



BUTTE COLLEGE

2022-23 FINAL BUDGET

September 14, 2022



Glenn County Center
Opened August 2022

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SUMMARY OF KEY POINTS

The 2022-23 Final Budget:

Is based on the 2022-23 Enacted State Budget.

Includes Education Protection Account (EPA) funding from Proposition 30 tax revenue approved by the voters in November 2012 and extended by Proposition 55 in November 2016.

Includes a cost-of-living adjustment (COLA) to apportionment revenue of 6.56%.

Includes an additional base increase to apportionment revenue of approximately 9% above COLA to help cover rising costs like pension, utilities and technology.

Includes apportionment revenue allocations as calculated by the Student Centered Funding Formula (SCFF). Workload measures (FTES and student outcomes) used in the SCFF continue to be based on 2017-18 data agreed to per the “Emergency Conditions Allowance” (ECA hold-harmless) provision provided by the State Chancellor’s Office due to the 2018 Camp wildfire.

Includes a 6.56% adjustment to all salary schedules to help maintain staff compensation at the 20-college average.

Does not account for any restoration or enrollment growth revenue in this budget as the District projects to be held financially harmless until workload measures return to pre-Camp wildfire levels.

Includes approximately \$2 million in budget savings from the implementation of directed budget reductions of 2.5%.

Includes built-in savings of \$850K projected to be generated by salaries and benefits from vacant positions that go unfilled and from various other budget line items that potentially go unspent in 2022-23.

Does not include any increase to student enrollment fees from the current \$46 per credit unit.

Includes deferred maintenance and instructional equipment projects totaling \$10.27 million funded by the state.

Includes the elimination of the Student Technology Fee. This fee will not be charged to students since the state is now providing specific funding for technology support.

Includes a COVID-19 Recovery Block Grant to address basic needs, mental health and pandemic related support.

Includes a transfer from the OPEB Trust fund of up to \$2.2 million to cover the cost of retiree medical premium payments in the General Fund.

Includes indirect cost reimbursements from grants of approximately \$1.45 million.

Includes most, but not all, of the budgets for restricted categorical programs and grants. As federal and state categorical and grant funds are awarded and/or augmented, they will be included in the 2022-23 District budget.

Includes projected fixed cost increases of approximately \$4.8 million for salaries (net of attrition), contributions to medical insurance premiums, and employer pension costs for the Public Employees Retirement System (PERS) and the State Teachers Retirement System (STRS).

Includes new ongoing augmentations to address critical fixed cost needs like leases and utilities of approximately \$244K.

Includes other high priority ongoing augmentations of approximately \$692.2K.

Includes the payoff of the CA Energy Conservation Loan of approximately \$168K.

Projects the full-time faculty obligation number (FON) for 2022-23 to be 155.5. This Final Budget includes funding for approximately 196 full-time faculty.

Includes approximately \$4.1 million to fund one-time augmentation requests.

Includes carryover of approximately \$13 million of one-time federal Higher Education Emergency Relief Funds (HEERF) to help offset the impact of the COVID-19 pandemic on students and the college.

Maintains the Reserve for Contingencies at the Board-designated minimum level of at least 5% of budgeted expenditures and in excess of the Board's goal of 25% as prudent.

Maintains a Budget Planning Reserve to assist in other budget and enrollment planning, and temporarily ease the impact of a delay, shortfall, or deferral in state apportionment revenue.

Transfers \$8 million from the Reserve for Facilities to the Capital Fund in 2021-22 and designates another \$7 million to the Reserve for Facilities in 2022-23 to fund the construction of future needed District facilities.

Exceeds the appropriations limit as calculated in the GANN Limit Worksheet. Beginning in 2021-22, the state Chancellor's Office (CCCCO) adopted new appropriation limits equal to a district's prior year state apportionment and local property taxes (Appropriations Subject to Limit) and adjusted by the Population Factor for districts like Butte College with historical excess limits. This year, the district exceeds the appropriations limit calculated in the GANN Limit Worksheet. This excess Appropriations Subject to Limit will not result in a loss of funding for the District. Per Government Code 7910(a) and at the direction of the CCCCCO, the District will submit a resolution to the board to increase the limit prior to the adoption of this Final Budget.

Meets most, but not all of the Board's budget criteria. For example, this budget meets the following:

- Adjustments to state apportionment and other revenues have been made to better reflect reasonable and sound projections for all the District's sources of revenue;
- Complies with the fifty percent law, i.e., at least 50% of the current expense of education is allocated to instructional salaries and benefits (52.87%)
- Investments in capital improvements, technology and instructional equipment in the proposed budget work to maintain technological currency and efficiency by updating and replacing equipment, as well as to provide adequate resources and support for high quality, innovative instructional programs and services to students;
- Achieves and maintains at least a five percent (5%) contingency reserve in the General Fund;
- Reflects time-specific plans for the full funding of unfunded liabilities/obligations through specific reserve accounts via the District's Other Post-Employment Benefits (OPEB) trust fund;
- Meets all statutory and legally mandated requirements for income and expenditures.
- Salaries and benefits do not exceed 87% of total unrestricted budgeted expenditures (86%).

However, some of the Board's budget criteria may not have been met, for example:

- Classroom productivity has decreased as the number of FTES generated per full-time faculty decreased;

2022-23 BUDGET CRITERIA **(Approved by the Board of Trustees 12/15/21)**

The purposes of the District budget are to provide a) students a high quality, accessible learning-centered education; b) the resources and support needed to deliver effective instruction and services; c) the resources and support to facilitate the teaching-learning process; and d) the means to manage the district in an efficient and cost-effective way.

The criteria listed below are separated into categories that a) reflect philosophy; b) reflect legal, financial or statutory requirements; and c) act as procedural guides. Individual items are not listed in priority order either by category or within each category.

Philosophy

We seek to develop a budget that:

- allocates resources to achieve goals established in the District's strategic initiatives and strategic direction as approved by the Board and the Community Colleges System's Vision for Success;
- provides resources to help the District better focus on enhancing a culture of equity and inclusion;
- maximizes state apportionment revenue via emergency conditions allowance funding or actual Student Centered Funding Formula (SCFF) total computational revenue (TCR);
- provides adequate resources for continued improvement of equitable student outcomes and success;
- provides adequate resources and support for high quality, innovative instructional programs and services to students;
- makes reasonable and sound projections for all the District's sources of revenue and student access, equity & success data elements;
- allocates resources to maximize revenue by optimizing enrollment, supplemental funding and completion;
- improves classroom productivity, i.e., weekly student contact hours per full-time faculty equivalent, to make progress toward meeting the contractual goal of WSCH per FTEF;
- includes funding necessary to implement high priority District and system-wide goals and Board policies;
- increases and/or maintains sufficient levels of institutional effectiveness while becoming more efficient and cost effective;
- secures additional funding to supplement state apportionment and support student access, equity, success and completion;
- maximizes the employment of full-time faculty by exceeding the annual faculty obligation number to provide a robust curriculum and instructional guidance, support and interactions essential to student success and completion;
- makes every reasonable attempt to avoid layoffs and/or hold them to a minimum should layoffs ever be necessary to ensure the long-run viability of the institution;
- maintains technological currency and efficiency by updating and replacing equipment and software;
- funds District sustainability efforts such as recycling, solar power generation, and mechanical system improvement to reduce the District's cost of utilities if the return on investment is reasonable;
- provides adequate resources to maintain buildings and grounds;
- provides resources to implement recommendations from the accrediting commission and make progress toward implementing accreditation planning agendas identified by the institution;

- maintains adequate District reserves in excess of 5% contingency of approximately 25%;
- and provides flexibility to respond to emergency situations (e.g., Wildfires and 2019 COVID-19 pandemic).

Legal, Financial and Statutory Requirements

We will develop a budget that:

- achieves and maintains at least a five percent (5%) contingency reserve in the General Fund;
- meets the fifty percent (50%) law, i.e., at least 50% of the current expense of education is allocated to instructional salary and benefits;
- provides for staffing levels required by the Board of Governors in relation to Title 5, Division 6, Chapter 4, Subchapter 3, Articles 1 and 2. This statute is designed to ensure that districts are making good faith attempts to achieve the long-term goal that seventy-five percent (75%) of instruction is provided by full-time faculty;
- includes reasonable provisions to cover all known or projected liabilities to the District (e.g., accumulated vacation, sick leave, retiree benefits, etc.); and
- meets all statutory and legally mandated income/expenditure requirements.

Procedural Guides

We will develop a budget that:

- is balanced;
- is based upon planning that reflects both current and long-term District needs and system-wide goals;
- makes steady progress toward correcting structural budget issues (e.g., declining revenue, rising costs, lack of ongoing dollars to cover ongoing expenses, etc.) through budget and enrollment strategies and collective bargaining;
- has had campus community involvement and consideration during preparation;
- includes all contractually negotiated costs and expenses;
- includes all known and projected increases in fixed costs; including step, column and longevity salary increases, medical rate increases and STRS & PERS pension rate increases;
- includes salaries and benefits that do not exceed 87% of total unrestricted budgeted expenditures;
- plans to address significant but unfunded items not included in the budget;
- highlights unusual items and/or provides information on substantive changes from previous budgets;
- limits annual non-trust transfer-in allocations to the unrestricted general fund of less than 2% per year of the total unrestricted expenditure budget from non-general fund sources;
- limits annual debt service payments by the unrestricted general fund to 5% of the total unrestricted expenditure budget where such funds do not have a matching revenue stream to off-set such costs; and
- creates time specific plans for the full funding of unfunded liabilities/obligations through specific trust funds and reserve accounts.

2022-23 PLANNING PROCESS

A Vision for Success and a New Roadmap for the Future

In 2017, the Board of Governors of the California Community Colleges accepted the document “Vision for Success – Strengthening the California Community Colleges to Meet California’s Needs”, setting ambitious goals for all of the state’s community colleges. This Vision for Success identifies the North Star our system must follow if we are to meet the needs of our state. It makes the focus on student success, through completion and into the workforce, concrete. The Student Centered Funding Formula (SCFF) was implemented in 2018-19 and further revised in 2019-20 to help meet the goals contained in this Vision for Success.

“The success of California’s broader system of higher education and workforce development stands or falls with the CCCs. To meet California’s needs, the CCC system should strive to achieve the following goals by 2022:

- Increase by at least 20 percent the number of CCC students annually who acquire associates degrees, credentials, certificates, or specific skill sets that prepare them for an in-demand job.*
- Increase by 35 percent the number of CCC students transferring annually to a UC or CSU.*
- Decrease the average number of units accumulated by CCC students earning associates degrees, from approximately 87 total units (the most recent system-wide average) to 79 total units—the average among the quintile of colleges showing the strongest performance on this measure.*
- Increase the percent of exiting CTE students who report being employed in their field of study, from the most recent statewide average of 60 percent to an improved rate of 69 percent—the average among the quintile of colleges showing the strongest performance on this measure.*
- Reduce equity gaps across all of the above measures through faster improvements among traditionally underrepresented student groups, with the goal of cutting achievement gaps by 40 percent within 5 years and fully closing those achievement gaps within 10 years.*
- Reduce regional achievement gaps across all of the above measures through faster improvements among colleges located in regions with the lowest educational attainment of adults, with the ultimate goal of fully closing regional achievement gaps within 10 years.”*

For each segment of higher education, the 2022-23 State Budget is based on a multi-year framework known as the Roadmap for the Future. The budget for California Community Colleges’ “road map” includes a refined set of metrics and goals focused on equity and student success, aligned with the *Vision for Success* goals. Key goals and expectations in the roadmap include increased collaboration across segments and sectors to enhance timely transfers, improved completion rates, reduction in excess units, closure of equity gaps, and better alignment of the system with K12 and workforce needs.

The Governor’s January Budget Proposal for 2022-23

The Governor’s January budget proposal for the 2022-23 fiscal year reflected significant improvements in revenue. Overall, the January State Budget was estimated to be \$23.5 billion more than the budget enacted in the 2021-22 year, increasing to \$286.5 billion. The administration projected a \$45.7 billion surplus for 2022-23, nearly matching the record \$47 billion surplus in the 2021-22 budget that resulted from a large increase in income among California’s wealthiest residents during the pandemic. The higher than expected revenues resulted in an improved budget outlook, but also signified indications of exceeding the State Appropriations Limit (SAL or GANN Limit), approved as a constitutional amendment by voters in 1979 to limit state spending. The SAL is based on tax revenue and is adjusted annually to account for economic growth and the change in population. Absent specific policy decisions to exempt spending from the SAL, half of any revenue above the limit must be returned to the taxpayers, with the other half going to K-12 and community colleges. Proposals to avoid exceeding the SAL would need to be addressed in the May Revision.

May Revision Budget Proposal

Under the May Revision that was released on May 13, 2022, the overall state budget was higher than proposed in January, increasing over the 2021-22 enacted budget to \$300.7 billion. The May Revision also reflected a budget surplus of \$49.2 billion. While the May Revision indicated the spending limit was exceeded in the 2020-21 and 2021-22 fiscal years by a small margin, the proposed May budget did not exceed the limit. The May Revision reflected proposals to avoid exceeding the SAL (e.g., tax rebates and infrastructure spending), and continued the state’s focus on recovery from the pandemic.

In response to the disruptions and enrollment declines caused by the COVID-19 pandemic, providing fiscal stability to the colleges was a top priority. The Governor’s January proposal to extend revenue protections in a modified form carried over to the May Revision, with a goal of avoiding sharp fiscal declines in 2025-26 and support for a smooth transition to the SCFF formula over time. Under the proposal, a district’s 2024-25 funding level would represent its new funding “floor”, below which it could not drop. In addition, the May Revision included a base increase to the Student Centered Funding Formula’s funding rates above those rates already increased by the funded COLA.

For Butte College, this new SCFF funding floor could provide additional protection from sharp fiscal declines in 2025-26 when the college transitions off of the Emergency Conditions Allowance funding provided on account of the 2018 Camp wildfire.

The Legislative Version of the 2022-23 State Budget Proposal

The Legislative Version of the 2022-23 State Budget represented an agreement reached on June 1, 2022, and approved by the Legislature on June 13, 2022, between the leaders and budget committee chairs of the Assembly and the Senate and builds on the proposals of the Governor. However, the plan approved by both houses did not represent any agreement between the Legislature and the Governor.

Many of the actions taken by the Legislature supported the proposals made by the Governor in the May Revision, however, some actions reflected significant differences.

The most significant differences between the Governor's May Revision and the Legislative Version of the budget proposal were in the areas of (1) the ongoing base increase to the Student Centered Funding Formula (SCFF), (2) the one-time allocation for deferred maintenance and instructional equipment, and (3) the one-time allocation for a discretionary block grant. The level of SCFF funding was a key negotiating point between the Legislature and the Governor.

Enacted 2022-23 State Budget Act

On June 30, the Governor signed the 2022-23 State Budget Act. The 2022-23 spending plan includes a robust agreement with Senate and Assembly leaders and makes a historic investment in California Community Colleges. In total, the 2022-23 budget reflects state expenditures of approximately \$308 billion, a 17% increase over the 2021-22 enacted budget. The 2022-23 state budget provides California Community Colleges \$1.9 billion in new ongoing funding and \$2.1 billion in one-time resources. The budget includes a Roadmap for the Future, which builds on the Vision for Success goals, and provides the highest per-student funding increase in decades.

As previously described, the level of funding for the Student Centered Funding Formula (SCFF) was a key negotiating point between the Legislature and the Governor. The enacted budget includes over \$1 billion in ongoing adjustments to the SCFF, of which \$493 million is for a 6.56% cost-of-living-adjustment (COLA) and another \$600 million for a base increase. The new revised SCFF funding rates are illustrated later in this document under District Revenue and FTES.

Another significant change to the enacted budget includes the one-time funding for deferred maintenance and instructional equipment. Proposed by the Governor in the May Revision for \$1.523 billion, and later by the Legislature for \$800 million, the enacted budget includes \$840.7 million. Although much less than proposed in May, this is still a significant increase over prior years.

The other major change from the May Revision was to the one-time Discretionary Block Grant. This block grant was originally proposed to be unrestricted and discretionary; allowing districts to use these funds for any purpose it chose, including prefunding for pension liabilities. However, the enacted budget reduced this funding from the proposed \$750 million to \$650 million and restricted its use. The approved COVID-19 Recovery Block Grant was approved as restricted to address issues related to the pandemic, including basic needs, mental health, and technology infrastructure.

A comparison of the Governor's May Revision budget proposal and the 2022-23 Enacted State Budget is described later in this document under State Revenue.

Local Planning

The Roadmap for the Future and the Vision for Success, described earlier in this document, provide the direction for community colleges to focus on specific goals, and the Student Centered Funding Formula is the mechanism that provides the financial incentives to accomplish those goals. The Student Centered Funding Formula allocates apportionment funding to the colleges based on full-time equivalent students (FTES), student demographics and student success. Apportionment revenue is the main funding source for the District's general operating fund.

On November 4, 2021, the Planning and Budget Committee issued the annual Unit Planning Guidance to the campus community for the 2022-23 fiscal year. This unit planning guidance was the first to be distributed since returning to campus following more than a year of remote work due to the COVID-19 pandemic. The planning guidance informed the campus community that we would not be pursuing another round of department-level budget reductions for 2022-23 as we had in the 2021-22 budget year. Instead, college leadership identified roughly 2.5% in targeted reductions to the college's district-wide operational budgets, mostly related to retiree medical benefits. Although these reductions would not negatively affect department budgets, all departments and programs were asked to continue to closely examine every vacant position, scheduling decision and funding request, and continue to identify opportunities for additional cost savings.

The college's top planning and budgeting priorities for the budget year are employee and student health and safety; enrollment restoration and growth; student need and student success; and equity, diversity and inclusion. Identifying our needs, prioritizing functions, and placing a premium on the identification of innovations that are not strictly resource dependent, would become that much more important during this unit planning period.

Unit Plans and Administrative Program Reviews would be focused, to the extent possible, on addressing gaps identified during the assessment of student learning and administrative outcomes, meeting the recommendations identified during program review, and implementing the college's Strategic Direction Priorities, specifically, those objectives that are currently defined as institutional and state priorities. The Prioritization Criteria for budget augmentations were modified to include consideration of equity, diversity, and inclusion as well as strategic enrollment growth.

