



**State Center Community College District**  
Empowering through Educational Excellence

# May 5, 2020

# Budget Update

# 2018-19 Budget Update



- Anticipated additional funding of \$1.2 M for last year's funding
- Actually funded for \$3.6 M

# Review of the March 311Q



<b>Revenue</b>		<b>Budget</b>	<b>Actual</b>	<b>PCT Received</b>
86	State Revenue	\$ 154,490,746	\$ 119,977,656	78%
88	Local Revenue	\$ 65,467,043	\$ 42,390,345	65%
89	Other Financial Sources	\$ 15,000	\$ -	0%
	<b>Total Revenue</b>	<b>\$ 219,972,789</b>	<b>\$ 162,368,001</b>	<b>74%</b>
<b>Expenses</b>		<b>Budget</b>	<b>Actual</b>	<b>PCT Used</b>
91	Academic Salaries	\$ 87,245,113	\$ 67,736,444	78%
92	Classified Salaries	\$ 39,872,164	\$ 29,331,847	74%
93	Benefits	\$ 51,276,722	\$ 32,638,234	64%

# 2019-20 Formula Update (SCFF)



- Community College Chancellor's Office will set rates based off of the First Apportionment (P1)
- Originally was going to be set on Second Apportionment (P2)

# 2020-21 Budget Update



## Department of Finance, Plan for 3 Scenarios For Tentative

1. Work Load Budget with COLA
2. Work Load Budget without COLA
3. Work Load Budget with cuts up to 15%

# 2020-21 Budget Update



Expect at best a “Work Load Budget”:

A Budget with no new revenues:

- May include COLA, but unlikely
- Programs originally proposed will be eliminated

# 2020-21 Tentative Budget



## SCCCD Work Load Budget with No COLA

Major Budget Adjustments	Amounts
Step and Column	+ \$ 2.1 M
Retirement Savings	- \$ 1.2 M
STRS/PERS Increases	+ \$ 2.2 M
SCFT Salary Increases	+ \$ 866 K
Positions added or on hold	- \$ 672 K
Bus Pass	+ \$193 K

# 2020-21 Tentative Budget



STATE CENTER COMMUNITY COLLEGE DISTRICT						
UNRESTRICTED GENERAL FUND ALLOCATION						
2020-21 TENTATIVE BUDGET						
				Clovis	Madera Comm	
	District	Fresno City	Reedley	Community	College &	TOTAL
	Office	College	College	College	Oakhurst	DISTRICT
					Centers	
2019-20 Base Allocation	\$ 45,296,076	\$ 91,848,166	\$ 32,543,686	\$ 24,237,623	\$ 13,425,475	\$ 207,351,026
Salary Adjustments	555,277	1,683,307	616,627	737,474	389,443	3,982,128
Fixed Cost Adjustments	-	(153,000)	-	(14,600)	(600)	(168,200)
Positions	(391,582)	(902,700)	199,389	402,160	20,827	(671,906)
Districtwide Initiatives	-	-	-	-	-	-
<b>2020-21 Unrestricted Base Allocation</b>	<b>\$ 45,459,771</b>	<b>\$ 92,475,773</b>	<b>\$ 33,359,702</b>	<b>\$ 25,362,657</b>	<b>\$ 13,835,145</b>	<b>\$ 210,493,048</b>
One-Time Revenue Allocation	\$ 6,797,056	\$ 69,793	\$ 21,576	\$ 20,664	\$ 9,598	\$ 6,918,687
Reserve Expenditures	-	-	-	-	-	-
Lottery Allocation	3,000,000	465,595	197,540	193,422	143,443	4,000,000
<b>Total 2020-21 Unrestricted Allocation</b>	<b>\$ 55,256,827</b>	<b>\$ 93,011,161</b>	<b>\$ 33,578,818</b>	<b>\$ 25,576,743</b>	<b>\$ 13,988,186</b>	<b>\$ 221,411,735</b>



