

Chaffey College

2020-2021 ADOPTED BUDGET

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TODAY'S PRESENTATION

- ❖ 2019/20 Chaffey College Prior Year
- ❖ 2020-2021 State Approved Budget
- ❖ 2020-2021 Chaffey College Adopted Budget
 - ✓ Adopted Budget Summary
 - ✓ Outlook/Challenges
 - ✓ Budget Strategies





CHAFFEY COLLEGE BUDGET UPDATE

Prior Year 2019-20

- **Full-Time Equivalent Students**

- Met allowable growth of .19% or 16,948 FTES

- **Budget to Actuals unpredictable and inconsistent;** Increased revenues and decreased expenses not anticipated in adopted budget

- Increased Revenues:

- 18/19 Deficit funded \$6.7m

- 19/20 Deficit partially funded \$3m

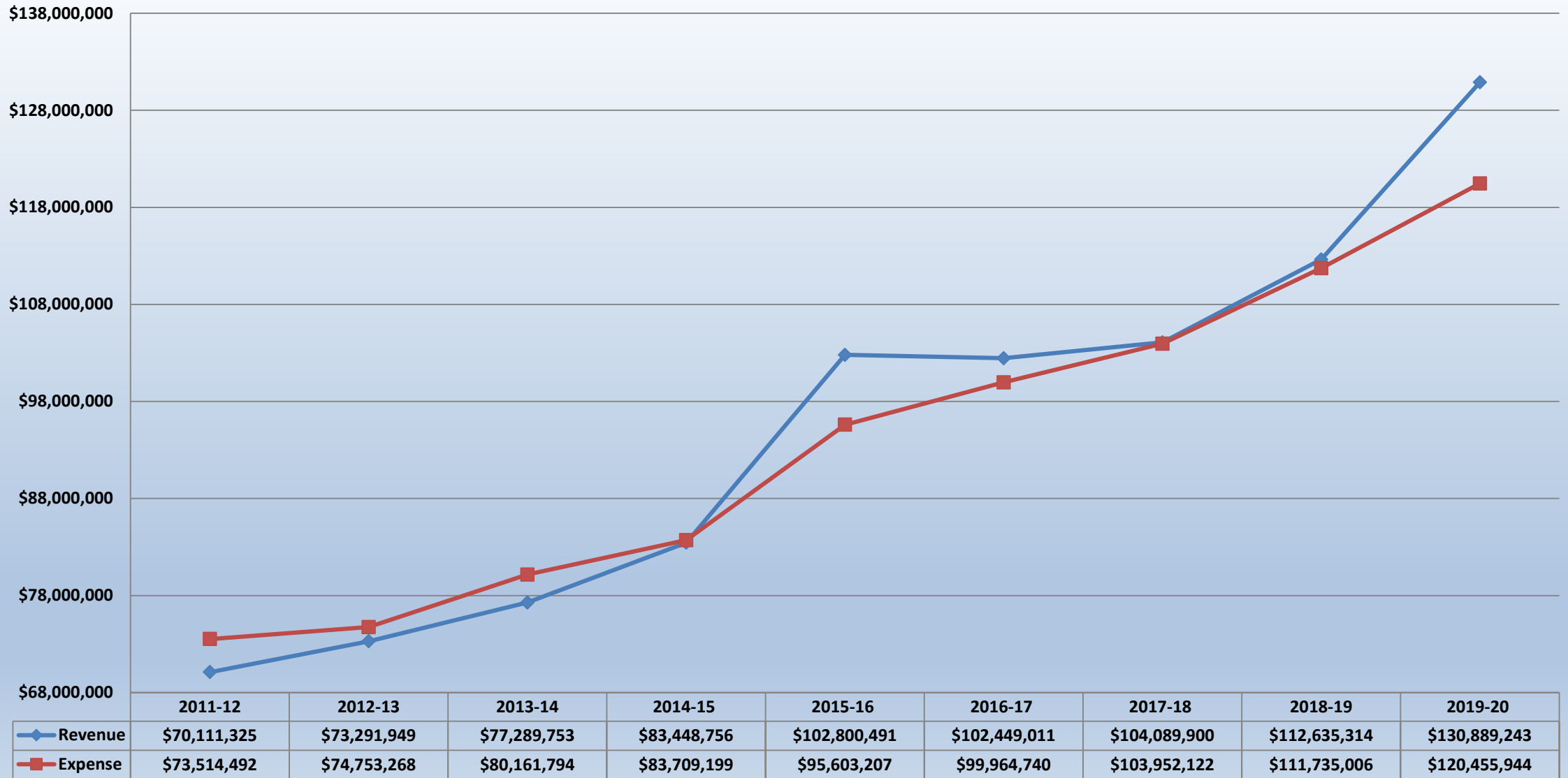
- 19/20 Other increases \$2.2m

- Decreased Expenses: COVID-19 caused abrupt change in operating activities which affected spending

- Operating expenses, including travel & utilities, books, supplies, salaries, etc (\$3.9)



REVENUE & EXPENSE TREND- ACTUALS





STATE BUDGET 2020-2021

Approved Budget

- ❖ State Fiscal Health - Effects of COVID-19
 - ✓ Health crisis and related economic costs
 - ✓ State revenue uncertainty – property, income & capital gains taxes
 - ✓ \$54.3 billion State deficit (estimated) – likely to persist until at least 23/24
 - ✓ High unemployment
 - ✓ Economic activity suppressed

