

Solano Community College District

TENTATIVE BUDGET

2014-15

GOVERNING BOARD MEETING

June 18, 2014

Transforming Students' Lives

Serving Solano and Yolo Counties and the City of Winters, California

4000 Suisun Valley Road, Fairfield, CA 94534

www.solano.edu

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Superintendent-President

Solano Community College District

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REPORT PREPARED BY:

Yulian Ligioso

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Patrick Killingsworth

Director, Fiscal Services

Judy Yu

Accounting Manager

Laura Convento

Interim Business Operations Coordinator, Finance & Administration

Mission Statement

MISSION: Solano Community College's mission is to educate a culturally and academically diverse student population drawn from our local communities and beyond. We are committed to helping our students achieve their educational, professional, and personal goals centered in basic skills education, workforce development and training, and transfer-level education. The College accomplishes this three-fold mission through its dedicated teaching, innovative programs, broad curricula, and services that are responsive to the complex needs of all students.

VISION: Solano Community College will be a recognized leader in educational excellence – *transforming students' lives.*

STRATEGIC GOALS:

- Goal 1: Foster Excellence in Learning**
- Goal 2: Maximize Student Access and Success**
- Goal 3: Strengthen Community Connections**
- Goal 4: Optimize Resources**

Overview

- ① 2014/15 State Budget
- ① Budget Development
- ① Enrollment Update and Estimate through FY 2017/18
- ① Solano College Budget Assumptions
- ① 4 Year Fiscal Look Ahead
- ① Proposed FY 2014/15 Tentative Budget
- ① Other Guidelines/Considerations

CALIFORNIA STATE BUDGET

(Community Colleges)

- As widely expected, the Legislature agreed to mostly accept the governor's lower revenue calculations, backing off a proposed \$246 million in greater community college spending previously approved by budget-writing committees. In the end, there were two major changes to the community college budget proposed in the May Revision--the funds for Student Equity were reduced from \$100 million to \$70 million and Disabled Students funding was increased by \$30 million.

Major community college items, with changes from the May Revise in yellow:

Item (amounts in 000s)	2013-14 Enacted	2014-15 January	2014-15 May	2014-2015 Conference	Note
Ongoing Funds			0.85%	0.85%	General apportionment only
Enrollment Growth	1.63%	3%	2.75%	2.75%	General apportionment only
Student Success and Support Program	\$99,183	\$199,183	\$199,183	\$199,183	variable match
Student Success and Support Program - Equity	\$0	\$100,000	\$100,000	\$70,000	
Disabled Students Programs and Services	\$84,223	\$84,223	\$84,223	\$114,223	
Extended Opportunity Programs and Services	\$88,605	\$88,605	\$88,605	\$88,605	
Economic and Workforce Development	\$22,929	\$22,929	\$22,929	\$22,929	See one-time funds below
Student Financial Aid Administration	\$67,537	\$67,896	\$67,896	\$67,896	
CalWORKs	\$35,545	\$35,545	\$35,545	\$35,545	
Part-time Faculty Compensation	\$24,907	\$24,907	\$24,907	\$24,907	
Basic Skills	\$20,037	\$20,037	\$20,037	\$20,037	
Telecommunications and Technology Infrastructure	\$15,790	\$15,790	\$20,390	\$20,390	
Nursing Education	\$13,378	\$13,378	\$13,378	\$13,378	
Foster Care Education Program	\$11,786	\$11,786	\$11,786	\$11,786	
Part-time Faculty Office Hours	\$3,514	\$3,514	\$3,514	\$3,514	
Campus Childcare Tax Bailout	\$3,350	\$3,350	\$3,350	\$3,350	
Transfer and Articulation	\$698	\$698	\$698	\$698	
Part-time Faculty Health Insurance	\$490	\$490	\$490	\$490	
One-Time Funds					
Physical Plant and Instructional Equipment		\$175,000	\$148,000 (maintenance only)	\$148,000 (maintenance or equipment)	no match in 2014-15
Economic and Workforce Development			\$50,000		to increase student success in career-technical programs
Telecommunications and Technology			\$1,400		
Mandates				\$49,500	To address mandate backlog

