

2020-21 TENTATIVE BUDGET

JUNE 24, 2020



BUTTE COLLEGE

BOARD OF TRUSTEES

Mr. John Blacklock, President
Mr. John Dahlmeier, Vice President
Ms. Julie Boss, Clerk
Mr. Michael Boeger, Trustee
Mr. Rick Krepelka, Trustee
Mr. Eugene Massa, Trustee
Mr. William McGinnis, Trustee
Jimmy Vega, Student Trustee

Samia Yaqub, Ph.D., Superintendent/President
Andrew Suleski, Vice President for Administration
Jim Nicholas, Director for Business Services

TABLE OF CONTENTS

SUMMARY OF KEY POINTS.....	1
BUDGET CRITERIA 2020-21.....	4
2020-21 PLANNING PROCESS	6
A Vision for Success	6
May Revise Budget Proposal - A Vision on Hold	6
Addressing the State Budget Shortfall.....	7
Uncertainty in State Revenues and Possible Future Revisions to the Budget.....	8
A Very Different Approach from the Legislature	8
Local Planning.....	10
The Move to Remote Learning.....	10
A New Five-Year Plan	11
COVID-19 Relief Funds.....	13
Strategic Initiatives and the Educational Master Plan.....	13
REVENUE.....	16
State Revenue	16
District Revenue and FTES	17
EXPENDITURES.....	21
Fixed Cost Increases.....	21
Full-time Faculty Obligation Number (FON)	23
Budget Reductions.....	23
Budget Augmentations (Ongoing and One-Time)	23
ONE-TIME FUNDS	26
Reserves.....	26
Carryover from 2019-20	27
GANN LIMIT WORKSHEET	28
EDUCATION PROTECTION ACCOUNT	29
GENERAL FUND BUDGET.....	30
OTHER FUNDS BUDGETS.....	39

SUMMARY OF KEY POINTS

The 2020-21 Tentative Budget:

Is based primarily on the 2020-21 May Revision of the Governor's State Budget Proposal.

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 May Revision 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.

Includes an 8% reduction to apportionment revenue from the 2019-20 final total computational revenue as proposed in the Governor's May revision of his budget proposal.

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 \$2.2 million to help 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, and incorporates the revenue reductions proposed in the May Revision. 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 Tentative 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 \$1.8 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 \$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 \$1.86 million one-time funds to backfill auxiliary and enterprise programs like Transportation, Bookstore, Dining Services and the Student Health Center due to the significant decline in enrollment.

Includes a drawdown on reserves of approximately \$1.9 million to balance the unrestricted general fund budget for 2020-21.

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.

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 (85%).

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 implementing a significant change in the way community colleges are funded. The Student Centered Funding Formula 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. 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.

In contrast to projections made in January, the Department of Finance and the Administration now project 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 results 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 proposes a multiyear approach to address the state’s budget shortfall through a combination of efforts. This includes 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 reduces ongoing funding for the California Community Colleges in 2020-21 by \$1.1 billion compared to his January Budget Proposal. Most notably, the proposal reduces Student Centered Funding Formula support by roughly 10% when combined with a foregone cost-of-living adjustment (COLA), reduces the Strong Workforce Program by 60% and 5 different categorical programs by 15%, reduces Calbright College funding by 15%, and reduces the Adult Education program by 10%. The Governor proposes 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 eliminates all one-time CCC funding proposed in January and shifts 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 proposes 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 has deposited \$377 million. The entirety of these funds will be used to cushion Proposition 98 funds in the current 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. Instead, the Newsom Administration proposes 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 will 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 will 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, will result in the delayed collection of property tax revenue and postpone 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 plans to sign the budget in June. With the delay in tax receipts, legislators do not expect to have a complete picture of revenue until August, and as a result expect to revisit the budget after the Governor signs. Legislative leaders expect amendments to the budget, sometimes called a "Budget Bill Junior", once additional information about the state's fiscal condition becomes 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 have the opportunity to review and recommend 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 is 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 rejects 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 assumes 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 maintain that negotiations are ongoing and positive, the fact that they have yet to come to an agreement means the final version of the 2020-21 State Budget will look different than the version approved by the Legislature. The following are the changes and “trigger” solutions the Legislature is proposing be made to the state budget plan.

- *Eliminates Calbright College. Requires Calbright Board of Trustees to develop a closure plan by December 2020.*
- *Rejects the May Revision proposal to cut apportionment funding, and adds \$17 million ongoing Proposition 98 General Fund to apportionments redirected from Calbright College.*
- *Provides \$75 million one-time Proposition 98 General Fund redirected from Calbright College to support a basic needs/learning loss/COVID 19 response block grant to colleges to support expenses such as mental health services, housing and food insecurity, re-engagement for students who left college in Spring 2020, technology and development of online courses and student supports.*
- *Rejects the May Revision proposals to reduce funding for the Strong Workforce and K12 Strong Workforce programs, keeping the programs at 2019-20 spending levels.*
- *Restores the Governor’s Budget proposal to provide a \$167.7 million Proposition 98 General Fund cost-of-living adjustment to the Student Centered Funding Formula.*
- *Restores the Governor’s Budget proposal to provide \$31.9 million ongoing Proposition 98 General Fund to support enrollment growth.*
- *Rejects the May Revision proposal to reduce support for the Student Equity and Achievement Program, keeping the program at the 2019-20 spending level.*
- *Rejects the May Revision proposal to reduce support for adult education, keeping the program at the 2019-20 spending level.*
- *Defers without prejudice the Governor’s Budget proposal to create the System of Support program.*
- *Rejects the May Revision proposals to reduce funding for part-time faculty office hours and compensation, and the Academic Senate.*
- *Increases support for the part-time faculty office hours and compensation programs by about \$10.6 million Proposition 98 General Fund, redirected from Calbright College.*
- *Rejects the May Revision proposal to move the Dreamer Resource Liaison program into the Student Equity and Achievement Program. Provides \$5.8 million ongoing Proposition 98 General Fund to support the Dreamer Resource Liaison program.*
- *Approves the May Revision proposal to extend the hold harmless period for the Student Centered Funding Formula by an additional two years.*
- *Approves \$332 million in deferrals in the 2019-20 and 2020-21 budget years. Includes placeholder trailer bill language to allow hardship exemptions.*
- *Approves an Oct. 1 trigger deferral of \$739.9 million Proposition 98 General Fund if the state does not receive federal funding.*
- *Rejects the May Revision proposal to create a food pantry expense within the Student Equity and Achievement Program. Provides \$11.4 million ongoing Proposition 98 General Fund to support food pantries.*
- *Provides \$20 million one-time Proposition 98 General Fund to support costs associated with apprenticeship instructional hours.*
- *Approves the Governor’s Budget and May Revision proposals to support 25 new and 15 continuing capital outlay projects using Proposition 51 funding. Also approves the May Revision proposal to reappropriate funds for 9 projects.*
- *Approves the Governor’s Budget proposal to provide \$700,000 one-time General Fund to support a working group to review current rules governing the use of athletes’ names, images and likeness per the Fair Pay to Play Act.*
- *Makes technical funding adjustments to various programs, including the Mandates Block Grant, Student Success Completion Grant, California College Promise, Financial Aid Administration, local property taxes, student fees, oil and mineral reserves, and the Education Protection Account.*
- *Approves the May Revision proposal to withdraw several Governor’s Budget proposals, including funding for textbooks for dual enrollment students, zero-textbook-cost degrees, the faculty diversity fellowship program, work-based learning models, budget year apprenticeship instructional hours;*

increases to the California Apprenticeship Initiative and Chancellor's Office; and cost-of-living adjustments for adult education and other categorical programs.

- *Approves the Governor's Budget proposal to provide ongoing support for immigrant legal services.*

Once an agreement is made with Governor Newsom, the Legislature will likely approve a subsequent Budget bill that reflects the compromise and makes necessary amendments to SB 74. The Governor has 12 days after receiving SB 74 to take one of the following actions: 1) approve the Budget bill as presented to him, 2) approve the Budget bill with specific line item reductions, or 3) veto the Budget bill and send it back to the Legislature.

This Tentative Budget is based primarily on the 2020-21 May Revision of the Governor's State Budget Proposal. None of the changes included in the Senate-Assembly agreement have been incorporated in this Tentative Budget proposal. The Final Budget document presented in September will include any changes needed to reflect the state budget act approved by the Governor later this month.

