

# Forecast Board Update November 13, 2019









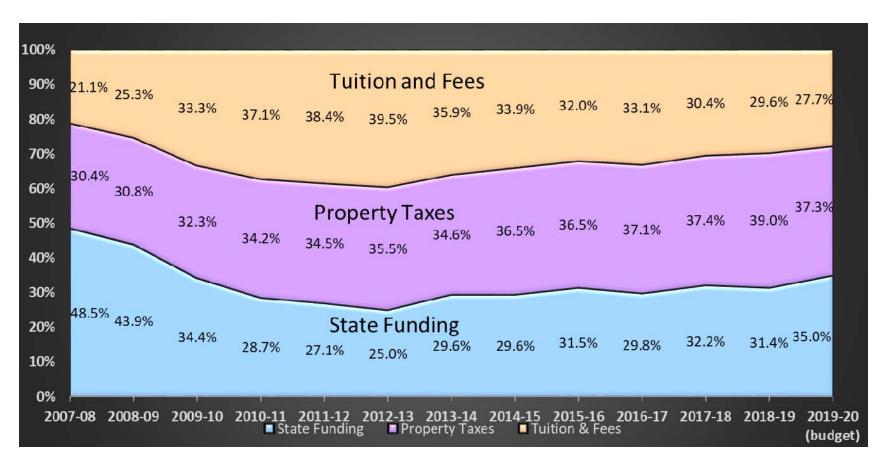








### **CCC** Funding Overview



### General Fund Revenue Sources



#### The three legged stool of CCC's Funding are:

- Property Taxes \$20 million
- State Funding \$19 million
- Tuition & Fees \$15 million

Current FY 2019-20 Expenses



\* Based on 2019-20 Adopted Budget

**Education That Works** 



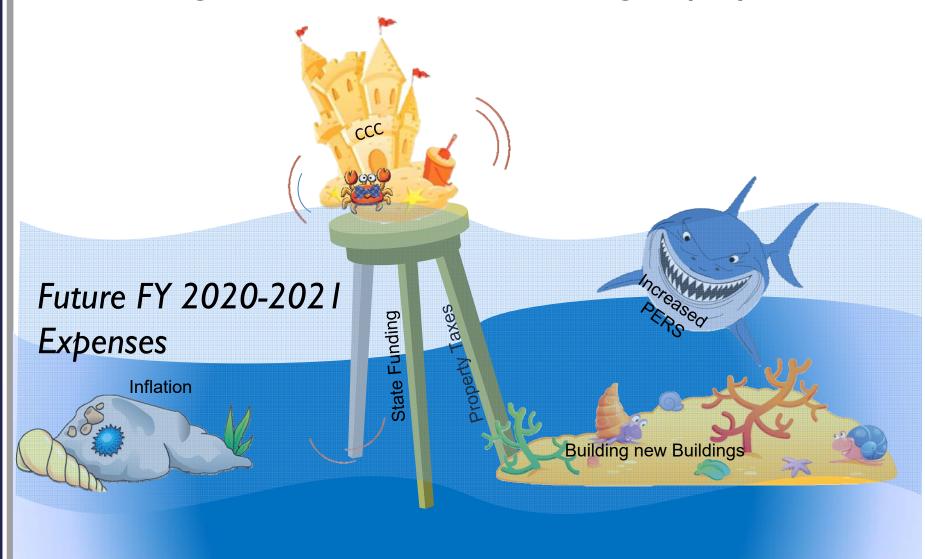
As we shift into new fiscal years – expenses rise and the three legs of revenue need to increase proportionally to expenses in order to keep the college above water Future FY 2020-2021 Expenses Inflation



