



# Community College Finance and Budgeting for HR Professionals

## 2022 ACHRO/EEO Fall Training Institute

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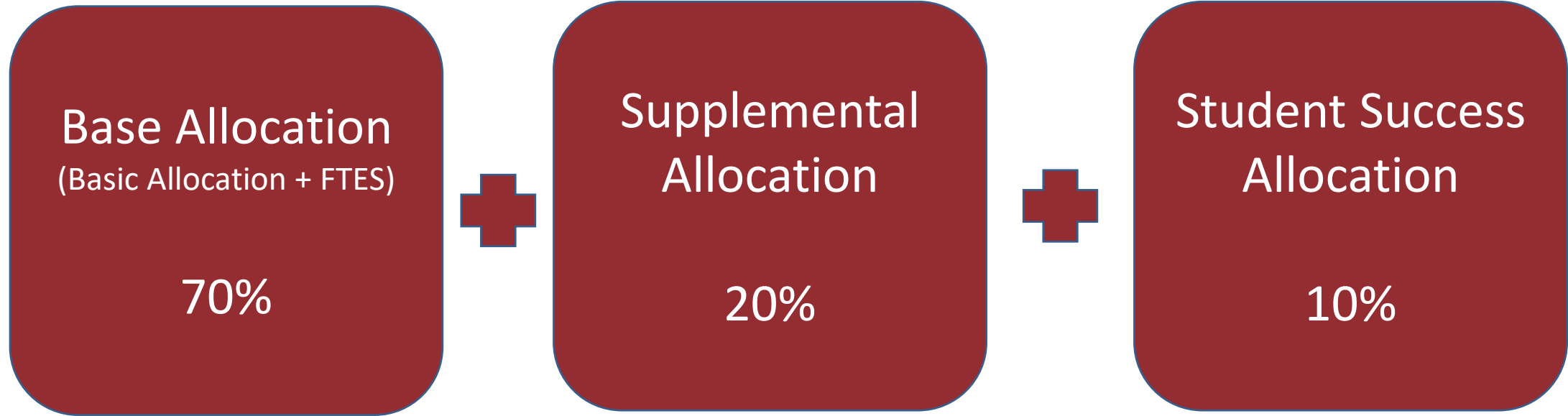
Mt. San Antonio College



# The CHRO's Role in Financial Management

- Employment costs account for 80%+ of community college unrestricted general fund budgets
- Bargaining pressures to increase salaries and medical insurance contributions while decreasing workloads
- Participation in Chancellor's/President's Cabinet
- Strategic HR management
- 50% law / FON
- Full-time Faculty Hiring Funding
- Part-time Faculty Benefits Funding
- Impacts of Proposed/Enacted Legislation

# Student Center Funding Formula (SCFF)



## 2021-2022 Basic Allocation

- Flat amount determined by college or center size
- Single College District
  - 20,000+ FTES \$7,084,352
  - 10,001 – 19,999 FTES \$5,667,482
  - <10,000 FTES \$4,250,609
- Multi College District
  - 20,000+ FTES \$5,667,482
  - 10,001 – 19,999 FTES \$4,959,045
  - <10,000 FTES \$4,250,609
- Rural College Addition \$1,351,956
- State Approved Center (1,000+ FTES) \$1,416,870



## Sample College Basic Allocation - Example

- In 2021-22 Sample College's Basic Allocation was \$7,084,352 as a single college district with greater than 20,000 FTES

## Sample College FTES applied to Base Allocation

In 2021-22 Sample College's Base FTES Allocation was \$148,974,395 based on the following enrollments:

FTES Type	FTES Revenue Projection			
	3 Year Average	Total	Rate	Revenue
Credit (Based on a 3 year average)	24,630	24,630	4,212	\$103,747,114
Special Admit Credit	-	146	5,907	\$859,524
Incarcerated Credit	-		5,907	\$0
CDCP	-	6,567	5,907	\$38,792,172
Noncredit	-	1,570	3,552	\$5,575,585
<b>Total</b>	<b>24,630</b>	<b>32,912</b>		<b>\$148,974,395</b>

## Sample College Supplemental Counts (Three prior years averaged)

In 2021-22 Sample College's Supplemental Allocation was \$32,401,949 based on the following financial aid award recipients:

<b>Supplemental Counts</b> (headcount; students may count in multiple categories)	<b>Points</b>	<b>\$ Per Point</b>	<b>Total Outcomes</b>	<b>Projected Revenue</b>
AB 540	1	\$996	1,293	\$1,287,910
Pell Grant Recipient	1	\$996	11,053	\$11,009,491
Promise Grant Recipient (Formerly BOG )	1	\$996	20,184	\$20,104,548
<b>Total</b>				<b>\$32,401,949</b>

# Sample College Success Metrics - Base (3 prior years averaged)

In 2021-22 Sample College's Success Allocation was \$18,235,962 based on the following outcomes:

<b>Success Metrics</b> (headcount, highest outcome per student)	<b>Points</b> (\$587 per point)	<b>Total Outcomes</b>	<b>Rate times points</b>	<b>Projected Revenue</b>
Associate Degree for Transfer	4	1,232	\$2,349	\$2,894,418
Associate Degrees	3	1,512	\$1,762	\$2,664,767
Baccalaureate Degrees	3		\$1,762	\$0
Credit Certificates 18+ units	2	273	\$1,175	\$320,297
Transfer Level Math/English	2	998	\$1,175	\$1,172,725
Transfer to 4-year university	1.5	1,517	\$881	\$1,336,201
9 or more CTE Units	1	5,136	\$587	\$3,016,585
Regional living wage	1	3,172	\$587	\$1,862,851
<b>Total</b>				<b>\$13,267,844</b>



# Sample College Success Metrics – Pell Grant Recipients (3 prior years averaged)

In 2021-22 Sample College’s Success Allocation was \$18,235,962 based on the following outcomes:

<b>Success Metrics - Pell</b> (headcount, highest outcome per student)	<b>Points</b> (\$148 per point)	<b>Total Outcomes</b>	<b>Rate times points</b>	<b>Projected Revenue</b>
Associate Degree for Transfer	6	757	\$889	\$673,188
Associate Degrees	4.5	870	\$667	\$580,224
Baccalaureate Degrees	4.5	0	\$667	
Credit Certificates 18+ units	3	136	\$444	\$60,445
Transfer Level Math/English	3	385	\$444	\$170,964
Transfer to 4-year university	2.25	816	\$333	\$272,001
9 or more CTE Units	1.5	2,552	\$222	\$567,039
Regional living wage	1.5	1,011	\$222	\$224,742
<b>Total</b>				<b>\$2,548,603</b>

# Sample College Success Metrics – Promise Grant Recipients (3 prior years averaged)

In 2021-22 Sample College’s Success Allocation was \$18,235,962 based on the following outcomes:

<b>Success Metrics - Promise</b> (headcount, highest outcome per student)	<b>Points</b> (\$148 per point)	<b>Total Outcomes</b>	<b>Rate times points</b>	<b>Projected Revenue</b>
Associate Degree for Transfer	4	987	\$593	\$584,649
Associate Degrees	3	1,197	\$444	\$532,002
Baccalaureate Degrees	3	0	\$444	
Credit Certificates 18+ units	2	213	\$296	\$63,210
Transfer Level Math/English	2	593	\$296	\$175,606
Transfer to 4-year university	1.5	1,113	\$222	\$247,260
9 or more CTE Units	1	3,758	\$148	\$556,693
Regional living wage	1	1,755	\$148	\$260,050
<b>Total</b>				<b>\$2,419,515</b>

## Student Example:

A student is enrolled full-time and receives a pell grant and a promise grant.  
How much funding is generated under the 2021-22 SCFF?

Full-Time Student:	\$4,212
Pell Grant Student:	\$996
<u>Promise Grant Student</u>	<u>\$996</u>
Total	\$6,204

## Student Example:

A student is enrolled full-time, receives a pell grant, receives a promise grant, and is awarded an associate degree. How much funding is generated under the 2021-22 SCFF?

