

# Ventura County Community College District

## 2020-21 Tentative Budget



Dr. David El Fattal  
Board of Trustees Meeting  
June 23, 2020

# 2020-21 Tentative Budget OVERVIEW

## Key Topics

1. Overview of Governor's May Revise and Legislative Budget Actions
2. Outline VCCCD's Preliminary Approach to Budget Reductions
3. VCCCD Tentative Budget

## Commentary

- Impacts of COVID-19
- VCCCD is required to adopt a 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 is based on the Governor's January State Budget Proposal.
- The Tentative Budget does not include any proposed new or increased funding for categorical programs.
- The Tentative Budget does include January's COLA of 2.29%, which was revised to 0% in May
- The Final State Approved Budget will be reflected in VCCCD's Adoption Budget

# Governor's 2020-21 May Revision

## An Altered Path from January Budget Proposal

- A Changed World Since Governor's January Budget Proposal
  - Global health crisis
  - Global financial crisis and recession  
(International Monetary Fund projects global growth has fallen to -3.0% for 2020, down from 6.3% projection in January)
  - Lives and livelihoods threatened
  
- Dramatic Changes for Californians and California's Finances
  - Steep and unprecedented economic crisis
  - Massive job losses and revenue shortfalls...overnight
  - An abrupt end to 118 consecutive months of economic growth
  - \$54 billion projected budget deficit  
(Projected revenue shortfall of \$41 billion and projected increased costs of \$13 billion)

# Governor's 2020-21 May Revision

## An Altered Path from January Budget Proposal

- May Revise Funds Most Essential Priorities
  - Public health;
  - Public safety;
  - Public education; and,
  - Supports workers and businesses.
- May Revise Overarching Funding Proposals
  - Cancel new initiatives proposed in the Governor's January Budget;
  - Cancel and reduce spending included in the 2019 Budget Act;
  - Draw down reserves;
  - Borrow from special funds; and,
  - Temporarily increase revenues.

<b>May Revision Proposes Balanced Solution</b>	
(dollars in billions)	
Cancelled Expansions & Other Reductions	\$8.4
Reserves	8.8
Borrowing/Transfers/Deferrals	10.4
New Revenues	4.4
Federal Funds	8.3
Triggers	14.0
	<b>\$54.3</b>

# Governor's 2020-21 May Revision

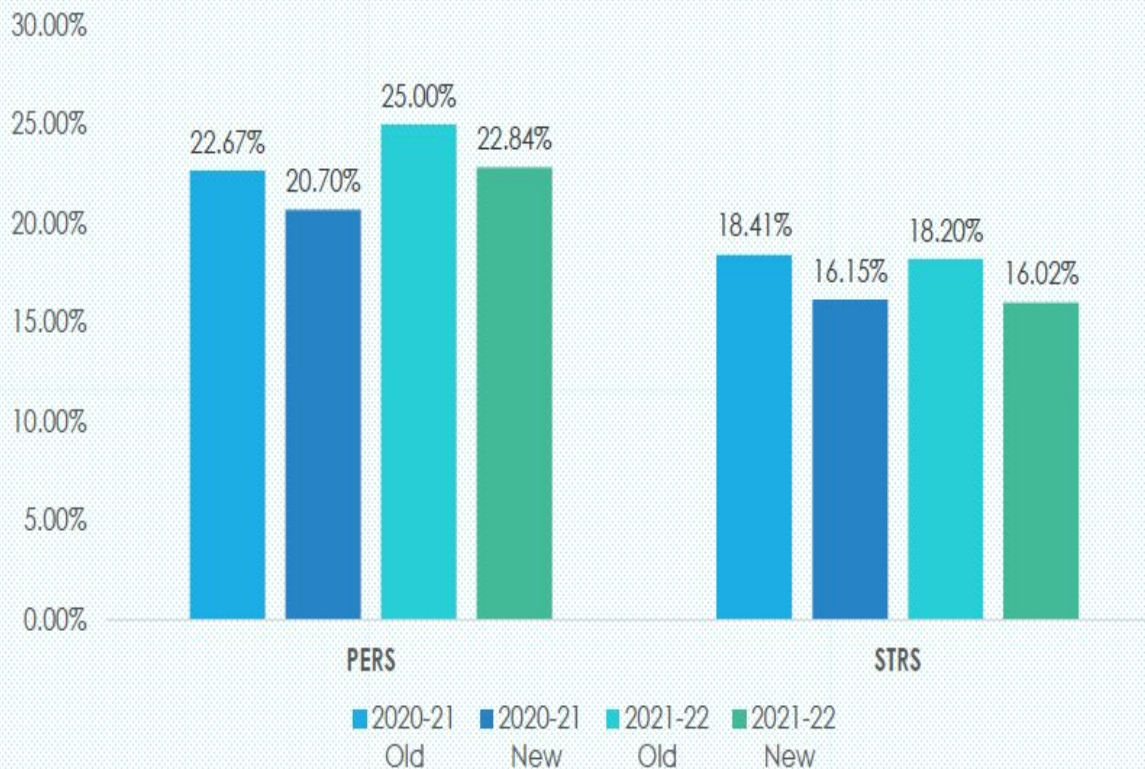
## An Altered Path from January Budget Proposal

