



Santa Barbara City College 2022-23 Tentative Budget

Board of Trustees

June 16, 2022



Agenda

- State Budget Update
- Tentative Budget Assumptions
- Unrestricted General Fund & Other Details – “The Numbers”
- Fund Balances & Projections



State Budget Update 2022-23

2022-23 State Budget Agreement:

On May 13, Governor Newsom released his May Revise for the 2022-23 fiscal year, which projects a \$49.2 billion surplus for the upcoming fiscal year. The proposed budget maintains the state's recent commitment to paying down liabilities, replenishing reserves, and increased spending primarily for one-time initiatives. Although the May Revise is not the final version of the final draft, it is a much more accurate depiction of the 22-23 fiscal budget before the Enacted Budget is finalized before July 1.

For California Community Colleges, the Governor's May Revise increases funding for one-time and ongoing programs and initiatives from \$841.4 million to \$1.3 billion (\$.5 billion increase) and includes one-time investments such as student financial assistance, work-based learning, mental health, and student retention and (re)enrollment. A large portion one-time funding is concentrated in supporting retention and enrollment strategies (\$150 million). Additionally, with regard to new policy adjustments, the May Revise includes \$750 million in discretionary block grants to address pandemic issues. With regard to Deferred Maintenance, another component of one-time funding, the new proposed budget increases from \$511 million to \$1.523 billion.

Ongoing Policy Adjustments

- COLA (Unrestricted General Fund) - \$493 million for a 6.56% COLA from ongoing apportionment.
- Funding for SCFF
 - \$26.2 million for SCFF Growth.
 - \$125 million to increase SCFF Allocation
 - \$250 million to increase SCFF Base Funding Increase
- COLA (Restricted Funds) - \$21.8 million for a 6.56% COLA for the EOPS, DSPS, CalWORKs and the Campus Childcare programs. *Approximately \$240k for SBCC.*
- SEA Program & Strong Workforce – Proposed budget provides for a 5% increase to Student Equity and Achievement Program; no increase to funding for Strong Workforce.

One-Time Policy Adjustments

- Deferred Maintenance and Instructional Equipment - Proposed budget provides for a more substantial amount of funding in FY22-23 vs FY21-22. However, the legislature is still working on the final amount. The current budget assumes a conservative estimate of \$9.5 million.
- CCC Discretionary Block Grant- Proposed budget is \$750 million. *Approximately \$8.3 million for SBCC.*



Tentative Budget Assumptions 2022-23

Revenue - Primary Budget Assumptions Included in the Tentative Budget

- 6.56% COLA applied to the funding rates used in the calculation of the Student Centered Funding Formula
- Approximately \$3.7 million in additional funding due increased SCFF's funding rates and basic allocation
- Property tax revenue increases by 3%
- District funding at medium sized college level (>10,000 FTES & <20,000) in FY22-23. In the event enrollment falls below 10,000 FTES in FY22-23, the small sized college lower revenue amount will be applied to SCFF in FY23-24. - *rate adjustment TBD*
- Schott Center funding at the medium center level (500-750 FTES, \$0.7M)
- Wake Center funding at the medium/large center level (750-1,000 FTES, \$1.1 M)
- International 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 \$3.7M to \$5.7M*
- Out-of-state tuition revenue is projected to increase by 16% in fiscal year 2022-23 compared to budgeted FTES for fiscal year 2021-22. - *\$600,000 increase from \$3.6M to \$4.2M*
- Transfer IN from select grant funds to UGF for indirect costs related to administrative overhead. *Approximately \$400,000.*

Revenue - Primary Budget Assumptions Included in the Tentative Budget

- Permanent employees' 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
- Short-term employees (staff/student) budget assumptions will increase 6% in fiscal year 2022-23 (\$1.55M), compared to fiscal year 2021-22 (\$1.46M)
- 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%. - *\$480k increase*
- The CalSTRS employer contribution rate decreases from 16.92% to 19.10%. - *\$839k increase*

