

THE TENTATIVE BUDGET REPORT provides a summary of the 2018-19 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.

May Revision

On May 11, the Governor presented a \$138 billion State budget. It is a budget plan that seeks to limit permanent increases in new spending. In his final year, Governor Jerry Brown leaves a healthy State budget marked by a surplus.

The May Revision marks the start of negotiations with lawmakers, leading up to the Legislature's June 15 constitutional deadline to pass a State budget. Just as in recent years, the State budget is expected to be signed by the Governor before July 1st.

Throughout the current fiscal year, State revenues have been higher than forecasted both before and during the important tax month of April. With this in mind, Governor Brown is proposing a final May Revision that combines both long-term and one-time investments while setting aside funds for a rainy day.

The May Revision assumes continued expansion of the economy built on prudent fiscal policies—building the State's reserves and avoiding new ongoing obligations. The May Revision does not anticipate a recession, but acknowledges and plans for economic risks. The U.S. real gross domestic product growth is projected at 3% in 2018 and 2019, but falling to 1.9% starting in 2020.

The Governor proposed two major initiatives for the community colleges in January—a revised funding formula and a new online community college. Both proposals resulted in significant feedback from stakeholders and policy discussions at the State level.

In a summary provided below by School Services of California, the May Revision appears to be slightly better than the January proposal.¹

Community College Proposals

The Governor made some changes to the most significant community college initiatives from his January Budget proposal: the new funding formula for general apportionments and the creation of an online California community college.

New Funding Formula

In January, Governor Brown proposed \$175 million to support the community colleges' transition to a new Student-Focused Funding Formula for general purpose apportionments similar to the K-12 Local Control Funding Formula. After consulting with the California Community Colleges Chancellor's Office (CCCCO) and other leading community college stakeholders the Governor has made some significant adjustments to the components of the formula in the May Revision:

- **Base Grant.** The base grant would compose of 60% of the formula and would be based on a three-year rolling average of full-time equivalent students (FTES). Noncredit FTES, including career development and college preparation FTES, would be funded using the existing structure and would not be included within the formula—rather, it would be treated as an add-on.
- **Supplemental Grant.** The supplemental grant would consist of 20% of the formula and would be based on head counts: the number of low-income students over the age of 25 receiving a College Promise Grant fee waiver, the number of Assembly Bill 540 students, and the number of students receiving a Pell grant.

¹ School Services of California, Overview of the 2018-19 May Revision, May 18, 2018.

- **Student Success Incentive Grant.** The student success incentive grant would cover the last 20% of the formula and would be based upon head counts of the completion of associate degrees and certificates over 18 units, Associates Degrees for Transfer (ADTs), successful transfers to four-year institutions, completion of transfer-level math and English courses in the first year, obtaining a regional living wage within 12 months of completing a degree or certificate program, and successfully completing nine credit units of Career Technical Education (CTE) courses. Districts will also receive additional funding within this grant upon the successful outcomes of economically disadvantaged students.

Additionally, Governor Brown proposes \$104 million in one-time funding to provide discretionary resources to districts whose year-over-year increase in general purpose apportionment funding would be less than the cost-of-living adjustment (COLA) of 2.71% in 2018-19. Since this is a one-time augmentation there is no additional protection proposed at this time for 2019-20 or beyond to ensure that the funding increases in each year provide at least the statutory COLA.

The Budget Conference Committee consisting of Governor Brown, Senate President Pro Tempore Atkins, and Speaker Rendon had been meeting to reach agreement. Some modifications have been made since the May Revision. The Department of Finance added two changes to the proposal with the first including a new “stability” provision specifying that each year, a district would receive the greater of their past year or current year funding and the second that the proposal no longer includes any changes to existing provisions related to counts of summer enrollment (i.e. current practices continue.)

The additional modifications made as part of the budget agreement are as follows:

- A three-year phase-in of the formula, with the model designed to provide 70 percent for the base allocation, 20 percent for the equity allocation, and 10 percent for the student success allocation in 2018-19 (a 70-20-10 split), with a 65-20-15 split in 2019-20 and a 60-20-20 split in 2020-21.
- As part of the equity and student success allocations, use of counts for all College Promise Grant recipients, rather than only College Promise Grant recipients age 25 and over (as was proposed in the May Revision).
- Extension of the discretionary funds to cover a three-year period, which guarantees that all districts would receive funding increases at least equal to the cost-of-living adjustment for those three transition years.

The agreement also creates an oversight body to monitor implementation of the new formula and make recommendations to the State Chancellor’s Office and to the Governor and the Legislature for its improvement.

While the Legislative Analyst’s Office (LAO) supports the idea of a new funding formula, the LAO states that there is not sufficient time for the proposed revisions to be fully reviewed by legislators before the enactment of the State budget.²

California Online Community College

In January, Governor Brown proposed \$120 million (\$20 million ongoing) for the creation of the California Online Community College to provide quality, affordable, and flexible educational opportunities for working adults without a postsecondary credential to improve their economic mobility. The May Revision makes the following clarifications to the January proposal:

- **Governance.** The Board of Governors would serve as the Governing Board of the college and would, along with the Chancellor, choose the president of the college who would then establish an advisory council to advise him or her on issues related to the college
- **Collective Bargaining.** The faculty and classified employees would be represented for the purposes of collective bargaining by partnering with an existing district to establish a collective bargaining agreement

² The Legislative Analyst’s Office, Analysis of the 2018-19 May Revision Education proposals, May 14, 2018.

- **Student Success.** The college would report on outcome measures similar to all other community colleges and, to provide greater accountability, would provide a comprehensive status report in its third year of operation regarding student outcomes and the college's progress on reaching working adults
- **Accreditation.** The president of the college would be responsible for commencing the accreditation process upon enrollment of the college's first cohort of students
- **Curriculum.** The curriculum developed by the college and its faculty would have the same academic protections granted to all curricula developed by other community college faculty.

The LAO has concerns with the proposal and cites it is not clear how the Online College would provide better access to working adults. It recommends rejection of the Online College proposal and that the Legislature should pursue improvements to the existing community college online system to better serve working adults throughout the State.

Various faculty groups throughout the State also soundly opposed the proposal. It has been viewed as duplicative of the existing online systems that are currently in place at community colleges. Faculty unions argue that proposed funds be directed instead towards the Online Education Initiative that has been helping colleges create online classes.³

The most recent Budget agreement includes additional language to specify alignment between the Online College and other community colleges. The agreement also includes \$35 million one-time funds to support the Online Education Initiative which would help expand and improve online education at all the community colleges.

