

Budget Update

Academic Senate
Current and Multi-Year Projections
Information Item

November 24, 2020

College of San Mateo

Presentation Items

- Purpose and Goals
- Background
- Examine Assumptions
- Review Revenue Allocation from District Office (COVID Scenarios)
 - Scenario 1: Worst Case Scenario
 - Scenario 2: Middle Case Scenario
 - Scenario 3: Best Case Scenario

Presentation Items *(continued)*

- Evaluate Potential Categorical Reductions
- Review Contingencies and Reserves
- Study Current Year and Multi Year Projections
- Explain Next Steps

Presentation Index: Back-up Detail, Slides 14-21

Note: Data presented as of November 2020. As new information is learned, data will be updated and shared.

Purpose and Goals

- Communicate the state of the CSM budget
- Provide transparency regarding our budget
- Establish and communicate an annual budget cycle and calendar that provide updated information regarding CSM's financial plans
- Engage in dialogue and answer any questions related to CSM's budget
- Provide updates regarding Federal and State funding that impact CSM
- Recommend that we hold off on resource request decisions until we know more about ongoing categorical funding

Background and Fiscal Outlook

March 2020 - Present

- Uncertainty with COVID Pandemic
- Uncertainty with impact of Wildfires
- CARES funding helped provide direct student aid and fund professional development, \$2M for CSM

April – July, 2020

- District Office presented MY revenue projections
- State presented May Revise with proposed reductions to Categorical Programs and additional reductions to Basic Aid Districts
- College Fund 4 reserves reviewed as a possible revenue source to offset potential future categorical reductions

Fall 2020 – Spring 2021

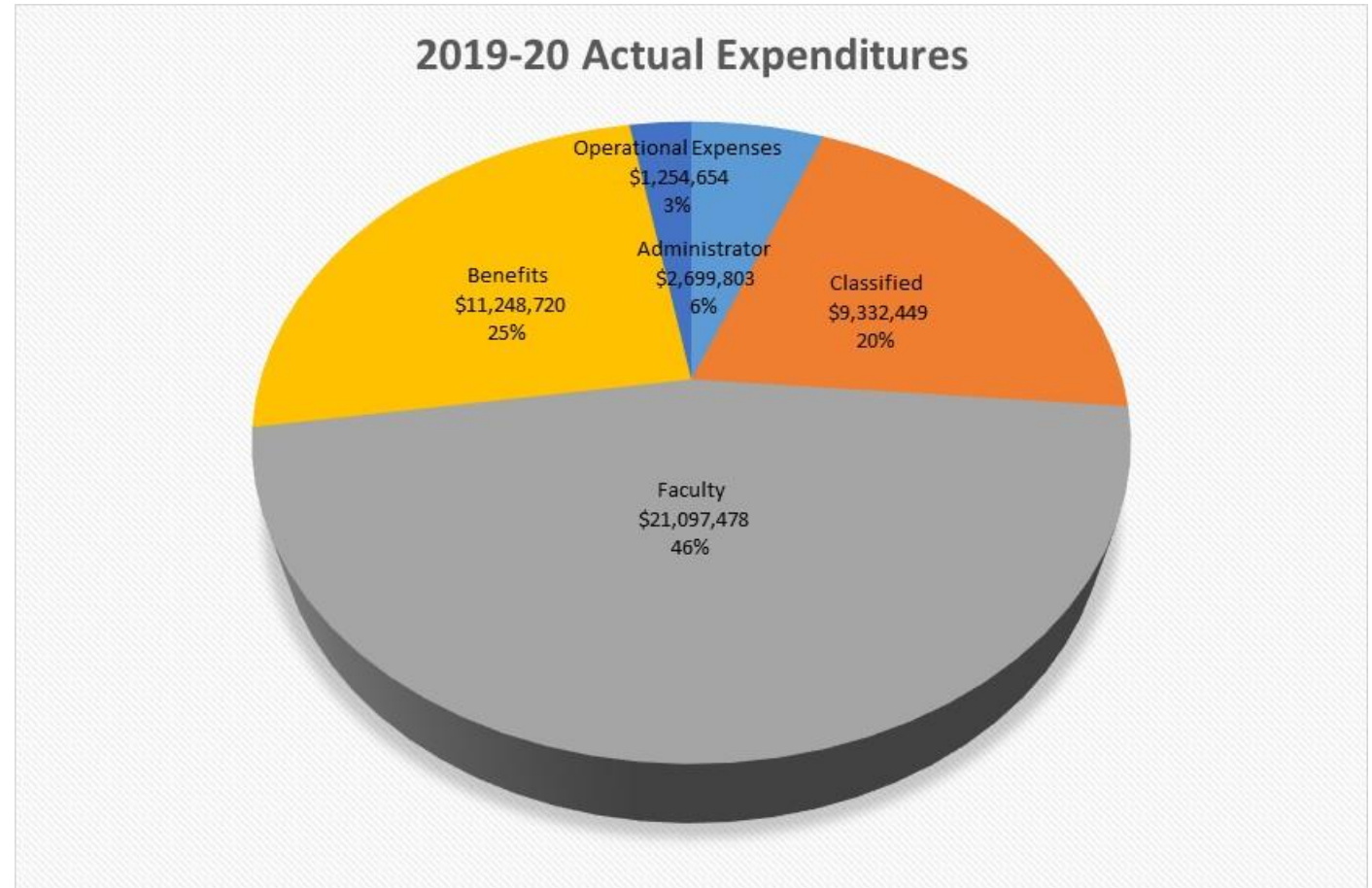
- Uncertainty with COVID Pandemic
- Grants coming to an end, uncertainty with ongoing grant funding
- Enrollment continues to drop
- Uncertainty with International Education Student Enrollment
- Governor's January 2021 Budget Proposal will be critical in learning more about projected State revenues and future categorical funding reductions

