

The background features a dark blue gradient with a series of curved, glowing lines that create a sense of depth and movement, resembling a tunnel or a stylized architectural structure.

Santa Monica College 2021-2022 Tentative Budget Presentation

DPAC
JUNE 9, 2021

Where to Begin.....

- For the full presentation
 - Santa Monica College Budget Office
 - <https://www.smc.edu/administration/business-services/budget/>
- Things will change....
 - Legislature and Governor Negotiations
 - Governor Proposes 400+ New Program
 - *Senate/Assembly Agreement Differs
 - Tentative Budget Assumes May Revision Proposals
 - Year End Closing
 - District Adopted Budget in September



2021-2022 Tentative Budget



Major Assumptions

- Apportionment at Hold Harmless
 - 2019-2020 level with 4.05% COLA - \$137.8 m to \$143.4 m
 - COLA: \$5,580,475
 - Hold harmless loss of revenue on July 1, 2024 est. at **<\$14,430,300>**
- Use of HEERF to Backfill Lost Revenue: \$15,525,372



- Credit Resident Enrollment Decline of **<5.0%>** or **<955.06>** FTES
 - Resident enrollment drives 76.5% of revenue
 - 2018-2019 Final: **19,501** Credit FTES
 - 2019-2020 Final Actual: **17,551** Credit FTES
 - 2020-2021 Projected: **19,101**
 - 2021-2022 Projected: **18,146**
- **<6.95%>** Less Credit Resident FTES than 2018-2019



- Non-resident Enrollment Decline of **<20.0%>** or **<638.99>** FTES
 - Second largest source of revenue
 - Almost 8 times larger than next largest source of revenue
- 2018-2019 = **4,259** Non-Resident FTES
- 2019-2020 Final Actual: **3,702** Non-Resident FTES
 - **<13%>** decline in Non-Resident FTES from PY
- 2020-2021 Projected: **3,195** Non-Resident FTES
 - **<13.7%>** decline in Non-Resident FTES from PY
- 2021-2022 Projected : **2,555** Non-Resident FTES
 - **<20.0%>** decline in Non-Resident FTES from PY
- Since 2018-2019:
 - **<1,704>** or **<40.01%>** decline in Non-Resident FTES



- 2018-2019 Final NRT Revenue = \$33,029,528
- 2019-2020 Final NRT Revenue = \$28,384,549
- 2020-2021 Projected NRT Revenue = \$24,028,370
- 2021-2022 Projected NRT Revenue = \$19,286,985
- Annual decrease of ~\$13,742,543 since 2018-2019



- Salaries: Step, column and longevity for all groups
 - No Planned Furloughs or Freezes
- 1.5% salary increase for Faculty per contract
 - Assumes same increase for all other groups
- Health and Welfare
 - Current Employees: 6.60% increase
 - Retirees: 6.07% increase
- State Unemployment Insurance: 0.05% to 1.23%.
Increased cost of \$1,355,509



- *Important: Supplies, Contracts and Utilities were artificially low in 2020-2021 due to the remote environment*
- Supplies: Increase to pre-pandemic levels
- Contracts: Increase to pre-pandemic levels
 - Big Blue Bus “*Any Time Any Line*”
 - 2018-2019: \$1.504 million - \$752 k District
 - 2019-2020: \$1.558 million - \$779 thousand District
 - 2020 -2021: \$500 thousand - \$250 thousand District
 - 2021-2022: \$1.258 million – All District
- Utilities: Increase to pre-pandemic levels less LS/LA



Linking Budgeting to Planning

Reduce Racial Equity Gaps and Increase Completion of Academic and Career Paths

Budget: \$44,707 to be funded by Award and Innovation in Higher Education

Purpose/Goal of Action Plan: Close gaps in educational outcomes and provide educational and career opportunities and pathways through a critical review of practices for developing, approving and assessing Program Learning Outcomes (PLOs) and course level Student Learning outcomes (SLOs).

Reduce Racial Equity Gaps in Course Success for Largest Gateway Courses

Budget: \$1,402,535 to be funded by Student Equity Achievement Program and Guided Pathways

Purpose/Goal of Action Plan: Reduce racial equity gaps in course success for the largest gateway courses by implementing professional development program in equity minded teaching practices and curricular development.

Reduce Racial Equity Gaps and Increase Success in AB705 Mathematics Courses

Budget: \$192,330 (*on-going*) to be funded by Unrestricted General Fund

Purpose/Goal of Action Plan: Reduce racial equity gaps in AB 705 Math courses by providing support services to help students be successful on their Mathematics paths at SMC and when they move on to a 4-year institution.

