



Santa Barbara City College Budget Forum

May 2015

May 13, 2015

Gourmet Dining Room

3:00 – 4:00 pm

May 14, 2015

Gourmet Dining Room

12:30 – 1:30 pm

BUDGET FORUM

- Full Time Equivalent Student Projection
- Comparison of Revenue and Expense for 2013-14 Actual, 2014-15 Forecast, and 2015-16 Tentative Budget with the 2015-16 Tentative Budget Assumptions
- Ending Fund Balances
- Special Revenue Funds
- Governor's May Revise – To Be Announced May 14th



FTES Projection as of April 27, 2015

| FTES | 2012-13 Actual | 2013-14 Actual | 2014-15 Estimate (P2) | 2015-16 Projection |
|---------------------------------------|-------------------|-------------------|--------------------------|-----------------------|
| Fall | 5,781 | 6,085 | 6,016 | 6,076 |
| Spring | 5,861 | 6,169 | 5,806 | 5,864 |
| Summer | 1,047 | 1,158 | 600 | 606 |
| Second Summer Intersession | 0 | 0 | 1,080 | 1,091 |
| Borrowed from next Summer to meet Cap | 680 | 0 | 0 | 0 |
| Borrowed from previous Summer | 0 | -680 | 0 | 0 |
| Total Credit FTES | 13,369 | 12,732 | 13,502 | 13,637 |
| | | | | |
| Total Non Credit FTES | 987 | 844 | 768 | 784 |
| | | | | |
| Total Funded FTES | 14,356 | 13,576 | 14,270 | 14,421 |

2015-16 Projection Assumptions:

- 1% increase in credit FTES to restore to prior year levels
- 2% increase in non credit FTES to restore to prior year levels

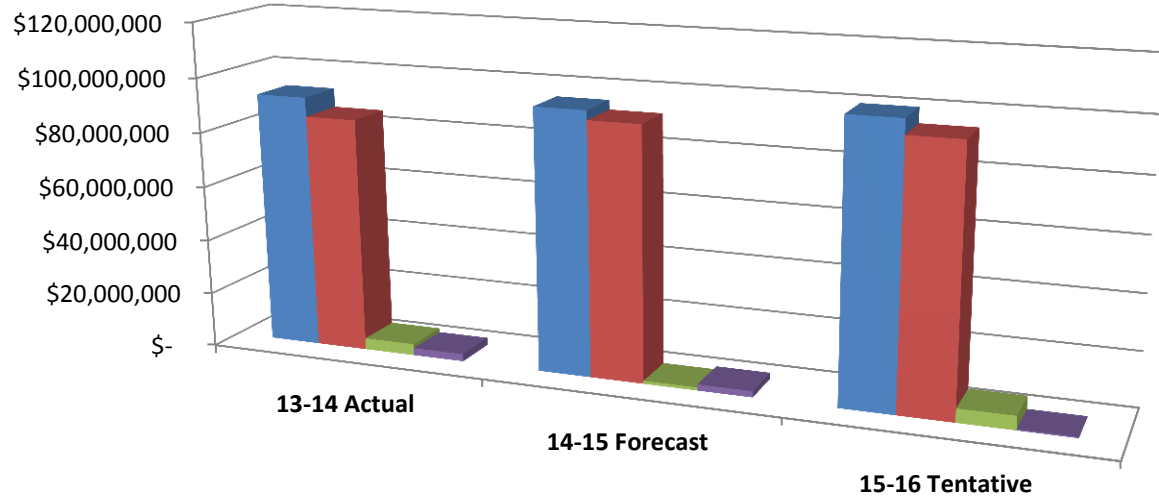
GENERAL FUND UNRESTRICTED Overall Comparison



Comparison by Category

- Revenues increase in 14-15 due to one time state apportionment recalculations and in 15-16 due to revenue increases from state apportionment
- Expenditures up
- Transfers decrease in 14-15 and rebound in 15-16
- 14-15 projected excess revenues of \$2.2 million. 15-16 budget near break even.

General Fund Unrestricted Comparison



| | 13-14 Actual | 14-15 Forecast | 15-16 Tentative |
|-----------------------------|--------------|----------------|-----------------|
| ■ Revenues | \$92,530,314 | \$95,327,253 | \$100,121,299 |
| ■ Expenditures | \$85,665,174 | \$91,931,905 | \$94,700,905 |
| ■ Transfers In/Out | \$4,177,467 | \$1,126,618 | \$5,029,486 |
| ■ Net Revenues/Expenditures | \$2,687,673 | \$2,268,729 | \$390,908 |

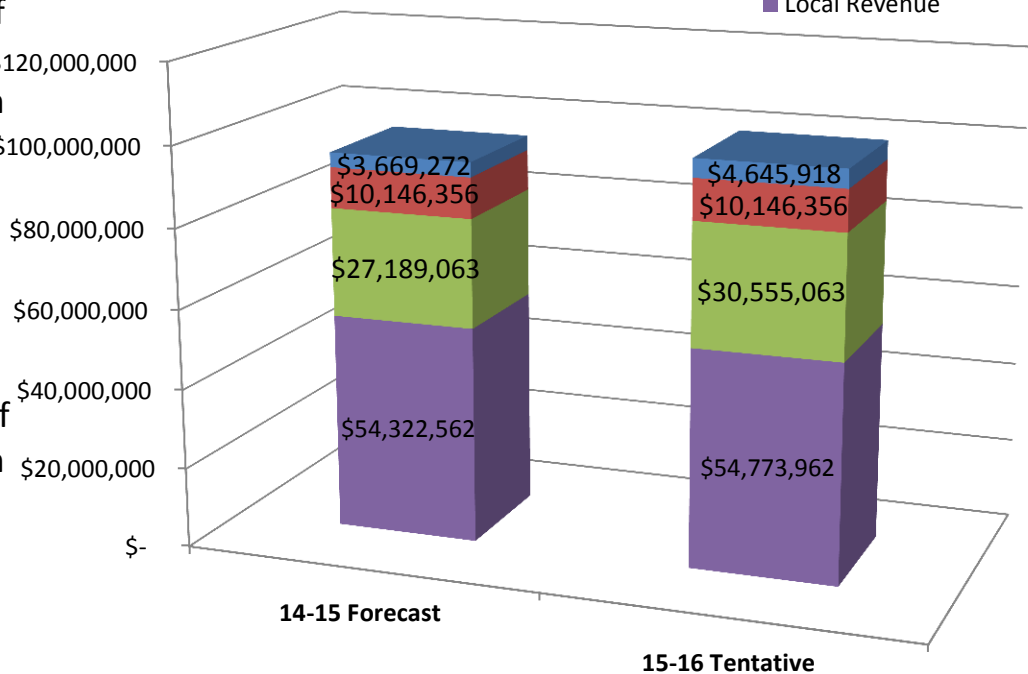
GENERAL FUND UNRESTRICTED Revenue Assumptions

