



# 2024-2025 Tentative Budget Presentation

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June 10, 2024



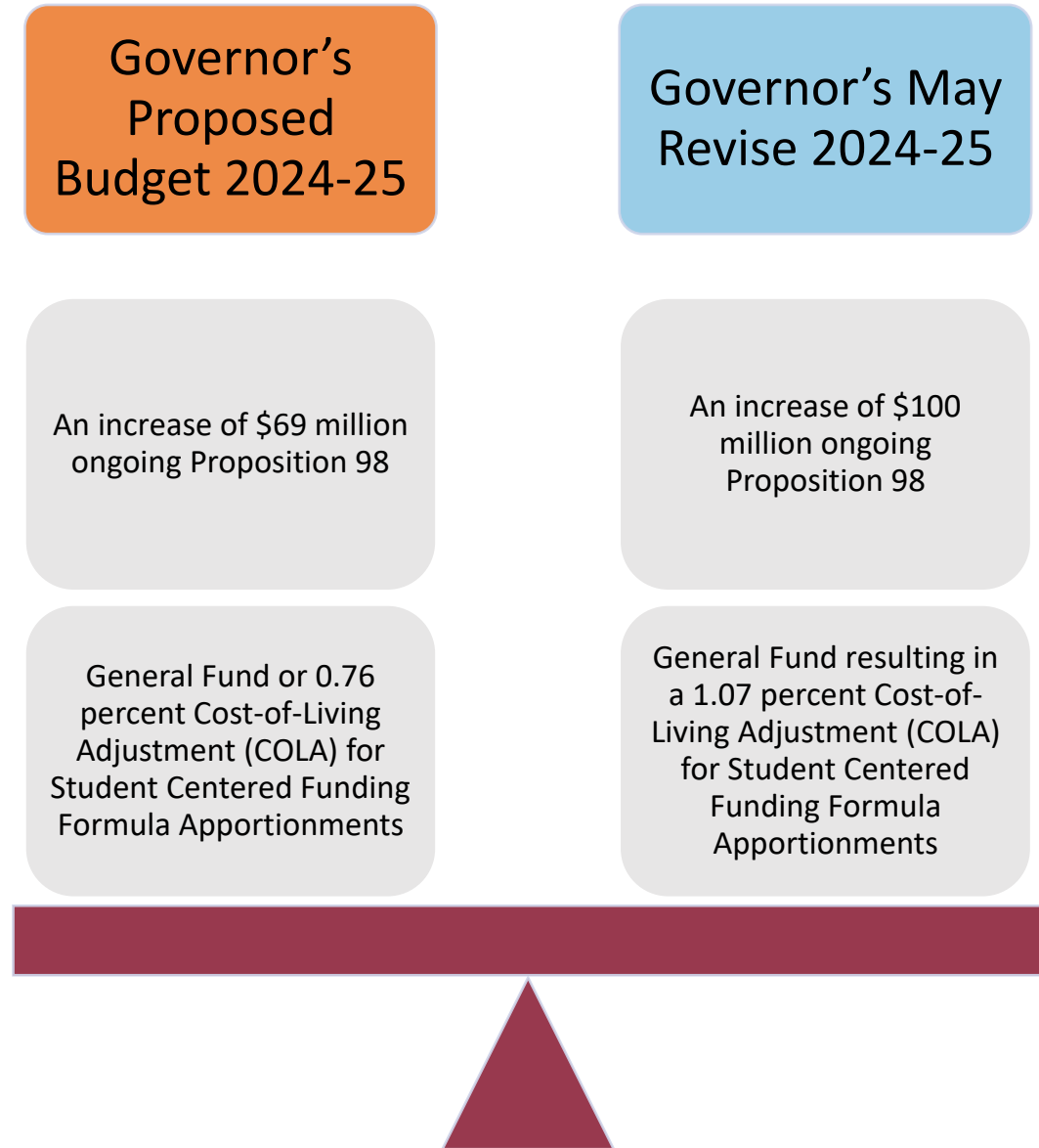
# TOPICS

- Governor's May Revision Highlights
- Timeline
- Student Centered Funding Formula
- 2023-2024 Estimated Actuals
- Funding by Program
- Budget Assumptions
- 2024-2025 Tentative Budget

- The budget proposal for the California Community Colleges focuses on stability in the context of the significant budget deficit. It includes no major core reductions to programs or services, instead drawing on reserves and operational savings to bring the overall budget in balance.
- FY 2024-25 Projected State Deficit of \$45 Billion - Under the May Revision, the overall state budget would be lower than proposed in January and lower than the 2023-24 enacted budget, decreasing by about 7% to \$288 billion related to a projected budget deficit of \$45 billion. General Fund spending would decrease by about \$25 billion (11.1%) to \$201 billion.
- The Governor's May Revision also reflects the lower-than-projected state revenues and now projects a total budget deficit of \$44.9 billion. The proposal expects an additional \$28.4 billion deficit for 2025-26 (for deficits totaling about \$73 billion over two years). The Administration cautions that persistent inflation and elevated interest rates could hamper economic activity by more than projected and worsen budget conditions.