- May Revise Proposal to Close the State's Budget Gap
  - Cancel \$6.1 billion in program expansions and spending increases, including canceling or reducing a number of one-time expenditures included in the 2019 Budget Act.
  - Redirect \$2.4 billion in extraordinary payments to CalPERS to temporarily offset the State's obligations to CalPERS in 2020-21 and 2021-22.
  - Ongoing savings from increasing efficiency in State operations.
  - Draw down \$8.3 billion from Rainy Day Fund and an additional \$7.9 billion during two outgoing years.
  - Allocate the Safety Net Reserve (\$450 million in 2020-21) to offset increased costs in Health and Human Services programs over the next two years.
  - Borrow and transfer \$4.1 billion from special funds.
  - Generate revenue through temporary limits on tax related losses and credits (\$4.4 billion, FY 21; \$3.3 billion, FY 22; \$1.5 billion, FY 23)
  - Reflects \$8.3 billion in flexible federal funds (cuts will be triggered if funds do not materialize)

# May Revise Summary – Legislative Action

- Good News:

- \$2.3 billion reallocated to buy down PERS and STRS employer rates





# May Revise Summary – Legislative Action

	Governor	Joint Legislature	Notes
SCFF Base Reduction (8%)*	\$(593,000,000)	\$ 17,000,000	from Calbright
COLA (2.31%)*	\$(167,700,000)	\$ 167,744,000	
Growth (0.5%)*	\$ (31,900,000)	\$ 31,856,000	
Apprenticeship	\$ (83,200,000)	\$ 20,000,000	
Strong Workforce Local Program*	\$(135,600,000)	0	No cut
Student Equity & Achievement Program*	\$ (68,800,000)	0	No cut
Elimination of Proposals/Technical Adj	\$ (36,600,000)	\$ 5,990,000	Unknown if this amount is same under Joint proposal
Part-Time Faculty Compensation/Office*	\$ (7,300,000)	\$ 10,600,000	from Calbright
Calbright College	\$ (3,000,000)	\$ (117,000,000)	Eliminated
Cash Deferrals (\$330 in 19/20, \$662 in 20/21)	\$ (332,000,000)	\$(1,071,900,000)	\$739.9 M goes away if Federal funds come in
Dreamer Resource Liaisons	0	\$ 5,800,000	
Basic Needs/Learning Loss/COVID 19	0	\$ 75,000,000	from Calbright
Food Pantries	0	\$ 11,400,000	

\*These cuts are removed if Federal funds come through under the Governor's proposal

\*\*The Legislative proposal uses one-time funding of \$20 M for Apprenticeship instructional hours and \$97 M for Calbright College



