



C H A B O T - L A S P O S I T A S

Community College District

Board of Trustees Meeting – October 24, 2017
Adoption Budget - Fiscal Year 2017-18

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Vice Chancellor, Business Services



Presentation Summary

- Budget Requirement
- State Budget for FY 2017-18
- Student Enrollment Data
- Major Revenue Assumptions
- Major Expenditure Assumptions
- Budget Allocation Model Summary
- Budgets for District Funds
- Unrestricted General Fund – Ending Balance
- Looking Ahead – Opportunities and Budget Risks
- Questions and Comments



Budget Requirement

- Title 5, Section 58301 and 58305 of the California Code of Regulations require community college districts to:
 - Hold a public hearing on the proposed budget
 - Adopt a final budget on or before the 15th day of September



State Budget for FY2017-18

- Reflects increased revenues and Proposition 98 guarantee
- Access - \$57.8 million to fund 1% growth (CLPCCD @ 1%)
- COLA – 1.56%
- Base Allocation Funding - \$183.6 million in ongoing funds
- Guided Pathways - \$150 million one-time to integrate Student Success, Student Equity, Basic Skills, and Strong Workforce
- Maintenance & Instructional Equipment - \$76.9 million one-time
- Student Fees – maintained at \$46 per credit unit
- CCC System Office – \$1.1 million to shift the mission from regulatory oversight to improving student outcomes



Student Enrollment Data – Full Time Equivalent Students (FTES)

<i>YEAR</i>	<i>CHABOT</i>	<i>% Growth</i>	<i>LPC</i>	<i>% Growth</i>	<i>TOTAL</i>	<i>% Growth</i>
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
2013-2014	9,698	1.5	6,758	1.6	16,456	1.6
2014-2015	10,132	4.5	7,065	4.5	17,197	4.5
2015-2016	10,455	3.2	7,185	1.7	17,640	2.6
2016-2017P3*	8,991	(14.0)	6,603	(8.1)	15,594	(11.6)
2017-2018	10,200	13.4	7,200	9.0	17,400	11.6

*Stability year-Funding based on prior year FTES of 17,640



Title 5 § 58776 Budget Stability

- Districts shall receive stability funding only in the initial year of decline in FTES in an amount equaling the revenue loss associated with the FTES reduction for that year.
- Declines in college FTES that result in a reduction of calculated basic allocation will not cause a reduction in basic allocation base revenue until the third year after the year of the FTES decline, and the basic allocation will not be reduced if the FTES is restored back to or above the pre-decline base