## COST-OF-LIVING ADJUSTMENT

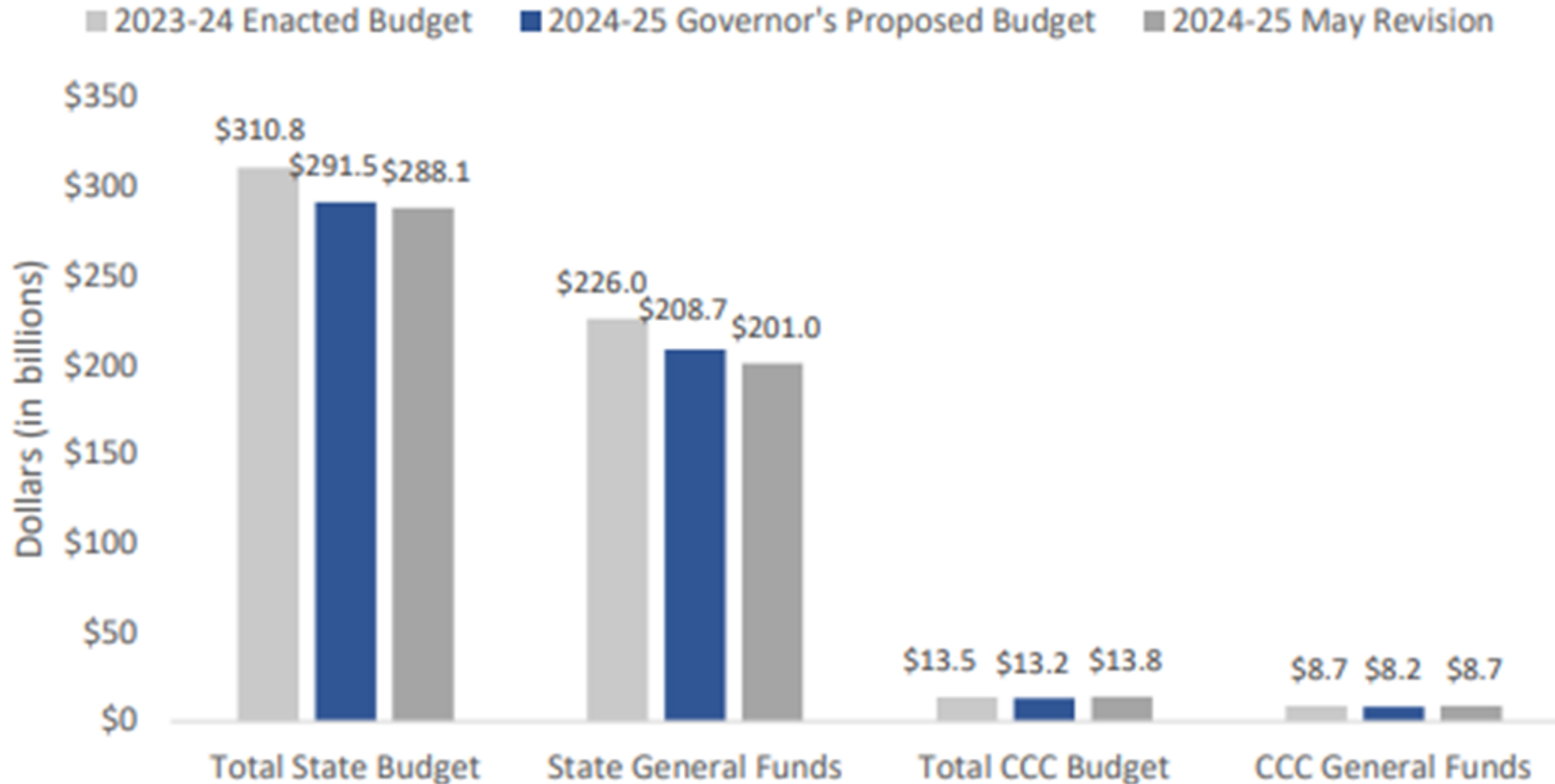
Revised proposals for ongoing spending include about \$100 million for a 1.07% cost-of-living adjustment (COLA) for community college apportionments, \$31 million more than the Governor's original proposed COLA of 0.76% in the January budget proposal. The proposal also includes an additional \$13 million for COLAs and adjustments to certain categorical programs and \$28 million for systemwide enrollment growth of 0.5%.



- Proposal for Investment in Nursing Workforce is Maintained - The May Revision continues to include a proposed investment of \$60 million one-time to begin addressing California's nursing shortage, with the goal of providing that amount per year over the next five years to expand Associate Degree in Nursing (ADN) program capacity in the community colleges and Bachelor of Science in Nursing (BSN) partnerships with four-year universities.
- Funds for Low-Income Workers Project are Included - The revised budget proposal includes \$5 million one-time for a Pathways for Learners of Low-Income Demonstration Project. The project involves a partnership to support the development of educational pathways for working learners in the United Domestic Workers (UDW)
- Proposal Supports Mapping Credit for Prior Learning Pathways - The May Revision includes \$6 million one-time for a Mapping Articulated Pathways for Credit for Prior Learning (CPL) Demonstration Project.
- Investments Would Support Systemwide Technology Adoption - The Governor's revised proposal includes \$12 million one-time for a Common Cloud Data Platform Demonstration Project. The funds would support efforts to chart the challenges and benefits of establishing a shared, multi-district data infrastructure.
- The proposal also includes \$12 million one-time to support the expansion of e-Transcript - California across all 116 colleges. The funding would allow colleges to capture as much student record movement between segments as possible, reducing reliance and usage of commercial third-party transcript ordering services.

# GOVERNOR'S MAY REVISION HIGHLIGHTS

Figure 1: May Revision for 2024-25 budget reflects projected deficit of \$45 billion (dollars in billions).



# GOVERNOR'S MAY REVISION HIGHLIGHTS

**Table 2: Proposed 2024-25 Changes in Proposition 98 Funding for the System (In Millions)**

	Governor's Budget	May Revision	Change from Governor's Budget
<b>POLICY ADJUSTMENTS</b>			
<b>Ongoing (Proposition 98)</b>			
Provide 1.07% COLA for SCFF	\$69.15	\$100.22	\$31.07
Provide for 0.5% enrollment growth	\$29.59	\$28.09	-\$1.49
Provide 1.07% COLA for Adult Education Program	\$4.91	\$6.92	\$2.00
Provide 1.07% COLA for Extended Opportunity Programs and Services (EOPS)	\$1.40	\$1.96	\$0.56
Adjustments for financial aid administration	\$1.53	\$1.93	\$0.40
Provide 1.07% COLA for Disabled Students Programs and Services (DSPS)	\$1.31	\$1.85	\$0.54

# GOVERNOR'S MAY REVISION HIGHLIGHTS

	Governor's Budget	May Revision	Change from Governor's Budget
Provide 1.07% COLA for Apprenticeship (community college districts RSI)	\$0.24	\$0.35	\$0.11
Provide 1.07% COLA for CalWORKs student services	\$0.42	\$0.59	\$0.17
Provide 1.07% COLA and an enrollment-based adjustment for Mandates Block Grant and reimbursements	\$0.94	\$0.52	-\$0.42
Provide 1.07% COLA for Cooperative Agencies Resources for Education (CARE)	\$0.25	\$0.36	\$0.11
Provide 1.07% COLA for Childcare tax bailout	\$0.03	\$0.05	\$0.01
<b>Subtotal Ongoing (Proposition 98) Policy Adjustments<sup>a</sup></b>	<b>\$109.78</b>	<b>\$142.82</b>	<b>\$33.04</b>
<b>One-Time (Proposition 98)</b>			
Expand nursing program capacity	\$60.00	\$60.00	\$0.00
Expand eTranscript California	\$0.00	\$12.00	\$12.00
Common cloud data platform demonstration project	\$0.00	\$12.00	\$12.00
Mapping pathways for Credit for Prior Learning	\$0.00	\$6.00	\$6.00
Pathways for low-income workers demonstration project	\$0.00	\$5.00	\$5.00
<b>Subtotal One-Time Policy Adjustments</b>	<b>\$60.00</b>	<b>\$95.00</b>	<b>\$35.00</b>
<b>TECHNICAL ADJUSTMENTS</b>			
Student Centered Funding Formula (SCFF) other base adjustments (aside from COLA and Growth) <sup>b</sup>	-\$111.92	-\$120.69	-\$8.77
<b>Subtotal Technical Adjustments</b>	<b>-\$111.92</b>	<b>-\$120.69</b>	<b>-\$8.77</b>
<b>TOTAL CHANGES</b>	<b>\$57.86</b>	<b>\$117.13</b>	<b>\$59.27</b>



