

2023-24 FY ADOPTED BUDGET

PRESENTATION TO THE GOLDEN WEST BUDGET COMMITTEE
SEPTEMBER 20, 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.

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

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	✓	

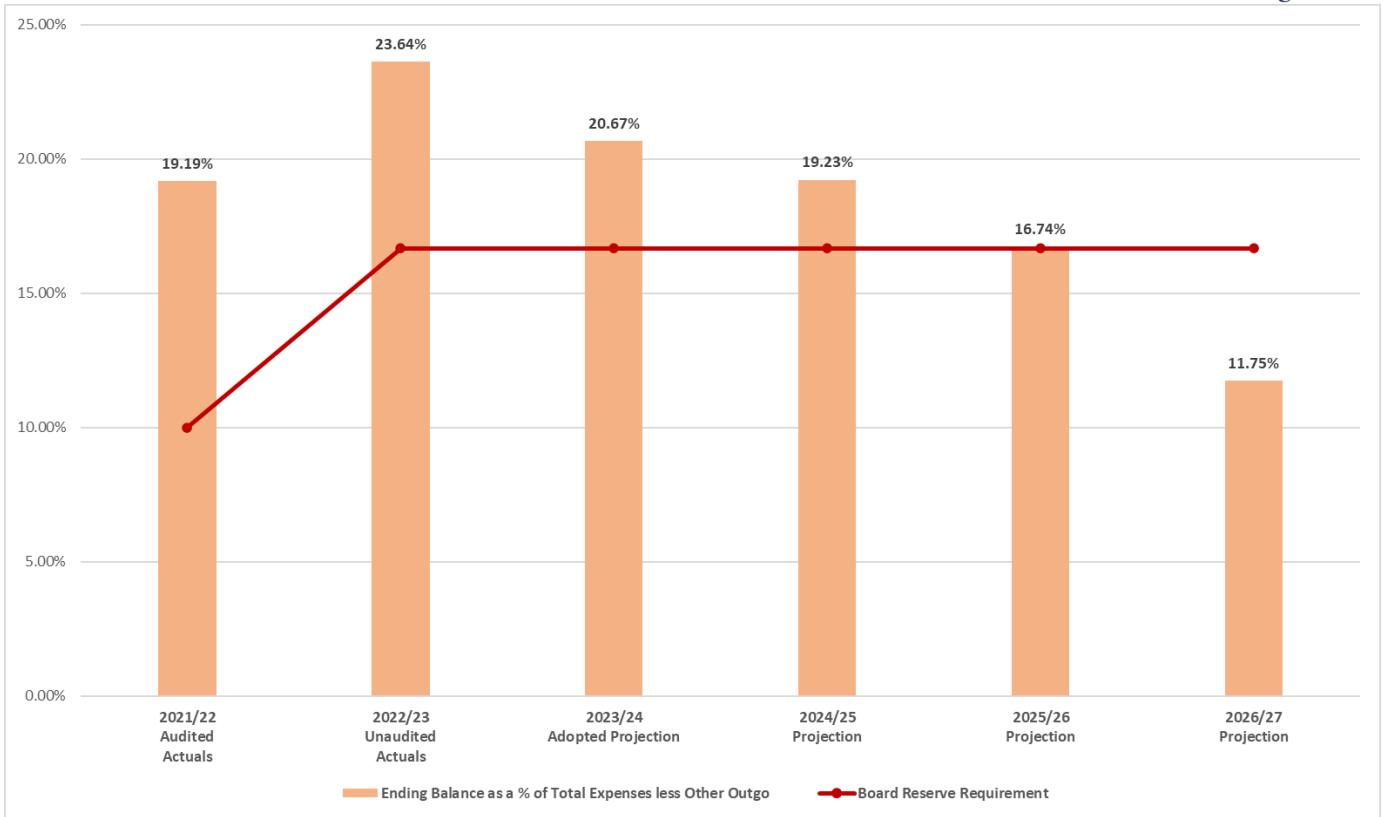
Multi-Year Unrestricted General Fund through FY 2026-2027