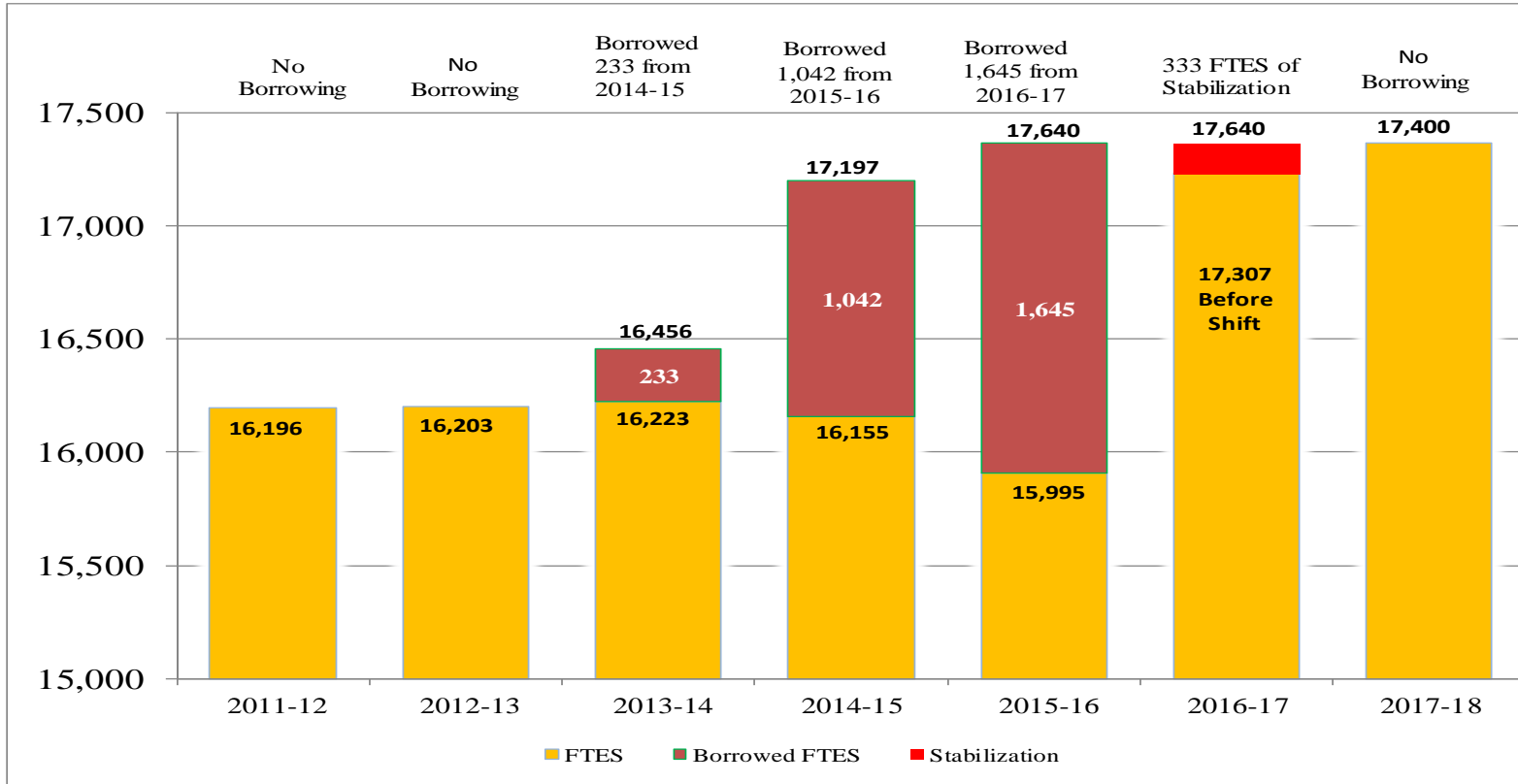


Title 5 § 58777 Decline Restoration

- (a) Districts shall be entitled to restore any reductions in apportionment revenue due to declines in FTES during the three years following the initial year of decline in credit, noncredit, or career development and college preparation FTES if there is a subsequent increase in FTES.
- (b) Restoration of revenue for declining workload and the inflation adjustments made between the year of decline and the year of restoration shall be made at the district's current marginal growth funding rate.



Stability and Restoration





Major Revenue Assumptions

- State Apportionment Funding Rates
 - Credit base funding rate per FTES \$5,072
 - Non-credit base funding rate per FTES \$3,050
 - Credit marginal funding rate per FTES \$5,151
- Apportionment Revenue
 - Basic allocation (size of colleges) \$7,926,293
 - Base revenue (17,400 FTES) \$78,507,807
 - COLA @ 1.56% \$1,224,722
 - Increase in base allocation (based on \$183.6M) \$2,750,204
 - Restoration \$9,619,693
- Total general Apportionment \$100,028,719



Major Expenditure Assumptions

- Based on serving 17,400 FTES
- Salary increase at 3% for all employee groups
- Step/column and longevity included
- Premium increases for health & welfare, assumes status quo employee contributions
- Retiree health benefits consistent with 2017 actuarial report
- STRS/PERS increased rates
- Utilities budget increased by 5%
- Includes increases for Classified, Confidentials, and Supervisors Classification Study



