

# 2023-24 ADOPTED BUDGET

SMCCCD BOARD MEETING  
SEPTEMBER 13, 2023



SAN MATEO COUNTY  
**COMMUNITY**  
COLLEGE DISTRICT

# Budget Highlights



SAN MATEO COUNTY  
**COMMUNITY**  
COLLEGE DISTRICT

- ▶ 2023-24 Budget is balanced
- ▶ Property taxes projected to increase 6.87% over 2022-23
- ▶ Funding set aside to support community priorities
- ▶ The reserves are, as planned, at 15%
- ▶ Colleges set aside funds for capital projects not funded by general obligation bonds

# Overview



SAN MATEO COUNTY  
**COMMUNITY**  
COLLEGE DISTRICT

- ▶ Budget Principles
- ▶ State Budget
- ▶ SMCCCD 2023-24 Adopted Budget Assumptions (Unrestricted General Fund Summary)
- ▶ 2023-24 Initiatives to Support Students and Community
- ▶ PERS and STRS Rates Impact on SMCCCD
- ▶ SMCCCD 2023-24 Adopted Budget (Unrestricted General Fund Summary)
- ▶ Adopted Budget - All Funds
- ▶ Looking Ahead
- ▶ Summary

# Budget Principles



SAN MATEO COUNTY  
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- ▶ Address Board goals and District Strategic Plan
- ▶ Balanced budget projections through 2025-26
- ▶ 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 Impact on SMCCCD



- ▶ **Ongoing:**

- ▶ **Increase**

- ▶ \$97.4 million increase to provide an 8.22% COLA to various categorical programs

- ▶ **Decrease**

- ▶ \$3.1 million reduction to account for a workload adjustment associated with financial aid administration

# State Budget Impact on SMCCCD



## ▶ One-Time:

### ▶ Increase

- ▶ \$14 million in workforce training grants
- ▶ \$4.2 million for the Equal Employment Opportunity Program

### ▶ Decrease

- ▶ \$50 million to support retention and enrollment strategies
  - ▶ \$55.4 million reduction from the prior-year allocation, for a net reduction of \$5.4 million
- ▶ \$5.7million for deferred maintenance
  - ▶ \$500 million reduction from the prior year allocation, for a net reduction of \$494.3 million

# Adopted Budget Assumptions



- ▶ Property tax increase: 6.87%
- ▶ Enrollment:
  - ▶ Resident FTES 13,367
  - ▶ Out-of-State FTES 490
  - ▶ Apprenticeship FTES 94
  - ▶ International FTES 537
- ▶ Student Enrollment Fees:
  - ▶ Resident Tuition: \$46/unit – no increase
  - ▶ Non-resident Tuition: \$358/unit
- ▶ Proposition 55 (EPA): \$100/FTES (prior three year average)
- ▶ Lottery: \$177/FTES
- ▶ Mandated Cost Block Grant: \$35.37/FTES
- ▶ Inflation: 3.55% based on CA CPI

# 2023-24 Community Priorities



- ▶ SB893 Free College Initiative
  - ▶ \$7.7 million in ongoing funds
  - ▶ \$2 million to offset impact of Health Fee and Parking Fee waiver
  - ▶ \$4.6 million one-time carryover from 2021-22 and 2022-23 for Free College Infrastructure (i.e., implementation of OER ZTC, Dual Enrollment, and PSP support)
- ▶ Promise Scholars Program
  - ▶ Foundation \$400k
  - ▶ Housing Fund \$300K
  - ▶ State Resources (AB19) \$1.7 million



# 2023-24 Community Priorities



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- ▶ Basic Needs:
  - ▶ \$1 million Food Insecurity Initiative
  - ▶ \$200K Housing Insecurity
  
