

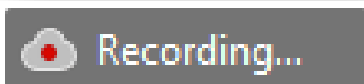
Chancellor's Office

# Fiscal & Policy Webinar

A Monthly Webinar Series by the College Finance and Facilities Planning Division

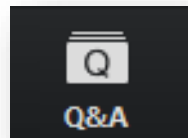


# Housekeeping Announcements



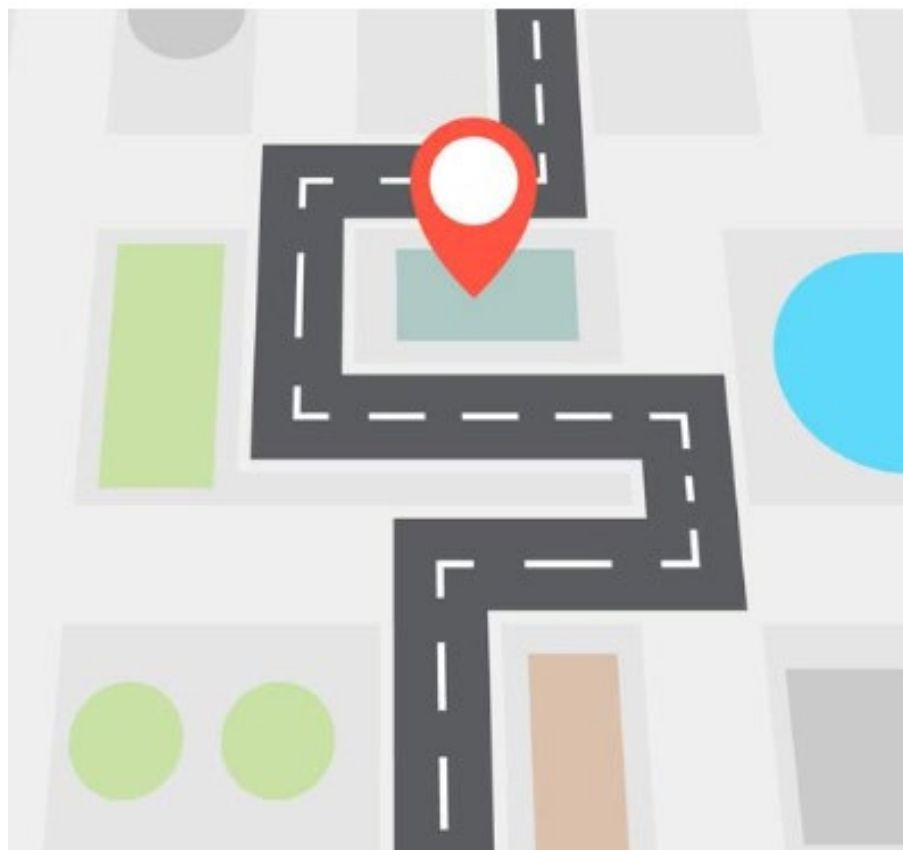
This presentation is being recorded.

Located on the tool bar at the bottom of your screen:



Enter questions for the presenters, and read their responses.

# Road Map



- Deferral Implementation
- Capital Outlay
- Update on Financial Reports
- Update on Attendance Accounting
- COVID-19 Block Grant and CARES Act
- Apportionment Update
- Q& A Session

# 2020-21 Budget Implementation & Deferrals

# Solutions Adopted in 2020-21 Budget Act:

- Baseline adjustments
- Education deferrals
- Cost shifts and borrowing
- Federal funds
- Reserves
- Revenue increases
- Spending reductions

# 2020-21 State Budget Agreement

- **No cuts in 2020-21 for California Community Colleges.**
- For California Community Colleges, the 2020-21 budget agreement **prevents cuts** to apportionments and categoricals.
- In order to accomplish this, \$1.45 billion in funding to colleges is deferred to future years and provides no COLA and no enrollment growth.

# Community College Deferrals

- Deferrals are not cuts!
- The budget defers apportionment payments to CCC into the next fiscal year.
- **Deferrals allow districts to budget and spend without interruption to programs.**
- Districts rely on saving, existing reserves, and low cost borrowing to supplement cash flow in order to maintain the level of service.

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# Capital Outlay Program





# Five-Year Capital Outlay Plan

- California Education Code (EDC) §§ 67501 and 67503 require the California Community Colleges Chancellor's Office (Chancellor's Office) to prepare a five-year capital outlay plan that identifies the statewide needs and priorities of the California Community Colleges.

