



# Santa Barbara City College Budget Forum

May 2014

May 14, 2014

A 211

3:30 – 4:30 pm

May 15, 2014

BC 230

1:00 – 2:00 pm

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# BUDGET FORUM

- Full Time Equivalent Student Projection
- Comparison of Revenue and Expense for 2012-13 Actual, 2013-14 Forecast, and 2014-15 Tentative Budget with the 2014-15 Tentative Budget Assumptions
- Ending Fund Balances
- Special Revenue Funds
- Governor's May Revise



# FTES Projection as of May 12, 2014

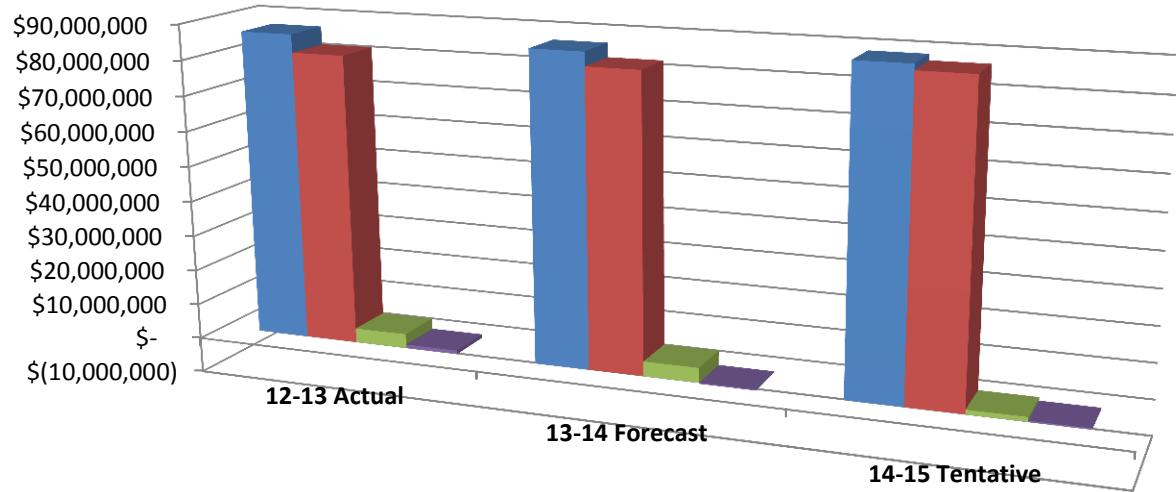
FTES	2012-13 Actual	2013-14 Actual (P2)	2014-15 Projection	2015-16 Projection
Fall	5,781	6,200	6,262	6,325
Spring	5,861	6,008	6,068	6,129
Summer	1,047	1,157	1,169	1,180
Second Summer Intersession	0	0	600	600
Borrowed from next Summer to meet Cap	680	890	0	0
Borrowed from previous Summer	0	-680	-890	0
<b>Total Credit FTES</b>	<b>13,369</b>	<b>13,575</b>	<b>13,209</b>	<b>14,234</b>
<b>Total Non Credit FTES</b>	<b>987</b>	<b>643</b>	<b>647</b>	<b>657</b>
<b>Total Funded FTES</b>	<b>14,356</b>	<b>14,218</b>	<b>13,856</b>	<b>14,891</b>

# GENERAL FUND UNRESTRICTED Comparison

## Comparison by Category

- Revenues flat from 12-13 to 13-14, increase from 13-14 to 14-15
- Expenditures up
- Transfers flat from 12-13 to 13-14, decrease from 13-14 to 14-15
- 2013-14 is projected to be slightly below break even. 2014-15 budgeted to break even.

**General Fund Unrestricted Comparison**



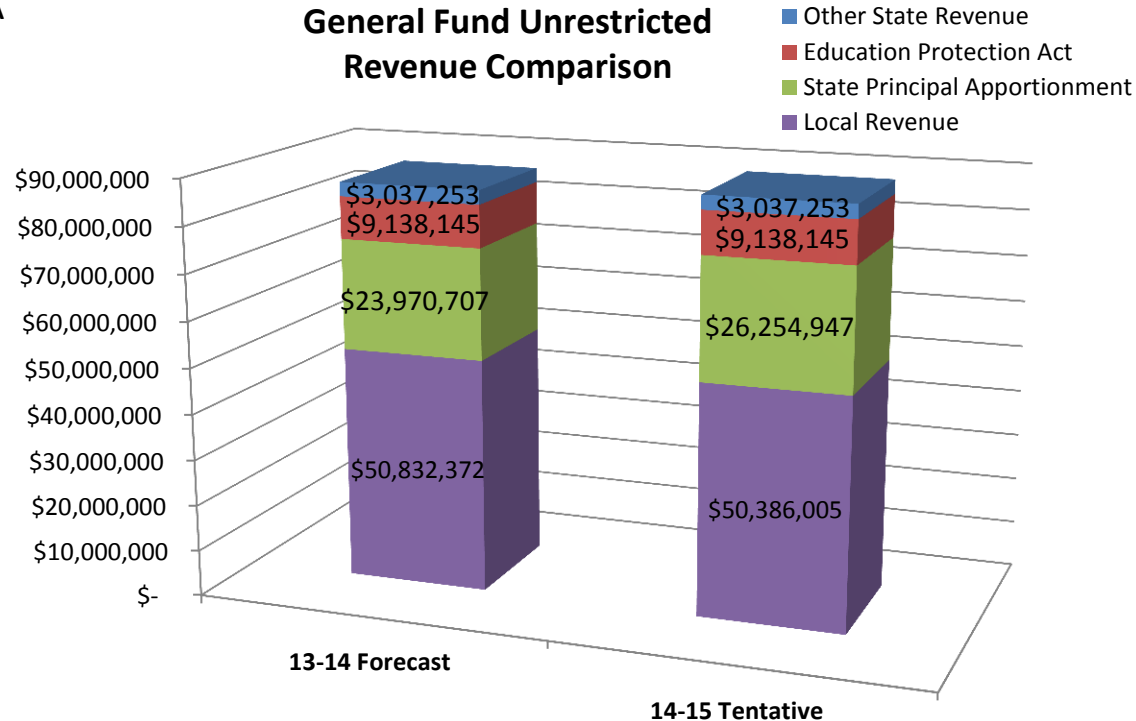
	12-13 Actual	13-14 Forecast	14-15 Tentative
■ Revenues	\$86,945,104	\$86,978,477	\$88,816,350
■ Expenditures	\$81,897,527	\$83,090,487	\$87,162,467
■ Transfers In/Out	\$4,038,324	\$4,170,865	\$1,297,619
■ Net	\$1,009,254	\$(282,875)	\$356,264

