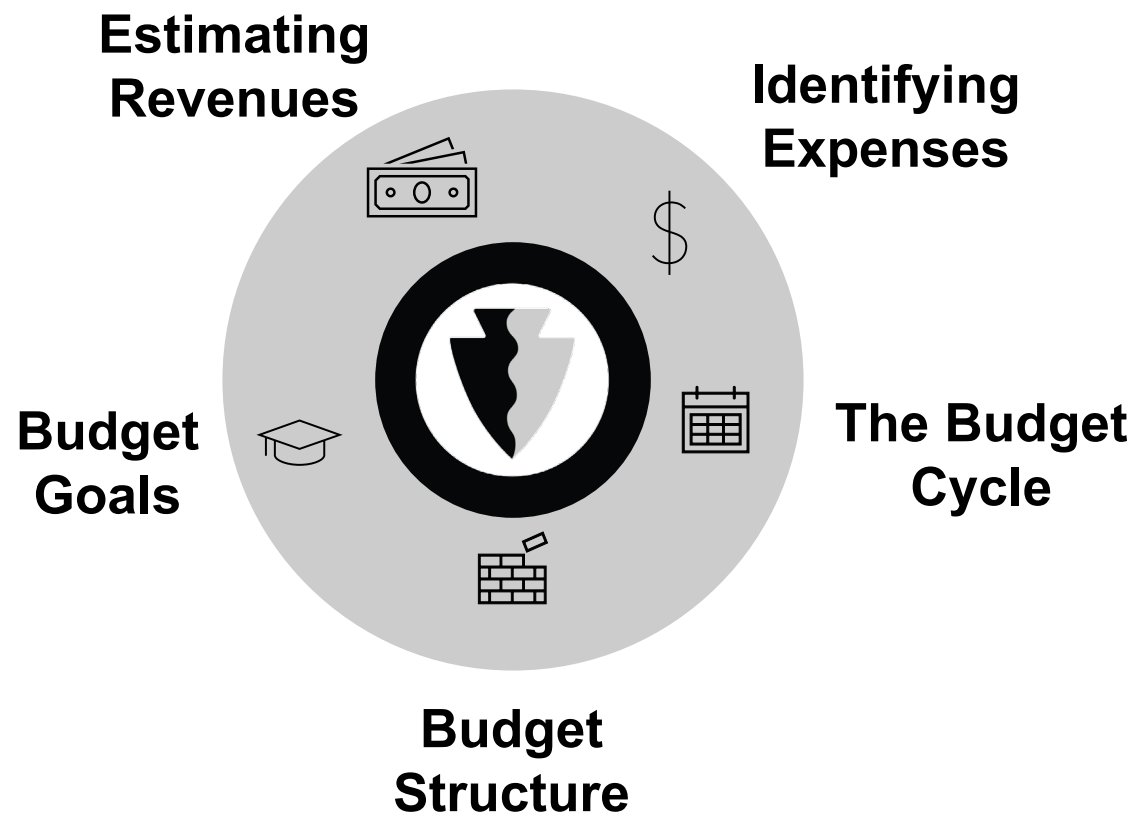




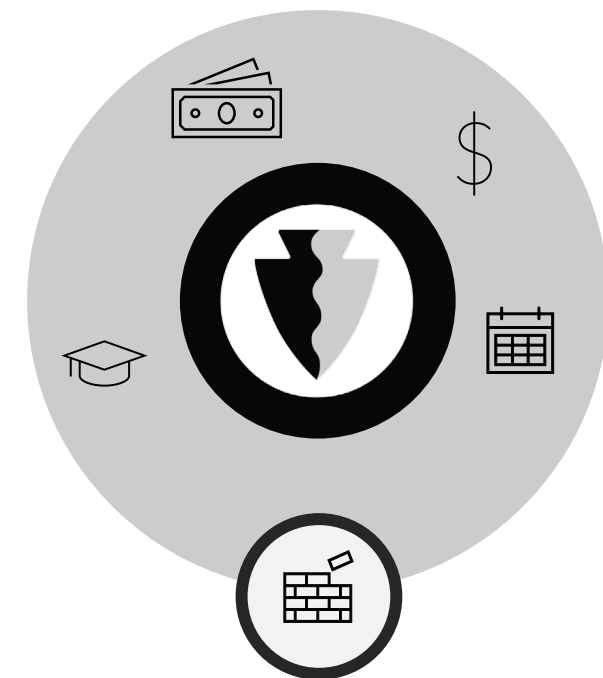
San Bernardino Community
College District
Budget Process

September 19, 2024

Budget Process



Budget Structure



Integrated Planning and Budgeting
21 Funds, including the Unrestricted General Fund
Multi-Year Budgeting

Budget Structure

Integrated Planning and Budgeting

Our Mission

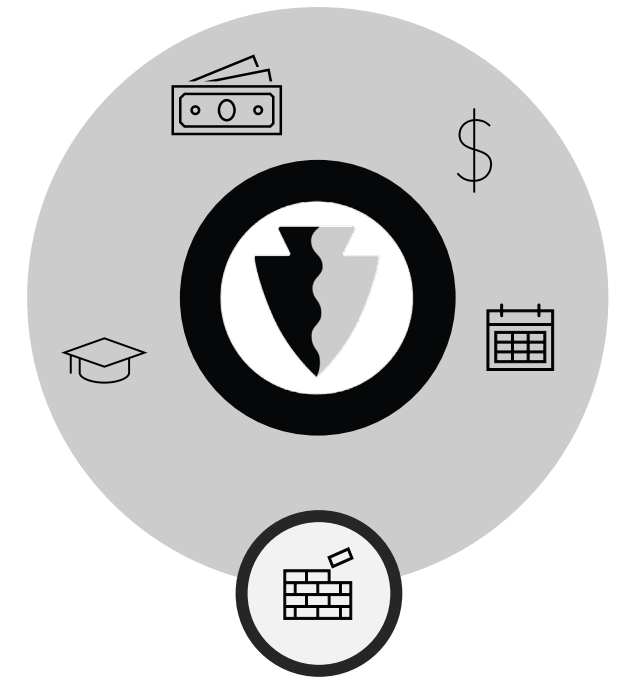
SBCCCD positively impacts the lives and careers of our students, the well-being of their families, and the prosperity of our community through excellence in educational and training opportunities.

Our Vision

Inspiring possibilities for bright futures and a prosperous community.

Our Goals

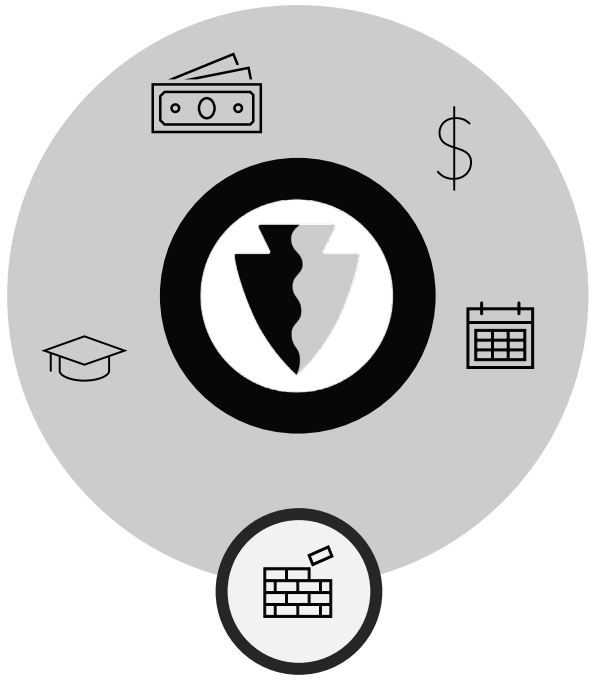
1. Continue to Expand Student Access and Success
2. Advance Access to Address DEI-A
3. Position SBCCCD as Regional Leader
4. Ensure Fiscal Accountability/Sustainability



Budget Structure

21 Funds, including the Unrestricted General Fund

<p>GOVERNMENTAL funds track resources associated with SBCCCD's educational objectives.</p>	<p>PROPRIETARY funds tracking SBCCCD's activities like those used in private sector accounting.</p>	<p>FIDUCIARY funds account for assets held on behalf of another party.</p>
<p>General Funds</p> <ul style="list-style-type: none"> • Unrestricted • Restricted <p>Debt Service Funds</p> <ul style="list-style-type: none"> • Bond Interest & Redemption <p>Special Revenue Funds</p> <ul style="list-style-type: none"> • Child Development • KVCR <p>Capital Projects Funds</p> <ul style="list-style-type: none"> • Capital Outlay Projects • Measure M • Measure CC 	<p>Enterprise Funds</p> <ul style="list-style-type: none"> • Cafeteria • Investment Properties <p>Internal Service Funds</p> <ul style="list-style-type: none"> • Worker's Comp & Self-Insurance • Retiree Benefits 	<p>Trusts Funds</p> <ul style="list-style-type: none"> • Associated Students • Student Representation • Student Body Center • Financial Aid • Scholarship & Loan • OPEB Investment • PARS Investment • Other Trusts <p>Agency Funds</p> <ul style="list-style-type: none"> • Inland Futures Foundation



Budget Structure

21 Funds, including the Unrestricted General Fund

GOVERNMENTAL

funds track resources associated with SBCCCD's educational objectives.

