LOS RIOS COMMUNITY COLLEGE DISTRICT’S ADOPTED BUDGET

October 14, 2020
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

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