

2017/18
District Budget Advisory Committee (DBAC)

Meeting Agenda - April 17, 2018
Location: FH 5971 Conference Room
Time: 2:00-3:00 p.m.

Note Taker: Carla Maitland

Time	Agenda Topic	Discussion Leader
2:00-2:15	Update regarding 320 Apportionment Attendance Report - P2	McElroy
2:15-2:45	Review Multi-Year budget projections	McElroy
2:45-2:55	Ending Fund Balance and Stability Fund Balance Actuals and Projections	McElroy
2:55-3:00	04/11/2018 - Notes from ACBO Conference Call	McElroy
3:00-3:15	Other	All
Handouts:	04/11/2018 - Notes from ACBO Conference Call	

Multi-Year Budget Projections, Ending Fund Balance and Stability Fund

(Actuals and Projections)

Presented at the
District Budget Advisory Committee meeting - 04/17/2018
by
Kevin McElroy, Vice Chancellor of Business Services



FOOTHILL-DE ANZA
Community College District

Foothill-De Anza Community College District
Multi-Year Projections For General Purpose Fund (Fund 114)

Reduction in FTES by 1100 - Ongoing Flat FTES

Description	2017/18 Adopted Budget	2017/18 Projection	2018/19 Projection	2019/20 Projection	2020/21 Projection
Resident FTES (F/T Equiv Student)	25,967	24,867	24,867	24,867	24,867
FTES Decline/Restoration	0.00%	-4.24%	0.00%	0.00%	0.00%
Productivity	509	509	509	509	509
COLA	1.56%	1.56%	2.51%	1.00%	1.00%
Revenues					
State Apportionment	147,945,769	142,279,669	145,850,900	147,309,400	148,782,500
Non-Resident Tuition	27,750,000	27,750,000	28,277,300	28,984,200	29,708,800
STRS On-Behalf Payments	4,500,000	4,500,000	5,000,000	5,500,000	6,000,000
Other Revenues	8,790,324	8,790,324	8,790,324	8,790,324	8,790,324
Total Ongoing Revenues	\$188,986,093	\$183,319,993	\$187,918,524	\$190,583,924	\$193,281,624
Expenses					
Certificated Salaries	86,191,895	86,191,895	86,491,895	86,791,895	87,091,895
Classified Salaries	37,392,242	37,392,242	37,592,242	37,792,242	37,992,242
Employee Benefits	41,875,732	41,875,732	44,569,900	47,377,900	49,773,600
STRS On-Behalf Payments	4,500,000	4,500,000	5,000,000	5,500,000	6,000,000
Materials & Supplies	3,874,610	3,874,610	3,874,610	3,874,610	3,874,610
Operating Expenses	18,295,852	18,295,852	18,295,852	18,295,852	18,295,852
Capital Outlay	672,538	672,538	672,538	672,538	672,538
Ongoing Reductions to Exp: 2017-18	0	0	(2,000,000)	(2,000,000)	(2,000,000)
Ongoing Reductions to Exp: 2018-19	0	0	(3,000,000)	(3,000,000)	(3,000,000)
Ongoing Reductions to Exp: 2019-20	0	0	0	(5,000,000)	(5,000,000)
Total Ongoing Expenses	192,802,869	192,802,869	191,497,037	190,305,037	193,700,737
Net Transfers Out	6,555,241	6,555,241	6,555,241	6,555,241	6,555,241
Total Expenses & Net Transfers Out	\$199,358,110	\$199,358,110	\$198,052,278	\$196,860,278	\$200,255,978
Structural Surplus/(Deficit)	(10,372,017)	(16,038,117)	(10,133,754)	(6,276,354)	(6,974,354)
One-Time Adjustments to Revenue					
State Stabilization SB 361	0	5,666,100	0	0	0
Total One-Time Adjustments	0	5,666,100	0	0	0
One-Time Expenditures & Transfers					
One-Time Districtwide Savings	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total One-Time Expenditures	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Net Change in Fund Balance	(9,372,017)	(9,372,017)	(9,133,754)	(5,276,354)	(5,974,354)
Beginning Fund Balance	48,851,803	48,851,803	39,479,786	30,346,032	25,069,678
Net Change in Fund Balance	(9,372,017)	(9,372,017)	(9,133,754)	(5,276,354)	(5,974,354)
Ending Fund Balance	\$39,479,786	\$39,479,786	\$30,346,032	\$25,069,678	\$19,095,324
Less:					
College/CS/DW Carryforwards	15,117,381	15,117,381	13,117,381	13,117,381	13,117,381
5% Reserves	9,917,905	9,917,905	9,852,614	9,793,014	9,962,799
Total Carryforwards	25,035,286	25,035,286	22,969,994	22,910,394	23,080,179
Less One-Time 17/18 Cuts	(2,000,000)	(2,000,000)	0	0	0
FHDA Stability Fund	\$16,444,500	\$16,444,500	\$7,376,037	\$2,159,284	(\$3,984,855)

