

2023-2024
District Budget Advisory Committee (DBAC)

Meeting Agenda - Tuesday, May 28, 2024

Location: Via Zoom

<https://fhda-edu.zoom.us/j/88387003050?pwd=BptXFfYaix9u7dkT6dsZsQjIJXuqDX.1>

Time: 1:30-3:00 p.m.

Note Taker: Trena O'Connor

	Agenda Topic	Discussion Leader
1:30-1:45	2023-2024 DRAFT Third Quarter Report	Cheu/Puentes-Griffith
1:45-2:15	Review Governor's 2024-25 May Revision	Cheu
2:15-2:45	District Financial Health	Cheu
2:45-3:00	Other	All
Handouts:	DRAFT Third Quarter Report Governor's 2024-25 May Revision Budget Summary 05/15/2024 Joint Analysis Governor's 2024-25 May Revision link to Governor's Full Summary: https://ebudget.ca.gov/budget/2024-25MR/#!/BudgetSummary District Financial Health (follow-up to 04/30/24 Budget Town Hall)	



2023-24

**THIRD QUARTER
REPORT**

DRAFT

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

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Director, Budget Operations

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2023-24
Third Quarter Report
SUMMARY OF MAJOR CHANGES

The district has completed its financial analysis for the third quarter of operations (January 1, 2024, through March 31, 2024). This summary reports changes based on the budget and actual financial information for all the funds the district maintains as authorized by the California Education Code. Also included is the Quarterly Financial Report (CCFS-311) as of March 31, 2024.

Unrestricted General Fund

Enrollment

Under the 2023-24 Adopted Budget assumptions, we anticipated serving 22,412 resident and nonresident full-time equivalent students (FTES) which was the same level as in the prior year. This number reflected estimated resident enrollment of 20,325 FTES and nonresident enrollment of 2,087 FTES. Based on trends seen for the summer, fall and winter quarters, the District is experiencing a slight enrollment increase. The recently filed P2 Enrollment Report projected resident FTES at 21,576 and nonresident at 2,424 totaling 24,000 for an overall increase of 7.1% over last year.

Nonresident Revenue

Nonresident revenue was originally budgeted at \$19.1 million or \$3.6 million more than the previous fiscal year's Adopted Budget of \$15.5 million.

- Compared to the previous year, the total number of units enrolled is approximately 18% higher.
- As a result of the above, the year-end revenue projections are almost solidified at a \$4.5 million increase over the 2023-24 adopted budget. This increase was already incorporated into the budget projections for the second quarter report.
- Due to the recent revenue variability and dependence on international events such as visa availabilities, it is prudent to continue to deem this revenue source as at-risk and apply any surpluses to reserves or temporary/one-time expenditures or projects which can be easily eliminated or phased-out. Given our experience with how quickly the nonresident revenue can fluctuate, it is very risky to support recurring ongoing expenditures with this revenue source.
- District staff recommended in the 2023-24 Adopted Budget plan that any surpluses in the 2023-24 year be allocated to the Stability Fund to prepare for both the 2025-26 anticipated cessation of state COLA revenue increases and the State Chancellor's Office Fiscal Forward recommendation that districts maintain two months of General Fund operational expenses as a reserve. Current recommended operational reserve estimates for the district range between \$36

million and \$42 million, depending on how the two months of General Fund operating expenses is defined.

Other Revenue

Interest income is projected to be \$1.6 million over the adopted budget amount, which is a result of the current higher interest rate environment.

Expenditures

Following are the key projections based on data available for the various expense categories in the third quarter:

- \$960,000 overbudget in certificated salaries category. The overbudget projection is due to an increase in projected part-time faculty costs offset by the savings from full-time vacancies.
- \$1.27 million underbudget from vacancies in the classified category.
- A net of \$1.2 million overbudget in benefits, which is the net result of several factors including the benefits related to the above mentioned increase in projected part-time faculty salaries, an overall increase in all employee medical benefits costs, less savings in benefits from vacancies. The total impact of ongoing medical benefits increases will continue to be monitored and evaluated in the coming quarters as the recently negotiated rates took effect with the start of the 2024 calendar year.
- \$3.1 million in savings for the activity in supplies, operating and capital expense categories.

Fund Balance

At the third quarter, the projected ending fund balance is \$36.9 million, of which:

- \$7.4 million is in campus and district-wide carryforwards,
- \$1.8 million in encumbrances,
- \$2.4 million in the District Enrollment Management Committee Reserve,
- \$1.5 million in Full-Time Faculty Hiring Funds Support, and
- \$11.4 million in the recommended general reserve.

After these items, the projected Stability Fund Balance is \$12.4 million.

As noted previously, increasing the Stability Fund needs to be a district priority due to the anticipated revenue plateau transition from Hold Harmless to being fully funded under the Student-Centered Funding Formula (SCFF) revenue allocation beginning in 2025-26. Under the current legislation, the District would not receive state COLA revenue increases until its FTES and other SCFF metrics, as calculated at the applicable year's rates, match the final amount it will be receiving under Hold Harmless in 2024-25. This situation could leave the District without an ongoing revenue source to support mandatory annual increases that have already been negotiated, as well as any new operational costs.

Given the economic uncertainty affecting the California State budget, it is also likely that there will be little to no cost-of-living increase allocated to the 2024-25 state budget. This circumstance makes it increasingly critical for the District to continue to manage its ongoing expenses to prepare for what appear to be fiscally lean years in the future. In addition, careful use of any nonresident revenue increases and other budget savings should be directed toward building the stability fund to allow for more flexibility in dealing with future fiscal issues during the upcoming revenue plateau period.

Table 1

**Summary of Net Change
Projected Fund Balance and Carryforwards**

Projected Revenue vs. Projected Expenses	
Beginning Balance, July 1, 2023	\$ 31,432,969
Revenue	\$ 233,223,838
Expenses and Transfers Out	(227,756,091)
Net Change in Fund Balance (Projected)	\$ 5,467,748
Projected Net Fund Balance, June 30, 2024	\$ 36,900,717

Fund Balance Allocation	\$ 36,900,717
Less: "B" Budget Carryforwards (Designated)	
Foothill "B"	\$ (4,200,000)
De Anza "B"	0
Central Services "B"	(2,800,000)
	\$ (7,000,000)
Less: Districtwide "A" Carryforwards (Restricted)	\$ (410,000)
Less: Encumbrance Carryforwards (Designated)	\$ (1,800,000)
Less: DEMC (Part-Time Faculty Balance)	\$ (2,382,557)
Less: Full-Time Faculty Hiring Funds Support	\$ (1,540,000)
Less: Adopted Budget Reserves @ 5% (Restricted)	\$ (11,387,805)
Projected Stability Fund Balance, June 30, 2024	\$ 12,380,355

Note: DEMC - District Enrollment Management Committee

Table 2

Analysis of FTES

19-20 P Annual	Resident Credit	Non- Credit	Total Apportionment	Non- Resident	Total
De Anza	13,441	6	13,446	2,468	15,914
Foothill	9,262	333	9,595	1,160	10,755
Total	22,703	339	23,042	3,628	26,669

20-21 P Annual	Resident Credit	Non- Credit	Total Apportionment	Non- Resident	Total
De Anza	14,202	27	14,229	1,797	16,026
Foothill	9,081	295	9,376	819	10,195
Total	23,283	322	23,605	2,616	26,221

21-22 Recal	Resident Credit	Non- Credit	Total Apportionment	Non- Resident	Total
De Anza	12,851	78	12,929	1,363	14,292
Foothill	7,567	249	7,816	628	8,444
Total	20,418	328	20,746	1,990	22,736

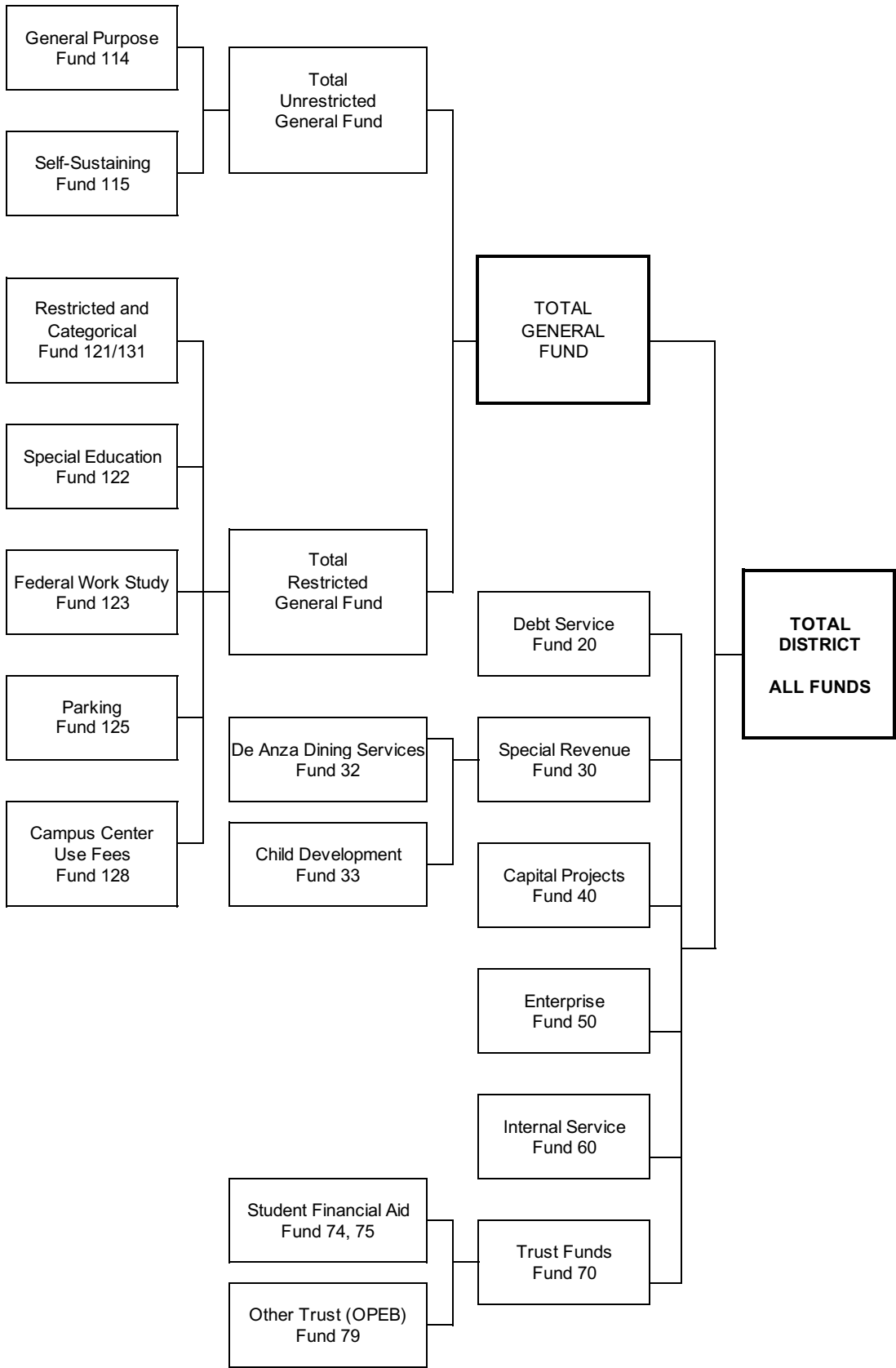
22-23 P Annual	Resident Credit	Non- Credit	Total Apportionment	Non- Resident	Total
De Anza	12,430	248	12,679	1,428	14,107
Foothill	7,402	245	7,647	659	8,306
Total	19,832	493	20,325	2,087	22,412

23-24 P1	Resident Credit	Non- Credit	Total Apportionment	Non- Resident	Total
De Anza	12,462	138	12,600	1,521	14,121
Foothill	7,971	286	8,257	717	8,975
Total	20,433	424	20,857	2,239	23,096

23-24 P2	Resident Credit	Non- Credit	Total Apportionment	Non- Resident	Total
De Anza	13,250	186	13,436	1,709	15,145
Foothill	7,895	245	8,141	715	8,855
Total	21,145	431	21,576	2,424	24,000

23-24 P2 compared to 22-23 P Annual	1,251	337	1,588
%	6.2%	16.1%	7.1%

ALL FUNDS CHART



FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**2023-24
General Funds Summary
Year-End Projections**

	General Fund 114	Self-Sustaining Fund 115	Total Unrestricted General Fund	Restricted & Categorical Fund 121/131	Special Educ. Fund 122	Federal Work Study Fund 123	Parking Fund 125	Campus Center Fund 128	Total Restricted General Fund	TOTAL GENERAL FUND
REVENUE										
Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 1,651,388	\$ 0	\$ 434,252	\$ 0	\$ 0	\$ 2,085,640	\$ 2,085,640
State Revenue	48,589,515	5,142,028	53,731,543	52,548,136	4,584,436	0	0	0	57,132,572	110,864,115
Local Revenue	184,634,323	6,427,724	191,062,048	2,508,248	0	0	5,000	1,564,616	4,077,864	195,139,912
TOTAL REVENUE	\$ 233,223,838	\$ 11,569,752	\$ 244,793,591	\$ 56,707,772	\$ 4,584,436	\$ 434,252	\$ 5,000	\$ 1,564,616	\$ 63,296,076	\$ 308,089,667
EXPENSES										
Certificated Salaries	\$ 95,150,000	\$ 850,823	\$ 96,000,823	\$ 9,945,633	\$ 3,370,290	\$ 0	\$ 0	\$ 84,627	\$ 13,400,550	\$ 109,401,373
Classified Salaries	43,200,000	2,661,857	45,861,857	13,236,089	2,789,771	579,003	930,000	860,244	18,395,107	64,256,964
Employee Benefits	59,500,000	1,380,143	60,880,143	8,454,939	2,262,295	0	265,000	466,318	11,448,552	72,328,695
Materials and Supplies	2,500,000	369,650	2,869,650	3,022,111	38,930	0	0	45,000	3,106,041	5,975,691
Operating Expenses	18,900,000	3,596,521	22,496,521	12,254,061	153,019	0	76,562	200,000	12,683,642	35,180,163
Capital Outlay	1,600,000	535,000	2,135,000	5,242,814	23,710	0	0	10,000	5,276,524	7,411,524
TOTAL EXPENSES	\$ 220,850,000	\$ 9,393,994	\$ 230,243,994	\$ 52,155,647	\$ 8,638,014	\$ 579,003	\$ 1,271,562	\$ 1,666,190	\$ 64,310,416	\$ 294,554,410
TRANSFERS AND OTHER										
Transfers-in	\$ 1,506,427	\$ 0	\$ 1,506,427	\$ 0	\$ 4,046,612	\$ 144,751	\$ 1,266,562	\$ 0	\$ 5,457,925	\$ 6,964,352
Other Sources	0	0	0	0	0	0	0	0	0	0
Intrafund Transfers	45,407	(45,407)	0	0	0	0	0	0	0	0
Transfers-out	(8,457,925)	0	(8,457,925)	(2,283,625)	0	0	0	0	(2,283,625)	(10,741,550)
Contingency	0	0	0	0	0	0	0	0	0	0
Other Outgo	0	0	0	(4,552,125)	0	0	0	0	(4,552,125)	(4,552,125)
TOTAL TRANSFERS/OTHER SOURCES	\$ (6,906,091)	\$ (45,407)	\$ (6,951,498)	\$ (6,835,750)	\$ 4,046,612	\$ 144,751	\$ 1,266,562	\$ 0	\$ (1,377,825)	\$ (8,329,323)
FUND BALANCE										
Net Change in Fund Balance	\$ 5,467,748	\$ 2,130,350	\$ 7,598,098	\$ (2,283,625)	\$ (6,966)	\$ 0	\$ 0	\$ (101,573)	\$ (2,392,164)	\$ 5,205,934
Beginning Balance, July 1	31,432,969	18,738,571	50,171,540	29,735,964	6,966	0	0	1,108,839	30,851,769	81,023,308
Adjustments to Beginning Balance	0	0	0	0	0	0	0	0	0	0
NET FUND BALANCE, June 30	\$ 36,900,716	\$ 20,868,921	\$ 57,769,638	\$ 27,452,339	\$ 0	\$ 0	\$ 0	\$ 1,007,266	\$ 28,459,605	\$ 86,229,242

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**2023-24
All Funds Summary
Year-End Projections**

	TOTAL GENERAL FUND	Debt Service Fund 20	De Anza Dining Services Fund 32	Child Development Fund 33	Capital Projects Fund 40	Enterprise Funds	Student Financial Aid Fund 74, 75	Other Trust (OPEB) Fund 79	TOTAL DISTRICT ALL FUNDS	Internal Service Fund 60
REVENUE										
Federal Revenue	\$ 2,085,640	\$ 0	\$ 0	\$ 120,000	\$ 0	\$ 0	\$ 20,219,355	\$ 0	\$ 22,424,995	\$ 0
State Revenue	110,864,115	0	0	1,215,949	13,066,398	0	9,766,136	0	134,912,598	0
Local Revenue	195,139,912	68,932,035	909,247	2,192,345	1,312,216	0	1,171,000	0	269,656,755	72,317,294
TOTAL REVENUE	\$ 308,089,667	\$ 68,932,035	\$ 909,247	\$ 3,528,294	\$ 14,378,614	\$ 0	\$ 31,156,491	\$ 0	\$ 426,994,348	\$ 72,317,294
EXPENSES										
Certificated Salaries	109,401,373	0	0	516,210	0	0	0	0	109,917,583	0
Classified Salaries	64,256,964	0	830,284	1,479,424	1,369,433	0	0	0	67,936,104	0
Employee Benefits	72,328,695	0	359,098	823,944	652,474	0	0	0	74,164,211	73,817,294
Materials and Supplies	5,975,691	0	61,036	220,000	0	0	2,964	0	6,259,691	0
Operating Expenses	35,180,163	0	456,412	73,208	12,636,669	0	1,169,161	0	49,515,613	0
Capital Outlay	7,411,524	0	0	1,792	23,718,856	0	0	0	31,132,172	0
TOTAL EXPENSES	\$ 294,554,410	\$ 0	\$ 1,706,830	\$ 3,114,578	\$ 38,377,431	\$ 0	\$ 1,172,125	\$ 0	\$ 338,925,374	\$ 73,817,294
TRANSFERS AND OTHER										
Transfers-in	\$ 6,964,352	\$ 0	\$ 0	\$ 0	\$ 2,200,000	\$ 0	\$ 83,625	\$ 1,500,000	\$ 10,747,977	\$ 1,500,000
Other Sources	0	0	0	0	0	0	0	0	0	0
Intrafund Transfers	0	0	0	0	0	0	0	0	0	0
Transfers-out	(10,741,550)	0	0	0	(1,506,427)	0	0	0	(12,247,977)	0
Contingency	0	0	0	0	0	0	0	0	0	0
Other Outgo	(4,552,125)	(68,932,035)	0	0	0	0	(30,067,991)	0	(103,552,151)	0
TOTAL TRANSFERS/OTHER SOURCES	\$ (8,329,323)	\$ (68,932,035)	\$ 0	\$ 0	\$ 693,573	\$ 0	\$ (29,984,366)	\$ 1,500,000	\$ (105,052,151)	\$ 1,500,000
FUND BALANCE										
Net Change in Fund Balance	\$ 5,205,934	\$ 0	\$ (797,583)	\$ 413,716	\$ (23,305,244)	\$ 0	\$ 0	\$ 1,500,000	\$ (16,983,176)	\$ 0
Beginning Balance, July 1	81,023,308	67,665,585	1,954,323	3,243,969	106,806,764	1,801,399	15,026	33,831,780	296,342,154	5,345,599
Adjustments to Beginning Balance	0	0	0	0	0	0	0	0	0	0
NET FUND BALANCE, June 30	\$ 86,229,242	\$ 67,665,585	\$ 1,156,740	\$ 3,657,685	\$ 83,501,520	\$ 1,801,399	\$ 15,026	\$ 35,331,780	\$ 279,358,978	\$ 5,345,599

RECONCILIATION OF INTER- AND INTRA-FUND TRANSFERS PROJECTED FOR 6-30-24

TO

	Unrestricted General Funds		Restricted General Funds					All Other Funds								Total
	General 114	Self-Sustaining 115	Categorical 121/131	Special Education 122	Fed. Work Study 123	Parking 125	Campus Ctr Use Fees 128	Debt Service 20	De Anza Dining Svcs 32	Child Developmt 33	Capital Projects 40	Enterprise Funds	Internal Service 60	Financial Aid 74/75	Other Trust (OPEB) 79	
Fund 114		4,593		4,046,612	144,751	1,266,562							1,500,000		1,500,000	8,462,518
Fund 115	50,000															50,000
Fund 121/131											2,200,000			83,625		2,283,625
Fund 122																0
Fund 123																0
Fund 125																0
Fund 128																0
Fund 20																0
Fund 32																0
Fund 33																0
Fund 40	1,506,427															1,506,427
Enterprise																0
Fund 60																0
Fund 74/75																0
Fund 79																0
Total	1,556,427	4,593	0	4,046,612	144,751	1,266,562	0	0	0	0	2,200,000	0	1,500,000	83,625	1,500,000	12,302,570

Inter-Fund Transfers:

Fund 114 to 122: 4,046,612 for Special Ed match
Fund 114 to 123: 144,751 for Federal Work Study match
Fund 114 to 125: 1,266,562 to offset Parking Fund operating deficit
Fund 114 to 60: 1,500,000 to support Internal Service Fund
Fund 114 to 79: 1,500,000 for 2023-2024 OPEB Liability

Fund 121/131 to 40: 2,200,000 from COVID BlockGrant to CP-D120
Fund 121/131 to 74/75: 1,125 for scholarships
 82,500 for student grant in aid
Fund 40 to 114: 1,416,427 to support De Anza college's B Budget
 90,000 from DA Facilities/Equipment Maintenance to support DA Grounds

Intra-Fund Transfers (Between Unrestricted General Funds):

Fund 115 to 114: 50,000 for Foothill commencement
Fund 114 to 115: 4,593 from FH Theatre Arts to Comm Ed

Intra-Fund Transfers (Between Restricted General Funds):

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**2023-24
General Funds Summary
Actuals to Date**

	General Fund 114	Self-Sustaining Fund 115	Total Unrestricted General Fund	Restricted & Categorical Fund 121/131	Special Educ. Fund 122	Federal Work Study Fund 123	Parking Fund 125	Campus Center Fund 128	Total Restricted General Fund	TOTAL GENERAL FUND
REVENUE										
Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 536,319	\$ 0	\$ 151,035	\$ 0	\$ 0	\$ 687,354	\$ 687,354
State Revenue	30,681,620	4,157,878	34,839,498	64,644,012	3,517,097	0	0	0	68,161,109	103,000,606
Local Revenue	154,959,069	6,101,345	161,060,414	2,792,691	0	0	4,313	1,564,616	4,361,619	165,422,033
TOTAL REVENUE	\$ 185,640,689	\$ 10,259,222	\$ 195,899,911	\$ 67,973,021	\$ 3,517,097	\$ 151,035	\$ 4,313	\$ 1,564,616	\$ 73,210,082	\$ 269,109,993
EXPENSES										
Certificated Salaries	\$ 68,378,903	\$ 666,926	\$ 69,045,830	\$ 7,389,582	\$ 2,373,116	\$ 0	\$ 0	\$ 60,448	\$ 9,823,146	\$ 78,868,976
Classified Salaries	32,270,135	2,023,070	34,293,205	9,511,930	1,977,434	238,065	694,622	660,472	13,082,523	47,375,728
Employee Benefits	40,149,007	882,655	41,031,663	6,345,291	1,699,612	0	197,216	368,935	8,611,054	49,642,717
Materials and Supplies	1,785,776	198,294	1,984,070	1,359,699	29,197	0	0	9,037	1,397,933	3,382,003
Operating Expenses	13,254,322	2,649,637	15,903,959	7,277,101	121,402	0	15,147	136,453	7,550,103	23,454,062
Capital Outlay	1,289,021	176,417	1,465,438	1,024,343	17,782	0	0	2,197	1,044,323	2,509,761
TOTAL EXPENSES	\$ 157,127,165	\$ 6,597,000	\$ 163,724,164	\$ 32,907,946	\$ 6,218,543	\$ 238,065	\$ 906,985	\$ 1,237,543	\$ 41,509,082	\$ 205,233,246
TRANSFERS AND OTHER										
Transfers-in	\$ 1,506,427	\$ 0	\$ 1,506,427	\$ 0	\$ 0	\$ 50,345	\$ 0	\$ 0	\$ 50,345	\$ 1,556,772
Other Sources	0	0	0	0	0	0	0	0	0	0
Intrafund Transfers	45,407	(45,407)	0	0	0	0	0	0	0	0
Transfers-out	(1,550,345)	0	(1,550,345)	(2,283,625)	0	0	0	0	(2,283,625)	(3,833,970)
Contingency	0	0	0	0	0	0	0	0	0	0
Other Outgo	0	0	0	(4,552,125)	0	0	0	0	(4,552,125)	(4,552,125)
TOTAL TRANSFERS/OTHER SOURCES	\$ 1,489	\$ (45,407)	\$ (43,918)	\$ (6,835,750)	\$ 0	\$ 50,345	\$ 0	\$ 0	\$ (6,785,405)	\$ (6,829,323)
FUND BALANCE										
Net Change in Fund Balance	\$ 28,515,014	\$ 3,616,815	\$ 32,131,829	\$ 28,229,325	\$ (2,701,446)	\$ (36,686)	\$ (902,672)	\$ 327,074	\$ 24,915,595	\$ 57,047,424
Beginning Balance, July 1	31,432,969	18,738,571	50,171,540	29,735,964	6,966	0	0	1,108,839	30,851,769	81,023,309
Adjustments to Beginning Balance	0	0	0	0	0	0	0	0	0	0
NET FUND BALANCE, June 30	\$ 59,947,983	\$ 22,355,386	\$ 82,303,369	\$ 57,965,289	\$ (2,694,480)	\$ (36,686)	\$ (902,672)	\$ 1,435,913	\$ 55,767,363	\$ 138,070,733

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**2023-24
All Funds Summary
Actuals to Date**

REVENUE	TOTAL GENERAL FUND	Debt Service Fund 20	De Anza Dining Services Fund 32	Child Development Fund 33	Capital Projects Fund 40	Enterprise Funds	Student Financial Aid Fund 74, 75	Other Trust (OPEB) Fund 79	TOTAL DISTRICT ALL FUNDS	Internal Service Fund 60
Federal Revenue	\$ 687,354	\$ 0	\$ 0	\$ 100,629	\$ 0	\$ 0	\$ 16,729,695	\$ 0	\$ 17,517,678	\$ 0
State Revenue	103,000,606	0	0	1,215,949	13,037,448	0	15,202,748	0	132,456,751	0
Local Revenue	165,422,033	40,552,465	681,935	1,500,990	1,365,078	0	524,735	0	210,047,236	54,741,225
TOTAL REVENUE	\$ 269,109,993	\$ 40,552,465	\$ 681,935	\$ 2,817,568	\$ 14,402,526	\$ 0	\$ 32,457,178	\$ 0	\$ 360,021,666	\$ 54,741,225
EXPENSES										
Cost of Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Certificated Salaries	78,868,976	0	0	172,156	0	0	0	0	79,041,132	0
Classified Salaries	47,375,728	0	622,713	1,180,936	492,545	0	0	0	49,671,922	0
Employee Benefits	49,642,717	0	269,323	578,866	229,272	0	0	0	50,720,178	56,676,976
Materials and Supplies	3,382,003	0	54,666	119,071	0	0	2,964	0	3,558,703	0
Operating Expenses	23,454,062	0	333,420	13,645	4,947,644	0	518,045	0	29,266,817	0
Capital Outlay	2,509,761	0	0	1,792	7,679,973	0	0	0	10,191,526	0
TOTAL EXPENSES	\$ 205,233,246	\$ 0	\$ 1,280,122	\$ 2,066,467	\$ 13,349,434	\$ 0	\$ 521,010	\$ 0	\$ 222,450,279	\$ 56,676,976
TRANSFERS AND OTHER										
Transfers-in	\$ 1,556,772	\$ 0	\$ 0	\$ 0	\$ 2,200,000	\$ 0	\$ 83,625	\$ 1,500,000	\$ 5,340,397	\$ 0
Other Sources	0	0	0	0	0	0	0	0	0	0
Intrafund Transfers	0	0	0	0	0	0	0	0	0	0
Transfers-out	(3,833,970)	0	0	0	(1,506,427)	0	0	0	(5,340,397)	0
Contingency	0	0	0	0	0	0	0	0	0	0
Other Outgo	(4,552,125)	(68,912,151)	0	0	0	0	(21,060,559)	0	(94,524,835)	0
TOTAL TRANSFERS/OTHER SOURCES	\$ (6,829,323)	\$ (68,912,151)	\$ 0	\$ 0	\$ 693,573	\$ 0	\$ (20,976,934)	\$ 1,500,000	\$ (94,524,835)	\$ 0
FUND BALANCE										
Net Change in Fund Balance	\$ 57,047,424	\$ (28,359,686)	\$ (598,187)	\$ 751,101	\$ 1,746,665	\$ 0	\$ 10,959,235	\$ 1,500,000	\$ 43,046,552	\$ (1,935,751)
Beginning Balance, July 1	81,023,309	67,665,585	1,954,323	3,243,969	106,806,764	1,801,399	15,026	33,831,780	296,342,154	5,345,599
Adjustments to Beginning Balance	0	0	0	0	0	0	0	0	0	0
NET FUND BALANCE, June 30	\$ 138,070,733	\$ 39,305,899	\$ 1,356,135	\$ 3,995,070	\$ 108,553,429	\$ 1,801,399	\$ 10,974,261	\$ 35,331,780	\$ 339,388,706	\$ 3,409,848

RECONCILIATION OF INTER- AND INTRA-FUND TRANSFERS AS OF 03-31-24

TO

	Unrestricted General Funds		Restricted General Funds					All Other Funds								
Fund	General 114	Self-Sustaining 115	Categorical 121/131	Special Education 122	Fed. Work Study 123	Parking 125	Campus Ctr Use Fees 128	Debt Service 20	De Anza Dining Svcs 32	Child Developmt 33	Capital Projects 40	Enterprise Funds	Internal Service 60	Financial Aid 74/75	Other Trust (OPEB) 79	Total
114					50,345										1,500,000	1,550,345
115																0
121/131											2,200,000			83,625		2,283,625
122																0
123																0
125																0
128																0
20																0
32																0
33																0
40	1,506,427															1,506,427
Enterprise																0
60																0
74/75																0
79																0
Total	1,506,427	0	0	0	50,345	0	0	0	0	0	2,200,000	0	0	83,625	1,500,000	5,340,397

Inter-Fund Transfers:

Fund 114 to 123: 50,345 for Federal Work Study match
Fund 114 to 79: 1,500,000 for 2023-24 OPEB Liability
Fund 121/131 to 40: 2,200,000 from COVID BlockGrant to CP-D120
Fund 40 to 114: 1,416,427 to support De Anza college's B Budget
 90,000 from DA Facilities/Equipment Maintenance to support DA Grounds

Fund 121/131 to 74/75: 1,125 For scholarships
 82,500 for student grant in aid

 **Intra-Fund Transfers (Between Unrestricted General Funds):**

 **Intra-Fund Transfers (Between Restricted General Funds):**

Foothill-De Anza Community College District

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FUND 114 - GENERAL PURPOSE

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	48,589,515	48,589,515	30,681,620	63%	48,589,515	0
Local Revenue	178,361,000	178,434,323	154,959,069	87%	184,634,323	(6,200,000)
TOTAL REVENUE	\$ 226,950,515	\$ 227,023,838	\$ 185,640,689	82%	\$ 233,223,838	\$ (6,200,000)

EXPENSES						
Certificated Salaries	\$ 93,780,152	\$ 94,185,385	\$ 68,378,903	73%	\$ 95,150,000	\$ (964,615)
Classified Salaries	44,549,144	44,475,103	32,270,135	73%	43,200,000	1,275,103
Employee Benefits	58,258,037	58,289,243	40,149,007	69%	59,500,000	(1,210,757)
Materials and Supplies	2,593,330	2,633,674	1,785,776	68%	2,500,000	133,674
Operating Expenses	21,103,029	23,839,984	13,254,322	56%	18,900,000	4,939,984
Capital Outlay	388,852	791,988	1,289,021	163%	1,600,000	(808,012)
TOTAL EXPENSES	\$ 220,672,544	\$ 224,215,378	\$ 157,127,165	70%	\$ 220,850,000	\$ 3,365,378

TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 1,506,427	\$ 1,506,427	100%	\$ 1,506,427	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	50,000	45,407	45,407	100%	45,407	0
Transfers-out	(8,457,925)	(8,457,925)	(1,550,345)	18%	(8,457,925)	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ (8,407,925)	\$ (6,906,091)	\$ 1,489	0%	\$ (6,906,091)	\$ 0

FUND BALANCE						
Net Change in Fund Balance	\$ (2,129,954)	\$ (4,097,630)	\$ 28,515,014		\$ 5,467,748	\$ 9,565,378
Beginning Balance, July 1	31,432,969	31,432,969	31,432,969		31,432,969	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 29,303,015	\$ 27,335,339	\$ 59,947,983		\$ 36,900,717	\$ 9,565,378

SELF-SUSTAINING**Fund 115**

Self-Sustaining funds, as the name implies, counterbalance operating expenditures against the revenues generated from various instructional and non-instructional arrangements. Not all related costs are allocated to these programs but, for those expenses that are charged, the programs are expected to generate income or use accumulated balances to cover them. Although budgets are used as a means to forecast and control revenue and expenditure activity, spending is solely dependent upon their ability to generate sufficient revenue to adequately support such operations.

Most accounts within this group have residual funds, and excess revenues over expenditures are available for use at the respective college's discretion. The residual funds are regarded as *designated* funds, which mean that, although the district regards them as restricted, they are actually *unrestricted* and are reported to the state as such. The Board of Trustees has the discretion to use the funds for any lawful purpose.

Current Status:

In the third quarter, changes to the Self-Sustaining Fund include an increase of \$70K in FH Campus local revenue and expenses due to a new Study Abroad Program – Cuba 2024.

Foothill-De Anza Community College District

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FUND 115 - SELF SUSTAINING

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	0
State Revenue	5,142,028	5,142,028	4,157,878	81%	5,142,028	0
Local Revenue	6,357,724	6,427,724	6,101,345	95%	6,427,724	0
TOTAL REVENUE	\$ 11,499,752	\$ 11,569,752	\$ 10,259,222	89%	\$ 11,569,752	\$ 0

EXPENSES						
Certificated Salaries	\$ 850,823	\$ 850,823	\$ 666,926	78%	\$ 850,823	\$ 0
Classified Salaries	2,661,857	2,661,857	2,023,070	76%	2,661,857	0
Employee Benefits	1,380,143	1,380,143	882,655	64%	1,380,143	0
Materials and Supplies	369,650	369,650	198,294	54%	369,650	0
Operating Expenses	3,521,928	3,596,521	2,649,637	74%	3,596,521	0
Capital Outlay	535,000	535,000	176,417	33%	535,000	0
TOTAL EXPENSES	\$ 9,319,402	\$ 9,393,994	\$ 6,597,000	70%	\$ 9,393,994	\$ 0

TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	(50,000)	(45,407)	(45,407)	100%	(45,407)	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ (50,000)	\$ (45,407)	\$ (45,407)	100%	\$ (45,407)	\$ 0

FUND BALANCE						
Net Change in Fund Balance	\$ 2,130,350	\$ 2,130,350	\$ 3,616,815		\$ 2,130,350	\$ 0
Beginning Balance, July 1	18,738,571	18,738,571	18,738,571		18,738,571	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 20,868,921	\$ 20,868,921	\$ 22,355,386		\$ 20,868,921	\$ 0

RESTRICTED and CATEGORICAL**Fund 121/131**

Restricted and Categorical Funds are those resources that come from federal, state, or local agencies. In general, funds received by categorical programs are restricted for a specific purpose. For fiscal year 2023-24, the district is budgeting \$1.65 million in federal, \$52.1 million in state, and \$2.3 million in local funding. The principal programs in the Restricted and Categorical Fund are as follows:

Perkins Career and Technical Education Act (CTEA): Federal funds administered by the state for technical education and improvement of career and technical programs. For fiscal year 2023-24, the allocation is \$963K.

