



# 2020-2021 Tentative Budget Board of Trustees



VISION <sup>FOR</sup>  
SUCCESS



June 8, 2020

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*"The budget is not just a collection of numbers, but an expression of our values and aspirations." ~  
Jacob Lew*



# Topics

- Student Centered Funding Formula (SCFF)
- 2018-2019 Recalculation
- 2019-2020 Estimated Actuals
- COVID-19 Pandemic
- 2020-2021 Governor's May Revision
- 2020-2021 Tentative Budget



# Student Centered Funding Formula

## Year 1:

70% Base (Enrollment) 3 year average FTES

20% Supplemental Grant

10% Student Success Initiative Grant

## Year 2: - On Hold Using Year 1

65% Base (Enrollment)

20% Supplemental Grant

15% Student Success Initiative Grant

## Year 3: On Hold Using Year 1 per Gov Proposal

60% Base (Enrollment)

20% Supplemental Grant

20% Student Success Initiative Grant

- Hold Harmless extended through 2023-2024
- Noncredit & CDCP separate rate
- Incarcerated and Special Admit separate rate
- Oversight Council created continuing
- Student Success using 3-year average metrics



# 2018-2019 Recalculation

- Antelope Valley College to receive an increase due to the demographic component of the new Student Centered Funding Formula (SCFF)
- Due to limitation of funding, SCFF was not fully implemented
- 2018-2019 Second Period Apportionment showed revenue as 2017-2018 as a base plus no more than 8.13%
- Two scenarios in the 2019-2020 adopted budget showing the P2 figures versus the SCFF implementation
- February 2020 recalculation implemented funding for SCFF
- AVC received an additional \$6.8 million above budgeted levels



# 2019-2020 Estimated Actuals Unrestricted

	<u>2019-2020</u> <u>Estimated</u> <u>Actuals</u>
Beg. Balance	\$ 14,282,413
Revenue	\$ 86,107,531
Expenses	\$ 80,940,783
Total Ending Fund Balance	\$ 19,449,161
Surplus/(Deficit)	\$ 5,166,748
Assigned Aside for Categorical Salaries + Benes	-500,000
Reserved for OPEB Trust	-6,200,000
Assigned for Emergency Reserve Up to 3% Goal (Per AP 6305)	-500,000
Reserved for Pension Stabilization (Per BP 6250)	0
Unassigned Ending Fund Balance	12,249,161
Reserve % (Per BP 6200) 12% min/15% goal	15.1%



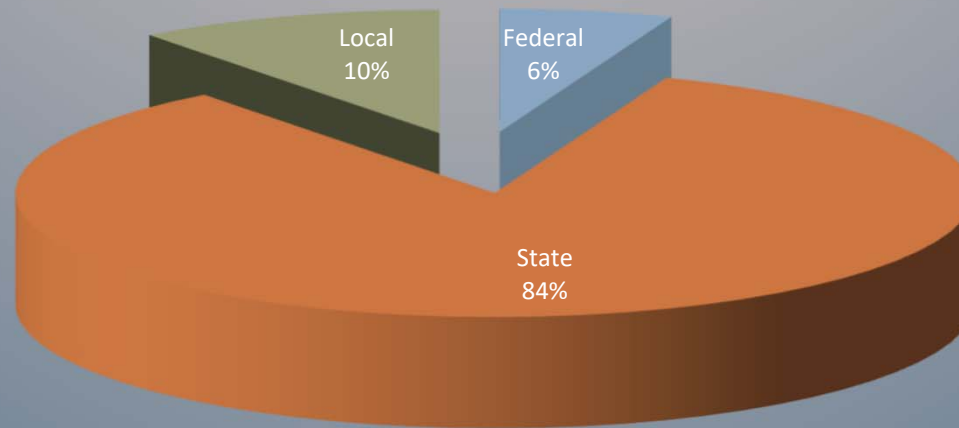
ANTELOPE  
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# 2019-2020 Estimated Actuals