Foothill-De Anza Community College District
Multi-Year Projections For General Purpose Fund (Fund 114)

**Reduction in FTES by 1100 - Ongoing Flat FTES; No COLA in 18/19 &
 \$5 Million Additional Ongoing Reduction**

Description	2017/18 Adopted Budget	2017/18 Projection	2018/19 Projection	2019/20 Projection	2020/21 Projection
Resident FTES (F/T Equiv Student)	25,967	24,867	24,867	24,867	24,867
FTES Decline/Restoration	0.00%	-4.24%	0.00%	0.00%	0.00%
Productivity	509	509	509	509	509
COLA	1.56%	1.56%	0.00%	1.00%	1.00%
Revenues					
State Apportionment	147,945,769	142,279,669	142,279,700	143,702,500	145,139,500
Non-Resident Tuition	27,750,000	27,750,000	28,277,300	28,984,200	29,708,800
STRS On-Behalf Payments	4,500,000	4,500,000	5,000,000	5,500,000	6,000,000
Other Revenues	8,790,324	8,790,324	8,790,324	8,790,324	8,790,324
Total Ongoing Revenues	\$188,986,093	\$183,319,993	\$184,347,324	\$186,977,024	\$189,638,624
Expenses					
Certificated Salaries	86,191,895	86,191,895	86,491,895	86,791,895	87,091,895
Classified Salaries	37,392,242	37,392,242	37,592,242	37,792,242	37,992,242
Employee Benefits	41,875,732	41,875,732	44,569,900	47,377,900	49,773,600
STRS On-Behalf Payments	4,500,000	4,500,000	5,000,000	5,500,000	6,000,000
Materials & Supplies	3,874,610	3,874,610	3,874,610	3,874,610	3,874,610
Operating Expenses	18,295,852	18,295,852	18,295,852	18,295,852	18,295,852
Capital Outlay	672,538	672,538	672,538	672,538	672,538
Ongoing Reductions to Exp: 2017-18	0	0	(2,000,000)	(2,000,000)	(2,000,000)
Ongoing Reductions to Exp: 2018-19	0	0	(3,000,000)	(3,000,000)	(3,000,000)
Ongoing Reductions to Exp: 2019-20	0	0	0	(5,000,000)	(5,000,000)
Ongoing Add. Proposed Reductions				(5,000,000)	(5,000,000)
Total Ongoing Expenses	192,802,869	192,802,869	191,497,037	185,305,037	188,700,737
Net Transfers Out	6,555,241	6,555,241	6,555,241	6,555,241	6,555,241
Total Expenses & Net Transfers Out	\$199,358,110	\$199,358,110	\$198,052,278	\$191,860,278	\$195,255,978
Structural Surplus/(Deficit)	(10,372,017)	(16,038,117)	(13,704,954)	(4,883,254)	(5,617,354)
One-Time Adjustments to Revenue					
State Stabilization SB 361	0	5,666,100	0	0	0
Total One-Time Adjustments	\$0	\$5,666,100	\$0	\$0	\$0
One-Time Expenditures & Transfers					
One-Time Districtwide Savings	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total One-Time Expenditures	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Net Change in Fund Balance	(\$9,372,017)	(\$9,372,017)	(\$12,704,954)	(\$3,883,254)	(\$4,617,354)
Beginning Fund Balance	\$48,851,803	\$48,851,803	\$39,479,786	\$26,774,832	\$22,891,578
Net Change in Fund Balance	(9,372,017)	(9,372,017)	(12,704,954)	(3,883,254)	(4,617,354)
Ending Fund Balance	\$39,479,786	\$39,479,786	\$26,774,832	\$22,891,578	\$18,274,224
Less:					
College/CS/DW Carryforwards	15,117,381	15,117,381	13,117,381	13,117,381	13,117,381
5% Reserves	9,917,905	9,917,905	9,852,614	9,543,014	9,712,799
Total Carryforwards	25,035,286	25,035,286	22,969,994	22,660,394	22,830,179
Less One-Time 17/18 Cuts	(2,000,000)	(2,000,000)	0	0	0
FHDA Stability Fund	\$16,444,500	\$16,444,500	\$3,804,837	\$231,184	(\$4,555,955)

