



SOLANO

COMMUNITY COLLEGE

TENTATIVE BUDGET 2019-20

Governing Board Meeting

JUNE 19, 2019

SERVING SOLANO COUNTY AND THE CITY OF WINTERS, CALIFORNIA



TRANSFORMING STUDENTS' LIVES



REPORT BY:

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SOLANO COMMUNITY COLLEGE DISTRICT

GOVERNING BOARD

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Mission Statement

MISSION: Solano Community College's mission is to educate a culturally and academically diverse student population drawn from our local communities and beyond. We are committed to student learning and achievement and to helping our students achieve their educational, professional, and personal goals. Solano transforms students' lives with undergraduate education, transfer courses, career-and-technical education, certificate programs, workforce development and training, basic-skills education, and life-long-learning opportunities.

VISION: Solano Community College will be a recognized leader in educational excellence – *transforming students' lives*.

STRATEGIC GOALS: *(from the 2019-22 strategic plan)*

- Goal 1: Honor and empower students by helping them succeed in achieving their educational or career goals.
- Goal 2: Honor and empower students to transfer in a timely fashion.
- Goal 3: Honor and empower students to attain their education goals in a timely fashion while embracing the process of learning.
- Goal 4: Honor and empower students to gain meaningful employment/careers in their chosen field of study.
- Goal 5: Honor and empower student equity and success by eliminating equity gaps with a focus on disproportionately impacted populations.
- Goal 6: Strengthen ties to the community and local school districts to ensure access to college for all students.
- Goal 7: Honor and empower the college community by maintaining adequate and sustainable financial resources to create an environment that supports teaching and learning.
- Goal 8: Maintain a campus culture that honors and empowers teaching and learning.

CALIFORNIA STATE BUDGET (COMMUNITY COLLEGES)

Beginning in fiscal year 2018-19, California Community Colleges are funded on three metrics. As of the most recent report dated April 26, 2019, from the California Community Colleges Chancellor's Office (CCCCO), the following metrics are the basis for Solano's 2018-19 funding:

Funding Metric and Explanation	Estimated 2018-19 Apportionment Revenue as of April 26, 2019
The Base Allocation provides roughly 70% of community college funding and is based on Full Time Equivalent Students (FTES).	\$32,763,546
The Supplemental Allocation provides roughly 20% of statewide community college funding and is based on measures of student income including the number of students receiving CCPG fee waivers, Pell grants, and AB 540 support.	\$7,571,641
The Student Success Allocation provides roughly 10% of statewide community college funding and is based on measures of student success including degrees and certificates awarded, completion of transfer-level math and English in the first year, the number of students who transfer, students who complete nine or more CTE units, and the number of students who earn a living wage after leaving the District. Funding is enhanced when the students completing these outcomes are also included in the supplemental allocation	\$5,439,984
Total 2018-19 estimated funding as of April 26, 2019	\$45,775,171

Although the above formula is scheduled to shift from the current 70-20-10 allocation in fiscal year 2018-19 to 65-20-15 in fiscal year 2019-20, the Governor's "May Revise" proposes to retain the current allocation of 70-20-10 for 2019-20. The actual allocation will be known after the California budget is signed.

Temporary Hold Harmless

The shift from funding based solely on FTES to the above formulas has resulted in some districts receiving funding increases, while other districts will have reduced funding. For those Districts who would receive reduced funding, the 2018-19 implementation of the Student-Centered Funding Formula (SCFF) provided a temporary “hold harmless.” This provision provides temporary protection from declining funding for 2018-19, 2019-20, and 2020-21. During these years the affected Districts are guaranteed the same funding from the prior year, plus COLA. In 2021-22 the hold harmless will expire and affected Districts will receive only the funding provided by the SCFF. Solano CCD is a hold harmless district. Without the hold harmless provision, the District’s revenue would be reduced by \$4,065,950 in 2018-19. The revenue reduction is expected in 2021-22, assuming no changes in SCFF funding measures, to be \$5.9 million. The District is taking active efforts to improve the funding metrics in order to avoid a revenue shortfall in 2021-22, including activities in outreach and financial aid.