	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%

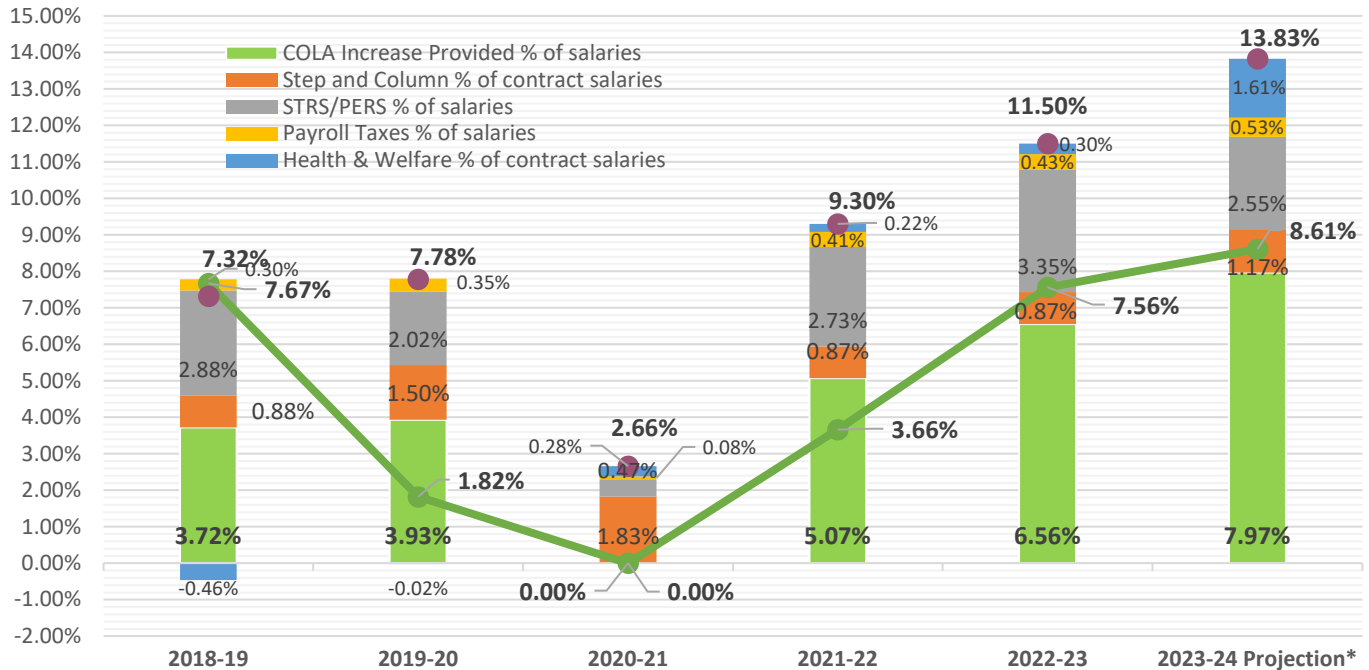
NOTE:

- 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 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