# Unrestricted General Fund (111) MYP

1	2019-20 Adoption	2020-21 Estimate	2021-22 Estimate
2	<b>Assumptions</b>		
3	General Apportionment	Hold-Harmless	Hold-Harmless
4	COLA	3.26%	2.29%
5	<b>Revenue</b>		
6	Total General Apportionment	\$163,143,068	\$168,037,360
7	FT Faculty Hiring	\$1,184,531	\$1,184,531
8	PT Faculty Equity Comp	\$558,080	\$558,080
9	Lottery Proceeds	\$3,978,025	\$3,978,025
10	Nonresident Tuition - International	\$668,448	\$668,448
11	Nonresident Tuition - Domestic	\$952,217	\$952,217
12	<b>TOTAL REVENUE</b>	<b>\$170,484,369</b>	<b>\$175,378,661</b>
13	<b>Expenditures</b>		
14	<b>Expenditures</b>		
15	Faculty Salaries	\$61,772,543	\$68,810,582
16	Management Salaries	\$7,831,318	\$8,579,033
17	Classified Salaries	\$28,775,757	\$31,664,704
18	Employee Benefits	\$56,834,563	\$50,077,390
19	<b>Salary &amp; Benefit Subtotal</b>	<b>\$155,214,181</b>	<b>\$159,131,709</b>
20	Supplies & Materials	\$2,702,826	\$2,702,826
21	Operating Expenditures	\$16,975,225	\$17,268,432
22	Capital Outlay	\$392,393	\$392,393
23	Transfers	\$783,018	\$783,018
24	Contingency	\$4,750,578	\$0
25	<b>Direct Expenditure Subtotal</b>	<b>\$25,604,040</b>	<b>\$21,146,668</b>
26	<b>TOTAL EXPENDITURES</b>	<b>\$180,818,221</b>	<b>\$180,278,377</b>
27			
28	<b>OPERATING SURPLUS/DEFICIT</b>	<b>(\$10,333,852)</b>	<b>(\$4,899,716)</b>
29			
30	<b>Fund Balance</b>		
31	Beginning Fund Balance	\$40,132,217	\$29,798,365
32	Ending Fund Balance	\$29,798,365	\$24,898,648
33			
34	<b>Reserves</b>		
35	<b>Board Designated:</b>		
36	State Minimum 5%	\$9,718,964	\$9,718,964
37	Revenue Shortfall Contingency	\$5,000,000	\$5,000,000
38	State Teachers' Retirement System (STRS)	\$1,000,000	\$1,000,000
39	Energy Efficiency	\$170,000	\$170,000
40	Unallocated	\$13,909,401	\$9,009,684
41	<b>TOTAL RESERVES</b>	<b>\$29,798,365</b>	<b>\$24,898,648</b>



# Multi-Year Projection (MYP) FY20 – FY22

## Core Assumptions

- Based on Governor's January Budget Proposal for FY21
- Salary increases for all employees:  
2% effective 07/01/2019; 6% effective 07/01/2020; 2% effective 07/01/2021
- One-Time Lump Sum Bonus of \$2,410 for each employee totaling \$5 million
- Estimated health & welfare savings:  
\$10,491,000 savings annually (FY21+) with inaugural year savings of \$8,742,500
- Estimated health & welfare incentive costs of \$100,000
- Step/Column/Longevity
- State's Hold Harmless Allocation Extended Through FY 2022-23
- FY 2020-21 Adoption Budget will include a recommendation for a greater than two percent carryover from FY 2019-20 into FY 2020-21 to help mitigate impending revenue reductions.

# Multi-Year Projection (MYP) FY20 – FY22

## What's Not Included

- District Savings for STRS and PERS costs resulting from State buy down
  - \$2 million (FY21); \$1.3 million (FY22)
- CARES Funding Allocations
- FEMA Reimbursement
- Utilization of Board Designated Funds, Irrevocable Trust Fund, Other Funds, Unallocated Reserves
- Unknown COLA changes to Outgoing Years
- Additional COVID-19 Related Expenditures
- Health & welfare Benefit Plan Annual Cost Increases
- Any proposed new or increased funding for Categorical Programs from the January Budget Proposal
- Savings and/or Revenue Enhancements TBD (10% Current Discussions)

## May Revise: Preliminary Budget Adjustment Targets

### Focus on Preserving Programs and Services to Students, Staff and Community

Description	2020-21	2021-22	2022-23
Primary Target (includes COLA reduction to 0%)	\$17,500,000	\$17,500,000	\$17,500,000
Reduction of Self-Tax (HRL, HR2)	1,000,000	1,000,000	1,000,000
Utilization of Fund 612 (retiree payment pool)	1,000,000	0	0
Utilization of STRS Designated Balance	1,000,000	0	0
Utilization of GASB Irrevocable Trust	500,000	0	0
State Buy Down of STRS/PERS	2,000,000	1,300,000	0
Secondary Target (10% Current Discussions)	\$12,000,000	\$15,200,000	\$16,500,000
% Reductions Across the Board (1% = \$1,850,000)			
Carryover/Contingency			
Hiring Freeze / Hiring Delays			
Travel			
Targeted Reductions			
Operational Budget Reductions			
Non-essential Purchases/Contracts			
Energy/Utilities Efficiency			
Salary Reduction			
Furlough Days			
Local/Committee Brainstorming			
Optimal Enrollment			
Revenue Enhancements			
(CARES, FEMA, Dual Enrollment, etc.)			
Tertiary Target	TBD	TBD	TBD

