

Strategic Planning and Allocation of Resources Committee (SPARC)

Thursday, September 8, 2022
2:10 p.m.



Agenda

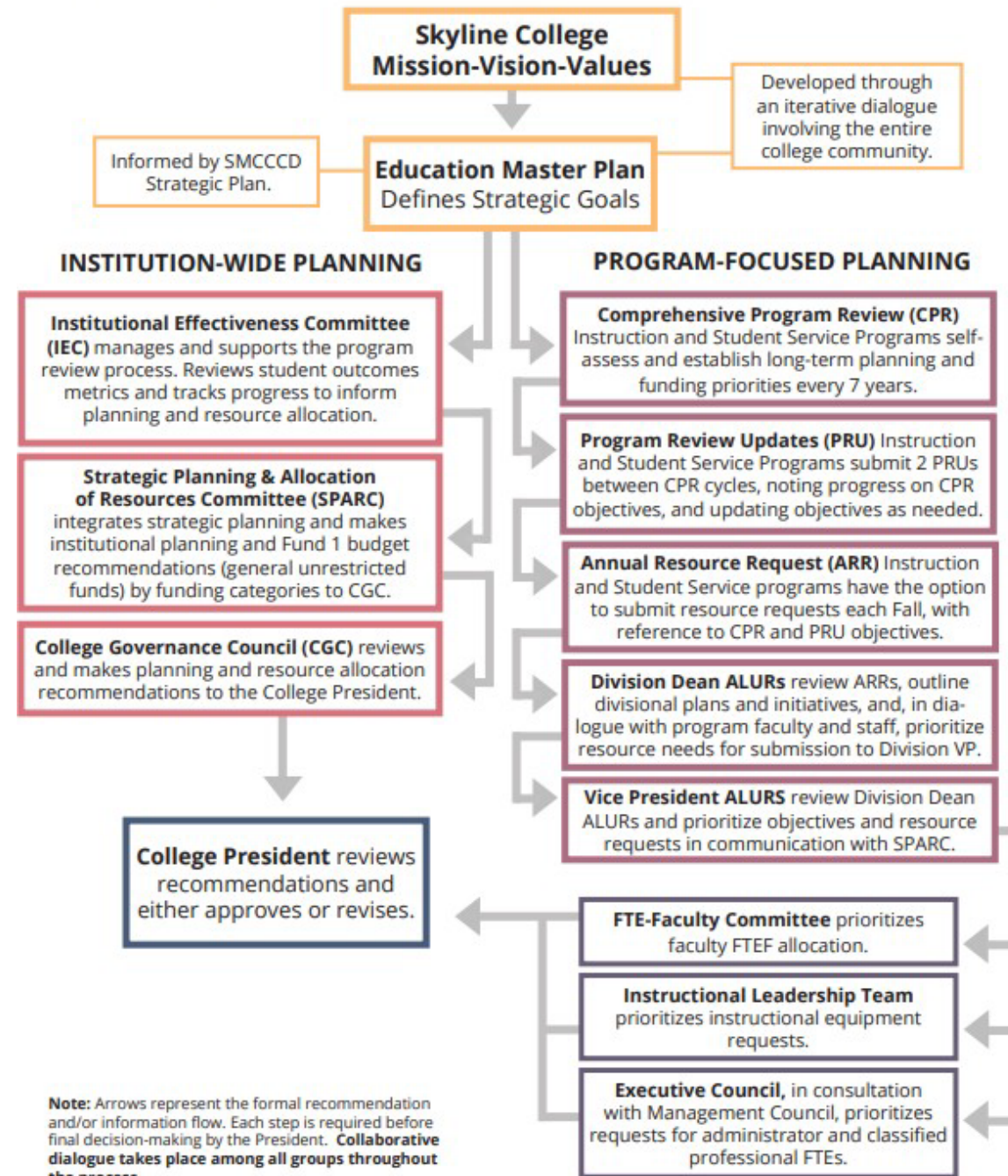
- Approve September 8, 2022 agenda
- Approve minutes of May 2022 meeting
- Budget 101
- Budget Update

Budget 101

Paul Cassidy



Skyline College Integrated Planning and Resource Allocation Model



Budget 101

Fund 1 Site Allocation

- Skyline College's Adopted **Fund 1** Site Allocation for Fiscal Year 2022-23 is **\$55,815,941**.
- In FY21-22, these funds helped educate more than 16,000 students, or 5,326 full time equivalent students (FTES).
- This allocation supports 262 FTE employees.

