

2004-2005 Budget Narrative

The 2004-05 Governor's Budget proposal increases the community colleges' share of Proposition 98 funds from 9.51% to 10.04%. While this is an improvement, it is not at the level agreed on between K-12 and community colleges. (See K-12/CCC Split of Proposition 98)

Other important items in the Governor's Budget include:

Equalization

For SMC equalization is the most important item in the budget. For the first time the Governor's January budget proposal provides major funding of \$80 million for community college equalization. The method proposed to distribute the funds provides approximately one third of the equalization money each low funded district needs to reach the equalization target. The Governor's model gives SMC about \$3.6 million in 2004-05. Unfortunately there is not agreement among the community colleges about using the Department of Finance distribution model. Another model developed by the Community College League of California (CCLC) attempts to revise community college funding, and equalization is included in the model. The CCLC model gives us about \$2.2 million. Both scenarios assume the \$80 million survives the demands others will make to shift the funds to different areas. This will result in at least two models being proposed. The last time there were two models, the Governor vetoed the equalization money. Community colleges can't run that risk for 2004-05. (See Comparison of Equalization Funding Models)

Growth

Another increase for community colleges is the allocation of over \$125 million for 3% Growth. In 2004-05, SMC faces the challenge of first restoring FTE to the 2002-03 enrollment target. Once that target is met, SMC needs to work on a plan to further increase enrollment to meet the growth target. There are districts such as LACCD that would like to see 4 1/2% growth so they could cover their needs.

Funding Allocation

As part of the consolidation of the budget the Governor has put Partnership for Excellence, Matriculation, the Part-Time Faculty programs, and part of the Telecommunications and Technology Infrastructure Grant into general apportionment. It will be up to local boards to decide how to spend the money. (See Funding Allocation diagram)

Enrollment Fee Increase

Student enrollment fees will increase to \$26 per unit and \$50 per unit for students with a bachelor's degree. Of course, the money goes to the State. Qualified low income students will continue to have the fee waived.

TJD:jf

	STATE REVENUES			
	2001 - 2002	2002 - 2003	2003 -2004	2004 - 2005
General Apport. (incl. Prop. Tax)	3,555,269	3,685,378	3,703,912	4,303,978
Basic Skills & Apprenticeship	47,211	40,552	40,552	40,552
Growth for Apportionments	106,841	114,308	57,900	125,132
Partnership for Excellence	300,000	263,009	225,000	apport
Financial Aid Administration	7,149	8,100	46,447	47,265
Extended Opportunity Prog/Servs	79,663	83,695	82,671	82,671
CARE	11,775	12,370	12,221	12,221
Teacher & Reading Development	5,000	2,268	3,700	apport
Disabled Students	79,581	83,608	82,583	82,583
CalWORKS Students	65,000	35,000	34,580	34,580
Foster Care Education	1,866	1,866	1,754	1,754
Matriculation	76,289	54,307	54,307	apport
Faculty & Staff Development	5,233	0	0	0
Academic Senate	497	497	467	467
Faculty & Staff Diversity	1,859	1,859	1,747	1,747
Part-Time Faculty Health Insurance	1,000	1,000	1,000	apport
Part-Time Faculty Compensation	57,000	57,000	50,828	apport
Part-Time Faculty Office Hours	7,172	7,172	7,172	apport
Telecommunications/Technology	44,300	18,500	22,050	10,897
California Virtual University	2,900	0	1,347	1,347
Fund for Instructional Improvement	1,630	880	312	0
Fund for Student Success	16,218	6,233	6,158	6,158
Economic Development	50,172	34,193	35,790	35,790
Transfer Education & Articulation	1,974	1,974	1,974	1,974
Scheduled Maintenance/Repairs	17,000	17,248	12,470	12,470
Instructional Equip/Library Material	15,000	17,249	12,471	12,471
Hazardous Substances Abatement	8,000	8,000	4,404	4,404
Canada College Joint Baccalaureate	1,000	0	0	0
Mandates	1,691	1	1	2
Lease-purchase Bondpayments	61,907	36,668	55,039	57,381
Energy Costs/Other Projects	49,760	0	0	0
Unexpended Balance/Savings	(21,868)	0	0	0
Subtotal - Prop 98 Programs	4,658,089	4,592,935	4,558,857	4,875,844
Funding Sources:				
General Fund (Prop 98)	2,670,831	2,526,513	2,244,094	2,414,375
Property Tax (Prop 98)	1,582,087	1,980,982	2,114,763	2,264,429
Prop. 98 Subtotals Relevant Fiscal Yr	4,252,918	4,507,495	4,358,857	4,678,804
(Prop 98) 2004-2005 "the Deferral"	0	0	200,000	200,000
Reversion Account Funds	135,172	85,440	104	0
Lottery Funds	138,089	141,244	140,922	140,922
Federal Oil & Mineral Revenues	0	531	1,496	1,496
Foster children & Parent Training Fund	0	2,967	2,383	2,379
Enrollment Fee Revenues	164,012	169,215	265,138	356,107
Total System Funding	4,690,191	4,906,892	4,968,900	5,379,708
(Figures are in thousands)				