# GOVERNOR'S MAY REVISION HIGHLIGHTS

Allocations	2023-24 Rates*	Proposed 2024-25 Rates	Estimated Change from 2023-24 (Amount)	Estimated Change from 2023-24 (Percent)
Base Credit*	\$5,238	\$5,294	\$56	1.07%
Incarcerated Credit*	7,346	7,425	79	1.07%
Special Admit Credit*	7,346	7,425	79	1.07%
CDCP	7,346	7,425	79	1.07%
Noncredit	4,417	4,465	47	1.07%
Supplemental Point Value	1,239	1,252	13	1.07%
Student Success Main Point Value	730	738	8	1.07%
Student Success Equity Point Value	184	186	2	1.07%
<b>Single College District</b>				
Small College	6,439,546	6,508,449	68,903	1.07%
Medium College	8,586,065	8,677,936	91,871	1.07%
Large College	10,732,581	10,847,420	114,839	1.07%

# Navigating the State Budget Process

Each year the Governor and Legislature work to craft the state's spending plan. While the January-to-June period gets the most attention, the process of crafting the budget is an ongoing enterprise, giving Californians ample opportunity to stay engaged and involved year-round.

## The Governor

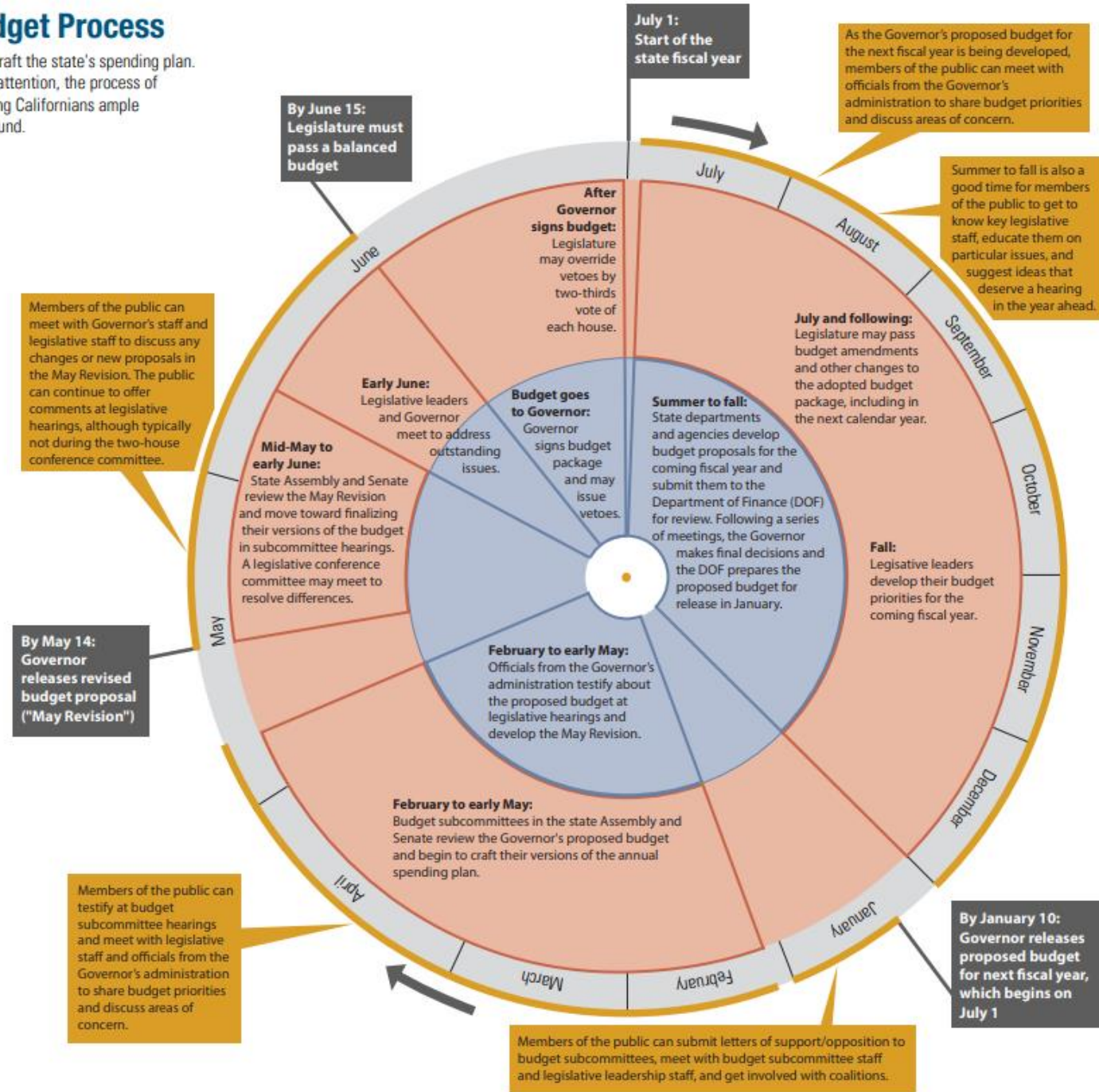
The Governor has the lead role in developing the state budget. Each year, the Governor proposes a spending plan, which is introduced as the budget bill in the Legislature. The Governor can sign or veto the budget bill passed by legislators as well as other bills in the budget package that make policy changes related to the budget. The Governor can also reduce or eliminate individual appropriations using the line-item veto.

