



C H A B O T - L A S P O S I T A S

Community College District

Working Draft – May Budget Update

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Governor's January CCC System Budget

- As you may recall ... The Governor's Budget proposed a funding increase to the community college system of approximately \$317.7 Million

\$ 283.7 M – Ongoing Funds

\$ 34.0 M – One-Time Funding (Net)

\$ 317.7 M – Total



January Proposed Ongoing

2020-21 Policy Adjustments in CCC Spending -- Ongoing	<i>In Millions</i>
Provide 2.29% COLA for Student Centered Funding Formula and certain categorical programs	\$176.4
Fund 0.5% enrollment growth	31.9
Provide workload adjustments for Existing Apprenticeship Coursework	27.8
Fund Dreamer Resource Liaisons and legal aid support for immigrants	15.8
Expand California Apprenticeship Initiative	15.0
Support districts' food pantry services	11.4
Fund instructional materials for dual enrollment students	5.0
Technical Adjustments	0.4
Total Ongoing Adjustments	\$283.7





January Proposed One Time Increases

2020-21 Policy Adjustments in CCC Spending – One Time	<i>In Millions</i>
Expand work-based learning within Guided Pathways	\$20.0
Create statewide pilot fellowship program for diverse hiring	15.0
Expand zero textbook cost pathways	10.0
Augment support for part-time faculty office hours	10.0
Fund deferred maintenance and instructional equipment (one-time) ^a	7.6
Remove Prior Year One-Time Adjustments	-28.6
Total One-Time Adjustments (Net)	\$34.0

^a In addition, the budget provides \$8.1 million in 2019-20 funds and \$1.5 million in reappropriations, which combined with \$7.6 million in one-time funds provides a total of \$17.2 million for deferred maintenance and instructional equipment.



January Proposed Capital Outlay Funding

- The Governor's Budget Provides \$27.6 million in capital outlay funding from Proposition 51, approved by the voters in 2016
- The funding is to support 24 new projects
- For our District, \$674,000 is being provided in 50-50 match funding for:

Chabot College

Building 3000 – Maintenance Operations Warehouse & Garage

Preliminary Plans and Working Drawings



The State of CCC APPORTIONMENTS

- At the time of the January Proposed Budget, No changes were being considered to Student Centered Funding Formula
- Administration supported the Formula Oversight Committee's recommendation to include a metric reflecting first-generation college students within the formula in the future ... after data for the new metric is available
- Chancellor's Office was to publish preliminary formula funding rates in mid-February ... they came in on 2/24.



SCFF DEVELOPMENTS

- **Recommendations from the SCFF Formula Oversight Committee:**
 - 1) Extension of “Hold Harmless” through 2022-23
 - 2) Further study of the definition of a low income student (based on regional cost of living factors) before any additional changes are made to the funding formula
- **Reintroduction of “Deficit Funding”** *(which as of P-1 was 3.89%)*



That Was Where We Were – Where are We Now?

- On the bright side, on April 29th, School Services reported that **the 2020-21 Statutory COLA is calculated at 2.31%** ... a slight increase from the 2.29% in the Governor's January Budget.
- On the more sobering side, in the April 6th memo from the Chair of the Assembly Committee on the Budget
 - “We expect the Governor's **May Revise to become a “workload” budget**, that reflects 2019-20, or current, service levels.”
 - “**August Revision**: With the delay in personal income tax receipts (from April 15) to July 15, we expect that we will not have a complete picture of our revenues until August.”
 - “Given the initial projections of the virus’s impact on the economy, it is **possible the State will need to consider sizable ongoing reductions** to major programs during this time.”



A Word about “Workload Budgets”

Government Code [Section 13308.05](#):

A “workload budget” means the budget year cost of currently authorized services, adjusted for changes in enrollment, caseload, or population, or all of these changes and any of the following:

- (a) **Statutory cost-of-living adjustments.**
- (b) Chaptered legislation.
- (c) One-time expenditures.
- (d) The full-year costs of partial-year programs.
- (e) Costs incurred pursuant to constitutional requirements.
- (f) Federal mandates.
- (g) Court-ordered mandates.
- (h) State employee merit salary adjustments.
- (i) State agency operating expense and equipment cost adjustments to reflect price increases



Chancellor's Office Advocacy

At the ACBO Zoom-meeting on April 15th, The Chancellor's Office reiterated its advocacy priorities:

1. \$169M for a 2.29% COLA
2. \$ 31M for Base Resources (to help offset STRS & PERS Increases)
3. \$ 10M for On-line Ecosystem:
 - Professional development training
 - Technology services
 - Technical assistance for colleges
4. \$ 5M for Support for Part-Time Faculty
5. Revenue Neutral - Establishment of the California Community College **System Support Program** ... (funding to be pulled from existing programs)



Economic Prognosis

On April 10th, the UCLA economists predicted the following:

- National GDP will decline 7.75% from March 30 to June 30, 2020
- It will fall another 1.25% the following (3rd) quarter
- The U.S. unemployment rate will reach 13% by December 2020
- The California unemployment rate will peak at more than 16%
- The U.S. economy will begin to rebound in the fourth quarter, 2020
- And, accelerate in early 2021
- U.S. unemployment will not recover to 2019 levels until late 2022
- California will not recover from significant job losses until late 2022



Lessons from the Last Recession

Here are some of the fiscal solutions the State implemented (in the state budgets for the community college system) during the last recession:

- **Not funding the statutory cost-of-living adjustment (COLA) on apportionments and categorical programs, which added up to approximately 15% in foregone COLAs**
- **Deferring (delaying) cash apportionments to community colleges, some within the same year and some to the next year, to the tune of over 25% of total apportionments—almost \$1 billion**
- **Cutting apportionment funding and categorical funds by almost 20%**
- **Reducing workload, and constraining funding for enrollment growth far below the system's level of actual growth**
- **Increasing student credit enrollment fees from \$26 per unit to \$36 per unit**
- **Deferring reimbursements for state-mandated programs—which still continues to this day, to a lesser degree**



Presentation of 2020-21 BAM – (Working Draft)

Stop on this slide

Switch to projection of the Pdf's of:
BAM steps 1-7 and BAM 3A



Recommendation for Adjunct Budget Augmentation 2019-20

Chabot-Las Positas Analysis of 13XX (instructional part-time faculty) budgets

as of 2/29/2020

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20*
Chabot Budget	6,602,581	7,568,460	7,878,579	7,759,847	9,108,081	8,143,044	8,241,043
LPC Budget	6,054,100	6,443,174	7,811,951	7,267,243	7,196,944	8,148,600	7,494,189
Total Budget	12,656,681	14,011,634	15,690,530	15,027,090	16,305,025	16,291,644	15,735,232
Chabot Actual	8,029,013	8,943,150	10,799,982	11,208,523	11,348,903	11,918,936	12,367,001
LPC Actual	6,744,722	7,157,785	8,034,941	8,599,234	9,168,193	8,993,320	9,190,734
Actual	14,773,735	16,100,934	18,834,923	19,807,757	20,517,096	20,912,256	21,557,735
Surplus/(Deficit)	(2,117,054)	(2,089,300)	(3,144,393)	(4,780,666)	(4,212,071)	(4,620,612)	(5,822,503)

* - Numbers based on Projection of February 2020 YTD Amount, as factored against 2018-19 Ratio of February 2019 YTD Amount to (Final/Actual) Amount

Source: Banner
(as of 3/4/2020)

	2018-19	2018-19		2019-20
	Month 8 YTD	Month 8 YTD to Final Ratio		Month 8 YTD
Chabot YTD	8,765,101	135.98%		9,094,605
LPC YTD	6,617,522	135.90%		6,762,784