2015-16 Tentative Budget Revenues contain:

- Increase in state allocation for 1.58% COLA of \$1,071,000.
- Career Development and College Preparation (CDCP) rate equalization to match resident credit rate increase of \$670,000.
- Growth is NOT included.
- Deficit factor is NOT included.
- State apportionment recalculation or prior year adjustment is NOT included.
- Non resident/international tuition increase of \$760,000 less 100 FTES at \$936,000 results in net decrease of \$176,000.
- Interest Revenue remains flat.
- Lottery revenue remains flat.
- RDA dissolution and distribution revenues decrease by \$172,600.
- State Mandated reimbursement increase to an estimated \$1,038,000 (one time).

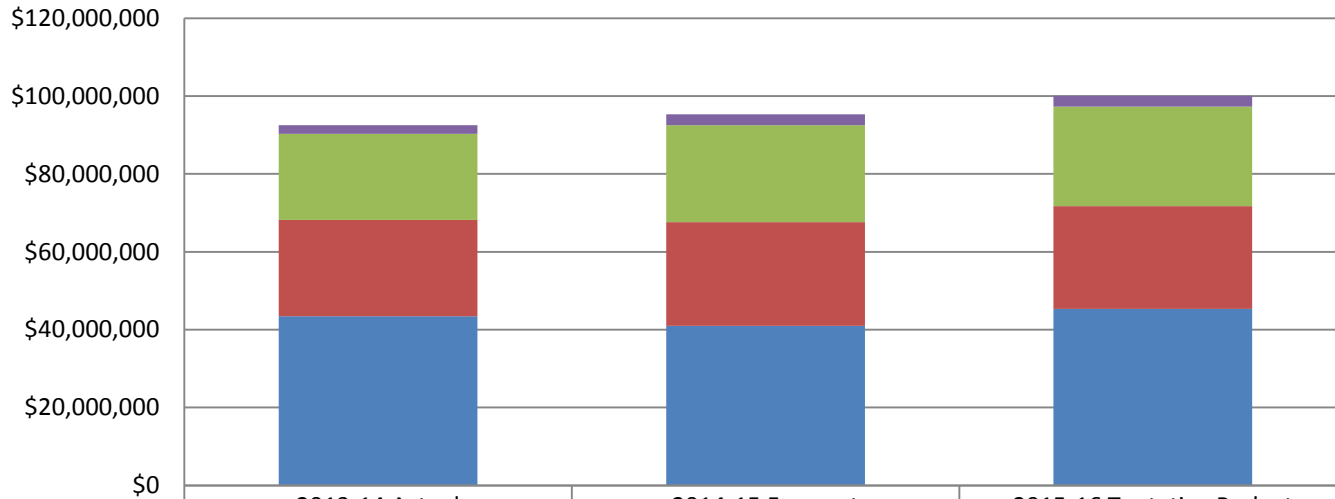
General Fund Unrestricted Revenue Comparison

- Other State Revenue
- Education Protection Act
- State Principal Apportionment
- Local Revenue



GENERAL FUND UNRESTRICTED Revenue Comparison

Unrestricted General Fund Revenues



| | 2013-14 Actual | 2014-15 Forecast | 2015-16 Tentative Budget |
|---------------------|----------------|------------------|--------------------------|
| Local Revenue | \$2,193,826 | \$2,843,525 | \$2,864,012 |
| Enrollment Fees | \$22,144,315 | \$24,876,000 | \$25,500,000 |
| Property Taxes | \$24,730,275 | \$26,603,037 | \$26,409,950 |
| State Apportionment | \$43,461,898 | \$41,004,691 | \$45,347,337 |