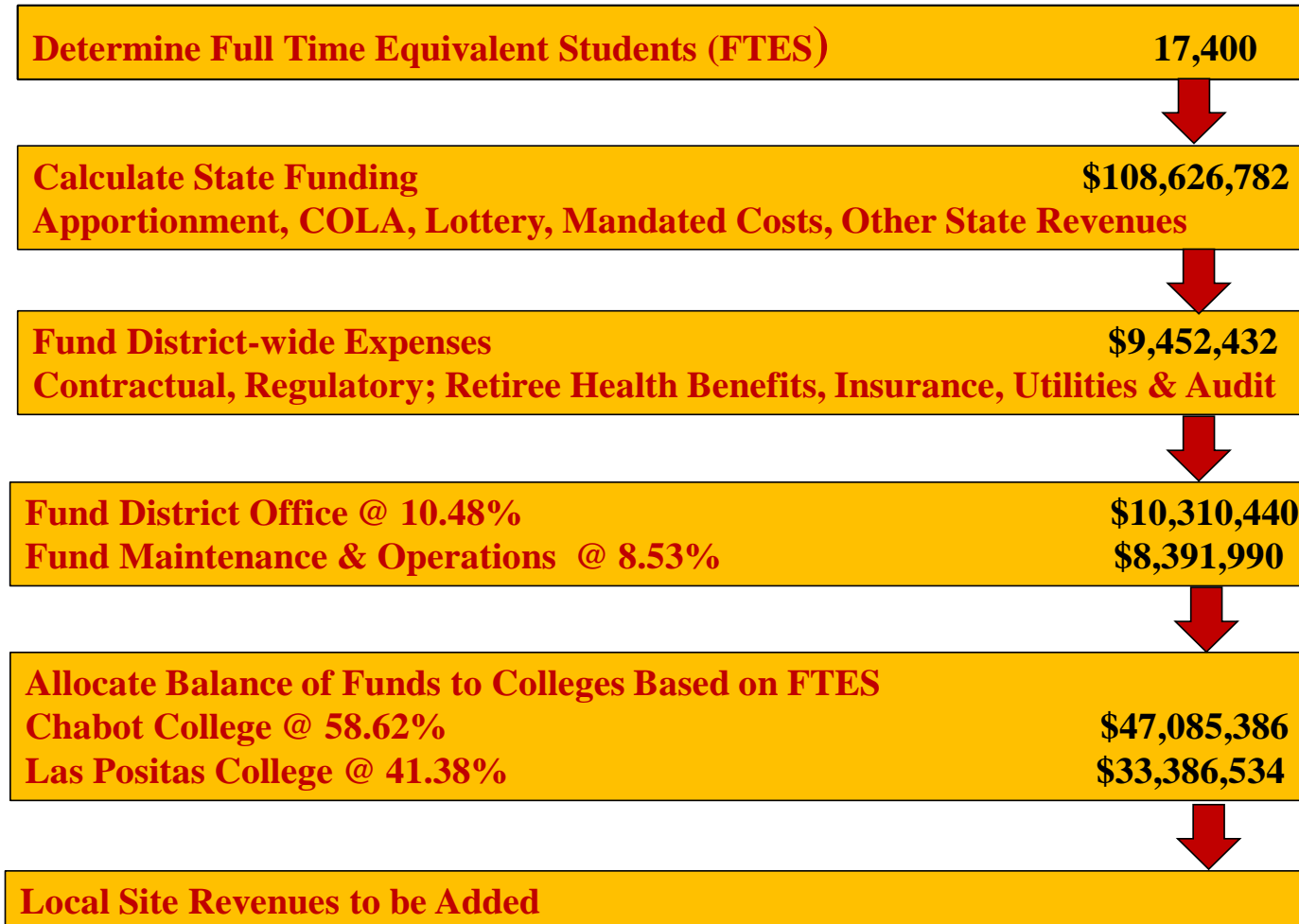
Major Expenditure Assumptions cont.

