Understanding Skyline's Budget: Building a Shared Foundation

Thursday, September 10, 2026

Skyline College

Learning objectives

1. Skyline Budget Structure
2. Fund 1 Overview
3. Skyline’s FY27 Site Allocation and Adopted Budget

Why fund accounting? What is it?

Skyline College

SMCCCD tracks budget activity by source of funds — a standard practice shared with most non-profit and government organizations.

1

What it is

“Fund Accounting” separates budget activity by source, rather than treating every dollar the same.

2

Why it matters

Many of SMCCCD’s resources carry legally-binding restrictions — called “terms” — on how they can be used. For example, public funds cannot simply be given away.

3

Types of funds

Unrestricted

No legal restrictions on use

Restricted

Legally bound by a funder’s terms

Designated

Set aside by the institution for a specific purpose

The FOAP structure

As used in Banner Finance at Skyline College and SMCCCD

Skyline College

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)

What are the unique fund categories?

Skyline College

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

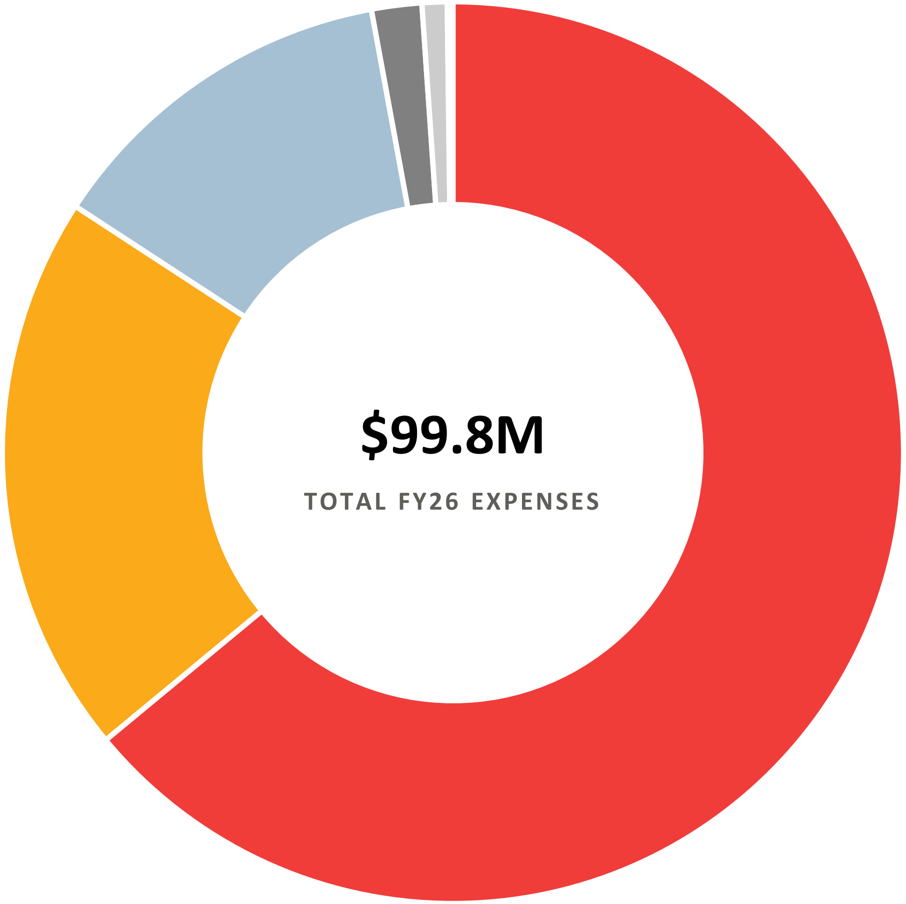
6 Fund 6
Child Development Fund

7 Fund 7
Student Financial Aid

8 Fund 8
Retirement Reserve Funds

FY26 expenses by fund type

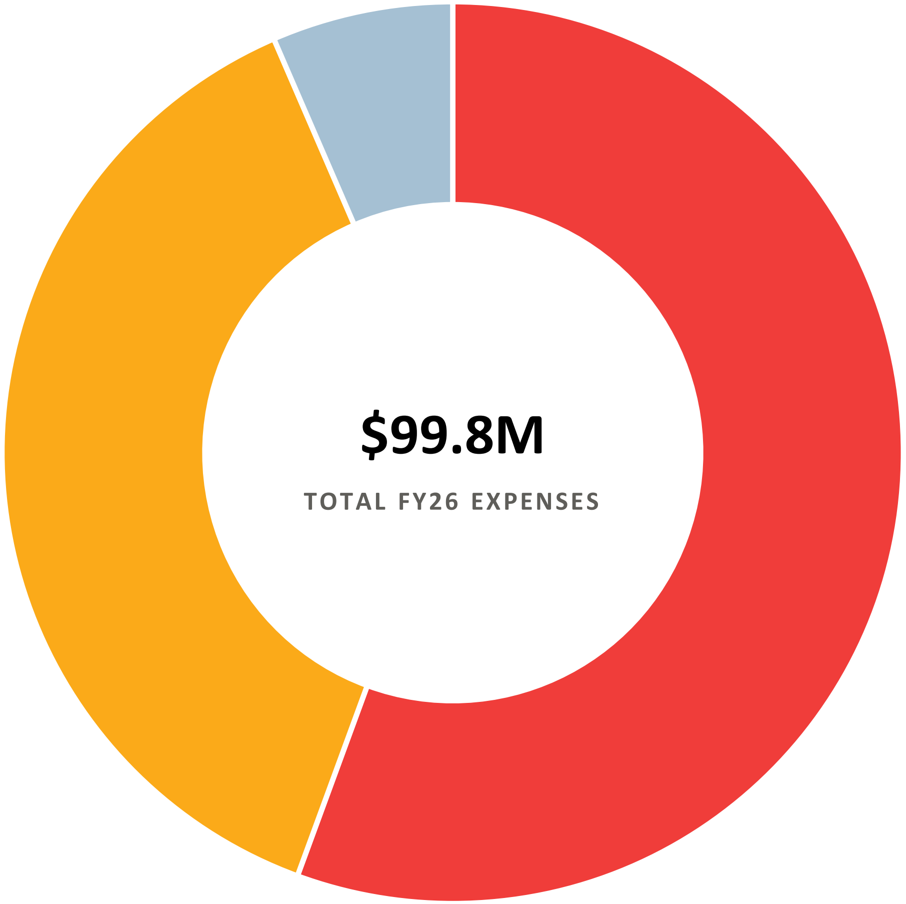
$99.8 million total · Org 2001 omitted



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%

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%

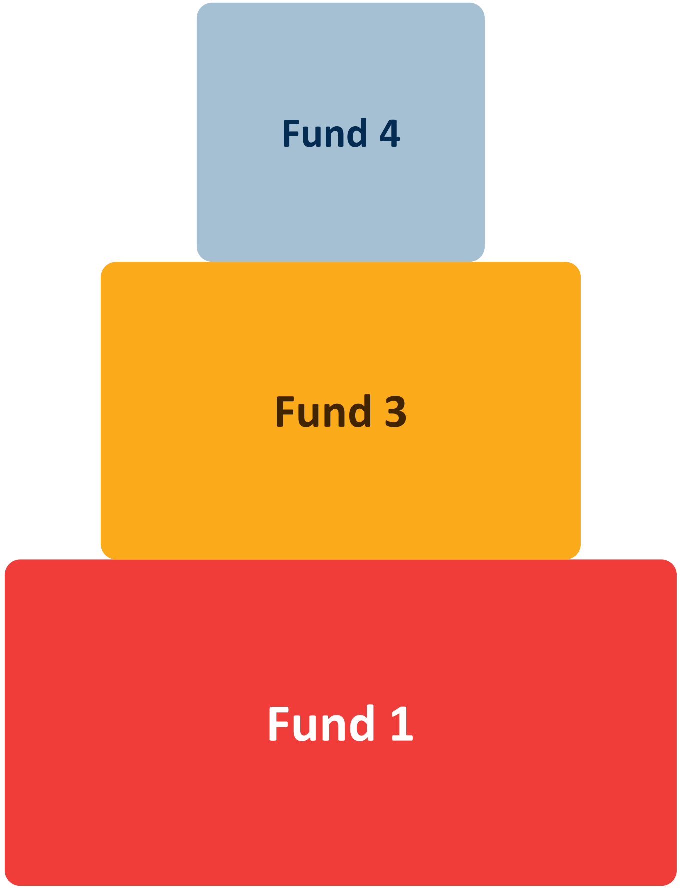
Counseling, admissions, financial aid processing, and other student support.

Administration 6.5%

District and college leadership, operations, and support functions.

