



Town Hall Budget Meeting

February 22, 2023
Golden West College

Presented by:

Dr. Whitney Yamamura, Chancellor

Tim McGrath, President Golden West College

Marlene Drinkwine, Vice Chancellor of Finance & Administrative Services

Dr. Andreea Serban, Vice Chancellor of Educational Services and Technology

Daniela Thompson, Executive Director of Fiscal Services

Janet Houlihan, Vice President Administrative Services Orange Coast College

Dr. Alyssa Brown, Director Human Resources: Question and Answer Session Facilitator

This presentation may be found at: <https://www.cccd.edu/employees/budget-information.html>

Discussion Topics

- State Budget
- Student Centered Funding Formula
- Enrollment
- District Budget Projections
- College Budget and Strategies
- Conclusion
- Questions and Answer Session
- Appendices

STATE BUDGET

Marlene Drinkwine
Vice Chancellor Financial and Administrative Services

FY 2022-23 State Budget

- 6.56% COLA for the Student-Centered Funding Formula (SCFF) and specified categorical programs.
- \$4.1 M in SCFF rate augmentations above COLA.
 - *Rates to be recalculated at each apportionment in 2022-23 and finalized in February 2023.*
- \$7.4 M (over 2 years) in funding for the One-year extension of the Emergency Conditions Apportionment.
- \$18.8 M in one-time funds for the Scheduled Maintenance/ Instructional Equipment block grant.
- \$17.4 M in one-time funds for the COVID-19 Recovery Block grant to address pandemic-related issues with a focus on technology.

[Joint Analysis Enacted 2022-23 Budget: www.cccco.edu/-/media/CCCCO-Website/College-Finance-and-Facilities/Budget-News/Budget-2022-23/22-23-Enacted-Budget-Joint-Analysis.pdf?la=en&hash=7E242FCC81FCB981DCAD8B342CC959E96A11600D](http://www.cccco.edu/-/media/CCCCO-Website/College-Finance-and-Facilities/Budget-News/Budget-2022-23/22-23-Enacted-Budget-Joint-Analysis.pdf?la=en&hash=7E242FCC81FCB981DCAD8B342CC959E96A11600D)

FY 2023-24 Governor's January Proposal

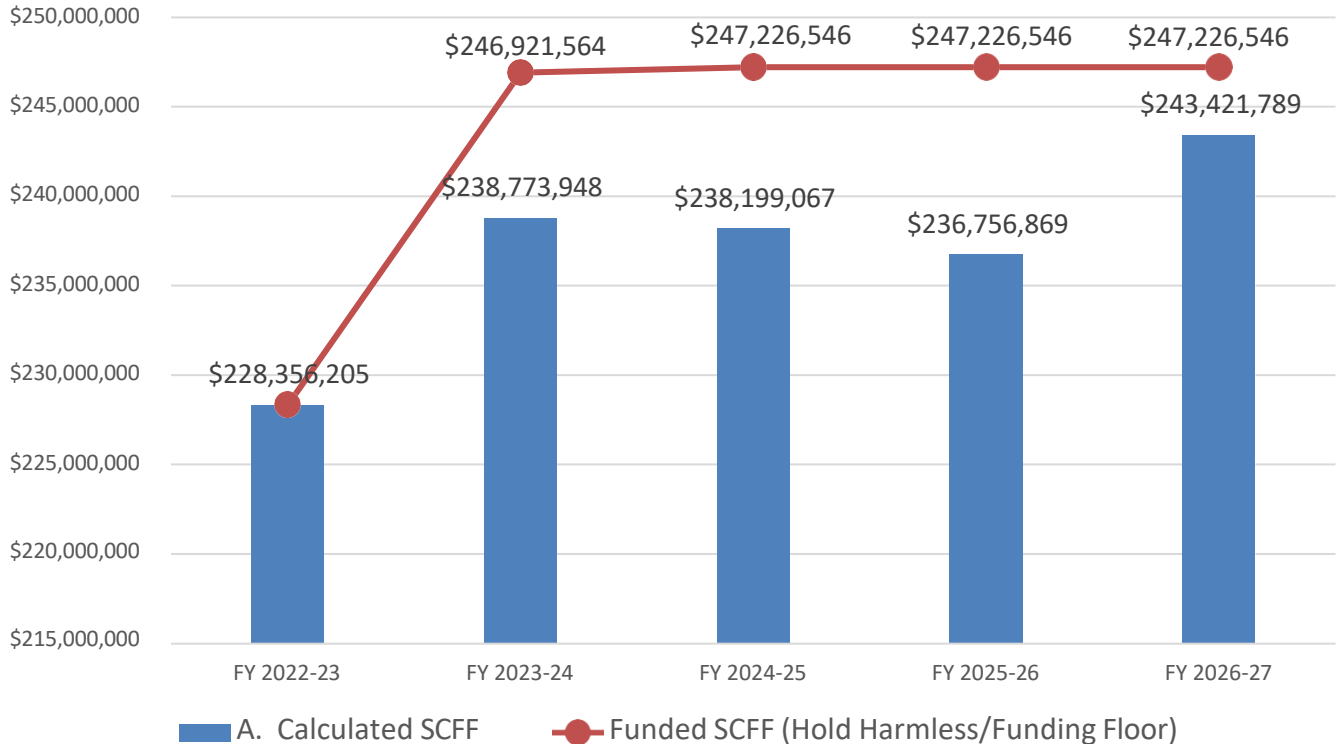
- Projected State deficit of \$22.5B
 - Balanced with funding delays, reductions, pullbacks, shifts, and borrowing
- LAO projects required use of reserves and Rainy-Day funds through FY 2025-26
- 8.13% COLA for SCFF and selected categorical program
 - SEAP one of many programs that will *not* receive COLA
- 0.5 % Funded Growth (limitation on funding for new enrollment)
- New One-time Student Retention and Enrollment program
 - \$4.8 M shifted from 2022-23 Scheduled Maintenance/Instructional Equipment
 - Decreases District/College funding by about 20%

[Joint Analysis Governor's January Budget 2023-24: www.cccco.edu/-/media/CCCCO-Website/College-Finance-and-Facilities/Budget-News/Budget-2023-2024/Final-2023-Joint-Analysis-Governors-Budget.pdf?la=en&hash=384E65B0E426254EDA8217B7D8A05AD5284A64EB](http://www.cccco.edu/-/media/CCCCO-Website/College-Finance-and-Facilities/Budget-News/Budget-2023-2024/Final-2023-Joint-Analysis-Governors-Budget.pdf?la=en&hash=384E65B0E426254EDA8217B7D8A05AD5284A64EB)

STUDENT CENTERED FUNDING FORMULA

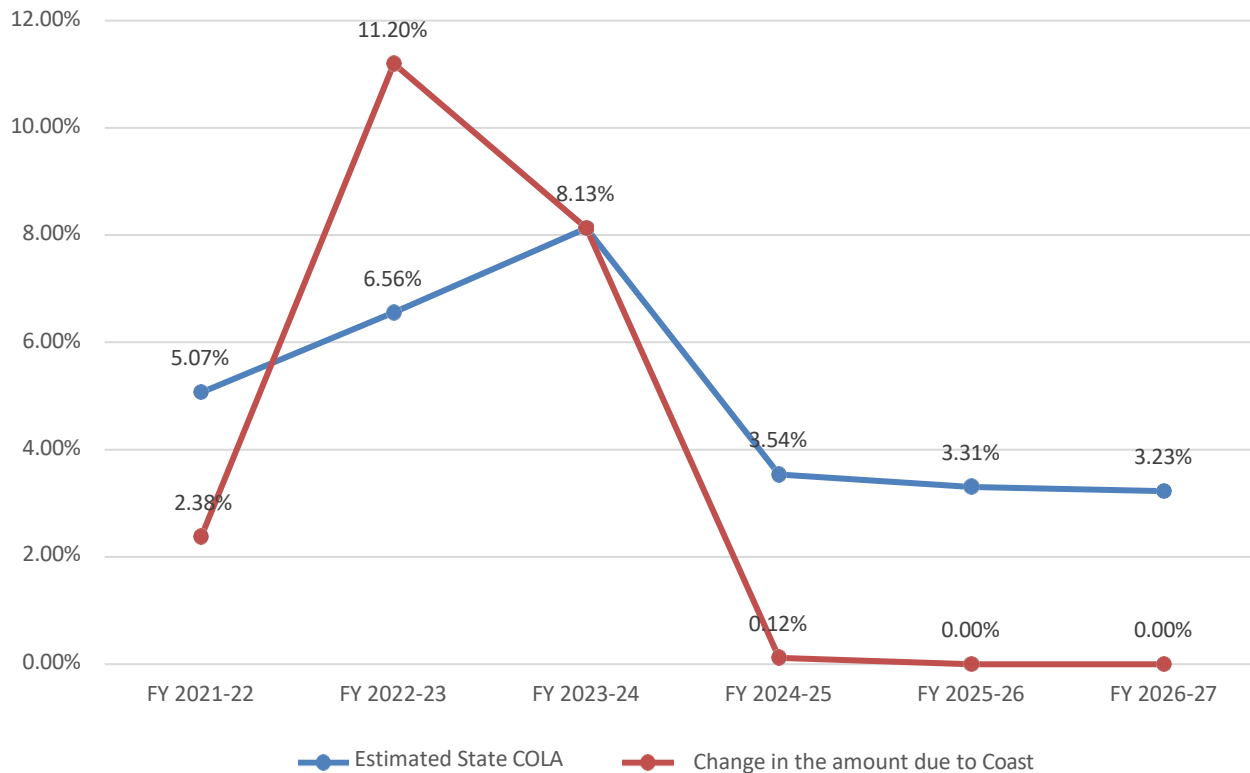
Daniela Thompson
Executive Director of Fiscal Services

Student Centered Funding Formula Calculated Compared to Funded (Guarantees)



A 3-year average of student enrollment (FTES) is used to calculate the primary portion of the SCFF. The Emergency Conditions Allowance that substituted 2019-20 FTES for 2022-23 FTES caused an artificial spike in this 3-year average beginning in 2022-23.

