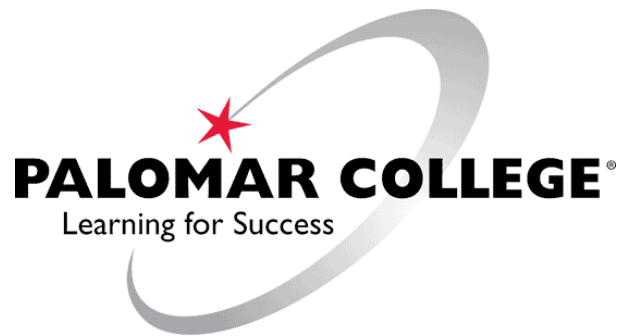




Budget Committee

March 9, 2021



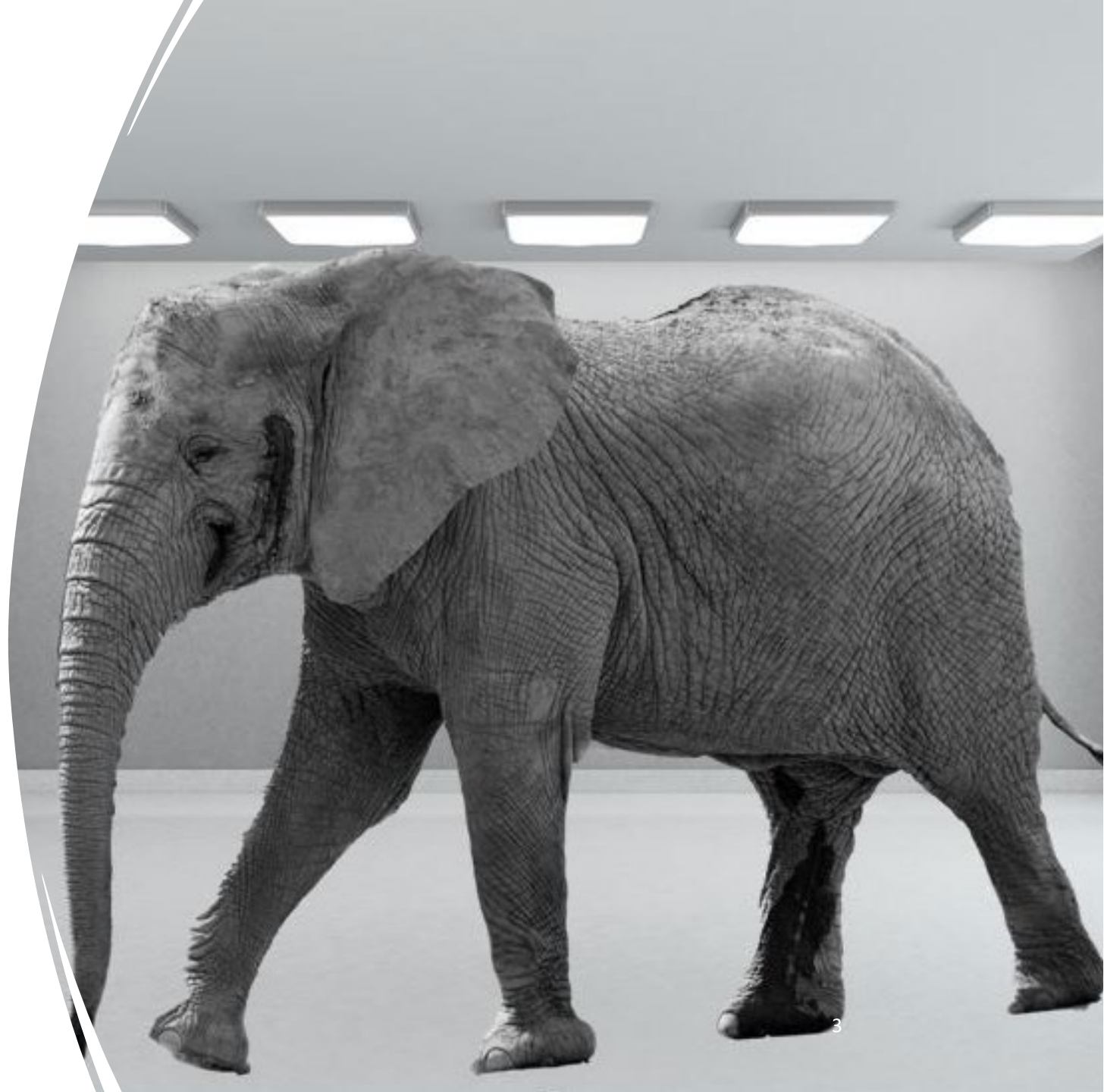
Agenda Items

- I. Approval of Meeting Minutes
 - a) Regular Meeting of February 23, 2021
- II. Budget Assumptions
- III. Budget Development / Budget Nuts & Bolts Work Group
- IV. Other
- V. Adjournment

Changes to Fiscal Services

Accounting Manager

Sr. Director, Fiscal Services



SSC Community College Financial Projection Dashboard 2021–22 Governor’s Budget

This version of the School Services of California Inc. (SSC) Financial Projection Dashboard is based on the 2021–22 Governor’s Budget proposal. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

Factor		2020–21	2021–22	2022–23	2023–24	2024–25
Statutory COLA for Student Centered Funding Formula and Latest Department of Finance Projections		2.31%	1.50%	2.98%	3.05%	N/A
SSC’s Recommended Planning COLA ¹		0.00%	1.50%	1.28%	1.61%	1.90%
Growth Funding		0.00%	0.50%	TBD	TBD	TBD
State Categorical Programs	Planning COLA ²	0.00%	1.50%	1.28%	1.61%	1.90%
	Funding	\$136 million	\$483.1 million ³	Ongoing unless otherwise stated	Ongoing unless otherwise stated	Ongoing unless otherwise stated
California CPI		1.44%	1.57%	1.82%	2.12%	2.40%
