

# SOUTHWESTERN COLLEGE DRAFT 2019-20 BUDGET GOVERNING BOARD WORKSHOP

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# WORKSHOP OVERVIEW

- ▶ 2018/19 Unaudited Actuals
- ▶ Updates from Sacramento
- ▶ Changes to Student Centered Funding Formula
- ▶ Draft Adopted Budget Highlights

# BUDGET GUIDING PRINCIPLES

- ▶ Plan and build budget using the approved State Budget, including new funding formula implementation
- ▶ Ensure transparency in the budget process
- ▶ Ensure short-term and long-term budget sustainability
- ▶ Maintain reserves for future uncertainties
- ▶ Budget current and future FTES based on realistic projections

# 2019-20 STATE BUDGET

## COMMUNITY COLLEGE MAJOR CHANGES

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- ▶ Provide one-time payment to the California State Teachers' Retirement System, slightly slowing the rise of district contribution rates.
- ▶ Provide 3.26% COLA for Student Centered Funding Formula and certain categorical programs.
- ▶ Provide additional funding to support the new funding formula oversight committee.
- ▶ Provide additional resources to allow for free tuition for the second year of college.
- ▶ Changes the Student Centered Funding Formula (SCFF)

# STUDENT CENTERED FUNDING FORMULA

**70% Base Allocation**



**20% Student Equity Allocation**



**10% Student Success Allocation**

# KEY CHANGES TO STUDENT CENTERED FUNDING FORMULA

- ▶ Rescinds scheduled increase in share of formula based on student outcomes. Cap remains at 10%
- ▶ Modify transfer student definition
- ▶ Implement 3-year rolling average for student success metrics
- ▶ Extend hold harmless period to 2021-22

*The outcome of changes being made to the Student Centered Funding Formula are unknown. We look forward to participating in discussions with campus constituencies as more information is available.*

# 2018-19 ADOPTED BUDGET TO UNAUDITED ACTUALS: UNRESTRICTED GENERAL FUND REVENUE

	Unrestricted General Funds 2018-19				
	Unaudited Actuals	Adopted Budget	Variance		
REVENUE					
Federal Revenue	\$ 257,016	\$ 216,600	\$ 40,416		19%
State Revenue	69,160,815	65,269,156	3,891,659		6%
Local Revenue	32,740,332	35,196,325	(2,455,993)		-7%
Total Revenue	\$ 102,158,163	\$ 100,682,081	1,476,082		1%

# SOME OF THE MAJOR 2019 VARIANCES FROM ADOPTED

Increase in revenue for administering Federal programs	\$40,416
Increase in interest revenue	\$618,000
Excess Revenue from Childcare fees	\$638,000
Transfer-in from Civic Center for staffing cost	\$206,000

# 2018-19 ADOPTED BUDGET TO UNAUDITED ACTUALS: UNRESTRICTED GENERAL FUND EXPENDITURES

	Unaudited Actuals	Adopted Budget	Variance	
Academic Salaries Total	\$ 43,796,552	\$ 42,849,715	946,837	2%
Non-Academic Salaries Total	23,677,206	22,326,326	1,350,880	6%
Benefits Total	20,348,730	22,116,611	(1,767,881)	-8%
Vacant Positions		(1,000,000)	1,000,000	-100%
Supplies and Materials Total	1,856,495	2,124,826	(268,331)	-13%
Operating Costs Total	10,031,856	10,308,530	(276,674)	-3%
Capital Outlay Total	261,432	279,216	(17,784)	-6%
Other Outgo Total	1,196,324	2,676,857	(1,480,533)	-55%
<b>Total Expenditures</b>	<b><u>\$ 101,168,595</u></b>	<b><u>\$ 101,682,081</u></b>	<b><u>(513,486)</u></b>	<b>-1%</b>

# 2018-19 ADOPTED BUDGET TO UNAUDITED ACTUALS: UNRESTRICTED GENERAL FUND BALANCE

Description	Unaudited Actuals	ADOPTED BUDGET
Beginning Fund Balance	\$ 18,896,332	\$ 17,874,070
Excess (Deficit)	<u>989,568</u>	<u>(1,000,000)</u>
Ending Fund Balance	\$ 19,885,900	\$ 16,874,070
Governing Board Reserve 7%	(7,081,802)	(7,117,746)
Remaining Fund balance	<u>\$ 12,804,099</u>	<u>\$ 9,756,324</u>

# 2019-20 PROPOSED ADOPTED BUDGET

# UNRESTRICTED GENERAL FUND REVENUE TREND

	2017-18	2018-19	2019-20
	Audited	Unaudited	Proposed Adopted
Description	Actuals	Actuals	Budget
Federal	\$ 236,526	\$ 216,600	\$ 216,600
State	70,607,978	64,997,039	67,934,448
Local	33,047,192	36,944,524	37,090,794
Total Revenue	\$ 103,891,696	\$ 102,158,163	\$ 105,241,842

# UNRESTRICTED GENERAL FUND EXPENSE TREND

	2017-18	2018-19	2019-20
	Audited	Unaudited	Proposed Adopted
Description	Actuals	Actuals	Budget
Expenses			
Academic Salaries	\$ 41,435,809	\$ 43,796,552	\$ 44,192,931
Classified Salaries	21,516,511	23,677,206	23,616,262
Employee Benefits	21,204,013	20,348,730	23,658,517
SERP Premium			1,141,000
Vacant positions - savings			(1,680,584)
Total Personnel Expense	\$ 84,156,333	\$ 87,822,488	\$ 90,928,126
Supplies and Materials	\$ 1,620,585	\$ 1,856,495	\$ 2,006,441
Operating - Utilities and Services	9,623,757	10,031,856	10,071,908
Capital Outlay	252,279	261,432	279,216
Other Outgo	1,910,124	1,196,324	1,941,350
Total Other Expense	\$ 13,406,745	\$ 13,346,106	\$ 14,298,915
Total Expenses	\$ 97,563,078	\$ 101,168,595	\$ 105,227,041

# UNRESTRICTED GENERAL FUND TREND

	2017-18	2018-19	2019-20
	Audited	Unaudited	Proposed Adopted
Description	Actuals	Actuals	Budget
Total Revenue	\$ 103,891,696	\$ 102,158,163	\$ 105,241,482
Total Expenses	<u>\$ 97,563,078</u>	<u>\$ 101,168,595</u>	<u>\$ 105,227,041</u>
Excess (Deficit)	\$ 6,328,618	\$ 989,568	\$ 14,801
Beginning Fund Balance	\$ 12,567,714	\$ 18,896,332	\$ 19,885,900
<u>Excess (Deficit)</u>	<u>6,328,618</u>	<u>989,568</u>	<u>14,801</u>
Ending Fund Balance	\$ 18,896,332	\$ 19,885,900	\$ 19,900.700
Governing Board Reserve	(6,829,415)	(7,081,802)	(7,365,893)
Remaining Fund balance	\$ 12,066,917	\$ 12,804,099	\$ 12,534,808



Thanks to all the individuals and budget managers across the District who assisted in developing our Adopted Budget Plan presented here today. A special thanks goes to the team in Finance who worked to close the books earlier than ever before, and overcame many challenges along the way.

**Planning & Budget Committee**

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# QUESTIONS?