



CCOS

COLLEGE OF THE SEQUOIAS

VISALIA

HANFORD

TULARE

Sequoias Community College District

Fiscal Year 2021-22

Tentative Budget

June 7, 2021

State Requirement for District Budget Approval

- Governing board to adopt an annual budget and financial report showing proposed expenditures and estimated revenues.

Activity	Regulatory Due Date
Tentative Budget	July 1 ,2021
<u>Final Budget</u>	
Public Inspection	September 8, 2021
Public Hearing/Board Adoption	September 15, 2021
Submit to Chancellor's Office	October 10, 2021
Submit annual audit report to Chancellor's Office	December 31, 2021

- Includes a mix of ongoing and one-time investments of \$100B made possible by an unanticipated surge in state revenues and robust federal stimulus funding.
- Big “Three” Taxes
 - Personal Income
 - Sales and Use
 - Corporations
- State Reserve
 - \$24.4B
- Raining Day Fund/Budget Stabilization Account
 - \$15.9B

Community College System Impact

	FY 2020-21 Final	FY 2021-22 May Revise
Revenue	(\$54B) Shortfall	\$75.7B Surplus
COLA – (GFU)	0%	4.05%
Deficit	.85% / 2.38%	2.38% (District Decision)
Growth	0%	0.5%
Deferrals	\$1.453B	Eliminated
Deferred Maintenance Funds	Eliminated	\$314M One-time

Student Centered Funding Formula and Other Misc Budget Items

- Hold Harmless to Fiscal Year 2023-24
 - 30 Districts
- FTES Protection (Apportionment)
 - 59 Districts
- COVID-19 Block Grant
- Workforce and Technology Focused Investments
- Zero Textbook Cost Degrees

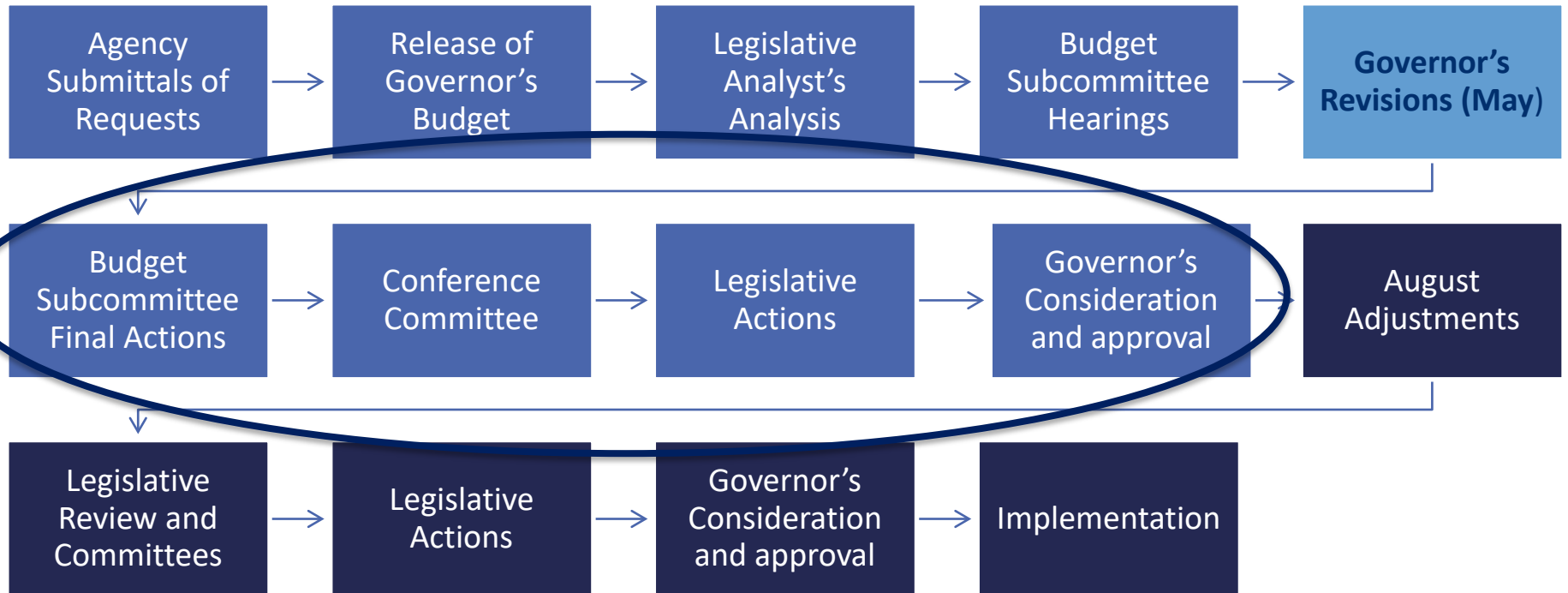


Community College System Impact

Program	Ongoing Funding Amount
ESL	\$50.0M
Basic Needs Centers	\$30.0M
Student Equity and Achievement Program	5% Base Increase
Dreamer Resource Liaisons	\$5.8M
Student Success Completion Grants	\$27.2M
Program	One-time Funding Amount
Guided Pathways	\$150.0M
Support Retention Rates/Enrollment	\$120.0M
College and Career Access Pathways	\$75.0M

