

THE TENTATIVE BUDGET REPORT provides a summary of the 2014-15 State budget and District budget planning information. It focuses primarily on the Unrestricted General Fund; however, preliminary information is also included about other District funds shown in detail on Exhibits B through L.

Much like the two previous years, the legislature passed the main budget bill on time. The vote resulted from compromises between the Governor and legislative leaders in the last few weeks on a \$156.4 billion package for fiscal year 2014-15. The details did not differ from the Conference Committee agreement that was reached on June 11.

In his message to the Community College community in May and June, State Vice Chancellor Dan Troy provided a thorough summary in the following paragraphs of the May Revision, the Conference Committee caucuses and the final version that is currently awaiting the Governor's signature. Until the budget is signed by the Governor, changes are always possible. In some cases there can be changes made to the budget bill language or included in trailer bills that affect community colleges of which we may not yet be fully aware.

May Revision

Governor Brown revealed his May Revision on May 13th. In it, he emphasized the need for fiscal restraint amid many calls for greater spending and restoration of general fund programs that were negatively impacted during the Great Recession. Rather than spending all the increased revenue that has buffered the State since the passage of Proposition 30 and an improving economy, Governor Brown had cautioned voters and legislators about the need to address the "Wall of Debt" in lieu of expanding services in a way he believes would be unsustainable. The Governor's May Revision includes two proposals that demonstrate the Governor's goals of building reserves and paying down debts:

CalSTRS

Perhaps the most significant change in the Governor's May Revision is the addition of a proposal to fully pay the \$74 billion in unfunded CalSTRS liabilities over the next 30 years. Under the Governor's proposal, these costs would be shared, with the State paying approximately 20 percent, teachers paying 10 percent, and the remaining 70 percent would be the responsibility of schools and community colleges.

The Governor proposes a 1.25% increase to the employer contribution rate in the 2014-15 fiscal year and annual increases of 1.61% thereafter until the rate reaches 19.1% in the 2020-21 fiscal year. The increased cost to colleges in 2014-15 is estimated at \$28 million and the cost could grow to over \$300 million when the rate ultimately reaches 19.1%. While it is certainly true that the state needs to address the long-term liability, increased obligations act as a negative COLA on district budgets. In whatever agreement the Legislature and the Governor come to concerning this issue, we believe there should be a corresponding plan to structure California Community College (CCC) budgets so that it can accommodate these significant new costs.

Rainy Day Fund

Governor Brown and others have long expressed concern about the "boom and bust" State budget cycles owing to the volatility of the State's capital gains revenues. To address this issue, the Governor stated his intent in January to modify the "Rainy Day Fund" ballot initiative scheduled for a ballot measure in November 2014 in a way that increases the State's budget reserves, makes progress toward addressing liabilities and "smooths" out budget expenditure cycles, including Proposition 98. This push led to the unanimous passage of ACAX2 1, which contains these significant features:

- As of 2015-16, require the Controller to annually transfer 1.5% of state General Fund revenues to a revised Budget Stabilization Account (BSA), until the BSA is equal to 10% of state general fund revenue
- Require that half of the transferred amount be used to retire specified state obligations (e.g., public school liabilities, pension obligations)

- Create a Proposition 98 reserve by diverting capital gains revenues that exceed 8% of general fund reserves, under certain circumstances
- Transfer funds from the Proposition 98 reserve to K-14 schools to fund growth and COLA for years in which the minimum guarantee declines

While subcommittees of both houses had previously voted to augment community colleges by \$246 million by assuming the higher budget year revenue that has been estimated by the Legislative Analyst's Office (LAO), similar to last year, the Governor held fast to the level of spending proposed in the May Revision. Ultimately, Governor Brown has prevailed.

A key adjustment made to K-14 Proposition 98 spending is that it will no longer be the case that deferrals will be completely eliminated as of the 2014-15 fiscal year. Some of this funding will be diverted within the minimum guarantee to fund legislative priorities such as preschool/child care, another round of funding for the Career Pathways Trust competitive grant program (\$250 million similar to the current year), and funding for prior mandate claims.

The Budget Conference Committee met to reconcile the differences between the Senate and Assembly spending plans adopted by each house and develop a plan a package that is presented to the Governor as both houses conducted a final vote by June 15. The goal is for a final package to be signed by the Governor on or the before the constitutional deadline.

The Conference budget looks very similar to the Governor's May Revision, with a few notable changes:

- Funding for Student Equity Plans will be reduced from \$100 million to \$70 million
- \$30 million augmentation for DSPPS
- \$49.5 million for reimbursement of previous mandate claims
- A reduction of \$94.465 million in the pay down of deferrals
- Districts will have flexibility to determine the split of expenditures between maintenance and instructional equipment (\$148 million)
- Cal Grant B awards will increase to \$1,648

Further, the final budget will include a *positive* trigger: If the Department of Finance determines as of the 2015 May Revision that the Proposition 98 guarantee is higher than what was estimated at the time of the budget agreement, additional expenditures will occur. The first priority would be to pay down the remaining K-14 deferrals (\$94.465 million for the CCCs).

Otherwise, the provisions of the Conference agreement are very similar to the Governor's May Revision—2.75% increased access, 0.85% COLA, \$50 million increase for Economic and Workforce Development (EWD).

As of June 16, additional notes in the agreement include:

- The STRS employer rate for the 2014-15 year will be 8.88% (an increase of 0.63%). From 2015-16 through the 2019-20 fiscal years, the rate will grow by an additional 1.85%, annually. In 2020-21, it will further grow by 0.97%, resulting in an employer contribution rate of 19.1% at that time. The details can be viewed in AB 1469. This is initially lower than what the Governor had originally proposed, although both proposals end up at 19.1% in 2020-21.
- Trailer legislation includes legislative intent that funds provided for increased access “be expended for purposes of increasing the number of FTES in courses or programs that support the primary missions of the segment.” The Chancellor's Office will also be required to annually report on the number of course sections and FTES that were added in the previous year that are “within the primary missions of the segment.” Clearly, there is significant interest from the Legislature in *how* the system grows, not just in how *much* it grows. The details can be viewed in the Education Omnibus bill, SB 860.

District Budget Planning

As a community supported district, the District is almost entirely funded through local sources. This means the standard non-categorical allocations for public education – such as apportionment, growth and State funded COLA – do not apply to us. The increases to higher education in the State budget largely do not affect us.

After attending the Association of Chief Business Officers (ACBO) workshop in Sacramento in May, Executive Vice Chancellor Kathy Blackwood reported the following:

Government Accounting Standards Board (GASB) 68: This new pronouncement goes into effect with this year’s financial statements for the State Teachers Retirement System (STRS) and Public Employee Retirement System (PERS) and with next year’s financial statements for us. It will require us to record our share of the retirement plans’ unfunded liabilities on our entity-wide financial statements. We will get some information from STRS for free and from PERS for a fee that will allow us to record the liability.

STRS is a multi-employer contribution plan where all employers contribute and all of the contributions are used to pay the liabilities. We will get a share of the overall liability in proportion to our contributions. STRS’s actuarial valuation of their unfunded liability is about \$74 billion, whereas the GASB 68 valuation will be about \$150 billion. Because GASB 68 requires an interest assumption that is tied to municipal bond rates, the GASB 68 valuation of the liability is about twice that of the pension actuarial studies.

PERS is an agency plan where we are contributing to the costs for our employees and retirees. We will get data specific to our employees from PERS.

