

Budget Highlights



C U Y A M A C A
· C O L L E G E ·

Fall 2023 Workshop

Key Points

- District revenue is largely dependent upon the Student Centered Funding Formula (SCFF)
- District is in Hold Harmless, which means are being funding from enrollment higher than what our SCFF is generating.
- Hold Harmless funding ends 2024-25
- Expenses continue to increase so **cost containment is critical**

Fiscal Challenges

State Budget

- Fall 2023 – State included a 2.5% deficit factor (i.e. a reduction in funding).
- Fall 2023 – State estimated a \$31.5 billion deficit
- **Feb 2024 – State deficit ballooned to \$73 billion**

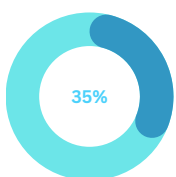
Rising Construction Costs

- Prop V is nearing the end. Construction and material costs continue to rise.
- Need to identify ongoing funds to maintain aging buildings.
- College will now need to cover the shortfall for the Data Center relocation

Ongoing Operational Increases

- Operational costs are increasing
- 82% of UGF are salaries/benefits. Increase of \$2M in 23/24
- Health benefits increased by \$1.5M districtwide
- Program Review resource requests increase each year
- Food services contract is an unknown expense and bookstore revenue has decreased
- STRS/PERS increased by \$300,000

Restricted Funding



- 35% of our total budget is restricted funding
- SCFF metrics also impacts restricted funds
- Many of our ongoing operating expenses are supported by restricted funding
- State cuts to restricted funds may result in a reduction of activities or expenses moved to UGF

No Guarantees for Additional Revenue

- No guarantee that the District will receive additional revenue.
 - 2025-26 revenue will be flat unless SCFF calculation is more than 2024-25 level
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Budget Strategies

Fiscal Challenges & Implemented Strategies

Fiscal Challenge	Strategy
<p>Aging buildings require upgrades or ongoing maintenance. Costs for materials or construction are increasing.</p> <ul style="list-style-type: none"> Facilities Emergencies One-Time Facilities Projects Critical Repairs 	<ul style="list-style-type: none"> Use one-time funds to carve out emergency funding and fund minimal annual maintenance Prioritize critical repairs and facilities equipment purchases funded from the ending balance Funded one-time facilities projects from ending balance – Auto, CDC, F building
<p>Sources of facilities funding has shifted and is now limited.</p> <ul style="list-style-type: none"> State Funding was decreased: One-Time Deferred Maintenance Funds decreased by 60% Bond funding (Prop V) is nearing completion. No new bonds are on the horizon. 	<ul style="list-style-type: none"> Allocated Unrestricted General Fund (UGF) resources for instructional equipment and library material Created a reserve to support maintenance, in alignment with the Board policy Need to develop a more comprehensive funding plan to support ongoing building upgrades and maintenance
<p>Reductions in Bookstore Revenue</p>	<ul style="list-style-type: none"> Allocated resources for commencement and outreach from UGF
<p>Other ongoing increases:</p> <ul style="list-style-type: none"> 82% of UGF are salaries/benefits Salaries/ benefits increase operating expenses by \$2M per year Health benefits increased by \$1.5M districtwide Program Review resource requests Food services contract STRS/PERS increased by \$300,000 Operational costs are increasing 	<ul style="list-style-type: none"> Focus on cost containment to support ongoing increases Ensure expenses are in alignment with the College mission/vision Encourage decision makers to re-evaluate annual spending plans to ensure plans reflect short-term and long-term needs
<p>Ongoing expenses were funded by one-time funds</p>	<ul style="list-style-type: none"> Ensured that one-time funds were only supporting one-time needs and vice versa Reduced ongoing expenses so that UGF could support necessary ongoing needs such as annual tech plan, library support Anticipate future needs and build capacity in UGF to support increases for operating or ongoing expenses
<p>Budget literacy needs to be increased so the entire campus can be empowered to be good stewards of public funds.</p>	<ul style="list-style-type: none"> IEPI Team recommendations (e.g. budget handbook) Future trainings and workshops Provide coaching for Deans to resolve budget overruns