

COUNCIL ON BUDGET AND FACILITIES

March 13, 2023

2:00 p.m.

Anaheim Campus Room 107

Videoconferencing of the meeting will be available at Cypress College VRC Small Conference Room and the Fullerton College President's Conference Room A

AGENDA

- | | | |
|------------------------------------------------|------------------------------|-------------|
| 1. Approval of February 13, 2023 Summary Notes | Irma Ramos | Action |
| 2. Budget Update | | |
| ➤ Budget Assumptions for the Tentative Budget | Fred Williams/
Kashu Vyas | Information |
| ➤ P-1 Apportionment Information | | |
| 3. Facilities Updates | Budget Officers | Information |
| 4. Future Meeting Dates: | | |
| ➤ April 10, 2023 | | |
| ➤ May 8, 2023 | | |
| ➤ June 12, 2023 | | |

NOTE: The numerical order of items on this agenda is for convenience of reference. To promote efficiency and as an accommodation to the parties involved, agenda items may be taken out of order upon request of the Chair or Members of the CBF.

COUNCIL ON BUDGET AND FACILITIES
February 13, 2023

UNAPPROVED SUMMARY

Members Present: Jennifer Combs, Terry Cox, Damon de la Cruz, Raine Hambly, Cherry Li-Bugg, Elaine Loayza, Marwin Luminarias, Kathleen McAlister (Academic Senate rep), Fola Odebunmi, Jennifer Oo, Irma Ramos, Stephen Schoonmaker, Marlo Smith, Leslie Tsubaki, Kashu Vyas, and Fred Williams

Members Absent: None

Guests Present: Daniel Berumen, Henry Hua, Geoff Hurst, Cynthia Olivo, Jeremy Peters, Valentina Purtell, Jeanette Rodriguez, and Richard Williams

Call to Order: The meeting was called to order at 2:03

1. **Resolution AB361** – NOCCCD can no longer operate under AB361 after February 28, 2023, all Brown Act Committees, including Council on Budget and Facilities, will be moving to in-person meetings. Meeting locations at the Anaheim Campus, Cypress College and Fullerton College will be identified for participants to join from.
2. **Summary:** The summary of the December 12, 2022, meeting notes were approved.
3. **Budget Update:** Fred Williams, Vice Chancellor, Finance and Facilities reported that the Governor introduced the 2023-24 Budget Proposal on January 10, 2023, and shared the State Chancellor's Office's Joint Analysis and the School Services of California's economic overview which highlighted the following:
 - The proposal tackles a budget deficit while seeking to keep prior year promises without touching the rainy-day funds.
 - Very few new programs in the budget.
 - 8.13% COLA for the Student Centered Funding Formula (SCFF) and categorical programs including adult education.
 - A portion of deferred maintenance funds allocated in FY 2022-23 are being recommended to be reinvested in retention and enrollment efforts.

Vice Chancellor Williams noted that he had not previously seen a proposal from the State to take \$200 million back and reappropriate it.

Early Preliminary Budget: Kashu Vyas, District Director, Fiscal Affairs, provided an early overview of the Resource Allocation Model and the preliminary budget highlighting the following:

- Submitted P-1 numbers were used as potential 2023-24 calculations to produce the preliminary numbers.
- 8.13% increased rate is reflected based on the Chancellor's Office guidelines.
- Calculations based on actual amounts expected to be earning based on FTES generated: \$219.7 million. Total Revenues, including Other Revenues, Funding for Districtwide Expenses and Net Chargebacks: \$238.82 million.

- COLA increases, negotiation settlements, STRS and PERS increases, and an anticipated 4.5% increase to health and welfare costs have also been built into the model for position control expenses.
- Personnel costs outside of position control will be updated at the campuses.
- There is a structural deficit of \$29.3 million.

Vice Chancellor Williams noted that the District's calculations are coming in significantly lower than anticipated. The Governor's January Budget Proposal is a preliminary look at the calculations and can be adjusted by the time the May Revise is released. Once the May revise is released staff will be able to validate models currently being used. A major concern is the stability funds not covering the current deficit, as it had previously been anticipated.

Question/Comments:

1. *Is there any news that the provisions will be extended?* No, it is cautioned that emergency conditions and hold harmless are likely going away after next year and that there could be potential penalties for districts that do not get their FTES numbers up.
2. *For NOCE, is this taking into consideration the possible increase in FTE collection based on the update outside of class hours that is currently going through curriculum so we can collect the proper amount of funds for distance education classes?* The RAM does not include future predictions for FTES. The model was changed to calculate the campus level data based on the last known submitted data to account for the differences at the campuses.
3. *The campuses reportedly have been increasing their FTES, when will those numbers be reflected in the RAM?* These are reflective of the current numbers using 2022-23 P-1 reported numbers.

Note: On February 22, 2023, staff distributed an updated early budget information for 2023-24.

4. **One-Time Funding Request:** Vice Chancellor Fred Williams provided an update to the One-time Funding requests submitted to DCC and any current allocations.
 - The \$5.5 million request for Capital Projects was approved at the January 23, 2023, DCC meeting.
 - Recently, an MOU for part-time faculty office hours was approved (\$400,000) and implemented for the spring semester, using one-time dollars. It is anticipated that half of these dollars will be reimbursed by the state.
 - Repayment of Financial Aid Payments to Fraudulent Students will be added back to the unallocated total at the end of the year.
 - Current unallocated total: \$9.9 million.

5. Facilities Updates:

Cypress College – VPAS, Stephen Schoonmaker provided an update on behalf of the campus.

- Scheduled Maintenance Projects: College Center Complex Elevator system upgrade was completed over break. Restroom flooring was also completed. Campus is looking into two roof replacements, upgrades/repairs to the pool mechanical equipment, boiler replacements, bleacher safety upgrades and valve replacements.