- ▶ Cañada College Child Development Center
  - ▶ \$5.8 million

# 2023-24 Community Priorities

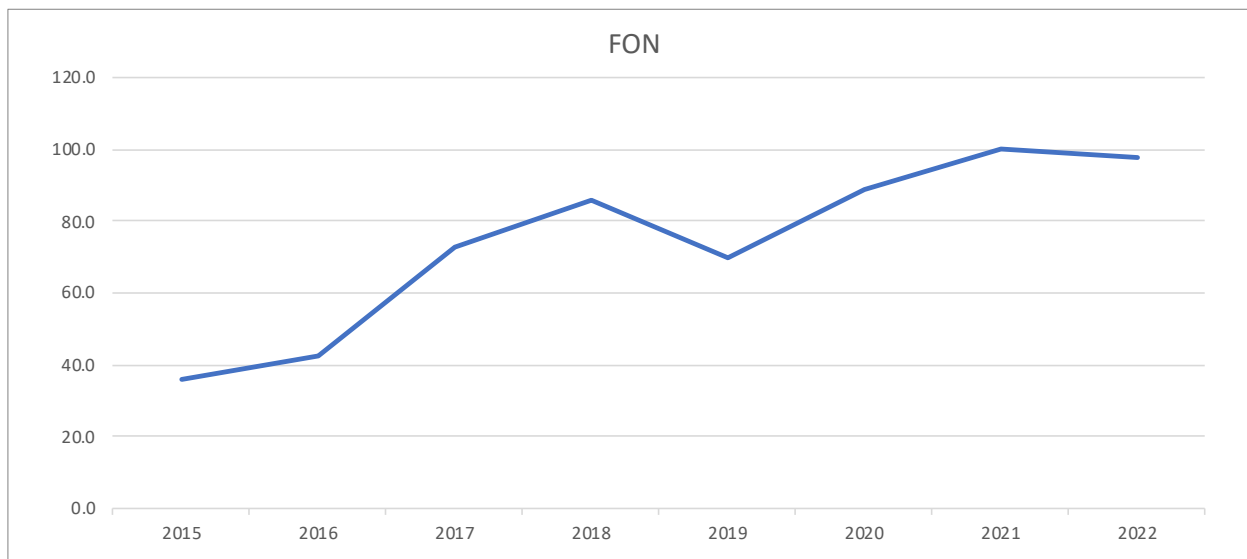


- ▶ COVID-19 mitigation/Emergency Response
  - ▶ No additional HEERF funding
  - ▶ COVID-19 Recovery Block Grant carryover (\$6.9 million)
    - ▶ \$400K was used to retire students' debt in 2022-23
- ▶ Enrollment Recovery and Reengagement
  - ▶ \$2.1 million allocation from the Covid-19 Recovery Block grant
  - ▶ \$1.65 million State funding for retention and outreach

