HCCD Budget Update

January 2020

Presented by:

Rick Bennett
Interim Vice President
Administrative Services
CCC Budget Process

State Budget - Proposition 98

Governor - Legislature

State Board of Governors & System

Local Boards of Trustees & Districts

Federal & Special Funds

Allocations

73 Districts
Changes in Funding Formula

Previous Funding Formula

- 100% FTES Enrollment

New Funding Formula

- 70% Enrollment
- 10% Student Success
- 20% Supplemental

www.hartnell.edu
In 2018-19, 2019-20, and 2020-21, a district will receive the greater of the formula total or the amount the district received in 2017-18, adjusted by cost-of-living.

The formula includes a hold harmless “stability” provision that delays any decreases in revenues through FY2022.

Further, the formula required the following:

- *Goals*—Adoption, by January 1, 2019, of goals that are aligned with the Vision for Success.
- *Comprehensive Plans*—Alignment of comprehensive plans with those goals and alignment of annual budgets.
Total Computational Revenue is based on three allocations:

I. **Base (70%)** – primarily credit FTES

II. **Supplemental (20%)** – counts of low-income students (PELL, CA College Promise, AB 540)

III. **Student Success (10%)** – counts of outcomes
   1. degrees & certificates granted,
   2. transfers to 4-year, &
   3. completion of certain courses –
      1. transfer-level math & English in 1st year and
      2. 9 units of CTE
# Point Values

<table>
<thead>
<tr>
<th></th>
<th>2018-19</th>
<th>2019-20 /¹</th>
<th>2020-21 /¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Allocation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollars per Credit FTES</td>
<td>$3,727</td>
<td>$3,387</td>
<td>$3,046</td>
</tr>
<tr>
<td><strong>Basic Allocation</strong></td>
<td><strong>See Note</strong></td>
<td><strong>See Note</strong></td>
<td><strong>See Note</strong></td>
</tr>
<tr>
<td><strong>Supplemental Allocation—Dollars per Point</strong></td>
<td>$919</td>
<td>$919</td>
<td>$919</td>
</tr>
<tr>
<td><strong>Student Success Allocation—Dollars per Point</strong></td>
<td>$111</td>
<td>$167</td>
<td>$222</td>
</tr>
</tbody>
</table>

¹/ These totals will also be adjusted by the changes in the **cost-of-living** in those years.

Note: These amounts will be calculated based on the numbers of colleges and comprehensive centers consistent with the current formula.
## Student Success Allocation

<table>
<thead>
<tr>
<th>Student Success Allocation—Measures</th>
<th>All Students</th>
<th>Promise Grant Premium</th>
<th>Pell Grant Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate degrees for transfer granted</td>
<td>4</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Associate degrees granted (excluding ADTs)</td>
<td>3</td>
<td>3</td>
<td>4.5</td>
</tr>
<tr>
<td>Baccalaureate degree granted</td>
<td>3</td>
<td>3</td>
<td>4.5</td>
</tr>
<tr>
<td>Credit certificates (16 units or more) granted</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Completion of transfer-level mathematics and English courses within first academic year of enrollment</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Successful transfer to four-year university</td>
<td>1.5</td>
<td>1.5</td>
<td>2.25</td>
</tr>
<tr>
<td>Completion of nine or more CTE units</td>
<td>1</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>Attainment of regional living wage</td>
<td>1</td>
<td>1</td>
<td>1.5</td>
</tr>
</tbody>
</table>
### 2018-19 P2 Total Computational Revenue (TCR)

<table>
<thead>
<tr>
<th>Allocation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Allocation</td>
<td>$32,094,892</td>
</tr>
<tr>
<td>Supplemental Allocation</td>
<td>$10,577,690</td>
</tr>
<tr>
<td>Student Success Allocation</td>
<td>$6,764,188</td>
</tr>
</tbody>
</table>

**SCFF Calculated Revenue =** $49,436,770

**Adjusted 2018/19 TCR =** $46,352,947

**Shortfall =** ($3,083,823)
General Fund Budget Challenges

- SCFF brings revenue uncertainty and increasing operational costs.

- CalSTRS-CalPERS
  FY 2013-14: $2,225 M
  FY 2020-21: $5,767 M

- Health & Welfare Benefits
  FY 2013-14: $4,320 M
  FY 2019-20: $6,115 M
STRS/PERS rate increases through 2024-25
Governor Newsom released his budget Friday Jan10, emphasizing that California continues to outperform the nation on its fiscal condition and its ability to have balanced budgets with ample reserves to withstand a 3-5 year recession.

He acknowledged as part of his opening statement that the fiscal pressures across all state agencies brought about by continuing high increases in PERS & STRS rates. In addition, he stated that PERS & STRS systems are only 65% whole—not fully funded.
2.29% COLA Increase

HCCD Impact. This will yield $1.07 million, which will be used to help pay for increases in personnel and operating costs.

Apportionment Funding for Growth.

0.5% in growth funding in the amount of $31.9 million, CCC system-wide.

HCCD Impact Minimal.

HCCD eligible for .5% of $206,883
COLA of 2.29% for the following Programs:

- Adult Education Program
- Disabled Students Programs and Services
- Extended Opportunity Programs and Services (EOPS)
- CalWORKS student service
- Cooperative Agencies Resources for Education (CARE)
- Childcare tax bailout
- Mandated Cost
Deferred Maintenance and Instructional Equipment.
  - HCCD Impact.
    - $114,126 in one-time funding.

Mandated Block Grant Funding.
  - HCCD Impact.
    - $228,268 in one-time funding.
New Budget FY 2020/21 areas of note

- **Ongoing Increases**
  - 68% increase for Apprenticeship Initiatives
  - Workforce Initiatives
  - Support for food pantry
  - Funding for immigrant student legal services and Dreamer Resource Liaison
  - Dual enrollment instructional materials
  - Changes in categorical fund structure with the creation of the CCC System Support Program, using Set Aside Funding from existing programs
New Budget FY 2020/21 areas of note

- One-time funding
  - Textbook affordability
  - PT Faculty Office Hours

- Declines
  - Student Success Completion Grants, with revised estimates of potential recipients
  - Elimination of one-time funding for FT faculty hiring.
$3 million shortfall from FY 2018/19
50% Law
H&W Increases
PERS & STRS continuing increases
FTES – minimal growth
Salary Compensation Increases
SCFF complications & predictability
Thank you!