

The background features a dark blue gradient with a complex pattern of curved, overlapping lines that create a sense of depth and movement. A grid of fine lines is visible, particularly on the right side, which appears to be part of a larger, curved structure. The overall effect is modern and technical.

Santa Monica College Third Quarter Budget Report

BOARD OF TRUSTEES
MAY 7, 2024

Things WILL Change

- May Revise
 - May 2022: \$97.5 Billion Surplus
 - May 2023: <\$31.5> Billion Deficit
 - January 2024: <\$38> billion Deficit (LAO <\$58>)
 - March 2024: State Controller Revenue is <\$3.8> billion below Governor's January Forecast
 - April 2024: Early Action Plan Reduces Deficit by <\$17.3> Billion – No Prop 98 Reductions



Overview

- Recalculation of 2022-2023
- Third Quarter Budget Update



Recalculation
of
2022-2023



What is a Recalculation?

- January 2022: Governor proposes next years budget
- May 2022: Governor revises January proposal
- June/July 2022: State passes State budget
- August 2022: CCCCO projects District funding (Advanced)
- February/March 2023: Period 1 update (P1)
- June 2023: Period 2 update (P2)
- February/March 2024: State finalizes funding allocations and makes funding adjustments (Recalculation)



Recent Prior Year Adjustments

- 2017-2018: $\\$13,026$
- 2018-2019: \$50,655
- 2019-2020: \$708,695
- 2020-2021: \$1,280,923
- 2021-2022: \$480,299
- 2022-2023: \$1,553,336



Recalculation of 2022-2023

2022-2023 Deficit Factor (was <0.96%>)	\$1,772,869
EPA Shortfall	<291,851>
Part-time Faculty Office Hour Reimbursement	<1,920>
Part-time Faculty Compensation Reimbursement	74,238
Total 2022-2023 Recalculation	\$1,553,336