# GENERAL FUND UNRESTRICTED Revenue Comparison

## 2014-15 Tentative Budget Revenues contain:

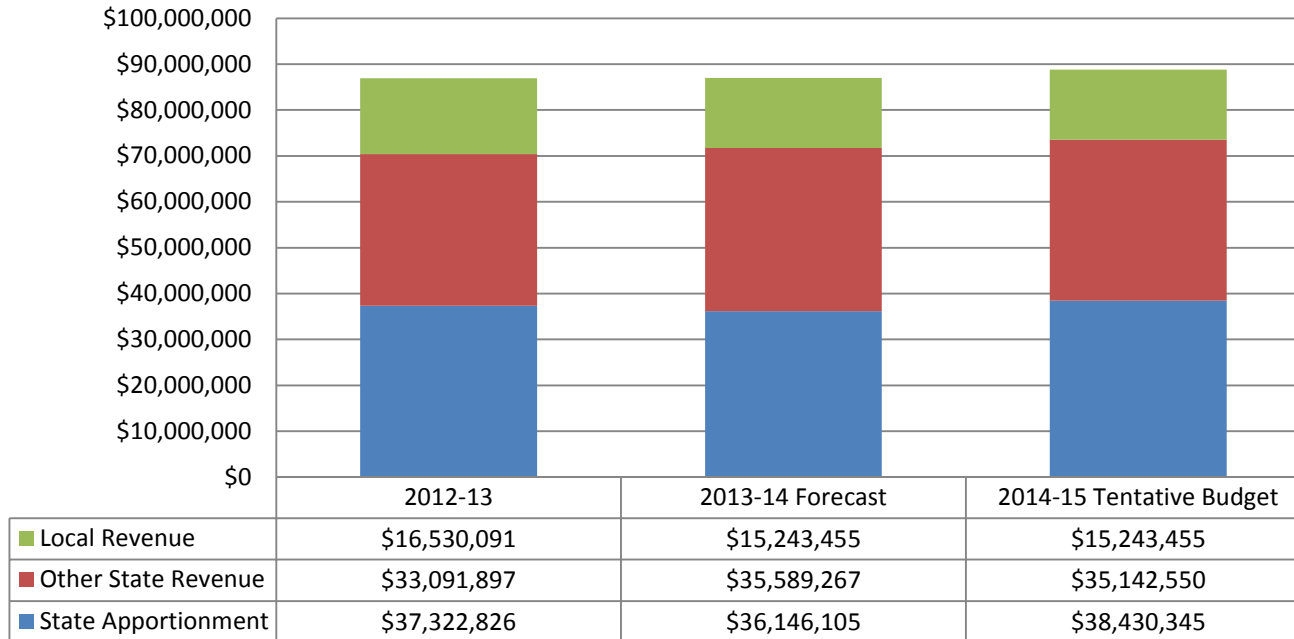
- Increase in state allocation for 0.86% COLA is included \$630,500.
- Growth/restoration is NOT included in Tentative Budget.
- Reduced deficit factor of 1% increases revenue by \$723,343.
- International and out-of-state revenues remain flat at \$13,825,000.
- Interest Revenue remains flat at \$150,000.
- Lottery revenue remains flat at \$1,979,900.
- State Mandated reimbursement remains flat at \$406,000.

**General Fund Unrestricted Revenue Comparison**



# GENERAL FUND UNRESTRICTED Revenue Comparison

## Unrestricted General Fund Revenues



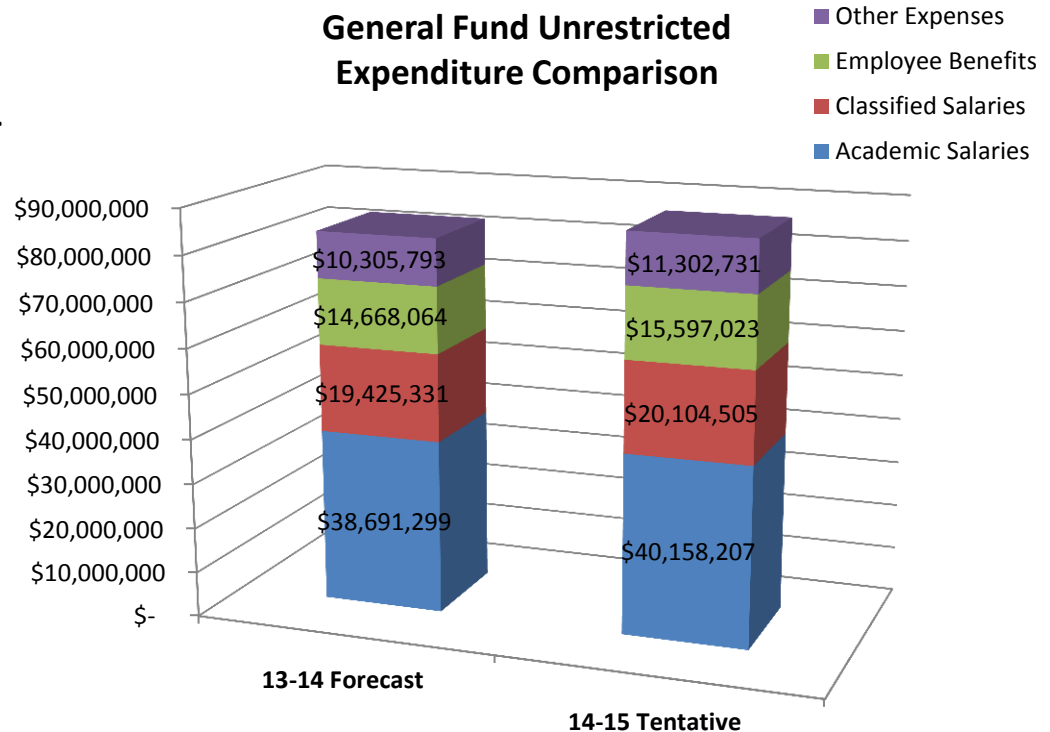
- Local Revenue decline in 2013-14 is due to fee based course revenue being collected in the CLL Special Revenue Fund, instead of Unrestricted General Fund and the planned reduction in International enrollment
- Decrease in Other State Revenue from 2012-13 to 2013-14 is from Education Protection Act shortfall in collected tax revenues
- State Apportionment includes revenue from passage of Proposition 30 (Education Protection Act)
- Increase in State Apportionment from 2013-14 to 2014-15 due to COLA of 0.86% and deficit factor of 1% instead of 2% in 2013-14