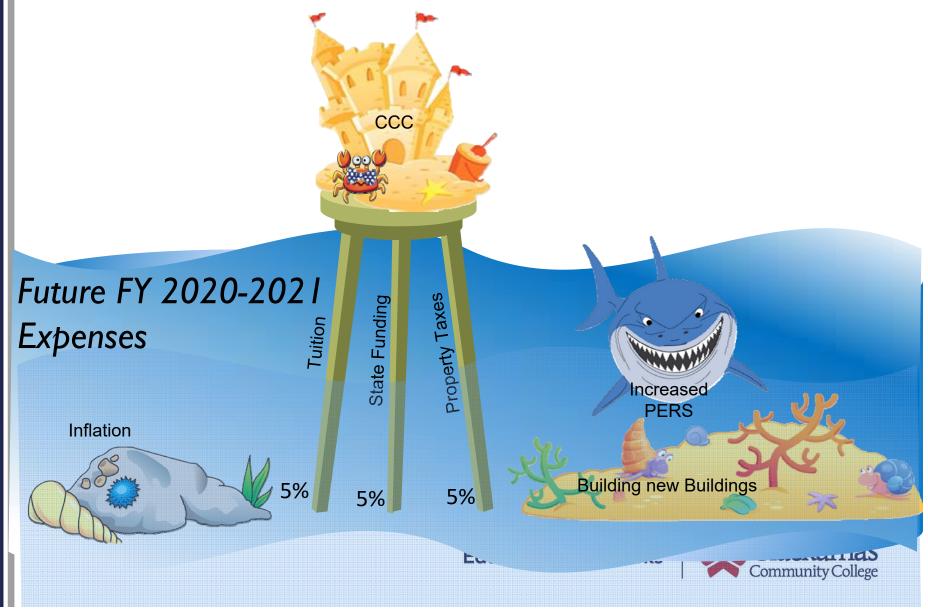


**Building new Buildings** 

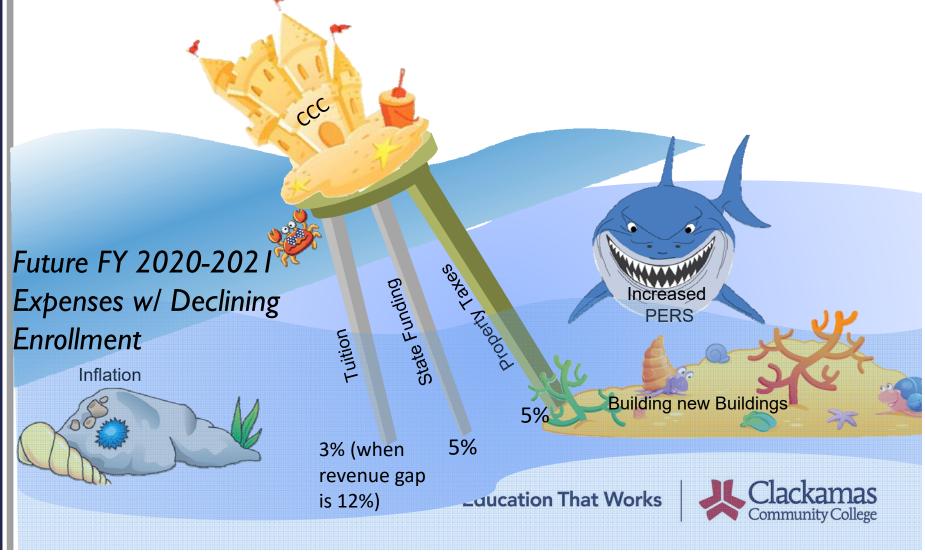
As expenses go up by 5%, Property Taxes, State Funding and Tuition also need to go up by 5%



## If combined revenues aren't able to rise proportionally, then expenses must be reduced

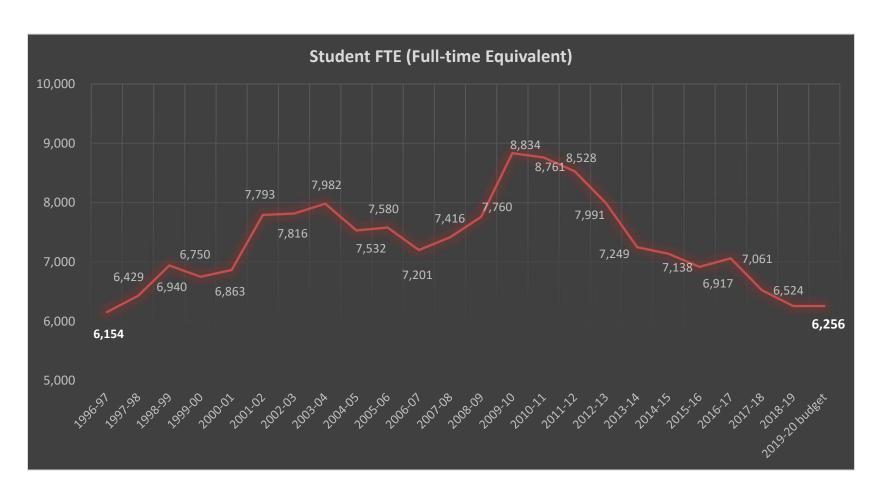


Enrollment also plays a key role. If enrollment from tuition paying students drop 7% from the prior year and other funding is fixed, tuition rates would need to be increased by both the 5% and the 7% enrollment drop to balance revenues (12%).



### Student Enrollment

Full-time Equivalent (FTE)



### **CCC** Forecast





### **Current Forecast Comparison to Last Year**

- CCSF was previously projected at \$590 million, which would have created over double the current deficit, but came in at \$641 million, which narrowed the three year gap.
- Property Taxes continue to increase at a consistent pace of 4.5% annually.
- Prior year reimbursable enrollment was down 4%. This
  compares relatively closely to the other 16-college average
  decline of ~4% for 2018-19, thus keeping CCSF portion neutral.
- While the State Funding formula will stay neutral, enrollment revenue from tuition-paying students was down 7.5% last year, and more importantly, it's down over 14% over the last two fiscal years which equates to about \$2 million in fewer revenues we have to work with annually.



### **Current Forecast Comparison to Last Year**

- On the expense side, the large-scale PERS impacts that have been known about for many years now have officially taken effect and have moved our overall annual expense increases from 4% a year to 5% annually.
  - PERS rate reductions can't reasonably be counted on at this point due to 2019 PERS reform being referred to the Supreme Court.
- Operating costs associated with latest bond projects were incorporated into the next biennium.