Chabot College Budget & Fund Balance Restoration

- In 2016/17 Chabot had a structural deficit of \$3.2 million ending the year with a \$2.5 million negative balance
- Under the Budget Allocation Model (BAM), Chabot is to restore its Ending Balance
- Chabot plan is to rebuild ending balance to 5% of Expenditures over the next 5 years. Chabot will:
 - Allocate 2% of annual Unrestricted General Fund Revenues
 - Designated Unrestricted General Fund annual surpluses
- For 2017/18, the structural deficit has been fully addressed



BUDGET ALLOCATION





Adoption Budget 2017-18 – Unrestricted General Fund

REVENUE	2017-18
State General Apportionment, State /Local/Federal Revenue and Transfers	\$129,588,104
EXPENDITURES	
Total Expenditures	\$128,885,603
Net Increase/(Decrease) in Fund Balance	\$702,501
Beginning Balance	\$28,220,423
Ending Balance	\$28,922,924



Adoption Budget 2017-18– Restricted General Fund

REVENUE	2017-18
State General Apportionment, State /Local/Federal Revenue and Transfers	\$109,347,786
EXPENDITURES	
Total Expenditures	\$109,301,223
Net Increase/(Decrease) in Fund Balance	\$46,564
Beginning Balance	\$4,070,895
Ending Balance	\$4,117,459



Adoption Budget 2017-18– Cafeteria Fund

REVENUE	Adoption 2017-18
Operations/Commissions and Interest	\$57,500
EXPENDITURES	
Expenditures and Transfers	\$20,000
Net Increase/(Decrease) in Fund Balance	\$37,500
Beginning Balance	\$39,342
Ending Balance	\$76,842



Adoption Budget 2017-18 - Child Development Fund

REVENUE	2017-18
State/Local/Federal Revenue Transfers In	\$1,536,553
EXPENDITURES	
Expenditures	\$1,871,609
Net Increase/(Decrease) in Fund Balance	\$(335,056)
Beginning Balance	\$347,607
Ending Balance	\$12,551



Adoption Budget 2017-18 - Self Insurance Fund (RUMBL)

REVENUE	2017-18
Transfers and Interest	\$5,168,922
EXPENDITURES	
Expenditures and Transfers	\$5,143,922
Net Increase/(Decrease) in Fund Balance	\$25,000
Beginning Balance	\$4,281,702
Ending Balance	\$4,306,702



Adoption Budget 2017-18 - Capital Projects Fund

REVENUE	2017-18
State /Local/Federal Revenue and Transfers	\$2,673,042
EXPENDITURES	
Expenditures & Transfers	\$3,648,042
Net Increase/(Decrease) in Fund Balance	\$(975,000)
Beginning Balance	\$9,318,397
Ending Balance	\$8,343,397



Adoption Budget 2017-18 - Special Reserve Funds (Nike Project, COP)Fund

REVENUE	2017-18
Interest	\$15,000
EXPENDITURES	
Expenditures & Transfers	\$840,000
Net Increase/(Decrease) in Fund Balance	\$(825,000)
Beginning Balance	\$2,075,313
Ending Balance	\$1,250,313



