



Chabot - Las Positas Community Collage District

Planning and Budget Committee Meeting – September 6, 2019

Advance Presentation of Adopted Budget – Fiscal Year 2019-20

By Doug Roberts
Acting Vice Chancellor, Business Services

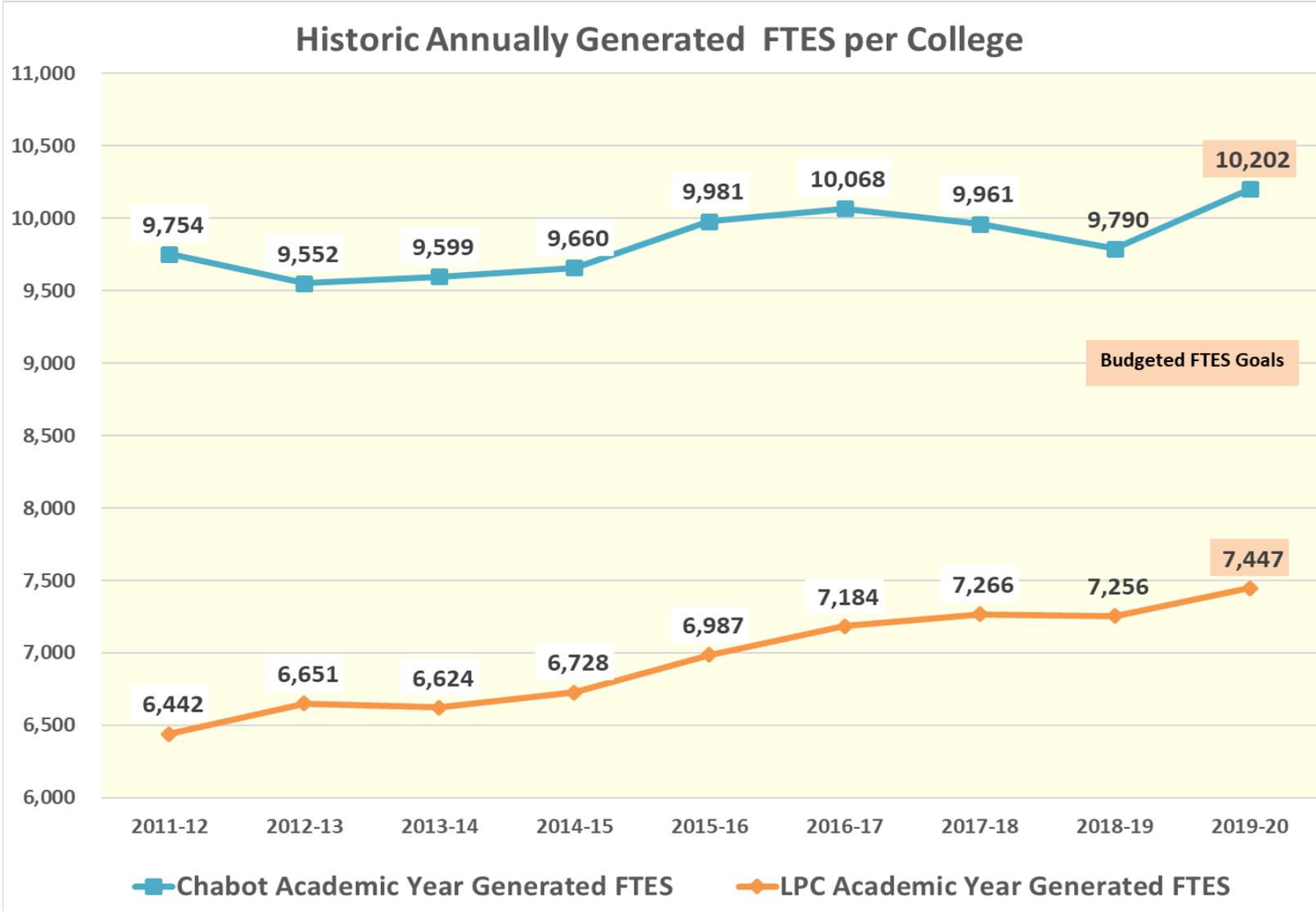
Presentation Summary

- ❑ Budget Requirement
- ❑ Student Enrollment Data
- ❑ 2019-20 Student Centered Funding Formula (SCFF)
- ❑ 2018-19 Districts Funded through “Hold Harmless”
- ❑ 2019-20 CLPCCD Funding – Hold Harmless vs. SCFF
- ❑ Major Revenue & Expenditure Assumptions
- ❑ Budget Allocation Model Summary
- ❑ Budgets for Major District Funds
- ❑ Unrestricted General Fund - Fund Balance Break-out
- ❑ Looking Ahead – Opportunities and Budget Risks

