

COUNCIL ON BUDGET AND FACILITIES

March 11, 2024

2:00 p.m.

Anaheim Campus – Chancellor’s Conference Room

Videoconferencing of the meeting will be available at Cypress College President’s Conference Room and the Fullerton College President’s Conference Room B

AGENDA

1. Approval of the February 12, 2024 Summary Notes Irma Ramos Action

2. Budget Update
 - New LAO Updates Fred Williams Information
 - P-1 Apportionment Information Kashu Vyas Information

3. One-time Funding
 - SERP Payments Fred Williams Discussion
 - Success Advocates Pilot Henry Hua Action

4. District-wide Expenses Modifications
 - District-wide IT Expenses Geoff Hurst Action

5. Facilities Updates Budget Officers Information

6. Future Meeting Dates:
 - March 11
 - April 8
 - May 13
 - June 10

NOTE: The numerical order of items on this agenda is for convenience of reference. To promote efficiency and as an accommodation to the parties involved, agenda items may be taken out of order upon request of the Chair or Members of the CBF.

REVISED

COUNCIL ON BUDGET AND FACILITIES

February 12, 2024

UNAPPROVED SUMMARY

Members Present: Terry Cox, Karla Frizler, Henry Hua, Elaine Loayza, Kathleen McAlister, Jesus Remires, Jeannette Rodriguez, Stephen Schoonmaker, Marlo Smith, Leslie Tsubaki, Lourdes Valiente, Kashu Vyas and Fred Williams

Members Absent: Cherry Li-Bugg, Jennifer Oo, Jeremy Peters, and Irma Ramos

Guests Present: Damon De La Cruz, Geoff Hurst, Naveen Kanal, Debbie Shandy

Call to Order: The meeting was called to order at 2:05

1. **Introductions:** Members of the council were introduced to the committee. It was noted that Jeanette Rodriguez will be serving as the Fullerton College Faculty Senate representative and Jennifer Combs will be serving as the alternate.
2. **Summary:** The summary of the December 11, 2023, meeting notes were approved and amended to reflect absentee Marlo Smith.
3. **Budget Update** Fred Williams, Vice Chancellor of Finance & Facilities shared a presentation which provided an overview of the 2024-25 Governor's Budget. The same presentation was shared at the January 23, 2024 Board meeting. Mr. Williams highlighted a projected state revenue shortfall of \$38 billion by Governor Newsom compared to the \$68 billion by the Legislative Analyst's Office, a Prop 98 minimum guarantee that's been reduced by \$15.2 billion due to lower revenues, and use of the Rainy-Day Fund to keep community colleges fairly whole. The good news for education is that no mid-year cuts, deferrals, or program rollbacks are expected, however, the Student Centered Funding Formula (SCFF) is barely growing due to the .76% COLA, and no restorations of prior reductions to student retention and enrollment funds or deferred maintenance. The State is also expected to issue bonds to cover pre-approved student housing projects (NOCCCD was not scheduled to receive any funds).

Since no changes were made to the apportionment hold harmless provision, the District's Resource Allocation Model will see the establishment of the funding floor in 2024-25. Vice Chancellor Williams also noted that the PERS pension rate is increasing by 1.12%, from 26.68% to 27.80% and projected to rise to 30.30% by 2027-28 and a possible 1% deficit factor for 2023-24. He also highlighted an increase in FTES for the 2023-24 P-1 figures which reflected a 7.83% increase for Cypress College, a 10.04% increase for Fullerton College, and a 30.03% increase for NOCE which resulted in an 11.43% total increase for the District.

Questions/Comments:

1. *What are the justifications for the STRS rates?* PERS rates can be adjusted through the budgeting process. STRS rates must go through the legislature, which is why they are not reflected here.

Budget Assumptions – Vice Chancellor Williams provided a brief summary of the District's preliminary budget, noting that the District is showing a \$3.8 million dollar deficit. Since the District was able to utilize the Emergency Conditions funding, these additional resources will

REVISED

help offset the deficit and provide a ~\$5.2 million surplus. However, this will be the final year that the Emergency Conditions Funding will have an impact on the District. In addition to the revenue from the Emergency Conditions Funding, there is an additional \$12.6 million of unallocated hold harmless funds, resulting in a total of \$17.8 million of unallocated funds.

Kashu Vyas, District Director, Fiscal Affairs, provided handouts of the early overview of the Resource Allocation Model and the preliminary budget which is broken down by various allocations to District Services, District-wide for other revenues, charge backs, and three separate areas for expenditures. Two separate calculations are done to show the dollars available for allocation. One is the projected and actuals, based on actual FTES that were reported in the 320 report and the second is the projected and actuals with the Emergency Conditions applied. Ms. Vyas provided a summary of local and other (unrestricted) revenues and general ongoing and self-supported/local expenditures. It was also noted that the OPEB Trust valuation assets have increased above our liability, an ideal opportunity to use the Trust to draw down the annual retiree medical benefits. Estimates were used to calculate the revenues and expenditures and will be updated as more information is provided closer to the release of the tentative and proposed budget.

Kashu Vyas also provided a projection on the impact of employer rate changes and the impact to the RAM. FTES trends were also highlighted, actuals vs. funded, as the District phases out of Hold Harmless.

Questions/Comments –

1. *What do the election fees cover?* When a Trustee runs for election, the county will charge the District for operational costs and services required to run an election. i.e. election equipment, ballot printing, voting booths, etc. Unopposed candidacy does not incur any fees.
2. *Has there been any movement on the part-time faculty reimbursement for health benefits?* Nothing can be submitted until July, the first submittal date. The District is anticipating 100% funding. It was mentioned at the Budget Workshop that only a few Districts were participating, leaving quite a bit of money. They are looking at unused dollars from prior years, but not this year or next. We also anticipate the funding will be on-going.
3. *If the money for the part-time benefits program disappears, what happens?* This is part of the negotiations process. As it stands, yes, the program would dissipate without any funding.
4. *How are the Job Study expenses covered?* Each budget center would see an increase in their expenses and that would have to be covered by whatever revenues are available.
5. *In anticipation of the deficit, what is the plan? How are we going to be proactive vs. reactive?* While the District will no longer see a change in the total maximum funding, it will not feel an immediate impact of the deficit, but this will also depend on negotiations. Personnel numbers are still significantly higher, but the SERP could have a large impact. There is minimal faculty hiring, since the District is over its FON and positions will only be filled if deemed necessary. There are a lot of unknowns currently, but funding conversations have already begun.
6. *Was the SERP only offered to faculty?* The SERP was approved and offered to all full-time permanent employees but is contingent upon 44 Faculty taking the SERP. The District is looking to save \$5 million with the SERP, however, if there is not a cost savings, the SERP may not be executed.

