

Chaffey College

BUDGET FORUM

February 28, 2023



Henry D. Shannon

Superintendent/President

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TODAY'S PRESENTATION

- ❖ Current year update 2022-2023
- ❖ HEERF Update
- ❖ 2023-2024 Proposed State Budget
- ❖ Economic Outlook
- ❖ District Challenges/Strategies

CURRENT YEAR BUDGET UPDATE

22-23 Enrollment & SCFF Revenue

- ❖ Projected 22-23 FTES 13,711.99
Prior 21/22 FTES 12,876.78
- ❖ Currently being funded by PY TCR Stability based on COVID 19 Emergency conditions (applied 18-19 FTES 16,773)
- ❖ No COVID 19 emergency conditions next year

CURRENT YEAR BUDGET UPDATE

22-23 Funding Allowances

1. Emergency Conditions Allowance

- ✓ Form submission allows the FTES reported at the 19/20 for the remainder of 22/23 and be used as the 22/23 portion to determine the 3 year average credit FTES for future years

2. Minimum Revenue Protections

- ✓ Hold harmless provision in place through 23/24; districts earn at least their 17/18 total computational revenue, adjusted by COLA each year
- ✓ 24/25 basis for subsequent minimum without COLA

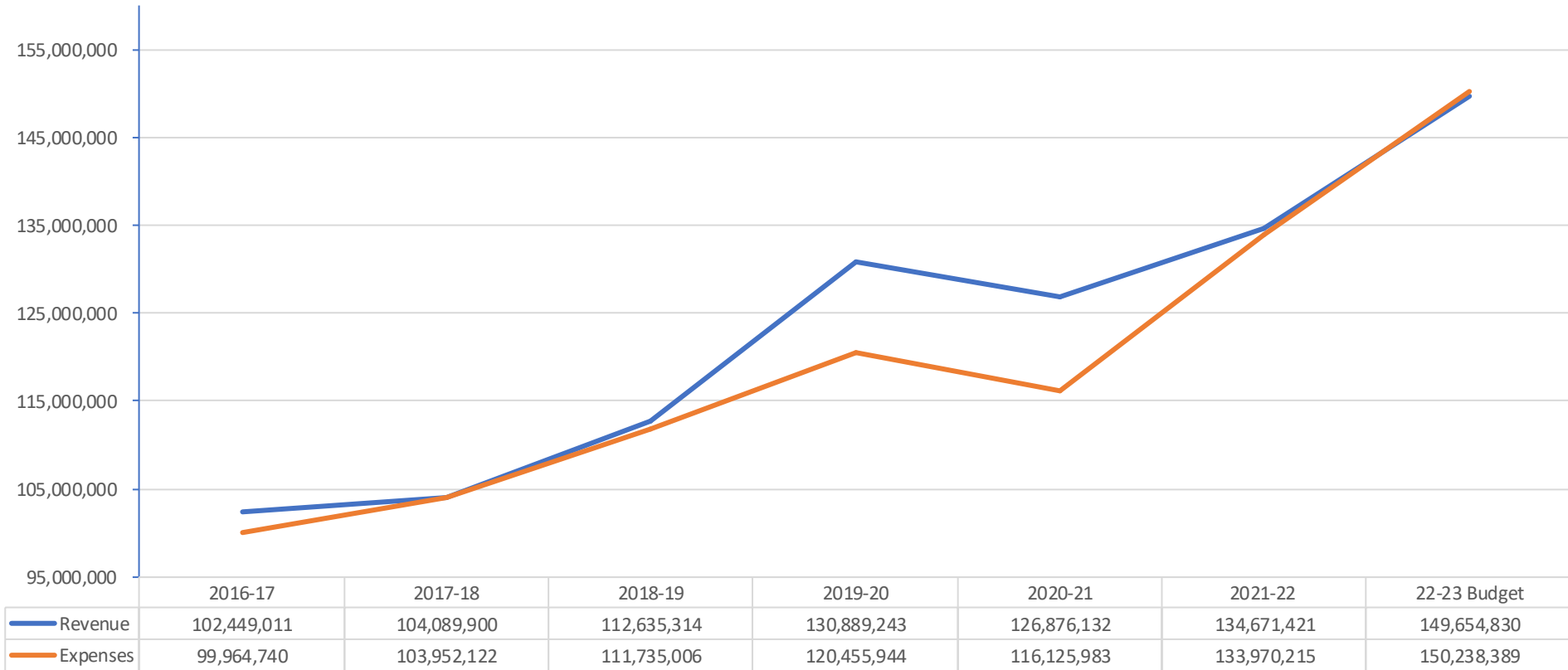
3. SCFF Stability

- ✓ Prior Year calculated SCFF plus COLA



REVENUE & EXPENSE TREND - ACTUALS

Revenue & Expense Trend - Actuals



Revenue Expenses



HEERF Summary

CHAFFEY COLLEGE
HEERF SUMMARY
JANUARY 2023

	HEERF			
	INSTITUTIONAL	MSI	FINANCIAL AID	TOTAL
Allocation	\$ 50,077,566	\$ 4,704,946	\$ 35,017,103	\$ 89,799,615
Expenditures and Commitments	48,706,698	4,235,646	34,548,471	87,490,814
Remaining Balance	\$ 1,370,868	\$ 469,300	\$ 468,632	\$ 2,308,801

HEERF Summary

- Samples of uses

Covering the cost of providing additional technology hardware to students, such as laptops or tablets, or covering the added cost of technology fees.	\$	1,261,000
Providing or subsidizing the costs of high-speed internet to students or faculty to transition to an online environment.	\$	1,024,000
Purchasing, leasing, or renting additional equipment or software to enable distance learning, or upgrading campus wi-fi access or extending open networks to parking lots or public spaces, etc.	\$	5,222,000
Implementing evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines.	\$	6,942,000
Replacing lost revenue from all sources.	\$	9,233,544
Student Campus Store Grants	\$	4,649,738
Vaccine Incentives	\$	1,999,000



PROPOSED STATE BUDGET 23-24

Summary

- Overall State Budget lower than 22/23 by about 3% –Most affected by substantial decline in the share of personal income tax revenues from capital gains.