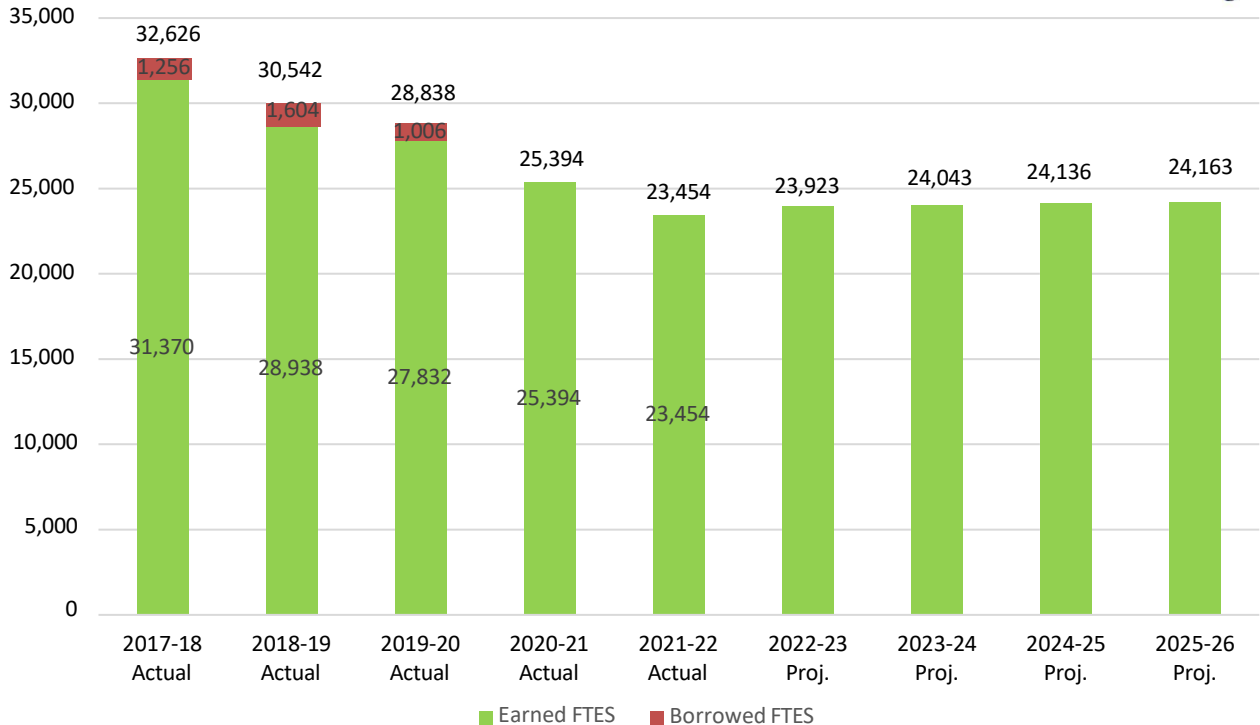
COLA Compared to Actual SCFF Revenue Change



ENROLLMENT

Dr. Andreea Serban
Vice Chancellor Educational Services and Technology

Resident FTES Trend and Projection



- The green bars represent the September 2022 Adopted Budget projections for 2022-23 through 2025-26.
- Any growth in enrollment is not funded while the District is at the Hold Harmless or Funding Floor.

DISTRICT BUDGET PROJECTIONS

Marlene Drinkwine

Vice Chancellor Financial and Administrative Services

Multi-Year Unrestricted General Fund Projection Detail

With Zero Increase to Salary Schedule

in 2025-26 and 2026-27



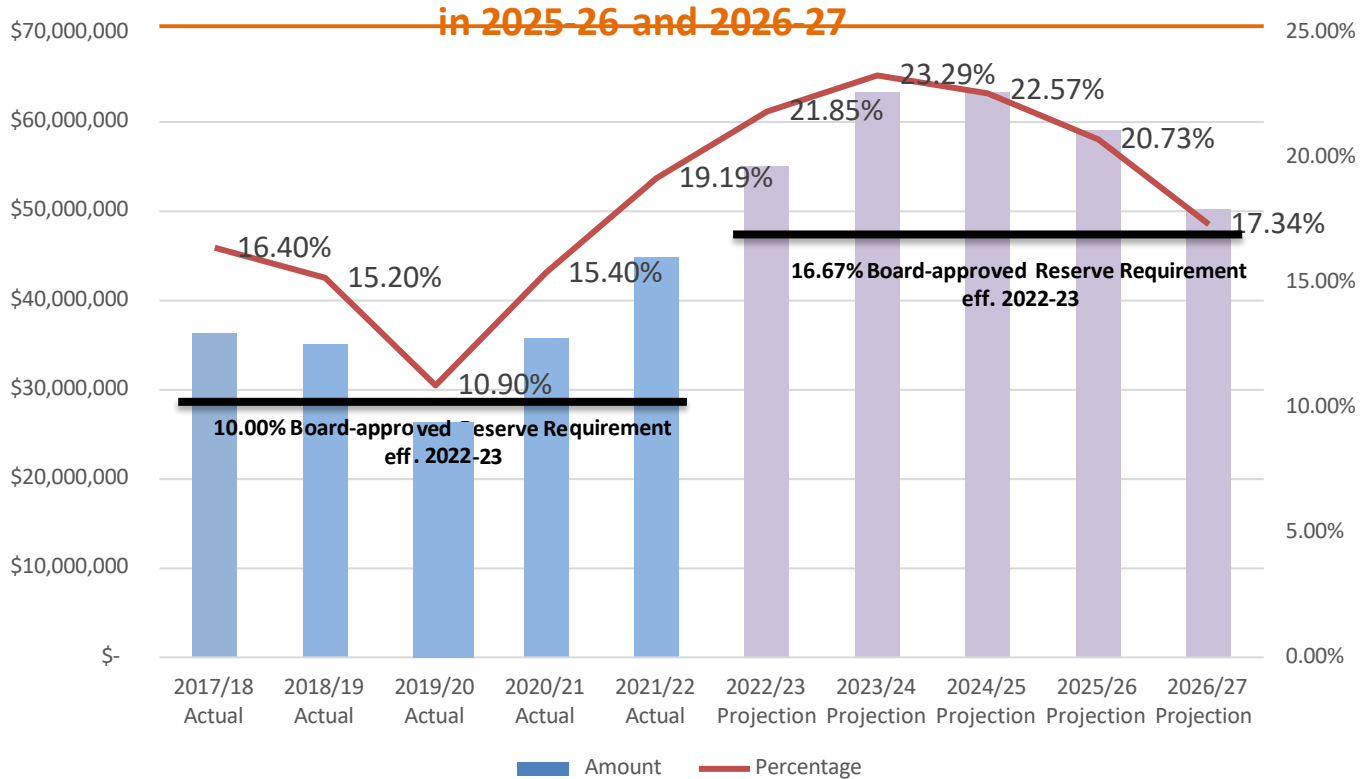
Line		2021/22 Audited Actuals	2022/23 Projection	2023/24 Projection	2024/25 Projection	2025/26 Projection	2026/27 Projection
1	COLA	5.07%	6.56%	8.13%	3.54%	*3.31%	*3.23%
2	Beginning Balance	35,775,828	44,913,999	55,001,010	63,307,296	63,325,052	59,067,140
3	Audit Adjustment	0	0	0	0	0	0
4	Revenue						
5	Adjusted SCFF TCR (Max A, B, or C)	\$205,358,089	\$228,356,205	\$246,921,564	\$247,226,546	\$247,226,546	\$247,226,546
6	Deficit Factor 0.5%	\$0	(\$1,141,781)	(\$1,234,608)	(\$1,236,133)	(\$1,236,133)	(\$1,236,133)
7	Other State Revenue	\$19,445,048	\$18,747,500	\$18,876,945	\$18,937,891	\$18,996,895	\$19,056,378
8	Local Revenue	\$5,312,220	\$1,200,002	\$2,341,781	\$2,434,608	\$2,436,133	\$2,436,133
9	Local Dedicated Revenue	\$15,789,611	\$17,349,018	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000
10	Actual Revenue	\$245,904,968	\$264,510,944	\$282,905,683	\$283,362,912	\$283,423,441	\$283,482,924
11	Expenses	\$236,766,796	\$254,423,934	\$274,599,396	\$283,345,156	\$287,681,353	\$292,343,860
	Salaries & Benefits as a % of Total Expenses & Other Outgo	90.00%	90.28%	90.43%	90.10%	89.56%	88.93%
13	Surplus / (Deficit)	\$9,138,172	\$10,087,010	\$8,306,287	\$17,756	(\$4,257,912)	(\$8,860,936)
14	**Ending Balance	44,913,999	55,001,010	63,307,296	63,325,052	59,067,140	50,206,205
15	Board Reserve Requirement	10.00%	16.67%	16.67%	16.67%	16.67%	16.67%
16	Ending Balance as a % of Total Expenses less Other Outgo	19.19%	21.85%	23.29%	22.57%	20.73%	17.34%

Note:

* For FY 2025-26 and 2026-27, 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 revenues will be at the Funding Floor and will, therefore, not be increased by COLA. For this projection, salaries in these years are correspondingly not increased by the State COLA.