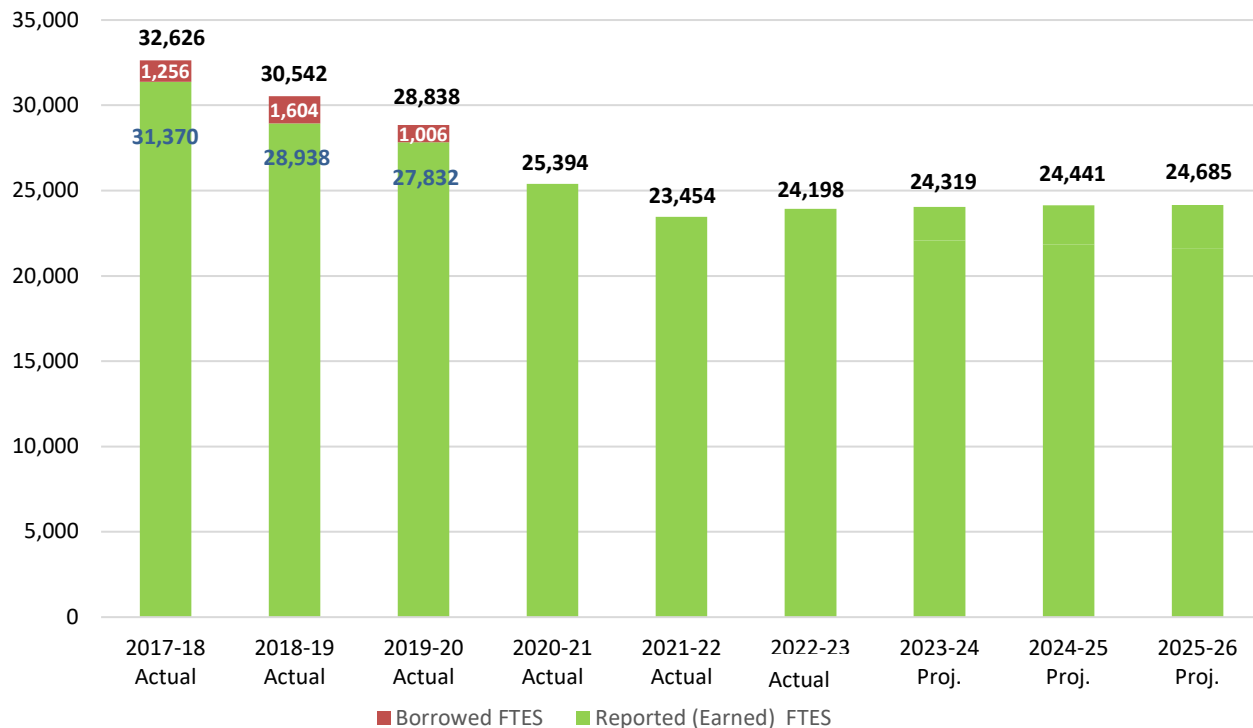
ESTIMATED BEGINNING FUND BALANCE



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		<u>\$ 59,337,450</u>

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

STATE CHANCELLOR'S OFFICE RISK ASSESSMENT

August 23, 2023

Based upon review of the 2021-22 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 were below the recommended 2 months of total operating expenditures for two of the last three years, with noted improvement in 2021-22.
- Salaries and benefits share of total general fund expenditures is higher than state-wide average.
- Enrollment declines in recent years.

