

Ventura County Community College District

2021-22 Tentative Budget



Dr. David El Fattal
Board of Trustees Meeting
May 25, 2021

2021-22 Tentative Budget OVERVIEW

Key Topics

- Overview of Governor's May Revise and Legislative Budget Actions
- VCCCD Tentative Budget

Commentary

- VCCCD is required to adopt a tentative budget on or before the first day of July.
- The Tentative Budget provides spending authority for the District to incur expenses and issue checks in the new fiscal year.
- The Tentative Budget relies heavily on estimates and is based on the best available information at the time of budget development. Many of these estimates will change between the Tentative and Adoption Budgets.
- The Tentative Budget is based on the Governor's January State Budget Proposal rather than the May Revise due to local VCCCD budget processes that enable participatory governance input.
- The Tentative Budget does not include any proposed new or increased funding for categorical programs.
- The Tentative Budget does include January's COLA of 1.5%, which was revised to 4.05% in May.
- The Final State Approved Budget will be reflected in VCCCD's Adoption Budget.

Governor's 2021-22 May Revision

Recovering California Economy

- Strong State Budget Outlook
 - Projected surplus increases from \$15 billion to \$75.7 billion
 - State likely to exceed the Gann Limit by \$16 billion in FY 21-22.
 - This will provide \$8 billion in additional one-time funds for Prop 98 (\$880 million for Community Colleges) in FY 22-23.
 - Federal funds providing additional boost to California Economy
- Replenishing State Reserves*
 - \$15.9 billion deposit into Prop 2 Budget Stabilization Account (Rainy Day Fund)
 - \$4.6 billion deposit into the Public School System Stabilization Account
 - \$3.4 billion deposit into the state's operating reserve
 - \$450 million deposit into the Safety Net Reserve

* State reserves played a significant role in preventing significant cuts to funding during the economic downturn caused by the pandemic.

Governor's 2021-22 May Revision

Recovering California Economy

- Expansion of Economic Recovery Efforts
 - Additional \$600 stimulus checks to individuals earning up to \$75,000
 - Provide assistance for past due rent and utility bills
 - Expand programs to increase housing for the homeless
 - Create more equitable opportunities for K-12 Students, including establishing college savings accounts for low-income children.
- Additional Federal Relief Funds
 - American Rescue Plan (ARP) provides approximately \$5 billion to higher education in California in a third round of relief funding, with an estimated \$2.3 billion for CCC's.

Governor's 2021-22 May Revision

Recovering California Economy

- Significant Increase in Prop 98 Funding for Community Colleges

CCC Proposition 98 (*Dollars In Millions*)

■ CCC Prop 98



2020-21 Enacted*



2021-22 January



2021-22 May



California
Community
Colleges

*Includes \$1.45 billion in deferrals

Governor's 2021-22 May Revision

Recovering California Economy

- Highlights of Funding Included in May Revise Proposal
 - Repays 100% of Deferrals from 2020-21 in July and August of 2021.
 - 4.05% cost-of-living adjustment to the funding formula rates

 - 1.7% cost-of-living adjustment for certain categorical programs
 - 5% increase in funding for the Student Equity and Achievement, and Strong Workforce programs
 - Provide new ongoing funds to expand vocational training for ESL students (\$50M), support integrated basic needs centers (\$30M), expand program pathways (\$10M), and implementing a library services platform (\$4M).
 - Provide an additional \$100M system-wide to support retention and enrollment strategies (\$20M has already been provided as part of the early action plan).
 - Provide an additional \$100M system-wide to expand zero-textbook cost pathways.
 - Provide \$150M to support continued implementation of Guided Pathways.
 - Provide \$50M for the transition back to in-person education.
 - Provides \$314M to address deferred maintenance

A complete analysis of the May Revise, including all of the many funding proposals can be found on the Chancellor's Office Website.

<https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Budget-News>

Governor's 2021-22 May Revision

Capital Outlay

- In the May Revision, the Governor provides \$577.9 million in capital outlay funding from Proposition 51, approved by the voters in 2016.
- Moorpark College is one of only five new projects receiving Proposition 51 state funds.
- This is the first known project to receive state facilities funds since 2002, or possibly in the history of the District.

