
Budget Committee

Budget Update

9-10-2020

Completing closing the books for FY2019/20

- ❖ Updated payroll
- ❖ Finalized purchase order carryovers
- ❖ Completed expense transfers
- ❖ All site postings completed

Work has begun on the 2020/21 Adoption Budget

- ❖ 2020-21 Adoption Budget being built with a 4% deficit**
- ❖ District Business Services finalizing beginning balance**
- ❖ Calculating projected payroll and benefits**
- ❖ Projecting Dedicated Local Income**
- ❖ Calculating the Income Allocation Model (IAM)**
- ❖ Presented for Board approval at the October meeting**

Revenue Reductions

- ❖ **2020-21 Adoption Budget being built with a 4% deficit**
- ❖ **Possible extended budget impacts**
- ❖ **Decreases in revenue from international student tuition**
 - ❖ **Was about \$3M in 2019-20**
 - ❖ **We originally budgeted for a 15% reduction in the Tentative Budget**
 - ❖ **We now anticipate that the reduction will be closer to 50%**

Steps to address expenditures issues

- ❖ **Curtailed travel**
- ❖ **Reduced expenses for hourly employees**
- ❖ **Monitoring expenditures**
- ❖ **Defunded a number of vacant faculty and staff positions**
- ❖ **Supplemental Early Retirement Plan**
- ❖ **Enrollment management**

Supplemental Early Retirement Plan (SERP)

- ❖ **Eligible employees were notified by Human Resources**
(at least 55-years-old with 10 or more years of full-time consecutive service as a contract employee as of December 18, 2020)
- ❖ **Will proceed only if participation level meets District's fiscal and operational objectives**
- ❖ **District will determine feasibility by October 10, 2020**
- ❖ **Board will formally approve SERP and retirements on October 26; final announcement on October 30**

Enrollment Management

- ❖ District-wide - fall headcount down 13.19%; FTES down 11.56%
- ❖ Grossmont – fall headcount down 9.41%; FTES down 12.97%
- ❖ District in *Hold Harmless* – funded at 2017-18 enrollment level even though enrollment has dropped significantly
- ❖ Strong focus on enrollment management over the next 3 years as the district transitions out of *Hold Harmless*
- ❖ Marketing and outreach campaign – text messages, phone calls, dual enrollment

Thank you.