2023-2024
Third Quarter
Budget Update



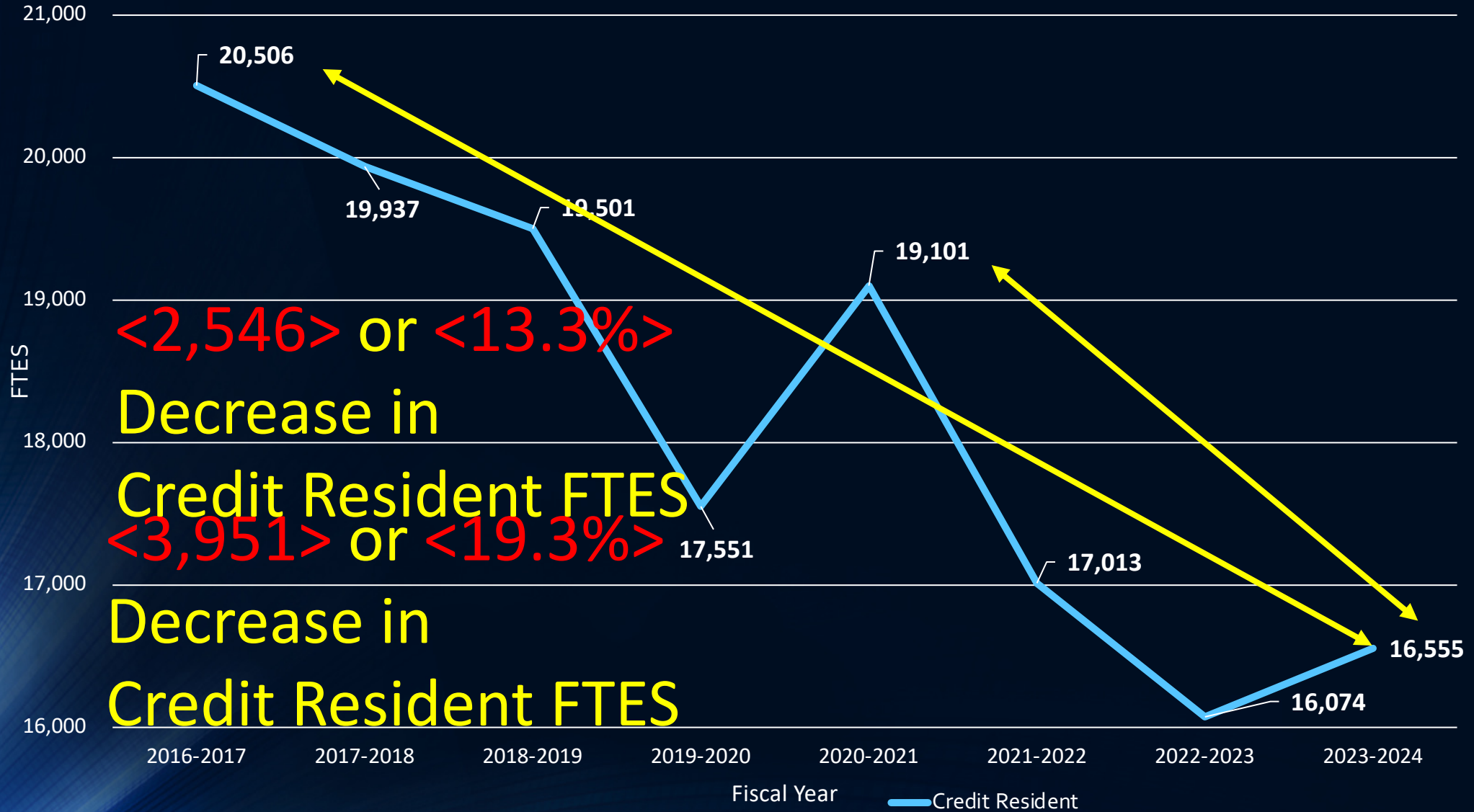
Resident FTES Assumption Update

- Resident Credit FTES Projections
 - Adopted Budget: Credit Res. FTES: ~ 3.00% or 482 FTES
 - Projected Credit Res. FTES: ~ 2.99% or 481 FTES
 - 2023-2024 Total Projected Credit Res. FTES = 16,555



