



CHABOT - LAS POSITAS | *Community College District*

Board of Trustees Meeting - June 19, 2018 Tentative Budget Fiscal Year 2018-19

Ron Gerhard
Vice Chancellor, Business Services

Presentation Summary

- Budget Requirement
- Student Enrollment Data
 - Budget Stability/Decline Restoration
- Governor's Budget Proposal for FY 2018-19
- Major Revenue Assumptions
- Major Expenditure Assumptions
- Budget Allocation Model Summary
- Budgets for District Funds
- Looking Ahead – Opportunities and Budget Risks
- Questions and Comments

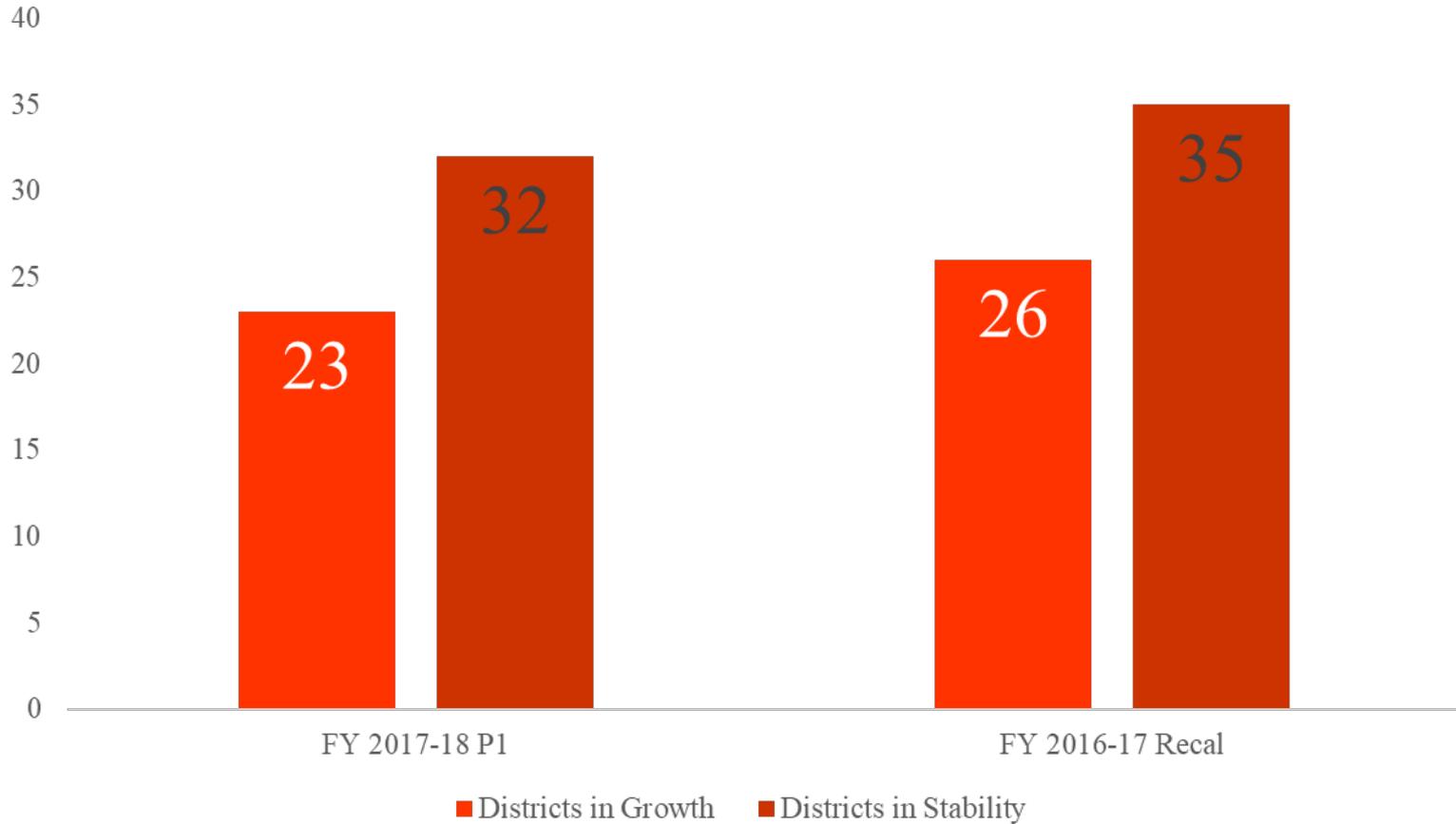
Budget Requirement

- Title 5, Section 58305 of the California Code of Regulations requires community college districts to adopt a tentative budget on or before the first day of July each year.
- Final budget will be presented at the public hearing on September 18 at 6:30 p.m. in District Office board room

System FTES per 2017-18 P2 CCFS-320 Report

* Includes Career Development & College Preparation (CDCP) FTES

System Growth & Stability



System Growth & Stability

- **9** Districts in stability in both CY and PY
- **14** Districts with NO Stability in past 2 years
- **58** districts in stability in 1 of the past 2 years
- **\$263 million** in stability revenue for FY 2016-17
- **\$176 million** in stability revenue for FY 2017-18

Student Enrollment Data – Full Time Equivalent Students (FTES)

YEAR	CHABOT	% GROWTH	LPC	% GROWTH	TOTAL	% GROWTH
2007-2008	10,420	1.0	7,186	1.4	17,606	1.2
2008-2009	10,912	4.7	6,591	(8.3)	17,503	(0.6)
2009-2010	11,315	3.7	7,501	13.8	18,816	7.5
2010-2011	10,756	(4.9)	6,744	(10.1)	17,500	(7.0)
2011-2012	9,754	(9.3)	6,442	(4.5)	16,196	(7.5)
2012-2013	9,552	(2.0)	6,651	3.2	16,203	0.0
