

Budget Updates/Report for AS Meeting 2/23/2021

1. For FY20-21 (current FY): As of Nov/Dec of 2020, State's General Fund receipts (income tax, sales tax...) have been higher than forecast ⇒ good; less likely that California Community Colleges (CCC) would get cuts. Legislative Analyst's Office (LAO)/State may propose to use any new \$\$ to K-14, due to higher State General Fund revenue, to pay down budget deferrals a few months at a time, pay for 21-22 COLA (which is 1.4%), pay down future pension cost increase (2% & 4%). Any new \$\$ to districts would be one-time.

Take home message: COLA is still at 0% for FY20-21, but budget likely won't get worse for districts.

2. FY 21-22 Budget Proposal (January draft): For K-14, one-time \$\$ to incentivize in-person instruction (~\$2B) and additional academic support for disadvantaged groups (~4.6B)
3. \$900 Billion COVID Relief bill: RSCCD gets ~\$14 million, SAC's portion is \$..... This is one-time \$\$ with deadlines.
4. RSCCD is doing a 2nd Supplemental Retirement Plan (SRP). Savings from SRP goes into a reserve account to deal with any potential fiscal crisis when Hold Harmless (HH) is over
5. BAM: SAC/SCC Revenue split

Background: as of now, district is "below/in" HH, and likely to be still

Option 1: Split left-over \$\$ using percentages in 17-18 throughout the HH period.

Option 2: Split percentages of SAC & SCC are calculated each year based on metrics (FTES, Supplemental & Success) and left over \$\$ is split using these percentages.

This topic is in discussion at FRC and a workgroup is proposed to form to discuss more about the 2 options as well as to potentially consider another option that both campuses can agree.

6. At the last FRC meeting in February, Budget Assumptions for FY21-22 was reviewed, discussed and approved. This allows the Tentative Budget for FY21-22 to be built once the Governor's Budget revised in May is released.

Respectfully submitted,

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