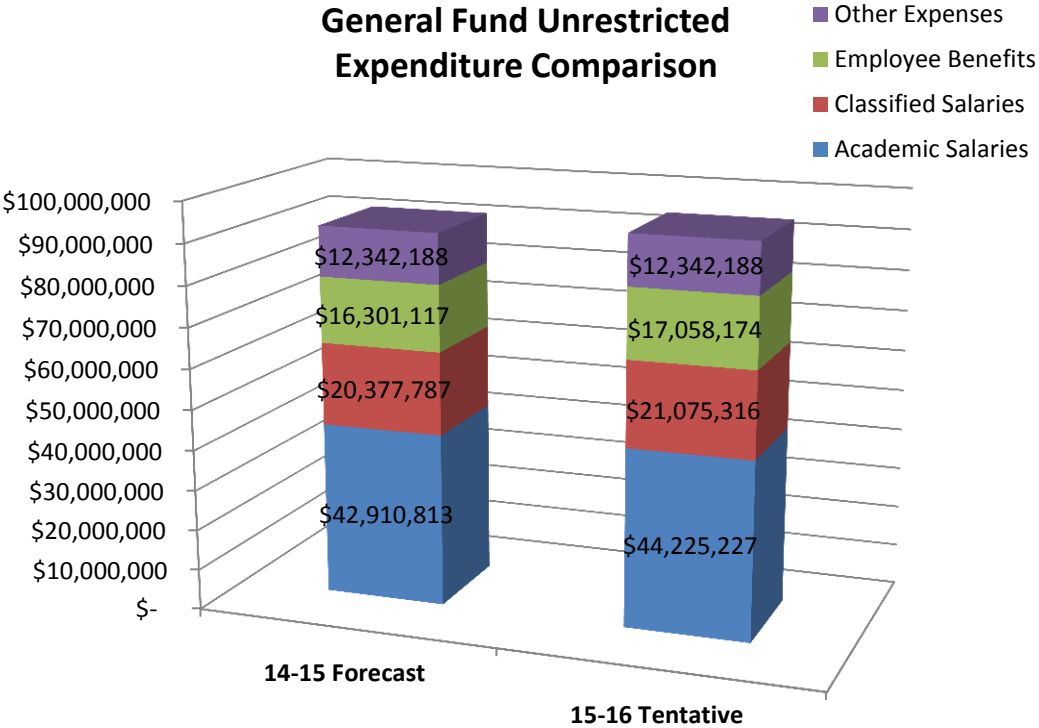
- Local Revenue increase from 13-14 to 14-15 due to change in accounting practice recording revenues in revenue accounts, net increase of revenues to expenditures is \$0.
- Enrollment Fees increase due to two summer sessions and from 13-14 to 14-15 due to international/non resident tuition fee increase
- Local Property Tax base increases with home sales.
- State Apportionment includes revenue from passage of Proposition 30 (Education Protection Act).
- Decrease in State Apportionment from 13-14 to 14-15 due to deficit factor of 1% in 14-15 and shift in revenues to Property Taxes from State Apportionment. Increase from 14-15 to 15-16 due to 1.58% COLA increase, base allocation increase, etc.

GENERAL FUND UNRESTRICTED Expenditure Assumptions

2015-16 Tentative Budget Expenditures contain:

- Salary model adjustments for step increases, longevity, open positions, replacements of \$273,000.
- 11.11% increase in hourly wages at each level \$137,000.
- Reclassification of classified staff of \$59,000.
- COLA salary increase of 1.58% across all salary schedules \$857,000.
- CalSTRS and CalPERS rate increases of \$1,307,000.
- Health benefits increase of \$136,000.
- No adjustments to non labor expenses (supplies, materials, other operating expenses, capital outlay, and other outgo).

General Fund Unrestricted Expenditure Comparison



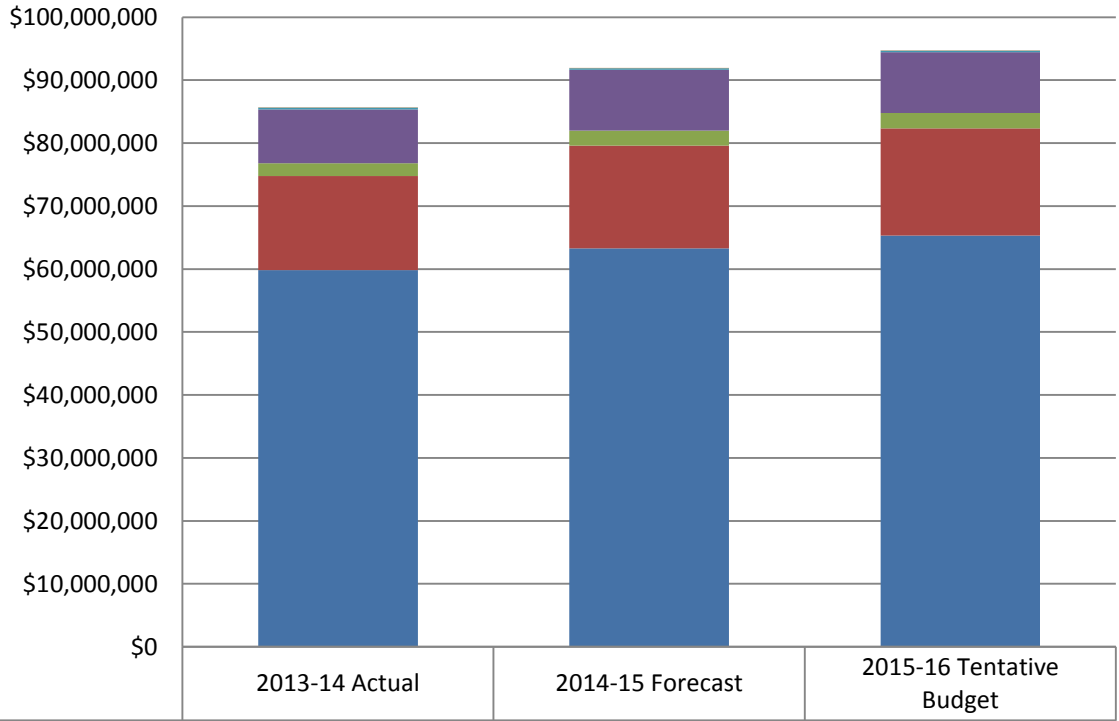
GENERAL FUND UNRESTRICTED

Expenditure Comparison



Unrestricted General Fund Expenditures

- Other Operating Expenses and Supplies & Materials increase as planned from 13-14 to 14-15, but remain flat from 14-15 to 15-16
- 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
- Salaries in 15-16 include COLA of 1.58% and hourly increase of 11.11%
- As salaries increase, payroll taxes included in benefits also increase
- Benefits increase in 15-16 due to CalSTRS/PERS rate increase



| | | | |
|--------------------------|--------------|--------------|--------------|
| Other Outgo | \$16,556 | \$16,389 | \$16,389 |
| Capital Outlay | \$284,800 | \$266,652 | \$266,652 |
| Other Operating Expenses | \$8,547,649 | \$9,654,676 | \$9,654,676 |
| Supplies & Materials | \$2,049,131 | \$2,404,471 | \$2,404,471 |
| Employee Benefits | \$14,946,019 | \$16,301,117 | \$17,058,174 |
| Salaries | \$59,821,019 | \$63,288,600 | \$65,300,543 |