REVISED

4. Facilities Updates

Anaheim Campus – Richard Williams provided an update on behalf of the campus.

- Outside Patio Remodel – The team met with the solar panel company, and they had hesitations about placing panels on the structure so an alternative structure will be presented and submitted to DSA by the end of February, early March.
- Swing Space – Roof leaks were identified during the recent rain fall and staff are looking to repair these leaks as soon as possible.
- Upper deck renovation – signage for the upper deck is anticipated to go up by the end of the month. The upper deck will be sectioned off to all staff in preparation of construction.

Cypress College – VPAS, Stephen Schoonmaker provided an update on behalf of the campus.

- Fine Arts Renovation – Bid packages were received and the state approved the bids in record time, with the help and coordination of everyone. The project start date is anticipated in early April.
- Culinary Arts Swing Space – The Certificate of Substantial Completion is now finalized. The portables had some rain issues but are now resolved. Only a punch list of items remain before the project is complete.
- Electrical Vehicle Charging Stations – Target date for installation is June/July in lot 4.
- Spur Solar RFP – Staff had some additional revisions and feedback on the RFP and hope to discuss these with Spur at the end of the week. Staff anticipate a final draft of the RFP by the end of February. It is anticipated that this RFP will be highly competitive because the bidding of this project will be eligible for a State piggyback contract for the next several years.

Fullerton College – VPAS, Henry Hua provided an update on behalf of the campus.

- Wilshire Chiller – There were unforeseen cost increases for this project that were not anticipated in the initial estimates.
- 300 Building Renovation – Bids for the general contractor will be closing on February 13.
- Chapman Newell and M&O Building – This project has been delayed due to the recent rain and hopes to get back on track.

Network Refresh Update –

- Close out agenda item anticipated at the January 23rd Board meeting.

5. Future Meeting – During the Anaheim Campus construction, meetings will be held in the Chancellor's Conference Room. Videoconferencing options are also available at the campuses.

March 11
April 8
May 13
June 10

Meeting was adjourned at 3:41 p.m.

COUNCIL ON BUDGET & FACILITIES

Agenda Item Submittal Form

Date: March 8, 2024

From: Fred Williams, Vice Chancellor, Finance and Facilities

Re: Agenda Item for Council on Budget and Facilities of March 11, 2024

1. AGENDA ITEM NAME

Budget Update

- **LAO Update**
- **P-1 Information**

2. AGENDA ITEM ACTION (Please check one)

- Information Only
- Review/Discussion
- Action

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION:

10 minutes

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM

- **Review recent updates from the LAO**
- **Deficit factor at P-1 was 3.55% which equates to \$9.4 million for NOCCCD. Summary sheet to allocate the deficit to budget centers is provided.**

5. RECOMMENDATION (Required for all action items; encouraged for all review/discussion items)

Members are asked to receive and review the information.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

LAO to Legislature: Deteriorating Budget Condition Ahead

BY PATTI F. HERRERA, EDD

BY MICHELLE MCKAY UNDERWOOD

Copyright 2024 School Services of California, Inc.

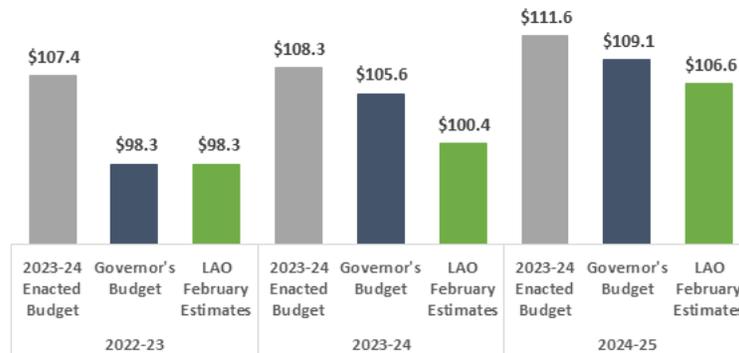
posted February 21, 2024

The Legislative Analyst's Office (LAO) issued two separate reports on February 15, 2024, analyzing Proposition 98 and Governor Gavin Newsom's education budget proposal within the context of a deteriorating budget condition. The analyses acknowledge that when the Governor issued his 2024-25 Governor's Budget on January 10, 2024, he was:

- Solving an estimated \$58 billion State Budget deficit (for comparison, during the height of the COVID-19 recession, the 2020-21 Enacted Budget addressed a \$54 billion deficit)
- Addressing unanticipated reductions in available revenues to K-12 school and community college agencies in the prior and current year with \$13.7 billion in spending solutions—\$8 billion of which is attributable to a funding maneuver the LAO strongly recommends the Legislature reject
- Proposing an additional \$1.4 billion in new K-12 one-time and ongoing spending, with the largest share attributable to funding a 0.76% cost-of-living adjustment (COLA) (\$628 million)

The LAO evaluates the Governor's January fiscal policy and spending proposals highlighting that, under its most recent revenue estimates, the State Budget and Proposition 98 deficits are likely to grow by May. Specifically, they estimate that the Proposition 98 minimum guarantee could drop by another \$7.7 billion from the Governor's Budget estimates in 2023-24 and 2024-25 (see Figure 1).

Figure 1. Changes in the Proposition 98 Minimum Guarantee (in billions)



Addressing the 2022-23 Proposition 98 Reduction

Perhaps the most problematic proposal included in the Governor's Budget from the LAO's perspective is how the Administration intends to protect school and community college agencies from a \$9.1 billion decrease in the 2022-23 (or prior year) minimum guarantee through an unprecedented interest-free internal borrowing of state cash resources that would exacerbate out-year State Budget deficits by accounting for the payback of the "loan" over five years beginning in 2025-26. In a separate [analysis](#), the LAO highlights multiple fiscal policy concerns with the proposal, including that it would create a binding future budget obligation for the Legislature and would require non-education government programs and services to bear the cost of the borrowing.

