

2021-22 ADOPTED BUDGET

SMCCCD BOARD MEETING
SEPTEMBER 9, 2021



SAN MATEO COUNTY
COMMUNITY
COLLEGE DISTRICT

Budget Highlights



- ▶ 2021-22 Budget is balanced
- ▶ Property taxes projected to increase 4.16% over 2020-21
- ▶ Funding set aside to support Strategic Plan Initiatives and to support full return to face-to-face operations in Spring 2022
- ▶ The reserves are, as planned, at 15%

Overview



- ▶ Budget Guidelines
- ▶ State Budget
- ▶ SMCCCD 2021-22 Adopted Budget Assumptions (Unrestricted General Fund Summary)
- ▶ 2021-22 Initiatives to Support Students and Community
- ▶ PERS and STRS Rates Impact on SMCCCD
- ▶ SMCCCD 2021-22 Adopted Budget (Unrestricted General Fund Summary)
- ▶ Adopted Budget - All Funds
- ▶ Looking Ahead
- ▶ Summary

Budget Guidelines



- ▶ Address Board goals and District Strategic Plan
- ▶ Balanced budget projections through 2023-24
- ▶ 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



▶ College Affordability and Basic Needs

- ▶ \$155 million in on-going funds to eliminate the age and time-out-of-high-school eligibility requirements for the Cal Grant entitlement for students, which will provide resources to an additional 133,000 students statewide
- ▶ \$2 billion in one-time, non-Proposition 98 General Funds to create a new fund for student housing within the three higher education segments (i.e., community colleges, California State University, University of California)
- ▶ \$2.5 million to provide instructional materials for dual enrollment students
- ▶ \$100 million in one-time funds for colleges to support basic needs, including maintaining food pantries, assisting students with enrollment in the Cal Fresh program, supporting students with obtaining nutritional assistance, and assisting homeless and housing-insecure students with securing stable housing
- ▶ \$115 million in one-time funds for grants to districts for the development of zero-textbook-cost degrees and certificates
- ▶ \$30 million in on-going funds to provide students with mental health resources
- ▶ \$30 million in on-going funds to support basic needs centers and coordinators

State Budget



▶ Diversity, Equity, and Inclusion

- ▶ \$20 million for the State Chancellor's Office to support the implementation of best practices for success in promoting equal employment opportunity with a focus on faculty and staff diversity
- ▶ \$10 million in one-time funds to support LGBTQ students
- ▶ \$10 million in on-going funds to support the Rising Scholars Network
- ▶ \$23.8 million in on-going funds for enrollment growth
- ▶ \$5.6 million for planning efforts to advance antiracism in curriculum and implement the ethnic studies general education requirement
- ▶ \$1 million to update and modernize the CCC Registry
- ▶ \$20 million in one-time funds for culturally competent professional development

State Budget



▶ Pathways

- ▶ \$50 million in one-time funds for continued implementation of Guided Pathways
- ▶ \$10 million in one-time funds to support a workgroup focused on the planning and implementation of competency-based education
- ▶ \$10 million in one-time funds to establish a workgroup to support the development and implementation of a common course numbering system across the system

▶ Workforce

- ▶ \$42.4 million in on-going funds for the Strong Workforce program
- ▶ \$20 million in one-time funds to expand collaboration with the California Workforce Development Board to strengthen alignment with workforce initiatives
- ▶ \$15 million in on-going funds to support the California Apprenticeship Initiative

State Budget



▶ Support for Institutions

- ▶ \$1.45 billion in one-time funds to eliminate the budget deferrals from 2020-21
- ▶ \$371.2 million or 5.07% cost-of-living adjustment (COLA) to the Student Centered Funding Formula
- ▶ \$29.2 million or 1.7% COLA for selected categorical programs
- ▶ \$511 million in one-time funds for deferred maintenance
- ▶ \$10 million in on-going funds and \$90 million in one-time funds for part-time faculty office hours
- ▶ \$100 million in on-going funds to increase the number of full-time faculty to advance towards the 75/25 Goal
- ▶ \$74 million in on-going funds for targeted support service programs: Umoja, MESA, Puente, and EOPS
- ▶ \$1.3 million in on-going funds for Historically Black Colleges and Universities (HBCU) Pathways
- ▶ \$5.8 million in on-going funds for Dreamer Resource Liaisons to allow every campus to have a full-time position
- ▶ \$4 million in on-going funds to implement a library services platform

