

PRESENTATION OF THE 2017-2018  
SECOND QUARTER BUDGET REPORT  
FEBRUARY 6, 2018

# SANTA MONICA COLLEGE

# THINGS CAN STILL CHANGE

- Still waiting for P1 - February 23
- May Revise
- Governor vs. Legislature

# OVERVIEW

- Governor's Proposed Budget
- Second Quarter Report

2018-2019

Governor's Proposed Budget

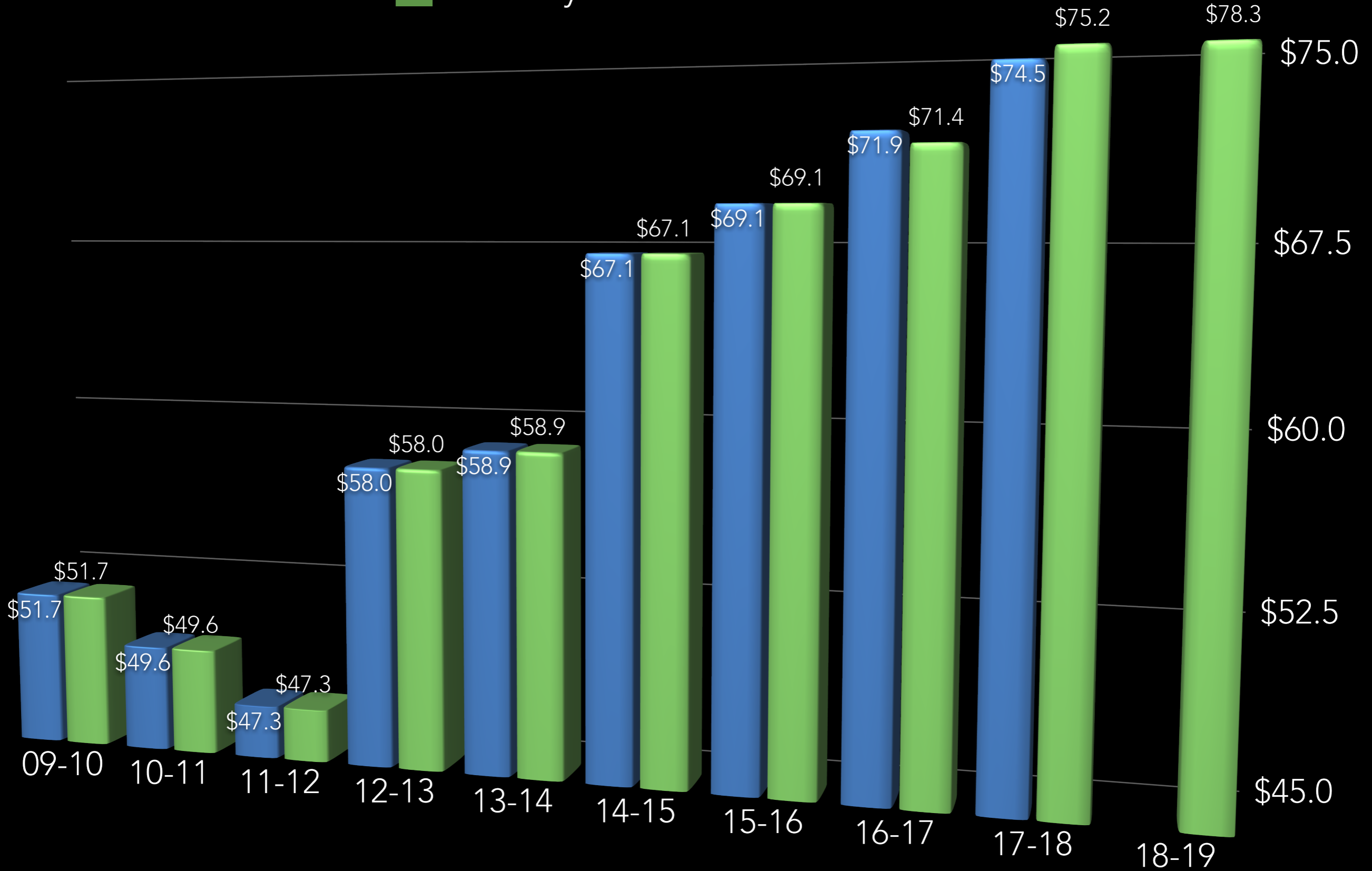
WARNING: RESULTS MAY VARY

# GOVERNOR'S PROPOSAL

- \$131.69 B General Fund Budget - \$5.2 Billion More Than 17-18
- Prop 98 Funding a record \$78.3 B
  - \$4.6 Billion in K-14 Funding
  - Community Colleges share is 10.93% - Traditionally Share is 10.93%
- No enrollment fee change

