



Agenda Item Details

Meeting	Mar 08, 2022 - Board of Trustees Meeting
Category	15. Action: Business and Administrative Services
Subject	15.01 Action to Approve Acceptance of FY 2022-23 Budget Criteria and Assumptions.
Type	Action
Recommended Action	The Chancellor recommends approval.

Presenter

David El Fattal

Background

The District is required to have its 2022-23 annual budget adopted by the Board of Trustees and submitted to the California Community Colleges (CCC) Chancellor's Office by September 15, 2022. This is preceded by adoption of the 2022-23 tentative budget by the Board of Trustees and the related budget submission to the CCC Chancellor's Office by June 15, 2022. Each annual budget is developed through a collaborative districtwide process that includes input from institutional stakeholders including, but not limited to, the District Council on Administrative Services, the Chancellor's Consultation Council, Chancellor's Cabinet, the Board of Trustees, and each college through individualized institutional processes.

An essential activity in the development of the annual District budget is the adoption of a set of Budget Criteria and Assumptions. The criteria and assumptions provide the foundation for projecting revenue, distributing resources and strategically guiding the budget development process throughout various phases until the final Adoption Budget is presented for approval to the Board of Trustees in September.

Initial budget assumptions are preliminary in nature and are based upon the best and most current information available from both internal and external sources including the CCC Chancellor's Office Budget Workshops. The District updates its assumptions, budget and projections throughout the year whenever significant and reliable information becomes available. Budget revisions and assumptions are regularly presented to the Board of Trustees throughout the year as new information becomes available from the District and colleges as well as during the State's budget development process.

In addition to the General Fund, the District must adopt balanced budgets for the auxiliary/proprietary funds, which are to remain self-supporting and solvent.

Analysis

The Governor's 2022-23 proposed budget is based on a General Fund surplus of \$45.7 billion, and assumes continued economic growth in the state. The proposed budget relies heavily on one time funding in order to help ensure the long term stability of the state budget.

The state budget was developed using the best available revenue estimates, however the estimates used were developed prior to the Omicron surge. The Governor anticipates that there will be changes to the state budget between the January proposal and the May Revise.

Proposed funding for rates in the Student Centered Funding Formula for 2022-23 would remain the same as 2021-22, plus a 5.33% COLA.

Other significant assumptions include:

- An increase in health and welfare costs for active employees of 9.6%
- A decrease in district funding for retiree health benefits of \$1.9 million. The cost of retiree health benefits will remain flat. Costs above \$8 million will be paid using the available fund balance in the Retiree Health Benefits Fund.
- An increase in the STRS rate from 16.92% to 19.10%.
- An increase in the PERS rate from 22.91% to 26.10%.
- An increase in District Wide Services funding for Police Services of \$1.1 million.

The 2022-23 Budget Criteria and Assumptions were reviewed by the District Council on Administrative Services (DCAS) at its February 17, 2022 meeting.

Impact of Approval

Development of the 2022-23 Tentative Budget will continue according to schedule.

Impact of Non-Approval

Development of the 2022-23 Tentative Budget may be delayed.

Fiscal Impact

None

Further Information

David El Fattal

[FY23 Budget Assumptions.pdf \(137 KB\)](#)