



BUDGET DEVELOPMENT

Vice President of Administrative Services

August 19, 2020

TERMS OF CCC BUDGETING



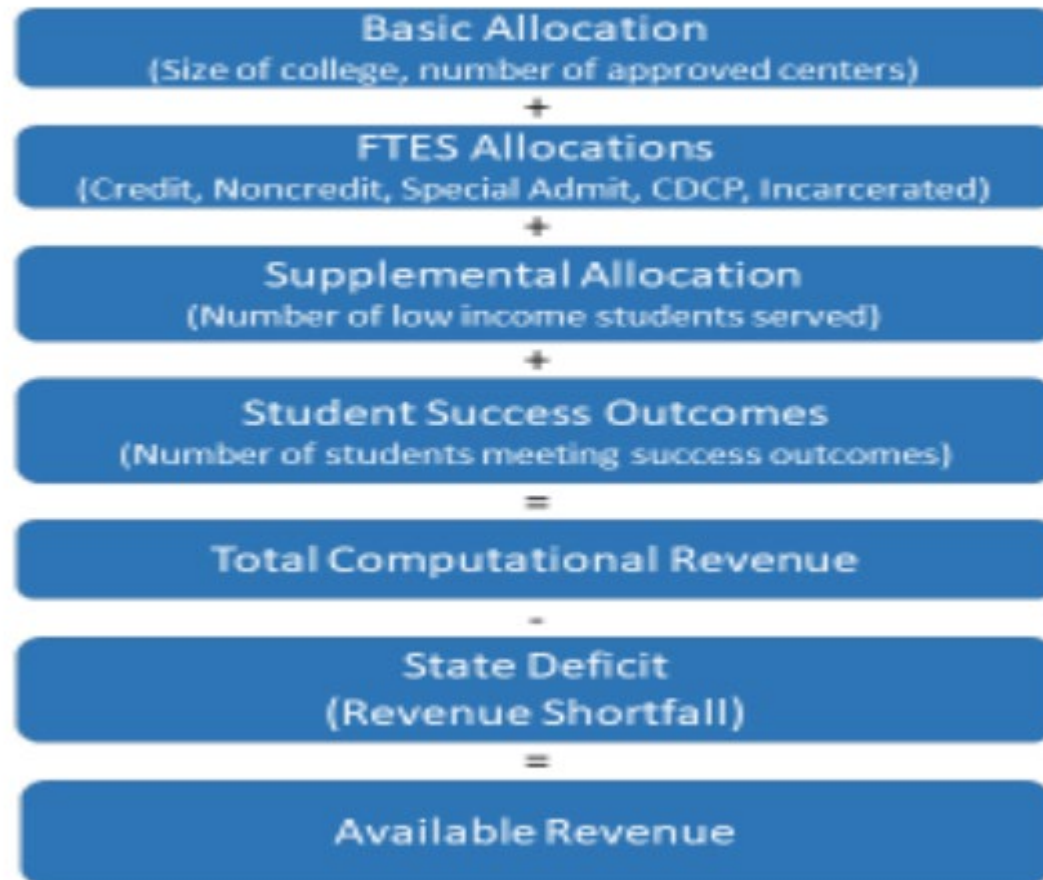
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COLLEGE

1919  2019

- **BUDGET:**
 - Target, plan, projection, idea, priorities
- **REVENUE:**
 - Cash, income, tax, state-apportionment, appropriations, promises, IOUs, ARs
- **EXPENSES**
 - Actuals, encumbrances, APs
- **FUND BALANCE**
 - Fund is a subcategory of revenue & expense supported by cash, unrestricted/restricted.
- **CASH BALANCE**
 - Actual monies that support the financial activity of the fund(s)
- **311 REPORT:** CCCCO's financial reporting / calculation – 50%
- **320 REPORT:** FTES reports that support the state allocation of SCFF
- **FINANCIALS:** Reports that may include budget, actuals, scenarios, audits

REVENUES

How Community Colleges Earn Apportionment



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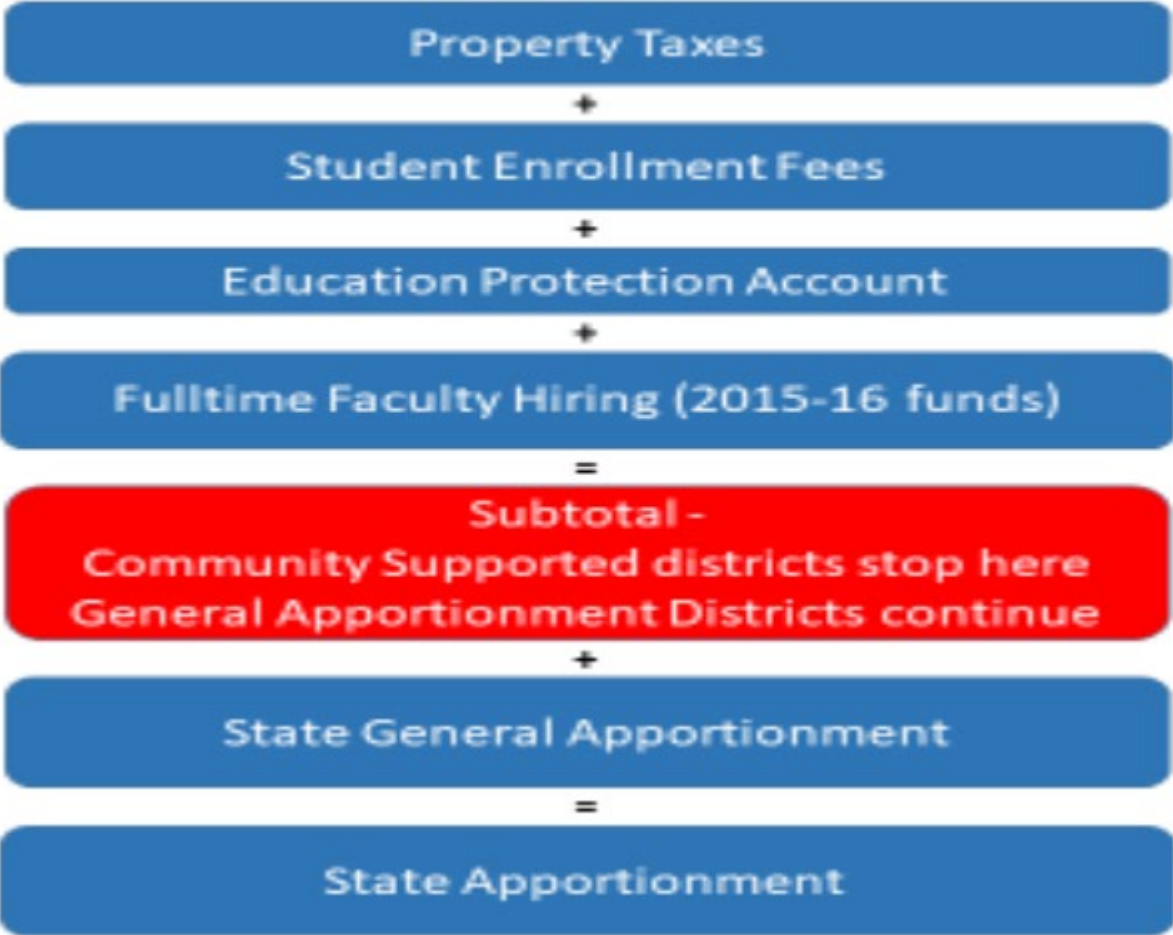
REVENUES (cont.)



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Revenue Sources Used to Allocate Apportionment



FUNDS



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FUND DESCRIPTIONS

GOVERNMENTAL

Governmental funds are used to track information on resources associated with the district's educational objectives.

GENERAL FUND

- Restricted
- Unrestricted

DEBT SERVICE

- Bond Interest & Redemption

CAPITAL PROJECTS

- Capital Outlay Projects
- General Obligation Bond

PROPRIETARY

Proprietary funds are for tracking district activities similar to those used in private-sector accounting due to their income-producing character.

ENTERPRISE FUNDS

- Bookstore
- Cafeteria

INTERNAL SERVICE

- Self-Insurance

FIDUCIARY

Fiduciary funds account for assets held on behalf of another party for which the district has some discretionary authority.

TRUST FUNDS

- Associated Student Government
- Student Center Fee
- Student Financial Aid
- Other Trust Fund

FUND	PURPOSE
11 General Fund—Unrestricted	Used to account for resources available for the general district operations and support for educational programs.
12 General Fund—Restricted	Restricted monies are from an external source that requires the monies be used for a specific purpose or purposes.
29 Debt Service	Used only for the accumulation of resources for, and the payment of, other types of general long-term debt principal and interest.
41 Capital Outlay Projects	Used to account for the accumulation and expenditure of monies for the acquisition or construction of significant capital outlay items and scheduled maintenance and special repairs projects.
43 General Obligation Bond	Designated to account for the proceeds from the sale of the bonds under Proposition 39, and the related expenditures related to the acquisition and construction of the projects voted and approved by the local property owners.
51 Bookstore	Receives the proceeds derived from the bookstore operations. All necessary expenses for the bookstore may be paid from generated revenue.
52 Cafeteria	Receives all monies from the sale of food or any other services performed by the cafeteria. Costs incurred from the operation and maintenance of the cafeteria are paid from this fund.
61 Self-Insurance	Used to account for income and expenditures of authorized self-insurance programs.
71 Associated Student Government	These monies are held in trust by the district for its organized student body associations, excluding clubs.
73 Student Center Fee	Accounts for monies collected by the district for the purpose of establishing an annual building and operating fee to finance, construct, enlarge, remodel, refurbish, and operate a student center.
74 Student Financial Aid	Accounts for the deposit and direct payment of government-funded student financial aid.
79 Other Trust Fund	Other Trust Funds are used to account for all other moneys held in a trustee capacity by the college or district. Such funds may be established and maintained in the appropriate country treasury or the governing board may establish a bank account for each trust.

CLASSIFICATION OF EXPENDITURES BY OBJECT

District expenditures are classified both by activity and by object. Classification of expenditures by activity is explained in the preceding section of this chapter. In this manual, the word “salaries” has the same meaning as the term “salaries and wages”.

Expenditure classification by object is the accounting segregation of expenditures into seven major categories:

1000.	Academic Salaries
2000.	Classified Salaries and Other Nonacademic Salaries
3000.	Employee Benefits
4000.	Supplies and Materials
5000.	Other Operating Expenses and Services
6000.	Capital Outlay
7000.	Other Outgo

SALARIES – 80%+



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1000 Academic Salaries

- 1100 Instructional Salaries, Contract or Regular Status
- 1200 Noninstructional Salaries, Contract or Regular Status
- 1300 Instructional Salaries, Other
- 1400 Noninstructional Salaries, Other

2000 Classified and Other Nonacademic Salaries

- 2100 Noninstructional Salaries, Regular Status
- 2200 Instructional Aides, Regular Status
- 2300 Noninstructional Salaries, Other
- 2400 Instructional Aides, Other

WHAT IS A *TRANSPARENT* BUDGET?

- “SIMPLE” - Mike Hill, CBO, SJECCD (40 years)
- Any budget that has an overly complicated allocation process loses its transparency.
- Drafter of the SB361 FTES allocation model



Types of Budgets/ Budgeting Methods

<https://corporatefinanceinstitute.com/resources/knowledge/accounting/types-of-budgets-budgeting-methods/>



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Four Budgeting Methods

Incremental

Activity
Based

Value
Proposition

Zero
Based

Incremental budgeting

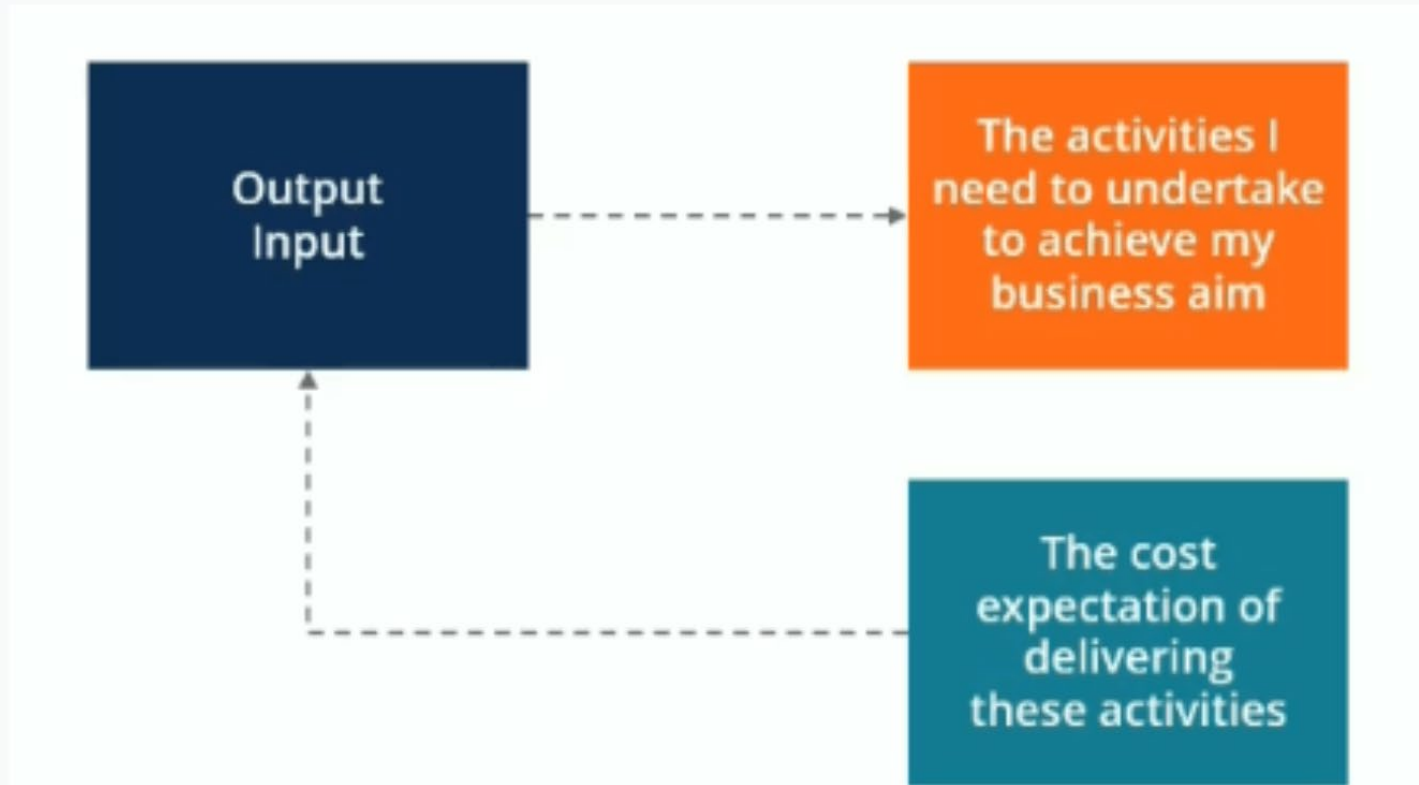


Incremental budgeting takes last year's actual figures and adds or subtracts a percentage to obtain the current year's budget. It is the most common method of budgeting because it is simple and easy to understand. Incremental budgeting is appropriate to use if the primary **cost drivers** do not change from year to year. However, there are some problems with using the method:

- It is likely to perpetuate inefficiencies. For example, if a manager knows that there is an opportunity to grow his budget by 10% every year, he will simply take that opportunity to attain a bigger budget, while not putting effort into seeking ways to cut costs or economize.
- It is likely to result in budgetary slack. For example, a manager might overstate the size of the budget that the team actually needs so it appears that the team is always under budget.
- It is also likely to ignore external drivers of activity and performance. For example, there is very high **inflation** in certain input costs. Incremental budgeting ignores any external factors and simply assumes the cost will grow by, for example, 10% this year.