Other General Apportionment Proposals

The January proposal provides 1% growth funding, with a reduction in funds due to a reduced estimate of the cost. Growth funding is proposed to be applied on top of the three-year rolling average calculation for the Base Grant in the new funding formula.

In the May Revision, the Governor proposes an increase of \$73.7 million from his January proposal for apportionments, which includes:

- An increase of \$46.9 million to reflect the amount of FTES funding earned back by community college districts that declined in enrollment during the previous three years
- An increase of \$14.9 million to reflect unused growth provided in 2016-17
- An increase of \$11.9 million to reflect a change in the COLA from 2.51% to 2.71%

Other Programs

In the May Revision the Governor proposes to decrease the January proposal for deferred maintenance by \$131.7 million, from \$275.2 million to \$143.5 million in one-time funds, due to shifting funds to other priorities.

The Governor makes the following augmentations from the January 2018-19 State Budget proposals for other community college programs:

- Financial Aid Awards—An increase of \$7.8 million for the proposed Student Success Completion Grant to reflect an increased estimate of students
- Financial Aid Technology Improvements—An increase of \$13.5 million one-time and \$5 million ongoing to upgrade colleges' financial aid management systems for more efficient processing
- Apprenticeships—An increase of \$4.8 million ongoing for increased reimbursements to K-12 and community college-sponsored apprenticeship programs and an increase of \$5.9 million one-time to backfill shortfalls in Related and Supplemental Instruction hours in the prior years
- Open Educational Resources—An increase of \$6 million one-time to expand open educational resources

³ <https://www.scpd.org/news/2018/04/12/82235/faculty-say-they-don-t-want-a-new-online-community/>

- NextUp Program Augmentation—An increase of \$5 million to expand the NextUp Program, which supports current and former foster youth, at 20 community college districts
- Adult Education Block Grant Program—An increase of \$1 million to reflect the increase in COLA
- Categorical Program Cost-of-Living Adjustment—An increase of \$581,000 to reflect the increase in COLA for the Disabled Student Programs and Services program, the Extended Opportunities Programs and Services program, the Special Services for CalWORKs Recipients program, and the Child Care Tax Bailout program

At the recent Association of Chief Business Official (ACBO) conference, sessions were held to clarify and update the community college districts throughout the State regarding May Revision items.

Both the State Senate and State Assembly rejected the Student-Focused Funding Formula. There were also other smaller allocations proposed by the Senate and Assembly that were funded by not approving the Funding Formula. The Chancellor's Office will continue to advocate for the Funding Formula.

The Senate approved the Online College Proposal and made modifications to related laws and included \$44 million for the Online Education Initiative whereas the Assembly rejected the Governor's Proposal and included instead \$60 million one-time funds for Institute for Innovation in Online Learning.

Additionally, the Senate and Assembly approved the proposal to consolidate Student Success, Basic Skills and Student Equity into a single categorical program.

The LAO also supports the proposed consolidation of the three student success programs namely the Student Success and Support Program, Student Equity Program, and the Student Success for Basic Skills Program into a single block grant. It further recommends the inclusion of nine additional student support programs as these programs target similar student populations.

As the Budget Conference Committee began reviewing the differences in plans from both houses and discussed the mix of one-time versus ongoing spending plans, reconciling the differences in language and funding levels will soon be decided and agreed upon before a State budget is signed by July 1, 2018.

District Budget Planning

The District is community-supported and funded almost entirely 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.

While the majority of increases to higher education in the State budget in large part do not affect us, the District will continue to receive categorical funding for EOPS, DSPS and the proposed consolidated block grant that includes Student Success and Support Program, Student Equity and Basic Skills. There is also potential funding from the Physical Plant and Instructional Support (PPIS) grant program to support scheduled maintenance and instructional equipment.

The District budgets Innovation Funds every year in support of activities that seek to achieve the goals of the District Strategic Plan. A report on the uses of 2017-18 Innovation Funds will be presented by each of the sites for the Adopted Budget in September.

For 2018-19, a \$1 million distribution in ongoing Innovation Funds of \$250,000 for each site includes the following summary of requests:

Cañada College (\$250,000)

Cañada College Scholarship Program: \$250,000

District Strategic Goals Met: 1 and 2

Cañada College will utilize Innovation Funds to support the College's Promise program. The College's goal is to recruit and onboard 350 students in the Promise Program. To do this, several personnel and administrative issues must also be addressed including hiring four full-time, temporary staff to manage the program, and develop guidelines for student intake that are aligned with the District and the other colleges. Additionally, the College will incorporate Road Trip Nation career exploration tool into all Promise student's work plans, and will incorporate financial planning as a major component of our student's first year program.

College of San Mateo (\$250,000)

Accelerated Math Program: \$250,000

District Strategic Goals Met: 1, 3 and 4

College of San Mateo will implement its accelerated Math Program in the 2018-2019 academic year in response to AB 705. Math faculty at all three district colleges have collaborated and have developed curriculum that is based on the highly successful program offered at Cuyamaca College. CSM anticipates increased ongoing costs in several areas including:

- 1) Additional faculty required to teach courses
- 2) Expansion of the MATH SI program
- 3) Addition of a Retention Specialist

Skyline College (\$250,000)

Accelerated Study in Associate Programs (ASAP) Replication: \$25,000

District Strategic Goals Met: 1, 2 and 3

The Skyline College Promise that students can "Get in. Get through. Get out...on time!" is the institution's commitment to ensuring that students complete their educational and career goal in a timely manner. Among the strategies and programs that Skyline College needs to deliver on this Promise, is the implementation of the Accelerated Study in Associate Programs (ASAP) program model to the Promise Scholars Program, which has increased the percentage of students who earn an Associate's Degree in three years from 14% to 58%. The replication of ASAP at Skyline College will be the evolution of the current Promise Scholarship Program to become the Promise Scholars Program, focused on relieving the financial, academic, and transition barriers that obstruct students' ability to enroll and complete full-time credit enrollment, especially from local high schools in San Mateo County.

