



BUTTE COLLEGE

# 2021-22 FINAL BUDGET

**September 15, 2021**



**Rendering of Mathematics Building  
Spring 2022**

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## SUMMARY OF KEY POINTS

The 2021-22 Final Budget:

Is based primarily on the enacted 2021-22 State Budget Act signed by the Governor on July 12, 2021.

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.

Includes a compounded cost-of-living adjustment (COLA) to apportionment revenue of 5.07% (2.31% COLA originally not funded in the 2020-21 state budget compounded by the 1.7% statutory COLA for 2021-22, plus an additional 1%).

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 Conditions Allowance” (hold-harmless) provision by the State Chancellor’s Office due to the 2018 Camp wildfire.

Includes a 3.1918% adjustment to salary schedules to bring staff to the 20-school average and then provides the cost-of living adjustment of 5.07%, for a total adjustment of 8.4236% to all salary schedules.

Accounts for the payoff of 2020-21 apportionment deferrals in July and August of 2021.

Does not account for any restoration or enrollment growth revenue in this budget as the District projects to be held financially harmless until workload measures return to pre-Camp wildfire levels.

Includes approximately \$3 million in budget savings from the implementation of 4% budget reductions.

Includes built-in savings of \$850K projected to be generated by salaries and benefits from vacant positions and from various other budget line items that potentially go unspent in 2021-22.

Includes additional carryover savings from the use of federal relief funds in lieu of District reserves originally budgeted to backfill for lost revenue from auxiliary and other fee based programs in 2020-21.

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

Includes deferred maintenance and instructional equipment projects totaling \$5.28 million funded by state.

Includes a \$400K one-time augmentation for advertising and marketing not included in the Tentative Budget.

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

Includes indirect cost reimbursements from grants of approximately \$1.45 million.

Includes most, but not all, of the budgets for restricted categorical programs and grants. As federal and state categorical and grant funds are awarded, they will be included in the 2021-22 District budget.

Includes projected fixed cost increases of approximately \$5.97 million for salaries (net of attrition), insurance premium increases for medical benefits, employer pension cost increases for the Public Employees Retirement System (PERS) and the State Teachers Retirement System (STRS), and an increase for unemployment insurance.

Includes other new ongoing augmentations to address critical fixed cost needs like leases and utilities of approximately \$55K.

Projects the full-time faculty obligation number (FON) for 2021-22 to be 156.5. This Final Budget includes funding for approximately 196 full-time faculty.

Includes approximately \$2.0 million to fund one-time augmentation requests.

Includes approximately \$37 million of one-time federal Higher Education Emergency Relief Funds (HEERF) to help offset the impact of the COVID 19 pandemic on students (Fund 74) and the college (Fund 11).

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, shortfall, or deferral in state apportionment revenue.

Designates \$8.0 million in reserves to fund the construction of future District needed facilities.

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 law, i.e. at least 50% of the current expense of education is allocated to instructional salaries and benefits (52%);
- Investments in capital improvements, technology and instructional equipment in the proposed budget work 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.

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;
- Salaries and benefits exceed 87% of total unrestricted budgeted expenditures. The rising fixed costs for salaries, benefits, pension and unemployment insurance in 2021-22 result in a calculated percentage of 88.56. The statewide average for this percentage in 2019-20 was 88.79%.

## **2021-22 BUDGET CRITERIA** **(Approved by the Board of Trustees 11/18/20)**

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:

- 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;
- provides resources to help the District better focus on enhancing a culture of equity and inclusion;
- 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 equitable 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 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. Wildfires and 2019 COVID-19 pandemic).

### **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 off-set such costs; and
- creates time specific plans for the full funding of unfunded liabilities/obligations through specific trust funds and reserve accounts.

## 2021-22 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. 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. The Student Centered Funding Formula (SCFF) was implemented in 2018-19 and further revised in 2019-20 to help meet the goals contained in this Vision for Success.

*“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.”*

### The Governor’s January Budget Proposal for 2021-22

Less than 7 months since enacting the 2020-21 State Budget, the Governor’s January budget proposal for the 2021-22 budget year looked drastically different. The 2020-21 budget was shaped by the health crisis and the economic uncertainty caused by the COVID 19 pandemic. Originally, the Governor had proposed to cut community college budgets in 2020-21 by 10%, but later settled on no cuts, not funding the 2.31% statutory COLA, and deferring 5 months of apportionment revenue equal to \$1.45 billion until the 2021-22 budget year.

Seven months later, with news of higher-than-projected revenue forecasts, the colleges were hoping for at least a flat budget proposal for 2021-22. Instead, the Governor's January budget proposal for 2021-22 reflected a budget situation that had improved considerably compared to the June 2020 estimates. State revenue estimates were revised upwards significantly for both the 2019-20 and the 2020-21 years causing the Proposition 98 minimum funding guarantees for K14 to be revised upwards. With this new found revenue, the Governor proposed a significant buy-down of deferrals and a handful of one-time and ongoing funding proposals. Some of the proposals were a part of last January's proposal in 2020 that were later removed due to the pandemic and projected revenue decline.

Apart for the significant buy-down of deferrals, the most notable aspect of the 2021-22 January budget proposal for Proposition 98 funding was the substantially different cost-of-living adjustments (COLA) provided to K-12 than was proposed for the community colleges. The Governor's budget proposal provided a COLA of 3.84% to the K12's Local Control Funding Formula to fully fund their base by making up for the lack of COLA in 2020-21 as required by a recently approved statute. The COLA for the community college's Student Centered Funding Formula was proposed to be 1.5%.

Early Action funding was also proposed, and later released to the colleges, for immediate response to bring students back that were lost due to the pandemic. There was still a lot of unprecedented uncertainty in the economic future, and some of that uncertainty was reflected in the January budget proposal. Beginning with the February 2021 payment, \$1.45B of community college apportionment revenue in 2020-21 was deferred to 2021-22. In the January Budget proposal, the Governor proposed to buy down 2/3's of the deferrals, or approximately \$1.126B of the \$1.45B in deferrals, carrying over the remaining deferral of \$326.5M into the 2021-22 fiscal year.

Efforts began immediately to advocate that any additional new funds be used to help districts cover their mandatory and fixed cost increases, especially if there was no provision to make up for the lost COLA in 2020-21 for community colleges and the estimated COLA for the 2021-22 budget year was projected to be only 1.5%. In lieu of funding new initiatives, advocates requested that additional funds be used to help cover pension rate increases for PERS and STRS, deferred maintenance projects, the payoff of more, if not all, apportionment deferrals, and an improvement to base apportionment revenue to account for the lost COLA in 2020-21. Due to the continued economic uncertainty in January 2021, the Governor preferred instead to wait until better revenue numbers were available in May before making any additional funding proposals.

As the state looked at its budgets over the next several years, the pandemic and the uncertain economy continued to cloud the forecast. Budget resiliency would be critical to protect programs in the future, as expenditures are projected to grow faster than revenues. A structural state budget deficit of \$7.6 billion was projected for 2022-23 and was forecast to grow to over \$11 billion by 2024-25. Even though the budget situation was projected to have improved, the Governor warned the state would need to continue to be wary of all of the economic issues that cloud the future.

## **May Revision Budget Proposal**

Last year, in contrast to projections made in the January budget proposal for 2020-21, the Department of Finance and the Administration projected in the May Revision a \$41 billion decline in revenue by the

end of 2020-21 and a \$13 billion increase in health and human services program costs and other pandemic-related expenditures. Combined, this resulted in an estimated \$54 billion budget shortfall when compared to the January 2020-21 budget proposal.

This year, following a much improved economic outlook in the January budget proposal for 2021-22, the May Revision projected tax revenues to grow another \$10.7 billion higher than the revised revenue estimates made in January. With the aid of \$25 billion in federal relief, the state now projected nearly \$76 billion in discretionary funds would be available to allocate. However, half of the surplus is constitutionally required to be used to build reserves, make debt payments, and provide funding to K14 education.

The apportionment spending limit established in 1979 through Proposition 4, also known as the Gann Limit or State Appropriations Limit (SAL), puts limits on government spending. When the limit is exceeded, money must be returned back to taxpayers. The Legislative Analyst's Office predicted the state would exceed its constitutional appropriations spending limit by \$16.2 billion. These funds must be split between the taxpayers and education. In the May Revision the Governor proposed to:

1. provide refunds to taxpayers in the 2021/22 budget year (2/3s of Californians) and
2. provide additional funding to education in 2022/23

This stronger fiscal outlook was reflected in the Governor's May Revision for community colleges with the proposal to pay off the entire \$1.45 billion in apportionment deferrals in July and August of 2021 and the proposal to fund the budget year COLA (1.7%) compounded by the previously unfunded 2020-21 COLA (2.31%) for a total of 4.05%. The May Revision continued to propose funding 0.5% for growth in FTES at the community colleges, and spreads out the rest of the new-found revenues over roughly 400 new proposals statewide.

### **Enacted 2021-22 State Budget Act**

On July 12, 2021, Governor Newsom signed the 2021-22 budget for California. The \$263 billion spending plan reflects an agreement with the Assembly and Senate leadership and represents a historic budget for California community colleges. The Budget Act increases overall funding for community colleges by more than \$3.5 billion over the 2020-21 levels through a combination of ongoing and one-time funds. It fully pays off the apportionment revenue deferrals from 2020-21, and makes a number of investments including, Diversity, Equity and Inclusion (DEI), deferred maintenance, student basic needs, and support for faculty. The enacted 2021-22 budget reflects a correction to the overestimated deficit of the prior year along with the substantial recovery to the state's finances, focusing investments on supporting California families and businesses that continue to struggle in the aftermath of the pandemic.

The budget outlook has greatly improved since the initial release of the Governor's budget proposal in January. The state's primary revenue sources – personal income tax, sales tax, and corporate tax – have come in ahead of projections, bringing significantly more revenue than anticipated. The enacted budget continues the state's focus on maintaining reserves as protection against the next economic downturn, including:

- \$7.4 billion deposit into the Budget Stabilization Account (AKA "rainy day fund")

- \$4.5 billion deposit into the Public School System Stabilization Account
- \$450 million deposit into the Safety Net Reserve
- \$4.0 billion in the Special Fund for Economic Uncertainties to provide the state with flexibility to adapt to unexpected changes in reserves or spending needs during the year.

In terms of spending priorities, the enacted state budget focuses on helping the state recover from the COVID-19 pandemic including \$8.1 billion in direct relief to Californians (Golden State Stimulus), \$1.5 billion in small business grants, investments in early child care and education, after school programs, access to higher education and financial aid, investments in homelessness, and funding for infrastructure like education facilities, transportation, affordable housing and broadband internet access.

The budget allocations for community colleges are described under State Revenue later in this document.

## Local Planning

The Vision for Success, described earlier in this document, provides the direction for community colleges to focus on specific goals, and the Student Centered Funding Formula is the mechanism that provides the financial incentives to accomplish those goals. The Student Centered Funding Formula allocates apportionment funding to the colleges based on full-time equivalent students (FTES), student demographics and student success. Apportionment revenue is the main funding source for the District's unrestricted general operating fund and is the primary focus of this budget.

On October 15, 2020, the Planning and Budget Committee issued the annual Unit Planning Guidance to the campus community for the 2021-22 fiscal year. This unit planning guidance was the first to be distributed since the COVID-19 pandemic and the college-wide transition to remote learning and remote work. A year earlier, the Planning and Budget Committee had provided guidance in response to the Camp wildfire. In the wake of both events, the campus was cautioned of the need to prepare for some form of alternate normal, as the future may bring more challenges and more unknown events than ever before.

**Emergency Conditions Allowance** – The emergency conditions allowance, or hold-harmless funding, provided to the District by the state Chancellor's Office, was originally approved on September 23, 2019 following the November 2018 Camp wildfire. This allowance was approved for four fiscal years (2018-19 through 2021-22) with a follow-up review to occur in the final fiscal year (2021-22) to determine the college's status in terms of enrollment recovery and whether the allowance should be extended. Due to the onset of the COVID-19 pandemic, the District's administration submitted a letter to the state Chancellor's Office on September 10, 2020 requesting a three-year extension of the emergency conditions allowance. On November 24, 2020, the District received agreement from the Chancellor's Office to extend the emergency conditions allowance for a period of three more fiscal years (2022-23, 2023-24 and 2024-25). All aspects of the original September 23, 2019 approval memo continued to be in effect.

Annually, beginning in 2022-23, the Chancellor's Office will review the District's actual FTES to determine progress toward increasing enrollment back to the 2017-18 levels, prior to the fire. If it is

determined that it is not feasible for the District to grow back to the prior enrollment levels, the Chancellor's Office will implement a step down configuration which will gradually reduce the allowance provided to the District each year. Beginning in 2025-26, the emergency conditions allowance will be reduced over two years. In 2025-26, the District will receive 50% of the prior year emergency conditions allowance if needed. In 2026-27, the allowance will be eliminated.

The College had already experienced several years of enrollment declines prior to these events, so it was prudent to begin planning for the restoration of enrollment losses and the implementation of budget reductions. The Enrollment Management Committee worked to finalize its plans to help the District stem areas of enrollment decline and accelerate areas where the District had experienced modest growth. Guidance was provided to plan for 4% budget reductions in the 2021-22 budget year that would not be across-the-board and be strategic in nature. The Prioritization Criteria for budget augmentations were modified to include consideration of diversity, equity and inclusion as well as strategic enrollment growth. The new criteria are among the top three priorities for unit planning, together with employee and student health and safety. It was advised that every vacant position would be evaluated and prioritized to determine whether sufficient funding is available to justify its replacement.

In addition, Unit Plans and Administrative Program Reviews would 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.