The Unit Planning Guidance provided modified criteria to prioritize unit plan resource requests. The modified criteria include:

- Addressing Health, Life, and Safety Issues;
- Addressing All Areas of the Student Centered Funding Formula (enrollment growth, student need and student success);
- Addressing Shortfalls in Equity, Diversity and Inclusion;
- Implementing Strategic Direction Priorities;
- Meeting Vision for Success Goals;
- Addressing Program Review Recommendations; and
- Supporting Improvements in Student Learning Outcomes

In coordination with the Board's revised Budget Criteria for 2022-23, the District will strive to abide by Budget Planning Guidelines that were developed by the President's Leadership Team and the Planning and Budget Committee. These guidelines include:

1. Maintain the full-time faculty obligation to a minimum of FON + 1;
2. Require the Categorical Programs and grants continue to be self-sustaining;
3. Ongoing revenue should equal or exceed ongoing expenses;
4. Continue to operate within our Collective Bargaining Agreements;
5. Budget for growth revenue after an actual increase in workload measures is achieved;
6. Cover all fixed cost increases before funding any new ongoing augmentations;
7. Ensure that at least fifty percent (50%) of new unrestricted augmentations (ongoing and one-time) that are proposed for funding be for instructional salaries and benefits;
8. Maintain the technology fee by not using state Instructional Equipment funds for technology equipment;
9. Account for some projected budget savings in the budget, not to exceed \$1 million.

In addition to these guidelines, general District Budget, Financial and Enrollment Goals were established. These goals include:

- a. Work to correct any structural issues in the budget
- b. Reduce reliance on indirect cost reimbursements from grants
- c. Maintain General Fund reserves greater than 25% (or approximately 3 months of operating expenses) to help maintain a positive bond rating
- d. Set realistic and sustainable enrollment targets
- e. Reduce reliance on stability, hold harmless or emergency conditions allowance funding
- f. Protect and maintain the Retiree Benefit Trust asset to ensure investment earnings are sufficient to cover retiree medical premiums.

Emergency Conditions Allowance – Emergency Conditions Allowance (ECA) funding was provided by the state Chancellor's Office on September 23, 2019 following the November 2018 Camp wildfire. This funding holds-harmless the District to a funding level it would have received if not for the fire. This allowance was originally approved for four fiscal years (2018-19 through 2021-22) with a follow-up review to occur in the final fiscal year (2021-22) to determine the college's status in terms of enrollment recovery and whether the allowance should be extended. Due to the onset of the COVID-19 pandemic, the District's administration submitted a letter to the state Chancellor's Office on September 10, 2020, requesting a three-year extension of the emergency conditions allowance. On November 24, 2020, the District received agreement from the Chancellor's Office to extend the emergency conditions allowance for a period of three more fiscal years (2022-23, 2023-24 and 2024-25). All aspects of the original September 23, 2019, approval memo continued to be in effect.

Annually, beginning in 2022-23, the Chancellor's Office will review the District's actual FTES to determine progress toward increasing enrollment back to the 2017-18 levels, prior to the fire. If it is determined that it is not feasible for the District to grow back to the prior enrollment levels, the Chancellor's Office will implement a step down configuration that will gradually reduce the allowance provided to the District each year. Beginning in 2025-26, the emergency conditions allowance will be

reduced over two years. In 2025-26, the District will receive 50% of the prior year emergency conditions allowance if needed. In 2026-27, the allowance will be eliminated.

A Revised Five-Year Plan

Each year, and several times a year, the District's five-year plan is updated to reflect changes in projected costs and estimated revenue. The economic expansion, the Camp wildfire, and the health epidemic have all contributed to declines in enrollment, and the rising costs of salaries, benefits and pension make it difficult for the District's new ongoing revenues to keep pace with its increasing fixed costs. The most recent version of the District's five-year plan includes being temporarily held-harmless to the enrollment declines (emergency conditions allowance) caused by the Camp wildfire and the pandemic, and projects a methodical restoration of enrollment over the five-year period. Projected enrollment restoration, estimated COLAs, and fixed cost increases are included in each of the five planning years from 2022-23 through 2026-27. Per the District's collective bargaining agreements, in years when the District receives funding from the statutory COLA, most of the funding is used to increase the various salary schedules to keep pace with inflation and the 20-school average.

The District has been successful in accumulating reserves in excess of the 25% of unrestricted general fund expenditures goal. These reserves will provide the District with the ability to fund one-time budget augmentation requests, invest in capital projects to better serve students, and can provide for additional time and flexibility if needed, so that other adjustments can be made to the budget over time as the District restores its enrollment.

Revenue generated from the Student Centered Funding Formula using 2017-18 data has been incorporated into the revised five-year plan through 2025-26 and will offset the significant declines in enrollment experienced over the past several years. By 2026-27, the emergency conditions allowance funding will have fully expired, actual FTES and other data will be used, and other budget adjustments may need to be made if full restoration has not been accomplished.

The base increases to the funding rates are included in the revenue projections for 2022-23 and will carry-forward through the five-year projection period. COLA increases will help raise the minimum funding floor through 2024-25 and provide additional fiscal stability for the college if needed.

Modified enrollment targets have been set for each of the five years to reflect a lower FTES base in 2021-22. It is customary for the District not to budget for any growth or restoration revenue until it is actually achieved. The District does not project that it will restore to, or grow past, the enrollment level achieved in 2017-18 until after 2025-26.

Future revisions to this plan may require additional adjustments be made to the budget over the five-year period to bring ongoing expenditures back in line with ongoing revenue. The District proposes to use emergency conditions allowance funds to balance the general fund budget in each of the planning years. This will provide the time needed to plan so that adjustments can be made to the budget as needed that will have the least negative impact to students and the college.

Throughout the five-year plan, the District proposes to continue to transfer revenue generated from the OPEB Trust fund to cover the cost of retiree medical premiums. The amount included in this Final Budget proposal, and in each year of the plan, is \$2.2 million. This is the amount of earnings the trust fund is projected to generate on an annual basis to offset these costs. A separate funding plan is included in this Final Budget document to ensure the Trust remains fully funded and continues to generate sufficient earnings to cover the cost of retiree medical premiums in future years. (See Retirees Benefits Fund.)

The District will generally achieve some salary savings from attrition every year. Attrition savings from the retirements and resignations of higher salaried employees that are replaced with lower salaried new hires are projected to be generated each year. Salary savings from attrition will offset a portion of the costs of step/column/longevity increases in each of the five planning years.

Annually, the District's unit planning process is used to prioritize and fund the highest priority augmentation requests identified by the District. Departments develop these unit plans based on administrative and program reviews, strategic initiatives, various master plans, unit planning guidance and the assessment of student learning. As in prior years, augmentation requests are prepared based on the needs of the departments, prioritized by the different areas, and then prioritized across the District, with the knowledge that only those new ongoing requests determined to be of highest priority for the District will be approved. These lists include fixed cost increases, adjustments to faculty and staff positions, capital outlay, technology infrastructure and safety needs, and programs designed to manage and/or maintain student services and generate enrollment or student outcomes. Requests from prior years that were ongoing in nature but funded with one-time funds were brought back, reevaluated and prioritized for continued funding. Projections for funding new high-priority ongoing costs are included in each year of the five-year plan.

Higher Education Emergency Relief Funds (HEERF I, HEERF II, and HEERF III)

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was approved by the U.S. Congress and signed into law by the President on March 27, 2020. This \$2.2 trillion CARES Act represents federal coronavirus response legislation and includes funding for direct payments to Americans, loans to major industries and small businesses, and a newly created Education Stabilization Fund. Included in the Education Stabilization Fund is \$13.9 billion designated for higher education (HEERF I). Ninety percent of these funds were distributed directly to institutions based on a formula primarily weighted toward full-time enrollment of PELL recipients. The remaining ten percent was distributed to minority-serving institutions and those with the greatest need. At least half of the funding received must be used to provide direct emergency aid to students. Institutions can use the remaining funds to defray institutional costs related to the delivery of remote instruction or to provide additional support to students.

Butte College received \$3.64 million to provide emergency aid to students and another \$3.64 million to defray institutional costs related to the delivery of remote instruction. Butte College also received an additional \$457.5K from the 10% of the CARES Act funds designated for minority-serving institutions (MSIs).

In December 2020, President Trump signed the \$900B Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). Like CARES, higher education received funding (HEERF II) to be used for emergency relief grants to students and institutional relief to offset costs due to the impact of the pandemic. Unlike the HEERF I funds, these funds were distributed to institutions on a formula based on student headcount, rather than full-time enrollments. This change in the formula benefited the community college system since many of the students attending community college do so part-time. The institutional portion of these funds may be used to defray expenses associated with the coronavirus, but includes additional flexibility to include lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, payroll, and funding to carry out student support activities that address needs related to the coronavirus. The institutional share of these funds may also be used to make additional emergency aid grants to students.

Butte College received \$3.64 million in HEERF II funds to provide emergency aid to students and \$10.5 million to defray institutional costs related to the pandemic. Butte College also received an additional \$764K designated for minority-serving institutions.

Then, in March 2021, President Biden provided additional federal relief to colleges as part of his \$1.9 trillion American Rescue Plan (HEERF III). These stimulus funds also provide emergency relief grants to students and institutional relief to help colleges mitigate the impacts of the virus, including lost revenue.

In total Butte College received approximately \$7.7 million from HEERF I, \$14.9 million from HEERF II, and \$25.3 million from HEERF III in federal relief. Nearly half of these funds will go directly to students in the form of emergency relief grants, and spending must be completed by June 2023. In addition to these funds, the college received another \$1 million from the state as part of the Governor's January Early Action Package in 2021.

Due to the timing of the receipt of HEERF I (CARES), these funds were allocated to departments via a process separate from the annual unit planning process, and the use of these funds were concentrated on transitioning the college to a remote learning modality. A separate Request for Proposals (RFP) process was used to allocate HEERF II and HEERF III funds to departments with the direction that the President's Leadership Team would only consider applications that fall within the allowable expenditures/funding categories permitted for the HEERF funds. Priority would be given to activities that lead to support equitable student success, help attract, retain and restore enrollments lost due to the coronavirus pandemic, and backfill for lost revenue in auxiliary and other fee based programs due to low enrollment.

Carryover budget allocations to fund costs related to the COVID-19 emergency, such as professional development for faculty, technology and facility costs associated with the pandemic, lost revenue, and emergency grants to students are included in this Final Budget.

Additional Support for Auxiliary and Fee Based Programs

HEERF funds have provided temporary revenue relief for several District programs like Student Transportation, the Student Health Center, the Child Development Center, the College Bookstore, and

Campus Dining Services. These federal funds provide reimbursement to these programs for revenue lost because of the pandemic by backfilling revenue based on a three-year pre-pandemic revenue average. However, more recently, even with the reimbursement of lost revenue by HEERF, rising costs in these programs now require the District's general fund reserves to provide additional financial support to maintain these services. In this 2022-23 Final Budget proposal, it is projected that even with approximately \$2.3 million of lost revenue support for these programs from HEERF, the District will still need to provide an additional \$538K of financial support. With HEERF funding coming to an end at the end of the 2022-23 fiscal year, this will mean if no changes are made, the District could be required to backfill over \$2.8 million per year to maintain these programs. Planning discussions are currently in progress to address this potential requirement.

Strategic Initiatives and the Educational Master Plan

Throughout this document, you will note actions and the allocation of resources proposed by the District to implement the Strategic Initiatives included in the District's Educational Master Plan. These initiatives include:

1. Enhancing a Culture of Completion and Goal Achievement
2. Supporting Student, Faculty and Staff Success
3. Using Data-Informed Processes for Continuous Improvement
4. Maximizing Resources to Support Student Learning
5. Modeling Sustainability
6. Enhancing a Culture of Equity and Inclusiveness

The following are examples of how the planning process for developing the Final Budget integrates with the Educational Master Plan and provides resources for accomplishing the District's strategic initiatives. The following examples are not intended to be an exhaustive list:

To enhance a culture of completion and goal achievement, the District has proposed investing ongoing and one-time funds for technology and capital improvements, student support services, and instructional materials and equipment. Investments in computer lab replacements, smart classrooms, online course software, library databases and library books will help support student success and completion. Resources are provided for Roadrunner Hub services to help students with basic needs, and dual enrollment to help students transition from high school to college. Additionally, this proposed budget provides the resources to strategically schedule courses when, where, and in the learning modality the students need them, and provides funding for additional part-time faculty office hours and counseling hours, and the Butte College Promise Scholarship program. (Initiative #1)

This budget also allocates resources for new faculty and staff computers, online course development, and upgraded Wi-Fi access points which will help to support student, faculty, and staff success. A significant allocation for professional development is proposed in this budget to provide opportunities for employee development that improve student outcomes and strengthen professional currency. Resources allocated for a Mental Health Specialist, Title IX Coordinator and Title IX investigators help implement the District's initiative for staff and student success by focusing on employee and student wellness. (Initiative #2)

This budget was developed, and allocations are proposed using data-informed processes for continuous improvement. Budget allocations are based on predetermined budget criteria and priorities established through the unit planning process. This data-informed budget development process is assessed and refined annually to ensure continuous improvement. The college continues to refine this process to better integrate Student Learning Outcomes and standards for student achievement and to formalize the dialogue that occurs at each level of the prioritization process. Additional funding is proposed to support and train staff on accurate MIS Reporting to the Chancellor's Office, modernize technology infrastructure, and protect sensitive student data. (Initiative #3)

In order to maximize resources to support student learning, the Enrollment Management Committee works with the Office of Instruction and the President's Leadership Team to maximize the District's growth potential for enrollment by offering classes that students need when the students want them, and in the modality that they require. Resources are dedicated in this budget for this purpose and include professional development to help faculty transition courses to an online modality when needed. Competitive grants have been obtained that align with college and program initiatives emphasizing short-term and high impact projects that support student learning. An investment in grant writing consultant services is proposed to help be more competitive in writing grant applications that support student learning. Also, a significant investment to designate reserves for the purchase and construction of a new facility that will increase enrollment growth potential is included in this budget proposal. (Initiative #4)

Butte College has positioned itself to be a leader in sustainability and with this budget the college continues to model sustainability by leveraging Measure J Bond funds to remodel and construct high efficiency facilities. Reserves from various funds were combined to purchase the new Field Act compliant Glenn County Center that includes enough solar to service the building's needs. Funding is also provided for the Sustainability Program to maintain existing memberships, support educational events, faculty development, and conference travel regarding sustainability. (Initiative #5)

The District strives to create a campus climate that celebrates diversity and promotes an inclusive, respectful, and equitable environment. Funding is proposed in this budget through Equal Employment Opportunity funding and District reserves to provide diversity workshops and training, keynote speaker fees for Diversity Days, and applicant travel reimbursements to help increase diversity in recruitment pools for hiring new employees. An Inclusion, Diversity, Equity and Anti-Racism (IDEA) Officer was recently hired and has been assigned to help the district address systemic inequities and enhance a culture of inclusion. The college has joined a sustainable, multidimensional effort with other community colleges to address longstanding racial inequity issues and improve the campus' racial climate. Funds are also proposed to support and fund interpreters for the deaf and hard of hearing, and Title IX training. (Initiative #6)

The budget is a key component of a multi-faceted strategy used by the District to implement its priorities. In addition to the unrestricted general operating fund budget, the college uses other restricted funding sources such as the Innovation in Higher Education Award, Student Equity and Achievement (SEA) program funding, Career Pathways Trust grant, Guided Pathways funding, and Promise Program funding to partner more effectively with high schools (Initiative #1), automate high impact processes such as Student Educational Planning (Initiative #1), accelerate basic skills (Initiatives #1 and #2), provide professional development opportunities for faculty and staff (all Initiatives), communicate more

effectively with students (Initiative #2 and #6), and improve access, success, persistence, completion, and transfer for special populations (Initiative #6).

Investments to Restore Enrollment

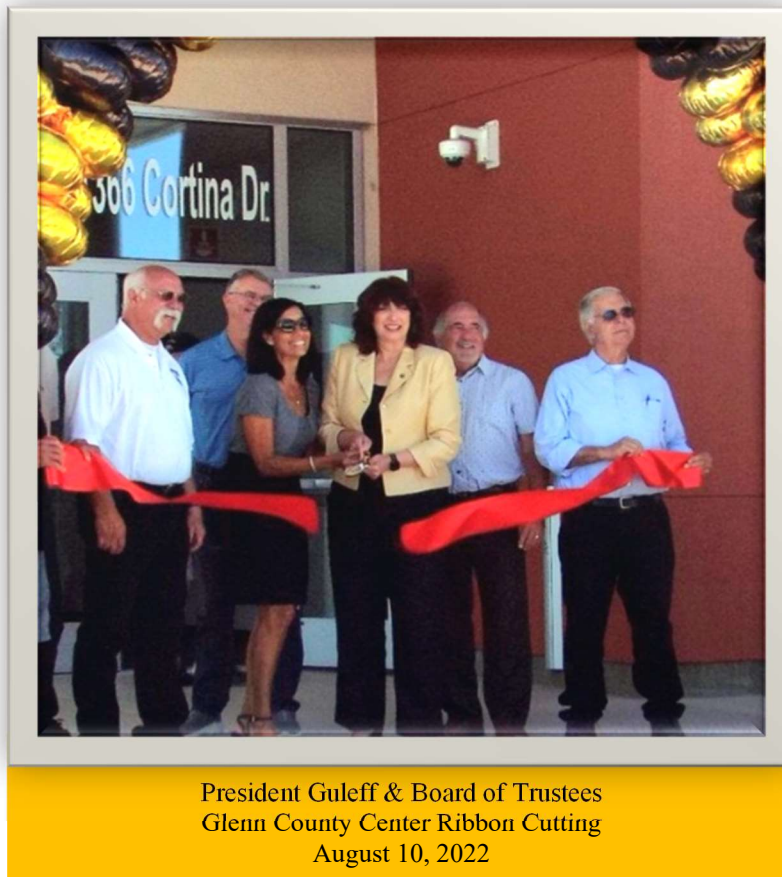
As described earlier in this document, the Student Centered Funding Formula funds colleges based on access and success by funding college data that is based on full-time equivalent students (FTES), the number and size of colleges and centers, PELL and College Promise awards, and numerous indicators of success like degrees, certificates, transfers to 4-year universities, and specific course completions. The key driver to apportionment revenue, however, is still full-time equivalent students (FTES). FTES alone still makes up over 60% of apportionment funding; and the basic, supplemental and success allocations are all highly impacted and reliant on the number of FTES served by the college.

This budget strives to restore as many FTES as possible in the budget year by funding opportunities to increase awards to students and improve student successes, while focusing on historically underrepresented populations. In order to fund enrollment restoration initiatives, the college must reduce or reallocate existing resources from other areas in the budget. Fortunately, the state also proposes funding in 2022-23 to help recruit and reengage students impacted by the pandemic.