It appears that all community colleges will show a negative net position, i.e. our liabilities will exceed our assets. Both credit rating companies Fitch and Standard and Poor’s have put out advisories that basically state that they have been accounting for districts’ share of the overall liabilities anyway and that they do not anticipate major changes in ratings. This GASB pronouncement does not affect our Other Post-Employment Benefits (OPEB) liabilities— we will continue reporting them as we have been and only recording a liability when we have not funded our Annual Required Contribution (ARC), which we do not intend to happen.

STRS rate increases: The Governor has proposed an increase in the employer and employee STRS rates and an increase in the State contribution for STRS. In January, Governor Brown had proposed using 2014-15 to study the problem and address it in the 2015-16 budget, however, he came up with this proposal in the May Revise at the prompting of the legislature. Because in 1990 there was an agreement between the State and STRS, the Governor says that the State’s obligation was capped at the 1990 level (the last time STRS had a plan to be fully funded), so the rest of the liability has to be covered by the employers and employees. In addition, the LAO has recommended that the State get out of the business of funding non-State employee pensions. The current proposal is as follows:

	Current	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Employer Contribution Rate	8.25%	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%	19.98%
Employee Contribution Rate (2% at 60 members)*	8.00%	8.15%	9.2%	10.25%	10.25%	10.25%	10.25%	10.25%

*The maximum contribution rate for new members (2% at 62 members) will be 9.21%, phased in over the same three-year timeframe

Affordable Care Act (ACA): We continue to learn more about the issues. One of the considerations is to explore providing adjunct faculty the option of buying into a plan that is more affordable than the District's current Kaiser Plan. This act would possibly eliminate the penalty for not offering a plan to all employees that the IRS considers full time.

District Cash Flow

The issuance of Tax and Revenue Anticipation Notes (TRANs) not to exceed \$30 million was approved by the District Board of Trustees on February 25, 2014, to provide the necessary cash flow to fund District operations from July to December prior to the receipt of property tax revenues.

Measure G

June 30, 2014 marks the end of the historic San Mateo County parcel tax. The District has benefitted greatly from this funding source for the last four years to help continue its mission of serving the educational needs of students in our community. The parcel tax has allowed for stability and maintenance of high demand courses and programs since its inception.

For 2014-15, the Colleges' have some carryover amounts that will be used to wrap up programs and services as they transition these activities and programs to other funding sources. Any excess funds left in the Central holding account will be finalized after the year-end closing and allocated to the Colleges.

Cañada College	\$1,100,000
College of San Mateo	\$400,000
Skyline College	\$700,000

2014-15 Revenue Projection

The revenue estimates are based primarily upon local property taxes, redevelopment funds, and student fees. The District has prepared an estimate of its base revenue taking into consideration a set of factors that include enrollment and higher property tax assessed valuation. The District's total revenue projection is \$132,365,829 which is \$2,066,682 more than last fiscal year's final budget. The Proposition 30 (Educational Protection Account or EPA) funding is expected to total \$1.8 million in 2014-15.

For 2014-15, the assumptions include:

1. Community supported status continues in 2014-15.
2. 2014-15 FTES based on 2013-14 FTES P-2.
3. 2014-15 Non-resident FTES based on International Education Plan.
4. COLA based on salary compensation settlement.
5. 3.0% State funded growth which does not apply to community supported districts.
6. Deficit factor on State revenue projected does not apply to community supported districts.
7. 3.1% inflation on certain expenses.
8. Utilities and benefits are based on Facilities estimates.
9. No increase for full time faculty outside of what Colleges fund from their site allocations.
10. Fixed costs are based on best estimates.
11. 3.56% salary compensation settlement.
12. No student fee increase (currently at \$46 per unit).
13. 5.6% property tax increase.

Revenue estimates are based on the assumptions listed above and expenditures include costs to continue ongoing operations. The following tables summarize projected revenues and expenditures. In addition to annual inflationary cost increases, costs include those associated with providing health and medical benefits to active and retired employees, increases in insurance premiums, technology upgrades and maintenance as well as utilities.

Revenues	2013-14 Final Budget	2014-15 Tentative	\$ Change
Total Base Revenue:	\$115,673,179	\$119,816,380	\$4,143,201
Property Taxes	101,852,855	106,920,626	
RDA AB1290	156,865	184,978	
RDA residual	3,587,816	3,757,399	
Student Fees	10,076,492	8,953,377	
Basic Skills/Prop 30	3,896,442	1,856,766	(2,039,676)
Lottery	2,400,000	2,400,000	0
State PT Faculty Parity	385,618	385,618	0
P/T Faculty Office Hours/Med.	245,772	245,772	0
Apprenticeship	62,150	62,150	0
Non-Resident Tuition	2,474,413	3,002,696	528,283
Interest	1,200,000	1,000,000	(200,000)
Mandated Costs	547,000	547,000	0
Miscellaneous	3,414,444	3,049,650	(364,794)
Total	\$130,299,018	\$132,366,032	\$2,067,014

Expenditures	2013-14 Final Budget	2014-15 Tentative	\$ Change
Site Allocations with Benefits	\$98,363,481	\$99,069,987	\$706,506
Other Employee Benefits	2,052,929	2,052,929	0
Retiree Benefits	8,075,236	8,325,568	250,332
Formula Adjustments	1,083,790	1,778,142	694,352
Apprenticeship	62,150	62,150	0
Other Exp (Int'l Ed, Comm Ed)	1,646,898	1,676,941	30,043
Utilities	5,068,914	5,148,454	79,540
Salary Commitments	5,484,698	6,075,069	590,371
Managed Hiring	2,001,000	894,000	1,107,000
Insurance	1,152,156	1,259,045	106,889
Consultant/Legal/Election	866,000	760,000	106,000
Staff Development	296,743	475,000	178,257
Software/Hardware/Telephone	1,923,119	1,890,747	(32,372)
Miscellaneous Expenses	2,161,904	2,838,000	676,096
Museum of Tolerance	60,000	60,000	0
Total	\$130,299,018	\$132,366,032	\$2,067,014

The Tentative Budget is balanced with the estimated expenditures equal to projected revenues. The Tentative Budget will be revised to include any changes resulting from the enacted State budget and the 2014-15 fiscal year-end numbers along with existing fund balances.

2013-14 Ending Balance Estimates

The current projections of 2013-14 ending balances submitted by the Budget Offices at each site for the Tentative Budget are as follows:

Cañada College	\$645,420
College of San Mateo	\$1,414,224
Skyline College	\$1,332,728
District Office	\$427,650
Facilities	\$929,200

2014-15 Estimated Beginning Balance

The beginning balance is estimated at \$19,304,774 and includes reserves of 5% according to Board policy. Details of the Unrestricted General Fund are detailed in Exhibit A. The remaining balance originates from specific projects and activities in 2013-14 and will be carried over into the new fiscal year as committed to these purposes. The current estimate is subject to change when final amounts become available following year-end close of the District’s financial records.

