
AUDIT AND BUDGET COMMITTEE AGENDA

**Coast Community College District
Audit and Budget Committee
Tuesday, August 22, 2023 at 2:00 p.m.**

Board Office Conference Room

- 1. Call to Order**
- 2. Roll Call**
- 3. Opportunity for Public Comment**

Members of the public have the opportunity to address the Audit and Budget Committee on any item that has been described in this notice. Persons wishing to make comments will be recognized at this point in the meeting. Individuals will have up to five minutes per agenda item, and there is a 20-minutes total limit per item. These time limitations may be extended by the Committee.

It is the intention of the Coast Community College District to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Coast Community College District will attempt to accommodate you in every reasonable manner. Please contact the Secretary of the Board to inform us of your particular needs so that appropriate accommodations may be made.

- 4. Approval of Minutes: Meeting of June 6, 2023** (Attachment 1)
- 5. Internal Audit Quarterly Report** (Attachment 2)
- 6. External Audit Progress Report**
- 7. Final Budget FY 2023-2024** (Attachments 3 & 4)
- 8. The Harbour**
- 9. Future Agenda Items**
- 10. Next Meeting Date**
- 11. Adjournment**

The Committee may take action on any item listed on this agenda. Under the Brown Act, the Public has the right to receive copies of any non-exempt public documents relating to an agenda item that are distributed to the committee members. Please contact the Office of the Board of Trustees prior to the meeting to facilitate the distribution of these documents.

AUDIT AND BUDGET COMMITTEE MINUTES

**Coast Community College District
Audit and Budget Committee
June 6, 2023
Board Office Conference Room**

1. Call to Order

The meeting was called to order at 2:00 p.m.

2. Roll Call

Trustees Present: Trustee Jim Moreno and Trustee Mary Hornbuckle
Trustees Absent: None

In Attendance – Dr. Whitney Yamamura, Chancellor; Marlene Drinkwine, Vice Chancellor of Finance and Administrative Services; Christine Nguyen, CCC Vice President of Administrative Services; Paul Wisner, GWC Vice President of Administrative Services; Dr. Rich Pagel, OCC Vice President Administrative Services; Julie Clevenger, Director of Chancellor Office Operations; Erik Fallis, Board Secretary; Daniela Thompson, Executive Director Fiscal Affairs; Rachel Kubik, OCC Director of Business Services; Maira De La Torre, Internal Audit Specialist; Rachel Snell, Director Internal Audit Services; Dwayne Thompson, Director of Institutional Research and Planning; Janet Houlihan, Vice President of Special Assignment; Casey Elliott, Townsend Public Affairs.

3. Opportunity for Public Comment

There were no requests to address the Audit and Budget Committee.

4. Approval of Minutes: Meeting of February 7, 2023

On a motion by Trustee Hornbuckle, seconded by Trustee Moreno, the Committee voted to approve the minutes of the meeting of February 7, 2023.

Motion carried with the following vote:

Aye: Trustee Hornbuckle and Trustee Moreno
No: None
Absent: None

5. Internal Audit Quarterly Update

District Director of Internal Audit Rachell Snell provided the Internal Audit update.

Five completed memo reports were presented: Coastline Part-time Faculty Self-reported Follow-up Status on Recommendations, Golden West Criminal Justice Training Center Self-reported Follow-up Status on Recommendations, BP/AP 7400 Travel Memo Report, Strategic Audit Plan FY 2023-2024, Districtwide Title IX Review. Other projects in progress included the Faculty Load and Compensation process review, AP 3600 External Auditor/Independent Contractor final report to Associated Student Governments, External Audit Liaison and Records Management.

A full report of Internal Audit projects would be presented to the Board of Trustees at the June 21, 2023 Board meeting, in addition to reports of good standing for the Associated Student Governments.

6. External Auditor's Report

Executive Director of Fiscal Affairs Daniela Thompson presented the Client Service Plan provided by Crowe LLP. The presentation included an overview of the audit team, scope of services, deliverables, timeline for the execution of services, the audit approach and recent audit developments.

Areas of note within Crowe's audit approach included the financial statement audit, annual planning with management relative to internal audit procedures, identification of potential risks and vulnerability to fraud.

7. Tentative Budget FY 2023-2024

Vice Chancellor Marlene Drinkwine provided a summary presentation of the FY 2023-2024 Tentative Budget. The presentation included a recap of the 2022-2023 budget, highlights of the 2023-2024 state budget that identified changes from the January proposal to the May revise, and an overview of the district 2023-2024 tentative budget.

Areas of note within the tentative budget included an explanation of assumptions, student centered funding formula calculation components, categorical programs, unrestricted general fund multi-year projections, reserve projections and enrollment impact considerations.

The tentative budget would be presented to the Board of Trustees at the June 21, 2023 Board meeting for adoption. Subsequently, the final budget would be presented to the Board of Trustees at the September 6, 2023 Board meeting for approval and adoption.

8. State Budget Update

Casey Elliott of Townsend Public Affairs provided the Committee with an update on the State Budget.

On May 12, Governor Newsom released the revised budget proposal for the 2023-2024 fiscal year. In total, the spending plan included \$224 billion in General Fund spending, with a projected \$31.5 billion budget shortfall. To address the budget deficit, the May Revise proposed: \$3.7 billion in borrowing, \$3.3 billion in fund shifts, \$1.1 billion in unspent fund reductions, \$695 million in funding delays, and \$450 million safety net reserve withdrawal. The May Revise proposed no new trigger reductions and maintained the \$3.9 billion in triggered reductions from the January Budget proposal.

The May Revise proposed maintaining spending cuts by pulling back on unallocated one-time spending funds, shifting to future bonds, and instituting funding delays. The administration remained committed to stabilizing investments in homelessness, housing, healthcare/mental health, climate, public safety, and jobs.

On May 26, the Assembly Budget Committee approved their version of the budget bill. The budget framework contained many elements of the May Revise, and also some key differences. On May 26, the Senate Budget Committee also approved its budget framework. The Administration and Legislature were in the process of reconciling the three versions of the budget so that a final budget bill would be approved by the Legislature before the June 15 deadline.

9. Future Agenda Items

Budget Update
Internal Audit Report
External Audit Progress Report
Harbour Developments

10. Next Meeting Date

The next meeting was scheduled for Tuesday, August 8, 2023 at 2:00 p.m.

11. Adjourn

The meeting was adjourned at 3:15 p.m.

Secretary of the Board
Erik Fallis

Audit and Budget Committee Meeting: 08/22/23

Projects—Completed

Other Projects—In Progress

- Internal Audit Assessment of Anonymous Report of Concerns program (Draft Report in progress)
- Review of BP/AP 3600 Auxiliary Organizations requirements for periodic review for compliance (Draft Report in Progress)
- GWC Review of Budget cycle and process for creating the college's budget
- OCC Audit of Radiologic Technology operations
- OCC Audit of Recovery Kitchen operations
- Districtwide review of Procurement Card assignments, limits, and reconciliations.
- External Audit Liaison: Ongoing
- Record Management—Internal Audit files Ongoing

Other Services

- Retirement Board, Vice Chair
- DCC—BP/AP Subcommittee (Advisory)
- ALGA Mentor

Revisions to Strategic Audit Plan

<u>District-Wide Operations</u>	<u>Audit Requirements & Continuous Improvement</u>
Conduct a self-assessment to determine whether Internal Audit's fraud, waste, and abuse Hotline program follows best practices.	Follow up audit on selected recommendations issued by Internal Audit, including those that resulted from investigations. (Fixed Assets, Recycling Center Swap Meet)
Review the Behavioral Assessment Team program and determine a) the extent to which it meets program goals and objectives and b) complies with best practices.	TeamMate (TM)+ Continuing Development: Continue to enhance audit and investigation procedures utilizing system features and documenting results in the TM+ User Guide. Internal Audit Record Management Project.
Determine whether the District's Procurement Card program complies with purchasing related laws, regulations, policies, and procedures, and whether controls exist to prevent unauthorized use and purchases.	Review Internal Audit-related Board Policies and Administrative Procedures and evaluate any need to amend to keep current with audit standards.
District wide review of facility use and fee waivers.	Prepare Annual Strategic Work Plan 2024-2025.

<u>Other District-Wide Initiatives</u>	<u>Other Audit Initiatives</u>
Continue to participate in Boards, Committees, and working groups, including External Audit Liaison & Retirement Board.	Continue to participate in professional organizations. Continue to recruit staff and work study students for the department.
Districtwide outreach to stakeholder groups to provide information on Internal Audit services, roles, and responsibilities.	Review Internal Audit Department policies and procedures.
<u>Campus Operations</u>	
<p>To determine whether gift cards maintained at the colleges are inventoried and secured, and whether gift cards are utilized and disbursed for an allowable purpose.</p> <p>To determine the extent to which the OCC Radiologic Technology program complies with applicable laws, regulations, policies, and procedures related to course enrollment and course completion.</p> <p>To evaluate the business operations associated with the OCC Recovery Kitchen and ensure safeguards are in place to protect against fraud, waste, and abuse.</p>	Review GWC Budget process and Requisition Approval Process.



Trustees

Mary Hornbuckle, President
Lorraine Prinsky, Ph.D., Vice President
Jim Moreno, Board Clerk
Elizabeth Dorn Parker, Ed.D., Trustee
Jerry Patterson, Trustee

Student Trustee

John Bruning

Chancellor

Whitney Yamamura, Ed.D.

September 6, 2023

To: Dr. Whitney Yamamura, Chancellor

From: Marlene Drinkwine, Vice Chancellor of Finance and Administrative Services *M. Drinkwine*

Re: Adoption of the 2023-24 Fiscal Year Adopted Budget for the Coast Community College District

BACKGROUND

The enclosed Fiscal Year (FY) 2023-24 Adopted Budget is presented to the Board of Trustees for adoption. The California Code of Regulations Title 5, Section 58305 (5 CCR § 58305) requires the Board of Trustees of a Community College District to adopt an Adopted Budget on or before the fifteenth day of September in each year and forward an information copy to the appropriate county officer.

The following provides a narrative summary of the 2023-24 FY Adopted Budget including an overview of the current year's budget, the prior year's recalculation, and a discussion of the 2023-24 FY Adopted Budget, along with other associated budgetary developments. The Coast District Adopted Budget development is informed externally by the Governor's January Budget Proposal and the revised First Principal Apportionment Report, and internally by the District's mission, vision, values, strategic fiscal plan, operational needs, and contractual obligations.

2022-23 FY BUDGET

State Budget Summary 2022-23 FY

On June 27, 2022, Governor Newsom approved the \$308 billion spending plan for the 2022-23 FY with his signing of SB154 (Chapter 43/2022), the 2022-23 FY State Budget Act. SB 154 was subsequently amended with the enactment of AB 178 (Chapter 45/2022) on June 30, 2022. Completing the State Budget Package are AB/SB 192, the education trailer bill, and AB/SB 183, the higher education trailer bill.

Key provisions contained in the State Budget Package include the following:

- 6.56% Cost Of Living Adjustment (COLA) for the Student Centered Funding Formula (SCFF) and specified categorical programs.
- \$600 million for SCFF rate augmentations, in addition to COLA, providing the District with \$4.1 million.
- \$250.1 million to augment the SCFF Student Success Completion Grant.
- Ongoing extension of the Hold Harmless provision, in a highly modified form as the Funding Floor.
- One-year extension of the Emergency Conditions Allowance with several new requirements, including increasing the Board-approved minimum reserve requirement to 16.67%. This provided the District with approximately \$9 million over two years.
- \$840 million in one-time funds for the Scheduled Maintenance / Instructional Equipment block grant.
- \$650 million in one-time funds for a discretionary block grant to address pandemic-related issues with a focus on technology.
- \$200 million augmentation for part-time faculty health insurance program.

Changes to the District Adopted Budget 2022-23 FY

The Board of Trustees adopted the District's Adopted 2022-23 FY Budget in September 2022. Major changes since the adoption of the Adopted Budget are noted below.

With the development of the 2023-24 Tentative Budget, several changes to the 2022-23 projected year-end fund balance were identified. These changes were generated during the 2022-23 FY and are unique to 2022-23; there is no expectation of recurrence of these specific changes in the future.

Total Unrestricted General Fund Recap

TOTAL UNRESTRICTED GENERAL FUND	2022-2023 Adopted	2022-2023. Unaudited (as of 7/28/23 P2)
Beginning Balance (District & Colleges)	\$44,915,241	\$44,914,000
Prior Year Fund Balance Adjustment	\$0	\$0
Adjusted Beginning Balance	\$44,915,241	\$44,914,000
Total Revenue	\$243,026,019	\$267,937,674
Revenue & Beginning Balance	\$287,941,260	\$312,851,674
Total Expected Level of Spending	\$247,218,888	\$253,514,224
Estimated Ending Fund Balance	\$40,722,372	\$59,337,450
Estimated Ending Fund Balance %	16.47%	23.41%



**Highlighted Changes in the Projected 2022-23 Ending Unrestricted General Fund Balance
from the 2022-23 Adopted Budget to the 2023-24 Tentative Budget.**

Description	Total Change (millions)	Notes
Revenues:		
SCFF: ECA	\$5.3	The Emergency Conditions Allowance allowing the use of pre-pandemic 2019-20 FTES instead of actual FTES was unexpectedly extended for a final year.
SCFF: Rate Augmentation	\$5.0	The SCFF rates received an augmentation above COLA. The State Chancellor's initial estimated new SCFF rates which were used in the District's Adopted Budget were much lower than the final rates.
SCFF: Supplemental Allocation	\$(4.7)	The 2022-23 P1 Apportionment reduced funding for the SCFF allocation due to the decline in the number of students that are College Promise, Pell Grant and AB 540 students, and the decline in completions.
SCFF: Student Success Allocation	\$(0.3)	
SCFF: Revenue Deficit Factor	\$1.0	The 2022-23 P1 Apportionment reflected no revenue deficit factor and did not indicate one would occur.

The following highlighted changes were identified during the year-end closing process and are included in the 2022-23 Unaudited Actuals that accompany the 2023-24 FY Adopted Budget.

**Highlighted Changes in the 2022-23 Ending Unrestricted General Fund Balance from
2023-24 Tentative (Pre-close) to Adopted Budget (Post-close)**

Description	Total Change (millions)	Notes
Expenditures:		
Benefit Savings	\$(0.4)	Pension
Non-S/B Savings	\$(1.1)	Operating expenses
Revenues:		
SCFF: Revenue Deficit Factor	\$(2.2)	The recalculated 2022-23 P2 Apportionment 1% deficit.
Lottery	\$2.1	18% Rate Increase from increased Lottery Sales (Lotto Fever)
Interest	\$0.5	Interest increases and temporary cash increase from receipt of SM/IE and COVID-19 BG cash.
Part-time Faculty Reimbursement	\$0.3	State-wide reimbursement rates increased over historical rates.
Local Revenue	\$4.6	Dedicated revenue \$2.6 M, including non-resident tuition at \$1.5 M.