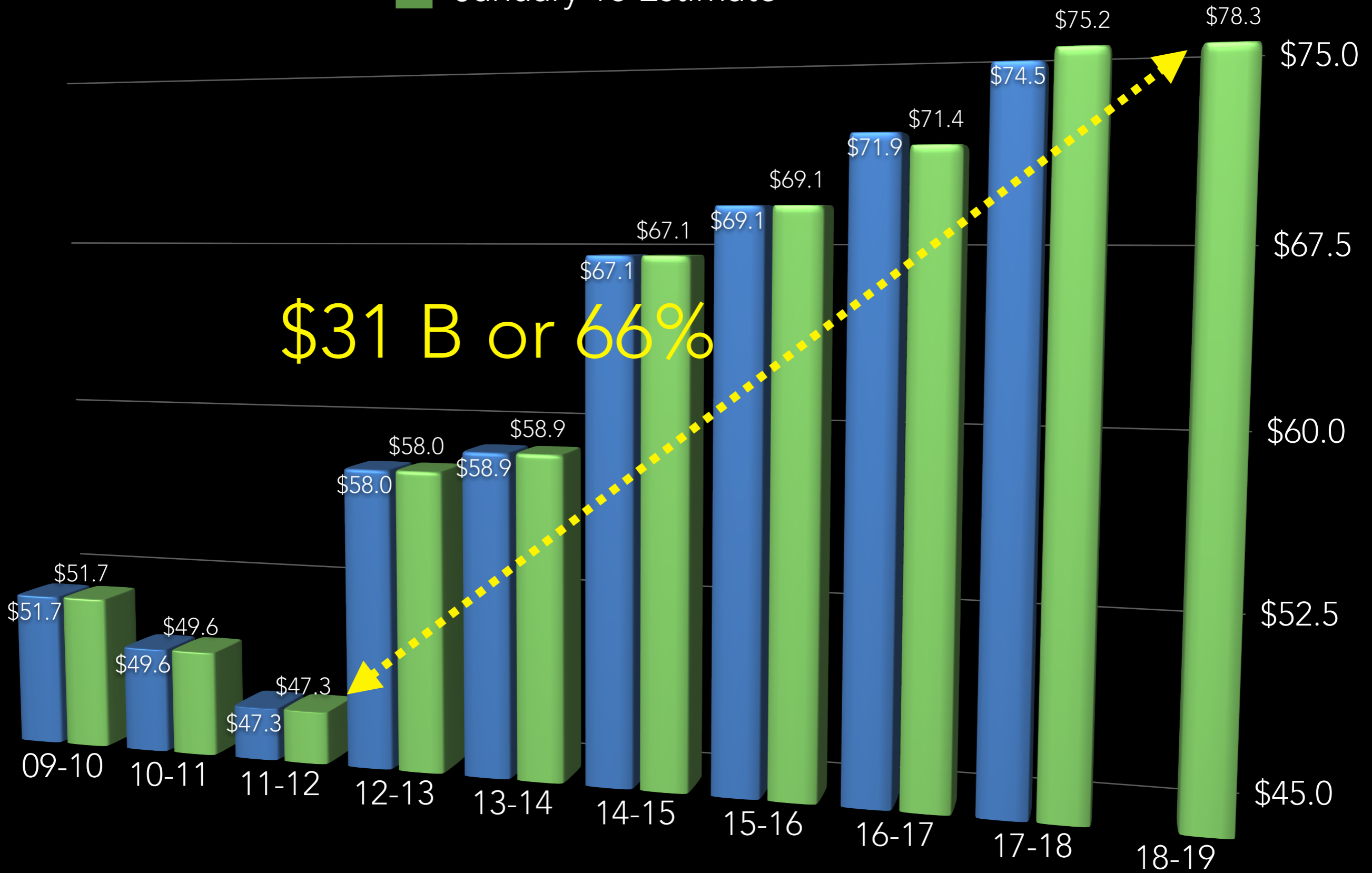
# PROPOSITION 98 FUNDING

■ June 17 Enacted  
■ January 18 Estimate



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\$31 B or 66%



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# RECAP OF GOVERNOR'S BUDGET