State Budget



▶ **Pandemic Recovery**

- ▶ \$250 million in one-time funds in federal American Rescue Plan funds to provide emergency financial assistance to low-income students* (of which, \$100 million was part of the SB 85 Immediate Action legislation from spring 2021)
- ▶ \$3.1 million for outreach and application assistance to students applying for the Cal Fresh program*
- ▶ \$100 million to support efforts to bolster student retention rates and enrollment* (of which, \$20 million was part of the SB 85 Immediate Action legislation from spring 2021)
- ▶ \$10.6 million in on-going funds to provide a system-wide and integrated online infrastructure to support the continuity of education and quality distance learning across the system

*Included in the SB 85 (immediate action legislation) from spring 2021

Adopted Budget Assumptions



- ▶ Property tax increase: 4.16%
- ▶ Enrollment:
 - ▶ Resident FTES 13,711
 - ▶ 3.01% projected decline from 2020-21
 - ▶ Out-of-State FTES 478
 - ▶ 6.64% projected decline from 2020-21
 - ▶ Apprenticeship FTES 112
 - ▶ 2.40% projected increase from 2020-21
 - ▶ International FTES 528
 - ▶ 3.03% projected decline from 2020-21
- ▶ Student Enrollment Fees:
 - ▶ Resident Tuition: \$46/unit – no increase
 - ▶ Non-resident Tuition: \$307/unit – adopted by Board in February 2021
- ▶ Proposition 55 (EPA): \$100/FTES (prior three year average)
- ▶ Lottery: \$163/FTES
- ▶ Mandated Cost Block Grant: \$30.67/FTES
- ▶ Inflation: 3.96% based on CA CPI

2021-22 Initiatives



- ▶ \$3.3M Promise Scholars Program
 - ▶ Increase in the size of cohort to serve 2,500 students
 - ▶ \$1M from the County (an additional \$1M will be provided for 2022-23 for a total of \$2M) to be used as direct aid to students (e.g., fees, books, etc.)
 - ▶ \$1.4M California College Promise - AB 19 State Allocation
 - ▶ \$600K Foundation
 - ▶ \$300K Housing
- ▶ \$1M Food Insecurity Initiative
- ▶ \$800K (Year 3 of 3) Equity Institute