2022-23 Second Principal (P-2) Apportionment

The State Chancellor's Office released the 2022-23 P2 Apportionment report on June 28, 2023. This report unexpectedly contained a 10.827% revenue deficit factor which reduced the District's SCFF funding by over \$24 million.

We anticipated little change from the 2022-23 P1 report and there was no indication before the release of the report that the revenue rates and factors would differ significantly from the P1 report. However, the Department of Finance released new 2022-23 Education Protection Account (EPA) revenue allocations that show a shortfall of \$1 billion from the previously projected \$1.56 billion. This shortfall results in the 10.827% deficit applied to all district's SCFF revenues. The District's June payment from the State reflects this loss of revenue.

In their memo regarding the 2022-23 P2 Apportionment, the California Community College Chancellor's Office (CCCC) stated that other State revenues will be reallocated in the 2023-24 State Enacted Budget to backfill the \$1 billion shortfall. However, the amount reallocated fell slightly short of the amount needed and recalculated 2022-23 P-2 Apportionment reflects a remaining 1.0% revenue deficit factor.

HEERF Deadline

All HEERF grants were required to be spent by June 30, 2023. An exception was provided to Golden West College for the Nursing Building Renovation which received an extension to October 2023 to complete the project. The District fully expended all other HEERF funds by the deadline of June 30, 2023.

Enrollment Metrics 2022-23 FY and Beyond

As measured in the Spring 2023 Annual Enrollment report, resident enrollments were 24,198.30 FTES. While during the previous six years, the District has experienced an enrollment decline of more than 25%, the District showed enrollment growth of 3.17% in 2022-23 FY.

2023-24 FY BUDGET

The 2023-24 FY State Budget

The governor's January Budget Proposal for 2023-24 FY represents the first opportunity for the governor to share his vision for 2023-24 FY. It is based on known and projected fiscal data and the administration's policy priorities. The May Revision presents the last statutory opportunity for the Governor to shape his economic proposal before legislative budget committees complete their work and move into Conference Committee. It also presents an opportunity to reflect on the actual COLA and any necessary revisions to projected state revenues and budget deficits.



The Enacted State Budget for 2023-24 FY was signed into law by Governor Newsom on July 10, 2023. The State Budget bill package includes Senate Bill (SB) 101 (Statutes 2023/Chapter 12), Assembly Bill (AB) 102 (Statutes 2023/Chapter 38), and SB 117 (Statutes 2023/Chapter 50).

All versions of the State Budget reflected the economic realities of shrinking revenues and budget deficits; contained are solutions including funding shifts, borrowing, delays, pullbacks, and reductions. The delay in the 2022 tax filing deadline to October 2023 (as a result of a State of Emergency declaration for California wildfires), results in uncertainty regarding State revenues. However, revenues are projected to continue to decline.

The Enacted Budget reflects a budget deficit estimated to be \$31.5 billion, an increase over the \$22.5 billion deficit projected with the January Proposal. The below table highlights critical changes in the January Proposal, May Revise, and Enacted Budget.

January Proposal, May Revise, and Enacted Budget Changes

Description	January Proposal	May Revise	Enacted Budget
Funded COLA (SCFF and Selected Categorical Programs)	8.13%	8.22%	8.22%
Funded Growth	0.5%	0.5%	0.5%
One-time Retention and Enrollment Program Reduction to Prior-year Program	\$200M --	\$100M --	\$50M (\$55.4M)
Scheduled Maintenance//Instructional Equipment Reduction (2022-23 funding of \$840 million)	(\$213M)	(\$452.2)	(\$500.0)
COVID-19 Recovery Block Grant Reduction (2022-23 funding of \$650 million)	--	(\$344.7)	--
GWC Fine Arts Project Included in State Bond-funded Projects	No	Yes (Construction must wait for the passage of a new state bond)	Yes (Construction must wait for the passage of a new state bond)
Projected State Deficit	\$22.5B	\$31.5B	\$31.5B
Proposition 98 Guarantee	\$109B	\$107B	\$108.3B



Flexibility was provided for the use of some funds in recognition of the reduction in the Scheduled Maintenance/Instructional Equipment program. Districts are allowed to use remaining one-time funds in the Retention and Enrollment program, COVID-19 Recovery Block Grant, and Scheduled Maintenance/Instructional Equipment program for any purpose of the three programs. Previous proposals to include the Student Equity and Achievement Program, Financial Aid Administration, and Student Mental Health have been rejected and these programs are not included in the allowable flexibility.

Coast District Budget Development 2023-24 FY

Following the release of the Governor's January Budget Proposal, preliminary Budget Assumptions were developed and discussed with the District Consultation Council Budget Subcommittee, the Board of Trustees Audit and Budget Subcommittee, and the Board of Trustees at the Budget Study Session in March 2023. Since that time, Budget Assumptions have been refined based on the Enacted Budget and new information emerging in the budget development process and are summarized in the following table.

Coast Budget Assumptions

	Jan 23	May 23	July 23 (Enacted Budget)
Salary Increases			
Statutory COLA (COLA is not Proposed for all Categorical Programs)	8.13%	8.22%	8.22%
Step and Column	✓	✓	✓
Health and Welfare	\$19,630	\$19,630	\$20,360
Payroll Taxes	CalSTRS 3.2% CalPERS 9.4%	CalSTRS 3.2% CalPERS 9.4%	CalSTRS 3.2% CalPERS 9.4%
Pension			
CalSTRS Employer Contribution	19.10%	19.10%	19.10%
CalPERS Employer Contribution	27.00%	26.68%	26.68%
Vacancies			
Assumed filled/budgeted Hiring Freeze (thru June 30, 2024)	✓ ✓	✓ ✓	✓ ✓



	Jan 23	May 23	July 23 (Enacted Budget)
California CPI (applied to non-labor cost)	3.44%	3.44%	3.55%
Budget Formula			
Total Computational Revenue @SCFF FY 23-24 Funding	Prior Year SCFF before HH + COLA	Prior Year SCFF before HH + COLA	Prior Year SCFF before HH + COLA
Supplemental & Success (3-Year Average)	✓	✓	✓
SCFF Deficit Factor (FY 2023-24 Projected @ 0.5%)	0.50%	0.50%	0.50%
New Funding Floor Based on FY 2024-25, Effective FY 2025-26	✓	✓	✓
Enrollment			
Reported FTES	23,849.55 (@ P1)	24,073.45 (@ P2)	24,073.45 (@ P2)
Funded FTES (3-Yr Average)	27,181	27,181	27,181
Funded Growth (FY 2023-24 State @ 0.5%)	Local 0%	Local 0%	Local 0%
Budget Basis	27,181 (3-Year Rolling Average)	27,181 (3-Year Rolling Average)	27,181 (3-Year Rolling Average)
Non-Resident Tuition			
(\$381 = \$31 Capital Outlay)	\$412	\$412	\$412
Compliance			
Reserve per Board Policy BP6300	16.70%	16.70%	16.70%
50% Law	✓	✓	✓
FON Strategic Plan	✓	✓	✓



Supplemental Retirement Plan

At the April 28, 2020, special meeting of the Board of Trustees, action was taken to approve the two plans reflecting 123 employees enrolled in the PARS Supplementary Retirement Plan and the CalSTRS Retirement Incentive Plan. The District realized an overall savings of approximately \$3 million in the first year and projects \$11.6 million in the subsequent five years, after the costs of administering the programs. The 2023-24 FY will represent the fourth year in this five-year debt service schedule.

At the end of the prior fiscal year, June 30, 2022, approximately 70% of the enrolled positions had been eliminated from the budget, 15% had been backfilled, and 15% of the positions remained vacant. Estimates indicate that at the end of this fiscal year, June 30, 2023, the remaining vacant positions will have been backfilled.

Proposition 98

Adopted by state voters in 1988, Proposition 98 sets in the State Constitution a series of complex formulas that establish the minimum funding level for K-12 education and community colleges from one year to the next. This target level is determined by (1) prior-year appropriations that count toward the guarantee, (2) workload changes as measured by the change in K-12 average daily attendance (ADA), and (3) inflation adjustments as measured by the change in either per capita personal income or per capita state General Fund revenues, whichever is less.

Budget Allocation Model

The 2023-24 FY Adopted Budget Allocation Model follows the same long-standing allocation parameters that have been in place for years.

Revenue Estimates

The state apportionment process, which provides more than 90% of the District's unrestricted general fund operating revenues, is made up of three primary resources including state aid, local property taxes, and student fees. The SCFF reflects the calculation of the Districts' apportionment. These revenues are supported through taxes under Proposition 30, extended under Proposition 55, which increased Personal Income Tax through 2030. The State makes projections of these revenue elements which in turn provides a basis for system funding. Historically, if the estimates overstate available revenues, a deficit factor emerges as discussed above. An additional component was added to the community college apportionment process stemming from the Proposition 30 (Proposition 55) Education Protection Account.

The Basic Allocation for the District, the budget component under which districts receive funding for state-approved sites, continues to reflect one middle-size college, Orange Coast with FTES between 10,000 FTES and 20,000 FTES, and two small colleges, Coastline and Golden West, with FTES of less than 10,000 FTES. Declines in college FTES that result in a reduction of calculated basic allocation will not cause a reduction in basic allocation base revenue until the third year after



the year of the FTES decline, and the basic allocation will not be reduced if the FTES is restored to or above the pre-decline base.

Funding Guarantees

There are three SCFF funding guarantees: hold harmless, stabilization, and the funding floor. The hold harmless will be replaced by the funding floor effective with 2025-26 FY. In each year, the District receives the greater of its actual current year SCFF calculation, the hold harmless or the funding floor, or the stabilization adjustment. Due to the dynamics of this three-way comparison, the District's actual increase in revenue may be less than the funded COLA.

- **Hold Harmless**
 - The hold-harmless guarantee ensures the District will be paid a minimum of its 2017-18 FY TCR as increased by funded COLA in each intervening year.
 - Hold harmless was provided to allow a transition to the SCFF without an immediate decline in funding and was initially slated to expire in 2020-21 FY but was extended through 2024-25 FY.
 - The District has been funded at the hold harmless level since 2018-19 FY.
- **Stabilization Adjustment**
 - The stabilization adjustment provides one-year protection against declining enrollment and ensures the District will be paid a minimum of its prior year TCR as increased by funded COLA.
 - The District is projected to be funded by the stabilization adjustment in 2023-24 FY due to the ECA that artificially increased the District's 2022-23 FY enrollment to the 2019-20 FY level.
- **Funding Floor**
 - The funding floor will replace the hold harmless in 2025-26 FY with two major differences:
 - It will be based on the **2024-25** FY TCR.
 - It will **not** be increased by the state-funded COLA
 - There is no expiration date for the funding floor.
 - The District is expected to be paid at the funding floor level for several years. It is not likely that the District can grow itself out of the funding floor considering that funded growth is limited to 0.5% annually. Instead, the accumulated annual COLA increases in SCFF funding rates will eventually cause the District to be paid above the funding floor and at the SCFF calculation.

As noted elsewhere, funded growth is limited to 0.5% annually and the District is unlikely to experience funded growth until it exits the funding guarantees.

Grants and Categorical Funding

The District's estimated Grants and Categorical Program funding across all federal, state, and local sources for the 2023-24 FY is projected to be \$125.3 million.



The number of state-determined categorical restricted programs has risen markedly in recent years. For the year beginning July 1, 2023, we estimate that the District will be managing more than 82 restricted programs.

Further, while we have collective bargaining agreements that represent employees regardless of funding source, as the table below indicates, not all funds receive a cost of living adjustment.

COLA Receipts

Program Areas	8.22% COLA	No COLA
Adult Education Program	✓	
Student Equity and Achievement Program		✓
Strong Workforce Program		✓
Full-Time Faculty Hiring		✓
Extended Opportunity Programs and Services	✓	
Disabled Students Programs and Services	✓	
Apprenticeship	✓	
CalWORKs Student Services	✓	
Cooperative Agencies Resources for Education (CARE)	✓	
Mathematics, Engineering, Science Achievement (MESA)	✓	
Mental Health Services	✓	
Basic Needs Centers		✓
Institutional Effectiveness Initiative		✓
Part-Time Faculty Compensation		✓
Veterans Resource Centers	✓	
Umoja	✓	
Financial Aid Administration - Workload Adjustment		✓
Apprenticeship Program - COLA and Technical Adjustment	✓	

To support the roadmap and provide districts with the ability to maximize the use of funding, the State is providing additional flexibility in certain categorical dollars to districts to support progress toward the roadmap. The State Chancellor's Office will access district-level progress in meeting five of the roadmap goals.

The state approved trailer bill language to allow districts to use remaining one-time funds from the COVID-19 Block Grant, student retention and recruitment, and deferred maintenance and instructional equipment for any of these purposes. The amount remaining is roughly \$1.1 billion.



Total Revenues

The total estimated unrestricted general fund revenue is \$ 270.5 million including an estimated deficit spending of \$ 4.0 million.

Expense Estimates

Appropriation changes reflect projections for expenditures in contract salaries including step and column increases, and an 8.22% COLA netted against the difference between the cost of retiring employees and new replacements resulting in an estimated increase of \$9.0 million. Non-salary and benefit costs are projected to increase by the Consumer Price Index.

Supplemental Retirement Program (SRP) Debt Service

Funding the SRP required two forms of debt: an annuity purchased through the Public Agency Retirement System (PARS) to fund the percent of salary offering for members of the California Public Employee Retirement System (CalPERS) and the issuance of Other Post Employment Benefit (OPEB) bonds to fund the California State Teachers Retirement System (CalSTRS) two-year service credit option. These debt obligations will run for five years before being retired. Annual debt service between the two programs equates to approximately \$1.9 million.

Health & Welfare

The health benefits year runs from October 1 through September 30 and as such lags the fiscal year. Renewal rates for the coming year have been made available and projects a 6.9% or approximately a \$2.6 million increase in the cost of delivering benefits.

Other Post-Employment Benefits (OPEB)

Historically, insufficient funds were set aside by governmental entities to fully fund contractual obligations for retiree health care. Beginning in the middle of the last decade, the District was among the founding members of the Community College League of California (CCLC) Joint Powers Authority for retiree health care funding; a GASB-qualified irrevocable trust. More recently, the District opted to divide assets between the CCLC JPA and the Keenan Futuris Benefit Trust. Consistent with the guidelines under the Governmental Accounting Standards Board (GASB) Statements 74 & 75, the District engages the services of an actuary to measure this liability every year.

