



SBCC BUDGET FORUM

February 1,2,6 & 7

2023



Agenda

- Introductions
- Budget Glossary
- Actuals (UGF District-wide Results)
- Budget History (Facts & Figures)
- 2022-23 State Budget (Summary)
- 2022-23 Budget
- Five-Year Projections
- Governor's Proposed Budget (2023-24)
- Closing Comments
- Q&A



Introductions



Budget Glossary

- FTES – Full Time Equivalent Students (roughly calculated as 1 FTES = 15 semester units of enrollment)
- STUDENT CENTERED FUNDING FORMULA (SCFF) – Formula used to calculate the Total Computational Revenue for all colleges in the Community College System. Funding is provided based on FTES Enrollment (70%), the Number of Low Income Students we serve (20%), and Student Success in 8 different Factors (10%).
- TOTAL COMPUTATIONAL REVENUE (TCR) – The total revenue the District receives from State Apportionment, Education Protection Act Funds, Local Property Taxes, and Local Enrollment Fees.



Budget Glossary

- **GROWTH FUNDING** – Funding allocated in the state budget to allow for enrollment growth.
- **DEFICIT FACTOR** – When the total money allocated to the Community College System is not sufficient to fund the TCR based on the SCFF Calculations
- **DEFERRAL** – IOU issued from the State when they do not have enough cash to fund obligations.
- **DEFICIT** – Occurs when the District's expenses are more than the District's Revenues.
- **STRUCTURAL DEFICIT** – Occurs when deficits are consistently projected into the future due to regular ongoing annual expenditures exceeding annual revenues.



Budget Glossary

- **EMERGENCY CONDITIONS ALLOWANCES**– Funding allowances due to emergency conditions (including pandemics) that allows districts to not lose FTES apportionment as a result of an emergency or extraordinary condition.



Actuals

Results & Highlights



Statements of Revenues, Expenses, and Changes in Net Position for Select Fiscal Years

Major Object	Title	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual
Expenditures					
10	Academic Salaries	44,658,303	44,390,886	39,528,777	43,734,575
20	Classified Salaries	21,491,243	22,223,859	19,946,930	22,531,049
30	Employee Benefits	21,228,647	27,640,294	25,657,271	26,209,478
40	Supplies And Materials	1,699,388	1,088,962	632,941	1,785,907
50	Other Operating Expenses & Services	10,578,613	9,524,626	7,307,845	11,957,029
60	Capital Outlay	428,688	493,804	319,609	774,570
70	Other Outgo	6,140	6,854	150,000	1,099,923
80	Transfers Out	1,360,000	2,261,758	1,100,764	2,623,028
Total Expenditures		101,451,022	107,631,042	94,644,135	110,715,559
Revenues					
86	State Revenues	42,131,385	49,501,009	46,846,707	52,175,850
88	Local Revenues	56,354,538	55,377,513	50,178,372	54,960,858
89	Other Financing Sources	800,826	420,101	7,211,612	4,789,591
Total Revenues		99,286,749	105,298,623	104,236,691	111,926,299
Net Change in Position Surplus/(Deficit)		(2,164,273)	(2,332,418)	9,592,556	1,210,740

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** Net change in position reflects the impact of HEERF Lost Revenues in "Other Financing Sources", and expenditures coded to fund 11002, "UGF COVID Mitigation" fund.



COVID Mitigation Fund

Major Object Title	2020-21 Actual	2021-22 Adopted Budget	2021-22 Adjusted Budget	2021-22 Actual	2022-23 Budget
Revenues					
86 State Revenues	-	-	-	-	-
88 Local Revenues	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
10 Academic Salaries	-	-	174,474	1,008,752	-
20 Classified Salaries	-	22,350	94,904	946,148	-
30 Employee Benefits	-	2,104	101,415	138,559	-
40 Supplies And Materials	-	-	826,672	548,682	-
50 Other Operating Expenses & Services	-	-	1,510,370	1,299,198	-
60 Capital Outlay	-	-	871,901	481,174	-
70 Other Outgo	-	-	1,092,396	1,099,923	-
Total Expenditures	-	24,454	4,672,133	5,522,436	-
Transfers					
89 Transfers In - Other	6,104,616	-	-	-	-
80 Transfers (Out)	-	-	(1,030,000)	(43,028)	-
Total Transfers In/(Out)	6,104,616	-	(1,030,000)	(43,028)	-
Net Change in Fund Balance	6,104,616	(24,454)	(5,702,133)	(5,565,464)	-
Beginning Fund Balance	-	6,104,616	6,104,616	6,104,616	-
Change in Fund Balance	6,104,616	(24,454)	(5,702,133)	(5,565,464)	-
Ending Fund Balance	6,104,616	6,080,162	402,483	539,152	-

The background of the slide is a scenic photograph of a coastal area. In the foreground, there's a green lawn with a few palm trees. In the middle ground, there's a blue body of water, likely the ocean. In the background, there are blue mountains under a clear sky. The title 'FY19-20 Highlights' is overlaid in large white text.

FY19-20 Highlights

- District's total resident FTES were 13,000; growth incurred across various types of enrollment, including credit, noncredit, and dual enrollment programs.
- District saw growth in State Apportionment revenue due to the implementation of the Student Centered Funding Formula; state revenues increased from \$42.1M to \$49.5M.
- Operating Expenses (excl. Other Outgo and Transfers Out) increased from \$100.1M in FY18-19 to \$100.7MM in FY19-20, due primarily to an increase in CalPERS and CalSTRS contributions.
- Salaries and Benefits, as a percentage of Expenditures, increased from 88.5% in FY 18-19 to 91.0% in FY 19-20.



FY20-21 Highlights

- District's total resident FTES were 10,721 (per Audited Financial Statements); declines incurred across various types of enrollment, including credit, noncredit, and dual enrollment programs.
- District saw a net increase in revenues, as decreases in tuition and apportionment were offset by funding received from the Higher Education Emergency Relief Fund
- Employee benefits rose at a slightly higher rate than Salaries due primarily to ongoing increases in required CalPERS and CalSTRS contributions.
- Salaries and Benefits, as a percentage of Expenditures, increased from 91.0% in FY 19-20 to 91.9% in FY 20-21.
- Throughout pandemic, all spending totals declined
- Operating expenses (excl. Other Outgo and Transfers Out) decreased from \$100.7M in FY19-20 to \$89.7MM in FY20-21, due primarily to significant reductions in adjunct faculty and hourly staff.
- Supplies & materials and other operating expenses/services declined at a higher rate than salaries and benefits; 25% vs 10%, respectively.

The background of the slide is a scenic photograph of a coastal area. In the foreground, there's a green lawn with a few palm trees. In the middle ground, there's a blue body of water, likely the ocean. In the background, there are blue mountains under a clear sky. The title 'FY21-22 Highlights' is overlaid on this image in a large, white, sans-serif font.

FY21-22 Highlights

- District's total resident FTES were 10,618 (per Audited Financial Statements); declines incurred across various types of enrollment, including credit, noncredit, and dual enrollment programs.
- District saw a net increase in revenues and tuition due largely to a 5.07% COLA adjustment to funding rates used in the calculation of the Student Centered Fund Formula (SCFF).
- District experienced a significant increase in international and out-of-state tuitions, net of the funding received from the Higher Education Emergency Relief Fund.
- Employee benefits declined at a slightly higher rate than salaries significant decrease in the net pension liability; CalPERS and CalSTRS contributions are projected to continue increasing through 2026-27.
- Salaries and Benefits, as a percentage of Expenditures, decreased from 91.9% in FY 20-21 to 89.4% in FY 21-22.
- Operating expenses (excl. Other Outgo and Transfers Out) increased during 2021-2022 compared to 2020-2021, as the District returns to normal operations; these expenditures declined throughout the pandemic.



