



BUTTE COLLEGE

2021-22 TENTATIVE BUDGET

June 30, 2021



Demolition begins on the Technology Building remodel project. Project Completion Spring 2022

BOARD OF TRUSTEES

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SUMMARY OF KEY POINTS

The 2021-22 Tentative Budget:

Is based primarily on the May Revision of the Governor's 2021-22 January Budget Proposal.

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

Includes a compounded cost-of-living adjustment (COLA) to apportionment revenue of 4.05% (2.31% COLA originally not funded in the 2020-21 state budget compounded by the 1.7% statutory COLA for 2021-22).

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 4.05%, for a total adjustment of 7.3711% 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 additional increase to student enrollment fees from the current \$46 per credit unit.

Includes deferred maintenance projects that will be funded by state and/or federal funds.

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 \$5.7 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 154.5. This Tentative Budget includes funding for approximately 196 full-time faculty.

Includes approximately \$2.18 million to fund one-time augmentation requests.

Includes approximately \$30 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.

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 (53.5%);
- 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 88.3%. 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 offset 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 current year’s State Budget Act, the Governor’s January budget proposal for the 2021-22 budget year looked drastically different from the current year’s budget. The current year’s 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 then 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 following 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 is being 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 2021-22 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, deferrals, and an improvement to base apportionment revenue to account for the lost COLA in 2020-21. Due to the economic uncertainty in January, the Governor preferred 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 a \$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 now projects 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 projects nearly \$76 billion in discretionary funds 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 predicts the state will 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 proposes 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 is reflected in the Governor's May Revision 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 current year COLA (2.31%) for a total of 4.05%. The May Revision continues 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. The community college proposals 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 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 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 current 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 included:

- 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 4.05%, revised pension rate increases, an increase in unemployment insurance, an increase to salary schedules of 7.3711%, 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 Tentative Budget, and in each year of the plan, is \$2.2 million. This is the amount of earnings the trust fund is projected to generate on an annual basis to offset these costs. A separate funding plan is included in this Tentative Budget 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 will be projected to offset the costs of step/column/longevity increases in each of the five planning years.

Each year, the District's unit planning process is used to prioritize and fund the highest priority augmentation requests identified by the District. These unit plans are developed by departments based on administrative and program reviews, strategic initiatives, various master plans, unit planning guidance and assessment of student learning. As in prior years, augmentation requests are prepared based on the needs of the departments, prioritized by the different areas, and then prioritized across the District, with the knowledge that only those new ongoing requests determined to be of highest priority for the District would be approved. These lists include fixed cost increases, adjustments to faculty and staff positions, capital outlay, technology infrastructure and safety needs, and programs designed to manage and/or maintain student services and generate enrollment or student outcomes. Requests from prior years that were ongoing in nature but funded with one-time funds were brought back, reevaluated and prioritized for continued funding. Projections for funding new high-priority ongoing costs are included in each year of the 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 package, the 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 Tentative 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 Tentative Budget integrates with the Educational Master Plan and provides resources for accomplishing the District's strategic initiatives. The following examples are not intended to be an exhaustive list:

To enhance a culture of completion and goal achievement, the District has proposed investing ongoing and one-time funds for technology and capital improvements, student support services, and instructional materials and equipment. Investments in computer lab replacements, smart classrooms, library databases and library books will help support student success and completion. Resources have been provided for Roadrunner Hub services to help students with basic needs. Additionally, this proposed budget provides 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 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. 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

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

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

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

As described earlier in this document, just months after the enactment of the 2020-21 State Budget Act that deferred 5 months of apportionment revenue and did not fund 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 and is reflected in the May Revision of the Governor's budget proposal.

Ongoing adjustments proposed in the May Revision include:

- \$296.5M to fund a compounded 4.05% COLA on apportionment revenue (increase from 1.5% in the January budget proposal to account for the lack of COLA in 2020-21)
- \$50M to expand vocational training and English as a Second Language (ESL)
- \$30M to fund integrated basic needs centers and coordinators
- \$30M for student mental health and access to online technology
- \$23.8M to augment the Student Equity and Achievement Program by 5%
- \$23.6M to fund 0.5% enrollment growth for the Student Centered Funding Formula
- \$17.5M to fund COLAs for select categorical programs
- \$15M to expand the California Apprentice Initiative
- \$12.4M for the Strong Workforce Program
- \$10.6M for the online education ecosystem and infrastructure/tools
- \$10M to expand Guided Pathways technology
- \$8M to cover increased costs of broadband access provided by CENIC
- \$5.8M for Dreamer resource liaison
- \$4M for library services platform and

- \$1M for technical assistance for Adult Education Program

The May Revision budget also includes numerous one-time proposals:

- \$1.45B to pay off the full balance of the 2020-21 apportionment deferrals
- \$312.4M for deferred maintenance and instructional equipment (new in May Revision)
- \$250M for emergency grants to students (includes \$100M Immediate Action Package)
- \$150M to support Guided Pathways (new in May Revision)
- \$115M to expand zero-textbook-cost pathway programs (increase from \$15M in January)
- \$120M for retention and reenrollment strategies (includes \$18M Immediate Action Package)
- \$100M to address students' basic needs related to food and housing insecurity
- \$75M to expand dual enrollment through CCAP partnerships (new in May Revision)
- \$50M to fund a COVID-19 response grant to transition back to in-person education (new in May Revision)
- \$20M to implement Equal Employment Opportunity best practices (new in May Revision)
- \$20M for High Road training partnerships (new in May Revision)
- \$16M for faculty professional development
- \$3.1M for CalFresh (part of spring Immediate Action Budget)
- \$20M to expand work-based learning initiative
- \$10M for work-based learning in target fields
- \$10M to fund common course numbering
- \$10M for competency-based education pilot
- \$4M to increase faculty professional development
- \$2.5M for instructional materials for dual enrollment
- \$1M to modernize the CCC jobs registry and
- \$0.6M to fund AB 1460 implementation and anti-racism initiatives

The Legislature's Proposed Changes

Normally, after the Governor releases the May Revision to his January budget proposal, the Senate and Assembly Budget Sub-Committees meet separately to develop their versions of the budget. Select members would then come together in a Joint Budget Conference Committee to reconcile the differences between the house budgets before the Legislature can approve a single budget and present it to the Governor by the June 15 deadline. This year, the budget subcommittees were able to come to an agreement on the biggest pieces of the State Budget and voted to approve their budget agreement on June 2, 2021, enabling them to avoid the need to establish a Joint Budget Conference Committee.

At the time of the writing of this document, negotiations are taking place between the Governor, the Assembly and the Senate to agree on some significant differences between the Governor's May Revision proposals and the legislative budget package. Among those differences is the revenue assumptions used to fund the legislative budget package. The Legislature relies on assumptions made by the Legislative Analyst's Office (LAO) which is \$4 billion higher than the Administration's estimates. The LAO also forecasts \$20 billion more in revenue through 2024-25 than the estimates in the Governor's May Revision.

The following is a list of the differences between the Governor's May Revision budget and the legislative budget package for the community colleges as of June 2, 2021. The most significant differences between the two proposals include the addition of ongoing support for part-time faculty and full-time faculty hiring in the legislative budget package. This Tentative Budget will be based on proposals contained in the Governor's May Revision. Any adjustments made as part of the

approved state budget act will be reflected in the Final Budget proposal made to the Board in September.

Senate and Assembly Budget Agreement for 2021-22¹

2021-22 Proposition 98 Changes (In Millions)

ONE-TIME PROPOSALS	Governor's May Revision	Senate and Assembly Proposal
California Community Colleges (one-time)		
Deferral paydown	1450.00	1450.00
Deferred maintenance	312.381	486.167
Emergency student financial aid grants	100.000	100.000
Guided Pathways	150.000	50.000
Zero-textbook-cost degrees	115.000	15.000
Retention and enrollment strategies	120.000	120.000
Student basic needs	100.000	100.000
Dual enrollment expansion incentives	75.000	0.000
COVID-19 response block grant	50.000	0.000
Equal employment opportunity best practices	20.000	20.000
High Road Training Partnerships	20.000	20.000
Faculty professional development	16.014	16.014
CalFresh (Immediate Action Budget)	3.100	3.100
Support LGBTQ+ Centers		10.000
Work-based learning initiative (Earn and Learn)	20.000	0.000
Work-Based Learning in targeted fields	10.000	0.000
Common course numbering	10.000	10.000
Competency-based education pilot	10.000	10.000
Faculty professional development	3.986	3.986
Instructional materials for dual enrollment students	2.500	2.500
CCC jobs registry	1.000	1.000
AB 1460 implementation/anti-racism initiatives	0.600	5.600
ONGOING PROPOSALS	Governor's May Revision	Senate and Assembly Proposal
COLA for apportionments	296.518	371.197
Vocational ESL	50.000	0.000
Basic needs centers and coordinators	30.000	30.000
Student mental health and technology	30.000	30.000
Student Equity and Achievement Program	23.761	23.761
Growth for apportionments	23.614	23.614
COLA for select categorical programs	17.548	17.548
California Apprenticeship Initiative	15.000	15.000

¹ This is not the final budget. Negotiations with the Governor and his Administration are expected to begin June 2. A final deal must be reached no later than June 12 for a June 15 passage.