## The Legislature

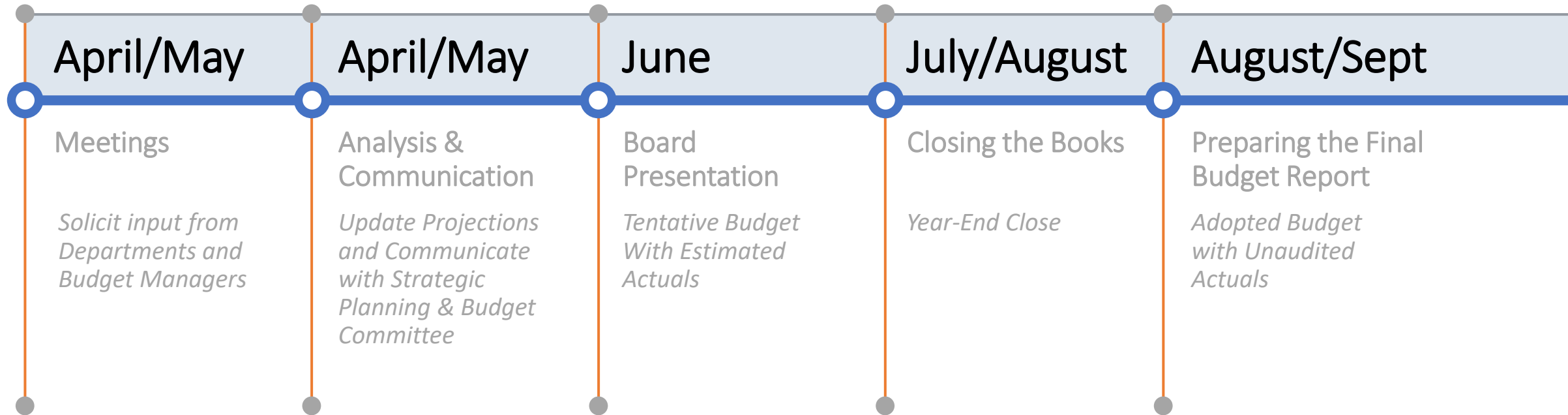
The Legislature – made up of the Assembly and Senate – reviews the Governor's proposed budget and crafts its own version of the spending plan. The Legislature can maintain, modify, or reject the Governor's proposals, with review occurring through each house's budget committee and related subcommittees. The Legislature must pass the budget bill, but not other bills in the budget package, by June 15. The Legislature can override a Governor's veto by a two-thirds vote of each house.

## The Public

The public has various opportunities for input during the budget process. Members of the public can meet with officials from the Governor's administration and with legislators and their staffs, testify before budget committees and subcommittees, and write letters of support and opposition. Through individual engagement or as part of coalitions, members of the public can express their budget priorities and areas of concern.



# AVC BUDGET TIMELINE



- July 1, 2024 - Submit tentative budget to county officer
- September 15, 2024 - Make available for public inspection a statement of prior year receipts and expenditures and current year expenses
- September 15, 2024 - Hold a public hearing on the proposed budget and adopt a final budget
- September 30, 2024 - Complete the adopted annual financial and budget report and make public
- October 10, 2024 - Submit an annual financial and budget report to Chancellor's Office
- December 31, 2024 - Submit audit report to the Chancellor's Office

Source: Update on May Revision Joint Analysis

# STUDENT CENTERED FUNDING FORMULA (SCFF)

- Current split, 70/20/10, is set in statute. No plans to change.
- SCFF Oversight Committee will make recommendations but not on split.
- Rates will be adjusted annually by any enacted COLA.
- SCFF hold harmless provision is active through 2024-25.\*
- 2024-25 funding will be the new floor for SCFF hold harmless provision. No automatic adjustments to reflect cumulative COLA over time, only if provided in budget act language.\*
- Starting in 2025-26, districts will be funded at their SCFF generated amount for that year or their “floor” (2024-25 funding amount).

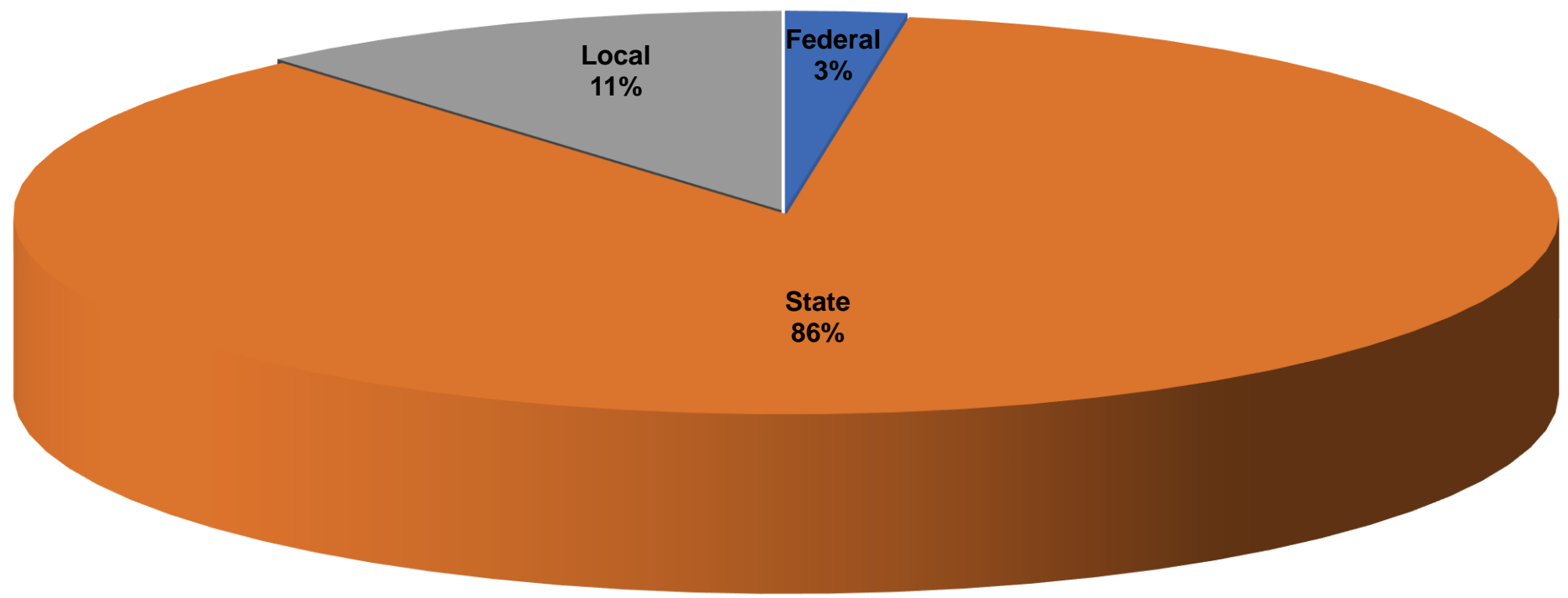
\*Source: Update on May Revision Joint Analysis