General Funds

- Unrestricted
- Restricted

Debt Service Funds

- Bond Interest & Redemption

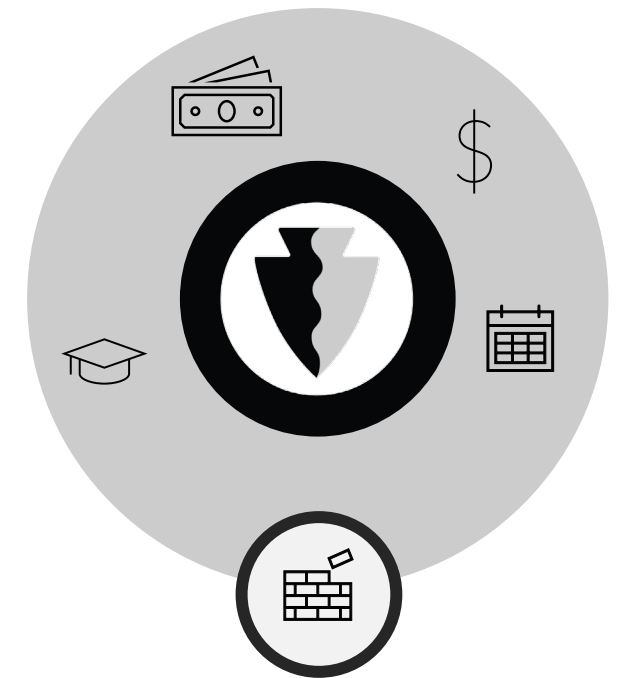
Special Revenue Funds

- Child Development
- KVCR

Capital Projects Funds

- Capital Outlay Projects
- Measure M
- Measure CC

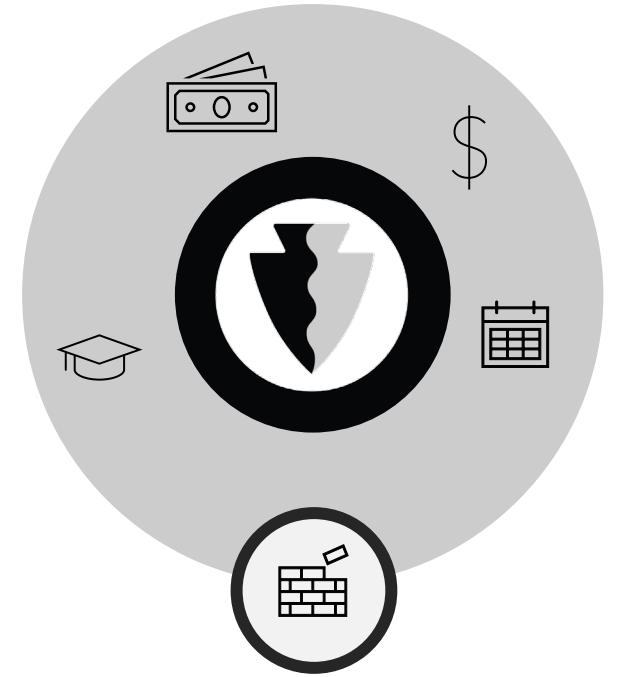
The main source of revenue for the **Unrestricted General Fund** is State apportionment, which is driven by FTES. This fund is essential for supporting costs like salaries, rent, utilities, as well as addressing unforeseen financial needs or emergencies.



Budget Structure

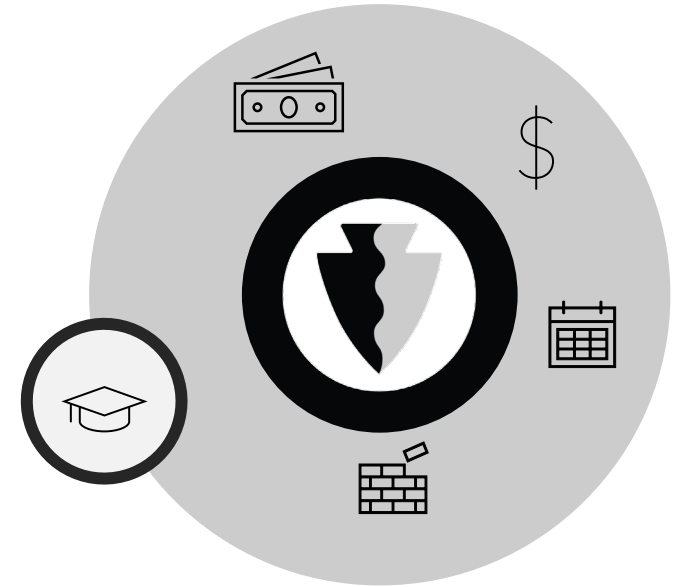
Multi-Year Budgeting

The budget includes a five-year, long-range financial plan that incorporates enrollment management projections by college, salary and benefit costs, and revenue projections based on the Governor’s Enacted Budget



Unaudited Actuals 2023-24	Final Budget 2024	Forecast 2025-26	Forecast 2026-27	Forecast 2027-28	Forecast 2028-29
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Budget Goals



Supports Planning + Integrated & Student Focused Process

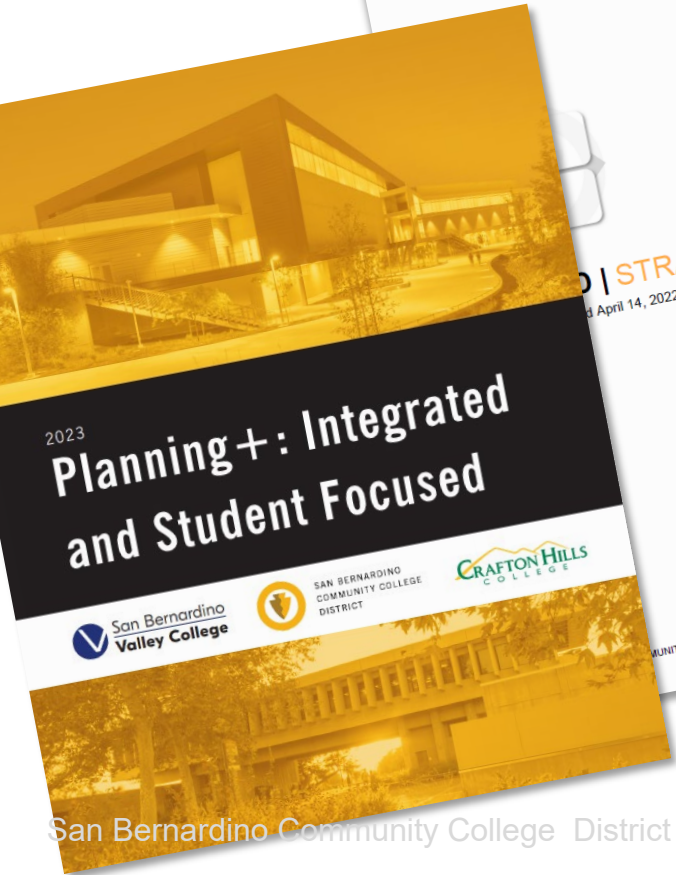
Meets Regulatory Requirements

Addresses Commitments, Goals & Directives

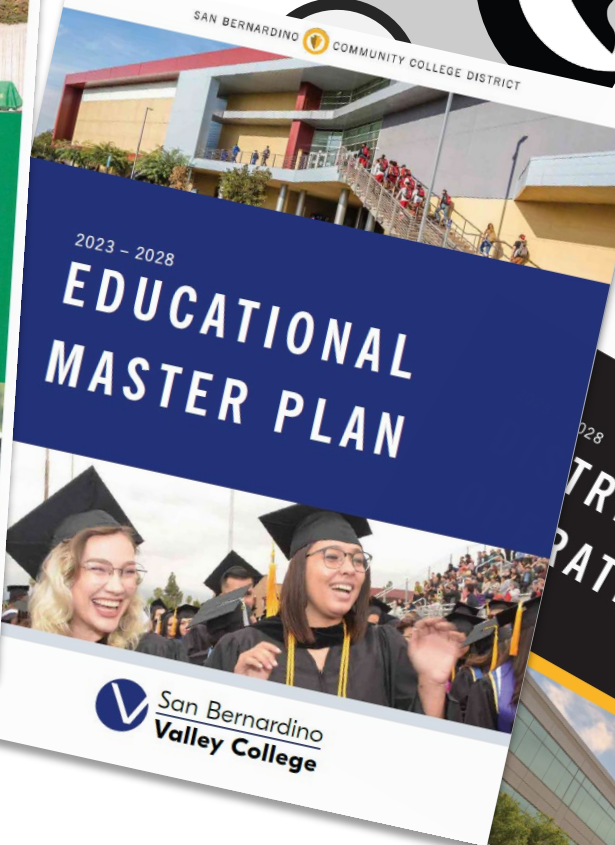
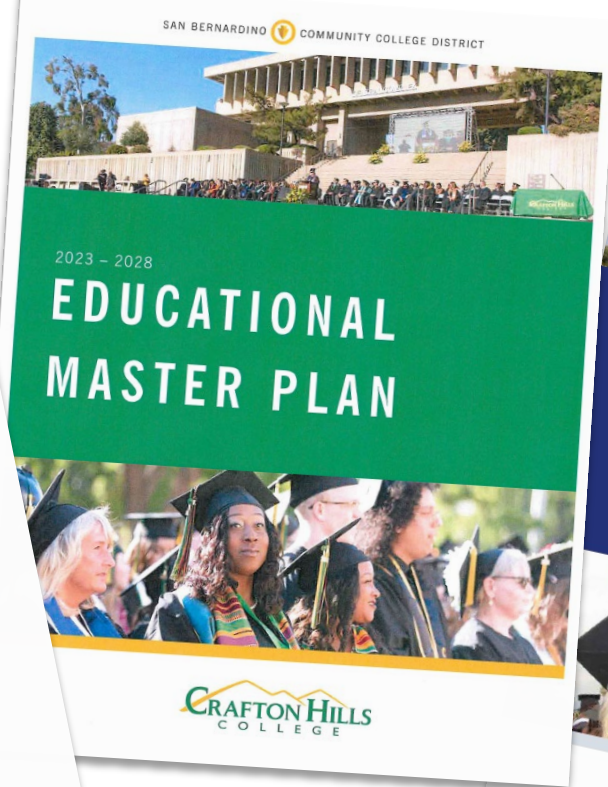
Maintains Unrestricted General Fund Reserves