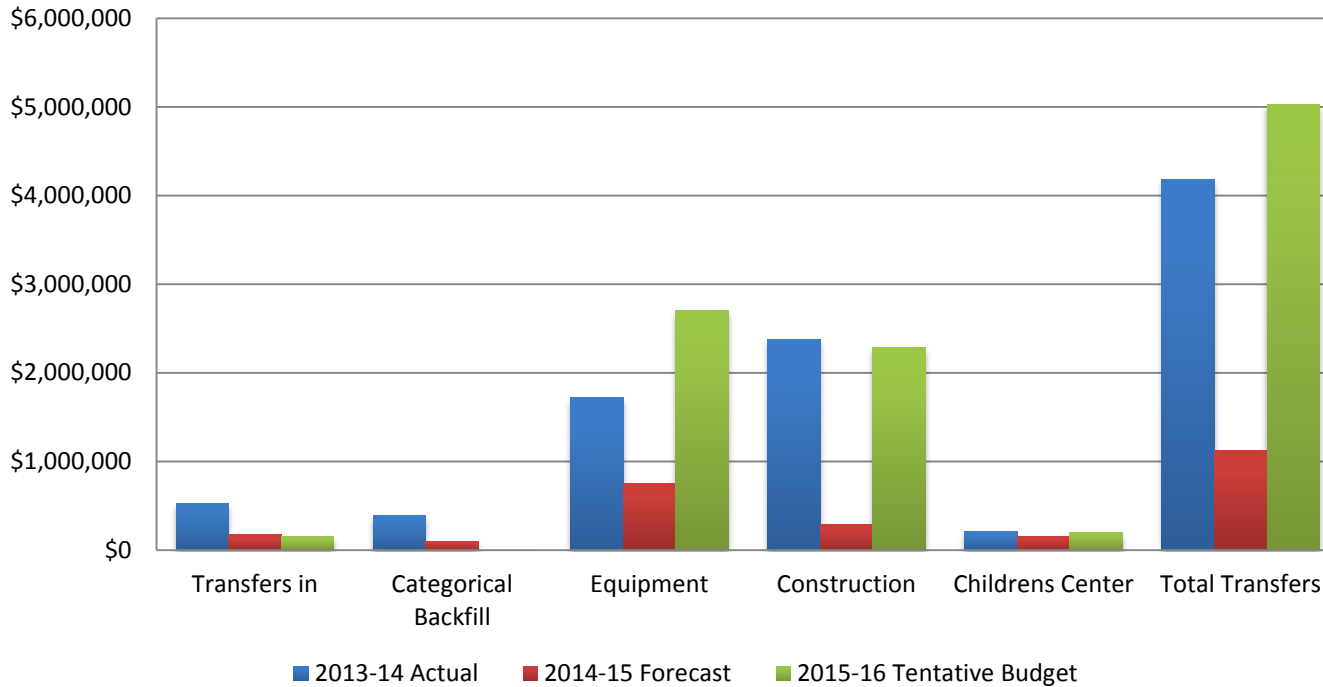
15-16 Budget Assumptions Transfers



- Categorical programs (EOPS, DSPS, and SSSP) backfill is reduced to \$0.
- Transfer to the Children’s Center Fund is \$200,000.
- Transfer to the Construction Fund for ongoing campus maintenance of \$2.0 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 \$1.0 million for equipment replacement and \$155,000 for copier replacement.
- Transfer to the Equipment Fund for program review requests is \$1.5 million.
- 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.

Unrestricted General Fund Transfers

Transfers



| Total Transfers | |
|-----------------|-------------|
| 2013-14 | \$4,177,467 |
| 2014-15 | \$1,126,619 |
| 2015-16 | \$5,029,486 |

- Categorical backfills implemented during budget downturn have been eliminated
- 14-15 transfers to Construction and Equipment funds were lower to balance operating expenses and revenues in the Unrestricted General Fund
- Program review priority 1 requests to be funded in 15-16 Tentative Budget from Equipment Fund

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

15-16 Budget Assumptions Cash Flow

- The Governor's budget eliminated all cash deferrals by the end of 2014-15.
- There are no cash deferrals projected for 2015-16.
- Minimum reserves from board policy implemented in 2014-15 are met.

15-16 Budget Questions

Items with potential impact on 2015-16 revenues:

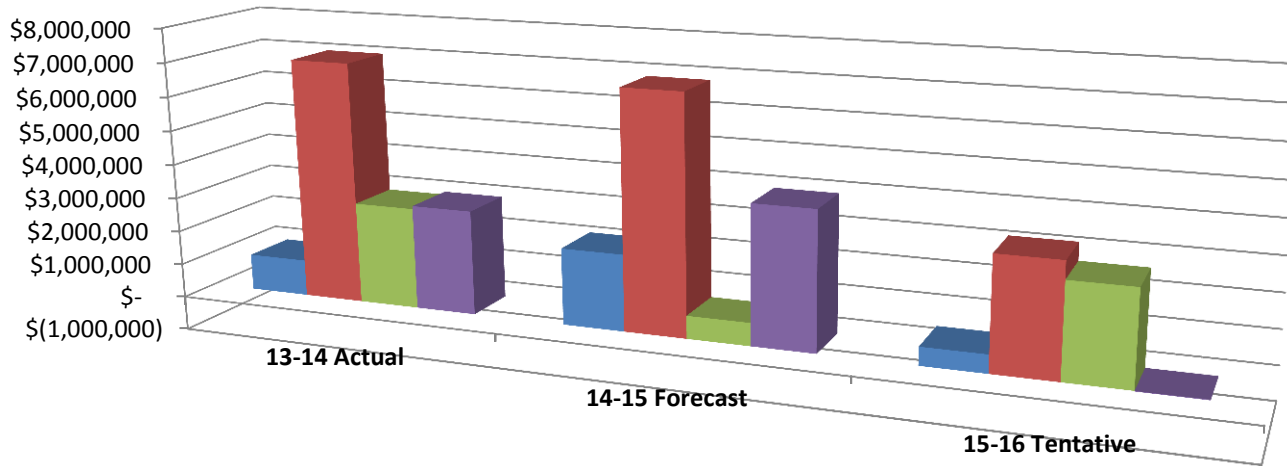
- Governor's May Revise budget to be announced on May 14, 2015 with expected increases in revenues. Possibly one time or categorical increases.