# GENERAL FUND UNRESTRICTED Expenditure Comparison

## 2014-15 Tentative Budget Expenditures contain:

- Addition of second summer session increased TLU expenditures by \$1,057,395 (including benefits).
- 5.88% Increase in hourly wages at each level.
- Classified staff also employed as adjunct instructors will be paid at a blended overtime rate which increases academic salaries \$115,000.
- Addition of 3 new instructors, \$180,000.
- COLA salary increase of 0.86% across all salary schedules.
- Addition of 3 new classified staff, \$240,000.
- Hourly salary budget adjustments decreased \$589,000.
- Non Labor budget adjustments increased \$588,000.
- State Unemployment Contribution Rate remains flat at 0.05%.
- State Workers compensation insurance rate increase of \$88,000 from 1.52% to 1.67%.

**General Fund Unrestricted  
Expenditure Comparison**



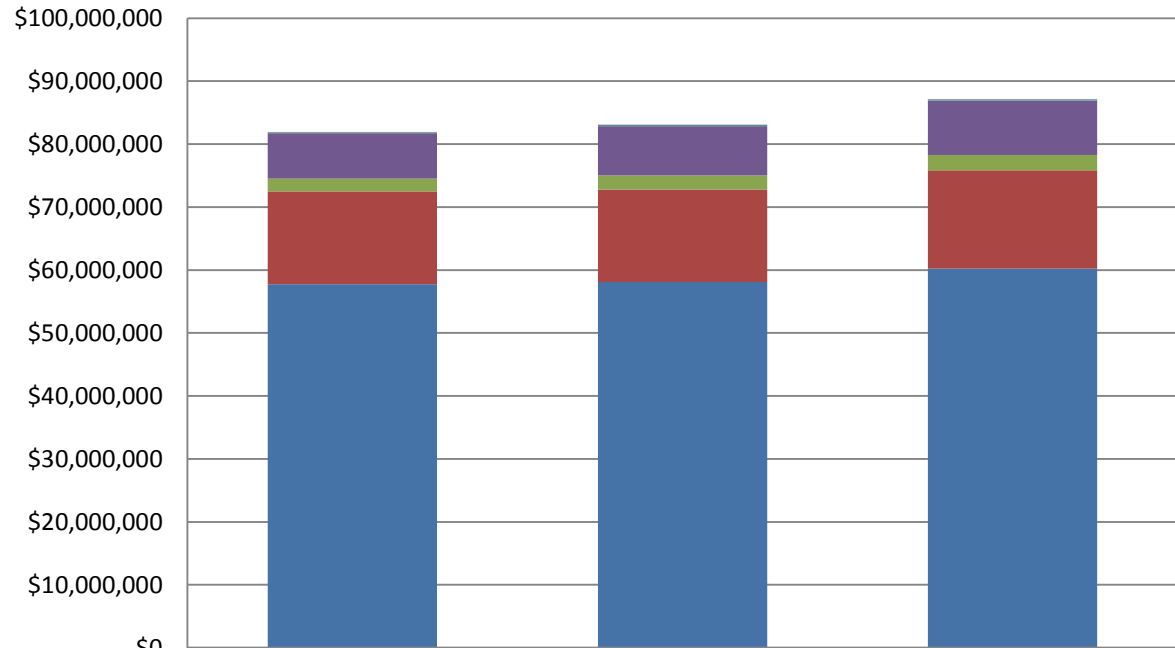
# GENERAL FUND UNRESTRICTED

## Expenditure Comparison



- Other Operating Expenses and Supplies & Materials increase as planned
- Salaries in 12-13 included the one-time 3% payment
- Salaries in 13-14 include all negotiated agreements resulting in increases from COLA, Ewing study recalibrations and reclassifications
- Salaries in 14-15 include COLA of 0.86%, hourly increase of 5.88%, second summer session TLUs, 3 new classified and 3 new faculty
- CalSTRS/PERS rate increase from state not included

### Unrestricted General Fund Expenditures



	2012-13	2013-14 Forecast	2014-15 Tentative Budget
Other Outgo	\$8,919	\$17,048	\$16,389
Capital Outlay	\$155,875	\$216,750	\$234,813
Other Operating Expenses	\$7,202,381	\$7,830,090	\$8,637,370
Supplies & Materials	\$2,056,698	\$2,241,905	\$2,414,159
Employee Benefits	\$14,703,192	\$14,668,064	\$15,597,023
Salaries	\$57,770,462	\$58,116,630	\$60,262,712