- Fine Arts Swing Space (old SEM Building) – staff meet with the contractors on a weekly basis and continue to work through some delays. Move out scheduled in spring. Overall project is still on target to move in during summer 2023.
- Culinary Arts Swing Space – Program scheduled to move to Cypress winter 2023 and restart program in spring 2024.

Fullerton College – Vice Chancellor, Fred Williams provided an update on behalf of the campus.

- Sherbeck Field – bleachers were delivered and will be installed within the next six weeks.
- Scheduled Maintenance Projects – ADA plan was awarded to a contractor to address some of the issues.
- 300 Building Renovation– Preliminary plans were submitted to DSA for approval.
- Fine Arts – Awaiting DSA for approval.
- Chapman Newell and M&O Building – Currently with DSA and staff continue to reconcile the budget due to cost escalations.

Anaheim Campus – Vice Chancellor, Fred Williams provided an update on behalf of the campus.

- ADA Compliance Plan – Currently have an RFP out to select a contractor to help the District create a multi-year transition plan.
- Sustainability Plan – There is an RFP to select a firm to help with coordination and overall support for the Districtwide sustainability plan.
- Fire Riser – Piping will be replaced throughout the Tower.
- Board Room Renovations – Post pandemic changes will be permanently made to the Board room.
- NOCE Registration Desk and Patio Renovations – Staff are working with architects to possibly install a solar patio covering to the south side of the Tower.
- NOCE Swing Space – Bids are anticipated to come in in mid-March and construction to begin early April. Plan is to move NOCE out by winter break.
- Interior and Exterior Signage – project came in significantly higher than budgeted, however, additional resources will be needed to cover the cost.

6. Future Meetings

- April 10, 2023
- May 8, 2023
- June 12, 2023

Meeting was adjourned at 2:41 p.m.

COUNCIL ON BUDGET & FACILITIES

Agenda Item Submittal Form

Date: March 9, 2023

From: Kashu Vyas, District Director, Fiscal Affairs

Re: Agenda Item for Council on Budget and Facilities of March 13, 2023

1. AGENDA ITEM NAME

Update to the 2023-24 Resource Allocation Model Preliminary Budget

2. AGENDA ITEM ACTION (Please check one)

- Information Only
- Review/Discussion
- Action

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION:

15 minutes

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM

To review the updates to the preliminary budget that was presented at the February 13, 2023 CBF meeting and to allow members to discuss the information.

5. RECOMMENDATION (Required for all action items; encouraged for all review/discussion items)

Members are asked to review the updated preliminary budget.

North Orange County Community College District
Early Preliminary Budget
2023-24 Resource Allocation Model Budget Summary
February 14, 2023

	DW	DS	CC	FC	NOCE	Total
SCFF Revenues	\$ -	\$ 20,322,527	\$ 81,346,217	\$ 105,014,996	\$ 13,019,261	\$ 219,703,001
Other Revenues	-	2,098,694	7,102,594	8,333,544	1,586,895	19,121,727
Funding for Districtwide Expenses	11,673,623	(1,094,986)	(4,323,910)	(5,540,301)	(714,426)	-
Net Chargebacks	-	868,353	96,920	253,027	(1,218,300)	-
	11,673,623	22,194,588	84,221,821	108,061,266	12,673,430	238,824,728
Expenses	11,548,623	24,339,539	88,947,945	119,576,767	23,809,750	268,222,624
Contingencies	125,000	-	-	100,000	-	225,000
	11,673,623	24,339,539	88,947,945	119,676,767	23,809,750	268,447,624
Net Available Revenue	-	(2,144,951)	(4,726,124)	(11,615,501)	(11,136,320)	(29,622,896)
Net Transfers In/(Out) to Supplement Self-Supporting Operations	-	-	72,873	-	184,920	257,793
Structural Surplus (Deficit)	\$ -	\$ (2,144,951)	\$ (4,653,251)	\$ (11,615,501)	\$ (10,951,400)	\$ (29,365,103)
Additional Sources (Uses)						
Emergency Conditions SCFF	-	-	7,618,457	10,435,928	-	18,054,385
Less 9.25% to DS	-	1,670,030	(704,707)	(965,323)	-	-
Additional Revenue (ECA)	-	1,670,030	6,913,750	9,470,605	-	18,054,385
Subtotal Net Revenue (Deficit) A	\$ -	\$ (474,921)	\$ 2,260,499	\$ (2,144,896)	\$ (10,951,400)	\$ (11,310,718)
Stability Funding based on PY +COLA	-	-	3,278,598	6,488,562	18,030,097	27,797,257
Less 9.25% to DS	-	2,571,246	(303,270)	(600,192)	(1,667,784)	-
Additional Revenue (Stability)	-	2,571,246	2,975,328	5,888,370	16,362,313	27,797,257
Subtotal Net Revenue (Deficit) B	\$ -	\$ 2,096,325	\$ 5,235,827	\$ 3,743,474	\$ 5,410,913	\$ 16,486,539
Amount pulled back to increase Reserves from Emergency Conditions Funding	-	(446,395)	(969,228)	(2,419,096)	(2,280,286)	(6,115,005)
Balance	-	1,649,930	4,266,599	1,324,378	3,130,627	10,371,534

Amount To Pull Back to Increase Required Reserves

2023-24 Est. Max TCR (includes Stability Funding)	265,554,643
Hold Harmless SCFF	259,439,637
Amount to be used to increase reserves	6,115,006

Ratios of Net Structural RAM	7.30%	15.85%	39.56%	37.29%	
Allocations of amount to be pulled back, by Center	446,395	969,228	2,419,096	2,280,286	6,115,005

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
2023-24 Proposed Budget - Budget Assumptions
Resource Allocation Model
February 14, 2023