This Final Budget proposes to fund the following initiatives in 2022-23 to help restore enrollments:

- Enhanced advertising campaigns \$375,000
- Marketing consultant services \$150,000
- Expand operations at new Glenn County Center \$153,369
- Expand Science Program at Glenn County Center \$258,000
- New operating budget for expanded math programs \$150,000
- Additional new instructional equipment for expanded CTE courses \$227,800
- Expand instructional part-time faculty office and counseling hours \$130,000
- Renovate counseling space to better serve students \$315,000
- Enhanced enrollment onboarding and communication service (CRM) \$50,000
- New online education planning through Colleague \$25,000
- Two part-time Financial Aid Assistants \$90,166
- Special Programs Clerk and support for expanded International Program \$55,000
- New Outreach and Recruitment Technician \$93,935
- Program Administrator for Expanded Dual Enrollment Program \$109,135
- Online instructional software for new remote courses \$157,000
- Faculty training and support for new EON Virtual Reality Grant \$252,400
- Facility renovation and equipment for expanded Engineering Program \$305,864
- Curriculum and Scheduling Technician \$100,000
- Designated funding for the construction of a new instructional facility \$15.0 million
- Allocated Bond and Instructional Equipment funding to construct a Planetarium \$5.3 million
- And other technology supports for online instruction, Diversity, Equity,
 - o and Inclusion activities, MIS reporting support, and professional
 - o development for Faculty and Staff to help support the restoration
 - o of enrollment, student awards and student success \$2.5 million

The District will continue to evaluate each new initiative annually to determine its impact on enrollment and student success. New initiatives may be funded as they arise if it can be determined to improve the District's likelihood of restoring its enrollment.



REVENUE

State Revenue

Education Protection Account (EPA)

Voters approved Proposition 55 to extend Proposition 30 in November 2016. This measure supports extending the personal income tax increases on incomes over \$250,000 for 12 years in order to help fund education.

Proposition 30, or The Schools and Local Public Safety Protection Act of 2012, takes funds away from state control and places them in special accounts exclusively dedicated to schools and local public safety. For schools and colleges, the act creates the Education Protection Account (EPA) within the state general fund. The EPA funds are appropriated to schools and college districts on a quarterly basis to provide general purpose funding for classroom expenses. Although the community colleges are given sole authority to determine how these general purpose funds received from the EPA are spent, certain requirements must be met each year. These requirements include:

1. A spending plan must be approved by the governing board during an open session of a public meeting. This plan will be approved by the Board at the time the District's annual budget is adopted each year and is included in this budget document.
2. EPA funds cannot be used for salaries or benefits of administrators or other administrative costs.
3. An accounting of the EPA revenue received and how it was spent must be published on the District's website.
4. As part of the District's annual financial audit, independent auditors must verify that the EPA funds were used as specified by Proposition 30.

California Community Colleges Funding

On June 30, 2022, the Governor signed the 2022-23 State Budget. As described earlier in this document, the 2022-23 spending plan includes a robust agreement with Senate and Assembly leaders and makes a historic investment in the California community college system. In addition to funding a 6.56% cost of living adjustment (COLA) for apportionment revenue, the 2022-23 enacted state budget proposes funding to re-engage students that left the system during the pandemic and to stabilize CCC operations given enrollment declines due to the pandemic. Investments that align with the Roadmap for the Future include a \$600 million ongoing base increase to the SCFF's funding rates and \$650 million for COVID-19 Recovery Block Grants to provide funds to community college districts for activities that directly support students and mitigate student learning loss related to pandemic impacts. Other significant investments include approximately \$840.7 million to support deferred maintenance, energy efficiency projects, and instructional equipment, and the establishment and increased support for numerous student programs.

Changes to California community college funding are summarized as follows for both the May Revision budget proposal and the Enacted State Budget:

Ongoing Allocations:	May Revision	Enacted State Budget
SCFF COLA 6.56%	\$493 million	\$493 million
SCFF Growth 0.5%	\$26.2 million	\$26.7 million
SCFF Basic and Base Increase	\$375 million	\$600 million
PT Faculty Health Insurance	\$200 million	\$200 million
Student Success Completion Grants	\$50 million	\$250.1 million
COLA for specific categorical programs	\$62.4 million	\$65.74 million
Increase support for Student Equity and Achievement	\$25 million	\$25 million
Modernize technology and protect sensitive data	\$25 million	\$25 million
Increase support for Next-up	\$20 million	\$30 million
Increase Math, Engineering, Science Achievement (MESA)		\$25.7 million
Increase support of EOPS		\$25 million
Increase support for DSPS		\$25 million
Expand eligibility for California Promise waiver		\$18.7 million
Increase support for Rising Scholars Network		\$15 million
Increase support for financial aid administration	\$10 million	\$10 million
Increase support for CARE		\$10 million
Increase Student Housing funding		\$10 million
Implement EEO best practices	\$10 million	\$10 million
Increase support for basic needs centers		\$10 million
Classified employee summer assistance program	\$10 million	\$10 million
Align apprenticeship RSI with SCFF credit rate	\$16.9 million	\$7.5 million
Establish Asian American Pacific Islander Program		\$8 million
Increase support for Puente Project		\$3 million
Increase support for Umoja Program		\$1.0 million
Expand A2AMEND student charters	\$1.1 million	\$1.1 million
Backfill federal match for Foster and Kinship Care	\$0.5 million	0.5 million
One-time Allocations:	May Revision	Enacted State Budget
Deferred Maintenance & Instructional Equipment	\$1.523 billion	\$840.7 million
COVID-19 Recovery Block Grants	\$750 million	\$650 million
Retention and reenrollment strategies	\$150 million	\$150 million
Health-care focused vocational pathways	\$130 million	\$130 million
Common Course Numbering system-wide	\$105 million	\$105 million
Modernize technology and protect sensitive data	\$75 million	\$75 million
Transfer reform (AB 928)	\$65 million	\$65 million
Implement equitable placement and completion practices		\$64 million
CA Healthy School Meals Pathway program	\$45 million	\$45 million
Create Native American Student Support Program		\$30 million
Establish Hire Up pilot program		\$30 million
Implement program pathways mapping technology	\$25 million	\$25 million
Emergency financial assistance grants to AB 540	\$20 million	\$20 million
Pathways grant program for high-skilled careers	\$20 million	
Teacher Credentialing Partnership program	\$5 million	

District Revenue and Full-time Equivalent Students (FTES)

Apportionment funding is the District’s primary source of unrestricted general fund revenue. The Student Centered Funding Formula represents funding per full-time equivalent student (FTES) the District receives from enrollment, as well as supplemental funding to support low-income students served by the district and incentive funding for student success outcomes. In 2022-23, the funded statutory COLA (6.56%) will adjust funding rates for FTES, supplemental and success metrics. In addition to this rate adjustment, a base increase of \$400 million was approved to increase these funding rates above the COLA adjusted rates, and \$200 million to increase the basic allocation for colleges and centers within the base.

For this Final Budget, the District has built a schedule that targets to serve approximately 7,800 FTES in 2022-23. This is fewer than the number of FTES reported in 2017-18 (10,383), but greater than the FTES the District is reporting to have served in 2021-22 (approximately 7,309). Although additional FTES is targeted and planned to be restored in 2022-23, these funds are not included in this Final Budget document. However, this budget does include temporary Emergency Conditions Allowance (hold-harmless) revenue protection. This temporary emergency relief funding is equivalent to the funding the District would have received had it not been for enrollments lost due to the 2018 Camp wildfire and the current pandemic. As described earlier in this document, the state Chancellor’s Office has agreed to extend this relief by funding the SCFF workload measures reported in 2017-18 through the end of the 2024-25 fiscal year or until our actual workload measures exceed those reported in that year. District staff will continue to work with the state Chancellor’s Office to ensure this funding is received until we can fully restore back to our pre-fire levels.

The Student Centered Funding Formula (SCFF) provides a basic allocation for single college districts with FTES greater than 10,000, and approved centers with FTES greater than 1,000 FTES. These funds are included in this Final Budget and will continue to be included during our hold-harmless period even as our FTES falls below the 10,000 and 1,000 FTES levels.

The revised funding rates for the SCFF in 2022-23 are as follows:

FTES:	<u>RATE</u>
Base Credit FTES	\$4,840
Incarcerated FTES	\$6,788
Special Admit FTES	\$6,788
CDCP FTES	\$6,788
Noncredit FTES	\$4,082

SUPPLEMENTAL:	<u>RATE</u>
AB540 Students	\$1,145
Pell Grant Students	\$1,145
Promise Grant Students	\$1,145

SUCCESS:		
All Students (Point value \$675):	<u>Points</u>	<u>RATE</u>
Associate Degrees for Transfer	4	\$2,700

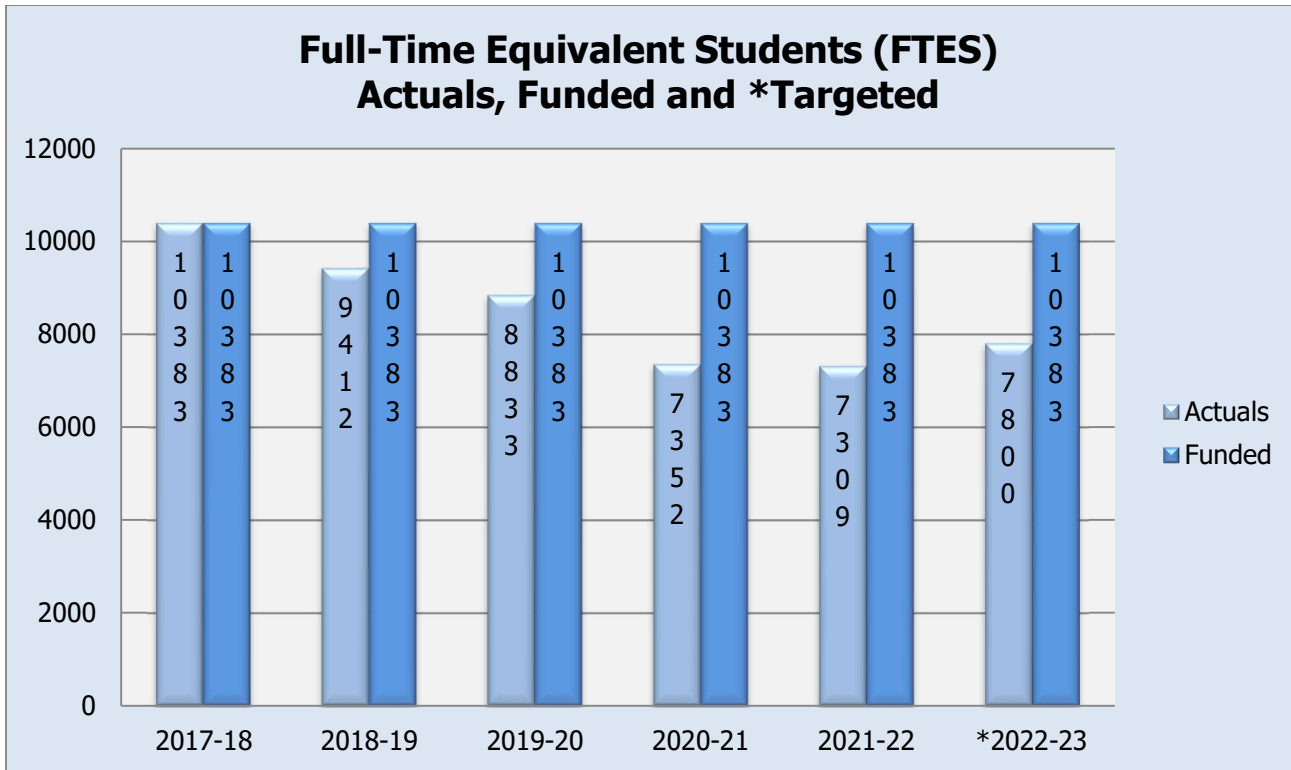
Associate Degrees	3	\$2,025
Baccalaureate Degrees	3	\$2,025
Credit Certificates	2	\$1,350
Transfer Level Math and English	2	\$1,350
Transfer to a 4-year University	1.5	\$1,013
Nine of More CTE Units	1	\$675
Regional Living Wage	1	\$675

Pell Grant Recipients (Point value \$170):	<u>Points</u>	<u>RATE</u>
Associate Degrees for Transfer	6	\$1,020
Associate Degrees	4.5	\$765
Baccalaureate Degrees	4.5	\$765
Credit Certificates	3	\$510
Transfer Level Math and English	3	\$510
Transfer to a 4-year University	2.25	\$383
Nine of More CTE Units	1.5	\$255
Regional Living Wage	1.5	\$255

Promise Grant Recipients (Point Value \$170):	<u>Points</u>	<u>RATE</u>
Associate Degrees for Transfer	4	\$680
Associate Degrees	3	\$510
Baccalaureate Degrees	3	\$510
Credit Certificates	2	\$340
Transfer Level Math and English	2	\$340
Transfer to a 4-year University	1.5	\$255
Nine of More CTE Units	1	\$170
Regional Living Wage	1	\$170

Single College District	\$7,933,899
State Approved Center	\$1,983,474

The following graph shows the District's historical number of full-time equivalent students served and funded. In 2018-19, the graph reflects the significant decline in students served (9,412) due to the Camp wildfire, but also reflects being held harmless to the prior year's 2017-18 FTES. In 2019-20 and 2020-21, the graph reflects additional declines in FTES (8,833 in 2019-20; 7,352 in 2020-21; and 7,309 in 2021-22) mainly as a result of the coronavirus pandemic. The District does not expect to completely restore the FTES lost in prior years in the 2022-23 budget year, but projects to be held harmless to the FTES and other workload measures achieved in 2017-18.



Plans will continue in 2022-23 to grow the summer’s course schedule, strategically add class sections to the Fall and Spring schedules and continue the Winter session via both a remote and face-to-face format. The District will continue to expand dual enrollment with local high schools, distance education and implement guided pathways. Planning will continue for the expansion of math, science and Career Technical programs like Welding, Nursing and Cosmetology with the help of Strong Workforce and Perkins funding and District reserves. Additionally, plans have been made to expand science and nursing programs at the new Glenn County Center. By implementing these enrollment strategies, the District is targeting to methodically restore some of the enrollment lost over the past several years. Restoration or growth funding will be included in future year’s budgets only after the FTES and other SCFF workload measures are achieved, and the funding received exceeds the hold harmless funding. For the next three and a half years, the District will include emergency conditions allowance funding to help bridge the decline period, and will continue to work with the Chancellor’s Office, if needed, to request additional funding protection until we can fully restore.

Based on funding included in the 2022-23 enacted state budget, the District projects the following additional funds in this Final Budget:

UNRESTRICTED

- \$4.7 million in new ongoing SCFF apportionment revenue from funding rates increased by the 6.56% COLA.
- \$6.9 million of additional apportionment revenue from the increases in the SCFF base allocation, and college and center basic funding.

- Although not considered “additional revenue” from the State Budget in 2022-23, the District will carryover approximately \$2.93M in apportionment revenue (emergency relief) that was not committed to ongoing expenditures.

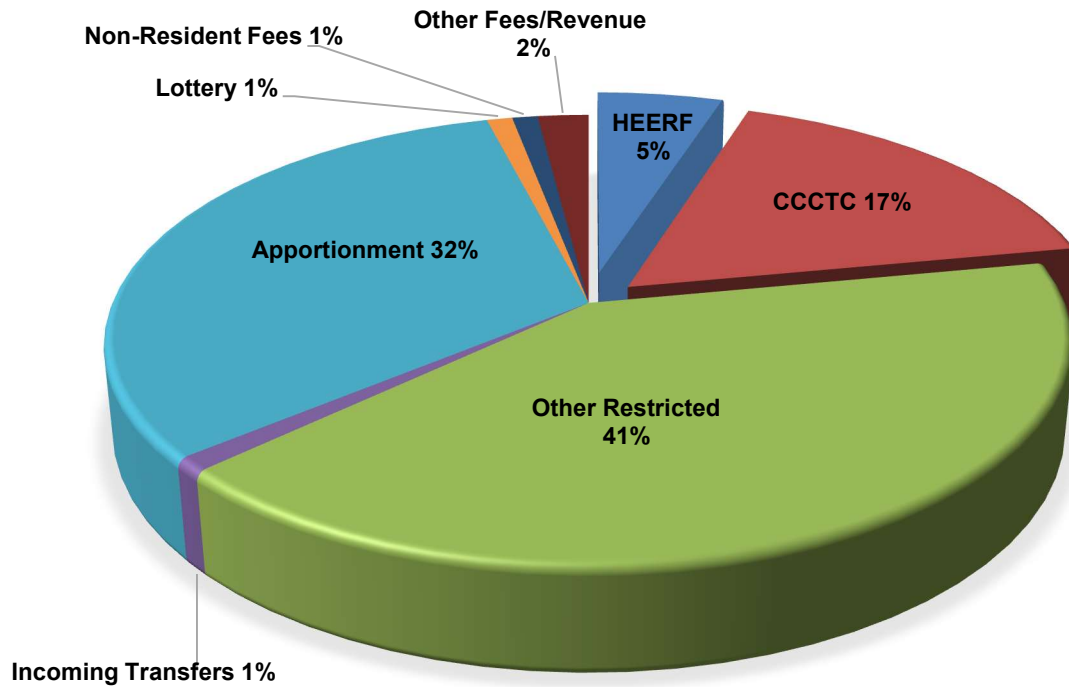
RESTRICTED

- The estimated remaining unspent HEERF funds have been carried-over and included in this Final Budget proposal in the amount of \$13.1M (Fund 12). These funds are allocated to cover lost revenue from Auxiliary and other fee based programs in 2022-23, technology improvements, facility enhancements, retention and reenrollment, and other services to help address the impact of the COVID-19 pandemic.
- COLA funding is included for certain categorical programs as well as other categorical adjustments included in the state budget.
- Approximately \$10.27M is included for deferred maintenance and instructional equipment.
- \$7.38 million is included for the COVID-19 Recovery block grant.
- As new restricted funds are allocated to colleges from the 2022-23 State Budget Act, they will be included in the budget throughout the year.