The goal is to provide a comprehensive, integrated, and student-centered program that provides components that are directly aligned with the District Strategic Goals:

- Promise Scholarship for recent HS Graduates, Adult and GED Completers
- Dedicated Counseling/Advising
- Incentivize Full-time Enrollment and program participation
- Integrated connection to Skyline College's Guided Pathways

Resources would ensure that the appropriate level of counseling and advising support, student support, and financial incentives for full-time enrollment and completion are available. Starting last year, the college designated \$150,000 of Innovation fund dollars to create an ongoing stream of fiscal resources to support this

effort, with the goal of gradually building it up each year. Metrics to evaluate the success of this program would include: Fall to Spring persistence, successful course completion rates, GPA, academic progress towards certificate/degree completion, and cohort data evaluation after two years. At full scale within four years, the program is projected to support up to 2,000 full-time students.

Compliance with ABA Recommendation for Paralegal Program: \$40,000

District Strategic Goals 1 and 2

The Paralegal Program recently underwent a site visit by a team to consider American Bar Association (ABA) endorsement of the program. This endorsement adds value to the program of students who graduate and seek jobs in the Paralegal labor market. The visit resulted in high praise for the program, the curriculum, the faculty and the partnership. In the “suggestions”, the ABA representatives indicated that the program lacked the expected staffing support for clerical, administrative, and outreach activities designed to maintain the necessary partnerships with the court systems, law firms and organizations who provide internships and hire the graduates.

Equity Fellow-in-Residence: \$20,000

District Strategic Goals 1 and 2

The Equity Fellow-in-Residence Program brings a distinguished cultural theorist and thought leader to advance equity work and to challenge systems of exclusion and marginalization through workshops, events, performances, presentations, faculty, staff and student engagement and mentoring.

SparkPoint Center: \$45,000

District Strategic Goals 1 and 2

Skyline College was the first California Community College to launch a financial literacy center for students specifically focused on mitigating the impact of poverty in student success in higher education. Modeled on the Annie E. Casey Foundation, the SparkPoint Center at Skyline College is part of a regional United Way of the Bay Area network of financial education centers designed to serve individuals and families who are working to achieve financial self-sufficiency. Students and other members of the community utilize SparkPoint services and resources to achieve financial self-sufficiency. Innovation funds will assist in institutionalizing the staff position charged with financial coaching and program coordination.

The SparkPoint Center provides a physical location for students and community members to have access to services that include and support District Strategic Goals:

- Food Pantry
- Financial Coaching
- Access to Public Benefits
- Grove Scholars Program for students in CTE programs
- Income Tax Preparation and Banking Services Support
- Intentional advising and coaching to support certificate and degree completion

Longitudinal data for SparkPoint support that students who receive two or more of the above listed services persist at rates above 90% and, while the food pantry is often the entry point for students to access services, the most critical component to SparkPoint’s success is the role of financial coaching.

Skyline Express Shuttle: \$100,000

District Strategic Goals 1 and 2

Thanks to a grant from the San Mateo Transportation Authority, Skyline College provides free, non-stop shuttle service between the Daly City BART station and the college campus. The shuttle is open to all students, faculty, staff and the public. The college is required to make a match ranging from 25-50% depending on the obligation in the grant. In current and future years, Skyline College matches more than \$150,000 of cost. This service supports DSG 1 and 2.

Women's Mentoring Leadership Project: \$20,000

District Strategic Goals 1, 2 and 3

The Women's Mentoring and Leadership Academy provides mentoring, training, and leadership development in addition to providing academic and social support, intercultural communication, and small group communication skill development, personal wellness, and career readiness. Participants become mentors of other women across the globe and in turn, are mentored by professionals themselves. Women who participate in the academy will be empowered and transformed to achieve intellectual, cultural, social, economic and personal fulfillment, supporting them in getting in, through and out on time. The program has been a PIF project for three years and is highly valued by community and President's Council members.

District Office (\$250,000)

Educational Services and Planning: \$250,000

District Strategic Goals Met: 1, 2, 3 and 4

The Innovation Funds allocated to the Educational Services and Planning Division will be utilized to further the development and implementation of the planning, research, institutional effectiveness, and resource development infrastructure in support of the implementation of the District Strategic Plan. Funds will be used to support staff and services that will be dedicated to developing the reporting and analytics capacity of the District, in order to provide information that can be used for resource development that supports scaling of innovations that increase student success, equity, and social justice across the three Colleges.

Proposition 30/55

The District continues to receive funds for the Education Protection Account (EPA), an extension of the income tax portion of the initiative which was extended and approved in 2016. Proposition 55 will continue funding education.

Based on \$100 per FTES, the District is expected to receive \$1,494,710 in 2018-19.

2018-19 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 \$185,871,409.

For 2018-19, the assumptions include:

1. Community supported status continues in 2018-19.
2. 2017-18 FTES based on -2% decline over 2016-17 FTES goals/actuals.
3. 2018-19 Non-resident FTES the same as last year, International FTES based on College estimates.
4. 3.22% inflation on certain expenses.
5. Utilities and benefits are based on best estimates.
6. Allowance for compensation increases per total compensation formula.
7. Fixed costs are based on best estimates.
8. No student fee increase (currently at \$46 per unit).
9. Current property tax increase of 7.30%.
10. Lottery rate at \$146.

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	2017-18 Final Budget	2018-19 Tentative	\$ Change
Total Base Revenue:			
Property Taxes	\$138,011,771	\$143,918,536	\$5,906,765
RDA AB1290/residual	7,866,082	11,776,319	3,910,237
Student Fees	10,808,205	9,727,515	(1,080,690)
Education Protection Acct (Prop 55)	1,626,819	1,494,710	(132,109)
Lottery	2,634,675	2,443,855	(190,820)
State PT Faculty Parity	1,359,858	1,359,858	0
P/T Faculty Office Hours/Med.	-0-	146,972	146,972
Apprenticeship	238,730	238,730	0
Non-Resident Tuition	9,329,585	9,618,062	288,477
Interest	800,000	1,000,000	200,000
Mandated Costs	455,509	418,519	(36,990)
Miscellaneous	4,199,583	3,728,333	(471,250)
Total	\$177,330,818	\$185,871,409	\$8,540,591

Expenditures	2017-18 Final Budget	2018-19 Tentative	\$ Change
Site Allocations with Benefits	\$139,452,905	\$147,583,568	\$5,248,833
Other Employee Benefits	500,000	500,000	0
Retiree Benefits	7,333,693	4,036,435	(3,297,368)*
Formula Adjustments	1,519,340	1,053,121	(466,219)
Apprenticeship	238,730	238,730	0
Other Miscellaneous Expenses	5,935,083	6,635,247	700,164
Utilities	4,576,146	5,020,543	444,397
Salary Commitments	12,570,200	15,559,607	2,989,407
Managed Hiring	50,000	50,000	0
Insurance	1,236,000	1,379,396	143,396
Consultant/Legal/Election	1,175,000	715,000	(460,000)
Staff Development	542,000	577,000	35,000
Software/Hardware/Telephone	2,129,621	2,448,609	318,988
Museum of Tolerance	72,100	74,263	2,163
Total	\$177,330,818	\$185,871,409	\$8,540,591

*The latest Actuarial Study of Retiree Health Liabilities prepared in September 2017 indicates that, with addition of 2017/18 contribution, the District's liability is almost fully funded at 98%. Therefore, 2018/19 will be the first year in which the District will disburse approximately \$3M of savings generated in the Futuris Other Post-Employments Benefits (OPEB) Trust to fund its "pay as you go" retiree health benefits costs.