Student Equity & Achievement (SSSP, Student Equity, & Basic Skills), Board Financial Assistance Program (BFAP), Staff Development, Staff Diversity, Extended Opportunity Programs and Services (EOPS), Cooperative Agencies Resources for Education (CARE), and CalWORKs: These programs target specific populations or services funded by the state. For fiscal year 2023-24 the district is expected to receive \$15.8 million in funding from the combined categorical programs.

Instructional Equipment and Library Materials (Block Grant): The district is budgeting \$6 million from carryforward in state funding to meet instructional equipment and library materials needs.

California Virtual Campus - Online Education Initiative (CVC-OEI) - formerly Online Education Initiative (OEI): The goal of the initiative is to increase the number of California students who obtain associate degrees and transfer to four-year universities by dramatically increasing the number of online classes available to community college students and providing those students with comprehensive support services to help them succeed. The original five-year OEI grant ended on June 30, 2018. The Chancellor's Office awarded the second five-year California Virtual Campus Online Education Initiative (CVC-OEI) grant to Foothill-De Anza Community College District in 2019. The CVC-OEI grant received \$20 million per year for five years which ended June 30, 2023. CVC-OEI received a third contract for 2 years totaling \$15M. For 2023-24 CVC-OEI is a budgeting \$10.8 million which includes \$1.6 million in 2022-23 carryforward.

Adult Education Block Grant: The Adult Education Block Grant Program provides adult education funding to county offices of education, school districts, and regional consortia to support Assembly Bill 86 specified programs. The intent of AB 86 is to expand and improve the provision of adult

education with incremental investments beginning with fiscal year 2015-16. The allocation for fiscal year 2023-24 is \$532K.

Strong Workforce Program: At the recommendation of the California Community College Board of Governors, the Governor and Legislature approved the Strong Workforce Program, adding a new annual recurring investment of \$200 million to spur career technical education (CTE). This was included in the 2016 Budget Trailer Bill and chaptered into California Ed Code 88820-88826. The purpose is to develop more workforce opportunities to lift low-wage workers into living-wage jobs, with the goal of creating one million more middle-skill workers. This program is grouped into seven areas targeting student success, career pathways, workforce data and outcomes, curriculum, CTE faculty, regional coordination, and funding, and builds upon existing regional partnerships formed in conjunction with the federal Workforce Innovation and Opportunity Act, state Adult Education Block Grant and public school CTE programs. The local allocation for fiscal year 2023-24 is \$2.75 million.

Guided Pathways: The 2022-23 California State Budget provided \$47.5 million in one-time grants for California community colleges with the district receiving \$759K. The Guided Pathways framework creates a highly structured approach to student success that provides all students with a set of clear course-taking patterns that promote better enrollment decisions and prepare the students for future success.

Health Services Fees: Health Services fees are set by the state, and we are mandated to provide a fixed level of services. These fees are collected from students and are restricted for the provision of health services for students.

California College Promise (AB19): Provides funding to help increase the number of high school students enrolling into California community colleges, the number of students successfully completing a career education goal or transferring, reducing, and eliminating achievement gaps. The district is receiving \$3.8 million in fiscal year 2023-24.

Mellon Scholars Grant: Funded by the Andrew W. Mellon Foundation. This grant was awarded to Foothill-De Anza in partnership with the University of San Francisco and was renewed for an additional four-year \$1.8 million grant from 2021 to 2024. These funds support selected underserved and underrepresented students, identified as Mellon Scholars, in the study of humanities with the ultimate goal of obtaining a four-year college degree.

Strengthening Institutions Programs (SIP): Awarded by the United States Department of Education under Title III. This \$2.25 million federal grant was awarded to De Anza College for five years from 2021 to 2026. The program helps eligible Institutions of Higher Education to become self-sufficient and expand their capacity to serve low-income students by providing funds to improve and strengthen the academic quality, institutional management, and fiscal stability of eligible institutions.

National Science Foundation: De Anza College's Design and Manufacturing Technologies Department (DMT) received \$525K of federal funding to be spent over a three-year period ending June 30, 2025. The Manufacturing Automation and Additive Design Excellence (MAADE) project builds on DMT's existing curriculum and industry partnerships to keep pace with technological advances and meet workforce demand for qualified CNC machinists, CAD designers, and additive manufacturing/3D printing technicians.

Basic Needs Center: This is ongoing state funding for the purpose of establishing an on-campus Basic Needs Center and designating at least one staff person as the Basic Needs Coordinator to provide holistic, comprehensive basic needs services and resources to students to support their successful matriculation through the California community colleges system and beyond. The allocation for fiscal year 2023-24 is \$800K.

Mental Health Program: Senate Bill 129 (Budget Act of 2021) includes \$30 million in ongoing local assistance funds to support expanding the availability of mental health services available to California community college students. The allocation for fiscal year 2023-24 is \$678K.

Retention and Enrollment Outreach: State funding to be used primarily to engage former community college students that may have withdrawn from college due to the impacts of COVID-19, as well as current community college students that may be hesitant to remain in college and prospective students that may be hesitant to enroll in a community college due to COVID-19. The allocation for fiscal year 2023-24 is \$797K.

Dream Resource Liaisons Support Funds: Established to ensure that each California Community College has a staff person designated as a Dreamer Resource Liaison, or UndocuLiaison, who is knowledgeable in available financial aid, social services, state-funded immigration legal services, internships, externships, and academic opportunities for all students meeting the requirements set forth in Section 68130.5, including undocumented students. The allocation for fiscal year 2023-24 is \$245K.

COVID Recovery Block Grant: The 2022-23 Budget Act included \$650 million one-time for block grants to districts to address issues related to the COVID-19 pandemic, including the mitigation of learning loss, student support efforts, reengagement strategies, professional development opportunities, technology investments, and health and safety measures. Foothill-De Anza has been allocated \$16.1 million over 5 years.

Mathematics, Engineering, Science Achievement (MESA) Program: Established over 40 years ago, the California Community College Mathematics, Engineering, Science Achievement (MESA) Programs help underserved and underrepresented students majoring in calculus-based STEM (Science, Technology, Engineering and Mathematics) fields who seek to transfer to a four-year institution. Foothill-De Anza has been allocated \$3.2 million over 6 years, ending on July 31, 2027.

Current Status:

In the third quarter, budget revisions to the Restricted and Categorical fund includes an increase of \$4.38M in state revenue due to new allocations from the Chancellor's Office for the Regional Strong Workforce Program (\$1.8M), Zero Text Book Collaboration Grant (\$275K), Student Food and Housing Support Phase III (\$728K), Student Transfer and Achievement Reform (\$1.1M), A2MEND (\$43K), and Adult Ed Healthcare Focused Pathways(\$434K), this comes with a corresponding increases to the operating expense category; a transfer out to the Financial Aid Fund for student grant in aid (\$82,500) and scholarships (\$1,125), with a decrease to the other outgo and operating expenses categories.

Foothill-De Anza Community College District

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FUND 121/131 - RESTRICTED and CATEGORICAL

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 1,651,388	\$ 1,651,388	\$ 536,319	32%	\$ 1,651,388	\$ 0
State Revenue	52,071,374	52,548,136	64,644,012	123%	52,548,136	0
Local Revenue	2,318,248	2,508,248	2,792,691	111%	2,508,248	0
TOTAL REVENUE	\$ 56,041,010	\$ 56,707,772	\$ 67,973,021	120%	\$ 56,707,772	\$ 0

EXPENSES						
Certificated Salaries	\$ 8,145,633	\$ 8,145,633	\$ 7,389,582	91%	\$ 9,945,633	\$ (1,800,000)
Classified Salaries	13,236,089	13,236,089	9,511,930	72%	13,236,089	0
Employee Benefits	8,454,939	8,454,939	6,345,291	75%	8,454,939	0
Materials and Supplies	3,447,111	3,022,111	1,359,699	45%	3,022,111	0
Operating Expenses	13,375,470	14,467,232	7,277,101	50%	12,254,061	2,213,171
Capital Outlay	5,242,814	5,242,814	1,024,343	20%	5,242,814	0
TOTAL EXPENSES	\$ 51,902,056	\$ 52,568,818	\$ 32,907,946	63%	\$ 52,155,647	\$ 413,171

TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	0	0	0	0%	0	0
Transfers-out	0	(2,283,625)	(2,283,625)	100%	(2,283,625)	0
Contingency	0	0	0	0%	0	0
Other Outgo	(4,138,954)	(4,138,954)	(4,552,125)	110%	(4,552,125)	413,171
TOTAL TRFs/OTHER SOURCES	\$ (4,138,954)	\$ (6,422,579)	\$ (6,835,750)	106%	\$ (6,835,750)	\$ 413,171

FUND BALANCE						
Net Change in Fund Balance	\$ 0	\$ (2,283,625)	\$ 28,229,325		\$ (2,283,625)	\$ 0
Beginning Balance, July 1	29,735,964	29,735,964	29,735,964		29,735,964	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 29,735,964	\$ 27,452,339	\$ 57,965,289		\$ 27,452,339	\$ 0

SPECIAL EDUCATION**Fund 122**

Special Education is a program mandated by *Title V* and is partially funded by a restricted categorical state fund, with the remaining balance covered by a transfer in from the General Purpose Fund. It provides services for students who have physical, developmental, or learning disabilities. Services include special classes, interpreters, on-campus assistance, test-taking assistance, computer-aided labs, and priority registration.

Current Status:

No change from Adopted Budget.

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FUND 122 - SPECIAL EDUCATION

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	4,584,436	4,584,436	3,517,097	77%	4,584,436	0
Local Revenue	0	0	0	0%	0	0
TOTAL REVENUE	\$ 4,584,436	\$ 4,584,436	\$ 3,517,097	77%	\$ 4,584,436	\$ 0

EXPENSES						
Certificated Salaries	\$ 3,370,290	\$ 3,370,290	\$ 2,373,116	70%	\$ 3,370,290	\$ 0
Classified Salaries	2,789,771	2,789,771	1,977,434	71%	2,789,771	0
Employee Benefits	2,262,295	2,262,295	1,699,612	75%	2,262,295	0
Materials and Supplies	11,000	11,000	29,197	265%	38,930	(27,930)
Operating Expenses	197,659	197,659	121,402	61%	153,019	44,640
Capital Outlay	7,000	7,000	17,782	254%	23,710	(16,710)
TOTAL EXPENSES	\$ 8,638,014	\$ 8,638,014	\$ 6,218,543	72%	\$ 8,638,014	\$ 0

TRANSFERS AND OTHER						
Transfers-in	\$ 4,046,612	\$ 4,046,612	\$ 0	0%	\$ 4,046,612	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 4,046,612	\$ 4,046,612	\$ 0	0%	\$ 4,046,612	\$ 0

FUND BALANCE						
Net Change in Fund Balance	\$ (6,966)	\$ (6,966)	\$ (2,701,446)		\$ (6,966)	\$ 0
Beginning Balance, July 1	6,966	6,966	6,966		6,966	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 0	\$ 0	\$ (2,694,480)		\$ 0	\$ 0

FEDERAL WORK STUDY**Fund 123**

Federal Work Study is a federal program providing financial aid to students in the form of compensation for work performed for on-campus and off-campus work. The district is required to contribute 25% of the total funds compensated to work-study employees. Beginning with the 2000-01 year, institutions were required to spend at least 7% of the work-study allocation to pay students performing community service work. De Anza has decided to take the waiver for the district match for fiscal year 2022-23.

Current Status:

No change from Adopted Budget.

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FUND 123 - FEDERAL WORK STUDY

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 434,252	\$ 434,252	\$ 151,035	35%	\$ 434,252	\$ 0
State Revenue	0	0	0	0%	0	0
Local Revenue	0	0	0	0%	0	0
TOTAL REVENUE	\$ 434,252	\$ 434,252	\$ 151,035	35%	\$ 434,252	\$ 0

EXPENSES						
Certificated Salaries	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Classified Salaries	579,003	579,003	238,065	41%	579,003	0
Employee Benefits	0	0	0	0%	0	0
Materials and Supplies	0	0	0	0%	0	0
Operating Expenses	0	0	0	0%	0	0
Capital Outlay	0	0	0	0%	0	0
TOTAL EXPENSES	\$ 579,003	\$ 579,003	\$ 238,065	41%	\$ 579,003	\$ 0

TRANSFERS AND OTHER						
Transfers-in	\$ 144,751	\$ 144,751	\$ 50,345	35%	\$ 144,751	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 144,751	\$ 144,751	\$ 50,345	35%	\$ 144,751	\$ 0

FUND BALANCE						
Net Change in Fund Balance	\$ 0	\$ 0	\$ (36,686)		\$ 0	\$ 0
Beginning Balance, July 1	0	0	0		0	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 0	\$ 0	\$ (36,686)		\$ 0	\$ 0

PARKING**Fund 125**

Fees from parking permits are governed by the state Education Code section 76360. This fund collects all revenues and expenses associated with providing parking services at both campuses. Revenues are derived from sales of parking decals, daily permits, and fees from special events. Expenditures are restricted by state law to road and parking lot maintenance, parking security costs, related operating overhead and public transportation for students and staff. Unlike the health fee, the parking fee does not rise automatically with the Consumer Price Index. This results in continued reductions to security services for parking and virtually no dollars available for parking lot maintenance.

Current Status:

No change from Adopted Budget.

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FUND 125 - PARKING

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	0	0	0	0%	0	0
Local Revenue	0	0	4,313	0%	5,000	(5,000)
TOTAL REVENUE	\$ 0	\$ 0	\$ 4,313	0%	\$ 5,000	\$ (5,000)

EXPENSES	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Certificated Salaries	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Classified Salaries	842,884	842,884	694,622	82%	930,000	(87,116)
Employee Benefits	333,678	333,678	197,216	59%	265,000	68,678
Materials and Supplies	0	0	0	0%	0	0
Operating Expenses	90,000	90,000	15,147	17%	76,562	13,438
Capital Outlay	0	0	0	0%	0	0
TOTAL EXPENSES	\$ 1,266,562	\$ 1,266,562	\$ 906,985	72%	\$ 1,271,562	\$ (5,000)

TRANSFERS AND OTHER	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Transfers-in	\$ 1,266,562	\$ 1,266,562	\$ 0	0%	\$ 1,266,562	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 1,266,562	\$ 1,266,562	\$ 0	0%	\$ 1,266,562	\$ 0

FUND BALANCE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Net Change in Fund Balance	\$ 0	\$ 0	\$ (902,672)		\$ 0	\$ 0
Beginning Balance, July 1	0	0	0		0	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 0	\$ 0	\$ (902,672)		\$ 0	\$ 0

CAMPUS CENTER USE FEES**Fund 128**

Revenues are generated by collecting a mandatory fee for use of the campus centers at each institution. The proceeds are isolated by campus and are restricted for the following purposes in order of priority: 1) retirement of Certificates of Participation financing the campus center expansion and renovation projects, 2) repair and replacement of existing student campus center facilities, and 3) personnel support of campus center operations.

In November 2006, the district issued a Certificate of Participation for \$11.33 million, which paid for a portion of the new Foothill Campus Center building and a portion of the renovation of the De Anza Campus Center building. This Certificate of Participation was refinanced in December 2016. The campus center student use fees from both campuses will cover the annual debt service. The Campuses' portion of the 2016 Certificate of Participation matured on April 1, 2021.

Current Status:

No change from the second quarter.

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FUND 128 - CAMPUS CENTER USE FEES

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	0	0	0	0%	0	0
Local Revenue	1,535,000	1,535,000	1,564,616	102%	1,564,616	(29,616)
TOTAL REVENUE	\$ 1,535,000	\$ 1,535,000	\$ 1,564,616	102%	\$ 1,564,616	\$ (29,616)

EXPENSES						
Certificated Salaries	\$ 84,627	\$ 84,627	\$ 60,448	71%	\$ 84,627	\$ 0
Classified Salaries	860,244	860,244	660,472	77%	860,244	0
Employee Benefits	466,318	466,318	368,935	79%	466,318	0
Materials and Supplies	140,000	140,000	9,037	6%	45,000	95,000
Operating Expenses	150,000	200,000	136,453	68%	200,000	0
Capital Outlay	200,000	150,000	2,197	1%	10,000	140,000
TOTAL EXPENSES	\$ 1,901,190	\$ 1,901,190	\$ 1,237,543	65%	\$ 1,666,190	\$ 235,000

TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0

FUND BALANCE						
Net Change in Fund Balance	\$ (366,190)	\$ (366,190)	\$ 327,074		\$ (101,573)	\$ 264,616
Beginning Balance, July 1	1,108,839	1,108,839	1,108,839		1,108,839	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 742,649	\$ 742,649	\$ 1,435,913		\$ 1,007,266	\$ 264,616

DEBT SERVICE

Fund 20

This fund is for the repayment of current principal and interest due on the district's general long-term debt and lease arrangements (Certificates of Participation). Resources are generally transferred into this fund from the fund or account that initiated the original debt or lease. This fund also accounts for the legally required reserves mandated by the various debt or lease issuances.

The district has issued several major debt instruments in recent years to finance large capital purchases. The debt instruments are as follows:

- **May 2000:** The district issued \$99.9 million of the General Obligation Bond, Series A, with effective interest rates of 4.25% to 6.26%. Payments of principal and interest are made August 1 and February 1 of each year.
- **October 2003:** The district issued \$90.1 million of the General Obligation Bond, Series B, with effective interest rates of 2% to 5.79%. Payments of principal and interest are made August 1 and February 1 of each year.
- **April 2005:** The district entered into a capital lease agreement with CitiMortgage, Inc., since acquired by PNCEF, LLC, to finance the purchase and installation of Photovoltaic Solar Collecting Systems at Foothill College and De Anza College. The amount of the lease is \$3,188,626 with a repayment term of over fifteen years. Savings from the utility charges will be used to service the debt payment each year. This lease is no longer active. It was refinanced in December 2016.
- **October 2005:** The district refinanced a portion (\$22,165,000) of the General Obligation Bond, Series B (original value \$90,100,063) with effective interest rates of 3% to 5.25%. Payments of principal and interest are made August 1 and February 1 of each year.
- **October 2005:** The district issued \$57.9 million of the General Obligation Bond, Series C, with effective interest rates of 4.81% to 5.03%. Payments of principal and interest are made August 1 and February 1 of each year.
- **November 2006:** The district financed a Certificate of Participation for \$11.33 million, with effective interest rates of 3.5% to 5%. Payments of principal and interest are made on September 1 and March 1 of each year. The estimated annual payment is \$1,020,254. The financed amount of the COP will be used for the renovation portion of the Foothill and De Anza Campus Center buildings and Foothill

Bookstore Equipment, Furniture and Fixtures. This Certificate of Participation is no longer active. It was refinanced in December 2016.

- **May 2007:** The district issued \$149,995,250 of the Election of 2006 General Obligation Bond, Series A, with effective interest rates of 4% to 5%. Payments of principal and interest are made August 1 and February 1 of each year.
- **May 2007:** The district issued \$99,996,686 of the Election of 2006 General Obligation Bond, Series B, with effective interest rates of 4% to 5%. Payments of principal and interest are made August 1 and February 1 of each year.
- **June 2011:** The district issued \$184 million of the Election of 2006 General Obligation Bond, Series C, with an effective interest rate of 5%. Payments of principal and interest are made August 1 and February 1 of each year.
- **May 2012:** The district issued a General Obligation Refunding Bond in an aggregate principal amount of \$70,735,000 to pay for the current refunding of a portion of the district's outstanding 2002 General Obligation Refunding Bonds, the advance refunding of a portion of the district's outstanding Election of 1999 General Obligation Bonds, Series B, the advance refunding of a portion of the district's outstanding Election of 1999 General Obligation Bonds, Series C, with effective interest rates of 0.25% to 5%. Payments of principal and interest are made August 1 and February 1 of each year.
- **August 2013:** The district entered into a capital lease agreement with Capital One Public Funding, LLC, to refinance the 2003 Certificate of Participation of \$18.2 million. The refinanced lease amount of \$7.58 million constitutes the remainder of the refinanced \$18.2 million COP with effective interest rates of 1.75% for a term of eight years. Payments of principal and interest are made on September 1 and March 1 of each year. The estimated annual payment is \$577,630. The lease agreement matures on September 1, 2020.
- **August 2014:** The district issued a General Obligation Refunding Bond in an aggregate principal amount of \$103,015,000, which will be used to refund portions of the district's outstanding Election of 1999 General Obligation Bonds, Series C, Election of 2006 General Obligation Bonds, Series A, and Election of 2006 General Obligation Bonds, Series B, with effective interest rates of 0.86% to 3.36%. Payments of principal and interest are made August 1 and February 1 of each year. The 1999 General Obligation Refunding, Series C was fully refinanced by the 2020 Election General Obligation Bonds.

- **August 2015:** The district issued a General Obligation Refunding Bond in an aggregate principal amount of \$83,100,000, which will be used to refund portions of the district's outstanding Election of 2006 General Obligation Bonds, Series A, and Election of 2006 General Obligation Bonds, Series B, with effective interest rates of 1% to 5%. Payments of principal and interest are made August 1 and February 1 of each year.
- **October 2016:** The district issued the following 2006 Election General Obligation Bond: \$26 million of the General Obligation Bond, Series D, with effective interest rates of 3% to 5%, \$30.7 million of the General Obligation Bond, Series E (taxable), with effective interest rates of 2.4% to 3.2%, and 2006 General Obligation Refunding Bond in an aggregate principal amount of \$201.7 million, which was used to fully refund the district's outstanding Election of 2006 General Obligation Bonds, Series C, with effective interest rates of 2% to 5%. Payments of principal and interest on 2006 Election General Obligation, Series D and Series E, and 2006 General Obligation Refunding Bond are made August 1 and February 1 of each year.
- **December 2016:** The district refinanced a Certificate of Participation for \$27.76 million, with effective interest rates of 2% to 5%. Payments of principal and interest are made on October 1 and April 1 of each year. The estimated annual payment is \$1.7 million. This Certificate of Participation constitutes the remainder of the \$3.1 million lease with PNCEF, LLC (\$790,000), the remainder of the \$11.33 million COP (\$3.58 million), and \$23.4 million for the De Anza Flint Center Parking Garage Retrofit Project. This Certificate of Participation was refinanced in 2020 General Election Bond, and is no longer active.
- **April 2020:** The district issued the following 2020 Election General Obligation Bond: \$20 million of the General Obligation Bond, Series A, with effective interest rates of 2.1% to 3% and \$90 million of the General Obligation Bonds, Series B (taxable), with effective interest rates of 0.1% to 2.5%. The district also issued 2020 General Obligation Refunding Bonds in an aggregate principal amount of \$164 million, which were used to partially refund the district's outstanding 1999 Election of 2012 and 2014 General Obligation Refunding, and the outstanding 2006 Election of 2014 and 2016 General obligation Refunding. Payments of principal and interest are made August 1 and February 1 of each year.

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FUND 20 - DEBT SERVICE

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	0	0	0	0%	0	0
Local Revenue	68,932,035	68,932,035	40,552,465	59%	68,932,035	0
TOTAL REVENUE	\$ 68,932,035	\$ 68,932,035	\$ 40,552,465	59%	\$ 68,932,035	\$ 0

EXPENSES						
Certificated Salaries	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Classified Salaries	0	0	0	0%	0	0
Employee Benefits	0	0	0	0%	0	0
Materials and Supplies	0	0	0	0%	0	0
Operating Expenses	0	0	0	0%	0	0
Capital Outlay	0	0	0	0%	0	0
TOTAL EXPENSES	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0

TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Other Sources	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	(68,932,035)	(68,932,035)	(68,912,151)	100%	(68,932,035)	0
TOTAL TRFs/OTHER SOURCES	\$ (68,932,035)	\$ (68,932,035)	\$ (68,912,151)	100%	\$ (68,932,035)	\$ 0

FUND BALANCE						
Net Change in Fund Balance	\$ 0	\$ 0	\$ (28,359,686)		\$ 0	\$ 0
Beginning Balance, July 1	67,665,585	67,665,585	67,665,585		67,665,585	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 67,665,585	\$ 67,665,585	\$ 39,305,899		\$ 67,665,585	\$ 0

DE ANZA DINING SERVICES**Fund 32**

The De Anza Dining Services Special Revenue Fund was created in the third quarter as a result of transitioning the De Anza Dining Services financial operations from the Enterprise Fund. Under the new Special Revenue Fund structure, De Anza Dining Services will not focus on measuring costs against revenue generated by user charges. The operation's focus is now on providing dining services to the students, faculty and staff of the college. The revenues obtained through retail services, catering, conference clients, and food vendors are intended to maintain a certain level of service, not fully recover the costs of providing such services. Since the objective is not cost recovery or profit, the college plans on subsidizing the operation through other sources as long as those funds are available.

Current Status:

No change from Adopted Budget.

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FUND 32 - DE ANZA DINING SERVICES

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	0	0	0	0%	0	0
Local Revenue	882,478	882,478	681,935	77%	909,247	(26,769)
TOTAL REVENUE	\$ 882,478	\$ 882,478	\$ 681,935	77%	\$ 909,247	\$ (26,769)

Certificated Salaries	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Classified Salaries	859,115	859,115	622,713	72%	830,284	28,831
Employee Benefits	323,183	323,183	269,323	83%	359,098	(35,915)
Materials and Supplies	71,252	71,252	54,666	77%	61,036	10,216
Operating Expenses	370,770	370,770	333,420	90%	456,412	(85,642)
Capital Outlay	4,528	4,528	0	0%	0	4,528
TOTAL EXPENSES	\$ 1,628,849	\$ 1,628,849	\$ 1,280,122	79%	\$ 1,706,830	\$ (77,981)

TRANSFERS AND OTHER

Transfers-in	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Other Sources	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0

FUND BALANCE

Net Change in Fund Balance	\$ (746,370)	\$ (746,370)	\$ (598,187)		\$ (797,583)	\$ (51,213)
Beginning Balance, July 1	1,954,323	1,954,323	1,954,323		1,954,323	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 1,207,952	\$ 1,207,952	\$ 1,356,135		\$ 1,156,740	\$ (51,213)

CHILD DEVELOPMENT**Fund 33**

The Child Development Fund supports the costs associated with the Child Development Center located at De Anza College. The De Anza Child Development Center provides childcare to children between the ages of one and six years old. The center is also utilized as a facility for Early Childhood Education students to observe and train. In 1999-00, De Anza opened an infant-toddler center to support Foothill-De Anza students, including CalWORKs students, and for use by the community.

For 2022-23, we are budgeting \$1.6 million in revenue from local parent fees, \$659K from state contracts, \$499K from state tax bailout funds, and \$10K in revenue for federal and state food reimbursement. We are budgeting total revenue and related expenses of approximately \$2.79 million for the Child Development Fund.

Current Status:

In the third quarter, the Child Development fund is projected to have a net increase in revenue (\$114K) and a decrease in expenses (\$300K), resulting in an increase to the fund balance (\$414K) for the year.

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FUND 33 - CHILD DEVELOPMENT

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 20,000	\$ 120,000	\$ 100,629	84%	\$ 120,000	\$ 0
State Revenue	902,233	1,102,233	1,215,949	110%	1,215,949	(113,716)
Local Revenue	2,192,345	2,192,345	1,500,990	68%	2,192,345	0
TOTAL REVENUE	\$ 3,114,578	\$ 3,414,578	\$ 2,817,568	83%	\$ 3,528,294	\$ (113,716)

Certificated Salaries	\$ 516,210	\$ 516,210	\$ 172,156	33%	\$ 516,210	\$ 0
Classified Salaries	1,479,424	1,479,424	1,180,936	80%	1,479,424	0
Employee Benefits	823,944	823,944	578,866	70%	823,944	0
Materials and Supplies	220,000	220,000	119,071	54%	220,000	0
Operating Expenses	75,000	375,000	13,645	4%	73,208	301,792
Capital Outlay	0	0	1,792	0%	1,792	(1,792)
TOTAL EXPENSES	\$ 3,114,578	\$ 3,414,578	\$ 2,066,467	61%	\$ 3,114,578	\$ 300,000

TRANSFERS AND OTHER

Transfers-in	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Other Sources	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0

FUND BALANCE

Net Change in Fund Balance	\$ 0	\$ 0	\$ 751,101		\$ 413,716	\$ 413,716
Beginning Balance, July 1	3,243,969	3,243,969	3,243,969		3,243,969	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 3,243,969	\$ 3,243,969	\$ 3,995,070		\$ 3,657,685	\$ 413,716

CAPITAL PROJECTS

Fund 40

Each account in this fund represents a specific capital project objective of sufficient importance to warrant separate accounting from the General Purpose Fund. Project budgets, budget transfers, and actual project expenditures are periodically submitted for review to the Board of Trustees, and if necessary, state agencies. Bond funded project activity is also periodically reviewed by the Board's Audit and Finance subcommittee and the Citizens' Bond Oversight Committee.

Budgets are reported on a project basis against expenditures incurred over the years the project is active which is referred to as project-to-date expenditures. Actual revenues and expenditures are also reported and accounted for on a fiscal year basis. Funding may come from either outside sources, such as state sources, General Obligation Bonds, or from transferring resources from internal funds to fund projects that meet the capitalization threshold and requirements for the assets being created. Facilities and Operations assumes fiscal responsibility for most of these financial accounts and reconciles these accounts with the project cost accounting system. The district currently has a number of major capital outlay projects, clean energy projects, scheduled maintenance, and bond funded projects either under construction or in various planning stages.

This fund is presented in four distinct schedules to report financial activity for the fiscal year. A comprehensive Capital Projects financial statement that encompasses all project activity and funding sources followed by three separate financial statements by funding source that are described below. Information of activity by project/campus and project-to-date expenditures are located at the end of this report in the Capital Projects Summary followed by the Bond Quarterly Reports.

Capital Outlay (Unrestricted and Restricted): Project activity reported in the Capital Outlay financial statement consists of projects that are fully or partially funded by unrestricted sources that are typically transferred from the general fund. Restricted state funding such as scheduled maintenance is also reported in this financial statement. The Governor's Enacted Budget for 2023-24 reflects statutory changes to consolidate 2022-23 investments for deferred maintenance, retention and enrollment, and a COVID-19 response block grant to create a flexible block grant that can be spent for any of the purposes of the grants involved. In addition, the Budget decreases one-time Proposition 98 General Fund by approximately \$500 million for these programs, which was comprised of a decrease of \$494 million for deferred maintenance and a net decrease of retention and enrollment by \$5 million. For fiscal year 2023-24, this district will receive \$120,627 and a revised allocation of \$7,168,665 for 2022-23, for a net total of \$7,289,292 for both years, which can be used for physical plant, instructional support, water conservation and energy efficiency projects. These resources allow districts to protect

investments previously made in facilities, and to improve students' experiences by investing in new instructional equipment. No local match is required for these funds.

Measure C Bond: On June 6, 2006, voters in the district's service area approved by a 65.69% margin a \$490.8 million General Obligation Bond (Measure C). In May 2007, the district issued Series A bonds of \$149.9 million and Series B bonds of \$99.9 million. In June 2011, the district issued Measure C, Series C bonds for \$184 million. In October 2016, the district issued Measure C, Series D (tax-exempt) bonds for \$26 million and Series E (taxable) bonds of \$30.76 million. The bond measure will enable the district to upgrade electrical, heating, and ventilation systems; upgrade fire/seismic safety; repair leaky roofs, improve disabled access, repair/expand classrooms for nurses/paramedics; upgrade technology; and repair, construct, acquire, and equip buildings, classrooms, libraries, sites, and science/computer labs. All bond expenditure activity is deemed to be in support of education.

Measure G Bond: On March 3, 2020, voters in the district's service area approved by a 58.88% margin an \$898 million General Obligation Bond (Measure G). The bond measure will enable the Foothill-De Anza Community College district to repair or replace aging plumbing systems to prevent flooding and water damage, improve water conservation and install systems that will help manage future droughts; improve deteriorating gas, electrical, sewer and plumbing lines and systems; replace aging internet and electrical wiring; improve earthquake safety; upgrade, repair, and maintain classrooms and labs for science, technology, engineering, math-related fields, and career preparation fields like healthcare and early childhood education, as well as improve vocational classrooms and labs for auto repair and technology training programs; construct new permanent buildings; and to improve access to college facilities for students with disabilities.

In January 2021, the Board of Trustees approved the initial version of the Measure G Bond projects and high-level budget allocations. Since then, some of these projects have been updated through Board approved bond list revisions to refine the scope, budget, update the name, and assign the project number consistent with the district's accounting system. The district issued the first two series of bonds totaling \$110 million from the \$898 million voter-approved authorization in April 2021. Series A represented \$20 million tax-exempt bonds and Series B consisted of \$90 million taxable bonds.

Current Status:

In the third quarter, budget revisions for the Measure C Bond Program include an increase of \$54.6K in the local revenue category to match actual revenue received from interest earned for the quarter from Series E bonds. Budget revisions for the Measure G Bond Program include an increase of \$444.7K in the local revenue category to match actual revenue received from interest earned for the quarter from Series A and Series B bonds.

