

2020-21 FINAL BUDGET

September 16, 2020



BUTTE COLLEGE

BOARD OF TRUSTEES

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SUMMARY OF KEY POINTS

The 2020-21 Final Budget:

Is based primarily on the enacted 2020-21 State Budget Act signed by the Governor on June 30, 2020.

Includes Education Protection Account (EPA) funding from Proposition 30 tax revenue approved by the voters in November 2012, and extended by Proposition 55 in November 2016.

Does not include the statutory cost-of-living adjustment (COLA) to apportionment funding of 2.31%. The enacted budget acknowledges the calculated statutory COLA of 2.31%, but suspends the COLA in 2020-21.

Includes apportionment revenue allocations as calculated by the Student Centered Funding Formula (SCFF). Workload measures (FTEs and student outcomes) used in the SCFF continue to be based on 2017-18 data as per the agreed to “Emergency Hold-harmless” provision by the State Chancellor’s Office due to the 2018 Camp Wildfire.

Does not include any cost-of living adjustment to salary schedules.

Uses revised 2019-20 Student Centered Funding Formula (SCFF) funding rates to determine the total computational revenue for apportionment.

Does not include an 8% reduction to apportionment revenue originally proposed by the Governor in May that was included in the Tentative Budget. Instead, this Final Budget includes the same apportionment revenue received in the 2019-20 fiscal year.

Accounts for the \$1.45 billion in community college cash deferrals to apportionment revenue through January 2021.

No restoration or enrollment growth revenue is included in this budget as the District projects to be held financially harmless until workload measures return to pre-Camp Fire levels.

Includes built-in savings of \$850K projected to be generated from salaries and benefits from vacant positions and from various other budget line items that potentially go unspent in 2020-21.

Does not include any additional increase to student enrollment fees from the current \$46 per credit unit.

Does not include any state funded one-time Deferred Maintenance and Instructional Equipment funds. However, maintenance projects and instructional equipment purchases are included in this budget that are funded from other revenue sources.

Includes a transfer from the OPEB Trust fund of up to \$2.2 million to cover the cost of retiree medical premium payments in the General Fund.

Includes indirect cost reimbursements from grants of \$1.2 million.

Includes most, but not all, of the budgets for categorical programs and grants. As federal and state categorical and grant funds are awarded, they will be included in the 2020-21 District budget.

Includes anticipated fixed cost increases of approximately \$208.6K for salaries (net of attrition), and premium increases for medical benefits, offset by a net savings in employer pension costs for the Public Employees Retirement System (PERS) and the State Teachers Retirement System (STRS).

Includes new ongoing augmentations to address critical needs in all areas of approximately \$230.8K (\$117.5K fixed and \$113.3K high priority).

Projects the full-time faculty obligation number (FON) for 2020-21 to be 159.5. This Final Budget includes funding for approximately 195 full-time faculty.

Includes funding for the addition of two new high priority management positions. A technology Director for Applications, Infrastructure and MIS Maintenance, and a Manager for Diversity, Equity and Inclusion.

Includes approximately \$1.825 million in one-time augmentations for Instruction (\$261.8K), Student Services (\$303.5K), Presidents' Office (\$449K), Institutional Effectiveness (\$591.5K), Administration (\$22K), and other district-wide requests (\$197.1K).

Includes an additional transfer of \$1,400,000 from the general fund to the Capital Fund to help fund the purchase of property for a new Glenn County Center in Orland.

Includes approximately \$3 million (\$1.8 million general fund and \$1.2 million CARES Act) one-time funds to maintain/backfill auxiliary and enterprise programs like Transportation, Bookstore, Dining Services and the Student Health Center due to significant reduction of face-to-face instruction and the lack of students and staff on campus because of the pandemic.

Includes the balance of \$7.28 million one-time CARES Act funding for student grants and expenses directly related to the significant changes to the delivery of instruction due to the coronavirus.

Includes an additional \$457.5K in funding for Minority Serving Institutions (MSI/CARES).

Includes \$1.13 million COVID-19 Response Block grant funded by CARES and Proposition 98 funds as included in the enacted state budget.

Maintains the Reserve for Contingencies at the Board-designated level of at least 5% of budgeted expenditures.

Maintains a Budget Planning Reserve to assist in other budget and enrollment planning, and temporarily ease the impact of a delay, a shortfall, or a deferral in state apportionment funding.

Does not exceed the appropriations limit as calculated in the Gann Limit Worksheet.

Meets most, but not all of the Board's budget criteria. For example, this budget meets the following:

- Adjustments to state apportionment and other revenues have been made to better reflect reasonable and sound projections for all the District's sources of revenue;

- Complies with the fifty percent (50%) law, i.e. at least 50% of the current expense of education is allocated to instructional salaries and benefits;
- Investments in capital improvements, technology and instructional equipment in the proposed budget works to maintain technological currency and efficiency by updating and replacing equipment, as well as to provide adequate resources and support for high quality, innovative instructional programs and services to students;
- Achieves and maintains at least a five percent (5%) contingency reserve in the General Fund;
- Reflects time-specific plans for the full funding of unfunded liabilities/obligations through specific reserve accounts via the District's Other Post-Employment Benefits (OPEB) trust fund.
- Meets all statutory and legally mandated requirements for income and expenditures.
- Salaries and benefits do not exceed 87% of total unrestricted budgeted expenditures (84%).

However, some of the Board's budget criteria may not have been met, for example:

- Classroom productivity has decreased as the number of FTES generated per full-time faculty decreased.

2020-21 BUDGET CRITERIA

(Approved by the Board of Trustees 01/29/20)

The purposes of the District budget are to provide a) students a high quality, accessible learning-centered education; b) the resources and support needed to deliver effective instruction and services; c) the resources and support to facilitate the teaching-learning process; and d) the means to manage the district in an efficient and cost-effective way.

The criteria listed below are separated into categories that a) reflect philosophy; b) reflect legal, financial or statutory requirements; and c) act as procedural guides. Individual items are not listed in priority order either by category or within each category.

Philosophy

We seek to develop a budget that:

- maximizes state apportionment revenue via hold harmless emergency relief funding or actual Student Centered Funding Formula (SCFF) total computational revenue (TCR);
- provides adequate resources for continued improvement of student outcomes and success;
- provides adequate resources and support for high quality, innovative instructional programs and services to students;
- makes reasonable and sound projections for all the District's sources of revenue and student access, equity & success data elements;
- allocates resources to achieve goals established in the District's strategic initiatives and strategic direction as approved by the Board and the Community Colleges System's Vision for Success;
- allocate resources to maximize revenue by optimizing enrollment, supplemental funding and completion;
- improves classroom productivity, i.e., weekly student contact hours per full-time faculty equivalent, to make progress toward meeting the contractual goal of WSCH per FTEF;
- includes funding necessary to implement high priority District and system-wide goals and Board policies;
- increases and/or maintains sufficient levels of institutional effectiveness while becoming more efficient and cost effective;
- secures additional funding to supplement state apportionment and support student access, equity, success and completion;
- maximizes the employment of full-time faculty to provide a robust curriculum and instructional guidance, support and interactions essential to student success and completion and to exceed the annual faculty obligation number;
- makes every reasonable attempt to avoid layoffs and/or hold them to a minimum should layoffs ever be necessary to ensure the long-run viability of the institution;
- works to maintain technological currency and efficiency by updating and replacing equipment;
- continues to fund the District's sustainability efforts such as recycling, solar power generation, and mechanical system improvement in order to reduce the District's cost of utilities if the return on investment is reasonable;
- provides adequate resources to maintain buildings and grounds;
- provides resources to implement recommendations from the accrediting commission and make progress toward implementing accreditation planning agendas identified by the institution; and
- provides flexibility to respond to emergency situations (e.g. 2018 Camp Wildfire).

Legal, Financial and Statutory Requirements

We will develop a budget that:

- achieves and maintains at least a five percent (5%) contingency reserve in the General Fund;

- meets the fifty percent (50%) law, i.e., at least 50% of the current expense of education is allocated to instructional salary and benefits;
- provides for staffing levels required by the Board of Governors in relation to Title 5, Division 6, Chapter 4, Subchapter 3, Articles 1 and 2. This statute is designed to ensure that districts are making good faith attempts to achieve the long-term goal that seventy-five percent (75%) of instruction is provided by full-time faculty;
- includes reasonable provisions to cover all known or projected liabilities to the District (e.g., accumulated vacation, sick leave, retiree benefits, etc.); and
- meets all statutory and legally mandated income/expenditure requirements.

Procedural Guides

We will develop a budget that:

- is balanced;
- is based upon planning that reflects both current and long-term District needs and system-wide goals;
- makes steady progress toward correcting structural budget issues (e.g. declining revenue, rising costs, lack of ongoing dollars to cover ongoing expenses, etc.) through budget and enrollment strategies and collective bargaining;
- has had campus community involvement and consideration during preparation;
- includes all contractually negotiated costs and expenses;
- includes all known and projected increases in fixed costs; including step, column and longevity salary increases, medical rate increases and STRS & PERS pension rate increases
- includes salaries and benefits that do not exceed 87% of total unrestricted budgeted expenditures;
- identifies significant but unfunded items not included in the budget;
- highlights unusual items and/or provides information on substantive changes from previous budgets;
- limits annual non-trust transfer-in allocations to the unrestricted general fund of less than 2% per year of the total unrestricted expenditure budget from non-general fund sources;
- limits annual debt service payments by the unrestricted general fund to 5% of the total unrestricted expenditure budget where such funds do not have a matching revenue stream to offset such costs; and
- creates time specific plans for the full funding of unfunded liabilities/obligations through specific trust funds and reserve accounts.

2020-21 PLANNING PROCESS

A Vision for Success

In 2017, the Board of Governors of the California Community Colleges accepted the document “Vision for Success – Strengthening the California Community Colleges to Meet California’s Needs”, setting ambitious goals for all of the state’s community colleges.

“The success of California’s broader system of higher education and workforce development stands or falls with the CCCs. To meet California’s needs, the CCC system should strive to achieve the following goals by 2022:

- *Increase by at least 20 percent the number of CCC students annually who acquire associates degrees, credentials, certificates, or specific skill sets that prepare them for an in-demand job.*
- *Increase by 35 percent the number of CCC students transferring annually to a UC or CSU.*
- *Decrease the average number of units accumulated by CCC students earning associate’s degrees, from approximately 87 total units (the most recent system-wide average) to 79 total units—the average among the quintile of colleges showing the strongest performance on this measure.*
- *Increase the percent of exiting CTE students who report being employed in their field of study, from the most recent statewide average of 60 percent to an improved rate of 69 percent—the average among the quintile of colleges showing the strongest performance on this measure.*
- *Reduce equity gaps across all of the above measures through faster improvements among traditionally underrepresented student groups, with the goal of cutting achievement gaps by 40 percent within 5 years and fully closing those achievement gaps within 10 years.*
- *Reduce regional achievement gaps across all of the above measures through faster improvements among colleges located in regions with the lowest educational attainment of adults, with the ultimate goal of fully closing regional achievement gaps within 10 years.”*

This Vision for Success identifies the North Star our system must follow if we are to meet the needs of our state. It makes the focus on student success, through completion and into the workforce, concrete. In order to help meet the goals contained in this Vision for Success, the system is implemented a significant change in the way community colleges are funded. The Student Centered Funding Formula (SCFF) was implemented in 2018-19 and further revised in 2019-20.

May Revise Budget Proposal - A Vision on Hold

When the 2020-21 budget process began, the state was expecting a budget surplus that offered a chance to create new and expand on other services to Californians. Within weeks of the release of the Governor’s 2020-21 January budget proposal, a public health emergency and stay-at-home order began to attack the state’s health and its economy. Before this crisis, the state had been enjoying the longest economic expansion in history and anticipated a state budget surplus of nearly \$6 billion going into 2020-21. Unemployment had reached historic lows both across the nation and in the state, and the average Californian’s income had increased by 25% since the Great Recession. The public health emergency, caused by the coronavirus (COVID-19) pandemic, has resulted in enormous hardships for families, businesses and governments at all levels. California’s unemployment rate jumped to 15.5% in April 2020, as the state lost an estimated 2.3 million jobs. By comparison, the highest unemployment rate during the Great Recession was 12.3%. In a letter from Governor Newsom and governors from other states requesting additional federal support, they

state, “COVID-19 has caused a national recession that is playing out in our states, resulting in a record amount of lost wages and business failures, spiraling unemployment and substantial unplanned COVID-19 driven costs.” The massive impacts on general health and health systems has caused a massive shift in the state’s economic condition.

By April, in contrast to projections made in January, the Department of Finance and the Administration projected a \$41 billion decline in revenue by the end of 2020-21 and a \$13 billion increase in health and human services program costs and other pandemic-related expenditures. Combined, this resulted in a \$54 billion budget shortfall when compared to the January budget proposal.

Addressing the State Budget Shortfall

Prior to the release of the May Revise, an April memo from the Assembly Budget Committee stated, “The 2020-21 budget in California will have to adjust to the realities of the impact of COVID-19 on our state. The immediate needs in response to the disaster force us to pause important work and priorities that predated the pandemic.”

In response to this new reality, Governor Newsom’s revised State Budget proposed a multiyear approach to address the state’s budget shortfall through a combination of efforts. This included drawing down reserves from the State Budget Stabilization Account (Rainy Day Fund) over the next three years, using all of the Public Schools System Stabilization Account (PSSSA) immediately, cancelling planned program expansions and new programs proposed in January, making programmatic reductions across government programs, and deferring payments to K-14 apportionments.

Program Reductions. The Governor’s May Budget Revision proposed to reduce ongoing funding for the California Community Colleges in 2020-21 by \$1.1 billion compared to his January Budget Proposal. Most notably, the proposal reduced Student Centered Funding Formula support by roughly 10% when combined with a foregone cost-of-living adjustment (COLA), reduced the Strong Workforce Program by 60% and 5 different categorical programs by 15%, reduced Calbright College funding by 15%, and reduced the Adult Education program by 10%. The Governor proposed to rescind all of his January proposals for new, ongoing Proposition 98 spending except \$10 million for immigrant legal services.

One-time Funding and Deferrals. The May Revision also eliminated all one-time CCC funding proposed in January and proposed shifting apportionment payments for 2019-20 (\$330 million) and 2020-21 (\$662 million) to the following fiscal years.

Reserves. While it is expected the state will face one or more difficult fiscal years ahead, the prudent decisions made since the Great Recession should help avoid the lingering structural budget problems that plagued the state before 2012. Over the last several years, the state has been making consistent deposits into the Budget Stabilization Account which currently stands at \$16.2 billion. To meet the constitutional requirement to balance the budget, the May Revision proposed to draw down the entirety of the state’s Rainy Day Fund over three years, including half (\$7.8 billion) of the current balance in fiscal year 2020-21. Proposition 2, which created the Rainy Day Fund, stipulates that a withdrawal may not exceed half of the Rainy Day Fund balance in the first year of a budget emergency. The Public School System Stabilization Account (PSSSA), a new state reserve for schools and community colleges was also created, in which the state had deposited \$377 million. The entirety of these funds would be used to cushion Proposition 98 funds in the 2019-20 fiscal year.

Pension Relief. In 2019-20, the State Budget included \$3.15 billion non-Proposition 98 General Fund payments on K-14 employers' behalf to the California State Teachers' Retirement System (CalSTRS) and the California Public Employers' Retirement System (CalPERS). A portion of the payment immediately paid down the CalSTRS and CalPERS employer contribution rates in 2019-20 and 2020-21 and the remaining \$2.3 billion would be sent directly to the retirement systems to buy down the long-term unfunded liability of each system. In May, the Newsom Administration proposed instead to redirect the \$2.3 billion to further reduce local school employer contribution rates in 2020-21 and 2021-22 by approximately 2% each year. This reallocation of the same resources would reduce the proposed CalSTRS employer rates from 18.4% to 16.15% in 2020-21 and from 18.2% to 16.02% in 2021-22. The CalPERS employer contribution rates will be reduced from the recently set rate for 2020-21 of 22.68% to 20.7% and the CalPERS 2021-22 estimated rate of 24.6% to 22.84%.

Uncertainty in State Revenues and Possible Future Revisions to the Budget

On March 4, 2020 Governor Newsom signed Executive Order N-25-20, acknowledging the impact of COVID-19 on Californians and temporarily extending filing deadlines for a variety of taxes and fees. The order directed the Franchise Tax Board, the Board of Equalization, and other tax-related agencies to use their administrative authority to extend filing deadlines. On March 18, 2020, the Franchise Tax Board announced the postponement of income tax filing and payment deadlines until July 15, 2020 for all individuals and business entities for 2019 tax returns and payments. As a result of these extensions, the state did not have solid information for which to base its tax revenue estimates until the second half of July. Another Executive Order, N-61-20, that cancels penalties and interest for failure to pay property taxes, resulted in the delayed collection of property tax revenue and postponed the state's ability to estimate Proposition 98 minimum funding requirements that depend, in part, on local tax revenues.

As required by the state Constitution, the Governor planned to sign the budget in June. With the delay in tax receipts, legislators did not expect to have a complete picture of revenue until August, and as a result expected to revisit the budget after the Governor signed. At that time, legislative leaders expected amendments to the budget, sometimes called a "Budget Bill Junior", once additional information about the state's fiscal condition became available in August or September. Additional programmatic budget adjustments could be made in this amended budget that more accurately reflects the impact of the COVID-19 emergency on both revenues and expenditures.