Notable Provisions in the Governor’s “May Revise” compared to the January proposal and 2018-19 funding:

- The proposed **COLA** for the Student-Centered Funding Formula and several categorical programs is reduced from 3.46% in the January proposal to 3.26% in the May Revise.
- **Student Success Completion Grants** are increased by 13.98%
- The **California College Promise** proposes to extend the “first year free” program to add a second year free.
- Funds for **Financial Aid Administration** costs are reduced by 17.28%, reflecting the loss of one-time funds.
- **Deferred Maintenance and Instructional Equipment** funding increases by 39.12%
- **Online Educational Initiative** funding declines by 60.34%, reflecting loss of one-time funding.
- Funding for the **California Online Community College** declines from \$120 million to \$20 million, as planned.
- **Part-Time Faculty Office Hour** funding is proposed to decline by 80.42%, reflecting the loss of one-time funds
- Proposition 51 funding of capital projects includes continued funding of Solano’s **Library Building 100 Replacement** project.

Additional details can be found at <http://www.ebudget.ca.gov/>.

2019-20 TENTATIVE BUDGET

2019-20 REVENUE ASSUMPTIONS

Revenue assumptions in the tentative budget are projected to be 3.26% higher in 2019-20, matching the proposal in the governor's May Revise. Any changes from these amounts will be included in the 2019-20 final adopted budget. The primary source of revenues, known as apportionment revenue, is shown below:

APPORTIONMENT REVENUE COMPONENTS	
Property Taxes	\$ 17,296,018
Enrollment Fees	3,424,511
State Apportionment	29,120,592
TOTAL	\$ 49,841,121

