



## SANTA BARBARA CITY COLLEGE

### ASSUMPTIONS USED TO DEVELOP THE 2014-15 ADOPTED BUDGET

*As of July 31, 2014*

The revenue assumptions are from the 2014-15 Governor's Final State Budget presented by the California Community College Chancellor's Office at the Annual Statewide Budget Workshop on July 30, 2014.

The 2014-15 Adopted Budget includes the following assumptions:

#### **REVENUES**

1. Increase in the state allocation for the Unrestricted General Fund:
  - a. COLA of 0.85% or \$630,500.
  - b. Growth/restoration of 3% or \$1.5 million. ***Growth is not projected for the 2014-15 Adopted Budget.***
2. Enrollment fee is \$46.00.
3. An estimated deficit factor of 1% reduces revenues by \$723,343.
4. Increase Education Protection Act funds to eliminate shortfall of \$100 per FTES requirement. This does not increase the state allocation, but does guarantee backfill of the shortfall up to this amount.
5. International and out-of-state student revenues are expected to remain flat at \$13,825,000. (Includes reduction in enrollment offset by increase in enrollment fee rate.)
6. Interest revenue remains flat at \$150,000.
7. Lottery revenue remains flat at \$1,979,900.
8. State Mandated reimbursement remains the same at \$28 per FTES or \$406,659.
9. The College will continue to borrow FTES from summer or go into Stabilization for any shortfall in FTES generated.

#### **EXPENDITURES**

1. Addition of a second summer session increased TLU salary expenses by \$952,608 and benefits by \$104,787 for a total of \$1,057,395.
2. Increase of TLU and over load salary expenses to bring adopted budget in line with 2013-14 actual spend of \$1,800,000 in salaries and \$200,000 in benefits for a total of \$2,000,000.
3. Minimum wage increase from \$8.50 to \$9.00, effective June 11. The district will increase hourly wages by 5.88% at each level, resulting in an increase of approximately \$161,700.
4. Classified staff also employed as adjunct instructors will be paid at a blended overtime rate, increasing instructional salary expenses by approximately \$115,000.

5. Three instructors to be hired, increasing instructional salary expenses by approximately \$180,000 (the net increase from converting adjunct faculty to full-time faculty).
6. COLA increase of 0.85% applied to all salaries, approximately \$525,000.
7. Classified staff salary expense increase requested through Program Review. *Salary and Benefits = \$240,000.*
8. Classified staff expense increase requested through CPC for the second summer session. *Salary and Benefits = \$70,000.*
9. The hourly salary expense budgets decreased to bring budgets in line with prior year trends and need, approximately \$517,000 (including related hourly payroll taxes).
10. The supplies and operating expense budgets increased approximately \$588,000.
11. Employer contribution towards health benefits increase for PPO 80% plan to bring out-of-pocket to \$0 for employees. *Increase of approximately \$131,000.*
12. The State Unemployment Contribution Rate remains flat at 0.05%.
13. The State Workers Compensation insurance rate will increase 10%, from 1.52% to 1.67%, approximately \$88,000.
14. The CalPERS employer contribution rate increase from 11.4% to 11.7%, approximately \$51,000.
15. The CalSTRS employer contribution rate increase from 8.3% to 9.5%, approximately \$475,000.
16. The fixed and mandated expenses are expected to increase based on actual or trends. Fixed and mandated expenses consist of increases in maintenance agreements, utilities, postage, rent etc.

## **TRANSFERS**

**These are the transfer of funds to and from the Unrestricted General Fund Ending Balance.**

1. Transfer to Categorical programs (EOPS, DSPS, and SSSP) decreased to \$346,000.
2. Transfer to the Children's Center Fund is \$157,833.
3. Transfer to the Construction Fund for ongoing campus maintenance of \$0.0 million.
4. Transfer to the Construction Fund for loan payments to the California Energy Commission for the photovoltaic system loan is \$191,846 for 2013-14 and for the light program loan is \$91,940. These amounts will continue for the life of the loans (ending in 2024 and 2021).
5. Transfer to the Equipment Fund is \$0.6 million for equipment replacement and \$155,000 for copier replacement.
6. Transfer in from the "I Can Afford College" State Financial Aid Media campaign grant. This is a pass through of funds that the College manages for the Chancellor's office.

## **CASH FLOW**

1. The backfill of any RDA shortage will be moved to April 15, to minimize any impact to local apportionments.
2. Deferrals reduced from \$8.4 million in 2014-15 to \$1.7 million.