



Santa Barbara City College 2021-22 Tentative Budget

Board of Trustees

June 24, 2021



Agenda

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



State Budget Update 2021-22

2021-22 State Budget:

On May 14, Governor Newsom released his May Revise for the 2021-22 fiscal year, which projects a \$75.7 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. The May Revise is not the final version of the 21-22 budget and additional changes are expected.

For California Community Colleges, the Governor's May Revise increases funding for one-time and ongoing programs and initiatives from \$729.6 million to \$1.7 billion (\$1 billion increase) and includes one-time investments such as student financial assistance, work-based learning, mental health, and student retention and (re)enrollment, and investments in online education infrastructure. The bulk of the one-time funding is concentrated in providing emergency financial assistance for students (\$250 million) and resources for their basic needs related to food and housing insecurity (\$100 million). Deferred Maintenance, one-time funding, increases from \$0 to \$314 million.

Ongoing Policy Adjustments

- COLA (Unrestricted General Fund) - \$296.5 million for a 4.05% COLA from ongoing apportionment. This new amount represents the forgone 2020-21 COLA of 2.31% combined with a revised 2021-22 COLA of 1.7%. (previously, 1.5% COLA was proposed for 2021-22) *Approximately \$3.3 million for SBCC in FY 21-22.*
- COLA (Restricted Funds) - \$8.4 million for a 1.7% COLA for the EOPS, DSPS, CalWORKs and the Campus Childcare programs. *Approximately \$92k for SBCC.*
- COLA (SEA Program & Strong Workforce) - \$36.2 million for a 5.0% COLA. *Approximately \$398k for SBCC.*
- Expansion of vocational training for ESL students - Proposed budget increases funding from \$0 to \$50.0 million. *Impact to SBCC is to be determined.*
- Establishment of Basic Needs Centers & Coordinators - Proposed budget increases funding from \$0 to \$30.0 million. *Impact to SBCC is to be determined.*

One-Time Policy Adjustments

- Deferred Maintenance and Instructional Equipment - Proposed budget increases funding from \$0 to \$314.0 million. *Approximately \$3.5 million for SBCC.*
- Emergency Financial Aid Grants - Unchanged at \$250.0 million. *Approximately \$2.8 million for SBCC.*
- Students' Basic Needs (food and housing insecurity) - Unchanged at \$100.0 million. *Approximately \$1.1 million for SBCC.*
- Support for implementation of Guided Pathways - Proposed budget increases funding from \$0 million to \$150.0 million. *Impact to SBCC is to be determined.*
- Support for retention and enrollment strategies (for colleges that have been disproportionately impacted by enrollment drops related to COVID-19) - Proposed budget increases funding from \$20 million to \$120.0 million. *Impact to SBCC is to be determined.*
- Establishment or expansion of dual enrollment through College & Career Access Pathways partnerships - Proposed budget increases funding from \$0 million to \$75.0 million. *Impact to SBCC is to be determined.*

Other

- Budget Deferrals - The Governor's May Revision proposes to completely retire budget deferrals.
- Capital Outlay - A total of \$35.0 million for the Physical Education Replacement Project (\$32.5 million in FY21-22).
- Pension Costs - While STRS rates will slightly increase from 16.15% to 16.92%, PERS rates will increase from 20.7% to 22.91%. *Approximate additional cost of \$750k-\$800k for SBCC.*



Tentative Budget Assumptions 2021-22



Budget Assumptions

Revenue - Primary Budget Assumptions Included in the Tentative Budget

- The state budget includes a 4.05% COLA (equates to approximately \$3.3M).
- Total Computational Revenue (TCR) assumes 21-22 will be funded based on stability protection funding, which is equivalent to the 20-21 calculated TCR plus the 4.05% COLA. This equates to a 21-22 TCR of approximately \$84.4M.
- Deferred maintenance and instructional equipment funding for 2021-22 is estimated at \$3.5M.
- Enrollment fee revenue declines by 4%, based on the Districts projection of a 4% decline in resident credit FTES from 2020-21 to 2021-22. *(Part of TCR)*
- The Enrollment fee will remain constant at \$46.00/unit.
- Out-of-state tuition revenue is projected to increase by 10% in fiscal year 2021-22 compared to projected FTES for fiscal year 2020-21. - *\$330,000 increase from \$3.31M to \$3.64M*
- International tuition revenue is projected to increase by 5% in 2021-22 in fiscal year 2021-22 compared to projected FTES for fiscal year 2020-21. - *\$175,000 increase from \$3.52M to \$3.7M*

