,000			
PERS - Public Employees Retirement	4,511,390	4,264,094	4,597,566	32		
Social Security & Medicare	1,753,737	1,750,186	1,845,906	333/334/337/338	331/332/335/336	
Medical/Dental/Vision/Life Insurance	4,866,994	4,363,612	4,899,375	343/344	341/342	
Unemployment Insurance	42,093	42,084	44,212	353/354	351/352	
Workers Compensation Insurance	770,476	781,492	803,313	363/364	361/362	
Retirees Health Benefits	1,900,000	3,125,000	3,100,000	348007/348009/348010	348006/348008	Activity Code: 59
Total Employee Benefits	$ 18,362,037	$ 20,231,112	$ 22,013,110			
Supplies						
Instructional	$ 545,448	$ 480,343	$ 553,837	430000		
Non-Instructional	1,449,915	1,115,855	1,481,678	439900		

Other Operating Expenses				
Dues and Memberships	$ 206,339	$ 184,811	$ 213,605	502000
Insurance	179,715	179,715	192,808	503000
Legal and Professional Services	415,000	372,085	365,700	5040/5043/506
Election	5,000	5,000	100,000	5070
Postage	121,570	100,664	129,930	5080
Staff Development, Travel, and Conference	496,844	322,470	496,294	5110/5908/5909
Building and Equipment Rental/Leases	311,146	282,081	314,583	5200/5201/5202/5210/5211/5213
Personal/Consultant Services	456,900	403,737	443,304	5300
Repairs	508,490	389,454	522,740	5410
Utilities/Electricity/Gas/Water/Waste/Telephone	2,131,390	2,431,390	2,541,985	5501/5502/5503/5504/5506/5507/
Service Fees/Other Charges	2,119,586	1,980,238	2,632,352	5710/5720/5730/5740/5750/5760/
Software Licenses	1,616,315	1,559,567	1,652,578	5780
Advertising, Printing, and Misc. Operating	633,085	613,668	707,910	5904, 5905, 5925, 5970
Field Trips (Classroom Related, Athletics)	484,097	366,440	536,610	5911
Operating Backcharges	(475,000)	(435,000)	(445,000)	5930/5931/5933/5934
Total Other Operating Expenses	$ 9,210,477	$ 8,756,320	$ 10,405,399	
Capital Outlay				
Site Development	$ -	$ -	$ -	612
Building Improvement	-	19,248	-	6110/6200
Library Books	-	-	-	6300
Equipment	914,914	847,910	1,107,905	6400/6450/6470/65
Total Capital Outlay	$ 914,914	$ 867,158	$ 1,107,905	
Other Outgo				
Interfund Transfers (Debt Service)	$ 430,135	$ 430,135	$ 435,045	
Interfund Transfers (Other Funds)	1,450,000	1,450,000	950,000	
Transfer to PARS Trust	-	-	-	
Student Aid	3,000	1,000	3,300	
Debt Principal and Interest	-	-	-	7110/7111/7200/7300

	Program	Activity Code	Object Code
Numerator		0100-5900 & 6110	1100, 1300, 2200, 2400, 3000, 5000
Denominator		0100-6799	1100, 1300, 1200, 1400, 2100,2300, 2200,2400, 3000,4000,5000
Exclusions	263, 302, 354	6800-7390	1200, 1400, 2100, 2300, 3000, 4000, 5000

FY27 Fiscal Year Projection (including discount factor):

Total Educational Expenses:	Before Exclusions	Percent
Instructional	$ 32,249,484.00	47%
Current Cost of Education (CCE)	$ 68,760,179.00	

