

2023-24 BUDGET HIGHLIGHTS

W/FISCAL STABILIZATION PLAN AND SUGGESTION BOX

**PRESENTATION TO THE
OCC COLLEGE BUDGET COMMITTEE
OCTOBER 11, 2023**

***PRESENTED BY MARLENE DRINKWINE, VICE CHANCELLOR
FINANCE AND ADMINISTRATIVE SERVICES***

Full 2023-24 Adopted Budget Presentation:

[https://go.boarddocs.com/ca/cccd/Board.nsf/files/CV8S9B717A2E/\\$file/Adopted%20Budget%20Presentation%20FY%202023-24%20Final%208.16.23.pdf](https://go.boarddocs.com/ca/cccd/Board.nsf/files/CV8S9B717A2E/$file/Adopted%20Budget%20Presentation%20FY%202023-24%20Final%208.16.23.pdf)

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

**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	✓	

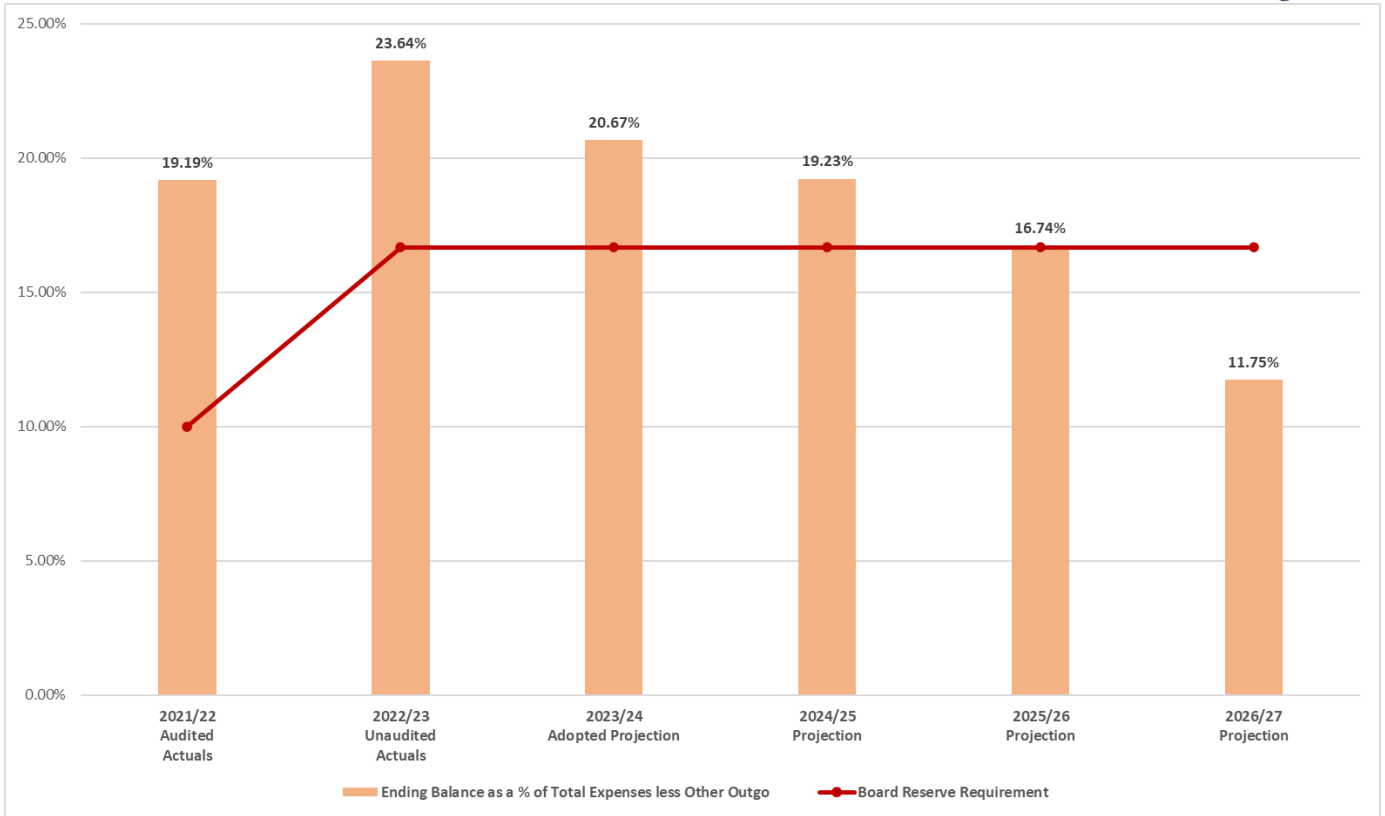
Multi-Year Unrestricted General Fund through FY 2026-2027