Student-Centered Funding Formula

Estimated COLA	8.13%
Apportionment Base:	<u>2023-24</u>
Basic Allocation	\$ 17,157,854
Credit FTES	120,066,849
Special Admit	3,180,124
Non-Credit FTES	10,031,586
CDCP	<u>2,309,768</u>
Subtotal - 2023-24 Funding from Base Allocation	152,746,181
Supplemental Allocation	39,883,000
Student Success Incentive Allocation	<u>27,073,820</u>
SCFF Earned Allocation	\$ 219,703,001 <A>
Additional funding resulting from applying prior Emergency Conditions Allowances	18,054,385
Stability Funding based on PY Funding + COLA	<u>27,797,257</u>
2023-24 SCFF Total Revenue	\$ 265,554,643
2023-24 SCFF Hold Harmless Allocation	<u>259,439,637</u>
Amount available for backfill and reserves	<u><u>\$ 6,115,006 *</u></u>

*: The District applied to continue with the Emergency Conditions Allowance (ECA) into 2022-23. This resulted in the District's calculated SCFF funding moving above the hold harmless levels for two years, 2022-23 as well as 2023-24. The 2022-23 ECA has several conditions the District must meet, including increasing it's Board Policy reserve levels equal to 2 months of general fund operating expenditures. This would be an increase from the current 5% to ~16-17% of expenses. The additional funding above the hold harmless level that will be received will be used to help meet the required increase to reserves.

State Revenue

Enrollment Fee Waiver

2% fee waiver administration allocation estimate: \$ 516,460 <A>

Full-Time Faculty Hiring Funds 2018-19

Provided separately from SCFF in 2018-19 (no COLA on this since initial allocation): \$ 1,441,228 <A>

Part-Time Faculty Compensation Items

Estimated reimbursement for part-time faculty office hours	\$ 1,150,000
Estimated reimbursement for part-time faculty health insurance benefits	\$ 50,000
Estimated funding towards part-time faculty compensation	<u>\$ 700,000</u>
	\$ 1,900,000 <A>

Lottery Funds

		<u>22-23 Res+N/R</u>	
Unrestricted lottery projection per FTES:	\$ 170.00	34,413.00	\$ 5,850,210 <A>
Restricted lottery projection per FTES:	\$ 67.00	34,413.00	\$ 2,305,671

Mandated Costs

The budget proposal included funding for the Mandated Block Grant. The District will annually reevaluate whether it is prudent to continue selecting this option.

		<u>22-23 Funded</u>	
		<u>P2 FTES</u>	
Mandated cost revenue projection per FTES:	\$ 35.34	33,735.67	\$ 1,192,219 <A>

Local Revenue/Self-Supporting Revenue

Interest & Investment Income

Interest earnings estimate: \$ 1,000,000 <A>

Miscellaneous Districtwide Income

Other miscellaneous income estimate: \$ 10,000 <A>

Budget Center Revenues

Budget Centers have provided for the self-supported activities for each center. Included in this section, Cypress and Fullerton Colleges have budgeted Nonresident Tuition as part of ongoing revenues. \$ 6,211,613 <A>

Interfund Transfer In

Transfer In from Redevelopment Funds: \$ 1,000,000 <A>

Additional Contribution from OPEB Trust

The downturn the stock market is experiencing has reduced the Trust assets below the level of the District's OPEB liability. In the prior year, the Retiree Benefits Trust Board authorized the use of funds to pay current retiree benefit costs, capped at \$3 million. However, due to the change in value of the Trust assets, we do not anticipate having funds available to use from the Trust to offset these expenses for 2023-24. \$ -

Total Revenues \$ 238,824,731 = sum of <A>

Total Revenues

Revenues Shown on 2/10/23 RAM Summary

SCFF Revenues	\$	219,703,001	
Other Revenues		19,121,727	
RAM Structural Earned Revenue	\$	238,824,728	= sum of <A> from Assumptions detail
Additional Sources			
Stability Funding+COLA		27,797,257	
Total Revenues in 2/10/23 RAM Summary	\$	266,621,985	

Revenues from Budget Assumptions Detail

SCFF Earned Revenue	\$	219,703,001	<A>
Enrollment Fee Waiver		516,460	<A>
FTF Hiring Funds 2018-19		1,441,228	<A>
PT Fac Compensation Items		1,900,000	<A>
Lottery Funds		5,850,210	<A>
Mandated Costs		1,192,219	<A>
Interest & Investment Income		1,000,000	<A>
Misc Income		10,000	<A>
Budget Center Revenues		6,211,613	<A>
Interfund Transfer In		1,000,000	<A>
RAM Structural Earned Revenue	\$	238,824,731	= sum of <A> from Assumptions detail
Additional Sources			
Additional funding from ECA		18,054,385	from Page 1 of Budget Assumptions detail
Stability Funding+COLA		27,797,257	from Page 1 of Budget Assumptions detail
Total Revenues in Budget Assumptions Detail	\$	284,676,373	

Finding and Correction Applied

A reconciliation between the Revenues Shown on the 2/10/2023 RAM Summary and the Revenues from the Budget Assumptions Detail resulted in identifying that additional funding that was associated with the Emergency Conditions Allowance (ECA) was erroneously excluded from the additional revenues supplementing the RAM. Only the portion that comprised the additional Stability funding on top of the ECA was added on into the summary budget calculations presented.

This correction does not change the structural deficit amounts. It does, however, add \$18,054,385 in additional funding that will cover the previously shown deficits.