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 contractual use restrictions, called “terms.” 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 is described as “unrestricted general funds.”

Budget 101

What are the unique Fund Categories?

Fund 1: General Unrestricted

Fund 2: Self-insured liabilities

Fund 25: Debt service

Fund 3: Restricted Funds

Fund 4: Capital Projects

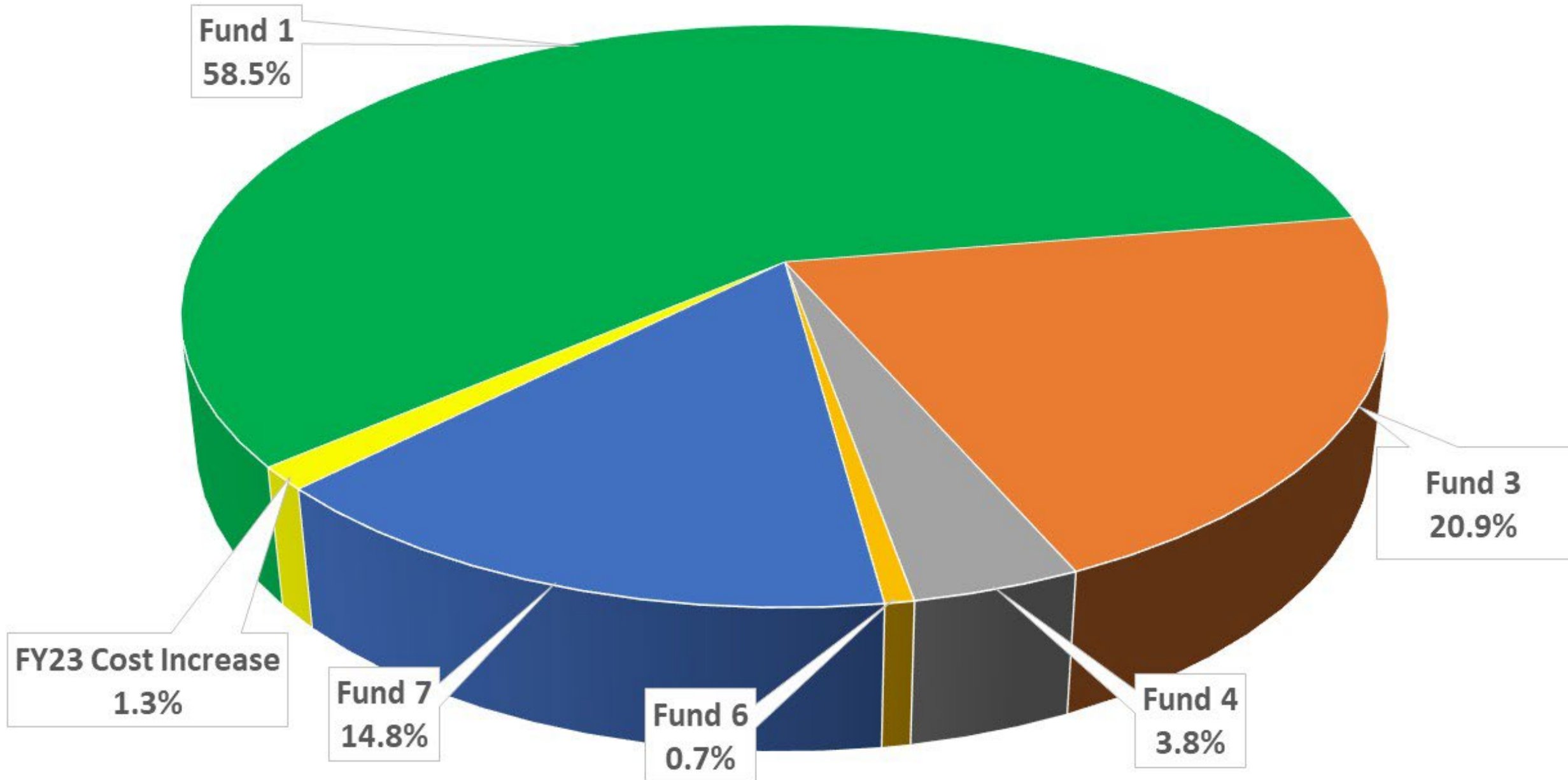
Fund 5: Bookstore, Cafeteria, SMAC

Fund 6: Child Development Fund

Fund 7: Student Financial Aid

Fund 8: Retirement Reserve Funds

FY21-22 Skyline Fund Utilization: \$87.5 million



FY21-22 Skyline Fund Utilization by Division

(org 2001 assigned proportionately)

