



# Governor's Proposed FY 2021-22 Budget

## FY 2021-22 Resource Request Update

PBC

GRACIANO MENDOZA

FEBRUARY 4, 2021

# AGENDA

1. Highlights from Dr. McEntire's Economic Outlook Presentation
2. Governor's Proposed Budget for FY 2021-22
3. FY 2021-22 Resource Request Update -Personnel Requests

# 1. HIGHLIGHTS FROM DR. McENTIRES ECONOMIC OUTLOOK PRESENTATION

Association of California Community College Administrators/  
Association of Chief Business Officials

## 2021 Annual Budget Workshop

Presented By:

**Robert McEntire, EdD**  
Director, Management Consulting Service

**School  
Services  
of California**  
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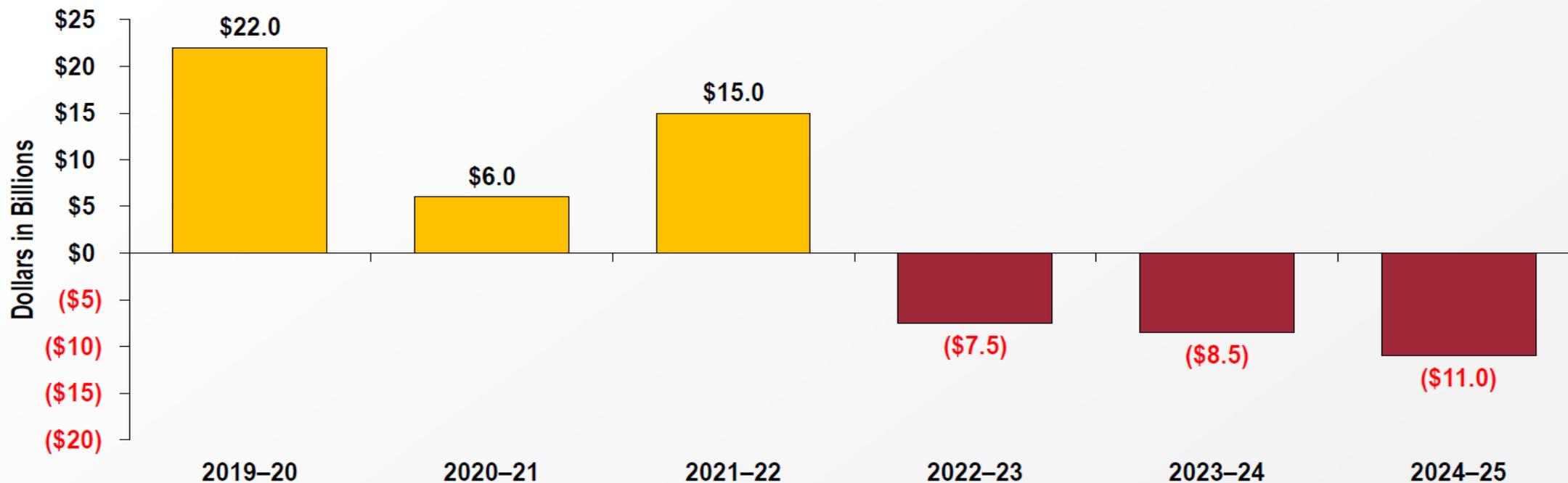


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# Surplus and Shortfalls—California Budget

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### Budget Projects Surplus and Future Shortfalls<sup>1</sup>