# 2020-21 Tentative Budget

## General Fund Unrestricted Fund Balances

	6/30/2019 ACTUALS	6/30/2020 PROJECTIONS	6/30/2021 PROJECTIONS
Board Designated <sup>[a]</sup>			
State Required Minimum 5% <sup>[b]</sup>	10,018,403	9,718,964	9,791,078
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	1,400,000	170,000	170,000
Unallocated	17,674,962 <sup>[c]</sup>	11,499,552	9,921,331
Budget Carryover	5,038,852 <sup>[d]</sup>	11,506,395 <sup>[d]</sup>	-
Fund 111 Sub-Total	40,132,217	38,894,911	25,882,409
Fund 113	21,694,867	15,531,291	15,013,425
Fund 114	16,984,594	14,334,685	10,952,690
Grand Total - General Fund Unrestricted	78,811,677	68,760,887	51,848,524

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

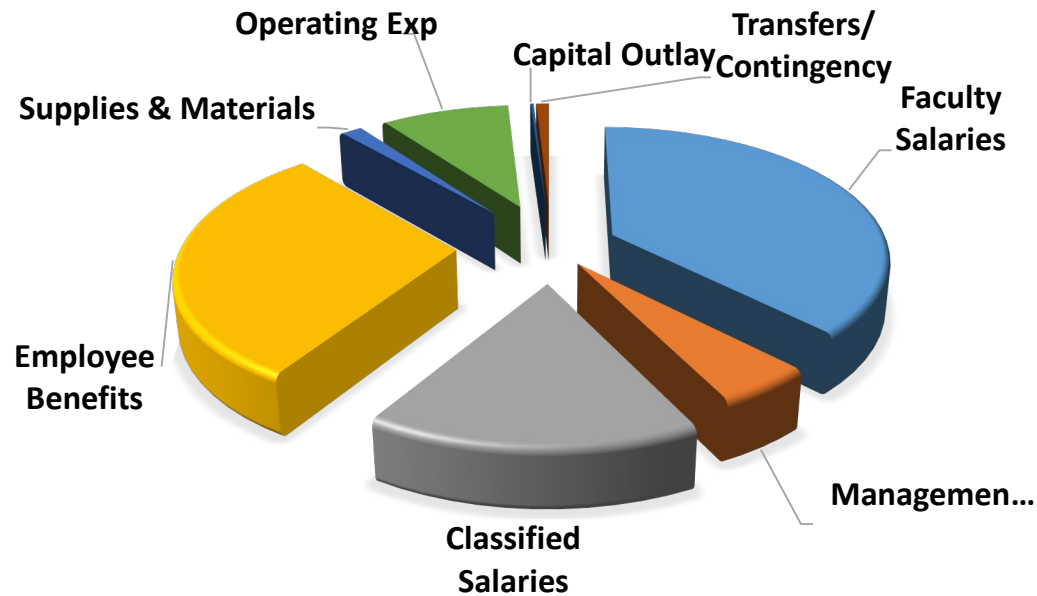
[b] Includes 111, 113, and 114 budgeted expenses.

[c] Due to the implementation of SCFF, the second principal apportionment from the State was greater than the first apportionment for FY19 by a total of \$5.7 million. At 6/30/2019, a plan to utilize these reserves was still in development. During fiscal year 19-20, the Board approved augmenting the budget for these additional apportionment revenue related to P2 and Recal.

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

# 2020-21 Tentative Budget

## Unrestricted General Fund 111 by Object



FACULTY SALARIES  
 MANAGEMENT SALARIES  
 CLASSIFIED SALARIES  
 EMPLOYEE BENEFITS  
 SALARY & BENEFIT SUBTOTAL  
 SUPPLIES & MATERIALS  
 OPERATING EXP  
 CAPITAL OUTLAY  
 TRANSFERS/CONTINGENCY  
 TOTAL EXPENDITURES