Budget History

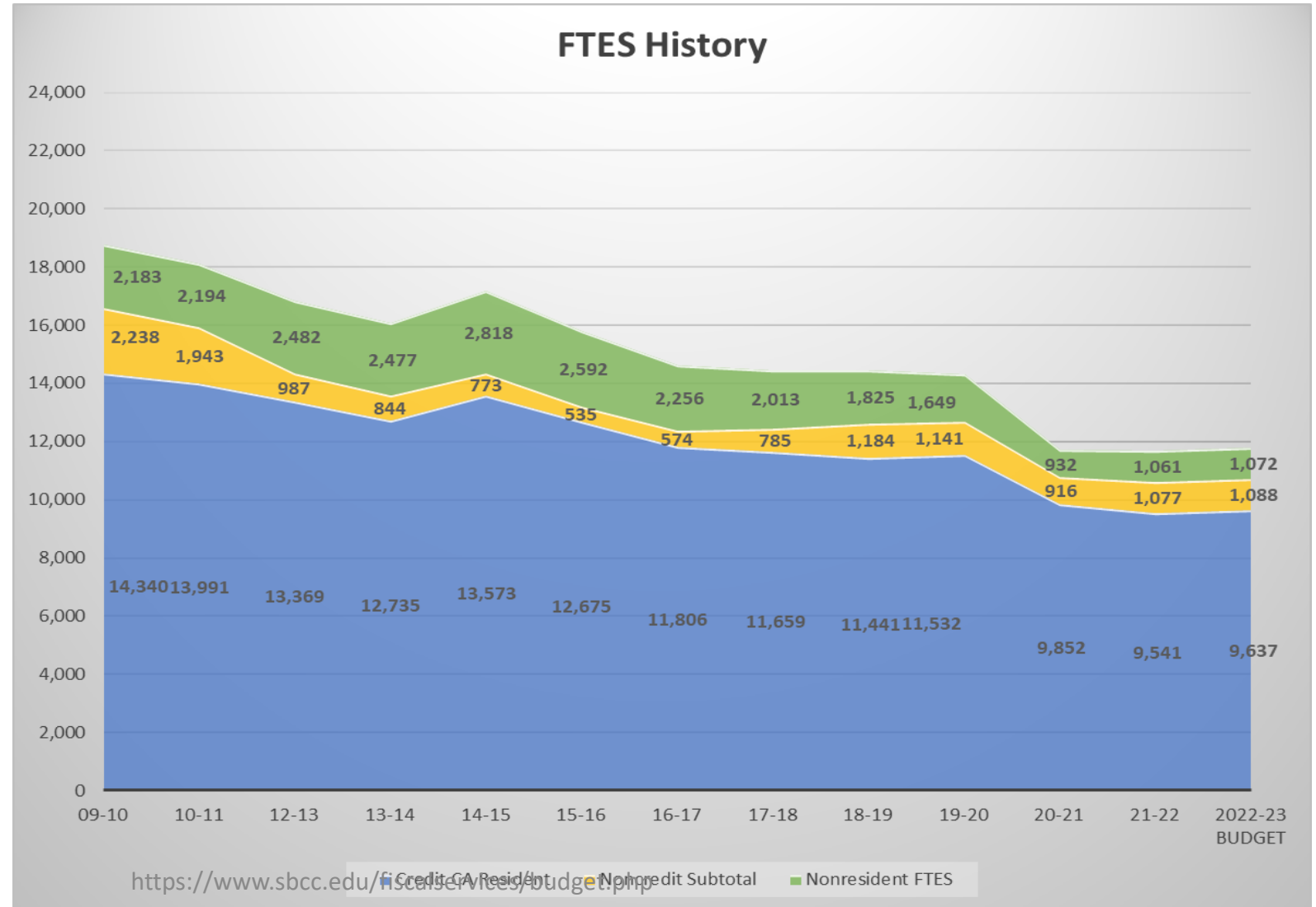
Facts and Figures



FTES Historical Trends

Total Full Time Equivalent Students (FTES) has approximately 40% since 2009-10. That year had extraordinarily high enrollment as a result of a deep recession and high unemployment that led many to return to college.

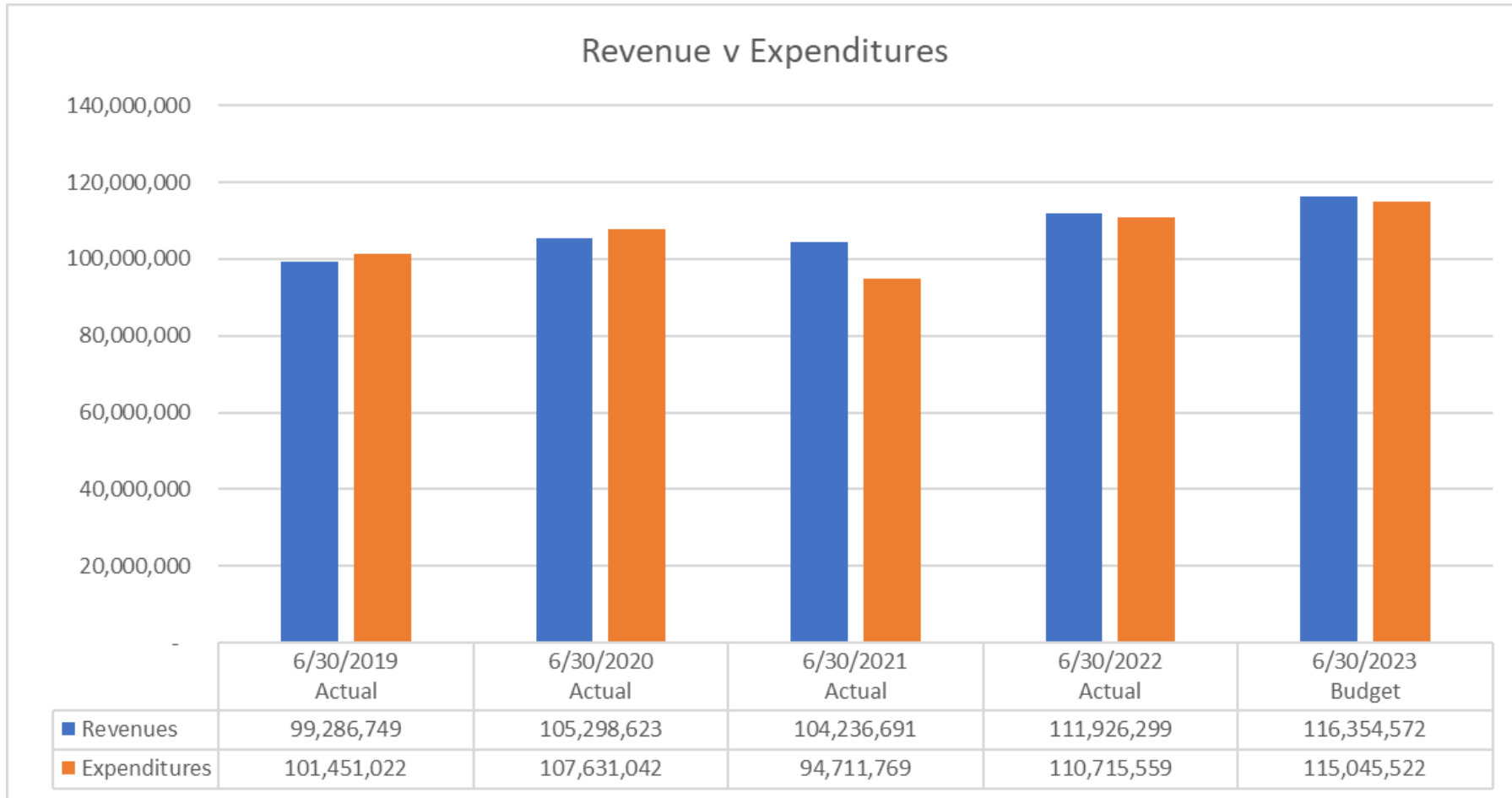
COVID Pandemic began in March 2020 - FY2019-20





