

Grossmont-Cuyamaca Community College District

2021/2022 Tentative Budget Workshop

June 15<sup>th</sup> , 2021

Presented by Sahar Abushaban

Interim Vice Chancellor – Business Services

# 2021/2022 GCCCD Tentative Budget Assumptions

- Based on Governor's January Proposed Budget
- Includes 1.5% Cost of Living Adjustment (COLA)
  - \$1.7 million
- Includes 2% revenue deficit
  - \$2.3 million
- Adoption Budget will reflect final approved state budget

# Summary of Operations and Ending Balances - UGF

	<u>2020/2021</u>	<u>2019/2020</u>
• Beginning Balance	\$ 14.9 M	\$ 12.8 M
• Plus: Estimated Revenue	\$123.8 M	\$128.0 M
• Less: Estimated Expenses	\$121.5 M	\$125.9 M
• Less: Contingency Reserve	\$ 9.0 M	\$ 8.9 M
• Estimated Ending Balance	<u>\$ 8.2 M</u>	<u>\$ 6.0 M</u>

# Reasons for Higher Ending Balance

- Lower State revenue deficit than budgeted
- Implemented Early Retirement (SERP) to reduce salaries & benefits – 35 employees retired
- Negotiated health benefit changes with certain groups to reduce on-going cost
- Delayed filling vacant positions included in the budget
- Reduced Adjuncts by 17% and hourlies (including tutors & TAs) by 80%
- Offset some general fund expenses related to COVID-19 with federal stimulus funds

# Use of Ending Balance – One Time

- Fund unplanned expenditures in 2020-21:
  - State Final Projects Plans (FPPs)
    - GC Gym Renovation & CC Library Renovation
  - Prop V best practice audit recommendations
  - District Website redesign to align with the colleges
- Fund Districtwide facilities repairs and maintenance
- Fund Districtwide Technology needs
  - Colleague integrations due to Financial Aid Audit
  - Improve Student Self Service for enrollment management
- Technology Replacement Set Aside for future years
- Compensation Study & Plan
- Maintain the STRS & PERS reserve at last year level
- Offset 2021-22 increased expenses over revenue

# Summary of 2021/2022 UGF Tentative Budget

	<u>2021/2022 TB</u>
• Beginning Balance	\$ 17.2 M
• Plus: Revenue – on going	\$114.1 M
• Plus: Revenue – one-time	\$ 10.9 M
• Less: Expenses	\$132.5 M
• Less: Contingency Reserve	\$ 9.6 M
• Estimated Ending Balance	<u>\$ 0</u>

## 2021/2022 Tentative Budget Salaries & Benefits (in millions)

	2019/20 Actuals	2020/21 Est. Actuals	2021/22 Tentative Budget	
Contract Salaries	\$54.4	\$52.6	\$57.4	9%
Adjunct Salaries	\$20.6	\$17.3	\$20.0	16%
Hourlies Salaries (tutors, TAs)	\$ 2.6	\$ .5	\$ 1.2	138%
Benefits	\$32.7	\$32.8	\$36.4	11%
Totals	<b><u>\$110.3</u></b>	<b><u>\$103.2</u></b>	<b><u>\$115.0</u></b>	<b><u>11%</u></b>

# 2021/2022 Tentative Budget Fixed Cost Analysis - UGF

•	<b>Total UGF Revenue</b>		<b>\$124,965,241</b>	
•	Contract Salaries	\$57,376,936	46%	
•	Adjunct & Hourlies	\$21,268,448	17%	
•	Total Benefits	\$36,358,603	29%	<u>92%</u>
•	Utilities, Rent, Repairs & Maint.	\$7,564,173	6%	
•	Contract Services	\$2,001,494	2%	
•	Insurance, Audits & Legal	\$1,820,067	1%	
•	Fees & Software	\$1,602,657	1%	<u>10%</u>
•	<b>Total Fixed Cost</b>		<b>\$127,992,378</b>	<b><u>102%</u></b>



# Earned FTES VS. Funding

	<u>FTES</u>	<u>Funding based on FTES</u>	<u>Hold Harmless Amount</u>
2018/19	17,697	\$116.3 M	\$0
2019/20	16,768	\$115.5 M	\$524K
2020/21	14,288	\$111.1 M	\$4.9M

Reduction in **(19%)**

FTES from 18/19

# FEDERAL STIMULUS FUNDS (HEERF-3)

- \$20.3M for Students
- \$19.2M for the Institution

# FEDERAL STIMULUS FUNDS (HEERF-3)

- Planning to fund return to campus projects per recommendations from the four Repopulation Teams including:
  - Ventilation assessment and improvements
  - HVAC repairs
  - Hire hourlies to monitor compliance and safety measures on campus
  - Equip classrooms with Distance Learning capabilities
  - Districtwide signage and wayfinding signs including digital signs at each campus entrance
  - Outdoor wireless access points for student needs
  - Additional portable restrooms for athletics

# FEDERAL STIMULUS FUNDS (HEERF-3)

- Designate outdoor areas for students and employees
  - Purchase tents and outdoor furniture
- Purchase PPE supplies including hand sanitizers and wipes
- Install automatic and touchless doors in high traffic areas
- Hire COVID-19 specialists (four positions)
- Install touchless drinking fountains
- Capture Lost Revenue
- Fund innovative return initiatives for student success and retention
  - Fund technology infrastructure

# 2021/22 May Revise Budget California Community Colleges

- Increase in the proposed COLA for SCFF from 1.5% to 4.05%
  - Additional \$3 million for GCCCD
- Elimination of all budget deferrals by using one-time funds of \$1.45 billion
- \$314 million in one-time state funds and \$250 million in federal funds to address deferred maintenance & instructional materials
- \$50 million in one-time funds to help colleges transition back to in-person education

# Challenges

- Enrollment has been declining 3 years in a row – 19%
- Salaries & Benefits continue to rise
- Hold Harmless will end in 2023-24
- Reserves are low
- Balancing budget with one-time funds

# Next Steps

- Develop action plan to address fiscal challenges as recommended in the external fiscal analysis report
  - Develop 3 year enrollment Management Plan for when the district is out of hold harmless provision
  - Develop a strategy to contain fixed costs
  - Develop strategy to address staffing needs
    - Analyze vacant, frozen, interim and out-of-class positions
- Continue to look at cost savings measure in contracts & operating expenses
- Close FY 2020-21
- Finalize Adoption Budget in September

# 2021/2022 Tentative Budget Booklet Overview



COMMENTS/  
QUESTIONS??