2014-15 Site Allocations

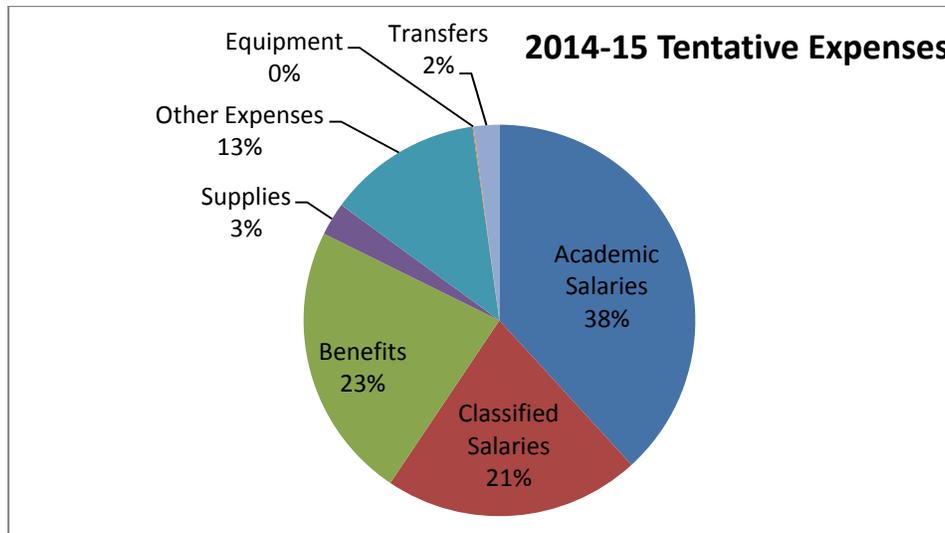
The site allocations for the Tentative Budget have been adjusted for step, column, and longevity increases according to the resource allocation model. Benefits are managed at each of the sites. The allocations will be adjusted for the adopted budget as necessary.

<u>Site</u>	<u>Allocation total with benefits</u>
Cañada College	\$17,055,775
College of San Mateo	29,212,539
Skyline College	30,724,414
District Office	11,662,833
Facilities	10,414,426

The major functional uses of the unrestricted general fund budget are illustrated below by major account category.

Account Category	2013-14 Final Budget	2014-15 Tentative	\$ Change
Certificated Salaries	\$48,410,570	\$55,465,167	7,054,597
Classified Salaries	26,848,678	30,160,709	3,312,031
Employee Benefits	29,015,863	31,539,307	2,523,444
Supplies/Materials	3,459,972	2,826,376	(633,596)
Operating Expenses	16,167,789	11,871,435	(4,296,354)
Capital Outlay	109,194	85,400	(23,794)
Transfers/Other	2,672,634	417,638	(2,254,996)
Total	*\$126,684,699	*\$132,366,032	\$5,681,333

*Does not include beginning balance/carryover as final figures will not be known until after the 2013-14 books are closed



**2014-15 TENTATIVE BUDGET - UNRESTRICTED GENERAL FUND
NET BEGINNING BALANCE (PRIOR YEAR CARRYOVER)**

	Final Budget 2012-13	Tentative Budget 2013-14	Final Budget 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE				
Carryover Balances - Committed but unexpended				
Professional Development	\$261,460	\$245,000	\$260,496	\$280,000
Program Improvement	0	0	0	0
Staff Development	119,335	100,000	61,629	10,000
Duplicating Equipment Upgrade	20,179	18,000	7,181	19,170
CSM Science Sales	4,761	4,000	6,704	5,500
Cañada SFSU/Facilities Contracts	355,026	262,000	429,320	400,000
College Events Funds	132,920	100,000	111,226	115,000
Emergency Preparedness	379,347	320,000	437,596	397,000
Fleet Program	26,204	15,000	113,104	100,000
Equipment Surplus	35,227	30,000	34,455	31,000
Satellite Dish Contracts	803,576	720,000	1,012,600	850,000
Apprenticeship Programs	92,639	80,000	135,095	150,000
College International Programs	1,061,331	130,000	277,073	650,000
Skyline Special Project Allocations	122,145	200,000	1,130,791	943,450
President's Innovation Fund	41,029	35,000	28,812	43,180
Contingency Increment	0	433,492	0	98,351
Other Miscellaneous Projects	2,654,558	2,183,200	3,537,946	2,856,750
Subtotal	\$6,109,737	\$4,875,692	\$7,584,028	\$6,949,401
Savings for Rebudgeting				
Cañada College	823,327	630,520	624,554	645,420
College of San Mateo	1,803,947	1,224,960	858,330	1,414,224
Skyline College	1,342,737	1,275,048	902,516	1,332,728
Chanc. Office/Facilities	1,260,460	1,530,000	1,378,342	1,144,700
Subtotal	\$5,230,471	\$4,660,528	\$3,763,743	\$4,537,072
ESTIMATED COMMITMENTS/SAVINGS TO REBUDGET	\$11,340,208	\$9,536,220	\$11,347,770	\$11,486,473
Reserve for Contingency	\$5,884,069	\$6,317,561	\$6,519,951	\$6,618,302
Revolving Fund, and General Reserve	0	0	0	0
Subtotal	\$5,884,069	\$6,317,561	\$6,519,951	\$6,618,302
Unrestricted Balance	2,377,303	3,887,885	1,836,044	1,200,000
TOTAL ESTIMATED NET BEGINNING BALANCE	\$19,601,580	\$19,741,667	\$19,703,765	\$19,304,774
INCOME ASSUMPTIONS				
ESTIMATED CURRENT INCOME				
Property Taxes and Fees	106,401,394	111,420,053	112,476,346	115,873,998
Redevelopment Funds	0	5,080,221	3,743,832	3,942,377
Proposition 30 (EPA)	0	0	3,896,442	1,856,766
Lottery	2,367,590	2,400,000	2,400,000	2,400,000
State Part-Time Faculty Support	631,390	631,390	631,390	631,390
Apprenticeship Programs	62,150	62,150	62,150	62,150
Non-Resident Tuition	2,171,023	2,495,971	2,474,413	3,002,696
Interest Income	1,100,000	1,200,000	1,200,000	1,000,000
Miscellaneous Income	2,514,439	3,061,439	3,414,444	3,596,655
TOTAL ESTIMATED CURRENT INCOME	115,247,987	126,351,224	130,299,018	132,366,032
TOTAL INCOME + NET BEGINNING BALANCE (Unrestricted General Fund)	\$134,849,567	\$146,092,891	\$150,002,783	\$151,670,806