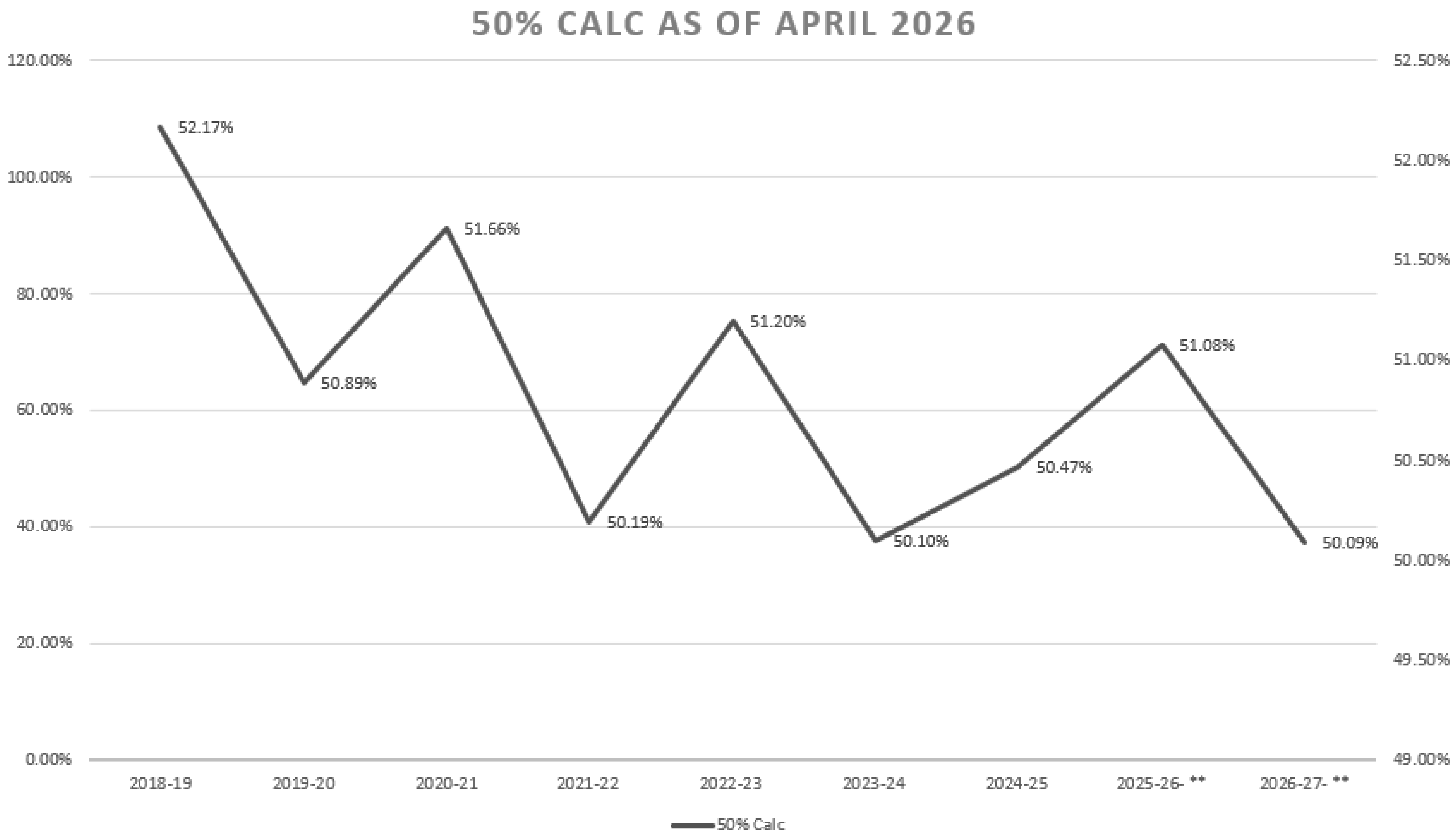
Exempted Activities (6800-7300)	Total
Exempted Lottery	$ 1,400,000.00
Exempted Rent/Leases	$ 309,423.00
Student Health Services Fees	$ 70,000.00
Retiree Benefits and Incentives	$ 2,592,932.00
Total:	$ 4,372,355.00

Total Educational Expenses after Exclusions:	After Exclusions	Percent
Instructional	$ 32,249,484.00	
Current Cost of Education (CCE)	$ 64,387,824.00	50.09%