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

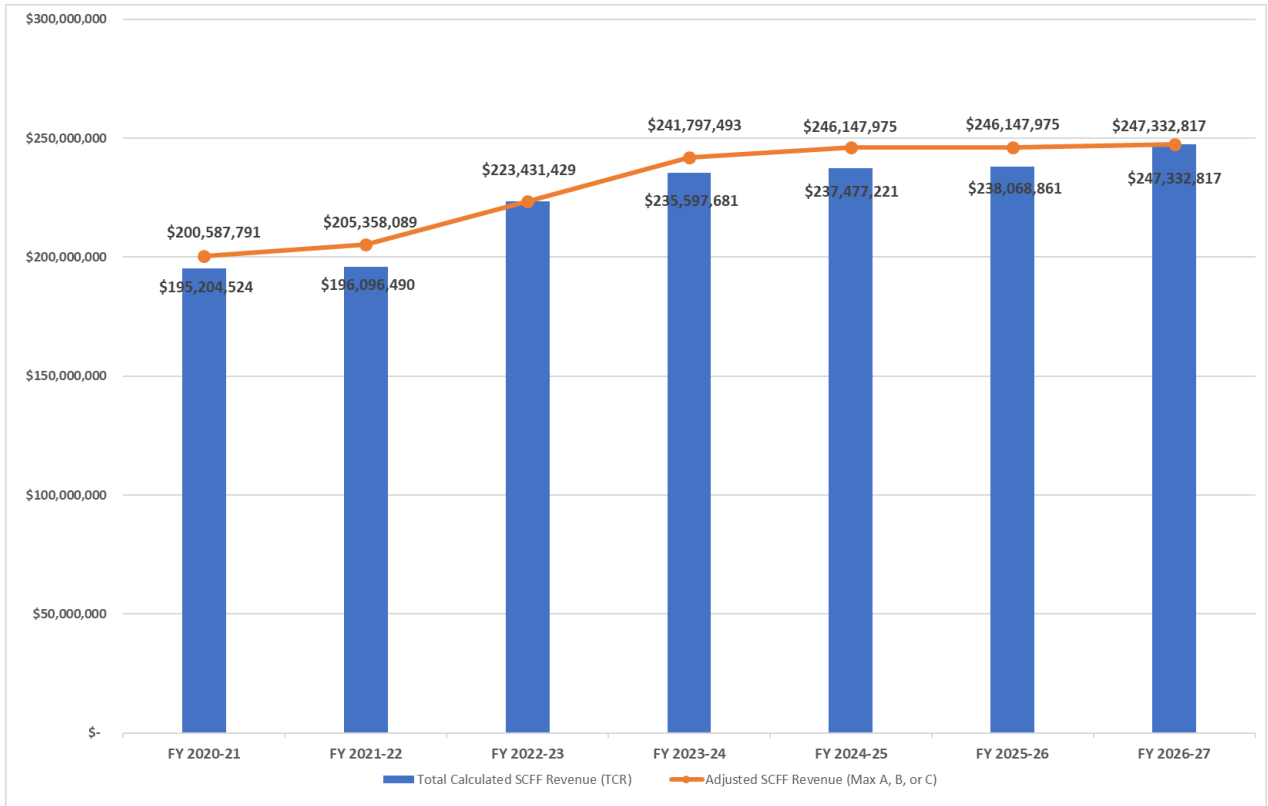
HOLD HARMLESS

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

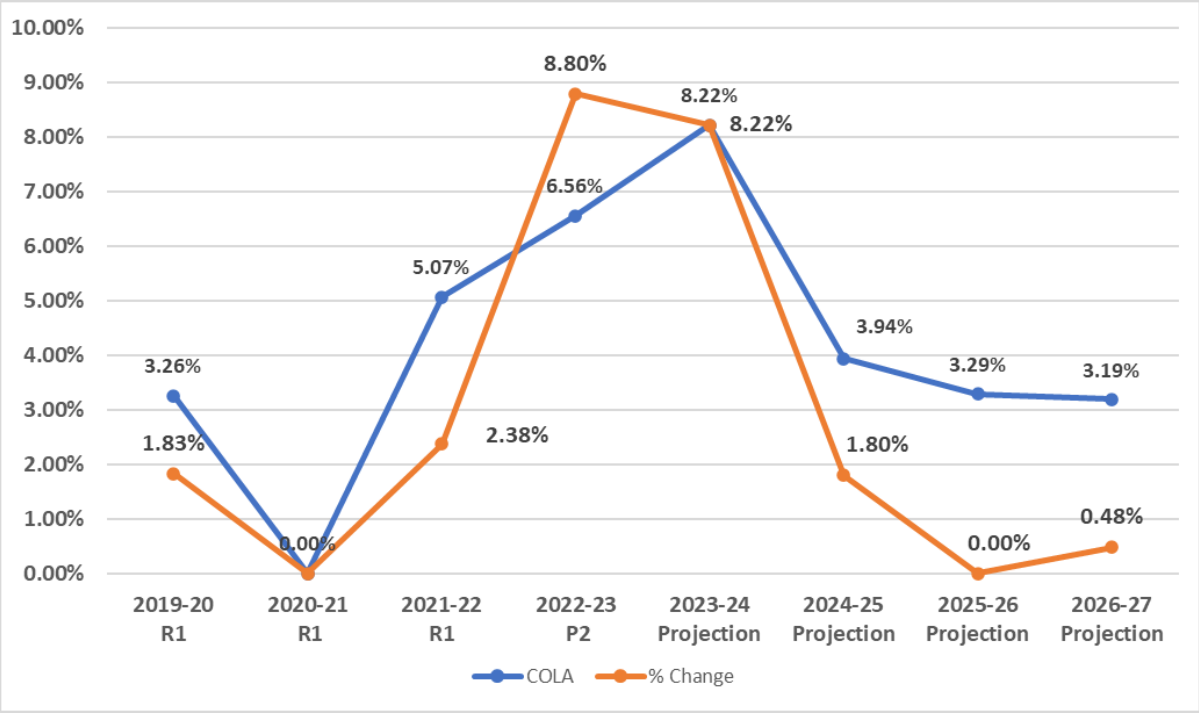
FUNDING FLOOR

- 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

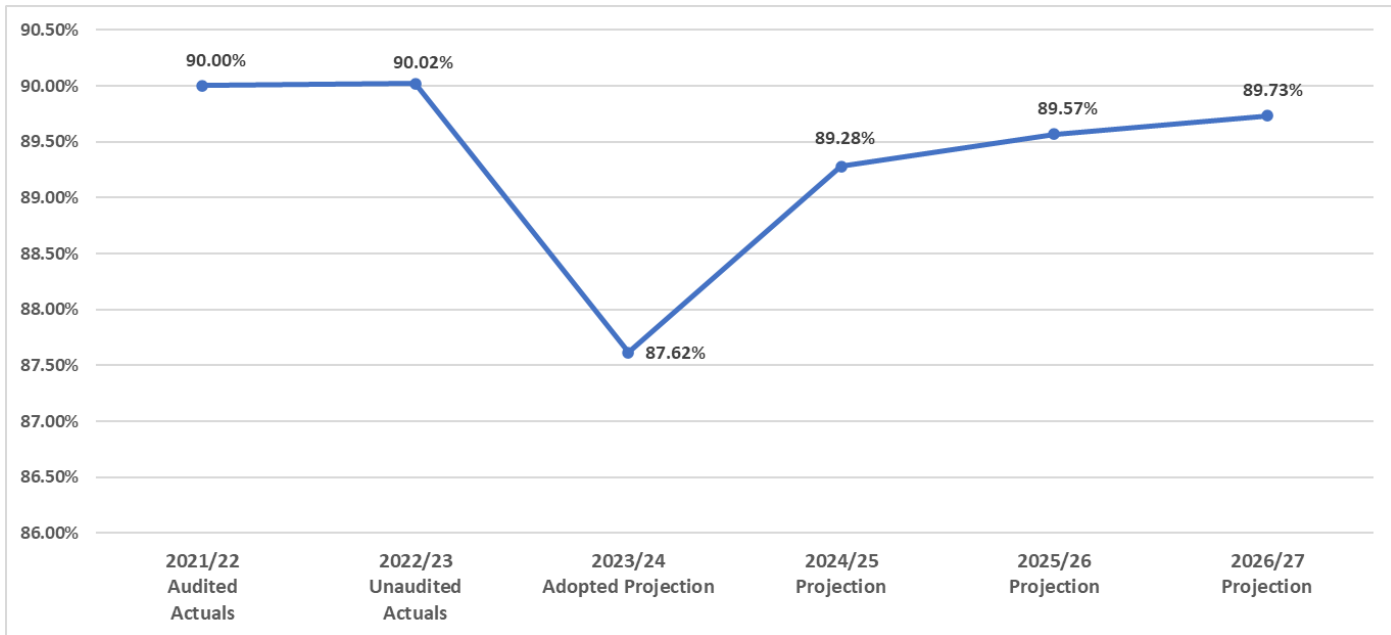
ONE-TIME ECA REVENUES ARE ESTIMATED TO BE
\$4.5 MILLION IN EACH OF FY 2022-23 AND 2023-24.