2013-14	9,698	1.5	6,758	1.6	16,456	1.6
2014-15	10,132	4.5	7,065	4.5	17,197	4.5
2015-16	10,455	3.2	7,185	1.7	17,640	2.6
2016-17	9,023	(13.7)	6,602	(8.1)	15,625	(11.4)
2017-18 (April 2018)	10,200	13.0	7,209	9.2	17,409	11.4
2018-19 Budget	10,202	0.0	7,372	2.3	17,574	0.9

Governor's Budget Proposal for FY2018-19

- Funding Formula – (as of 6/13/2018)
 - 3 year phase-in that begins by providing 70% enrollment-based funding, 20% funding based on the enrollment of low-income students, and 10% funding based on performance outcomes
 - formula would shift to 60% enrollment-based funding, 20% funding based on the enrollment of low-income students, and 20% funding based on performance outcomes
 - A hold-harmless provision that will guarantee all colleges at least a cost-of-living increase for three years
 - An increase to community college apportionments of \$378 million Proposition 98 funding in 2018-19



Governor's Budget Proposal for FY2018-19

- Enrollment Based (70% - 60%) – Following traditional model of full-time equivalent students, excludes special admit students and non-credit full-time equivalent students
- Low Income Students (20%) – Point system based upon number of:
 - Pell recipients (1)
 - AB 540 students (1)
 - Promise Grant recipients (1)

Governor's Budget Proposal for FY2018-19

- Performance Based Funding –
 - Associates degree or baccalaureate degree granted (3)
 - AST (4)
 - Certificates requiring 18 or more units (2)
 - Completions of transfer level math and English courses within 1st year of enrollment (2)
 - Transfers to 4 yr institutions (1 ½)
 - Completion of 9 or more CTE units (1)
 - Student obtaining regional living wage within 1 year of completion of study (1)

