

Cuyamaca College Budget Forum

May 6, 2020 9:30am-10:30am

Hosted by the Resource & Operations Council (ROC)



C U Y A M A C A
• C O L L E G E •

- With Nicole Salgado, Interim Vice President of Administrative Services

- Guest Speaker
Sahar Abushaban, Interim Vice Chancellor of Business Services

- Thank you for joining us. The meeting will begin shortly. Your devices have been muted.

Budget Forum Format

Hosts: *Lauren Halsted, Co-Chair ROC and Nicole Salgado, Interim Vice President of Administrative Services*

Guest Speaker: *Sahar Abushaban, Interim Vice Chancellor of Business Services*

Moderator: *Christianne Penunuri, Director of Community College Relations*

Technical Facilitator: *Laci Diaz, Administrative Assistant*

- This Budget Forum is being recorded
- Interpreting services for today are provided by Marc Jaramillo. Pinning his video will ensure he remains on your screen during the meeting.
- Your devices have been muted given the large number of participants
- Please use the "Chat" feature (Public only) to share thoughts and ask questions
- The Hosts will stop to respond to questions periodically throughout the forum
- For better connectivity, consider turning off your video feature and show your name or photo only

Welcome

- **District Budget** – Presented by Sahar Abushaban
 - CARES ACT Institutional Funding
 - FEMA Reimbursement
- **Cuyamaca College Budget** - Presented by Nicole Salgado
 - Timeline

2019/2020 Budget Status

- P1 in February showed \$4.3mm State Deficit
- Projected P2 to include a deficit
- Reduce sites budgets due to deficit
- Will impact sites ending balance

2020/2021 District Budget

- Building 2020/2021 Tentative Budget
- 5% State Reduction in Revenue
- Projected Revenue - \$120,264,681
 - \$7.3mm less than 2019/2020 Adoption Budget
- Estimated Beginning Balance - \$466,741
 - \$3.9mm less than 2019/2020
- Projected salaries & benefits increase is \$4.3 million
- Colleges allocation is \$8.2mm less than 2019/2020 Adoption Budget

Summary of 2020/2021

Actions Taken District-Wide

- Reduce District Services (\$1,300,000)
- Reduce District-wide Commitments (\$900,000)
 - Canceled Cynergistics Contract (\$290,000)
 - Suspended Corporate College (\$82,000)
 - Reduced Contract Services (\$500,000)
- Freeze Contingency Reserve Percentage at 6.75% (\$284,000)
- Reduced OPEB Percentage from 2% to 1% (\$675,000)
- Use One-Time Reserves for the STRS/PERS Increases (\$1,000,000)
- Hiring Freeze and Delay Hires (Goal \$3,000,000)
- Reduce Summer Offering (\$1,700,000)
- Increase productivity target for Fall and Spring (reduction in FTEF) - (Goal \$2,000,000)

CARES Act Funding – Institutional Support

- District is receiving \$5mm
- May use funds to:
 - Cover costs associated with **significant** changes in the delivery of instruction
 - Refunds for tuition, other fees, and parking permits
- Expenses not allowable include supplies, PPE, and any lost revenue related to COVID-19
- May only be eligible to receive funds on a reimbursement/drawdown basis

FEMA Reimbursement

- Only covers COVID-19 related expenses including PPE, face masks, and sanitization supplies
- Only reimburses 75% of expenses
- Does not include replacements for laptop and software licenses
- Must submit receipts with claim. Departments should be tracking expenses and sending them to the Business Office

Timeline

- Build 2020/2021 Tentative Budget
- May Revise (Mid-May)
- Receive P2 from State Chancellor's Office in June
- Approved state budget in June based on best available data
- A possibility of August Revise and Budget Bill Junior reflecting the tax filings
- Build Adoption Budget based on August Revise

Questions?

2019/2020 Cuyamaca Budget Overview

- Adoption Budget \$35,157,091
- Mid-Year Budget Reduction based on P1 **\$ (1,144,545)**
- YTD Expenses and Projected Expenses \$34,830,167
 - 91% Salaries and Benefits based on projection before reductions
- Projected Additional Local Revenue \$53,018
- **Expected Shortfall in 2019/2020 \$ (764,603)**

Summary of 2019/2020 - Actions Taken

- Limiting purchases while remote to only essential purchases
- Critical examination of all hires
- Reduce hourly employees
- Reduce summer (Reduce FTEF)
- Leverage current resources and staff
- Additional costs associated with COVID-19 in 19/20

2019/2020 Projected Savings

- Adoption Budget \$35,157,091
- Mid-Year Budget Reduction based on P1 **\$ (1,144,545)**
- YTD Expenses and Projected Expenses \$33,985,564
 - 90% Salaries and Benefits based on projection after reductions
- Projected Additional Local Revenue \$53,018
- **Expected Ending Balance in 2019/2020 \$ 80,000**

2020/2021 Budget – Scenario 1

- With 5% State Reduction and without reduction in expenditures
- Projected Revenue - \$32,823,128
- Projected Expenditures - \$35,792,760
 - 91% of expenditures are salaries/ benefits
- **Projected Shortfall (\$2,969,632)**

2020/2021 Budget – Scenario 2

- Without any state reduction (base budget) and without reduction in expenditures
- Projected Revenue - \$34,603,986
- Projected Expenditures \$35,792,760
 - 91% Salaries/ Benefits without reductions
- Projected Shortfall (\$1,188,774)

Tentative Budget Compared to 19/20 Adoption Budget

- 2019/2020 Adoption Budget \$35,157,091
- 2020/2021 Preliminary Tentative Budget with 5% State Reductions \$32,823,128
- Difference to 19/20 Adoption Budget (\$2,333,963)

Summary of 2020/2021 Actions Steps Under Consideration

- Critical examination of all hires
- Reduce hourly employees
- Restrict travel
- Limiting purchases to essential needs
- Reduce summer, fall, and spring
- Factor in non-reimbursable COVID-19 Costs

Timeline for Cuyamaca College

- Review budgets for 2020/2021 Tentative Budget
- Review 2019/2020 encumbrances to help with ending balance
- Final allocation for 2020/2021 Tentative Budget from District mid-May
- Finalize posting for Tentative Budget – May 22nd
- Closing books for 2019/2020
- Build Adoption Budget based on August Revise

Questions?



Questions pre-submitted will be addressed first.



Please submit additional questions via the chat feature in Zoom. Nicole & Sahar will do their best to address them.

Thank you for joining our forum