

2022-23 ADOPTED BUDGET

SMCCCD BOARD MEETING
SEPTEMBER 8, 2022



SAN MATEO COUNTY
COMMUNITY
COLLEGE DISTRICT

Budget Highlights



- ▶ 2022-23 Budget is balanced
- ▶ Property taxes projected to increase 8.34% over 2021-22
- ▶ Funding set aside to support Strategic Plan Initiatives
- ▶ The reserves are, as planned, at 15%

Overview



- ▶ Budget Guidelines
- ▶ State Budget
- ▶ SMCCCD 2022-23 Adopted Budget Assumptions (Unrestricted General Fund Summary)
- ▶ 2022-23 Initiatives to Support Students and Community
- ▶ PERS and STRS Rates Impact on SMCCCD
- ▶ SMCCCD 2022-23 Adopted Budget (Unrestricted General Fund Summary)
- ▶ Adopted Budget - All Funds
- ▶ Looking Ahead
- ▶ Summary

Budget Guidelines



- ▶ Address Board goals and District Strategic Plan
- ▶ Balanced budget projections through 2024-25
- ▶ Maintain adequate reserves
- ▶ Use one-time funds for one-time expenses
- ▶ Support College budgeting priorities in accordance with participatory governance protocols and accreditation standards

State Budget



▶ Ongoing:

- ▶ \$830.4 million including a technical adjustment and re-appropriation from 2021-22 to increase funding for the Student Centered Funding Formula.
- ▶ \$200 million to augment part-time faculty health insurance claims.
- ▶ \$250.1 million to augment student success completion grants.
- ▶ \$75 million to increase support for the SEA, EOPS, and DSPS Programs (\$25 million each).
- ▶ \$65.74 million to provide a 6.56% COLA to various categorical programs.
- ▶ \$50 million to increase support for CARE, Student Housing, Classified Employee Summer Assistance Program, Equal Employment Opportunities, and Basic Needs Centers (\$10 million each).
- ▶ \$30 million to increase support for the Next Up Program.
- ▶ \$25.7 million to augment the MESA Program.
- ▶ \$24 million to modernize technology and protect sensitive data.

State Budget



▶ Ongoing (continued):

- ▶ \$18.7 million to expand eligibility for the CA Promise Waiver to returning students.
- ▶ \$15 million to increase support for the Rising Scholars Network.
- ▶ \$8 million to establish an Asian American, Native Hawaiian, Pacific Islander SEA Program.
- ▶ \$7.5 million to increase funding for Apprenticeship Programs.
- ▶ \$7.3 million to increase support for financial aid administration, including a technical adjustment.
- ▶ \$3 million to increase support for the Puente Project.
- ▶ \$1.1 million to expand A2MEND.
- ▶ \$1 million to increase support for the Umoja Program.
- ▶ \$.5 million to backfill the anticipated decrease in Federal funding for the Foster and Kinship Care Education Program.

State Budget



▶ One-Time:

- ▶ \$840.7 million to address deferred maintenance.
- ▶ \$650 million in COVID-19 block grants to address pandemic-related issues.
- ▶ \$171.5 million for local district efforts and initiatives.
- ▶ \$150 million to support retention and enrollment strategies.
- ▶ \$130 million to support health-care focused vocational pathways.
- ▶ \$105 million to implement a common course numbering system
- ▶ \$75 million to modernize technology and protect sensitive data. (Along with the afore-mentioned on-going allocation.)
- ▶ \$65 million to implement transfer reforms of AB 928.
- ▶ \$64 million to implement equitable placement and completion practices.

State Budget



▶ **One-time (continued):**

- ▶ \$45 million to implement CA Healthy School Meals Pathway Program.
- ▶ \$30 million to create a Native American Student Support and Success Program.
- ▶ \$30 million to establish a Hire UP pilot program.
- ▶ \$25 million to implement program pathways mapping technology.
- ▶ \$20 million in emergency financial assistance grants to AB 540 students.
- ▶ \$20 million in one-time funds for culturally competent professional development.