Strong Workforce Program	12.400	40.000
Deferred maintenance	0.000	0.000
Online tools	10.613	10.613
Guided Pathways technology	10.000	0.000
CENIC broadband	8.000	8.000
Dreamer resource liaisons	5.800	5.800
Library services platform	4.000	4.000
Adult Education Program technical assistance	1.000	1.000
Adult Ed additional 2.31 percent COLA		12.656
Increase support for Umoja		4.900
Increase support for MESA		8.190
Increase support for Puente		7.330
Increase support for EOPS		20.000
Eliminate CalBright		-15.000
Increase support for Financial Aid Administration		10.000
Increase support for Part-Time Faculty		75.000
Increase Full-Time Faculty Hiring		170.000
Rising Scholars		10.000
HBCU Transfer		1.300
Make conforming adjustments from higher CCC COLA		-0.603

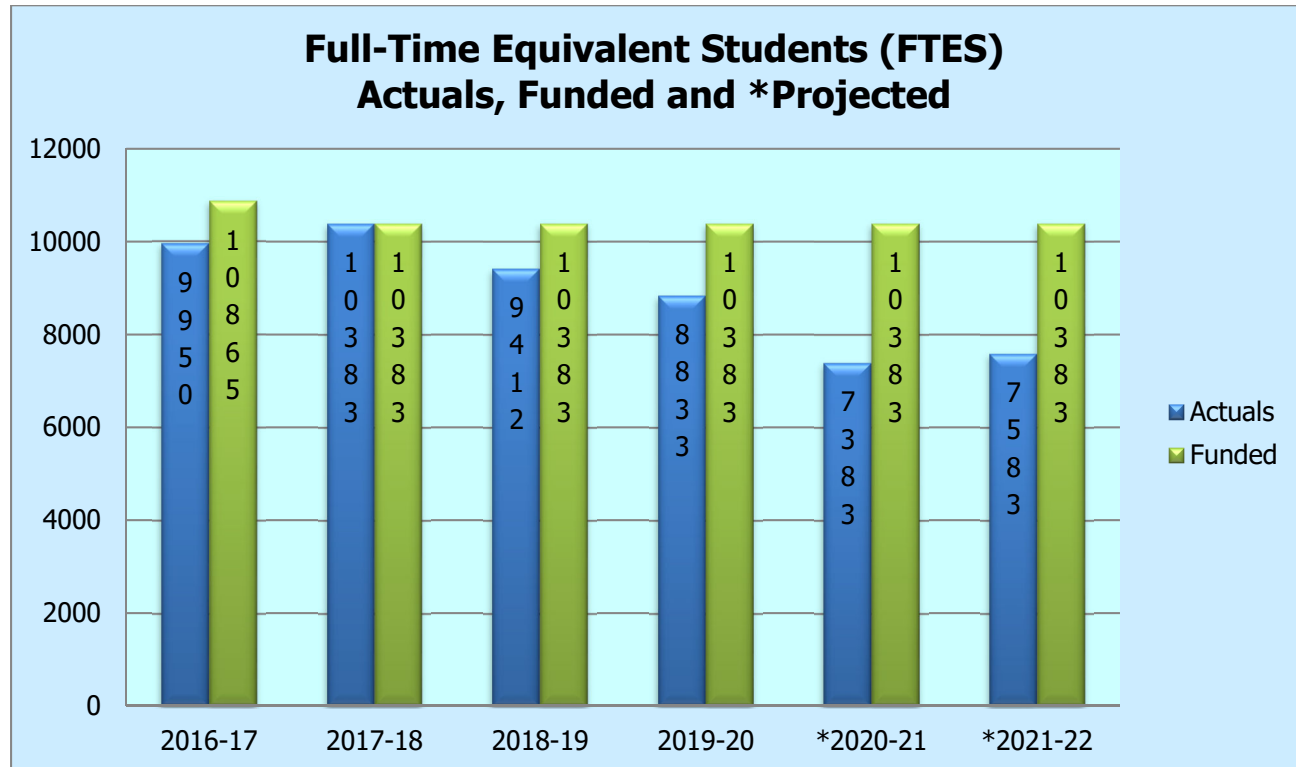
District Revenue and Full-time Equivalent Students (FTES)

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 will be adjusted by the funded statutory COLA.

For this Tentative 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 is reporting 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 Tentative Budget document. However, this budget includes 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 the 2018 Camp wildfire. 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 Tentative Budget and will continue to be included during our hold-harmless period even as our FTES falls below the 10,000 and 1,000 FTES levels.

The following graph shows the District’s historical number of full-time equivalent students served and funded. In 2018-19, the graph reflects the significant decline in students served (9,412) due to 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.



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 proposed in the Governor’s May Revision, the District projects the following additional funds in this Tentative Budget proposal:

UNRESTRICTED

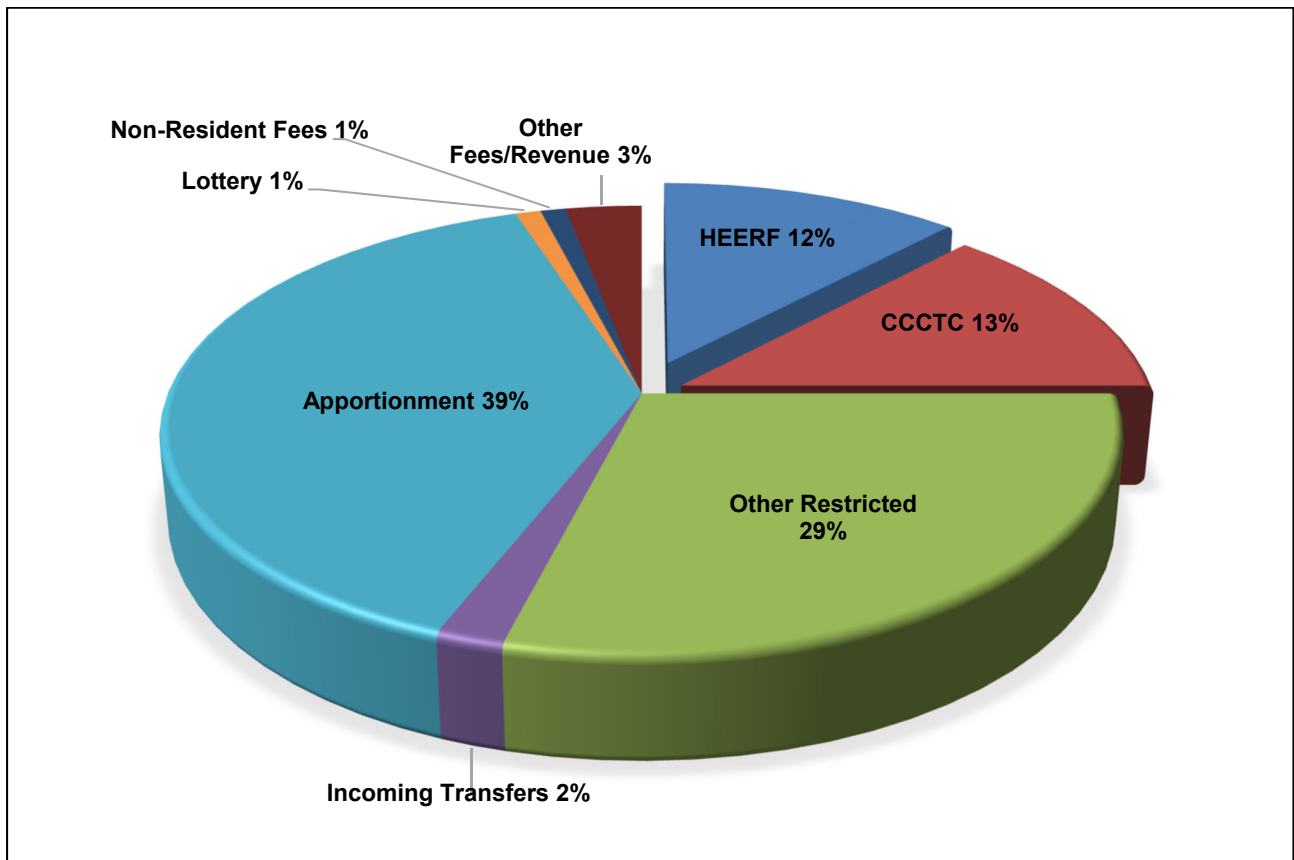
- \$2.77 million in additional SCFF apportionment revenue from funding rates increased by the proposed 4.05% COLA,

- Although not considered “additional revenue” from the State Budget in 2021-22, the District will carryover approximately \$2.81M in apportionment revenue that was not committed to ongoing expenditures in 2020-21.