Variance: +/- \$1-2 million subject to revenue fluctuations

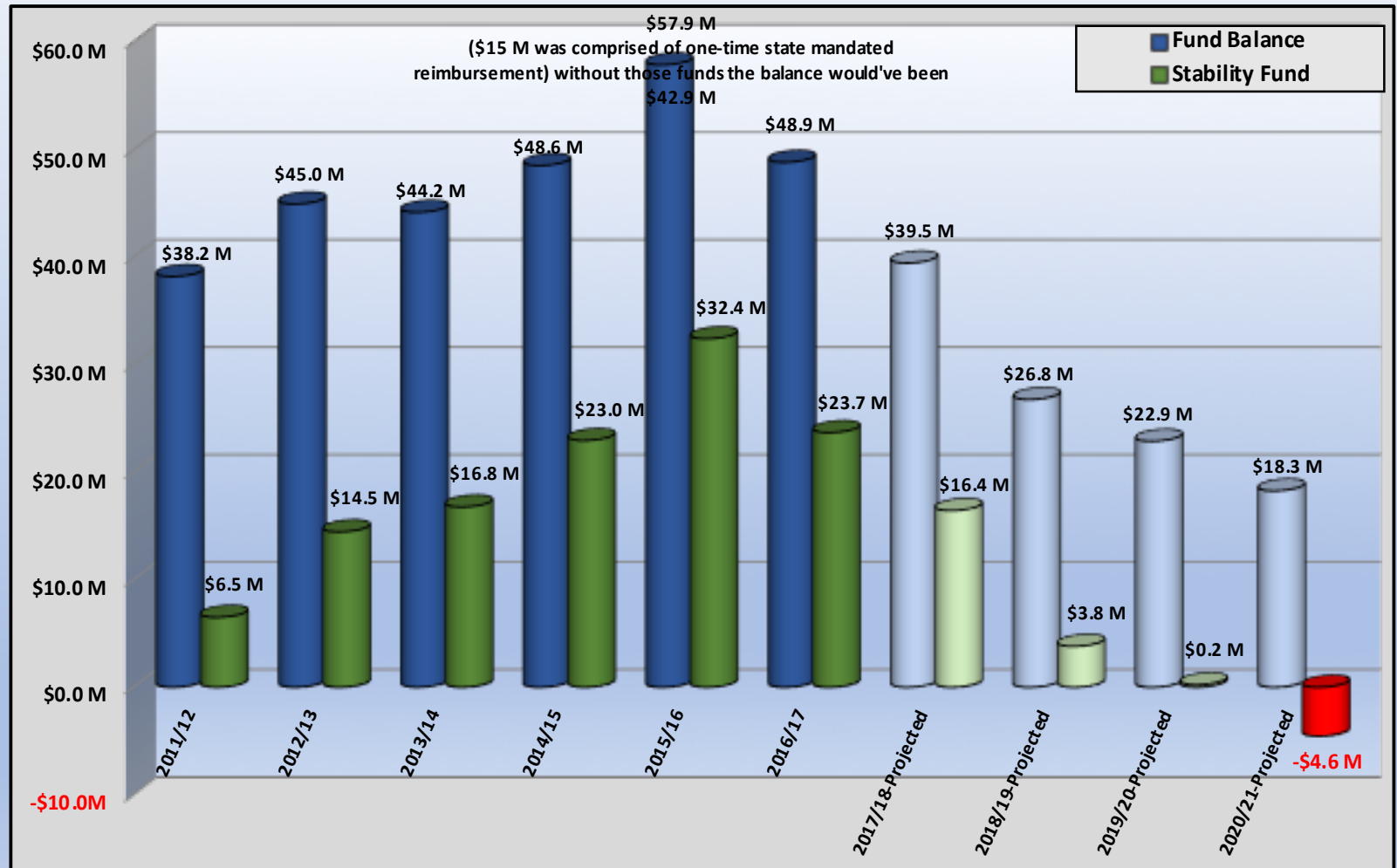
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FHDA Stability Fund	\$16,444,500	\$16,444,500	\$7,376,037	\$7,409,284	\$6,265,145