# 14-15 Budget Assumptions

Items with potential impact on 2014-15 expenditures:

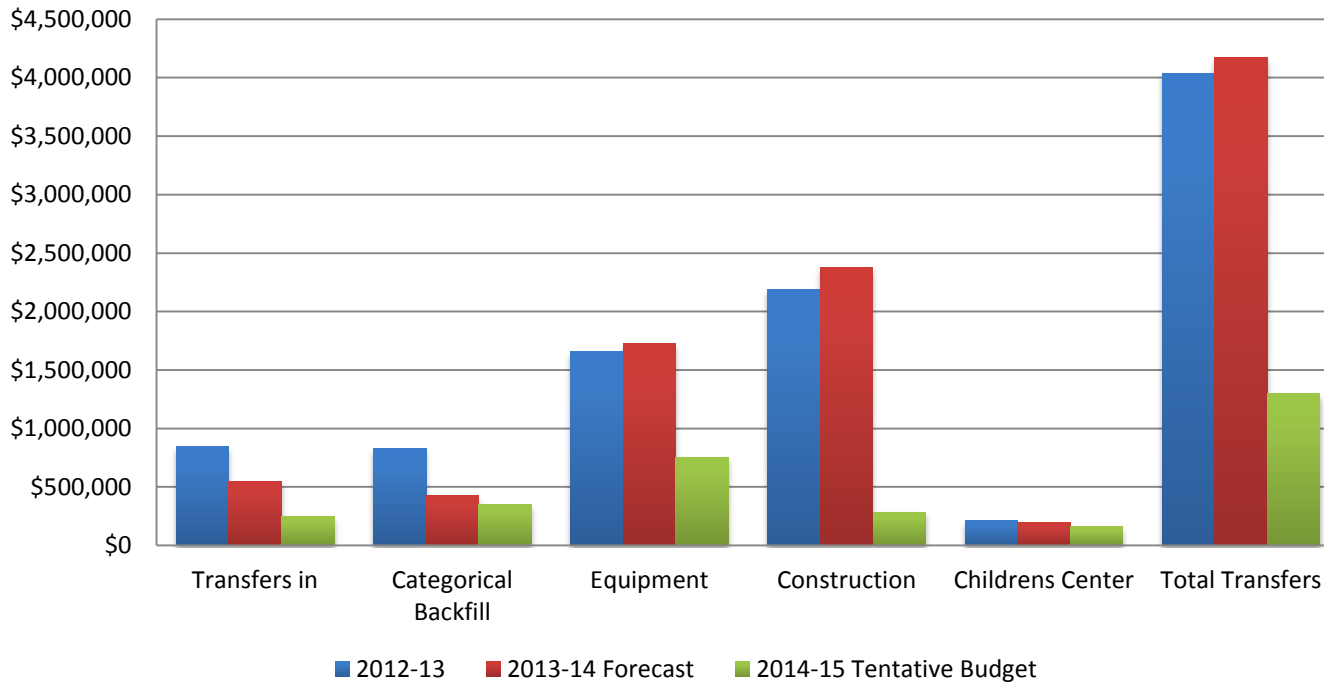
- Instructors salary tables may be adjusted as a result of the salary study.
- Employer contributions toward health benefits are expected to increase.
- CalPERS and CalSTRS employer contribution rate is expected to increase.
- Fixed and mandated expenses (utilities, postage, rent etc.) are expected to increase.

# 14-15 Budget Assumptions Transfers

The background image shows a scenic coastal view with a clear blue sky, distant mountains, a body of water, and a green grassy foreground with palm trees and a few people sitting on the grass.

- Categorical programs (EOPS, DSPS, and non-credit SSSP), the amount needed to backfill from the General Fund is approximately \$346,000.
- Transfer to the Children’s Center Fund is \$157,833.
- Transfer to the Construction Fund for ongoing campus maintenance of \$0.0 million.
- Transfer to the Construction Fund for loan payments to the California Energy Commission for the photovoltaic system loan is \$191,846 and for lighting program loan is \$91,940. These amounts will continue for the life of the loans (ending in 2024 and 2021).
- Transfer to the Equipment Fund is \$0.6 million for equipment replacement and \$155,000 for copier replacement.
- Transfer in from the “I Can Afford College” State Financial Aid Media campaign grant is a pass through of funds that the College manages for the chancellor’s office.

## Transfers

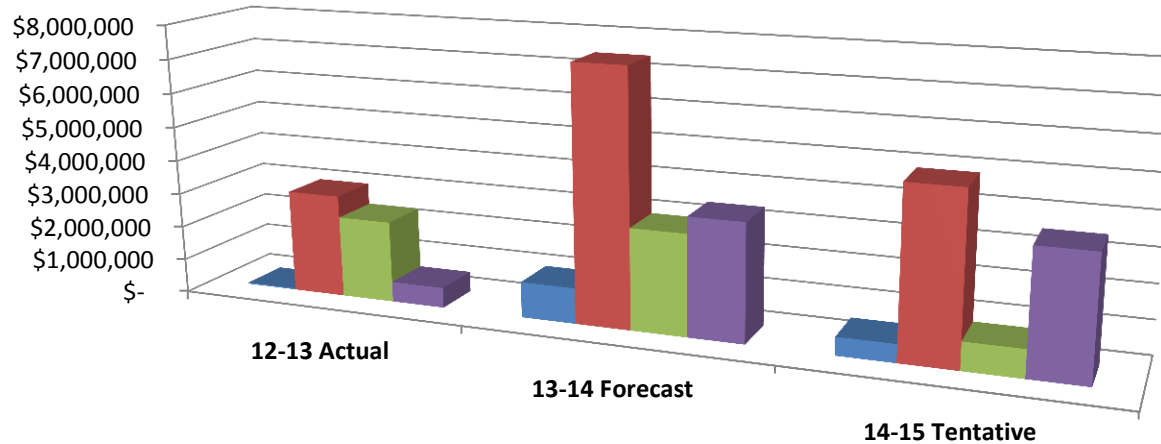


Total Transfers	
<b>2012-13</b>	<b>\$4,038,324</b>
<b>2013-14</b>	<b>\$4,170,865</b>
<b>2014-15</b>	<b>\$1,297,619</b>