Transfer Assumptions

- Transfer OUT from UGF to the Children's Center Fund - \$260,000.
- Transfer OUT from UGF to the Construction Fund for emergency campus maintenance - \$650,000.
- Transfer OUT from UGF to the Equipment Fund for program review items - \$200,000.
- Transfer OUT from UGF to Food Service Fund - \$600,000.
- Transfer OUT from UGF to Parking Fund - \$325,000.
- Transfer OUT from UGF to Campus Store - \$275,000.
- Transfer OUT from UGF to Self-Insurance Fund for liability insurance payments - \$725,000.
- Transfer OUT from UGF to Student Clubs - \$10,000.
- Transfer IN from select grant funds (primarily due to Financial Aid Media Campaign) to UGF for indirect costs related to administrative overhead. *Approximately \$400,000.*
- Transfer IN from Facility Rentals (primarily due to rental income from Kaplan International Language School) - *Amount to be determined.*



2022-23 Tentative Budget Unrestricted General Fund & Other Details

“The Numbers”

Unrestricted General Fund

Major Object	Title	2021-22 Adopted Budget	2021-22 Adjusted Budget	2022-23 Draft Budget
Revenues				
86	State Revenues	47,073,545	47,073,545	48,627,029
88	Local Revenues	58,170,400	57,777,580	60,117,135
89	Transfers In	550,000	550,000	400,000
Total Revenues		105,793,945	105,401,125	109,144,164
Expenditures				
10	Academic Salaries	42,749,502	43,731,104	45,105,409
20	Classified Salaries	21,572,011	22,337,990	23,129,301
30	Employee Benefits	21,911,439	22,433,403	23,962,992
40	Supplies And Materials	1,640,600	1,739,680	1,770,200
50	Other Operating Expenses & Services	10,212,338	10,539,238	11,196,697
60	Capital Outlay	424,500	427,200	432,250
70	Other Outgo	10,000	10,000	200,000
79	Appropriation for Contingencies	4,100,000	-	-
80	Transfers Out	2,380,000	2,180,000	3,045,000
80	Transfer to UGF-COVID Mitigation Fund	-	-	-
Total Expenditures		105,000,390	103,398,615	108,841,849
Net Change in Fund Balance		793,555	2,002,510	302,315
Beginning Fund Balance		28,916,738	28,916,738	30,919,248
Change in Fund Balance		793,555	2,002,510	302,315
Ending Fund Balance		29,710,293	30,919,248	31,221,563

General Fund Reserve Details

	June 30, 2021 Actual Ending Balance	June 30, 2022 Adjusted Budget Ending Balance	June 30, 2023 Tentative Budget Ending Balance
Designated:			
State Mandated Contingency (5%)	\$ 4,677,169	\$ 5,060,931	\$ 5,289,842
General Apportionment Deferral			
Additional Reserve required to meet 15% Principle	14,031,506	15,182,792	15,869,527
Total Designated	\$ 18,708,674	\$ 20,243,723	\$ 21,159,370
Undesignated:			
	\$ 10,208,064	\$ 10,675,525	\$ 10,062,193
Total Fund Balance	\$ 28,916,738	\$ 30,919,248	\$ 31,221,563
<i>% Designated Ending Balance/Expenditures</i>	20.03%	20.00%	20.04%
<i>% Total Ending Balance/Expenditures</i>	30.96%	30.55%	29.57%