Budget Goals

Supports Planning + Integrated & Student Focused Process



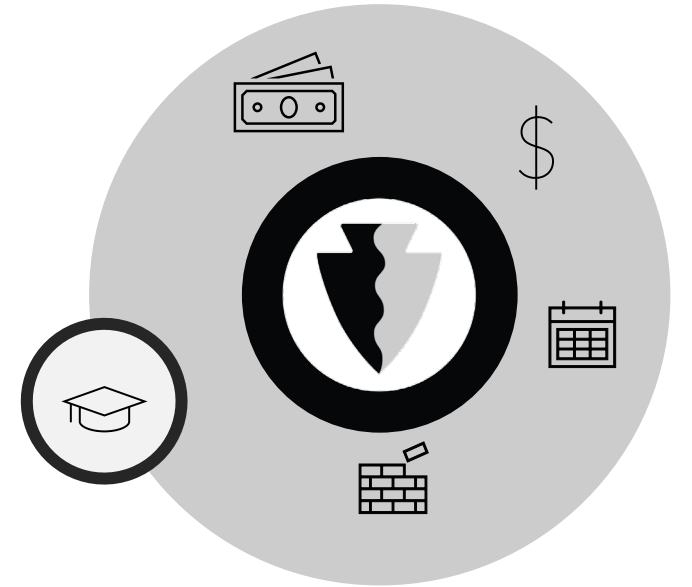
STRATEGIC PLAN
April 14, 2022



Budget Goals

Meets Regulatory Requirements

- Title 5
- California Education Code
- California Community Colleges Budget and Accounting Manual
- Accrediting Commission for Community and Junior Colleges Standards
- SBCCD Board Policy & Administrative Procedure 6200



Budget Goals

Addresses Commitments, Goals & Directives

- SBCCCD Board Directives
- Faculty Obligation Number
- 50% Law
- SBCCCD Goals
- Salaries & Benefits
- PERS & STRS
- Other Post Employment Benefits

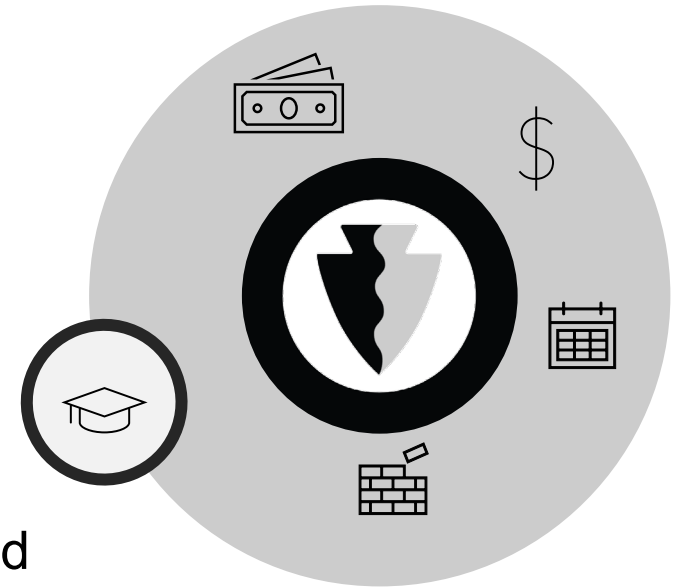


Budget Goals

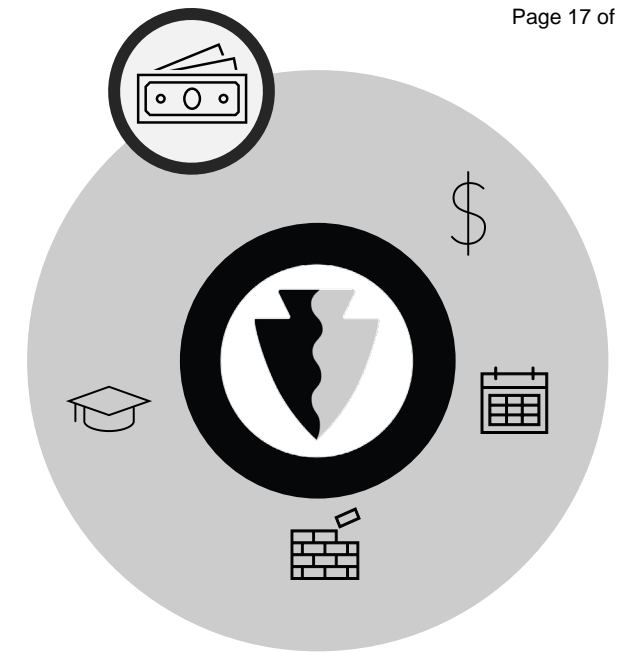
Maintains Unrestricted General Fund Reserves

SBCCCD will maintain a minimum fund balance of **approximately two months of expenditures** in its Unrestricted General Fund as recommended by the Government Finance Officers Association, unless fund balance is utilized for specially identified one-time needs as authorized by the Board of Trustees.

One-time is defined as an expenditure that has no ongoing commitment. While one-time needs may be repeated in future years, the nature of the expenditure must conform to the definition.



Estimating Revenues



- Student Centered Funding Formula
- Assess & Evaluate Impact of State Budget Fluctuations
- Recommend Optimum State Funding Options
- Develop Budget Assumptions
- Monitor Enrollment & Plan for Contingencies

Estimating Revenues



Student Centered Funding Formula

- I. Base = Basic + FTES
- II. Supplemental
- III. Success

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
Sample Data | For Discussion Purposes Only

Student Centered Funding Formula

SECTION 1: BASIC ALLOCATION:				(a)	(b)	(a x b)
	Quantity		Rate		Revenue	
1	Large College (over 20,000 FTES)	-		\$8,000,000		\$0
2	Medium College (10,000 to 20,000 FTES)	1		\$7,000,000		\$7,000,000
3	Small College (less than 10,000 FTES)	1		\$6,000,000		\$6,000,000
4	Total Basic Allocation					\$13,000,000
SECTION 2: FTES				(c)	(d)	(c x d)
	Quantity		Rate		Revenue	
5	Credit	14,600		\$4,800		\$70,080,000
6	Incarcerated Credit	-		\$8,800		\$0
7	Special Admit Credit	375		\$8,800		\$2,650,000
8	CDCP (Enhanced)	125		\$8,800		\$850,000
9	Noncredit	250		\$4,100		\$1,025,000
10	Total FTES	15,350				\$74,605,000
SECTION 3: SUPPLEMENTAL ALLOCATION						
	Quantity	Point Value	Points	(f x g) = (h)	Rate	(e) x (h)
11	AB540 Students	6	\$1,145	1	\$1,145	\$704,175
12	Pell Grant Recipients	4,500	\$1,145	1	\$1,145	\$5,152,500
13	Promise Grant Recipients	1,000	\$1,145	1	\$1,145	\$13,625,500
14	Total Supplemental Allocation	17				\$19,482,175
SECTION 4: STUDENT SUCCESS ALLOCATION						
	Quantity	Point Value	Points	(j x k) = (l)	Rate	(i) x (l)
15	All Students					
16	Associate Degrees for Transfer	660	\$675	4	\$2,700	\$1,782,000
17	Associate Degrees	820	\$675	3	\$2,025	\$1,680,500
18	Baccalaureate Degrees	-	\$675	3	\$2,025	\$0
19	Credit Certificates	340	\$675	2	\$1,350	\$459,000
20	Transfer Level Math and English	660	\$675	2	\$1,350	\$891,000
21	Transfer to a Four Year University	860	\$675	1.5	\$1,013	\$870,750
22	Nine or More CTE Units	2,600	\$675	1	\$675	\$1,755,000
23	Regional Living Wage	3,900	\$675	1	\$675	\$2,632,500
24	Subtotal All Students					\$10,050,750
25	Pell grant Recipients					
26	Associate Degrees for Transfer	390	\$170	6	\$1,020	\$397,800
27	Associate Degrees	445	\$170	4.5	\$765	\$340,425
28	Baccalaureate Degree	-	\$170	4.5	\$765	\$0
29	Credit Certificates	100	\$170	3	\$510	\$51,000
30	Transfer Level Math and English	280	\$170	3	\$510	\$142,800
31	Transfer to a Four Year University	425	\$170	2.25	\$383	\$162,563
32	Nine or More CTE Units	1,190	\$170	1.5	\$255	\$303,450
33	Regional Living Wage	1,300	\$170	1.5	\$255	\$331,500
34	Subtotal Pell Grant Recipients					\$1,729,538
35	Promise Grant Recipients					
36	Associate Degrees for Transfer	546	\$170	4	\$680	\$371,280
37	Associate Degrees	675	\$170	3	\$510	\$344,250
38	Baccalaureate Degrees	-	\$170	3	\$510	\$0
39	Credit Certificates	160	\$170	2	\$340	\$54,400
40	Transfer Level Math and English	420	\$170	2	\$340	\$142,800
41	Transfer to a Four Year University	650	\$170	1.5	\$255	\$165,750
42	Nine or More CTE Units	1,900	\$170	1	\$170	\$323,000
43	Regional Living Wage	2,600	\$170	1	\$170	\$442,000
44	Subtotal Promise Grant Recipients					\$1,843,480
45	Total Student Success Allocation					\$13,623,768
46	TOTAL COMPUTATIONAL REVENUE (Total Sections 1 - 4)					\$120,610,943
47	LESS ESTIMATED SHORTFALL					\$5,610,943
48	AVAILABLE REVENUE					\$115,000,000

Presented to the DEMS 4/3/2023 Page 1 | 1

Estimating Revenues



Student Centered Funding Formula

Base + Supplemental + Success =
Total Computational Revenue

Forecast possibility of a State budget shortfall

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
Sample Data | For Discussion Purposes Only

Student Centered Funding Formula

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Presented to the DEMS 4/3/2023 Page 1 | 1