The Tentative Budget reflects a balanced budget whereby projected expenditures will be covered by sufficient revenues. The site allocations also factored in inflation to non-salary and benefit items that were not previously included. The Tentative Budget will be revised to include any changes resulting from the enacted State budget and the 2017-18 fiscal year-end carryover numbers along with existing fund balances.

2017-18 Ending Balance Estimates

The current projections of 2017-18 ending balances submitted by the Budget Offices for each site are as follows:

Cañada College	\$655,000
College of San Mateo	\$1,150,000
Skyline College	\$980,000
District Office	\$120,000
Facilities	<u>\$650,000</u>
	\$3,555,000

2018-19 Estimated Beginning Balance

The beginning balance is estimated at \$38,763,211 which includes a reserve equal to 15% of expenditures. Details of the Unrestricted General Fund are detailed in Exhibit A. The remaining balance originates from specific projects and activities in 2017-18 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.

2018-19 Tentative Site Allocations

The site allocations for the Tentative Budget will be adjusted for step, column, longevity, and compensation settlement increases according to the resource allocation model. Benefits are managed at each of the sites. Any additional adjustments to the allocations will be made to the adopted budget.

<u>Site</u>	<u>Allocation total with benefits</u>
Cañada College	\$27,067,544
College of San Mateo	44,492,111
Skyline College	44,567,075
District Office	17,804,823
Facilities	13,652,005

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

<u>Account Category</u>	<u>2017-18 Final Budget</u>	<u>2018-19 Tentative</u>	<u>\$ Change</u>
Certificated Salaries	\$71,177,060	\$70,084,554	(1,092,506)
Classified Salaries	38,719,695	46,885,082	8,165,387
Employee Benefits	41,477,136	41,849,010	371,874
Supplies/Materials	7,777,026	4,269,506	(3,507,520)
Operating Expenses	23,857,604	19,846,831	(4,010,773)
Capital Outlay	385,042	86,400	(298,642)
Transfers/Other	4,767,034	2,850,025	(1,917,009)
Total	\$188,160,598	*\$185,871,409	\$(2,289,190)

*Does not include beginning balance/carryover as final figures will not be known until after the 2017-18 books are closed. Final compensation increases will be allocated pending negotiation settlements for all groups in early to mid-July.

San Mateo County Community College District
2018-2019 Tentative Budget
Unrestricted General Fund (Fund 1) - Total District



SAN MATEO COUNTY
COMMUNITY
 COLLEGE DISTRICT

	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget	
Revenue				
1 Federal Revenue	\$0	\$0	\$0	1
2 State Revenue	9,927,904	9,152,247	9,410,147	2
3 Local Revenue	167,402,914	156,056,405	176,461,262	3
4 Total Revenue	\$177,330,818	\$165,208,653	\$185,871,409	4
Expenses				
5 Certificated Salaries	\$71,177,060	\$60,312,157	\$70,084,554	5
6 Classified Salaries	38,719,695	39,081,264	46,885,082	6
7 Employee Benefits	41,477,136	41,134,122	41,849,010	7
8 Materials & Supplies	7,777,026	2,553,986	4,269,506	8
9 Operating Expenses	23,857,604	11,107,750	19,846,831	9
10 Capital Outlay	385,042	326,728	86,400	10
11 Total Expenses	\$183,393,563	\$154,516,007	\$183,021,384	11

Transfers & Other				
12 Transfers In	0	412,302	0	12
13 Other Sources	0	0	0	13
14 Transfers out	(4,683,407)	(6,224,522)	(2,850,025)	14
15 Contingency	(83,627)	0	0	15
16 Other Out Go	0	0	0	16
17 Total Transfers/Other	(\$4,767,034)	(\$5,812,220)	(\$2,850,025)	17
Fund Balance				
18 Net Change in Fund Balance	(\$10,829,780)	\$4,880,426	(\$0)	18
19 Beginning Balance, July 1	33,882,785	33,882,785	38,763,211	19
20 Adjustments to Beginning Balance	0	0	0	20
21 Net Fund Balance, June 30	\$23,053,006	\$38,763,211	\$38,763,211	21

*****The total shown includes estimated Prop 30/55 (EPA) funds and no carryover funds*****
 Includes combined total of Central Services, District Office, Cañada College, College of San Mateo,
 and Skyline College

San Mateo County Community College District
2018-2019 Tentative Budget
Unrestricted General Fund (Fund 1) - Total District
Educational Protection Account (EPA)



SAN MATEO COUNTY
COMMUNITY
 COLLEGE DISTRICT

	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget	
Revenue				
1 Federal Revenue	\$0	\$0	\$0	1
2 State Revenue	1,626,819	1,626,819	1,494,710	2
3 Local Revenue	0	0	0	3
4 Total Revenue	\$1,626,819	\$1,626,819	\$1,494,710	4
Expenses				
5 Certificated Salaries	\$917,821	\$917,821	\$852,453	5
6 Classified Salaries	234,143	234,143	245,171	6
7 Employee Benefits	419,186	419,186	397,086	7
8 Materials & Supplies	0	0	0	8
9 Operating Expenses	55,669	55,669	0	9
10 Capital Outlay	0	0	0	10
11 Total Expenses	\$1,626,819	\$1,626,819	\$1,494,710	11
Transfers & Other				
12 Transfers In	\$0	\$0	\$0	12
13 Other Sources	0	0	0	13
14 Transfers out	0	0	0	14
15 Contingency	0	0	0	15
16 Other Out Go	0	0	0	16
17 Total Transfers/Other	\$0	\$0	\$0	17
Fund Balance				
18 Net Change in Fund Balance	\$0	\$0	\$0	18
19 Beginning Balance, July 1	0	0	0	19
20 Adjustments to Beginning Balance	0	0	0	20
21 Net Fund Balance, June 30	\$0	\$0	\$0	21

Includes combined total of Central Services, District Office, Cañada College, College of San Mateo, and Skyline Coli

Proposition 30/55 (EPA) funds are shown as part of the Unrestricted General Fund totals and are fully expended each fiscal year.

