

The background features a dark blue gradient with a series of curved, parallel lines that create a sense of depth and movement. On the right side, there is a glowing, circular light effect that illuminates the surrounding lines, creating a bright blue and white glow. The overall aesthetic is modern and professional.

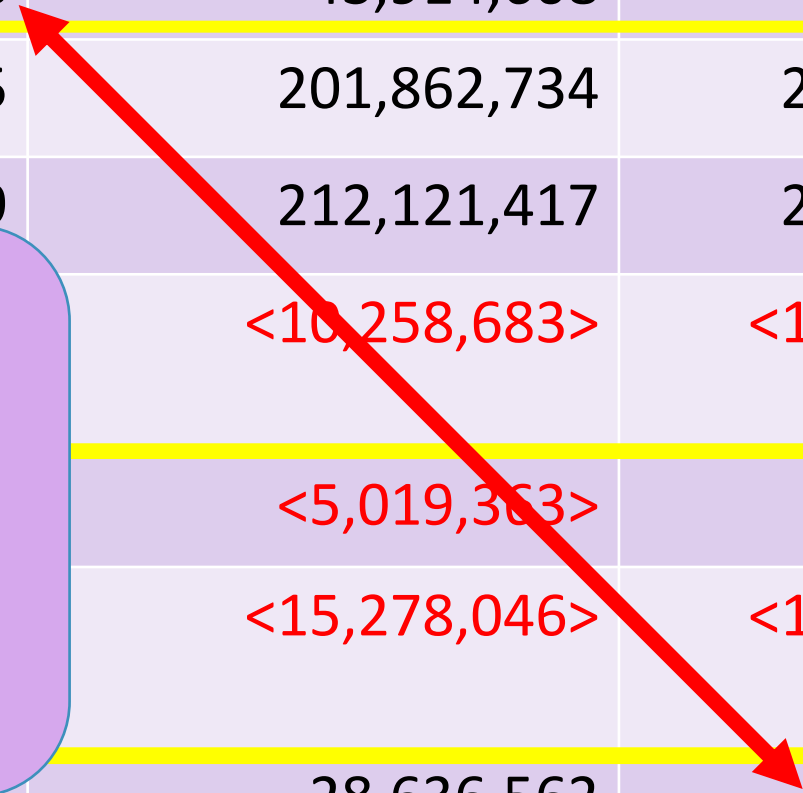
Santa Monica College 2023-2024 Budget Balancing Update

BOARD OF TRUSTEES
JULY 11, 2023

Fund Balance

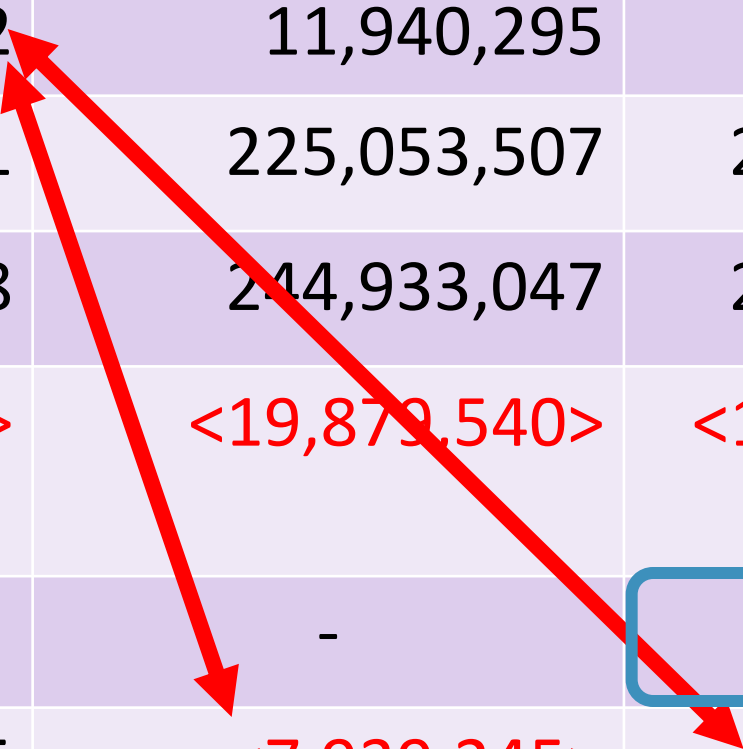
	Adopted 2022-2023	Projected 2022-2023	Tentative 2023-2024
Beg. Fund Balance:	43,914,608	43,914,608	28,636,562
Ongoing Revenue:	199,105,635	201,862,734	217,279,976
Ongoing Expenditure:	200,622,809	212,121,417	233,157,795
Change in Fund Balance:		<10,258,683>	<15,877,819>
Change in Fund Balance:		<5,019,363>	<818,448>
Change in Fund Balance:		<15,278,046>	<16,696,267>
Ending Fund Balance:	41,165,805	28,636,562	11,940,295
FB to Total Expenditure and Transfer:	20.35%	13.07%	5.10%

Projected Decrease in Fund Balance Between July 1, 2022 and June 30, 2024 is Projected To Be **<\$31,974,313>**



Fund Balance

	Tentative 2023-2024	Projected 2024-2025	2024-2025 Reduction Needed
Beg. Fund Balance:	28,636,562	11,940,295	11,940,295
Revenue:	217,372,811	225,053,507	225,053,507
Expenditure:	234,069,078	244,933,047	244,933,047
Surplus/Deficit w/ One- time Items:	<16,696,267>	<19,879,540>	<19,879,540>
Deficit Reduction:	-	-	20,000,000
Ending Fund Balance:	11,940,295	<7,939,245>	12,060,755
FB to Total Expenditure and Transfer:	5.10%	<3.24%>	5.13%

A red arrow points from the 'Projected 2024-2025' value of 11,940,295 for 'Beg. Fund Balance' to the '2024-2025 Reduction Needed' value of 20,000,000. Another red arrow points from the 'Projected 2024-2025' value of 11,940,295 for 'Ending Fund Balance' to the '2024-2025 Reduction Needed' value of 20,000,000. The '2024-2025 Reduction Needed' value of 20,000,000 is highlighted with a blue border.