Administration

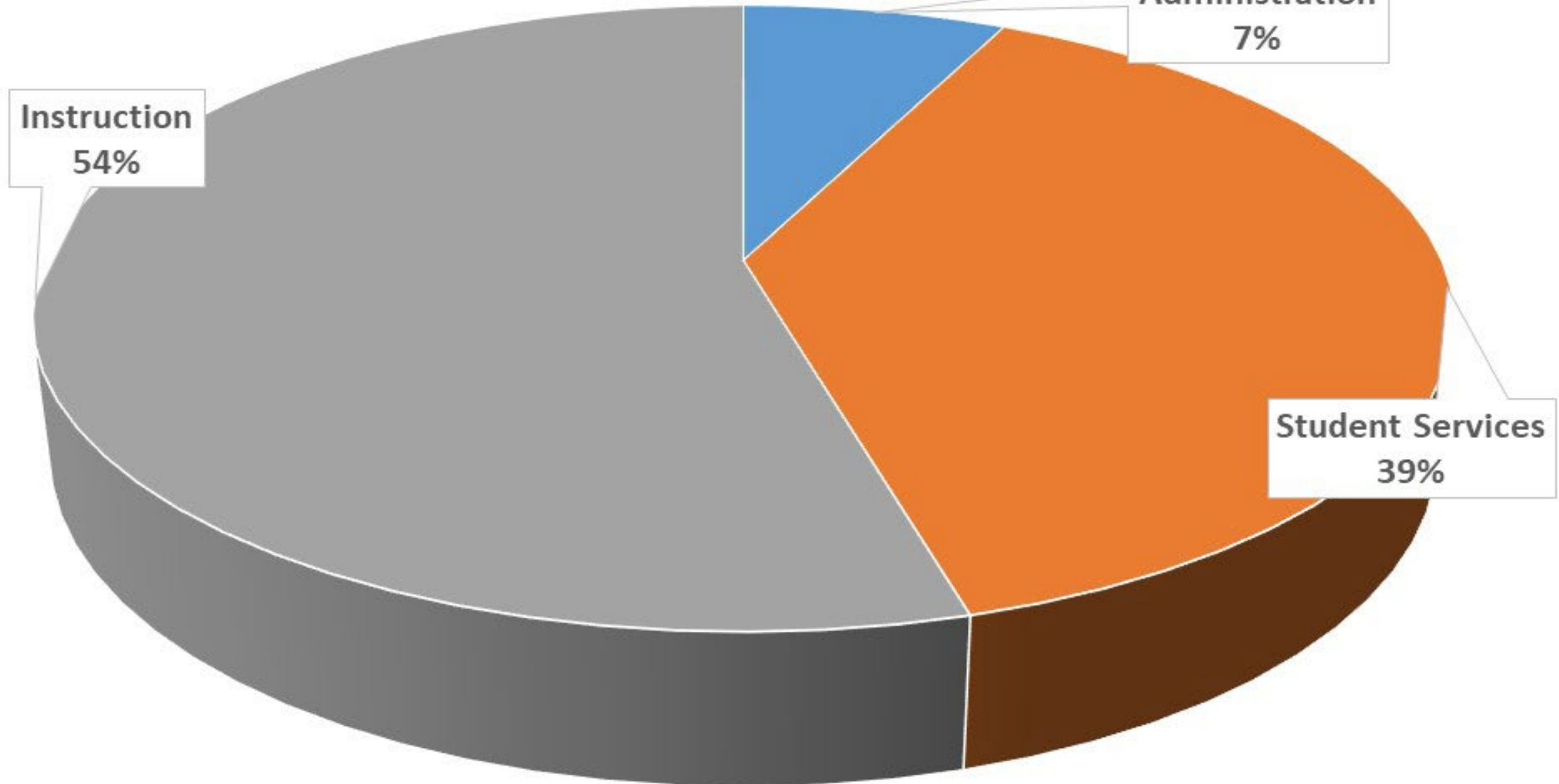
7%

Instruction

54%

Student Services

39%



Budget 101

- Fund 1: Unrestricted General Funds
 - District-wide unrestricted revenue: \$233,226,025
 - Primarily derived from property taxes and enrollment fees.
 - Using a state-wide formula, SMCCCD is one of a few districts where property taxes and enrollment fees are deemed sufficient to operate the Colleges. The District is community- supported and does not rely on CA State apportionment.