Activity-based budgeting

Activity-based budgeting is a **top-down budgeting** approach that determines the amount of inputs required to support the targets or outputs set by the company. For example, a company sets an output target of \$100 million in revenues. The company will need to first determine the activities that need to be undertaken to meet the sales target, and then find out the costs of carrying out these activities.



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Value proposition budgeting



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- In value proposition budgeting, the budgeter considers the following questions:
 - Why is this amount included in the budget?
 - Does the item create value for our students, staff, faculty or other stakeholders?
 - Does the value of the item outweigh its cost? If not, then is there another reason why the cost is justified?
- Value proposition budgeting is really a mindset about making sure that everything that is included in the budget delivers value for the college. Value proposition budgeting aims to avoid unnecessary expenditures and meet the metrics or goals of the college.

Zero-based budgeting

- Starts with the assumption that all department budgets are zero
- Must be rebuilt from scratch.
- Administrators must be able to justify every single expense. No expenditures are automatically “okayed”.
- Zero-based budgeting is very tight, aiming to avoid any and all expenditures that are not considered absolutely essential to the company’s successful (profitable) operation. This kind of bottom-up budgeting can be a highly effective way to “shake things up”.
- The zero-based approach is good to use when there is an urgent need for cost containment, for example, in a situation where a company is going through a financial restructuring or a major economic or market downturn that requires it to reduce the budget dramatically.
- Zero-based budgeting is best suited for addressing discretionary costs rather than essential operating costs. However, it can be an extremely time-consuming approach, so many companies only use this approach occasionally.



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Levels of Involvement in Budgeting Process



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Imposed
budgeting

Top down

Impose budget
targets for
activity and
costs

Negotiated
budgeting

Top down

Shared
responsibility
for budget
preparation

Bottom up

Participative
budgeting

Recommend
targets for
activity and
costs

Bottom up

Annual Balancing Act



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State Revenues Assumptions / Actuals
(Feb – May)

BALANCE THE ASSUMPTIONS BY ENSUING JUNE 30

District Expense Assumptions/Actuals
(Mar – Aug)



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OUR 10-YEAR FISCAL HISTORY

GAVILAN'S FISCAL HISTORY



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1919 2019

Fiscal Year	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	(Projected) FY20
Fund Model	<--SB361 -->										
Administration	<--Kinsella -->							SCFF -->			
Administration	<--Kinsella -->							<--Rose-->			
FTEs	5,561	5,469	5,178	5,146	5,224	5,254	4,789	5,322	4,706	5,345	5,345
Credit	4,854	4,762	4,615	4,588	4,647	4,714	4,265	4,752	4,107	4,935	4,935
Non-Credit	652	652	491	484	517	519	439	455	481	292	292
CDCP	55	55	72	74	60	21	85	115	118	118	118
Awards Conferred	461	513	566	793	846	849	983	1,185	1,252	1,252	1,252
Average	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,498	4,498
Funded											
(Used Summer?)										N/A	N/A
Revenues											
Budgeted	\$28,533,604	\$28,381,914	\$27,468,121	\$27,498,030	\$28,497,548	\$29,638,825	\$33,848,385	\$33,565,201	\$34,441,590	\$36,831,919	\$36,831,919
Actual	\$29,141,864	\$29,309,146	\$29,345,423	\$29,444,496	\$28,911,551	\$30,175,046	\$34,522,593	\$33,910,321	\$37,882,339	\$34,903,730	\$36,831,919
Difference	\$608,260	\$927,232	\$1,877,302	\$1,946,466	\$414,003	\$536,221	\$674,208	\$345,120	\$3,440,749	(\$1,928,189)	\$0
Expenses											
Budget	\$27,046,229	\$26,955,642	\$28,541,947	\$28,991,611	\$27,367,974	\$28,053,086	\$32,060,868	\$32,681,481	\$32,993,794	\$35,026,687	\$35,431,849
Comp	\$20,614,047	\$20,616,524	\$22,030,284	\$22,437,210	\$21,618,353	\$22,403,892	\$25,436,253	\$25,124,303	\$24,654,697	\$27,585,448	\$27,882,932
Non-Comp	\$6,432,182	\$6,339,118	\$6,511,663	\$6,554,401	\$5,749,621	\$5,649,194	\$6,624,615	\$7,557,178	\$8,339,097	\$7,441,239	\$7,548,917
Actual	\$26,532,312	\$26,796,942	\$28,085,515	\$27,827,104	\$27,395,744	\$28,234,925	\$31,280,242	\$32,154,223	\$36,155,393	\$35,104,983	\$36,992,149
Comp	\$20,432,185	\$20,887,180	\$22,472,202	\$21,932,309	\$21,790,488	\$22,569,777	\$24,746,025	\$25,157,427	\$28,064,688	\$30,460,623	\$29,256,319
Non-Comp	\$6,100,127	\$5,909,762	\$5,613,313	\$5,894,795	\$5,605,256	\$5,665,148	\$6,534,217	\$6,996,796	\$8,090,705	\$4,644,360	\$7,735,830
Difference	\$513,917	\$158,700	\$456,432	\$1,164,507	(\$27,770)	(\$181,839)	\$780,626	\$527,258	(\$3,161,599)	(\$78,296)	(\$1,560,300)
Year-End (Actuals)											
Other Outgo	\$2,061,528	\$1,821,492	\$2,043,948	\$1,811,056	\$1,747,859	\$1,812,274	\$1,722,828	\$1,488,909	\$1,668,325	\$1,681,595	\$1,488,909
Balance (Deficit)	\$548,024	\$690,712	(\$784,040)	(\$193,664)	(\$232,052)	\$127,847	\$1,519,523	\$267,189	\$58,621	(\$1,882,848)	(\$1,649,139)
Ending Fund Balance											
Surplus (Deficit)	\$3,224,910	\$3,915,619	\$3,131,583	\$2,937,919	\$2,705,860	\$2,833,715	\$4,353,238	\$4,620,427	\$4,750,460	\$2,760,888	\$1,111,749
Year-End %	12.15%	14.61%	11.15%	10.56%	9.93%	10.04%	13.92%	14.37%	13.14%	7.86%	3.01%
FON (Actual)	79	75	77	72	70	70	79	81	78	78	78
FON (Minimum)	77	74	75	70	68	70	72.5	73	75	74	74
Difference - Over (Under)	2	1	2	2	2	0	6.5	8	3	4	4
Average Comp FTEF	\$110,305	\$112,556	\$114,853	\$117,197	\$119,589	\$122,029	\$124,520	\$127,061	\$129,654	\$132,300	\$135,000
Total Over FON\$	\$ 220,610	\$ 112,556	\$ 229,706	\$ 234,394	\$ 239,177	\$ -	\$ 809,378	\$ 1,016,487	\$ 388,962	\$ 529,200	\$ 540,000
Total Employee FTE	230	229	217	209	207	215	226	244	243	243	243
Employee FTE Change	N/A	(1)	(12)	(8)	(2)	8	11	18	(1)	0	0
Cost Per FTES	\$4,771	\$4,900	\$5,424	\$5,408	\$5,244	\$5,374	\$6,532	\$6,042	\$7,683	\$6,568	\$6,921
50% Law	51.60%	50.20%	50.30%	50.96%	53.16%	51.81%	51.45%	50.61%	53.71%	54.09%	N/A



GAVILAN'S FY21
BUDGET DEVELOPMENT
(From Tentative Budget To Adopted/Final Budget)

Unrestricted General Fund 100

AFTER TARGETS

							Scheduled for Final/Adopted Budget				*If All Pending & Remaining Assumptions Are Adopted: FY20/21
	Actual FY18/19	Tentative Budget FY19/20	Adopted Budget FY19/20	Adjusted Budget FY19/20	Projection Budget FY19/20	6/8/2020 Tentative Budget FY20/21	6/9/2020 Tentative w/Phase 1 FY20/21	6/29/2020 Draft Tentative w/Phase 2 FY20/21	7/8/2020 Draft Tentative w/Phase 2 FY20/21	8/6/2020 One Time Cost Savings Phase 3 FY20/21	
Revenues:											
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
State	3,279,856	9,164,258	9,000,133	9,000,133	9,000,133	6,405,704	7,105,704	7,105,704	9,474,594	9,474,594	9,474,594
Local	31,623,786	27,235,356	27,831,786	27,831,786	28,031,786	25,110,706	25,230,706	25,970,706	25,935,706	25,935,706	25,935,706
Fiscal Agent Pass Through	-			-							
Total Revenues	\$ 34,903,641	\$ 36,399,614	\$ 36,831,919	\$ 36,831,919	\$ 37,031,919	\$ 31,516,410	\$ 32,336,410	\$ 33,076,410	\$ 35,410,300	\$ 35,410,300	\$ 35,410,300
Expenditures:											
Total Academic Salaries	\$ 13,577,914	\$ 12,383,335	\$ 12,356,647	\$ 12,356,647	\$ 13,965,572	\$ 14,553,449	\$ 13,160,715	\$ 13,160,715	\$ 13,160,715	\$ 13,160,715	\$ 12,845,896
Total Classified Salaries	\$ 7,308,458	\$ 8,051,645	\$ 8,056,891	\$ 8,056,891	\$ 7,571,474	\$ 8,476,734	\$ 7,704,334	\$ 7,667,334	\$ 7,667,334	\$ 7,667,334	\$ 7,356,751
Total Benefits & Burdens	\$ 7,764,443	\$ 7,470,395	\$ 7,470,395	\$ 7,470,395	\$ 9,549,298	\$ 10,517,151	\$ 9,344,005	\$ 8,408,887	\$ 8,408,887	\$ 8,408,887	\$ 8,232,785
Total Discretionary	\$ 6,740,200	\$ 7,902,239	\$ 7,547,917	\$ 7,530,717	\$ 6,199,014	\$ 6,703,724	\$ 6,453,724	\$ 5,594,442	\$ 5,594,442	\$ 5,440,442	\$ 5,440,442
Total Expenditures	\$ 35,391,015	\$ 35,807,614	\$ 35,431,850	\$ 35,414,650	\$ 37,285,358	\$ 40,251,058	\$ 36,662,778	\$ 34,831,378	\$ 34,831,378	\$ 34,677,378	\$ 33,875,874
Excess of Revenues Over Expenditures											
Prior to Intra/Interfund Transfers	(487,374)	592,000	1,400,069	1,417,269	(253,439)	(8,734,648)	(4,326,368)	(1,754,968)	578,922	732,922	1,534,426
Intra/Interfund Transfers Out	1,502,199	1,391,464	1,400,069	1,403,823	1,404,370	1,242,823	1,242,823	1,242,823	1,242,823	1,242,823	1,242,823
Intra/Interfund Transfers In				-	1,200,000	-	-	-	-	-	-
Net Change in Ending Fund Balance	\$ (1,989,574)	\$ (799,464)	\$ -	\$ 13,446	\$ (457,809)	\$ (9,977,471)	\$ (5,569,191)	\$ (2,997,791)	\$ (663,901)	\$ (509,901)	\$ 291,603
Beginning Fund Balance	4,750,462	2,117,549	2,117,549	2,117,549	2,117,549	1,659,740	1,659,740	1,659,740	1,659,740	1,659,740	1,659,740
Ending Fund Balance	\$ 2,117,549	\$ 1,318,085	\$ 2,117,549	\$ 2,130,995	\$ 1,659,740	\$ (8,317,731)	\$ (3,909,451)	\$ (1,338,051)	\$ 995,839	\$ 1,149,839	\$ 1,951,343
	5.74%	3.54%	5.75%	5.79%	4.29%	-20.05%	-10.31%	-3.71%	2.76%	3.20%	5.56%

updated as of 08/06/2020

*This column depends on the outcomes of negotiations and the ending fund balance for FY20



Deferrals Schedule



FOOTNOTES



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1919  2019

SLIDES FROM AUGUST 2020 (& PRIOR)



Unrestricted General Fund 100

							<i>Scheduled for Final/Adopted Budget</i>			
	Actual FY18/19	Tentative Budget FY19/20	Adopted Budget FY19/20	Adjusted Budget FY19/20	Projection Budget FY19/20	Tentative Budget FY20/21	Tentative w/Phase 1 FY20/21	Draft Tentative w/Phase 2 FY20/21	Draft Tentative w/Phse 2 as7/8 FY20/21	One Time Cost Savings FY20/21
Revenues:										
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
State	3,279,856	9,164,258	9,000,133	9,000,133	9,000,133	6,405,704	7,105,704	7,105,704	9,474,594	9,474,594
Local	31,623,786	27,235,356	27,831,786	27,831,786	28,031,786	25,110,706	25,230,706	25,970,706	25,935,706	25,935,706
Fiscal Agent Pass Through	-			-						
Total Revenues	\$ 34,903,641	\$ 36,399,614	\$ 36,831,919	\$ 36,831,919	\$ 37,031,919	\$ 31,516,410	\$ 32,336,410	\$ 33,076,410	\$ 35,410,300	\$ 35,410,300
Expenditures:										
Total Academic Salaries	\$ 13,577,914	\$ 12,383,335	\$ 12,356,647	\$ 12,356,647	\$ 13,965,572	\$ 14,553,449	\$ 13,160,715	\$ 13,160,715	\$ 13,160,715	\$ 13,160,715
Total Classified Salaries	\$ 7,308,458	\$ 8,051,645	\$ 8,056,891	\$ 8,056,891	\$ 7,571,474	\$ 8,476,734	\$ 7,704,334	\$ 7,667,334	\$ 7,667,334	\$ 7,667,334
Total Benefits & Burdens	\$ 7,764,443	\$ 7,470,395	\$ 7,470,395	\$ 7,470,395	\$ 9,549,298	\$ 10,517,151	\$ 9,344,005	\$ 8,408,887	\$ 8,408,887	\$ 8,408,887
Total Discretionary	\$ 6,740,200	\$ 7,902,239	\$ 7,547,917	\$ 7,530,717	\$ 6,199,014	\$ 6,703,724	\$ 6,453,724	\$ 5,594,442	\$ 5,594,442	\$ 5,440,442
Total Expenditures	\$ 35,391,015	\$ 35,807,614	\$ 35,431,850	\$ 35,414,650	\$ 37,285,358	\$ 40,251,058	\$ 36,662,778	\$ 34,831,378	\$ 34,831,378	\$ 34,677,378
Excess of Revenues Over Expenditures Prior to Intra/Interfund Transfers	(487,374)	592,000	1,400,069	1,417,269	(253,439)	(8,734,648)	(4,326,368)	(1,754,968)	578,922	732,922
Intra/Interfund Transfers Out	1,502,199	1,391,464	1,400,069	1,403,823	1,404,370	1,242,823	1,242,823	1,242,823	1,242,823	1,242,823
Intra/Interfund Transfers In				-	1,200,000	-	-	-	-	-
Net Change in Ending Fund Balance	\$ (1,989,574)	\$ (799,464)	\$ -	\$ 13,446	\$ (457,809)	\$ (9,977,471)	\$ (5,569,191)	\$ (2,997,791)	\$ (663,901)	\$ (509,901)
Beginning Fund Balance	4,750,462	2,117,549	2,117,549	2,117,549	2,117,549	1,659,740	1,659,740	1,659,740	1,659,740	1,659,740
Ending Fund Balance	\$ 2,117,549	\$ 1,318,085	\$ 2,117,549	\$ 2,130,995	\$ 1,659,740	\$ (8,317,731)	\$ (3,909,451)	\$ (1,338,051)	\$ 995,839	\$ 1,149,839
	5.74%	3.54%	5.75%	5.79%	4.29%	-20.05%	-10.31%	-3.71%	2.76%	3.20%

