

# Town Hall Budget Meeting

February 16, 2023  
Orange Coast College

*Presented by:*

**Dr. Whitney Yamamura, Chancellor**

**Dr. Angelica Suarez, President Orange Coast 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**

**Dr. Rich Pagel, Vice President Administrative Services Orange Coast College**

**Doug Bennett, Exec. Director College Advancement : Question and Answer Session Facilitator**

## Discussion Topics

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

# STATE BUDGET

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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%

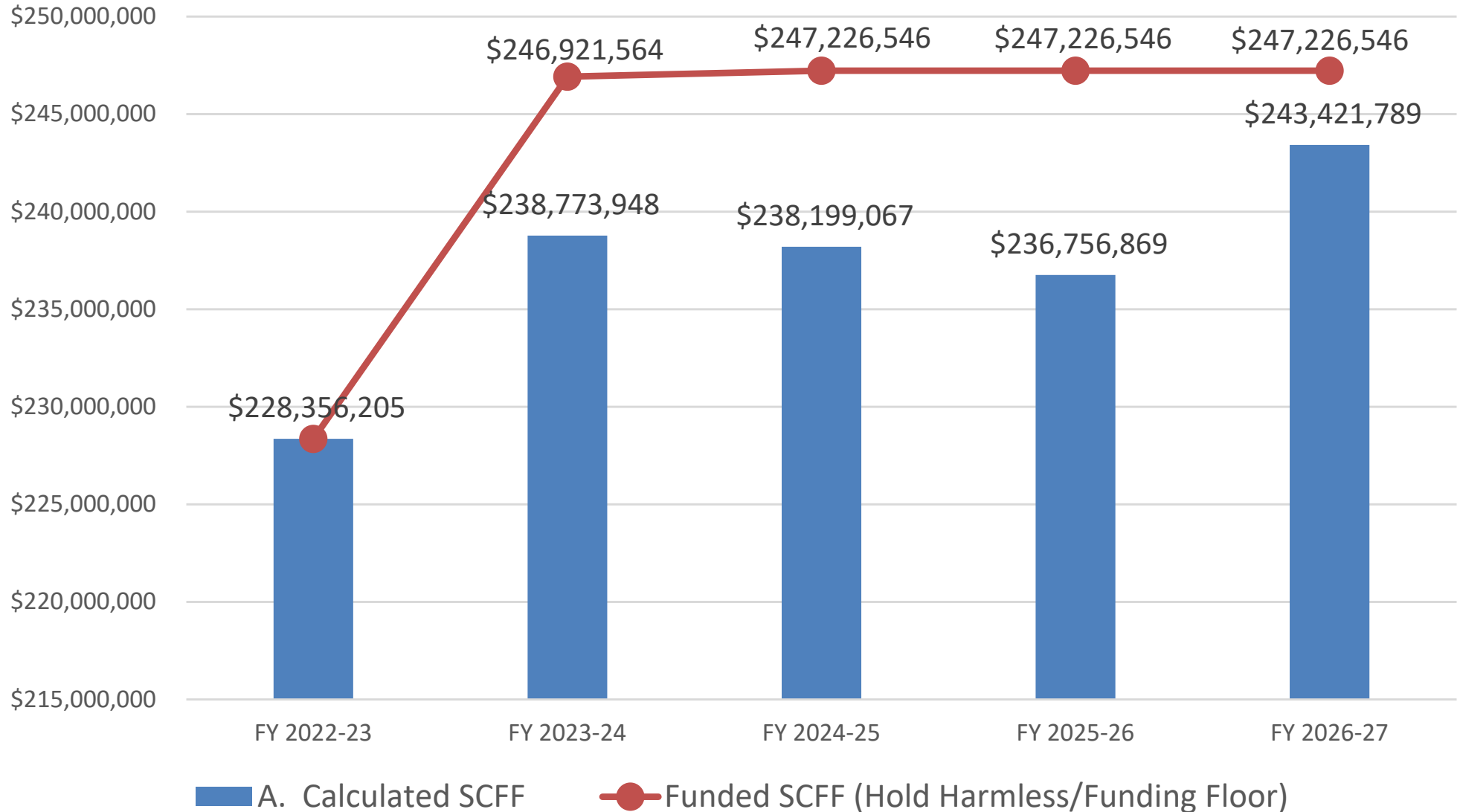
Joint Analysis Governor's January Budget 2023-24: [www.cccco.edu/-/media/CCCCO-Website/College-Finance-and-Facilities/Budget-News/Budget-2023-2024/Final-2023\\_Joint-Analysis-Governors\\_Budget.pdf?la=en&hash=384E65B0E426254EDA8217B7D8A05AD5284A64EB](http://www.cccco.edu/-/media/CCCCO-Website/College-Finance-and-Facilities/Budget-News/Budget-2023-2024/Final-2023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

# STUDENT CENTERED FUNDING FORMULA

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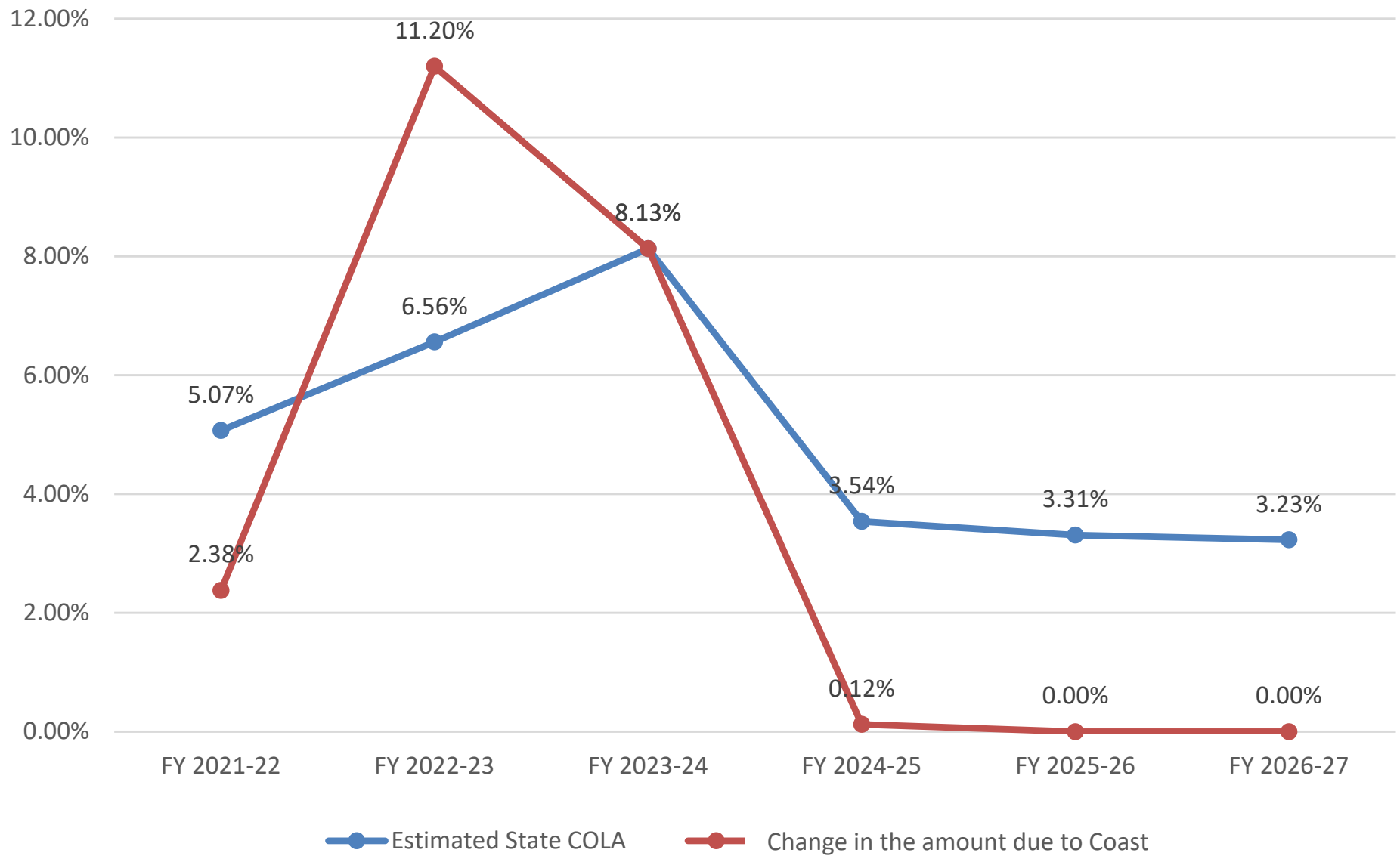
Daniela Thompson  
Executive Director of Fiscal Services