Budget 101

- Fund 1: Unrestricted General Funds
 - At **Skyline College**, Fund 1 sources will support approximately:
 - 66.2% salaries
 - 22.5% benefits
 - **88.7%** of Skyline unrestricted funds directly support employee compensation.
 - 72.1 % represents permanent positions (aka position control).

Budget 101

- **Fund 3: Restricted Funds**
 - Generally refers to Grants and Contracts, and typically feature ‘terms’ for use, and are therefore “restricted” or “term-restricted.”
 - Skyline utilized \$18.5 million in restricted expense in FY21-22.
 - These sources mostly originate with State of California through categorical funding, and the federal government, through grants.

Budget 101

- **Fund 3: Restricted Funds**
- For FY22-23, grant and categorical sources will fund more than \$9.48 million of salary and benefits and make possible the continuation of 55.9 FTE employees, including 11.7 faculty FTE.
- In FY22-23 budget, a total of 82 fund sources are budgeted in Fund 3, the average funding amount is \$314k, with a median a \$179k.

Budget 101

- **Fund 4: Capital Projects**
 - Buildings and other durable assets that will be *amortized* and depreciated over many years. Also includes equipment.
- Fund 25 includes “Debt Service” which is the cost of borrowing.
- 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.

Fund Characteristics

- Fund 1 or General Unrestricted Fund **cannot** be used for *direct aid to students*, such as financial aid, grants, gift cards, books, and in most cases, meals.
- 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.
- All other funds must cover these costs within their budget allocation.
- Total expenditures in each fund should not exceed its budget allocation.

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

FY 2021-2022 Year-End Report

Paul Cassidy & VPA Joe Morello



Fund 1A FY2021-22 Result of Operations

Adopted Budget Site Allocation was \$53,960,539.

Budget augmentations during the year totaled \$1,146,784.

Expenses including transfers totaled \$55,123,820.

Of note, “Discretionary” accounts—the non-salary component of divisional budgets—generated one-time savings of **\$1.02 million** as a consequence of remote operations and savings from vacant positions.

- These one-time funds can be made available to assist with recovery expenses during FY22-23.

FY22 Supplies, Materials, Hourly etc. by Division

(position control and assoc benefits excluded; Org 2001 excluded)

as of Jul 31, 2022

Organization	Organization Title	FY22 Adopted Budget	FY22 Budget Adjustment	FY22 Adjusted Budget	FY22 Year End Actual	FY22 Ending Balance
2144	President's Office	\$ 164,872	\$ (12,000)	\$ 152,872	\$ 80,909	\$ 71,963
2145	Equity Institute	-	62	62	62	-
2147	Planning/Resrch/Inst Effectiveness	39,828	49,919	89,747	62,961	26,786
2150	College Devl Marketing & Public Rel	305,675	34,988	340,663	199,811	140,852
2227	Utilities	-	358	358	358	-
2229	Administrative Services	218,262	55,239	273,501	152,425	121,075
2333	Enrollment Services	176,222	35,861	212,083	175,851	36,232
2335	Student Equity and Support Programs	49,500	2,691	52,191	31,438	20,753
2340	Counseling	254,987	224,576	479,563	399,095	80,468
2345	Office of the VP Stdnt Svcs	47,544	(62)	47,482	5,340	42,142
2411	Business/Industry Relations	327,362	1,440,292	1,767,654	1,722,043	45,610
2412	Strategic Ptrsrship & Wrkfrc Dev	42,185	99,790	141,975	128,768	13,207
2413	Language Arts/Learning Resrc	178,592	851,086	1,029,678	993,322	36,356
2414	Sciences/Mathematics/Technol	710,807	2,722,309	3,433,116	3,264,093	169,022
2415	Global Learning Programs & Services	219,365	81,561	300,926	245,861	55,066
2416	Physical Ed/Rec/Athletics	468,469	304,633	773,102	763,661	9,441
2418	Social Science/Creative Arts	420,316	1,858,342	2,278,658	2,191,551	87,107
2419	Academic Support & Learning Tech	539,124	233,621	772,745	767,079	5,667
2441	Office of the VP Instr Svcs	74,148	720	74,868	18,865	56,003
Grand Total		\$ 4,237,258	\$ 7,983,986	\$ 12,221,244	\$ 11,203,493	\$ 1,017,751

