

## Frequently Asked Questions to CCSF's Dire Financial Restructuring:

(We will be updating this document as needed. The below are published on 4/20/21)

### Why is there a deficit?

The College has been deficit spending for 10 years now. It extensively expanded its schedule of classes, continued to make hires to sustain such expansion, yet enrollment kept declining for the last 5 years. The Pandemic only worsened enrollment. Currently, the difference between the projected State and Local revenue and expenses is \$3, 243, 544 for 2021. This will only widen in the 2021-22 academic year.

### What is the current City College State Apportionment Funding?

The current State apportionment amount is \$136, 132, 983, but this includes almost \$10 million dollars of "Hold Harmless" and stability funding infused for 2020-21.

### What is Hold Harmless?

This means that despite our continued enrollment declines, the State is temporarily basing our current funding on much higher enrollment numbers (FTES: Full-Time Enrolled Students), without penalties or repercussions. However, the "Hold Harmless" will be lifted in academic year 2023-24 and our true enrollment numbers will be used to determine our true funding from the State. Our State funding has been hovering around \$132 million to \$136 million, so we can predict it will stay steady within this range until academic year 23/24 when "Hold Harmless" goes away.

### How Are Credit FTES Calculated? What is the formula?

Credit FTES is based on Weekly Student Contact Hours (WSCH). For example, 30 students in a 3-unit class that meets 3 hours a week equates to  $30 \text{ students} \times 3 \text{ hours} \times 17.5 \text{ weeks (Term length multiplier)} = 1,575 \text{ WSCH}$ .

We then divide our WSCH by 525 (the number of hours equivalent to a full-time student).  $1575 \text{ divided by } 525 \text{ equals } 3 \text{ FTES}$ . Based on credit apportionment, this class would generate \$12,120 ( $3 \text{ FTES} \times \$4,040$ ).

## What kind of Federal funding does the college receive?

The college receives various streams of federal funding to support specified programs and services. This provides \$6.6 million in categorical funding for these purposes, and an additional \$24 million in direct student aid. For an itemized list, please refer to the “Budget Presentation” in CCSF’s Public Information page, under “Budget Forums.”

## Why Not Market and Just Increase Enrollment?

The College is always marketing its offerings, but simply increasing enrollment on its own will not be enough to close the estimated \$6 million-dollar gap between Hold Harmless enrollment funding, which is our current situation, and our real projected enrollment funding for academic year 2023-24. We call this the “fiscal cliff,” and we have to plan for that. If our expenditures currently are higher than our income, increasing enrollment creates even more additional expenditures to sustain. It sounds like a Catch 22, and it is.

## Non-Credit Courses can Increase Funding for the College.

Not exactly. There is a specific formula we use to calculate the cost of non-credit courses.

It's true that the per-FTES funding rate for about 75% of our noncredit classes is higher than the per-FTES funding rate for credit classes. However, there are three mitigating factors that we have to consider:

1. Our noncredit enrollment has been in decline for 10 years -- from 38,000 students in 2010-11 to 23,000 in 2018-19, the last pre-COVID year. Most of that decline occurred before 2015. While we have made some reductions in the number of classes we offer, the drop in enrollment has outpaced the drop in the number of classes. Prudent enrollment management takes into account these kinds of shifts – we do not want to build a schedule assuming increased enrollment where there is no evidence that enrollment would increase.
2. The State student-centered funding formula has a number of other factors tied to student completion and qualities about the students we serve. These other factors are exclusive to students enrolled in credit classes, so a simple comparison of the per-FTES funding is not an accurate way to contemplate the revenue impact of these classes.
3. Finally, one of the challenges we face with noncredit is that the FTES is calculated based on actual student attendance. As a result, we historically have not had solid FTES figures for a semester until after the semester is over. This uncertainty in the resulting revenue is challenging when we are operating with the tight budget that we've been operating with for the last few years.

## Why Not Simply Use HEERF Funds to Cover the Financial Gap?

HEERF funds come with very specific timelines and restrictions. About 50% of HEERF Funds have been and continue to be distributed directly to students. HEERF is also one-time funding and that will not address the hole we are in or lead towards financial sustainability for the College. The second part of that funding can only be used to address infrastructure and upgrades needed as a result of remote learning during COVID and other expenditures incurred as a result of the pandemic.

## What About Securing Money from the City of San Francisco, or the Board of Supervisors?

We have met with the Board of Supervisors and the Mayor is aware of our dire financial situation. There is talks about receiving money from the Board of Supervisors. Again, if any monies come to fruition that is one-time funding, that funding would still not resolve the College's ongoing structural fiscal issues.