Major Revenue Assumptions

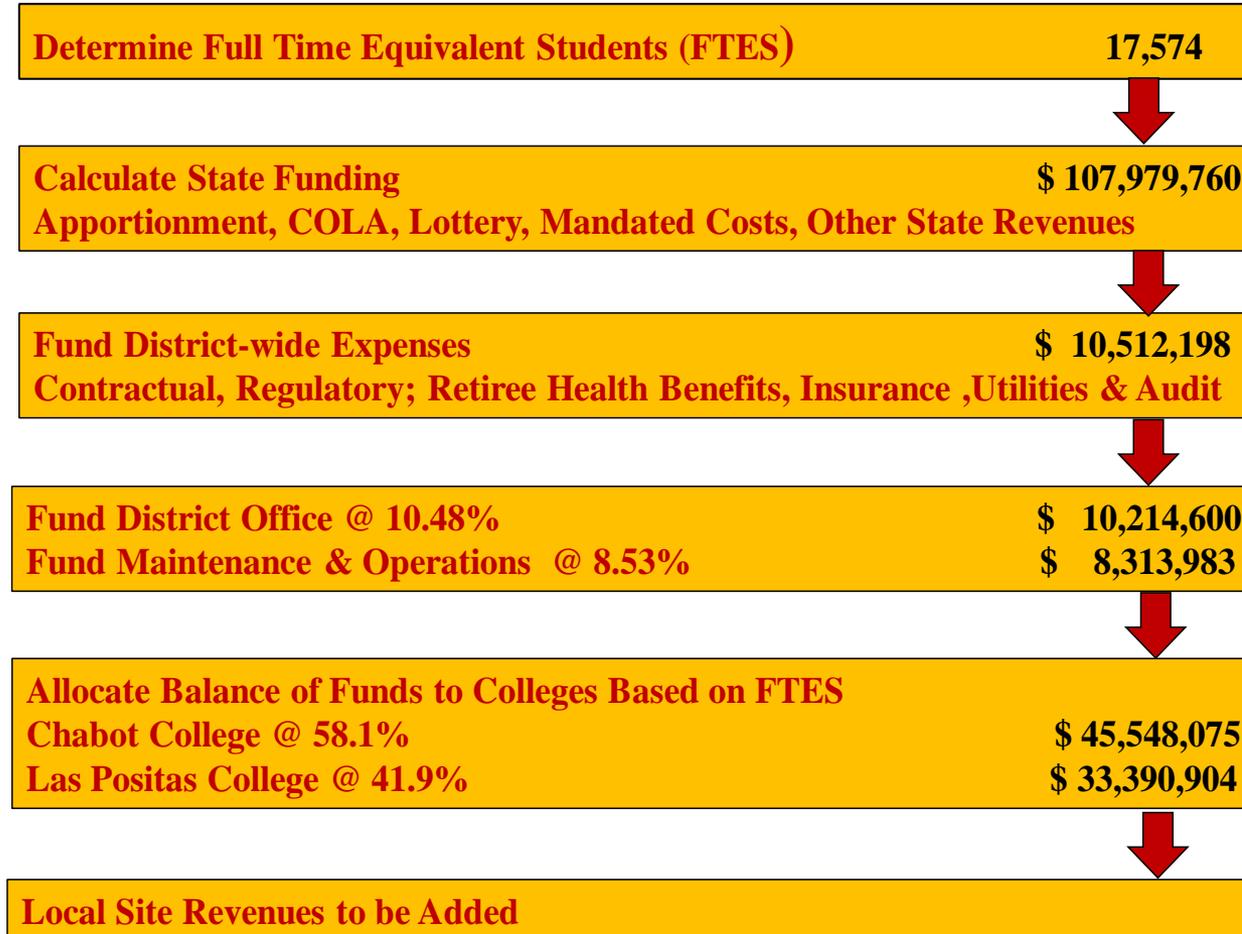
- State Apportionment Funding Rates
 - Credit base funding rate per FTES \$5,320
 - Non-credit base funding rate per FTES \$3,323
 - Credit marginal funding rate per FTES \$5,454
- Apportionment Revenue
 - Basic allocation (size of colleges) \$8,106,502
 - Base revenue (17,574 FTES) \$92,482,380
 - COLA @ 2.71% (one time) \$2,500,319
 - 2015-16 Unallocated one-time mandated costs \$1,531,414
 - Lottery revenue (unrestricted) \$2,540,400
- Non-resident tuition \$2,409,490