2019-2020 Estimated Actuals										
Fund	Name	Beginning Balance	Revenue	Expenditures	Ending Balance	Committed/ Assigned Reserves	Surplus/ Deficit	Unassigned Balance	Reserve	% of Overall Budget
	General Fund									
10	Unrestricted	14,282,413	86,107,531	80,940,783	19,449,161	(7,200,000)	5,166,748	12,249,161	15.1%	37.62%
13 & 14	Restricted	1,884,541	24,433,250	24,402,795	1,914,996		30,455			11.34%
21	Bond Interest & Redemption	13,599,065	17,212,677	18,714,892	12,096,850		(1,502,215)			8.70%
41	Capital Outlay Fund	4,374,078	2,278,378	6,169,884	482,572		(3,891,506)			2.87%
42	Revenue Bond Construction	100,462,609	96,550,000	46,362,235	150,650,374		50,187,765			21.55%
51	Enterprise Operations/Auxiliary Services	711,304	813,000	914,679	609,625		(101,679)			0.43%
33	Child Development Center	312,980	829,616	795,367	347,229		34,249			0.37%
72	Student Rep	342,527	41,500	50,000	334,027		(8,500)			0.02%
74	Financial Aid	1,030,433	36,308,279	36,518,495	820,217		(210,216)			16.97%
75	Scholarships & Loan	32,843	269,777	269,762	32,859		15			0.13%
	Antelope Valley College Budget		264,844,009	215,138,893			49,705,116			100.00%

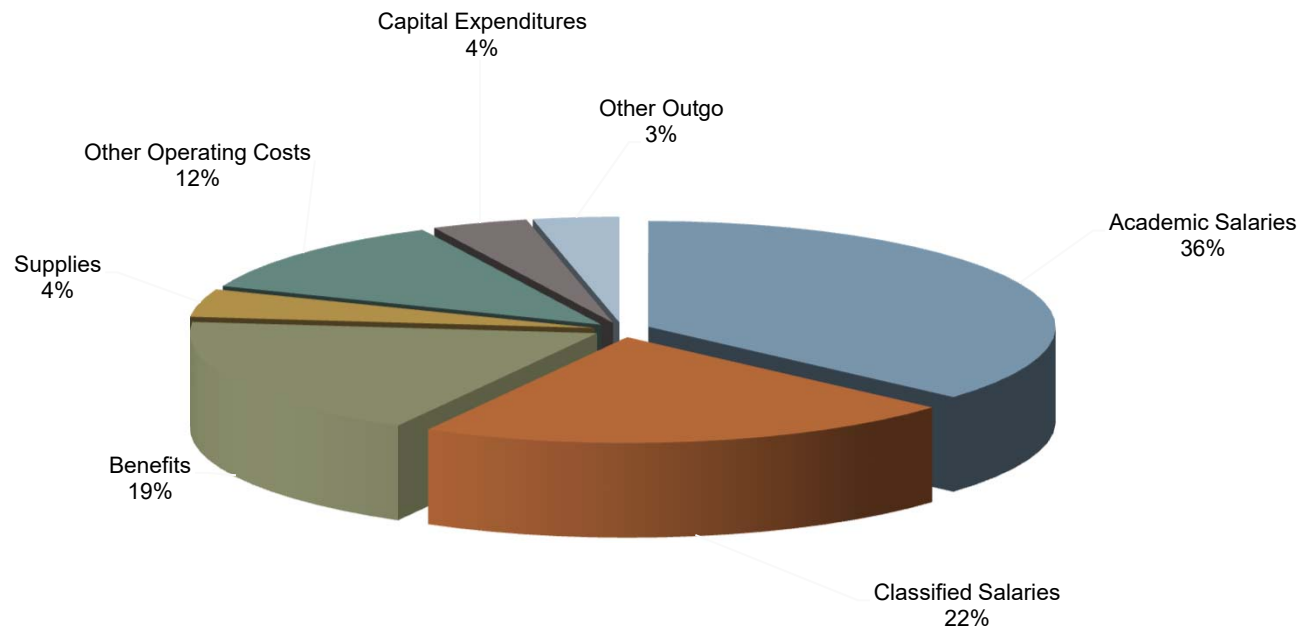


# 2019-2020 Estimated Actuals General Fund Revenue





# 2019-2020 Estimated Actuals General Fund Expenditures







# COVID-19 Pandemic

- The COVID-19 Coronavirus became a global pandemic that occurred in Spring 2020
- The State of California issued a stay-at-home order with the exception of essential businesses
- AVC responded by migrating to as much online instruction as possible and minimal on-campus support & remote work when needed



