



2020-2021 Budget/Financial Presentation

November 18, 2020

2020-21 State Budget Overview

- January Budget Proposal - \$5.6 billion surplus
- Coronavirus Pandemic
- June Budget - \$54 billion deficit
- Recession
- Budget Stabilization Account (State's Rainy Day Fund)
 - \$16.2 billion total
 - Withdrawals are limited to 50% in first year

2020-21 State Budget Overview

Community Colleges

- No COLA Augmentation to SCFF - Ongoing General Apportionment Revenue
 - Foregone COLA of 2.31%; \$7.9 million for Citrus College
- No Growth; No workload reduction in FTES
- SCFF Hold Harmless - Extended through 2023-24
- Cash Deferrals - \$1.5 billion
 - Deferred from 2020-21 to 2021-22
- No Augmentations to Restricted/Categorical Programs, including Deferred Maint./Instructional Equip.

Deferrals

- To avoid 10% cuts proposed at the May Revise, deferrals increased from \$992 million to \$1.5 billion.
- Citrus College's share of deferrals for 2020-21 = \$16.7 million
- During the last recession, deferrals peaked at \$15 million for Citrus College
- This means \$16.7 million of apportionment "cash" due to Citrus College will not be received during 2020-21
- Accounting Treatment – not recognized as an obligation by the State

Deferrals

PUBLICATION DATE: OCTOBER 1, 2020

Ask SSC . . . Are the Deferrals Ongoing?

 [BY BRIANNA GARCÍA](#)

Copyright 2020 School Services of California, Inc.

posted October 5, 2020

Q. We're working on projecting our cash flow beyond this year—will the deferrals still be in place in 2021–22?

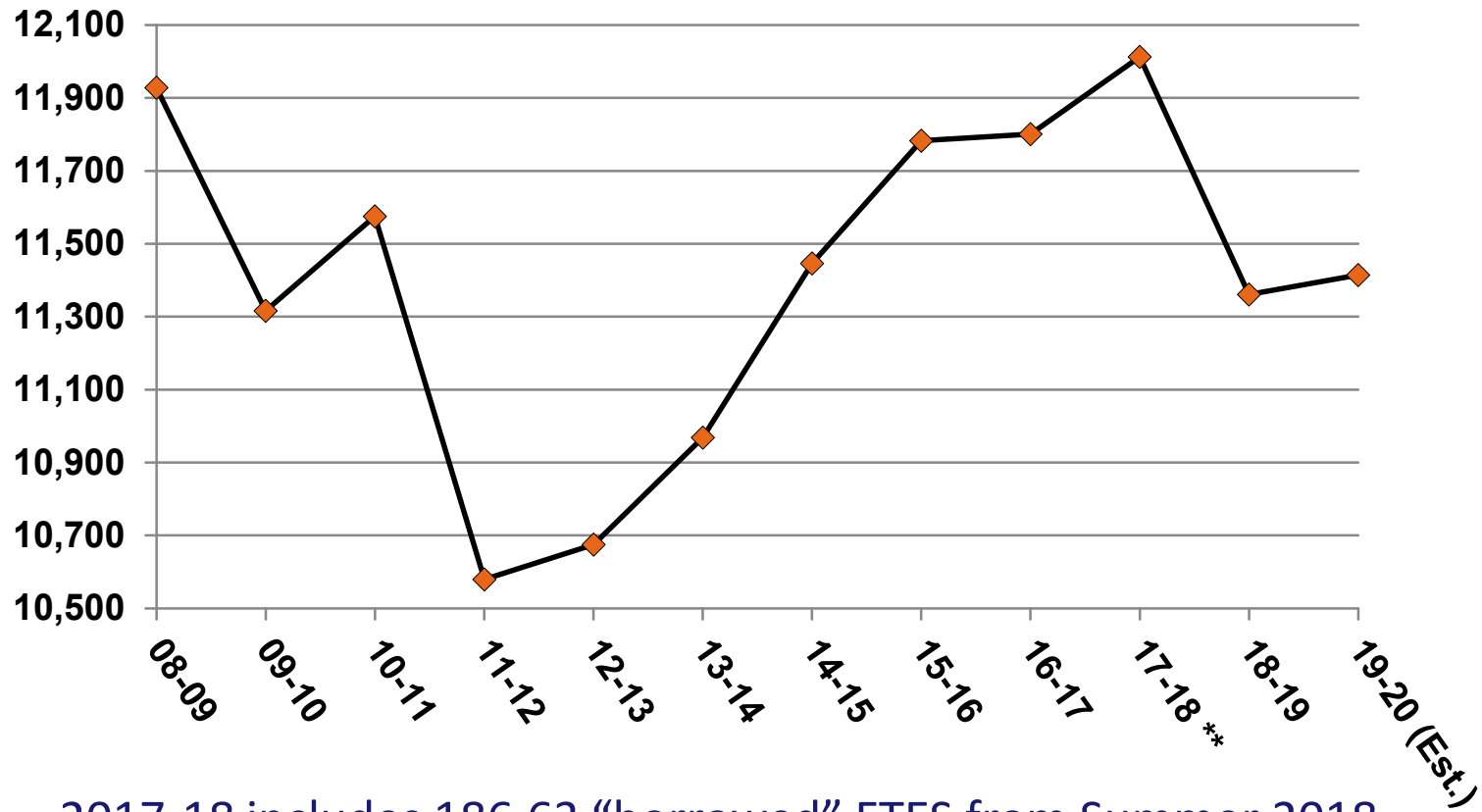
A. Projecting your cash needs for the next 18 months to 24 months is a prudent thing to do. Just to recap, the cash deferrals that are being implemented this year (2020–21), starting with the February 2021 deferral, apply to the state aid portion of revenues. The cash deferrals are as follows:

From	To	Amount
February	November	\$253.2 million
March	October	\$300 million
April	September	\$300 million
May	August	\$300 million
June	July	\$300 million

These deferrals are ongoing until such time as the state is able to invest additional funds to buy them down. Keep in mind that, as additional resources become available to the state, the buydown of these deferrals will require the redirection of resources from other options, such as additional programmatic investments.

The bottom line is that we think it is prudent for all community colleges to plan on these cash deferrals continuing into future years—they are current law until the law changes.

History of Funded FTES



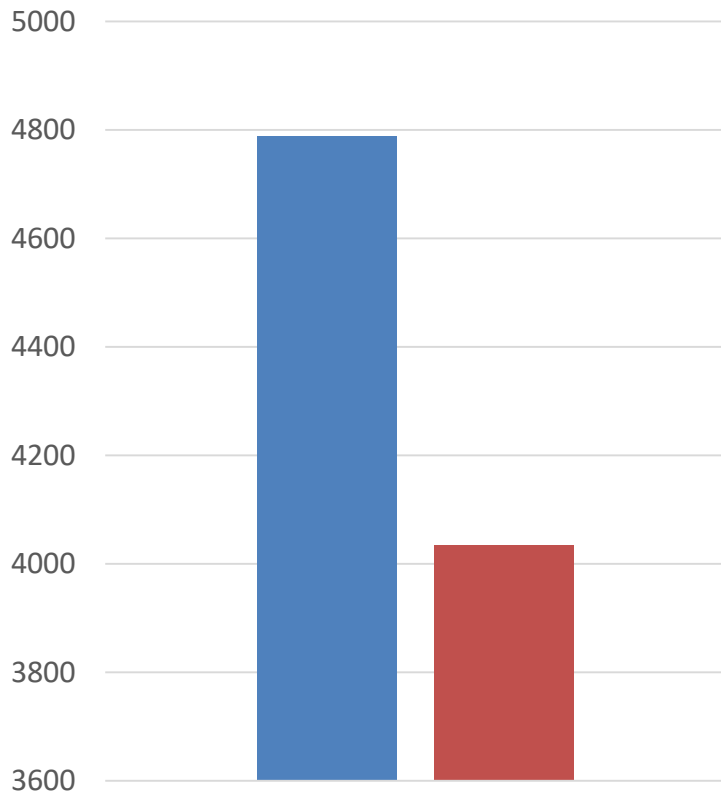
2017-18 includes 186.63 “borrowed” FTES from Summer 2018

