



Sierra Joint Community College District  
2020-21 Tentative Budget

June 9, 2020

*Information presented in the following exhibits include financial data as of 5/13/2020*

**Sierra Joint Community College District**  
**2020-21 Tentative Budget Board of Trustees Meeting: June 9, 2020**  
**General Fund Unrestricted Budget Highlights**

Exhibit A

**Revenue Highlights**

Property Tax Revenue	83,250,050
Enrollment Fees	7,100,000
Full Time Faculty Hiring Allocation	917,118
Education Protection Account (\$100/Per FTES)	1,415,006
Total State Revenue	92,682,174
Non-Resident Tuition (\$290 per unit)	2,000,000
Lottery Revenue	2,166,480
Enrollment Fee	\$46/unit

**Expenditure Highlights**

**Labor Changes:**

PERS Rate Increase	537,000
STRS Rate Increase	398,000
Projected Attrition/Vacancy Savings	(840,000)

- 1 Tentative Budget:** The documents presented in this 2020-21 Tentative Budget package should be viewed as preliminary in nature. The final budget for the fiscal year will be brought to the Board for adoption in September 2020.
- 2 COVID-19 Recession:** The COVID-19 pandemic has inflicted rapid and deep damage on the state, national, and international economies. In California, reduced business activity is fueling increases in unemployment that are projected to peak at 18%. California personal income is expected to decline by 9%. Overall economic impacts are projected to be worse than the Great Recession.
- 3 State Budget Crisis:** Severe declines in economic activity have triggered a budget crisis for the State of California. The Department of Finance projects revenues to decline by \$41.2 billion. When combined with extraordinary costs to deal with health and safety impacts of the pandemic, the State faces a budget deficit of \$54.3 billion. Effects of the budget crisis projected to extend to 2023-24. Because the state tax filing deadline has been moved from April 15 to July 15, state leaders will not have accurate revenue data in time to finalize budget decisions by the July 1 constitutional state budget deadline. State leaders plan to adopt an initial budget by July 1 and then update the budget in August. This delayed budget process further complicates budget planning for community college districts.
- 4 Significant Budget Cuts:** The Governor and Legislature will need to take drastic action to address the budget crisis. The May Revision proposal released on May 14 provides an indication of the nature and magnitude of budget solutions likely to be adopted in the final State Budget. The budget proposal for California community colleges contains nearly \$1 billion in budget cuts and \$1 billion in funding deferrals. As happens each year, the specific details of these proposals will be modified by the State Legislature, however the general level of cuts and deferrals are likely to be similar to the May Revision.
- 5 Local Budget Planning:** District staff are actively monitoring the state budget process to gather information about various budget reduction proposals. Due to the significant volatility and uncertainty in this year's budget process, the Tentative Budget is a largely flat, placeholder budget that will be updated with the Adopted Budget in September once more information is available. The May Revision budget cuts and deferrals are not modeled in the Tentative Budget. Taking this approach will allow District budget decisions to be made with the benefit of more current and better information about the State Budget and a clearer sense of the available local budget reduction options. Taking this approach does not preclude the District from administratively implementing cost cutting measures before the Board's action on the Adopted Budget in September.
- 6 Limiting 2019-20 Year-End Spending:** Following the release of the May Revision, the District took action to limit year-end spending in 2019-20. This will increase the year-end surplus and provide additional one-time resources that can be used to address revenue shortfalls in 2020-21 and subsequent years. Updated information about the year-end surplus will be included in the Adopted Budget.
- 7 Budget Reduction Options:** The District is working with all its Divisions, Departments, and Centers to develop budget reduction options that can be implemented to address anticipated budget shortfalls. These options will be developed by the end of June and will then be considered for inclusion in the Adopted Budget. During the Great Recession the District successfully used such a collaborative process to identify budget reduction strategies to address budget shortfalls.
- 8 Federal Emergency Funding:** Community colleges districts are eligible for funding through the Federal Emergency Management Agency (FEMA) and the Coronavirus Aid, Relief, and Economic Security Act (CARES). FEMA will provide reimbursement for emergency-related costs and CARES will provide the District with a total of \$7.6 million, including \$3.8 million for emergency student financial aid and \$3.8 million to address institutional costs. These federal emergency funds will be incorporated into the District's overall budget plan.
- 9 Reserves (Fund Balance):** The Unrestricted General Fund Uncommitted Reserve balance is projected to be \$13.7 million or 12% of total General Fund expenditures of \$114 million.

