2020/21 Budget Summary
### 2019/20 Actuals (unaudited)

**Fiscal year ended June 30, 2020**

<table>
<thead>
<tr>
<th>General Fund - Unrestricted</th>
<th>April Revise Budget</th>
<th>Unaudited Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Reserves</td>
<td>$6,754,373</td>
<td>$6,754,373</td>
</tr>
<tr>
<td>Deficit Spending</td>
<td>($921,641)</td>
<td>($288,721)</td>
</tr>
<tr>
<td>Ending Reserves</td>
<td>$5,832,732</td>
<td>$6,465,652</td>
</tr>
<tr>
<td>Percent of Expenditures</td>
<td>21.87%</td>
<td>24.23%</td>
</tr>
</tbody>
</table>
2020/21 State Budget

• $54 billion deficit
• 0% COLA on apportionment (2.31% statutorily required)
• SCFF hold harmless extended through 2023/24
• No cuts to apportionment or categorical programs
• Massive cash deferrals ($1.5 billion) to 2021/22
  • Up to $751 million could be avoided if Congress approves additional COVID relief
## 2020/21 College Budget

<table>
<thead>
<tr>
<th>General Fund - Unrestricted</th>
<th>Adopted Budget</th>
<th>Expenditure reductions ($1.7 million):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Reserves</td>
<td>$6,465,652</td>
<td>$350,000 – fewer class sections</td>
</tr>
<tr>
<td>Deficit Spending</td>
<td>($1,025)</td>
<td>$340,000 – hold on hiring permanent positions</td>
</tr>
<tr>
<td>Ending Reserves</td>
<td>$6,464,627</td>
<td>$265,000 – 25% cut to supplies/services</td>
</tr>
<tr>
<td>Percent of Expenditures</td>
<td>25.47%</td>
<td>$234,000 – Health insurance cost containment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$200,000 – hiring fewer temporary employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$275,000 – sign language interpreting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$50,000 – utility savings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$50,000 – hold on computer refresh cycle</td>
</tr>
</tbody>
</table>

Meets all Board Budget Parameters
2020/21 Cash Deferrals

$12.5 billion K-14

$1.5 billion community colleges

$5.2 million to Mendocino College

22% of our general apportionment
2020/21 Cash Borrowing Options

We are refining our cash flow projections to determine if we will need to borrow.

No cost: Internal borrowing – from cash balances within college-controlled funds
- $2.3 million Special Reserve Fund
- $600,000 Capital Projects Fund
- $300,000 Student Center Fee Fund

No or low cost: Local borrowing
- County Treasury
- Mendocino County Office of Education
- College Foundation

Cost: Pooled borrowing
- Tax Revenue Anticipation Notes (TRANs)
Future fiscal challenges

State and Federal economic status

COVID Pandemic

$12.5 billion K-14 funding shortfall increases by $6 billion in 2021/22
  • Can the State budget absorb $18.5 billion to eliminate deferrals?
  • Will the State have to cut $18.5 billion from K-14 budgets?
  • Will the State continue the deferrals into 2021/22?
  • Can the lending market handle $18.5 billion in borrowing?

STRS/PERS cost increases, temporary rate reductions, lower investment return rates

Student Centered Funding Formula, "Fiscal Cliff" what happens when the hold harmless ends in 2023/24? We will only be guaranteed funding at the 2017/18 level.