Expenditures - Primary Budget Assumptions Included in the Tentative Budget

- Short-term employees (staff/student) budget assumptions:
 - Short-term employee's budget will be approximately \$746,000.
 - UGF Tutorial budget will remain flat at \$610,000.
 - Reader budget remains flat at \$75,000.
- Employer contributions towards health benefits will increase by 2.2% in 2021-22.
- The CalPERS employer contribution rate increases from 20.7% to 23.0%.
- The CalSTRS employer contribution rate decreases from 16.15% to 15.92%.
- Marketing budget increases by \$130,000
- Diversity, Equity, and Inclusion (DEI) expenditure budget established within the UGF of \$75,000
- Funds from HEERF III for recovery of lost revenues of international and out-of-state tuition will be transferred to the UGF and then utilized to cover general operating salaries and expenditures.

Transfer Assumptions

- Transfer OUT from UGF to the Children's Center Fund \$0. (*HEERF covers Children's Center Fund lost revenues.*)
- Transfer OUT from UGF to the Construction Fund for emergency campus maintenance - \$500,000.
- Transfer OUT from UGF to the Equipment Fund for program review items is \$200,000 for 2021-22.
- Transfer OUT from UGF to the Equipment Fund for equipment and IT refresh \$400,000.
- Transfer OUT from UGF to Food Service Fund \$0. (*HEERF covers Food Service lost revenues.*)
- Transfer OUT from UGF to Parking Fund \$0. (*HEERF covers Parking Fund lost revenues.*)
- Transfer OUT from UGF to Self-Insurance Fund for liability insurance payments \$700,000.
- 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) *Approximately \$150,000.*
- Transfer Out from UGF to Foundation \$200,000.



2021-22 Tentative Budget
Unrestricted General Fund
&
Other Details

“The Numbers”

Unrestricted General Fund

	2020-21 Adopted Budget	2020-21 Adjusted Budget	2021-22 Tentative Budget
Revenue			
Federal Revenue	\$0	\$4,638,647	\$0
State Revenue	42,849,000	42,849,000	45,112,415
Local Revenue	49,068,800	50,189,933	51,825,400
Total Revenue	\$91,917,800	\$97,677,580	\$96,937,815
Expenses			
Certificated Salaries	\$ 41,206,302.73	\$ 41,345,418.63	\$ 42,442,125
Classified Salaries	21,121,993	20,942,820	21,994,729
Employee Benefits	22,960,129	23,019,494	21,476,835
Materials & Supplies	1,621,255	2,056,996	1,645,650
Operating Expenses	8,980,042	10,024,951	12,877,541
Capital Outlay	423,100	1,290,680	424,500
Total Expenses	\$96,312,822	\$98,680,360	\$100,861,381
Transfers & Other			
Transfers In	-	-	6,370,000
Other Sources	1,975,000	2,115,491	3,563,000
Transfers out	(2,505,000)	(2,185,000)	(2,000,000)
Contingency	-	-	(3,280,000)
Other Out Go	(10,000)	(510,000)	(10,000)
Total Transfers/Other	(\$540,000)	(\$579,509)	\$4,643,000
Fund Balance			
Net Change in Fund Balance	(\$4,935,022)	(\$1,582,289)	\$719,434
Beginning Balance, July 1	25,428,798	25,428,798	23,846,509
Adjustments to Beginning Balance	0	0	0
Net Fund Balance, June 30	\$20,493,776	\$23,846,509	\$24,565,944