- Starting in 13-14, transfers to Construction and Equipment are planned within the budget process
- Decrease in Categorical backfill from 12-13 to 13-14 to 14-15 are due to increase in state funding for Categorical
- Proposed Board Policy on ending fund balances in Equipment and Construction allow for adjusting transfers from the General Fund in 14-15

# CONSTRUCTION DISTRICT PROJECTS

## Construction Fund Comparison

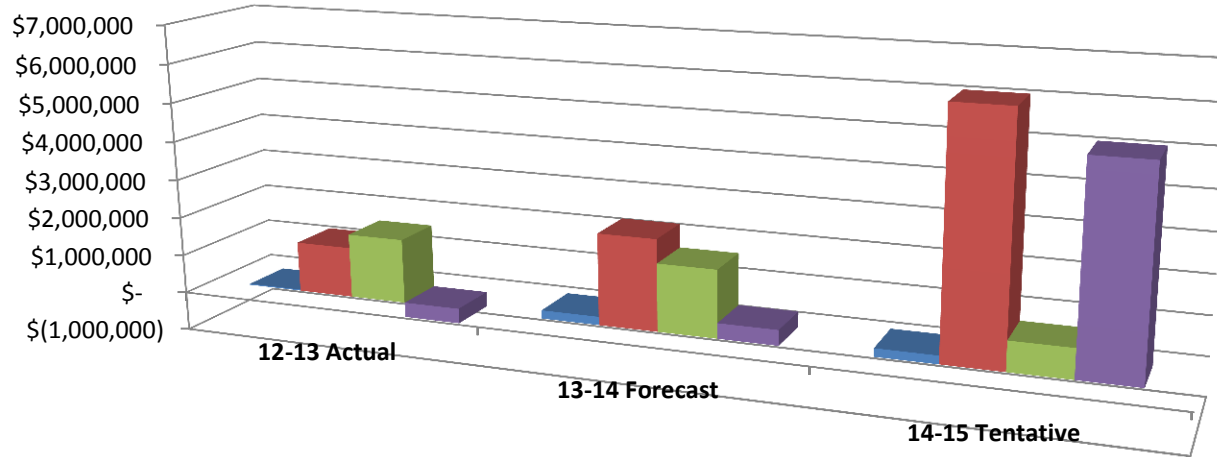


	12-13 Actual	13-14 Forecast	14-15 Tentative
■ Revenues	\$34,494	\$1,047,269	\$533,009
■ Expenditures	\$3,027,380	\$7,446,059	\$4,903,617
■ Transfers In	\$2,396,046	\$2,957,506	\$811,722
■ Net Excess Expenditures	\$596,840	\$3,441,284	\$3,558,886

- Construction fund expenditures exceed revenues/transfers in from General Fund
- Ending fund balance declines from \$9.1 m to \$5.6 m to \$2.1 m
- Planned decrease of ending fund balance to reach board policy level of \$2.0 m

# EQUIPMENT REPLACEMENT

**Equipment Fund Comparison**



	12-13 Actual	13-14 Forecast	14-15 Tentative
■ Revenues	\$26,920	\$212,417	\$212,417
■ Expenditures	\$1,299,159	\$2,328,682	\$6,129,439
■ Transfers In	\$1,655,000	\$1,723,234	\$755,000
■ Net Excess Expenditures	\$(382,761)	\$393,031	\$5,162,022

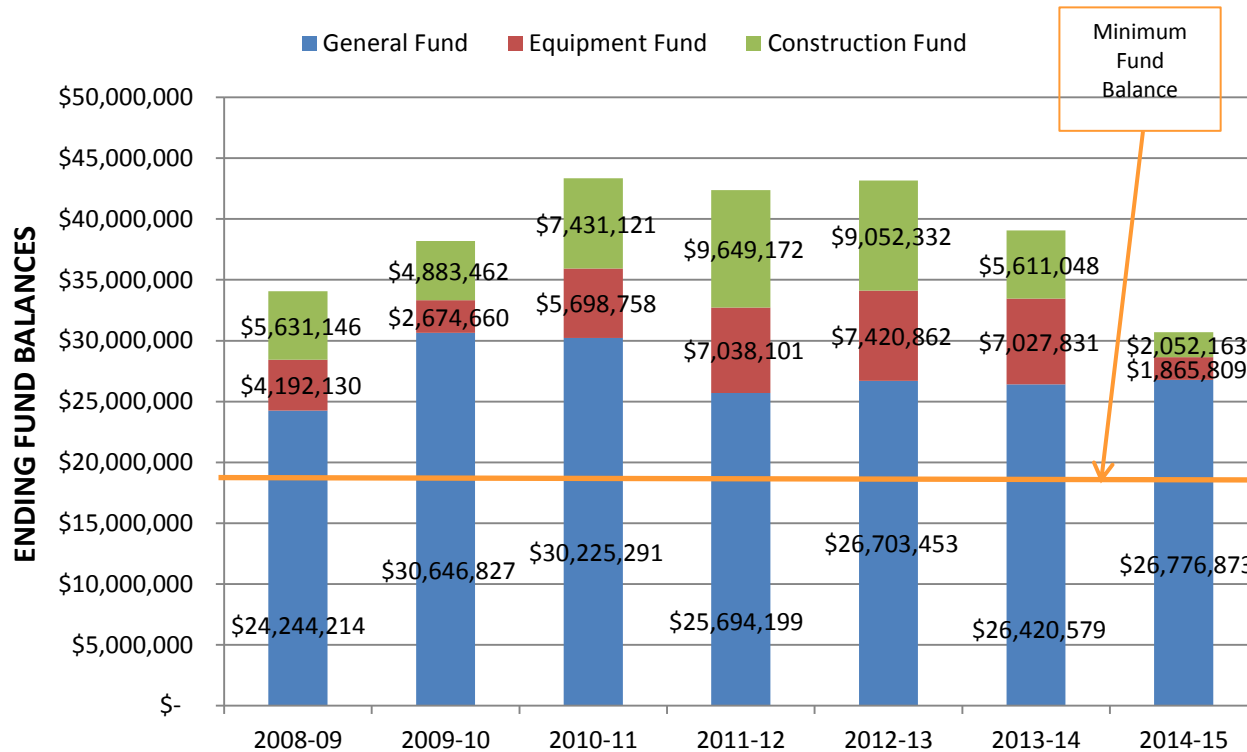
- Equipment fund expenditures exceed revenues/transfers in from General Fund in 2013-14 and 2014-15
- Ending fund balance declines from \$7.4 m to \$7.0 m to \$1.9 m
- Planned decrease of ending fund balance to approach board policy level of \$1.5 m