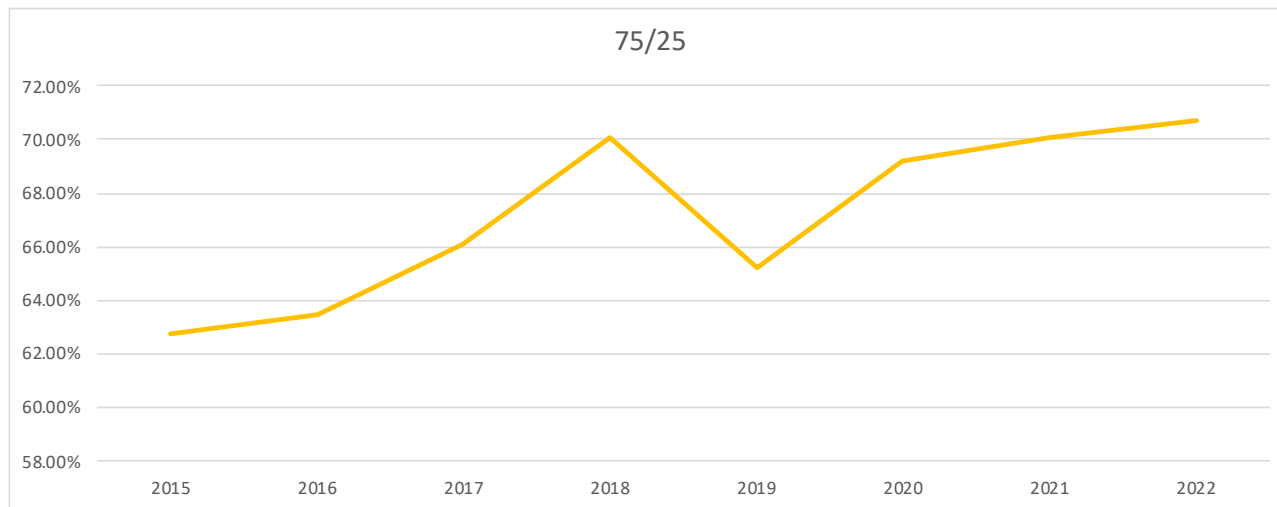
# 50% Law - Continued Commitment

- ▶ 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.
  - ▶ The District has defined part-time faculty parity as 85% of full-time regular compensation and is committed to achieving this goal over time.
  - ▶ 2022-23 According to negotiated agreement, the District has placed instructional adjunct faculty on a schedule that includes the same number of columns and steps that appear on salary schedule for full-time faculty.
- ▶ 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 41.09% for 2023-24.