The Unit Planning Guidance provided modified criteria to be used to prioritize unit plan resource requests. The modified criteria include:

- Addressing Health, Life, and Safety Issues;
- Strategic Enrollment Growth
- Diversity, Equity and Inclusion
- Implementing Strategic Direction Priorities;
- Meeting Vision For Success Goals; and
- Addressing Program Review Recommendations

In coordination with the Board's revised Budget Criteria for 2021-22, 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**

Each year, and several times a year, the District's five-year plan is updated to reflect changes in projected costs and estimated revenue. The economic expansion, the Camp wildfire, and the health epidemic have all contributed to declines in enrollment, and the rising costs of salaries, benefits and pension make it difficult for the District's new ongoing revenues to keep pace with its fixed cost increases. The most recent version of the District's five-year plan includes being temporarily held harmless to the enrollment declines caused by the wildfire and the pandemic (emergency conditions allowance) and projects a methodical restoration of enrollment over the five year period. Projected enrollment restoration, estimated COLAs and fixed cost increases, are included in each of the five planning years through 2025-26.

The District has been successful in accumulating reserves in excess of the 25% of unrestricted general fund expenditures goal. These reserves will provide the District with the ability to fund one-time budget augmentation requests and can provide for additional time and flexibility if needed, so that other adjustments can be made to the budget over time as the District restores its enrollment.

Revenue generated from the Student Centered Funding Formula using 2017-18 data has been incorporated into the revised five-year plan and will offset the significant declines in enrollment experienced over the past several years. Other revisions to the five-year plan include the proposed compounded COLA in 2021-22 of 5.07%, revised pension rate increases, an increase in unemployment insurance, an increase to salary schedules of 8.4236%, and a 4% reduction to unrestricted general fund expenditures. Per the District's collective bargaining agreements, 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.

Enrollment targets have been modified over the five-year period to reflect a lower FTES base in

2021-22. It is customary for the District not to budget for any growth or restoration revenue until it is actually achieved. It is not projected that the District will restore to, or grow past, the enrollment level achieved in 2017-18 until 2025-26.

Future revisions to this plan may require additional adjustments be made to the budget over the five-year period to bring ongoing expenditures back in line with ongoing revenue. The District proposes to use emergency conditions allowance funds to balance the general fund budget in each of the planning years to provide the time needed to plan so that adjustments can be made to the budget as needed that will have the least negative impact to students and the college.

Throughout the five-year plan the District proposes to continue to transfer revenue generated from the OPEB Trust fund to cover the cost of retiree medical premiums. The amount included in this Final Budget proposal, and in each year of the plan, is \$2.2 million. This is the amount of earnings the trust fund is projected to generate on an annual basis to offset these costs. A separate funding plan is included in this Final Budget document 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 are projected to offset a portion of 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 five-year plan.

### **Higher Education Emergency Relief Funds (HEERF I, HEERF II, and HEERF III)**

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 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 (HEERF I). Ninety percent of these funds were distributed directly to institutions based on a formula primarily weighted toward full-time enrollment of PELL recipients. The remaining ten percent was distributed to minority-

serving institutions and those with the greatest need. At least half of the funding received must be used to provide direct emergency aid to students. Institutions can use the remaining funds to defray institutional costs related to the delivery of remote instruction or to provide additional support to students.

Butte College received \$3.64 million to provide emergency aid to students and another \$3.64 million to defray institutional costs related to the delivery of remote instruction. Butte College also received an additional \$457.5K from the 10% of the CARES Act funds designated for minority-serving institutions (MSIs).

In December 2020, President Trump signed the \$900B Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). Like CARES, higher education received funding (HEERF II) to be used for emergency relief grants to students and institutional relief to offset costs due to the impact of the pandemic. Unlike the HEERF I funds, these funds were distributed to institutions on a formula based on student headcount, rather than full-time enrollments. This change in the formula benefited the community college system since many of the students attending community college do so part-time. The institutional portion of these funds may be used to defray expenses associated with the coronavirus, but includes additional flexibility to include lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, payroll, and funding to carry out student support activities that address needs related to the coronavirus. The institutional share of these funds may also be used to make additional financial aid grants to students.

Butte College received \$3.64 million in HEERF II funds to provide emergency aid to students and \$10.5 million to defray institutional costs related to the pandemic. Butte College also received an additional \$764K designated for minority-serving institutions.

Then, in March 2021, President Biden provided additional federal relief to colleges as part of his \$1.9 trillion American Rescue Plan (HEERF III). These stimulus funds also provide emergency relief grants to students and institutional relief to help colleges mitigate the impacts of the virus, including lost revenue.

In total Butte College received approximately \$7.7 million from HEERF I, \$14.9 million from HEERF II, and \$25.3 million from HEERF III in federal relief. Nearly half of these funds will go directly to students in the form of emergency relief grants, and spending must be completed by September 2023. In addition to these funds, the college received another \$1 million from the state as part of the Governor's January Early Action Package.

Due to the timing of the receipt of HEERF I (CARES), these funds were allocated to departments via a process separate from the annual unit planning process, and the use of these funds were concentrated on transitioning the college to a remote learning modality. A separate Request for Proposals (RFP) process was used to allocate HEERF II and HEERF III funds to departments with the direction that the President's Leadership Team would consider applications that fall within the allowable expenditures/funding categories permitted for the HEERF funds, and priority would be given to activities that lead to support equitable student success and help attract, retain and restore enrollments lost due to the coronavirus pandemic.

Budget allocations for costs related to the COVID-19 emergency, such as professional development for faculty, technology and facility costs associated with the pandemic, lost revenue, and emergency grants to students are included in this Final Budget.

## **Strategic Initiatives and the Educational Master Plan**

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

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

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

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

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

This budget was developed and allocations are proposed using data-informed processes for continuous improvement. Budget allocations are based on predetermined budget criteria and priorities established through the unit planning process. This data-informed budget development process 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 classes that students need when the students want them.

Resources are dedicated in this budget for this purpose and include professional development to help faculty transition courses to an online modality when needed. Competitive grants have been obtained that align with college and program initiatives emphasizing short-term and high impact projects that support student learning. (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. Reserves from various funds have been 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 celebrates diversity and promotes an inclusive, respectful, and equitable environment. Funding is proposed in this budget 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 for hiring new employees. An Inclusion, Diversity, Equity and Anti-Racism (IDEA) Officer was recently hired and will be assigned to help the district address systemic inequities and enhance a culture of inclusion. The college has joined a sustainable, multidimensional effort with other community colleges, to address longstanding racial inequity issues and improve the campus' racial climate. Funds are also proposed to support and fund interpreters for the deaf and hard of hearing, and Title IX training. (Initiative #6)

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

## REVENUE

### State Revenue

#### Education Protection Account (EPA)

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.

#### California Community Colleges Funding

As described earlier in this document, just months after the enactment of the 2020-21 State Budget Act that deferred \$1.45 billion of apportionment revenue and eliminated funding for the statutory COLA, the Governor's budget proposal for 2021-22 reflected a drastically improved budget situation. Higher-than-projected revenue estimates for both the 2019-20 and 2020-21 years revised the Proposition 98 minimum funding guarantee for K-14 upwards. These revised revenue estimates were reflected in the May Revision of the Governor's budget proposal and is now reflected in the enacted budget for community colleges. Most notably, the enacted budget includes a COLA of 5.07% for the Student Centered Funding Formula, matching the COLA provided for the K-12 Local Control Funding Formula. As described in the May Revision, the COLA is intended to cover the unfunded statutory COLA from 2020-21 of 2.31% compounded by the statutory COLA from 2021-22 of 1.7%, plus an additional approximately 1% increase that was provided to K-12. It also includes a 1.7% COLA for certain categorical programs, provides substantial one-time funding to address deferred maintenance, and increases both ongoing and one-time funding for a variety of student support needs. These changes to community colleges funding are summarized as follows:

Ongoing adjustments in the enacted budget include:

- \$371.2M to fund a compounded COLA of 5.07% on apportionment revenue
- \$100M to increase the number of full-time faculty
- \$74M to increase support for targeted student support services
- \$42.4M to increase funding for the Strong Workforce Program
- \$30M to support integrated basic needs centers
- \$30M to support mental health services
- \$29.4M base adjustment for the Student Centered Funding Formula
- \$29.2M to fund COLAs for certain categorical programs
- \$23.8M to fund 0.5% enrollment growth for the Student Centered Funding Formula
- \$15M to expand the California Apprentice Initiative
- \$10.6M to invest in online education ecosystem and infrastructure
- \$10M to increase part-time faculty office hours
- \$10M to support Rising Scholars Program
- \$8M to cover increased costs of broadband access provided by CENIC
- \$5.8M to increase support for Dreamer resource liaisons
- \$4M to implement library services platform and
- \$1.3M to increase support for Historically Black Colleges and Universities (HBCU) transfer

The enacted budget also includes numerous one-time allocations:

- \$1.453B to pay off the full balance of the 2020-21 apportionment deferrals
- \$511M for deferred maintenance and instructional equipment
- \$250M for emergency grants to students (includes \$100M Immediate Action Package)
- \$115M to expand zero-textbook-cost pathway programs
- \$100M for retention and reenrollment strategies (includes \$20M Immediate Action Package)
- \$100M to address students' basic needs related to food and housing insecurity
- \$90M to increase part-time faculty office hours
- \$50M to support continued implementation of Guided Pathways
- \$20M to implement Equal Employment Opportunity best practices
- \$20M to provide culturally competent faculty professional development
- \$20M to support California Workforce Development Board initiatives
- \$10M to implement common course numbering
- \$10M to accelerate competency-based education
- \$10M to fund LGBTQ+ student support centers
- \$5.6M to support implementation of AB 1460 (ethnic studies) and anti-racism initiatives
- \$2.5M to provide instructional materials for dual enrollment students and
- \$1M to modernize the CCC jobs registry

## **District Revenue and Full-time Equivalent Students (FTES)**

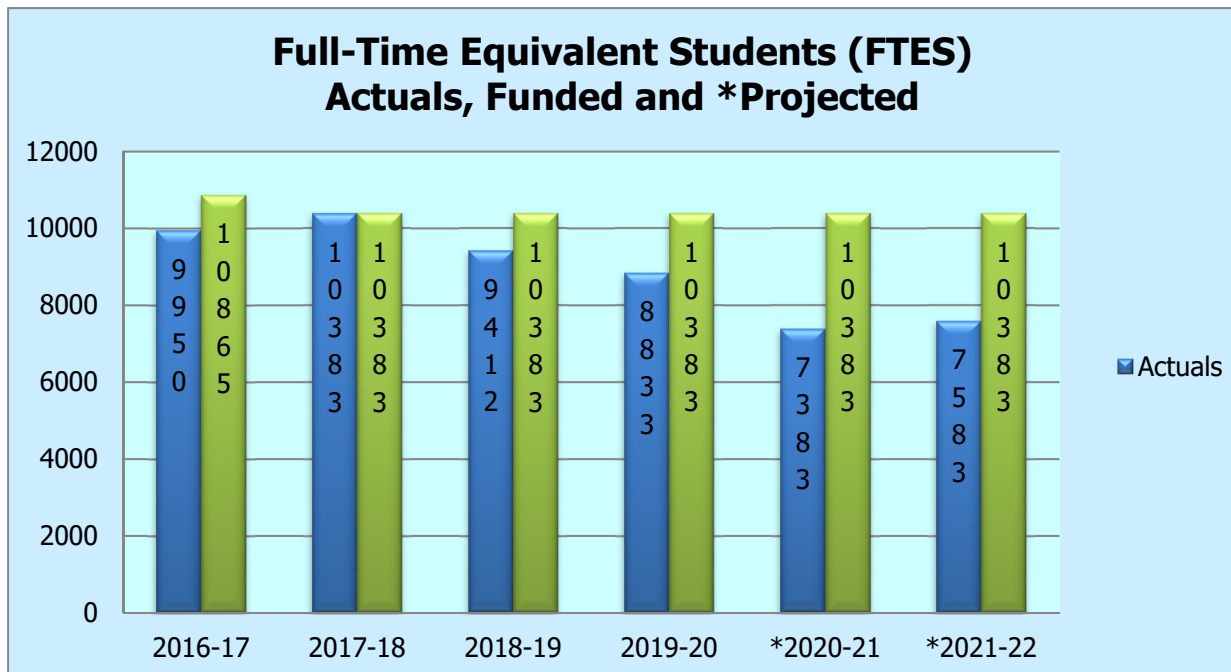
Apportionment funding is the District's primary source of unrestricted general fund revenue. The Student Centered Funding Formula represents funding per full-time equivalent student (FTES) the District receives from enrollment, as well as supplemental funding to support low-income students

served by the district and incentive funding for student success outcomes. In 2021-22, funding rates for FTES, supplemental and success metrics have been adjusted by the funded statutory COLA.

For this Final Budget, the District has built a schedule that targets to serve approximately 8,200 FTES in 2021-22. This is fewer than the number of FTES reported in 2017-18 (10,383), but greater than the FTES the District reported to have served in 2020-21 (approximately 7,383). Although additional FTES is targeted and planned to be restored in 2021-22, these funds are not included in this Final Budget document. However, this budget does include temporary Emergency Conditions Allowance (hold-harmless) revenue protection. This temporary emergency relief funding is equivalent to the funding the District would have received had it not been for enrollments lost due to the 2018 Camp wildfire and the current pandemic. As described earlier in this document, the state Chancellor’s Office has agreed to extend this relief by funding the SCFF workload measures reported in 2017-18 through the end of the 2024-25 fiscal year or until our actual workload measures exceed those reported in that year. District staff will continue to work with the state Chancellor’s Office to ensure this funding is received until we can fully restore back to our pre-fire levels.

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

The following graph shows the District’s historical number of full-time equivalent students served and funded. In 2018-19, the graph reflects the significant decline in students served (9,412) due to the Camp wildfire, but also reflects being held harmless to the prior year’s 2017-18 FTES. In 2019-20 and 2020-21, the graph reflects additional declines in FTES (8,833 in 2019-20 and 7,383 in 2020-21) mainly as a result of the coronavirus pandemic. The District does not expect to completely restore the FTES lost in prior years in the 2021-22 budget year, but projects to be held harmless to the FTES and other workload measures achieved in 2017-18.