RESTRICTED

- The Governor proposes one-time funds to pilot and expand numerous restricted program initiatives. The Legislature also proposes a number of one-time initiatives that increase, decrease and/or add new to the Governor’s May Revision proposals. For this Tentative Budget, no new restricted funds have been included. As new restricted funds are approved in the 2021-22 State Budget Act, they will be included in the Final Budget proposal to the Board in September and throughout the year.

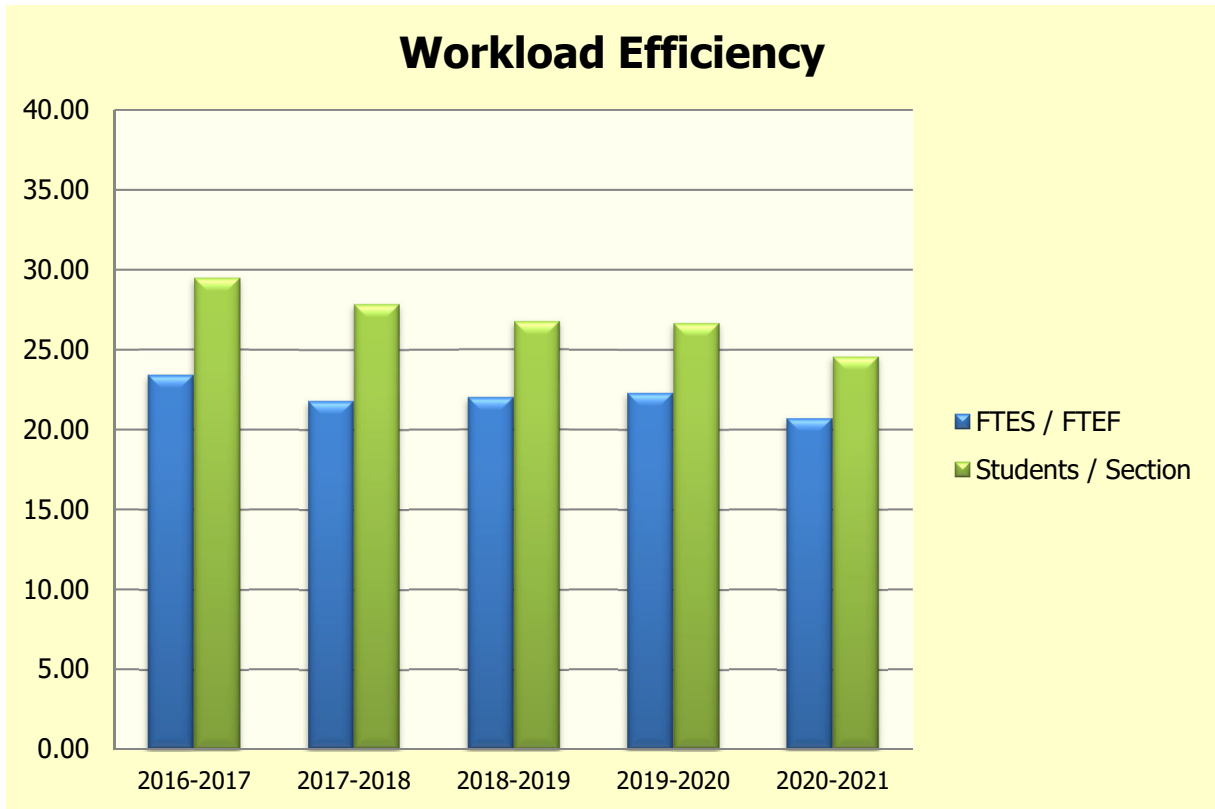
TOTAL GENERAL FUND REVENUE



The District’s total general fund revenue projection for 2021-22 is approximately \$182.9 million, 56% of which is for restricted programs and incoming transfers to pay for retiree medical premiums. Approximately 39% 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 is reporting to have served approximately 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).



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 \$5.75M.

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
- 4.05% cost of living increase to all salary schedules	\$ 2,127,796
- Employee and retiree health benefit increases	\$ 261,479
- PERS rate increase	\$ 345,006
- STRS rate increase	\$ 231,128
- State unemployment insurance	\$ 473,955
- Leases, utilities, service contracts	\$ 54,981

Step, column and longevity salary increases are included in this Tentative Budget and tend to represent approximately 1.5% - 2% of regular salaries each year (\$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 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 will also be increased by the funded statutory COLA. The Governor proposes to fund the statutory COLA of 4.05%. If funded, the additional cost to increase the salary schedules by the funded COLA is approximately \$2.128M.

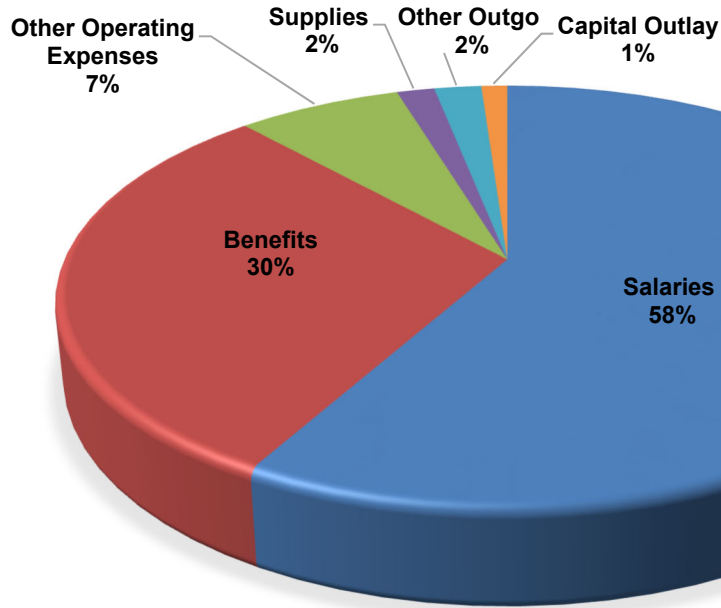
The District's contribution to medical is capped to increase by the greater of 2% or the funded statutory COLA in the budget year and provides benefits for medical, dental, vision and life insurance to active employees. For retirees, the District covers the medical plan only, however, there is no cap for retiree premiums. The cost increase for both of these premium contributions in 2021-22 is approximately \$261.5K. 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 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 is projected to increase 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 will be 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. The Employment Development Department recently released the Annual Report regarding the School Employees Fund. The report includes 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 results in a fixed cost increase of approximately \$474K in 2021-22.

In previous years, the District generally spent approximately 2.13% of its unrestricted General Fund budget on energy costs. The electricity portion of these funds were redirected from the utility budget to cover the financing costs of solar energy generation projects. The solar energy loans for Phases I and II have both been paid off leaving only one outstanding Phase III solar energy loan outstanding. Proposition 39 funds were used to add solar arrays to the Skyway Center, and additional solar arrays have been constructed to service the 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. 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 were made to the budget based on high priority requests through the unit planning process. Budget augmentations are described in more detail later in this document. Most of the \$5.75M in fixed cost increases added to this budget are related to salaries and benefits which equal approximately 88% of the unrestricted General Fund budget. The remaining 12% includes supplies, operating expenses, capital outlay purchases, and other outgoing expenses like debt retirement and transfers to other funds.

Full-time Faculty Obligation Number (FON)

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

Each year the District is required to meet its full-time faculty obligation number (FON). Per the Budget Planning Guidelines developed by the college, the District strives to exceed the full-time faculty obligation by at least one full-time equivalent faculty (FTEF), more as funding permits. The District's full-time faculty obligation number is projected to decrease from 158.5 to 154.5 FTEF for Fall 2021. This decline in the faculty obligation number is due to a deficit factor currently being applied to apportionment revenue. The FON is still based on the credit FTES the district served in 2017-18 and is currently being funded for by the emergency conditions allowance. This Tentative 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 Tentative 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 \$4.27 million 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 \$2.18M have been prioritized for one-time funding and are included in this Tentative 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:

- DSPS 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 \$810K in one-time augmentations for Administration are proposed for funding. Deferred maintenance projects of \$560K will be funded with state Deferred Maintenance funds if approved in the State Budget. The major items/projects include:

- Classification study	\$250.0K
- Deferred maintenance projects (lighting, actuators and restroom remodel)	\$560.0K

Approximately \$196.9K in one-time augmentations for district-wide areas are proposed for funding. The major items/projects include:

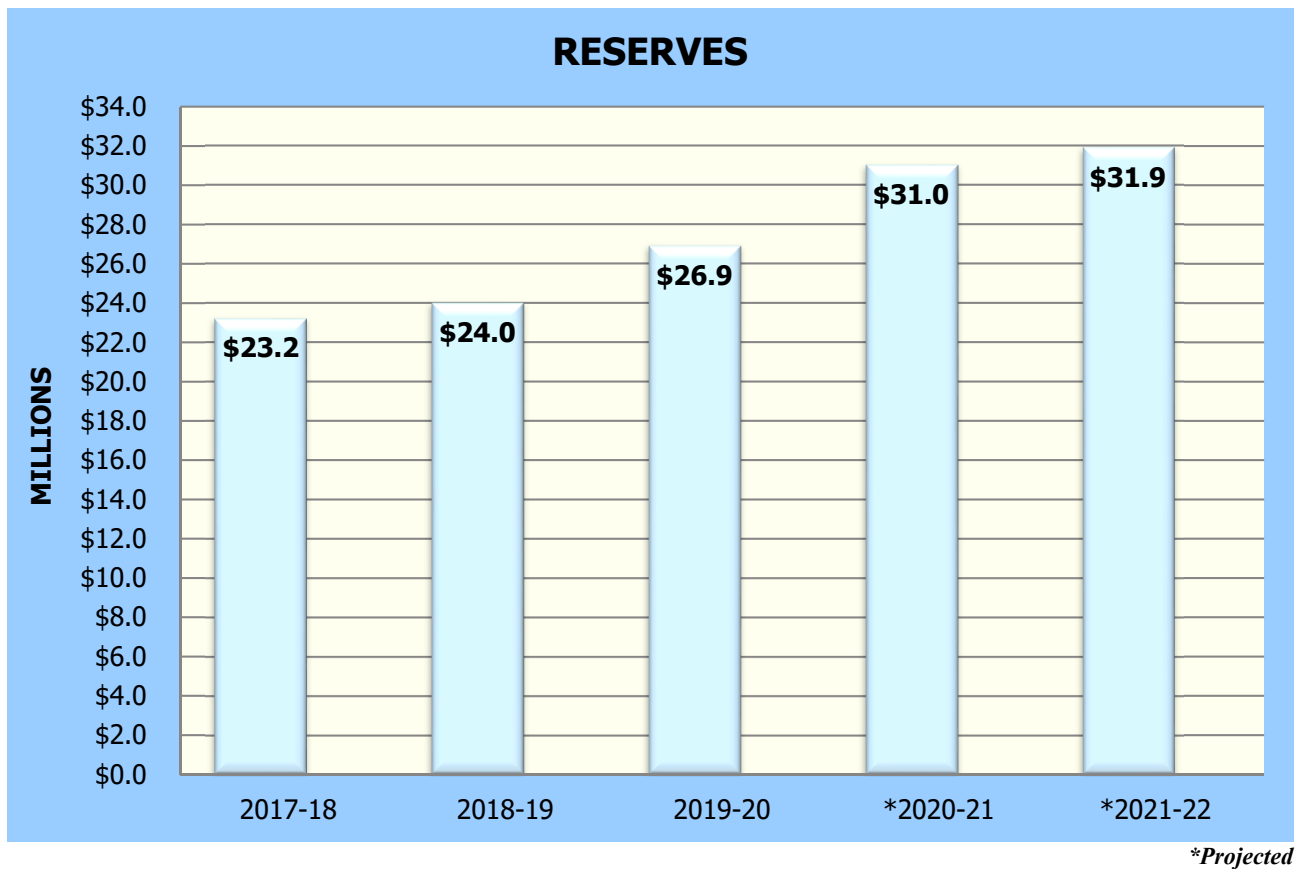
- Glenn County Center lease increases	10.0K
- Leadership discretionary allocation	\$120.0K
- Sabbatical leaves	\$35.0K
- Classified subs and reclasses	\$30.0K
- Phi Theta Kappa	\$2.0K

ONE-TIME FUNDS

Reserves

High priority one-time augmentation requests are generally funded with General Fund reserves. Approximately \$2.18 million is proposed for funding from the General Fund reserves in this Tentative 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. The reserve balances at end of fiscal years 2020-21 and 2021-22 are projected balances and represent 39% and 40% 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 over the next several years until enrollment can be restored.

The Reserve for Budget Planning has been reestablished for planning in 2021-22 in the amount of approximately \$22.8 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. This deficit factor will likely be reduced by the end of the fiscal year.

The District is projecting its ending balance reserves in 2020-21 to increase by over \$4 million from \$26.9 million in 2019-20 to \$31 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 in 2021-22 are then budgeted to increase by \$935K. This will leave a very strong District reserve of approximately \$31.9 million or 40% of unrestricted expenditures after the 2021-22 budget year barring any other changes.

CALIFORNIA COMMUNITY COLLEGES
GANN LIMIT WORKSHEET
2021-2022

DISTRICT NAME: Butte-Glenn Community College District

DATE: June 8, 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	<u>0.8245</u>	
	(line C.2. divided by line C.1.)		
D.	2020-2021 Limit adjusted by inflation and population factors		\$ <u>131,795,114</u>
	(line A multiplied by line B and line C.3.)		
E.	Adjustments to increase limit:		
	1. Transfers in of financial responsibility	\$ <u>-</u>	
	2. Temporary voter approved increases	<u>-</u>	
	3. Total adjustments - increase		-
	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>51,400,680</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>67,790,375</u>

III. **District is within Appropriations Limit** 64,004,739

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

**19-20
Actual
Revenue** **20-21
Unaudited
Revenue** **21-22
Tentative
Budget**

Beginning Balance	\$ 24,030,267	\$ 26,875,643	\$ 31,008,476
8110 Forest Reserve	\$ 23,581	\$ -	\$ -
8121 College Work Study - Admin	15,318	2,055	12,560
8122 College Work Study - Wages	286,031	218,000	218,000
8123 College Work Study - Job Devel.	27,795	30,425	27,575
8124 College Work Study - Comm. Service	20,328	20,328	20,328
8131 Adult Education	31,523	-	-
8136 Foster Care	121,912	113,995	101,639
8140 Transitional Assistance to Needy Families (TANF)	31,374	33,669	30,925
8151 Supplemental Educational Opportunity Grants (SEOG) - Admin.	11,637	24,644	13,117
8152 Pell Grant - Admin.	23,509	21,500	40,000
8160 Veterans' Attendance Allowance	-	24,962	12,166
8170 Perkins	858,218	908,276	777,886
8174 VTEA - Tech Prep.	46,195	42,483	42,483
8193 US Dept of Ed TRIO	-	177,204	388,812
8194 Small Business Development	230,442	220,890	271,083
8197 US Dept Ed / OPE	751,622	1,097,888	1,125,000
8198 Higher Education Emergency Relief Fund (HEERF)	32,964	4,265,955	22,475,790 (a)
8199 Other Federal Revenue	396,528	197,711	553,633
8100 TOTAL FEDERAL REVENUE	\$ 2,908,977	\$ 7,399,985	\$ 26,110,997
8612 State General Apportionment	\$ 43,182,457	\$ 41,155,071	\$ 43,311,696 (b)
8613 Full Time Faculty Hiring	461,204	461,204	461,204
8614 Part-Time Faculty Compensation	302,519	249,360	249,360 (c)
8615 Enrollment Fee Admin. Fee	131,509	128,800	128,800
8616 Basic Skills	-	-	- (d)
8619 Prior Year Corrections (Apportionment)	432,947	2,341	3,588 (e)
8620 Student Equity (and Achievement)	4,005,278	3,846,749	5,662,264 (d)
8621 Cal Works	361,607	343,261	419,224 (c)
8622 Extended Opportunity Programs and Services (EOPS)	1,300,730	1,458,894	1,212,840 (f)
8623 Cooperative Agency Resources and Education (CARE)	886,896	1,066,088	874,412 (c)
8624 Disabled Student Services and Programs (DSPS)	599,627	906,235	721,514 (c)
8625 Student Success (SSSP)	-	-	- (d)
8626 Telecommunications	15,749,424	16,860,329	14,186,836 (g)
8627 Student Financial Aid Admin.	448,100	427,047	558,881
8629 Deferred Maintenance and Instructional Equipment	126,339	-	- (h)
8630 Education Protection Account	5,385,977	7,619,398	8,088,984 (i)
8630 Undocumented Resources Liaison Program	-	50,178	-
8631 Transitional Assistance to Needy Families (TANF)	31,373	26,024	40,336
8633 Funds for Student Success - MESA (Math, Engineering, Science Achievement)	70,704	94,799	61,696
8634 Classified Professional Development	-	82,225	82,225
8635 Equal Employment Opportunity (EEO)	13,097	100,348	66,445
8636 Foster Care Grant	188,694	222,859	214,894
8638 Technology Center	28,754,852	6,071,912	10,623,222 (j)
8640 Veterans Resource Center	42,845	223,763	69,229
8642 California College Promise	877,332	983,822	924,182 (k)
8643 Student Success Completion	2,039,216	2,100,392	- (l)
8644 Financial Aid Technology	55,513	220,655	10,000
8645 CARES Act - State Block Grant	-	622,938	- (m)
8646 Immediate Action Budget Pkg	-	1,028,530	-
8653 AB86	2,278,027	2,052,426	2,108,457 (c)
8654 College Homeless Pilot	140,081	1,259,919	231,499
8657 Economic Development	969,849	648,414	908,316 (c)
8658 Strong Workforce Program	18,046,503	47,607,903	29,303,438 (n)
8659 Other Categorical Programs	11,678	-	-
8671 Homeowners' Exemptions Taxes	229,472	211,849	220,429 (o)
8672 Timber Yield Tax	25,439	46,829	48,726 (o)
8681 State Lottery Proceeds	2,622,405	2,006,628	2,118,132
8683 Mandated Costs	308,660	312,771	308,660 (p)
8690 Guided Pathways	235,210	776,659	500,000
8692 STRS On Behalf	2,184,843	1,806,711	1,806,711 (q)
8693 Innovation Award	218,645	908,307	500,000 (r)
8699 Other State Income	664,656	394,793	373,891 (c)
8600 TOTAL STATE REVENUE	\$ 133,383,708	\$ 144,386,431	\$ 126,400,091
8811 Secured Taxes	\$ 15,467,109	\$ 15,383,929	\$ 15,878,211 (o)