# 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



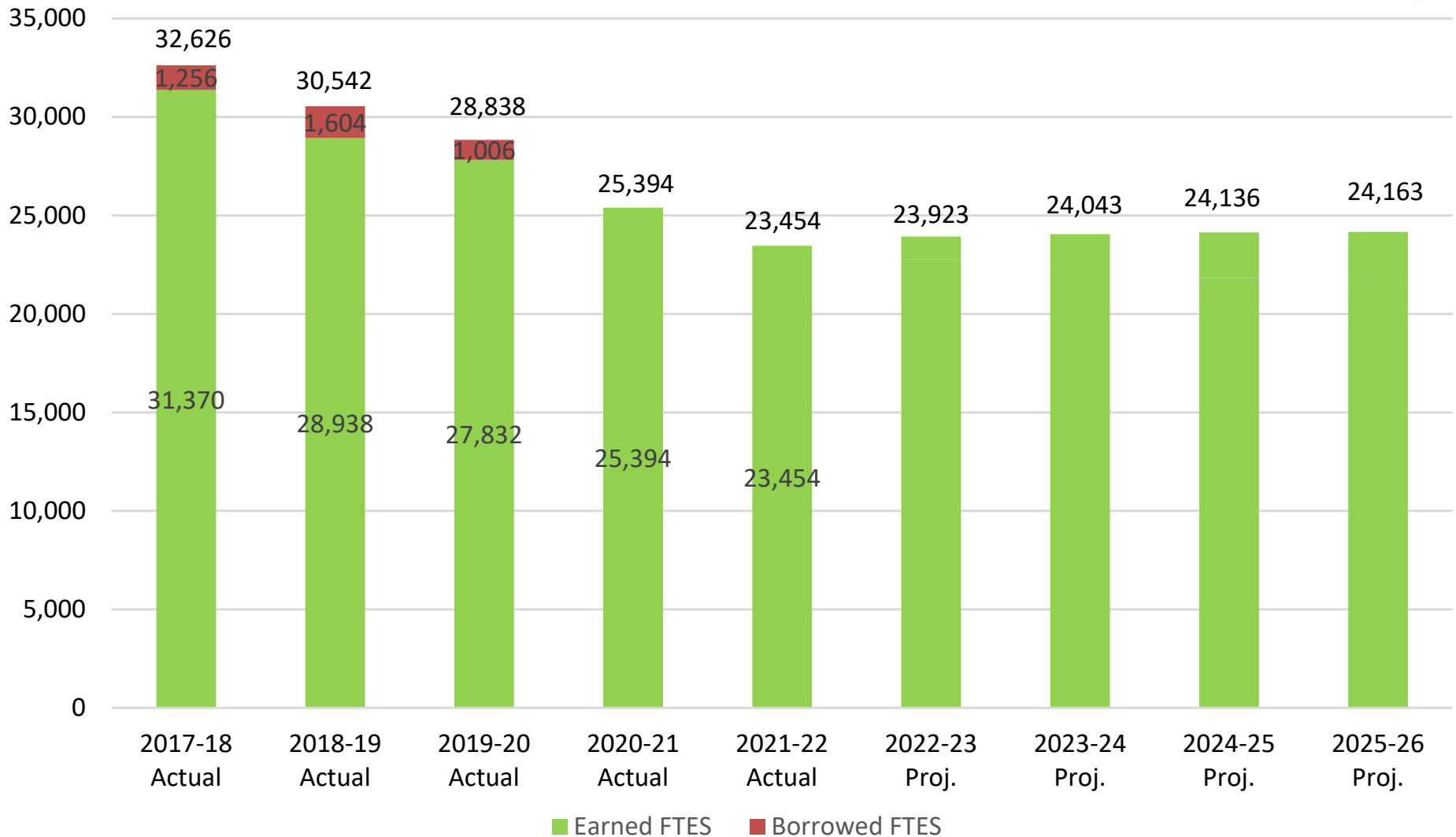


# ENROLLMENT

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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

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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



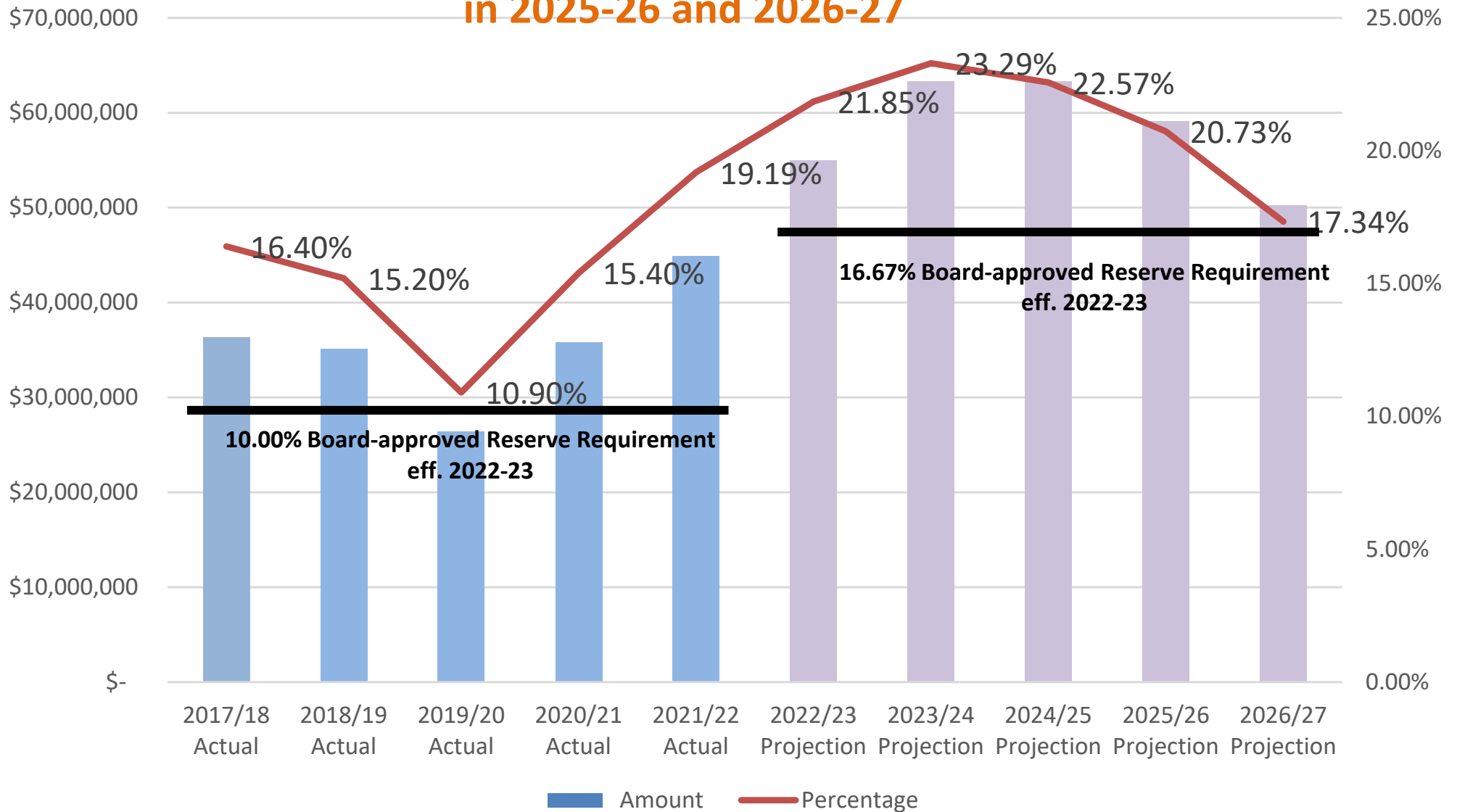
Line		2021/22 Audited Actuals	2022/23 Projection	2023/24 Projection	2024/25 Projection	2025/26 Projection	2026/27 Projection
1	<b>COLA</b>	<b>5.07%</b>	<b>6.56%</b>	<b>8.13%</b>	<b>3.54%</b>	<b>*3.31%</b>	<b>*3.23%</b>
2	Beginning Balance	35,775,828	44,913,999	55,001,010	63,307,296	63,325,052	59,067,140
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
12	Salaries & Benefits as a % of Total Expenses & Other Outgo	90.00%	90.28%	90.43%	90.10%	89.56%	88.93%
13	<b>Surplus / (Deficit)</b>	<b>\$9,138,172</b>	<b>\$10,087,010</b>	<b>\$8,306,287</b>	<b>\$17,756</b>	<b>(\$4,257,912)</b>	<b>(\$8,860,936)</b>
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	<b>Ending Balance as a % of Total Expenses less Other Outgo</b>	<b>19.19%</b>	<b>21.85%</b>	<b>23.29%</b>	<b>22.57%</b>	<b>20.73%</b>	<b>17.34%</b>

