California’s FY 2023-24 Budget

• State Budget Overview
  – Total expenditure budget greater than $310 billion, just a 1% increase over last year; budget deficit of $31.5 billion mitigated by reductions, funding shifts, and delays
  – General fund expenditure budget of $226 billion, a 3% decrease over last year
  – Reserves of $38 billion, with the Rainy Day Fund near its constitutional maximum of 10% ($22.3 billion) and the Public School System Stabilization Reserve making up $10.8 billion of the reserve total
• Community Colleges
  – $790 million increase systemwide to fund an 8.22% COLA for the SCFF and most categorical programs
Hold Harmless

- Revenue protection for districts through FY 2024-25
- A district’s FY 2024-25 revenue level would become its new base, or floor, below which it could not drop.
- Beginning in FY 2025-26, districts who do not generate funding through the SCFF greater than their FY 2024-25 revenue floor, would no longer be given cumulative COLAs
  - COLA would essentially become one-time money in years in which it was given
Major Ongoing Items

- COLA of 8.22%
  - $10.1 million in additional ongoing revenue for the District
  - COLA is also provided to most categorical programs
- Reductions and Flexibility provisions in categorical programs
  - $500 million reduced systemwide in instructional support and deferred maintenance allocations from FY 2022-23
    - District Impact: $7.7 million reduction
  - $55 million reduced systemwide in retention and enrollment allocations from FY 2022-23
    - District Impact: $0.8 million reduction
  - Silver lining...remaining one-time funds provided for retention and enrollment outreach, the COVID-19 Recovery Block Grant, and physical plant and instructional support programs can be used for any of these purposes ($15.5 million in total across the 3 programs)
Adoption Budget Overview:

- Unrestricted fund is balanced districtwide
  - Surplus of approximately $1.8M or about 1.3% of the expenditure budget; all sites with balanced budgets
  - Surplus achieved through a combination of factors:
    - Significant COLA of 8.22%
    - Unfilled vacancies
    - Reliance on one-time categorical dollars where appropriate
    - Hold harmless funding

- Ending Projected Fund Balance of $23.8M
  - Equates to a reserve level of 16.5%, well above the 8% target reserve in AP 6305
  - As we complete the FY 2022-23 closing process, this figure can and likely will shift though not significantly
Major Assumptions:

• FTES Assumptions
  – Chabot College – 8,168 FTES
  – Las Positas College – 5,632 FTES

• Revenue Assumptions
  – COLA of 8.22% - Approximately $10.1M in additional apportionment revenue
  – Enrollment Growth of 0%
  – Deficit Factor of 1%

• Expenditure Assumptions
  – Step and column increases built into position control along with the negotiated salary increases
  – Health care increases built in; increased approximately 13.5% overall
### Position Control:

<table>
<thead>
<tr>
<th></th>
<th>FY 2022-23 FTE</th>
<th>FY 2023-24 FTE</th>
<th>Difference</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chabot College</td>
<td>255.5</td>
<td>259.1</td>
<td>3.6</td>
<td>1.4%</td>
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<tr>
<td>Las Positas College</td>
<td>205.3</td>
<td>205.4</td>
<td>0.1</td>
<td>0.0%</td>
</tr>
<tr>
<td>District/M&amp;O</td>
<td>128.4</td>
<td>137.1</td>
<td>8.7</td>
<td>6.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>589.2</strong></td>
<td><strong>601.6</strong></td>
<td><strong>12.4</strong></td>
<td><strong>2.1%</strong></td>
</tr>
</tbody>
</table>

* $11.0M in budgeted vacant positions (all sites) within the unrestricted fund
**M&O saw an increase of over 156,000 gross square feet and are funded on a Total Cost of Ownership of model within the new BAM
Conclusion

• Recapturing enrollment during the Hold Harmless period (through FY 2024-25) is key
  – Significant investment from the State to help do so and the flexibility to use additional dollars from other programs if necessary
• The District is in a financially solid position with sufficient reserves
• Continue our advocacy for enhancement to the SCFF, particularly in the supplemental section
• Continue to advocate for cumulative COLAs beyond FY 2024-25
• Remain committed to serving our students and staying competitive with our peers to attract the best talent to work in our District
Questions?