

Adopted Budget 2023-24

**Presented by:
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Administrative & Business Services**

September 13, 2023

Overview

- Board Goals, Institutional Priorities & Strategic Plan Goals
- Resource Allocations: Goals & Priorities
- State Budget Overview
- BAC Planning Assumption Highlights
- FTES History and Projection
- List of All District Funds – Expenditures & Other Outgo

Overview (continued)

- Unrestricted General Fund Details
- Overall Summary
- Revenue Summary
- Major Revenue Changes in 2023-24
- Expenditure Summary
- Major Expenditure Changes in 2023-24
- 7-Year Trends
- Future Budget Challenges



Board Goals, Institutional Priorities & Strategic Plan Goals

Adopted Budget 2023-24

Annual Planning Cycle

- Annual Planning begins each fall and culminates in the creation of institutional priorities each spring.
- All areas of the College engage in the annual planning process working toward measurable goals and activities aligned with the institutional priorities, 2022-2026 Strategic Plan, and the Vision for Success.
- New resource requests are identified through this process so that planning and budgeting are aligned.

Adopted Budget

- Budget represents a realistic, conservative financial plan for the academic year
- Unexpected, uncontrollable changes will occur
- Amounts presented will swing throughout the year due to:
- Expected changes:
 - Salary savings from unfilled/failed recruitments
 - Purchase orders unspent/incomplete
 - Economic changes/revenue adjustments
- Unknown changes:
 - COVID expenses
 - Additional funding like HEERF federal grants
 - Emergency conditions allowances
 - Other funding formula changes
- We will continue to monitor and provide updates on these changes throughout the year

Board of Trustees Goals

2023-24

- **Strategic Goal I: Innovate to Achieve Equitable Success**
- **Strategic Goal II: Accelerate College Readiness and Close Equity Gaps**
- **Strategic Goal III: Build Community**
- **Strategic Goal IV: Invest in People and Support Structures for Transformation**

Institutional Priorities

adopted on March 23, 2023

In alignment with the California Community Colleges Chancellor's Office Vision for Success and Long Beach City College's Strategic Plan goals, the College will primarily focus on:

- A. Supporting the improvement of equitable course success rates, learning, and persistence.
 - i. Increase Transfer-level math and English course completion rates for first time, first-year degree seeking students
- B. Improving the efficiency of business processes and practices to support compliance, service delivery, and instruction.

Institutional Priorities

adopted March 23, 2023

(continued)

- C. Providing continued support for campus safety initiatives.
- D. Increasing students' and employees' sense of belonging and mattering by actively creating an inclusive, caring, and anti-racist environment in all spaces (virtual and physical) on campus.
- E. Establishing and strengthening relationships and partnerships with community organizations, industry partners, and educational institutions.

Strategic Plan Goals

adopted for 2022-2026

1. Inclusive
 - i. By creating an inclusive, anti-racist, and welcoming environment, all students and employees will feel that their voices matter and that their identities are valued and re-affirmed.
2. Supportive
 - i. Through fostering a culture of care and collegiality, students and employees will feel supported, valued, and respected.
3. Innovative
 - i. Through implementing innovative approaches, LBCC will achieve equitable student outcomes, address emerging industry needs, and promote sustainability.
4. Synergy
 - i. By creating synergy between community, education, and local and regional industry, partnerships will be strengthened to support the equitable achievement of students' educational & career goals.

Highlighted Resource Allocations: Goals & Priorities

Grants & Funding Allocations	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Strong Workforce	√			√	√
Adult Ed Regional Consortium	√			√	√
Title V Grant for DESTINO (STEM Initiative & Science Center)	√	√		√	
Student Equity Achievement Program	√	√		√	√
Goldman Sachs 10K Small Businesses				√	√
Small Business Development Center		√			√
COVID-19 Response Grants		√	√	√	

Highlighted Resource Allocations: Goals & Priorities

Grants & Funding Allocations (Continued)	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
LGBTQ+ CCCCO Allocation	√	√		√	
Equal Employment Opportunity (EEO) Best Practices				√	
Phoenix Scholars (Gang-Involved Student Supports)	√	√		√	√
Title V Grant for CASA Program	√	√		√	
Online Educational Resources CCCCO Allocation	√	√			
AANHPI Student Achievement Program CCCCO Allocation	√	√		√	

Highlighted Resource Allocations: Goals & Priorities

Student Success Initiatives	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
College Promise 2.0	√	√		√	
Viking Advantage	√	√		√	
Learning Communities	√	√		√	
Student-Centered Scheduling Improvements	√	√			
Student Success Teams	√	√		√	
Equitable Placement Implementation	√			√	
Cultural Curriculum Audit	√			√	
Bachelor's Degree Program	√	√		√	

Highlighted Resource Allocations: Goals & Priorities

Student Support Programs & Services	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Welcome Center	√	√		√	
Dreamer Supports	√	√		√	
Veterans Supports	√	√		√	
Dual Enrollment	√	√		√	
Mental Health Support for Students	√	√		√	
North Long Beach	√	√		√	√
Embedded Tutoring	√	√		√	

Highlighted Resource Allocations: Goals & Priorities

Student Support Programs & Services	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Social Justice & Intercultural Center	√	√		√	
Black Student Success Center	√	√		√	
Center for Teaching and Learning	√	√		√	
Boys and Girls Club	√			√	√
Starfish Early Alert	√	√		√	
Office of Basic Needs	√	√		√	