# GENERAL FUND BALANCE (Unrestricted & Restricted Combined)

	June 30, 2013 Actual Ending Balance	June 30, 2014 Forecast Ending Balance	June 30, 2014 Tentative Budget Ending Balance
Fund Balance			
Reserved for Restricted Purpose	\$0	\$0	\$0
Designated:			
State Mandated Contingency (5%)	\$4,481,306	\$4,369,309	\$4,417,954
Banked TLUs	\$1,264,593	\$1,264,593	\$1,264,593
General Apportionment Deferral	\$9,499,775	\$8,386,558	\$0
Additional Reserve required to meet 15% principle	\$3,397,638	\$4,721,369	\$13,253,863
Total Designated	<u>\$18,643,312</u>	<u>\$18,741,829</u>	<u>\$18,936,410</u>
Undesignated	\$8,060,141	\$7,678,749	\$7,840,432
Total Fund Balance	<u><u>\$26,703,453</u></u>	<u><u>\$26,420,578</u></u>	<u><u>\$26,776,843</u></u>
% Designated Ending Balance/Expenditures	21.7%	21.4%	21.4%
% Total Ending Balance/Expenditures	29.8%	30.2%	30.3%

# FUND BALANCES

## TENTATIVE BUDGET 2014-15



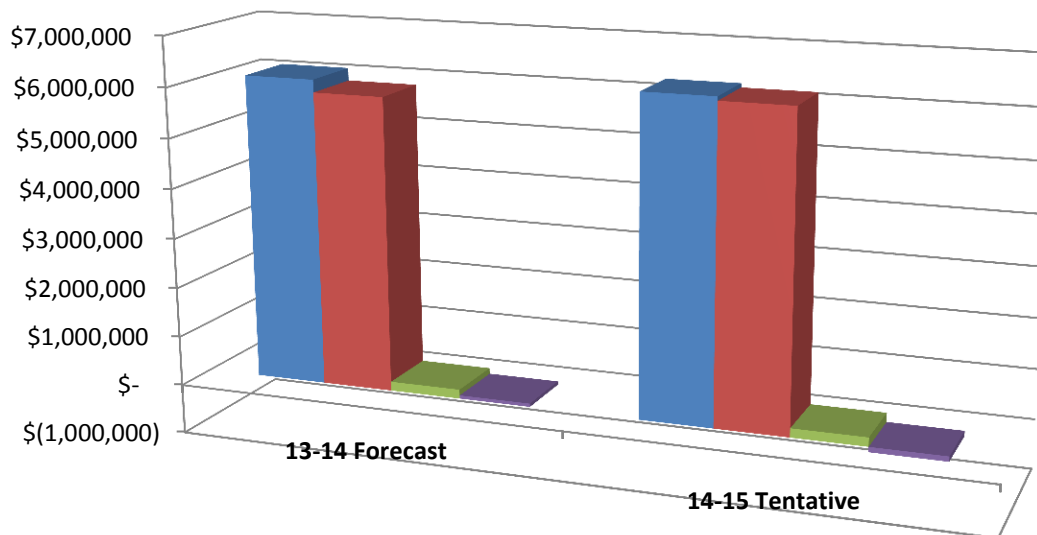
Includes the following Fund Balances, resulting in a decrease of \$8.6 million total fund balances from 2013-14 to 2014-15:

- General Fund (Unrestricted & Restricted)      Excess Revenues = \$356,264
- Equipment Fund      Excess Expenditures = \$5,162,022
- Construction District Projects Fund      Excess Expenditures = \$3,558,886



# BOOKSTORE

## Bookstore Revenues vs. Expenditures



	13-14 Forecast	14-15 Tentative
■ Revenues	\$6,130,450	\$6,300,000
■ Expenditures	\$5,881,000	\$6,220,474
■ Transfers Out	\$183,000	\$183,000
■ Excess of Revenues	\$66,450	\$(103,474)