Budget Committee

- Budget Committee started discussions on April 19th
- Budget Tutorial
- Student-Centered Funding Formula Tutorial
- Brainstorming and discussions
- June 21st Finalized Recommendations



Budget Balancing

- TCO – Bathrooms
 - Defer
 - Projected savings of \$67,070
- Reduce Supply Budget by 20%
 - 2022-23: \$1,021,696 Budget - \$881,696 projected expenditure
 - 2023-24: \$1,055,952 Tentative Budget to \$844,834
 - Projected savings of \$211,118



Budget Balancing (continued)

- Conferences
 - Eliminate all but HR (CBA), Outreach, International, Academic Senate, 50% of Board and 50% of President
 - Projected savings of approximately \$164,595



Budget Balancing (continued)

- Overtime
 - Eliminate all but Police – \$261,933
 - Projected savings of approximately \$231,076



Budget Balancing (continued)

- Student Workers
 - Reduce all except 50% International, 50% Outreach/Onboarding, Emeritus, Art, Math, PPI, Photo, LRC and SI
 - Projected savings of approximately \$483,201
- 2021-22 Expenditure (All Funds): \$1,272,385
- 2022-23 Projected Exp. (All Funds): \$2,103,061
- 2023-24 Adjusted Budget: \$7,035,970



Budget Balancing (continued)

- Increase in Efficiency
 - Efficiency is a relationship of WTH to FTES
 - 100% Efficiency means 1 WTH generates 1 FTES
 - Tentative Budget Efficiency was 87%
 - Adjusted Efficiency is 100%
 - Projected Savings of approximately \$4,907,306



Budget Balancing (continued)

- Reduction in Adjunct Non-Instruction
 - Since 2015-16 student contacts up approx. 11%
 - Counseling Hours up 16% - SEAP
- A 10% reduction in Fund 01.0 = 4.4% reduction in TCH
- Projected savings of approximately \$528,668



Budget Balancing (continued)

- Hiring Freeze Except for Vital Positions
 - Assumes only 33% of non-faculty are backfilled
 - Positions that would result in the ending of a service, are required by a grant or would jeopardize compliance would be eligible to be backfilled
- Projected savings of approximately \$1,750,000



Budget Balancing (continued)

- Reduce Contracts by \$500,000
 - Tentative Budget had a <\$1,015,582> reduction in contracts from prior year
- Projected savings of approx. \$500,000



Budget Balancing (continued)

	<u>Balancing Measure</u>		
1	TCO	\$	67,070
2	20% Supplies	\$	211,118
3	Conferences	\$	164,595
4	Overtime	\$	231,076
5	Student Workers	\$	483,201
6	Increase in Efficiency	\$	4,907,306
7	Reduction in Adjunct Non-Instructional	\$	528,668
8	Hiring Freeze Except Vital Positions	\$	1,750,000
9	Reduce Contracts	\$	500,000
	Total Balancing Measures:	\$	8,843,034

Fund Balance

	Tentative 2023-2024	Amended 2023-2024	Amended 2024-2025
Beg. Fund Balance:	28,636,562	28,636,562	20,783,329
Revenue:	217,372,811	217,372,811	225,053,507
Expenditure:	234,069,078	225,226,044	236,090,013
Surplus/Deficit w/ One-time Items:	<16,696,267>	<7,853,233>	<11,036,506>
Ending Fund Balance:	11,940,295	20,783,329	9,746,823
FB to Total Expenditure and Transfer:	5.10%	9.23%	4.13%

Budget Balancing (continued)

- Use remaining HEERF for backfill revenue
- Liquidating encumbrance and shifting costs
- One-time Fund Balance increase of \$2.0 - \$3.5 million



Fund Balance

	Amended 2023-2024	Amended w/ HEERF 2023-2024	Amended w/ HEERF 2024-2025
Beg. Fund Balance:	28,636,562	32,136,562	24,283,329
Revenue:	217,372,811	217,372,811	225,053,507
Expenditure:	225,226,044	225,226,044	236,090,013
Surplus/Deficit w/ One- time Items:	<7,853,233>	<7,853,233>	<11,036,506>
Ending Fund Balance:	20,783,329	24,283,329	13,246,823
FB to Total Expenditure and Transfer:	9.23%	10.78%	5.6%

Key Take Aways

- The proposed budget balancing measures maintain the Board goal of a 7.5% Fund Balance in 2023-24 and meets the State minimum Fund Balance of 5% in 2024-25.
- The problem is not solved
 - Additional built-in cost increases
 - Hold Harmless with COLA increases ends in 2025-26
- Next steps are developing plans that will further balance the budget by 2024-25



Special Thank You To...