Highlighted Resource Allocations: Goals & Priorities

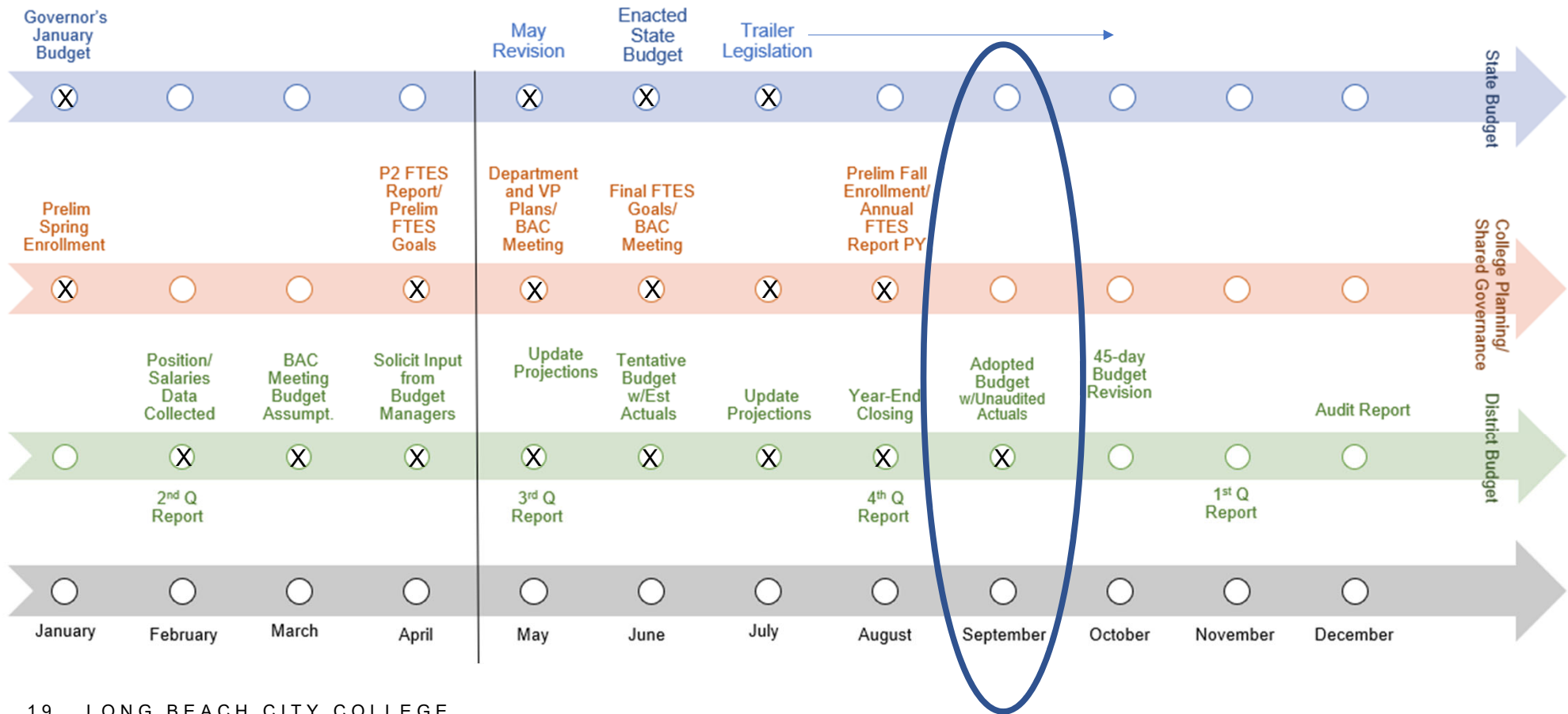
Faculty, Staff, and Infrastructure Supports	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Distance Learning Support	√	√		√	
Faculty Professional Development	√			√	
Noncredit Infrastructure	√	√		√	
Business Process Reviews	√	√		√	
Employee Professional Development	√		√	√	
Hiring Practices	√			√	

Highlighted Resource Allocations: Goals & Priorities

Marketing & Community Outreach	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Community and High School Outreach				√	√
Marketing		√		√	√
Equitable Recruitment Efforts	√			√	√
Center for Community & Industry Partnerships	√			√	√

State Budget Overview

Budget Development Cycle



History of COLAs

Year	Statutory COLA	State Provided COLA
2000-01	3.17%	4.17%
2001-02	3.87%	3.87%
2002-03	1.66%	2.00%
2003-04	1.86%	0.00%
2004-05	2.41%	2.41%
2005-06	4.23%	4.23%
2006-07	5.92%	5.92%
2007-08	4.53%	4.53%
2008-09	5.66%	0.00%
2009-10	5.02%	0.00%
2010-11	-0.38%	0.00%
2011-12	2.24%	0.00%
2012-13	3.24%	0.00%

Year	Statutory COLA	State Provided COLA
2013-14	1.57%	1.57%
2014-15	0.85%	0.85%
2015-16	1.02%	1.02%
2016-17	0.00%	0.00%
2017-18	1.56%	1.56%
2018-19	2.71%	2.71%
2019-20	3.26%	3.26%
2020-21	2.31%	0%
2021-22*	1.70%	5.07%
2022-23	6.56%	6.56%
2023-24	8.22%	8.22%
2024-25**	3.94%	
2025-26**	3.29%	
2026-27**	3.19%	

*2-Year compounded rate.