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

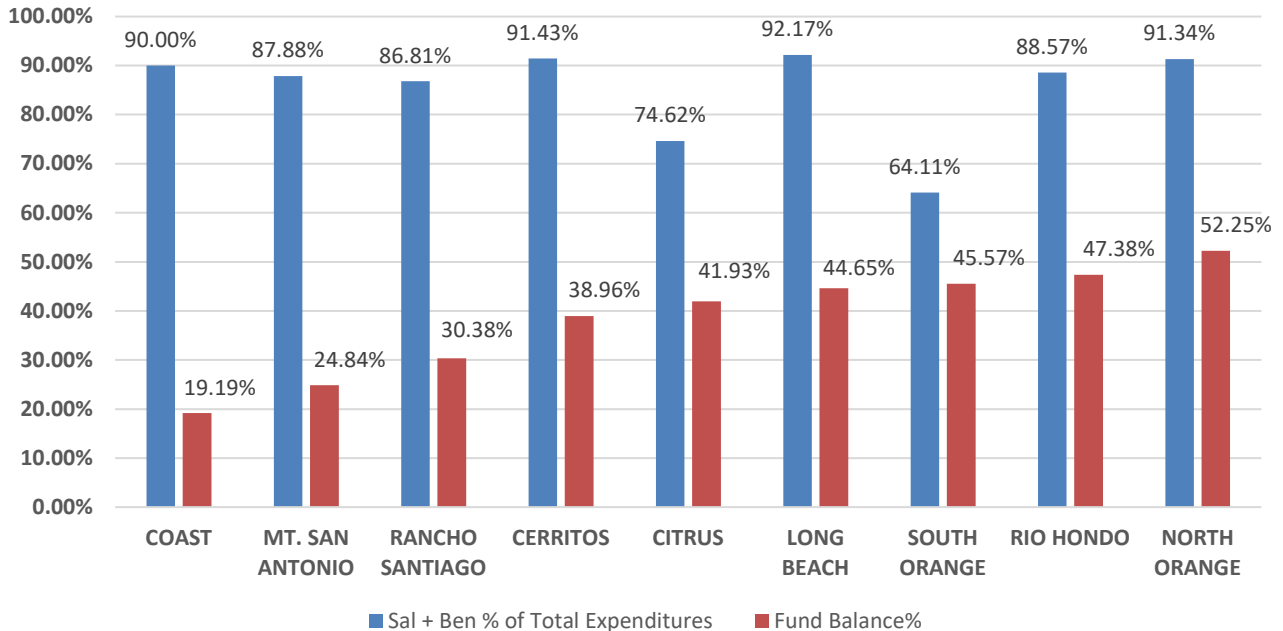
16.67% RESERVE RECOMMENDATION

- 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%

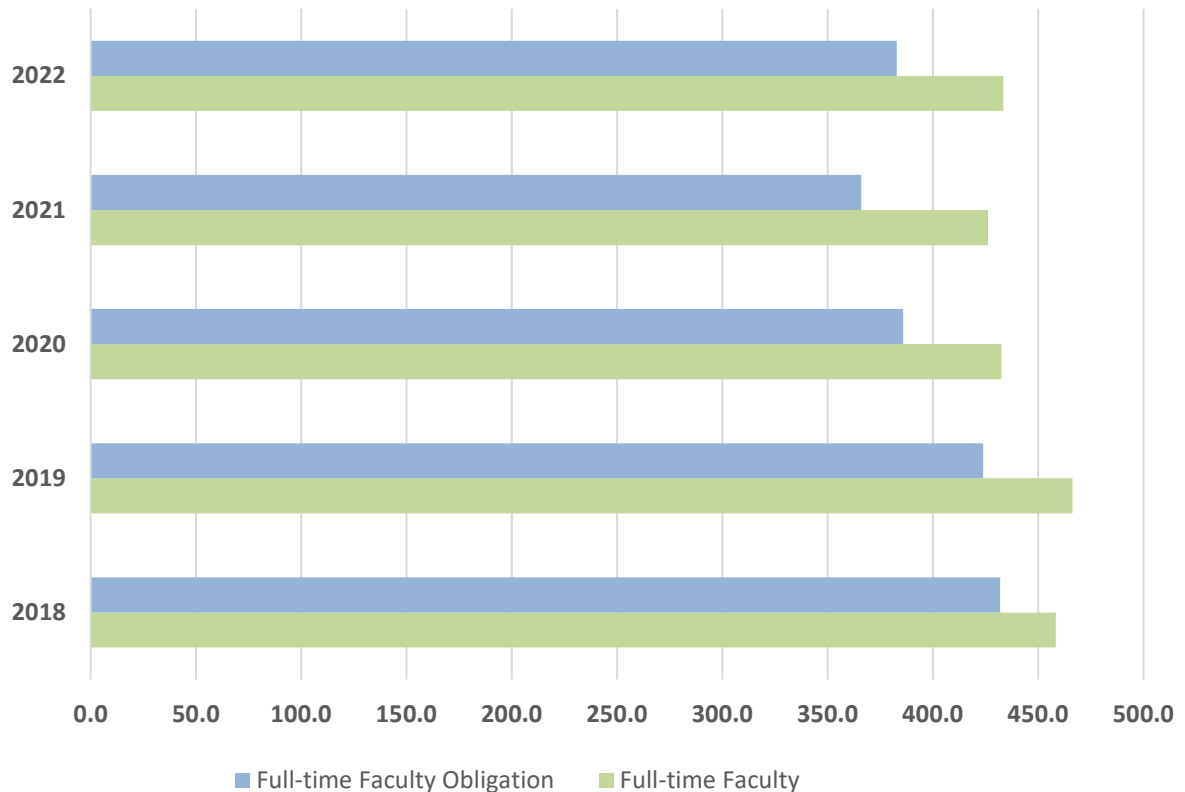
Administrators and Managers		2018-19	2019-20	2020-21	2021-22	2022-23	
District Totals	Unrestricted GF	140	132	127	127	122	-12.9%
	Categorical	35	38	30	28	24	-31.4%
	Combination	8	7	6	6	5	-37.5%
	District-Wide Total	183	177	163	161	151	-17.5%