Background

2019-20 Actual Expenditures

In 2019-20, CSM's total expenditure budget was \$46M

- \$44.4M (97%) was allocated to salaries and benefits
- \$1.3M (3%) was allocated to operational expenses

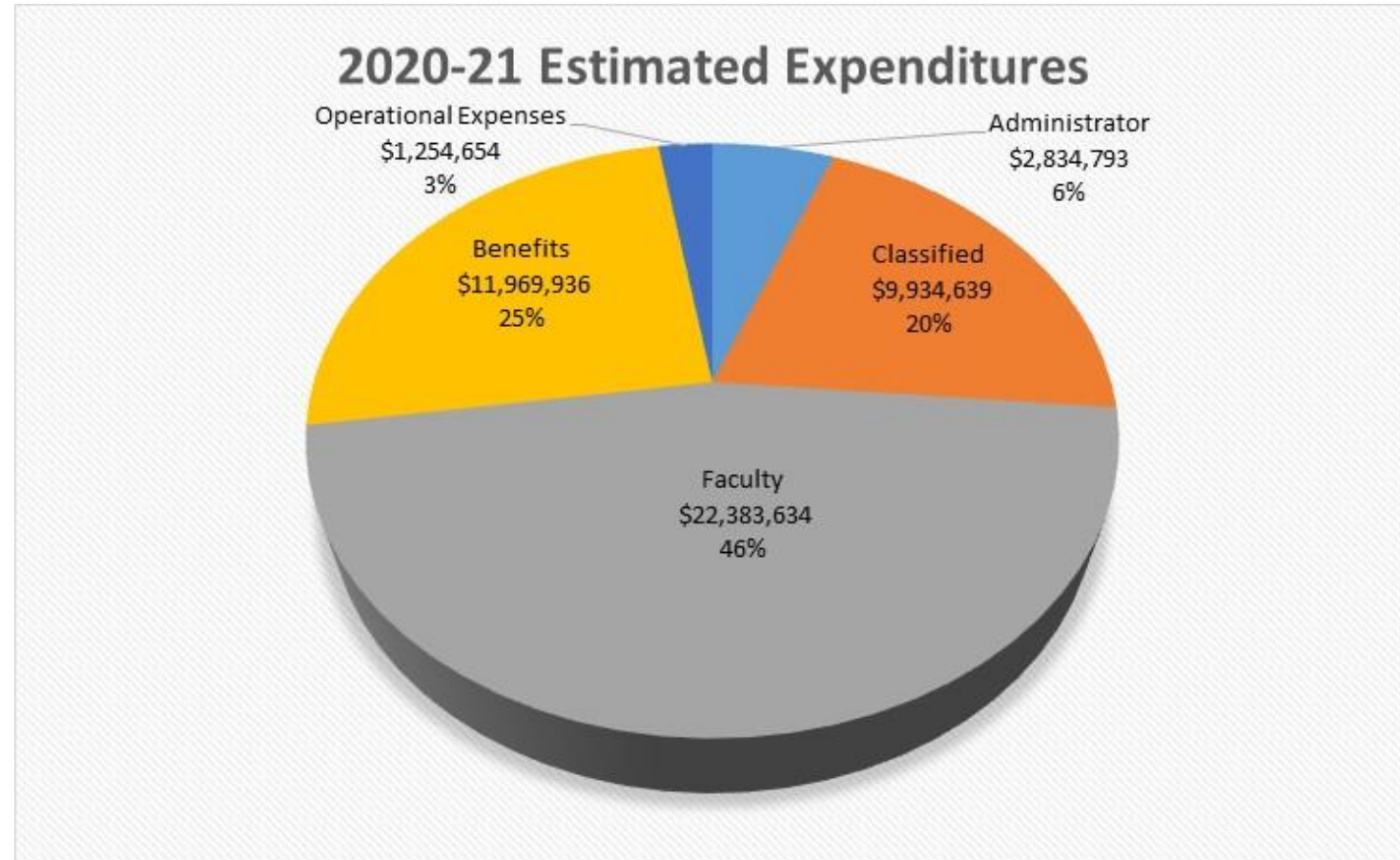


Background

2020-21 Projected Expenditures

In 2020-21, CSM's estimated expenditure budget is \$48.4M, about \$2.7M (6%) more than in 2019-20.

- \$47.1M (97%) is currently allocated to salaries and benefits
- \$1.3M (2.8%) is allocated to operational expenses



Current and Multi-Year Assumptions

Year	Revenues	Expenditures
2019-20	Actual revenues included	Actual expenditures included
2020-21	<ul style="list-style-type: none"> Three scenarios provided based on District Office's data from April 2020 No categorical budgets reductions International student enrollment at 205 	<ul style="list-style-type: none"> Added 5% over prior 2019-20 year Included current positions not budgeted in the prior year Maintained operational expenditures flat
2021-22	<ul style="list-style-type: none"> Three scenarios based on District Office's COVID revenue allocation scenarios, April 2020 \$4M reduction to categorical budgets, with Fund 1 offsetting the reductions