### Traditional Forecast Assumptions

3% Tuition Increase Annually

4.5% Property Tax Increase Annually

Flat Enrollment in 2019-20 and Thereafter

Flat CCSF for our forecast assumption given the unknown state of funding in the future years.



### Forecast Scenarios for Budgeting

(assuming 4.5% Property Tax Increases)

	FY 2021-22 (Budget Gap)	FY 2022-23 (Budget Gap)
1. \$641M CCSF <sup>1</sup> (no change) and \$3 annual Tuition Increases	(\$3.09) million	(\$7.07) million
2. \$641M CCSF (no change) and \$5 annual Tuition Increases	(\$2.33) million	(\$5.52) million
3. \$679M CCSF (6%) and \$3 Tuition Increases	(\$1.55) million	(\$3.82) million
4. \$679M CCSF (6%) and \$5 Tuition Increases	(\$0.79) million	(\$2.27) million
5. \$747M CCSF (17%) CCSF needed to balance @ \$0 Tuition inc.	\$0	(\$0.41) million
6. \$720M CCSF (12%) CCSF needed to balance @ \$3 Tuition inc.	\$0	(\$0.31) million
7. \$700M CCSF (9%) CCSF needed to balance @ \$5 Tuition inc.	\$0	(\$0.50) million



#### 1. Flat CCSF, \$3 annual tuition increases

2019-21 BIENNIUM			2021-23 BIENNIUM				MUINN		
	Projected Projected <u>2019-20</u> <u>2020-21</u>			Projected 2021-22	Projected 2022-23	F	•	Projected <u>2024-25</u>	
_				· · · · · · · · · · · · · · · · · · ·					
\$	-, ,	-,	\$			\$	, +	16,973	
	20,354	21,270		22,227	23,228		24,273	25,365	
	39,510	39,940		40,212	40,874		41,624	42,339	
	14,194	14,607		15,021	15,434		15,848	16,261	
	2,852	2,781		2,777	2,787		2,791	2,794	
	150	150		125	125		100	100	
	56,705	57,478		58,135	59,220		60,362	61,493	
	7%	1%		1%	2%		2%	2%	
	32,261	33,458		34,703	35,997		37,342	38,741	
	15,361	15,819		17,003	17,636		18,293	18,977	
	8,473	8,636		8,918	9,129		9,330	9,535	
	1,836	1,839		1,822	1,825		1,828	1,832	
	57,930	59,752		62,446	64,587		66,793	69,084	
'	6%	3%		5%	3%		3%	3%	
	(1,225)	(2,274)		(4,312)	(5,367)		(6,431)	(7,591)	
	-			1,500	1,500		-		
	(1,225)	(2,274)		(2,812)	(3,867)		(6,431)	(7,591)	
\$	7,796 \$	5,522	\$	2,710	\$ (1,157)	\$	(7,588) \$	(15,179)	
\$	7,796 \$	5,522	\$	2,710	\$ (1,157)	\$	(7,588) \$	(15,179)	
	(5,656)	(5,733)		(5,801)	(5,909)		(6,026)	(6,139)	
	2,140	(211)		(3,091)	(7,066)		(13,614)	(21,318)	
	\$	Projected 2019-20 \$ 19,155 \$ 20,354  39,510 14,194 2,852 150 56,705 7%  32,261 15,361 8,473 1,836 57,930 6% (1,225) [	Projected 2019-20         Projected 2020-21           \$ 19,155         \$ 18,669           20,354         21,270           39,510         39,940           14,194         14,607           2,852         2,781           150         150           56,705         57,478           7%         1%           32,261         33,458           15,361         15,819           8,473         8,636           1,836         1,839           57,930         59,752           6%         3%           (1,225)         (2,274)           \$ 7,796         \$ 5,522           (5,656)         (5,733)	Projected 2019-20         Projected 2020-21           \$ 19,155 \$ 18,669 \$ 20,354 21,270         \$ 21,270           39,510 39,940 14,194 14,607 2,852 2,781 150 150         \$ 150           56,705 57,478 7% 1%         \$ 1%           32,261 33,458 15,361 15,819 8,473 8,636 1,836 1,836 1,839         \$ 1,839           57,930 59,752 6% 3% (1,225) (2,274)         \$ (1,225) (2,274)           \$ 7,796 \$ 5,522 \$           \$ 7,796 \$ 5,522 \$           \$ 7,796 \$ 5,522 \$	Projected 2019-20         Projected 2020-21         Projected 2021-22           \$ 19,155         \$ 18,669         \$ 17,985           20,354         21,270         22,227           39,510         39,940         40,212           14,194         14,607         15,021           2,852         2,781         2,777           150         150         125           56,705         57,478         58,135           7%         1%         1%           32,261         33,458         34,703           15,361         15,819         17,003           8,473         8,636         8,918           1,836         1,839         1,822           57,930         59,752         62,446           6%         3%         5%           (1,225)         (2,274)         (4,312)           -         -         1,500           (1,225)         (2,274)         (2,812)           \$ 7,796         \$ 5,522         \$ 2,710           \$ 7,796         \$ 5,522         \$ 2,710           \$ 7,796         \$ 5,522         \$ 2,710	Projected 2019-20         Projected 2020-21         Projected 2021-22         Projected 2022-23           \$ 19,155 \$ 18,669 20,354 21,270 22,227 23,228         \$ 17,646 20,354 21,270 22,227 23,228           39,510 39,940 40,212 40,874 14,194 14,607 15,021 15,434 2,852 2,781 2,777 2,787 150 150 125 125         \$ 150 150 125 125           \$ 56,705 57,478 58,135 59,220 7% 1% 1% 15,361 15,819 17,003 17,636 8,473 8,636 8,918 9,129 1,836 1,839 1,822 1,825         \$ 1,839 1,822 1,825           \$ 57,930 59,752 62,446 64,587 6% 3% 5% 3% (1,225) (2,274) (4,312) (5,367)         \$ 1,500 1,500 (1,255) (2,274) (2,812) (3,867)           \$ 7,796 \$ 5,522 \$ 2,710 \$ (1,157) (5,656) (5,733) (5,801) (5,909)	Projected 2019-20         Projected 2020-21         Projected 2021-22         Projected 2022-23         Fojected 2022-23         Projected 2022-23         Fojected 2022-22         Fojected 202	Projected 2019-20         Projected 2020-21         Projected 2021-22         Projected 2022-23         Projected 2023-24           \$ 19,155 \$ 18,669 \$ 17,985 \$ 17,646 \$ 17,351 \$ 20,354 \$ 21,270 \$ 22,227 \$ 23,228 \$ 24,273           39,510 39,940 \$ 40,212 \$ 40,874 \$ 41,624         41,194 \$ 14,607 \$ 15,021 \$ 15,434 \$ 15,848 \$ 2,852 \$ 2,781 \$ 2,777 \$ 2,787 \$ 2,791 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 160 \$	



