

# 2022-23 Adopted Budget

September 14, 2022

## NARRATIVE

CESAR L. VEGA – VICE PRESIDENT OF ADMINISTRATIVE SERVICES

STACEY M. BROWNING – DIRECTOR OF FISCAL SERVICES



Top 10 Nationwide for Community College Excellence!



## President's Message

Thank you for reviewing our 2022-23 Imperial Valley College adopted budget report. This document is presented in a format designed to communicate important financial information, in a way that is easy to understand.

We hope this report is useful to our Board of Trustees, staff, and community in understanding the various elements and components of the District's budget. Most of our funds are derived from the Student Center Funding Formula.

As a financial plan, the District's budget needs to be reviewed and updated periodically as economic conditions change throughout the fiscal year. The District's administrative department carries the responsibility of making sure our budget is used in a responsible manner while meeting the vision and mission of the college.

This financial report provides fiscal assumptions provided by various state agencies like Department of Finance, State Chancellor's Office, Association of Chief Business Officials, School Services of California, and the State of California adopted budget plan for 2022-23.

Any questions regarding this year's budget plan can be directed to the office of the Vice President of Administrative Services.

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## LEADERSHIP TEAM

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### BUDGET DEVELOPMENT & FISCAL CONTROL

**STACEY M. BROWNING, DIRECTOR OF OF FISCAL SERVICES**

**MARIA LOCKAS, BUDGET ANALYST**

## 2022-2023 Proposition 98 Program Investments

Proposition 98 is a voter-approved constitutional amendment that guarantees minimum funding levels for K-12 schools and community colleges (collectively referred to as K-14 schools). The Budget projects the Guarantee to be in Test 1 for 2020-21, 2021-22, and 2022-23. This means that the funding level of the Guarantee is equal to approximately 38.03 percent of General Fund revenues in California, plus local property tax revenues.

The significant increase in revenues projected for 2020-21, 2021-22, and 2022-23 result in a corresponding increase in resources for K-14 schools. The Budget reflects Proposition 98 funding levels of \$96.1 billion in 2020-21, \$110.2 billion in 2021-22, and \$110.4 billion in 2022-23, representing a three-year increase in the minimum Guarantee.

The Budget reflects a multi-year roadmap for California Community Colleges that focuses on equity, student success, and enhancing the system's ability to prepare students for California's future. The roadmap works in tandem with the University of California (UC) and Cal-State University (CSU) systems to increase transfer capacity and streamline transfer pathways between the segments. Below is a summary of key apportionments and investments:

### Apportionments and College Finance Investments

- **Base Increase** – An increase of \$600 million ongoing Proposition 98 General Fund for a base increase to the Student-Centered Funding Formula (SCFF), which is comprised of \$400 million to increase the SCFF's funding rates for the base, supplemental, and success allocations, and \$200 million to augment the SCFF's basic allocation within the base allocation.
- **California Community College Apportionments** – An increase of \$493 million ongoing Proposition 98 General Fund to provide a 6.56-percent cost-of-living adjustment for apportionments and \$26.7 million ongoing Proposition 98 General Fund for 0.5-percent enrollment growth.
- **COVID-19 Recovery Block Grant** – An increase of \$650 million one-time Proposition 98 General Fund to provide funds to community college Districts for activities that directly support community college students and mitigate community college student learning loss related to COVID-19 impacts.

### Student-Focused Program Investments

- **Student Enrollment and Retention** – An increase of \$150 million one-time Proposition 98 General Fund to continue to support community college efforts and focused strategies to increase student retention rates and enrollment.
- **Categorical Program Augmentations** – An increase of \$129.7 million ongoing Proposition 98 General Fund to support budget augmentations for the Student Equity and Achievement Program; Extended Opportunity Programs and Services; Disabled Student Programs and Services; the Rising Scholars Network; the Cooperative Agencies Resources for Education program; the Umoja Program; the Mathematics, Engineering, Science Achievement Program; and the Puente Project.

- **Transfer Reform** – An increase of \$65 million one-time Proposition 98 General Fund for California Community Colleges (CCC) to implement the transfer reform provisions required by Chapter 566, Statutes of 2021 (AB 928).
- **Equitable Placement and Completion Support Block Grant** – An increase of \$64 million one-time Proposition 98 General Fund to support the implementation of equitable placement and completion policies and practices.
- **Hire UP Pilot Program** – An increase of \$30 million one-time Proposition 98 General Fund to establish the Hire UP Pilot Program to provide stipends to formerly incarcerated individuals, CalWORKS recipients, and former foster youth.
- **Native American Student Support and Success Program** – An increase of \$30 million one-time Proposition 98 General Fund to establish the Native American Student Support and Success Program at up to 20 colleges.
- **Foster Youth Support Services** – An increase of \$30 million ongoing Proposition 98 General Fund to expand availability of foster youth support services offered by the NextUp program.
- **Hunger and Homelessness Initiatives** – An increase of \$10 million ongoing Proposition 98 General Fund to increase funds available for CCC basic needs centers, and \$10 million ongoing Proposition 98 General Fund to increase funds available for rapid rehousing programs.
- **Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program** – An increase of \$8 million ongoing Proposition 98 General Fund to establish the Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program.
- **African American Male Education Network and Development (A2MEND) Student Charters** – An increase of \$1.1 million ongoing Proposition 98 General Fund to support the expansion of A2MEND student charters to an increased number of community college Districts.
- **Support for Umoja Program Study** – An increase of \$179,000 one-time Proposition 98 General Fund to support a study of the Umoja program practices that promote student success for African American students.

### **College Affordability Investments**

- **Student Success Completion Grant** – An increase of \$250 million ongoing Proposition 98 General Fund to increase Student Success Completion Grant award amounts and to expand available funds for students newly eligible for this grant due to establishment of the CCC Cal Grant Entitlement Awards in the 2021 Budget Act.
- **California College Promise Program** – An increase of \$25 million ongoing Proposition 98 General Fund to expand availability of the California College Promise Program to returning community college students.
- **Emergency Financial Assistance Grants for AB 540 Students** – An increase of \$20 million one-time Proposition 98 General Fund to support emergency student financial assistance grants to eligible AB 540 students.