**Projected per School Services of California (June 2023).

Provided below Statutory COLA

Provided above Statutory COLA

State Budget Overview

Apportionment

- Student Centered Funding Formula (SCFF) 8.22% COLA - \$678.0 million
 - *\$13.1 million for LBCC*
- 0.5% Growth funding - \$26.4 million
 - *Growth authority for LBCC limited to 0.12%*
 - *Not growth for LBCC*
 - *In restoration mode, not growth mode*

State Budget Overview

Categorical Programs

- 8.22% COLA for the usual selected categorical programs (DSPS, EOPS, CARE, CalWORKs, Child Care Tax Bailout, Mandated Cost Block Grant, and Adult Education) - \$95.3 million
 - *\$1.6 million for LBCC*
- Several other categorical programs also received 8.22% COLA
- Retention and Enrollment – (\$5.4) million net decrease
 - *The \$150 million prior year allocation was decreased by (\$55.4) million*
 - *\$50 million was added back in 2023-24 for the net decrease above*
 - *(\$92,000) decrease for LBCC*

State Budget Overview

Prior Year Block Grant Reductions

- COVID-19 Recovery Block Grant – no change
 - *The large reduction in the May Revise was not included in the final Budget*
- Deferred Maintenance and Instructional Equipment Block Grant - \$500.0 million reduction
 - *Plus \$5.7 million allocation in 2023-24 for a net (\$494.3) million decrease*
 - *(\$8.5) million reduction for LBCC*
 - *Split evenly between deferred maintenance and instructional equipment*

State Budget Overview

Flexibility & Capital Facilities

- Flexibility provision
 - Due to significant cuts to prior year allocations, flexibility is allowed between the remaining allocations in these programs:
 - COVID-19 Recovery Block Grant
 - Deferred Maintenance/Instructional Equipment
 - Retention & Enrollment
- \$232.3 million in Proposition 51 & other capital outlay projects – one-time
 - 2 new and 12 ongoing statewide projects
 - Does not include LBCC projects
 - LBCC projects continue with funding from prior budgets

State Budget Overview

State Reserve Projected Balances

- Budget Stabilization Account (BSA, also known as the rainy-day fund) - \$22.3 billion
- Public School System Stabilization Account (PSSSA) - \$10.7 billion

BAC Budget Assumption Highlights

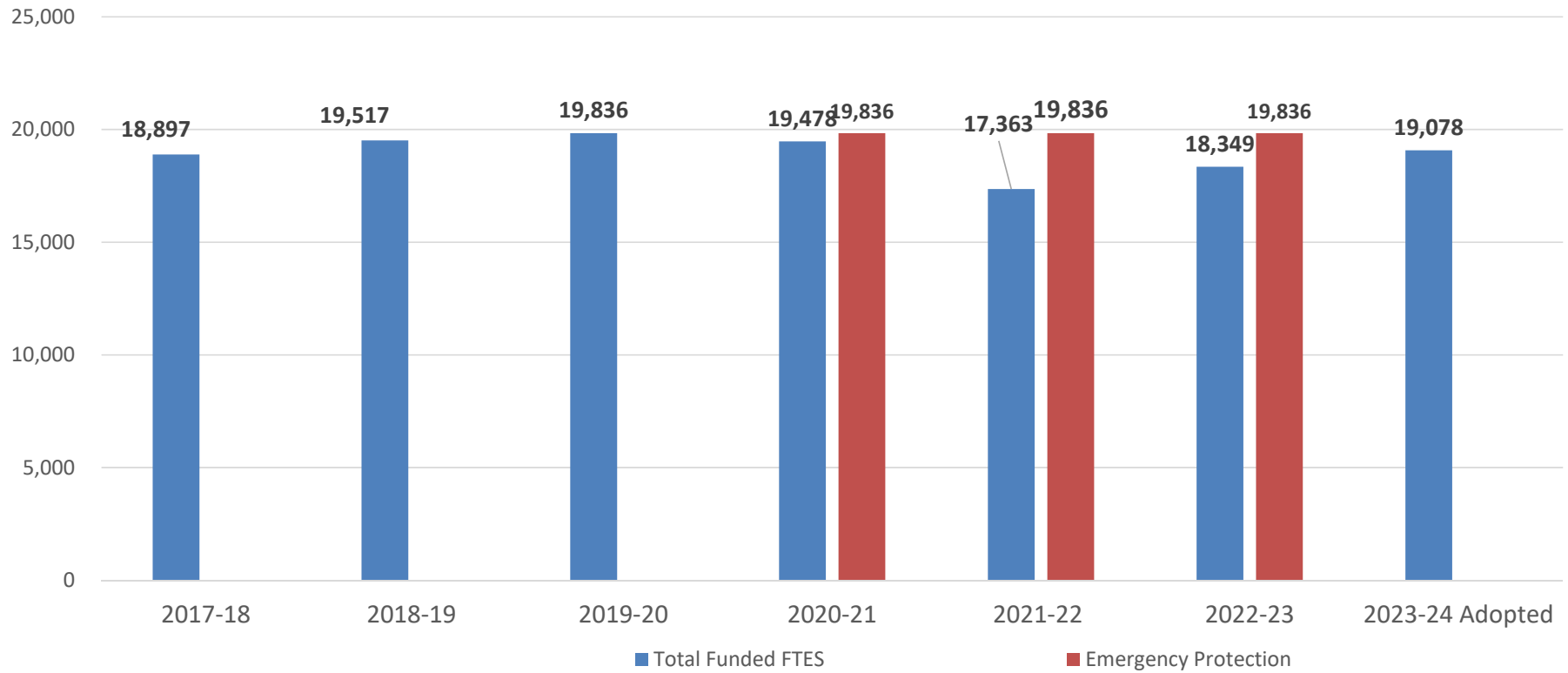
BAC Budget Assumption Highlights

- There will be potential budget redirections in response to both the State's budget impact and the priorities as identified by the College Planning Committee (CPC).
- FTES total resident target is 19,078.
- A 0.5% deficit factor is budgeted based on past experience.
- Total Cost of Ownership – principles shall be employed in department planning and budgeting processes.