# COVID-19 Funding

- The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress on March 27, 2020
- AVC's allocation is \$10.2 million with 50% having to go to direct student grants
- Title III/V CARES funding: \$635K to AVC for being a minority serving institution (MSI)
- FEMA: An application for funding was submitted in April 2020. CARES has to be used first and they will reimburse up to 75%



# COVID-19 Funding Student Grants

- Executives from student services, business services and information technology services held several meetings including a town hall with the student body
- The decision was to issue \$55 per Spring enrolled credit unit to PELL recipients and \$35 per Spring enrolled credit unit to the remaining eligible Title IV students
- First disbursement issued May 6<sup>th</sup> totaling over \$2.5 mil
- Second disbursement required students excluded from first disbursement to file a FASFA by May 15<sup>th</sup>. Second disbursement just under \$400K
- The remaining student grant portion will be issued in Fall to help with retention



# Deferrals

- Due to COVID-19, May and June payments have been deferred into the next budget year
- AVC's portion is \$8.6 million
- Payment schedule for 2020-2021 will not be issued until July
- Resolution for Tax Revenue Anticipation Note (TRAN) approval for issuance going to June board for NTE \$25 million
- Cash flow projections indicate the District has enough cash for 60 days after the end of the fiscal year even with deferrals of May and June apportionment payments



# Governor's May Revision Highlights

- \$53.4 billion shortfall for this year and next year
- At the time of May revise release, 4.6 million people have filed unemployment since March 12, 2020. 2010 peak was 2.2 million.
- Unemployment projections are estimated to go north of 24.5%. At the time of May revise release it was at about 18-20%.
- 22.3% revenue decline attributed to the following:
  - 25.5% due to PIT
  - 22.7% due to Corporate Tax
  - 27.2% due to Sales tax
- To address the shortfall, the following is the Governor's proposal:
  - (1) Use reserves (16% of shortfall)
    - The rainy day fund over the next 3 years; \$7.8 billion in Year 1, \$5.4 billion in Year 2 and \$2.9 billion in Year 3
    - Use \$900 million in additional reserves; \$450 million in Year 1 and \$450 million in Year 2
    - Use Prop 98 reserve (Prop 2) all \$524 million in Year 1
  - (2) Use \$8.8 billion for the CARES relief (15% of shortfall)
  - (3) Pull back on enhancement of new programs in January release (15% of shortfall)
  - (4) Use Deferrals and other strategies (19% of shortfall)
  - (5) \$4.5 billion in net operating loss and tax credits (8% of shortfall)
  - (6) Cuts (26% of shortfall) with a caveat that it can be triggered and eliminated depending upon the passage of Pelosi's HEROS Act.



# Governor's May Revision Highlights-Education

- \$19 billion impact to Prop 98 public education

The Governor plans to mitigate as follows:

- \$4.4 billion from CARES to be used a discretionary funds to individual districts to help for learning loss, summer school, etc.
- \$2.3 billion in planned pension payments
- \$1.8 billion using the (NOL/Tax credits)
- \$1.6 billion additional CARES funding for K-14
- 1.5% of the general fund or between \$2-\$4.6 billion for maintenance factor as supplemental payment to Prop 98
- 10% cuts to the LCFF



# Governor's May Revision Highlights-Community Colleges

## Unrestricted fund impacts

- 2020-2021 is 12% lower than 2019-2020 apportionment
- 2019-2020 did not change significantly
- May revision includes trailer bill to reduce each district's apportionment allocation by reducing rates and/or revenue projections (this is important to show how reductions will be made)
- High probability for further deferrals
- Hold harmless extended into 2023-2024
- No COLA for 2020-2021
- Base reductions of 8%
- No Growth for 2020-2021

