



Santa Monica College 2023-2024 Tentative Budget Presentation

DPAC
JUNE 14, 2023

Where to Begin.....

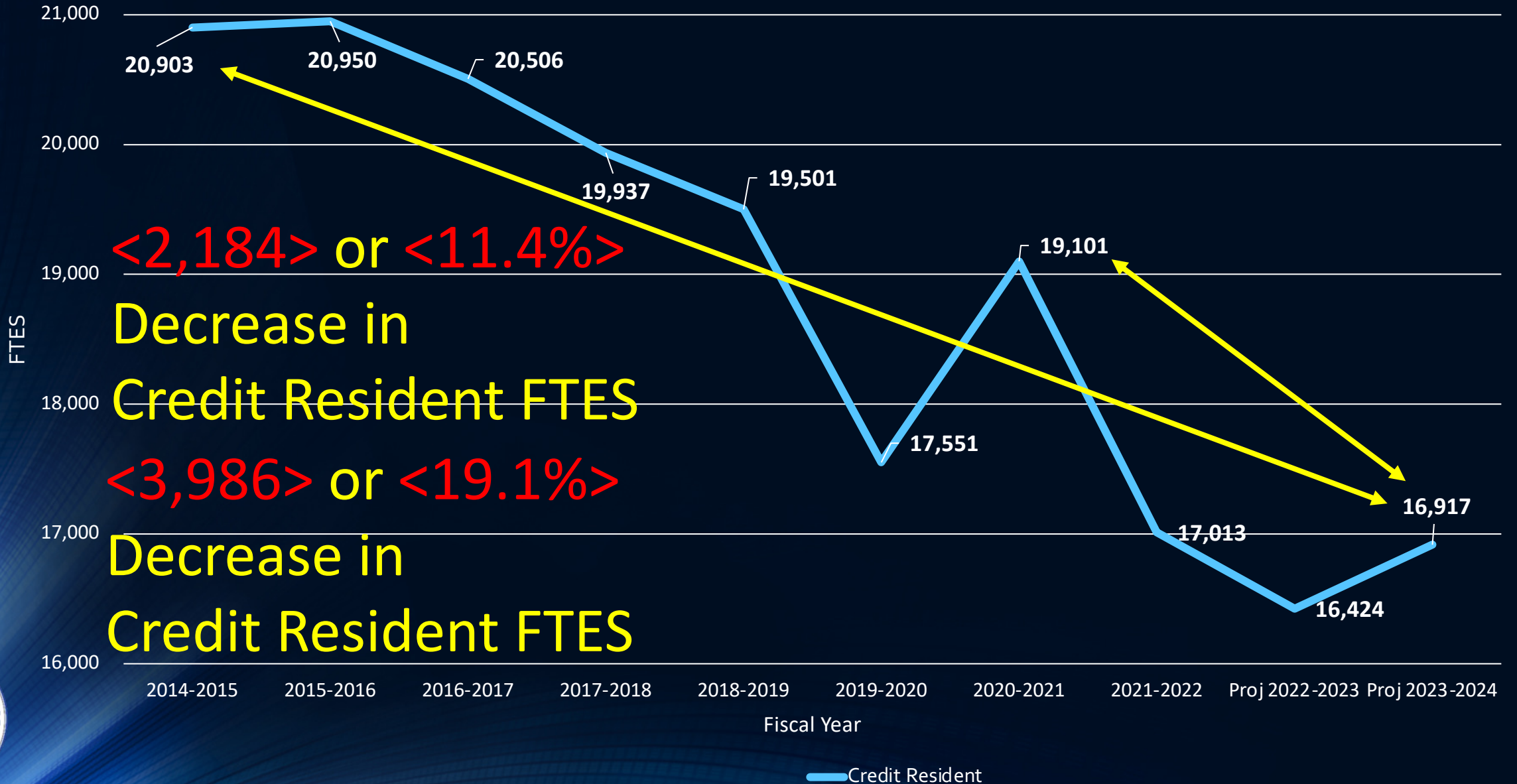
- Lots of information!
 - Santa Monica College Budget Office
 - <https://www.smc.edu/administration/business-services/budget/>
- Things will change....
 - Legislature and Governor Negotiations
 - Up-Dated Economic Projections
 - Year End Closing
 - District Adopted Budget in September