Previous 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 2021-22, via both a remote and face-to-face format. The District will continue to expand dual enrollment with local high schools, distance education and implement guided pathways. Planning for the expansion of math, science and Career Technical programs like Welding, Nursing and Cosmetology will continue with the help of Strong Workforce and Perkins funding and District reserves. By implementing these enrollment strategies, the District is targeting to methodically restore some of the enrollment 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 four years, the District will include emergency relief funding to help bridge the decline period, and will continue to work with the Chancellor's Office, if needed, to request additional funding protection until we can fully restore.

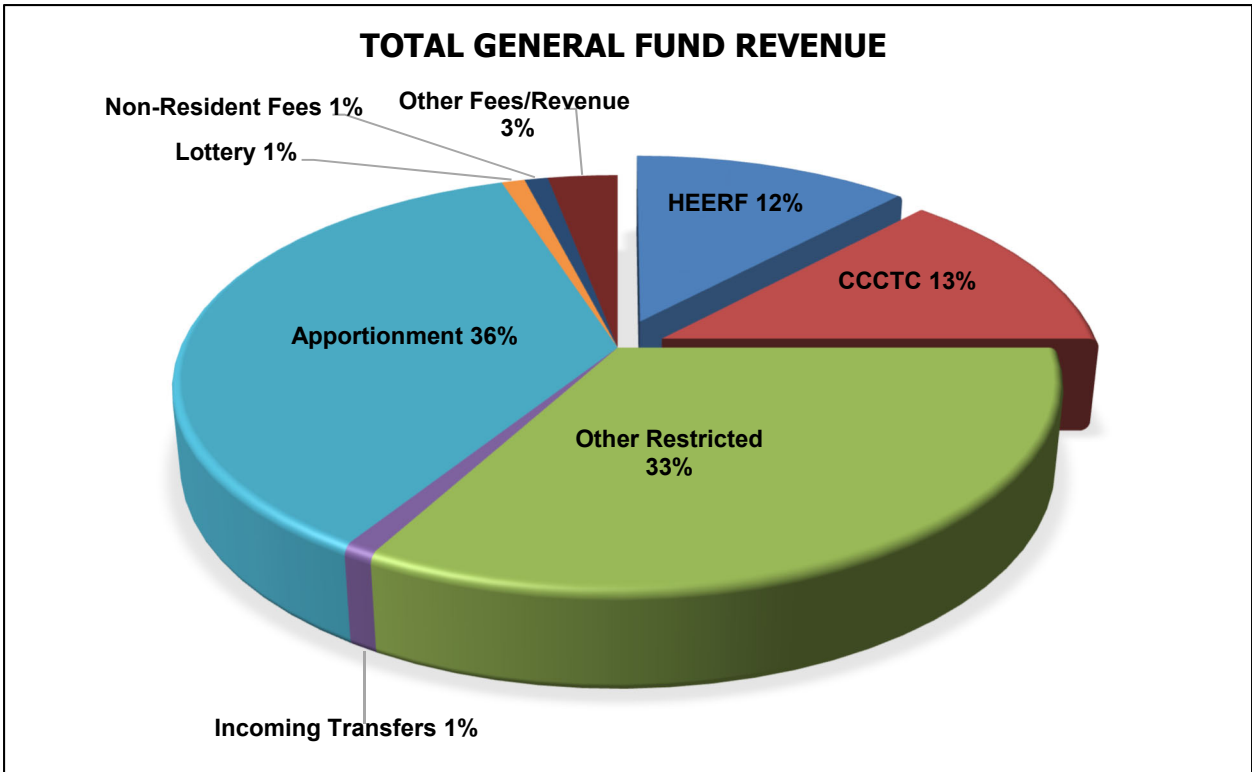
Based on funding in the enacted state budget, the District projects the following additional funds in this Final Budget proposal:

#### UNRESTRICTED

- \$3.47 million in additional SCFF apportionment revenue from funding rates increased by the 5.07% COLA.
- Although not considered "additional revenue" from the State Budget in 2021-22, the District will carryover approximately \$2.81M in apportionment revenue (emergency relief) that was not committed to ongoing expenditures.
- \$975K is included to support full-time faculty hiring. These funds will be received but are not expected to be spent in 2021-22 due to planning and timing of the hiring process.
- This budget includes the receipt of one-time funds (\$250,199) from prior year adjustments to apportionment revenue as calculated by the Chancellor's Office.

#### RESTRICTED

- The remaining unspent HEERF funds have been included in this Final Budget proposal in the amount of \$23.7M (Fund 12) and \$13.6M (Fund 74). Not all of these funds are expected to be spent in the 2021-22 fiscal year as some of these funds are allocated to cover lost revenue from Auxiliary and other fee based programs in 2022-23.
- Unspent Early Action funds for Emergency Aid, Retention and Enrollment Outreach provided in 2020-21 are included in this Final Budget proposal.
- COLA funding is included for certain categorical programs as well as other categorical adjustments included in the enacted state budget.
- Approximately \$5.28M is included for deferred maintenance and instructional equipment as provided by the state.
- As new restricted funds are allocated to colleges from the 2021-22 State Budget Act, they will be included in the budget throughout the year.

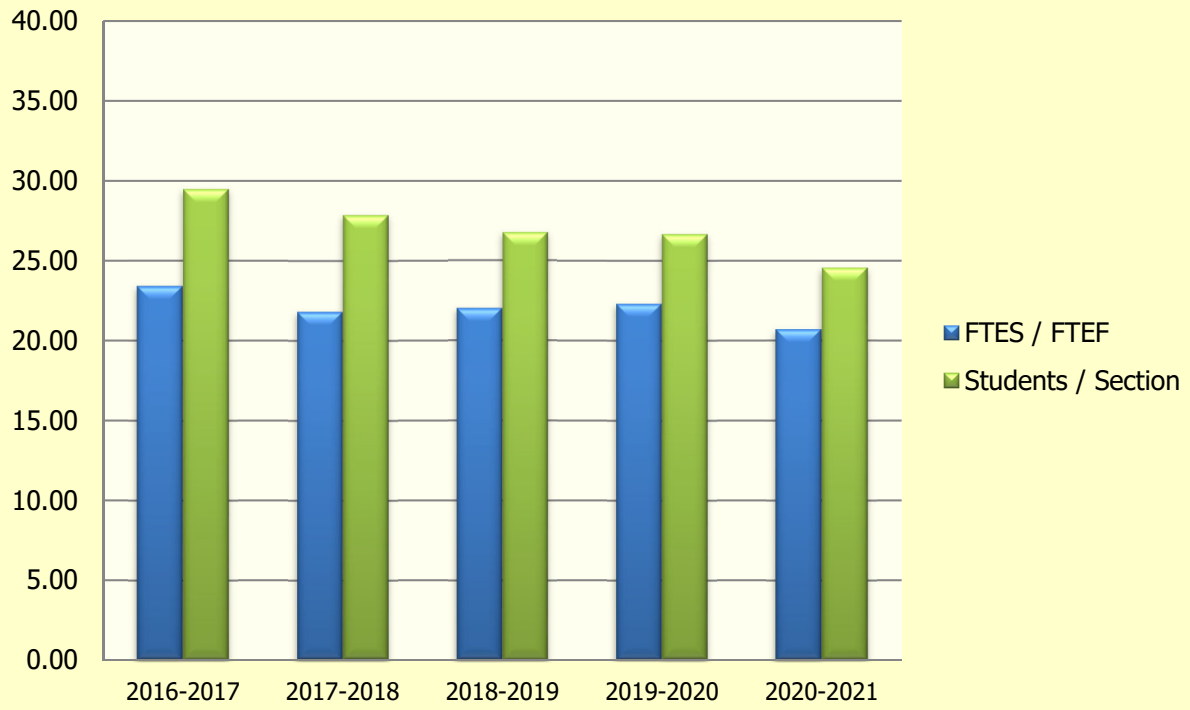


The District’s total general fund revenue projection for 2021-22 is approximately \$199.5 million, 59% of which is for restricted programs and incoming transfers to pay for retiree medical premiums. Approximately 36% of the District’s total revenue is directly from apportionment. The remaining 5% is from other sources, many of which are also based on student enrollment. For example, non-resident tuition is revenue the District receives from out-of-state and international students. Lottery revenue is allocated to the colleges based on the number of both resident and nonresident students it serves and provides supplemental funding to all levels of public education.

### Workload Efficiency

In 2020-21, the District reported to have served 7,383 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 29.5 students per section in 2016-17 to a projected average of 24.54 students per section in 2020-21. This is also reflected by a corresponding decrease in the number of full-time equivalent students (FTES) served (20.7) per full-time equivalent faculty (FTEF).

## Workload Efficiency



## EXPENDITURES

Building the 2021-22 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.

Fixed 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 2021-22, fixed costs are estimated to increase by approximately \$6M.

The largest components include:

- Step/column/longevity salary increases	\$ 900,980
- Attrition	\$ (427,888)
- 3.1918% salary increase to bring staff to 20-school average	\$ 1,736,125
- 5.07% cost of living increase to all salary schedules	\$ 2,663,685
- Employee and retiree health benefit increases	\$ 327,333
- PERS rate increase	\$ 345,006
- STRS rate increase	\$ 231,128
- State unemployment insurance	\$ 192,665
- Leases, utilities, service contracts	\$ 54,981

Step, column and longevity salary increases are included in this Final Budget and tend to represent approximately 1.5% - 2% of regular salaries each year (\$900,980). This cost is projected to be offset by attrition. Attrition occurs as more seasoned employees retire that are higher on the salary schedule and newer employees are hired at a lower step and/or column on the salary schedule. This will result in a savings of approximately \$427.9K in 2021-22 that will be used to help offset the cost of step, column and longevity salary increases.

In the first year of the full-time faculty's new three-year collective bargaining agreement, the District agrees to bring staff to the calculated 20-school average. Full-time faculty salaries are compared with

20 colleges closest in size to Butte College, throwing out the two highest salaries and the two lowest salaries. The percentage needed to bring faculty to the 20-school average calculated to be 3.1918%. All other staff salary schedules are increased by the same percentage. The cost to bring salaries, with its related benefits, to the 20-school average is approximately \$1.736M.

For the 2021-22 fiscal year, all salary schedules have been increased by the funded statutory COLA. The Governor funded an enhanced compounded COLA of 5.07% for 2021-22. The additional cost to increase the salary schedules by the funded COLA is approximately \$2.663M.

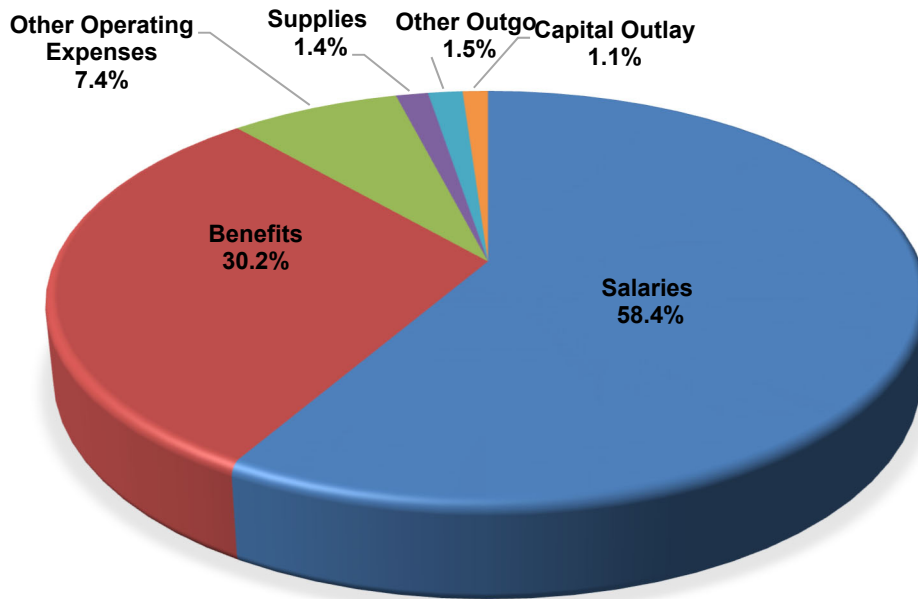
The District's contribution to medical benefits is capped to increase by the greater of 2% or the funded statutory COLA (5.07%) in the budget year and provides benefits for medical, dental, vision and life insurance to active employees. For retirees, the District covers the medical plan only, however, there is no cap for retiree premiums. The cost increase for both of these premium contributions in 2021-22 is approximately \$327.3K. Actual medical premiums are projected to increase by 5%. 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 further help lower and stabilize its costs. SISC is the largest public school purchaser of health care in the United States.

The employer rate for CalSTRS increased from 16.15% of salaries in 2020-21 to 16.92% of salaries in 2021-22, and results in a cost of approximately \$231.1K. The CalPERS employer contribution rate increased from 20.7% of salaries in 2020-21 to 22.91% of salaries in 2021-22. This rate increase results in a cost of approximately \$345K.

State unemployment insurance normally does not reflect a significant fixed cost increase. In 2021, the Employment Development Department released their Annual Report regarding the School Employees Fund. The report included a rate increase from 0.05% to 1.23% in the 2021-22 fiscal year, a historically large increase. The report highlights that payments into the fund are generally around \$40M annually, while payments to beneficiaries skyrocketed to more than \$237M in 2019-20. The increase in payments is attributed to the COVID-19 pandemic. This rate increase would have resulted in a fixed cost increase of approximately \$474K in 2021-22 that was included in the Tentative Budget presented in June. However, the enacted state budget included a buy-down of this rate to 0.5%, thereby resulting in an adjusted increase of approximately \$192.7K.

Prior to the construction of the District's solar arrays, the District generally spent approximately 2.13% of its unrestricted General Fund budget on energy costs. Once constructed, the electricity portion of the budget was redirected from utilities to cover the financing costs of solar energy generation projects. The solar energy loans for Phases I and II have both since been paid off leaving only one Phase III solar energy loan outstanding. Since then, Proposition 39 funds have been used to add solar arrays to the Skyway Center, and additional solar arrays have been constructed to service the Welding and Manufacturing building using Measure J bond funds and district reserves. Solar covered parking is also planned to be constructed for the new Glenn County Center in Orland using District reserves. The energy generated by the solar arrays helps to protect the District from significant electricity rate increases and will 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 are proposed in this budget based on high priority requests through the unit planning process. Those budget augmentations are described in more detail later in this document. Most of the \$6M in fixed cost increases added to this budget are related to salaries and benefits which equal approximately 88.6% of the unrestricted General Fund expenditure budget. The remaining 11.4% 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 by the same percentage. The opposite holds true as the number of credit FTES declines. The full-time faculty obligation number (FON) will also increase when the state provides additional funding in the budget for the hiring of more full-time faculty.