2021-22 Initiatives



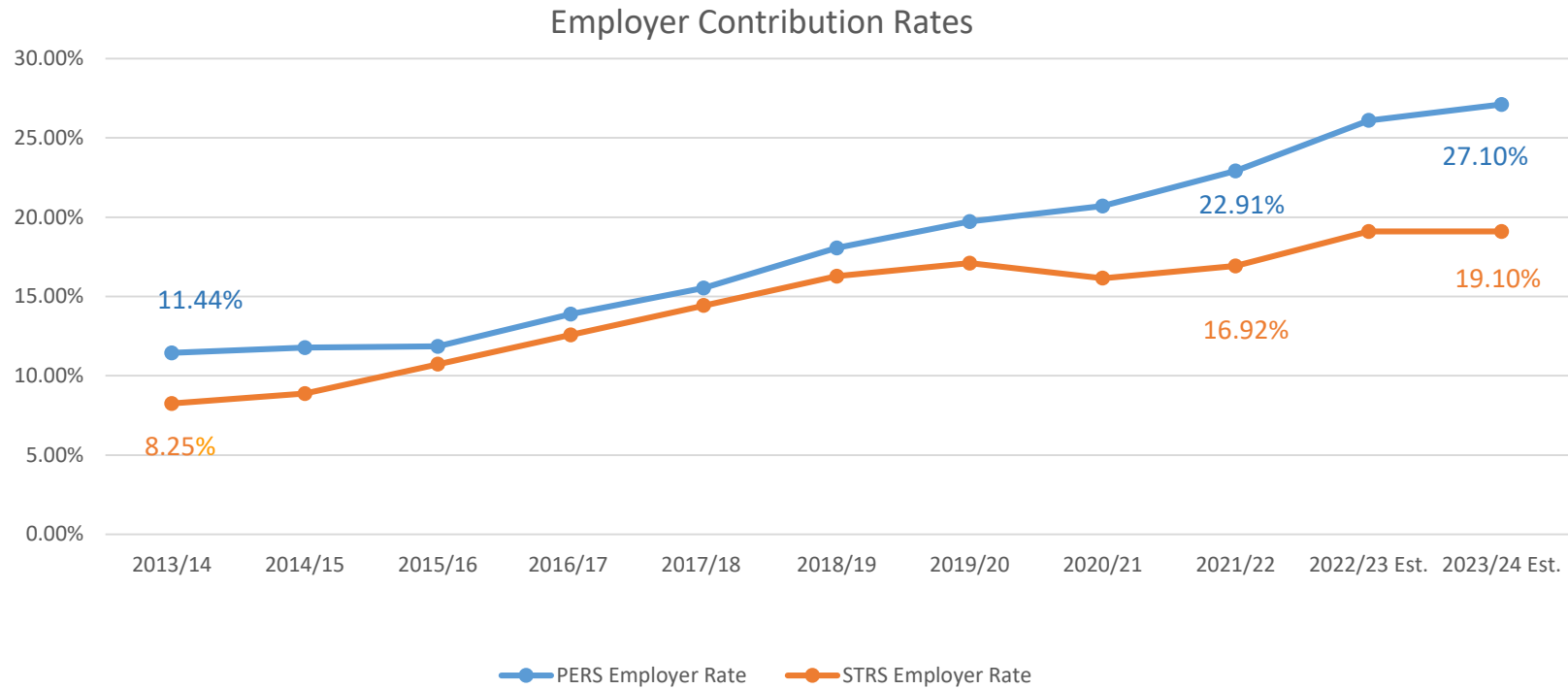
- ▶ \$6.75M (one-time) for Free College Strategic Initiative
 - ▶ CCAP Dual Enrollment and Middle College
 - ▶ Promise Scholars Program infrastructure expansion
 - ▶ Open Educational Resources and Zero Textbook Cost
- ▶ \$32.5M (one-time) for COVID-19 mitigation and emergency preparedness
 - ▶ \$28.2M HEERF Funding
 - ▶ \$1M COVID-19 Contingency (set-aside)
 - ▶ \$3.3M sites' set-aside for emergency preparedness

