



SPECIAL MEETING MINUTES

Fiscal Advisory Committee
 Wednesday, May 24, 2023, 2:00 p.m.

Voting Members

ALG

Susan Wheat
 Peter “Tony” Zitko

CTA

Erin Farmer

Local 39

Jeff Lehfeldt

SCC Educational Foundation

Curt Johnston

CSEA

Carla Maguire

Faculty

Erica Beam
 Ruth Fuller
Joshua Scott

Minority Coalition

Shirley Lewis

ASSC

vacant

Advisory Members

David Williams
 Lisa Neeley
Shannon Beckham
Virgie Bender
 Edith Sanchez
 Patrick Scott

Alternates

Pam Muick (CTA)
 Shanan Danley (Minority Coalition)
 LaNae Jaimez (Faculty)
 vacant (ASSC)

ITEM
<p>1. Opening actions <i>Opened at 2:03pm</i></p> <ul style="list-style-type: none"> • Roll call <i>All highlighted members above were present, with the addition of the following guest: Justin Howell</i> • Approval of Agenda <i>No Quorum was present, so no votes taken. Information only provided.</i>
<p>2. Comments from the public <i>None</i></p>
<p>3. Tentative Budget Presentation with May Revise Overview <i>Presented and attached</i></p>
<p>4. Next Meeting</p> <ul style="list-style-type: none"> • Sept 6th – Next regular meeting
<p>5. Adjournment <i>Closed at 2:21pm</i></p>