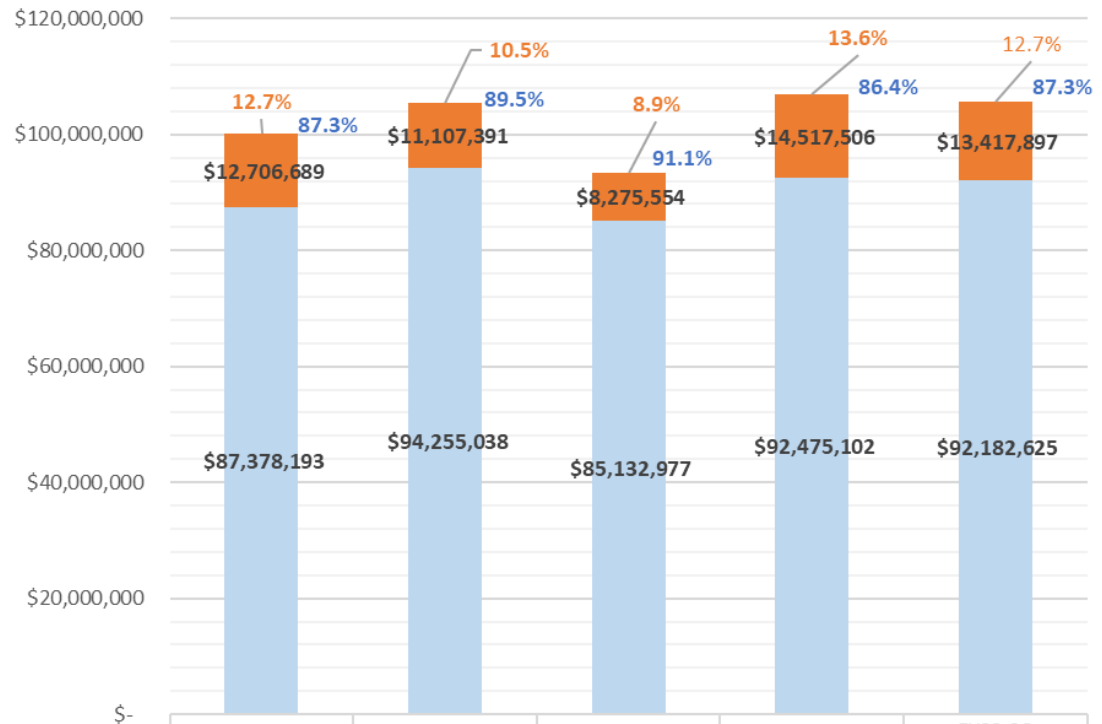
Revenues vs Expenditures

Unrestricted
General Fund



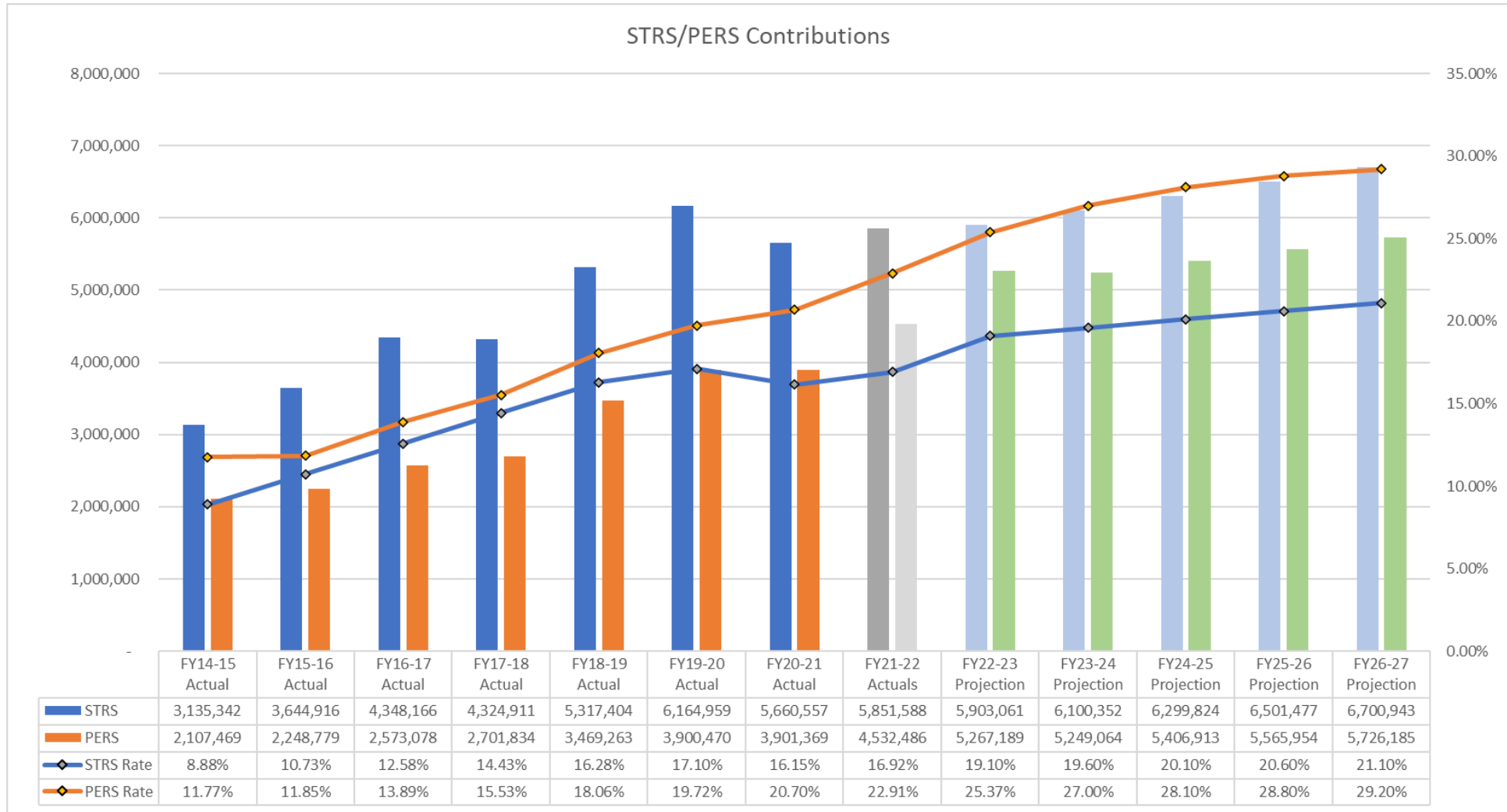
Expenditure Distribution

Salaries & Benefits as % of Expenditures



	FY18-19 Actuals	FY19-20 Actuals	FY20-21 Actuals	FY21-22 Actuals	FY22-23 Adopted Budget
Other Expenses as % of Expenditures	12.7%	10.5%	8.9%	13.6%	12.7%
Salaries & Benefits as % of Expenditures	87.3%	89.5%	91.1%	86.4%	87.3%
Other Expenditures	\$12,706,689	\$11,107,391	\$8,275,554	\$14,517,506	\$13,417,897
Salaries & Benefits	\$87,378,193	\$94,255,038	\$85,132,977	\$92,475,102	\$92,182,625

STRS/PERS Contributions





2022-23 State Budget

Summary



State Budget Update

2022-23 State Budget Agreement:

On June 30, Governor Newsom signed the 2022-23 Budget Act, which reflects state expenditures of just over **\$300 billion**. This amount represents a **17%** increase over the 2021-22 enacted budget. As part of the year-over-year increase, the 2022-23 enacted budget includes increased funding for higher education, based on **multi-year frameworks**. In the following slides are some highlights from this final budget, impacting community colleges.