Credit Resident FTES

2016-2017 Through 2023-2024 Projected



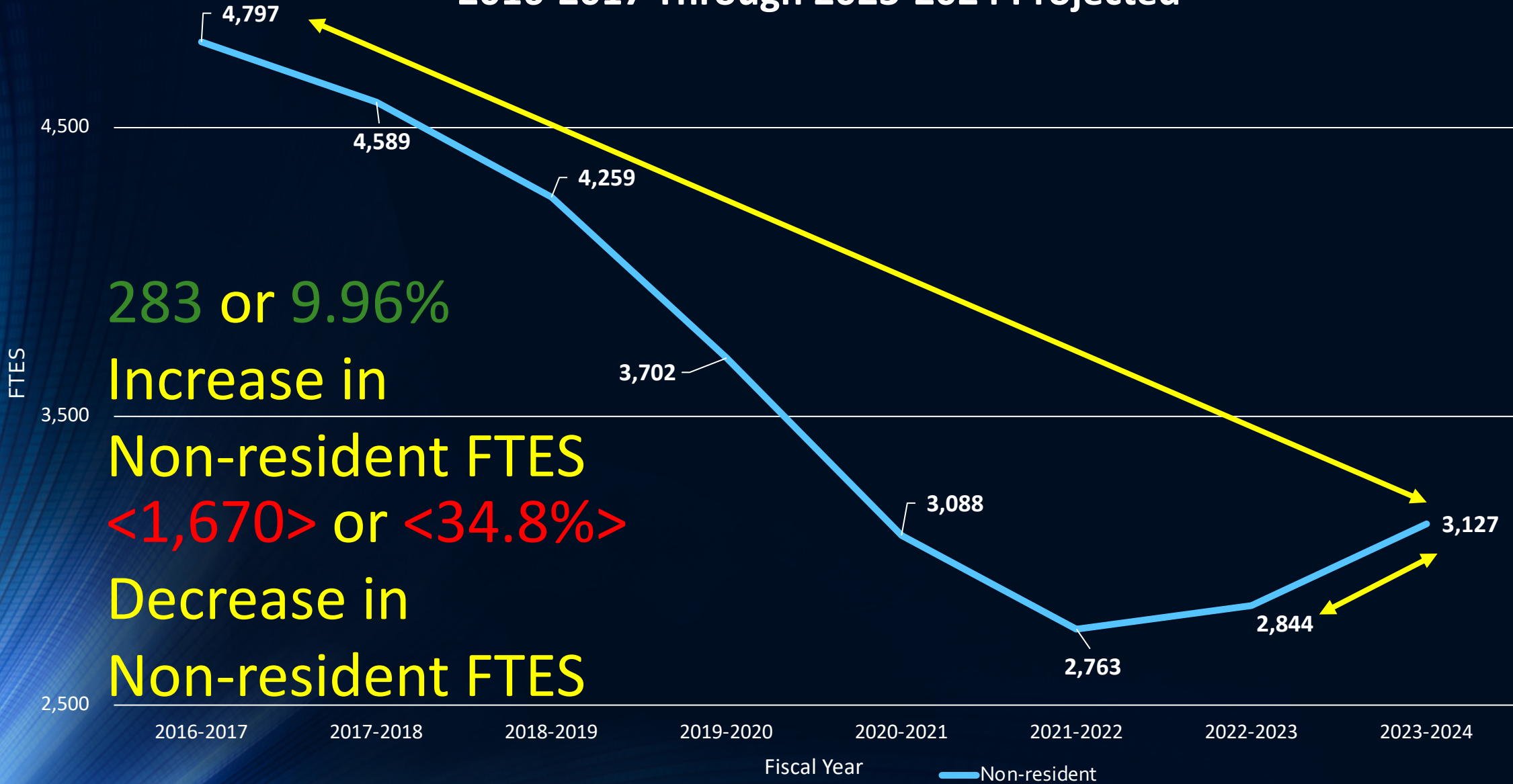
Non-Resident FTES Update

- Adopted Budget Non-Resident FTES: 7.0% or 199 FTES
- Projected Non-Resident FTES: 9.96% or 283 FTES
- 2023-2024 Total Projected Non-resident FTES = 3,127



Non-Resident FTES

2016-2017 Through 2023-2024 Projected



283 or 9.96%
Increase in
Non-resident FTES
<1,670> or <34.8%>
Decrease in
Non-resident FTES

Major Revenue Assumption Updates

- Revenue **0.48%** or **\$1,047,076** Above Adopted Budget
 - Interest: **\$1,637,600**
 - Prior Year Adjustment: **\$1,553,336**
 - Non-resident: **\$801,142**
 - Lower Student Fees: **<\$397,360>**
 - Deficit Factor of **<1.7756%>** or **<\$2,964,403>**
 - CCCCO P1: **<3.5512%>** or **<\$5,928,805>**