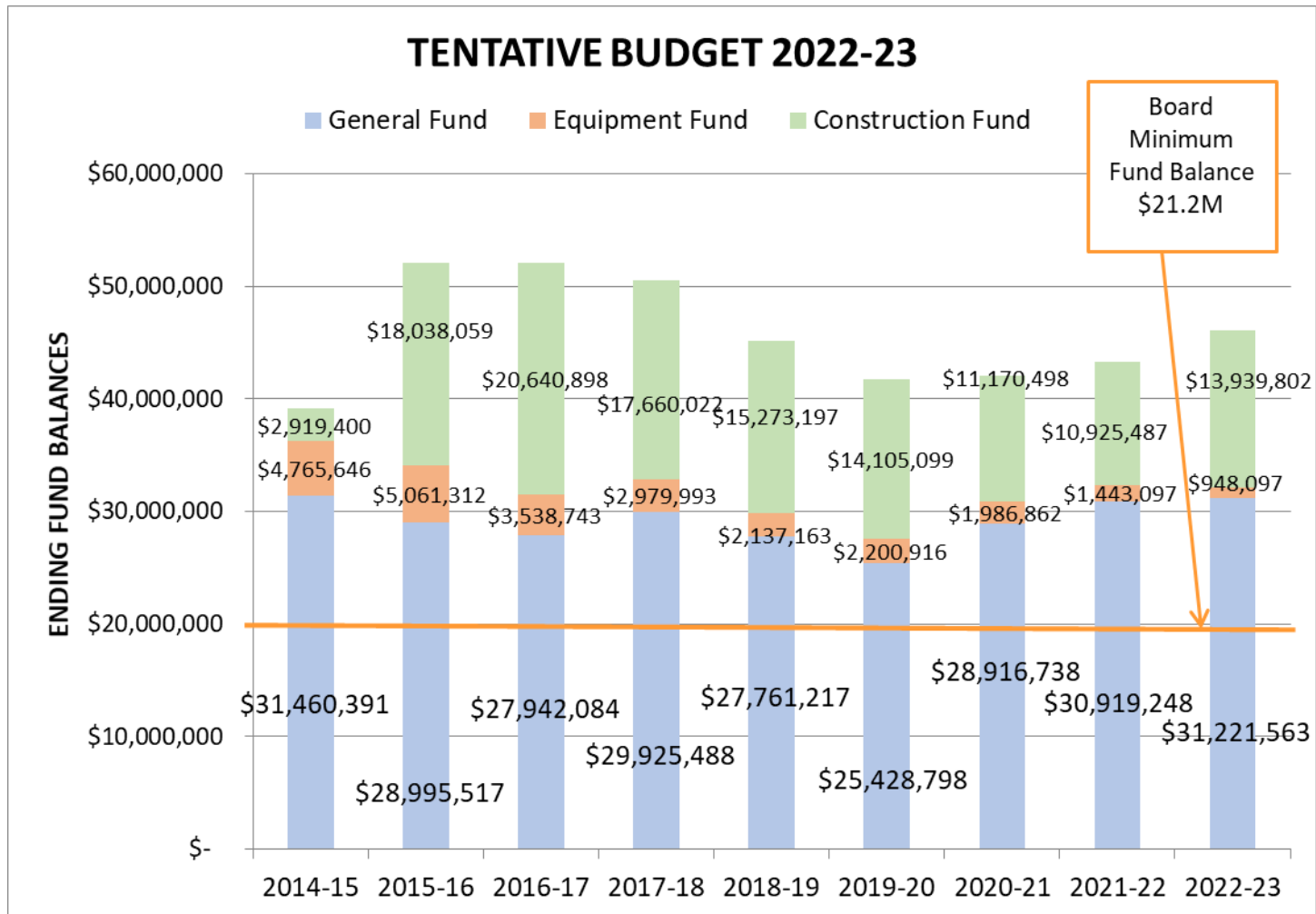
Capital Projects Fund Reserve Details

	June 30, 2022			2022-23		June 30, 2023
	Estimated			Intrafund	Transfers	Tentative
	Ending	2022-23	2022-23	Transfers	From UGF	Budget
	Balance	Revenues	Expenses			Ending Fund
						Balance
Fund Balance						
Equipment Fund						
Equipment Replacement	\$ 1,439,956	\$ 10,000	\$ (750,000)	\$ -	\$ 200,000	\$ 899,956
Ergonomic Furniture & Equipment	503	60,000	(15,000)	-	-	45,503
Instructional Equipment Block Grant	2,637	-	-	-	-	2,637
Total Equipment Fund Balances	1,443,097	70,000	(765,000)	-	200,000	948,097
Construction Fund						
Construction	\$ 2,488,223	\$ 50,000	\$ (550,000)	\$ -	\$ 650,000	\$ 2,638,223
PE Building	7,470,652	4,500,000	(4,000,000)	-	-	7,970,652
State Maintenance	266,240	9,490,000	(7,125,685)	-	-	2,630,555
La Playa Turf Replacement	363,229	-	-	-	-	363,229
Classroom Improvement	337,144	-	-	-	-	337,144
Total Construction Fund Balances	10,925,487	14,040,000	(11,675,685)	-	650,000	13,939,802
Total Fund Balance	\$ 12,368,584	\$ 14,110,000	\$ (12,440,685)	\$ -	\$ 850,000	\$ 14,887,899