## Workforce-Focused Investments

- **Healthcare Vocational Education** – An increase of \$130 million one-time Proposition 98 General Fund, of which \$30 million is for 2022-23, \$50 million is for 2023-24, and \$50 million is for 2024-25, to support healthcare-focused vocational pathways for English language learners across all levels of English proficiency, through the Adult Education Program.
- **California Healthy School Food Pathways Program** – An increase of \$45 million one-time Proposition 98 General Fund to support the implementation of the California Healthy School Food Pathways Program, which is a pre-apprenticeship, apprenticeship, and fellowship workforce training pipeline pilot program for school food service workers.
- **Apprenticeship Program Related and Supplemental Instruction (RSI) Rate** – An investment increase of \$20.5 million ongoing Proposition 98 General Fund to align the apprenticeship program RSI rate with the SCFF credit rate, rather than the noncredit rate.

## Technology-Focused Investments

- **California Community College Technology Modernization and Sensitive Data Protection** – An increase of \$100 million Proposition 98 General Fund, of which \$75 million is one-time and \$25 million is ongoing, to address modernization of CCC technology infrastructure, including sensitive data protection efforts at CCCs.
- **Common Course Numbering** – An increase of \$105 million one-time Proposition 98 General Fund to support the systemwide implementation of a common course numbering system pursuant to the provisions of Chapter 568, Statutes of 2021 (AB 1111).
- **Intersegmental Pathways Software** – An increase of \$25 million one-time Proposition 98 General Fund to assist California Community Colleges with the procurement and implementation of software that maps intersegmental curricular pathways to help students choose their pathway, facilitate streamlined transfer between segments, and reduce excess units taken on the path to degree or program completion.

## Other Investments

- **California Community College Facilities** – General Obligation bond funding of \$403 million one-time for the construction phase of 19 projects anticipated to complete design by Spring 2023, the design phases of 2 projects, and both the working drawings and construction for 1 project. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51.
- **Part-Time Faculty Health Insurance** – An increase of \$200 million ongoing Proposition 98 General Fund to augment the Part-Time Faculty Health Insurance Program to expand healthcare coverage provided to part-time faculty by community college Districts.
- **College Augmentations** – An increase of \$171.5 million one-time Proposition 98 General Fund to support local requests.

- **Cost of Living Adjustments** – An increase of approximately \$64 million Proposition 98 General Fund for cost-of-living adjustments for select categorical programs.
- **Equal Employment Opportunity** – An increase of \$10 million ongoing Proposition 98 General Fund to support the sustainable implementation of Equal Employment Opportunity program best practices to diversify community college faculty, staff, and administrators.
- **Financial Aid Administration** – An increase of \$10 million ongoing Proposition 98 General Fund to augment resources provided to community college financial aid offices.
- **State Operations Support** – An increase of approximately \$3.9 million ongoing General Fund to support 26 new positions at the Chancellor’s Office beginning in 2022-23.
- **Local Property Tax Adjustment** – A increase of \$117.4 million ongoing Proposition 98 General Fund as a result of increased offsetting local property tax revenues.
- **Classified Community College Employee Summer Assistance Program** – An increase of \$10 million ongoing Proposition 98 General Fund to establish the Classified Community College Employee Summer Assistance Program.
- **Foster and Kinship Care Education Program** – An increase of \$500,000 ongoing Proposition 98 General Fund to backfill an estimated decrease in federal matching funds provided to Foster and Kinship Care Education programs, maintaining current funding levels.
- **Deferred Maintenance** – An increase of approximately \$840.7 million one-time Proposition 98 General Fund to address deferred maintenance needs.

## Planning Factors

The District develops new budgets and makes modifications to existing budgets by using the most recent and most available planning factors the State of California provides through the Chancellor’s Office.

SCFF PLANNING FACTORS AND RATE PROJECTIONS	2021-22	2022-23	2023-24	2024-25
California Consumer Price Index	6.56%	5.75%	2.58%	2.20%
California Lottery (Unrestricted per FTES)	\$176.94	\$170	\$170	\$170
California Lottery (Restricted per FTES)	\$81.94	\$67	\$67	\$67
CalSTRS Employer Rate	16.92%	19.10%	19.10%	19.10%
CalPERS Employer Rate	22.91%	25.37%	25.20%	24.60%
Base Credit	\$4,212	\$4,840	N/A	N/A
Supplemental Point Value	\$996	\$1,145	N/A	N/A
Student Success Main Point Value	\$587	\$675	N/A	N/A
Student Success Equity Point Value	\$148	\$170	N/A	N/A
Incarcerated Credit, CDCP, Special Admit Credit	\$5,907	6,788	N/A	N/A
Noncredit	\$3,552	\$4,082	N/A	N/A

## District Funds

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's financial system currently has 12 operating funds open:



## General Fund Defined

The General Fund is our chief operating fund where the vast majority of our revenues are deposited. There are two types of revenues received: unrestricted and restricted.

- **UNRESTRICTED** – funds for which uses are not subject to external or legal constraints and may be used for any purpose not prohibited by law.
- **RESTRICTED** – funds subject to constraints imposed by external resource providers or by law through constitutional provisions or enabling legislation.

Revenues are also classified into the following subcategories:

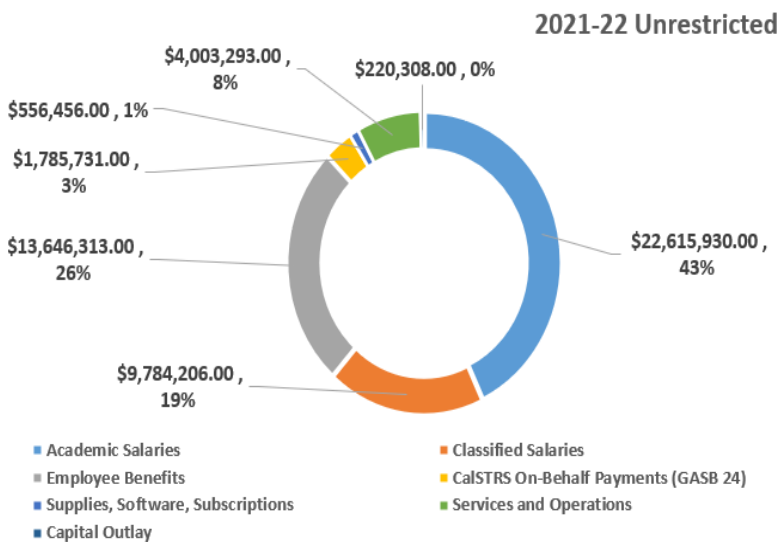
- Student Centered Funding Formula
- Federal Sources (i.e. categorical funding)
- Other State Revenue (i.e. lottery and grants)
- Local Revenues (i.e. local tax revenues)