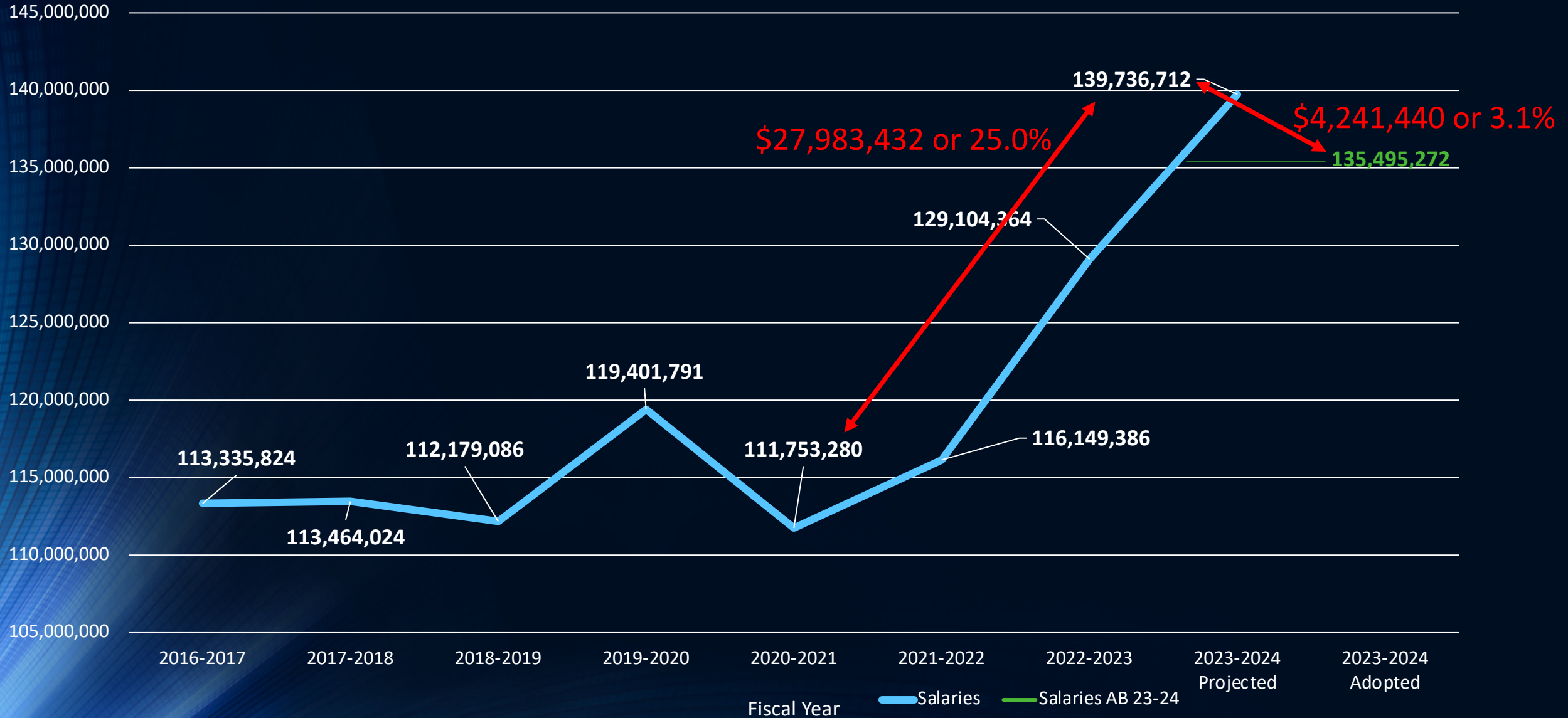
Major Expenditure Assumption Updates

- Expenditures **2.58%** or **\$5,755,328** above Adopted Budget
 - Schedule Efficiency Savings: **\$2,905,628**
 - Planned 92.3%; Projected 84.1%
 - Attrition Savings: **\$1,961,786**
 - Hourly Instr. and Non-Instructional: **\$1,177,707**
 - Long-term Subs, Faculty Backfill Mid-Year Retirements, Temporary Lab Techs, Custodians, etc.
 - Supplies and Contracts: **\$523,868**
 - Housing Consultants, Settlements, Police Uniform/Vests, Malibu Campus
 - Hiring Freeze: **\$820,569**



