

Strategic Planning and Allocation of Resources Committee (SPARC)

Thursday, September 10, 2020
2:10 p.m.



Agenda

- Approve September 10, 2020 agenda
- Approve August 27, 2020 minutes
- Budget 101
- Budget Update
- Discussion on CPR Recommendations

Budget 101

Paul Cassidy



Budget 101

Fund 1 Site Allocation

- Skyline College's Adopted **Fund 1 Site Allocation** for Fiscal Year 2020-21 is **\$51,099,837**

Budget 101

What does “Fund 1” mean, refer to?

The SMCCCD financial accounting methodology, like many non-profit organizations, employs “Fund Accounting” which distinguishes budget activity **by source**.

Why do this?

SMCCCD is entrusted with financial resources that carry legally binding use restrictions. Example: gift of public funds is not permitted.

As stewards of term-restricted financial resources, the institution must comply with specific funding parameters of a sponsoring agency. Fund 1: Unrestricted General funds

Budget 101

What are the other Fund Categories?

Fund 1: General Unrestricted

Fund 2: Self-insured liabilities

Fund 25: Debt service

Fund 3: Restricted Funds

Fund 4: Capital Projects

Fund 5: Bookstore, Cafeteria, SMAC

Fund 6: Child Development Fund

Fund 7: Student Financial Aid

Fund 8: Retirement Reserve Funds

Budget 101

- Fund 1: Unrestricted General Funds
 - District-wide unrestricted revenue: \$208,411,967
 - Primarily derived from property taxes and student fees, approximately:
 - 80% will originate from San Mateo County property taxes
 - 5% will originate from student fees
 - 5% will originate from non-resident tuition

Budget 101

- Fund 1: Unrestricted General Funds
 - District-wide unrestricted expense: \$208,411,967, of this approximately:
 - 59% will fund salaries
 - 24% will fund benefits
 - 83% of district expense supports employees

Budget 101

- Fund 1: Unrestricted General Funds
 - At **Skyline**, approximately:
 - 69% will fund salaries
 - 24% will fund benefits
 - **93%** of Skyline unrestricted funds directly support employees, also known as “*Position Control*”

Budget 101

- **Fund 3: Restricted Funds**
 - Skyline will utilize \$14.3 million in restricted expense
 - These sources mostly originate with State of California
 - These 67 individual fund sources add more than 27% to Skyline's budget.

Budget 101

- **Fund 4: Capital Projects**
 - Buildings and other durable assets that will be amortized and depreciated over many years
- Fund 25 includes “Debt Service” which is the cost of borrowing
- SMCCCD will pay approximately \$50 million to cover cost of borrowing in FY2021.

Budget 101

- ***How does Fund fit into overall picture?***
 - The first digit of a fund source indicates “Fund Type”
 - i.e. 10002 = Fund 1,
 - 31069 = Fund 3, etc.
- ***Where is it in FOAP?***
 - FOAP = Fund – Org – Account – Program
 - How many are there?
 - Skyline began current FY with more than 100 budgeted Fund Sources
 - **Fund 10002** designates Unrestricted General Funds at Skyline

Fund Characteristics

Fund 1 or General Unrestricted Fund cannot be used for any form of aid to students.

Under the district allocation model, Fund 1 is augmented for any compensation adjustments which includes COLA, LSI (Long service increments), step & column adjustments and benefit cost increases. Under fund accounting, all other funds have to cover these costs within their allocation.

Total expenditures in each fund should not exceed its allocation.

Questions?

Thank you!

FY 2020-2021 Budget Update

Eloisa Briones



FY 2020-21 Adopted Budget

The Board of Trustees formally adopted the SMCCCD Budget for FY 2020-2021 on September 9, 2020. The report is available in the district downloads or by clicking the above link, starting from page 32.

Questions?

Thank you!

Next Meeting

Thursday, September 24, 2020

2:10 p.m.

Zoom