



# FY 18/19 TENTATIVE BUDGET

## JUNE 12, 2018

PREPARED BY: EDMADULI, VICE CHANCELLOR



# 2018/19 STATE BUDGET

Governor releases State Budget on January 10, 2018

\$190 billion general fund budget

Provides \$780 million in new Prop 98 General Funding for Community Colleges

Governor releases May Revise on May 11, 2018

# 2018/19 COMMUNITY COLLEGE BUDGET

Increase COLA from 2.51% to 2.71%

\$60 million for a 1% growth

\$175 million ongoing and \$104 million onetime to hold colleges harmless

\$46 million for College Promise Program

\$32.9 million for Student Success and Completion Incentive grants

\$2 million for Chancellor's Office operations

\$120 million for Online Education (\$100 million onetime)

Decreases from \$274.3 million to \$143.5 million Deferred Maintenance and Instructional Equipment

\$20 million (onetime) for Innovation Awards



# MAY REVISION FUNDING FORMULA

60% Base	20% Supplement (Equity)	20% Success
<ul style="list-style-type: none"> <li>Measures FTES enrollment based on a <u>three-year average</u></li> <li>Consistently counts summer session enrollments in the fiscal year that follows the summer term.</li> <li>Provides a rural allocation consistent with the current formula.</li> </ul>	<ul style="list-style-type: none"> <li>Pellgrant headcount enrollment</li> <li>Headcount enrollment of students 25 years and older who receive a College Promise Grant fee waiver (formerly known as the BOG Fee Waiver)</li> <li>AB 540 students per the California Dream Grant application</li> </ul>	<p>Progress</p> <ul style="list-style-type: none"> <li>Transfer level mathematics and English within the first year</li> </ul> <p>Outcomes</p> <ul style="list-style-type: none"> <li>AA/AS degree</li> <li>Transfer to <u>ANY</u> accredited 4 year institution</li> <li>ADT</li> <li>Credit certificates 18 units or greater</li> <li>9 (CTE) units</li> </ul> <p>Wages</p> <ul style="list-style-type: none"> <li>Regional living wage after one year</li> </ul>

# UPDATED FUNDING FORMULA

Three-year phase in of the formula

2018/1970-20-10

2019/2065-20-15

2020/2160-20-20

New “stability” provision that each district would receive the greater of their past year or current year funding

