



# **2020-2021 Tentative Budget Forum**

**Presented By:**

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# Presentation Overview

- **State Budget Situation**
- **State Budget Reductions**
- **Citrus College Budget Priorities**
- **Budget Cycle**
- **Citrus College 2020-21 Tentative Budget**
  - **Focus on Ongoing Revenues & Expenses**
- **Future Considerations**

# 2020-2021 State Budget Situation



# 2020-21 State Budget Overview

- January Budget Proposal - \$5.6 billion surplus
- Coronavirus Pandemic
- May Revise - \$54 billion deficit
- Recession
- Budget Stabilization Account (State's Rainy Day Fund)
  - \$16.2 billion total
  - Withdrawals are limited to 50% in first year

# 2020-21 State Budget Overview

## Community Colleges

- 10% Reduction to SCFF (\$760 million) - Ongoing General Apportionment Revenue
  - Includes Foregone COLA of 2.31%
- No Growth; No workload reduction in FTES
- SCFF Hold Harmless - Extended through 2023-24
- Cash Deferrals - \$992 million
  - \$330 million from 2019-20 to 2020-21
  - \$662 million from 2020-21 to 2021-22

# 2020-21 State Budget Overview Community Colleges (cont.)

- Unfunded Restricted COLA
- 55% Reduction to Strong Workforce (\$135.6 million)
- 15% Reduction to SEAP (\$68.8 million)
- No Funding for Deferred Maintenance/Instructional Equipment

# 2020-21 State Budget Overview Community Colleges (cont.)

- Redirect \$2.3 billion to provide relief on Pension Liabilities - Employer Contribution Rates

	2020-21	2021-22
<b>STRS</b>	16.15% (from 18.4%)	16.02% (from 18.2%)
<b>PERS</b>	20.7% (from 22.67%)	22.84% (from 25%)

# **State Budget Reductions; COVID-19; Economic Recession**

## **Impact on Citrus College**



# Impact on Citrus College Revenues

- 10% Reduction to SCFF - \$7.9 million
  - Foregone COLA of 2.31% - \$1.8 million
  - Additional Reductions - \$6.1 million
- Non-Resident Tuition - 250 students; \$870,000
  - To account for travel restrictions
- Interest Income - \$200,000
  - To account for decline in interest rates and cash deferrals

# Citrus College Budget Priorities

## 2020-21 Budget Priorities

- Approved by Financial Resources Committee on 4/1/20:
  - Ensure student access, success and completion in conjunction with established FTES targets and the SCFF
  - Maintain a commitment to regular/permanent employee positions
  - Maintain minimum required 5% budget reserve
  - Ensure compliance with state and federal regulations
  - Support critical new hires/replacement positions
  - Completion of construction projects in progress
  - Maintain a commitment to support scheduled maintenance needs
  - Ensure funding for STRS, PERS, OPEB
  - Maintain multi-year fiscal planning perspective which honors institutional planning priorities

# 2020-21 Budget Reduction Strategies

- Approved by Financial Resources Committee on 6/3/20:
  - Suspend general employee travel to conferences/workshops
  - Reduce institutional membership costs by suspending/eliminating certain memberships as recommended by various areas throughout the college
  - Reduce non-permanent personnel costs such as cost center budgets for short-term hourlies and adjuncts

# Budget Cycle

# Budget Cycle

- Expect an August/September Revision
- Impact to Citrus College Budget Calendar

<b>July - Sept</b>	<b>Monitor State budget developments and make budget modifications; analyze carryovers</b>
<b>10/7/20</b>	<b>Proposed Adopted Budget reviewed by FRC</b>
<b>10/15/20</b>	<b>Proposed Adopted Budget Forum</b>
<b>10/20/20</b>	<b>Public Hearing and BOT adoption of 2020-21 District Budget</b>

# 2020-2021 Tentative Budget

# Full-Time Equivalent Students (FTES)

- 2019-20 Estimated Actual FTES of 11,584.21
  - Approximately 109 FTES (0.96%) above 2019-20 Target
- 2020-21 Target assumes no change from 2019-20 Estimated Actuals - 11,584.21