Each year the District is required to meet its 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. The District's full-time faculty obligation number was originally projected, by calculation, to decrease to 145.5 FTEF for Fall 2021. This decline in the faculty obligation number is due to a deficit factor currently being applied to apportionment revenue. The District's FON is still based on the credit FTES served in 2017-18 and is currently being funded by the emergency conditions allowance funding. With the enactment of the state budget, full-time faculty funding provided in the budget will now increase the obligation by eleven to 156.5. This Final Budget includes enough funding for approximately 196 full-time faculty, however, due to vacancies, possible late retirements, delayed recruitments and/or failed searches, the amount reported this fall may be less.

## **Budget Reductions**

The October 15, 2020 Unit Planning Guidance requested that areas plan for 4% budget reductions in the 2021-22 fiscal year. Ongoing budget reductions totaling approximately \$3.07M were proposed and are included in this Final Budget. Departments removed funding for 16 different vacant positions, including 9 instructional faculty, 1 counseling faculty, 4 classified and 2 management positions. No employee layoffs occurred as a result of these reductions. The instructional area also made \$360K in reductions to the part-time faculty budget, the equivalent of approximately 102 class sections.

## **Budget Augmentations (Ongoing and One-Time)**

High priority budget augmentations for 2021-22 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 2020-21 with one-time dollars were considered for ongoing funding or for one-time funding again in 2021-22. When new ongoing funds are available, the budget will propose to include these items of an imperative nature needed to (1) maintain/improve current operations, (2) are a health, safety or compliance issue, and/or (3) are intended to improve services or enrollment for specific programs.

## **Ongoing Augmentations**

Other than the fixed cost increases described previously, no other new ongoing augmentation requests are proposed for funding in this budget.

## **One-time Augmentations**

The unit planning process for 2021-22 also included numerous requests for one-time funding. The District proposes to fund the following:

Approximately \$4.3 million (\$2.2M in 2020-21 and \$2.1M in 2021-22) to backfill auxiliary and enterprise functions like Student Transportation, the Bookstore, Dining Services, the Student Health Center, and the Child Development Center, that rely mainly on the fees charged for the services rendered. The recent pandemic has had a direct and significant impact on the number of students and staff using these services and a corresponding negative impact to the fee revenues that support these programs. The District proposes to use Higher Education Emergency Relief Funds (HEERF) to cover this backfill in 2020-21 and 2021-22.

Other augmentation requests were prioritized through the unit planning process. Requests of approximately \$2.02M have been prioritized for one-time funding and are included in this Final Budget.

Approximately \$71.0K in one-time augmentations for Instruction are proposed for funding. The major items/projects include:

- Etudes cost increase \$2.5K
- Reclass Director to Dean and Secretary to Dean Secretary \$17.1K
- Arts adult changing table \$51.4K

Approximately \$467.2K in one-time augmentations for Student Services are proposed for funding. The major items/projects include:

- DSPTS Match and Deaf Hard of Hearing \$142.5K
- Financial Aid part-time assistants and operating budget \$97.7K
- Part-time Counseling \$80.0K
- Student Loan Default Management \$11.0K
- Title IX OCR Mandates, Training, ATIXA Membership, Investigations \$44.5K
- Financial Aid Software (Campus Logic) \$52.5K
- Out of State recruiting \$10.0K
- TES/College Source Access to Catalogs \$11.0K
- Graduation Diploma Printing \$8.0K
- Admissions and Records Overtime \$5.0K
- TRiO grants matching support \$5.0K

Approximately \$641.7K in one-time augmentations for Institutional Effectiveness are proposed for funding. \$370.5K of these items will be funded by the Technology Fee. The major items/projects include:

- Implement I.T Security plan \$100.0K
- Establish system replication capability \$25.0K
- Cornerstone training and portal \$20.0K
- Accreditation support stipends \$18.5K
- Implement 2 factor authentication \$10.0K
- Decolonize and diversity speakers \$27.0K
- Replace I.T. van \$25.0K
- Survey implementation costs \$1.2K
- Computer Lab Software Maintenance \$52.5K
- Computer Lab Upgrades \$275.0K
- Replace Aruba Access Points \$10.0K
- Student Lab Print System upgrade \$15.0K
- Smart Classroom Equipment Repair \$62.5K

Approximately \$250K in one-time augmentations for Administration are proposed for funding. (Deferred maintenance projects and instructional equipment will be funded with state Deferred Maintenance funds once they are prioritized.) The major items/projects include:

- Classification study \$250.0K

Approximately \$596.9K in one-time augmentations for district-wide areas are proposed for funding. The major items/projects include:

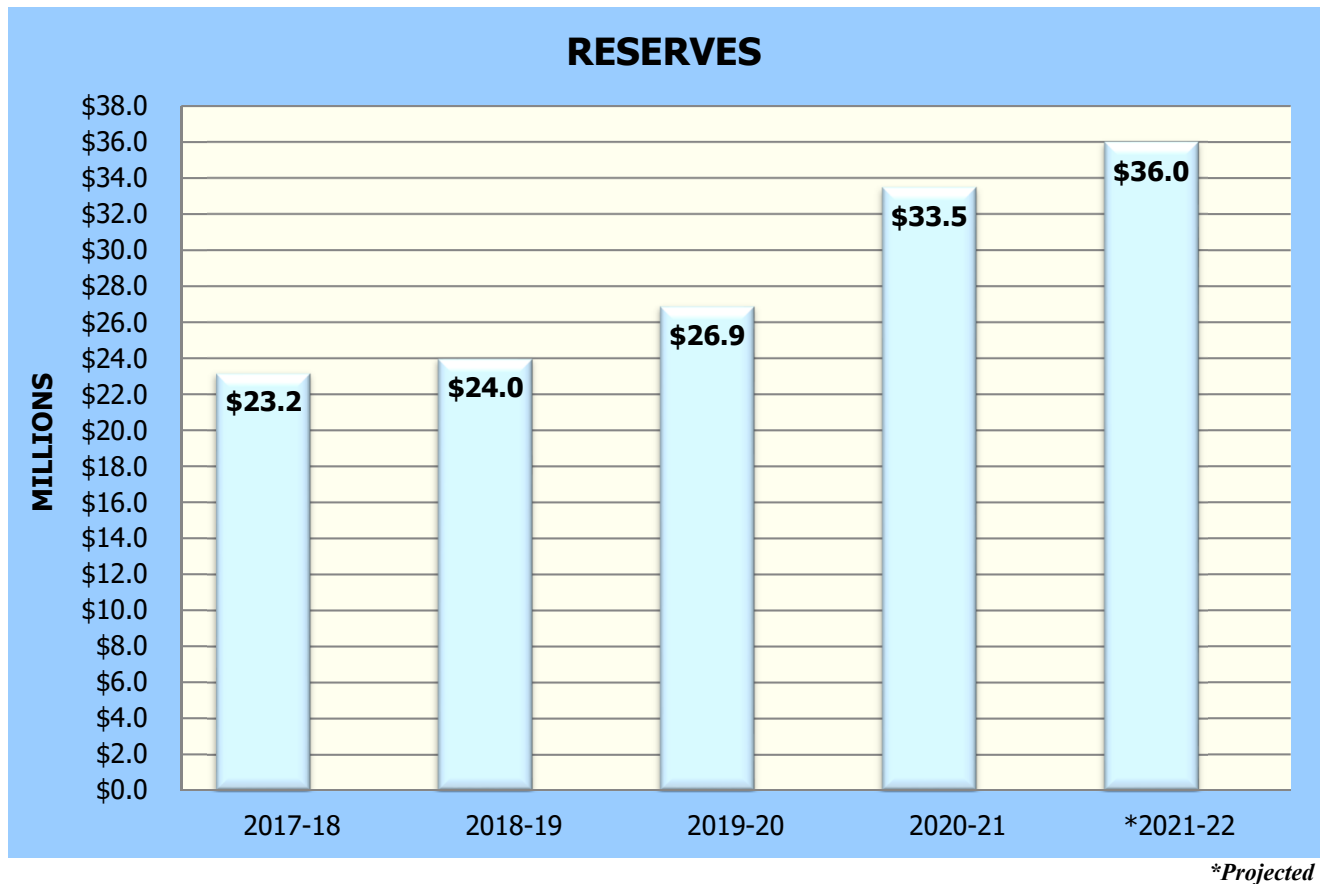
- General marketing campaigns to increase enrollment \$400K
- Glenn County Center lease increases \$10.0K
- Leadership discretionary allocation \$120.0K
- Sabbatical leaves \$35.0K
- Classified subs and reclasses \$30.0K
- Phi Theta Kappa \$2.0K

## ONE-TIME FUNDS

### Reserves

High priority one-time augmentation requests are generally funded with General Fund reserves. Approximately \$2.02 million is proposed for funding from the General Fund reserves in this Final Budget to fund the high priority one-time augmentation requests.

The following graph shows a partial history and the projected ending reserve balances in 2020-21 and 2021-22.



The ending reserve balance in 2020-21 was originally projected to decline by \$1.8 million to backfill for lost revenue prior to the receipt of federal relief dollars. Projected ending balances now reflect the use of Higher Education Emergency Relief Funds from the federal government to help offset the costs and lost revenue associated with the impact of the COVID-19 pandemic, and reflect significant budget savings in 2020-21 from the transition to remote work and instruction. The reserve balances at end of fiscal years 2020-21 (\$33.5) and 2021-22 (\$36.0) are projected balances and represent approximately 41.8% and 45.0% of the 2021-22 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 total reserves in 2020-21 and 2021-22 are projected to exceed the

goal of 25% that was approved as a fiscal indicator for Institutional Effectiveness, it is anticipated that reserve levels may fall below this goal in future years if reserves are needed until enrollment can be fully restored.

A separate designated Reserve for Facilities of \$8M is proposed for future transfer to the Capital Fund to accumulate funds for the purchase and/or construction of a facility that will help meet the needs of instruction, the students and the local community.

The Reserve for Budget Planning has been reestablished for planning in 2021-22 in the amount of approximately \$18.2 million.

Other unrestricted reserves are also currently available in the Capital Fund, the Redevelopment Fund, the Retiree Benefits Fund 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. Details of these funds are provided later in this document.

### **Carryover from 2020-21**

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 unrestricted ending fund balance, or in the case of restricted programs and grants, may be re-budgeted in the new fiscal year. Unrestricted ending balance 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, the receipt and use of federal relief funds in lieu of using District reserves.

In prior years, deficit factors that are applied to general apportionment payments by the state 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. In February, the state Chancellor’s Office projected a “deficit factor” of approximately 2.38% would be applied to apportionment revenue for 2020-21. By the end of July, this deficit factor was reduced to 0.6%.

The District is projecting its ending balance reserves in 2020-21 to increase by over \$6.6 million from \$26.9 million in 2019-20 to \$33.5 million in 2020-21. As previously noted, the ending reserve balance for 2020-21 was originally projected to decline by \$1.8 million to backfill for lost revenue due to the pandemic. Federal relief dollars were used instead of district reserves to offset lost revenue and other COVID related costs. Cost savings from positions not filled, buildings not used, and travel not taken, also helped to increase the District's ending balance reserves in 2020-21. Reserves are then budgeted to increase by \$2.56M in 2021-22. This will leave a very strong District reserve of approximately \$36 million or nearly 45.0% of unrestricted expenditures after the 2021-22 budget year barring any other changes. Even after the designated \$8M is transferred to the Capital Fund, the District's General Fund reserve will still reflect approximately 35.0% of the budgeted unrestricted expenditures in 2021-22.

