



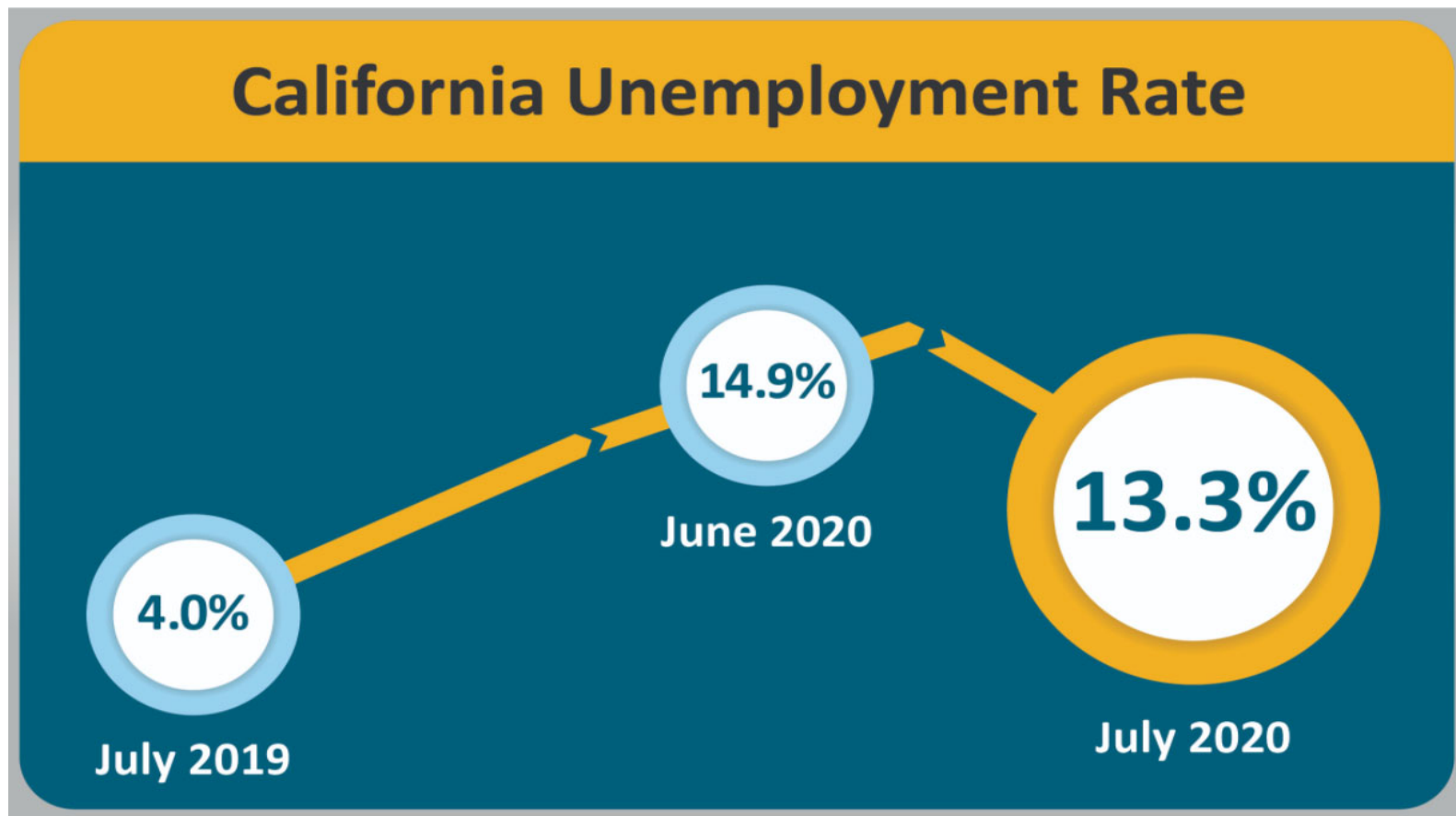
CHABOT-LAS POSITAS | *Community College District*

