

*Presentation of the 2019-2020
Second Quarter Budget Report
Board of Trustees
February 4, 2020*

Santa Monica College

Things Can and Will Change...

- Changes to SCFF Calculation
- May Revision
- January Proposal is at 30,000ft

Overview

- Governor's Proposed 2020-2021 Budget
- District 2nd Quarter Budget Report

Governor's Proposed 2020-2021 Budget

General Fund and Proposition 98

- General Fund Budget
 - \$153.1 billion - Increase of 3.6% or \$5.3 billion
- Proposition 98
 - \$84.0 billion (*2011-2012 was \$47.3 billion*)
 - Community Colleges share remains 10.93%

- Major Themes
 - Affordable housing and health care
 - Emergency response to homelessness and wildfires
 - Early Childhood Development
 - Fiscal preparedness
 - Rainy Day Fund: From \$16 billion 2019-20 to \$18 billion in 2020-21
 - Public School System Stabilization Account (PSSSA) - (Prop 2) - (aka Prop 98 Rainy Day Fund): Net increase of \$109 M 2020-21 projected balance of \$487 million
 - A moderate recession could result in a \$70 billion loss of revenue

Community College System

- Unrestricted
 - No change to the SCFF - Supports new metric
 - Cost of Living Adjustment: 2.29% = \$3.2 million (District)
 - Growth: 0.5%: Not applicable due to “Do No Harm”
 - Part-time Office Hour Reimbursement: \$10 M one-time = \$300k (District)
- Total Unrestricted = \$3.5 M (District)
 - 2020-21 pension and step/column projected \$3.4 M increase

- Restricted
 - Cost of Living adjustment for certain categorical programs: 2.29%
 - Food Pantry Services: \$11.4 M or \$100 k per District
 - Dreamer Resource Liaison: \$5.8 M
 - Dual Enrollment Instructional Materials: \$5 M
 - Zero Textbook Cost Pathway/OER: \$10 M one-time
 - Scheduled Maintenance/Instructional Equip: \$7.6 M one-time
 - Total Restricted = TBD

- CCCCCO System Office/Systemwide
 - Increased Apprenticeship Hours: \$27.8 M
 - Expand Apprenticeship: \$15 M
 - Work Based Learning Grants: \$20 M one-time
 - Immigrant Legal Services: \$10 M (DSS)
 - Fellowship/Mentorship: \$15 M one-time
 - Student Debt: \$5 M one-time

- Other
 - No Pension Relief
 - STRS: 17.105% to 18.40% - 7.69% or \$762 K Increase
 - PERS: 19.721% to 22.8% - 15.6% or \$1.1 M
 - No Full Time Faculty Allocation

2020-2021
Second Quarter
Budget Update

Changes in Revenue

Projected Changes in Revenue Adopted Budget to Second Quarter Projections

2019-2020 Adopted Budget	186,082,503
Other Local	89,517
Lottery	47,091
Other	-755
Non-resident Tuition	-813,857
2019-2020 Second Quarter Revenue Projection:	185,404,499

Decrease of
<\$678,004> or
<0.36%>



Changes in Expenditure

Projected Changes in Expenditure Adopted Budget to Second Quarter Projections

2019-2020 Adopted Budget	189,836,741
Contract Settlement (CSEA)	1,656,966
Hourly Instruction and Non-instruction	1,335,352
Contract Related One-time	1,223,353
Supplies and Contracts	484,755
Full Year Effect Hiring and Separation	418,660
Employment/Retirement Benefits	253,428
Health Welfare Benefits	186,525
Contract MOU (SMCPOA)	78,809
Vacancy List	-812,429
2019-2020 Second Quarter Exp. Projection:	194,662,160

**Increase of \$4,825,419 or
2.54%**

Changes in Fund Balance

Projected Change in Fund Balance

	2018-2019 Audited	2019-2020 Adopted	2019-2020 Second Q
Beg. Fund Balance	27,648,342	30,676,107	30,676,107
Surplus/Deficit w/ One-time Items	3,027,765	-3,754,239	-9,257,661
Ending Fund Balance	30,676,107	26,921,868	21,418,446
Fund Balance to Ttl Exp. and Transfers	16.83%	14.18%	11.00%

Issues Moving Forward

FTEs: Demand continues to soften

	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020
Resident - Credit	20,950	20,505	19,936	19,542	19,736
Non-resident	4,742	4,797	4,589	4,267	3,876
Totals	25,692	25,302	24,525	23,809	23,612
Change		-390	-777	-716	-197

- Non-resident Tuition
 - Decline in FTES and stagnant fees
- Pension rates
- Step and column, benefits and utilities
- Upcoming change to the SCFF

The Budget Team with Special
Appreciation to Veronica Diaz

Charlie Yen and the Facilities
Team

Budget Committee