## Capital Outlay

- AVC Gym Renovation is on the list of state projects



# Governor's May Revision Highlights-Community Colleges

## Categorical fund impacts

- Strong Workforce going from \$248 million in 2019-2020 to \$100 million in 2020-2021-60% reductions. With shifts closer to 50%.
- SEA going from \$475 million in 2019-2020 to \$395 million in 2020-2021. Reduction 18%; however with shifts planned reduction is 15%.
- College Promise AB19 going from \$85 million to \$80 million, 6% reduction
- BFAP financial aid administration going from \$76 million to \$70 million. Reduction of 7%
- Adult education reduction of 10%
- Part time faculty compensation reduction of program funding by 15%
- Removal of all one time deferred maintenance & instructional. (Example of how our Measure AV "endowment" was established to support these times.)
- Part Time faculty office hours reduced by 27%
- Increase of immigrant legal services of from \$0 to \$10 million
- No change in student housing funds of \$9 million
- No change in foster parent education program of \$6 million
- EEO funding increase of 52%
- No change in Umoja funding
- No change in STEM funding
- Online education intuitive change of ongoing support in 2020-2021 from \$23 million to \$3 million or a reduction of 87%
- Reduction of K-12 adult ed and apprenticeship pass throughs of 19%





# 2020-2021 Joint Analysis of May Revision

**Table 5: California Community Colleges Funding by Program<sup>a</sup> (In Millions)**

Program	2019-20 Revised	2020-21 Proposed	Change (Amount)	Change (Percent)	Explanation of Change
Student Centered Funding Formula	\$7,430	\$6,842	-\$588	-8%	Proposed reduction (\$592 million) and minor technical adjustments; portion of reduction to be achieved through categorical programs
Deferrals--Student Centered Funding Formula	-330	-662	-332	101%	Shift payments to next fiscal year
Student Equity and Achievement Program	475	390	-85	-18%	Reduce by 15% and shift program set-aside to System Support Program
CCC Strong Workforce Program	248	100	-148	-60%	Eliminate \$6.7 million ongoing restoration, reduce by \$128.9 million, and shift program set-aside to System Support Program
Student Success Completion Grant	150	159	9	6%	Adjust for revised estimates of recipients
Disabled Students Programs and Services (DSPS)	124	124	-	-	
CCC System Support Program	0	106	106	N/A	Consolidate set-aside and infrastructure funds from multiple programs and reduce by 15%



# 2020-2021 Joint Analysis of May Revision

Extended Opportunity Programs and Services (EOPS)	116	116	-	-	
California College Promise (AB 19)	85	80	-5	-6%	Adjust for revised estimates of first-time, full-time students
Apprenticeship (CCC districts)	44	44	-	-	
Financial aid administration	76	70	-6	-7%	Adjust for revised estimates of fee waivers, shift statewide media campaign to System Support Program
Adult Education Program - CCC Districts <sup>b</sup>	62	56	-6	-10%	CCC district share of program reductions
Full-time faculty hiring	50	50	-	-	
CalWORKs student services	47	47	-	-	
Mandates Block Grant and reimbursements	34	33	-0.5	-1%	Revised enrollment estimates funded at \$30.16 per 2019-20 P2 FTEs
Part-time faculty compensation	25	21	-4	-15%	Reduce program funding
Economic and Workforce Development	23	23	0	-	
California Online Community College (Calbright College)	20	17	-3	-15%	Reduce program funding
NextUp (foster youth program)	20	19	-1	-4%	Shift program set-aside to System Support Program
Deferred maintenance and instructional	13	-	-13	-100%	Remove one-time funding