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 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 strong economy, a wildfire, and a health epidemic have all contributed to a corresponding softening of enrollment that has made it difficult for the District's 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 to make 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 benefits 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 major portion of the 10% reduction to the SCFF proposed by the Governor for 2020-21. 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 approximately \$1.9 million of its reserves 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 proposed 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 Tentative 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 help cover the cost of retiree medical premiums. The amount included in this Tentative 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 Tentative 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 Tentative Budget as part of the \$2.2 trillion Federal CARES Act. Other proposed new one-time and going 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 has already received \$3.64 million to provide emergency aid to students and has requested the other \$3.64 million to defray institutional costs related to the delivery of remote instruction. Planning is in progress for 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.

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 Tentative 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 Program (SEAP) 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 Governor's May Revision reflects this new reality.

The major ongoing adjustments included in the 2020-21 May Revision as they relate to the California community colleges are as follows:

- (\$593 million) to reduce Student Centered Funding Formula support by approximately 8%
- (\$167.2 million) to rescind the 2.29% statutory COLA proposed in January (final calculation 2.31%)
- (\$128.9 million) to reduce CCC Strong Workforce Program
- (\$68.8 million) to reduce Student Equity and Achievement Program funding
- (\$31.9 million) to rescind the .5% enrollment growth proposed in January
- (\$27.7 million) to rescind additional support for existing apprenticeship coursework and (\$15 million) to rescind the expansion of the California Apprenticeship Initiative proposed in January
- (\$11.4 million) to rescind support for districts' food pantry services proposed in January
- (\$9.3 million) to rescind the proposed COLA for certain categorical programs
- (\$7.1 million) to reduce Part-time Faculty Compensation and Office Hours funding
- (\$5.8 million) to rescind funding for Dreamer Resource Liaisons proposed in January

- (\$5.0 million) to rescind funding for instructional materials for dual enrollment proposed in January
- (\$3.0 million) to reduce funding to the California Online Community College (Calbright College)
- \$10 million to continue legal services support for immigrant students, faculty and staff

The May Revision also makes several one-time adjustments:

- \$330.1 million to defer apportionment payments from 2019-20 to 2020-21
- (\$662.1 million) to defer apportionment payments from 2020-21 to 2021-22
- (\$20 million) to rescind funding to expand work based learning within Guided Pathways proposed in January
- (\$15 million) to rescind funding to create statewide pilot fellowship programs for diverse hiring proposed in January
- (\$10 million) to rescind funding to augment part-time faculty office hours proposed in January
- (\$10 million) to rescind funding to expand Zero Textbook Cost pathways proposed in January
- (\$17.2 million) to rescind funding for deferred maintenance and instructional equipment proposed in January (includes proposed 2019-20 and reappropriated funds)

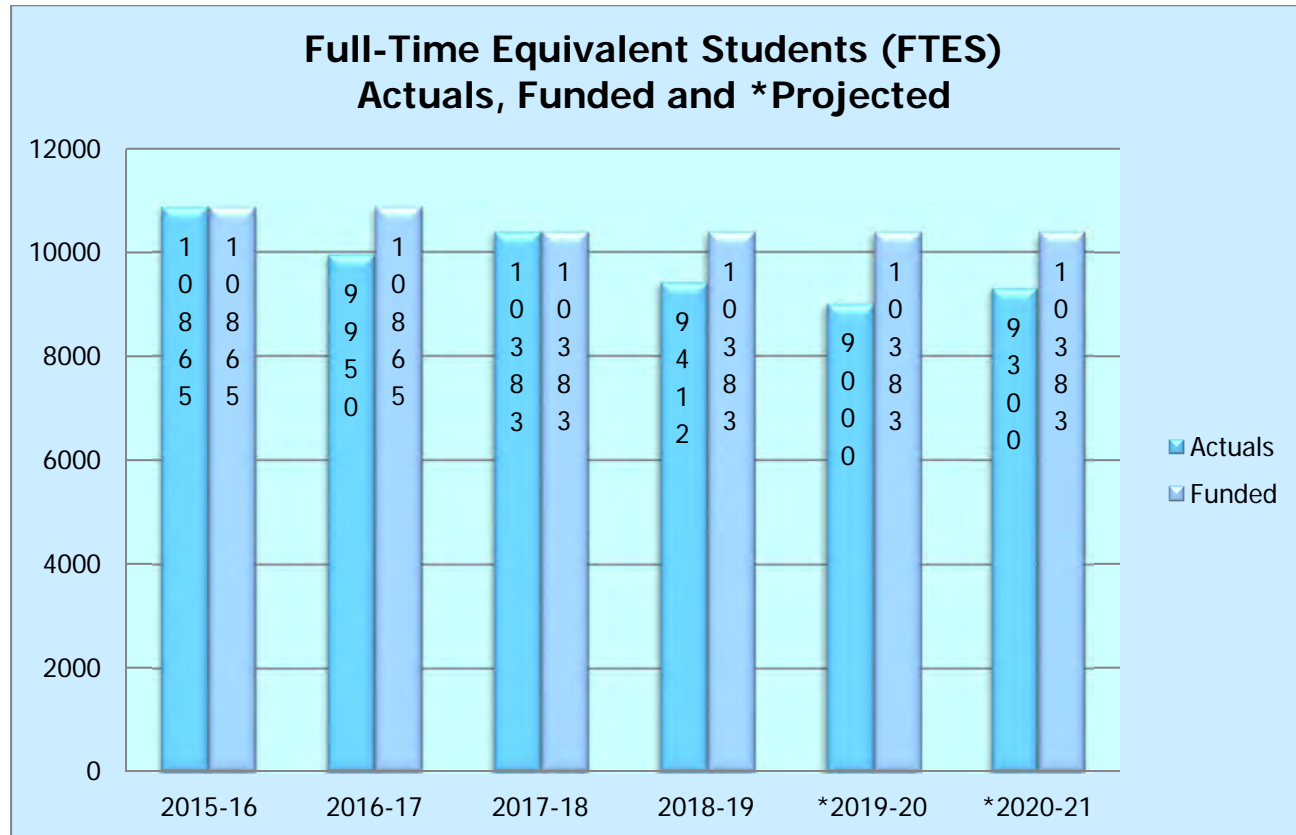
District Revenue and Full-time Equivalent Students (FTES)

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 being provided and targeted reductions to the SCFF are included in the May Revision, adjustments will need to be made that would effectively reduce the funding rates for 2020-21.

For this Tentative Budget, the District will build a schedule that targets to serve approximately 10,200 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 is reporting to be serving in 2019-20 (approximately 9,000). Although additional FTES is targeted and planned to be restored in 2020-21, these funds are not included in this Tentative Budget document. However, this budget stills includes temporary hold-harmless revenue protection. This temporary emergency relief funding will be equivalent to the funding we would have received had it not been for the 2018 Camp Wildfire, less any budget reductions to the SCFF that are included in the proposed state budget. The State Chancellor’s Office has agreed to provide this relief by funding the SCFF workload measures reported in 2017-18 through 2021-22 or until our actual workload measures exceed those reported in that year. District staff will continue to work with the State Chancellor’s Office each year to ensure this funding is received until we can restore back to our pre-fire levels.