Major Expenditure Assumptions

- Based on serving 17,574 FTES
- Includes increases for Classified, Confidentials, and Supervisors Compensation Study
- Step/column and longevity included
- Premium increases for health & welfare, assumes status quo employee contributions
- Retiree Health Benefits budget of \$5,302,408, an increase of 3.08% over prior year
- STRS/PERS increased rates from 14.43% and 15.531% to 16.28% and 17.70% respectively. PERS rates will need to be increased further for Adopted Budget to 18.062%.
- Property & Liability Insurance budget of \$519,605, a decrease of 16% from prior year
- Utilities budget (electricity, natural gas, water, and disposal services) of \$2,828,483, an increase of 5% over prior year

Budget Allocation Model- Calculations (page 55)

BUDGET ALLOCATION



Tentative Budget 2018-2019 – Unrestricted General Fund (page 11)

REVENUE	
State General Apportionment, State /Local/Federal Revenue and Transfers	\$131,749,196
EXPENDITURES	
Total Expenditures	\$130,485,059
Net Increase/(Decrease) in Fund Balance	\$994,137
Beginning Balance	\$24,456,483
Ending Balance	\$25,450,620

Tentative Budget 2018-2019 – Restricted General Fund (page 12)

REVENUE	
State General Apportionment, State /Local/Federal Revenue and Transfers	\$149,381,822
EXPENDITURES	
Total Expenditures	\$149,413,246
Net Increase/(Decrease) in Fund Balance	(\$31,424)
Beginning Balance	\$714,445
Ending Balance	\$683,020

Tentative Budget 2018-2019 – Cafeteria Fund (page 32)

REVENUE	
Operations/Commissions and Interest	\$40,949
EXPENDITURES	
Expenditures and Transfers	\$40,949
Net Increase/(Decrease) in Fund Balance	\$0
Beginning Balance	\$47,917
Ending Balance	\$47,917

Tentative Budget 2018-2019 - Child Development Fund (page 36)

REVENUE	
State/Local/Federal Revenue Transfers In	\$1,719,520
EXPENDITURES	
Expenditures	\$1,719,520
Net Increase/(Decrease) in Fund Balance	\$0
Beginning Balance	\$349,323
Ending Balance	\$349,323

Tentative Budget 2018-2019 - Self Insurance Fund (RUMBL, page 40)

REVENUE	
Transfers and Interest	\$5,332,408
EXPENDITURES	
Expenditures and Transfers	\$5,302,408
Net Increase/(Decrease) in Fund Balance	\$30,000
Beginning Balance	\$4,314,191
Ending Balance	\$4,344,191

Tentative Budget 2018-2019 - Bond Fund (page 44)

REVENUE	
Interest & Proceeds –Sale of Capital Assets	\$1,635,484
EXPENDITURES	
Expenditures	\$61,873,292
Net Increase/(Decrease) in Fund Balance	\$(60,237,808)
Beginning Balance	\$187,170,510
Ending Balance	\$126,932,702

Tentative Budget 2018-2019 - Capital Projects Fund (page 46)

REVENUE	
State /Local/Federal Revenue and Transfers	\$2,783,241
EXPENDITURES	
Expenditures	\$2,816,136
Net Increase/(Decrease) in Fund Balance	\$(32,895)
Beginning Balance	\$6,673,439
Ending Balance	\$6,640,544

Tentative Budget 2018-2019 - Special Reserve Funds

(Nike Project, COP – page 48)

REVENUE	
Interest	\$15,000
EXPENDITURES	
Expenditures	\$200,000
Net Increase/(Decrease) in Fund Balance	\$(185,000)
Beginning Balance	\$1,456,336
Ending Balance	\$1,271,336

Looking Ahead – Opportunities and Budget Risks

- Analysis and simulations of impact of new funding model
 - Analysis of impact on District BAM
- Implementation of BAM recommendations
- Economy/Recession
- STRS/PERS Increases
- Deficit Spending
- Structural Deficit