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FUND 40 - CAPITAL PROJECTS Capital Outlay, Measure C & Measure G Bond Programs

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	19,218,331	13,066,398	13,037,448	100%	13,066,398	0
Local Revenue	770,000	1,312,216	1,365,078	104%	1,312,216	0
TOTAL REVENUE	\$ 19,988,331	\$ 14,378,614	\$ 14,402,526	100%	\$ 14,378,614	\$ 0

EXPENSES						
Certificated Salaries	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Classified Salaries	1,369,433	1,369,433	492,545	36%	1,369,433	0
Employee Benefits	652,474	652,474	229,272	35%	652,474	0
Materials and Supplies	0	0	0	0%	0	0
Operating Expenses	12,636,669	12,636,669	4,947,644	39%	12,636,669	0
Capital Outlay	23,718,856	23,718,856	7,679,973	32%	23,718,856	0
TOTAL EXPENSES	\$ 38,377,431	\$ 38,377,431	\$ 13,349,434	35%	\$ 38,377,431	\$ 0

TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 2,200,000	\$ 2,200,000	100%	\$ 2,200,000	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	0	0	0	0%	0	0
Transfers-out	0	(1,506,427)	(1,506,427)	100%	(1,506,427)	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 0	\$ 693,573	\$ 693,573	100%	\$ 693,573	\$ 0

FUND BALANCE						
Net Change in Fund Balance	\$ (18,389,100)	\$ (23,305,244)	\$ 1,746,665		\$ (23,305,244)	\$ 0
Beginning Balance, July 1	106,806,764	106,806,764	106,806,764		106,806,764	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 88,417,664	\$ 83,501,520	\$ 108,553,429		\$ 83,501,520	\$ 0

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FUND 40 - CAPITAL OUTLAY (UNRESTRICTED & RESTRICTED)

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	19,218,331	13,066,398	13,037,448	100%	13,066,398	0
Local Revenue	0	0	53,462	0%	0	0
TOTAL REVENUE	\$ 19,218,331	\$ 13,066,398	\$ 13,090,910	100%	\$ 13,066,398	\$ 0
EXPENSES						
Certificated Salaries	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Classified Salaries	0	0	718	0%	0	0
Employee Benefits	0	0	59	0%	0	0
Materials and Supplies	0	0	0	0%	0	0
Operating Expenses	2,431,130	2,431,130	827,793	34%	2,431,130	0
Capital Outlay	12,218,856	12,218,856	3,539,736	29%	12,218,856	0
TOTAL EXPENSES	\$ 14,649,986	\$ 14,649,986	\$ 4,368,306	30%	\$ 14,649,986	\$ 0
TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 2,200,000	\$ 2,200,000	100%	\$ 2,200,000	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	0	0	0	0%	0	0
Transfers-out	0	(1,506,427)	(1,506,427)	100%	(1,506,427)	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 0	\$ 693,573	\$ 693,573	100%	\$ 693,573	\$ 0
FUND BALANCE						
Net Change in Fund Balance	\$ 4,568,345	\$ (890,015)	\$ 9,416,177		\$ (890,015)	\$ 0
Beginning Balance, July 1	24,144,687	24,135,894	24,135,894		24,135,894	0
Adjustments to Beginning Balance	(8,793)	0	0		0	0
NET FUND BALANCE, June 30	\$ 28,704,239	\$ 23,245,879	\$ 33,552,071		\$ 23,245,879	\$ 0

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FUND 40 - MEASURE C BOND PROGRAM

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	0	0	0	0%	0	0
Local Revenue	70,000	167,483	167,483	100%	167,483	0
TOTAL REVENUE	\$ 70,000	\$ 167,483	\$ 167,483	100%	\$ 167,483	\$ 0
EXPENSES						
Certificated Salaries	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Classified Salaries	70,948	70,948	35,562	50%	70,948	0
Employee Benefits	37,482	37,482	14,304	38%	37,482	0
Materials and Supplies	0	0	0	0%	0	0
Operating Expenses	2,239,714	2,239,714	850,014	38%	2,239,714	0
Capital Outlay	2,500,000	2,500,000	693,033	28%	2,500,000	0
TOTAL EXPENSES	\$ 4,848,144	\$ 4,848,144	\$ 1,592,913	33%	\$ 4,848,144	\$ 0
TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
FUND BALANCE						
Net Change in Fund Balance	\$ (4,778,144)	\$ (4,680,661)	\$ (1,425,430)		\$ (4,680,661)	\$ 0
Beginning Balance, July 1	10,431,900	10,440,693	10,440,693		10,440,693	0
Adjustments to Beginning Balance	8,793	0	0		0	0
NET FUND BALANCE, June 30	\$ 5,662,549	\$ 5,760,032	\$ 9,015,263		\$ 5,760,032	\$ 0

Foothill-De Anza Community College District

2023-24 Third Quarter Report

FUND 40 - MEASURE G BOND PROGRAM

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	0	0	0	0%	0	0
Local Revenue	700,000	1,144,734	1,144,134	100%	1,144,734	0
TOTAL REVENUE	\$ 700,000	\$ 1,144,734	\$ 1,144,134	100%	\$ 1,144,734	\$ 0
EXPENSES						
Certificated Salaries	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Classified Salaries	1,298,485	1,298,485	456,265	35%	1,298,485	0
Employee Benefits	614,992	614,992	214,909	35%	614,992	0
Materials and Supplies	0	0	0	0%	0	0
Operating Expenses	7,965,825	7,965,825	3,269,837	41%	7,965,825	0
Capital Outlay	9,000,000	9,000,000	3,447,204	38%	9,000,000	0
TOTAL EXPENSES	\$ 18,879,301	\$ 18,879,301	\$ 7,388,216	39%	\$ 18,879,301	\$ 0
TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Other Sources	0	0	0	0%	0	0
Intrafund Transfers	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
FUND BALANCE						
Net Change in Fund Balance	\$ (18,179,301)	\$ (18,179,301)	\$ (6,244,082)		\$ (17,734,567)	\$ 0
Beginning Balance, July 1	72,230,177	72,230,177	72,230,177		72,230,177	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 54,050,876	\$ 54,050,876	\$ 65,986,095		\$ 54,495,610	\$ 0

ENTERPRISE FUND
DE ANZA EVENT CENTER
Fund 50

The Board of Trustees permanently closed the Flint Center in Spring 2019 with the intention to replace the existing facility with one that would better benefit the students and community.

Foothill-De Anza Community College District

2023-24 Third Quarter Report

ENTERPRISE FUND - DE ANZA EVENT CENTER

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
State Revenue	0	0	0	0%	0	0
Local Revenue	24,000	24,000	0	0%	0	24,000
TOTAL REVENUE	\$ 24,000	\$ 24,000	\$ 0	0%	\$ 0	\$ 24,000
EXPENSES						
Cost of Sales	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Certificated Salaries	0	0	0	0%	0	0
Classified Salaries	0	0	0	0%	0	0
Employee Benefits	0	0	0	0%	0	0
Materials and Supplies	0	0	0	0%	0	0
Operating Expenses	46,500	46,500	0	0%	0	46,500
Capital Outlay	0	0	0	0%	0	0
TOTAL EXPENSES	\$ 46,500	\$ 46,500	\$ 0	0%	\$ 0	\$ 46,500
TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Other Sources	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
FUND BALANCE						
Net Change in Fund Balance	\$ (22,500)	\$ (22,500)	\$ 0		\$ 0	\$ 22,500
Beginning Balance, July 1	1,801,399	1,801,399	1,801,399		1,801,399	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 1,778,899	\$ 1,778,899	\$ 1,801,399		\$ 1,801,399	\$ 22,500

INTERNAL SERVICE**Fund 60**

The purpose of this fund is to separately account for particular services provided on a district-wide basis. Costs associated with providing health benefits, workers' compensation, extended sick leave, and post-retirement benefits are to be accounted for in the Internal Service Fund, and an appropriate service rate is charged to each of the other funds.

In the past, this fund was used almost exclusively as an accounting convenience to charge benefits in one fund and then distribute them to all other funds. Certain positive or negative ending balances are closed to the Unrestricted General Purpose Fund at year-end. Benefits accounting analysis continues to improve on the various benefit types, requirements, costs and funding. As more information becomes available, changes to improve reporting and accounting efficiency have been implemented. As an example, activities are monitored separately with performance measured in accordance to specific objectives and timelines which has an effect on the Rate Stabilization Fund (RSF).

The Rate Stabilization Fund (RSF) is accounted for within the Internal Service Fund. It is used to offset costs and stabilize the variable benefit rate increases so that increasing costs can be "smoothed out" more gradually, allowing time to adjust the plan and/or rates in an informed manner through the Joint Labor Management Benefit Committee (JLMBC). The RSF activity is reported on a calendar year basis to align with the benefit plan year. Final RSF benefit plan year balances are reported in the second quarter report after plan year contributions and expenses are closed out in December. The 2023 benefit plan year was closed, leaving \$4,784,291 in the RSF fund balance.

Current Status:

No change from Adopted Budget.

Foothill-De Anza Community College District

2023-24 Third Quarter Report

FUND 60 - INTERNAL SERVICE

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Contributions - Active Benefits	\$ 59,888,000	\$ 59,888,000	\$ 45,012,112	75%	\$ 59,888,000	\$ 0
Contributions - Retiree Benefits	7,400,000	7,400,000	5,663,130	77%	7,400,000	0
Employee Contributions	4,930,000	4,930,000	3,966,689	80%	4,930,000	0
State - PTF Health Reimbursement	0	0	99,294	0%	99,294	(99,294)
TOTAL REVENUE	\$ 72,218,000	\$ 72,218,000	\$ 54,741,225	76%	\$ 72,317,294	\$ (99,294)

EXPENSES						
Medical/Prescription/Vision/Dental	\$ 30,487,000	\$ 30,487,000	\$ 23,777,044	78%	\$ 30,586,294	\$ (99,294)
Pension/Retirement	39,033,000	39,033,000	28,904,988	74%	39,033,000	0
Worker's Comp/Ext Sk Lv/Vac Pay	1,831,700	1,831,700	1,675,020	91%	1,831,700	0
Unemployment Insurance	991,300	991,300	84,391	9%	991,300	0
Other	1,375,000	1,375,000	2,235,533	163%	1,375,000	0
TOTAL EXPENSES	\$ 73,718,000	\$ 73,718,000	\$ 56,676,976	77%	\$ 73,817,294	\$ (99,294)

TRANSFERS AND OTHER						
Transfers-in	\$ 1,500,000	\$ 1,500,000	\$ 0	0%	\$ 1,500,000	\$ 0
Other Sources	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 1,500,000	\$ 1,500,000	\$ 0	0%	\$ 1,500,000	\$ 0

Net Change in Fund Balance	\$ 0	\$ 0	\$ (1,935,751)		\$ 0	\$ 0
Beginning Balance, July 1	5,345,599	5,345,599	5,345,599		5,345,599	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 5,345,599	\$ 5,345,599	\$ 3,409,848		\$ 5,345,599	\$ 0

STUDENT FINANCIAL AID**Fund 74, 75**

These funds are used for federal, state, and local financial aid programs. The federal programs include Pell Grants, Supplemental Educational Opportunity Grants (SEOG), AmeriCorps community service initiative grants and one-time funding from the HEERF I, II, and III. In the 2022-23 the district is expected to receive \$26.3 million in federal funds for student financial aid.

The state programs include Extended Opportunity Programs and Services (EOPS) grants, Cal Grants, the Student Success Completion Grant (SSCG) and one-time funding from the Emergency Financial Assistance for California Community College Students. For 2022-23 the districts state funding increased by \$8.8 million to \$13.1 million in large part due to increased funding from SSCG (\$6.9 million) and the one-time funding for Emergency Financial Assistance (\$2 million). Local programs include a variety of scholarships.

Current Status:

In the third quarter, budget revision to the Student Financial Aid fund includes a transfer from the Restricted and Categorical Fund for student grants in aid (\$82,500) and scholarships (\$1,125), with corresponding increases to the operating expenses and grants in aid categories.
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Foothill-De Anza Community College District

2023-24 Third Quarter Report

FUND 74, 75 - STUDENT FINANCIAL AID

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Federal Revenue	\$ 20,219,355	\$ 20,219,355	\$ 16,729,695	83%	\$ 20,219,355	\$ 0
State Revenue	9,766,136	9,766,136	15,202,748	156%	9,766,136	0
Local Revenue	1,171,000	1,171,000	524,735	45%	1,171,000	0
TOTAL REVENUE	\$ 31,156,491	\$ 31,156,491	\$ 32,457,178	104%	\$ 31,156,491	\$ 0

EXPENSES						
Certificated Salaries	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Classified Salaries	0	0	0	0%	0	0
Employee Benefits	0	0	0	0%	0	0
Materials and Supplies	0	0	2,964	0%	2,964	(2,964)
Operating Expenses	1,171,000	1,172,125	518,045	44%	1,169,161	2,964
Capital Outlay	0	0	0	0%	0	0
TOTAL EXPENSES	\$ 1,171,000	\$ 1,172,125	\$ 521,010	44%	\$ 1,172,125	\$ 0

TRANSFERS AND OTHER						
Transfers-in	\$ 0	\$ 83,625	\$ 83,625	100%	\$ 83,625	\$ 0
Other Sources	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Contingency	0	0	0	0%	0	0
Other Outgo (Grants in Aid)	(29,985,491)	(30,067,991)	(21,060,559)	70%	(30,067,991)	0
TOTAL TRFs/OTHER SOURCES	\$ (29,985,491)	\$ (29,984,366)	\$ (20,976,934)	70%	\$ (29,984,366)	\$ 0

FUND BALANCE						
Net Change in Fund Balance	\$ 0	\$ 0	\$ 10,959,235		\$ 0	\$ 0
Beginning Balance, July 1	15,026	15,026	15,026		15,026	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 15,026	\$ 15,026	\$ 10,974,261		\$ 15,026	\$ 0

OTHER TRUST (OPEB)**Fund 79**

This fund reports on assets that are set aside in an irrevocable trust to help address the district's unfunded liability related to Other Post-Employee Retirement Benefits (OPEB). In accordance with Governmental Accounting Standards (GASB) and other state government codes, the funds are invested in an IRS Section 115 trust fund, California Employers' Retiree Benefit Trust Fund (CERBT) under CalPERS. The actuarial study and funding plan were prepared in accordance with GASB 75. This does not affect the reporting of Fund 79 within the quarterly financials, which only presents the budget and income statement activity during the fiscal year.

Annually, this fund incurs minimal activity consisting of the district's annual contribution, income and fees. This is typically recorded in the second quarter, with investment income and administrative fees recorded in the fourth quarter of the fiscal year with the projected new-year balance reflected in the Adopted Budget.

For the 2022-23 fiscal year, we will recommend a transfer of \$1.5 million from the General Purpose Fund to contribute to the California Employers' Retiree Benefits Trust (CERBT) for Other Post-Employment Benefits (OPEB) liability. The following table is a historical summary of the irrevocable trust's activity which reflects an estimated balance of \$31,745,035 for fiscal year 2022-23.

Current Status:

No change from Adopted Budget.

	Contribution	Investment Income	Administrative Expense	Investment Expense	Investment Loss	Balance
Balance						\$ 4,724,776
2010-11	\$ 400,000	\$ 1,187,227	\$ (7,001)	\$ -	\$ -	6,305,002
2011-12	250,000	17,217	(7,348)	-	-	6,564,871
2012-13	500,000	764,116	(10,916)	-	-	7,818,071
2013-14	1,500,000	1,551,327	(12,568)	-	-	10,856,830
2014-15	1,500,000	35,123	(11,948)	-	-	12,380,005
2015-16	1,500,000	119,591	(5,912)	(4,323)	-	13,989,362
2016-17	1,500,000	1,474,081	(7,242)	(5,295)	-	16,950,906
2017-18	1,500,000	1,358,140	(9,213)	(6,736)	-	19,793,097
2018-19	1,500,000	1,322,259	(10,276)	(7,513)	-	22,597,567
2019-20	1,500,000	834,102	(11,753)	(8,593)	-	24,911,322
2020-21	1,500,000	7,113,648	(14,543)	(10,640)	-	33,499,788
2021-22	1,500,000	-	(16,703)	(12,213)	(4,725,837)	30,245,035
2022-23	1,500,000	2,113,803	(15,630)	(11,428)	-	33,831,780
2023-24*	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 35,331,780

Source: CERBT Annual Statements

* Projected

Foothill-De Anza Community College District

2023-24 Third Quarter Report

FUND 79 - OTHER TRUST (OPEB)

REVENUE	Adopted Budget	Revised Budget	Actual to Date	Percent to Date	Projected Total	Variance
Investment Revenue	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
TOTAL REVENUE	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0

EXPENSES						
Administrative Expenses	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0
Investment Expenses	0	0	0	0%	0	0
TOTAL EXPENSES	\$ 0	\$ 0	\$ 0	0%	\$ 0	\$ 0

TRANSFERS AND OTHER						
Transfers-in	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	100%	\$ 1,500,000	\$ 0
Other Sources	0	0	0	0%	0	0
Transfers-out	0	0	0	0%	0	0
Other Outgo	0	0	0	0%	0	0
TOTAL TRFs/OTHER SOURCES	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	100%	\$ 1,500,000	\$ 0

FUND BALANCE						
Net Change in Fund Balance	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000		\$ 1,500,000	\$ 0
Beginning Balance, July 1	33,831,780	33,831,780	33,831,780		33,831,780	0
Adjustments to Beginning Balance	0	0	0		0	0
NET FUND BALANCE, June 30	\$ 35,331,780	\$ 35,331,780	\$ 35,331,780		\$ 35,331,780	\$ 0

SUPPLEMENTAL INFORMATION

QUARTERLY FINANCIAL STATUS REPORT

(Financial Report for Fiscal Year 2023-2024, Quarter: 3)

District: Foothill-DeAnza

District Code: 420

I, the District Chief Business Officer, hereby certify that the information in the Quarterly Financial Status Report (CCFS-311Q) is prepared in accordance with Title 5, Section 58310 and is accurate and complete to the best of my knowledge.

Chief Business Officer:

Susan Cheu

Electronic Certification Date:

Wednesday, May 15, 2024

Contact: Raquel Puentes- Executive Director, Fiscal Services
Griffith
(650) 949-6250 Ext: 6250 puentesraquel@fhda.edu

The Chancellor's Office no longer requires a report to be submitted electronically (PDF) or by mail, as districts certify through the application. No further action is required by the district.

Fiscal Year: 2023		Quarter Ended: 3		As of June 30 for the fiscal year specified			
Line	Description	Actual 2020-2021	Actual 2021-2022	Actual 2022-2023	Projected 2023-2024		
Unrestricted General Fund Revenue, Expenditure and Fund Balance:							
A.	Revenues:						
A.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	199,703,525	207,604,743	225,753,330	238,593,591		
A.2	Other Financing Sources (Object 8900)	316,903	4,109,368	20,799,271	1,506,427		
A.3	Total Unrestricted Revenue (A.1 + A.2)	200,020,428	211,714,111	246,552,601	240,100,018		
B.	Expenditures:						
B.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	192,972,847	206,968,486	213,118,124	233,609,372		
B.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	9,449,896	7,694,572	25,147,959	8,457,925		
B.3	Total Unrestricted Expenditures (B.1 + B.2)	202,422,743	214,663,058	238,266,083	242,067,297		
C.	Revenues Over(Under) Expenditures (A.3 - B.3)	(2,402,315)	(2,948,947)	8,286,518	(1,967,279)		
D.	Fund Balance, Beginning	47,236,283	44,833,968	41,885,021	50,171,539		
D.1	Prior Year Adjustments + (-)	0	0	0	0		
D.2	Adjusted Fund Balance, Beginning (D + D.1)	47,236,283	44,833,968	41,885,021	50,171,539		
E.	Fund Balance, Ending (C. + D.2)	44,833,968	41,885,021	50,171,539	48,204,260		
F.1	Percentage of GF Fund Balance to GF Expenditures (E. / B.3)	22.1%	19.5%	21.1%	19.9%		

		As of the specified quarter ended for each fiscal year			
Line	Description	2020-2021	2021-2022	2022-2023	2023-2024
Total General Fund Cash Balance (Unrestricted and Restricted)					
H.1	Cash, excluding borrowed funds	89,713,785	105,571,008	128,580,073	132,214,109
H.2	Cash, borrowed funds only	0	0	0	0
H.3	Total Cash (H.1+ H.2)	89,713,785	105,571,008	128,580,073	132,214,109

Line	Description	Adopted Budget (Col. 1)	Annual Current Budget (Col. 2)	Year-to-Date Actuals (Col. 3)	Percentage (Col. 3/Col 2.)
Unrestricted General Fund Revenue, Expenditure and Fund Balance:					
I.	Revenues:				
I.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	238,450,267	238,593,591	195,899,911	82.1%
I.2	Other Financing Sources (Object 8900)	0	1,506,427	1,506,427	100.0%
I.3	Total Unrestricted Revenue (I.1 + I.2)	238,450,267	240,100,018	197,406,338	82.2%
J.	Expenditures:				
J.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	229,991,946	233,609,372	163,724,164	70.1%
J.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	8,457,925	8,457,925	1,550,345	18.3%
J.3	Total Unrestricted Expenditures (J.1 + J.2)	238,449,871	242,067,297	165,274,509	68.3%
K.	Revenues Over(Under) Expenditures (I.3 - J.3)	396	(1,967,279)	32,131,829	
L.	Fund Balance, Beginning	50,171,539	50,171,539	50,171,539	
L.1	Prior Year Adjustments + (-)	0	0	0	
L.2	Adjusted Fund Balance, Beginning (L + L.1)	50,171,539	50,171,539	50,171,539	
M.	Fund Balance, Ending (K. + L.2)	50,171,935	48,204,260	82,303,368	
N.	Percentage of GF Fund Balance to GF Expenditures (M. / J.3)	21.0%	19.9%		

Has the district settled any employee contracts during this quarter?

NO

Did the district have significant events for the quarter (include incurrence of long-term debt, settlement of audit findings or legal suits, significant differences in budgeted revenues or expenditures, borrowing of funds (TRANS), issuance of COPs, etc.)?

NO

If yes, list events and their financial ramifications.

Does the district have significant fiscal problems that must be addressed?

This Year?

YES

If yes, what are the problems and what actions will be taken?

Next Year?

YES

The District will continue to rely on the temporary hold-harmless revenue provided under the Student-Centered Funding Formula. The District has experienced an increase in enrollment in the current year which will reduce the Hold Harmless portion of its overall funding before the revenue floor lock in 2024-25 which will improve its performance metrics under the SCFF but unfortunately not enough to lift it out of Hold Harmless. We are evaluating how to best manage ongoing rising expenses against the static Apportionment Revenue with the limited application of future COLAs. In the 2023-24 Adopted Budget, the District prioritized restoring the Stability Fund which is a portion of the overall Fund Balance with any one-time expenditure savings or excess revenue that materializes by year-end.

**RESOLUTION
2024-14**

Whereas, Title V, Section 58308, requires that the total amount budgeted as the proposed expenditure of the district for each major classification of district expenditures listed in the district budget forms shall be the maximum amount which may be expended for that classification of expenditures for the school year, and

Whereas, the district has reserves in excess of the amount required by Board policy, and

Whereas, the Board of Trustees by resolution may provide for budget revisions,

Be it therefore resolved, that the budget revisions be approved as follows:

BUDGET REVISIONS

The major elements of our budget revisions are listed below. The descriptions contain amounts for each type of budget revision; the tables represent the net revisions to each classification of expenditure.

Fund 114 - General Purpose Fund

The major revisions to the General Purpose Fund include revenue received from De Anza Student Account for student tutors (\$45,351), with corresponding increases to the salaries and bebnefits categories.

Sources Account Series			Uses Account Series		
0xxx - Revenue	\$	45,351	2000 - Classified Salaries	\$	44,996
			3000 - Employee Benefits		355
Totals	\$	45,351		\$	45,351

Fund 115 - Self Sustaining Fund

The major revisions to the Self-Sustaining Fund include an increase to the local revenue (\$70,000) for Study Abroad Program-Cuba 2024, with a corresponding increase to the operating expenses category.

Sources Account Series			Uses Account Series		
0xxx - Revenue	\$	70,000	5000 - Operating Expense	\$	70,000
Totals	\$	70,000		\$	70,000

Fund 121/131 - Restricted and Categorical Fund

The major revisions to the Restricted and Categorical Fund include increases to the state revenue \$4.38M due to new allocations for the Regional Strong Workforce Program (\$1.8M), Zero Text Book Collaboration Grant (\$275K), Student Food and Housing Support Phase III (\$728K), Student Transfer and Achievement Reform (\$1.1M), A2MEND (\$43K), and Adult Ed Healthcare Focused Pathways (\$434K), with coresponding increase to the operating expenses category; a transfer out to the Financial Aid Fund for student grants in aid (\$82,500) and scholarships (\$1,125), with corresponding decreases to the operating expenses and other outgo categories.

Sources Account Series			Uses Account Series		
0xxx - Revenue	\$	4,380,000	5000 - Operating Expense	\$	4,296,375
			7000 - Transfer/Other Outgo	\$	83,625
Totals	\$	4,980,000		\$	4,980,000

Fund 33 - Child Development Fund

The major revisions to the Child Development Fund include revision to the federal revenue (\$100K) and state revenue (\$200K), with a corresponding increase to the fund balance.

Sources Account Series			Uses Account Series		
0xxx	- Revenue	\$ 300,000	Increase to Fund Balance	\$	300,000
Totals		\$ 300,000		\$	300,000

Fund 40 - Capital Projects Fund

The major revisions to the Capital Projects Fund include an increase of \$54.6K in the local revenue category to match actual revenue received from interest earned for the quarter from Series E bonds, and an increase of \$444.7K in the local revenue category to match actual revenue received from interest earned for the quarter from Series A and Series B bonds for the Measure G Bond Program.

Sources Account Series			Uses Account Series		
0xxx	- Revenue	\$ 499,300	Increase to Fund Balance	\$	499,300
Totals		\$ 499,300		\$	499,300

Fund 74/75 - Student Financial Aid Fund

The major revisions to the Student Financial Aid Fund include a transfer in from the Restricted and Categorical Fund for student grant in aid (\$82,500) and scholarship (\$1,125), with corresponding increases to the operating expenses and grants in aid categories.

Sources Account Series			Uses Account Series		
8900	- Transfers/Other Sources	\$ 83,625	5000 - Operating Expense	\$	1,125
			7000 - Grants In Aid		82,500
Totals		\$ 83,625		\$	83,625

AYES _____
NOES _____
ABSENT _____

Passed and adopted by the Governing Board of the Foothill-De Anza Community College District at a meeting held on June 10, 2024.

Lee D. Lambert
Secretary to the Board

**RESOLUTION
2024-15**

Whereas, Title V, Section 58307, requires that the total amount budgeted as the proposed expenditure of the district for each major classification of district expenditures listed in the district budget forms shall be the maximum amount which may be expended for that classification of expenditures for the school year, and

Whereas, the Board of Trustees, by resolution, approved by a majority of the members, may provide for the transfer between expenditure classifications,

Be it therefore resolved, that transfers between expenditure classifications be approved as follows:

BUDGET TRANSFERS

Transfers within the General Purpose Fund between major expense categories resulting in a net zero impact on the overall budget; the table represents the net transfers to each classification of expenditure.

Fund 114 - General Purpose Fund

From Account Series			To Account Series		
2000	- Classified Salaries	\$ 155,858	1000	- Certificated Salaries	\$ 54,405
			3000	- Employee Benefits	3,182
			5000	- Operating Expenses	98,271
Totals			\$ 155,858		

AYES	_____
NOES	_____
ABSENT	_____

Passed and adopted by the Governing Board of the Foothill-De Anza Community College District at a meeting held on June 10, 2024.

Lee D. Lambert
Secretary to the Board

Fund 115 - Self-Sustaining Fund
Fund Balance Report for Fiscal Year 2023-24
Ending Balance Reported as of March 31, 2024

Fund	Fund Description	Beginning Balance	Net Change	Ending Balance
Foothill Funds				
115000	Apprenticeship-Foothill	4,546,565	3,280,935	7,827,500
115001	Apprenticeship-Foothill Unrest cont	372,253	-	372,253
115002	Apprenticeship-Accounting	82,990	48,731	131,721
115004	FH-BSS Contract Ed	4,347	15,319	19,666
115005	FH-HS Contract Ed	1,744	30,635	32,379
115006	FH Campus Abroad-Cuba	-	9,630	9,630
115050	Anthropology - Field work	3,953	(924)	3,029
115051	Anthrop Campus Abroad Reserve	30,842	(9,450)	21,392
115063	Off Cmp Short Courses Dental Hyg	27,195	4,589	31,785
115100	FH Speaker Series	10,873	-	10,873
115105	FH-Youth Program	26,295	(26,295)	-
115106	FH Anthro Program – Ecuador 23	-	1,000	1,000
115111	Box Office - Foothill	66,077	(66,077)	-
115113	Stage Studies - Foothill	18,748	(11,516)	7,232
115114	Drama Production-Foothill	103,793	18,646	122,439
115115	Facilities Rental-FH Fine Arts	775,182	(87,855)	687,327
115116	Vending - Foothill	4,155	-	4,155
115117	Facilities Rental Foothill	1,866,149	(5,792)	1,860,357
115119	International Programs	272,190	28,565	300,755
115122	FH International Student Hlth Svcs	22,080	(22,080)	-
115135	Child Development Conference	7,543	-	7,543
115138	KFJC Carrier	26,443	-	26,443
115142	FH-MAA Health Services	188,411	-	188,411
115146	FH-MAA Program	60,174	-	60,174
115148	Vending-Sunnyvale Center	49,151	-	49,151
115149	FH Community Education	333,548	6,575	340,124
115151	Contract Ed	61,352	3,014	64,366
115171	President's Fund Foothill	2,044	26,295	28,340
115175	FH-Athletics General	129,045	56,634	185,679
115176	FH-Athletics - Teams	874	4,839	5,713
115177	FH-Football	98	5,061	5,159
115178	FH-Men's Basketball	142	1,750	1,892
115179	FH-Women's Basketball	55	1,534	1,589
115180	FH-Softball	1,695	-	1,695
115181	FH-Volleyball	736	-	736
115182	FH-Aquatics	6,360	3,654	10,014
115183	FH-Dance	9,743	-	9,743
115184	FH-KCI Community Ed Classes	98,262	(91,225)	7,038
115187	FH Food Concessionaires	582,044	(55,650)	526,394
115191	FH-Workforce Development	42,543	(470)	42,073
115192	FH-Corporate Internship Program	23,352	-	23,352
115195	FH-VTA SmartPass	10,402	44,702	55,105
115196	Dental Hygiene Clinic	37,075	28	37,103
115197	FH Science Learning Institute	61,424	-	61,424
115198	FH Print Services	9,522	44,946	54,468
115199	FH - KCI Support	300,000	-	300,000
115300	FH-MAA Counseling & Matriculation	2,961	-	2,961
	Foothill Total:	10,280,431	3,259,752	13,540,182
De Anza Funds				
115200	DA-La Voz Newspaper	25,219	(2,628)	22,591
115201	DA-Apprenticeship	96,378	(41,047)	55,331
115202	DA-MCNC/CACT Partnrs	5,248	-	5,248
115204	DA-Cheap	487	-	487
115205	DA-APALI	16,260	(13,276)	2,984
115206	DA-Job Fair	36,064	(1,300)	34,765
115207	DA-Telecourse Produc	111	-	111
115208	DA-Technology Rscs	9,969	-	9,969
115209	DA-Auto Tech	5,275	2,907	8,182

Fund 115 - Self-Sustaining Fund
Fund Balance Report for Fiscal Year 2023-24
Ending Balance Reported as of March 31, 2024

Fund	Fund Description	Beginning Balance	Net Change	Ending Balance
De Anza Funds Con't				
115210	DA-Reprographics	222,162	(77,544)	144,618
115212	DA-Physical Educ	15,921	-	15,921
115213	DA-Ashland Field Trp	5,691	-	5,691
115214	DA-CA Campus Camp	4,675	-	4,675
115216	DA-Planetarium	94,918	80,276	175,195
115218	DA-Short Courses	168,856	(90,509)	78,347
115219	DA-Creative Arts Fac Use	5,592	-	5,592
115220	DA-Comm Serv Reserve	250,000	200,000	450,000
115221	DA-Intl Student Ins	81,293	(2,030)	79,264
115222	DA-Extended Yr Progr	3,899,532	(1,139,486)	2,760,045
115224	DA-Summer Karate Cmp	252	-	252
115225	DA-DLC Extended Lmg	11,932	-	11,932
115226	DA-Use Of Facilities	1,032,024	(52,863)	979,161
115227	DA-Library Print Card	682	751	1,433
115228	DA-Baseball	628	13,790	14,418
115229	DA-Audio Visual	3,685	-	3,685
115230	DA-RLCC Conference	1,630	-	1,630
115231	DA-Softball	3,130	-	3,130
115233	DA-Men's Basketball	1,997	-	1,997
115234	DA-Women's Bsktball	3,768	-	3,768
115235	DA-Men's Soccer	16,763	(7,831)	8,932
115236	DA-Women's Soccer	11,234	(2,473)	8,761
115237	DA-Women's Swim/Divg	612	(265)	346
115238	DA-Men's Tennis	51	-	51
115239	DA-Women's Tennis	91	-	91
115240	DA-Women's Trk & Fld	17,686	(18,107)	(421)
115241	DA-Women's Volleybl	5,465	(5,465)	-
115243	DA-Health Services	77,890	58,927	136,817
115245	DA-Prevention Trust	9,337	(5,000)	4,337
115246	DA-Athletics Trust	37,596	(35,115)	2,480
115247	DA-ESL	1,968	-	1,968
115249	DA President Fund	158	-	158
115252	DA-Intl Summer Progr	101,332	-	101,332
115254	DA-ATM Services	28,631	-	28,631
115259	DA-Dist Learn Testing	325	-	325
115260	DA-Office of Instruction	2,099	-	2,099
115262	DA-Men's Track & Field	6,784	-	6,784
115263	DA-Women's Water Polo	38,772	697	39,469
115266	DA-Women's Badminton	39,985	17,478	57,464
115267	Equipment Room	130	-	130
115268	DA VPAC Facility Rent	689,745	76,260	766,005
115270	DA Campus Abroad - Philippines	-	1,571	1,571
115271	DA-Fitness Center Membership	58,351	(6,076)	52,275
115272	DA-Campus Abroad-Ecuador/Galapagos	1,090	1,229	2,318
115273	DA CDC Medical Admin Activits MAA	93,057	-	93,057
115274	DA-Vocal Music	919	1,411	2,329
115275	DA-Chamber Orchestra	828	-	828
115276	DA-Creative Arts	3,721	-	3,721
115277	DA-Dance	22,630	-	22,630
115278	DA-Jazz Instrumental	2,415	-	2,415
115279	DA-Patnoe	4,354	(10)	4,344
115280	DA-Wind Ensemble	1,242	-	1,242
115281	DA-Campus Abroad - London	-	3,674	3,674
115283	PE Facilities Rental	96,921	(40,898)	56,023
115284	DA-Ceramics	6,579	3,249	9,828
115285	DA-Photography	5,917	-	5,917
115286	DA-Euphrat Museum	9,102	141,473	150,575
115287	DA-ePrint	4,272	-	4,272
115289	DA-MCNC	211,894	9,094	220,988
115291	DA-Campus Abroad - Florence	-	7,401	7,401
115293	DA-College Life Vending	30,949	(2,870)	28,079
115294	DA-Red Wheelbarrow	1,572	(2,122)	(551)
115295	VTa SmartPass	570,929	140,375	711,305
115296	DA-CA History Ctr - Extended Year	5,124	-	5,124
De Anza Total:		8,221,896	(786,352)	7,435,544

Fund 115 - Self-Sustaining Fund
Fund Balance Report for Fiscal Year 2023-24
Ending Balance Reported as of March 31, 2024

Fund	Fund Description	Beginning Balance	Net Change	Ending Balance
Central Services Funds				
115401	Intl Student Insurance	-	954,086	954,086
115402	Crown Castle GT Cell Site	-	64,049	64,049
115404	Foothill - AT&T Cell Site	-	72,713	72,713
115406	Sprint Nextel FS04XC112	-	2,126	2,126
115409	Verizon Wireless	-	50,442	50,442
115412	Computer Loan Prog-Admin	200,000	-	200,000
115413	Computer Loan Prog-Fee	36,244	-	36,244
	Central Services Total:	236,244	1,143,415	1,379,659
Fund 115 Total:		18,738,571	3,616,815	22,355,386