Interest Rate for Ten-Year Treasuries		0.98%	1.48%	1.65%	1.90%	2.10%
California Lottery ⁴	Unrestricted per FTES*	\$150	\$150	\$150	\$150	\$150
	Restricted per FTES	\$49	\$49	\$49	\$49	\$49
Mandate Block Grant (per FTES)		\$30.16	\$30.61	\$31.00	\$31.50	\$32.10
CalSTRS Employer Rate ⁵		16.15%	15.92%	18.00%	18.00%	18.00%
CalPERS Employer Rate ⁵		20.70%	23.00%	26.30%	27.30%	27.80%

*Full-time equivalent student

Budget Assumptions

Changes at P1 Reporting

AVAILABLE RESOURCES AT P1

The estimates of local property tax and enrollment fee revenue used to determine the General Fund amount needed to fully fund the 2020-21 SCFF are higher in the Budget Act than what has been reported for the P1 certification. Specifically, there is currently a \$91 million shortfall in net offsetting property taxes and a \$19 million shortfall in offsetting enrollment fee revenue compared to the estimates used in the Budget Act. Additionally, the amount needed to fully fund the TCR was underestimated by more than \$50 million. These are the primary variances that result in a \$163 million General Fund shortfall. To align TCR with available resources, a proportional deficit of 2.3826% to non-excess tax district TCR and state General Fund allocations is applied.

