



Santa Monica Community College District

Budget Planning Subcommittee of the District Planning and Advisory Council (DPAC) MEETING MINUTES – September 4, 2024

A Meeting of the Budget Planning Subcommittee will be held Wednesday, September 4, 2024 at 2:00 pm at Santa Monica College's Student Services Center (SSC 396), 1900 Pico Boulevard, Santa Monica, California.

The public may join the meeting via zoom with the following link: <https://smc-edu.zoom.us/j/85009325229>

I. Call to Order 2:06 pm

Members:

- Mitch Heskel, District Representative
- Chris Bonvenuto, District Representative, Co-Chair
- Teresita Rodriguez, District Representative
- Tracie Hunter, District Representative
- Vicenta Arrizon, Academic Senate Rep (Absent)
- Jamar London, Academic Senate Representative
- Matt Hotsinpillar, FA Representative, Co-Chair
- Peter Morse, Faculty Association Representative
- Martha Romano, CSEA Representative
- Kennisha Green, CSEA Representative
- Dagmar Gorman, CSEA Representative
- Cindy Ordaz, CSEA Representative
- David Duncan, Associated Student Rep (Absent)
- Jordan Davis, Associated Student Rep (Absent)
- Vacant, Associated Student Representative
- Vacant, Associated Student Representative

Interested Parties in attendance: Scott Silverman, Elisa Meyer, Elaine Roque, Sasha King, Stacy Neal, Debra Locke

II. Public Comments

- III. **Approval of Minutes:** August 7, 2024 Motion: Cindy Ordaz Seconded: Kennisha Green
Abstentions: Teresita Rodriguez, Dagmar Gorman
Minutes were approved.

IV. Reports/Discussion

1. 2024-2025 Adopted Budget

Chris Bonvenuto gave a summary unaudited final 2023-24 Budget, the 2024-25 State Budget and the proposed 2024-25 District Budget.

2023-24 Unaudited Final Budget

Between the 2023-24 Adopted Budget and the unaudited final budget, the District realized a \$3.4 million or 1.65% increase in expected revenue due mainly to an increase in interest revenue and a one-time prior year adjustment to funding by the State. During that same period, the District realized a \$3.3 million or 1.5% increase in expected expenditure as a result of not achieving all the savings planned in the 2023-24 Adopted Budget. The result of these changes was a \$100,505 improvement in the estimated Unrestricted General Fund deficit from <\$6,969,057> to <\$6,868,552> and a final fund balance \$27,153,961 or 11.99%

2024-25 State Adopted Budget

The 2024-25 State Budget included measures to address a <\$44.9> billion State deficit. While most State funded entities experienced funding reductions, Community colleges did not have allocations reduced, however deferral were implemented which District staff believes can be mitigated through cash management.

2024-2025 Proposed Budget

The 2024-25 proposed Adopted Budget includes one new Annual Action Plan, "Identify the Retention and Persistence of Existing College Plans and Activities and Develop Recommendations on How to Improve the Coordination of the Plans and How to Assess the Annual Impact of Each Plan on Retention and Persistence", which was developed to use existing resources and not increase the deficit.

The proposed Adopted Budget contained the following assumptions:

- Resident FTES growth of 5.3% or 876.34 FTES
- Non-resident FTES growth 3.2% or 99.7 FTES resulting in projected revenue of ~\$5,547,443
- New Fee Based Instruction Program – Novel Prep, a structured program offering overseas students an online pathway to transfer to premier US Universities, projected gross revenue is \$2,000,000 and projected net revenue is \$1,033,377
- Recovery Block Grant -Student Fee Project- Utilizing the one-time Recovery Block Grant, this project will pay all owed student fees from 2018-2019 through 2023-2024; total amount of fees to be paid by is \$4,332,100.
- Expenditure assumptions include required step, column and longevity increases; Health and Welfare, Utilities, and Insurance increases based on calculations; the inclusion of the final year of Supplemental Retirement Program payments; and a continuation of the cost reduction strategy implemented in 2023-204 adjusted for need (e.g., efficiency goal reset to 90.6% from 92.3% to reflect demand)
- Structural Deficit is projected at <\$6,998,535> with an operational deficit of <\$1,591,454>
- Ending Fund Balance is projected to be \$25,562,507 or 10.89%

Multi Year Highlights

With the end of Hold Harmless in 2025-26 and the non-repetition of ~\$6.1 million in one-time funds received in 2024-25 the deficit for 2025-26 is projected to be <\$14,274,543> with an ending fund balance of \$11,287,964 or 4.65%.

V. Adjournment: 3:53 pm

For all documents, visit admin.smc.edu/administration/governance/district-planning-policies/budget-planning-subcommittee.php

Future Budget Planning Committee Meetings: Meetings will be on 1st and 3rd Wednesdays of the month, except as noted, and will begin at 2:00 pm.