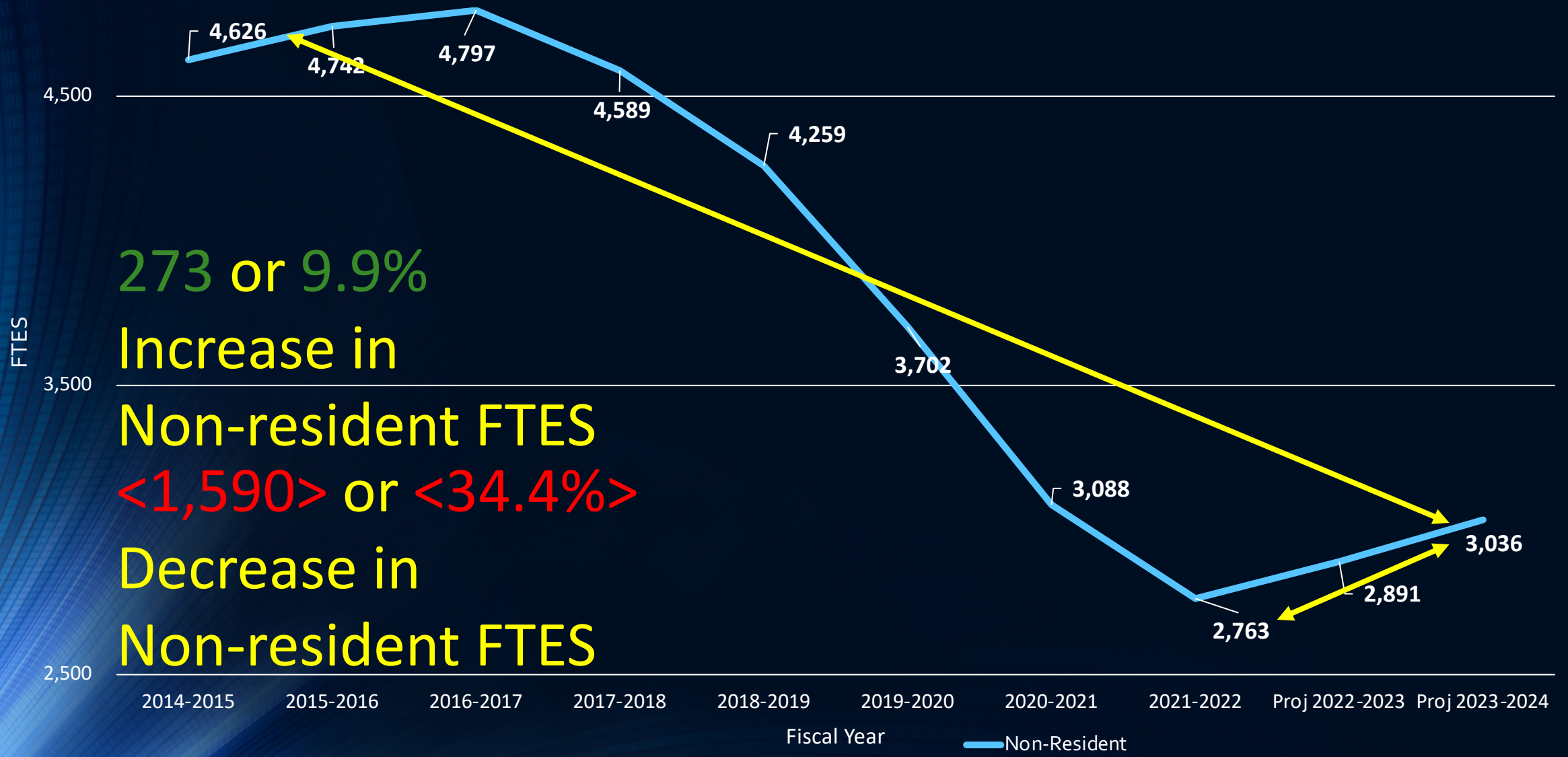
2023-2024 Tentative Budget



Credit Resident FTES



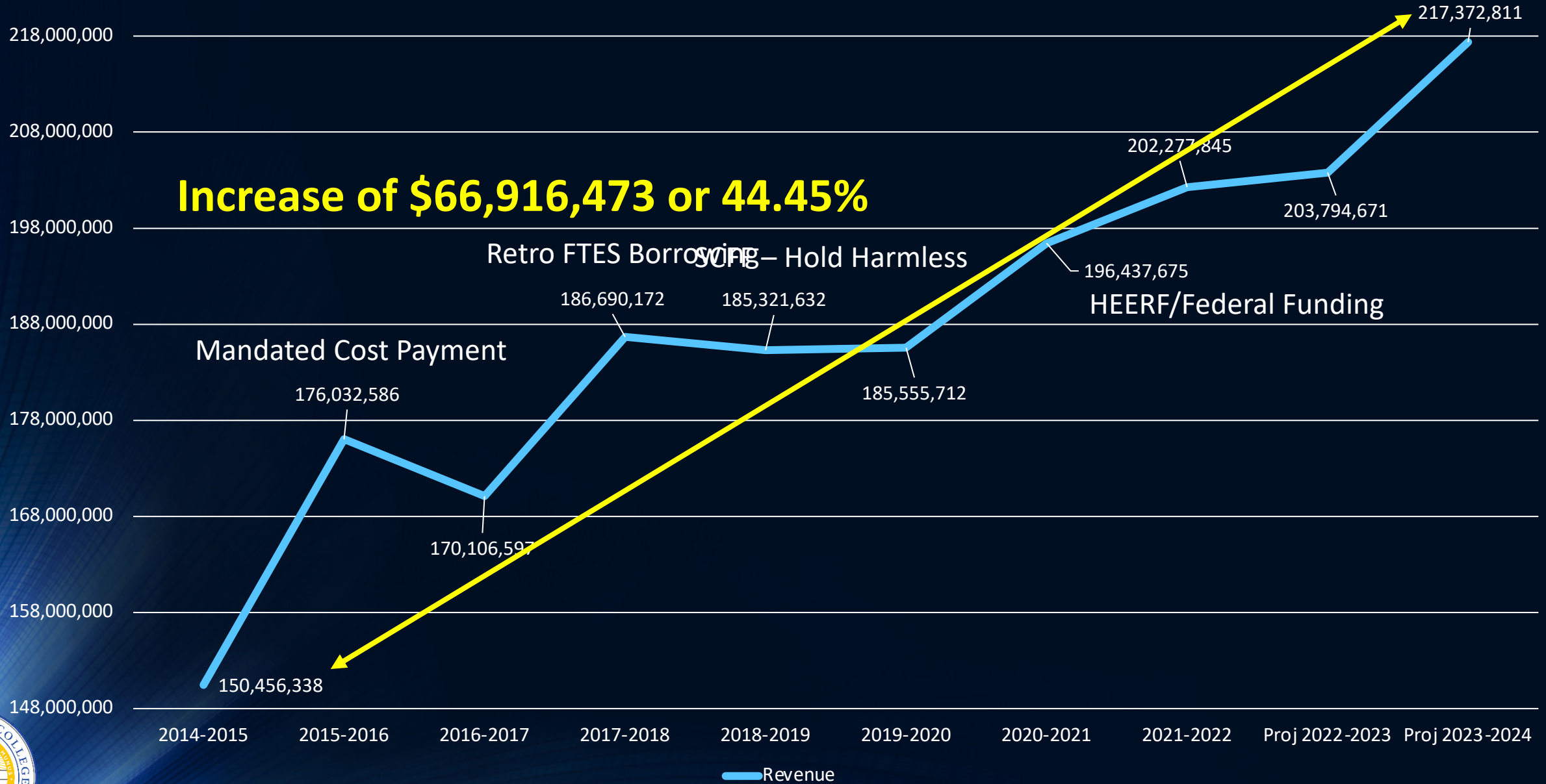
Non-Resident FTES 2014-2015 Through 2023-2024 Projected



