



# Multiyear Budget Projections

Planning and Budgeting Council Meeting  
December 4, 2024

# Agenda

- State Forecast
- District Resource Allocation
- College Multiyear Projections
- Recommendations

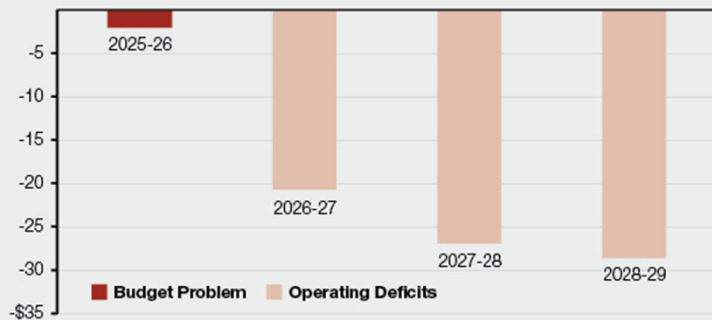
# State Forecast

## Legislative Analyst's Office (LAO)

- **Stable Funding Growth:** The 2025-26 budget reflects modest increases in Proposition 98 funding, ensuring continued support for K-12 schools and community colleges. Income tax revenues are up, driven by high-income earners and a strong stock market.
- **Economic Volatility:** While revenue trends are currently stable, future operating deficits highlight the need for cautious spending. Significant annual deficits of \$20–30 billion are expected in the following years.

Figure 5

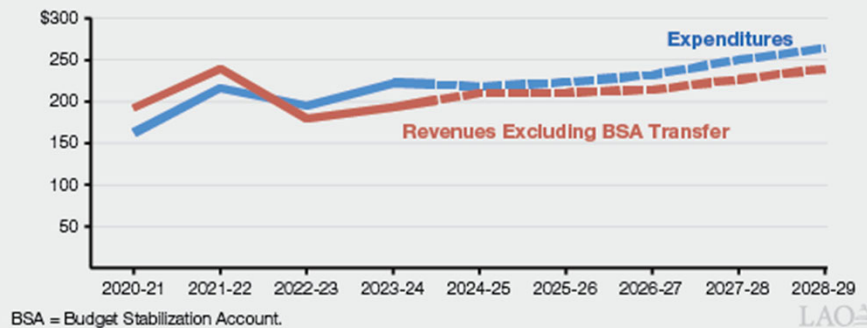
### State Faces Growing Multiyear Deficits (In Billions)



LAO

Figure 7

### Revenues Not on Track to Grow Fast Enough to Catch Up to Ongoing Spending (In Billions)



BSA = Budget Stabilization Account.

LAO

# State Forecast

## Legislative Analyst's Office (LAO)

- **Reserve Contributions:** Increased Proposition 98 Reserve balances provide a buffer against economic downturns, offering stability for education funding.
- **Cost Pressures:** Rising operational costs, particularly from COLAs, will require thoughtful allocation to maintain service levels without overspending.
- **Fiscal Advice:** Avoid new ongoing spending to ensure budget sustainability.

Source: Legislative Analyst's Office (LAO) 2025-26 California's Fiscal Outlook

[The 2025-26 Budget: California's Fiscal Outlook](#)