A Very Different Approach from the Legislature

After the release of the Governor's May Revision, the Senate and the Assembly reviewed and recommended changes to his proposal. Generally, this is the Legislature's opportunity to find ways to adjust line items in the budget proposal in order to fund certain "pet" projects. This year was a very different story. Late on June 3, 2020, the Senate and Assembly reached a tentative agreement around the 2020-21 state budget legislative plan. The Senate-Assembly agreement rejected many of the Governor's May Revision proposed cuts, including \$8.1 billion in proposed reductions to Proposition 98 funding. The legislative budget agreement instead assumed federal funding would be available to backfill California's General Fund and COVID-19 expenses. Under a "trigger" mechanism, if federal funds do not materialize by September 1, 2020, the proposed trigger solutions would take effect on October 1, 2020.

Normally, the leaders of the State Senate and the State Assembly will negotiate with the Governor to reach an agreement before presenting a spending plan for both houses to approve by June 15. This year, in order to meet the June 15 constitutional deadline to act on a state spending plan for the

upcoming fiscal year, the Assembly and Senate approved Senate Bill (SB) 74 – the Legislature’s version of the 2020-21 State Budget – despite not yet reaching a final agreement with the Governor. While legislative leaders and the Governor maintained that negotiations were ongoing and positive, the fact that they had yet to come to an agreement meant the final version of the 2020-21 State Budget would look different than the version approved by the Legislature.

A Final Budget Agreement Reached

By the time an agreement was reached between legislative leaders and the Governor, the Budget Act would include components of the Governor’s May Revision and a different plan adopted by the Legislature on June 15, and is markedly different from the budget initially proposed by the Governor in January.

While the 2020-21 budget prevents immediate cuts to CCC apportionments and categorical programs, it defers approximately \$1.45 billion in CCC funding to 2021-22. Of the \$1.45 billion deferral, up to \$791 million would be rescinded if Congress approves another stimulus package with sufficient funding by October 15, 2020.

This Final Budget is based primarily on the 2020-21 enacted state budget. Highlights of the enacted state budget include:

To assist CCCs in their recovery from the impacts of the COVID-19 Recession and provide additional near-term certainty, the Budget enacts statutory changes to:

- *Exempt direct COVID-19-related expenses incurred by districts from the 50 Percent Law. This excludes revenue declines.*
- *Provide a hardship exemption for districts unable to meet their financial obligations due to the deferrals enacted in the Budget.*
- *Extend the Student-Centered Funding Formula hold harmless provisions for an additional two years, and authorize the use of past-year data sources that have not been impacted by the COVID-19 pandemic for the calculation of the Student-Centered Funding Formula for 2020-21.*
- *Encourage and expedite the development of short-term career technical education courses to address the impacts of the COVID-19 pandemic.*
- *Staff for Working Group on Community College Athlete Compensation—An increase of \$700,000 one-time non-Proposition 98 General Fund for the CCC Chancellor’s Office to contract with an external organization to staff a working group on a community college athlete’s use of the athlete’s name, image, and likeness for compensation, pursuant to Chapter 383, Statutes of 2019 (SB 206).*
- *2019-20 Deferrals—A deferral of approximately \$330.1 million Proposition 98 General Fund of community college apportionments from 2019-20 to 2020-21.*
- *2020-21 Deferrals—A deferral of approximately \$662.1 million Proposition 98 General Fund of community college apportionments from 2020-21 to 2021-22.*
- *2020-21 Deferrals Subject to Control Section 8.28—As a result of the COVID-19 Recession and absent the receipt of additional federal funds to assist the state with the fiscal crisis, reductions are necessary to balance the state budget. To the extent the federal government provides sufficient federal funds by October 15, 2020, which are eligible for purposes identified below, funds will be appropriated for the 2020-21 fiscal year as follows:*
 - *A deferral of approximately \$791.1 million Proposition 98 General Fund of community college apportionments from 2020-21 to 2021-22.*
 - *COVID-19 Response Block Grant for CCCs—A one-time increase of approximately \$120.2 million, which is comprised of approximately \$54 million from the Coronavirus Relief Fund (CARES Act) and approximately \$66.3 million Proposition 98 General Fund, for a COVID-19 Response Block*

Grant for the community colleges to support student learning and mitigate learning loss related to the COVID-19 pandemic.

- *Dreamer Resource Liaisons*—An increase of \$5.8 million Proposition 98 General Fund to fund Dreamer Resource Liaisons and student support services, for immigrant students including undocumented students in community colleges, pursuant to Chapter 788, Statutes of 2019 (AB 1645). These services provide an opportunity to address disparities and advance economic justice by supporting educational attainment, career pathways and economic mobility for students who may face barriers related to their immigration status.

- *Legal Services*—An increase of \$10 million ongoing Proposition 98 General Fund to provide legal services to immigrant students, faculty, and staff on community college campuses.

- *Calbright College*—A decrease of \$5 million ongoing Proposition 98 General Fund for Calbright College, and a decrease of \$40 million one-time Proposition 98 General Fund provided to Calbright College that is redirected to offset apportionments costs for 2020-21.

- *Revised CalPERS/CalSTRS Contributions*—As referenced in the K-12 Education Chapter, to provide local educational agencies and community college districts with increased fiscal relief, the Budget redirects \$2.3 billion appropriated in the 2019 Budget Act to CalSTRS and CalPERS for long-term unfunded liabilities to further reduce employer contribution rates in 2020-21 and 2021-22.

- *CCC Facilities*—An increase of general obligation bond funding of \$223.1 million, including \$28.4 million to start 25 new capital outlay projects and \$194.7 million for the construction phase of 15 projects anticipated to complete design by spring 2021. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51.

- *Local Property Tax Adjustment*—A decrease of \$60.9 million Proposition 98 General Fund as a result of increased offsetting local property tax revenues.

- *Food Pantries*—The Budget enacts statutory changes to support food pantries within available Student Equity and Achievement Program funding.

- *CCC State Operations*—An ongoing increase of \$116,000 non-Proposition 98 General Fund for a new position to support the Chancellor's Office accounting operations.

Local Planning

Local planning at the District has always focused on our students. The Vision for Success provides a more direct focus on goals, and the Student Centered Funding Formula provides the financial incentives to accomplish those goals. On November 19, 2019, the Planning and Budget Committee issued the annual Unit Planning Guidance for the 2020-21 fiscal year, the first guidance to be distributed since the Camp Wildfire in 2018, and well before the start of the COVID-19 pandemic. The guidance stated that Unit Plans and Administrative Program Reviews should be focused, to the extent possible, on addressing gaps identified during the assessment of student learning and administrative outcomes, meeting the recommendations identified during program review, and implementing the college's Strategic Direction Priorities, specifically, those objectives that are currently defined as institutional and state priorities. Despite the significant decreases in enrollment in prior years, no guidance was given to make any budget reductions, and it was the intent of the administration to avoid making significant cuts that could potentially negatively affect student access and student success.

Unit Planning Guidance provides general criteria to be used to prioritize unit plan resource requests. The criteria included:

- Addressing health, life, and safety issues;
- Maintaining ongoing programs and services at current levels;
- Implementing Strategic Direction Priorities;

- Meeting Standards and Goals for Student Achievement;
- Addressing Program Review Recommendations; and
- Implementing improvements identified during Outcomes Assessment.

The Move to Remote Learning

On March 12, 2020, just prior to faculty and students leaving for spring break, the faculty were asked to report to campus on Monday, March 23 and Tuesday, March 24, 2020 to prepare for moving towards remote teaching. These days would be considered Collaboration Days and a schedule of activities and resources were sent to faculty over the spring break. The goal was to gather faculty input and expertise and supply faculty with the supports needed to make the temporary transition successful. Administrators participated in a webinar with the State Chancellor's Office to gain clarification and information to apply for an Emergency Blanket Distance Education Addendum. The addendum would allow the college to engage in temporary remote teaching. As indicated by the U.S. Department of Education, temporary remote teaching includes the use of online platforms such as Canvas, as well as email, prepared packets, conference calls, text messaging, and other interactive modalities. It was acknowledged that there are some groups of classes that would not lend themselves to a temporary remote teaching environment. All of these topics were explored further during the two days after spring break.

On the heels of the Camp Wildfire, the COVID-19 pandemic and the move to remote teaching has had yet another significant negative impact on the college's enrollment. However, previously established budget criteria and planning guidelines continue to guide the college's direction and goals, in spite of the most recent emergency.

In coordination with the Board's revised Budget Criteria for 2020-21, the District will strive to abide by Budget Planning Guidelines that were developed by the President's Leadership Team and the Planning and Budget Committee. These guidelines include:

1. Manage the full-time faculty obligation to a minimum of FON + 1;
2. Require the Categorical Programs continue to be self-sustaining;
3. Ongoing revenue should equal or exceed ongoing expenses;
4. Continue to operate within our Collective Bargaining Agreements;
5. Do not budget for growth revenue until an actual increase in workload measures is achieved;
6. Cover all fixed cost increases before funding any new ongoing augmentations;
7. Ensure that fifty percent (50%) of new unrestricted augmentations (ongoing and one-time) that are proposed for funding be for instructional salaries and benefits;
8. Maintain the technology fee by not using state Instructional Equipment funds for technology equipment;
9. Account for some projected budget savings in the budget, not to exceed \$1 million.

In addition to these guidelines, general District goals were established. These goals include:

- a. Work to correct any structural issues in the budget
- b. Reduce reliance on indirect cost reimbursements from grants
- c. Maintain General Fund reserves greater than 25% (or approximately 3 months of operating expenses) to help maintain a positive bond rating
- d. Enrollment targets should be sustainable
- e. Relying on stability funding in a time of declining enrollment should not be an option for planning, only an option of last resort

- f. Assume the sun-setting of Proposition 30 will not have a negative impact on revenue
- g. Fully fund the OPEB liability before using funds from the retiree benefit trust for current retiree medical premiums

A New Five-Year Plan

A long lasting economic expansion, a wildfire, and a health epidemic have all contributed to a corresponding softening of enrollment that has made it difficult for the District's ongoing revenues to keep pace with its fixed cost increases. Planning strategies to correct the structural budget deficit caused by significant decreases in enrollment have changed from year to year, it seems to address the most current emergency. The negative impact on enrollment caused by the Camp Wildfire in 2018 required the District to prepare a revised five-year plan that included being temporarily held harmless to the enrollment declines caused by the fire and included the use of reserves and a methodical restoration of enrollment over a five year period. Projected enrollment restoration, estimated COLAs and fixed cost increases, were included in each of the five planning years. The 2020 COVID-19 recession and its impact on enrollment now requires the District to, yet again, make major changes to its five-year plan.

Fortunately, the District has exceeded its goal to accumulate reserves of 25% of its unrestricted general fund expenditures. These reserves will provide the District with the time and flexibility to plan carefully as it makes adjustments to its budget over a period of time.

With the help of emergency hold-harmless protection, the District has benefited from the implementation of the Student Centered Funding Formula (SCFF) that provides additional support for colleges serving low-income students. Changes to the formula were still being implemented at the start of the 2019-20 fiscal year and formula funding rates were finally set in April 2020. Fortunately, the District benefited again from the rate changes in the formula. The additional revenue generated from the funding formula is being incorporated into the revised five-year plan that will help offset a portion of the significant declines in enrollment the District has experienced over the past several years. Other revisions to the five-year plan now include the withholding of a COLA in 2020-21 and 2021-22, revised pension rates in 2020-21 and 2021-22, and a revised enrollment base from which the District must restore. This revised plan will still require additional adjustments be made to the budget over the five-year period in order to bring ongoing expenditures back in line with ongoing revenue. The District proposes to use hold-harmless funds to balance the general fund budget in 2020-21 and to provide the time needed to plan carefully so that adjustments can be made to the budget that will have the least negative impact to students and the college.

Generally, in years when the District receives funding from the statutory COLA, most of the funding is used to provide a cost-of-living adjustment to the various salary schedules. With the suspension of the COLA in 2020-21, no cost-of-living adjustments will be made to salary schedules in 2020-21. It is customary for the District not to budget for any growth or restoration revenue until it is actually achieved. No COLA or growth revenue is included in this Final Budget proposal for 2020-21.

Throughout the five-year plan the District proposes to continue to transfer revenue generated from the OPEB Trust fund to cover the cost of retiree medical premiums. The amount included in this Final Budget, and in each year of the plan, is \$2.2 million. This is the amount of earnings the trust fund is projected to generate on an annual basis to offset these costs. A separate funding plan is included in this Final Budget to ensure the Trust remains fully funded and continues to generate sufficient earnings to cover the cost of retiree medical premiums in future years. (See Retirees Benefits Fund.)

The District will generally achieve some salary savings from attrition every year. Attrition savings are projected to be generated every year from the retirements and resignations of higher salaried employees and replacing them with lower salaried new hires. Salary savings from attrition will be projected to offset the costs of step/column/longevity increases in each of the five planning years.

Each year, the District's unit planning process is used to prioritize and fund the highest priority augmentation requests identified by the District. These unit plans are developed by departments based on administrative and program reviews, strategic initiatives, various master plans, unit planning guidance and assessment of student learning. As in prior years, augmentation requests are prepared based on the needs of the departments, prioritized by the different areas, and then prioritized across the District, with the knowledge that only those new ongoing requests determined to be of highest priority for the District would be approved. These lists include fixed cost increases, adjustments to faculty and staff positions, capital outlay, technology infrastructure and safety needs, and programs designed to manage and/or maintain student services and generate enrollment or student outcomes. Requests from prior years that were ongoing in nature but funded with one-time funds were brought back, reevaluated and prioritized for continued funding. Projections for funding new high-priority ongoing costs are included in each year of the 5-year plan.

Costs related to the COVID-19 emergency, such as professional development for faculty, technology costs associated with the transition to distance education, and grants to students are included in this Final Budget as part of the \$2.2 trillion Federal CARES Act. Other proposed new one-time and ongoing costs proposed for funding in 2020-21 are described later in this document.

COVID-19 Relief Funds

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was approved by the U.S. Congress and signed into law by the President on March 27, 2020. This \$2.2 trillion CARES Act represents the third phase of federal coronavirus response legislation and includes funding for direct payments to Americans, loans to major industries and small businesses, and a newly created Education Stabilization Fund. Included in the Education Stabilization Fund is \$13.9 billion designated for higher education. Ninety percent of these funds were distributed directly to institutions based on a formula primarily weighted toward full-time enrollment of PELL recipients. The remaining ten percent was distributed to minority-serving institutions and those with the greatest need. At least half of the funding received must be used to provide direct emergency aid to students. Institutions can use the remaining funds to defray institutional costs related to the delivery of remote instruction or to provide additional support to students.

Butte College received \$3.64 million to provide emergency aid to students and another \$3.64 million to defray institutional costs related to the delivery of remote instruction. Planning continues on how best to use the institutional half of these funds. Butte College is allocated to receive an additional \$457.5K from the 10% of the CARES Act funds designated for minority-serving institutions. Currently, there is sufficient flexibility in the use of these funds to allow the district to offset some of the lost fee revenues from auxiliary and enterprise funds like Student Transportation, the Bookstore, Dining Services, and the Student Health Center.

As described earlier, the enacted state budget provides an additional \$120.2 million for a COVID-19 Response Block Grant for the community colleges to support student learning and mitigate learning loss related to the COVID-19 pandemic. Butte College's share of these funds is \$1.13 million and is included in this Final Budget.

Strategic Initiatives and the Educational Master Plan

Throughout this document, you will note actions and the allocation of resources proposed by the District to implement the Strategic Initiatives included in the district's Educational Master Plan. These initiatives include:

1. Enhancing a Culture of Completion and Goal Achievement
2. Supporting Student, Faculty and Staff Success
3. Using Data-Informed Processes for Continuous Improvement
4. Maximizing Resources to Support Student Learning
5. Modeling Sustainability
6. Enhancing a Culture of Equity and Inclusiveness

The following are examples of how the planning process for developing the Final Budget integrates with the Educational Master Plan and provides resources for accomplishing the District's strategic initiatives. The following examples are not intended to be an exhaustive list:

To enhance a culture of completion and goal achievement, the District has proposed investing ongoing and one-time funds for technology and capital improvements, student support services, and instructional materials and equipment. Investments in computer lab replacements, smart classrooms, library databases and library books will help support student success and completion. Resources have been provided for Roadrunner Hub services to help students with basic needs. Additionally, this proposed budget provides funding to strategically schedule courses when, where, and in the learning modality the students need them, and provides funding for the Butte College Promise Scholarship program. (Initiative #1)

This budget also allocates resources for new faculty computers, online course development, and upgraded Wi-Fi access points which will help to support student, faculty, and staff success. Resources allocated for a Mental Health Specialist and Title IX Coordinator help implement the District's initiative for staff and student success by focusing on employee and student wellness. (Initiative #2)

These budget allocations are proposed based on priorities developed through the unit planning process, a data-informed process that is assessed and refined annually to ensure continuous improvement. The college continues to refine this process to better integrate Student Learning Outcomes and standards for student achievement and to formalize the dialogue that occurs at each level of the prioritization process. (Initiative #3)

In order to maximize resources to support student learning, the Enrollment Management Committee works with the Office of Instruction and the President's Leadership Team to maximize the District's growth potential for enrollment by offering the classes that students need when the students want them. Resources are dedicated in this budget for this purpose and include the addition of new full-time faculty positions in programs of highest need and professional development for faculty to transition courses to an online modality when needed. In addition to enrollment strategies, outside grants have been obtained and managed that align with college and program initiatives emphasizing short-term and high impact projects. Specifically, new trades certificate programs have been developed to address rebuilding the communities ravaged by the Camp Wildfire. (Initiative #4)

Butte College has positioned itself to be a leader in sustainability and with this budget the college continues to model sustainability by leveraging Measure J Bond funds to remodel and construct high efficiency facilities. District reserves from several different funds are proposed to be

combined to purchase a new Field Act compliant Glenn County Center that will include enough solar covered parking to service the building's needs. Funding is provided for the Sustainability Program to maintain existing memberships, support educational events, faculty development, and limited conference travel regarding sustainability. (Initiative #5)

The District strives to create a campus climate that is characterized by diversity, understanding, mutual respect and inclusiveness, and promotes an environment that celebrates the uniqueness of each individual. Funding is proposed through Equal Employment Opportunity funding and District reserves, to provide diversity workshops and training, keynote speaker fees for Diversity Days, and applicant travel reimbursements to help increase diversity in recruitment pools. New in 2020-21 is the creation of a new management position, a Manager of Diversity, Equity and Inclusion, that will be assigned to help the district better focus on enhancing a culture of equity and inclusion. The college has joined a sustainable, multidimensional effort with other community colleges, to address longstanding racial equity issues and improve the campus' racial climate. Funds are also proposed to fund interpreters for the deaf and hard of hearing, and Title IX training. (Initiative #6)

The budget is one component of a multi-faceted strategy used by the District to implement its priorities. In addition to the unrestricted general fund budget, the college is using other funding sources such as the Innovation in Higher Education Award, Student Equity and Achievement (SEA) program funding, Career Pathways Trust grant, Guided Pathways funding, and Promise Program funding to partner more effectively with high schools (Initiative #1), automate high impact processes such as Student Educational Planning (Initiative #1), accelerate basic skills (Initiatives #1 and #2), provide professional development opportunities for faculty and staff (all Initiatives), communicate more effectively with students (Initiative #2), and improve access, success, persistence, completion, and transfer for special populations (Initiative #6).