- State General Fund deficit of \$22.5 billion for the 23/24 fiscal year.



PROPOSED STATE BUDGET 23-24

Summary

➤ Governor's key investments

- ❖ Funding for key education priorities of implementing universal transitional kindergarten, increasing subsidized child care availability, implementing universal school meals, and maintaining higher education compacts with the University of California (UC) and California State University (CSU) and the multi-year roadmap with the California Community Colleges;
- ❖ Maintenance of most funding allocated in the two prior budgets for advancing the Administration's climate agenda, with plans to pursue additional federal funds;
- ❖ Continuing investment in the expansion of health care access, including reproductive health care and behavioral health services;
- ❖ Maintenance of recent budgets' investments to address homelessness and most of the planned allocations for housing production incentives.



PROPOSED STATE BUDGET 23-24

Community Colleges

- ❖ Continues to be shaped by the Roadmap for the Future intended to advance equity, student success, and the system's ability to prepare students for California's future
- ❖ Student Centered Funding Formula(SCFF) proposed 8.13% COLA and most categorical programs
- ❖ One time funding proposals largely dedicated to student retention and enrollment efforts.

Program	2022-23 Revised	2023-24 Proposed	Explanation of Change
Retention and enrollment strategies	150.0	200.0	One-time funds added
Workforce Training Grants	0.0	14.0	One-time funds added
FCMAT Professional Learning Opportunities	0.0	0.08	One-time funds added
Deferred maintenance	627.7	N/A	Reduce prior year funding by \$213 million (from \$840.7)



PROPOSED STATE BUDGET 23-24

Community Colleges

- ❖ \$200 million one-time to continue supporting community college efforts and focused strategies to increase student retention rates and overall enrollment.
- ❖ \$275,000 (\$75,000 one-time and \$200,000 ongoing) to develop and maintain a community college district leadership and fiscal accountability program, through the Fiscal Crisis and Management Assistance Team (FCMAT)



PROPOSED STATE BUDGET 23-24

Community Colleges

- ❖ \$14 million one-time Proposition 98 funds for workforce training grants focused on meeting workforce needs to fight wildfires, to be administered in collaboration with the California Department of Forestry and Fire Protection.
- ❖ Deferred maintenance *decrease* prior year amount by \$213 million, providing a source of funding to support the additional investment for retention and enrollment efforts in the budget year.



