

Solano College Adopted Budget



FIRST READING

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2020-21 General Fund Budget

- The budget is built with significant economic uncertainties
- Balanced general fund budget (page 12), unlike many other Districts
- Revenue “deferrals” from the state will cause the District to drain our own cash (page 7)
- A cash shortfall caused by state deferrals will likely require borrowing in order to cover payroll and other bills until the state pays back the deferrals
 - Based on past experience, repayment from the State may take several years
- Enrollments have been stable for several years, but early data for 2020-21 indicates that enrollments may decline (page 10)



General Fund Best & Worst Case

- “The best case scenario (page 24) assumes federal assistance, **balanced budget**
- The worst case scenario assumes a mid-year deficit, **\$2 million deficit**
- Given past experience and economic challenges, the worst case is more likely than the best case



Multi-Year Budget

- “Hold harmless” is extended through 2023-24
- The current “hold harmless” temporary revenues” are \$4.6 million
 - If nothing changes, the District will see a revenue drop of \$4.6 million in 2024-25
 - A reduction of about 9%
 - Future Projections:

Fiscal Year	Projected General Fund Net Change	Projected Ending Reserve Ratio
2021-22 (partial economic recovery)	About \$1.0 million deficit	15.9%
2022-23 (partial economic recovery)	About \$0.5 million deficit	14.6%
2023-24 (full economic recovery)	Balanced Budget	14.3%
2024-25 (End Hold Harmless)	\$3 million to \$5 million deficit	7% to 9%