	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%

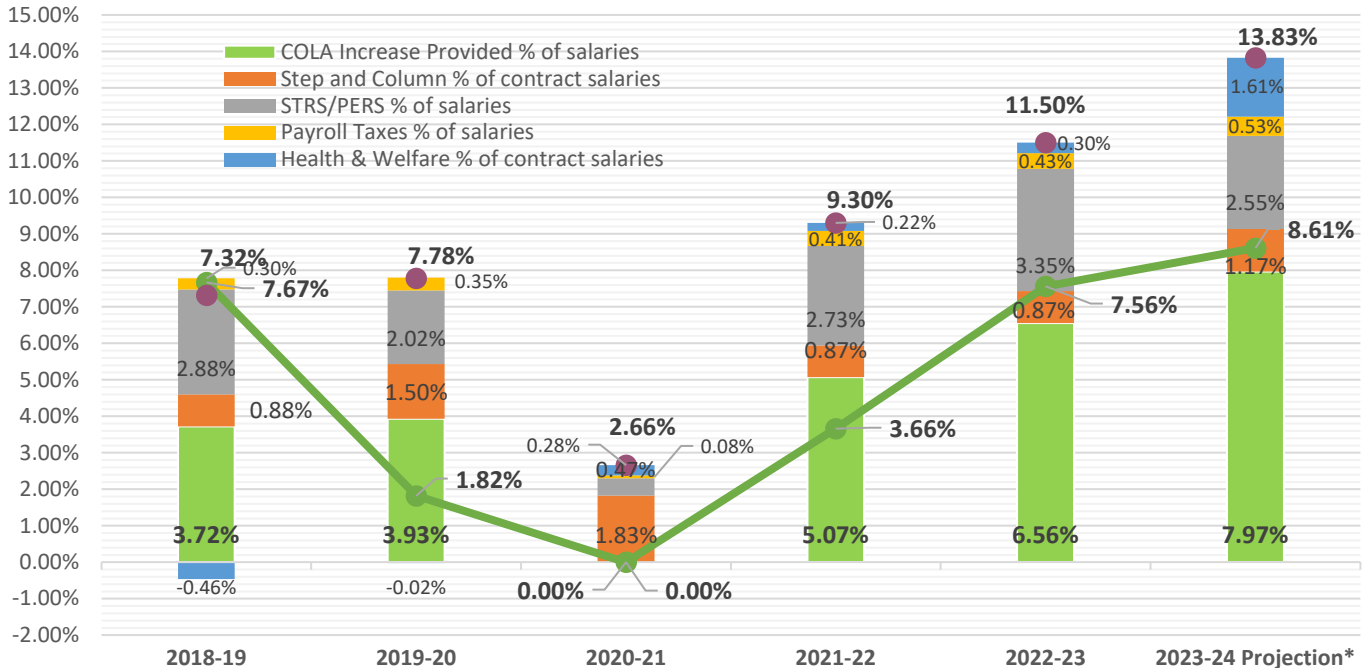
NOTE:

- 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 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

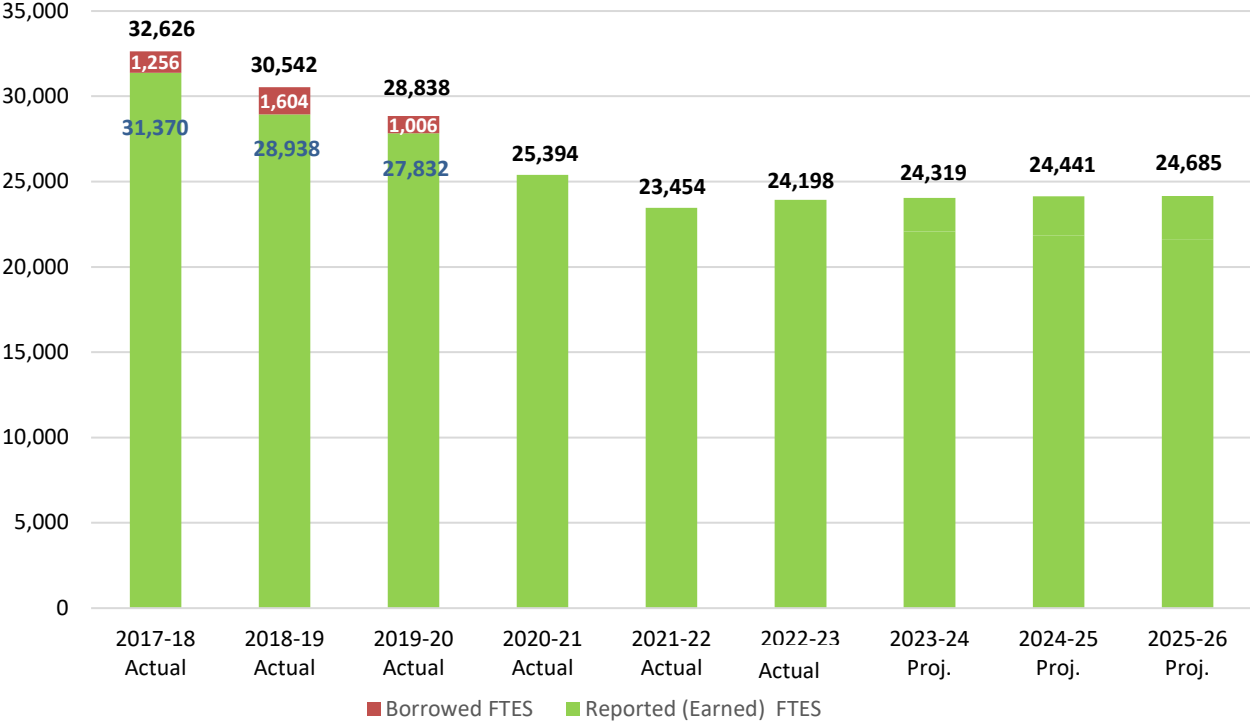


*Projection assumes vacancies are budgeted

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	(\$464,360)	(\$24,420)	\$306,636	\$221,544	\$409,690	\$2,443,870
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)

Resident FTES Trend and Projection



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

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.

Fiscal Stabilization Plan

- 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

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>