



DATE: May 6, 2020
TO: District Enrollment Management Committee (DEMC)
FROM: Chancellor Ronald Gerhard, CLPCCD
CC: District Planning & Budget Committee (PBC)
SUBJECT: DEMC FTES/FTEF Recommendation Response

DEMC Colleagues,

It has been over 22 months since the State adopted the Student-Centered Funding Formula (SCFF). Soon after its enactment, we learned that without the hold harmless provision, the SCFF would have immediately reduced our revenue (TCR) by approximately \$6.9 million. Rather, we rolled back approximately 1,700 FTES, that has provided us additional one-time funds. These one-time funds have been set aside to be used to stabilize the colleges and to support projects that improve our funding under the SCFF.

Even before the SCFF, and since the adoption of our current Budget Allocation Model (BAM), data has been provided to DEMC clearly showing the disconnect between our FTES planning process and our BAM. This disconnect has fueled and perpetuated budgetary stress districtwide. We must address this fundamental planning and budgetary issue in order to maintain stability for our colleges and district. This effort, while ongoing, must accelerate given the state's 2020-21 budget uncertainty related to COVID-19.

Last fall, you came together to discuss and recommend FTES and productivity targets for 2020-21. The recommendation forwarded was holding steady our FTES target at 17,649 (10,202 for Chabot and 7,447 for Las Positas) and decreasing productivity from 490 (2019-20 target) to 485. The impact of this recommendation would increase the number of FTEF needed by over 18 to achieve the same FTES target. The fiscal impact of this recommendation would require the colleges adjunct faculty budgets to be augmented by approximately \$500,000.

For 2018-19, the colleges received an augmentation, out of rollback funds, of \$3.2 million to further support our adjunct faculty budgets. Further, PBC just recommended a similar augmentation of \$3.4 million for 2019-20. Assuming the colleges' adjunct faculty budgets were to be the same for fiscal year 2020-21 as they are in 2019-20, this would mean that these budgets would require augmentation of over \$4 million to support the recommended FTEF. Given the uncertainty of the State's 2020-21 budget, we cannot afford this recommendation.

For these reasons, I am supportive of keeping our FTES target at 17,649 for fiscal year 2020-21 and keeping our productivity target at 490 (main group).

Regards,

Ron Gerhard
Chancellor