The Student Centered Funding Formula continues to provide 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 Tentative 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 financially held harmless to the prior year’s 2017-18 FTES. In 2019-20, the graph reflects another decline in FTES (9,000) 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. Significant cuts to the Strong Workforce program that are proposed in the Governor’s May Revision may impact program expansion in future years. Regardless, 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 and the reductions proposed in the May Revision, the District includes the following in this Tentative Budget:

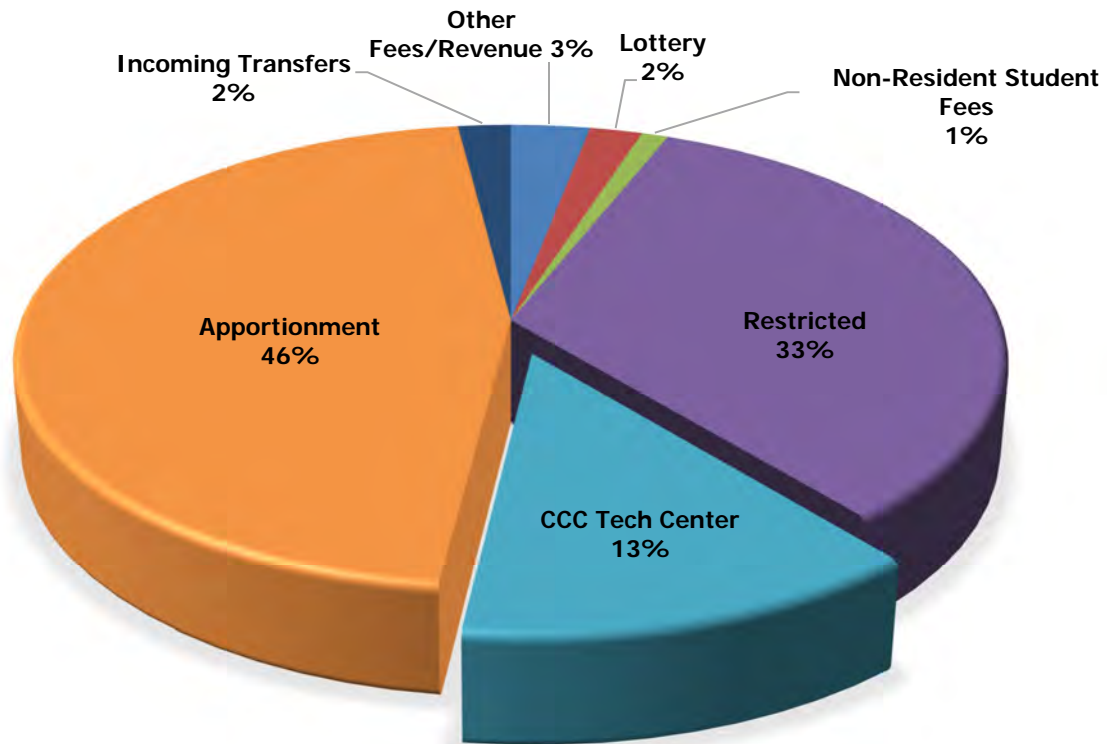
UNRESTRICTED

- \$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,
- (\$5.48 million) reduction to apportionment funding as proposed in the Governor’s May Revision

RESTRICTED

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

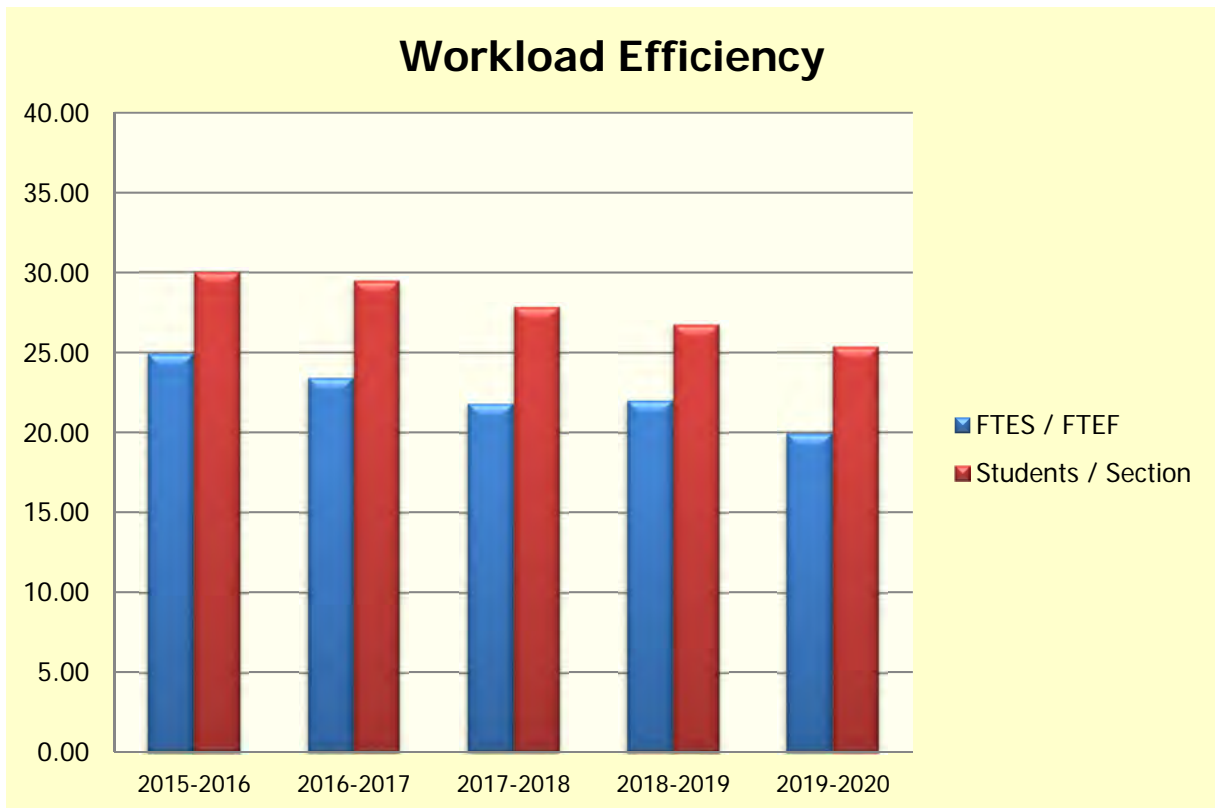
TOTAL GENERAL FUND REVENUE



The District’s total general fund revenue projection for 2020-21 is approximately \$136 million, 48% of which is restricted for incoming transfers to pay for retiree medical premiums, and other restricted programs. Approximately 46% of the District’s total revenue is directly from apportionment. The remaining 6% 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 is reporting it is serving approximately 9,000 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).



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 May Revision proposes to not fund the statutory COLA, no salary schedules will be increased.

Step, column and longevity salary increases are included in this Tentative 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.

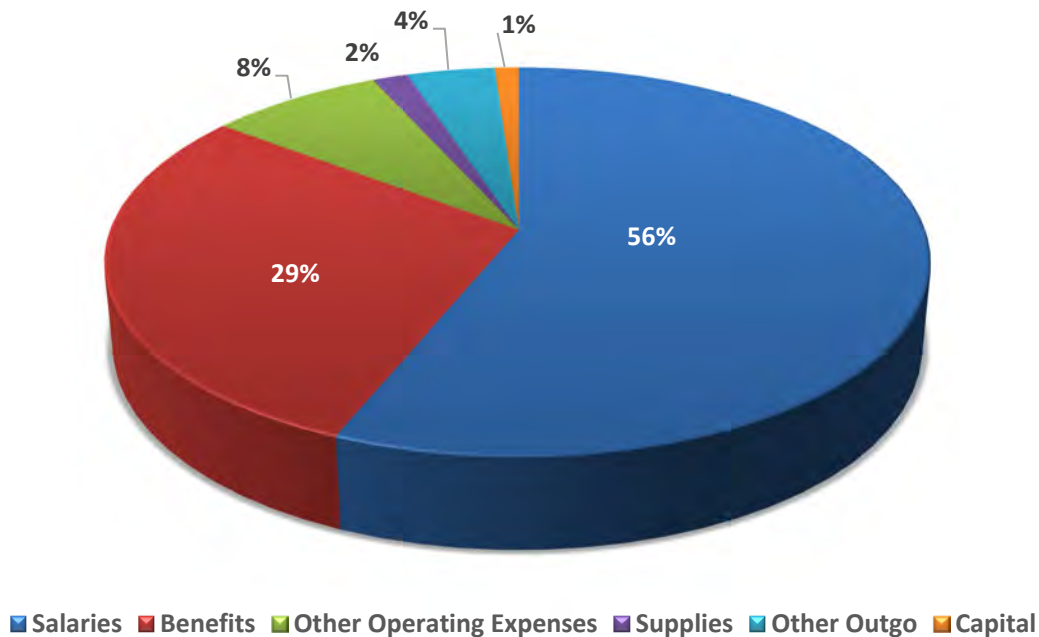
The District's contribution to medical is capped to increase no more than 2.5% in the budget year and provides benefits for medical, dental, vision and life insurance to active employees. For retirees, the District covers the medical plan only. However, there is no cap for retiree premiums. The cost 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 Governor proposes to 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 approximately 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.

Total Unrestricted General Fund Expenditures



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 85% of the unrestricted General Fund budget. The remaining 15% 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 Tentative Budget includes enough funding for over 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 Tentative Budget document. Due to the significant reductions proposed in the May Revise budget, this Tentative Budget proposes to use approximately \$1.9 million in reserves to balance the general fund 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.

