

# Overview

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- Major factors affecting Community College financing
- Significant factors affecting the budget
- Short-term budget strategies
- Changes from tentative budget
- Long-term budget strategies
- New programs



# Major Factors Affecting CC Financing

## Pages 5 & 6

### ➤ The new Student Centered Funding Formula (SCFF)

Funding Source	Prior	2018-19	2019-20	2020-2021
Enrollment (Base Allocation)	100%	70%	65%	60%
Student Economic Need (Supplemental Allocation)		20%	20%	20%
Student Success Allocation		10%	15%	20%

### ➤ 3-Year hold Harmless

# Update from the Capitol – New Funding Formula

## ➤ Funding for low-income students is based on:

- Pell Grants
- Promise Grants (formerly known as the “BOG fee waiver)
- AB 540 students

## ➤ Funding for student success is based on:

- AA, ADT, & Bachelor’s degrees awarded
- Certificates of 16+ units
- Completion of 9+ units in Career Technical Educations (CTE)
- Transfers to a CSU or UC
- Completion of transfer level math or English in 1<sup>st</sup> year
- Attainment of a living wage
- Extra points for Pell eligible, Promise Grant (BOG), & AB 540 students

# Significant Factors Affecting the Budget

- \$230,407 PERS cost **increases** (employer rate increasing from 15.531% to 18.062% of payroll)
- \$341,704 STRS cost **increases** (employer rate increasing from 14.43% to 16.28% of payroll)
- \$564,900 cost of employee step/column **increases**
- \$414,720 cost **increases** for health and welfare benefits
- \$320,000 **cost** for OPEB contributions
- \$250,000 **increase** for incremental classified employee positions
- \$700,000 **increase** for Banner 9 upgrade
- ~~\$354,000~~ \$157,500 **increase** for County charges to SCC for election costs
- \$500,000 **savings** from reduced full-time faculty

# Short-term Budget Strategies

- Conservative budgeting
  - Focus on expenditure control
  - \$200,000 contingency appropriation
  - Periodic budgetary reports
  - Increasing productivity
  - Strengthening reserves
    - Maintaining a 5% Board-required reserve
    - Restoring the PERS/STRS reserve
    - Establishing an OPEB reserve
    - Creating a stability reserve

# Changes from Tentative Budget

## ➤ FTES Lower

	2015-16	2016-17	2017-18	2018-19 (estimated)
Actual FTES	6,916	6,485	7,170 7,122	6,955 7,200
Funded FTES	8,246	8,245	7,985 8,060	7,985 8,060

- Slight improvement in financial position
- State budget signed, new Student Centered Funding Formula (SCFF)
- A new transition plan

# Changes from Tentative Budget

➤ Slight improvement in unrestricted General Fund

	Adopted Budget (September)	Tentative Budget (June)	Change
Revenues	\$55,993,660	\$54,551,772	\$1,441,888
Expenditures	55,799,401	54,542,994	1,256,407
Net increase in fund balance	194,259	8,778	185,481

# Long-term Budget Strategies

## Pages 7 & 8

- Five-year transition plan to the new Student Centered Funding Formula
  - Increasing enrollment
  - Supporting student economic needs
  - Focus on student success
- Backup plan
  - Years 1-3: Increasing stability reserves (PERS/STRS, OPEB, and Stability)
  - Year 4: Reserve drawdown
  - State stability is still in place, so far



# New Programs

## Page 9

- “Solano Promise”: **\$316,223**
  - Success Incentive scholarship for first-time, full-time students
- Financial Aid Technology Improvements: **\$179,957**
  - Shorten processing times
  - Simplify student submissions
- Online College, managed by CCCCCO
- Full-time faculty hiring: \$50 million statewide
  - CCCCCO has not yet determined Solano allocation nor provided guidance