TENTATIVE BUDGET PRESENTATION

2023-24

June 7, 2023



SOLANO

COMMUNITY COLLEGE

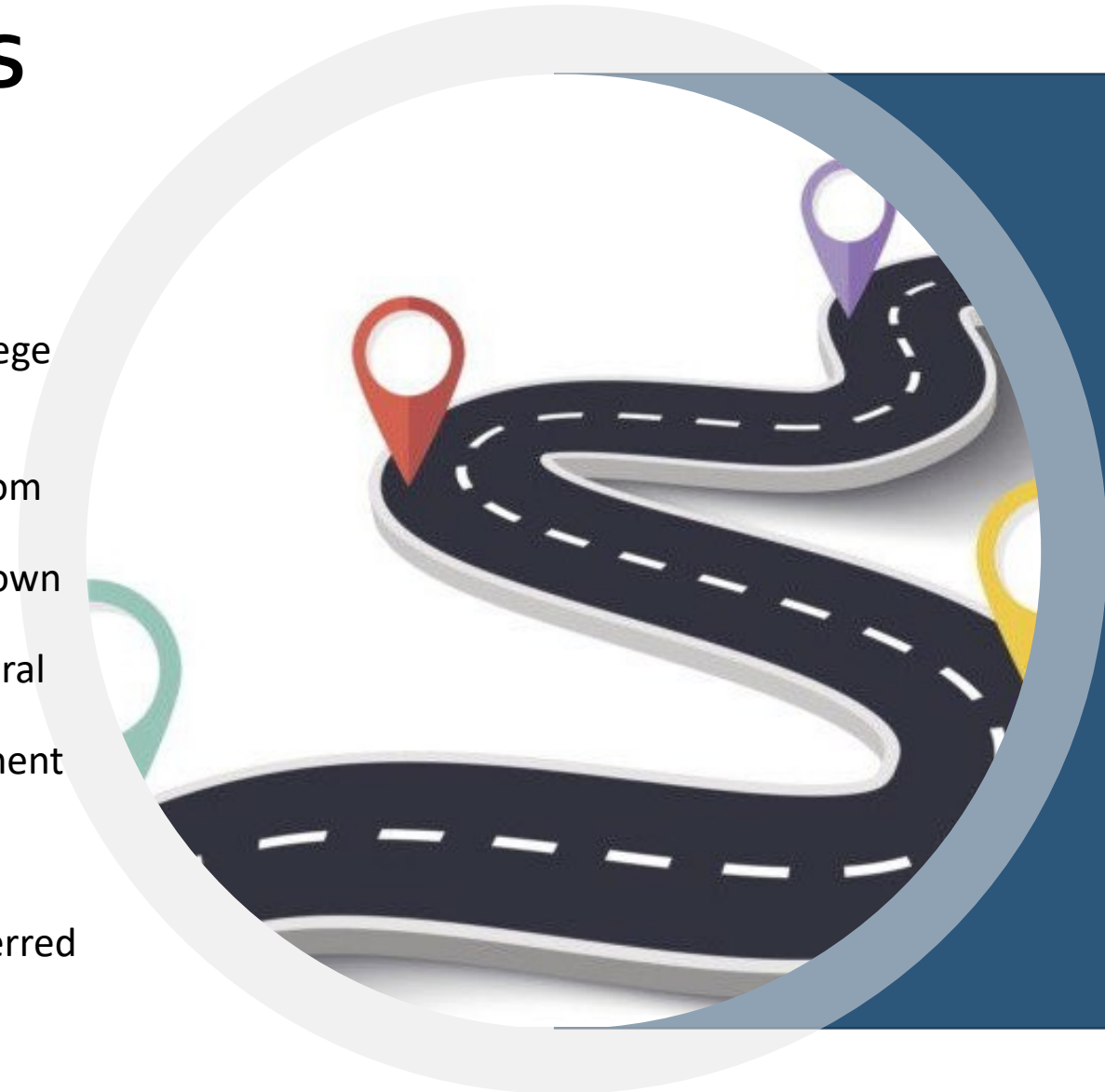
MAY REVISE HIGHLIGHTS

The Roadmap to the Future of getting 70% of all working-age Californians to possess a degree or credential by 2030 still shapes the Community College Budget.

- The total State CCC Budget - \$13.6 billion. (up from \$13.4 billion for 2022-23)
- State CCC General Funds budget - \$8.7 billion (down slightly from \$9.0 billion for 2022-23)
- 8.22% Cost of Living Adjustment (COLA) for general fund and certain categorical funds
- One-time fund for student retention and enrollment

Concerns:

- Mid-year budget revisions
- Possible budget reductions from 2022-23 in Deferred Maintenance and the State COVID Block Grant



REVENUES – UNRESTRICTED FUND



	Projected Year-End 2022-23	Tentative Budget 2023-24
REVENUES:		
Base Allocation (FTES & Basic Alloc.)	\$44,134,113	\$52,813,122
Supplemental Allocation	8,482,775	9,926,398
Student Success Allocation	6,168,831	7,208,735
Sub Total	\$58,785,719	\$69,948,255
Other State Revenue	\$2,561,663	
GFU-Pell Admin	29,204	41,775
TOTAL REVENUES	\$ 61,376,586	\$ 69,990,030

Notes:

- First time the entire COLA (8.22%) is added to revenue due to not being on hold harmless
- Other state revenue (lottery and other one-time unrestricted funds) not yet known
- Slight increase due to slightly higher number of students in 2022-23

EXPENSES – UNRESTRICTED FUND



EXPENDITURES:

Academic Salaries
 Classified Salaries
 Benefits
 Supplies and Materials
 Other Operating
 Capital Outlay
 Other Outgo
 Contingency appropriation
 GFU-Pell Admin

TOTAL EXPENDITURES

	Projected Year-End 2022-23	Tentative Budget 2023-24
Academic Salaries	23,403,253	27,107,643
Classified Salaries	12,257,722	14,419,019
Benefits	16,218,870	16,853,187
Supplies and Materials	657,619	865,929
Other Operating	9,332,107	11,514,049
Capital Outlay	234,550	392,970
Other Outgo	670,000	340,000
Contingency appropriation	250,000	250,000
GFU-Pell Admin	29,204	41,775
TOTAL EXPENDITURES	\$ 63,053,325	\$ 71,784,572

Notes:

- Increase in Salaries and Benefits due to COLA and other bargaining agreements
- Salaries & Benefits is approx. 81.3% of expenses
- Increase in Other Operating due to the anticipation of State COVID Block Grant being reduced for 2022-23
- Reduction in Other Outgo due to Other Post Employment Benefits (OPEB) contribution only being for one year (in 2022-23, we contributed two years' worth)