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 (3) are intended to maintain/improve services and/or enrollment for specific programs.

Ongoing Augmentations

Although significant cuts proposed in the May Revise make it very difficult to fund any new ongoing augmentations requests, 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. 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. In addition to approximately \$1.9 million in reserves to help offset the structural deficit in the general fund for 2020-21, the District proposes to fund the following:

Approximately \$1.86 million to backfill auxiliary and enterprise functions like the student bus transportation system (\$673K), the Bookstore (\$681K), Dining Services (\$359K) and the Student Health Center (\$150K), that rely solely 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 also proposes to transfer an additional \$400K to the Capital Fund to fund the purchase of property in Orland for a new Glenn County Center. 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 million), the Redevelopment Fund (\$4.0 million), the Retiree Benefit Treasury Fund (\$2.5 million), and the Capital Fund (\$1 million). Funds totaling \$12.4 million will be set aside in an escrow account for the purchase of this permanent “Field Act compliant” facility in Orland.

Other augmentation requests were prioritized through the unit planning process. Requests of approximately \$1.82 million have been prioritized for one-time funding and are included in this Tentative 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:

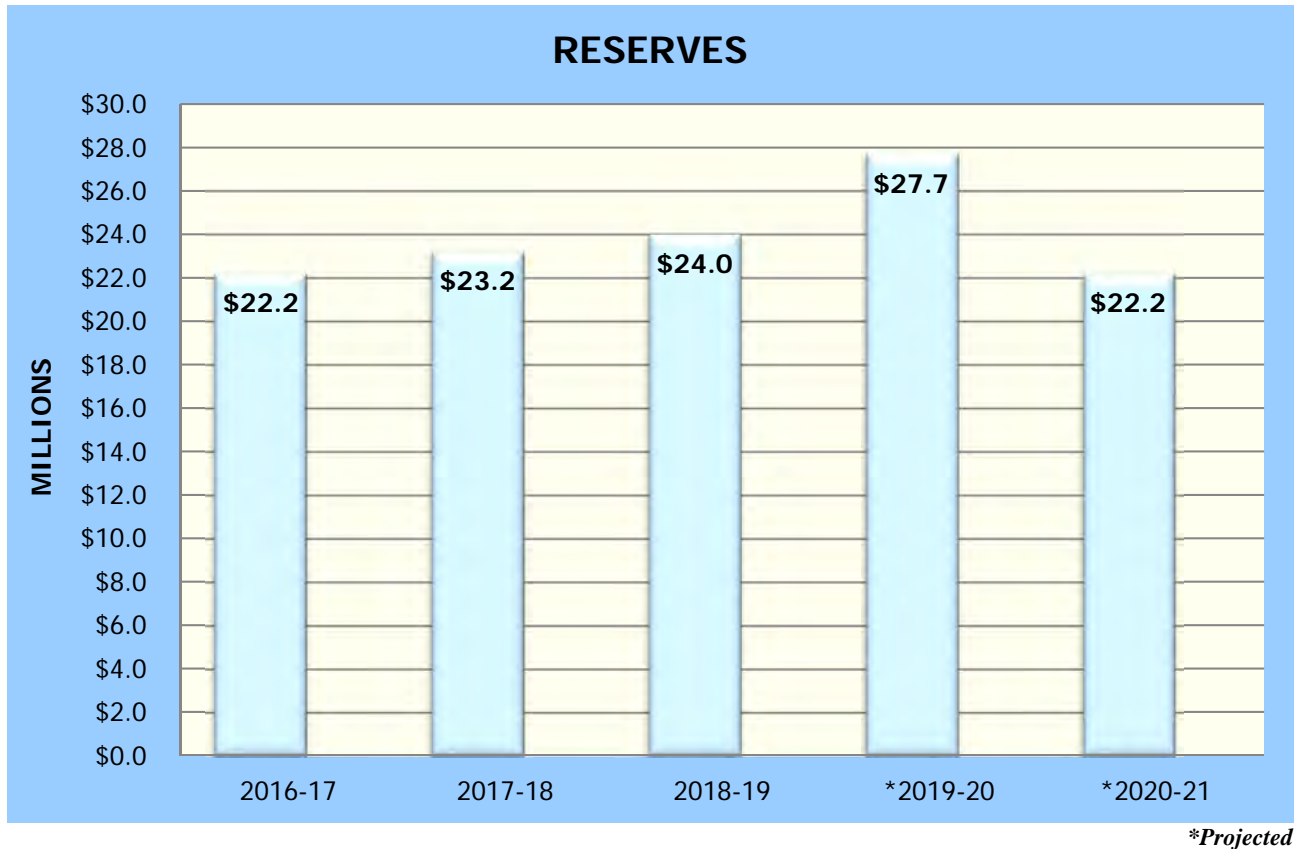
- Advertising and Marketing \$250.0K
- Election expenses \$199.0K
- Glenn County Center lease increase \$6.6K
- Waste disposal, HazMat, and recycling equipment \$3.5K
- Leadership discretionary allocation \$120.0K
- Sabbatical leaves \$35.0K
- Classified subs and reclasses \$30.0K
- Phi Theta Kappa \$2.0K

ONE-TIME FUNDS

Reserves

High priority one-time augmentation requests are generally funded with General Fund reserves. Approximately \$5.5 million are proposed for funding from the General Fund reserves in this Tentative Budget, including \$1.9 million to balance the general fund budget and \$1.86 million to backfill Auxiliary fee based programs.

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 35% and 28% 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 \$15.1million.

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 little to no “deficit factor” 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 \$3.7 million from \$24 million in 2018-19 to \$27.7 million in 2019-20. Reserves in 2020-21 are then budgeted to decrease by \$5.5 million to balance the general fund budget, backfill other fee based programs and help fund one-time augmentations in 2020-21. This will still leave a strong District reserve of approximately \$22.2 million or 28% 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		<u>\$ 151,865,900</u>
(line A multiplied by line B and line C.3.)		
E. Adjustments to increase limit:		
1. Transfers in of financial responsibility	\$ <u>-</u>	
2. Temporary voter approved increases	<u>-</u>	
3. Total adjustments - increase	<u>-</u>	
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>\$ 45,845,078</u>
B. State Subventions (Home Owners Property Tax Relief, Timber Yield tax, etc.)		<u>258,678</u>
C. Local Property taxes		<u>14,134,829</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>35,337</u>
G. Local appropriations from taxes for unreimbursed State, court, and federal mandates		<u>(-204,955)</u>
H. 2020-2021 Appropriations Subject to Limit		<u>\$ 60,068,967</u>

