

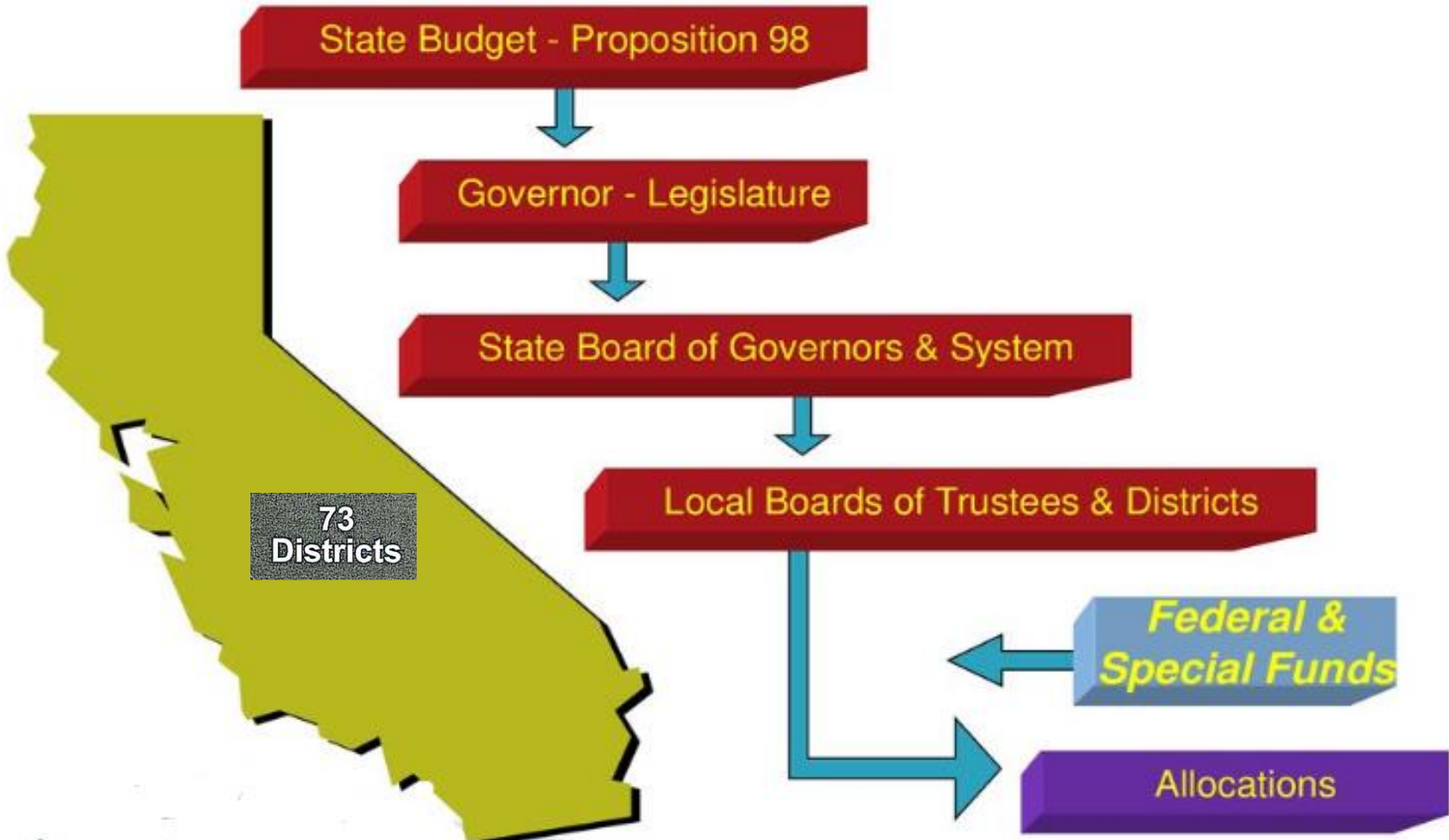
HCCD Budget Update

January 2020

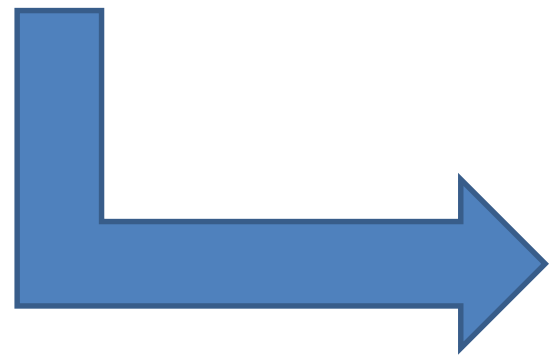
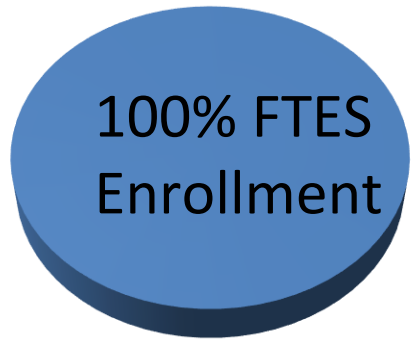
Presented by:

Rick Bennett
Interim Vice President
Administrative Services

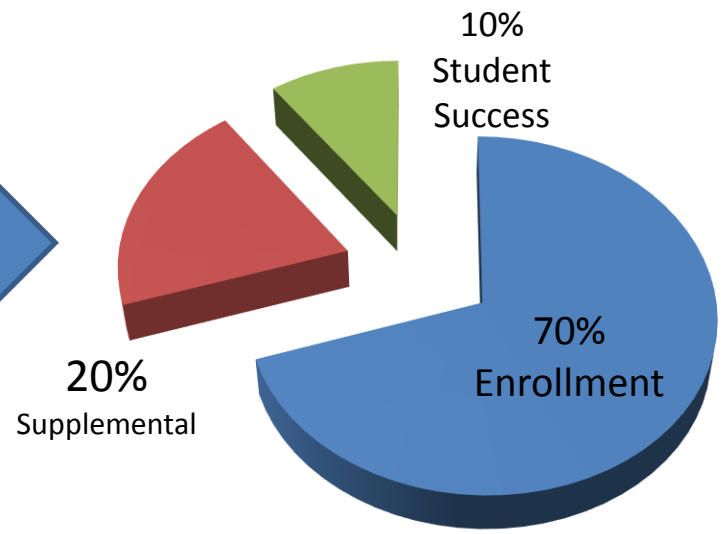




Previous Funding Formula



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 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
 - I. degrees & certificates granted,
 - II. transfers to 4-year, &
 - III. completion of certain courses -
 - I. transfer-level math & English in 1st year and
 - II. 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 |

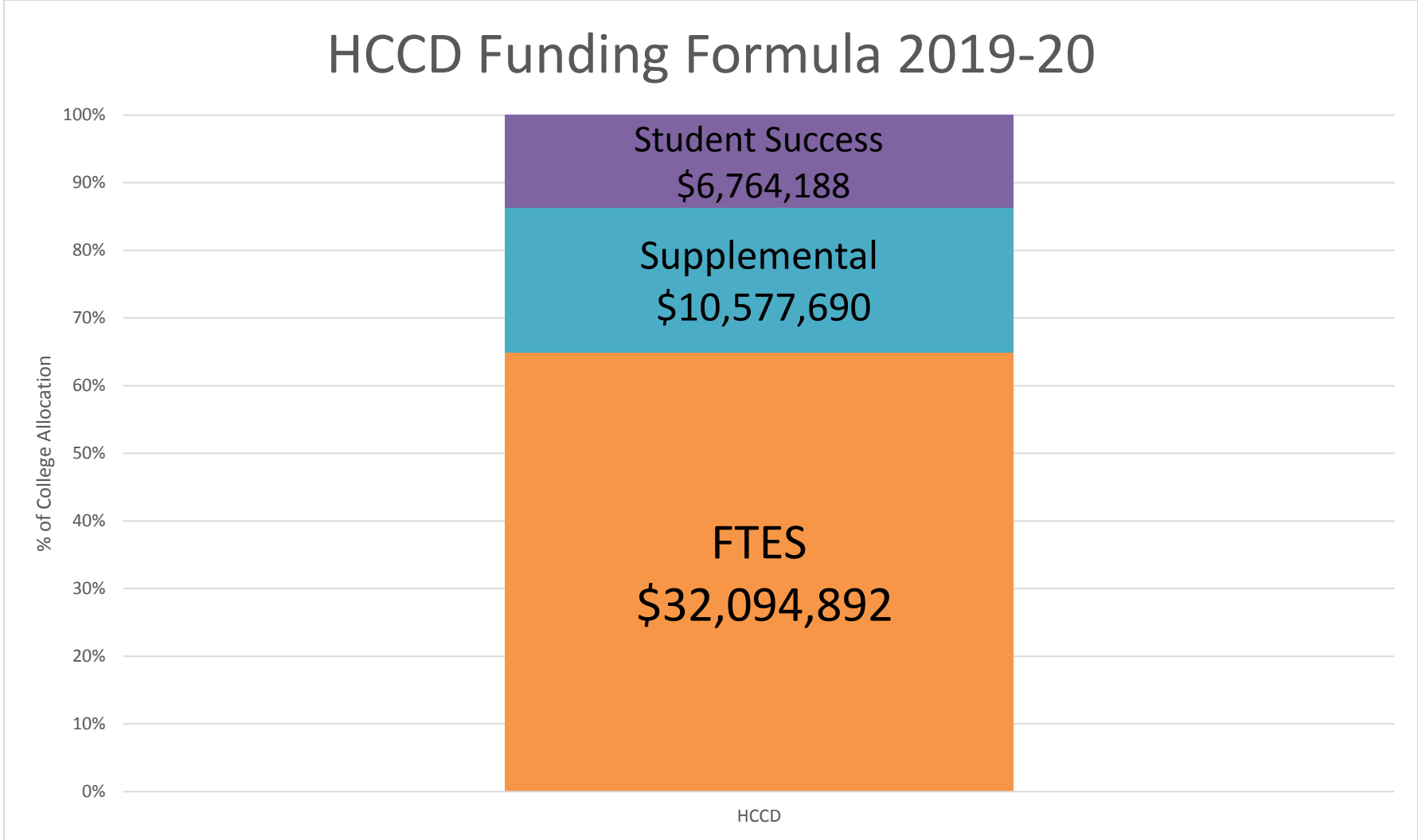
^{1/} These totals will also be adjusted by the changes in the **cost-of-living** in those years.