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 in 2025-26 and 2026-27



# Multi-Year Unrestricted General Fund Projection

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



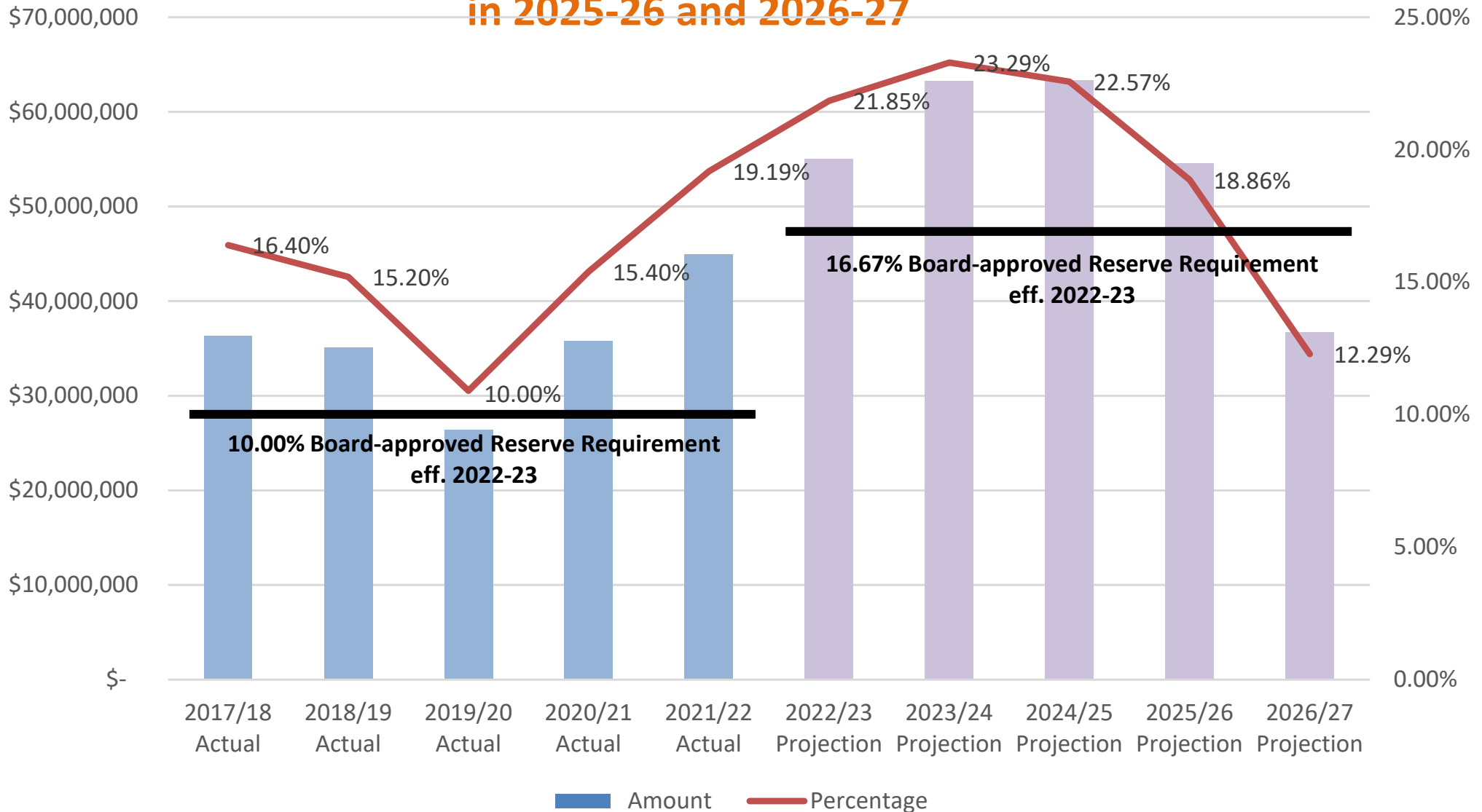
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1	<b>COLA</b>	<b>5.07%</b>	<b>6.56%</b>	<b>8.13%</b>	<b>*3.54%</b>	<b>*3.31%</b>	<b>*3.23%</b>
2	Beginning Balance	35,775,828	44,913,999	55,001,010	63,307,296	63,325,052	54,578,617
3	Audit Adjustment	0	0	0	0	0	0
4	Revenue						
5	Adjusted SCFF TCR (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)
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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	<b>Surplus / (Deficit)</b>	<b>\$9,138,172</b>	<b>\$10,087,010</b>	<b>\$8,306,287</b>	<b>\$17,756</b>	<b>(\$8,746,435)</b>	<b>(\$17,884,234)</b>
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	<b>Ending Balance as a % of Total Expenses less Other Outgo</b>	<b>19.19%</b>	<b>21.85%</b>	<b>23.29%</b>	<b>22.57%</b>	<b>18.86%</b>	<b>12.29%</b>

Note:

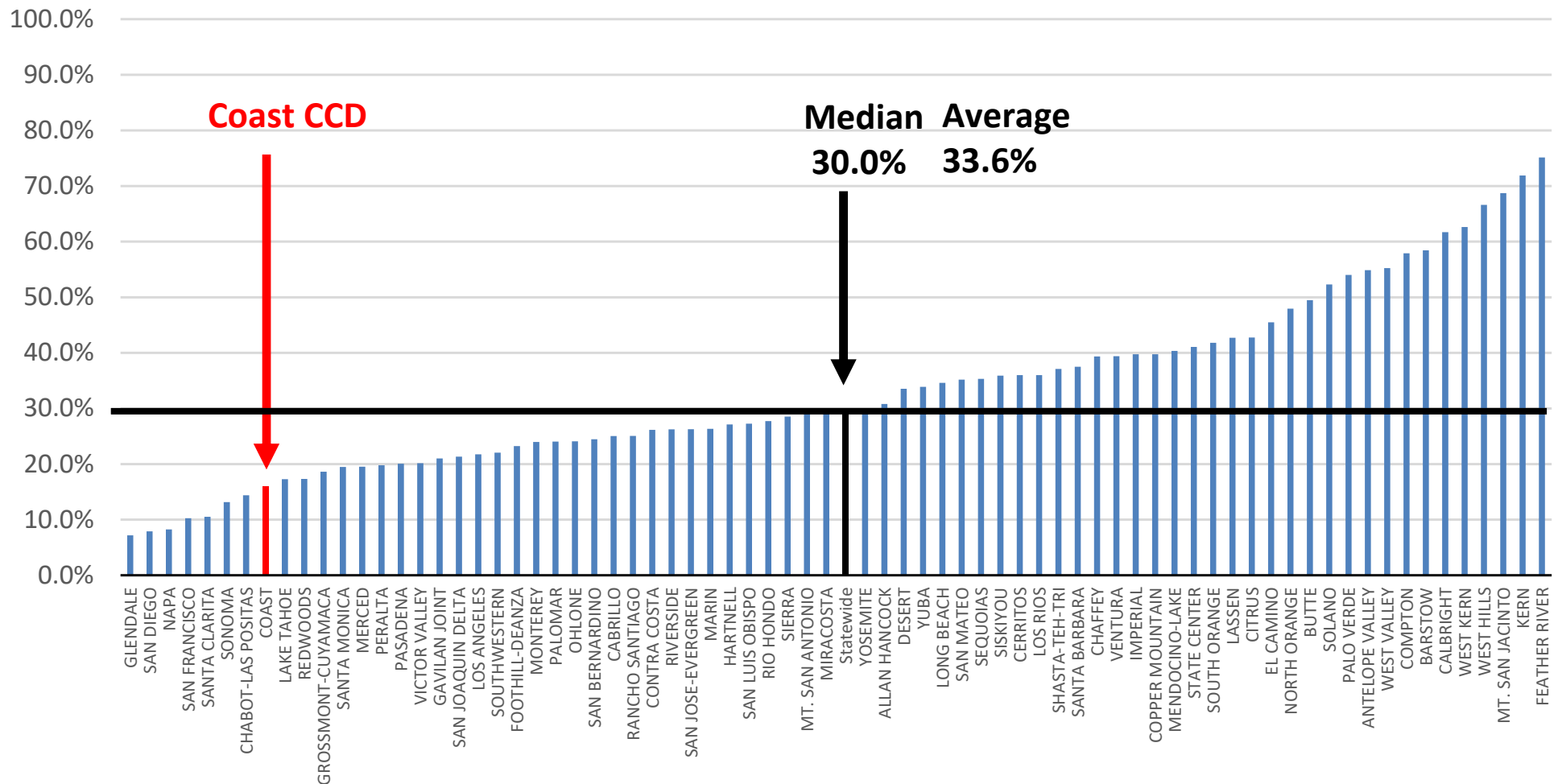
\* For FY 2025-26 and 2026-27, while it is anticipated that the SCFF rates will be increased by the COLA, the Funding Floor guaranteed level will NOT be increased by COLA. The District's projected revenue will be at the Funding Floor and will; therefore, not be increased by COLA. However, for this specific projection, salaries have been increased by the State COLA to illustrate the impact on the ending fund balance.