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

**18-19
Actual
Revenue** **19-20
Unaudited
Revenue** **20-21
Tentative
Budget**

Beginning Balance	\$ 23,247,177	\$ 24,030,267	\$ 27,720,479
8110 Forest Reserve	\$ -	\$ 23,581	\$ -
8121 College Work Study - Admin	14,432	11,610	12,560
8122 College Work Study - Wages	266,209	213,164	310,735
8123 College Work Study - Job Devel.	31,944	27,795	27,575
8124 College Work Study - Comm. Service	22,437	19,027	20,328
8131 Adult Education	44,312	12,358	22,496
8136 Foster Care	101,173	139,250	101,639
8140 Transitional Assistance to Needy Families (TANF)	15,828	-	33,669
8151 Supplemental Educational Opportunity Grants (SEOG) - Admin.	16,297	13,117	13,117
8152 Pell Grant - Admin.	3,145	22,815	40,000
8160 Veterans' Attendance Allowance	3,718	20,972	12,166
8170 Perkins	843,916	515,293	777,886
8174 VTEA - Tech Prep.	41,377	41,525	42,483
8194 Small Business Development	182,956	211,914	255,815
8197 US Dept Ed / OPE	-	-	1,425,000
8198 CARES Act Funding	-	-	4,098,545
8199 Other Federal Revenue	404,690	343,410	561,195 (a)
8100 TOTAL FEDERAL REVENUE	\$ 1,992,434	\$ 1,615,831	\$ 7,755,209
8612 State General Apportionment	\$ 34,649,912	\$ 38,442,681	\$ 37,643,677 (b)
8613 Full Time Faculty Hiring	461,204	461,204	461,204
8614 Part-Time Faculty Compensation	273,549	251,299	249,360 (c)
8615 Enrollment Fee Admin. Fee	145,684	128,800	128,800
8619 Prior Year Corrections (Apportionment)	(491,445)	430,561	3,588 (e)
8620 Student Equity (and Achievement)	2,081,730	4,262,264	5,935,956 (d)
8621 Cal Works	380,219	362,476	382,567 (c)
8622 Extended Opportunity Programs and Services (EOPS)	1,418,463	1,391,528	1,212,840 (f)
8623 Cooperative Agency Resources and Education (CARE)	1,094,623	1,119,866	301,685 (c)
8624 Disabled Student Services and Programs (DSPS)	724,487	750,634	750,634 (c)
8625 Student Success (SSSP)	1,372,677	-	- (d)
8626 Telecommunications	13,688,085	13,000,000	2,986,836 (g)
8627 Student Financial Aid Admin.	491,707	421,968	503,637
8629 Deferred Maintenance and Instructional Equipment	261,170	126,339	- (h)
8630 Education Protection Account	9,768,760	10,159,197	8,201,401 (i)
8631 Transitional Assistance to Needy Families (TANF)	51,510	33,669	33,669
8633 Funds for Student Success - MESA (Math, Engineering, Science Achievement)	69,980	46,279	57,380
8634 Classified Professional Development	-	82,225	82,225
8635 Equal Employment Opportunity (EEO)	46,949	50,000	66,445
8636 Foster Care Grant	171,901	187,769	209,842
8638 Technology Center	30,773,143	25,538,311	14,495,266 (j)
8640 Veterans Resource Center	52,855	74,305	69,229
8642 California College Promise	718,099	924,182	924,182 (k)
8643 Student Success Completion	1,705,587	2,039,216	1,021,216 (l)
8644 Financial Aid Technology	-	48,531	48,531
8653 AB86	2,267,360	2,238,205	241,229 (c)
8654 College Homeless Pilot	-	700,000	-
8657 Economic Development	1,195,818	215,166	845,256 (c)
8658 Strong Workforce Program	15,979,732	16,171,592	17,066,717 (m)
8659 Other Categorical Programs	7,500	5,449	-
8671 Homeowners' Exemptions Taxes	269,411	123,871	211,849 (n)
8672 Timber Yield Tax	47,343	10,674	46,829 (n)
8681 State Lottery Proceeds	2,161,411	2,118,132	2,118,132
8683 Mandated Costs	301,566	308,660	308,660 (o)
8690 Guided Pathways	285,759	368,066	280,000
8692 STRS On Behalf	1,890,271	1,806,711	1,806,711 (p)
8693 Innovation Award	254,761	1,126,952	500,000 (q)
8699 Other State Income	1,131,017	151,823	610,776 (c)
8600 TOTAL STATE REVENUE	\$ 126,588,854	\$ 125,678,605	\$ 99,806,329
8811 Secured Taxes	\$ 19,090,476	\$ 15,148,709	\$ 13,940,568 (n)
8812 Supplemental Roll Taxes	320,182	202,845	190,436 (n)
8813 Unsecured Taxes	981,258	981,291	859,864 (n)
8816 Prior Year Taxes	(40,064)	2,009	23,804 (n)

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

	18-19 Actual Revenue	19-20 Unaudited Revenue	20-21 Tentative Budget
8817 Education Revenue Augmentation Fund (ERAF)	(2,734,074)	(3,131,772)	(2,544,265) (n)
8818 Redevelopment - Local & Residual	(1,829,313)	2,240,077	1,664,422 (n)
8829 Gifts and Contributions	1,801	10,400	4,000
8831 Contract Instructional Services		-	48,894
8839 Contract Education	1,667,809	2,355,215	2,298,560 (r)
8840 Sales and commissions	54,295	33,266	47,500 (s)
8842 Sale of Equipment and Supplies	38,858	58,073	52,500
8859 Other Rentals and Leases	34,108	44,689	28,202
8861 Interest	1,143,970	1,130,681	1,200,000 (t)
8872 Community Service Classes	118,961	256,716	99,101
8874 Enrollment Fees	3,195,898	3,154,812	2,839,331 (u)
8876 Health Service Fees	414,234	507,150	371,917
8877 Material Fees	222,439	237,154	220,000
8879 Student Records / ID Card	36,019	18,579	63,859
8880 Non-Resident Student Fees	1,453,862	1,507,622	1,484,048 (v)
8881 Transportation Fees	1,258,898	1,151,422	1,038,281
8882 Audit Fees	2,096	2,018	2,000
8885 Other Student Fees & Charges	(14,970)	211	10,000
8886 Technology Fee	438,483	413,679	415,500 (w)
8888 Library Charges	7,181	29,995	10,000
8893 Prior Year Outlawed Warrants	(16,055)	-	28,000
8894 Workers Comp. Reimbursements	75,389	73,091	28,000
8896 Safety Credits	28,105	6,126	20,000
8897 Parking Meters and Fines	4,050	2,708	20,000
8898 Fees for Returned Checks	-	1,255	-
8899 Other Local Income	647,695	1,402,635	961,000 (x)
8800 TOTAL LOCAL REVENUE	\$ 26,601,591	\$ 27,840,656	\$ 25,425,522
8980 Incoming Transfers	\$ 1,312,587	\$ 2,000,000	\$ 3,023,388 (y)
TOTAL REVENUE	\$ 156,495,466	\$ 157,135,092	\$ 136,010,448
One-time Revenue	\$ -	\$ -	\$ 415,500 (w)
Total Ongoing Revenue	\$ 156,495,466	\$ 157,135,092	\$ 135,594,948
TOTAL REVENUE AND BEGINNING BALANCE	\$ 179,742,643	\$ 181,165,359	\$ 163,730,927

Apportionment Summary:

Includes General Apportionment, Education Protection Account, Property taxes, and 98% Enrollment Fees	\$ 63,655,871	\$ 67,271,298	\$ 63,021,129
---	---------------	---------------	---------------

- (a) 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.
- (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 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 Cooperating Agencies Foster Youth Educational Support (CAFYES) Program, also called the NextUp 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. Any awards received in 2020-2021 will be budgeted when awarded.
- (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.

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

**18-19
Actual
Revenue**

**19-20
Unaudited
Revenue**

**20-21
Tentative
Budget**

-
- (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 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.
- (n) Property taxes for Butte and Glenn counties have been budgeted based on overall apportionment estimates.
- (o) The District receives \$30 per FTES in ongoing revenue through the Mandated Block Grant program.
- (p) 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.
- (q) The District received an Innovation award of \$2.5 million and is expected to be expended over several years.
- (r) Contract education relates to Statewide activity as well as the Training Place which operates locally. Academies revenue from ISA agreements is also included here.
- (s) These sales represent sales of services provided by the Cosmetology program and covers products used on clients during their visits.
- (t) Interest rates have been gradually increasing and higher cash balances produced more income in recent years.
- (u) 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.
- (v) 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.
- (w) The Technology Fee assists with one-time purchases of technology improvements and computer lab refreshes that benefit students.
- (x) 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.
- (y) Incoming transfers have been budgeted from the OPEB Trust (\$2.2M) to help offset the pay-go portion of retiree medical expenses for 2020-21. The unrestricted general fund is also transferring \$823,388 to the restricted general fund to help support the student transportation system (\$673,888) and student health center (\$150,000) for lost revenue due to remote education formats necessitated by the Covid-19 pandemic.

