



# Budget Committee Agenda

Wednesday, September 23, 2020  
Zoom ID: 96690836791  
2:30 p.m. - 3:30 p.m.

**Type of Meeting:** *Regular*  
**Please Review/Bring:** *Agenda, Minutes and Supporting Documents*

**Committee Members:**

Sarah Miller, Co-Chair	Exec Director of Fiscal & Financial Services (Co-Chair)
Ty Mettler, Co-Chair	Academic Senate President Designee (Co-Chair)
Wendy Rider	Adjunct Faculty
Cameron Zappetta	Associated Student Organization
Wade Saari	Classified
Nichelle Williams	Confidential, Management, Supervisory
Riley Dwyer	Dean of Academic Affairs
LaDonna Trimble	Dean of Student Services
Svetlana Deplazes	Enrollment Management Committee
Jared Simmons	Facilities
Karen Heinzman	Faculty
Harmony Miller	Human Resources
Rick Shaw	Information Technology Committee
Vacant	Outcomes Committee
Richard Fleishman	Program Review Committee
Vanessa Gibson	Student Success Committee
Pamela Ford	Classified Union
Violet Christopher	Faculty Union
<b><u>Ex-Officios:</u></b>	
Vacant	VP Academic Affairs
Jennifer Burchett	VP HR & Employee Relations
Erin Vines	VP Student Services
Ed Knudson	Superintendent/President

Items	Person	Action / Notes
<b>I. Introduction of New Members</b>	Ms. Miller	<ul style="list-style-type: none"> <li>Wendy Rider</li> <li>LaDonna Trimble</li> </ul>
<b>II. Approval of Minutes:</b> May 27, 2020 Meeting	Ms. Miller	
<b>III. Information Items:</b> Presentation of 2020-2021 Adopted Budget	Ms. Miller/ Ms. Diana Keelen	



**NEXT MEETING DATE:**

**October 28, 2020**

**2020 Meetings: ~~7/22~~, ~~8/26~~, 9/23, 10/28, 11/25**

**2021 Meetings: 1/27/21, 2/24, 3/24, 4/28, 5/26, 6/23**

**Next Joint BC and SPC Meeting: TBD**



# Budget Committee Minutes

Wednesday, May 27, 2020  
Via Zoom Teleconference  
2:30 p.m. – 3:30 p.m.

**Type of Meeting:** *Regular*  
**Note Taker:** *Rhonda Burgess*

**Committee Members:**

Diana Keelen, Co-Chair	Executive Director of Business Services (Co-Chair)
Van Rider, Co-Chair	Academic Senate President or Designee (Co-Chair)
Kevin North	Adjunct Faculty Representative
Cameron Zappetta	ASO Representative
Wade Saari	Classified Representative
Nichelle Williams	CMS Representative
Riley Dwyer	Dean of Academic Affairs
Jill Zimmerman	Dean of Student Services
Svetlana DePlazes	Enrollment Management Committee
Jared Simmons	Facilities (Proxy, CJ Rohr)
Karen Heinzman	Faculty Staff
Harmony Miller	Human Resources
Rick Shaw	Information Technology Committee
VACANT	<i>Outcomes Committee</i>
Richard Fleishman	Program Review Committee
Vanessa Gibson	Student Success Committee
Pamela Ford	Classified Union
Violet Christopher	Faculty Union

**Ex Officios:**

Jennifer Burchett	VP HR & Employee Relations, Ex-Officio
Erin Vines	VP Student Services, Ex-Officio
Les Uhazy	Interim, VP Academic Affairs, Ex-Officio
Ed Knudson	Superintendent/President

Items	Person	Action
I. <b>Approval of Minutes:</b> January 22, 2020 Meeting	Ms. Keelen	Minutes were approved as presented.
II. <b>Information Items:</b> Budget Committee Chair	Ms. Keelen	Introduced Sarah Miller, Controller of Business Services as the Co-Chair when Diana Keelen departs.
III. Transfer of Representation on Budget Committee	Ms. Keelen	Karen Heinzman is moved from representing the Outcomes Committee to represent Faculty.