Penalties for Noncompliance

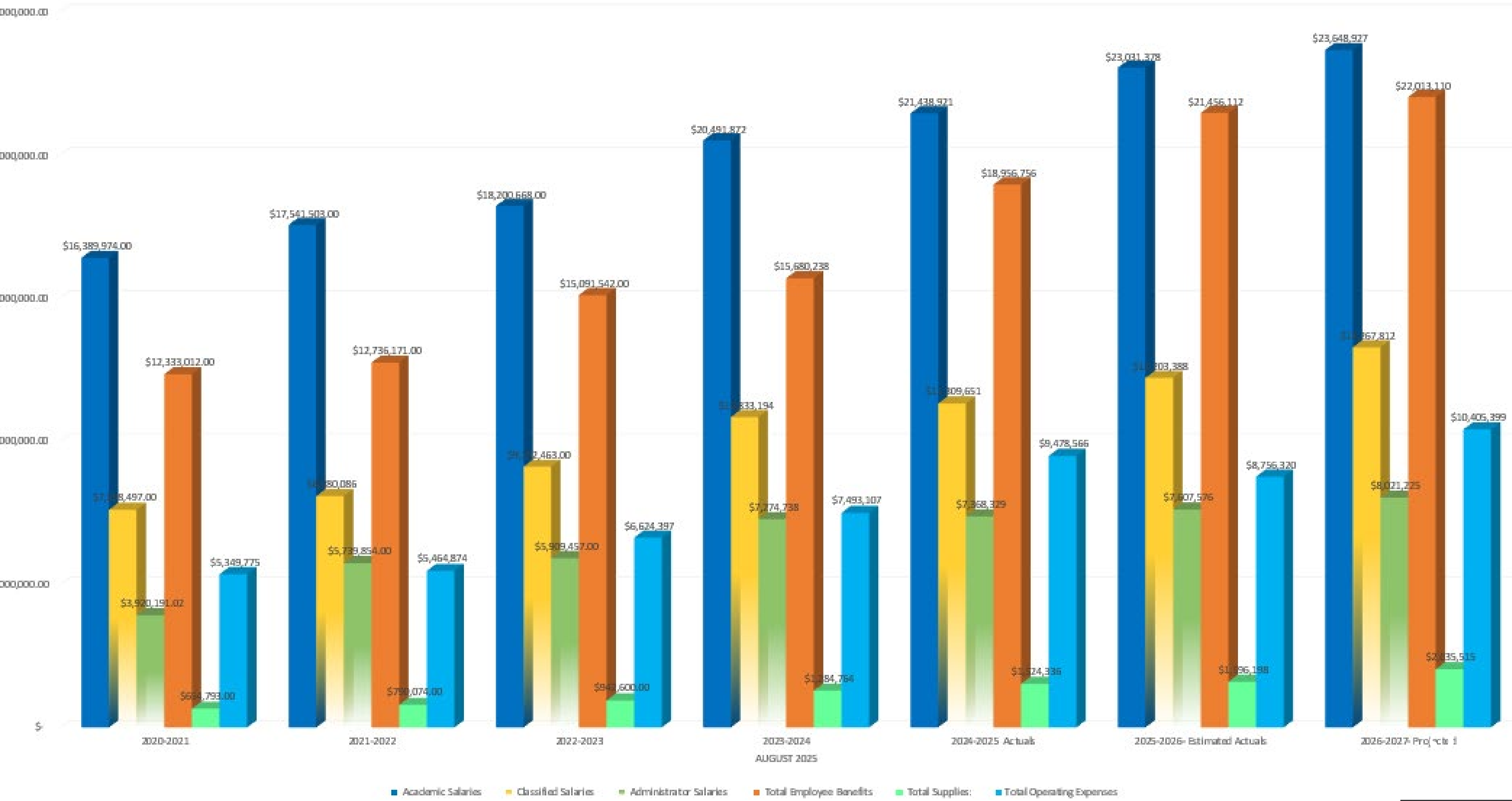
If unresolved within two years, deficiency amount deducted from apportionments