REVENUE

State Revenue

Voters approved Proposition 55 to extend Proposition 30 in November 2016. This measure supports extending the personal income tax increases on incomes over \$250,000 for 12 years in order to help fund education.

Proposition 30, or The Schools and Local Public Safety Protection Act of 2012, takes funds away from state control and places them in special accounts that are exclusively dedicated to schools and local public safety. For schools and colleges, the act creates the Education Protection Account (EPA) within the state general fund. The EPA funds are then appropriated to schools and college districts on a quarterly basis to provide general purpose funding for classroom expenses. Although the community colleges are given sole authority to determine how these general purpose funds received from the EPA are spent, certain requirements must be met each year. These requirements include:

1. A spending plan must be approved by the governing board during an open session of a public meeting. This plan will be approved by the Board at the time the District's annual budget is adopted each year and is included in this budget document.
2. EPA funds cannot be used for salaries or benefits of administrators or other administrative costs.
3. An accounting of the EPA revenue received and how it was spent must be published on the District's website.
4. As part of the District's annual financial audit, independent auditors must verify that the EPA funds were used as specified by Proposition 30.

As indicated earlier in this document, the coronavirus pandemic has created a significant impact on the state's economy. The public health emergency has drastically changed California's budget outlook since the release of the Governor's budget proposal in January. The enacted budget reflects this new reality and as a result, very few ongoing adjustments are included in the 2020-21 enacted state budget as they relate to the California community colleges. As described earlier in this document, these ongoing adjustments are summarized as follows:

- \$5.8 million to fund Dreamer Resource Liaisons and student support services, for immigrant students including undocumented students
- \$10 million to provide legal services to immigrant students, faculty, and staff
- \$116,000 for a new position to support the Chancellor's Office accounting operations
- (\$5 million) decrease for Calbright College

The enacted state budget also makes several one-time adjustments and are summarized as follows:

- \$700,000 one-time to contract with an external organization to staff a working group on a community college athlete's use of the athlete's name, image, and likeness for compensation
- \$330.1 million deferral of community college apportionments from 2019-20 to 2020-21
- \$662.1 million deferral of community college apportionments from 2020-21 to 2021-22
- \$120.2 million COVID19 Response Block Grant, (\$54 million CARES Act and \$66.2 million Proposition 98), to support student learning and mitigate learning loss related to the pandemic
- (\$40 million) one-time decrease to Calbright College
- \$2.3 billion redirected to further reduce employer pension contribution rates in 2020-21 and 2021-22

- \$223.1 million Proposition 51 state bond funding for 25 new and 15 continuing capital outlay projects

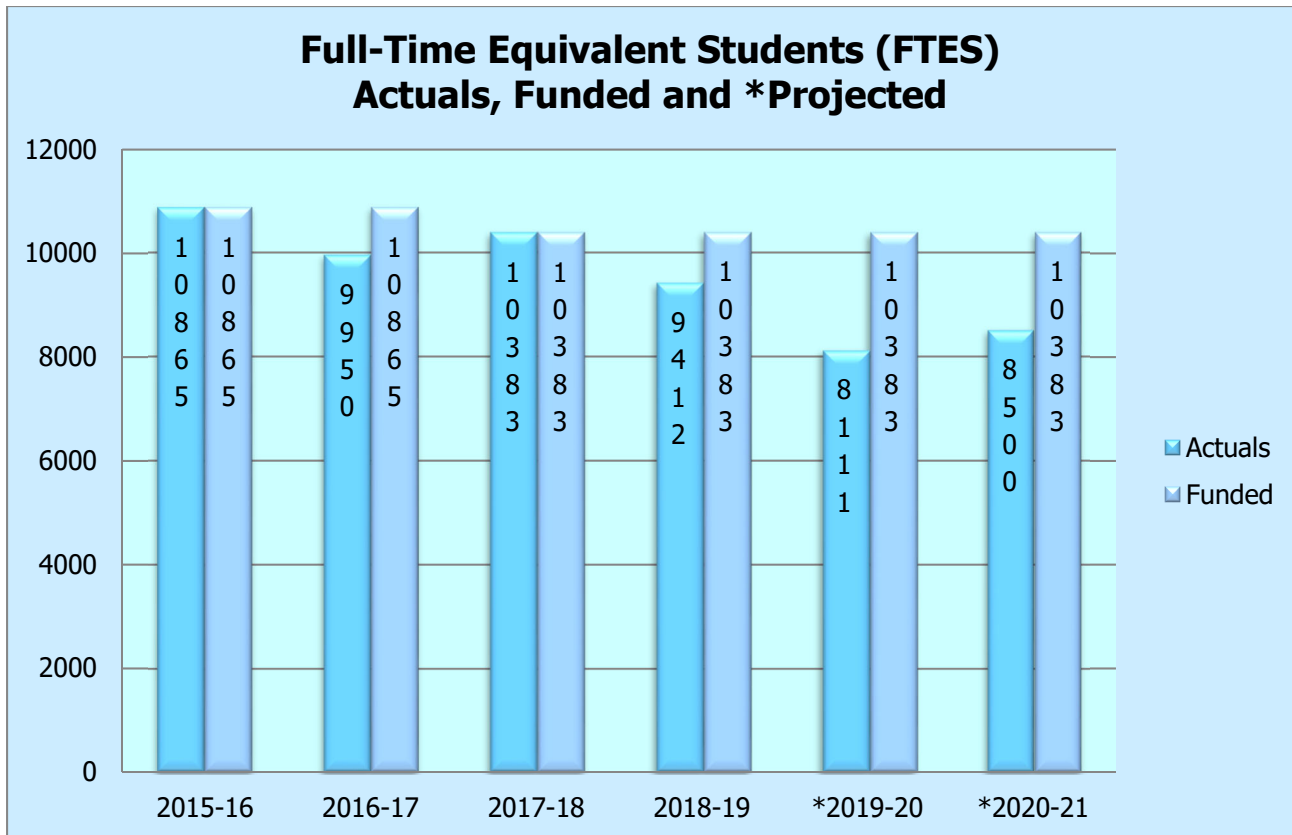
District Revenue and Full-time Equivalent Students (FTES)

Apportionment funding is the District's primary source of unrestricted general fund revenue. The Student Centered Funding Formula represents funding per full-time equivalent student (FTES) the District receives from enrollment, as well as funding to support low-income students served by the district and incentive funding for student outcomes. As discussed earlier, changes to the funding formula were still being implemented in 2019-20. Funding rates were preliminarily set in February 2020 and later updated in April to reflect slight revisions to FTES, supplemental and success metrics, and a change to available resources. Beginning in 2020-21, these rates were to be adjusted by the funded statutory COLA. However, because no COLA is funded in the 2020-21 state budget, the 2020-21 funding rates will not change from the rates established in 2019-20.

For this Final Budget, the District has built a schedule that targets to serve over 10,000 FTES in 2020-21. This is fewer than the number of FTES reported in 2017-18 (10,383), but much greater than the FTES the District reported to have served in 2019-20 (approximately 8,111). Although additional FTES is targeted and planned to be restored in 2020-21, these funds are not included in this Final Budget document. However, this budget stills includes temporary hold-harmless revenue protection. This temporary emergency relief funding is equivalent to the funding we would have received had it not been for the 2018 Camp Wildfire. The State Chancellor's Office has agreed to provide this relief by funding the SCFF workload measures reported in 2017-18 through the end of the 2021-22 fiscal year or until our actual workload measures exceed those reported in that year. District staff will continue to work with the State Chancellor's Office to ensure this funding is received until we can restore back to our pre-fire levels.

The Student Centered Funding Formula provides a basic allocation for single college districts with FTES greater than 10,000, and approved centers with FTES greater than 1,000 FTES. These funds are included in this Final Budget and will continue to be included during our hold-harmless period even as our FTES falls below the 10,000 and 1,000 FTES levels.

The following graph shows the District's historical number of full-time equivalent students served and funded. In 2018-19, the graph reflects the significant decline in students served (9,412) due to (1) the Camp Wildfire, and (2) including only one summer's FTES in 2019, but also reflects being held financially harmless to the prior year's 2017-18 FTES. In 2019-20, the graph reflects another decline in FTES (8,111) mainly as a result of the coronavirus pandemic. The District does not expect to completely restore the FTES lost in 2018-19 and 2019-20 in the budget year, but projects to be held harmless to the FTES and other workload measures achieved in 2017-18.



Plans to grow the summer’s course schedule, strategically add class sections to the Fall and Spring schedules, and continue the Winter session, will all continue in 2020-21, albeit mostly in a remote format. In addition, the District is expanding dual enrollment with local high schools, distance education and implementing guided pathways. Planning for the expansion of math, science and Career Technical programs like Welding, Nursing and Cosmetology are well under way with the help of Strong Workforce and Perkins funding and District reserves. By implementing these enrollment strategies, the District is targeting to methodically restore some of the enrollment it lost over the past several years. Restoration or growth funding will be included in future year’s budgets only after the FTES and other SCFF workload measures are achieved and the funding received exceeds the hold harmless funding. For the next two years, the District will include this emergency relief funding to help bridge the decline period, and will continue to work with the Chancellor’s Office to request additional hold-harmless years until we can fully restore.

Based on the revised SCFF funding rates established in 2019-20 the District includes the following in this Final Budget:

UNRESTRICTED

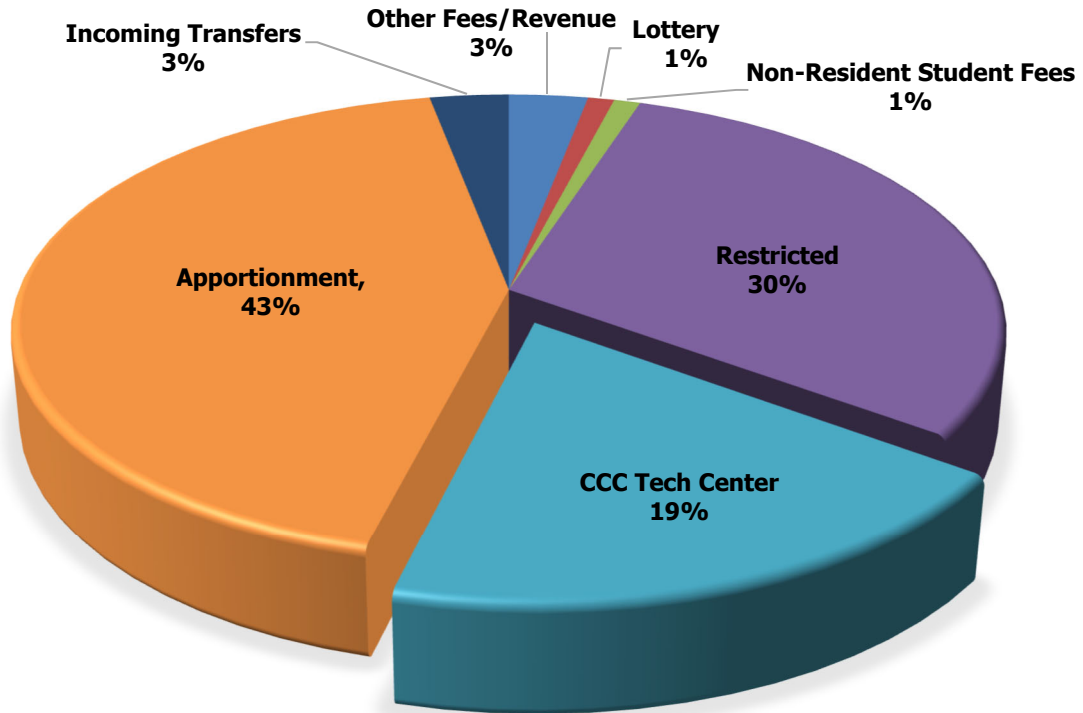
- \$3 million in additional SCFF funding from the revised 2019-20 funding rates,
- Although not considered “additional revenue” from the State Budget in 2020-21, the District will carryover approximately \$941K in apportionment revenue that was not committed to ongoing expenditures in 2019-20.

RESTRICTED

- \$7.05 million for the construction phase of the Technology Remodel project (these funds will be accounted for in the Capital Outlay fund),

- \$5.2 million in CARES Institutional funding, Minority Serving Institutions, and COVID19 Response Block Grant to support student learning and mitigate learning loss related to the pandemic.

TOTAL GENERAL FUND REVENUE

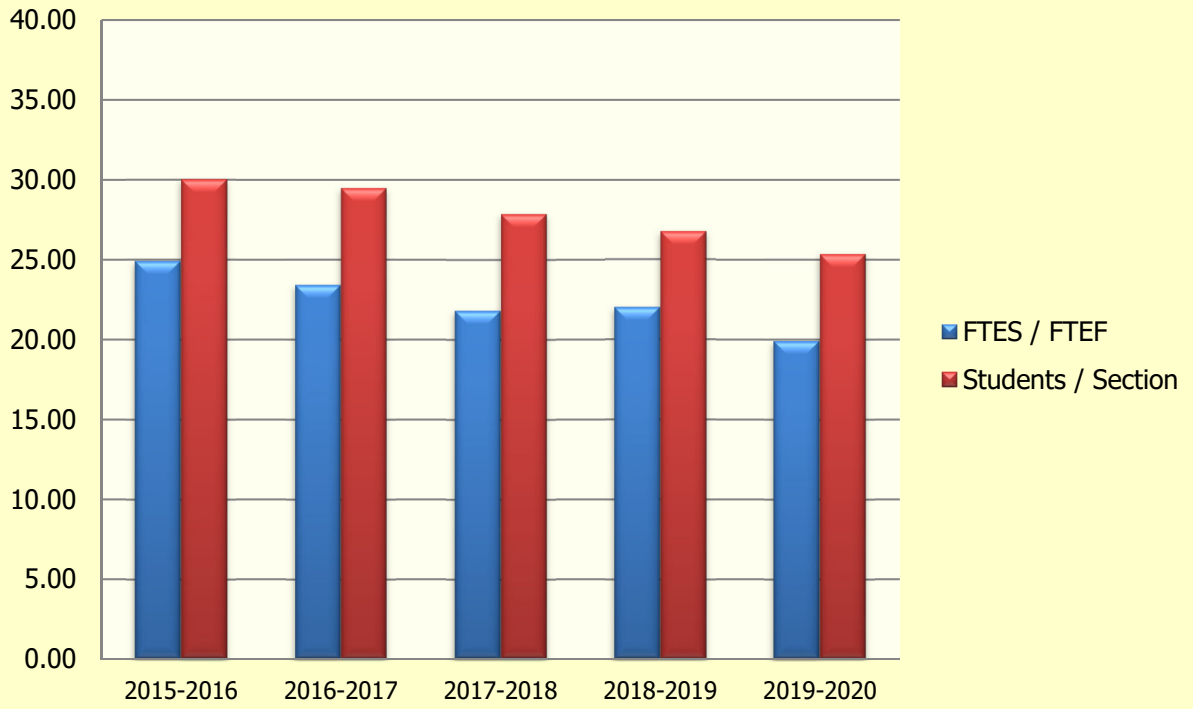


The District’s total general fund revenue projection for 2020-21 is approximately \$156 million, 52% of which is for restricted programs and incoming transfers to pay for retiree medical premiums. Approximately 43% of the District’s total revenue is directly from apportionment. The remaining 5% is from other sources, many of which are also based on student enrollment. For example, non-resident tuition is revenue the District receives from out-of-state and international students. Lottery revenue is allocated to the colleges based on the number of both resident and nonresident students it serves and provides supplemental funding to all levels of public education.