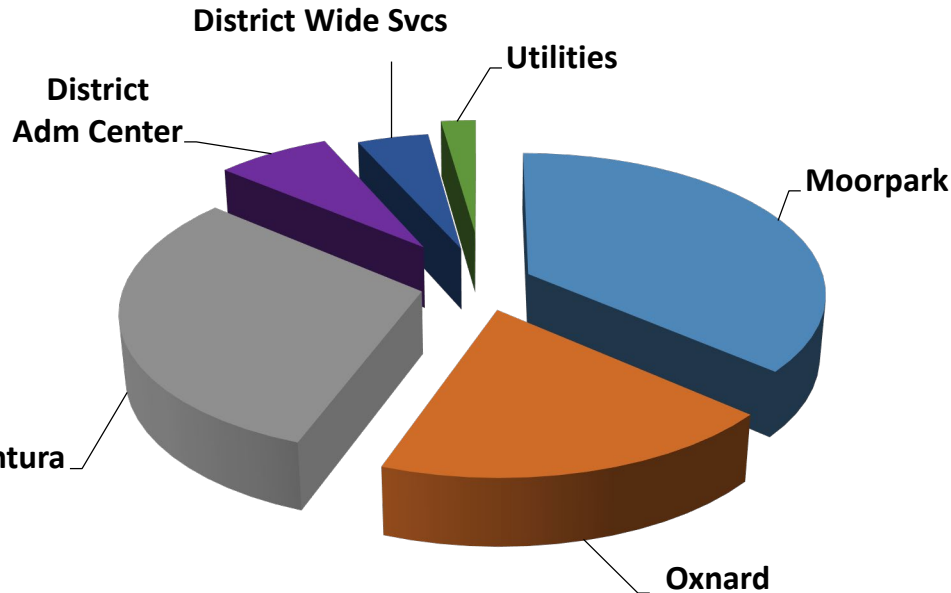
2019-20* ADOPTION BUDGET	%	2020-21* TENTATIVE BUDGET	%
60,625,543	34.5%	61,128,966	32.8%
7,690,998	4.4%	7,822,392	4.2%
28,309,077	16.1%	29,234,690	15.7%
54,803,563	31.2%	57,810,311	31.0%
151,429,181	86.3%	155,996,359	83.7%
2,702,826	1.5%	3,178,571	1.7%
15,545,225	8.9%	15,967,225	8.6%
312,393	0.2%	251,165	0.1%
5,533,596	3.2%	10,874,920	5.8%
175,523,221	100.0%	186,268,240	100.0%

\* Includes site carryover funds.



# 2020-21 Tentative Budget

## Unrestricted General Fund 111 by Location



	2019-20 ADOPTION BUDGET	2020-21* TENTATIVE BUDGET
MOORPARK *	64,238,720	67,872,094
OXNARD *	33,463,088	35,604,120
VENTURA *	53,332,727	57,131,243
DISTRICT ADM CENTER *	12,532,730	13,294,410
DISTRICTWIDE SVCS	7,865,456	8,275,873
UTILITIES	4,090,500	4,090,500
INFRASTRUCTURE	-	-
<b>TOTAL EXPENDITURES</b>	175,523,221	186,268,240

\* Includes site carryover funds

# 2020-21 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	26,036,672	38.4%	13,004,146	36.5%	22,088,147	38.7%	-	0.0%	-	0.0%
MANAGEMENT SALARIES	1,713,013	2.5%	1,768,450	5.0%	2,132,033	3.7%	2,208,896	16.6%	-	0.0%
CLASSIFIED SALARIES	10,246,269	15.1%	5,133,262	14.4%	8,590,725	15.0%	5,066,610	38.1%	197,824	2.4%
EMPLOYEE BENEFITS	21,791,323	32.1%	12,291,501	34.5%	18,576,292	32.5%	4,956,890	37.3%	194,304	2.3%
<b>SALARY &amp; BENEFITS SUBTOTAL</b>	<b>59,787,278</b>	<b>88.1%</b>	<b>32,197,360</b>	<b>90.4%</b>	<b>51,387,198</b>	<b>89.9%</b>	<b>12,232,396</b>	<b>92.0%</b>	<b>392,129</b>	<b>4.7%</b>
SUPPLIES & MATERIALS	1,795,344	2.6%	657,797	1.8%	631,106	1.1%	74,224	0.6%	20,100	0.2%
OPERATING EXP	2,715,483	4.0%	1,116,072	3.1%	2,211,843	3.9%	359,599	2.7%	5,473,727	66.1%
CAPITAL OUTLAY	35,276	0.1%	80,445	0.2%	19,644	0.0%	10,800	0.1%	105,000	1.3%
TRANSFERS/CONTINGENCY	3,538,713	5.2%	1,552,446	4.4%	2,881,452	5.1%	617,392	4.6%	2,284,917	27.6%
<b>SUBTOTAL</b>	<b>8,084,816</b>	<b>11.9%</b>	<b>3,406,761</b>	<b>9.6%</b>	<b>5,744,045</b>	<b>10.1%</b>	<b>1,062,014</b>	<b>8.0%</b>	<b>7,883,744</b>	<b>95.3%</b>
<b>TOTAL EXPENDITURES</b>	<b>67,872,094</b>	<b>100.0%</b>	<b>35,604,120</b>	<b>100.0%</b>	<b>57,131,243</b>	<b>100.0%</b>	<b>13,294,410</b>	<b>100.0%</b>	<b>8,275,873</b>	<b>100.0%</b>

