

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

September 10, 2024

TOPIC: FY 2024-25 Look-back Analysis for Budget Formula Allocation and Amendment 50 Distribution

PRESENTED BY: Mark Superka, Vice Chancellor for Finance and Administration

RELATIONSHIP TO THE STRATEGIC PLAN:

Redefine our value proposition through accessibility, affordability, quality, accountability, resource development, and operational excellence.

EXPLANATION:

To account for the final FY 2023-24 resident SFTE figures, staff performs an annual look-back analysis to determine the final allocation of base funding for FY 2024-25. In addition, staff typically updates the estimated Amendment 50 allocations for FY 2024-25 with actual allocations certified by the Division of Gaming.

Attachment A provides the final FY 2023-24 resident SFTE data, which is based on the Department of Higher Education FTE guidelines, as well as outlines the impact of the updated SFTE data on the FY 2024-25 Long Bill funding distribution using the allocation model approved by the Board at its May 2024 meeting.

Attachment B provides a summary of the difference in FY 2024-25 Long Bill allocations between the May original allocation and the September final look-back. The budgetary variance ranged from a decrease of \$262,205 to an increase of \$326,344. The percentage variance ranged from -1.0% to 1.4%.

Attachment C outlines the revised FY 2024-25 Amendment 50 allocation based on actual funding and resident SFTE figures. As you may recall, FY 2024-25 funding is based on revenue collected during FY 2023-24. The community college distribution of extended limited gaming funds is allocated by the Division of Gaming based on their calculations of the portion of revenue attributable to Amendment 50 and the final resident SFTE figures of all of the eligible higher education institutions. The actual FY 2024-25 Amendment 50 total allocation came in higher than the allocation estimated at the May Board meeting. During the pandemic and in subsequent years, gaming revenue has been challenging to forecast, given the multiple legislative changes that have occurred (H.B. 20-1400 and S.B. 22-216) and the pandemic's impact on limited gaming. As you may recall, FY 2022-23 A50/77 gaming revenue came in \$13 million above forecast. FY 2023-24, A50/77 gaming revenues came in \$2.4 million lower than forecast.

In addition, there was a bill passed during the 2024 Legislative Session that impacted funding for FY 2024-25 but was not accounted for in your May approval. Senate Bill 24-104 requires the state apprenticeship agency in the Department of Labor and Employment, in coordination with the Career and Technical Education Division of the Colorado Community College System, to align the high school career and technical education system and the registered apprenticeship system for programs and occupations related to infrastructure, advanced manufacturing, education, or health care. This bill was signed by the Governor too late to make it into the May Board approval process. The bill provides \$95,245 in FY 2024-25 and \$110,719 in FY 2025-26 to CCCS to hire 1.0 FTE to develop CTE curriculum that aligns with the apprenticeship competencies, develop standards for state CTE programs, coordinate with educators and employers, and participate in the advisory council.

RECOMMENDATION:

Staff recommends that the Board approve the look-back analysis and changes to colleges' budget formula allocation as outlined in Attachments A and B. In addition, staff recommends approval of the revised Amendment 50 allocations, which are based on Division of Gaming and the Department of Higher Education actual figures, found in Attachment C.

ATTACHMENTS:

Attachment A – FY 2024-25 Final Long Bill Allocation
Attachment B – FY 2024-25 Long Bill Allocation Comparison
Attachment C – FY 2024-25 Final Amendment 50 Allocation