

Grossmont-Cuyamaca Community College District

2023/2024 Tentative Budget

June 13th , 2023

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Vice Chancellor – Business Services

2023/2024 Proposed State Budget

	January Proposal	May Revise
Projected State Deficit	\$22.5 billion	\$31.5 billion
Cost of Living Adjustments (COLA)	8.13%	8.22% \$10.7 million for GCCCD
Student Enrollment & Retention (One-Time Funds)	\$200 million	\$100 million \$100 million Less \$1.4 million for GCCCD
COVID-19 Recovery Block Grant (One-Time Funds in 2022-23)	Not mentioned	Reduction of \$345 million GCCCD = \$4.8 million out of \$8.9 million
Deferred Maintenance (One-Time Funds in 2022-23)	Reduction of \$213 million	Reduction of \$452 million GCCCD = \$6.2 million out of \$11.6 million

2023/2024

Tentative Budget Assumptions

- Included 6% Cost of Living Adjustment (COLA) for SCFF Funding
 - \$7.8 million
- STRS & PERS Employer Contribution Rates:
 - STRS = 19.1% same as last fiscal year
 - PERS = 26.68% increased from 25.37%
 - Total cost increased by about 5%
- Health Benefits rates included a projected 5% rate increase for 2024
 - \$1.3 million
- Estimated Ending Balance

2023/2024 Tentative Budget Summary

Funds Available

Unrestricted General Fund (in millions)

SCFF (State Apportionment)	\$137.7	(93 %)
State Revenue	\$ 8.2	
Local Revenue	\$ 3.7	
Transfers In/Out	\$ -817 K	
Total on-Going Revenue		<u>\$148.7</u>
Beginning Balance	\$ 10.6	
Total Funds Available		<u>\$159.3</u>
Contingency Reserve		\$ 15.7

2023/2024 Tentative Budget Summary

On-Going Expenditures

Unrestricted General Fund (in millions)

Salaries	\$86.4		
Benefits	\$40.6		
Total Salaries & Benefits		<u>\$127.0</u>	85.4%
Supplies & Equipment	\$ 3.6		
Utilities	\$ 5.1		
Other Operating cost	\$ 7.1		
Transfers Out	\$ 5.9		
Total Other Expenditures		<u>\$21.7</u>	14.6%
Total On-Going Expenditures		<u>\$148.7</u>	

Resident FTES Summary

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
	Actuals	Actuals	Actuals	Actuals	Estimates
GC	12,211	11,404	9,527	8,192	8,533
CC	5,486	5,364	4,770	4,362	4,629
Total FTES	<u>17,697</u>	<u>16,768</u>	<u>14,297</u>	<u>12,554</u>	<u>13,162</u>
Increase from PY					4.8%
<i>Decrease from 18/19</i>				<i>-29%</i>	<i>-25.6%</i>

Supplemental Allocation Summary

	<u>2018/19</u> Actuals	<u>2019/20</u> Actuals	<u>2020/21</u> Actuals	<u>2021/22</u> Actuals
Pell Grant Recipients	8,209	8,084	6,524	5,762
AB540 Students	625	671	558	550
CPG Recipients <small>(Calif. Promise Grant)</small>	18,243	16,983	14,339	11,804
Total Headcount	<u>27,077</u>	<u>25,738</u>	<u>21,421</u>	<u>18,116</u> -33%

Student Centered Funding Formula (SCFF)

- Student Centered Funding Formula was implemented in FY 2018-19
- The SCFF consists of three principal components:
 - Base Allocation relies primarily on the college size based on prior year data and a 3-year credit FTES average
 - Supplemental Allocation is based on prior year data for low-income students
 - Student Success Allocation is based on three prior years data of outcomes related to the *Vision for Success*, with additional funding for outcomes of low-income students

Student Centered Funding Formula (SCFF)

- To ease the transition to new funding formula, the SCFF included a three-year “hold harmless” provision:
 - District’s funding level will equal to its 2017-18 apportionment plus cumulative COLA
 - The provision was extended several times because of the pandemic
 - Now the provision will end in 2024-2025
 - Starting in 2025-2026, the district’s 2024-25 funding will become the new base funding
 - The new base funding will no longer reflect cumulative COLAs over time
 - No new revenue if SCFF calculation is less than the base amount