Policy Adjustments Highlights

Ongoing Policy Adjustments

- COLA's (restricted and unrestricted funds) - \$558.7 million for a 6.56% COLA from ongoing apportionment
- Funding for SCFF - \$600 million total increase
 - \$400 million to increase SCFF's funding rates for base
 - \$200 million to augment the SCFF's basic allocation
- Part-time Faculty Health Insurance - \$200 million
- Student Success Completion Grants - \$250.1 million
- Enrollment - \$26.7 million to sustain systemwide enrollment of 0.5%
- Other - \$266.8 million



Policy Adjustments Highlights (cont'd)

One-Time Policy Adjustments

- Deferred Maintenance and Energy Efficiency Projects - \$840 million
- COVID 19 Block Grants - \$650 million
- Retention Enrollment - \$150 million
- Adult Education Healthcare Pathways - \$130 million
- Common Course Numbering - \$105 million
- Other - \$236 million



2022-23 Budget



All Funds

		Governmental Funds								
		Total General Fund		Debt Service	Special Revenue	Capital Projects	Enterprise Fund	Internal Service	Expendable Trusts	
Major Object	Title	Unrestricted	Restricted	Bond Interest & Redemption	Child Development Food Service	Equipment & Construction	Campus Store Extended Learning	Self-Insurance Fleet Services	Associated Students & Financial Aid	Total District All Funds
Revenues										
81	Federal Revenues	-	4,893,621	-	22,000	-	-	-	15,170,000	20,085,621
86	State Revenues	57,235,029	68,124,289	14,000	123,092	13,990,000	-	-	2,875,000	142,361,411
88	Local Revenues	58,719,543	2,972,031	4,761,050	919,000	120,000	3,517,450	60,000	16,850	71,085,924
Total Revenues		115,954,572	75,989,942	4,775,050	1,064,092	14,110,000	3,517,450	60,000	18,061,850	233,532,956
Expenditures										
10	Academic Salaries	44,766,057	3,546,005	-	166,470	-	40,348	-	-	48,518,879
20	Classified Salaries	23,276,353	4,799,047	-	832,373	-	740,560	10,000	-	29,658,333
30	Employee Benefits	24,140,216	3,091,399	-	513,120	-	393,719	935	-	28,139,389
40	Supplies And Materials	1,770,200	2,685,953	-	385,254	30,853	2,409,330	500	8,500	7,290,591
50	Other Operating Expenses & Services	11,215,447	43,307,378	-	54,850	56,000	400,500	755,000	8,100	55,797,275
60	Capital Outlay	432,250	11,171,501	-	23,270	13,878,832	-	18,565	-	25,524,418
70	Other Outgo	-	4,763,747	4,775,050	-	-	-	-	-	9,538,797
79	Appropriation for Contingencies	5,500,000	1,998,018	-	-	-	-	-	-	7,498,018
Total Expenditures		111,100,522	75,363,048	4,775,050	1,975,337	13,965,685	3,984,457	785,000	16,600	211,965,699
Transfers										
89	Transfers In	400,000	325,000	-	910,000	1,600,000	410,000	725,000	10,000	4,380,000
80	Transfers (Out)	(3,945,000)	(400,000)	-	-	-	-	-	(18,025,250)	(22,370,250)
Total Transfers In/(Out)		(3,545,000)	(75,000)	-	910,000	1,600,000	410,000	725,000	(18,015,250)	(17,990,250)
Net Change in Fund Balance		1,309,050	551,894	-	(1,245)	1,744,315	(57,007)	-	30,000	3,577,007
Beginning Fund Balance										
Beginning Fund Balance		36,232,094	2,180,054	4,158,102	727,282	19,817,604	6,909,829	(476,612)	2,320,625	71,868,978
Change in Fund Balance		1,309,050	551,894	-	(1,245)	1,744,315	(57,007)	-	30,000	3,577,007
Ending Fund Balance		37,541,144	2,731,948	4,158,102	726,037	21,561,919	6,852,821	(476,612)	2,350,625	75,445,984

a Transfer In includes \$35k transfer from Expendable Trusts, Transfers (Out).

Unrestricted General Fund – Fund 11

Major Object	Title	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget
Revenues							
86	State Revenues	42,131,385	49,501,009	46,846,707	47,073,545	52,175,850	57,235,029
88	Local Revenues	56,354,538	55,377,513	50,178,372	51,800,400	54,960,858	58,719,543
Total Revenues		98,485,923	104,878,522	97,025,079	98,873,945	107,136,708	115,954,572
Expenditures							
10	Academic Salaries	44,658,303	44,390,886	39,528,777	42,749,502	43,734,575	44,766,057
20	Classified Salaries	21,491,243	22,223,859	19,946,930	21,594,362	22,531,049	23,276,353
30	Employee Benefits	21,228,647	27,640,294	25,657,271	21,913,544	26,209,478	24,140,216
40	Supplies And Materials	1,699,388	1,088,962	632,941	1,640,600	1,785,907	1,770,200
50	Other Operating Expenses & Services	10,578,613	9,524,626	7,307,845	10,212,338	11,957,029	11,215,447
60	Capital Outlay	428,688	493,804	319,609	424,500	774,570	432,250
70	Other Outgo	6,140	6,854	150,000	10,000	1,499,923	-
79	Appropriation for Contingencies	-	-	-	4,100,000	-	5,500,000
Total Expenditures		100,091,022	105,369,284	93,543,371	102,644,845	108,492,531	111,100,522
Transfers							
89	Transfers In - HEERF II, Lost Revenues	-	-	6,104,616	-	-	-
89	Transfers In - HEERF III, Lost Revenues	-	-	-	6,370,000	4,286,716	-
89	Transfers In - Other	800,826	420,101	1,106,996	550,000	502,875	400,000
80	Transfers (Out)	(1,360,000)	(2,261,758)	(1,100,764)	(2,380,000)	(2,223,028)	(3,945,000)
Total Transfers In/(Out)		(559,174)	(1,841,657)	6,110,849	4,540,000	2,566,563	(3,545,000)
Net Change in Fund Balance		(2,164,273)	(2,332,418)	9,592,556	769,100	1,210,740	1,309,050
Beginning Fund Balance		29,925,489	27,761,217	25,428,798	35,021,354	35,021,354	36,232,094
Change in Fund Balance		(2,164,273)	(2,332,418)	9,592,556	769,100	1,210,740	1,309,050
Ending Fund Balance		27,761,217	25,428,798	35,021,354	35,790,455	36,232,094	37,541,144



FY22-23 Revenue

2022-23	Major Object Title	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget
	Revenues						
	86 State Revenues	42,131,385	49,501,009	46,846,707	47,073,545	52,175,850	57,235,029
	88 Local Revenues	56,354,538	55,377,513	50,178,372	51,800,400	54,960,858	58,719,543
	Total Revenues	98,485,923	104,878,522	97,025,079	98,873,945	107,136,708	115,954,572
	Expenditures						
	10 Academic Salaries						
	20 Classified Salaries						
	30 Employee Benefits						
	40 Supplies And Materials						
	50 Other Operating Expenses & Services						
	60 Capital Outlay						
	70 Other Outlay						
	79 Appropriations For Contingencies						
	80 Transfers Out						
	89 Transfers In (SFF COVID Mitigation Fund)						
	Total Expenditures						
	Net Change In Fund Balance						
	Beginning Fund Balance	25,162,219	27,927,917	24,428,916	26,972,136	24,189,244	24,189,244
	Change In Fund Balance	25,162,219	27,927,917	24,428,916	26,972,136	24,189,244	24,189,244
	Ending Fund Balance	50,324,438	55,855,834	48,857,832	53,944,272	48,378,488	48,378,488
	Board Designated Reserve	20,619,204	21,073,607	18,788,674	20,524,079	20,525,400	21,084,479
	Undesignated Reserve	29,705,234	34,782,227	30,069,158	33,420,193	27,853,088	27,294,009

- 6.56% COLA applied to the funding rates used in the calculation of the Student Centered Funding Formula
- COVID-19 Emergency Conditions Allowance available for FY22-23; 3yr FTES average maintained at FY19-20 level (12.6k) when calculating the District’s base allocation
- Property tax revenue increases by 3%
- Schott Center funding at the medium center level (750-1000 FTES, \$1.5M); [+\$500k]
- Wake Center funding at the medium/large center level (>1,000 FTES, \$1.9 M); [+\$500k]
- International tuition revenue is projected to increase by 51% in fiscal year 2022-23 compared to budgeted FTES for fiscal year 2021-22. - \$1.9 million increase from \$3.7M to \$5.6M
- Out-of-state tuition revenue is projected to increase by 54% in fiscal year 2022-23 compared to budgeted FTES for fiscal year 2021-22. - \$2 million increase from \$3.6M to \$5.6M

