

2015-16 One-Time Funds

In 2015-16 SBCCD received approximately \$8.2 million in one-time revenues from the state. How will this money be spent?

One-time resources are defined as those that cannot reasonably be expected to be received on an ongoing basis. These funds most likely will not be available in the next fiscal year, and are the result of a one-time spike. One-time expenditures are those that are non-recurring (usually only in one annual budget) and not permanently included in baseline expenditures. One-time revenues should not be used in a manner that would increase an entity's ongoing expenditure base. With these guidelines in mind, we established the following budget for use of one-time revenues for 2015-16.

Enterprise Resource Planning Solution (\$500,000)

The District's software systems and processes are no longer sufficient to support its human resources, finance, operations, and business functions. This deficiency exposes SBCCD and all its entities to increasing risk in the areas of compliance, financial activities, and day-to-day operations. It also places the colleges at a strategic disadvantage in meeting the needs of their students.

As adopted in the 2014-20 District Strategic Plan and approved through the program review process, SBCCD began developing the best approach to meeting its business, finance, human resources and payroll system needs. This action was taken in order to increase administrative and operational efficiency and effectiveness with the anticipated eventual outcome of becoming fiscally independent from the San Bernardino County Superintendent of Schools.

While the total cost exceeds the \$500,000 set aside from the \$8.2 million, the variance will be funded from the Capital Outlay fund.

SBVC Health Life Science Building Ventilation & Generator Replacement for Districtwide Technology Equipment Projects (\$1.5 million)

The Health Life Science Building project was listed as a need by SBVC's program review committee and prioritized number 1 by the Facilities and Safety Committee. It was then reviewed and approved by the SBVC College Council.

The generator project is a carry-over from two years ago. The current generator, which supports all communications district-wide, does not meet Air Quality Management District (AQMD) standards and must be replaced.

Non-Potable Water Conservation at CHC (\$1.2 million)

This project was part of Crafton's Capital Improvement/Replacement Plan and is in partnership with the City of Redlands in order to meet state water conservation mandates. It is anticipated that this project will result in future savings.

Increases in STRS & PERS Rates (\$1.5 million)

The State Chancellor's Office has strongly recommended that districts prepare for the upcoming STRS and PERS rate increases.

*"...college budgets will face additional stresses in the coming years, as PERS and STRS obligations are scheduled to increase rapidly and the state faces the sunset of Proposition 30 revenues. Given these circumstances and our knowledge of the volatility of the state's revenue system, we suggest that districts plan carefully now so they are prepared to meet the challenges ahead. Overcommitting these funds to ongoing concerns this year could result in problems in future years when payments for the PERS and STRS contributions come due and the state faces another economic downturn."*ⁱ

We have taken a proactive approach to this anticipated expense and set aside \$1.5 million for future rate increases.

Enrollment Management (\$1 million)

SBCCD is in an unprecedented position to capture FTESⁱⁱ with very minimal risk due to the 2015-16 restructure of the State Growth Formula, as explained below. However, our colleges need financial support in their endeavor to meet the increased enrollment goals by offering additional sections, providing for increased support needs, and

conducting the necessary marketing outreach.

Based on the number of people in our district's boundaries without a college degree, and the number that are unemployed, have limited English skills, are in poverty, or exhibit other signs of being disadvantaged, the State Chancellor's Office determined that SBCCD should be serving 2.12% of California's entire community college population. However, we have only been receiving enough funding to serve 1.28%. Based on this gap, SBCCD is expecting a one-time adjustment of approximately 7.44% in FTES.

Beginning in 2016-17, it is anticipated that growth will be equally distributed among all districts.

Program Review Needs (\$500,000)

Unfunded program review needs exist districtwide. Over the next couple months, we will evaluate and prioritize these needs, funding them accordingly. Stay tuned for details.

Unallocated Funds (\$2 million)

There is an additional \$2 million dollars which will be held in reserve. This is to maintain a 15% fund balance against 2016-17 expense projections, in accordance with Board of Trustee directives.

Still have questions? Email kgoodric@sbccd.cc.ca.us and we'll do our best to answer them.

ⁱSource: http://extranet.cccco.edu/portals/1/executiveoffice/board/2015_agendas/july/3.1-2015-16-budget-update.pdf

ⁱⁱ FTES (Full-time Equivalent Students): An FTES represents 525 class (contact) hours of student instruction/activity in credit and noncredit courses. FTES is one of the workload measures used in the computation of state aid for California Community Colleges.