\* Includes site carryover funds

# FUND 113

## FY2020-21 PLANNED PROJECTS

### Moorpark College

Instructional Furniture	\$150,000
General Building Improvements	\$150,000
Automatic Door Replacements	\$310,000
Plumbing Improvements (Campus Center and Humanities /Social Science)	\$375,000
Door Hardware Improvements (campuswide)	\$181,655
Library Books and Databases	\$150,000
Instructional and Non-Instructional Equipment	\$500,100
Tech Equipment and Lease Purchases	\$550,000
Digitizing Architectural Plans	\$100,000
Performing Arts Center (PAC) Audio System	\$200,000
	<b>\$2,666,755</b>

#### Moorpark College:

FY20 Projected Ending Fund Balance	\$8,548,899
FY21 Projected Expenses (Budget)	(\$2,666,755)
FY21 Projected Ending Fund Balance	\$5,882,144

\* Saving for a \$25 million renovation of the Student Center

### Oxnard College

Scheduled Maintenance and Instructional Furniture	\$459,000
Library	\$64,000
Instructional and Non-Instructional Equipment	\$125,000
IT Equipment and Infrastructure	\$267,000
Technical Assistance	\$250,000
	<b>\$1,165,000</b>

#### Oxnard College:

FY20 Projected Ending Fund Balance	\$4,414,516
FY21 Projected Expenses (Budget)	(\$1,165,000)
FY21 Projected Ending Fund Balance	\$3,249,516

#### Planned Projects for FY21:

- Refurbish classrooms in Letters and Science buildings
- Classroom HVAC improvements and repairs
- Science lab vent hood replacement and repairs
- Campus wayfinding signage fabrication and installation
- Replace diesel equipment (move to cleaner diesel)
- Classroom technology refresh and upgrades
- Facility Master Plan

# FUND 113

## FY2020-21 PLANNED PROJECTS

### Ventura College

General Building Improvements	\$410,000
Equipment Maintenance/Repair	\$55,000
Refresh furniture for 3-5 classrooms	\$150,000
Library Books and Databases	\$58,517
Instructional and Non-Instructional Equipment	\$350,000
Tech Equipment	\$198,834
Replace Backhoe/Frontloader	\$90,000
	<b>\$1,312,351</b>

**Ventura College:**

FY20 Projected Ending Fund Balance	\$1,958,722
FY21 Projected Expenses (Budget)	(\$1,312,351)
FY21 Projected Ending Fund Balance	\$646,371

### District Administrative Center

**District Administrative Center:**

FY20 Projected Ending Fund Balance	\$0
FY21 Projected Expenses (Budget)	\$0
FY21 Projected Ending Fund Balance	\$0

# FUND 114

## FY2020-21 PLANNED PROJECTS

### Moorpark College

**Moorpark:**

FY20 projected ending fund balance	\$5,571,462
FY21 revenue	+ 698,213
<u>FY21 budget</u>	<u>- 1,053,110</u>
FY21 projected ending fund balance	\$5,216,565

Significant programs:

- Zoo Activities
- Indirect Cost Recovery
- Bookstore Lease
- International Students

Plans/Usage of balances:

- \$65M expansion of the zoo
- \$25M renovation of the student center

### Oxnard College

**Oxnard:**

FY20 projected ending fund balance	\$2,929,765
FY21 revenue	+ 566,413
<u>FY21 budget</u>	<u>- 910,962</u>
FY21 projected ending fund balance	\$2,585,216

Significant programs:

- CSSC County Lease
- Indirect Cost Recovery
- Bookstore Lease
- Civic Center

Plans/Usage of balances:

- FT grounds worker and PT custodian to support Civic Center
- FT college services supervisor
- Contingency for budget shortfall