IV. 2020 Tentative Budget Presentation	Ms. Keelen	The 2020 Tentative Budget was presented by Ms. Keelen.
<b>NEXT MEETING DATE:</b> <b>June 24, 2020</b>		



# 2020-2021 Adopted Budget Presentation Budget Committee Meeting

September 23, 2020

Sarah Miller, Chief Business Official

# Topics

- Timeline
- Prior Year Recalculation
- 2019-2020 Draft Estimated Actuals
- Key Budget Points for Community College Budgets
- Budget Assumptions
- Deferrals & Cash Flow
- 2020-2021 Draft Budget
- 3-year Budget Projection
- FCMAT Deficit Spending
- Reserves



# Timeline

- Due to the impact of COVID-19 on the budget development process, Governor Newsom temporarily extended tax filing by 60 days. As a result, the California Community College Chancellor’s Office issued a guidance memorandum on May 13, 2020 extending dates as follows:

College District Financial Reporting Requirement	Regulatory Due Date	New Due Date	CCR Title 5 Section
Submit tentative budget to county officer.	1-Jul	1-Aug	58305(a)
Make available for public inspection a statement of prior year receipts and expenditures and current year expenses.	15-Sep	31-Oct	58300
Hold a public hearing on the proposed budget. Adopt a final budget.	15-Sep	31-Oct	58301 58305(c)
Complete its adopted annual financial and budget report and make public.	30-Sep	15-Nov	58305(d)
Submit an annual financial and budget report to Chancellor’s Office.	10-Oct	30-Nov	58305(d)
Submit the annual audit report to the Chancellor’s Office.	31-Dec	28-Feb	59106



# Prior Year Recalculation Student Centered Funding Formula (SCFF)

- Antelope Valley College received an increase in the February 2020 recalculation due to the demographic component of the new Student Centered Funding Formula (SCFF)
- Due to limitation of funding, SCFF was not fully implemented in 2018-2019
- 2018-2019 Second Period Apportionment showed revenue using 2017-2018 as a base plus no more than 8.13%
- Two scenarios in the 2019-2020 adopted budget showing the P2 figures versus the SCFF implementation
- February 2020 recalculation implemented funding for SCFF
- AVC received an additional \$8 million above budgeted levels. SCFF incorporated in AVC budgets for 2020-2021.





# 2019-2020 Draft Unrestricted Estimated Actuals

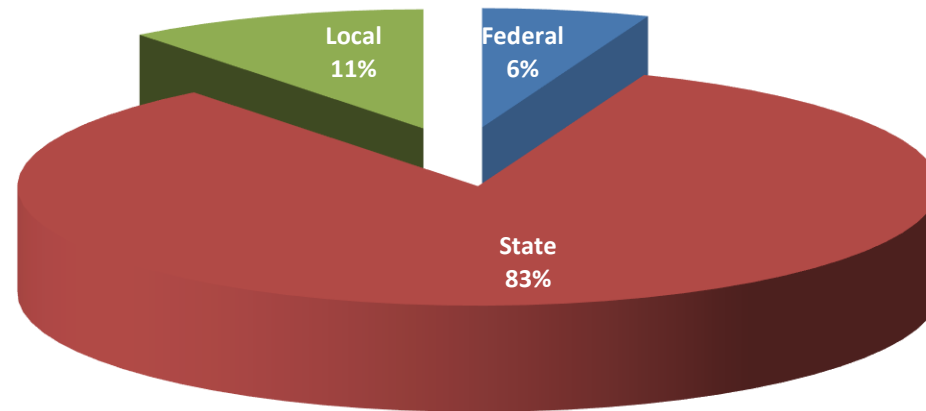
## 2019-2020 Estimated Actuals

<b><i>BEGINNING FUND BALANCE</i></b>	14,332,545
Total Revenue	88,932,082
Total Expenditures & Other Outgo	79,049,670
Total Ending Fund Balance	24,214,957
Surplus/(Deficit)	9,882,412
Assigned Aside for Categorical Salaries + Benes	-500,000
Reserved for OPEB Trust/Cash flow deferrals	-6,200,000
Assigned for Emergency Reserve Up to 3% Goal (Per AP 6305)	0
Reserved for Pension Stabilization (Per BP 6250)	0
<b>Unassigned Ending Fund Balance</b>	<b>17,514,957</b>
Reserve % (Per BP 6200) 12% min/15% goal	22.2%

