

Ventura County Community College District Guiding Principles for Budget Reductions September, 2020

The COVID-19 worldwide pandemic has significantly impacted the way of life and the lives of citizens around the world, including all Californians. Further, COVID-19 has caused substantial economic damage to local, regional, state, national and global economies. Because of COVID-19 and its impact on the California economy, the state has projected a revenue shortfall totaling a combined \$54 billion dollars for 2020-21 and 2021-22. At this time, the corresponding revenue shortfalls being passed on to the Ventura County Community College District by the state are in the form of cash deferrals, rather than a requirement for ongoing budget cuts. Cash deferrals are a preferred method to temporarily mitigate revenue shortfalls so that the District's base funding is maintained for future years. However, the size of the revenue deferrals from the state is quite large and this method of mitigation may not be sustainable for the long-term. Hence, the Ventura County Community College District must prepare for the possibility of implementing ongoing budget reductions in 2021-2022 and beyond, as necessary. To that end, the following principles and priorities shall be used to guide the District's varied and diverse constituencies during the necessary discussions, recommendations and actions that will occur as the District prepares for potential upcoming fiscal challenges.

1. VCCCD will protect, preserve and enhance its core strengths. Decisions to reduce expenses should have the least possible impact on students, should recognize and not erode contractual agreements, and should be made by each college and the district office in a strategic way so as to position the District to emerge from the impending fiscal challenge so that it is well positioned for recovery and growth.
2. Budget reduction strategies, prioritization and recommendations will focus on preserving programs and services to students, staff and community. Budget reductions should be kept as far away from the classroom as possible.
3. Decisions must place priority on the District's mission and its service to students.
4. To the greatest extent possible, VCCCD will generate ongoing cost savings by driving inefficiencies out of campus and District operations.
5. District and campus fund balances and reserves will be considered and utilized, as appropriate, to mitigate reductions. The use of fund balances and reserves should be prudent and in amounts germane to the challenge but balanced by the need to sustain the purposes for which the fund balances or reserves were established. Utilization of fund balances or reserves should consider the anticipated length of time the challenge may persist. The use of reserves and fund balances should be recognized as one-time dollars and should not be relied upon as a sole solution to mitigate for ongoing, long-term budget reductions.
6. Reserves and fund balances should not be depleted too rapidly or precipitously and they should be utilized strategically in a measured way to help weather a financial storm. Reserves and fund balances should be utilized in conjunction with ongoing operational budget reductions.
7. Budget reduction strategies, prioritization and recommendations will be transparent, with ongoing and timely communication from District and campus leadership to all constituencies.

8. Reduction of positions should happen by natural attrition rather than layoffs, whenever possible.
9. Budget reductions will not compromise the safety and health of students, faculty, staff or visitors, or VCCCD's compliance with applicable laws.
10. Budget reductions will not prevent the District from conducting the essential operation or maintenance of our physical plants.
11. Fiscal year 2020-21 will be utilized to plan for and prioritize budget reductions, whether or not any such reductions will ultimately be necessary to implement.
12. All resources should be utilized wisely, at all times.

DRAFT