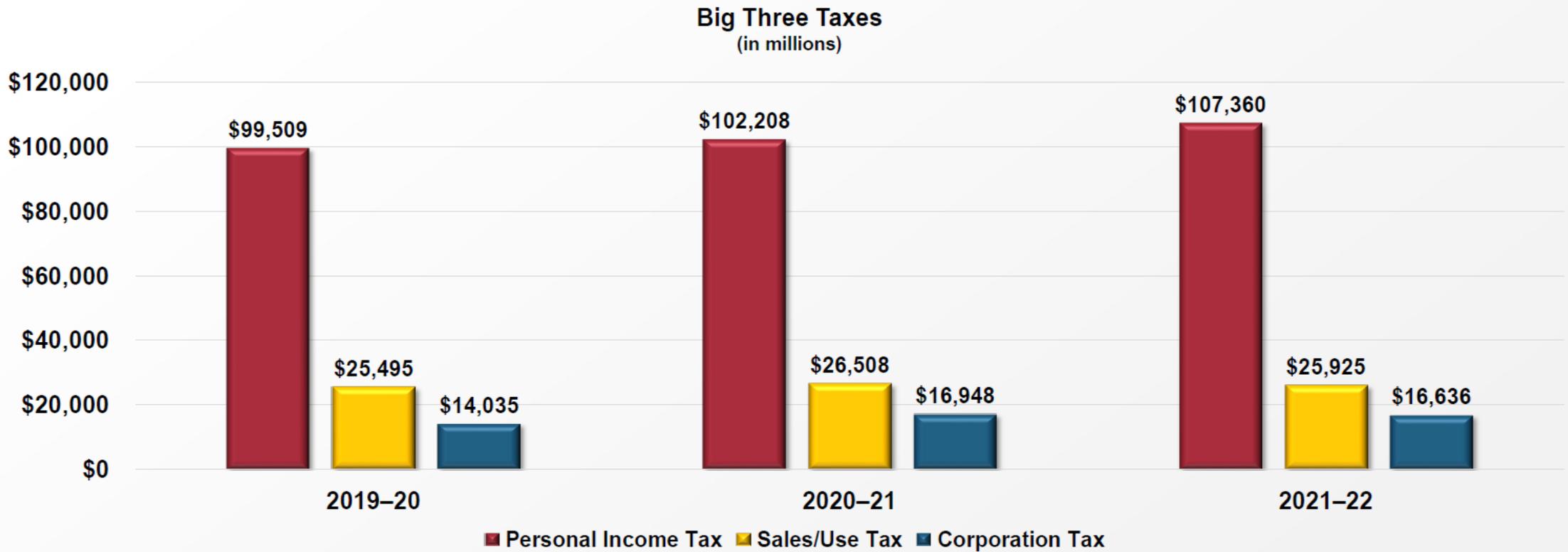


<sup>1</sup>Budget shortfalls or surplus, measured by the annual Governor's Budget

Source: 2021–22 Governor's Budget Summary, page 3

# Estimate for the Big Three Revenues

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Source: 2021-22 Governor's Budget Summary

## UCLA California Forecast Key Indicators

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	2020	2021	2022	2023
<b>Employment</b>	<b>-8.3%</b>	<b>6.1%</b>	<b>3.4%</b>	<b>2.2%</b>
<b>Unemployment</b>	<b>10.3%</b>	<b>6.9%</b>	<b>5.2%</b>	<b>4.4%</b>
<b>Housing (units)</b>	<b>106</b>	<b>123</b>	<b>129</b>	<b>132</b>

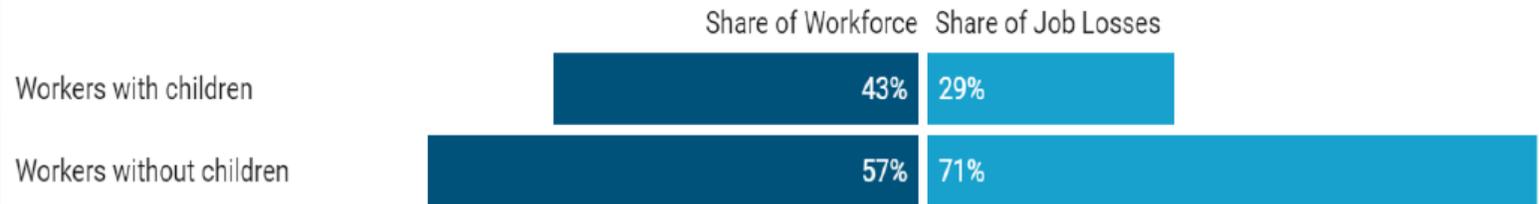


# Impacts to California Unemployment

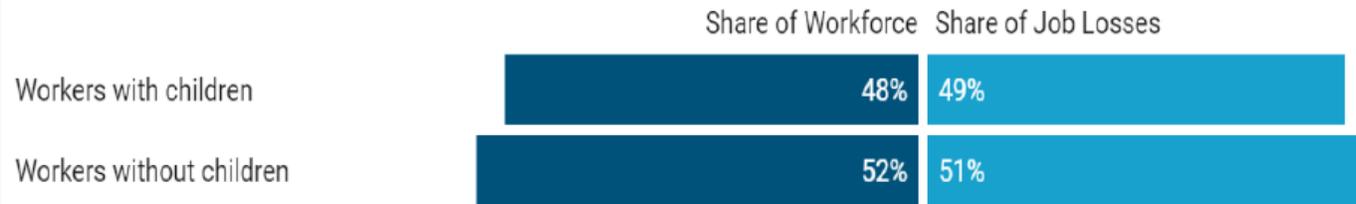
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- Not all recessions are created equal
  - COVID-19 job losses concentrated among workers without children
  - Demonstrates disparate impact to younger workers in service sectors with leisure and hospitality being impacted the most