Estimating Revenues

Assess & Evaluate Impact of State Budget Fluctuations

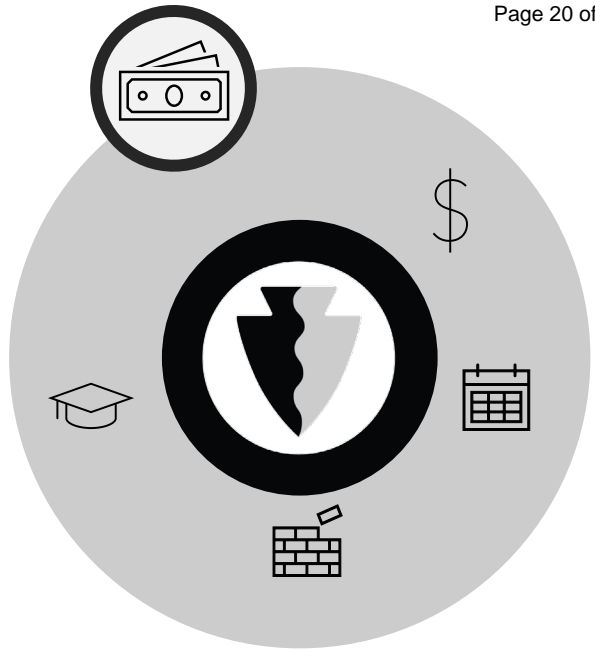


Budget 2024-2025 +

2023-24 Compendium of Allocations and Resources +

Budget 2023-2024 -

- July 10, 2023: [Joint Analysis of the Enacted 2023-24 Budget \(PDF\)](#)
- May 12, 2023: [Joint Analysis Governor's 2023-24 May Revision \(PDF\)](#)
- January 10, 2023: [Joint Analysis Governor's January Budget \(PDF\)](#)
- September 19, 2022: [2023-24 System Budget Request \(PDF\)](#)



Estimating Revenues

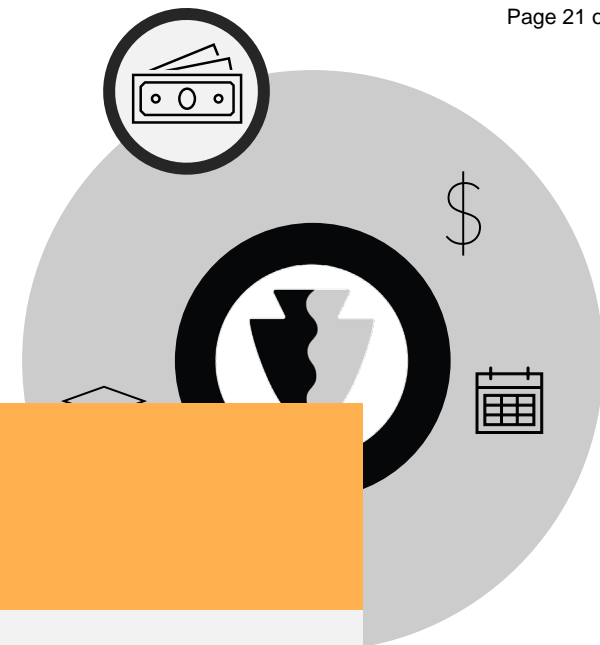
Recommend Optimum State Funding Options

Hold Harmless (Expires 2024-25)

The existing minimum revenue provision (Hold Harmless) expires in 2024-25. Under this provision, districts earn at least their 2017-18 Total Compensational Revenue (TCR), adjusted by COLA each year, or the prior year's TCR multiplied by COLA.

SCFF and The New Floor

The 2021 Budget Act extended the SCFF Hold Harmless provision through 2024-25. The 2022 Budget Act extended the revenue protections in a modified form beginning in 2025-26, with a district's 2024-25 funding representing its new "floor." Starting in 2025-26, districts will be funded at their SCFF-generated amount that year or their 2024-25 funding floor, whichever is higher. This revised hold harmless provision no longer includes adjustments to reflect cumulative COLAs over time, as is the case with the provision in effect through 2024-25.

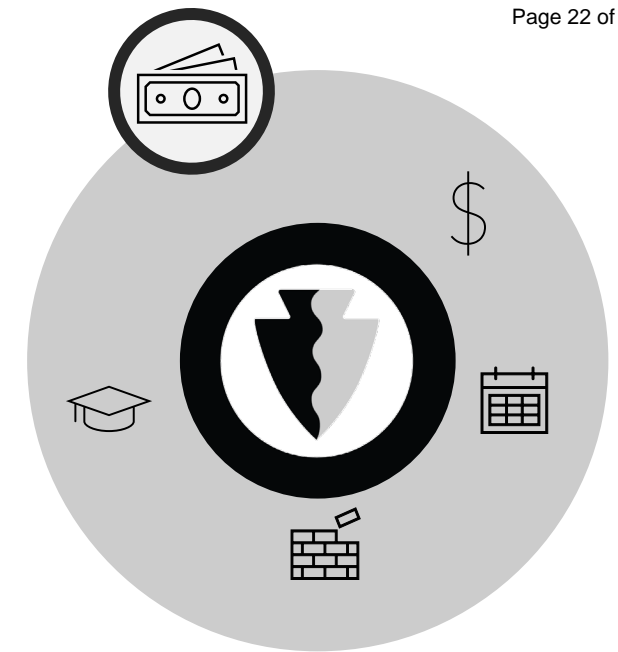


Estimating Revenues

Develop Budget Assumptions

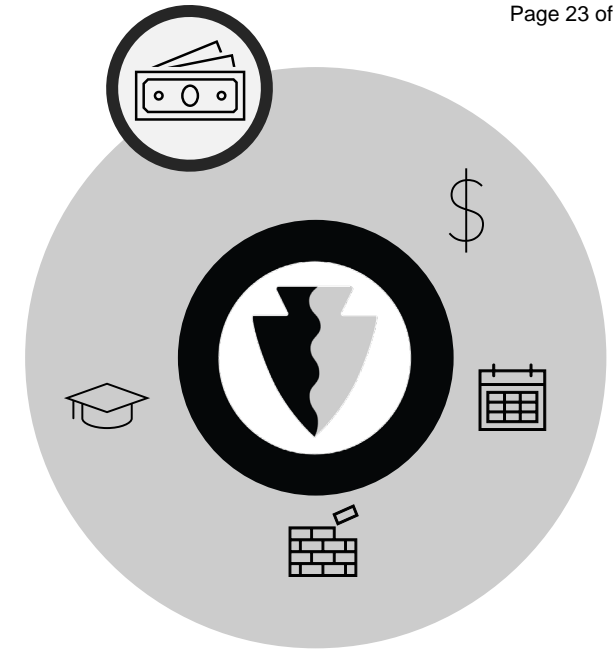
The assumptions used for the 2024-25 Final Budget are based on research, an analysis of available data, and financial modeling. They include the following:

- 1.07% COLA
- SBCCCD Enrollment growth of 4.0%
- CalPERS employer rate: 27.05%
- CalSTRS employer rate: 19.10%
- Compliance with the FON and 50% Law

