

Economic Outlook for
FY 2021-22

PBC

October 7, 2020

Graciano Mendoza

AGENDA

1. FY 2020-21 Summary of Funded Items
2. FY 2021-22 Economic Outlook
3. Next Steps Regarding FY 2021-22 Resource Request Process

1. FY 2020-21
SUMMARY OF FUNDED
ITEMS

FUNDING SUMMARY FOR FY 2020-21

(Presented to PBC on Sept. 2, 2020)

- **Total Requested Resources:** \$2.3 M
 - Personnel = \$1.0M
 - Operational = \$1.3M

• Funded Items (estimates) =	\$2M
- Net Additional Replacement Cost for Additional Academic Senate Re-assigned Time (total 2.6 FTE) =	138,000
- 3 Additional FT Faculty (Net of \$70k received per Position) =	171,000
- Summer & Fall MOU (One-time funding) =	490,000
- Temporary Positions (One-time funding.) =	646,000
- Emergency Preparedness (One-time funding.) =	125,000
- COVID-19 Expenses (One-time funding.) =	220,000
- Other (i.e. back filling for paid leave, funding for Districtwide Basic Needs Position) =	TBD
- Operational Requested Resources (One-time funding.) =	200,000

FUNDED PERSONNEL & OPERATIONAL REQUESTS

(ONE-TIME FUNDING FOR FY 2020-21)

(Presented to PBC on Sept. 2, 2020)

PROJECTED COST:		
	FTE	Estimated Budget
<i>Instructional Services</i>		
Instructional Designer	1.0	133,204
2 Distance Ed Coordinators (2 Semesters)	0.6	112,701
Instructional Technologist (51% currently funded in Fund 1)	0.5	66,402
Curriculum Specialist (6 month)	1.0	91,772
<i>Total Instructional Services</i>		404,079
<i>Student Services</i>		
Interim Dean of Enrollment	1.0	242,000
<i>Total Student Services</i>		242,000
Total Salaries & Benefits		646,079

- Operational Requested Resources (One-time funding.) = \$200k

2. FY 2021-22 ECONOMIC OUTLOOK

ECONOMIC OUTLOOK

- ECONOMIC CHALLENGES:

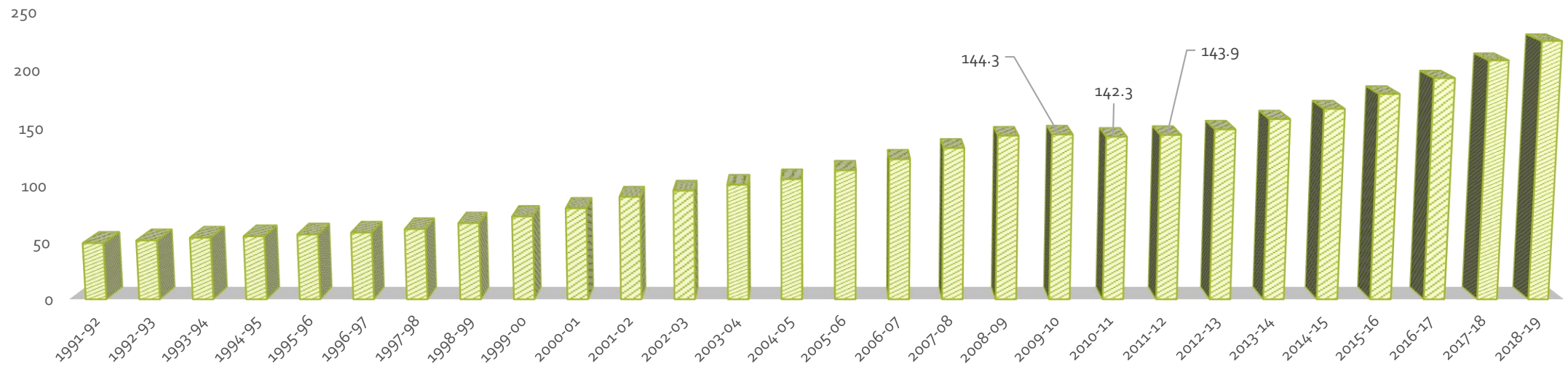
- COVID-19 Pandemic
- Wild Fires

- ECONOMIC MILESTONES:

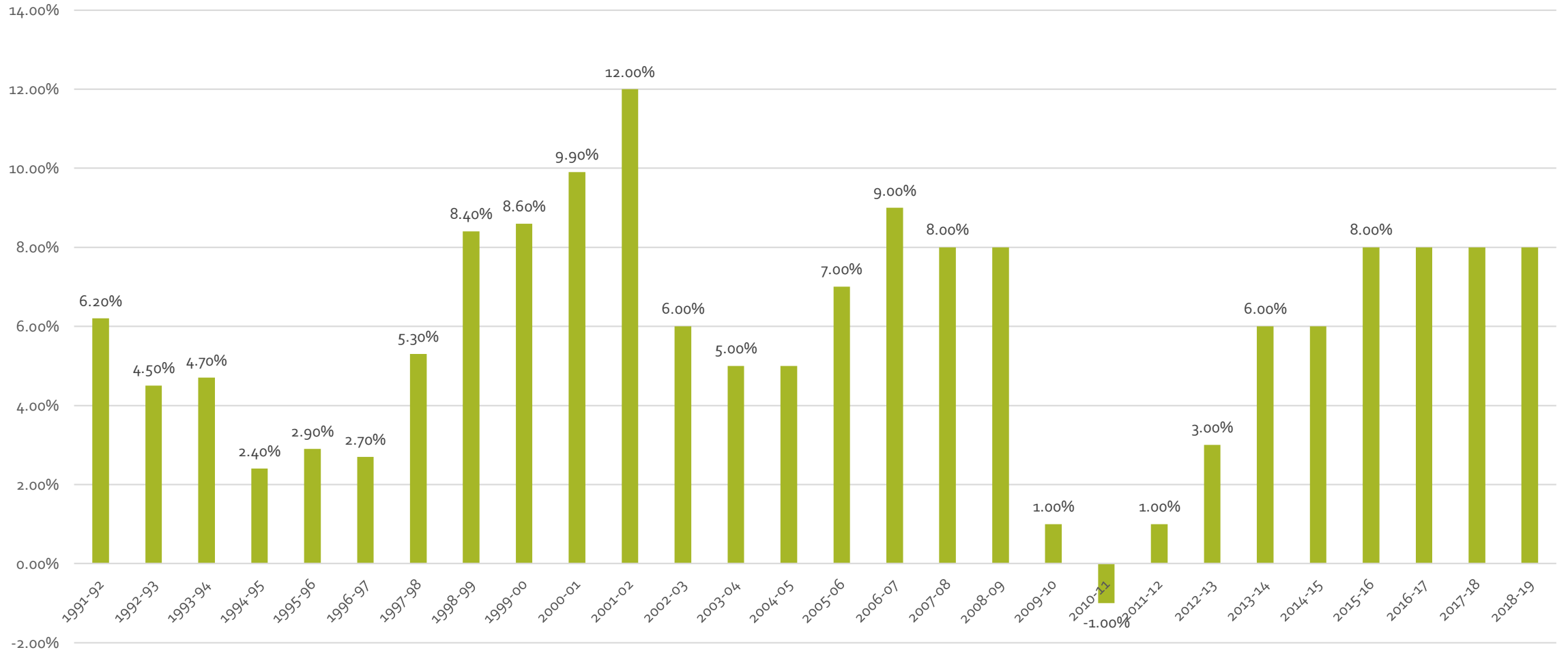
- Spring 2020 – District Presented Multi-Year Revenue Projections (Assessed Tax Valuation)
- May Revise – Proposed Reductions to Categorical Programs and Additional Reductions to Basic Aid Districts
- Newly Approved On-Going Expenses
- Requests for Institutionalizing Ending Grants



COUNTY OF SAN MATEO
ASSESSED VALUE OF TAXABLE PROPERTY
LAST 30 FISCAL YEARS
(DOLLARS IN MILLIONS)



COUNTY OF SAN MATEO
ASSESSED VALUE OF TAXABLE PROPERTY
PERCENT NET CHANGE OVER PRIOR YEAR
LAST 30 FISCAL YEARS



SCENARIOS: POST COVID-19

(Source: District Finance Office)

Prior to COVID

- Proj. AV Rates
 - FY20-21 = 6.5%
 - FY21-22 = 6.25%
 - FY22-23 = 6.0%

Worst Case (Grimmest)

- Proj. AV Rates
 - FY20-21 = 4.5%
 - FY21-22 = (1.5%)
 - FY22-23 = (3.50%)

Medium (Grimmer)