**Ending Balances include College Ending Balances which typically remain with the College.

Reserves (Ending Balance) Projection with Zero Increase to Salary Schedule



Multi-Year Unrestricted General Fund Projection

With State COLA Increase to Salary Schedule in 2025-26 and 2026-27



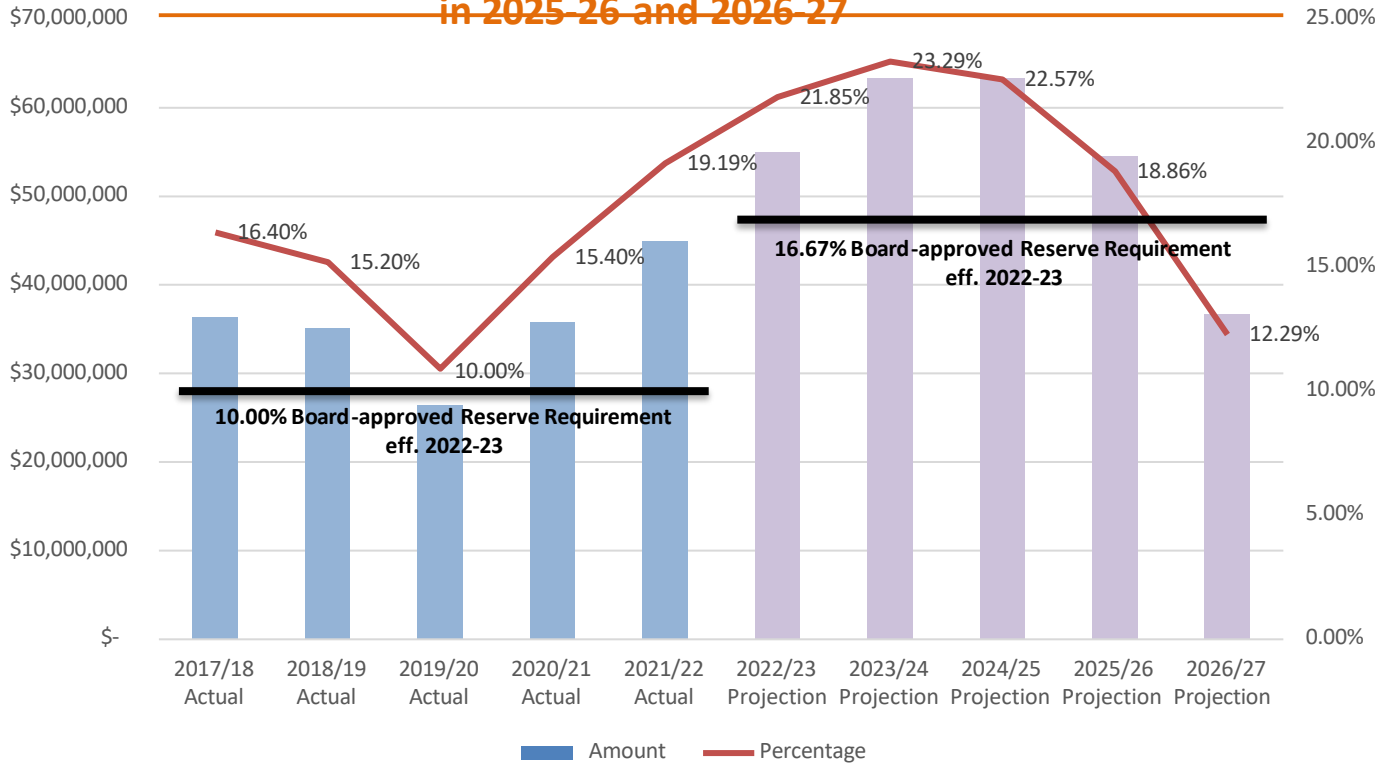
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1	COLA	5.07%	6.56%	8.13%	*3.54%	*3.31%	*3.23%
2	Beginning Balance	35,775,828	44,913,999	55,001,010	63,307,296	63,325,052	54,578,617
3	Audit Adjustment	0	0	0	0	0	0
4	Revenue						
5	Adjusted SCFF TCR (Max A, B, or C)	\$205,358,089	\$228,356,205	\$246,921,564	\$247,226,546	\$247,226,546	\$247,226,546
6	Deficit Factor 0.5%	\$0	(\$1,141,781)	(\$1,234,608)	(\$1,236,133)	(\$1,236,133)	(\$1,236,133)
7	Other State Revenue	\$19,445,048	\$18,747,500	\$18,876,945	\$18,937,891	\$18,996,895	\$19,056,378
8	Local Revenue	\$5,312,220	\$1,200,002	\$2,341,781	\$2,434,608	\$2,436,133	\$2,436,133
9	Local Dedicated Revenue	\$15,789,611	\$17,349,018	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000
10	Actual Revenue	\$245,904,968	\$264,510,944	\$282,905,683	\$283,362,912	\$283,423,441	\$283,482,924
11	Expenses	\$236,766,796	\$254,423,934	\$274,599,396	\$283,345,156	\$292,169,876	\$301,367,158
12	Salaries & Benefits as a % of Total Expenses & Other Outgo	90.00%	90.28%	90.43%	90.10%	89.72%	89.26%
13	Surplus / (Deficit)	\$9,138,172	\$10,087,010	\$8,306,287	\$17,756	(\$8,746,435)	(\$17,884,234)
14	Ending Balance	44,913,999	55,001,010	63,307,296	63,325,052	54,578,617	36,694,383
15	Board Reserve Requirement	10.00%	16.67%	16.67%	16.67%	16.67%	16.67%
16	Ending Balance as a % of Total Expenses less Other Outgo	19.19%	21.85%	23.29%	22.57%	18.86%	12.29%

Note:

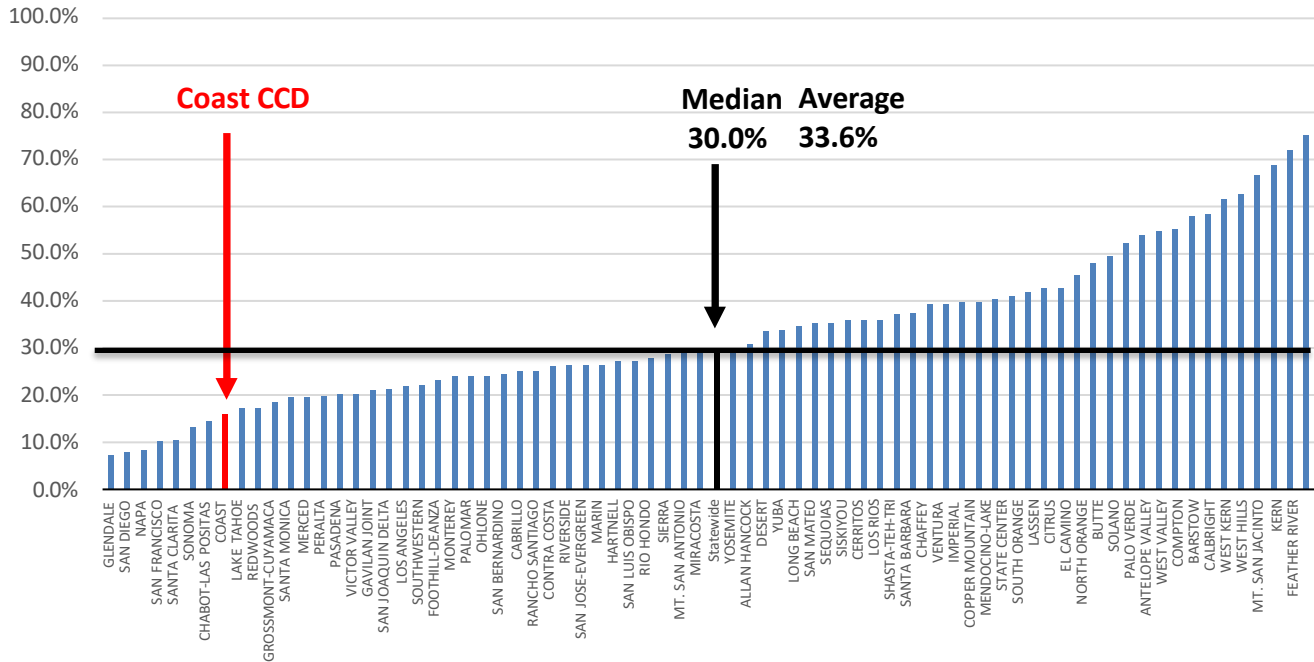
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**Ending Balances include College Ending Balances which typically remain with the College.