**2014-15 TENTATIVE BUDGET - UNRESTRICTED GENERAL FUND
ESTIMATED EXPENDITURES**

	Final Budget 2012-13	Tentative Budget 2013-14	Final Budget 2013-14	Tentative Budget 2014-15
EXPENDITURE PLAN				
ESTIMATED 2013-14 CARRYOVER				
COMMITMENTS (From Previous Page)	\$6,109,737	\$4,875,692	\$7,584,028	\$6,949,401
Contingency Increment (Included below)	0	(433,489)	0	(98,348)
ESTIMATED SAVINGS FOR				
REBUDGETING (From Previous Page)	5,230,471	4,660,528	3,763,743	4,537,072
COMMITMENTS AND REBUDGETED SAVINGS	<u>\$11,340,208</u>	<u>\$9,102,731</u>	<u>\$11,347,770</u>	<u>\$11,388,125</u>
ESTIMATED CURRENT EXPENDITURES:				
Site Allocations				
College/District Base Allocations	92,685,156	96,624,725	98,363,481	99,069,987
Formula Adjustments/Contracts	1,970,504	1,876,449	1,083,790	1,778,142
Apprenticeship Programs	62,150	62,150	62,150	62,150
Salary commitments	1,454,808	1,923,789	5,484,698	5,852,010
Districtwide Obligations				
Other Employee/Retiree Benefits	9,421,729	9,642,793	10,128,165	10,378,497
Utilities	4,077,127	4,518,788	5,068,914	5,148,454
Insurance	1,139,723	1,160,326	1,152,156	1,259,045
Soft/Hardware Maintenance Contracts	1,228,043	1,789,215	1,923,119	1,890,747
Special Appropriations				
FTES Growth	0	0	0	0
Managed Hiring	2,000,000	2,001,000	2,001,000	894,000
Resource Allocation Model	0	0	0	0
Other Expenses (i.e. Int'l Ed, Comm Ed)	2,136,000	2,132,000	776,802	2,000,000
Consultants/Legal Expense	282,000	516,000	466,000	260,000
Election	200,000	200,000	400,000	400,000
Program Improvement	0	0	0	50,000
Classified Staff Development	50,000	50,000	50,000	130,000
Management Staff Development	9,743	9,743	9,743	50,000
Professional Development	237,000	237,000	237,000	245,000
Technology Advancement	0	0	0	0
Miscellaneous Expenses	727,390	3,547,250	3,032,000	2,838,000
Museum of Tolerance	0	60,000	60,000	60,000
ESTIMATED CURRENT EXPENDITURES	<u>\$117,681,373</u>	<u>\$126,351,228</u>	<u>\$130,299,018</u>	<u>\$132,366,032</u>
TOTAL ESTIMATED EXPENDITURES including carryover	<u>\$129,021,581</u>	<u>\$135,453,959</u>	<u>\$141,646,788</u>	<u>\$143,754,157</u>
Reserve for Contingency	\$5,884,069	\$6,317,561	\$6,519,951	\$6,618,302
Revolving Fund, Stores, & General Reserve	0	0	0	0
Unallocated Ending Balance	2,377,303	3,887,885	1,836,044	1,200,000
Estimated Marginal Revenue/Deficit	<u>-2,433,387</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES + RESERVES (Unrestricted General Fund)	<u><u>\$134,849,566</u></u>	<u><u>\$145,659,405</u></u>	<u><u>\$150,002,783</u></u>	<u><u>\$151,572,459</u></u>

*Minor differences due to rounding.

2014-15 TENTATIVE BUDGET - Proposition 30 (EPA)
Detail of Educational Protection Account (Fund 11002)

	Final Budget 2012-13	Tentative Budget 2013-14	Final Budget 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE**	\$ -	\$ -	\$ 1,948,221 *	\$ -
ESTIMATED INCOME				
State allocation \$100 per FTES	\$ -	\$ -	\$ 1,948,221	\$ 1,856,766
TOTAL ESTIMATED INCOME	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,948,221</u>	<u>\$ 1,856,766</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u><u> </u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,896,442</u></u>	<u><u>\$ 1,856,766</u></u>
ESTIMATED EXPENDITURES				
Salaries	\$ -	\$ -	\$ 2,666,267	\$ 1,374,674
Benefits	-	-	545,494	394,240
Supplies	-	-	278,990	25,800
Operating Expenses	-	-	405,691	62,052
TOTAL ESTIMATED EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,896,442</u>	<u>\$ 1,856,766</u>
TOTAL ENDING BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL EXPENDITURES AND ENDING BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,896,442</u></u>	<u><u>\$ 1,856,766</u></u>

Note: **\$1,948,221 was carried over from 2012-13 as this amount was allocated in June 2013. \$3,896,442 is the total amount for two fiscal years (2012-13 and 2013-14)

2014-15 TENTATIVE BUDGET - SELF-INSURANCE FUND

	Actual 2012-13	Final Budget 2013-14	Estimated Actual 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE	\$ 8,772,642	\$ 9,018,291	\$ 9,018,291	\$ 9,048,091
ESTIMATED INCOME				
Self Insurance Transfer	916,587	940,000	989,000	1,100,000
TOTAL ESTIMATED INCOME	<u>\$ 916,587</u>	<u>\$ 940,000</u>	<u>\$ 989,000</u>	<u>\$ 1,100,000</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$ 9,689,229</u>	<u>\$ 9,958,291</u>	<u>\$10,007,291</u>	<u>\$10,148,091</u>
ESTIMATED EXPENDITURES				
Salaries	\$ 151,525	\$ 154,326	\$ 122,000	\$ 130,000
Benefits	72,680	73,730	47,200	50,297
Supplies	-	10,000	-	1,500
Operating Expenses	446,733	500,000	790,000	800,000
TOTAL ESTIMATED EXPENDITURES	<u>\$ 670,938</u>	<u>\$ 738,056</u>	<u>\$ 959,200</u>	<u>\$ 981,797</u>
TOTAL ENDING BALANCE	<u>\$ 9,018,291</u>	<u>\$ 9,220,235</u>	<u>\$ 9,048,091</u>	<u>\$ 9,166,294</u>
TOTAL EXPENDITURES AND ENDING BALANCE	<u>\$ 9,689,229</u>	<u>\$ 9,958,291</u>	<u>\$10,007,291</u>	<u>\$10,148,091</u>

2014-15 TENTATIVE BUDGET - DEBT SERVICE

	Actual 2012-13	Final Budget 2013-14	Estimated Actual 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE	\$ 23,632,460	\$ 26,472,082	\$ 26,472,082	\$ 30,838,413
ESTIMATED INCOME				
Interest	\$ 10,904	\$ 93,800	\$ 82,000	\$ 80,000
Property Taxes	29,169,998	30,222,400	30,500,000	30,748,721
Other	178,440	178,440	304,050	150,000
TOTAL ESTIMATED INCOME	29,359,342	30,494,640	30,886,050	30,978,721
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$ 52,991,802</u>	<u>\$ 56,966,722</u>	<u>\$ 57,358,132</u>	<u>\$ 61,817,134</u>
ESTIMATED EXPENDITURES				
Debt Reduction - Principal	\$ 14,910,000	\$ 16,945,000	\$ 14,910,000	\$ 19,475,000
Debt Reduction - Interest	11,609,719	13,482,901	11,609,719	11,273,721
Other	-	-	-	-
TOTAL ESTIMATED EXPENDITURES	<u>\$ 26,519,719</u>	<u>\$ 30,427,901</u>	<u>\$ 26,519,719</u>	<u>\$ 30,748,721</u>
TOTAL ENDING BALANCE	<u>\$ 26,472,082</u>	<u>\$ 26,538,821</u>	<u>\$ 30,838,413</u>	<u>\$ 31,068,413</u>
TOTAL EXPENDITURES AND ENDING BALANC	<u>\$ 52,991,802</u>	<u>\$ 56,966,722</u>	<u>\$ 57,358,132</u>	<u>\$ 61,817,134</u>

2014-15 TENTATIVE BUDGET - SPECIALLY FUNDED PROGRAMS**Based on Current Agreements and Funding Estimates**

