



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

Community College District

Proposed Adopted Budget

Ronald P. Gerhard, Chancellor

October 20, 2020



Chronology – State Budget Review

- May Revision – Proposed drastic cuts
 - State’s response to COVID-19 induced session
 - Informed Tentative Budget approved by Board of Trustees
 - 8.5% reduction to Unrestricted General Fund, approx. \$10 million
 - \$20 million in estimated deferrals
 - No COLA or growth
 - Cuts to SEA Program, Strong Workforce, and Adult Education
 - Anticipated August Revision
- June: Enacted State Budget – No Cuts
- No August Revision



Final State Budget

- No reduction in apportionment funding
 - In place of reductions, we have deferrals
- No Cost of Living Adjustment, 2.31%
- SCFF still 70/20/10 between base, supplemental and student success
- Extension of hold harmless through fiscal year 2023-24 (2-year extension)
- Excludes from 50% law calculations COVID-19 related expenditures
- Proposed cuts to categorial programs avoided, instead funding at 2019-20 spending levels



2020-21 Budget Assumptions (pages 3 &4)

- General Assumptions:
 - Relatively flat revenues
 - Continues to rely upon hold harmless funding
 - Balanced through use of:
 - Budget reductions
 - Salary and benefit savings from vacant and budgeted positions
 - Use of hold harmless funding



2020-21 Budget Assumptions (pages 3 &4)

- Revenue Assumptions:
 - No general apportionment cuts but deferrals
 - Deficit factor of 1%
 - No COLA
 - No growth
 - FTES targets of:
 - 17,505 credit FTES
 - 144 non-credit FTES
 - Productivity of 490 (main group)



2020-21 Budget Assumptions (pages 3 &4)

- Expenditure Assumptions:
 - Funds all contractual obligations
 - Any salary and benefit savings associated will be used, to the greatest extent possible, to offset identified deficits
 - Projected step and column salary increase of \$1.5 million
 - Projected statutory and health and welfare benefit increases of 9.48% (\$1.4 million)
 - Projected STRS decrease of .95%, from 17.01% to 16.15% (\$226,196)
 - Projected PERS increase of .979%, from 19.721% to 20.70% (\$592,045)
 - Funded vacant positions, aside from those identified as legally required or mandated, will be used to assist in addressing structural deficits



Unrestricted General Fund: Major Changes from Tentative (page 13)

- Unrestricted General Fund Revenue:
 - Increase in revenue of approximately \$15 million
 - \$10 million attributed to restoring 8.5% tentative cut
 - \$1 million in EDCE distribution to colleges
 - \$2 million in additional revenue to offset COVID-19 operational costs
- Unrestricted General Fund Expenditures:
 - Academic Salaries – increase of \$2 million to reflect estimated costs for achieving enrollment targets
 - Benefits – increase of \$1 million to reflect increases in premiums and increased retirement costs
 - Transfers out – Faculty reassign time (CBA) and special programs
- With these changes, went from \$11.47 million deficit to surplus of \$345,879



Restricted General Fund: Major Changes from Tentative (page 13)

- Restricted General Fund Revenue:
 - Increase in revenue of approximately \$5 million
 - Mostly attributed to the recognition of additional state grants
- Unrestricted General Fund Expenditures & Transfers:
 - Corresponding increases to expend grant and restricted funds



Economic Development and Contract Ed. Fund: Major Changes from Tentative (page 40)

- Revenue Changes:
 - Reduction of local revenues of \$7 million to reflect COVID-19 impact on services
- Expenditure Changes:
 - Reduction of Services by approximately \$6 million to reflect
 - Increase in Capital Outlay of \$3 million to provide for tenant improvements for Owens Drive (one-time costs)



Self Insurance/RUMBL Fund: Major Changes from Tentative (page 42)

- Revenue Changes:
 - None
- Expenditure Changes:
 - None, still budgeting for expenditures at amount included in latest actuarial study
- Note, ending fund balance projected to increase by \$3.7 million, or 71% over 2 years!!!



Road Ahead

- Challenges:
 - State level: COVID-19 induced recession impacts on education funding
 - CLPCCD Budget Allocation Model
 - SCFF
- Opportunities:
 - 2-year extension of hold harmless
 - Development and expansion of partnerships (K-12 and 4 year)
 - Continue to adjust to new SCFF metrics