# FON (above required)



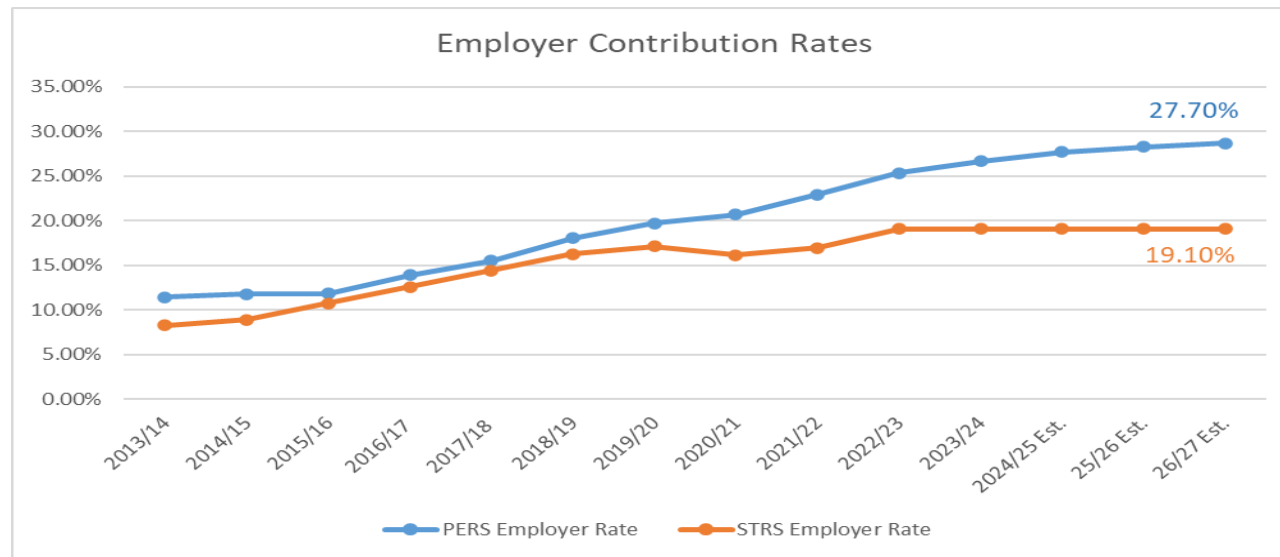
# 75/25 Ratio



# PERS and STRS Rates Impact on SMCCCD



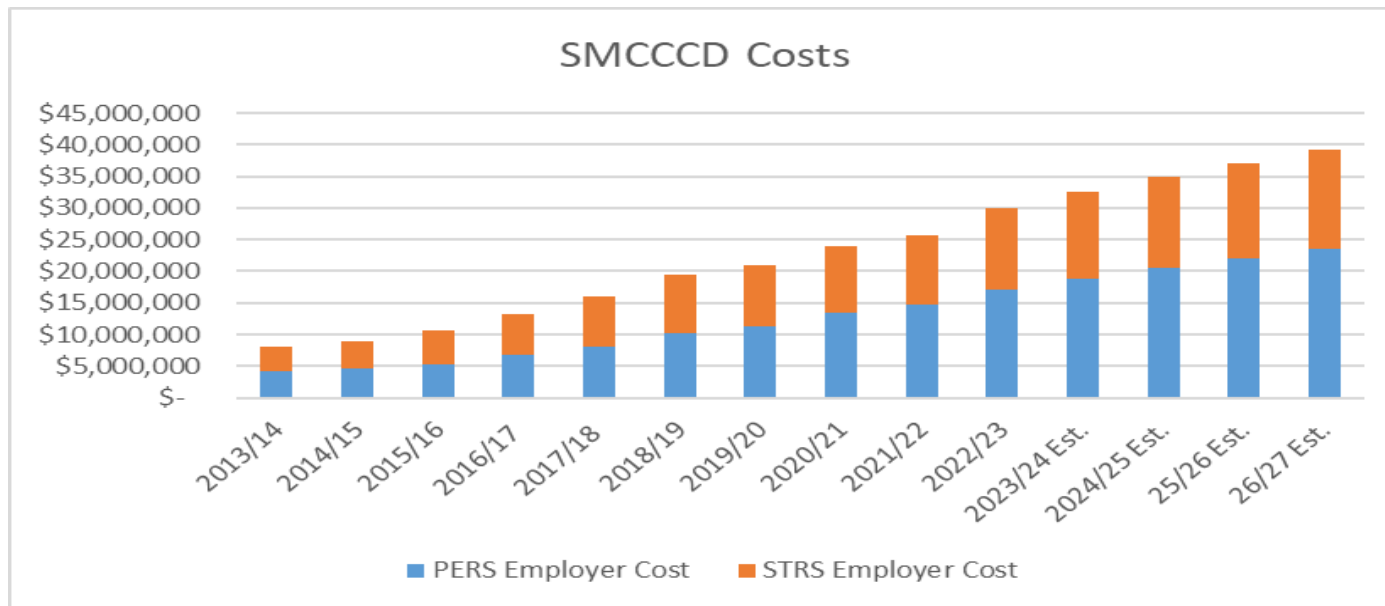
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# PERS and STRS Rates Impact on SMCCCD



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# Unrestricted General Fund Revenue



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	Adopted 2022-23	Tentative 2023-24	Adopted 2023-24	Variance between Tentative and Adopted
Property Taxes	186,873,741	199,061,030	201,186,434	2,125,404
RDA Funds	14,699,049	17,714,980	17,522,913	(192,067)
Student Fees	7,916,079	8,972,555	9,582,215	609,660
Non-resident Tuition (int'l and out-of-state)	6,273,355	7,247,092	7,302,034	54,942
EPA	1,299,004	1,261,055	1,282,249	21,194
STRS on Behalf	6,180,422	6,180,422	5,076,032	(1,104,390)
Other Rev/Tsfrs	<u>9,984,375</u>	<u>10,565,368</u>	<u>10,826,194</u>	<u>260,826</u>
<b>TOTAL</b>	<b>233,226,025</b>	<b>251,002,503</b>	<b>252,778,071</b>	<b>1,775,568</b>

Minor differences in dollar amounts due to rounding



# Unrestricted General Fund Expense

	Adopted 2022-23	Tentative 2023-24	Adopted 2023-24	Variance between Tentative and Adopted
Site Allocations	178,315,678	187,499,949	187,617,083	117,134
Other Benefits	250,000	250,000	250,000	-
STRS on Behalf	4,488,329	6,180,422	5,076,032	(1,104,390)
Utilities	5,156,812	7,137,032	7,845,479	708,447
Districtwide Technology	4,876,481	6,081,204	7,335,499	1,254,295
Salary Commitments /Office Hours	9,428,198	17,107,652	20,020,747	2,913,095
Strategic Initiatives /Fee Waiver offset	-	9,693,044	9,693,044	-
Insurance	2,951,767	3,308,902	3,822,119	513,217
Other	13,754,866	13,744,299	11,118,068	(2,626,231)
<b>Total</b>	<b>219,222,131</b>	<b>251,002,503</b>	<b>252,778,071</b>	<b>1,775,568</b>