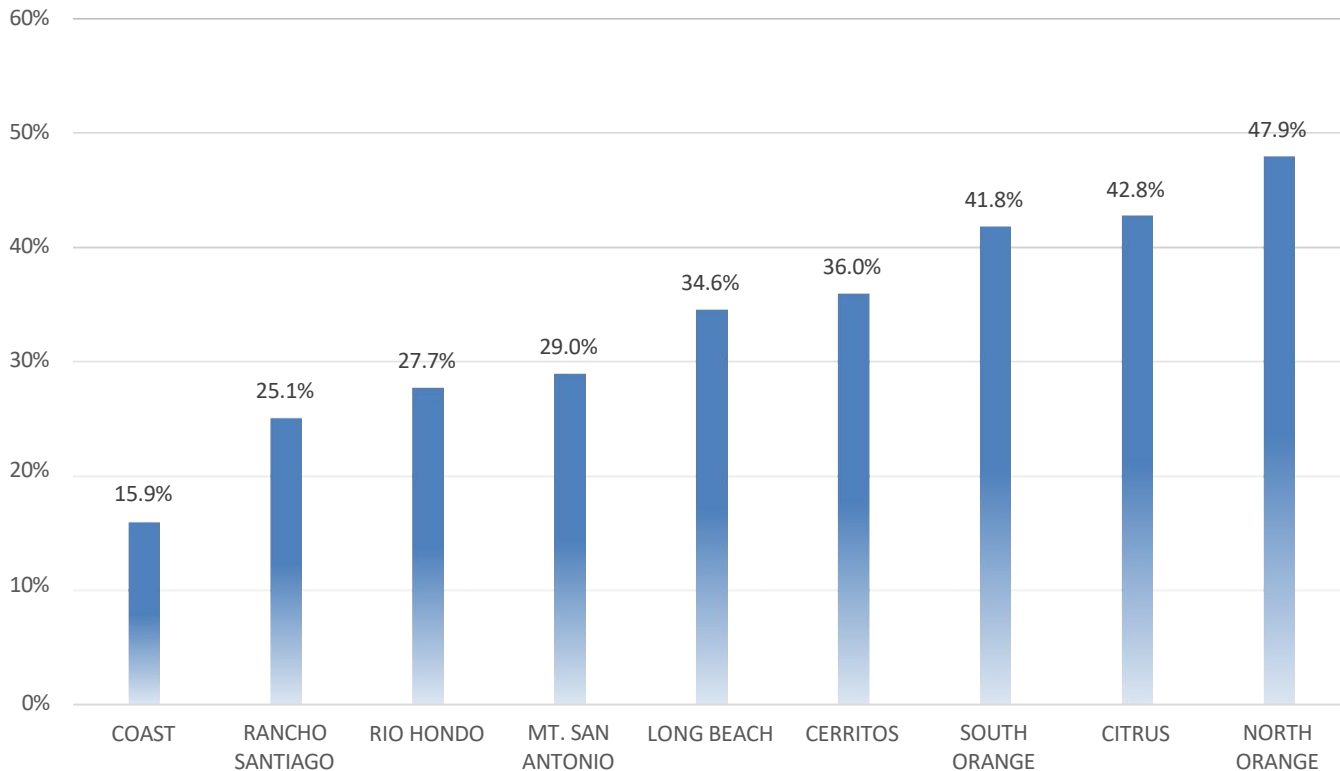
Reserves (Ending Balance) Projection with State COLA Increase to Salary Schedule ~~in 2025-26 and 2026-27~~



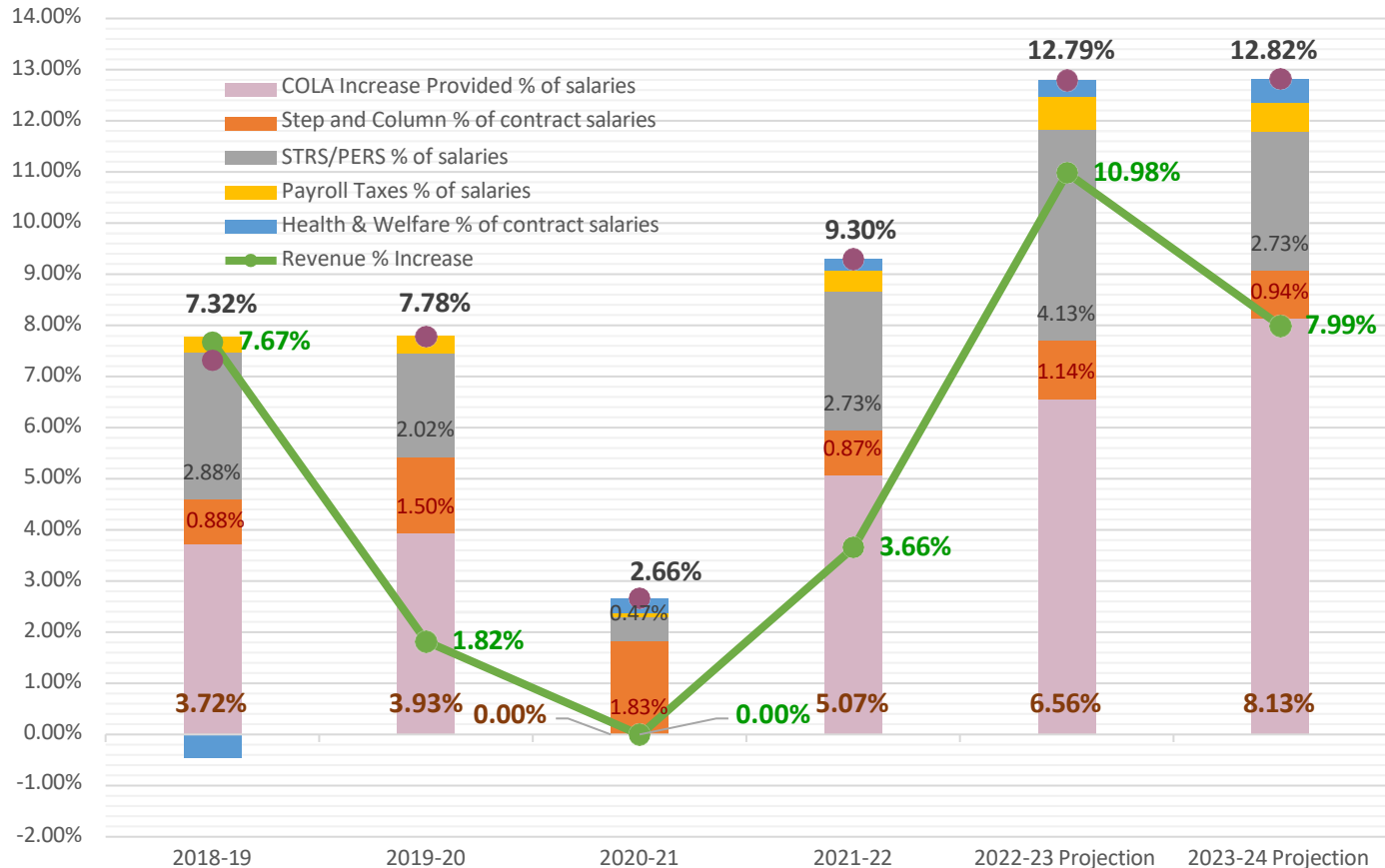
Statewide Unrestricted General Funds Reserves (Ending Balances) as of June 2021