District Planning and Budget Committee

September 4, 2020



Economic Update





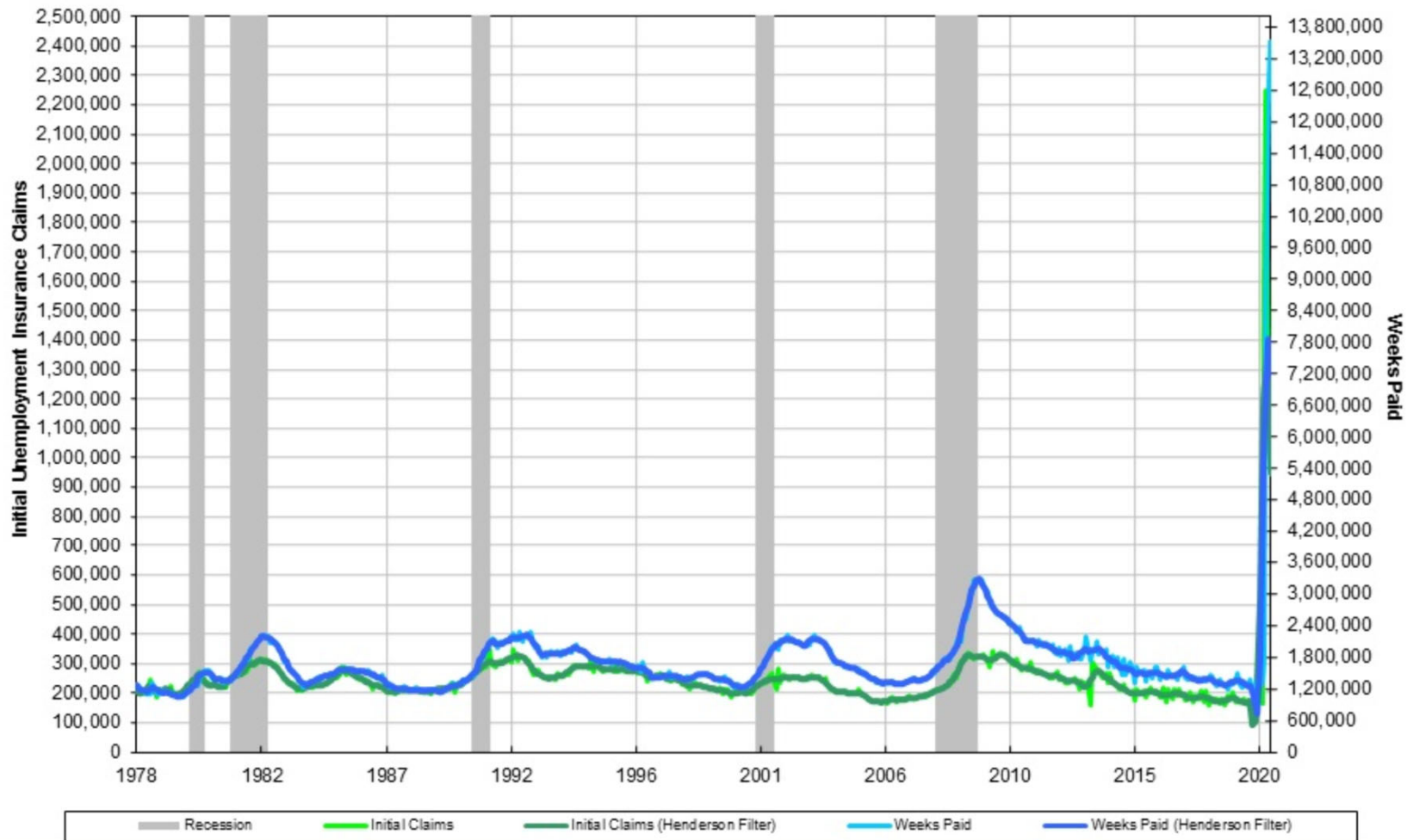
California Payroll Jobs





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

08/19/2020



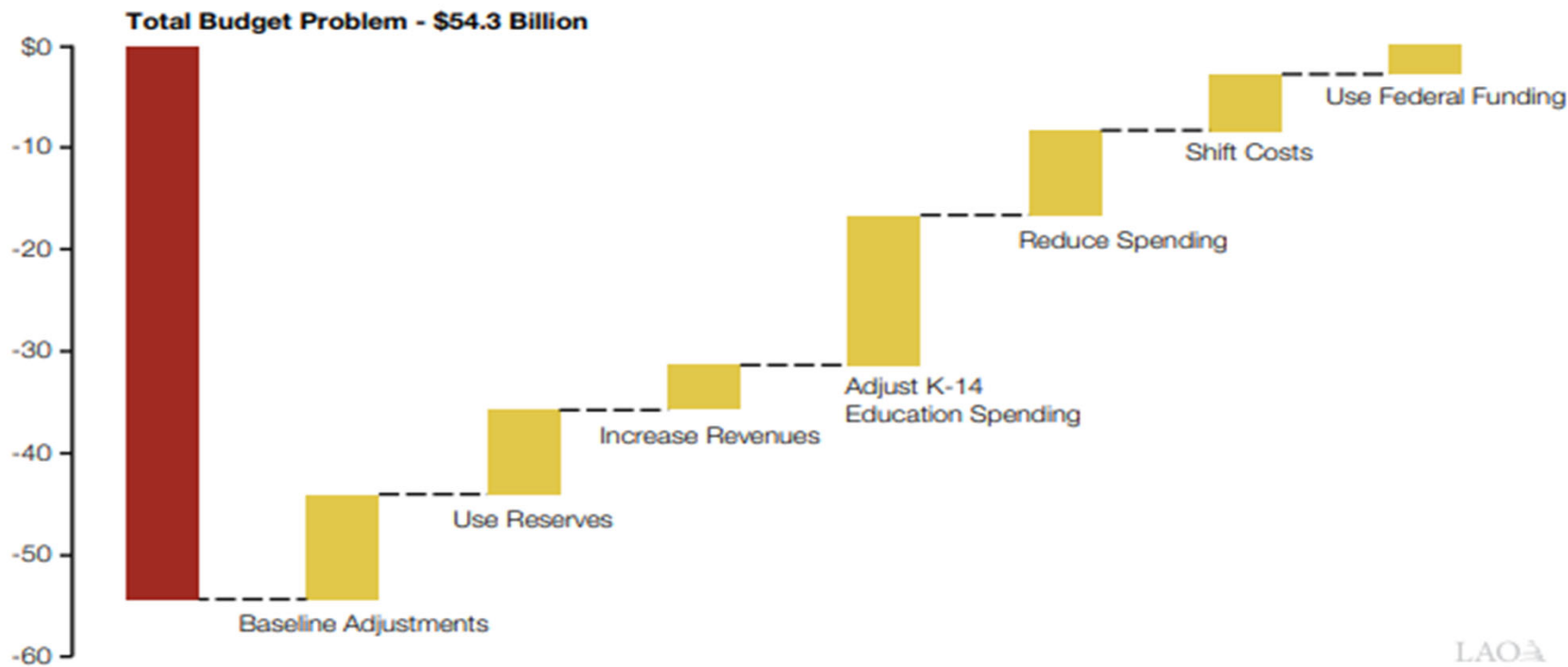
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How the Budget Addresses a \$54.3 Billion Budget Problem

(In Billions)



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Proposition 98 Funding by Segment and Source

(Dollars in Millions)

	2018-19 Final	2019-20 Revised	2020-21 Enacted	Change From 2019-20	
				Amount	Percent
Funding by Segment					
K-12 Education	\$69,311	\$68,568	\$62,525	-\$6,043	-8.8%
California Community Colleges	9,211	9,109	8,365	-745	-8.2
Totals	\$78,522	\$77,678	\$70,890	-\$6,788	-8.7%
Funding by Source					
General Fund	\$54,746	\$52,656	\$45,066	-\$7,590	-14.4%
Local property tax	23,776	25,022	25,824	802	3.2

Note: Amounts reflect June 2020 enacted budget levels, assuming the state does not receive additional federal funding.





- Reductions implemented by primarily deferring \$12.5 billion in payments to districts.
- If state receives additional federal funding by October, up to \$6.6 billion would instead be paid as usual.



Spending Reductions and Deferrals “Triggered Off” if Federal Funds Are Forthcoming

(In Billions)



Education-Related Deferrals	\$6.55
Spending Reductions	
Employee compensation reduction	1.89
Higher education reductions	0.97
Special fund loans ^a	0.94
Realignment backfill	0.25
Infill infrastructure grant program reversion	0.20
Judicial branch reduction	0.15
Golden State Teacher Grant Program reduction	0.09
Child support agency funding reversion	0.05
Moderate-income housing reversion	0.05
Total, Spending Reductions	\$4.58
Total	\$11.14



^a Borrowing from special fund loans related to employee compensation savings.
 Note: Numbers may not total due to rounding.