**Sierra Joint Community College District**  
**2020-21 Tentative Budget Board of Trustees Meeting: June 9, 2020**  
**General Fund Unrestricted & General Fund Restricted Budget Summary**

Exhibit C

	Tentative Budget		
	General Fund Unrestricted	General Fund Restricted	General Fund Total
<b>Revenues</b>			
8000 Revenues	100,034,035	15,308,216	115,342,251
<b>Total Revenues</b>	<b>100,034,035</b>	<b>15,308,216</b>	<b>115,342,251</b>
9000 Funding from Reserves	-	-	-
<b>Total Available Funding</b>	<b>\$ 100,034,035</b>	<b>\$ 15,308,216</b>	<b>\$ 115,342,251</b>
<b>Expenses, Debt, Transfers &amp; Other</b>			
1000 Certificated Salaries	40,546,418	2,921,142	43,467,560
2000 Classified Salaries	19,809,039	4,748,521	24,557,560
3000 Benefits	22,950,000	1,699,822	24,649,822
4000 Supplies and Materials	1,425,900	803,835	2,229,735
5000 Other Operating Expenses and Services	10,405,328	2,272,397	12,677,725
6000 Capital Outlay	295,760	247,000	542,760
7000 Debt Payments, Transfers, Other	3,155,958	2,615,500	5,771,458
<b>Total Expenses, Debt, Transfers &amp; Other</b>	<b>\$ 98,588,403</b>	<b>\$ 15,308,216</b>	<b>\$ 113,896,620</b>
<b>Surplus/(Deficit) <sup>1</sup></b>			<b>\$ 1,445,631</b>

**Fund Balance Summary**

Beginning Fund Balance (as of 2019-20 Budget Revision)	\$ 16,176,423
Change in Fund Balance (Total Revenues Less Total Expenses, Debt, Transfers & Other)	1,445,631
Total Estimated Unrestricted Fund Balance	<u>17,622,054</u>
Less: Committed Reserves <sup>2</sup>	(3,925,027)
<b>Total Estimated Unrestricted/Uncommitted Fund Balance</b>	<b><u>\$ 13,697,027</u></b>
<b>Estimated Unrestricted/Uncommitted Fund Balance as a Percent of Expenses</b>	<b>12.0%</b>

<sup>1</sup> The Surplus/ (Deficit) takes into consideration the portion of 2020-21 expenditures that is being funded from reserves and is calculated by subtracting Total Expenses, Debt, Transfers & Other from Total Available Funding.

<sup>2</sup> Committed Reserve includes projected District obligations and commitments as of June 30, 2021 as follows:

Committed Reserve - LiUNA Pension Plan Withdrawal Fee	2,700,000
Unspent Portion of 2015-16 Full-Time Faculty Hiring Funds (Professional Development)	288,824
Unspent Portion of 2018-19 Full-Time Faculty Hiring Funds (Course Accessibility Stipends)	298,433
MINT Surplus	637,770
Estimated Committed Reserve as of June 30, 2021	<u>\$ 3,925,027</u>

**Sierra Joint Community College District**  
**2020-21 Tentative Budget Board of Trustees Meeting: June 9, 2020**  
**General Fund Unrestricted Budget Detail**