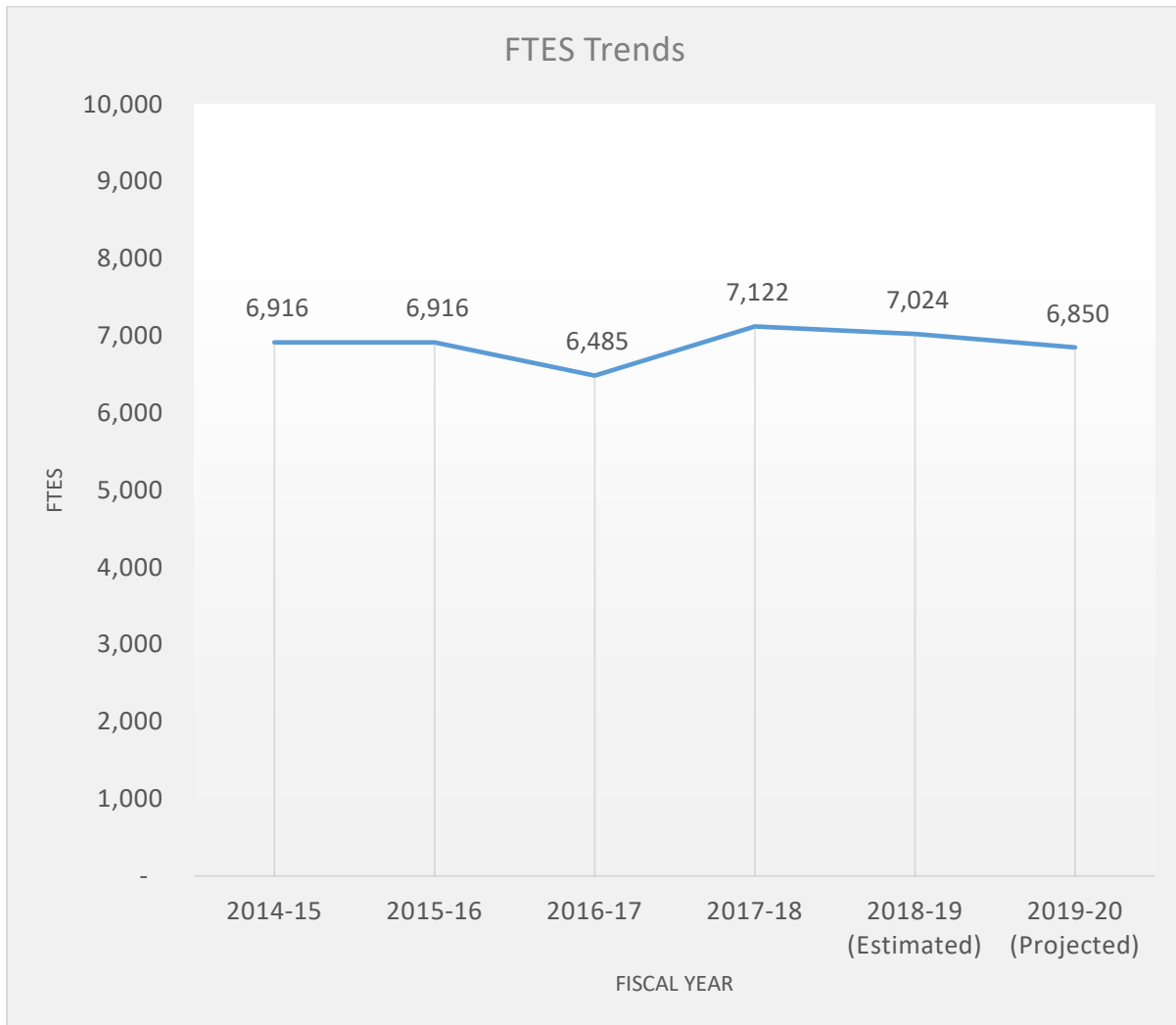
2019-20 EXPENDITURE ASSUMPTIONS

Increase in Retirement Costs:	
o STRS	\$ 79,162
o PERS	253,905
Step/Column	0
Increase in Health/Welfare	340,946
OPEB, same as prior year	320,000
Incremental classified	210,528
COLA for Operating Costs	0.9%

2019-20 TENTATIVE BUDGET

FULL-TIME EQUIVALENT STUDENTS

As mentioned in the section on “Temporary Hold Harmless”, during the three-year hold-harmless period, District revenues are protected from declines in the SCFF. Assuming no change in SCFF metrics, beginning in 2021-22, District revenues will be affected by changes in enrollments. The District has experienced several years of declining enrollments, but Summer 2019 enrollments indicate that outreach efforts may be effective in improving enrollments. A portion of the FTES decline in 2018-19 was due to District efforts to right-size the college by (1) cancelling low-enrolled sections, and (2) strengthening payment requirements. Both of these efforts significantly strengthened the District’s financial position with limited impact on FTES and no reduction in revenues.



2019-20 TENTATIVE BUDGET

FCMAT Fiscal Health Risk Analysis

The Fiscal Crisis and Management Assistance Team (FCMAT) is a state agency created in 1992 by AB 1200. The mission of FCMAT is to “help California’s local educational agencies fulfill their financial and management responsibilities by providing fiscal advice, management assistance, training and other related school business services.” FCMAT has developed a Fiscal Health Risk Analysis tool to assist community colleges in a self-evaluation of their fiscal health. A score of less than 24% is considered low risk. Solano Community College has completed the first self-assessment using FCMAT’s Fiscal Health Risk Analysis tool. The resulting scores are as follows:

Raw score	13.2%
Adjusted score (reflecting errors in the tool)	11.9%
Rating; Low risk, less than 24%	

Copies of the District’s full assessment are available from Robert Diamond, The District’s Vice President of Finance and Administration, at Robert.Diamond@Solano.edu

2019-20 TENTATIVE BUDGET

DISTRICT FUNDS

1. **GENERAL FUNDS**
 - a. Unrestricted [11]
 - b. Restricted [12]

2. **DEBT SERVICE**
 - a. Measure G-Bond Interest & Redemption [21]
 - b. Measure Q-Bond Interest & Redemption [21]

3. **SPECIAL REVENUE FUNDS**
 - a. Child Development [33]

4. **CAPITAL PROJECTS FUNDS**
 - a. Capital Outlay [41]
 - b. State Funded Project-Library Construction [416]
 - c. Measure Q – Construction [421]

5. **INTERNAL SERVICE FUNDS**
 - a. Self-Insurance [610]

6. **FIDUCIARY FUNDS**
 - a. **TRUST FUNDS**
 - i. Student Financial Aid [74]
 - ii. CCLC Retiree Health Benefit JPA [8401]

2019-20 TENTATIVE BUDGET

GENERAL FUND: UNRESTRICTED [11]