### Ventura College

**Ventura:**

FY20 projected ending fund balance	\$ 1,824,035
FY21 revenue	+ 631,254
<u>FY21 budget</u>	<u>- 903,406</u>
FY21 projected ending fund balance	\$ 1,551,883

Significant programs:

- Civic Center
- Indirect Cost Recovery
- Bookstore Lease
- International Students

Plans/Usage of balances:

- Co-curricular activities
- FT College Services Supervisor
- Personnel costs to support Civic Center
- Facilities maintenance projects (e.g. fencing, paving, painting)



# FUND 114

## FY2020-21 PLANNED PROJECTS

### Economic Development

**Economic Development Programs:**

FY20 projected ending fund balance	\$ 437,244
FY21 revenue	+ 12,000
<u>FY21 budget</u>	<u>- 272,997</u>
FY21 projected ending fund balance	\$ 176,247

### District Administrative Center

**District Administrative Center:**

FY20 projected ending fund balance	\$1,094,090
FY21 revenue	+ 259,000
<u>FY21 budget</u>	<u>- 201,000</u>
FY21 projected ending fund balance	\$1,152,090

Significant programs:

- District Office Building
- Indirect Cost Recovery

Plans/Usage of balances:

- Warehouse space
- Records retention service

### Districtwide Programs

**Districtwide Programs:**

FY20 projected ending fund balance	\$ 2,478,089
FY21 revenue	+ 89,020
<u>FY21 budget</u>	<u>- 2,296,420</u>
FY21 projected ending fund balance	\$ 270,690

# FUND 419

## FY2020-21 SIGNIFICANT PLANNED PROJECTS

### Moorpark College

	Beg Balance	Expenses
MC Gym Renovation	1,124,403	1,124,403
MC Wayfinding	988,574	988,574
Performing Arts Improvement	493,625	493,625
Football Stadium Lighting Replacement	323,038	323,038
Special Rep & Site Improvements Ph 2	650,427	396,864
Zoo Tiger Habitat	348,015	348,015
Kinesiology Outdoor Classroom Ph 2	213,428	213,428
Stadium Bathrooms	689,494	689,494
CCCR Renovation	238,147	238,147
LMC Flooring Replacement	250,000	250,000
Softball Field Compliance	300,000	300,000
Baseball Field Fencing	150,000	150,000
Campus Painting Projects	200,661	200,661
	5,969,812	5,716,249

**Moorpark:**

FY20 ending fund balance	\$ 8,497,883
FY21 transfer	+ 50,000
<u>FY21 budget</u>	<u>- 6,142,161</u>
FY21 projected ending fund balance	\$ 2,405,722

### Oxnard College

	Beg Balance	Expenses
OC Fire Warehouse	1,733,945	1,733,945
Art + Design Modular Classrooms	2,499,175	2,499,175
OC Wayfinding	268,410	268,410
	4,501,530	4,501,530

**Oxnard:**

FY20 ending fund balance	\$ 8,595,196
FY21 transfer	+ 50,000
<u>FY21 budget</u>	<u>- 4,726,153</u>
FY21 projected ending fund balance	\$ 3,919,043

# FUND 419

## FY2020-21 SIGNIFICANT PLANNED PROJECTS

### Ventura College

	Beg Balance	Expenses
Math/Science HVAC Renovation	5,135,063	4,733,919
	5,135,063	4,733,919

**Ventura:**

FY20 ending fund balance	\$ 5,906,988
FY21 transfer	+ 50,000
<u>FY21 budget</u>	<u>- 4,805,205</u>
FY21 projected ending fund balance	\$ 1,151,782

### DAC & Districtwide

	Beg Balance	Expenses
DW Mass Notification System	979,935	979,935
	979,935	979,935

**DAC & Districtwide:**

FY20 ending fund balance	\$ 1,473,365
FY21 transfer	+ 0
<u>FY21 budget</u>	<u>- 1,026,692</u>
FY21 projected ending fund balance	\$ 446,673

# Planning Considerations

- Managing Program and Fiscal Impact of COVID-19 and Economic Challenges
  - Focus on optimization of resources
- Enrollment Management
- Expenditure concerns
  - Restricted vs Unrestricted
  - One-time vs ongoing
  - STRS/PERS
  - Health and welfare
  - Retiree health & welfare benefit liability

# Planning Considerations

## Ongoing Innovation for Advancing Student Success

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