

Mid-Year Quarter Budget Performance Report March, 2024

TOPICS:

- **FY 23/24 2nd Quarter Budget Performance Report**
- **Holding Account Balances (Fund 11 & 12)**
- **Covid Recovery Block Grant**
- **FTES Annual update**
- **24/25 Budget update**
- **Budget Allocation Model Revision update**

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FUND 11 FY 23/24

Mid-Year Budget Performance Report

Fund	11					
Resource	1000					
			AS of 12/31/2023			
Major Object	Sum of Adopted Budget	Sum of Revised Budget	Sum of Rev/ Exp Net of Abatements	Sum of Encumbrances	Sum of Uncommitted/ Unrealized	% Spent
1	27,902,613.00	28,022,606.00	13,417,072.77	8,646,017.83	5,959,515.40	47.88%
2	7,710,123.00	7,572,454.00	3,554,163.68	3,222,807.10	795,483.22	46.94%
3	14,600,153.00	14,636,851.00	5,806,131.11	6,851,729.52	1,978,990.37	39.67%
4	754,408.00	723,697.00	262,742.95	77,271.27	383,682.78	36.31%
5	15,873,886.00	15,215,277.00	1,385,385.38	1,395,214.27	12,434,677.35	9.11%
6	216,528.00	814,924.00	393,568.59	365,431.73	55,923.68	48.30%
Grand Total	67,057,711.00	66,985,809.00	24,819,064.48	20,558,471.72	21,608,272.80	37.05%

23/24 Mid-Year Budget Performance Report

- Part Time & Overload, Academic, *Inst. Salaries*.
 - Budget \$8,581,962.00
 - Actual \$4,522,386.53
- 13xx's accounts % spent 52.70%

Object	Object Description	Prior Year 2022-23	Current Year 2023/24	Actuals	Balance	%
		Actual	Revised Budget	YTD 12/31/2023		Used
1330	INSTRUCTORS, PART TIME FALL	2,615,082.48	2,653,447.00	2,638,159.45	15,287.55	99.42%
1331	<i>INSTRUCTORS, PART TIME SUMMER (ODD YR)</i>	829.44	625,557.00	-	625,557.00	0.00%
1332	INSTRUCTORS, PART TIME WINTER	627,382.55	624,899.00	-	624,899.00	0.00%
1333	INSTRUCTORS, PART TIME SPRING	2,491,962.87	2,204,085.00	8,979.62	2,195,105.38	0.41%
1334	<i>INSTRUCTORS, PART TIME SUMMER (EVEN YR)</i>	827,465.85	55,275.00	484,926.34	(429,651.34)	877.30%
1335	INSTRUCTORS, FULL TIME OVERLOAD FALL	706,492.28	512,052.00	878,347.77	(366,295.77)	171.53%
1336	<i>INSTRUCTORS, FULL TIME OVERLOAD SUMMER (EVEN YR)</i>	770,803.32	40,120.00	446,355.22	(406,235.22)	1112.55%
1337	INSTRUCTORS, FULL TIME OVERLOAD WINTER	679,062.66	657,491.00	-	657,491.00	0.00%
1338	INSTRUCTORS, FULL TIME OVERLOAD SPRING	684,294.45	463,863.00	24,386.56	439,476.44	5.26%
1339	<i>INSTRUCTORS, FULL TIME OVERLOAD SUMMER (ODD YR)</i>	-	434,381.00	283.50	434,097.50	0.07%
1360	INSTRUCTORS, SUBSTITUTES	86,908.95	-	22,785.29	(22,785.29)	
1370	INSTRUCTORS, EXTRA DUTY	25,880.00	89,304.00	11,315.20	77,988.80	12.67%
1371	INSTRUCTORS, LARGE LECTURE STIPENDS	9,287.58	221,488.00	6,847.58	214,640.42	3.09%
13xx	PT & Overload, Academic, Inst Salary	9,525,452.43	8,581,962.00	4,522,386.53	4,059,575.47	52.70%

23/24 Mid-Year Budget Performance Report

- Part Time & Overload, Academic, ***Non-Inst. Salaries.***
 - Budget \$813,396.00
 - Actual \$399,021.91
- 14xx's accounts % spent 49.06%