Items with potential impact on 2015-16 expenditures:

- State Unemployment contribution rate may change.
- State Worker's Compensation insurance rate may change.
- Fixed and mandated expenses (utilities, postage, rent, software licenses, etc.) are expected to increase.

CONSTRUCTION DISTRICT PROJECTS

Construction Fund Comparison

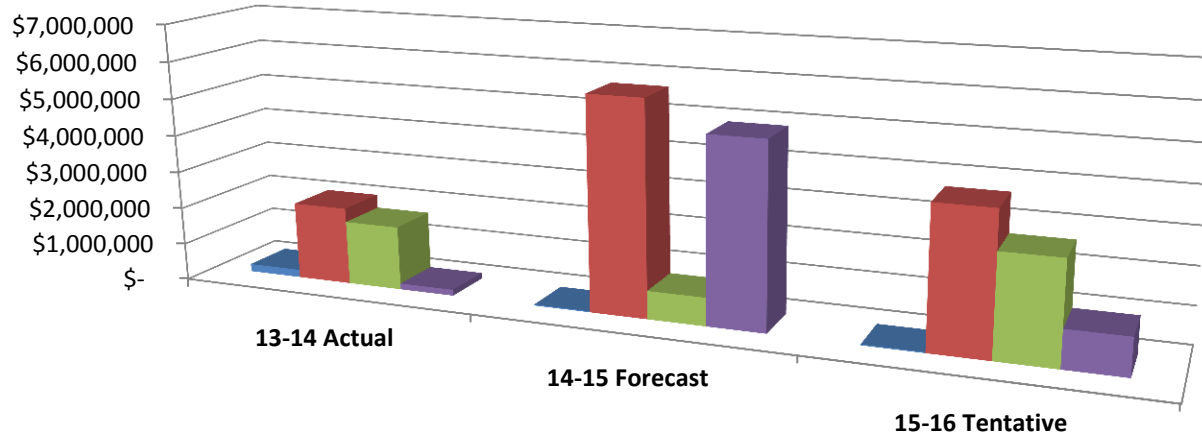


| | 13-14 Actual | 14-15 Forecast | 15-16 Tentative |
|---------------------------|--------------|----------------|-----------------|
| ■ Revenues | \$1,058,754 | \$2,224,476 | \$531,289 |
| ■ Expenditures | \$7,051,935 | \$6,896,846 | \$3,250,000 |
| ■ Transfers In | \$2,952,312 | \$665,654 | \$2,734,654 |
| ■ Net Excess Expenditures | \$3,040,869 | \$4,006,716 | \$(15,943) |

- Construction fund expenditures exceed revenues and transfers in from General Fund in 2013-14 and 2014-15
- Ending fund balance declines from \$6.0 m to \$2.0 m and remains flat at \$2.0 m
- Planned decrease of ending fund balance to reach board policy level of \$2.0 m

EQUIPMENT REPLACEMENT

Equipment Fund Comparison



| | 13-14 Actual | 14-15 Forecast | 15-16 Tentative |
|---------------------------|--------------|----------------|-----------------|
| ■ Revenues | \$206,351 | \$28,622 | \$25,000 |
| ■ Expenditures | \$2,090,489 | \$5,704,065 | \$3,726,119 |
| ■ Transfers In | \$1,723,234 | \$755,000 | \$2,700,700 |
| ■ Net Excess Expenditures | \$160,904 | \$4,920,443 | \$1,000,419 |

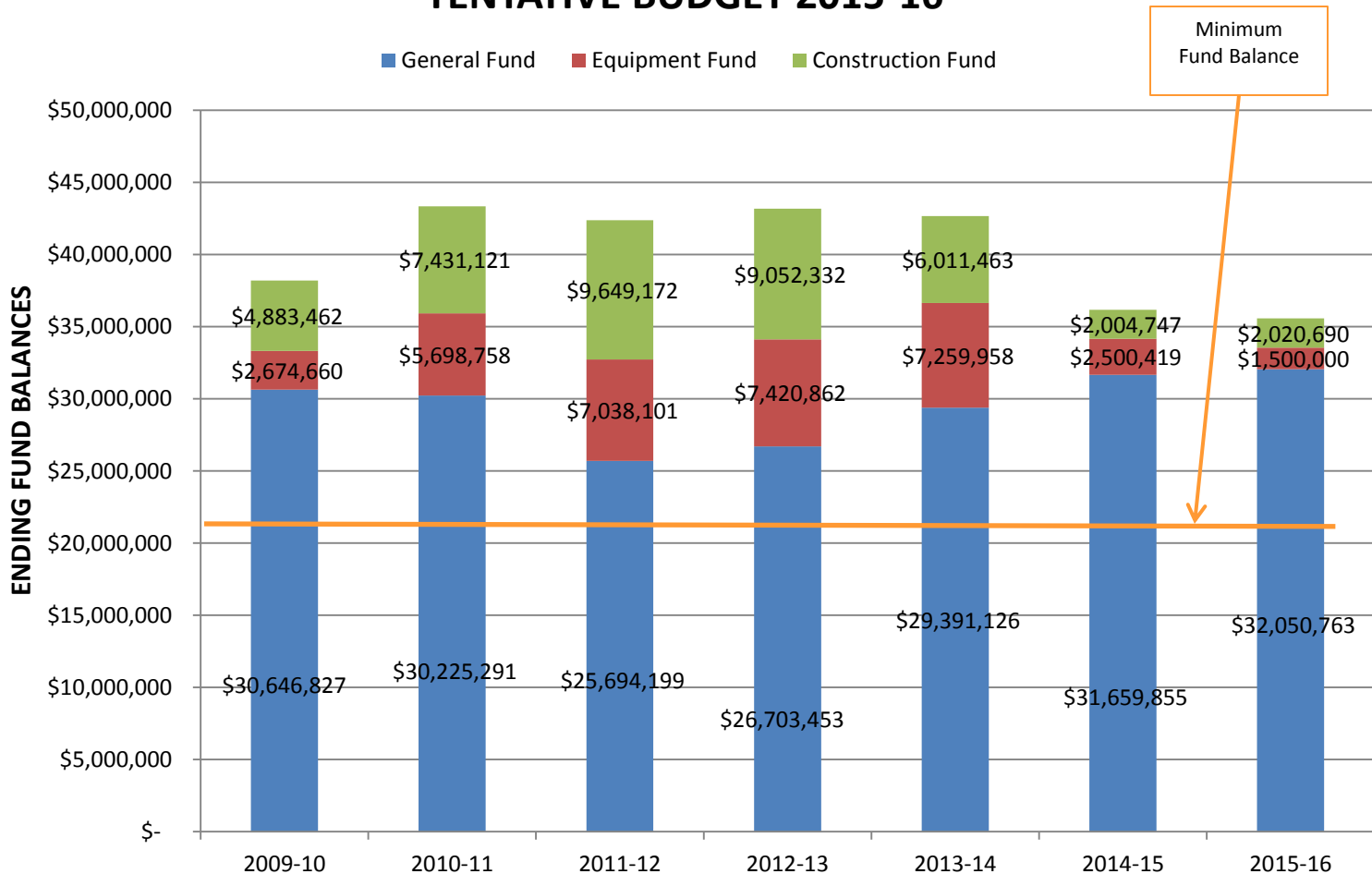
- Equipment fund expenditures exceed revenues and transfers in from General Fund in 2013-14, 2014-15, and 2015-16
- Ending fund balance declines from \$7.3 m to \$2.5 m to \$1.5 m
- Planned decrease of ending fund balance to approach board policy level of \$1.5 m