# 2020-21 Budget Update



## **New Timeline for Budget**

May Mid-month—May Revise

June 2—SCCCCD Tentative Budget

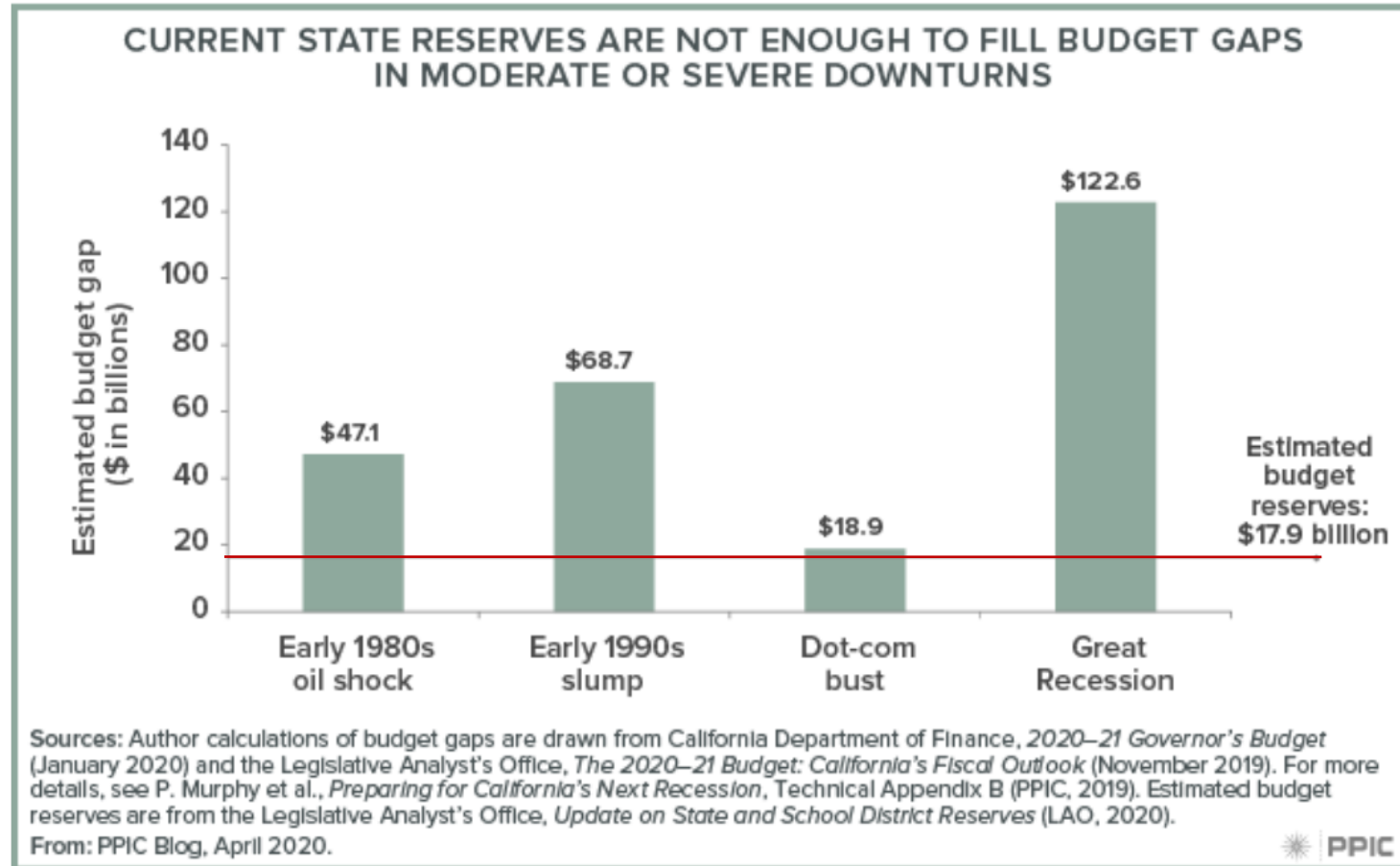
June 30—Governor signs “balanced budget”