CAPITAL PROJECTS SUMMARY

March 31, 2024

Fund	Project/Program Description	Beginning Fund Balance	Approved Project Budget	Revenue and InterFund Transfer-In	Current Year Expenditures & InterFund Transfer-Out	IntraFund Transfers	Project Inception-to-date Expenditures	Ending Fund Balance	Available Project Budget
Capital Outlay (Unrestricted and Restricted)									
Foothill Projects									
412002	FH-Facilities/Equipment Maintenance	\$ 1,385,837	\$ -	\$ -	\$ 281,822	\$ -	\$ -	\$ 1,104,015	\$ -
412006	FHDA Ed Center Eq/Facilities Main	4,557,811	-	-	-	-	-	4,557,811	-
412008	FH Safety & Maintenance Projects	1,615,219	-	-	-	(794,500)	-	820,719	-
412010	FH Faculty Wifi Project	171,241	-	-	2,938	-	-	168,303	-
412014	FH Campus Center Lighting	15,842	-	-	-	-	-	15,842	-
412017	FH Water Filling Stations Replacmnt	551,500	-	-	158,454	-	-	393,046	-
412019	FH Outdoor Classroom - KCI	77,000	-	-	171,288	-	-	(94,288)	-
412020	FH Building 1900 Improvements	(8,590)	-	-	60,431	75,000	-	5,979	-
412022	FH Resurface Restripe Tennis Courts	-	-	-	3,600	719,500	-	715,900	-
412104	FH Faculty Ergonomic Furniture	5,914	-	-	-	-	-	5,914	-
Total:		\$ 8,371,774	\$ -	\$ -	\$ 678,533	\$ -	\$ -	\$ 7,693,241	\$ -
De Anza Projects									
411203	DA-Facilities/Equipment Maintenance	\$ 1,423,503	\$ -	\$ -	\$ 122,738	\$ -	\$ -	\$ 1,300,765	\$ -
411204	DATchssBttlFillrDmngWtrSystemUpgd	631,759	-	-	238,757	-	-	393,002	-
411205	DA HVAC System Improvement	1,794,599	-	-	-	-	-	1,794,599	-
411206	DA HyFlex & Zoom Enabled Spaces	1,000,000	-	-	25,939	-	-	974,061	-
411209	DA Outdoor Lrng Envimmnt Imprvmnts	1,416,427	-	-	1,416,427	-	-	-	-
411213	DA Photovoltaic (PV) System	1,389,663	-	-	-	-	-	1,389,663	-
Total:		\$ 7,655,951	\$ -	\$ -	\$ 1,803,860	\$ -	\$ -	\$ 5,852,090	\$ -
Central Services Projects									
413020	Business Services Project	5,383,412	-	53,462	145,945	-	-	5,290,929	-
413023	DW Wifi Expansion - Phase I	2,630,773	-	-	592,366	-	-	2,038,407	-
413144	D120 HVAC Improvements	93,984	-	2,200,000	-	-	-	2,293,984	-
Total:		\$ 8,108,169	\$ -	\$ 2,253,462	\$ 738,311	\$ -	\$ -	\$ 9,623,320	\$ -

CAPITAL PROJECTS SUMMARY

March 31, 2024

				Current Year							
	Project/Program	Beginning Fund	Approved Project	Revenue and	Expenditures &			Project Inception-		Ending Fund	Available Project
Fund	Description	Balance	Budget	InterFund	InterFund Transfer-	Out	IntraFund	to-date		Balance	Budget
				Transfer-In			Transfers	Expenditures			
Scheduled Maintenance											
474000	21/22 Scheduled Maint One-Time Pool		8,838,843	7,616,832	-	-		-			8,838,843
474100	21/22SMRoofRplcmntSmithwckTheatrP1	-	-	-	4,625			150,584			(150,584)
474104	21/22SM Roof Replacemnt Bldg2800 P4	-	-	-	1,650			65,478			(65,478)
474105	21/22SMRoof Replacement 4100Bldg P7	-	-	-	341,927			359,292			(359,292)
474107	21/22SMRoof Replacement 1200Bldg P9	-	-	-	225,722			243,695			(243,695)
474108	21/22SMStorm Drainage Repairs CWP10	-	-	-	96,398			199,998			(199,998)
474109	21/22SMStructrl&ExtriorSidngRprsP14	-	-	-	35,910			90,736			(90,736)
474110	21/22SMRplcMchUntsBldg4300 6200P25	-	-	-	51,570			51,570			(51,570)
474111	21/22SM Roof Rplcmnt Bldg 3000 P32	-	-	-	320,559			338,044			(338,044)
474112	21/22SM ADAPathofTrvl&CnctrRprsP35	-	-	-	258,500			258,500			(258,500)
474113	21/22SMDry Rot Reprs at CW BldgsP37	-	-	-	59,143			59,143			(59,143)
474202	21/22SM Exterior Painting CW P13	-	-	-	25,154			68,895			(68,895)
474203	21/22SM Inverter Replacement P15	-	-	-	-			33,522			(33,522)
474204	21/22SM Fire Alarm Replacement P16	-	-	-	-			47,700			(47,700)
474205	21/22SMAutomaticDoorOpenrRplcmntP17	-	-	-	-			59,333			(59,333)
474206	21/22SM MLC PanelExteriorRplcmntP18	-	-	-	-			33,537			(33,537)
474208	21/22SM Water Conservation P20	-	-	-	337,149			337,149			(337,149)
474210	21/22SM ClssmPaint&FlrngUpgrds P22	-	-	-	-			81,442			(81,442)
474211	21/22SM Flooring Abatement S55 P23	-	-	-	-			26,760			(26,760)
474212	21/22SM FireAlrmPnlRplcmntBldgE1 E3	-	-	-	-			57,976			(57,976)
474213	21/22SM FireAlarmRplcmntRSSBldgP29	-	-	-	1,000			19,522			(19,522)
474214	21/22SMClssmRfrshBldg E3S1S4S5S7P30	-	-	-	122,239			122,239			(122,239)
474215	21/22SMDrHardwrActtrRprRplcmntCWP31	-	-	-	77,644			118,153			(118,153)
474216	21/22SMUpgrdBdE3Dsgn&MnfctmgTchLbs	-	-	-	6,418			325,798			(325,798)
474217	21/22SMFrAlrmCntrlPnlRplmt BdgS7P34	-	-	-	28,699			29,659			(29,659)
474218	21/22SM Floor Tile Repair PE6 P38	-	-	-	472			472			(472)
474300	21/22SMBldgD120 HVAC ImprovementsP5	-	-	-	-			26,895			(26,895)
474302	21/22SM ElectricUpgrds BldgD100P24	-	-	-	43,896			54,596			(54,596)
475000	22/23 Scheduled Maint One-Time Pool		5,418,665	5,328,939							5,418,665
475001	22/23SM Reroof & Painting Barn CSP1	-	-	-	91,472			113,355			(113,355)
475004	22/23SM HVAC Rplcmnt BldgD120 CSP4	-	-	-	189,985			255,378			(255,378)
475011	22/23SM ADA Walkway Repairs FH P02	-	-	-	107,872			107,872			(107,872)
475012	22/23SMDryRotTermiteDamageRoofsFHP6	-	-	-	2,000			2,000			(2,000)
475013	22/23SM NewFloorPaintingPEBldg1DAP7	-	-	-	4,050			6,500			(6,500)
475100	23/24 Scheduled Maint One-Time Pool		120,627	91,677	-	-		-			120,627
479506	21/22SM Renovatns of Bldg D100 CSP6	-	-	-	219,975			219,975			(219,975)
	CY Closed Out Scheduled Maintenance Projects	-	-	-	-			-		10,383,419	-
Total:		\$ -	\$ 14,378,135	\$ 13,037,448	\$ 2,654,029	\$ -	\$ 3,965,766	\$ 10,383,419	\$ 10,412,369		
Capital Outlay (Unrestricted & Restricted) Total: \$ 24,135,894 \$ 14,378,135 \$ 15,290,910 \$ 5,874,733 \$ - \$ 3,965,766 \$ 33,552,071 \$ 10,412,369											

CAPITAL PROJECTS SUMMARY

March 31, 2024

Fund	Project/Program Description	Beginning Fund Balance	Approved Project Budget	Revenue and InterFund Transfer-In	Current Year Expenditures & InterFund Transfer-Out	IntraFund Transfers	Project Inception-to-date Expenditures	Ending Fund Balance	Available Project Budget
Measure C Bond Program ¹									
	Fund Balance - Various Projects	\$ 9,854,595	\$ -	\$ -	\$ 1,592,913		\$ -	\$ 8,261,682	\$ -
	Interest Revenue	586,099	-	167,483	-		-	753,582	-
	<i>Measure C Projects Total:</i>	<i>\$ 10,440,694</i>	<i>\$ -</i>	<i>\$ 167,483</i>	<i>\$ 1,592,913</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 9,015,263</i>	<i>\$ -</i>
Measure G Bond Program ¹									
	Fund Balance Series A (Tax-Exempt) - Various Projects	\$ 5,802,209	\$ -	\$ -	\$ 7,388,216		\$ 21,586,007	\$ (1,586,007)	\$ -
	Interest Revenue	513,988	-	85,971	-		-	599,959	-
	<i>Series A Total:</i>	<i>\$ 6,316,196</i>	<i>\$ -</i>	<i>\$ 85,971</i>	<i>\$ 7,388,216</i>	<i>\$ -</i>	<i>\$ 21,586,007</i>	<i>\$ (986,048)</i>	<i>\$ -</i>
	Fund Balance Series B (Taxable) - Various Projects	\$ 63,752,718	\$ -	\$ -	\$ -		\$ 26,247,282	\$ 63,752,718	\$ -
	Interest Revenue	2,161,263	-	1,058,162	-		-	3,219,426	-
	<i>Series B Total:</i>	<i>\$ 65,913,981</i>	<i>\$ -</i>	<i>\$ 1,058,162</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 26,247,282</i>	<i>\$ 66,972,143</i>	<i>\$ -</i>
	Total Fund Balance Series A & B	\$ 69,554,926	\$ -	\$ -	\$ 7,388,216		\$ 47,833,289	\$ 62,166,711	\$ -
	Total Interest Revenue	2,675,251	-	1,144,134	-		-	3,819,385	-
	<i>Measure G Projects Total:</i>	<i>\$ 72,230,177</i>	<i>\$ -</i>	<i>\$ 1,144,134</i>	<i>\$ 7,388,216</i>	<i>\$ -</i>	<i>\$ 47,833,289</i>	<i>\$ 65,986,096</i>	<i>\$ -</i>
	Total	\$ 106,806,765	\$ 14,378,135	\$ 16,602,526	\$ 14,855,861	\$ -	\$ 51,799,055	\$ 108,553,430	\$ 10,412,369

Notes:

¹ Reflects current fiscal year bond program actual activity.

The Measure C and Measure G quarterly reports can be viewed at the Citizens' Bond Oversight Committee section that contains meeting agenda minutes at BoardDocs website URL:

<https://go.boarddocs.com/ca/fhda/Board.nsf/Public>

Quarterly Summary Board Report

Foothill-De Anza Community College District (C)

Measure C Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Foothill College						
Active						
199	Foothill Contingency	\$0	\$0	\$0	\$0	\$0
802	Sunnyvale Ed Center HVAC System Replacement and Classroom Renovation	\$5,698,420	\$305,644	\$616,580	\$871,903	\$4,826,518
Total Active		\$5,698,420	\$305,644	\$616,580	\$871,903	\$4,826,518
Financially Complete						
100	Small Capital Repairs - Foothill	\$3,811,411	\$0	\$0	\$3,811,411	\$0
100Q	Building 1500 Renovation	\$1,174,660	\$0	\$0	\$1,174,660	\$0
100R	PE Reroofing	\$976,594	\$0	\$0	\$976,594	\$0
100S	Irrigation Pump Replacement	\$258,260	\$0	\$0	\$258,260	\$0
100U	Building 2500 Reroof	\$969,180	\$0	\$0	\$969,180	\$0
101	Forum	\$3,912,855	\$0	\$0	\$3,912,855	\$0
105	Modernization of Learning Support Center, Biology and General Classrooms	\$16,203,253	\$0	\$0	\$16,203,253	\$0
106	Modernization of Building 5700	\$361,698	\$0	\$0	\$361,698	\$0
109	Physical Education Lab Space	\$1,512,408	\$0	\$0	\$1,512,408	\$0
110	LA General Classrooms	\$3,064,580	\$0	\$0	\$3,064,580	\$0
111	Swing Space	\$965,079	\$0	\$0	\$965,079	\$0
112	Modernization of Administration Building & General Classrooms	\$7,132,515	\$0	\$0	\$7,132,515	\$0
113	Reconstruction of Stadium Bleachers & Press Box	\$1,816,465	\$0	\$0	\$1,816,465	\$0
115	Fine Arts Scene Shop	\$767,347	\$0	\$0	\$767,347	\$0
116	Japanese Cultural Center	\$120,234	\$0	\$0	\$120,234	\$0
117	Renovate Existing Footbridge	\$253,693	\$0	\$0	\$253,693	\$0
118	Storage Bldg at Swim Pool Area	\$536,837	\$0	\$0	\$536,837	\$0
120	Smithwick Theater	\$4,139,185	\$0	\$0	\$4,139,185	\$0
121	Library & ISC	\$15,131,676	\$0	\$0	\$15,131,676	\$0
123	Campus Wide Building System & Infrastructure Repairs/Upgrades	\$620,727	\$0	\$0	\$620,727	\$0
129	Mainline Irrigation - Phase II	\$158,942	\$0	\$0	\$158,942	\$0
130	Utility Lids - Phase II	\$572,116	\$0	\$0	\$572,116	\$0
132	Loop Road Resurfacing	\$1,012,739	\$0	\$0	\$1,012,739	\$0
134	Exterior Signage	\$351,451	\$0	\$0	\$351,451	\$0

See last page for definitions and notes



Quarterly Summary Board Report

Foothill-De Anza Community College District (C)

Measure C Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Financially Complete						
135	Utility and Technology Infrastructure	\$8,515,900	\$0	\$0	\$8,515,900	\$0
141	Exterior Painting & Bird Remediation	\$621,983	\$0	\$0	\$621,983	\$0
142	Soccer and Softball Complex	\$4,077,771	\$0	\$0	\$4,077,771	\$0
144	Central Campus Site Improvements	\$9,809,110	\$0	\$0	\$9,809,110	\$0
147	Ornamental Horticulture & Veterinary Technology Demo.	\$182,567	\$0	\$0	\$182,567	\$0
149	Choral Rehearsal Hall	\$150,002	\$0	\$0	\$150,002	\$0
153	Dental Hygiene/Radiology Renovation	\$254,814	\$0	\$0	\$254,814	\$0
154	Install Photovoltaic Arrays - Campus Wide	\$11,738,853	\$0	\$0	\$11,738,853	\$0
160	Physical Sciences and Engineering Center	\$57,627,320	\$0	\$0	\$57,627,320	\$0
160G	Group II Equip	\$1,073,647	\$0	\$0	\$1,073,647	\$0
161	Fire Alarm System Replacements Phase II	\$1,576,697	\$0	\$0	\$1,576,697	\$0
162	Parking and Circulation	\$13,468,168	\$0	\$0	\$13,468,168	\$0
172	Environmental Impact Report	\$282,730	\$0	\$0	\$282,730	\$0
173	Print Shop and Plant Services Facility	\$287,833	\$0	\$0	\$287,833	\$0
174	Fire Alarm System Replacement Phase III	\$900,374	\$0	\$0	\$900,374	\$0
175	Repair and Upgrade Miscellaneous Projects	\$451,424	\$0	\$0	\$451,424	\$0
176	Upgrade Doors and Hardware	\$40,247	\$0	\$0	\$40,247	\$0
601	Furniture and Equipment (Excluding Tech Related Equipment) Foothill	\$11,705,554	\$0	\$0	\$11,705,554	\$0
607	Outdoor and Indoor Student Seating (PSEC Café, 5000, 5100, 5400, etc.)	\$13,440	\$0	\$0	\$13,440	\$0
608	Faculty/Staff/Administrator Office Refresh (Furniture)	\$15,311	\$0	\$0	\$15,311	\$0
610	Classroom Furniture Replacement	\$35,717	\$0	\$0	\$35,717	\$0
611	Desktops	\$6,447,933	\$0	\$0	\$6,447,933	\$0
612	Printers	\$82,325	\$0	\$0	\$82,325	\$0
613	Refresh Multi Media Rooms	\$1,152,489	\$0	\$0	\$1,152,489	\$0
614	New Multi Media, Then Refresh	\$4,039,132	\$0	\$0	\$4,039,132	\$0
615	AV/Low Tech	\$43,456	\$0	\$0	\$43,456	\$0
617	Instructional Equipment for BH, FA & PE 18-19	\$146,942	\$0	\$0	\$146,942	\$0
Total Financially Complete		\$200,565,643	\$0	\$0	\$200,565,643	\$0

See last page for definitions and notes



Quarterly Summary Board Report

Foothill-De Anza Community College District (C)

Measure C Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Consolidated						
102	Biology	\$0	\$0	\$0	\$0	\$0
103	Convert to Adaptive Learning Center	\$0	\$0	\$0	\$0	\$0
104	General Classrooms	\$0	\$0	\$0	\$0	\$0
107	Language Lab	\$0	\$0	\$0	\$0	\$0
108	General Classrooms	\$0	\$0	\$0	\$0	\$0
114	Lot 2 & 3 Security Improvements	\$0	\$0	\$0	\$0	\$0
119	Tennis Court Improvements	\$0	\$0	\$0	\$0	\$0
122	TV Center	\$0	\$0	\$0	\$0	\$0
124	Loop Road Lighting & Safety	\$11,033	\$0	\$0	\$11,033	\$0
125	ADA Transition Plan	\$1,203	\$0	\$0	\$1,203	\$0
126	Lot 4	\$0	\$0	\$0	\$0	\$0
127	Lot 6	\$11,459	\$0	\$0	\$11,459	\$0
128	Complete Lot 1H	\$0	\$0	\$0	\$0	\$0
131	Exterior Lighting	\$0	\$0	\$0	\$0	\$0
133	Campus Fountains	\$0	\$0	\$0	\$0	\$0
136	Replace Storm Drains	\$0	\$0	\$0	\$0	\$0
137	Tree Maintenance and Replacement	\$0	\$0	\$0	\$0	\$0
138	Slurry Coat and Re-stripe Lots 2 & 3	\$0	\$0	\$0	\$0	\$0
139	Widen Access Road to PE	\$0	\$0	\$0	\$0	\$0
143	Replace Walkways	\$106,320	\$0	\$0	\$106,320	\$0
148	Veterinary Technology	\$0	\$0	\$0	\$0	\$0
151	Wireless Infrastructure	\$0	\$0	\$0	\$0	\$0
155	Pedestrian Bridge Lot 1	\$0	\$0	\$0	\$0	\$0
163	LA Division Office /Classrooms	\$9,816	\$0	\$0	\$9,816	\$0
171	Loop Road Re-Alignment & Pedestrian Safety Improv	\$186,997	\$0	\$0	\$186,997	\$0
605	Expansion of VDI Servers	\$0	\$0	\$0	\$0	\$0
606	Computer Equipment (Carts, Monitors)	\$0	\$0	\$0	\$0	\$0
609	Accommodation/Ergonomic Furniture & Equipment (Staff, Faculty and Administrators)	\$0	\$0	\$0	\$0	\$0
616	Accessibility Project for Classrooms and Labs (Counters, Tables, Desks, Chairs)	\$0	\$0	\$0	\$0	\$0

See last page for definitions and notes



Quarterly Summary Board Report

Foothill-De Anza Community College District (C)

Measure C Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Consolidated						
Total Consolidated		\$326,829	\$0	\$0	\$326,829	\$0
Foothill College Totals		\$206,590,891	\$305,644	\$616,580	\$201,764,374	\$4,826,518
De Anza College						
Active						
282	Upgrade E3 Design & Manf Tech Labs	\$1,743,953	\$44,548	\$240,092	\$1,694,349	\$49,603
299	De Anza Program Contingency	\$671,336	\$0	\$0	\$0	\$671,336
705	Student Lab ADA Accessibility Project	\$211,653	\$0	\$0	\$11,651	\$200,003
706	Furniture Refresh for Students, Faculty, Staff and Administrators	\$3,647,295	\$3,300	\$265,391	\$2,857,432	\$789,863
707	Outdoor Furniture Update and Refresh	\$816,312	\$338,196	\$338,196	\$696,936	\$119,377
708	System Wide Infrastructure	\$647,333	\$0	\$96,195	\$388,056	\$259,277
Total Active		\$7,737,882	\$386,045	\$939,874	\$5,648,423	\$2,089,459
Financially Complete						
200	Small Capital Repairs - De Anza	\$3,174,620	\$0	\$0	\$3,174,620	\$0
202	L-7	\$3,805,020	\$0	\$0	\$3,805,020	\$0
203	Baldwin Winery & East Cottage "Historic Renovation"	\$6,159,985	\$0	\$0	\$6,159,985	\$0
205	Seminar Building & Multicultural Center	\$5,000,053	\$0	\$0	\$5,000,053	\$0
206	Stadium and Track	\$7,976,644	\$0	\$0	\$7,976,644	\$0
211	L-Quad Seating	\$158,918	\$0	\$0	\$158,918	\$0
214	Corporation Yard	\$4,008,793	\$0	\$0	\$4,008,793	\$0
215	Signage (Phase I)	\$671,069	\$0	\$0	\$671,069	\$0
216	Library	\$11,152,379	\$0	\$0	\$11,152,379	\$0
217	Secured Bicycle Storage for Students	\$227,117	\$0	\$0	\$227,117	\$0
218	Signage and Wayfinding	\$830,762	\$0	\$0	\$830,762	\$0
224	Campus Site Lighting (Phase I)	\$662,686	\$0	\$0	\$662,686	\$0
225	Campus Wide Electronic Locks	\$1,537,277	\$0	\$0	\$1,537,277	\$0
226	Campus Wide Replacement/Repair of Interior and Exterior Finishes	\$1,259,670	\$0	\$0	\$1,259,670	\$0
227	Window Replacement Campus-wide	\$405,845	\$0	\$0	\$405,845	\$0
228	CDC Playground Maintenance & Shade Structure	\$439,291	\$0	\$0	\$439,291	\$0

See last page for definitions and notes



Quarterly Summary Board Report

Foothill-De Anza Community College District (C)

Measure C Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Financially Complete						
229	Environmental Studies Area	\$972,869	\$0	\$0	\$972,869	\$0
236	Repair Tile Roofs	\$5,293,951	\$0	\$0	\$5,293,951	\$0
239	Flint Parking Structure Repairs	\$6,946,144	\$0	\$0	\$6,946,144	\$0
241	S2- S6 Phase II - Utility Master Plan - Phase I	\$14,822,225	\$0	\$0	\$14,822,225	\$0
245	ATC	\$11,631,949	\$0	\$0	\$11,631,949	\$0
247	G-Building	\$962,243	\$0	\$0	\$962,243	\$0
248	Campus Drive	\$3,669,717	\$0	\$0	\$3,669,717	\$0
251	Install Photovoltaic Arrays - Campus Wide	\$11,732,597	\$0	\$0	\$11,732,597	\$0
252	Elevator Upgrades - Campus Wide	\$733,108	\$0	\$0	\$733,108	\$0
253	ATC Central Plant Sound Attenuation	\$686,818	\$0	\$0	\$686,818	\$0
255	Auto Technology	\$4,064,329	\$0	\$0	\$4,064,329	\$0
256	Campus Center Phase II	\$2,156,931	\$0	\$0	\$2,156,931	\$0
261	Media & Learning Center	\$49,972,863	\$0	\$0	\$49,972,863	\$0
261G	Group II Equip	\$1,900,378	\$0	\$0	\$1,900,378	\$0
263	Swing Space	\$1,238,195	\$0	\$0	\$1,238,195	\$0
264	Fire Alarm System Replacements Phase II	\$284,997	\$0	\$0	\$284,997	\$0
271	Forum	\$2,155,798	\$0	\$0	\$2,155,798	\$0
272	EIR	\$43,233	\$0	\$0	\$43,233	\$0
273	Roof and Trellis Repair: PE 1-2-6 & S7 - 8	\$1,562,017	\$0	\$0	\$1,562,017	\$0
274	Combined Site Improvements	\$8,580,539	\$0	\$0	\$8,580,539	\$0
275	L-7 Phase II	\$2,566,379	\$0	\$0	\$2,566,379	\$0
276	Campus Exterior Lighting	\$553,579	\$0	\$0	\$553,579	\$0
277	Planetarium Roof Replacement	\$84,340	\$0	\$0	\$84,340	\$0
278	Interior and Exterior Improvements	\$323,766	\$0	\$0	\$323,766	\$0
279	Re-roof Science Buildings SC1 & SC2	\$1,466,401	\$0	\$0	\$1,466,401	\$0
280	Campus Center Floors Improvement	\$630,132	\$0	\$0	\$630,132	\$0
281	Instructional Writing Surfaces Remediation	\$224,292	\$0	\$0	\$224,292	\$0
701	Furniture and Equipment (Excluding Tech Related Equipment) De Anza	\$15,143,366	\$0	\$0	\$15,143,366	\$0
711	Desktops	\$9,495,622	\$0	\$0	\$9,495,622	\$0
712	Printers	\$210,759	\$0	\$0	\$210,759	\$0

See last page for definitions and notes



Quarterly Summary Board Report

Foothill-De Anza Community College District (C)

Measure C Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Financially Complete						
713	Refresh Multi Media Rooms	\$3,889,795	\$0	\$0	\$3,889,795	\$0
714	New Multi Media, Then Refresh	\$2,102,269	\$0	\$0	\$2,102,269	\$0
715	AV/Low Tech	\$17,683	\$0	\$0	\$17,683	\$0
Total Financially Complete		\$213,589,415	\$0	\$0	\$213,589,415	\$0
Consolidated						
204	PE Quad Breezeway	\$0	\$0	\$0	\$0	\$0
207	Demolition of Staff House	\$0	\$0	\$0	\$0	\$0
209	Wireless Infrastructure- Phase II & III	\$0	\$0	\$0	\$0	\$0
210	Asphalt Walks	\$0	\$0	\$0	\$0	\$0
213	East Cottage "Historic Renovation"	\$0	\$0	\$0	\$0	\$0
219	Irrigation - Branches	\$0	\$0	\$0	\$0	\$0
220	Landscaping Phase II	\$0	\$0	\$0	\$0	\$0
221	Campus Exterior Lighting Phase II	\$0	\$0	\$0	\$0	\$0
222	Resurface Parking Lots E & I	\$0	\$0	\$0	\$0	\$0
223	Construct Parking Lot K	\$0	\$0	\$0	\$0	\$0
230	Sunken Garden	\$0	\$0	\$0	\$0	\$0
233	Slip Line Storm Drain Main Lines	\$0	\$0	\$0	\$0	\$0
235	Repair Stone Pavers in Court Yards	\$0	\$0	\$0	\$0	\$0
238	Slurry Seal Lots A, B, and Flint Center Parking Garage	\$0	\$0	\$0	\$0	\$0
242	L5 Central Plant	\$0	\$0	\$0	\$0	\$0
249	Baseball & Softball Fields	\$0	\$0	\$0	\$0	\$0
250	ADA Transition Plan	\$0	\$0	\$0	\$0	\$0
254	Construct New Covered Gathering Area	\$0	\$0	\$0	\$0	\$0
257	Financial Aid Outreach Office	\$0	\$0	\$0	\$0	\$0
258	Multicultural Center	\$0	\$0	\$0	\$0	\$0
262	Planetarium Expansion	\$0	\$0	\$0	\$0	\$0
265	Parking and Circulation	\$0	\$0	\$0	\$0	\$0
Total Consolidated		\$0	\$0	\$0	\$0	\$0

See last page for definitions and notes



Quarterly Summary Board Report

Foothill-De Anza Community College District (C)

Measure C Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Cancelled						
201	A8	\$190,936	\$0	\$0	\$190,936	\$0
208	Phase II - Renovation of A9	\$0	\$0	\$0	\$0	\$0
212	Master Landscaping (Phase I)	\$0	\$0	\$0	\$0	\$0
259	Renovation of Admin. Phase II	\$0	\$0	\$0	\$0	\$0
260	Construct New Transit Center	\$18,319	\$0	\$0	\$18,319	\$0
Total Cancelled		\$209,255	\$0	\$0	\$209,255	\$0
De Anza College Totals		\$221,536,551	\$386,045	\$939,874	\$219,447,093	\$2,089,459
District Active						
499	District Program Contingency	\$1,655,866	\$0	\$0	\$0	\$1,655,866
520	Program Overhead	\$243,741	(\$56,091)	\$36,458	\$36,458	\$207,282
Total Active		\$1,899,606	(\$56,091)	\$36,458	\$36,458	\$1,863,148
Financially Complete						
301	Phone Equipment	\$2,297,540	\$0	\$0	\$2,297,540	\$0
310	Network and Security	\$4,722,637	\$0	\$0	\$4,722,637	\$0
320	Consultants Spec Network Routers	\$97,305	\$0	\$0	\$97,305	\$0
330	Labor to Refresh Computers	\$2,292,077	\$0	\$0	\$2,292,077	\$0
340	Labor to Install Network Equip/Routers etc	\$510,094	\$0	\$0	\$510,094	\$0
350	Replace ERP	\$10,584,942	\$0	\$0	\$10,584,942	\$0
351	ERP Hardware Refresh	\$232,651	\$0	\$0	\$232,651	\$0
360	Server Refresh	\$1,994,653	\$0	\$0	\$1,994,653	\$0
370	Server Growth	\$219,795	\$0	\$0	\$211,002	\$8,793
390	Wireless Infrastructure	\$658,903	\$0	\$0	\$658,903	\$0
391	Wireless Infrastructure - Phase II & III	\$962,702	\$0	\$0	\$950,554	\$12,148
400	District Vehicles	\$3,194,909	\$0	\$0	\$3,194,909	\$0
403G	Group II Equip	\$522,600	\$0	\$0	\$522,600	\$0
404	New District Offices	\$22,288,808	\$0	\$0	\$22,288,808	\$0
405	ETS Facilities	\$1,461,144	\$0	\$0	\$1,330,519	\$130,625

See last page for definitions and notes



Quarterly Summary Board Report

Foothill-De Anza Community College District (C)

Measure C Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Financially Complete						
405B	Network Room Renovation	\$1,864,314	\$0	\$0	\$1,864,314	\$0
430	Desktops	\$1,042,799	\$0	\$0	\$1,042,799	\$0
431	Printers	\$33,321	\$0	\$0	\$33,321	\$0
501	Pass through Account for OH Collection	\$0	\$0	\$0	\$0	\$0
510	Pass through Account for FET OH Collection	\$0	\$0	\$0	\$0	\$0
599	Catastrophic Contingency	\$0	\$0	\$0	\$0	\$0
801	Foothill-DeAnza Education Center	\$41,031,817	\$0	\$0	\$41,031,817	\$0
COI	Cost of Issuance/Other	\$1,801,622	\$0	\$0	\$1,801,622	\$0
Total Financially Complete		\$97,814,635	\$0	\$0	\$97,663,068	\$151,566
Consolidated						
380	Pay Off Existing Loan	\$0	\$0	\$0	\$0	\$0
401	Grounds and Landscaping	\$0	\$0	\$0	\$0	\$0
402	Repairs & Resurfacing of Roads & Parking	\$0	\$0	\$0	\$0	\$0
403	Data Center "C"	\$128,415	\$0	\$0	\$128,415	\$0
899	District Program Contingency - Property Acquisition	\$0	\$0	\$0	\$0	\$0
910	Pay Off Existing Debt	\$0	\$0	\$0	\$0	\$0
Total Consolidated		\$128,415	\$0	\$0	\$128,415	\$0
Unallocated Interest Earnings		\$84,573	\$0	\$0	\$0	\$84,573
District Totals		\$99,927,230	(\$56,091)	\$36,458	\$97,827,942	\$2,099,288
Measure C Bond Program List Totals:		\$528,054,672	\$635,598	\$1,592,913	\$519,039,408	\$9,015,264

Report Notes & Definitions

Bond Expenses: Represents paid and accrued expenses through the reporting period end date.

Project numbers and names current as of the run date of the report.

Rounding factors may apply.