North Orange County Community College District
Early Preliminary Budget
2023-24 Resource Allocation Model Budget Summary
February 14, 2023

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Funding for Districtwide Expenses	11,673,623	(1,094,986)	(4,323,910)	(5,540,301)	(714,426)	-
Net Chargebacks	-	868,353	96,920	253,027	(1,218,300)	-
	11,673,623	22,194,588	84,221,821	108,061,266	12,673,430	238,824,728
Expenses	11,548,623	24,339,539	88,947,945	119,576,767	23,809,750	268,222,624
Contingencies	125,000	-	-	100,000	-	225,000
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Net Transfers In/(Out) to Supplement Self-Supporting Operations	-	-	72,873	-	184,920	257,793
Structural Surplus (Deficit)	\$ -	\$ (2,144,951)	\$ (4,653,251)	\$ (11,615,501)	\$ (10,951,400)	\$ (29,365,103)
Additional Sources (Uses)						
Emergency Conditions SCFF	-	-	7,618,457	10,435,928	-	18,054,385
Less 9.25% to DS	-	1,670,030	(704,707)	(965,323)	-	-
Additional Revenue (ECA)	-	1,670,030	6,913,750	9,470,605	-	18,054,385
Subtotal Net Revenue (Deficit) A	\$ -	\$ (474,921)	\$ 2,260,499	\$ (2,144,896)	\$ (10,951,400)	\$ (11,310,718)
Stability Funding based on PY +COLA	-	-	3,278,598	6,488,562	18,030,097	27,797,257
Less 9.25% to DS	-	2,571,246	(303,270)	(600,192)	(1,667,784)	-
Additional Revenue (Stability)	-	2,571,246	2,975,328	5,888,370	16,362,313	27,797,257
Subtotal Net Revenue (Deficit) B	\$ -	\$ 2,096,325	\$ 5,235,827	\$ 3,743,474	\$ 5,410,913	\$ 16,486,539
Amount pulled back to increase Reserves from Emergency Conditions Funding	-	(796,045)	(1,728,396)	(4,313,903)	(4,066,367)	(10,904,711)
Balance	-	1,300,280	3,507,431	(570,429)	1,344,546	5,581,828

Amount To Pull Back to Increase Required Reserves

2023-24 Est. Max TCR (includes Stability Funding)	265,554,643
Hold Harmless SCFF	259,439,637
Amount to be used to increase reserves	6,115,006
Additional to pull back towards reserves	4,789,705

Ratios of Net Structural RAM	7.30%	15.85%	39.56%	37.29%	
Allocations of amount to be pulled back, by Center	446,396	969,228	2,419,096	2,280,286	6,115,006
Allocations of Add'l amount to be pulled back, by Center	349,649	759,168	1,894,807	1,786,081	4,789,705

North Orange County CCD
2023-24 Early Preliminary Budget
General Fund Ongoing (11200) & Self-Supported/Local Revenues
February 14, 2023

	Districtwide		District Services		Cypress College		Fullerton College		N. Orange Cont. Education		Total
	\$	%	\$	%	\$	%	\$	%	\$	%	\$
Revenues											
SCFF 2023-24 Estimated State Apportionment	\$ -	0.00%	\$ -	0.00%	\$ 89,652,475	40.81%	\$ 115,659,596	52.64%	\$ 14,390,930	6.55%	\$ 219,703,001
Revenue Allocation to District Services, 9.25%	\$ -	0.00%	\$ 20,322,527	9.25%	\$ (8,306,258)	40.87%	\$ (10,644,600)	52.38%	\$ (1,371,669)	6.75%	\$ -
Subtotal Revenue, 1	\$ -	0.00%	\$ 20,322,527	9.25%	\$ 81,346,217	37.03%	\$ 105,014,996	47.81%	\$ 13,019,261	5.92%	\$ 219,703,001
Other Unrestricted Revenue	\$ -	0.00%	\$ 363,564	1.91%	\$ 7,811,779	40.85%	\$ 9,242,376	48.33%	\$ 1,704,008	8.91%	\$ 19,121,727
Revenue Allocation to District Services, 9.25%	\$ -	0.00%	\$ 1,735,130	9.25%	\$ (709,185)	40.87%	\$ (908,832)	52.38%	\$ (117,113)	6.75%	\$ -
Subtotal Revenue, 2	\$ -	0.00%	\$ 2,098,694	10.98%	\$ 7,102,594	37.14%	\$ 8,333,544	43.58%	\$ 1,586,895	8.30%	\$ 19,121,727
Subtotal Revenue, 3	\$ -	0.00%	\$ 22,421,219	9.39%	\$ 88,448,811	37.04%	\$ 113,348,540	47.46%	\$ 14,606,156	6.12%	\$ 238,824,728
Contribution towards Districtwide Expenditures	\$ 11,673,623	100.00%	\$ (1,094,986)	-9.38%	\$ (4,323,910)	-37.04%	\$ (5,540,301)	-47.46%	\$ (714,426)	-6.12%	\$ -
Subtotal Revenue, 4	\$ 11,673,623	4.89%	\$ 21,326,233	8.93%	\$ 84,124,901	35.22%	\$ 107,808,239	45.14%	\$ 13,891,730	5.82%	\$ 238,824,728
Chargebacks between budget centers											
FC Chargebacks	\$ -						\$ 253,027		\$ (253,027)		\$ -
CC Chargebacks	\$ -				\$ 287,517				\$ (287,517)		\$ -
NOCE Chargebacks	\$ -		\$ (197,933)		\$ (43,619)				\$ 241,552		\$ -
DS Chargebacks	\$ -		\$ 1,066,286		\$ (146,978)				\$ (919,308)		\$ -
Net Chargebacks	\$ -		\$ 868,353		\$ 96,920		\$ 253,027		\$ (1,218,300)		\$ -
Final Revenue Allocation	\$ 11,673,623	4.89%	\$ 22,194,586	9.29%	\$ 84,221,821	35.27%	\$ 108,061,266	45.25%	\$ 12,673,430	5.31%	\$ 238,824,728
Expenditures											
Position Control Expenses	\$ -	0.00%	\$ 19,670,258	9.80%	\$ 71,111,620	35.44%	\$ 92,377,291	46.04%	\$ 17,507,863	8.72%	\$ 200,667,032
Personnel Costs outside of Position Control	\$ -	0.00%	\$ 540,158	0.27%	\$ 11,475,429	5.72%	\$ 20,499,711	10.22%	\$ 5,519,904	2.75%	\$ 38,035,202
Other Operating Expenses	\$ 11,673,623	39.25%	\$ 4,129,123	13.88%	\$ 6,360,896	21.38%	\$ 6,799,765	22.86%	\$ 781,983	2.63%	\$ 29,745,390
Total Expenditures	\$ 11,673,623	4.35%	\$ 24,339,539	9.07%	\$ 88,947,945	33.13%	\$ 119,676,767	44.58%	\$ 23,809,750	8.87%	\$ 268,447,624
Total Net Available Revenue	\$ -	0.00%	\$ (2,144,953)	7.24%	\$ (4,726,124)	15.95%	\$ (11,615,501)	39.21%	\$ (11,136,320)	37.59%	\$ (29,622,896)
Intrafund Transfers In/Out (To supplement Exp.)											
Intrafund Transfer In to 11200	\$ -		\$ -		\$ 72,873		\$ -		\$ -		\$ 72,873
Intrafund Transfer Out from 11200	\$ -		\$ -		\$ -		\$ -		\$ (13,470)		\$ (13,470)
Intrafund Transfer In to Self-Supporting	\$ -		\$ -		\$ -		\$ -		\$ 198,390		\$ 198,390
Intrafund Transfer Out from Self-Supporting	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Total Intrafund Transfers	\$ -		\$ -		\$ 72,873		\$ -		\$ 184,920		\$ 257,793
Final Net Available Revenue	\$ -	0.00%	\$ (2,144,953)	7.30%	\$ (4,653,251)	15.85%	\$ (11,615,501)	39.56%	\$ (10,951,400)	37.29%	\$ (29,365,103)