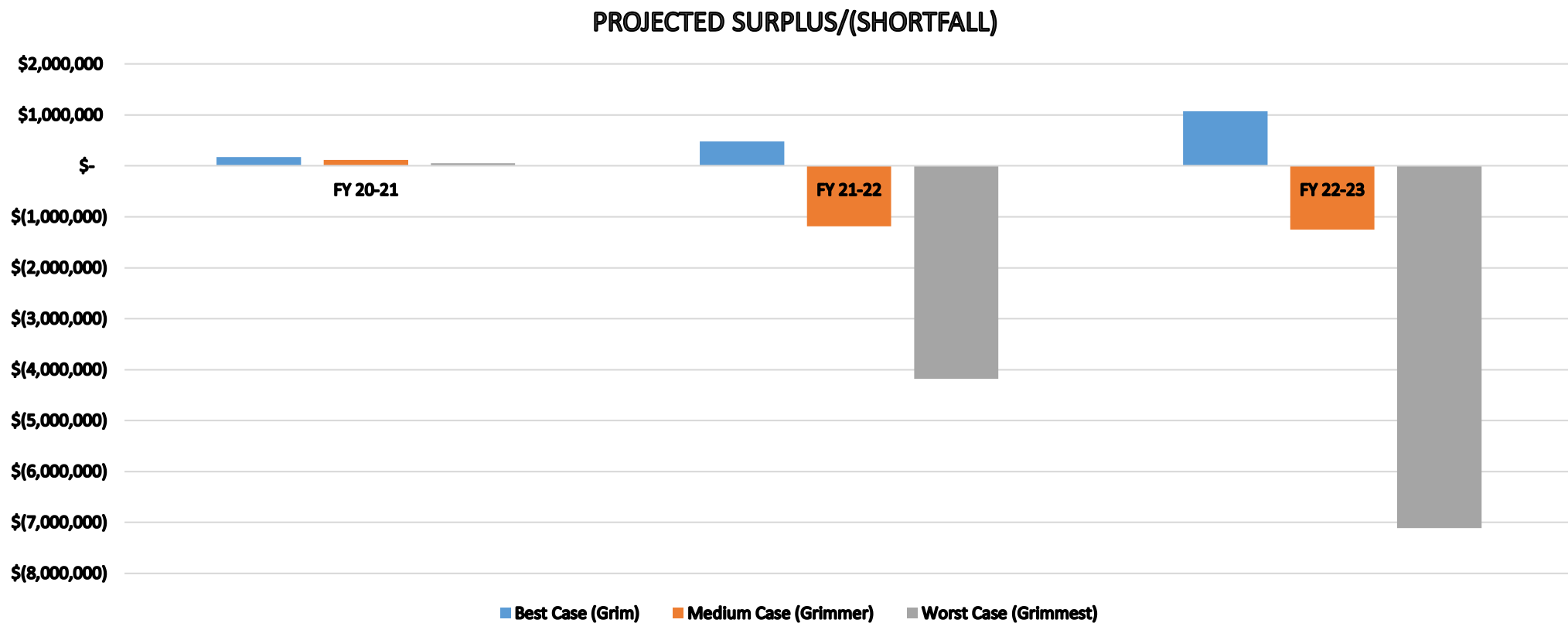
- Proj. AV Rates
 - FY20-21 = 5.5%
 - FY21-22 = 1.5%
 - FY22-23 = 0.50%

Best Case (Grim)

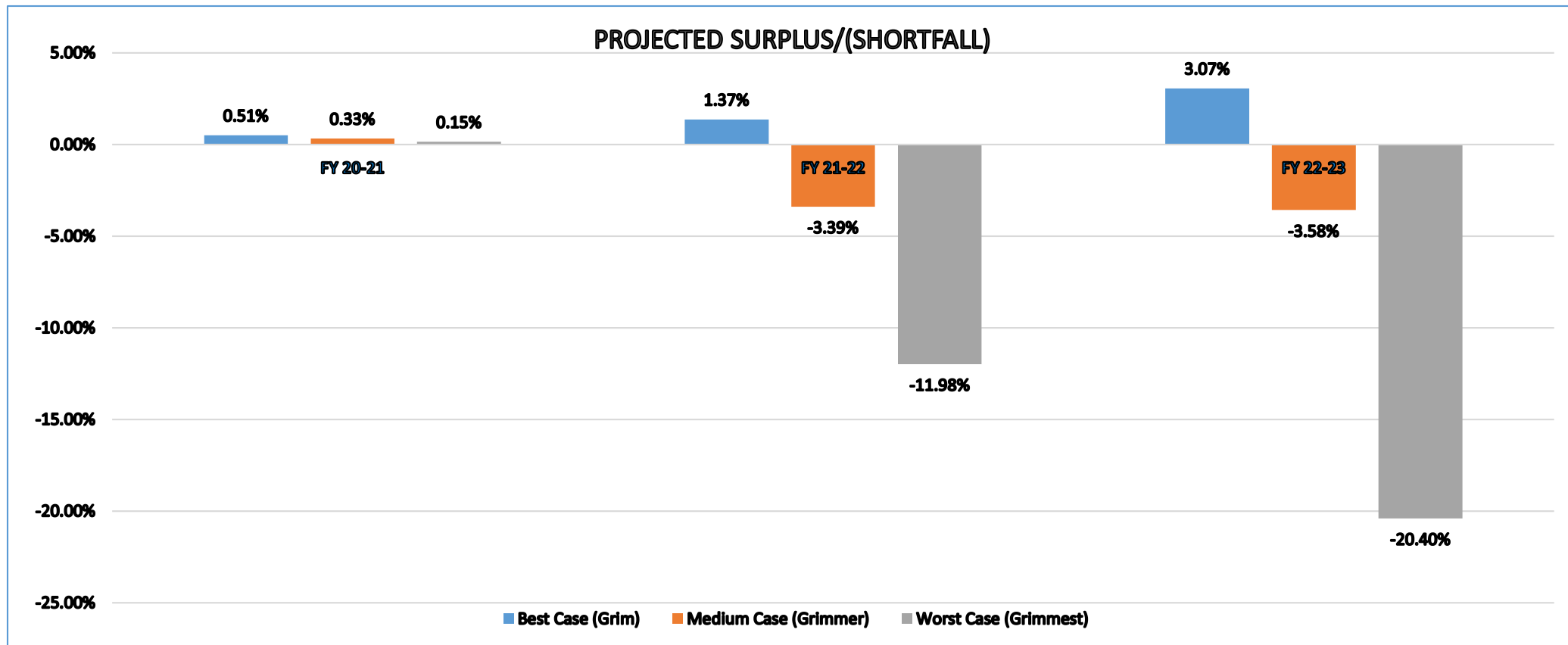
- Proj. AV Rates
 - FY20-21 = 6.5%
 - FY21-22 = 4.5%
 - FY22-23 = 4.0%

