

## **District Budget Advisory Committee (DBAC)**

### **Meeting Notes**

January 23, 2018

1:30 – 3:00 p.m.

#### **Attendees:**

Susan Cheu – Representative, De Anza Administration  
Karen Chow – Representative, De Anza Academic Senate  
Lisa Drake – Representative, Foothill Academic Senate  
Amy Edwards – Representative, Faculty Association  
Kevin Harral – Representative, AMA  
Kevin McElroy – Vice Chancellor, Business Services, Chair  
Carla Maitland – Recorder, President of Confidentials  
Paula Norsell – Representative, Confidentials  
Dorene Novotny – Vice Chancellor, Human Resources  
Kathy Perino – Representative, Faculty Association  
Raquel Puentes-Griffith – Executive Director, Fiscal Services  
Tonette Torres – Representative, Teamsters  
Myisha Washington – Representative Interim Director, Human Resources  
Bret Watson – Representative, Foothill Administration  
Chris White – Representative, ACE

Meeting began at 1:33 p.m.

### **Review 2018-2019 Governor's January Proposed Budget**

#### **Governor's Budget Summary 2018-19**

Vice Chancellor Kevin McElroy provided the District Budget Advisory Committee (DBAC) an overview of the 2018-19 Governor's January Proposed Budget that was released on January 10, 2018. He focused on the CCC portion of the Budget Summary from the Governor's office. He further explained that a new funding formula has been proposed FY 2018-19. McElroy noted that the necessary specifics for how the new formula will be implemented have yet to be defined or explained in the proposed budget language.

Key components of the new formula include basing funding allotment on FTES generated (50%), number of low income students/College Promise or Pell grant eligible students enrolled (25%), and a student success/completion metric based on degrees and certificates awarded (25%). The proposed budget also states that districts will be held harmless to 2017-18 funding levels when the new formula is applied to district funding allocations for 2018-19.

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The budget proposes an overall increase to CCC funding of \$322 million. Included is:

- \$175 million to support colleges transition to the new funding formula (hold harmless to 2017-18 funding levels)
- \$161.2 million for a 2.51% statutory COLA increase
- \$60 million available for enrollment growth
- \$120 million for the newly proposed California Online College
- A one-time increase of \$264.3 million for Deferred maintenance and Instructional Equipment

Complete details of the Governor's proposed budget can be viewed in the attachments provided to the committee and online at:

<http://www.fhda.edu/about-us/participatorygovernance/01.23.2018-DistrictBudgetAdvisoryCommitteeAgendaHandouts.pdf>

Direct link to 2018-19 Governor's Budget Summary:

<http://www.ebudget.ca.gov/2018-19/pdf/BudgetSummary/FullBudgetSummary.pdf>  
(Printable PDF version)

<http://www.ebudget.ca.gov/budget/2018-19/#/BudgetSummary> (Electronic Version)

Direct link to 2018-19 Governor's Budget Summary – Higher Education:

<http://www.ebudget.ca.gov/2018-19/pdf/BudgetSummary/HigherEducation.pdf>  
(Electronic Version)

Vice Chancellor McElroy noted that we are one of only two districts on the quarter system in the state (Foothill-De Anza CCD and Lake Tahoe CCD). This may put us at a funding disadvantage depending on how the 2017-18 base funding is applied to all districts. Quarter system districts do not have the option of including summer school FTES generated in the 2018 summer session in their overall 2017-18 FTES calculation as semester schools can do.

Karen Chow asked, "What is OEI's view of the 115 college and how will this affect the OEI's efforts?" McElroy stated the OEI has maintained their full funding budget augmentation and therefore the 115 Online College proposal is not expected to have any effect on the OEI Program.

### **Update on FY 2017-18 (320 P1 Certified Report)**

Vice Chancellor McElroy reviewed the Period 1 FTES 320 Report (attached) submitted to the state chancellor's office January 12, 2018. McElroy advised the committee that we are projecting an overall annual FTES decline of 853 and that would impact apportionment funding in 2018-19 by a decrease of \$3.6 million to our general fund. He also noted that it is possible the decrease could be even greater if spring enrollments dip below projections.

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However, McElroy also noted that our 2018-19 funding is uncertain at this point due to the newly proposed funding model. Therefore, it is difficult to accurately predict what the final funding for 2018-19 will be for Foothill-De Anza Community College District (FHDA).

### **Review Multi-Year Projections Model**

#### *Multi-Year Projections Model*

Vice Chancellor McElroy reviewed a Multi-Year Projections Budget Model (attached) to demonstrate how revenues, expenses, and fund balances might be impacted for FY 2018-19, 2019-20, and 2020-21 as it relates to the newly projected 853 reductions in FTES.

The model revealed the increase in the projected structural deficit and the accelerated depletion of the Stability Fund denoting a zero balance by the close of FY 2020-21.

However, McElroy again noted this model is based on the existing FTES enrollment funding model with the state. Depending on how the new proposed funding model is implemented, the impact on FHDA's structural balance and fund balances may change.

Meeting adjourned at 2:54 p.m.

Next meeting will be held on Tuesday, February 20, 2018.