Evaluating the Governor's CCC Spending Plan

The LAO's fiscal concerns about the Governor's education spending plan are not limited to the treatment of the 2022-23 minimum guarantee. Its concerns extend to the Administration's new ongoing and one-time investments that amount to \$218 million in new spending. To this point, the LAO highlights that if the Legislature were to reject the Governor's above-mentioned funding maneuver and state and Proposition 98 resources were to decline by the LAO's February estimates, it would need to solve a \$14 billion Proposition 98 problem across the budget window. The LAO identifies several alternatives for the Legislature to consider, including:

- Using the Proposition 98 reserve to allow K-12 and community college agencies to retain their cash resources the state provided in 2022-23 (in lieu of the Governor’s funding maneuver)
- Providing no COLA for 2024-25 for the Student Centered Funding Formula (SCFF) or any California Community Colleges (CCC) categorical programs
- Rejecting most of the Governor’s new spending proposals
- Sweeping some unspent funds
- Reducing spending in existing programs through policy adjustments

Proposed Budget Solutions

Based on its February 2024 estimates of the 2023-24 minimum guarantee, the Legislature is facing an approximately \$800 million gap that year between available Proposition 98 CCC funding and existing CCC spending. Below is a brief summary of the key analyses and recommendations to close the budget gap.

- **Growth Funds:** After three years of enrollment drops, data from the California Community Colleges Chancellor’s Office indicates that enrollment rose overall in 2022-23—increasing by an estimated 4% (in full-time equivalent terms) over 2021-22 levels. That said, not all growth funds from 2022-23 are likely to be used. The LAO recommends sweeping all unused growth funds from 2022-23 (estimated at \$8 million) and consider not funding growth in 2024-25 if revenue estimates at the May Revision suggest a more significant budget problem.
- **Summer Enrollment:** For SCFF calculations, summer classes that have a census date in one fiscal year and end in the following fiscal year may be reported in either fiscal year. Based on some preliminary modeling, the LAO estimates the “summer loophole” could result in roughly \$100 million in additional costs annually from 2024-25 through 2026-27, and costs would continue until all districts reach enrollment levels moving them off the SCFF hold harmless provision. For these reasons, the LAO recommends the Legislature specify in statute that the summer term is to be the first term counted in a fiscal year and summer-term enrollment is to be reported only once each fiscal year.
- **CCC Nursing Funding:** The 2023-24 Enacted Budget included a \$300 million, five-year plan to provide additional funding for CCC nursing programs to “expand nursing programs and bachelor of science in nursing partnerships to grow, educate, and maintain the next generation of registered nurses [RNs] through the community college system, subject to future legislation.” The LAO notes that data suggests the current mismatch between supply and demand of RNs is temporary and that lack of state funding does not seem to be a key reason underlying the shortage, and as a result recommends the Legislature reject the Governor’s \$60 million first-year funding proposal.
- **Unspent Funds:** The LAO recommends the Legislature consider sweeping unspent funding from 11 programs, totaling at least \$936 million (and likely more) one-time if all funds were swept from programs such as:
 - Strong Workforce Program—\$381 million
 - Part-Time Faculty Health Insurance Program—\$177 million
 - Health care pathways for English learners—\$100 million
 - Student Success Completion Grant—\$100 million
- **Revisiting Certain Ongoing CCC Programs:** Due to the potentially grave budget situation, the LAO recommends protecting core CCC priorities (core instructional mission, student support services, and aid for financially needy students) while considering reducing support for other initiatives:
 - Apportionment funding for intercollegiate athletics—\$100 million
 - Apportionment funding for physical education classes—\$100 million
 - California College Promise non-need-based grants—\$91 million
 - State funding for CCC noncredit fine arts and other enrichment activity classes—\$40 million

Finally, the LAO noted that an increase in the CCC enrollment fee for credit courses from \$46 to \$50 per unit would generate \$35 million annually.

The Assembly and Senate budget subcommittees responsible for the education budget are slated to hear the Governor’s Proposition 98 proposals on February 27 and 28, respectively, while the Assembly today began its discussion of community colleges during a higher education overview hearing. The hearings and ensuing discussions may provide early indications of the Legislature’s positions on some of the Governor’s proposals. Stay tuned.

The Governor's Proposition 98 Funding Maneuver

GABRIEL PETEK | LEGISLATIVE ANALYST | FEBRUARY 2024

SUMMARY

In this brief, we evaluate the Governor's novel proposal to allow schools to keep \$8 billion of cash disbursements above the minimum requirement without recognizing the budgetary impact of those payments. We first provide some background information on how the state's budget and cash positions differ as well as some basic information about school finance. We then describe this proposed funding maneuver. Finally, we assess the proposal and provide our recommendation on it. (The administration very recently released the trailer bill language associated with this proposal. We did not receive this language in time to review it for this analysis. However, this analysis reflects our best understanding of the proposal, which was confirmed by the administration. We will provide additional analyses as necessary as we review the proposed statutory language.)

Bottom Line. This proposed maneuver is bad fiscal policy. It sets a problematic precedent for the state and creates a binding obligation that will worsen out-year deficits and require more difficult decisions in the future. The state could maintain school and community college spending in a number of other ways. We strongly recommend that the Legislature reject the administration's proposal.

BACKGROUND

State Fiscal Basics

The Legislature Plans the State's Budget and the Administration Manages the State's Cash.

Through the annual budget process, the Legislature creates a plan for General Fund spending based on its resources available (most notably, projected revenues). This is the state's *budget*. After this plan is put into law, the executive branch executes it on a *cash* basis. That is, on a daily basis, the state's tax agencies collect revenues, the State Controller pays the state's bills, and the State Treasurer invests any of the state's cash that is currently unused. We have described how the state's cash management system works in earlier publications, including: [Managing California's Cash](#) and [An Update on the State's Cash Management Situation](#).

Budget Position Is Currently Weak. After a couple years of surpluses, the state faced a deficit last year and continues to face deficits now and into future years. We estimate the administration addressed a \$58 billion budget problem in the

Governor's budget. Despite this significant deficit, there is a good chance that the administration's revenue projections are too low and the state will face an even larger budget problem in May. Further, under both our and the administration's forecasts, the state will need to solve large deficits in future years—averaging around \$30 billion each year for the next three years.

State's Cash Position Is Currently Very Strong. Despite this weak budget position, the state's cash position is currently very strong. Even though revenue projections have declined substantially, the administration projects the General Fund would still have a small cash surplus at the end of the current year. Further, under the same projections, the state would end this year with nearly \$100 billion in unused borrowable resources (balances in other state funds). These funds would be available to cover any cash deficits that could occur in subsequent months.