International student enrollment at 205 	<ul style="list-style-type: none"> Added 5% over prior 2020-21 year Included current positions not budgeted in the prior year Maintained operational expenditures flat No expenditures from expiring grants included in Fund 1
2022-23	<ul style="list-style-type: none"> Three scenarios based on District Office's COVID revenue allocation scenarios, April 2020 \$3.6M reduction to categorical budgets, with Fund 1 offsetting the reductions International student enrollment at 205 	<ul style="list-style-type: none"> Added 5% over prior 2021-22 year Included current positions not budgeted in the prior year Maintained operational expenditures flat No expenditures from expiring grants included in Fund 1

COVID 19 College of San Mateo Revenue Scenarios

Estimates	Scenario 1	Scenario 2	Scenario 3
	<i>Worst Case Scenario</i>	<i>Middle Case Scenario</i>	<i>Best Case Scenario</i>
FY 19-20 Site Allocation			\$ 49,028,086
FY 20-21 Site Allocations	\$ 48,016,651	\$ 48,116,879	\$ 48,217,108
			-1.65%
FY 21-22 Site Allocations	\$ 45,729,958	\$ 47,985,889	\$ 48,157,874
	-4.76%	-0.27%	-0.12%
FY 22-23 Site Allocations	\$ 43,308,420	\$ 47,787,175	48,817,988
	-5.30%	-0.41%	1.37%

