

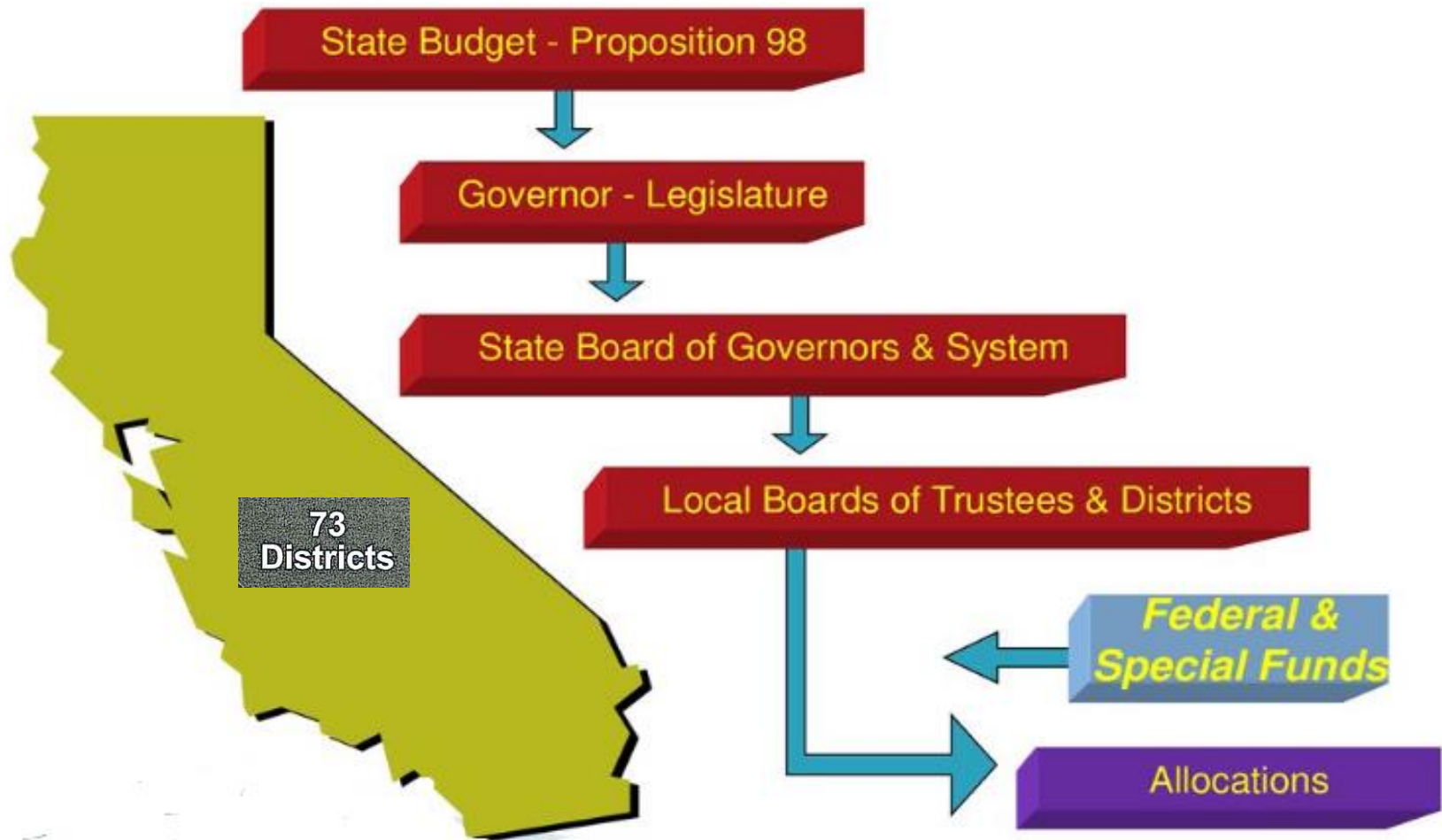
The HCCD Budget

January 2020

Presented by:

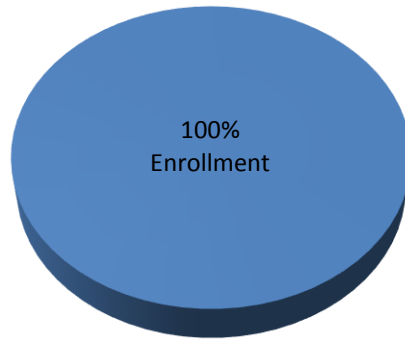
Rick Bennett
Interim Vice President Administrative Services