Why Is There a Difference? The reason that the state's budget and cash positions have diverged is, in large part, due to undistributed funds. While all of the monies in the State Treasury are committed in some sense—usually to an expenditure or reserve, including an ending fund balance—some of those funds have not yet been *disbursed*. There are many reasons why this can occur. Currently, for example, the state: (1) has sizeable balances in its reserve accounts, including the Budget Stabilization Account and Proposition 98 Reserve; (2) has many special funds that are carrying large balances; and (3) has allocated large sums to expenditures that take years to disburse, like infrastructure projects. That said, if the state's budget position remains weak, the state's cash position will erode as well.

School and Community College Funding (Proposition 98)

State Constitution Establishes a Minimum Funding Level for Schools and Community Colleges. The California Constitution sets a minimum annual funding requirement for schools and community colleges (otherwise known as Proposition 98 [1988]). Each year's minimum funding requirement is established using a set of formulas. The state meets this requirement through a combination of General Fund spending and local property tax revenue. Under these formulas, General Fund spending on K-14 education tends to increase when revenues grow and decrease when revenues decline.

Minimum Funding Level for K-14 Education Has Declined Substantially for 2022-23. Typically, the budget process does not involve large changes in revenue in the prior year (in this case, 2022-23). This is because prior-year taxes usually have been filed and associated revenues collected by April of any given year. Due to the state conforming to federal tax filing extensions, however, the Legislature only gained a complete picture of 2022-23 tax collections late in 2023—after the fiscal year already ended. Those data showed a severe revenue decline, with total income tax collections down 25 percent. A decline of this magnitude is unprecedented for the prior fiscal year. It also results in an unprecedented prior-year reduction to the minimum funding requirement for schools and community colleges.

General Fund Payments to Schools Significantly Above Revised Proposition 98 Requirement for 2022-23. Throughout 2022-23, the State Controller distributed funds to schools and community colleges based on program expenditure levels the state initially approved in June 2022 and later modified in June 2023. These expenditure levels aligned with the estimates of the minimum funding requirement at the time the state approved them. As a result of the state's revenue decline for that year, however, these disbursements now exceed the revised estimate of the minimum requirement by approximately \$8 billion. The state would need to take legislative action to revise these payments in light of the lower minimum requirement.

GOVERNOR'S PROPOSAL

Governor's Budget Proposes Not Recognizing the Expenditures Above the Minimum Requirement, Despite Allowing Schools to Keep the Funding. The Governor's budget proposes no changes to the funds that have already been distributed for 2022-23 on a cash basis—that is, those payments would not be offset or recouped and K-14 districts would not be expected to make any changes in their local budgets. At the same time, however, in order to score budgetary savings, the Governor proposes to delay recognizing these payments in its budget documents. In essence, this maneuver generates short-term budgetary savings by creating a misalignment between the state's cash position and its budget.

Expenditure Would "Accrue" to the Future Instead. The Governor's budget does not address the misalignment between the state's cash and budget positions until future years. Starting in 2025-26, the administration would recognize the budgetary costs in increments of \$1.6 billion annually for five years. The payments would be scored outside of the state's Proposition 98 requirements, meaning they would add to the state's projected deficits in those years. These payments would bring the state's cash and budget documents back into alignment.

LAO ASSESSMENT

Creates a New Type of Budget Solution: Effectively an Interest-Free Loan From the State’s Cash Resources. Under this proposed maneuver, the state would generate budget savings by not recognizing a budgetary expenditure, despite the fact that the cash has gone out the door. Although it is not technically a loan, the best way to conceptually understand this proposal is that the state would make an interest-free loan to itself using its own cash resources. In short: the unacknowledged \$8 billion in cash disbursements in 2022-23 create an outstanding “principal” due from the state’s cash resources. The state would make “repayments” on this principle balance beginning in 2025-26 as it acknowledges the cash disbursement on a budgetary basis. In total, the repayments would equal the principal such that there would be no interest payments. While the state does sometimes shift costs between time periods as a type budget solution—as is the case with deferrals—this specific maneuver is unprecedented.

Obfuscates Budget’s True Condition. We have major concerns about this proposal from a transparency perspective. The proposal would create a new budgetary obligation on the state that is virtually invisible in budget and cash documents as currently produced by the Department of Finance and State Controller. Further, although this maneuver is clearly a proposal that requires legislative approval, the administration treats it as an “automatic” change in its depiction of the state’s budget condition. This has the effect of: (1) reducing the size of the budget problem on paper, and (2) obscuring the proposed solution in the documents presented to the Legislature as part of the Governor’s budget. (We explained this dynamic further in our report: [The 2024-25 Budget: Overview of the Governor’s Budget.](#))

Creates Binding Obligation That Magnifies Structural Deficit, Likely Requiring More Cuts to Other Programs in the Future. The repayments on this maneuver would represent a new, binding obligation on the state. (Although the precise timing of these repayments would be up to the Legislature, the payments would have to occur eventually.

Therefore, this proposal is fundamentally different than other kinds of spending delays proposed by the administration.) The state currently faces deficits of around \$30 billion per year for the next few years. Given that the state will need to deploy most of its budget tools to address this year’s deficit, these future budget problems are likely going to require even more difficult decisions, including ongoing cuts to state programs and/or revenue increases. The future payments on this maneuver would exacerbate these problems, likely requiring the Legislature to make even more difficult decisions as soon as next year. Moreover, the cost of this maneuver would be outside of funding for schools and community colleges. All other state General Fund programs would bear these costs.

Sets a Problematic Precedent. While borrowing to finance a year-end deficit is unconstitutional, the state is permitted to shift its own funds and costs—that is, to internally borrow—to balance the budget. Such cost shifts include, for example, budgetary deferrals (for example, the payroll deferral) and special fund loans. Similar to this proposed maneuver, these tools create long-term obligations in exchange for short-term budgetary relief and some do so by creating discrepancies between cash and budget documents. However, this particular maneuver is new and sets a problematic precedent. It would likely create an expectation that the state would continue to use maneuvers like this to pay for spending in the presence of budget deficits. Even more concerning, in effect, the state’s cash position represents the only upper bound to which the state could use a maneuver like this. As long as there is sufficient cash in the treasury, the state could defer the recognition of almost any amount of budgetary expenditure. Eventually, however, the bill comes due—the state cannot defer incurred costs forever. At that time, like under this proposal, the Legislature likely would have to make other spending cuts to repay the “loans.”

LAO RECOMMENDATION

Strongly Recommend Rejecting Governor's Proposal. This proposed maneuver is bad fiscal policy, sets a problematic precedent, and creates a binding obligation on the state that will worsen out-year deficits and require more difficult decisions. We strongly recommend that the Legislature reject the proposal.