Source: SMCCCD, Budget Office, April 2020

Note: Please see Presentation Index, slide 17 for district-wide detailed scenarios

Estimated Categorical Reductions

- Given the ongoing uncertainty related to COVID and State categorical funding, the following projected categorical reductions are included in CSM's multi year budgets:
 - \$4 M reduction in 2021-22 and
 - \$3.6 M reduction in 2022-23
 - Details related to the \$4M and \$3.6M are provided in Presentation Index, Slide 17
- At this time, we are assuming that CSM's reserves and contingencies would help offset the categorical reductions over the two year period

NOTE: Please see Presentation Index, slide 16 for district-wide detailed scenarios

CSM Contingencies and Reserves

The following table provides a 10-year trend of CSM's contingencies in 40001, which would be required to help balance the budget in the multi years, should the assumptions provided in this presentation become a reality.

40001-College Contingency	Beg Balance	Transfer from Fund 1 to Contingency	Ending Balance
FY1112	\$ 2,820,000	\$ -	\$ 2,820,000
FY1213	\$ 2,820,000	\$ 200,000	\$ 3,020,000
FY1314	\$ 3,020,000	\$ -	\$ 3,020,000
FY1415	\$ 3,020,000	\$ -	\$ 3,020,000
FY1516	\$ 3,020,000	\$ 1,330,540	\$ 4,350,540
FY1617	\$ 4,350,540	\$ 1,880,000	\$ 6,230,540
FY1718	\$ 6,230,540	\$ 3,100,000	\$ 9,330,540
FY1819	\$ 9,330,540	\$ 2,831,244	\$ 12,161,784
FY1920	\$ 12,161,784	\$ 3,200,122	\$ 15,361,906
FY2021 Estimated*	\$ 15,361,906	\$ 1,500,000	\$ 16,861,906

*Currently estimated at \$1.5M, and figure will be updated in Spring 2021.

Current Year and Multi Year Projections

Scenario 1: Worst Case Scenario

	FY2021 Projected	FY 2122 Projected	FY 2223 Projected
Fund 1 Unrestricted Ending Balance	\$ 3,779,333	\$ (3,030,802)	\$ (12,847,205)
40001 Contingency Ending Balance	\$ 16,861,906	\$ 13,831,104	\$ 983,899

Scenario 2: Middle Case Scenario

	FY2021 Projected	FY 2122 Projected	FY 2223 Projected
Fund 1 Unrestricted Ending Balance	\$ 3,779,333	\$ (774,872)	\$ (6,112,520)
40001 Contingency Ending Balance	\$ 16,861,906	\$ 16,087,035	\$ 9,974,514

Scenario 3: Best Case Scenario

	FY2021 Projected	FY 2122 Projected	FY 2223 Projected
Fund 1 Unrestricted Ending Balance	\$ 3,779,333	\$ (602,887)	\$ (4,909,722)
40001 Contingency Ending Balance	\$ 16,861,906	\$ 16,259,020	\$ 11,349,298

NOTE: Revenue and Expenditure Detail Provided in Presentation Index, Slides 18-20

Next Steps

- Continue to update assumptions and multi year projections as we learn more information
- Present budget update to divisions, management council, academic senate
- Recommend to hold off on all resource requests that are not absolutely mandated for the operations of CSM instructional programs and services
- Provide budget update in January, following the Governor's Budget Proposal and after we learn more about categorical funding

Presentation Index

Back-up Detail

College of San Mateo

Presentation Index: Back-up Detail

- Slide 16, Estimated Categorical Reductions
- Slide 17, COVID Revenue Estimates
- Slide 18, Scenario 1, Worst Case Scenario
- Slide 19, Scenario 2, Middle Case Scenario
- Slide 20, Scenario 2, Best Case Scenario
- Slide 21, Enrollment Trends

Categorical Reductions

- The table to the right provides the categorical programs that were projected to be reduced in 2020-21, with notes provided for some programs at the bottom of the table.
- During the final 2020-21 State budget deliberations, the State did not move forward with implementing the reductions. Rather, they deferred the allocation of revenue to future years. However, at this time, it is uncertain whether future cuts may be on the horizon.
- Given the uncertainty, at this time, we are estimating potential reductions in the multi years, as provided in the assumptions on slide 3.