The 2022 study measured this liability at approximately \$ 121.5 million on June 30, 2022. This reflects an increase of approximately \$3.0 million from the 2021 study. While the term Annual Required Contribution (ARC) is no longer operative, we budget what is referred to as the Actuarially Determined Contribution (ADC) and the normal cost to meet healthcare obligations for retirees and current employees. That amount, budgeted on a three-year rolling average is \$10.1 million. The Fiduciary Net Position of this trust on June 30, 2022, was \$ 85.5 million, meaning the liability was approximately 70.6% funded. This leaves a Net OPEB Liability (NOL) of \$35.6 million.



Pension Costs

Employer contributions for CalPERS are expected to increase from 25.37% to 26.68% of payroll. No change to employer contributions from the CalSTRS employer rate of 19.1% starting July 1, 2023.

Based on these projections, the District will experience an increase across its pension programs of \$3.8 million. To help mitigate these obligations, the District joined the CCLC PARS Pension Stabilization Program.

Total Expense Estimate

The total unrestricted general fund estimated expenditures equate to \$274.5 million, including a beginning fund balance of \$59.3 million.

Reserves/Fund Balance

Administrative Procedure (AP) 6305-Reserves was revised in alignment with the ECA requirements in 2022-23 FY. The ECA required, among other things, that Districts have a Board-approved reserve requirement of a minimum of two months of operating expenditures, equivalent to 16.7%. The District's previous AP required an unappropriated reserve of ten percent of prior year unrestricted general fund expenditures consisting of a five percent Reserve for Contingencies, under Title 5, Section 58307, and a five percent Ancillary Reserve. This amount was increased to 16.7%, with half (8.35%) in Reserve for Contingencies and half (8.35%) in Ancillary Reserve.

The minimum reserve requirement for two months of operating expenditures also aligns with the guidance promulgated by the Government Finance Officers Association (GFOA). The CCCCCO has been using the two months of operating expenditures as a standard benchmark in its district budget evaluation for the past two years.

The COVID-19 pandemic, coupled with continuing enrollment declines, has resulted in a significant fall-off in revenues. As discussed elsewhere in this letter, one-time federal relief, a one-year extension of the ECA in 2022-23 FY, savings from the recently enacted Supplemental Retirement Program, and prudent fiscal management practices have helped to offset some of these losses. Unfortunately, these one-time sources of revenues have ended and, due to the current economic conditions, additional fiscal solutions are highly unlikely.

The prior year-ending fund balance was approximately 23.64%. Our multi-year projections suggest that the District's reserves will meet the 16.7% required reserves for the next three years. However, deficit spending beginning in 2023-24 FY will cause the district's reserves to decline and it will fall short of required reserves with a projected 2026-27 FY reserve of 11.75%. The District is developing a fiscal stabilization plan that will provide implementable solutions to preserve reserves.



These estimates of fund balance will be refined with the year-end close and actual figures presented to the Board with the Adopted Budget.

Capital Outlay

As the State winds down the Proposition 51 Capital Program, the Governor's 2023-24 January budget proposal included \$143.8 million to fund 10 continuing projects. The January proposal did not include any "new start" projects. However, the May Revision increased the appropriation to \$232.3 million for two new starts and 12 continuing capital outlay projects, including the Golden West College Fine Arts Renovation. With the approval of the 2023-24 FY State budget, the Fine Arts project is now eligible to commence the design phase. The eventual construction of the project will be subject to the availability of construction funding from the State.

With the commencement of the Golden West College Fine Arts project, Proposition 51 will have provided Coast Community College District with approximately \$84 million to fund, in part, the Orange Coast College Language and Social Science Building, Golden West College Language Arts Complex, and the OCC Chemistry, and the Fine Arts projects. With State Proposition 51 funds having nearly been exhausted, the legislature continues to have a dialogue about a future State-wide General Obligation Bond initiative.

Scheduled Maintenance Program (Deferred Maintenance) and Instructional Support

The Scheduled Maintenance and Instructional Support Block Grant continues to serve as a vital funding stream in addressing "small capital" needs (i.e., technology replacement, infrastructure repairs, end-of-life systems replacement, etc.). This program has received annual appropriations since 2013-14 and has provided Coast with approximately \$37 million to fund critical infrastructure projects in that time. Fiscal year 2023-24 marks the first year in a decade in which the program is not proposed to receive funding.

Additionally, the Governor's January budget proposed a \$213 million reduction in the previous year's appropriation. The May Revision deepens the cut, proposing an additional \$239 million decrease for a total reduction of \$452 million. The final budget reduced the program even further, a total reduction of \$494.3 million, but allows for the flexibility of using COVID-19 Block Grant funds to fund Deferred Maintenance projects. For Coast, this proposal would see our previous apportionment of \$18.8 million reduced to approximately \$8.0 million. Campuses are reassessing and reprioritizing their respective "small capital" project needs.

Student Housing

The budget package approves the construction of seven new community college student housing projects worth \$464.1 million for FY 2023-24 using the state Higher Education Student Housing Grant Program. Furthermore, the budget provides \$200 million (one-time General Fund) to fund a Student Housing Revolving Loan Fund with the intent of providing \$300 million each year through FY 2028-29.



Measure M

As of March 31, 2023, the District has expended approximately 92% of its project funds under the Measure M General Obligation bond. Measure M has and will continue to provide a meaningful transformation to our decades-old campus infrastructure.

Taking a portion of the Measure M bond proceeds, the District established a dedicated source of local funds for the express purpose of funding building system repairs/improvements as well as technology/refresh upgrades in future years. This endowment fund received \$60 million in deposits from Measure M and will provide a stable and ongoing source of capital replacement funds. With the availability of HEERF and Scheduled Maintenance funding, the District elected to reinvest some of the accumulated endowment proceeds in 2022-23 FY. This will provide the District with approximately \$8M in additional interest earnings and extend our endowment funding until 2040.

LOOKING AHEAD

The Enacted Budget is reflective of state and federal economic concerns. Reduced revenues and increasing budget deficits result in severe reductions to categorical programs and signal the potential for continued declines in future years.

One does not have to look far to see the local effects of inflation and the hardship it creates for the students and employees of the District including higher housing, fuel, and commodity prices. At the federal level interest rates are being deliberately raised in an effort to curb inflation.

The Enacted Budget reflects the Governor's transitory proposal to ease out of Hold Harmless at the end of FY 2024-25 and enter into a permanent funding floor. This "fiscal plateau", while far less severe than the "fiscal cliff" previously discussed, will leave the District with an estimated flat SCFF revenue of \$246.1 million in 2025-26 FY.

The District has made great strides in communicating budget information and challenges. Recent Town Halls have experienced great participation and sharing transparent budget information in collaboration with constituency groups continues to be a priority. A fiscal stabilization plan is in development to support the identification and implementation of solutions that would result in adjustments in the Districts' spending plan to align estimates of earned income with planned expenditures in a post-Hold-Harmless environment.

CONCLUSION

As specified by 5 CCR § 58301, for purposes of developing and adopting the Adopted Budget, the governing board of each district shall hold a public hearing on the proposed budget in a district facility, or some other place conveniently accessible to the residents of the district, on or before the 15th day of September, but at least three days following availability of the Proposed Budget for public inspection, at which any resident in the district may appear and object to the proposed budget or any item in the budget.



Consistent with the requirements of 5 CCR § 58305, the Adopted Budget for the 2023-24 FY is scheduled for presentation and adoption on September 6, 2023, and the annual Financial and Budget Report (CCFS 311) will be sent to the CCCCCO on or before October 10, 2023.

This same regulatory framework requires districts to send copies of their budgets to the County Office of Education by September 30 and to the California Community Colleges Chancellor's Office (CCCCO) on or before October 10. Lastly, districts must submit annual audited financial statements to the CCCCCO before December 31.

The Adopted Budget is presented to the Board for adoption.



TOTAL GENERAL FUND SUMMARY (2023-2024 FY)			
	ADOPTED BUDGET 2022-2023	UNAUDITED ACTUAL 2022-2023	ADOPTED BUDGET 2023-2024
BEGINNING FUND BALANCE	\$44,915,241	\$44,914,000	\$59,337,450
REVENUES			
Federal Revenue	\$34,219,409	\$31,720,026	\$7,134,062
State Revenue	\$123,231,493	\$111,370,706	\$171,631,990
Local Revenue	\$198,642,642	\$208,154,208	\$214,220,304
TOTAL REVENUE	\$356,093,544	\$351,244,940	\$392,986,356
EXPENDITURES			
Academic Salaries	\$97,143,274	\$106,167,676	\$110,534,463
Classified Salaries	\$75,016,091	\$69,778,588	\$88,022,821
Employee Benefits	\$80,301,823	\$86,153,110	\$86,727,815
Supplies and Materials	\$8,520,368	\$6,181,191	\$9,953,846
Other Operating Expenses and Services	\$86,008,369	\$33,849,219	\$81,919,187
Capital Outlay	\$4,913,861	\$20,500,920	\$4,578,530
TOTAL EXPENDITURES	\$351,903,786	\$322,630,704	\$381,736,662
Excess / (Deficiency) of Revenues over Expenditures	\$4,189,758	\$28,614,236	\$11,249,694
Other Financing Sources	\$1,194,039	\$6,598,214	\$1,124,313
Other Outgo	\$9,576,666	\$20,789,000	\$16,375,084
Net Increase / (Decrease) in Fund Balance	(\$4,192,869)	\$14,423,450	(\$4,001,077)
ENDING FUND BALANCE, JUNE 30	\$40,722,372	\$59,337,450	\$55,336,373
FUND BALANCE DESIGNATIONS			
Committed Fund Balance			
Board Mandated Reserve	\$22,870,364	\$41,188,380	\$45,844,234
Assigned Fund Balance			
Colleges Beginning Balance	\$811,688	\$8,588,964	\$2,882,342
Contingency Holding	\$514,959	\$1,050,632	\$0
Contractual Obligations	\$775,000	\$838,791	\$800,000
Curriculum Protection Account	\$0	\$1,245,000	\$1,245,000
Deficit Factor	\$0	\$5,820,015	\$4,564,797
Districtwide Marketing	\$0	\$304,166	\$0
ECA Requirement	\$15,750,361	\$0	\$0
Undesignated	\$0	\$301,502	
TOTAL FUND BALANCE	\$40,722,372	\$59,337,450	\$55,336,373



2023-24 FY ADOPTED BUDGET

PRESENTATION TO THE AUDIT AND BUDGET COMMITTEE
AUGUST 22, 2023

PRESENTED BY MARLENE DRINKWINE, VICE CHANCELLOR
FINANCE AND ADMINISTRATIVE SERVICES

DISCUSSION TOPICS

- 2022-23 Recap
- 2023-24 State Budget
- District 2023-24 Adopted Budget
- Education Protection Account
- Conclusion
- Appendices

2022-23 BUDGET RECAP

2022-23 Budget Recap

TOTAL UNRESTRICTED GENERAL FUND	2022-2023 Adopted	2022-2023. Unaudited (as of 7/28/23 P2)
Beginning Balance (District & Colleges)	44,915,241	44,914,000
Prior Year Fund Balance Adjustment	-	-
Adjusted Beginning Balance	44,915,241	44,914,000
Total Revenue	243,026,019	267,937,674
Revenue & Beginning Balance	287,941,260	312,851,674
Total Expected Level of Spending	247,218,888	253,514,224
Estimated Ending Fund Balance	40,722,372	59,337,450
Estimated Ending Fund Balance %	16.47%	23.41%

2022-23 Budget Recap

Highlighted Changes in the Projected 2022-23 Ending Unrestricted General Fund Balance from the 2022-23 Adopted Budget to the 2023-24 Tentative Budget



Description	Total Change (millions)	Notes
Revenues:		
SCFF: ECA	\$5.3	The Emergency Conditions Allowance allowing use of pre-pandemic 2019-20 FTES in-lieu of actual FTES was unexpectedly extended for a final year.
SCFF: Rate Augmentation	\$5.0	The SCFF rates received an augmentation above COLA. The State Chancellor's initial estimated new SCFF rates, which were used in the District's Adopted Budget, were much lower than the final rates.
SCFF: Supplemental Allocation SCFF: Student Success Allocation	\$(4.7) \$(0.3)	The 2022-23 P1 Apportionment reduced funding for these SCFF allocation due to the decline in the number of students that are College Promise, Pell Grant, and AB 540 students, along with the decline in completions.
SCFF: Revenue Deficit Factor	\$1.0	The 2022-23 P1 Apportionment reflected no revenue deficit factor and did not indicate that one would occur.

2022-23 Budget Recap



Highlighted Changes in the 2022-23 Ending Unrestricted General Fund Balance from 2023-24 Tentative (Pre-close) to Adopted Budget (Post-close)

Description	Total Change (millions)	Notes
Expenditures:		
Benefit Savings	\$(0.4)	Pension
Non-S/B Savings	\$(1.1)	Operating expenses
Revenues:		
SCFF: Revenue Deficit Factor	\$(2.2)	The recalculated 2022-23 P2 Apportionment 1% deficit.
Lottery	\$2.1	18% Rate Increase from increased Lottery Sales (Lotto Fever)
Interest	\$0.5	Interest increases and temporary cash increase from receipt of SM/IE and COVID-19 BG cash.
Part-time Faculty Reimbursement	\$0.3	State-wide reimbursement rates increased over historical rates.
Local Revenue	\$4.6	Dedicated revenue \$2.6M, including non-resident tuition of \$1.5M

2022-23 P2 Apportionment SCFF Revenue Deficit Factor



- The 2022-23 P2 Apportionment contained a 10.827% revenue deficit factor;
- Which reduced the District's SCFF funding by over \$24 million.
- The 2022-23 Education Protection Account (EPA) revenue was short \$1 billion from projected \$1.56 billion;
- The District's June payment from the State reflects this loss.
- The 2023-24 State Enacted Budget backfilled most of the \$1 billion shortfall;
- The recalculated 2022-23 P-2 Apportionment reflects a remaining 1.0% revenue deficit factor for loss of \$2.2 million.