Region 8 Unrestricted General Fund Reserves (Ending Balances) as of June 2021



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



COLLEGE BUDGET AND STRATEGIES

Janet Houlihan
Golden West College
Vice President, Administrative Services



Golden West College

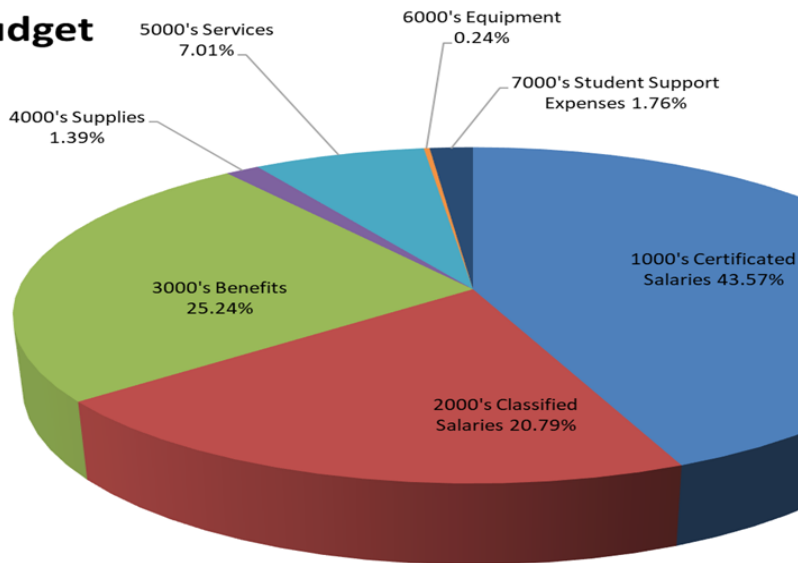
Unrestricted General Fund Budget

Final Budget 2022-2023 FY

	Object		Actuals & Commitments	
REVENUES:	Code	Adopted Budget	Adjusted Budget	12/31/22
Model Allocation				Percentage
Apportionment Revenue Distribution through Model		\$70,664,009	\$70,664,009	\$70,664,009
Proportional Share of Assessments		(\$15,564,468)	(\$15,564,468)	(\$15,564,468)
SCFF Revenue Projected Deficit Factor @ 0.5%		(\$291,585)	(\$291,585)	(\$291,585)
Annual SRP Debt Service Payment		(\$558,723)	(\$558,723)	(\$558,723)
Dedicated Revenue		\$2,820,500	\$2,848,500	\$4,082,628
Total Revenues		\$57,069,734	\$57,097,734	\$58,331,862
EXPENDITURES:				
Academic Salaries	1000	\$26,456,201	\$26,613,336	\$9,818,516
Classified Salaries	2000	\$12,650,473	\$12,705,566	\$5,001,998
Employee Benefits	3000	\$15,386,707	\$15,424,623	\$5,874,535
Supplies and Materials	4000	\$854,931	\$846,211	\$164,218
Other Operating Expenses and Services	5000	\$3,763,679	\$3,991,408	\$1,246,414
Capital Outlay	6000	\$130,679	\$144,155	\$98,872
Other Outgo	7000	\$162,940	(\$16,740)	\$669,740
Total Expenditures		\$59,405,610	\$59,708,559	\$22,874,293
Excess / (Deficit) of Revenues over Expenditures		(\$2,335,876)	(\$2,610,825)	\$35,457,569
FY 2022 Ending Balance (Deficit)			\$3,358,987	
FY 2023 College Support to Meet GFOA 16.67% Reserve			(\$184,941)	
Redistribution of SCFF Revenue based on Advance Rates			\$1,499,066	
Projected Ending Balance based on Adjusted Budget			\$2,062,287	



2022-2023 Budget



Note: 90% of budget is salaries and benefits for 22-23



Golden West College

Implemented Strategies and Strategies Under Consideration

- Implemented Strategies:
 - Careful consideration of all vacancies – hiring frost
 - Reorganizations as deemed appropriate to create salary savings and improve efficiencies
 - Increased instructional efficiencies
 - Created a Budget Council to focus on budget and strategies to improve effective use of the College Budget
 - Utilizing Higher Education Emergency Relief Funds (HEERF) for one-time expenditures and lost revenue claims
 - Educating campus community on budget and financial challenges
- Strategies Under Consideration:
 - Zero based budgeting for discretionary accounts
 - Improving training on budget management
 - Continue to grow our non-credit programs in the community to create pathways to our credit programs



Golden West College

Accomplishments, Challenges and Opportunities

- Accomplishments –
 - 21-22 Positive Ending Balance
 - Successful reopening of the Swap Meet
 - Enrollment is up!
 - Kudos to GWC Teams for being flexible and taking on additional/new roles to help with budget challenges
- Challenges –
 - Rising Costs
 - Utilizing one-time funds for ongoing expenses
 - Covering the cost of COLA to programs that don't receive COLA funding
 - Aging facilities – cost impact
- Opportunities –
 - Rebuilding dedicated revenue
 - Identify new revenue generating opportunities
 - Work with community partners to develop new instructional programs

CONCLUSION

Marlene Drinkwine
Vice Chancellor Financial and Administrative Services

Developing Concerns



- Expenditures grow faster than revenues.
- Reserve levels are in the bottom quartile statewide.
- Significant deficit spending beginning in FY 2025-26 resulting in decreasing reserves.
- Minimum reserve requirement is met in FY 2026-27 but will likely not be met in the next subsequent years
- Reduced reserves leave the District with fewer options during economic downturns.
- Without correction, there will eventually be no reserves and the District would be insolvent.

District Strategies



- Strategic enrollment maintenance/moderate growth
 - Enrollment Management and Recovery Plans
- Cost Containment and Expense Reductions
 - Explore options for sustainable salaries and benefits growth
 - Hiring Frost and Internal Recruitment
 - Limit ongoing increases
 - Assessment of classroom efficiencies and the establishment of benchmarks
 - Restructure and implement process improvements

We want to hear from you!

Please share your comments,
suggestions, and questions using the link
below:

<https://www.cccd.edu/employees/budget-information.html>



Q&A Session

Facilitated by: Dr. Alyssa Brown, Director Human Resources

APPENDICES

Appendices

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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

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.**

DECLINING ENROLLMENT INFLUENCING FACTORS

Declining enrollment trend is state-wide

- State Chancellor *“Fall 2021 headcount is down approximately 7% from Fall 2020 and down 20% overall compared to Fall 2019”*

K-12 Decline

- State-wide population growth is at its lowest rate in more than a century, resulting in fewer K-12 students
- Department of Finance projects an 11.4% decline in K-12 enrollment by 2031
- Expected loss is 600,000 K-12 students

Relationship between the Economy and enrollment

- Historically, community college enrollment declines when the economy performs well
- Higher wages and full employment typically results in fewer students

Impacts of COVID-19 Pandemic

- Labor market disruptions
- Evolving demands for remote and in-person course offerings
- New and Next Normal cultural shifts

Funded FTES 4-YEAR TREND with Emergency Conditions Allowance

Districts were granted an Emergency Conditions Allowance (ECA) that used the greater of actual or 2019-20 FTES in their SCFF calculation. For 2022-23, the ECA generated \$4.5M above what CCCD would have otherwise received.



Student Centered Funding Formula Detail



	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
1										
2	Estimated State COLA	2.71%	3.26%	0.00%	5.07%	6.56%	8.13%	3.54%	3.31%	3.23%
3	I. Base Allocation	\$ -	\$ 129,594,873	\$ 137,749,899	\$ 132,118,458	\$ 135,726,530	\$ 159,344,401	\$ 164,962,662	\$ 161,774,816	\$ 157,803,087
4	II. Supplemental Allocation	\$ -	\$ 41,538,800	\$ 39,733,524	\$ 38,485,956	\$ 34,112,067	\$ 39,199,786	\$ 42,382,375	\$ 43,882,736	\$ 45,335,151
5	III. Student Success Allocation	\$ -	\$ 25,840,738	\$ 23,104,367	\$ 24,600,111	\$ 26,257,893	\$ 29,812,018	\$ 31,428,912	\$ 32,541,514	\$ 33,618,631
6	SCFF Actual Calculation	\$ -	\$ 196,974,411	\$ 200,587,791	\$ 195,204,524	\$ 196,096,490	\$ 228,356,205	\$ 238,773,948	\$ 238,199,067	\$ 236,756,869
7	Funding Guarantee Adjustment	\$ -	\$ -	\$ -	\$ 5,383,266	\$ 9,261,598	\$ -	\$ 8,147,616	\$ 6,797,720	\$ 10,469,677
8	Total Calculated SCFF Revenue (TCR)	\$ 184,284,255	\$ 196,974,411	\$ 200,587,791	\$ 200,587,791	\$ 205,358,088	\$ 228,356,205	\$ 246,921,564	\$ 244,996,787	\$ 247,226,546
9	One-time ECA Funding included in Total Above					\$ 5,335,292	\$ 2,153,524			
10	A. Current Year SCFF Calculation		\$ 196,974,411	\$ 200,587,791	\$ 195,204,524	\$ 196,096,490	\$ 228,356,205	\$ 238,773,948	\$ 238,199,067	\$ 236,756,869
11	B. Prior Year SCFF Calculation + COLA			\$ 200,587,791	\$ 205,101,394	\$ 208,960,975	\$ 246,921,564	\$ 247,226,546	\$ 246,083,456	\$ 244,404,116
12	C. Hold Harmless/Funding Floor		\$ 189,278,358	\$ 195,448,833	\$ 195,448,833	\$ 205,358,089	\$ 218,829,579	\$ 236,620,424	\$ 244,996,787	\$ 247,226,546
13	Adjusted SCFF Revenue (TCR) (Max A, B, or C)		196,974,411	200,587,791	200,587,791	205,358,089	228,356,205	246,921,564	247,226,546	247,226,546
14	% Change from Prior Yr.		6.89%	1.83%	0.00%	2.38%	11.20%	8.13%	0.12%	0.00%

Note:

- Calculated using the SCFF rates contained in the 2022-23 Apportionment Advance Rates of July 27, 2022.
- The rates could fluctuate through February 2024 as the State Controller will recalculate the rates at each 2022-23 apportionment with final calculations at the 2022-23 Annual Apportionment in February 2024.
- Revenue projections will use the Advance Rates until the rates are recalculated at the P-1 Apportionment (which will be based on the first reporting of FTES for 2022-23 sometime in late February or March 2023.)
- Yellow highlights indicate the greater of the Current Year SCFF Calculation, Prior Year SCFF Calculation + COLA, or the Hold Harmless/Funding Floor.

End of Hold
Harmless

Start of Funding
Floor
(Fiscal Plateau)

Updated 1/27/23

Student Centered Funding Formula Highlights



1		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
2	Estimated State COLA	6.56%	8.13%	3.54%	3.31%	3.23%
10	A. Current Year SCFF Calculation	\$ 228,356,205	\$ 238,773,948	\$ 238,199,067	\$ 236,756,869	\$ 243,421,789
11	B. Prior SCFF Calculation + COLA	\$ 208,960,975	\$ 246,921,564	\$ 247,226,546	\$ 246,083,456	\$ 244,404,116
12	C. Hold Harmless/Funding Floor	\$ 218,829,579	\$ 236,620,424	\$ 244,996,787	\$ 247,226,546	\$ 247,226,546
13	Adjusted SCFF Revenue (TCR) (Max A, B, or C)	228,356,205	246,921,564	247,226,546	247,226,546	247,226,546
14	% Change from Prior Yr.	11.20%	8.13%	0.12%	0.00%	0%
				End of Hold Harmless	Start of Funding Floor (Fiscal Plateau)	

Note:

1. Calculated using the SCFF rates contained in the 2022-23 Apportionment Advance Rates of July 27, 2022.
2. The rates could fluctuate through February 2024 as the State Controller will recalculate the rates at each 2022-23 apportionment with final calculations at the 2022-23 Annual Apportionment in February 2024.
3. Revenue projections will use the Advance Rates until the rates are recalculated at the P-1 Apportionment (which will be based on the first reporting of FTES for 2022-23 sometime in late February or March 2023.)
4. Yellow highlights indicate the greater of the Current Year SCFF Calculation, Prior Year SCFF Calculation +COLA, or the Hold Harmless/Funding Floor.