GENERAL FUND BALANCE

| | June 30, 2014 Actual Ending Balance | June 30, 2015 Forecast Ending Balance | June 30, 2016 Tentative Budget Ending Balance |
|---|---|---|---|
| Fund Balance | | | |
| Reserved for Restricted Purpose | \$0 | \$0 | \$0 |
| Designated: | | | |
| State Mandated Contingency (5%) | \$4,558,595 | \$4,662,676 | \$4,995,520 |
| Banked TLUs | \$1,314,979 | \$1,314,979 | \$1,314,979 |
| General Apportionment Deferral | \$9,140,557 | \$1,733,861 | \$0 |
| Additional Reserve required to meet 15% principle | \$4,418,441 | \$12,254,168 | \$14,986,559 |
| Total Designated | <u>\$19,432,571</u> | <u>\$19,965,684</u> | <u>\$21,297,057</u> |
| Undesignated | \$9,958,555 | \$11,694,172 | \$10,753,706 |
| Total Fund Balance | <u><u>\$29,391,126</u></u> | <u><u>\$31,659,855</u></u> | <u><u>\$32,050,763</u></u> |
| % Designated Ending Balance/Expenditures | 22.6% | 21.4% | 21.3% |
| % Total Ending Balance/Expenditures | 32.8% | 34.0% | 32.1% |