2019-20 includes 489.45 EW FTES from Spring 2020

FTES

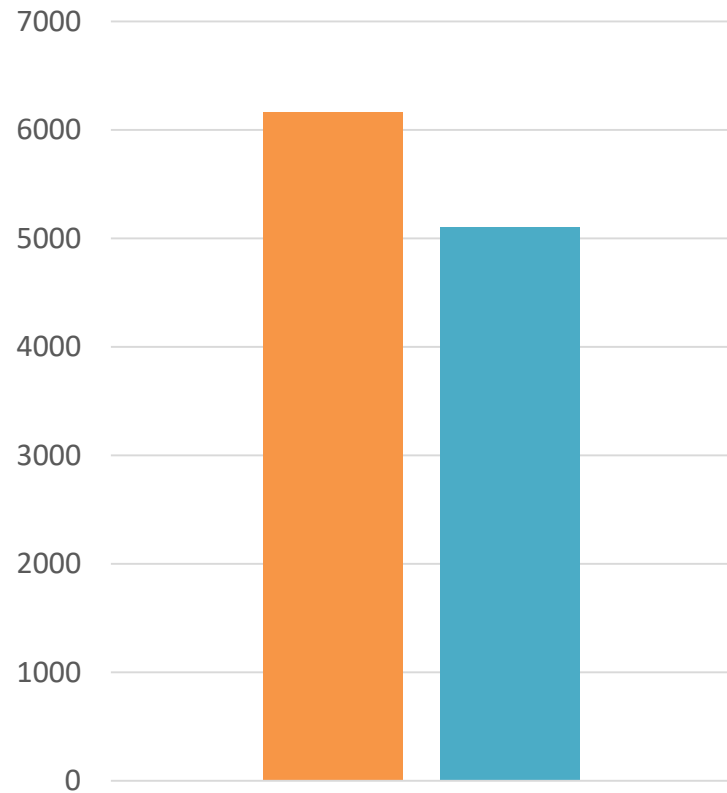
- 2019-20 Estimated Annual FTES of 11,413.77
 - 37 FTES above prior year
- 2020-21 Target of 11,413.77
 - Assumes no additional growth/decline
 - Assumes recovery of 489.45 EW FTES from Spring 2020

Declining Enrollments



Actual Fall '19 Compared to Actual Fall '20

■ Fall 2019 ■ Fall 2020



2020-21 Cumulative-to-Date (Summer & Fall)

■ Target ■ Actual

Future Considerations

- Budget Shaped by Health Crisis
- Pandemic-Driven Recession
- COVID-19 Continued Impacts
 - Enrollment Declines
 - Return to Campus ??? (Physical Modifications)
- State's Rainy Day Fund @ 50%
- Cash Deferrals
 - Increase or Result in Future Cuts ???
- Need for Multi-Year Planning Remains

CCCCO – Look Ahead

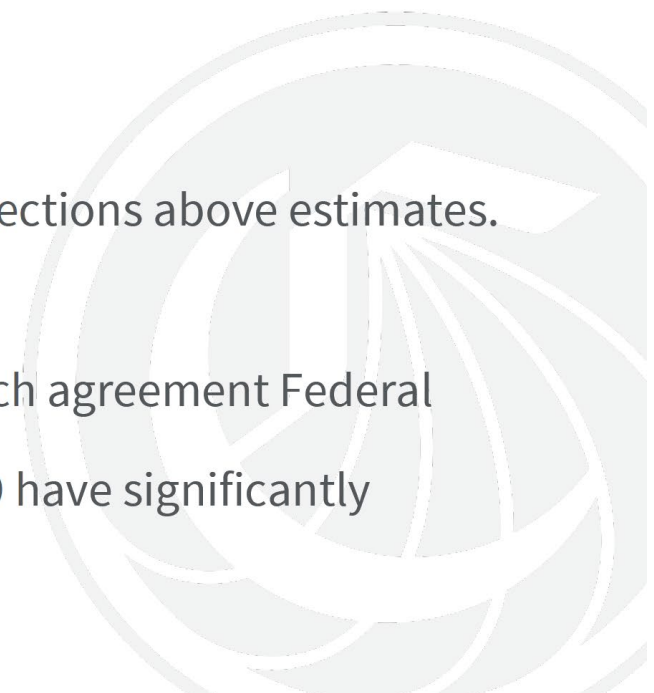
Looking Ahead To 2021-22

The Good:

- July through September 2020-21 State Tax Collections above estimates.

The Bad:

- Congress and the President were unable to reach agreement Federal Fiscal Relief Bills.
- State costs to respond to Wildfire and COVID-19 have significantly increased.
- The pandemic is not over.



THANK YOU!