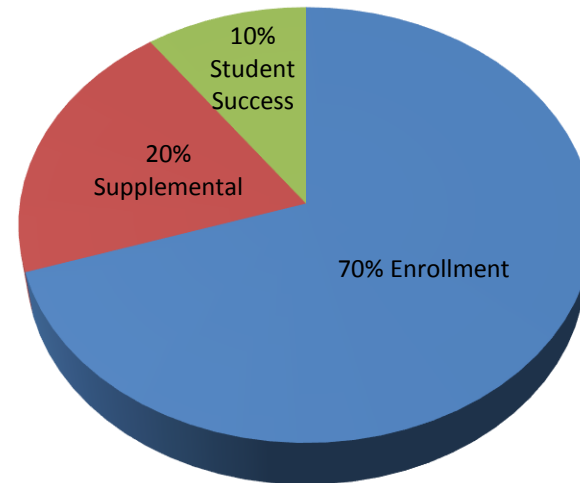




Previous Funding Formula



New Funding Formula



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 by two year.

Further, the formula requires the following:

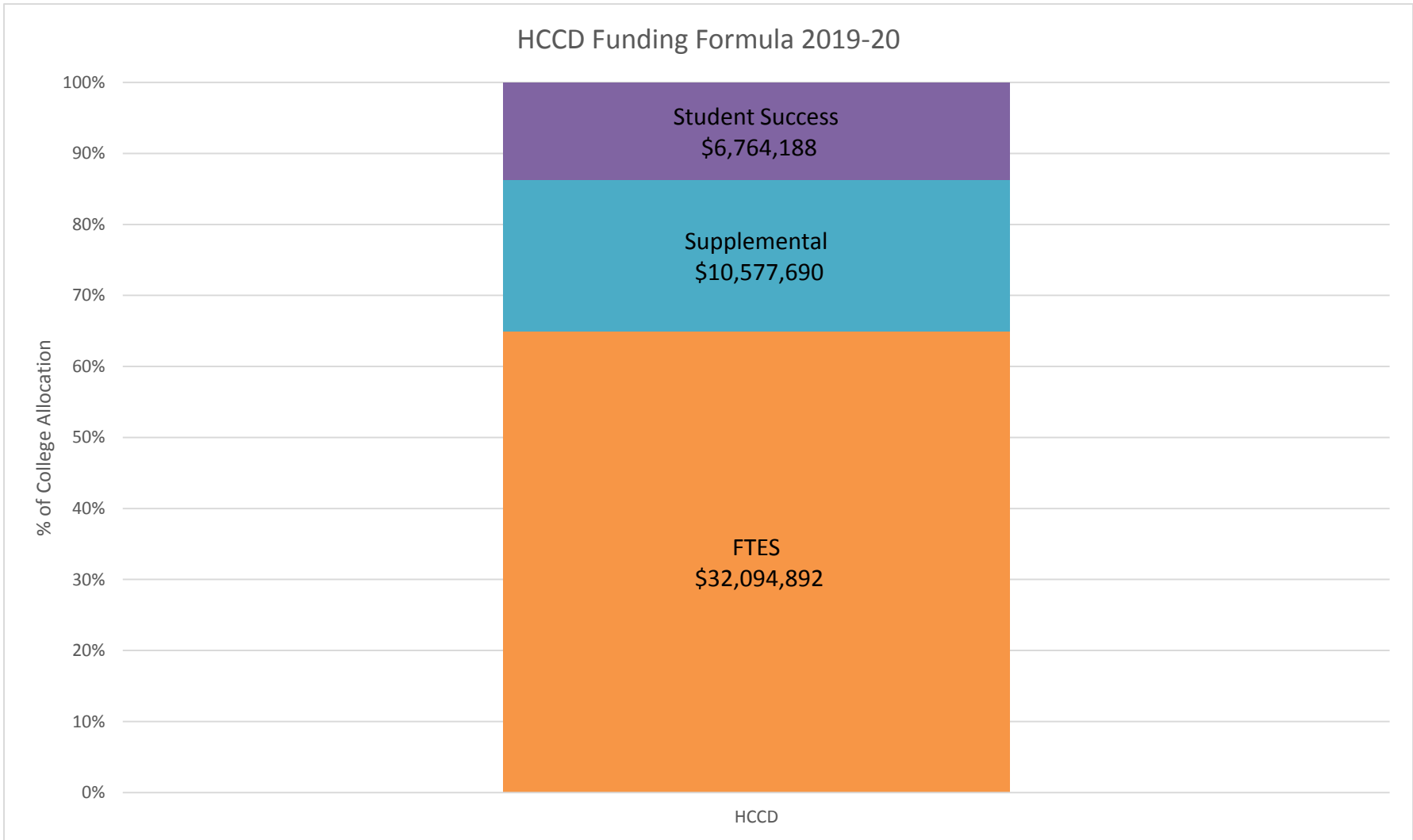
- *Goals*—Adoption, by January 1, 2019, of goals that are aligned with the Vision for Success.
- *Comprehensive Plans*—Alignment of comprehensive plans with those goals and alignment of annual budgets with the comprehensive plans.
- *Capacity*—If directed by the chancellor (with approval by the Board of Governors), use of funds for technical assistance or professional development.