2023-2024 Unrestricted General Fund BUDGET PROJECTIONS

UNRESTRICTED GENERAL FUND	2022-2023 ADOPTED BUDGET	2023-2024 ESTIMATED BUDGET
Revenue	149,654,830	149,654,830
Increase COLA 6.56%		8,045,521
Emergency Condition		(9,759,204)
Total Revenue	149,654,830	147,941,147
Expenses	150,238,389	150,238,389
Increases		
Total Expenses	150,238,389	150,238,389
Surplus/(Deficit)	(583,559)	(2,297,242)
Reserves/Ending Bal	42,679,553	40,965,871
	28.41%	27.27%



ECONOMIC OUTLOOK

- **Balanced plan to close budget gap include:**
 - **Funding delays:** Budget delays funding for multiple items across the 2021-22 through 2023-24 fiscal years and spreads it across the multi-year without reducing the total amount of funding through the multi-year.
 - **Reduction/pullbacks:** reduces spending for various items across the 2021-22 through 2023-24 fiscal years and pulls back certain items that were included in the 2022 Budget Act to provide additional budget resilience.
 - **Fund shifts:** Budget shifts certain expenditures in the 2022-23 and 2023-24 fiscal years from the General Fund to other funds.
 - **Trigger reductions:** Budget reduces funding for certain items in the 2020-21 through 2023-24 fiscal years and places them in a “trigger” that would restore the reductions at the 2024 Governor’s Budget if it is determined that sufficient funds will be available to cover certain commitments.
- **Budget is able to maintain the majority of recent commitments, including continuing to build upon programs and services that the most vulnerable populations rely even more heavily upon during economic downturns.**
- **Risks to the economy remain. In particular, if the economy slips into a recession in the coming months, there will be more difficult decisions ahead.**

CHAFFEY COLLEGE OUTLOOK/CHALLENGES

- ❖ Enrollment: Student retention & re-engagement
- ❖ COVID-19: future ongoing operating & technology costs without federal funding. (HEERF funding to expire June 2023)
- ❖ New Normal: On going costs to support multiple instructional modalities, mental health, and other social services to advance equity
- ❖ Inflation: rising costs, likely increase in interest rates
- ❖ Stock market volatility: fluctuating tax revenue source