## **Total Facilities Needs and Costs**

- The 2021-22 Five-Year Capital Outlay Plan for the California Community Colleges covers the period from 2021-22 through 2025-26, and its total is \$21.2 billion.
- This amount includes \$8.6 billion for construction of new facilities for enrollment growth and \$12.6 billion for modernization of existing facilities.
- The total facilities needs for the next 10 years, including the \$28.9 billion of unmet capital facility needs identified in this Five-Year Plan, are approximately \$41.4 billion.
- If funding remains consistent, the Chancellor's Office will be able to finalize the 2022-23 Capital Outlay Spending Plan and commit the remaining Proposition 51 funds.

# Capital Outlay Program Updates

- With the adoption of the Vision for Success and at the direction of the Board of Governors, the Chancellor's Office with the help of the Facilities Task Force has proposed improvements to the capital outlay program to align with effort to improve student success.
- The Vision for Success changes added metrics focused on Career Technical Education, regions of high need, and allow for additional space for classrooms and office space.

## Proposed Project Categories, Definitions and Percentage Allocations

- **Category: A for Life and Safety.** To provide for safe facilities and activate existing space.
- **Category: M for Modernization.** To modernize instructional and institutional support spaces.
- **Category: G for Growth.** To increase instructional and institutional support spaces.

# Capital Outlay Program: Space Utilization

- The Board of Governors policy on Utilization and Space Standards, was adopted in 2010.
- The proposed new policy increases Office Room Type standards by 25 percent and increases Lecture Room Type standards by 33 percent.
- These updates to the space standards will provide local community colleges with the flexibility to serve their students with the goal of improving student success.
- Aligns with California Building code.

# Capital Outlay Program: Space Utilization

- Lecture Space
  - From 15 Assignable Square Feet (ASF) to 20 ASF
- Office Space
  - Large District – From 140 ASF to 175 ASF
  - Small District – From 160 ASF to 200 ASF



# FUSION

- Undergoing FUSION enhancements
- Updates for the Capital Outlay Program
  - Update FUSION to reflect the approved changes
  - Prototype presentation of the program change by November
  - User testing in December 2020
  - Final updates to be released LIVE in January 2021

# Community College Facility Coalition (CCFC) Conference

- Chancellor's Office presentations
  - State Capital Outlay program
  - Capital Outlay program revision
  - FUSION updates



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# Updates on Financial Reports and Attendance Accounting

# Hardship Exemptions from Deferrals

- Memo and Request Form *coming soon*
- For the months of February – June, 2021: \$30 million available for exemptions
- Upon approval by DOF, SCO, & STO - may be revised to allocate up to \$60 million in a given month
- Cash source of last resort
- Cash Flow Analysis for all funds and component units
- Includes cash inflow from all loans



# Cash Flow Analysis

**Deferral Hardship Exemption Requested for February 2021**

**District Cash Flow Projection Summary  
All Funds and Component Units  
2020-21**

Beginning balance, cash and available cash equivalents\*  
 Cash inflow, excluding loans  
 Cash inflow from loans  
 Available cash  
 Cash outflow

	\$	-	
			<b>Feb-21</b>
		-	
		-	
Cash surplus (shortfall)	\$	-	\$

# Updates to CCFS-311 Annual Budget and Financial Report

- Due dates extended to Nov 30
- System Updates
  - Student Representation Fee – Report and Invoice
  - Student Enrollment Fee Contra Revenue Accounts

# Student Representation Fee

- Beginning January 1, 2020, all districts are required to collect a \$2 student representation fee.
- Students must be able to opt out of this fee.
- Report and Invoice for 2019-20 is outside the CCFS-311.
- On the CCFS-311, report total collected, net of accounts receivable.
- The Student Representation Fee Report and Invoice will be updated in the CCFS-311 for 2020-21

# 2019-20 Student Representation Fee Report and Invoice

- Provided on listserv as separate excel document.
- Districts will enter:
  - Total collected, net of accounts receivable
  - Any amount collected at the previously optional \$1 fee amount
  - Administrative Fee retained
- Payment is due to the Chancellor's Office Accounting Office no later than February 1, 2021