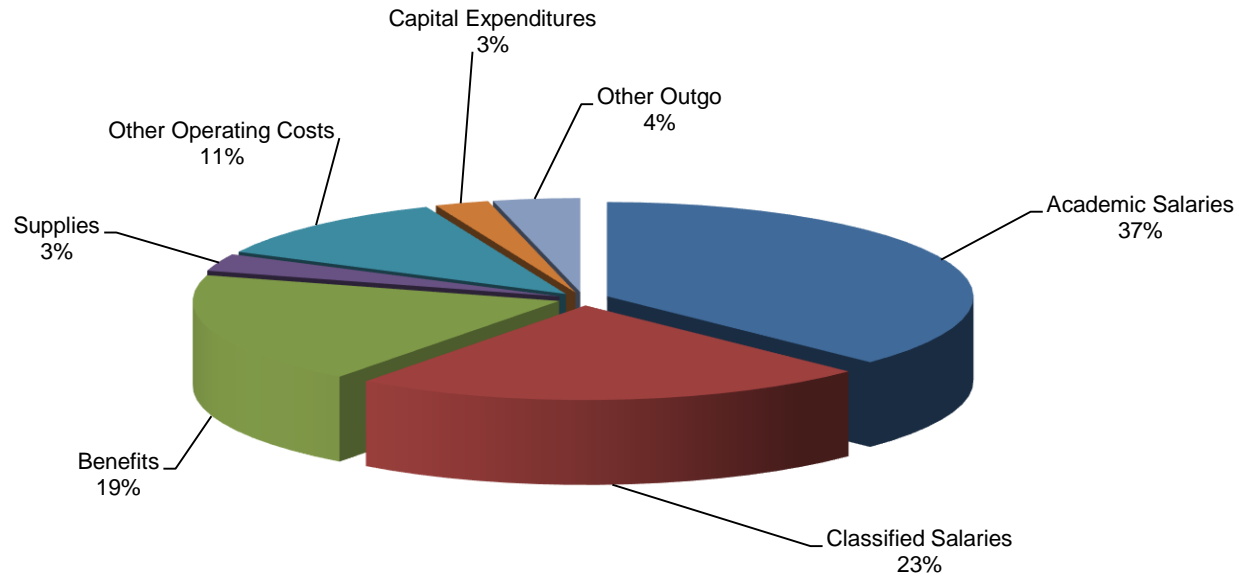
\*Includes a 2% revenue deficit on Total Computational Revenue (TCR)



# General Fund 2019-2020 Revenue



# General Fund 2019-2020 Expenditures



# Antelope Valley College 2019-2020 Estimated Actuals

2019-2020 Estimated Actuals										
Fund	Name	Beginning Balance	Revenue	Expenditures	Ending Balance	Committed/Assigned Reserves	Surplus/Deficit	Unassigned Balance	Reserve	% of overall budget
	<i>General Fund</i>									
10	Unrestricted	14,332,545	88,932,083	79,049,670	24,214,958	(6,700,000)	9,882,413	17,514,958	22.2%	39.10%
13 & 14	Restricted	1,878,361	20,331,788	20,891,053	1,319,096		(559,265)			10.33%
21	Bond Interest & Redemption	13,599,065	28,072,115	18,714,892	22,956,288		9,357,223			9.26%
41	Capital Outlay Fund	4,374,078	2,518,445	5,234,404	1,658,119		(2,715,959)			2.59%
42	Revenue Bond Construction	91,850,782	96,670,751	38,052,664	150,468,870		58,618,088			18.82%
51	Enterprise Operations/Auxiliary Services	674,184	913,938	913,938	674,184		0			0.45%
33	Child Development Center	312,980	806,072	834,163	284,889		(28,091)			0.41%
72	Student Rep	342,718	39,441	11,857	370,302		27,584			0.01%
74	Financial Aid	1,030,858	37,685,000	38,036,118	679,740		(351,118)			18.81%
75	Scholarships & Loan	31,112	422,923	422,912	31,123		11			0.21%
<b>Antelope Valley College Budget</b>			<b>276,392,556</b>	<b>202,161,671</b>			<b>74,230,885</b>			<b>100.00%</b>

