

LOS RIOS
COMMUNITY COLLEGE DISTRICT'S
ADOPTED BUDGET

October 14, 2020

2020-21 BUDGET ACT

Deferrals over reductions

- Triggered based on federal stimulus by October 15, 2020
- Los Rios may have to borrow externally

COVID-19 Block Grant

- \$5.6 million to mitigate impact at Los Rios
- Somewhat more flexible than CARES Act funding

Dreamers/Immigrant Support Services

- \$10 million ongoing statewide funding for immigrant legal services
- \$5.8 million ongoing statewide funding for dreamer liaisons

ENROLLMENT TREND

	2019	2020	Change
American River College			
Weekly Student Contact Hours	266,741	234,791	-11.98%
Unduplicated Students	32,786	31,039	-5.33%
Cosumnes River College			
Weekly Student Contact Hours	142,596	129,480	-9.20%
Unduplicated Students	14,618	13,664	-6.53%
Folsom Lake College			
Weekly Student Contact Hours	88,051	87,272	-0.88%
Unduplicated Students	9,119	8,855	-2.90%
Sacramento City College			
Weekly Student Contact Hours	200,884	172,842	-13.96%
Unduplicated Students	21,256	20,133	-5.28%
Los Rios Community College District			
Weekly Student Contact Hours	698,272	624,386	-10.58%
Unduplicated Students	77,779	73,691	-5.26%

X,Y,Z BUDGETS FOR LOS RIOS

All three budgets at the “hold harmless” level of \$324 million

- Same level of funding provided in 2019-20

X Budget assumes a 10% enrollment decline

- Assumes no improvements in demand for spring term

Y Budget assumes a 7.5% enrollment decline

- Assumes a modest improvement in demand for spring term

Z Budget assumes a 5% enrollment decline

- Assumes a substantial improvement in demand for spring term

Los Rios will operate at the X Budget level until additional revenues materialize

2020-21 BUDGET REDUCTIONS

10% reduction to the fall and spring instructional schedule

- Increased productivity may offset some or all of the reduction, but remains to be seen

10% reduction in vacancy factor for classified and management positions

- The early action to pause hiring makes this achievable

Significantly scaled back operational budgets

- Reductions reduce ability to support temporary classified and student help to levels in prior year

Utilize CARES Act and COVID Block Grant funding to mitigate costs

- Balance between meeting needs and understanding the financial difficulties of this recession

2020-21 FISCAL HEALTH

Prudent General Fund balance in-line with best practices

Additional flexible capital outlay reserves

Pre-funded pension contribution rate increases

Fully funded retiree benefits plan

Fully funded employee leaves

Fully funded self insurance program

“Low Risk” in the Fiscal Crisis Management Team’s Fiscal Health Risk Assessment

2021-22 FISCAL FORECAST

2020-21 cash is coming in ahead on schedule

- High wage earners have been less impacted by the recession
- Changes in tax payment timelines make data hard to

Economic forecasts are still between 3 to 5 years for a recovery

- Longer to get back to the levels in March 2020
- Vaccine development and opening the economy will determine recovery

Additional solutions will be needed in the 2021-22 Budget

- LAO is projecting a \$6.2 billion deficit in P98 for 2021-22

FUTURE CONSIDERATIONS

Vaccine development

- How quickly the economy opens and recovers

Federal stimulus

- Level of funding, timing of funding, and restrictions remain to be developed

Proposition 15 “split roll”

- Could mean \$15 to \$25 million annually for Los Rios

Health benefits

- Likely increased costs due to COVID disruption on healthcare sector



QUESTIONS