Workload Efficiency

In 2019-20, the District reported to have served approximately 8,111 full-time equivalent students (FTES). As the District experiences a decline in enrollment, its workload efficiency suffers. The number of students per section shows a decline from an average high of 30 students per section in 2015-16 to a projected average of 25.33 students per section in 2019-20. This is also reflected by a corresponding decrease in the number of full-time equivalent students (FTES) served per full-time equivalent faculty (FTEF).

Workload Efficiency



EXPENDITURES

Building the 2020-21 expenditure budget involves six major components:

1. Identifying all fixed cost increases;
2. Determining the number of full-time faculty hires needed to cover the class schedule and to meet/exceed the Full-Time Faculty Obligation Number (FON);
3. Identifying areas for reductions that can be implemented with minimal impact on enrollment or services;
4. Identifying critical areas for augmentation using one-time money;
5. Identifying critical areas for augmentation using ongoing funds; and
6. Closing the budget gap between ongoing revenue and ongoing costs.

Fixed Cost Increases

Each year, fixed cost increases represent the largest increase to the expenditure budget. These cost increases are generated by collective bargaining agreements, retirement pension systems, retiree health benefits, utilities, service contracts, and insurance rate increases.

These costs fluctuate each year depending on the funding of the statutory COLA and the corresponding percentage increase to the salary schedules, as well as the increases to employer contribution rates for both the PERS and STRS pension plans. For 2020-21, fixed costs are estimated to increase by approximately \$326.1K.

The largest components include:

- Step/column/longevity salary increases	\$ 575,424
- Attrition	\$ (415,204)
- Employee and retiree health benefit increases	\$ 184,779
- PERS rate increase	\$ 140,632
- STRS rate savings	\$ (277,050)
- Leases, utilities, service contracts	\$ 117,548

Since the enacted state budget does not fund the statutory COLA, no salary schedules will be increased.

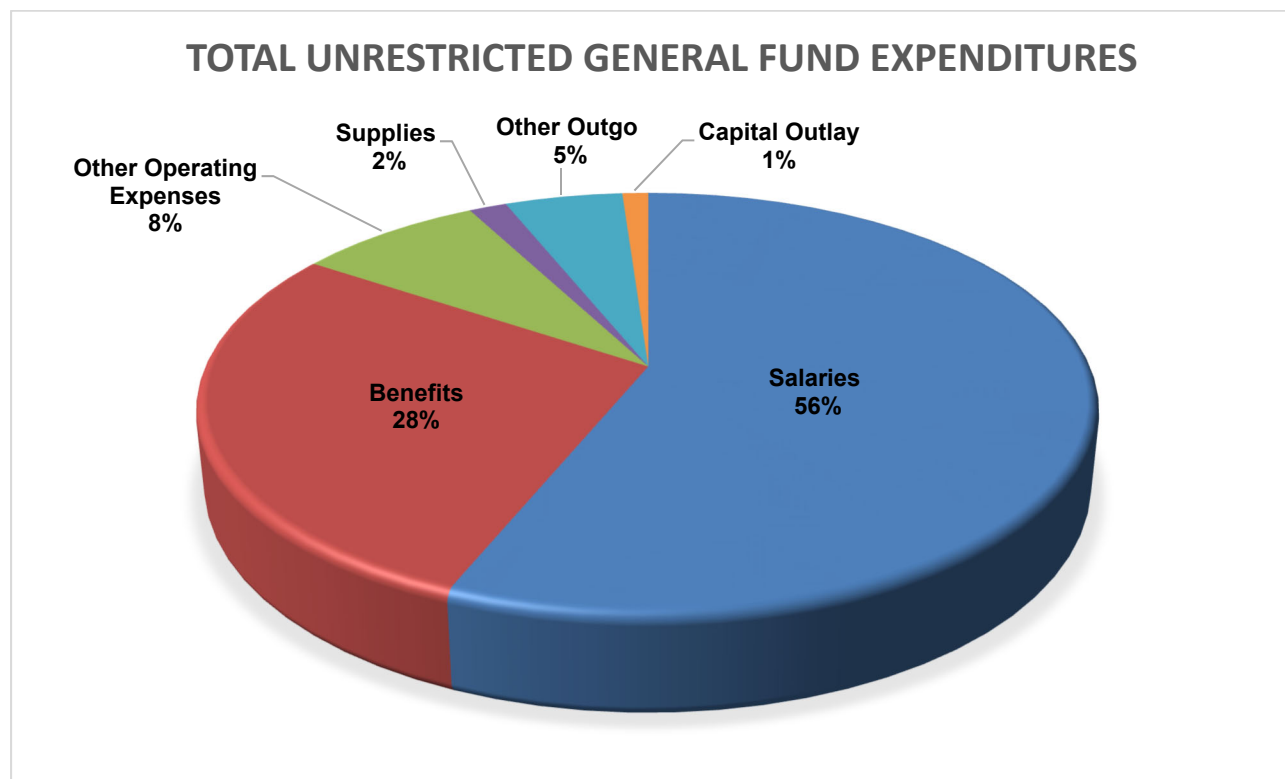
Step, column and longevity salary increases are included in this Final Budget and tend to represent approximately 1.5% - 2% of regular salaries each year (\$575,424). For 2020-21, this cost is projected to be offset by a significant degree of attrition. As more seasoned employees retire that are higher on the salary schedule, newer employees are hired at a lower step and/or column. This will result in a savings of approximately \$415.2K in 2020-21 that will be used to help offset the cost of step/column and longevity salary increases.

The District's contribution to medical is capped to increase no more than 2.5% in the budget year and provides benefits for medical, dental, vision and life insurance to active employees. For retirees, the District covers the medical plan only. However, there is no cap for retiree premiums. The cost increase for both of these premiums in 2020-21 is approximately \$184.8K. There were no increases to dental, vision or life insurance. The cost increases to health benefits are managed by cost containment measures, employee contributions made to active medical plans, and a Medicare supplement plan for retirees over the age of 65. In 2017-18, the District's medical Joint Powers

Authority (BSSP JPA) joined a much larger JPA (SISC) to help lower and stabilize its costs. SISC is the largest public school purchaser of health care in the United States.

As indicated earlier in this document, the enacted state budget redirect funds previously designated for a long-term buy-down of pension liabilities, and instead uses them to reduce local school employer pension contributions in 2020-21 and 2021-22 by about 2% each year. This reallocation reduces the proposed CalSTRS employer rate from 18.4% to 16.15% in 2020-21 and results in a savings of approximately \$277.1K. The CalPERS employer contribution rate will be reduced from the recently set rate of 22.68% to 20.7% in 2020-21. This is still an increase from the 19.7% rate in 2019-20 and results in a cost of approximately \$140.6K.

In previous years, the District generally spent approximately 2.13% of its unrestricted General Fund budget on energy costs. The electricity portion of these funds were redirected from the utility budget to cover the financing costs of solar energy generation projects. The solar energy loans for Phases I and II have both been paid off leaving only one outstanding Phase III solar energy loan outstanding. Proposition 39 funds were used to add solar arrays to the Skyway Center, and additional solar arrays have been constructed to service the new Welding and Manufacturing building using Measure J bond funds and district reserves. The energy generated by the solar arrays will help protect the District from future electricity rate increases and save the District millions of dollars over the life of the solar panels.



In addition to fixed cost increases, expenditure augmentations were made to the budget based on high priority requests through the unit planning process. Budget augmentations are described in more detail later in this document. Most of the \$326.1K in fixed cost increases added to this budget are related to salaries and benefits which equal approximately 84% of the unrestricted General Fund budget. The remaining 16% includes supplies, operating expenses, capital outlay purchases, and other outgoing expenses like debt retirement and transfers to other funds.

Full-time Faculty Obligation Number (FON)

By statute, when a district's credit FTES grows by a certain percentage, the District is required to increase its obligation to the number of full-time faculty that teach credit courses by the same percentage. The opposite holds true as the number of credit FTES declines.

Each year the District is required to meet its full-time faculty obligation number (FON). Per the Budget Planning Guidelines developed by the college, the District strives to exceed the full-time faculty obligation by at least one full-time equivalent faculty (FTEF), more as funding permits. Although the District's credit FTES has been declining significantly in recent years, the District continues to be held-harmless to the credit FTES achieved in 2017-18. Based on those numbers, the District's full-time faculty obligation number is projected to increase slightly from 157.5 to 159.5 FTEF for Fall 2020. This Final Budget includes enough funding for approximately 195 full-time faculty, however, due to possible late retirements, delayed recruitments and/or failed searches, the amount reported this fall may be less.

Budget Reductions

No guidance was given to the campus requesting any across-the-board budget reductions for 2020-21. However, some targeted reductions have been made and general savings to certain district-wide budgets have been accounted for and included in this Final Budget document. The enacted state budget eliminated the budget reductions proposed in the May revision, so no reserves are used to balance this budget (\$1.9 million was proposed to be used in the Tentative Budget). The District will use the 2020-21 budget year to plan for additional adjustments to operating budgets to help bring ongoing expenditures back in line with ongoing revenue in preparation for when hold-harmless funding ends.

Budget Augmentations (Ongoing and One-Time)

High priority budget augmentations for 2020-21 were requested from areas through the unit-planning process. These unit plans included augmentation requests for ongoing items, as well as one-time augmentation requests for items of a one-time and/or critical nature. Items that were funded in 2019-20 with one-time dollars were considered for ongoing funding or for one-time funding again in 2020-21. When new ongoing funds are available, the budget will propose to include these items of an imperative nature needed to (1) maintain/improve current operations, (2) are a health, safety or compliance issue, and/or (3) are intended to improve services or enrollment for specific programs.

Ongoing Augmentations

Despite the difficulty in funding any new ongoing augmentations requests when no new funding was provided in the enacted state budget, the District is proposing to add two new critical positions over and above fixed cost increases.

A Director of Applications, Infrastructure and MIS Maintenance is needed to help support the increasing reliance on MIS data, specifically as it relates to data reporting and apportionment funding workload measures. Additional support is also needed for the transition to and ongoing support for remote teaching and distance education. The net cost of this position after department reorganization is approximately \$90K. The other new critical position added to this budget is the Manager of Diversity, Equity and Inclusion. This position will be partially funded from the district's general fund and from Student Equity and Achievement funds, and will help the district

better focus on enhancing a culture of equity and inclusion. Other than fixed cost increases, no other new ongoing augmentation requests are proposed for funding in this budget.

One-time Augmentations

The unit planning process for 2020-21 also included numerous requests for one-time funding. The District proposes to fund the following:

Approximately \$3.0 million to backfill auxiliary and enterprise functions like the student bus transportation system (\$1.54 million), the Bookstore (\$833K), Dining Services (\$454K), and the Student Health Center (\$191K), that rely mainly on the fees charged for the services rendered. The recent pandemic has had a direct and significant impact on the number of students and staff using these services and a corresponding negative impact to the fee revenues that support these programs. The District proposes to use CARES Act funding to cover \$1.2 million of this backfill, and general fund revenue to cover \$1.8 million.

The District also proposes to transfer an additional \$1.4 million to the Capital Fund from the General Fund to fund the purchase of a new Glenn County Center in Orland. The District had already set aside \$2 million in 2019-20 for this purpose. The remaining balance of funds needed for this purchase will be transferred from the Self-Insurance Fund (\$4.0 million), the Redevelopment Fund (\$4.0 million), the Retiree Benefit Fund (\$1.5 million), and the Capital Fund (\$1 million). This Final Budget proposes to increase the transfer from the General Fund by \$1 million from the \$400K proposed in the Tentative Budget and reduce the transfer from the Retiree Benefit Fund in the county treasury from \$2.5 million to \$1.5 million, leaving a balance in the Retiree Benefit Fund of \$1 million. Balances will also remain in the Self-Insurance Fund (\$1.12 million) and the Redevelopment Fund (\$391K) after these transfers are made. Funds totaling \$12.4 million will be set aside in an escrow account for the purchase of this permanent “Field Act compliant” facility in Glenn County.

Other augmentation requests were prioritized through the unit planning process. Requests of approximately \$1.825 million have been prioritized for one-time funding and are included in this Final Budget.

Approximately \$261.8K in one-time augmentations for Instruction are proposed for funding. The major items/projects include:

- Respiratory Care and EMS Directors \$20.0K
- Athletic Officials Fees \$22.0K
- ISAs: CalFire, State Parks, Fish & Wildlife, and CPE \$100.0K
- Redesign Cosmetology and Barbering Center \$50.0K
- Redesign Engineering Lab \$47.0K
- Athletic Secretaries out-of-class pay \$22.8K

Approximately \$303.5K in one-time augmentations for Student Services are proposed for funding. The major items/projects include:

- DSPS Match and Deaf Hard of Hearing \$111.9K
- Part-time Counseling \$40.0K
- Student Loan Default Management \$10.0K
- Title IX OCR Mandates, Training, ATIXA Membership, Investigations \$44.5K
- Financial Aid Software (Campus Logic) \$41.0K

- International Student Recruitment Travel \$10.0K
- Out of State recruiting \$10.0K
- TES/College Source Access to Catalogs \$11.0K
- Club Advisors Stipends \$10.0K
- Graduation Diploma Printing \$8.0K
- Instructional Aid and student assistants for CAS \$7.1K

Approximately \$591.5K in one-time augmentations for Institutional Effectiveness are proposed for funding. \$415.5K of these items will be funded by the Technology Fee. The major items/projects include:

- Accreditation reassign time and stipends \$90.0K
- Matching funds for four TRiO grants \$10.0K
- Reassign time for ProDev Coordinator \$30.0K
- Implement 2 factor authentication \$12.5K
- Diversity Days speakers \$21.0K
- ProDev and operating expenses for Sustainability \$7.5K
- Computer Lab Software Maintenance \$53.0K
- Computer Lab Upgrades \$275.0K
- Replace Aruba Access Points \$55.0K
- Student Lab Print System upgrade \$15.0K
- Smart Classroom Equipment Repair \$17.5K

Approximately \$22.1K in one-time augmentations for Administration are proposed for funding. The major items/projects include:

- Air filters for Welding, Kinesiology/Athletic Perform Ctr, and Press Box \$22.1K

Approximately \$646.1K in one-time augmentations for district-wide areas are proposed for funding. The major items/projects include:

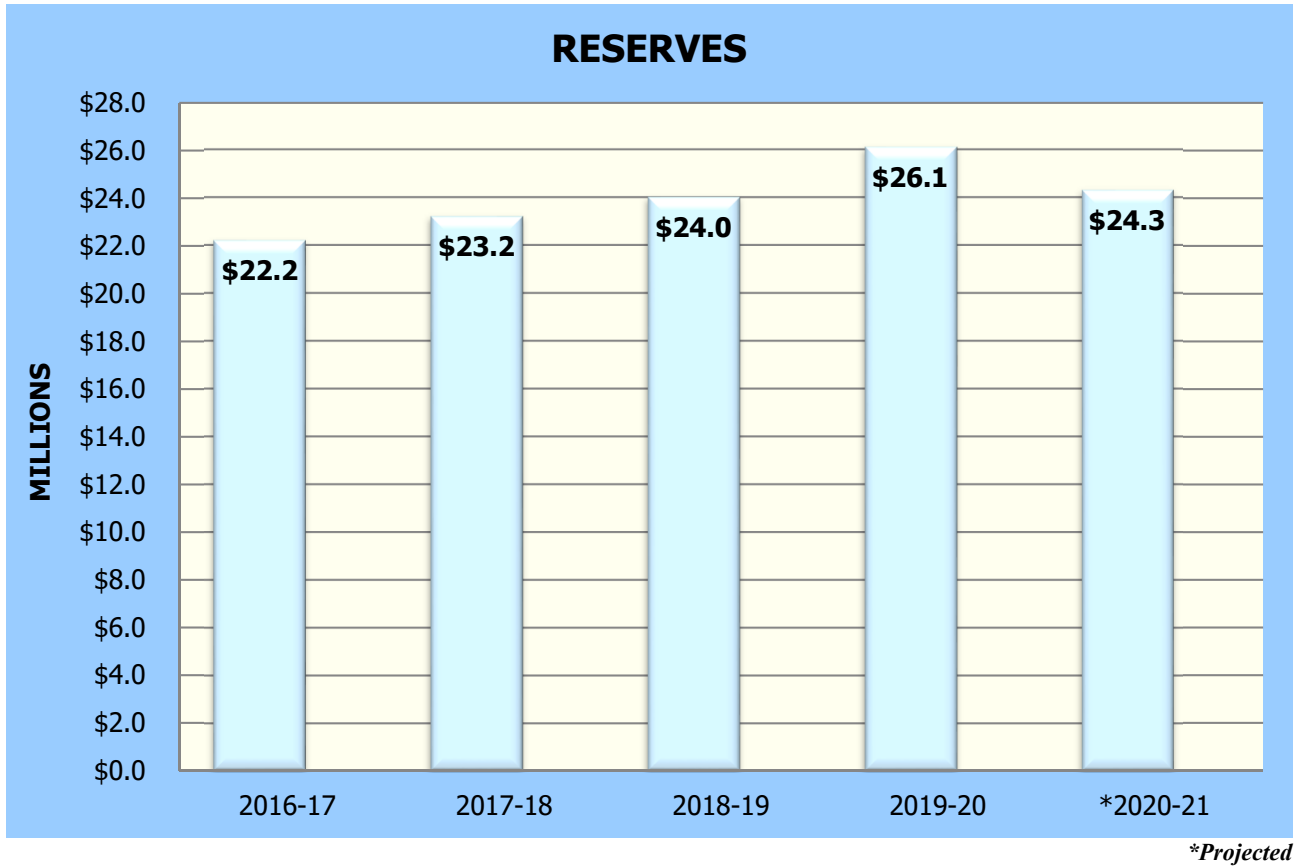
- Advertising and Marketing \$250.0K
- Election expenses \$199.0K
- Glenn County Center lease increase \$6.6K
- Waste disposal, HazMat, and recycling equipment \$3.5K
- Leadership discretionary allocation \$120.0K
- Sabbatical leaves \$35.0K
- Classified subs and reclasses \$30.0K
- Phi Theta Kappa \$2.0K

ONE-TIME FUNDS

Reserves

High priority one-time augmentation requests are generally funded with General Fund reserves. Approximately \$5 million is proposed for funding from the General Fund reserves in this Final Budget, including \$1.8 million to backfill Auxiliary and Enterprise fee based programs, \$1.4 million to help fund the purchase of a new Glenn County Center, and \$1.825 million in other high priority one-time requests.