# Key Points for Community College Budgets

- Significant impacts to revenue due to COVID-19 & State shut down
- As opposed to cuts, the state is deferring \$1.5 billion in payments
- No COLA; 19-20 rates remain in place for 20-21 SCFF funding
- SCFF hold harmless for majority of districts extended to 23-24
- Investment in Pension buy down
  - CalSTRS: goes from 18.41% to 16.15% in 20-21 and 17.9% to 16.02% in 21-22
  - CalPERS: goes from 22.67% to 20.7% in 20-21 and from 24.6% to 22.84% in 21-22

# Chancellor's Office Joint Analysis Other Key Points

- Student Equity and Achievement Program: Need to establish campus food pantries in order to receive funding
- Classified Employees: Must maintain all classified employees in nutrition, transportation and custodial in 2020-2021
- Short-Term Workforce Training Programs: Expedites short term career tech courses to address COVID-19 impacts
- Fifty Percent Law: Exempts COVID-19 related expenses in Current Cost of Education (CCE) through June 2021
- Student Aid: Redirects \$15 million in Dreamer's funding to provide emergency financial aid for undocumented students; also fully funds Cal Grant program and provides \$250 thousand for a student loan working group
- Consolidation Proposal Deferred: Defers to a later date the consolidation of multiple, disparate funding streams for system support and accountability
- Capital Outlay: AVC's Gym Renovation on state approved funding list

# Deferrals

- System total \$1.043 billion deferred into 2021-2022; AVC portion is \$13,460,108

Programs	Amount Certified	Jul-20 Payment	Aug-20 Payment	Sep-20 Payment	Oct-20 Payment	Nov-20 Payment	Dec-20 Payment	Jan-21 Payment	Feb-21–Jun-21 Payments	Total Payments
STATE GENERAL APPORTIONMENT	56,613,859	7,038,674	4,468,994	8,630,750	7,192,292	6,473,063	3,596,146	5,753,832	0	43,153,751

- Student Equity & Achievement categorical funding also being deferred

Programs	Amount Certified	Jul-20 Payment	Aug-20 Payment	Sep-20-June-21 Payment
STUDENT EQUITY AND ACHIEVEMENT	5,979,526	478,362	58,116	0

- Cash flow template created for monthly monitoring
- Proposing a set aside of 2019-2020 ending balance in 2020-2021, which will mitigate TRAN borrowing



# Deferrals & Cash flow

- Feb 2021 - Jun 2021 payments deferred; Planned Repayment schedule as follows:

Deferral Repayments (General Fund Apportionment)

DistName	Certification	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021 thru Jun 2022	Total YTD
Statewide Totals	\$ 1,043,770,794	\$ 208,754,150	\$ 208,754,155	\$ 208,754,167	\$ 208,754,155	\$ 208,754,167	\$ -	\$ 1,043,770,794
<b>Antelope Valley CCD</b>	<b>13,460,108</b>	<b>2,692,021</b>	<b>2,692,022</b>	<b>2,692,022</b>	<b>2,692,021</b>	<b>2,692,022</b>	-	<b>13,460,108</b>

- The plan included the potential for federal stimulus funding to be received in October 2020, which would release \$791 million of deferred funds to Districts; challenge in doubling up payments if federal funding not achieved. Due to Congress unable to reach a deal, federal stimulus funding is not anticipated until after the November 2020 election.



