

2017/18
District Budget Advisory Committee (DBAC)

Meeting Agenda – June 26, 2018
Location: FH 5971 Conference Room
Time: 1:30-3:00 p.m.

Note Taker: Paula Norsell (for Carla Maitland)

Time	Agenda Topic	Discussion Leader
1:30-2:00	Review Tentative Budget presented at the 6-11-18 Board meeting	McElroy
2:00-2:30	Review latest information from the Chancellor's Office regarding implementation of new funding formula and hold-harmless provision	McElroy
2:30-3:00	DBAC member questions and/or input	All
Handouts:	Multi-year budget projection – Assuming new funding formula/2-year hold harmless Senate analysis of AB 1809, Higher education trailer bill	

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

DRAFT

Tentative Budget Assuming New Funding Formula; 2 Yr Hold Harmless

Note: Projected amounts are estimates only and subject to change as new information becomes available.

	2017-18	2017-18	2018-19	2019-20	2020-21
Description	Adopted Budget	Projection	Tentative Budget	Projection	Projection
Resident FTES (F/T Equiv Student)	25,967	24,482	24,482	24,482	24,482
FTES Decline/Restoration	0.00%	-5.72%	0.00%	0.00%	0.00%
Productivity	509	509	506	506	506
COLA	1.56%	1.56%	0.00%	0.00%	0.00%
<u>Revenues</u>					
State Apportionment	147,945,800	140,233,700	140,233,700	140,233,700	140,233,700
Non-Resident Tuition	27,750,000	26,750,000	27,258,300	27,939,800	28,638,300
STRS On-Behalf Payments	4,500,000	4,500,000	4,150,758	4,350,758	4,550,758
Other Revenues	8,790,293	9,127,533	8,324,200	8,324,200	8,324,200
Total Ongoing Revenues	\$188,986,093	\$180,611,233	\$179,966,958	\$180,848,458	\$181,746,958
<u>Expenses</u>					
Certificated Salaries	86,191,895	87,202,928	81,997,932	82,297,932	82,597,932
Classified Salaries	37,392,242	36,823,208	37,273,434	37,473,434	37,673,434
Employee Benefits	41,875,732	41,319,768	42,824,697	45,663,100	48,093,100
STRS On-Behalf Payments	4,500,000	4,500,000	4,150,758	4,350,758	4,550,758
Materials & Supplies	3,874,610	4,023,968	3,554,528	3,554,528	3,554,528
Operating Expenses	18,295,852	17,445,590	16,927,561	16,927,561	16,927,561
Capital Outlay	672,538	1,020,717	422,893	422,893	422,893
Ongoing Reductions to Exp: 2019-20	0	0	0	(5,000,000)	(5,000,000)
Ongoing Additional Reductions - 1,486 Decline	0	0	0	(7,600,000)	(7,600,000)
Total Ongoing Expenses	192,802,869	192,336,179	187,151,803	178,090,206	181,220,206
Net Transfers Out	6,555,241	6,562,608	6,721,569	6,721,569	6,721,569
Total Expenses & Net Transfers Out	\$199,358,110	\$198,898,787	\$193,873,372	\$184,811,775	\$187,941,775
Structural Surplus/ (Deficit)	(10,372,017)	(18,287,554)	(13,906,414)	(3,963,317)	(6,194,817)
<u>One-Time Adjustments to Revenue</u>					
New Funding Formula - Discretionary Growth	0	0	4,007,600	0	0
New Funding Formula - Hold Harmless	0	0	7,650,000	7,650,000	0
PY Apportionment Adjustment	0	301,826	0	0	0
Mandated Cost Payment	0	725,411	0	0	0
State Stabilization SB 361	0	7,650,000	0	0	0
Total One-Time Adjustments	\$0	\$8,677,237	11,657,600	\$7,650,000	\$0
<u>One-Time Expenditures & Transfers</u>					
One-Time Districtwide Savings	0	0	0	1,000,000	1,000,000
Total One-Time Expenditures	\$0	\$0	\$0	\$1,000,000	\$1,000,000
Net Change in Fund Balance	(10,372,017)	(9,610,317)	(2,248,814)	\$4,686,683	(5,194,817)
Beginning Fund Balance	\$48,851,803	\$48,851,803	\$39,241,485	\$36,992,671	\$41,679,354
Net Change in Fund Balance	(10,372,017)	(9,610,317)	(2,248,814)	4,686,683	(5,194,817)
Ending Fund Balance	\$38,479,786	\$39,241,485	\$36,992,671	\$41,679,354	\$36,484,537
Less:					
College/CS/DW Encumbrances and Carryforwards	15,117,381	12,922,655	12,922,655	12,922,655	12,922,655
5% Reserves	9,967,905	9,944,939	9,693,669	9,190,589	9,347,089
Less One-Time 17/18 Cuts	(2,000,000)		0	0	0
FHDA Stability Fund	\$15,394,500	\$16,373,891	\$14,376,348	\$19,566,111	\$14,214,799

student success allocation, colleges receive an additional weight for financially needy students who complete a degree or certificate.

- The funding formula will be phased in over a three year period. In 2018-19, the base, supplemental, and student success allocation would account for approximately, 70, 20, and 10 percent of the funding formula, respectively. In 2019-20, this distribution grows to 65, 20, and 15 percent. Finally, in 2020-21, the distribution will be 60, 20, and 20 percent.
 - This trailer bill provides community college districts with hold harmless provisions in 2018-19, 2019-20, and 2020-21 to ensure that no district would receive less funding than they received in 2017-18, adjusted for the Cost-of-Living. In 2021-22 and future years, districts will receive no less in apportionment funding than they received in 2017-18.
 - This trailer bill also provides stability funding for community college districts. This establishes a one-year delay to districts experiencing a reduction in their apportionment funding because they are declining in enrollment.
- 22) *Student Hunger Services and Report Funding*. Provides \$10 million one-time Proposition 98 General Fund to community colleges to support campus efforts to address student hunger and basic needs. Allows for \$250,000 to be spent on a systemwide study of student hunger, housing and basic needs issues.
- 23) *CCC Mental Health Services*. Appropriates \$10 million in one-time Proposition 98 General Fund to community colleges to expand mental health services and training.
- 24) *CCC Veterans Resource Centers*. Provides \$6.2 million in one-time Proposition 98 General Fund to community colleges to support creation of and expansion of campus veterans resource centers. Additional funding for this purpose is provided in the 2018 Budget Act.
- 25) *CCC Part-Time Faculty Office Hours*. Appropriates \$30 million in one-time Proposition 98 General Fund to support part-time faculty office hours.
- 26) *Middle Class Scholarship*. Adjusts the statutory appropriation to the Middle Class Scholarship to reflect the estimated caseload for the program.
- 27) *Private Non-Profit*. Allows the maximum Cal Grant award for students attending accredited nonprofit colleges and universities to stay at \$9,084 if the nonprofit sector admits at least 2,000 community college students who earned