Reverts to current practice for shift of summer enrollment

# 2018/19 DISTRICT BUDGET

2.51% State COLA

No growth or restoration funds

Salary enhancement--TBD

WSCH—530

FTES Target—13,700

FTE Funded—308

5% reserve and more than 3% contingency reserve

Dean & Department Chair positions fully funded

Student categorical funding same as 2017/18

Proposition 30 funded at \$100/FTES

Meet statutory obligations



# BUDGET DEVELOPMENT APPROACH

Maintain community support status

Manage enrollment

Use Resource Allocation Model

Balance budget with community support funds

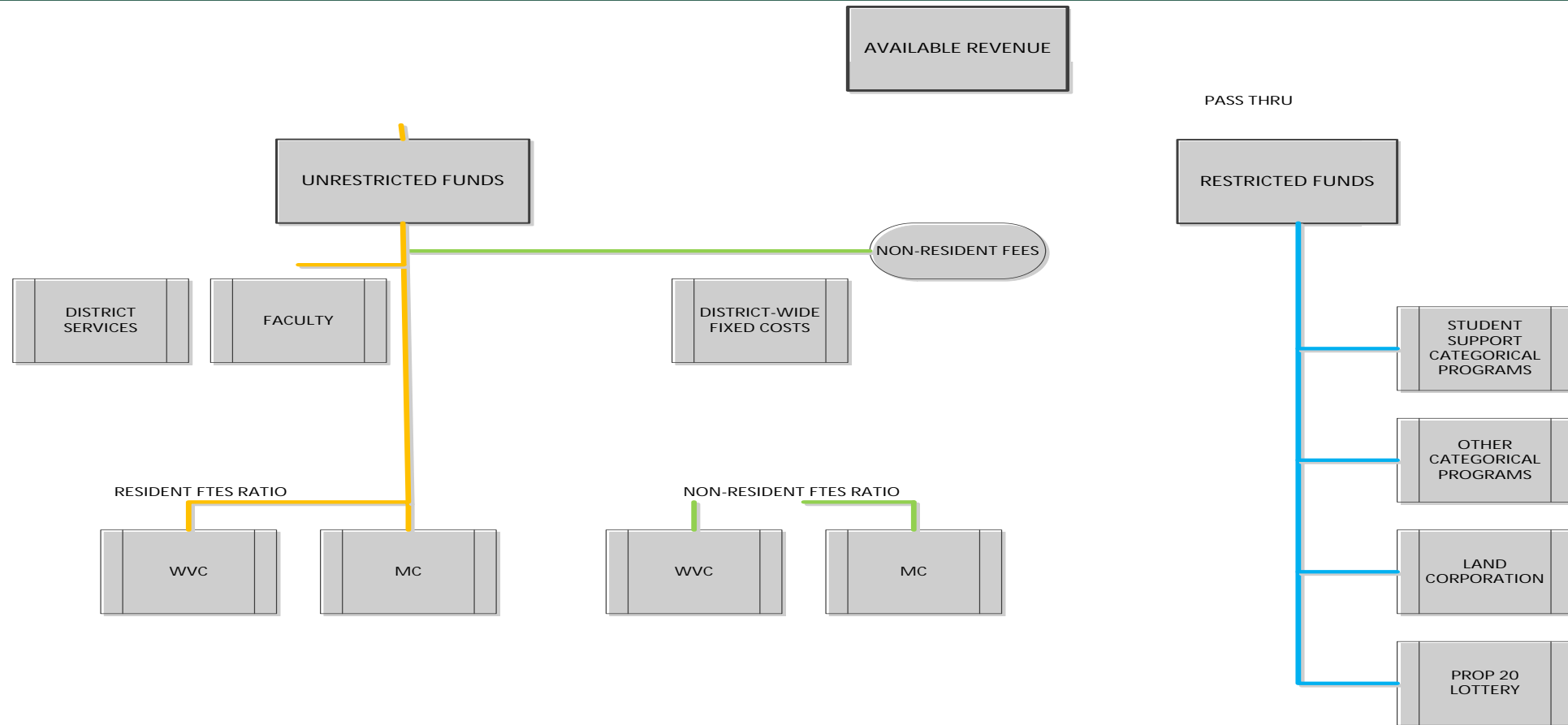


## 2018/19 PROJECTED ENDING FUND BALANCE

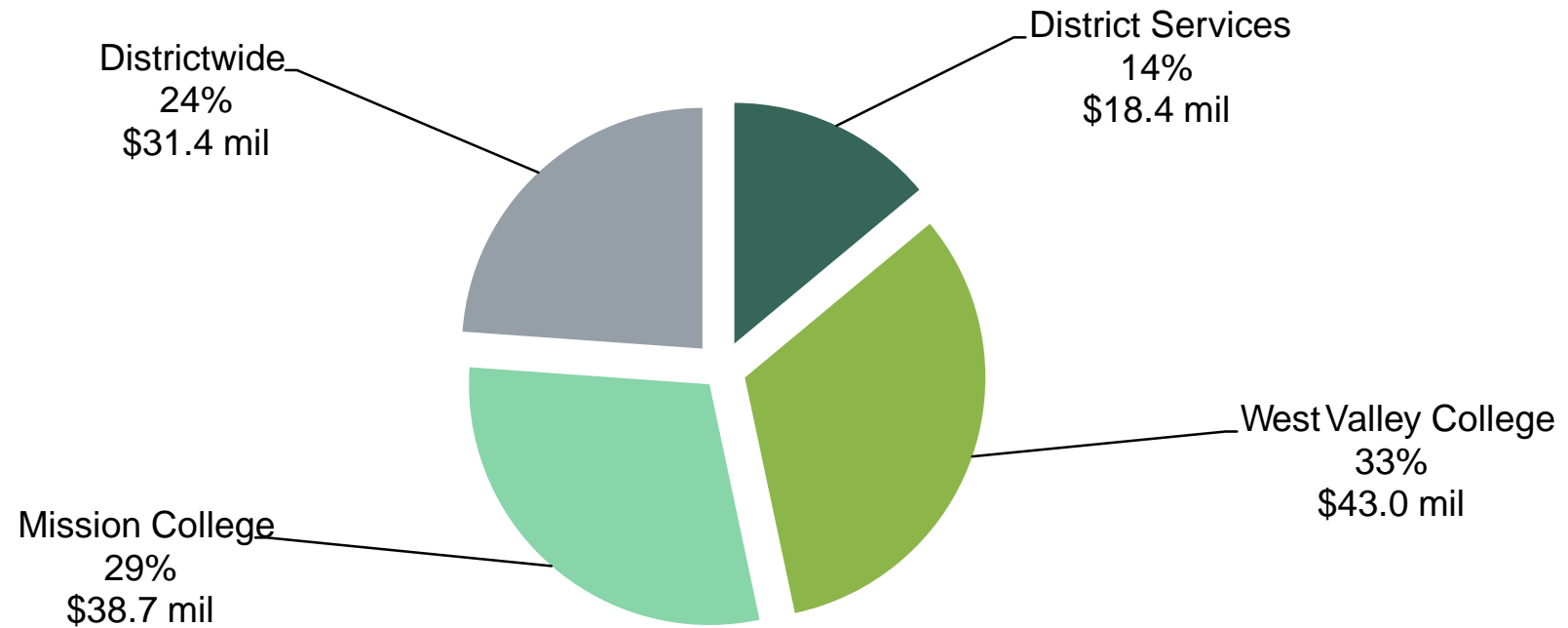
Assigned to Banked Leave Liability	\$5,683,749
Assigned to Student Transcript/Materials	\$388,362
Assigned to Faculty Travel/Conferences	\$171,129
Prepays	\$200,000
Reserve at 5%	\$6,572,732
Contingency Reserve	\$3,066,891
Community Support Fund Reserve	\$39,964,396
Board Elections	\$86,729
<b>Total Projected Ending Fund Balance -</b>	<b>\$56,133,988</b>



