



SANTA BARBARA CITY COLLEGE

ASSUMPTIONS USED TO DEVELOP THE 2017-18 FINAL BUDGET

As of August 14, 2017

Table with 2 columns: Presented To, Date Presented. Rows include CPC and Board of Trustees with dates from 4/4/17 to 8/24/17.

The revenue assumptions are from the 2017-18 Governor’s June Budget.

Changes from the Tentative Budget are highlighted in yellow.

The 2017-18 Adopted Budget includes the following assumptions:

REVENUES

State Revenue - Ongoing

- 1. The District is projecting a reduction in resident credit and noncredit FTES from 2015-16 to 2016-17 of 8.3%. The “Hold Harmless” delay in the reduction in revenue will impact the District revenues in 2017-18 reducing the state allocation by 8.3%.
2. COLA increase of 1.56% is projected for the District.
3. Base allocation funding increase of \$2,283,000 is projected for the District.
4. Enrollment fee remains constant at \$46.00.
5. Education Protection Act revenue: the Sales Tax portion of the EPA (Prop 30) expired on 12/31/16 reducing revenue by \$1,900,000.
6. Lottery revenue remains flat.
7. State mandated on going reimbursements decreased 5%, approximately \$83,000.
8. Center Status funding is expected to decrease \$600,000.

State Revenue - One Time

- 9. Deficit factor is not projected.
10. State mandated one time reimbursements remain flat.
11. State apportionment recalculations and prior year adjustments are not projected.
12. Deferred maintenance and instructional equipment funding for 2017-18 is \$830,000.

Local Revenue

1. The District is projecting a reduction in resident credit FTES from 2016-17 to 2017-18 of 4.5%, which reduces enrollment fee revenues by approximately \$1,024,000. *(see FTES projections on page 3)*
2. Non resident enrollment fee will increase \$24 per unit or 9.2% in 2017-18, resulting in an increase in revenue. The increase is offset by a projected 5% decline in out of state student enrollments and a 15% decline in international student enrollments. Net impact on non resident enrollment fees is a decline of \$483,000.
3. Interest revenue is projected to increase by \$45,000.

EXPENDITURES

1. Reclassification of classified staff. *Approximately \$30,000.*
2. COLA increase of 1.56% is included. *Approximately \$1,185,000.*
3. Hourly salaries and benefits increased approximately 6% or \$115,000 based on actual spending in 16-17 and programmatic needs.
4. Employer contribution towards health benefits are expected to increase for PPO 80% plan to bring out-of-pocket to \$0 for employees. *\$410,000.*
5. The State Unemployment Contribution rate is expected to remain flat.
6. The State Workers Compensation insurance rate is expected to remain flat.
7. The CalPERS employer contribution rate is expected to increase to 15.53%. *\$250,000*
8. The CalSTRS employer contribution rate is expected to increase to 14.43%. *\$575,000*
9. Instructional supply expenses moved from Unrestricted General Fund to Lottery Fund. *Approximate decrease of \$500,000.*
10. Supplies and materials, other operating expenses and services, capital outlay, and other outgo amounts are reduced. *Approximately \$75,000.*
11. The fixed and mandated expenses, consisting of maintenance agreements, utilities, postage, rent, transportation, etc., are expected to increase based on actual and trends. *Approximately \$125,000.*

TRANSFERS

These are the transfer of funds to and from the Unrestricted General Fund Ending Balance.

1. **Transfer to the Children's Center Fund increases by \$50,000 to \$250,000.**
2. Transfer to the Construction Fund for ongoing campus maintenance will remain flat at \$615,000.
3. Transfer to the Construction Fund for interest portion of the loan payments to the California Energy Commission for the photovoltaic system loan is reduced to \$0 for 2017-18.
4. Transfer to the Equipment Fund for program review items remains flat at \$0. *Program Review items will not be funded in 2017-18.*

5. Transfer to the Equipment Fund for equipment and IT refresh remains at \$0. *IT refresh of approximately \$750,000 funded from Equipment Fund reserve balance.*
6. Transfer in from the "I Can Afford College" State Financial Aid Media campaign grant. This is a pass through of funds that the College manages for the Chancellor's office, \$173,902.
7. Transfer in from other grant funds to cover administrative overhead, \$134,420.
8. Transfer to Athletics Trust for ongoing athletic sports events is reduced to \$0 for 2017-18.

FTES

Below is a table comparing actual FTES for 2016-17 and budgeted FTES for 2017-18.

<u>FTES</u>	<u>P2 16-17*</u>	<u>Adopted Budget 17-18</u>	<u>% Change</u>
Credit - Resident	11,802	11,271	-4.5%
Non Credit - Enhanced	360	396	10.0%
Non Credit - Non Enhanced	214	279	30.0%
Subtotal Credit Resident & Non Credit	12,376	11,946	-3.5%
Credit - Out of State	950	903	-5.0%
Credit - International	1,309	1,178	-10.0%
Subtotal Credit Non Resident	2,259	2,081	-7.9%
Total FTES	14,635	14,026	-4.2%

Below is a table comparing actual FTES from 2015-16 and actual FTES for 2016-17.

<u>FTES</u>	<u>15-16</u>	<u>P2 16-17*</u>	<u>% Change</u>
Credit - Resident	12,675	11,802	-6.9%
Non Credit - Enhanced	245	360	46.9%
Non Credit - Non Enhanced	290	214	-26.2%
Subtotal Credit Resident & Non Credit	13,210	12,376	-6.3%
Credit - Out of State	1,101	950	-13.7%
Credit - International	1,490	1,309	-12.1%
Subtotal Credit Non Resident	2,591	2,259	-12.8%
Total FTES	15,801	14,635	-7.4%

* per P2 320 Report 7/14/17