North Orange County Community College District
2023-24 Early Preliminary Budget
Districtwide (DW) Expenses in Fund 11200 (Ongoing Budget only)
February 14, 2023

	Actuals 2021-22	Budget 2022-23	Budget 2023-24
Sabbatical Replacement Costs	\$ 61,205.08	\$ 300,000	\$ 300,000
Related Activity (Additional Duty Days for Faculty)	\$ 391,379.70	350,000	350,000
Subtotal 10000's	<u>\$ 452,584.78</u>	<u>650,000</u>	<u>650,000</u>
Retiree Medical Benefits	\$ 5,439,906.18	5,602,204	5,925,821
Contribution from Retiree OPEB Trust	\$ (3,000,000.00)	-	- *
Net Retiree Medical Benefits Cost	\$ 2,439,906.18	5,602,204	5,925,821
Part-time Faculty Insurance	\$ 168,719.08	215,000	215,000
Fringe Benefits Clearing	\$ 391,471.77	1,000,000	1,000,000
Adjustments/Fees from STRS	\$ 48,228.52	40,000	40,000
Fees from PERS	\$ 11,444.26	10,000	10,000
Load Banking Benefits Accrual Adjustment	\$ 76,730.24	15,000	15,000
Subtotal 30000's	<u>\$ 3,136,500.05</u>	<u>6,882,204</u>	<u>7,205,821</u>
Other (Memberships for Contract Employees)	\$ 4,440.00	6,000	6,000
Recruiting Budget	\$ 54,012.99	40,000	40,000
Fingerprinting	\$ 14,953.50	25,000	25,000
Sabbatical Bond Reimbursements	\$ 866.50	3,000	3,000
Districtwide Memberships	\$ 154,819.05	137,000	137,000
Audit Expenses	\$ 124,200.00	132,000	133,500
Information & Emergency Communication System	\$ 44,375.04	45,706	47,077
Sewer Expenses	\$ 31,924.61	99,000	99,000
Additional Attorney Expenses	\$ -	350,000	350,000
Waste Disposal	\$ 133,615.86	160,000	160,000
Election Expense	\$ -	150,000	150,000
Ride Share (AQMD)	\$ 58,160.84	120,000	120,000
Student Insurance	\$ 212,759.00	223,840	223,840
Employee Assistance Program	\$ 23,225.52	60,000	60,000
Interest	\$ 79,312.39	90,000	90,000
Life insurance	\$ 150,000.00	150,000	150,000
Mandated Fees from PERS (for reports)	\$ 350.00	5,350	5,350
County Payroll Postage Charges	\$ 4,647.71	4,650	4,650
DW IT Expenses	\$ 1,087,853.33	1,442,062	1,498,385
Subtotal 50000's	<u>\$ 2,179,516.34</u>	<u>3,243,608</u>	<u>3,302,802</u>
FC Child Care Center Contribution (B/A 4/14/09)	\$ 250,000.00	250,000	250,000
Hospitality	\$ 98,215.53	140,000	140,000
Subtotal 70000's	<u>\$ 348,215.53</u>	<u>390,000</u>	<u>390,000</u>
EEO Plan Implementation	\$ -	25,000	25,000
Student Success	\$ -	100,000	100,000
Subtotal 79000's (Contingencies)	<u>\$ -</u>	<u>125,000</u>	<u>125,000</u>
Total Districtwide Expenses	<u>\$ 6,116,816.70</u>	<u>\$ 11,290,812</u>	<u>\$ 11,673,623</u>
STRS on behalf payments from the State	<u>9,148,100.00</u>		
Total	<u><u>15,264,916.70</u></u>		

*: Contribution from Retiree OPEB Trust: Expected to be provided from the OPEB Trust towards the cost of the pay as you go retiree medical costs. Zero for 2022-23 as the Trust Asset value has declined below the level of the District's OPEB Liability.

