



## SANTA BARBARA CITY COLLEGE

### ASSUMPTIONS USED TO DEVELOP THE 2015-16 FINAL BUDGET

*As of August 18, 2015*

The revenue assumptions are from the 2015-16 Governor's Final State Budget presented by the California Community College Chancellor's Office at the Annual Statewide Budget Workshop on July 30, 2015.

The 2015-16 Final Budget includes the following assumptions:

#### **REVENUES**

##### **State Revenue - Ongoing**

1. Increase in the state allocation for the Unrestricted General Fund:
  - a. Base allocation funding increase of \$3,227,000.
  - b. COLA of 1.02% or \$738,000.
  - c. Career Development and College Preparation (CDCP) rate equalization to match resident credit rate, revenue increase of \$670,000.
  - d. Growth is not projected for the 2015-16 Tentative Budget.
  - e. Funds to support full time faculty hiring increase of \$764,095.
2. Enrollment fee is \$46.00.
3. Education Protection Act revenue remains flat.
4. Enrollment fees increase due to addition of second summer session, revenue increase of \$800,000.
5. Lottery revenue remains flat.
6. State mandated reimbursement increases by \$983,000 on going.
7. RDA dissolution and distribution revenues decrease from 2014-15 budget of \$542,600 to an estimated \$370,000 in 2015-16.

##### **State Revenue - One Time**

8. No deficit factor.
9. State mandated reimbursement increases by \$5,652,000 one time.
10. The College will go into stability funding if there is any shortfall in FTES.
11. State apportionment recalculations and prior year adjustments are not projected.
12. Deferred maintenance with no local match required of \$1,790,800 one time.

##### **Local Revenue**

13. Non-resident/international enrollment fee increase in 2015-16 is 11.4%. International enrollment will be reduced by 100 FTES or \$936,000 from 2014-15 Adjusted Budget to 2015-16 Final Budget.
14. Interest revenue remains flat.

## **EXPENDITURES**

1. Minimum wage increase from \$9.00 to \$10.00, effective December 11, 2015. The district will increase hourly wages by 11.11% at each level, resulting in an increase of approximately \$137,000.
2. Reclassification of classified staff as of March 26, 2015, estimated at \$59,000.
3. Longevity increments adjusted for classified staff and managers, estimated at \$320,000.
4. Longevity increments incorporated into instructor salary schedule 10 by lengthening to 34 steps, estimated at \$572,000.
5. COLA increase of 1.02% applied to all salaries and benefits, approximately \$553,000.
6. Employer contribution towards health benefits increase for PPO 80% plan to bring out-of-pocket to \$0 for employees, estimated at \$136,000.
7. The State Unemployment Contribution rate remained the same as 2014-15.
8. The State Workers Compensation insurance rate remained the same as 2014-15.
9. The CalPERS employer contribution rate increase from 11.7% to 12.6%, approximately \$223,000.
10. The CalSTRS employer contribution rate increase from 9.5% to 11.1%, approximately \$1,077,000.
11. Supplies and materials, other operating expenses and services, capital outlay, and other outgo were increased slightly to bring costs in line with 2014-15 actuals, approximately \$76,000.
12. The fixed and mandated expenses increased based on actual and trends, approximately \$424,000. Fixed and mandated expenses consist of a significant increase in utilities and additional increases in maintenance agreements, transportation, and rent.

## **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) are not projected.
2. Transfer to the Children's Center Fund remains flat.
3. Transfer to the Construction Fund for ongoing campus maintenance of \$2.0 million.
4. Transfer to the Construction Fund for loan payments to the California Energy Commission for the photovoltaic system loan of \$191,846 and for the light program loan of \$91,940. These amounts will continue for the life of the loans (ending in 2024 and 2021).
5. Transfer to the Construction Fund for the District contribution to the Campus Center Building Replacement of \$11,800,000.
6. Transfer to the Construction Fund for the cost of swing space during the Campus Center Building Replacement project of \$1,500,000.
7. Transfer to the Construction Fund for the cost of PLLUMP Phase III to complete the Facility Master Plan of \$800,000.
8. Transfer to the Equipment Fund for program review items of \$1,545,700.
9. Transfer to the Equipment Fund for equipment replacement of \$1,000,000 and for copier replacement of \$155,000.
10. 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.

11. Transfer to Athletics Trust for ongoing athletic sports events remains flat.

**CASH FLOW**

1. Deferrals reduced from \$1.7 million in 2014-15 to \$0 in 2015-16.