#### 2. Flat CCSF, \$5 annual tuition increases

In Thousands ( 000's )	2019-21 BI	ENNIUM	2021-23 BIENNIUM		2021-23 BIEN			21-23 BIENNIUM			2023-25 BIENNIUM	
*Note - Prior to any impacts from bargaining**	Projected <u>2019-20</u>	Projected <u>2020-21</u>	_	Projected <u>2021-22</u>		Projected 2022-23		Projected 2023-24	Projected 2024-25			
Revenue and Transfers In State Appropriation Property Taxes	\$ 19,155 20,354	\$ 18,669 21,270	_	\$ 17,985 22,227	\$	17,646 23,228	\$	17,351 \$ 24,273	16,973 25,365			
Total Public Resources Tuition, Net of Waivers Other Revenue Transfers In, Ongoing	39,510 14,194 2,852 150	39,940 14,882 2,781 150	_	40,212 15,571 2,777 125		40,874 16,260 2,787 125		41,624 16,948 2,791 100	42,339 17,637 2,794 100			
Total Operating Revenue Change Over Prior Year	56,705 7%	57,753 2%	-	58,685 2%		60,046 2%	_	61,463 2%	62,870 2%			
Expenditures and Transfers Out Wages Payroll Taxes and Benefits Materials & Services/Capital Outlay Transfers Out, Ongoing	32,261 15,361 8,473 1,836	33,458 15,819 8,640 1,839		34,703 17,003 8,927 1,822		35,997 17,636 9,141 1,825		37,342 18,293 9,346 1,828	38,741 18,977 9,556 1,832			
Total Operating Expenditures  Change Over Prior Year	57,930 <i>6%</i>	59,756 3%	-	62,455 <i>5</i> %		64,599 3%		66,809 3%	69,105 3%			
Operating Surplus (Deficit)  Net Transfers In (Out), One-Time	(1,225) -	(2,003)		<b>(3,770)</b> 1,500		( <b>4,553</b> ) 1,500		(5,346)	(6,236)			
Total Surplus (Deficit)	(1,225)	(2,003)	_	(2,270)	)	(3,053)		(5,346)	(6,236)			
Ending Balance, June 30	\$ 7,796	\$ 5,793	-	\$ 3,523	\$	469	\$	(4,877) \$	(11,112)			
Minimum Balance Ending Balance, June 30, above Minimum Balance 10% of Revenue Fund Balance in Excess of Minimum	\$ 7,796 (5,656) 2,140	\$ 5,793 (5,760)	_	\$ 3,523 (5,856) (2,333)	)	469 (5,992) (5,523)	\$	(4,877) \$ (6,136) (11,013)	(11,112) (6,277) (17,389)			



