

A Virtual Open Forum

**2021-2022 Budget & Return to
Campus**

Lynn Neault, Ed.D., Chancellor

Sahar Abushaban, Interim Vice
Chancellor, Business Services



Today's Agenda

- **Overview of the 2021-2022 Budget**
Sahar Abushaban, Interim Vice Chancellor,
Business Services
- **Updates on Return to Campus**
Chancellor Neault
- **Questions**

The background of the slide features a photograph of a building with a sign that reads 'F ADMINISTRATION'. The building is partially obscured by lush green trees and a large tree with vibrant autumn foliage in shades of orange, red, and yellow. The sky is blue with some light clouds. A teal vertical bar is visible on the left side of the slide.

Overview of the 2021-2022 Budget

2021-2022 Adoption Budget Highlights

- Approved by the Governing Board on September 14, 2021
- Based on Final Approved State Budget
- Unrestricted General Fund includes 5.07% Cost of Living Adjustments (COLA) – \$5.8 M
- 2020-2021 FY ended with higher ending balance
- Balance Budget with ending balance (one-time funds)

Summary of Operations and Ending Balances - UGF

	<u>2020-2021</u>	<u>2019-2020</u>
• Beginning Balance	\$ 14.9 M	\$ 12.8 M
• Plus: Estimated Revenue	\$121.0 M	\$128.0 M
• Less: Estimated Expenses	\$114.7 M	\$126.0 M
• Less: Contingency Reserve	\$ 9.0 M	\$ 8.9 M
• Less: Purchase Order Carryover	\$ 1.9 M	\$ 1.5 M
• Net Ending Balance	<u>\$ 10.3 M</u>	<u>\$ 4.4 M</u>

Reasons for Higher Ending Balance

- Lower State revenue deficit than budgeted
- Implemented Early Retirement (SERP) to reduce salaries & benefits – 35 employees retired
- Negotiated health benefit changes with certain groups to reduce ongoing cost
- Delayed filling vacant positions included in the budget
- Reduced adjuncts by 17% and hourlies (including tutors & TAs) by 80%
- Offset some general fund expenses related to COVID-19 with federal stimulus funds

Ending Balance Use

- Transition Financial Aid from SAM to Colleague
- Replace Storage Area Network (SAN)
- Computer Replacement Transition to Windows 11
- Improve Student Self Service registration system to be student-friendly
- MIS Data Assessment Improvements
- Website Enhancements
- VOIP Phone Emergency Backup when power outage
- DW Locks, Access & Security upgrades

Ending Balance Use

- Due to the successful collective efforts to contain costs in 2020–2021, the District is planning a one-time off-schedule payment to employees using a portion of ending balance (subject to negotiations)

2021-2022 Adoption Budget Unrestricted General Fund

Revenue

• Apportionment Revenue (SCFF) (Enrollment/Student Outcome/FA)	\$ 120.7 M	92.7%
• Other State Revenue	\$ 5.0 M	4.0%
• Local Revenue	\$ 4.0 M	3.0%
• Transfers In/Out	\$.4 M	.3%
• Total Revenue	<u>\$ 130.1 M</u>	

2021-2022 Adoption Budget Fixed Cost Analysis - UGF

• Total UGF Revenue	\$130.1 M		
• Contract Salaries	\$58.7 M	45%	
• Adjunct & Hourlies	\$21.8 M	17%	
• Total Benefits	\$36.8 M	28%	<u>90%</u>
• Utilities, Rent, Repairs & Maint.	\$ 7.0 M	5%	
• Contract Services	\$ 2.5 M	2%	
• Insurance, Audits & Legal	\$ 1.7 M	1%	
• Fees & Software	\$ 1.2 M	1%	<u>10%</u>
• Total Fixed Costs	\$129.9 M		<u>100%</u>

Note: Fixed costs do not include supplies, equipment, travel, advertising, postage and facilities repairs and maintenance - \$4 million

2021-2022 Adoption Budget Mandated Benefits % Increases

	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
PERS	20.7%	22.91%	26.1%
STRS	16.15%	16.92%	19.1%
SUI (State Unemployment Insurance)	.05%	.5%	.5%

Cambridge West Partnership

- Fiscal Analysis May 2021
- Provided some recommendations to resolve challenges and meet standards
- Recommendation to calculate fixed cost increases:

The District should identify all its fixed costs and then estimate the annual percentage increase of each of these fixed costs. For example, step & column increases, pension payments, utilities, rent, insurance, certain supplies and operation costs, are all examples of fixed or ongoing costs that the District must pay each year. Identifying these annual fixed cost increases will let the District know whether it has sufficient remaining resources to hire more staff or provide salary increases to existing staff or pay for non-personnel items such a facility repairs.

COLA less Cost Increases - UGF

COLA - 5.07%		\$5,881,991	
Cost Increases	2021-2022	2022-2023	Average
Step, Col & Long. Increases	\$1,385,238	\$1,393,697	\$1,389,468
Mandated Benefits Increases	\$996,740	\$1,846,901	\$1,421,821
Health Benefits Increases	\$351,379	\$372,332	\$361,856
Operating Expenses Increases	\$862,317	\$862,317	\$862,317
Total Cost Increases	\$3,595,674	\$4,475,247	\$4,035,460
Net Budgeted for Ongoing Improvements for employees		\$1,846,531	

Full-Time Faculty Hiring Funds Faculty Obligation Number (FON)

- District received new funds to increase the number of full-time faculty to get districts closer to the 75/25 ratio
- Mechanism to increase our FON by 17 full-time using statewide average
- Committing as vacancies occur, the District will be replacing the vacancies to maintain the District's full-time faculty goal

Full-Time Faculty Hiring Funds Faculty Obligation Number (FON)