<u>Estimated Beginning Balance</u>	
Professional Development	\$336,000
Staff Development	279,000
Emergency Preparedness	293,000
Telecom contracts	200,000
Elections Carryover	200,000
Indirect Cost Pool	200,000
Skyline International	309,500
DO Innovation	100,000
CAN Innovation	400,000
CSM Innovation	1,000,000
SKY Innovation	0
CAN various projects	300,000
CSM various projects	2,450,000
SKY various projects	500,000
Miscellaneous projects	150,000
Apprenticeship	250,000
Encumbrances:	
CSM	0
CAÑADA	0
SKYLINE	75,000
District/Facilities	25,000
Central Services	60,000
College Events	100,000
<u>Miscellaneous:</u>	
Site Ending Balances	
CAÑADA	655,000
CSM	1,150,000
SKYLINE	980,000
DISTRICT OFFICE	120,000
FACILITIES	650,000
Contingency--15%	27,880,711
Other Carryover	100,000
	<u>\$38,763,211</u>

San Mateo County Community College District
2018-2019 Tentative Budget
Internal Service - Self-Insurance Fund (Fund 2) - Central Services



	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget	
Revenue				
1	\$0	\$0	\$0	1
2	0	0	0	2
3	0	0	0	3
4	\$0	\$0	\$0	4
Expenses				
5	\$0	\$0	\$0	5
6	43,209	254,960	40,748	6
7	19,552	132,680	18,438	7
8	5,000	0	0	8
9	1,498,569	1,507,595	1,707,849	9
10	0	0	0	10
11	\$1,566,330	\$1,895,235	\$1,767,036	11
Transfers & Other				
12	\$1,403,379	\$1,403,379	1,379,396	12
13	\$904,210	\$904,210	\$730,979	13
14	0	0	0	14
15	0	0	0	15
16	0	0	0	16
17	\$2,307,589	\$2,307,589	\$2,110,374	17
Fund Balance				
18	\$741,259	\$412,354	\$343,339	18
19	7,635,134	7,635,134	8,047,488	19
20	0	0	0	20
21	\$8,376,393	\$8,047,488	\$8,390,827	21

San Mateo County Community College District
2018-2019 Tentative Budget
Debt Service Fund (Fund 25) - Central Services



	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget		
Revenue					
1	Federal Revenue	\$400	\$150	\$200	1
2	State Revenue		0	0	2
3	Local Revenue	54,421,500	54,421,500	52,132,000	3
4	Total Revenue	\$54,421,900	\$54,421,650	\$52,132,200	4
Expenses					
5	Certificated Salaries	\$0	\$0	\$0	5
6	Classified Salaries	0	0	0	6
7	Employee Benefits	0	0	0	7
8	Materials & Supplies	0	0	0	8
9	Operating Expenses	0	0	0	9
10	Capital Outlay	0	0	0	10
11	Total Expenses	\$0	\$0	\$0	11
Transfers & Other					
12	Transfers In	\$0	\$0	\$0	12
13	Other Sources	\$0	\$0	\$0	13
14	Transfers out	0	0	0	14
15	Contingency	0	0	0	15
16	Other Out Go	(54,369,200)	(54,369,200)	(52,082,175)	16
17	Total Transfers/Other	(\$54,369,200)	(\$54,369,200)	(\$52,082,175)	17
Fund Balance					
18	Net Change in Fund Balance	\$52,700	\$52,450	\$50,025	18
19	Beginning Balance, July 1	53,012,421	53,012,421	53,064,871	19
20	Adjustments to Beginning Balance	0	0	0	20
21	Net Fund Balance, June 30	\$53,065,121	\$53,064,871	\$53,114,896	21

2018-19 TENTATIVE BUDGET - SPECIALLY FUNDED PROGRAM
Based on Current Agreements and Funding Estimates