BAC Budget Assumption Highlights

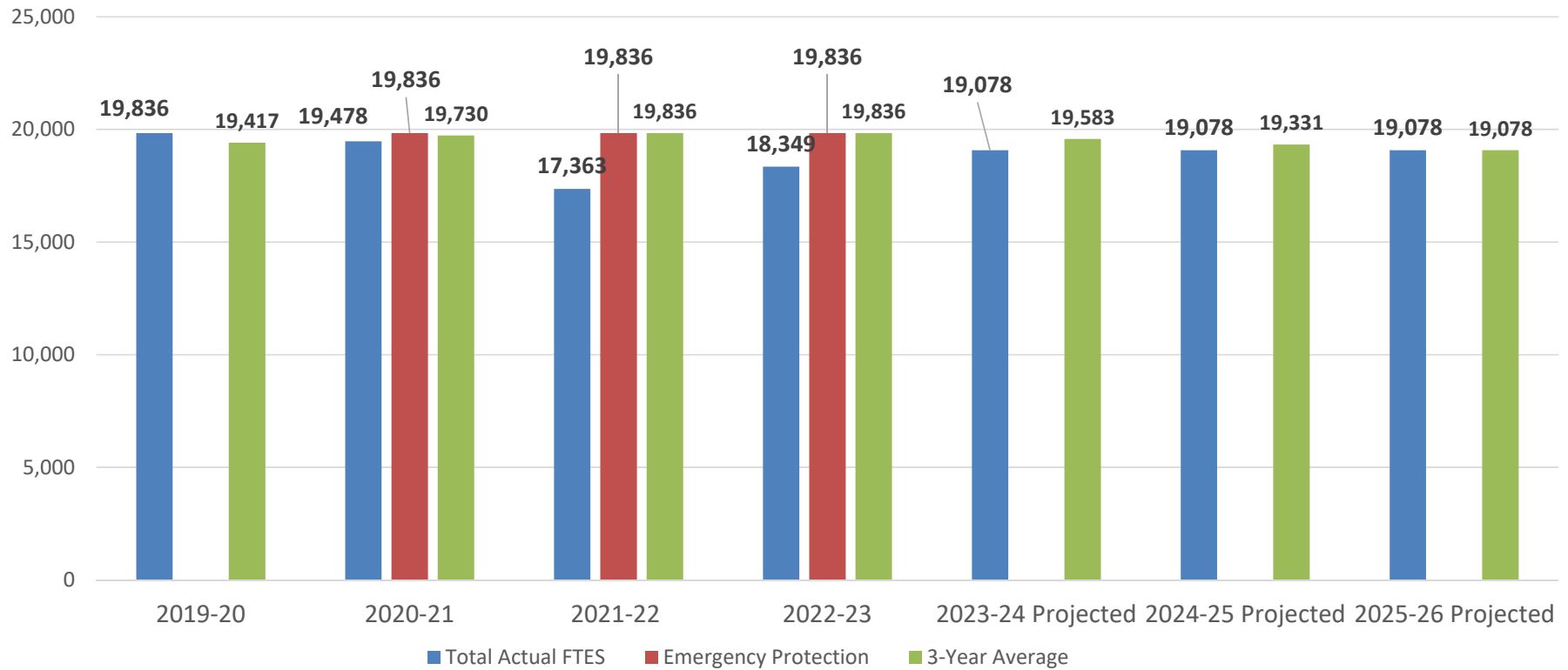
- Board Policy 6200 aligns with Chancellor's Office Recommended Goal of 16.67% reserves - \$32.0 million
 - Two months of Total General Fund operating expenses, equal to no less than 16.67% of Unrestricted General Fund expenditures
 - Aligned with Budgeting Best Practices published by the Government Finance Officers Association (GFOA).
- Load Banking and Vacation Liability Reserves – \$3.8 million
- Retiree Benefits Annual Required Contribution (ARC) – \$5 million
- Health & Welfare Premiums:
 - Increased by 9.0% - \$1.7 million

FTES Comparison*



*Resident Full-Time Equivalent Students (FTES).

FTES Projection*



*Resident Full-Time Equivalent Students (FTES).

SCFF Apportionment Funding

- We are funded at the greater of:
 - A. SCFF calculated revenue** – based on metrics and funding rates
 - B. Prior year Stability** - SCFF calculated revenue + COLA. (Stabilization)
 - C. Hold Harmless** – minimum revenue commitment. Equals 2017-18 revenue + COLA up to 2024-25. No change after 2024-25.
- **Deficit Factor** - may be applied if state revenue is not adequate to cover SCFF calculated revenue for all districts.

