



Chabot-Las Positas  
Community College District

Board of Trustees Meeting

June 21, 2016

Tentative Budget  
Fiscal Year 2016-17

*Lorenzo Legaspi  
Vice Chancellor  
Business Services*

# Presentation Summary

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- Budget Requirement
- Governor's Budget Proposal for FY 2016-17
- Student Enrollment Data
  - Budget Stability
  - Decline Restoration
- 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

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- 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 20 at 6:30 p.m. in District Office board room

# Governor's Budget Proposal for FY2016-17

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- Reflects increased revenues and Proposition 98 guarantee
- Access - \$126.9 million to fund 2% growth (CLPCCD @ 1%)
- COLA – Zero percent
- Base Allocation Funding - \$75 million in ongoing funds
- Prior Year Mandated Costs - \$108.5 million in one-time funds
- Workforce - \$200 million added to Economic Workforce Development (EWD)
- Maintenance & Instructional Equipment - \$219.4 million one-time
- Student Fees – maintained at \$46 per credit unit
- Basic Skills - \$30 million increased to existing Basic Skills

## Student Enrollment Data – Full Time Equivalent Students (FTES)

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<i>YEAR</i>	<i>CHABOT</i>	<i>% Growth</i>	<i>LPC</i>	<i>% Growth</i>	<i>TOTAL</i>	<i>% Growth</i>
2006-2007	10,313	(0.5)	7,089	14.9	17,402	5.2
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	10,230	1.0	7,132	1.0	17,362	1.0
2016-17	10,063	(1.6)	7,167	0.5	17,230	(0.8)

## Title 5 § 58776 Budget Stability

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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.