District, College	Project	2021-22 State Cost	2021-22 Total Cost	All Years State Cost	All Years Total Cost
NEW PROJECTS – Proposition 51					
Ventura, Moorpark College	Administration Building Reconstruction	411,000	822,000	4,113,000	8,169,000

Governor's 2021-22 May Revision

Recovering California Economy

- California Community Colleges System Plan for an Equitable Recovery
 - Restoring college resources
 - Re-envisioning financial aid, basic needs, and college affordability
 - Fostering diversity, equity and inclusion
 - Focusing on workforce development

2021-22 Tentative Budget

General Fund Unrestricted Revenues

ACCOUNT DESCRIPTION	2020-21 ADOPTION BUDGET	2021-22 TENTATIVE BUDGET	Change FY21 Adoption vs FY22 Tentative
SCFF HOLD-HARMLESS			
FY18 Total Computational Revenue	153,823,885	153,823,885	-
FY19 COLA @ 2.71%	4,168,627	4,168,627	
FY20 COLA @ 3.26%	5,150,556	5,150,556	
FY21 COLA @ 0% [a]	-	-	
FY22 COLA @1.5%		2,447,146	2,447,146
TOTAL COMPUTATIONAL REVENUE (TCR)	163,143,068	165,590,214 [b]	2,447,146
LOTTERY PROCEEDS	3,885,463	3,747,530	(137,933)
FULL TIME FACULTY HIRING	1,184,531	1,184,531	-
PT FACULTY EQUITY COMP	539,530	544,036	4,506
NONRES TUITION - INTL	505,965	507,592	1,627
NONRES TUITION - DOM	992,881	1,047,729	54,848
TOTAL OTHER REVENUE	7,108,370	7,031,418	(76,952)
TOTAL GENERAL FUND UNRESTRICTED REV	170,251,438	172,621,632	2,370,194

Increase to
4.05% COLA
adds \$4.2
million

Notes:

[a] - For FY21, there was no funded COLA but the statutory COLA was 2.31%

[b] - Includes Education Protection Act Funds (Prop 30).

2021-22 Tentative Budget

General Fund Unrestricted Fund Balances

	6/30/2020 ACTUALS	6/30/2021 PROJECTIONS	6/30/2022 PROJECTIONS
Board Designated ^[a]			
State Required Minimum 5% ^[b]	9,718,964	10,195,807	9,376,984
Revenue Shortfall Contingency	5,000,000	5,000,000	5,000,000
State Teachers' Retirement System (STRS)	1,000,000	1,000,000	1,000,000
Energy Efficiency	170,000	170,000	170,000
Unallocated	10,149,283	5,271,772	6,090,595
Budget Carryover	11,370,287 ^[c]	3,162,723 ^[c]	-
Fund 111 Sub-Total	37,408,534	24,800,302	21,637,579
Fund 113	21,424,569	18,847,938	15,161,838
Fund 114	17,336,223	15,593,747	11,360,555
Grand Total - General Fund Unrestricted	76,169,326	59,241,987	48,159,972

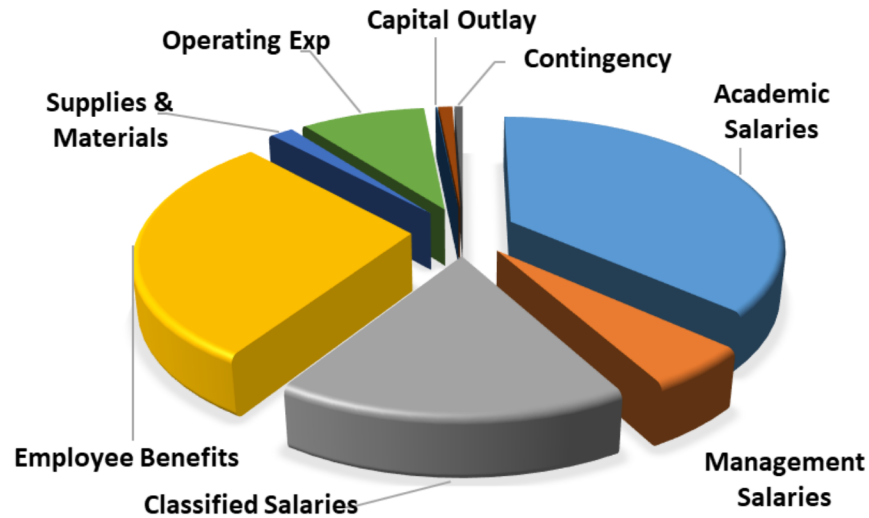
^[a] The Board has designated reserves to address infrastructure and one-time expenditure needs.

^[b] Includes 111, 113, and 114 budgeted expenses.

^[c] Incorporates budget carryover including the 2% limit and one-time funds related to the allocation of additional SCFF apportionment revenue.