	<i>Adopted Budget 2018-19</i>	<i>Projected 2018-19</i>	<i>Tentative Budget 2019-20</i>
REVENUES:			
Federal Sources	\$ -	\$ -	\$ -
State Sources	31,879,844	23,446,354	24,210,705
Local Sources	24,113,816	29,452,963	30,413,130
TOTAL REVENUES	55,993,660	52,899,317	54,623,835
EXPENDITURES:			
Academic Salaries	22,296,284	21,745,737	21,941,448
Classified Salaries	11,083,247	10,046,088	10,348,926
Benefits	13,685,608	13,155,966	14,356,286
Supplies and Materials	687,926	687,926	694,117
Other Operating	6,974,841	6,817,841	6,805,166
Capital Outlay	838,495	138,495	236,513
Other Outgo	33,000	32,876	32,676
Contingency appropriation	200,000	200,000	200,000
TOTAL EXPENDITURES	55,799,401	52,824,928	54,615,132
Interfund transfers in (out)			
To restricted general fund	0	0	0
To child development fund	0	0	0
Total interfund transfers in (out)	0	0	0
NET INCREASE (DECREASE) IN FUND BALANCE	194,259	74,389	8,703
Beginning Fund Balance	14,048,899	14,048,899	14,123,288
Estimated Ending Balance	14,243,158	14,123,288	14,131,990
	25.53%	26.74%	25.88%
FUND BALANCE COMPOSITION			
Board Required Minimum 5% Reserve	2,787,820	2,641,246	2,730,757
Designated Reserve: PERS/STRS	4,200,000	3,165,240	4,200,000
Designated Reserve: OPEB Liability	4,000,000	0	4,000,000
Stability Reserve	3,298,338	8,316,801	3,201,233
	\$ 14,243,158	\$ 14,123,288	\$ 14,131,990

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

GENERAL FUND: RESTRICTED [12]

	<i>Adopted Budget 2018-19</i>	<i>Projected 2018-19</i>	<i>Tentative Budget 2019-20</i>
REVENUES:			
Federal Sources	\$1,281,459.00	\$1,266,577.18	\$1,030,013.00
State Sources	7,721,820	10,311,320	9,287,885
Local Sources	530,000	713,234	1,015,000
TOTAL REVENUES	9,533,279	12,291,132	11,332,898
EXPENDITURES:			
Federal Programs -			
College Work Study	168,670	147,902	181,485
NSF-STEM	130,543	130,543	130,543
Perkins	550,000	469,722	463,183
TANF/CalWORKs	45,472	44,802	44,802
Other Federal	473,608	473,608	210,000
TOTAL Federal Programs	1,368,293	1,266,577	1,030,013
State Programs -			
Student Equity & Achievement	2,963,494	2,590,991	2,963,494
Strong Workforce	1,449,827	1,401,453	1,611,580
Physical Plant & Instructional Support	199,531	90,000	199,531
EOPS	455,598	467,963	467,963
DSPS	467,310	573,502	573,502
College Promise	316,223	90,000	400,000
Cal Works	235,565	235,565	235,565
Financial Aid Administration (SFAA-BFAP)	326,881	326,881	326,881
Lottery	475,281	509,369	509,369
Other State Programs & Rollovers	832,110	4,025,596	2,000,000
TOTAL State Programs	7,721,820	10,311,320	9,287,885
Local Programs -			
Health Center	300,000	320,000	340,000
Parking	778,775	600,000	618,000
Other Local Programs	91,426	217,547	75,000
TOTAL Local Programs	1,170,201	1,137,547	1,033,000
TOTAL EXPENDITURES	10,260,314	12,715,445	11,350,898
REVENUES OVER (UNDER) EXPENDITURES	(727,035)	(424,313)	(18,000)
Beginning Fund Balance	2,010,465	1,283,430	859,117
Ending Fund Balance	\$ 1,283,430	\$ 859,117	\$ 841,117

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

DEBT SERVICE: MEASURE G - BOND INTEREST & REDEMPTION [21]