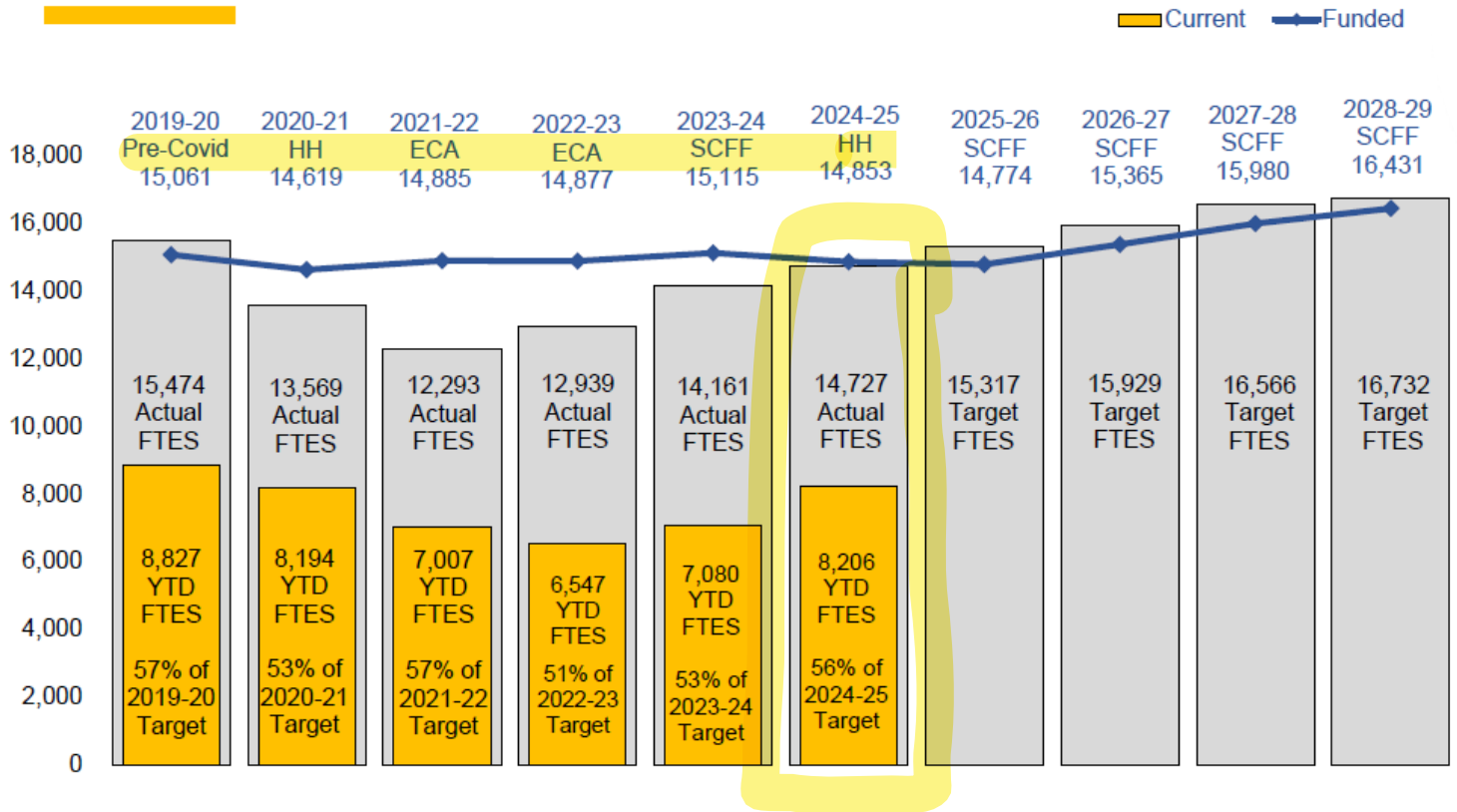


Estimating Revenues

Monitor Enrollment & Plan for Contingencies



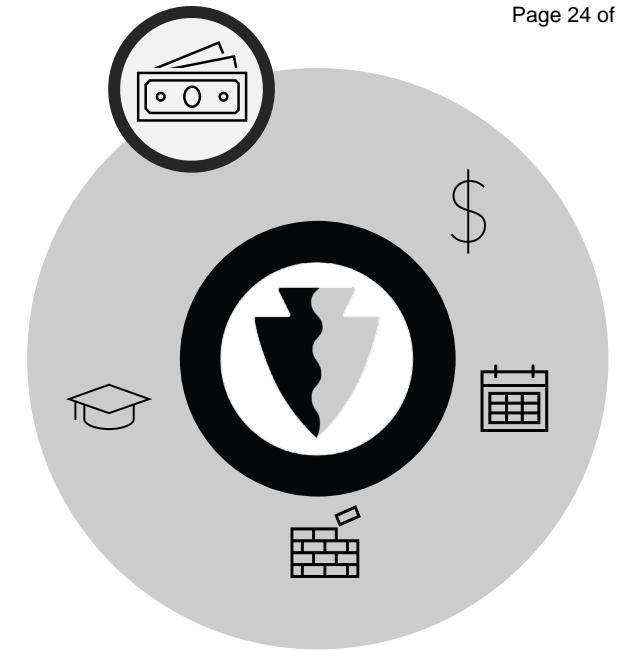
Enrollment as of August 28, 2024



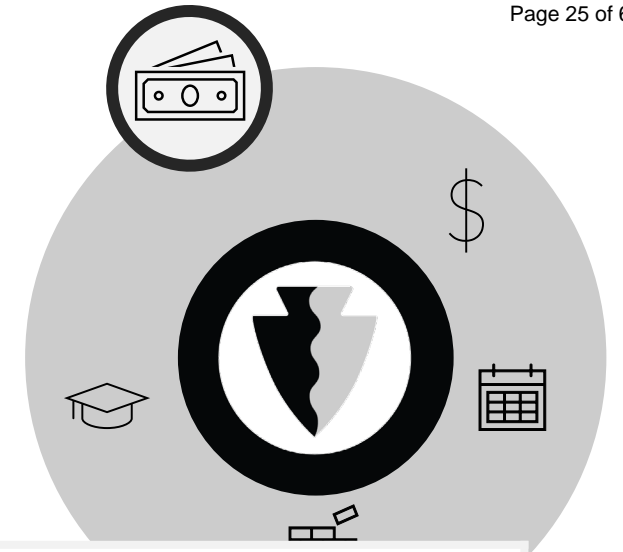
Estimating Revenues

Monitor Enrollment & Plan for Contingencies

- Make a cash flow plan if there will be deferrals, including interfund borrowing
- Develop alternate revenue streams and ways in which to relieve the Unrestricted General Fund, such as with the PARS Investment Trust account
- Anticipate State action and take steps to mitigate possible adverse effects.



Estimating Revenues



Monitor Enrollment & Plan for Contingencies

Anticipating 2024-25 State action to address budget gaps, SBCCCD implemented prioritized measures impacting the Unrestricted General Fund. Latter measures will not be implemented if SBCCCD is able to meet its reserve requirement and maintain a balanced budget.

<p>1. Meet or Exceed FTES Goals</p> <p>Having already attained this year's FTES goal, we are confident in our ability to achieve the following enrollment goals over the next four years: FY24/25 4%, FY25/26 4%, FY26/27 4%, FY27/28 4%, FY28/29 1%</p>	<p>2. No Increase in Object Codes 4000's – 6000's</p> <p>Due to the 1.07% COLA, prioritizing wages, step and column increases, and increased costs in employee benefits. Any increases in expenses due to inflation will be covered from other areas of the budget.</p>	<p>3. Maintain Competitive Employee Health Benefits</p> <p>SBCCCD will continue to offer one cost-free benefit plan to eligible employees to maintain competitive health benefits.</p>
<p>4. Soft Hiring Freeze</p> <p>As part of the early retirement incentive plan, all vacancies will require Chancellor's Cabinet approval. Recruitment will be limited to essential positions only.</p>	<p>5. As Appropriate, Eliminate Low-Enrolled Classes</p> <p>We will evaluate low-enrolled classes and optimize class offerings as part of our enrollment management strategies. Classes needed to meet graduation requirements will continue to be offered.</p>	<p>6. Reduction of Reassign Time</p> <p>Reassign time will be evaluated and modified to ensure it is focused on student success and/or student enrollment.</p>
<p>7. Use of Commercial Property Income</p> <p>Commercial property income will be used as needed to balance the budget or meet the two-month reserve requirement.</p>	<p>8. Use of OPEB Trust Funds</p> <p>Up to \$2 million from the Other Post Employment Benefits, or OPEB, trust will be utilized as necessary to balance the budget or meet the two-month reserve requirement.</p>	<p>9. Reduction of Reserve Requirement</p> <p>If necessary, SBCCCD staff will propose Board approval of the usage of reserves to balance the budget.</p>

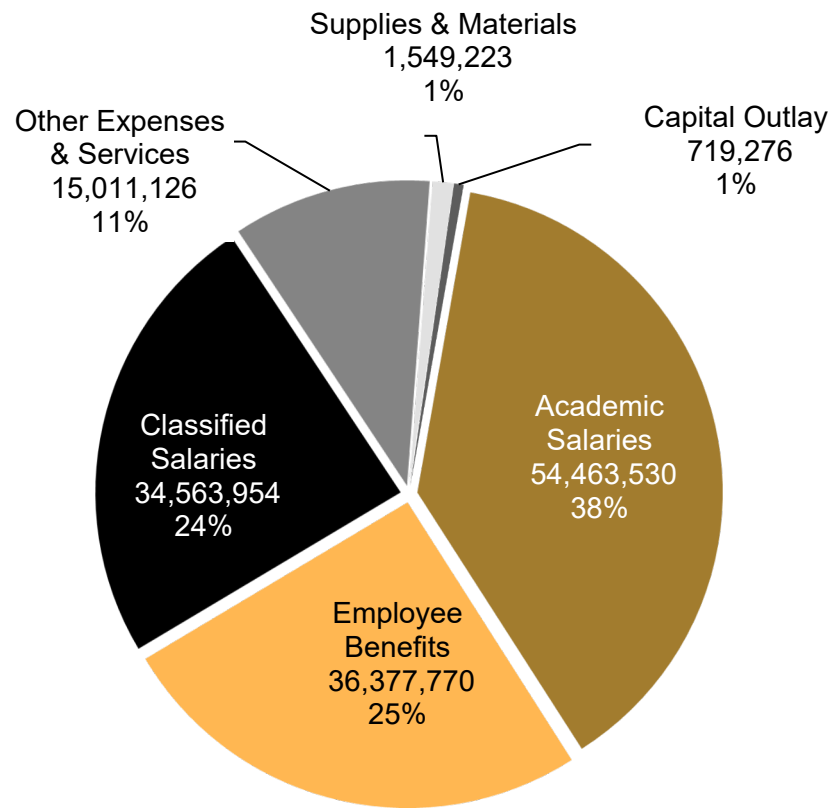
Identifying Expenses



- Zero-Based
- Salary Benefits & Open Positions
- DSO Budgets Developed**
- Campus Budgets Development
- Collaboration to Balance

Identifying Expenses

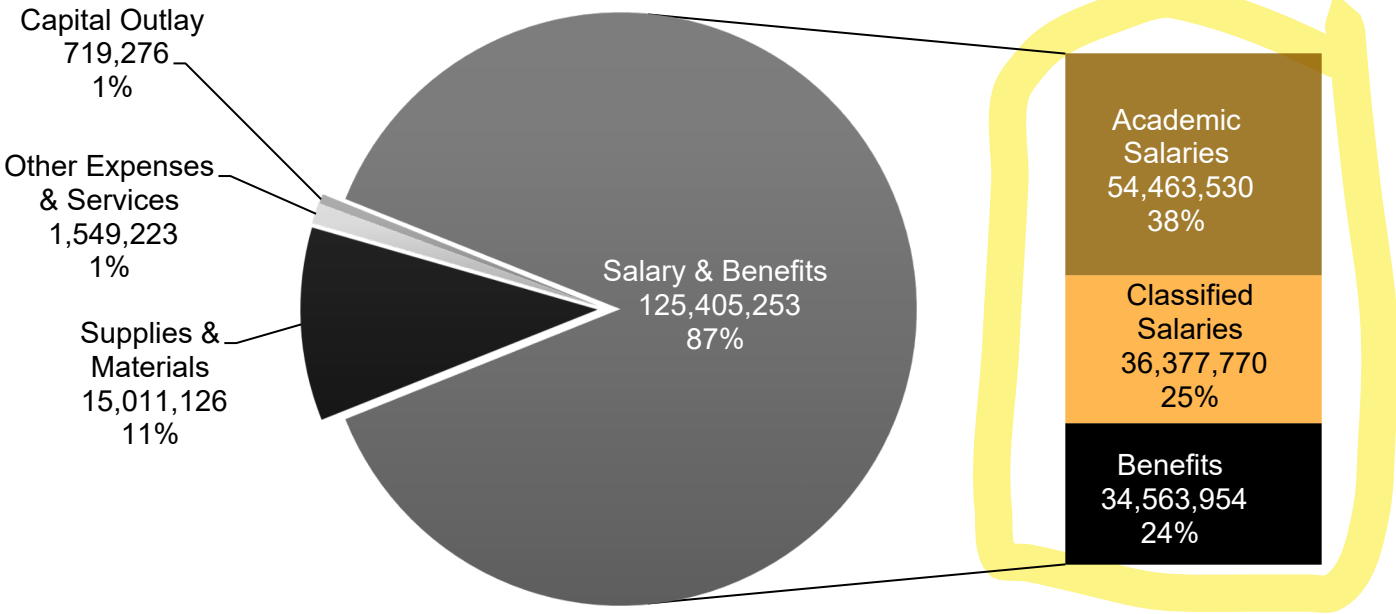
Zero-Based



- Budget year dollars are zeroed out and need to be manually entered for all expenditures in the 4000, 5000, 6000 and 7000 object codes.
- All budget increases require the entry of a justification in the “notes” section. Any increases related to Program Review are supported by program review documents, which can be uploaded to Questica.