\*\*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

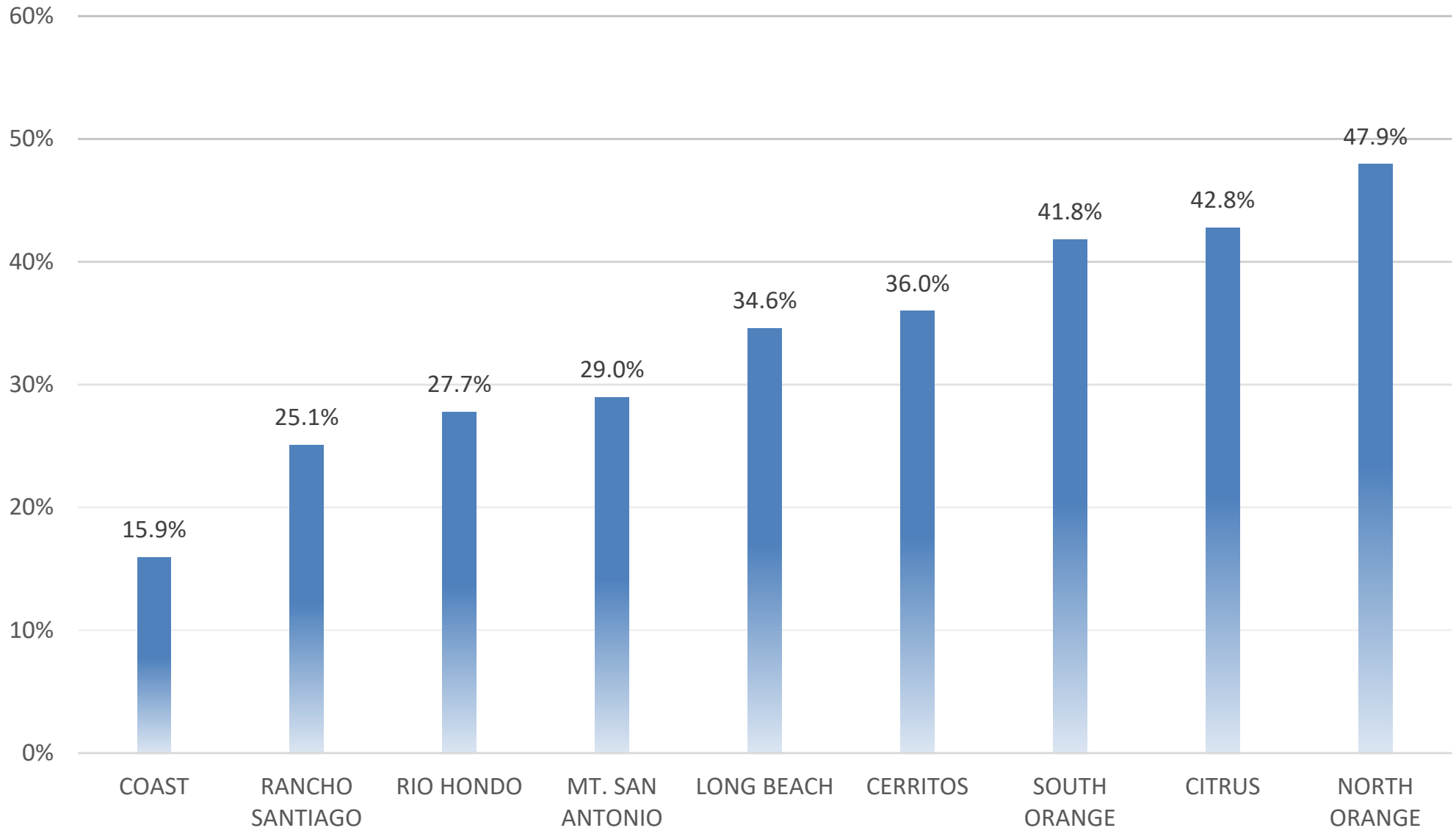


# Statewide Unrestricted General Funds Reserves (Ending Balances) as of June 2021

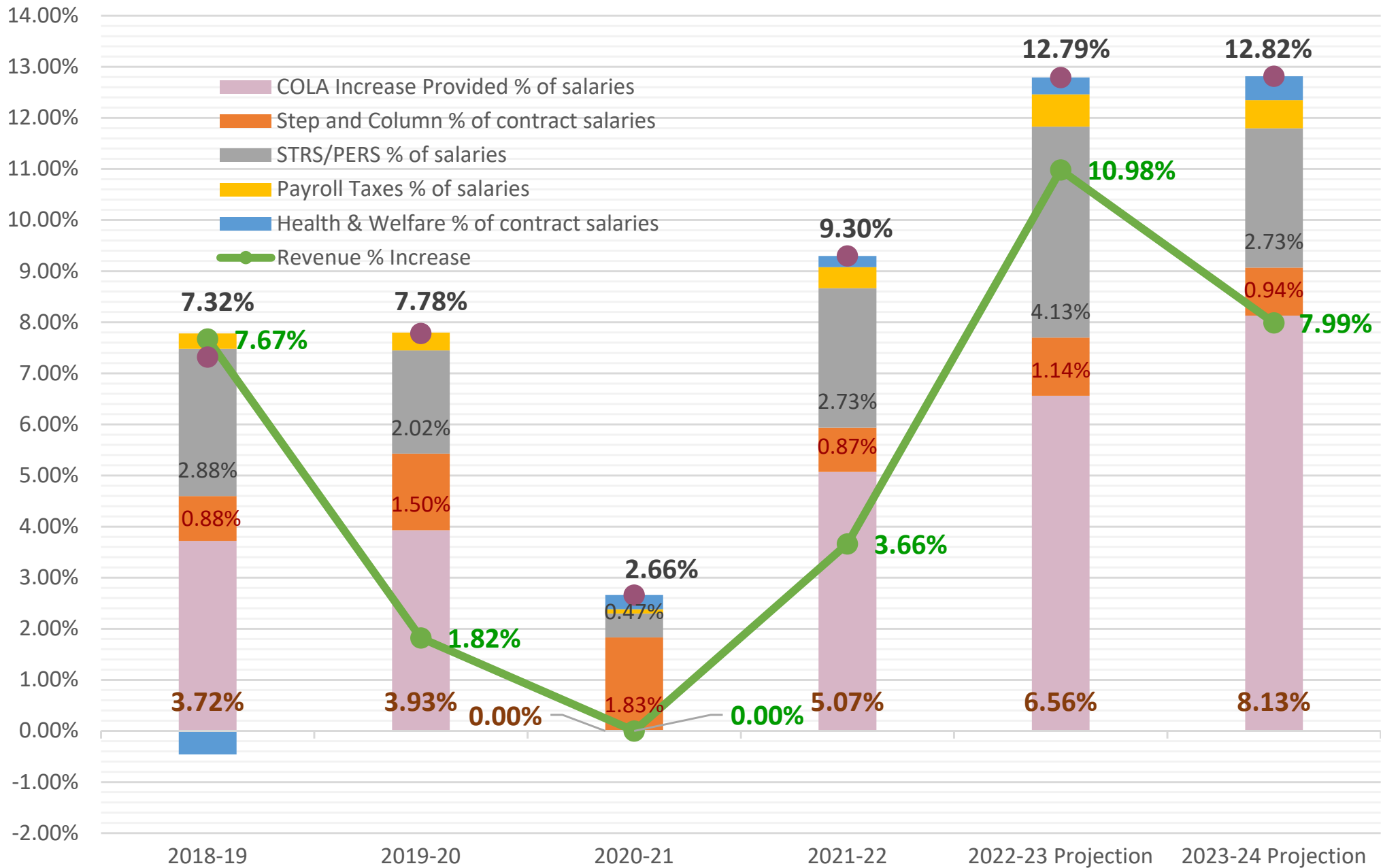




# Region 8 Unrestricted General Fund Reserves (Ending Balances) as of June 2021



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



# COLLEGE BUDGET AND STRATEGIES

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Dr. Rich Pagel  
Orange Coast College  
Vice President, Administrative Services



# Unrestricted General Fund Budget

## Final Budget 2022-23 FY

	Object Code	Adopted Budget	Adjusted Budget	Actuals & Commitments as of 12/31/22	Percentage
<b>REVENUES:</b>					
Model Allocation					
Apportionment Revenue Distribution through Model		\$117,287,267	\$117,287,267	\$117,287,267	100%
Proportional Share of Assessments		(\$26,583,560)	(\$26,583,560)	(\$26,583,560)	100%
SCFF Revenue Projected Deficit Factor @ 0.5%		(\$480,001)	(\$480,001)	(\$480,001)	100%
Annual SRP Debt Service Payment		(\$693,643)	(\$693,643)	(\$693,643)	100%
Dedicated Revenue		\$10,000,000	\$10,000,000	\$15,301,635	153%
Total Revenues		\$99,530,063	\$99,530,063	\$104,831,698	105%
<b>EXPENDITURES:</b>					
Academic Salaries	1000	\$47,150,850	\$47,379,689	\$17,813,264	38%
Classified Salaries	2000	\$21,473,099	\$21,445,119	\$8,127,619	38%
Employee Benefits	3000	\$27,731,136	\$27,729,960	\$10,474,976	38%
Supplies and Materials	4000	\$1,193,886	\$1,174,097	\$671,193	57%
Other Operating Expenses and Services	5000	\$7,746,391	\$7,463,389	\$4,060,067	54%
Capital Outlay	6000	\$139,800	\$156,400	\$279,491	179%
Other Outgo	7000	\$260,183	\$130,133	\$0	0%
Total Expenditures		\$105,695,345	\$105,478,787	\$41,426,610	39%
Excess / (Deficit) of Revenues over Expenditures		(\$6,165,282)	(\$5,948,724)	\$63,405,088	
FY 2022 Ending Balance (Deficit)			(\$239,959)		
FY 2023 College Support to Meet GFOA 16.67% Reserve			(\$315,873)		
Children Center Repayment FY 19/20 Loan			\$559,368		
HEERF Claim of Loss Revenue - Nonresident Tuition			\$3,111,263		
HEERF Claim of Loss Revenue - Parking Fines			\$237,755		
Redistribution of SCFF Revenue based on Advance Rates			\$1,864,916		
Projected Ending Balance based on Adjusted Budget			<u>(\$731,254)</u>		

## Implemented Strategies and Strategies Under Consideration

### Cost Savings

- Reorganizations(18) with a salary savings of \$1.5M and 20 positions
- Closed 31 SRP Positions with salary savings of \$4.3M
- Increased Instructional Efficiencies (e.g., classroom efficiency)
- Continue to implement Hiring Frost

### Maximized use of One Time Funding

- *Higher Education Emergency Relief Funds (COVID Relief - HEERF)*
  - Backfill for Lost Revenue in ancillary operations (Children's Center, Lab School, Bookstore, Health Center, Public Safety, The Harbour/Housing, Food Services)
  - Relief of Student Debt, Technology and Cleaning Tools/Supplies

Continued ... next page.

## Implemented Strategies and Strategies Under Consideration

- *Scheduled Maintenance*
- *Instructional Equipment*
- *Maintenance Projects (Measure M Endowment)*
- *Technology Replacement (Measure M Endowment)*
- **Maximized Use of Categorical Funds (Reduce reliance on General Fund)**
- **Rebuild Enrollment (Outreach & Retention Efforts)**
- **Rebuild Dedicated Revenue**
  - Non-Resident Student Enrollment (Domestic and International)
  - Student Housing (Fully Leased, wait listed)
  - Swap Meet
  - Facility Rentals

# CONCLUSION

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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

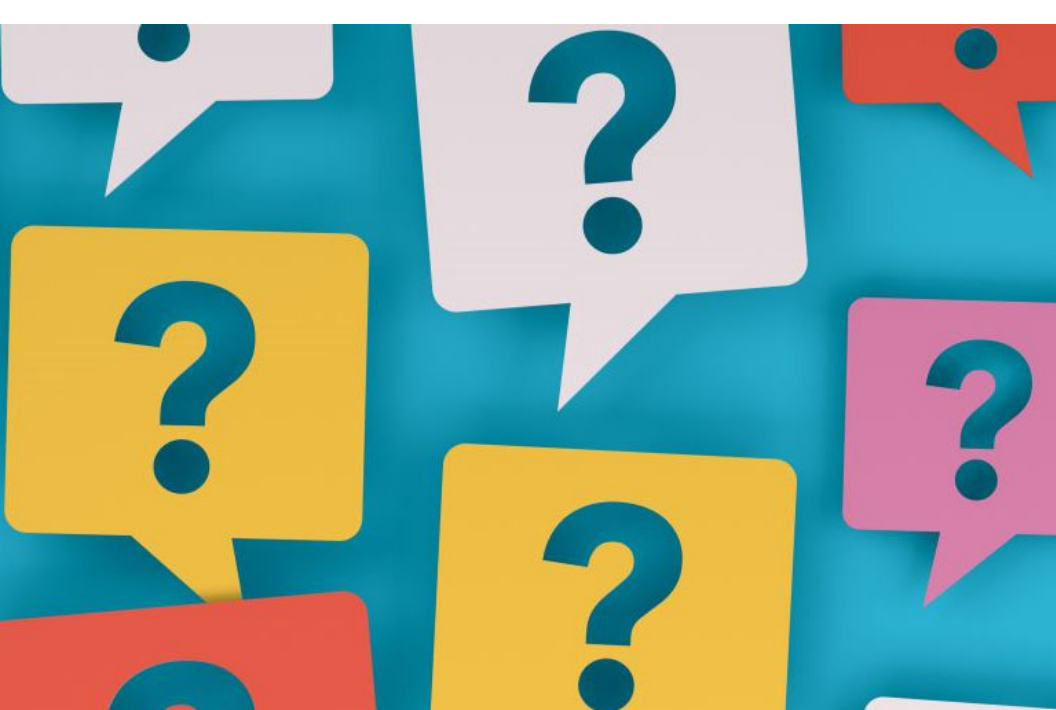


- Strategic enrollment maintenance/moderate growth
  - Enrollment Management and Recovery Plans
- Cost Containment and Expense Reductions
  - Explore options for sustainable salaries and benefits growth
  - Hiring Frost and Internal Recruitment
  - Limit ongoing increases
  - Assessment of classroom 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: Doug Bennett

