

Appendix IV

2014/15 Final Budget

September 10, 2014

2014/15 Budget Assumptions – General Fund

- ▶ Property Tax Increase: 5.82%
- ▶ Enrollment Increase: Resident 0%,
International 20%
- ▶ RDA: Continue ongoing, no one-time
- ▶ Prop. 30: Now in year 3 of 7
- ▶ Measure G: Spending down carryover

Year to Year: Fund 1 Revenues

	13/14	14/15	
	Budget	Budget	Variance
Property Taxes	\$101,852,855	\$107,075,324	\$5,222,469
Student Fees	\$10,076,492	\$8,931,647	(\$1,144,846)
RDA Funds	\$3,743,832	\$5,878,917	\$2,135,085
Nonres. Tuition	\$2,474,413	\$3,170,438	\$696,025
Prop 30	\$3,896,442	\$1,961,037	(\$1,935,405)
Other Rev/Tsfrs	\$8,254,979	\$7,696,188	(\$558,791)
Total	\$130,299,013	\$134,713,550	\$4,414,537

Year to Year: Fund 1 Expenses

	13/14	14/15	
	Budget	Budget	Variance
Salaries & Benefits	\$111,478,614	\$121,395,948	\$9,917,334
Materials & Operating	\$29,173,133	\$21,398,123	(\$7,775,010)
Capital Outlay	\$198,449	\$100,730	(\$97,719)
Transfers/Other	\$2,637,632	\$2,515,561	(\$122,071)
Total	\$143,487,828	\$145,410,362	\$1,922,534

Year to Year: Fund 1

	13/14	14/15	
	Budget	Budget	Variance
Net Change	(\$13,188,815)	(\$10,696,812)	\$2,492,003
Beginning Fund Balance	\$19,703,765	\$20,124,128	\$420,363
Ending Fund Balance	\$6,514,950	\$9,427,316	\$2,912,366

Community-Supported Status

State Revenue Limit	\$96,892,523
Property Taxes	\$107,075,324
Student Fees	\$8,931,647
RDA Funds	\$5,878,917
Community Revenues	\$121,885,887
Revenue over Limit	\$24,993,364

Increased Categorical Funds

Program	State Funding	District Funding
SSSP	\$196.6M (\$100 new)	Unknown
Student Equity	\$70M	\$822,568
DSPS	\$114.2M (\$30M new)	Unknown
Scheduled Maint/Instructional Equip	\$148M	\$2,495,672

Resource Allocation

- ▶ Revised model tweaked some
- ▶ De-emphasizes FTES as the measurement
- ▶ Emphasizes “Demonstrated Need” as a mechanism for promoting innovation and strategies tied to our educational master plans and strategic plans
- ▶ When approved, will be implemented for 15/16 budget

PERS and STRS Increases

- ▶ 14/15 Increase: \$350K
- ▶ 15/16 Increase: \$1M
- ▶ Rates increasing to 20/21

	13/14	20/21
PERS	11.442%	20.40%
STRS	8.25%	19.10%

Retirement Trust Fund

Change In Portfolio

Portfolio Value on 12-31-13	\$47,610,843
Contributions	5,000,000
Withdrawals	0
Change in Market Value	1,724,977
Income Received	666,694
Portfolio Fees	-109,219
Portfolio Value on 07-31-14	\$54,893,295

Other Issues

- ▶ Accreditation
- ▶ Measure G
- ▶ RDAs
- ▶ Reserves
- ▶ 50% Law

Questions?

District Committee on Budget & Finance
Meeting Notes
September 16, 2014

Budget Update

Kathy Blackwood made a budget presentation to the SMCCCD Board on September 10, 2014, see PowerPoint presentation. Some of the highlights are:

- Property Tax is about 80% of our funding and the property tax increase for 14/15 is estimated at 5.82%
- Enrollment has not increased for residents, but up by an estimate of 20% for international students
- We continue to get funding from the Redevelopment Agency (RDA)
- Prop. 30 – The state is currently in year 3 of 7. Revenue will drop after FY 15/16 because the sales tax will be reduced December 2015. We will continue to get \$100 per FTES per year through the 7 year period.
- District refinanced our Bonds from 2001 and 2005, totaling about \$127.5M, getting a reduction in the interest rate. This will save the tax payers about \$20.5M
 - This was made possible because SMCCCD has received a AAA rating from Standard & Poor's Rating Services and from Moody's
 - AAA – Definition – Obligation rated AAA are judged to be of the highest quality, subject to the lowest level of credit risk (highest rating)
- Revenue and expenses were reviewed, see presentation for figures
- Community – Supported Status continues: SMCCCD is \$25M over the state revenue limit
- PERS and STRS are increasing each year through the 20/21 FY
 - 14/15 will see a \$350K increase
 - 15/16 will see a \$1M increase
 - It will continue to increase each year through 20/21, when PERS will be 20.4% and STRS will be 19.1%
- The District Retirement Trust Fund is currently 60% funded.
- Measure G ended in June 2014. We saved funds from FY 13/14 to carry us through the FY 14/15.
- For 14/15 SMCCCD has a cash reserve of 7%

Resource Allocation

Kathy Blackwood distributed two handouts regarding the status of the changes to the resource allocation model, see documents.

- The District has been working with the Cabinets from all 3 colleges throughout the summer
- Resources will not be determined by FTES. Instead there will be a base allocation for each location, the only growth will be related to international students, and there will be an adjustment for demonstrated need.
- Kathy will attend a future meeting to explain the changes

Submitted by: Barbara Lamson and Linda Whitten