# Ongoing Revenue Assumptions

- General Apportionment of \$70.2 million:
  - Base Allocation (70%) - \$51.9 million
  - Supplemental Allocation (20%) - \$15.2 million
  - Student Success Allocation (10%) - \$8.0 million
  - Less SCFF Budget Reduction - (\$4.9 million) \*

\* Actual Total Reduction = (\$7.9 million) with foregone COLA, flat funding rates and additional reductions

## Ongoing Revenue Assumptions (cont.)

- Unrestricted Lottery at \$153 per FTES - \$1.8 million
- Non-Resident Tuition budgeted at \$3.4 million:
  - Assumes 250 less students at current adopted rates of \$290 per semester unit
- Mandated Cost Block Grant Program at \$30.14 per FTES - approximately \$349,000
- Interest Earnings - \$400,000
  - Reduced Rates and Cash Deferrals

# 2020-21 Unrestricted General Fund Ongoing Revenues

Apportionment	\$ 70,186,131
Non-Resident Tuition	3,430,700
Unrestricted Lottery	1,772,384
Mandated Cost Block Grant	349,148
Transcripts/Parking Fines/ Other Student Fees	180,000
Part-time Faculty Comp/Fee Waiver Admin	367,285
Interest Earnings/Other Local Revenues	<u>650,000</u>
Total	<u>\$ 76,935,648</u>

# Ongoing Expenditure Assumptions

- Salary and Benefits - \$54.8 million
  - Includes Step/Column movements, retirements/separations, new hires, and approved recruitments
  - No assumptions for negotiations - beyond 12/31/20
  - Assumes medical benefit premium increases of 5%
  - 0.98% increase in PERS employer contribution rate
    - From 19.72% to 20.70%
  - (0.95%) decrease in STRS employer contribution rate
    - From 17.10% to 16.15%

## Ongoing Expenditure Assumptions (cont.)

- Adjunct/Overload budgets - \$9.8 million
  - 10% reduction; \$1.1 million - to account for COVID-19 enrollment impacts and state budget cuts
- Retiree medical and in-lieu costs - \$1.5 million
- Cost Center Allocations - \$9.2 million
  - 5% reduction; \$524,000 - made up of travel, institutional memberships, and short-term hourly budgets
  - 10% reduction; \$1.1 million - to Academic Affairs, Student Services, and Finance/Admin cost centers

## Ongoing Expenditure Assumptions (cont.)

- Utilities Expense - \$1.5 million
  - Net 9% reduction - to account for rate escalations net of reduced utilization due to campus closure
- Transfers/Contributions - \$5,000 (FWS Match)
  - Suspend Contributions/Transfers for
    - Scheduled Maintenance
    - OPEB
    - PERS/STRS Future Obligations

# 2020-21 Unrestricted General Fund Ongoing Expenditures

Personnel (Salaries & Benefits)	\$ 54,881,256
Adjunct/Overload Budgets	9,807,700
Retiree Benefits	1,526,000
Cost Center Allocations	9,203,434
Utilities	1,500,000
Other	<u>5,000</u>
Total	<u>\$ 76,923,390</u>

# 2020-21 Unrestricted General Fund Ongoing Summary

Ongoing Revenues	\$ 76,935,648
Ongoing Expenditures	<u>76,923,390</u>
Ongoing Revenues over Ongoing Expenditures	<u>\$ 12,258</u>



## Future Considerations

- State's Fiscal Outlook Remains Unknown
- Recession
- COVID-19 Continued Impacts
  - Enrollment
  - Physical Modifications
- State's Rainy Day Fund @ 50%
- Need for Multi-Year Planning Remains
  - Suspended Transfers - OPEB, PERS/STRS, Scheduled Maintenance
  - Additional Reductions?

# **2020-2021 Tentative Budget Forum**

## **Questions**

## **Survey Link**

<https://www.surveymonkey.com/r/CC620TBFE>