MEMO

To: Thuy Thi Nguyen, President

Fr: Revenue and Resource Council

Date: April 29, 2020

Re: Augmenting 2020-2021 College 1320 Funds with College Carryover (1 Attachment)

At its April 17 meeting the RR group discussed the pressing issue of the college's structural deficit within its 1320 budget. Due to a reduction in this district allocation, the college has been using other sources of funding to make up for the gap in 1320 funds to protect against further cuts to its academic programs and schedule.

Heading into the 2020/2021 Budget Year, the college is facing a $2 million deficit in its 1320 budget. The Cabinet has been able to identify approximately $1 million in funds to cover that deficit from several sources. Nonetheless, this leaves the college facing a deficit of slightly under $1 million. To address the deficit, the Deans have implemented an approximate 20% cut to the 2020 Summer Term and are currently determining the scope of the cut to the Fall, Winter and Spring Schedules.

While the college does not yet have an estimate on the impact to FTES these cuts will have, data indicate the 20% cut to the summer schedule predict a loss of 300 FTES. If the college were to lose 250 FTES per quarter during the rest of the academic year, which could be a conservative estimate, that would amount to a loss of over 1,000 FTES for the year. Given we do not know the impact such an enrollment loss would have on the college and the district, **the Revenue & Resources Council s making a recommendation that if the district does not provide additional funding for instruction, the college allocate carry over funds to backfill the additional $1 million to the 1320 budget.**

We feel this is an appropriate response to the increase in demand we are already experiencing among students seeking community college classes and the uncertainty around the State budget and current hold harmless. The risk of future revenue loss is too great at this critical time, to implement a plan to downsize the college by 1,000 FTES or more.

Prepared by: Kurt H.