Adopted Budget Assumptions



- ▶ Property tax increase: 8.34%
- ▶ Enrollment:
 - ▶ Resident FTES 12,357
 - ▶ .97% projected decline from 2021-22
 - ▶ Out-of-State FTES 435
 - ▶ 2% projected decline from 2021-22
 - ▶ Apprenticeship FTES 113
 - ▶ 12% projected increase from 2020-21
 - ▶ International FTES 499
 - ▶ 13.8% projected increase from 2021-22
- ▶ Student Enrollment Fees:
 - ▶ Resident Tuition: \$46/unit – no increase
 - ▶ Non-resident Tuition: \$290/unit
- ▶ Proposition 55 (EPA): \$100/FTES (prior three year average)
- ▶ Lottery: \$170/FTES
- ▶ Mandated Cost Block Grant: \$32.68/FTES
- ▶ Inflation: 5.75% based on CA CPI

2022-23 Initiatives



- ▶ Free College Strategic Initiative
 - ▶ \$2.9 million one-time carryover for the Promise Scholars Program support
 - ▶ \$1.2 million one-time carryover for Open Educational Resource (OER) and Zero Textbook Cost (ZTC)
 - ▶ \$2.1 million one-time carryover for College and Career Access Pathways (CCAP) Dual Enrollment
 - ▶ \$.3 million contingency
- ▶ Promise Scholars Program
 - ▶ \$1 million from the County to be used as direct aid to students (fees, books, etc.)
 - ▶ \$1.6 million California College Promise-AB 19 (estimate)
 - ▶ \$400,000 Foundation
 - ▶ \$300,000 Housing