Administration Proposal

League Issues Brief Proposal

Districts Sorted by \$/FTES	Total Equalization to 90th Percentile	2004-05 Equalization Payment	Total Equalization to Bring All Districts to State Target Rate	2004-05 Equalization Payment	Total Equalization Difference
Allan Hancock	1,194,172	420,015	2,557,385	731,457	1,363,213
Antelope Valley	2,906,209	1,022,174	4,349,098	1,243,918	1,442,889
Barstow	0	0	505,532	144,591	505,532
Butte	2,428,194	854,046	3,050,805	872,584	622,611
Cabrillo	3,108,594	1,093,357	4,872,220	1,393,540	1,763,626
Cerritos	5,656,416	1,989,479	4,649,139	1,329,735	-1,007,277
Chabot-Las Positas	3,964,532	1,394,409	5,280,103	1,510,202	1,315,571
Chaffey	5,069,368	1,783,002	5,350,989	1,530,476	281,621
Citrus	1,849,231	650,413	2,763,594	790,436	914,363
Coast	8,979,954	3,158,437	7,772,867	2,223,176	-1,207,087
Compton	0	0	1,233,629	352,839	1,233,629
Contra Costa	9,005,496	3,167,420	8,997,362	2,573,403	-8,134
Copper Mountain	316,166	111,202	1,922,196	549,782	1,606,030
Desert	640,565	225,300	1,759,430	503,228	1,118,865
El Camino	5,325,897	1,873,229	3,649,772	1,043,899	-1,676,125
Feather River	0	0	220,767	63,143	220,767
Foothill-De Anza	10,142,545	3,567,344	7,411,299	2,119,761	-2,731,246
Fremont-Newark	1,534,724	539,794	2,178,011	622,949	643,287
Gavilan	0	0	1,577,004	451,051	1,577,004
Glendale	4,833,986	1,700,213	4,797,573	1,372,190	-36,413
Grossmont-Cuyamac	6,007,197	2,112,856	6,890,427	1,970,783	883,230
Hartnell	473,764	166,633	1,437,736	411,218	963,972
Imperial	768,704	270,369	2,202,240	629,879	1,433,536
Kern	565,162	198,779	7,459,530	2,133,556	6,894,368
Lake Tahoe	0	0	0	0	0
Lassen	0	0	0	0	0
Long Beach	5,750,215	2,022,470	3,911,037	1,118,625	-1,839,178
Los Angeles	0	0	2,641,950	755,644	2,641,950
Los Rios	12,648,292	4,448,667	10,803,190	3,089,901	-1,845,102
Marin	0	0	557,542	159,467	557,542
Mendocino-Lake	0	0	186,050	53,214	186,050
Merced	1,288,613	453,232	2,762,884	790,233	1,474,271
Mira Costa	0	0	1,858,332	531,515	1,858,332
Monterey Peninsula	749,375	263,571	1,496,257	427,956	746,882
Mt. San Antonio	7,771,007	2,733,225	4,876,036	1,394,632	-2,894,971
Mt. San Jacinto	1,292,101	454,459	3,218,642	920,588	1,926,541
Napa	0	0	1,992,128	569,783	1,992,128
North Orange	9,282,408	3,264,816	5,766,919	1,649,440	-3,515,489
Palo Verde	0	0	410,881	117,519	410,881
Palomar	5,843,844	2,055,402	5,689,950	1,627,425	-153,894
Pasadena	7,639,596	2,687,005	6,309,192	1,804,539	-1,330,404
Peralta	0	0	3,385,793	968,396	3,385,793
Rancho Santiago	3,249,863	1,143,044	2,371,868	678,396	-877,995
Redwoods	0	0	3,130,628	895,414	3,130,628
Rio Hondo	1,900,238	668,353	2,583,573	738,947	683,335
Riverside	9,953,491	3,500,850	9,697,321	2,773,604	-256,170
San Bernardino	2,629,031	924,685	4,359,258	1,246,824	1,730,227
San Diego	6,511,183	2,290,119	9,631,334	2,754,730	3,120,151