CALIFORNIA COMMUNITY COLLEGES  
GANN LIMIT WORKSHEET  
2021-2022

DISTRICT NAME: Butte-Glenn Community College District

DATE: September 1, 2021

I. 2021-2022 Appropriations Limit:		
A. 2020-2021 Appropriations Limit		\$ <u>151,185,596</u>
B. 2021-22 Price Factor:	1.0573	
C. Population Factor:		
1. 2019-2020 Second Period Actual FTES	<u>8,955</u>	
2. 2020-2021 Second Period Actual FTES	<u>7,384</u>	
3. 2021-2022 Population change factor (line C.2. divided by line C.1.)	<u>0.8245</u>	
D. 2020-2021 Limit adjusted by inflation and population factors (line A multiplied by line B and line C.3.)		\$ <u>131,795,114</u>
E. Adjustments to increase limit:		
1. Transfers in of financial responsibility	\$ <u>-</u>	
2. Temporary voter approved increases	<u>-</u>	
3. Total adjustments - increase		<u>-</u>
Sub-Total		\$ <u>131,795,114</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. 2021-2022 Appropriations Limit		\$ <u>131,795,114</u>

II. 2021-2022 APPROPRIATIONS SUBJECT TO LIMIT:		
A. State Aid (General Apportionment, Apprenticeship Allowance, and Education Protection Account tax revenue)		\$ <u>52,067,707</u>
B. State Subventions (Home Owners Property Tax Relief, Timber Yield tax, etc.)		<u>269,155</u>
C. Local Property taxes		<u>16,080,339</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>40,201</u>
G. Local appropriations from taxes for unreimbursed State, court, and federal mandates		( <u>0</u> )
H. 2021-2022 Appropriations Subject to Limit		\$ <u>68,457,402</u>

III. **District is within Appropriations Limit** 63,337,712



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

	19-20 Actual Revenue	20-21 Unaudited Revenue	21-22 Tentative Budget	21-22 Final Budget
<b>Beginning Balance</b>	<b>\$ 24,030,267</b>	<b>\$ 26,875,643</b>	<b>\$ 31,008,476</b>	<b>\$ 33,500,422</b>
8110 Forest Reserve	\$ 23,581	\$ 10,910	\$ -	\$ -
8121 College Work Study - Admin	15,318	2,055	12,560	12,560
8122 College Work Study - Wages	286,031	78,256	218,000	218,252
8123 College Work Study - Job Devel.	27,795	30,425	27,575	27,575
8124 College Work Study - Comm. Service	20,328	4,008	20,328	20,388
8131 Adult Education	31,523	6,806	-	-
8136 Foster Care	121,912	51,216	101,639	133,829
8140 Transitional Assistance to Needy Families (TANF)	31,374	20,925	30,925	11,285
8151 Supplemental Educational Opportunity Grants (SEOG) - Admin.	11,637	13,117	13,117	13,117
8152 Pell Grant - Admin.	23,509	11,527	40,000	40,000
8160 Veterans' Attendance Allowance	-	24,962	12,166	12,166
8170 Perkins	858,218	528,238	777,886	777,886
8174 VTEA - Tech Prep.	46,195	10,038	42,483	42,483
8193 US Dept of Ed TRIO	-	176,385	388,812	391,178
8194 Small Business Development	230,442	321,470	271,083	272,130
8197 US Dept Ed / OPE	751,622	1,411,568	1,125,000	1,772,658
8198 Higher Education Emergency Relief Fund (HEERF)	32,964	3,811,836	22,475,790	23,774,631 (a)
8199 Other Federal Revenue	396,528	223,830	553,633	555,718
<b>8100 TOTAL FEDERAL REVENUE</b>	<b>\$ 2,908,977</b>	<b>\$ 6,737,572</b>	<b>\$ 26,110,997</b>	<b>\$ 28,075,856</b>
8612 State General Apportionment	\$ 43,182,457	\$ 31,373,144	\$ 43,311,696	\$ 43,978,723 (b)
8613 Full Time Faculty Hiring	461,204	461,204	461,204	1,436,693
8614 Part-Time Faculty Compensation	302,519	221,956	249,360	223,712 (c)
8615 Enrollment Fee Admin. Fee	131,509	128,800	128,800	128,800
8619 Prior Year Corrections (Apportionment)	432,947	347,195	3,588	250,199 (e)
8620 Student Equity (and Achievement)	4,005,278	7,726,606	5,662,264	5,662,264 (d)
8621 Cal Works	361,607	343,261	419,224	419,894 (c)
8622 Extended Opportunity Programs and Services (EOPS)	1,300,730	1,458,894	1,212,840	1,581,453 (f)
8623 Cooperative Agency Resources and Education (CARE)	886,896	1,188,094	874,412	850,762 (c)
8624 Disabled Student Services and Programs (DSPS)	599,627	908,322	721,514	833,109 (c)
8626 Telecommunications	13,000,000	13,000,000	14,186,836	13,000,000 (g)
8626 TTIP/CENIC	2,749,424	3,860,329	-	1,600,000 (g)
8627 Student Financial Aid Admin.	448,100	427,047	558,881	562,259
8629 Deferred Maintenance and Instructional Equipment	126,339	-	-	5,282,059 (h)
8630 Education Protection Account	5,385,977	16,731,343	8,088,984	8,088,984 (i)
8630 Undocumented Resources Liaison Program	-	50,178	-	99,492
8631 Transitional Assistance to Needy Families (TANF)	31,373	26,024	40,336	60,410
8633 Funds for Student Success - MESA (Math, Engineering, Science Achievement)	70,704	38,600	61,696	104,612
8634 Classified Professional Development	-	-	82,225	82,225
8635 Equal Employment Opportunity (EEO)	13,097	104,348	66,445	66,445
8636 Foster Care Grant	188,694	209,247	214,894	207,798
8638 Technology Center	28,754,852	18,291,662	10,623,222	10,662,066 (j)
8640 Veterans Resource Center	42,845	235,485	69,229	92,004
8642 California College Promise	877,332	983,822	924,182	834,929 (k)
8643 Student Success Completion	2,039,216	2,100,392	-	2,531,779 (l)
8644 Financial Aid Technology	55,513	220,655	10,000	47,442
8645 CARES Act - State Block Grant	-	583,583	-	- (m)
8646 Early Action Emergency Financial Aid	-	749,386	-	749,386
8646 Retention & Enrollment Outreach	-	-	-	975,000
8653 Adult Education Block Grant	2,278,027	2,238,943	2,108,457	2,329,276 (c)
8654 College Homeless Pilot	140,081	414,715	231,499	1,545,204
8657 Economic Development	969,849	1,248,414	908,316	945,247 (c)
8658 Strong Workforce Program	18,046,503	31,153,023	29,303,438	30,088,764 (n)
8659 Other Categorical Programs	11,678	-	-	-
8671 Homeowners' Exemptions Taxes	229,472	217,783	220,429	220,429 (o)
8672 Timber Yield Tax	25,439	29,883	48,726	48,726 (o)
8681 State Lottery Proceeds	2,622,405	2,588,757	2,118,132	2,118,132
8683 Mandated Costs	308,660	312,771	308,660	308,660 (p)
8690 Guided Pathways	235,210	788,427	500,000	147,226
8692 STRS On Behalf	2,184,843	1,806,711	1,806,711	1,806,711 (q)
8693 Innovation Award	218,645	162,716	500,000	745,591 (r)
8699 Other State Income	664,656	772,917	373,891	375,095 (c)
<b>8600 TOTAL STATE REVENUE</b>	<b>\$ 133,383,708</b>	<b>\$ 143,504,637</b>	<b>\$ 126,400,091</b>	<b>\$ 141,091,560</b>
8811 Secured Taxes	\$ 15,467,109	\$ 16,058,906	\$ 15,878,211	\$ 15,878,211 (o)
8812 Supplemental Roll Taxes	322,588	363,842	198,149	198,149 (o)
8813 Unsecured Taxes	999,249	1,017,304	894,688	894,688 (o)
8816 Prior Year Taxes	7,293	56,095	24,768	24,768 (o)
8817 Education Revenue Augmentation Fund (ERAF)	(2,959,674)	(3,114,031)	(2,647,308)	(2,647,308) (o)
8818 Redevelopment - Local & Residual	2,243,801	2,556,628	1,731,831	1,731,831 (o)
8829 Gifts and Contributions	1,537	12,637	4,000	4,000
8831 Contract Instructional Services	-	95,213	49,225	49,225
8839 Contract Education	1,780,588	3,105,555	2,422,798	2,422,959 (s)

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

	19-20 Actual Revenue	20-21 Unaudited Revenue	21-22 Tentative Budget	21-22 Final Budget	
8840 Sales and commissions	35,652	-	47,500	47,500	(t)
8842 Sale of Equipment and Supplies	67,635	65,692	52,500	52,500	
8859 Other Rentals and Leases	16,593	44,722	28,202	28,202	
8861 Interest	1,158,032	790,308	1,200,000	1,200,000	(u)
8872 Community Service Classes	86,564	333,605	103,432	103,423	
8874 Enrollment Fees	2,973,045	2,835,891	2,853,616	2,853,616	(v)
8876 Health Service Fees	473,436	348,340	350,000	350,000	
8877 Material Fees	230,139	188,358	220,000	220,000	
8879 Student Records / ID Card	25,832	45,326	63,859	63,859	
8880 Non-Resident Student Fees	1,427,160	1,201,278	1,484,048	1,484,048	(w)
8881 Transportation Fees	519,587	116,918	1,038,043	1,038,043	(aa)
8882 Audit Fees	1,868	1,238	2,000	2,000	
8885 Other Student Fees & Charges	4,690	140	10,000	10,000	
8886 Technology Fee	402,183	363,226	370,500	370,500	(x)
8888 Library Charges	4,021	25,984	10,000	10,000	
8893 Prior Year Outlawed Warrants	41,652	23,269	28,000	28,000	
8894 Workers Comp. Reimbursements	76,369	46,626	28,000	28,000	
8896 Safety Credits	57,439	17,423	20,000	20,000	
8897 Parking Meters and Fines	2,708	2,861	20,000	20,000	
8899 Other Local Income	480,572	1,808,725	983,914	985,378	(y)
<b>8800 TOTAL LOCAL REVENUE</b>	<b>\$ 25,947,668</b>	<b>\$ 28,412,079</b>	<b>\$ 27,469,976</b>	<b>\$ 27,471,592</b>	
8980 Incoming Transfers	\$ 2,935,578	\$ 3,092,215	\$ 2,880,505	\$ 2,890,662	(z)
<b>TOTAL REVENUE</b>	<b>\$ 165,175,931</b>	<b>\$ 181,746,503</b>	<b>\$ 182,861,569</b>	<b>\$ 199,529,670</b>	
One-time Revenue	\$ -	\$ -	\$ 370,500	\$ 370,500	(x)
<b>Total Ongoing Revenue</b>	<b>\$ 165,175,931</b>	<b>\$ 181,746,503</b>	<b>\$ 182,491,069</b>	<b>\$ 199,159,170</b>	
<b>TOTAL REVENUE AND BEGINNING BALANCE</b>	<b>\$ 189,206,198</b>	<b>\$ 208,622,146</b>	<b>\$ 213,870,045</b>	<b>\$ 233,030,092</b>	

Apportionment Summary:					
Includes General Apportionment, Education Protection Account, Property taxes, and 98% Enrollment Fees	\$ 67,817,295	\$ 68,070,070	\$ 70,546,718	\$ 71,213,745	

- (a) Federal relief funds were made available to colleges to address impacts of the COVID-19 pandemic. In 2020-21, Federal CARES-Institutional funds were awarded in the amount of \$3,640,981. The District was awarded Federal CARES-Minority Serving Institution funds totaling \$457,564. Additionally, through the Chancellor's Office, the District received Federal Block Grant Coronavirus Relief Funds of \$507,480. In Spring, 2021, the District was awarded \$22,509,197 in additional HEERF II and HEERF III funds. The District expects to defer \$23.774 million to the 2021-22 fiscal year to be added to an additional \$1,279,468 in funding received in early 2021-22.
- (b) 2021-22 general apportionment budget contains a 5.07% COLA increase and uses 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.
- (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.
- (d) Student Equity and Achievement, previously known as the Student Success and Support Program, or SSSP, is a student success categorical program that addresses achievement gaps among underrepresented students.
- (e) Prior year corrections represent adjustments to apportionment revenue due to excess offsetting property tax revenue received or a reduction in the prior year deficit factor.
- (f) Previously called the Cooperating Agencies Foster Youth Educational Support (CAFYES) Program, the NextUp program is included within EOPS. These funds provide service coordination, counseling, tutoring, career guidance, and student support for qualified students.
- (g) Telecommunications and TTIP/Cenic represents technology programs operated for the system through the Chancellor's Office like CCCTran, OpenCCCApply, eTranscriptCA, CVC, and other programs. Fluctuating revenue in recent years is a result of the carry-over of unspent funds plus current year allocations.
- (h) The District was awarded \$5.28 million in state Deferred Maintenance and Instructional Equipment funding from the state for 2021-22. There was no Deferred Maintenance and Instructional Equipment funding included in the 2020-21 budget.
- (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) In 2020-21, the Chancellor's Office received Federal CARES passthrough funds to colleges in the form of a Block Grant to further help mitigate the impacts of the pandemic on colleges.

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

**19-20  
Actual  
Revenue**

**20-21  
Unaudited  
Revenue**

**21-22  
Tentative  
Budget**

**21-22  
Final  
Budget**

- 
- (n) The Strong Workforce Program allocates \$200 million annually to expand career technical education programs so colleges can add new career pathways, increase faculty, strengthen curriculum, and improve regional cooperation among colleges, businesses, and other groups. Butte College serves as the fiscal agent for the Sacramento and Far North Region.
  - (o) Property taxes for Butte and Glenn counties have been budgeted based on overall apportionment estimates.
  - (p) The District receives \$30 per FTES in ongoing revenue through the Mandated Block Grant program.
  - (q) STRS on-behalf revenues and expenses are now required to be reported in the general ledger to comply with Government Accounting Standards Board Statement 68. The state pays a portion of certificated employee pension costs directly to CalSTRS.
  - (r) The District received an Innovation award of \$2.5 million and an estimated carryover is budgeted in 2021-22.
  - (s) Contract education relates to Statewide activity as well as the locally operated Training Place. Academies revenue from ISA agreements is also included here.
  - (t) These sales represent sales of services provided by the Cosmetology program and covers products used and sold during clients visits.
  - (u) Interest rates have been decreasing over the past year and reflects earnings on a higher ending balance.
  - (v) Enrollment fees for 2021-22 are estimated based on 2020-21 CCFS 320 FTES period 2 attendance report. This revenue will be adjusted as Chancellor's Office apportionment reports are updated.
  - (w) Non-resident student fees reflect both out-of-state and international students. The fee for 2020-21 was \$280 per unit. The fee will decrease to \$270 per unit for the 2021-22 academic year.
  - (x) The Technology Fee assists with one-time purchases of technology improvements and computer lab refreshes that benefit students.
  - (y) Other local income reflects local grants awarded and carried over for 2020-21 and 2021-22. New local grants will be budgeted as they are awarded in 2021-22.
  - (z) Budgeted incoming transfers in 2021-22 reflect \$2,200,000 from the OPEB Trust to help offset retiree medical expenses for 2021-22. The District is also budgeting HEERF fund transfers of \$506,196 to Transportation and \$184,466 to the Student Health Center to cover lost student transportation and health fees. Incoming transfers in 2020-21 reflect a \$1.95 million transfer from the OPEB Trust and \$1.14 million from HEERF.
  - (aa) COVID-19 necessitated the closure of campuses in March, 2020. Students were not charged transportation fees during semesters of remote learning.