2023-24 STATE BUDGET

2023-24 Governor's January Proposal to May Revise to Enacted Budget



Description	January Proposal	May Revise	Enacted Budget
Funded COLA (SCFF and Selected Categorical Programs)	8.13%	8.22%	8.22%
Funded Growth	0.5%	0.5%	0.5%
One-time Retention and Enrollment Program Reduction to Prior-year Program	\$200M --	\$100M --	\$50M (\$55.4M)
Scheduled Maintenance//Instructional Equipment Reduction (2022-23 funding of \$840 million)	(\$213M)	(\$452.2)	(\$500.0)
COVID-19 Recovery Block Grant Reduction (2022-23 funding of \$650 million)	--	(\$344.7)	--
GWC Fine Arts Project Included in State Bond- funded Projects	No	Yes (construction must wait for passage of new state bond)	Yes (construction must wait for passage of new state bond)
Projected State Deficit	\$22.5B	\$31.5B	\$31.5B
<i>Proposition 98 Guarantee</i>	\$109B	\$107B	\$108.3B

2023-24 State Enacted Budget Highlights

- All versions of the State Budget reflect the economic realities of shrinking revenues and budget deficits.
- Funding shifts, borrowing, delays, pullbacks, and reductions are used to mitigate the budget deficit.
- The delay in the 2022 tax filing deadline to October 2023 (as a result of a State of Emergency declaration for California wildfires), results in uncertainty regarding the actual decline in State revenues.
- \$500M reduction to SM/IEP is used to support the 8.22% COLA (total cost of \$678M)

2023-24 State Enacted Budget Highlights

- Flexibility with use of eligible categorical programs remaining one-time funds
 - COVID-19 Recovery Block Grant
 - Recovery and Enrollment
 - Scheduled Maintenance/Instructional Equipment
- GWC Fine Arts Renovation Program is funded
 - However, only design activities authorized. Construction is delayed until a new State Bond is approved to provide funding
- Student Housing is significantly revised to be based on a Student Housing Revolving Loan Fund with intent to provide \$300 million each year through 2028-29.

Joint Analysis Enacted Budget 2023-24: www.cccco.edu/-/media/CCCCO-Website/College-Finance-and-Facilities/Budget-News/Budget-2023-2024/Joint-Analysis-Enacted-Budget-2023-24_Final.pdf?la=en&hash=217B13A37730845DA1481ACE154CE4489C9609FC

DISTRICT 2023-24 ADOPTED BUDGET

FY 2023-2024 Budget Assumptions

	Jan-23	May-23	July-23 (Enacted Budget)
Salary Increases			
Statutory COLA (COLA is NOT Proposed for all Categorical Programs)	8.13%	8.22%	8.22%
Step/Column	✓	✓	✓
Health & Welfare	19,630	19,630	20,360
Payroll Taxes	CalSTRS – 3.2% CalPERS – 9.4%	CalSTRS – 3.2% CalPERS – 9.4%	CalSTRS – 3.2% CalPERS – 9.4%
Pension			
CalSTRS Employer Contribution	19.10%	19.10%	19.10%
CalPERS Employer Contribution	27.00%	26.68%	26.68%
Vacancies			
Assumed filled/budgeted	✓	✓	✓
Hiring Froze (thru June 30, 2024)	✓	✓	✓
California CPI (applied to non-labor cost)	3.44%	3.44%	3.55%
Budget Formula			
Total Computational Revenue @ SCFF FY 23-24 Funding	Prior Year SCFF before HH + COLA	Prior Year SCFF before HH + COLA	Prior Year SCFF before HH + COLA
Supplemental & Success (3-Year Average)	✓	✓	✓
SCFF Deficit Factor (FY 23-24 Projected @ 0.5%)	0.50%	0.50%	0.50%
New Funding Floor Based on FY 24-25, Effective FY 25-26	✓	✓	✓
Enrollment			
Reported FTES	23,849.55 (@ P1)	24,073.45 (@ P2)	24,073.45 (@ P2)
Funded FTES (3-Year Average)	27,181	27,181	27,181
Funded Growth (FY 23-24 State @ 0.5%)	Local 0%	Local 0%	Local 0%
Budget Basis	27,181 (3-Year Rolling Average)	27,181 (3-Year Rolling Average)	27,181 (3-Year Rolling Average)
Non-Resident Tuition			
(\$381 + \$31 Capital Outlay)	\$412	\$412	\$412
Compliance			
Reserve per Board Policy BP6300	16.70%	16.70%	16.70%
50% Law	✓	✓	✓
FON Strategic Plan	✓	✓	✓

Student Centered Funding Formula Calculated with Funded (Guarantees)



Student Centered Funding Formula Multi-Year Projection								
	2021-22 R1	2022-23 P2	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Estimated State COLA	5.07%	6.56%	8.22%	3.94%	3.29%	3.19%	3.00%	3.00%
Estimated Growth		3.17%	0.50%	0.50%	1.00%	0.50%	0.50%	0.50%
I. Base Allocation	135,726,530	159,344,401	167,370,927	166,207,704	164,101,608	170,242,696	176,288,145	182,307,791
II. Supplemental Allocation	34,112,067	34,545,763	37,381,583	39,048,688	40,534,910	42,246,303	43,731,122	45,268,292
III. Student Success Allocation	26,257,893	29,541,266	30,845,171	32,220,829	33,432,343	34,843,818	36,068,554	37,336,356
Total Calculated SCFF Revenue (TCR)	196,096,490	223,431,429	235,597,681	237,477,221	238,068,861	247,332,817	256,087,822	264,912,439
A. Calculated TCR	196,096,490	223,431,429	235,597,681	237,477,221	238,068,861	247,332,817	256,087,822	264,912,439
B. Prior SCFF Calculated + COLA	205,101,394	208,960,420	241,797,493	244,880,230	245,290,221	245,663,258	254,752,801	263,770,456
C. Hold Harmless/Funding Floor	205,358,089	218,829,579	236,817,371	246,147,975	246,147,975	246,147,975	246,147,975	246,147,975
Stability Protection Adjustment	-	-	6,199,812	-	-	-	-	-
Hold Harmless/Funding Floor Adjustmnet	9,261,599	-	-	8,670,754	8,079,114	-	-	-
Adjusted SCFF Revenue (Max A, B, or C)	205,358,089	223,431,429	241,797,493	246,147,975	246,147,975	247,332,817	256,087,822	264,912,439
% Change from Prior Year	2.38%	8.80%	8.22%	1.80%	0.00%	0.48%	3.54%	3.45%

- COLA is the funded COLA and reflects either the actual COLA in the State Enacted Budget, a projected COLA based on the SSC Dartboard for 2024-25 and 2025-26, or 3% beginning in 2027-28.
- For 2023-24 through 2025-26, FTES is projected to increase by the District-wide target as follows: 2023-24 0.5%, 2024-25 0.5%, 2025-26 1.0%. Beginning in 2026-27 and onward, FTES is projected to increase by 0.5%.
- Supplemental Headcount: this headcount is from the prior year. For 2022-23, the 2021-22 headcount was increased by the 3.17% increase in FTES. For 2023-24 and onward, the headcount was increased by the projected FTES % increase for the prior year.
Student Success Allocation: this allocation is funded on an average of the prior three year's headcount. For example, 2022-23 is funded on the average of 2019-20, 2020-21, and 2021-22. Projected years are based on either the actual FTES % increase or the projected FTES target %. The average of the prior three years' actual and projected headcounts is then used to calculate revenues.

Program Areas	8.22% COLA	No COLA
Adult Education Program	✓	
Student Equity and Achievement Program		✓
Strong Workforce Program		✓
Full-Time Faculty Hiring		✓
Extended Opportunity Programs and Services	✓	
Disabled Students Programs and Services	✓	
Apprenticeship	✓	
CalWORKs Student Services	✓	
Cooperative Agencies Resources for Education (CARE)	✓	
Mathematics, Engineering, Science Achievement (MESA)	✓	
Mental Health Services	✓	
Basic Needs Centers		✓
Institutional Effectiveness Initiative		✓
Part-Time Faculty Compensation		✓
Veterans Resource Centers	✓	
Umoja	✓	
Financial Aid Administration - Workload Adjustment		✓
Apprenticeship Program - COLA and Technical Adjustment	✓	

**Categorical
Programs
to
Receive State COLA
per
Enacted State
Budget**

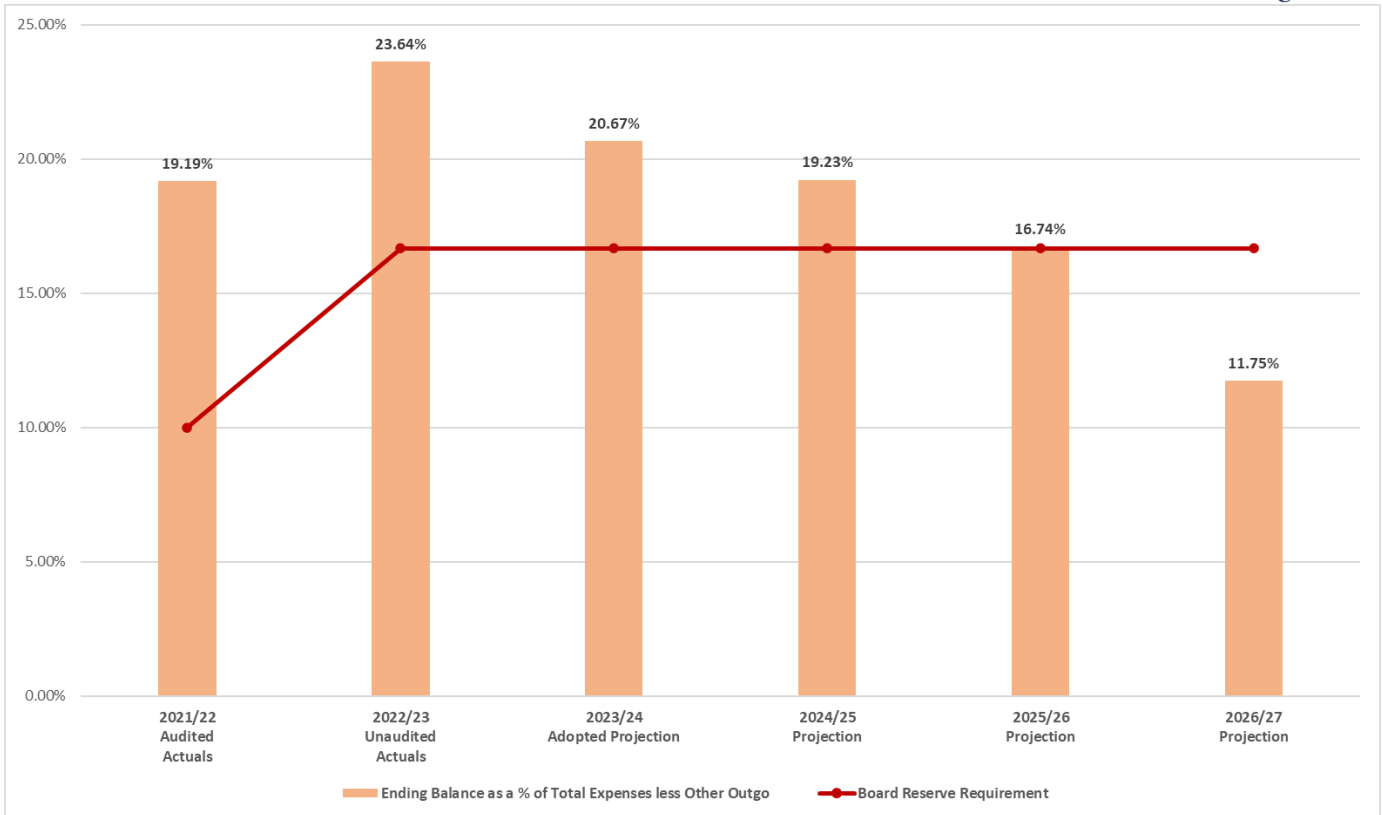
Multi-Year Unrestricted General Fund through FY 2026-2027

	2021/22 Audited Actuals	2022/23 Unaudited Actuals	2023/24 Adopted Budget	2024/25 Projection	2025/26 Projection	2026/27 Projection
COLA	5.07%	6.56%	8.22%	3.94%	3.29%	3.19%
Beginning Balance	35,775,828	44,914,000	59,337,450	55,457,968	52,464,296	46,261,358
Audit Adjustment	0	0	0	0	0	0
Revenue						
Adjusted SCFF TCR (Max A, B, or C)	\$205,358,089	\$223,431,430	\$241,570,058	\$246,147,975	\$246,147,975	\$247,332,817
Deficit Factor 0.5%	\$0	(\$2,234,314)	(\$1,207,850)	(\$1,230,740)	(\$1,230,740)	(\$1,236,664)
Other State Revenue	\$19,445,048	\$20,557,399	\$19,345,781	\$19,678,306	\$19,758,150	\$19,816,329
Local Revenue	\$5,312,220	\$4,490,060	\$1,935,000	\$1,935,000	\$1,935,000	\$1,935,000
Local Dedicated Revenue	\$15,789,611	\$21,693,099	\$15,871,000	\$17,200,000	\$17,200,000	\$17,200,000
Actual Revenue	\$245,904,968	\$267,937,674	\$277,513,989	\$283,730,541	\$283,810,385	\$285,047,482
Expenses	\$236,766,796	\$253,514,224	\$281,393,471	\$286,724,213	\$290,013,323	\$298,463,360
Salaries & Benefits as a % of Total Expenses & Other Outgo	90.00%	90.02%	87.62%	89.28%	89.57%	89.73%
Surplus / (Deficit)	\$9,138,172	\$14,423,450	(\$3,879,482)	(\$2,993,672)	(\$6,202,938)	(\$13,415,878)
Ending Balance	44,913,999	59,337,450	55,457,968	52,464,296	46,261,358	32,845,481
Board Reserve Requirement	10.00%	16.67%	16.67%	16.67%	16.67%	16.67%
Ending Balance as a % of Total Expenses less Other Outgo	19.19%	23.64%	20.67%	19.23%	16.74%	11.75%