# Student Enrollment Fee Contra-Revenue

- Enter as a **negative** in the CCFS-311 data entry screen
- 8874.1- Enrollment Contra Revenue for Uncollectible Receivables
  - For Student Enrollment Fee Revenue Report for Apportionments, reported revenue should not be reduced for uncollectible receivables.
- 8874.5 - Enrollment Contra Revenue for AB19 College Promise Waivers
  - For Student Enrollment Fee Revenue Report for Apportionments, reported revenue should not be reduced for AB19 College Promise recorded as a fee waiver.
- 8874.7 - Enrollment Contra Revenue for COVID related refunds of student fees
  - For Student Enrollment Fee Revenue Report for Apportionments, reported revenue may be reduced for refunds due to the pandemic that were not reimbursed by other sources, such as the institutional portion of the CARES Act HEERF.

# Student Enrollment Fee Revenue Report

- Due date extended to November 30, 2020
- Total student enrollment fee revenue reported is reduced by:
  - Contra-revenue for COVID refunds, if applicable
- Total student enrollment fee revenue reported is **NOT** reduced by:
  - Contra-revenue for uncollectible receivables
  - Contra-revenue for AB19 College Promise Waivers, if applicable

# Distance Education Proposed Regulation Changes

- **Issue:** Existing regulations prescribe attendance accounting methods which result in lower generation of full-time equivalent students (FTES) for distance education courses scheduled using the compressed calendar model.
- **Proposed Solution:** The proposed amendments to title 5 regulations address disparities between attendance accounting methods for distance education under traditional and compressed calendar course schedules.

# Background

- FTES yields for distance education classes taught in compressed calendar districts are lower than distance education classes in traditional calendar districts.
- The current FTES formula for a distance education section calls for the number of units of credit to be multiplied by the district's Term Length Multiplier (TLM).
- Traditional calendar districts have a TLM of 17.5. Because of their lower Term Length, compressed calendar districts have lower FTES yields for distance education classes.
- The recommended title 5 changes will replace the TLM by 17.5, resulting in identical FTES yields for comparable classes, irrespective of the district's calendar type.



# Protections and Response

## **FTES Protections:**

- Title 5, section 58146 provides the criteria for funding allowances due to emergency conditions such as pandemics. The intent behind this section is that districts should not lose apportionment as a result of emergency conditions.
- The Chancellor's Office will be operating under these regulation to protect colleges from FTES declines for the 2019-20 and 2020-21 academic year.

## **Hold Harmless Extension:**

- The Budget Act of 2020 extended minimum revenue (hold harmless) provisions through 2023-24.

## **Response:**

- Fall shows an increased number of face-to-face course offerings converted to distance education due to the pandemic. It is important to eliminate disparities for distance education courses and to updated outdated distance education policies.

# Next Steps: Attendance Accounting Updates

- Colleges are increasingly adapting course offerings to advance students' progress toward completion through flexible scheduling and a blend of online, hybrid, and face-to-face offerings.
- This is the **first of several changes and improvements** that will be presented to stakeholders and the Board of Governors which modernize attendance accounting methods.
  - Noncredit Open-Entry/Open-Exit Courses
  - Competency Based Education

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# **CARES ACT HEERF and BLOCK GRANT REMINDERS**



# HEERF Certification Reminder

HEERF by Allocation Type						
USDE Effective Date	Allocations Type	Opportunity Number	CFDA	CARES Act Section	Amount	Certification of Agreement Deadlines
4/9/2020	Student Aid	ED-GRANTS-041020-003	CFDA: 84:425E	18004(a)(1)	\$289,839,564	9/30/2020
4/21/2020	Institutional Portion	ED-GRANTS-042120-004	CFDA: 84:425F	18004(a)(1)	\$289,839,564	9/30/2020
4/30/2020	Historically Black Colleges and Universities (HBCU)*	ED-GRANTS-043020-001	CFDA: 84:425J	18004(a)(2)	\$447,466,079	9/30/2020
4/30/2020	Tribal Controlled Colleges and Universities (TCCU)*	ED-GRANTS-043020-002	CFDA: 84:425K	18004(a)(2)	\$50,469,300	9/30/2020
4/30/2020	Minority Serving Institutions (MSI)*	ED-GRANTS-043020-003	CFDA: 84:425L	18004(a)(2)	\$265,066,148	9/30/2020
4/30/2020	Strengthening Institutions Program (SIP)*	ED-GRANTS-043020-004	CFDA: 84:425M	18004(a)(2)	\$145,618,692	9/30/2020
4/30/2020	Funds for Improvement of Postsecondary Education (FIPSE)*	ED-GRANTS-043020-005	CFDA: 84:425N	18004(a)(3)	\$321,687,169	9/30/2020
8/19/2020	Institutional Resilience and Expanded Postsecondary Opportunity (IREPO) Grant Program Competition	ED-GRANTS-082120-001	CFDA: 84:425P	18004(a)(3)	\$348,800,000	10/20/2020