### EDUCATION PROTECTION ACT (EPA)

Proposition 30 was passed on November 6, 2012, and established a new tax package that raised the state sales tax by 0.25% from January 1, 2013 through December 31, 2016, and increased personal income taxes to individuals making over \$250 thousand a year from 2012 – 2018. This tax was further extended in November 2016 by the passage of Proposition 55, which extends the personal income tax of Proposition 30 through 2030. The expiration of this temporary tax measure will have negative consequences to community colleges throughout California resulting in losses of revenues.

## 2021-2022 Closing Summary – Unrestricted Resources...

<u>Unrestricted</u>	<u>Adopted Budget 2021-2022</u>	<u>Unaudited Actuals 2021-2022</u>
FTEs Reported/Projected	7450	7450
<b>BEGINNING FUND BALANCE</b>	\$ 19,136,361.00	\$ 19,136,361.00
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 19,136,361.00	\$ 19,136,361.00
<b>REVENUES</b>		
Federal	\$ -	\$ -
State (Apportionment)	\$ 36,040,197.00	\$ 31,869,265.00
State (Apportionment) Prior Year Recalculation	\$ -	\$ (740,441.00)
Education Protection Act (EPA)	\$ 9,684,662.00	\$ 14,827,395.00
State (All Other)	\$ 1,865,264.00	\$ 3,344,361.00
CalSTRS On-Behalf Payments (GASB 24)	\$ 1,785,731.00	\$ 1,785,731.00
Local (Property Tax Included)	\$ 8,836,204.00	\$ 11,610,271.00
<b>TOTAL REVENUES</b>	\$ 58,212,058.00	\$ 62,696,582.00
<b>EXPENDITURES</b>		
Academic Salaries	\$ 22,856,116.00	\$ 22,615,930.00
Classified Salaries	\$ 10,776,023.00	\$ 9,784,206.00
Employee Benefits	\$ 14,520,102.00	\$ 13,646,313.00
CalSTRS On-Behalf Payments (GASB 24)	\$ 1,785,731.00	\$ 1,785,731.00
Supplies, Software, Subscriptions	\$ 729,926.00	\$ 556,456.00
Services and Operations	\$ 5,049,187.00	\$ 4,003,293.00
Capital Outlay	\$ 374,209.00	\$ 220,308.00
<b>TOTAL EXPENDITURES</b>	\$ 56,091,294.00	\$ 52,612,237.00
Excess (Deficiency) of Revenues over Expenditures	\$ 2,120,764.00	\$ 10,084,345.00
Other Outgo (Transfers, Reserves)	\$ 6,500,000.00	\$ 6,120,000.00
<b>Net Increase/Decrease in Fund Balance</b>	\$ (4,379,236.00)	\$ 3,964,345.00
<b>ENDING FUND BALANCE</b>	\$ 14,757,125.00	\$ 23,100,706.00
<b>ENDING FUND BALANCE (In Percentage)</b>	24%	39%



The variations of revenues from adopted budget to unaudited actuals are:

1. Updated FTEs data from April 15, 2022, CCFS-320 apportionment attendance report.
2. Updated supplemental and student success data as of March 10, 2022.
3. Updated offsetting revenues, including county reported property taxes, District reported student enrollment fees, and annual certification of the EPA funds.
4. Lottery revenue increased by \$14.00 per FTEs from 21-22 projections to 21-22 apportionments.
5. Student enrollment fee revenue increase due to Higher Education Emergency Relief Fund (HEERF) sponsored free tuition.
6. Non-resident tuition fee increase due to HEERF sponsored free tuition.

In 2021-22, the variation in expenditures were mostly attributed to the following:

1. Expenses came in less than originally projected due to HEERF funds still being utilized for temporary labor, faculty training, and unfilled District vacancies.
2. HEERF funds were also used for other operating expenses (i.e. software subscriptions and agreements, certain allowable supplies, and equipment purchases, etc.).
3. The three (3) biggest expenses in 2021 were: 43% of funds paid for faculty salaries, 19% for classified staff salaries, and 26% for health and welfare benefits.

This represents 88% of the District's total unrestricted budget.



## 2021-2022 Closing Summary – Restricted Resources...

<u>Restricted</u>	<u>Adopted Budget 2021-2022</u>	<u>Unaudited Actuals 2021-2022</u>
<b>BEGINNING FUND BALANCE</b>	\$ 2,071,810.00	\$ 2,071,810.00
Prior Year Adjustments	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 2,071,810.00	\$ 2,071,810.00
<b>REVENUES</b>		
Federal	\$ 32,119,517.00	\$ 23,608,881.00
State	\$ 19,862,256.00	\$ 10,843,603.00
CalSTRS On-Behalf Payments (GASB 24)	\$ 416,298.00	\$ 416,298.00
Local	\$ 2,734,753.00	\$ 2,566,798.00
Transfers	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 55,132,824.00	\$ 37,435,580.00
<b>EXPENDITURES</b>		
Academic Salaries	\$ 5,628,479.00	\$ 6,642,261.00
Classified Salaries	\$ 4,807,804.00	\$ 4,806,396.00
Employee Benefits	\$ 3,235,456.00	\$ 2,744,515.00
CalSTRS On-Behalf Payments (GASB 24)	\$ 416,298.00	\$ 416,298.00
Supplies, Software, Subscriptions	\$ 2,332,644.00	\$ 2,490,035.00
Services and Operations	\$ 32,272,668.00	\$ 5,490,103.00
Capital Outlay	\$ 5,431,623.00	\$ 8,367,223.00
<b>TOTAL EXPENDITURES</b>	\$ 54,124,972.00	\$ 30,956,831.00
Excess (Deficiency) of Revenues over Expenditures	\$ 1,007,852.00	\$ 6,478,749.00
Other Outgo (Transfers, Reserves)	\$ 1,546,980.00	\$ 7,613,368.00
<b>Net Increase/Decrease in Fund Balance</b>	\$ (539,128.00)	\$ (1,134,619.00)
<b>ENDING FUND BALANCE</b>	\$ 1,532,682.00	\$ 937,191.00
<b>ENDING FUND BALANCE (In Percentage)</b>	3%	2%