## COVID-19



## Great Recession



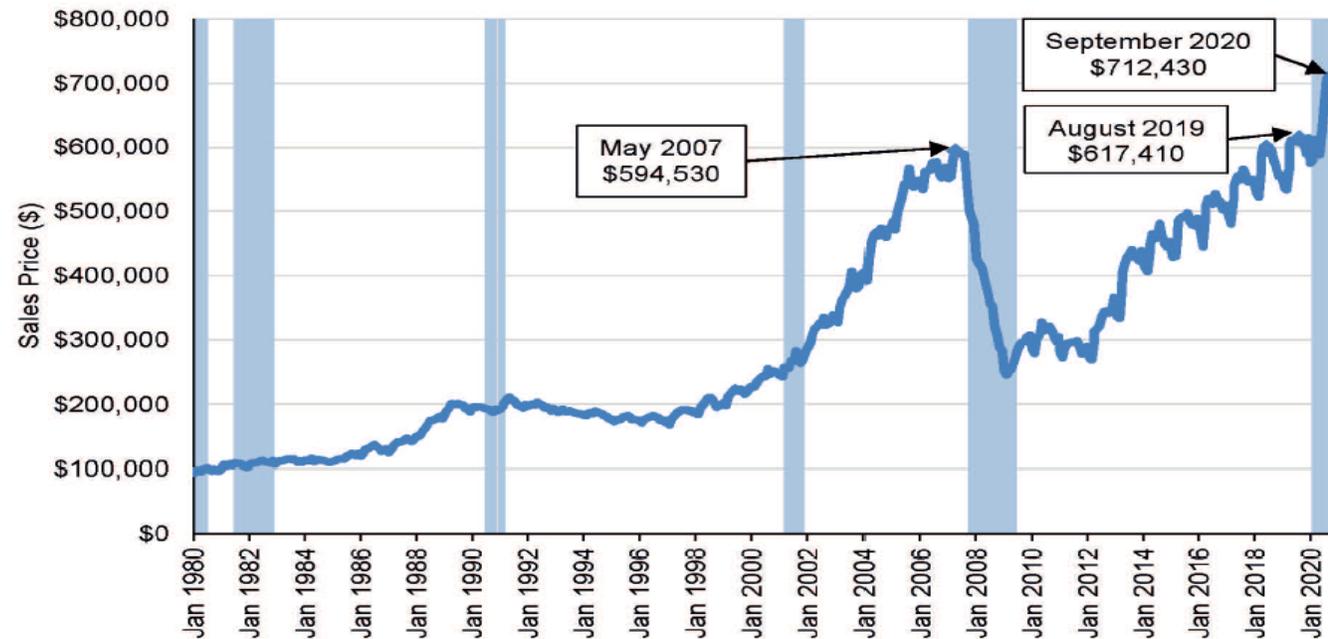
COVID-19: Share of workforce as of February 2020 and share of job losses as of September 2020. Great Recession: Share of workforce summer 2007 and share of job losses as of winter 2009/2010.

Chart: Legislative Analyst's Office • Source: Current Population Survey • Created with [Datawrapper](#)

# California Median Home Prices

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**California Median Home Sales Price of Existing Single-Family Homes**  
Monthly, January 1980 through November 2020



Shaded areas indicate U.S. recessions.  
Source: California Association of Realtors.

## Risks to the California Economy and the State Budget

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- **Commercial real estate market collapse**
  - **Commercial real estate (office and retail) vacancy rates rising and work from home could be the start of a fundamental shift in how business gets done**
  - **Residential rental real estate in high-cost city centers**
    - **San Francisco rents down 25% since start of COVID-19**
    - **Fresno, Bakersfield, Chula Vista, and San Diego suburbs are beneficiary communities where rents are raising**
- **Ability of small businesses to endure pandemic economy**
- **Lower-than-expected roll out or efficacy of vaccination**
- **Many left the workforce due to lack of affordable childcare and the slower-than-expected reopening of schools**