Administration Proposal

League Issues Brief Proposal

Districts Sorted by \$/FTES	Total Equalization to 90th Percentile	2004-05 Equalization Payment	Total Equalization to Bring All Districts to State Target Rate	2004-05 Equalization Payment	Total Equalization Difference
San Francisco	0	0	0	0	0
San Joaquin	3,855,533	1,356,071	3,569,998	1,021,082	-285,535
San Jose	499,256	175,599	2,323,035	664,429	1,823,779
San Luis Obispo	1,671,488	587,897	3,221,096	921,290	1,549,608
San Mateo	1,153,989	405,882	4,233,580	1,210,878	3,079,591
Santa Barbara	3,688,151	1,297,199	5,810,094	1,661,789	2,121,943
Santa Clarita	3,271,612	1,150,694	4,823,747	1,379,676	1,552,135
Santa Monica	10,267,158	3,611,173	7,959,475	2,276,549	-2,307,683
Sequoias	2,078,075	730,902	3,466,282	991,417	1,388,207
Shasta-Tehama-Trini	882,406	310,361	1,512,979	432,738	630,573
Sierra	3,974,937	1,398,068	5,232,965	1,496,720	1,258,028
Siskiyou	0	0	497,198	142,207	497,198
Solano	2,134,357	750,698	3,701,222	1,058,614	1,566,865
Sonoma	4,573,269	1,608,514	4,797,495	1,372,168	224,226
South Orange	5,629,342	1,979,957	5,025,345	1,437,337	-603,997
Southwestern	5,888,897	2,071,248	6,655,241	1,903,515	766,344
State Center	8,172,341	2,874,382	10,183,243	2,912,586	2,010,902
Ventura	8,687,425	3,055,548	10,086,835	2,885,011	1,399,410
Victor Valley	1,062,171	373,588	1,786,292	510,911	724,121
West Hills	0	0	891,509	254,987	891,509
West Kern	0	0	0	0	0
West Valley	4,749,521	1,670,505	5,625,561	1,609,009	876,040
Yosemite	2,538,613	892,883	3,790,078	1,084,029	1,251,465
Yuba	1,394,455	490,459	3,980,444	1,138,477	2,585,989
TOTALS	227,453,130	80,000,000	279,703,187	80,000,006	