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## UNRESTRICTED FUND

	ONGOING	ONE-TIME	TOTAL
GROWTH - \$60.0M SYSTEM - 1.00% DISTRICT - 0.5%	\$535,379	\$0	\$535,379
COLA - \$161.2M - SYSTEM - 2.51%	\$3,122,778	\$0	\$3,122,778
NEW FUNDING FORMULA????	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$3,658,157</b>	<b>\$0</b>	<b>\$3,658,157</b>

# NEW FUNDING FORMULA

- Consists of 3 Measures
  - FTES Served
    - Credit/CDCP - \$2,465 per student
    - Non-Credit - \$1,539 per student
  - Supplemental Grants
    - California Promise (BOGG) - \$1,367 per student
    - Pell - \$2,181 per student
  - Student Success Grants
    - Degrees, Certificate and Awards Granted - \$5,672 per student
    - Degree, Certificate or Transfer in 3 Years or Less - \$6,555 per student
    - ADT Granted - \$1,001 per student

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## RESTRICTED FUND

	ONGOING	ONE-TIME	TOTAL
CATEGORICAL COLA - \$7.3M	\$85,214	\$0	\$85,214
SM/IE BLOCK GRANT - \$275.2M	\$0	\$5,092,991	\$5,092,991
<b>TOTAL</b>	<b>\$85,214</b>	<b>\$5,092,991</b>	<b>\$5,178,205</b>

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## UNRESTRICTED AND RESTRICTED FUND

	ONGOING	ONE-TIME	TOTAL
UNRESTRICTED (01.0)	\$3,658,157	\$0	\$3,658,157
RESTRICTED (01.3)	\$85,214	\$5,092,991	\$5,178,205
<b>TOTAL</b>	<b>\$3,743,371</b>	<b>\$5,092,991</b>	<b>\$8,836,362</b>





2017-2018  
Second Quarter Report



# Changes in Revenue


PROJECTED CHANGES IN REVENUE  
ADOPTED TO 2ND QUARTER PROJECTIONS

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2017-2018 Adopted Budget Revenue Projection:	173,882,252
Increase In Apportionment (Borrowing)	1,240,269
Py Adjustment For Apportionment (One-Time)	1,221,218
Mandated Cost Adjustment - One-Time	599,593
Interest	115,100
Lottery	-171,447
Non-Resident Students	-1,129,200
Other	2,805
2017-2018 Second Quarter Revenue Projection:	175,760,590

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Non-Resident Students	-1,129,200
Other	2,805
<b>\$1,878,338 or 1.1%</b>	
2017-2018 Second Quarter Revenue Projection:	175,760,590







# Changes in Expenditures

PROJECTED CHANGES IN EXPENDITURES  
ADOPTED TO 2ND QUARTER PROJECTIONS

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2017-2018 Adopted Budget Exp. Projection:	180,509,279
Hourly Instruction And Non-Instruction	1,452,991
Utilities	398,919
Net Effect Of Hiring And Separation	329,686
Vacancy List	-325,636
Supplemental Retirement Plan	-1,159,590
Other	-114,731
2017-2018 Second Quarter Exp. Projection:	181,090,918

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Other -114,731

**\$581,639 or 0.3%**

2017-2018 Second Quarter Exp. Projection: 181,090,918





# Changes in Fund Balance

# THE "BOTTOM LINE"

	2016-2017 Audited	2017-2018 Adopted	2017-2018 Second Q
Beg. Fund Balance	\$23,925,591	\$21,371,774	\$21,371,774
Structural Surplus/ Deficit	-\$8,446,816	-\$12,364,691	-\$6,880,510
One-Time Items	\$5,892,999	\$5,737,664	\$1,550,182
Surplus/Deficit W/ One- Time Items	-\$2,553,817	-\$6,627,027	-\$5,330,328
Ending Fund Balance	\$21,371,774	\$14,744,747	\$16,041,446
Fund Balance To Ttl Expenditures And Transfers	12.38%	8.17%	8.86%

