

Grossmont-Cuyamaca Community College District

2024/2025 Adoption Budget

September 10th, 2024

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Vice Chancellor – Business Services

2024/2025
State Enacted Budget
Overview

- Framed by multi-year budget deficit
 - \$45B in 2024/25
 - \$30B in 2025/26
- Includes NO major core reductions to community college programs or services
 - Draws on reserves and operational savings to ensure fiscal stability
- Significant cuts to government operations and hiring, reductions to programs, and pauses new investments

Addressing the State Deficit

- Withdraw \$8B from Proposition 98 Rainy Day Fund
- Use \$787M from Public School System Stabilization Account (PSSA)
- Defer \$446.4M from FY 2023/24 SCFF to FY 2024/25
- Defer \$243.7M from FY 2024/25 SCFF to FY 2025/26
- Re-appropriate Unspent 2020 Strong Workforce and 2022 Student Success Completion Grant Funds
 - GCCCD had no unspent funds
- Permanently eliminate 10,000 state positions beginning in 2025/26

2024/2025

California Community College
Budget

On-Going Resources:

- \$100M for 1.07% Cost-of-Living increase (COLA)
- \$13M for 1.07% Cost-of-Living increase for selected categorical programs
- \$28M for 0.5% enrollment growth
 - No impact to GCCCD
- 2024/25 sets the funding floor for each district that won't increase or decrease
- Part-Time Office Hours Program:
 - Increased the reimbursement rate from 50% of the total cost to 90%
 - No additional funds allocated
 - State will use one-time funds for FY 24-25

One-Time Resources:

- \$65 million reduction the general allocation of the strong workforce program offset by:
 - \$5M increase for Pathways for Low-Income Workers Demonstration Project
 - GCCCD is a demonstration site
 - \$60M to expand nursing program capacity
 - GC is eligible to apply for the funds
- \$20M for Financial Aid assistance related to FAFSA delays
- \$12M to expand e-Transcript California
- \$6M for Mapping Pathway for Credit for Prior Learning

2024/2025
GCCCD Adoption Budget

Revenue Assumptions - UGF

- Student Centered Funding Formula
 - Stability Funding
- No State Deficit
 - 2% deficit built in Tentative Budget
- Interest Income
 - Estimated at \$2M
- Adjunct Office Hours and Health Benefits State reimbursements
 - Estimated at 90% of cost
- Not deficit spending

Expenditure Assumptions - UGF

- Salary Increases
 - Includes step/column & longevity increases and increases for negotiated salary
- PERS rate = 27.05%
 - 1.5% increase from PY
- STRS rate = 19.10%
 - no increase from PY
- Health & Welfare Benefits Rates
 - 6.5% increase from PY

Expenditures Assumptions - UGF

- Workers' Compensation = .969%
 - 7% decrease from PY
- Property & Liability Insurance = \$1.3M
 - 21% increase from PY
- AB 218 – childhood sexual assault
 - Extends the statute of limitation for reporting childhood sexual assault from 26 years of age to 40 years of age
 - Provides a window of three years for the revival of past claims that might have expired due to the statute of limitations
 - FY 23/24 - \$143,059
 - FY 24/25 - \$391,687
 - Set aside \$500k for future invoices

2023/2024

Actuals

Unrestricted General Fund

Additional Revenue:

- No State deficit realized in 23-24 \$2.8 million
- No State deficit realized in 22-23 \$1.3 million
- Additional interest not budget \$5 million

Expenditures Savings:

- \$7.0 million in vacant positions
- \$1.5 million in Purchase Order Carryover to 24-25
- \$7.3 million beginning balance

Reserves - UGF

- BP 6250 Budget and Reserve Management
 - **Contingency Reserve** = \$16,250,875
 - 10% of Unrestricted General Fund Expenditures
 - Per BP 6250, reserves level will be at 2 months of total operating expenditures
 - One month of total operating expenditures = \$14 million
 - **Technology Upgrades & Replacement** = \$1.8 million
 - **Facilities Maintenance, Repairs & TCO** = \$1.8 million
 - **STRS/PERS Increases** = \$1 million

- Colleges and District set asides one-time funds designated for:
 - Health & Safety Mitigation \$2.5 million
 - Technology Upgrades \$3.5 million
 - Parking Fund \$1.0 million
 - Pending litigations, Fines & Unanticipated Cost \$7.6 million
 - Deferred Maintenance & Repairs \$11 million

2024/2025 Adoption Budget Revenue - UGF

• SCFF Funding	\$143 M	89%
• State Revenue	\$10 M	6%
• Local Revenue	\$ 5 M	3%
• Transfer In from OPEB	\$ 1 M	1%
• One-Time Funds	\$2 M	1%

Total Revenue – UGF **\$161 M**

2024/2025

Adoption Budget Expenditures - UGF

- | | | |
|------------------------------|---------|-----|
| • Salaries & Benefits | \$133 M | 85% |
| • Utilities | \$ 5 M | 3% |
| • Operating Expenses | \$ 16 M | 10% |
| • Transfers/Student Payments | \$ 3 M | 2% |

Total On-Going Expenditures **\$157 M**

Beginning Balance & 1-Time \$9 M

Total Expenditures **\$166 M**

Resident FTES Comparison

	<u>2020/21</u> Actuals	<u>2021/22</u> Actuals	<u>2022/23</u> Actuals	<u>2023/24</u> Actuals
Grossmont College	9,527	8,192	8,634	10,432
Cuyamaca College	4,770	4,362	4,655	5,5697
Total FTES Earned	<u>14,297</u>	<u>12,554</u>	<u>13,289</u>	<u>16,129</u>
<i>compared to PY</i>		<i>-12.2%</i>	<i>5.9%</i>	<i>21.4%</i>

3 Year Average Credit FTES

2022/2023

2020/21
ECA

2021/22
ECA

2022/23
ECA

3 Year
Average

16,663

16,663

16,663

16,663

2023/2024

2021/22
ECA

2022/23
ECA

2023/24
Actuals

3 Year
Average

16,663

16,663

15,293

16,206

2024/2025

2022/23
ECA

2023/24
Actuals

2024/25
Projections

3 Year
Average

16,663

15,293

15,306

15,754

SCFF Funding Protection

Hold Harmless VS. Stability

Hold Harmless

- Allows Districts to maintain revenue at 2017-18 funding level increased annually by each year's COLA
- This protection ends in 2024-25
- Beginning 2025-26, the district's 2024-25 funding will become the new base funding
- The new base funding will no longer reflect cumulative COLAs over time

Stability Protection

- Began in 2020-21
- A protection is given so districts will receive no less than the prior year SCFF funding plus current year COLA

State will fund the higher of the two protection

SCFF Funding

	COLA	ECA	SCFF	Hold Harmless	Stability
2021-22	5.07%	Yes	\$115.5M	\$121.9M	\$120.8M
2022-23	6.56%	Yes	\$130.7M	\$129.9M	\$123.1M
2023-24	8.22%	No	\$141.6M	\$140.6M	\$141.4M
2024-25 est.	1.07%	No	\$141.4M	\$142.1M	\$143.1M
2025-26 est.	2.0%	No	\$143.7M	N/A	\$144.2M

COMMENTS/
QUESTIONS??