Fund	Program	Source	College of San			Chancellor's	Total
			Mateo	Cañada College	Skyline College	Office	
30005	Work Study	Federal	106,385	83,799	262,102		452,286
30007	CTEA Perkins IV-1C	Federal	155,661	104,657	180,321		440,639
30105	CTE Transitions	Federal	41,377	41,377	41,377		124,131
30111	HSI Cooperative A2B C/O	Federal		300,000			300,000
30117	NSF S-STEM Scholarships C/O	Federal		100,000			100,000
30120	NSF CALSTEP C/O	Federal		40,000			40,000
30121	HSI Institutional ESO	Federal		524,799			524,799
30126	NSF BioBridge C/O	Federal			5,000		5,000
30127	TRIO - SSS	Federal			496,320		496,320
30128	TRIO - SSS	Federal		231,103			231,103
30129	Math Science Eng Improvement Prog Coop	Federal		300,000			300,000
30133	Math Science Eng Improvement Prog Inst	Federal		250,000			250,000
30134	HSI Institutional ESO Adelante	Federal		645,744			645,744
30135	HSI STEM GANAS	Federal		869,004			869,004
30136	HSI STEM	Federal	1,197,512				1,197,512
30138	NSF S-STEM Scholarships	Federal			209,771		209,771
30141	KCSM TV Spectrum Repacking Exps	Federal	250,000				250,000
30143	TRIO - Upward Bound	Federal		270,375			270,375
30145	Small Business Dev Ctr-HSUSPF C/O	Federal	60,000				60,000
30146	AmeriCorps Student Ambassador Program C/C	Federal			27,200		27,200
31002	DSP&S	State	861,767	436,356	608,906		1,907,029
31003	EOP&S	State	598,866	552,395	527,026		1,678,287
31004	EOP&S/CARE	State	32,838	54,475	54,841		142,154
31009	Student Success and Support Program*	State	1,495,103	1,048,481	1,531,522		4,075,106
31012	Foster Care Education	State		76,680			76,680
31013	Foster Care Education CSEC	State		4,250			4,250
31016	AB602-Board Fin Asst Prog Adm Allow	State	276,903	231,961	332,663		841,527
31031	CalWORKs	State	128,631	141,894	129,737		400,262
31033	TANF	Federal	27,284	29,383	27,459		84,126
31045	Staff Diversity	State				50,000	50,000
31055	MESA/CCCP/FSS	State	74,515	74,515	74,515		223,545
31065	RCSD CBET	State		50,000			50,000
31069	Lottery Prop 20 Instructional Materials C/O	State	250,000	150,000	300,000		700,000
31142	Student Equity Program*	State	445,079	317,117	592,957		1,355,153
31157	UC Regents Puente Program	State		1,500			1,500
31158	Full-Time Student Success Grant**	State	264,000	128,500	277,000		669,500
31163	Student Success and Support Prog 1718 C/O	State	500,000	100,000			600,000
31168	CalSTRS On-behalf Payments	State				350,000	350,000
31176	CCCCO Strong Workforce 1617 60% C/O	State	150,000	100,000	400,000		650,000
31177	Go-Biz HSUSPF	State	32,000				32,000
31186	Cabrillo CCD Strong Workforce 1617 40% C/O	State	140,000	230,000	230,000		600,000
31187	Promise Innovation Grant CCCCCO C/O	State			800,000		800,000
31191	Basic Skills 2017-18 Allocation C/O	State	265,188	180,000			445,188
31192	Adult Ed Block Grant 2017-18 C/O	State	153,500	100,000	168,271		421,771
31193	Deputy Navigator-Global Trade C/O	State			35,000		35,000
31194	Deputy Navigator-Retail C/O	State			55,000		55,000
31195	Guided Pathways Year 2	State	196,217	154,553	239,153		589,923
31196	CCCCO Strong Workforce 1718 60% C/O	State	441,892	335,625	472,686		1,250,203
31199	CCCCO Hunger Free Campus Support C/O	State	14,420		5,000		19,420
31200	Zero Textbook Cost Degree Grant C/O	State			125,000		125,000
31203	Solano CCD Pathways Gig Economy C/O	State			10,000		10,000
31205	Prop 39 Clean Energy Workforce Prog C/O	State			950,000		950,000
31206	Veteran Resource Center 1718 approp C/O	State	50,000	22,407	40,000		112,407
31207	CAI Pre-Apprenticeship OJT Grant C/O	State	300,000				300,000
31209	CCC Mental Health Services Grant Prog	State	58,334	58,333	58,334		175,000
31210	Cabrillo CCD Strong Workforce 1718 40% C/O	State	243,036	184,590	259,972		687,598
31211	CCCCO Campus Safety 1718 C/O	State				50,755	50,755
31212	CCCCO Innovation in Higher Ed C/O	State	150,000	150,000	365,000	835,000	1,500,000
3121X	Veteran Resource Center 1819 approp	State	60,298	22,407	44,526		127,231
3121X	Nursing Program Support	State	189,039				189,039
3121X	Sierra CCD CCC Maker Implementation	State	100,000				100,000
32004	Public Bdcst-CSG-FM	Local	142,590				142,590
32017	Menlo Park Redevelopment	Local		307,000			307,000

Exhibit D

<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>
32063	SMCOE - First 5 Early Childhood - EQUIP	Local		57,249			57,249
32110	Public Bdcst-CSG-FM Restricted	Local	50,282				50,282
35022	KCSM TV	Local	2,600,000				2,600,000
35023	KCSM FM	Local	1,700,000				1,700,000
35045	Financial Aid Admin Cost Allow	Local	8,000	12,000	5,000		25,000
35046	Peninsula Library System	Local				50,000	50,000
38187	Middle College HS	Local			800,000		800,000
38188	Middle College HS	Local		20,000			20,000
39001	Parking Fees	Local				4,400,000	4,400,000
39030	Health Service Fees	Local	500,000	350,000	450,000		1,300,000
Total 2018-2019 Tentative Budget			<u>14,310,717</u>	<u>9,442,529</u>	<u>11,191,658</u>	<u>5,735,755</u>	<u>40,680,658</u>

C/O - Estimated carry-forward funds from prior year

* To be consolidated into a single categorical program

** To be combined with Community College Completion Grant program

San Mateo County Community College District
2018-2019 Tentative Budget
Capital Projects Fund (Fund 4) - Total District



	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget		
Revenue					
1	Federal Revenue	\$0	\$0	\$0	1
2	State Revenue	1,686,174	1,657,058	0	2
3	Local Revenue	1,098,000	1,455,847	1,100,000	3
4	Total Revenue	\$2,784,174	\$3,112,905	\$1,100,000	4
Expenses					
5	Certificated Salaries	\$0	\$0	\$0	5
6	Classified Salaries	3,550,000	2,577,396	3,083,944	6
7	Employee Benefits	1,495,000	1,014,880	1,295,256	7
8	Materials & Supplies	5,313,327	1,256,878	3,768,180	8
9	Operating Expenses	14,879,977	10,709,421	29,534,420	9
10	Capital Outlay	73,058,248	39,302,800	103,624,951	10
11	Total Expenses	\$98,296,552	\$54,861,376	\$141,306,751	11
Transfers & Other					
12	Transfers In	\$0	\$0	\$0	12
13	Other Sources	0	0	0	13
14	Transfers out	(372,259)	(619,802)	(504,181)	14
15	Contingency	0	0	0	15
16	Other Out Go	0	0	0	16
17	Total Transfers/Other	(\$372,259)	(\$619,802)	(\$504,181)	17
Fund Balance					
18	Net Change in Fund Balance	(\$95,884,637)	(\$52,368,272)	(\$140,710,932)	18
19	Beginning Balance, July 1	209,642,303	209,642,303	157,274,031	19
20	Adjustments to Beginning Balance	0	0	0	20
21	Net Fund Balance, June 30	\$113,757,666	\$157,274,031	\$16,563,099	21

Includes combined total of Central Services, District Office, Cañada College, College of San Mateo, and Skyline College.