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

	19-20 Actual Revenue	20-21 Unaudited Revenue	21-22 Tentative Budget	
8812 Supplemental Roll Taxes	322,588	227,778	198,149	(o)
8813 Unsecured Taxes	999,249	1,001,566	894,688	(o)
8816 Prior Year Taxes	7,293	52,231	24,768	(o)
8817 Education Revenue Augmentation Fund (ERAF)	(2,959,674)	(3,265,619)	(2,647,308)	(o)
8818 Redevelopment - Local & Residual	2,243,801	2,545,805	1,731,831	(o)
8829 Gifts and Contributions	1,537	12,318	4,000	
8831 Contract Instructional Services		51,368	49,225	
8839 Contract Education	1,780,588	1,987,638	2,422,798	(s)
8840 Sales and commissions	35,652	-	47,500	(t)
8842 Sale of Equipment and Supplies	67,635	60,017	52,500	
8859 Other Rentals and Leases	16,593	42,721	28,202	
8861 Interest	1,158,032	835,362	1,200,000	(u)
8872 Community Service Classes	86,564	274,433	103,432	
8874 Enrollment Fees	2,973,045	2,853,600	2,853,616	(v)
8876 Health Service Fees	473,436	348,550	350,000	
8877 Material Fees	230,139	188,472	220,000	
8879 Student Records / ID Card	25,832	38,806	63,859	
8880 Non-Resident Student Fees	1,427,160	1,238,094	1,484,048	(w)
8881 Transportation Fees	519,587	117,948	1,038,043	(aa)
8882 Audit Fees	1,868	1,238	2,000	
8885 Other Student Fees & Charges	4,690	140	10,000	
8886 Technology Fee	402,183	363,426	370,500	(x)
8888 Library Charges	4,021	25,984	10,000	
8893 Prior Year Outlawed Warrants	41,652	8,792	28,000	
8894 Workers Comp. Reimbursements	76,369	38,871	28,000	
8896 Safety Credits	57,439	17,423	20,000	
8897 Parking Meters and Fines	2,708	2,861	20,000	
8898 Fees for Returned Checks	955	-	-	
8899 Other Local Income	479,617	1,744,468	983,914	(y)
8800 TOTAL LOCAL REVENUE	\$ 25,947,668	\$ 26,198,220	\$ 27,469,976	
8980 Incoming Transfers	\$ 2,935,578	\$ 3,162,845	\$ 2,880,505	(z)
TOTAL REVENUE	\$ 165,175,931	\$ 181,147,481	\$ 182,861,569	
One-time Revenue	\$ -	\$ -	\$ 370,500	(x)
Total Ongoing Revenue	\$ 165,175,931	\$ 181,147,481	\$ 182,491,069	
TOTAL REVENUE AND BEGINNING BALANCE	\$ 189,206,198	\$ 208,023,124	\$ 213,870,045	

Apportionment Summary:			
Includes General Apportionment, Education Protection Account, Property taxes, and 98% Enrollment Fees	\$ 67,817,295	\$ 67,775,365	\$ 70,546,718

- (a) Federal funds were made available due to Covid-19. In 2020-21, Federal CARES-Institutional funds were awarded in the amount of \$3,640,981. The District was awarded Federal CARES-Minority Service Institute funds totaling \$457,564. Additionally, through the Chancellor's Office, the District received Federal Block Grant Coronavirus Relief Funds of \$507,480. In Spring, 2021, the District was awarded \$22,509,197 in additional HEERF II and HEERF III funds. The District expects to defer \$22.475 million to the 2021-22 fiscal year.
- (b) 2021-22 general apportionment budget contains a 4.05% 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.

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

**19-20
Actual
Revenue**

**20-21
Unaudited
Revenue**

**21-22
Tentative
Budget**

-
- (g) Telecommunications represents CCCTran, OpenCCCApply, TTIP/Cenic, eTranscriptCA, CVC, and other technology programs operated for the Chancellor's Office. Fluctuating revenue in recent years is a result of the carry-over of unspent funds plus current year allocations.
 - (h) There is no state Deferred Maintenance and Instructional Equipment funding included in this Tentative Budget. Funds will be added to the Final Budget proposal once approved by the Governor.
 - (i) The Educational Protection Account (EPA) was created when voters approved Prop 30 in November 2012. EPA funds are included in the apportionment summary but do not represent new funds available for the district.
 - (j) These balances represent system-wide technology grants managed by the CCC Technology Center. Some initiatives ended in 2018-19 and were replaced by other multi-year, system-wide technology grants.
 - (k) The California College Promise Grant is a State funded program providing financial aid to students. The California College Promise Grant offers up to two years of free tuition and fees for first-time, full-time college students.
 - (l) The Student Success Completion Grant is a State funded program providing financial aid to full-time Cal Grant B or C students.
 - (m) The Chancellor's Office received Federal CARES passthrough funds in the form of a Block Grant. In 2020-21, the District received \$622,938 of these State Block Grant funds.
 - (n) The Strong Workforce Program allocates \$200 million annually to expand career technical education programs so colleges can add new career pathways, increase faculty, strengthen curriculum, and improve regional cooperation among colleges, businesses, and other groups. Butte College serves as the fiscal agent for the Sacramento and Far North Region.
 - (o) Property taxes for Butte and Glenn counties have been budgeted based on overall apportionment estimates.
 - (p) The District receives \$30 per FTES in ongoing revenue through the Mandated Block Grant program.
 - (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 Training Place which operates locally. Academies revenue from ISA agreements is also included here.
 - (t) These sales represent sales of services provided by the Cosmetology program and covers products used 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 \$498,891 to Transportation and \$181,614 to the Student Health Center to cover lost student transportation and health fees. Incoming transfers in 2020-21 reflect a \$2 million transfer from the OPEB Trust and \$1.16 million from HEERF.
 - (aa) COVID-19 necessitated the closure of campuses since 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
1100 INSTRUCTION, REGULAR	\$ 15,643,031	\$ 15,655,574	\$ 16,266,537
1200 NON-INSTRUCTION, REGULAR	7,735,981	7,940,984	8,223,219
1300 INSTRUCTION, NON-REGULAR	8,179,099	7,846,513	8,084,119
1400 NON-INSTRUCTION, NON-REGULAR	1,867,469	2,766,588	996,352
1000 TOTAL ACADEMIC SALARIES	\$ 33,425,580	\$ 34,209,659	\$ 33,570,227
2100 NON-INSTRUCTIONAL, REGULAR	\$ 22,588,592	\$ 24,295,900	\$ 25,908,462
2200 INSTRUCTIONAL AIDES, REGULAR	1,363,298	1,462,488	1,566,070
2300 NON-INSTRUCTIONAL, NON-REGULAR	2,471,176	1,379,754	1,158,985
2400 INSTRUCTIONAL AIDES, NON-REGULAR	956,310	670,205	500,166
2000 TOTAL CLASSIFIED SALARIES	\$ 27,379,376	\$ 27,808,347	\$ 29,133,683
3100 STATE TEACHERS RETIREMENT SYSTEM	\$ 6,375,652	\$ 6,135,092	\$ 7,490,980
3200 PUBLIC EMPLOYEES RETIREMENT SYSTEM	4,762,868	5,127,934	6,345,425
3300 OLD AGE, SURVIVORS & DIS. INSURANCE	2,563,069	2,439,908	2,649,402
3400 HEALTH, DENTAL AND LIFE INSURANCE	10,545,310	10,748,446	13,665,473
3450 RETIREE BENEFITS NORMAL COST	997,815	1,065,536	1,049,743
3500 STATE UNEMPLOYMENT INSURANCE	116,757	118,421	761,566
3600 WORKERS COMPENSATION INSURANCE	668,887	797,148	838,054
3700 ALTERNATE RETIREMENT PLAN	12,738	9,720	-
3900 INCOME PROTECTION INSURANCE	403,882	249,566	280,357
3000 TOTAL EMPLOYEE BENEFITS	\$ 26,446,978	\$ 26,691,771	\$ 33,081,000
4200 DUPLICATING SUPPLIES	\$ 52,172	\$ 12,361	\$ 65,191
4300 SUPPLIES, INSTRUCTIONAL	677,439	1,126,844	784,339
4500 SUPPLIES, NON-INSTRUCTIONAL	1,162,910	1,348,223	1,279,603
4000 TOTAL SUPPLIES	\$ 1,892,521	\$ 2,487,428	\$ 2,129,133
5100 PERSONAL SERVICES & CONSULTANTS	\$ 40,886,985	\$ 55,624,543	\$ 46,725,876
5200 TRAVEL, CONFERENCE, MILEAGE & BANQUET SERVICES	1,119,620	182,944	702,742
5300 DUES & MEMBERSHIPS	449,869	551,041	78,055
5400 INSURANCE	759,914	868,667	891,335
5500 UTILITIES & HOUSEKEEPING SERVICES	627,089	560,480	863,348
5600 RENTS, REPAIRS & SERVICE CONTRACTS	3,925,408	4,306,254	2,411,770
5700 LEGAL, ELECTION & AUDIT	186,708	122,638	221,079
5800 OTHER SERVICES & EXPENSES	11,025,429	7,980,470	25,243,516
5000 TOTAL OTHER OPERATING EXPENSES	\$ 58,981,022	\$ 70,197,037	\$ 77,137,721
TOTAL 1000-5000	\$ 148,125,477	\$ 161,394,242	\$ 175,051,764
6100 SITE IMPROVEMENTS	\$ 15,245	\$ 303,203	\$ 22,420
6200 BUILDINGS	253,188	258,620	206,552
6300 LIBRARY BOOKS	118,169	203,789	213,789
6400 EQUIPMENT & FILMS	1,808,306	2,182,206	526,953
6500 LEASE PURCHASE AGREEMENTS	58,000	27,545	99,375
6600 CAPITALIZED EQUIPMENT	431,144	480,032	48,536
6000 TOTAL CAPITAL EXPENSES	\$ 2,684,052	\$ 3,455,395	\$ 1,117,625