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%

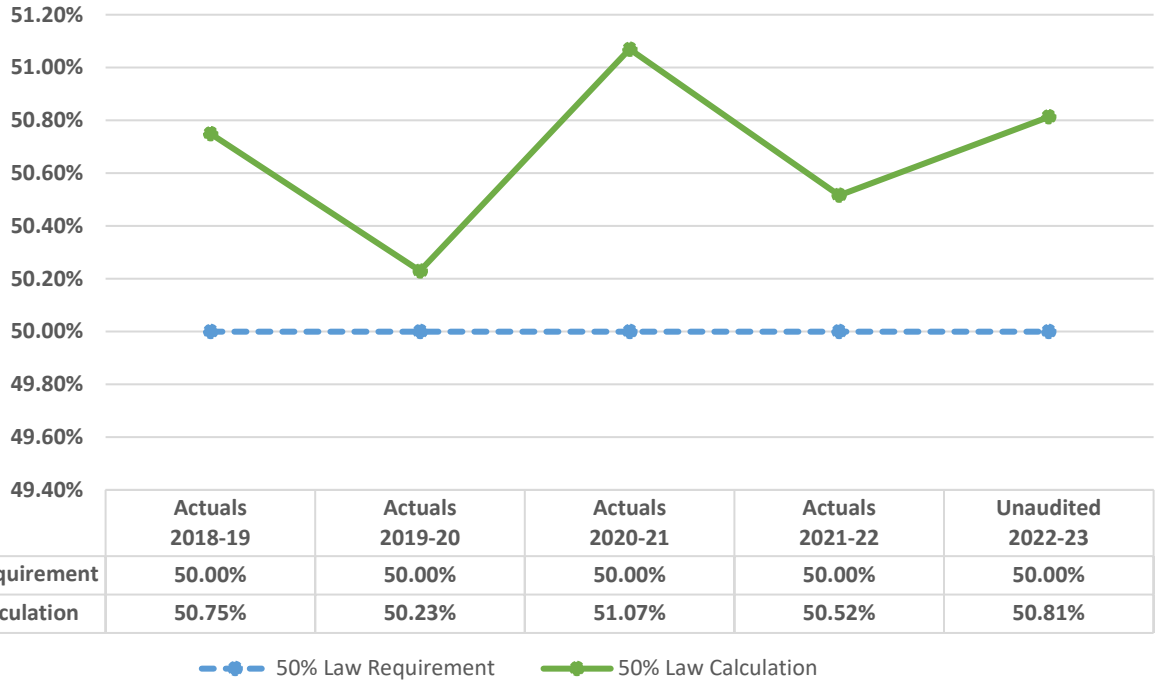
Decline in Resident FTES from 2018-19 through Projected 2022-23 20.8% **23.2%**