# 2020-2021 Joint Analysis of May Revision

equipment (one-time)					
Cooperative Agencies Resources for Education (CARE)	17	17	-	-	
Lease revenue bond payments	16	13	-4	-22%	Adjust for actual obligations
Nursing grants	13	13	0	-	
Part-time faculty office hours	12	9	-3	-27%	
District food pantries	-	-	-	N/A	Add new, ongoing program
Immigrant legal services through CDSS	-	10	10	N/A	Make funding ongoing
Veterans Resource Centers	10	10	-	-	
Student Housing Program	9	9	-	-	
Dreamer Resource Liaisons	-	-	-	N/A	
Foster Parent Education Program	6	6	-	-	
Instructional materials for dual enrollment students	-	-	-	N/A	
Equal Employment Opportunity Program	3	4	1	52%	Add available EEO fund resources
Childcare tax bailout	4	4	-	-	
Other*	4	3	-1	-27%	Reduce Academic Senate by 15% and shift Transfer Education and Articulation Funds to System Support Program
Umoja	3	3	-	-	
Mathematics, Engineering, Science Achievement (MESA)	3	3	-	-	



# 2020-2021 Joint Analysis of May Revision

Puente Project	2	2	-	-	
Middle College High School Program	2	2	-	-	
Online education initiative	23	3	-20	-87%	Shift statewide infrastructure to System Support Program
Integrated technology	42	-	-42	-100%	Shift statewide infrastructure to System Support Program
Institutional effectiveness initiative	28	-	-28	-100%	Shift statewide technical assistance to System Support Program
One-time program funding <sup>d</sup>	9	-	-9	-100%	Remove one-time funding
College-specific allocations	11	-	-11	-100%	Remove one-time funding
K-12 passthroughs (adult ed, K-12 apprenticeship, workforce)	680	553	-127	-19%	Remove one-time funding
<b>Totals</b>	<b>\$9,609</b>	<b>\$8,299</b>	<b>(1,311)</b>	<b>-14%</b>	

<sup>a</sup> Table reflects total programmatic funding for CCC, including amounts from prior years available for use in the years displayed.

<sup>b</sup> Amounts represent share ultimately received by CCC districts. For the overall adult education program in 2019-20 (excluding \$5 million to develop a unified data set), \$417 million (77%) is distributed through school district fiscal agents or funded directly to school districts and K-12 agencies, and \$126 million (23%) is distributed by community college district fiscal agents or funded directly to community college districts.

<sup>c</sup> Other programs include Academic Senate, transfer, FCMAT, and part-time faculty health insurance.

<sup>d</sup> 2019-20 includes one-time allocations for hunger-free campus, mental health services and training, re-entry grant program, and open educational resources.

CAI = California Apprenticeship Initiative. CDSS=California Department of Social Services. COLA = cost-of-living adjustment. RSI = Related Supplemental Instruction. ZTC = zero textbook cost.



# 2020-2021 Tentative Budget Unrestricted

	<u>2020-2021</u> <u>Tentative</u> <u>Budget</u>
Beg. Balance	19,449,161
Revenue	73,798,503
Expenses	82,392,365
Total Ending Fund Balance	10,855,299
Surplus/(Deficit)	(\$8,593,862)
Assigned Aside for Categorical Salaries + Benes	(\$500,000)
Reserved for OPEB Trust	\$0
Assigned for Emergency Reserve Up to 3% Goal (Per AP 6305)	(\$500,000)
Reserved for Pension Stabilization (Per BP 6250)	\$0
Unassigned Ending Fund Balance	\$9,855,299
Reserve % (Per BP 6200) 12% min/15% goal	12.0%