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

Fund 1: Unrestricted General Funds

Skyline College

FY27 DISTRICT-WIDE UNRESTRICTED REVENUE

$291.6M

$291,589,225 exact

Revenue Source

Primarily derived from local property taxes.

Community-supported, not state-dependent

- **Statewide funding formula**

  California uses a formula to set a minimum revenue threshold each district needs to operate its colleges.

- **SMCCCD clears that threshold**

  SMCCCD is one of only a few districts whose local revenue — mostly property taxes — already exceeds that minimum.

- **What that means**

  The District is funded by its community rather than relying on California State apportionment.

SMCCD Fund 1 Allocation

FY26-27 site allocation build, by location

	Skyline	Canada	CSM	DO	Facilities	Districtwide	Total
PY Site Allocation	$62,368,511	$38,997,445	$59,195,891	$26,153,468	$20,885,118	$68,987,254	**$276,587,687**
Step Six	$1,841,933	$1,026,329	$1,917,291	$700,046	$863,386	$8,218,938	**$14,567,922**
Step Seven	−$665,915	−$416,380	−$632,041	−$279,243	−$222,993	$0	**−$2,216,571**
Total Increase / Decrease	**$1,176,018**	**$609,949**	**$1,285,251**	**$420,802**	**$640,393**	**$9,386,608**	**$13,519,020**
Subtotal	**$63,544,529**	**$39,607,394**	**$60,481,142**	**$26,574,270**	**$21,525,511**	**$78,373,862**	**$290,106,707**
Proposition 55 Allocation	$445,387	$278,489	$422,730	$186,767	$149,145	$0	**$1,482,518**
FY26-27 Site Allocation	**$63,989,916**	**$39,885,883**	**$60,903,872**	**$26,761,038**	**$21,674,656**	**$78,373,862**	**$291,589,225**

Steps One through Five carried no adjustments this cycle.

ESTIMATED TOTAL REVENUE

$291,589,225

Step Six: Allocate Any Special Amounts Agreed Upon

FY26-27 site allocation build, by location

	Skyline	Canada	CSM	DO	Facilities	Districtwide	Total
COLA	$1,944,516	$1,222,416	$2,039,362	$612,592	$618,651	$7,807,193	$14,244,730
Step & LSI	$0	$0	$0	$0	$0	$0	$0
DW Technology	$0	$0	$0	$0	$0	$411,745	$411,745
College Technology	−$171,477	−$187,349	−$173,807	$0	$0	$0	−$532,633
CPI	$106,394	$28,760	$89,236	$87,453	$132,235	$0	$444,078
Other	−$37,500	−$37,500	−$37,500	$0	$112,500	$0	$0
Total	**$1,841,933**	**$1,026,329**	**$1,917,291**	**$700,046**	**$863,386**	**$8,218,938**	**$14,567,922**

COLA carries the bulk of Step Six — CPI and technology adjustments are comparatively small.

Fund characteristics

Fund 1 — General Unrestricted Fund

Skyline College

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 1 site allocation

Adopted budget, Fiscal Year 2026–27

ADOPTED FUND 1 SITE ALLOCATION

$63,989,916

17,960

Students educated

Total unduplicated students served in FY25–26.

6,533

FTES

Full-time equivalent students supported by this allocation.

252. 9

FTE employees

Full-time equivalent employees funded by this allocation.