August 10, 2018



Apportionment is based on three allocations:

- I. Base (70%) – current factors, primarily credit FTES**
- II. Supplemental (20%) – counts of low-income students (PELL, CA College Promise, AB 540)**
- III. Student Success (10%) – counts of outcomes (degrees & certificates granted, transfers to 4-year, & completion of certain courses – transfer-level math & English in 1st year and 9 units of CTE)**





	2018-19	2019-20 ^{/1}	2020-21 ^{/1}
Base Allocation			
Dollars per Credit FTES	\$3,727	\$3,387	\$3,046
Basic Allocation	<i>See Note</i>	<i>See Note</i>	<i>See Note</i>
Supplemental Allocation— Dollars per Point	\$919	\$919	\$919
Student Success Allocation— Dollars per Point	\$111	\$167	\$222

^{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—Measures	All Students	Promise Grant Premium	Pell Grant Premium
Associate degrees for transfer granted	4	4	6
Associate degrees granted (excluding ADTs)	3	3	4.5
Baccalaureate degree granted	3	3	4.5
Credit certificates (16 units or more) granted	2	2	3
Completion of transfer-level mathematics and English courses within first academic year of enrollment	2	2	3
Successful transfer to four-year university	1.5	1.5	2.25
Completion of nine or more CTE units	1	1	1.5
Attainment of regional living wage	1	1	1.5



District receives one “point” based on the counts in the prior year:

- Pell Grant recipients.
- California College Promise Grant recipients.
- AB 540 students.

2018-19 P2 Total Computational Revenue (TCR)