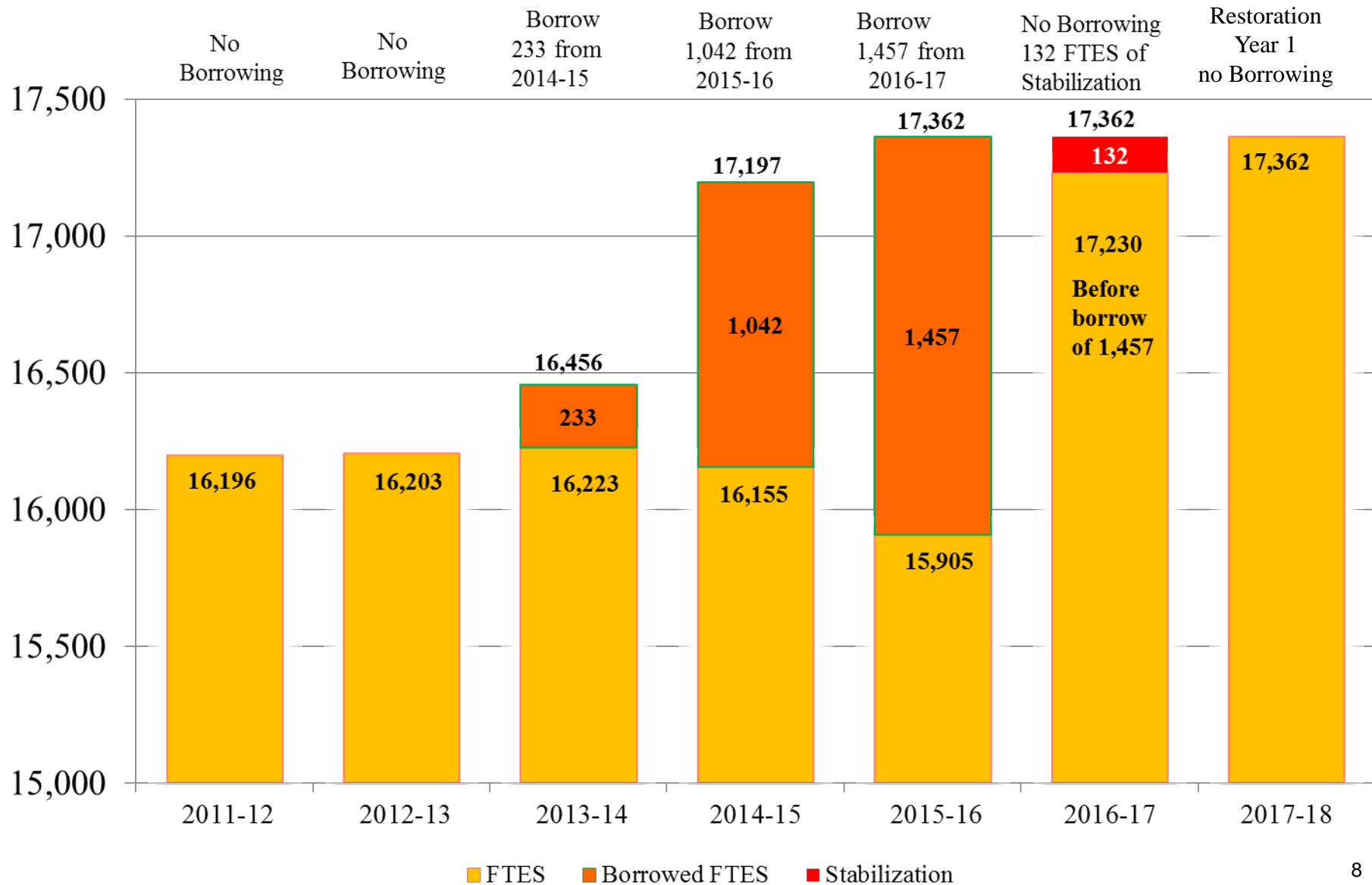
## Title 5 § 58777 Decline Restoration

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(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

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- State Apportionment Funding Rates
  - Credit base funding rate per FTES \$4,724
  - Non-credit base funding rate per FTES \$2,840
  - Credit marginal funding rate per FTES \$4,724
- Apportionment Revenue
  - Basic allocation (size of colleges) \$7,446,993
  - Base revenue (17,230 FTES) \$81,157,105
  - COLA @ 0.00% \$0
  - Increase in base allocation (based on \$75M) \$1,099,554
  - Ongoing base allocation increase from 2015-16 \$4,135,484
  - Ongoing increase from 2015-16 for faculty hiring \$938,376
- Total Computational Revenue (TCR) \$94,777,512

## Major Expenditure Assumptions

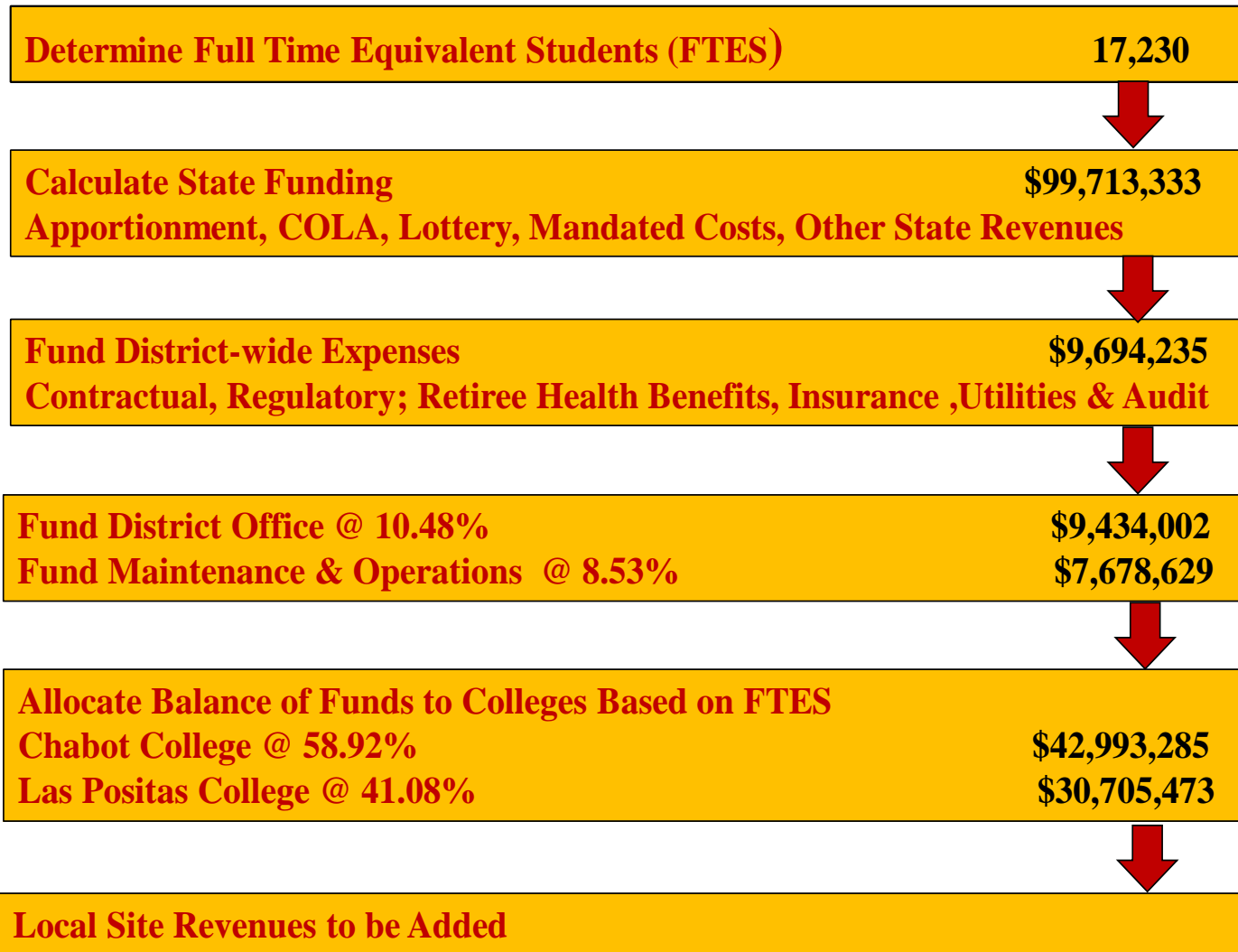
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- Based on serving 17,230 FTES
- Salary increase at 4% for all employee groups
- Step/column and longevity included
- Includes SEIU classification study at 1.53%
- Premium increases for health & welfare, assumes status quo employee contributions
- Retiree health benefits consistent with new actuarial report
- STRS/PERS increased rates
- Utilities budget increased by 5%

