

Addressing Budget Awareness Questions: Funding Categories

Thursday, October 8, 2026

ALUR Non-Position Request Priorities

SUBMITTED

\$1.1M

Total requested across ALUR non-position priorities

APPROVED

\$1.2M

Total funded across ALUR non-position priorities

Figures reflect non-position (non-staffing) ALUR funding requests.

Revenue Sources and Skyline's Control

Revenue Source	Skyline Control	Why
District Fund 1 Allocation	● Influence, not control	District RAM sets Skyline's allocation — \$63.54M + \$445K EPA for 2026–27.
Property Tax / Basic-Aid Revenue	● Essentially none	Generated District-wide from San Mateo County property values.
Resident Enrollment / FTES	● Indirect influence	Basic-aid status means FTES growth doesn't drive state apportionment.
International / Nonresident Tuition	● Significant influence	One of Skyline's clearest levers — recruit and retain directly.
Grants	● Significant influence	Skyline can pursue grants, though funds are restricted to purpose.
Foundation / Philanthropy	● Significant influence	Leadership can cultivate donors, but gifts may be restricted.
Facility Rentals / Partnerships / Contracts	● Some influence	Skyline can drive demand, subject to District policy.
Auxiliary / Enterprise Activity	● Limited	District Auxiliary Services centrally manages these; self-supporting.
Categorical Funding	● / ● Little control	Externally restricted; generally can't be redirected.

Source: SMCCD Resource Allocation Model and District Downloads.

What are the unique fund categories?



1

Fund 1

General Unrestricted

2

Fund 2

Self-insured liabilities

25

Fund 25

Debt service

3

Fund 3

Restricted Funds

4

Fund 4

Capital Projects

5

Fund 5

Bookstore, Cafeteria, SMAC

6

Fund 6

Child Development Fund

7

Fund 7

Student Financial Aid

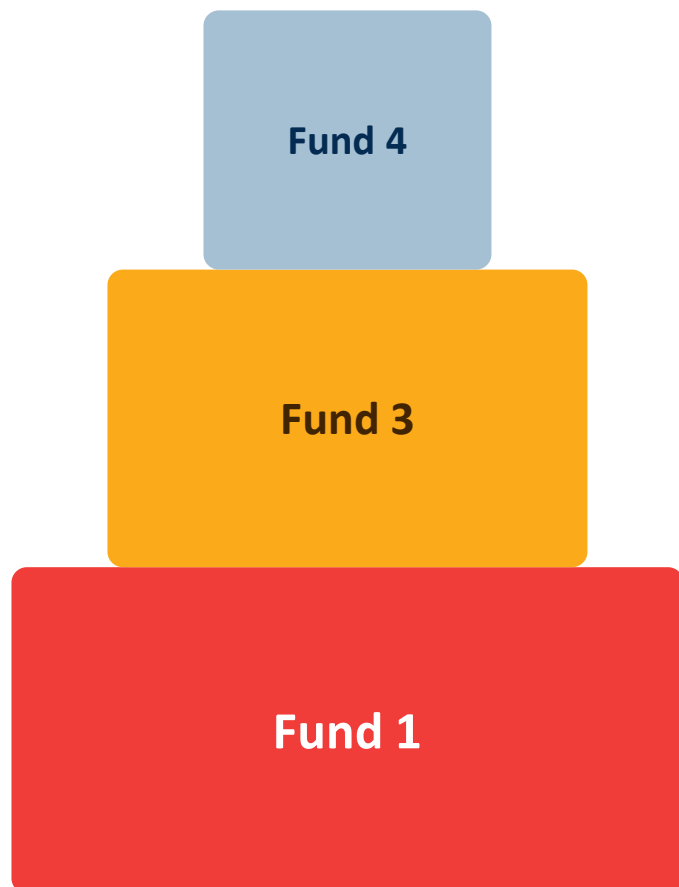
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Fund 8

Retirement Reserve Funds

Layer by layer: Skyline's budget structure

Fund 1 forms the foundation; Fund 3 and Fund 4 add targeted layers on top.



Top layer — Fund 4, capital projects

Capital Projects, including Fixed Furniture and Equipment (FFE), covers facilities improvements and related capital needs.

Middle layer — Fund 3, restricted grants and categorical

Supports specialized programs and roughly 61.3 FTE positions.

Foundation — Fund 1, unrestricted

Supports instruction, student services, administration, and facilities across 252.9 FTE.

\$64.0M

The FOAP structure

As used in Banner Finance at Skyline College and SMCCCD

F

Fund

Where the money comes from.

O

Organization

The department or budget unit.

A

Account

What was purchased or paid for —
the BAM's object classification.