Identifying Expenses

Salary Benefits & Open Positions

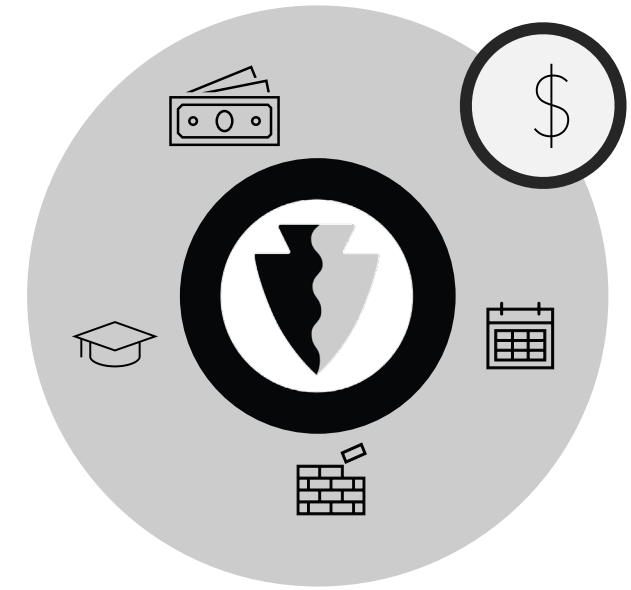


- Object Codes 1000, 2000, and 3000 are pre-filled based on department positions.
- Open positions are reviewed to ensure start dates are accurate.

Identifying Expenses

DSO Development Budget

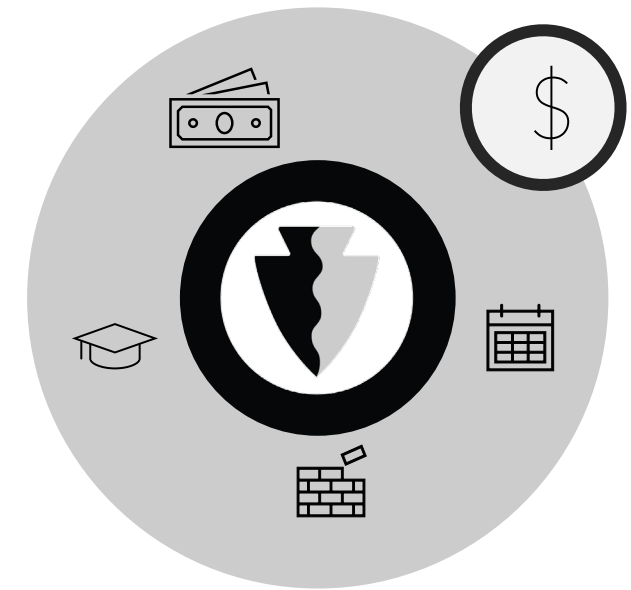
Developed December-January, DSO Unrestricted General Fund budgets are reviewed at the District Budget Advisory Committee meeting in February with feedback given to Chancellor Council.



Identifying Expenses

Campus Budget Development

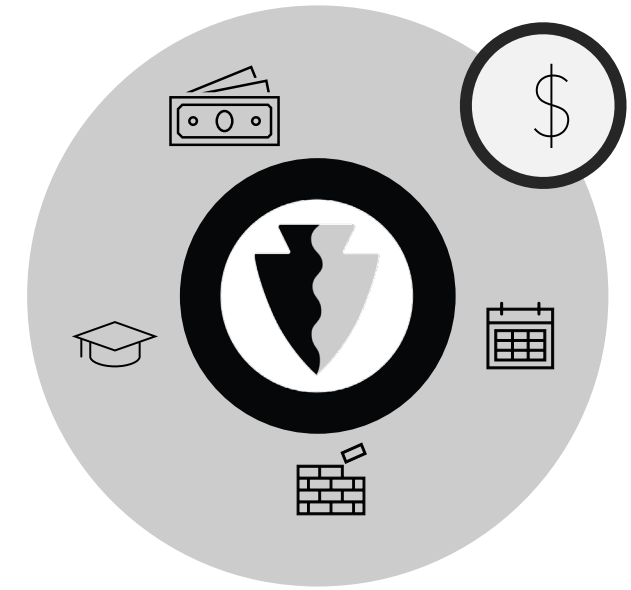
Campus Vice Presidents of Administrative Services are invited to begin their budgeting process. The target date for completion of data entry is typically March 15.



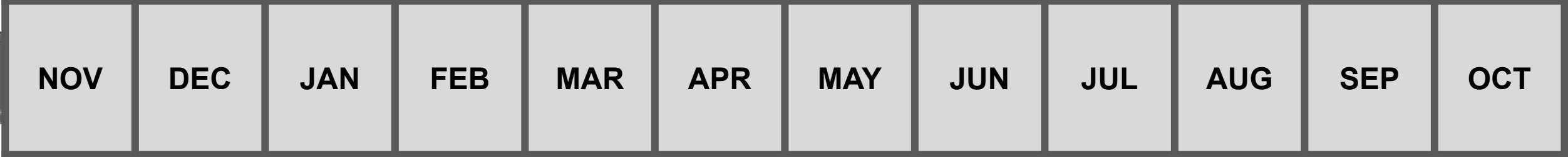
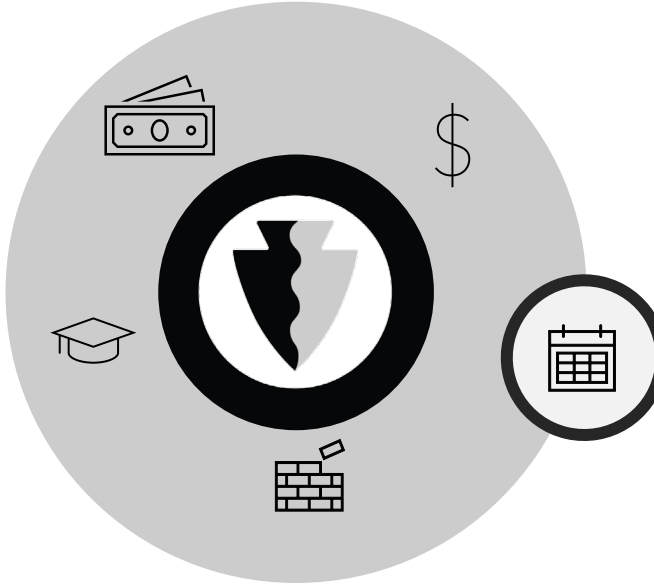
Identifying Expenses

Collaboration to Balance

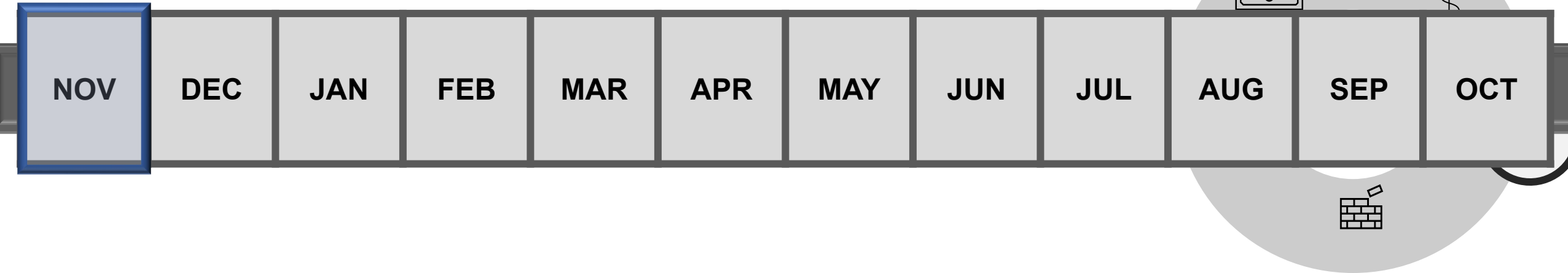
- DSO Fiscal Services team members collaborate with Colleges to combine the data and create the SBCCD Unrestricted General Fund budget
- Both DSO and college staff work to develop the budget for SBCCD's remaining 20 funds



The Budget Cycle

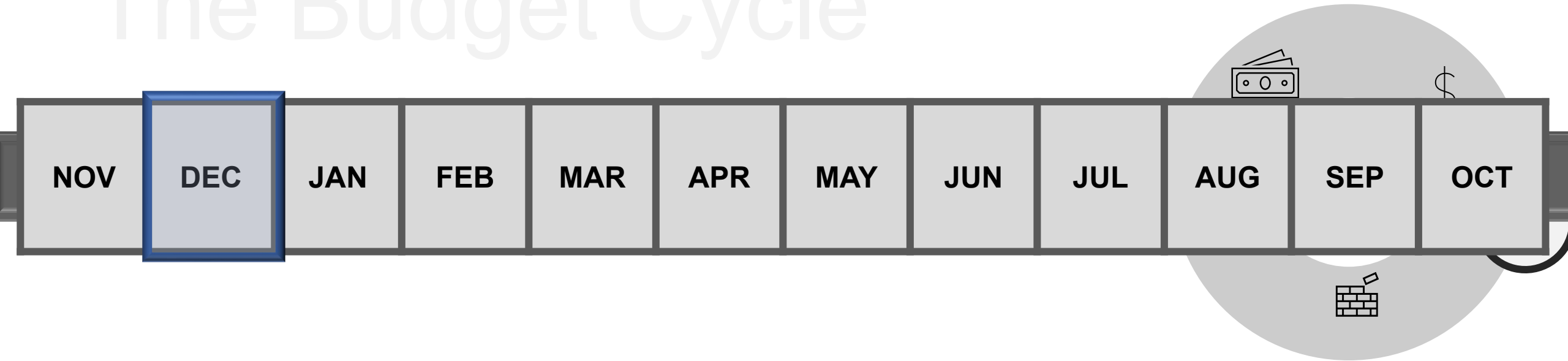


The Budget Cycle



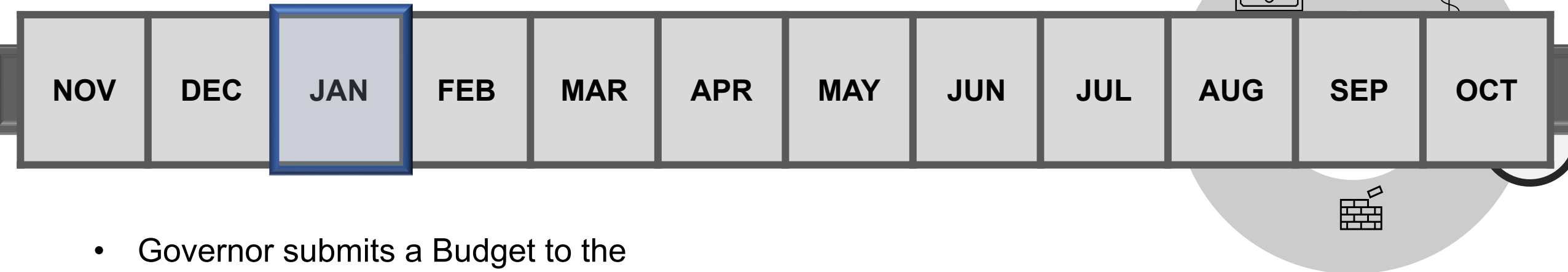
- DBAC reviews draft Budget Directives
- Board Finance Committee reviews draft Budget Calendar
- DSO Budget Managers start development on Unrestricted General Fund Budget