**July 15—Tax revenues due**

**August—Legislators/Governor take additional action**

September 1—SCCCCD “Final Budget”—based on June

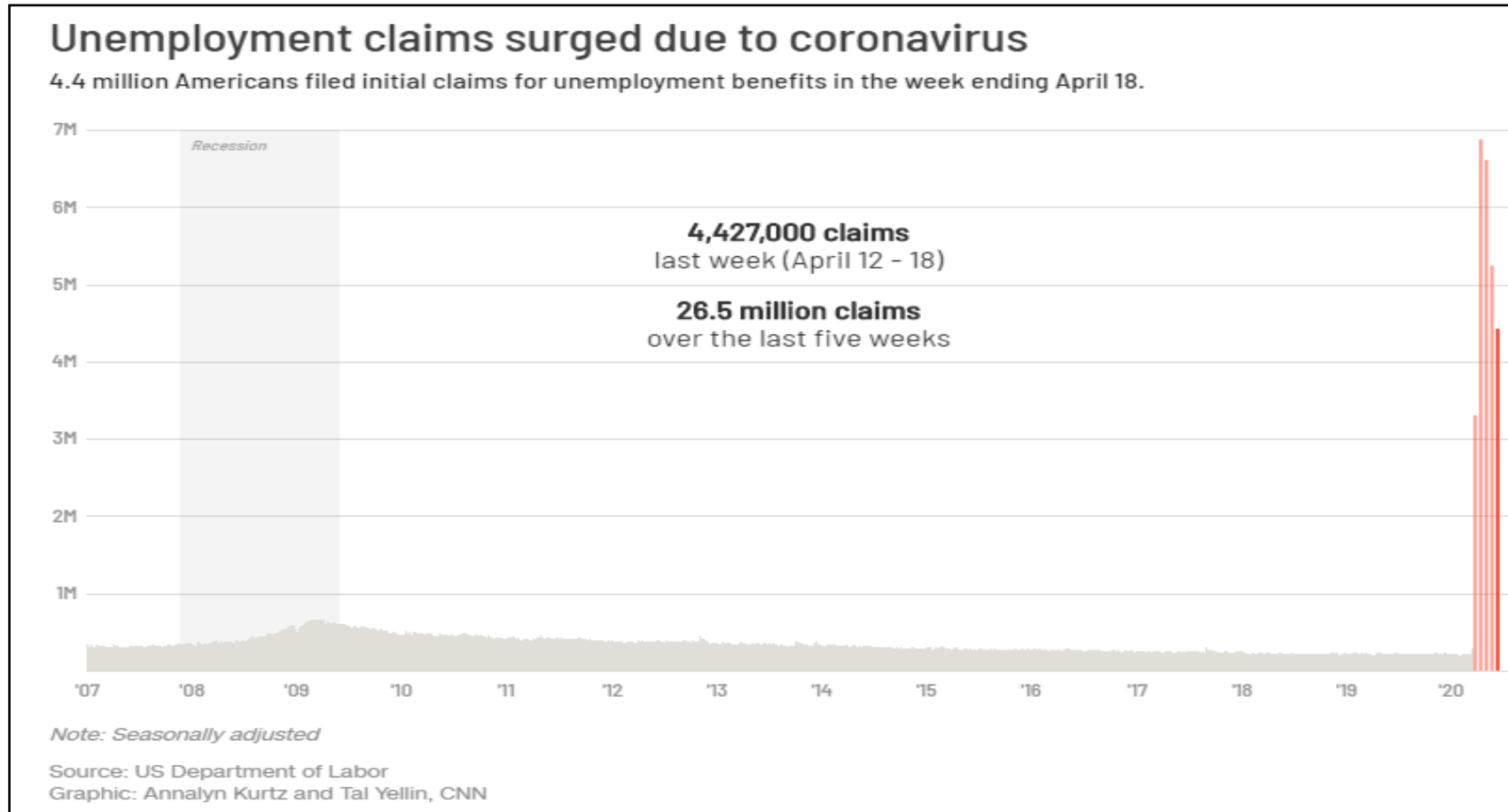
# Rainy Day Fund—Public Policy Institute of California



<https://www.ppic.org/blog/the-coronavirus-pandemic-will-test-the-states-budget-reserves/>

# 2020-21 Budget Update

<https://www.cnn.com/2020/04/23/economy/unemployment-benefits-coronavirus/index.html>



# 2020-21 Budget Update



## Economic Projections



# 2020-21 Unofficial Projections



	SCCCD AMT	Percent
LA Times Report (from LAO) \$35 B in lost Revenue	-\$48 M	- 22.6%
Rainy Day Fund 17.9 B (6 B used for COVID response, expected to be reimbursed from FEMA/CARES) <ul style="list-style-type: none"><li>• Planning to use over 3 years</li><li>• Assuming that he uses 50% to backfill this year</li></ul>	+\$12 M	+ 6%
Estimated Cut to Revenue	-\$36 M	- 16.6%

Reedley's Budget is \$33.4M, Clovis is \$25.3M and Madera is \$13.8M  
\$36M would be the cost of 313 new faculty members