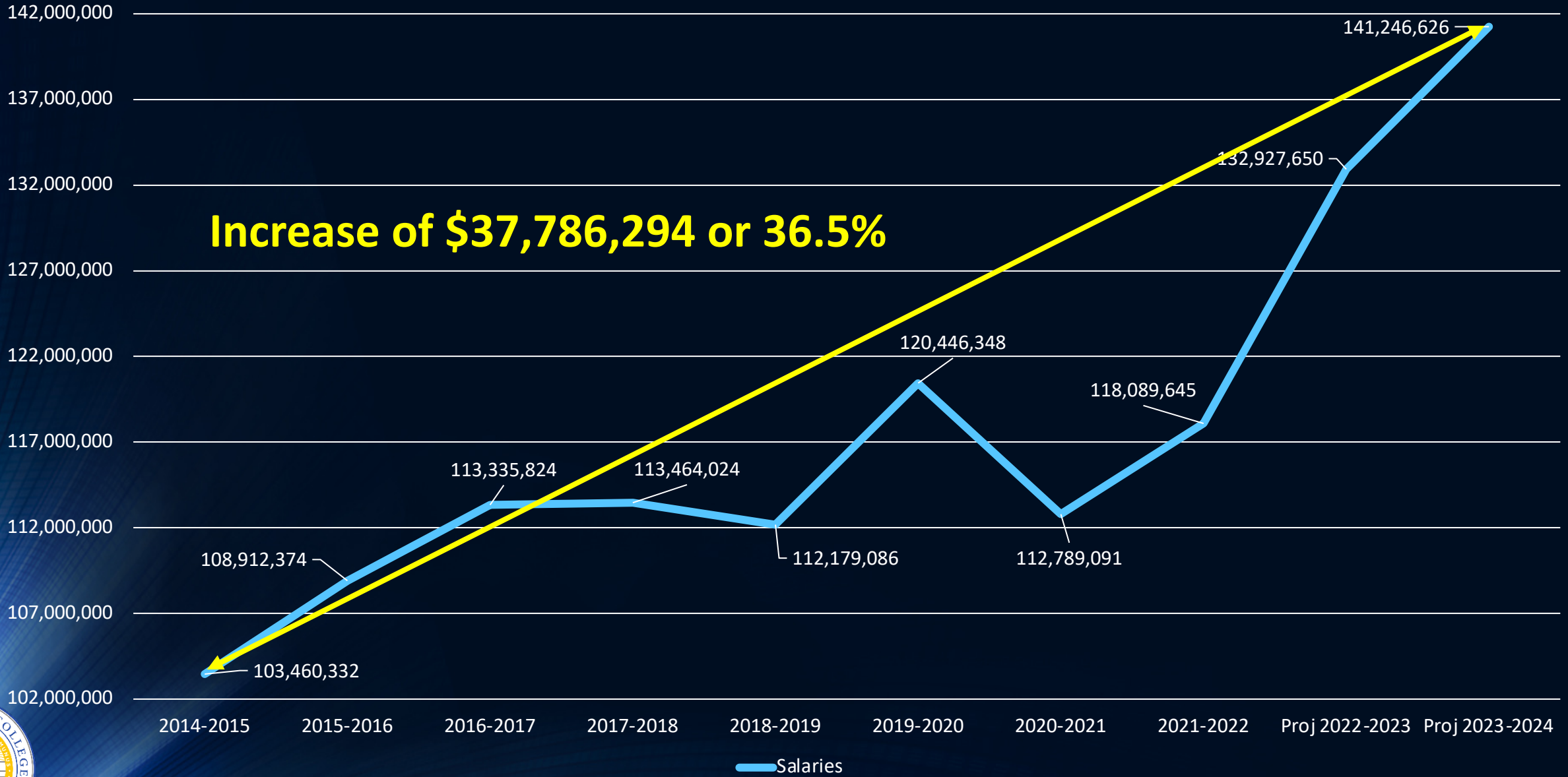
273 or 9.9%
Increase in
Non-resident FTES
<1,590> or <34.4%>
Decrease in
Non-resident FTES