2022-23 Initiatives

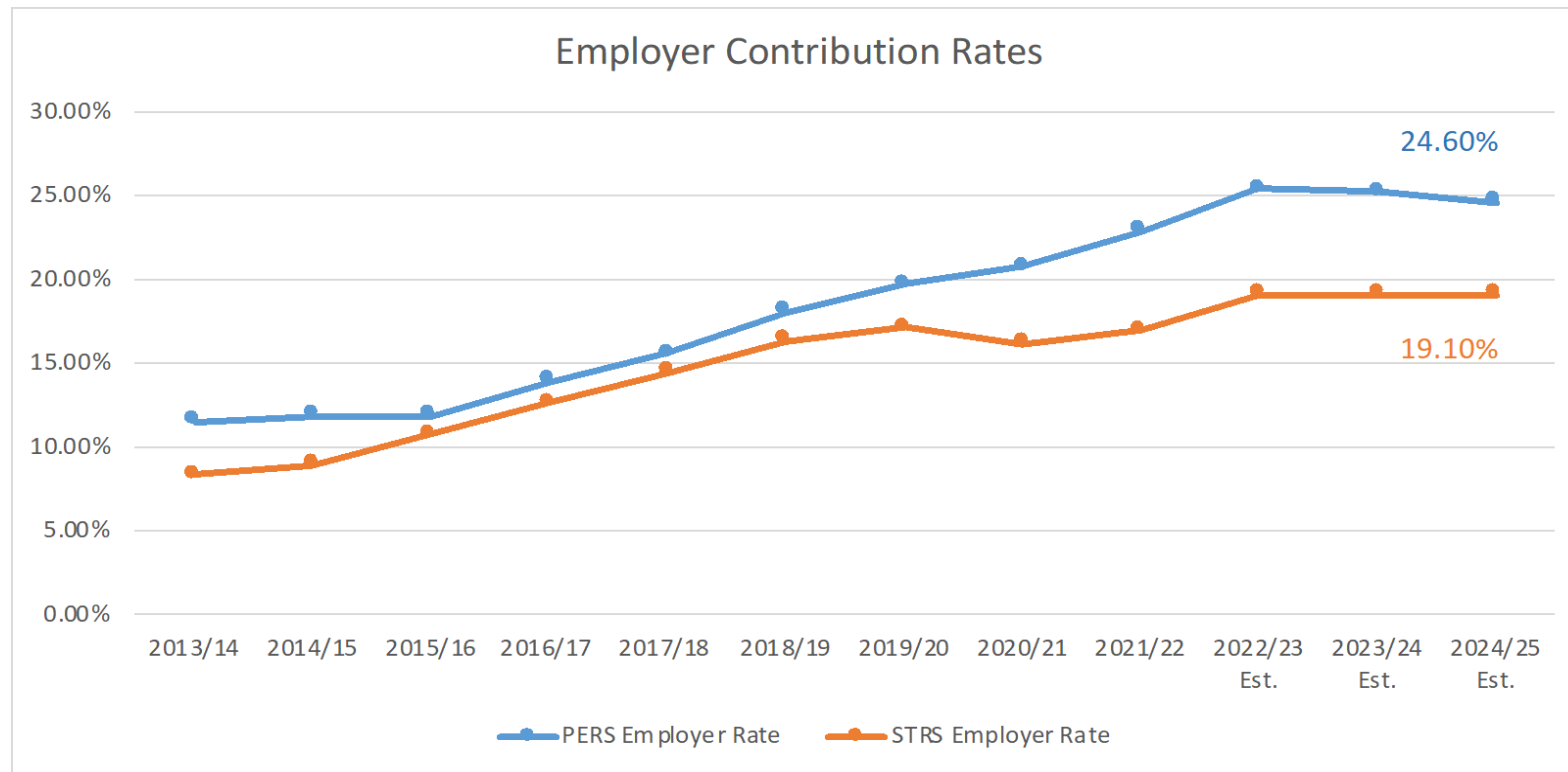


- ▶ \$6 million one-time for implementation of SB893.
- ▶ \$2 million set-aside for Strategic Initiatives to be used to offset revenue loss from waiver of parking fees and health fees for 2022-23.
- ▶ Basic Needs:
 - ▶ \$1 million Food Insecurity Initiative.
 - ▶ \$42,000 one-time carryover plus \$90,000 from State Restricted Lottery for Housing Insecurity.
- ▶ COVID-19 mitigation
 - ▶ \$2 million one-time emergency reserves (carryforward).
 - ▶ \$8 million Discretionary State Block Grant (estimated).
 - ▶ \$4.5 million HEERF (carryforward).