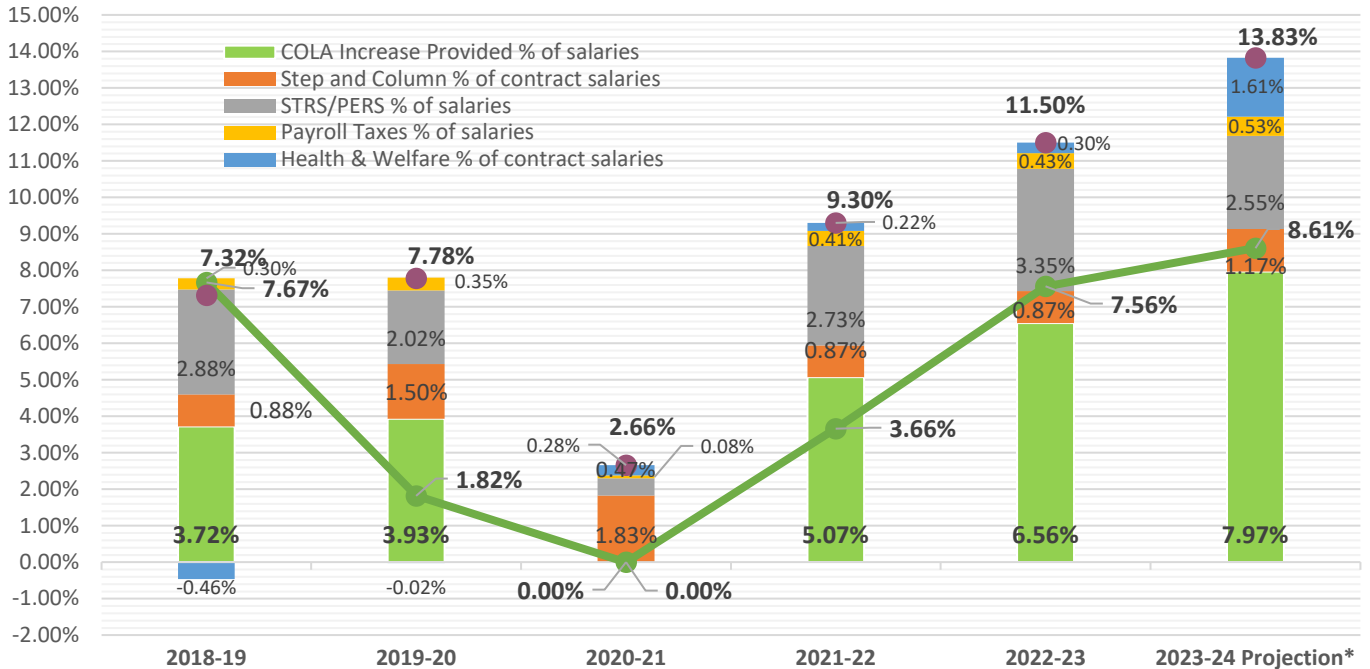
NOTE:

- 1) FY 2025/26, while it is anticipated that the SCFF rates will be increased by COLA, the Funding Floor guaranteed level will not be increased by COLA. The District's projected revenue will be at the Funding Floor and will therefore, not be increased by the COLA.
- 2) FY 2026/27, as indicated above the Funding Floor guaranteed level will not be increased by COLA. The District's projected revenue will be at the calculated TCR therefore the District's Revenue will be increased by COLA 0.48%
- 3) Ending Balances includes College Ending Balances which typically remain with the College.

Reserves (Ending Balance) Projection Trend



Comparison of Salaries/Benefits and Revenue Percentage (%) Increases



*Projection assumes vacancies are budgeted

COMPARISON OF SALARIES AND BENEFITS AND SCFF REVENUES AMOUNT (\$ INCREASES)

Comparison of Salaries and Benefits and SCFF Revenues						
	Amount (\$) Increases					
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 Proj
COLA Increase	\$4,947,580	\$5,464,325	\$0	\$6,574,961	\$9,049,859	\$12,092,607
Step/Column/Reclass/Reorgn	\$7,156,593	\$191,570	\$1,640,870	\$831,007	\$1,199,876	\$1,769,350
STRS/PERS	\$3,688,793	\$2,601,043	\$167,424	\$3,092,896	\$4,625,781	\$3,871,130
Payroll Taxes	\$539,897	\$363,668	\$74,898	\$433,204	\$588,052	\$806,998
Health & Welfare	<u>(\$464,360)</u>	<u>(\$24,420)</u>	<u>\$306,636</u>	<u>\$221,544</u>	<u>\$409,690</u>	<u>\$2,443,870</u>
Total S/B Increase	\$15,868,502	\$8,596,185	\$2,189,828	\$11,153,612	\$15,873,257	\$20,983,955
SCFF Revenue Increase	\$14,139,335	\$3,613,380	\$0	\$7,397,869	\$15,839,108	\$19,391,391
Difference	(\$1,729,167)	(\$4,982,805)	(\$2,189,828)	(\$3,755,743)	(\$34,149)	(\$1,592,564)

ADOPTED BUDGET 2023-24 FY

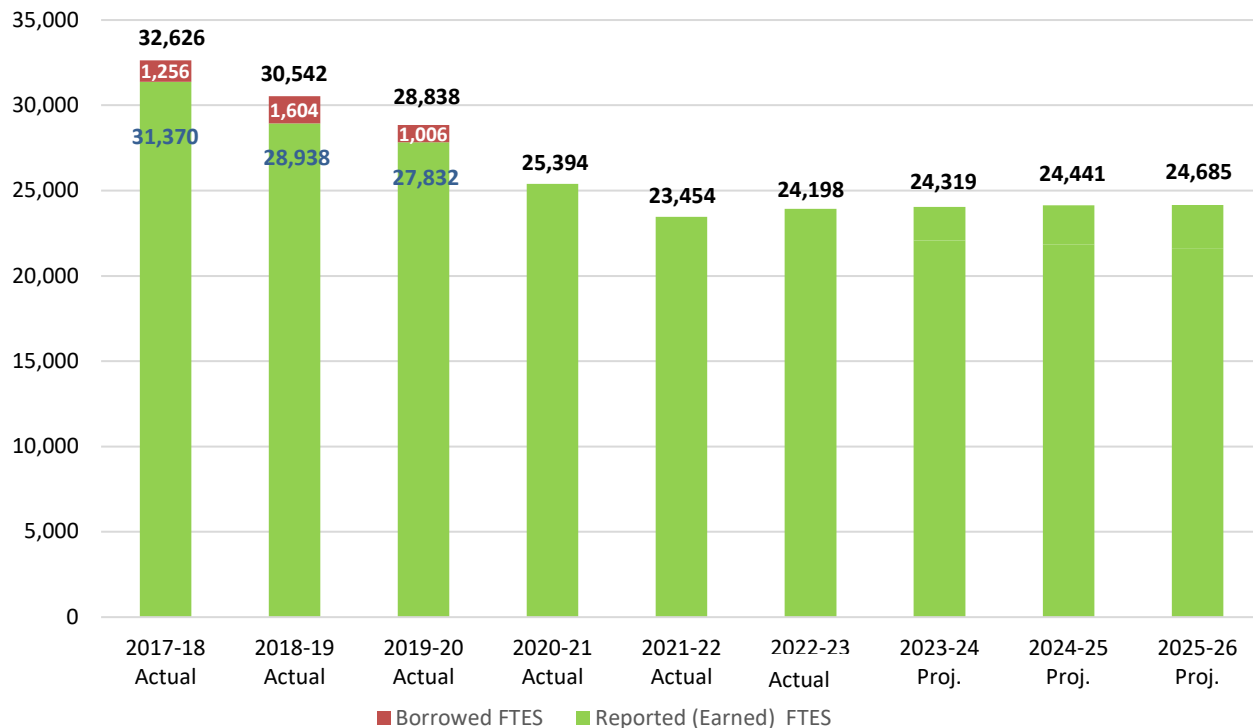
ESTIMATED BEGINNING FUND BALANCE



DISTRICTWIDE ENDING BALANCE (WITHOUT CAMPUS BALANCES)		
DISTRIBUTION OF ENDING BALANCE		
COMMITTED		
RESERVE FOR CONTINGENCIES (8.35%)		\$ 20,594,190
REVERSE FOR ANCILLARY (8.35%)		\$ 20,594,190
ASSIGNED		
BOARD ELECTION	\$ 250,000	
CONTRACTUAL CARRY OVER	\$ 838,791	
CURRICULUM PROTECTION ACCOUNT	\$ 1,245,000	
ADULT EDUCATION Carryover	\$ 100,797	
DISTRICTWIDE MARKETING OUTREACH Carryover	\$ 304,166	
INDIRECT COSTS (ED Services) Carryover	\$ 121,885	
CANVAS SUPPORT Carry Over	\$ 577,950	
HOLD DEFICIT FACTOR for Anticipated Deficit Spending FY 24/25 & FY 25/26	\$ 5,820,015	
		\$ 9,258,604
DESIGNATED		
ENTITY BALANCES		\$ 8,588,964
UNASSIGNED		
UNDESIGNATED (TBD)		\$ 301,502
TOTAL BEGINNING BALANCE		\$ 59,337,450

ENROLLMENT

Resident FTES Trend and Projection



Any growth in enrollment is not funded while the District is at the Hold Harmless or Funding Floor.

EDUCATION PROTECTION ACCOUNT

SUPPLEMENTAL DATA
Prop 30 EPA Expenditure Report

Budget Year: 2023-2024

District ID: 830

Name: Coast Community College District

Activity Classification	Activity Code			Unrestricted	
EPA Proceeds:	8630			\$35,495,989	
Activity Classification	Activity Code	Salaries and Benefits (1000 - 3000)	Operating Expenses (4000 - 5000)	Capital Outlay (6000)	Total
Instructional Activities	0100-5900	\$35,495,989			\$35,495,989
Other Support Activities (list below)	6XXX				
Total Expenditures for EPA*		\$35,495,989	\$0	\$0	\$35,495,989
Revenues less Expenditures					\$0
*Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.					

CONCLUSION

Next Steps

- A Fiscal Stabilization Plan is being developed that would ensure sufficient reserves are maintained;
- Includes both District-wide and College actions;
- Will align estimates of earned income with planned expenditures.
- 3-year Plan from 2023-24 through 2025-26
- Will include communication plan to ensure collaboration and dissemination

Summary of Recommended Action

As specified by 5 CCR § 58301, for purposes of developing and adopting the Adopted Budget, the governing board of each district shall hold a public hearing on the proposed budget in a district facility, or some other place conveniently accessible to the residents of the district, on or before the 15th day of September, but at least three days following availability of the Proposed Budget for public inspection, at which any resident in the district may appear and object to the proposed budget or any item in the budget.

Consistent with the requirements of 5 CCR § 58305, the Adopted Budget for the 2023-24 FY is scheduled for presentation and adoption on September 6 and the Annual Financial and Budget Report (CCFS 311) will be sent to the CCCCCO on or before October 10.

This same regulatory framework requires districts to send copies of their budgets to the County Office of Education by September 30 and to the California Community Colleges Chancellor's Office (CCCCO) on or before October 10. Lastly, districts must submit annual audited financial statements to the CCCCCO before December 31.

The Adopted Budget is presented to the Board for adoption.

APPENDICES

Appendices

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2023-2024 FY STATE BUDGET

CHANGES IN PROPOSITION 98 FUNDING SYSTEM WIDE

(IN MILLIONS)



Adjustments	Governor's Budget	May Revision	Change from Governor's Budget	Enacted Budget	Change from May Revise to Enacted
POLICY ADJUSTMENTS					
Ongoing (Proposition 98)					
Provide 8.22% COLA for SCFF	\$652.60	\$678.00	\$25.40	\$678.00	\$0.00
Provide 8.22% COLA for Adult Education Program	\$48.50	\$49.10	\$0.60	\$49.10	\$0.00
Provide 0.5% for SCFF growth	\$28.80	\$26.40	(\$2.40)	\$26.40	\$0.00
Provide 8.22% COLA for Extended Opportunity Programs and Services (EOPS)	\$13.80	\$13.90	\$0.10	\$13.90	\$0.00
Provide 8.22% COLA for Disabled Students Programs and Services (DSPS)	\$13.00	\$13.10	\$0.10	\$13.10	\$0.00
Provide funding for a new LGBTQ+ Pilot Program	\$0.00	\$10.00	\$10.00	\$10.00	\$0.00
Provide 8.22% COLA and a technical adjustment for Apprenticeship (community college districts)	\$4.70	(\$4.90)	(\$9.60)	(\$4.90)	\$0.00
Provide 8.22% COLA for CalWORKs student services	\$4.10	\$4.20	\$0.10	\$4.20	\$0.00
Provide 8.22% COLA for NextUp	\$0.00	\$0.00	\$0.00	\$4.10	\$4.10
Provide 8.22% COLA and an enrollment-based adjustment for Mandates Block Grant and reimbursements	\$3.00	\$2.20	(\$0.80)	\$2.20	\$0.00
Provide 8.22% COLA for Cooperative Agencies Resources for Education (CARE)	\$2.50	\$2.50	\$0.00	\$2.50	\$0.00
Provide 8.22% COLA for Mental Health	\$0.00	\$0.00	\$0.00	\$2.50	\$2.50
Provide 8.22% COLA for MESA	\$0.00	\$0.00	\$0.00	\$3.00	\$3.00
Provide 8.22% COLA for Veterans Resource Centers	\$0.00	\$0.00	\$0.00	\$0.80	\$0.80
Provide 8.22% COLA for Umoja	\$0.00	\$0.00	\$0.00	\$0.70	\$0.70
Provide 8.22% COLA for Childcare tax bailout	\$0.30	\$0.30	\$0.00	\$0.30	\$0.00
Increase FCMAT funding for Professional Learning Opportunities	\$0.20	\$0.20	\$0.00	\$0.20	\$0.00
Reduce Financial aid administration workload adjustment	(\$4.20)	(\$3.10)	\$1.10	(\$3.10)	\$0.00
Provide funding for the Equal Employment Opportunity Program	\$0.00	\$4.20	\$4.20	\$4.20	\$0.00
Reduce Student Success Completion Grant for enrollment-based adjustment	\$0.00	(\$50.00)	(\$50.00)	(\$50.00)	\$0.00
One-Time (Proposition 98)					
Support retention and enrollment strategies	\$200.00	\$100.00	(\$100.00)	\$50.00	(\$50.00)
Provide funding for deferred maintenance				\$5.70	\$5.70
Reduce prior-year COVID-19 Recovery Block Grant funding	\$0.00	(\$344.70)	(\$344.70)	\$0.00	\$344.70
Reduce prior-year deferred maintenance funding	(\$213.00)	(\$452.20)	(\$239.20)	(\$500.00)	(\$47.80)

STUDENT CENTERED FUNDING FORMULA



- Implemented in 2018-19 in alignment with the [*Vision for Success*](#)
- All rates are increased by the COLA annually

BASE	SUPPLEMENTAL	STUDENT SUCCESS
<ul style="list-style-type: none">• 3-year avg FTES• Different rates per type of FTES• ≈70% of total	<ul style="list-style-type: none">• Headcount of low-income students• Same rate per headcount• ≈10% of total	<ul style="list-style-type: none">• 3-year avg completions• Different rates per type of completion• Add'l funding for low-income students• ≈20% of total

