

FISCAL YEAR 2024-25 BUDGET UPDATE

FEBRUARY 3, 2024



SAN MATEO COUNTY
COMMUNITY
COLLEGE DISTRICT

Overview



- ▶ Budget Guidelines
- ▶ State Budget
- ▶ Preliminary 2024-25 Budget Assumptions
- ▶ General Fund Summary 2023-24 Budget vs. Preliminary 2024-25 Budget
- ▶ 2024-25 Initiatives Funded in Preliminary Budget
- ▶ Auxiliary Services
- ▶ Summary
- ▶ 50% Law / 75/25 Goal / FON
- ▶ Questions?

Budget Guidelines



- ▶ Address Board goals and District Strategic Plan
- ▶ Address community needs
- ▶ Support College budgeting priorities in accordance with participatory governance measures and accreditation standards
- ▶ Balanced budget projections in each of the next three years
- ▶ Use one-time funds for one-time expenses
- ▶ Maintain adequate reserves

State Budget



- ▶ Governor released his Proposed 2024-25 Budget on January 10th
 - ▶ Proposed Budget addresses \$37.9 billion deficit
 - ▶ The overall state budget is proposed to decrease by about 6%, affected by the substantial decline in the share of personal income tax revenue from capital gain taxes, as well as, corporate taxes
 - ▶ Solutions to balance include reductions, internal borrowing, funding delays, funding shifts, deferrals, and drawing from reserves
 - ▶ K-14 shielded

State Budget-Community Colleges



- ▶ **Ongoing:**

- ▶ .76% COLA for Apportionment (does not apply to SMCCCD)
- ▶ .76% for various categorical programs such as EOPS, DSPS, Apprenticeship, CalWORKS, Mandated Block Grant, and CARE

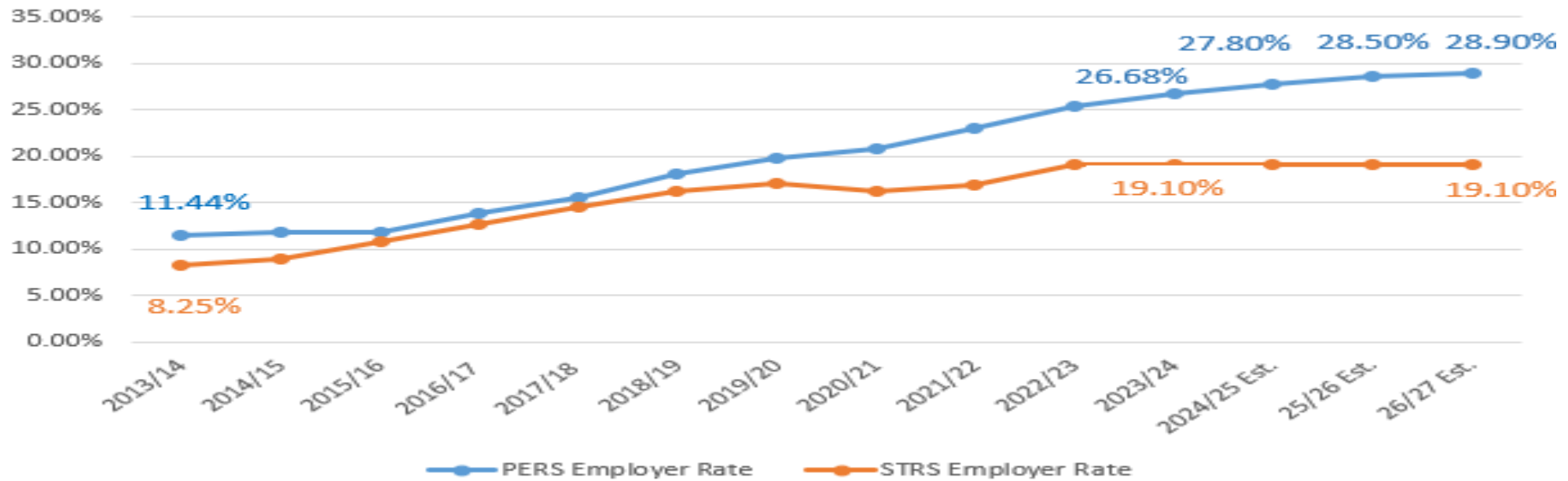
- ▶ **One-Time:**

- ▶ \$60 million to expand capacity in Nursing programs
- ▶ Statewide Funding Plan for Affordable Student Housing Projects to be Pursued
 - ▶ More information will be provided in the May Revise along with Cal Grant Reform
- ▶ No Funding for Scheduled Maintenance

