

The following items in the State's adopted budget are also reflected in the district's 2021-22 fiscal year budget:

- Retirement of the apportionment deferrals created in the 2020-21 State Budget
- Extension of the Student-Centered Funding Formula (SCFF) hold harmless provision from 2023-24 to 2024-25
- Authorization to use federal funds to waive student fees
- \$761,053 to hire eight new full-time faculty
- \$3,745,087 in scheduled maintenance funds that must be fully expended by June of 2025

In addition to bolstering reserves, the fiscal year 2021-22 budget places a strong emphasis on preserving the district's investment in its capital facilities. This includes transferring \$2 million from the unrestricted general fund to the Capital Outlay Projects Fund at the end of fiscal year 2020-21 and budgeting another \$1 million to be transferred in fiscal year 2021-22.

The final adopted budget continues the ongoing allocation of \$300,00 for the exterior painting of buildings. Lastly, we have established a reserve to fund furniture, fixtures and equipment. This is explained in more detail under the Dental Self-Insurance Fund.

The following items were conspicuously absent from the State Budget:

- Pension obligation relief. The budget contained neither a "buy down" of the CalPERS or CalSTRS pension obligations nor a reduction to the employer contribution rates.
- The May Revise contained an additional \$250 million for scheduled maintenance that was being passed through from the federal government which was removed before the final State Budget was adopted.

GENERAL FUND-RESTRICTED

The restricted general fund accounts for resources available for the operation and support of the educational programs that are specifically restricted by donors, or are locally restricted by the Board, or by other outside agencies as to their expenditure. Only known or approved categorical programs have been included at this time. The most significant of these are the HEERF II and HEERF III funds the district has received from the federal government.

Student Aid	HEERF II	HEERF III	TOTAL
Minimum Direct Aid	\$1,926,951	\$8,053,990	\$9,980,941
Additional Direct Aid	430,474	0	430,474
Student Aid Total	\$2,357,425	\$8,053,990	\$10,411,415
Institutional			
Institutional Grants	\$39,647	\$0	\$39,647
Public Affairs	50,000	0	50,000
Campus Police	145,640	0	145,640
Human Resources	44,347	0	44,347
COVID Testing	167,047	0	167,047
Administrative Services	2,363,654	1,227,857	3,591,511
Academic Affairs	692,554	0	692,554
Student Services	872,871	2,250,000	3,122,871
Info Tech	1,290,885	0	1,290,885
Child Care	15,056	0	15,056
Institutional Total	\$5,681,700	\$3,477,857	\$9,159,558

(Chart continued on next page)

DENTAL SELF-INSURANCE FUND

This fund accounts for the income and expenditures of the dental self-insurance program. Based on the current fund balance and utilization data, a rate increase is not required.

Budget Council has been grappling with the Self-Insured Dental Fund and what to do with its continuously growing fund balance. As demonstrated in the table below, the fund balance has grown from \$1,392,472 in fiscal year 2016-2017 to \$1,820,916 in fiscal year 2020-21. Premiums have averaged around \$750,000 per year for the last five years.

	2016-17	2017-18	2018-19	2019-20	2020-21
Beginning Fund Balance	\$ 1,359,986	\$ 1,392,472	\$ 1,448,257	\$ 1,526,340	\$ 1,695,635
Contributions	781,518	821,322	812,818	880,164	804,230
Interest	9,672	16,195	24,746	23,437	23,437
Premiums	758,704	781,732	759,481	734,306	702,386
Net Income (Loss)	32,486	55,785	78,083	169,295	125,281
Ending Fund Balance	\$ 1,392,472	\$ 1,448,257	\$ 1,526,340	\$ 1,695,635	\$ 1,820,916

Because the fund has in excess of a 200% reserve, there is a strong desire to put the unrestricted general fund dollars that have been deposited into the fund (i.e., eighty-five cents of every dollar) to work. A recommendation that both the Budget Council and Facilities Council have endorsed is to move \$1 million out of the fund to establish a furniture and equipment reserve. The reserve could be used for the purchase and replacement of furniture, fixtures and equipment (FF&E), including ergonomic equipment.

For items to be eligible to be funded through the reserve, they would have to be specified in a program review or annual update or be identified in a project contained in the districts' five-year construction plan (ergonomic equipment would be an exception to this rule).

Budget Council should continue to monitor the fund balance of the Self-Insured Dental Fund. The rule would be that the fund should carry twelve months' worth of premiums in reserve. If the fund balance exceeded this amount, then the difference would be transferred to the FF&E reserve.

PROPERTY AND LIABILITY SELF-INSURANCE FUND

The self-insurance fund accounts for the deductible portion of the district's property and liability insurance program. The funding for this program is provided by the general fund as needed. The fund balance is established to meet actuarial standards of projected open reserves and unbilled closed claims plus \$50,000 for an estimate of incurred but not reported claims.

POST-EMPLOYMENT BENEFITS FUND

The post-employment benefits fund is the conduit that is used to transfer funds to the irrevocable trust. This fund is kept in place in the event that the OPEB actuarial determines the trust is under-funded.

STUDENT FINANCIAL AID TRUST FUND

The student financial aid trust fund accounts for the deposit and direct payment of government-funded student aid. These moneys are restricted and may not be used for other purposes. The 2021-22 budget reflects the initial grant allocation per the U.S. Department of Education statement of account for the 2021-22 award year.

SCHOLARSHIP AND LOAN TRUST FUND

The scholarship and loan trust fund is used to account for such gifts, donations, bequests, and devises (subject to donor restrictions) that are to be used for scholarships or for grants in aid and loans to students. The board of trustees established a separate bank account in December 2015 to account for the income and expenses of providing emergency loans to college student veterans.

ASSOCIATED STUDENTS TRUST FUND

The associated student's trust fund is designated to account for moneys held in trust by the district for organized student body associations. The fund is supported in part by a \$50,000 annual distribution received as a portion of commissions paid to the district from Follett for operation of the campus bookstore.