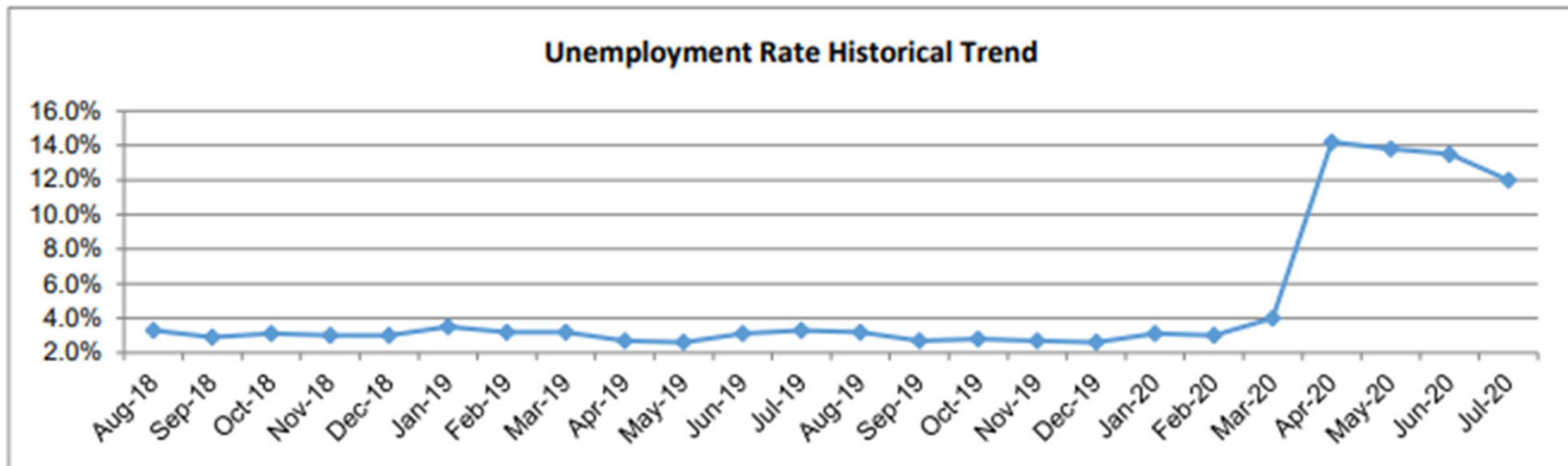


- Between July 2019 and July 2020, the total number of jobs located in the East Bay decreased by 141,400, or 11.9 percent.
- Unemployment rate was 14% in April, July it is 12%. High during great recession was 12.6%.
- Leisure and hospitality led in year-over job losses (down 40,700). Accommodation and food services accounted for seventy-seven percent of the loss.
- Private educational and health services contracted by 18,600 jobs. Health care and social assistance (down 15,900) accounted for most of the contraction.
- Employment in trade, transportation, and utilities decreased by 15,300 jobs. Around 70 percent of the reduction was reported in retail trade (down 10,700).
- Other job losses include: professional and business services (down 14,900 jobs), manufacturing (down 14,100), government (down 13,900), and construction (down 11,000).





Alameda County Unemployment Rate History



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DEMC Recommendations - History

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
DEMC Recommendation									
FTEF									
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
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
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
				1.00%	-1.88%	3.16%	1.58%	-0.15%	0.00%
FTEF									
District				1,048.10		1,092.50	1,131.90	1,130.30	1,130.50
Chabot				624.80		647.30	664.40	660.70	660.70
LPC				423.30		445.20	467.50	469.60	469.80
Main Group Productivity				515.00		500.00	490.00	490.00	490.00



Actual FTES and Expenditure History

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
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%
UGF Instructional Expenditures			Actual	Actual	Actual	Actual	Actual	Actual	Budgeted
District			34,055,001.51	38,135,793.51	40,828,390.95	42,111,693.83	43,143,770.03	45,805,831.78	44,586,743.78
Chabot			20,141,598.62	23,218,029.43	24,054,535.31	24,684,248.50	25,586,370.77	27,095,580.71	25,030,747.78
LPC			13,913,402.89	14,917,764.08	16,773,855.64	17,427,445.33	17,557,399.26	18,710,251.07	19,555,996.00
				11.98%	7.06%	3.14%	2.45%	6.17%	-2.66%



Information provided by:
 • Fkderw# 4/48 < 1; 3
 • OSF # 83 ; 194





2020-21

- Given the economic certainty (risk), enrollment trends and

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
longer term projections										
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%	





Next Steps:

- Complete 2020-21 proposed final budget, based upon State's adopted budget
- 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)