Program Funding and Expenditure Summary Report

Foothill-De Anza Community College District (G)

Measure G Bond Program

Funding Sources / Series Summary		A	B	C	D	E (C+D)	(A+B) - E
Funding Source	Series	Series Sale	Interest Earned	BMET Imported Expense Data	BMET Adjustments	Total Expenses	Remaining Balance
Measure G							
	Series A	\$20,000,000	\$599,959	\$21,586,007	\$0	\$21,586,007	(\$986,048)
	Series B	\$90,000,000	\$3,219,426	\$26,247,282	\$0	\$26,247,282	\$66,972,143
	Measure G Totals:	\$110,000,000	\$3,819,385	\$47,833,289	\$0	\$47,833,289	\$65,986,096
	Measure G Bond Program Totals:	\$110,000,000	\$3,819,385	\$47,833,289	\$0	\$47,833,289	\$65,986,096

Expense Summary - Funding Source (By Project and Fiscal Year)

Measure G					
Project Number	Project Name	Prior	FY22-23	FY23-24	Grand Total
100	Upgrade Restrooms to All Gender	\$10,304	\$222,613	\$69,343	\$302,261
104	Renovate Football Stadium East Bleachers	\$0	\$168,546	\$27,765	\$196,311
106	Upgrade ADA Pathways at Buildings 8200 and 8600	\$0	\$161,496	\$28,036	\$189,532
108	Upgrade Infrastructure and HVAC Systems - FH	\$0	\$16,480	\$482,124	\$498,604
112	Upgrade Campus Wide Lighting for Safety and Energy Efficiency	\$0	\$0	\$57,043	\$57,043
113	Upgrade Campus Wide Building Management Systems	\$0	\$0	\$3,880	\$3,880
115	Pool and Physical Educational Facilities Improvements	\$0	\$332,716	\$128,467	\$461,183
201	Upgrade Fire Alarms and Suppression Systems	\$0	\$110,607	\$22,122	\$132,729
202	New Services for Students Building	\$176,367	\$305,232	\$11,053	\$492,652
203	Modernization Campus Wide Building Exteriors - DA	\$0	\$2,267	\$2,117	\$4,383
203-206	Upgrade L1 Flat Roof	\$0	\$26,400	\$7,816	\$34,216
204	Convert Existing Facility to Beach Volleyball	\$0	\$242,814	\$47,680	\$290,493
205	Upgrade Infrastructure and HVAC Systems - DA	\$0	\$27,818	\$464,061	\$491,879
212	Modernize Building Interior and Exteriors	\$1,286	\$558	\$0	\$1,844
213	Renovate Restrooms in S2, S6 & L5	\$0	\$22,680	\$84,438	\$107,118
300	Upgrade Learning Space Tech - FH	\$10,422	\$266,230	\$592,747	\$869,399
301	Upgrade Learning Space Tech - DA	\$14,817	\$380,387	\$24,089	\$419,292
302	Upgrade Meeting Room Space Tech - CS	\$0	\$33,448	\$0	\$33,448
303	Refresh Academic and Business Computer	\$1,378,363	\$1,911,946	\$381,142	\$3,671,452
304	Server and Disk Storage Systems	\$2,870	\$738,330	\$506,698	\$1,247,898
305	Network Upgrades and Enhancements	\$887,145	\$1,792,890	\$180,686	\$2,860,721
307	IT Security Upgrades and Enhancements	\$0	\$526,800	\$47,530	\$574,330
309	WIFI Expansion Project Phase 2	\$0	\$10,804	\$76,220	\$87,024
400	Upgrade Security Systems	\$0	\$6,628	\$93,400	\$100,028
401	Construct New ETS Facilities for Permanent Storage and Processing	\$0	\$6,396	\$15,538	\$21,933
503	Program Overhead	\$940,907	\$1,758,212	\$1,531,707	\$4,230,826
505	Refinance Flint Center Parking Garage	\$25,055,632	\$0	\$0	\$25,055,632
506	Renovate Carriage House	\$112,464	\$153,738	\$996,327	\$1,262,529
509	De Anza Event Center and Utility Relocation	\$534,538	\$325,519	\$66,165	\$926,223
509-511	Demolition of the Flint Center, Utilities, & Associated Work	\$0	\$60,365	\$352,429	\$412,794

Measure G Bond Program

Measure G

Project Number	Project Name	Prior	FY22-23	FY23-24	Grand Total
509-512	Relocate Utilities-Telecom	\$0	\$15,364	\$1,087,593	\$1,102,957
510	Structural Upgrade Griffin House	\$298,210	\$16,402	\$0	\$314,612
597	Cost of Issuance	\$1,378,062	\$0	\$0	\$1,378,062
Measure G Totals:		\$30,801,388	\$9,643,686	\$7,388,216	\$47,833,289

State Scheduled Maintenance

Project Number	Project Name	Prior	FY22-23	FY23-24	Grand Total
506	Renovate Carriage House	\$0	\$0	\$219,975	\$219,975
State Scheduled Maintenance Totals:		\$0	\$0	\$219,975	\$219,975
Measure G Bond Program Totals:		\$30,801,388	\$9,643,686	\$7,608,191	\$48,053,264

Quarterly Summary Board Report

Foothill-De Anza Community College District (G)

Measure G Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Foothill College						
Board Approved						
103	Upgrade Natural Gas Service, Distribution and Electrification	\$5,506,600	\$0	\$0	\$0	\$5,506,600
105	Modernization Campus Wide Building Exteriors - FH	\$27,532,700	\$0	\$0	\$0	\$27,532,700
107	Modernize and Expand Student Success Centers	\$2,753,300	\$0	\$0	\$0	\$2,753,300
109	Upgrades to Campus Wide Electrical Systems	\$13,766,500	\$0	\$0	\$0	\$13,766,500
110	Improve Campus Wide Walk/Pathways for ADA Compliance	\$12,389,800	\$0	\$0	\$0	\$12,389,800
111	Upgrade Campus Site Access, Signage and Wayfinding	\$15,831,400	\$0	\$0	\$0	\$15,831,400
FH-001	Swing Space	\$1,376,600	\$0	\$0	\$0	\$1,376,600
FH-007	Renovate and Upgrade Existing Classroom Facilities	\$1,652,000	\$0	\$0	\$0	\$1,652,000
FH-017	Campus Contingency (Foothill)	\$6,602,602	\$0	\$0	\$0	\$6,602,602
Total Board Approved		\$87,411,502	\$0	\$0	\$0	\$87,411,502
Active						
100	Upgrade Restrooms to All Gender	\$1,861,866	\$7,540	\$69,343	\$302,261	\$1,559,605
104	Renovate Football Stadium East Bleachers	\$1,376,600	\$12,475	\$27,765	\$196,311	\$1,180,289
106	Upgrade ADA Pathways at Buildings 8200 and 8600	\$1,693,532	\$8,034	\$28,036	\$189,532	\$1,504,000
108	Upgrade Infrastructure and HVAC Systems - FH	\$61,948,700	\$76,795	\$482,124	\$498,604	\$61,450,096
112	Upgrade Campus Wide Lighting for Safety and Energy Efficiency	\$2,753,300	\$20,813	\$57,043	\$57,043	\$2,696,258
113	Upgrade Campus Wide Building Management Systems	\$2,064,900	\$3,880	\$3,880	\$3,880	\$2,061,020
115	Pool and Physical Educational Facilities Improvements	\$16,519,600	\$10,762	\$128,467	\$461,183	\$16,058,417
Total Active		\$88,218,498	\$140,298	\$796,657	\$1,708,813	\$86,509,685
Consolidated						
FH-004	Infrastructure and Distribution Piping Improvements Heating, Ventilation and Air Conditioning Upgrades Campus-wide	\$0	\$0	\$0	\$0	\$0
Total Consolidated		\$0	\$0	\$0	\$0	\$0
Foothill College Totals		\$175,630,000	\$140,298	\$796,657	\$1,708,813	\$173,921,187
De Anza College						
Board Approved						
DA-002	Site Improvements	\$5,506,700	\$0	\$0	\$0	\$5,506,700

See last page for definitions and notes



Quarterly Summary Board Report

Foothill-De Anza Community College District (G)

Measure G Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Board Approved						
DA-003	Perimeter Campus Roadway, Pathway and Traffic Improvements	\$6,883,400	\$0	\$0	\$0	\$6,883,400
DA-004	Signage and Wayfinding Improvements Campus-wide	\$1,376,700	\$0	\$0	\$0	\$1,376,700
DA-006	Swing Space	\$1,376,700	\$0	\$0	\$0	\$1,376,700
DA-011	Furniture, Fixtures and Equipment	\$6,883,400	\$0	\$0	\$0	\$6,883,400
DA-012	Student Health Services Renovation	\$2,065,000	\$0	\$0	\$0	\$2,065,000
DA-014	Physical Education Gymnasium Building Renovations	\$376,600	\$0	\$0	\$0	\$376,600
DA-016	Pool and Physical Educational Quad Facilities Improvements	\$7,005,292	\$0	\$0	\$0	\$7,005,292
DA-017	Automotive Technology Facilities Improvements and Modernization	\$1,032,500	\$0	\$0	\$0	\$1,032,500
DA-018	Campus Contingency (De Anza)	\$8,781,200	\$0	\$0	\$0	\$8,781,200
Total Board Approved		\$41,287,492	\$0	\$0	\$0	\$41,287,492
Active						
201	Upgrade Fire Alarms and Suppression Systems	\$4,818,400	\$9,210	\$22,122	\$132,729	\$4,685,671
202	New Services for Students Building	\$64,703,600	\$0	\$11,053	\$492,652	\$64,210,948
203	Modernization Campus Wide Building Exteriors - DA	\$20,650,100	\$7,222	\$9,933	\$38,599	\$20,611,501
204	Convert Existing Facility to Beach Volleyball	\$4,319,808	\$15,364	\$47,680	\$290,493	\$4,029,315
205	Upgrade Infrastructure and HVAC Systems - DA	\$34,416,900	\$285,441	\$464,061	\$491,879	\$33,925,021
212	Modernize Building Interior and Exteriors	\$2,102,800	\$0	\$0	\$1,844	\$2,100,956
213	Renovate Restrooms in S2, S6 & L5	\$3,403,900	\$65,394	\$84,438	\$107,118	\$3,296,782
Total Active		\$134,415,508	\$382,630	\$639,287	\$1,555,315	\$132,860,193
Consolidated						
DA-008	Infrastructure and Distribution Piping Improvements Heating, Ventilation and Air Conditioning Upgrades Campus-wide	\$0	\$0	\$0	\$0	\$0
DA-010	Physical Plant replacement attached to Flint Center and Creative Arts Quad Buildings	\$0	\$0	\$0	\$0	\$0
Total Consolidated		\$0	\$0	\$0	\$0	\$0
De Anza College Totals		\$175,703,000	\$382,630	\$639,287	\$1,555,315	\$174,147,685

De Anza Event Center

Active

509	De Anza Event Center and Utility Relocation	\$101,728,800	\$637,942	\$1,506,187	\$2,441,974	\$99,286,826
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See last page for definitions and notes



Quarterly Summary Board Report

Foothill-De Anza Community College District (G)

Measure G Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Active						
Total Active		\$101,728,800	\$637,942	\$1,506,187	\$2,441,974	\$99,286,826
Consolidated						
507	De Anza Event Center and Utilities Relocation	\$0	\$0	\$0	\$0	\$0
508	Relocate Utilities DA Event Center	\$0	\$0	\$0	\$0	\$0
Total Consolidated		\$0	\$0	\$0	\$0	\$0
De Anza Event Center Totals		\$101,728,800	\$637,942	\$1,506,187	\$2,441,974	\$99,286,826
Educational Technology Services (ETS)						
Board Approved						
306	Upgrades to Network Service Rooms	\$11,309,700	\$0	\$0	\$0	\$11,309,700
399	Educational Technology Services (ETS) Contingency	\$5,000,000	\$0	\$0	\$0	\$5,000,000
Total Board Approved		\$16,309,700	\$0	\$0	\$0	\$16,309,700
Active						
300	Upgrade Learning Space Tech - FH	\$13,865,081	\$443,493	\$592,747	\$869,399	\$12,995,682
301	Upgrade Learning Space Tech - DA	\$13,978,098	\$24,089	\$24,089	\$419,292	\$13,558,806
302	Upgrade Meeting Room Space Tech - CS	\$807,820	\$0	\$0	\$33,448	\$774,372
303	Refresh Academic and Business Computer	\$26,389,200	\$213,114	\$381,142	\$3,671,452	\$22,717,748
304	Server and Disk Storage Systems	\$2,262,000	\$0	\$506,698	\$1,247,898	\$1,014,102
305	Network Upgrades and Enhancements	\$12,079,300	\$140,966	\$180,686	\$2,860,721	\$9,218,579
307	IT Security Upgrades and Enhancements	\$7,539,200	\$2,160	\$47,530	\$574,330	\$6,964,870
308	Upgrade Voice Communication Systems	\$3,769,600	\$0	\$0	\$0	\$3,769,600
309	WIFI Expansion Project Phase 2	\$3,000,000	\$16,324	\$76,220	\$87,024	\$2,912,976
Total Active		\$83,690,300	\$840,146	\$1,809,112	\$9,763,564	\$73,926,736
Consolidated						
ETS-01	Learning Space Technology Upgrades and Enhancements	\$0	\$0	\$0	\$0	\$0
ETS-04	Assistive Listening Devices for Hearing Impaired Individuals	\$0	\$0	\$0	\$0	\$0
Total Consolidated		\$0	\$0	\$0	\$0	\$0

See last page for definitions and notes



Quarterly Summary Board Report

Foothill-De Anza Community College District (G)

Measure G Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name		Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
		A	B	C	D	E = A - D
Educational Technology Services (ETS) Totals		\$100,000,000	\$840,146	\$1,809,112	\$9,763,564	\$90,236,436
Central Services						
Board Approved						
CS-001	Equipment and Vehicles Acquisitions	\$3,000,000	\$0	\$0	\$0	\$3,000,000
CS-004	Central Services Contingency	\$1,000,000	\$0	\$0	\$0	\$1,000,000
Total Board Approved		\$4,000,000	\$0	\$0	\$0	\$4,000,000
Active						
400	Upgrade Security Systems	\$13,000,000	\$85,514	\$93,400	\$100,028	\$12,899,972
401	Construct New ETS Facilities for Permanent Storage and Processing	\$3,000,000	\$6,591	\$15,538	\$21,933	\$2,978,067
Total Active		\$16,000,000	\$92,105	\$108,938	\$121,962	\$15,878,038
Central Services Totals		\$20,000,000	\$92,105	\$108,938	\$121,962	\$19,878,038
District						
Board Approved						
DW-005	District-wide Energy and Sustainability Projects	\$12,718,300	\$0	\$0	\$0	\$12,718,300
DW-006	Employee and Student Housing	\$200,000,000	\$0	\$0	\$0	\$200,000,000
DW-008	Program Catastrophic Contingency	\$20,353,000	\$0	\$0	\$0	\$20,353,000
Total Board Approved		\$233,071,300	\$0	\$0	\$0	\$233,071,300
Active						
503	Program Overhead	\$43,621,938	\$606,578	\$1,531,707	\$4,230,826	\$39,391,112
506	Renovate Carriage House	\$3,175,252	\$481,846	\$996,327	\$1,262,529	\$1,912,723
510	Structural Upgrade Griffin House	\$5,444,200	\$0	\$0	\$314,612	\$5,129,588
597	Cost of Issuance	\$1,378,062	\$0	\$0	\$1,378,062	\$0
599	District-wide Contingency	\$16,422,611	\$0	\$0	\$0	\$16,422,611
Total Active		\$70,042,063	\$1,088,424	\$2,528,034	\$7,186,029	\$62,856,034
Financially Complete						
505	Refinance Flint Center Parking Garage	\$25,055,632	\$0	\$0	\$25,055,632	\$0

See last page for definitions and notes



Quarterly Summary Board Report

Measure G Bond Program

Reporting Period: Inception through 3/31/2024

Status/Project Name	Budget	Quarter Expenses	Fiscal Year To Date Expenses	Program To Date Expenses	Budget Remaining
	A	B	C	D	E = A - D
Financially Complete					
Total Financially Complete	\$25,055,632	\$0	\$0	\$25,055,632	\$0
Unallocated Interest Earnings	\$588,590	\$0	\$0	\$0	\$588,590
District Totals	\$328,757,585	\$1,088,424	\$2,528,034	\$32,241,661	\$296,515,924
Measure G Bond Program List Totals:	\$901,819,385	\$3,181,546	\$7,388,216	\$47,833,289	\$853,986,096

Report Notes & Definitions

Bond Expenses: Represents paid and accrued expenses through the reporting period end date.

Project numbers and names current as of the run date of the report.

Rounding factors may apply.

MAY REVISION

Gavin Newsom, Governor
STATE OF CALIFORNIA



2024-25

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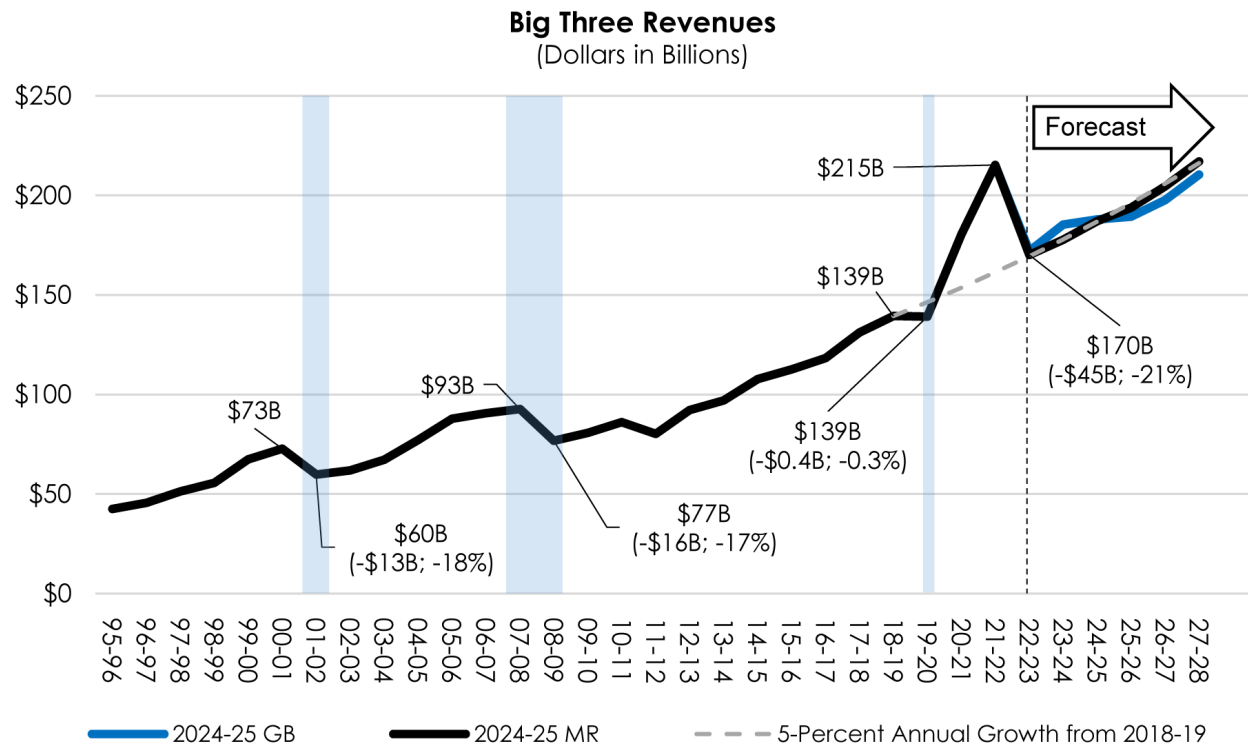
INTRODUCTION

This year's May Revision puts the state on a long-term, fiscally responsible path that protects vital programs assisting millions of Californians. Although the economy remains strong and revenue volatility has stabilized after the tumultuous COVID-19 Pandemic, the May Revision addresses anticipated shortfalls in both the 2024-25 and 2025-26 fiscal years. This multiyear focus presents a balanced approach that results in positive operating reserves in the 2024-25 and 2025-26 fiscal years—transforming a cumulative two-year deficit into an operating reserve surplus. To achieve this outcome, the May Revision includes significant spending cuts to government operations, reductions to programs and pauses of new investments. Despite these necessary cuts, reductions, and pauses, the May Revision maintains current service levels for key health care, social services and other critical programs.

Emerging from the pandemic, the state's economy has been resilient but has behaved in ways that have defied traditional forecasts and historical precedent. During this time California has experienced significant revenue volatility—seeing unprecedented revenue growth that was quickly followed by a sharp and deep correction back toward historical trends. This volatility resulted in the 2021 and 2022 Budget Acts reflecting higher growth assumptions, which created a misalignment between expenditures and revenues in the last two fiscal years that will continue unless corrective action is taken. Despite this volatility and the resulting need to take corrective actions, revenues in the coming fiscal year are forecasted to be higher than pre-pandemic levels in 2018-19 and reflect a level consistent with a more typical annual

INTRODUCTION

growth pattern of five percent (see the Big Three Revenue—personal income, corporation, and sales tax—figure below).



Projected revenue figures exclude the impact of tax policy proposals and solutions.
Shaded bars indicate previous U.S. recessions.
Source: California Department of Finance, 2024-25 May Revision Forecast.

At last year's May Revision, significant uncertainty clouded the state's revenue forecast, driven by the unprecedented Internal Revenue Service (IRS) tax filing and payment postponement—affecting 99 percent of California taxpayers—that delayed critical cash receipts for more than half a year. With the revenue picture now clearer for the 2022 and 2023 tax years, actions must be taken to bring the budget's expenditures and revenues into alignment—an essential step so programs and services that Californians rely upon can be protected. Without action, these programs and services will be at risk of more consequential reductions in the coming years.

In response, the May Revision includes budgetary solutions that address the near-term budget shortfall for 2024-25 and result in a positive operating reserve in 2025-26. Without question, difficult decisions are required to accomplish this. However, these decisions are necessary to stabilize California's financial plan. Without them, significant shortfalls are projected to persist.

HOW WE GOT HERE

Following the stock market run-up through the end of 2021, asset prices dropped in 2022, with the S&P 500 declining by 19 percent and the NASDAQ Composite Index—concentrated in stocks in technology companies that are a California mainstay—declining by 33 percent. As a result, the state's Big Three General Fund revenue sources—personal income, sales, and corporation taxes—declined by 21 percent in 2022-23 after increasing by a remarkable 55 percent from 2019-20 to 2021-22. While the stock market rebounded and recovered nearly all of its losses by the end of 2023, cash receipts for the year remained weak, due in part to increased capital loss carryovers originating from the asset market declines in 2022. New tax data for 2022 show capital loss carryovers grew by 62 percent in 2022, exceeding the 58 percent increase in 2008 during the Great Recession.

Due to the revenue spike from 2019-20 to 2021-22, the Budget Acts of 2021 and 2022 were based on forecasts that projected substantially greater revenues in the last two fiscal years than occurred.

To illustrate:

- The 2022 Budget Act projected that Big Three revenues would be \$210 billion in 2022-23 and \$220.9 billion in 2023-24.
- As of the May Revision forecast, 2022-23 revenues, excluding solutions and policy proposals, are now estimated at \$170.1 billion and 2023-24 revenues are at \$177.7 billion.
- This is a difference of \$83.1 billion between the 2022 Budget Act projection for the 2022-23 and 2023-24 fiscal years and what has materialized based on the latest projections.

Big Three Revenue Forecast Comparison 2022 Budget Act vs. 2024 May Revision (Dollars in Billions)

Fiscal Year	2022-23	2023-24	2024-25	2025-26
2022 Budget Act	\$210.0	\$220.9	\$230.6	\$232.2
2024 May Revision	\$170.1	\$177.7	\$187.0	\$193.8
Difference	-\$39.9	-\$43.2	-\$43.6	-\$38.4

The total difference across the four fiscal years is a negative \$165.1 billion.

THE BUDGET PROBLEM

The 2023 Budget Act addressed a budget shortfall of approximately \$32 billion. As previously noted, significant uncertainty surrounded the revenue forecast due to the IRS tax filing and payment delay. Once additional tax receipts for 2022 were received in late November 2023, it was clear that 2022 revenues were weaker than projected when the 2023 Budget Act was adopted. As a result, the Governor's Budget projected an additional budget shortfall of \$37.9 billion.

Since then, 2023 tax year cash receipts have been weaker than expected. In addition, inflation has been slower to cool, defying earlier expectations. As a result, interest rates have remained higher to longer than expected. Compared to January's revenue forecast, the May Revision revenue forecast reflects a decrease of \$10.5 billion in the Big Three revenues, excluding solutions and policy proposals, through the 2024-25 fiscal year—with personal income tax lower by \$2.4 billion, corporation tax lower by \$5.8 billion, and sales tax lower by \$2.3 billion.

The May Revision estimates that the budget shortfall has grown by approximately \$7 billion. Combined with the Governor's Budget, the budget shortfall for the 2024-25 fiscal year is approximately \$44.9 billion. However, after accounting for the early action budget package that included \$17.3 billion of solutions, the remaining budget problem is approximately \$27.6 billion.

Budget Problem at the May Revision

Governor's Budget	\$37.9 billion
Shortfall Since Governor's Budget	\$7.0 billion
Early Action Budget Package	-\$17.3 billion
Remaining Budget Problem	\$27.6 billion

The Governor's Budget reflected a negative operating reserve balance in the 2025-26 fiscal year of \$33.1 billion. Such levels of negative reserves in budget out-years are not manageable and put state investments at further risk, particularly ongoing programs and services. The May Revision addresses the 2025-26 shortfall and reflects positive operating reserve balances in both the 2024-25 and 2025-26 fiscal years.

EARLY ACTION BUDGET PACKAGE

Recognizing the importance of addressing the shortfall ahead of schedule, the Legislature passed an early action budget package in April that reduced the size of the budget shortfall by approximately \$17.3 billion (Chapter 9, Statutes of 2024 (AB 106)). This package was comprised primarily of solutions included in the Governor's Budget, and also accounted for the use of \$12.2 billion from the Budget Stabilization Account (BSA).

BUDGET RESERVES AND SOLUTIONS

USE OF RESERVES

The scope of the current shortfall presents the conditions for which the BSA was designed—mitigating volatility in revenues, specifically from fluctuations in capital gains.

To help address this volatility, capital gains tax revenues that exceed eight percent of total general fund revenues are deposited into the BSA. The BSA is structured to capture revenue from capital gains during market upswings to mitigate the impact of market—and corresponding revenue—downswings on the state budget.

California experienced this type of swing in revenue from capital gains in 2021 when capital gains realizations spiked to an all-time high of \$349 billion. Conversely, the May Revision forecast projects that capital gains realizations fell to approximately \$156 billion in 2022 and \$137 billion in 2023.

While challenging, the current shortfall is more manageable because of the state's foresight in building the combined budgetary reserves to a record level in 2023. Withdrawals from the BSA will help the state maintain fiscal stability, continue its ongoing efforts to address priority issues such as homelessness and combatting the effects of climate change, and avoid more harmful cuts in programs that are essential to the well-being of Californians throughout the state.

The May Revision maintains the Governor's Budget withdrawal of approximately \$12.2 billion from the BSA, as well as \$900 million from the Safety Net Reserve. However, the May Revision spreads the use of the BSA withdrawal over two fiscal years, utilizing \$3.3 billion in the 2024-25 fiscal year and \$8.9 billion in the 2025-26 fiscal year. This action will assist in balancing the budget through the 2025-26 fiscal year.

INTRODUCTION

In addition, the May Revision includes withdrawals from the Public School System Stabilization Account of approximately \$8.4 billion to maintain predictable support for local educational agencies and community college districts.

By spreading the use of reserves over two fiscal years, total budget reserves in the coming fiscal year will remain substantial at \$22.8 billion. This includes \$19.4 billion in the BSA and \$3.4 billion in the Special Fund for Economic Uncertainties.

SOLUTIONS

In January, the Governor's Budget proposed to close the estimated \$37.9 billion shortfall through the following mix of balanced solutions:

Governor's Budget 2024-25 Solutions

Category	Amount
Reserves	\$13.1 billion
Reductions	\$8.5 billion
Revenue/Borrowing	\$5.7 billion
Delays	\$5.1 billion
Fund Shifts	\$3.4 billion
Deferrals	\$2.1 billion
Total	\$37.9 billion

As mentioned above, the early action budget package addressed \$17.3 billion of the budget problem. Accounting for the increased budget problem of \$7 billion and erosions of Governor's Budget solutions of \$1.2 billion, the May Revision includes \$8.2 billion of additional solutions. The following is a breakdown of solutions by category that net to address the \$8.2 billion incremental increase in the 2024-25 fiscal year budget problem at the May Revision.

Additional May Revision 2024-25 Solutions and Adjustments

Category	Amount
Reserves*	- \$8.9 billion
Reductions	\$10.7 billion
Revenue/Borrowing	\$2.0 billion
Delays	\$520 million
Fund Shifts	\$3.9 billion
Total	\$8.2 billion

*Reflects the spreading of the proposed BSA withdrawal in the Governor's Budget of \$12.2 billion over two fiscal years: \$3.3 billion in 2024-25 and \$8.9 billion in 2025-26.

The May Revision also ensures that there is a positive operating reserve in the 2025-26 fiscal year. The solutions to address the 2025-26 fiscal year budget problem total \$28.4 billion and are listed by category below:

May Revision 2025-26 Solutions and Adjustments

Category	Amount
Reserves	\$8.9 billion
Reductions	\$14.6 billion
Revenue/Borrowing	\$7.4 billion
Pauses/Delays*	-\$1.1 billion
Fund Shifts	\$743 million
Deferrals*	-\$2.1 billion
Total	\$28.4 billion

*Reflects delays and deferrals proposed in the Governor's Budget.

Some of the new solutions at the May Revision are:

- **Reductions.** The May Revision reduces funding for various items in addition to the reductions made in the Governor's Budget. Significant solutions in this category include:
 - **Middle Class Scholarship Program**—Reduce \$510 million ongoing General Fund support for the Middle Class Scholarship program. Combined with a technical adjustment, \$100 million ongoing support for this program would remain.
 - **California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program**—Pull back a planned 2025-26 General Fund investment of \$550 million that would have supported the California Preschool, Transitional Kindergarten, and Full-Day Kindergarten Program. Such an investment could be considered for inclusion in education facilities bond proposals being contemplated by the Legislature.
 - **Children and Youth Behavioral Health Initiative**—A reduction of one-time \$72.3 million General Fund in 2023-24, \$348.6 million General Fund in 2024-25, and \$5 million General Fund in 2025-26 for school-linked health partnerships and capacity grants for higher education institutions, behavioral health services and supports platform, evidence-based and community-defined grants, public education and change campaign, and youth suicide reporting and crisis response pilot.
 - **California Department of Corrections and Rehabilitation Housing Unit Deactivations**—An ongoing reduction of \$80.6 million General Fund to reflect the deactivation of 46 housing units across 13 prisons, totaling approximately 4,600 beds.
 - **Ongoing Reductions to State Operations**—A reduction to state operations by approximately 7.95 percent beginning in 2024-25 to nearly all department budgets. The planned reduction involves all categories, including personnel, operating costs, and contracting. The Department of Finance will work with agencies and departments in the fall on the appropriate budget reductions.
- **Revenue/Internal Borrowing.** The May Revision includes additional and adjusted support from revenue sources and borrows internally from special funds. Significant solutions in this category include:
 - **Net Operating Loss (NOL) Suspension and Limit Credit to \$5 Million**—The Governor's Budget NOL suspension proposal is modified to begin in 2025-26 and include an opportunity to trigger the suspension off if revenues improve, resulting

in \$900 million revenue gain (\$558 million net of Proposition 98) in 2024-25 and \$5.5 billion (\$3.4 billion net of Proposition 98) in 2025-26.

- **Additional Managed Care Organization (MCO) Tax (Medicare Revenue)**—Increase the MCO Tax to achieve additional net state benefit of \$689.9 million in 2024-25, \$950 million in 2025-26, and \$1.3 billion in 2026-27 by including health plan Medicare revenue in the total revenue limit calculation, which increases the allowable size of the tax.
- **Delays and Pauses.** The May Revision minimizes the use of delays to avoid both increased future obligations and potential shortfalls, and some delays proposed in the Governor's Budget have been changed to reductions. There are limited exceptions in which funding is spread over a multiyear period. These include:
 - **Broadband Last Mile**—Delay \$200 million from 2025-26 to 2027-28.
 - **Child Care Slot Expansion Pause at Current Level**—Approximately 119,000 slots have been added; a pause at the current level until fiscal conditions allow for resuming the expansion will result in a revenue gain of \$489 million in 2024-25 and \$951 million in 2025-26.
- **Fund Shifts.** The May Revision shifts certain expenditures from the General Fund to other funds in addition to those shifted in the Governor's Budget. Significant solutions in this category include:
 - **Capitol Annex Projects**—Shift \$450 million in 2024-25 and \$250 million in 2025-26 from cash to bonds.
 - **Cap and Trade Fund Shifts**—A number of General Fund commitments are shifted into the Greenhouse Gas Reduction Fund, with a focus on equity programs, priorities to help meet climate goals, and programs that support greenhouse gas reductions for a total shift of \$1.7 billion in 2024-25.

2022 TRIGGER

The 2022 Budget Act included a trigger that anticipated expenditures for certain programs would be included in the 2024 Budget Act if the Department of Finance first determined that estimated General Fund resources reflected in the 2024 May Revision could support such ongoing increases over the multiyear forecast. Given the negative multiyear projections, the following investments that were part of this trigger are not included in the May Revision:

- Union Membership Dues Tax Credit
- Medi-Cal Share of Cost Reform
- Continuous Medi-Cal Coverage for Children Aged 0 through 4
- Child Support Pass-Through to Currently Assisted CalWORKs Families
- California State Student Aid Commission – Cal Grant Reform Act
- California Community College Cal Grant Expansion Program
- Victim Compensation Program

PRIOR BUDGET SAFEGUARDS WORKING AS PLANNED

The May Revision fortifies California's fiscal foundation by more closely aligning projected expenditures with the state's revenue forecast. While difficult reductions and pullbacks of funding are required to accomplish this, they are proposed in a manner intended to protect nearly all of the state's core programs and services.

Specifically, the May Revision relies upon the following budget resiliency measures and other tools to provide for a balanced budget in 2024-25 and 2025-26:

- **Budget Stabilization Account**—Prudent use of the BSA to stabilize the budget during a period of revenue decline.
- **Reductions of One-time Spending**—While the budget shortfall necessitates some ongoing solutions, the May Revision maximizes the pullback of one-time spending, which prevents far deeper reductions to ongoing programs.
- **Trigger Mechanism**—By including a trigger mechanism in the 2022 Budget Act instead of automatic spending increases on new programs, state expenditures did not grow further in the 2024-25 fiscal year and beyond.

Difficult decisions regarding spending reductions are necessary to create a path for long-term fiscal sustainability. Making these decisions now will significantly reduce the risk of more difficult decisions in the months and years ahead that could have substantial effects on core state programs and services.

SAVING MORE DURING FUTURE UPWARD SWINGS IN REVENUE

As the Governor's Budget stated in January, the Administration and the Legislature should explore legislation to allow the state to save more during economic upswings, enhancing the state's ability to protect vital programs and services during future budget downturns. This includes amendments to Proposition 2 (2014) to allow increased deposits into the BSA.

The May Revision proposes additional legislation that would require the state to set aside a portion of anticipated surplus funds to be allocated in a subsequent budget act. This will ensure that the state does not commit certain amounts of future anticipated revenues until such revenues have been realized. This proposal does not replace the need to explore changes to Proposition 2; rather, it provides an additional tool to manage future revenue volatility.

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ADDRESSING THE BUDGET AND OPERATING DEFICIT PROBLEM

To address the projected budget shortfall and multiyear operating deficits, the Budget proposes one-time and ongoing General Fund solutions to achieve a balanced budget in both the 2024-25 and 2025-26 fiscal years and significantly reduce the projected operating deficit over the multiyear forecast. These include:

EDUCATION

- **Learning Aligned Employment Program**—Reducing \$485 million one-time, which reflects the balance of unspent one-time Learning-Aligned Employment Program resources.
- **Golden State Teacher Grant Program**—Reducing \$60.2 million one-time support for the Golden State Teacher Grant Program. Combined with a technical adjustment, \$50 million one-time support for this program would remain.
- **Middle Class Scholarship Program**—Reducing \$510 million ongoing support for the Middle Class Scholarship program. Combined with a technical adjustment, \$100 million ongoing support for this program would remain.
- **California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program**—Reducing a planned 2025-26 investment of \$550 million that would have supported the California Preschool, Transitional Kindergarten, and Full-Day

Kindergarten Program. Such an investment could be considered for inclusion in education facilities bond proposals being contemplated by the Legislature.

- **School Facilities Aid Program**—Eliminating the remaining \$375 million one-time in planned support for the School Facilities Aid Program. The Early Action package previously reduced a planned investment of \$875 million one-time General Fund by \$500 million one-time General Fund.
- **Preschool Inclusivity**—Eliminating the planned General Fund investments of \$47.9 million in 2025-26 and \$97.9 million ongoing starting in 2026-27 that would have supported California State Preschool Program adjustment factor costs for State Preschool to serve at least 10 percent of students with disabilities by 2026-27. Providers would continue to be required to serve at least 5 percent of students with disabilities.

HEALTH AND HUMAN SERVICES

- **Managed Care Organization (MCO) Tax**—Reducing \$6.7 billion over multiple years from the Medi-Cal provider rate increases planned for January 1, 2025, as well as Graduate Medical Education and Medi-Cal labor workforce. The May Revision proposes an amendment to the MCO Tax to include health plan Medicare revenue in the total revenue limit calculation, which increases the allowable size of the tax resulting in an additional net state benefit of \$689.9 million in 2024-25, \$950 million in 2025-26, and \$1.3 billion in 2026-27. Overall, the May Revision includes an additional \$9.7 billion in MCO Tax funds over multiple years to support the Medi-Cal program.
- **Healthcare Workforce Reduction**—Eliminating \$300.9 million in 2023-24, \$302.7 million in 2024-25, \$216 million in 2025-26, \$19 million in 2026-27, and \$16 million in 2027-28 for various healthcare workforce initiatives including community health workers, nursing, social work, Song-Brown residencies, Health Professions Career Opportunity Program, and California Medicine Scholars Program. The May Revision also eliminates \$189.4 million Mental Health Services Fund for programs proposed to be delayed to 2025-26 at Governor's Budget.
- **Children and Youth Behavioral Health Initiative**—Reducing \$72.3 million one-time in 2023-24, \$348.6 million in 2024-25, and \$5 million in 2025-26 for school-linked health partnerships and capacity grants for higher education institutions, behavioral health services and supports platform, evidence-based and community-defined grants, public education and change campaign, and youth suicide reporting and crisis response pilot.