Revenue

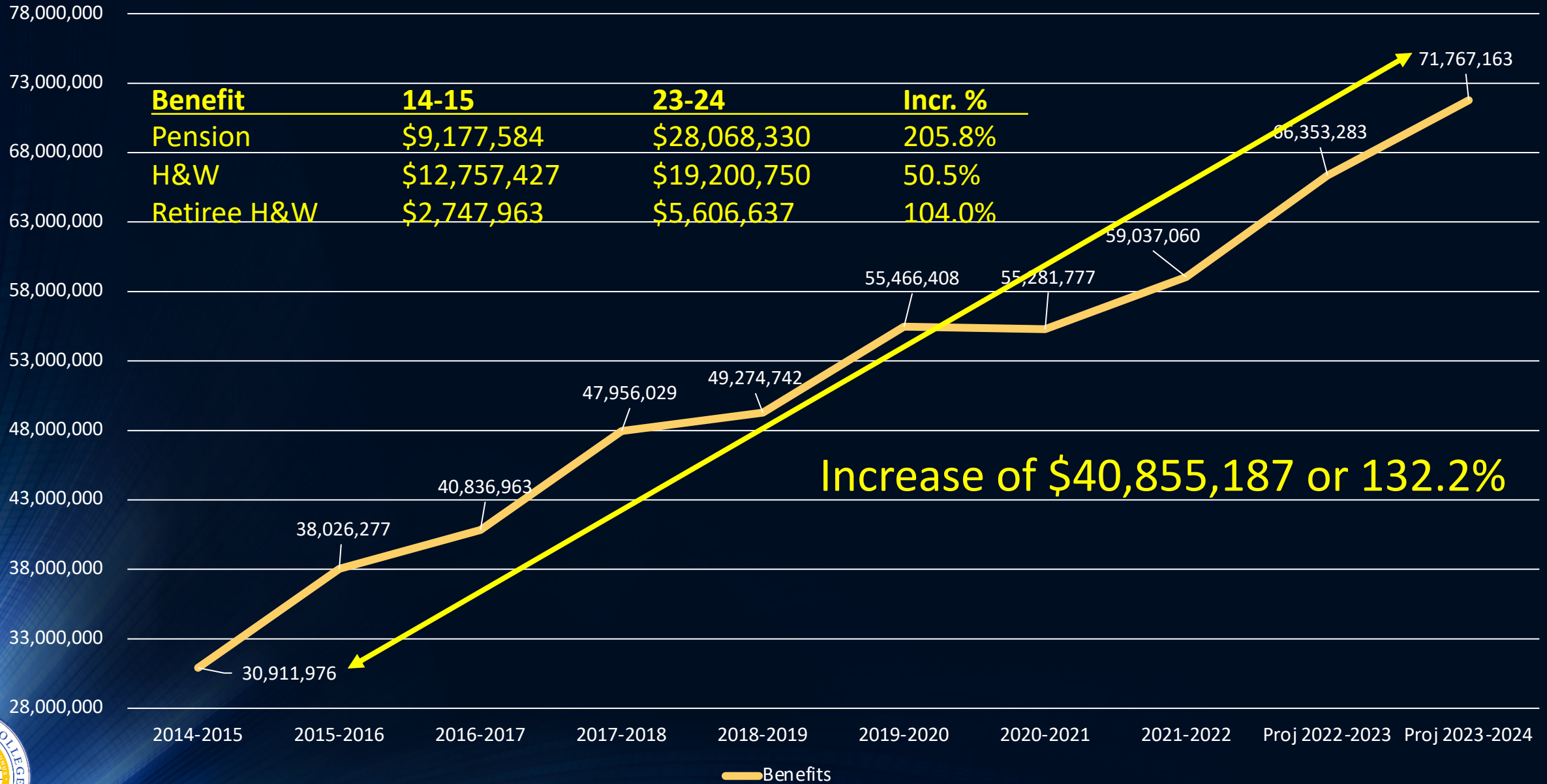
Increase of \$66,916,473 or 44.45%



Salary Expenditures



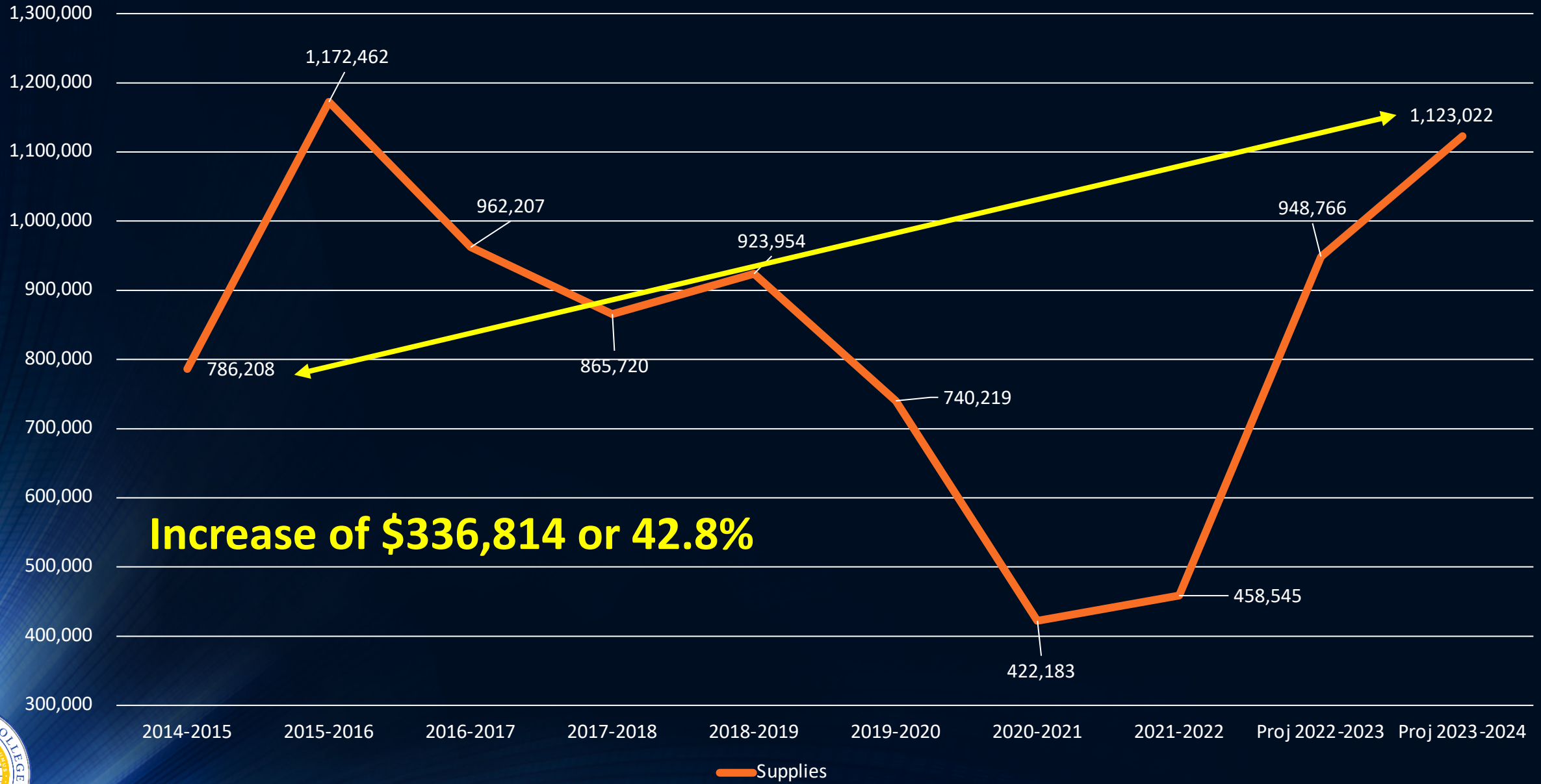
Benefit Expenditures



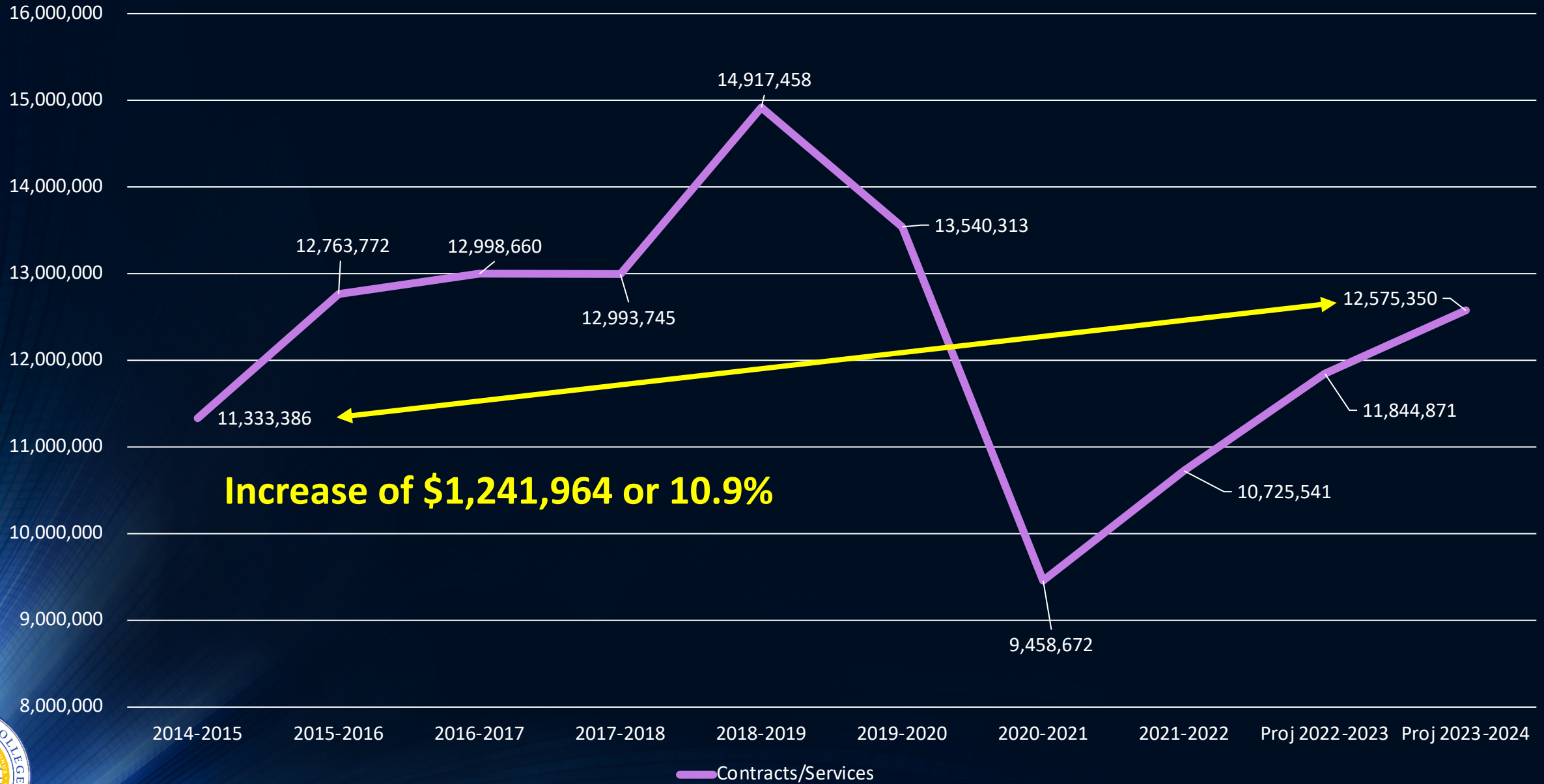
<u>Benefit</u>	<u>14-15</u>	<u>23-24</u>	<u>Incr. %</u>
Pension	\$9,177,584	\$28,068,330	205.8%
H&W	\$12,757,427	\$19,200,750	50.5%
Retiree H&W	\$2,747,963	\$5,606,637	104.0%