2021-22 Tentative Budget

Unrestricted General Fund 111 by Object



	2020-21 Adoption Budget	Percent of Estimated	2021-22 Tentative Budget*	Percent of Budget
Academic Salaries	62,761,426	34.6%	64,358,604	36.6%
Management Salaries	8,905,615	4.9%	9,216,553	5.2%
Classified Salaries	29,770,921	16.4%	30,392,715	17.3%
Employee Benefits	53,096,098	29.2%	50,761,102	28.9%
Salary & Benefit Subtotal	<u>154,534,060</u>	<u>85.1%</u>	<u>154,728,974</u>	<u>88.0%</u>
Supplies & Materials	2,860,175	1.6%	2,815,705	1.6%
Operating Exp	15,138,536	8.3%	15,373,223	8.7%
Capital Outlay	188,511	0.1%	145,148	0.1%
Transfers	2,001,021	1.1%	1,720,462	1.0%
Contingency	6,899,423	3.8%	1,000,843	0.6%
Total Expenditures	<u>181,621,726.00</u>	<u>100.0%</u>	<u>175,784,355</u>	<u>100.0%</u>

* Includes site carryover funds.

2021-22 Tentative Budget

Unrestricted General Fund 111 by Cost Center

	Moorpark College		Oxnard College		Ventura College		District Admin Center		Districtwide	
	Tentative Budget*	Percent of Total	Tentative Budget*	Percent of Total	Tentative Budget*	Percent of Total	Tentative Budget*	Percent of Total	Tentative Budget	Percent of Total
FACULTY SALARIES	27,245,902	42.6%	13,977,632	41.0%	23,135,070	43.8%	-	0.0%	-	0.0%
MAANGEMENT SALARIES	1,919,875	3.0%	2,231,071	6.6%	2,586,673	4.9%	2,478,935	19.8%	79,463	1.0%
CLASSIFIED SALARIES	10,230,904	16.0%	5,614,765	16.5%	9,122,011	17.3%	5,219,574	41.8%	126,000	1.5%
EMPLOYEE BENEFITS	20,354,318	31.8%	10,338,195	30.4%	15,415,666	29.2%	4,406,463	35.3%	246,460	3.0%
SALARY & BENEFITS SUBTOTAL	<u>59,750,999</u>	<u>93.4%</u>	<u>32,161,663</u>	<u>94.4%</u>	<u>50,259,420</u>	<u>95.1%</u>	<u>12,104,972</u>	<u>96.9%</u>	<u>451,923</u>	<u>5.4%</u>
SUPPLIES & MATERIALS	1,364,441	2.1%	696,851	2.0%	662,313	1.3%	73,301	0.6%	18,800	0.2%
SOPERATING EXP	2,202,746	3.4%	1,220,493	3.6%	1,923,076	3.6%	281,804	2.3%	5,654,604	68.2%
CAPITAL OUTLAY	36,304	0.1%	26,400	0.1%	19,644	0.0%	10,800	0.1%	52,000	0.6%
TRANSFERS/CONTINGENCY	638,810	1.0%	(53,198)	-0.2%	(10,000)	0.0%	27,016	0.2%	2,118,673	25.5%
SUBTOTAL	<u>4,242,301</u>	<u>6.6%</u>	<u>1,890,546</u>	<u>5.6%</u>	<u>2,595,033</u>	<u>4.9%</u>	<u>392,921</u>	<u>3.1%</u>	<u>7,844,077</u>	<u>94.6%</u>
TOTAL EXPENDITURES	<u>63,993,300</u>	<u>100.0%</u>	<u>34,052,209</u>	<u>100.0%</u>	<u>52,854,453</u>	<u>100.0%</u>	<u>12,497,893</u>	<u>100.0%</u>	<u>8,296,000</u>	<u>100.0%</u>

* Includes site carryover funds

Planning Considerations

- Navigating Program and Fiscal Impact of COVID-19
- Safe Return to Worksite
- Enrollment Management
- Optimal and Timely Utilization of Resources
- One-time vs. Ongoing Resources
- Expenditure Concerns
- Outgoing Years
- Challenges and Opportunities Not Yet Known

Planning Considerations

Focus on Strategic Innovation

- Student Access, Social Justice and Outcomes Attainment
- Diversity, Equity and Inclusion
- Guided Pathways
- Dual Enrollment
- Open Educational Resources
- Promise programs
- Strong Workforce
- Sustainability
- Workforce and Economic Development
- Grants