SLIDES FROM JULY 2020 (& PRIOR)



Unrestricted General Fund 100

	Unrestricted General Fund 100							
						<i>Scheduled for Final/Adopted Budget</i>		
	Tentative Budget FY19/20	Adopted Budget FY19/20	Adjusted Budget FY19/20	Projection Budget FY19/20	Tentative Budget FY20/21	Tentative w/Phase 1 FY20/21	Draft Tentative w/Phase 2 FY20/21	Draft Tentative w/Phse 2 as7/8 FY20/21
Revenues:								
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	9,164,258	9,000,133	9,000,133	9,000,133	6,405,704	7,105,704	7,105,704	9,474,594
Local	27,235,356	27,831,786	27,831,786	28,031,786	25,110,706	25,230,706	25,970,706	25,935,706
Fiscal Agent Pass Through			-					
Total Revenues	\$ 36,399,614	\$ 36,831,919	\$ 36,831,919	\$ 37,031,919	\$ 31,516,410	\$ 32,336,410	\$ 33,076,410	\$ 35,410,300
Expenditures:								
Total Academic Salaries	\$ 12,383,335	\$ 12,356,647	\$ 12,356,647	\$ 13,856,515	\$ 14,553,449	\$ 13,160,715	\$ 13,160,715	\$ 13,160,715
Total Classified Salaries	\$ 8,051,645	\$ 8,056,891	\$ 8,056,891	\$ 7,457,688	\$ 8,476,734	\$ 7,704,334	\$ 7,667,334	\$ 7,667,334
Total Benefits & Burdens	\$ 7,470,395	\$ 7,470,395	\$ 7,470,395	\$ 9,506,306	\$ 10,517,151	\$ 9,344,005	\$ 8,408,887	\$ 8,408,887
Total Discretionary	\$ 7,902,239	\$ 7,547,917	\$ 7,530,717	\$ 6,378,714	\$ 6,703,724	\$ 6,453,724	\$ 5,594,442	\$ 5,594,442
Total Expenditures	\$ 35,807,614	\$ 35,431,850	\$ 35,414,650	\$ 37,199,223	\$ 40,251,058	\$ 36,662,778	\$ 34,831,378	\$ 34,831,378
Excess of Revenues Over Expenditures								
Prior to Intra/Interfund Transfers	592,000	1,400,069	1,417,269	(167,304)	(8,734,648)	(4,326,368)	(1,754,968)	578,922
Intra/Interfund Transfers Out	1,391,464	1,400,069	1,403,823	1,378,549	1,242,823	1,242,823	1,242,823	1,242,823
Intra/Interfund Transfers In			-	1,200,000	-	-	-	-
Net Change in Ending Fund Balance	\$ (799,464)	\$ -	\$ 13,446	\$ (345,853)	\$ (9,977,471)	\$ (5,569,191)	\$ (2,997,791)	\$ (663,901)
Beginning Fund Balance	2,117,549	2,117,549	2,117,549	2,117,549	1,771,696	1,771,696	1,771,696	1,771,696
Ending Fund Balance	\$ 1,318,085	\$ 2,117,549	\$ 2,130,995	\$ 1,771,696	\$ (8,205,775)	\$ (3,797,495)	\$ (1,226,095)	\$ 1,107,795
	3.54%	5.75%	5.79%	4.59%	-19.78%	-10.02%	-3.40%	3.07%

Revenue Source	FY20/21
State Revenue Including Local Property Taxes and Fees	34,227,576
19-20 Deficit Coefficient 1%	(342,276)
Less Property Taxes	(22,288,698)
Less Enrollment Fees	(2,822,008)
Lottery	550,000
State Mandates	150,000
Actual State Revenue Assumption for FY21	9,474,594
Local Property Taxes	22,288,698
Enrollment Fees	2,822,008
Interest Income	15,000
Nonresident Tuition	-
Facility Use Revenue as of 7/8/20 assumptions	695,000
Auxillary Revenue	115,000
Actual Local Revenue Assumption for FY21	25,935,706
Total Revenue Assumption For FY21	35,410,300
Transfers in	50,000
Transfers out	(1,403,823)
Net Revenue Available for Appropriation	34,056,477



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COLLEGE

1919 ↓ 2019

Tentative Budget - Phase 2	
Proposed Reductions	
As of 07/06/2020	
Description	Amount
<i>Expense Reductions</i>	
STRS	(246,701)
PERS	(199,448)
Worker's Comp	(518,651)
Ellucian Contract to Measure X	(685,782)
Travel & Memberships	(75,000)
Substitutes/Temp Employees, & Prof Experts	(37,000)
Legal Fees	(83,500)
Software	(15,000)
Subtotal	(1,861,082)
<i>Revenue Increases</i>	
South Bay Facilities Use	700,000
Golf Course Facilities Use	40,000
Subtotal	740,000
Deficit as of Phase 1	(5,569,191)
Net Change of Proposed Adjustments	2,601,082
Adjusted Deficit	(2,968,109)



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COLLEGE

1919  2019

CARES Act – Types of Expenditures

	FEMA	Institutional	HBCUs, TCCIs, and MSIs
Allowable:			
Faculty Professional Development & Training		X	X
Student Workers (tutors and extra cleaning)		X	X – Tutors
Temporary Employees (specific to instruction)		X	X
Technology – Chromebooks, Hotspots, Digital Divide, Software licenses		X	X
Lab Kits		X	X
Personal Protective Equipment (PPE) (25% FEMA match)	X	X	X
Cleaning Supplies (25% FEMA match)	X	X	X
Student Refunds		X	X
Safety and Security Payroll	X		
Lost Revenue (Parking, Civic Center Fees, Food Services, Bookstore, etc.)			X
Grants to Students (including AB 540 Students)		X	X
Donated PPE (count towards 25% FEMA match)	X		
Signage and stickers for wayfinding and directions		X	
Overtime payments that are a direct result of COVID-19 related disruption		X	X
Bookstore and/or Food Services Payroll**		X	X
Third-party contractors that provide online learning platform for school		X	X

** See additional details in Slide 11



CARES Act – Types of Expenditures

	FEMA	Institutional	HBCUs, TCCIs, and MSIs
Not Allowed:			
Additional Safety pay for coming to campus			
Vacation Payoff			
Overtime not a direct result of COVID-19 related disruption			
Student Workers not a direct result of COVID-19 related disruption			
Senior administrator and/or Executive Salaries, benefits, bonuses, contracts			
Recruitment activities			
Endowments			
Capital outlay for athletic facilities			

Note: For all expenditures claimed, make sure you have sufficient evidence and documents explaining your reasoning for how the expenditure relates to significant changes in the delivery of instruction due to coronavirus!



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1919 2019



CARES Act – Types of Expenditures

- Bookstore and/or Food Services Salaries

- Question #8 from Supplemental FAQ

“Can schools use CARES Act funds under Section 18004(a)(1) to pay salaries and benefits for employees that work in dining halls and dorms and who would have otherwise been paid through student housing fees had COVID-19 not disrupted campus operations?”

- Answer

- Yes

“...Recipient retains discretion in determining how to allocate and use the funds provided...provided that funds will be spent only on those costs for which Recipient has a **reasoned basis** for concluding such costs have a clear nexus to significant changes to the delivery of instruction...The Department considers institutions to have such a reasoned basis with respect to the salaries and benefits for employees that work in dining halls and dorms and who would have otherwise been paid through student housing fees....”





CARES Act – Types of Expenditures

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- Answer

- **Yes**

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CARES Act – Types of Expenditures

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- Answer

- **Yes**

“...Recipient retains discretion in determining how to allocate and use the funds provided...provided that funds will be spent only on those costs for which Recipient has a **reasoned basis** for concluding such costs have a clear nexus to significant changes to the delivery of instruction...The Department considers institutions to have such a reasoned basis with respect to the salaries and benefits for employees that work in dining halls and dorms and who would have otherwise been paid through student housing fees....”





CARES Act – Grants to Students

Reporting Requirements

Information required on **website** within 30 days and every 45 days thereafter:

An acknowledgement that the Certification and Agreement was submitted and assurance that no less than 50% of funds received under 18004(a)(1) will provide grants to students

Total amount of funds received for grants to students

Total amount of grants distributed to students

Estimated number of students eligible to participate under HEA

Total number of students who received grants

Method used to determine eligibility and amount received

Instructions, directions, or guidance provided to students





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COLLEGE

1919 2019

- After Board Adoption Of Tentative Budget 6/9/20
- Post Phase 1

	Actual FY18/19	Tentative Budget FY19/20	Adopted Budget FY19/20	Adjusted Budget FY19/20	Projection Budget FY19/20	Tentative Budget FY20/21	Tentative w/Phase 1 FY20/21
Revenues:							
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	3,279,856	9,164,258	9,000,133	9,000,133	9,000,133	6,405,704	7,105,704
Local	31,623,786	27,235,356	27,831,786	27,831,786	28,031,786	25,110,706	25,970,706
Fiscal Agent Pass Through	-			-			
Total Revenues	\$ 34,903,641	\$ 36,399,614	\$ 36,831,919	\$ 36,831,919	\$ 37,031,919	\$ 31,516,410	\$ 33,076,410
Expenditures:							
Total Academic Salaries	\$ 13,577,914	\$ 12,383,335	\$ 12,356,647	\$ 12,356,647	\$ 13,856,515	\$ 14,553,449	\$ 13,160,715
Total Classified Salaries	\$ 7,308,458	\$ 8,051,645	\$ 8,056,891	\$ 8,056,891	\$ 7,457,688	\$ 8,476,734	\$ 7,704,334
Total Benefits & Burdens	\$ 7,764,443	\$ 7,470,395	\$ 7,470,395	\$ 7,470,395	\$ 9,506,306	\$ 10,517,151	\$ 9,344,005
Total Discretionary	\$ 6,740,200	\$ 7,902,239	\$ 7,547,917	\$ 7,530,717	\$ 6,378,714	\$ 6,703,724	\$ 6,453,724
Total Expenditures	\$ 35,391,015	\$ 35,807,614	\$ 35,431,850	\$ 35,414,650	\$ 37,199,223	\$ 40,251,058	\$ 36,662,778
Excess of Revenues Over Expenditures Prior to Intra/Interfund Transfers	(487,374)	592,000	1,400,069	1,417,269	(167,304)	(8,734,648)	(3,586,368)
Intra/Interfund Transfers Out	1,502,199	1,391,464	1,400,069	1,403,823	1,378,549	1,242,823	1,242,823
Intra/Interfund Transfers In				-	1,200,000	-	-
Net Change in Ending Fund Balance	\$ (1,989,574)	\$ (799,464)	\$ -	\$ 13,446	\$ (345,853)	\$ (9,977,471)	\$ (4,829,191)
Beginning Fund Balance	4,750,462	2,117,549	2,117,549	2,117,549	2,117,549	2,130,995	1,771,696
Ending Fund Balance	\$ 2,117,549	\$ 1,318,085	\$ 2,117,549	\$ 2,130,995	\$ 1,771,696	\$ (7,846,476)	\$ (3,057,495)
	5.74%	3.54%	5.75%	5.79%	4.59%	-18.91%	-8.07%

2019-20 P2 Revision

- We anticipate being able to calculate a P2 revision in July or August to disburse recently appropriated General Fund resources pending availability at the State Controller's Office.



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1919  2019



1919  2019

2019-20 EPA and Local Revenue Deferral & Backfill

The Chancellor's Office is working with ACBO's Fiscal Standards and Accountability Committee and independent audit firms to determine consistent revenue recognition year end closing entries for the deferral of the EPA, property tax, and student enrollment fee portion of state revenue.

Fund balances reported on the 311 Annual Budget and Financial Report should agree to the audited financial statements.