Science Lab at Glenn County Center

TOTAL GENERAL FUND REVENUE

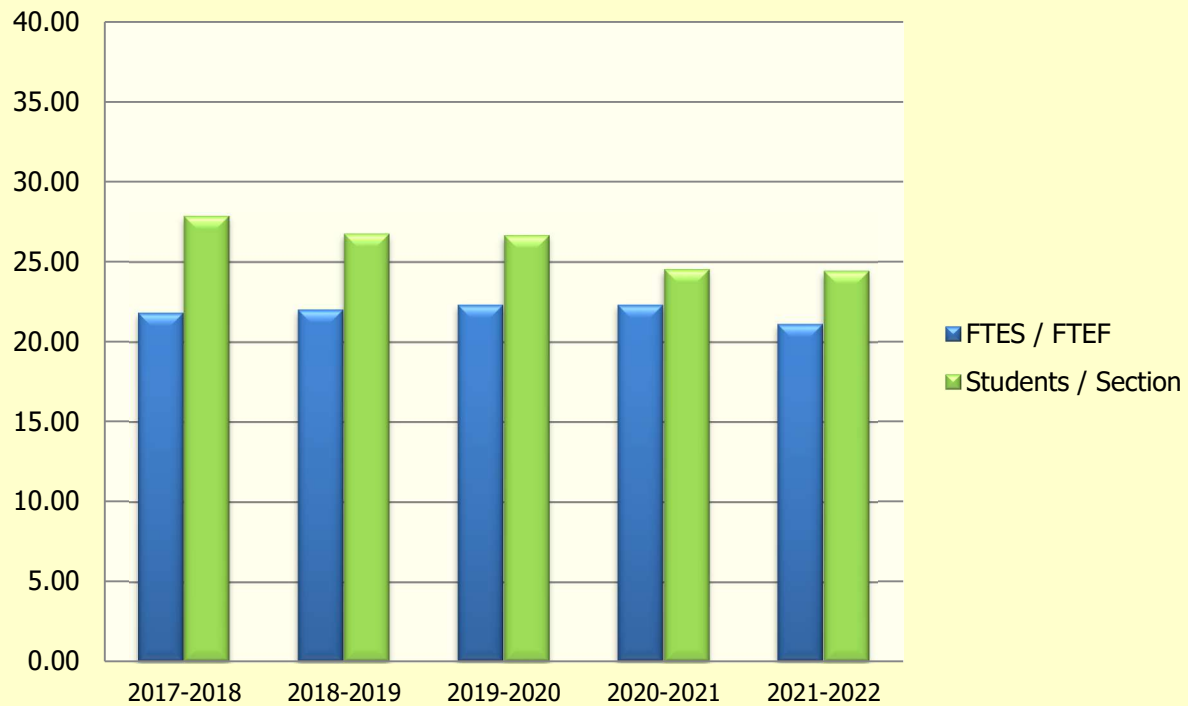


The District’s total general fund revenue projection for 2022-23 is approximately \$264.8 million, 64% of which is for restricted programs and incoming transfers to pay for retiree medical premiums and lost revenue due to the pandemic. Approximately 32% of the District’s total revenue is directly from apportionment. The remaining 4% is from other sources, many of which are also based on student enrollment. For example, non-resident tuition is revenue the District receives from out-of-state and international students. Lottery revenue is allocated to the colleges based on the number of both resident and nonresident students it serves and provides supplemental funding to all levels of public education.

Workload Efficiency

In 2021-22, the District is reporting to serve 7,309 full-time equivalent students (FTES). As the District experiences a decline in enrollment, its workload efficiency suffers. The number of students per section shows a decline from an average high of 29.5 students per section in 2016-17 to a projected average of 24.41 students per section in 2021-22. This is also reflected by a corresponding decrease in the number of full-time equivalent students (FTES) served (21.1) per full-time equivalent faculty (FTEF).

Workload Efficiency



EXPENDITURES

Building the 2022-23 expenditure budget involves six major components:

1. Identifying all fixed cost increases;
2. Determining the number of full-time faculty hires needed to cover the class schedule and to meet/exceed the Full-Time Faculty Obligation Number (FON);
3. Identifying areas for reductions that can be implemented with minimal impact on enrollment or services;
4. Identifying critical areas for augmentation using one-time money;
5. Identifying critical areas for augmentation using ongoing funds; and
6. Closing the budget gap between ongoing revenue and ongoing costs.

Fixed Cost Increases

Fixed cost increases represent the largest increase to the expenditure budget. These cost increases are generated by collective bargaining agreements, retirement pension systems, retiree health benefits, utilities, service contracts, and insurance rate increases.

Fixed costs fluctuate each year depending on the funding of the statutory COLA and the corresponding percentage increase to the salary schedules and medical benefit contributions, as well as the increases to employer contribution rates for both the PERS and STRS pension plans. For 2022-23, fixed costs are estimated to increase by approximately \$4.8M.

The largest components include:

- Step/column/longevity salary increases (less attrition)	\$ 96,978
- 6.56% cost of living increase to all salary schedules	\$ 3,077,322
- Employee and retiree health benefit increases	\$ 491,331
- PERS pension rate increase	\$ 411,264
- STRS pension rate increase	\$ 500,245
- Leases, utilities, service contracts	\$ 244,001

Step, column and longevity salary increases are included in this Final Budget and tend to represent approximately 1.5% - 2% of regular salaries each year. Most of this cost is projected to be offset by attrition. Attrition occurs as more seasoned employees retire that are higher on the salary schedule and newer employees are hired at a lower step and/or column on the salary schedule. This will result in a savings in 2022-23 that will be used to help offset the cost of step, column and longevity salary increases.

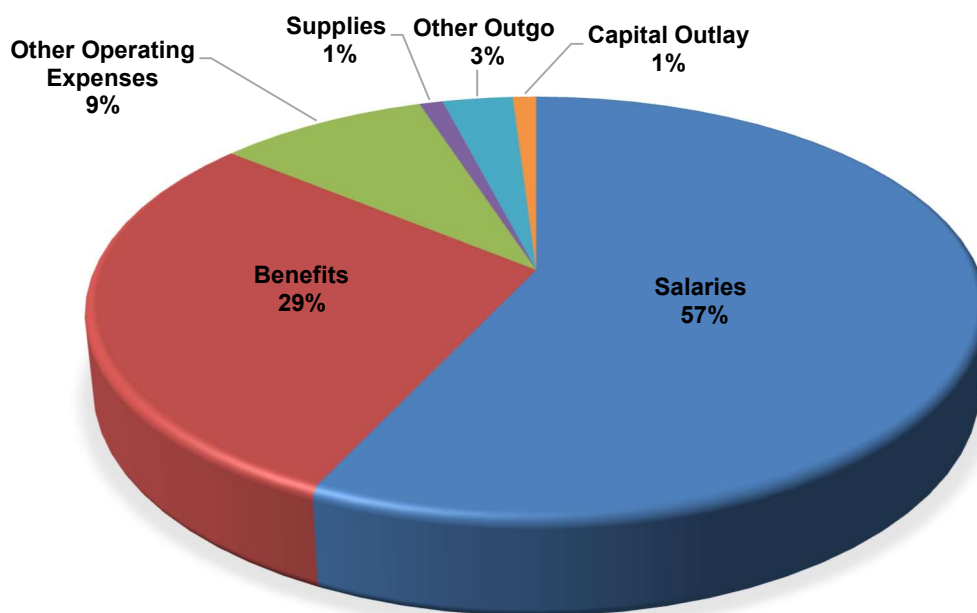
For the 2022-23 fiscal year, all salary schedules have been increased by the funded statutory COLA. The enacted state budget funds the statutory COLA of 6.56% for 2022-23. The cost to increase the salary schedules by the funded COLA is approximately \$3.077M.

The District’s contribution to medical benefits is capped to increase by the greater of 2% or the funded statutory COLA in the budget year and provides benefits for medical, dental, vision and life insurance to active employees. For retirees, the District covers the medical plan only, however, there is no cap for retiree premiums. The cost to increase both of these premium contributions by the statutory COLA (6.56%) in 2022-23 is approximately \$491.3K. Actual medical premiums are projected to increase between 5% and 7%. There were no increases to dental, vision or life insurance. The cost increases to health benefits are managed by cost containment measures, employee contributions made to active medical plans, and a Medicare supplement plan for retirees over the age of 65. In 2017-18, the District’s medical Joint Powers Authority (BSSP JPA) joined a much larger JPA (SISC) to further help lower and stabilize its costs. SISC is the largest public school purchaser of health care in the United States.

The employer rate for CalSTRS increased from 16.92% of salaries in 2021-22 to 19.1% of salaries in 2022-23, and results in a cost of approximately \$500.2K. The CalPERS employer contribution rate increased from 22.91% of salaries in 2021-22 to 25.37% of salaries in 2022-23. This rate increase results in a cost of approximately \$411.3K.

Prior to the construction of the District’s solar arrays, the District generally spent approximately 2.13% of its unrestricted General Fund budget on energy costs. Once constructed, the electricity portion of the budget was redirected from utilities to cover the financing costs of solar energy generation projects. The solar energy loans for Phases I and II have both since been paid off leaving only Phase III solar energy loan outstanding. Since then, Proposition 39 funds have been used to add solar arrays to the Skyway Center, and additional solar arrays have been constructed to service the Welding and Manufacturing building using Measure J bond funds and district reserves. Solar arrays have been constructed for the new Glenn County Center in Orland using District reserves. The energy generated by the solar arrays helps to protect the District from significant electricity rate increases and will save the District millions of dollars over the life of the solar panels.

TOTAL UNRESTRICTED GENERAL FUND EXPENDITURES



In addition to fixed cost increases, expenditure augmentations are proposed in this budget based on high priority requests through the unit planning process. Those budget augmentations are described in more detail later in this document. Most of the \$4.8M in fixed cost increases added to this budget are related to salaries and benefits which equal approximately 86% of the unrestricted General Fund expenditure budget. The remaining 14% includes supplies, operating expenses, capital outlay purchases, and other outgoing expenses like debt retirement and transfers to other funds.

Full-time Faculty Obligation Number (FON)

By statute, when a district’s credit FTES grows by a certain percentage, the District is required to increase its obligation to the number of full-time faculty by the same percentage. The opposite holds true as the number of credit FTES declines. The full-time faculty obligation number (FON) will also increase when the state provides additional funding in the budget for the hiring of more full-time faculty. This obligation will decrease when the state applies a deficit to apportionment funding.

Each year the District is required to meet its FON. Per the Budget Planning Guidelines developed by the college, the District strives to exceed the full-time faculty obligation by at least one full-time equivalent faculty (FTEF), more as funding permits.

For Fall 2022, the District’s full-time faculty obligation number will be 155.5. The District’s FON is still based primarily on the credit FTES served in 2017-18 and is currently being funded by the emergency conditions allowance funding. However, an earlier projected deficit in 2020-21 has kept this obligation low. This obligation will increase by eleven (11) due to the additional full-time faculty funding provided in 2021-22, and without a projected deficit factor, the obligation is projected to increase to 168.5 in Fall 2023. This Final Budget includes enough funding for approximately 196 full-time faculty, however, due to vacancies, possible late retirements, delayed recruitments and/or failed searches, the amount reported this fall may be less.

Budget Reductions

The November 4, 2021, Unit Planning Guidance did not request any further budget reductions be made by the various programs and departments as was requested in the 2021-22 budget year. Instead, targeted budget reductions of approximately 2.5% totaling over \$2 million are being proposed in this Final Budget. These reductions are proposed to be made in the areas of debt service, retiree medical premiums, OPEB Trust prefunding, property and liability insurance and leases, and do not have a direct negative fiscal impact to department budgets. The proposed budget reductions include:

CA Energy Conservation Loan debt service	\$ 57,076
Instructional Retiree Medical Premiums	\$682,519
Non-instructional Retiree Medical Premiums	\$370,268
OPEB Prefunding Holiday	\$722,791
Property and Liability Insurance	\$ 57,667
Glenn County Center Lease	\$156,708

Budget Augmentations (Ongoing and One-Time)

High priority budget augmentations for 2022-23 were requested from areas through the unit-planning process. These unit plans included augmentation requests for ongoing items, as well as one-time augmentation requests for items of a one-time and/or critical nature. Items funded in 2021-22 with one-time dollars were considered for ongoing funding, or for one-time funding again, in 2022-23. When new ongoing funds are available, the budget will propose to include these items for ongoing funding that are of an imperative nature needed to (1) maintain/improve current operations, (2) are a health, safety or compliance issue, and/or (3) are intended to improve services or enrollment for specific programs.

Ongoing Augmentations

In addition to the fixed cost increases (\$4.8 million) describe previously, the following augmentation requests (\$692,251) are proposed for ongoing funding in this budget:

Respiratory Care and EMS Director	\$20,000
Glenn County Center Manager Expansion	\$24,000
Associate Faculty Office Hour Expansion	\$50,000
Board Docs Software and Trustee Travel	\$28,500
Title IX ATIXA Annual Membership	\$5,000
Campus Logic Verification Software	\$55,125
ECMC – Default Management	\$11,000
Outreach and Recruitment Technician	\$93,935
Dual Enrollment Program Administrator	\$109,135
Director Enterprise Services	\$166,187
Glenn County Center Utilities/Operating Costs	\$48,768
Glenn County Center Custodial Upgrade/Expansion	\$69,745
Glenn County Center Grounds Tech Expansion	\$10,856

One-time Augmentations

The unit planning process for 2022-23 also included numerous requests for one-time funding. The District proposes to continue to backfill auxiliary and enterprise functions like Student Transportation, the Bookstore, Dining Services, the Student Health Center, and the Child Development Center that rely heavily on fees charged for the services they provide. The pandemic has had, and continues to have, a direct and significant impact on the number of students using these services and a corresponding negative impact to the fee revenues that support these programs. The District proposes to use Higher Education Emergency Relief Funds (HEERF) and District reserves, to cover the revenue lost and backfill these programs in 2022-23.

Other augmentation requests were made through the unit planning process. Requests of approximately \$4.1M have been prioritized for one-time funding and are included in this Final Budget.

Approximately \$394.2K in one-time augmentations for the President’s Office are proposed for funding. The major items/projects include:

- Trustee Elections	\$300,000
- Board Retreat Facilitator	\$17,000
- VP Instruction Position Search	\$27,000
- Strategic Planning	\$16,000
- SAS Building Signage	\$10,000
- Student Assistant for President’s Office	\$10,500
- Travel, Regalia, Photos and Printer	\$13,700

Approximately \$824.2K in one-time augmentations for Instruction are proposed for funding. The major items/projects include:

- Instructional Software License	\$75,000
- Mathematics Operating Expenses	\$150,000
- Engineering remodel	\$174,241
- Sports Officials Cost Increase	\$25,000
- Replace Welding Cutting Station Filters	\$100,000
- Instructional Service Agreements	\$200,000
- Replace CDC Carpet, Sunshade and Panic Button	\$80,000
- Firearms Range Maintenance and Vault Move	\$20,000

Approximately \$891.5K in one-time augmentations for Student Services are proposed for funding. The major items/projects include:

- Title IX Training, Investigations, Advocates and Maxient	\$58,000
- DSPS Hard of Hearing Match and College Effort	\$142,500
- TRIO Institutional Commitment	\$5,000
- Work Experience Advisor Stipends	\$9,000
- Slate-CRM Enrollment Services Communication	\$50,000
- Diploma Production and Delivery	\$8,000
- Contract Security Service Increase	\$10,000
- Police Policy Manual Service – Lexipol	\$12,600
- International Special Program Clerk	\$30,000
- International Student Recruitment - Operating	\$25,000
- Enrollment Services Operating Expenses	\$31,200
- Online Education Planning – Colleague	\$25,000
- Two PT Financial Aid Assistants	\$90,166
- Associate Faculty Counseling Hours	\$80,000
- Remodel Counseling and Student Service area(s)	\$315,000

Approximately \$1.1 million in one-time augmentations for Institutional Effectiveness are proposed for funding. Now that the state is providing specific funding for technology, the District will no longer charge a technology fee to students. Augmentations for student technology will be funded via this specific technology funding or with District reserves. The major items/projects include:

- College-wide Professional Development	\$200,000
- Institutional Research Professional Development	\$6,000
- I.T. Department Professional Development	\$25,000
- Facilitate/Develop Sustainability Strategic Plan	\$12,000
- MIS Reporting Support	\$100,000
- Federal Grant Consultant	\$25,000
- Information Security Preliminary Contract	\$200,000
- Carbon Black Antivirus Software	\$45,688
- Contract Service Renewals (Includes Palo Alto License)	\$75,000
- Computer Lab Software Maintenance	\$52,500
- Computer Lab Upgrades	\$275,000
- Replace Aruba Access Points	\$10,000
- Student Lab Print System upgrade	\$15,000
- Smart Classroom Equipment Repair	\$62,500

Approximately \$880.2K in one-time augmentations for district-wide areas are proposed for funding. The major items/projects include:

- Enhanced Advertising Campaigns	\$300,000
- Targeted Marketing for New Glenn County Center	\$75,000
- Marketing Consulting	\$150,000
- CA Energy Conservation Loan Payoff	\$168,271
- Leadership discretionary allocation	\$120,000
- Sabbatical leaves	\$35,000
- Classified subs and reclasses	\$30,000
- Phi Theta Kappa	\$2,000

The District will carryover approximately \$296K in 2021-21 budget allocations for technology purchases ordered in the 2021-22 year but not received by June 30, 2022 due to shipping delays.

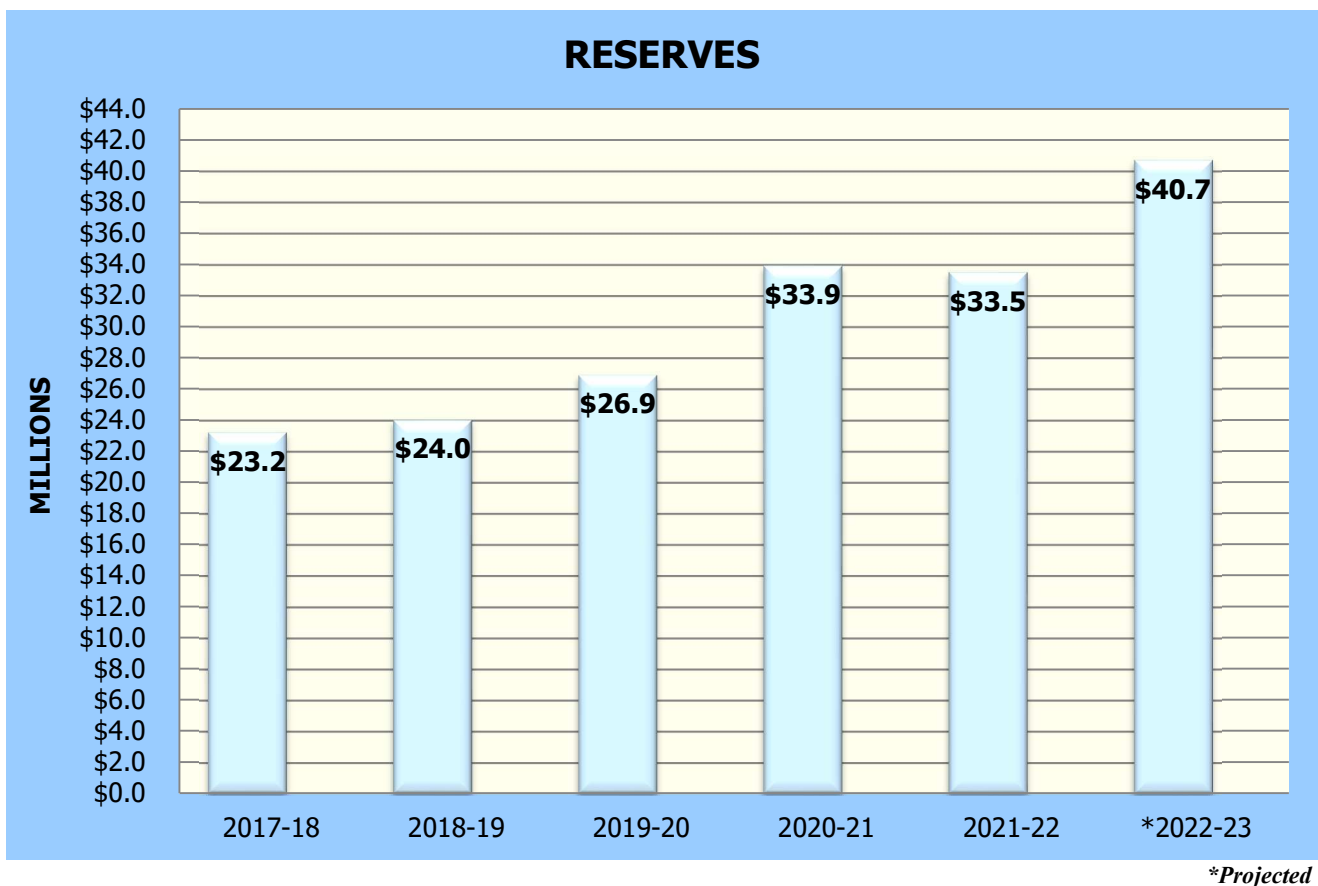
In addition to these one-time augmentations, the District will receive approximately \$10.27 million from the state for deferred maintenance and instructional equipment. These funds are included in this Final Budget proposal.