Base funding

- Basic allocation – funding based on college size
- Based on prior year total resident FTES
- > 20,000 FTES – funded as large college (+\$2 million)
- 10,000 – 20,000 – funded as medium college
- 3-year stability period is applied

Base funding

- 17-18 large college based on prior year FTES
- 18-19 to 20-21 large college based on 3-year stability
- 21-22 to 22-23 large college based on emergency conditions
- 23-24 medium college funding - \$2 million less

2023-24 List of Funds: Expenditures & Other Outgo (in millions)

	2022-23 Adopted Budget	2022-23 Unaudited Actual	2023-24 Adopted Budget
Unrestricted General Fund	\$ 168.6	\$ 165.3	\$ 191.8
Restricted General Fund	108.1	74.1	93.8
Associated Students Body Fund	1.3	1.1	1.3
Capital Projects Fund	62.6	6.4	57.5
Child & Adult Development Fund	2.6	2.5	3.4
Contract/Community Education Fund	1.5	0.1	1.6
Equity Award Fund	5.0	0.2	4.9
Event & Filming Services Fund	2.0	1.8	2.5
General Obligation Bond Fund 2008 Measure E	128.0	0.0	137.0
General Obligation Bond Fund 2016 Measure LB	609.4	15.2	598.6
Retiree Health Fund	3.9	2.4	2.6
Self-Insurance Fund	1.7	1.5	2.0
Student Financial Aid	63.0	60.7	70.9
Student Representation Fund	0.1	0.0	0.1
Total	\$ 1,157.8	\$ 331.3	\$ 1,168.0

Unrestricted General Fund Overall Summary

	Unaudited Actual 2022-23	Tentative Budget 2023-24	Adopted Budget 2023-24	*Change Increase/ (Decrease)
Revenues and Other Financing Sources	\$175,608,943	\$185,574,711	\$189,944,956	\$14,336,013
Expenditures and Other Outgo	165,304,058	175,497,593	191,756,995	26,452,937
Surplus/(Deficit)	10,304,885	10,077,118	(1,812,039)	(12,116,924)
Fund Balance	72,084,967	80,664,331	70,272,928	(1,812,039)

*Change is comparison between 2022-23 Unaudited Actual and 2023-24 Adopted Budget.

Unrestricted General Fund: Revenue Summary

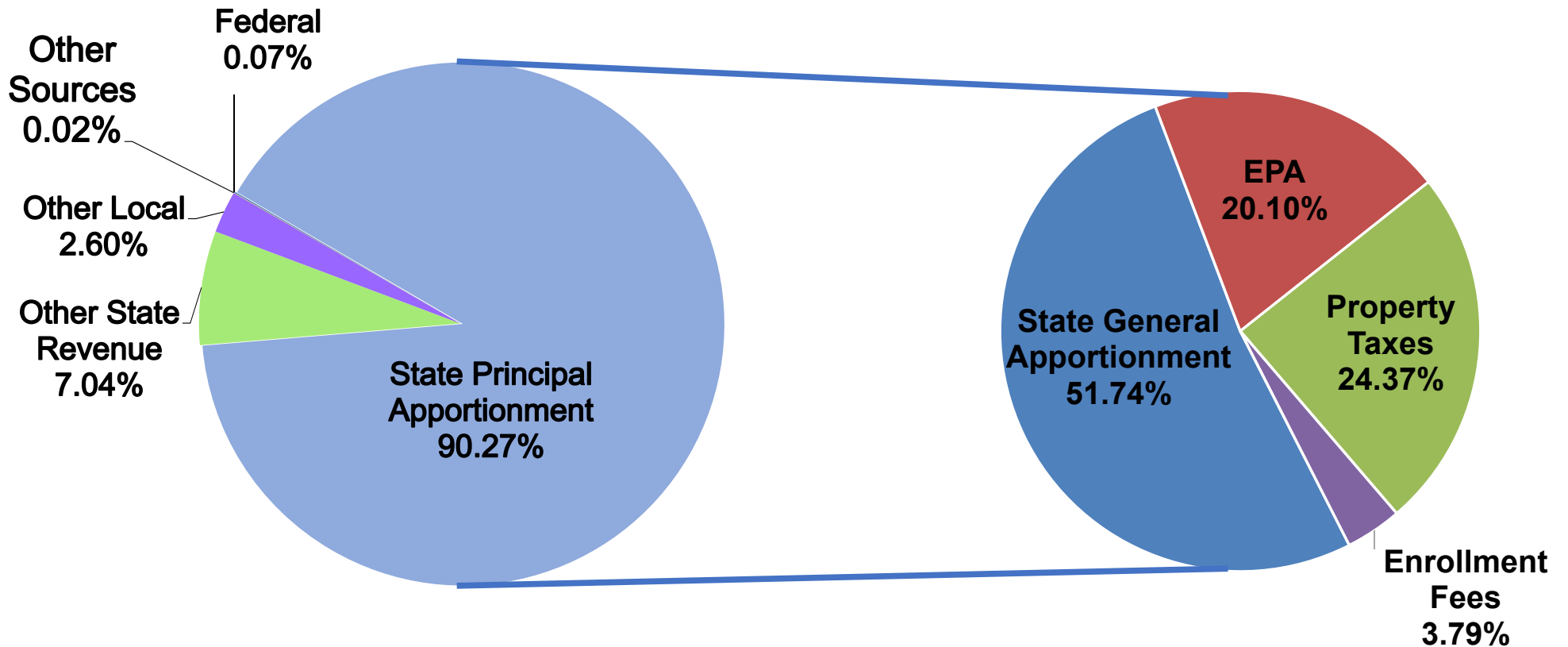
	Unaudited Actual 2022-23	Tentative Budget 2023-24	Adopted Budget 2023-24	*Change Increase/ (Decrease)
Federal	\$ 182,728	\$ 140,000	\$ 140,000	\$ (42,728)
State Apportionment	155,813,018	168,870,727	171,459,112	15,646,094
Other State	14,299,143	12,357,347	13,370,988	(928,155)
Local	5,259,672	4,206,637	4,944,856	(314,816)
Other Sources	54,382	0	30,000	(24,382)
Total	\$175,608,943	\$185,574,711	\$189,944,956	\$ 14,336,013

*Change is comparison between 2022-23 Unaudited Actual and 2023-24 Adopted Budget.