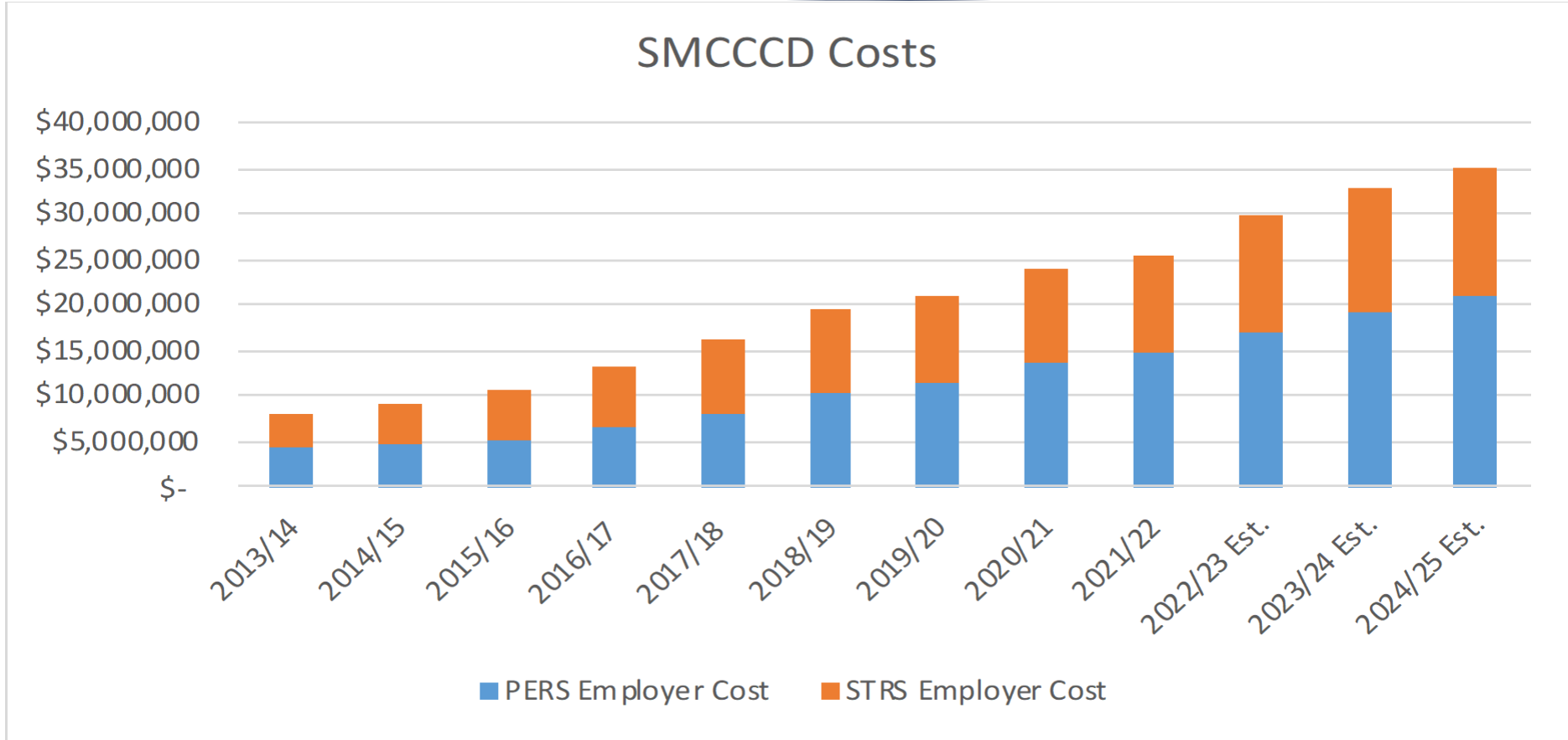
PERS and STRS Rates Impact on SMCCCD



Employer Contribution Rates

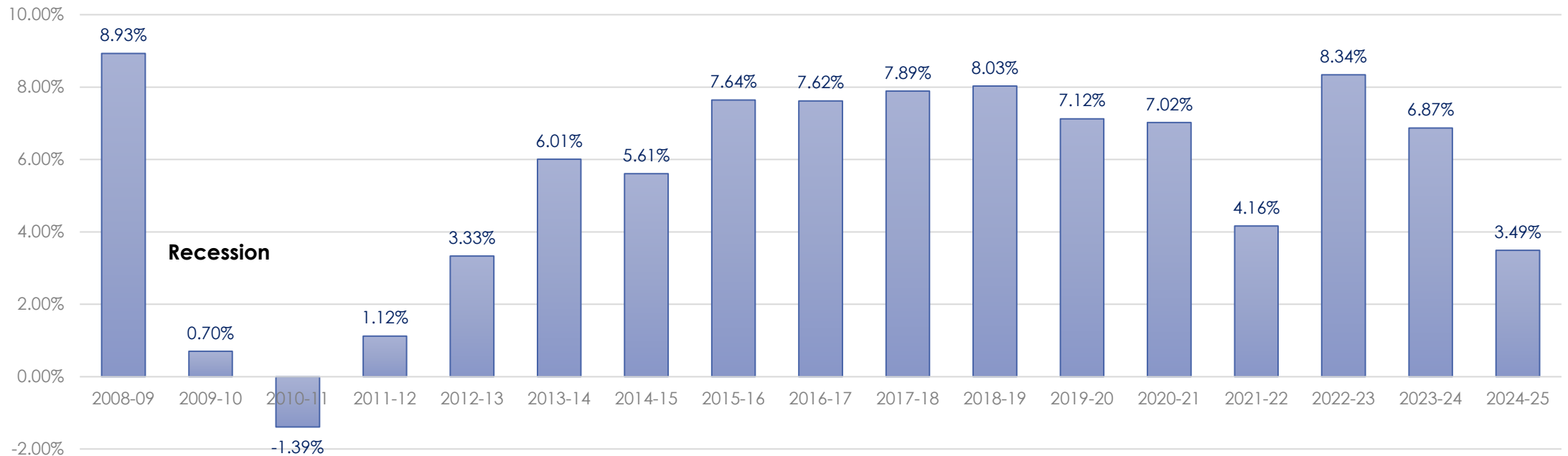


PERS and STRS Rates Impact on SMCCCD



Assessed Valuation Update (as of January 12, 2024)

AV History-San Mateo County



Preliminary Budget Assumptions (as of January 12, 2024)



- ▶ Property tax increase: 3.49%
- ▶ Enrollment: Resident FTES 14,469 (3% projected increase from 2023-24)
 - ▶ Resident Tuition: \$46/unit - no increase
 - ▶ Prop 55 (EPA): Ongoing \$100/FTES
 - ▶ Lottery: \$177/FTES
 - ▶ Mandated Cost Block Grant: \$35.64/FTES
- ▶ Non-resident Tuition: \$378/unit
- ▶ Inflation: 3.03% based on CA CPI
- ▶ State COLA: .76% - for certain categorical programs

Unrestricted General Fund Projected Increases in Revenue & Expense Fiscal Year 2024/25

Revenue Increases

Property Taxes (AV)	4,249,772
RDA	1,672,905
Non-Resident Tuition	1,099,747
Student Fees	377,677
Other	416,040
Total Increase in Budgeted Revenue	7,816,141

Expense Increases

Site Allocations	3,028,441
Free College Initiative	3,106,956
Utilities	1,203,709
Other	477,035
Total Increase in Budgeted Expenses	7,816,141

Unrestricted General Fund Revenue- Year-to-Year Comparison



	Adopted 2023-24	Preliminary 2024-25	Variance between Adopted 2023-24 and Preliminary 2024-25
Property Taxes	201,186,434	205,436,206	4,249,772
RDA Funds	17,522,913	19,195,818	1,672,905
Student Fees	9,582,215	9,959,892	377,677
Non-resident Tuition (Int'l and Out-of-State)	7,302,034	8,401,780	1,099,747
EPA	1,282,249	1,371,358	89,109
STRS on Behalf	5,076,032	5,076,032	0
Other Rev/Tsfrs	10,826,194	11,153,126	326,932
Total	252,778,071	260,594,212	7,816,141