Full-Time Student:	\$4,212
Pell Grant Student:	\$996
Promise Grant Student	\$996
Associate Degree	\$1,762
Associate Degree (Pell)	\$667
<u>Associate Degree (Promise)</u>	<u>\$444</u>
Total	\$9,077

## Sample College SCFF Performance

In 2021-22 Sample College's Supplemental Allocation Total Computational Review (TCR) under the SCFF was \$206,696,658:

SCFF Categories	Total Revenue Earned	Percentage of Total
Base Allocation (Basic + FTES)	\$156,058,747	75%
Supplemental Allocation	\$32,401,949	15.7%
Success Allocation	\$18,235,962	8.8%
<b>Total</b>	<b>\$206,969,658</b>	

# SAMPLE COLLEGE 2021-22 P-2 Apportionment Report

Sample College's actual 2021-2022 TCR (as of the 2<sup>nd</sup> principle apportionment report) is its 2020-2021 calculated SCFF revenue plus the funded 2021-2022 COLA

<b>2021-22 P2 Revenue Calculations</b>	
SCFF 21-22 Calculated Revenue (A)	\$206,696,658
2020-21 SCFF Calculated Revenue + COLA (B)	\$209,712,011
Hold Harmless Revenue C (17-18 TCR + COLAs)	\$196,599,304
Stability Adjustment**	\$2,290,682
Hold Harmless Adjustment	N/A
<b>2021-22 TCR(Max of A, B, or C)</b>	<b>\$209,712,011</b>

## Emergency Conditions Allowance

- Protects FTES in the Case of a major emergency
- Actual FTES are reported, but funding is based on pre-pandemic enrollment levels as estimated in the February 2020 P-1 report
- Sample College 2021-22 FTES levels are approximately 4,000 FTES below February 2020 P-1
- $4,000 \times 4,212 = \$16,848,000$  (revenue paid but not earned currently)
- Approximate FTES decline of 12%
- Chancellor's Office has added significant qualifying conditions for Districts to receive the ECA – Emergency Conditions Recovery Plan, CVC-OEI Consortium member+, Governing Board adopts policy to require two months unrestricted general fund reserves (**10+1 and bargaining implications**)



## 2022-23 Final Budget Implications to SCFF

- \$400 million applied to SCFF rates to enhance base funding
- \$200 million to increase the basic allocation within SCFF
- \$493 million COLA to increase rates by 6.56%

COLA increases to SCFF rates have moved multiple districts out of the “hold harmless” TCR calculation for 2022-2023 (collective bargaining implications); however, many districts are relying on ECA to avoid significant revenue reductions



# Sample College Estimates 2022-23 Apportionment Report For 2022-23 Budget

<b>Sample College 2022-23 Estimated SCFF Revenue</b>	
SCFF 22-23 Calculated Revenue (A)	\$239,295,043
2021-22 SCFF Calculated Revenue + COLA (B)	\$220,255,959
Hold Harmless Revenue C	\$209,496,218
Stability Adjustment**	
Hold Harmless Adjustment	
<b>2021-22 TCR(Max of A, B, or C)</b>	<b>\$ 239,295,043</b>

2022-23 SCFF Calculated Revenue (A) is estimated to be protected by approximately \$17,000,000 in Emergency Conditions



## Key Terms Review

- Emergency Conditions
- Hold Harmless
- Stability



## Categorical and Grant Funding

- Consideration for One-time vs Ongoing
- Planning for transitioning positions to unrestricted general fund
- Impacts on the 50% Calculation
- Permissible expenses
- Ongoing Categorical



## Productivity and Faculty Cost

Employment costs compared to revenue generated

- WSCH per FTEF
- FTES per FTEF
- Release Time
- Stipends



## Bargaining Costs (Other)

Non-compensation items often impose costs on a district

- Class Size Caps
- Load Values
- Health Benefits Cost Increases
  - Hard Cap
  - % Cap
  - No Cap
- P/T Health Benefits
- OPEB Liabilities
- STRS/PERS Contributions



## 2022-23 Other Major Budget Implications

- \$150 million to support retention and enrollment strategies
- \$650 million block grant for pandemic related issues
- \$840.7 million to support Scheduled Maintenance and Instructional Equipment
- \$20 million ongoing for EEO Best Practices
- \$200 million ongoing for part-time faculty health benefits
  - Must offer benefits to PT faculty teaching .40+ load
  - Must offer same coverage/employer contribution as FT
  - Multi-district part-time faculty coverage



# Q&A and Discussion