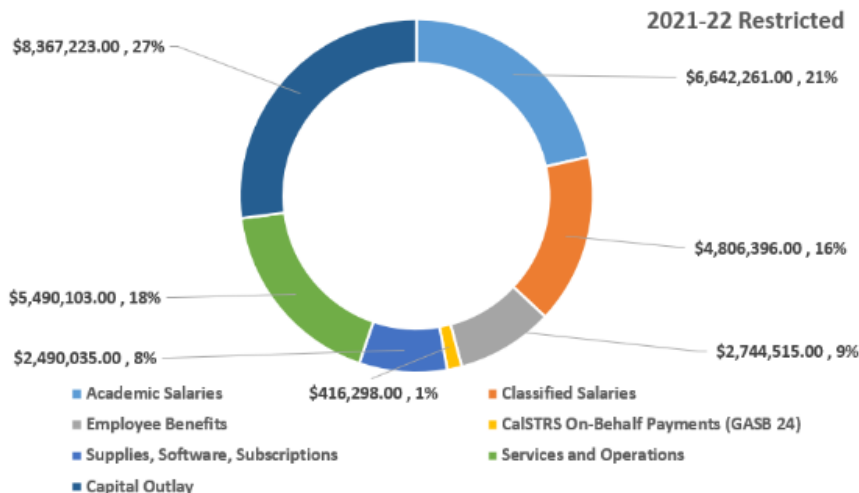
The variations in restricted revenues for 2021-22 were attributed to:

1. Most of the federal revenues are received on a reimbursement basis, which means that we only drawdown what we spend. The reason why we received less federal revenue than projected is because we underspent in our HEERF account. While we have various capital outlay projects that are in progress or not yet completed, revenues cannot be received yet.

2. We received approximately \$22.4 million in state revenue throughout the fiscal year from new grants. However, the actuals do not represent this because we deferred about \$11.6 million of the revenue to 2022-23.

Deferred revenue occurs when the District receives revenue that has not yet been earned, meaning we do not spend it all before the end of the fiscal year. For most grants, carryover is allowable into the following fiscal year.

The variations in expenses, on the other hand, are attributed to:

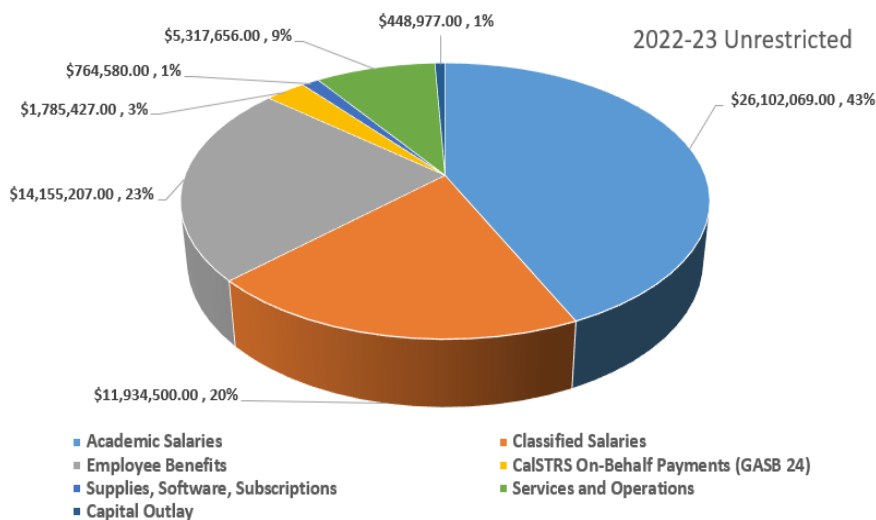


1. Expenses came in less than projected due to HEERF funds paying for temporary labor agreements and other operating costs that would otherwise be categorically funded one hundred percent.

# 2022-2023 Adopted Budget Unrestricted – Fund 11

Unrestricted	Adopted Budget 2022-2023	
FTES Reported/Projected		6814
<b>BEGINNING FUND BALANCE</b>	\$	23,100,706.00
Prior Year Adjustments	\$	-
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$	23,100,706.00
<b>REVENUES</b>		
State (Apportionment)	\$	41,520,487.00
Education Protection Act (EPA)	\$	11,491,749.00
State (All Other)	\$	2,344,672.00
CalSTRS On-Behalf Payments (GASB 24)	\$	1,785,427.00
Local (Property Tax Included)	\$	10,990,609.00
<b>TOTAL REVENUES</b>	\$	68,132,944.00
<b>EXPENDITURES</b>		
Academic Salaries	\$	26,102,069.00
Classified Salaries	\$	11,934,500.00
Employee Benefits	\$	14,155,207.00
CalSTRS On-Behalf Payments (GASB 24)	\$	1,785,427.00
Supplies, Software, Subscriptions	\$	764,580.00
Services and Operations	\$	5,317,656.00
Capital Outlay	\$	448,977.00
<b>TOTAL EXPENDITURES</b>	\$	60,508,416.00
Excess (Deficiency) of Revenues over Expenditures	\$	7,624,528.00
Other Outgo (Transfers, Reserves)	\$	12,201,000.00
Net Increase/Decrease in Fund Balance	\$	(4,576,472.00)

**ENDING FUND BALANCE** \$ 18,524,234.00  
**ENDING FUND BALANCE (In Percentage)** 25%



Title 5, California Code of Regulations (CCR), Section 58305 requires the District to develop a Final Budget (Adopted) as an update to the Tentative Budget Plan, which reflects the Governor’s June 2022 signed State Budget, and it must be adopted by the Board of Trustees no later than September 15<sup>th</sup> of each year.