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
2023-24 Proposed Budget - Budget Assumptions
Resource Allocation Model
February 14, 2023

Student-Centered Funding Formula

Estimated COLA		8.13%	
Apportionment Base:		<u>2023-24</u>	
Basic Allocation		\$ 17,157,854	
Credit FTES		120,066,849	
Special Admit		3,180,124	
Non-Credit FTES		10,031,586	
CDCP		<u>2,309,768</u>	
Subtotal - 2023-24 Funding from Base Allocation		152,746,181	
Supplemental Allocation		39,883,000	
Student Success Incentive Allocation		<u>27,073,820</u>	
SCFF Earned Allocation		\$ 219,703,001	<A>
Additional funding resulting from applying prior Emergency Conditions Allowances		18,054,385	
Stability Funding based on PY Funding + COLA		<u>27,797,257</u>	
2023-24 SCFF Total Revenue		\$ 265,554,643	
2023-24 SCFF Hold Harmless Allocation		<u>259,439,637</u>	
Amount available for backfill and reserves		<u>\$ 6,115,006</u>	*

*: The District applied to continue with the Emergency Conditions Allowance (ECA) into 2022-23. This resulted in the District's calculated SCFF funding moving above the hold harmless levels for two years, 2022-23 as well as 2023-24. The 2022-23 ECA has several conditions the District must meet, including increasing it's Board Policy reserve levels equal to 2 months of general fund operating expenditures. This would be an increase from the current 5% to ~16-17% of expenses. The additional funding above the hold harmless level that will be received will be used to help meet the required increase to reserves.

State Revenue

Enrollment Fee Waiver

2% fee waiver administration allocation estimate: \$ 516,460 <A>

Full-Time Faculty Hiring Funds 2018-19

Provided separately from SCFF in 2018-19 (no COLA on this since initial allocation): \$ 1,441,228 <A>

Part-Time Faculty Compensation Items

Estimated reimbursement for part-time faculty office hours		\$ 1,150,000	
Estimated reimbursement for part-time faculty health insurance benefits		\$ 50,000	
Estimated funding towards part-time faculty compensation		<u>\$ 700,000</u>	
		\$ 1,900,000	<A>

Lottery Funds

		<u>22-23 Res+N/R</u>	
Unrestricted lottery projection per FTES:	\$ 170.00	34,413.00	\$ 5,850,210 <A>
Restricted lottery projection per FTES:	\$ 67.00	34,413.00	\$ 2,305,671

Mandated Costs

The budget proposal included funding for the Mandated Block Grant. The District will annually reevaluate whether it is prudent to continue selecting this option.

		<u>22-23 Funded</u>		
		<u>P2 FTES</u>		
Mandated cost revenue projection per FTES:	\$	35.34	33,735.67	\$ 1,192,219 <A>

Local Revenue/Self-Supporting Revenue

Interest & Investment Income

Interest earnings estimate: \$ 1,000,000 <A>

Miscellaneous Districtwide Income

Other miscellaneous income estimate: \$ 10,000 <A>

Budget Center Revenues

Budget Centers have provided for the self-supported activities for each center. Included in this section, Cypress and Fullerton Colleges have budgeted Nonresident Tuition as part of ongoing revenues. \$ 6,211,613 <A>

Interfund Transfer In

Transfer In from Redevelopment Funds: \$ 1,000,000 <A>

Additional Contribution from OPEB Trust

The downturn the stock market is experiencing has reduced the Trust assets below the level of the District's OPEB liability. In the prior year, the Retiree Benefits Trust Board authorized the use of funds to pay current retiree benefit costs, capped at \$3 million. However, due to the change in value of the Trust assets, we do not anticipate having funds available to use from the Trust to offset these expenses for 2023-24. \$ -

Total Revenues \$ 238,824,731 = sum of <A>

Appropriations and Expenditures

Position Control Budgets (Permanent Positions)

All Permanent Positions have been budgeted based on applicable employee step, grade, and, if applicable, longevity, premium pay, professional growth and education stipends.

\$ 200,667,032

The current rates for benefits have been applied as follows:

STRS: For employer share of contributions towards STRS pension costs.	19.10%
PERS: For employer share of contributions towards PERS pension costs.	25.20%
OASDI: For State Disability Insurance and Medicare required.	6.20% & 1.45%
SUI: State Unemployment Insurance. Rate has significantly increased due to pandemic.	0.50%
WC: Worker's Compensation Rate to contribute towards worker's comp costs.	0.50%
RB: Retiree Benefits Rate to contribute towards ongoing retiree health benefit costs.	1.00%

Health Costs

Health costs have been increased by an expected 4.5% annually. This estimates an annualized increase of 6.8%. The rates increased an average 2.58% for HMO's and 9.92% for PPO's from 2022-23 to 2023-24.

Dependent Care Coverage Costs

All groups' current agreements include a contribution by the District towards dependent care coverage as well as full family coverage. An estimate of these costs has been added, based on employees currently participating.

Other Operating Expenses

The remaining costs outside of position control have been budgeted to help meet departmental needs at each budget center. Included herein are estimated costs for Adjunct faculty.

Adjunct Faculty: Extended Day budgets have been estimated by each campus. Associated benefit costs have been added as an estimate.

\$ 30,790,375

Other Budget Center Expenses: Amounts budgeted to support operations as determined by each budget center.

\$ 25,316,594

Districtwide Expenses

Districtwide expenses include budget for costs that have been approved through CBF and DCC and that will be shared across all budget centers.

\$ 11,673,623

Total Expenses \$ 268,447,624

PROPOSED RESOURCE ALLOCATION MODEL BUDGET SUMMARY

2022-2023

	DW	DS	CC	FC	NOCE	Total
SCFF Revenues	\$ -	\$ 20,109,227	\$ 77,956,096	\$ 104,302,011	\$ 15,029,734	\$ 217,397,068
Additional applying ECA in 2022-23 also	-	3,093,267	7,441,583	10,348,606	12,557,266	33,440,722
Other Revenues	-	2,076,273	6,961,362	8,270,957	1,675,500	18,984,092
Funding for Districtwide Expenses	11,290,812	(1,060,207)	(4,055,660)	(5,376,685)	(798,260)	-
Net Chargebacks	-	851,795	78,189	233,539	(1,163,523)	-
	11,290,812	25,070,355	88,381,570	117,778,428	27,300,717	269,821,882
Expenses	11,165,812	22,707,371	83,375,500	111,923,719	22,374,963	251,547,365
Contingencies	125,000	1,354,298	2,652,311	2,480,124	1,015,865	7,627,598
	11,290,812	24,061,669	86,027,811	114,403,843	23,390,828	259,174,963
Net Available Revenue	-	1,008,686	2,353,759	3,374,585	3,909,889	10,646,919
Net Transfers In/(Out) to Supplement Self-Supporting Operations	-	-	72,873	-	184,920	257,793
Structural Surplus (Deficit)	\$ -	\$ 1,008,686	\$ 2,426,632	\$ 3,374,585	\$ 4,094,809	\$ 10,904,712
Additional Sources (Uses)						
Amount pulled back to increase Reserves from Emergency Conditions Funding	-	(1,008,686)	(2,426,632)	(3,374,585)	(4,094,809)	(10,904,712)
Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Amount to Pull Back to Increase Reserves