The following graph shows a partial history and the projected ending reserve balances in 2019-20 and 2020-21.



The reserve balances at end of fiscal years 2019-20 and 2020-21 are projected to represent 33% and 30% of the 2020-21 unrestricted general fund expenditure budget respectively.

The Reserve for Contingencies will be maintained at 5% of anticipated expenditures as required by the Board's Budget Criteria. Although a total reserve goal of 25% was approved as a fiscal indicator for Institutional Effectiveness, it is anticipated that reserve levels may fall below this goal over the next several years until enrollment can be restored.

The Reserve for Budget Planning has been reestablished for planning in 2020-21 in the amount of approximately \$16.4 million.

Other unrestricted reserves are also currently available in the Capital Fund, the Redevelopment Fund, the Retiree Benefit Funds and the Self-Insurance Fund. These funds are available to be used

to fund high priority augmentation requests, generally of a capital outlay nature, or to cover uninsured losses. As described earlier in this document, the majority of these funds will be transferred to the Capital Fund for the purchase of property in Orland for a new Glenn County Center. Details of these funds are provided later in this document.

Carryover from 2019-20

The District generally expects a “carryover” (one-time funds from either excess revenue received at yearend or unexpended budget allocations) from the current year to the next. One-time carryover funds are added to the ending fund balance. These reserve funds are available to fund one-time expenditures, fund capital projects, maintain a Budget Planning Reserve, and provide flexibility and cash-flow needed for the District to continue operations during times when ongoing revenue do not keep pace with ongoing expenditures, i.e. during periods of enrollment decline. Reserve funds are also available when apportionment revenue is not received timely (for example, when monthly apportionment payments are deferred or slow to be received, or when a State Budget has not been passed).

It is not uncommon for the District to carryover in excess of \$1 million at the close of a fiscal year that is then added to the beginning reserve balance for the budget year. This carryover generally comes from salary and benefit savings due to vacancies, unspent budget allocations for supplies, services and equipment, and higher than budgeted indirect cost reimbursements from grants. The District may also realize additional carryover funds from apportionment revenue for restored FTES, a reduction in a prior year deficit factor or, as is the case this year, a positive change in the Student Centered Funding Formula funding rates.

In prior years, deficit factors applied to districts’ apportionment payments have impacted available carryover funds a district might have at year-end. Deficit factors are generally applied against state apportionment revenue when there is a statewide shortfall in property tax or enrollment fee revenue. For 2019-20, it is expected that there will be a small “deficit factor” (approximately 1%) applied to apportionment revenue because the funding rates were established in 2019-20 to use only the state revenues available to the system.

The District is projecting its ending balance reserves to increase by \$2.1 million from \$24 million in 2018-19 to \$26.1 million in 2019-20. Reserves in 2020-21 are then budgeted to decrease by \$1.8 million to help backfill other fee based programs and help fund one-time augmentations in 2020-21. This will still leave a strong District reserve of approximately \$24.3 million or 30% of unrestricted expenditures after the 2020-21 year.

CALIFORNIA COMMUNITY COLLEGES
GANN LIMIT WORKSHEET
2020-2021

DISTRICT NAME: Butte-Glenn Community College District

DATE: June 6, 2020

I. 2020-2021 Appropriations Limit:

A.	2019-2020 Appropriations Limit		\$ <u>152,521,089</u>
B.	2020-21 Price Factor:	1.0373	
C.	Population Factor:		
	1. 2018-2019 Second Period Actual FTES	<u>9,371</u>	
	2. 2019-2020 Second Period Actual FTES	<u>8,995</u>	
	3. 2020-2021 Population change factor	<u>0.9599</u>	
	(line C.2. divided by line C.1.)		
D.	2019-2020 Limit adjusted by inflation and population factors (line A multiplied by line B and line C.3.)		\$ <u>151,865,900</u>
E.	Adjustments to increase limit:		
	1. Transfers in of financial responsibility	\$ <u>-</u>	
	2. Temporary voter approved increases	<u>-</u>	
	3. Total adjustments - increase		-
	Sub-Total		\$ <u>151,865,900</u>
F.	Adjustments to decrease limit:		
	1. Transfers out of financial responsibility	\$ <u>-</u>	
	2. Lapses of voter approved increases	<u>-</u>	
	3. Total adjustments - decrease		(<u>-</u>)
G.	2020-2021 Appropriations Limit		\$ <u>151,865,900</u>

II. 2020-2021 APPROPRIATIONS SUBJECT TO LIMIT:

A.	State Aid (General Apportionment, Apprenticeship Allowance, and Education Protection Account tax revenue)		\$ <u>49,279,708</u>
B.	State Subventions (Home Owners Property Tax Relief, Timber Yield tax, etc.)		<u>258,678</u>
C.	Local Property taxes		<u>15,454,435</u>
D.	Estimated excess Debt Service taxes		<u>0</u>
E.	Estimated Parcel taxes, Square Foot taxes, etc.		<u>0</u>
F.	Interest on proceeds of taxes		<u>38,636</u>
G.	Local appropriations from taxes for unreimbursed State, court, and federal mandates		(<u>-224,089</u>)
H.	2020-2021 Appropriations Subject to Limit		\$ <u>64,807,368</u>

**Butte-Glenn Community College District
Budget - Revenue - General Fund**

	18-19 Actual Revenue	19-20 Unaudited Revenue	20-21 Tentative Budget	20-21 Final Budget
Beginning Balance	\$ 23,247,177	\$ 24,030,267	\$ 26,069,938	\$ 26,069,938
8110 Forest Reserve	\$ -	\$ 23,581	\$ -	\$ -
8121 College Work Study - Admin	14,432	14,936	12,560	12,560
8122 College Work Study - Wages	266,209	278,446	310,735	218,000
8123 College Work Study - Job Devel.	31,944	27,795	27,575	27,575
8124 College Work Study - Comm. Service	22,437	20,284	20,328	20,365
8131 Adult Education	44,312	12,358	22,496	22,496
8136 Foster Care	101,173	110,195	101,639	101,639
8140 Transitional Assistance to Needy Families (TANF)	15,828	15,828	33,669	30,925
8151 Supplemental Educational Opportunity Grants (SEOG) - Admin.	16,297	11,092	13,117	13,117
8152 Pell Grant - Admin.	3,145	22,815	40,000	40,000
8160 Veterans' Attendance Allowance	3,718	20,972	12,166	12,166
8170 Perkins	843,916	858,218	777,886	777,886
8174 VTEA - Tech Prep.	41,377	46,228	42,483	42,483
8194 Small Business Development	182,956	211,914	255,815	255,951
8197 US Dept Ed / OPE	-	112,190	1,425,000	1,425,000
8198 CARES Act - Federal Funding	-	162,410	4,098,545	4,606,025
8199 Other Federal Revenue	404,690	354,408	561,195	561,403 (a)
8100 TOTAL FEDERAL REVENUE	\$ 1,992,434	\$ 2,303,670	\$ 7,755,209	\$ 8,167,591
8612 State General Apportionment	\$ 34,649,912	\$ 41,071,967	\$ 37,643,677	\$ 41,660,310 (b)
8613 Full Time Faculty Hiring	461,204	461,204	461,204	461,204
8614 Part-Time Faculty Compensation	273,549	302,519	249,360	249,360 (c)
8615 Enrollment Fee Admin. Fee	145,684	131,509	128,800	128,800
8616 Basic Skills	886,056	-	-	- (d)
8619 Prior Year Corrections (Apportionment)	(491,445)	433,579	3,588	3,588 (e)
8620 Student Equity (and Achievement)	2,081,730	7,048,136	5,935,956	6,112,264 (d)
8621 Cal Works	380,219	361,607	382,567	382,890 (c)
8622 Extended Opportunity Programs and Services (EOPS)	1,418,463	1,391,528	1,212,840	1,894,679 (f)
8623 Cooperative Agency Resources and Education (CARE)	1,094,623	1,135,396	301,685	271,517 (c)
8624 Disabled Student Services and Programs (DSPS)	724,487	750,634	750,634	721,514 (c)
8625 Student Success (SSSP)	1,372,677	-	-	- (d)
8626 Telecommunications	13,688,085	13,000,000	2,986,836	15,986,836 (g)
8627 Student Financial Aid Admin.	491,707	452,547	503,637	504,029
8629 Deferred Maintenance and Instructional Equipment	261,170	126,339	-	- (h)
8630 Education Protection Account	9,768,760	7,683,304	8,201,401	7,619,398 (i)
8631 Transitional Assistance to Needy Families (TANF)	51,510	32,628	33,669	33,715
8633 Funds for Student Success - MESA (Math, Engineering, Science Achievement)	69,980	46,279	57,380	57,423
8634 Classified Professional Development	-	-	82,225	82,225
8635 Equal Employment Opportunity (EEO)	46,949	71,445	66,445	66,445
8636 Foster Care Grant	171,901	188,694	209,842	209,842
8638 Technology Center	30,773,143	19,800,922	14,495,266	13,711,333 (j)
8640 Veterans Resource Center	52,855	143,534	69,229	69,229
8642 California College Promise	718,099	924,182	924,182	936,972 (k)
8643 Student Success Completion	1,705,587	2,039,216	1,021,216	2,100,392 (l)
8644 Financial Aid Technology	-	228,599	48,531	209,574
8645 CARES Act - State Block Grant	-	-	-	622,938 (m)
8653 AB86	2,267,360	2,464,573	241,229	2,238,205 (c)
8654 College Homeless Pilot	-	700,000	-	700,000
8657 Economic Development	1,195,818	1,175,238	845,256	845,665 (c)
8658 Strong Workforce Program	15,979,732	21,837,620	17,066,717	14,318,137 (n)
8659 Other Categorical Programs	7,500	11,678	-	-
8671 Homeowners' Exemptions Taxes	269,411	225,557	211,849	211,849 (o)
8672 Timber Yield Tax	47,343	25,439	46,829	46,829 (o)
8681 State Lottery Proceeds	2,161,411	2,203,691	2,118,132	2,118,132
8683 Mandated Costs	301,566	308,660	308,660	308,660 (p)
8690 Guided Pathways	285,759	888,189	280,000	280,000
8692 STRS On Behalf	1,890,271	1,806,711	1,806,711	1,806,711 (q)
8693 Innovation Award	254,761	1,126,952	500,000	500,000 (r)
8699 Other State Income	1,131,017	623,793	610,776	610,859 (c)
8600 TOTAL STATE REVENUE	\$ 126,588,854	\$ 131,223,869	\$ 99,806,329	\$ 118,081,524
8811 Secured Taxes	\$ 19,090,476	\$ 15,262,068	\$ 13,940,568	\$ 15,260,174 (o)
8812 Supplemental Roll Taxes	320,182	305,215	190,436	190,436 (o)
8813 Unsecured Taxes	981,258	997,190	859,864	859,864 (o)
8816 Prior Year Taxes	(40,064)	6,914	23,804	23,804 (o)
8817 Education Revenue Augmentation Fund (ERAF)	(2,734,074)	(2,959,674)	(2,544,265)	(2,544,265) (o)
8818 Redevelopment - Local & Residual	(1,829,313)	2,243,801	1,664,422	1,664,422 (o)
8829 Gifts and Contributions	1,801	10,761	4,000	4,000
8831 Contract Instructional Services	-	-	48,894	49,225
8839 Contract Education	1,667,809	2,607,712	2,298,560	2,298,664 (s)
8840 Sales and commissions	54,295	35,652	47,500	47,500 (t)
8842 Sale of Equipment and Supplies	38,858	68,607	52,500	52,500
8859 Other Rentals and Leases	34,108	46,814	28,202	28,202
8861 Interest	1,143,970	1,153,994	1,200,000	1,200,000 (u)
8872 Community Service Classes	118,961	280,630	99,101	99,101

**Butte-Glenn Community College District
Budget - Revenue - General Fund**

	18-19 Actual Revenue	19-20 Unaudited Revenue	20-21 Tentative Budget	20-21 Final Budget	
8874 Enrollment Fees	3,195,898	2,973,045	2,839,331	2,839,331	(v)
8876 Health Service Fees	414,234	496,324	371,917	308,049	
8877 Material Fees	222,439	230,139	220,000	220,000	
8879 Student Records / ID Card	36,019	25,832	63,859	63,859	
8880 Non-Resident Student Fees	1,453,862	1,427,160	1,484,048	1,484,048	(w)
8881 Transportation Fees	1,258,898	1,103,093	1,038,281	175,000	(aa)
8882 Audit Fees	2,096	1,867	2,000	2,000	
8885 Other Student Fees & Charges	(14,970)	1,783	10,000	10,000	
8886 Technology Fee	438,483	402,183	415,500	415,500	(x)
8888 Library Charges	7,181	29,995	10,000	10,000	
8893 Prior Year Outlawed Warrants	(16,055)	41,652	28,000	28,000	
8894 Workers Comp. Reimbursements	75,389	76,369	28,000	28,000	
8896 Safety Credits	28,105	6,126	20,000	20,000	
8897 Parking Meters and Fines	4,050	2,708	20,000	20,000	
8898 Fees for Returned Checks	-	955	-	-	
8899 Other Local Income	647,695	1,539,072	961,000	961,236	(y)
8800 TOTAL LOCAL REVENUE	\$ 26,601,591	\$ 28,417,987	\$ 25,425,522	\$ 25,818,650	
8980 Incoming Transfers	\$ 1,312,587	\$ 2,405,985	\$ 3,023,388	\$ 3,928,991	(z)
TOTAL REVENUE	\$ 156,495,466	\$ 164,351,511	\$ 136,010,448	\$ 155,996,756	
One-time Revenue	\$ -	\$ -	\$ 415,500	\$ 415,500	(x)
Total Ongoing Revenue	\$ 156,495,466	\$ 164,351,511	\$ 135,594,948	\$ 155,581,256	
TOTAL REVENUE AND BEGINNING BALANCE	\$ 179,742,643	\$ 188,381,778	\$ 162,080,386	\$ 182,066,694	

Apportionment Summary:					
Includes General Apportionment, Education Protection Account, Property taxes, and 98% Enrollment Fees	\$ 63,655,871	\$ 67,775,365	\$ 63,021,129	\$ 67,775,365	

- (a) Federal funds were made available due to Covid-19. Federal CARES-Institutional funds were awarded in the amount of \$3,640,981. The District was awarded Federal CARES-Minority Service Institute funds totaling \$457,564. Additionally, through the Chancellor's Office, the District received Federal Block Grant Coronavirus Relief Funds of \$507,480. In 2019/2020 the District received funds in a multi-year grant from the Department of Education / Office of Postsecondary Education. \$1,425,000 is budgeted in 2020/2021 to help students overcome challenges to higher education. New federal grants will be budgeted as they are awarded in 2020-21.
- (b) 2020-21 general apportionment budget contains no COLA and uses 2017-18 data with the most current version of the Student Centered Funding Formula. Education Protection Account is a part of total apportionment but is reported in a separate object code. The state general apportionment is reduced to reflect an offsetting increase in property taxes. The final budget does not contain the estimated 8% cut to apportionment that was proposed in the Chancellor's Office May Revise report and included in the tentative budget.
- (c) Categorical apportionments are budgeted using the most current certification levels from the Chancellor's Office. Additional allocations or reductions will be budgeted when new information is received. Economic Development allows carry-over and additional revenues will be budgeted when the available balance is determined. Other State Revenue includes a CDE Career Pathways grant and other smaller programs.
- (d) Student Equity and Achievement, previously known as the Student Success and Support Program, or SSSP, is a student success categorical program that addresses achievement gaps among underrepresented students.
- (e) Prior year corrections represent adjustments to apportionment revenue due to excess offsetting property tax revenue received or a reduction in the prior year deficit factor.
- (f) Housed within the EOPS program is the NextUp Program, previously called the Cooperating Agencies Foster Youth Educational Support (CAFYES) Program. These funds provide service coordination, counseling, tutoring, career guidance, and student support for qualified students. The College received \$818,181 in NextUp funding in 2019-2020, and \$572,727 in 2020-2021.
- (g) Telecommunications represents CCCTran, OpenCCCApply, TTIP/Cenic, eTranscriptCA, CVC, and other technology programs operated for the Chancellor's Office. Fluctuating revenue in recent years is a result of the carry-over of unspent funds plus current year allocations.
- (h) There are no Deferred Maintenance and Instructional Equipment funding in 2020-21.
- (i) The Educational Protection Account (EPA) was created when voters approved Prop 30 in November 2012. EPA funds are included in the apportionment summary but do not represent new funds available for the district.
- (j) These balances represent system-wide technology grants managed by the CCC Technology Center. Some initiatives ended in 2018-19 and were replaced by other multi-year, system-wide technology grants.
- (k) The California College Promise Grant is a State funded program providing financial aid to students. The California College Promise Grant offers up to two years of free tuition and fees for first-time, full-time college students.
- (l) The Student Success Completion Grant is a State funded program providing financial aid to full-time Cal Grant B or C students.
- (m) The Chancellor's Office received Federal CARE passthrough funds in the form of a Block Grant. The District received \$622,938 of these State Block Grant funds.
- (n) The Strong Workforce Program allocates \$200 million annually to expand career technical education programs so colleges can add new career pathways, increase faculty, strengthen curriculum, and improve regional cooperation among colleges, businesses, and other groups. Butte College serves as the fiscal agent for the Sacramento and Far North Region.
- (o) Property taxes for Butte and Glenn counties have been budgeted based on overall apportionment estimates.
- (p) The District receives \$30 per FTES in ongoing revenue through the Mandated Block Grant program.