Supplies Expenditures



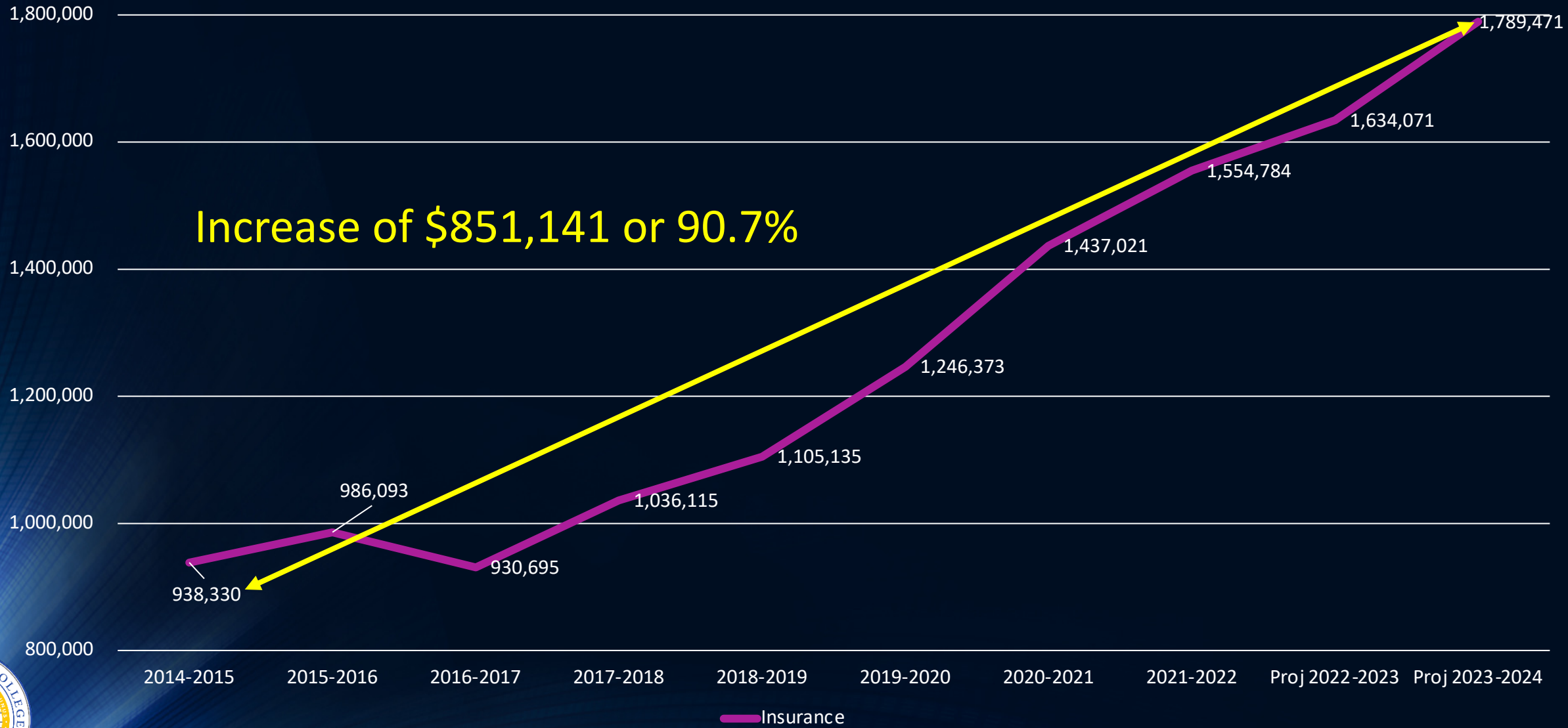
Contract and Service Expenditures



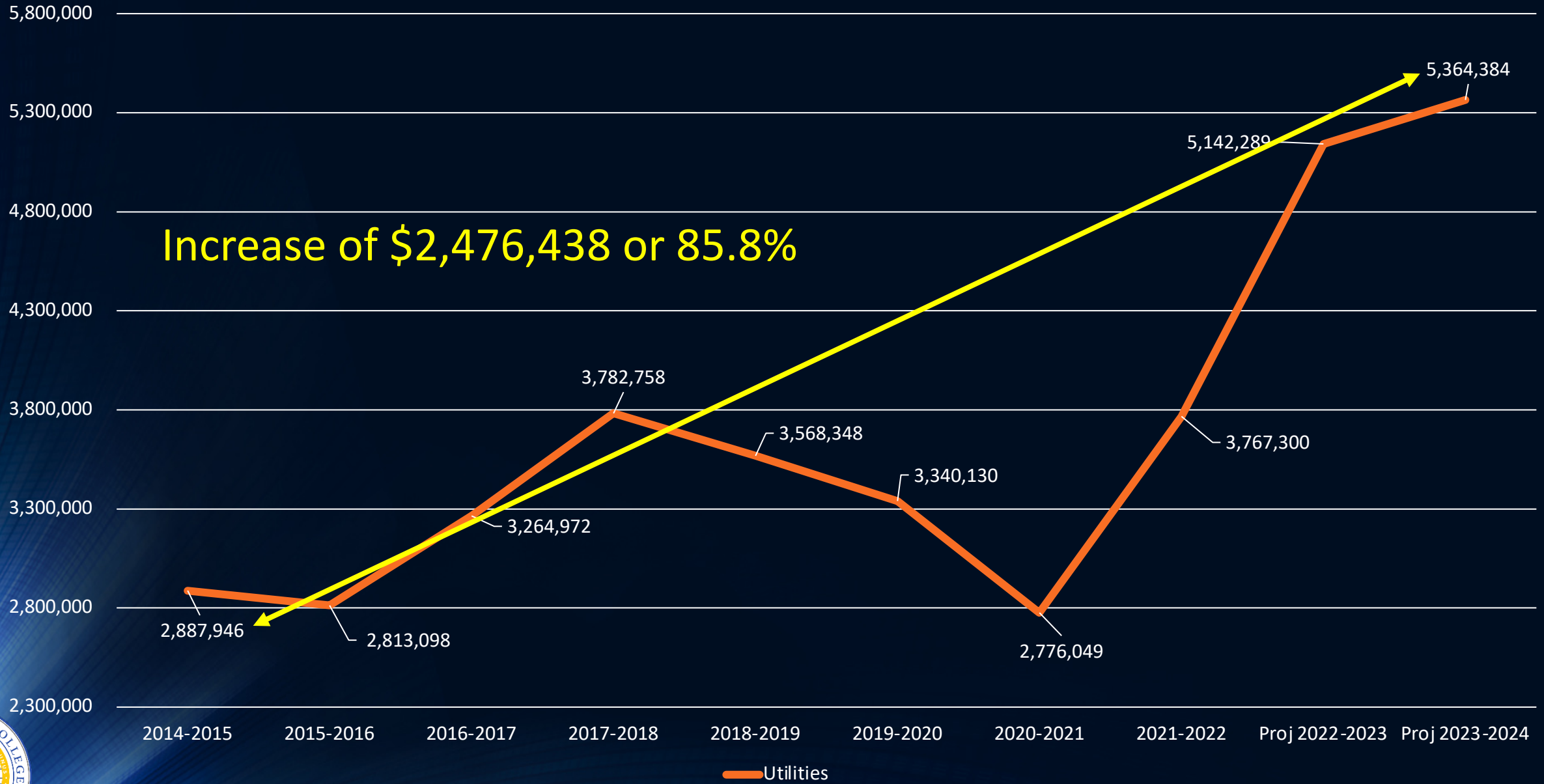
Increase of \$1,241,964 or 10.9%



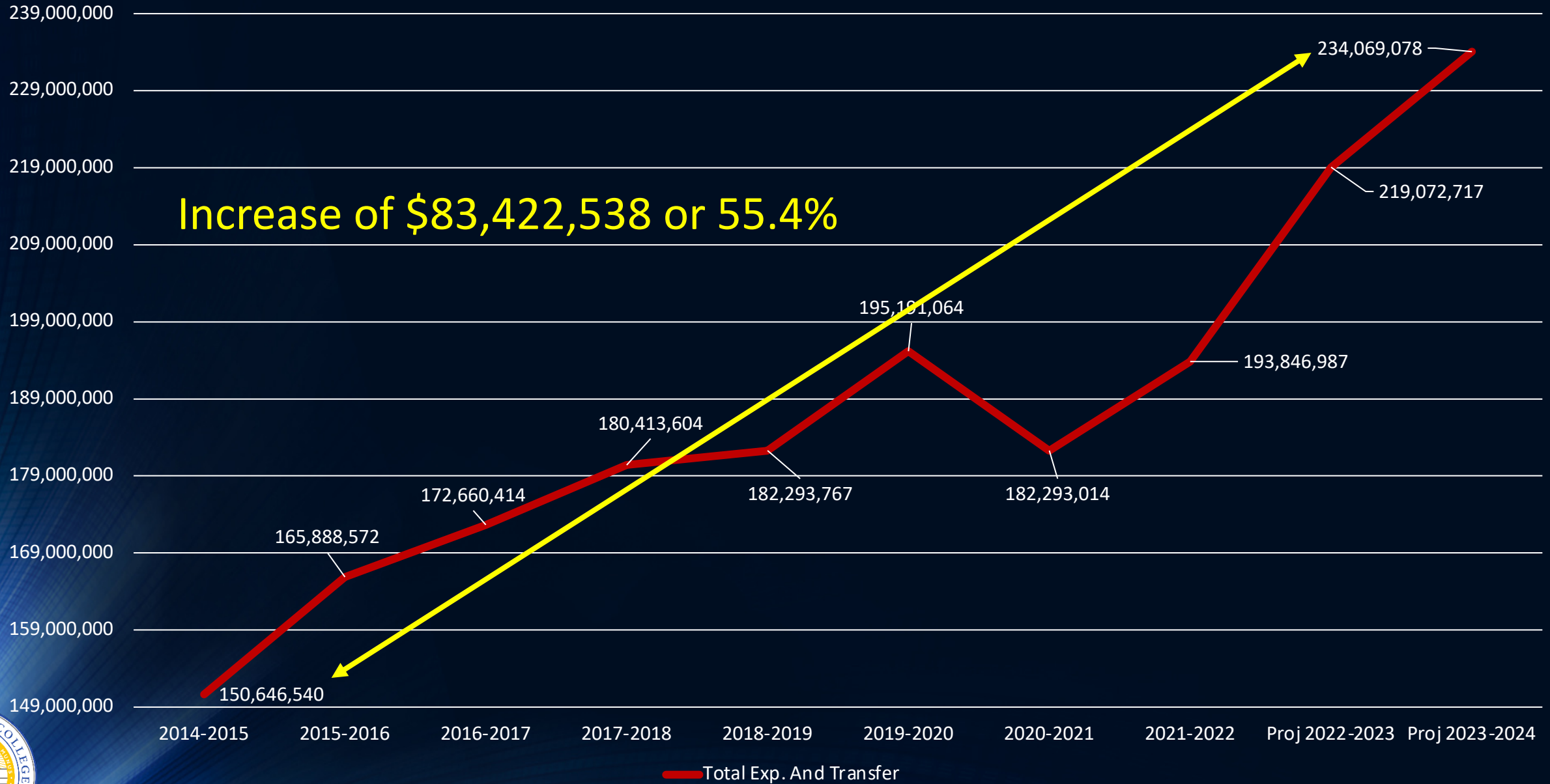
Insurance Expenditures



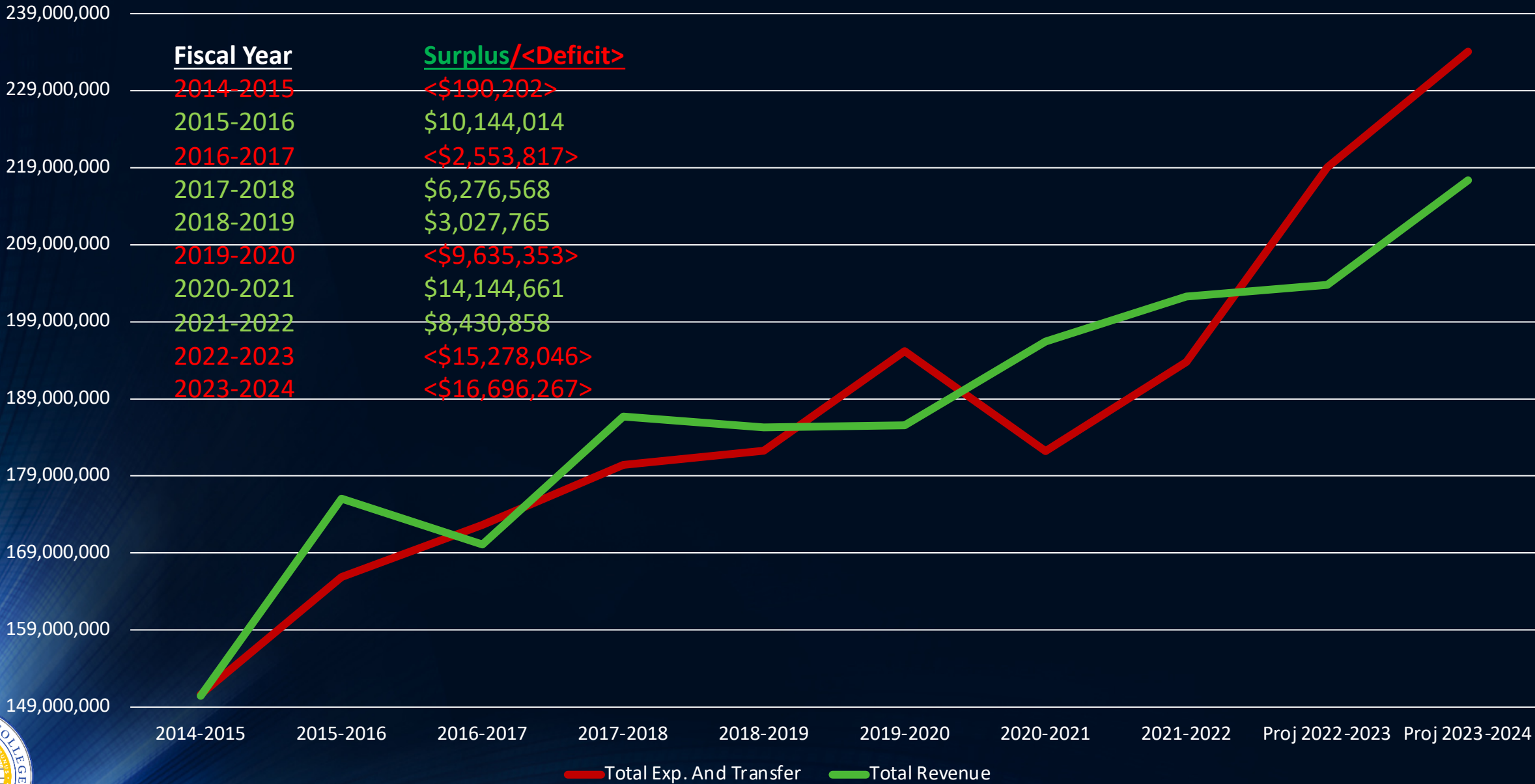
Utility Expenditures



Expenditures and Transfers



Revenue to Expenditure



Tentative Budget

- Tentative Budget is preliminary
 - Allows for operations between July 1 and Adopted
- Not all May Revise proposals included in the Tentative
 - Cannot project due to lack of information
 - Guidelines
 - Application
 - Reporting
 - Allocation
 - CCCCO August Budget Workshop
- COLA assumption of 8.22% included



Major Assumptions

- Apportionment at Hold Harmless
 - 2022-2023 level with 8.22% COLA
 - COLA: \$12,681,216
 - Apportionment: \$154.27 M to \$166.95 M
- HEERF Ends in 2023-24
 - 2022-23 Use of HEERF for Revenue: \$487,115
 - Potential \$1-2 million in additional revenue backfill
 - 2021-22 Use of HEERF for Revenue : \$12,421,563



- Credit Resident Enrollment Increase of 3.0% or 492.78 FTES
 - Resident enrollment drives 80+% of revenue
 - Apportionment, Lottery, Fees
 - 2018-2019 Final: 19,501 Credit FTES
 - 2019-2020 Final Actual: 17,551 Credit FTES
 - 2020-2021 Final: 19,101
 - 2021-2022 Final: 17,013
 - 2022-2023 Projected: 16,424
 - 2023-2024 Projected: 16,917



- Non-resident Enrollment Increase of 5.0% or 144.58 FTES
 - Second largest source of revenue – 11.13% of UGF Revenue and Transfers
- No fee increase