FUND BALANCES

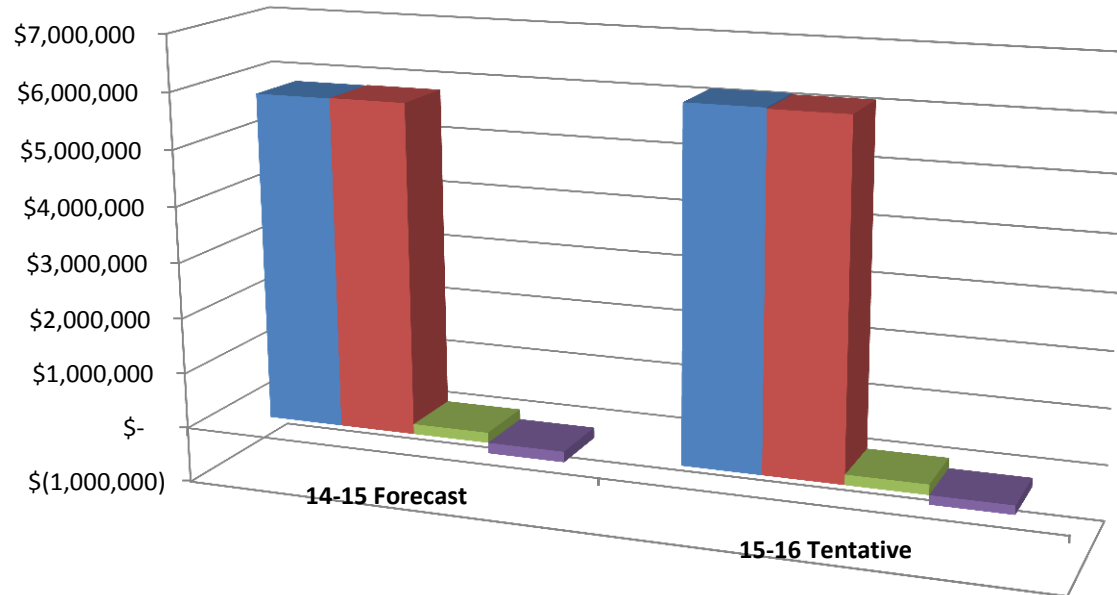
TENTATIVE BUDGET 2015-16





CAMPUS STORE

**Campus Store
Revenues vs. Expenditures**



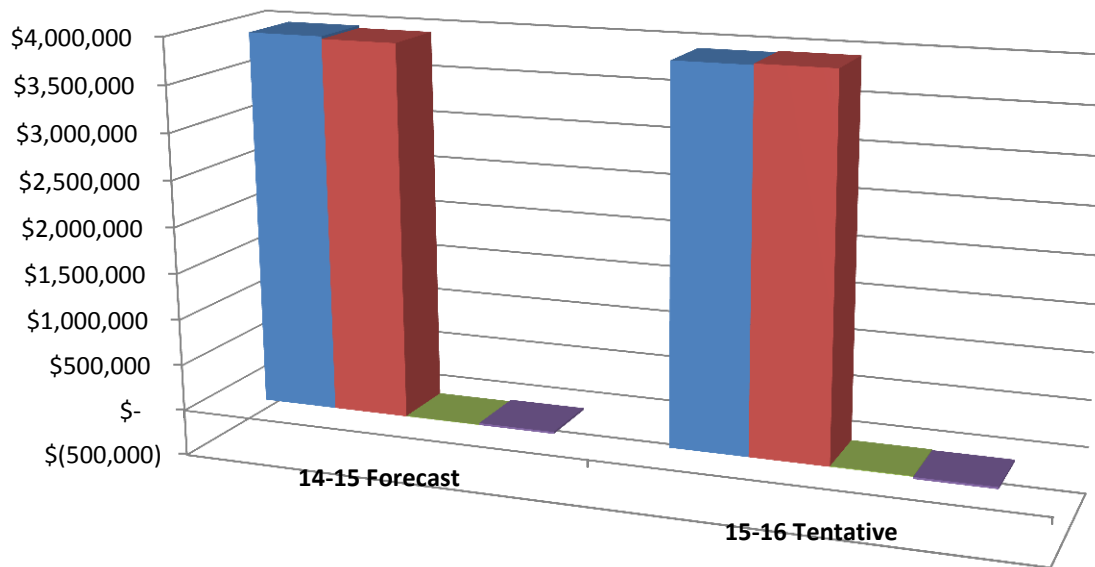
| | 14-15 Forecast | 15-16 Tentative |
|-----------------------------|----------------|-----------------|
| ■ Revenues | \$5,867,930 | \$6,190,000 |
| ■ Expenditures | \$5,875,503 | \$6,170,000 |
| ■ Transfers Out | \$183,000 | \$183,000 |
| ■ Net Revenues/Expenditures | \$(190,573) | \$(163,000) |

- Transfers out to the General Fund of \$183,000 will result in a Net Loss of approximately \$163,000.



FOOD SERVICE

Food Service Revenues vs. Expenditures

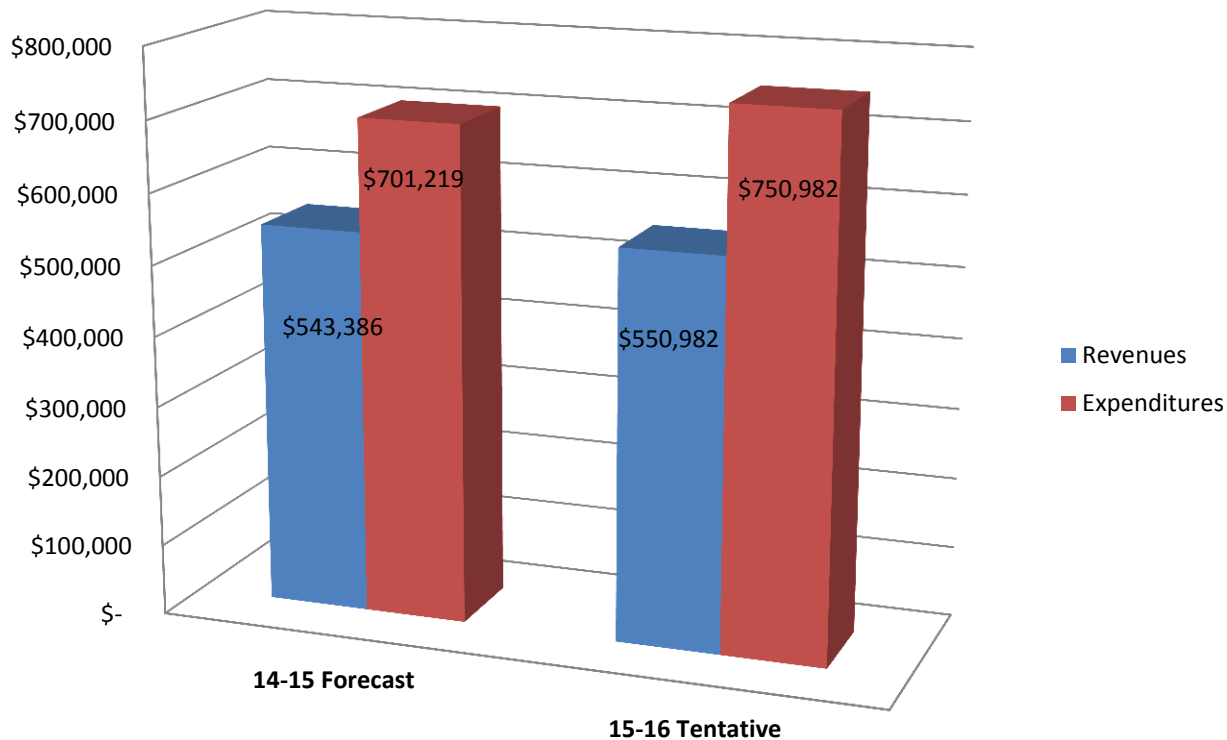


| | 14-15 Forecast | 15-16 Tentative |
|-----------------------------|----------------|-----------------|
| ■ Revenues | \$3,991,200 | \$3,950,100 |
| ■ Expenditures | \$3,964,950 | \$3,964,510 |
| ■ Transfers Out | \$4,500 | \$8,000 |
| ■ Net Revenues/Expenditures | \$21,750 | \$(22,410) |

- Campus center replacement swing space costs of approximately \$700,000 will be included in final budget.