# District Resource Allocation Multiyear Projections-Appendix 1



SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
REVENUE AND EXPENDITURE ASSUMPTIONS - FUND 1

	FY2024-25 Tentative	FY2024-25 Adopted	FY2025-26 Tentative	FY2026-27 Preliminary	FY2027-28 Preliminary
<b>REVENUE</b>					
<u>Local</u>					
Property Taxes					
Base Revenue	\$207,018,175	208,943,633	\$213,157,011	\$225,413,539	\$238,938,351
Redevelopment Agency	20,386,390	20,540,166	\$20,818,847	22,015,930	23,336,886
<u>Student Fees</u>					
Enrollment Fees (\$46)	11,134,741	10,941,060	\$12,235,442	12,413,819	12,413,584
Out-of-State Non-Resident	2,238,389	2,129,026	\$2,881,631	3,030,552	3,179,474
International Non-Resident	6,534,802	6,534,802	\$7,171,497	7,789,980	8,172,780
Interest	3,000,000	4,500,000	\$4,000,000	3,500,000	3,000,000
Other	319,208	344,705	\$344,705	344,705	344,705
<u>State</u>					
Proposition 55	1,390,504	1,394,707	\$1,482,427	1,522,679	1,540,306
Lottery	2,868,881	3,090,170	\$3,153,526	3,200,014	3,199,959
F/T Faculty Allocation	3,575,363	3,575,363	\$3,575,363	3,575,363	3,575,363
P/T Faculty Parity	293,610	340,468	\$340,468	340,468	340,468
P/T Faculty Office Hours / Medical	4,530,281	4,681,774	\$4,681,774	4,945,575	5,411,997
Apprenticeship	557,118	555,086	\$555,086	555,086	555,086
Mandated Costs	532,736	534,398	\$561,380	578,618	606,400
STRS On-Behalf	5,076,032	5,065,596	\$5,065,596	5,065,596	5,065,596
<b>Estimated Total Revenue</b>	<b>\$269,456,230</b>	<b>\$273,170,954</b>	<b>\$280,024,752</b>	<b>\$294,291,922</b>	<b>\$309,680,955</b>
<b>EXPENDITURES</b>					
<u>Site Allocations</u>					
Cañada College	\$36,865,822	36,319,315	\$37,716,659	\$37,496,289	\$37,675,064
College of San Mateo	56,954,702	57,384,586	\$58,961,498	58,651,543	58,971,713
Skyline College	60,484,255	59,941,685	\$61,565,467	61,273,364	61,640,579
District Office	24,368,091	24,102,080	\$24,605,686	24,522,620	24,705,522
Facilities	19,528,064	19,683,573	\$20,210,053	20,642,906	20,832,861
<b>Subtotal</b>	<b>\$187,617,083</b>	<b>\$197,431,239</b>	<b>\$209,059,363</b>	<b>\$202,586,721</b>	<b>\$203,825,739</b>
<u>Districtwide Allocations</u>					
Benefits / Mid Yr Inc / Savings	\$250,000	250,000	250,000	\$250,000	\$250,000
STRS On-Behalf	5,076,032	5,065,596	\$5,065,596	5,065,596	5,065,596
College-Generated Revenues	277,151	310,557	310,557	310,557	310,557
Strategic Initiatives (SB893)	7,693,044	11,242,839	11,478,565	11,645,908	11,645,688
Scheduled Maintenance / Capital Improvement		5,530,847	5,530,847	5,530,847	5,530,847
Apprenticeship	551,220	555,086	555,086	555,086	555,086
<u>Unmet Technology Needs</u>					
Unmet Facility / Maintenance Needs*					
Miscellaneous	2,132,179	3,790,945	3,876,945	3,987,825	4,099,883
Utilities	7,845,479	9,066,060	9,066,060	9,325,349	9,587,392
Salary Commitments	15,120,747	10,553,766	10,716,416	23,257,050	36,409,365
Managed Hiring	250,000	250,000	250,000	250,000	250,000
Innovation Fund					
Insurance	3,822,119	4,436,348	4,436,348	4,562,228	4,691,454
Consultant / Legal / Election	785,000	1,735,000	1,735,000	1,770,321	1,320,067
Staff Development	800,409	858,322	858,322	882,870	907,679
Districtwide Technology (Software)	7,335,499	5,815,030	7,015,030	7,215,660	7,418,420
PT Fac. Office Hours / PT Fac. Medical	4,900,000	8,087,756	7,630,582	8,256,790	8,822,549
Transfers Out	8,242,109	8,111,563	8,610,636	8,758,113	8,910,634
DEIA (Diversity, Equity, Inclusion, & Accessibility)	80,000	80,000	80,000	80,000	80,000
<b>Total Districtwide Allocations</b>	<b>65,160,988</b>	<b>75,739,715</b>	<b>76,965,390</b>	<b>91,705,200</b>	<b>105,855,217</b>
<b>Estimated Total Expenditures</b>	<b>\$252,778,071</b>	<b>\$273,170,954</b>	<b>\$280,024,752</b>	<b>\$294,291,922</b>	<b>\$309,680,955</b>