The Budget Committee

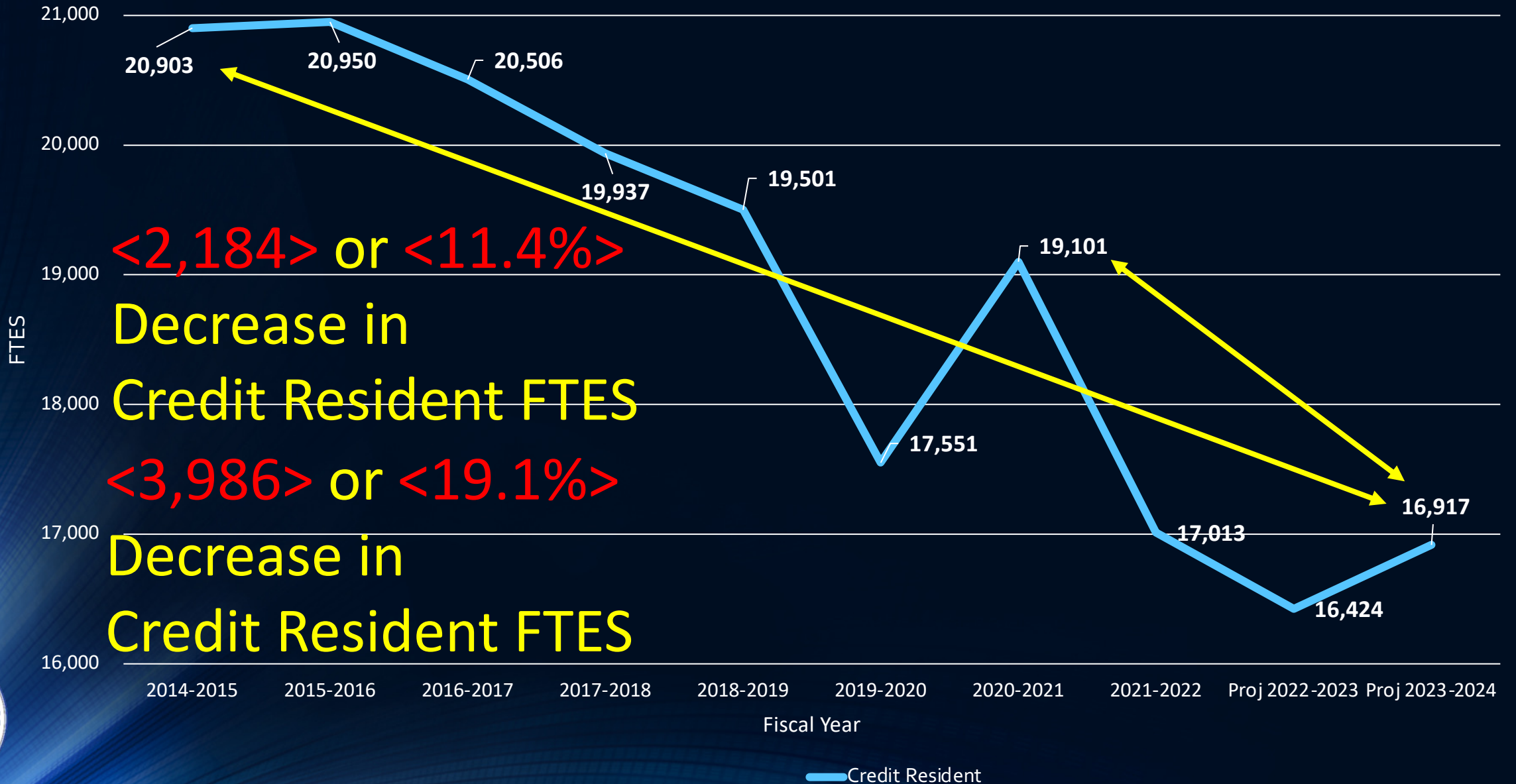
Senior Administration



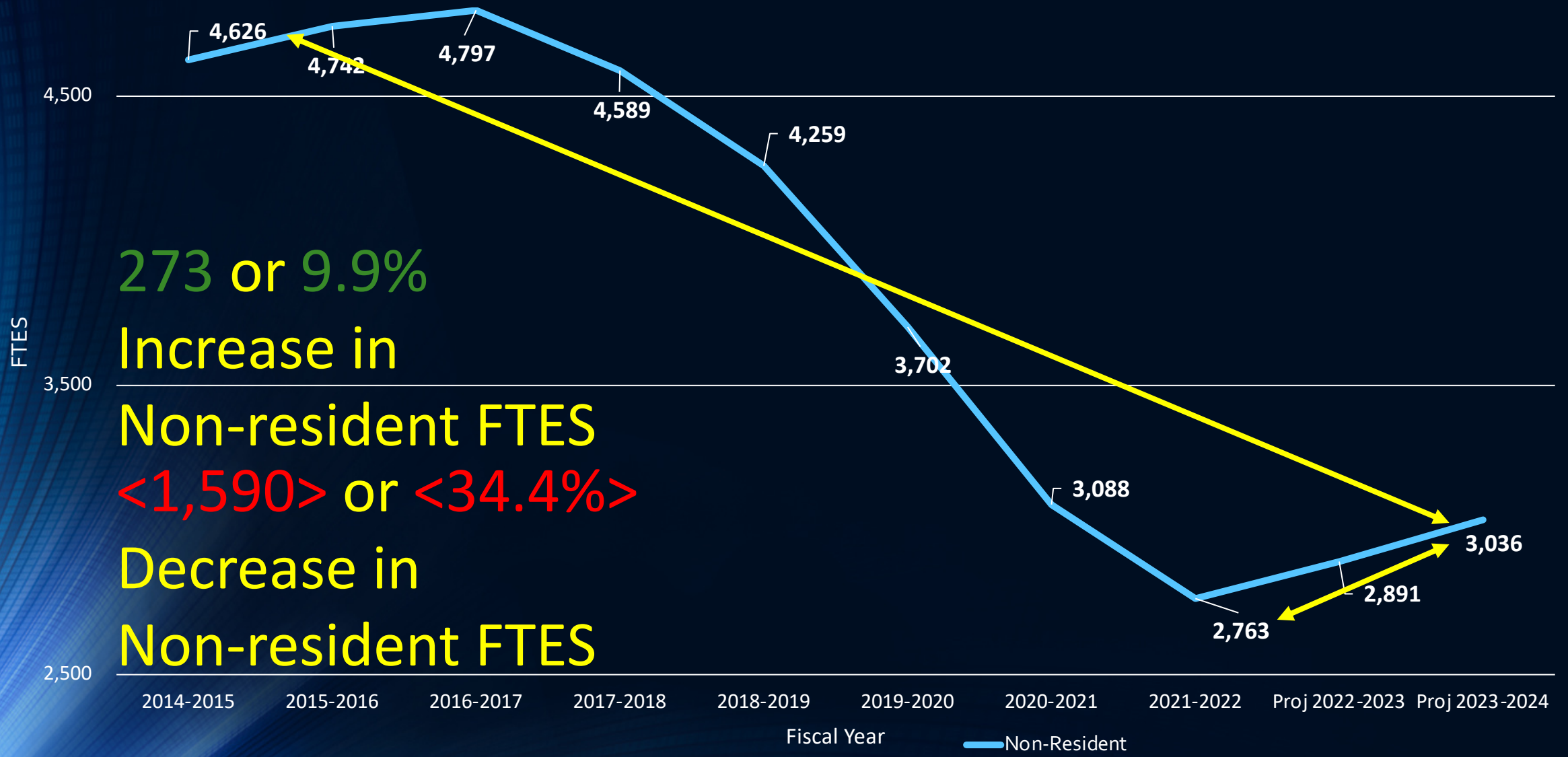