# FIVE YEAR TREND COMPARISON INCLUDING ONE-TIME FUNDING

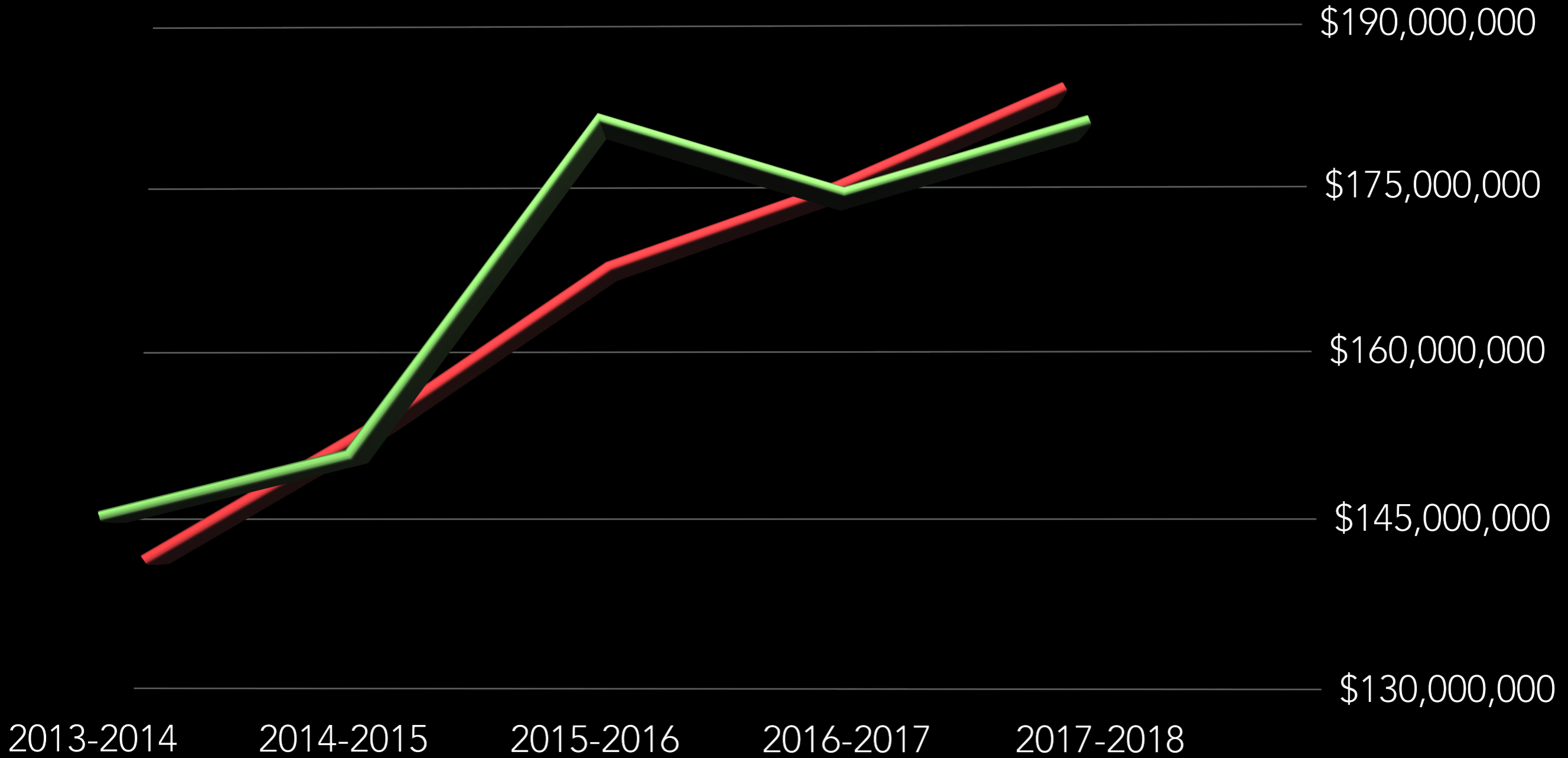
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Revenue	\$144,945,575	\$150,456,338	\$176,032,586	\$170,106,597	\$175,760,590
Expenditures	\$141,494,606	\$150,646,540	\$165,888,572	\$172,660,414	\$181,090,918
Surplus/ Deficit	\$3,450,969	-\$190,202	\$10,144,014	-\$2,553,817	-\$5,330,328
Ending F B	\$13,971,779	\$13,781,577	\$23,925,591	\$21,371,774	\$16,041,446