# College Multiyear Projections-Appendix 2

## Cañada College Multiyear Projections

as of 12/03/2024

	2024-25	2025-26	2026-27	2027-28
<b>Revenue</b>				
Site Allocation	\$ 36,319,315	\$ 37,716,659	\$ 37,496,289	\$ 37,676,064
Other Revenue*	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
<b>Total Revenue</b>	\$ 39,819,315	\$ 41,216,659	\$ 40,996,289	\$ 41,176,064
<b>Expenses</b>				
Expenses per Banner **	\$ 38,316,840	\$ 39,849,514	\$ 41,443,494	\$ 43,101,234
Anticipated Position Control Savings, etc.	\$ (450,000)	\$ (472,500)	\$ (472,500)	\$ (496,125)
Transfers Out (Insurance/Promise/Health Services/Middle College & Financial Aid)	\$ 2,222,156	\$ 2,311,042	\$ 2,403,484	\$ 2,499,623
<b>Total Projected Expenses</b>	\$ 40,088,996	\$ 41,688,056	\$ 43,374,478	\$ 45,104,732
<b>Projected Ending Balance</b>	\$ (269,681)	\$ (471,397)	\$ (2,378,189)	\$ (3,928,668)

\*Office Hours, COLA Allocation from DO, etc.

\*\* Projected 4% increases for 2025-26, 2026-27 & 2027-28



# College Multiyear Projections-Appendix 2

## Cañada College 2023-24 Ending Balance

as of 06/30/2024

	Projected 2023-24 as of 12/04/2024	Projected 2023-24 as of 03/05/2024	Actual 2023-24 as of 06/30/2024
<b>Revenue</b>			
Site Allocation	\$ 34,154,330	\$ 34,154,330	\$ 34,154,330
Other Revenue*	\$ 3,720,082	\$ 5,765,236	\$ 6,305,387
<b>Total Revenue</b>	<b>\$ 37,874,412</b>	<b>\$ 39,919,566</b>	<b>\$ 40,459,717</b>
<b>Expenses</b>			
Expenses per Banner/Including Transfers to Fund 3 **	\$ 37,741,857	\$ 39,408,980	\$ 39,408,980
Anticipated Position Control Savings, etc.	\$ (1,829,553)		
Projected COLA Retros***	\$ 3,300,000		
<b>Total Projected Expenses</b>	<b>\$ 39,212,304</b>	<b>\$ 39,408,980</b>	<b>\$ 39,408,980</b>
<b>Projected Ending Balance</b>	<b>\$ (1,337,892)</b>	<b>\$ 510,586</b>	<b>\$ 1,050,737</b>

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\*\*\*Faculty and Management Retros for FY2324 & FY2223

# District/College Multiyear Challenges and Opportunities

## **Challenges:**

### **1. Limited Funding Increase:**

- State funding increases are limited, while projected deficits create significant financial pressures.
- District funding increases are limited, while the Districtwide shared expenses are increasing.

### **2. Infrastructure Funding Shortfalls:**

- Limited funds for scheduled maintenance and capital improvement projects demand a focus on prioritizing critical needs.



# District/College Multiyear Challenges and Opportunities

## **Opportunities:**

### **1. Align Spending with Revenue:**

- Streamline expenses to match available funds and ensure fiscal responsibility.
- Leverage financial reviews to eliminate inefficiencies and optimize resource use.

### **2. Plan for Financial Challenges:**

- Prepare contingency plans to manage state-projected deficits, protecting critical programs and services.

### **3. Advocate for Sustainability:**

- Collaborate with the District to advocate for increased support and resource allocation model adjustments for long-term financial stability.

## Recommendation:

### Recommendation:

Given the current constraints with limited increase in funding, I recommend only approving new positions if the necessary funds can be sourced from prior vacant positions or existing budgets.

This approach ensures financial stability while addressing essential needs.

To maintain financial stability and support long-term campus goals that align with the Educational Master Plan (EMP), prioritize critical needs, align spending with revenue, and focus on sustainability.





**Thank you**

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
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<b>Projected Ending Balance</b>	<b>\$ (1,337,892)</b>	<b>\$ 510,586</b>	<b>\$ 1,050,737</b>

\*Office Hours, COLA Allocation from DO, etc.

\*\* Projected 5% increases for 2425, 2526 & 2627

\*\*\* Faculty and Management Retros