The Final Budget Plan for fiscal year 2022-23 reflects the vision and mission of the Board of Trustees. The budget plan is a moving target, and it must be updated periodically as economic conditions change throughout the fiscal year.

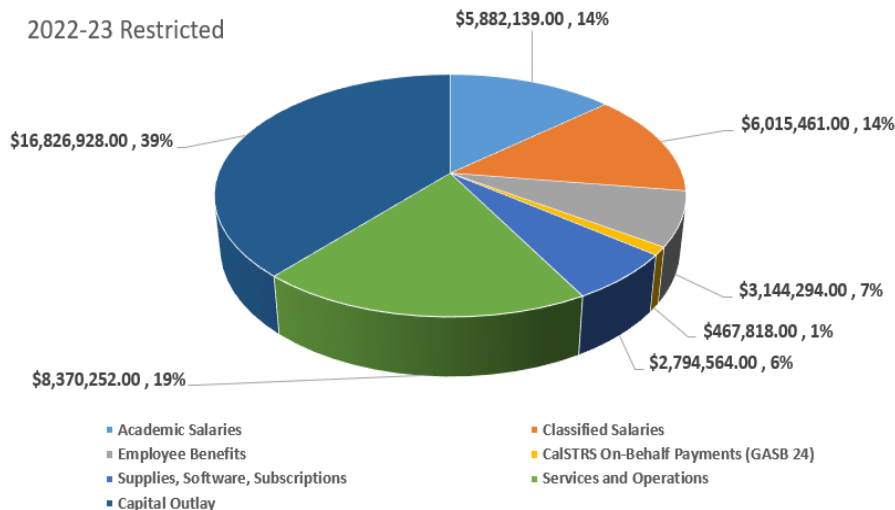
The list of economic factors and assumptions used to develop the Final Budget include a 6.56% COLA, \$26.7 million in funding for FTES growth, and \$600 million in ongoing funding to increase the SCFF’s funding rates for the base, supplemental, and student success allocations.

Proposition 98 funding for the California Community Colleges increases significantly in 2022-23 over the prior year; this increase includes an upwards adjustment to 2021-22 after the 2021 Budget Act was approved in order to account for higher-than-expected state revenues. The share of Proposition 98 funding for the system is at or above the traditional share of 10.93% in each of these years.

The District estimates to spend approximately 86% of its total expenditures on salaries and benefits.

## 2022 Adopted Budget Restricted – Fund 12

Restricted	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ 937,191.00
Prior Year Adjustments	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	<b>\$ 937,191.00</b>
<b>REVENUES</b>	
Federal	\$ 9,396,965.00
State	\$ 32,829,577.00
CalSTRS On-Behalf Payments (GASB 24)	\$ 467,818.00
Local	\$ 3,772,152.00
<b>TOTAL REVENUES</b>	<b>\$ 46,466,512.00</b>
<b>EXPENDITURES</b>	
Academic Salaries	\$ 5,882,139.00
Classified Salaries	\$ 6,015,461.00
Employee Benefits	\$ 3,144,294.00
CalSTRS On-Behalf Payments (GASB 24)	\$ 467,818.00
Supplies, Software, Subscriptions	\$ 2,794,564.00
Services and Operations	\$ 8,370,252.00
Capital Outlay	\$ 16,826,928.00
<b>TOTAL EXPENDITURES</b>	<b>\$ 43,501,456.00</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 2,965,056.00
Other Outgo (Transfers, Reserves)	\$ 2,900,605.00
Net Increase/Decrease in Fund Balance	\$ 64,451.00
<b>ENDING FUND BALANCE</b>	<b>\$ 1,001,642.00</b>
<b>ENDING FUND BALANCE (In Percentage)</b>	<b>9%</b>



Fund 12 is where most of the District's categorical revenues and expenses are deposited and managed.

Most categorical funding come directly from state funding sources. Often, these categorically funded programs have some type of matching requirement from colleges. Sometimes the match is in actual dollars and other times the matching is in-kind.

The District's unrestricted general fund is used to match any state matching fund program requirement. An in-kind matching program, for example, would be the employment of counselors, admissions and records staff, and other working directly with student assessment.

The District projects an ending fund balance for 2022-23 of approximately \$1,001,642.00, which represent a 9% reserve overall.

Categorical program funding is received on a yearly basis, unless otherwise stated, and it must be monitored consistently to ensure funds do not run out or categorically funded programs do not deficit spend.

Deficit spending happens when categorical programs spend more than projected revenues creating a liability for the unrestricted General Fund.

## Multi-Year Projections

The Fiscal Crisis Management and Assistance Team highly recommends community colleges to develop and maintain multi-year projections (MYP) to analyze compliance with the 50% Law and provide time to develop a plan in case compliance will not be met in future years. Multi-year budget projections assist community colleges with overall financial planning to avoid surprises, especially in times where pension rates have skyrocketed, and the cost of health and welfare benefits are on the rise.

### Multiyear Projection - General Fund Unrestricted 2022-23 Budget Adoption

FTES Reported/Projected		2022-23	2023-24	2024-25
		6,814	6,930	7,348
<b>BEGINNING FUND BALANCE</b>		<b>\$ 23,097,541</b>	<b>\$ 18,511,548</b>	<b>\$ 18,475,367</b>
<b>A. REVENUES</b>				
State Apportionment	8611	41,520,487	44,900,808	48,808,183
Education Protection Act (EPA)	8630	11,491,749	11,491,749	11,491,749
Other State Revenues	8600-8699	2,344,672	2,375,204	2,470,687
CalSTRS On-Behalf	8600	1,785,427	1,785,427	1,785,427
Other Local Revenues	8800-8899	10,990,609	10,990,609	10,990,609
Other Financing Sources	8910-8999			
<b>Total Revenues</b>		<b>68,132,944</b>	<b>71,543,797</b>	<b>75,546,656</b>
<b>B EXPENDITURES</b>				
Certificated Salaries	1000-1999	26,102,069	27,411,636	28,437,821
Classified Salaries	2000-2999	11,934,500	12,692,650	13,421,730
Employee Benefits	3000-3999	14,155,207	18,490,526	19,106,355
CalSTRS On-Behalf	3000	1,785,427	1,785,427	1,785,427
Supplies, Software, Subscriptions	4000-4999	764,580	784,306	801,561
Services and Operations	5000-5999	5,317,656	5,454,852	5,574,858
Capital Outlay	6000-6999	448,977	460,581	470,714
<b>Total Expenditures</b>		<b>60,508,416</b>	<b>67,079,978</b>	<b>69,598,466</b>
<b>C. Excess/ (Deficiency) of Revenues over Expenditures</b>		<b>7,624,528</b>	<b>4,463,819</b>	<b>5,948,190</b>
<b>D. Other Outgo, Transfers</b>		<b>12,201,000</b>	<b>4,210,000</b>	<b>4,760,000</b>
<b>E. Net Increase/Decrease in Fund Balance</b>		<b>(4,576,472)</b>	<b>253,819</b>	<b>1,188,190</b>
<b>ENDING FUND BALANCE</b>		<b>\$ 18,521,069</b>	<b>\$ 18,765,367</b>	<b>\$ 19,663,557</b>
<b>Ending Fund Balance Percent</b>		<b>25%</b>	<b>26%</b>	<b>26%</b>

