



SANTA BARBARA CITY COLLEGE

ASSUMPTIONS USED TO DEVELOP THE 2018-19 ADOPTED BUDGET

As of August 18, 2018

The 2018-19 State Budget includes a new funding formula for California Community Colleges. This new student centered funding formula provides significant additional funding for SBCC. Due to the lack of simulations provided by the California Community College Chancellor's Office as a part of the May Revise, the Tentative Budget did not include the additional funding. The Adopted Budget does include the additional funding.

The 2018-19 Adopted Budget includes the following assumptions:

REVENUES

State Revenue - Ongoing

1. The District is projecting that resident credit FTES will remain flat compared to resident FTES in 2017-18.
2. Enhanced Noncredit FTES are projected to remain flat in 2018-19.
3. The state budget includes a 2.71% COLA. This increase is included in the calculations of the new funding formula.
4. The new funding formula has been used to calculate the district's Total Computational Revenue (TCR). The new funding formula provides an additional \$7.7M in funding for the district.
 - a. Funding was determined using a revenue calculation simulator provided by the Chancellors Office on July 17, 2018. The simulator was updated based on SBCC's FTES projections. Non-FTES factors were updated using SBCC's most recent data. Many factors rely on special data runs from the Chancellor's Office. These figures will be updated in November and the districts TCR will be updated based on these new figures and provided to districts in February 2019.
5. In addition to the funding provided by the new funding formula, Non-Enhanced Noncredit FTES are projected to increase 150% in 2018-19 (*\$1.5M in growth revenue*).
6. Enrollment fee remains constant at \$46.00.
7. Education Protection Act revenue increased to \$11M (*Part of TCR*).
8. Lottery revenue remains flat.
9. State mandated on going reimbursements remains flat.
10. Schott Center funding is expected to remain at the medium level (500-750 FTES, \$615K).
11. Wake Center funding is expected to remain at the medium/large center level (750-1,000 FTES, \$925K).

State Revenue - One Time

1. Deficit factor is not projected.
2. State mandated one time reimbursements are not projected (a decrease of \$1M).
3. State apportionment recalculations and prior year adjustments are not projected.
4. Deferred maintenance and instructional equipment funding for 2018-19 is \$314,000.

Local Revenue

1. The District is projecting resident credit FTES to remain flat from 2017-18 to 2018-19, as such enrollment fees will remain flat.
2. Nonresident enrollment and enrollment fees are expected to remain flat in 2018-19.

EXPENDITURES

1. Reclassification of classified staff. *Approximately \$25,000.*
2. COLA has not been applied to employee salaries and benefits.
3. Hourly salaries and benefits are projected to remain flat in 2018-19 with the exception of costs related to the expansion of the School of Extended Learning (see #11).
4. Employer contributions towards health benefits are expected to decline by approximately 1.5% in 2018-19 saving the district approximately \$420,000.
5. The State Unemployment Contribution rate remains flat.
6. The State Workers Compensation insurance rate remains flat.
7. The CalPERS employer contribution rate increases to 18.70%. *\$530,000*
8. The CalSTRS employer contribution rate increases to 16.28%. *\$650,000*
9. Instructional supply expenses of \$890,000 remain in the Lottery Fund for 2018-19.
10. Supplies and materials, other operating expenses and services, capital outlay, and other outgo amounts increased slightly compared to prior year expenditures. Increases were discussed in BRAC as part of the budget development process.
11. School of Extended Learning expansion increases expenses by approximately \$1M to cover instructor salaries and hourly support.
12. In order to set aside funds for strategic initiatives and potential outcomes from ongoing collective bargaining negotiations, the district has created an appropriation for contingencies in the amount of \$6.5M. The use of these funds will be determined during 2018-19 and it requires board approval prior to being expended.

TRANSFERS

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

1. Transfer to the Children's Center Fund decreases by \$50,000 to \$200,000.
2. Transfer to the Construction Fund for ongoing campus maintenance decreases by \$75,000 to \$540,000.
3. Transfer to the Equipment Fund for program review items is \$0 for 2018-19.
4. Transfer to the Equipment Fund for equipment and IT refresh is \$375,000 for 2018-19.
5. Transfer to Food Service Fund increases from \$0 to \$100,000 for 2018-19.
6. Transfer in from other grant funds to cover administrative overhead, \$400,000.
7. Transfer in of remaining Non Credit reserve fund balance to offset costs of SEL implementation approximately \$430,000.

FTES

Below is a table comparing projected FTES for 2017-18 and budgeted FTES for 2018-19.

	<u>P2 17-18</u>	<u>Budget 18-19</u>
Credit - Resident	11,635	11,635
Non Credit - Enhanced	465	465
Non Credit - Non Enhanced	<u>289</u>	<u>735</u>
Subtotal Credit Resident & Non Credit	12,389	12,835
Credit - Out of State	765	765
Credit - International	<u>1,273</u>	<u>1,273</u>
Subtotal Credit Non Resident	2,038	2,038
Total FTES	<u>14,427</u>	<u>14,873</u>

**No changes from Tentative Budget