<u>Fund</u>	<u>Program</u>	<u>Source</u>	<u>College of San Mateo</u>	<u>Cañada College</u>	<u>Skyline College</u>	<u>Chancellor's Office</u>	<u>Total</u>
30005	Work Study	Federal	106,385	83,799	262,102		452,286
30007	CTEA Perkins IV-1C	Federal	181,415	120,991	210,998		513,404
30028	TRIO - Student Support Services	Federal		238,496			238,496
30057	Workability III CA Rehab	Federal			149,214		149,214
30082	SAFE - Sequoia Union H.S. District	Federal		5,140			5,140
30086	NSF S-STEM (M-SETS)	Federal		20,000			20,000
30094	NASA CIPAIR	Federal		1,000			1,000
30101	TRIO - Student Support Services	Federal			512,198		512,198
30102	HSI STEM	Federal		1,134,477			1,134,477
30105	CTE Transitions	Federal	43,269	43,269	43,269		129,807
30110	TRIO - Upward Bound	Federal		262,500			262,500
30111	HSI Cooperative A2B	Federal		671,491			671,491
30113	AACI Patient Navigator Training	Federal		90,000	80,000		170,000
30114	Small Business Div Ctr-HSUSPF	Federal	80,000				80,000
30115	The San Francisco Foundation - BAWCF	Federal			50,000		50,000
30116	NSF-Univ of New Hampshire subaward	Federal		21,864			21,864
3011X	NSF S-STEM Scholarships	Federal		64,270			64,270
3011X	NSF-Engineering Workshop	Federal		49,999			49,999
31002	DSP&S	State	761,830	300,447	472,707		1,534,983
31003	EOP&S	State	493,533	412,390	434,328		1,340,251
31004	EOP&S/CARE	State	21,951	30,167	30,369		82,487
31009	Student Success and Support Program	State	1,199,747	858,153	1,377,011		3,434,911
31012	Foster Care Education	State		81,505			81,505
31016	AB602-Board Fin Asst Prog Adm Allow	State	298,546	233,026	320,303		851,875
31031	CalWORKs	State	123,332	132,533	148,137		404,002
31033	TANF	Federal	24,444	24,464	25,376		74,285
31045	Staff Diversity	State				8,169	8,169
31055	MESA/CCCP/FSS	State		50,500	50,500		101,000
31065	RCSD CBET Program	State		50,000			50,000
31069	Prop 20 Lottery - Instructional Materials	State				500,000	500,000
31078	Enrollment Growth AD Nursing	State	163,787				163,787
31125	CCCCO-CTE-Career Advancement Academ	State	25,000	50,000	25,000		100,000
31126	Basic Skills 2012-13 Allocation	State	20,000				20,000
31127	FCCC-CSM Cares Program	State	10,000				10,000
31128	UC Regents Puente Program	State	35,000				35,000
31130	Basic Skills 2013-14 Allocation	State	45,000	45,000	50,000		140,000
31131	Instructional Equipment and Library	State	80,000	15,000	85,000		180,000
31132	Deputy Navigator-Global Trade	State			365,000		365,000
31133	Deputy Navigator-Retail	State			310,000		310,000
31134	FHDA CCD-DSN Energy	State			15,000		15,000
31135	CCCCO-CEP-Career Advancement Academ	State	50,000	150,000	800,000		1,000,000
31136	SMC HSA CalFresh	State			15,000		15,000
3113X	Basic Skills 2014-15 Allocation	State	90,000	90,000	90,000		270,000
32003	Public Bdcst-CSG-TV	Local	250,000				250,000
32004	Public Bdcst-CSG-FM	Local	171,537				171,537
32005	Public Bdcst-CSG-Interconnect	Local	8,473				8,473
32017	Menlo Park Redevelopment	Local		253,000			253,000
32063	SMCOE - First 5 Early Childhood - EQulP	Local		215,320	43,740		259,060
32080	The Grove Foundation-CAN CBET	Local		20,000			20,000
32092	UWBA-SparkPoint	Local			25,000		25,000
32099	The Grove Foundation-SKY CTE Schol	Local			40,000		40,000
32101	Silicon Valley CF-EWAP	Local		40,000			40,000
3210X	Working Families Success Network	Local		88,903			88,903
35022	KCSM TV	Local	1,100,000				1,100,000
35023	KCSM FM	Local	1,600,000				1,600,000
35045	Financial Aid Admin Cost Allow	Local	10,000	10,000	15,000		35,000
35046	Peninsula Library System	Local				142,500	142,500
38184	SMC 4C's Instr Svcs	Local		12,000			12,000
39001	Parking Fees	Local				3,000,000	3,000,000
39030	Health Service Fees	Local	450,000	230,000	400,000		1,080,000
Total 2014-2015 Tentative Budget			<u>\$7,443,249</u>	<u>\$6,199,704</u>	<u>\$6,445,252</u>	<u>\$3,650,669</u>	<u>\$23,738,874</u>

2014-15 TENTATIVE BUDGET - CAPITAL PROJECTS FUND

	Actual 2012-13	Final* Budget 2013-14	Estimated Actual 2013-14	Tentative * Budget 2014-15
ESTIMATED NET BEGINNING BALANCE	\$ 117,780,030	\$ 113,255,732	\$ 113,255,732	\$ 101,170,854
ESTIMATED INCOME				
Bond Construction	\$ (22,808)	\$ 250,000	\$ 210,000	\$ 190,000
Capital Outlay Projects - State Funded	1,409,442	4,000,000	3,567,429	1,294,254
Capital Outlay - Planning	2,640,359	0	6,503,412	1,000,000
C.O.P. Capital Projects	325,000	0	0	0
College Projects Fund	0	0	1,395,541	17,001
College Capital Outlay Planning	1,200,000		4,500,000	1,000,000
College Vista Planning	700,000	0	0	0
College Housing Maintenance Reserves	(28,756)	0	1,100,000	1,100,000
College Housing Planning	1,160,757	0		
Facilities Capital Improvement	920,121	0	57,881	0
Foundation Funded Projects	3,511	0	1,844	1,500
Hazardous Substances Projects -State Funded	0	0	0	0
Interest	(365,318)	200,000	120,000	120,000
Pacific Heights Project - Skyline	0	0	0	0
Property Management Study	0	0	0	0
Redevelopment	2,033,204	150,000	117,636	120,000
Scheduled Maintenance - State Funded	55,686	0	0	0
Scheduled Maintenance - District Funded	6,901,552	800,000	734,330	0
Aux. Svcs Equipments Reserves	22,584	25,000	22,584	22,584
Non-resident capital outlay recovery fee	98,737	98,500	127,400	130,000
TOTAL ESTIMATED INCOME	\$ 17,054,072	\$ 5,523,500	\$ 18,458,056	\$ 4,995,339
TOTAL INCOME & NET BEGINNING BALANCE	\$ 134,834,102	\$ 118,779,232	\$ 131,713,788	\$ 106,166,193
ESTIMATED EXPENDITURES				
Bond Construction	\$ 7,794,901	\$ 10,000,000	\$ 8,325,842	\$ 8,520,000
Capital Outlay - Planning	5,300	15,022,276	15,200,000	600,000
Capital Outlay Projects - State Funded	1,465,128	5,034,872	4,451,779	1,294,254
C.O.P. Capital Projects	1,051,770	161,645	43,206	50,000
College Projects Fund	5,931	1,000,000	617,796	369,329
College Capital Outlay Planning	405,887	1,000,000	0	100,000
College Housing Maintenance Reserves	0	0	140,343	200,000
College Housing Planning	0	0	0	0
Facilities Capital Improvement	439,755	1,000,000	414,456	420,129
Foundation Funded Projects	3,511	0	1,844	0
Hazardous Substances Projects -State Funded	0	0	0	0
Pacific Heights Project - Skyline	0	1,000,000	558,330	500,000
Property Management Study	49,530	0	0	0
Redevelopment	7,201,140	1,000,000	490,288	2,000,000
Redevelopment - ChildCare Outgoing Transfer	366,631	370,000	299,050	281,949
Scheduled Maintenance - State Funded	0	0	0	0
Aux. Svcs Equipments Reserves	0	5,000	0	5,000
Non-resident capital outlay recovery fee	2,269	250,000	0	100,000
TOTAL ESTIMATED EXPENDITURES	\$ 18,791,753	\$ 35,843,793	\$ 30,542,934	\$ 14,440,661
TOTAL ENDING BALANCE	\$ 116,042,348	\$ 82,935,439	\$ 101,170,854	\$ 91,725,532
TOTAL EXPENDITURES & ENDING BALANCE	\$ 134,834,102	\$ 118,779,232	\$ 131,713,788	\$ 106,166,193