	<i>Adopted Budget 2018-19</i>	<i>Projected 2018-19</i>	<i>Tentative Budget 2019-20</i>
REVENUES:			
Federal Sources	\$ -	\$ -	\$ -
State Sources	-	-	-
Local Sources	8,795,462	8,795,462	9,008,919
TOTAL REVENUES	8,795,462	8,795,462	9,008,919
EXPENDITURES:			
Academic Salaries	-	-	-
Other Staff Salaries	-	-	-
Employee Benefits	-	-	-
Supplies & Materials	-	-	-
Services & Other Operating	3,651	4,200	4,400
Capital Outlay	-	-	-
TOTAL EXPENDITURES	3,651	4,200	4,400
EXCESS REVENUES (EXPENDITURES)	8,791,811	8,791,262	9,004,519
Other Sources	0	0	0
Other Uses	0	0	0
Debt Service - Principal	(7,200,000)	(7,200,000)	(7,580,000)
Debt Service - Interest	(1,595,462)	(1,595,462)	(1,428,919)
	<u>(8,795,462)</u>	<u>(8,795,462)</u>	<u>(9,008,919)</u>
FUND BALANCE INCREASE (DECREASE)	(3,652)	(4,200)	(4,400)
FUND BALANCE			
Prior Year Adjustments to Fund Balance			
Beginning Fund Balance	9,704,995	9,704,995	9,700,795
ENDING FUND BALANCE	\$ 9,701,343	\$ 9,700,795	\$ 9,696,395

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

DEBT SERVICE: MEASURE Q - BOND INTEREST & REDEMPTION [21]

	<i>Adopted Budget 2018-19</i>	<i>Projected 2018-19</i>	<i>Proposed Budget 2019-20</i>
REVENUES:			
Federal Sources	\$ -	\$ -	\$ -
State Sources	0	0	0
Local Sources	12,675,330	12,675,330	9,804,930
Total Revenue	12,675,330	12,675,330	9,804,930
EXPENDITURES:			
Academic Salaries	0	0	0
Other Staff Salaries	0	0	0
Employee Benefits	0	0	0
Supplies & Materials	0	0	0
Services & Other Operating	30,000	30,000	32,000
Capital Outlay	0	0	0
Total Expenditures	30,000	30,000	32,000
EXCESS REVENUES (EXPENDITURES)	12,645,330	12,645,330	9,772,930
OTHER FINANCING SOURCES (USES):			
Other Sources	0	0	0
Other Uses	0	0	0
Measure Q Debt Service - Principal	(4,200,000)	(4,200,000)	(1,460,000)
Measure Q Debt Service - Interest	(8,475,330)	(8,475,330)	(8,344,930)
Total Other Sources (Uses)	(12,675,330)	(12,675,330)	(9,804,930)
FUND BALANCE INCREASE (DECREASE)	(30,000)	(30,000)	(32,000)
FUND BALANCE			
Prior Year Adjustments to Fund Balance			
Beginning Fund Balance	15,072,713	15,072,713	15,042,713
ENDING FUND BALANCE	\$ 15,042,713	\$ 15,042,713	\$ 15,010,713

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

CHILD DEVELOPMENT [33]

	<i>Adopted Budget 2018-19</i>	<i>Projected 2018-19</i>	<i>Proposed Budget 2019-20</i>
REVENUES:			
Federal Sources	\$ 60,405	\$ 60,405	\$ 64,954
State Sources	756,813	756,813	853,617
Local Sources	195,824	195,824	196,505
Total Revenue	1,013,042	1,013,042	1,115,076
EXPENDITURES:			
Academic Salaries	0	0	0
Other Staff Salaries	678,629	678,629	728,359
Employee Benefits	278,238	278,238	311,137
Supplies & Materials	49,496	49,496	56,760
Services & Other Operating	11,167	11,167	12,820
Capital Outlay	15,440	15,440	6,500
Total Expenditures	1,032,970	1,032,970	1,115,576
FUND BALANCE INCREASE (DECREASE)	(19,928)	(19,928)	(500)
FUND BALANCE			
Prior Year Adjustments to Fund Balance			
Beginning Fund Balance	122,243	122,243	102,315
ENDING FUND BALANCE	\$ 102,315	\$ 102,315	\$ 101,815

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

CAPITAL OUTLAY [41]