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 |

HCCD Funding Formula 2019-20





2018-19 P2 Total Computational Revenue (TCR)

Base Allocation = \$32,094,892

Supplemental Allocation = \$10,577,690

Student Success Allocation = \$6,764,188

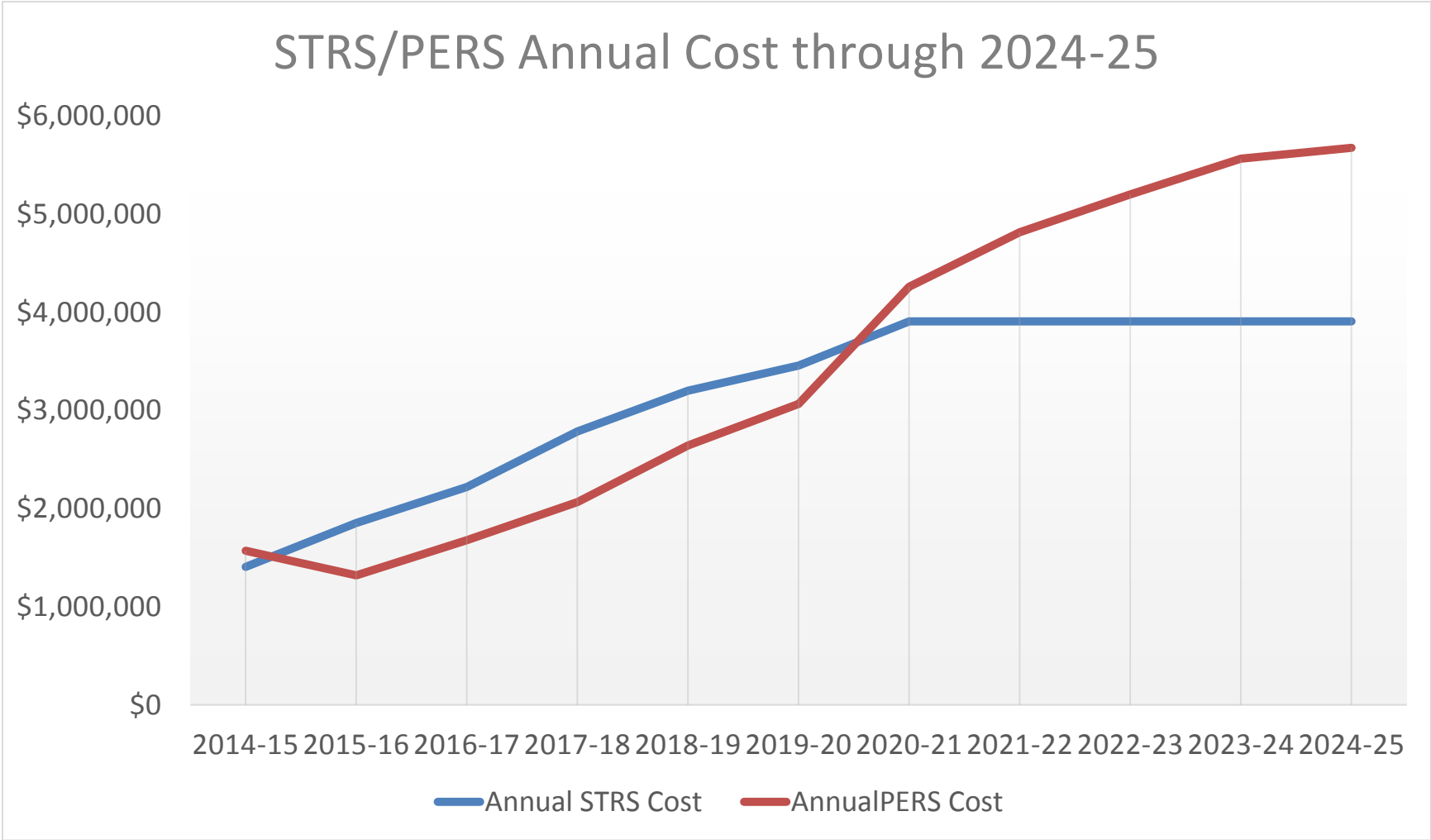
SCFF Calculated Revenue = \$49,436,770 Hartnell's 18-19 TCR