A lack of multi-year projections makes it difficult to understand the impact of hiring noninstructional positions or the effect of noninstructional related expenditures connected to the current cost of education. The District should produce and monitor 3-year budget projections to help analyze the impacts of cost-of-living expenses, step and column increases, and to help model out the effect of decisions we are making today.

The multi-year planning factors used to develop this projection include COLA adjustments of 6.56% in 2022-23, 5.38% in 2023-24, and 4.02% in 2024-25. Projection factors are provided by the Department of Finance and other leading state agencies, but are subject to change as economic conditions get better or worse.

The MYP estimated above includes recently settled collective bargaining agreements with part-time and full-time faculty, and consider:

- CalPERS Employer Rate of 25.20% in 2023-24, and 24.60% in 2024-25
- CalSTRS Employer Rate of 19.10% in 2023-24 and 2024-25
- Unemployment insurance rate of 0.20% in both 2023-24 and 2024-25
- Consumer Price Index of 2.58% in 2023-24, and 2.20% in 2024-25
- Respective step and column increase for all instructional and noninstructional staff members, including management.

# Categorical and Other Restricted Funds

## FUND 22 - BUILDING

CHILD DEVELOPMENT - 33	Audited Actuals Fiscal-Year 2020-2021	Unaudited Actuals Fiscal- Year 2021-2022	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ 214,104.00	\$ 201,731.00	\$ 344,675.00
Prior Year Adjustments	\$ -	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 214,104.00	\$ 201,731.00	\$ 344,675.00
<b>REVENUES</b>			
State	\$ 915,342.00	\$ 1,237,722.00	\$ 1,297,968.00
Local	\$ 29,498.00	\$ 3,991.00	\$ 200,164.00
<b>TOTAL REVENUES</b>	\$ 944,840.00	\$ 1,241,713.00	\$ 1,498,132.00
<b>EXPENDITURES</b>			
Academic Salaries	\$ 54,287.00	\$ 56,475.00	\$ 57,604.00
Classified Salaries	\$ 406,890.00	\$ 454,429.00	\$ 494,174.00
Employee Benefits	\$ 252,247.00	\$ 282,339.00	\$ 315,056.00
Supplies, Software, Subscriptions	\$ 29,985.00	\$ 29,110.00	\$ 193,501.00
Services and Operations	\$ 19,692.00	\$ 91,529.00	\$ 27,943.00
Capital Outlay	\$ 32,932.00	\$ 6,123.00	\$ 219,527.00
<b>TOTAL EXPENDITURES</b>	\$ 796,033.00	\$ 920,005.00	\$ 1,307,805.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 148,807.00	\$ 321,708.00	\$ 190,327.00
Other Outgo (Designated Reserves)	\$ 161,180.00	\$ 178,764.00	\$ 178,764.00
<b>Net Increase (Decrease) in Fund Balance</b>	\$ (12,373.00)	\$ 142,944.00	\$ 11,563.00
<b>ENDING FUND BALANCE</b>	\$ 201,731.00	\$ 344,675.00	\$ 356,238.00
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	21%	31%	24%

## FUND 33 – CHILD DEVELOPMENT

BUILDING FUND - 22	Audited Actuals Fiscal-Year 2020-2021	Unaudited Actuals Fiscal- Year 2021-2022	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ 7,384,047.00	\$ 8,690,343.00	\$ 10,928,677.00
Prior Year Adjustments	\$ -	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 7,384,047.00	\$ 8,690,343.00	\$ 10,928,677.00
<b>REVENUES</b>			
Local	\$ 486,726.00	\$ 565,578.00	\$ 45,000.00
Inter-Fund Transfers In	\$ 1,307,729.00	\$ 6,100,000.00	\$ 300,000.00
<b>TOTAL REVENUES</b>	\$ 1,794,455.00	\$ 6,665,578.00	\$ 345,000.00
<b>EXPENDITURES</b>			
Supplies, Software, Subscriptions	\$ -	\$ 37,985.00	\$ -
Services and Operations	\$ 17,520.00	\$ 25,332.00	\$ 33,515.00
Capital Outlay	\$ 470,639.00	\$ 4,363,927.00	\$ 10,691,282.00
<b>TOTAL EXPENDITURES</b>	\$ 488,159.00	\$ 4,427,244.00	\$ 10,724,797.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 1,306,296.00	\$ 2,238,334.00	\$ (10,379,797.00)
Other Outgo	\$ -	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 1,306,296.00	\$ 2,238,334.00	\$ (10,379,797.00)
<b>ENDING FUND BALANCE</b>	\$ 8,690,343.00	\$ 10,928,677.00	\$ 548,880.00
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	1780%	247%	5%