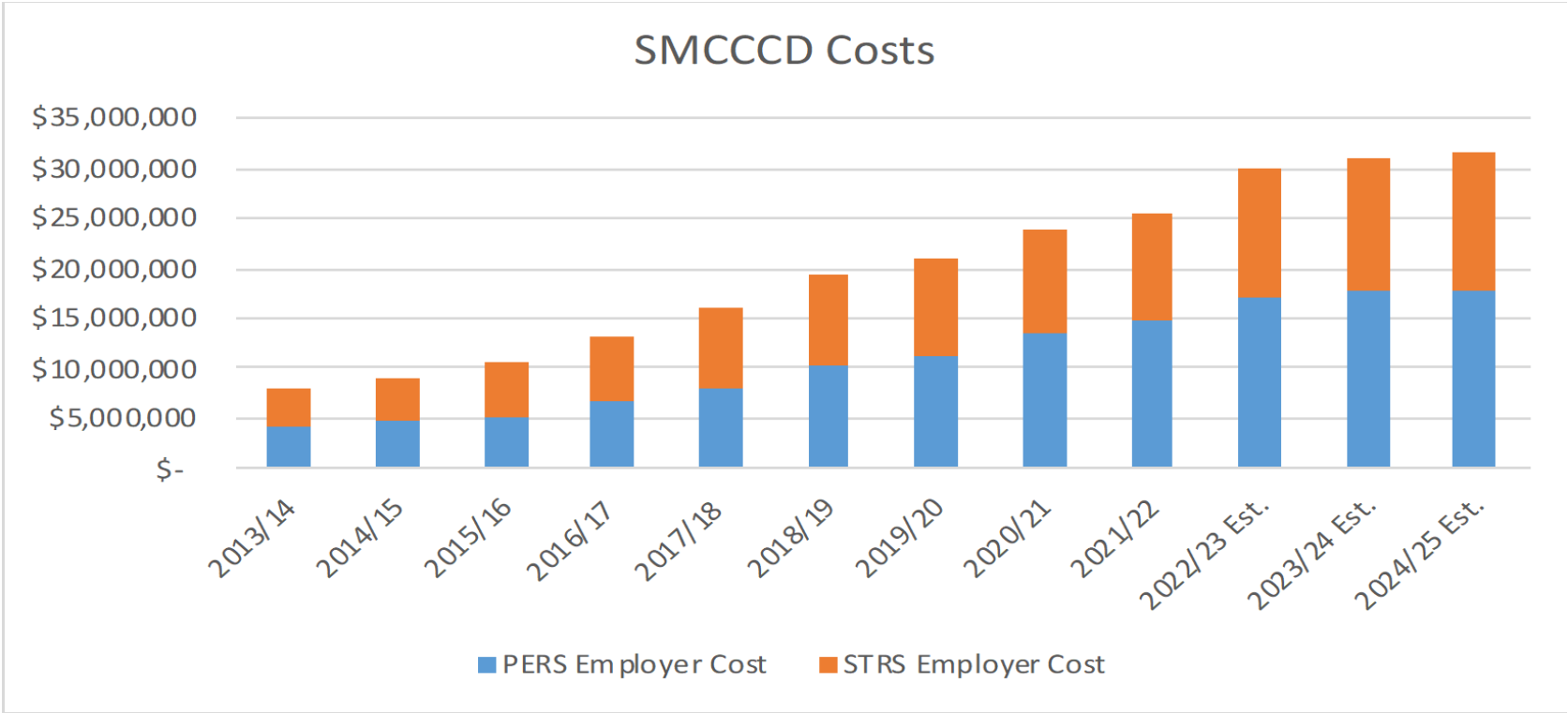
50% Law - Continued Commitment

- ▶ District continues to be committed towards compliance:
 - ▶ In 2020-21, the District allocated \$700,000 to convert part-time faculty to full-time faculty and an additional \$600,000 to increase part-time faculty parity for a total of \$1.3 million.
 - ▶ In 2021-22, the District allocated \$1.5 million to increase part-time faculty parity.
 - ▶ In 2021-22, the State provided \$1.5 million to increase the number of full-time faculty.
 - ▶ These funds will be committed for most part in 2022-23 when new faculty are hired
 - ▶ Total on-going allocation: \$4.3 million
- ▶ Based on calculations and projections as of this moment (adopted budget assumptions on enrollment, budgeted expenses, etc.): 50% Law calculation is estimated to be approximately 42.34% for 2022-23.

PERS and STRS Rates Impact on SMCCCD



PERS and STRS Rates Impact on SMCCCD



Unrestricted General Fund Revenue



	Adopted 2021-22	Tentative 2022-23	Adopted 2022-23	Variance between Tentative and Adopted
Property Taxes	\$172,178,871	187,618,057	186,873,741	(744,316)
RDA Funds	14,867,919	14,773,536	14,699,049	(74,487)
Student Fees	7,887,602	8,635,236	7,916,079	(719,157)
Non-resident Tuition (int'l and out-of-state)	6,478,424	6,236,525	6,273,355	36,830
EPA	1,414,825	1,299,719	1,299,004	(715)
STRS on Behalf	4,488,329	4,488,329	6,180,422	1,692,093
Other Rev/Tsfrs	11,906,164	10,369,396	9,984,375	(385,021)
TOTAL	\$219,222,133	233,420,797	233,226,025	(194,772)

Minor differences in dollar amounts due to rounding

Unrestricted General Fund Expense

	Adopted 2021-22	Tentative 2022-23	Adopted 2022-23	Variance between Tentative and Adopted
Site Allocations	178,315,678	187,622,004	183,174,343	(4,447,661)
Other Benefits	250,000	250,000	250,000	-
STRS on Behalf	4,488,329	4,488,329	6,180,422	1,692,093
Utilities	5,156,812	5,184,723	6,888,047	1,703,324
Districtwide Technology	4,876,481	5,045,472	4,983,679	(61,793)
Salary Commitments /Office Hours	9,428,198	14,685,075	15,621,098	936,023
Strategic Initiatives /Fee Waiver offset	-	2,000,000	2,000,000	-
Insurance	2,951,767	3,060,687	3,047,780	(12,907)
Other	13,754,866	11,084,508	11,080,655	(3,853)
Total	219,222,131	233,420,797	233,226,025	(194,772)