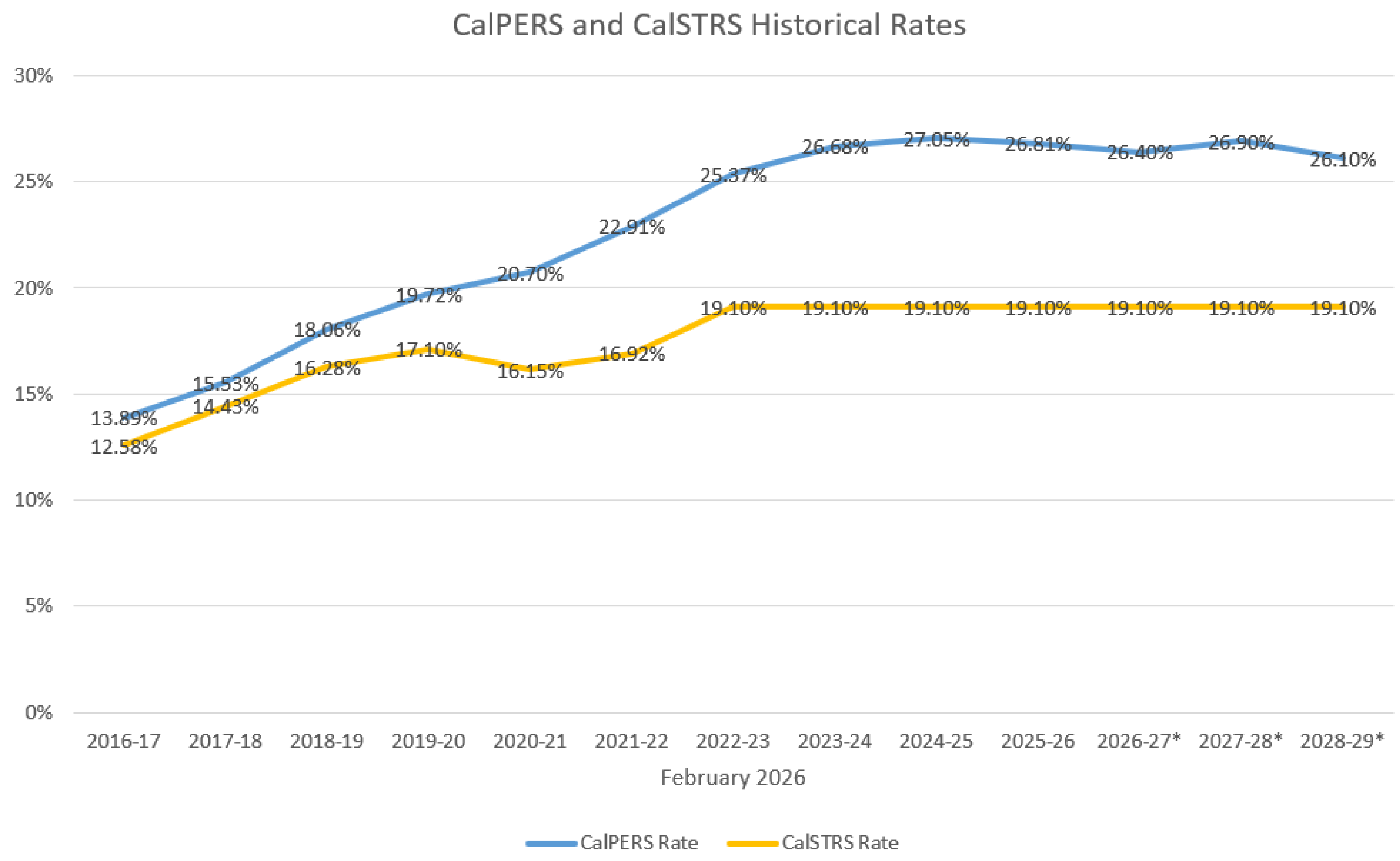
District must submit a plan to retire deficiency by redirecting funds to instructional salaries



50% CALC AS OF APRIL 2026
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
52.50%
52.00%
51.50%
51.00%
50.50%
50.00%
49.50%
49.00%
52.17%
50.89%
51.66%
50.19%
51.20%
50.10%
50.47%
51.08%
50.09%
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
2025-26- **
2026-27- **
50% Calc