ENROLLMENT RECOVERY UPDATE

Student Centered Funding Formula

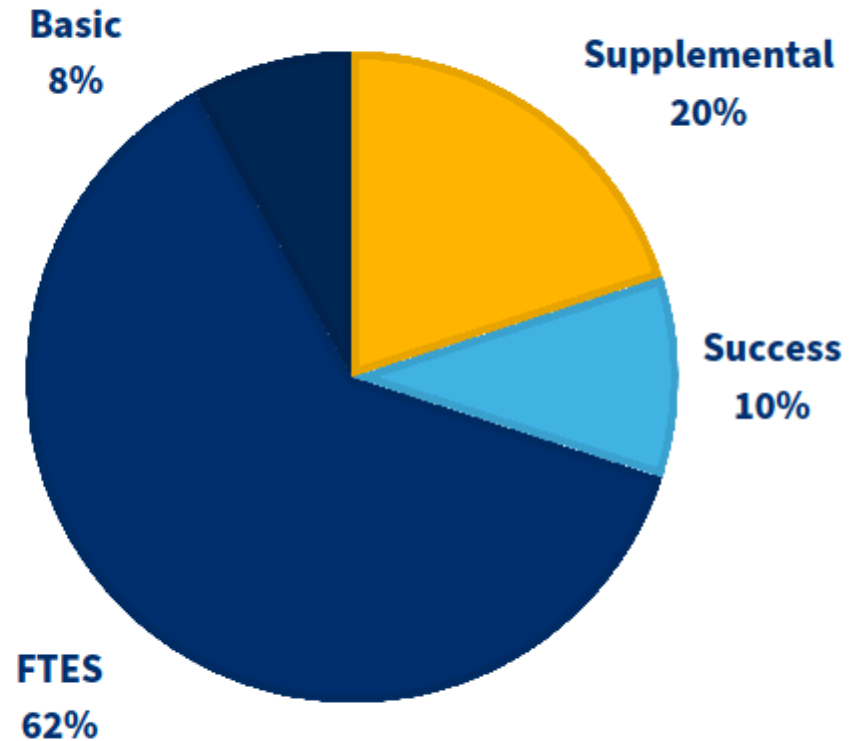
I. Base = Basic + FTES

II. Supplemental

Counts of low-income students

III. Success

Counts of outcomes related to the Vision for Success with equity premiums for outcome of low-income students





ENROLLMENT RECOVERY UPDATE

- **What is the District currently doing to increase enrollment, persistence, and completion?**
- **PLAN**
- Expanded Outreach: As a result of the pandemic, Chaffey College experienced a significant decline in enrollment. Aiming to increase enrollment, Student Services conducted outreach efforts to students who had dropped out.
- Flexible/On-Demand Scheduling: As part of an ongoing strategy to improve access, attract enrollment, sustain retention, and increase success, Chaffey has expanded offerings in alternative term lengths. Research indicates that shorter-term sections have higher fill rates, better retention, and higher success rates when compared to full-term.
- Reduced Costs: Chaffey College also worked to reduce student expenses to help students enroll, persist, and complete.
- Professional Development: Faculty professional development has been a priority throughout the pandemic.



ENROLLMENT RECOVERY UPDATE

- **What will the District do differently to increase enrollment, persistence, and completion? Please include information about strategies related to student re-engagement and persistence, changes to course scheduling and program review, and/or strategies by affected populations.**
- **PLAN**
- Increase touchpoints: Chaffey College is implementing Success Teams in its Student Services support areas. Each team will consist of a Counselor, an Admissions & Records, and Financial Aid staff member to serve them per their individual Academic and Career Community. This will increase customer service, efficient student-user experiences and provide more personalized employee-to-student encounters. Each team will be supported by an Equity Success Coach to provide historically underrepresented students with easier access to their team members throughout their academic journeys. Our Outreach Team will be also be expanding its scope to provide retention “in-reach” support to current students.
- Expand programming: To increase enrollment, Chaffey will allocate additional resources to several targeted existing student audiences and develop new access opportunities as well. Dual enrollment, Turning Point (incarcerated student program), and cooperative work experience are already in place, but each have the capacity to serve a larger student population.
- Improve processes: The pandemic has provided several opportunities to improve our practices by expanding access points, streamlining processes, and improving service.



ENROLLMENT RECOVERY UPDATE

- **How is the District using existing resources to support student basic needs and direct resources to students?**
- **PLAN**
- Augmented Resources: The District has been providing technological assistance, basic needs resources, emergency grants, and Campus Store grants to support students' basic needs.
- In-Person Support: The College is increasingly building back in-person learning to support learners who were lost during the pandemic.



CHAFFEY'S FISCAL HEALTH

- Maintain Board minimum reserve balance of 2 months of expenditures
 - 21/22 ending balance: 28.65% (minimum 2 months 16.7% required)
- Faculty Obligation Number (FON): Base number of fulltime faculty adjusted annually based on FTES growth
 - 2022 FON: 251.6
- 50 Percent Law compliance 2022 =50.11%
- Salary and Benefits should be limited to approximately 85% of budget
 - 2021/22:85.25%
- Other Post Employment Benefits (OPEB) 21/22 balance: \$14,766,820
- Pension Stability Trust(PST) 21/22 balance audit report: \$26,641,536

DISTRICT BUDGET DEVELOPMENT

BUDGET DEVELOPMENT WORKSHOPS:

\$\$\$ Wednesday, March 1, 9-10:30am

\$\$\$ Thursday, March 2, 2-3:30pm

Budget information and materials to develop department budgets will be distributed

QUESTIONS