General Fund Reserve Details

	June 30, 2020 Actual Ending Balance	June 30, 2021 Adjusted Budget Ending Balance	June 30, 2022 Adopted Budget Ending Balance
Designated:			
State Mandated Contingency (5%)	\$ 5,268,121	\$ 4,934,018	\$ 5,043,069
General Apportionment Deferral			
Additional Reserve required to meet 15% Principle	15,804,364	14,802,054	15,129,207
Total Designated	\$ 21,072,486	\$ 19,736,072	\$ 20,172,276
Undesignated:			
	\$ 4,356,312	\$ 4,110,437	\$ 4,393,667
Total Fund Balance	\$ 25,428,798	\$ 23,846,509	\$ 24,565,944
<i>% Designated Ending Balance/Expenditures</i>	21.60%	18.81%	20.50%
<i>% Total Ending Balance/Expenditures</i>	24.63%	22.72%	24.97%

Capital Projects Fund Reserve Details

	June 30, 2021		2021-22		2021-22		June 30, 2022
	Estimated		Revenues	Expenses	Intrafund	Transfers From	Tentative
	Ending				Transfers	UGF	Budget Ending
	Balance						Fund Balance
Fund Balance							
Equipment Fund							
Equipment Replacement	\$ 2,085,336	\$	20,000	\$ (600,000)		\$ 400,000	\$ 1,905,336
Ergonomic Furniture & Equipment	22,625	\$	50,000	\$ (50,000)			22,625
Instructional Equipment Block Grant	142,955			(125,000)			17,955
Total Equipment Fund Balances	2,250,916		70,000	(775,000)	-	400,000	1,945,916
Construction Fund							
Construction	\$ 2,923,069	\$	550,000	\$ (1,000,000)	\$ -	\$ 500,000	\$ 2,973,069
Campus Center	-		-	-	-	-	0
PE Building	6,854,981		-	-	-	-	6,854,981
State Maintenance	549,349		3,500,000	(2,000,000)	-	-	2,049,349
Energy Efficiency	-		-	-	-	-	0
La Playa Turf Replacement	142,701		-	-	-	-	142,701
Classroom Improvement	0		-	-	-	-	0
Total Construction Fund Balances	10,470,099		4,050,000	(3,000,000)	-	500,000	12,020,099
Total Fund Balance	\$ 12,721,015	\$	4,120,000	\$ (3,775,000)	\$ -	\$ 900,000	\$ 13,966,015