Major Revenue Changes in 2023-24

- Apportionment – \$15.6 million increase
 - \$16.3 million increase due to the 8.22% COLA & increase to SCFF
 - \$2.3 million decrease due to the deficit factor decreasing from 2.00% to 0.50%
 - (\$0.4) million decrease due to prior year apportionment adjustments
 - \$0.6 million increase due to no FON penalty expected in 2023-24
- Other State Revenue - (\$0.9) million decrease
 - Projected decrease Lottery revenue due to lower FTES
- Local Revenue – (\$0.3) million decrease
 - Due mainly to projected lower interest earning for 2023-24 from 2022-23

Unrestricted General Fund Budgeted Revenue & Other Sources 2023-24



Unrestricted General Fund Expenditure Summary

	Unaudited Actual 2022-23	Tentative Budget 2023-24	Adopted Budget 2023-24	*Change Increase/ (Decrease)
Academic Salaries	\$ 62,794,574	\$ 64,970,839	\$ 70,531,422	\$ 7,736,848
Classified Salaries	32,103,714	35,819,411	39,972,239	7,868,525
Benefits	48,616,141	51,246,921	55,484,631	6,868,490
Supplies	957,269	1,007,125	1,137,345	180,076
Services	10,785,906	16,060,542	17,277,470	6,491,564
Capital Outlay	3,953,177	3,147,384	3,338,796	(614,381)
One-Time	262,277	1,389,371	1,954,092	1,691,815
Other Outgo	5,831,000	1,856,000	2,061,000	(3,770,000)
Total	\$165,304,058	\$175,497,593	\$191,756,995	\$26,452,937

8.22% increase budgeted for all full-time positions. Will be adjusted when negotiations are finalized.

*Change is comparison between 2022-23 Unaudited Actual and 2023-24 Adopted Budget.

Major Expenditure Changes in 2023-24

- Academic Salaries – \$7.7 million increase
 - Step and column increases
 - Includes Interim Director International Students & 50% Assoc Dean, Acad Success, Inclusion & Support Services
 - Hire 14 full-time instructors
 - 1 new full-time librarian and 3 new full-time counselors (1 restricted fund)
 - 4 Long Term Substitute teachers
 - Hourly backfill for counselors and librarian

Major Expenditure Changes in 2023-24 (continued)

- Classified Salaries – \$7.9 million increase
 - Step and column increases
 - 8.22% COLA for classified staff, management and confidential
 - 5+ new management/confidential positions, Manager-Campus Facilities, Manager-Compliance/Title IX Investigations, Director of Grants, 60% Director, Risk Management, 50% Director, Non-Credit and new HR Specialist
 - 10+ new classified positions including Certified Interpreter, Administrative Assistant, 2 Sr. Administrative Assistants, Instructional & Universal Designer, Sr. Payroll Specialist, 2 Accountants, Buyer, 50% Buyer, and Vocational Instructional Technician
 - One-time funds for Limited Term Employees (HR Analyst & 2 HR Administrative Assistants)
 - Budgets for classified AFT & Management/Confidential classification study
 - Budgets for vacancies

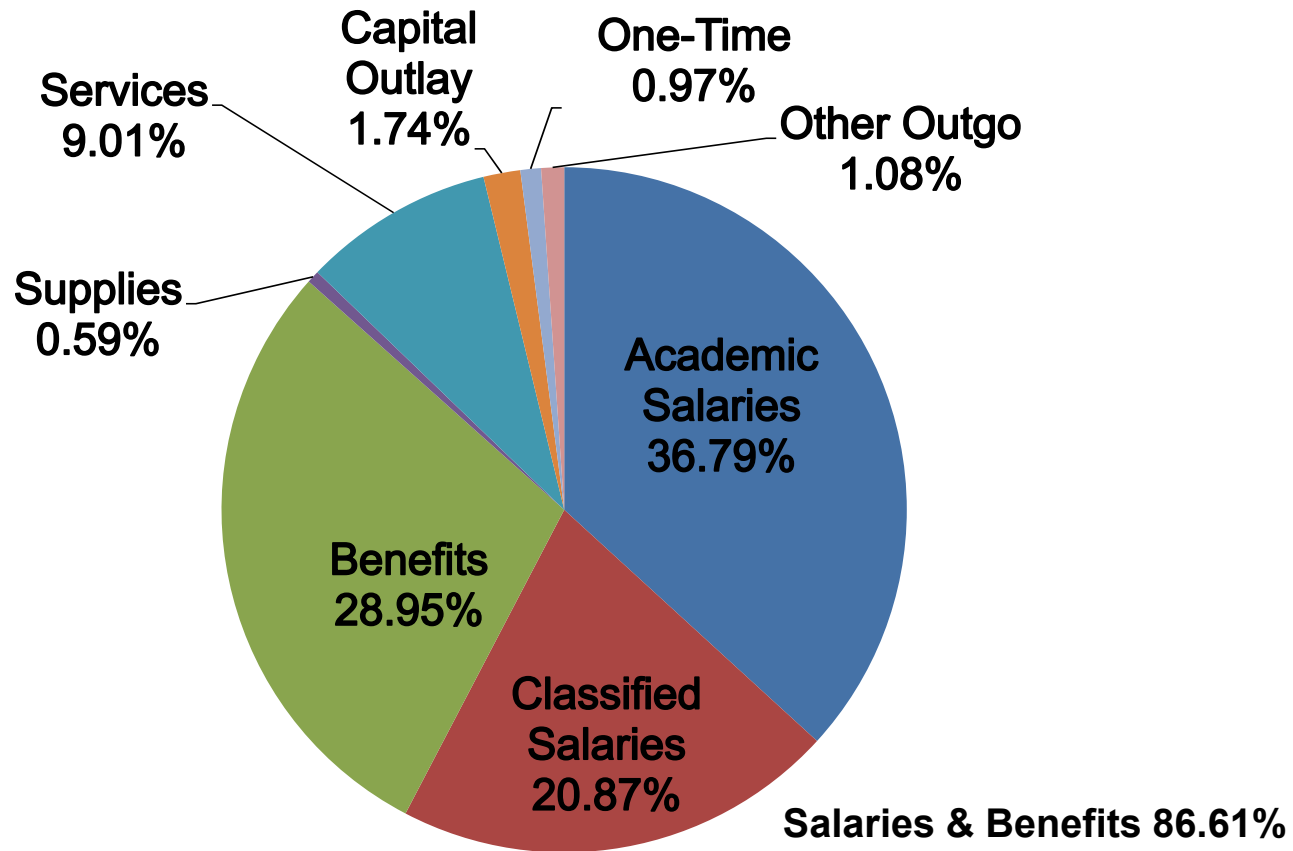
Major Expenditure Changes in 2023-24 (continued)