- **Behavioral Health Continuum Infrastructure Program**—Eliminating \$450.7 million one-time from the last round of the Behavioral Health Continuum Infrastructure Program, while maintaining \$30 million one-time General Fund in 2024-25.
- **Behavioral Health Bridge Housing Program**—Reducing \$132.5 million in 2024-25 and \$207.5 million in 2025-26 for the Behavioral Health Bridge Housing Program, while maintaining \$132.5 million General Fund in 2024-25 and \$117.5 million (\$90 million Mental Health Services Fund and \$27.5 million General Fund) in 2025-26.
- **Equity and Practice Transformation Payments to Providers**—Eliminating \$280 million one-time over multiple years for grants to Medi-Cal providers for quality, health equity, and primary care infrastructure. The May Revision maintains \$70 million General Fund included in the 2022 Budget Act.
- **Elimination of Public Health Funding**—Eliminating \$52.5 million in 2023-24 and \$300 million ongoing for state and local public health.
- **Foster Care Permanent Rate Structure**—Including statutory language that would make the proposed foster care rate structure subject to a trigger-on, based on the availability of General Fund in spring 2026.
- **CalWORKs Home Visiting Program**—Reducing \$47.1 million ongoing for the CalWORKs Home Visiting Program.
- **CalWORKs Mental Health and Substance Abuse Services**—Reducing \$126.6 million ongoing for the CalWORKs Mental Health and Substance Abuse Services.
- **Child Care Slot Expansion Pause at Current Level**—Approximately 119,000 slots have been added; a pause at the current level until fiscal conditions allow for resuming the expansion will result in a revenue gain of \$489 million in 2024-25 and \$951 million in 2025-26.
- **In-Home Supportive Services for Undocumented Individuals**—Reducing \$94.7 million ongoing by eliminating the In-Home Supportive Services (IHSS) undocumented expansion coverage for all ages.
- **California Food Assistance Program Expansion**—Delaying for two years the California Food Assistance Program expansion automation to begin in 2026-27 with benefits beginning in 2027-28.

CORRECTIONS, PUBLIC SAFETY AND GENERAL GOVERNMENT

- **Trial Court Operations: Ongoing General Fund Reduction**—Reducing \$97 million ongoing consistent with the statewide ongoing reduction to state operations.
- **California Competes Grant Program**—Eliminating \$60 million one-time provided in the Governor's Budget to extend the California Competes Grant program for an additional year in 2024-25.
- **Department of Justice Law Enforcement and Legal Services Reductions**—Reducing \$10 million ongoing for the Division of Law Enforcement and \$5 million ongoing for the Division of Legal Services.
- **California Department of Corrections and Rehabilitation**
 - **Housing Unit Deactivations**—Reducing \$80.6 million ongoing to reflect the deactivation of 46 housing units across 13 prisons, totaling approximately 4,600 beds.
 - **Peace Officer Training Reduction (Block Training and Northern California Women's Training Facility)**—Reducing \$8.5 million in 2023-24, \$13.8 million in 2024-25, and \$22.6 million ongoing to reflect a reduction in annual training for correctional officers from 48 hours to 40 hours, and a discontinuation of the use of the California Reality Based Training Center.
 - **Los Angeles County Fire Camp Contract**—Reducing \$2.4 million in 2024-25 and \$4.8 million in 2025-26 and ongoing to reflect the proposed cancellation of the fire suppression services contract with Los Angeles County.
 - **Level IV Visiting Reduction**—Reducing \$4.1 million ongoing associated with the reduction of in-person visiting from three days to two days at Level IV institutions.
 - **Return Data Collection Analysis and Outcomes Funding**—Reducing \$6 million one-time added in the 2022 Budget Act to conduct a study on parole data and outcomes.
- **Board of State and Community Corrections**
 - **Medication Assisted Treatment Grants**—Reducing \$10.5 million in 2023-24 for competitive grants to counties to use for various purposes relating to the treatment of substance use disorders and the provision of medication-assisted treatment.

- **Post Release Community Supervision**—Reducing \$4.4 million one-time in 2024-25 to eliminate funding provided to county probation departments for the temporary increase in the number of offenders released from prison to Post Release Community Supervision pursuant to Proposition 57, the Public Safety and Rehabilitation Act of 2016.
- **Adult Reentry Grant**—Reducing \$54.1 million in 2023-24 and \$57 million one-time in outyears that was proposed to be delayed in the Governor's Budget. The Governor's Budget included an additional reduction of \$7.8 million in 2022-23. The Adult Reentry Grant provides competitive funds to community-based organizations to deliver reentry services to assist formerly incarcerated individuals reentering communities.

RESOURCES, ENVIRONMENT, AND CAPITAL OUTLAY

- **Capitol Annex Project**—Shifting \$700 million over two years from the State Project Infrastructure Fund to the General Fund and implementing statutory changes that would support the construction of the Capitol Annex Projects with lease revenue bond financing.
- **Cap and Trade Fund Shifts**—Shifting \$1.7 billion in 2024-25 from the General Fund to the Greenhouse Gas Reduction Fund for various climate programs. Over the next five years, the May Revision includes shifting \$3.6 billion from the General Fund to the Greenhouse Gas Reduction Fund, including transit programs, clean energy programs, zero-emission vehicle programs, and nature-based solutions programs.
- **Outdoor Equity Grants**—Reducing \$50 million one-time in 2023-24 for outdoor environmental education and access programs administered through the Outdoor Equity Grants Program under Chapter 675, Statutes of 2019 (AB 209). Approximately \$40 million has already been committed for this purpose.
- **Vulnerable Community Toxic Clean-up**—Reducing \$136 million in 2023-24 (\$268.5 million over four years) for the Department of Toxic Substances Control's Cleanup in Vulnerable Communities Initiative Program. The May Revision maintains \$65 million (\$107.5 million over three years) for this program through a fund shift to the Greenhouse Gas Reduction Fund.
- **Habitat Conservation Fund**—Reverting \$45 million one-time in 2023-24 and reducing \$20 million ongoing starting in 2024-25 by accelerating the sunset date for the Habitat Conservation Fund, which is currently scheduled to sunset in 2030.

- **Water Storage**—Reducing \$500 million one-time in 2025-26 to support water storage facilities. Proposition 1 of 2014 dedicated \$2.7 billion for investments in water storage projects, and significant funding is still available for this purpose.
- **Air Pollution Control Fund Loan**—Providing a budgetary loan of \$300 million from the fund balance of the Air Pollution Control Fund to the General Fund.

ENERGY, TRANSPORTATION, HOUSING, LABOR AND LOCAL GOVERNMENT

- **Active Transportation Program**—Reducing \$300 million in 2025-26 and \$99 million in 2026-27 for funds appropriated for active transportation grants.
- **Transit**—Shifting \$555.1 million from General Fund to the Greenhouse Gas Reduction Fund above what was proposed in the Governor's Budget, for a total of \$1.3 billion in proposed fund shifts for transit. These fund shifts are not expected to have any program impact and the May Revision maintains the Formula Transit and Intercity Rail Capital Program (\$4 billion) and the Zero Emission Transit Capital Program (\$1.1 billion) funding levels. The May Revision also reduces \$148 million not used for awarded projects from the Competitive Transit and Intercity Rail Capital Program and maintains 96 percent of the Competitive Transit and Intercity Rail Capital Program (\$3.5 billion of the originally planned \$3.65 billion).
- **Clean Energy Reliable Investment Plan (CERIP)**—Shifting the remaining \$900 million for this program to Greenhouse Gas Reduction Fund over multiple years, beginning in 2025-26.
- **California Jobs First**—Reducing \$150 million (\$50 million annually from 2024-25 through 2026-27) for the California Jobs First Program, an inter-agency partnership to support resilient, equitable, and sustainable regional economies.
- **Women In Construction**—Reducing \$10 million on an ongoing basis, in addition to the \$5 million ongoing reduction proposed at Governor's Budget, which would result in the elimination of the program.
- **Homeless Housing, Assistance and Prevention (HHAP) Round 5 Grant Program**—Reducing \$260 million one-time in 2025-26 for HHAP Round 5 supplemental grant funding.
- **Multifamily Housing Program**—Eliminating the remaining \$75 million in 2023-24 for this program, in addition to the \$250 million proposed at Governor's Budget.

- **Adaptive Reuse Program**—Reducing \$127.5 million in 2023-24, which will eliminate the program.
- **Foreclosure Intervention Housing Preservation Program**—Eliminating the remaining \$236.5 million in 2023-24 for this program, in addition to the \$237.5 million proposed at Governor's Budget, which would result in the elimination of the program.

STATE ADMINISTRATION, EMPLOYEE COMPENSATION AND OTHER STATEWIDE ADJUSTMENTS

- **Middle Mile Broadband Initiative (MMBI)**—Modifying the MMBI Budget Change Proposal requesting \$250 million in 2024-25, and \$1.25 billion in 2025-26, and instead adds provisional language to allow the Director of Finance to augment MMBI's budget by up to \$1.5 billion upon notification to the Joint Legislative Budget Committee. This is in addition to the \$3.9 billion in funding already budgeted for the project.
- **Vacant Positions Funding Reduction and Elimination of Positions**—Chapter 9, Statutes of 2024 (AB 106) adopted the Governor's Budget proposal to reduce departmental budgets in 2024-25 by \$1.5 billion (\$762.5 million General Fund) for savings associated with vacant positions. The May Revision proposes making the reduction permanent. The Department of Finance will work with agencies and departments in the fall on the appropriate budget reductions starting in 2024-25 and will eliminate approximately 10,000 positions starting in 2025-26 and ongoing.
- **Ongoing Reductions to State Operations**—Proposing an across-the-board reduction to state operations by approximately 7.95 percent beginning in 2024-25 to nearly all department budgets. The planned reduction involves all categories, including personnel, operating costs, and contracting. The Department of Finance will work with agencies and departments in the fall on the appropriate budget reductions.
- **Net Operating Losses (NOL) Suspension and Limitation of Credits to \$5 million**—Suspending the carryover NOL tax deduction for businesses with California income over \$1 million and limiting business credit usage to \$5 million for tax years 2025, 2026, and 2027, with a trigger to restore if sufficient revenues are determined to be available in the 2025-26 May Revision. The credit limitation does not apply to the Low-Income Housing and Pass-through Entity Elective tax credits. Both the NOLs and credits carryover periods would be extended by three years. This solution replaces the Governor's Budget proposal to limit NOLs to 80 percent of taxable income.

- **Budget Stabilization Account (BSA)**—Shifting \$8.9 billion of the \$12.2 billion proposed BSA withdrawal from fiscal year 2024-25 to 2025-26. The Governor's Budget proposed withdrawing \$12.2 billion from the BSA in fiscal year 2024-25. The May Revision proposes to withdraw \$3.3 billion from the BSA in 2024-25 and \$8.9 billion in 2025-26.

SUMMARY CHARTS

This section provides various statewide budget charts and tables.

2024-25 May Revision
General Fund Budget Summary
(Dollars in Millions)

	2023-24	2024-25
Prior Year Balance	\$46,260	\$9,726
Revenues and Transfers	\$189,354	\$205,249
Total Resources Available	\$235,614	\$214,975
Non-Proposition 98 Expenditures	\$153,450	\$124,368
Proposition 98 Expenditures	\$72,438	\$76,606
Total Expenditures	\$225,888	\$200,974
Fund Balance	\$9,726	\$14,001
Reserve for Liquidation of Encumbrances	\$10,569	\$10,569
Special Fund for Economic Uncertainties	-\$843	\$3,432
Public School System Stabilization Account	\$2,590	-
Safety Net Reserve	\$900	-
Budget Stabilization Account/Rainy Day Fund	\$22,555	\$19,429

Note: Numbers may not add due to rounding.

General Fund Expenditures by Agency

(Dollars in Millions)

	2023-24	2024-25	Change from 2023-24	
			Dollar Change	Percent Change
Legislative, Judicial, Executive	\$12,704	\$7,582	-\$5,122	-40.3%
Business, Consumer Services & Housing	2,868	631	-2,237	-78.0%
Transportation	1,041	554	-487	-46.8%
Natural Resources	11,686	5,410	-6,276	-53.7%
Environmental Protection	2,333	624	-1,709	-73.3%
Health and Human Services	73,622	70,194	-3,428	-4.7%
Corrections and Rehabilitation	15,312	14,174	-1,138	-7.4%
K-12 Education	73,739	76,323	2,584	3.5%
Higher Education	21,635	21,830	195	0.9%
Labor and Workforce Development	1,248	844	-404	-32.4%
Government Operations	4,770	2,540	-2,230	-46.8%
General Government:				
Non-Agency Departments	2,770	1,355	-1,415	-51.1%
Tax Relief/Local Government	595	579	-16	-2.7%
Statewide Expenditures	1,565	-1,666	-3,231	-206.5%
Total	\$225,888	\$200,974	-\$24,914	-11.0%

Note: Numbers may not add due to rounding.

2024-25 Total State Expenditures by Agency

(Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	\$7,582	\$5,168	\$262	\$13,012
Business, Consumer Services & Housing	631	1,341	538	2,510
Transportation	554	16,665	86	17,305
Natural Resources	5,410	3,040	516	8,967
Environmental Protection	624	4,723	11	5,358
Health and Human Services	70,194	40,452	10	110,657
Corrections and Rehabilitation	14,174	4,001	-	18,175
K-12 Education	76,323	123	16	76,462
Higher Education	21,830	109	599	22,538
Labor and Workforce Development	844	1,163	-	2,007
Government Operations	2,540	406	-	2,946
General Government:				
Non-Agency Departments	1,355	1,989	2	3,346
Tax Relief/Local Government	579	3,626	-	4,205
Statewide Expenditures	-1,666	2,333	3	670
Total	\$200,974	\$85,140	\$2,043	\$288,157

Note: Numbers may not add due to rounding.

General Fund Revenue Sources
(Dollars in Millions)

	2023-24	2024-25	Change from 2023-24	
			Dollar Change	Percent Change
Personal Income Tax	\$111,203	\$116,304	\$5,101	4.6%
Sales and Use Tax	33,320	34,045	725	2.2%
Corporation Tax	33,282	37,759	4,477	13.5%
Insurance Tax	3,905	4,016	111	2.8%
Alcoholic Beverage Taxes and Fees	417	422	5	1.2%
Cigarette Tax	43	41	-2	-4.7%
Motor Vehicle Fees	46	46	0	0.0%
Other	7,985	9,490	1,505	18.8%
Subtotal	\$190,201	\$202,123	\$11,922	6.3%
Transfer to the Budget Stabilization Account/Rainy Day Fund	-847	3,126	3,973	469.1%
Total	\$189,354	\$205,249	\$15,895	8.4%

Note: Numbers may not add due to rounding.

2024-25 Revenue Sources
(Dollars in Millions)

	General Fund	Special Funds	Total	Change From 2023-24
Personal Income Tax	\$116,304	\$2,923	\$119,227	\$5,404
Sales and Use Tax	34,045	15,665	49,710	989
Corporation Tax	37,759	-	37,759	4,477
Highway Users Taxes	-	9,475	9,475	159
Insurance Tax	4,016	-	4,016	111
Alcoholic Beverage Taxes and Fees	422	-	422	5
Cigarette Tax	41	1,390	1,431	-42
Motor Vehicle Fees	46	12,432	12,478	448
Other	9,490	34,748	44,238	-2,903
Subtotal	\$202,123	\$76,633	\$278,756	\$8,648
Transfer to the Budget Stabilization Account/Rainy Day Fund	3,126	-3,126	-	-
Total	\$205,249	\$73,507	\$278,756	\$8,648

Note: Numbers may not add due to rounding.

ECONOMIC OUTLOOK

The first months of 2024 have continued the trend of steady but slowing economic growth, notwithstanding stubborn inflation and elevated interest rates. U.S. real gross domestic product (GDP) grew at an annualized rate of 1.6 percent in the first quarter of 2024 following six consecutive quarters of higher than 2-percent growth, buoyed by strong personal consumption. With a relatively strong and stable economy, the May Revision forecast projects U.S. GDP to grow at a steady but slowing rate from mid-2024 into early 2025 amid still-tight financial conditions driving lower levels of consumption. Credit conditions are projected to ease starting in mid-2024 with loosening monetary policy as the Federal Reserve cuts target interest rates. U.S. GDP is then projected to grow at steady-state rates between 1.5 and 1.9 percent starting in mid-2025 through the end of the forecast window in 2027.

While both U.S. and California inflation have slowed from their respective June 2022 peaks, U.S. inflation experienced a recent uptick to 3.5 percent year-over-year growth in March 2024 while California inflation stood at 3.3 percent in February 2024 (the latest data available), driven mainly by lagged shelter inflation. At the time the May Revision forecast was finalized, the Federal Reserve was widely expected to start cutting rates by June 2024. However, expectations have since shifted, and the Federal Reserve may instead hold rates steady until later in 2024 or even raise rates if inflation remains persistently elevated above the target 2-percent rate.

The biggest near-term threat to the forecast continues to be the likelihood that interest rates will stay higher for longer, especially if inflation does not resume its deceleration. The current high interest rates could curtail interest-sensitive consumer spending and

business investment which would hamper economic activity more than projected. Moreover, if interest rates stay higher for longer, businesses and consumers' sanguine economic outlooks could falter, and increased concerns of a near-term recession could resurface.

LABOR MARKET UPDATES SINCE THE GOVERNOR'S BUDGET

The May Revision forecast incorporates the March 2024 benchmark revisions from the U.S. Bureau of Labor Statistics (BLS) and the California Employment Development Department (EDD). The annual benchmark revisions indicated October 2022 was an inflection point where the strong job recovery from the COVID-19 Pandemic was followed by stagnation, especially in the sectors that drove the recovery. As a result, nonfarm payroll employment in the state was 231,800 lower than the pre-benchmarked estimates as of December 2023. Even with the revisions, as of March 2024, California nonfarm jobs were 1.8 percent (319,200 jobs) above the February 2020 level, with six of the eleven major sectors having surpassed their respective pre-pandemic levels. The number of nonfarm jobs added in recent months suggests California payroll employment growth in the last eight months has been in line with the nation, and appears to be rebounding from essentially flat growth in prior months.

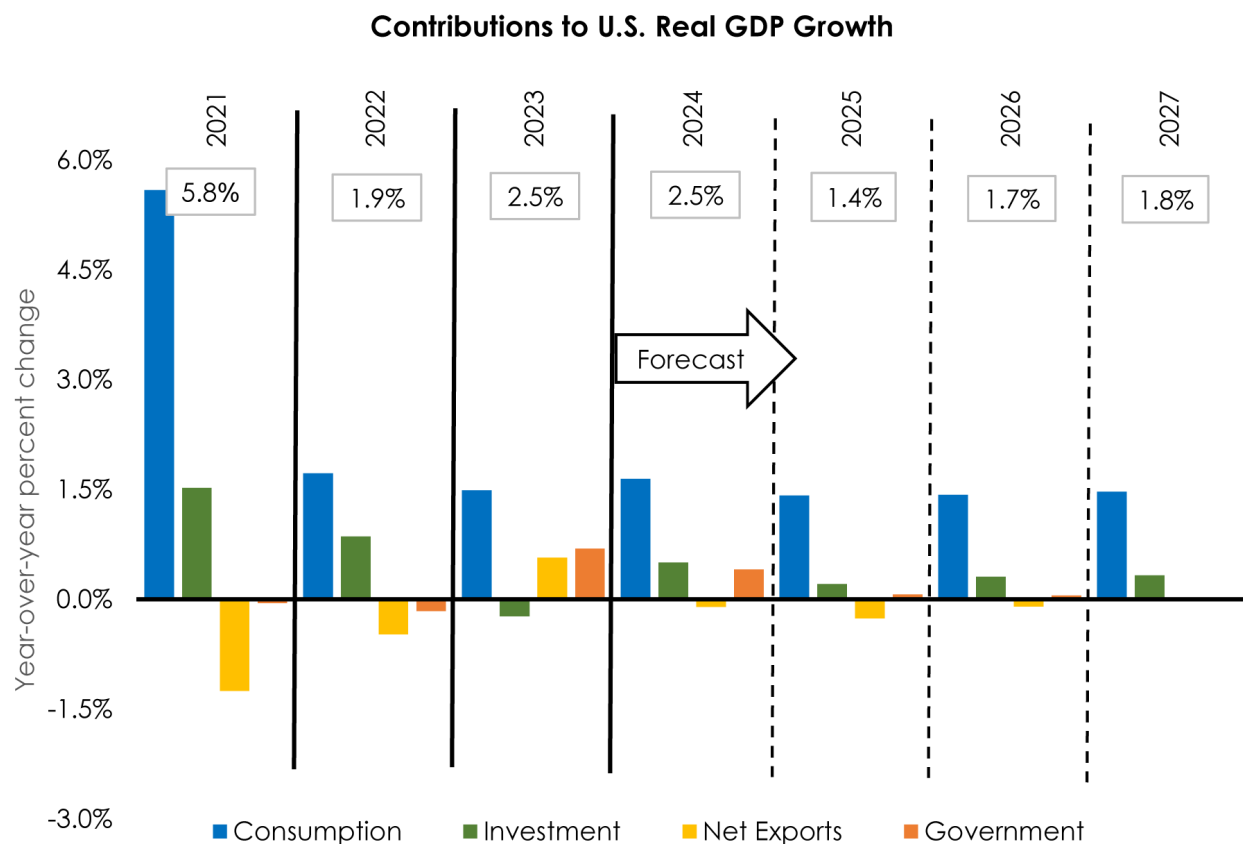
Unlike the swift nonfarm job recovery, the state's labor force has not yet recovered to its pre-pandemic level as of March 2024. Nevertheless, the labor force grew steadily in 2023, growing by 0.7 percent, slightly lower than the Governor's Budget projection of 0.9 percent but still higher than the 2019 pre-pandemic growth of 0.5 percent. Despite relatively healthy labor force growth, only 76 percent of the just over 1 million people that left the workforce at the beginning of the COVID-19 Pandemic have returned. While at lower levels, California's labor force participation rate has also continued its recovery, driven primarily by participation amongst prime-age workers (those between the ages of 25 to 54) which surpassed its pre-pandemic rate in September 2022 and remained 0.7 percentage point higher than its February 2020 level, further emphasizing the state's slow but ongoing labor force recovery.

As of March 2024, California's unemployment rate had risen 1.5 percentage points to 5.3 percent since falling to a record-low rate of 3.8 percent in August 2022. In comparison, the nation's unemployment rate fell to a historical low of 3.4 percent more recently in January and April 2023 and has since increased to 3.8 percent as of March 2024. California's civilian employment growth has been essentially flat since the second half of 2022 while the U.S. has remained relatively healthy, resulting in the state's unemployment rate rising faster than the nation. However, while California's

unemployment has risen by about 300,000 since August 2022, more than 75 percent of this increase can be attributed to labor force growth as opposed to reduced civilian employment. In other words, the increase in the unemployment rate is more attributable to those entering or re-entering the labor force to look for work rather than to employers laying off workers.

THE ECONOMIC OUTLOOK THROUGH 2027: SLOWING BUT STEADY GDP GROWTH

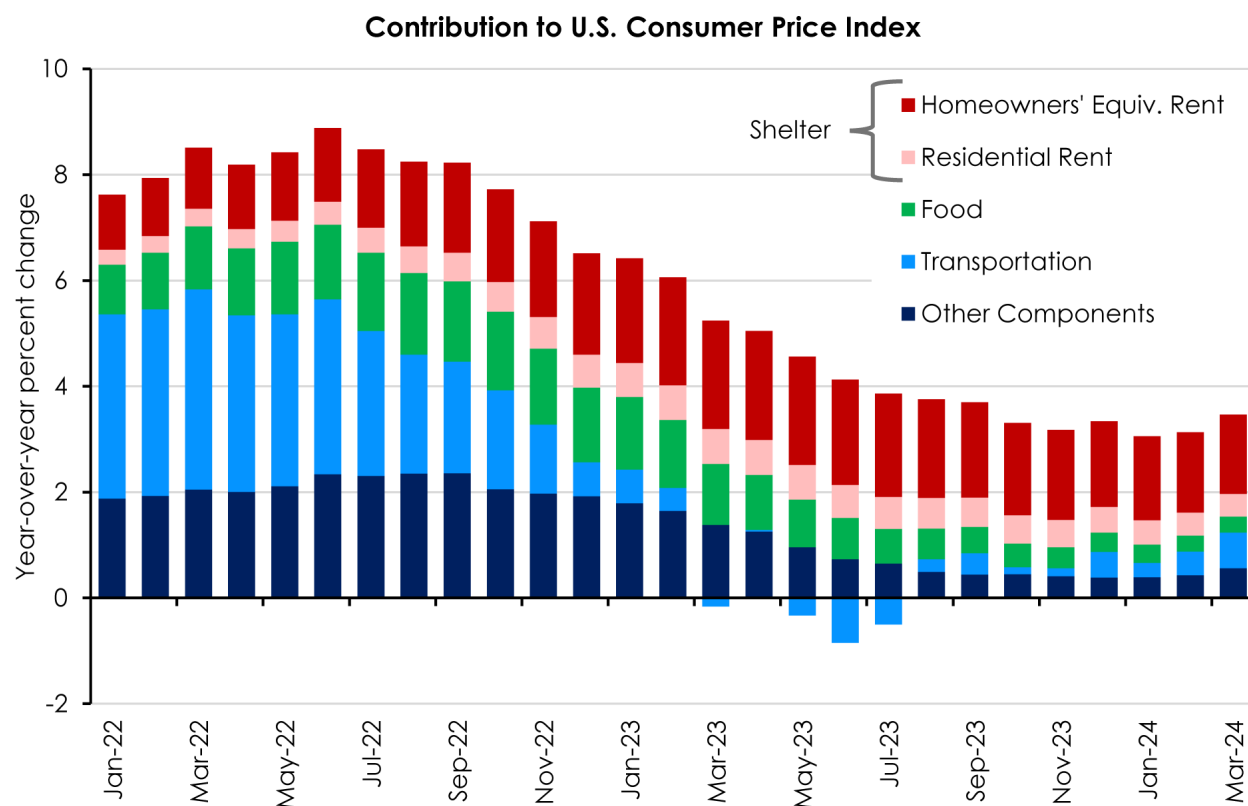
As with the Governor's Budget forecast, economic growth is projected to continue in the May Revision forecast, driven by strong but slowing personal consumption. Growth is projected to moderate into 2025 due to the impacts of restrictive monetary policy and then return to around 1.9 percent by 2027 in line with steady-state growth trends after the widely expected rate cuts from the Federal Reserve.



Sources: U.S. Bureau of Economic Analysis; California Department of Finance, 2024-25 May Revision Forecast.

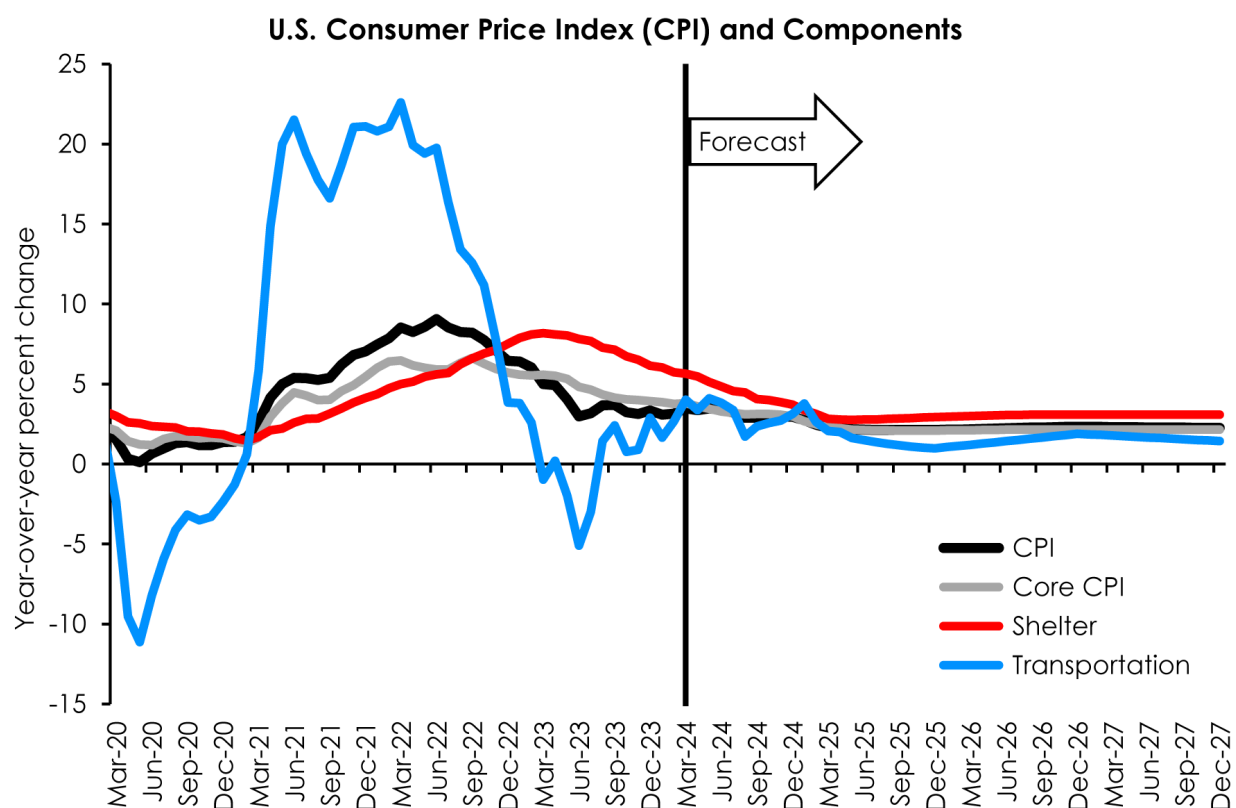
STUBBORN INFLATION SLOW TO COOL

Inflation slowed sharply from its peak of 9.1 percent for the U.S. and 8.3 percent for California in June 2022 but has since hovered above 3 percent for both, more than a full percentage point higher than the Federal Reserve's target rate of 2 percent. Shelter inflation, the largest component of services, generally lags other components and has declined slower than projected. It peaked at 8.2 percent in March 2023 in the U.S. and stood at 5.7 percent in March 2024. The slower decline in shelter prices has kept overall inflation for the U.S. and California elevated.



Sources: U.S. Bureau of Labor Statistics; California Department of Finance, 2024-2025 May Revision Forecast.

The May Revision forecast projects U.S. headline inflation will continue to moderate as the Federal Reserve maintains its tight monetary policy stance through the middle of 2024. Shelter inflation is still projected to decelerate but at a slower rate than in the Governor's Budget forecast. Inflation is projected to then slow to historical rates of between 2 and just below 3 percent for both the nation and the state by early 2025.



Sources: U.S. Bureau of Labor Statistics; California Department of Finance, 2024-25 May Revision Forecast. Core CPI excludes food and energy.

JOB GROWTH TO RETURN TO STEADY-STATE

California's nonfarm payroll job growth is projected to slow from late 2024 into the second half of 2025, a one-quarter lag from the projected slowdown in U.S. real GDP growth. Given the typical lag between economic activity and employment growth, the May Revision forecast projects job growth to be slowest in the second half of 2025, a slightly delayed time frame from the Governor's Budget forecast. This is due mainly to the robust U.S. real GDP growth in 2023, and relatively healthy nonfarm employment growth in the first few months of 2024. California-based firms will likely continue to attract their historical share of nationwide venture capital investment which is generally expected to fuel job growth in nascent industries. However, due to some lingering layoffs and the current high interest rate environment, the technology sector, which includes some of the most highly compensated workers in the state, is projected to add fewer jobs in 2024 than it did in 2023. As economic activity rebounds with looser monetary policy, the state's nonfarm payroll employment is projected to return to a steady-state average growth rate of 0.7 percent in 2026 and 2027.

California's labor force growth is projected to continue albeit at a slowing rate as it approaches its pre-pandemic level. Due to lower-than-expected actuals in 2023 and downward benchmark revisions, labor force growth projections through the forecast window (2024 to 2027) have been revised slightly lower than the Governor's Budget. California's labor force is projected to grow by 0.5 percent in 2024 before slowing to 0.3 percent growth by 2027, in line with the state's population projections, particularly amongst working-age individuals (those between the ages of 16 to 64) whose numbers are projected to decline through the forecast window. California's unemployment rate is projected to remain at 5.3 percent through the first half of 2025 as tight financial conditions continue to soften the labor market before moderating as credit conditions ease. See the Economic Indicators figure at the end of this chapter.

WAGE GROWTH TO CONTINUE AT A MODERATE PACE

California average wage growth contracted by 0.7 percent in 2022 and then recovered to 4.3 percent in 2023, due largely to higher levels of various irregular payments such as bonuses and options as stock prices saw renewed strength in 2023. These payments account for a disproportionate share of high-wage earners' pay and as they fluctuate, state revenues can also be affected. The information sector, with some of the highest earners in the state, in particular saw very strong average wage growth even with a decline in employment.

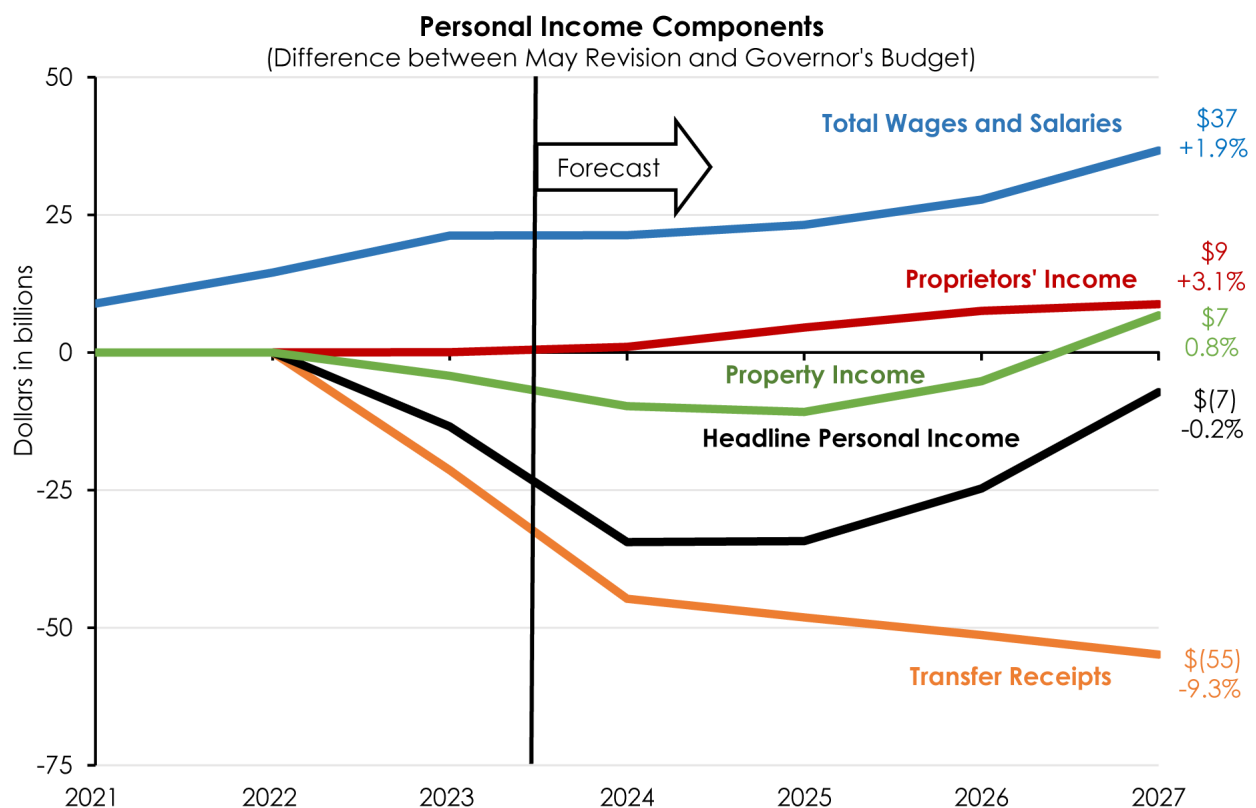
California annual average wage growth for all sectors is projected to remain close to its 2023 (and pre-pandemic) pace with growth rates of 3.5 to 3.9 percent over the forecast window. Wages in the high-paying information sector are projected to grow at their historical average annualized rate of 6 percent over the forecast window after crashing in 2022 and recovering strongly in 2023.