CHILDREN'S CENTER FUND

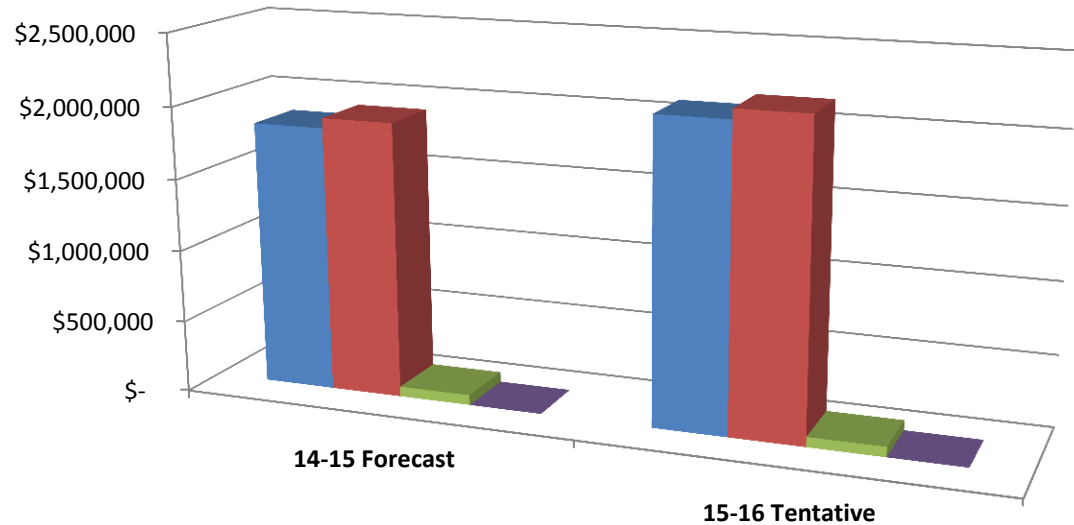
**Children's Center
Revenues vs. Expenditures**



- Interfund Transfer from the General Fund of \$200,000 makes up for the Revenue shortfall

- Increase in revenues is due to a planned increase in tuition fees with the number of contact hours remaining flat.
- Increase in expenditures is due to one new classified staff member, other increased overhead, and increases in teacher salaries related to the tuition fee increase.
- Transfers in of \$70,000 come from CLL donations already in trust funds.

**Center for Lifelong Learning
Revenues vs. Expenditures**



| | 14-15 Forecast | 15-16 Tentative |
|-----------------------------|----------------|-----------------|
| ■ Revenues | \$1,845,310 | \$2,098,390 |
| ■ Expenditures | \$1,915,310 | \$2,168,390 |
| ■ Transfers In | \$70,000 | \$70,000 |
| ■ Net Revenues/Expenditures | \$0 | \$0 |



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 Audited Actual | 2014-2015 Forecast | 2015-2016 Tentative Budget | Total |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------|----------------------------------|--------------|
| REVENUES | | | | | | | | | |
| Bond Proceeds | \$47,000,000 | \$0 | \$0 | \$0 | \$15,000,000 | \$0 | \$0 | \$15,000,000 | \$77,000,000 |
| Local | \$466,269 | \$483,738 | \$223,992 | \$79,681 | \$26,838 | \$33,459 | \$32,655 | \$32,655 | \$1,379,287 |
| Total Revenues | \$47,466,269 | \$483,738 | \$223,992 | \$79,681 | \$15,026,838 | \$33,459 | \$32,655 | \$15,032,655 | \$78,379,287 |
| EXPENDITURES | | | | | | | | | |
| Academic Salaries | \$7,837 | \$0 | \$22,687 | \$18,335 | \$42,616 | \$34,841 | \$17,000 | \$30,000 | \$173,316 |
| Classified and Other Nonacademic Salaries | \$18,238 | \$0 | \$0 | \$50,868 | \$10,100 | \$15,678 | \$7,500 | \$10,000 | \$112,384 |
| Employee Benefits | \$402 | \$0 | \$2,765 | \$3,911 | \$5,646 | \$4,527 | \$3,000 | \$5,000 | \$25,250 |
| Supplies and Materials | \$4,614 | \$62 | \$2,755 | \$1,410 | \$2,314 | \$871 | \$1,500 | \$2,000 | \$15,526 |
| Other Operating Expenses and Services | \$101,523 | \$41,846 | \$144,056 | \$234,391 | \$72,046 | \$110,580 | \$100,000 | \$75,000 | \$879,443 |
| Capital Outlay | \$4,135,519 | \$8,338,687 | \$14,621,923 | \$10,874,440 | \$9,396,398 | \$9,118,011 | \$5,777,735 | \$7,000,000 | \$69,262,714 |
| Other Outgo | \$0 | \$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 | \$9,284,508 | \$5,906,735 | \$7,122,000 | \$70,468,632 |
| Excess of Revenues over (under) Expenditures | \$43,198,136 | (\$7,896,857) | (\$14,570,194) | (\$11,103,674) | \$5,497,718 | (\$9,251,048) | (\$5,874,080) | \$7,910,655 | \$7,910,655 |
| Other Financing Sources (Uses) | | | | | | | | | |
| Interfund Transfers - In | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interfund Transfers - Out | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Other Financing Sources (Uses) | \$0 | \$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 | (\$9,251,048) | (\$5,874,080) | \$7,910,655 | \$7,910,655 |
| Beginning Fund Balance | \$0 | \$43,198,136 | \$35,301,279 | \$20,731,085 | \$9,627,411 | \$15,125,129 | \$5,874,080 | \$0 | |
| Ending Fund Balance | \$43,198,136 | \$35,301,279 | \$20,731,085 | \$9,627,411 | \$15,125,129 | \$5,874,080 | \$0 | \$7,910,655 | |

Budget Development Timeline

A scenic background image showing a coastal landscape with a blue sky, distant mountains, a blue body of water, and a green grassy foreground with palm trees and people sitting on the grass.

Upcoming 2015-16 Budget Development:

- Tentative Budget – CPC 1st reading May 5th
- Tentative Budget – CPC 2nd reading May 19th
- 1st Public Hearing: Review of Tentative Budget – Fiscal Subcommittee June 8th
- Public Hearing: Approval of Tentative Budget – Board of Trustees June 25th
- 1st Public Hearing: Review of Final Budget – Board of Trustees August 27th
- Public Hearing: Approval of Final Budget – Board of Trustees September 10th



Questions?