

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

September 13, 2023

TOPIC: FY 2023-24 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 2022-23 resident SFTE figures, staff performs an annual look-back analysis to determine the final allocation of base funding for FY 2023-24. In addition, staff typically updates the estimated Amendment 50 allocations for FY 2023-24 with actual allocations certified by the Division of Gaming.

Attachment A provides the final FY 2022-23 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 2023-24 Long Bill funding distribution using the allocation model approved by the Board at its May 2023 meeting.

Attachment B provides a summary of the difference in FY 2023-24 Long Bill allocations between the May original allocation and the September final look-back. The budgetary variance ranged from a decrease of \$195,341 to an increase of \$221,800. The percentage variance ranged from -0.6% to 2.0%.

Attachment C outlines the revised FY 2023-24 Amendment 50 allocation based on actual funding and resident SFTE figures. As you may recall, FY 2023-24 funding is based on revenue collected during FY 2022-23. 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 2023-24 Amendment 50 total allocation came in lower 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 2023 Legislative Session that impacted funding for FY 2023-24 but was not accounted for in your May approval. Senate Bill 23-005 creates and expands timber, forest health, and wildfire mitigation workforce development and education programs. This bill was signed by the Governor too late to make it into the May Board approval process. The bill provides \$250,000 in FY 2023-24 and FY 2024-25 to CCCS for the Recruitment of Wildland Fire Prevention and Mitigation Educators Program. CCCS is required to distribute the money to community colleges, area technical colleges, and local district colleges to attract, train, and retain educators.

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 2023-24 Final Long Bill Allocation
Attachment B: FY 2023-24 Long Bill Allocation Comparison
Attachment C: FY 2023-24 Final Amendment 50 Allocation