San Mateo County Community College District
2018-2019 Tentative Budget
Bookstore (Fund 5)



	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget		
Revenue					
1	Federal Revenue	\$0	\$0	\$0	1
2	State Revenue	0	0	0	2
3	Local Revenue	7,800,000	7,320,312	7,300,000	3
4	Total Revenue	\$7,800,000	\$7,320,312	\$7,300,000	4
Expenses					
5	Cost of Sales	\$4,325,000	\$3,978,111	\$4,000,000	5
6	Certificated Salaries	\$0	\$0	\$0	6
7	Classified Salaries	1,960,000	1,764,260	1,770,000	7
8	Employee Benefits	640,000	544,948	545,000	8
9	Materials & Supplies	30,000	12,237	12,000	9
10	Operating Expenses	738,000	770,996	780,000	10
11	Capital Outlay	0	0	0	11
12	Total Expenses	\$7,693,000	\$7,070,552	\$7,107,000	12
Transfers & Other					
13	Transfers In	\$0	\$0	\$0	13
14	Other Sources	\$0	\$0	\$0	14
15	Transfers out	0	0	0	15
16	Contingency	0	0	0	16
17	Other Out Go	0	0	0	17
18	Total Transfers/Other	\$0	\$0	\$0	18
Fund Balance					
19	Net Change in Fund Balance	\$107,000	\$249,760	\$193,000	19
20	Beginning Balance, July 1	8,024,627	8,024,627	8,274,387	20
21	Adjustments to Beginning Balance	0	0	0	21
22	Net Fund Balance, June 30	\$8,131,627	\$8,274,387	\$8,467,387	22

San Mateo County Community College District
2018-2019 Tentative Budget
Cafeteria (Fund 5)



	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget	
Revenue				
1 Federal Revenue	\$0	\$0	\$0	1
2 State Revenue	0	0	0	2
3 Local Revenue	410,000	322,813	320,000	3
4 Total Revenue	\$410,000	\$322,813	\$320,000	4
Expenses				
5 Certificated Salaries	\$0	\$0	\$0	5
6 Classified Salaries	69,000	80,926	80,000	6
7 Employee Benefits	15,000	16,730	16,000	7
8 Materials & Supplies	75,000	0	0	8
9 Operating Expenses	130,000	100,492	100,000	9
10 Capital Outlay	0	0	0	10
11 Total Expenses	\$289,000	\$198,148	\$196,000	11
Transfers & Other				
12 Transfers In	\$0	\$0	\$0	12
13 Other Sources	\$0	\$0	\$0	13
14 Transfers out	0	0	0	14
15 Contingency	0	0	0	15
16 Other Out Go	0	0	0	16
17 Total Transfers/Other	\$0	\$0	\$0	17
Fund Balance				
18 Net Change in Fund Balance	\$121,000	\$124,665	\$124,000	18
19 Beginning Balance, July 1	642,470	642,470	767,135	19
20 Adjustments to Beginning Balance	0	0	0	20
21 Net Fund Balance, June 30	\$763,470	\$767,135	\$891,135	21

San Mateo County Community College District
2018-2019 Tentative Budget
San Mateo Athletic Club & Aquatic Center (SMAC)



	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget	
Revenue				
1 Federal Revenue	\$0	\$0	\$0	1
2 State Revenue	0	0	0	2
3 Local Revenue	5,050,000	5,176,353	5,100,000	3
4 Total Revenue	\$5,050,000	\$5,176,353	\$5,100,000	4
Expenses				
5 Certificated Salaries	\$0	\$0	\$0	5
6 Classified Salaries	260,000	307,821	310,000	6
7 Employee Benefits	80,000	107,447	110,000	7
8 Materials & Supplies	0	0	0	8
9 Operating Expenses	3,600,000	3,680,613	3,700,000	9
10 Capital Outlay	0	0	0	10
11 Total Expenses	\$3,940,000	\$4,095,881	\$4,120,000	11
Transfers & Other				
12 Transfers In	\$0	\$0	\$0	12
13 Other Sources	\$165,000	\$162,958	\$162,000	13
14 Transfers out	0	0	0	14
15 Contingency	0	0	0	15
16 Other Out Go	(208,000)	(248,720)	(195,000)	16
17 Total Transfers/Other	(\$43,000)	(\$85,762)	(\$33,000)	17
Fund Balance				
18 Net Change in Fund Balance	\$1,067,000	\$994,710	\$947,000	18
19 Beginning Balance, July 1	3,163,713	3,163,713	4,158,423	19
20 Adjustments to Beginning Balance	0	0	0	20
21 Net Fund Balance, June 30	\$4,230,713	\$4,158,423	\$5,105,423	21

San Mateo County Community College District
2018-2019 Tentative Budget
Community Continuing Corporate Education (Fund 5)



	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget	
Revenue				
1 Federal Revenue	\$0	\$0	\$0	1
2 State Revenue	0	0	0	2
3 Local Revenue	1,400,000	1,455,096	1,500,000	3
4 Total Revenue	\$1,400,000	\$1,455,096	\$1,500,000	4
Expenses				
5 Certificated Salaries	\$0	\$0	\$0	5
6 Classified Salaries	600,000	613,733	620,000	6
7 Employee Benefits	220,000	239,228	250,000	7
8 Materials & Supplies	26,000	38,457	40,000	8
9 Operating Expenses	545,000	717,074	720,000	9
10 Capital Outlay	0	0	0	10
11 Total Expenses	\$1,391,000	\$1,608,492	\$1,630,000	11
Transfers & Other				
12 Transfers In	\$0	\$0	\$0	12
13 Other Sources	\$0	\$0	\$0	13
14 Transfers out	0	0	0	14
15 Contingency	0	0	0	15
16 Other Out Go	0	0	0	16
17 Total Transfers/Other	\$0	\$0	\$0	17
Fund Balance				
18 Net Change in Fund Balance	\$9,000	(\$153,396)	(\$130,000)	18
19 Beginning Balance, July 1	531,524	531,524	378,128	19
20 Adjustments to Beginning Balance	0	0	0	20
21 Net Fund Balance, June 30	\$540,524	\$378,128	\$248,128	21

San Mateo County Community College District
2018-2019 Tentative Budget
Child Development Fund (Fund 6) - Total District