Unrestricted General Fund Expense- Year-to-Year Comparison



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	Adopted 2023-24	Preliminary 2024-25	Variance between Adopted 2023-24 and Preliminary 2023-25
Site Allocations	187,617,083	190,645,523	3,028,441
STRS on Behalf	5,076,032	5,076,032	0
Utilities	7,845,479	9,049,188	1,203,709
Districtwide Technology Salary Commitments/Office Hours	7,335,499	7,335,499	0
	20,270,747	18,801,339	(1,469,408)
Strategic Initiatives	9,693,044	12,800,000	3,106,956
Insurance	3,822,119	3,822,119	0
Other	11,118,068	13,064,512	1,946,443
Total	252,778,071	260,594,212	7,816,141

2024-25 Initiatives



- ▶ SB893 Free College Initiative
 - ▶ \$10.8M in ongoing funds
 - ▶ \$2M to offset waiver of health and parking fees
- ▶ Promise Scholars Program
 - ▶ Foundation \$400K
 - ▶ Housing Fund \$300K
 - ▶ State Resources (AB19) \$1.6 million
- ▶ \$1M Food Insecurity Initiative
- ▶ \$200K Housing Insecurity Initiative (Rapid Response Hotel Stay Program)

Free College Initiative FY 2023/24 YTD Costs and FY 2024/25 Preliminary Budget



SB893 Costs as of January 30, 2024	Skyline	Cañada	CSM	Total
Fees	\$ 2,917,219	\$ 1,927,065	\$ 3,298,566	\$ 8,142,850
Textbook Support	\$ 43,615	\$ 136,633	\$ 79,934	\$ 260,182
Transportation Support	\$ 120,905	\$ 98,248	\$ 116,120	\$ 335,273
Technology Support	\$ 25,483	\$ 29,192	\$ 26,595	\$ 81,270
Total	\$ 3,107,222	\$ 2,191,136	\$ 3,521,216	\$ 8,819,574

- ▶ FY 2023/24 Budget is \$10 mil (\$7.7 mil in new allocation and \$2.3 mil in carryover)
- ▶ Preliminary Budget for 24/25 is \$10.8 million in new money (requires \$3.1 mil allocation increase).

Auxiliary Services

FY 2023/24 Projection

	Athletic Centers	Bookstores	Café	Total
Revenue	8,194,000	5,494,000	430,000	14,118,000
Expenses	6,770,000	7,040,000	345,000	14,155,000
Net Surplus (Deficit)	1,424,000	(1,546,000)	85,000	(37,000)

2024-25 Budget Unknowns

- ▶ Property Tax Receipts
- ▶ Enrollment
- ▶ Auxiliaries Sustainability
- ▶ Impact of Adopted State Budget

Summary



- ▶ 2024-25 Preliminary Budget is balanced
- ▶ Property taxes projected to increase 3.49% over 2023-24
(projections as of January 12, 2024)
- ▶ Funding set aside to support Board Initiatives
- ▶ No additional federal / state funds to offset the impact of Covid-19 pandemic
- ▶ The reserves are, as planned, at 15% / two months of operating expenses



50% Law

75/25 Goal

Faculty Obligation Number

Laws and Regulations

50% Law, 75/25 Goal, FON

50% Law (1961)

- ▶ Enacted in 1961 when community college districts were part of K-12
- ▶ Designed to be a class-size reduction measure for K-12, but applies equally to community colleges
- ▶ Requires 50% of Fund 1 expenditures to be instructional

75/25 Goal (1988)

- ▶ AB1725 established a goal to reach 75% of instructional hours to be taught by full-time faculty

Faculty Obligation Number “FON” (1989)

- ▶ Community college districts are required to increase their base number of full-time faculty over the prior year in proportion to the amount of growth in credit FTES

[California Code of Regulations (CCR), title 5, Section 51025]

Historical Scorecard: 50% Law, 75/25 Goal, FON

	50% Law		
	Required	Actual	Over (Under)
2023	50.0%	40.47%	-9.53%
2022	50.0%	41.06%	-8.94%
2021	50.0%	41.58%	-8.42%
2020	50.0%	42.46%	-7.54%
2019	50.0%	42.24%	-7.76%

75/25 Goal
67.2%
70.7%
70.1%
69.2%
65.2%

Faculty Obligation Number (FON)		
Required	Actual	Over (Under)
223.7	353.8	130.1
263.7	361.5	97.8
249.7	349.9	100.2
257.7	346.5	88.8
279.7	349.5	69.8



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QUESTIONS?

Thank You!