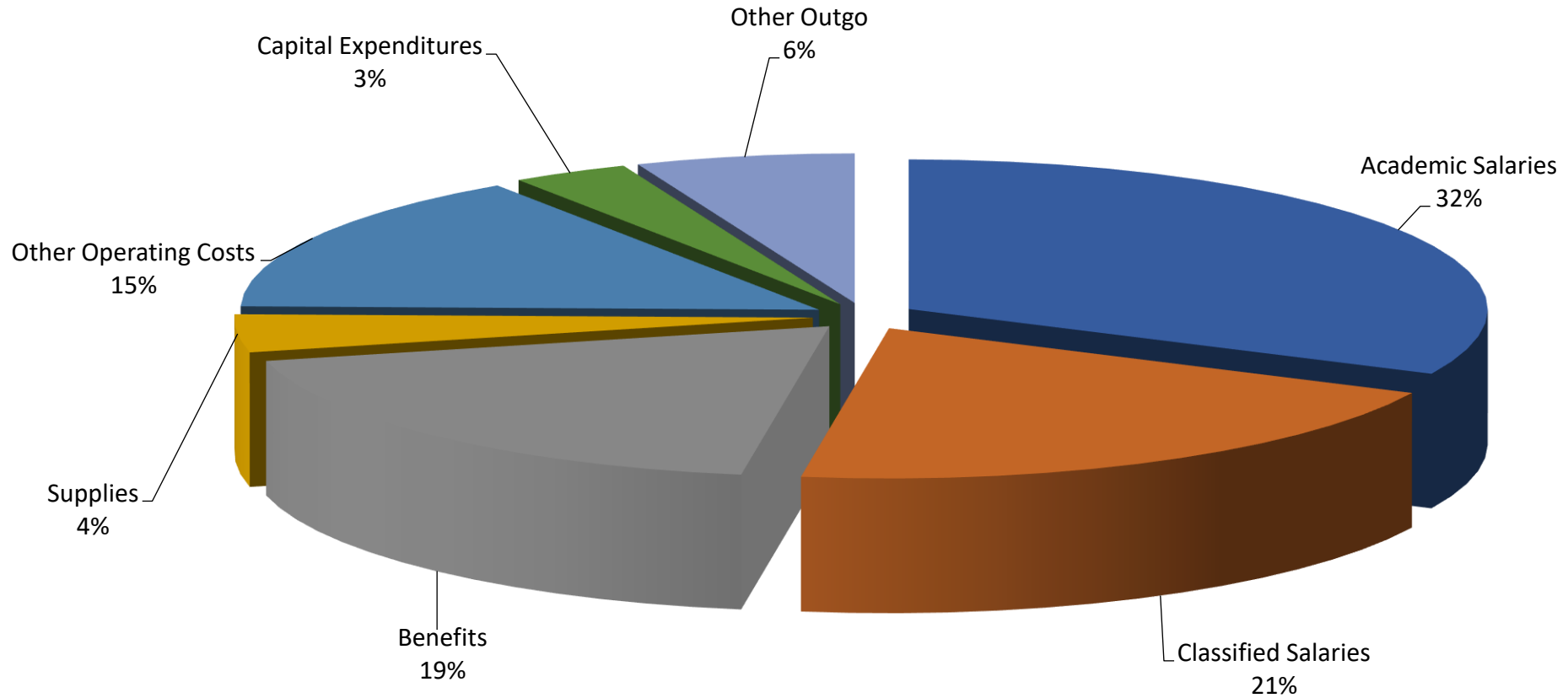
Service  
Equity  
Resources  
Vision  
Education  
Success

UNRESTRICTED GENERAL FUND		2023-2024 ESTIMATED ACTUALS
<b>BEGINNING FUND BALANCE</b>		53,177,810
<b>REVENUE</b>		
8100-8200	Federal	21,180
8600-8700	State	89,335,789
8800-8900	Local/Incoming Transfers	15,557,192
<b>Total Revenue</b>		<b>104,914,161</b>
<b>REVENUE PLUS BEGINNING FUND BALANCE</b>		<b>158,091,972</b>
<b>EXPENDITURES</b>		
1100-1400	Academic Salaries	37,176,060
2100-2400	Classified Salaries	20,620,644
3100-3800	Employee Benefits	21,307,808
4100-4700	Supplies	1,239,233
5100-5800	Other Operating Costs	12,787,616
6100-6700	Capital Expenditures	830,974
<b>Total Expenditures</b>		<b>93,962,334</b>
7100-7900	Other Outgo	387,113
<b>Total Expenditures &amp; Other Outgo</b>		<b>94,349,447</b>
Surplus/(Deficit)		10,564,714
<b>Ending Fund Balance</b>		<b>63,742,524</b>
<i>Assigned Aside for Categorical Salaries + Benefits</i>		(500,000)
<i>Capital Projects Protection</i>		(12,000,000)
<i>DEI Initiatives &amp; Training</i>		(500,000)
<i>IT Phone Replacement</i>		(2,000,000)
<i>IT Refresh</i>		(3,000,000)
<i>Leave Payoff</i>		(1,000,000)
<i>Professional Development</i>		(50,000)
<i>Reserve for Emergencies (AP 6305)</i>		(500,000)
<i>Reserve for Pension Stabilization (BP 6250)</i>		(7,300,000)
<i>Schedule Maintenance Reserve - 1%</i>		(943,494)
<i>Supplemental Protection</i>		(5,000,000)
<i>Resource Allocation - One-Time</i>		(1,530,026)
<b>Unassigned Ending Fund Balance</b>		<b>29,419,004</b>