STATE BUDGET

Continued

- Instead of completely paying off the community college deferrals, the compromise would repay \$498 million in deferrals, with the remaining \$98 million tied to state revenues. Under the LAO's revenue projections, the deferral would be completely paid off this year.
- On June 11, 2014 language was inserted into the budget to limit the amount of reserves K-12 districts may hold for bad economic times, should the Rainy Day fund proposal be approved by voters in November. Similar language was not included for community colleges.
- While education advocates hoped an education facilities bond would be approved in conjunction with the budget, there was no movement on the issue as most of the work on the education budget was completed.

Budget Development

- ◎ Shared Governance Committee
 - Stability Funding for 2014/15
 - Reserve Levels between 6%-9%
- ◎ “People & Things” Discussions
 - Deans/Directors
 - Shared Governance Committee
 - Superintendent-President Cabinet
 - Strategies identified:
 - Hold filling selected vacant positions
 - Proposition 20 Restricted Lottery Funds
 - Staff costs to Measure Q to extent allowable
 - Reduce contracts
 - Living within fiscal constraints

Enrollment/Appportionment Projections

		FY 2012-13 *	FY 2013-14 *	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
SCC Reported FTES							
Summer		-	725	-	894	237	948
Fall		3,479	3,314	3,413	3,516	3,621	3,730
Spring		3,535	3,393	3,495	3,600	3,708	3,819
Summer		<u>14</u>	<u>868</u>	<u>-</u>	<u>748</u>	<u>-</u>	<u>162</u>
FTES Reported		7,028	8,300	6,908	8,757	7,566	8,659
CCCCO Apportionment Schedules							
Base		8,502	7,056	8,300	6,908	8,757	7,566
Stability 12/13		(1,446)					
Stability 14/15				(1,392)			
Stability 16/17						(1,191)	
Stability Restoration 12/13			1,244		202		
Stability Restoration 14/15					1,392		
Stability Restoration 16/17		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,191</u>
FTES Funded		7,056	8,300	8,300	8,502	7,566	8,757
Growth	3%				<u>255</u>		<u>-</u>
Adjusted Base					8,757		8,757
Stability Adjustment		6,598,392		6,508,124		5,569,869	
Estimated Revenue Loss			(922,130)	(922,130)			
Estimated Growth Revenue					1,192,682		

College Revenue Assumptions

- ◎ Stability Funding at 8,300 FTES
- ◎ Centers Maintain Base Funding
- ◎ 0.85% Cost of Living Adjustment
- ◎ No Growth
- ◎ Rising Non-Resident Tuition Revenues
- ◎ Reduced Lottery Funds
- ◎ Instructional Equipment/Scheduled Maintenance
- ◎ Mandated Costs

College Expenditure Assumptions

- ⦿ Increased Class Offerings
- ⦿ Increase in Health/Welfare \$750k
- ⦿ Increase in Retirements \$225k
 - STRS, PERS
- ⦿ Step/Lane Movement \$300k
- ⦿ 15 Vacancies/Recruitments \$1,332k
- ⦿ Trustee Elections \$320k
- ⦿ Reductions in Electricity (\$400k)
- ⦿ No Employee Salary Increases Reflected