# HEERF Reporting Requirements

On August 28, 2020, the USDE revised Notice for the Student Share Public Posting Requirement for HEERF Grantees

- The seven reporting elements are the same, but adds a clarifying footnote for reporting item four.
- Decreases the 30 or 45-day posting requirement to every calendar quarter, with the next calendar quarter report due by October 10, 2020 and covering the period from after their last 30 or 45-day report through the end of the calendar quarter on September 30, 2020.
- The revised reporting notice [is available in the \*Federal Register\* here.](#)

# COVID-19 Response Block Grant Reporting Requirements to Department of Finance

Reporting Cycle	Reporting Period	Report Due
Cycle 1	3/1 – 6/30/2020	9/14/2020
Cycle 2	7/1 - 9/30/2020	10/7/2020
Cycle 3	10/1 – 12/31/2020	1/6/2021
Cycle 4	1/1 – 3/31/2021	4/7/2021
Cycle 5	4/1 – 6/30/2021	7/7/2021
Cycle 6	7/1 - 9/30/2021	10/9/2021

# COVID-19 Response Block Grant CCCCO Reports to Legislature

Report on CRF portion due to Legislature March 1, 2021

- **Due from Districts January 5, 2021**

Report on Prop 98 portion due to Legislature December 1, 2023

- **Due from Districts October 3,  
2023**

## Elements of the Reports

- Amount of funds provided for each college.
- Description of how funds were used for purposes outlined in the 2020 Budget Act.
- Statement of reasons describing how the funds prioritized services for underrepresented students.
- Explanation of the effectiveness of services or supports provided by the funds.

# RESOURCES

- [U.S. Treasury Coronavirus Relief Fund webpage](#)
- [Coronavirus Relief Fund Guidance \(updated 6/30/2020\)](#)
- [Coronavirus Relief Fund Frequently Asked Questions](#)
- [Coronavirus Relief Fund Reporting and Record Retention Requirements](#)
- [Department of Finance Coronavirus Relief Fund Quarterly Reporting Portal](#)
- [Chancellor's Office COVID-19 Response Block Grant webpage](#)



# CARES Act HEERF and Block Grant Reminders

## Q & A



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# Apportionment Updates



# September Revision: 2019-20 P2

- Apportionment of an additional \$330 million General Fund appropriated in the 2020 Budget Act for the SCFF.
- \$492 million disbursed from SCFF appropriations in the 2020 Budget Act.
- Approximately \$24 million in authority is pending and will likely be disbursed at 2019-20 Recalculation.
- The Exhibit C published on our website reflects revenue deficits based on the pending \$24 million in authority being available.

# September Revision: 2020-21 Advance

- The Schedule A12 reflects the disbursement of the \$492 million in 2019-20 SCFF under the Prior Year Adjustment row.
- As in the August Revision, this schedule reflects the acceleration of 12 categorical program payments through January and the deferral of SCFF beginning in February.

# Education Protection Account

- The September quarterly EPA payments for 2020-21 are available on our website and reflect reductions to account for \$210 million in 2019-20 overpayments.
- \$1,089 million estimated 2020-21 EPA provided by DOF.
- \$272 million normal quarterly payment.
- \$210 million prior year overpayment.
- \$62 million net September payment.

# Next Steps

- 2019-20 Recalculation based on updated FTES, district reported property taxes, and district reported enrollment fees.
- 2020-21 P1 based on estimated FTES, county reported property taxes, and district estimated enrollment fees.
- With limited resources to disburse from February to June, most adjustments to 2019-20 and 2020-21 SCFF allocations will not be reflected until July 2021 payments.

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# Chat Box Q & A



# Thank You for Joining!

**Next Fiscal & Policy Webinar:  
Thursday, October 29 at 11AM**