Fund	Program	College of San Mateo	Estimated Reduction	
31002	DSP&S	1,043,777	417,511	
31003	EOP&S	589,502	235,801	
31004	EOP&S/CARE	37,784	15,114	
31016	Board Fin Aid Prog Adm Allow	255,104	102,042	
31031	CalWORKs	126,059	50,424	
31069	Lottery -- Prop 20 -- Instr Matrls	453,792	181,517	*
31195	Guided Pathways Year 3	163,514	65,406	
31216	Student Equity and Achievement Program	2,317,671	927,068	****
31217	Nursing Program Support	189,039	75,616	
31220	Student Success Completion Grant	471,436	188,574	
31221	Financial Aid Technology	33,330	13,332	
31240	ACCEL Adult Education Block Grant	186,303	74,521	
31245	Veteran Resource Center	89,739	35,896	
31246	California College Promise	663,147	265,259	
31247	Strong Workforce Program Local	684,903	643,809	**
31253	Hunger Free Campus	26,627	10,651	
31254	Cabrillo CCD Strong Workforce Regional	406,032	381,670	**
		7,737,759	3,684,209	***

*Assume reduction based on lottery revenue generated dropping.

**Assumes additional 54% reduction based on Basic Aid (only to SWP)

***Prior estimated reductions based on 2019-20 base amounts. Given no reductions in 2020-21, and amounts slightly increased, then if we apply actual % reduction to new base amounts, then actual reduction (assuming similar %) will be higher. Therefore, rounded up to \$4M.

**** May 2020 estimates provided an additional 15% reduction

COVID 19 Revenue Allocation Scenarios

The table to the right provides the district-wide revenue / resource allocation estimates

The estimates are provided by the District Office (as of April 2020)

As we receive updated information, we will continue to update CSM's estimates

For Reference	Estimates	Current	Scenario 1	Scenario 2	Scenario 3
		<i>a/o 04.13.20</i>	<i>Grimmest</i>	<i>Grimmer</i>	<i>Grim</i>
FY19-20	20-21 Site Allocations	6.50%	4.50%	5.50%	6.50%
\$ 30,354,912	↔ Canada College	\$ 30,919,454	\$ 30,795,344	\$ 30,857,399	\$ 30,919,454
\$ 49,028,086	↔ College of San Mateo	\$ 48,217,108	\$ 48,016,651	\$ 48,116,879	\$ 48,217,108
\$ 49,144,902	↔ Skyline College	\$ 50,493,885	\$ 50,292,950	\$ 50,393,417	\$ 50,493,885
\$ 20,951,162	↔ District Office	\$ 20,641,073	\$ 20,555,404	\$ 20,598,239	\$ 20,641,073
\$ 16,388,483	↔ Facilities	\$ 17,122,710	\$ 17,055,669	\$ 17,089,189	\$ 17,122,710
\$ 165,867,545	Total	\$ 167,394,231	\$ 166,716,017	\$ 167,055,124	\$ 167,394,231
	21-22 Site Allocations	6.25%	-1.50%	1.50%	4.50%
	Canada College	\$ 30,951,779	\$ 29,281,915	\$ 30,726,949	\$ 30,835,031
	College of San Mateo	\$ 48,339,880	\$ 45,729,958	\$ 47,985,889	\$ 48,157,874
	Skyline College	\$ 50,580,092	\$ 47,854,553	\$ 50,213,781	\$ 50,389,419
	District Office	\$ 20,746,086	\$ 19,628,937	\$ 20,594,618	\$ 20,668,171
	Facilities	\$ 17,708,291	\$ 16,782,819	\$ 17,583,530	\$ 17,643,624
	Total	\$ 168,326,129	\$ 159,278,182	\$ 167,104,766	\$ 167,694,119
	22-23 Site Allocations	6%	-3.50%	0.50%	4%
	Canada College	\$ 31,463,159	\$ 27,674,295	\$ 30,542,647	\$ 31,200,642
	College of San Mateo	\$ 49,227,651	\$ 43,308,420	\$ 47,787,175	48,817,988
	Skyline College	\$ 51,446,042	\$ 45,257,526	\$ 49,942,862	51,017,161
	District Office	\$ 21,180,766	\$ 18,643,174	\$ 20,562,998	21,005,148
	Facilities	\$ 18,093,856	\$ 15,954,189	\$ 17,570,958	17,945,804
	Total	\$ 171,411,475	\$ 150,837,604	\$ 166,406,639	\$ 169,986,743
	No COLA				