## **2. GOVERNOR'S PROPOSED FY 2021-22 BUDGET**

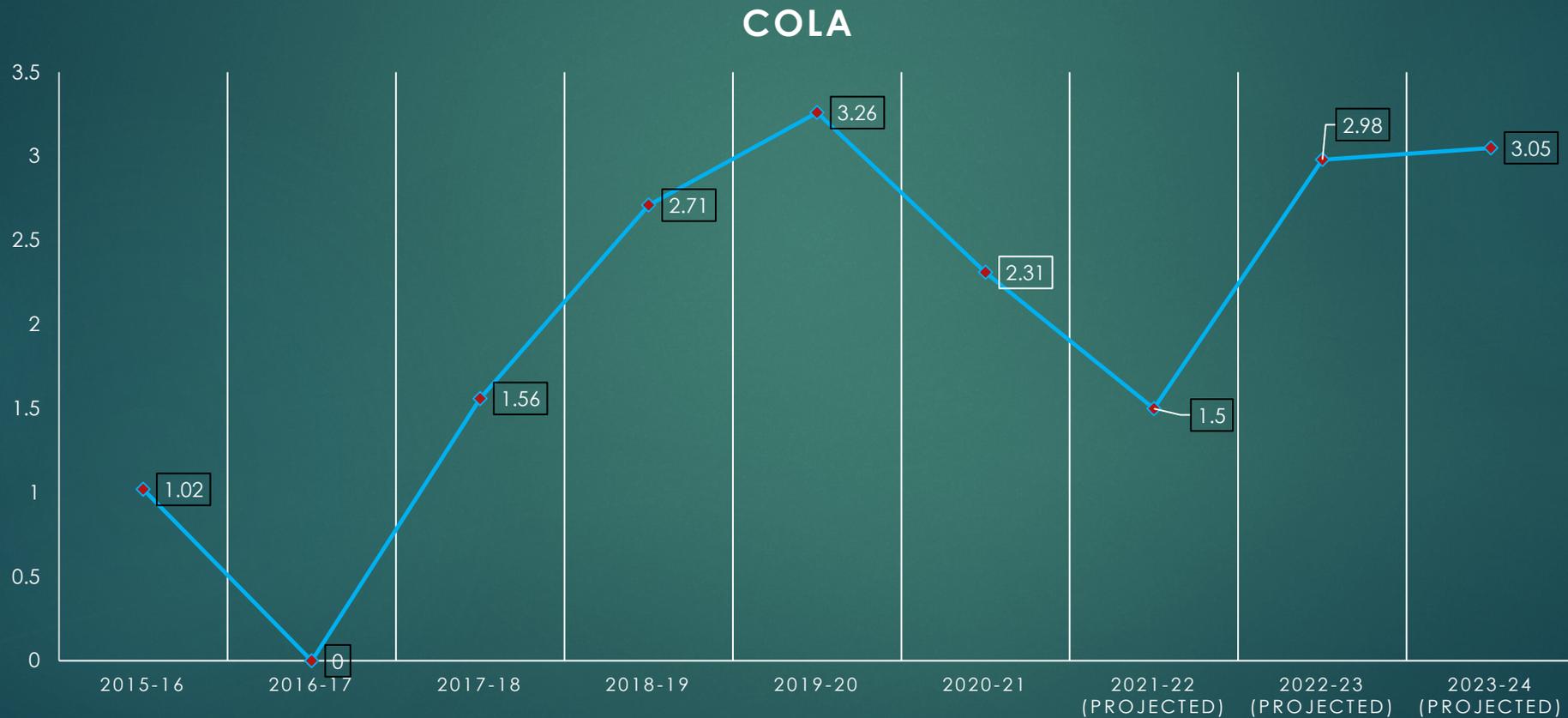
# HIGHLIGHTS FROM GOVERNOR'S FY 2021-22 PROPOSED BUDGET

- ▶ \$23.1 million for 0.5% enrollment growth and \$111.1 million to reflect a 1.5% cost-of-living adjustment (COLA)
- ▶ \$20 million one-time for retention and re-enrollment strategies
- ▶ \$1.1 billion deferral pay down, leaving less than \$327 million for 2021-22
- ▶ \$150 million for emergency financial assistance for low-income working students
- ▶ \$100 million to address food and housing insecurity among community college students
- ▶ \$30 million to support student technology access and internet connectivity
- ▶ \$10.6 million to support the continuity of education and quality distance learning

# HIGHLIGHTS FROM GOVERNOR'S FY 2021-22 PROPOSED BUDGET

- ▶ \$15 million to augment the California Apprenticeship Initiative
- ▶ \$20 million to expand work-based learning models and programs at community colleges
- ▶ \$2.5 million for community colleges to provide instructional materials for dual enrollment
- ▶ \$20 million one-time increase for faculty professional development
- ▶ \$15 million one-time to expand Zero-Textbook Cost Pathways
- ▶ \$600k one-time for anti-racism initiatives
- ▶ No Scheduled Maintenance Funds
- ▶ \$355.8 in increased bond funds for capital outlay projects