In our report, *The 2024-25 Budget: Proposition 98 K-12 Education Analysis*, we set forward some alternative options that would allow the state to maintain school funding while achieving budgetary savings in 2022-23, but without the problematic downsides of this specific proposal.

LAO PUBLICATIONS

This report was prepared by Ann Hollingshead, with assistance from Kenneth Kappahn and Edgar Cabral, and reviewed by Carolyn Chu. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

To request publications call (916) 445-4656. This report and others, as well as an e-mail subscription service, are available on the LAO's website at www.lao.ca.gov. The LAO is located at 925 L Street, Suite 1000, Sacramento, California 95814.

North Orange County Community College District
2023-24 Proposed Budget (Update at P1)
Resource Allocation Model Budget Summary
March 7, 2024

| | DW | DS | CC | FC | NOCE | Total |
|--|-------------|-----------------------|-----------------------|------------------------|-----------------------|------------------------|
| SCFF Revenues | \$ - | \$ 21,041,100 | \$ 81,750,685 | \$ 105,482,794 | \$ 19,196,768 | \$ 227,471,347 |
| Other Revenues | - | 2,425,927 | 8,080,436 | 9,351,671 | 2,764,246 | 22,622,280 |
| Funding for Districtwide Expenses | 11,544,423 | (1,082,867) | (4,146,757) | (5,301,199) | (1,013,600) | - |
| Net Chargebacks | - | 832,561 | 123,270 | 261,405 | (1,217,236) | - |
| | 11,544,423 | 23,216,721 | 85,807,634 | 109,794,671 | 19,730,178 | 250,093,627 |
| Expenses | 11,419,423 | 25,032,229 | 93,207,546 | 117,333,056 | 25,135,363 | 272,127,617 |
| Contingencies | 125,000 | 674,692 | - | 2,798,863 | 3,240,714 | 6,839,269 |
| | 11,544,423 | 25,706,921 | 93,207,546 | 120,131,919 | 28,376,077 | 278,966,886 |
| Net Available Revenue | - | (2,490,200) | (7,399,912) | (10,337,248) | (8,645,899) | (28,873,259) |
| Net Transfers In/(Out) to Supplement Operations | - | - | 1,362,235 | - | 99,883 | 1,462,118 |
| Structural Surplus (Deficit) | \$ - | \$ (2,490,200) | \$ (6,037,677) | \$ (10,337,248) | \$ (8,546,016) | \$ (27,411,141) |
| Additional Sources (Uses) | | | | | | |
| Additional Revenue from Emergency Conditions ❖ | - | 1,681,081 | 6,971,855 | 9,520,908 | - | 18,173,844 |
| Subtotal Net Revenue (Deficit) A | \$ - | \$ (809,119) | \$ 934,178 | \$ (816,340) | \$ (8,546,016) | \$ (9,237,297) |
| Additional Revenue from Stability Funding ★ (based on PY +COLA) | - | 1,863,136 | 2,831,596 | 5,741,901 | 9,705,376 | 20,142,009 |
| Subtotal Net Revenue (Deficit) B | \$ - | \$ 1,054,017 | \$ 3,765,774 | \$ 4,925,561 | \$ 1,159,360 | \$ 10,904,712 |
| Amount pulled back to increase Reserves from Emergency Conditions Funding ▲ | - | (1,054,017) | (3,765,774) | (4,925,561) | (1,159,360) | (10,904,712) |
| Balance | - | - | - | - | - | - |
| Deficit Factor at P1 (3.5512%) per Exhibit C 2/21/24 | - | (912,300) | (3,259,450) | (4,263,299) | (1,003,479) | (9,438,528) |

North Orange County Community College District
2024-25 Early Preliminary Budget
Resource Allocation Model Budget Summary
February 7, 2024

| | DW | DS | CC | FC | NOCE | Total |
|---|-------------------|---------------------|-----------------------|-------------------|-----------------------|-----------------------|
| SCFF Revenues | \$ - | \$ 22,201,211 | \$ 85,595,914 | \$ 110,671,715 | \$ 21,544,251 | \$ 240,013,091 |
| Other Revenues | - | 2,469,219 | 8,180,892 | 9,549,836 | 2,890,345 | 23,090,292 |
| Funding for Districtwide Expenses | 5,791,604 | (543,252) | (2,064,128) | (2,646,184) | (538,040) | - |
| Net Chargebacks | - | 832,561 | 123,270 | 261,405 | (1,217,236) | - |
| | 5,791,604 | 24,959,739 | 91,835,948 | 117,836,772 | 22,679,320 | 263,103,383 |
| Expenses | 5,666,604 | 25,154,438 | 93,337,899 | 117,493,717 | 25,206,096 | 266,858,754 |
| Contingencies ** | 125,000 | - | - | 86,076 | - | 211,076 |
| | 5,791,604 | 25,154,438 | 93,337,899 | 117,579,793 | 25,206,096 | 267,069,830 |
| Net Available Revenue | - | (194,699) | (1,501,951) | 256,979 | (2,526,776) | (3,966,447) |
| Net Transfers In/(Out) to Supplement Operations | - | - | - | - | 99,883 | 99,883 |
| Structural Surplus (Deficit) | \$ - | \$ (194,699) | \$ (1,501,951) | \$ 256,979 | \$ (2,426,893) | \$ (3,866,564) |
| Additional Sources (Uses) | | | | | | |
| Additional Revenue from Emergency Conditions ❖ | - | 837,215 | 3,447,646 | 4,766,109 | - | 9,050,970 |
| Subtotal Net Revenue (Deficit) A | - | 642,516 | 1,945,695 | 5,023,088 | (2,426,893) | 5,184,406 |
| Additional Hold Harmless Funding ▲ | 12,564,898 | - | - | - | - | 12,564,898 |
| Balance | 12,564,898 | 642,516 | 1,945,695 | 5,023,088 | (2,426,893) | 17,749,304 |

❖ For 2024-25, the impact from applying the emergency conditions will still have a residual benefit for Cypress College and Fullerton College as funding for the credit FTES is based on a 3-year average.