- Total Benefits – \$6.9 million increase
 - 1.31% increases for PERS
 - 9.0% increase to health & welfare benefits
 - Increase to statutory benefits due to increased payroll & salary increases
 - Less (\$0.7) million - paid off 2018 SERP
- Contract Services & Operating Expenses – \$6.5 million increase
 - Increase \$1.7 million due to less indirect costs
 - Increase \$2.0 million for professional services
 - (\$0.4) million saving from election (held every other year)
 - Increase \$1.5 million for travel costs, utilities, repairs/maintenance and software
 - Increase \$1.7 million for other services mostly for one-time reimbursement received in 2021-22

Major Expenditure Changes in 2023-24 (continued)

- Capital Outlay – (\$0.6) million savings
 - (\$0.6) million savings due to one-time equipment purchases in 2022-23
- One-Time Funds – \$1.7 million increase
 - Plans to complete projects that were delayed in 2022-23
- Other Outgo – (\$3.8) million decrease
 - Transfer \$600,000 to the Restricted General Fund for the Student Health Services program to help serve additional student health needs
 - Less (\$4.0) million one-time fund for infrastructure upgrades in 2022-23

Unrestricted General Fund Budgeted Expenditures & Other Outgo 2023-24

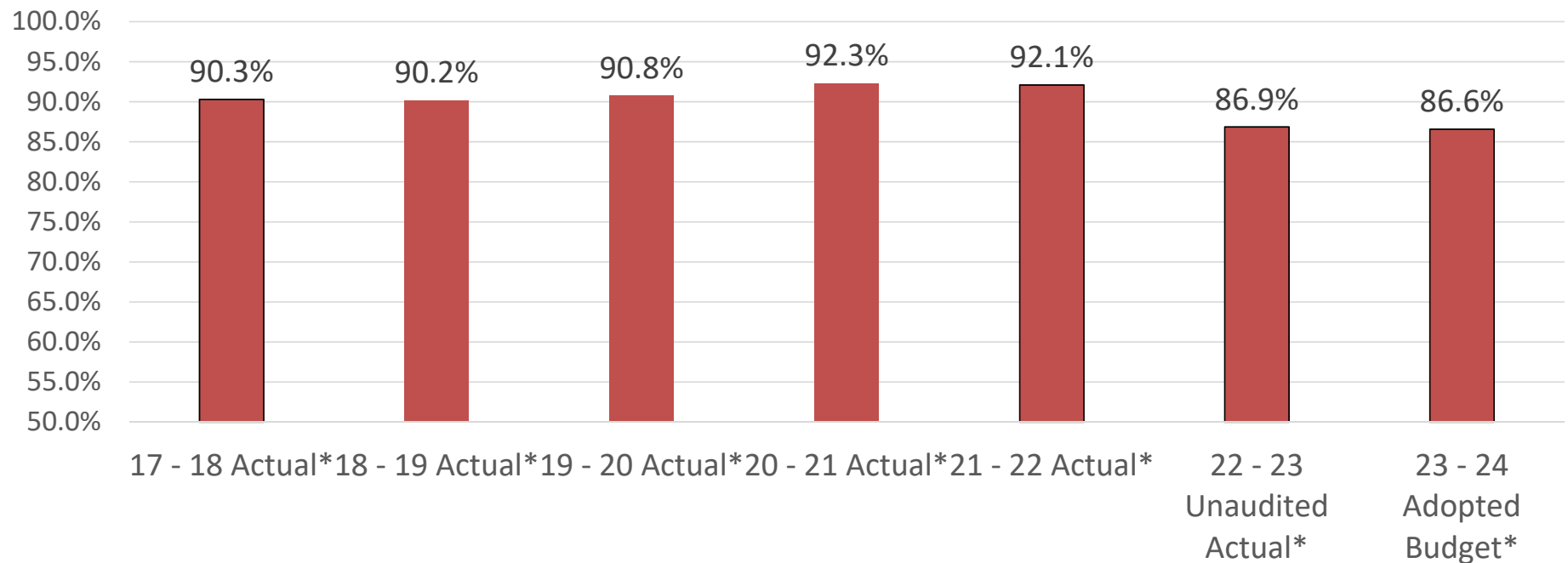


Unrestricted General Fund 7-Year Trend Summary (in \$ millions)