	<i>Adopted Budget 2018-19</i>	<i>Projected 2018-19</i>	<i>Proposed Budget 2019-20</i>
REVENUES:			
Federal Sources	\$ -	\$ -	\$ -
State Sources	0	0	0
Local Sources	1,000,000	1,000,000	1,000,000
Total Revenue	1,000,000	1,000,000	1,000,000
EXPENDITURES:			
Academic Salaries	0	0	0
Other Staff Salaries	0	0	0
Employee Benefits	0	0	0
Supplies & Materials	0	0	0
Services & Other Operating	0	2,500	0
Capital Outlay	800,000	800,000	1,000,000
Total Expenditures	800,000	802,500	1,000,000
EXCESS REVENUES (EXPENDITURES)	200,000	197,500	0
Inter-fund transfers in (out)			
To Library Construction Fund	0	0	(1,500,000)
	0	0	(1,500,000)
FUND BALANCE INCREASE (DECREASE)	200,000	197,500	(1,500,000)
FUND BALANCE			
Prior Year Adjustments to Fund Balance			
Beginning Fund Balance	5,194,744	5,194,744	5,392,244
ENDING FUND BALANCE	\$ 5,394,744	\$ 5,392,244	\$ 3,892,244

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

STATE FUNDED PROJECT - LIBRARY [416]

	<i>Adopted Budget 2017-18</i>	<i>Projected Totals 2017-18</i>	<i>Proposed Budget 2018-19</i>
REVENUES:			
Federal Sources	\$ -	\$ -	\$ -
State Sources	1,209,000	1,543,000	763,731
Local Sources	0	0	4,000
Total Revenue	1,209,000	1,543,000	767,731
EXPENDITURES:			
Academic Salaries	0	0	0
Other Staff Salaries	0	0	0
Employee Benefits	0	0	0
Supplies & Materials	300	4,000	4,000
Services & Other Operating	1,029	0	0
Capital Outlay	1,209,000	1,209,000	763,731
Total Expenditures	1,210,329	1,213,000	767,731
EXCESS REVENUES (EXPENDITURES)	(1,329)	330,000	0
Inter-fund transfers in (out)			
From Capital Outlay Fund 411	1,500,000	0	1,500,000
Total Other Sources (Uses)	1,500,000	0	1,500,000
FUND BALANCE INCREASE (DECREASE)	1,498,671	330,000	1,500,000
FUND BALANCE			
Prior Year Adjustments to Fund Balance			
Beginning Fund Balance	(1,544,300)	(1,544,300)	(1,214,300)
ENDING FUND BALANCE	\$ (45,629)	\$ (1,214,300)	\$ 285,700

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

MEASURE Q [421]

	<i>Adopted Budget 2018-19</i>	<i>Projected 2018-19</i>	<i>Proposed Budget 2019-20</i>
REVENUES:			
Federal Sources	\$ -	\$ -	\$ -
State Sources	0	0	0
Local Sources	681,332	1,100,000	737,000
Total Revenue	<u>681,332</u>	<u>1,100,000</u>	<u>737,000</u>
EXPENDITURES:			
Academic Salaries	0	0	0
Other Staff Salaries	301,413	301,413	533,484
Employee Benefits	168,187	160,000	280,000
Supplies & Materials	10,845	4,000	6,000
Services & Other Operating	74,508	325,000	113,089
Capital Outlay	31,191,854	31,191,854	14,560,701
Total Expenditures	<u>31,746,807</u>	<u>31,982,267</u>	<u>15,493,274</u>
EXCESS REVENUES (EXPENDITURES)	(31,065,475)	(30,882,267)	(14,756,274)
OTHER FINANCING SOURCES (USES):			
Other Sources			
Other Uses - Energy Bond Payment	(9,150,591)	(8,777,076)	0
Total Other Sources (Uses)	<u>(9,150,591)</u>	<u>(8,777,076)</u>	<u>0</u>
FUND BALANCE INCREASE (DECREASE)	(40,216,066)	(39,659,343)	(14,756,274)
FUND BALANCE			
Prior Year Adjustments to Fund Balance			
Beginning Fund Balance	102,243,157	102,243,157	62,583,814
ENDING FUND BALANCE	<u>\$ 62,027,091</u>	<u>\$ 62,583,814</u>	<u>\$ 47,827,540</u>

