

Glendale Community College



2024-25 Fiscal Implications of the Preliminary Final Budget

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Key Features of the State Final Budget

- Signed on June 26, 2024 by Governor Newsom
- Reflects expenditures of approximately \$298B Statewide
- General Fund spending decreases more than 6% (\$211.5B) compare to prior year
- Includes no major core reductions, instead drawing on reserves and operational savings
- Includes a \$100M (1.07%) for COLA and another \$13M COLA for selected categorical
- Concerns with the impacts of:
 - \$45B deficit related to technology sector and delayed in tax payment
 - Expected deficit of \$30B for 2025-26
 - Funding delays, Internal fund shifts
 - Reduction from 2022-23, and 2023-24 budgets



New/Revised Revenue

- The final budget maintains the 1.07% COLA, including and additional \$13M COLA for EOPS, Adult Education Program, CalWORKs, CARE and DSPS
 - Will result in approximately \$1.23 million in “ongoing funding” to GCC unrestricted general fund.
- The Final budget includes a one-time funding (Systemwide) of:
 - \$28M for Enrollment Growth
 - \$18M to support the system’s Vision 2030 priorities
 - \$10M for the second year LGBTQ+ Pilot Program
 - \$20M to enhance Financial Aid Administration due to FAFSA delays



The Fiscal Priorities

- Maintain compliance with 50% law
- Partner with CSEA and the Guild to determine ways to further support employees through negotiations
- Identify ways to decrease ongoing costs throughout the college
 - Replacing sub-contractors with employees
 - Review requests (wants vs. needs)
- Identify ways to create additional stabilization reserves



Salary and Benefits Savings/ Expenses

The Final Budget has been adjusted for:

- All vacant position: Faculty, Classified and Managers
- Step and Columns
- Retirees savings
- Health insurance carriers rate increases (Kaiser only)
- SCFF Deferrals
- HEERF Refund



Schedule of Adjustments

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FY 2024-25								
	Certificated Payroll	Classified Payroll	Benefits	Supplies	Contracts	Capital Outlay	Transfers-Out	Total
	1XXX	2XXX	3XXX	4XXX	5XXX	6XXX	73XX	
2023-24 Final Payroll	51,988,074	23,955,986	31,844,585	459,588	12,139,196	198,426	4,817,333	125,403,188
2024-25 Retirees Net Saving	(1,739,591)	(1,197,307)	(2,564,395)	-	-	-	-	(5,501,293)
2024-25 New Positions-Faculty	1,126,144	-	841,536	-	-	-	-	1,967,680
2024-25 New Positions-Classified	-	536,909	467,918	-	-	-	-	1,004,827
2024-25 New Positions-Managers-Class	-	319,608	191,863	-	-	-	-	511,471
2024-25 New Positions-Managers-Cert	683,444	-	330,961	-	-	-	-	1,014,405
2024-25 Class Offering Decreases	-	-	-	-	-	-	-	-
2023-24 Step & Columns	400,000	400,000	200,000	-	-	-	-	1,000,000
CalPERS (0.37%) & CalSTRS (0.0%) Rate Change	-	-	88,856	-	-	-	-	88,856
2025 Kaiser Rate Increase-4.15% @ 50%	-	-	65,000	-	-	-	-	65,000
2025 Blue Shield Increase-??.??% PPO & ??.??% HMO @ 50%	-	-	800,000	-	-	-	-	800,000
HEERF Refund	-	-	-	-	738,464	-	-	738,464
SCFF Deferrals of \$243.7M @ 0.0123	-	-	-	-	-	-	3,000,000	3,000,000
2025 Retention Rebate Decrease	-	-	-	-	-	-	-	-
2024-25 Interfund Transfer Saving-CDC	-	-	-	-	-	-	(200,000)	(200,000)
2024-25 Interfund Transfer Saving-DSPS	-	-	-	-	-	-	-	-
2024-25 Interfund Transfer Saving-Health Center	-	-	-	-	-	-	(200,000)	(200,000)
2024-25 Interfund Transfer Saving-Community Services	-	-	-	-	-	-	(326,884)	(326,884)
2024-25 Potential Sub-Contractor Savings	-	-	-	-	-	-	-	-
Total	52,458,071	24,015,196	32,266,324	459,588	12,877,660	198,426	7,090,449	129,365,714