Unrestricted General Fund – Ending Balance

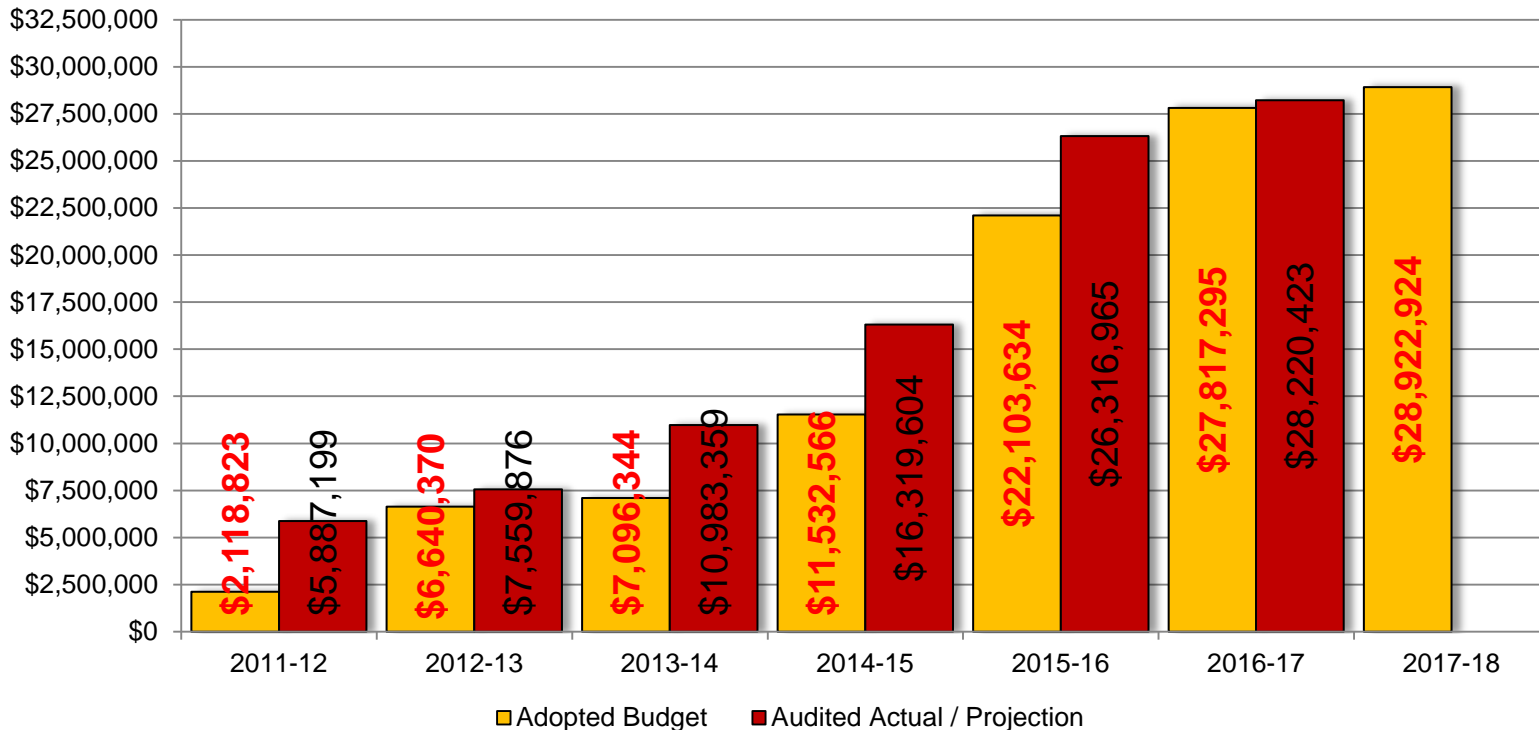
	Audited Actual	Unaudited Actual	Adoption Budget
	2015-16	2016-17	2017-18
Total Revenue and Transfers In	\$130,221,105	\$125,934,952	\$129,588,104
Total Expenditures and Transfers Out	<u>\$120,223,745</u>	<u>\$124,031,494</u>	<u>\$128,885,603</u>
Increase/(Decrease) in Fund Balance	\$9,997,360	\$1,903,458	\$702,501
Beginning Balance	\$16,319,605	\$26,316,965	\$28,220,423
Ending Fund Balance	\$26,316,965	\$28,220,423	\$28,922,924
Ending Balance as % of Total Expenditures	24%	23%	23%



Unrestricted General Fund– Ending Balance

- » The District has a history of budgeting conservatively
 - The expectation is that the fiscal year 2017-18 ending fund balance will be approximately \$29 million
- » The District has exceeded its budgeted result for the last 5 years

Comparison of Budgeted v. Actual Ending Balance of Unrestricted General Fund





Looking Ahead – Opportunities and Budget Risks

- Enrollment: Stability/Restoration
- Rainy Day Fund
- STRS/PERS Increases
- Guided Pathways (SSSP, Equity, Basic Skills, Strong Workforce)
- Growth versus Guided Pathways
- Managing Expenditures: OPEB Unfunded Liability
- Planning for the next Recession: Supplemental Employee Retirement Plan (SERP)

Questions and Comments