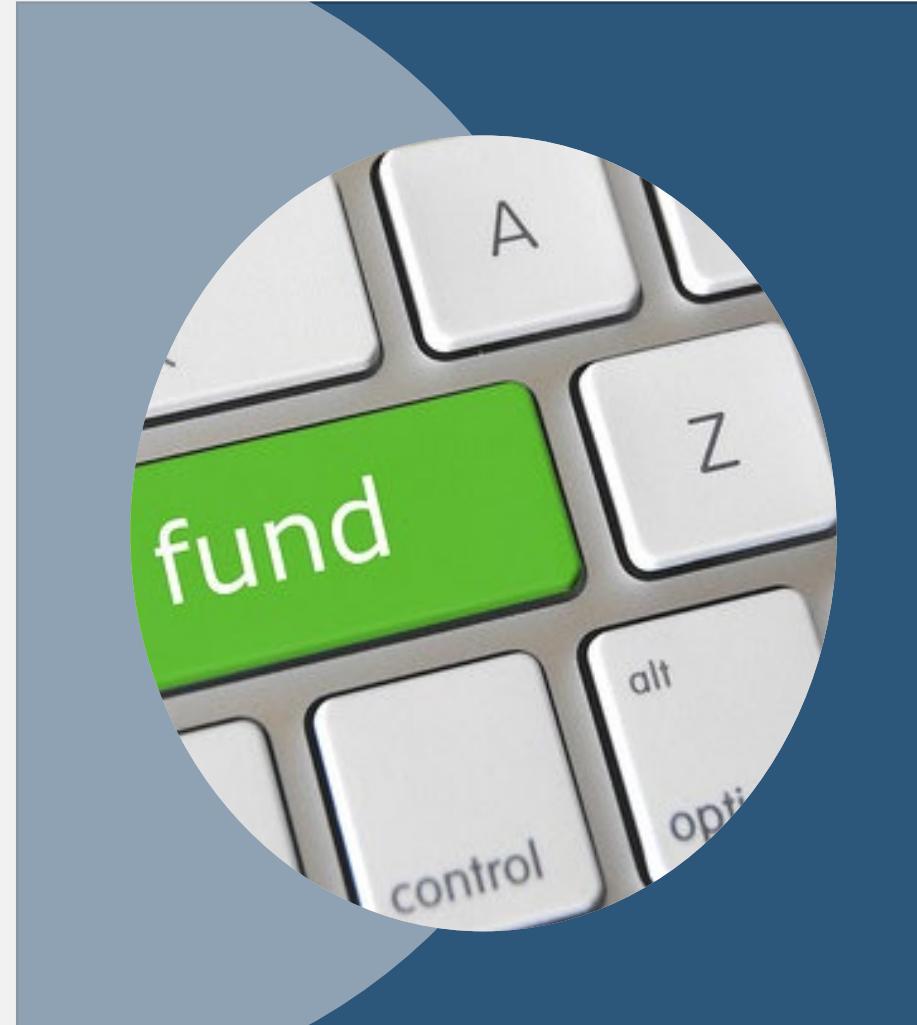
ENDING FUND BALANCE – UNRESTRICTED FUND

	Projected Year-End 2022-23	Tentative Budget 2023-24
BEGINNING FUND BALANCE	33,196,719	31,519,980
ENDING FUND BALANCE	\$ 31,519,980	\$ 29,725,438
Fund Balance / Reserve Ratio	50.0%	41.4%
FUND BALANCE COMPOSITION		
Salary Improvements 2022-23 (taken from reserve over 5 years)	7,200,000	5,400,000
STRS/PERS Premium Reserve	4,525,000	4,525,000
Designated Reserve: OPEB Liability	4,000,000	4,000,000
Board Required Minimum 5% Reserve	3,152,666	3,589,229
Stability Reserve	12,642,313	12,211,209
ENDING FUND BALANCE	\$ 31,519,980	\$ 29,725,438

NOTE: Fund Balances currently under review - 'subject to change'.

Notes:

- Anticipates a deficit spending for 2023-24
- Potential Salary Improvements used over multiple years
- Board Required Reserve plus Stability Reserve is approximately 22% of expenses (State recommends two months – SCC approx. 18.5%)



