2020-21 FINAL BUDGET FOR ADOPTION CONSIDERATION

October 6, 2020

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Controller

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Executive Summary

- Fiscal Year 2020-21 Operating Budget is balanced.
  - $2.23M in vacancies and retirements not budgeted.
- The Fund Balance Reserve for the unrestricted General Fund (Fund 11) is at 26.8%, above the BP 6200 required level of 20% of annual expenditures. The 2019-20 fiscal year ended with a reserve ratio of 26.3%
- All District Funds are projected to have a positive balance at the end of 2020-21.
- With the exception of vacancies, all identified requirements have been funded, including salary increases and increases in benefits.
- Salaries and Benefits account for 84.9% of total requirements. This represents a slight increase from 83.0% in Fiscal Year 2019-20.

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CCC Funding

- 20/21 Budget Act preserves funding for most CCC programs at 19/20 levels using $1.45B in deferral payments.
    - Defer February to June 2021 payments and repay from July to November 2021.
    - $8.4M in deferrals of HCCD General Fund Apportionment payments.
    - $3.5M in deferrals of HCCD Categorical Resource payments.
- 20/21 Statewide Budget includes a revenue deficit of $58M. $431K for HCCD.
- No growth funds or COLA.
- Hold-harmless provisions extended to 23/24.
- Provides $120M COVID-19 Response Block Grant. $798K for HCCD.

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FY 2020-21 Requirements

- Proposal excludes $2.23 million in vacancies not budgeted.
- Total requirements have increased by approximately $918K (2%) over the prior fiscal year unaudited requirements.
- Employee salary and benefits increased by approximately $1.76 million (4.1%) over the prior fiscal year unaudited requirements.
- No funds will be transferred to other funds (e.g. to the Capital Outlay Projects Fund 41).

PROPOSED FINAL BUDGET 2020-21

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Revenue Impact Summary	2019-20	2020-21
COLA	3.26%	0%
FUNDED FTES	7,351	*7,351 *19/20 P2 amount
Funding below TCR (Total Computational Revenue)	$476,867	$431,163
TCR	$50,188,290	$50,492,588

2019-20 Unaudited Actuals

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	19/20 Unaudited Actuals
Revenues	
Federal	29,780
State	27,950,164
Local	28,998,457
Total Revenue	$ 56,978,400
Expenses	
Academic Salaries	19,727,183
Classified Salaries	10,813,501
Employee Benefits	14,578,647
Supplies & Materials	562,992
Other Operating Expenses & Svcs	7,021,188
Capital Outlay	154,268
Other Outgo	1,114,425
Total Expenses	$ 53,972,206
Deficit/Surplus	$ 3,006,194

Beginning Fund Balance	$ 11,173,726
Ending Fund Balance	$ 14,179,920
% Fund Balance to 19/20 Expenses	26.27%

PROPOSED FINAL BUDGET 2020-21

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	20/21 Tentative Budget (7/7/20)	20/21 Final Budget (10/6/20)	Change
Revenues			
Federal	17,000	17,000	-
State	22,383,123	23,760,468	1,377,345
Local	28,551,054	29,136,609	585,555
Total Revenue	$50,951,177	52,914,077	$ 1,962,900
Expenses			
Academic Salaries	19,856,283	20,245,500	389,217
Classified Salaries	10,915,131	10,918,715	3,584
Employee Benefits	13,592,313	13,745,383	153,070
Supplies & Materials	647,610	625,360	(22,250)
Other Operating Expenses & Svcs	6,927,812	7,660,698	732,886
Capital Outlay	104,623	104,973	350
Other Outgo	(1,092,595)	(386,552)	706,043
Expenses	$50,951,177	$ 52,914,077	$ 1,962,900
Deficit/Surplus	$ -	$ -	$ -

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Capital Resource Allocation Funding (Funds 41 and 44)

Capital Outlay (Fund 41)

Beginning Balance	$2,457,823
Revenue	$220,881
Expense Budget	$408,000
Ending Balance	$2,270,704

Facilities Development (Fund 44)

Beginning Balance	$1,289,170
Revenue	$450,462
Expense Budget	$181,899
Ending Balance	$1,557,733

PROPOSED FINAL BUDGET 2020-21

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Funds	Projected Beginning Fund Balance July 1, 2020	Budgets 2020-21		Ending Fund Balance June 30, 2021
		Revenue	Expense	
General				
Unrestricted (11)	14,179,920	52,914,077	52,914,077	14,179,920
Restricted (12 & 13)	(0)	30,373,533	30,373,533	(0)
Total	**$ 14,179,920**	**$ 83,287,610**	**$ 83,287,610**	**$ 14,179,920**
Special Revenue				
Bookstore (31)	604,523	110,000	110,000	604,523
Child Development (33)	143,376	592,689	592,689	143,376
Total	**$ 747,899**	**$ 702,689**	**$ 702,689**	**$ 747,899**
Capital Projects				
Capital Outlay (41)	2,457,823	220,881	408,000	2,270,704
Property Acquisition (44)	1,289,170	450,462	181,899	1,557,733
Bond Projects (46)	41,639,985	71,500,000	113,139,985	-
Total	**$ 45,386,978**	**$ 72,171,343**	**$ 113,729,884**	**$ 3,828,437**
Enterprise				
Cafeteria (52)	231,687	22,507	29,950	224,244
Starbucks Café (55)	-	7,443	7,443	-
Contract Services (59)	66,365	-	-	66,365
Total	**$ 298,052**	**$ 29,950**	**$ 37,393**	**$ 290,609**
Internal Service				
Self Insured (61)	396,973	2,000	46,000	352,973
Retiree Health Benefits (62)	5,496,039	282,809	5,000	5,773,848
PARS-Fiduciary Trust Fund (63	2,209,622	111,365	5,400	2,315,587
Total	**$ 8,102,634**	**$ 396,174**	**$ 56,400**	**$ 8,442,408**
Trust and Agency				
Associated Students (71)	225,726	99,500	112,231	212,995
Student Rep. Fee Trust (72)	9,929	9,929	9,929	9,929
Student Fin. Aid Fund (74)	-	15,231,818	15,231,818	-
Scholarships, Loan & Trust (75)	240,032	50,000	50,000	240,032
Intercollegiate Athletics (79)	51,747	32,530	64,498	19,779
Total	**$ 527,434**	**$ 15,423,777**	**$ 15,468,476**	**$ 482,735**
All Funds Total	**$ 69,242,917**	**$ 172,011,542**	**$ 213,282,452**	**$ 27,972,008**

Benefits Impact to Budget

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CalPERS employer contribution rates

2018-19	2019-20	2020-21
18.062%	19.721%	20.70%

CalSTRS employer contribution rates

2018-19	2019-20	2020-21
16.28%	17.10%	16.15%

Health Care Insurance Cost Increases

2018-19	2019-20	2020-21
7%	12%	*12%

*Projected

Workers' Comp Insurance

2018-19	2019-20	2020-21
$1.8080 Per $100 Payroll	$1.8062 Per $100 Payroll	$1.8908 Per $100 Payroll

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Recommendations:

- Approve Final Budget no later than October 6, 2020.
  - October 31st is the State deadline.

- Publish and forward Final budget to the State no later than November 15, 2020.

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Thank you!