Impact to 2019/20 - Example

2019/20 Apportionment Exhibit C	P1 02/28/2020		P2 06/26/2020		P2 08/24/2020		P2 09/28/2020		R1 02/26/2021		R1 06/26/2021	
Total Computational Revenue (TCR)	\$115,124,684		\$115,124,684		\$115,124,684		\$115,124,684		\$115,124,684		\$115,124,684	
Deficit Rate / Amount	3.6897%	\$4,247,804	8.1638%	\$9,398,500	0.9502%	\$1,093,864	0.9502%	\$1,093,864	0.4243%	\$488,461	TBD	
Funded SCFF	\$110,876,880		\$105,726,184		\$114,030,820		\$114,030,820		\$114,636,223		\$115,124,684	
Revenue Change over Prior Year			(\$5,150,696)		\$8,304,636		\$8,304,636		\$605,40			

Scenario 1 – SSC Recommended COLA

Revenue Assumptions –Scenario 1

Factor	2020-21 Projected		2021-22 Assumption		2022-23 Assumption		2023-24 Assumption		2024-25 Assumption	
Enrollment Growth			5%		7%		7%		7%	
FTES Enrollment / FTES Funded	15,214	18,342	15,974	17,993	17,092	17,700	18,288	17,470	19,568	17,236
Cost of Living Adjustment (COLA)	0.00%		1.50%		1.28%		1.61%		1.90%	
Growth Factor	0.00%		0.50%		0.00%		0.00%		0.00%	
Total Computational Revenue (TCR)	\$115,124,684		\$116,851,555		\$118,347,255		\$120,252,645		\$113,719,122	
Deficit Factor 2.3826%	(\$2,742,994)									
Funded SCFF	\$112,381,690		\$116,851,554		\$118,347,254		\$120,252,645		\$117,228,065	
<i>Hold Harmless Revenue</i>	\$3,484,854		\$5,779,681		\$6,715,459		\$7,266,459		\$0	
<i>Stability Protection Adjustment</i>	\$1,264,816		\$0		\$0		\$0		\$0	
<i>Center Status Funding</i>	\$0		\$0		\$0		\$0		\$0	
Earned SCFF	\$108,896,836		\$111,071,873		\$111,631,795		\$112,986,186		\$117,228,065	
Revenue Change over Prior Year			\$4,469,864		\$1,495,700		\$1,905,390		(\$3,024,580)	

Revenue Assumptions Con't –Scenario 1

Factor	2020-21 Projected	2021-22 Assumption	2022-23 Assumption	2023-24 Assumption	2024-25 Assumption
Apportionment Revenue / SCFF	\$112,381,690	\$116,851,554	\$118,347,254	\$120,252,645	\$117,228,065
<i>Apprenticeship</i>	<i>\$2,406,636</i>	<i>\$2,406,636</i>	<i>\$2,406,636</i>	<i>\$2,406,636</i>	<i>\$2,406,636</i>
<i>Lottery</i>	<i>\$2,633,700</i>	<i>\$2,770,350</i>	<i>\$2,350,499</i>	<i>\$2,421,014</i>	<i>\$2,541,233</i>
<i>Mandated Costs</i>	<i>\$529,549</i>	<i>\$565,336</i>	<i>\$485,770</i>	<i>\$508,413</i>	<i>\$543,824</i>
<i>Nonresident Tuition</i>	<i>\$2,678,991</i>	<i>\$2,678,991</i>	<i>\$2,700,000</i>	<i>\$2,700,000</i>	<i>\$2,700,000</i>
<i>Other State Revenue</i>	<i>\$1,439,419</i>	<i>\$1,439,419</i>	<i>\$1,439,419</i>	<i>\$1,439,419</i>	<i>\$1,439,419</i>
<i>STRS on behalf Other</i>	<i>\$5,248,956</i>	<i>\$5,248,956</i>	<i>\$5,248,956</i>	<i>\$5,248,956</i>	<i>\$5,248,956</i>
<i>Equal Opportunity</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>\$50,000</i>
Sub-Total Ongoing Revenue	\$14,987,251	\$15,159,688	\$14,681,279	\$14,774,437	\$14,930,067
Sub-Total One-Time Revenue	\$3,024,299	\$1,906,786	\$2,725,310	\$3,475,310	\$3,725,310
Total Revenue	\$130,393,240	\$133,918,028	\$135,753,843	\$138,502,392	\$135,883,442
Revenue Change over Prior Year		\$3,524,788	\$1,835,815	\$2,748,549	(\$2,618,950)