3. CCSF of historical average of 6%, traditional \$3 annual tuition increases

In Thousands ( 000's )		2019-21 BIE	ENNIUM		2021-23 B	IENNI	IUM	2023-25 BI		IENNIUM	
*Note - Prior to any impacts from bargaining**		ojected 019-20	Projected 2020-21		Projected 2021-22		rojected 2022-23		Projected 2023-24	Projected 2024-25	
Revenue and Transfers In	_				·	-					
State Appropriation	\$	19,155 \$	•	\$	19,694	\$	19,356	\$	20,627 \$	,	
Property Taxes		20,354	21,270		22,227		23,228		24,273	25,365	
Total Public Resources		39,510	39,940		41,921		42,583		44,900	45,614	
Tuition, Net of Waivers		14,194	14,607		15,021		15,434		15,848	16,261	
Other Revenue		2,852	2,781		2,777		2,787		2,791	2,794	
Transfers In, Ongoing		150	150		125		125		100	100	
Total Operating Revenue		56,705	57,478		59,844		60,929		63,638	64,769	
Change Over Prior Year		7%	1%		4%		2%		4%	2%	
Expenditures and Transfers Out											
Wages		32,261	33,458		34,703		35,997		37,342	38,741	
Payroll Taxes and Benefits		15,361	15,819		17,003		17,636		18,293	18,977	
Materials & Services/Capital Outlay		8,473	8,636		8,918		9,129		9,330	9,535	
Transfers Out, Ongoing		1,836	1,839	-	1,822		1,825		1,828	1,832	
Total Operating Expenditures		57,930	59,752		62,446		64,587		66,793	69,084	
Change Over Prior Year		6%	3%		5%		3%		3%	3%	
Operating Surplus (Deficit)		(1,225)	(2,274)		(2,602)		(3,658)		(3,155)	(4,315)	
Net Transfers In (Out), One-Time		-			1,500		1,500		-		
Total Surplus (Deficit)		(1,225)	(2,274)		(1,102)		(2,158)		(3, 155)	(4,315)	
Ending Balance, June 30	\$	7,796 \$	5,522	\$	4,419	\$	2,262	\$	(893) \$	(5,209)	
Minimum Balance											
Ending Balance, June 30, above	\$	7,796 \$	5,522	\$	4,419	\$	2,262	\$	(893) \$	(5,209)	
Minimum Balance 10% of Revenue	•	(5,656)	(5,733)	•	(5,972)	•	(6,080)	,	(6,354)	(6,467)	
Fund Balance in Excess of Minimum		2,140	(211)		(1,553)		(3,818)		(7,247)	(11,676)	