Multi-Year Unrestricted General Fund Projection Assumptions

Revenues



	Unrestricted General Fund	Assmp.	Unaudited Actual	Assmp.	Adopted Budget	Assmp.	Projected
			2021-22		2022-23		2023-24
Line	AVAILABLE FUNDING						
1	Projected Revenue						
2	Base Apportionment Revenue		186,634,140		205,358,089		226,364,598
3	Funded COLA*	5.07%	9,462,351	6.56%	13,471,491	8.13%	18,403,442
4	Base Allocation Increase		-		4,191,335		-
5	Hold Harmless		2,292,024		-		-
6	Emergency Allowance Condition		6,969,574		5,335,292		2,153,524
7	Funding Floor		-		-		-
8	Growth/ (Decline)		-		-		-
9	Stability Adjustment		-		-		-
10	Projected Base Apportionment Revenue		205,358,089		228,356,207		246,921,564
11	Deficit Assumption (.5%)	0.00%	-	0.50%	(1,141,781)	0.50%	(1,234,608)
12	Apportionment Revenue w/ Deficit		205,358,089		227,214,426		245,686,956
13	Other On-Going Revenue		40,546,879		37,296,520		37,218,726
14	Total Projected On-Going Revenue		245,904,968		264,510,946		282,905,682
15							
16	Total Available Funding		245,904,968		264,510,946		282,905,682

NOTES:

This document is to be used for planning purposes only and includes estimates that are subject to change.

The prior and budget year COLAs are based on the State Budget. COLA for future fiscal years are based on School Services projections. Base operational expenses are shown as increasing at the projected California CPI rate per School Services' Dashboard and historical expenditures.

Multi-Year Unrestricted General Fund Projection Assumptions

Expenditures



18	PROJECTED EXPENDITURES		2021-22		2022-23		2023-24
19	Expenditure Base (prior year)		216,099,084		225,482,000		245,969,711
20							
21	Expenditure Changes From Prior Year:						
22	Projected Adjustments to Compensation						
23	New Full-Time Faculty Positions (Salary Only)		-	30	2,408,594		-
24	COLA Increase	5.07%	6,574,961	6.56%	9,123,603	8.13%	11,813,921
25	Estimated Step/Column Increases		831,007		1,253,947		1,364,606
26	Estimated STRS/PERS Increases	2.73%	3,092,896	4.13%	5,165,949	2.73%	3,965,778
27	STRS, PERS On Behalf Payments		8,061,913		8,061,913		8,061,913
28	Early Retirement Incentives		1,870,416		1,870,416		1,870,416
29							
30	Projected Adjustments to Operations						
31	Other Operating Expense Changes		236,519		1,057,511		1,553,050
32							
33	One-Time Expenditures						
34							
35	Projected Expenditures		236,766,796		254,423,933		274,599,395
36	One-Time Expenses Not Funded by Reserves						
37							
38	PROJECTED SURPLUS/ (DEFICIT)		9,138,172		10,087,013		8,306,287
39	Ending Fund Balance		44,913,999		55,001,012		63,307,299
40	Fund Balance % of Total Expenses		19.0%		21.6%		23.1%

NOTES:

This document is to be used for planning purposes only and includes estimates that are subject to change.

The prior and budget year COLAs are based on the State Budget. COLA for future fiscal years are based on School Services projections.

Base operational expenses are shown as increasing at the projected California CPI rate per School Services' Dartboard and historical expenditures.

Comparison of Salaries/Benefits and SCFF Revenues Amount (\$) Increases



	2018-19	2019-20	2020-21	2021-22	2022-23 Proj.*
1 COLA Increase	\$ 4,947,580	\$ 5,464,325	\$ -	\$ 6,574,961	\$ 11,813,921
2 Step and Column	\$ 7,156,593	\$ 191,570	\$ 1,640,870	\$ 831,007	\$ 1,364,606
3 STRS/PERS	\$ 3,688,793	\$ 2,601,043	\$ 167,424	\$ 3,092,896	\$ 3,965,778
4 Payroll Taxes	\$ 539,897	\$ 363,668	\$ 74,898	\$ 433,204	\$ 796,674
5 Health & Welfare	\$ (464,360)	\$ (24,420)	\$ 306,636	\$ 221,544	\$ 681,433
6 Total S/B Increase	\$ 15,868,502	\$ 8,596,185	\$ 2,189,828	\$ 11,153,612	\$ 18,622,412
7 SCFF Revenue Increase	\$ 14,139,335	\$ 3,613,380	\$ -	\$ 7,397,869	\$ 18,565,359
8 Difference	\$ (1,729,167)	\$ (4,982,805)	\$ (2,189,828)	\$ (3,755,743)	\$ (57,059)

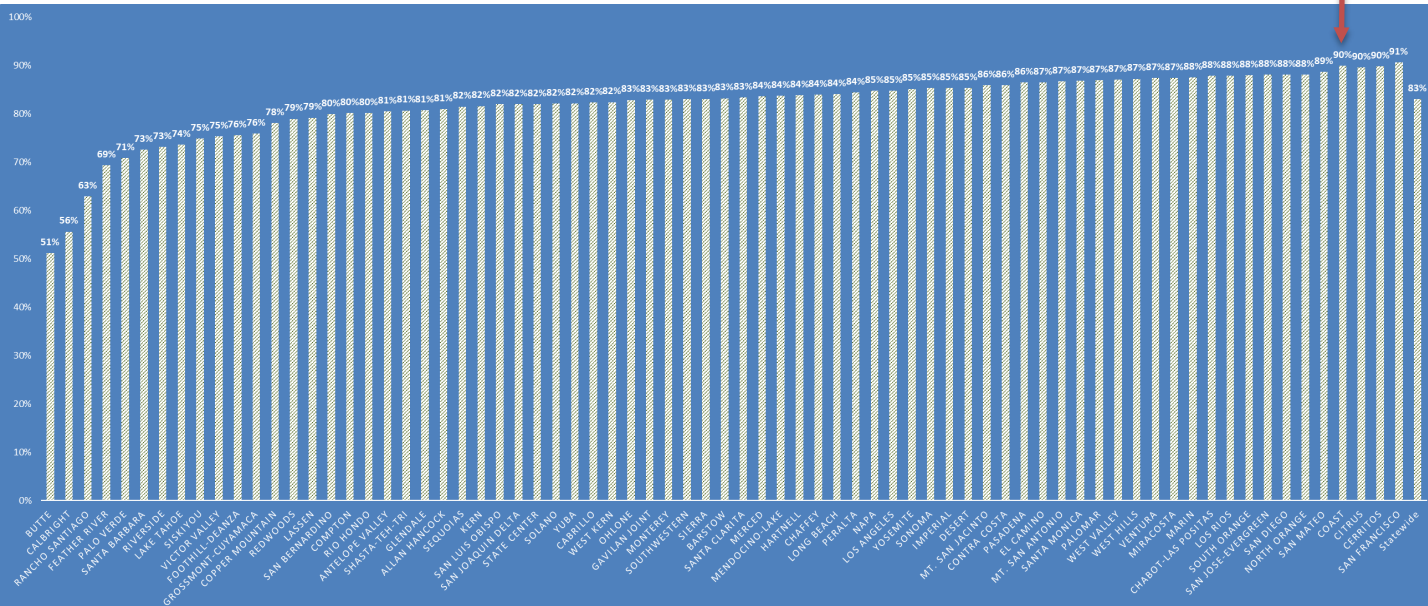
* 2022-23 Revenue projection based SCFF rates from the P1 calculation