Expenditure Assumptions –Scenario 1

Factor	2020-21 Projected	2021-22 Assumption		2022-23 Assumption		2023-24 Assumption		2024-25 Assumption	
Step & Column		1.08%		1.08%		1.08%		1.08%	
COLA (Salaries– no PERS/STRS)		1.50%	\$1,126,490	1.28%	\$778,342	1.61%	\$1,788,997	1.90%	\$3,023,119
CalPERS	20.70%	23.00%	\$782,343	26.30%	\$1,087,239	27.30%	\$493,263	27.80%	\$388,646
Cal STRS	16.15%	15.92%	\$130,576	18.00%	\$1,832,317	18.00%	\$364,593	18.00%	\$415,008
Health & Welfare	4.00%	4.00%	\$607,709	4.00%	\$625,777	4.00%	\$650,808	4.00%	\$676,841
OASDI	6.20%	6.20%	\$69,215	6.20%	\$64,929	6.20%	\$75,811	6.20%	\$86,294
Unemployment	0.05%	0.05%	\$1,073	0.05%	\$1,006	0.05%	\$1,175	0.05%	\$1,338
Workers Comp	1.57%	1.57%	\$30,273	1.57%	\$28,399	1.57%	\$33,159	1.57%	\$37,743
Apple	2.50%	2.50%	\$1,694	2.50%	\$1,589	2.50%	\$1,855	2.50%	\$2,111
Energy Cost Increase (Rebate/Reopening)	\$0	\$600,000		\$200,000		\$0		\$0	
Board Election Costs	\$250,000	\$0		\$150,000		\$0		\$250,000	
Contribution to Police Department	(\$1,300,000)	(\$1,300,000)		\$1,300,000		\$1,300,000		\$1,300,000	
Reserve for Re-Org		\$750,000		\$758,100		\$766,287		\$774,563	
OPEB Contribution	\$2,696,531	\$1,916,531		\$2,023,192		\$2,134,120		\$2,999,485	

Scenario 2 – FCMAT Recommended COLA

Revenue Assumptions –Scenario 2

Factor	2020-21 Projected		2021-22 Assumption		2022-23 Assumption		2023-24 Assumption		2024-25 Assumption	
Enrollment Growth			5%		7%		7%		7%	
FTES Enrollment / FTES Funded	15,214	18,342	15,974	17,993	17,092	17,700	18,288	17,470	19,568	17,236
Cost of Living Adjustment (COLA)	0.00%		1.50%		0%		0%		0%	
Growth Factor	0.00%		0.50%		0.00%		0.00%		0.00%	
Total Computational Revenue (TCR)	\$115,124,684		\$116,851,555		\$118,347,255		\$120,252,645		\$113,719,122	
Deficit Factor 2.3826%	(\$2,742,994)									
Funded SCFF	\$112,381,690		\$116,851,554		\$116,851,554		\$116,851,554		\$113,447,073	
Hold Harmless Revenue	\$3,484,854		\$5,779,681		\$6,715,459		\$7,266,459		\$0	
Stability Protection Adjustment	\$1,264,816		\$0		\$0		\$0		\$0	
Center Status Funding	\$0		\$0		\$0		\$0		\$0	
Earned SCFF	\$107,632,020		\$111,071,873		\$111,631,795		\$112,986,186		\$113,447,073	
Revenue Change over Prior Year			\$4,469,864		\$0		\$0		(\$3,404,481)	