Source: SMCCCD, Budget Office, April 2020

Current Year and Multi Year Projections

Scenario 1: Worst Case Scenario

- The table to the right provides the worst case scenario MYP, based on what we know today, and assuming the revenues and expenditures as provided on slide 7
- Staff are updating position control for the current year, and multi years
- As updates are made, and more information is learned, the data will also be updated

	FY 1819 Actual	FY 1920 Actual	FY2021 Estimated	FY 2122 Estimated	FY 2223 Estimated
Revenues			<i>as of 10/23/2020</i>	<i>as of 10/23/2020</i>	<i>as of 10/23/2020</i>
PY Ending Balance	\$ 6,743,124	\$ 7,123,951	\$ 11,514,620	\$ 10,490,877	\$ 3,680,742
Transfer to/from 40001	\$ (3,100,000)	\$ (2,831,244)	\$ (3,200,122)	\$ (1,500,000)	\$ -
Beginning Fund Balance	\$ 3,643,124	\$ 4,292,707	\$ 8,314,498	\$ 8,990,877	\$ 3,680,742
Site Allocation	\$ 45,176,363	\$ 49,028,086	\$ 48,217,108	\$ 45,729,958	\$ 43,308,420
PY Encumbrances			\$ -	\$ -	\$ -
Other Revenue*	\$ 3,257,124	\$ 4,789,823	\$ 4,909,162	\$ 4,909,162	\$ 4,909,162
Total Revenues (Accounted Budget)	\$ 52,076,611	\$ 58,110,616	\$ 61,440,768	\$ 59,629,997	\$ 51,898,324
Expenses					
Administrator	\$ 2,704,985	\$ 2,699,803	\$ 2,834,793	\$ 2,976,533	\$ 3,125,360
Classified	\$ 8,799,151	\$ 9,332,449	\$ 9,934,639	\$ 10,470,307	\$ 10,993,823
Faculty	\$ 20,743,532	\$ 21,097,478	\$ 22,383,634	\$ 23,616,310	\$ 24,797,125
Benefits	\$ 10,731,952	\$ 11,248,720	\$ 11,969,936	\$ 12,631,452	\$ 13,263,024
Operational Expenses	\$ 1,362,709	\$ 1,254,654	\$ 1,254,654	\$ 1,254,654	\$ 1,254,654
Total Expenses	\$ 44,342,329	\$ 45,633,103	\$ 48,377,656	\$ 50,949,256	\$ 53,433,986
Transfers Out (7310)**	\$ 567,344	\$ 942,873	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Subtotal (Revenues-Expenses)	\$ 7,166,938	\$ 11,534,640	\$ 12,063,112	\$ 7,680,742	\$ (2,535,661)
Fund 3 Deficit				\$ (4,000,000)	\$ (3,600,000)
COVID-19 Additional Expenses			\$ (1,100,000)		
CSM B19 Remodel			\$ (472,235)		
Encumbrances	\$ (42,988)	\$ (20,020)	\$ -		
Ending Balance (Restricted and Unrestricted)	\$ 7,123,951	\$ 11,514,620	\$ 10,490,877	\$ 3,680,742	\$ (6,135,661)
Fund 1 Restricted Ending Balance			\$ 6,711,544	\$ 6,711,544	\$ 6,711,544
Fund 1 Unrestricted Ending Balance			\$ 3,779,333	\$ (3,030,802)	\$(12,847,205)
40001 Contingency Ending Balance			\$ 16,861,906	\$ 13,831,104	\$ 983,899
* Office Hours, COLA, Cosmo, International Application Fees, Athletic Games, etc.					
** CDC, Health Services, Promise, etc.					