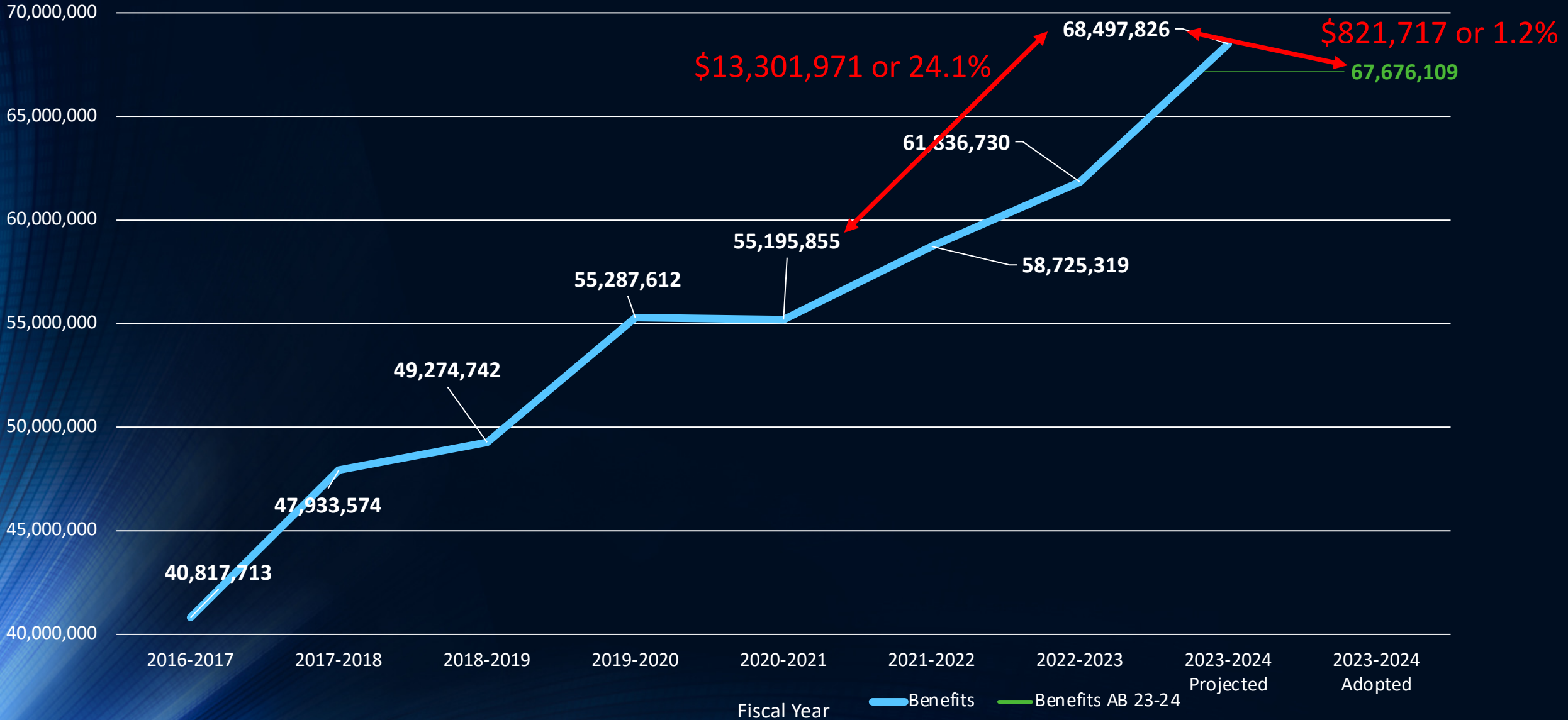
Salaries

2016-2017 Through 2023-2024 Projected



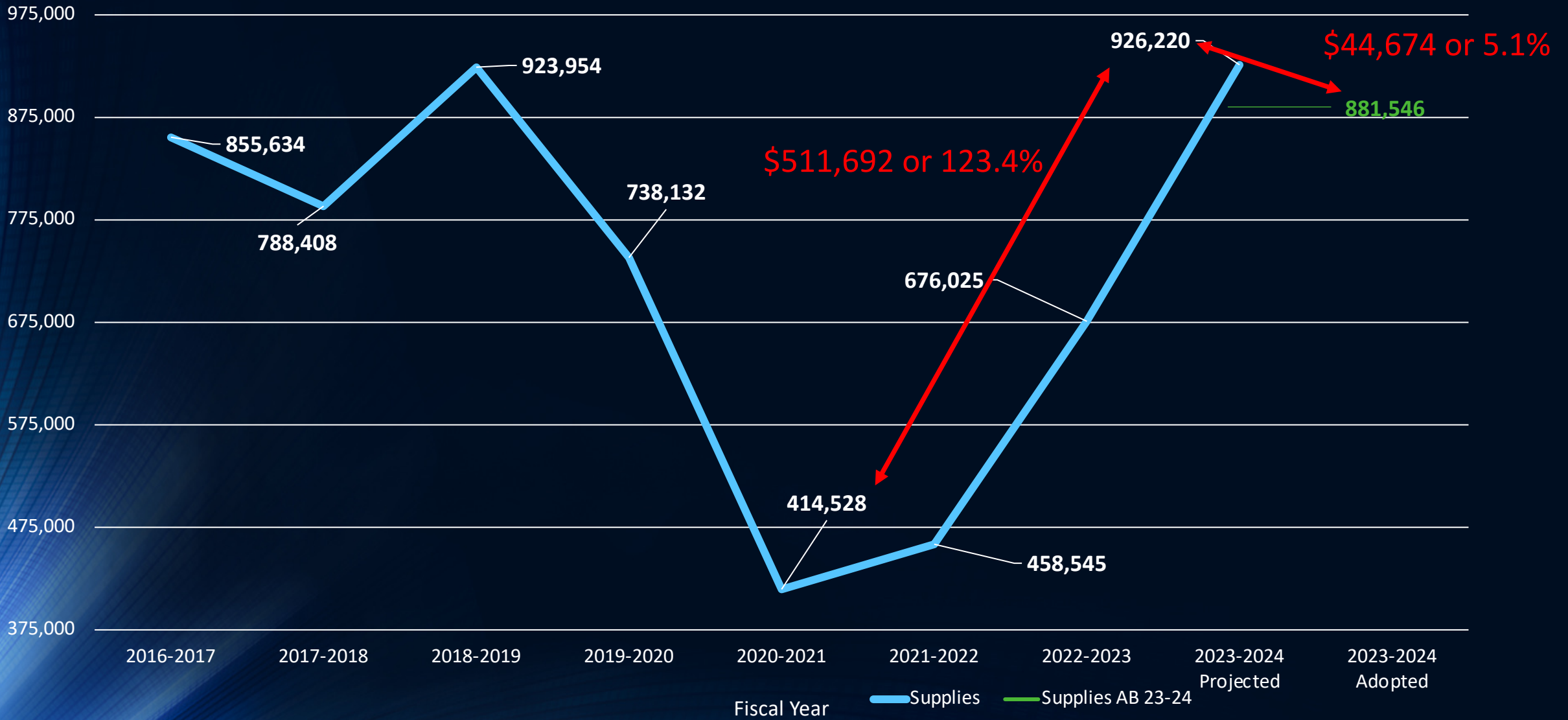
Benefits

2016-2017 Through 2023-2024 Projected



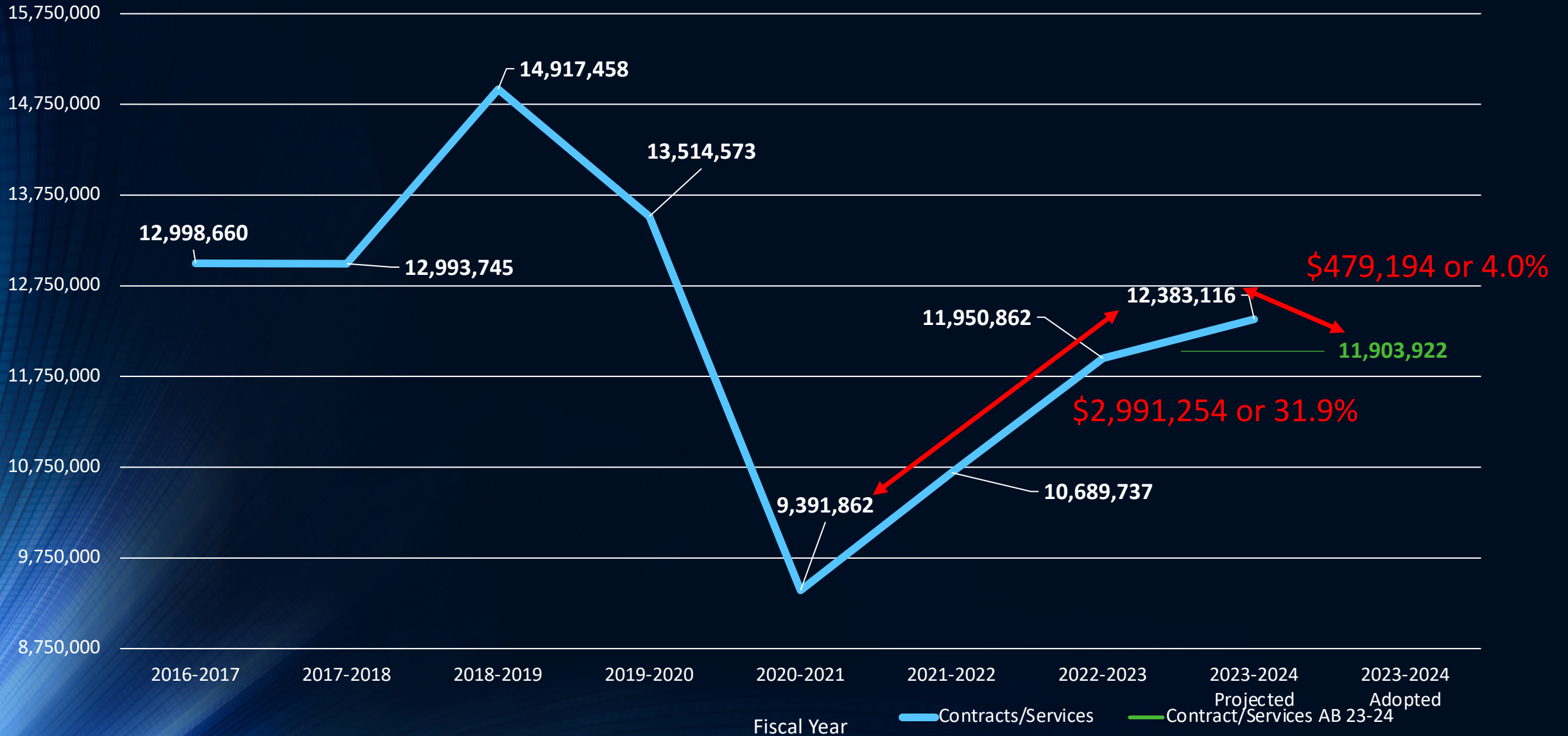
Supplies

2016-2017 Through 2023-2024 Projected



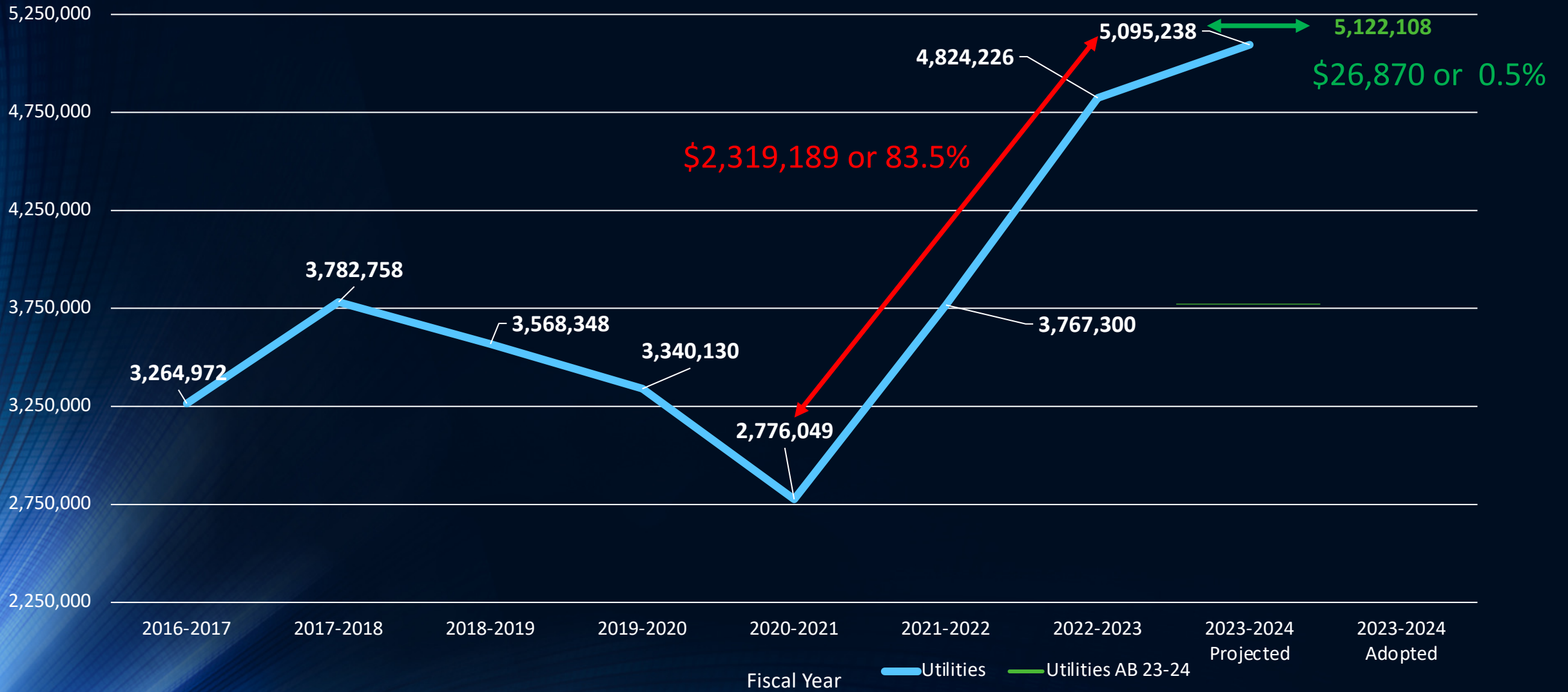
Contracts/Services

2016-2017 Through 2023-2024 Projected



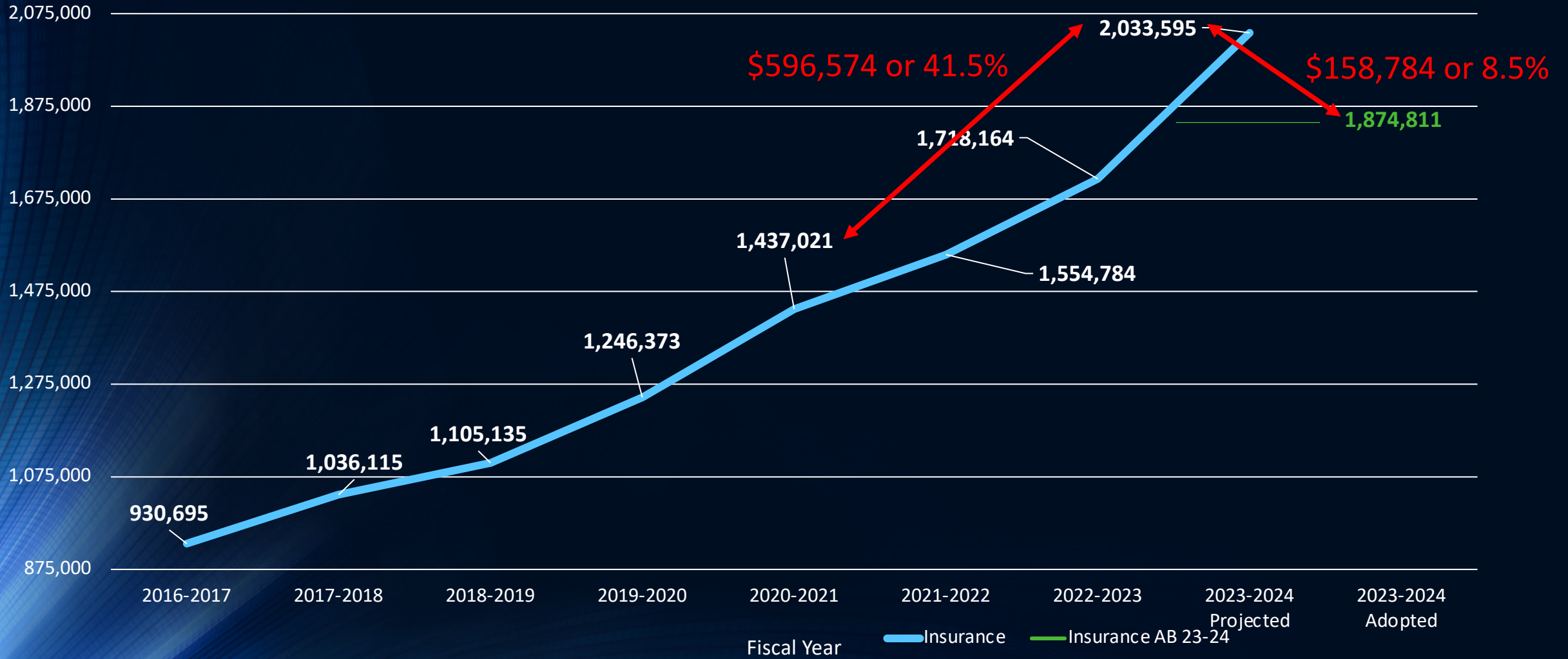
Utilities

2016-2017 Through 2023-2024 Projected