# GENERAL FUND 2023-24 ESTIMATED REVENUE



# GENERAL FUND 2023-24 ESTIMATED EXPENDITURES





# 2023-24 ESTIMATED ACTUALS

		2023-2024 ESTIMATED ACTUALS								
Fund	Name	Beginning Balance	Revenue	Expenditures	Ending Balance	Assigned Reserves	Surplus (Deficit)	Unrestricted Balance After Assignments	Reserve	% of Overall Budget
	General Fund									
10	Unrestricted	53,177,810	104,914,161	94,349,447	63,742,524	(34,323,520)	10,564,714	29,419,004	30%	38%
12 (13 & 14)	Restricted	1,926,673	34,871,025	34,448,158	2,349,541		422,868			14%
21	Bond Interest & Redemption	16,621,682	18,733,408	20,219,140	15,135,950		(1,485,732)			8%
33	Child Development Center	389,275	1,119,195	855,402	653,068		263,792			0%
41	Capital Outlay Fund	25,890,696	2,420,082	3,155,185	25,155,593		(735,103)			1%
42	Revenue Bond Construction	88,588,746	3,218,988	52,570,275	39,237,458		(49,351,288)			21%
52	Cafeteria	141,879	718,324	600,608	259,595		117,716			0%
72	Student Rep	397,005	41,668	30,261	408,412		11,407			0%
74	Financial Aid	1,363,740	43,176,833	41,344,911	3,195,661		1,831,922			17%
75	Scholarships & Loan	37,142	376,757	376,233	37,666		524			0%
<b>Antelope Valley College Estimated Actuals</b>			<b>209,590,440</b>	<b>247,949,620</b>			<b>(38,359,180)</b>			<b>100%</b>

# FUNDING BY PROGRAM

**Table 4: California Community Colleges Ongoing Funding by Program<sup>a</sup> (In Millions)**

Program	2023-24 Revised	2024-25 Proposed	Change Amount	Percent Change	Explanation of Change
Student Centered Funding Formula	\$ 9,563.70	\$ 9,571.33	\$ 7.62	0.08%	2023-24 updated as of May Revise. 2024-25 adjusted for COLA, growth, and other base adjustments
Adult Education Program – Main <sup>b</sup>	652.22	659.14	6.91	1.06%	COLA
Student Equity and Achievement Program	523.98	523.98	0.00	0.00%	
Student Success Completion Grant	362.60	412.60	50.00	13.79%	Adjust for revised estimate of recipients
Part-time faculty health insurance	200.49	200.49	0.00	0.00%	
Strong Workforce Program	290.40	290.40	0.00	0.00%	
Extended Opportunity Programs and Services (EOPS)	183.08	185.04	1.96	1.07%	COLA
Disabled Students Programs and Services (DSPS)	172.82	174.67	1.85	1.07%	COLA
Full-time faculty hiring	150.00	150.00	0.00	0.00%	
California College Promise (AB 19)	91.21	91.21	0.00	0.00%	
Integrated technology	89.50	89.50	0.00	0.00%	
Financial aid administration	78.49	80.42	1.93	2.46%	Waived fees and per unit adjustments
CalWORKs student services	55.05	55.64	0.59	1.07%	COLA
NextUp (foster youth program)	54.11	54.11	0.00	0.00%	
Basic needs centers	43.29	43.29	0.00	0.00%	
Institutional effectiveness initiative	41.50	27.50	-14.00	-33.73%	Removal of one-time funds
Mathematics, Engineering, Science Achievement (MESA)	39.42	39.42	0.00	0.00%	

# FUNDING BY PROGRAM

Program	2023-24 Revised	2024-25 Proposed	Change Amount	Percent Change	Explanation of Change
Mandates Block Grant and reimbursements	38.29	38.80	0.51	1.32%	COLA and enrollment-based adjustment
Apprenticeship (community college districts)	34.34	34.69	0.35	1.01%	COLA and technical adjustment
Cooperative Agencies Resources for Education (CARE)	33.48	33.84	0.36	1.07%	COLA
Student mental health services	32.47	32.47	0.00	0.00%	
CA Apprenticeship Initiative	30.00	30.00	0.00	0.00%	
Part-time faculty compensation	26.54	26.54	0.00	0.00%	
Rising Scholars Network	25.00	25.00	0.00	0.00%	
Part-time faculty office hours	23.63	23.63	0.00	0.00%	
Economic and Workforce Development	22.93	22.93	0.00	0.00%	
Homeless and Housing Insecurity Program ("Rapid Rehousing")	20.56	20.56	0.00	0.00%	
California Virtual Campus	20.00	20.00	0.00	0.00%	
California Online Community College (Calbright College)	15.00	15.00	0.00	0.00%	
Equal Employment Opportunity Program	17.08	13.88	-3.21	-18.76%	Includes \$12.77 million ongoing and adjustments for annual one-time funds sourced from faculty obligation penalties.
Nursing grants	13.38	13.38	0.00	0.00%	
Puente Project	13.33	13.33	0.00	0.00%	
Lease revenue bond payments	12.80	12.79	-0.01	-0.08%	Lease Revenue Debt Service adjustments
Dreamer Resource Liaisons	11.60	11.60	0.00	0.00%	
Veterans Resource Centers	10.82	10.82	0.00	0.00%	
Immigrant legal services through CDSS	10.00	10.00	0.00	0.00%	

# FUNDING BY PROGRAM

Program	2023-24 Revised	2024-25 Proposed	Change Amount	Percent Change	Explanation of Change
Classified Employee Summer Assistance Program	10.00	10.00	0.00	0.00%	
LGBTQ+ Student Support	10.00	10.00	0.00	0.00%	
Umoja	9.18	9.18	0.00	0.00%	
Asian American and Native Hawaiian and Pacific Islander (AANHPI) Student Achievement Program	8.00	8.00	0.00	0.00%	
Foster Parent Education Program	6.15	6.15	0.00	0.00%	
Childcare tax bailout	4.28	4.32	0.05	1.08%	COLA
Digital Course Content for Inmates	3.00	3.00	0.00	0.00%	
Middle College High School Program	1.84	1.84	0.00	0.00%	
Academic Senate	1.80	1.80	0.00	0.00%	
Historically Black Colleges and Universities (HBCU) Transfer Pathway project	1.38	1.38	0.00	0.00%	
African American Male Education Network and Development (A2MEND)	1.10	1.10	0.00	0.00%	
FCMAT	0.85	0.77	-0.08	-8.88%	Removal of one-time funds
Transfer education and articulation (excluding HBCU Transfer Pathway project)	0.70	0.70	0.00	0.00%	
<b>Total</b>	<b>\$13,061.38</b>	<b>\$13,116.21</b>	<b>\$54.83</b>	<b>0.42%</b>	

<sup>a</sup> Table reflects total programmatic funding for the system, including amounts from prior years available for use in the years displayed.