# APPENDICES

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# Appendices

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# Student Centered Funding Formula

- Implemented in 2018-19 in alignment with the [7INDI AJM4 P>>@NN](#)
- All rates are increased by the COLA annually

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

# 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	<b>Estimated State COLA</b>	<b>2.71%</b>	<b>3.26%</b>	<b>0.00%</b>	<b>5.07%</b>	<b>6.56%</b>	<b>8.13%</b>	<b>3.54%</b>	<b>3.31%</b>	<b>3.23%</b>
3	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	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	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	<b>Total Calculated SCFF Revenue (TCR)</b>	<b>\$ 184,284,255</b>	<b>\$ 196,974,411</b>	<b>\$ 200,587,791</b>	<b>\$ 200,587,791</b>	<b>\$ 205,358,088</b>	<b>\$ 228,356,205</b>	<b>\$ 246,921,564</b>	<b>\$ 244,996,787</b>	<b>\$ 247,226,546</b>
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	<b>Adjusted SCFF Revenue (TCR) (Max A, B, or C)</b>		<b>196,974,411</b>	<b>200,587,791</b>	<b>200,587,791</b>	<b>205,358,089</b>	<b>228,356,205</b>	<b>246,921,564</b>	<b>247,226,546</b>	<b>247,226,546</b>
14	<b>% Change from Prior Yr.</b>		<b>6.89%</b>	<b>1.83%</b>	<b>0.00%</b>	<b>2.38%</b>	<b>11.20%</b>	<b>8.13%</b>	<b>0.12%</b>	<b>0.00%</b>

End of Hold  
Harmless

Start of Funding  
Floor  
(Fiscal Plateau)

## 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.

Updated 1/27/23

# Student Centered Funding Formula Highlights



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

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	<b>AVAILABLE FUNDING</b>						
1	<b>Projected Revenue</b>						
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	<b>Total Available Funding</b>		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' Dartboard 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	<b>Expenditure Changes From Prior Year:</b>						
22	<b>Projected Adjustments to Compensation</b>						
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	<b>Projected Adjustments to Operations</b>						
31	Other Operating Expense Changes		236,519		1,057,511		1,553,050
32							
33	<b>One-Time Expenditures</b>						
34							
35	<b>Projected Expenditures</b>		236,766,796		254,423,933		274,599,395
36	<b>One-Time Expenses Not Funded by Reserves</b>						
37							
38	<b>PROJECTED SURPLUS/ (DEFICIT)</b>		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:

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

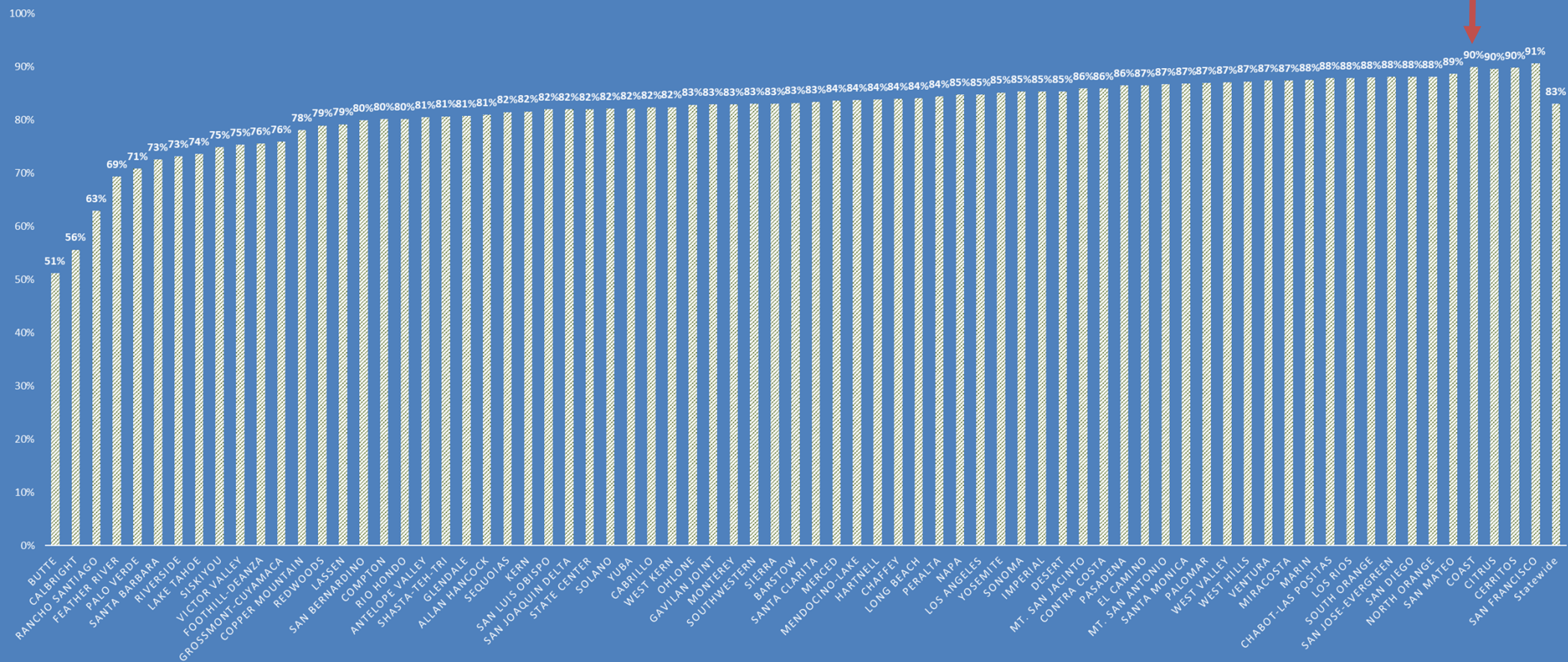
\* 2022-23 Revenue projection based SCFF rates from the P1 calculation