▲ Additional funding available for allocations discussions

** No estimates for other budget center contingencies have been included in this early preliminary information.

North Orange County Community College District
2024-25 Early Preliminary Budget
Districtwide (DW) Expenses in Fund 11200 (Ongoing Budget only)
February 7, 2024

| | <u>Actuals</u> <u>2022-23</u> | <u>Budget</u> <u>2023-24</u> | <u>Budget</u> <u>2024-25</u> |
|---|----------------------------------|---------------------------------|---------------------------------|
| Sabbatical Replacement Costs | \$ 180,485.10 | \$ 300,000 | \$ 300,000 |
| Related Activity (Additional Duty Days for Faculty) | \$ 410,197.82 | 350,000 | 350,000 |
| Subtotal 10000's | <u>\$ 590,682.92</u> | <u>650,000</u> | <u>650,000</u> |
| Retiree Medical Benefits | \$ 5,350,754.36 | 5,925,821 | 5,750,057 |
| Contribution from Retiree OPEB Trust | \$ - | - | (5,750,057) *** |
| Net Retiree Medical Benefits Cost | \$ 5,350,754.36 | 5,925,821 | - |
| Part-time Faculty Insurance | \$ 216,585.48 | 215,000 | 215,000 |
| Dependent Medical Contribution Clearing * | \$ 2,702,131.00 | - | - |
| Fringe Benefits Clearing | \$ 984,465.04 | 1,000,000 | 1,000,000 |
| Adjustments/Fees from STRS | \$ 35,832.32 | 40,000 | 40,000 |
| Fees from PERS | \$ - | 10,000 | 10,000 |
| Load Banking Benefits Accrual Adjustment | \$ 76,368.61 | 15,000 | 15,000 |
| Subtotal 30000's | <u>\$ 9,366,136.81</u> | <u>7,205,821</u> | <u>1,280,000</u> |
| Other (Memberships per Contracts for Employees) | \$ - | 6,000 | 6,000 |
| Recruiting Budget | \$ 54,480.35 | 55,000 | 55,000 |
| Fingerprinting | \$ 17,694.75 | 25,000 | 25,000 |
| Sabbatical Bond Reimbursements | \$ 2,101.00 | 3,000 | 3,000 |
| Districtwide Memberships | \$ 139,364.86 | 140,000 | 140,000 |
| Audit Expenses | \$ 125,300.00 | 129,800 | 133,500 |
| Information & Emergency Communication System | \$ 47,481.28 | 47,500 | 48,490 |
| Sewer Expenses | \$ 81,838.94 | 99,000 | 99,000 |
| Additional Attorney Expenses | \$ 275,000.00 | 350,000 | 350,000 |
| Waste Disposal | \$ 171,393.62 | 171,500 | 171,500 |
| Election Expense | \$ 150,000.00 | - | 150,000 |
| Ride Share (AQMD) | \$ 78,984.40 | 120,000 | 120,000 |
| Student Insurance | \$ 223,840.00 | 223,840 | 223,840 |
| Employee Assistance Program | \$ 23,225.52 | 60,000 | 60,000 |
| Interest | \$ 77,307.96 | 90,000 | 90,000 |
| Life insurance | \$ 119,967.55 | 150,000 | 150,000 |
| Mandated Fees from PERS (for reports) | \$ 350.00 | 350 | 350 |
| County Payroll Postage Charges | \$ 4,543.71 | 4,650 | 4,650 |
| DW IT Expenses | \$ 1,312,429.52 | 1,497,962 | 1,516,274 |
| Subtotal 50000's | <u>\$ 2,905,303.46</u> | <u>3,173,602</u> | <u>3,346,604</u> |
| FC Child Care Center Contribution (B/A 4/14/09) | \$ 250,000.00 | 250,000 | 250,000 |
| Hospitality | \$ 178,208.42 | 140,000 | 140,000 |
| Subtotal 70000's | <u>\$ 428,208.42</u> | <u>390,000</u> | <u>390,000</u> |
| EEO Plan Implementation | \$ - | 25,000 | 25,000 |
| Student Success | \$ - | 100,000 | 100,000 |
| Subtotal 79000's (Contingencies) | <u>\$ -</u> | <u>125,000</u> | <u>125,000</u> |
| Total Districtwide Expenses | <u><u>\$ 13,290,331.61</u></u> | <u><u>\$ 11,544,423</u></u> | <u><u>\$ 5,791,604</u></u> |
| STRS on behalf payments from the State** | 7,419,861.00 | | |
| Total | <u><u>20,710,192.61</u></u> | | |

*: The costs associated with the District's Contribution toward dependent medical coverage February through June were not posted. An estimated cost was prepared and recorded to be able to identify the potential total cost of this benefit. No budget is included for Districtwide expenses for 2023-24 as normal posting should resume aligned with each participating employee's benefits costs.

** : STRS on behalf payments from the State are contributions made on behalf of schools towards the STRS liability and we are required to record our proportionate share as expense and matching revenues, resulting in a zero net effect on resources.

***: We will be seeking approval from the Retiree Trust Board to use the trust fund assets for the pay-as-you-go annual costs for the health retiree benefits.

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
2024-25 Early Preliminary Budget
Resource Allocation Model - Budget Assumptions
February 7, 2024

Student-Centered Funding Formula

| | | | |
|--|--|---------------------------|-----|
| Estimated COLA | | 0.76% | |
| Apportionment Base: | | January | |
| | | <u>2024-25</u> | |
| Basic Allocation | | \$ 17,302,636 | |
| Credit FTES | | 128,697,969 | |
| Special Admit | | 3,835,592 | |
| Non-Credit FTES | | 11,596,011 | |
| CDCP | | <u>10,171,499</u> | |
| Subtotal - 2023-24 Funding from Base Allocation | | 171,603,707 | |
| Supplemental Allocation | | 41,604,832 | |
| Student Success Incentive Allocation | | 26,804,552 | |
| SCFF Earned Allocation | | \$ 240,013,091 | <A> |
| Additional funding resulting from applying prior Emergency Conditions Allowances | | <u>9,050,970</u> | |
| 2024-25 SCFF Total Revenue | | \$ 249,064,061 | |
| 2024-25 SCFF Hold Harmless Allocation | | <u>261,628,959</u> | |
| Amount available for backfill and reserves | | <u>\$ 12,564,898</u> | |

State Revenue

Enrollment Fee Waiver

| | | | |
|---|--|------------|-----|
| 2% fee waiver administration allocation estimate: | | \$ 541,523 | <A> |
|---|--|------------|-----|

Full-Time Faculty Hiring Funds 2018-19

| | | | |
|--|--|--------------|-----|
| Provided separately from SCFF in 2018-19 (no COLA on this since initial allocation): | | \$ 1,441,228 | <A> |
|--|--|--------------|-----|

