



Sierra Joint Community College District
2017-18 Tentative Budget

June 13, 2017

Information presented in these exhibits include assumptions as of 5/15/17

Sierra Joint Community College District
2017-18 Tentative Budget - Board of Trustees Meeting: June 13, 2017
2017-18 Revenue Estimates Per May Revision 2017

Exhibit A

	Governor's Budget January 2017		May Revision 2017	
	Statewide Request	Sierra's Estimated Share	Statewide Request	Sierra's Estimated Share
New On-Going Funds				
Enrollment Growth/ Access (1.34%/1%) ¹	79,300,000	1,000,000	57,800,000	620,000
COLA (1.48%/1.56%)	94,100,000	1,200,000	97,000,000	1,262,000
Base Increase (.37%/2.78%)	23,600,000	300,000	183,600,000	2,250,000
Full-Time Faculty Allocation	-	-	-	-
Total New On-Going Funds	\$ 197,000,000	\$ 2,500,000	\$ 338,400,000	\$ 4,132,000

	Statewide Request	Sierra's Estimated Share	Statewide Request	Sierra's Estimated Share
	New One-Time/Categorical Funds			
Guided Pathways	150,000,000	unknown	150,000,000	unknown
Deferred Maintenance/Instructional Equip.	43,700,000	570,000	-	-
Mandate Repayment Funds ²	-	-	-	-
On-Line Education	10,000,000	unknown	10,000,000	unknown
Proposition 39	52,300,000	500,000	46,500,000	445,000
Total New One-Time/Categorical Funds	\$ 256,000,000	\$ 1,070,000	\$ 206,500,000	\$ 445,000

¹ The May Revise provides statewide growth of 1% in 2017-18 with Sierra College's potential growth rate calculated at .84%. Although growth is being provided by the state, the District is not budgeting growth funds at this time given declining enrollment figures.

² Funding for mandate repayment funds was \$8.1M in 2015-16 and \$1.3M in 2016-17.

Sierra Joint Community College District
2017-18 Tentative Budget Board of Trustees Meeting: June 13, 2017
General Fund Narrative Summary

Exhibit B

- 1 **Tentative Budget:** The documents presented in this 2017-18 Tentative Budget package reflect the Governor's May Revision as of May 11th and should be viewed as preliminary in nature. The final budget for the fiscal year will be brought back to the Board for adoption in September 2017.
- 2 **Enrollment Growth/Access:** The state is making growth dollars available to all 72 community college districts totaling \$57.8 million or 1% above the amount provided in 2016-17. Sierra College's share of this growth funding is estimated at \$620K. Unfortunately, the District is not budgeting these new growth funds at this time due to declining enrollments.
- 3 **COLA:** The COLA increased from 1.48% in the Governor's January Budget to 1.56% at the May Revision. Sierra College's estimated share of COLA increased from \$1.2 million to \$1.26 million.
- 4 **Base Increase:** The May Revision provided a significant increase in base funding compared to the Governor's January Budget. For Sierra College, funding went from a \$300K increase in January to over \$2.2 million in May. This large increase is a result of the Governor's decision to adjust the Proposition 98 guarantee (constitutionally guaranteed funds for K-14 schools/colleges) by over \$1.1 billion compared to the estimate in January. According to the State Chancellor's Office, this new funding is "provided in recognition of pending cost increases in areas such as pensions, employee benefits, and utilities."
- 5 **Community Supported (Basic Aid) Funding vs State Supported Funding:** In 2016-17, the District nearly reached the point where the amount of property tax and student fee revenues exceeded the state funding guarantee. When this happens, the District becomes what is known as "Community Supported" or, to borrow a K-12 expression, "Basic Aid." Property tax revenues are estimated to increase in 2017-18 by 3% and based on the Governor's January Budget estimates, it appeared that Sierra College would be Community Supported in 2017-18. However, with the Governor's May Revision providing substantially more funds to Sierra College from the state, the District does not anticipate reaching Community Supported status in 2017-18.
- 6 **Reserves (Fund Balance):** The reserve balance is projected to be \$13.6 million or 12.8% of total general fund expenditures of \$107 million. It is expected that the reserve percentage will change between Tentative Budget and Adopted Budget in September due to two factors. First, there is typically an increase in Restricted General Fund expenses between Tentative Budget and Adopted Budget once unearned revenue from 2016-17 becomes known. Secondly, the beginning reserve balance will change once the 2016-17 fiscal year is finalized and closed.
- 7 **Guided Pathways:** The budget includes \$150 million in funding for Guided Pathways. These are one-time funds so colleges can put the infrastructure in place to ensure students identify a program of study and receive an educational roadmap for courses and support services. At this time, it is not known how the funds will be allocated to the 72 college districts.