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1919 ↘ 2019

- Prior to 7/6/2020
- After Board Adoption Of Tentative Budget 6/9/20
- Post Phase 1

	Actual FY18/19	Tentative Budget FY19/20	Adopted Budget FY19/20	Adjusted Budget FY19/20	Projection Budget FY19/20	Tentative Budget FY20/21	Tentative w/Phase 1 FY20/21
Revenues:							
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	3,279,856	9,164,258	9,000,133	9,000,133	9,000,133	6,405,704	7,105,704
Local	31,623,786	27,235,356	27,831,786	27,831,786	28,031,786	25,110,706	25,970,706
Fiscal Agent Pass Through	-	-	-	-	-	-	-
Total Revenues	\$ 34,903,641	\$ 36,399,614	\$ 36,831,919	\$ 36,831,919	\$ 37,031,919	\$ 31,516,410	\$ 33,076,410
Expenditures:							
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Total Classified Salaries	\$ 7,308,458	\$ 8,051,645	\$ 8,056,891	\$ 8,056,891	\$ 7,457,688	\$ 8,476,734	\$ 7,704,334
Total Benefits & Burdens	\$ 7,764,443	\$ 7,470,395	\$ 7,470,395	\$ 7,470,395	\$ 9,506,306	\$ 10,517,151	\$ 9,344,005
Total Discretionary	\$ 6,740,200	\$ 7,902,239	\$ 7,547,917	\$ 7,530,717	\$ 6,378,714	\$ 6,703,724	\$ 6,453,724
Total Expenditures	\$ 35,391,015	\$ 35,807,614	\$ 35,431,850	\$ 35,414,650	\$ 37,199,223	\$ 40,251,058	\$ 36,662,778
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Intra/Interfund Transfers In				-	1,200,000	-	-
Net Change in Ending Fund Balance	\$ (1,989,574)	\$ (799,464)	\$ -	\$ 13,446	\$ (345,853)	\$ (9,977,471)	\$ (4,829,191)
Beginning Fund Balance	4,750,462	2,117,549	2,117,549	2,117,549	2,117,549	2,130,995	1,771,696
Ending Fund Balance	\$ 2,117,549	\$ 1,318,085	\$ 2,117,549	\$ 2,130,995	\$ 1,771,696	\$ (7,846,476)	\$ (3,057,495)
	5.74%	3.54%	5.75%	5.79%	4.59%	-18.91%	-8.07%

Unrestricted General Fund 100

Scheduled for Final/Adopted Budget

	Actual FY18/19	Tentative Budget FY19/20	Adopted Budget FY19/20	Adjusted Budget FY19/20	Projection Budget FY19/20	Tentative Budget FY20/21	Tentative w/Phase 1 FY20/21	Draft Tentative w/Phase 2 FY20/21
Revenues:								
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	3,279,856	9,164,258	9,000,133	9,000,133	9,000,133	6,405,704	7,105,704	7,105,704
Local	31,623,786	27,235,356	27,831,786	27,831,786	28,031,786	25,110,706	25,230,706	25,970,706
Fiscal Agent Pass Through	-			-				
Total Revenues	\$ 34,903,641	\$ 36,399,614	\$ 36,831,919	\$ 36,831,919	\$ 37,031,919	\$ 31,516,410	\$ 32,336,410	\$ 33,076,410
Expenditures:								
Total Academic Salaries	\$ 13,577,914	\$ 12,383,335	\$ 12,356,647	\$ 12,356,647	\$ 13,856,515	\$ 14,553,449	\$ 13,160,715	\$ 13,160,715
Total Classified Salaries	\$ 7,308,458	\$ 8,051,645	\$ 8,056,891	\$ 8,056,891	\$ 7,457,688	\$ 8,476,734	\$ 7,704,334	\$ 7,704,334
Total Benefits & Burdens	\$ 7,764,443	\$ 7,470,395	\$ 7,470,395	\$ 7,470,395	\$ 9,506,306	\$ 10,517,151	\$ 9,344,005	\$ 8,408,887
Total Discretionary	\$ 6,740,200	\$ 7,902,239	\$ 7,547,917	\$ 7,530,717	\$ 6,378,714	\$ 6,703,724	\$ 6,453,724	\$ 5,692,942
Total Expenditures	\$ 35,391,015	\$ 35,807,614	\$ 35,431,850	\$ 35,414,650	\$ 37,199,223	\$ 40,251,058	\$ 36,662,778	\$ 34,966,878
Excess of Revenues Over Expenditures								
Prior to Intra/Interfund Transfers	(487,374)	592,000	1,400,069	1,417,269	(167,304)	(8,734,648)	(4,326,368)	(1,890,468)
Intra/Interfund Transfers Out	1,502,199	1,391,464	1,400,069	1,403,823	1,378,549	1,242,823	1,242,823	1,242,823
Intra/Interfund Transfers In				-	1,200,000	-	-	-
Net Change in Ending Fund Balance	\$ (1,989,574)	\$ (799,464)	\$ -	\$ 13,446	\$ (345,853)	\$ (9,977,471)	\$ (5,569,191)	\$ (3,133,291)
Beginning Fund Balance	4,750,462	2,117,549	2,117,549	2,117,549	2,117,549	2,130,995	1,771,696	1,771,696
Ending Fund Balance	\$ 2,117,549	\$ 1,318,085	\$ 2,117,549	\$ 2,130,995	\$ 1,771,696	\$ (7,846,476)	\$ (3,797,495)	\$ (1,361,595)
	5.74%	3.54%	5.75%	5.79%	4.59%	-18.91%	-10.02%	-3.76%

Tentative Budget - Phase 2

Proposed Reductions

As of 07/06/2020

Description	Amount
<i>Expense Reductions</i>	
STRS	(246,701)
PERS	(172,964)
Worker's Comp	(515,453)
Ellucian Contract to Measure X	(685,782)
Travel & Memberships	(75,000)
Subtotal	(1,695,900)
<i>Revenue Increases</i>	
South Bay Facilities Use	700,000
Golf Course Facilities Use	40,000
Subtotal	740,000
Deficit as of Phase 1	(5,569,191)
Net Change of Proposed Adjustments	2,435,900
Adjusted Deficit	(3,133,291)



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2020-21 State Budget Agreement

- On June 22, Governor Newsom and Assembly and Senate leadership reached an agreement around a final 2020-21 state spending plan. Enacted on June 30.
- For California Community Colleges, the 2020-21 budget agreement prevents cuts to apportionments and categoricals.
- In order to accomplish this, \$1.5 billion in funding to colleges is deferred to future years and provides no COLA and no enrollment growth.
- Of the \$1.5 billion, \$791 million would trigger-off if Congress approves a fourth stimulus package.

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- Of the \$1.5 billion, \$791 million would trigger-off if Congress approves a fourth stimulus package.





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Apportionments

- Rejects the May Revision proposal to cut apportionment funding.
- Approves the May Revision proposal to extend minimum revenue provisions (hold harmless) under the Student Centered Funding Formula by an additional two years.
- No COLA
- No enrollment growth

Apportionments -



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- Rejects the May Revision proposal to cut apportionment funding.
- Approves the May Revision proposal to extend minimum revenue provisions (hold harmless) under the Student Centered Funding Formula by an additional two years.



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Deferrals

- Approves a \$332 million deferral of community college apportionments from this May and June to the next fiscal year. This deferral is primarily for state accounting purposes.
- Approves a \$662.1 million deferral from 2020-21 to 2021-22. Includes trailer bill language to allow hardship exemptions.
- Includes a trigger deferral of \$791.1 million Proposition 98. This deferral would be withdrawn if the state receives federal funding.

COVID-19 Response Block Grant

\$120 Million Block Grant

- Includes \$120 million one-time from Proposition 98 and federal funds to support a basic needs/learning loss/COVID 19 response block grant to colleges.
 - \$54 million must be spent by December 30, 2020.
 - \$66 million must be spent by June 30, 2022.
- Allocated on actual reported FTES.

Uses

- Reengagement strategies for incompletes or fails in Spring 2020.
- Grants to faculty to develop online, accelerated learning modules for incompletes and fails.
- Professional development opportunities for faculty and student services professionals.
- Investments to close the digital divide.
- Support to address other barriers.
- Cleaning supplies and PPE.



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1919  2019

Categoricals

- Protects against cuts to categorical programs, including Strong Workforce Program and Student Equity and Achievement, keeping programs at 2019-20 spending levels.
- **SEA.** Requires a portion of the Student Equity and Achievement Program to be used to support or establish food pantries or food distribution program.
- **SWP.** Encourages short-term workforce training programs focusing on:
 - Economic recovery and resulting in job placement. Reskilling and upskilling.
 - Have at least one proven employer partner, demonstrate job vacancies.
 - Use competency-based approaches and apply credit for prior learning.
 - Short term = 4-12 week program



Categoricals

- Defers the Governor's Budget proposal to create the California Community Colleges System Support Program.
- Provides \$10 million ongoing support for immigrant legal services.
- Provides \$5.8 million for Dreamer resource liaisons.



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Classified Staff Employment

“From July 1, 2020, to June 30, 2021, inclusive, the governing board of a ... community college district... **shall not implement layoffs or releases** of any permanent or probationary classified employees of the... community college district... who hold classifications in, or are assigned to positions **in nutrition, transportation, or custodial services.**”

Nothing in this section shall be construed to prohibit a... community college district... from terminating a classified employee for good cause.”



Capital Outlay

- Approves Proposition 51 resources to support 25 new and 15 continuing capital outlay projects. Also approves the May Revision proposal to reappropriate funds for 23 projects.



CalPERS/CalSTRS

- Includes a \$2.3 billion reallocation to buy down employer contribution rates for the California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) in 2020–21.
- The bill also removes the CalSTRS Board's ability to change the rate in 2020–21, instead keeping the 2019–20 rate in statute.



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CalPERS/CalSTRS

CalPERS

2020-21 Prior Rate	New 2020-21 Rate	2021-22 Prior Rate	New 2021-22 rate
22.67%	20.7%	24.6%	22.84%

CalSTRS

2020-21 Prior Rate	New 2020-21 Rate	2021-22 Prior Rate	New 2021-22 rate
18.41%	16.15%	17.9%	16.02%



50% Law

- The trailer bill language excludes COVID-19 related expenditures from the 50% Law calculations.
- Adds a one-year sunset. Repealed July 1, 2021.



2019-20 P2 SCFF Rates

	2019-20 Rates at P2
Base Credit	4,009.00
Supplemental Point Value	948.00
Student Success Main Point Value	559.00
Student Success Equity Point Value	141.00
Incarcerated Credit	5,621.94
Special Admit Credit	5,621.94
CDCP	5,621.94
Noncredit	3,380.63

- Standard rates applicable to majority of districts are displayed.
- 10 districts have higher base, incarcerated, and special admit credit rates based on statute.

Cash Flow!

1. Project cash flow for All Funds over the next 18-24 months
2. Educate local trustees and department heads

Recommended Resources:

- [Effective Cash Management During Uncertain Times](#), FCMAT
- [Meeting Cash Flow Challenges in Light of the May Revision](#), SSC
- [Managing Cash Flow in a Crisis: How to Quickly Build a Working Cash Flow Model](#), GFOA webinar



Potential Sources of Cash

1. Draw down contingency reserves
2. Borrow from other internal funds
3. Borrow from the county treasurer
4. Tax Revenue Anticipation Notes (TRANS)

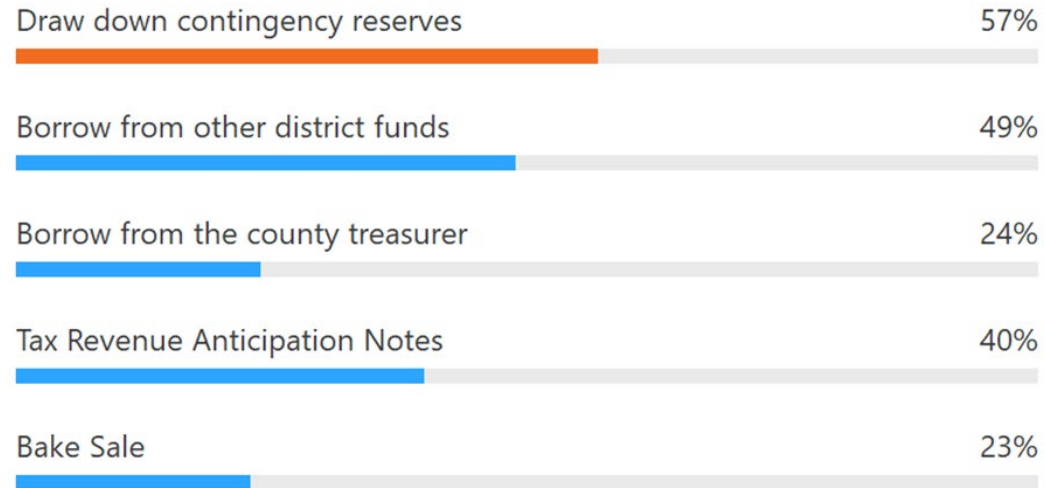
Other? Please share your ideas in the Q&A box



Polls

Host is sharing poll results

1. My district is considering these options to improve cash flow (check all that apply): (Multiple choice)



Why Banner/ERP Modernization?

- Procured Banner with Measure E-> Modernize in Measure X.
- Data compliance with Federal Financial Aid (Oct 2020), State Reporting & Federal Reporting, and District's Financial Systems.
- Current in-house servers are unsupported & antiquated.
- Cloud-base has business continuity & protection.
- Standardization of version updates (CCCCIS).
- Disaster Recovery meets Standard 3(c) of ACCJC recommendation.
- SIG will help with the implementation / testing.



Implementation Costs & First Year

→ IMPLEMENTATION YEAR: First Year: **\$1,131,021** (Measure X)

→ OPERATIONAL YEARS: Second Year & onward: exercise incentive credits (\$211K) towards future annual costs within the operating budget.



Next Steps:



- **Guidance On:**

- Prepare for est. \$10M TRAN for Cash Flow to General Fund
- Prepare Measure X Issuance for Next Set of Projects (San Benito Campus & Data Infrastructure)
- Sheriff Department Contract

- **Post FY21 Tentative Budget (Adopt Budget development):**

- Apply July 8th ACBO Assumptions & Analysis to Revenues
- Apply Phase 2 Reductions to Expense Budget Assumptions
- Review Phase 3 with campus community

SLIDES FROM JUNE 2020 (& PRIOR)



May Revise Summary – Legislative Action

	Governor	Joint Legislature	Notes
SCFF Base Reduction (8%)*	\$(593,000,000)	\$ 17,000,000	from Calbright
COLA (2.31%)*	\$(167,700,000)	\$ 167,744,000	
Growth (0.5%)*	\$ (31,900,000)	\$ 31,856,000	
Apprenticeship	\$ (83,200,000)	\$ 20,000,000	
Strong Workforce Local Program*	\$(135,600,000)	0	No cut
Student Equity & Achievement Program*	\$ (68,800,000)	0	No cut
Elimination of Proposals/Technical Adj	\$ (36,600,000)	\$ 5,990,000	Unknown if this amount is same under Joint proposal
Part-Time Faculty Compensation/Office*	\$ (7,300,000)	\$ 10,600,000	from Calbright
Calbright College	\$ (3,000,000)	\$ (117,000,000)	Eliminated
Cash Deferrals (\$330 in 19/20, \$662 in 20/21)	\$ (332,000,000)	\$(1,071,900,000)	\$739.9 M goes away if Federal funds come in
Dreamer Resource Liaisons	0	\$ 5,800,000	
Basic Needs/Learning Loss/COVID 19	0	\$ 75,000,000	from Calbright
Food Pantries	0	\$ 11,400,000	

*These cuts are removed if Federal funds come through under the Governor's proposal

**The Legislative proposal uses one-time funding of \$20 M for Apprenticeship instructional hours and \$97 M for Calbright College

May Revise Summary – Legislative Action

■ Good News:

- \$2.3 billion reallocated to buy down PERS and STRS employer rates



May Revise Summary – Legislative Action

■ Good News:

■ Funds Capital Outlay Projects

25 New Start Projects					
Antelope Valley	Gym	870,000	Long Beach	PCC Const. Trades	1,268,000
Barstow	Hydronic Loop	741,000	Los Rios	Rancho Cordova Ed Ctr	389,000
Chabot-Las Positas	Chabot Bldg 3000	674,000	Napa Valley	Ind Tech	245,000
Coast	OCC Chemistry	1,400,000	North Orange	Cypress Fine Arts	1,512,000
Compton	PE Complex	1,548,000	Riverside	RCC Life Science	1,623,000
El Camino	Music Bldg	1,969,000	San Bernardino	Crafton Hills Perf Arts	600,000
Grossmont-Cuyamaca	Cuyamaca Inst Bldg	1,005,000	Sierra	Gym	2,409,000
Grossmont-Cuyamaca	Grossmont Liberal Arts	941,000	Siskiyou	Theatre Arts	2,041,000
LA	East LA Facilities	829,000	Sonoma	Gym	887,000
LA	LA Pierce Ind Tech	1,182,000	Sonoma	Public Safety Trng Ctr	398,000
LA	LA Trade-Tech	2,410,000	West Valley-Mission	Mission Perf Arts	1,024,000
LA	Valley Academic Bldg	1,637,000	Yuba	Yuba Fire Alarm	377,000
LA	West LA Plant Facilities	445,000			

15 Continuing Projects					
Butte-Glenn	Tech Remodel	7,049,000	Sequoias	Basic Skills Ctr	13,876,000
Lake Tahoe	RFE and Science	9,367,000	South Orange	IVC Fine Arts	20,838,000
Los Rios	Elk Grove Ctr	8,102,000	South Orange	SC Gateway	23,626,000
Merced	Ag Science	12,169,000	State Center	Clovis Applied Tech	24,089,000
San Mateo	Canada Bldg 13	8,589,000	State Center	Fresno CDC	12,261,000
San Mateo	San Mateo Water Supply	5,016,000	State Center	Reedley CDC	9,423,000
San Mateo	Skyline Workforce/ED	18,123,000	West Valley-Mission	West Valley LRC	17,815,000
Santa Clarita	Boykin Hall	4,332,000			

May Revise Summary – Legislative Action

- Good News:
 - Extends Hold Harmless provisions through 2023-24
- Bad News:
 - Does not support consolidation of administration funding into the “System of Support” program for the Chancellor’s Office
- You decide whether Good or Bad News:
 - Eliminates Calbright College

Calbright College Uncertainty



- Legislature is proposing to eliminate Calbright College, if Governor approves. Dec 20/21 to closure depending on strategy. Unclear whether the funding allocated to CC would be reallocated to rest of the CCCs or the plan to reduce the deficit. May not see funding result until FY22.