ECA Calculated SCFF	250,837,790
Hold Harmless SCFF	239,933,078
Amount to pull back	<u>10,904,712</u>

Ratios of additional ECA funding	9.25%	22.25%	30.95%	37.55%	
Allocation of amount to be pulled back, by Center	1,008,686	2,426,632	3,374,585	4,094,809	10,904,712

**California Community Colleges
2022-23 First Principal
North Orange County CCD
Exhibit C - Page 1**

Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)		
I. Base Allocation (FTES + Basic Allocation)		\$ 183,358,641
II. Supplemental Allocation		36,907,112
III. Student Success Allocation		25,333,018
	Student Centered Funding Formula (SCFF) Calculated Revenue (A)	\$ 245,598,771
	2021-22 SCFF Calculated Revenue + COLA (B)	229,351,079
	Hold Harmless Revenue (C)	239,933,078
	Stability Protection Adjustment	-
	Hold Harmless Protection Adjustment	-
	2022-23 TCR (Max of A, B, or C)	\$ 245,598,771
Revenue Sources		
Property Tax & ERAF		\$ 125,358,868
Less Property Tax Excess		-
Student Enrollment Fees		10,867,750
Education Protection Account (EPA)	Minimum of at least \$100 x Funded FTES	53,114,204
State General Fund Allocation	Funded FTES: 33,735.67 x Rate: \$1,574.42	56,257,949
State General Fund Allocation		
General Fund Allocation	\$ 53,840,122	
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)	2,417,827	
	Subtotal State General Fund Allocation	\$56,257,949
Adjustment(s)	-	
	Total State General Fund Allocation (Exhibit A)	\$56,257,949
	Available Revenue	\$ 245,598,771
	2022-23 TCR (Max of A, B, or C)	245,598,771
	Revenue Deficit Percentage	0.0000%
	Revenue Deficit	\$ -

Supporting Sections

Section Ia: FTES Data and Calculations

variable	a	b	c	d	e	f = b + c + d + e	g = f (except credit = (a + b + f)/3)	h	i = g + h
FTES Category	2020-21 Applied #3	2021-22 Applied #3	2022-23 Restoration	2022-23 Decline	2022-23 Adjustment	2022-23 Applied #1	2022-23 Applied #2	2022-23 Growth	2022-23 Funded
Credit	28,083.98	28,083.98	-	-	-	28,083.98	28,083.98	-	28,083.98
Incarcerated Credit	-	-	-	-	-	-	-	-	-
Special Admit Credit	504.03	504.03	-	-	-	504.03	504.03	-	504.03
CDCP	2,630.20	2,630.20	-	-	-	2,630.20	2,630.20	-	2,630.20
Noncredit	2,517.46	2,517.46	-	-	-	2,517.46	2,517.46	-	2,517.46
Total FTES=>>>	33,735.67	33,735.67	-	-	-	33,735.67	33,735.67	-	33,735.67
Total Values=>>>		\$167,490,845	\$0	\$0	\$0				
Change from PY to CY=>>>		\$0							

variable	j = g x l 2022-23 Applied #2 Revenue	k = h x l 2022-23 Growth Revenue	l 2022-23 P1 Rate \$*	m = j + k 2022-23 Total Revenue
Credit	\$135,940,084	\$ -	\$4,840.49	\$135,940,084
Incarcerated Credit	-	-	\$6,787.96	-
Special Admit Credit	3,421,334	-	\$6,787.96	3,421,334
CDCP	17,853,685	-	\$6,787.96	17,853,685
Noncredit	10,275,742	-	\$4,081.79	10,275,742
Total	\$167,490,845	\$0		\$167,490,845

n 2022-23 Applied #0	o = f + h 2022-23 Applied #3	p = n - o 2022-23 Unfunded FTES	q = p x l 2022-23 Unfunded FTES Value
28,083.98	28,083.98	-	\$ -
-	-	-	-
504.03	504.03	-	-
2,630.20	2,630.20	-	-
2,517.46	2,517.46	-	-
33,735.67	33,735.67	-	\$ -

Total Value=>>> \$167,490,845

Section Ib: 2022-23 FTES Modifications

variable	r Applied #0 19-20 FTES	s Reported 320 2022-23 P1 FTES	t Emergency Conditions Allowance (ECA) COVID-19	u Other	n = s + t + u 2022-23 Applied #0	Definitions:
Credit	28,083.98	22,999.42	5,084.56	-	28,083.98	PY App#3: PY App#1 plus PY Growth, is the base for CY
Incarcerated Credit	-	-	-	-	-	CY App#0: Reported R1 FTES with COVID-19 and other ECA and statutory protections. These FTES are used in the calculations of the CY funded FTES.
Special Admit Credit	504.03	433.27	70.76	-	504.03	CY App#1: Base for CY plus any restoration, decline or adjustment
CDCP	2,630.20	314.69	2,315.51	-	2,630.20	CY App#2: FTES that will be funded not including growth
Noncredit	2,517.46	2,272.86	244.60	-	2,517.46	CY App#3: CY App#1 plus Growth and used as the base for the following year
Total	33,735.67	26,020.24	7,715.43	-	33,735.67	CY Adjustment: Alignment of FTES to available resources.
						Change Prior Year to Current Year: CY App#0 value minus PY App#3 value and is the sum of CY restoration, decline, growth and unapplied values