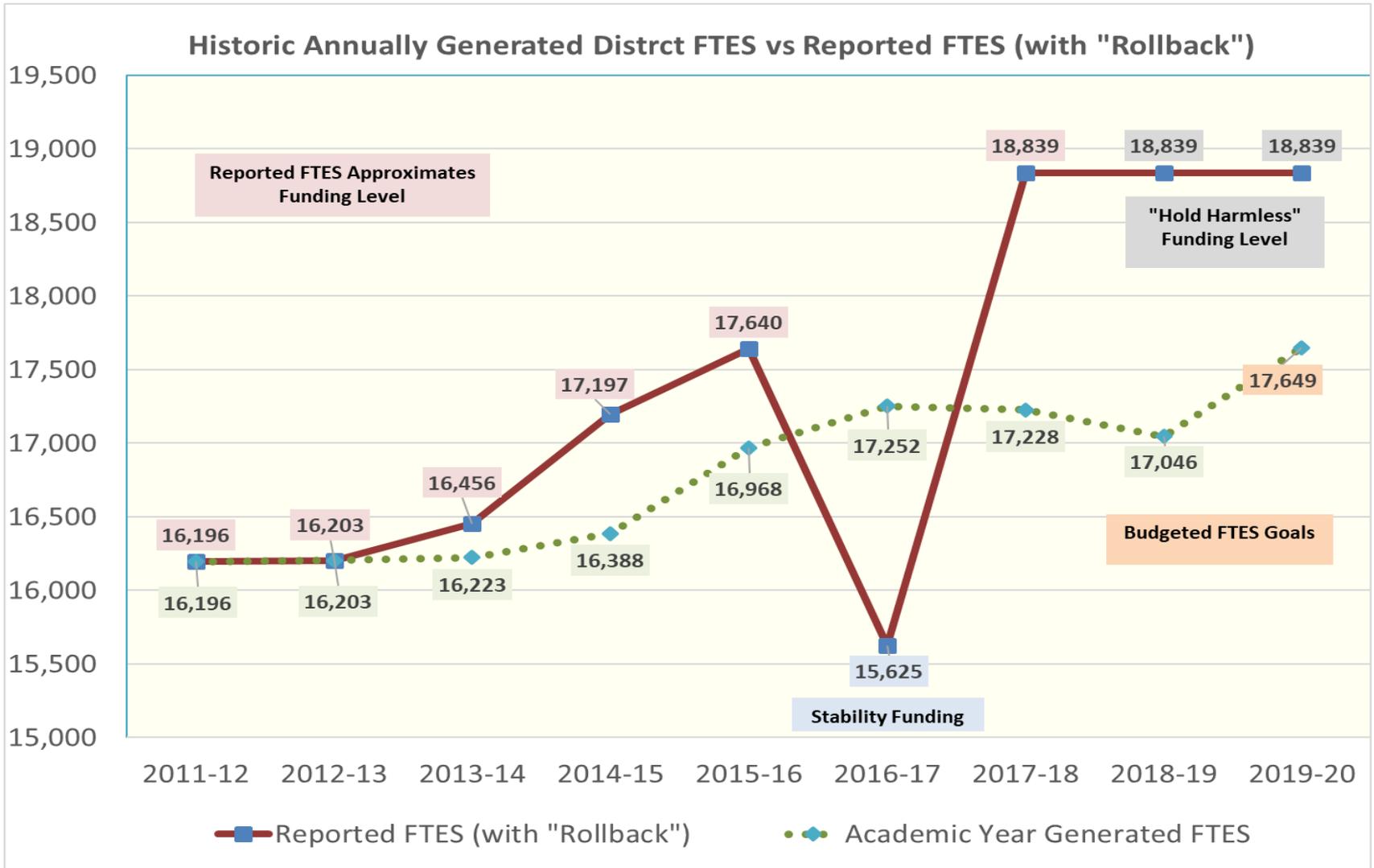
Budget Requirement

- ❑ 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
- ❑ The same code requires that the governing board adopt a final budget on or before September 15th
- ❑ The Adopted Budget will be voted on by the Board at a public hearing on September 10 at 6:30 p.m. in the District Office board room