1919 ↓ 2019

What's Next

- Governor has 12 days to sign or veto
- Watch the following bills:
 - SB 116/AB 94 – Higher Education, including hold harmless and 50% Law changes for COVID-19
 - SB 111/AB 84 – Pension deferrals
- Expect possibly two more “junior” budget bills:
 - One before July 1 and another this summer

Preparing for Phase 2/3



GAVILAN
COLLEGE

1919  2019

All Groups

Description	Salary	0.1615 STRS	0.207 PERS	0.062 Social Sec	0.0145 MEDI	0.005 UI	0.025 WC	0.005 GASB	0.01 457 Plan	Total
Full Time Faculty	23,133	3,663	93	28	335	116	578	116	231	28,294
CSEA	20,322	-	4,207	1,260	295	102	508	102	203	26,998
Admin/Confidential	14,011	497	2,264	678	203	70	350	70	140	18,284
Total	57,467	4,160	6,564	1,966	833	287	1,437	287	575	73,576

Description	1 Day (.385%)	6 Days (2.308%)	12 Days (4.615%)	20 Days (7.692%)	24 Days (9.231%)
Full Time Faculty	28,294	169,767	339,533	565,889	679,066
CSEA	26,998	161,988	323,977	539,961	647,953
Admin/Confidential	18,284	109,702	219,404	365,673	438,807
Total	73,576	441,457	882,913	1,471,522	1,765,827



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1919  2019

Other ACBO / CCCO “Head’s Up”

- Currently on P2 and should be done by the end of the month What is the projected deficit? Still don't know but P1 gaps closed by P2 so that likely less than 1%. Trying to figure out the impacts due to EPA delays. While some of the deferral of taxes may be in effect, the budget will still backfill that gap this year. Student enrollment and property taxes are up.
- Preliminary injunction of the CARES Act – we are able to provide funding to students that were originally excluded in Title 4. More details TBD on how to allocate. There will be more flexibility but the intent of the law should still be followed.
- CCCO about “policing on campus”? – need to structure on campuses.
- Legislature seeks that --All trailer bills done before June 30 – result? FY21 would be set, then may need more TRAns bc of the deferrals. There is some rumor about have additional block grants due to COVID-19.
- Concerns that unemployment costs to districts may occur of a bill for 50% of the \$600 per week COVID/CARES act due unemployment. From Kathy Blackwood to Everyone: 03:43 PM
- This website suggests that states can't charge employers for the CARES act \$600:
<https://www.natlawreview.com/article/us-dol-issues-additional-guidance-cares-act-unemployment-programs>

Senate Budget Action

	Governor	Senate
*SCFF Base Reduction (8%)	\$(593,000,000)	0
*COLA (2.31%)	\$(167,700,000)	\$ 167,160,000
*Growth (0.5%)	\$ (31,900,000)	\$ 31,860,000
Apprenticeship**	\$ (83,200,000)	\$ 20,000,000
*Strong Workforce Local Program	\$(135,600,000)	0
*Student Equity & Achievement Program	\$ (68,800,000)	0
Elimination of Proposals/Technical Adj	\$ (36,600,000)	\$ 5,990,000
*Part-Time Faculty Compensation/Office	\$ (7,300,000)	0
*Calbright College**	\$ (3,000,000)	\$ (80,000,000)
Cash Deferrals (\$330 in 19/20, \$662 in 20/21)	\$(332,000,000)	\$(1,006,281,000)
Dreamer Resource Liaisons		\$ 5,800,000

*These cuts are removed if Federal funds come through under the Governor's proposal

**The Senate proposal uses one-time funding of \$20 M for Apprenticeship instructional hours and \$77 M for Calbright College





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1919 2019

Current Estimated Scenario - Assuming 5 year term/5% escalation						
	Year 1 ('20/'21)	Year 2 ('21/'22)	Year 3 ('22/'23)	Year 4 ('23/'24)	Year 5 ('24/'25)	Total 5 Year
Account Name Gavilan Joint Community College District						
Current Solution Set Fees						
Maintenance replaced by Modernization Subscription	\$121,997	\$128,097	\$134,502	\$141,227	\$148,288	\$674,110
A la carte maintenance	\$183,171	\$186,589	\$178,615	\$187,546	\$196,923	\$932,844
Current SaaS	\$10,000	\$0	\$0	\$0	\$0	\$10,000
Application Managed Services ("AMS")	\$324,516	\$340,740	\$357,777	\$375,666	\$394,449	\$1,793,148
Professional services	\$46,098					\$46,098
Other support costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Fees	\$685,782	\$655,426	\$670,894	\$704,438	\$739,660	\$3,456,200

Modernization Path - Cloud License replaces perpetual licenses under maintenance with exception of a la carte product maintenance - 5 year term commitment/3% escalation for Cloud License - 5 year term/5% escalation for a la carte product maintenance						
	Year 1 ('20/'21)	Year 2 ('21/'22)	Year 3 ('22/'23)	Year 4 ('23/'24)	Year 5 ('24/'25)	Total 5 Year
Cloud Proposal						
Cloud Software	\$595,495	\$613,360	\$561,742	\$578,594	\$595,952	\$2,945,143
A la carte maintenance	\$164,952	\$173,199	\$173,207	\$181,868	\$190,961	\$884,186
Current SaaS	\$10,000	\$0	\$0	\$0	\$0	\$10,000
Cloud transition services	\$75,000	\$75,000				\$150,000
Application Managed Services ("AMS")	\$285,574					\$285,574
1-Time Credit	(\$110,000)					(\$110,000)
CAT Credits	(\$50,000)	(\$50,000)				(\$100,000)
Professional services	\$46,098					\$46,098
Other support costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Fees	\$1,017,119	\$811,559	\$734,949	\$760,461	\$786,913	\$4,111,001

Modernization Path Cost Increase (Decrease) Per Year						
	Year 1 ('20/'21)	Year 2 ('21/'22)	Year 3 ('22/'23)	Year 4 ('23/'24)	Year 5 ('24/'25)	Total 5 Year
Cloud Proposal						
Cloud Software	\$473,498	\$485,263	\$427,240	\$437,367	\$447,664	\$2,271,032
A la carte maintenance	(\$18,220)	(\$13,390)	(\$5,408)	(\$5,678)	(\$5,962)	(\$48,658)
Current SaaS	\$0	\$0	\$0	\$0	\$0	\$0
Cloud transition services	\$75,000	\$75,000				\$150,000
Application Managed Services ("AMS")	(\$38,942)	(\$340,740)	(\$357,777)	(\$375,666)	(\$394,449)	(\$1,507,574)
1-Time Credit	(\$110,000)	\$0	\$0	\$0	\$0	(\$110,000)
CAT Credits	(\$50,000)	(\$50,000)	\$0	\$0	\$0	(\$100,000)
Professional services	\$46,098					\$46,098
Other support costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Fees	\$377,435	\$156,133	\$64,055	\$56,023	\$47,252	\$700,899

Estimated AVG Increase/(Decrease) \$140,180
 Estimated AVG Increase/(Decrease) w/o transition services \$110,180

Future Costs After Implementation (FY22 and Beyond)

→ IMPLEMENTATION YEAR: total Year 1 \$1,131,021 (Measure X)

→ OPERATIONAL YEAR: Year 2 onward: exercise incentives as we integrated annual costs within the operating budget.

Athletics – Modified Season

- CCCAA Coronavirus Planning
- 20/21 – Season Competition
- Student Enrollment Impact: On average
 - 12.6 Units Per Student @ 154 Student Athletes
 - Impacts SCFF
 - Promise
 - Vision for Success / Equity / Access



SLIDES FROM MAY 2020 (& PRIOR)



Summary Report As of 5/2/20

Object Name	Adjusted Budget	Actuals to Date	%	Remaining Budget	%	Projected Balance
			Actuals		Remaining Budget	
Certificated Salaries	13,578,407	12,163,030	90%	1,415,377	10%	(391,999)
Classified Salaries	7,184,131	6,289,170	88%	894,961	12%	(238,234)
Burden & Benefits	7,470,395	7,929,601	106%	(459,206)	-6%	(1,793,153)
Supplies	516,018	343,651	67%	172,367	33%	147,937
Contracts	6,274,099	5,378,422	86%	895,677	14%	585,538
Fixed Assets	247,800	139,639	56%	108,161	44%	108,161
Transfers	1,561,069	1,378,549	88%	182,520	12%	21,520
Total Expenditures	\$ 36,831,919	\$ 33,622,061	91%	\$ 3,209,858	9%	\$ (1,560,228)

Percentage of Budget Spent

91%

9%

State Revenue Deficit Range

3.7% to 5% Less Revenue

(\$1.3) to (\$1.7M)

Increases Deficit

Total Revenue

\$ 36,831,919 \$ 23,490,900

\$ 13,341,019

Percentage of Revenue Received

64%

36%

**Potential Total Deficit:
<\$3.2M>**

Tentative Budget Assumptions / Changes

- FY21: Tentative Budget (Subject to Change in August 2020)
 - Defund Vacant Positions - \$2.2M
 - CV Joint Facilities Use - \$700K
 - MH Lease - \$250K
 - Sheriff Contract - \$288K
 - Other Operational Costs – (\$150K - \$TBD)
- Unknowns: What will be the new base funding for SCFF and State Workload allocation?



Tentative Budget Overview

Fund 100

5/20/2020

Object	Description	Budget
8000	19-20 TCR	34,227,576
	2.31% COLA	790,657
	Subtotal	35,018,233
	May Revise 10% Deduction	(3,501,823)

Total Projected Revenue **31,516,410**

<---This is our projected net state revenue for FY21

Object	Description	Budget
1000	Academic Salaries	14,553,449
2000	Non-Academic Salaries	8,476,734
3000	Benefits & Burdens	10,517,151
4000	Supplies	456,764
5000	Professional Services	5,903,893
6000	Capital Outlay	182,067
7000	Other Outgo	1,403,823

Total Budgeted Expenditures **41,493,882**

<---Total projected Expense Budget in FY21

Net Increase (Decrease) **(9,977,472)**

<--5/21 Projected Deficit if no budget reductions are made.

Adjusted Tentative Revenue Budget	31,516,410
Tentative Expenditure Budget	41,493,882
Expense Adjustments	
Unfund Vacancies	(2,259,244)
Morgan Hill Site	(250,000)
Sherriff Contract	(288,000)
Cabinet Expense Reimbursement Benefit x 4	(54,200)
No 5% increase to President	(14,800)
BOT 5% Stipend Reduction	(1,111)
Total Cost Reduction	(2,867,355)
Adjusted Tentative Expenditure Budget	38,626,526
Adjusted Net Increase (Decrease)	(7,110,116)



- PHASE 1 Reductions (Proposed)

Phase 1: Proposed Defund of Vacant Position



1919 2019

ID	Description	Estimated Budgeted Salary	Total Benefits and Burdens	Total Employee Cost
VACANT	Kinesiology Athletics Instructor	\$81,419	\$50,361	\$131,792
VACANT	FT Faculty Biology	\$81,419	\$50,361	\$131,792
VACANT	Assoc VP, HR & Labor Relations	\$191,784	\$100,323	\$292,119
VACANT	Human Resources Technician	\$88,103	\$61,495	\$149,609
VACANT	Executive Assistant, Vice President	\$88,103	\$61,495	\$149,609
VACANT	Programmer Analyst	\$92,401	\$63,104	\$155,517
VACANT	Vice President, Student Services	\$200,142	\$82,238	\$282,392
VACANT	Dean, Arts, Humanities, Soc Sc	\$148,446	\$84,093	\$232,551
VACANT	FT Faculty History	\$81,419	\$50,361	\$131,792
VACANT	FT Faculty History	\$81,419	\$50,361	\$131,792
VACANT	FT Faculty Psychology	\$81,419	\$50,361	\$131,792
VACANT	Financial Aid Tech	\$51,300	\$28,500	\$131,792
VACANT	Library Systems Technician	\$59,454	\$50,766	\$110,231
VACANT	Groundskeeper	\$56,559	\$49,681	\$106,240
VACANT	AVP, Business & Security	\$191,784	\$96,732	\$271,207
	Total Vacancies	\$1,575,171	\$930,231	\$2,540,223
Updated				
5/29/2020				
MJR				

Most Current Position Vacancy List as of 5/29/20

Governor's Update 5/7/20



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1919  2019

- One Year Ago:
 - \$21B Projected Surplus to help secure California's financial
 - Record low unemployment
 - Highest bond rating
- Projected FY21 (90 Days Ago)
 - \$6B Projected Surplus to add
 - 20-month consecutive job growth
- Today:
 - Department of Finance: Projecting "Tens of Billions" of shortfall (\$54B)
 - \$11.9B Unemployment – March 15
 - Manageable if Federal Government helps California because California is 6th largest economy