Current Year and Multi Year Projections

Scenario 2: Middle Case Scenario

- The table to the right provides the middle case scenario MYP, based on what we know today, and assuming the revenues and expenditures as provided on slide 7
- Staff are updating position control for the current year, and multi years
- As updates are made, and more information is learned, the data will also be updated

	FY 1819 Actual	FY 1920 Actual	FY2021 Estimated	FY 2122 Estimated	FY 2223 Estimated
Revenues			<i>as of 10/23/2020</i>	<i>as of 10/23/2020</i>	<i>as of 10/23/2020</i>
PY Ending Balance	\$ 6,743,124	\$ 7,123,951	\$ 11,514,620	\$ 10,490,877	\$ 5,936,672
Transfer to/from 40001	\$ (3,100,000)	\$ (2,831,244)	\$ (3,200,122)	\$ (1,500,000)	\$ -
Beginning Fund Balance	\$ 3,643,124	\$ 4,292,707	\$ 8,314,498	\$ 8,990,877	\$ 5,936,672
Site Allocation	\$ 45,176,363	\$ 49,028,086	\$ 48,217,108	\$ 47,985,889	\$ 47,787,175
PY Encumbrances					
Other Revenue*	\$ 3,257,124	\$ 4,789,823	\$ 4,909,163	\$ 4,909,163	\$ 4,909,163
Total Revenues (Accounted Budget)	\$ 52,076,611	\$ 58,110,616	\$ 61,440,768	\$ 61,885,928	\$ 58,633,009
Expenses					
Administrator	\$ 2,704,985	\$ 2,699,803	\$ 2,834,793	\$ 2,976,533	\$ 3,125,360
Classified	\$ 8,799,151	\$ 9,332,449	\$ 9,934,639	\$ 10,470,307	\$ 10,993,823
Faculty	\$ 20,743,532	\$ 21,097,478	\$ 22,383,634	\$ 23,616,310	\$ 24,797,125
Benefits	\$ 10,731,952	\$ 11,248,720	\$ 11,969,936	\$ 12,631,452	\$ 13,263,024
Operational Expenses	\$ 1,362,709	\$ 1,254,654	\$ 1,254,654	\$ 1,254,654	\$ 1,254,654
Total Expenses	\$ 44,342,329	\$ 45,633,103	\$ 48,377,656	\$ 50,949,256	\$ 53,433,986
Transfers Out (7310)**	\$ 567,344	\$ 942,873	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Subtotal (Revenues-Expenses)	\$ 7,166,938	\$ 11,534,640	\$ 12,063,112	\$ 9,936,672	\$ 4,199,024
Fund 3 Deficit			\$ -	\$ (4,000,000)	\$ (3,600,000)
COVID-19 Additional Expenses			\$ (1,100,000)		
CSM B19 Remodel			\$ (472,235)		
Encumbrances	\$ (42,988)	\$ (20,020)			
Ending Balance (Restricted and Unrestricted)	\$ 7,123,951	\$ 11,514,620	\$ 10,490,877	\$ 5,936,672	\$ 599,024
Fund 1 Restricted Ending Balance			\$ 6,711,544	\$ 6,711,544	\$ 6,711,544
Fund 1 Unrestricted Ending Balance			\$ 3,779,333	\$ (774,872)	\$ (6,112,520)
40001 Contingency Ending Balance			\$ 16,861,906	\$ 16,087,035	\$ 9,974,514
* Office Hours, COLA, Cosmo, International Application Fees, Athletic Games, etc.					
** CDC, Health Services, Promise, etc.					