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

	18-19 Actual Expenditures	19-20 Unaudited Expenditures	20-21 Tentative Budget
1100 INSTRUCTION, REGULAR	\$ 13,530,410	\$ 15,597,982	\$ 15,713,185
1200 NON-INSTRUCTION, REGULAR	7,363,884	7,851,544	7,862,585
1300 INSTRUCTION, NON-REGULAR	8,483,300	7,840,282	7,906,797
1400 NON-INSTRUCTION, NON-REGULAR	2,174,161	1,423,891	971,494
1000 TOTAL ACADEMIC SALARIES	\$ 31,551,755	\$ 32,713,699	\$ 32,454,061
2100 NON-INSTRUCTIONAL, REGULAR	\$ 21,255,288	\$ 20,910,696	\$ 23,773,350
2200 INSTRUCTIONAL AIDES, REGULAR	1,454,282	1,434,491	1,418,842
2300 NON-INSTRUCTIONAL, NON-REGULAR	2,692,284	2,413,904	1,341,087
2400 INSTRUCTIONAL AIDES, NON-REGULAR	722,414	1,022,349	484,792
2000 TOTAL CLASSIFIED SALARIES	\$ 26,124,268	\$ 25,781,440	\$ 27,018,071
3100 STATE TEACHERS RETIREMENT SYSTEM	\$ 5,817,116	\$ 5,959,504	\$ 7,049,047
3200 PUBLIC EMPLOYEES RETIREMENT SYSTEM	4,095,442	4,798,776	5,262,369
3300 OLD AGE, SURVIVORS & DIS. INSURANCE	2,422,842	2,500,750	2,460,500
3400 HEALTH, DENTAL AND LIFE INSURANCE	10,166,302	9,629,318	13,502,854
3450 RETIREE BENEFITS NORMAL COST	926,110	965,298	1,070,114
3500 STATE UNEMPLOYMENT INSURANCE	113,472	115,624	117,162
3600 WORKERS COMPENSATION INSURANCE	569,475	664,084	687,308
3700 ALTERNATE RETIREMENT PLAN	13,760	13,148	-
3900 INCOME PROTECTION INSURANCE	234,043	419,417	287,208
3000 TOTAL EMPLOYEE BENEFITS	\$ 24,358,562	\$ 25,065,919	\$ 30,436,562
4200 DUPLICATING SUPPLIES	\$ 99,153	\$ 50,650	\$ 70,778
4300 SUPPLIES, INSTRUCTIONAL	886,279	1,159,680	812,930
4500 SUPPLIES, NON-INSTRUCTIONAL	1,324,163	1,113,975	2,628,663
4000 TOTAL SUPPLIES	\$ 2,309,595	\$ 2,324,305	\$ 3,512,371
5100 PERSONAL SERVICES & CONSULTANTS	\$ 39,998,849	\$ 37,261,481	\$ 24,392,044
5200 TRAVEL, CONFERENCE, MILEAGE & BANQUET SERVICES	1,406,125	1,223,091	853,969
5300 DUES & MEMBERSHIPS	403,183	490,032	98,034
5400 INSURANCE	689,132	828,997	891,335
5500 UTILITIES & HOUSEKEEPING SERVICES	629,094	620,603	845,017
5600 RENTS, REPAIRS & SERVICE CONTRACTS	3,796,685	4,416,327	2,402,398
5700 LEGAL, ELECTION & AUDIT	484,834	126,966	420,079
5800 OTHER SERVICES & EXPENSES	11,592,740	9,098,614	9,896,020
5000 TOTAL OTHER OPERATING EXPENSES	\$ 59,000,642	\$ 54,066,111	\$ 39,798,896
TOTAL 1000-5000	\$ 143,344,822	\$ 139,951,474	\$ 133,219,961
6100 SITE IMPROVEMENTS	\$ 46,376	\$ 13,879	\$ 30,231
6200 BUILDINGS	361,088	119,208	253,667
6300 LIBRARY BOOKS	190,814	176,766	213,789
6400 EQUIPMENT & FILMS	2,045,348	1,327,714	526,157
6500 LEASE PURCHASE AGREEMENTS	71,328	60,222	99,375
6600 CAPITALIZED EQUIPMENT	1,502,709	231,735	25,328
6000 TOTAL CAPITAL EXPENSES	\$ 4,217,663	\$ 1,929,524	\$ 1,148,547

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

	18-19 Actual Expenditures	19-20 Unaudited Expenditures	20-21 Tentative Budget
1000 - 6000 TOTAL EXPENDITURES	\$ 147,562,485	\$ 141,880,998	\$ 134,368,508
7100 DEBT RETIREMENT	\$ 1,071,643	\$ 615,360	\$ 963,323
7300 INTERFUND TRANSFERS	3,752,310	6,670,817	2,437,878
7500 STUDENT FINANCIAL AID	2,597,709	3,848,079	3,327,330
7600 OTHER PAYMENTS TO STUDENTS	728,229	429,626	473,466
7000 TOTAL OTHER OUTGO	\$ 8,149,891	\$ 11,563,882	\$ 7,201,997
TOTAL EXPENDITURES	\$ 155,712,376	\$ 153,444,880	\$ 141,570,505
BUDGETED ONE-TIME EXPENDITURES:			\$ 4,088,740 (g)
TOTAL ONGOING EXPENDITURES	\$ 155,712,376	\$ 153,444,880	\$ 137,481,765
RESERVES:	18-19 Actual	19-20 Unaudited	20-21 Tentative
9710 RESERVE FOR CONTINGENCIES	\$ 7,785,619	\$ 3,707,217	\$ 7,078,525 (h)
9728 RESERVE FOR BUDGET PLANNING	16,244,648	24,013,262	15,081,897 (i)
9000 TOTAL RESERVES	\$ 24,030,267	\$ 27,720,479	\$ 22,160,422
TOTAL EXPECTED ENDING BALANCE	\$ 24,030,267	\$ 27,720,479	\$ 22,160,422
TOTAL EXPENDITURES AND ENDING BALANCE	\$ 179,742,643	\$ 181,165,359	\$ 163,730,927

- (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 deferred maintenance projects, funding for the Glenn County Center, and backfill funding for fee-based Auxiliary Programs.
- (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 Tentative Budget
Beginning Balance			\$ 27,720,479
8110 Forest Reserve	\$ -	\$ -	\$ -
8121 College Work Study - Admin	12,560	-	12,560
8122 College Work Study - Wages	-	310,735	310,735
8123 College Work Study - Job Devel.	27,575	-	27,575
8124 College Work Study - Comm. Service	-	20,328	20,328
8131 Adult Education	-	22,496	22,496
8136 Foster Care	-	101,639	101,639
8140 Transitional Assistance to Needy Families (TANF)	-	33,669	33,669
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	-	255,815	255,815
8197 US Dept Ed / OPE	-	1,425,000	1,425,000
8198 CARES Act Funding	-	4,098,545	4,098,545
8199 Other Federal Revenue	-	561,195	561,195
8100 TOTAL FEDERAL REVENUE	\$ 93,252	\$ 7,661,957	\$ 7,755,209
8612 State General Apportionment	\$ 37,643,677	\$ -	\$ 37,643,677
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)	-	5,935,956	5,935,956
8621 Cal Works	-	382,567	382,567
8622 Extended Opportunity Programs and Services (EOPS)	-	1,212,840	1,212,840
8623 Cooperative Agency Resources and Education (CARE)	-	301,685	301,685
8624 Disabled Student Services and Programs (DSPS)	-	750,634	750,634
8625 Student Success (SSSP)	-	-	-
8626 Telecommunications	-	2,986,836	2,986,836
8627 Student Financial Aid Admin.	-	503,637	503,637
8630 Education Protection Account	8,201,401	-	8,201,401
8631 Transitional Assistance to Needy Families (TANF)	-	33,669	33,669
8633 Funds for Student Success - MESA (Math, Engineering, Science Achievement)	-	57,380	57,380
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	-	14,495,266	14,495,266
8640 Sales and commissions	-	69,229	69,229
8642 California College Promise	-	924,182	924,182
8643 Student Success Completion	-	1,021,216	1,021,216
8644 Financial Aid Technology	-	48,531	48,531
8653 AB86	-	241,229	241,229
8657 Economic Development	-	845,256	845,256
8658 Strong Workforce Program	-	17,066,717	17,066,717
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	-	610,776	610,776
8600 TOTAL STATE REVENUE	\$ 50,428,960	\$ 49,377,369	\$ 99,806,329

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

	20-21 Unrestricted Fund 11 Revenue	20-21 Restricted Fund 12 Revenue	20-21 Tentative Budget
8811 Secured Taxes	\$ 13,940,568	\$ -	\$ 13,940,568
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	-	48,894	48,894
8839 Contract Education	-	2,298,560	2,298,560
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	-	371,917	371,917
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	-	1,038,281	1,038,281
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	911,000	961,000
8800 TOTAL LOCAL REVENUE	\$ 20,556,067	\$ 4,869,455	\$ 25,425,522
8980 Incoming Transfers	\$ 2,200,000	\$ 823,388	\$ 3,023,388
TOTAL REVENUE	\$ 73,278,279	\$ 62,732,169	\$ 136,010,448
One-time Revenue	\$ 415,500	\$ -	\$ 415,500
Total Ongoing Revenue	\$ 72,862,779	\$ 62,732,169	\$ 135,594,948
TOTAL REVENUE AND BEGINNING BALANCE			\$ 163,730,927