Tentative Budget Slides for Reference



Credit Resident FTES



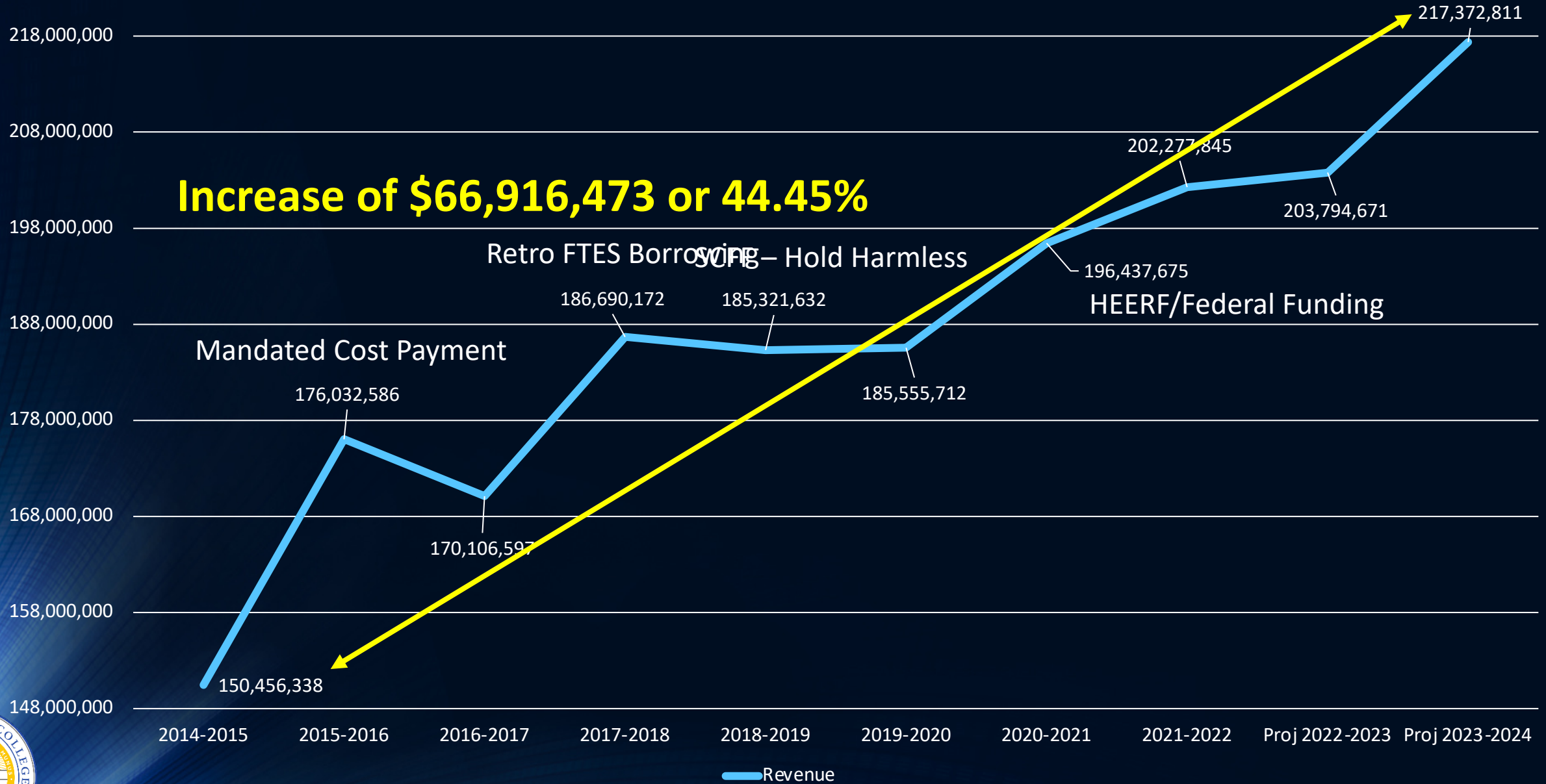
Non-Resident FTES 2014-2015 Through 2023-2024 Projected