PERSONAL INCOME GROWTH DRIVEN BY STRONGER WAGE GROWTH

The May Revision forecast incorporates two additional quarters of personal income data through the fourth quarter of 2023 and also includes revisions to historical data. California personal income growth was slightly slower in the second half of 2023 than projected in the Governor's Budget. The downward revision to the 2023 estimate was driven by a notably lower level of Medicare transfers than estimated in the second quarter of 2023, pushing down the level of personal income growth.

The downgrade in transfers more than offset the upward revision of total wages and salaries which generally drives headline growth. Historical total wages and salaries were

revised up, including \$21 billion in 2023. The components of property income, which is the sum of interest, rental, and dividend income, saw minor revisions to actuals. The May Revision forecast projects interest income will have a more pronounced lagged effect compared to the Governor's Budget forecast as interest income has not been as high as previously projected even though interest rates remain high. Rental income, which tends to be driven by shelter inflation trends, remained elevated and is now projected to peak at 7.3 percent in 2025 and slow to 4.9 percent in 2027 as rental prices begin to ease. Dividend income saw a minor upward revision in 2023 and has been upgraded relative to the Governor's Budget with the assumption that the stock market continues to perform well based on its strength to date.



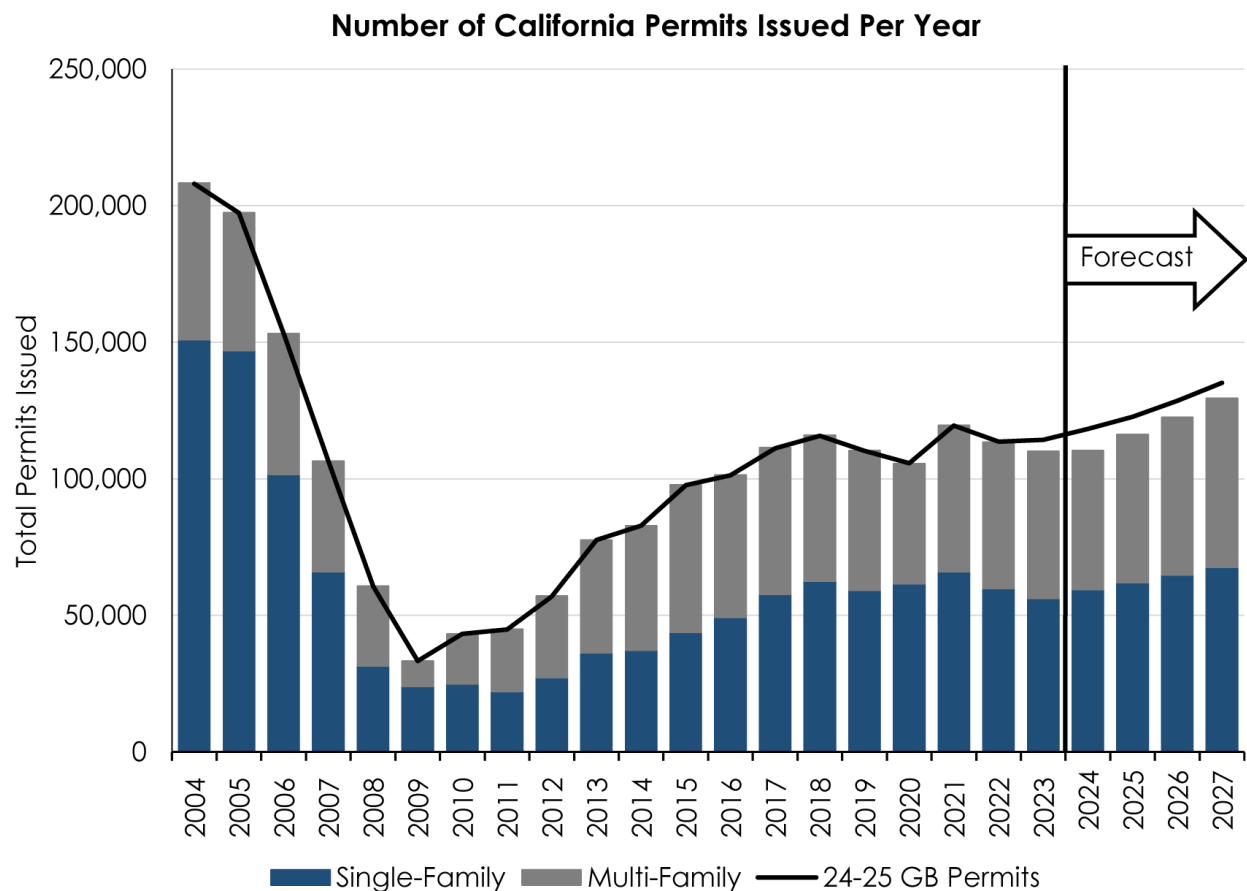
Note: Changes to projections reflect revisions to historical data.

Sources: U.S. Bureau of Economic Analysis; California Department of Finance, 2024-25 May Revision Forecast.

Headline personal income growth is projected to average 4.9 percent annually throughout the forecast window. Total wages and salaries are projected to continue growing, averaging 4.5 percent through the forecast window, likely boosting personal income tax revenues. As interest rates begin to ease in 2025, the majority of the personal income components are projected to revert to their historical growth trends by the end of the forecast window in 2027.

PERMITS PROJECTED TO SEE SLOW GROWTH IN 2024

California's residential construction sector continues to be constrained by high interest rates. In 2023, residential permits declined from 2022, falling by 2.9 percent to around 110,000 permitted units. The May Revision forecast projects slow permit growth in 2024, with total units growing about 0.3 percent from 2023 as high interest rates slow the demand for housing and make building inputs and construction loans more expensive. Single-family units, which declined in 2022 and 2023, are projected to rebound in 2024, but multifamily units are estimated to contract by 5.5 percent, the largest annual decline since 2020. Residential permits are then projected to begin growing at a faster pace in the second half of 2024 through 2027 as the Federal Reserve decreases interest rates, making construction inputs more affordable and boosting production.



Sources: U.S. Census Bureau; California Department of Finance, 2024-25 May Revision Forecast.

IMMEDIATE RISKS TO THE MAY REVISION ECONOMIC FORECAST

Immediate risks to the forecast remain driven by persistent inflation and elevated interest rates. If inflation is slow to return to the Federal Reserve's target rate of 2 percent, the Federal Reserve could maintain high target rates which would result in additional drag on interest-sensitive spending. The current high interest rate environment could hamper economic activity by more than projected, especially given more cautious lending practices and if consumers curtail discretionary spending. Escalating geopolitical conflicts would likely increase economic uncertainties for the U.S. and California, even with a potential boost from increased defense spending.

The Department of Finance has not modeled a recession scenario. However, if inflation takes longer to cool and interest rates remain high for longer than projected in the May Revision baseline forecast, continued tight credit conditions could further discourage economic activity. This could deepen the expected economic slowdown and push the economy into a mild recession with steeper declines in investment and interest-sensitive consumption. GDP and nonfarm payroll employment would likely contract, and the unemployment rate would increase even further. This would then result in lower personal income growth due to lower total wages, negatively impacting state revenues.

Other geopolitical risks also remain, including an escalation of tensions between China and Taiwan. Long-term structural downside risks to the state economy and budget continue, including climate change and more frequent extreme weather events such as wildfires, drought, and floods, the challenges of an aging cohort that is becoming an increasingly larger share of the total population, declining migration inflows, lower fertility rates, ongoing stock market volatility, high housing and living costs, and potentially worsening income inequality.

Economic Indicators

Annual Percentage Change unless Otherwise Indicated

	2019	2020	2021	2022	2023	Forecast			
						2024	2025	2026	2027
United States									
Real GDP									
May Revision, April 2024	2.5%	-2.2%	5.8%	1.9%	2.5%	2.5%	1.4%	1.7%	1.8%
Governor's Budget, November 2023	2.5%	-2.2%	5.8%	1.9%	2.5%	1.6%	1.2%	1.6%	1.8%
Unemployment Rate (percent)									
May Revision, April 2024	3.7%	8.1%	5.4%	3.6%	3.6%	3.9%	4.2%	4.5%	4.5%
Governor's Budget, November 2023	3.7%	8.1%	5.4%	3.6%	3.6%	3.8%	4.4%	4.7%	4.6%
Nonfarm Employment									
May Revision, April 2024	1.3%	-5.8%	2.9%	4.3%	2.3%	1.4%	0.1%	0.0%	0.3%
Governor's Budget, November 2023	1.3%	-5.8%	2.9%	4.3%	2.4%	0.7%	-0.3%	0.0%	0.4%
Personal Income									
May Revision, April 2024	4.7%	6.9%	9.1%	2.0%	5.2%	5.0%	5.2%	5.0%	4.8%
Governor's Budget, November 2023	4.7%	6.9%	9.7%	2.0%	5.3%	5.0%	4.8%	4.4%	4.5%
CPI Inflation Rate (percent)									
May Revision, April 2024	1.8%	1.2%	4.7%	8.0%	4.1%	3.1%	2.2%	2.2%	2.3%
Governor's Budget, November 2023	1.8%	1.2%	4.7%	8.0%	4.2%	2.6%	2.0%	2.1%	2.2%
California									
Unemployment Rate (percent)									
May Revision, April 2024	4.1%	10.2%	7.3%	4.3%	4.7%	5.2%	5.3%	5.1%	4.9%
Governor's Budget, November 2023	4.1%	10.2%	7.3%	4.2%	4.6%	5.1%	5.2%	5.0%	4.8%
Civilian Labor Force									
May Revision, April 2024	0.5%	-2.2%	0.0%	1.1%	0.7%	0.5%	0.4%	0.3%	0.3%
Governor's Budget, November 2023	0.7%	-2.3%	0.1%	1.4%	0.9%	0.8%	0.6%	0.5%	0.5%
Nonfarm Employment									
May Revision, April 2024	1.5%	-7.1%	3.5%	5.5%	0.9%	1.0%	0.4%	0.6%	0.8%
Governor's Budget, November 2023	1.5%	-7.1%	3.5%	5.6%	2.2%	1.0%	0.4%	0.5%	0.6%
Residential Permits (thousands of units)									
May Revision, April 2024	110	105	120	113	110	110	116	122	129
Governor's Budget, November 2023	110	106	120	114	114	118	123	129	135
Average Wages									
May Revision, April 2024	4.4%	11.2%	7.7%	-0.7%	4.3%	3.5%	3.8%	3.8%	3.9%
Governor's Budget, November 2023	4.4%	11.3%	7.7%	-1.0%	2.7%	3.4%	3.8%	3.7%	3.7%
Personal Income									
May Revision, April 2024	5.3%	9.0%	8.9%	-0.2%	4.2%	4.6%	5.0%	5.0%	5.0%
Governor's Budget, November 2023	5.3%	9.0%	8.9%	-0.2%	4.7%	5.2%	5.0%	4.7%	4.5%
CPI Inflation Rate (percent)									
May Revision, April 2024	4.2%	1.7%	4.3%	7.4%	3.9%	3.3%	2.7%	2.7%	2.7%
Governor's Budget, November 2023	3.0%	1.7%	4.3%	7.4%	3.8%	3.0%	2.4%	2.6%	2.7%

2024-25 May Revision Forecast based on data available as of April 2024.

Governor's Budget Forecast based on data available as of November 2023. Figures in italics indicate forecasts, including 2023 figures for Governor's Budget Forecast.

Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; U.S. Census Bureau; CA Employment Development Department, Labor Market Information Division; California Department of Finance, 2024-25 May Revision Forecast.

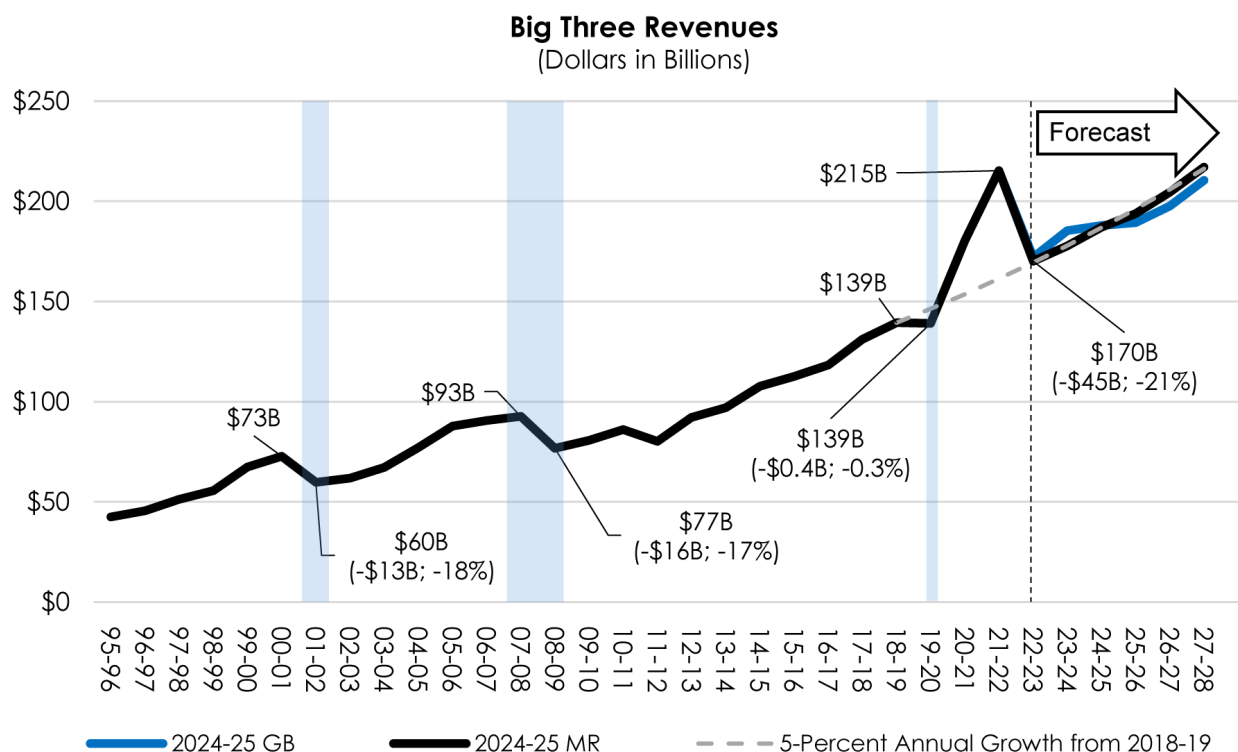
REVENUE ESTIMATES

The California and national economic pictures remain strong and resilient despite persistent inflation and elevated interest rates resulting in a slightly upgraded economic outlook compared to the Governor's Budget. Notably, the stock market has outperformed prior assumptions, exceeding its early 2022 peak in mid-January of 2024 and experiencing robust growth despite recent volatility. Nonetheless, tax receipts related to the 2023 tax year are lower than projected, with General Fund cash receipts falling short of the Governor's Budget forecast by \$5.8 billion cumulatively through March, and personal income tax and corporation tax receipts adding around \$600 million to the shortfall in April. These two factors, weak cash receipts related to the 2023 tax year and upgraded growth assumptions going forward, have led to downgrades to the revenue forecast in the budget window—fiscal years 2022-23 through 2024-25—followed by upward revisions in the multiyear—fiscal years 2025-26 through 2027-28.

Following the stock market run-up through the end of 2021, asset prices fell in 2022, with the S&P 500 declining by 19 percent and the NASDAQ Composite Index—which measures more than 2,500 stocks concentrated in technology companies, many of which are California-based—declining by 33 percent. As a result, the state's "Big Three" General Fund revenue sources—personal income, sales, and corporation taxes—declined by 21 percent in 2022-23 after increasing by a remarkable 55 percent from 2019-20 to 2021-22. While the stock market rebounded and recovered nearly all its losses by the end of 2023, cash receipts for the year remain weak due likely in part to increased capital loss carryovers from asset market declines in 2022. New tax year 2022

data show capital loss carryovers grew by 62 percent in 2022, exceeding the 58-percent increase in 2008 during the Great Recession.

Despite the year-over-year decrease, 2022-23 Big Three revenues are estimated to be 22 percent higher than pre-pandemic levels in 2018-19, consistent with a normal 5-percent revenue growth trajectory absent the COVID-19 surge and subsequent correction. In the forecast window, the Big Three revenues are generally projected to grow at normal historical growth rates on average as illustrated in the Big Three Revenues figure.



Projected revenue figures exclude the impact of tax policy proposals and solutions.
Shaded bars indicate previous U.S. recessions.
Source: California Department of Finance, 2024-25 May Revision Forecast.

BUDGET WINDOW

Before accounting for budget solutions and tax policy proposals, General Fund revenue is projected to be approximately \$11.6 billion lower than assumed in the Governor's Budget over the budget window. While there are various changes as summarized in the 2024-25 May Revision General Fund Revenue Forecast Reconciliation with the 2024-25 Governor's Budget figure, this downgrade is driven largely by the Big Three as detailed below.

2024-25 May Revision
General Fund Revenue Forecast
Reconciliation with the 2024-25 Governor's Budget
(Dollars in Millions)

Source	Governor's Budget	May Revision	Change From Governor's Budget	
<u>Fiscal 2022-23 (Preliminary)</u>				
Personal Income Tax	\$101,749	\$100,451	-\$1,298	-1.3%
Corporation Tax	37,140	36,337	-803	-2.2%
Sales & Use Tax	33,186	33,324	137	0.4%
Insurance Tax	3,690	3,707	17	0.5%
Alcoholic Beverage	421	421	0	0.0%
Pooled Money Interest	2,391	2,391	0	0.0%
Cigarette	47	47	0	0.0%
Not Otherwise Classified Revenues	2,520	2,537	17	0.7%
Subtotal	\$181,144	\$179,214	-\$1,930	-1.1%
Transfer To/From BSA	0	0	0	n/a
Other Transfers and Loans	-728	-670	57	-7.9%
Total	\$180,416	\$178,544	-\$1,873	-1.0%
<u>Fiscal 2023-24</u>				
Personal Income Tax	\$113,768	\$111,203	-\$2,565	-2.3%
Corporation Tax ^{1/}	36,913	33,182	-3,731	-10.1%
Sales & Use Tax	34,643	33,320	-1,323	-3.8%
Insurance Tax	3,894	3,905	12	0.3%
Alcoholic Beverage	427	417	-10	-2.4%
Pooled Money Interest	3,044	2,817	-227	-7.5%
Cigarette	43	43	-1	-1.2%
Not Otherwise Classified Revenues	3,206	3,512	306	9.5%
Tax Policy Proposals	0	100	100	n/a
Subtotal	\$195,938	\$188,499	-\$7,439	-3.8%
Transfer To/From BSA	-1,424	-847	577	-40.5%
Transfers and Loans Solutions	0	-493	-493	n/a
Other Transfers and Loans	2,345	2,195	-150	-6.4%
Total	\$196,859	\$189,354	-\$7,505	-3.8%
<u>Fiscal 2024-25</u>				
Personal Income Tax ^{1/}	\$114,730	\$116,176	\$1,447	1.3%
Corporation Tax ^{1/}	38,055	36,778	-1,277	-3.4%
Sales & Use Tax ^{1/}	35,123	34,043	-1,080	-3.1%
Insurance Tax	4,021	4,016	-6	-0.1%
Alcoholic Beverage	433	422	-10	-2.4%
Pooled Money Interest	1,791	2,067	276	15.4%
Cigarette	42	41	-1	-1.2%
Not Otherwise Classified Revenues	6,810	4,474	-2,336	-34.3%
Tax Policy Proposals	0	116	116	n/a
Revenue Solutions	402	995	592	147.2%
Subtotal	\$201,407	\$199,128	-\$2,280	-1.1%
Transfer To/From BSA (Solution)	12,201	3,301	-8,900	-72.9%
Non-BSA Transfers and Loans Solutions	2,504	3,904	1,400	55.9%
Other Transfers and Loans	-1,238	-909	329	-26.6%
Total	\$214,699	\$205,249	-\$9,450	-4.4%
Three-Year Total Excluding Solutions and Policy Proposals			-\$11,643	
Three-Year Total Including Solutions and Policy Proposals			-\$18,828	
^{1/} Excludes the impact of revenue solutions and tax policy proposals.				

^{1/} Excludes the impact of revenue solutions and tax policy proposals.

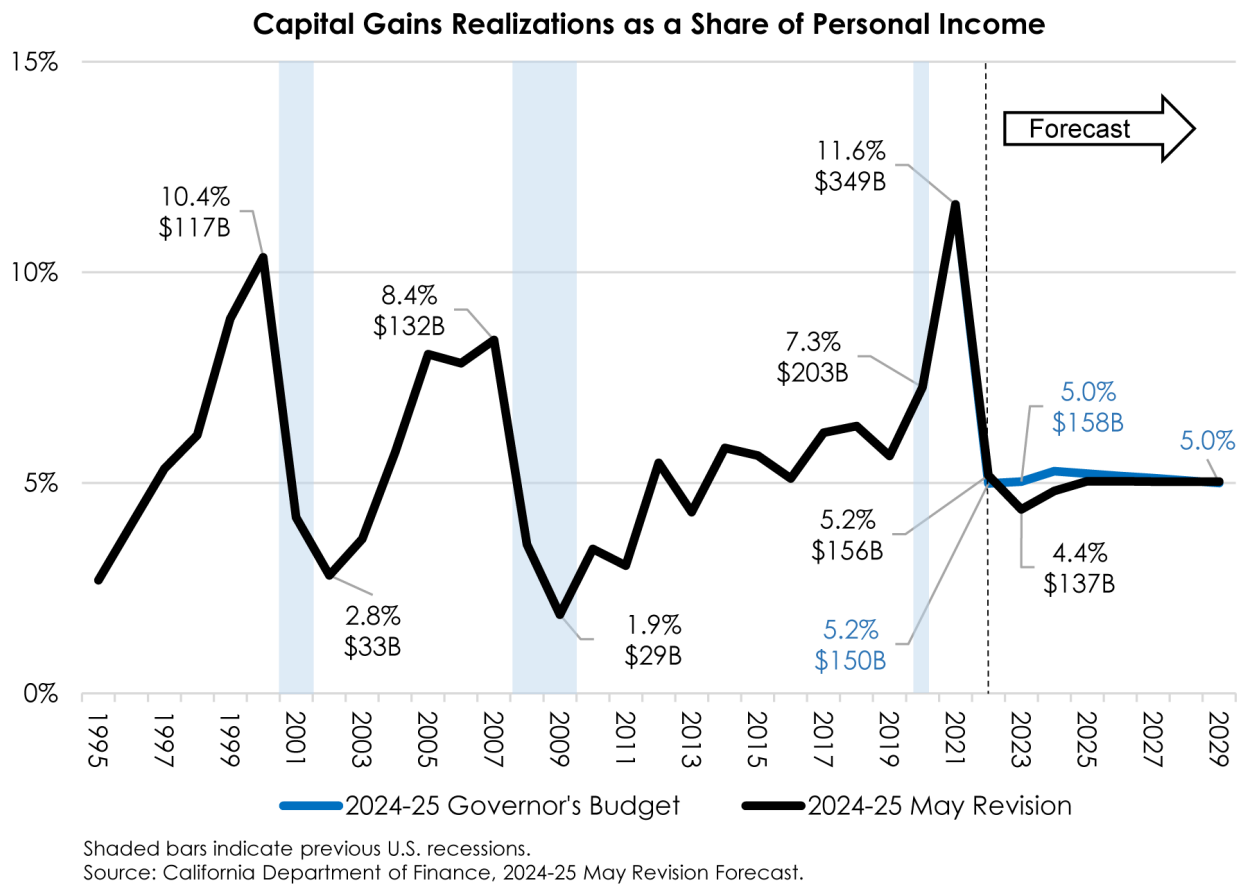
- **Revenues from the Big Three**, before accounting for budget solutions and tax policy proposals, are projected to be lower by \$10.5 billion, due largely to weak cash results since the Governor's Budget. The forecast for personal income tax is revised down by \$2.4 billion, corporation tax revenues are lower by \$5.8 billion, and the sales tax forecast is downgraded by \$2.3 billion.
- **Minor revenues**, such as insurance taxes, alcoholic beverage taxes, cigarette taxes, and interest earned on pooled money, are higher by \$49 million largely due to a \$48 million upgrade in the pooled money interest forecast as the \$22 million upgrade in insurance tax is offset by downgrades in alcoholic beverage and cigarette taxes.
- **Other minor not otherwise classified revenues** are \$2 billion lower, due largely to Federal Emergency Management Agency (FEMA) COVID-19 recovery costs reimbursement shifting from 2024-25 to 2025-26.
- **Revenue solutions** are projected to increase General Fund revenues by \$995 million in 2024-25, an upgrade of \$592 million relative to what was assumed in the Governor's Budget.
- **Transfers and loans solutions**, excluding transfers to the Budget Stabilization Account (BSA), are projected to increase General Fund revenues by \$3.4 billion, an upgrade of \$908 million relative to what was assumed in the Governor's Budget.
- **BSA transfers** are projected to increase General Fund revenues by \$2.5 billion in total, a downgrade of \$8.3 billion relative to the Governor's Budget. The May Revision assumes a \$3.3 billion withdrawal from the BSA in 2024-25, an \$8.9 billion downgrade compared to what was assumed in the Governor's Budget due to that amount shifting to 2025-26.

PERSONAL INCOME TAX

Before accounting for budget solutions, the personal income tax forecast is lower by \$1.3 billion in 2022-23, lower by \$2.6 billion in 2023-24, and higher by \$1.4 billion in 2024-25 compared to the Governor's Budget forecast.

Personal income cash receipts are down approximately \$3.5 billion from the Governor's Budget through April, due primarily to weak 2023 fourth quarter estimated payments, indicating weakness in 2023 tax liability. Informed by cash results through late April, capital gains realizations are projected to decline from \$156 billion in 2022 to \$137 billion in 2023—a \$21 billion downgrade compared to the Governor's Budget's projection of

\$158 billion for 2023. This is a projected 12-percent year-over-year decline in 2023 and follows a 55-percent annual contraction in 2022. In 2023, capital gains realizations' share of personal income is estimated to decline to 4.4 percent, its lowest share since 2013, as illustrated in the Capital Gains Realizations as a Share of Personal Income figure.



Reflecting gains in equity markets since the Governor's Budget and an upgraded stock market outlook, capital gains realizations are projected to increase by approximately 15 percent in 2024 and by 10 percent in 2025 when the capital gains realizations' share of personal income is projected to reach 5 percent. Capital gains realizations are assumed to largely grow in line with the economy from 2026 on; however, capital gains levels are projected to remain lower than the Governor's Budget projections due to their lower base in 2023.

Several personal income tax components are revised higher in the May Revision forecast due to the improved economic outlook, notably withholding is cumulatively above the Governor's Budget forecast by nearly \$950 million through April. Growth in withholding is likely driven in part by higher levels of stock-based compensation for large technology companies. Withholding receipts increased 9.1 percent in the first four

months of the year and are projected to grow 6.5 percent in 2024, leading to an upward revision of \$1.1 billion in 2023-24 and \$1.6 billion in 2024-25.

CORPORATION TAX

Before accounting for budget solutions and tax policy proposals, the corporation tax forecast is lower by \$803 million in 2022-23, \$3.7 billion in 2023-24, and \$1.3 billion in 2024-25.

Corporation tax cash receipts are down \$1.9 billion through April, with higher refunds accounting for \$1.2 billion of the overall shortfall. Elevated corporation refunds since November are due largely to Pass-Through Entity Elective Tax (PTET) overpayments being significantly higher than assumed in the Governor's Budget, which results in downgrades in future PTET liability and payments. Updated projections for PTET explain \$4.5 billion of the overall \$5.8 billion budget window downgrade in corporation tax revenues excluding solutions. Conversely, lower projected PTET credit usage boosted personal income tax revenues by \$4.3 billion in the budget window.

Part of the fiscal year-to-date cash shortfall is also attributed to 2023 fourth quarter estimated payments in December and final and extension payments in April, indicating weakness in baseline corporation tax revenues, which are assumed to continue to drag down revenues in the near-term. Corporation tax revenues are upgraded in the multiyear due to an improved forecast for taxable profits.

SALES AND USE TAX

Before accounting for budget solutions, the sales tax forecast is \$137 million higher in 2022-23, \$1.3 billion lower in 2023-24, and \$1.1 billion lower in 2024-25.

Sales tax revenues are downgraded starting in 2023-24 due to lower-than-anticipated taxable sales in the second half of 2023, resulting in sales tax cash receipts falling short of projections by \$1 billion cumulatively through March. Taxable sales weakness is due likely to taxable goods price growth slowing or even declining and the ongoing shift from goods to services spending. Sales tax revenues are projected to remain lower by approximately \$1 billion per year through the end of the multiyear due to the lower base in 2023-24.

RISKS AND UNCERTAINTY

The May Revision revenue forecast is based on a scenario that assumes continued economic growth and does not assume a recession. Continued stock market strength and improved economic growth support the budget forecast assumptions that revenue growth will resume in 2023-24 following the steep correction in 2022-23. However, several risk factors could negatively impact the economy and state revenues going forward. For instance, a significant financial shock from tightening monetary policy, stock market and asset price volatility and declines, and geopolitical turmoil are all issues posing risk to ongoing economic and revenue growth.

Additionally, revenue forecasting is always subject to significant uncertainty, even if the underlying economy and the stock market are performing in line with expectations. This is true particularly in the personal and corporate income tax forecasts, with the reliance on a small group of high-income taxpayers as well as the timing of when assets are sold and when credits, carryover losses, and Net Operating Losses (NOLs) are used. Moreover, the tax liability of these high-income taxpayers tends to be volatile as they earn a larger share of their total income from capital gains and stock-based compensation. To illustrate, for the 2022 tax year, the top one percent of resident income earners, or about 175,000 tax returns, paid around 39 percent of resident personal income taxes—down 11 percentage points from nearly 50 percent in 2021 and its lowest share since 2009.

While the magnitude of potential revenue swings has likely declined, revenues could still end up \$15 billion higher or lower in 2024-25 even if the economy and asset markets perform largely in line with expectations.

TAX PROPOSALS

The May Revision includes the following new proposals:

- **Apportionment Factor**—Clarification of existing law that when a corporation receives income that is excluded from taxable business income, it must exclude this income from its apportionment factor. This proposal is projected to increase General Fund revenues by \$216 million in the budget window.
- **Low Income Housing Tax Credits**—One-time additional \$500 million in state Low Income Housing Tax Credits for 2024-25. This proposal has no revenue impact in the

budget window, but is projected to decrease General Fund revenues by \$400 million in the multiyear.

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State Central Services Departments,
Information Services, Information Technology
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Administration

Energy, Housing and Homelessness,
Labor, Local Government, Tax Agencies, and
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Joint Analysis

Governor's 2024-25 May Revision

May 15, 2024



California Community Colleges



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ASSOCIATION OF CALIFORNIA
COMMUNITY COLLEGE ADMINISTRATORS



COMMUNITY COLLEGE
LEAGUE OF CALIFORNIA

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Purpose of Report

This analysis was prepared by the California Community Colleges Chancellor's Office (Chancellor's Office) with support from the:

- Association of California Community College Administrators (ACCCA),
- Association of Chief Business Officials (ACBO), and
- Community College League of California (League).

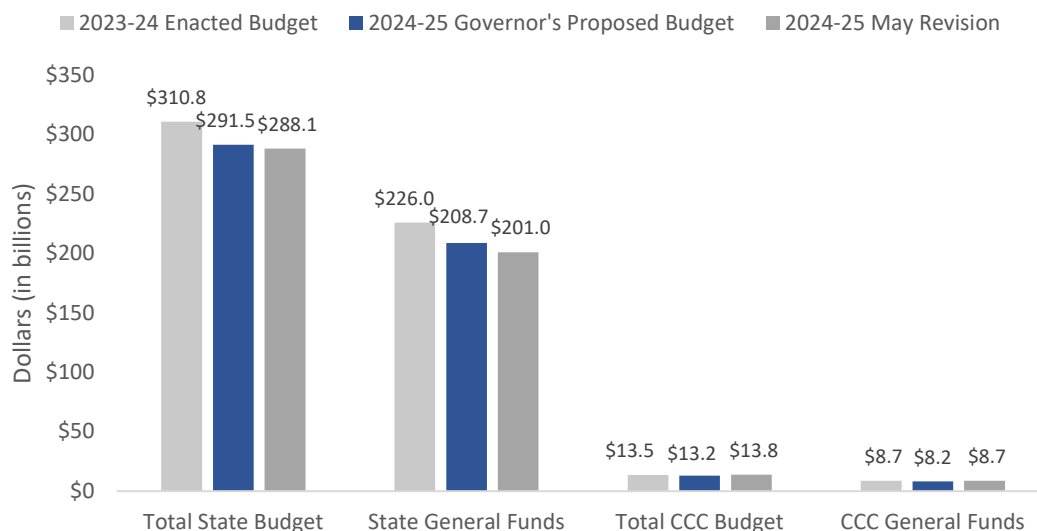
Its purpose is to provide information about the Governor's May Revision as a common resource for each organization's further analyses and advocacy efforts. Over the next couple of months, updated analyses will describe any proposed trailer bills and the enacted budget.

Summary of Key Budget Changes

On Friday, May 10, Governor Newsom held a press conference to announce the major features of the May Revision for the 2024-25 fiscal year, and the Department of Finance has since released more detailed information. Following are some key changes in the proposal compared to the enacted budget for 2023-24 and the Governor's Budget for 2024-25 released in January.

- 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.

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



- 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. Overall, funding increases slightly compared to the current year enacted budget.
- 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%.
- One-time funding in the revised proposal remains limited but retains the previously proposed \$60 million for expansion of nursing program capacity from the Governor's Budget and adds \$35 million for several projects related to the system's Vision 2030 priorities.
- The Governor's revised proposal includes \$29 million in capital outlay funding from Proposition 51 to support the working drawings and construction phases for one continuing project, the same as included in the Governor's Budget.

Changes in Overall Budget Framework

The Governor's May Revision proposes modest additional ongoing resources of approximately \$142 million to California Community Colleges appropriations and categorical programs, as compared to the 2023 Budget Act, up from the \$110 million increase proposed in January.