Fund 1: Unrestricted General Funds

Where Skyline’s Fund 1 dollars go

95.5%

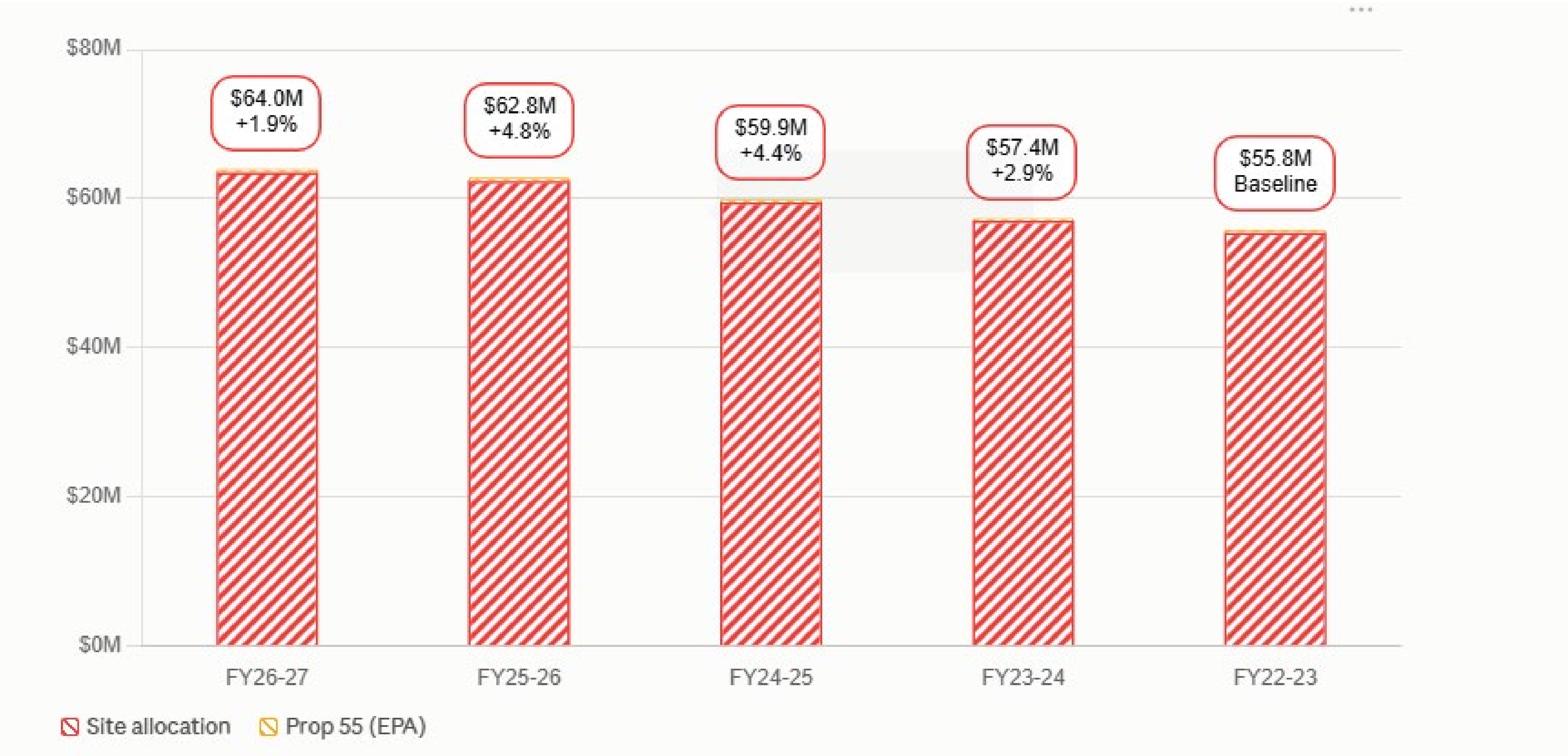
of Skyline unrestricted funds directly support employee compensation.

74.1%

represents permanent positions, also known as position control.

Fund 1 Site Allocation 5 Year History

FY22-23 through FY26-27, including Prop 55 (EPA) Funds



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.

SKYLINE COLLEGE

Fund 3: Restricted Funds

FY26-27 budgeted impact

BUDGETED SALARY AND BENEFITS FROM GRANT AND CATEGORICAL SOURCES

$10.4M

61.3

FTE employees

Positions made possible by FY26-27 grant and categorical funding.

13.53

Faculty FTE

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

Fund 4: Capital Projects

...and Fund 25: Debt Service

FUND 4

Capital Projects

Buildings and other durable assets that will be amortized and depreciated over many years. Also includes equipment.

FUND 25

Debt Service

The cost of borrowing.

THE ANALOGY

Bond measures work like a mortgage

Like other community colleges, SMCCCD has utilized voter-supported capital outlay bond measures to fund new construction and modernize existing campus facilities. This is debt (borrowing) — similar to a mortgage.

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?

Full answers available at smccd.edu/budget

FY 2026–27 Budget: Adopted

Skyline College

ADOPTED BY THE BOARD OF TRUSTEES

September 9, 2026

The Board of Trustees formally adopted the SMCCCD Budget for Fiscal Year 2026–27 at its regular meeting.

Where to find the report

The adopted FY 2026–27 budget report is available in the District's Board packets.

SEPTEMBER 9, 2026 BOARD PACKET

downloads.smccd.edu/file?s=/sites/downloads/BoT&du=/sites/downloads/BoT/Packets/2026-09-09%20Packet.pdf

Thank you.

Questions about Skyline's budget?

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