# Emergency Funding

FEMA—Only Reimbursing 75% of our emergency purchases

- Laptops/mifis
- Cleaning Supplies
- OT due to cleaning
- Donated PPE

- **CARES**

- 50% to students that experienced issues due to COVID
- Only US Residents
- Only those that qualify for IV funding
- Has to be due to need for Technology, Housing, loss of income
- 50% to institution
- Expenses for transitioning to online instruction

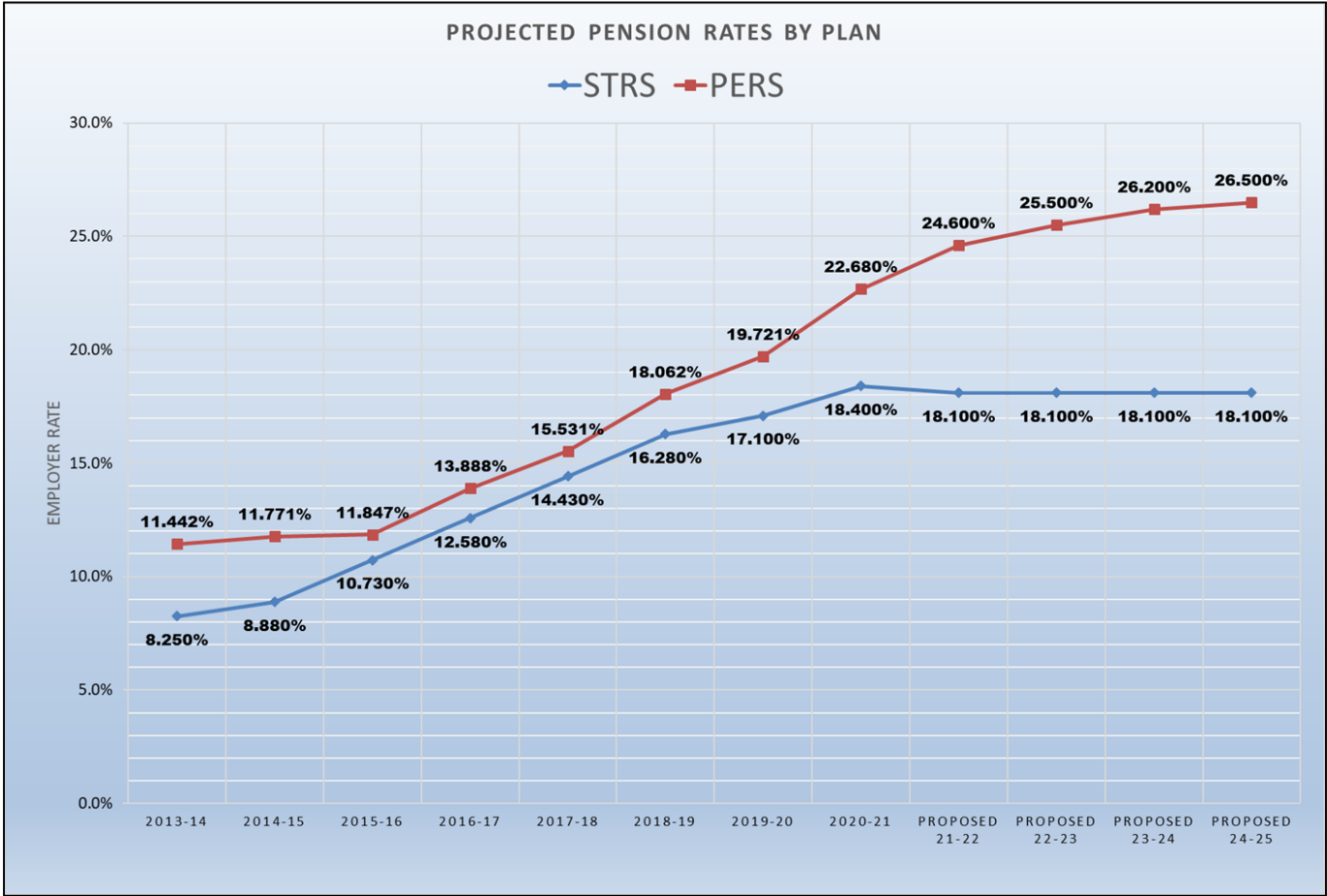
CARES Funding		
Location	Allocation	ST and Inst.
Fresno City	\$11,224,898	\$5,612,449
Clovis	\$2,870,984	\$1,435,492
Reedley College	\$4,243,892	\$2,121,946