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

	19-20 Actual Expenditures	20-21 Unaudited Expenditures	21-22 Tentative Budget
1000 - 6000 TOTAL EXPENDITURES	\$ 150,809,529	\$ 164,849,637	\$ 176,169,389
7100 DEBT RETIREMENT	\$ 1,190,844	\$ 963,323	\$ 963,323
7300 INTERFUND TRANSFERS	6,327,100	3,788,835	2,788,886
7500 STUDENT FINANCIAL AID	3,582,841	6,049,334	1,556,226
7600 OTHER PAYMENTS TO STUDENTS	420,241	1,363,519	457,734
7000 TOTAL OTHER OUTGO	\$ 11,521,026	\$ 12,165,011	\$ 5,766,169
TOTAL EXPENDITURES	\$ 162,330,555	\$ 177,014,648	\$ 181,935,558
BUDGETED ONE-TIME EXPENDITURES:	\$ 2,874,371		\$ 2,182,159
TOTAL ONGOING EXPENDITURES	\$ 159,456,184	\$ 177,014,648	\$ 179,753,399
RESERVES:	19-20 Actual	20-21 Unaudited	21-22 Tentative
9710 RESERVE FOR CONTINGENCIES	\$ 8,116,528	\$ 3,643,251	\$ 9,096,778
9728 RESERVE FOR BUDGET PLANNING	18,759,115	27,365,225	22,837,709
9000 TOTAL RESERVES	\$ 26,875,643	\$ 31,008,476	\$ 31,934,487
TOTAL EXPECTED ENDING BALANCE	\$ 26,875,643	\$ 31,008,476	\$ 31,934,487
TOTAL EXPENDITURES AND ENDING BALANCE	\$ 189,206,198	\$ 208,023,124	\$ 213,870,045

- (a) The proposed budget includes step, column, and longevity salary increases, a 4.05% 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 \$474K increase due to a significant State unemployment insurance (SUI) rate increase from 0.05% to 1.23%; and an additional \$261K tied to a 4.05% increase in District health contributions.
- (c) The supply budgets fluctuate based on restricted fund budgets and unrestricted augmentations.
- (d) A significant portion of the expenditures in the other operating expense category is from the CCC Technology Center, Telecommunication and CTE grants and one-time expenditures. The 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 projects (\$560,000), equipment replacement (\$105,900), and solar repairs (\$68,229), and HEERF funding for COVID-19 related lost revenues in Transportation (498,891), Bookstore (\$776,741), Dining Services (\$420,252), Child Development Center (\$177,259) and Student Health Center (\$181,614)
- (g) High priority one-time augmentations are identified and subtracted from total expenditures to determine the District's "ongoing" expenditures.
- (h) The contingency reserve for 2020-21 is set at 5% of budgeted expenditures.
- (i) The balance of District reserves is designated for future budget planning purposes.

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

	21-22 Unrestricted Fund 11 Revenue	21-22 Restricted Fund 12 Revenue	21-22 Tentative Budget
Beginning Balance			\$ 31,008,476
8110 Forest Reserve	\$ -	\$ -	\$ -
8121 College Work Study - Admin	12,560	-	12,560
8122 College Work Study - Wages	-	218,000	218,000
8123 College Work Study - Job Devel.	27,575	-	27,575
8124 College Work Study - Comm. Service	-	20,328	20,328
8131 Adult Education	-	-	-
8136 Foster Care	-	101,639	101,639
8140 Transitional Assistance to Needy Families (TANF)	-	30,925	30,925
8151 Supplemental Educational Opportunity Grants (SEOG) - Admin.	13,117	-	13,117
8152 Pell Grant - Admin.	40,000	-	40,000
8160 Veterans' Attendance Allowance	-	12,166	12,166
8170 Perkins	-	777,886	777,886
8174 VTEA - Tech Prep.	-	42,483	42,483
8193 US Dept of Ed TRIO	-	388,812	388,812
8194 Small Business Development	-	271,083	271,083
8197 US Dept Ed / OPE	-	1,125,000	1,125,000
8198 Higher Education Emergency Relief Fund (HEERF)	-	22,475,790	22,475,790
8199 Other Federal Revenue	-	553,633	553,633
8100 TOTAL FEDERAL REVENUE	\$ 93,252	\$ 26,017,745	\$ 26,110,997
8612 State General Apportionment	\$ 43,311,696	\$ -	\$ 43,311,696
8613 Full Time Faculty Hiring	461,204	-	461,204
8614 Part-Time Faculty Compensation	249,360	-	249,360
8615 College Promise Grants (BOG Fee Waivers Admin)	128,800	-	128,800
8619 Prior Year Corrections (Apportionment)	3,588	-	3,588
8620 Student Equity (and Achievement)	-	5,662,264	5,662,264
8621 Cal Works	-	419,224	419,224
8622 Extended Opportunity Programs and Services (EOPS)	-	1,212,840	1,212,840
8623 Cooperative Agency Resources and Education (CARE)	-	874,412	874,412
8624 Disabled Student Services and Programs (DSPS)	-	721,514	721,514
8625 Student Success (SSSP)	-	-	-
8626 Telecommunications	-	14,186,836	14,186,836
8627 Student Financial Aid Admin.	-	558,881	558,881
8630 Education Protection Account	8,088,984	-	8,088,984
8631 Transitional Assistance to Needy Families (TANF)	-	40,336	40,336
8633 Funds for Student Success - MESA (Math, Engineering, Science Achievement)	-	61,696	61,696
8634 Classified Professional Development	-	82,225	82,225
8635 Equal Employment Opportunity (EEO)	-	66,445	66,445
8636 Foster Care Grant	-	214,894	214,894
8638 Technology Center	-	10,623,222	10,623,222
8640 Sales and commissions	-	69,229	69,229
8642 California College Promise	-	924,182	924,182
8643 Student Success Completion	-	-	-
8644 Financial Aid Technology	-	10,000	10,000
8645 CARES Act - State Block Grant	-	-	-
8646 Immediate Action Budget Pkg	-	-	-
8653 AB86	-	2,108,457	2,108,457
8654 College Homeless Pilot	-	231,499	231,499
8657 Economic Development	-	908,316	908,316
8658 Strong Workforce Program	-	29,303,438	29,303,438
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	-	500,000	500,000
8692 STRS On Behalf	1,605,759	200,952	1,806,711
8693 Innovative Award	-	500,000	500,000
8699 Other State Income	-	373,891	373,891
8600 TOTAL STATE REVENUE	\$ 55,995,039	\$ 70,405,052	\$ 126,400,091

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

	21-22 Unrestricted Fund 11 Revenue	21-22 Restricted Fund 12 Revenue	21-22 Tentative 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	-	2,422,798	2,422,798
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	-	103,432	103,432
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	933,914	983,914
8800 TOTAL LOCAL REVENUE	\$ 22,470,862	\$ 4,999,114	\$ 27,469,976
8980 Incoming Transfers	\$ 2,200,000	\$ 680,505	\$ 2,880,505
TOTAL REVENUE	\$ 80,759,153	\$ 102,102,416	\$ 182,861,569
One-time Revenue	\$ 370,500	\$ -	\$ 370,500
Total Ongoing Revenue	\$ 80,388,653	\$ 102,102,416	\$ 182,491,069
TOTAL REVENUE AND BEGINNING BALANCE			\$ 213,870,045