50% Law - Continued Commitment

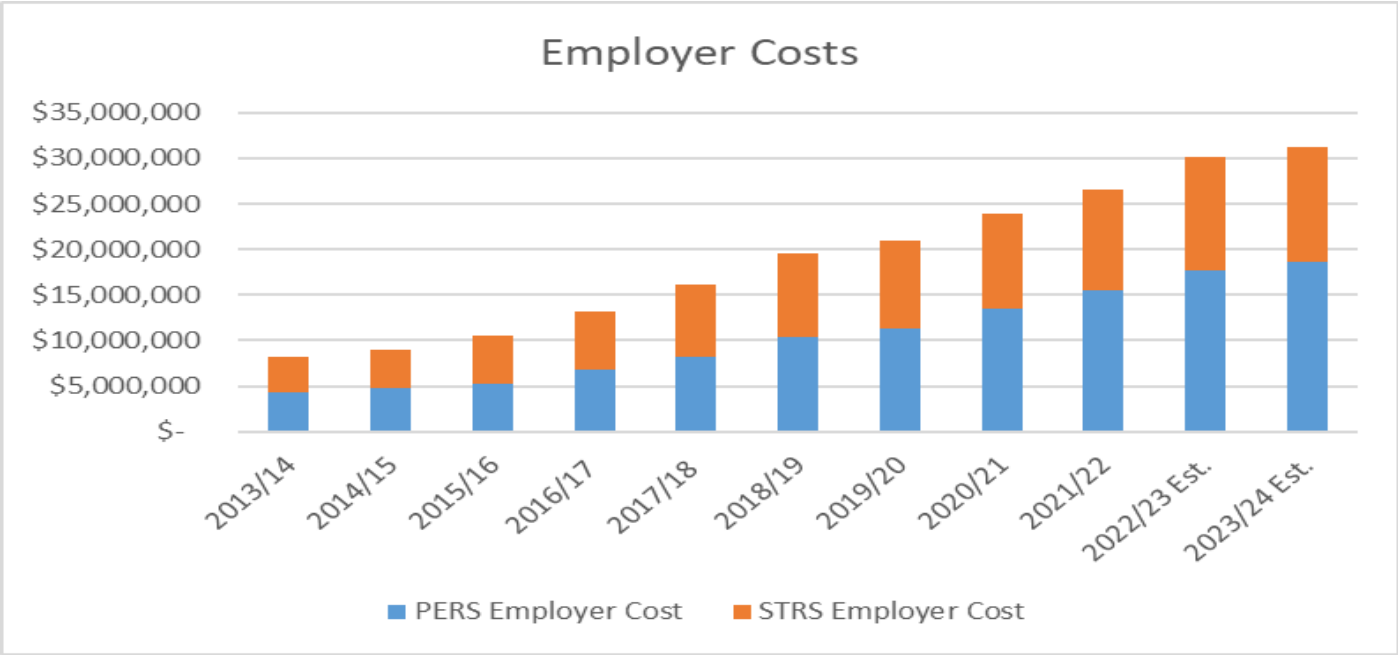


- ▶ Based on calculations and projections as of this moment (adopted budget assumptions on enrollment, budgeted expenses, etc.): 50% Law calculation is estimated to be approximately 42.25% for 2021-22
- ▶ District plans to continue to address the impact on teaching faculty with:
 - ▶ **Additional** \$1.5M in on-going budget allocation towards 50% law compliance
 - ▶ These funds will be used to increase part-time faculty parity
 - ▶ \$2.2M total allocated between 2020-21 and 2021-22
 - ▶ \$700K in 2020-21 to convert 10 part-time FTEF to 10 full-time FTEF

PERS and STRS Rates Impact on SMCCCD



PERS and STRS Rates Impact on SMCCCD



Unrestricted General Fund Revenue



	Adopted 2020-21	Tentative 2021-22	Adopted 2021-22	Variance between Tentative and Adopted
Property Taxes	\$165,666,425	\$173,010,714	\$172,178,871	\$(831,843)
RDA Funds	14,970,114	15,626,516	14,867,919	(758,598)
Student Fees	8,150,650	8,395,976	7,887,602	(508,374)
Non-resident Tuition (int'l and out-of-state)	4,733,625	6,765,975	6,478,424	(287,550)
EPA	1,437,300	1,408,700	1,414,825	6,125
STRS on Behalf	5,796,149	5,796,149	4,488,329	(1,307,820)
Other Rev/Tsfrs	<u>7,657,706</u>	<u>8,028,879</u>	<u>11,906,164</u>	<u>3,877,285</u>
TOTAL	\$208,411,969	\$219,032,908	\$219,222,133	\$189,227

Minor differences in dollar amounts due to rounding

Unrestricted General Fund Expense



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	Adopted 2020-21	Tentative 2021-22	Adopted 2021-22	Variance between Tentative and Adopted
Site Allocations	\$171,424,265	\$178,214,535	\$178,315,678	\$101,143
Other Benefits/STRS on Behalf	6,046,149	6,046,149	4,738,329	(1,307,820)
Utilities	4,222,417	5,086,994	5,156,812	69,818
Districtwide Technology	3,637,143	4,115,036	4,876,481	761,445
Salary Commitments/Office Hours	8,631,079	9,953,763	9,428,198	(525,565)
Commitment towards PT faculty parity (50% Law Compliance)	700,000	1,500,000	1,500,000	0
Insurance	2,815,663	3,213,364	2,951,767	(261,598)
Other	10,935,253	10,903,066	12,254,869	1,351,804
TOTAL	\$208,411,969	\$219,032,908	\$219,222,133	\$189,227