College Annually Generated FTES



District FTES (Generated & Reported)



Student Centered Funding Formula (SCFF)

Implemented to Support the Six Goals of the California Community Colleges' Vision for Success

- 1) Increase awarded Degrees, Certificates and Credentials by 20%
- 2) Increase the number of Student Transfers to UC and CSU by 35%
- 3) Decrease the average number of units accumulated by students earning associate degrees from 87 total units to 79 total units
- 4) Increase percentage of CTE students getting employed in their field from 60% to 76%
- 5) Reduce “Equity Gaps” across all of the above measures through faster improvements among traditionally underrepresented student groups by 40% in 5 years, closing the gaps in 10 years
- 6) Reduce “Regional Achievement Gaps” across all of the above measures through faster improvements among colleges in regions with the lowest educational attainment of adults

Student Centered Funding Formula (SCFF)

SCFF Funding provides an allocation in 3 parts:

1. A **“Base Allocation”** based on a district’s colleges and the FTES at those colleges ... plus funding for FTES ... (similar to previous SB361 model, but at a lowered rate per credit FTES)
2. A **“Supplemental Allocation”** based on the number of PELL and Promise Grant recipients, plus AB 540 students
3. A **“Success Allocation”** based on the number of students: awarded degrees, certificates, and transfers; completing transfer level Math and English, completing > 9 units of CTE units, and attaining a regional living wage.

The model allows for “Hold Harmless” Funding (through 2021-22) ... equal to prior year funding plus COLA

Governor's Budget FY2019-20

- ❑ **Student Centered Funding Formula (FY 2019-20)**
 - 70% for the Base Allocation
 - 20% for the Supplemental Allocation
 - 10% for the Student Success Allocation
- ❑ Funding rates (for 2019-20) will be the 2018-19 rates increased for COLA
- ❑ Student Success Allocation is capped at 10% (over 2018-19 totals)
- ❑ “Transfers” for the student success allocation would only count if the student completed 12 or more units in the district in the year prior to transfer

SCFF Funding Rates

Basic Allocation

Funding Categories

Dollars Per Unit Funding for 2019-20

Multi-College Per College Funding

≥ 10,000 & < 20,000 FTES

4,719,730

< 10,000 FTES

4,045,480

FTES Funding

Credit

3,848.50

Special Admit Credit

5,634.56

Incarcerated Credit

5,634.56

CDCP

5,634.56

Noncredit

3,456.62

SCFF Funding Rates

Supplemental Allocation

Funding Categories

Dollars Per Unit Funding for 2019-20

Pell Grant Recipients

948.96

AB 540 Students

948.96

California Promise Students

948.96

SCFF Funding Rates

Student Success Allocation

Funding Categories	Dollars Per Unit Funding for 2019-20		
	All Students (Base)	Pell Grant Recipients (Added Premium)	Promise Grant Recipients (Added Premium)
Associate Degrees for Transfer	1,817.38	687.71	458.47
Associate Degrees	1,363.03	515.78	343.86
Baccalaureate Degees	1,363.03	515.78	343.86
Credit Cerificates	908.69	343.86	229.24
Transfer Level Math & English	908.69	343.86	229.24
Transfer	681.52	257.89	171.93
Nine or More CTE Units	454.34	171.93	114.62
Regional Living Wage	454.34	171.93	114.62

CLPCCD Funding–Hold Harmless Vs. SCFF

Funding for 2019-20 - (The Higher of Option #1 or Option #2)			
Option #1 - Funding per SCFF			
Section I - Base Allocation			
	FTES Revenue		\$ 66,827,795
	FTES Growth		-
	Basic/Foundation		8,765,210
	Total		75,593,004
Section II - Supplemental Allocation*			16,169,742
Section II - Student Success Allocation*			10,420,920
	SCFF Total		\$ 102,183,666
Option #2 - Funding per "Hold Harmless"			
	2018-19 Total Available Revenue (TAR)		\$ 110,597,916
	2019-20 COLA =	3.26%	3,605,492
	Hold Harmless Total		\$ 114,203,408
<i>* Based on the ratio of Allocation funding per "Generated" FTES for 2017-18</i>			