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

	21-22 Unrestricted Fund 11 Expenditures	21-22 Restricted Fund 12 Expenditures	21-22 Tentative Budget
1100 INSTRUCTION, REGULAR	\$ 15,164,109	\$ 1,102,428	\$ 16,266,537
1200 NON-INSTRUCTION, REGULAR	6,082,072	2,141,147	8,223,219
1300 INSTRUCTION, NON-REGULAR	8,029,774	54,345	8,084,119
1400 NON-INSTRUCTION, NON-REGULAR	715,993	280,359	996,352
1000 TOTAL ACADEMIC SALARIES	\$ 29,991,948	\$ 3,578,279	\$ 33,570,227
2100 NON-INSTRUCTIONAL, REGULAR	\$ 14,272,704	\$ 11,635,758	\$ 25,908,462
2200 INSTRUCTIONAL AIDES, REGULAR	1,290,067	276,003	1,566,070
2300 NON-INSTRUCTIONAL, NON-REGULAR	380,986	777,999	1,158,985
2400 INSTRUCTIONAL AIDES, NON-REGULAR	367,794	132,372	500,166
2000 TOTAL CLASSIFIED SALARIES	\$ 16,311,551	\$ 12,822,132	\$ 29,133,683
3100 STATE TEACHERS RETIREMENT SYSTEM	\$ 6,684,587	\$ 806,393	\$ 7,490,980
3200 PUBLIC EMPLOYEES RETIREMENT SYSTEM	3,632,953	2,712,472	6,345,425
3300 OLD AGE, SURVIVORS & DIS. INSURANCE	1,655,668	993,734	2,649,402
3400 HEALTH, DENTAL AND LIFE INSURANCE	10,129,728	3,535,745	13,665,473
3450 RETIREE BENEFITS NORMAL COST	725,973	323,770	1,049,743
3500 STATE UNEMPLOYMENT INSURANCE	565,396	196,170	761,566
3600 WORKERS COMPENSATION INSURANCE	622,134	215,920	838,054
3900 INCOME PROTECTION INSURANCE	198,906	81,451	280,357
3000 TOTAL EMPLOYEE BENEFITS	\$ 24,215,345	\$ 8,865,655	\$ 33,081,000
4200 DUPLICATING SUPPLIES	\$ 47,721	\$ 17,470	\$ 65,191
4300 SUPPLIES, INSTRUCTIONAL	200,507	583,832	784,339
4500 SUPPLIES, NON-INSTRUCTIONAL	885,331	394,272	1,279,603
4000 TOTAL SUPPLIES	\$ 1,133,559	\$ 995,574	\$ 2,129,133
5100 PERSONAL SERVICES & CONSULTANTS	\$ 688,489	\$ 46,037,387	\$ 46,725,876
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	860,443	2,905	863,348
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	148,199	25,095,317	25,243,516
5000 TOTAL OTHER OPERATING EXPENSES	\$ 5,534,074	\$ 71,603,647	\$ 77,137,721
TOTAL 1000-5000	\$ 77,186,477	\$ 97,865,287	\$ 175,051,764

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

	21-22 Unrestricted Fund 11 Expenditures	21-22 Restricted Fund 12 Expenditures	21-22 Tentative Budget
6100 SITE IMPROVEMENTS	\$ 22,420	\$ -	\$ 22,420
6200 BUILDINGS	56,552	150,000	206,552
6300 LIBRARY BOOKS	203,789	10,000	213,789
6400 EQUIPMENT & FILMS	458,805	68,148	526,953
6500 LEASE PURCHASE AGREEMENTS	99,375	-	99,375
6600 CAPITALIZED EQUIPMENT	25,000	23,536	48,536
6000 TOTAL CAPITAL EXPENSES	\$ 865,941	\$ 251,684	\$ 1,117,625
1000 - 6000 TOTAL EXPENDITURES	\$ 78,052,418	\$ 98,116,971	\$ 176,169,389
7100 DEBT RETIREMENT	\$ 963,323	\$ -	\$ 963,323
7300 INTERFUND TRANSFERS	734,129	2,054,757	2,788,886
7500 STUDENT FINANCIAL AID	-	1,556,226	1,556,226
7600 OTHER PAYMENTS TO STUDENTS	83,272	374,462	457,734
7000 TOTAL OTHER OUTGO	\$ 1,780,724	\$ 3,985,445	\$ 5,766,169
TOTAL EXPENDITURES	\$ 79,833,142	\$ 102,102,416	\$ 181,935,558
BUDGETED ONE-TIME EXPENDITURES:	\$ 2,182,159	\$ -	\$ 2,182,159
TOTAL ONGOING EXPENDITURES	\$ 77,650,983	\$ 102,102,416	\$ 179,753,399
RESERVES:			
9710 RESERVE FOR CONTINGENCIES			\$ 9,096,778
9728 RESERVE FOR BUDGET PLANNING			22,837,709
9000 TOTAL RESERVES			\$ 31,934,487
TOTAL EXPECTED ENDING BALANCE			\$ 31,934,487
TOTAL EXPENDITURES AND ENDING BALANCE			\$ 213,870,045

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.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
Beginning Balance	\$ -	\$ -
Revenue:		
Transportation Fees	\$ 117,947	\$ 1,038,043
Interfund Transfer In	\$ 1,149,097	498,891 *
Total Revenue:	\$ 1,267,044	\$ 1,536,934
Expenditures:		
2000 Classified Salaries	\$ 700,174	\$ 796,695
3000 Staff Benefits	431,333	538,182
4000 Supplies	94,168	112,921
5000 Other Operating Expenses	41,369	68,011
6000 Capital Outlay	-	21,125
Total Expenditures:	\$ 1,267,044	\$ 1,536,934
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>
Beginning Balance	\$ 22,888	\$ -
Revenue:		
Sale of Nurses Supplies	\$ 39,062	\$ 50,000
Student Fees	348,550	350,000
Interfund Transfer In	\$ 13,748	181,614 *
Total Revenue:	\$ 401,360	\$ 581,614
Expenditures:		
1000 Academic Salaries	\$ 763	\$ -
2000 Classified Salaries	265,468	369,176
3000 Staff Benefits	107,566	186,137
4000 Supplies	20,029	2,454
5000 Other Operating Expenses	30,065	23,847
6000 Capital Outlay	357	-
Total Expenditures:	\$ 424,248	\$ 581,614
Available Balance	\$ -	\$ -

* 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>
Beginning Balance	\$ 343,249	\$ 343,249
Revenue:		
State Revenue	\$ 149,780	\$ 112,469
Fees	325	78,950 *
Interest	2,183	2,000
Interfund Transfer In	117,710	177,259 *
Total Income:	\$ 269,998	\$ 370,678
Expenditures:		
* 2000 Classified Salaries	\$ 153,899	\$ 206,241
3000 Staff Benefits	110,101	152,437
4000 Supplies	4,400	8,000
5000 Other Operating Expenses	1,598	4,000
6000 Capital Outlay	-	-
Total Expenditures:	\$ 269,998	\$ 370,678
Ending Balance	\$ 343,249	\$ 343,249

In the General Fund, the district also subsidizes \$492,708 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>
Beginning Balance	\$ 484,121	\$ 640,394
Revenue:		
8861 Interest	\$ 5,518	\$ 5,700
8879 Student Fees	270,654	297,000
Total Revenue:	\$ 276,172	\$ 302,700
Expenditures:		
1000 Academic Salaries	\$ 26,175	\$ 9,750
2000 Classified Salaries	6,623	146,081
3000 Benefits	11,173	84,270
4000 Supplies	10,469	35,000
5000 Other Operating Expenses	63,839	45,000
6000 Capital Outlay	-	-
7000 Payments To/For Students	1,620	15,000
Total Expenditures:	\$ 119,899	\$ 335,101
Ending Balance	\$ 640,394	\$ 607,993

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>
Beginning Balance	\$ 63,916	\$ 78,128
Revenue:		
8861 Interest	\$ 898	\$ 900
8884 Student Representation Fee	36,524	36,500
Total Revenue:	\$ 37,422	\$ 37,400
Expenditures:		
4000 Supplies	\$ -	\$ 750
5000 Other Operating Expenses	4,948	18,400
5000 Payments To Board of Governors	18,262	18,250
7000 Payments To/For Students	-	-
Total Expenditures:	\$ 23,210	\$ 37,400
Ending Balance	\$ 78,128	\$ 78,128

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	\$ 110,761
Revenue:		
Contributions and Loan Payments	\$ 1,887	\$ 49,000
Interest	607	650
Total Revenue:	\$ 2,494	\$ 49,650
Expenditures:		
Loans	\$ 2,166	\$ 49,650
Total Expenditures:	\$ 2,166	\$ 49,650
Ending Balance	\$ 110,761	\$ 110,761