# Unrestricted General Funds (UGF) Statewide Summary

## Salaries and Benefits 2020-21



Coast CCD 90%

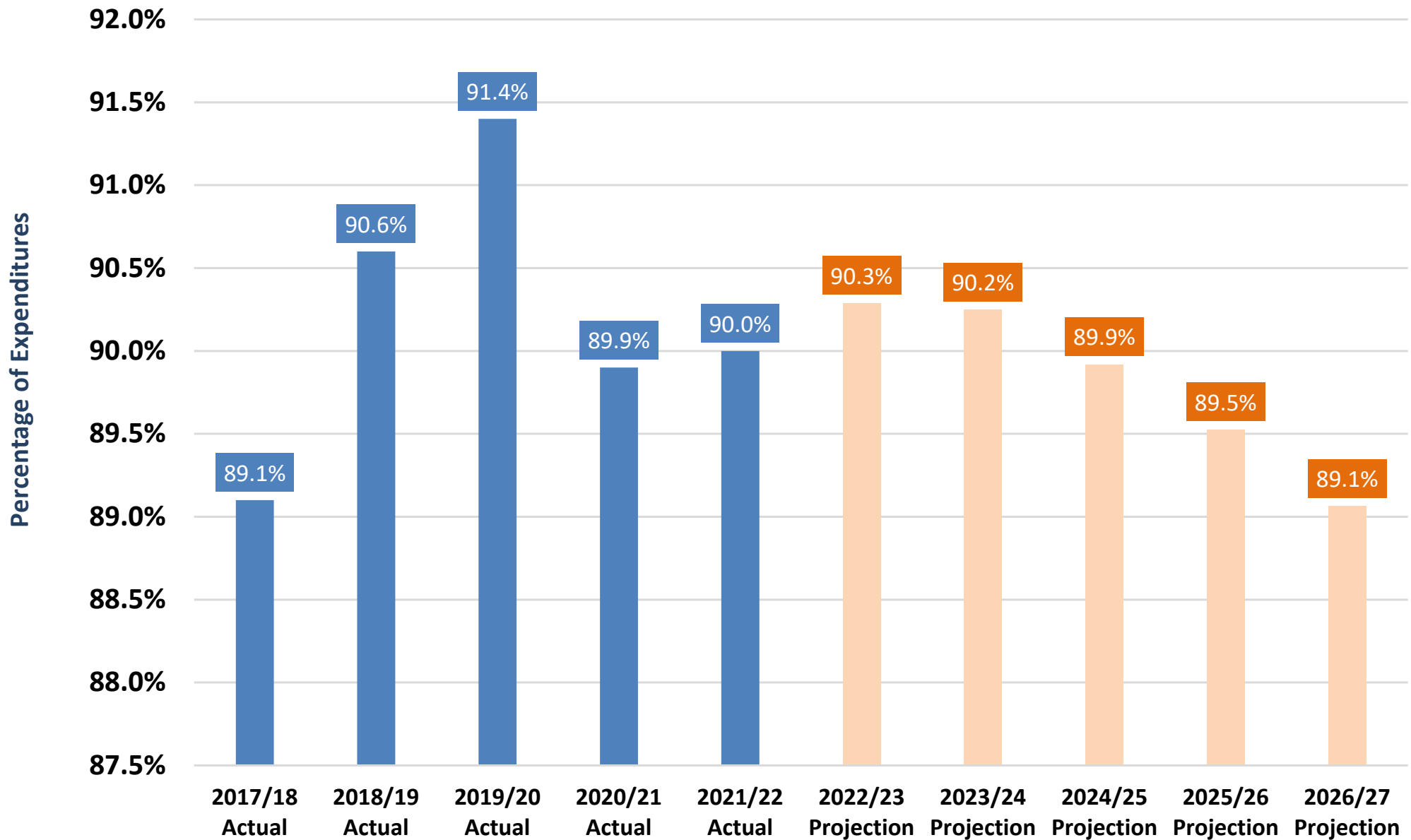


*Statewide Average: 83%*

*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%

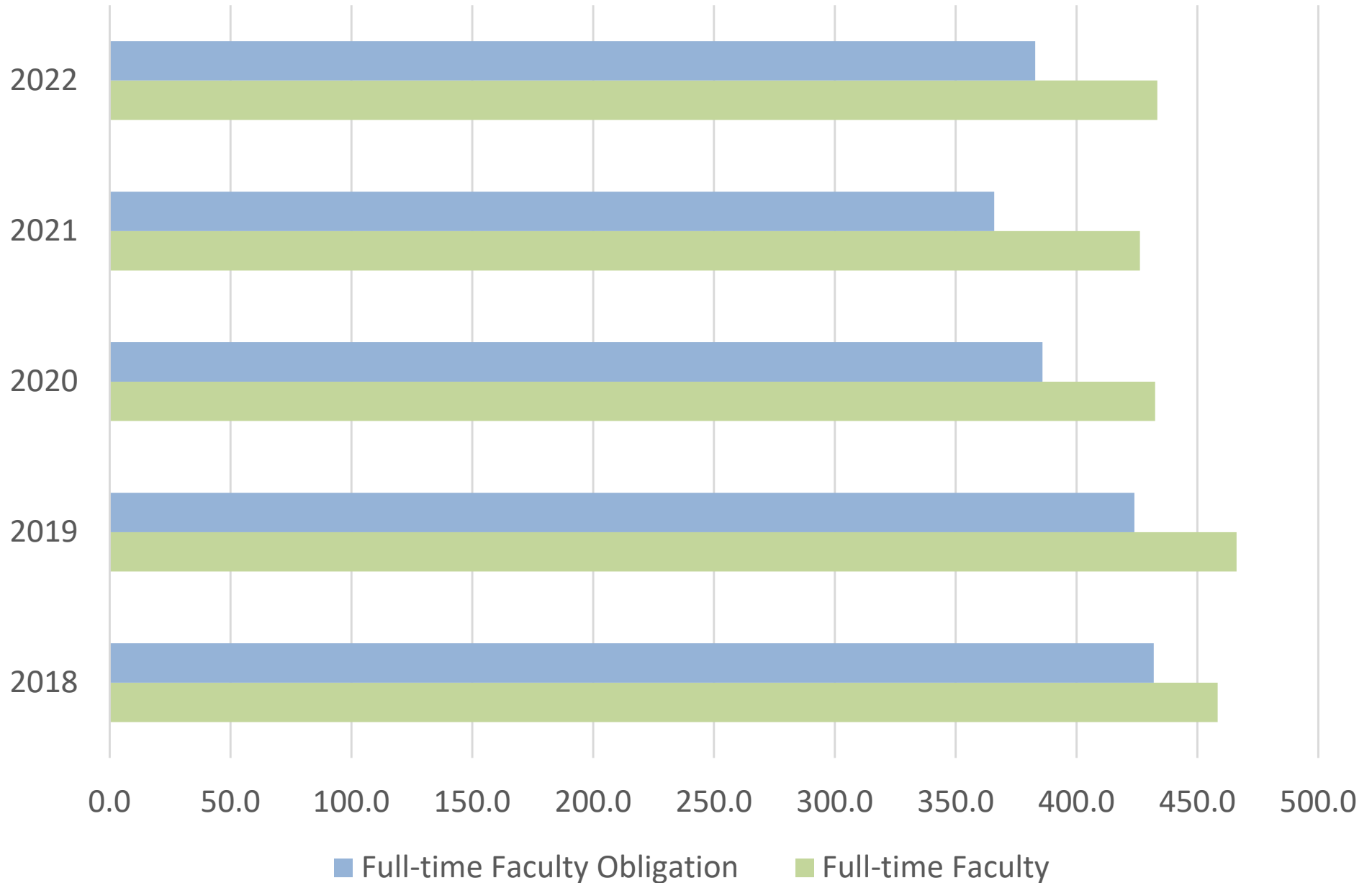
Full-Time Faculty		2018-19	2019-20	2020-21	2021-22	2022-23	
District Totals	Unrestricted GF	431	433	416	398	409	-5.1%
	Categorical	17	17	15	15	14	-23.5%
	Combination	22	27	13	18	21	-4.5%
	District-Wide Total	470	477	444	431	443	-5.7%