System Funding-Hold Harmless Districts

2018-19 State funding for Community Colleges

The 26 Districts that Maintain Total Funding Through "Hold Harmless" at P-2

District	Hold Harmless Funding above SCFF (in Millions)	District	Hold Harmless Funding above SCFF (in Millions)
Cabrillo	3.5	Palomar	4.3
Chabot-Las Positas	14.7	Peralta	3.4
Compton	1.2	San Francisco	5.5
Contra Costa	13.8	San Luis Obispo	1.4
Foothill Deanza	10.2	San Mateo	3.6
Gavilan	0.2	Santa Clarita	1.1
Glendale	3.1	Santa Monica	3.8
Long Beach	2.0	Sierra Joint	3.4
Marin	2.3	Solano	4.2
Mendocino-Lake	0.2	Sonoma	5.9
Monterey	1.4	South Orange	3.0
North Orange	14.1	Southwestern	1.7
Ohlone	7.7	West Valley	6.5

Major Revenue Assumptions

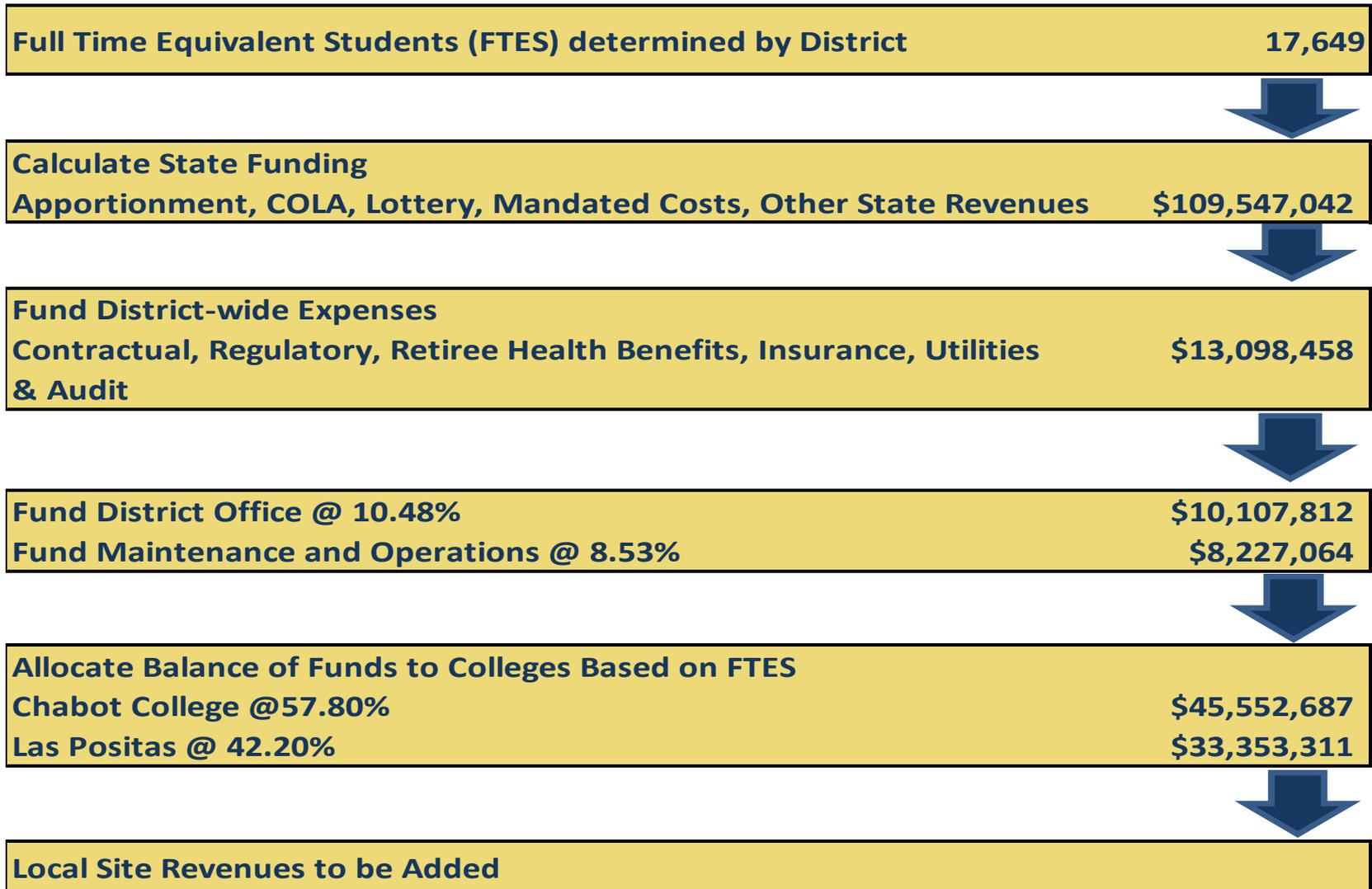
Assumption	Amount
□ Higher of SCFF Calculation Amount or Hold Harmless	□ \$ 114,203,408
□ Lottery Revenue	□ \$ 2,737,328
□ Mandated Cost Block Grant	□ \$ 533,380
□ Part Time Faculty Allocation	□ \$ 394,245
□ Non-Resident Tuition	□ \$ 2,434,490