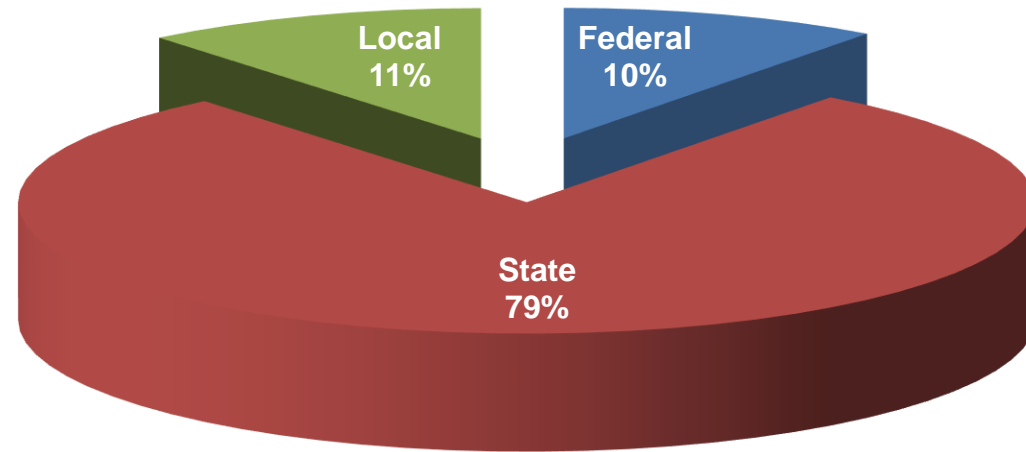


# 2020-2021 Unrestricted Fund Draft Budget

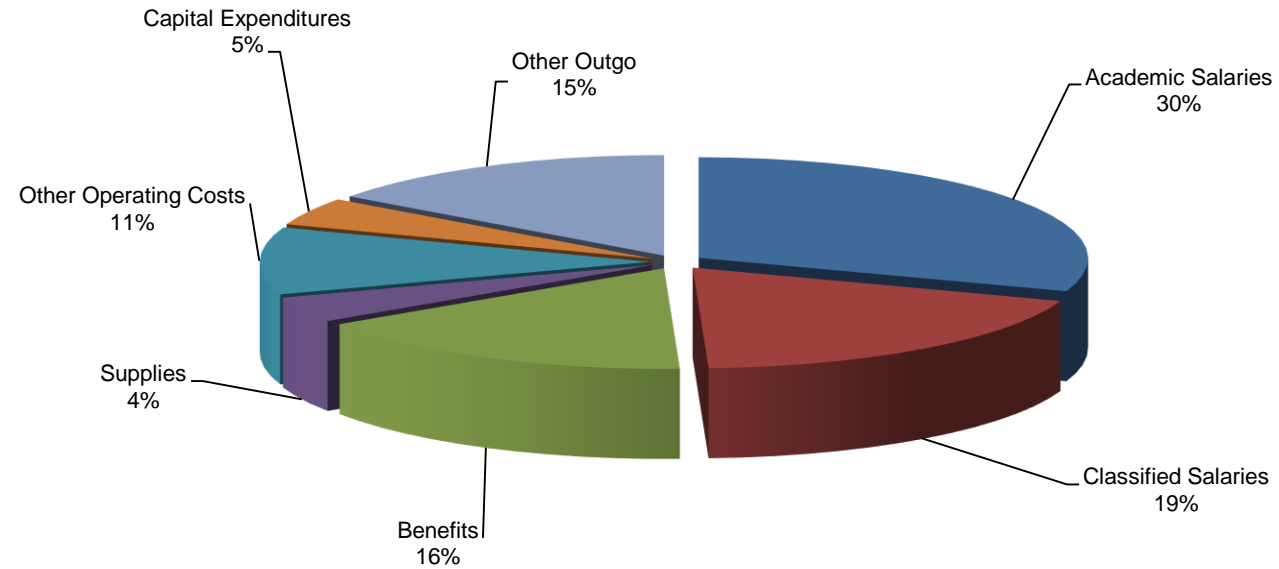
2020-2021 Adopted Budget  
10% State Revenue Reduction

<b><i>BEGINNING FUND BALANCE</i></b>	24,214,957
Total Revenue	74,050,818
Total Expenditures & Other Outgo	82,750,761
Total Ending Fund Balance	15,515,015
Surplus/(Deficit)	-8,699,943
Assigned Aside for Categorical Salaries + Benes	-500,000
Reserved for OPEB Trust/Cash flow deferrals	0
Assigned for Emergency Reserve Up to 3% Goal (Per AP 6305)	-100,000
Reserved for Pension Stabilization (Per BP 6250)	0
<b>Unassigned Ending Fund Balance</b>	<b>14,915,015</b>
Reserve % (Per BP 6200) 12% min/15% goal	18.0%