* Final and Tentative Budgets are based on one year estimated operations

2014-15 TENTATIVE BUDGET - BOOKSTORE FUND

	Actual 2012-13	Final Budget 2013-14	Estimated Actual 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE	\$ 6,557,800	\$ 6,673,642	\$ 6,673,642	\$ 7,216,088
ESTIMATED INCOME				
Sales	\$ 7,356,023	\$ 8,550,000	\$ 7,894,516	\$ 7,800,000
Other	607,529	300,000	790,670	800,000
TOTAL ESTIMATED INCOME	<u>\$ 7,963,551</u>	<u>\$ 8,850,000</u>	<u>\$ 8,685,185</u>	<u>\$ 8,600,000</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$ 14,521,352</u>	<u>\$ 15,523,642</u>	<u>\$ 15,358,828</u>	<u>\$ 15,816,088</u>
ESTIMATED EXPENDITURES				
Cost of Merchandise Sold	\$ 4,733,933	\$ 5,300,000	\$ 5,204,184	\$ 5,200,000
(Classified) Salaries	1,644,935	1,750,000	\$ 1,660,580	1,700,000
Employee Benefits	492,142	430,000	\$ 424,960	450,000
Supplies	51,441	50,000	\$ 47,651	48,000
Other Operating Expense	731,642	745,000	\$ 648,553	700,000
TOTAL ESTIMATED EXPENDITURES	<u>\$ 7,654,093</u>	<u>\$ 8,275,000</u>	<u>\$ 7,985,928</u>	<u>\$ 8,098,000</u>
DISTRICT SUPPORT PAID/(RECEIVED)				
Salaries & Benefits	\$ 82,463	\$ 160,000	\$58,837	\$ 65,000
Rent	67,700	67,700	\$67,770	67,700
Donations	43,453	15,000	\$30,205	20,000
TOTAL DISTRICT SUPPORT	\$ 193,616	\$ 242,700	\$ 156,812	\$ 152,700
TOTAL ENDING BALANCE	<u>\$ 6,673,642</u>	<u>\$ 7,005,942</u>	<u>\$ 7,216,088</u>	<u>\$ 7,565,388</u>
TOTAL EXPENDITURES AND ENDING BALANCE	<u>\$ 14,521,352</u>	<u>\$ 15,523,642</u>	<u>\$ 15,358,828</u>	<u>\$ 15,816,088</u>

2014-15 TENTATIVE BUDGET - CAFETERIA FUND

	Actual 2012-13	Final Budget 2013-14	Estimated Actual 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE	\$ 337,374	\$ 353,375	\$ 353,375	\$ 484,414
ESTIMATED INCOME				
Food Service Income	\$ 126,984	\$ 145,000	\$ 161,881	\$ 170,000
Vending Income	58,142	45,500	56,822	\$ 55,000
Event Facilities Rental Income	35,396	30,000	84,423	\$ 100,000
Other (interest/other)	7,223	500	10,112	\$ 10,000
TOTAL INCOME	\$ 227,745	\$ 221,000	\$ 313,238	\$ 335,000
TOTAL INCOME & NET BEGINNING BALANCE	\$ 565,119	\$ 574,375	\$ 666,613	\$ 819,414
ESTIMATED EXPENDITURES				
District/College Support	\$ 60,642	\$ 45,000	\$ 56,822	\$ 55,000
Operational Expenses	151,102	\$ 125,000	125,376	125,000
TOTAL EXPENDITURES	\$ 211,744	\$ 170,000	\$ 182,198	\$ 180,000
TOTAL ENDING BALANCE	\$ 353,375	\$ 404,375	\$ 484,414	\$ 639,414
TOTAL EXPENDITURES AND ENDING BALANCE	\$ 565,119	\$ 574,375	\$ 666,613	\$ 819,414

2014-15 TENTATIVE BUDGET - SAN MATEO ATHLETIC CLUB & AQUATIC CENTER

	Actual 2012-13	Final Budget 2013-14	Estimated Actual 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE	\$ 171,404	\$ 1,260,131	\$ 1,260,131	\$ 2,324,536
ESTIMATED INCOME				
Registration and Memberships	\$ 3,545,269	\$ 3,080,000	\$ 3,987,883	\$ 4,000,000
TOTAL ESTIMATED INCOME	\$ 3,545,269	\$ 3,080,000	\$ 3,987,883	\$ 4,000,000
TOTAL INCOME & NET BEGINNING BALANCE	\$ 3,716,673	\$ 4,340,131	\$ 5,248,014	\$ 6,324,536
ESTIMATED EXPENDITURES				
Salaries	\$ 1,532,584	\$ 1,540,000	\$ 1,670,850	\$ 1,800,000
Employee Benefits	367,820	\$ 368,500	\$ 401,004	432,000
Supplies	120,278	\$ 85,000	\$ 112,719	133,000
Operating Expenses	730,078	602,500	\$ 544,485	635,000
TOTAL ESTIMATED EXPENDITURES	\$ 2,750,760	\$ 2,596,000	\$ 2,729,058	\$ 3,000,000
DISTRICT SUPPORT				
Income - interest, operating exp dist share	\$ 72,547	\$ 77,000	\$ 82,510	\$ 70,000
Exp - Admin. Salaries, Utilities, Pool Exp.	221,672	(200,000)	(276,931)	(325,000)
TOTAL DISTRICT SUPPORT	\$ 294,219	\$ (123,000)	\$ (194,421)	\$ (255,000)
TOTAL ENDING BALANCE	\$ 1,260,131	\$ 1,621,131	\$ 2,324,536	\$ 3,069,536
TOTAL EXPENDITURES & ENDING BALANCE	\$ 3,716,673	\$ 4,340,131	\$ 5,248,014	\$ 6,324,536

2014-15 TENTATIVE BUDGET - CHILD DEVELOPMENT FUND

	Actual 2012-13	Final Budget 2013-14	Estimated Actual 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE	\$26,352	\$0	\$0	\$0
ESTIMATED INCOME				
Fees	\$394,849	\$405,507	\$440,852	\$440,000
Calif. Dept. of Educ. - Child Development	363,272	425,079	314,001	315,000
Calif. Dept. of Educ. - Child Nutrition	2,724	2,800	2,740	2,800
Federal Revenue - Child Nutrition	50,300	51,000	50,974	51,000
Sequoia Healthcare District Grant	9,500	10,500	10,500	10,500
Western Growers Foundation Grant	177	823	0	823
Incoming Transfers/Other	355,292	261,794	372,375	281,949
TOTAL INCOME	\$1,176,114	\$1,157,503	\$1,191,443	\$1,102,072
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$1,202,466</u>	<u>\$1,157,503</u>	<u>\$1,191,443</u>	<u>\$1,102,072</u>
ESTIMATED EXPENDITURES				
Salaries	\$781,792	\$778,990	\$806,597	\$724,825
Employee Benefits	319,855	276,962	282,062	272,246
Supplies	19,965	20,873	23,468	23,000
Food	72,988	72,000	73,309	76,000
Other Operating Expense	7,867	8,678	6,008	6,000
Outgoing Transfers	0	0	0	0
TOTAL ESTIMATED EXPENDITURES	\$1,202,466	\$1,157,503	\$1,191,443	\$1,102,071
ESTIMATED ENDING BALANCE	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES AND ENDING BALANCE	<u>\$1,202,466</u>	<u>\$1,157,503</u>	<u>\$1,191,443</u>	<u>\$1,102,072</u>