**Butte-Glenn Community College District
Budget - Revenue - General Fund**

**18-19
Actual
Revenue**

**19-20
Unaudited
Revenue**

**20-21
Tentative
Budget**

**20-21
Final
Budget**

-
- (q) STRS on-behalf revenues and expenses are now required to be reported in the general ledger to comply with Government Accounting Standards Board Statement 68. The state pays a portion of certificated employee pension costs directly to CalSTRS.
 - (r) The District received an Innovation award of \$2.5 million and is expected to be expended over several years.
 - (s) Contract education relates to Statewide activity as well as the Training Place which operates locally. Academies revenue from ISA agreements is also included here.
 - (t) These sales represent sales of services provided by the Cosmetology program and covers products used on clients during their visits.
 - (u) Interest rates have been gradually increasing and higher cash balances produced more income in recent years.
 - (v) Enrollment fees for 2020-21 are estimated based on 2019-20 CCFS 320 FTES period 2 attendance report. This revenue will be adjusted as Chancellor's Office apportionment reports are updated.
 - (w) Non-resident student fees reflect both out-of-state and international students. The fee for 2019-20 was \$265 per unit. The fee will increase to \$280 per unit for the 2020-21 academic year.
 - (x) The Technology Fee assists with one-time purchases of technology improvements and computer lab refreshes that benefit students.
 - (y) Other local income reflects local grants awarded and carried over for 2018-19 and 2019-20. New local grants will be budgeted as they are awarded in 2020-21.
 - (z) Incoming transfers of \$2,200,000 have been budgeted from the OPEB Trust to help offset the pay-go portion of retiree medical expenses for 2020-21. The unrestricted general fund is also transferring funds \$1,728,991 to the restricted general fund to help support the student transportation system (\$1,537,907) and student health center (\$191,084) for lost revenue due to remote education formats necessitated by the Covid-19 pandemic.
 - (aa) COVID-19 necessitated the closure of campuses since March, 2020. Students are not being charged transportation fees during semesters of remote learning.

Butte-Glenn Community College District
Budget - Expenditures - General Fund

	18-19 Actual Expenditures	19-20 Unaudited Expenditures	20-21 Tentative Budget	20-21 Final Budget
1100 INSTRUCTION, REGULAR	\$ 13,530,410	\$ 15,643,026	\$ 15,713,185	\$ 15,713,185
1200 NON-INSTRUCTION, REGULAR	7,363,884	7,735,977	7,862,585	7,823,606
1300 INSTRUCTION, NON-REGULAR	8,483,300	8,180,606	7,906,797	7,906,858
1400 NON-INSTRUCTION, NON-REGULAR	2,174,161	1,857,510	971,494	971,494
1000 TOTAL ACADEMIC SALARIES	\$ 31,551,755	\$ 33,417,119	\$ 32,454,061	\$ 32,415,143
2100 NON-INSTRUCTIONAL, REGULAR	\$ 21,255,288	\$ 22,588,588	\$ 23,773,350	\$ 23,820,882
2200 INSTRUCTIONAL AIDES, REGULAR	1,454,282	1,363,294	1,418,842	1,418,842
2300 NON-INSTRUCTIONAL, NON-REGULAR	2,692,284	2,471,172	1,341,087	1,248,352
2400 INSTRUCTIONAL AIDES, NON-REGULAR	722,414	956,306	484,792	484,792
2000 TOTAL CLASSIFIED SALARIES	\$ 26,124,268	\$ 27,379,360	\$ 27,018,071	\$ 26,972,868
3100 STATE TEACHERS RETIREMENT SYSTEM	\$ 5,817,116	\$ 5,997,742	\$ 7,049,047	\$ 7,042,762
3200 PUBLIC EMPLOYEES RETIREMENT SYSTEM	4,095,442	4,762,329	5,262,369	5,250,916
3300 OLD AGE, SURVIVORS & DIS. INSURANCE	2,422,842	2,562,942	2,460,500	2,455,703
3400 HEALTH, DENTAL AND LIFE INSURANCE	10,166,302	10,544,603	13,502,854	13,484,064
3450 RETIREE BENEFITS NORMAL COST	926,110	997,813	1,070,114	1,068,330
3500 STATE UNEMPLOYMENT INSURANCE	113,472	116,736	117,162	116,973
3600 WORKERS COMPENSATION INSURANCE	569,475	668,768	687,308	792,532
3700 ALTERNATE RETIREMENT PLAN	13,760	12,735	-	-
3900 INCOME PROTECTION INSURANCE	234,043	403,879	287,208	262,352
3000 TOTAL EMPLOYEE BENEFITS	\$ 24,358,562	\$ 26,067,547	\$ 30,436,562	\$ 30,473,632
4200 DUPLICATING SUPPLIES	\$ 99,153	\$ 52,169	\$ 70,778	\$ 70,778
4300 SUPPLIES, INSTRUCTIONAL	886,279	1,265,151	812,930	812,876
4500 SUPPLIES, NON-INSTRUCTIONAL	1,324,163	1,175,309	2,628,663	2,604,869
4000 TOTAL SUPPLIES	\$ 2,309,595	\$ 2,492,629	\$ 3,512,371	\$ 3,488,523
5100 PERSONAL SERVICES & CONSULTANTS	\$ 39,998,849	\$ 40,835,388	\$ 24,392,044	\$ 30,720,246
5200 TRAVEL, CONFERENCE, MILEAGE & BANQUET SERVICES	1,406,125	1,119,536	853,969	853,969
5300 DUES & MEMBERSHIPS	403,183	449,869	98,034	98,034
5400 INSURANCE	689,132	759,914	891,335	891,335
5500 UTILITIES & HOUSEKEEPING SERVICES	629,094	627,089	845,017	845,017
5600 RENTS, REPAIRS & SERVICE CONTRACTS	3,796,685	3,925,204	2,402,398	2,563,441
5700 LEGAL, ELECTION & AUDIT	484,834	186,707	420,079	420,079
5800 OTHER SERVICES & EXPENSES	11,592,740	10,862,623	9,896,020	17,565,447
5000 TOTAL OTHER OPERATING EXPENSES	\$ 59,000,642	\$ 58,766,330	\$ 39,798,896	\$ 53,957,568
TOTAL 1000-5000	\$ 143,344,822	\$ 148,122,985	\$ 133,219,961	\$ 147,307,734
6100 SITE IMPROVEMENTS	\$ 46,376	\$ 15,244	\$ 30,231	\$ 30,231
6200 BUILDINGS	361,088	253,187	253,667	253,667
6300 LIBRARY BOOKS	190,814	118,189	213,789	213,789
6400 EQUIPMENT & FILMS	2,045,348	1,808,902	526,157	526,155
6500 LEASE PURCHASE AGREEMENTS	71,328	57,999	99,375	99,375
6600 CAPITALIZED EQUIPMENT	1,502,709	431,143	25,328	24,902
6000 TOTAL CAPITAL EXPENSES	\$ 4,217,663	\$ 2,684,664	\$ 1,148,547	\$ 1,148,119

Butte-Glenn Community College District
Budget - Expenditures - General Fund

	18-19 Actual Expenditures	19-20 Unaudited Expenditures	20-21 Tentative Budget	20-21 Final Budget
1000 - 6000 TOTAL EXPENDITURES	\$ 147,562,485	\$ 150,807,649	\$ 134,368,508	\$ 148,455,853
7100 DEBT RETIREMENT	\$ 1,071,643	\$ 1,190,845	\$ 963,323	\$ 963,323
7300 INTERFUND TRANSFERS	3,752,310	6,327,100	2,437,878	4,578,844
7500 STUDENT FINANCIAL AID	2,597,709	3,566,005	3,327,330	3,326,856
7600 OTHER PAYMENTS TO STUDENTS	728,229	420,241	473,466	473,466
7000 TOTAL OTHER OUTGO	\$ 8,149,891	\$ 11,504,191	\$ 7,201,997	\$ 9,342,489
TOTAL EXPENDITURES	\$ 155,712,376	\$ 162,311,840	\$ 141,570,505	\$ 157,798,342
BUDGETED ONE-TIME EXPENDITURES:			\$ 4,088,740	\$ 5,030,054
TOTAL ONGOING EXPENDITURES	\$ 155,712,376	\$ 162,311,840	\$ 137,481,765	\$ 152,768,288
RESERVES:	18-19 Actual	19-20 Unaudited	20-21 Tentative	20-21 Final
9710 RESERVE FOR CONTINGENCIES	\$ 7,785,619	\$ 3,820,418	\$ 7,078,525	\$ 7,889,917
9728 RESERVE FOR BUDGET PLANNING	16,244,648	22,249,521	15,081,897	16,378,435
9000 TOTAL RESERVES	\$ 24,030,267	\$ 26,069,938	\$ 22,160,422	\$ 24,268,352
TOTAL EXPECTED ENDING BALANCE	\$ 24,030,267	\$ 26,069,938	\$ 22,160,422	\$ 24,268,352
TOTAL EXPENDITURES AND ENDING BALANCE	\$ 179,742,643	\$ 188,381,778	\$ 163,730,927	\$ 182,066,694

- (a) The proposed budget includes step, column, and longevity salary increases but no cost of living increase.
- (b) The 2020-21 changes in employee benefits is due to the following: a \$277K decrease in STRS to reflect the rate change reduction from 17.10% to 16.15%; an additional \$141K increase in PERS to reflect the rate change from 19.721% to 20.70%; and a 2.5% increase to district health contributions.
- (c) The supply budgets fluctuate based on restricted fund budgets and unrestricted augmentations.
- (d) A significant portion of the expenditures in the other operating expense category is from the CCC Technology Center, Telecommunication and CTE grants and one-time expenditures. The 2020-21 budget includes amounts not expended in 2019-20 plus additional amounts expected to be expended in the new year.
- (e) Capital expenses include one-time purchases from reserves. Other capital projects are budgeted in the Capital Projects fund. (See note (f) for interfund transfers)
- (f) Debt payments for solar phase 3 are partially offset by refunds received from the IRS for Clean Renewable Energy Bond payments and rebates from PG&E for solar generation. Interfund transfers include one time amounts for transportation (\$1,537,907), the Glenn Center facilities (\$1,400,000), auxiliary services operations (\$1,275,724), the Student Health Center (\$191,084), equipment replacement (\$105,900), and solar repairs (\$68,229)
- (g) High priority one-time augmentations are identified and subtracted from total expenditures to determine the District's "ongoing" expenditures.
- (h) The contingency reserve for 2020-21 is set at 5% of budgeted expenditures.
- (i) The balance of District reserves is designated for future budget planning purposes.

**Butte-Glenn Community College District
Budget - Revenue - General Fund**

	20-21 Unrestricted Fund 11 Revenue	20-21 Restricted Fund 12 Revenue	20-21 Final Budget
Beginning Balance			\$ 26,069,938
8110 Forest Reserve	\$ -	\$ -	\$ -
8121 College Work Study - Admin	12,560	-	12,560
8122 College Work Study - Wages	-	218,000	218,000
8123 College Work Study - Job Devel.	27,575	-	27,575
8124 College Work Study - Comm. Service	-	20,365	20,365
8131 Adult Education	-	22,496	22,496
8136 Foster Care	-	101,639	101,639
8140 Transitional Assistance to Needy Families (TANF)	-	30,925	30,925
8151 Supplemental Educational Opportunity Grants (SEOG) - Admin.	13,117	-	13,117
8152 Pell Grant - Admin.	40,000	-	40,000
8160 Veterans' Attendance Allowance	-	12,166	12,166
8170 Perkins	-	777,886	777,886
8174 VTEA - Tech Prep.	-	42,483	42,483
8194 Small Business Development	-	255,951	255,951
8197 US Dept Ed / OPE	-	1,425,000	1,425,000
8198 CARES Act - Federal Funding	-	4,606,025	4,606,025
8199 Other Federal Revenue	-	561,403	561,403
8100 TOTAL FEDERAL REVENUE	\$ 93,252	\$ 8,074,339	\$ 8,167,591
8612 State General Apportionment	\$ 41,660,310	\$ -	\$ 41,660,310
8613 Full Time Faculty Hiring	461,204	-	461,204
8614 Part-Time Faculty Compensation	249,360	-	249,360
8615 College Promise Grants (BOG Fee Waivers Admin)	128,800	-	128,800
8619 Prior Year Corrections (Apportionment)	3,588	-	3,588
8620 Student Equity (and Achievement)	-	6,112,264	6,112,264
8621 Cal Works	-	382,890	382,890
8622 Extended Opportunity Programs and Services (EOPS)	-	1,894,679	1,894,679
8623 Cooperative Agency Resources and Education (CARE)	-	271,517	271,517
8624 Disabled Student Services and Programs (DSPS)	-	721,514	721,514
8625 Student Success (SSSP)	-	-	-
8626 Telecommunications	-	15,986,836	15,986,836
8627 Student Financial Aid Admin.	-	504,029	504,029
8630 Education Protection Account	7,619,398	-	7,619,398
8631 Transitional Assistance to Needy Families (TANF)	-	33,715	33,715
8633 Funds for Student Success - MESA (Math, Engineering, Science Achievement)	-	57,423	57,423
8634 Classified Professional Development	-	82,225	82,225
8635 Equal Employment Opportunity (EEO)	-	66,445	66,445
8636 Foster Care Grant	-	209,842	209,842
8638 Technology Center	-	13,711,333	13,711,333
8640 Sales and commissions	-	69,229	69,229
8642 California College Promise	-	936,972	936,972
8643 Student Success Completion	-	2,100,392	2,100,392
8644 Financial Aid Technology	-	209,574	209,574
8645 CARES Act - State Block Grant	-	622,938	622,938
8653 AB86	-	2,238,205	2,238,205
8654 College Homeless Pilot	-	700,000	700,000
8657 Economic Development	-	845,665	845,665
8658 Strong Workforce Program	-	14,318,137	14,318,137
8671 Homeowners' Exemptions Taxes	211,849	-	211,849
8672 Timber Yield Tax	46,829	-	46,829
8681 State Lottery Proceeds	1,567,833	550,299	2,118,132
8683 Mandated Costs	308,660	-	308,660
8690 Guided Pathways	-	280,000	280,000
8692 STRS On Behalf	1,605,759	200,952	1,806,711
8693 Innovative Award	-	500,000	500,000
8699 Other State Income	-	610,859	610,859
8600 TOTAL STATE REVENUE	\$ 53,863,590	\$ 64,217,934	\$ 118,081,524

**Butte-Glenn Community College District
Budget - Revenue - General Fund**

	20-21 Unrestricted Fund 11 Revenue	20-21 Restricted Fund 12 Revenue	20-21 Final Budget
8811 Secured Taxes	\$ 15,260,174	\$ -	\$ 15,260,174
8812 Supplemental Roll Taxes	190,436	-	190,436
8813 Unsecured Taxes	859,864	-	859,864
8816 Prior Year Taxes	23,804	-	23,804
8817 Education Revenue Augmentation Fund (ERAF)	(2,544,265)	-	(2,544,265)
8818 Redevelopment - Local & Residual	1,664,422	-	1,664,422
8829 Gifts and Contributions	-	4,000	4,000
8831 Contract Instructional Services	-	49,225	49,225
8839 Contract Education	-	2,298,664	2,298,664
8840 Sales and commissions	47,500	-	47,500
8842 Sale of Equipment and Supplies	-	52,500	52,500
8859 Other Rentals and Leases	13,000	15,202	28,202
8861 Interest	1,200,000	-	1,200,000
8872 Community Service Classes	-	99,101	99,101
8874 Enrollment Fees	2,839,331	-	2,839,331
8876 Health Service Fees	-	308,049	308,049
8877 Material Fees	220,000	-	220,000
8879 Student Records / ID Card	63,859	-	63,859
8880 Non-Resident Student Fees	1,484,048	-	1,484,048
8881 Transportation Fees	-	175,000	175,000
8882 Audit Fees	2,000	-	2,000
8885 Other Student Fees & Charges	10,000	-	10,000
8886 Technology Fee	415,500	-	415,500
8888 Library Charges	-	10,000	10,000
8893 Prior Year Outlawed Warrants	28,000	-	28,000
8894 Workers Comp. Reimbursements	28,000	-	28,000
8896 Safety Credits	-	20,000	20,000
8897 Parking Meters and Fines	20,000	-	20,000
8899 Other Local Income	50,000	911,236	961,236
8800 TOTAL LOCAL REVENUE	\$ 21,875,673	\$ 3,942,977	\$ 25,818,650
8980 Incoming Transfers	\$ 2,200,000	\$ 1,728,991	\$ 3,928,991
TOTAL REVENUE	\$ 78,032,515	\$ 77,964,241	\$ 155,996,756
One-time Revenue	\$ 415,500	\$ -	\$ 415,500
Total Ongoing Revenue	\$ 77,617,015	\$ 77,964,241	\$ 155,581,256
TOTAL REVENUE AND BEGINNING BALANCE			\$ 182,066,694