ONE-TIME FUNDS

Reserves

High priority one-time augmentation requests are generally funded with General Fund reserves. Approximately \$4.1 million is proposed for funding from the General Fund reserves in this Final Budget to fund the high priority one-time augmentation requests described previously.

The following graph shows a partial history of the ending reserve balances and the projected ending reserve balance for 2022-23.



The ending reserve balance for 2021-22 was originally budgeted to increase to \$36 million in the 2021-22 Final Budget. The above graph reflects the net decrease in reserves in 2021-22 from (1) an increase due to savings from unspent budget allocations and vacant positions, and (2) the transfer out of \$8 million from the Reserve for Facilities to the Capital Fund to fund the construction of future needed District facilities. Reserves are then budgeted to increase by \$7.2 million by the end of the 2022-23 budget year. The reserve balances at end of fiscal years 2021-22 and 2022-23 represent approximately 38.4% and 46.6% of the 2022-23 unrestricted general fund expenditure budget respectively. A 38% reserve will provide funding for approximately 4.5 months of operations.

The Reserve for Contingencies are maintained at no less than 5% of anticipated expenditures as required by the Board's Budget Criteria and will exceed the Board's goal of 25% of unrestricted expenditures. A separate designated Reserve for Facilities of \$8M was established in 2021-22 for transfer to the Capital Fund to accumulate funds for the purchase and/or construction of a facility that will help meet the needs of instruction, the students and the local community. This budget reflects the transfer to the Capital Fund and proposes to designate an additional \$7 million in 2022-23 to this reserve for future transfer.

The Reserve for Budget Planning has been reestablished for planning in 2022-23 in the amount of approximately \$20.85 million.

Other unrestricted reserves are also currently available in the Capital Fund, the Redevelopment Fund, the Retiree Benefits Fund and the Self-Insurance Fund. These funds are available to be used to fund high priority augmentation requests, generally of a capital outlay nature, or to cover unfunded liabilities and/or uninsured losses. Details of these funds are provided later in this document.

Carryover from 2021-22

The District generally expects a "carryover" (one-time funds from either excess revenue received at yearend or unexpended budget allocations) from the current year to the next. One-time carryover funds are added to the unrestricted ending fund balance, or in the case of restricted programs and grants, may be re-budgeted in the new fiscal year. Unrestricted ending balance reserve funds are available to fund one-time expenditures, fund capital projects, maintain a Budget Planning Reserve, and provide flexibility and cash-flow needed for the District to continue operations during times when ongoing revenue do not keep pace with ongoing expenditures, i.e., during periods of enrollment decline. Reserve funds are also available when apportionment revenue is not received timely (for example, when monthly apportionment payments are deferred or slow to be received, or when a State Budget has not been passed).

It is not uncommon for the District to carryover in excess of \$1 million at the close of a fiscal year that is then added to the beginning reserve balance for the budget year. This carryover generally comes from salary and benefit savings due to vacancies, unspent budget allocations for supplies, services and equipment, and higher than budgeted indirect cost reimbursements from grants. The District may also realize additional carryover funds from apportionment revenue for restored FTES, or a reduction in a prior year deficit factor.

In prior years, deficit factors that are applied to general apportionment payments by the state have impacted available carryover funds a district might have at year-end. Deficit factors are generally applied against state apportionment revenue when there is a statewide shortfall in property tax or enrollment fee revenue.

As described earlier, the District is projecting its ending balance reserves in 2021-22 to decrease by less than \$500K from \$33.9 million in 2020-21 to \$33.5 million in 2021-22 after the \$8 million transfer to the Capital Fund. Reserves are then budgeted to increase by \$7.2M in 2022-23. This will leave a very

strong District reserve of approximately \$40.7 million or approximately 46.6% of unrestricted expenditures after the 2022-23 budget year barring any other changes. These reserves will help to soften the fiscal impact from the decline in revenue in 2025-26 when the District is projected to no longer receive temporary emergency relief funding.

CALIFORNIA COMMUNITY COLLEGES
GANN LIMIT WORKSHEET
2022-2023

DISTRICT NAME: Butte-Glenn Community College District

DATE: August 29, 2022

I. 2022-2023 Appropriations Limit:

A.	2021-2022 Appropriations Limit		\$ <u>68,457,402</u>
B.	2022-23 Price Factor:	1.0755	
C.	Population Factor:		
	1. 2020-2021 Second Period Actual FTES	<u>7,384</u>	
	2. 2021-2022 Second Period Actual FTES	<u>7,140</u>	
	3. 2022-2023 Population change factor	<u>0.9669</u>	
	(line C.2. divided by line C.1.)		
D.	2021-2022 Limit adjusted by inflation and population factors (line A multiplied by line B and line C.3.)		\$ <u>71,188,917</u>
E.	Adjustments to increase limit:		
	1. Transfers in of financial responsibility	\$ <u>-</u>	
	2. Temporary voter approved increases	<u>-</u>	
	3. Total adjustments - increase		<u>-</u>
	Sub-Total		\$ <u>71,188,917</u>
F.	Adjustments to decrease limit:		
	1. Transfers out of financial responsibility	\$ <u>-</u>	
	2. Lapses of voter approved increases	<u>-</u>	
	3. Total adjustments - decrease		(<u>-</u>)
G.	2022-2023 Appropriations Limit		\$ <u>71,188,917</u>

II. 2022-2023 APPROPRIATIONS SUBJECT TO LIMIT:

A.	State Aid (General Apportionment, Apprenticeship Allowance, and Education Protection Account tax revenue		\$ <u>63,613,361</u>
B.	State Subventions (Home Owners Property Tax Relief, Timber Yield tax, etc.)		<u>121,263</u>
C.	Local Property taxes		<u>17,151,465</u>
D.	Estimated excess Debt Service taxes		<u>0</u>
E.	Estimated Parcel taxes, Square Foot taxes, etc.		<u>0</u>
F.	Interest on proceeds of taxes		<u>42,879</u>
G.	Local appropriations from taxes for unreimbursed State, court, and federal mandates		(<u>0</u>)
H.	2022-2023 Appropriations Subject to Limit		\$ <u>80,928,968</u>

III. **District is not within Appropriations Limit** -9,740,050

**Butte-Glenn Community College District
Budget - Revenue - General Fund**

	20-21 Actual Revenue	21-22 Unaudited Revenue	22-23 Tentative Budget	22-23 Final Budget
Beginning Balance	\$ 26,875,643	\$ 33,947,091	\$ 32,739,613	\$ 33,527,913
8110 Forest Reserve	\$ 10,910	\$ 13,940	\$ -	\$ -
8121 College Work Study - Admin	4,327	7,504	12,560	12,560
8122 College Work Study - Wages	78,256	144,371	218,913	218,913
8123 College Work Study - Job Devel.	30,424	26,494	27,575	27,575
8124 College Work Study - Comm. Service	8,278	5,709	16,478	16,478
8131 Adult Education	6,806	-	-	-
8136 Foster Care	4,124	7,234	133,829	133,829
8140 Transitional Assistance to Needy Families (TANF)	30,925	11,285	11,285	11,285
8151 Supplemental Educational Opportunity Grants (SEOG) - Admin.	32,317	21,006	13,117	13,117
8152 Pell Grant - Admin.	18,760	20,350	40,000	40,000
8160 Veterans' Attendance Allowance	-	16	28,386	28,386
8170 Perkins	866,598	596,020	798,960	798,960
8193 US Dept of Ed TRIO	254,294	146,949	803,776	803,776
8194 Small Business Development	274,895	273,543	263,405	263,483
8197 US Dept Ed / OPE	1,852,443	1,655,313	222,683	222,839
8198 Higher Education Emergency Relief Fund (HEERF)	4,501,117	9,889,752	13,159,850	13,088,247 (a)
8199 Other Federal Revenue	347,191	842,859	667,688	668,065
8100 TOTAL FEDERAL REVENUE	\$ 8,321,665	\$ 13,662,345	\$ 16,418,505	\$ 16,347,513
8612 State General Apportionment	\$ 31,414,842	\$ 29,625,378	\$ 44,745,797	\$ 49,484,046 (b)
8613 Full Time Faculty Hiring	461,204	1,476,958	1,436,693	1,476,958
8614 Part-Time Faculty Compensation	267,609	269,094	223,712	223,712 (c)
8615 Enrollment Fee Admin. Fee	128,800	128,800	128,800	128,800
8618 COVID-19 Discretionary Block Grant	-	-	6,000,000	7,379,361 (d)
8619 Prior Year Corrections (Apportionment)	347,195	317,003	-	- (e)
8620 Student Equity (and Achievement)	3,748,919	4,584,904	8,031,920	8,031,920 (f)
8621 Cal Works	343,261	348,531	564,110	393,205 (c)
8622 Extended Opportunity Programs and Services (EOPS)	1,042,877	1,193,921	1,581,453	1,606,872 (g)
8623 Cooperative Agency Resources and Education (CARE)	850,565	908,284	850,762	850,762 (c)
8624 Disabled Student Services and Programs (DSPS)	1,059,329	747,802	833,109	958,816 (c)
8626 Telecommunications	11,329,599	20,388,696	14,000,000	14,000,000 (h)
8626 TTIP/CENIC	3,860,329	1,670,401	4,707,389	4,707,389 (h)
8627 Student Financial Aid Admin.	421,968	421,968	617,631	618,067
8629 Deferred Maintenance and Instructional Equipment	-	5,275,234	7,500,000	10,274,216 (i)
8630 Education Protection Account	16,689,645	20,664,832	14,129,315	14,129,315 (j)
8630 Undocumented Resources Liaison Program	-	131,555	111,628	111,706
8631 Transitional Assistance to Needy Families (TANF)	33,715	49,125	59,969	60,039
8633 Funds for Student Success - MESA (Math, Engineering, Science Achievement)	38,600	60,281	226,000	226,000
8634 Classified Professional Development	-	6,551	59,123	59,123
8635 Equal Employment Opportunity (EEO)	3,000	9,475	63,380	152,268
8636 Foster Care Grant	256,339	258,452	249,753	317,713
8638 Technology Center	24,745,339	20,743,311	26,528,502	26,528,502 (k)
8640 Veterans Resource Center	25,057	59,742	22,316	22,316
8642 California College Promise	873,815	814,887	833,145	948,667 (l)
8643 Student Success Completion	2,100,392	2,531,779	2,531,779	4,903,347 (m)
8644 Financial Aid Technology	66,293	76,442	15,974	61,918
8645 CARES Act - State Block Grant	583,583	39,355	-	- (n)
8646 Early Action Emergency Financial Aid	749,386	-	-	1,149,494
8646 Retention & Enrollment Outreach	-	272,985	690,720	1,770,976
8653 Adult Education Block Grant	2,214,402	2,324,179	217,380	217,404 (c)
8654 College Homeless Pilot	383,861	745,384	2,100,000	1,530,675
8657 Economic Development	1,071,353	1,111,107	2,628,726	2,629,421 (c)
8658 Strong Workforce Program	36,166,667	32,362,665	53,824,368	53,829,464 (o)
8671 Homeowners' Exemptions Taxes	217,783	211,572	56,866	56,866 (p)
8672 Timber Yield Tax	29,883	68,908	64,397	64,397 (p)
8681 State Lottery Proceeds	2,588,757	3,098,190	2,367,324	2,367,324
8683 Mandated Costs	312,771	318,276	308,660	308,660 (q)
8690 Guided Pathways	202,493	188,893	258,890	459,740
8692 STRS On Behalf	2,223,846	1,806,711	1,806,711	1,806,711 (r)
8693 Innovation Award	162,716	167,498	590,000	590,000 (s)
8699 Basic Needs Programs	-	-	-	1,082,739 (c)
8699 Mental Health Support	-	-	-	469,264 (c)
8699 Other State Income	26,439	94,016	146,367	146,399 (c)
8600 TOTAL STATE REVENUE	\$ 147,042,632	\$ 155,573,145	\$ 201,112,669	\$ 216,134,572
8811 Secured Taxes	\$ 16,058,906	\$ 17,310,938	\$ 17,436,029	\$ 17,436,029 (p)
8812 Supplemental Roll Taxes	363,842	446,372	288,254	288,254 (p)
8813 Unsecured Taxes	1,017,304	1,004,437	1,062,491	1,062,491 (p)
8816 Prior Year Taxes	56,095	50,464	47,652	47,652 (p)
8817 Education Revenue Augmentation Fund (ERAF)	(3,114,031)	(2,852,971)	(3,236,517)	(3,236,517) (p)
8818 Redevelopment - Local & Residual	2,556,628	2,667,627	1,553,556	1,553,556 (p)
8829 Gifts and Contributions	214	1,899	4,000	4,000
8831 Contract Instructional Services	112,569	-	49,225	49,225

**Butte-Glenn Community College District
Budget - Revenue - General Fund**

	20-21 Actual Revenue	21-22 Unaudited Revenue	22-23 Tentative Budget	22-23 Final Budget	
8839 Contract Education	1,861,690	3,852,163	3,465,325	3,465,345	(t)
8840 Sales and commissions	-	15,189	47,500	47,500	(u)
8842 Sale of Equipment and Supplies	64,650	53,111	45,000	45,000	
8859 Other Rentals and Leases	6,330	11,144	28,202	28,202	
8861 Interest	790,308	730,748	1,200,000	1,200,000	(v)
8872 Community Service Classes	120,716	106,131	107,109	107,109	
8874 Enrollment Fees	2,835,891	2,760,306	2,789,469	2,789,469	(w)
8876 Health Service Fees	348,341	369,619	377,500	377,500	
8877 Material Fees	188,358	184,480	220,000	220,000	
8879 Student Records / ID Card	45,326	49,293	63,859	63,859	
8880 Non-Resident Student Fees	1,201,278	1,509,560	1,484,048	1,484,048	(x)
8881 Transportation Fees	700,896	558,254	565,630	565,630	(y)
8882 Audit Fees	1,238	870	2,000	2,000	
8885 Other Student Fees & Charges	-	3,810	10,000	10,000	
8886 Technology Fee	363,226	363,987	370,500	-	(z)
8888 Library Charges	-	3,451	10,000	10,000	
8893 Prior Year Outlawed Warrants	23,269	53,949	28,000	28,000	
8894 Workers Comp. Reimbursements	46,626	73,760	28,000	28,000	
8896 Safety Credits	56,240	14,388	20,000	20,000	
8897 Parking Meters and Fines	2,861	-	20,000	20,000	
8899 Other Local Income	493,730	886,002	1,122,381	1,122,443	(aa)
8800 TOTAL LOCAL REVENUE	\$ 26,202,501	\$ 30,228,981	\$ 29,209,213	\$ 28,838,795	
8980 Incoming Transfers	\$ 2,508,238	\$ 845,256	\$ 3,585,200	\$ 3,513,597	(ab)
TOTAL REVENUE	\$ 184,075,036	\$ 200,309,727	\$ 250,325,587	\$ 264,834,477	
One-time Revenue	\$ -	\$ -	\$ 370,500	\$ -	(z)
Total Ongoing Revenue	\$ 184,075,036	\$ 200,309,727	\$ 249,955,087	\$ 264,834,477	
TOTAL REVENUE AND BEGINNING BALANCE	\$ 210,950,679	\$ 234,256,818	\$ 283,065,200	\$ 298,362,390	

Apportionment Summary:				
Includes General Apportionment, Education Protection Account, Property taxes, and 98% Enrollment Fees	\$ 68,126,788	\$ 71,957,863	\$ 78,881,520	\$ 83,619,769

- (a) Federal relief funds were made available to colleges to address impacts of the COVID-19 pandemic. In 2019-20 and 2020-21, the District received \$26,150,178 in HEERF related funding, and \$2,505,624 in Minority Serving Institute funding. The District deferred \$23.774 million to the 2021-22 fiscal year and received an additional \$1,279,468 in funding during the year. The District expects to defer \$13.1 million to be fully expended in 2022-23.
- (b) 2022-23 general apportionment budget contains a 6.56% COLA increase and an additional 9% base increase. Education Protection Account is a part of total apportionment but is reported in a separate object code.
- (c) Categorical apportionments are budgeted using the most current certification levels from the Chancellor's Office. Additional allocations or reductions will be budgeted when new information is received.
- (d) The 2022-23 budget contains one-time COVID-19 Recovery block grant in the amount of \$7,379,361 to address issues related to the pandemic.
- (e) Prior year corrections represent adjustments to apportionment revenue due to excess offsetting property tax revenue received or a reduction in the prior year deficit factor.
- (f) Student Equity and Achievement is a student success categorical program that addresses achievement gaps among underrepresented students.
- (g) Previously called the Cooperating Agencies Foster Youth Educational Support (CAFYES) Program, the NextUp program is included within EOPS. These funds provide service coordination, counseling, tutoring, career guidance, and student support for qualified students.
- (h) Telecommunications and TTIP/Cenic represents technology programs operated for the system through the Chancellor's Office like CCCTran, OpenCCCApply, eTranscriptCA, and other programs. Fluctuating revenue in recent years is a result of the carry-over of unspent funds plus current year allocations.
- (i) The District was awarded \$5.28 million in Deferred Maintenance and Instructional Equipment funding from the state for 2021-22. The District is budgeted to receive \$10,274,216 for Deferred Maintenance and Instructional Equipment funding for the 2022-23 fiscal year.
- (j) The Educational Protection Account (EPA) was created when voters approved Prop 30 in November 2012. EPA funds are included in the apportionment summary but do not represent new funds available for the district.
- (k) These balances represent system-wide technology grants managed by the CCC Technology Center. Some initiatives ended in 2021-22 and were replaced by other multi-year, system-wide technology grants.
- (l) The California College Promise Grant is a State funded program providing financial aid to students. The California College Promise Grant offers up to two years of free tuition and fees for first-time, full-time college students.
- (m) The Student Success Completion Grant is a State funded program providing financial aid to full-time Cal Grant B or C students.

