



2020/21 Budget Summary



2019/20 Actuals (unaudited)

Fiscal year ended June 30, 2020

General Fund - Unrestricted	April Revise Budget	Unaudited Actuals
Beginning Reserves	\$6,754,373	\$6,754,373
Deficit Spending	(\$921,641)	(\$288,721)
Ending Reserves	\$5,832,732	\$6,465,652
Percent of Expenditures	21.87%	24.23%



2020/21 State Budget

- \$54 billion deficit
- 0% COLA on apportionment (2.31% statutorily required)
- SCFF hold harmless extended through 2023/24
- No cuts to apportionment or categorical programs
- Massive cash deferrals (\$1.5 billion) to 2021/22
 - Up to \$751 million could be avoided if Congress approves additional COVID relief



2020/21 College Budget

General Fund - Unrestricted	Adopted Budget
Beginning Reserves	\$6,465,652
Deficit Spending	(\$1,025)
Ending Reserves	\$6,464,627
Percent of Expenditures	25.47%

Expenditure reductions (\$1.7 million):

\$350,000 – fewer class sections

\$340,000 – hold on hiring permanent positions

\$265,000 – 25% cut to supplies/services

\$234,000 – Health insurance cost containment

\$200,000 – hiring fewer temporary employees

\$275,000 – sign language interpreting

\$50,000 – utility savings

\$50,000 – hold on computer refresh cycle

Meets all Board Budget Parameters



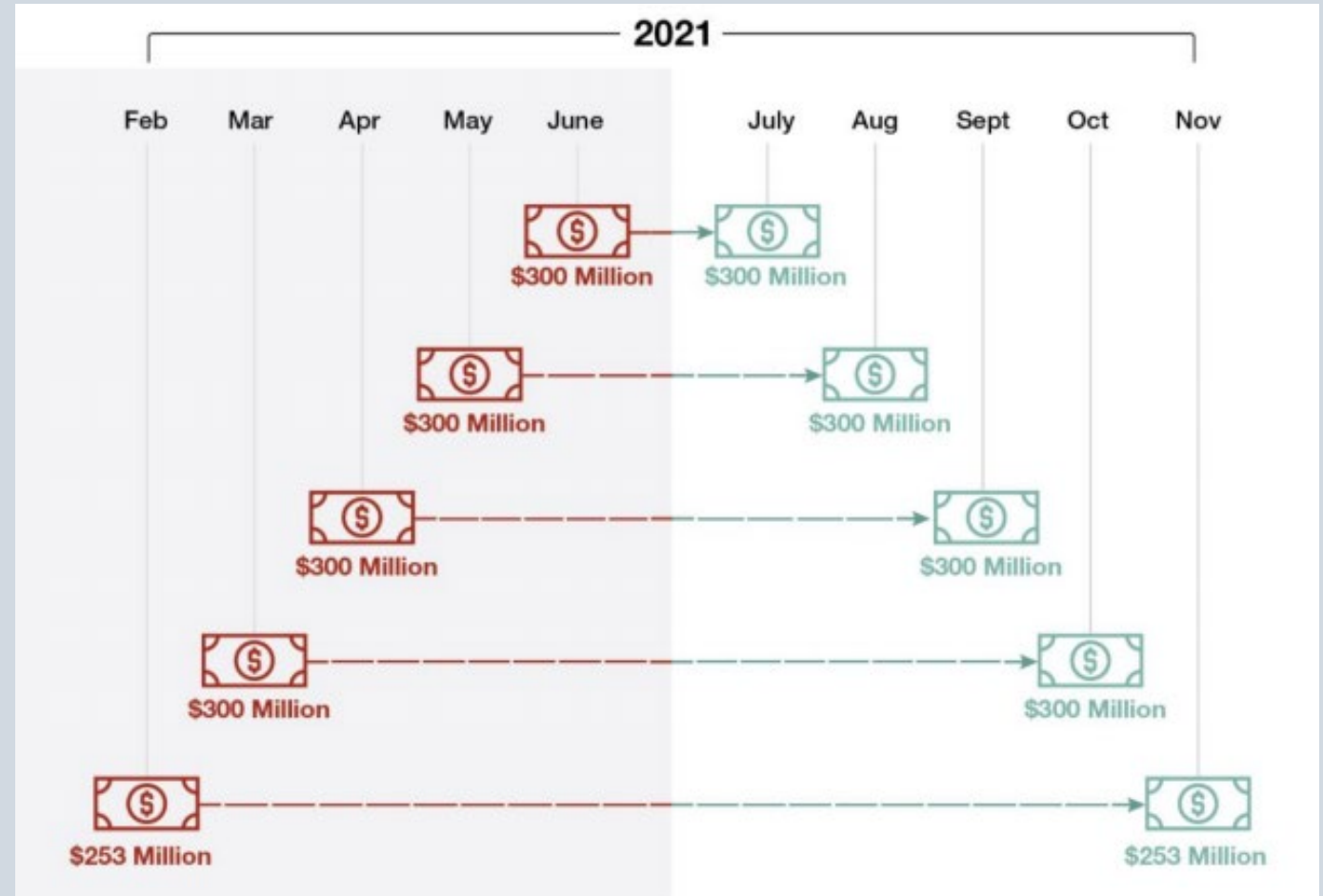
2020/21 Cash Deferrals

\$12.5 billion K-14

\$1.5 billion community colleges

\$5.2 million to Mendocino College

22% of our general apportionment





2020/21 Cash Borrowing Options

We are refining our cash flow projections to determine if we will need to borrow.

No cost: Internal borrowing – from cash balances within college-controlled funds

- \$2.3 million Special Reserve Fund
- \$600,000 Capital Projects Fund
- \$300,000 Student Center Fee Fund

No or low cost: Local borrowing

- County Treasury
- Mendocino County Office of Education
- College Foundation

Cost: Pooled borrowing

- Tax Revenue Anticipation Notes (TRANS)



Future fiscal challenges

State and Federal economic status

COVID Pandemic

\$12.5 billion K-14 funding shortfall increases by \$6 billion in 2021/22

- Can the State budget absorb \$18.5 billion to eliminate deferrals?
- Will the State have to cut \$18.5 billion from K-14 budgets?
- Will the State continue the deferrals into 2021/22?
- Can the lending market handle \$18.5 billion in borrowing?

STRS/PERS cost increases, temporary rate reductions, lower investment return rates

Student Centered Funding Formula, "Fiscal Cliff" what happens when the hold harmless ends in 2023/24? We will only be guaranteed funding at the 2017/18 level.