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Río Hondo College 2020-21 Budget Provides Funds for Student Financial Aid, Increases the Reserve to \$31.3 Million

WHITTIER – Río Hondo College’s Board of Trustees adopted a 2020-21 budget on Oct. 29 that sets aside more than \$6.2 million for student financial aid from the Restricted General Fund and \$25.7 million from the Financial Aid Fund. The 2020-21 adopted budget avoids the loss of staff and increases both Unrestricted and Restricted General Fund reserves to \$31.3 million despite state budget shortfalls created by the pandemic.

“Río Hondo College is fiscally strong and stable as we continue to innovate new ways to serve our students amid the myriad challenges related to the COVID-19 pandemic,” Acting Superintendent/President Teresa Dreyfuss said.

The unrestricted general fund budget estimates \$92.2 million in revenue and \$91.4 million in expenditures. The budget increased its reserves to \$31.3 million.

California’s Student Centered Funding Formula provides colleges with 70% of their funding based on full-time equivalent student (FTES) numbers, 20% as a supplemental allocation and 10% as a student success allocation.

Río Hondo College has anticipated no increases from the state in funding over 2019-20 levels based on 13,000 FTES. The College will receive no cost-of-living adjustment or other growth in the state’s general apportionment.

The College also budgeted for retirement costs, paying 16.15% for faculty members and 20.7% for staff into the state’s underfunded retirement systems. The College set aside a trust fund of \$62.3 million for other retirement benefits, fully meeting Other Post-Employment Benefits (OPEB) obligation. Another trust fund designed to ensure pension escalation costs are met currently has \$6.7 million.

MORE

Río Hondo College is an educational and community partner committed to advancing social justice and equity as an antiracist institution that collectively invests in all students’ academic and career pathways that lead to attainment of degree, certificate, transfer, and lifelong-learning goals. For information on the College or its programs, please call 562-692-0921 or visit www.riohondo.edu.

In addition, the budget includes annual increases in pay for staff based on step and column increases as well as a 1% raise for Río Hondo faculty. District Administration is currently engaging contract negotiations with classified staff representatives.

"On behalf of my colleagues and the college community, I would like to thank Acting Superintendent/President Dreyfuss for her work in developing a balanced budget that allows us to maintain our current service level while increasing our reserves," Board President Oscar Valladares said. "This budget reflects our Board's commitment to ensuring a fiscally sustainable college for our staff, students and our community during the midst of challenging economic conditions."

Dreyfuss credited innovative administrators and dedicated faculty and staff for ensuring Río Hondo College meets the needs of students during this unprecedented time with solid financial resources.

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