2014-15 TENTATIVE BUDGET - SM Parcel Tax (Measure G)

	Final Budget 2012-13	Tentative Budget 2013-14	Final Budget 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE	\$ 3,180,307	\$ 3,180,307	\$ 2,451,911	\$ 3,100,000
ESTIMATED INCOME				
Property Taxes	\$ 7,050,000	\$ 7,000,000	\$ 7,000,000	\$ -
TOTAL ESTIMATED INCOME	<u>\$ 7,050,000</u>	<u>\$ 7,000,000</u>	<u>\$ 7,000,000</u>	<u>\$ -</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$ 10,230,307</u>	<u>\$10,180,307</u>	<u>\$ 9,451,911</u>	<u>\$ 3,100,000</u>
ESTIMATED EXPENDITURES				
Salaries	\$ 6,549,964	\$ 5,463,415	\$ 5,300,774	\$ 2,022,946
Benefits	895,862	880,855	706,277	400,406
Supplies	216,504	218,754	1,052,437	106,648
Operating Expenses	1,669,616	436,976	1,470,534	570,000
TOTAL ESTIMATED EXPENDITURES	<u>\$ 9,331,946</u>	<u>\$ 7,000,000</u>	<u>\$ 8,530,022</u>	<u>\$ 3,100,000</u>
TOTAL ENDING BALANCE	<u>\$ 898,361</u>	<u>\$ 3,180,307</u>	<u>\$ 921,889</u>	<u>\$ 0</u>
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$ 10,230,307</u>	<u>\$10,180,307</u>	<u>\$ 9,451,911</u>	<u>\$ 3,100,000</u>

2014-15 TENTATIVE BUDGET - TRUST FUNDS

	Actual 2012-13	Final Budget 2013-14	Estimated Actual 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE	\$246,689	\$206,796	\$206,796	\$206,796
ESTIMATED INCOME				
Federal PELL, SEOG, Direct Loans	\$21,501,319	\$21,693,224	\$20,759,854	\$20,700,000
Cal Grants	\$700,643	683,000	930,000	930,000
Scholarships SMCCCF	\$660,627	660,000	716,120	720,000
Transfers-In	\$367,692	0	218,978	225,000
Other	(\$39,893)	0	0	0
TOTAL ESTIMATED INCOME	<u>\$23,190,388</u>	<u>\$23,036,224</u>	<u>\$22,624,952</u>	<u>\$22,575,000</u>
TOTAL INCOME AND NET BEGINNING BALANCE	<u>\$23,437,077</u>	<u>\$23,243,020</u>	<u>\$22,831,748</u>	<u>\$22,781,796</u>
ESTIMATED EXPENDITURES				
Federal PELL, SEOG, Direct Loans	\$21,502,187	\$21,693,224	\$20,759,854	\$20,700,000
Cal Grants	\$700,643	683,000	930,000	930,000
Scholarships SMCCCF	\$660,627	660,000	716,120	720,000
Scholarships Grove Foundation	\$82,685	0	83,880	85,000
Other (EOP&S, CARE, TRIO, NSF)	\$284,139	0	135,098	140,000
TOTAL EXPENDITURES	<u>\$23,230,281</u>	<u>\$23,036,224</u>	<u>\$22,624,952</u>	<u>\$22,575,000</u>
TOTAL ENDING BALANCE	\$206,796	\$206,796	\$206,796	\$206,796
TOTAL EXPENDITURES AND ENDING BALANCE	<u>\$23,437,077</u>	<u>\$23,243,020</u>	<u>\$22,831,748</u>	<u>\$22,781,796</u>

2014-15 TENTATIVE BUDGET - RESERVE FUND FOR POST-RETIREMENT BENEFITS

	Actual 2012-13	Final Budget 2013-14	Estimated Actual 2013-14	Tentative Budget 2014-15
ESTIMATED NET BEGINNING BALANCE	\$ 22,194,599	\$ 19,983,831	\$ 19,983,831	\$ 14,024,898
ESTIMATED INCOME				
Interest	\$ (24,974)	\$ 80,000	\$ 221,561	\$ 220,000
OPEB Contribution	1,301,186	1,322,000	3,808,067	3,800,000
Incoming Transfer	6,500,000	1,000,000	1,000,000	0
Home Loan Income	26,020	13,586	16,439	16,500
TOTAL INCOME	<u>\$ 7,802,232</u>	<u>\$ 2,415,586</u>	<u>\$ 5,046,067</u>	<u>\$ 4,036,500</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$ 29,996,831</u>	<u>\$ 22,399,417</u>	<u>\$ 25,029,898</u>	<u>\$ 18,061,398</u>
ESTIMATED EXPENDITURES				
Retirement Board Transfer out	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Other Outgo	0	1,000,000	1,000,000	0
Operating Expenses	13,000	5,000	5,000	5,000
ESTIMATED EXPENDITURES	<u>\$ 10,013,000</u>	<u>\$ 11,005,000</u>	<u>\$ 11,005,000</u>	<u>\$ 10,005,000</u>
TOTAL ENDING BALANCE	<u>\$ 19,983,831</u>	<u>\$ 11,394,417</u>	<u>\$ 14,024,898</u>	<u>\$ 8,056,398</u>
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$ 29,996,831</u>	<u>\$ 22,399,417</u>	<u>\$ 25,029,898</u>	<u>\$ 18,061,398</u>

California Community Colleges

Sound Fiscal Management

2014-15 Self-Assessment Checklist

1. Deficit Spending - Is this area acceptable? **Yes** / No

- Is the district spending within their revenue budget in the current year?
 - Yes, the district will have a surplus in 13/14 and a balanced budget for 14/15.
- Has the district controlled deficit spending over multiple years?
 - Yes, the District's unrestricted GF Net Change in Fund Balance for 2010/11 was \$4,647,752, 2011/12 was (\$1,024,052) and 2012/13 was \$102,185. The unrestricted GF Net Change in Fund Balance for 2013/14 is projected to be a surplus, and the ending fund balance continues to be above the 15% level.
- Is deficit spending addressed by fund balance, ongoing revenue increases, or expenditure reductions?
 - Yes, by fund balance, revenue increases (growth) and expenditure reductions.
- Are district revenue estimates based upon past history?
 - District revenue estimates are based upon a combination of past history as well as projections for local property tax growth in assessed valuation and changes to redevelopment agency funding.
- Does the district automatically build in growth revenue estimates?
 - The District is now building in changes in assessed valuation and consequent changes in property taxes received. State growth funding no longer affects the District.

2. Fund Balance – Is this area acceptable? **Yes** / No

- Is the district's fund balance stable or consistently increasing?
 - The District's fund balance is fairly stable, increasing over the last 3 years to partially account for increases in spending and a conservative approach to budgeting revenue. The fund balances were \$20,625,632 in 2010/11, \$19,601,578 in 2011/12 and \$19,703,765 in 2012/13.
- Is the fund balance increasing due to on-going revenue increases and/or expenditure reductions?
 - The fund balance is relatively stable.

