



Fiscal Services Update: FY 2020-21 Budget – May Revise



Jose Torres, Interim Chancellor

May 2020

Governor Newsom announced his revised state budget plan (or May Revise) on May 14, 2020. As anticipated, the global COVID-19 pandemic has initiated an economic downturn, which has resulted in a state budget shortfall of \$54.3 billion. This is the start of a particularly challenging period for all, however, SBCCD's planning practices have placed our District in a very strong position as we face this difficult economic downturn. Nevertheless, we must continue to make the necessary open, transparent, and difficult decisions to see us through.

Based on the revised fiscal outlook, the Board of Trustees will review the Tentative Budget at its May 28th strategy session. Below are some highlights from the joint analysis¹ of the California Community Colleges Chancellor's Office, Association of California Community College Administrators, Association of Chief Business Officials, and Community College League of California.

Unrestricted:

- 1) Decrease to Student-Centered Funding Formula of \$592 million (10%)
- 2) No COLA
- 3) No enrollment growth
- 4) Deferrals in FY 19-20 (May and June 2020)
- 5) Deferrals in FY 20-21 (April, May, and June 2021)
- 6) No workload reduction
- 7) Other decreases to part-time faculty compensation, part-time faculty office hours, and deferred maintenance
- 8) Reduction to employer pension contributions by 2% for FY 2020-21 and FY 2021-22

Categorical:

- 1) Flexibility to permit the use of certain restricted fund balances
- 2) Decrease to Strong Workforce (60%)
- 3) Decrease to Student Equity and Achievement Program (18%)
- 4) Decrease to California College Promise (6%)
- 5) Decreases to online education initiative (87%)
- 6) Decrease to adult education program (10%)

¹ <https://www.cccco.edu/-/media/CCCO-Website/Files/Finance-and-Facilities/Budget-News/2020-21-May-Revision-Joint-Analysis-05-15-20.pdf?la=en&hash=5063591E2789D57381044EFC3823F1BD57B7470C>



Fiscal Services Update: FY 2020-21 Budget – May Revise

Jose Torres, Interim Chancellor



May 2020

Other:

- 1) Extension of the hold harmless provision by two years
- 2) Extension on financial reporting deadlines for FY 2020-21 budgets
- 3) Temporary deferral of FON penalties until further notice
- 4) Exemption of COVID-19 related expenditures from the 50% Law
- 5) Possible funding for Crafton's Performing Arts Center (unknown)
- 6) Decrease in support for Calbright by \$3 million

SBCCD's Plan Moving Forward:

- 1) Continue developing three budget scenarios (best, middle, worst)
- 2) Continue exploring revenue ideas
- 3) Continue reduction to budgets as necessary
- 4) Implement operational efficiencies
- 5) Implement a hiring freeze (except positions necessary to continue operations)
- 6) Continue monitoring the state budget process, work with our policymakers, and advocate for much-needed resources to educate and help our community recover as follows:
 - a. Additional funding for CCDs if federal funding becomes available
 - b. Shift the \$120 million from Calbright to online education initiative and apportionments
 - c. Support the employer's pension contribution reductions
 - d. Support the flexibility to permit the use of certain restricted fund balances
 - e. Support the 50% Law and FON exemptions/deferrals
 - f. Protect core funding by decreasing categorical funds instead of apportionments
 - g. Support the extension of the hold harmless clause if these districts also experience reductions equal to successful districts
 - h. Pause additional changes to the funding formula
 - i. Request workload reduction

During good times and bad, San Bernardino Valley College and Crafton Hills College are a source of hope for our community. We prepare future scientists, health providers, and first responders who keep us safe. We provide new skills to displaced workers and give recent high school graduates an affordable option to start their first two years of a bachelor's degree. Our mission is more critical today than ever before. COVID-19 is not going to stop our momentum.