# COLA TRENDS & PROJECTIONS



# HIGHER EDUCATION STIMULUS PACKAGE

- ▶ COVID-19 Relief Bill -\$900 billion
  - ▶ \$20.2b Higher Education Emergency Relief Fund
  - ▶ California Community Colleges \$1.2b
  
- ▶ SMCCCD ALLOCATION:

Site	Minimum Amount for Student Grants	% of Estimated Minimum Amount for Student Grants	Estimated Minimum Amount for Institutional Portion	% of Estimated Minimum Amount for Institutional Portion	Simulated Total Allocation
Cañada College	549,272	19%	2,387,950	81%	2,937,222
College of San Mateo	1,021,430	22%	3,550,172	78%	4,571,602
Skyline College	1,245,790	21%	4,607,149	79%	5,852,939
<b>Total District</b>	<b>\$ 2,816,492</b>	<b>21%</b>	<b>10,545,271</b>	<b>79%</b>	<b>\$ 13,361,763</b>

# HIGHER EDUCATION STIMULUS PACKAGE

## ▶ Allowable Uses

- ▶ Defraying expenses associated with COVID-19 (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, and payroll)
- ▶ Carrying out student support activities authorized by HEA that address needs related to coronavirus
- ▶ Providing financial aid grants to students (including students exclusively enrolled in distance education)
- ▶ Like the CARES Act, the provision of this stimulus bill do not restrict colleges' ability to provide aid to students based on their immigration status

# FURTHER CONSIDERATIONS

- ▶ External Factors

- ▶ Trends in Assessed Property Taxes
- ▶ California State Economy -projected future structural deficits
- ▶ Continued COVID-19 Related Expenditures

- ▶ Local Factors

- ▶ Terminating Grants –personnel associated with expiring grants and related programmatic changes
- ▶ Non-resident/International Student Enrollment Trends
- ▶ Meeting College needs as identified through the FY 2021-22 Resource Request Process
- ▶ Anticipated weakening Auxiliary Support

QUESTIONS?



### **3. FY 2021-22 RESOURCE REQUEST PROCESS -PERSONNEL REQUESTS**

# CRITERIA & OTHER CONSIDERATIONS

- Academic Senate's Recommendations
- Classified Senate's Recommendations
  
- *Federal or State Mandates*: is the position required by the State or federal government and/or is it essential to keep the College in compliance with federal or state laws and regulations?
- *SMCCCD Board Recommendation*: has our Board of Trustees recommended that we hire the position?
- *Non-Fund-1 matching or supplemental funding availability*: are there other (non-General Fund) funds available that could pay for all or a good portion of the position?
- *Support for the College's strategic priorities*: does the position further the College's ability to achieve its strategic goals and immediate priorities?

# GROUP 1: POSITIONS TO BE FUNDED FOR FY 2021-22

Position	Federal or state compliance	SMCCCD Board recommendation	Non General Funds available for FY21-22	Supports College goals and priorities	Currently funded with an expiring grant	Proposed Start Date
<b>GROUP 1: February, 2021 decision milestone</b>						
Dream Center Program Services Coordinator (partial FTE)	x		x	x		TBD
Faculty - Biology		x		x		Fall 2021
Faculty - EOPS Counselor (full-time, tenure-track) - mostly funded via categoricals			x	x		TBD
Faculty - Ethnic Studies Faculty	x	x		x		Fall 2021
Faculty - International Counselor (convert from temporary to permanent, tenure track)				x		TBD
Faculty - Kin. Instructor/Head Coach		x		x		Fall 2021

# GROUP 2: FUNDING DECISION PENDING ECONOMIC UPDATE RELEASED WITH MAY REVISE (MAY – June 2021)

Position	Federal or state compliance	SMCCCD Board recommendation	Non General Funds available for FY 21-22	Supports College goals and priorities	Currently funded with an expiring grant	Proposed Start Date
<b>GROUP 2: May-June, 2021 decision milestone (pending May revise)</b>						
.48 OAI for Food Pantry (partial FTE)				x		TBD
2 Retention Specialists for Guided Pathways Interest Areas (one is currently grant funded)				x	x	TBD
EPIC Coordinator / Peer Mentoring Coordinator (combined position)				x	x	TBD
Financial Aid PSC	x			x		TBD
Library Support Specialist (from 11 to 12 months/year) (partial FTE)				x		TBD
STEM Center Project Director				x	x	TBD
Vacant Faculty Positions in other Departments				x		TBD

QUESTIONS?