FY 2022-23 Adopted Budget Overview

- **Fund 1: General Unrestricted**
 - Per the District resource allocation for FY2022-2023, Skyline College's Fund 1 site allocation increased by **\$1.46 million**.
 - Compensation adjustments, including COLA, step/column and LSI totaling **\$2.59 million**, exceeded increases for International Students, CPI and other adjustments resulting in a net decrease of \$(1,133,494) in *uncommitted* cashflow.

Tracking Fund 1 Site Allocation Changes For Fiscal Year 2022-2023

					FINAL-Tentative			FINAL-Adopted
Fund 1 Site Allocation	RA step	10-Feb-22	06-Apr-22	25-Apr-22	13-May-22	06-Jun-22	06-Jul-22	04-Aug-22
FY 2021-2022 Adopted Budget		\$ 53,960,539	\$ 53,960,539	\$ 53,960,539	\$ 53,960,539	\$ 53,960,539	\$ 53,960,539	\$ 53,960,539
Compensation adjustments (Pass-throughs)								
COLA - AFT 21/22 salary commitment	step 6	\$ 1,006,843	\$ 1,006,843	\$ 1,006,843	\$ 1,006,843	\$ 1,006,843	\$ 1,006,843	\$ 1,006,843
COLA - CSEA/NR 21/22 salary commitment	step 6	846,386	846,386	846,386	846,386	846,386	846,386	846,386
Instr Adjunct 21/22 COLA -7.2% (\$1.5M)>TCF	step 6	622,328	622,328	622,328	622,328	622,328	622,328	622,328
AFT Vacant positions 20/21 COLA	step 6	117,101	117,101	117,101	117,101	117,101	117,101	117,101
LSI/Step/Column(Included Row 11-14)	step 6							
Sub-total		\$ 2,592,658	\$ 2,592,658	\$ 2,592,658	\$ 2,592,658	\$ 2,592,658	\$ 2,592,658	\$ 2,592,658
Funding for Positions								
2022-2023 3rd Tranche for FT faculty funding	step 6	\$ 616,299	\$ 616,299	\$ 616,299	\$ 616,299	\$ 616,299	\$ 616,299	\$ 616,299
Sky Share of District Funded Position	step 6		(174,247)	(174,247)	(174,247)	(174,247)	(174,247)	(174,247)
		\$ 616,299	\$ 442,052	\$ 442,052	\$ 442,052	\$ 442,052	\$ 442,052	\$ 442,052
Other Changes to Site Allocation								
International student revenue	step 4	\$ (147,181)	\$ (147,181)	\$ (147,181)	\$ (100,410)	\$ (100,410)	\$ (100,410)	\$ (100,410)
College Technology	step 6						(179,695)	(179,695)
CPI (Consumer Price index) adjustment	step 6	219,102	219,102	219,102	219,102	362,794	362,794	341,419
Final adjustment	step 7	(294,514)	(642,244)	(432,640)	(301,048)	(382,794)	(1,587,738)	(1,636,860)
Sub-total		(222,593)	(570,323)	(360,719)	(182,356)	(120,410)	(1,505,049)	(1,575,546)
Increase in site allocation		2,986,364	2,464,387	2,673,991	2,852,354	2,914,300	1,529,661	1,459,164
FY 2022-2023 Site Allocation		\$ 56,946,903	\$ 56,424,926	\$ 56,634,530	\$ 56,812,893	\$ 56,874,839	\$ 55,490,200	\$ 55,419,703
Prop 30 Allocation		391,749	391,749	396,304	396,304	396,457	396,457	396,238
FY 2022-2023 Site Allocation		57,338,652	56,816,675	57,030,834	57,209,197	57,271,296	55,886,657	55,815,941
Net Available Funds for Allocation								
<i>Non-compensation changes</i>		(222,593)	(570,323)	(360,719)	(182,356)	(120,410)	(1,505,049)	(1,575,546)
Sky Share of District Funded Position			(174,247)	(174,247)	(174,247)	(174,247)	(174,247)	(174,247)
PT to FT faculty conversion		616,299	616,299	616,299	616,299	616,299	616,299	616,299
Net Change in Uncommitted Funds		\$ 393,706	\$ (128,271)	\$ 81,333	\$ 259,696	\$ 321,642	\$ (1,062,997)	\$ (1,133,494)