**Butte-Glenn Community College District
Budget - Revenue - General Fund**

**20-21
Actual
Revenue**

**21-22
Unaudited
Revenue**

**22-23
Tentative
Budget**

**22-23
Final
Budget**

-
- (n) In 2020-21, the Chancellor's Office received Federal CARES passthrough funds to colleges in the form of a Block Grant to further help mitigate the impacts of the pandemic on colleges.
 - (o) The Strong Workforce Program allocates over \$200 million annually to expand career technical education programs so colleges can add new career pathways, increase faculty, strengthen curriculum, and improve regional cooperation among colleges, businesses, and other groups. Butte College serves as the fiscal agent for the Sacramento and Far North Region.
 - (p) Property taxes for Butte and Glenn counties have been budgeted based on overall apportionment estimates.
 - (q) The District receives \$30 per FTES in ongoing revenue through the Mandated Block Grant program.
 - (r) STRS on-behalf revenues and expenses are now required to be reported in the general ledger to comply with Government Accounting Standards Board Statement 68. The state pays a portion of certificated employee pension costs directly to CalSTRS.
 - (s) The District received an Innovation award of \$2.5 million and an estimated carryover is budgeted in 2022-23.
 - (t) Contract education relates to Statewide activity as well as the locally operated Training Place. Academies revenue from ISA agreements is also included here.
 - (u) These sales represent sales of services provided by the Cosmetology program and covers products used and sold during clients visits.
 - (v) Interest rates have increased slightly over the past year. 2022-23 reflects earnings on a higher ending balance.
 - (w) Enrollment fees for 2022-23 are estimated based on 2021-22 CCFS 320 FTES period 2 attendance report. This revenue will be adjusted as Chancellor's Office apportionment reports are updated.
 - (x) Non-resident student fees reflect both out-of-state and international students. The fee for 2021-22 was \$270 per unit. The fee will remain at \$270 per unit for the 2022-23 academic year.
 - (y) COVID-19 necessitated the closure of campuses in March, 2020. Students were not charged transportation fees during semesters of full remote learning. Currently, students are only being assessed transportation fees based on the number of scheduled units for on-campus instruction.
 - (z) The Technology Fee assists with one-time purchases of technology improvements and computer lab refreshes that benefit students. Due to State funding for technology needs, technology fees will not be charged to students in 2022-23.
 - (aa) Other local income reflects local grants awarded and carried over for 2021-22 and 2022-23. New local grants will be budgeted as they are awarded in 2022-23.
 - (ab) Budgeted incoming transfers in 2022-23 reflect \$2,200,000 from the OPEB Trust to help offset retiree medical expenses for the fiscal year. The District is also budgeting HEERF fund transfers of \$762,060 to Transportation and \$13,914 to the Student Health Center to cover lost student transportation and health fees, along with additional general fund contributions of \$337,873 and \$199,750 to Transportation and the Student Health Center, respectively. Incoming transfers in 2021-22 reflect \$723,551 from HEERF for lost revenue and a \$121,705 general fund contribution to Health Services.

Butte-Glenn Community College District
Budget - Expenditures - General Fund

	20-21 Actual Expenditures	21-22 Unaudited Expenditures	22-23 Tentative Budget	22-23 Final Budget
1100 INSTRUCTION, REGULAR	\$ 15,511,022	\$ 16,911,922	\$ 17,676,895	\$ 17,457,307
1200 NON-INSTRUCTION, REGULAR	7,658,421	8,125,140	8,595,191	8,511,115
1300 INSTRUCTION, NON-REGULAR	6,985,885	7,369,362	8,723,653	8,723,653
1400 NON-INSTRUCTION, NON-REGULAR	2,876,454	2,242,010	1,034,410	1,034,410
1000 TOTAL ACADEMIC SALARIES	\$ 33,031,782	\$ 34,648,434	\$ 36,030,149	\$ 35,726,485
2100 NON-INSTRUCTIONAL, REGULAR	\$ 22,589,078	\$ 24,398,967	\$ 28,254,825	\$ 28,010,090
2200 INSTRUCTIONAL AIDES, REGULAR	1,445,375	1,600,372	1,727,330	1,727,330
2300 NON-INSTRUCTIONAL, NON-REGULAR	1,476,581	1,922,667	1,143,612	1,143,612
2400 INSTRUCTIONAL AIDES, NON-REGULAR	672,353	698,461	437,502	437,502
2000 TOTAL CLASSIFIED SALARIES	\$ 26,183,387	\$ 28,620,467	\$ 31,563,269	\$ 31,318,534
3100 STATE TEACHERS RETIREMENT SYSTEM	\$ 6,122,856	\$ 6,043,062	\$ 8,691,955	\$ 8,633,963
3200 PUBLIC EMPLOYEES RETIREMENT SYSTEM	5,098,033	6,190,506	7,656,278	7,594,193
3300 OLD AGE, SURVIVORS & DIS. INSURANCE	2,553,887	2,761,634	2,874,491	2,851,365
3400 HEALTH, DENTAL AND LIFE INSURANCE	10,738,935	10,908,782	13,588,512	13,419,911
3450 RETIREE BENEFITS NORMAL COST	954,722	636,474	-	-
3500 STATE UNEMPLOYMENT INSURANCE	115,979	412,930	434,619	431,050
3600 WORKERS COMPENSATION INSURANCE	759,152	883,785	982,013	974,047
3700 ALTERNATE RETIREMENT PLAN	10,015	11,552	-	-
3900 INCOME PROTECTION INSURANCE	241,305	243,048	286,637	283,842
3000 TOTAL EMPLOYEE BENEFITS	\$ 26,594,884	\$ 28,091,773	\$ 34,514,505	\$ 34,188,371
4200 DUPLICATING SUPPLIES	\$ 16,303	\$ 29,178	\$ 65,141	\$ 65,141
4300 SUPPLIES, INSTRUCTIONAL	764,419	921,527	874,753	874,753
4500 SUPPLIES, NON-INSTRUCTIONAL	1,331,103	1,377,556	2,636,344	11,246,371
4000 TOTAL SUPPLIES	\$ 2,111,825	\$ 2,328,261	\$ 3,576,238	\$ 12,186,265
5100 PERSONAL SERVICES & CONSULTANTS	\$ 58,638,218	\$ 52,554,851	\$ 81,092,730	\$ 82,217,845
5200 TRAVEL, CONFERENCE, MILEAGE & BANQUET SERVICES	207,883	628,916	1,055,299	947,109
5300 DUES & MEMBERSHIPS	507,613	479,355	855,956	855,956
5400 INSURANCE	733,961	772,623	833,668	833,668
5500 UTILITIES & HOUSEKEEPING SERVICES	552,607	920,157	1,053,292	1,053,292
5600 RENTS, REPAIRS & SERVICE CONTRACTS	4,281,525	4,376,006	2,556,807	2,547,612
5700 LEGAL, ELECTION & AUDIT	159,659	396,184	551,079	551,079
5800 OTHER SERVICES & EXPENSES	10,022,207	16,633,175	34,116,128	30,132,053
5000 TOTAL OTHER OPERATING EXPENSES	\$ 75,103,673	\$ 76,761,267	\$ 122,114,959	\$ 119,138,614
TOTAL 1000-5000	\$ 163,025,551	\$ 170,450,202	\$ 227,799,120	\$ 232,558,269
6100 SITE IMPROVEMENTS	\$ 768,860	\$ 976,919	\$ 42,420	\$ 42,420
6200 BUILDINGS	281,073	1,918,905	5,167	136,790
6300 LIBRARY BOOKS	184,260	126,256	213,789	213,789
6400 EQUIPMENT & FILMS	2,635,925	2,160,296	951,686	1,918,170
6500 LEASE PURCHASE AGREEMENTS	27,395	31,247	99,375	99,375
6600 CAPITALIZED EQUIPMENT	557,503	1,145,953	22,332	11,975
6000 TOTAL CAPITAL EXPENSES	\$ 4,455,016	\$ 6,359,576	\$ 1,334,769	\$ 2,422,519

**Butte-Glenn Community College District
Budget - Expenditures - General Fund**

	20-21 Actual Expenditures	21-22 Unaudited Expenditures	22-23 Tentative Budget	22-23 Final Budget
1000 - 6000 TOTAL EXPENDITURES	\$ 167,480,567	\$ 176,809,778	\$ 229,133,889	\$ 234,980,788
7100 DEBT RETIREMENT	\$ 953,798	\$ 883,656	\$ 1,164,945	\$ 1,164,945
7300 INTERFUND TRANSFERS	3,329,484	15,242,006	10,558,920	12,592,277
7500 STUDENT FINANCIAL AID	4,675,142	4,690,611	3,256,159	6,992,665
7600 OTHER PAYMENTS TO STUDENTS	564,597	3,102,854	2,212,840	1,900,602
7000 TOTAL OTHER OUTGO	\$ 9,523,021	\$ 23,919,127	\$ 17,192,864	\$ 22,650,489
TOTAL EXPENDITURES	\$ 177,003,588	\$ 200,728,905	\$ 246,326,753	\$ 257,631,277
BUDGETED ONE-TIME EXPENDITURES:			\$ 3,606,728	\$ 4,926,592 (g)
TOTAL ONGOING EXPENDITURES	\$ 177,003,588	\$ 200,728,905	\$ 242,720,025	\$ 252,704,685
RESERVES:	20-21 Actual	21-22 Unaudited	22-23 Tentative	22-23 Final
9710 RESERVE FOR CONTINGENCIES	\$ 8,850,179	\$ 10,036,445	\$ 12,316,338	\$ 12,881,564 (h)
9710 RESERVE FOR FACILITIES		-	4,000,000	7,000,000 (i)
9728 RESERVE FOR BUDGET PLANNING	25,096,912	23,491,468	20,422,109	20,849,549 (j)
9000 TOTAL RESERVES	\$ 33,947,091	\$ 33,527,913	\$ 36,738,447	\$ 40,731,113
TOTAL EXPECTED ENDING BALANCE	\$ 33,947,091	\$ 33,527,913	\$ 36,738,447	\$ 40,731,113
TOTAL EXPENDITURES AND ENDING BALANCE	\$ 210,950,679	\$ 234,256,818	\$ 283,065,200	\$ 298,362,390

- (a) The proposed budget includes step, column, and longevity salary increases, and a 6.56% cost of living increase.
- (b) The 2022-23 changes in employee benefits is due to the following: a \$500.2K increase in STRS to reflect the rate change increase from 16.92% to 19.10%; a \$411.3K increase in PERS to reflect the rate change from 22.91% to 25.37%, and an additional \$491.3K tied to a 6.56% increase in District health contributions.
- (c) The supply budgets fluctuate based on restricted grant fund budgets and unrestricted augmentations. Non-instructional supplies includes cleaning and safety supplies to address increased COVID pandemic related expenses.
- (d) A significant portion of the expenditures in the consultants and other operating expense categories are from the CCC Technology Center, Telecommunication and CTE grants, and one-time expenditures. The 2022-23 budget also includes HEERF funding amounts not expended in 2021-22.
- (e) Capital expenses include one-time purchases from reserves. Other capital projects are budgeted in the Capital Projects fund. (See note (f) for interfund transfers)
- (f) Interfund transfers in 2021-22 include deferred maintenance and instructional equipment (\$5,088,059), HEERF funding transfers for lost revenue (\$1,793,177) and additional general fund contributions to cover operations (\$121,705), capital equipment and repairs (\$239,065), and the transfer of Reserves for Facilities (\$8 million) for the construction and/or purchase of a new facility. Interfund transfers in 2022-23 are budgeted to include deferred maintenance and instructional equipment projects (\$9,156,109), various construction projects across campus (\$489,241), equipment replacement (\$105,900), and solar repairs (\$68,229), and HEERF funding for COVID-19 related lost revenues in Transportation (\$762,060), Bookstore (\$780,612), Dining Services (\$606,220), Child Development Center (\$72,369) and Student Health Center (\$13,914) along with general fund contributions to transportation (\$337,873) and Student Health Center (\$199,750) for operating costs not covered by HEERF.
- (g) High priority one-time augmentations are identified and subtracted from total expenditures to determine the District's "ongoing" expenditures.
- (h) The contingency reserve for 2022-23 is set at 5% of budgeted expenditures.
- (i) A portion of the District's reserves is designated for planning and construction of future facility needs.
- (j) The balance of District reserves is designated for future budget planning purposes.

**Butte-Glenn Community College District
Budget - Revenue - General Fund**

	22-23 Unrestricted Fund 11 Revenue	22-23 Restricted Fund 12 Revenue	22-23 Final Budget
Beginning Balance			\$ 33,527,913
8110 Forest Reserve	\$ -	\$ -	\$ -
8121 College Work Study - Admin	12,560	-	12,560
8122 College Work Study - Wages	-	218,913	218,913
8123 College Work Study - Job Devel.	27,575	-	27,575
8124 College Work Study - Comm. Service	-	16,478	16,478
8131 Adult Education	-	-	-
8136 Foster Care	-	133,829	133,829
8140 Transitional Assistance to Needy Families (TANF)	-	11,285	11,285
8151 Supplemental Educational Opportunity Grants (SEOG) - Admin.	13,117	-	13,117
8152 Pell Grant - Admin.	40,000	-	40,000
8160 Veterans' Attendance Allowance	-	28,386	28,386
8170 Perkins	-	798,960	798,960
8193 US Dept of Ed TRIO	-	803,776	803,776
8194 Small Business Development	-	263,483	263,483
8197 US Dept Ed / OPE	-	222,839	222,839
8198 Higher Education Emergency Relief Fund (HEERF)	-	13,088,247	13,088,247
8199 Other Federal Revenue	-	668,065	668,065
8100 TOTAL FEDERAL REVENUE	\$ 93,252	\$ 16,254,261	\$ 16,347,513
8612 State General Apportionment	\$ 49,484,046	\$ -	\$ 49,484,046
8613 Full Time Faculty Hiring	1,476,958	-	1,476,958
8614 Part-Time Faculty Compensation	223,712	-	223,712
8615 College Promise Grants (BOG Fee Waivers Admin)	128,800	-	128,800
8618 COVID-19 Discretionary Block Grant	-	7,379,361	7,379,361
8619 Prior Year Corrections (Apportionment)	-	-	-
8620 Student Equity (and Achievement)	-	8,031,920	8,031,920
8621 Cal Works	-	393,205	393,205
8622 Extended Opportunity Programs and Services (EOPS)	-	1,606,872	1,606,872
8623 Cooperative Agency Resources and Education (CARE)	-	850,762	850,762
8624 Disabled Student Services and Programs (DSPS)	-	958,816	958,816
8626 Telecommunications	-	14,000,000	14,000,000
8626 TTIP/CENIC	-	4,707,389	4,707,389
8627 Student Financial Aid Admin.	-	618,067	618,067
8629 Scheduled Maintenance and Instructional Equipment	-	10,274,216	10,274,216
8630 Education Protection Account	14,129,315	-	14,129,315
8630 Undocumented Resources Liaison	-	111,706	111,706
8631 Transitional Assistance to Needy Families (TANF)	-	60,039	60,039
8633 Funds for Student Success - MESA (Math, Engineering, Science Achievement)	-	226,000	226,000
8634 Classified Professional Development	-	59,123	59,123
8635 Equal Employment Opportunity (EEO)	-	152,268	152,268
8636 Foster Care Grant	-	317,713	317,713
8638 Technology Center	-	26,528,502	26,528,502
8640 Veterans Resource Center	-	22,316	22,316
8642 California College Promise	-	948,667	948,667
8643 Student Success Completion	-	4,903,347	4,903,347
8644 Financial Aid Technology	-	61,918	61,918
8645 CARES Act - State Block Grant	-	-	-
8646 Early Action Emergency Financial Aid	-	1,149,494	1,149,494
8646 Retention & Enrollment Outreach	-	1,770,976	1,770,976
8653 Adult Education Block Grant	-	217,404	217,404
8654 College Homeless Pilot	-	1,530,675	1,530,675
8657 Economic Development	-	2,629,421	2,629,421
8658 Strong Workforce Program	-	53,829,464	53,829,464
8671 Homeowners' Exemptions Taxes	56,866	-	56,866
8672 Timber Yield Tax	64,397	-	64,397
8681 State Lottery Proceeds	1,692,429	674,895	2,367,324
8683 Mandated Costs	308,660	-	308,660
8690 Guided Pathways	-	459,740	459,740
8692 STRS On Behalf	1,605,759	200,952	1,806,711
8693 Innovative Award	-	590,000	590,000
8699 Basic Needs Programs	-	1,082,739	1,082,739
8699 Mental Health Support	-	469,264	469,264
8699 Other State Income	-	146,399	146,399
8600 TOTAL STATE REVENUE	\$ 69,170,942	\$ 146,963,630	\$ 216,134,572