Note: [change from FY 21-22]



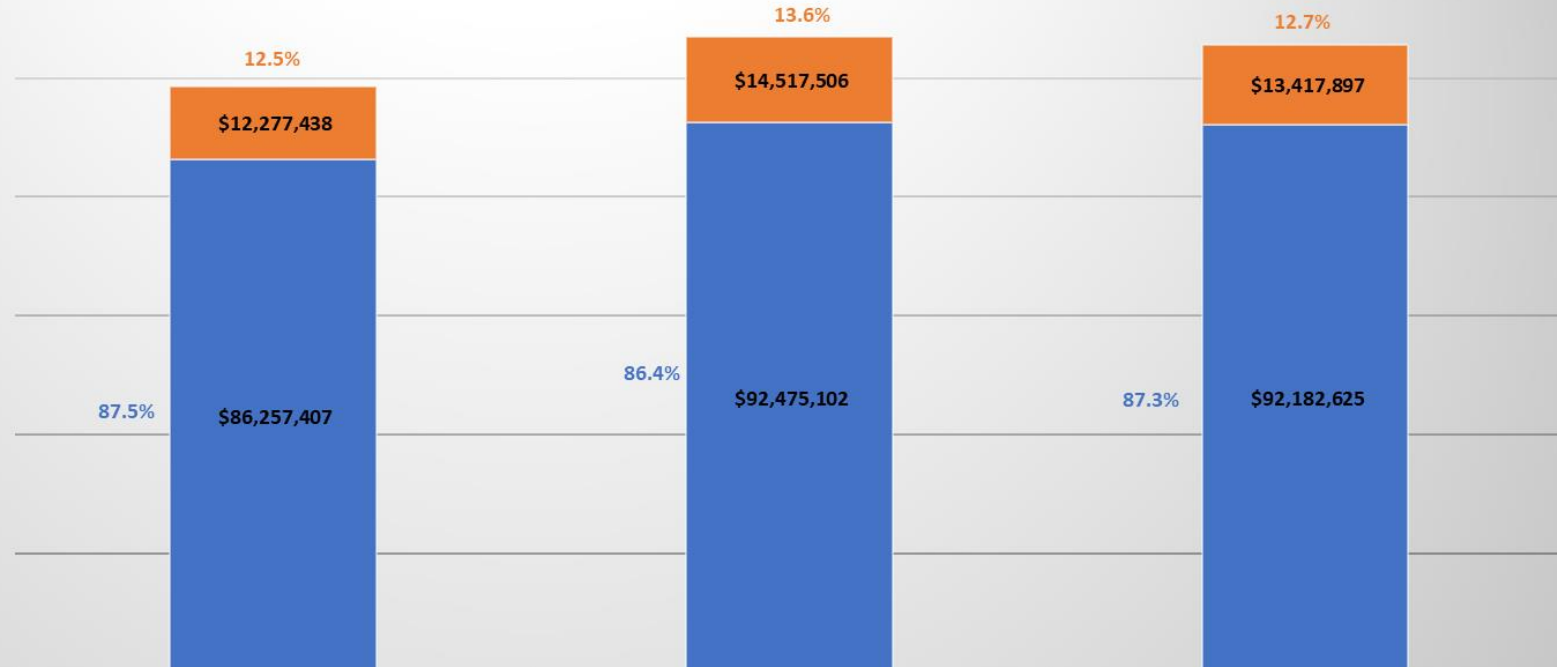
FY22-23 Salaries & Benefits

2022-23		2018-19	2019-20	2020-21	2021-22	2021-22	2022-23
Major Object Title		Actual	Actual	Actual	Adopted Budget	Actual	Adopted Budget
Expenditures							
10	Academic Salaries	44,658,303	44,390,886	39,528,777	42,749,502	43,734,575	44,766,057
20	Classified Salaries	21,491,243	22,223,859	19,946,930	21,594,362	22,531,049	23,276,353
30	Employee Benefits	21,228,647	27,640,294	25,657,271	21,913,544	26,209,478	24,140,216
Net Change in Fund Balance							
Beginning Fund Balance		26,562,888	27,761,217	26,428,792	26,612,718	26,919,719	26,189,224
Change in Fund Balance		21,654,219	22,322,416	21,487,185	193,105	383,106	914,888
Ending Fund Balance		48,217,087	50,083,633	47,915,977	26,745,823	27,302,825	27,104,112
Board Designated Reserve		20,619,264	21,073,687	18,788,574	20,524,079	20,552,480	21,084,479
Undesignated Reserve		7,737,823	8,989,946	19,127,403	6,220,744	6,749,945	6,019,633

- Permanent staff salaries are budgeted to reflect the impact of 5.5% salary increase in 2021-22; no salary increase has been included in the FY22-23 budget
- Annual salary step increases will reflect the impact of a 5.5% salary increase in 2021-22; no salary increase has been included in the FY22-23 budget
- Employer contributions towards health benefits are expected to increase by 1.83% in 2022-23.
- The CalPERS employer contribution rate increases from 22.91% to 25.40%. - *\$738k increase*
- The CalSTRS employer contribution rate increases from 16.92% to 19.10%. - *\$1.2k increase*



Expenditure Distribution



	FY21-22 Adopted Budget	FY21-22 Actuals	FY22-23 Adopted Budget
Salaries & Benefits as % of Expenditures	87.5%	86.4%	87.3%
Other Expenses as % of Expenditures	12.5%	13.6%	12.7%
Other Expenditures	\$12,277,438	\$14,517,506	\$13,417,897
Salaries & Benefits	\$86,257,407	\$92,475,102	\$92,182,625