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>
Beginning Balance	\$ -	\$ -
Revenue:		
PELL Grants	\$ 12,701,583	\$ 13,082,630
Direct Loans	1,878,626	1,934,985
CAL Grants	2,056,584	2,118,282
Higher Education Emergency Relief Fund (HEERF)	6,078,555	7,521,445 *
CA College Promise	579,913	597,310
EOPS Book Vouchers	257,910	265,647
SEOG Grants	514,169	529,594
Chafee Grants	180,000	185,400
AmeriCorps Grants	8,947	9,215
BIA Grants	23,405	24,107
Other	267,783	275,816
Total Revenue:	\$ 24,547,475	\$ 26,544,431
Expenditures:		
PELL Grants	\$ 12,701,583	\$ 13,082,630
Direct Loans	1,878,626	1,934,985
CAL Grants	2,056,584	2,118,282
Higher Education Emergency Relief Fund (HEERF)	6,078,555	7,521,445 *
CA College Promise	579,913	597,310
EOPS Book Vouchers	257,910	265,647
SEOG Grants	514,169	529,594
Chafee Grants	180,000	185,400
AmeriCorps Grants	8,947	9,215
BIA Grants	23,405	24,107
Other	267,783	275,816
Total Expenditures:	\$ 24,547,475	\$ 26,544,431
Ending Balance	\$ -	\$ -

STUDENT CLUBS AGENCY FUND

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

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
Beginning Balance	\$ 63,384	\$ 65,383
Revenue:		
8861 Interest	\$ 594	\$ 500
8899 Other Local Income	1,886	15,000
Total Revenue:	\$ 2,480	\$ 15,500
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	481	13,000
6000 Capital Outlay	-	1,500
7000 Other Outgo	-	1,000
Total Expenditures:	\$ 481	\$ 15,500
Ending Balance	\$ 65,383	\$ 65,383

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.

	<u>2020/2021</u> <u>Unaudited</u>	<u>2021/2022</u> <u>Budgeted</u>
Beginning Balance	\$ 4,480,466	\$ 2,893,638
Revenue:		
8861 Interest	\$ 47,454	\$ 35,000
8699 Other State Income	517,400	
8899 Other Local Income	-	87,749
8980 Interfund Transfer In	11,114,075 *	734,129 *
Total Revenue:	\$ 11,678,929	\$ 856,878
Expenditures:		
4000 Supplies	\$ 19,952	\$ 16,000
5000 Other Operating Expenses	63,255	70,729
6000 Capital Outlay	793,550	2,436,119
7000 Transfers Out for Glenn County Center	12,389,000	-
Total Expenditures:	\$ 13,265,757	\$ 2,522,848
Ending Balance	\$ 2,893,638	\$ 1,227,668

*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 General Fund transfers of \$380,000 for light replacement projects, \$30,000 for handicap actuators, and \$150,000 for restroom renovations in the Mechanical Agriculture facilities.

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>
Beginning Balance	\$ 1,962,858	\$ 890,543
Revenue:		
8861 Interest	\$ 9,145	\$ -
Total Revenue:	\$ 9,145	\$ -
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	18,160	-
6000 Capital Outlay	1,063,300	890,543 *
Total Expenditures:	\$ 1,081,460	\$ 890,543
Ending Balance	\$ 890,543	\$ -

* 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>
Beginning Balance	\$ 44,822,348	\$ 39,153,404
Revenue:		
8861 Interest	\$ 232,869	\$ 175,000
8941 Sale of Bonds	-	-
Total Revenue:	\$ 232,869	\$ 175,000
Expenditures:		
4000 Supplies	\$ -	\$ -
5000 Other Operating Expenses	-	272,406
6000 Capital Outlay	\$ 5,901,813	\$ 39,055,998 *
Total Expenditures:	\$ 5,901,813	\$ 39,328,404
Ending Balance	\$ 39,153,404	\$ -

* 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>
Beginning Balance	\$ 25,069,234	\$ 26,620,365
Revenue:		
Property Tax Revenue	\$ 11,826,192	\$ 13,947,353
Interest Income	212,571	215,000
Total Revenue:	\$ 12,038,763	\$ 14,162,353
Expenditures:		
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	3,422,544	4,051,219
Total Expenditures:	\$ 10,487,632	\$ 11,329,882
Ending Balance	\$ 26,620,365	\$ 29,452,836 *

* 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	\$ 1,396,639
Revenue:		
Pass-through Tax Revenue	\$ 1,403,590	\$ 950,000
Interest Income	27,668	8,500
Total Revenue:	\$ 1,431,258	\$ 958,500
Expenditures:		
Operating Expenses	\$ -	\$ -
Transfer Out	4,000,000 *	-
Total Expenditures:	\$ 4,000,000	\$ -
Ending Balance	\$ 1,396,639	\$ 2,355,139

* 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.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
Beginning Balance	\$ 2,535,446	\$ 996,444
Revenue:		
Interest Income	944	625
Transfers In	-	-
Total Revenue:	\$ 944	\$ 625
Expenditures:		
Transfers Out	\$ 1,539,946 *	\$ -
Ending Balance	\$ 996,444	\$ 997,069

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

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, reported the total OPEB liability to be \$27,300,686. This Trust is considered fully funded. A new actuarial study will be completed in Fall 2021.

	2020/2021 <u>Unaudited</u>	2021/2022 <u>Budgeted</u>
Beginning Balance	\$ 31,303,799	\$ 39,394,053
Revenue:		
Interest Income	8,378,234	2,757,584
Transfers In (Service Cost)	1,712,020	1,643,500
Total Revenue:	\$ 10,090,254	\$ 4,401,084
Expenditures:		
Transfers Out	\$ 2,000,000	\$ 2,200,000
Ending Balance	\$ 39,394,053	\$ 41,595,137

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	\$ 1,103,611
Revenue:		
Insurance Reimbursements	\$ 15,087	\$ 50,000
Interest Income	13,198	9,750
Total Revenue:	\$ 28,285	\$ 59,750
Expenditures:		
Classified Salaries	\$ -	\$ -
Benefits	-	-
Supplies and Materials	11,122	1,000
Other Operating Expenses	27,311	24,000
Capital Outlay	6,535	30,000
Transfers Out	4,000,000 *	-
Total Expenditures:	\$ 4,044,968	\$ 55,000
Ending Balance	\$ 1,103,611	\$ 1,108,361

* 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	\$ 75,125	\$ 125,480
8846 Commissions	92,564	95,000 (a)
8898 Service Charge	11	75
8980 Interfund Transfer In	558,720	776,741 (b)
Total Revenue:	\$ 726,420	\$ 997,296
Cost of Sales	\$ 42,225	\$ 108,040
Gross Profit or (Loss)	\$ 684,195	\$ 889,256
Expenditures:		
2000 Classified Salaries	\$ 428,736	\$ 514,316
3000 Staff Benefits	226,994	311,115
4000 Supplies	898	12,200
5000 Other Operating Expenses	15,881	51,625
6000 Capital Outlay	11,686	-
Total Expenditures:	\$ 684,195	\$ 889,256
Net Profit/(Loss)	\$ -	\$ -
Ending Balance	\$ -	\$ -

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

(b) The Bookstore began implementing changes to its book services operations in 2018-19. It was projected that without a change in operations, declining revenue and rising costs would result in a net loss of over \$450,000 in 2019-20. The change in operations were projected to eventually provide the Bookstore with enough funds to continue operations in the future. However, due to the closure of operations in the 3rd quarter of 2019-20 and 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>
Beginning Balance and Reserves	\$ -	\$ -
Revenue:		
8844 Sales	\$ 115,030	\$ 565,025
8846 Commissions	41,780	57,500
8980 Interfund Transfer In	375,431	420,252 *
Total Revenue:	\$ 532,241	\$ 1,042,777
Cost of Sales	\$ 83,623	\$ 418,115
Gross Profit or (Loss)	\$ 448,618	\$ 624,662
Expenditures:		
2000 Classified Salaries	\$ 248,382	\$ 290,111
3000 Staff Benefits	177,579	223,514
4000 Supplies	1,340	4,237
5000 Other Operating Expenses	21,187	94,800
6000 Capital Outlay	130	12,000
Total Expenditures:	\$ 448,618	\$ 624,662
Net Profit/(Loss)	\$ -	\$ - *
Ending Balance	\$ -	\$ -

* 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	\$ 47,889
Revenue:		
Sales	\$ 19,557	\$ 17,650
Interest	346	200
Total Revenue:	\$ 19,903	\$ 17,850
Expenditures:		
Classified Salaries	\$ -	\$ 9,318
Staff Benefits	-	125
Supplies	3,990	7,457
Other Operating Expenses	25	950
Capital Outlay	-	-
Total Expenditures:	\$ 4,015	\$ 17,850
Ending Balance	\$ 47,889	\$ 47,889