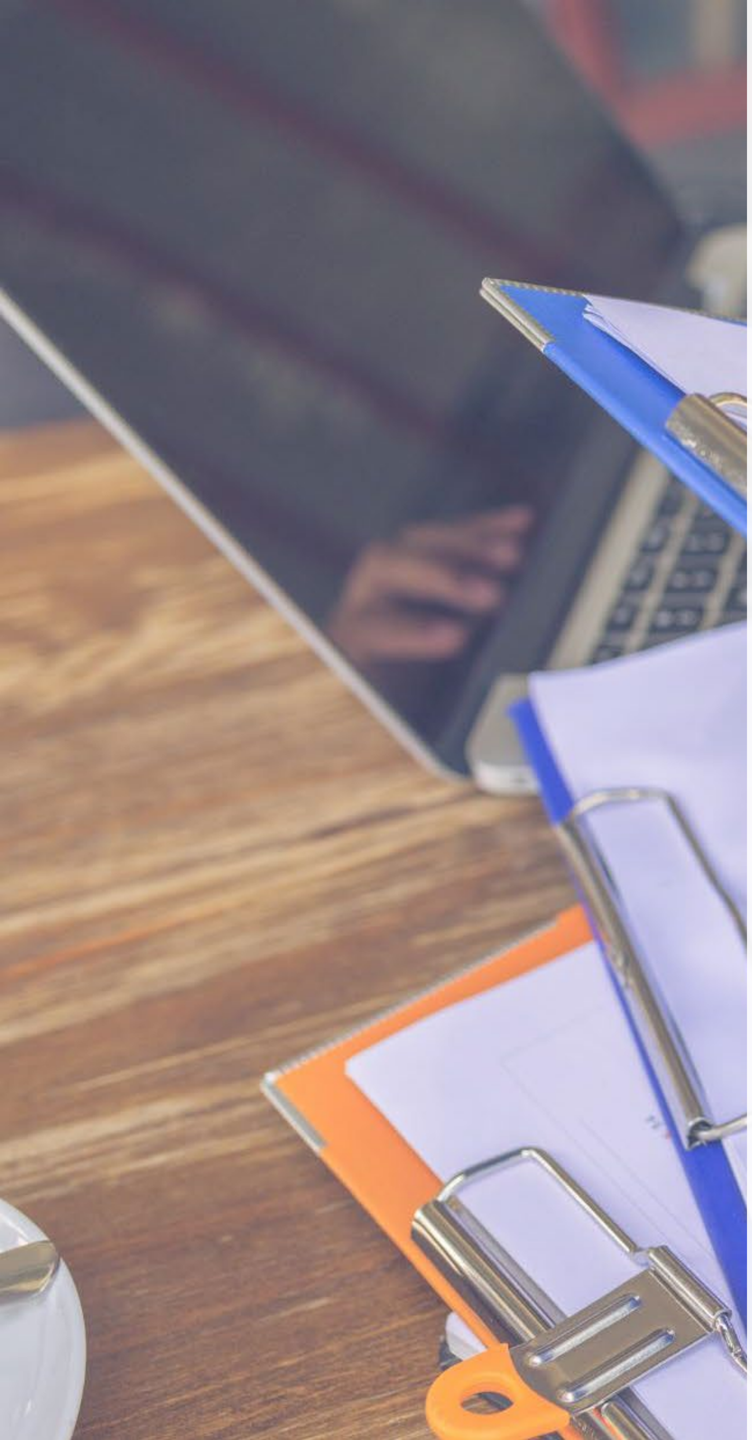
FUND 11 PAST, PRESENT AND PROJECTED MAJOR GROUP EXPENDITURES




CalPERS and CalSTRS Historical Rates
30%
25%
20%
15%
10%
5%
0%
13.89%
15.53%
18.06%
19.72%
20.70%
22.91%
25.37%
26.68%
27.05%
26.81%
26.40%
26.90%
26.10%
12.58%
14.43%
16.28%
17.10%
16.15%
16.92%
19.10%
19.10%
19.10%
19.10%
19.10%
19.10%
19.10%
2016-17
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
2025-26
2026-27*
2027-28*
2028-29*
February 2026
CalPERS Rate
CalSTRS Rate

Internal Compliance Monitoring

- ✓**Annual budget development-GL Account Code Training**
- ✓**Quarterly GL Expense Audit**
- ✓**Personnel req and Account Code Change Form review**
- ✓**Monthly running FSRP in Colleague**
- ✓**End of year audit for final adjustments 2026**



Compliance and Reporting Oversight

Annual CCFS-311 Reporting

Submission of the CCFS-311 report by October 10 annually monitors compliance with the 50% Law.

Financial Penalties for Non-Compliance

Non-compliance can cause dollar-for-dollar reductions in state funding and other significant penalties.

Oversight and Auditing

The Chancellor's Office oversees compliance, but audits reveal gaps and inconsistent district reporting.

Training and Internal Audits

Districts are encouraged to provide training and conduct internal audits for accurate expenditure classification.

Questions?