STUDENT CENTERED FUNDING FORMULA

FUNDING GUARANTEES



EACH YEAR, RECEIVE THE GREATER OF:

- A. THE CALCULATED SCFF
- B. STABILITY ADJUSTMENT
- C. HOLD HARMLESS/FUNDING FLOOR

STABILITY ADJUSTMENT

- Prior year calculated SCFF + COLA
- Protection against declining enrollment
- Ongoing

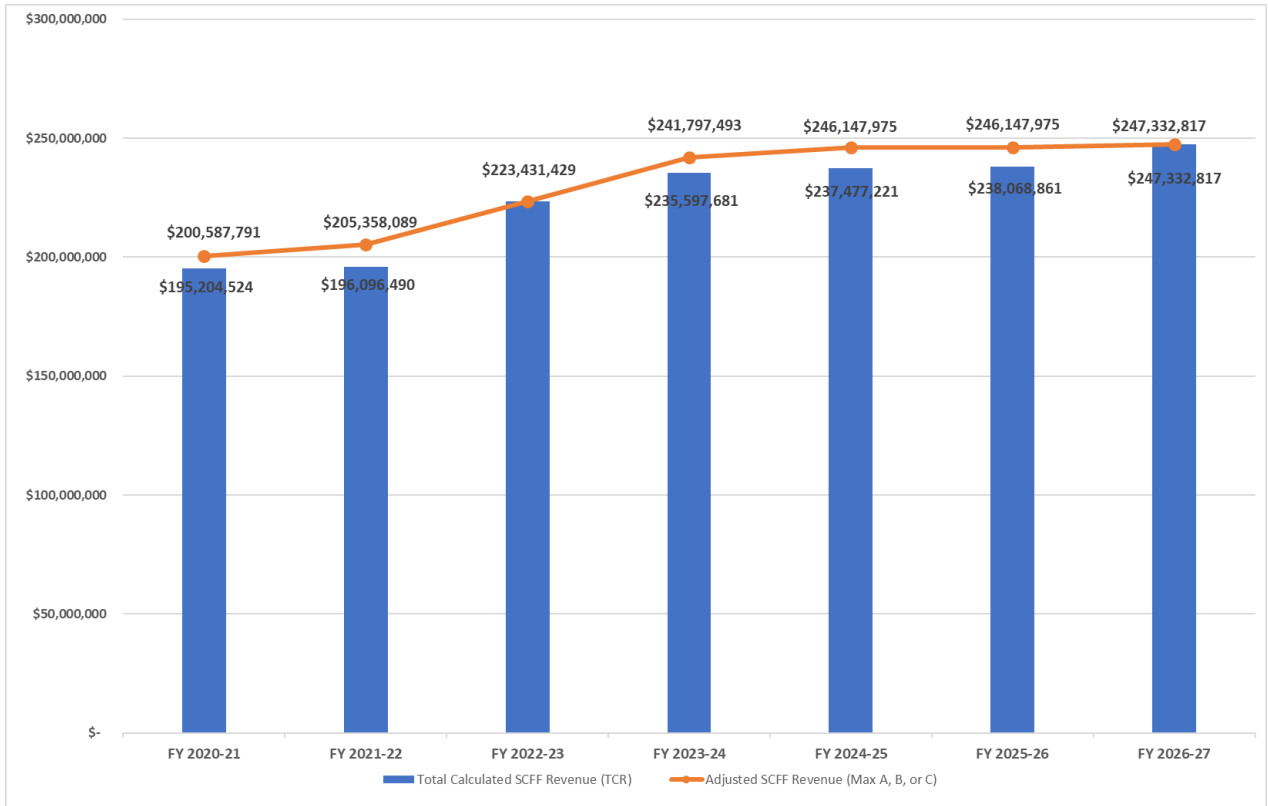
HOLD HARMLESS

- 2017-18 Funding + COLA each year
- Expires 2024-25 and is replaced by the Funding Floor

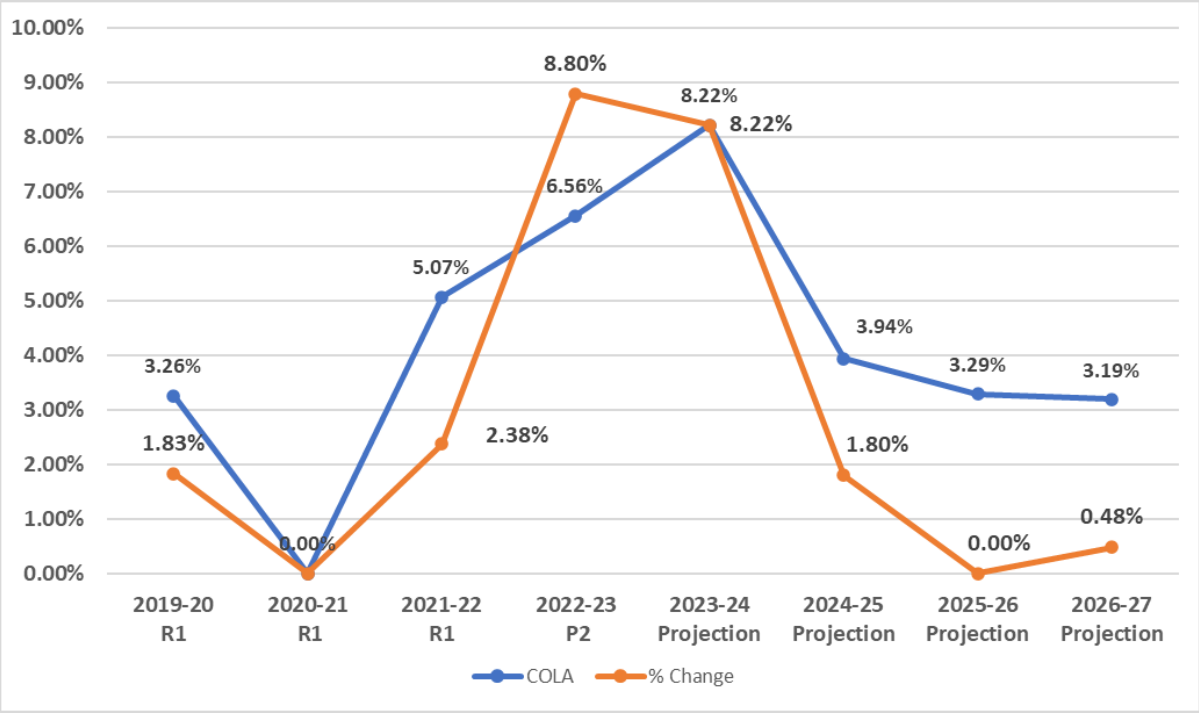
FUNDING FLOOR

- 2024-25 Funding with no COLA – **Never Increases**
- Begins 2025-26 and replaced the Hold Harmless

STUDENT CENTERED FUNDING FORMULA CALCULATED COMPARED TO FUNDED (GUARANTEES)



COMPARISON OF FUNDED COLA AND ACTUAL PERCENTAGE (%) CHANGE IN SCFF REVENUE



EMERGENCY CONDITION ALLOWANCE (ECA) EXTENSION

ONE-YEAR EXTENSION THROUGH FY 2022-23

ALLOWS SCFF TO BE BASED ON GREATER OF FY 2019-20 OR FY 2022-23 REPORTED FTES

SEVERAL NEW REQUIREMENTS THAT MUST BE MET,
MOST SIGNIFICANTLY:

- Emergency Conditions Recovery Plan - Approved by Board August 17, 2022.
- BP 6200 and AP 6350 were revised in fall 2022 to increase the required reserve from 10% to two months total general fund operating expenditures or 16.67%.
- Failure to have new Board Policy by February 2023 would result in State Chancellor's rescission of ECA and take back of additional revenues

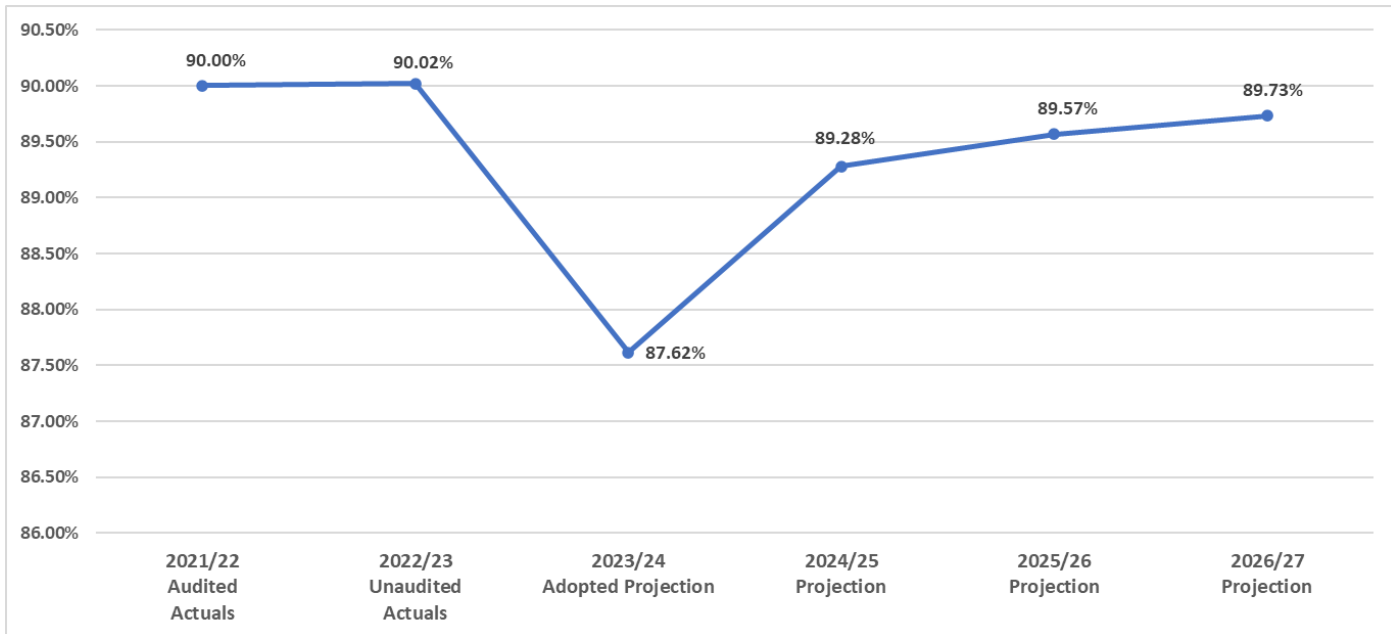
ONE-TIME ECA REVENUES ARE ESTIMATED TO BE
\$4.5 MILLION IN EACH OF FY 2022-23 AND 2023-24.

- These one-time resources would be dedicated to building reserves to ensure they meet the higher reserve requirement in the current and future years.

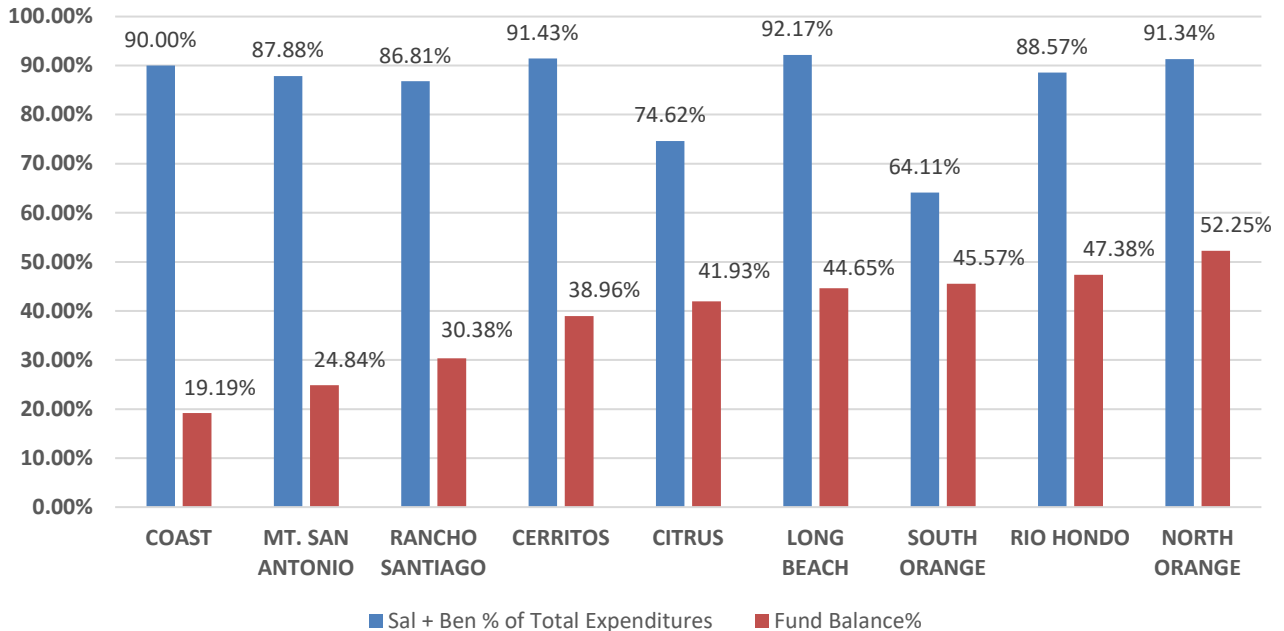
16.67% RESERVE RECOMMENDATION

- On February 1, 2022, State Chancellor's Office recommended that District adopt the 16.67% Reserve Requirement
"a sufficient unrestricted reserves balance is critical to a district's ability to operate effectively and maintain fiscal resiliency"
- Aligns with Government Financial Officers Association (GFOA) Best Practices Recommendation
"It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures)"
- **Regardless of District board policy, State Chancellor's Office using 16.67% as benchmark in their assessment of districts' budget and fiscal solvency.**

SALARIES AND BENEFITS AS A PERCENTAGE (%) OF TOTAL UNRESTRICTED GENERAL FUND EXPENDITURES



Region 8 Unrestricted General Fund Salaries and Benefits 2021-22



Statewide data is currently unavailable.