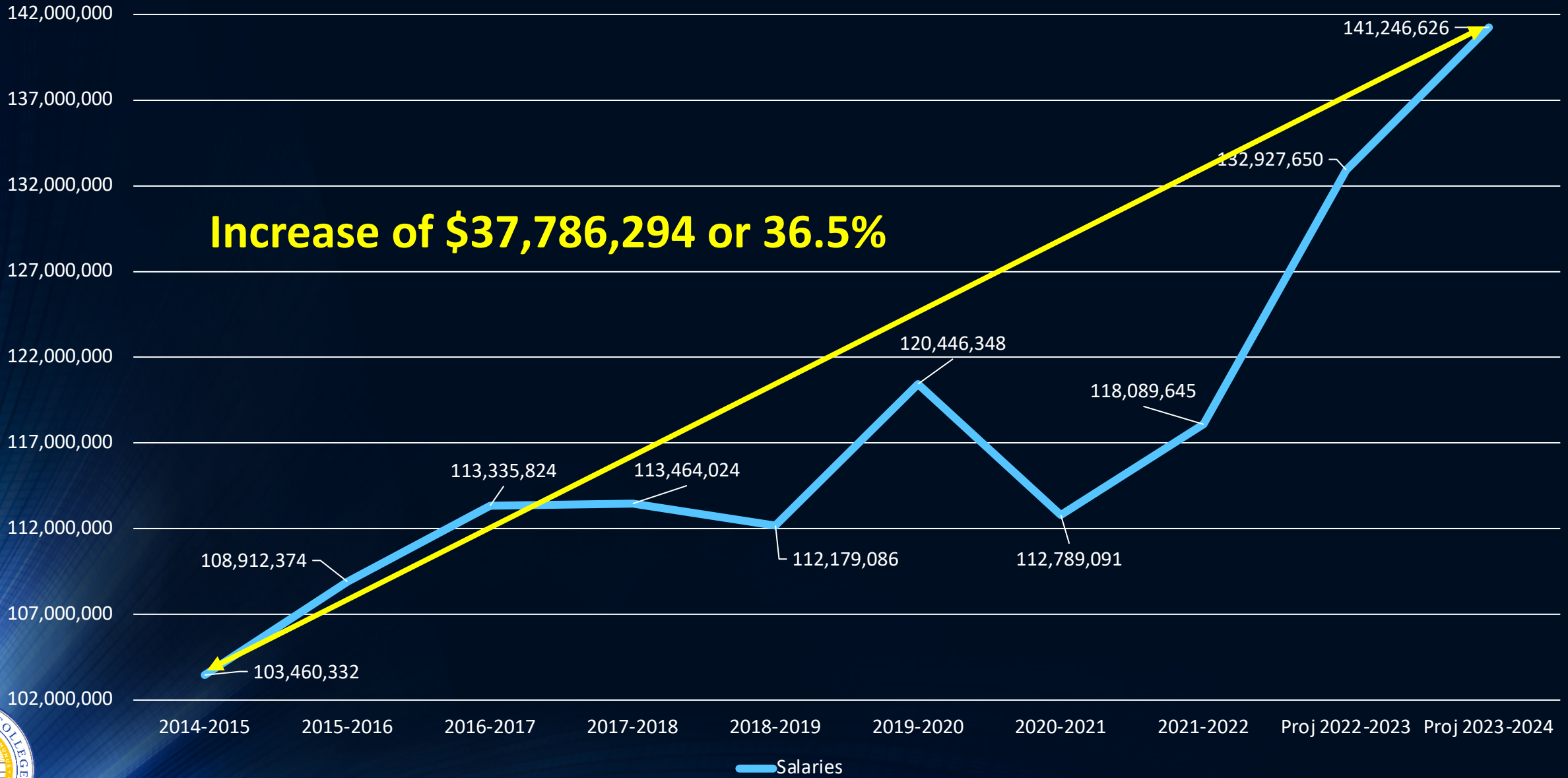
273 or 9.9%
Increase in
Non-resident FTES
<1,590> or <34.4%>
Decrease in
Non-resident FTES