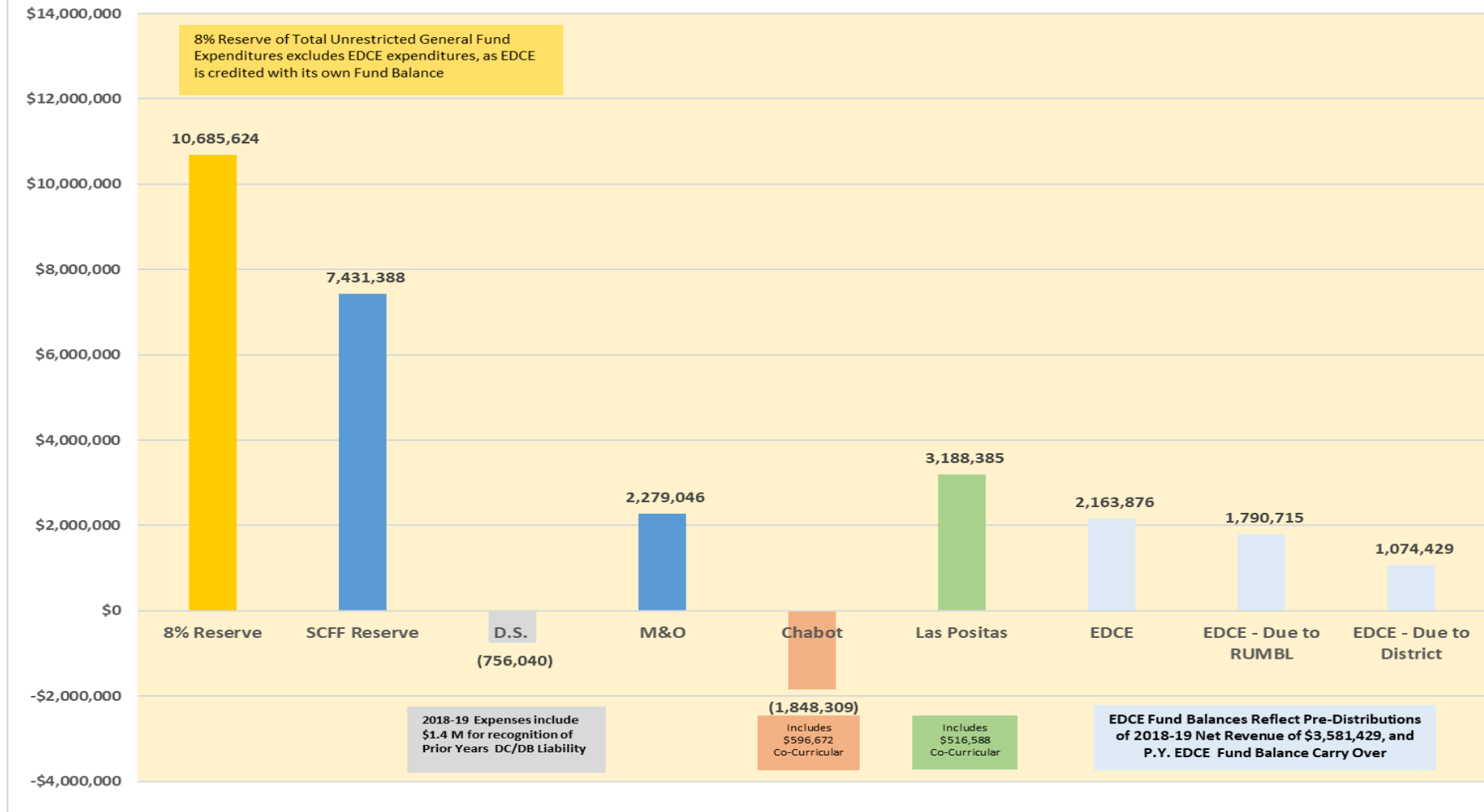


Recommendation for Adjunct Budget Augmentation 2019-20

- For 2018-19, the District augmented the Colleges Adjunct Budgets (at year-end) by a combined \$3,245,930
- Projected 2019-20 Adjunct expenditures (when compared to budget) would indicate the need for a repeat-augmentation
- A like-amount, increased by the 2019-20 COLA, would be \$3,351,747
- Funding is available from the Rollback Set-aside
- Such funding would still leave \$4,172,000 in Rollback Set-aside to increase the SCFF Reserve



Breakout of District's Unrestricted General Fund - Ending Fund Balance for 2018-19 (\$26,009,113)





Recommendation for Adjunct Budget Augmentation 2020-21

- The dynamics that lead to a year-end augmentation to College budgets in 2018-19, did not change in 2019-20 ... *nor have they changed as we approach 2020-21*
- Better budgeting practices, would include such an augmentation, at the start of the year
- Although the current BAM does not include COLA, to repeat the 2019-20 augmentation into 2020-21 would be \$3,787,168 and includes the increase due to the 2020-21 change in FTES/FTEF targets
- Funding is available from the Rollback Set-aside
- Such funding would still leave \$3,862,000 in Rollback Set-aside to increase the SCFF Reserve



End of Presentation