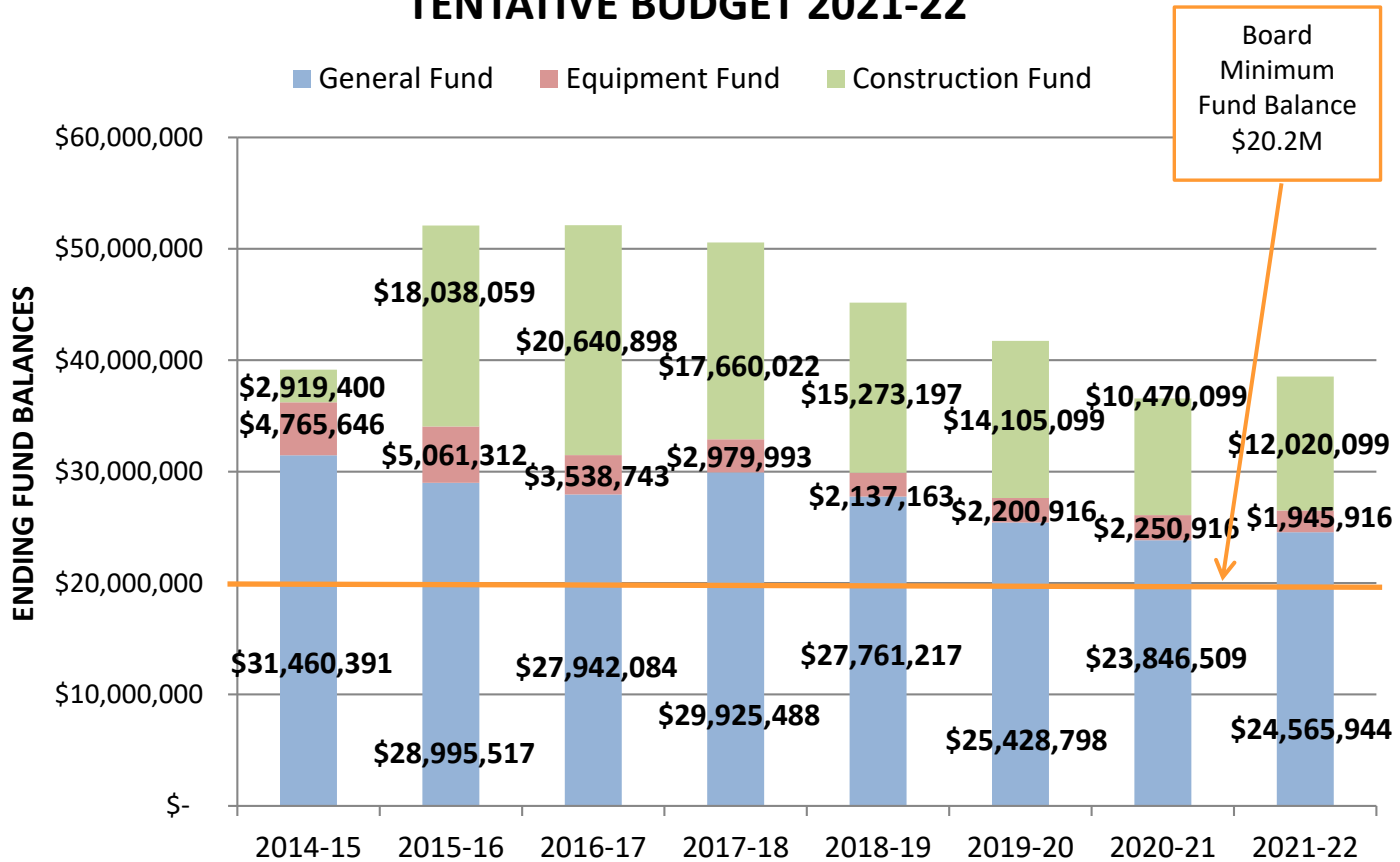


Fund Balances & Projections



Fund Balances

TENTATIVE BUDGET 2021-22



5 Year Fiscal Projections

	2021-22 Tentative Budget	2022-23 Projected Budget	2023-24 Projected Budget	2024-25 Projected Budget	2025-26 Projected Budget
Total Revenues	103,857,815	101,134,815	105,200,815	109,232,815	110,584,815
Expenditures					
Salaries & Benefits	85,913,690	86,563,690	87,251,190	89,338,690	91,426,190
Operations	11,510,191	12,010,191	12,435,191	12,860,191	13,185,191
Capital Outlay	424,500	424,500	424,500	424,500	424,500
Other Expenditures	3,290,000	2,290,000	2,290,000	2,290,000	2,290,000
Transfers Out	2,000,000	2,225,000	2,350,000	2,475,000	2,600,000
Total Expenditures	103,138,381	103,513,381	104,750,881	107,388,381	109,925,881
Net Change In Fund Balance	719,434	(2,378,566)	449,934	1,844,434	658,934
Beginning Fund Balance	25,698,213	26,417,647	24,039,081	24,489,015	26,333,449
Change in Fund Balance	719,434	(2,378,566)	449,934	1,844,434	658,934
Ending Fund Balance	26,417,647	24,039,081	24,489,015	26,333,449	26,992,383
Board Policy Designated Reserve	20,227,676	20,257,676	20,480,176	20,982,676	21,465,176
Amount Over / (Under) Board Designated Reserve	6,189,971	3,781,405	4,008,839	5,350,773	5,527,207

Primary assumptions: COLA of approximately 1.5% year over year, no changes in resident FTES, increases in nonresident FTES through 2024-25 to peak levels experienced from 2015-2018, and budget stabilization actions implemented from 2021-22 through 2023-24.



Questions?