5-YEAR OUTLOOK – UNRESTRICTED FUND

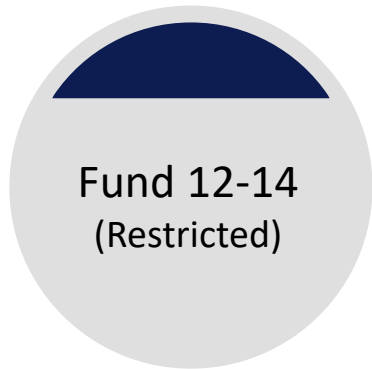


	<i>Estimated Actual 2022-23</i>	<i>Tenative Budget 2023-24</i>	<i>Projected Budget 2024-25</i>	<i>Projected Budget 2025-26</i>	<i>Projected Budget 2026-27</i>	<i>Projected Budget 2026-27</i>
REVENUES:						
TOTAL REVENUES	61,376,586	69,990,030	71,672,913	72,861,120	73,517,233	74,179,908
EXPENDITURES:						
TOTAL EXPENDITURES	63,053,325	71,784,572	72,454,325	72,672,968	73,393,798	74,121,836
NET INCREASE (DECREASE) IN FUND BALANCE	(1,676,739)	(1,794,542)	(781,412)	188,151	123,436	58,073
Beginning Fund Balance	33,196,719	31,519,980	29,725,438	28,944,026	29,132,177	29,255,613
Estimated Ending Balance	31,519,980	29,725,438	28,944,026	29,132,177	29,255,613	29,313,685
Fund Balance / Expenditures Ratio	50.0%	41.4%	39.9%	40.1%	39.9%	39.5%
FUND BALANCE COMPOSITION						
Salary Improvements 2022-23 (\$9M taken from reserve over 5 years)	7,200,000	5,400,000	3,600,000	1,800,000	-	-
STRS/PERS Premium Reserve	4,525,000	4,525,000	4,525,000	4,525,000	4,525,000	4,525,000
Designated Reserve: OPEB Liability	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Board Required Minimum 5% Reserve	3,152,666	3,589,229	3,622,716	3,633,648	3,669,690	3,706,092
Stability Reserve	12,642,314	12,211,209	13,196,309	15,173,529	17,060,923	17,082,593
	\$ 31,519,980	\$ 29,725,438	\$ 28,944,026	\$ 29,132,177	\$ 29,255,613	\$ 29,313,685
Board Required Reserve and Stability Reserve/Expenditure Ratio	25.05%	22.01%	23.21%	25.88%	28.25%	28.05%

Notes:

- (Revenues) – using stable enrollment numbers
- (Revenues) - 2024-25 will be the new floor for the Student-Centered Funding Formula (SCFF)
- (Expenses) – showing a reduction in expenses in 2025-26 due to completing SaaS migration into the cloud
- (Expenses) - Deficit spending over the next two (2) years to reduce the Ending Fund Balance
- Board Required Reserve & Stability Reserve to Expenses ratio at 22% for 2023-24 and increasing to 28% in 2026-27

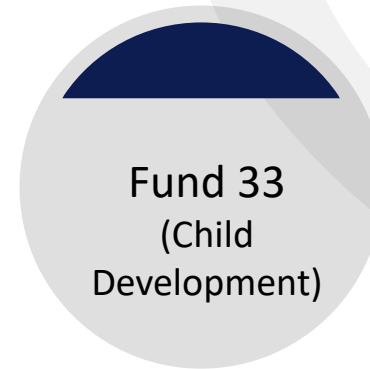
OUTLOOKS FOR OTHER FUNDS



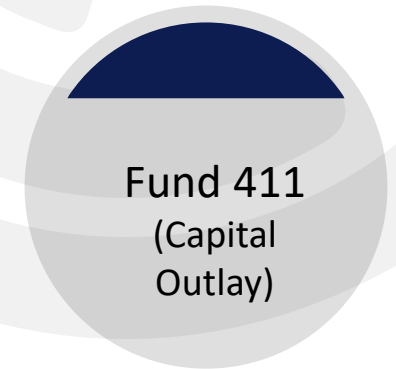
- Zero-Based Budget
- Revenues & Expenses = \$48,176,240*
- Ending Fund Balance = \$4,344,577



- Anticipating slightly higher revenue and financing sources
- Ending Fund Balance = \$51,671,014



- Zero-Based Budget
- Revenues & Expenses = \$1,313,750
- Ending Fund Balance = \$93,239



- Zero-Based Budget
- Revenues & Expenses = \$860,000
- Ending Fund Balance = \$6,120,929

* Subject to change as true carryover and allocations are established

Note: All ending fund balances are subject to change as year-end close and audit are completed

OUTLOOKS FOR OTHER FUNDS – CONT.

Fund 421 (Measure Q Projects)

- Revenues = \$1,500,000 (interest)
- Expenses = \$47,080,222
- Ending Fund Balance = \$1,844,611
- Anticipating bond sale in early 2024-25

Fund 74 (Financial Aid)

- Revenues = \$9,866,841
- Expenses = \$550
- Financial Aid Disbursements = \$9,108,267
- Ending Fund Balance = \$18,304,590

Fund 8401 (JPA – Retiree Health Benefit)

- Unrealized Gains = \$200,000
 - Ending Fund Balance = \$6,612,205
 - With Unrestricted Reserve = \$10,612,205
- % Funded as of 6/30/22 liability = 84.23%



Note: All ending fund balances are subject to change as year-end close and audit are completed

BUDGET TIMELINE





SOLANO
COMMUNITY COLLEGE

THANK YOU