Revenue

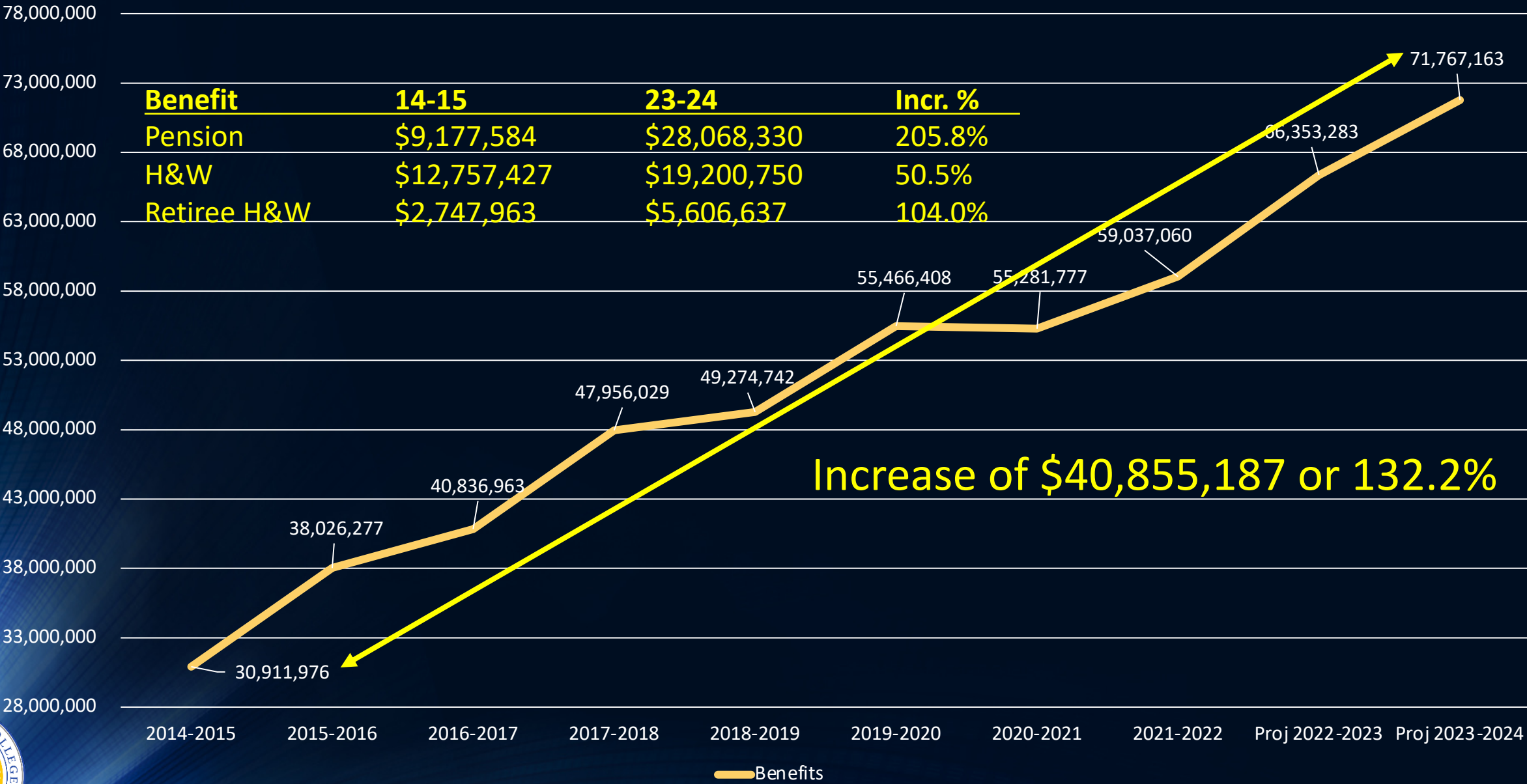
Increase of \$66,916,473 or 44.45%



Salary Expenditures



Benefit Expenditures

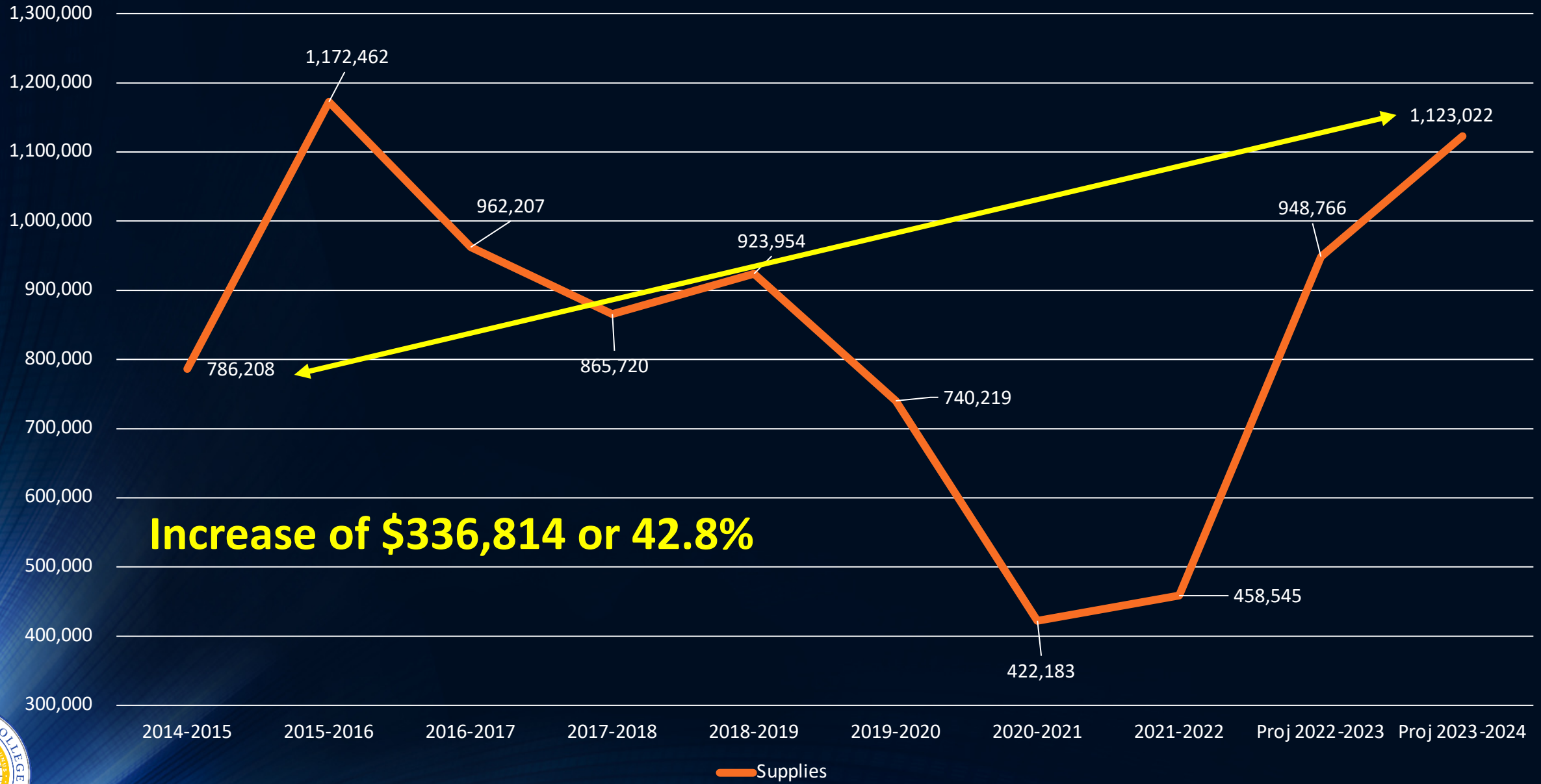


<u>Benefit</u>	<u>14-15</u>	<u>23-24</u>	<u>Incr. %</u>
Pension	\$9,177,584	\$28,068,330	205.8%
H&W	\$12,757,427	\$19,200,750	50.5%
Retiree H&W	\$2,747,963	\$5,606,637	104.0%

