

FY 2023-2024

- ▶ Tentative Budget Presentation

- ▶ Sue Rearic
Business & Financial Affairs

- ▶ May 2023

Annual Budget State and SWC Governing Board Timelines

- ▶ **January - Governor's budget proposal**
- ▶ **May Revise - Governor's updated budget proposal**
- ▶ **May/June - SWC Governing Board considers TB**
 - ▶ 5/22/23 GB Workshop; 6/12/23 GB Approval
 - ▶ GB must approve before 6/30 for operations to begin fiscal year 7/1
- ▶ **June - California approves state FY 23-24 budget**
- ▶ **September/October-District closes out FY 22-23 and develops Adoption Budget**
 - ▶ 9/9 - 9/10 - Finance closes year-end and establishes beginning balances
 - ▶ 9/11 - GB Workshop; 9/25 GB Considers Action
 - ▶ 10/10 SWC submits budget to State Chancellor's Office as part of the annual 311 report
- ▶ **P1 - February 2024 (mid-year FY 23-24) Chancellor's Office updates FY 22-23 (recalc) and FY 23-24 (current year) apportionments**

January - Governor's Budget Proposal

▶ State Budget

- ▶ Lower than FY 22-23
- ▶ Overall State budget - 3% decrease \$297.7 billion
- ▶ General Fund Spending - 4.6% decrease to \$223.6 billion
- ▶ Decreases will result in delays or reductions to 21-22 and 22-23 state budget commitments

▶ California Community Colleges

- ▶ Despite the state deficit, Prop 98 is expected to increase
- ▶ 4.2% increase (an estimated 8.13% COLA, reduced by “technical” adjustments to SCFF)

SWC Tentative Budget Development Process

- ▶ **March - April**
 - ▶ Estimate Revenues including SCFF, Nonresident fees, lottery and all other unrestricted revenue sources
 - ▶ Establish Position & Employee Benefits Budgets with HR using Approved Position List (APL)
 - ▶ Finance Department works with Budget Managers for other budget components
- ▶ **May**
 - ▶ Budget packet developed for board presentation & posting detail completed
 - ▶ Governor issues MAY REVISE
 - ▶ Governing Board TB Workshop
- ▶ **June**
 - ▶ Governing Board approves TB on 6/12/23

FY 23-24 Tentative Budget - Includes all Funds

\$203 Million Revenue

- ▶ General Fund
 - ▶ Unrestricted Fund
 - ▶ Restricted/Categorical Funds
- ▶ Facility Bonds and Capital Projects
 - ▶ Prop R & Prop Z
 - ▶ Capital Projects Funds (State Scheduled Maint & Local Projects)
- ▶ Enterprise Funds
 - ▶ Bookstore, Food Services, CCFL & Fitness Center
- ▶ Other Funds
 - ▶ Student Center, Student Rep Fee, ASO & Self-Insurance Fund

Unrestricted Fund - Summary

- ▶ Based on Governor's January Proposal
 - ▶ Included a COLA of 4% on SCFF
 - ▶ Estimated based on Governor's Proposal with offsetting Apportionment Adjustments
- ▶ Includes 16% Governing Board Reserve
- ▶ Funds all currently filled positions and related benefits
- ▶ Funds all FY 23 Student Success Reorganizations in process
 - ▶ Academic Affairs, Business & Financial Affairs, Human Resources, Superintendent/President and Student Affairs Divisions
- ▶ Funds FY 22 (prior year) baseline non-personnel budgets
- ▶ Does not fund one-time FY 22-23 allocations or new budget increase requests
 - these are pending prioritization and funds available in AB

Unrestricted Funds - Revenue

Total Computational Revenue (TCR) from the SCFF is 90.55% of Revenue. Total TCR is received via Local Student Fees, Local Property Taxes and State Apportionment.

Revenue	FY 22-23 AB	FY 23-24 TB	Increase
Federal	\$ 86,600	\$ 86,600	
State	85,870,659	90,462,616	
Local	46,140,310	46,878,225	
Total	<u>\$132,097,569</u>	<u>\$137,427,441</u> pg2	<u>\$5,329,872</u>
SCFF	\$120,021,978	\$124,453,007	
Other State	10,269,281	9,758,116	
Local/Federal	1,806,310	3,216,318	
Total	<u>\$132,097,569</u>	<u>\$137,427,441</u> pg 3	<u>\$5,329,872</u>

State Apportionment

Student Centered Funding Formula (SCFF) Calculation

► Components - amounts included in TB

► Base

► FTES & Basic Allocation for District & Centers \$90.5 M

► Supplemental

► Headcount of Pell Grant, Promise & AB 540 students \$21.3 M

► Student Success

► Student Performance Measures \$12.6 M

Total SCFF

\$124.4 M

Unrestricted Funds - Expense

* Increase in total personnel includes FY23 raises, FY23 Reorganizations, FY24 Step & Column increases, and FY24 benefit rate increases.