Object	Object Description	Prior Year 2022-23	Current Year 2023/24	Actuals	Balance	%
		Actual	Revised Budget	YTD 12/31/2023		Used
1439	ACADEMIC - PT COUNSELORS / LIBRARIANS / COORDINATOR	186,228.80	592,653.00	279,428.00	313,225.00	47.15%
1460	LONG TERM SUBSTITUTES FOR COUNSELORS / LIBRARIANS /	-	-	-	-	
1469	SHORT TERM (DAILY) SUBSTITUTE COUNSELORS / LIBRARIAN	31,908.92	10,018.00	19,622.16	(9,604.16)	195.87%
1470	NONINSTRUCTIONAL SALARIES, OTHER EXTRA DUTY	214.77	-	(214.77)	214.77	
1479	EXTRA DUTY STIPENDS	158,173.93	127,969.00	85,037.46	42,931.54	66.45%
1490	ACADEMIC SPECIAL PROJECTS	46,480.04	82,756.00	15,149.06	67,606.94	18.31%
14xx	PT & Overload, Academic, Non-Inst Salary	423,006.46	813,396.00	399,021.91	414,374.09	49.06%

FUND 11-Holding Accounts

Norco College Holding Accounts

12.31.23

SPP/Resc.	One Time, Annual, On Going	Carry Over?	Fund	Resc.	Description	FY 23/24 Adopted Budget	FY 23/24 Revised Budget	FY 23/24 Rev/Exp Net of Abatements	FY 23/24 Encumbrances	Uncommitted / Unrealized
991	OT	N	11	1000	Savings from Permanent Gen.Fund Staff Positions	-	-	-	-	-
993	OT	N	11	1000	sabbatical Holding account	84,400	84,400	-	-	84,400
566	A	Y	11	1000	Annual Commissions rec'd from B&N	97,346	97,346	2,450	-	94,896
560	OT	Y	11	1000	College Fund Balance 1% Contingency	510,558	510,558	-	-	510,558
567	OT	Y	11	1000	One-time District set aside allocation	5,516,477	5,516,477	-	-	5,516,477
728	OT	Y	11	1000	One-time Funding - Rolled over Year to Year until gone	7,430	7,430	6,713	717	-
563	A	Y	11	1000	Annual Commissions rec'd from Follett	439,973	439,973	-	-	439,973
733	OT	Y	11	1000	One-time Funding - Rolled over Year to Year until gone	76,528	76,528	358	2,642	73,528
729	A	Y	11	1000	Based on a Percentage of Non-Resident Fees rec'd	1,280,073	1,280,073	369,001	250,243	660,829
738	OT	Y	11	1000	One-Time Allocation from Dist. Reserves in FY 17/18	186,948	186,948	227,073	41,689	(81,813)
716	OT	Y	11	1000	One-Time Allocation in FY 18/19 for borrowed back FTES	347,683	347,683	214,413	2,032	131,238
568	OT	Y	11	1000	Facilities Fees Revenue	256,202	256,202	15,562	126,776	113,863
997	OG	Y	11	1000	To/From Permanently Funded Positions	528,243	417,670	-	-	417,670
999	OT	Y	11	1000	Adjusting Account to Address Permanent Increases in College Contracts- obj code 5110	7,615	7,615	-	-	7,615
797	OT	Y	11	1000	Indirect Cost Recovery (at 83%)	3,056,228	3,094,899	218,673	470,505	2,405,721
					Fund 11- Unrestricted	12,395,704.00	12,323,802.00	1,054,242.09	894,604.45	10,374,955.46
075	A	Y	12	1190	Restricted to Instructional Equipment	108,986	108,986	32,368	26,757	49,861
186	A	Y	12	1190	Veterans Resource Center - FY 19/20	37,668	37,668	30,127	-	7,541
735	A	Y	12	1190	Restricted to Instructional & Library Materials including Instructional Software	1,177,549	1,177,549	198,661	125,557	853,332
1180	A	Y	12	1180	Redevelopment Agency (RDA)	137,746	137,746	3,513	-	134,233
709	A	Y	12	1190	Restricted to Capital Purchases	29,220	29,220	55	-	29,165
191	OT	Y	12	1190	State Appropriation - Stokoe	4,821,967	4,821,967	1,062,537	925,177	2,834,253
					Fund 12 Restricted	6,313,136	6,313,136	1,327,261	1,077,491	3,908,385