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

	19-20 Actual Expenditures	20-21 Unaudited Expenditures	21-22 Tentative Budget	21-22 Final Budget
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1100 INSTRUCTION, REGULAR	\$ 15,643,031	\$ 15,511,027	\$ 16,266,537	\$ 16,437,182
1200 NON-INSTRUCTION, REGULAR	7,735,981	7,658,422	8,223,219	8,274,437
1300 INSTRUCTION, NON-REGULAR	8,179,099	6,969,878	8,084,119	8,161,786
1400 NON-INSTRUCTION, NON-REGULAR	1,867,469	2,876,455	996,352	1,002,542
<b>1000 TOTAL ACADEMIC SALARIES</b>	<b>\$ 33,425,580</b>	<b>\$ 33,015,782</b>	<b>\$ 33,570,227</b>	<b>\$ 33,875,947</b>
2100 NON-INSTRUCTIONAL, REGULAR	\$ 22,588,592	\$ 22,589,049	\$ 25,908,462	\$ 26,161,367
2200 INSTRUCTIONAL AIDES, REGULAR	1,363,298	1,445,375	1,566,070	1,581,419
2300 NON-INSTRUCTIONAL, NON-REGULAR	2,471,176	1,476,580	1,158,985	1,159,744
2400 INSTRUCTIONAL AIDES, NON-REGULAR	956,310	672,353	500,166	501,749
<b>2000 TOTAL CLASSIFIED SALARIES</b>	<b>\$ 27,379,376</b>	<b>\$ 26,183,357</b>	<b>\$ 29,133,683</b>	<b>\$ 29,404,279</b>
3100 STATE TEACHERS RETIREMENT SYSTEM	\$ 6,375,652	\$ 5,705,721	\$ 7,490,980	\$ 7,542,713
3200 PUBLIC EMPLOYEES RETIREMENT SYSTEM	4,762,868	5,098,034	6,345,425	6,406,887
3300 OLD AGE, SURVIVORS & DIS. INSURANCE	2,563,069	2,553,655	2,649,402	2,674,531
3400 HEALTH, DENTAL AND LIFE INSURANCE	10,545,310	10,738,902	13,665,473	13,743,132
3450 RETIREE BENEFITS NORMAL COST	997,815	954,722	1,049,743	1,049,743
3500 STATE UNEMPLOYMENT INSURANCE	116,757	115,979	761,566	406,202
3600 WORKERS COMPENSATION INSURANCE	668,887	759,153	838,054	919,187
3700 ALTERNATE RETIREMENT PLAN	12,738	10,014	-	-
3900 INCOME PROTECTION INSURANCE	403,882	241,305	280,357	267,265
<b>3000 TOTAL EMPLOYEE BENEFITS</b>	<b>\$ 26,446,978</b>	<b>\$ 26,177,485</b>	<b>\$ 33,081,000</b>	<b>\$ 33,009,660</b>
4200 DUPLICATING SUPPLIES	\$ 52,172	\$ 16,303	\$ 65,191	\$ 65,191
4300 SUPPLIES, INSTRUCTIONAL	677,439	764,419	784,339	784,395
4500 SUPPLIES, NON-INSTRUCTIONAL	1,162,910	1,331,097	1,279,603	3,104,818
<b>4000 TOTAL SUPPLIES</b>	<b>\$ 1,892,521</b>	<b>\$ 2,111,819</b>	<b>\$ 2,129,133</b>	<b>\$ 3,954,404</b>
5100 PERSONAL SERVICES & CONSULTANTS	\$ 40,886,985	\$ 56,826,561	\$ 46,725,876	\$ 48,448,274
5200 TRAVEL, CONFERENCE, MILEAGE & BANQUET SERVICES	1,119,620	207,883	702,742	702,742
5300 DUES & MEMBERSHIPS	449,869	507,614	78,055	78,055
5400 INSURANCE	759,914	733,961	891,335	891,335
5500 UTILITIES & HOUSEKEEPING SERVICES	627,089	552,608	863,348	866,991
5600 RENTS, REPAIRS & SERVICE CONTRACTS	3,925,408	4,281,550	2,411,770	2,411,770
5700 LEGAL, ELECTION & AUDIT	186,708	159,659	221,079	221,079
5800 OTHER SERVICES & EXPENSES	11,025,429	9,473,168	25,243,516	26,947,354
<b>5000 TOTAL OTHER OPERATING EXPENSES</b>	<b>\$ 58,981,022</b>	<b>\$ 72,743,004</b>	<b>\$ 77,137,721</b>	<b>\$ 80,567,600</b>
<b>TOTAL 1000-5000</b>	<b>\$ 148,125,477</b>	<b>\$ 160,231,447</b>	<b>\$ 175,051,764</b>	<b>\$ 180,811,890</b>
6100 SITE IMPROVEMENTS	\$ 15,245	\$ 768,860	\$ 22,420	\$ 820,078
6200 BUILDINGS	253,188	281,074	206,552	56,552
6300 LIBRARY BOOKS	118,169	184,260	213,789	213,789
6400 EQUIPMENT & FILMS	1,808,306	2,635,926	526,953	526,960
6500 LEASE PURCHASE AGREEMENTS	58,000	27,395	99,375	99,375
6600 CAPITALIZED EQUIPMENT	431,144	557,503	48,536	47,332
<b>6000 TOTAL CAPITAL EXPENSES</b>	<b>\$ 2,684,052</b>	<b>\$ 4,455,018</b>	<b>\$ 1,117,625</b>	<b>\$ 1,764,086</b>

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

	19-20 Actual Expenditures	20-21 Unaudited Expenditures	21-22 Tentative Budget	21-22 Final Budget
<b>1000 - 6000 TOTAL EXPENDITURES</b>	<b>\$ 150,809,529</b>	<b>\$ 164,686,465</b>	<b>\$ 176,169,389</b>	<b>\$ 182,575,976</b>
7100 DEBT RETIREMENT	\$ 1,190,844	\$ 1,282,059	\$ 963,323	\$ 963,323
7300 INTERFUND TRANSFERS	6,327,100	3,913,461	2,788,886	7,530,794
7500 STUDENT FINANCIAL AID	3,582,841	4,675,142	1,556,226	4,745,565
7600 OTHER PAYMENTS TO STUDENTS	420,241	564,597	457,734	1,153,271
<b>7000 TOTAL OTHER OUTGO</b>	<b>\$ 11,521,026</b>	<b>\$ 10,435,259</b>	<b>\$ 5,766,169</b>	<b>\$ 14,392,953</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 162,330,555</b>	<b>\$ 175,121,724</b>	<b>\$ 181,935,558</b>	<b>\$ 196,968,929</b>
<b>BUDGETED ONE-TIME EXPENDITURES:</b>			\$ 2,182,159	\$ 2,021,995
<b>TOTAL ONGOING EXPENDITURES</b>	<b>\$ 162,330,555</b>	<b>\$ 175,121,724</b>	<b>\$ 179,753,399</b>	<b>\$ 194,946,934</b>
<b>RESERVES:</b>	<b>19-20 Actual</b>	<b>20-21 Unaudited</b>	<b>21-22 Tentative</b>	<b>21-22 Final</b>
9710 RESERVE FOR CONTINGENCIES	\$ 8,116,528	\$ 8,756,086	\$ 9,096,778	\$ 9,848,446
9710 RESERVE FOR FACILITIES		-	-	8,000,000
9728 RESERVE FOR BUDGET PLANNING	18,759,115	24,744,336	22,837,709	18,212,717
<b>9000 TOTAL RESERVES</b>	<b>\$ 26,875,643</b>	<b>\$ 33,500,422</b>	<b>\$ 31,934,487</b>	<b>\$ 36,061,163</b>
<b>TOTAL EXPECTED ENDING BALANCE</b>	<b>\$ 26,875,643</b>	<b>\$ 33,500,422</b>	<b>\$ 31,934,487</b>	<b>\$ 36,061,163</b>
<b>TOTAL EXPENDITURES AND ENDING BALANCE</b>	<b>\$ 189,206,198</b>	<b>\$ 208,622,146</b>	<b>\$ 213,870,045</b>	<b>\$ 233,030,092</b>

- (a) The proposed budget includes step, column, and longevity salary increases, a 5.07% cost of living increase, and a 3.19% negotiated 20-school average adjustment.
- (b) The 2021-22 changes in employee benefits is due to the following: a \$231K increase in STRS to reflect the rate change increase from 16.15% to 16.92%; a \$345K increase in PERS to reflect the rate change from 20.70% to 22.91%; an additional \$193K increase due to a significant State Unemployment Insurance (SUI) rate increase from 0.05% to 0.5%; and an additional \$327K tied to a 5.07% increase in District health contributions.
- (c) The supply budgets fluctuate based on restricted grant fund budgets and unrestricted augmentations. Non-instructional supplies includes cleaning and safety supplies to address increased COVID pandemic related expenses.
- (d) A significant portion of the expenditures in the consultants and other operating expense categories are from the CCC Technology Center, Telecommunication and CTE grants and one-time expenditures. The 2021-22 budget also includes HEERF funding amounts not expended in 2020-21 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 in 2021-22 are budgeted to include deferred maintenance and instructional equipment projects (\$5,282,059), equipment replacement (\$105,900), and solar repairs (\$68,229), and HEERF funding for COVID-19 related lost revenues in Transportation (\$506,196), Bookstore (\$781,178), Dining Services (\$423,348), Child Development Center (\$179,418) and Student Health Center (\$184,466)
- (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) A portion of the District's reserves is designated for planning and construction of future facility needs.
- (j) The balance of District reserves is designated for future budget planning purposes.

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

	21-22 Unrestricted Fund 11 Revenue	21-22 Restricted Fund 12 Revenue	21-22 Final Budget
<b>Beginning Balance</b>			<b>\$ 33,500,422</b>
8110 Forest Reserve	\$ -	\$ -	\$ -
8121 College Work Study - Admin	12,560	-	12,560
8122 College Work Study - Wages	-	218,252	218,252
8123 College Work Study - Job Devel.	27,575	-	27,575
8124 College Work Study - Comm. Service	-	20,388	20,388
8131 Adult Education	-	-	-
8136 Foster Care	-	133,829	133,829
8140 Transitional Assistance to Needy Families (TANF)	-	11,285	11,285
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
8193 US Dept of Ed TRIO	-	391,178	391,178
8194 Small Business Development	-	272,130	272,130
8197 US Dept Ed / OPE	-	1,772,658	1,772,658
8198 Higher Education Emergency Relief Fund (HEERF)	-	23,774,631	23,774,631
8199 Other Federal Revenue	-	555,718	555,718
<b>8100 TOTAL FEDERAL REVENUE</b>	<b>\$ 93,252</b>	<b>\$ 27,982,604</b>	<b>\$ 28,075,856</b>
8612 State General Apportionment	\$ 43,978,723	\$ -	\$ 43,978,723
8613 Full Time Faculty Hiring	1,436,693	-	1,436,693
8614 Part-Time Faculty Compensation	223,712	-	223,712
8615 College Promise Grants (BOG Fee Waivers Admin)	128,800	-	128,800
8619 Prior Year Corrections (Apportionment)	250,199	-	250,199
8620 Student Equity (and Achievement)	-	5,662,264	5,662,264
8621 Cal Works	-	419,894	419,894
8622 Extended Opportunity Programs and Services (EOPS)	-	1,581,453	1,581,453
8623 Cooperative Agency Resources and Education (CARE)	-	850,762	850,762
8624 Disabled Student Services and Programs (DSPS)	-	833,109	833,109
8626 Telecommunications	-	13,000,000	13,000,000
8626 TTIP/CENIC	-	1,600,000	1,600,000
8627 Student Financial Aid Admin.	-	562,259	562,259
8629 Scheduled Maintenance and Instructional Equipment	-	5,282,059	5,282,059
8630 Education Protection Account	8,088,984	-	8,088,984
8630 Undocumented Resources Liaison	-	99,492	99,492
8631 Transitional Assistance to Needy Families (TANF)	-	60,410	60,410
8633 Funds for Student Success - MESA (Math, Engineering, Science Achievement)	-	104,612	104,612
8634 Classified Professional Development	-	82,225	82,225
8635 Equal Employment Opportunity (EEO)	-	66,445	66,445
8636 Foster Care Grant	-	207,798	207,798
8638 Technology Center	-	10,662,066	10,662,066
8640 Veterans Resource Center	-	92,004	92,004
8642 California College Promise	-	834,929	834,929
8643 Student Success Completion	-	2,531,779	2,531,779
8644 Financial Aid Technology	-	47,442	47,442
8646 Early Action Emergency Financial Aid	-	749,386	749,386
8646 Retention & Enrollment Outreach	-	975,000	975,000
8653 Adult Education Block Grant	-	2,329,276	2,329,276
8654 College Homeless Pilot	-	1,545,204	1,545,204
8657 Economic Development	-	945,247	945,247
8658 Strong Workforce Program	-	30,088,764	30,088,764
8671 Homeowners' Exemptions Taxes	220,429	-	220,429
8672 Timber Yield Tax	48,726	-	48,726
8681 State Lottery Proceeds	1,567,833	550,299	2,118,132
8683 Mandated Costs	308,660	-	308,660
8690 Guided Pathways	-	147,226	147,226
8692 STRS On Behalf	1,605,759	200,952	1,806,711
8693 Innovative Award	-	745,591	745,591
8699 Other State Income	-	375,095	375,095
<b>8600 TOTAL STATE REVENUE</b>	<b>\$ 57,858,518</b>	<b>\$ 83,233,042</b>	<b>\$ 141,091,560</b>

