



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

| *Community College District*

# **FY 2021-22 Tentative Budget**

Jonah Nicholas, Vice Chancellor Business Services

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# Tentative Budget Overview:

- Unrestricted fund is balanced districtwide
  - Surplus of approximately \$700k or about 0.6% of the expenditure budget
  - Surplus achieved through a combination of factors:
    - Unfilled vacancies
    - Reliance on federal stimulus dollars where appropriate
    - Hold harmless funding of \$8.8M
- Projected Ending Fund Balance of \$22.3M
  - Equates to a reserve level of 18.57%, well above the 8% target reserve in AP 6305
  - As we begin the FY 2020-21 closing process, this figure can and likely will shift, perhaps significantly, by the Adoption Budget



# Position Control:

Unrestricted Fund				
	FY 2020-21 FTE	FY 2021-22 FTE	Difference	% Difference
Chabot College	389.30	357.07	(32.23)	-8.28%
Las Positas College	255.94	243.68	(12.26)	-4.79%
District/M&O	135.89	130.44	(5.45)	-4.01%
<b>Total</b>	<b>781.13</b>	<b>731.19</b>	<b>(49.94)</b>	<b>-6.39%</b>



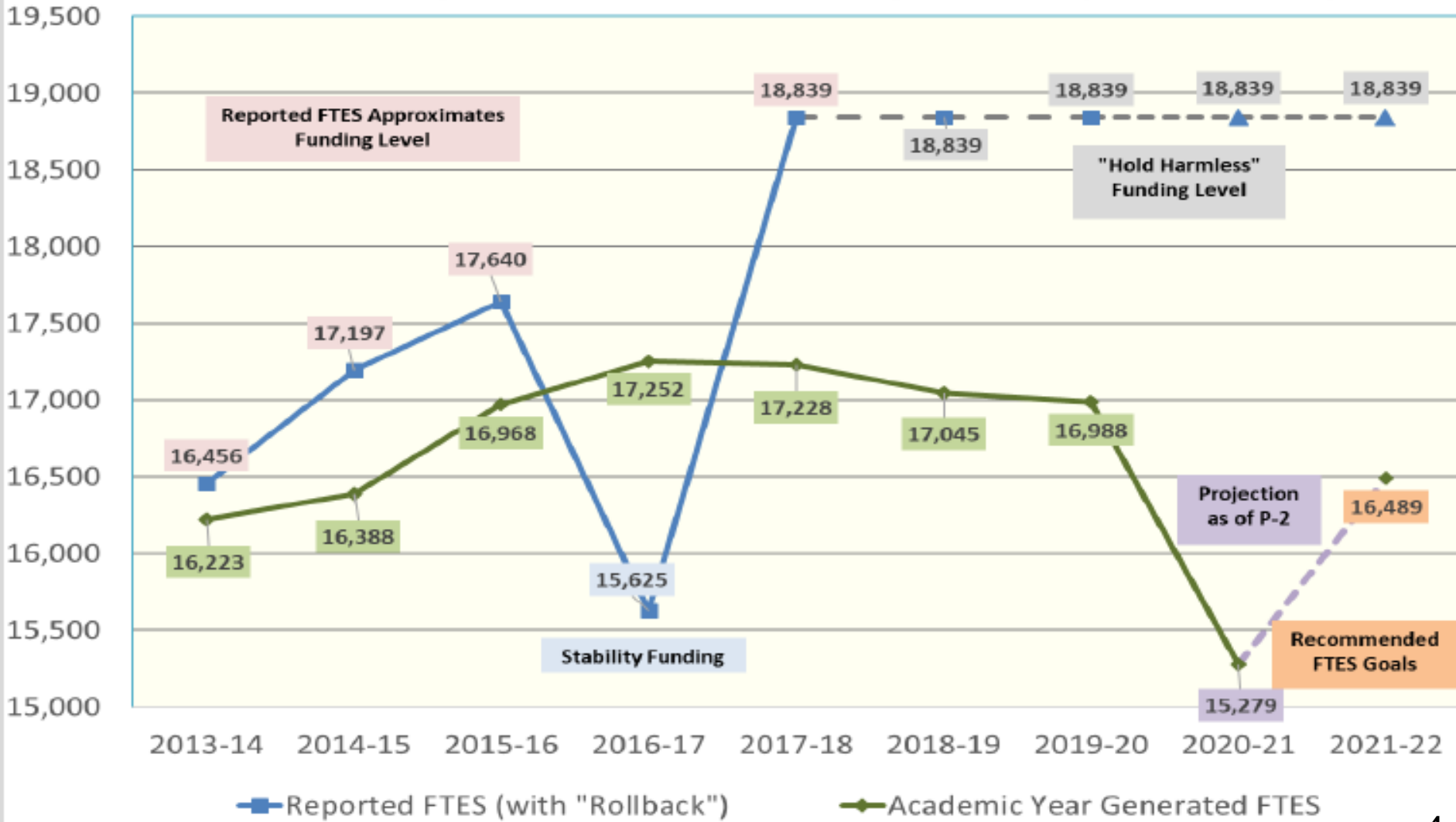


# Major Assumptions:

- FTES Assumptions
  - Chabot College – 9,534 FTES; year-over year reduction of 668
  - Las Positas College – 6,955 FTES; year-over year reduction of 492
- Revenue Assumptions
  - COLA of 1.5% - Approximately \$1.7M in additional apportionment revenue
  - Enrollment Growth of 0%
- Expenditure Assumptions
  - Salary increase of 2%, approximately \$1.5M
  - Pension increases approximately \$630k



**Historic Annually Generated District FTES vs Reported FTES (with "Rollback")**





# Hold Harmless Funding

- The unrestricted fund budget is balanced through the recording of the Hold Harmless revenue of \$8.8M
  - This is not distributed through the revenue allocation model
  - Results in negative reserves at the sites and a large districtwide reserve to counter those effects
  - Currently looking at resolving this reserve issue should the District migrate to a new Budget Allocation Model
- Hold Harmless funding is secure through fiscal year 2023-24



# Significant Changes Anticipated for Adoption Budget

- Cost-of-Living-Adjustment (COLA)
  - FY 2020-21: 2.31% (previously was 0%; not included in current projections)
  - FY 2021-22: 1.70% (Tentative Budget projects 1.5%)
  - Compounded COLA of 4.05% over current levels
    - **District Impact:** An additional \$2.6M in apportionment revenue in FY 2020-21 and another \$2.0M in FY 2021-22. If enacted, this proposal would provide \$4.6M in additional apportionment revenue in FY 2021-22 over current year level.
- Other Notable Items
  - Federal Stimulus funds; still have approximately \$24M of the \$30M in institutional aid remaining. May have a profound impact on year-end close.
  - State Unemployment Insurance rate will rise significantly year-over-year to the tune of an additional \$1M in fringe costs
  - New fund will be created based upon the establishment of an irrevocable trust



## Next Steps:

- Adoption Budget
  - Will incorporate the enacted state budget figures and will be presented to the Board prior to September 15<sup>th</sup>
  - As always, staff will continue to keep the Board apprised of any significant developments that occur between now and approval of the Adoption Budget





**Questions?**