The Budget Cycle



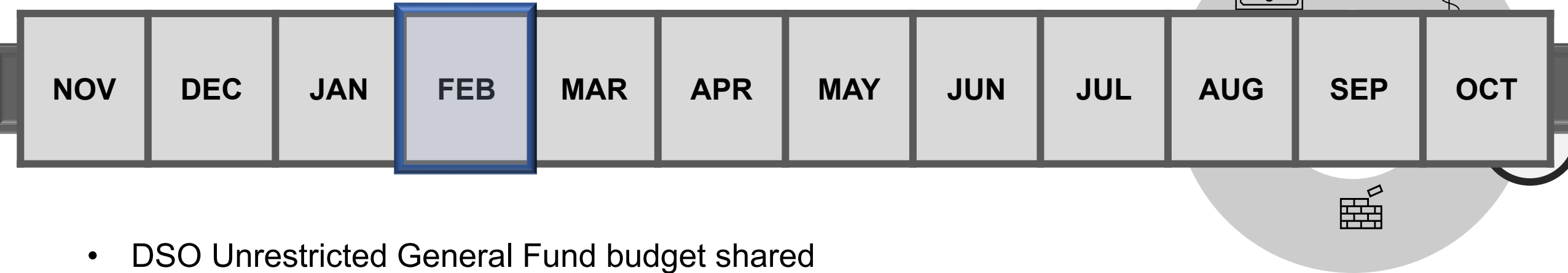
- Board of Trustees approves Budget Calendar prior to February 1
- Board Finance Committee reviews draft Budget Directives

The Budget Cycle



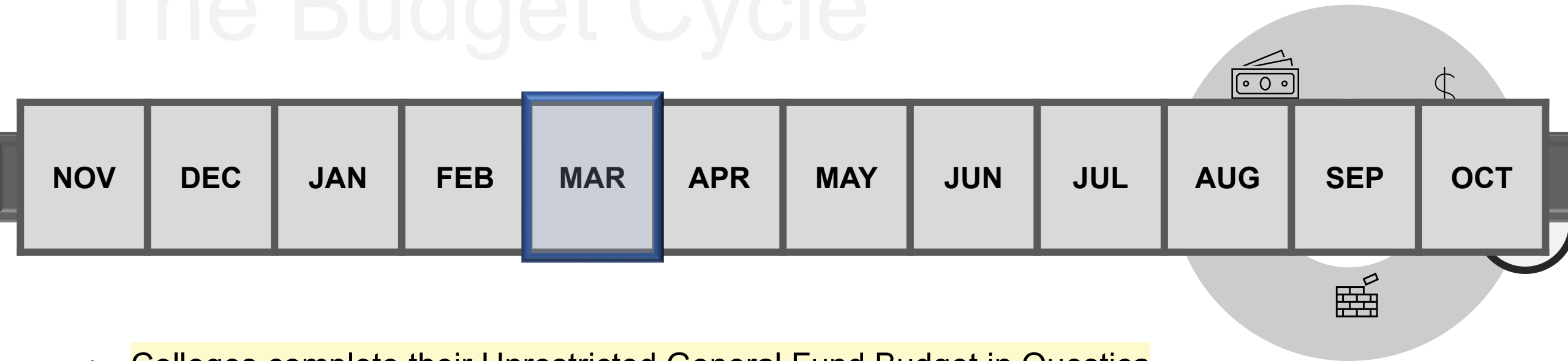
- Governor submits a Budget to the Legislature by January 10
- ACBO State Budget Workshop
- CCCCO/ACBO/ACCCA/CCLC Joint Analysis released
- SBCCD Board of Trustees approves Legislative & Budget Advocacy Priorities
- Budget Directives are submitted to the SBCCD Board for first read
- “P1” CCFS-320 for July 1 - December 31 and is due in the Chancellor’s Office by January 15 to project FTES data resulting in projected totals for the full fiscal year
- DSO completes its Unrestricted General Fund Budget

The Budget Cycle



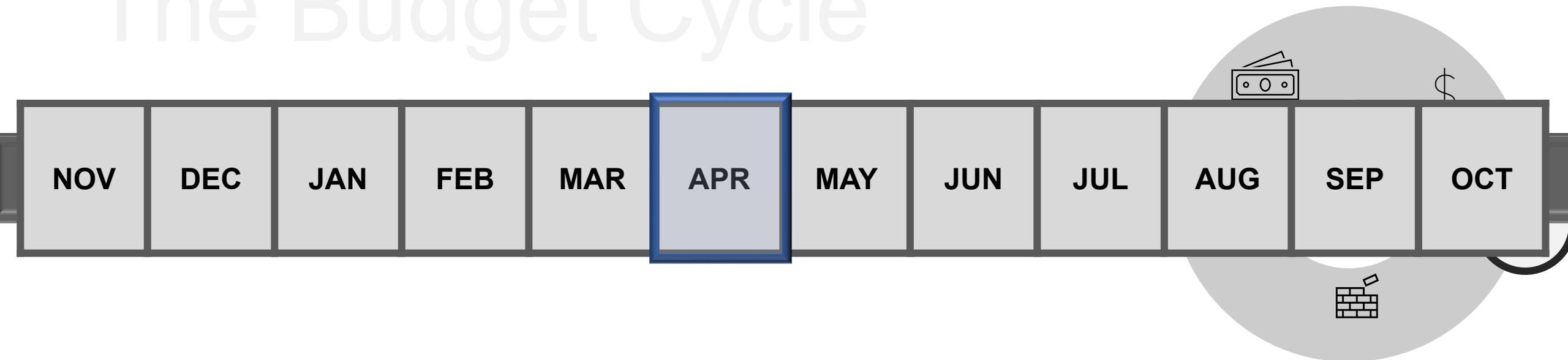
- DSO Unrestricted General Fund budget shared with DBAC
- College Vice Presidents of Administrative Services facilitate development of Unrestricted General Fund College Budgets in Questica
- College budget committees review resources, Budget assumptions, and FTES projections
- SBCCD Board of Trustees approves Budget Directives prior to March 1
- SBCCD Chancellor's Cabinet determines projected funds, shared costs, and tentative distribution

The Budget Cycle



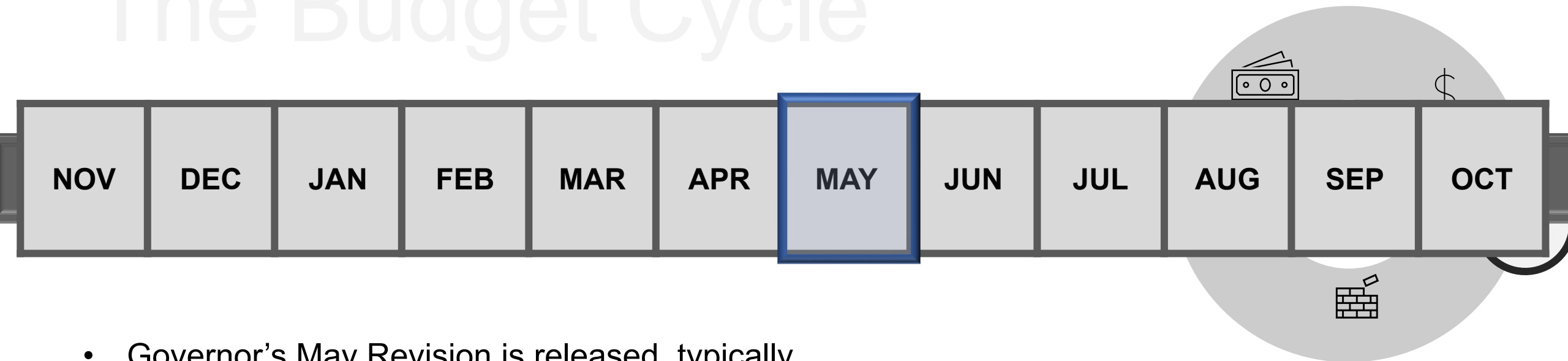
- Colleges complete their Unrestricted General Fund Budget in Questica
- College budget committees review draft budget