Part-Time Faculty Compensation Items

| | | | |
|---|--|-------------------|-----|
| Estimated reimbursement for part-time faculty office hours | | \$ 1,030,000 | |
| Estimated reimbursement for part-time faculty health insurance benefits | | \$ 4,690,000 | |
| Estimated funding towards part-time faculty compensation | | <u>\$ 660,000</u> | |
| | | \$ 6,380,000 | <A> |

Lottery Funds

| | | | |
|---|-----------|---------------------------------|------------------|
| | | <u>23-24 P1 Res+N/R as Est.</u> | |
| Unrestricted lottery projection per FTES: | \$ 177.00 | 30,226.00 | \$ 5,350,002 <A> |
| Restricted lottery projection per FTES: | \$ 72.00 | 30,226.00 | \$ 2,176,272 |

Mandated Costs

The budget proposal included funding for the Mandated Block Grant. The District will annually reevaluate whether it is prudent to continue selecting this option.

| | | | |
|--|-------|---------------------|------------------|
| | | <u>22-23 Funded</u> | |
| | | <u>P2 FTES</u> | |
| Mandated cost revenue projection per FTES: | 35.64 | 31,588.63 | 1,125,819.00 <A> |

Local Revenue/Self-Supporting Revenue

Interest & Investment Income

Interest earnings estimate: Actual 22-23: 4,841,149.00 \$ 1,000,000 <A>

Miscellaneous Districtwide Income

Other miscellaneous income estimate: \$ 10,000 <A>

Budget Center Revenues

Budget Centers have provided for the self-supported activities for each center. Included in this section, Cypress and Fullerton Colleges have budgeted Nonresident Tuition as part of ongoing revenues. \$ 6,241,720 <A>

Interfund Transfer In

Transfer In from Redevelopment Funds: \$ 1,000,000 <A>

Additional Contribution from OPEB Trust

In FY 20/21, the Retiree Benefits Trust Board authorized the use of funds to pay current retiree benefit costs, capped at \$3 million. The value of the Trust assets has started to recover from the market downturn from the prior year. Therefore, we expect to have funds available to use from the Trust to offset the full pay-as-you go expenses for 2024-25. \$ 5,750,057

Total Revenues (excluding Contrib. from OPEB Trust) \$ 263,103,383 = sum of <A>

Appropriations and Expenditures

Position Control Budgets (Permanent Positions)

All Permanent Positions have been budgeted based on applicable employee step, grade, and, if applicable, longevity, premium pay, professional growth and education stipends.

\$ 185,028,474

The current rates for benefits have been applied as follows:

| | <u>24-25 Early Prelim</u> | <u>@ 23-24 Proposed</u> |
|--|---------------------------|-------------------------|
| <u>STRS</u> : For employer share of contributions towards STRS pension costs. | 19.10% | 19.10% |
| <u>PERS</u> : For employer share of contributions towards PERS pension costs. | 27.80% | 26.68% |
| <u>OASDI</u> : For State Disability Insurance and Medicare required. | 6.20% & 1.45% | 6.20% & 1.45% |
| <u>SUI</u> : State Unemployment Insurance. Rate was reduced back to the prepandemic rate. | 0.05% | 0.05% |
| <u>WC</u> : Worker's Compensation Rate to contribute towards worker's comp costs. | 0.50% | 0.50% |
| <u>RB</u> : Retiree Benefits Rate to contribute towards ongoing retiree health benefit costs. Eliminated this rate as all groups have settled on the increased number of years for this benefit and the current liability is close to being fully funded via the Retiree Benefits Trust. | 0.00% | 0.00% |

Health Costs

Health costs have been increased by an expected 2.5% annually. This estimates an annualized increase of 5%.

\$ 11,330,007
\$ 283,250

Dependent Care Coverage Costs

All groups' current agreements include a contribution by the District towards dependent care coverage as well as full family coverage. An estimate of these costs was added in the prior year, based on employees currently participating. We have used the same estimate for early preliminary assumptions.

\$ 5,485,827

Total Estimated Position Control Costs

\$ 202,127,558

Other Operating Expenses

The remaining costs outside of position control have been budgeted to help meet departmental needs at each budget center. Included herein are estimated costs for Adjunct faculty.

Adjunct Faculty: Extended Day budgets have been estimated by each campus. Associated benefit costs have been added as an estimate.

\$ 31,587,709

Health Costs: An estimate of costs for Part-Time Faculty Health Benefits has been included, with a corresponding amount budgeted in revenues anticipating reimbursement from the State's fund. The estimate is based on the Kaiser rate for employee only. Additional costs that would be associated with those employees who choose other plans and also for those for whom the district will provide some contribution towards their dependent care coverage have not been incorporated.

\$ 4,475,000

Other Budget Center Expenses: Amounts budgeted to support operations as determined by each budget center.

\$ 23,087,959

Districtwide Expenses

Districtwide expenses include budget for costs that have been approved through CBF and DCC and that will be shared across all budget centers.

\$ 5,791,604

Total Expenses (net of Contrib. from OPEB Trust) \$ 267,069,830

COUNCIL ON BUDGET & FACILITIES

Agenda Item Submittal Form

Date: **3/6/2024**

From: **Dr. Cynthia Olivo and Henry Hua**

Re: Agenda Item for Council on Budget and Facilities of **March 11, 2024**

1. AGENDA ITEM NAME

Funding Request – Success Advocates Pilot

2. AGENDA ITEM ACTION (Please check one)

- Information Only
- Review/Discussion
- Action

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION:

15 minutes

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM

In order to address Student Enrollment, Retention and Success, our District is interested in piloting a Success Advocate resource for students. These Success Advocates will help prospective, former and current students to enroll, re-enroll or remain enrolled through providing just-in-time help, referrals and support in a proactive manner via text messaging, phone calls, online support and in person assistance in caseloads. This service will be implemented for all three colleges so that support is consistent for all students—credit and non-credit alike. Through a combination of hands-on support and technology, Advocates will connect with students to help on a regular basis.

5. RECOMMENDATION

Authorize one time funding in the amount of \$2.5 million dollars to pilot Student Success Advocates Model and tracking of success will be monitored for effectiveness in retaining and supporting students to determine if this can be implemented on a consistent basis.