2021-2022 Funding	\$1.58 M
Current FON	265.5
Increase FON	17.0
Revised FON (Fall 2022)	282.5
Current FT Faculty	286
New FT Faculty Goal	310



FEDERAL STIMULUS FUNDS HEERF I, II and III

\$30.4 M for Student Distribution

\$48.3 M for the Institution

FEDERAL STIMULUS FUND USE

- Hire COVID-19 specialists (six positions) to monitor compliance and safety measures and contact tracing; hire hourlies to assist with monitoring compliance and safety at events
- Vaccine compliance for students and employees
- Equip classrooms with distance learning capabilities
- Districtwide signage and wayfinding signs including digital signs at each campus entrance
- Funded lower class size to support distancing

FEDERAL STIMULUS FUND USE

- Additional portable restrooms for athletics
- Pay out students' debt
- Capture lost revenue
- Fund innovative return initiatives for student success & retention
- Fund technology infrastructure
- Outdoor wireless access points for student needs
- Faculty training

FEDERAL STIMULUS FUNDS

- The tracking of the federal stimulus funds falls into two categories:
 - YTD expenditures and encumbrances/obligated
 - Future plans, many of which are in the process of being identified and/or are not quantifiable
- A tracking spreadsheet will be posted on the District's COVID-19 web page

Challenges

- Enrollment has been declining 3 years in a row – **27%**
- Salaries & Benefits continue to rise
- Ongoing expenditures exceed our ongoing revenue (structural deficit)
- Balancing budget with one-time funds
- Reserves are low

Next Steps

- Address fiscal challenges as recommended in the external fiscal analysis report
- Engage the campus community in enrollment management planning
- Workshops are planned for the spring
- Develop a plan to reengage students who have stopped out
- Continue to address fixed costs containment
- Continue to address staffing needs
- Analyze vacant, frozen, interim and out-of-class positions
- Continue to look at cost-saving measures in contracts & operating expenses
- Continue to remain vigilant



Return to Campus

- Our students and employees are resilient
- Need to be mindful of the views of the community we serve
- COVID-19 is here to stay
- Need to think ahead to the future

Lessons Learned from COVID-19



GCCCD Campus Re-engagement Planning



The District is working to update its COVID-19 safety plan.

As of fall 2021, our campuses have re-opened. Many of our courses are being offered on campus or on a hybrid basis (meaning either in person or virtual). Others are online.

Many employees have returned to campus at least a few days a week. The District will continue to transition to full pre-pandemic operations in spring 2022.

Those planning to visit the campuses should first review the [Daily Checklist](#) for COVID-19 symptoms. Those who exhibit any of the symptoms should not come to campus.

Update on Fall COVID-19 Cases

- No outbreaks on campus; 0 employees and 1 student have contacted COVID-19 from any positive cases on campus
- 62 cases during fall semester, 58% not fully vaccinated
- Student cases: 23 at Cuyamaca and 30 at Grossmont;
Employee cases: 9
- New COVID-19 Case Information Webpage
- Need for Risk Management Unit

Ventilation Update

- Project launched in spring 2021 following revised Cal/OSHA standards stating that “employers must evaluate ventilation systems to maximize outdoor air and increase filtration efficiency, and evaluate the use of additional air cleaning systems”
- Project is making improvements to optimize ventilation
- Multiphase project, looking at every District building (62 total)
- Only one other district is going through a similarly comprehensive analysis
- Project progress is being shared weekly with campus leadership

Our Journey Back to Campus

- Spring 2021 - began planning to methodically transition our employees and students back to campus
 - Full return to pre-pandemic operations was planned for spring 2022
- Surveyed students late spring to assess their needs for fall (60% desired both on campus and remote)
- Proceeded in an abundance of caution with 25-30% of our classes scheduled on campus for fall
- Plan was for employees to initially return August 16 a minimum of two days – gradually increasing to full return in spring (many returned full-time due to business need)
 - With the increase in the Delta Variant and limited capacity to address challenges, decided to remain at the same level
- Now we are planning to return to pre-pandemic operation for spring after two years serving our students and community remotely

Guiding Principles for Returning to Pre-Pandemic Operations in Spring 2022

- We are not fully online colleges
- All decisions concerning scheduling and operations will be based on student and operational needs
- The health and safety of our students and employees will continue to be top priority
- Campus offices and services will return to pre-pandemic hours of operation (i.e., 8 a.m. – 5 p.m. M-F); will provide same level of customer service as before pandemic; offices will be open for walk-in inquiries from students and the public
- Telephones will be answered during business hours by a live person

Guiding Principles

- Department staffing will be based on student and business needs
- Hired consultant to help prepare comprehensive COVID-19 safety plan, document all processes and communications related to maintaining a safe campus and ensuring transparency
- Formalizing a standing COVID-19 Safety Committee
- Conducting surveys to identify student class scheduling and service preferences
- Will have a pivot plan should public health conditions warrant moving operations remote; will be specified in the COVID-19 Safety Plan
- Convening Re-Engagement Committee to address some of the specifics

Reconnecting with Students and our Community

Intentional focus on:

- Getting students back on track with their education and training
- Re-engaging students of color
- Identifying where students struggled most with online platforms
- Optimizing resources to support student basic needs



Need for Risk Management Unit in District Services

- Risk Management identifies and addresses potential hazards facing an organization
- Maintaining COVID-19 safety standards is a requirement under Cal/OSHA and subject to audit
- COVID-19 safety currently funded with temporary stimulus dollars (7+ positions)
- Managing risk extends beyond COVID-19 safety, and includes Worker's Compensation and general site safety



Board Priority: Salary Equity

- Planning on conducting a compensation study for all groups
- Goal is to begin to close gaps in compensation starting with those with the largest disparities
- Working with labor groups on an approach



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Questions?

Thank you!



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