SMCCCD Tentative to Adopted Comparison

FY23 Site Allocation Logic

REVENUE

Local

Property Taxes

Base Revenue

	FY2022-23 Tentative	FY2022-23 Adopted	Difference
	\$ 187,618,057	\$ 186,873,741	\$ (744,316)

Redevelopment Agency

	14,773,536	14,699,049	(74,487)
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Student Fees

Enrollment Fees (\$46)

	8,635,236	7,916,079	(719,157)
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Out-of-State Non-Resident

	2,035,730	2,076,765	41,035
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International Non-Resident

	4,200,795	4,196,590	(4,205)
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Interest

	2,500,000	2,000,000	(500,000)
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Other

	356,802	226,097	(130,705)
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State

Proposition 30/55

	1,299,719	1,299,004	(715)
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Lottery

	2,161,633	2,259,400	97,767
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F/T Faculty Allocation

	3,402,618	3,476,591	73,973
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P/T Faculty Parity

	300,308	287,293	(13,015)
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P/T Faculty Office Hours / Medical

	726,915	688,578	(38,337)
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Apprenticeship

	516,343	638,661	122,318
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Mandated Costs

	404,776	407,755	2,979
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STRS On-Behalf

	4,488,329	6,180,422	1,692,093
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Estimated Total Revenue

	233,420,797	233,226,025	(194,772)
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SMCCCD Tentative to Adopted Comparison, *FY23 Site Allocation Logic*

EXPENDITURES

Site Allocations

Canada College	\$ 34,881,878	\$ 33,928,035	(953,843)
College of San Mateo	53,989,335	52,595,195	(1,394,140)
Skyline College	57,209,349	55,815,941	(1,393,408)
District Office	22,947,155	22,599,227	(347,928)
Facilities	18,594,286	18,235,945	(358,341)
Subtotal	<u>\$ 187,622,004</u>	<u>\$ 183,174,343</u>	<u>\$ (4,447,661)</u>

Districtwide Allocations

Benefits / Mid Yr Inc / Savings	\$ 250,000	\$ 250,000	\$ -
STRS On-Behalf	4,488,329	6,180,422	1,692,093
College-Generated Revenues	229,783	190,199	(39,584)
Strategic Initiatives	2,000,000	-	(2,000,000)
Apprenticeship	516,343	638,661	122,318
Miscellaneous	1,907,777	2,069,379	161,602
Utilities	5,184,723	6,888,047	1,703,324
Salary Commitments	11,285,075	12,171,098	886,023
Managed Hiring	250,000	250,000	-
Insurance	3,060,687	3,047,780	(12,907)
Consultant / Legal / Election	1,285,000	1,285,000	-
Staff Development	819,528	803,838	(15,690)
Districtwide Technology	5,045,472	4,983,679	(61,793)
PT Fac. Office Hours / PT Fac. Medical	3,400,000	3,450,000	50,000
Transfers Out	5,996,079	7,763,579	1,767,501
Museum of Tolerance	80,000	80,000	-
Estimated Total Expenditures	<u>\$ 233,420,800</u>	<u>\$ 233,226,025</u>	<u>\$ (194,775)</u>

FY 2022-23 Adopted Budget

The Board of Trustees will formally adopted the SMCCCD Budget for FY 2022-2023 on September 8, 2022. The report is available in the district board packets, and at

<https://smccd.edu/financialservices/annualbudget.php>

<https://smccd.edu/financialservices/FY%2022-23%20Adopted%20Budget%20-%20Final.pdf>

Next Meeting

Thursday, September 29, 2022

2:10 p.m.

Zoom

Questions?

Thank you!