PROJECTED CHANGE in FUND 1 REVENUE -ASSESSED TAX VALUATION PROJECTIONS (as of SPRING 2020)	FY 20-21	FY 21-22	FY 22-23
Best Case (Grim)	486,124	301,701	591,296
Medium Case (Grimmer)	424,069	193,620	(66,695)
Worst Case (Grimmest)	362,014	(1,251,406)	(2,935,032)
INCREASES TO ON-GOING EXPENSES			
New Approved On-Going Expenditures			
Net Additional Replacement Cost for Additional Academic Senate RE-assigned Time (2.6 FTE)	(138,000)		
3 Additional FT Faculty (Net of \$70k received per Position)	(171,000)		
Total New Approved On-Going Expenditures	(309,000)		
Requests for Institutionalizing Ending Grants			
Tutoring, COLTS-CON and Peer Mentoring		(210,000)	
Transfer Services Support and Retention Specialists		TBD	
Total Requests for Institutionalizing Ending Grants		(210,000)	
May Revise Proposed Reductions			
Strong Workforce (Over 57% Reductions)		(565,000)	-
Student Equity & Achievement Program		(240,000)	-
Lottery		(70,265)	-
Guided Pathways		(41,156)	-
AB-19		(15,290)	-
EPA		(40,301)	-
Categorical Funding (estimated reduction)		(1,800,000)	-
Total Proposed Reductions		(2,772,012)	-
TOTAL INCREASES TO EXPENSES	(309,000)	(2,772,012)	-
SURPLUS/(ON-GOING SHORTFALL)			
Best Case (Grim)	177,124	478,825	1,070,121
Medium Case (Grimmer)	115,069	(1,182,317)	(1,249,012)
Worst Case (Grimmest)	53,014	(4,180,404)	(7,115,436)

MULTI-YEAR PROJECTIONS



MULTI-YEAR PROJECTIONS



Ending Grants	<u>ESTIMATED</u>
Personnel related to Ending Grants	1,566,646
COVID-19 and EMERGENCY PREPAREDNESS	
Summer & Fall MOU (One-time funding)	646,000
Spring MOU	400,000
Emergency Preparedness (one-time funding)	125,000
COVID-19 Expenses (one-time funding)	220,000
OPERATIONAL ITEMS	
No COLA for Categorical Funds	TBD
Deferred Maintenance/Instructional Equip.	TBD
PC Tech Refresh	171,466
Lab Tech Refresh	145,189
Operational Requested Resources	200,000
FACILITIES AND CONSTRUCTION	
Building 1	TBD
TOTAL OTHER FINANCIAL CONSIDERATIONS	3,474,301

OTHER FINANCIAL CONSIDERATIONS

Budget Development Milestones

- January 2021 -Governor's Proposed Budget
- April - May 2021 -District's Multi-Year Revenue & Site Allocation Projections
- May 2021 -May Revise
- June 2021 –Approved State Budget

3. Next Steps Regarding FY 2021-22 Resource Request Process

PROGRAM and RESOURCE REQUEST PLANNING for FY 2021-22

- OPTION 1: Continue Program and Resource Request Process. Provide economic outlook to PBC for context and to assist managing expectations.
- OPTION 2: Continue Program and Operational Resource Request Process, but suspend new personnel requests due to economic outlook. Continue with operating resource requests. If funding materializes at the end of the year, fund personnel items from FY 2020-21 list.
- OPTION 3: Suspend Program and Resource Request Process due to economic outlook. If funding materializes at end of year, fund items from FY 2020-21 list.
- Other Options?

QUESTIONS?