SAN MATEO COUNTY
COMMUNITY
 COLLEGE DISTRICT

	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget		
Revenue					
1	Federal Revenue	\$54,000	\$47,786	\$48,424	1
2	State Revenue	\$121,600	\$172,520	\$190,903	2
3	Local Revenue	\$574,396	\$521,229	\$560,432	3
4	Total Revenue	\$749,996	\$741,535	\$799,758	4
Expenses					
5	Certificated Salaries	\$216,052	\$218,968	\$225,537	5
6	Classified Salaries	\$644,427	\$632,047	\$651,008	6
7	Employee Benefits	\$329,310	\$337,024	\$340,394	7
8	Materials & Supplies	\$76,158	\$83,899	\$85,000	8
9	Operating Expenses	\$3,750	\$1,819	\$2,000	9
10	Capital Outlay	\$0	\$0	\$0	10
11	Total Expenses	\$1,269,697	\$1,273,756	\$1,303,939	11
Transfers & Other					
12	Transfers In	\$519,701	\$532,222	\$504,181	12
13	Other Sources	\$0	\$0	\$0	13
14	Transfers out	\$0	\$0	\$0	14
15	Contingency/Reserve	\$0	\$0	\$0	15
16	Other Out Go	\$0	\$0	\$0	16
17	Total Transfers/Other	\$519,701	\$532,222	\$504,181	17
Fund Balance					
18	Net Change in Fund Balance	\$0	\$0	(\$0)	18
19	Beginning Balance, July 1	0	\$0	0	19
20	Adjustments to Beginning Balance	0	\$0	0	20
21	Net Fund Balance, June 30	\$0	\$0	(\$0)	21

San Mateo County Community College District
2018-2019 Tentative Budget
Student Aid Fund (Fund 7) - Total District



	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget	
Revenue				
1	\$15,757,178	\$15,008,509	\$16,000,000	1
2	1,185,000	1,223,211	1,200,000	2
3	1,000,000	1,083,792	1,100,000	3
4	\$17,942,178	\$17,315,511	\$18,300,000	4
Expenses				
5	\$0	\$0	\$0	5
6	\$0	\$0	\$0	6
7	\$0	\$0	\$0	7
8	\$0	\$0	\$0	8
9	\$0	\$0	\$0	9
10	\$0	\$0	\$0	10
11	\$0	\$0	\$0	11
Transfers & Other				
12	\$0	\$1,327,620	\$1,400,000	12
13	0	0	0	13
14	0	0	0	14
15	0	0	0	15
16	(17,942,178)	(18,643,131)	(19,700,000)	16
17	(\$17,942,178)	(\$17,315,511)	(\$18,300,000)	17
Fund Balance				
18	\$0	\$0	\$0	18
19	81,380	81,380	81,380	19
20	0	0	0	20
21	\$81,380	\$81,380	\$81,380	21

San Mateo County Community College District
2018-2019 Tentative Budget
Reserve Fund for Post Retirement Benefits (Fund 8) - Central Services



	2017-18 Adoption Budget	2017-18 Estimated Actual	2018-19 Tentative Budget		
Revenue					
1	Federal Revenue	\$0	\$0	\$0	1
2	State Revenue	0	0	0	2
3	Local Revenue	32,000	32,000	30,000	3
4	Total Revenue	\$32,000	\$32,000	\$30,000	4
Expenses					
5	Certificated Salaries	\$0	\$0	\$0	5
6	Classified Salaries	0	0	0	6
7	Employee Benefits	0	0	3,500,000	7
8	Materials & Supplies	0	0	0	8
9	Operating Expenses	6,000	10,000	10,000	9
10	Capital Outlay	0	0	0	10
11	Total Expenses	\$6,000	\$10,000	\$3,510,000	11
Transfers & Other					
12	Transfers In	\$0	\$0	\$0	12
13	Other Sources	\$4,200,000	4,560,000	\$5,147,737	13
14	Transfers out	0	0	0	14
15	Contingency	0	0	0	15
16	Other Out Go	(12,200,000)	(12,200,000)	(1,600,000)	16
17	Total Transfers/Other	(\$8,000,000)	(\$7,640,000)	\$3,547,737	17
Fund Balance					
18	Net Change in Fund Balance	(\$7,974,000)	(\$7,618,000)	\$67,737	18
19	Beginning Balance, July 1	16,672,716	16,672,716	9,054,716	19
20	Adjustments to Beginning Balance	0	0	0	20
21	Net Fund Balance, June 30	\$8,698,716	\$9,054,716	\$9,122,453	21

California Community Colleges

Sound Fiscal Management

2018-19 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 had a surplus in 16/17 and will have a surplus in 17/18.
- Has the district controlled deficit spending over multiple years?
 - Yes, the District's unrestricted GF Net Change in Fund Balance for 2014/15 was \$2,064,564, for 2015/16 was \$9,996,927 and for 2016/17 was \$1,697,166. The unrestricted GF Net Change in Fund Balance for 2017/18 is projected to be a surplus.
- Is deficit spending addressed by fund balance, ongoing revenue increases, or expenditure reductions?
 - Yes, by fund balance, revenue increases 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 \$22,188,692 in 2014/15, \$32,185,619 in 2015/16 and \$33,882,785 in 2016/17.
- Is the fund balance increasing due to on-going revenue increases and/or expenditure reductions?
 - The fund balance is relatively stable, reflecting increase in revenue matched by modest increases in expenditures and the desire for a larger percentage fund balance.

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

- Has the district's enrollment been increasing or stable for multiple years?
 - No. The District's resident enrollment has been declining steadily with the decline in unemployment in the Bay Area. International student enrollment is increasing.
- 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.
- Has the District avoided stabilization funding?
 - Yes. With the advent of Community-Supported status, the District is no longer eligible for stabilization funding.

San Mateo County Community College District

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%-21% for the last several years. In 2017/18, the District budgeted for a 13% reserve. In 2018/19, the District is planning to budget for a 15% 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 three unions for 3 year agreements for 2016/17 through 2018/19. The agreements include a formula for total compensation based on property tax increases.
- 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 assumed for future 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 2014/15 the District was at 80.4%, in 2015/16 the District was at 79.1%, in 2016/17 the District was at 79.5% and for 2017/18 the District budgeted 80.4%.

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 College 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. Pursuant to the voters' approval, the District has outstanding General Obligation Bonds which are currently being paid off.
- 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 with last actuarial study fully compliant with GASB 74/75 completed in June 2017.
- 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 has also established a self-assessment for future OPEB benefits in line with the actuarial study. The District established an OPEB Trust and is in the process of funding the District's long term liabilities for post-employment health benefits. As of the latest actuarial study the District was funded at 83%. In addition, district is making additional transfers to OPEB Trust in 2017/18 which will almost fully fund OPEB liability. The District also capped lifetime benefits in the 1990's to minimize the OPEB liability.

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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)?
 - 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 2017 for 2016/17. 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 has been only one finding in the FY 2016/17:
 - The District failed to meet the required 50 percent minimum- the District has chosen to not be in compliance with the 50 Percent Law.
- Has the district met the requirements of the 50 percent law?
 - No, the District has chosen to not be in compliance with the 50 Percent Law.
- 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.