2024-25						
Budget Development						
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	<u>Budget</u>	<u>Projection</u>	<u>Projection</u>	<u>Projection</u>	<u>Projection</u>	<u>Projection</u>
Revenue Projection						
Federal Veterans education	1,000	1,000	1,000	1,000	1,000	1,000
State Apportionment Revenue	85,201,462	85,201,462	85,201,462	85,201,462	85,201,462	85,201,462
State Revenue Funds	6,579,512	6,579,512	6,579,512	6,579,512	6,579,512	6,579,512
Property Taxes	33,575,469	33,575,469	33,575,469	33,575,469	33,575,469	33,575,469
Other Revenue	<u>6,928,780</u>	<u>5,875,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Total Projected Revenue	132,286,223	131,232,443	131,357,443	131,357,443	131,357,443	131,357,443
Expenditure Projection						
Salary and Step & Column	76,473,267	77,273,267	78,073,267	78,873,267	79,673,267	80,473,267
Employee Benefits	<u>32,266,324</u>	<u>33,266,324</u>	<u>34,266,324</u>	<u>35,266,324</u>	<u>36,266,324</u>	<u>37,266,324</u>
Labor Expenditures	108,739,591	110,539,591	112,339,591	114,139,591	115,939,591	117,739,591
Other Operational Expenditures	<u>13,535,674</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>
Total Expenditure Projection	122,275,265	122,539,591	124,339,591	126,139,591	127,939,591	129,739,591
Transfers Out	7,090,449	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Surplus (Deficit)	2,920,509	5,092,852	3,417,852	1,617,852	(182,148)	(1,982,148)
Reserve						
Beginning Balance	19,425,155	22,345,664	27,438,516	30,856,368	32,474,220	32,292,072
Surplus (Deficit)	2,920,509	5,092,852	3,417,852	1,617,852	(182,148)	(1,982,148)
Ending Balance	22,345,664	27,438,516	30,856,368	32,474,220	32,292,072	30,309,924
Reserve as a % of expenditures	18.27%	22.39%	24.82%	25.74%	25.24%	23.36%
Apportionment TCR						
State Revenue	85,201,462	85,201,462	85,201,462	85,201,462	85,201,462	85,201,462
Property Tax	33,575,469	33,575,469	33,575,469	33,575,469	33,575,469	33,575,469
Enrollment Fees @98%	2,933,904	2,933,904	2,933,904	2,933,904	2,933,904	2,933,904
	<u>121,710,835</u>	<u>121,710,835</u>	<u>121,710,835</u>	<u>121,710,835</u>	<u>121,710,835</u>	<u>121,710,835</u>
Revenue COLA	1.07%	0.00%	0.00%	0.00%	0.00%	0.00%



The Plan

- Increase enrollment and SCFF metrics to stay out of Hold Harmless. Estimated revenue increase will be present in September based on Fall transition to SCFF
- Maintain use of one-time funds to support enrollment growth through outreach and marketing
- Finalize five-year projections.
- Identify and build into the five-year projections planned costs savings
- Ensure all plans projections and associated plans protect the College, our students and our colleagues



The Timeline

- August – Provide Final Budget for review to the College and Board
 - Include/update any additional changes to the state budget
 - Include/update year-end closing numbers
- September – Board Approval of final budget
 - Begin Collective Bargaining
 - Update five-year projections as known costs change



Uncertainties

HEERF Funds:

Due to the incomplete audit with the Department of Education, \$4.7M of HEERF Funds has been placed on hold until further notice.



Questions?