# FIVE YEAR TREND

Revenue

Expenditures



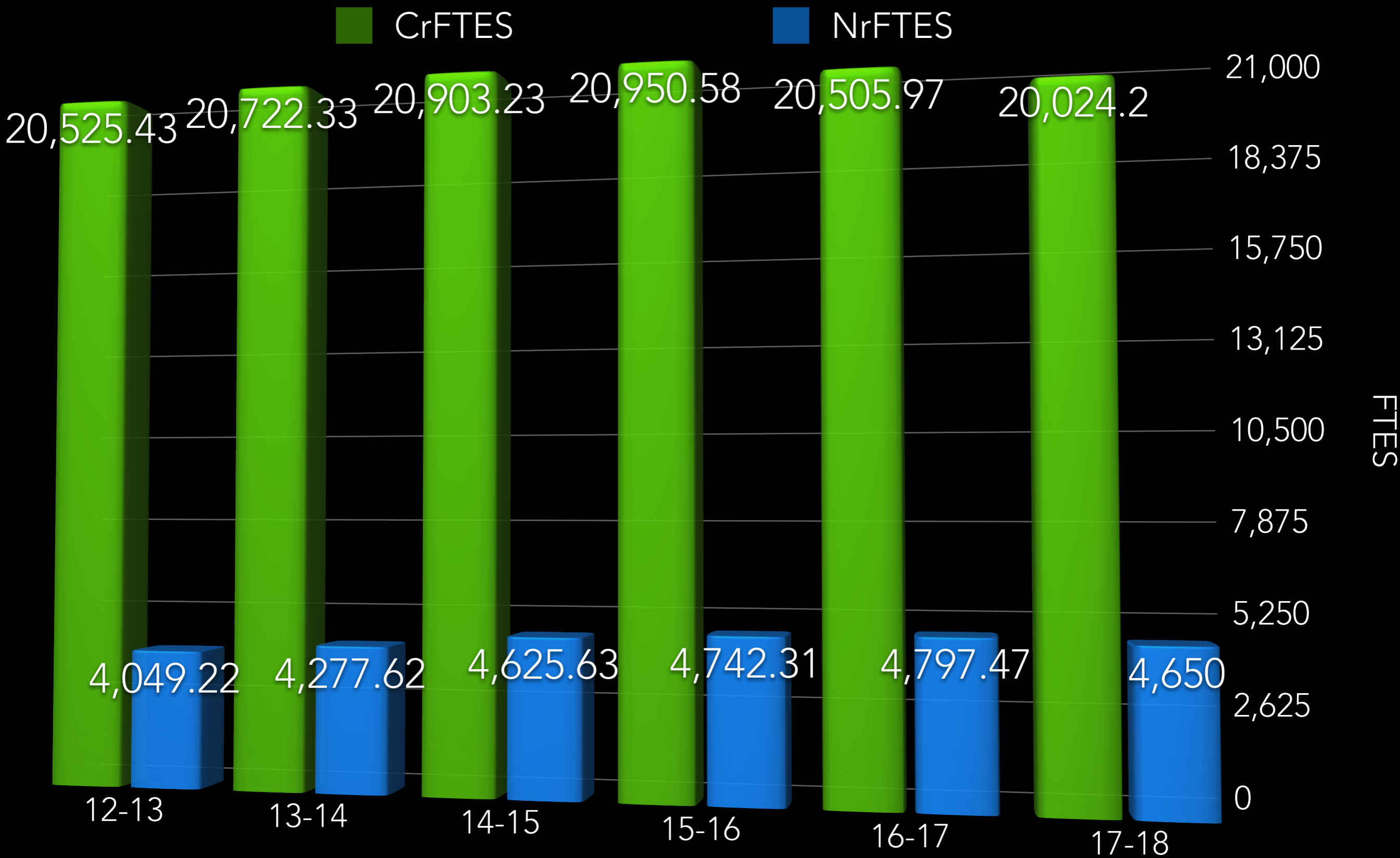
MAJOR ISSUES MOVING FORWARD

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- FTES: Demand softening
  - Adopted FTES Target:
    - 20,006 Credit (*approx. 500 FTES Decline*)
    - 4,797 Non-resident (*0.00% Growth*)
  - Current Projection:
    - 20,024 Credit (*approx. 482 FTES Decline*)
    - 4,650 Non-resident (*approx. 147 Decline*)