# 2020-21 Factors



Factor	2020-21 January	2020-21 Est. April	Most Likely Funded At
Cost-of-living adjustment (COLA)	2.29%	1.9%	0%
Employer pension contribution rates			
Public Employees' Retirement System (CalPERS)	22.80%	22.68%	
State Teachers' Retirement System (CalSTRS)	18.40%	18.4%	

# Pension Reform STRS/PERS





# Deferrals & Deficits



- Department of Finance is already asking about how we would sustain a 1 month deferral. Nothing is planned at this time. A deferral would be preferable to a deficit.
  - Deferral gets paid, just late
  - Deficit just gets cut
  - Deferrals in the Great Recession were up to 25%.

# Reserves Year 1—2020-21



					% of Fund
General Fund				\$ 217,411,735*	
Revenue Cut Projected				36,000,000*	16.6%
<b>Reserves</b>					
11--General Fund	XX0-17%	\$ 37,803,000	<b>Need it for Deferrals</b>		
	LTO	\$ 7,365,000			
	Co Curricular	\$ 783,000			
41--Capital Outlay**		\$ 46,505,000	\$ 6,976,000	15.0%	
53--Bookstore		\$ 5,000,000	\$ 5,000,000	100.0%	
62--Retiree Benefit Fund (STRS/PERS)		\$ 19,480,000	\$ 5,844,000	30.0%	
		Subtotal Reserves	\$ 17,820,000		
		<b>Cuts needed less Use of Reserves</b>	<b>\$ 18,180,000</b>	<b>8.4%</b>	
<b>On-Going Operational</b>					
Capital Outlay Transfer				\$ 3,000,000	
Technology				\$ 2,000,000	
OPEB				\$ 1,900,000	
		Subtotal	\$ 6,900,000		
Amount Not Covered				<b>11,280,000</b>	<b>5.2%</b>
<b>*Assumptions, **Most of the funding is committed to existing projects</b>					

# Reserves Year 2—2021-22



					% of Fund
General Fund				\$ <b>217,411,735*</b>	
Revenue Cut Projected				<b>36,000,000*</b>	16.6%
<b>Reserves</b>					
11--General Fund	XX0-17%	\$ 37,803,000	<b>Need it for Deferrals</b>		
	LT0	\$ 7,365,000			
	Co Curricular	\$ 783,000			
41--Capital Outlay**		\$ 39,529,000	\$ 5,929,000		15.0%
62--Retiree Benefit Fund (STRS/PERS)		\$ 13,636,000	\$ 5,863,000		43.0%
			Subtotal Reserves	\$ 11,792,000	
<b>Cuts needed less Use of Reserves</b>				\$ <b>24,208,000</b>	11.1%
<b>On-Going Operational</b>					
Capital Outlay Transfer				\$ 3,000,000	
Technology				\$ 2,000,000	
OPEB				\$ 1,900,000	
			Subtotal on-going	\$ 6,900,000	
<b>Amount Not Covered</b>				<b>17,308,000</b>	8.0%
<b>Increase from Prior Year</b>					2.8%
<b>*Assumptions, **Most of the funding is committed to existing projects</b>					

# Reserves Year 3—2022-23



					% of Fund
General Fund				\$ 217,411,735	
Revenue Cut Projected				36,000,000	16.6%
<b>Reserve</b>					
11--General Fund	XX0	\$ 37,803,000	<b>Need it for Deferrals</b>		
	LT0	\$ 7,365,000			
	Co Curricular	\$ 783,000			
41--Capital Outlay**		\$ 33,600,000	\$ -	0.0%	
62--Retiree Benefit Fund (STRS/PERS)		\$ 7,773,000	\$ 3,887,000	50.0%	
			\$ 3,887,000		
Cuts needed less Use of Reserves				\$ 32,113,000	14.8%
<b>On-Going Operational</b>					
Capital Outlay Transfer				\$ 3,000,000	
Technology				\$ 2,000,000	
OPEB				\$ 1,900,000	
Subtotal on-going				\$ 6,900,000	
<b>Amount Not Covered</b>				<b>25,213,000</b>	11.6%
<b>Increase from Prior Year</b>					3.6%
<b>*Assumptions, **Most of the funding is committed to existing projects</b>					

# Capital Outlay Projects



- At this point, we still anticipate the state capital outlay funding our three projects
  - Economic Stimulus
  - Bond Funds



# Questions?