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

	21-22 Unrestricted Fund 11 Revenue	21-22 Restricted Fund 12 Revenue	21-22 Final Budget
8811 Secured Taxes	\$ 15,878,211	\$ -	\$ 15,878,211
8812 Supplemental Roll Taxes	198,149	-	198,149
8813 Unsecured Taxes	894,688	-	894,688
8816 Prior Year Taxes	24,768	-	24,768
8817 Education Revenue Augmentation Fund (ERAF)	(2,647,308)	-	(2,647,308)
8818 Redevelopment - Local & Residual	1,731,831	-	1,731,831
8829 Gifts and Contributions	-	4,000	4,000
8831 Contract Instructional Services	-	49,225	49,225
8839 Contract Education	-	2,422,959	2,422,959
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	-	103,423	103,423
8874 Enrollment Fees	2,853,616	-	2,853,616
8876 Health Service Fees	-	350,000	350,000
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	-	1,038,043	1,038,043
8882 Audit Fees	2,000	-	2,000
8885 Other Student Fees & Charges	10,000	-	10,000
8886 Technology Fee	370,500	-	370,500
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	935,378	985,378
<b>8800 TOTAL LOCAL REVENUE</b>	<b>\$ 22,470,862</b>	<b>\$ 5,000,730</b>	<b>\$ 27,471,592</b>
8980 Incoming Transfers	\$ 2,200,000	\$ 690,662	\$ 2,890,662
<b>TOTAL REVENUE</b>	<b>\$ 82,622,632</b>	<b>\$ 116,907,038</b>	<b>\$ 199,529,670</b>
One-time Revenue	\$ 370,500	\$ -	\$ 370,500
<b>Total Ongoing Revenue</b>	<b>\$ 82,252,132</b>	<b>\$ 116,907,038</b>	<b>\$ 199,159,170</b>
<b>TOTAL REVENUE AND BEGINNING BALANCE</b>			<b>\$ 233,030,092</b>

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

	21-22 Unrestricted Fund 11 Expenditures	21-22 Restricted Fund 12 Expenditures	21-22 Final Budget
1100 INSTRUCTION, REGULAR	\$ 15,321,637	\$ 1,115,545	\$ 16,437,182
1200 NON-INSTRUCTION, REGULAR	6,131,152	2,143,285	8,274,437
1300 INSTRUCTION, NON-REGULAR	8,107,441	54,345	8,161,786
1400 NON-INSTRUCTION, NON-REGULAR	722,183	280,359	1,002,542
<b>1000 TOTAL ACADEMIC SALARIES</b>	<b>\$ 30,282,413</b>	<b>\$ 3,593,534</b>	<b>\$ 33,875,947</b>
2100 NON-INSTRUCTIONAL, REGULAR	\$ 14,412,361	\$ 11,749,006	\$ 26,161,367
2200 INSTRUCTIONAL AIDES, REGULAR	1,302,708	278,711	1,581,419
2300 NON-INSTRUCTIONAL, NON-REGULAR	381,745	777,999	1,159,744
2400 INSTRUCTIONAL AIDES, NON-REGULAR	368,453	133,296	501,749
<b>2000 TOTAL CLASSIFIED SALARIES</b>	<b>\$ 16,465,267</b>	<b>\$ 12,939,012</b>	<b>\$ 29,404,279</b>
3100 STATE TEACHERS RETIREMENT SYSTEM	\$ 6,733,732	\$ 808,981	\$ 7,542,713
3200 PUBLIC EMPLOYEES RETIREMENT SYSTEM	3,667,848	2,739,039	6,406,887
3300 OLD AGE, SURVIVORS & DIS. INSURANCE	1,671,635	1,002,896	2,674,531
3400 HEALTH, DENTAL AND LIFE INSURANCE	10,183,440	3,559,692	13,743,132
3450 RETIREE BENEFITS NORMAL COST	725,973	323,770	1,049,743
3500 STATE UNEMPLOYMENT INSURANCE	301,678	104,524	406,202
3600 WORKERS COMPENSATION INSURANCE	682,282	236,905	919,187
3900 INCOME PROTECTION INSURANCE	189,682	77,583	267,265
<b>3000 TOTAL EMPLOYEE BENEFITS</b>	<b>\$ 24,156,270</b>	<b>\$ 8,853,390</b>	<b>\$ 33,009,660</b>
4200 DUPLICATING SUPPLIES	\$ 47,721	\$ 17,470	\$ 65,191
4300 SUPPLIES, INSTRUCTIONAL	200,507	583,888	784,395
4500 SUPPLIES, NON-INSTRUCTIONAL	885,331	2,219,487	3,104,818
<b>4000 TOTAL SUPPLIES</b>	<b>\$ 1,133,559</b>	<b>\$ 2,820,845</b>	<b>\$ 3,954,404</b>
5100 PERSONAL SERVICES & CONSULTANTS	\$ 1,057,115	\$ 47,391,159	\$ 48,448,274
5200 TRAVEL, CONFERENCE, MILEAGE & BANQUET SERVICES	372,381	330,361	702,742
5300 DUES & MEMBERSHIPS	72,811	5,244	78,055
5400 INSURANCE	868,667	22,668	891,335
5500 UTILITIES & HOUSEKEEPING SERVICES	864,086	2,905	866,991
5600 RENTS, REPAIRS & SERVICE CONTRACTS	2,302,005	109,765	2,411,770
5700 LEGAL, ELECTION & AUDIT	221,079	-	221,079
5800 OTHER SERVICES & EXPENSES	179,573	26,767,781	26,947,354
<b>5000 TOTAL OTHER OPERATING EXPENSES</b>	<b>\$ 5,937,717</b>	<b>\$ 74,629,883</b>	<b>\$ 80,567,600</b>
<b>TOTAL 1000-5000</b>	<b>\$ 77,975,226</b>	<b>\$ 102,836,664</b>	<b>\$ 180,811,890</b>

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

	<b>21-22 Unrestricted Fund 11 Expenditures</b>	<b>21-22 Restricted Fund 12 Expenditures</b>	<b>21-22 Final Budget</b>
6100 SITE IMPROVEMENTS	\$ 22,420	\$ 797,658	\$ 820,078
6200 BUILDINGS	56,552	-	56,552
6300 LIBRARY BOOKS	203,789	10,000	213,789
6400 EQUIPMENT & FILMS	458,805	68,155	526,960
6500 LEASE PURCHASE AGREEMENTS	99,375	-	99,375
6600 CAPITALIZED EQUIPMENT	25,000	22,332	47,332
<b>6000 TOTAL CAPITAL EXPENSES</b>	<b>\$ 865,941</b>	<b>\$ 898,145</b>	<b>\$ 1,764,086</b>
<b>1000 - 6000 TOTAL EXPENDITURES</b>	<b>\$ 78,841,167</b>	<b>\$ 103,734,809</b>	<b>\$ 182,575,976</b>
7100 DEBT RETIREMENT	\$ 963,323	\$ -	\$ 963,323
7300 INTERFUND TRANSFERS	174,129	7,356,665	7,530,794
7500 STUDENT FINANCIAL AID	-	4,745,565	4,745,565
7600 OTHER PAYMENTS TO STUDENTS	83,272	1,069,999	1,153,271
<b>7000 TOTAL OTHER OUTGO</b>	<b>\$ 1,220,724</b>	<b>\$ 13,172,229</b>	<b>\$ 14,392,953</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 80,061,891</b>	<b>\$ 116,907,038</b>	<b>\$ 196,968,929</b>
<b>BUDGETED ONE-TIME EXPENDITURES:</b>	<b>\$ 2,021,995</b>	<b>\$ -</b>	<b>\$ 2,021,995</b>
<b>TOTAL ONGOING EXPENDITURES</b>	<b>\$ 78,039,896</b>	<b>\$ 116,907,038</b>	<b>\$ 194,946,934</b>
<b>RESERVES:</b>			
9710 RESERVE FOR CONTINGENCIES			\$ 9,848,446
9710 RESERVE FOR FACILITIES			8,000,000
9728 RESERVE FOR BUDGET PLANNING			18,212,717
<b>9000 TOTAL RESERVES</b>			<b>\$ 36,061,163</b>
<b>TOTAL EXPECTED ENDING BALANCE</b>			<b>\$ 36,061,163</b>
<b>TOTAL EXPENDITURES AND ENDING BALANCE</b>			<b>\$ 233,030,092</b>

## **SPECIAL PURPOSE ACCOUNTS**

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

The District has the following special purpose accounts:

**Transportation**

**Health Services**

## TRANSPORTATION

In 1993, a state law was passed that provided Butte College with the financial means to provide bus transportation to its students in surrounding areas. The law stated that the transportation fee could be charged to all enrolled students upon a favorable vote by the majority of students. In September 2010, SB 82 was signed into law to increase the transportation fee to \$70 per semester and to allow annual increases based on certain criteria. Per Education Code section 76361.1, the governing board maintaining transportation services may adopt rules and regulations governing the exemption of low-income students from the required fees, or to require low-income students to pay all or part of this fee. The District has set the transportation fee at \$73 per semester for all full-time students, \$55 per semester for part-time students enrolled in more than one unit and less than six units, and \$20 per semester for students enrolled in up to one unit. The fee for summer is \$37 regardless of unit load. Due to COVID19 and the necessity for remote educational formatting, Summer fees were waived for the Summer 2020 term and the 2020/2021 academic year.

	<u>2020/2021</u> <u>Unaudited</u>	<u>2021/2022</u> <u>Budgeted</u>
Beginning Balance	\$ -	\$ -
Revenue:		
Transportation Fees	\$ 116,918	\$ 1,038,043
Interfund Transfer In	\$ 1,107,389	506,196 *
Total Revenue:	\$ 1,224,307	\$ 1,544,239
Expenditures:		
2000 Classified Salaries	\$ 675,907	\$ 803,776
3000 Staff Benefits	414,198	538,406
4000 Supplies	87,288	112,921
5000 Other Operating Expenses	46,483	68,011
6000 Capital Outlay	431	21,125
Total Expenditures:	\$ 1,224,307	\$ 1,544,239
Available Balance	\$ -	\$ -

\* Due to the COVID-19 pandemic, the campus transitioned to a remote campus in March 2020 and remained closed throughout the 2020-21 academic year, with the exception of a limited number of classes which could not be taught remotely. In 2020-21, the District used Higher Education Emergency Relief Fund (HEERF) funding to offset lost transportation fee revenue due to the COVID-19 related campus closures. In 2021-22, the District anticipates sufficient campus activity to resume student transportation services but is budgeting additional HEERF funding to balance operational expenditures.

## HEALTH SERVICES

Health service is provided for all students of the District. Health fees have been set by the Board at \$22 per semester for full or part-time students. The District also charges \$16 for full or part-time students during the summer session.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance</b>	\$ 22,888	\$ 22,888
<b>Revenue:</b>		
Sale of Nurses Supplies	\$ 44,529	\$ 50,000
Student Fees	348,340	350,000
Interfund Transfer In	\$ 35,994	184,466 *
<b>Total Revenue:</b>	<b>\$ 428,863</b>	<b>\$ 584,466</b>
<b>Expenditures:</b>		
1000 Academic Salaries	\$ 763	\$ -
2000 Classified Salaries	270,841	372,301
3000 Staff Benefits	105,792	185,864
4000 Supplies	19,897	2,454
5000 Other Operating Expenses	30,804	23,847
6000 Capital Outlay	766	-
<b>Total Expenditures:</b>	<b>\$ 428,863</b>	<b>\$ 584,466</b>
<b>Available Balance</b>	<b>\$ 22,888</b>	<b>\$ 22,888</b>

\* Due to enrollment declines tied to Covid-19 necessitated remote education environments, Higher Education Emergency Relief Funds (HEERF) will be transferred to the health services account to offset rising costs and declining health fee 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

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance</b>	\$ 343,249	\$ 343,249
<b>Revenue:</b>		
State Revenue	\$ 165,858	\$ 112,469
Fees	325	78,950 *
Interest	2,575	2,000
Interfund Transfer In	98,337	179,418 *
<b>Total Income:</b>	<b>\$ 267,095</b>	<b>\$ 372,837</b>
<b>Expenditures:</b>		
* 2000 Classified Salaries	\$ 152,596	\$ 208,206
3000 Staff Benefits	108,187	152,631
4000 Supplies	4,279	8,000
5000 Other Operating Expenses	2,033	4,000
6000 Capital Outlay	-	-
<b>Total Expenditures:</b>	<b>\$ 267,095</b>	<b>\$ 372,837</b>
<b>Ending Balance</b>	<b>\$ 343,249</b>	<b>\$ 343,249</b>

In the General Fund, the district also subsidizes \$495,721 in salaries and benefits of six (6) classified employees for the Child Development Center. These employees provide practicum instructional assistance. While they are part of the cost of running the center, they are currently covered by the District's general fund as a part of instruction.

\* Due to campus closures related to Covid-19, there were no fees collected from individuals for child development services in 2020-21. Although the Center had adequate reserves to absorb temporary deficit operations, fees are not expected to be fully restored in 2021-22, therefore, the District will use Higher Education Emergency Relief Fund (HEERF) funding to offset the related fee losses in 2021-22.

## **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.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance</b>	\$ 484,421	\$ 618,876
<b>Revenue:</b>		
8861 Interest	\$ 6,057	\$ 5,700
8879 Student Fees	269,046	297,000
<b>Total Revenue:</b>	\$ 275,103	\$ 302,700
<b>Expenditures:</b>		
1000 Academic Salaries	\$ 26,794	\$ 9,750
2000 Classified Salaries	9,829	147,121
3000 Benefits	13,820	84,123
4000 Supplies	10,692	35,000
5000 Other Operating Expenses	77,893	45,000
6000 Capital Outlay	-	-
7000 Payments To/For Students	1,620	15,000
<b>Total Expenditures:</b>	\$ 140,648	\$ 335,994
<b>Ending Balance</b>	\$ 618,876	\$ 585,582

A reduction in hours of the advisor position reduced the budgeted academic salary and benefit expenses of the Associated Student Body fund in 2021-22. The 2020-21 actual expenses reflect significant savings due to classified vacancies in ASB support positions.