Major Expenditure Assumptions

- Based on serving 17,649 FTES
- Step/column and longevity included
- Premium increases for health & welfare, assumes status quo employee contributions
- Retiree Health Benefits budget of \$7,377,725 is based on the 2018 actuarial study and represents an increase of 39% over the prior year's budget
- STRS/PERS increased rates from 16.28% to 17.10% and 18.06% to 19.72% respectively.
- Property & Liability Insurance budget of \$650,028
($\$519,605$ base + $\$130,423$ increase due to SCFF-Rollback FTES increase)
- Utilities budget (electricity, natural gas, water, and disposal services) of \$2,909,678

Budget Allocation Model- Calculations

BUDGET ALLOCATION MODEL



Adopted Budget 2019-2020 – Unrestricted General Fund

REVENUE	
State General Apportionment, State /Local/Federal Revenue and Transfers	\$144,375,417
EXPENDITURES	
Total Expenditures	\$137,165,026
Net Increase/(Decrease) in Fund Balance	\$7,210,391
Beginning Balance	\$25,512,330
Ending Balance	\$32,722,721

Adopted Budget 2019-2020 – Restricted General Fund

REVENUE	
State General Apportionment, State /Local/Federal Revenue and Transfers	\$164,090,636
EXPENDITURES	
Total Expenditures	\$163,368,770
Net Increase/(Decrease) in Fund Balance	\$721,866
Beginning Balance	\$5,990,415
Ending Balance	\$7,712,281

Adopted Budget 2019-2020 - Self Insurance Fund (RUMBL*)

REVENUE	
Transfers and Interest	\$7,417,725
EXPENDITURES	
Expenditures and Transfers	\$7,377,725
Net Increase/(Decrease) in Fund Balance	\$40,000
Beginning Balance	\$5,197,310
Ending Balance	\$5,237,310

* Per the 6/30/19 GASB 74/75 Actuarial Report, the District's Unfunded Liability for Retiree Health Benefits is \$200,280,667