3. Enrollment - Is this area acceptable? **Yes** / No

- Has the district's enrollment been increasing or stable for multiple years?
 - Yes. The District's enrollment had increased every year since 2005/06, but in 2009/10, due to state workload reductions, the District was over the funded enrollment cap, so enrollment was reduced in succeeding years.
- Are the district's enrollment projections updated at least semiannually?
 - The District's enrollment projections are updated at P-1 and P-2.
- Are staffing adjustments consistent with the enrollment trends?
 - The colleges adjust their adjunct faculty budgets to match their enrollment projections.
- Does the district analyze enrollment and full time equivalent students (FTES) data?
 - Yes. The CBO works with the VPIs to review the enrollment estimates and compare the trends to historical data.
- Does the district track historical data to establish future trends between P-1 and annual for projection purposes?
 - Yes. The historical data includes P-1, P-2 and P-Annual and includes a review of the estimates after P-A.

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- Has the district avoided stabilization funding?
 - Yes. The District has achieved its funded enrollment cap every year from 2005/06 through 2010/11. With the advent of Community-Supported status, the District is no longer eligible for stabilization funding.

4. **Unrestricted General Fund Balance** – Is this area acceptable? **Yes / No**

- Is the district's unrestricted general fund balance consistently maintained at or above the recommended minimum prudent level (5% of the total unrestricted general fund expenditures)?
 - The District's unrestricted GF balance has consistently been 9%-18% for the last several years, however, the District's policy is to budget for a 5% reserve.
- Is the district's unrestricted fund balance maintained throughout the year?
 - Mostly, although the District does not do mid-year accruals of revenue and some sources of revenue lag, such as lottery. If the accruals were done, the balance would be fairly consistent.

5. **Cash Flow Borrowing** - Is this area acceptable? **Yes / No**

- Can the district manage its cash flow without interfund borrowing?
 - With the advent of Community-Supported status, the District relies on both TRANS and interfund borrowing to maintain adequate cash.
- Is the district repaying TRANS and/or borrowed funds within the required statutory period?
 - Yes.

6. **Bargaining Agreements** - Is this area acceptable? **Yes / No**

- Has the district settled bargaining agreements within new revenue sources during the past three years?
 - The District reached agreement with all 3 unions for 3 year agreements for 2013/14 through 2015/16.
- Did the district conduct a pre-settlement analysis identifying an ongoing revenue source to support the agreement?
 - The analyses have been ongoing.
- Did the district correctly identify the related costs?
 - Yes, increases in statutory, as well as health and welfare benefits, are included in the total cost when any analysis is done.
- Did the district address budget reductions necessary to sustain the total compensation increase?
 - Budget reductions have not been necessary in the past and are not necessary for these settlements.

7. **Unrestricted General Fund Staffing** - Is this area acceptable? **Yes / No**

- Is the district ensuring it is not using one-time funds to pay for permanent staff or other ongoing expenses?
 - Permanent staff are controlled through position control and are budgeted out of each entity's site allocation, which is derived in the budgeting process from ongoing revenues.
- Is the percentage of district general fund budget allocated to salaries and benefits at or less than the statewide average (i.e. the statewide average for 2003-04 is 85%)?
 - According to the Chancellor's Office Trend Analysis, in 2010/11 the District was at 79.1%, in 2011/12 the District was at 81.8% and in 2012/13 the District was at 77%.

8. **Internal Controls** - Is this area acceptable? **Yes / No**

- Does the district have adequate internal controls to insure the integrity of the general ledger?
 - Yes. The District has had no audit findings for internal controls.
- Does the district have adequate internal controls to safeguard the district's assets?
 - Yes. The District has had no audit findings for internal controls.

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9. Management Information Systems - Is this area acceptable? Yes / No

- Is the district data accurate and timely?
 - Banner is real time and information is updated automatically in a variety of instances.
- Are the county and state reports filed in a timely manner?
 - All reports are filed on time.
- Are key fiscal reports readily available and understandable?
 - Banner reports are readily available and managers are trained in Banner.

10. Position Control – Is this area acceptable? Yes / No

- Is position control integrated with payroll?
 - Position control was integrated with payroll when Banner payroll was implemented in January, 2007.
- Does the district control unauthorized hiring?
 - With the implementation of Banner payroll, all positions are approved in advance and no person can receive a paycheck without having his or her paperwork entered into Banner by HR staff and being assigned to an approved position.
- Does the district have controls over part-time academic staff hiring?
 - Part-time academic staff hiring is controlled by the Instruction Offices and reviewed by Human Resources.

11. Budget Monitoring - Is this area acceptable? Yes / No

- Is there sufficient consideration to the budget, related to long-term bargaining agreements?
 - All District proposals are costed out for at least 3 years prior to finalizing the proposals.
- Are budget revisions completed in a timely manner?
 - Budget revisions are taken to the Board twice a year.
- Does the district openly discuss the impact of budget revisions at the board level?
 - The Board approves all budget revisions. Any use of contingency funds must be approved by a 2/3 majority of the Board.
- Are budget revisions made or confirmed by the board in a timely manner after the collective bargaining agreements are ratified?
 - Since the District has a history of multi-year agreements, the budget has not had to be revised, but can be planned in advance.
- Has the district's long-term debt decreased from the prior fiscal year?
 - Yes. The District has issued all of its General Obligation Bonds approved by the voters and is starting to repay them.
- Has the district identified the repayment sources for the long-term debt?
 - General Obligation Bonds are paid through property taxes.
- Does the district compile annualized revenue and expenditure projections throughout the year?
 - The District Committee on Budget and Finance reviews revenue projections for the current and three future years.

12. Retiree Health Benefits - Is this area acceptable? Yes / No

- Has the district completed an actuarial calculation to determine the unfunded liability?
 - The District completes an actuarial study every two years and last completed a study in April 2013.
- Does the district have a plan for addressing the retiree benefits liabilities?
 - The District is on a pay as you go plan for current retirees, but had also been setting aside \$1.5 million annually and reached a peak of over \$33 million set aside. The District established an OPEB Trust and is in the process of funding the District's long term liabilities for post-employment health benefits. The District has established a self-assessment for future OPEB benefits in line with the actuarial study. In addition, the District capped lifetime benefits in the 1990's.

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13. Leadership/Stability - Is this area acceptable? Yes / No

- Has the district experienced recent turnover in its management team (including the Chief Executive Officer, Chief Business Officer and Board of Trustees)?
 - The District hired a new president for Cañada College in January 2013. The position was vacated due to retirement. One Board member retired in May 2013 and was replaced in the following November election. There has been no turnover in the CEO or CBO.

14. District Liability – Is this area acceptable? Yes / No

- Has the district performed the proper legal analysis regarding potential lawsuits that may require the district to maintain increased reserve levels?
 - Yes, this is done as part of the year-end close every year.
- Has the district set up contingent liabilities for anticipated settlements, legal fees, etc?
 - None are currently needed.

15. Reporting – Is this area acceptable? Yes / No

- Has the district filed the annual audit report with the System Office on a timely basis?
 - The audit was filed in December 2013 for 2012/13. The current contract with the auditors specifies that the audit must be complete and filed by December 31.
- Has the district taken appropriate actions to address material findings cited in their annual audit report?
 - There have been no material findings. The District has addressed the State compliance findings.
- Has the district met the requirements of the 50 percent law?
 - Yes.
- Have the Quarterly Financial Status Reports (CCFS-311Q), Annual Financial and Budget Reports (CCFS-311), and Apportionment Attendance Reports (CCFS-320) been submitted to the System Office on or before the stated deadlines?
 - Yes, all have been timely.