Unrestricted General Funds (UGF) Statewide Summary

Salaries and Benefits 2020-21



Coast CCD 90%

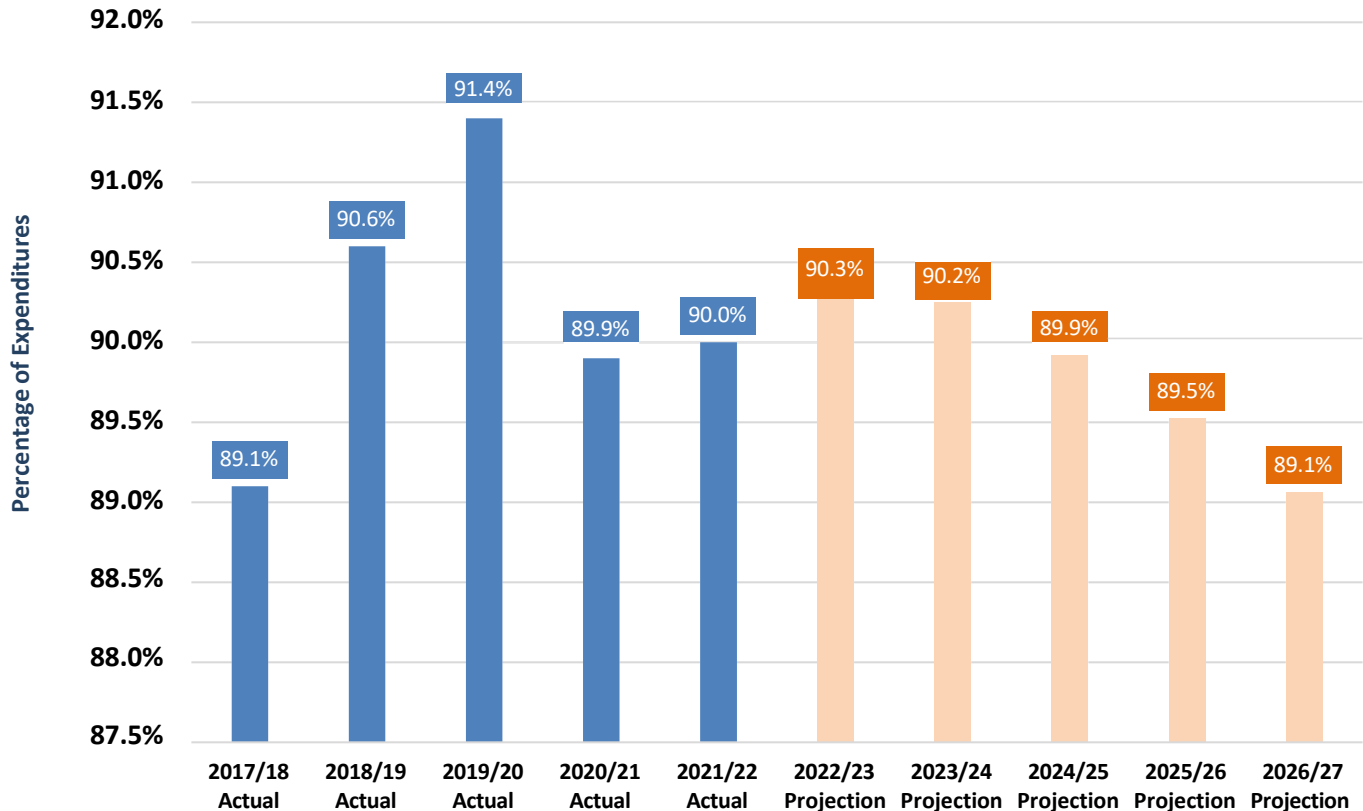


Statewide Average: 83%

Highest: 91% San Francisco CCD

Salaries and Benefits as a % of UGF Expenditures

Note: As a best practice, salaries and benefits should not exceed 85% of UGF Expenditures



Permanent and Contract Employee Count



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%

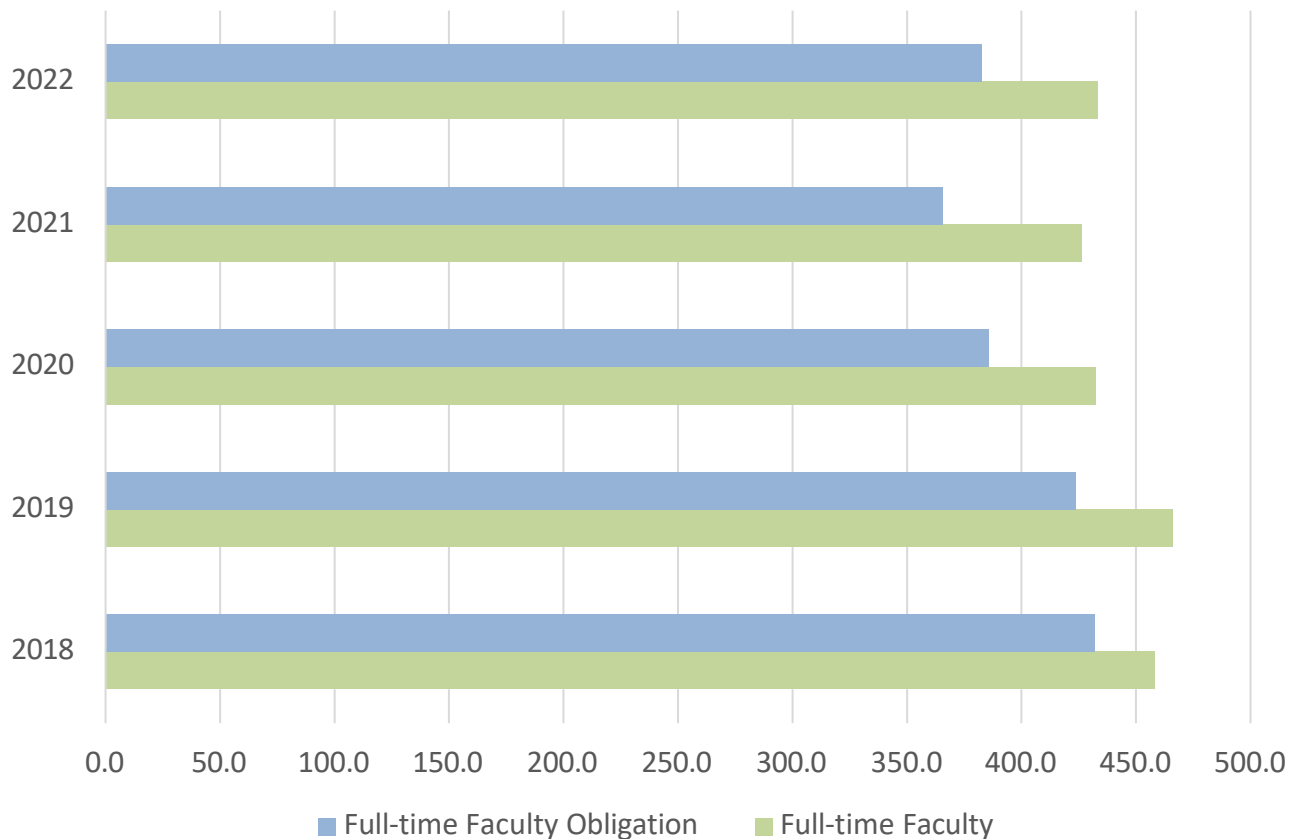
Full-Time Faculty		2018-19	2019-20	2020-21	2021-22	2022-23	
District Totals	Unrestricted GF	431	433	416	398	409	-5.1%
	Categorical	17	17	15	15	14	-23.5%
	Combination	22	27	13	18	21	-4.5%
	District-Wide Total	470	477	444	431	443	-5.7%

Decline in Resident FTES from 2018-19 through Projected 2021-22 **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



Registration Productivity Measures

by Term, by College

Summer

1 of 4

Summer		2018	2019	2020	2021	2022
Coastline	Fill-Rates	77.8%	77.0%	80.1%	66.9%	71.9%
	WSCH/FTEF	692	505	529	510	518
	Avg Class Size	45.2	31.0	33.4	27.8	29.9
Golden West	Fill-Rates	76.0%	76.9%	81.7%	78.4%	76.5%
	WSCH/FTEF	593	578	613	547	538
	Avg Class Size	39.0	38.2	41.9	39.3	37.8
Orange Coast	Fill-Rates	73.9%	77.8%	86.8%	85.3%	80.4%
	WSCH/FTEF	472	471	545	521	480
	Avg Class Size	26.6	26.8	34.5	28.7	25.5
District-Wide	Fill-Rates	76.1%	77.2%	83.0%	76.6%	76.3%
	WSCH/FTEF	575	513	562	526	512
	Avg Class Size	35.6	31.1	36.4	31.3	30.6

Registration Productivity Measures

by Term, by College

Fall

2 of 4

Fall		2018	2019	2020	2021	2022
Coastline	Fill-Rates	71.4%	70.7%	66.1%	60.9%	68.5%
	WSCH/FTEF	529	512	494	430	506
	Avg Class Size	29.6	29.4	28.1	23.6	28.4
Golden West	Fill-Rates	84.9%	84.2%	82.9%	76.0%	79.6%
	WSCH/FTEF	546	546	569	500	485
	Avg Class Size	32.2	31.2	31.0	29.8	28.0
Orange Coast	Fill-Rates	88.5%	89.1%	89.5%	87.4%	93.5%
	WSCH/FTEF	566	547	507	482	492
	Avg Class Size	29.4	28.5	27.2	28.0	28.4
District-Wide	Fill-Rates	83.8%	83.7%	82.9%	79.0%	84.3%
	WSCH/FTEF	554	541	523	479	492
	Avg Class Size	30.2	29.4	28.4	27.8	28.3

Registration Productivity Measures

by Term, by College

Spring

3 of 4

Spring		2018-19	2019-20	2020-21	2021-22
Coastline	Fill-Rates	73.1%	69.4%	67.3%	64.0%
	WSCH/FTEF	504	482	481	480
	Avg Class Size	29.5	29.5	26.0	27.2
Golden West	Fill-Rates	77.6%	73.0%	80.1%	71.6%
	WSCH/FTEF	529	452	554	467
	Avg Class Size	30.5	28.7	30.6	27.5
Orange Coast	Fill-Rates	84.9%	78.7%	84.6%	78.4%
	WSCH/FTEF	523	423	471	443
	Avg Class Size	27.2	24.5	25.6	25.4
District-Wide	Fill-Rates	80.1%	75.0%	79.7%	73.6%
	WSCH/FTEF	521	442	494	455
	Avg Class Size	28.5	26.5	27.0	26.2

