

Jolley, Kate

From: Jolley, Kate
Sent: Thursday, July 8, 2021 7:09 AM
To: Jolley, Kate
Subject: 2021/22 State Budget and ACCJC Enhanced Fiscal Monitoring/SRJC Long-Range Plan Update

Sent bcc: DL.Staff.All

Dear SRJC Colleagues,

I am writing to provide you with an update on some recent budget-related actions that are important for all of us at SRJC. Last week, the State approved their 2021/22 budget and SRJC was notified of action taken by the Accrediting Commission for Community and Junior Colleges (ACCJC) following their review of the college's Enhanced Fiscal Monitoring status and Special Fiscal Report.

2021/22 State Budget

The Governor and Legislature have reached an agreement on the 2021 Budget Act and we anticipate the Governor will sign soon. As discussed in my last update, the Governor's May Revise contained positive increases for community colleges and the enacted budget includes a large number of them, especially in the areas of student basic needs and support for disproportionately affected student populations, diversity, equity and inclusion, and faculty support, in addition to investments in workforce learning, deferred maintenance, online infrastructure, and pathways.

The highlights for **ongoing funding** changes in the State budget includes:

- COLA of 5.07% for the Student-Centered Funding Formula (SCFF)
- COLA of 1.7% for the DSPS, EOPS/CARE, and CalWORKs categorical programs
- COLA for the Adult Education program
- One-year extension of the SCFF related hold-harmless (to 2024/25)
- Full elimination of cash deferrals from previous years
- Funding for 0.5% growth in the SCFF
- Direct basic needs support for students, including
 - \$30 million for assistance and services
 - \$30 million for mental health support
- \$15 million to expand the California Apprenticeship Initiative
- Additional ongoing support for categorical programs supporting disproportionately affected student populations, including
 - \$4.9 million for Umoja
 - \$7 million for Puente
 - \$8 million for MESA
 - \$20 million for EOPS
 - \$10 million for Rising Scholars
 - \$1.3 million for Historically Black Colleges/Universities transfer program
 - \$5.8 million for Dreamer Resource liaisons
- \$50 million for Guided Pathways
- \$24 million for the Student Equity and Achievement (SEA) Program
- \$42.4 million for the Strong Workforce Program
- \$10 million support for the Part-Time Faculty Office Hours Program

- \$10 million to increase full-time faculty hiring

The highlights for **one-time funding** changes in the State budget includes:

- \$0.6 million for anti-racism initiatives
- \$5 million for implementation of the AB1460 ethnic studies requirement
- \$20 million to implement Equal Employment Opportunity best practices
- \$20 million for culturally competent professional development
- \$90 million support for the Part-Time Faculty Office Hours Program
- \$250 million in emergency financial aid for students
- \$100 million for student recruitment and retention
- \$100 million to support student immediate/acute basic needs
- \$511 million in deferred maintenance funds
- \$10 million for a workgroup to plan and implement competency based education
- \$10 million to develop and implement common course numbering across the system
- \$500 million for student housing projects split with the CSU and UC Systems. The structure of the program will be decided this summer.

We do not yet know exactly how some of these changes will affect SRJC and we expect to receive more information from the state over the next few months.

ACCJC Enhanced Fiscal Monitoring and Update on Long-Range Plan

While the budget update is all good news, SRJC still has a long way to go to achieve fiscal stability. As we last updated you, the Accrediting Commission for Community and Junior Colleges (ACCJC) monitors annual fiscal reports using a rubric that assesses an institution's financial stability. Based upon that rubric, at its January 2021 meeting, the commission acted to place SRJC on enhanced fiscal monitoring, which required submission of a Fiscal Monitoring Special Report. The [Fiscal Monitoring Special Report](#), and supporting evidence, provided an update on our progress with the Long-Range Plan to Fiscal Stability (LRP) implementation, and the steps taken or planned to resolve the identified deficiencies.

We were recently [notified](#) that ACCJC reviewed the report at their June 2021 meeting and while they acted to accept the report, they are also requiring a **Special Fiscal Monitoring Site Visit** that will coincide with our Spring 2022 comprehensive review to ensure the continued implementation of the LRP. They also reminded us that **we must demonstrate that we are in full compliance with the standards and policies by February 2024**.

The development and implementation of the LRP in 2018/19 has proven effective to this point. I am proud to say we achieved our targeted reductions of \$15.4 million in the first three years of the plan, including \$4.3 million in reductions to class offerings, \$8.9 million in reductions to non-instructional staffing, and \$2.2 million in reductions to operating expenses. Much of this success is due to the dedication and collaboration of individual faculty, classified professionals, and administrators, and their constituent leaders across the college.

There is still much to do, the fire related emergency conditions waiver is set to expire next year and while we have requested another extension, we know there is a large reduction in funding ahead when that expires. Our LRP has planned reductions through the 2023/24 year so we are on track to meet the ACCJC February 2024 deadline, thus **it is critical** that we continue to follow the plan. As a reminder, we still have the following reductions to achieve:

- 2021/22 (current fiscal year) - \$2.8 million in non-instructional costs and \$500 thousand in operating costs
- 2022/23 - \$2.1 million in non-instructional costs and \$500 thousand in operating costs
- 2023/24 - \$1 million in non-instructional costs

I am confident we can and will address our financial challenges and continue to implement the remainder of the plan over the next three years, which will allow us to achieve our goal of long-term financial health. As all of you, I look forward to the day when SRJC's fiscal challenges are behind us. In the meantime, I want to continue to assure you that we will support our excellent academic programs and services, and the faculty, classified professionals and administrators who work hard every day to support our students.

For more information on the Long-Range Plan and all budget updates, please visit the [budget updates website](#). Please feel free to reach out to me directly with any questions or suggestions for ways I can partner with you in this work.

Sincerely,
Kate

Kate Jolley
Vice President, Finance and Administrative Services



1501 Mendocino Ave | Santa Rosa, CA | 95401

tel 707-527-4413 | fax 707-535-3769

kjolley@santarosa.edu

accounting.santarosa.edu

I acknowledge that Santa Rosa Junior College is on the territorial traditional land of the Pomo People in Santa Rosa and the Coast Miwok People in Petaluma, past and present, and honor with gratitude the land itself and the people who have stewarded it throughout the generations.

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