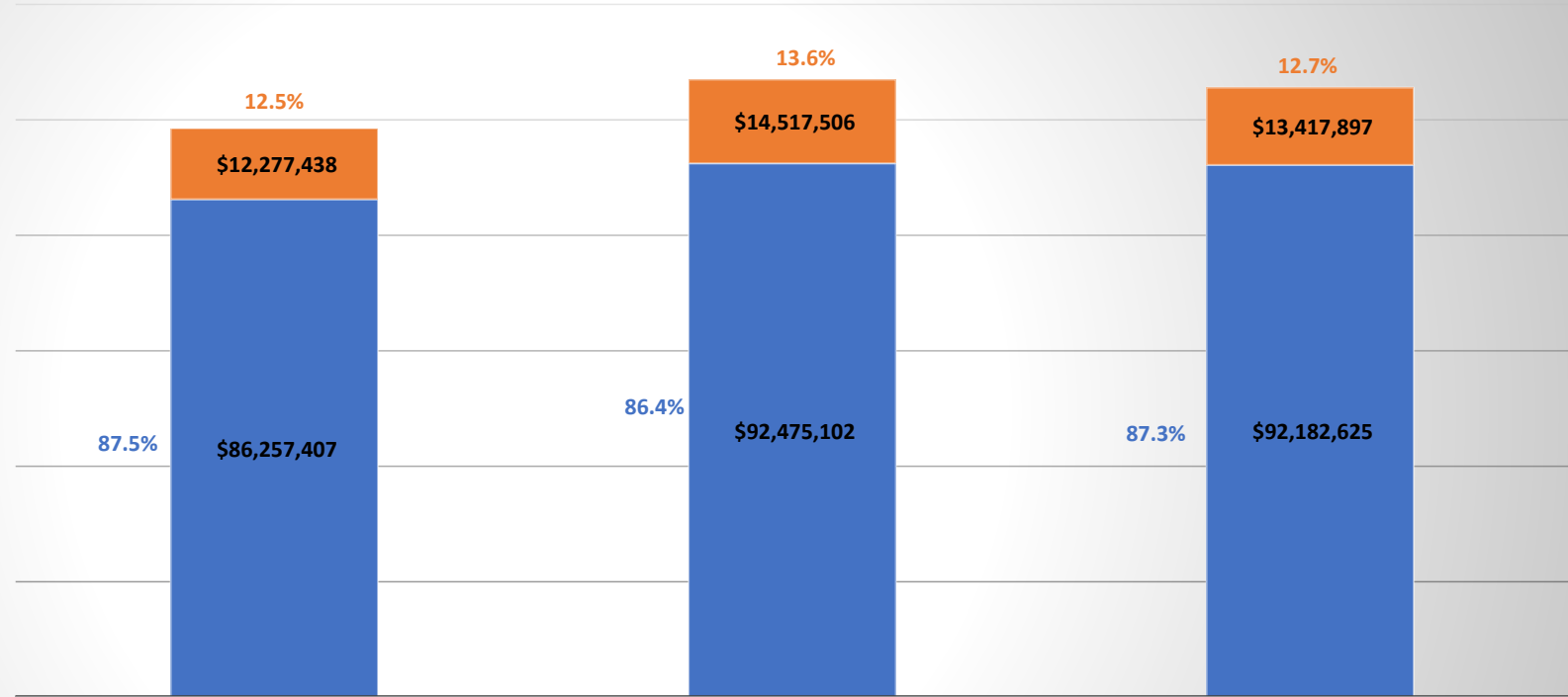
FY22-23 Non-labor Expenditures

2022	Major Object Title	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget
	Expenditures						
	40 Supplies And Materials	1,699,388	1,088,962	632,941	1,640,600	1,785,907	1,770,200
	50 Other Operating Expenses & Services	10,578,613	9,524,626	7,307,845	10,212,338	11,957,029	11,215,447
	60 Capital Outlay	428,688	493,804	319,609	424,500	774,570	432,250
	Total Expenditures						
	Beginning Fund Balance	25,562,888	27,781,817	25,428,792	28,616,718	28,919,718	28,188,224
	Change in Fund Balance	(2,164,219)	(2,102,416)	(1,487,105)	(103,105)	(353,105)	(94,888)
	Ending Fund Balance	23,398,669	25,679,401	23,941,687	28,513,613	28,566,613	28,093,336
	Board Designated Reserve	20,618,264	21,073,687	18,788,674	20,524,075	20,525,480	21,084,475
	Undesignated Reserve	2,780,405	4,605,714	5,153,013	8,000,000	8,041,133	7,008,861

- Utility budgets are budgeted to reflect an increase of 7%, due to inflation. - *\$377k increase compared to the FY21-22 adopted budget*
- Total non-labor expenses are budgeted to increase 9% in fiscal year 2022-23, compared to fiscal year 2021-22 (\$1.14M) - *\$1.1M increase.*
- Instructional supply, and printing and duplicating expenses remain in the Lottery Fund. These expenses will decline 2.8% in fiscal year 2022-23 (\$1.37M), compared to fiscal year 2021-22 (\$1.41M)



Expenditure Distribution



	FY21-22 Adopted Budget	FY21-22 Actuals	FY22-23 Adopted Budget
Salaries & Benefits as % of Expenditures	87.5%	86.4%	87.3%
Other Expenses as % of Expenditures	12.5%	13.6%	12.7%
Other Expenditures	\$12,277,438	\$14,517,506	\$13,417,897
Salaries & Benefits	\$86,257,407	\$92,475,102	\$92,182,625



FY22-23 Other Expenditures & Transfers

Major Object Title	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget
Expenditures						
70 Other Outgo	6,140	6,854	150,000	10,000	1,499,923	-
79 Appropriation for Contingencies	-	-	-	4,100,000	-	5,500,000
Total Expenditures	100,091,022	105,369,284	93,543,371	102,644,845	108,492,531	111,100,522
Transfers						
89 Transfers In - HEERF II, Lost Revenues	-	-	6,104,616	-	-	-
89 Transfers In - HEERF III, Lost Revenues	-	-	-	6,370,000	4,286,716	-
89 Transfers In - Other	800,826	420,101	1,106,996	550,000	502,875	400,000
80 Transfers (Out)	(1,360,000)	(2,261,758)	(1,100,764)	(2,380,000)	(2,223,028)	(3,945,000)
Total Transfers In/(Out)	(559,174)	(1,841,657)	6,110,849	4,540,000	2,566,563	(3,545,000)

Transfers	OUT of UGF	IN to UGF
Children's Center	260,000	
Construction Fund - Emergency Campus	650,000	
Equipment Fund	950,000	
Food Service Fund	650,000	
Parking Fund	325,000	
Campus Store Fund	375,000	
Self-Insurance Fund	725,000	
Student Clubs	10,000	
Facility Rentals	TBD	
Indirect Costs -Administrative Overhead		400,000
	3,945,000	400,000



FY22-23 Other Expenditures & Transfers

	FY19-20 Actuals	FY20-21 Actuals	FY21-22 Actuals
Lost Revenues			
Unrestricted General Fund (11000)			
International & Out-of-State Tuition		6,055,303	4,215,842
Cosmetology		49,313	70,874
Total Unrestricted General Fund (11000)	-	6,104,616	4,286,716
Restricted Funds			
Campus Store	77,279	601,103	348,438
Food Services	246,451	900,000	1,078,000
Child Care		36,452	169,030
Parking Fund		450,000	260,000
SEL Fees		104,952	45,976
Music		24,664	23,000
Athletics		44,620	31,155
Theatre		167,467	52,069
Total Lost Revenue	323,730	2,329,258	2,007,668
Total Lost Revenue	323,730	8,433,874	6,294,384
Funding			
HEERF I - Institutional (12272)	323,730	88,754	
HEERF 1 - MSI (12275)		387,524	
HEERF II - Institutional (12276)		7,957,596	
HEERF III - Institutional (12279)			6,294,384
Total Funding	323,730	8,433,874	6,294,384
Fund Balance	-	-	-

Major Object	Title	2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget
Transfers					
89	Transfers In - HEERF II, Lost Revenues	6,104,616	-	-	-
89	Transfers In - HEERF III, Lost Revenues	-	6,370,000	4,286,716	-
89	Transfers In - Other	1,106,996	550,000	502,875	400,000
80	Transfers (Out)	(1,100,764)	(2,380,000)	(2,223,028)	(3,945,000)
Total Transfers In/(Out)		6,110,849	4,540,000	2,566,563	(3,545,000)
Net Change in Fund Balance		9,592,556	769,100	1,210,740	1,309,050
Beginning Fund Balance		25,428,798	35,021,354	35,021,354	36,232,094
Change in Fund Balance		9,592,556	769,100	1,210,740	1,309,050
Ending Fund Balance		35,021,354	35,790,455	36,232,094	37,541,144

Note: The budgeted lost revenue for FY21-22 was \$6.4M, based on a 3-year average of \$13.6M for non-resident tuition. The budgeted non-resident tuition for FY21-22 was \$7.2M. The actuals for non-resident tuition was substantially higher than budgeted, resulting in a decrease of the District's calculated lost revenue for FY21-22.