Budget Process/Timeline

June 15, 2021 Constitutional Deadline for Adopted Budget





Student Centered Funding Formula (SCFF)

(FY 21-22 BEFORE 2.38% Deficit = \$1.88M)

Total FY 21-22 GF Tentative Budget \$79,032,265

70% Base Allocation
\$52,646,213

- Basic Allocation (Medium District + 2 Education Centers)
- FTES Revenue (Average of 3 years)

Access

20% Supplemental
\$16,763,766

- Pell Grant recipients
- CA Promise (BOG) Grant
- AB540 Students

Equity

10% Student Success
\$9,622,286

- ADT, AA/AS
- Credit Certificates
- Transfers to 4-yr institution
- 9-CTE units Completers
- Regional living wage
- Transfer level math and English
- (Average of 3 years)

Success



Student Centered Funding Formula (SCFF)

Funding Categories	FY 2020-21 @ P1	FY 2021-22 Tentative
Access	50,314,846	52,646,213
Equity	16,111,260	16,763,766
Success	<u>8,430,481</u>	<u>9,622,286</u>
Sub-total	74,856,587	79,032,265
Less: Deficit (2.38%)	<u>(1,783,555)</u>	<u>(1,883,045)</u>
Total GFU	<u>73,073,032</u>	<u>77,149,220</u>

Fiscal Solvency Plan - Budget Assumptions

- **FY 2021-22**
 - COLA 4.05%, Deficit 2.38% (District Decision), Growth 0%, Base Budget Augmentation \$745,275 Discretionary and Staffing, 4% Pay Increase, Step and Column

- **FY 2022-23**
 - COLA 0%, Deficit 2.38% (District Decision), Growth 0%, 2.5% Pay Increase, Step and Column

- **FY 2023-24**
 - COLA 0%, Deficit 0%, Growth 0%, 2.5% Pay Increase, Step and Column



Projected Budget - Fiscal Solvency Plan *Unrestricted Only*

FY 21-22: 2.38% Deficit, 4.05% COLA, 0% Growth, 4.0% Pay Increase

FY 22-23: 2.38% Deficit, 0% COLA, 0% Growth, 2.5% Pay Increase

FY 23-24: 0% Deficit, 0% COLA, 0% Growth, 2.5% Pay Increase

Description	2021-22	2022-23	2023-24
State Allocation	77,149,242	77,584,610	79,478,257
Local and Federal Funds	4,101,532	4,101,532	4,101,532
Total Revenue	81,250,774	81,686,142	83,579,789
Expenditures (Object Codes 1000 to 7000)	73,355,782	76,663,532	79,862,094
Step/Column		850,000	875,000
Pay Increase FY 21-22: 4.0%, FY 22-23: 2.5%, FY 23-24: 2.5% (Tentative-Budget Planning Only)	2,099,184	1,411,960	1,468,710
Pay Increase FY 20-21: 2.0% (Tentative-Budget Planning Only)	1,208,566	0	0
Mandatory cost increases		200,000	200,000
Savings from GFU Retirees (Estimate 5 in out years)		(1,000,000)	(1,000,000)
Cost of GFU new Faculty 8 (Estimate 10 in out years)		1,345,352	1,715,320
Cost of PERS/STRS (Pre-condition)		391,250	299,464
LESS: Total Expenditures	76,663,532	79,862,094	83,420,588
Structural Surplus/(Deficit) projected	4,587,242	1,824,048	159,201

- **FY 2020-21 Year-End Close**
 - Estimated Surplus \$6.2M
 - One-time transfer \$5.5M
 - August closing
- **June 15, 2021 State Adopted Budget**
 - Governor, DOF, Senate, & Assembly Agreement
- **August Revise**
 - Further Adjustments for COS' Final Adopted Budget
 - September 2021 Board of Trustees' Approval

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QUESTIONS / COMMENTS?

***TENTATIVE BUDGET PRESENTED
FOR
BOARD APPROVAL***