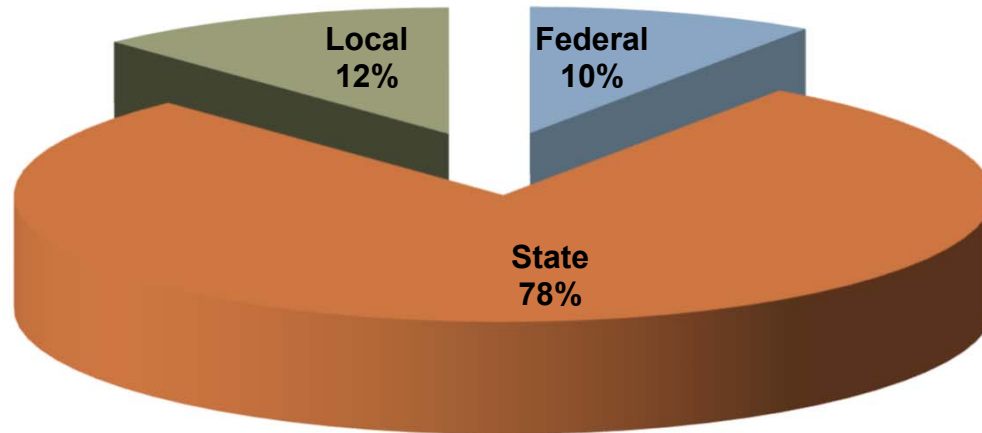


# 2020-2021 Tentative Budget

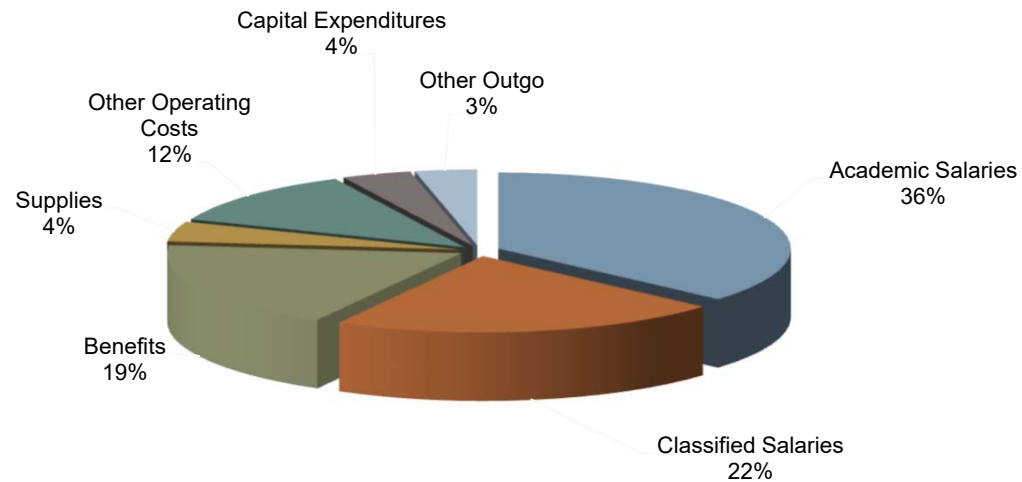
2020-2021 Tentative Budget										
Fund	Name	Beginning Balance	Revenue	Expenditures	Ending Balance	Committed/ Assigned Reserves	Surplus/ Deficit	Unassigned Balance	Reserve	% of Overall Budget
	General Fund									
10	Unrestricted	19,449,161	73,798,503	82,392,365	10,855,299	(1,000,000)	(8,593,862)	9,855,299	12.0%	31.57%
13 & 14	Restricted	1,914,996	35,547,736	35,363,224	2,099,508		184,512			13.55%
21	Bond Interest & Redemption	12,096,850	16,352,043	17,779,147	10,669,746		(1,427,104)			6.81%
41	Capital Outlay Fund	482,572	2,244,150	1,500,000	1,226,722		744,150			0.57%
42	Revenue Bond Construction	150,650,374	2,324,458	80,020,104	72,954,728		(77,695,646)			30.66%
51	Enterprise Operations/Auxiliary Services	609,625	880,500	865,365	624,760		15,135			0.33%
33	Child Development Center	347,229	725,000	883,484	188,745		(158,484)			0.34%
72	Student Rep	334,027	37,800	50,000	321,827		(12,200)			0.02%
74	Financial Aid	820,217	41,856,150	41,848,420	827,946		7,729			16.03%
75	Scholarships & Loan	32,859	296,753	296,738	32,874		15			0.11%
Antelope Valley College Budget			174,063,093	260,998,848			(86,935,755)			100.00%



# 2020-2021 Tentative Budget General Fund Revenue



# 2020-2021 Tentative Budget General Fund Expenditures







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