# General Fund 2020-2021 Revenue



# General Fund 2020-2021 Expenditures



# Antelope Valley College 2020-2021 Budget

2020-2021 Adopted Budget										
Fund	Name	Beginning Balance	Revenue	Expenditures	Ending Balance	Committed/Assigned Reserves	Surplus/Deficit	Unassigned Balance	Reserve	% of overall budget
<i>General Fund</i>										
10	Unrestricted	24,214,958	74,050,818	82,750,761	15,515,015	(600,000)	(8,699,943)	14,915,015	18.0%	30.04%
13 & 14	Restricted	1,319,096	38,539,818	38,461,340	1,397,573		78,478			13.96%
21	Bond Interest & Redemption	22,956,288	11,467,846	19,919,201	14,504,933		(8,451,355)			7.23%
41	Capital Outlay Fund	1,658,119	2,356,282	2,923,068	1,091,334		(566,786)			1.06%
42	Revenue Bond Construction	150,468,870	3,343,497	88,181,535	65,630,832		(84,838,038)			32.01%
51	Enterprise Operations/Auxiliary Services	674,184	795,254	906,957	562,480		(111,703)			0.33%
33	Child Development Center	284,889	887,437	887,437	284,889		0			0.32%
72	Student Rep	370,302	35,837	25,000	381,139		10,837			0.01%
74	Financial Aid	679,740	40,996,581	40,974,974	701,347		21,607			14.87%
75	Scholarships & Loan	31,123	465,218	465,203	31,138		15			0.17%
<b>Antelope Valley College Budget</b>			<b>172,938,589</b>	<b>275,495,477</b>			<b>(102,556,888)</b>			<b>100.00%</b>

# Multi-Year Budget Assumptions

- 10% TCR Reduction in 2020-2021
- 5% TCR Reduction in 2021-2022 & 2022-2023
- Flat enrollments over the next 3 years (so far ~520 FTES reduction in Summer & Fall 2020). Revenue reductions to help cover shortfalls in FTES.
- Step & Column Increases
- Adjusted Pension Rates
- No resource allocation funding; waiting for a better state funding picture



# 3-Year Unrestricted Fund Projection

	2020-2021 Adopted Budget 10% State Revenue Reduction	2021-2022 Projected Budget 5% State Revenue Reduction	2022-2023 Projected Budget 5% State Revenue Reduction
<b>BEGINNING FUND BALANCE</b>	24,214,957	15,515,015	9,016,124
Total Revenue	74,050,818	78,045,112	78,045,112
Total Expenditures & Other Outgo	82,750,761	84,544,002	85,036,376
Total Ending Fund Balance	15,515,015	9,016,124	2,024,860
Surplus/(Deficit)	-8,699,943	-6,498,891	-6,991,264
Assigned Aside for Categorical Salaries + Benes	-500,000	-500,000	-500,000
Reserved for OPEB Trust/Cash flow deferrals	0	0	0
Assigned for Emergency Reserve Up to 3% Goal (Per AP 6305)	-100,000	-100,000	-100,000
Reserved for Pension Stabilization (Per BP 6250)	0	0	0
<b>Unassigned Ending Fund Balance</b>	<b>14,915,015</b>	<b>8,416,124</b>	<b>1,424,860</b>
Reserve % (Per BP 6200) 12% min/15% goal	18.0%	10.0%	1.7%



# FCMAT Checklist on Deficit Spending

There is a section in the FCMAT Fiscal Risk Health Analysis for Community Colleges checklist that covers deficit spending:

## Deficit Spending

- 7.1 Is the district avoiding a structural deficit in the current and two subsequent fiscal years? (A structural deficit is when ongoing unrestricted expenditures and contributions exceed ongoing unrestricted revenues.)
- 7.2 If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending?
- 7.3 Has the district decreased deficit spending over the past two fiscal years?

# Reserves

## Unrestricted Ending Fund Balance Reserve Comparables