STATE APPORTIONMENT CALCULATION

Base 03-04	78,399,523
(3) Faculty Allocations	1,000,440
PFE	4,276,366
Matriculation (Credit)	693,266
Matriculation (Non Credit)	30,901
Equalization	3,611,173
New Base 04-05	88,011,669
New Base 04-05	88,011,669
less Enrollment Fee (net)	(10,335,296)
less Property Taxes	(33,204,299)
State Apportionment	44,472,074

**SANTA MONICA COLLEGE
GENERAL FUND UNRESTRICTED
INCOME**

	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005
	Actual Rev	Actual Rev	Projected Rev	Projected Rev
FEDERAL				
8189 Fin Aids Adm Allowances	128,088	114,873	114,873	114,873
TOTAL FEDERAL	128,088	114,873	114,873	114,873
STATE				
8610 Principal Appt.	41,170,080	42,167,339	38,505,729	44,472,074
8611 Basic Skills Appt.	991,089	580,429	0	0
8616 Prior Yr Appt. Adj.	(1,451,243)	(308,756)	312,170	0
8672 Homeowners Exempt	94,545	94,454	94,454	94,454
8680 State Lottery Rev.	3,009,936	3,182,137	2,540,440	3,182,137
8692 Mandated Cost Recov.	(\$133,913)	0	0	0
8699 Other State*	1,463,113	1,254,265	1,000,440	0
Partnership for Excellence	5,701,813	4,998,760	4,276,360	0
TOTAL STATE	50,845,420	51,968,628	46,729,593	47,748,665
LOCAL				
8810 Prop Tax Shift	21,961,645	23,016,951	25,497,202	25,497,202
8811 Secured Tax	5,903,076	6,293,879	6,879,210	6,879,210
8812 Supple. Taxes	124,295	105,343	105,342	105,342
8813 Unsecured Tax	339,804	370,894	370,894	370,894
8816 Prior Yrs Taxes	299,259	253,184	257,197	257,197
8816 Special Adjustment	0	329,108	0	0
8830 Intensive ESL	479,700	547,328	410,496	410,496
8850 Rents	16,461	17,825	35,000	35,000
8860 Interest	461,341	272,322	204,242	204,242
8872 Cont. Ed/Comm Serv.	636,409	610,529	0	0
8874 Enrollment Fees	4,708,037	4,766,127	6,826,015	10,546,220
8879 Student Records	120,903	179,110	150,452	150,452
8880 Non Res Tuition	13,497,733	13,651,624	12,530,810	12,530,810
8886 F1 Application Fees	58,805	87,250	71,545	71,545
8889 Other Fees	398,278	281,340	236,326	236,326
8890 Other Local	315,486	331,161	278,175	278,175
8891 I.D. Card Service Charge	512,302	512,637	430,615	430,615
8892 Library Fines	20,673	19,610	16,472	16,472
8893 Parking Fines	341,942	282,972	237,696	237,696
TOTAL LOCAL	50,196,149	51,929,194	54,537,689	58,257,894
TOTAL INCOME	101,169,657	104,012,695	101,382,155	106,121,432
8980 Transfer in	845,348	96,705	59,420	59,420
TOTAL REVENUE	102,015,005	104,109,400	101,441,575	106,180,852
BEGINNING BALANCE	5,821,609	1,210,760	1,862,057	3,900,919
ADJ. TO BEGINNING BAL	(36,388)	1,177,626	0	0
TOTAL FUNDS AVAILABLE	107,800,226	106,497,786	103,303,632	110,081,771