2023 RENEWAL RESULTS HEALTH BENEFIT OVERVIEW



Line of Coverage	Current	Initial Renewal	Negotiated Renewal	\$Δ	%Δ
HealthNow Medical/Rx - Self Funded ^{1,2}	\$ 14,596,059	\$ 15,446,321	\$15,446,321	\$850,262	5.8%
Blue Shield Full HMO - Fully Insured	\$ 6,776,613	\$ 7,782,387	\$7,250,976	\$474,363	7.0%
Blue Shield Trio HMO - Fully Insured	\$ 1,651,591	\$ 1,896,718	\$1,767,203	\$115,612	7.0%
Kaiser HMO - Fully Insured	\$ 6,367,072	\$ 7,318,870	\$7,318,870	\$951,798	14.9%
UnitedHealthcare Advantage PPO - Fully Insured ³	\$ 4,625,610	\$ 4,810,627	\$4,810,627	\$185,017	4.0%
Kaiser Senior Advantage - Fully Insured	\$ 262,754	\$ 241,133	\$241,133	-\$21,621	-8.2%
Delta Dental - Self Funded ¹	\$ 2,755,879	\$ 2,852,364	\$2,852,364	\$96,485	3.5%
VSP Vision - Self Funded ¹	\$ 360,484	\$ 347,774	\$347,774	-\$12,710	-3.5%
VOYA (ING) Life/AD&D - Fully Insured	\$ 633,166	\$ 633,166	\$633,166	\$0	0.0%
VOYA (ING) Long Term Disability - Fully Insured	\$ 265,643	\$ 265,643	\$265,643	\$0	0.0%
Anthem EAP	\$ 29,857	\$ 29,857	\$29,857	\$0	0.0%
TOTAL ANNUAL PREMIUM INCREASE FROM CURRENT⁴	\$ 38,324,728	\$ 41,624,860	\$40,963,934	\$ 2,639,206	6.9%

¹ Self-Funded plan increases are based on data through March 2023 (Med) and through April 2023 (Dental & Vision)

² The following increases were applied during the underwriting of CCCD's Self Funded Medical Plan:

- 3% Margin (IBNR and Claims Fluctuation)
- 7.3% Annual Medical Trend / 8.7% Annual Rx Trend
- 20% Stop Loss Estimated Increase
- 5% Claims Administration Increase
- 4.5% Network Access Fee Increase

³ Figures do not capture employee and retiree contributions

PER EMPLOYEE PER YEAR (PEPY) COST



EMPLOYER PENSION MATCH



Effective Date	STRS		PERS		Cumulative Total
	Employer Match	Amount	Employer Match	Amount	
July 1, 2015	10.73%	\$1,340,002	11.847%	\$44,922	\$1,384,924
July 1, 2016	12.58%	\$1,438,984	13.89%	\$1,273,463	\$2,712,447
July 1, 2017	14.43%	\$1,445,164	15.53%	\$1,152,345	\$2,597,509
July 1, 2018	16.28%	\$1,592,094	18.06%	\$1,839,351	\$3,431,445
July 1, 2019	17.10%	\$687,242	19.72%	\$1,276,751	\$1,963,993
July 1, 2020	16.15%	-\$764,428	20.70%	\$678,823	-\$85,605
July 1, 2021	16.92%	\$648,635	22.91%	\$1,584,628	\$2,233,263
July 1, 2022	19.10%	\$1,960,827	25.37%	\$1,870,744	\$3,831,571
July 1, 2023	19.10%	\$0	26.68%	\$1,078,097	\$1,078,097
July 1, 2024	19.10%	\$0	27.70%	\$872,508	\$872,508
July 1, 2025	19.10%	\$0	28.30%	\$530,126	\$530,126
July 1, 2026	19.10%	\$0	28.70%	\$364,691	\$364,691
July 1, 2027	19.10%	\$0	28.70%	\$0	\$0
Subtotal		\$8,348,520		\$12,566,449	\$20,914,969

1. FY 2023-24 Adopted Budget PERS increase of 1.31% (CalPERS Board approved the 26.68% rate for FY 2023-24.
2. CalSTRS Classic and PEPRAs employee contribution rates are at 10.250% and 10.205%, respectively for FY 2023-24.
3. CalPERS Classic and PEPRAs employee contribution rates are at 7.00% and 8.00%, respectively for FY 2023-24.
4. Source SCC Dartboard FY 2023-24 Governor's Budget.
5. STRS/PERS have the authority to increase contributions annually.

PERMANENT AND CONTRACT EMPLOYEE

Classified Professionals		2018-19	2019-20	2020-21	2021-22	2022-23*	5- Year % Change
District Totals	Unrestricted GF	533	542	498	508	473	-11.3%
	Categorical	184	184	166	163	148	-19.6%
	Combination	35	35	25	29	57	62.9%
	District-Wide Total	752	761	689	700	678	-9.8%

Confidential		2018-19	2019-20	2020-21	2021-22	2022-23	
District Totals	Unrestricted GF	13	11	9	8	8	-38.5%

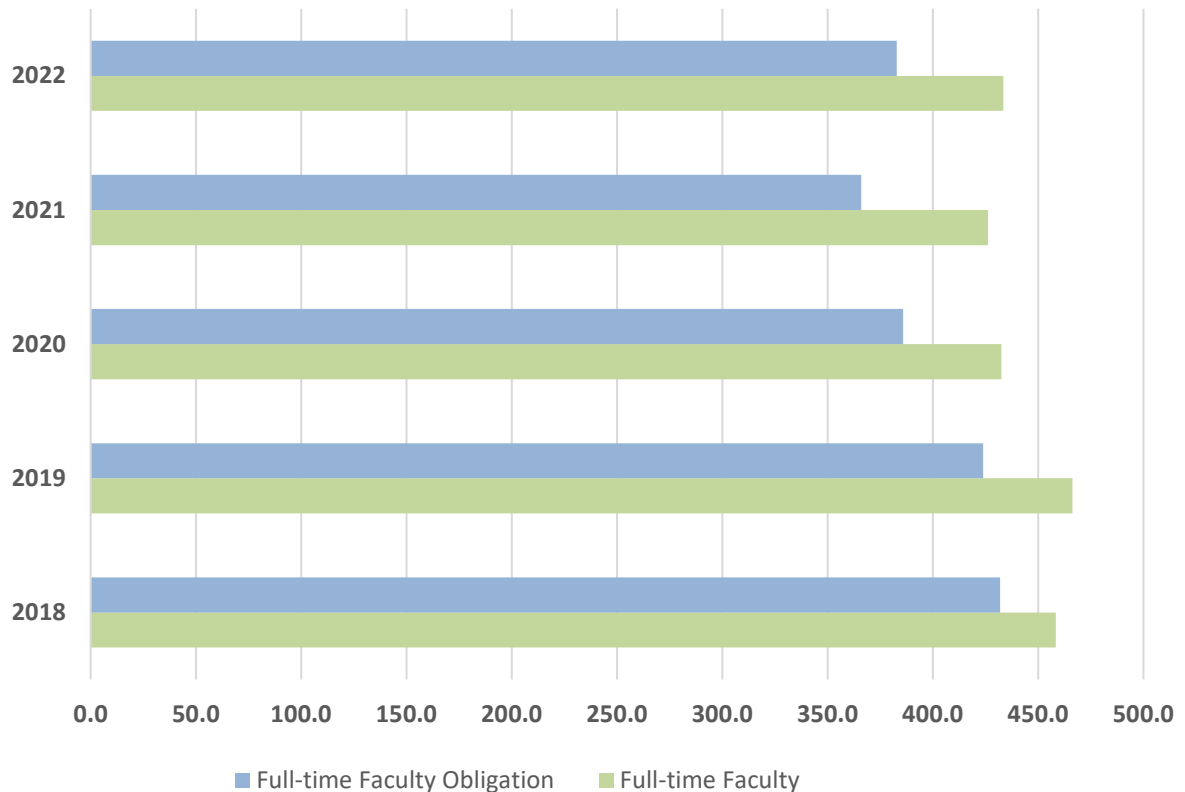
Administrators and Managers		2018-19	2019-20	2020-21	2021-22	2022-23	
District Totals	Unrestricted GF	140	132	127	127	122	-12.9%
	Categorical	35	38	30	28	24	-31.4%
	Combination	8	7	6	6	5	-37.5%
	District-Wide Total	183	177	163	161	151	-17.5%

Full-Time Faculty		2018-19	2019-20	2020-21	2021-22	2022-23	
District Totals	Unrestricted GF	431	433	416	398	409	-5.1%
	Categorical	17	17	15	15	14	-23.5%
	Combination	22	27	13	18	21	-4.5%
	District-Wide Total	470	477	444	431	443	-5.7%

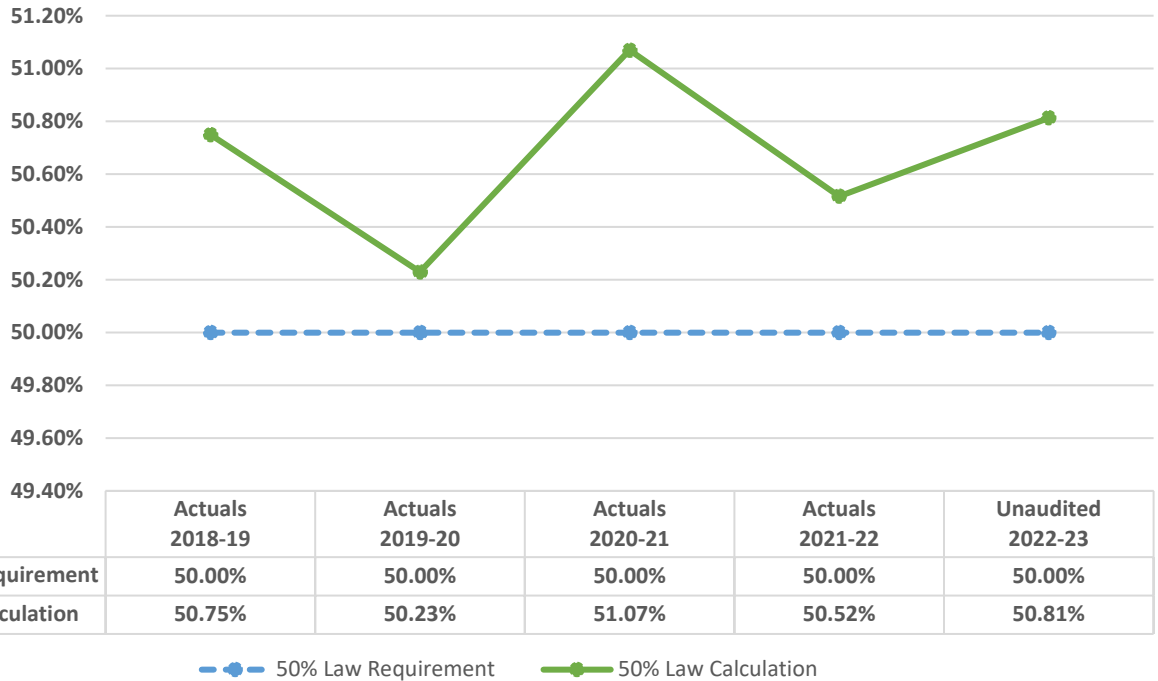
Decline in Resident FTES from 2018-19 through Projected 2022-23 20.8% **23.2%**