**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

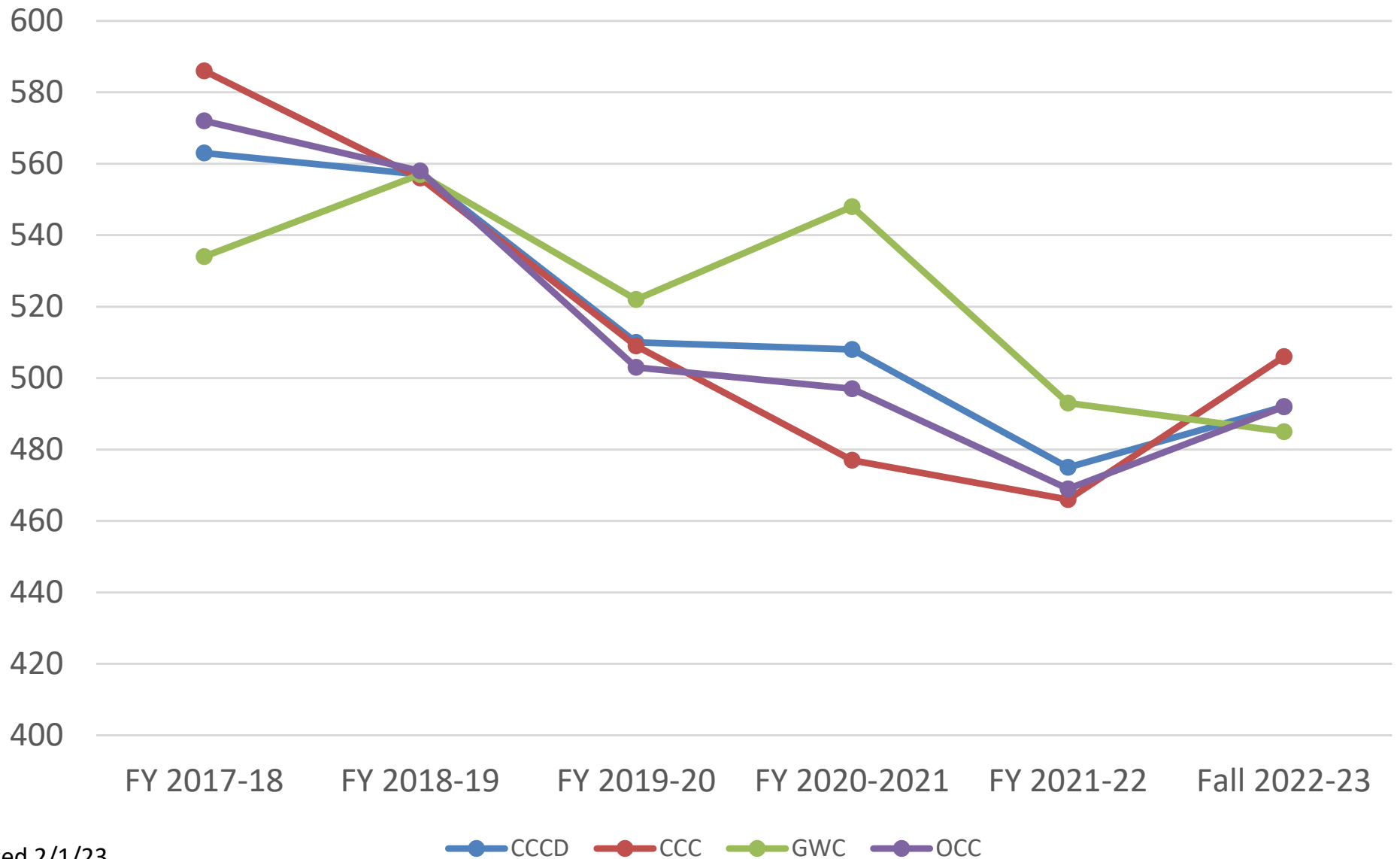
by Term, by College

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)

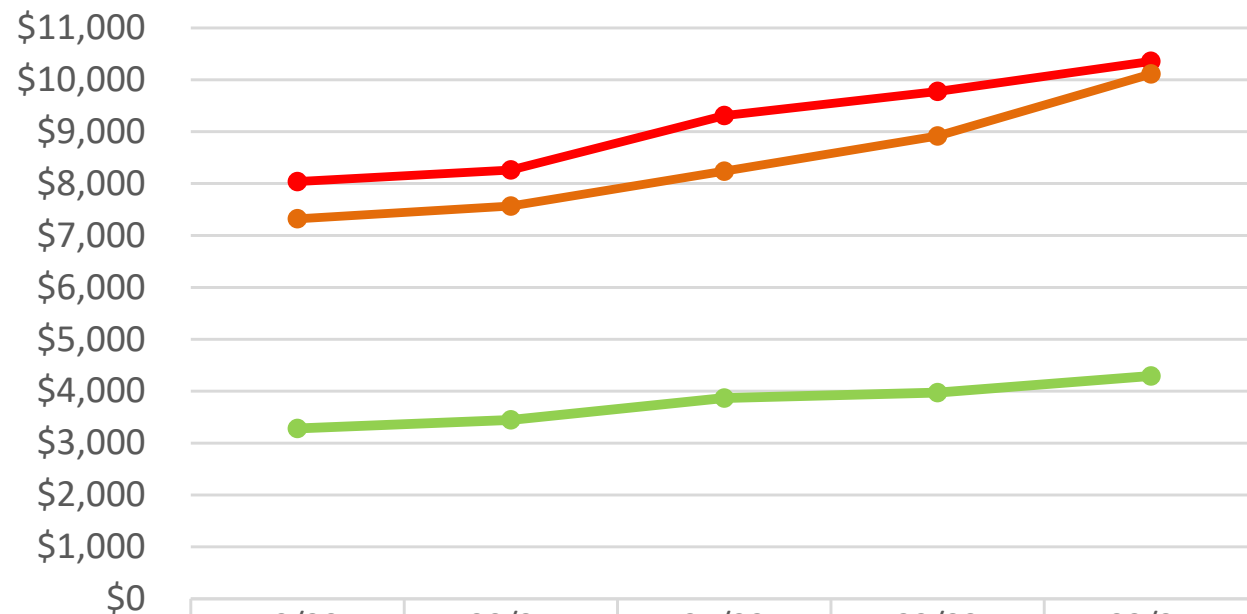


Updated 2/1/23

# 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

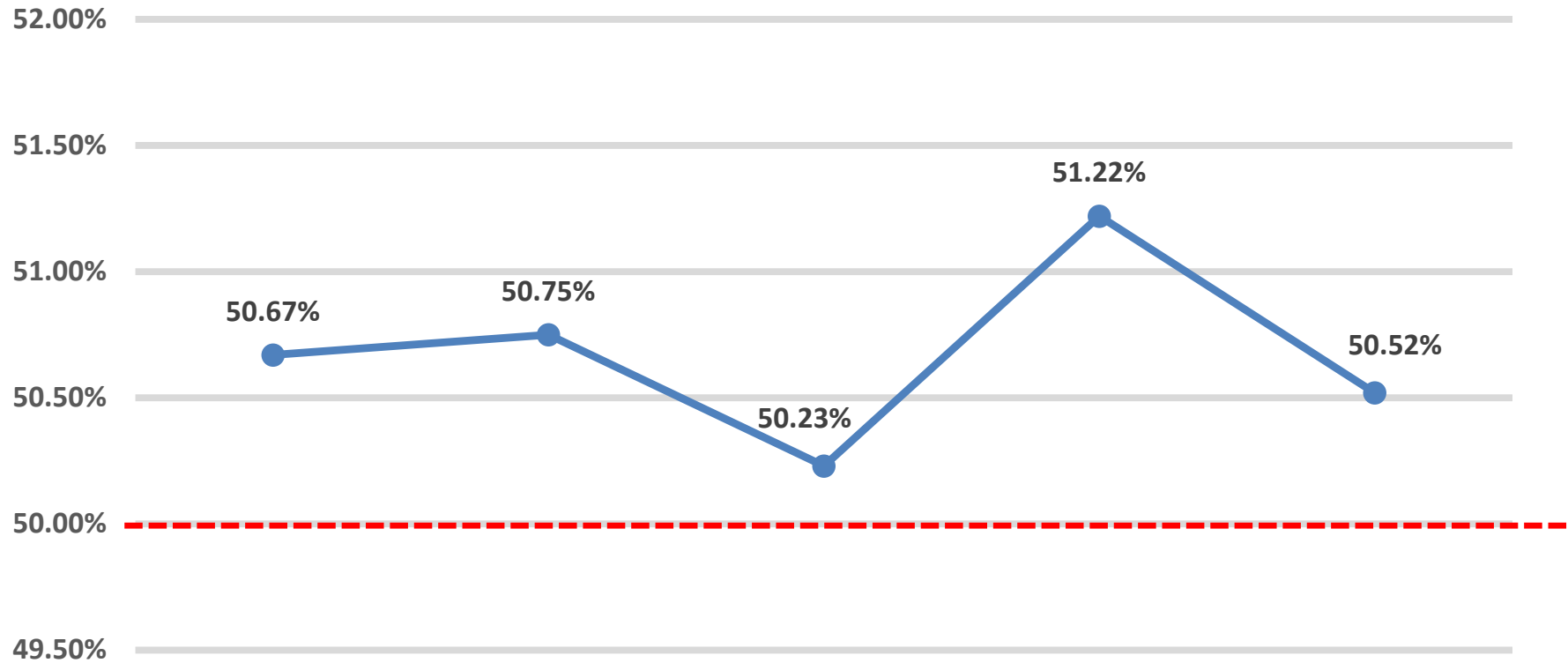
- Total Revenue per FTES: Total Unrestricted General Fund Revenue/Total FTES
- Direct Instruction Costs per FTES: Unrestricted General Fund Direct Instruction Costs (50% Law Calculation)/Total FTES
- Total Cost per FTES: Unrestricted General Fund Expenditures less Other Outgo/Total FTES

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