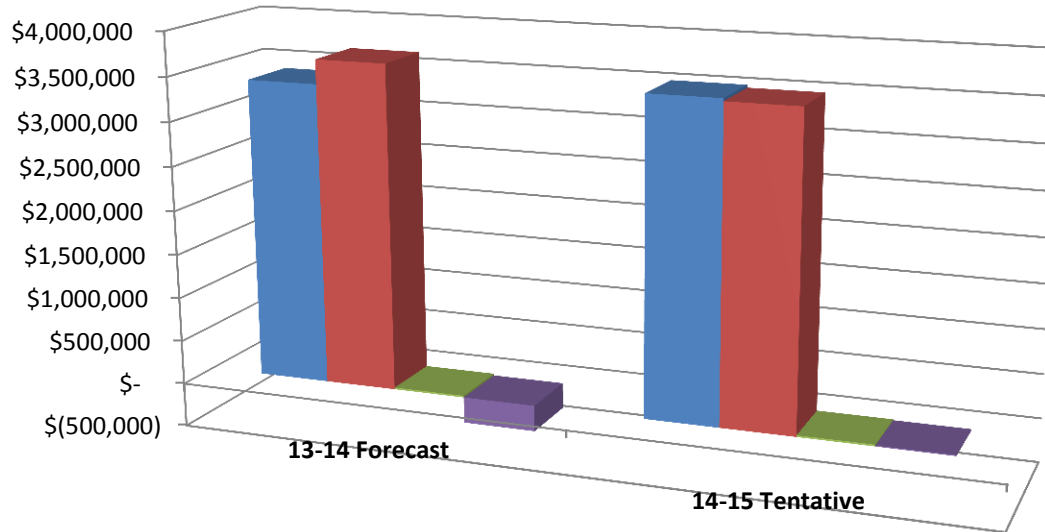
- Transfers out to the General Fund of \$183,000 will result in a Net Loss of approximately \$103,474.





# FOOD SERVICE

## Food Service Revenues vs. Expenditures

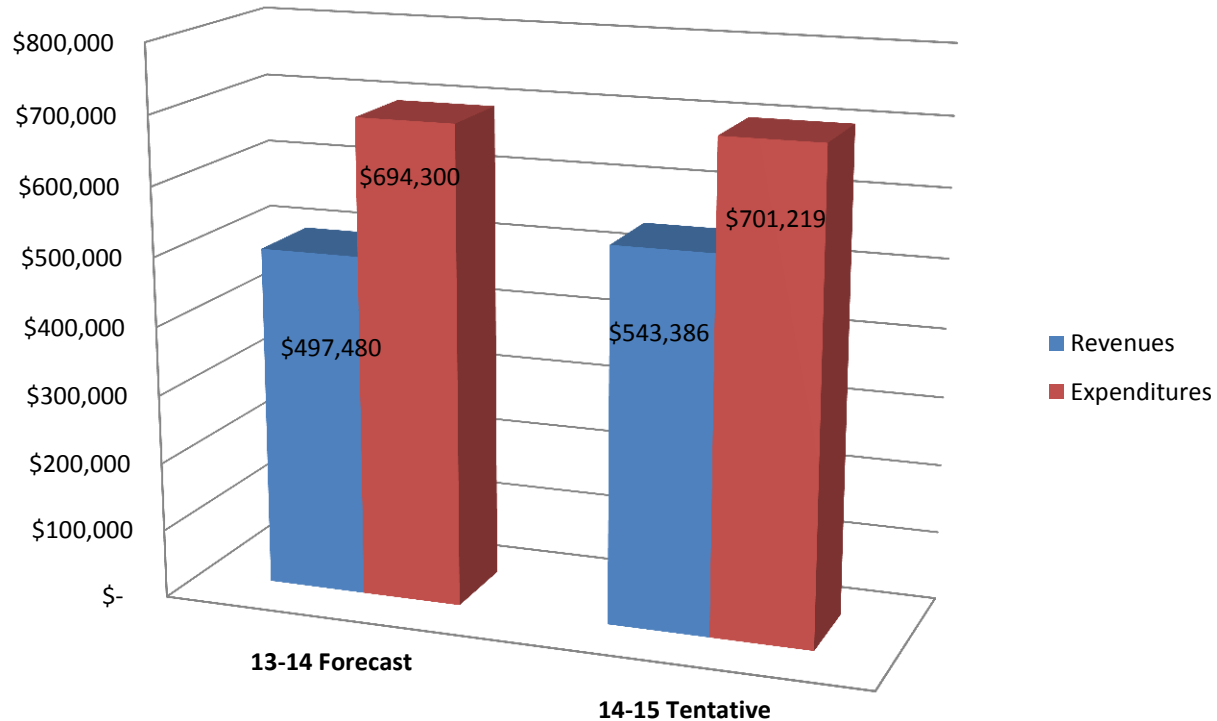


	13-14 Forecast	14-15 Tentative
■ Revenues	\$3,405,100	\$3,537,475
■ Expenditures	\$3,678,828	\$3,506,731
■ Transfers Out	\$20,000	\$20,000
■ Excess of Revenues	\$(293,728)	\$10,744

- Projected loss in 2013-2014 due to construction on new venues.
- Increase in revenues due to full year with new venues open.

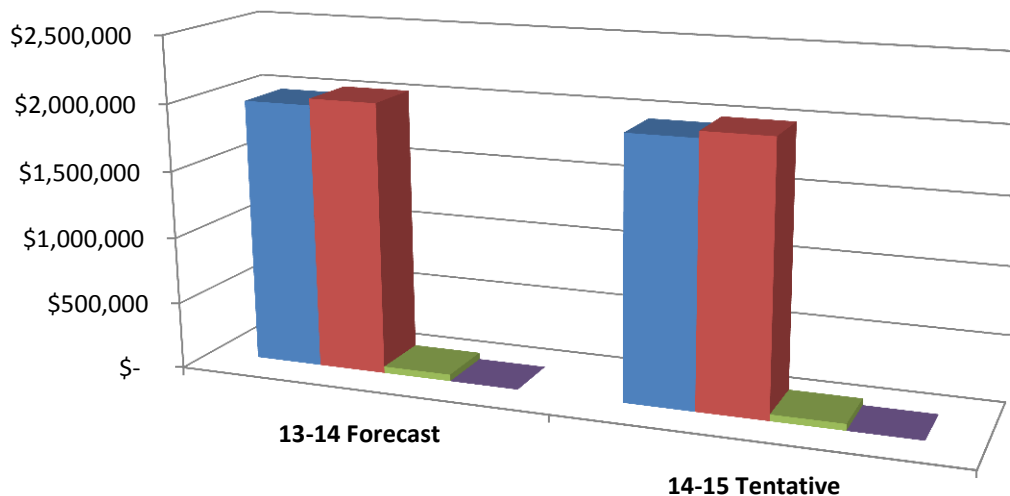
# CHILDREN'S CENTER FUND

**Children's Center  
Revenues vs. Expenditures**



- Interfund Transfer from the General Fund of \$158,000 makes up for the Revenue shortfall