Adopted Budget 2019-2020 - Bond Fund

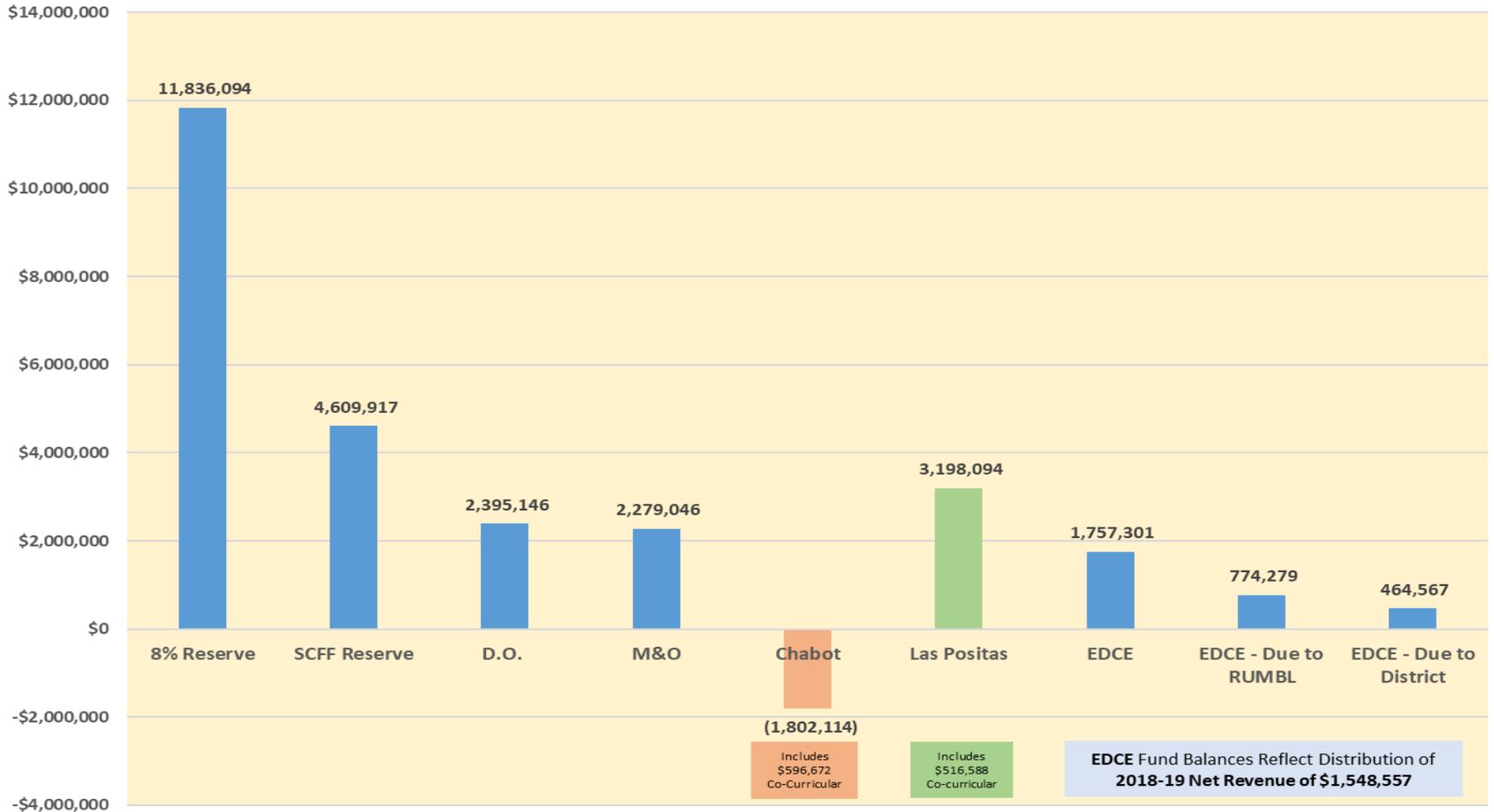
REVENUE	
Interest & Proceeds –Sale of Capital Assets	\$2,336,641
EXPENDITURES	
Expenditures	\$75,478,862
Net Increase/(Decrease) in Fund Balance	\$(73,142,221)
Beginning Balance	\$128,789,075
Ending Balance	\$55,646,854

Adopted Budget 2019-2020 - Capital Projects Fund

REVENUE	
State /Local/Federal Revenue and Transfers	\$910,000
EXPENDITURES	
Expenditures	\$787,000
Net Increase/(Decrease) in Fund Balance	\$123,000
Beginning Balance	\$10,559,809
Ending Balance	\$10,682,809

A Word About Fund Balance ...

**Breakout of District's Unrestricted General Fund - Ending Fund Balance for 2018-19
(\$25,512,330)**



Looking Ahead – Budget Opportunities and Risks

- **What's Working For Us:**

- **Rollback Money** to fund SCFF Metrics Increases - (**FFC/PBC Efforts**)
- **Time** to Improve SCFF Metrics during Hold Harmless Period (*Thru 2021-22*)

- **What's Working Against Us:**

Known Cost Increases	<u>2020-21</u>	<u>2021-22</u>	<u>Cummulative</u>
STRS & PERS	1,161,348	369,111	1,530,459
OPEB	469,966	394,633	864,599
Step/Column/Longevity	<u>986,482</u>	<u>999,345</u>	<u>1,985,827</u>
Total	<u>2,617,796</u>	<u>1,763,089</u>	<u>4,380,885</u>

- **Economy/Recession** - (10% of the State's Current Revenue is Dependent on Capital Gains)
- **The SCFF-Cliff** - (In 2022-23 the District is no longer on "Hold Harmless")

Questions?