- 2018-2019 Final: 4,259
- 2019-2020 Final Actual: 3,702
- 2020-2021 Final: 3,088
- 2021-2022 Final : 2,764
- 2022-2023 Projected: 2,892
- 2023-2024 Projected: 3,036
- At current rate of growth 9 years to reach 2018-2019 level



- Salaries: Step, column and longevity for all groups
 - 6.165% salary increase for represented and management
- Reduction in Weekly Teaching Hours of <5%>
 - Academic Affairs has the authority to add back WTH if demand increases or a low enrollment class is needed for students to finish their program
 - 2022-23: AB = <5.9%> 2022-23 Projected = <0.9%>
- Health and Welfare
 - Current Employees: 7.63% increase
 - Retirees: 2.93% increase
- 2020 Supplemental Retirement Plan – Ends 2025-26
 - Faculty: \$786,374
 - Managers and Classified: \$523,033
 - Total: \$1,309,407



- Supplies: Maintain 2022-2023 AB adjusted for PBAR
 - Increase of **\$34,256**
 - Malibu and AB 367 implementation
- Contracts: Maintain 2022-2023 AB adj. for PBAR
 - Decrease of **<\$1,015,582>**
 - Elections: **<\$300,000>**
 - Renegotiate BBB Contract: **<\$619,000>**
- Utilities increased by 4.3%
 - Malibu



Linking Budgeting to Planning

Develop a Master Plan for Education

Budget: \$185,000 One-time

Budget Source: Unrestricted General Fund

Purpose/Goal of Action Plan: To develop and implement a new Master Plan for Education. The Master Plan for Education shall establish a framework for serving SMCCD students, taking into consideration the major demographic, economic, and educational issues facing the SMC community.