#### 4. CCSF of historical average of 6%, \$5 annual tuition increases

	2019-21 BI	ENNIUM		2021-23 E	BIEN	INIUM	2023-25 BIENNIUM			
	•	Projected 2020-21	· · ·	Projected 2021-22		Projected 2022-23		Projected 2023-24	Projected 2024-25	
_										
\$			\$	19,694	\$		\$	, ,		
	20,354	21,270		22,227		23,228		24,273	25,365	
	39,510	39,940		41,921		42,583		44,900	45,614	
	14,194	14,882		15,571		16,260		16,948	17,637	
	2,852	2,781		2,777		2,787		2,791	2,794	
	150	150		125		125		100	100	
	56,705	57,753		60,395		61,755		64,739	66,145	
	7%	2%		5%		2%		5%	2%	
	32,261	33,458		34,703		35,997		37,342	38,741	
	15,361	15,819		17,003		17,636		18,293	18,977	
	8,473	8,640		8,927		9,141		9,346	9,556	
	1,836	1,839		1,822		1,825		1,828	1,832	
	57,930	59,756		62,455		64,599		66,809	69,105	
	6%	3%		5%		3%		3%	3%	
	(1,225)	(2,003)		(2,061)		(2,844)		(2,070)	(2,960)	
	-	-		1,500		1,500		-		
	(1,225)	(2,003)		(561)		(1,344)		(2,070)	(2,960)	
\$	7,796	\$ 5,793	\$	5,232	\$	3,888	\$	1,818 \$	(1,142)	
\$	7,796	5,793	\$	5,232	\$	3,888	\$	1,818 \$	(1,142)	
•	,		·	·		,	·	, ,	(6,604)	
-	2,140	33		(795)		(2,275)		, ,	(7,746)	
	\$	Projected 2019-20 \$ 19,155 9 20,354 39,510 14,194 2,852 150 56,705 7% 32,261 15,361 8,473 1,836 57,930 6% (1,225) (1,225) \$ 7,796 9 (5,656)	2019-20     2020-21       \$ 19,155 \$ 18,669       20,354 21,270       39,510 39,940       14,194 14,882       2,852 2,781       150 56,705 57,753       7% 2%       32,261 33,458       15,361 15,819       8,473 8,640       1,836 1,839       57,930 59,756       6% 3%       (1,225) (2,003)       \$ 7,796 \$ 5,793       \$ 7,796 \$ 5,793       (5,656) (5,760)	Projected 2019-20         Projected 2020-21           \$ 19,155 \$ 18,669 \$ 20,354 21,270         \$ 21,270           39,510 39,940 14,194 14,882 2,852 2,781 150 150         \$ 2,852 2,781 150           \$ 56,705 57,753 7% 2%         \$ 2%           32,261 33,458 15,361 15,819 8,473 8,640 1,836 1,839         \$ 15,930 59,756 6           \$ 6% 3%         \$ (1,225) (2,003)           \$ 7,796 \$ 5,793 \$           \$ 7,796 \$ 5,793 \$           \$ 7,796 \$ 5,760	Projected 2019-20         Projected 2020-21         Projected 2021-22           \$ 19,155 \$ 18,669 \$ 19,694 20,354 21,270         22,227           39,510 39,940 41,921 14,194 14,882 15,571 2,852 2,781 2,777 150 150 125         2,777 6,753 60,395           56,705 57,753 7% 2% 5%         57,753 60,395           32,261 33,458 34,703 15,361 15,819 17,003 8,473 8,640 8,927 1,836 1,839 1,822         1,836 1,839 1,822           57,930 59,756 6% 3% 5%         62,455 6% 3% 5%           (1,225) (2,003) (2,061) \$ 7,796 \$ 5,793 \$ 5,232           \$ 7,796 \$ 5,793 \$ 5,232 (5,656) (5,760) (6,027)	Projected 2019-20         Projected 2020-21         Projected 2021-22           \$ 19,155         \$ 18,669         \$ 19,694         \$ 20,354           \$ 20,354         \$ 21,270         \$ 22,227           \$ 39,510         \$ 39,940         \$ 41,921           \$ 14,194         \$ 14,882         \$ 15,571           \$ 2,852         \$ 2,781         \$ 2,777           \$ 150         \$ 125           \$ 56,705         \$ 57,753         \$ 60,395           \$ 7%         \$ 2%         \$ 5%           \$ 32,261         \$ 33,458         \$ 34,703           \$ 15,361         \$ 15,819         \$ 17,003           \$ 8,473         \$ 8,640         \$ 8,927           \$ 1,836         \$ 1,839         \$ 1,822           \$ 57,930         \$ 59,756         \$ 62,455           \$ 6%         \$ 3%         \$ 5%           \$ (1,225)         \$ (2,003)         \$ (2,061)           \$ 7,796         \$ 5,793         \$ 5,232           \$ 7,796         \$ 5,793         \$ 5,232           \$ 7,796         \$ 5,793         \$ 5,232           \$ 7,796         \$ 5,793         \$ 5,232	Projected 2019-20         Projected 2020-21         Projected 2021-22         Projected 2022-23           \$ 19,155         \$ 18,669         \$ 19,694         \$ 19,356           20,354         21,270         22,227         23,228           39,510         39,940         41,921         42,583           14,194         14,882         15,571         16,260           2,852         2,781         2,777         2,787           150         150         125         125           56,705         57,753         60,395         61,755           7%         2%         5%         2%           32,261         33,458         34,703         35,997           15,361         15,819         17,003         17,636           8,473         8,640         8,927         9,141           1,836         1,839         1,822         1,825           57,930         59,756         62,455         64,599           6%         3%         5%         3%           (1,225)         (2,003)         (2,061)         (2,844)           -         -         1,500         1,500           (1,225)         (2,003)         (561)         (1,344)	Projected 2019-20         Projected 2020-21         Projected 2021-22         Projected 2022-23           \$ 19,155 \$ 18,669 \$ 19,694 \$ 19,356 \$ 20,354 21,270         \$ 22,227 23,228           \$ 39,510 39,940 41,921 42,583 14,194 14,882 15,571 16,260 2,852 2,781 2,777 2,787 150 150 125 125           \$ 56,705 57,753 60,395 61,755 7% 2% 5% 2%           \$ 32,261 33,458 34,703 35,997 15,361 15,819 17,003 17,636 8,473 8,640 8,927 9,141 1,836 1,839 1,822 1,825 57,930 59,756 62,455 64,599 6% 3% 5% 5% 3% 5% 3% 5% 3% 5% 3% 5% 3% 5% 3% 5% 3% 5% 3% 5% 3% 5% 3% 5% 3% 5% 5% 3% 5% 5% 3% 5% 5% 3% 5% 5% 3% 5% 5% 3% 5% 5% 3% 5% 5% 3% 5% 5% 3% 5% 5% 3% 5% 5% 3% 5% 5% 5% 3% 5% 5% 5% 3% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5%	Projected 2019-20         Projected 2020-21         Projected 2021-22         Projected 2022-23         Projected 2023-24           \$ 19,155 \$ 18,669 \$ 19,694 \$ 19,356 \$ 20,627 \$ 20,354 \$ 21,270 \$ 22,227 \$ 23,228 \$ 24,273           39,510 39,940 \$ 41,921 \$ 42,583 \$ 44,900 \$ 14,194 \$ 14,882 \$ 15,571 \$ 16,260 \$ 16,948 \$ 2,852 \$ 2,781 \$ 2,777 \$ 2,787 \$ 2,791 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 125 \$ 125 \$ 100 \$ 150 \$ 150 \$ 150 \$ 17,636 \$ 18,293 \$ 17,636 \$ 18,293 \$ 8,473 \$ 8,640 \$ 8,927 \$ 9,141 \$ 9,346 \$ 1,836 \$ 1,839 \$ 1,822 \$ 1,825 \$ 1,828 \$ 1,828 \$ 1,828 \$ 1,828 \$ 1,829 \$ 1,825 \$ 1,828 \$ 1,828 \$ 1,825 \$ 1,828 \$ 1,825 \$ 1,828 \$ 1,825 \$ 1,828 \$ 1,825 \$ 1,828 \$ 1,825 \$ 1,826 \$ 1,825 \$ 1,826 \$ 1,829 \$ 1,825 \$ 1,828 \$ 1,825 \$ 1,828 \$ 1,825 \$ 1,828 \$ 1,825 \$ 1,828 \$ 1,825 \$ 1,828 \$ 1,825 \$ 1,825 \$ 1,825 \$ 1,825 \$ 1,828 \$ 1,825 \$ 1,8	