**SANTA MONICA COLLEGE
GENERAL FUND UNRESTRICTED
EXPENDITURES**

	2001 - 2002	2002 - 2003	2003 - 2004
	Actual Exps	Actual Exps	Projected Exps
Instruction	21,103,124	22,381,218	22,020,361
Academic Managers	4,268,183	4,405,466	3,624,632
Non-Instruction	3,963,510	3,847,335	4,764,277
Hourly Instruction	19,277,990	19,249,956	13,826,564
Hourly Non-Instruction	3,629,848	3,102,657	2,242,375
Total Academic	52,242,655	52,986,632	46,478,209
Classified Regular	15,382,598	15,753,123	14,736,737
Classified Managers	3,008,817	2,777,935	2,637,654
Class Reg Instruction	2,056,421	2,130,091	1,951,687
Classified Hourly	2,949,545	1,456,115	1,477,183
Class Hrly Instruction	785,750	574,040	395,400
Total Classified	24,183,131	22,691,304	21,198,661
STRS	2,421,277	3,274,164	2,936,063
PERS	0	934,737	2,402,542
OASDHI	2,288,625	2,378,899	2,124,377
H/W	6,178,525	7,729,133	8,797,514
Retiree's H/W	920,654	1,011,613	1,212,453
SUI	105,738	135,788	199,445
Worker's comp.	738,380	821,571	947,345
District Retirement	620,132	538,919	321,464
Total Benefits	13,273,331	16,824,824	18,941,203
Total Supplies	1,178,706	694,984	1,095,177
Contracts/Services	8,455,038	7,537,017	7,283,706
Insurance	423,763	531,427	585,635
Utilities	2,636,764	2,010,638	2,905,378
Total Services	11,515,565	10,079,082	10,774,719
Bldg & Sites	1,106,658	15,723	0
Equipment	2,510,782	64,569	25,000
Lease Purchases	0	822,391	818,874
Total Capital	3,617,440	902,683	843,874
Total Expenses	106,010,828	104,179,509	99,331,843
Other Outgo Financial Aid	6,856	0	0
Other Outgo Transfers	571,782	456,220	560,374
Total Exp & Transfer	106,589,466	104,635,729	99,892,217
Contingency Reserve	1,210,760	1,862,057	3,411,415
TOTAL	107,800,226	106,497,786	103,303,632

**SANTA MONICA COLLEGE
GENERAL FUND RESTRICTED
INCOME**

	2001 -2002	2002 - 2003	2003 - 2004	2004 - 2005
	Actual Rev	Actual Rev	Projected Rev	Projected Rev
FEDERAL				
8170 Vocational Ed.	448,246	510,076	171,859	171,859
8180 Economic App. ACT/FWS	659,297	488,751	648,904	648,904
8190 Radio Grants	0	1,594,477	975,000	975,000
8190 Radio Grants C/O	0	0	470,078	0
8241 Tech Prep	68,312	63,769	72,000	72,000
Other Federal	1,606,759	939,357	920,688	297,088
Total Federal	2,782,614	3,596,430	3,258,529	2,164,851
STATE				
8620 Block Grant	605,314	0	0	0
8620 Block Grant C/O	0	247,398	309,510	0
8620 Economic Development	1,080,902	347,850	0	0
8620 Economic Development C/O	0	55,753	0	0
8620 S.F.A.A.	0	0	700,602	712,941
8620 TTIP C/O	159,432	126,008	213,348	0
8620 TTIP	157,592	41,234	36,364	17,971
8620 CalWorks	556,655	394,857	339,619	339,619
8620 Calworks C/O	0	150,650	0	0
8620 TANF	173,982	86,991	82,641	82,641
8622 Extended Opp. Program	1,058,824	948,873	1,109,468	1,109,468
8622 Extended Opp. Program C/O	0	0	177,329	0
8623 Disabled Students	1,006,355	1,071,790	981,012	981,012
8650 Matriculation	529,366	457,217	693,266	apport
8650 Matriculation C/O	0	409,562	284,015	0
8650 Non-Credit Matriculation	119,090	33,260	30,901	apport
8650 Non-Credit Matriculation C/O	0	0	28,537	0
8650 EOPS Care	108,020	43,546	99,437	99,437
8650 EOPS Care C/O	0	0	61,125	0
8650 Staff/Fac Diversity	24,151	24,437	23,118	23,118
8650 Energy Relief	15,318	0	0	0
8650 Energy Relief C/O	0	102,495	325,469	0
8650 Teacher Reading Dev. Prog	350,000	206,372	0	apport
8654 Instr. Equip/Library Matl.	136,766	97,188	502,500	502,500
8654 Instr. Equip/Library Matl. C/O	0	17,817	382,285	0
8656 Staff Development	80,028	0	0	0
8656 Staff Development C/O	0	2,373	17,961	0
8680 Lottery	417,576	311,643	318,762	417,576
Other State	1,029,032	930,681	1,192,477	0
Total State	7,608,403	6,107,995	7,909,746	4,286,283