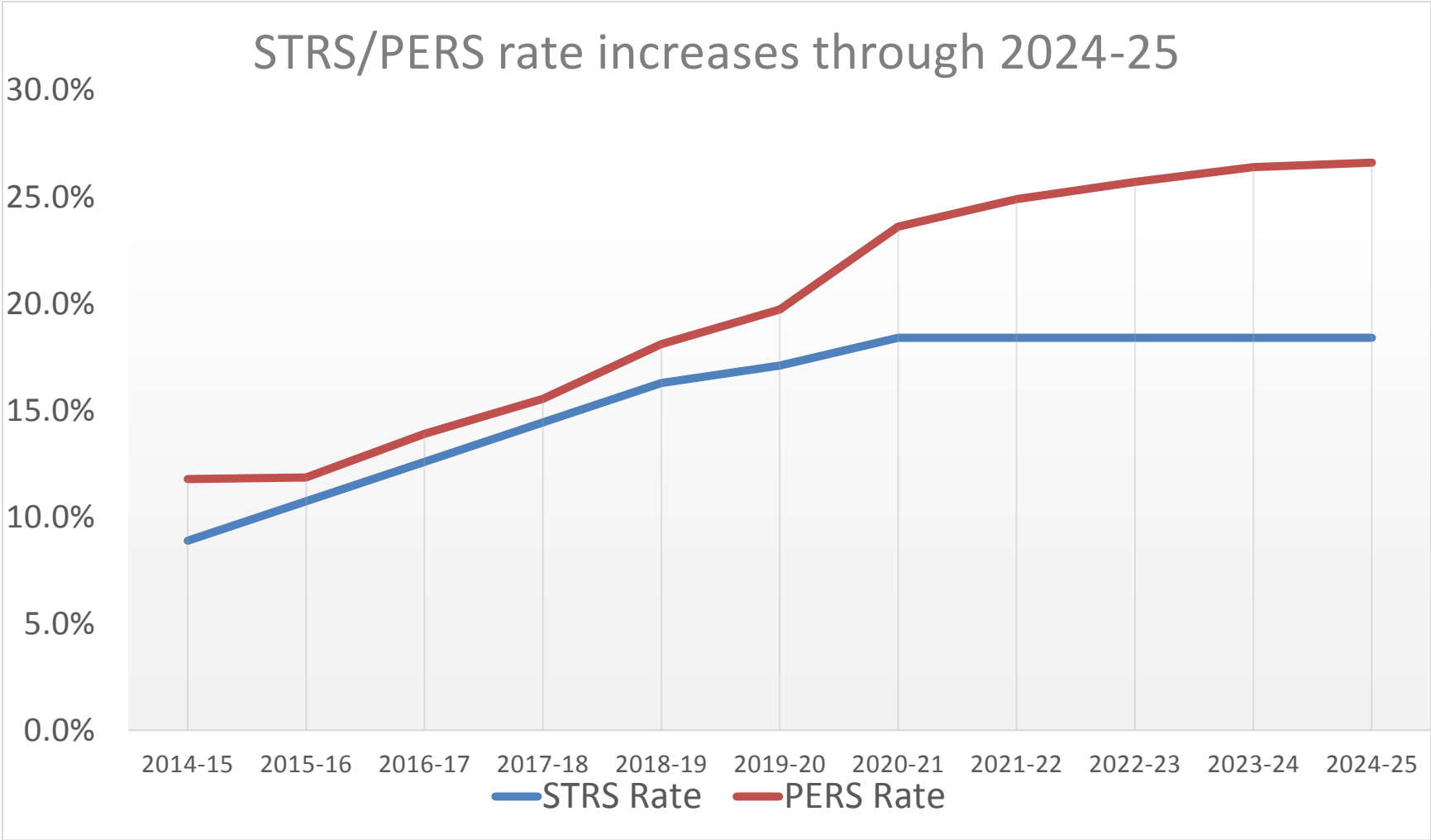
Adjusted 2018/19 TCR = \$46,352,947 Adjusted TCR based on State revenue shortfall

Shortfall = (\$3,083,823)

- SCFF brings revenue uncertainty and increasing operational costs.
- **CaSTRS-CaIPERS**
 - 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







Governor Newsom released his budget Friday Jan 10, 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.



- Ongoing Increases
 - 68% increase for in 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



- 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.



- \$3million 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!