Base Allocation = \$32,094,892

Supplemental Allocation = \$10,577,690

Student Success Allocation= \$6,764,188

SCFF Calculated Revenue = \$49,436,770

➤ “Constrained” TCR = \$46,641,570

➤ All the State can afford = \$46,352,947

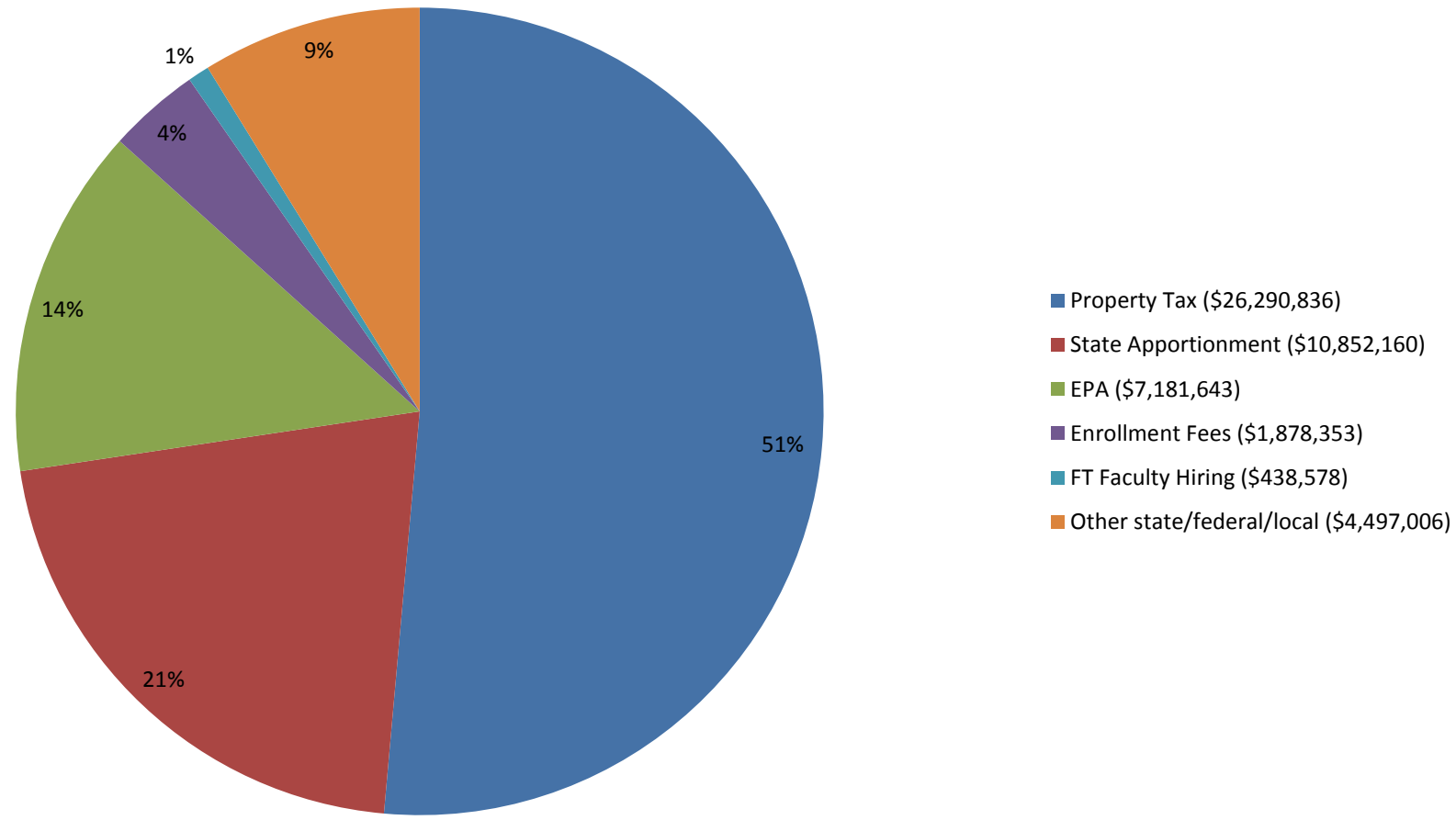
Hartnell’s 18-19 TCR
Revised State TCR based
on Hold Harmless
Adjusted TCR based on
State revenue shortfall

Constrained shortfall= (\$2,795,200)

