

PRESENTATION OF THE 2017-2018
3RD QUARTER BUDGET REPORT
MAY 1, 2018

SANTA MONICA COLLEGE

SEPTEMBER 2017

- Adopted Budget
 - Operating Deficit: <\$12,364,691>
 - Operating Deficit w/ One-time Items: <\$6,627,027>
- Budget Strategy
 - Supplemental Retirement Plan - Ongoing Savings
 - FTES Borrowing Strategy - One-Time Revenue

OPERATING SURPLUS/<DEFICIT> W/ ONE-TIME ITEMS ADOPTED TO 3RD QUARTER

**Adopted Budget Operating Surplus/
<Deficit> W/ On-Time Items**

<\$6,627,027>

Borrowed 994 Credit Ftes Py Adj - One-Time

\$5,047,366

Borrowed 994 Credit Ftes Cy - One-Time

\$5,126,106

Supplemental Retirement Plan Net -Ongoing

\$1,159,590

Py Special Prog.Adj. - One-Time And Ongoing

\$1,032,537

Non-Resident Tuition - Dec. Of <186.82> Ftes

<\$1,783,477>

Hourly Instruction And Non-Instruction

<\$1,821,576>

Net Other Items

<\$186,297>

**Third Quarter Budget Operating Surplus/
<Deficit> W/ On-Time Items**

\$1,947,222

FTES BORROWING STRATEGY

Santa Monica College						
2014-2015 Through 2019-2020 Borrowing Strategy						
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
CrFTES Funded	20,903.23	21,263.86	22,257.88	22,257.88	22,257.88	19,896.61
CrFTES Served	20,903.23	20,950.58	20,505.97	19,896.61	19,896.61	19,896.61
Difference	-	313.28	1,751.91	2,361.27	2,361.27	-
Funding Per FTES	\$ 4,749.79	\$ 4,796.82	\$ 5,077.73	\$ 5,299.73	\$ 5,299.73	\$ 5,299.73
Funding Related to Borrowing	\$ -	\$ 1,502,746.20	\$ 8,895,729.08	\$ 12,514,083.73	\$ 12,514,083.73	\$ -
				Total Due To Borrowing Strategy:		\$ 35,426,642.74

THE "BOTTOM LINE"

	2017-2018 Adopted	2017-2018 Third Q
Beg. Fund Balance	\$21,371,774	\$21,371,774
Structural Surplus/Deficit	-12,364,691	-9,847,940
One-Time Items	5,737,664	11,795,162
Ending Fund Balance	14,744,747	23,318,996
Fund Balance To Ttl Expenditures And Transfers	8.17%	12.85%

MAJOR ISSUES MOVING FORWARD

- Revenue generation stalled
- Credit FTES Continues To Decline - NRFTES in Decline
- PERS and STRS increases
 - STRS: Employer contribution 2020-21 will be 19.1%
 - PERS: Employer contribution 2024-2025 will be 26.0%
- Built in increases: Step and column, benefits, and contractual
- Health and Welfare, Utilities, OPEB
- Borrowing FTES and Structural Deficit

MAJOR ISSUES MOVING FORWARD

- New Funding Formula
 - Additional Years of Stabilization??

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Total Due To Borrowing Strategy:						\$ 33,426,642.74

- Unless FTES Fully Recovers Apportionment Payments Will Decline by Approximately **<\$12.5>** million within 2 years

NEXT STEPS IN THE BUDGET PROCESS

- May Revise Releases May 15th
- Tentative Budget to the Board June BOT Meeting

Thank You!!!

The Accounting Team with Special
Thanks To Veronica Diaz and Carla
Spalding

Charlie Yen and the Facilities Team

Budget Committee