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

	20-21 Unrestricted Fund 11 Expenditures	20-21 Restricted Fund 12 Expenditures	20-21 Tentative Budget
1100 INSTRUCTION, REGULAR	\$ 14,688,347	\$ 1,024,838	\$ 15,713,185
1200 NON-INSTRUCTION, REGULAR	5,813,963	2,048,622	7,862,585
1300 INSTRUCTION, NON-REGULAR	7,846,452	60,345	7,906,797
1400 NON-INSTRUCTION, NON-REGULAR	679,660	291,834	971,494
1000 TOTAL ACADEMIC SALARIES	\$ 29,028,422	\$ 3,425,639	\$ 32,454,061
2100 NON-INSTRUCTIONAL, REGULAR	\$ 13,366,370	\$ 10,406,980	\$ 23,773,350
2200 INSTRUCTIONAL AIDES, REGULAR	1,169,008	249,834	1,418,842
2300 NON-INSTRUCTIONAL, NON-REGULAR	457,323	883,764	1,341,087
2400 INSTRUCTIONAL AIDES, NON-REGULAR	363,176	121,616	484,792
2000 TOTAL CLASSIFIED SALARIES	\$ 15,355,877	\$ 11,662,194	\$ 27,018,071
3100 STATE TEACHERS RETIREMENT SYSTEM	\$ 6,294,854	\$ 754,193	\$ 7,049,047
3200 PUBLIC EMPLOYEES RETIREMENT SYSTEM	3,071,332	2,191,037	5,262,369
3300 OLD AGE, SURVIVORS & DIS. INSURANCE	1,565,806	894,694	2,460,500
3400 HEALTH, DENTAL AND LIFE INSURANCE	10,113,196	3,389,658	13,502,854
3450 RETIREE BENEFITS NORMAL COST	749,167	320,947	1,070,114
3500 STATE UNEMPLOYMENT INSURANCE	88,093	29,069	117,162
3600 WORKERS COMPENSATION INSURANCE	516,873	170,435	687,308
3900 INCOME PROTECTION INSURANCE	206,616	80,592	287,208
3000 TOTAL EMPLOYEE BENEFITS	\$ 22,605,937	\$ 7,830,625	\$ 30,436,562
4200 DUPLICATING SUPPLIES	\$ 50,021	\$ 20,757	\$ 70,778
4300 SUPPLIES, INSTRUCTIONAL	202,471	610,459	812,930
4500 SUPPLIES, NON-INSTRUCTIONAL	1,009,583	1,619,080	2,628,663
4000 TOTAL SUPPLIES	\$ 1,262,075	\$ 2,250,296	\$ 3,512,371
5100 PERSONAL SERVICES & CONSULTANTS	\$ 814,115	\$ 23,577,929	\$ 24,392,044
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	109,765	2,402,398
5700 LEGAL, ELECTION & AUDIT	420,079	-	420,079
5800 OTHER SERVICES & EXPENSES	359,175	9,536,845	9,896,020
5000 TOTAL OTHER OPERATING EXPENSES	\$ 6,184,452	\$ 33,614,444	\$ 39,798,896
TOTAL 1000-5000	\$ 74,436,763	\$ 58,783,198	\$ 133,219,961

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

	20-21 Unrestricted Fund 11 Expenditures	20-21 Restricted Fund 12 Expenditures	20-21 Tentative 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	80,619	526,157
6500 LEASE PURCHASE AGREEMENTS	99,375	-	99,375
6600 CAPITALIZED EQUIPMENT	-	25,328	25,328
6000 TOTAL CAPITAL EXPENSES	\$ 882,600	\$ 265,947	\$ 1,148,547
1000 - 6000 TOTAL EXPENDITURES	\$ 75,319,363	\$ 59,049,145	\$ 134,368,508
7100 DEBT RETIREMENT	\$ 963,323	\$ -	\$ 963,323
7300 INTERFUND TRANSFERS	2,437,878	-	2,437,878
7500 STUDENT FINANCIAL AID	34,500	3,292,830	3,327,330
7600 OTHER PAYMENTS TO STUDENTS	83,272	390,194	473,466
7000 TOTAL OTHER OUTGO	\$ 3,518,973	\$ 3,683,024	\$ 7,201,997
TOTAL EXPENDITURES	\$ 78,838,336	\$ 62,732,169	\$ 141,570,505
BUDGETED ONE-TIME EXPENDITURES:	\$ 4,088,740	\$ -	\$ 4,088,740
TOTAL ONGOING EXPENDITURES	\$ 74,749,596	\$ 62,732,169	\$ 137,481,765
 RESERVES:			
9710 RESERVE FOR CONTINGENCIES			\$ 7,078,525
9728 RESERVE FOR BUDGET PLANNING			15,081,897
9000 TOTAL RESERVES			\$ 22,160,422
TOTAL EXPECTED ENDING BALANCE			\$ 22,160,422
TOTAL EXPENDITURES AND ENDING BALANCE			\$ 163,730,927

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 Covid-19 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	\$ 1,151,422	\$ 1,038,281
Interfund Transfer In	\$ 910,916	673,388 *
Total Revenue:	\$ 2,062,338	\$ 1,711,669
Expenditures:		
1000 Certificated Salaries	\$ 7,664	\$ -
2000 Classified Salaries	851,475	915,792
3000 Staff Benefits	452,476	593,820
4000 Supplies	113,881	112,921
5000 Other Operating Expenses	33,846	68,011
6000 Capital Outlay	20,087	21,125
Total Expenditures:	\$ 1,479,429	\$ 1,711,669
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 Covid-19 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	\$ (0)
Revenue:		
Sale of Nurses Supplies	\$ 52,180	\$ 50,000
Student Fees	373,237	371,917
Interfund Transfer In	\$ -	150,000 *
Total Revenue:	\$ 425,417	\$ 571,917
Expenditures:		
1000 Academic Salaries	\$ 4,145	\$ -
2000 Classified Salaries	333,950	346,371
3000 Staff Benefits	119,866	175,982
4000 Supplies	22,269	25,717
5000 Other Operating Expenses	35,761	23,847
6000 Capital Outlay	2,782	-
7000 Transfers Out	40,557	-
Total Expenditures:	\$ 559,330	\$ 571,917
Available Balance	\$ (0)	\$ (0)

* 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	\$ 295,389
Revenue:		
Federal Revenue	\$ 10,600	\$ 3,000
State Revenue	101,675	112,469
Fees	163,391	128,000
Interest	4,258	4,000
Total Income:	\$ 279,924	\$ 247,469
Expenditures:		
* 2000 Classified Salaries	\$ 182,772	\$ 189,448
3000 Staff Benefits	126,894	138,015
4000 Supplies	10,535	8,000
5000 Other Operating Expenses	14,110	4,000
6000 Capital Outlay	-	-
Total Expenditures:	\$ 334,311	\$ 339,463
Ending Balance	\$ 295,389	\$ 203,395

* In the General Fund, the district also subsidizes \$449,303 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.

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.

	<u>2019/2020</u> <u>Unaudited</u>	<u>2020/2021</u> <u>Budgeted</u>
Beginning Balance	\$ 399,434	\$ 528,227
Revenue:		
8861 Interest	\$ 7,485	\$ 7,500
8879 Student Fees	301,580	297,000
Total Revenue:	\$ 309,065	\$ 304,500
Expenditures:		
1000 Academic Salaries	\$ 7,851	\$ 36,139
2000 Classified Salaries	64,483	138,799
3000 Benefits	23,086	86,829
4000 Supplies	32,528	35,000
5000 Other Operating Expenses	49,850	45,000
6000 Capital Outlay	1,594	-
7000 Payments To/For Students	880	15,000
Total Expenditures:	\$ 180,272	\$ 356,767
Ending Balance	\$ 528,227	\$ 475,960

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	\$ 68,101
Revenue:		
8861 Interest	\$ 1,233	\$ 1,250
8884 Student Representation Fee	35,474	32,500
Total Revenue:	\$ 36,707	\$ 33,750
Expenditures:		
4000 Supplies	\$ 182	\$ 750
5000 Other Operating Expenses	6,460	16,750
5000 Payments To Board of Governors	17,737	16,250
7000 Payments To/For Students	-	-
Total Expenditures:	\$ 24,379	\$ 33,750
Ending Balance	\$ 68,101	\$ 68,101

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.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 109,492	\$ 108,778
Revenue:		
Contributions and Loan Payments	\$ 13,432	\$ 49,000
Interest	918	1,000
Total Revenue:	\$ 14,350	\$ 50,000
Expenditures:		
Loans	\$ 15,064	\$ 50,000
Total Expenditures:	\$ 15,064	\$ 50,000
Ending Balance	\$ 108,778	\$ 108,778

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.