Source: County Payroll File combined with Banner HR Data updated as of 2/1/23

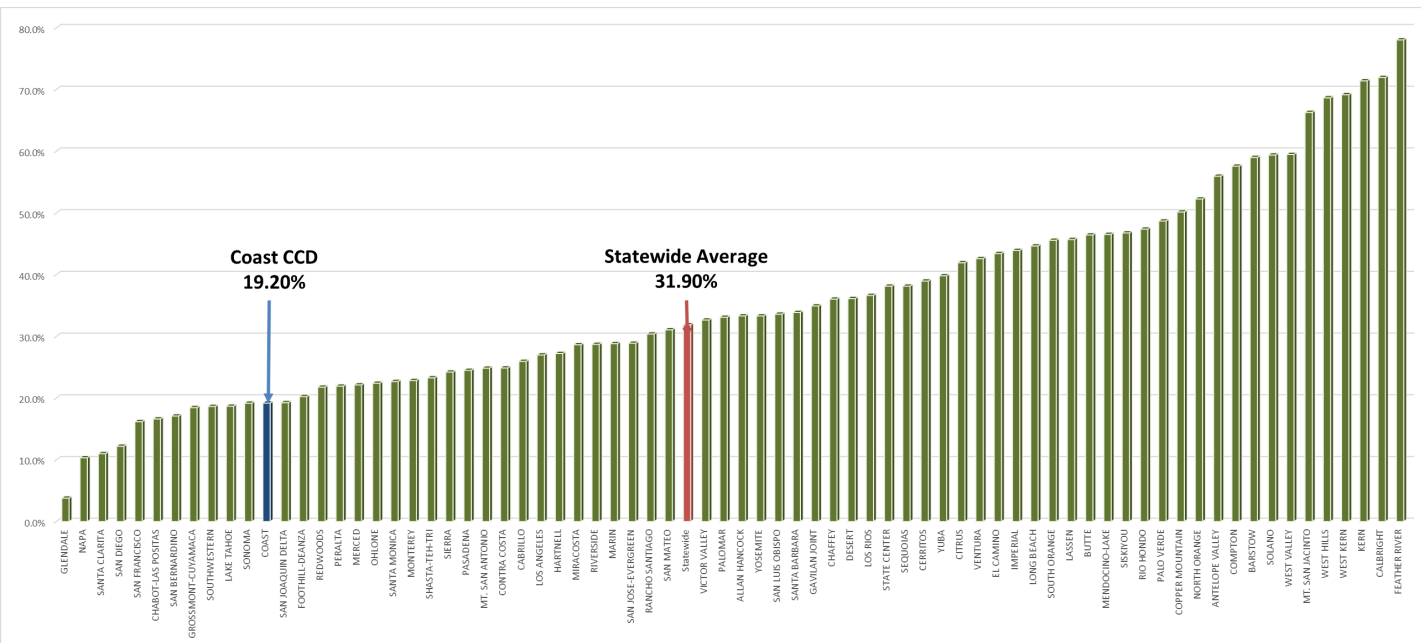
FACULTY OBLIGATION NUMBER COMPARED TO FULL-TIME FACULTY FIVE-YEAR TREND



DISTRICT-WIDE 50% LAW COMPARISON

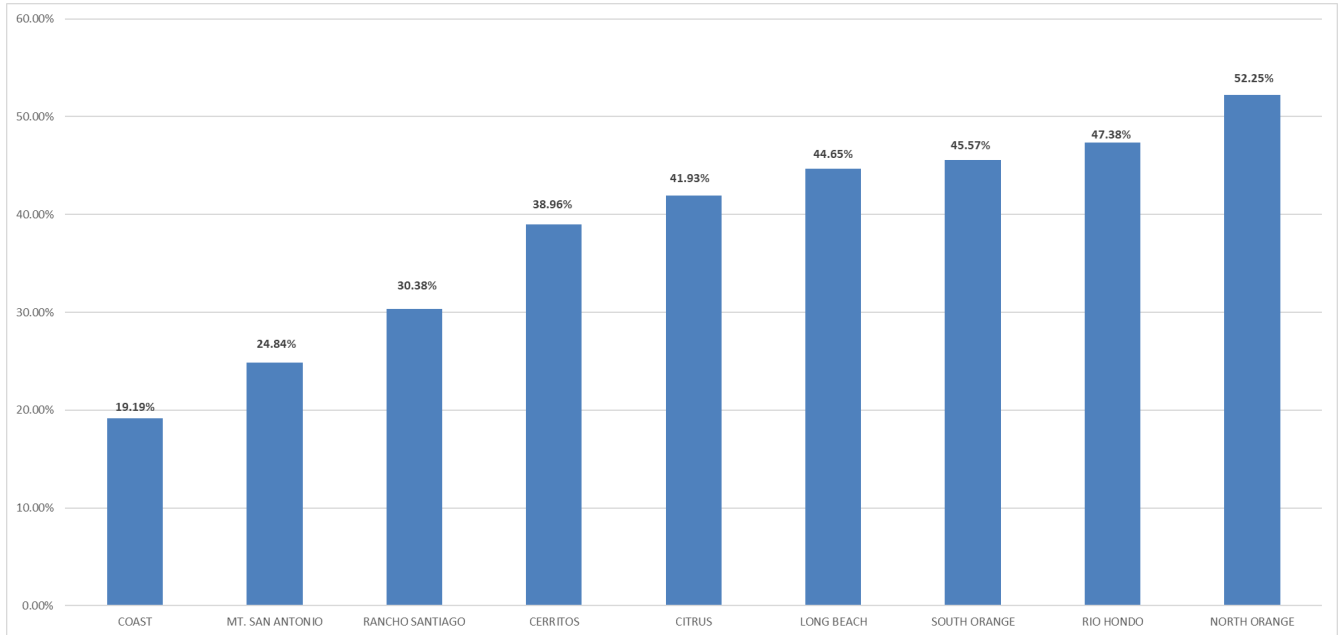


STATEWIDE UNRESTRICTED GENERAL FUNDS RESERVES (ENDING BALANCE) AS OF JUNE 22

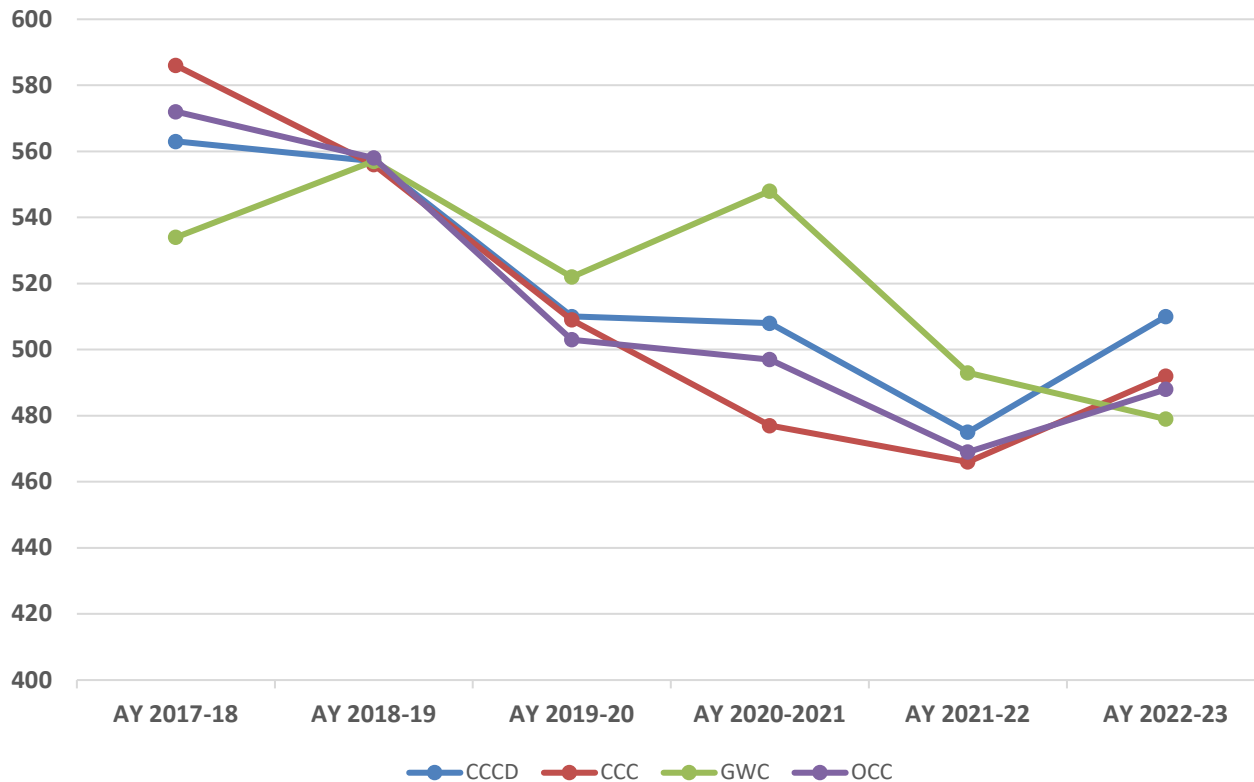


Coast's ranking in 2021 was in the 7th lowest percentile

REGION 8 UNRESTRICTED GENERAL FUND RESERVES (ENDING BALANCES) AS OF JUNE 2022



DISTRICT-WIDE WEEKLY STUDENT CONTACT HOURS TO FULL-TIME EQUIVALENT FACULTY RATIO (WSCH/FTEF)

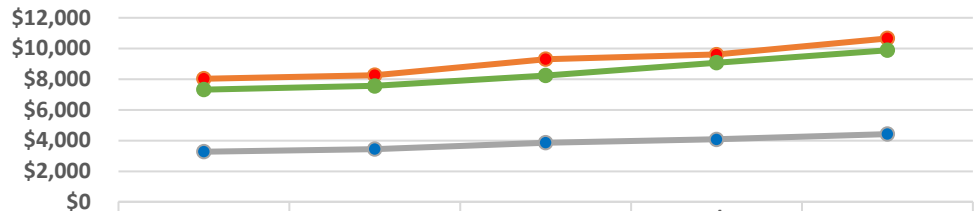


Cost and Revenue per FTES

2023-24 PROJECTED INCREASE	
TOTAL REVENUE PER FTES	8.98%
DIRECT INSTRUCTION COSTS PER FTES	8.63%
TOTAL COSTS PER FTES	10.96%

Cost per FTES Historical Trend

Historical trend of costs increasing faster than revenues was mitigated by a unique 2022-23 augmentation of SCFF rates.



● Total Cost per FTES	\$8,038	\$8,262	\$9,310	\$9,615	\$10,669
● Direct Instruction Cost per FTES	\$3,282	\$3,446	\$3,867	\$4,077	\$4,429
● Total Revenue per FTES	\$7,322	\$7,567	\$8,239	\$9,080	\$9,895

- Total Revenue per FTES: Total Unrestricted General Fund Revenue/Total FTES
- Direct Instruction Costs per FTES: Unrestricted General Fund Direct Instruction Costs (50% Law Calculation)/Total FTES
- Total Cost per FTES: Unrestricted General Fund Expenditures less Other Outgo/Total FTES

ADOPTED BUDGET 2023-2024 FY

BUDGET ALLOCATION MODEL

		ORANGE COAST	GOLDEN WEST	COASTLINE	TOTAL
Allocation Framework		52.11%	30.51%	17.38%	100.00%
Basic Allocation		\$ 7,512,807	\$ 6,439,546	\$ 6,439,546	\$ 20,391,898
Base Allocation					
Traditional Credit 3-YR Avg	\$ 5,238	\$ 70,365,216	\$ 41,102,908	\$ 23,370,884	\$ 134,839,008
FTES		13,658.32	7,996.84	4,555.39	26,210.55
Special Admin Credit	\$ 7,346	\$ 3,503,033	\$ 2,050,998	\$ 1,168,350	\$ 6,722,381
FTES		476.92	279.23	159.06	915.21
Non Credit	\$ 4,417	\$ 195,162	\$ 114,266	\$ 65,091	\$ 374,519
FTES		44.18	25.87	14.73	84.78
Non Credit CDCP	\$ 7,346	\$ 1,352,358	\$ 791,795	\$ 451,046	\$ 2,595,199
FTES		184.12	107.80	61.41	353.32
TOTAL BASE ALLOCATION		\$ 82,928,576	\$ 50,499,513	\$ 31,494,917	\$ 164,923,005
Supplemental Allocation					
PELL Grant Recipients	\$ 1,239	\$ 5,719,102	\$ 3,348,489	\$ 1,907,466	\$ 10,975,057
AB520 Students	\$ 1,239	\$ 454,378	\$ 266,035	\$ 151,546	\$ 871,959
California Promise Grant Recipients	\$ 1,239	\$ 13,306,062	\$ 7,790,595	\$ 4,437,907	\$ 25,534,564
TOTAL SUPPLEMENTAL ALLOCATION		\$ 19,479,542	\$ 11,405,119	\$ 6,496,919	\$ 37,381,580
Student Success Allocation					
All Students		\$ 12,307,867	\$ 7,206,160	\$ 4,104,984	\$ 23,619,011
Pell Grant Recipients Bonus		\$ 1,909,648	\$ 1,118,084	\$ 636,916	\$ 3,664,648
California Promise Grant Recipients Bonus		\$ 1,855,904	\$ 1,086,617	\$ 618,991	\$ 3,561,512
TOTAL STUDENT SUCCESS ALLOCATION		\$ 16,073,419	\$ 9,410,861	\$ 5,360,891	\$ 30,845,171
Full-Time Faculty Hiring 2015-2016		\$ 1,175,002	\$ 783,334	\$ 489,584	\$ 2,447,920
TOTAL COMPUTATIONAL REVENUE		\$ 119,656,539	\$ 72,098,827	\$ 43,842,311	\$ 235,597,676
FY 2017-18 TCR adjusted by COLA		\$ 120,088,883	\$ 72,447,343	\$ 44,084,199	\$ 236,617,370
Prior Year SCFF before HH + COLA		\$ 122,786,654	\$ 74,026,867	\$ 44,983,974	\$ 241,797,494
Adjusted Total Computational Revenue (Max A, B, or C)		\$ 122,786,654	\$ 74,026,867	\$ 44,983,974	\$ 241,797,494
Additional Funding due to Hold Harmless		\$ 3,130,115	\$ 1,928,040	\$ 1,141,663	\$ 6,199,818
Emergency Allowance Condition Amount		\$ 2,579,254	\$ 1,510,133	\$ 860,246	\$ 4,949,633
ADJUSTED SCFF APPORTIONMENT REVENUE		\$ 122,786,654	\$ 74,026,867	\$ 44,983,974	\$ 241,797,494
Full-Time Faculty Hiring 2018-2019		\$ 762,726	\$ 457,635	\$ 228,818	\$ 1,449,179
Full-Time Faculty Hiring 2021-2022		\$ 1,138,649	\$ 1,051,061	\$ 437,942	\$ 2,627,652
TOTAL APPORTIONMENT REVENUE		\$ 124,688,029	\$ 75,535,563	\$ 45,650,734	\$ 245,874,325

ADOPTED BUDGET 2023-2024 FY

BUDGET ALLOCATION MODEL

		ORANGE COAST	GOLDEN WEST	COASTLINE	TOTAL
Allocation Framework		52.11%	30.51%	17.38%	100.00%
OTHER STATE REVENUE					
Lottery		\$ 2,815,372	\$ 1,648,378	\$ 938,998	\$ 5,402,748
College Promise Grants (BOG Fee Waivers Admin)		\$ 159,213	\$ 116,770	\$ 70,950	\$ 346,933
Part-Time Faculty Parity		\$ 342,410	\$ 192,814	\$ 146,273	\$ 681,497
State Mandated Costs		\$ 530,100	\$ 310,370	\$ 176,802	\$ 1,017,274
TOTAL OTHER STATE REVENUE		\$ 3,847,095	\$ 2,268,332	\$ 1,333,023	\$ 7,448,452
TOTAL STATE REVENUE		\$ 128,535,124	\$ 77,803,895	\$ 46,983,756	\$ 253,322,777
District Wide Local Revenue		\$ 1,008,328	\$ 590,369	\$ 336,303	\$ 1,935,000
TOTAL REVENUE FOR DISTRIBUTION THROUGH THE MODEL		\$ 129,543,452	\$ 78,394,264	\$ 47,320,059	\$ 255,257,777
DEFICIT FACTOR @ 0.5%					\$ (1,208,987)
SRP ANNUAL DEBT SERVICE PAYMENT					\$ (1,870,416)
ADJUSTED REVENUE					\$ 252,178,374
LESS ASSESSMENTS					
District Services		\$ 15,369,578	\$ 8,998,769	\$ 5,126,142	\$ 29,494,489
District Wide Expense		\$ 13,257,876	\$ 7,762,383	\$ 4,421,836	\$ 25,442,095
TOTAL ASSESSMENTS		\$ 28,627,454	\$ 16,761,152	\$ 9,547,978	\$ 54,936,584
NET REVENUE FROM ALLOCATION MODEL 2023-2024		\$ 100,916,000	\$ 61,633,112	\$ 37,772,081	\$ 200,321,193
NET REVENUE FROM ALLOCATION MODEL 2022-2023		\$ 90,703,707	\$ 55,099,541	\$ 33,897,603	\$ 179,700,851
REVENUE ADJUSTED FOR 0.5% DEFICIT FACTOR AND SRP PAYMENT					
	FY 2023-2024	%	Deficit Factor 0.5%	SRP Payment	FY 2023-2024 ALLOCATION
ORANGE COAST	\$ 100,916,000	40%	\$ (530,887)	\$ (693,643)	\$ 99,691,470
GOLDEN WEST	\$ 61,633,112	24%	\$ (324,232)	\$ (558,723)	\$ 60,750,157
COASTLINE	\$ 37,772,081	15%	\$ (198,706)	\$ (362,521)	\$ 37,210,854
DISTRICT SERVICES	\$ 29,494,489	12%	\$ (155,162)	\$ (255,529)	\$ 29,083,798
DISTRICT WIDE EXPENSES	\$ 25,442,095	10%	\$ -	\$ -	\$ 25,442,095
TOTAL	\$ 255,257,777	100%	\$ (1,208,987)	\$ (1,870,416)	\$ 252,178,374