Variance: +/- \$1-2 million subject to revenue fluctuations

District Ending Fund Balance & Stability Fund (Actuals & Projected)



Note:

The chart above reflects actual ending fund balance and stability fund balance from 2011/12 through 2016/17. Projections for ending fund balance and the stability fund for years 2017/18 - 2020/21 derived from the District projections and assume no COLA for 2018/19, ongoing flat FTES, and \$5 million of additional cuts to the expenses (total of \$15 million) ongoing cuts as of 2019/20.

Any
Questions/Comments/Feedback?



FOOTHILL-DE ANZA
Community College District

New Funding Formula – latest iteration

04/11/2018

Notes from Conference Call with –
ACBO Regional Members –Ed Maduli (Representative for Region 4)

Budget Workshop by Chancellor's Office will be held 7/26 or 7/27 – Ohlone or Sacramento

4/6/2018 ACBO Board meeting Chris Yatooma:

Discard all past information and scenarios/simulation from Department of Finance (DOF).

New Formula will be coming from Chancellor's Office. FTES 50%; 30% College Promise; 20% Degree Attainment performance based.

Simulations will be based on 2016-17.

Non-credit, ISA, Special Admits not in the 50% funded at current SB361 levels.

Metrics

Need: Pell Grant, AB540 – Dream Act, Deferred Action for Childhood Arrivals (DACA), 1st Generation students – Chancellor's Office completing simulations now.

Performance: Transfer Math, English, Associate Degree Transfers (ADT's), Certificates under age 30 and over 30.

- Reportedly reduced “loser” districts from 38 to 20.
- Still eliminating rolling summer FTES but will use a 3-year rolling average to make base.
- April 13th is next meeting of Fiscal Work Group.
- Chancellor's Office recommendation is for the hold-harmless funded districts to receive the COLA approved for the California Community College (CCC) system.
- Chancellor's Office reluctant to provide any simulations while they run multiple permutations – per Chris Yatooma. Targeting May Revise for adoption of the new funding policy. Still don't know when we will see simulations in advance of the May Revise. Hoping to have simulations by ACBO Conference May 20th- 23rd, 2018.
- New funding formula is being developed solely by the Chancellor's office.
- Best strategy still is to lobby our local legislators to delay implementation to study it for one year.
- Consensus now is that hold-harmless will be funded based on 17-18 P2 versus 17-18 funded FTES. Also recommend building 18-19 budget on “earned” 17-18 FTES with zero COLA.