	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
Revenues					
Federal	1,666	-	-	-	-
State	31,449,186	23,873,820	24,252,070	27,722,117	27,722,117
COLA		378,250	445,000	465,000	470,000
Stability		6,509,106		5,621,029	
Stability Restoration 12/13			944,569		
Stability Restoration 13/14			6,509,106		
Stability Restoration 15/16					5,621,029
Growth			1,192,401		1,216,368
Local	15,934,911	16,187,418	16,387,418	16,587,418	16,787,418
	<u>47,385,763</u>	<u>46,948,594</u>	<u>49,730,564</u>	<u>50,395,564</u>	<u>51,816,932</u>
Expenditures					
Academic Salaries	19,680,948	19,877,036	20,125,499	20,377,068	20,631,781
Classified Salaries	9,359,466	9,589,648	9,709,519	9,830,888	9,953,774
Benefits	11,694,158	13,338,322	14,158,322	15,058,322	16,058,322
Supplies	920,436	458,838	458,838	458,838	458,838
Other Operating	5,317,428	5,242,792	5,242,792	5,242,792	5,242,792
Equipment	213,395	35,000	35,000	35,000	35,000
Other Outgo	24,141	300,000	300,000	300,000	300,000
Reductions To Be Determined 14/15		(405,000)	(405,000)	(405,000)	(405,000)
Reductions To Be Determined 15/16			-	-	-
Reductions To Be Determined 16/17				(560,000)	(560,000)
Reductions To Be Determined 17/18					(50,000)
	<u>47,209,972</u>	<u>48,436,636</u>	<u>49,624,970</u>	<u>50,337,907</u>	<u>51,665,507</u>
Revenues>Expenditures	175,791	(1,488,042)	105,594	57,656	151,425
Beginning Fund Balance	5,661,304	5,837,095	4,349,053	4,454,647	4,512,303
Ending Fund Balance	<u>5,837,095</u>	<u>4,349,053</u>	<u>4,454,647</u>	<u>4,512,303</u>	<u>4,663,728</u>
	12.4%	9.0%	9.0%	9.0%	9.0%
Assumptions					
COLA		0.85%	1.00%	1.00%	1.00%
Growth		0.00%	3.00%	0.00%	3.00%
Non-Resident Tuition		\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Step/Lane Movement, incl Statutory		1.25%	1.25%	1.25%	1.25%
Health Benefits		750,000	820,000	900,000	1,000,000
Supplies, Other Operating, Equipment		same as py	same as py	same as py	same as py

FY 2014-15 Tentative Budget

	2013-14		2014-15
	ADOPTED BUDGET	PROJECTION	TENTATIVE BUDGET
Federal Revenue	-	1,666	-
State Revenue	31,407,186	31,449,186	30,411,176
Local Revenue	15,370,904	15,917,597	16,178,346
Other Revenue	-	17,314	9,072
TOTAL REVENUE	46,778,090	47,385,763	46,948,594
EXPENDITURES			
Academic Salaries	19,123,296	19,654,547	19,877,036
Classified Salaries	9,421,591	9,305,025	9,589,648
Benefits	12,863,865	11,669,344	13,338,322
Supplies and Materials	686,429	883,624	458,838
Other Operating	4,852,513	5,299,916	5,242,792
Capital Outlay	40,000	181,923	35,000
Strategic Proposals	300,000	191,451	300,000
Other Outgo		24,141	
Additional Reductions Needed			(405,000)
TOTAL EXPENDITURES	47,287,694	47,209,971	48,436,636
Net Increase (Decrease) in Fund Balance	(509,604)	175,792	(1,488,042)
Estimated Beginning Balance	6,353,451	5,661,304	5,837,096
Estimated Ending Balance	5,843,847	5,837,096	4,349,054
	12.4%	12.4%	9.0%

Other Guidelines/Considerations:

- Careful and ongoing budget monitoring.
- Have a system in place to analyze and monitor cash flow in all funds.
- Report cash flow status and projections to the Board of Trustees on a regular basis.
- Build reserves/fund balances in all funds.
- Conduct the California Community Colleges, “Sound Fiscal Management Self-Assessment Checklist.”
- Attempt to accelerate cash inflows – Such as collections of receivables.
- Can district reasonably slow down or stop purchase requisitions?
- Can district keep open positions unfilled for a time?
- Can an expenditure commitment be delayed or eliminated?

Other Guidelines/Considerations:

- ⦿ Is the purchase mission critical?
- ⦿ Is the purchase a legal or contractual requirement?
- ⦿ Is the item related to student or staff safety?
- ⦿ Does it have to be done now?
- ⦿ Do you need to travel to that location now?
- ⦿ Do we need to Freeze Object Codes 4000, 5000, and 6000, other than emergency and necessary expenditures?
- ⦿ Program review consideration
- ⦿ Faculty load/reassigned time
- ⦿ Use of hourly personnel budgets and/or use of overtime