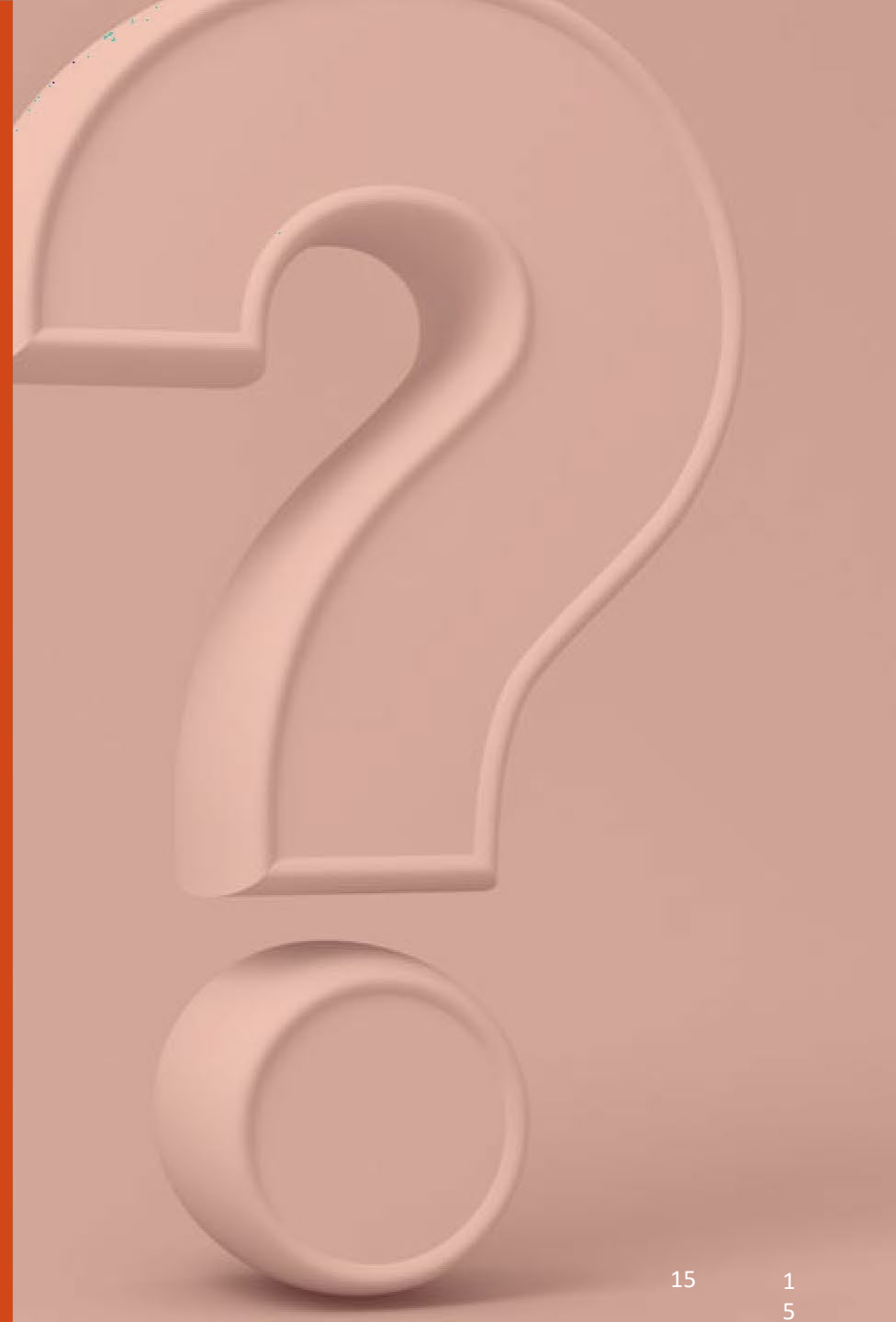
Revenue Assumptions Con't –Scenario 2

Factor	2020-21 Projected	2021-22 Assumption	2022-23 Assumption	2023-24 Assumption	2024-25 Assumption
Apportionment Revenue / SCFF	\$112,381,690	\$116,851,554	\$116,851,554	\$116,851,554	\$113,447,073
<i>Apprenticeship</i>	<i>\$2,406,636</i>	<i>\$2,406,636</i>	<i>\$2,406,636</i>	<i>\$2,406,636</i>	<i>\$2,406,636</i>
<i>Lottery</i>	<i>\$2,633,700</i>	<i>\$2,770,350</i>	<i>\$2,350,499</i>	<i>\$2,421,014</i>	<i>\$2,541,233</i>
<i>Mandated Costs</i>	<i>\$529,549</i>	<i>\$565,336</i>	<i>\$485,770</i>	<i>\$508,413</i>	<i>\$543,824</i>
<i>Nonresident Tuition</i>	<i>\$2,678,991</i>	<i>\$2,678,991</i>	<i>\$2,700,000</i>	<i>\$2,700,000</i>	<i>\$2,700,000</i>
<i>Other State Revenue</i>	<i>\$1,439,419</i>	<i>\$1,439,419</i>	<i>\$1,439,419</i>	<i>\$1,439,419</i>	<i>\$1,439,419</i>
<i>STRS on behalf Other</i>	<i>\$5,248,956</i>	<i>\$5,248,956</i>	<i>\$5,248,956</i>	<i>\$5,248,956</i>	<i>\$5,248,956</i>
<i>Equal Opportunity</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>\$50,000</i>
Sub-Total Ongoing Revenue	\$14,987,251	\$15,159,688	\$14,681,279	\$14,774,437	\$14,930,067
Sub-Total One-Time Revenue	\$3,024,299	\$1,906,786	\$3,475,310	\$3,725,310	\$3,725,310
Total Revenue	\$130,393,240	\$133,918,028	\$134,258,144	\$135,101,302	\$132,102,451