# Budget Allocation Model- Calculations

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## BUDGET ALLOCATION



# Tentative Budget 2016-2017 – Unrestricted General Fund

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<b>REVENUE</b>	
State General Apportionment, State /Local/Federal Revenue and Transfers	\$117,507,067
<b>EXPENDITURES</b>	
Total Expenditures	116,262,032
Net Increase/(Decrease) in Fund Balance	1,245,035
Beginning Balance	24,168,324
Ending Balance	\$25,413,359

# Tentative Budget 2016-2017 – Restricted General Fund

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<b>REVENUE</b>	
State General Apportionment, State /Local/Federal Revenue and Transfers	\$30,947,493
<b>EXPENDITURES</b>	
Total Expenditures	30,412,310
Net Increase/(Decrease) in Fund Balance	535,183
Beginning Balance	884,431
Ending Balance	\$1,419,614

# Tentative Budget 2016-2017 – Cafeteria Fund

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<b>REVENUE</b>	
Operations/Commissions and Interest	\$77,484
<b>EXPENDITURES</b>	
Expenditures and Transfers	31,670
Net Increase/(Decrease) in Fund Balance	45,814
Beginning Balance	235,867
Ending Balance	\$281,681

## Tentative Budget 2016-2017 - Child Development Fund

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<b>REVENUE</b>	
State/Local/Federal Revenue Transfers In	\$1,225,871
<b>EXPENDITURES</b>	
Expenditures	1,225,871
Net Increase/(Decrease) in Fund Balance	\$0
Beginning Balance	\$409,020
Ending Balance	\$409,020

## Tentative Budget 2016-2017 - Self Insurance Fund (RUMBL)

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<b>REVENUE</b>	
Transfers and Interest	\$5,341,382
<b>EXPENDITURES</b>	
Expenditures and Transfers	5,331,382
Net Increase/(Decrease) in Fund Balance	10,000
Beginning Balance	4,614,295
Ending Balance	\$4,624,295



# Tentative Budget 2016-2017 - Measure B Capital Projects Fund

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<b>REVENUE</b>	
Interest & Property Tax Refund	\$483,278
<b>EXPENDITURES</b>	
Expenditures	22,111,392
Net Increase/(Decrease) in Fund Balance	(21,628,114)
Beginning Balance	63,616,635
Ending Balance	\$41,988,521

# Tentative Budget 2016-2017 - Capital Projects Fund

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<b>REVENUE</b>	
State /Local/Federal Revenue and Transfers	\$3,054,591
<b>EXPENDITURES</b>	
Expenditures	2,512,058
Net Increase/(Decrease) in Fund Balance	542,533
Beginning Balance	7,599,524
Ending Balance	\$8,142,057

# Tentative Budget 2016-2017 - Special Reserve Funds (Nike Project, COP)

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<b>REVENUE</b>	
Interest	\$3,000
<b>EXPENDITURES</b>	
Expenditures	0
Net Increase/(Decrease) in Fund Balance	3,000
Beginning Balance	3,189,446
Ending Balance	\$3,192,446