	FY 22-23 AB	FY 23-24 TB	Increase (Decrease)
Salaries	\$ 75,837,911	\$ 84,902,251	
Vacant Positions- unfunded (savings)	(2,250,000)	(3,010,749)	
Benefits	33,560,433	39,094,108	
SERP Premiums- Prior Yrs	3,000,000	589,415	
SERP 2023 Savings	<u>na</u>	<u>(1,289,920)</u>	
Total Personnel	\$110,148,344	\$120,285,105	\$10,136,761 *
Non-Personnel	<u>\$18,472,019</u>	<u>\$17,142,336</u>	<u>(1,329,683)</u>
Total Expense	<u>\$128,620,363</u>	<u>\$137,427,441</u> pg 4	<u>\$8,807,078</u>

Tentative Budget also includes Restricted/Categorical Funds, Enterprise Funds and Facilities/Bond Funds

- ▶ Carryover funds, new revenues and all expenditures are estimates for these funds.
- ▶ Budgets must be included in TB to authorize spending beginning 7/1.
- ▶ The TB will be updated after the 6/30-year end is completed
 - ▶ Financial Services closes year end 9/9/23
 - ▶ Amounts are updated as part of the Adoption Budget process and available to departments after the board approval 9/25/23

Restricted General Funds

▶ TB includes \$48.1 Million of Categorical Revenue

▶ Student Equity & Access	\$ 6.7 M
▶ Student Access	21.1
▶ Student Success	15.5
▶ Institutional Effectiveness	<u>4.8</u>
▶ Total Restricted Revenue	<u>\$48.1 M</u>

Listing by Program included in Budget Packet - page 8

Facility Bonds and Capital Projects

- ▶ Proposition R & Z Funds
 - ▶ Includes all funds available in the bonds for listed projects
 - ▶ Balances will be updated to actuals after year end
- ▶ Capital Projects Funds
 - ▶ State scheduled maintenance/deferred maintenance funds
 - ▶ Local redevelopment funds
 - ▶ Locally funded facility projects

Enterprise Funds

- ▶ Bookstore
- ▶ Food Services
- ▶ Civic Center Facilities Leasing - CCFL
- ▶ Fitness Center-JAWS

Other District Funds

▶ Other Funds

- ▶ Student Center - fund collects fees to support the Student Center including paying debt issued in 2010 to improve the center.
- ▶ Student Representation Fee - fund collects fees to support the Student Senate of Calif CC and SWC student leaders
- ▶ Associated Students Funds - fund collects fees to support ASO activities
- ▶ Self-Insurance Fund

May Revise

Governor's May 12th updated budget proposal

- ▶ Overall State budget - now estimated at \$306 billion
 - ▶ January proposal \$297.7 billion; FY 22-23 was \$309 billion
- ▶ Continues the *State Roadmap for the Future*
 - ▶ Advance equity, student success and the ability to prepare students for California's future.
 - ▶ State goal - 70% of all working-age Californians have a degree or credential by 2030
- ▶ 8.22% COLA on SCFF (not clear if offset by apportionment adjustments) and COLA on some categorically funded programs
- ▶ Proposes 53% cuts to current/FY 22-23 deferred maintenance/instructional support funds and COVID Block Grant

Next Steps

- ▶ After TB approval the process continues
 - ▶ Detail budgets are available for operations July 1
- ▶ Currently vacant positions, 7/1/23 SERP replacements, and potential new positions requested via program review will be prioritized for potential recruitment. The TB includes approximately \$3m for unfilled positions. Additional prioritized positions may be advanced for recruitment by additional on-going funding as determined available in the AB.
- ▶ State approves a budget by June 15
- ▶ District finalizes FY23 by September 9 which determines beginning balances for the FY24 AB.
- ▶ Adoption Budget board presentation on September 11.

Budget process acknowledgement and appreciation

Budgets are a result of detailed strategic planning and thoughtful collegial discussions considering budget priorities.

Budget managers continually manage their budgets throughout the year to effectively serve students and focus on the success of our students.

Many professionals across the district participate in budget development, program review and the prioritization of the requests.

We appreciate everyone involved in the budget development process.

We truly could not pull all the details together without you.