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

SELF-INSURANCE [610]

	<i>Adopted Budget 2018-19</i>	<i>Projected 2018-19</i>	<i>Proposed Budget 2019-20</i>
REVENUES:			
Federal Sources	\$ -	\$ -	\$ -
State Sources	0	0	0
Local Sources	103,000	70,000	100,000
Total Revenue	103,000	70,000	100,000
EXPENDITURES:			
Academic Salaries	0	0	0
Other Staff Salaries	0	0	0
Employee Benefits	0	0	0
Supplies & Materials	0	0	0
Services & Other Operating	90,000	70,000	100,000
Capital Outlay	0	0	0
Total Expenditures	90,000	70,000	100,000
EXCESS REVENUES (EXPENDITURES)	13,000	0	0
OTHER FINANCING SOURCES (USES):			
Other Sources	0	0	0
Other Uses	0	0	0
Total Other Sources (Uses)	0	0	0
FUND BALANCE INCREASE (DECREASE)	13,000	0	0
FUND BALANCE			
Prior Year Adjustments to Fund Balance			
Beginning Fund Balance	609,086	609,086	609,086
ENDING FUND BALANCE	\$ 622,086	\$ 609,086	\$ 609,086

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

FINANCIAL AID [74]

	<i>Adopted Budget 2018-19</i>	<i>Projected 2018-19</i>	<i>Proposed Budget 2019-20</i>
REVENUES:			
Federal Sources	\$8,400,000	\$8,400,000	\$8,400,000
State Sources	580,000	690,000	690,000
Local Sources	0	0	0
Total Revenue	8,980,000	9,090,000	9,090,000
EXPENDITURES:			
Academic Salaries	0	0	0
Other Staff Salaries	0	0	0
Employee Benefits	0	0	0
Supplies & Materials	0	0	0
Services & Other Operating	0	0	0
Capital Outlay	0	0	0
Total Expenditures	0	0	0
EXCESS REVENUES (EXPENDITURES)	8,980,000	9,090,000	9,090,000
OTHER FINANCING SOURCES (USES):			
Other Sources	0	0	0
Other Uses	(8,980,000)	(9,090,000)	(9,090,000)
Total Other Sources (Uses)	(8,980,000)	(9,090,000)	(9,090,000)
FUND BALANCE INCREASE (DECREASE)	0	0	0
FUND BALANCE			
Prior Year Adjustments to Fund Balance			
Beginning Fund Balance	21,774	21,774	21,774
ENDING FUND BALANCE	\$ 21,774	\$ 21,774	\$ 21,774

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

CCLC RETIREE HEALTH BENEFIT JPA [8401]

	<i>Adopted Budget 2018-19</i>	<i>Projected 2018-19</i>	<i>Proposed Budget 2019-20</i>
REVENUES:			
Federal Sources	\$ -	\$ -	\$ -
State Sources	-	-	-
Local Sources	320,000	320,000	320,000
Total Revenue	320,000	320,000	320,000
EXPENDITURES:			
Academic Salaries	-	-	-
Other Staff Salaries	-	-	-
Employee Benefits	-	-	-
Supplies & Materials	-	-	-
Services & Other Operating	500	3,000	3,300
Capital Outlay	-	-	-
Total Expenditures	500	3,000	3,300
EXCESS REVENUES (EXPENDITURES)	319,500	317,000	316,700
OTHER FINANCING SOURCES (USES):			
Other Sources	-	-	-
Other Uses	-	-	-
Total Other Sources (Uses)	0	0	0
FUND BALANCE INCREASE (DECREASE)	319,500	317,000	316,700
FUND BALANCE			
Prior Year Adjustments to Fund Balance			
Beginning Fund Balance	3,695,578	3,695,578	4,012,578
ENDING FUND BALANCE	\$ 4,015,078	\$ 4,012,578	\$ 4,329,278

NOTE: Fund Balances currently under review - 'subject to change'.