\$54.3 Billion Problem



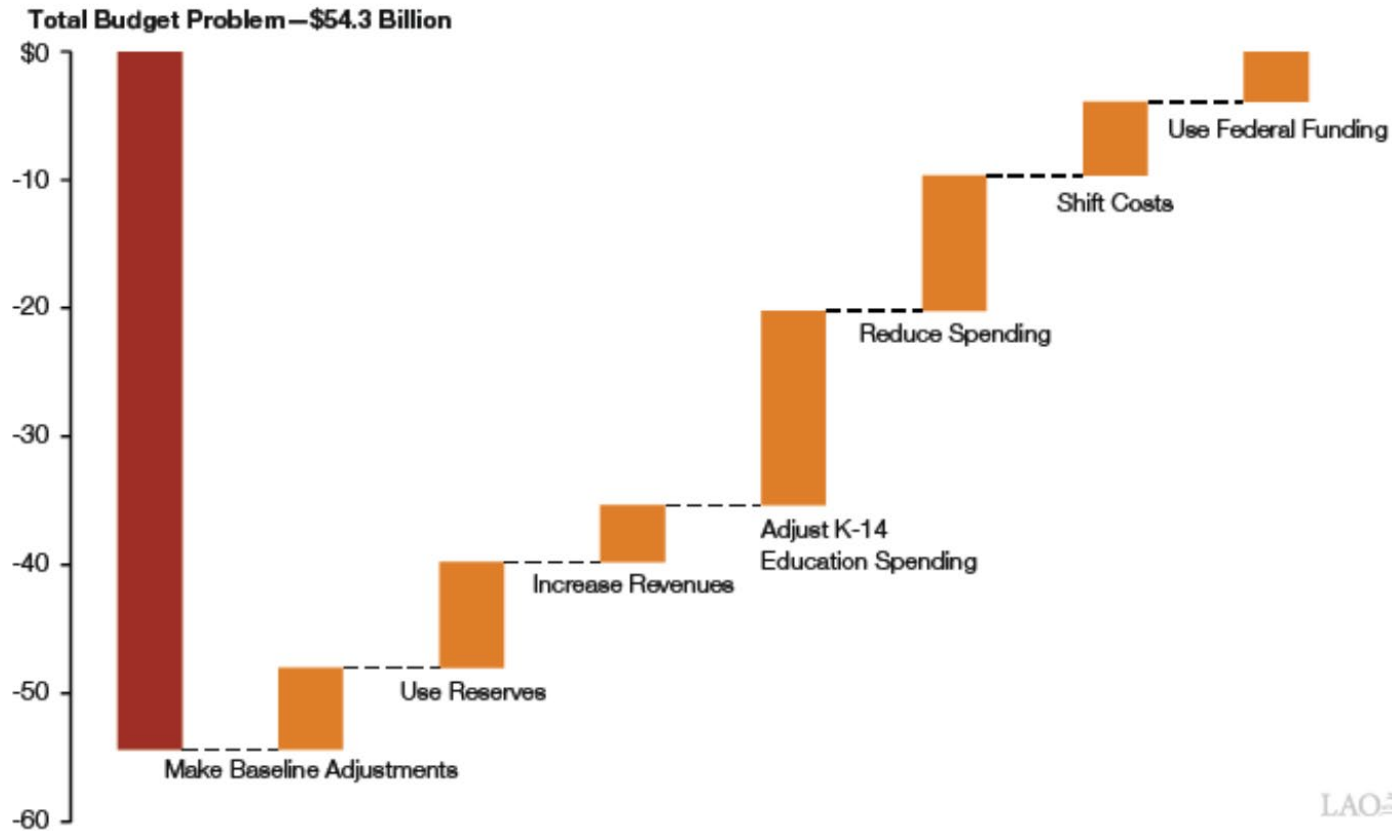
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1919  2019

Figure 3

How the Governor Proposes Solving a \$54.3 Billion Budget Problem

(In Billions)





May Revise Adjustments



Increased revenues from Prop 98 to offset decrease in local property taxes	\$130.10 mil.
Decrease in Prop 98 for food pantries	\$11.40 mil.
Decrease in Prop 98 for Dream Resources Center	\$5.80 mil.



Withdrawn Proposals (From January Gov's Budget)



Dual Enrollment Instructional Material	Proposed ongoing	\$5 mil.
2.31% cost-of-living adjustment for various categorical programs	Proposed ongoing	\$ 9.3 mil.
Faculty Pilot Fellowship	Proposed one-time	\$15 mil.
Part-time faculty office hours	Proposed one-time	\$10 mil.
Zero Textbook Cost	Proposed one-time	\$10 mil.
Work group to develop report required by SB 206	Proposed one-time; now private philanthropy	\$0.7 mil.

Proposed Year-Over-Year Deferrals



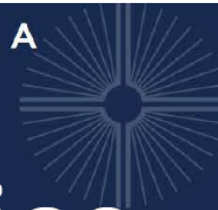
2019-2020 to 2020-2021	\$330.10 mil.
2020-2021 to 2021-2022	\$662.10 mil.



Cuts to Occur in Absence of Federal Action



2.31 % COLA	\$167.7 mil.
Enrollment growth	\$31.9 mil.
Student Centered Funding Formula	\$593 mil.
Apprenticeship programs	\$83.2 overall (40.4 one-time) mil.
CCC Strong Workforce Program	\$135.6 mil.
Student Equity and Achievement Program	\$68.8 mil.
Part-Time Faculty Compensation, Part-Time Faculty Office Hours, Academic Senate	\$7.3 mil.
Calbright College	\$3 mil.



League's Budget Priorities




- A. Flexible COVID-19 block grant honoring local decision-making
- B. Two-year extension of Hold Harmless in SCFF
- C. Continue approval of capital outlay projects
- D. One-year deferral of employer-side pension increases
- E. Backfill any shortfall in property tax or student fee revenue
- F. Maintain overall integrity of Proposition 98 -DURING A TEST 1 YEAR
- G. Assure CCC's receive at least statutory split of Proposition 98

Governor's May Revision: California Community Colleges (CCC) Budget

Lizette Navarette

- May Revision released following news of a budget shortfall of \$54 billion. Uncertainty in state and local revenues.
- The Governor articulates expectations that CCC, CSU, and UC maintain access, especially for underrepresented students.
- Focuses on the expansion of competency-based education and short-term career technical education programs.
- Proposition 98 Minimum Guarantee adjusted.

Impact on Community Colleges



Lizette Navarette

- **Decrease in Overall Funding of \$1.5 billion compared to January Proposed Budget.**
 - For comparison, the Great Recession which devastated the community college system, cut \$1.5 billion in budget cuts between 2007–08 and 2011–12 (five years).
 - As the lowest-funded education system yet most consequential for equity and access, state leaders should recognize that doing more with less reaches a breaking point.
-

CCC Budget Changes



Lizette Navarette

- Reduces Strong Workforce from \$248 million to \$100 million ongoing.
- Repurposes funds designated for buydown of pension liabilities to use for current employer contributions instead, reducing districts' costs by about 2%.
- Preserves full funding for Cal Grants and CCC student financial aid programs.
- Exempts COVID-19 related costs from 50% law.
- The funding is to support the construction phase for 15 continuing projects (\$194.7 million) and the preliminary plans and working drawings phases for 25 new projects (\$28.4 million).

CCC in the Response and Recovery

Lizette Navarette

Response

- 7 in 10 California nurses receive their training at a California Community Colleges.
- Donated 148 ventilators; 40 colleges donated personal protective equipment (PPE) to our state; and advanced manufacturing programs continue to use 3D printing to produce face masks and PPE for local hospitals.
- Our colleges took action to rapidly transition instruction online.

Recovery

- This year alone, CCCs provided training for over 20,000 first responders and essential health care professionals.
- Historical trends indicate that Californians will turn to community colleges during this recession.
- It is critical for colleges to be sufficiently funded to support the reemployment needs of millions of Californians displaced by the public health crisis.

SERP SAVINGS



SERP Retirees

Replacement Costs

First Name	Last Name	Employee ID	Salary	Benefits/Burdens	Total Cost	First Name	Last Name	Salary	Benefits/Burdens	Total Cost	Savings
Kathleen	Campbell	G00101999	119,873.34	42,540.56	162,413.90						162,413.90
Gary	Cribb	G00101766	122,259.38	43,908.70	166,168.08						166,168.08
Mary	Sanidad	G00102413	140,021.39	37,688.28	177,709.67						177,709.67
Karen	Sato	G00101484	103,691.24	40,368.84	144,060.08	Eric	Lopez	81,504.49	14,445.42	95,949.91	48,110.17
Johanna	Stewart	G00102356	120,895.78	33,816.97	154,712.75						154,712.75
Linda	Stubblefield	G00101743	127,249.24	34,113.67	161,362.91	Kimberly	Enderle	8,081.17	1,654.55	9,735.72	151,627.19
Nancy	Bailey	G00102241	122,278.68	49,723.56	172,002.24	Deborah	Britt- Petty	95,988.19	52,004.82	147,993.01	24,009.23
Fred	Harris	G00261493	204,336.93	78,627.23	282,964.16	Michael	Renzi	182,455.13	78,015.85	260,470.98	22,493.18
Fran	Lozano	G00101783	185,878.64	26,313.89	212,192.53	See Reorg Tab					212,192.53
Kathleen	Moberg	G00260783	251,283.20	37,551.22	288,834.42	See Reorg Tab					288,834.42
Magda	Abbass	G00138124	36,722.31	8,783.27	45,505.58	Maria	Quist-Shorey	43,063.95	27,658.34	70,722.29	(25,216.71)
Martha	Conlin	G00212702	61,425.60	40,745.84	102,171.44	Gilberto	Manzo	49,400.09	37,467.33	86,867.42	15,304.02
Rick	Santos	G00176043	82,059.91	40,264.71	122,324.62	Jaime	Rincon	57,083.78	27,748.77	84,832.55	37,492.07
Diane	Stone	G00188077	40,738.10	46,323.11	87,061.21	Irene	Mason	51,226.86	33,574.10	84,800.96	2,260.25
		Total	1,718,713.74	560,769.85	2,279,483.59			568,803.66	272,569.18	841,372.84	1,438,110.75

Estimated Annual Cost Savings:

SERP Savings Summary	1,438,110.75
Reorg Savings	70,519.21
SERP Annual Cost	(212,000.00)
Net Annual Savings	1,296,629.96

OPEB Trust Account - Reimbursement History				
As of 05/22/2020				
Year	Actual Expense	Amount Reimbursed	Amount Remaining	
FY 12-13	550,253.36	550,253.36	-	
FY 13-14	520,016.87	520,016.87	-	
FY 14-15	455,024.40	455,024.40	-	
FY 15-16	509,349.56	509,349.56	-	
FY 16-17	526,456.06	526,456.06	-	
FY 17-18	391,612.52	38,899.75	352,712.77	
FY 18-19	419,373.50		419,373.50	
<i>FY 19-20</i>	<i>450,366.27</i>		450,366.27	(A)
Total	3,822,452.54	2,600,000.00	1,222,452.54	
(A) Estimate based on current actuals				

SLIDES FROM APRIL 2020 (& PRIOR)



Summary Report As of 4/3/20

Object Name	FY20 Adjusted Budget	Actuals to Date (end of Mar 2020)	% Actuals	Remaining Budget	% Remaining Budget	FY20 Projected Balance
Certificated Salaries	13,578,407	10,769,350	79%	2,809,057	21%	(565,730)
Classified Salaries	7,184,131	5,654,788	79%	1,529,343	21%	(272,494)
Burden & Benefits	7,470,395	7,089,260	95%	381,135	5%	(1,835,385)
Supplies	516,018	306,520	59%	209,498	41%	161,228
Contracts	6,274,099	4,433,633	71%	1,840,466	29%	908,548
Fixed Assets	247,800	129,950	52%	117,850	48%	117,850
Transfers	1,561,069	1,378,549	88%	182,520	12%	21,520
Total Expenditures	\$ 36,831,919	\$ 29,762,050	81%	\$ 7,069,869	19%	\$ (1,464,464)
Percentage of Budget Spent		81%		19%	State Deficit Coefficient Range: 4% to 5% Less Revenue =<\$1.3M> to <\$1.7M> =<\$1.5M> to <\$3.2M>	
Total Revenue	\$ 36,831,919	\$ 18,480,702		\$ 18,351,217		

Gavilan Joint Community College District

Balanced (50% Fixed Income, 50% Equity)

3/31/2020



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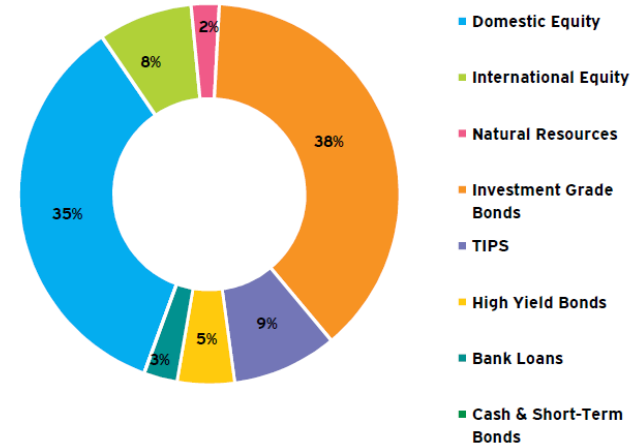
COLLEGE

1919 ↓ 2019

Change in Portfolio - 3rd Quarter of Fiscal Year 2020

Asset Allocation

Portfolio Value on 12/31/19	6,735,101
Contributions	0
Withdrawals	0
Change in Market Value	(896,866)
Income Received	29,786
Portfolio Fees	(2,410)
Portfolio Value on 3/31/2020	5,865,611



3/31/20 Book Value:
\$5.8M

5/31/20 Book Value:
\$6,506,562

Trailing Period Performance

	Fiscal						Inception Date	Since Inception (%)
	3Q20 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)		
Gavilan Joint Community College District	-12.9	-7.7	-4.9	2.3	2.1	5.4	7/1/2006	4.5
Policy Benchmark ¹	-11.1	-5.8	-2.5	3.4	NA	NA		NA
CPI Medical Care (Inflation)	1.2	4.0	4.7	2.8	3.0	2.9		3.2

Fiscal Year Performance

	Fiscal Year 2019 (%)	Fiscal Year 2018 (%)	Fiscal Year 2017 (%)	Fiscal Year 2016 (%)	Fiscal Year 2015 (%)	Fiscal Year 2014 (%)	Fiscal Year 2013 (%)	Fiscal Year 2012 (%)	Fiscal Year 2011 (%)	Fiscal Year 2010 (%)
Gavilan Joint Community College District	5.9	7.0	9.2	-2.3	2.0	12.6	9.6	4.7	18.1	17.1
CPI Medical Care (Inflation)	2.0	2.5	2.7	3.5	2.5	2.6	2.1	4.0	2.9	3.5

Recommendations for FY20 Closeout



- Seek Utilities from South Bay Academy - \$200K
- Seek Reimbursement from OPEB - \$1M to \$1.2M
- Seek Reimbursement from unanticipated COVID related expenses - \$?