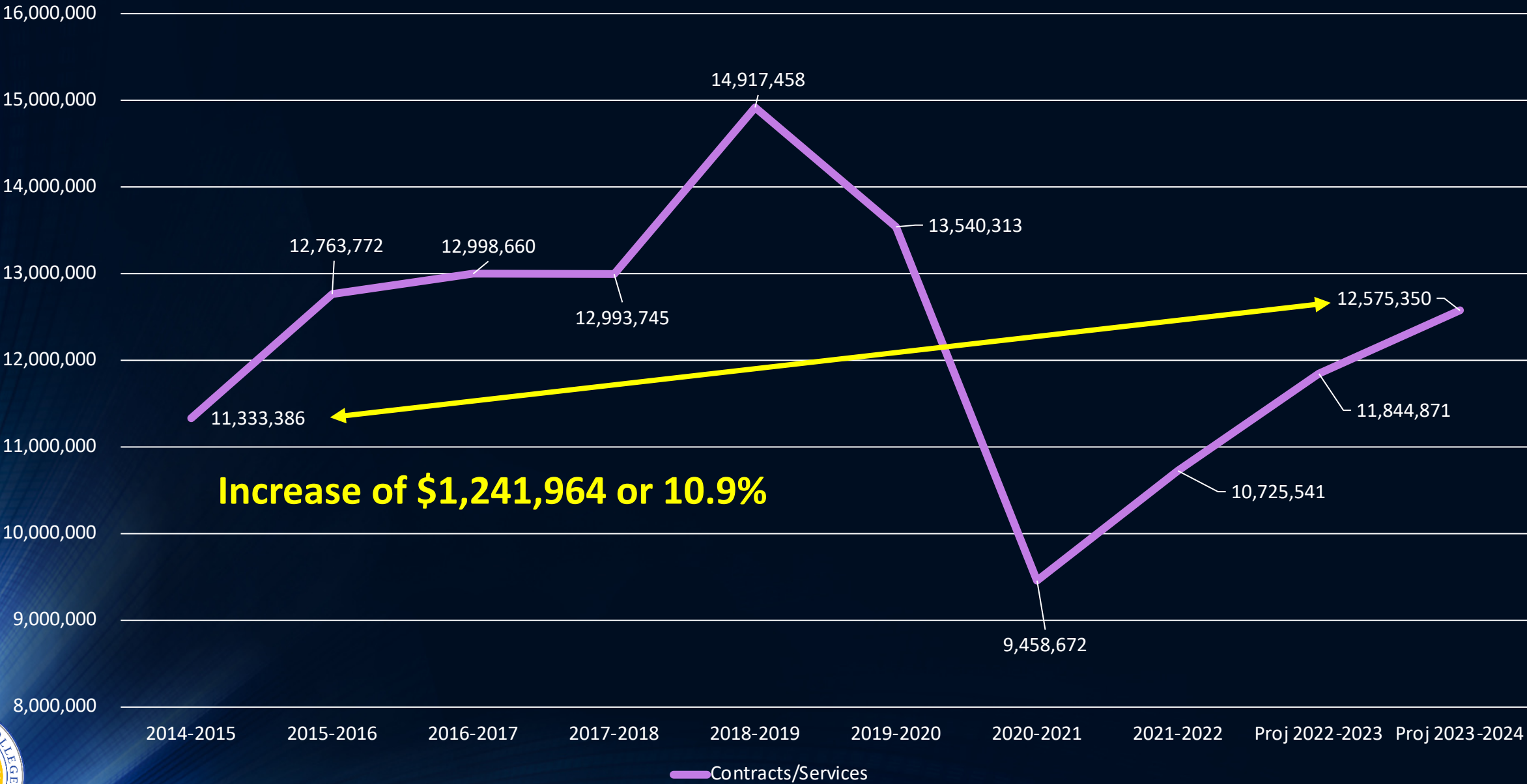
Increase of \$40,855,187 or 132.2%



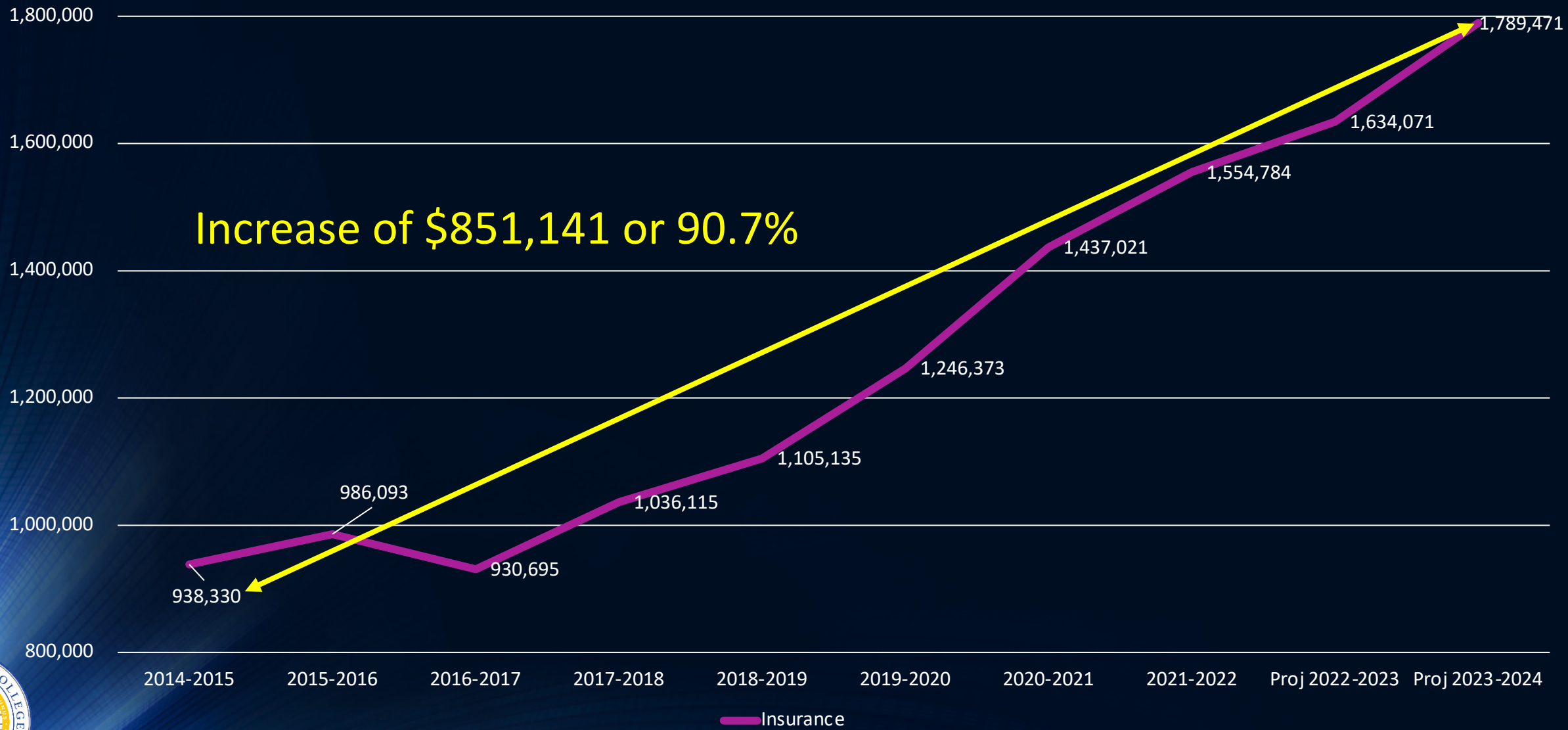
Supplies Expenditures



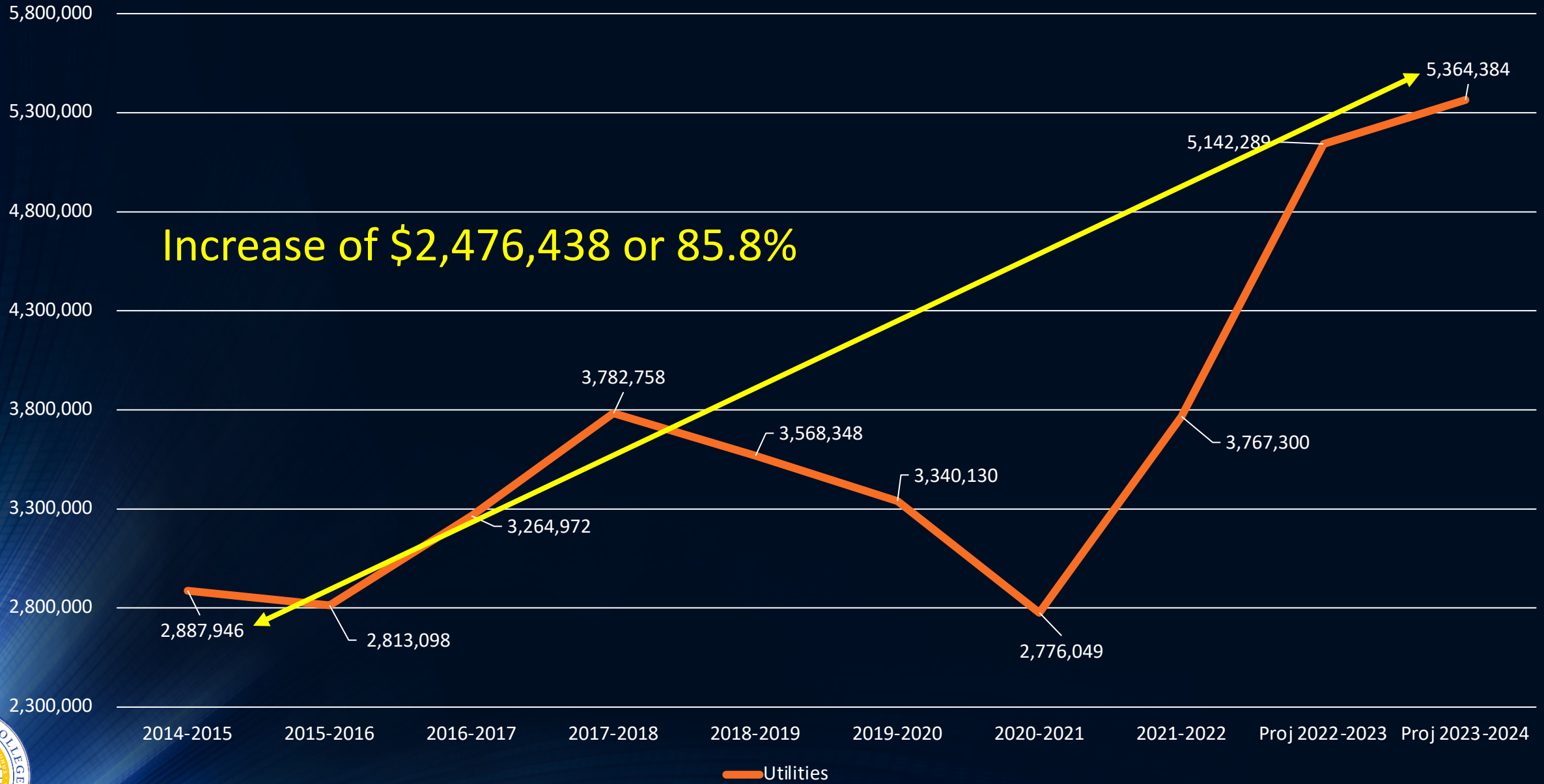