Board Policy on Reserves

Board Policy 6305, Reserves, established that the District sets aside:

- 5% Unrestricted General Fund Expenditures (State Minimum)
- Plus the GREATER of either:
 - 15% of Unrestricted General Fund Expenditures or
 - State Deferrals

In Addition:

- \$2,000,000 Construction Fund Reserve
- \$1,500,000 Equipment Fund Reserve



FY22-23 Fund Balance

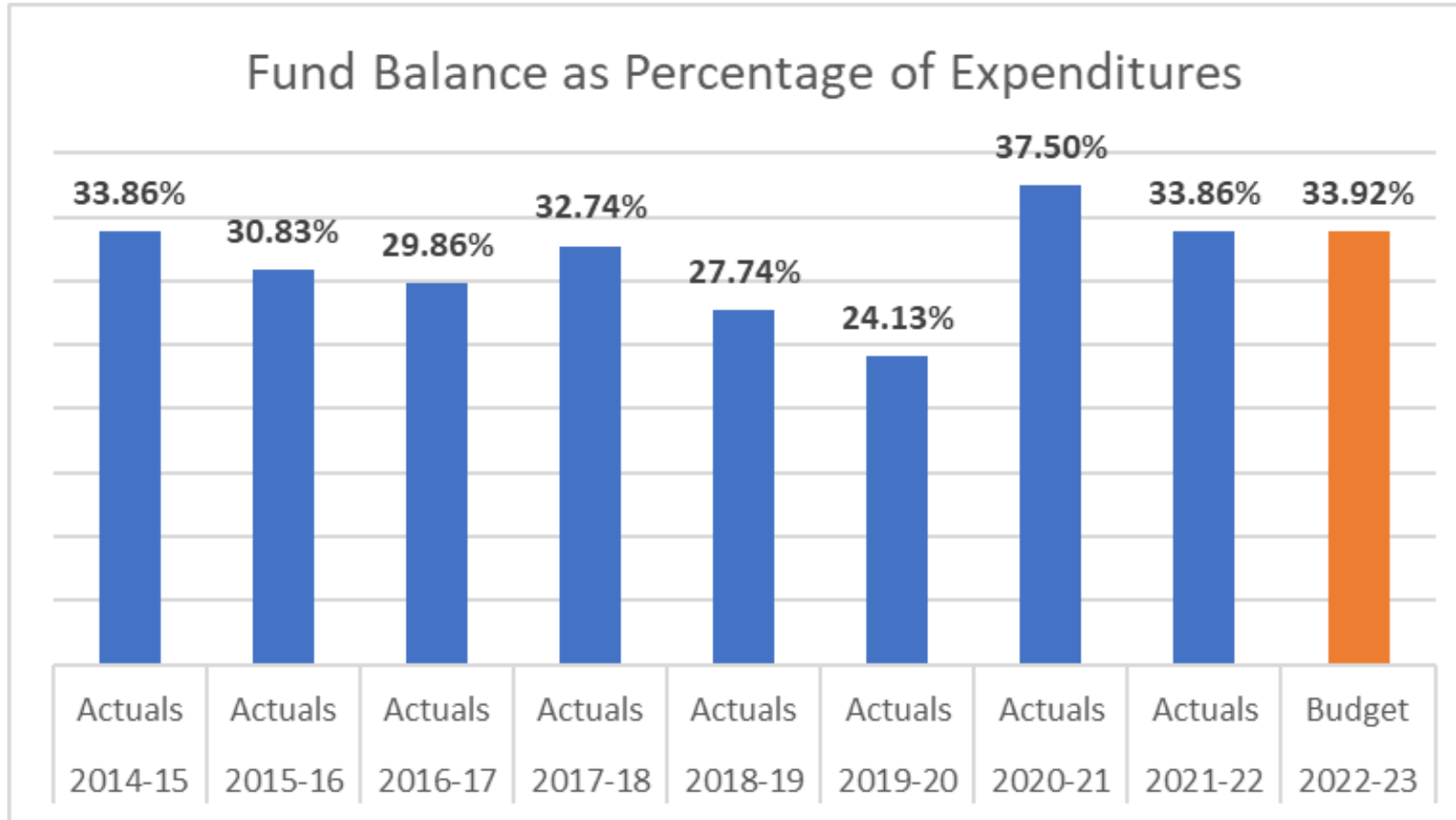
Major Object Title		2020-21 Actual	2021-22 Adopted Budget	2021-22 Actual	2022-23 Adopted Budget
Net Change in Fund Balance		9,592,556	769,100	1,210,740	1,309,050
Beginning Fund Balance		25,428,798	35,021,354	35,021,354	36,232,094
Change in Fund Balance		9,592,556	769,100	1,210,740	1,309,050
Ending Fund Balance		35,021,354 ^A	35,790,455 ^B	36,232,094	37,541,144 ^C

	June 30, 2021 Actuals Ending Balance	June 30, 2022 Actuals Ending Balance	June 30, 2023 Adopted Budget Ending Balance
Designated:			
State Mandated Contingency (5%)	\$ 4,669,669	\$ 5,349,630	\$ 5,280,026
General Apportionment Deferral			
Additional Reserve required to meet 15% Principle	14,009,006	16,048,891	15,840,078
Total Designated	\$ 18,678,674	\$ 21,398,522	\$ 21,120,104
Undesignated:	\$ 16,342,680	\$ 14,833,573	\$ 16,421,040
Total Fund Balance	\$ ^A 35,021,354	\$ ^B 36,232,094	\$ ^C 37,541,144
<i>% Designated Ending Balance/Expenditures*</i>	20.00%	20.00%	20.00%
<i>% Total Ending Balance/Expenditures*</i>	37.50%	33.86%	35.55%

* Expenditures excludes "Other Outgo" and "Appropriation for Contingencies".



Fund Balance History

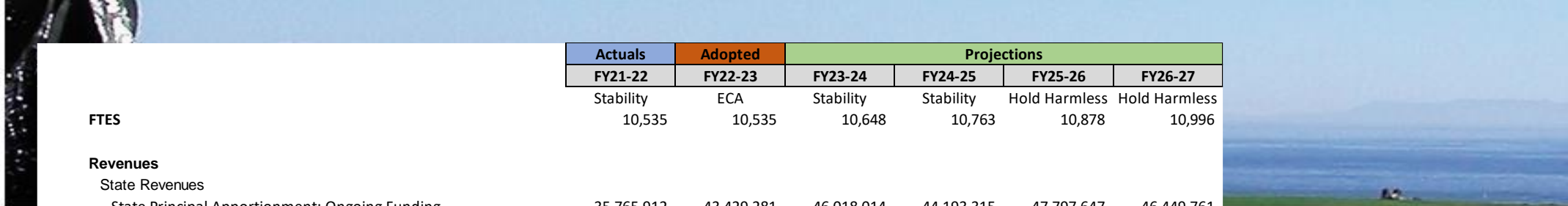


Note: Expenditures excludes "Other Outgo" <https://www.sbccc.edu/fiscalservices/budget.php>