5. CCSF of \$747 million (17% increase from 19-21) balanced at no tuition increases

In Thousands ( 000's )	2019-2	2019-21 BIENNIUM			2019-21 BIENNIUM 2021-23 BIENNIUM				2021-23 BIENNIUM		2023-25 BIENNIUM			
*Note - Prior to any impacts from bargaining**	Projected <u>2019-20</u>	Projecte <u>2020-2</u>			ojected 021-22	-	jected 22-23		Projected <u>2023-24</u>	Projected <u>2024-25</u>				
Revenue and Transfers In State Appropriation Property Taxes	\$ 19,1 20,3	•	18,669 21,270	\$	22,700 22,227	\$	22,361 23,228	\$	23,383 \$ 24,273	23,004 25,365				
Total Public Resources Tuition, Net of Waivers Other Revenue Transfers In, Ongoing	39,5 14,1 2,8 1	94 1	39,940 14,194 2,781 150		44,927 14,194 2,777 125		45,589 14,194 2,787 125		47,656 14,194 2,791 100	48,369 14,194 2,794 100				
Total Operating Revenue  Change Over Prior Year	56,7	05 5 7%	57,064 1%		62,023 9%		62,694 1%		64,740 3%	65,457 1%				
Expenditures and Transfers Out Wages Payroll Taxes and Benefits Materials & Services/Capital Outlay Transfers Out, Ongoing	32,2 15,3 8,4 	61 1 73	33,458 15,819 8,630 1,839		34,703 17,003 8,906 1,822		35,997 17,636 9,110 1,825		37,342 18,293 9,305 1,828	38,741 18,977 9,504 1,832				
Total Operating Expenditures  Change Over Prior Year	57,9	30 5 5%	59,746 3%		62,434 4%		64,568		66,768 3%	69,053 3%				
Operating Surplus (Deficit)  Net Transfers In (Out), One-Time	(1,2	-	(2,681) - (2,681)		( <b>411</b> ) 1,500 1,089		(1,874) 1,500 (374)		(2,028)	(3,597)				
Total Surplus (Deficit) Ending Balance, June 30		96 \$	5,114	\$	6,203	\$	5,829	\$	(2,028) 3,801 \$	(3,597)				
Minimum Balance Ending Balance, June 30, above Minimum Balance 10% of Revenue Fund Balance in Excess of Minimum	\$ 7,7 (5,6 2,1	,	5,114 (5,691) ( <b>577</b> )	\$	6,203 (6,190)	\$	5,829 (6,257) (415)	\$	3,801 \$ (6,464) (2,663)	205 (6,536) (6,331)				





6. CCSF of \$720 million (same 12% increase as 19-21) balanced at \$3/credit annual increase

In Thousands ( 000's )	2019-21 E	BIENNIUM		2021-23 E	BIENNIUM	2023-25 BIENNIUM			
*Note - Prior to any impacts from bargaining**	Projected <u>2019-20</u>	Projected <u>2020-21</u>		Projected 2021-22	Projected <u>2022-23</u>		Projected 2023-24	Projected <u>2024-25</u>	
Revenue and Transfers In State Appropriation Property Taxes	\$ 19,155 20,354	\$ 18,669 21,270	\$	21,499 22,227	\$ 21,161 23,228	\$	22,283 \$ 24,273	21,903 25,365	
Total Public Resources Tuition, Net of Waivers Other Revenue Transfers In, Ongoing	39,510 14,194 2,852 150	39,940 14,607 2,781 150		43,727 15,021 2,777 125	44,389 15,434 2,787 125		46,556 15,848 2,791 100	47,269 16,261 2,794 100	
Total Operating Revenue  Change Over Prior Year	56,705 7%	57,478 1%		61,650 7%	62,735		65,294 <i>4%</i>	66,424	
Expenditures and Transfers Out Wages Payroll Taxes and Benefits Materials & Services/Capital Outlay Transfers Out, Ongoing	32,261 15,361 8,473 1,836	33,458 15,819 8,636 1,839		34,703 17,003 8,918 1,822	35,997 17,636 9,129 1,825		37,342 18,293 9,330 1,828	38,741 18,977 9,535 1,832	
Total Operating Expenditures  Change Over Prior Year	57,930 6%	59,752 3%	_	62,446 5%	64,587		66,793 3%	69,084	
Operating Surplus (Deficit)  Net Transfers In (Out), One-Time	(1,225)	(2,274)		<b>(797)</b> 1,500	<b>(1,852)</b> 1,500		(1,500)	(2,661)	
Total Surplus (Deficit)	(1,225)	(2,274)		703	(352)		(1,500)	(2,661)	
Ending Balance, June 30	\$ 7,796	\$ 5,522	\$	6,225	\$ 5,873	\$	4,373 \$	1,712	
Minimum Balance Ending Balance, June 30, above Minimum Balance 10% of Revenue Fund Balance in Excess of Minimum	\$ 7,796 (5,656) 2,140	\$ 5,522 (5,733)	\$	6,225 (6,152)	\$ 5,873 (6,261)	\$	4,373 \$ (6,519) (2,146)	1,712 (6,632) (4,920)	