Section Ic: FTES Restoration Authority				
variable	v	w	y	z = (v + w + y) x l
FTES Category	2019-20	2020-21	2021-22	Total \$
Credit	-	-	-	\$ -
Incarcerated Credit	-	-	-	-
Special Admit Credit	-	-	-	-
CDCP	-	-	-	-
Noncredit	-	-	-	-
Total	-	-	-	\$ -

Section Id: FTES Growth Authority			
variable	aa	ab	ac = aa x ab
FTES Category	% target	2021-22 Applied #3 FTES	2022-23 Growth FTES
Credit	0.12%	28,083.98	34.89
Incarcerated Credit	0.12%	-	-
Special Admit Credit	0.12%	504.03	0.63
CDCP	0.12%	2,630.20	3.27
Noncredit	0.12%	2,517.46	3.13
Total		33,735.67	41.92
Total Growth FTES Value =>>> \$			208,105

Section Ie: Basic Allocation

District Type/FTES	Funding Rate	Number of Colleges	Basic Allocation	FTES	Funding Rate	Number of Centers	Basic Allocation	
<u>Single College Districts</u>				<u>State Approved Centers</u>				
≥ 20,000	9,917,373.09	-	\$0	≥ 1,000	\$1,983,474.31	1	\$1,983,474	
≥ 10,000 & < 20,000	7,933,898.79	-	-	<u>Grandparented Centers</u>				
< 10,000	5,950,421.36	-	-	≥ 1,000	1,983,474.31	-	-	
<u>Multi-College Districts</u>				≥ 750 & < 1,000	1,487,605.34	-	-	
≥ 20,000	7,933,898.79	-	-	≥ 500 & < 750	991,736.37	-	-	
≥ 10,000 & < 20,000	6,942,160.85	2	13,884,322	≥ 250 & < 500	495,868.97	-	-	
< 10,000	5,950,421.36	-	-	≥ 100 & < 250	247,936.04	-	-	
<u>Additional Rural \$</u>	1,892,600.56	-	-	Subtotal				
			Subtotal				\$13,884,322	\$1,983,474
				Total Basic Allocation			\$15,867,796	
				Total FTES Allocation			167,490,845	
				Total Base Allocation			\$183,358,641	

Section II: Supplemental Allocation

Supplemental Allocation - Point Value \$1144.62	Points	2021-22 Headcount	Rate	Revenue
AB540 Students	1	1,129	\$1,144.62	\$1,292,275
Pell Grant Recipients	1	11,168	1,144.62	12,783,111
Promise Grant Recipients	1	19,947	1,144.62	22,831,726
		Totals		\$36,907,112

Section III: Student Success Allocation

All Students - Point Value \$674.94	Points	2019-20 Headcount	2020-21 Headcount	2021-22 Headcount	Three Year Average	Rate = Point Value x Points	Revenue
Associate Degrees for Transfer	4	1,866	2,017	1,768	1,883.67	\$ 2,699.76	\$5,085,442
Associate Degrees	3	1,374	1,241	1,381	1,332.00	2,024.82	2,697,057
Baccalaureate Degrees	3	2	7	3	4.00	2,024.82	8,099
Credit Certificates	2	750	734	728	737.33	1,349.88	995,310
Transfer Level Math and English	2	1,767	1,692	1,427	1,628.67	1,349.88	2,198,502
Transfer to a Four Year University	1.5	2,032	2,126	2,267	2,141.67	1,012.41	2,168,242
Nine or More CTE Units	1	4,875	4,965	4,765	4,868.33	674.94	3,285,829
Regional Living Wage	1	3,742	2,804	3,334	3,293.33	674.94	2,222,800
All Students Subtotal		16,408	15,586	15,673	15,889.00		\$18,661,281
Pell Grant Recipients - Point Value \$170.24							
Associate Degrees for Transfer	6	992	1,123	983	1,032.67	\$ 1,021.46	\$1,054,832
Associate Degrees	4.5	706	634	746	695.33	766.10	532,694
Baccalaureate Degrees	4.5	1	6	1	2.67	766.10	2,043
Credit Certificates	3	381	371	354	368.67	510.73	188,290
Transfer Level Math and English	3	857	739	629	741.67	510.73	378,793
Transfer to a Four Year University	2.25	977	1,087	1,147	1,070.33	383.05	409,990
Nine or More CTE Units	1.5	2,266	2,296	2,286	2,282.67	255.37	582,916
Regional Living Wage	1.5	843	623	1,004	823.33	255.37	210,251
Pell Grant Recipients Subtotal		7,023	6,879	7,150	7,017.33		\$3,359,809
Promise Grant Recipients - Point Value \$170.24							
Associate Degrees for Transfer	4	1,402	1,579	1,369	1,450.00	\$ 680.98	\$987,415
Associate Degrees	3	1,040	937	1,063	1,013.33	510.73	517,542
Baccalaureate Degrees	3	2	7	2	3.67	510.73	1,873
Credit Certificates	2	545	538	533	538.67	340.49	183,410
Transfer Level Math and English	2	1,231	1,117	935	1,094.33	340.49	372,607
Transfer to a Four Year University	1.5	1,383	1,498	1,615	1,498.67	255.37	382,709
Nine or More CTE Units	1	3,490	3,575	3,476	3,513.67	170.24	598,181
Regional Living Wage	1	1,714	1,207	1,805	1,575.33	170.24	268,191
Promise Grant Recipients Subtotal		10,807	10,458	10,798	10,687.67		\$3,311,928
Total Headcounts		34,238	32,923	33,621	33,594.00		
Total Student Success Allocation							\$25,333,018