## FUND 41 – CAPITAL PROJECTS

CAPITAL PROJECTS FUND - 41	Audited Actuals Fiscal-Year 2020-2021	Unaudited Actuals Fiscal- Year 2021-2022	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ 8,575,000.00	\$ 5,689,596.00
Prior Year Adjustments	\$ -	\$ (657,991.00)	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ -	\$ 7,917,009.00	\$ 5,689,596.00
<b>REVENUES</b>			
State	\$ -	\$ 3,201,680.00	\$ 4,715,336.00
Local	\$ -	\$ -	\$ 20,000.00
<b>TOTAL REVENUES</b>	\$ -	\$ 3,201,680.00	\$ 4,735,336.00
<b>EXPENDITURES</b>			
Services and Operations	\$ -	\$ 7.00	\$ -
Capital Outlay	\$ -	\$ 5,429,086.00	\$ 4,715,336.00
<b>TOTAL EXPENDITURES</b>	\$ -	\$ 5,429,093.00	\$ 4,715,336.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ -	\$ (2,227,413.00)	\$ 20,000.00
Other Outgo	\$ -	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ -	\$ (2,227,413.00)	\$ 20,000.00
<b>ENDING FUND BALANCE</b>	\$ -	\$ 5,689,596.00	\$ 5,709,596.00
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>		0%	121%

## FUND 51 – CERTIFICATE OF PARTICIPATION (COPS)

CERTIFICATE OF PARTICIPATION - 51	Audited Actuals Fiscal-Year 2020-2021	Unaudited Actuals Fiscal- Year 2021-2022	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ 341,099.00	\$ 276,514.00	\$ 914.00
Prior Year Adjustments	\$ -	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 341,099.00	\$ 276,514.00	\$ 914.00
<b>REVENUES</b>			
Local	\$ 3,264.00	\$ 914.00	\$ -
<b>TOTAL REVENUES</b>	\$ 3,264.00	\$ 914.00	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	\$ 67,849.00	\$ 276,514.00	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 67,849.00	\$ 276,514.00	\$ -
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ (64,585.00)	\$ (275,600.00)	\$ -
Other Outgo	\$ -	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ (64,585.00)	\$ (275,600.00)	\$ -
<b>ENDING FUND BALANCE</b>	\$ 276,514.00	\$ 914.00	\$ 914.00
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	408%	0%	0%

## FUND 61 – SELF INSURANCE

SELF-INSURANCE FUND - 61	Audited Actuals Fiscal-Year 2020-2021	Unaudited Actuals Fiscal- Year 2021-2022	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ 55,545.00	\$ 122,228.00	\$ 144,446.00
Prior Year Adjustments	\$ -	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 55,545.00	\$ 122,228.00	\$ 144,446.00
<b>REVENUES</b>			
Local	\$ 1,198.00	\$ 2,218.00	\$ 2,300.00
Transfers	\$ 160,000.00	\$ 20,000.00	\$ 20,000.00
<b>TOTAL REVENUES</b>	\$ 161,198.00	\$ 22,218.00	\$ 22,300.00
<b>EXPENDITURES</b>			
Services and Operations	\$ 94,515.00	\$ -	\$ 10,000.00
<b>TOTAL EXPENDITURES</b>	\$ 94,515.00	\$ -	\$ 10,000.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 66,683.00	\$ 22,218.00	\$ 12,300.00
Other Outgo	\$ -	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 66,683.00	\$ 22,218.00	\$ 12,300.00
<b>ENDING FUND BALANCE</b>	\$ 122,228.00	\$ 144,446.00	\$ 156,746.00
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	129%	0%	1567%

## FUND 69 – OTHER INTERNAL SERVICES

OTHER INTERNAL SERVICES - FUND 69	Audited Actuals Fiscal-Year 2020-2021	Unaudited Actuals Fiscal- Year 2021-2022	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ 5,000,000.00	\$ 10,000,000.00	\$ 10,000.00
Prior Year Adjustments	\$ -	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 5,000,000.00	\$ 10,000,000.00	\$ 10,000.00
<b>REVENUES</b>			
Transfers	\$ 5,000,000.00	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 5,000,000.00	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay	\$ -	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ -	\$ -	\$ -
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 5,000,000.00	\$ -	\$ -
Other Outgo	\$ -	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 5,000,000.00	\$ -	\$ -
<b>ENDING FUND BALANCE</b>	\$ 10,000,000.00		
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	0%	0%	0%

## FUND 71 – ASG/CAMPUS CLUBS

ASG/CAMPUS CLUBS FUND - 71	Audited Actuals Fiscal-Year 2020-2021	Unaudited Actuals Fiscal- Year 2021-2022	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ 196,635.00	\$ 213,035.00	\$ 216,130.00
Prior Year Adjustments	\$ -	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 196,635.00	\$ 213,035.00	\$ 216,130.00
<b>REVENUES</b>			
Local	\$ 33,646.00	\$ 62,551.00	\$ 56,000.00
Transfers	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 33,646.00	\$ 62,551.00	\$ 56,000.00
<b>EXPENDITURES</b>			
Supplies, Software, Subscriptions	\$ 10,697.00	\$ 25,926.00	\$ 75,419.00
Services and Operations	\$ 6,549.00	\$ 33,530.00	\$ 30,796.00
Capital Outlay	\$ -	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 17,246.00	\$ 59,456.00	\$ 106,215.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 16,400.00	\$ 3,095.00	\$ (50,215.00)
<b>Other Outgo</b>	\$ -	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 16,400.00	\$ 3,095.00	\$ (50,215.00)
<b>ENDING FUND BALANCE</b>	\$ 213,035.00	\$ 216,130.00	\$ 165,915.00
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	1235%	364%	156%

## FUND 72 – STUDENT REPRESENTATIVE FEE

STUDENT REPRESENTATIVE FEE FUND - 72	Audited Actuals Fiscal-Year 2020-2021	Unaudited Actuals Fiscal- Year 2021-2022	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ 23,301.00	\$ 43,197.00	\$ 57,262.00
Prior Year Adjustments	\$ -	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 23,301.00	\$ 43,197.00	\$ 57,262.00
<b>REVENUES</b>			
Local	\$ 37,380.00	\$ 40,034.00	\$ 40,000.00
<b>TOTAL REVENUES</b>	\$ 37,380.00	\$ 40,034.00	\$ 40,000.00
<b>EXPENDITURES</b>			
Services and Operations	\$ 17,484.00	\$ 25,969.00	\$ 40,000.00
<b>TOTAL EXPENDITURES</b>	\$ 17,484.00	\$ 25,969.00	\$ 40,000.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 19,896.00	\$ 14,065.00	\$ -
<b>Other Outgo</b>	\$ -	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 19,896.00	\$ 14,065.00	\$ -
<b>ENDING FUND BALANCE</b>	\$ 43,197.00	\$ 57,262.00	\$ 57,262.00
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	247%	221%	143%