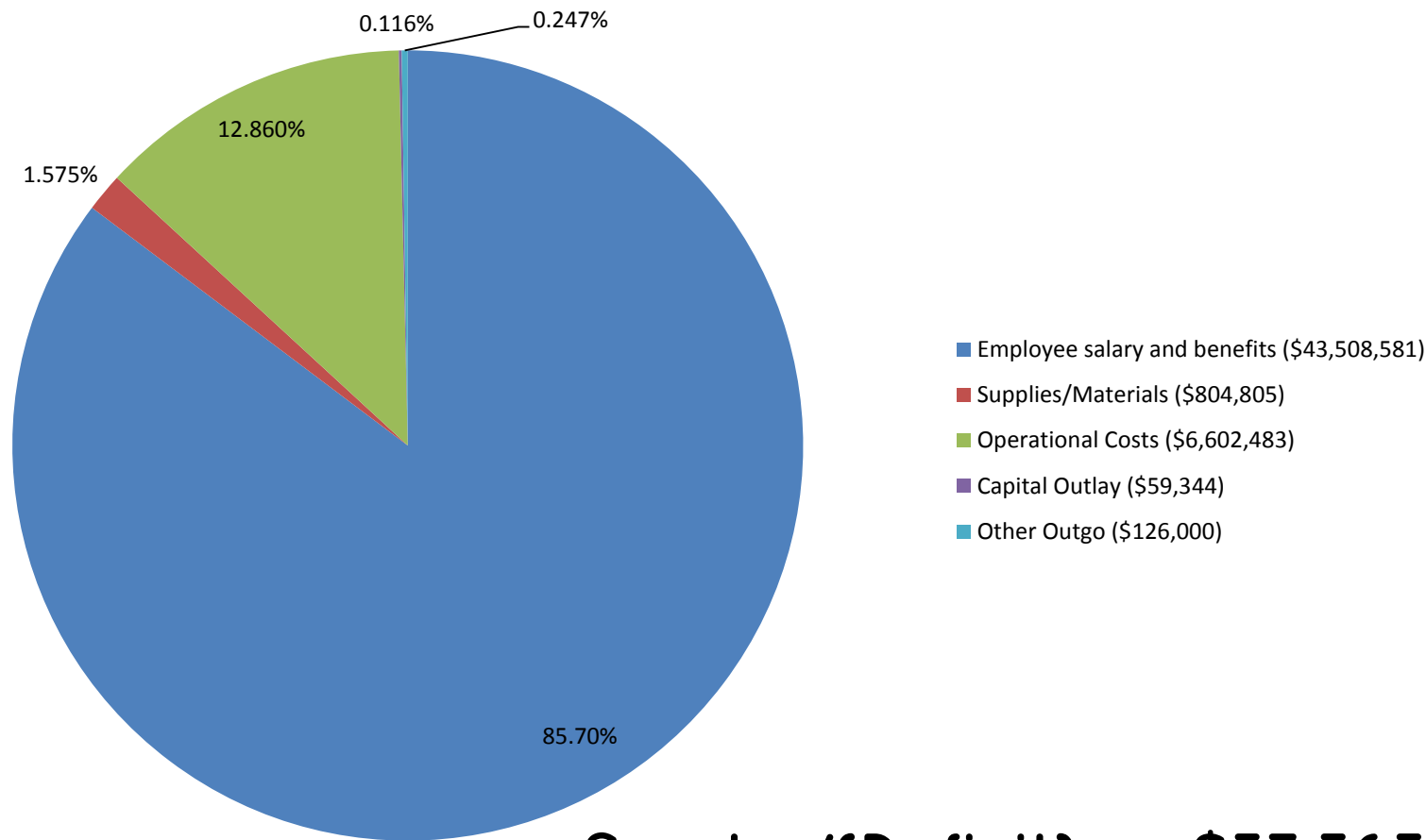
Affordable shortfall = (\$3,083,823)

State told us we could
have-look what we lost.
State changed their
mind; we are still
waiting

Sources of General Fund Resources: = \$51,138,576



Total General Fund Requirements: = \$51,101,213



Surplus/(Deficit) = \$37,363

- SCFF brings revenue uncertainty and increasing operational costs.
- CalSTRS-CalPERS
 - FY 2013-14: \$2,225 M
 - FY 2019-20: \$5,767 M
- Health & Welfare Benefits
 - FY 2013-14: \$4,320 M
 - FY 2019-20: \$6,115 M