Contract and Service Expenditures



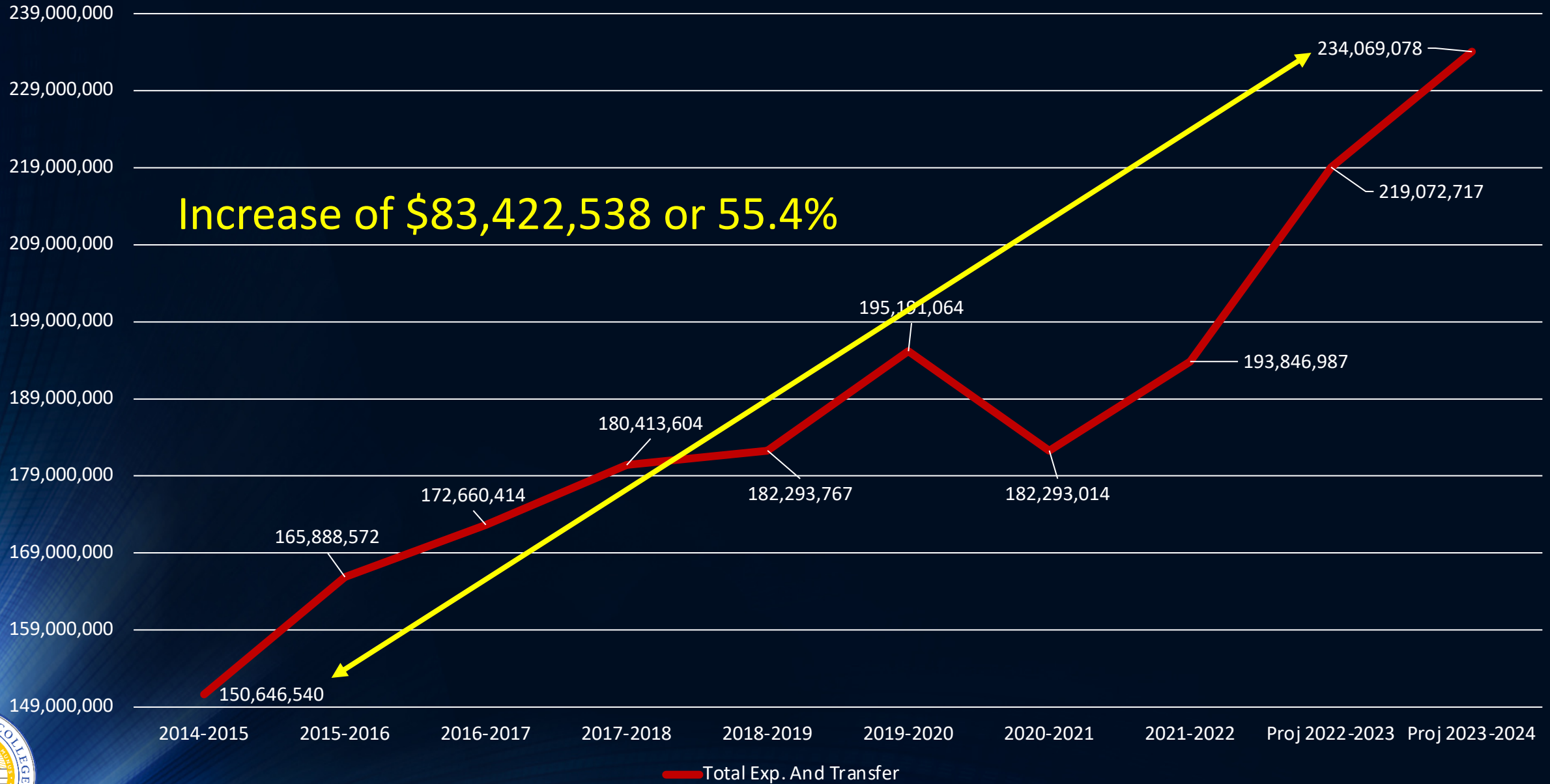
Insurance Expenditures



Utility Expenditures



Expenditures and Transfers



Revenue to Expenditure