Sierra Joint Community College District
2017 18 Tentative Budget Board of Trustees Meeting: June 13, 2017
General Fund Unrestricted & General Fund Restricted Budget Summary

Exhibit C

	Tentative Budget		
	General Fund Unrestricted	General Fund Restricted	General Fund Total
Revenues			
8000 Revenues	90,844,416	17,103,956	107,948,372
Total Revenues	\$ 90,844,416	\$ 17,103,956	\$ 107,948,372
Expenses, Debt, Transfers & Other			
1000 Certificated Salaries	37,144,253	3,666,534	40,810,786
2000 Classified Salaries	18,117,360	3,948,042	22,065,402
3000 Benefits	19,218,000	1,605,160	20,823,160
4000 Supplies and Materials	1,365,310	655,845	2,021,155
5000 Other Operating Expenses and Services	9,674,367	4,408,958	14,083,325
6000 Capital Outlay	261,260	947,680	1,208,940
7000 Debt Payments, Transfers, Other	4,118,867	1,871,738	5,990,605
Total Expenses, Debt, Transfers & Other	\$ 89,899,417	\$ 17,103,956	\$ 107,003,372
One-Time Revenue and Expense Adjustments:			
One-Time STRS Excess Sick Leave Payout	(385,000)	-	(385,000)
One-Time Contributions from Committed Reserves for H&W Costs	(1,210,000)	-	(1,210,000)
Total Expenses, Debt Transfers, Other and One-Time Adjustments	\$ 88,304,417	\$ 17,103,956	\$ 105,408,372
Structural Surplus			\$ 2,539,999

Fund Balance Summary

Beginning Fund Balance (as of 2016-17 Budget Revision #1)	\$ 14,274,368
Change in Fund Balance (Total Revenues Less Total Expenses, Debt, Transfers & Other)	944,999
Total Estimated Unrestricted Fund Balance	<u>15,219,367</u>
Less: Nonspendable - Prepaid Expenses & Inventory	(442,000)
Less: Committed Reserve ¹	<u>(1,120,031)</u>
Total Estimated Unrestricted/Uncommitted Fund Balance	\$ 13,657,336
Estimated Unrestricted/Uncommitted Fund Balance as a Percent of Expenses	12.8%

¹ Committed Reserve includes projected District obligations and commitments as of June 30, 2018 as follows:

Health & Welfare Reserve (Remainder of 2017-18 Plan Year: July 2018 - Sept 2018)	350,000
Unspent Portion of 2015-16 Full-Time Faculty Revenue	420,031
Projected 2016-17 Surplus Committed to Forecasted 2017-18 Deficit	300,000
Staff Training on Interest Based Bargaining	50,000
Estimated Committed Reserve as of June 30, 2018	<u>\$ 1,120,031</u>

Sierra Joint Community College District
2017-18 Tentative Budget - Board of Trustees Meeting: June 13, 2017
General Fund Unrestricted Budget Detail