Reduce Racial Equity Gaps and Increase Success in AB705 English Courses

Budget: \$142,896 (*on-going*) to be funded by Unrestricted General Fund

Purpose/Goal of Action Plan: Reduce racial equity gaps in AB 705 English courses by providing support services to help students be successful on their English paths at SMC and when they move on to a 4-year institution.



Starfish GPS Early Alert System

Budget: \$93,034 to be funded by Student Equity Achievement Program

Purpose/Goal of Action Plan: Increase persistence, retention and completion among racially minoritized students using SMC Gateway to Persistence and Success (GPS) technology tool.

SMC Online Education

Budget: \$60,000 (*on-going*) to be funded by the Unrestricted General Fund and \$51,180 to be funded by Student Equity and Achievement Program

Purpose/Goal of Action Plan: Increase the number of online degree and certificate completions by African American and Latinx students.

Areas of Interest Counseling (at Scale) and Student Care Teams

Budget: \$492,998 to be funded by Student Equity and Achievement Program and Title V Navigating Pathways to Success

Purpose/Goal of Action Plan: (a) Implement counseling and support staff clusters for all Areas of Interest (AOI) (at Scale) (b) Student Care Teams – reduce racial equity gaps in persistence, retention and completion through the implementation of a “case management approach” for racially minoritized students.

Human Resource Staffing Plan

Budget: \$125,000 (*one-time*) to be funded by Unrestricted General Fund

Purpose/Goal of Action Plan: Research and assess costs associated with developing a Human Resources staff plan which supports student success by achieving benchmark levels of full-time faculty, classified staff and administrators.



Projected Changes in Revenue 2020-2021 Projection to Tentative Budget

2020-2021 Projected	\$194,338,625
COLA – 4.05%	5,580,475
20-21 Deficit Factor Non-repeating	1,176,604
ID Fee Restructure to Student Benefit Fee	326,878
Lottery	-149,307
State On-behalf STRS	-349,871
Prior Year Adjustment Non-repeating	-711,260
HEERF Backfill Reduction	-823,869
Non-resident Revenue	-4,741,385
Other	-101,382
2021-2022 Tentative Budget Revenue Projection	\$194,545,508

Increase in revenue of \$206,882 or 0.11%



**Projected Changes in Expenditures
2020-2021 Projection to Tentative Budget**

2020-2021 Projected	\$184,179,284
Employment and Retirement Benefits	2,856,117
Supplies and Contracts	2,020,714
Health and Welfare Benefits Incl' Retirees	1,492,112
Ending of Furloughs and Freezes– CSEA	1,347,641
SMCFA 1.5% Increase Incl' Benefits	1,247,197
Step, Column and Longevity	1,174,116
Ending of Furloughs and Freezes– Mgmt and Conf.	1,078,208
Hourly Instruction and Non-Instruction	663,898
Utilities and Insurance	629,734
Classified/Confidential/Police 1.5% Incl' Benefits	551,599
Vacancy List	435,220
Full Year Effect of Hiring and Separation	370,471
Academic and Classified Management 1.5% Incl' Benefits	227,125
State On-behalf STRS	-349,871
SRP/Resignation Vacation Payout	-843,040
SRP Retirees	-885,977
Other	-59,985
2021-2022 Tentative Budget Expenditure Projection	\$196,134,563

**Increase in expenditures of
\$11,955,279 or 6.5%**



Fund Balance

	Projected 20-21	2021-2022 Tentative
Beg. Fund Balance:	21,040,755	31,498,430
Adj. Beg. Balance:	298,334	
Ongoing Revenue:	164,024,428	164,589,835
Ongoing Expenditure:	182,683,861	195,783,906
Operating/Structural Surplus/Deficit:	<18,659,433>	<31,194,071>
One-time Items/Hold Harmless:	12,469,533	14,079,643
One-time HEERF:	16,349,241	15,525,372
Surplus/Deficit w/ One-time Items:	10,159,341	<1,589,056>
Ending Fund Balance:	31,498,430	29,909,374
FB to Total Expenditure and Transfer:	17.10%	15.25%



Key Take Aways

- State Adopted budget could change things
- Non-Resident Enrollment is our most pressing issue
 - Non-resident Tuition decline is historic
- Hold harmless ends June 30, 2024 - <\$14,430,300>
- HEERF funds are one-time and a “band aid”
- Fund balance is not a sign of financial stability due to one-time funds!



Special Thank You To...

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