Minor differences in dollar amounts due to rounding

Budget Summary



	2021-22 Unrestricted General Fund Expenditure Plan (Budget) (Excluding PY Carryover)	Prior-Year Carryover Sites / DW One-Time	Restricted for Free College One-Time	Total Adopted 2021-22 Budget
INCOME				
TOTAL INCOME	\$ 219,222,131	\$ 0	\$ 0	\$ 219,222,131
EXPENSES				
TOTAL EXPENSES	\$ 206,530,582	\$ 23,956,678	\$ 6,750,000	\$ 237,237,260
TOTAL TRFs/OTHER SOURCES	\$ (12,691,549)	\$ 0	\$ 0	\$ (12,691,549)
FUND BALANCE				
Net Change in Fund Balance	\$ (0)	\$ (23,956,678)	\$ (6,750,000)	\$ (30,706,678)
Beginning Balance (Colleges, CS, DO accounts), July 1	0	23,956,678	0	23,956,678
Restricted Beginning Balance, July 1	0	0	6,750,000	6,750,000
15% Reserves/Beginning Fund Balance*	33,149,255	0	0	33,149,255
Total Beginning Fund Balance	33,149,255	23,956,678	6,750,000	63,855,933
Adjustments to Beginning Balance	0	0	0	0
NET FUND BALANCE, June 30	\$ 33,149,255	\$ 0	\$ 0	\$ 33,149,255

Adopted Budget – All Funds



Fund	2021-22 Final Adopted Budget
Unrestricted General Fund	\$249,928,809
Self-Insurance Fund	3,246,133
Debt Service Fund	61,145,704
Restricted General Fund	77,708,256
Capital Projects Fund	71,628,294
Bookstore Fund	5,921,240
Cafeteria Fund	181,569
San Mateo Athletic Club (SMAC)	2,315,800
Community, Continuing, and Corp Ed	1,399,004
Child Development Fund	1,456,003
Trust Funds (Financial Aid)	25,829,246
Reserve for Post-Retirement Benefits	<u>8,055,487</u>
TOTAL	\$508,815,545

Capital Outlay



- ▶ Spending down GO Bond funds (Measure H)
- ▶ Continued State funding for one project under Prop 51
 - ▶ Building 2 - Workforce and Economic Development Prosperity Center at Skyline College.
- ▶ \$7.6M in Scheduled Maintenance funds allocated in this year's State Budget for SMCCCD

Retirement Trust Fund - OPEB



Change In Portfolio	
Portfolio Value 7-1-2020	\$128,521,859
Change in Market Value	24,041,212
Income Received	5,149,569
Portfolio Fees	<u>(524,624)</u>
Portfolio Value 6-30-2021	\$157,188,015
Net OPEB Liability 6-30-2021	<u>\$116,931,609</u>
(Under)/Over Funded	\$40,256,406

Minor differences in dollar amounts due to rounding

Looking Ahead



- ▶ **2022-23 and 2023-24 Considerations:**
 - ▶ Property taxes
 - ▶ Enrollment
 - ▶ Insurance
 - ▶ SMAC and Cañada Building 1
 - ▶ Covid-19 mitigation – on-going costs

Summary



- ▶ 2021-22 Budget is balanced
- ▶ Budget is guided by the District's Strategic Plan
- ▶ Provides resources for:
 - ▶ Students
 - ▶ Employees
 - ▶ Community
- ▶ The reserves are, as planned, at 15%
- ▶ Resources set aside for Covid-19 mitigation
- ▶ 2021-22 Final Budget is ready for adoption



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QUESTIONS?

Thank You!