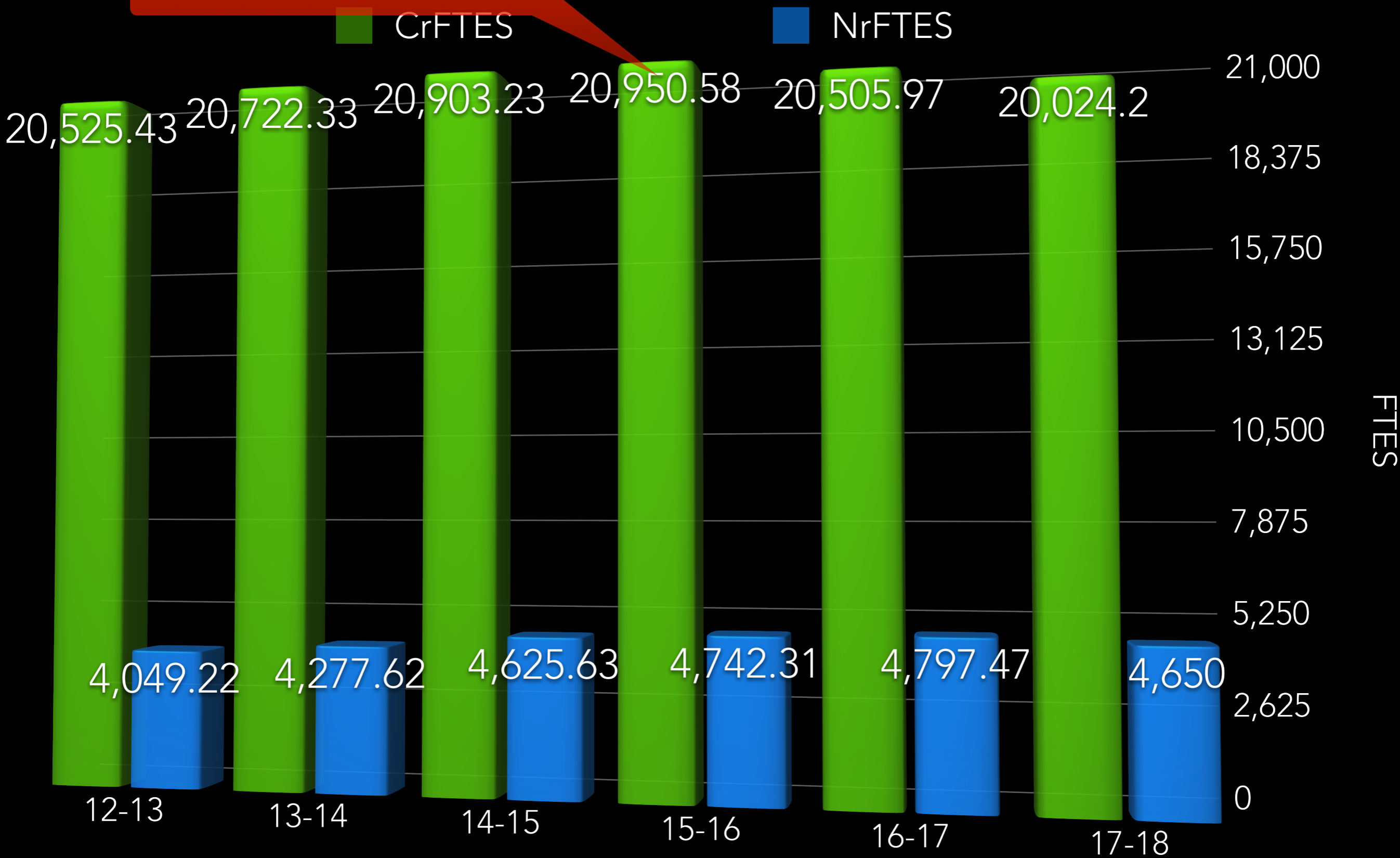


# CREDIT AND NON-RESIDENT FTES PROJECTIONS



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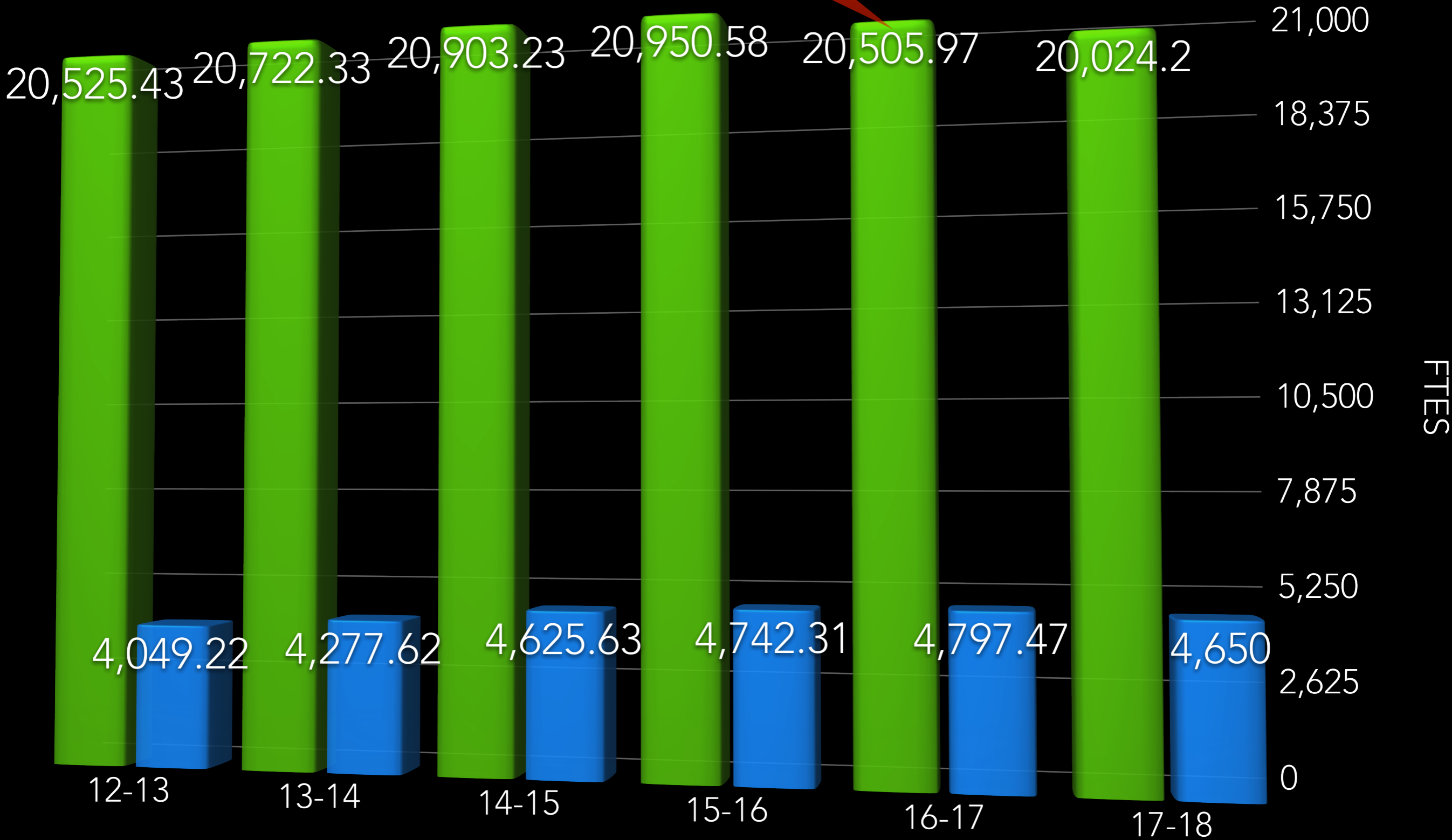
PROJECTED TO BE  
21,343.46 FTES



# CREDIT AND NON-RESIDENT FTES PROJECTIONS

PROJECTED TO BE  
20,763.86 FTES

CrFTES NrFTES







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- Revenue generation stalled
- 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



Thank You!!!

The Budget Team with Special Thanks  
To Veronica Diaz

Charlie Yen, Emil Zordilla and the  
Facilities Team

Budget Committee