	17-18 Actual	18-19 Actual	19-20 Actual	20-21 Actual	21-22 Actual	22-23 Unaudited Actual	23-24 Adopted Budget
Salaries & Benefits as a % of Total Expenses & Other Outgo	90.3%*	90.2%*	90.8%*	92.3%*	92.1%*	86.85%*	86.61%*
Surplus / (Deficit)	(\$0.3)	\$6.0	\$3.0	\$7.7	\$14.8	\$10.3	(\$1.8)
Ending Balance	\$30.2	\$36.2	\$39.2	\$46.9	\$61.7	\$72.0	\$70.2
Ending Balance as a % of Total Expenses & Other Outgo	22.9%	27.5%	28.3%	34.3%	44.2%	43.6%	36.6%

*Percentage of Total Expenses and Other Outgo including one-time expenses.

Salaries & Benefits as a % of Total Expenses & Other Outgo



*Percentage of Total Expenses and Other Outgo including one-time expenses.

Unrestricted General Fund Multi-Year Projection (in \$millions)

	Adopted Budget 2023-24	Projected 2024-25	Projected 2025-26
Projected Revenue			
Apportionment Revenue	171.5	173.3	175.6
Other Revenue	18.5	15.3	15.3
Total Available Funding	190.0	188.6	190.9
Projected Expenses			
Expenditure Base (Prior Year)	165.3	191.8	196.2
Adjustments to Operations	3.9	(0.8)	(0.1)
Adjustments to Compensation/Benefits	22.6	5.2	4.6
Total Projected Expenses	191.8	196.2	200.7
Projected Surplus/ (Deficit)	(1.8)	(7.6)	(9.8)
Projected Ending Fund Balance	70.2	62.6	52.8
% of Expenses	36.6%	32.0%	26.3%

Future Budget Challenges

- Enrollment Management:
 - After two years of enrollment declines, LBCC enrollment increased by 5.68% in 2022-23
 - Still below pre-pandemic levels
 - New State Chancellor, Christian is promoting dual enrollment
 - Help engage potential college students early
 - Increase enrollment
 - LBCC plans to invest in dual enrollment initiatives in 2023-24
- State Pension Obligations:
 - STRS unchanged and PERS 2023-24 rate increases 1.31% on top of already high rates.

STRS & PERS Future Employer Rates

Fiscal Year	STRS		PERS		Total
2016-17	12.58%	1,270,151	13.89%	933,156	2,203,307
2017-18	14.43%	1,193,075	15.53%	839,116	2,032,191
2018-19	16.28%	834,704	18.06%	764,568	1,599,272
2019-20	17.10%	1,039,210	19.72%	1,058,278	2,097,488
2020-21	16.15%	(218,810)	20.70%	592,670	373,860
2021-22	16.92%	361,533	22.91%	1,167,807	1,529,340
2022-23	19.10%	1,711,000	25.37%	1,918,000	3,629,000
2023-24	19.10%	179,000	26.68%	939,000	1,118,000
2024-25	19.10%	-	27.70%	453,000	453,000
2025-26	19.10%	-	28.30%	267,000	267,000
Total		\$ 6,369,863		\$ 8,932,595	\$ 15,302,458

Rates are as of May 2024 and are subject to change for future years. Employer contribution increase estimates are based on total covered salary estimates from the 2023-24 Tentative Budget.

Future Budget Challenges (continued)

- COVID Funding
 - Federal HEERF grants have provided needed support
 - With the end of this funding, the challenge is to continue to provide the needed support and safety with other funds

Future Budget Challenges (continued)

- Economic Conditions
 - Enacted Budget does not plan for a recession.
 - So, if one occurs in 2023-24, mid-year cuts or impact to next year's budget may occur.
 - Recent economic news has been mixed
 - Chancellor's Office continues to report that state revenues are down.
 - The reduction to prior year's allocations, the significant decrease to 2022-23 education protection act (EPA) funding and the 10% deficit factor in the 2022-23 P-2 apportionment report are signs for concern

Future Budget Challenges (continued)

- Apportionment Funding
 - SCFF Implemented in 2017-18 to increase student success in a simple, understandable formula
 - Unfortunately, it has evolved into a complex formula due to:
 - Hold harmless, stability and three-year averaging provisions along with emergency conditions and other allowances
 - The emergency conditions allowance (ECA) ended June 30, 2023, which removes protections for reduced enrollment (full-time equivalent students, FTES) and the reduced funding for moving from large college to medium college status
 - Apportionment funding is based on the largest of three amounts

Future Budget Challenges (continued)

- Apportionment Funding (continued)
 - Hold harmless provision is now a non-factor
 - Unless our metrics increase, especially FTES, our apportionment revenue will not increase at the rates we've experienced in the past or even at the rates of other colleges
 - Due to the stability and three-year averaging features of the SCFF, declines will be spread over three years
 - For planning purposes, we need to be aware that COLA is applied to funding rates and not the total apportionment revenue

QUESTIONS & ANSWERS