Funding Budget Challenges

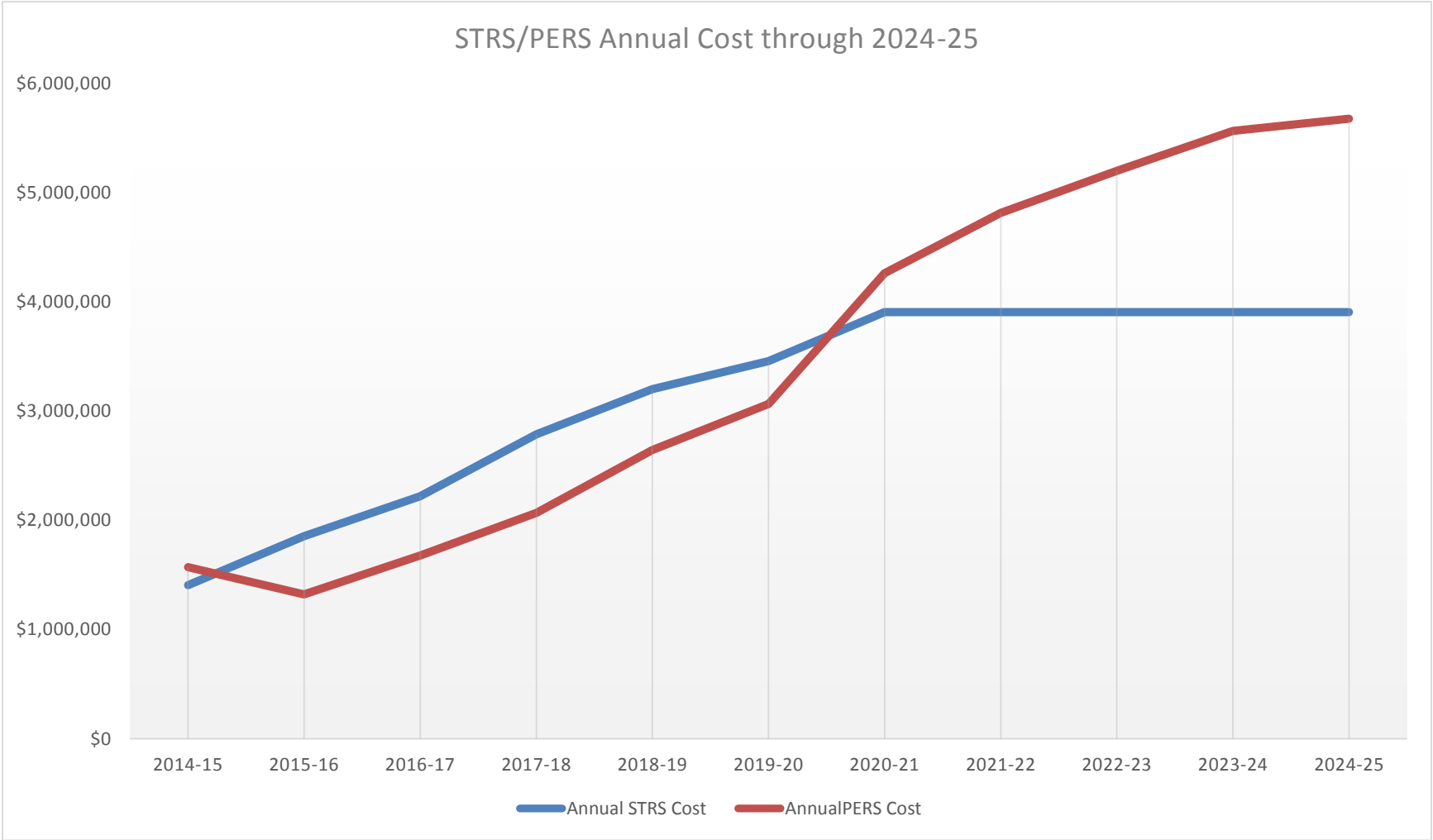


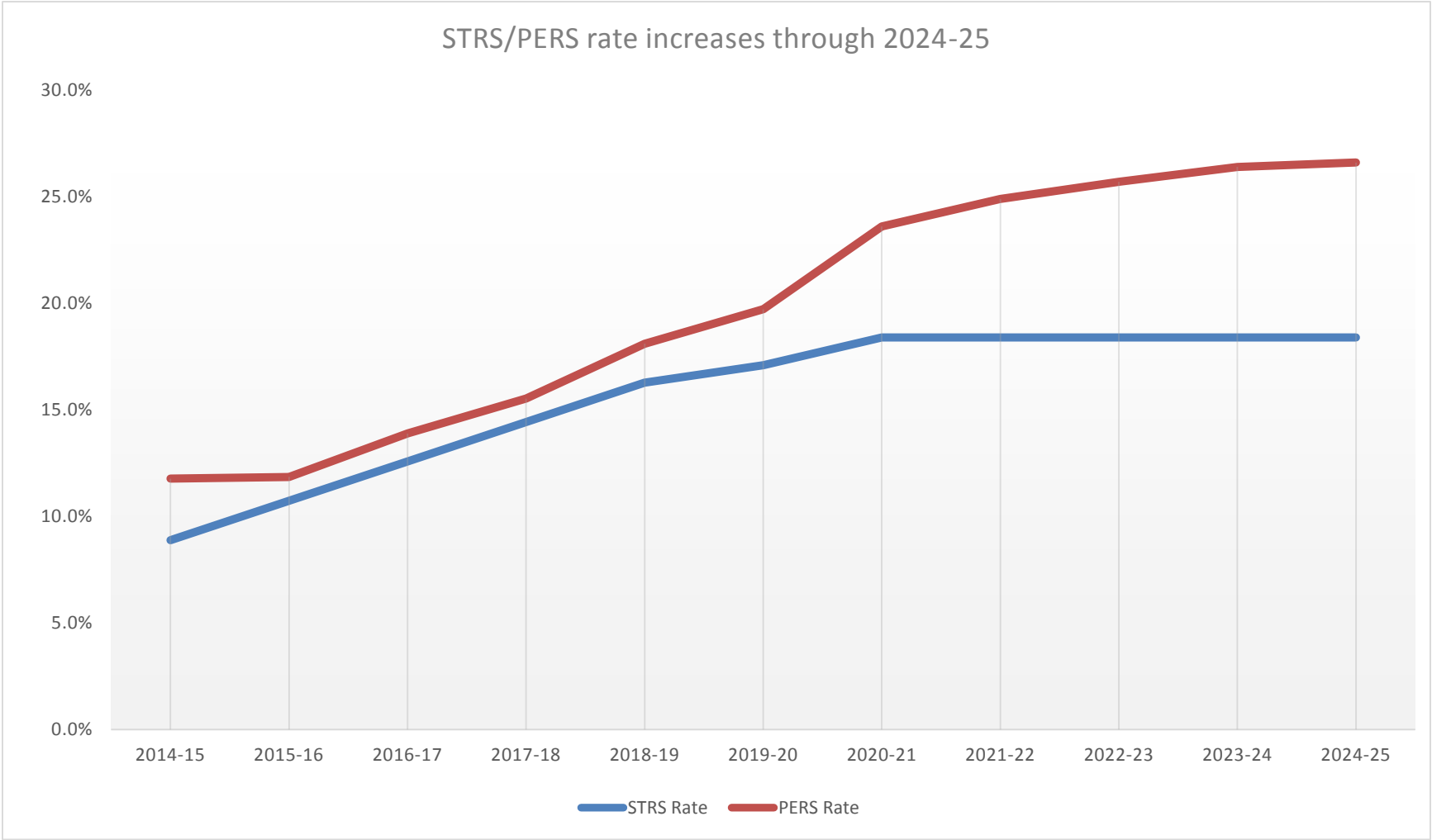
HARTNELL COLLEGE

Fiscal Year	STRS Rate	PERS Rate	Annual STRS Cost	STRS Annual Increase	Annual PERS Cost	PERS Annual Increase
2014-15	8.9%	11.8%	\$1,405,812		\$1,570,748	
2015-16	10.7%	11.9%	\$1,853,638	\$447,826	\$1,320,400	-\$250,347
2016-17	12.6%	13.9%	\$2,220,709	\$367,071	\$1,677,948	\$357,548
2017-18	14.4%	15.5%	\$2,786,015	\$565,305	\$2,066,489	\$388,541
2018-19	16.3%	18.1%	\$3,200,701	\$414,687	\$2,642,786	\$576,297
2019-20	17.1%	19.7%	\$3,456,758	\$256,056	\$3,065,632	\$422,846
2020-21	18.4%	23.6%	\$3,906,136	\$449,378	\$4,261,228	\$1,195,596
2021-22	18.4%	24.9%	\$3,906,136	\$0	\$4,815,188	\$553,960
2022-23	18.4%	25.7%	\$3,906,136	\$0	\$5,200,403	\$385,215
2023-24	18.4%	26.4%	\$3,906,136	\$0	\$5,564,431	\$364,028
2024-25	18.4%	26.6%	\$3,906,136	\$0	\$5,675,720	\$111,289

Projected amounts--subject to change

Governor Newsom's 2020/21 budget proposal denotes an "on behalf of HCCD" payment of 0.8% for PERS
 If passed and signed, effectively this will reduce HCCD's obligation by \$93,300







- Traditional FTE has taken a 30 percent discount
- MIS data integrity issues make these projections *volatile*
- Inmate population MIS input critical
- Student Success is projected to account for less than 10 of allocation
- Each FTE can be leveraged for additional Funding if that FTE achieves a student success outcome



Thank you!