Emergency Condition Allowance

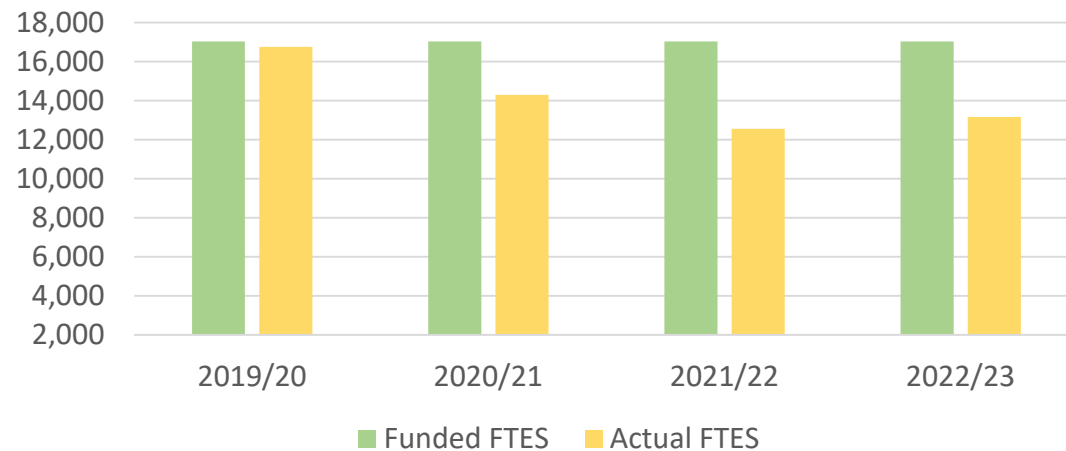
- ECA was implemented in FY 2019-20 due to the pandemic
- The intend for districts not to lose apportionment as a result of an emergency or extraordinary condition
- District can use 2019-2020 FTES reported to the State in January 2020 for funding purposes (pre-pandemic)
- ECA was used for four years (2019-20 to 2022-23)

Funded FTES Vs. Actual

Fiscal Year	Funded FTES**	Actual FTES	Difference in FTES	% Change from PY
2019/20	17,035	16,768	-267	
2020/21	17,035	14,297	-2,738	-14.74%
2021/22	17,035	12,554	-4,481	-12.19%
2022/23	17,035	13,162	-3,873	4.8%

****Emergency Conditions Allowance (ECA)**

Funded Compared to Actual FTES



District Protections Amount

Fiscal Year	SCFF Calculation	ECA Protection	Hold Harmless Protection
2019/20	\$115.5 M	\$48K	\$476K
2020/21	\$111.1 M	\$3.9 M	\$1.0 M
2021/22	\$105.6 M	\$9.9 M	\$6.4 M
2022/23	\$113.7 M	\$17 M	\$0

SCFF Projections Scenario A

Assumptions

- Projected COLA:
 - 2023/24 8.22% (Per May Revise)
 - 2024/25 to 2027/28 3% every year
- Increase FTES by 5% every year for the next 5 years
 - Total of 3,637 FTES
- Increase Financial Aid Student Recipients by 3% for the next 5 years
 - Total of 2,885 students
- Increase Student Success Metrics by 3% for the next 5 years

Scenario A – 5% FTES Growth

Fiscal Year	Funded FTES	Actual FTES	3 Year Average	% Increase FTES	Budget Reduction
2019/20	17,035	16,768	17,307		
2020/21	17,035	14,297	17,253		
2021/22	17,035	12,554	17,035		
2022/23 P2	17,035	13,162	17,035		
2023/24 Est.	13,821	13,821	16,139	5%	
2024/25 Est.	14,512	14,512	15,232	5%	
2025/26 Est.	15,238	15,238	14,556	5%	\$5 million
2026/27 Est.	15,999	15,999	15,284	5%	
2027/28 Est.	16,799	16,799	16,048	5%	can restore budget cut

To avoid \$5 million cut in 2025/26, FTES must increase by 10% in 23/24, 24/25 & 25/26

SCFF Projections Scenario B

Assumptions

- Projected COLA:
 - 2023/24 8.22% (Per May Revise)
 - 2024/25 to 2027/28 3% every year
- Increase FTES by 3% every year for the next 5 years
 - Total of 2,110 FTES
- Increase Financial Aid Student Recipients by 2% for the next 5 years
 - Total of 2,885 students
- Increase Student Success Metrics by 2% for the next 5 years

Scenario B – 3% FTES Growth

Fiscal Year	Funded FTES	Actual FTES	3 Year Average	% Increase FTES	Budget Reduction
2019/20	17,035	16,768	17,307		
2020/21	17,035	14,297	17,253		
2021/22	17,035	12,554	17,035		
2022/23 P2	17,035	13,162	17,035		
2023/24 Est.	13,558	13,558	16,043	3%	
2024/25 Est.	13,965	13,965	14,949	3%	
2025/26 Est.	14,383	14,383	13,988	3%	\$5 million
2026/27 Est.	14,815	14,815	14,407	3%	\$5 million
2027/28 Est.	15,259	15,259	14,839	3%	Can restore \$5 million in cuts

Challenges/Opportunities

- Protections are ending and we must grow in enrollment and financial aid recipients to avoid major budget cuts
- Salaries & Benefits continue to be a large % of on-going revenue and would be impacted by significant budget reduction
- Increase dual enrollment students as we receive higher funding than credit FTES
 - \$2,108/FTES more than credit FTES
- Continue to increase our contingency reserve for fiscal stability
- Continue to develop a plan to contain and fund increased cost in future years until SCFF calculation exceeds our base funding

COMMENTS/
QUESTIONS??