<sup>b</sup> The Adult Education program total includes resources that go to the K-12 system but are included in the CCC budget. The K-12 Strong Workforce program and K-12 Apprenticeship program are not listed above but are also included in the CCC budget.

# FUNDING BY PROGRAM

**Table 5: California Community Colleges One-Time Funding by Program<sup>a</sup>  
(In Millions)**

Program	2023-24 Revised	2024-25 Proposed	Explanation of Change
Nursing program capacity	0.0	60.0	One-time funds added
Pathways for Low-Income Workers Demonstration Project	0.0	5.0	One-time funds added
Common Cloud Data Platform Demonstration Project	0.0	12.00	One-time funds added
Mapping Articulated Pathways for Credit for Prior Learning	0.0	6.0	One-time funds added
Expand e-Transcript California	0.0	12.00	One-time funds added
<b>Total</b>	<b>\$0.00</b>	<b>\$95.00</b>	

<sup>a</sup> Table reflects total programmatic funding for the system, including amounts from prior years available for use in the years displayed.

## Revenue Budget Assumptions:

- Student Centered Funding Formula (SCFF) Funding is Based on Prior Year SCFF Stability - Total Computational Revenue (TCR) + COLA
- SCFF COLA – 1.07%
- FTES - FY 2023-24 P2 – 9,774
- TCR Deficit - 3.55%

## Expenditure Budget Assumptions:

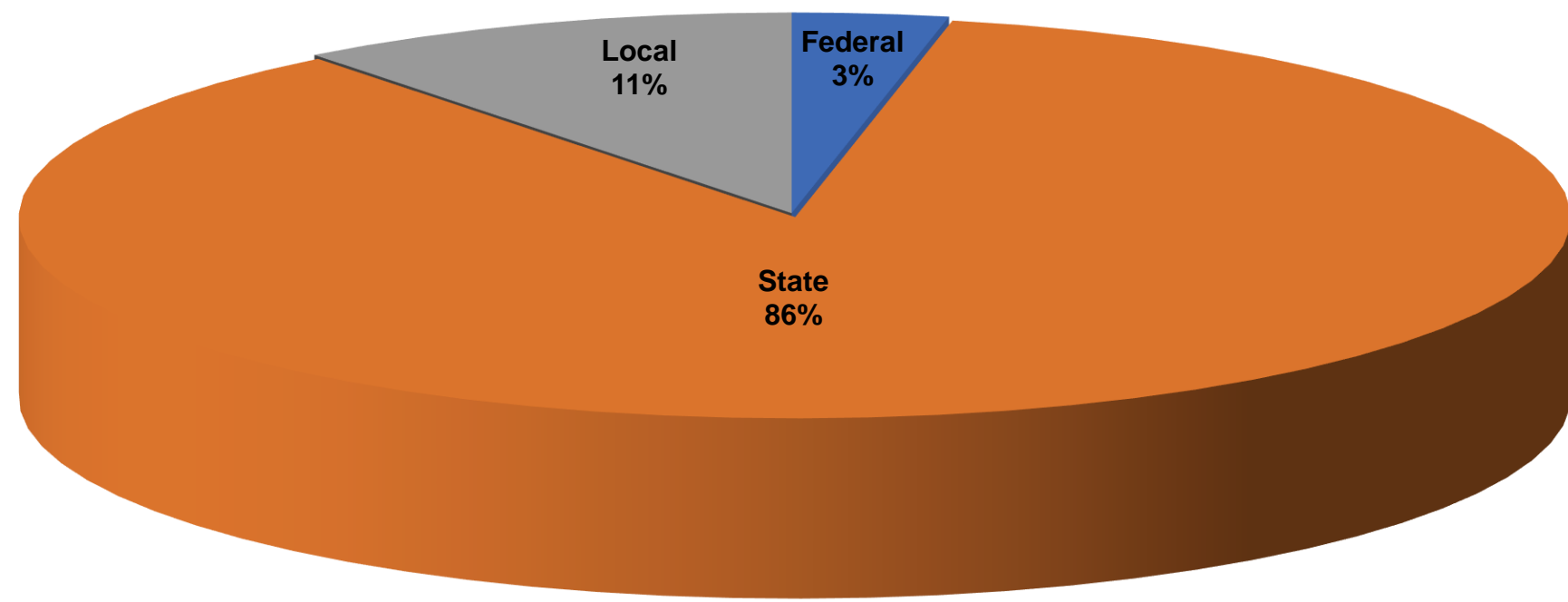
- 4% Negotiated Salary Increase
- Step & Column Increases
- Pension Rate Increases
  - CalPERS – Up from 26.88% in 2023-24 to 27.05% in 2024-25
  - CalSTRS – No change - 19.10% in 2024-25
- California CPI – 3.1%
- Inflationary factor of 3.0% for most Supply Expenses
- Inflationary factor of 5.0% for most Operating Expenses
- Unemployment Insurance Rate – 0.05%
- Resource Allocation Funding Proposed
- Long Term Commitments
- On-going District Obligations