## Center for Lifelong Learning Revenues vs. Expenditures



	13-14 Forecast	14-15 Tentative
■ Revenues	\$1,980,946	\$1,948,500
■ Expenditures	\$2,030,946	\$1,998,500
■ Transfers In	\$50,000	\$50,000
■ Excess of Revenues	\$0	\$0

- Decrease in revenues is due to a planned reduction in contact hours.
- Transfers in of \$50,000 come from donations to CLL.

# MEASURE V BOND

	2008-2009 Audited Actual	2009-2010 Audited Actual	2010-2011 Audited Actual	2011-2012 Audited Actual	2012-2013 Audited Actual	2013-2014 Full Year Forecast	2014-2015 Tentative Budget	Total
<b>REVENUES</b>								
Bond Proceeds	\$47,000,000	\$0	\$0	\$0	\$15,000,000	\$0	\$0	\$62,000,000
Local	\$466,269	\$483,738	\$223,992	\$79,681	\$26,838	\$32,655	\$32,655	\$1,345,829
Total Revenues	\$47,466,269	\$483,738	\$223,992	\$79,681	\$15,026,838	\$32,655	\$32,655	\$63,345,829
<b>EXPENDITURES</b>								
Academic Salaries	\$7,837	\$0	\$22,687	\$18,335	\$42,616	\$17,000	\$17,000	\$125,475
Classified and Other Nonacademic Salaries	\$18,238	\$0	\$0	\$50,868	\$10,100	\$7,500	\$7,500	\$94,206
Employee Benefits	\$402	\$0	\$2,765	\$3,911	\$5,646	\$3,000	\$3,000	\$18,724
Supplies and Materials	\$4,614	\$62	\$2,755	\$1,410	\$2,314	\$1,500	\$1,500	\$14,155
Other Operating Expenses and Services	\$101,523	\$41,846	\$144,056	\$234,391	\$72,046	\$100,000	\$100,000	\$793,862
Capital Outlay	\$4,135,519	\$8,338,687	\$14,621,923	\$10,874,440	\$9,396,398	\$9,321,466	\$5,610,973	\$62,299,406
Other Outgo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$4,268,133	\$8,380,595	\$14,794,186	\$11,183,355	\$9,529,120	\$9,450,466	\$5,739,973	\$63,345,828
Excess of Revenues over (under) Expenditures	\$43,198,136	(\$7,896,857)	(\$14,570,194)	(\$11,103,674)	\$5,497,718	(\$9,417,811)	(\$5,707,318)	\$0
<b>Other Financing Sources (Uses)</b>								
Interfund Transfers - In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	\$43,198,136	(\$7,896,857)	(\$14,570,194)	(\$11,103,674)	\$5,497,718	(\$9,417,811)	(\$5,707,318)	\$0
Beginning Fund Balance	\$0	\$43,198,136	\$35,301,279	\$20,731,085	\$9,627,411	\$15,125,129	\$5,707,318	
Ending Fund Balance	\$43,198,136	\$35,301,279	\$20,731,085	\$9,627,411	\$15,125,129	\$5,707,318	\$0	

A scenic landscape photograph showing a green grassy field in the foreground, a blue body of water in the middle ground, and blue mountains in the background under a clear sky. Several palm trees are scattered across the field. A few small figures of people can be seen sitting on the grass.

# 14-15 Budget Assumptions Cash Flow

- Starting with 2014-15, the Governor's budget proposes to move up the backfilling of any Redevelopment Agency funding shortage to the current year instead of after year end.
- The Governor's budget eliminates all cash deferrals by the end of 2014-15.

# Governor's May Revise

- Decrease of COLA from 0.86% to 0.85%
- Decrease for maintenance and instructional equipment from \$175M to \$148M. No district match required. Also, all funds go to deferred maintenance instead of split 50/50 with instructional equipment.
- A decrease of \$14.8M to reflect a change from 3 percent to 2.75 percent in funds for new access for the 2014-15 fiscal year. Additionally, the Governor will push back the implementation of a revised growth formula until the 2015-16 fiscal year.
- \$6M for increased technology infrastructure (\$1.4M one-time, \$4.6M ongoing) to upgrade bandwidth and replace technology equipment at local campuses.
- CalSTRS funding will increase \$74 billion, being funded by the state, teachers, and school districts. Total contributions today equal 19.3% and will rise to 35.7% over the next 30 years.
  - State contribution will increase from 3% to 6.3% in 2014-15
  - District contribution will increase from 8.25% to 9.5% in 2014-15
  - Employee contribution will increase from 8.0% to 9.2% in 2015-16

# Budget Development Timeline

## Upcoming 2014-15 Budget Development:

- Tentative Budget – CPC 1<sup>st</sup> reading May 6<sup>th</sup>
- Tentative Budget – CPC 2<sup>nd</sup> reading May 20<sup>th</sup>
- 1<sup>st</sup> Public Hearing: Review of Tentative Budget – Fiscal Subcommittee June 9<sup>th</sup>
- Public Hearing: Approval of Tentative Budget – Board of Trustees June 26<sup>th</sup>
- 1<sup>st</sup> Public Hearing: Review of Adopted Budget – Board of Trustees August 28<sup>th</sup>
- Public Hearing: Approval of Adopted Budget – Board of Trustees September 11<sup>th</sup>



Questions?