- ❖ Managing State deficit-Reductions vs Deferrals
 - ✓ Cash Deferrals instead of reductions (for now)
 - ✓ Relies on anticipated federal funding

- ❖ Outlook
 - ✓ Best case – State will be able to avoid further reductions and reverse deferrals within a few years
 - ✓ Worst case – Extended COVID-19 pandemic and its economic impact could result in significant budget reductions in the future



STATE BUDGET 2020-2021

May Revision vs Approved Budget

May Revision Budget (Tentative Budget-June)		Approved Budget (Adopted Budget-August)	
• SCFF Reduction	8%	• SCFF Reduction	0%
• Access/Growth	0%	• Access/Growth	0%
• COLA	0%	• COLA	0%
• Cash Deferrals	\$332m	• Cash Deferrals	\$1.45b
• Restricted Program Reductions: 15% SEA, 60% Strong Workforce Program, 10% Adult Education and 100% Physical Plant/Instruc. Support block grant		• Restricted Program Reductions: 100% Physical Plant/Instruc. Support block grant; others not reduced	
		• COVID-19 Response Block grant added \$1.8m	



2020-2021 Chaffey Adopted Budget Development

The district's adopted budget is based on the Governor's Approved State Budget and other known information, including:

- ❖ SCFF: No reduction to Student Centered Funding Formula revenue, cash deferrals instead
- ❖ Cash Deferrals: For Chaffey, \$19m spring cash apportionment deferrals
- ❖ Access/Growth: 0% - Budgeted for 0%, but FTES decline for 20/21
- ❖ COLA: 0%



2020-2021 Chaffey Budget Income Adjustments

❖ 19/20 Budgeted Revenue	<u>\$118,919,834</u>
❖ 20/21 Adjustments	
SCFF Adjustment	\$5,694,863
19/20 Budget	\$105,283,741
20/21 Budget	\$110,978,604
STRS On-half (offset by expenses)	1,805,397
Other Revenue Adjustments	<u>(911,142)</u>
Total Income Adjustments	<u>\$6,589,118</u>



2020-2021 Chaffey Budget Expense Adjustments

❖ 19/20 Budgeted Expenses	<u>\$124,319,583</u>
❖ 20/21 Adjustments	
Salary & benefit changes	(\$1,993,183)
Other operating expenses	971,277
Accounts payable carryovers & one-time	270,827
Reductions - one-time & PY AP carryovers	(725,399)
Elections/Other outgo	(688,828)
STRS on-behalf costs (offset by income)	1,805,397
OPEB/PST contributions & COVID-19 carryover	<u>1,402,987</u>
Total Expense Adjustments	<u>\$1,043,078</u>



2020-2021 Unrestricted General Fund BUDGET PROJECTIONS

UNRESTRICTED GENERAL FUND	2019-2020 ADOPTED BUDGET	2019-2020 YEAREND ACTUALS	2020-2021 ADOPTED BUDGET
Revenue	118,919,834	118,919,834	118,919,834
Change		5,289,888	6,589,118
Subtotal Revenue	118,919,834	124,209,722	125,508,952
Prior Year one-time	0	6,679,521	0
Total Revenue	118,919,834	130,889,243	125,508,952
Expenses	124,319,583	124,319,584	124,319,583
Cost Adjustments		(3,863,640)	1,043,078
Total Expenses	124,319,583	120,455,944	125,362,661
Surplus/(Deficit)	(5,399,749)	10,433,299	146,291
Reserves/Ending Bal	16,346,273	32,179,321	32,325,612
	13.15%	26.71%	25.79%

Revenues increased:	PY Apportionment Deficit Repaid CY Apportionment Deficit not fully realized Other CY increases	\$6,679,521 3,039,031 2,250,858
Expenses decreased:	Operating expenses includeing travel/conference, utilities, books, supplies, salaries, capital outlay	3,863,640 <hr style="width: 50%; margin: 0 auto;"/> \$15,833,050



CHAFFEY COLLEGE OUTLOOK - CHALLENGES

- ❖ Student Centered Funding Formula (SCFF) funding
- ❖ Cash flow - \$19m spring cash deferrals
- ❖ Federal funding unknown
- ❖ Enrollment declining
- ❖ COVID-19 – Additional operating & technology costs
- ❖ Anticipated future reductions



CHAFFEY COLLEGE BUDGET STRATEGIES

■ Assumptions:

- ✓ Funding continues to be deferred; cash flow diminished
- ✓ Possible mid-year cuts
- ✓ District will make every effort to avert layoffs for permanent employees
- ✓ 85% of District's UGF budget is comprised of salary & benefits
- ✓ District must maintain technology & insure COVID-19 safety standards

■ Actions:

- ✓ Prepare District for TRANS borrowing
- ✓ Reduce Operational Expenses



CHAFFEY COLLEGE BUDGET STRATEGIES

- Personnel Reductions:
 - ✓ Contingent Workforce has been reduced (short-term workers, apprentices & student workers)
 - ✓ Vacant management positions being addressed through temporary realignment or reassignment efforts
 - ✓ CDC teachers on furlough for fall semester

QUESTIONS