P

Program

Why the money was spent — the
BAM's activity classification.

The simple version

ACCOUNT

What did we spend the money on?

PROGRAM

Why did we spend it? What purpose did it support?

Example BAM “activity” codes (the Program element)

6310 Counseling and Guidance

6460 Financial Aid Administration

6500 Operation and Maintenance
of Plant

6600 Planning / Policymaking /
Coordination

6720 Fiscal Operations

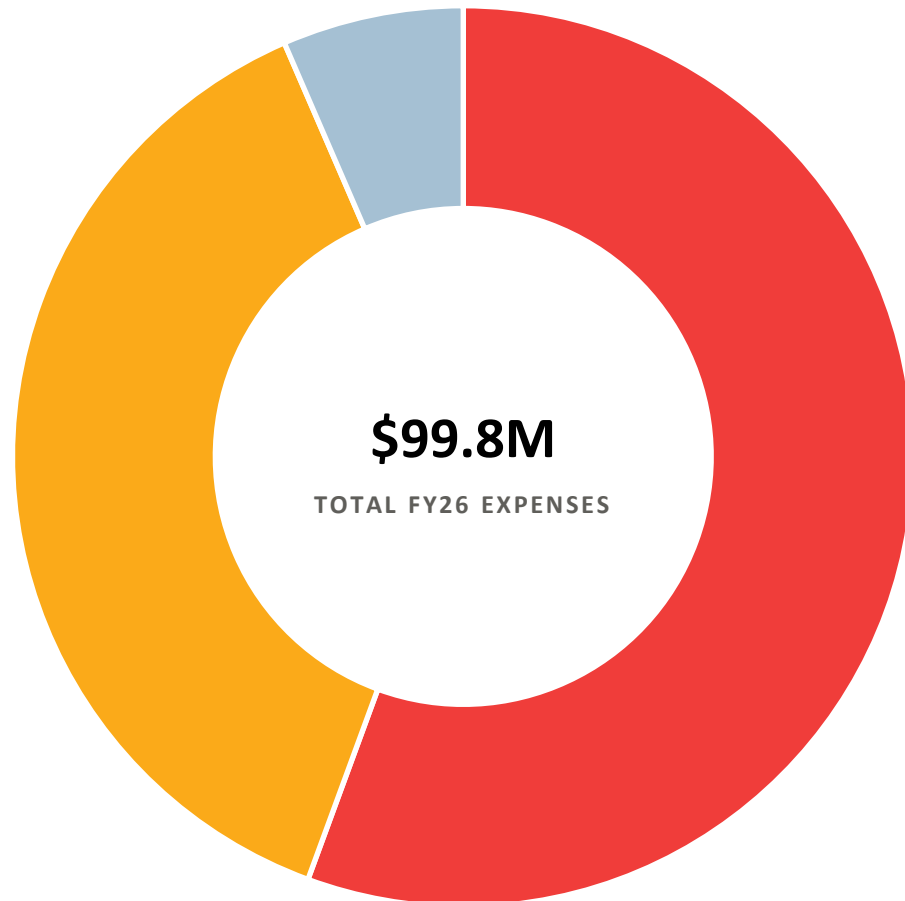
6750 Staff Development

Program is not an everyday “program” or department — it’s a purpose/activity code, and BAM notes one program’s costs may span several activity codes.

BAM = California Community Colleges Budget and Accounting Manual (2024 edition)

FY26 expenses by function

\$99.8 million total · Org 2001 omitted



Instruction **55.6%**

Direct classroom teaching and academic program delivery.