Exhibit D

	<b>General Fund Unrestricted</b>	
	<b>Tentative Budget</b>	
<b>Revenues</b>		
8000 State Apportionment (Includes EPA Funds)		2,332,718
8000 Property Taxes		83,250,050
8000 Enrollment Fees		7,100,000
8000 Total State Revenues		92,682,768
8000 Less: .5% Deficit Factor		-
8000 Total State Revenue with Deficit		92,682,768
8000 Federal Revenues		20,000
8000 Other State Program Revenues		3,709,205
8000 Local/Other Revenues		3,622,062
8000 One-Time Prior Year Apportionment Adjustment		-
<b>Total Revenues</b>	<b>\$</b>	<b>100,034,035</b>
<b>Expenses</b>		
1000 Certificated Salaries - Instructional		17,195,874
1000 Certificated Salaries - Non-Instructional		1,666,211
1000 Certificated Salaries - Ed Admin		3,933,754
1000 Certificated PT - Instructional		11,775,000
1000 Certificated Salaries - PT Non-Instructional		1,184,000
1000 Reassigned Time		80,244
1000 Stipends		1,020,000
1000 Staff Development Flex Hours		320,000
1000 Overload Pay - Instructional		3,203,000
1000 Overload Pay - Non-Instructional		126,000
1000 Board Member		42,336
2000 Classified Supervisory & Confidential		3,357,785
2000 Classified Instructional Aides		2,011,440
2000 Classified Salaries - FT & PT		12,052,364
2000 Classified Salaries - Overtime & Standby		320,000
2000 Classified Salaries - Temporary		769,000
2000 Student Help and Tutors		1,298,450
3000 Benefits		19,950,000
3000 Retiree Benefits		3,000,000
4000 Supplies and Materials		1,425,900
5000 Other Operating Expenses and Services		10,405,328
6000 Capital Outlay		295,760
<b>Total Expenses</b>	<b>\$</b>	<b>95,432,445</b>
<b>Debt, Transfers &amp; Other</b>		
7000 Debt Payment Transfers		1,353,880
7000 Inter/Intra-Fund Transfers (Including Match)		286,946
7000 Contingency - Division/Department/Center (DDC)		943,545
7000 Contingency - District		571,587
7000 Contingency - ePAR		-
7000 Other		-
<b>Total Debt, Transfers &amp; Other</b>	<b>\$</b>	<b>3,155,958</b>
<b>Total Expenses, Debt, Transfers &amp; Other</b>	<b>\$</b>	<b>98,588,403</b>
Beginning Fund Balance (as of 2019-20 Budget Revision)	\$	16,176,423
Change in Fund Balance (Total Revenues Less Total Expenses, Debt, Transfers & Other)		1,445,632
Total Estimated Unrestricted Fund Balance		17,622,055
Less: Committed Reserve		(3,925,027)
<b>Total Estimated Unrestricted/Uncommitted Fund Balance</b>	<b>\$</b>	<b>13,697,028</b>

**Sierra Joint Community College District**  
**2020-21 Tentative Budget Board of Trustees Meeting: June 9, 2020**  
**General Fund Unrestricted Revenue Detail**

Exhibit E

	<b>General Fund Unrestricted Tentative Budget</b>
<b>State Apportionment</b>	
State Apportionment (Includes EPA Funds)	2,332,718
Property Taxes	83,250,050
Enrollment Fees	7,100,000
<b>Total State Revenues</b>	<b>92,682,768</b>
Less: .5% Deficit Factor	-
<b>Total State Revenue with Deficit</b>	<b>92,682,768</b>
<b>Federal Revenues</b>	
Forest Reserve Revenue	15,000
Veterans	5,000
Other Federal Revenue	-
<b>Total Federal Revenues</b>	<b>20,000</b>
<b>Other State Program Revenues</b>	
PT Faculty Office Hours	18,000
PT Faculty Compensation	250,000
Non-TCR Full Time Faculty Hiring	676,433
BOG Fee Waiver Adm.2%	160,000
Lottery	2,166,480
Mandated Costs	431,000
Other General Categorical	7,292
<b>Total Other State Program Revenues</b>	<b>3,709,205</b>
<b>Local/Other Revenues</b>	
Contributions, Gifts, Grants	82,000
Contract Instructional Services	-
2% Enrollment Fee	145,000
Sales, Commission	396,000
Rentals & Leases	40,250
Interest Income	417,002
Student Records	30,000
Non-Resident Tuition	2,000,000
Audit Fee	7,000
Other Student Fees	5,310
Other Local Revenue	613,500
Indirect Costs	80,000
Bad Debt Collection	25,000
Uncollectible Res/Non-Res Tuition	(225,000)
Transfers In	-
Unrealized Gain (Loss) on Investment & Gain (Loss) on sale of Assets	-
Other Contract Services	3,300
Misc (Surplus, Returned Item)	2,700
<b>Total Local/Other Revenues</b>	<b>3,622,062</b>
<b>One-Time Revenues</b>	
One-Time Prior Year Apportionment Adjustment	-
<b>Total Revenues</b>	<b>\$ 100,034,035</b>