	<u>2019/2020</u>	<u>2020/2021</u>
	<u>Unaudited</u>	<u>Budgeted</u>
Beginning Balance	\$ -	\$ -
Revenue:		
PELL Grants	\$ 16,685,595	\$ 16,685,000
Direct Loans	4,064,430	4,100,000
CAL Grants	2,671,397	2,675,000
EOPS Book Vouchers	571,011	571,000
SEOG Grants	232,378	235,000
Chafee Grants	170,000	170,000
AmeriCorps Grants	46,898	47,000
BIA Grants	24,912	25,000
Other	368,751	375,000
Total Revenue:	\$ 24,835,372	\$ 24,883,000
Expenditures:		
PELL Grants	\$ 16,685,595	\$ 16,685,000
Direct Loans	4,064,430	4,100,000
CAL Grants	2,671,397	2,675,000
EOPS Book Vouchers	571,011	571,000
SEOG Grants	232,378	235,000
Chafee Grants	170,000	170,000
AmeriCorps Grants	46,898	47,000
BIA Grants	24,912	25,000
Other	368,751	375,000
Total Expenditures:	\$ 24,835,372	\$ 24,883,000
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	\$ 63,336
Revenue:		
8861 Interest	\$ 817	\$ 920
8899 Other Local Income	15,616	15,000
Total Revenue:	\$ 16,433	\$ 15,920
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	11,870	13,420
6000 Capital Outlay	-	1,500
7000 Other Outgo	-	1,000
Total Expenditures:	\$ 11,870	\$ 15,920
Ending Balance	\$ 63,336	\$ 63,336

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 the Glenn County Center.

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 5,357,391	\$ 4,650,365
Revenue:		
8861 Interest	\$ 51,459	\$ 70,000
8899 Other Local Income	-	87,749
8980 Interfund Transfer In	2,652,015 *	11,114,433 *
Total Revenue:	\$ 2,703,474	\$ 11,272,182
Expenditures:		
4000 Supplies	\$ 11,631	\$ 10,000
5000 Other Operating Expenses	138,077	55,857
6000 Capital Outlay	3,260,792	2,500,870
7000 Transfers Out for Glenn County Center	-	12,400,000
Total Expenditures:	\$ 3,410,500	\$ 14,966,727
Ending Balance	\$ 4,650,365	\$ 955,820

*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 \$10,940,304 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	\$ 2,896,919
Revenue:		
8861 Interest	\$ 154,366	\$ 62,000
8941 Sale of Bonds	-	-
Total Revenue:	\$ 154,366	\$ 62,000
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	16,958	-
6000 Capital Outlay	9,873,948	2,958,919 *
Total Expenditures:	\$ 9,890,906	\$ 2,958,919
Ending Balance	\$ 2,896,919	\$ -

* 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	\$ -	\$ 45,691,512
Revenue:		
8861 Interest	\$ 1,001,487	\$ 968,750
8941 Sale of Bonds	49,329,589	-
Total Revenue:	\$ 50,331,076	\$ 968,750
Expenditures:		
4000 Supplies	\$ 367	\$ -
5000 Other Operating Expenses	-	272,406
6000 Capital Outlay	\$ 4,639,197	\$ 44,249,947 *
Total Expenditures:	\$ 4,639,564	\$ 44,522,353
Ending Balance	\$ 45,691,512	\$ 2,137,909

* 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	\$ 23,896,307
Revenue:		
Property Tax Revenue	\$ 12,874,988	\$ 12,804,539
Interest Income	306,621	305,000
Total Revenue:	\$ 13,181,609	\$ 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	\$ 23,896,307	\$ 26,518,215 *

* 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	\$ 3,928,232
Revenue:		
Pass-through Tax Revenue	\$ 1,282,228	\$ 450,000
Interest Income	52,382	13,000
Total Revenue:	\$ 1,334,610	\$ 463,000
Expenditures:		
Operating Expenses	\$ -	\$ -
Transfer Out	-	4,000,000 *
Total Expenditures:	\$ -	\$ 4,000,000
Ending Balance	\$ 3,928,232	\$ 391,232

* 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. In 2007 the District actuarial accrued liability had grown to \$47.3 million. 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. This continued through 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. The District began transferring earnings from the fully funded CalPERS Trust Fund to the general fund to help cover retiree medical premiums in 2018-19.

	<u>2019/2020</u> <u>Unaudited</u>	<u>2020/2021</u> <u>Budgeted</u>
Beginning Balance	\$ 2,519,181	\$ 2,535,804
Revenue:		
Interest Income	16,623	4,500
Transfers In	-	-
Total Revenue:	\$ 16,623	\$ 4,500
Expenditures:		
Transfers Out	\$ -	\$ 2,540,304 *
Ending Balance	\$ 2,535,804	\$ -

* In 2020-21, \$2.54 million is being redesignated and transferred to the capital projects fund for the purchase of a new Glenn County Center. All pre-funding payments are now made to the CalPERS Trust Fund.

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	\$ 5,115,082
Revenue:		
Return of Equity	\$ 212,748	\$ -
Insurance Reimbursements	574,351	50,000
Interest Income	56,111	14,250
Total Revenue:	\$ 843,210	\$ 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	\$ 5,115,082	\$ 1,124,332

* 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	\$ 391,275	\$ 225,480
8846 Commissions	125,000	135,000 (a)
8850 Rentals	-	-
8898 Service Charge	69	75
8980 Interfund Transfer In	414,771	681,225 (b)
Total Revenue:	\$ 931,115	\$ 1,041,780
Cost of Sales	\$ 255,309	\$ 198,040
Gross Profit or (Loss)	\$ 675,806	\$ 843,740
Expenditures:		
2000 Classified Salaries	\$ 492,071	\$ 494,819
3000 Staff Benefits	232,160	285,096
4000 Supplies	2,111	12,200
5000 Other Operating Expenses	34,607	51,625
6000 Capital Outlay	325	-
Total Expenditures:	\$ 761,274	\$ 843,740
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 will eventually provide the Bookstore with enough funds to continue operations in the future. Due to the closure of the operations in the 3rd quarter of the fiscal year, any cost savings were erased. The District will maintain support of the Bookstore until operations reopen.

BUTTE COLLEGE DINING SERVICES FUND

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance and Reserves	\$ 8,777	\$ -
Revenue:		
8844 Sales	\$ 1,092,689	\$ 219,000
8846 Commissions	71,041	47,500
8980 Interfund Transfer In	169,451	359,136 *
Total Revenue:	\$ 1,333,181	\$ 625,636
Cost of Sales	\$ 570,392	\$ 60,360
Gross Profit or (Loss)	\$ 762,789	\$ 565,276
Expenditures:		
2000 Classified Salaries	\$ 453,629	\$ 280,200 **
3000 Staff Benefits	199,412	212,939
4000 Supplies	14,152	4,237
5000 Other Operating Expenses	90,929	62,900
6000 Capital Outlay	13,444	5,000
Total Expenditures:	\$ 771,566	\$ 565,276
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. Dining Services was closed in mid-March in response to the Covid-19 pandemic. Various reopening scenarios are being modeled for 2020/2021. The District will make a contribution to Dining Services to cover overhead costs in the short-term.

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

	2019/2020 <u>Unaudited</u>	2020/2021 <u>Budgeted</u>
Beginning Balance	\$ 31,135	\$ 23,317
Revenue:		
Sales	\$ 4,636	\$ 26,150
Interest	380	200
Total Revenue:	\$ 5,016	\$ 26,350
Expenditures:		
Classified Salaries	\$ 7,566	\$ 17,818
Staff Benefits	199	205
Supplies	4,408	7,400
Other Operating Expenses	661	950
Capital Outlay	-	-
Total Expenditures:	\$ 12,834	\$ 26,373
Ending Balance	\$ 23,317	\$ 23,294