North Orange County Community College District
One-time Funding Discussion
CBF
 March 11, 2024

| Districtwide | Districtwide |
|---------------------------------------|----------------------|
| SERP Payment | ? |
| District-wide Success Advocates Pilot | 2,500,000 |
| Unallocated | 12,267,216 |
| Total | <u>\$ 14,767,216</u> |

| Uncommitted Fund Balance | |
|---------------------------------|----------------------|
| Unallocated Resources | \$ 14,033,722 |
| PY Apportionment Adjustment | 733,494 |
| Total | <u>\$ 14,767,216</u> |

New Request

North Orange County Community College District

COUNCIL ON BUDGET & FACILITIES

Agenda Item Submittal Form

Date: March 5, 2024

From: Geoff Hurst, Executive Director, IT

Re: Agenda Item for Council on Budget and Facilities of **March 11, 2024**

1. AGENDA ITEM NAME

District-wide Funds – Cost Increases and Changes

2. AGENDA ITEM ACTION (Please check one)

- Information Only
- Review/Discussion
- Action

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION:

15 mins

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM

The District-wide Funds Budget was revised and approved by the District-wide Technology Committee (DTC). Additional funding is being requested to be set aside to cover an increase in costs and shifts in products. The total funding requested is \$139,318 to cover the remaining 2023-24 expenses. A five-year projection has been included for review and discussion.

5. RECOMMENDATION

Approve the budget increase to the District-wide Fund to cover anticipated technology costs.

| VENDOR | ITEM | DESCRIPTION | 2023-2024 | 2024 - 2025 | 2025 - 2026 | 2026 - 2027 | 2027 - 2028 | 2028-2029 | NOTES |
|------------------------|----------------------------|--|-------------|--------------|--------------|--------------|--------------|---------------------------------|--|
| Ellucian | TCP | Banner and myGateway software maintenance agreement | 578,392 | \$ 760,233 | \$ 798,922 | \$ 839,593 | \$ 882,348 | \$ 927,296 | Current 5 year renewal quote from Ellucian Projected for 5 years based on current 7% increase. |
| Oracle | Oracle Enterprise Database | Database software maintenance agreement | 184,688 | \$ 195,769 | \$ 207,515 | \$ 219,966 | \$ 233,164 | \$ 247,154 | |
| Evisions | Argos Support | Reporting System | 22,758 | \$ 23,668 | \$ 24,615 | \$ 25,600 | \$ 26,624 | \$ 27,689 | Projected 4% increase |
| Runner Technologies | Clean Address | Address verification software integrated with Banner | 19,095 | \$ 19,859 | \$ 20,654 | \$ 21,480 | \$ 22,339 | \$ 23,232 | 4% increase |
| Adaptigent | NetCobol | Application compiler for Banner products. | 1,901 | | | | | | 23/24 Last Year Renewing Replaced with 25Live |
| Accruent | | Event Management Software - EMS | 15,541 | \$ 15,541 | | | | | |
| Computerland | Microsoft Campus Agreement | | 34,833 | \$ 35,878 | \$ 36,954 | \$ 38,063 | \$ 39,205 | \$ 40,381 | Replace with Banner AppNav. Included in 5 year Ellucian Contract |
| Hyland Software | OnBase | | 56,777 | \$ 56,777 | | | | | |
| Maxient | | Student incident management platform | 14,850 | \$ 16,038 | \$ 17,321 | \$ 18,707 | \$ 20,203 | \$ 21,820 | 8% increase |
| PowerSchool | PeopleAdmin | HR software for organizing and presenting job applications | 44,166 | \$ 47,699 | \$ 51,515 | \$ 55,636 | \$ 60,087 | \$ 64,894 | 3% increase |
| Qualtrics | Survey Software | Survey creation and compilation platform provided to all staff and students. | 7,425 | \$ 8,019 | \$ 8,660 | \$ 9,353 | \$ 10,101 | \$ 10,909 | 3% increase |
| Rave | Rave Mobile Safety | Emergency notification system | 47,481 | \$ 51,280 | \$ 55,382 | \$ 59,813 | \$ 64,598 | \$ 69,766 | 3% increase |
| | | Data Visualization and analytics platform used by campus and District | | | | | | | |
| Salesforce | Tableau Server | Institutional Research Departments | 42,556 | \$ 43,833 | \$ 45,148 | \$ 46,502 | \$ 47,897 | \$ 49,334 | 3% increase |
| Next Gen Web Solutions | Dynamic Forms | | 22,050 | \$ 22,712 | \$ 23,393 | \$ 24,095 | \$ 24,817 | \$ 25,562 | 3% increase |
| ESRI | GPS | Data Analytics | | | \$ 7,500 | \$ 7,725 | \$ 7,957 | \$ 8,195 | Moved from Strong Workforce after Grant expires |
| RedHat | Red Hat Enterprise Linux | | 3,200 | | | | | | Moved to IS Budget |
| Nth Generation | VMWare Vsphere | | 5,928 | | | | | | Moved to IS Budget |
| Nth Generation | HPE Maintenance | | 18,365 | | | | | | Moved to IS Budget, deprecating |
| Nth Generation | VMWare Vsphere | | 3,520 | | | | | | Moved to IS Budget, deprecating |
| Nth Generation | VMWare Vsphere | | 4,980 | | | | | | Moved to IS Budget, deprecating |
| Nth Generation | VMWare Vsphere | | 996 | | | | | | Moved to IS Budget, deprecating |
| Nth Generation | VMWare Vsphere | | 778 | | | | | | Moved to IS Budget, deprecating |
| AWS | Cloud Services | | 200,000 | \$ 206,000 | \$ 212,180 | \$ 218,545 | \$ 225,102 | \$ 231,855 | |
| CollegeNet | 25Live | Scheduling and Room Allocation | 208,000 | \$ 208,000 | \$ 214,240 | \$ 220,667 | \$ 227,287 | \$ 234,106 | |
| Pathify | | Portal for students and staff | 99,000 | \$ 99,000 | \$ 101,970 | \$ 105,029 | \$ 108,180 | \$ 111,425 | |
| Mongoose | Cadence | SMS Messaging | | \$ 148,194 | \$ 152,640 | \$ 157,219 | \$ 161,936 | \$ 166,794 | Move to DW from EST Budget |
| | | Budget Allocated | (1,497,962) | | | | | | |
| | | SUB TOTAL | 139,318 | \$ 1,958,499 | \$ 1,978,609 | \$ 2,067,992 | \$ 2,161,845 | \$ 2,260,412 | |
| | | | | | | | | TOTAL FIVE-YEAR FUNDING REQUEST | \$ 10,566,675 |