REVISED BUDGET PROPOSAL REFLECTS HIGHER EXPECTED DEFICIT

In January, the Administration projected a \$38 billion deficit for 2024-25 which, while significant, was smaller than that estimated by the Legislative Analyst's Office (LAO). In February, the [LAO](#) provided an updated estimate that substantially increased its own deficit projection based on revenue collections that continue to lag behind projections, which were nearly \$6 billion below projections at the end of March. In its update, the LAO recommended budget solutions that start with pulling back or reducing specified one-time and temporary spending that has yet to be disbursed or committed, with the largest amounts related to the environment, infrastructure, and housing. The Governor's May Revision also reflects the lower-than-projected state revenues and now projects a total budget deficit of \$44.9 billion, an increase of \$7 billion over the \$38 billion estimated in the Governor's Budget. 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.

EARLY ACTION PLAN TOOK SOME STEPS TO ADDRESS DEFICIT

Assembly Bill 106, passed in April, amended the Budget Act of 2023 to reduce the expected \$45 billion shortfall by \$17.3 billion. The early action [agreement](#) included a mix of \$3.6 billion in reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in shifts of costs from the General Fund to other state funds. The primary higher education-related issue included in the early action plan was a \$499 million deferral of the expected five percent increase in funding for the University of California (UC) and California State University (CSU) systems under the Compacts. While no changes to CCC funding were included in the plan, the bill's language authorizes the Administration to freeze additional one-time funding from the 2021, 2022, or 2023 Budget Acts.

SOME ADDITIONAL ACTIONS ARE PLANNED OVER TWO YEARS

The revised budget plan uses several mechanisms to close the remainder of the projected shortfall for 2024-25 of \$27.6 billion, including some funding delays and reductions from the 2022-23 and 2023-24 budgets, internal borrowing and fund shifts, and withdrawal of some state reserves. The proposal maintains the Governor's Budget withdrawal of \$12.2 billion from the Budget Stabilization Account (BSA) and \$900 million from the Safety Net reserve but spreads the use of the BSA withdrawal over two years such that \$3.3 billion would be used in 2024-25 and \$8.9 billion would be shifted to 2025-26. Spreading the use of reserves over two years would leave nearly \$23 billion in reserves in 2024-25, including \$19.4 billion in the BSA and \$3.4 billion in the Special Fund for Economic Uncertainties.

The May Revision includes other proposals to address the projected deficit for 2025-26 through similar mechanisms as those planned for 2024-25, and notes that two-year budget planning should be the approach going forward. As was the case in the Governor's Budget, the May Revision points to the need for legislation that would allow the state to save more during economic upswings to better protect state services during budget downturns, and proposes a requirement that the state set aside a portion of any anticipated surplus in a new reserve account to be allocated in a subsequent budget year once it actually materializes. This could be easier than amending Proposition 2 to allow larger deposits into the BSA, which would require voter approval.

ENACTED BUDGET COULD INCLUDE ALTERNATIVE SOLUTIONS

It is critical to note that the final enacted budget may look different than the May Revision proposal and will be developed through negotiations between the Administration and Legislature. The Chancellor's Office has received numerous requests for information regarding remaining unspent funds in various areas. The May Revision continues to borrow nearly \$9 billion from future non-Proposition 98 sources which has drawn

criticism from both the Legislative Analyst’s Office and various K-14 stakeholder groups. Should the concept of borrowing from future non-Proposition 98 sources be rejected by the Legislature, it could lead to programmatic reductions and/or deferrals. Active discussions around alternative budget solutions are ongoing. The Chancellor’s Office will continue to advocate for funding stability given community colleges’ central role in providing equitable access to higher education, serving as engines of social and economic mobility for Californians, and bolstering the state’s economy.

Changes to California Community Colleges Funding

In this section, we detail changes to proposals included in the Governor’s Budget (and described in our January analysis) and describe new proposals presented as part of the May Revision.

PROPOSITION 98 ESTIMATE REMAINS SIMILAR

Minimum Guarantee for Community Colleges Shows Small Increase

The Governor’s Budget in January revised Proposition 98 estimates for current and prior years downward based on weaker than expected revenues. Table 1 shows the Department of Finance’s estimates of the minimum guarantee for the current and budget years as of the May Revision, demonstrating an even larger reduction for 2023-24 (\$102.6 billion rather than the \$105.6 billion estimated in January). The minimum guarantee for 2024-25 is \$109.1 billion, about the same as was estimated in January. As noted earlier, the 2024-25 estimate reflects the continued reliance on a budget maneuver that postpones recognition of overpayments to districts for 2022-23 that ended up exceeding revised Proposition 98 estimates for that year by \$8.8 billion (pushing the cost for that overpayment to the future).

Table 1: California Community Colleges Proposition 98 Funding by Source (In Millions)

Source	2023-24 Revised	2024-25 Governor's Budget (GB)	2024-25 May Revision	Change From GB (Amount)	Change From GB (Percent)
ALL PROPOSITION 98 PROGRAMS					
General Fund	\$71,500	\$76,894	\$76,606	\$(288)	-0.4%
Local property tax	31,072	32,185	32,524	\$339	1.1%
Totals	\$102,572	\$109,050	\$109,129	\$79	0.1%
COMMUNITY COLLEGES ONLY ^a					
General Fund	\$7,851	\$8,193	\$8,336	\$143	1.7%
Local property tax	4,075	4,210	4,285	\$75	1.8%
Totals	\$11,926	\$12,403	\$12,621	\$218	1.8%

^a CCC totals include resources that go to the K-12 system via the Adult Education, Apprenticeship, and K-12 Strong Workforce programs.

District Revenue Protections Continue

The 2021 Budget Act extended the Student Centered Funding Formula's (SCFF) hold harmless provision through 2024-25, under which districts will earn at least their 2017-18 total computational revenue (adjusted by COLA each year). The 2022 Budget Act extended the revenue protections in a modified form beginning in 2025-26, with a district's 2024-25 funding representing its new "floor." Starting in 2025-26, districts will be funded at their SCFF generated amount that year or their "floor" (2024-25 funding amount), whichever is higher. This revised hold harmless provision will no longer include adjustments to reflect cumulative COLAs over time, as is the case with the provision in effect through 2024-25, so a district's hold harmless amount would not grow.

Withdrawal from Public School System Stabilization Account (PSSSA)

Proposition 2, approved by voters in November 2014, created the PSSSA, a state reserve for schools and community colleges that receives funding if several conditions are satisfied. The Governor's Budget proposed withdrawals of about \$236 million for 2023-24 and \$486 million for 2024-25 to support Student Centered Funding Formula resources. The May Revision increases the proposed withdrawals to \$532.5 million for 2023-24 and \$381.5 million for 2024-25 related to the state's decreased revenues. The proposal would eliminate the balance in the PSSSA at the end of 2024-25.

CALIFORNIA COMMUNITY COLLEGES FUNDING INCREASES

The May Revision increases funding for the California Community Colleges by \$59 million compared to the Governor's Budget, as reflected in Table 2. The system would receive about \$24 million in additional ongoing funding and base adjustments and \$35 million for additional one-time programs and initiatives compared to what was proposed in January.

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
POLICY ADJUSTMENTS			
Ongoing (Proposition 98)			
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

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
Subtotal Ongoing (Proposition 98) Policy Adjustments^a	\$109.78	\$142.82	\$33.04
One-Time (Proposition 98)			
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
Subtotal One-Time Policy Adjustments	\$60.00	\$95.00	\$35.00
TECHNICAL ADJUSTMENTS			
Student Centered Funding Formula (SCFF) other base adjustments (aside from COLA and Growth) ^b	-\$111.92	-\$120.69	-\$8.77
Subtotal Technical Adjustments	-\$111.92	-\$120.69	-\$8.77
TOTAL CHANGES	\$57.86	\$117.13	\$59.27

^a The subtotal for ongoing policy adjustments does not match what was shown in Table 2 of our Joint Analysis of the Governor's Budget report in January. That table mistakenly included an adjustment for Affordable Student Housing that does not involve Proposition 98 funds.

^b SCFF technical adjustments match estimated resources with DOF's estimates of workload measures including reported FTES, supplemental, and success metrics.

The estimated and proposed Total Computational Revenue (TCR) for the SCFF increases by \$7.6 million from \$9.56 billion to \$9.57 billion. This reflects a proposed COLA of 1.07% (\$100.2 million) and \$28 million for FTES growth of 0.5% and modified estimates for hold harmless and other underlying estimation factors. Further, the following adjustments are reflected in associated offsetting revenues (all comparisons are from the 2023-24 Budget Act to the 2024-25 Governor's May Revision proposal):

- Property tax revenues are estimated to increase by \$144.3 million from \$4.0 billion to \$4.1 billion.
- Enrollment Fee revenues are estimated to decrease by \$1.4 million from \$407.5 million to \$406.1 million.
- Education Protection Account funding is estimated to decrease by \$150.7 million from \$1.54 billion to \$1.39 billion.

Table 3 reflects the final SCFF rates for 2022-23 and 2023-24, along with the projected rates for 2024-25, as modified by COLA.

Table 3: Proposed 2024-25 Student Centered Funding Formula Rates (rounded)

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%
Single College District				
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%
Multi College District				
Small College	6,439,546	6,508,449	68,903	1.07%
Medium College	7,512,806	7,593,194	80,387	1.07%
Large College	8,586,065	8,677,936	91,871	1.07%
Designated Rural College	2,048,172	2,070,088	21,915	1.07%
State Approved Centers	2,146,516	2,169,484	22,968	1.07%
Grandparented Centers				
Small Center	268,316	271,187	2,871	1.07%
Small Medium Center	536,629	542,371	5,742	1.07%
Medium Center	1,073,257	1,084,741	11,484	1.07%
Medium Large Center	1,609,886	1,627,112	17,226	1.07%
Large Center	2,146,516	2,169,484	22,968	1.07%

* Ten districts receive higher credit FTE rates, as specified in statute.

Appendix B compares the Governor’s May Revision to the 2024-25 Board of Governors’ budget request. Below we update information on the administration’s more significant policy decisions and related information.

MAJOR POLICY DECISIONS FOCUS ON STABILITY

The revised budget proposal continues to include funding for a small COLA and enrollment growth, supported by withdrawals from the PSSSA. The one-time funds included in the proposal are targeted toward expanding nursing program capacity and several projects related to the system’s Vision 2030 priorities.

Apportionments Receive 1.07% COLA and 0.5% Growth

The proposal includes an increase of \$28 million **ongoing** to fund 0.5% enrollment growth and \$100.2 million **ongoing** to support a COLA of 1.07% for apportionments. While much smaller than in the last few years, the proposed COLA is the same as for the K-12 system. Another \$13.1 million **ongoing** would support a COLA of 1.07% for selected categorical programs and the Adult Education program.

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. The proposal follows through on intent language included in the current year budget. Provisions governing how the funds are to be spent will be negotiated through the legislative trailer bill process.

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) by leveraging data analysis to identify their educational goals and relevant certificates and degrees at California community colleges, with the flexible modalities and student supports that low-income learners need. The homecare and childcare workforce are historically underrecognized and underserved, and this partnership seeks to empower these communities by assisting them to further their expertise in a myriad of educational fields, while dismantling barriers and constructing statewide educational pathways for these working learners. This will include supporting providers in applying for supportive services like childcare and transportation, lending laptops and electronics, and providing other instructional materials. Union representatives will assist in identifying additional barriers to community college integration and creating a pipeline between the Chancellor’s Office and UDW to provide continuous support for these workers and their families. Current planning is for three cohorts of at least sixty students that would be

enrolled in vocational English as a Second Language (ESL) courses and healthcare courses, with other classes and certifications being identified by Summer 2024.

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. The effort will seek to embed CPL policies on pathways to provide greater access for working adults toward high-demand, high-wage careers. Several colleges would receive a grant to establish campuswide practices in awarding credit for prior learning or develop a comprehensive framework to institutionalize this practice, resulting in equitable access and successful completion, transfer, and livable wage employment for working adults. The goal is to use technology to automate and streamline the articulation process while making articulations at one college shareable and adoptable at other colleges, creating a transparent ecosystem that maximizes credit for prior learning and allows students to access their eligible credits at participating colleges. Given the central role they play in the articulation process, the grants could also be used to provide faculty with professional development and technical assistance that promotes cultural and academic development.

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 three-year project would create a "Digital Transformation Center" and, by leveraging pre-existing partnerships among districts, would deliver a core data architecture and a set of data governance principles to yield functional and fiscal benefits to individual college districts and the system office. The work would establish a foundation for a future shared solution to expand statewide, with streamlined accountability reporting, fiscal reporting, security, and analytics.

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. The funding would support grants to colleges to offset local costs related to one-time connectivity, setup, and integration of the platform.

Statewide Funding Plan for Approved Affordable Student Housing

The 2023 Budget Act eliminated the 2022-23 General Fund appropriation for the Affordable Student Housing grants and instead called for those projects to be funded by locally issued lease revenue bonds. This change retroactively applied to the twelve community college projects originally funded in the 2022 Budget Act, and the seven community college housing projects authorized in the 2023 Budget Act, as well as any

future affordable student housing projects. The 2023 Budget Act provided ongoing funds to support debt service for UC/CSU student housing projects in 2022-23 and 2023-24 funded with lease revenue bonds. Community college housing projects were to be funded through local revenue bonds to be issued by community college districts or as part of a state pool. The May Revision continues the plan for a *statewide* lease revenue bond program as an alternative to local lease revenue bonds that was outlined in the Governor’s Budget, with trailer bill language expected to be released soon. The bond program would cover 13 approved projects (excluding the four intersegmental projects to be funded by UC/CSU and the two CCC projects not appropriate for the state revenue lease bond). The two CCC projects that do not fit within the parameters of a state revenue lease bond will be funded with redirected annual rent subsidy funds from the \$61.5 million in non-Prop. 98 funds initially authorized by the Higher Education Student Housing Grant Program for debt service in 2023-24. No new projects are expected to be approved in 2024-25.

Cal Grant Reform Options Under Consideration for Future Years

The Fiscal Year 2022-23 State Budget enacted the Cal Grant Reform Act, making *all* community college students with financial need entitled to a revised “Cal Grant 2” financial aid award that would increase with inflation over time to support students’ total cost of attendance beyond tuition. However, implementation of the Cal Grant Reform Act was made dependent on the DOF determining, in the spring of 2024, that there would be sufficient revenues over a multi-year period to support this expansion of financial aid. Full expansion would add approximately \$245 million to the \$2.4 billion cost of the program in 2024-25, a challenging prospect in the context of the significant deficit. While the May Revision does not include funding to implement the Cal Grant Reform Act, legislative leaders have publicly discussed options that would include incremental, phased-in steps toward full implementation. Ideas for a partial roll-out to limit the cost include increasing community college cash award amounts to reflect inflation without expanding eligibility, maintaining the 2.0 GPA requirement to qualify for a grant but reducing the number of units required, or making a further reduction to the income limits to qualify for grants. A final determination will be dependent on negotiations between the Administration and the Legislature.

LOCAL SUPPORT FUNDING IS LARGELY STABLE FOR ONGOING PROGRAMS

Table 4 shows proposed local assistance funding by program for the current and budget years as of the May Revision. As the table shows, most categorical programs received level or workload funding in the Governor’s revised proposal, with certain programs receiving cost-of-living adjustments consistent with recent practices. Decreases in funding are related to revised estimates of underlying factors.

Table 4: California Community Colleges Ongoing Funding by Program^a (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 ^b	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%	

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%	

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%	
Total	\$13,061.38	\$13,116.21	\$54.83	0.42%	

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

^b 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.

Table 5 shows proposed one-time local assistance funding by program for 2024-25. Given the expected state budget deficit, the budget proposal for community colleges includes only a few one-time investments.

Table 5: California Community Colleges One-Time Funding by Program^a (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
Total	\$0.00	\$95.00	

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

CAPITAL OUTLAY INVESTMENTS ARE LIMITED

The Governor’s May Revision continues to include only one project, providing \$29.3 million **one-time** in capital outlay funding from Proposition 51, approved by voters in 2016, to continue with remodeling of the theater and McCloud Hall at College of the Siskiyous.

The Administration also commits to pursuing a statewide education facilities bond, with the exact amount of the bond and the split of funds to be determined through negotiations with the Legislature.

REDUCTION TO STATE OPERATIONS

The Chancellor’s Office provides leadership and oversight to the system, administers dozens of systemwide programs, and manages day-to-day operations of the system. The office is involved in implementing several recent initiatives, including Guided Pathways, reforms to remedial education and transfer, and the Student Centered Funding Formula, as well as the statewide components of Vision 2030. In addition, the Chancellor’s Office provides technical assistance to districts and conducts regional and statewide professional development activities. The May Revision applies an administrative reduction of 7.95% to all state agencies compared to the levels proposed in the Governor’s Budget. This would result in about \$25 million in non-Proposition 98 General Funds for the Chancellor’s Office in 2024-25, down from the \$27.1 million proposed in

January and lower than the \$25.7 million provided in the 2023 Budget Act. The revised proposal keeps level the additional \$12.2 million in special funds and reimbursements for Chancellor's Office operations.

Next Steps

Following release of the Governor's May Revision, the budget process moves very quickly. LAO typically publishes analyses of the May Revision within a few days. Budget subcommittees convene to review the proposals and often take action on both January and May proposals within about a week. Subcommittees report their recommendations to full committees, which in turn report to their respective houses. Not long after, a budget conference committee convenes to resolve differences between the two houses' versions of the budget by June 15, the state constitutional deadline for the Legislature to approve a budget. (See Appendix A for a more complete overview of the state budget process.)

For more information throughout the budget process, please visit the Budget News section of the Chancellor's Office website:

<https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Budget-News>

Appendix A: Overview of the State Budget Process

The Governor and the Legislature adopt a new budget every year. The Constitution requires a balanced budget such that, if proposed expenditures exceed estimated revenues, the Governor is required to recommend changes in the budget. The fiscal year runs from July 1 through June 30.

Governor’s Budget Proposal. The California Constitution requires that the Governor submit a budget to the Legislature by January 10 of each year. The Director of Finance, who functions as the chief financial advisor to the Governor, directs the preparation of the Governor’s Budget. The state’s basic approach is incremental budgeting, estimating first the costs of existing programs and then adjusting those program levels. By law, the chairs of the budget committees in each house of the Legislature—the Senate Budget and Fiscal Review Committee and the Assembly Budget Committee—introduce bills reflecting the Governor’s proposal. These are called budget bills, and the two budget bills are identical at the time they are introduced.

Related Legislation. Some budget changes require that changes be made to existing law. In these cases, separate bills—called “trailer bills”—are considered with the budget. By law, all proposed statutory changes necessary to implement the Governor’s Budget are due to the Legislature by February 1.

Legislative Analyses. Following the release of the Governor’s Budget in January, the LAO begins its analyses of and recommendations on the Governor’s proposals. These analyses, each specific to a budget area (such as higher education) or set of budget proposals (such as transportation proposals), typically are released beginning in mid-January and continuing into March.

Governor’s Revised Proposals. Finance proposes adjustments to the January budget through “spring letters.” Existing law requires Finance to submit most changes to the Legislature by April 1. Existing law requires Finance to submit, by May 14, revised revenue estimates, changes to Proposition 98, and changes to programs budgeted based on enrollment, caseload, and population. For that reason, the May Revision typically includes significant changes for the California Community Colleges budget. Following release of the May Revision, the LAO publishes additional analyses evaluating new and amended proposals.

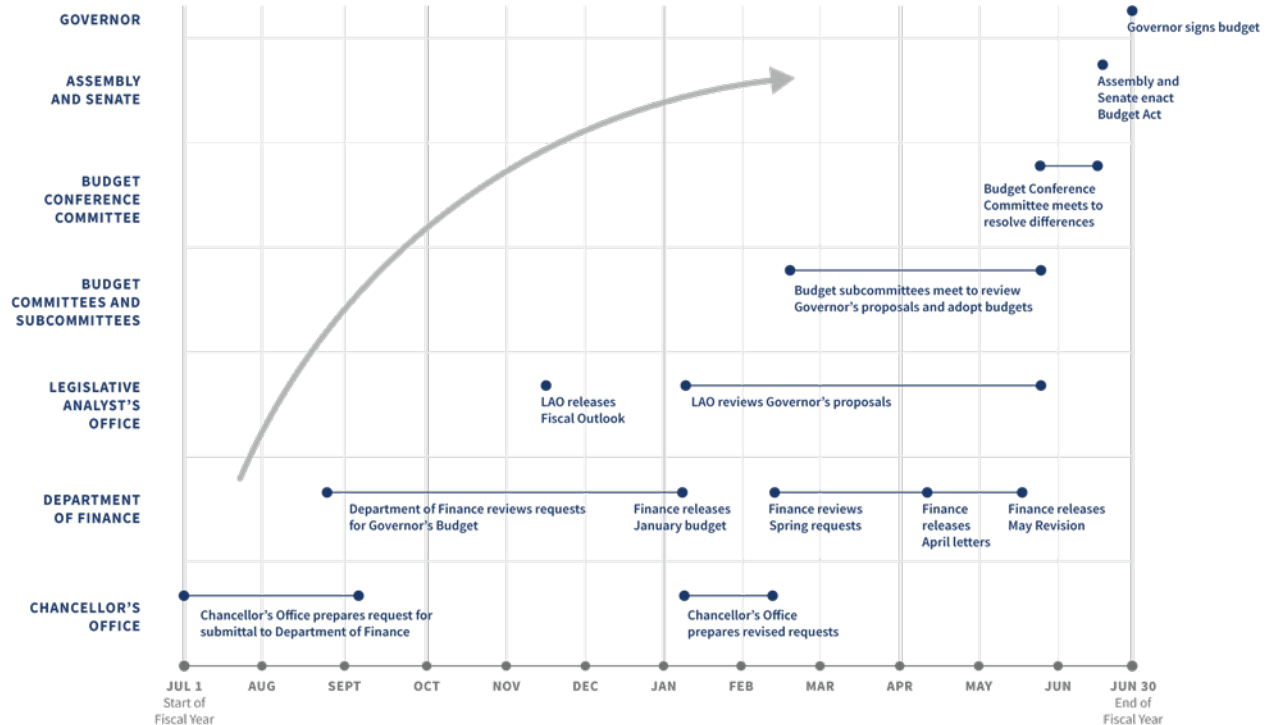
Legislative Review. The budget committees assign the items in the budget to subcommittees, which are organized by areas of state government (e.g., education). Many subcommittees rely heavily on the LAO analyses in developing their hearing agendas. For each January budget proposal, a subcommittee can adopt, reject, or modify the proposal. Any January proposals not acted on remain in the budget by default. May proposals, in contrast, must be acted on to be included in the budget. In addition to acting on the Governor’s budget proposals, subcommittees also can add their own proposals to the budget.

When a subcommittee completes its actions, it reports its recommendations back to the full committee for approval. Through this process, each house develops a version of the budget that is a modification of the Governor's January budget proposal.

A budget conference committee is then appointed to resolve differences between the Senate and Assembly versions of the budget. The administration commonly engages with legislative leaders during this time to influence conference committee negotiations. The committee's report reflecting the budget deal between the houses is then sent to the full houses for approval.

Budget Enactment. Typically, the Governor has 12 days to sign or veto the budget bill. The Governor also has the authority to reduce or eliminate any appropriation included in the budget. Because the budget bill is an urgency measure, the bill takes effect as soon as it is signed.

SEQUENCE OF THE ANNUAL STATE BUDGET PROCESS



Appendix B: Board of Governors' Budget and Legislative Request Compared to Governor's May Revision

The system budget request considered needs over multiple years to achieve *Vision 2030* and Roadmap goals, and support students' economic mobility.

Board of Governor's Request	Governor's May Revision Proposal
Ongoing Investments	
Foundational Resources. \$500 million for base funding increase.	Provides \$100 million for a COLA of 1.07% and \$28 million for 0.5% enrollment growth.
Pathways and Student Supports. \$60 million increase for DSPS; \$40 million for Childcare Expansion Fund; \$30 million for California Apprenticeship Initiative; \$6 million to expand Military Articulation Platform. Extension of deadline for common course numbers from 2024 to 2027. Policy changes to provide equitable access to dual enrollment pathways.	See one-time funds for nursing program expansion below.
Support for Faculty. \$50 million for faculty supports (office hours, professional development, curriculum development) and full-time faculty hiring.	Not included.
Technology and Data Sharing. \$24.9 million to launch Phase 1 of Common ERP transition; \$12 million for expanding use of eTranscript California (additional request after BOG request submitted).	See one-time funds for expanding use of eTranscript California below.
One-Time Investments	
Pathways and Student Supports.	Provides \$60 million per year for five years to expand nursing program capacity.
Technology and Data Sharing. \$310.1 million for Phase 1 of Common ERP transition (specifies plan to request another \$214 million in 2027-28 for Phase 2).	Provides \$12 million for expanding use of eTranscript California.
Vision 2030 Priorities (additional request after BOG request submitted). \$5 million for a low-income workers demonstration project; \$6 million for mapping pathways for Credit for Prior Learning (CPL); \$10 million for a common data platform demonstration project.	Provides \$5 million for Low-Income Workers Demonstration Project, \$6 million for mapping pathways for CPL, and \$12 million for Common Cloud Data Platform Demonstration Project.
Non-Proposition 98 Investments	
College Affordability and Supports. State-issued lease revenue bonds to support 19 approved and 5 new student housing projects. Policy changes for flexibility in the SSCG program for DSPS students, and study of structural barriers to residency.	Pursuing statewide lease revenue bond program for 13 approved projects (excludes 4 intersegmental projects to be funded by UC/CSU and 2 projects that were too far along for SLRB). No new projects approved.

<p>Capacity to Support the System. General Fund support for a new Vice Chancellor of Information Security, Assistant Vice Chancellor of Workforce Development, and Director of Operations and Special Initiatives. Policy changes to streamline legislative reporting requirements.</p>	<p>Not included. Imposes 7.95% reduction in General Funds consistent with administrative reduction for all state agencies.</p>
<p>Workforce Education. Policy changes to better align EWD program with Strong Workforce, and to extend use of multi-criteria screening factors for limited enrollment healthcare program admissions.</p>	<p>Not mentioned.</p>

Appendix C: Local Budgets and State Requirements

BUDGET PLANNING AND FORECASTING

Based on the information used in developing the May Revision, it would be reasonable for districts to plan their budgets using information shown in Table C-1 below.

Table C-1: Planning Factors for Proposed 2024-25 Budget

Factor	2022-23	2023-24	2024-25
Cost-of-living adjustment (COLA)	6.56%	8.1322%	1.07%
State Lottery funding per FTES ^a	\$237	\$249	TBD
Mandated Costs Block Grant funding per FTES	\$32.68	\$35.37	\$35.75
RSI reimbursement per hour	\$8.82	\$8.82	\$10.08
Financial aid administration per College Promise Grant	\$0.91	\$0.91	\$0.91
Public Employees' Retirement System (CalPERS) employer contribution rates	25.37%	26.68%	27.05%
State Teachers' Retirement System (CalSTRS) employer contribution rates	19.10%	19.10%	19.10%

^a 2023-24 estimate not available

STATE REQUIREMENTS FOR DISTRICT BUDGET APPROVAL

Existing law requires the governing board of each district to adopt an annual budget and financial report that shows proposed expenditures and estimated revenues by specified deadlines. Financial reporting deadlines are shown in Table C-2.

Table C-2: Financial Reporting Deadlines for 2024-25

Activity	Regulatory Due Date	Title 5 Section
Submit tentative budget to county officer.	July 1, 2024	58305(a)
Make available for public inspection a statement of prior year receipts and expenditures and current year expenses.	September 15, 2024	58300
Hold a public hearing on the proposed budget. Adopt a final budget.	September 15, 2024	58301
Complete the adopted annual financial and budget report and make public.	September 30, 2024	58305(d)
Submit an annual financial and budget report to Chancellor's Office.	October 10, 2024	58305(d)
Submit an audit report to the Chancellor's Office.	December 31, 2024	59106

If the governing board of any district fails to develop a budget as described, the chancellor may withhold any apportionment of state or local money to the district for the current fiscal year until the district makes a proper budget. These penalties are not imposed on a district if the chancellor determines that unique circumstances made it

impossible for the district to comply with the provisions or if there were delays in the adoption of the annual state budget.

The total amount proposed for each major classification of expenditures is the maximum amount that may be expended for that classification for the fiscal year. Through a resolution, the governing board may make budget adjustments or authorize transfers from the reserve for contingencies to any classification (with a two-thirds vote) or between classifications (with a majority vote).

STATE REQUIREMENTS RELATED TO EXPENDITURES

State law includes two main requirements for districts' use of apportionments. The Chancellor's Office monitors district compliance with both requirements and annually updates the Board of Governors.

Full-Time Faculty Obligation

Education Code Section 87482.6 recognizes the goal of the Board of Governors that 75% of the hours of credit instruction in the California Community Colleges should be taught by full-time faculty. Each district has a baseline reflecting the number of full-time faculty in 1988-89. Each year, if the Board of Governors determines that adequate funds exist in the budget, districts are required to increase their base number of full-time faculty over the prior year in proportion to the amount of growth in funded credit full-time equivalent students. Funded credit FTES includes emergency conditions allowance protections, such as those approved for fires and for the COVID-19 pandemic. Districts with emergency conditions allowances approved per regulation will not have their full-time faculty obligation reduced for actual reported FTES declines while the protection is in place. The target number of faculty is called the Faculty Obligation Number (FON). An additional increase to the FON is required when the budget includes funds specifically for the purpose of increasing the full-time faculty percentage. The chancellor is required to assess a penalty for a district that does not meet its FON for a given year.

Fifty Percent Law

A second requirement related to budget levels is a statutory requirement that each district spend at least half of its Current Expense of Education each fiscal year for salaries and benefits of classroom instructors. Under existing law, a district may apply for an exemption under limited circumstances.

Appendix D: Districts' Fiscal Health

The Board of Governors has established standards for sound fiscal management and a process to monitor and evaluate the financial health of community college districts. These standards are intended to be progressive, with the focus on prevention and assistance at the initial level and more direct intervention at the highest level.

Under that process, each district is required to regularly report to its governing board the status of the district's financial condition and to submit quarterly reports to the Chancellor's Office three times a year in November, February, and May. Based on these reports, the Chancellor is required to determine if intervention is needed. Specifically, intervention may be necessary if a district's report indicates a high probability that, if trends continue unabated, the district will need an emergency apportionment from the state within three years or that the district is not in compliance with principles of sound fiscal management. The Chancellor's Office's intervention could include, but is not limited to, requiring the submission of additional reports, requiring the district to respond to specific concerns, or directing the district to prepare and adopt a plan for achieving fiscal stability. The Chancellor also could assign a fiscal monitor or special trustee.

The Chancellor's Office believes that the evaluation of fiscal health should not be limited to times of crisis. Accordingly, the Fiscal Forward Portfolio has been implemented to support best practices in governance and continued accreditation, and to provide training and technical assistance to new chief executive officers and chief business officers through personalized desk sessions with Chancellor's Office staff.

The Chancellor's Office's ongoing fiscal health analysis includes review of key financial indicators, results of annual audit reports, and other factors. A primary financial health indicator is the district's unrestricted reserves balance. **The Chancellor's Office recommends that districts adopt policies to maintain sufficient unrestricted reserves with a suggested minimum of two months of general fund operating expenditures or revenues, consistent with Budgeting Best Practices published by the Government Finance Officers Association.**

Districts are strongly encouraged to regularly assess risks to their fiscal health. The Fiscal Crisis and Management Assistance Team has developed a Fiscal Health Risk Analysis for districts as a management tool to evaluate key fiscal indicators that may help measure a district's risk of insolvency in the current and two subsequent fiscal years.

Appendix E: Glossary

Appropriation: Money set apart by legislation for a specific use, with limits in the amount and period during which the expenditure is to be recognized.

Augmentation: An increase to a previously authorized appropriation or allotment.

Bond Funds: Funds used to account for the receipt and disbursement of non-self-liquidating general obligation bond proceeds.

Budget: A plan of operation expressed in terms of financial or other resource requirements for a specific period.

Budget Act (BA): An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget, amended by the Legislature, and signed by the Governor.

Budget Year (BY): The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year).

Capital Outlay: Expenditures that result in acquisition or addition of land, planning and construction of new buildings, expansion or modification of existing buildings, or purchase of equipment related to such construction, or a combination of these.

Cost of Living Adjustment (COLA): Increases provided in state-funded programs intended to offset the effects of inflation.

Current Year (CY): The present state fiscal year, beginning July 1 and ending June 30 (in contrast to past or future periods).

Department of Finance (DOF or Finance): A state fiscal control agency. The Director of Finance is appointed by the Governor and serves as the chief fiscal policy advisor.

Education Protection Account (EPA): The Education Protection Account (EPA) was created in November 2012 by Proposition 30, the Schools and Local Public Safety Protection Act of 2012, and amended by Proposition 55 in November 2016. Of the funds in the account, 89 percent is provided to K-12 education and 11 percent to community colleges. These funds are set to expire on December 31, 2030.

Expenditure: Amount of an appropriation spent or used.

Fiscal Year (FY): A 12-month budgeting and accounting period. In California state government, the fiscal year begins July 1 and ends the following June 30.

Fund: A legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations.

General Fund (GF): The predominant fund for financing state operations; used to account for revenues that are not specifically designated by any other fund.

Governor's Budget: The publication the Governor presents to the Legislature by January 10 each year, which includes recommended expenditures and estimates of revenues.

Lease Revenue Bond: Lease-revenue bonds are used in the state's capital outlay program to finance projects. The revenue stream paying the debt service on the bond is created from lease payments made by the occupying entity to the governmental financing entity which constructs the facility or causes it to be constructed.

Legislative Analyst's Office (LAO): A nonpartisan office that provides fiscal and policy advice to the Legislature.

Local Assistance: Expenditures made for the support of local government or other locally administered activities.

May Revision: An update to the Governor's Budget presented by Finance to the Legislature by May 14 of each year.

Past Year or Prior Year (PY): The most recently completed state fiscal year, beginning July 1 and ending June 30.

Proposition 98: A section of the California Constitution that, among other provisions, specifies a minimum funding guarantee for schools and community colleges. California Community Colleges typically receive 10.93% of the funds.

Related and Supplemental Instruction (RSI): An organized and systematic form of instruction designed to provide apprentices with knowledge including the theoretical and technical subjects related and supplemental to the skill(s) involved.

Reserve: An amount set aside in a fund to provide for an unanticipated decline in revenue or increase in expenditures.

Revenue: Government income, generally derived from taxes, licenses and fees, and investment earnings, which are appropriated for the payment of public expenses.

State Operations: Expenditures for the support of state government.

Statute: A law enacted by the Legislature.

Workload Budget: The level of funding needed to support the current cost of already-authorized services.

District Financial Health
(follow-up to the Budget Town Hall held on April 30, 2024)

1. **Financial Sustainability:**
 - **State Funding Outlook**
 - **Demographic Shift**
 - **Local Economic Factors**
2. **Risk Management**
3. **Budgeting and Forecasting**
 - **Data-Driven Decision-Making**
4. **Cost Reduction and Efficiency**
5. **Revenue Generation**
6. **Compliance and Regulatory Issues**
7. **Leadership and Financial Governance**
8. **Stakeholder Engagement and Communication**
 - **Equity Implications**
 - **Change Management**
9. **Strategic Planning and Long-Term Considerations**
 - **Alignment with District Strategic Plan**
 - **Capital Projects and Infrastructure**
 - **Retiree Benefits and Pension Liabilities**