Challenges: Economy

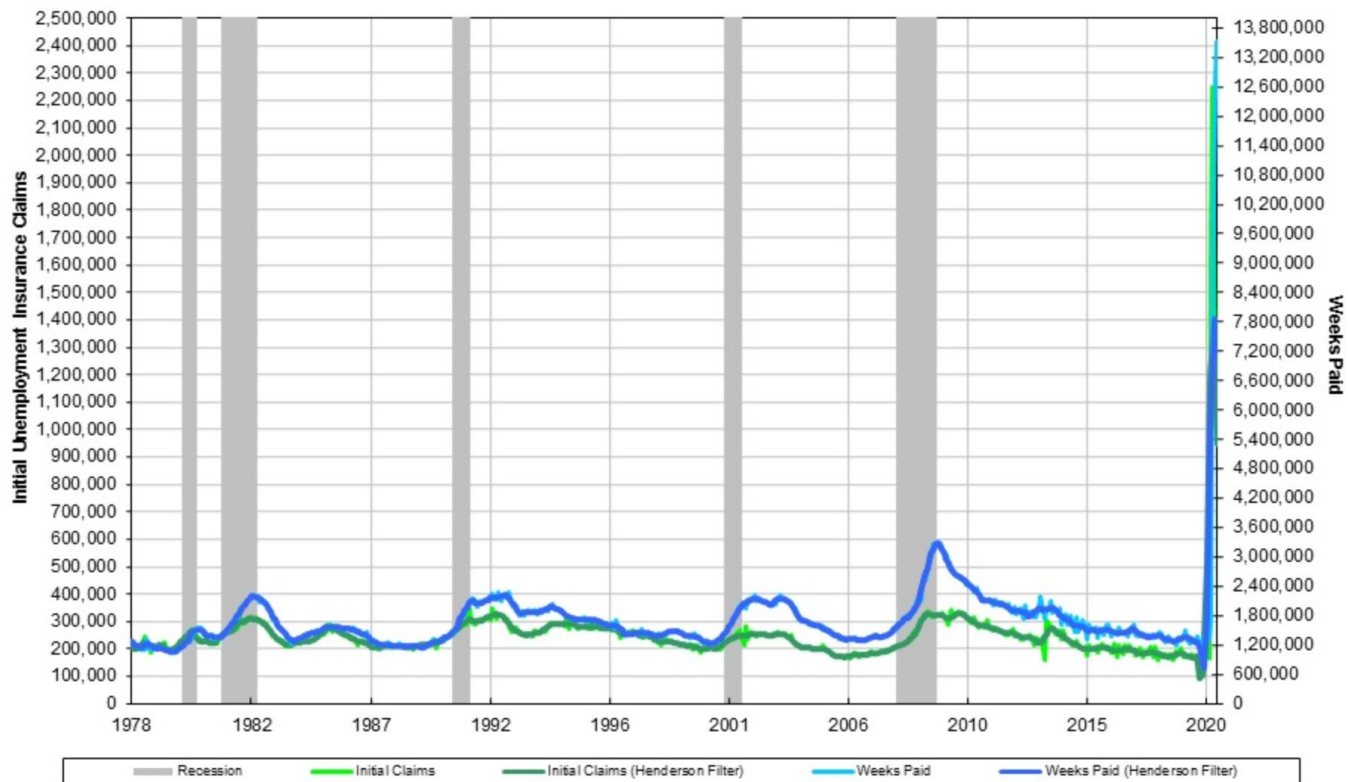




Challenges: Uncharted Territory

California Unemployment Insurance Claims and Weeks Paid
(Seasonally Adjusted Data)

08/19/2020





CLPCCD Budget Allocation Model

- Enrollment/FTES Target Setting Alignment:

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
DEMC Recommendation										
FTES										
District	15,904.00	16,456.38	17,020.00	17,191.00	16,867.00	17,400.00	17,675.00	17,649.00	17,649.00	16,974.00
Chabot	8,984.00	9,698.00	10,030.00	10,128.70	10,055.00	10,199.90	10,261.00	10,202.00	10,202.00	9,878.00
LPC	6,920.00	6,758.00	6,990.00	7,061.90	6,812.00	7,200.10	7,414.00	7,447.00	7,447.00	7,096.00
				1.00%	-1.88%	3.16%	1.58%	-0.15%	0.00%	-3.82%
320										
District	16,143.70	16,223.08	17,196.54	17,640.02	15,625.28	18,838.91	15,665.99	16,973.57	16,973.57	
Chabot	9,516.00	9,599.00	10,131.95	10,454.62	9,023.44	11,111.32	8,926.99	9,877.97	9,877.97	
LPC	6,627.00	6,624.00	7,064.59	7,185.40	6,601.84	7,727.59	6,739.00	7,095.60	7,095.60	
				2.58%	-11.42%	20.57%	-16.84%	8.35%	0.00%	



CLPCCD Budget Allocation Model: Staffing

Row Labels	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CLPCCD												
Position Control Analysis - CLPCCD												
ADMINISTRATOR ACADEMIC	21.00	20.00	20.00	19.90	20.69	19.50	22.00	22.00	23.00	23.00	23.00	22.92
ADMINISTRATOR CLASSIFIED	16.00	16.00	16.00	16.00	16.50	17.00	19.00	20.50	23.35	26.35	27.45	27.30
CLASSIFIED REGULAR	180.48	184.80	183.23	179.52	176.17	179.42	186.86	204.57	216.79	225.25	231.81	236.16
CLASSIFIED REGULAR HOURLY	2.70	2.00	1.91	0.86	0.62	3.07	2.62	1.44	2.44	2.51	2.88	2.88
CONFIDENTIAL	19.10	20.10	20.10	19.10	18.70	18.50	19.50	20.00	21.10	23.10	23.04	22.04
FACULTY CONTRACT TENURE TRACK	73.60	71.10	74.70	74.50	74.25	76.50	81.00	98.00	110.80	111.50	112.05	112.68
FACULTY TEMPORARY NON TENURE	0.80	1.80	1.80	1.00	1.00	1.00	1.00	1.00	3.00	3.00	2.00	2.00
FACULTY TENURED 10 PAY	167.03	166.42	167.05	161.07	157.20	158.19	162.38	160.65	166.43	168.20	171.07	179.40
SUPERVISORY	13.60	13.60	13.50	14.20	13.10	13.20	13.40	15.40	18.40	17.40	15.15	16.10
Grand Total	494.31	495.83	498.29	486.14	478.22	486.37	507.76	543.57	585.31	600.31	608.45	621.48



Road Ahead

- PBC Work:
 - Develop 5 year budget model that anticipates:
 - Reductions in state revenue, in alignment with current economic forecasts
 - Models changes in enrollment and anticipates sunset of hold-harmless
 - Develop simulations of expenditure budgets that includes compliance and contractual obligations (step & column, anticipated benefit increases, & 3A)
- This month, PBC began to review budget assumptions and recommendations for 2021-22 and 2022-2023
- March 2021- Tentative budget recommendation to the Board for 2021-22
- PBC will continue work on updating or revising district budget allocation model