Revenue Change over Prior Year		\$3,524,788	\$340,115	\$843,158	(\$2,998,851)

Expenditure Assumptions –Scenario 2

Factor	2020-21 Projected	2021-22 Assumption		2022-23 Assumption		2023-24 Assumption		2024-25 Assumption	
Step & Column		1.08%		1.08%		1.08%		1.08%	
COLA <small>(Salaries Only – no PERS/STRS)</small>		1.50%	\$1,126,490	0%	\$0	0%	\$0	0%	\$0
CalPERS	20.70%	23.00%	\$782,343	26.30%	\$992,965	27.30%	\$362,612	27.80%	\$226,523
Cal STRS	16.15%	15.92%	\$130,576	18.00%	\$1,662,123	18.00%	\$143,601	18.00%	\$145,152
Health & Welfare	4.00%	4.00%	\$601,709	4.00%	\$625,777	4.00%	\$650,808	4.00%	\$676,841
OASDI	6.20%	6.20%	\$69,215	6.20%	\$29,540	6.20%	\$29,859	6.20%	\$30,182
Unemployment	0.05%	0.05%	\$1,073	0.05%	\$458	0.05%	\$463	0.05%	\$468
Workers Comp	1.57%	1.57%	\$30,273	1.57%	\$12,920	1.57%	\$13,060	1.57%	\$13,201
Apple	2.50%	2.50%	\$1,694	2.50%	\$723	2.50%	\$731	2.50%	\$739
Energy Cost Increase (Rebate/Reopening)	\$0	\$600,000		\$200,000		\$0		\$0	
Board Election Costs	\$250,000	\$0		\$150,000		\$0		\$250,000	
Contribution to Police Department	(\$1,300,000)	(\$1,300,000)		\$1,300,000		\$1,300,000		\$1,300,000	
Reserve for Re-Org		\$750,000		\$758,100		\$766,287		\$774,563	
OPEB Contribution	\$2,696,531	\$1,916,531		\$2,023,192		\$2,134,120		\$2,999,485	

Questions/Comments





THANK YOU!