2024-2025  
UNRESTRICTED FUND  
TENTATIVE BUDGET

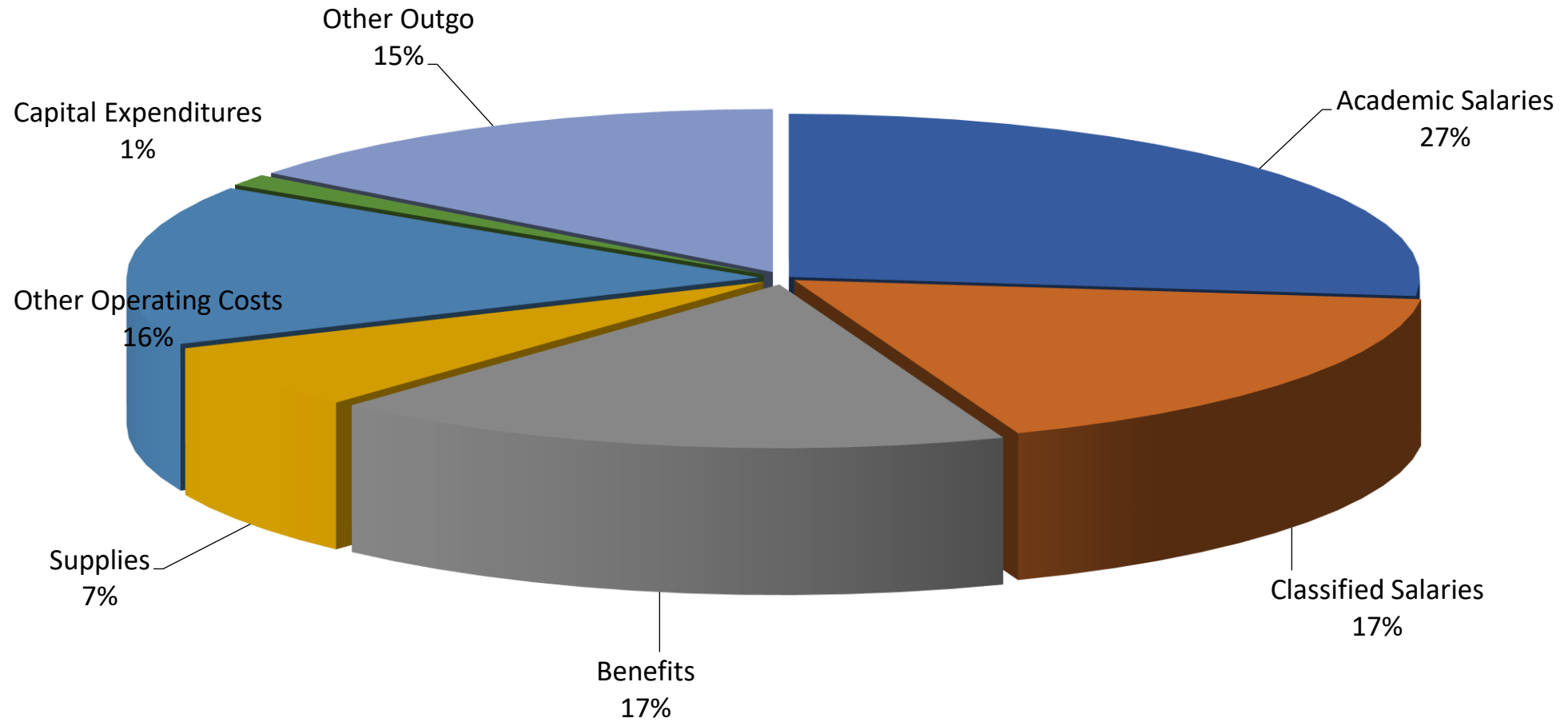
UNRESTRICTED GENERAL FUND		2024-2025 Tentative Budget
<b>BEGINNING FUND BALANCE</b>		63,742,524
<b>TOTAL REVENUE</b>		<b>106,257,627</b>
<b>REVENUE PLUS BEGINNING FUND BALANCE</b>		<b>170,000,152</b>
<b>EXPENDITURES</b>		
1100-1400	Academic Salaries	39,108,591
2100-2400	Classified Salaries	21,952,551
3100-3800	Employee Benefits	24,440,705
4100-4700	Supplies	2,398,903
5100-5800	Other Operating Costs	16,545,220
6100-6700	Capital Expenditures	814,066
<b>Total Expenditures</b>		<b>105,260,036</b>
7100-7900	Other Outgo	548,726
<b>Total Expenditures &amp; Other Outgo</b>		<b>105,808,762</b>
Surplus/(Deficit)		448,865
<b>Ending Fund Balance</b>		<b>64,191,390</b>
<b>ASSIGNMENTS</b>		
<i>Assigned Aside for Categorical Salaries + Benefits</i>		(500,000)
<i>Capital Projects Protection</i>		(12,000,000)
<i>DEI Initiatives &amp; Training</i>		(500,000)
<i>IT Phone Replacement</i>		(2,000,000)
<i>IT Refresh</i>		(3,000,000)
<i>Leave Payoff</i>		(1,000,000)
<i>Cafeteria Support</i>		(350,000)
<i>Professional Development</i>		(50,000)
<i>Reserve for Emergencies (AP 6305)</i>		(500,000)
<i>Reserve for Pension Stabilization (BP 6250)</i>		(7,300,000)
<i>Schedule Maintenance Reserve - 1%</i>		(943,494)
<i>Supplemental Protection</i>		(5,000,000)
<i>Resource Allocation - One-Time</i>		(1,530,026)
<b>Unassigned Ending Fund Balance</b>		<b>29,517,869</b>

# GENERAL FUND 2024-25 TENTATIVE BUDGET REVENUE





# GENERAL FUND 2024-25 TENTATIVE BUDGET EXPENDITURES



# 2024-25 TENTATIVE BUDGET

2024-2025 TENTATIVE BUDGET										
Fund	Name	Beginning Balance	Revenue	Expenditures	Ending Balance	Assigned Reserves	Surplus/ (Deficit)	Unrestricted Balance After Assignments	Reserve	% of Overall Budget
	General Fund									
10	Unrestricted	63,742,524	106,257,627	105,808,762	64,191,390	(34,673,520)	448,865	29,517,869	31%	37%
12 (13 & 14)	Restricted	2,349,541	55,392,249	55,406,172	2,335,618		(13,923)			19%
21	Bond Interest & Redemption	15,135,950	19,670,078	18,197,226	16,608,802		1,472,852			6%
33	Child Development Center	653,068	1,130,345	1,130,345	653,067		(0)			0%
41	Capital Outlay Fund	25,155,593	3,383,081	7,663,509	20,875,165		(4,280,428)			3%
42	Revenue Bond Construction	39,237,458	52,384,247	55,434,174	36,187,531		(3,049,927)			19%
52	Cafeteria	259,595	852,000	660,145	451,450		191,855			0%
72	Student Rep	408,412	60,000	60,000	408,412		-			0%
74	Financial Aid	3,195,661	41,571,000	41,431,000	3,335,661		140,000			14%
75	Scholarships & Loan	37,666	411,386	411,368	37,684		18			0%
<b>Antelope Valley College Budget</b>			<b>281,112,014</b>	<b>286,202,702</b>			<b>(5,090,688)</b>			<b>100%</b>

# AVC SERVES



Service  
Equity  
Resources  
Vision  
Education  
Success

## FY 2024-25 Outlook

Better Than It Could Have Been But Still Worrisome

- COLA 1.07%
- Potential For Deferrals
- Negotiated Salary Increase of 4%
- Increasing Operational Costs
  - Inflation shows no sign of slowing down
- Ending Fund Balance Provides Short-Term Stability
  - Can't use one-time dollars to fix an ongoing challenge
- Strategic Reductions in Operating Expenses Should be Considered

# Questions?