7. CCSF of \$700 million (9% increase from 19-21) balanced at \$5/credit annual increase

In Thousands ( 000's )	2019-21 B	IENNIUM		2021-23 B	IENNIUM		NNIUM	
*Note - Prior to any impacts from bargaining**	Projected Projected F 2019-20 2020-21		Projected Projected <u>2021-22</u> <u>2022-23</u>			Projected 2023-24	Projected <u>2024-25</u>	
Revenue and Transfers In State Appropriation Property Taxes	\$ 19,155 20,354	\$ 18,669 21,270	\$	20,610 22,227	\$ 20,272 23,228	\$	21,468 \$ 24,273	21,089 25,365
Total Public Resources Tuition, Net of Waivers Other Revenue Transfers In, Ongoing	39,510 14,194 2,852 150	39,940 14,882 2,781 150		42,838 15,571 2,777 125	43,500 16,260 2,787 125		45,740 16,948 2,791 100	46,454 17,637 2,794 100
Total Operating Revenue  Change Over Prior Year	56,705 7%	57,753 2%		61,311 <i>6%</i>	62,671 2%		65,579 5%	66,985 2%
Expenditures and Transfers Out Wages Payroll Taxes and Benefits Materials & Services/Capital Outlay Transfers Out, Ongoing	32,261 15,361 8,473 1,836	33,458 15,819 8,640 1,839		34,703 17,003 8,927 1,822	35,997 17,636 9,141 1,825		37,342 18,293 9,346 1,828	38,741 18,977 9,556 1,832
Total Operating Expenditures  Change Over Prior Year	57,930 6%	59,756 3%		62,455 <i>5%</i>	64,599		66,809 3%	69,105
Operating Surplus (Deficit)  Net Transfers In (Out), One-Time  Total Surplus (Deficit)	(1,225) - (1,225)	(2,003) - (2,003)		(1,144) 1,500 356	(1,928) 1,500 (428)		(1,230) - (1,230)	(2,120) - (2,120)
Ending Balance, June 30	\$ 7,796	· · · ·	\$	6,149	· · · ·	\$	4,491 \$	2,371
Minimum Balance Ending Balance, June 30, above Minimum Balance 10% of Revenue Fund Balance in Excess of Minimum	\$ 7,796 (5,656) 2,140	\$ 5,793 (5,760)	\$	6,149 (6,119)	\$ 5,721 (6,255)	\$	4,491 \$ (6,548) (2,057)	2,371 (6,688) (4,317)



### What could change the forecast?

#### Enrollment changes

• 97% of General Fund revenues are directly tied to Student FTE Count (CCSF formula combines State funding and local property taxes and distributes based on FTE relative to other colleges, and tuition and fees are directly tied to enrollment).

#### Tuition and fee rate changes

• \$3 per credit per year increase is projected, but \$5 per credit is the existing amount to keep pace with inflation, and closer to \$12 per credit to keep the tuition revenue leg of the stool equal to current expenses.

#### Labor agreements

- Bargaining contracts are still in negotiations, so full impacts are not yet known to be included in the current forecast.
- Reductions in expenses, or increases in other revenues



### Moving forward to the budget process...





### Next Steps in Budget Process

President sends an all-staff email with budget direction in early November, based on final, year-end data and latest forecast information

Annual budget requests submitted with Unit Plans, and budget reductions/efficiencies/revenues forms submitted by divisions in November/December

Dec. – Feb: Budget Advisory Group meets and provides feedback to President

March: President makes recommendation for Proposed Budget

**May: Budget Committee Meetings** 

**June: CCC Board Budget Adoption** 



### **Budget Principles**

#### As adopted last year for the 2019-20 process

- Ensure budget supports improvements in Mission Fulfillment by integrating Strategic Priorities, and assessment and core theme indicator results with budget allocation decisions.
- Consider CCC's affordability, district median income and comparability with other metro-area community colleges when establishing total student costs, including tuition rates.
- Focus on one-time funding, fiscal responsibility, return on investment and strategic resource realignment in budget allocations, and minimize ongoing resource requests beyond the three-year horizon.
- Maintain Board required ten-percent minimum ending fund balance throughout a three-year forecast, with an emphasis towards balancing revenues and expenditures over a five-year planning horizon.