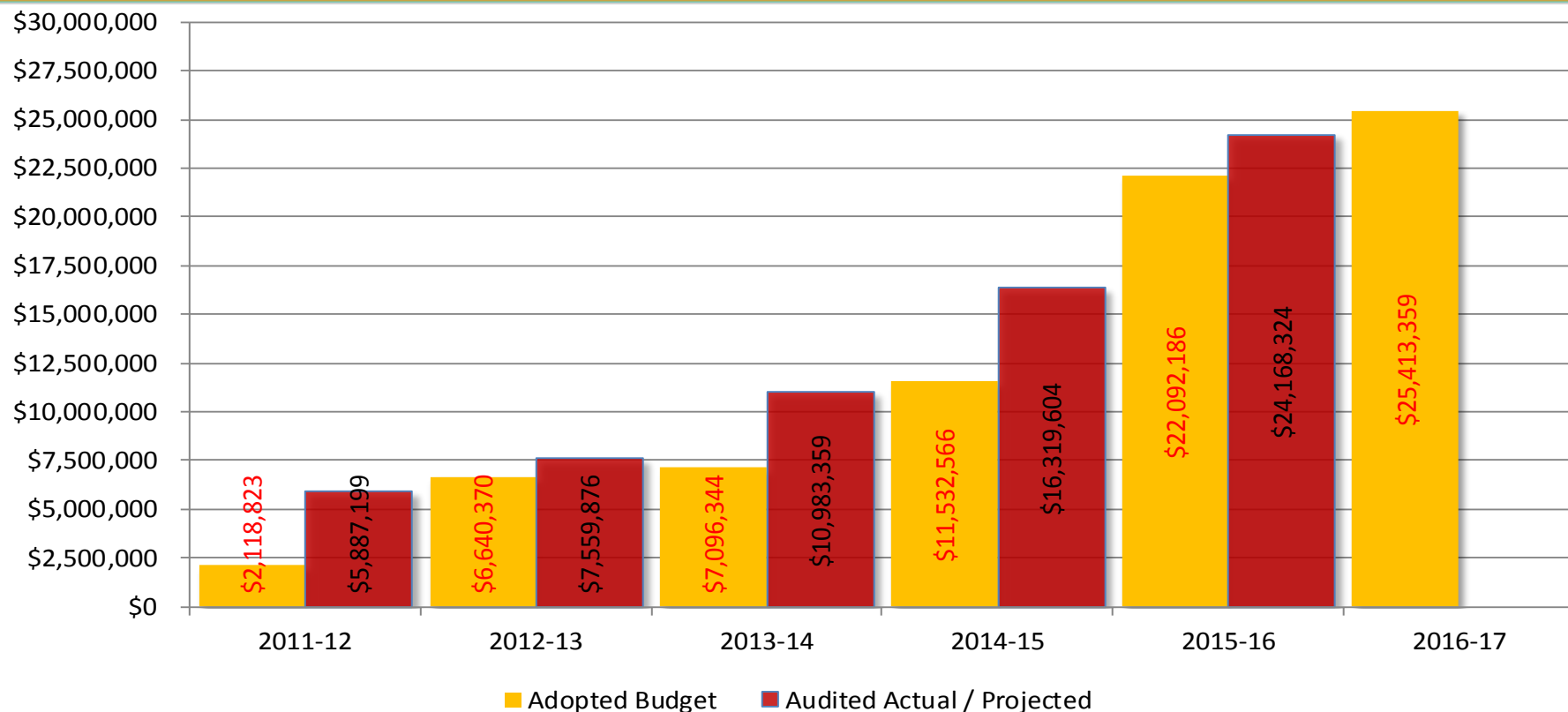
# Unrestricted General Fund – Ending Balance

	<b>Audited Actual</b>	<b>Projected</b>	<b>Tentative Budget</b>
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Total Revenue and Transfers In	\$110,288,321	\$121,678,125	\$117,507,067
Total Expenditures and Transfers Out	<u>(104,952,076)</u>	<u>(113,829,405)</u>	<u>(116,262,032)</u>
<b>Increase/(Decrease) in Fund Balance</b>	<b>\$5,336,245</b>	<b>\$7,848,720</b>	<b>\$1,245,035</b>
Beginning Balance	\$10,983,359	\$16,319,604	\$24,168,324
Increase/(Decrease) in Fund Balance	5,336,245	7,848,720	1,245,035
<b>Ending Fund Balance</b>	<b>\$16,319,604</b>	<b>\$24,168,324</b>	<b>\$25,413,359</b>
<b>Ending Balance as % of Total Expenditures</b>	<b>15.97%</b>	<b>21.85%</b>	<b>22.16%</b>

# Unrestricted General Fund – Ending Balance

- » The District has a history of budgeting conservatively
  - The expectation is that the fiscal year 2016-17 ending fund balance will be approximately \$25 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

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- Enrollment: Stability/Restoration
- Rainy Day Fund/Planning for the next Recession
- Integrated Planning and Budget Model (Planning & Budget Committee) – Multi-Year Planning
- STRS/PERS Increases
- Economy

# Questions and Comments

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