Launch the Equity-minded Professional Innovation Center, the EpiCenter, to be a learning and professional development center for all employee groups

Budget: \$692,000 On-going

Budget Sources: \$415,750 Unrestricted General Fund; \$276,250 Student Equity and Achievement Program

Purpose/Goal of Action Plan: To support the Institutional Effectiveness Partnership Initiative (IEPI) design and implementation of a comprehensive professional development plan for all employee groups with the outcome to improve student racial equity and sense of belonging on campus. The Center will increase professional development opportunities while seeking to increase participation in equity-related professional development activities for all employee groups



Projected Changes in Revenue 2022-23 Projection to Tentative Budget

2022-2023 Projected	\$203,794,671
COLA – 8.22%	12,681,218
State On-behalf STRS (<i>Accounting entry – Corresponding Expenditure</i>)	1,798,997
Non-Resident Tuition/ESL	1,152,930
Interest – Local	471,100
Increase in revenue of \$13,578,140 or 6.66%	
Prior Year Adjustment for 2021-22	-480,299
2022-2023 HEERF Indirect Cost	-487,115
Lottery	-653,242
Other	36,751
2023-2024 Tentative Budget Revenue Projection	\$217,372,811

Projected Changes in Expenditures 2022-2023 Projection to Tentative Budget

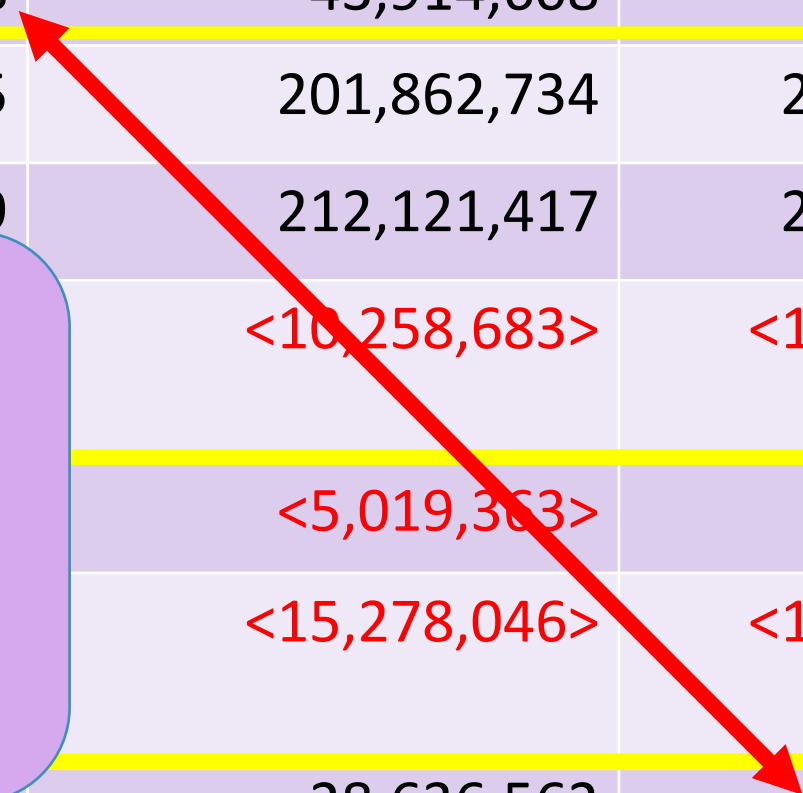
2022-2023 Projection	\$219,072,717
Salary Adjustment w/ Benefits	9,830,890
Full Year Effect of Hiring and Terminations	2,768,970
Step and Longevity	2,446,598
State On-behalf STRS (<i>Accounting entry – Corresponding Revenue</i>)	1,798,997
Health and Welfare – Current and Retiree	1,520,759
Employment	1,142,291
Vacancies	924,326
Supplies and Contracts	904,735
Insurance and Utilities	377,495
Hourly Employees – Instruction and Non-instruction	-2,228,685
Non-Repetition of Retro and One-time	-4,471,291
Other	-18,724
2023-2024 Tentative Budget Expenditure Projection	\$234,069,078

Increase in expenditure of **\$14,996,361** or **6.85%**

Fund Balance


	Adopted 2022-2023	Projected 2022-2023	Tentative 2023-2024
Beg. Fund Balance:	43,914,608	43,914,608	28,636,562
Ongoing Revenue:	199,105,635	201,862,734	217,279,976
Ongoing Expenditure:	200,622,809	212,121,417	233,157,795
Change in Fund Balance:		<10,258,683>	<15,877,819>
Change in Fund Balance:		<5,019,363>	<818,448>
Change in Fund Balance:		<15,278,046>	<16,696,267>
Ending Fund Balance:	41,185,805	28,636,562	11,940,295
FB to Total Expenditure and Transfer:	20.35%	13.07%	5.10%

Projected Decrease in Fund Balance Between July 1, 2022 and June 30, 2024 is Projected To Be **<\$31,974,313>**



Fund Balance

	Tentative 2023-2024	Projected 2024-2025	2024-2025 Reduction Needed
Beg. Fund Balance:	28,636,562	11,940,295	11,940,295
Revenue:	217,372,811	225,053,507	225,053,507
Expenditure:	234,069,078	244,933,047	244,933,047
Surplus/Deficit w/ One- time Items:	<16,696,269>	<19,879,540>	<19,879,540>
Deficit Reduction:	-	-	20,000,000
Ending Fund Balance:	11,940,295	<7,939,245>	12,060,755
FB to Total Expenditure and Transfer:	5.10%	<3.24%>	5.13%



Key Take Aways

- Tentative is tentative. Things will change before the Adopted Budget in September
- The District will need to reduce the 23-24 budget deficit by \$10,000,000 and maintain those reductions to pass a budget in 2024-25



Special Thank You To...

Veronica Diaz and the Budget Team

John Greenlee, Charlie Yen
and the Facilities Planning Team

Kim Tran, Irma Haro and the Accounting Team

The Budget Committee