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

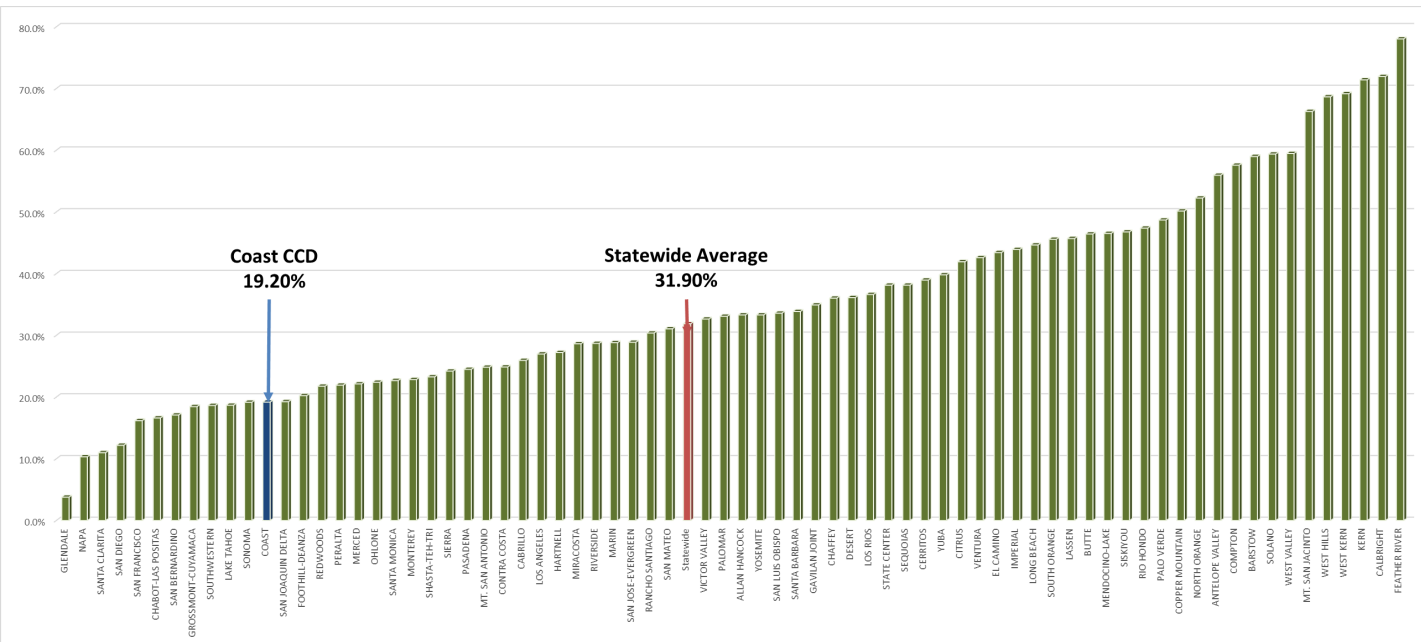
FACULTY OBLIGATION NUMBER COMPARED TO FULL-TIME FACULTY FIVE-YEAR TREND



DISTRICT-WIDE 50% LAW COMPARISON

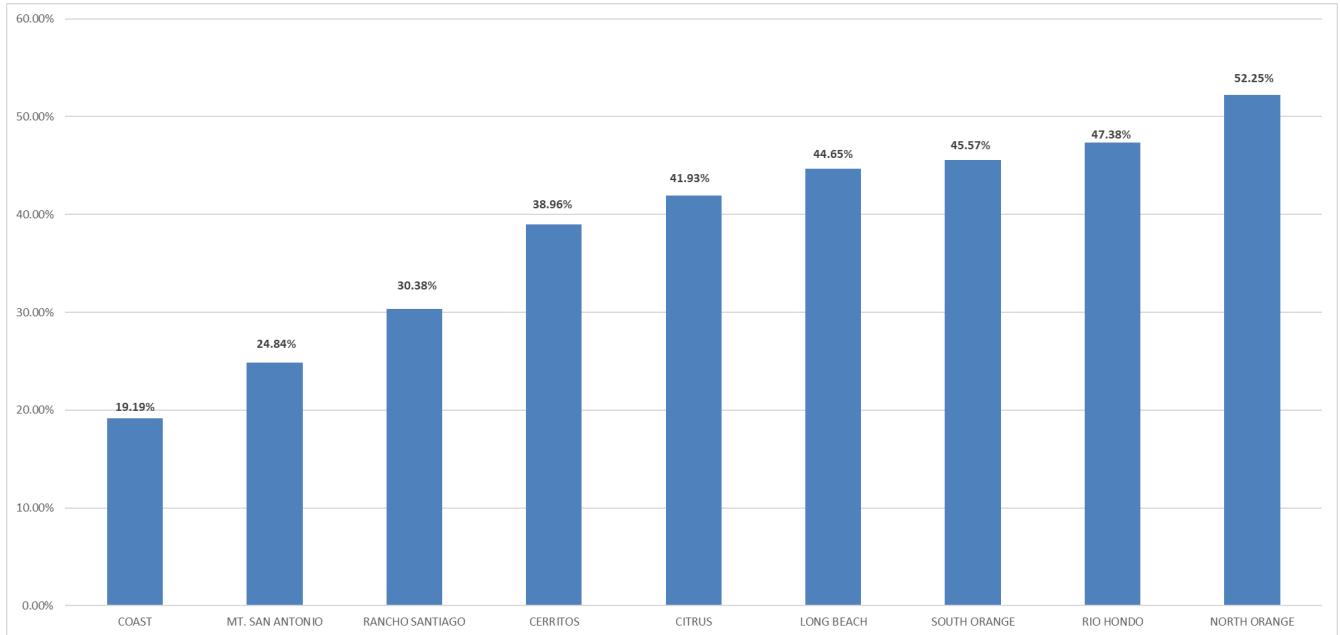


STATEWIDE UNRESTRICTED GENERAL FUNDS RESERVES (ENDING BALANCE) AS OF JUNE 22