Fund Balances & Projections

Fund Balances

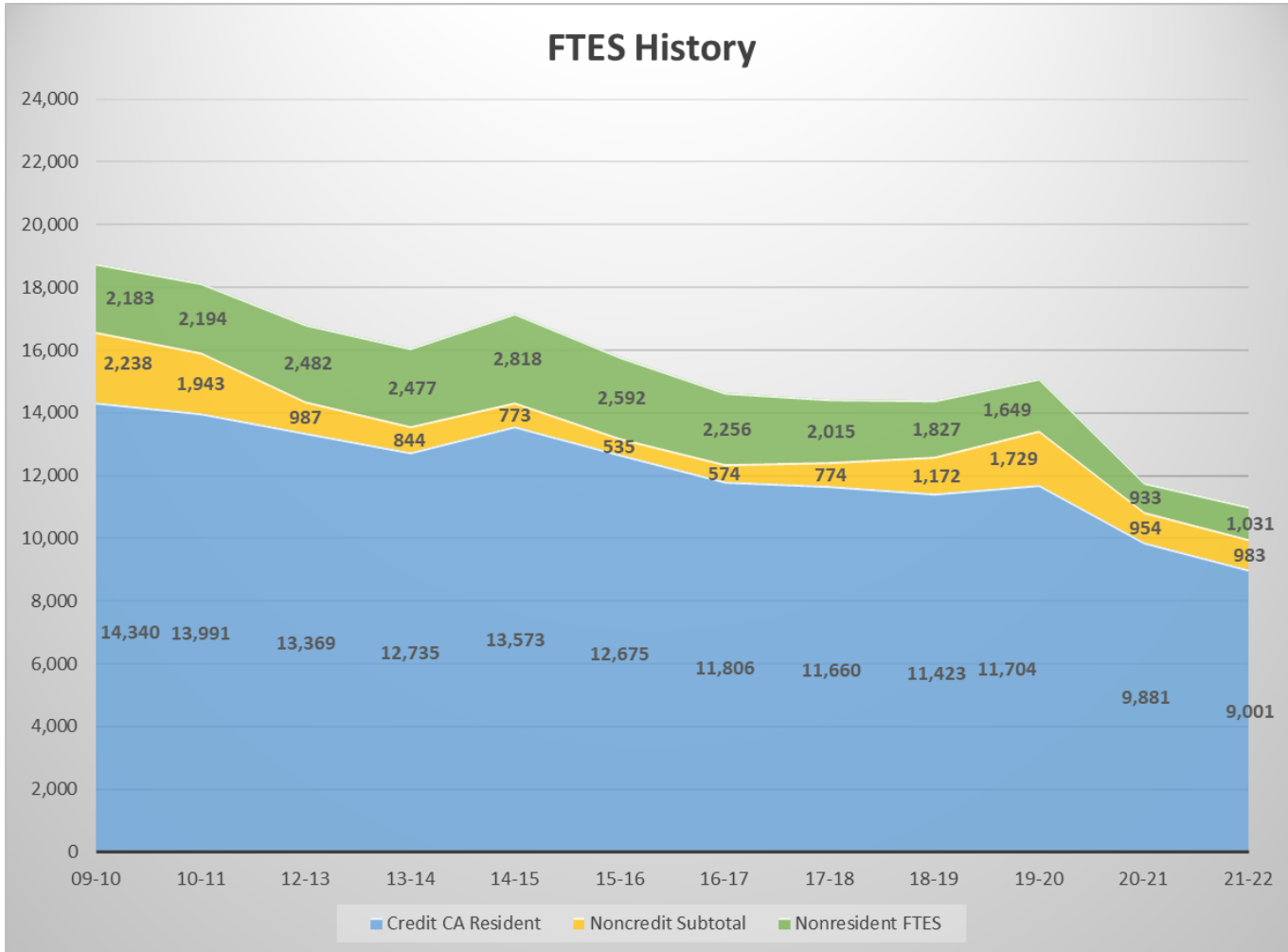


5 Year Fiscal Projections

	Projections				
	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Revenues					
State Revenues					
State Principal Apportionment	38,361,897	38,475,411	42,473,489	40,216,960	38,539,435
COLA	4,112,619	5,517,758	-	-	-
Other	4,599,029	4,633,860	4,634,540	4,633,069	4,634,594
Total State Revenues	47,073,545	48,627,029	47,108,029	44,850,029	43,174,029
Local Revenues					
Local Secured Taxes	33,535,000	39,395,000	40,577,000	41,795,000	43,048,000
Enrollment Fees	6,936,000	6,756,363	7,094,181	7,448,890	7,821,334
International Tuition	3,700,000	5,700,000	7,700,000	9,700,000	9,700,000
Non-Resident Tuition	3,640,000	4,240,000	4,840,000	5,440,000	5,440,000
HEERF - Lost Revenues	6,372,000	-	-	-	-
Other	3,594,580	4,025,773	4,175,916	4,325,916	4,325,916
Total Local Revenues	57,777,580	60,117,135	64,387,097	68,709,806	70,335,250
Other Financing Sources	550,000	400,000	400,000	400,000	400,000
Total Revenues	105,401,125	109,144,164	111,895,126	113,959,835	113,909,279
Expenditures					