**Butte-Glenn Community College District
Budget - Expenditures - General Fund**

	20-21 Unrestricted Fund 11 Expenditures	20-21 Restricted Fund 12 Expenditures	20-21 Final Budget
1100 INSTRUCTION, REGULAR	\$ 14,688,347	\$ 1,024,838	\$ 15,713,185
1200 NON-INSTRUCTION, REGULAR	5,782,780	2,040,826	7,823,606
1300 INSTRUCTION, NON-REGULAR	7,846,513	60,345	7,906,858
1400 NON-INSTRUCTION, NON-REGULAR	679,660	291,834	971,494
1000 TOTAL ACADEMIC SALARIES	\$ 28,997,300	\$ 3,417,843	\$ 32,415,143
2100 NON-INSTRUCTIONAL, REGULAR	\$ 13,411,660	\$ 10,409,222	\$ 23,820,882
2200 INSTRUCTIONAL AIDES, REGULAR	1,169,008	249,834	1,418,842
2300 NON-INSTRUCTIONAL, NON-REGULAR	457,323	791,029	1,248,352
2400 INSTRUCTIONAL AIDES, NON-REGULAR	363,176	121,616	484,792
2000 TOTAL CLASSIFIED SALARIES	\$ 15,401,167	\$ 11,571,701	\$ 26,972,868
3100 STATE TEACHERS RETIREMENT SYSTEM	\$ 6,289,828	\$ 752,934	\$ 7,042,762
3200 PUBLIC EMPLOYEES RETIREMENT SYSTEM	3,065,852	2,185,064	5,250,916
3300 OLD AGE, SURVIVORS & DIS. INSURANCE	1,563,330	892,373	2,455,703
3400 HEALTH, DENTAL AND LIFE INSURANCE	10,106,431	3,377,633	13,484,064
3450 RETIREE BENEFITS NORMAL COST	748,525	319,805	1,068,330
3500 STATE UNEMPLOYMENT INSURANCE	87,977	28,996	116,973
3600 WORKERS COMPENSATION INSURANCE	595,833	196,699	792,532
3900 INCOME PROTECTION INSURANCE	188,792	73,560	262,352
3000 TOTAL EMPLOYEE BENEFITS	\$ 22,646,568	\$ 7,827,064	\$ 30,473,632
4200 DUPLICATING SUPPLIES	\$ 50,021	\$ 20,757	\$ 70,778
4300 SUPPLIES, INSTRUCTIONAL	202,471	610,405	812,876
4500 SUPPLIES, NON-INSTRUCTIONAL	1,009,583	1,595,286	2,604,869
4000 TOTAL SUPPLIES	\$ 1,262,075	\$ 2,226,448	\$ 3,488,523
5100 PERSONAL SERVICES & CONSULTANTS	\$ 814,115	\$ 29,906,131	\$ 30,720,246
5200 TRAVEL, CONFERENCE, MILEAGE & BANQUET SERVICES	494,881	359,088	853,969
5300 DUES & MEMBERSHIPS	92,790	5,244	98,034
5400 INSURANCE	868,667	22,668	891,335
5500 UTILITIES & HOUSEKEEPING SERVICES	842,112	2,905	845,017
5600 RENTS, REPAIRS & SERVICE CONTRACTS	2,292,633	270,808	2,563,441
5700 LEGAL, ELECTION & AUDIT	420,079	-	420,079
5800 OTHER SERVICES & EXPENSES	359,175	17,206,272	17,565,447
5000 TOTAL OTHER OPERATING EXPENSES	\$ 6,184,452	\$ 47,773,116	\$ 53,957,568
TOTAL 1000-5000	\$ 74,491,562	\$ 72,816,172	\$ 147,307,734

**Butte-Glenn Community College District
Budget - Expenditures - General Fund**

	20-21 Unrestricted Fund 11 Expenditures	20-21 Restricted Fund 12 Expenditures	20-21 Final Budget
6100 SITE IMPROVEMENTS	\$ 30,231	\$ -	\$ 30,231
6200 BUILDINGS	103,667	150,000	253,667
6300 LIBRARY BOOKS	203,789	10,000	213,789
6400 EQUIPMENT & FILMS	445,538	80,617	526,155
6500 LEASE PURCHASE AGREEMENTS	99,375	-	99,375
6600 CAPITALIZED EQUIPMENT	-	24,902	24,902
6000 TOTAL CAPITAL EXPENSES	\$ 882,600	\$ 265,519	\$ 1,148,119
1000 - 6000 TOTAL EXPENDITURES	\$ 75,374,162	\$ 73,081,691	\$ 148,455,853
7100 DEBT RETIREMENT	\$ 963,323	\$ -	\$ 963,323
7300 INTERFUND TRANSFERS	3,378,844	1,200,000	4,578,844
7500 STUDENT FINANCIAL AID	34,500	3,292,356	3,326,856
7600 OTHER PAYMENTS TO STUDENTS	83,272	390,194	473,466
7000 TOTAL OTHER OUTGO	\$ 4,459,939	\$ 4,882,550	\$ 9,342,489
TOTAL EXPENDITURES	\$ 79,834,101	\$ 77,964,241	\$ 157,798,342
BUDGETED ONE-TIME EXPENDITURES:	\$ 5,030,054	\$ -	\$ 5,030,054
TOTAL ONGOING EXPENDITURES	\$ 74,804,047	\$ 77,964,241	\$ 152,768,288
 RESERVES:			
9710 RESERVE FOR CONTINGENCIES			\$ 7,889,917
9728 RESERVE FOR BUDGET PLANNING			16,378,435
9000 TOTAL RESERVES			\$ 24,268,352
TOTAL EXPECTED ENDING BALANCE			\$ 24,268,352
TOTAL EXPENDITURES AND ENDING BALANCE			\$ 182,066,694

SPECIAL PURPOSE ACCOUNTS

Special Purpose Accounts are used to account for activity designated for a special purpose. In some cases, the purpose may be to account for revenue and expenditures for a fee-based program such as transportation and health services.

The District has the following special purpose accounts:

Transportation

Health Services

TRANSPORTATION

In 1993, a state law was passed that provided Butte College with the financial means to provide bus transportation to its students in surrounding areas. The law stated that the transportation fee could be charged to all enrolled students upon a favorable vote by the majority of students. In September 2010, SB 82 was signed into law to increase the transportation fee to \$70 per semester and to allow annual increases based on certain criteria. Per Education Code section 76361.1, the governing board maintaining transportation services may adopt rules and regulations governing the exemption of low-income students from the required fees, or to require low-income students to pay all or part of this fee. The District has set the transportation fee at \$73 per semester for all full-time students, \$55 per semester for part-time students enrolled in more than one unit and less than six units, and \$20 per semester for students enrolled in up to one unit. The fee for summer is \$37 regardless of unit load. Due to COVID19 and the necessity for remote educational formatting, Summer fees have been waived for the Summer 2020 term.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ (582,909)	\$ -
Revenue:		
Transportation Fees	\$ 1,103,093	\$ 175,000
Interfund Transfer In	\$ 936,377	1,537,907 *
Total Revenue:	\$ 2,039,470	\$ 1,712,907
Expenditures:		
1000 Certificated Salaries	\$ 7,664	\$ -
2000 Classified Salaries	830,482	915,792
3000 Staff Benefits	441,901	595,058
4000 Supplies	116,728	112,921
5000 Other Operating Expenses	39,678	68,011
6000 Capital Outlay	20,108	21,125
Total Expenditures:	\$ 1,456,561	\$ 1,712,907
Available Balance	\$ -	\$ -

* In 2019-20, the unrestricted general fund transferred funds to the restricted transportation fund to help cover rising costs and declining revenue. In 2020-21, the unrestricted general fund will transfer additional funds to offset rising costs and lost revenue due to COVID19 campus closures.

HEALTH SERVICES

Health service is provided for all students of the District. Health fees have been set by the Board at \$19 per semester for full or part-time students. The District also charges \$16 for full or part-time students during the summer session.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 133,913	\$ 22,784
Revenue:		
Sale of Nurses Supplies	\$ 61,198	\$ 50,000
Student Fees	362,411	308,049
Interfund Transfer In	\$ -	191,084 *
Total Revenue:	\$ 423,609	\$ 549,133
Expenditures:		
1000 Academic Salaries	\$ 4,581	\$ -
2000 Classified Salaries	337,504	346,371
3000 Staff Benefits	130,393	176,461
4000 Supplies	23,289	25,238
5000 Other Operating Expenses	36,189	23,847
6000 Capital Outlay	2,782	-
Total Expenditures:	\$ 534,738	\$ 571,917
Available Balance	\$ 22,784	\$ -

* In 2020-21, funds will be transferred from the unrestricted general fund to the health services fund to offset rising costs and declining revenue.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources whose expenditures are legally restricted. Special Revenue Funds encompass activities not directly related to the educational program of the college, but that provide a service to students (such as the Child Development Center). Such activities may provide non-classroom or laboratory experience for students and incidentally create goods or services that may be sold. In the process of creating the incidental goods or services, expenditures are incurred in addition to those necessary solely for the educational benefits of students. These expenditures are charged against revenue received as a direct result of the operations. Other instructional expenses are accounted for as part of the General Fund. The Child Development Center Fund is a special revenue fund. The District has taken steps to make the center more self-supporting in both the General Fund and the Child Development Center Fund.

CHILD DEVELOPMENT CENTER FUND

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 349,776	\$ 343,248
Revenue:		
Federal Revenue	\$ 10,600	\$ 3,000
State Revenue	142,284	112,469
Fees	167,435	-
Interest	4,285	4,000
Total Income:	\$ 324,604	\$ 119,469
Expenditures:		
* 2000 Classified Salaries	\$ 185,107	\$ 189,448
3000 Staff Benefits	123,266	138,267
4000 Supplies	9,650	8,000
5000 Other Operating Expenses	13,109	4,000
6000 Capital Outlay	-	-
Total Expenditures:	\$ 331,132	\$ 339,715
Ending Balance	\$ 343,248	\$ 123,002

In the General Fund, the district also subsidizes \$449,631 in salaries and benefits of six (6) classified employees for the Child Development Center. These employees provide practicum instructional assistance. While they are part of the cost of running the center, they are currently covered by the District's general fund as a part of instruction.

* Due to campus closures related to COVID19, there are no expected fees to be collected from individuals for child development services. The Center has adequate reserves to absorb this deficit for the 2020-21 fiscal year.

FIDUCIARY FUNDS

Fiduciary or "trust" funds are used to account for assets held on behalf of another party in which the district has some discretionary authority for decision making or responsibility for approving expenditures.

Trust funds are appropriate when one or more of the following conditions is present:

- a) There is an agreement granting the district discretionary authority.
- b) There are contractual or regulatory conditions restricting the use of the funds or requiring the district to exercise a management role or report the results of operations in its financial statements.
- c) There is a compelling reason to measure operations (revenues, expenses, and fund balance) and report the results in the district's financial statements. Examples of compelling reasons may include the materiality of the revenues and expenses, or the usefulness of the information to the readers of the financial statements.

The District has four fiduciary funds:

Associated Students Fund

Student Representation Fee Fund

Student Aid (Scholarships and Loans) Fund and EOPS Loan Fund

Government Aid to Students Fund

ASSOCIATED STUDENTS FUND

The Associated Students is an elected body of students seeking self-governance and unified representation. They oversee activities that stimulate the intellectual and social life of the student population as a whole. Revenue for the Associated Students comes from the optional student activity fee that is charged to the majority of students on campus. The optional student activity fee is currently \$18 per semester.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 399,434	\$ 496,342
Revenue:		
8861 Interest	\$ 7,972	\$ 7,500
8879 Student Fees	291,071	297,000
Total Revenue:	\$ 299,043	\$ 304,500
Expenditures:		
1000 Academic Salaries	\$ 9,596	\$ 36,139
2000 Classified Salaries	59,110	138,799
3000 Benefits	22,068	87,082
4000 Supplies	32,933	35,000
5000 Other Operating Expenses	71,543	45,000
6000 Capital Outlay	6,005	-
7000 Payments To/For Students	880	15,000
Total Expenditures:	\$ 202,135	\$ 357,020
Ending Balance	\$ 496,342	\$ 443,822

A reclassification of the advisor position moved the salary and benefit expenses from the general fund to the Associated Student Body fund. This created a \$30K budgeted increase over the prior year. The 2019/2020 actual expenses reflect significant savings due to vacancies in ASB support positions.

STUDENT REPRESENTATION FEE TRUST FUND

The Student Representation Fee Trust Fund is used to account for fees collected pursuant to EC §76060.5 if approved by a majority of the students voting in the election. The fee changed to two dollars per semester effective with the Spring 2016 semester. The fee is to be expended to provide for the support of governmental affairs representatives who may be stating their positions and viewpoints before city, county, and district governments and before offices and agencies of the State government. The district may charge a fee to recover its actual cost of administering these fees up to, but not more than, seven percent of the fees collected and deposited.

One dollar (\$1) of every two-dollar (\$2) fee collected shall be expended to establish and support the operations of a statewide community college student organization, recognized by the Board of Governors of the California Community Colleges, with effective student representation and participation in state-level community college shared governance and with governmental affairs representatives to advocate before the Legislature and other state and local governmental entities.

	<u>2019/2020</u> <u>Unaudited</u>	<u>2020/2021</u> <u>Budgeted</u>
Beginning Balance	\$ 55,773	\$ 65,304
Revenue:		
8861 Interest	\$ 1,318	\$ 1,250
8884 Student Representation Fee	34,358	32,500
Total Revenue:	\$ 35,676	\$ 33,750
Expenditures:		
4000 Supplies	\$ 182	\$ 750
5000 Other Operating Expenses	8,799	16,750
5000 Payments To Board of Governors	17,164	16,250
7000 Payments To/For Students	-	-
Total Expenditures:	\$ 26,145	\$ 33,750
Ending Balance	\$ 65,304	\$ 65,304

STUDENT AID AND EOPS LOAN FUNDS

The Student Aid Fund is comprised of twenty-three separate loan funds established over the years by community organizations and college staff. The intent of these funds is to provide short-term, emergency loans to students.

The EOPS Loan Fund provides short-term, emergency loans to EOPS students.

	<u>2019/2020</u> <u>Unaudited</u>	<u>2020/2021</u> <u>Budgeted</u>
Beginning Balance	\$ 109,492	\$ 108,801
Revenue:		
Contributions and Loan Payments	\$ 13,432	\$ 49,000
Interest	941	1,000
Total Revenue:	\$ 14,373	\$ 50,000
Expenditures:		
Loans	\$ 15,064	\$ 50,000
Total Expenditures:	\$ 15,064	\$ 50,000
Ending Balance	\$ 108,801	\$ 108,801

GOVERNMENT AID TO STUDENTS FUND

Government funded financial aid grant payments are issued to students through the Government Aid Fund. The PELL program is federally funded and offers a maximum dollar amount of \$6,195 per student per school year. The SEOG (Supplemental Educational Opportunity Grant) program awards up to \$720 per student, and eligibility is determined by the District based on federal guidelines. CAL Grant and the Full-Time Incentive Grant programs are state-funded and the BIA (Bureau of Indian Affairs) program is federally funded. Students apply through their tribal affiliates for BIA grants. AmeriCorps funds support students who have previously worked in approved community service sites to "earn" AmeriCorps service credits.

