

District Committee on Budget & Finance
Meeting Notes
April 21, 2015

Budget Update

Kathy Blackwood reported:

- The LAO current year receipts are \$1.3B more than originally forecasted. The upcoming year should be good. Kathy feels most of the items in the governor's budget will remain and additional funds will be distributed.
- The CCC system will probably get \$125-\$150M in new funds and \$150M in one-time funds.
- The Department of Finance asked the ACBO leadership how they would like the extra funds distributed. Our District and some others would like the additional funds to come out as restricted funds. That way, we (community based funded districts) would get a share. There were others who would like to see it as part of the base allocation. If that is the case, since we are community funded, we would not get any of the funds added to the base allocation.
- The COLA will probably go down slightly from the projected 1.58% to 1.02%, but that does not affect community based funded districts since we do not receive a state allocation for general funds.
- \$350M one-time funds for Community College Block Grants. This funding will cover unreimbursed mandated cost claims. SMCCCD share should be about \$6M.
- There is some talk about adding funds for Adjunct health insurance and office hours. We would get a share of these funds which will help since our current expenditures are greater than state funding.
- \$500M for the K-14 adult education programs. Of that \$350M will go to the K-12 Districts for maintenance of effort and \$150M to the Community College Consortiums. SMCCCD should get some of this funding.
- There are discussions about a statewide facilities improvement bond. The Governor is not in supporting this. He doesn't feel this should be done on a state level; it should be a local issue.
- The May revise will be available around May 8th and we will continue to develop our budget projections.

Budget Assumptions

- See Budget Update handout from Kathy Blackwood
- Kathy revised some of her assumptions.
 - She reduced the amount dedicated to the Innovation Fund from \$3M per year to \$1.5 M in 15/16 and 17/18 and \$2M in 16/17. Innovation funds become part of the following year's budget.
 - Reserves will be increased with one-time redevelopment agency funds.
 - KCSM TV will hopefully be sold at auction next spring, 2016. This will be a large amount of one-time funds that will help with capital expenditures. The original estimate was \$25M and the latest estimate has increased to perhaps even \$300M. Who knows?

Strategic Plan

- District Strategic Plan is moving along. A draft will be ready soon for review.
- The draft will go out to the college shared governance groups.

- It can be found online, on the main district website, go to the strategic plan link at <http://smccd.edu/strategicplanning/index.php>

P2 Information

- A graph of the enrollment data was distributed
- It shows, when unemployment is up enrollment is up and vice versa (current unemployment in San Mateo County is 3.5%)

Institutional Effectiveness

- IEPI goals
 - Out of the adopted framework, each college needs to choose 4 goals to complete during the current fiscal year
 - In June the three colleges will share the goals they have chosen with the SMCCCD Board. They will not be voting, this will be for information only.

Next meeting was scheduled for 5/19, this meeting will be postponed. There will be a place holder for a meeting on 5/26, but Kathy may send an email with the May budget revise information instead and then the meeting will be cancelled.

Submitted by: Barbara Lamson and Linda Whitten

BUDGET UPDATE
4/9/2015



SO, WHAT NOW?

- Change budget assumptions
- Spend wisely
- Not replace all positions
- Move some staffing onto other funds
- Keep a watch on the state budget

CHANGE BUDGET ASSUMPTIONS

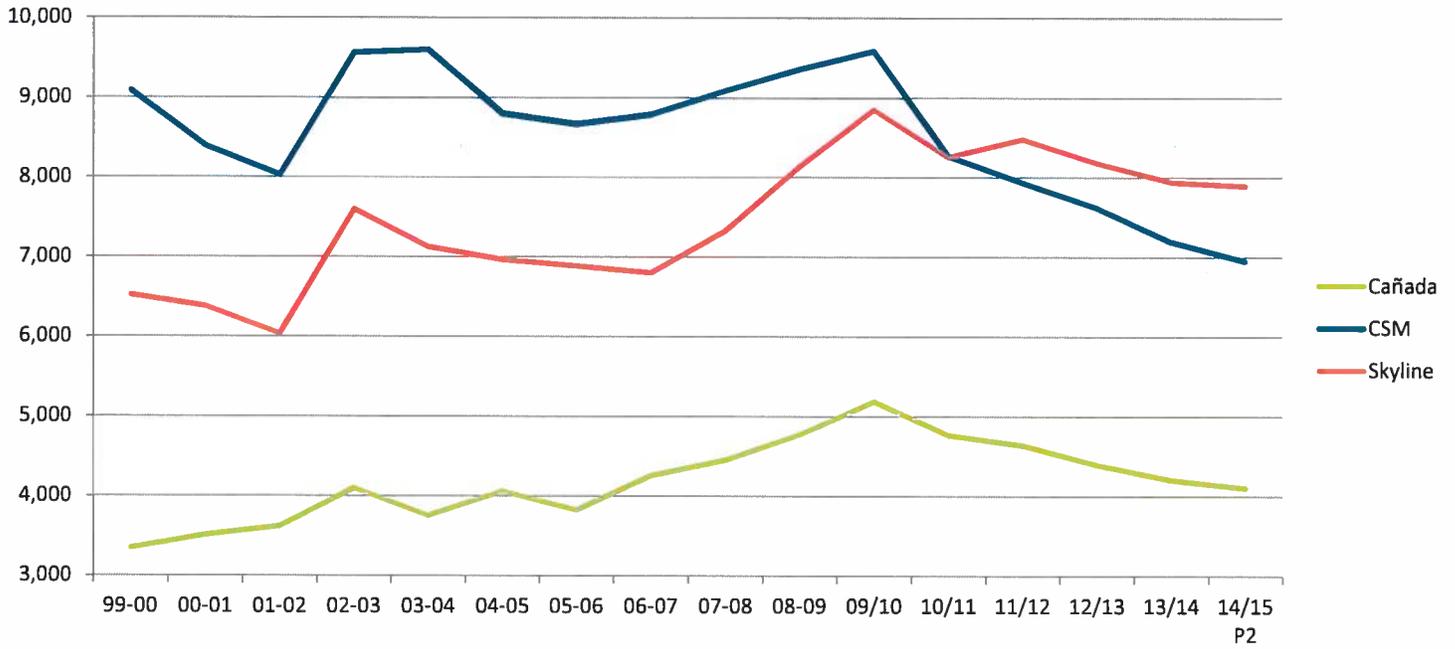
- Include total compensation in formula
- Account for staffing charged to Measure H
- Reduce allocation for Innovation Fund
- Account for increases in SSSP and Student Equity – transfer some Fund 1 expenses to Fund 3

NEW PROJECTIONS			
	15/16	16/17	17/18
Revenues \$	148,551,000	\$ 152,121,000	\$ 161,094,000
Expenses \$	144,384,000	\$ 154,079,000	\$ 163,302,000
Balance \$	4,167,000	\$ (1,958,000)	\$ (2,208,000)

INNOVATION FUND			
	15/16	16/17	17/18
Innovation Fund	\$1,500,000	\$2,000,000	\$1,500,000

- WHAT'S NEXT?**
- Governor's May Review
 - 2015/16 looks ok
 - Should provide a cushion for 2016/17 & 2017/18
 - Continue to delay staff hiring
 - Continue to look for new sources of revenue

College FTES



Non-Resident FTES