# Budget Summary-Unrestricted General Fund (Fund 1)



	2023-24 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
<b>INCOME</b>				
<b>TOTAL INCOME</b>	\$ 252,778,071	\$ 0	\$ 0	\$ 252,778,071
<b>EXPENSES</b>				
<b>TOTAL EXPENSES</b>	\$ 228,806,167	\$ 2,662,471	\$ 4,607,664	\$ 236,076,303
<b>TOTAL TRFs/OTHER SOURCES</b>	\$ (23,971,904)	\$ 0	\$ 0	\$ (23,971,904)
<b>FUND BALANCE</b>				
Net Change in Fund Balance	\$ (0)	\$ (2,662,471)	\$ (4,607,664)	\$ (7,270,136)
Beginning Balance (Colleges, CS, DO accounts), July 1	0	2,662,471	0	2,662,471
Restricted Beginning Balance, July 1	0	0	4,607,664	4,607,664
15% Reserves/Beginning Fund Balance*	38,392,621	0	0	38,392,621
Total Beginning Fund Balance	<b>38,392,621</b>	<b>2,662,471</b>	<b>4,607,664</b>	<b>45,662,757</b>
Adjustments to Beginning Balance	0	0	0	0
<b>NET FUND BALANCE, June 30</b>	\$ <b>38,392,622</b>	\$ <b>0</b>	\$ <b>0</b>	\$ <b>38,392,622</b>

\*Includes Fair Market Value Adj (GASB Entry)

# Adopted Budget – All Funds



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Fund No.	Fund	2023-24 Budget	% of Total
1	Unrestricted General Fund	\$260,048,206	49.25%
2	Self-Insurance Fund	4,095,836	.78%
25	Debt Service Fund	63,520,658	12.03%
3	Restricted General Fund	83,418,656	15.80%
4	Capital Projects Fund	69,312,031	13.13%
5	Bookstore Fund	6,592,647	1.25%
5	Cafeteria Fund	376,027	.07%
5	College of San Mateo Athletic Center	2,753,786	.52%
5	Cañada College Athletic Center	2,255,521	.43%
5	Community, Continuing, and Corp Ed	774,219	.15%
6	Child Development Fund	1,404,281	.27%
7	Trust Funds (Financial Aid)	26,385,480	5.00%
8	Reserve for Post-Retirement Benefits/ Housing Loan	6,979,675	1.32%
	<b>TOTAL</b>	<b>\$527,917,023</b>	<b>100.00%</b>

# Capital Outlay



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- ▶ Spending down GO Bond funds (Measure H)
- ▶ \$7 million reduction in Scheduled Maintenance funds allocated in 2022-23. Remaining allocation is \$4.9 million (estimated)
- ▶ Prop 51 state funding support for Building 9 Library Modernization at College of San Mateo:
- ▶ Funding awarded by the state
  - ▶ \$1.76 million in 2023-24
  - ▶ \$20 million for construction requiring District match of \$26M is pending approval from the State Chancellor's Office
    - ▶ Project pending board direction
- ▶ College of San Mateo student housing:
  - ▶ State funding: \$55.9M
    - ▶ State funding match will require issuance of revenue bonds, most likely pooled at state level
  - ▶ Local funding \$10M

# Retirement Trust Fund - OPEB



Change In Portfolio	
Portfolio Value 7-1-2022	<b>128,062,194</b>
Change in Market Value	4,110,932
Income Received	5,523,097
Portfolio Fees	<u>(472,819)</u>
Portfolio Value 6-30-2023	<b>137,223,404</b>
<b>Net OPEB Liability 6-30-2023</b>	<u><b>123,221,617</b></u>
(Under)/ <b>Over</b> Funded	<b>14,001,787</b>

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
- ▶ Inflation on operating expenses

# Summary



SAN MATEO COUNTY  
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- ▶ 2023-24 Budget is balanced
- ▶ Budget is guided by the District's Mission
- ▶ Provides resources for:
  - ▶ Students
  - ▶ Employees
  - ▶ Community
- ▶ The reserves are, as planned, at 15%
- ▶ Resources set aside for community priorities
- ▶ 2023-24 Final Budget is ready for adoption



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QUESTIONS?

Thank You!