

PRESENTATION OF THE 2016-2017
3RD QUARTER BUDGET REPORT
MAY 2, 2017

SANTA MONICA COLLEGE

THINGS CAN STILL CHANGE...

- May Revise
- P2
 - CCCCO DF: <1.31%> or <\$1,559,601>
 - District Proj.: <0.00> or <\$0>

OVERVIEW

- Recal - The “Recap”
- Changes in projected revenues
- Changes in projected expenditure
- Changes in projected fund balance

Recalculation of 2015-2016

RECALCULATION OF 2015-2016

Borrowing of 313 FTES	\$1,533,795
Reduction in Categorical Funds	<\$56,387>
Vehicle License Fee Reallocation	\$370,970
2011-2012 RDA Shift	\$591,580
Total Prior Year Payments - One-time	\$2,439,958
Amount Budgeted for Q2	\$1,426,432
<u>One-time Net Increase in Revenue</u>	<u>\$1,013,526</u>

Changes in Revenue

PROJECTED CHANGES IN REVENUE 2ND QTR TO 3RD QTR PROJECTIONS

2016-2017 Second Quarter Revenue Projection:	169,557,029
PY Apportionment- One-Time	1,013,526
Non-resident Tuition	408,679
Apportionment - Base	107,812
Other Local Revenue	-117,300
Other	-18,108
\$1,394,609 or 0.82%	
2016-2017 Third Quarter Revenue Projection	170,951,638

Changes in Expenditures

PROJECTED CHANGES IN EXPENDITURES 2ND QTR TO 3RD QTR PROJECTIONS

2016-2017 Second Quarter Expenditure
Projection:

174,539,731

Salary Increase and Related Benefits - Smcfa

3,308,521

Salary Increase and Related Benefits - "Me Too"

927,198

Benefits

121,437

Leverage Capital Outlay Fund - 40.0

-586,418

Freeze Unencumbered Contracts and Supplies

-1,627,732

Suspend OPEB

-2,000,000

Other

-86,707

\$56,299 or 0.03%

2016-2017 Third Quarter Expenditure Projection:

174,596,030



Changes in Fund Balance

THE "BOTTOM LINE"

EQUAL TO
APPROXIMATELY
1,600 FTES

2016-2017
Adopted

2016-2017 Third
Q

Beg. Fund Balance

\$23,925,591

\$23,925,591

Structural Surplus/**Deficit**

-6,604,786

-8,124,874

One-Time items

263,434

4,480,482

Ending Fund Balance

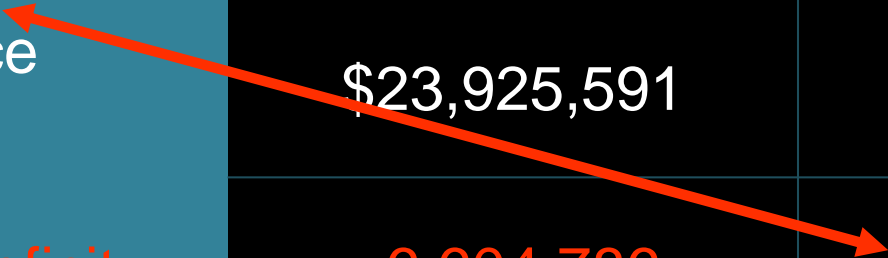
17,584,239

20,281,199

Fund Balance to TTL
Expenditures and Transfers

10.16%

11.62%



2017-2018 Proposed Ongoing Apportionment Funds Effect on the Structural Deficit

Based on Governor's January Proposal

2017 - 2018

Structural Surplus/**Deficit**

-8,124,874

Growth/Access -0.61%

649,320

Inflationary Adjustment - 1.48%

1,741,916

Base Adjustment - 0.37%

441,000

Structural Deficit Before
Increase in Expenditures

-5,292,638

LIST OF EXPECTED INCREASES TO EXPENDITURES IN 17-18

- YEAR 2 OF SALARY ADJUSTMENTS (\$3.2M)
- STRS AND PERS (\$1.8M)
- STEP, COLUMN AND LONGEVITY (\$1.2M)
- HEALTH AND WELFARE (\$1.4M)
- TOTAL: \$7.6 MILLION

MAJOR ISSUES MOVING FORWARD

- Revenue generation stalled
 - F1 applications are behind by 15% - 20%
- PERS and STRS increases
 - STRS: Employer contribution 2020-21 will be 19.1%
 - PERS: Employer contribution 2023-24 will be 28.2%
- Built in increases: Step and column, benefits, and contractual
- Health and Welfare, Utilities, OPEB
- Declining Fund Balance, Borrowing FTES and Structural Deficit

Thank You!!!

The Accounting Team with Special
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Budget Committee