Financial aid programs that are reported directly through the General Fund include: EOPS, CARE, CalWORKs, Federal Work Study, and California College Promise Grant. The District receives an administrative allowance for administering PELL, Federal Work Study, SEOG, and the California College Promise Grant fee waiver programs.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ -	\$ -
Revenue:		
PELL Grants	\$ 16,684,385	\$ 16,685,000
Direct Loans	4,063,408	4,100,000
CAL Grants	2,694,771	2,675,000
CARES Act-Direct Student Aid	1,078,230	2,562,751
CA College Promise	585,950	924,182
EOPS Book Vouchers	571,011	571,000
SEOG Grants	232,378	235,000
Chafee Grants	172,500	170,000
AmeriCorps Grants	46,898	47,000
BIA Grants	24,912	25,000
Other	368,751	375,000
Total Revenue:	\$ 26,523,194	\$ 28,369,933
Expenditures:		
PELL Grants	\$ 16,684,385	\$ 16,685,000
Direct Loans	4,063,408	4,100,000
CAL Grants	2,694,771	2,675,000
CARES Act-Direct Student Aid	1,078,230	2,562,751
CA College Promise	585,950	924,182
EOPS Book Vouchers	571,011	571,000
SEOG Grants	232,378	235,000
Chafee Grants	172,500	170,000
AmeriCorps Grants	46,898	47,000
BIA Grants	24,912	25,000
Other	368,751	375,000
Total Expenditures:	\$ 26,523,194	\$ 28,369,933
Ending Balance	\$ -	\$ -

STUDENT CLUBS AGENCY FUND

This fund is used to account for activities of student clubs formed under EC §76062. Revenue collected from student club activities are to be deposited in a bank or banks, subject to the approval of the governing board. Revenue is generated through fundraising activities such as plant, book, or bake sales; barbeques; and vendor fees from events.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 58,773	\$ 62,738
Revenue:		
8861 Interest	\$ 797	\$ 920
8899 Other Local Income	15,616	15,000
Total Revenue:	\$ 16,413	\$ 15,920
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	12,448	13,420
6000 Capital Outlay	-	1,500
7000 Other Outgo	-	1,000
Total Expenditures:	\$ 12,448	\$ 15,920
Ending Balance	\$ 62,738	\$ 62,738

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for major facility projects and equipment acquisitions. Project expenditures in 2019-20 and 2020-21 include completion of Prop 39 energy projects, equipment replacement, previous year scheduled maintenance projects not yet completed, the welding solar project, the math/science portables project, and funding for a new Glenn County Center.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 5,357,391	\$ 4,480,466
Revenue:		
8861 Interest	\$ 52,179	\$ 70,000
8899 Other Local Income	-	87,749
8980 Interfund Transfer In	2,652,615 *	11,114,075 *
Total Revenue:	\$ 2,704,794	\$ 11,271,824
Expenditures:		
4000 Supplies	\$ 15,549	\$ 16,000
5000 Other Operating Expenses	225,290	58,357
6000 Capital Outlay	3,340,880	2,492,370
7000 Transfers Out for Glenn County Center	-	12,400,000
Total Expenditures:	\$ 3,581,719	\$ 14,966,727
Ending Balance	\$ 4,480,466	\$ 785,563

*Transfer In for 2019-20 includes the ongoing \$105,900 for equipment replacement, ongoing \$68,229 for solar panel/equipment replacement, \$126,339 in state funding and \$345,547 in one-time District funds for new scheduled maintenance projects, and \$2,000,000 for the purchase of a new Glenn County Center. Transfer In for 2020/21 includes \$105,900 for equipment replacement, \$68,229 for future solar panel/equipment replacement, and transfers of \$1,400,000 from the General Fund, \$1,539,946 from the Retiree Benefits Fund, \$4,000,000 from the Redevelopment Agency Fund, and \$4,000,000 from the Self-Insurance Fund, for a total of \$10,939,946 for the purchase of a new Glenn County Center.

MEASURE J (SERIES A) BOND CONSTRUCTION FUND

A general obligation bond measure was approved by 66% of the Butte-Glenn Community College District voters on November 8, 2016. The measure authorizes the issuance of \$190,000,000 in bonds to fund classroom upgrades and safety and infrastructure improvements.

The District plans to issue the bonds in 5 series in order to properly fund the approved projects. The first series of the bonds (Series A) totaling \$42,000,000 was sold in April, 2017. These bonds will be repaid with semi-annual payments with the final payment made in August, 2046.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 12,633,459	\$ 1,961,825
Revenue:		
8861 Interest	\$ 154,502	\$ 62,000
8941 Sale of Bonds	-	-
Total Revenue:	\$ 154,502	\$ 62,000
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	33,529	-
6000 Capital Outlay	10,792,607	2,023,825 *
Total Expenditures:	\$ 10,826,136	\$ 2,023,825
Ending Balance	\$ 1,961,825	\$ -

* The first series of bond related facilities improvements are focused on construction of a new welding and manufacturing facility which will support increased enrollment levels, a remodel of the Skyway Center to increase square footage for the Automotive Program, replacement of the press box and field house at the John Cowen Sports Complex, removal of the upper tennis courts, and construction/renovation of the athletics parking lot and service road. It is expected that all projects will be completed by June 30, 2021.

MEASURE J (SERIES B) BOND CONSTRUCTION FUND

A general obligation bond measure was approved by 66% of the Butte-Glenn Community College District voters on November 8, 2016. The measure authorizes the issuance of \$190,000,000 in bonds to fund classroom upgrades and safety and infrastructure improvements.

The District plans to issue the bonds in 5 series in order to properly fund the approved projects. This second series of the bonds (Series B) totaling \$49,500,000 was sold in July, 2019. These bonds will be repaid with semi-annual payments with the final payment made in August, 2048.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ -	\$ 44,809,219
Revenue:		
8861 Interest	\$ 941,956	\$ 968,750
8941 Sale of Bonds	49,329,589	-
Total Revenue:	\$ 50,271,545	\$ 968,750
Expenditures:		
4000 Supplies	\$ 367	\$ -
5000 Other Operating Expenses	406	272,406
6000 Capital Outlay	\$ 5,461,553	\$ 44,249,947 *
Total Expenditures:	\$ 5,462,326	\$ 44,522,353
Ending Balance	\$ 44,809,219	\$ 1,255,616

* The second series of bond related facilities improvements are focused on construction of a new science building which will support increased enrollment levels, a remodel of the Technology Building and Scenario Village to improve performance of the facilities for current instructional needs, and completion of the replacement of the press box and field house at the John Cowen Sports Complex, which began in 2017 with Series A funds. The budget is built in anticipation of rapid progress on these projects, but it is not expected that all projects will be completed prior to June 30, 2021.

MEASURE A and J DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of property tax and interest revenue for the payment of outstanding bonds. The Butte County Auditor and Treasurer deposit property taxes from Butte and Glenn counties into this fund and make the principle and interest payments on the Measure A general obligation bonds approved by voters in 2002, as well as the 2016 Measure J general obligation bonds. The District has no access to this fund as it is controlled by the county. The ending balance is the amount available to the county to make current and future payments on the bonds.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 23,590,458	\$ 25,069,235
Revenue:		
Property Tax Revenue	\$ 14,043,642	\$ 12,804,539
Interest Income	310,895	305,000
Total Revenue:	\$ 14,354,537	\$ 13,109,539
Expenditures:		
Measure A:		
Principle and Interest Payments, Refunded Series A	2,012,875	2,092,187
Principle and Interest Payments, Refunded Series B	2,454,500	2,615,625
Principle and Interest Payments, Refunded Series C	779,050	779,050
Measure J:		
Principle and Interest Payments, Series A	6,657,825	1,578,225
Principle and Interest Payments, Series B	971,510	3,422,544
Total Expenditures:	\$ 12,875,760	\$ 10,487,631
Ending Balance	\$ 25,069,235	\$ 27,691,143 *

* Butte County has accumulated this ending balance through the continued charge of \$20.88/\$100,000 of assessed valuation on Measure A bonds through April, 2017. The rate of assessment increased to \$22.88/\$100,000 in December, 2017. The County also assessed \$23.68/\$100,000 for Measure J bonds. The excess funds collected will be utilized as debt service payments increase in future years. In 2018/19, assessment rates for both bond measures were reduced to \$20.55 and \$20.76, respectively, due to a faster than projected increase in assessed property values. In 2019/20, assessment rates for both bond measures adjusted to rates of \$20.57 and \$20.56, respectively.

OTHER SPECIAL REVENUE FUNDS

These funds are used to account for all other specific revenue sources that are legally restricted to expenditures for specified purposes that are not an integral part of the District's instructional or administrative and support operation.

REDEVELOPMENT FUNDS

The Redevelopment Fund is a Special Revenue Fund. Funds are received from the cities of Chico, Gridley, Oroville, and Paradise as pass-through tax revenue.

In 2011, ABx1 26 dissolved Redevelopment Agencies (RDAs) and created oversight boards to wind down the operations. The dissolution of the RDAs is intended to create "excess revenues" after payment of pass-throughs, recognized obligations, and certain administrative costs. Butte College will continue to receive pass-through tax revenue as it has in the past until all recognized obligations are paid in full. Excess revenues will be reported as local property taxes in the General Fund as an apportionment offset and benefit to the state.

Pass-through tax payments are expected to decrease as our share of the Greater Chico RDA net tax increment revenues will go from 61% to an estimated 50%.

Pass-through payments of Redevelopment Agency Funds are available for capital outlay projects.

	<u>2019/2020</u> <u>Unaudited</u>	<u>2020/2021</u> <u>Budgeted</u>
Beginning Balance	\$ 2,593,622	\$ 3,965,381
Revenue:		
Pass-through Tax Revenue	\$ 1,307,178	\$ 450,000
Interest Income	64,581	13,000
Total Revenue:	\$ 1,371,759	\$ 463,000
Expenditures:		
Operating Expenses	\$ -	\$ -
Transfer Out	-	4,000,000 *
Total Expenditures:	\$ -	\$ 4,000,000
Ending Balance	\$ 3,965,381	\$ 428,381

* In 2020-21, \$4 million of the fund is being redesignated to the capital projects fund for the purchase of a new Glenn County Center.

INTERNAL SERVICES FUND

The California Community Colleges Budget and Accounting Manual defines the primary purpose of fund accounting to be the segregation of financial information as it relates to specific activities or objectives. In public agency accounting, separate funds and accounts are required to maintain records of separately designated assets, liabilities, and balances. Internal Service funds have been established to account for retiree benefits and self insurance assets, liabilities and balances. A benefit in establishing separate funds for future liabilities is that interest will accrue to these funds and be used for those specific purposes.

RETIREE BENEFITS FUND

Every two years the District conducts an actuarial study. This study provides information to enable the District to manage the costs and liabilities associated with its retiree health benefits. Governmental Accounting Standards Board Statement Nos. 74/75 (GASB 74- Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and GASB 75-*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB)) requires that the District account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB . "Pre-funding" retiree health benefits refers to the practice of setting aside funds specifically for retiree health benefits while employees are still actively employed. By pre-funding retiree health benefits, there will be enough funds available at retirement, with interest that will be sufficient to pay all promised retiree health benefits without the need for any additional post-retirement District contributions. The District created the Retiree Benefits Fund in the County Treasury to accumulate designated reserves to pre-fund retiree health benefits.

Had the District begun pre-funding retiree health benefits when each employee and retiree was hired, a substantial fund would have accumulated. The District's most recent actuarial study, dated March 2, 2020, indicates that \$27,300,686 would need to have accumulated to fund the liability. This amount is often referred to as the "Total OPEB liability", or "TOL". A new actuarial study will be completed in Fall 2021.

Funding Plan

In 1995, the District began setting aside funds specifically for retiree health benefits in the Retiree Benefits Fund at the county treasury. By 2010, the District had accumulated approximately \$20 million in the Retiree Benefits fund. In that year, the District also established an irrevocable retiree benefits trust fund with CalPERS. Service cost payments, the value of the benefit earned each year by active employees, are sent to CalPERS on a quarterly basis. In addition to the service cost payments, the District also made payments from the Retiree Benefits Fund to the CalPERS trust of \$500,000 every quarter until June 2018, when the OPEB obligation was projected to be fully funded. This projection assumes the fund will achieve a 7% annual return in the trust as well as a 2.75% annual increase in the service cost contribution.

The District will continue to make quarterly service cost payments to the trust for the active employees. In 2018-19, the District began transferring earnings from the CalPERS Trust Fund to the general fund to help cover retiree medical premiums. As of June 30, 2020, the CalPERS Trust Fund had a balance of \$32,297,677. The most recent actuarial report issued March 20, 2020, stated the net liability to be \$27,300,686. This fully funded position reflects the strength and financial health of the District and allows the District to use fund earnings to cover current and future retiree medical premiums.

	<u>2019/2020</u> <u>Unaudited</u>	<u>2020/2021</u> <u>Budgeted</u>
Beginning Balance	\$ 2,519,181	\$ 2,535,446
Revenue:		
Interest Income	16,265	4,500
Transfers In	-	-
Total Revenue:	\$ 16,265	\$ 4,500
Expenditures:		
Transfers Out	\$ -	\$ 1,539,946 *
Ending Balance	\$ 2,535,446	\$ 1,000,000

* In 2020-21, \$1.54 million is being redesignated and transferred to the capital projects fund for the purchase of a new Glenn County Center.

SELF INSURANCE FUND

The Self-Insurance Fund represents insurance premium rebates or equity distributions from Property and Liability, Workers' Compensation, and Student Accident insurance Joint Powers Authorities (JPAs). These funds are designated to be used for any future uninsured liability expenses, until such time the funds are designated by the Board for some other purpose.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 4,401,257	\$ 5,120,293
Revenue:		
Return of Equity	\$ 212,748	\$ -
Insurance Reimbursements	580,355	50,000
Interest Income	55,318	14,250
Total Revenue:	\$ 848,421	\$ 64,250
Expenditures:		
Classified Salaries	\$ -	\$ -
Benefits	-	-
Supplies and Materials	-	1,000
Other Operating Expenses	49,309	24,000
Capital Outlay	80,076	30,000
Transfers Out	-	4,000,000 *
Total Expenditures:	\$ 129,385	\$ 4,055,000
Ending Balance	\$ 5,120,293	\$ 1,129,543

* In 2020-21, \$4 million of the fund is being redesignated to the capital projects fund for the purchase of a new Glenn County Center.

ENTERPRISE FUNDS

Enterprise funds are maintained to account for revenues and expenditures of fully or partially self-supporting (revenue-producing) service activities. These activities, which are commercial in nature, are carried on to provide essential services to students, faculty, and staff. The District has two enterprise funds, one for the Bookstore and one for Dining Services. In past years, both activities have combined to be entirely self-supporting. Recently, the Bookstore has been forced to use its reserves to balance operations.

Both the Bookstore and Dining Services serve the entire campus population. In addition to the main campus store, the Bookstore operates small satellite stores in Chico and Glenn County. Dining Services operates the main campus dining facility, the Wired Cafe, the Roadrunner Outpost and services through the Chico Center satellite store. Additionally, they offer full service catering for the entire campus community.

Bookstore Fund

Dining Services Fund

BUTTE COLLEGE BOOKSTORE FUND

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance and Reserves	\$ 85,468	\$ -
Revenue:		
8845 Sales	\$ 407,684	\$ 125,480
8846 Commissions	127,919	95,000 (a)
8850 Rentals	-	-
8898 Service Charge	70	75
8980 Interfund Transfer In	422,601	821,911 (b)
Total Revenue:	\$ 958,274	\$ 1,042,466
Cost of Sales	\$ 283,267	\$ 198,040
Gross Profit or (Loss)	\$ 675,007	\$ 844,426
Expenditures:		
2000 Classified Salaries	\$ 488,641	\$ 494,819
3000 Staff Benefits	232,179	285,782
4000 Supplies	2,896	12,200
5000 Other Operating Expenses	36,434	51,625
6000 Capital Outlay	325	-
Total Expenditures:	\$ 760,475	\$ 844,426
Net Profit/(Loss)	\$ (85,468)	\$ -
Ending Balance	\$ -	\$ -

(a) Due to declining Bookstore revenue and rising costs, the District entered into a contract on July 1, 2019 with MBS Direct to provide online book services to students. The bookstore will remain an auxiliary function of the District and will earn commissions based upon MBS book sales and rentals to Butte College students.

(b) The Bookstore began implementing changes to its book services operations in 2018-19. It was projected that without a change in operations, declining revenue and rising costs would result in a net loss of over \$450,000 in 2019-20. The change in operations were projected to eventually provide the Bookstore with enough funds to continue operations in the future. However, due to the closure of operations in the 3rd quarter of 2019-20 and limited operations in 2020-21, significant District support is needed to maintain Bookstore services.

BUTTE COLLEGE DINING SERVICES FUND

	2019/2020 Unaudited	2020/2021 Budgeted
Beginning Balance and Reserves	\$ 8,777	\$ -
Revenue:		
8844 Sales	\$ 1,093,673	\$ 109,500
8846 Commissions	82,198	47,500
8980 Interfund Transfer In	134,093	453,813 *
Total Revenue:	\$ 1,309,964	\$ 610,813
Cost of Sales	\$ 566,984	\$ 60,360
Gross Profit or (Loss)	\$ 742,980	\$ 550,453
Expenditures:		
2000 Classified Salaries	\$ 434,120	\$ 265,200 **
3000 Staff Benefits	194,712	213,116
4000 Supplies	14,634	4,237
5000 Other Operating Expenses	94,847	62,900
6000 Capital Outlay	13,444	5,000
Total Expenditures:	\$ 751,757	\$ 550,453
Net Profit/(Loss)	\$ (8,777)	\$ - *
Ending Balance	\$ -	\$ -

* The Camp Wildfire closure in November 2018 and the corresponding decline in the number of students on campus resulted in a significant loss of revenue and product in 2018/19. Dining Services was expected to return to normal business in 2019-20, but was closed in mid-March in response to the COVID19 pandemic. Various reopening scenarios are being modeled for 2020-21. The District will make a contribution to Dining Services to cover overhead costs in the short-term.

** Due to the necessary changes in operations and safety guidelines due to COVID19, the student workers budget has been significantly reduced.

PROPRIETARY FUNDS

Proprietary funds account for those ongoing governmental activities that have an income-producing character, similar to that found in the private sector. The Farm Fund is a proprietary fund that includes activities related to farming, equipment, ornamental horticulture, fire suppression, ag mechanics, manufacturing technology, and viticulture.

FARM FUND

	<u>2019/2020</u> <u>Unaudited</u>	<u>2020/2021</u> <u>Budgeted</u>
Beginning Balance	\$ 31,135	\$ 32,000
Revenue:		
Sales	\$ 13,649	\$ 17,650
Interest	396	200
Total Revenue:	\$ 14,045	\$ 17,850
Expenditures:		
Classified Salaries	\$ 7,566	\$ 9,318
Staff Benefits	199	125
Supplies	4,745	7,400
Other Operating Expenses	670	950
Capital Outlay	-	-
Total Expenditures:	\$ 13,180	\$ 17,793
Ending Balance	\$ 32,000	\$ 32,057