

Grossmont-Cuyamaca Community College District

2020/2021 Adoption Budget

October 13, 2020

Presented by Sahar Abushaban

Interim Vice Chancellor – Business Services

2019/2020 Apportionment

- P1 – February 2020
 - 3.69% Revenue Deficit - \$3.7 million
- P2 – June 2020
 - 8.16% Revenue Deficit - \$9.5 million
- P2 Revised – August 2020
 - New reporting period
 - .95% Revenue deficit - \$1.1 million

2020/21 State Budget Timeline

- Proposed Budget - January
 - \$5.6 billion surplus & \$21 billion in reserves
 - Budget included COLA & Growth
- Revise Budget - May
 - \$54.3 billion deficit
 - Major cuts to community colleges
- Approved Budget – June
 - Restored many of the proposed cuts from the May Revise
 - No COLA or Growth included in the budget
 - \$1.4 billion in payment deferrals into next fiscal year

2020/2021 Adoption Budget Unrestricted General Fund

- Revenues:
 - No Cost of Living Adjustment (COLA)
 - Includes 4% reduction to apportionment in anticipation of mid-year cut - **\$4.6 million**
 - 6% less compared to 2019/20 actuals - **\$7.5 million**

2020/2021 Adoption Budget Unrestricted General Fund

- Expenditures:

- To balance the budget, expenditures had to be reduced to address increases in personnel costs and reduction in revenue

- Total Reduction \$10.8 million
- Total Increases \$3.2 million

2020/2021 Adoption Budget Reduction in Expenditures

- Froze/delayed hiring 45 positions \$3.3 million
- Reduced adjuncts & hourlies salaries \$4.5 million
- Reduced contracts \$1.4 million
- Reduced District Services operating budget \$500k
- Reduced Electricity \$200K
- Reduced OPEB Funding \$600K
- Froze Reserve Level \$300K

2020/2021 Adoption Budget Increases in Expenditures

- Step & Column Increases \$1.4 million
- Benefits Increases \$1.3 million
- Unemployment expenses \$300k
- Property & Liability Insurance \$130K
- Interest Expense for cash borrowing \$90K

Budget Challenges

- COVID-19 Impacts
- Revenue Reductions
- Cost Increases
 - Step and Column
 - Health Benefits
 - STRS & PERS
- State deferral impacts
 - District will need to borrow cash to make payments including payroll
- Low Reserve levels
- Enrollment down 20% from funded level – impact on future funding
 - Hold Harmless will end in 2023-24

COMMENTS/
QUESTIONS??