## STUDENT REPRESENTATION FEE TRUST FUND

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

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

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance</b>	\$ 63,916	\$ 75,629
<b>Revenue:</b>		
8861 Interest	\$ 961	\$ 900
8884 Student Representation Fee	36,504	36,500
<b>Total Revenue:</b>	\$ 37,465	\$ 37,400
<b>Expenditures:</b>		
4000 Supplies	\$ -	\$ 750
5000 Other Operating Expenses	7,500	18,400
5000 Payments To Board of Governors	18,252	18,250
7000 Payments To/For Students	-	-
<b>Total Expenditures:</b>	\$ 25,752	\$ 37,400
<b>Ending Balance</b>	\$ 75,629	\$ 75,629

## STUDENT AID AND EOPS LOAN FUNDS

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

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

	<u>2020/2021</u> <u>Unaudited</u>	<u>2021/2022</u> <u>Budgeted</u>
Beginning Balance	\$ 110,433	\$ 111,076
Revenue:		
Contributions and Loan Payments	\$ 2,166	\$ 49,000
Interest	643	650
Total Revenue:	\$ 2,809	\$ 49,650
Expenditures:		
Loans	\$ 2,166	\$ 49,650
Total Expenditures:	\$ 2,166	\$ 49,650
Ending Balance	\$ 111,076	\$ 111,076

**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 \$6,345 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.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance</b>	\$ -	\$ -
<b>Revenue:</b>		
PELL Grants	\$ 12,700,857	\$ 13,082,630
Direct Loans	1,876,718	1,934,985
CAL Grants	2,062,352	2,118,282
Higher Education Emergency Relief Fund (HEERF)	6,072,055	13,613,949 *
CA College Promise	581,364	597,310
EOPS Book Vouchers	257,910	265,647
SEOG Grants	513,989	529,594
Chafee Grants	180,000	185,400
AmeriCorps Grants	8,947	9,215
BIA Grants	17,405	24,107
Other	267,783	275,816
<b>Total Revenue:</b>	\$ 24,539,380	\$ 32,636,935
<b>Expenditures:</b>		
PELL Grants	\$ 12,700,857	\$ 13,082,630
Direct Loans	1,876,718	1,934,985
CAL Grants	2,062,352	2,118,282
Higher Education Emergency Relief Fund (HEERF)	6,072,055	13,613,949 *
CA College Promise	581,364	597,310
EOPS Book Vouchers	257,910	265,647
SEOG Grants	513,989	529,594
Chafee Grants	180,000	185,400
AmeriCorps Grants	8,947	9,215
BIA Grants	17,405	24,107
Other	267,783	275,816
<b>Total Expenditures:</b>	\$ 24,539,380	\$ 32,636,935
<b>Ending Balance</b>	\$ -	\$ -

## 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.

	<u>2020/2021</u> <u>Unaudited</u>	<u>2021/2022</u> <u>Budgeted</u>
Beginning Balance	\$ 63,384	\$ 69,773
Revenue:		
8861 Interest	\$ 605	\$ 500
8899 Other Local Income	6,886	15,000
Total Revenue:	\$ 7,491	\$ 15,500
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	1,102	13,000
6000 Capital Outlay	-	1,500
7000 Other Outgo	-	1,000
Total Expenditures:	\$ 1,102	\$ 15,500
Ending Balance	\$ 69,773	\$ 69,773

## CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for major facility projects and equipment acquisitions. Project expenditures in 2020-21 and 2021-22 include equipment replacement, the funding for a new Glenn County Center, lighting replacement projects, and restroom renovations for the Mechanized Agriculture facilities.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance</b>	<b>\$ 4,480,466</b>	<b>\$ 2,220,861</b>
<b>Revenue:</b>		
8861 Interest	\$ 46,765	\$ 35,000
8699 Other State Income	517,400	4,633,569
8899 Other Local Income	-	87,749
8980 Interfund Transfer In	11,124,634 *	5,456,188 *
<b>Total Revenue:</b>	<b>\$ 11,688,799</b>	<b>\$ 10,212,506</b>
<b>Expenditures:</b>		
4000 Supplies	\$ 25,045	\$ 16,000
5000 Other Operating Expenses	68,171	156,364
6000 Capital Outlay	1,466,188	11,556,223
7000 Transfers Out for Glenn County Center	12,389,000	-
<b>Total Expenditures:</b>	<b>\$ 13,948,404</b>	<b>\$ 11,728,587</b>
<b>Ending Balance</b>	<b>\$ 2,220,861</b>	<b>\$ 704,780</b>

\*Transfer In for 2020/21 includes \$105,900 for equipment replacement, \$68,229 for future solar panel/equipment replacement, and transfers of \$1,400,000 from the General Fund, \$1,539,946 from the Retiree Benefits Fund, \$4,000,000 from the Redevelopment Agency Fund, and \$4,000,000 from the Self-Insurance Fund, for a total of \$10,939,946 for the purchase of a new Glenn County Center. Transfer In for 2021/22 includes \$105,900 for equipment replacement, \$68,229 for future solar panel/equipment replacement, and \$5,282,059 for scheduled maintenance projects.

## 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.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance</b>	\$ 1,962,858	\$ 889,234
<b>Revenue:</b>		
8861 Interest	\$ 7,835	\$ -
<b>Total Revenue:</b>	\$ 7,835	\$ -
<b>Expenditures:</b>		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	18,159	-
6000 Capital Outlay	1,063,300	889,234 *
<b>Total Expenditures:</b>	\$ 1,081,459	\$ 889,234
<b>Ending Balance</b>	\$ 889,234	\$ -

\* 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, construction/renovation of the athletics parking lot and service road, and some infrastructure improvement projects. It is expected that all projects will be completed by summer, 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.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance</b>	\$ 44,822,348	\$ 38,692,284
<b>Revenue:</b>		
8861 Interest	\$ 199,602	\$ 175,000
8941 Sale of Bonds	-	-
<b>Total Revenue:</b>	\$ 199,602	\$ 175,000
<b>Expenditures:</b>		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	-	-
6000 Capital Outlay	\$ 6,329,666	\$ 38,867,284 *
<b>Total Expenditures:</b>	\$ 6,329,666	\$ 38,867,284
<b>Ending Balance</b>	\$ 38,692,284	\$ -

\* 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, 2022.

## 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.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance</b>	\$ 25,069,234	\$ 27,870,556
<b>Revenue:</b>		
Property Tax Revenue	\$ 13,004,377	\$ 13,947,353
Interest Income	236,002	215,000
<b>Total Revenue:</b>	\$ 13,240,379	\$ 14,162,353
<b>Expenditures:</b>		
Measure A:		
Principle and Interest Payments, Refunded Series A	2,092,188	2,132,013
Principle and Interest Payments, Refunded Series B	2,615,625	2,789,375
Principle and Interest Payments, Refunded Series C	779,050	779,050
Measure J:		
Principle and Interest Payments, Series A	1,578,225	1,578,225
Principle and Interest Payments, Series B	3,373,969	4,051,219
<b>Total Expenditures:</b>	\$ 10,439,057	\$ 11,329,882
<b>Ending Balance</b>	\$ 27,870,556	\$ 30,703,027 *

\* Butte County has accumulated this ending balance through collecting various annual rates, currently set at \$20.57/\$100,000 of assessed valuation on Measure A bonds through April, 2020. The County also assessed \$20.56/\$100,000 for Measure J bonds through April, 2021. The excess funds collected will be utilized as debt service payments increase in future years. In 2020/21, assessment rates for both bond measures were adjusted to \$21.44 and \$19.91, respectively, due to increased principle payments for Measure A obligations, as well as faster than projected increase in assessed property values.

## 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>2020/2021</u> <u>Unaudited</u>	<u>2021/2022</u> <u>Budgeted</u>
Beginning Balance	\$ 3,965,381	\$ 1,422,794
Revenue:		
Pass-through Tax Revenue	\$ 1,430,009	\$ 950,000
Interest Income	27,404	8,500
Total Revenue:	\$ 1,457,413	\$ 958,500
Expenditures:		
Operating Expenses	\$ -	\$ -
Transfer Out	4,000,000 *	-
Total Expenditures:	\$ 4,000,000	\$ -
Ending Balance	\$ 1,422,794	\$ 2,381,294

\* In 2020-21, \$4 million of the fund was designated 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. In 1995, the District created the Retiree Benefits Fund in the County Treasury and began setting aside funds to accumulate designated reserves to pre-fund retiree health benefits.

	<u>2020/2021</u> <u>Unaudited</u>	<u>2021/2022</u> <u>Budgeted</u>
<b>Beginning Balance</b>	\$ 2,535,446	\$ 995,991
<b>Revenue:</b>		
Interest Income	491	625
Transfers In	-	-
<b>Total Revenue:</b>	\$ 491	\$ 625
<b>Expenditures:</b>		
Transfers Out	\$ 1,539,946 *	\$ -
<b>Ending Balance</b>	\$ 995,991	\$ 996,616

\* In 2020-21, \$1.54 million was designated and transferred 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.

**IRREVOCABLE OTHER POST EMPLOYMENT BENEFIT (OPEB) TRUST**

In 2010, the District established an irrevocable retiree benefits trust fund with CalPERS and began moving funds accumulated in the Retiree Benefit Fund to this Trust. The District also makes quarterly service cost payments to the Trust for active employees. Earnings from the CalPERS Trust Fund are transferred to the general fund to cover the cost of retiree medical premiums.

The most recent actuarial report issued March 2, 2020, reporting on the year ended June 30, 2019, stated the total OPEB liability to be \$27,300,686. The Roll-forward Valuation for the year ended June 30, 2020 increased the reported liability to \$27,955,767. A new actuarial study will be completed in Fall 2021 for the period ended June 30, 2021. Although retirement benefit costs are expected to keep increasing, this Trust is considered fully funded.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance</b>	\$ 31,303,799	\$ 39,440,000
<b>Revenue:</b>		
Interest Income	8,820,703	2,760,800
Transfers In (Service Cost)	1,295,586	1,643,500
<b>Total Revenue:</b>	\$ 10,116,289	\$ 4,404,300
<b>Expenditures:</b>		
Admin & Investment Fees	\$ 31,256	\$ 35,000
Transfers Out	\$ 1,948,832	\$ 2,200,000
<b>Ending Balance</b>	\$ 39,440,000	\$ 41,609,300

## 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.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
Beginning Balance	\$ 5,120,294	\$ 1,117,179
Revenue:		
Insurance Reimbursements	\$ 31,417	\$ 52,000
Interest Income	12,889	9,750
Total Revenue:	\$ 44,306	\$ 61,750
Expenditures:		
Classified Salaries	\$ -	\$ -
Benefits	-	-
Supplies and Materials	11,122	1,000
Other Operating Expenses	29,764	26,000
Capital Outlay	6,535	30,000
Transfers Out	4,000,000 *	-
Total Expenditures:	\$ 4,047,421	\$ 57,000
Ending Balance	\$ 1,117,179	\$ 1,121,929

\* In 2020-21, \$4 million of the fund was 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 a small satellite store at the Chico Center. Dining Services operates the main campus dining facility, the Wired Cafe, the Roadrunner Outpost and services through the Chico Center satellite store. Additionally, Dining Services offers catering to the entire campus community.

### **Bookstore Fund**

### **Dining Services Fund**

**BUTTE COLLEGE BOOKSTORE FUND**

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
Beginning Balance and Reserves	\$ -	\$ -
Revenue:		
8845 Sales	\$ 77,879	\$ 125,480
8846 Commissions	85,863	95,000 (a)
8898 Service Charge	11	75
8980 Interfund Transfer In	627,494	781,178 (b)
<b>Total Revenue:</b>	<b>\$ 791,247</b>	<b>\$ 1,001,733</b>
Cost of Sales	\$ 83,243	\$ 108,040
<b>Gross Profit or (Loss)</b>	<b>\$ 708,004</b>	<b>\$ 893,693</b>
Expenditures:		
2000 Classified Salaries	\$ 435,592	\$ 518,621
3000 Staff Benefits	225,516	311,247
4000 Supplies	843	12,200
5000 Other Operating Expenses	34,367	51,625
6000 Capital Outlay	11,686	-
<b>Total Expenditures:</b>	<b>\$ 708,004</b>	<b>\$ 893,693</b>
<b>Net Profit/(Loss)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>

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

(b) The Bookstore began implementing changes to its book services operations in 2018-19. It was projected that without a change in operations, declining revenue and rising costs would result in a net loss of over \$450,000 in 2019-20. The change in operations were projected to eventually provide the Bookstore with enough funds to continue operations in the future. However, due to the closure of operations in the 3rd quarter of 2019-20 and a remote operations environment in 2020-21, significant support is needed to maintain Bookstore services. The District will use HEERF funds to cover labor costs not covered by regular operations.

**BUTTE COLLEGE DINING SERVICES FUND**

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
<b>Beginning Balance and Reserves</b>	\$ -	\$ -
<b>Revenue:</b>		
8844 Sales	\$ 137,829	\$ 565,025
8846 Commissions	40,528	57,500
8980 Interfund Transfer In	361,006	423,348 *
<b>Total Revenue:</b>	\$ 539,363	\$ 1,045,873
<b>Cost of Sales</b>	\$ 82,882	\$ 418,115
<b>Gross Profit or (Loss)</b>	\$ 456,481	\$ 627,758
<b>Expenditures:</b>		
2000 Classified Salaries	\$ 246,240	\$ 292,903
3000 Staff Benefits	175,110	223,818
4000 Supplies	1,327	4,237
5000 Other Operating Expenses	24,774	94,800
6000 Capital Outlay	9,030	12,000
<b>Total Expenditures:</b>	\$ 456,481	\$ 627,758
<b>Net Profit/(Loss)</b>	\$ -	\$ - *
<b>Ending Balance</b>	\$ -	\$ -

\* The Camp wildfire in November 2018 and the corresponding decline in the number of students on campus resulted in a significant loss of revenue. Dining Services was expected to return to normal business in 2019-20, but was closed in mid-March in response to the COVID19 pandemic, and remained closed through June 2021. Various reopening scenarios are being modeled for 2021-22. Campus student population is expected to be 60% of capacity in the Fall 2021. The District will use HEERF funds to cover labor costs not covered by regular operations.

## 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

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
Beginning Balance	\$ 32,001	\$ 46,967
Revenue:		
Sales	\$ 22,436	\$ 17,650
Interest	335	200
Total Revenue:	\$ 22,771	\$ 17,850
Expenditures:		
Classified Salaries	\$ 3,731	\$ 9,318
Staff Benefits	50	135
Supplies	3,990	7,457
Other Operating Expenses	34	940
Capital Outlay	-	-
Total Expenditures:	\$ 7,805	\$ 17,850
Ending Balance	\$ 46,967	\$ 46,967