The Budget Cycle



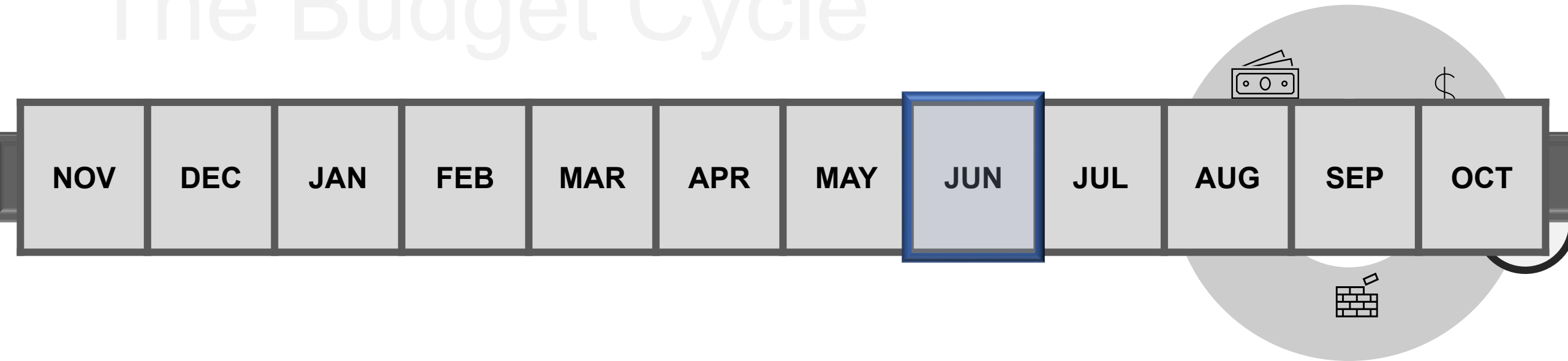
- DSO Fiscal Services team members combine DSO and College data to create the SBCCCD Unrestricted General Fund Budget
- Both DSO and College staff work to develop a Budget for SBCCCD's remaining 20 funds
- Tentative Budget is reviewed at DBAC
- "P2" CCFS-320 for July 1 through April 15 is due in the Chancellor's Office by April 20 to project FTES data resulting in projected totals for the full fiscal year

The Budget Cycle



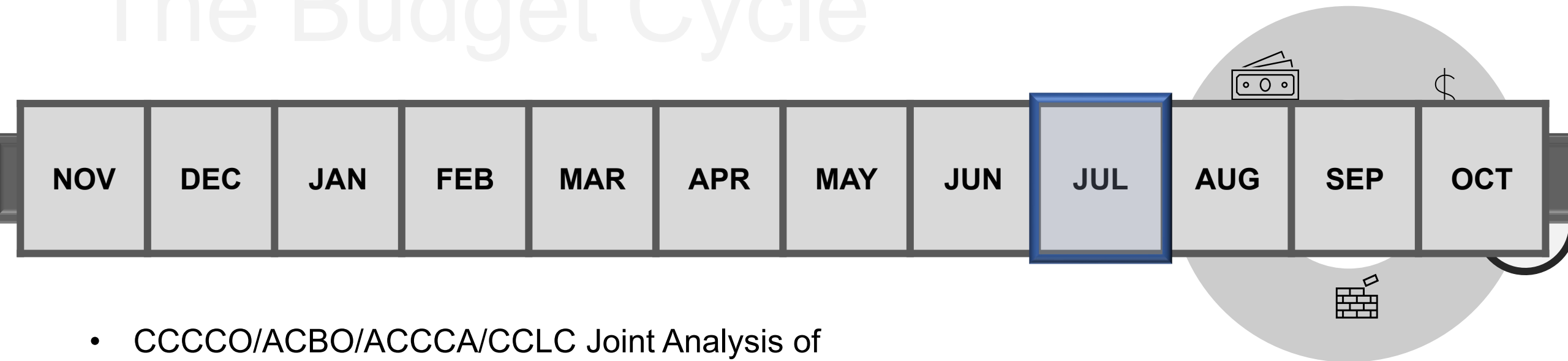
- Governor's May Revision is released, typically including significant changes for the CCC
- CCCCCO/ACBO/ACCCA/CCLC Joint Analysis on the May Revision is released
- ACBO Spring Conference
- Tentative Budget reviewed at DBAC and College budget committees
- SBCCD Board of Trustees strategy session to review preliminary Tentative Budget for all funds

The Budget Cycle



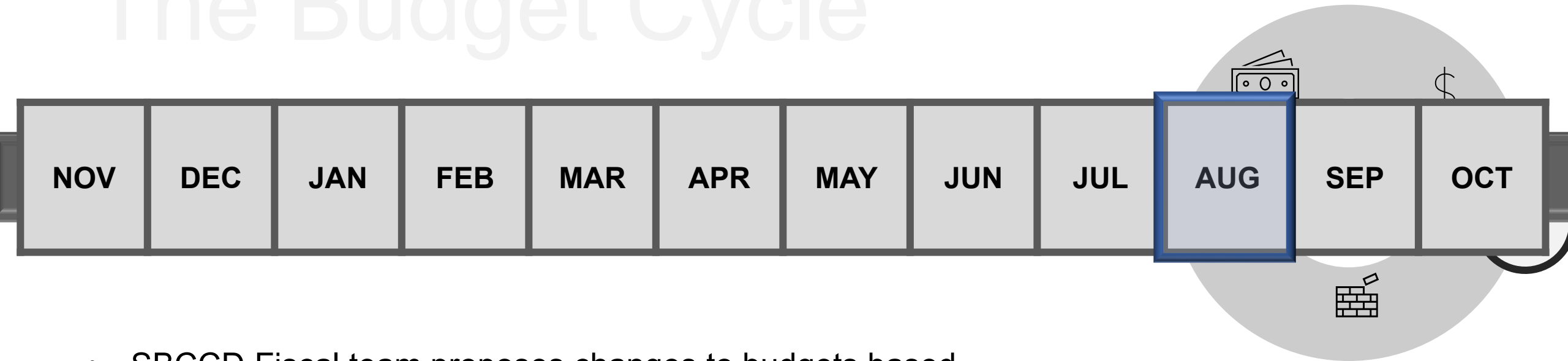
- SBCCCD Board of Trustees adopts Tentative Budget prior to July 1
- Governor signs Budget Act
- Colleges and DSO make any proposed adjustments to their budgets to be considered at Final Budget

The Budget Cycle



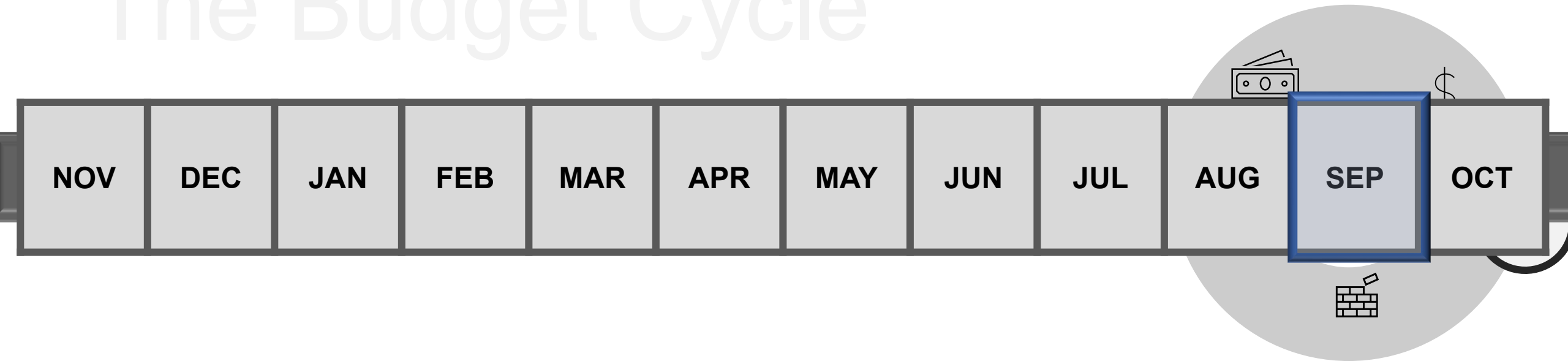
- CCCCO/ACBO/ACCCA/CCLC Joint Analysis of Enacted Budget released
- State Chancellor's Office sends Advance Apportionment revenue estimates for the budget year
- Colleges and DSO finalize any adjustments
- "Annual" CCFS-320 report encompassing actual FTES data for July 1 through June 30 is due in the Chancellor's by July 15.

The Budget Cycle



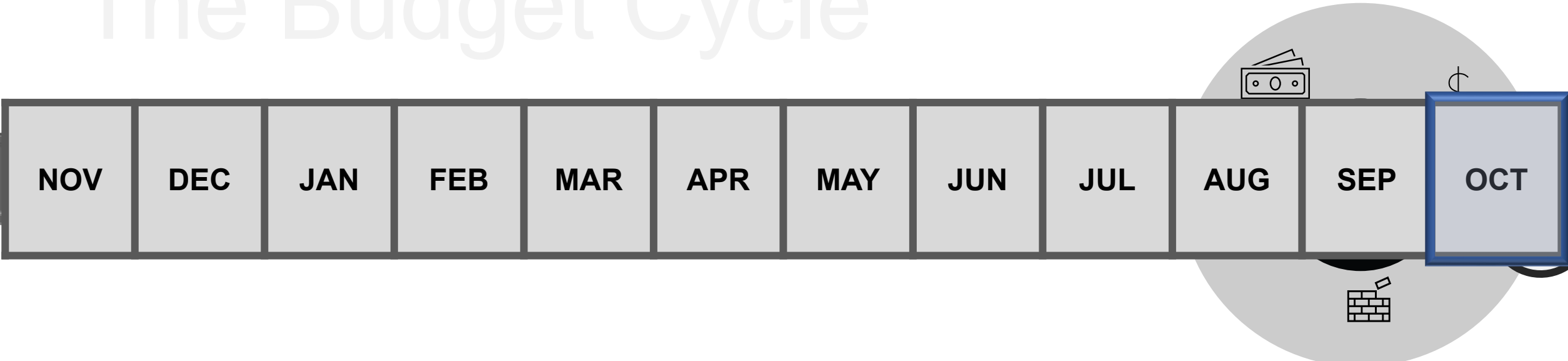
- SBCCCD Fiscal team proposes changes to budgets based on internal discussion, collegial recommendations, and/or changes in State financial picture
- Final Budget is shared with DBAC and Chancellor's Cabinet
- SBCCCD Board of Trustees strategy session to review Final Budget

The Budget Cycle



- SBCCD Board of Trustees conducts a public hearing and approves Final Budget prior to September 15
- College budget committees review changes from Tentative to Final Budget

The Budget Cycle



- DBAC reviews draft Budget Calendar
- ACBO Fall Conference

Questions | Comments





Thank you.