- TOTAL: \$1.2M - \$1.4M (Before Revenue Deficit Coefficient)

Budget Calendar FY21



JUNE

Tentative Budget adopted by Board of Trustees

Preliminary financial and compliance audit

JULY

Re-review of prioritized program plans with budget requests in light of actual Budget Act revenue assumptions and expenditures

Final deadline for the addition of new positions (Group 1 and 2) to the Final Budget. Freeze position file for Final Budget document due to VP of Administrative Services

Changes in budget line item detail for other expenditures (4/5/6's) department budgets, all funds due to VP of Administrative Services

AUGUST - YEAR END CLOSE PHASE

State budget workshop

Revise Tentative Budget for Final Budget

Board Budget Committees review of Final Budget (College Committee does not meet in the summer)

Categorical year-end close, FY 2020

Complete Final Budget to printer

All funds year-end close, FY 2020

SEPTEMBER - FY20 FINAL BUDGET PHASE

Review Final Budget with College Budget Committee

Database available for input of FY 2019-20 program plans with or without budget requests.

Final financial and compliance audit

OCTOBER

Draft Audited 2020 Financial Statements Review

Current Fund Balance Estimates General Fund



- If OPEB is reimbursed:
 - FY20 Fund Balance: \$2,117,549 (5.75% Fund Balance)
- If no OPEB Action:
 - Year End FY20 Fund Balance: \$617,549 (~1.6% Fund Balance)
- FY20 Revenue Deficit Coefficient – Undecided

- July Board – Need a \$10M TRAN (estimated)

FCMAT – Fund Balance & Reserve for Economic Uncertainty



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- <https://www.fcmat.org/PublicationsReports/Community-College-FHRA-4-14-2020.xlsx>
- 11.1 Does the district have at least a 5% Reserve for Economic Uncertainty in the current year?
- 11.2 Did the district's adopted budgets for the subsequent two years include at least a 5% Reserve for Economic Uncertainty?
- 11.3 Does the district have at least a 5% Reserve for Economic Uncertainty in its budget projections for the two subsequent years?
- 11.4 If the district's budget projections for the subsequent two years do not include at least a 5% Reserve for Economic Uncertainty, does the district's multiyear fiscal plan include a board-approved plan to restore at least a 5% Reserve for Economic Uncertainty?
- 11.5 Is the district's projected unrestricted general fund budget stable or increasing in the two subsequent fiscal years?
- 11.6 If the district has unfunded or contingent liabilities or one-time costs, does the unrestricted general fund balance include any dedicated reserves above the recommended minimum 5% reserve level?

FCMAT - Cash Management



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- 4.1 Does the district balance all cash and investment accounts with bank statements monthly?
- 4.2 Are outstanding amounts in the cash and investment account reconciliations less than one year old, or if older, have a resolution?
- 4.3 Are accounts held by the county treasurer reconciled with the district's and county office of education's reports monthly?
- 4.4 Does the district comply with its county treasurer and/or county office of education's requirements for balancing accounts?
- 4.5 Has the district had a positive cash balance at the end of the month during the most recent 12 months?
- 4.6 Does the district forecast its cash receipts and disbursements at least 18 months out, updating the actuals and reconciling the remaining months to the budget monthly to ensure cash flow needs are known?
- 4.7 Does the district have a plan to address cash flow needs during the current fiscal year?
- 4.8 Does the district have sufficient cash resources in its other funds to support its current and subsequent two fiscal years' projected obligations in those funds?
- 4.9 If interfund borrowing is occurring, does the district comply with Object Code 7300 requirements in the BAM?
- 4.10 If the district is managing cash in any funds through external borrowing, such as a TRANS, has the district set aside funds for repayment attributable to the same year the funds were borrowed?

MH Lease & ROI

Lease:

- https://gavilan.sharepoint.com/:b:/g/gavilandocuments/EVIPwW_Ajk5VFI_GyR9HbJpcBQBzaCZs9QZXFhZ3ODHaxww?e=iC03wm

	FY16	FY17	FY18	FY19	FY20	FY21 Projected
	SB-361 FUNDING MODEL			NEW SCFF FUNDING MODEL		
LABOR						
Site Supervisor	\$90,598	\$95,765	\$112,748	\$123,379	\$139,698	\$146,683
A&R Analyst	\$92,767	\$96,015	\$103,782	\$111,019	\$118,306	\$124,222
Custodian	\$30,851	\$32,394	\$34,013	\$35,714	\$37,500	\$39,375
Security (16 Hours Per Week)	\$30,100	\$30,720	\$31,333	\$32,116	\$33,000	\$33,600
PT Faculty (75 sections)	\$262,500	\$262,500	\$300,000	\$337,500	\$337,500	\$375,000
Total Labor Costs:	\$506,816	\$517,395	\$581,876	\$639,728	\$666,004	\$718,880
NON-LABOR						
Supplies	\$1,743	\$2,131	\$1,500	\$3,853	\$2,047	\$3,000
Equipment	\$0	\$0	\$4,625	\$0	\$0	\$0
Professional Services	\$6,195	\$6,315	\$4,274	\$4,303	\$2,677	\$4,000
Capital Improvements	\$0	\$0	\$0	\$0	\$0	\$0
PM / MO Maintenance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Rental Lease	\$246,443	\$252,137	\$256,450	\$295,167	\$296,363	\$300,000
Total Non-Labor Costs:	\$256,881	\$263,083	\$269,349	\$305,823	\$303,587	\$309,500
Total Costs:	\$763,697	\$780,478	\$851,225	\$945,551	\$969,592	\$1,028,380
ENROLLMENT / FTES	SB-361 FUNDING MODEL			NEW SCFF FUNDING MODEL		
Credit	202.24	220.49	168.46	157.90	120.26	120.26
Non-Credit	0.00	13.59	17.46	17.18	20.58	20.58
	202.24	234.08	185.91	175.08	140.84	140.84
Costs Per FTES:	\$3,776	\$3,334	\$4,579	\$5,401	\$6,884	\$7,302
FTES Rate (Credit):	\$4,714	\$5,006	\$5,151	\$3,727	\$3,849	\$3,177
FTES Rate (Non-Credit):	\$2,840	\$3,010	\$3,347	\$3,347	\$3,347	\$3,491
Revenue Credit:	\$953,273	\$1,103,713	\$867,724	\$588,488	\$462,895	\$382,078
Revenue Non-Credit:	\$0	\$40,908	\$58,430	\$57,514	\$68,870	\$71,833
Total FTES Revenue:	\$953,273	\$1,144,621	\$926,154	\$646,001	\$531,765	\$453,911
Costs - Revenue =	\$189,577	\$364,143	\$74,930	(\$299,550)	(\$437,827)	(\$574,469)

SC Sheriff Contract

- Responding to disturbances on the Main campus, campus parking lots or other areas of the facility.
- Facilitating reporting in support of criminal investigations related to Gavilan law enforcement activities.
- Keeping order and peace throughout campus.
- Provide security and maintain order at meetings, hearings, rallies, sporting events, other gatherings, and supplemental coverage within shift or with the prior approval of the Assigned Deputy's Unit Commander.
- Observe and report public safety problems, safety, hazards, and other matters which require further attention by Gavilan.
- Participate in administrative hearings including but not limited to campus security staff, board and shared governance committee meetings as directed by Gavilan, with prior approval from the assigned Deputy's Unit Commander.
- Enforce parking regulations, issue citations; Impound vehicles & Provide crime statistics.
- Assist the development of response plans for college disturbances and emergency situations.
- Provide input in developing a formal campus crime prevention program.
- Assist the in the development of programs and procedures for students and staff regarding safety and security issues.
- Critical incident and specific crime information shall be provided to Gavilan by the Sheriff's Public Information Officer.
- 10.8 months of each calendar year; Assigned Hours of Coverage: 7:30AM until 3:30PM, Monday through Friday



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CARES Act



- CARES Act Committee met twice
 - Principles and Values of the allocation for the direct aid to student and most need.
- 50% \$1.1M for direct student aid
 - 832 students that are qualified.
 - \$700 awarded to each student
- 50% \$1.1M for institutional support directly related for the COVID response
 - Some tech improvements to faculty and staff
 - PD for faculty for DE

CALIFORNIA ECONOMIC FORECAST

CONSULTING AND ANALYSIS FOR THE CALIFORNIA ECONOMY



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Continuing Claims for Unemployment Insurance California

Weekly: April 18, 2015 - April 25, 2020

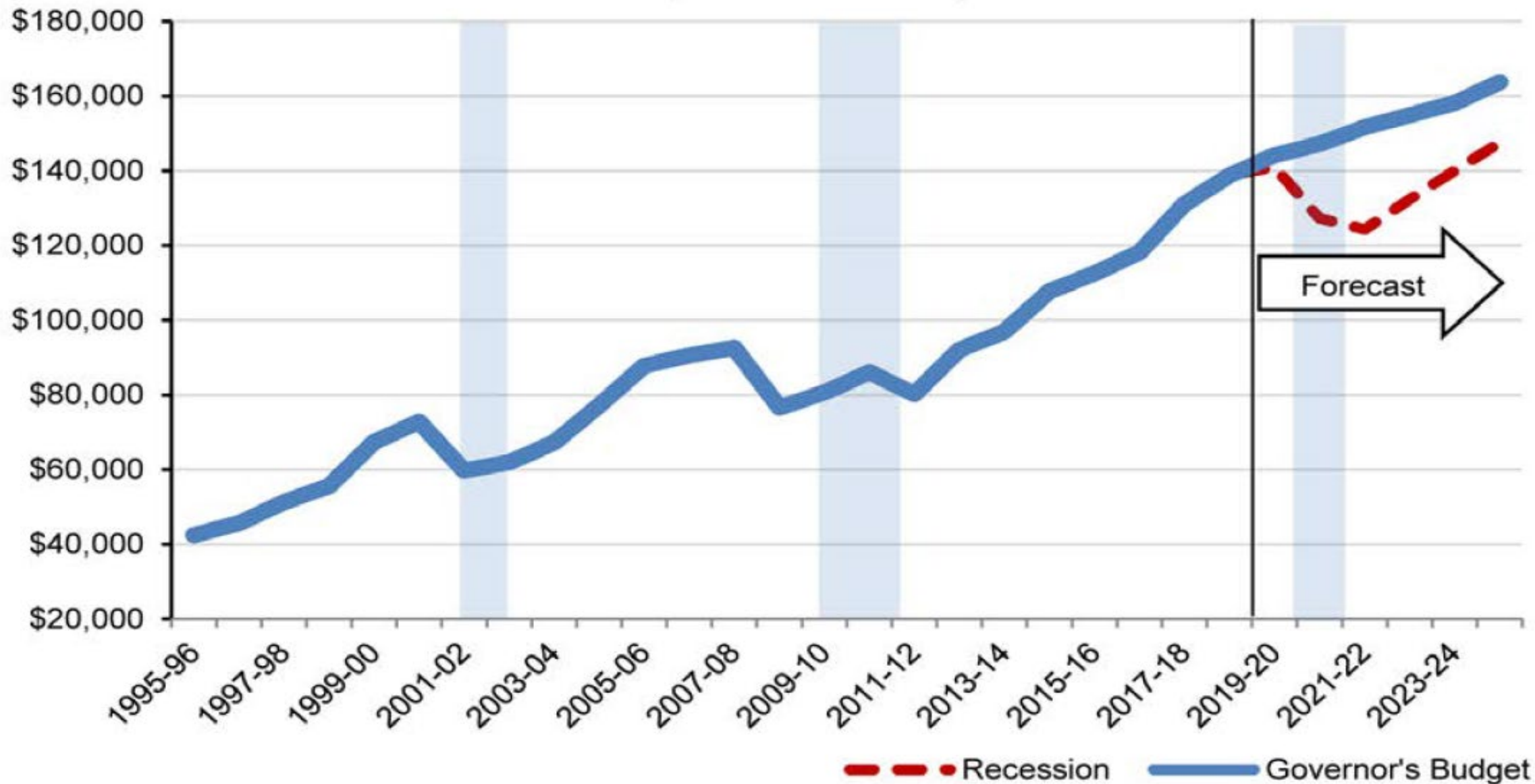
millions
of claims



by Mark Schniepp May 1, 2020 <https://californiaforecast.com/author/californiaforecast/>

Annual Revenue Could Drop by Tens of Billions of Dollars in a Recession

(Dollars in Millions)