Five-Year Projections

FY22-23 to FY26-27



	Actuals	Adopted	Projections			
	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
FTES	Stability 10,535	ECA 10,535	Stability 10,648	Stability 10,763	Hold Harmless 10,878	Hold Harmless 10,996
Revenues						
State Revenues						
State Principal Apportionment: Ongoing Funding	35,765,912	43,429,281	46,018,014	44,193,315	47,797,647	46,449,761
State Principal Apportionment: One-time Funding	1,800,533	3,246,419	3,485,482	2,986,948	-	-
Other	10,498,227	5,633,956	5,634,004	5,634,342	5,633,382	5,633,683
Total State Revenues	52,175,850	57,235,029	57,573,029	54,742,029	53,431,029	52,083,443
Local Revenues						
Local Secured Taxes	37,573,375	38,702,000	39,863,000	41,059,000	42,291,000	43,560,000
Enrollment Fees	6,506,303	7,117,877	7,194,387	7,271,768	7,350,032	7,429,190
International Tuition	4,487,513	5,600,000	7,600,000	9,600,000	9,800,000	9,900,000
Out-of-State Tuition	4,538,185	5,600,000	7,400,000	9,200,000	8,800,000	8,900,000
Other	1,855,482	1,699,666	1,849,666	1,999,666	1,999,666	1,999,666
Total Local Revenues	54,960,858	58,719,543	63,907,053	69,130,434	70,240,698	71,788,856
Other Financing Sources	4,789,591	400,000	400,000	400,000	400,000	400,000
Total Revenues	111,926,299	116,354,572	121,880,082	124,272,463	124,071,727	124,272,299
Expenditures						
Academic Salaries	43,734,575	44,766,057	45,082,057	45,398,057	45,714,057	46,000,057
Classified Salaries	22,531,049	23,276,353	23,380,353	23,484,353	23,588,353	23,692,353
Employee Benefits	26,209,454	24,140,216	24,516,463	25,074,251	25,638,866	26,024,394
Supplies And Materials	1,785,907	1,770,200	1,770,200	1,770,200	1,770,200	1,770,200
Other Operating Expenses & Services	11,957,029	11,215,447	11,365,447	11,515,447	11,515,447	11,515,447
Capital Outlay	774,570	432,250	432,250	432,250	432,250	432,250
Appropriation For Contingencies (Salary Increases, Positions, Strategic Planning)						
FY22-23		5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
FY23-24			2,400,000	2,400,000	2,400,000	2,400,000
FY24-25				2,000,000	2,000,000	2,000,000
Total Appropriation For Contingencies	-	5,500,000	7,900,000	9,900,000	9,900,000	9,900,000
Transfers Out	2,223,028	3,945,000	3,960,000	3,960,000	4,095,000	5,255,000
Total Expenditures	110,715,535	115,045,522	118,406,770	121,534,558	122,654,172	124,589,701
Net Change in Fund Balance	1,210,764	1,309,050	3,473,312	2,737,905	1,417,555	(317,402)
Beginning Fund Balance	35,021,354	36,232,119	37,541,168	41,014,481	43,752,386	45,169,941
Change in Fund Balance	1,210,764	1,309,050	3,473,312	2,737,905	1,417,555	(317,402)
Ending Fund Balance	36,232,119	37,541,168	41,014,481	43,752,386	45,169,941	44,852,539
Reserve Requirement	21,398,517	21,120,104	21,309,354	21,534,912	21,731,834	21,886,940
Undesignated Reserve	14,833,602	16,421,064	19,705,127	22,217,474	23,438,106	22,965,599

Revenues

	Actuals	Adopted	Projections			
	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
FTES	Stability 10,535	ECA 10,535	Stability 10,648	Stability 10,763	Hold Harmless 10,878	Hold Harmless 10,996
Revenues						
State Revenues						
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State Principal Apportionment: One-time Funding	1,800,533	3,246,419	3,485,482	2,986,948	-	-
Other	10,498,227	5,633,956	5,634,004	5,634,342	5,633,382	5,633,683
Total State Revenues	52,175,850	57,235,029	57,573,029	54,742,029	53,431,029	52,083,443
Local Revenues						
Local Secured Taxes	37,573,375	38,702,000	39,863,000	41,059,000	42,291,000	43,560,000
Enrollment Fees	6,506,303	7,117,877	7,194,387	7,271,768	7,350,032	7,429,190
International Tuition	4,487,513	5,600,000	7,600,000	9,600,000	9,800,000	9,900,000
Out-of-State Tuition	4,538,185	5,600,000	7,400,000	9,200,000	8,800,000	8,900,000
Other	1,855,482	1,699,666	1,849,666	1,999,666	1,999,666	1,999,666
Total Local Revenues	54,960,858	58,719,543	63,907,053	69,130,434	70,240,698	71,788,856
Other Financing Sources	4,789,591	400,000	400,000	400,000	400,000	400,000
Total Revenues	111,926,299	116,354,572	121,880,082	124,272,463	124,071,727	124,272,299

Expenditures

	Actuals	Adopted	Projections			
	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
FTES	Stability 10,535	ECA 10,535	Stability 10,648	Stability 10,763	Hold Harmless 10,878	Hold Harmless 10,996
Expenditures						
Academic Salaries	43,734,575	44,766,057	45,082,057	45,398,057	45,714,057	46,000,057
Classified Salaries	22,531,049	23,276,353	23,380,353	23,484,353	23,588,353	23,692,353
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Supplies And Materials	1,785,907	1,770,200	1,770,200	1,770,200	1,770,200	1,770,200
Other Operating Expenses & Services	11,957,029	11,215,447	11,365,447	11,515,447	11,515,447	11,515,447
Capital Outlay	774,570	432,250	432,250	432,250	432,250	432,250
Appropriation For Contingencies (Salary Increases, Positions, Strategic Planning)						
<i>FY22-23</i>		5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
<i>FY23-24</i>			2,400,000	2,400,000	2,400,000	2,400,000
<i>FY24-25</i>				2,000,000	2,000,000	2,000,000
Total Appropriation For Contingencies	-	5,500,000	7,900,000	9,900,000	9,900,000	9,900,000
Transfers Out	2,223,028	3,945,000	3,960,000	3,960,000	4,095,000	5,255,000
Total Expenditures	110,715,535	115,045,522	118,406,770	121,534,558	122,654,172	124,589,701

Fund Balances

	Actuals	Adopted	Projections			
	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
	Stability	ECA	Stability	Stability	Hold Harmless	Hold Harmless
FTES	10,535	10,535	10,648	10,763	10,878	10,996
Net Change in Fund Balance	1,210,764	1,309,050	3,473,312	2,737,905	1,417,555	(317,402)
Beginning Fund Balance	35,021,354	36,232,119	37,541,168	41,014,481	43,752,386	45,169,941
Change in Fund Balance	1,210,764	1,309,050	3,473,312	2,737,905	1,417,555	(317,402)
Ending Bund Balance	36,232,119	37,541,168	41,014,481	43,752,386	45,169,941	44,852,539
Reserve Requirement	21,398,517	21,120,104	21,309,354	21,534,912	21,731,834	21,886,940
Undesignated Reserve	14,833,602	16,421,064	19,705,127	22,217,474	23,438,106	22,965,599

- Reserve Rate Requirement totals 20% of Operational Expenditures
 - State Mandated Contingency – 5%
 - Additional Reserve Required by Board – 15%



Governor's Proposed Budget

2023-24



Budget Concerns & Priorities

❖ Concerns

- Downturn in the stock market; tax revenue from capital gains
- Increased interest rates
- Possibility of recession

❖ Priorities

- Pandemic recovery
- Middle class tax rebates
- One-time spending on the environment
- Education, transportation, and housing



Budget Highlights

- ❖ Overall state budget lower than 2022-23
 - Decrease of 3% to \$297.7 billion
 - Decline due largely to lower tax revenues from capital gains
- ❖ Budget for California Community Colleges still shaped by “Roadmap for the Future”
- ❖ \$778 million Prop 98 augmentation in 2023-24 over previous year
 - \$771.5 million ongoing for COLA’s
 - \$652.6 million → 8.13%
 - \$90 million → COLA’s and adjustments for categoricals
 - \$28.8 million → enrollment growth of 0.5%
 - \$6.8 million one-time
- ❖ \$200 million one-time funding for student retention and enrollment
 - 16% drop in enrollment since pandemic
 - Offset by reduction of 2022-23 deferred maintenance



Roadmap for the Future

- ❖ Introduced in 2022-23
- ❖ Focused on advancing:
 - Equity
 - Student success
 - Preparation of students for California's future
- ❖ Goal: 70% of working-age Californians possess a degree or credential by 2030
- ❖ Budget aims to:
 - Improve educational outcomes
 - Close equity gaps
 - Address basic needs
 - Increase affordability

Estimate of Budget Impact to SBCC

Program	Proposed Change	Estimated * \$ Impact
Student Centered Funding Formula	8.13% COLA	\$7.9 M
Adult Education Program	8.00% COLA	\$75 k
Extend Opportunity Programs & Services (EOPS)	8.13% COLA	\$165 k
Disabled Students Programs and Services (DSPS)	8.13% COLA	\$165 k
CalWorks	8.13% COLA	\$15 k
Cooperative Agencies Resources for Education (CARE)	8.13% COLA	\$20 k
Childcare Tax Bailout	8.13% COLA	\$3 k
Retention and Enrollment Strategies	+\$200 M	\$2.3 M
Deferred Maintenance	-\$213 M	(\$2.3 M)
Total		<u>\$8.3 M</u>

*Estimated impact relative to the 2022-23 Adopted Budget



Closing Comments



Q&A

Questions?