Budget Summary



	2022-23 Unrestricted General Fund Expenditure Plan (Budget) (Excluding PY Carryover)	Prior-Year Carryover Sites / DW One-Time	Restricted for Free College One-Time	Total Adopted 2022-23 Budget
INCOME				
TOTAL INCOME	\$ 233,226,025	\$ 0	\$ 0	\$ 219,222,131
EXPENSES				
TOTAL EXPENSES	\$ 218,491,858	\$ 18,612,625	\$ 6,526,876	\$ 237,237,260
TOTAL TRFs/OTHER SOURCES	\$ (14,734,168)	\$ 0	\$ 0	\$ (12,691,549)
FUND BALANCE				
Net Change in Fund Balance	\$ (1)	\$ (18,612,625)	\$ (6,526,876)	\$ (25,139,502)
Beginning Balance (Colleges, CS, DO accounts), July 1	0	18,612,625	0	18,612,625
Rrestricted Beginning Balance, July 1	0	0	6,526,876	6,526,876
15% Reserves/Beginning Fund Balance*	32,501,448	0		32,501,448
Total Beginning Fund Balance	32,501,448	18,612,625	6,526,876	57,640,950
Adjustments to Beginning Balance	0	0	0	0
NET FUND BALANCE, June 30	\$ 32,501,448	\$ 0	\$ 0	\$ 32,501,448

*Includes Fair Market Value Adj (GASB Entry)

Adopted Budget – All Funds



Fund	2022-23 Final Adopted Budget
Unrestricted General Fund	\$258,365,527
Self-Insurance Fund	3,401,410
Debt Service Fund	60,774,040
Restricted General Fund	79,149,025
Capital Projects Fund	49,445,469
Set-Aside for SB893	6,000,000
Bookstore Fund	5,332,590
Cafeteria Fund	250,200
College of San Mateo Athletic Center	3,781,515
Canada College Athletic Center	2,993,816
Community, Continuing, and Corp Ed	1,214,633
Child Development Fund	1,475,992
Trust Funds (Financial Aid)	16,151,540
Reserve for Post-Retirement Benefits	<u>7,373,641</u>
TOTAL	\$495,709,498

Capital Outlay



- ▶ Spending down GO Bond funds (Measure H)
- ▶ \$11.9M in Scheduled Maintenance/Instructional Equipment funds allocated in this year's State Budget for SMCCCD

Retirement Trust Fund - OPEB



Change In Portfolio	
Portfolio Value 7-1-2021	157,188,015
Change in Market Value	(37,587,706)
Income Received	9,003,945
Portfolio Fees	<u>(542,061)</u>
Portfolio Value 6-30-2022	128,062,194
Net OPEB Liability 6-30-2022	<u>124,155,591</u>
(Under)/ Over Funded	3,906,603

Minor differences in dollar amounts due to rounding

Looking Ahead



▶ **2023-24 and 2024-25 Considerations:**

- ▶ Property taxes
- ▶ Enrollment
- ▶ Insurance
- ▶ Initiative expansion/addition
 - ▶ Potential impact of SB 893
- ▶ Auxiliary Operations
- ▶ Covid-19 impact – on-going costs
- ▶ Inflation on operating expenses

Summary



- ▶ 2022-23 Budget is balanced
- ▶ Budget is guided by the District's Strategic Plan
- ▶ Provides resources for:
 - ▶ Students
 - ▶ Employees
 - ▶ Community
- ▶ The reserves are, as planned, at 15%
- ▶ Resources set aside for:
 - ▶ Strategic Initiatives
 - ▶ Covid-19 mitigation
- ▶ 2022-23 Final Budget is ready for adoption



QUESTIONS?

Thank You!