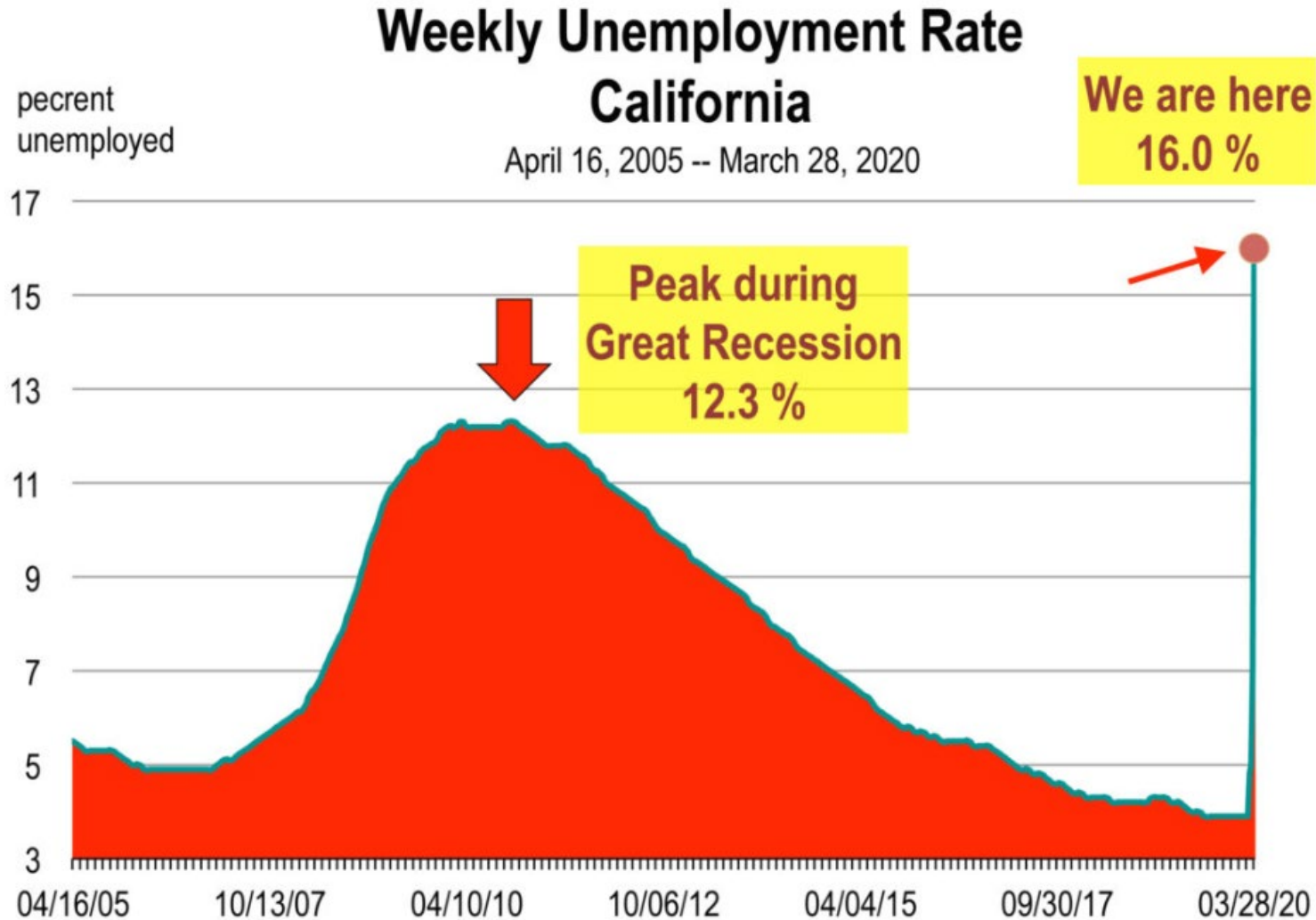
CALIFORNIA ECONOMIC FORECAST

CONSULTING AND ANALYSIS FOR THE CALIFORNIA ECONOMY



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CONSULTING AND ANALYSIS FOR THE CALIFORNIA ECONOMY

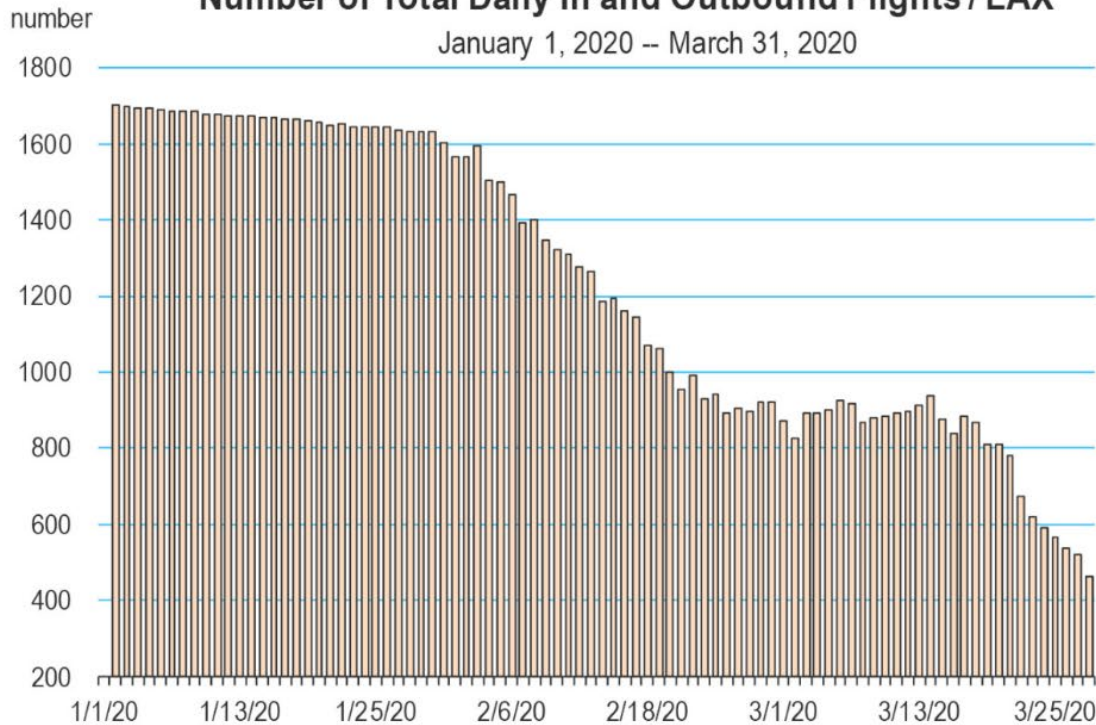


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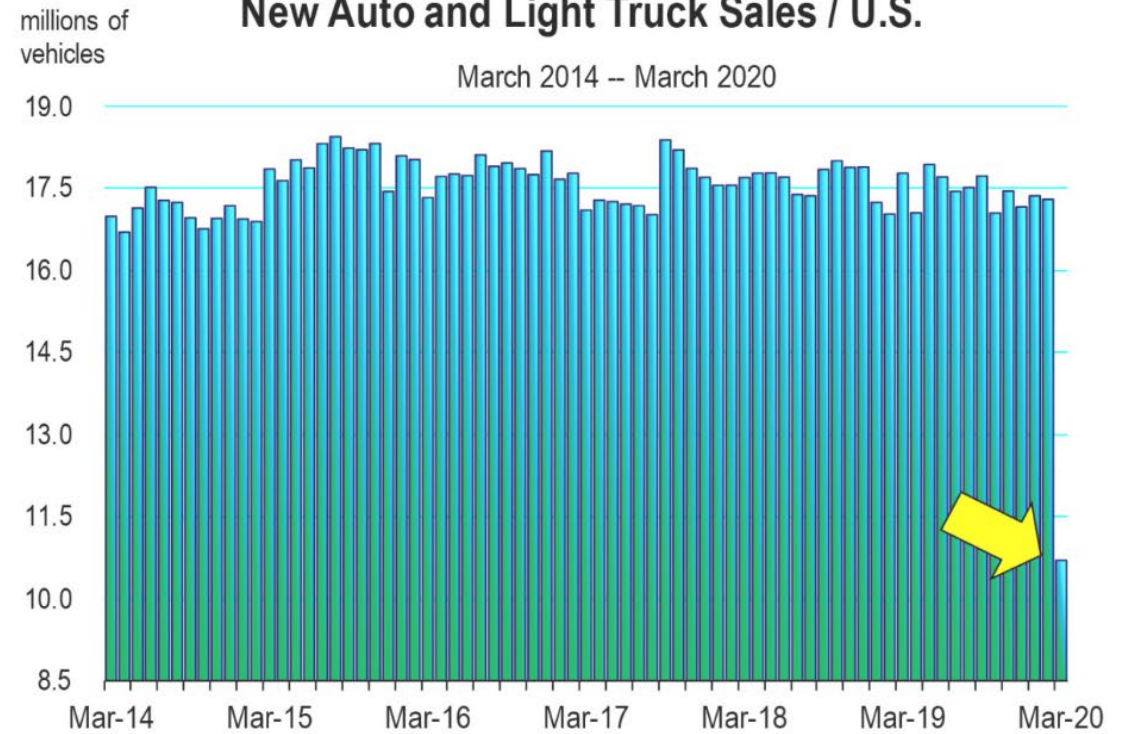
Number of Total Daily In and Outbound Flights / LAX

January 1, 2020 -- March 31, 2020



New Auto and Light Truck Sales / U.S.

March 2014 -- March 2020



by Mark Schniepp May 1, 2020 <https://californiaforecast.com/author/californiaforecast/>

CALIFORNIA ECONOMIC FORECAST

CONSULTING AND ANALYSIS FOR THE CALIFORNIA ECONOMY

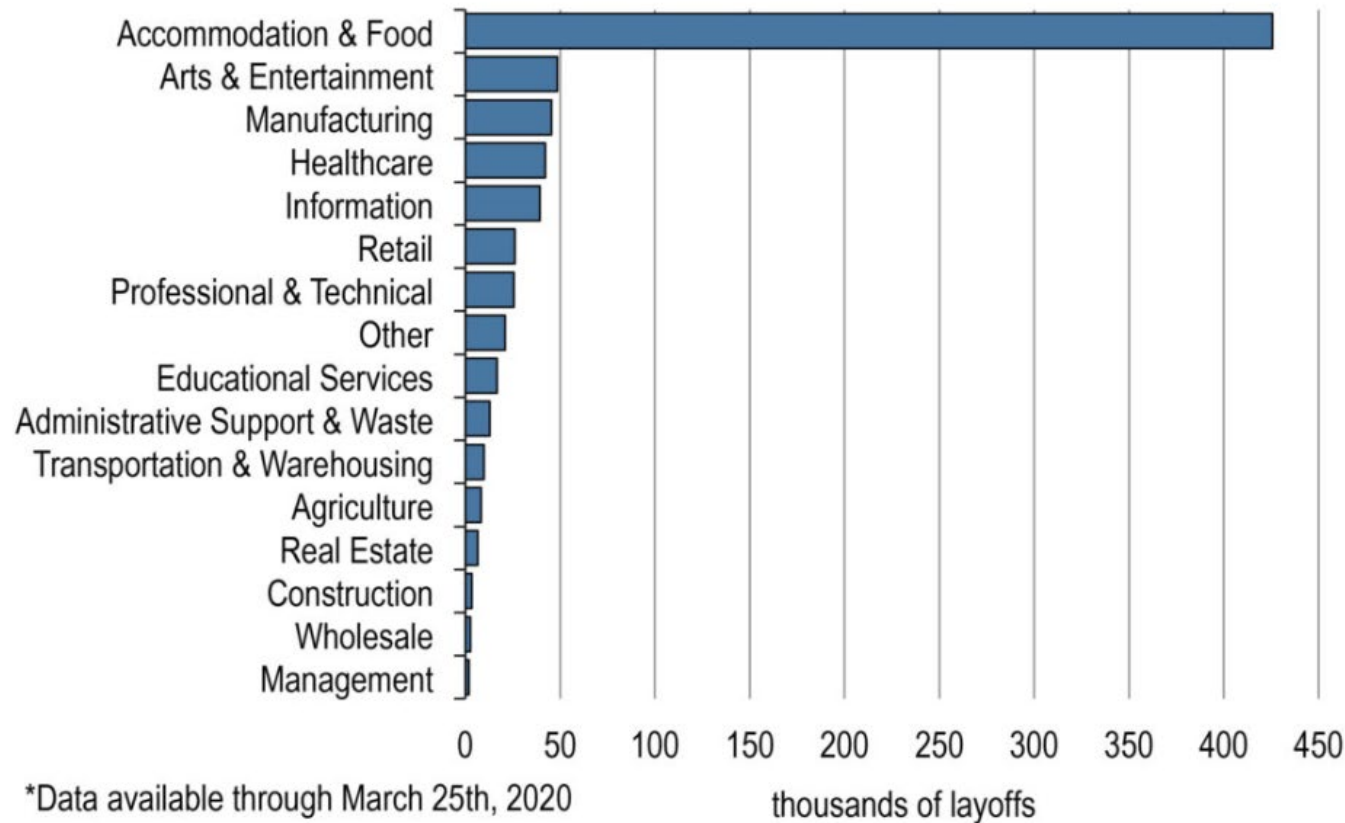


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California Layoffs by Sector

March 2020*



*Data available through March 25th, 2020

by Mark Schniepp May 1, 2020 <https://californiaforecast.com/author/californiaforecast/>

Fund 100 Transaction Summary Report - As of 12/12/19

Object Code	Object Name	Adjusted Budget	Actuals to Date	%	Remaining Budget	%	Projected Actuals	Projected Actuals (Over)Under Budget
<i>Expenditures</i>				Actuals		Remaining Budget		
1XXX	Instructional	12,356,647	5,561,962	45%	6,794,685	55%	14,077,343	(1,720,696)
2XXX	Classified	8,055,891	3,113,115	39%	4,942,776	61%	7,423,482	632,409
3XXX	Benefits & Burden	7,470,395	3,908,241	52%	3,562,154	48%	8,599,414	(1,129,019)
4XXX	Supplies	516,018	178,878	35%	337,140	65%	475,677	40,341
5XXX	Contracts	6,274,099	2,692,831	43%	3,581,268	57%	6,564,683	(290,584)
6XXX	Fixed Assets	597,800	43,538	7%	554,261	93%	212,378	385,422
7139	Debt Service Interest Payment	161,000	-	0%	161,000	100%		
7391	Intrafund Transfers	1,400,069	1,400,069	100%	-	0%		
		1,561,069	1,400,069	90%	161,000	10%	1,561,069	-
		36,831,919	16,898,635	46%	19,933,284	54%	38,914,046	(2,082,127)
			46%		54%			
				-	-	-		
8XXX	Revenue	36,831,919	8,478,705	23%	28,353,214	77%	36,831,919	-
	Revenue less Expenditures	-	(8,419,931)		8,419,931		(2,082,127)	(2,082,127)

Summary Report As of 2/5/20						
Object Name	Adjusted Budget	Actuals to Date	% Actuals	Remaining Budget	% Remaining Budget	Projected Balance
Certificated Salaries	\$13,578,407	\$8,115,738	60%	\$5,462,669	40%	(\$401,050)
Classified Salaries	\$7,184,131	\$4,384,837	61%	\$2,799,294	39%	(\$309,149)
Burden & Benefits	\$7,470,395	\$5,435,096	73%	\$2,035,299	27%	(\$1,439,992)
Supplies	\$516,018	\$219,287	42%	\$296,731	58%	\$150,651
Contracts	\$6,274,099	\$3,502,766	56%	\$2,771,333	44%	\$44,178
Fixed Assets	\$247,800	\$89,558	36%	\$158,242	64%	\$158,242
Transfers	\$1,561,069	\$1,378,549	88%	\$182,520	12%	\$21,520
Total Expenditures	\$36,831,919	\$23,125,832	63%	\$13,706,087	37%	(\$1,775,600)
Percentage of Budget Spent		63%		37%		
Total Revenue	\$ 36,831,919	\$ 15,817,549		\$ 21,014,370		
Percentage of Revenue Received		43%		57%		

CCCCO & League FY21 Assumptions & Updates



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- Chancellor Oakley:
 - May revise will occur on Thursday, final determined in August.
 - \$18B impact on K-14 schools (Prop 98).
 - All 115 colleges should expect reductions in general apportionment & categoricals.
 - Emphasizing flexibility; focus on trying to maintain current levels of enrollment.
 - No certainty for a rebound in FY21 and the recovery timeline.
 - The Re-Opening Task Force has been created by the CEO group that will be providing preliminary findings and guidance will be available May 22nd.
- The Community College League of California is advocating for the following:
 - Protect the base funding.
 - Maximize local flexibility.
 - All 115 colleges share in the reductions equally.
 - Extend the “hold harmless” for two more years.
 - Provide regulatory relief to promote stability.
 - Evaluate the Student Centered Funding Formula in lieu of remote instruction.
 - Consider security measures for all districts.

- Update from Emergency Operations Center from Ryuk & COVID.

- \$25K deductible per occurrence.
- FEMA reimbursement eligibility & process (typically 2-year lag)

- Fiscal Update of Gavilan Joint Community College District

- FY20 Expense Projection* & Unforeseen factors

- December 2019 - \$1.9M deficit
- January 2020 – changed to \$1.7M deficit
- February 2020 (after State Recalculation) - changed to \$3M deficit

- FY21 Revenue Projections

- No COLA in FY21
- Property Tax deference
- JPA
- Golf

- FY21 Expense Reduction Recommendations

- Morgan Hill Site Rental
- Potential personnel changes
- OPEB (expense reimbursement, to help balance FY20 before FY21) \$1M
- Other potential recommendations



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