Academic Salaries	43,731,104	45,105,409	45,421,409	45,737,409	46,053,409
Classified Salaries	22,337,990	23,129,301	23,233,301	23,337,301	23,441,301
Employee Benefits	22,433,403	23,962,992	24,329,112	24,876,708	25,431,018
Supplies And Materials	1,739,680	1,770,200	1,770,200	1,770,200	1,770,200
Other Operating Expenses & Services	10,539,238	11,196,697	11,346,697	11,496,697	11,496,697
Capital Outlay	427,200	432,250	432,250	432,250	432,250
Other Outgo	10,000	200,000	200,000	200,000	200,000
Transfers Out	2,180,000	3,045,000	2,460,000	3,385,000	3,320,000
Total Expenditures	103,398,614	108,841,849	109,192,970	111,235,565	112,144,875
Net Change in Fund Balance	2,002,511	302,315	2,702,156	2,724,270	1,764,404
Beginning Fund Balance	28,916,738	30,919,249	31,221,564	33,923,720	36,647,989
Change in Fund Balance	2,002,511	302,315	2,702,156	2,724,270	1,764,404
Ending Fund Balance	30,919,249	31,221,564	33,923,720	36,647,989	38,412,393
Reserve Requirement	20,243,723	21,159,370	21,346,594	21,570,113	21,764,975
Reserve Surplus/(Deficit)	10,675,526	10,062,194	12,577,126	15,077,876	16,647,418



FTES Historical Trends





Questions?