Exhibit D

		General Fund Unrestricted
		Tentative Budget
Revenues		
8000	State Apportionment (Includes EPA Funds)	5,027,599
8000	Property Taxes	72,391,066
8000	Enrollment Fees	7,056,000
8000	Total State Revenues	84,474,665
8000	Less: .5% Assumed Deficit Factor	(422,373)
8000	Total State Apportionment with Deficit	84,052,292
8000	Federal Revenues	36,500
8000	Other State Program Revenues	3,093,424
8000	Local/Other Revenues	3,662,200
8000	One-Time Prior Year Apportionment Adjustment	-
Total Revenues		\$ 90,844,416
Expenses		
1000	Certificated Salaries - Instructional	16,215,026
1000	Certificated Salaries - Non-Instructional	1,910,861
1000	Certificated Salaries - Ed Admin	3,372,716
1000	Certificated PT - Instructional	10,268,000
1000	Certificated Salaries - PT Non-Instructional	916,000
1000	Reassigned Time	688,329
1000	Stipends	790,000
1000	Staff Development Flex Hours	308,000
1000	Overload Pay - Instructional	2,579,000
1000	Overload Pay - Non-Instructional	56,000
1000	Board Member	40,320
2000	Classified Supervisory & Confidential	2,815,227
2000	Instructional Aides	2,149,529
2000	Classified Salaries - FT	11,237,608
2000	Classified Salaries - PT	81,296
2000	Classified Salaries - Overtime	240,000
2000	Classified Salaries - Temporary	645,000
2000	Student Help and Tutors	948,700
3000	Benefits	16,288,000
3000	Retiree Benefits	2,930,000
4000	Supplies and Materials	1,365,310
5000	Other Operating Expenses and Services	9,674,367
6000	Capital Outlay	261,260
Total Expenses		\$ 85,780,550
Debt, Transfers & Other		
7000	Debt Payment Transfers	1,392,058
7000	Inter-Fund Transfers (Including Match)	1,333,141
7000	Other	-
7000	Contingency	1,393,668
Total Debt, Transfers & Other		\$ 4,118,867
Total Expenses, Debt, Transfers & Other		\$ 89,899,417
Beginning Fund Balance (as of 2016-17 Budget Revision #1)		\$ 14,274,368
Change in Fund Balance (Total Revenues Less Total Expenses, Debt, Transfers & Other)		944,999
Total Estimated Unrestricted Fund Balance		15,219,367
Less: Nonspendable - Prepaid Expenses & Inventory		(442,000)
Less: Committed Reserve		(1,120,031)
Total Estimated Unrestricted/Uncommitted Fund Balance		\$ 13,657,336

Sierra Joint Community College District
2017-18 Tentative Budget - Board of Trustees Meeting: June 13, 2017
General Fund Unrestricted Revenue Detail

Exhibit E

	General Fund Unrestricted
	Tentative Budget
State Apportionment	
State Apportionment (Includes EPA Funds)	5,027,599
Property Taxes	72,391,066
Enrollment Fees	7,056,000
Total State Revenues	84,474,665
Less: .5% Statewide Deficit Factor	(422,373)
Total State Apportionment with Deficit	84,052,292
Federal Revenues	
Forest Reserve Revenue	30,000
Veterans	6,500
Other Federal Revenue	-
Total Federal Revenues	36,500
Other State Program Revenues	
PT Faculty Office Hours	18,000
PT Faculty Compensation	300,000
BOG Fee Waiver Adm.2%	197,000
Lottery	2,186,228
Mandated Costs	392,196
Other General Categorical	-
Total Other State Program Revenues	3,093,424
Local/Other Revenues	
Contributions, Gifts, Grants	15,000
2% Enrollment Fee	144,000
Sales, Commission	700,000
Rentals & Leases	35,000
Interest Income	200,000
Student Records	32,000
Non-Resident Tuition	2,100,000
Audit Fee	7,000
Other Student Fees	2,000
Other Local Revenue	221,000
Indirect Costs	360,000
Bad Debt Collection	20,000
Uncollectible Res/Non-Res Tuition	(179,000)
Transfers In	-
Unrealized Gain (Loss) on Investment	-
Other Contract Services	-
Misc (Surplus, Returned Item)	5,200
Total Local/Other Revenues	3,662,200
One-Time Revenues	
One-Time Prior Year Apportionment Adjustment	-
Total Revenues	\$ 90,844,416