**SANTA MONICA COLLEGE
GENERAL FUND RESTRICTED
INCOME**

LOCAL				
8830 Pico Partnership	199,875	168,177	199,875	199,875
8830 Pico Partnership	0	0	14,615	0
8876 Health Fees	691,616	673,482	580,448	673,482
8881 Parking Fees	962,127	1,105,444	1,195,243	1,195,243
8890 Parking Lot Inc	238,700	242,310	151,864	151,864
Donations - KCRW	3,525,082	2,166,757	3,492,049	3,492,049
Other Local	413,024	1,964,241	1,509,086	547,000
Total Local	6,030,424	6,320,411	7,143,180	6,259,513
Total Income	16,421,441	16,024,836	18,311,455	12,710,647
8980 Transfers	173,987	172,420	216,301	216,301
Total Revenue	16,595,428	16,197,256	18,527,756	12,926,948
Beginning Balance	1,226,181	204,458	0	0
Adjustment to Beginning Balance	36,388	(82,943)	0	0
TOTAL FUNDS AVAILABLE	17,857,997	16,318,771	18,527,756	12,926,948

**SANTA MONICA COLLEGE
GENERAL FUND RESTRICTED
EXPENDITURES**

	2001 - 2002 Actual Exps	2002 - 2003 Actual Exps	2003 - 2004 Projected Exps
Instruction	33,664	0	432,720
Management	728,503	684,837	603,404
Non-Instruction	890,291	871,541	1,055,947
Hourly Instruction	170,013	52,206	278,505
Hourly Non-Instruction	1,121,265	1,122,521	1,319,578
Total Academic	2,943,736	2,731,105	3,690,154
Classified Regular	1,792,926	1,591,578	1,611,092
Classified Managers	261,653	259,415	272,892
Class Reg Instruction	179,118	159,997	157,545
Classified Hourly	1,480,918	1,410,213	1,250,004
Class Hrly Instruction	331,336	315,382	240,841
Total Classified	4,045,951	3,736,585	3,532,374
STRS	192,253	228,674	284,558
PERS	443	29,659	197,230
OASDHI	188,295	143,574	293,932
H/W	600,230	351,546	481,981
SUI	6,550	1,698	26,967
Worker's Comp.	67,473	55,742	63,976
District Retirement	(5,245)	25,104	30,373
Total Benefits	1,049,999	835,997	1,379,017
Total Supplies	1,251,366	809,556	554,166
Contracts/Services	3,743,754	3,497,430	4,528,838
Insurance	133,444	1,529,004	4,077
Utilities	182,062	187,040	325,469
Total Services	4,059,260	5,213,474	4,858,384
Bldg & Sites	1,253,062	1,452,224	15,302
Equipment	1,424,461	843,169	3,473,372
Total Capital	2,677,523	2,295,393	3,488,674
Total Expenses	16,027,835	15,622,110	17,502,769
Other Outgo - Financial Aids	780,356	617,651	965,567
Other Outgo - Transfers	845,348	79,010	59,420
Total Other Outgo	1,625,704	696,661	1,024,987
Total Exps & Other Outgo	17,653,539	16,318,771	18,527,756
Contingency Reserve	204,458	0	0
TOTAL	17,857,997	16,318,771	18,527,756