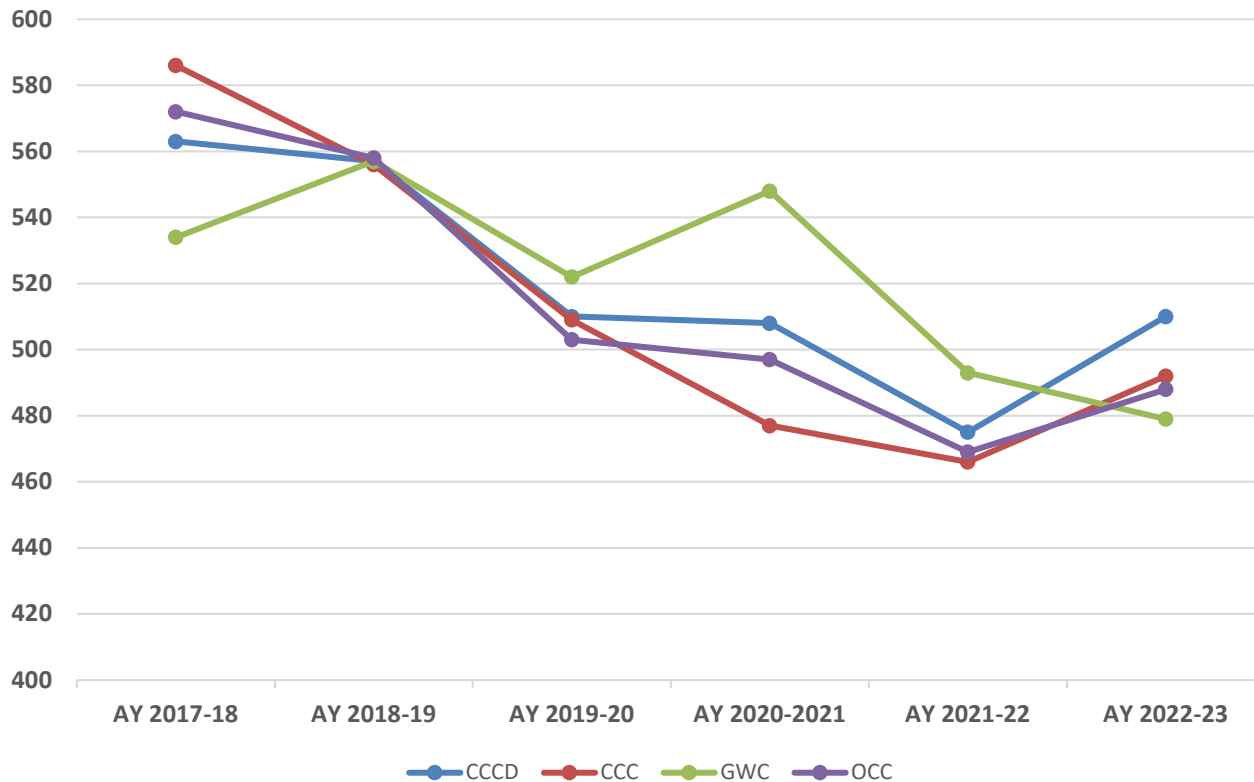


Coast's ranking in 2021 was in the 7th lowest percentile

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)

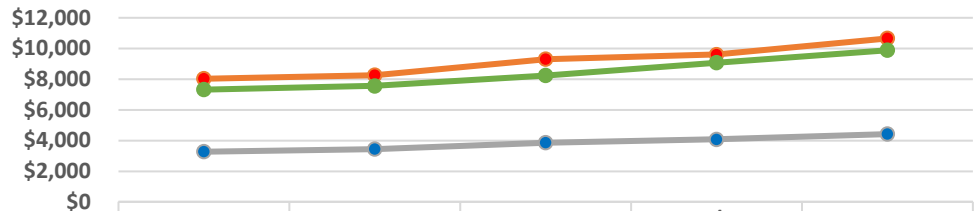


Cost and Revenue per FTES

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	\$ 236,817,370
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