## FUND 74 – STUDENT FINANCIAL AID

STUDENT FINANCIAL AID FUND - 74	Audited Actuals Fiscal-Year 2020-2021	Unaudited Actuals Fiscal- Year 2021-2022	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ (10,231.00)	\$ (10,193.00)	\$ (10,193.00)
Prior Year Adjustments	\$ -	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ (10,231.00)	\$ (10,193.00)	\$ (10,193.00)
<b>REVENUES</b>			
Federal	\$ 22,356,296.00	\$ 34,143,225.00	\$ 26,428,600.00
State	\$ 7,582,384.00	\$ 6,926,303.00	\$ 16,633,154.00
<b>TOTAL REVENUES</b>	\$ 29,938,680.00	\$ 41,069,528.00	\$ 43,061,754.00
<b>EXPENDITURES</b>			
	\$ -	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ -	\$ -	\$ -
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 29,938,680.00	\$ 41,069,528.00	\$ 43,061,754.00
Other Outgo (Student Financial Aid Expense)	\$ 29,938,642.00	\$ 41,069,528.00	\$ 43,061,754.00
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 38.00	\$ -	\$ -
<b>ENDING FUND BALANCE</b>	\$ (10,193.00)	\$ (10,193.00)	\$ (10,193.00)
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	0%	0%	0%

## FUND 81 – GENERAL OBLIGATION BOND

GENERAL OBLIGATION FUND - 81	Audited Actuals Fiscal-Year 2020-2021	Unaudited Actuals Fiscal- Year 2021-2022	Adopted Budget 2022-2023
<b>BEGINNING FUND BALANCE</b>	\$ 31,357,587.00	\$ 48,232,345.00	\$ 45,772,486.00
Prior Year Adjustments	\$ -	\$ -	\$ -
<b>ADJUSTED BEGINNING FUND BALANCE</b>	\$ 31,357,587.00	\$ 48,232,345.00	\$ 45,772,486.00
<b>REVENUES</b>			
Financing Sources	\$ 18,726,001.00	\$ -	\$ -
State	\$ 300,452.00	\$ -	\$ -
Local	\$ 430,018.00	\$ 330,077.00	\$ 350,000.00
<b>TOTAL REVENUES</b>	\$ 19,456,471.00	\$ 330,077.00	\$ 350,000.00
<b>EXPENDITURES</b>			
Services and Subscriptions	\$ -	\$ 150,504.00	\$ 12,968.00
Capital Outlay	\$ 2,581,713.00	\$ 2,789,936.00	\$ 44,420,052.00
<b>TOTAL EXPENDITURES</b>	\$ 2,581,713.00	\$ 2,789,936.00	\$ 44,433,020.00
<b>Excess (Deficiency) of Revenues over Expenditures</b>	\$ 16,874,758.00	\$ (2,459,859.00)	\$ (44,083,020.00)
Other Outgo	\$ -	\$ -	\$ -
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 16,874,758.00	\$ (2,459,859.00)	\$ (44,083,020.00)
<b>ENDING FUND BALANCE</b>	\$ 48,232,345.00	\$ 45,772,486.00	\$ 1,689,466.00
<b>ENDING FUND BALANCE IN PERCENTAGE (%)</b>	1868%	1641%	4%

## Final Remarks

Recently, the Legislative Analyst Office (LAO) concluded that the state's General Fund likely faces a budget deficit by fiscal year 2025-26, regardless of the future trend in state tax revenues. Due to the Statement of Assets and Liabilities (SAL), continued revenue growth could increase the state's constitutional funding obligations and lead to large budget deficits. Combined with rising inflation and a downturn in the stock market, the budget reflects policymakers' concerns about constraining growth of the state's spending base and increasing reserves to cover budget problems that could quickly arise in a recession.

As a result, the District must be cautious in how it uses its financial resources and limit long-term recurring obligations to avoid budget constraints in fiscal year 2025-26. While the District has made significant efforts to recover its lost enrollment due to COVID-19 and return to pre-pandemic FTES projections, there is still much work to do. The 2022-23 Adopted Budget is assuming FTES funding of 6,814 which, compared to 2019-20, is still down by 636 FTES. The District is no longer under the Emergency Hold Harmless Provision which expired on June 30, 2022.

Fiscal Year 2022-23 is the first of three subsequent years that the State Chancellor's Office will utilize to calculate and establish (3-Year Average) a minimum FTES funding floor. Under the SCFF Hold Harmless Provision, the District will have a new minimum funding guarantee starting in Fiscal Year 2025-26. This Hold Harmless Provision is designed to prevent and protect Districts like Imperial Valley College (IVC) who are experiencing declining enrollment from the financial losses it represents.

The State's Education Protection Act (EPA) is also set to expire in 2030, and although that is still a few years away, it is important for IVC to start planning the financial impact it will have in our District. Furthermore, the microeconomic and geopolitical challenges that California and the United States face could have a ripple effect in our future funding. The war in Ukraine and the rising tensions with China can have devastating consequences to the global economy, especially in California where tax revenues (corporate, sales, and personal income tax) can subsidize creating major financial deficits.

The decisions that we make today will have a major impact in years to come. We need to diligently monitor our Unrestricted General Fund and understand the various challenges that we face today to better strategize and plan for tomorrow:

- Inflation that can lead to a recession
- Declining enrollment
- Global conflicts creating supply chain bottlenecks
- Increasing costs in health insurance
- Employer's pension rate increases and contributions to both CalPERS and CalSTRS
- Step and Column increases
- Negotiations
- Other Post-Employment Benefit (OPEB) contributions

As previously stated, budget projections are best "guesstimates" that can rapidly change as economic conditions fluctuate every fiscal year. Despite the forthcoming challenges, the District projects to meet its financial obligations and its minimum reserve levels of 25% in 2022-23, 2023-24, and 2024-25.