**Butte-Glenn Community College District
Budget - Revenue - General Fund**

	22-23 Unrestricted Fund 11 Revenue	22-23 Restricted Fund 12 Revenue	22-23 Final Budget
8811 Secured Taxes	\$ 17,436,029	\$ -	\$ 17,436,029
8812 Supplemental Roll Taxes	288,254	-	288,254
8813 Unsecured Taxes	1,062,491	-	1,062,491
8816 Prior Year Taxes	47,652	-	47,652
8817 Education Revenue Augmentation Fund (ERAF)	(3,236,517)	-	(3,236,517)
8818 Redevelopment - Local & Residual	1,553,556	-	1,553,556
8829 Gifts and Contributions	-	4,000	4,000
8831 Contract Instructional Services	-	49,225	49,225
8839 Contract Education	-	3,465,345	3,465,345
8840 Sales and commissions	47,500	-	47,500
8842 Sale of Equipment and Supplies	-	45,000	45,000
8859 Other Rentals and Leases	13,000	15,202	28,202
8861 Interest	1,200,000	-	1,200,000
8872 Community Service Classes	-	107,109	107,109
8874 Enrollment Fees	2,789,469	-	2,789,469
8876 Health Service Fees	-	377,500	377,500
8877 Material Fees	220,000	-	220,000
8879 Student Records / ID Card	63,859	-	63,859
8880 Non-Resident Student Fees	1,484,048	-	1,484,048
8881 Transportation Fees	-	565,630	565,630
8882 Audit Fees	2,000	-	2,000
8885 Other Student Fees & Charges	10,000	-	10,000
8886 Technology Fee	-	-	-
8888 Library Charges	-	10,000	10,000
8893 Prior Year Outlawed Warrants	28,000	-	28,000
8894 Workers Comp. Reimbursements	28,000	-	28,000
8896 Safety Credits	-	20,000	20,000
8897 Parking Meters and Fines	20,000	-	20,000
8899 Other Local Income	50,000	1,072,443	1,122,443
8800 TOTAL LOCAL REVENUE	\$ 23,107,341	\$ 5,731,454	\$ 28,838,795
8980 Incoming Transfers	\$ 2,200,000	\$ 1,313,597	\$ 3,513,597
TOTAL REVENUE	\$ 94,571,535	\$ 170,262,942	\$ 264,834,477
One-time Revenue	\$ -	\$ -	\$ -
Total Ongoing Revenue	\$ 94,571,535	\$ 170,262,942	\$ 264,834,477
TOTAL REVENUE AND BEGINNING BALANCE			\$ 298,362,390

**Butte-Glenn Community College District
Budget - Expenditures - General Fund**

	22-23 Unrestricted Fund 11 Expenditures	22-23 Restricted Fund 12 Expenditures	22-23 Final Budget
1100 INSTRUCTION, REGULAR	\$ 16,430,913	\$ 1,026,394	\$ 17,457,307
1200 NON-INSTRUCTION, REGULAR	6,325,033	2,186,082	8,511,115
1300 INSTRUCTION, NON-REGULAR	8,669,308	54,345	8,723,653
1400 NON-INSTRUCTION, NON-REGULAR	754,051	280,359	1,034,410
1000 TOTAL ACADEMIC SALARIES	\$ 32,179,305	\$ 3,547,180	\$ 35,726,485
2100 NON-INSTRUCTIONAL, REGULAR	\$ 15,631,803	\$ 12,378,287	\$ 28,010,090
2200 INSTRUCTIONAL AIDES, REGULAR	1,473,032	254,298	1,727,330
2300 NON-INSTRUCTIONAL, NON-REGULAR	446,785	696,827	1,143,612
2400 INSTRUCTIONAL AIDES, NON-REGULAR	372,908	64,594	437,502
2000 TOTAL CLASSIFIED SALARIES	\$ 17,924,528	\$ 13,394,006	\$ 31,318,534
3100 STATE TEACHERS RETIREMENT SYSTEM	\$ 7,755,496	\$ 878,467	\$ 8,633,963
3200 PUBLIC EMPLOYEES RETIREMENT SYSTEM	4,407,020	3,187,173	7,594,193
3300 OLD AGE, SURVIVORS & DIS. INSURANCE	1,809,904	1,041,461	2,851,365
3400 HEALTH, DENTAL AND LIFE INSURANCE	9,772,720	3,647,191	13,419,911
3450 RETIREE BENEFITS NORMAL COST	-	-	-
3500 STATE UNEMPLOYMENT INSURANCE	323,505	107,545	431,050
3600 WORKERS COMPENSATION INSURANCE	731,481	242,566	974,047
3900 INCOME PROTECTION INSURANCE	203,390	80,452	283,842
3000 TOTAL EMPLOYEE BENEFITS	\$ 25,003,516	\$ 9,184,855	\$ 34,188,371
4200 DUPLICATING SUPPLIES	\$ 47,721	\$ 17,420	\$ 65,141
4300 SUPPLIES, INSTRUCTIONAL	148,944	725,809	874,753
4500 SUPPLIES, NON-INSTRUCTIONAL	1,020,079	10,226,292	11,246,371
4000 TOTAL SUPPLIES	\$ 1,216,744	\$ 10,969,521	\$ 12,186,265
5100 PERSONAL SERVICES & CONSULTANTS	\$ 1,463,731	\$ 80,754,114	\$ 82,217,845
5200 TRAVEL, CONFERENCE, MILEAGE & BANQUET SERVICES	636,827	310,282	947,109
5300 DUES & MEMBERSHIPS	102,911	753,045	855,956
5400 INSURANCE	811,000	22,668	833,668
5500 UTILITIES & HOUSEKEEPING SERVICES	1,050,387	2,905	1,053,292
5600 RENTS, REPAIRS & SERVICE CONTRACTS	2,384,103	163,509	2,547,612
5700 LEGAL, ELECTION & AUDIT	551,079	-	551,079
5800 OTHER SERVICES & EXPENSES	387,808	29,744,245	30,132,053
5000 TOTAL OTHER OPERATING EXPENSES	\$ 7,387,846	\$ 111,750,768	\$ 119,138,614
TOTAL 1000-5000	\$ 83,711,939	\$ 148,846,330	\$ 232,558,269

**Butte-Glenn Community College District
Budget - Expenditures - General Fund**

	22-23 Unrestricted Fund 11 Expenditures	22-23 Restricted Fund 12 Expenditures	22-23 Final Budget
6100 SITE IMPROVEMENTS	\$ 42,420	\$ -	\$ 42,420
6200 BUILDINGS	5,167	131,623	136,790
6300 LIBRARY BOOKS	203,789	10,000	213,789
6400 EQUIPMENT & FILMS	856,435	1,061,735	1,918,170
6500 LEASE PURCHASE AGREEMENTS	99,375	-	99,375
6600 CAPITALIZED EQUIPMENT	-	11,975	11,975
6000 TOTAL CAPITAL EXPENSES	\$ 1,207,186	\$ 1,215,333	\$ 2,422,519
1000 - 6000 TOTAL EXPENDITURES	\$ 84,919,125	\$ 150,061,663	\$ 234,980,788
7100 DEBT RETIREMENT	\$ 1,164,945	\$ -	\$ 1,164,945
7300 INTERFUND TRANSFERS	1,200,993	11,391,284	12,592,277
7500 STUDENT FINANCIAL AID	-	6,992,665	6,992,665
7600 OTHER PAYMENTS TO STUDENTS	83,272	1,817,330	1,900,602
7000 TOTAL OTHER OUTGO	\$ 2,449,210	\$ 20,201,279	\$ 22,650,489
TOTAL EXPENDITURES	\$ 87,368,335	\$ 170,262,942	\$ 257,631,277
BUDGETED ONE-TIME EXPENDITURES:	\$ 4,926,592	\$ -	\$ 4,926,592
TOTAL ONGOING EXPENDITURES	\$ 82,441,743	\$ 170,262,942	\$ 252,704,685
RESERVES:			
9710 RESERVE FOR CONTINGENCIES			\$ 12,881,564
9710 RESERVE FOR FACILITIES			7,000,000
9728 RESERVE FOR BUDGET PLANNING			20,849,549
9000 TOTAL RESERVES			\$ 40,731,113
TOTAL EXPECTED ENDING BALANCE			\$ 40,731,113
TOTAL EXPENDITURES AND ENDING BALANCE			\$ 298,362,390

SPECIAL PURPOSE ACCOUNTS

Special Purpose Accounts are used to account for activity designated for a special purpose. In some cases, the purpose may be to account for revenue and expenditures for a fee-based program such as transportation and health services.

The District has the following special purpose accounts:

Transportation

Health Services

TRANSPORTATION

In 1993, a state law was passed that provided Butte College with the financial means to provide bus transportation to its students in surrounding areas. The law stated that the transportation fee could be charged to all enrolled students upon a favorable vote by the majority of students. In September 2010, SB 82 was signed into law to increase the transportation fee to \$70 per semester and to allow annual increases based on certain criteria. Per Education Code section 76361.1, the governing board maintaining transportation services may adopt rules and regulations governing the exemption of low-income students from the required fees, or to require low-income students to pay all or part of this fee. The District has set the transportation fee at \$73 per semester for all full-time students, \$55 per semester for part-time students enrolled in more than one unit and less than six units, and \$20 per semester for students enrolled in up to one unit. The fee for summer is \$37 regardless of unit load. In response to Covid-19, fees are waived for students registered for full-remote instruction during the 2021/2022 and 2022/2023 academic years.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ -	\$ -
Revenue:		
Transportation Fees	\$ 558,254	\$ 565,630
HEERF Interfund Transfer In	701,756	762,060 *
General Fund Interfund Transfer In	-	337,873 **
Total Revenue:	\$ 1,260,010	\$ 1,665,563
Expenditures:		
2000 Classified Salaries	\$ 674,756	\$ 742,054
3000 Staff Benefits	383,878	473,301
4000 Supplies	119,424	362,128
5000 Other Operating Expenses	44,769	66,955
6000 Capital Outlay	37,183	21,125
Total Expenditures:	\$ 1,260,010	\$ 1,665,563
Available Balance	\$ -	\$ -

* In 2020-21, the District used Higher Education Emergency Relief Fund (HEERF) funding to offset lost transportation fee revenue due to the COVID-19 related campus closures. In 2021-22, the District resumed student transportation services but used additional HEERF funding to balance operational expenditures. With enrollment still not fully restored, the District is budgeting HEERF funding to balance transportation operations in 2022/2023.

** General fund contributions will be used in 2022-23 to augment operational costs in excess of what HEERF lost revenue funds cover.

HEALTH SERVICES

Health service is provided for all students of the District. Health fees were set by the Board at \$22 for full or part-time students for the fall 2021 and spring 2022 semesters, and \$16 for full or part-time students during the summer 2021 session. For the 2022/2023 academic calendar, rates have been set at \$23 for full or part time students in the fall 2022 and spring 2023 semesters, and \$18 for full or part-time students during the summer 2023 session.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 22,888	\$ -
Revenue:		
Sale of Nurses Supplies	\$ 50,061	\$ 42,500
Student Fees	369,619	377,500
HEERF Interfund Transfer In	21,795	13,914 *
General Fund Interfund Transfer In	121,705	199,750 **
Total Revenue:	\$ 563,180	\$ 633,664
Expenditures:		
2000 Classified Salaries	\$ 362,396	\$ 379,440
3000 Staff Benefits	170,095	204,970
4000 Supplies	18,278	25,407
5000 Other Operating Expenses	20,207	23,847
6000 Capital Outlay	15,092	-
Total Expenditures:	\$ 586,068	\$ 633,664
Available Balance	\$ -	\$ -

* Due to enrollment declines tied to Covid-19 necessitated remote education environments, Higher Education Emergency Relief Funds (HEERF) will be transferred to the health services account to offset rising costs and declining health fee revenue.

** General fund contributions will be used in 2022-23 to augment operational costs in excess of what HEERF lost revenue funds cover.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources whose expenditures are legally restricted. Special Revenue Funds encompass activities not directly related to the educational program of the college, but that provide a service to students (such as the Child Development Center). Such activities may provide non-classroom or laboratory experience for students and incidentally create goods or services that may be sold. In the process of creating the incidental goods or services, expenditures are incurred in addition to those necessary solely for the educational benefits of students. These expenditures are charged against revenue received as a direct result of the operations. Other instructional expenses are accounted for as part of the General Fund. The Child Development Center Fund is a special revenue fund. The District has taken steps to make the center more self-supporting in both the General Fund and the Child Development Center Fund.

CHILD DEVELOPMENT CENTER FUND

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 343,249	\$ 343,249
Revenue:		
Federal Revenue	\$ 7,847	\$ -
State Revenue	174,657	132,269
Fees	138,611	133,950 *
Interest	2,782	3,000
Interfund Transfer In	36,171	72,369 *
Total Income:	\$ 360,068	\$ 341,588
Expenditures:		
* 2000 Classified Salaries	\$ 195,128	\$ 238,240
3000 Staff Benefits	129,877	166,284
4000 Supplies	14,044	12,688
5000 Other Operating Expenses	19,332	6,136
6000 Capital Outlay	1,687	-
Total Expenditures:	\$ 360,068	\$ 423,348
Ending Balance	\$ 343,249	\$ 261,489

In the General Fund, the district also subsidizes \$532,150 in salaries and benefits of six (6) classified employees for the Child Development Center. These employees provide practicum instructional assistance. While they are part of the cost of running the center, they are currently covered by the District's general fund as a part of instruction.

* Due to ongoing operational challenges related to Covid-19, fees collected in 2021-22 did not reflect a fully open and operational center. The District used Higher Education Emergency Relief Fund (HEERF) funding to offset the related fee losses in 2021-22. The District is budgeting additional HEERF funding to cover additional losses in 2022-23, as the center continues to adjust to new operational and safety standards.

FIDUCIARY FUNDS

Fiduciary or "trust" funds are used to account for assets held on behalf of another party in which the district has some discretionary authority for decision making or responsibility for approving expenditures.

Trust funds are appropriate when one or more of the following conditions is present:

- a) There is an agreement granting the district discretionary authority.
- b) There are contractual or regulatory conditions restricting the use of the funds or requiring the district to exercise a management role or report the results of operations in its financial statements.
- c) There is a compelling reason to measure operations (revenues, expenses, and fund balance) and report the results in the district's financial statements. Examples of compelling reasons may include the materiality of the revenues and expenses, or the usefulness of the information to the readers of the financial statements.

The District has five fiduciary funds:

Associated Students Fund

Student Representation Fee Fund

Student Aid (Scholarships and Loans) Fund and EOPS Loan Fund

Government Aid to Students Fund

Student Clubs Agency Fund

ASSOCIATED STUDENTS FUND

The Associated Students is an elected body of students seeking self-governance and unified representation. They oversee activities that stimulate the intellectual and social life of the student population as a whole. Revenue for the Associated Students comes from the optional student activity fee that is charged to the majority of students on campus. The optional student activity fee is currently \$18 per semester.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 618,877	\$ 651,504
Revenue:		
8861 Interest	\$ 5,531	\$ 5,700
8879 Student Fees	267,414	297,000
Total Revenue:	\$ 272,945	\$ 302,700
Expenditures:		
1000 Academic Salaries	\$ -	\$ 9,750
2000 Classified Salaries	60,726	90,161
3000 Benefits	38,112	44,822
4000 Supplies	24,609	35,000
5000 Other Operating Expenses	98,537	45,000
6000 Capital Outlay	17,789	-
7000 Payments To/For Students	545	15,000
Total Expenditures:	\$ 240,318	\$ 239,733
Ending Balance	\$ 651,504	\$ 714,471

The 2021-22 actual expenses reflect savings due to ongoing vacancies in ASB support positions.

STUDENT REPRESENTATION FEE TRUST FUND

The Student Representation Fee Trust Fund is used to account for fees collected pursuant to EC §76060.5 if approved by a majority of the students voting in the election. The fee changed to two dollars per semester effective with the Spring 2016 semester. The fee is to be expended to provide for the support of governmental affairs representatives who may be stating their positions and viewpoints before city, county, and district governments and before offices and agencies of the State government. The district may charge a fee to recover its actual cost of administering these fees up to, but not more than, seven percent of the fees collected and deposited.

One dollar (\$1) of every two-dollar (\$2) fee collected shall be expended to establish and support the operations of a statewide community college student organization, recognized by the Board of Governors of the California Community Colleges, with effective student representation and participation in state-level community college shared governance and with governmental affairs representatives to advocate before the Legislature and other state and local governmental entities.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 75,628	\$ 81,884
Revenue:		
8861 Interest	\$ 893	\$ 900
8884 Student Representation Fee	36,986	37,500
Total Revenue:	\$ 37,879	\$ 38,400
Expenditures:		
2000 Classified Salaries	\$ 2,475	\$ -
3000 Staff Benefits	36	-
4000 Supplies	-	1,250.00
5000 Other Operating Expenses	10,915	18,400
5000 Payments To Board of Governors	18,197	18,750
7000 Payments To/For Students	-	-
Total Expenditures:	\$ 31,623	\$ 38,400
Ending Balance	\$ 81,884	\$ 81,884

STUDENT AID AND EOPS LOAN FUNDS

The Student Aid Fund is comprised of twenty-three separate loan funds established over the years by community organizations and college staff. The intent of these funds is to provide short-term, emergency loans to students.

The EOPS Loan Fund provides short-term, emergency loans to EOPS students.

	<u>2021/2022</u> <u>Unaudited</u>	<u>2022/2023</u> <u>Budgeted</u>
Beginning Balance	\$ 111,075	\$ 111,577
Revenue:		
Contributions and Loan Payments	\$ 1,000	\$ 49,000
Interest	502	650
Total Revenue:	\$ 1,502	\$ 49,650
Expenditures:		
Loans	\$ 1,000	\$ 49,650
Total Expenditures:	\$ 1,000	\$ 49,650
Ending Balance	\$ 111,577	\$ 111,577

GOVERNMENT AID TO STUDENTS FUND

Government funded financial aid grant payments are issued to students through the Government Aid Fund. The PELL program is federally funded and offers a maximum dollar amount of \$6,495 per student per school year. The SEOG (Supplemental Educational Opportunity Grant) program awards up to \$720 per student, and eligibility is determined by the District based on federal guidelines. CAL Grant and the Full-Time Incentive Grant programs are state-funded and the BIA (Bureau of Indian Affairs) program is federally funded. Students apply through their tribal affiliates for BIA grants. AmeriCorps funds support students who have previously worked in approved community service sites to "earn" AmeriCorps service credits.

Financial aid programs that are reported directly through the General Fund include: EOPS, CARE, CalWORKs, Federal Work Study, and California College Promise Grant. The District receives an administrative allowance for administering PELL, Federal Work Study, SEOG, and the California College Promise Grant fee waiver programs.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ -	\$ -
Revenue:		
PELL Grants	\$ 13,223,778	\$ 13,620,491
Direct Loans	1,732,103	1,784,066
CAL Grants	2,711,001	2,792,331
Higher Education Emergency Relief Fund (HEERF)	13,265,354	- *
CA College Promise	650,443	669,956
EOPS Book Vouchers	243,674	250,984
SEOG Grants	419,760	432,353
Chafee Grants	194,847	200,692
AmeriCorps Grants	6,576	6,773
BIA Grants	37,322	38,442
Other	470,993	485,123
Total Revenue:	\$ 32,955,851	\$ 20,281,213
Expenditures:		
PELL Grants	\$ 13,223,778	\$ 13,620,491
Direct Loans	1,732,103	1,784,066
CAL Grants	2,711,001	2,792,331
Higher Education Emergency Relief Fund (HEERF)	13,265,354	- *
CA College Promise	650,443	669,956
EOPS Book Vouchers	243,674	250,984
SEOG Grants	419,760	432,353
Chafee Grants	194,847	200,692
AmeriCorps Grants	6,576	6,773
BIA Grants	37,322	38,442
Other	470,993	485,123
Total Expenditures:	\$ 32,955,851	\$ 20,281,213
Ending Balance	\$ -	\$ -

*The College had been awarded \$19,686,004 million in Federal Higher Education Emergency Relief Funds (HEERF) to be used for direct student aid since Spring 2020. The funds were fully expended in 2021-22.