COVID RECOVERY BLOCK GRANT

Allocation to NC	3,487,499.00
22/23 Expenses	(63,302.00)
Carryover to 23/24	3,424,197.00
Expenses & Encumbrances	(749,012.46)
Available balance	2,675,184.54

District Annual FTES Targets Performance As of March 4, 2024

college	annual target	annual generated	difference from annual target	% of annual target
RCC	16,911	16,701	(210)	98.8%
NOR	7,084	7,120	36	100.5%
MVC	6,798	6,780	(18)	99.7%
District	30,793	30,602	(191)	99.4%

FY 2024-25 Governor's Budget Update

State Budget

\$38 Billion Budget Problem

- Substantial Revenue Reduction due to FY 2022-23 Stock Market decline
- Delay in Income Tax Collections

Budget Solutions

- \$13.1 Billion – Reserve Drawdown
- \$8.5 Billion – Spending Reductions
- \$5.7 Billion – Increased Tax Revenues and Internal Borrowing
- \$5.1 Billion – Delayed Spending
- \$3.4 Billion – Funding Shifts
- \$2.1 Billion – Deferrals

****Projected Future Operating Deficit**

- \$37 Billion - FY 2025-26
- \$30 Billion – FY 2026-27
- \$28 Billion – FY 2027-28

- 73 billion (LAO projections) deficit? Or is it 38 billion (Governor's projections)?
 - No one is really sure.. we are in election season!
 - 2022-23 property tax deficit is real..just disagree on amount.
- No major core reductions to programs or services in the January proposal
 - a. .76% COLA!
 - b. Enrollment growth of .5%
- New funding floor goes into place 2025-26,
 - a. FTES floor is reset using the 2024-25 FTES enrollment numbers.
 - b. Norco is realizing strong enrollment growth exceeding our target!

FY 2024-25 Governor's Budget Proposal

Unrestricted Ongoing Revenue

Community College System

Increased Unrestricted Ongoing Revenue
Apportionment*

- Growth (.50%),
- COLA (.76%),

Total Apportionment/Unrestricted Ongoing Revenues

\$29.6 m

\$69.1 m

\$98.7 m

- Unrestricted one-time revenue

\$ -

Total Unrestricted Revenues

\$ 98.7 m

FY 2024-25 Governor's Budget Proposal

Restricted Ongoing Revenues

Community College System

COLA for Categorical programs**	\$9.3 m
One-Time Revenues	
-Expand Nursing Program Capacity	\$60.0 m
Other Restricted Revenue	
-Physical Plant & Instructional Equipment	-
-Proposition 51 – State GO Bond (1 Continuing Project)*	<u>\$29.3 m</u>
Total Restricted Revenue	\$98.6 m

*Additional Projects may be added to the May Revise.

** Categorical Programs that the Governor's Budget Proposal included to receive COLA are: DSP&S, EPO&S, CARE, CalWorks, Adult Education, and Apprenticeship. Large programs such as Student Equity & Achievement and Student Success Completion Grant were not included to receive COLA.

The Revised Budget Allocation Model was developed to allocate resources around the following core principles:

- **Fair** – Resource allocation decisions will be informed by objective, predictable, verifiable, and easily accessible data and will be made in an impartial and consistent manner.
- **Equitable** – Resources will be distributed in an manner that adequately supports the full array of programs offered at each college while ensuring compliance with statutory and regulatory requirements; efficient and strategic use of resources is expected, and inefficiencies will not be subsidized or supported.
- **Transparent** – Resource allocation decisions will be made in an open and consultative manner with representative stakeholder groups and that it is simple, easy to administer and communicate as possible.

“TO DO” Tasks in 2023-24

- **Develop a treatment for “District Operations” costs – BAM Phase IV- Sub-committee met 3/7/2024**
- **NC is working on implementing the district BAM at the College level – Focus on efficiency and cost savings.**
- Analyze/implement budget development improvements that allow for planning. In progress
- Analyze strategic programs/considerations that impact the cost of an FTES. In Progress
- Further consider the “Comprehensive College” allocation. In progress
- ~~Establish the “Exchange Rate” (mean or median) for discipline categories. Task Completed, Median rate established.~~
- ~~Model revenue flow through the revised BAM– determine true impacts to the college. Task completed~~
- ~~Analyze and justify “Unique” disciplines– Task completed in 2022/23.~~

Thank you!