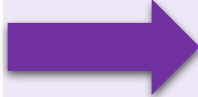




Insurance

2016-2017 Through 2023-2024 Projected



Fund Balance

	Adopted Budget	Third Quarter
Beg. Fund Balance:	34,022,513	34,022,513
Revenue - Ongoing	216,181,256	218,705,512
Expenditures - Ongoing	222,346,419	227,048,209
Structural Surplus/ Deficit	<6,165,163>	 <8,342,697>
One-time Revenue and Exp. (Net)	<803,894>	 <3,334,612>
Overall Surplus/ Deficit	<6,969,057>	 <11,677,309>
Ending Fund Balance:	27,053,456	 22,345,204
FB to Total Expenditure and Trfr:	12.12%	 9.76%



May Revise Will Be Crucial

- Three Deficit Scenarios:
 - Current: **<\$11,677,309>**
 - Assumes 50% of Current Deficit Factor and Covid Block Grant is Pulled Back
 - Best Case Scenario: **<\$6,000,000>**
 - Assumes No Deficit Factor and Covid Block Grant is Not Pulled Back
 - Worst Case Scenario: **<\$14,600,000>**
 - Assumes Full Deficit Factor and Covid Block Grant is Pulled Back



Key Take Aways

- Expenditures continue to outpace revenues
- Reserves quickly declining
 - 2021-2022: \$43.9 million; 2023-2024 Proj. \$22.4 million
- Hold Harmless protections end in 2025-2026
 - District Ad Hoc group of all constituencies
- 2024-25 Tentative Budget in June: Possible <5% Fund Balance



Special Thank You To...

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The Budget Committee



Questions