STUDENT CLUBS AGENCY FUND

This fund is used to account for activities of student clubs formed under EC §76062. Revenue collected from student club activities are to be deposited in a bank or banks, subject to the approval of the governing board. Revenue is generated through fundraising activities such as plant, book, or bake sales; barbeques; and vendor fees from events.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 69,773	\$ 71,886
Revenue:		
8861 Interest	\$ 517	\$ 500
8899 Other Local Income	8,697	15,000
Total Revenue:	\$ 9,214	\$ 15,500
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	7,101	13,000
6000 Capital Outlay	-	1,500
7000 Other Outgo	-	1,000
Total Expenditures:	\$ 7,101	\$ 15,500
Ending Balance	\$ 71,886	\$ 71,886

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for major facility projects and equipment acquisitions. Project expenditures in 2021-22 and 2022-23 include equipment replacement, funding for completion and setup of the new Glenn County Center, energy efficiency, and scheduled maintenance projects.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 2,220,861	\$ 14,296,799
Revenue:		
8861 Interest	\$ 12,270	\$ 17,500
8699 Other State Income	4,307,590	-
8899 Other Local Income	47,798	88,910
8980 Interfund Transfer In	13,821,888 *	9,819,479 *
Total Revenue:	\$ 18,189,546	\$ 9,925,889
Expenditures:		
4000 Supplies	\$ 22,802	\$ 21,000
5000 Other Operating Expenses	127,208	2,500
6000 Capital Outlay	5,963,598	16,187,998
Total Expenditures:	\$ 6,113,608	\$ 16,211,498
Ending Balance	\$ 14,296,799	\$ 8,011,190

*Transfer In for 2021/22 includes \$105,900 for equipment replacement, \$68,229 for future solar panel/equipment replacement, \$5,088,059 for scheduled maintenance projects, \$559,700 for Art Building Safety Project, Adult Changing Table and remaining funds for Glenn County Center, and \$8 million for future facility. Transfer In for 2022/23 includes \$315,000 for counselor offices construction, \$174,241 for engineering program remodeling, \$105,900 for equipment replacement, \$68,229 for future solar panel/equipment replacement, and \$9,156,109 for scheduled maintenance projects.

MEASURE J (SERIES A) BOND CONSTRUCTION FUND

A general obligation bond measure (Measure J) was approved by 66% of the Butte-Glenn Community College District voters on November 8, 2016. The measure authorizes the issuance of \$190,000,000 in bonds to fund classroom upgrades and safety and infrastructure improvements.

The District plans to issue the bonds in 5 series in order to properly fund the approved projects. The first series of the bonds (Series A) totaling \$42,000,000 was sold in April, 2017. These bonds will be repaid with semi-annual payments with the final payment made in August, 2046.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 890,067	\$ 471
Revenue:		
8861 Interest	\$ 26	\$ -
Total Revenue:	\$ 26	\$ -
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	3,308	-
6000 Capital Outlay	886,314	471 *
Total Expenditures:	\$ 889,622	\$ 471
Ending Balance	\$ 471	\$ -

* Series A focused on construction of a new welding and manufacturing facility to support increased enrollment, a remodel of the Skyway Center to increase square footage for the Automotive Program, replacement of the press box and field house at the John Cowen Sports Complex, removal of the upper tennis courts, construction/renovation of the athletics parking lot and service road, and infrastructure improvement projects. All Series A funds will be expended by summer, 2022.

MEASURE J (SERIES B) BOND CONSTRUCTION FUND

A general obligation bond measure (Measure J) was approved by 66% of the Butte-Glenn Community College District voters on November 8, 2016. The measure authorizes the issuance of \$190,000,000 in bonds to fund classroom upgrades and safety and infrastructure improvements.

The District plans to issue the bonds in 5 series in order to properly fund the approved projects. This second series of the bonds (Series B) totaling \$49,500,000 was sold in July, 2019. These bonds will be repaid with semi-annual payments with the final payment made in August, 2048.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 38,724,291	\$ 33,724,869
Revenue:		
8861 Interest	\$ 138,121	\$ 90,000
8941 Sale of Bonds	-	-
Total Revenue:	\$ 138,121	\$ 90,000
Expenditures:		
4000 Supplies	\$ 2,109	\$ -
5000 Other Operating Expenses	55,194	-
6000 Capital Outlay	\$ 5,080,240	\$ 33,814,869 *
Total Expenditures:	\$ 5,137,543	\$ 33,814,869
Ending Balance	\$ 33,724,869	\$ -

* Series B focuses on construction of a new science building to support increased enrollment, a remodel of the Technology Building and Scenario Village to improve performance of the facilities for current instructional needs, and completion of the replacement of the press box and field house at the John Cowen Sports Complex, which began in 2017 with Series A funds. The budget is built in anticipation of rapid progress on these projects, but it is not expected that all projects will be completed prior to June 30, 2023.

MEASURE J (SERIES C) BOND CONSTRUCTION FUND

A general obligation bond measure (Measure J) was approved by 66% of the Butte-Glenn Community College District voters on November 8, 2016. The measure authorizes the issuance of \$190,000,000 in bonds to fund classroom upgrades and safety and infrastructure improvements.

The District plans to issue the bonds in 5 series in order to properly fund the approved projects. This third series of the bonds (Series C) totaling \$50,000,000 was sold in June, 2022. These bonds will be repaid with semi-annual payments with the final payment made in August, 2047.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ -	\$ 49,658,906
Revenue:		
8861 Interest	\$ -	\$ 250,000
8941 Sale of Bonds	49,658,906	-
Total Revenue:	\$ 49,658,906	\$ 250,000
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	-	-
6000 Capital Outlay	\$ -	\$ 29,000,000 *
Total Expenditures:	\$ -	\$ 29,000,000
Ending Balance	\$ 49,658,906	\$ 20,908,906

* Series C focuses on construction of a new science building to support increased enrollment levels, a remodel of the Physical Science Building to improve performance of the facilities for current instructional needs, information system upgrades focusing on Chico Center smart classroom upgrades and document imaging system upgrades, and facilities infrastructure upgrades. The budget is built in anticipation of rapid progress on these projects, but it is not expected that all projects will be completed prior to June 30, 2023.

MEASURE A and J DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of property tax and interest revenue for the payment of outstanding bonds. The Butte County Auditor and Treasurer deposit property taxes from Butte and Glenn counties into this fund and make the principle and interest payments on the Measure A general obligation bonds approved by voters in 2002, as well as the 2016 Measure J general obligation bonds. The District has no access to this fund as it is controlled by the county. The ending balance is the amount available to the county to make current and future payments on the bonds.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 27,870,557	\$ 28,085,268
Revenue:		
Bond Proceeds	\$ -	\$ 3,027,857
Property Tax Revenue	11,357,658	14,221,008
Interest Income	186,935	215,000
Total Revenue:	\$ 11,544,593	\$ 17,463,865
Expenditures:		
Measure A:		
Principle and Interest Payments, Refunded Series A	2,132,013	2,198,062
Principle and Interest Payments, Refunded Series B	2,789,375	2,964,750
Principle and Interest Payments, Refunded Series C	779,050	779,050
Measure J:		
Principle and Interest Payments, Series A	1,578,225	1,578,225
Principle and Interest Payments, Series B	4,051,219	4,028,719
Principle and Interest Payments, Series C		
Total Expenditures:	\$ 11,329,882	\$ 11,548,806
Ending Balance	\$ 28,085,268	\$ 34,000,327 *

* Butte County collects property taxes to make payments on Measure A bonds, currently set at \$21.14/\$100,000 of assessed valuation through April, 2021. The County also assessed \$19.91/\$100,000 for Measure J bonds through April, 2021. The excess funds collected will be utilized as debt service payments increase in future years. In 2021/22, assessment rates for both bond measures were adjusted to \$14.98 and \$18.14, respectively, due to faster than projected increases in assessed property values.

OTHER SPECIAL REVENUE FUNDS

These funds are used to account for all other specific revenue sources that are legally restricted to expenditures for specified purposes that are not an integral part of the District's instructional or administrative and support operation.

REDEVELOPMENT FUNDS

The Redevelopment Fund is a Special Revenue Fund. Funds are received from the cities of Chico, Gridley, Oroville, and Paradise as pass-through tax revenue.

In 2011, ABx1 26 dissolved Redevelopment Agencies (RDAs) and created oversight boards to wind down the operations. The dissolution of the RDAs is intended to create "excess revenues" after payment of pass-throughs, recognized obligations, and certain administrative costs. Butte College will continue to receive pass-through tax revenue as it has in the past until all recognized obligations are paid in full. Excess revenues will be reported as local property taxes in the General Fund as an apportionment offset and benefit to the state.

Pass-through tax payments are expected to decrease as our share of the Greater Chico RDA net tax increment revenues will go from 61% to an estimated 50%.

Pass-through payments of Redevelopment Agency Funds are available for capital outlay projects.

	<u>2021/2022</u> <u>Unaudited</u>	<u>2022/2023</u> <u>Budgeted</u>
Beginning Balance	\$ 1,422,794	\$ 2,434,827
Revenue:		
Pass-through Tax Revenue	\$ 1,492,518	\$ 1,325,000
Interest Income	14,279	14,000
Total Revenue:	\$ 1,506,797	\$ 1,339,000
Expenditures:		
Operating Expenses	\$ -	\$ -
Transfer Out *	494,764	-
Total Expenditures:	\$ 494,764	\$ -
Ending Balance	\$ 2,434,827	\$ 3,773,827

* This reflects the remaining Transfer out to the Capital Fund for the construction/purchase of the Glenn County Center.

INTERNAL SERVICES FUND

The California Community Colleges Budget and Accounting Manual defines the primary purpose of fund accounting to be the segregation of financial information as it relates to specific activities or objectives. In public agency accounting, separate funds and accounts are required to maintain records of separately designated assets, liabilities, and balances. Internal Service funds have been established to account for retiree benefits and self insurance assets, liabilities and balances. A benefit in establishing separate funds for future liabilities is that interest will accrue to these funds and be used for those specific purposes.

RETIREE BENEFITS FUND

Every two years the District conducts an actuarial study. This study provides information to enable the District to manage the costs and liabilities associated with its retiree health benefits. Governmental Accounting Standards Board Statement Nos. 74/75 (GASB 74- Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and GASB 75-*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB)) requires that the District account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB . “Pre-funding” retiree health benefits refers to the practice of setting aside funds specifically for retiree health benefits while employees are still actively employed. By pre-funding retiree health benefits, there will be enough funds available at retirement, with interest, that will be sufficient to pay all promised retiree health benefits without the need for any additional post-retirement District contributions. In 1995, the District created the Retiree Benefits Fund in the County Treasury and began setting aside funds to accumulate designated reserves to pre-fund retiree health benefits.

	<u>2021/2022</u> <u>Unaudited</u>	<u>2022/2023</u> <u>Budgeted</u>
Beginning Balance	\$ 995,991	\$ 1,004,096
Revenue:		
Interest Income	8,105	8,000
Transfers In	-	-
Total Revenue:	\$ 8,105	\$ 8,000
Expenditures:		
Ending Balance	\$ 1,004,096	\$ 1,012,096

SELF INSURANCE FUND

The Self-Insurance Fund represents insurance premium rebates or equity distributions from Property and Liability, Workers' Compensation, and Student Accident insurance Joint Powers Authorities (JPAs). These funds are designated to be used for any future uninsured liability expenses, until such time the funds are designated by the Board for some other purpose.

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 1,117,180	\$ 1,112,905
Revenue:		
Insurance Reimbursements	\$ 29,391	\$ 46,750
Interest Income	10,300	10,250
Total Revenue:	\$ 39,691	\$ 57,000
Expenditures:		
Classified Salaries	\$ -	\$ -
Benefits	-	-
Supplies and Materials	-	1,000
Other Operating Expenses	25,868	26,000
Capital Outlay	18,098	30,000
Transfers Out	- *	-
Total Expenditures:	\$ 43,966	\$ 57,000
Ending Balance	\$ 1,112,905	\$ 1,112,905

IRREVOCABLE OTHER POST EMPLOYMENT BENEFIT (OPEB) TRUST

In 2010, the District established an irrevocable retiree benefits trust fund with CalPERS and began moving funds accumulated in the Retiree Benefit Fund to this Trust. The District also makes regular service cost payments to the Trust for active employees until March 2022. Earnings from the CalPERS Trust Fund are transferred to the general fund to cover the cost of retiree medical premiums.

The most recent actuarial report issued March 11, 2022, reporting on the year ended June 30, 2021, stated the total OPEB liability to be \$24,950,150. A new Roll-forward Valuation will be completed in Fall 2022 for the period ended June 30, 2022. Although retirement benefit costs are expected to keep increasing, this Trust is considered fully funded.

	<u>2021/2022</u> <u>Unaudited</u>	<u>2022/2023</u> <u>Budgeted</u>
Beginning Balance	\$ 39,440,000	\$ 35,264,760
Revenue:		
Investment Income	(a) (5,167,091)	1,234,267
Service Cost Pre-funding	(b) 1,025,438	-
Total Revenue:	\$ (4,141,653)	\$ 1,234,267
Expenditures:		
Admin & Investment Fees	\$ 33,587	\$ 35,000
Transfers Out	(c) \$ -	\$ 2,200,000
Ending Balance	\$ 35,264,760	\$ 34,264,027

(a) In 2020-21, Trust investment income grew \$8.8 million, or approximately 28%. In 2021-22, the Trust reflects a market correction. The two year average return was 10.61% representing over \$7.5 million in growth over the two year period.

(b) Service cost transfers in 2021-22 reflect a catch-up from the prior year. No service cost transfers will be made in 2022-23 as the District takes a pre-funding holiday.

(c) No funds were transferred from the OPEB Trust to offset District retiree medical expenses for the 2021-22 fiscal year.

ENTERPRISE FUNDS

Enterprise funds are maintained to account for revenues and expenditures of fully or partially self-supporting (revenue-producing) service activities. These activities, which are commercial in nature, are carried on to provide essential services to students, faculty, and staff. The District has two enterprise funds, one for the Bookstore and one for Dining Services. In past years, both activities have combined to be entirely self-supporting. Recently, the Bookstore has been forced to use its reserves to balance operations.

Both the Bookstore and Dining Services serve the entire campus population. In addition to the main campus store, the Bookstore operates a small satellite store at the Chico Center. Dining Services operates the main campus dining facility, the Wired Cafe, and services through the Chico Center satellite store. There is also work being done to open satellite operations in the gymnasium which will provide better service to the west side of the campus. Additionally, Dining Services offers catering to the entire campus community.

Bookstore Fund

Dining Services Fund

BUTTE COLLEGE BOOKSTORE FUND

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance and Reserves	\$ -	\$ -
Revenue:		
8845 Sales	\$ 142,924	\$ 130,450
8846 Commissions	78,780	75,000 (a)
8861 Interest Income	2,719	2,250
8898 Service Charge	998	500
8980 Interfund Transfer In	578,110	780,612 (b)
Total Revenue:	\$ 803,531	\$ 988,812
Cost of Sales	\$ 101,234	\$ 80,030
Gross Profit or (Loss)	\$ 702,297	\$ 908,782
Expenditures:		
2000 Classified Salaries	\$ 441,636	\$ 527,724
3000 Staff Benefits	229,984	328,438
4000 Supplies	615	13,995
5000 Other Operating Expenses	30,062	38,625
6000 Capital Outlay	-	-
Total Expenditures:	\$ 702,297	\$ 908,782
Net Profit/(Loss)	\$ -	\$ -
Ending Balance	\$ -	\$ -

(a) Due to declining Bookstore revenue and rising costs, the District entered into a contract on July 1, 2019 with MBS Direct to provide online book services to students. The bookstore will remain an auxiliary function of the District and will earn commissions based upon MBS book sales and rentals to Butte College students.

(b) Due to the closure of operations during the Covid 19 pandemic and enrollment decline, significant support is needed to maintain Bookstore services. The District will continue to use HEERF funds to cover revenue lost by regular operations through 2022/2023.

BUTTE COLLEGE DINING SERVICES FUND

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance and Reserves	\$ -	\$ -
Revenue:		
8844 Sales	\$ 689,630	\$ 613,201
8846 Commissions	20,189	25,850
8861 Interest Income	1,009	925
8980 Interfund Transfer In	455,345	606,220 *
Total Revenue:	\$ 1,166,173	\$ 1,246,196
Cost of Sales	\$ 436,874	\$ 452,615
Gross Profit or (Loss)	\$ 729,299	\$ 793,581
Expenditures:		
2000 Classified Salaries	\$ 414,864	\$ 427,497
3000 Staff Benefits	214,654	254,945
4000 Supplies	9,923	15,750
5000 Other Operating Expenses	79,532	83,389
6000 Capital Outlay	10,326	12,000
Total Expenditures:	\$ 729,299	\$ 793,581
Net Profit/(Loss)	\$ -	\$ - *
Ending Balance	\$ -	\$ -

* The Covid 19 pandemic limited Dining Services operations in 2021/2022. The District used HEERF funds to cover revenue lost by regular operations. In 2022/2023, the District will continue to use HEERF funds to cover lost revenue as the District continues to adjust to the new campus environment.

PROPRIETARY FUNDS

Proprietary funds account for those ongoing governmental activities that have an income-producing character, similar to that found in the private sector. The Farm Fund is a proprietary fund that includes activities related to farming, equipment, ornamental horticulture, fire suppression, ag mechanics, manufacturing technology, and viticulture.

FARM FUND

	2021/2022 <u>Unaudited</u>	2022/2023 <u>Budgeted</u>
Beginning Balance	\$ 47,983	\$ 44,355
Revenue:		
Sales	\$ 24,191	\$ 21,350
Interest	318	275
Total Revenue:	\$ 24,509	\$ 21,625
Expenditures:		
Classified Salaries	\$ 20,783	\$ 12,819
Staff Benefits	436	186
Supplies	6,246	7,307
Other Operating Expenses	672	1,090
Capital Outlay	-	-
Total Expenditures:	\$ 28,137	\$ 21,402
Ending Balance	\$ 44,355	\$ 44,578



In Memory of
Frederick Raymond Perez
20 year member
Butte-Glenn Community College District
Board of Trustees
representing Glenn County