Registration Productivity Measures

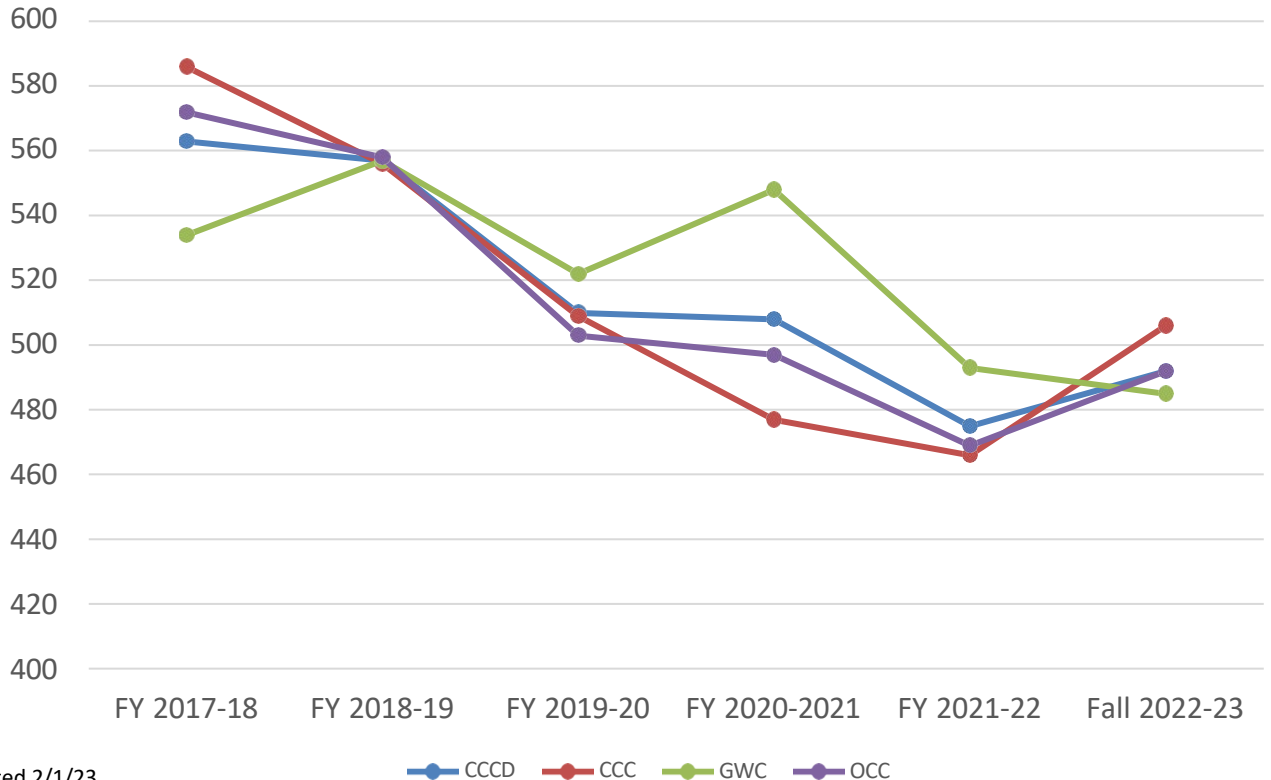
by Term, by College

Academic Year

4 of 4

Academic Year		2018-19	2019-20	2020-21	2021-22
Coastline	Fill-Rates	71.6%	68.7%	66.8%	63.3%
	WSCH/FTEF	556	509	477	465
	Avg Class Size	31.9	29.6	28.0	25.8
Golden West	Fill-Rates	81.3%	76.6%	82.0%	74.3%
	WSCH/FTEF	557	522	548	491
	Avg Class Size	32.0	30.7	31.9	29.6
Orange Coast	Fill-Rates	84.8%	79.2%	86.7%	83.1%
	WSCH/FTEF	558	503	497	467
	Avg Class Size	28.2	26.5	26.9	26.8
District-Wide	Fill-Rates	80.7%	76.0%	81.2%	76.3%
	WSCH/FTEF	557	510	508	474
	Avg Class Size	29.9	28.2	28.4	27.4

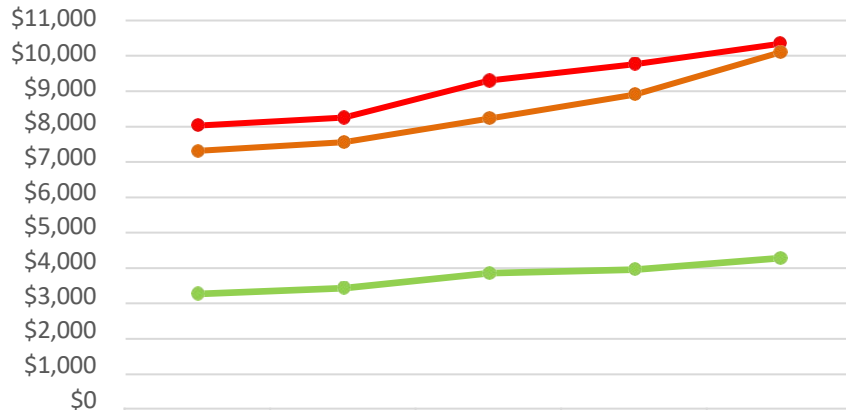
DISTRICT-WIDE WEEKLY STUDENT CONTACT HOURS TO FULL-TIME EQUIVALENT FACULTY RATIO (WSCH/FTEF)



Cost and Revenue per FTES



5-Year % Change	
Total Revenue per FTES	26.2%
Direct Instruction Costs per FTES	30.8%
Total Costs per FTES	28.8%



	19/20 Actual	20/21 Actual	21/22 Actual	22/23 Projection	23/24 Projection
—●— Total Cost per FTES	\$8,038	\$8,262	\$9,310	\$9,776	\$10,353
—●— Direct Instruction Cost per FTES	\$3,282	\$3,446	\$3,867	\$3,970	\$4,293
—●— Total Revenue per FTES	\$7,322	\$7,567	\$8,239	\$8,917	\$10,111

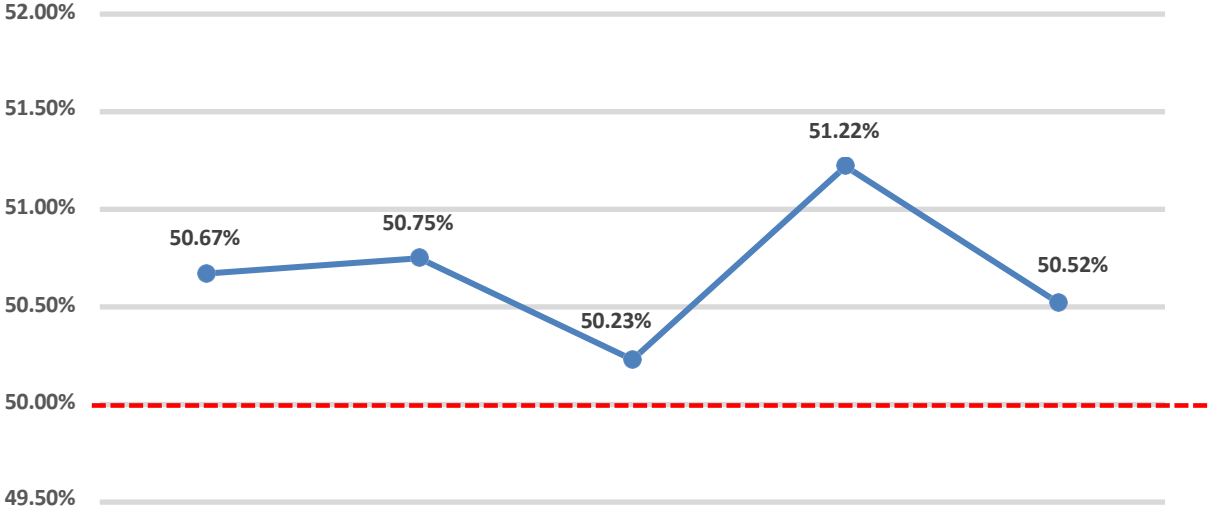
- Total Revenue per FTES: Total Unrestricted General Fund Revenue/Total FTES
- Direct Instruction Costs per FTES: Unrestricted General Fund Direct Instruction Costs (50% Law Calculation)/Total FTES
- Total Cost per FTES: Unrestricted General Fund Expenditures less Other Outgo/Total FTES

Revised 2/1/23

DISTRICT-WIDE 50% LAW CALCULATION



50% Law Percentage



	Actuals 2017-18	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22
District-wide	50.67%	50.75%	50.23%	51.22%	50.52%

STATE CHANCELLOR'S OFFICE

RISK ASSESSMENT



September 2022:

Based on review of 2020-21 audit and financial reports, Coast Community College District may be at moderate risk of experiencing financial difficulties in the future. This assessment is based on:

- Unrestricted reserve levels dipped in 2019-20 and at end of 2020-21 would cover only 1.6 months of total operating expenditures
- Salaries and benefits share of total general fund expenditures higher than statewide average
- Enrollment declines in recent years