2019-20 TENTATIVE BUDGET

MULTI-YEAR BUDGET PROJECTION, CONSERVATIVE SCENARIO

The budget on the following page represents Solano's first multi-year budget projection. Assumptions included in this projection include:

- A presumption that the current hold-harmless provision of the Student Centered Funding Formula will be extended one additional year, as provided in the Governor's "May Revise." If enacted, the hold harmless provision would remain in place during 2019-20 through 2021-22, and would not be available in 2022-23. If the Governor's proposal is not adopted, the hold harmless will expire one year earlier, as scheduled, with a significant negative impact on the District. The multi-year projection will be revised to provide a significant revenue loss in 2021-22. Any modification would be included in the Adopted District budget in September, 2019.
- The Projections include no expectation of District growth in the three components of the Student Centered Funding Formula (1) the base allocation (enrollment), (2) the student success metrics, and (3) the supplemental allocation, which is driven by student economic needs. The District is making efforts to improve in all three components. As progress is experienced, the projections will be updated.
- The projections include no expectation of substantial changes to the Student Centered Funding Formula.
- The projections include no provision for a recession. Should the State experience a recession, the budgetary projections will be updated accordingly.
- Modest inflationary assumptions were applied to revenues and expenditures.

Impact of the hold harmless provision expiring

As noted above, the hold harmless provision will not be available for fiscal years 2022-23 and beyond and may expire one year earlier. This would result in the District being funded exclusively based on the components of the Student Centered Funding Formula, with no safety net. The first expected impact of this possibility is in 2022-23 (and perhaps one year earlier), when revenues are expected to decline by \$4 to \$6 million. Should that occur, substantial expenditure reductions would be required.

The projections have been presented conservatively, as the District is making substantial efforts to increase all metrics that drive the Student Centered Funding Formula. In addition, at the time this document was prepared, there are several proposals to modify the Student Centered Funding Formula, including, a proposal to extend the hold harmless provision by an additional year. Any modifications will be incorporated into future multi-year budget projections.

2019-20 TENTATIVE BUDGET

GENERAL FUND: UNRESTRICTED [11], MULTI-YEAR BUDGET ASSUMES HOLD HARMLESS ENDS IN 2021-22 AND NO PROGRESS TOWARD SCFF WORKLOAD MEASURES

	<i>Tentative Budget 2019-20</i>	<i>Projected 2020-21</i>	<i>Projected 2021-22</i>	<i>Projected 2022-23</i>
REVENUES:				
Federal Sources	\$ -			
State Sources	24,210,705			
Local Sources	30,413,130			
Other Revenue	0			
TOTAL REVENUES	54,623,835	55,989,431	57,389,166	54,000,000
EXPENDITURES:				
Academic Salaries	21,941,448	22,380,277	22,827,883	23,284,440
Classified Salaries	10,348,926	10,555,904	10,767,022	10,982,363
Benefits	14,356,286	14,930,538	15,527,759	16,148,870
Supplies and Materials	694,117	714,941	736,389	758,481
Other Operating	6,805,166	7,009,321	7,219,601	7,436,189
Capital Outlay	236,513	243,608	250,916	258,444
Other Outgo	32,676	33,656	34,666	35,706
Contingency appropriation	200,000	206,000	212,180	218,545
TOTAL EXPENDITURES	54,615,132	56,074,245	57,576,416	59,123,037
Inter-fund transfers in (out)				
To restricted general fund	0	0	0	0
To child development fund	0	0	0	0
Total inter-fund transfers in (out)	0	0	0	0
NET INCREASE (DECREASE) IN FUND BALANCE	8,703	(84,815)	(187,250)	(5,123,037)
Beginning Fund Balance	14,123,288	14,131,990	14,047,175	13,859,926
Estimated Ending Balance	14,131,990	14,047,175	13,859,926	8,736,888
	25.88%	25.05%	24.07%	14.78%
FUND BALANCE COMPOSITION				
Board Required Minimum 5% Reserve	2,730,757	2,803,712	2,878,821	2,956,152
Designated Reserve: PERS/STRS	4,200,000	4,200,000	4,200,000	4,200,000
Designated Reserve: OPEB Liability	4,000,000	4,000,000	4,000,000	4,000,000
Stability Reserve	3,201,233	3,043,463	2,781,105	(2,419,263)
	\$ 14,131,990	\$ 14,047,175	\$ 13,859,926	\$ 8,736,888

NOTE: Fund Balances currently under review - 'subject to change'.