Current Year and Multi Year Projections

Scenario 3: Best Case Scenario

- The table to the right provides the best case scenario MYP, based on what we know today, and assuming the revenues and expenditures as provided on slide 7
- Staff are updating position control for the current year, and multi years
- As updates are made, and more information is learned, the data will also be updated

	FY 1819 Actual	FY 1920 Actual	FY2021 Estimated	FY 2122 Estimated	FY 2223 Estimated
Revenues			<i>as of 10/23/2020</i>	<i>as of 10/23/2020</i>	<i>as of 10/23/2020</i>
PY Ending Balance	\$ 6,743,124	\$ 7,123,951	\$ 11,514,620	\$ 10,490,877	\$ 6,108,657
Transfer to/from 40001	\$ (3,100,000)	\$ (2,831,244)	\$ (3,200,122)	\$ (1,500,000)	\$ -
Beginning Fund Balance	\$ 3,643,124	\$ 4,292,707	\$ 8,314,498	\$ 8,990,877	\$ 6,108,657
Site Allocation	\$ 45,176,363	\$ 49,028,086	\$ 48,217,108	\$ 48,157,874	\$ 48,817,988
PY Encumbrances					
Other Revenue*	\$ 3,257,124	\$ 4,789,823	\$ 4,909,163	\$ 4,909,163	\$ 4,909,163
Total Revenues (Accounted Budget)	\$ 52,076,611	\$ 58,110,616	\$ 61,440,768	\$ 62,057,913	\$ 59,835,808
Expenses					
Administrator	\$ 2,704,985	\$ 2,699,803	\$ 2,834,793	\$ 2,976,533	\$ 3,125,360
Classified	\$ 8,799,151	\$ 9,332,449	\$ 9,934,639	\$ 10,470,307	\$ 10,993,823
Faculty	\$ 20,743,532	\$ 21,097,478	\$ 22,383,634	\$ 23,616,310	\$ 24,797,125
Benefits	\$ 10,731,952	\$ 11,248,720	\$ 11,969,936	\$ 12,631,452	\$ 13,263,024
Operational Expenses	\$ 1,362,709	\$ 1,254,654	\$ 1,254,654	\$ 1,254,654	\$ 1,254,654
Total Expenses	\$ 44,342,329	\$ 45,633,103	\$ 48,377,656	\$ 50,949,256	\$ 53,433,986
		\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out (7310)**	\$ 567,344	\$ 942,873	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
			\$ -	\$ -	\$ -
Subtotal (Revenues-Expenses)	\$ 7,166,938	\$ 11,534,640	\$ 12,063,112	\$ 10,108,657	\$ 5,401,822
		\$ -	\$ -	\$ -	\$ -
Fund 3 Deficit			\$ -	\$ (4,000,000)	\$ (3,600,000)
COVID-19 Additional Expenses			\$ (1,100,000)	\$ -	\$ -
CSM B19 Remodel			\$ (472,235)	\$ -	\$ -
Encumbrances	\$ (42,988)	\$ (20,020)	\$ -	\$ -	\$ -
Ending Balance (Restricted and Unrestricted)	\$ 7,123,951	\$ 11,514,620	\$ 10,490,877	\$ 6,108,657	\$ 1,801,822
Fund 1 Restricted Ending Balance			\$ 6,711,544	\$ 6,711,544	\$ 6,711,544
Fund 1 Unrestricted Ending Balance			\$ 3,779,333	\$ (602,887)	\$ (4,909,722)
40001 Contingency Ending Balance			\$ 16,861,906	\$ 16,259,020	\$ 11,349,298
* Office Hours, COLA, Cosmo, International Application Fees, Athletic Games, etc.					
** CDC, Health Services, Promise, etc.					

Enrollment Trends

As noted in the table below, between 2015-16 to the present, CSM’s student headcount has dropped by over 2,700 students.

	Unique Census Headcount	Headcount Percent Change
2015-16	14,603	
2016-17	14,607	0.03%
2017-18	14,850	1.66%
2018-19	14,363	-3.28%
2019-20	13,600	-5.31%
2020-21	11,894	-12.54%

Unique Census Headcount: Student enrollment count at First Census. Counts based on unique students—i.e., students are counted only once regardless of the number of units or courses in which that student is enrolled. SMCCCD Unique Census Headcount = unduplicated count across the 3 colleges. In other words, a student enrolled at 2 or 3 SMCCCD campuses is counted only once in the SMCCCD total. Source: Sv_Student_Current_Courses based on Registration Status Codes of RE, DW, DN, CD, and CW.