Student Services **37.9%**

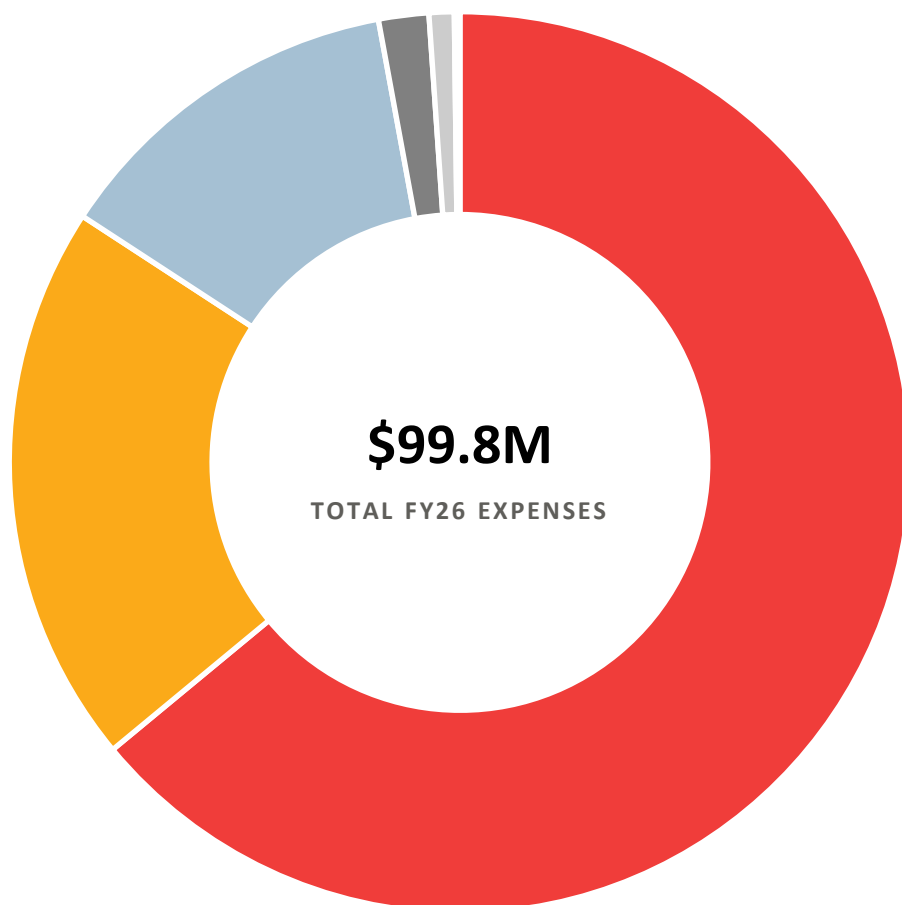
Counseling, admissions, financial aid processing, and other student support.

Administration **6.5%**

District and college leadership, operations, and support functions.

FY26 expenses by fund type

\$99.8 million total · Org 2001 omitted



	Fund 1 – General Unrestricted	64.0%
	Fund 3 – Grants, Contracts, External Sources	20.2%
	Fund 7 – Financial Aid	12.9%
	Fund 4 – Buildings, Equipment, Repairs	1.8%
	Fund 6 – CDLC	0.9%
	Fund 2 – Self Insurance	0.1%
	Fund 5 – Auxiliary Services	0.1%

Fund characteristics

Fund 1 — General Unrestricted Fund

RESTRICTION

Not for direct student aid

Fund 1 cannot be used for financial aid, grants, gift cards, books, or — in most cases — meals.

COVERS

Compensation adjustments

Under the district allocation model, Fund 1 is augmented for COLA, LSI (long service increments), step and column adjustments, and benefit cost increases.

RESPONSIBILITY

Other funds self-cover

All other funds must absorb those same compensation cost increases within their own budget allocation.

DISCIPLINE

Spending stays within budget

Total expenditures in each fund should not exceed its budget allocation.

Fund 3: Restricted Funds

FY25-26 RESTRICTED
EXPENSE UTILIZED

\$20.2M

What counts as Fund 3

Grants and contracts — sources that carry legally-binding “terms” for how the money can be used.

Why “term-restricted”?

These funds typically feature “terms” for use set by the awarding agency — which is why they’re called “restricted” or “term-restricted.” Spending must stay within those terms.

STATE

State of California

Primarily through categorical funding programs directed to specific purposes.

FEDERAL

Federal Government

Primarily through grants awarded directly to the College.

Fund 3: Restricted Funds

FY25-26 budgeted impact

BUDGETED SALARY AND BENEFITS FROM GRANT AND CATEGORICAL SOURCES

\$10.4M

61.3

FTE employees

Positions made possible by FY25-26 grant and categorical funding.

13.53

Faculty FTE

Of the 61.3 total FTE, this portion represents faculty positions.

District Budget FAQs

The most common questions from <https://smccd.edu/budget/>

- How is the District funded?
- How are funds allocated to the three colleges and District sites?
- Is the District facing a budget crisis?
- What is a “Community-Supported” district and how does that affect the budget?
- Why are allocations flattening in FY 2026–27?
- What did the District do about long-vacant funded positions?
- What is the District’s strategy for funding capital improvements, given the District lacks dedicated funds for that purpose?
- What is the Bridge Fund?
- What is the Bond Extension (Measure V) on the ballot in November 2026?
- What is the Long-Term Capital Improvement Savings Fund?
- What actions has the District taken to address fiscal accountability districtwide?
- What is instructional productivity (load), and why does it matter?

Thank you.

Questions about Skyline's budget?

Visit smccd.edu/budget for the full FAQ, adopted budget documents, and board packets.