# RESOURCE ALLOCATION MODEL



# RAM ALLOCATION BY LOCATION













# DISTRICT OUTSTANDING DEBT

Lease Revenue Refunding Bonds, Series 2016C (Refunding LRB, Series 2005A) ~~\$65,064,166~~ \$65,064,166

18/19 Payment: \$2,845,976

Lease Revenue Bonds, Series 2009A ~~\$2,042,500~~ \$2,042,500

18/19 Payment: \$935,500

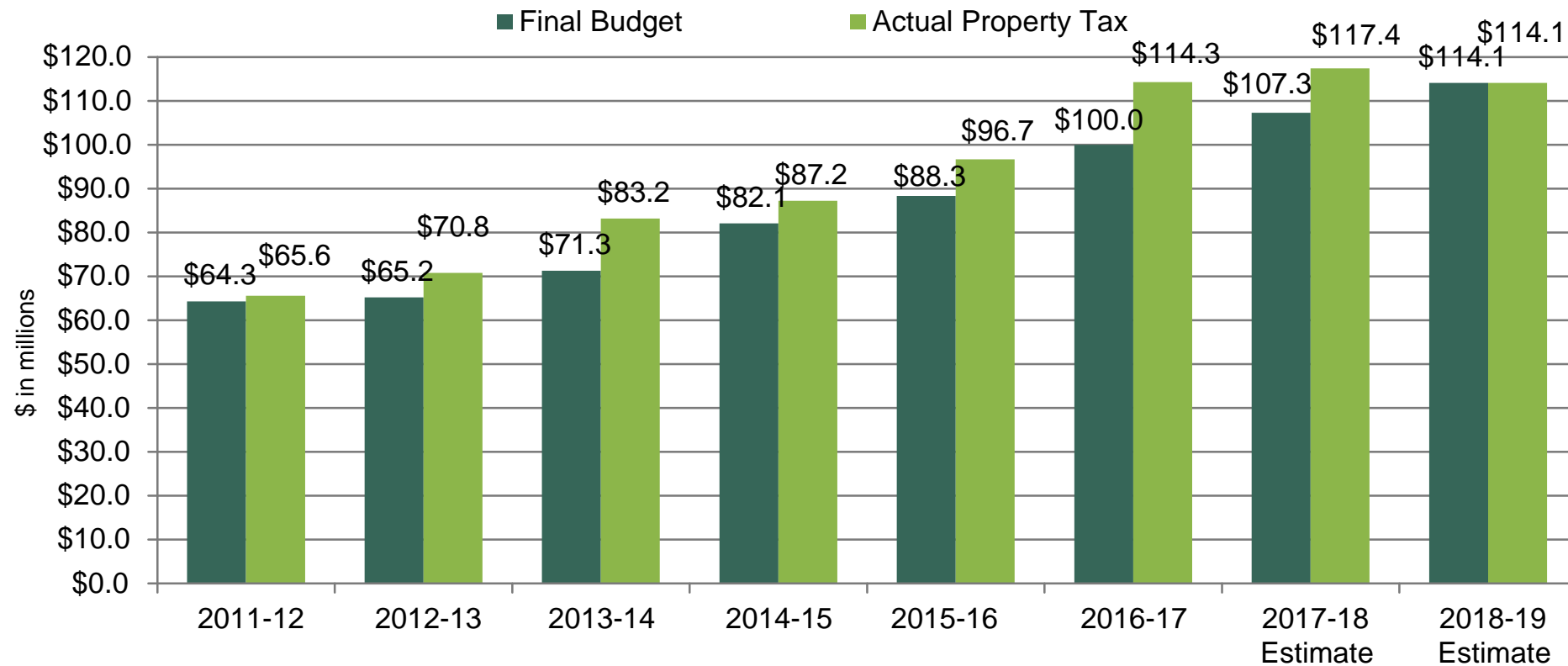
Lease Revenue Bonds, Series 2011B ~~\$5,945,312~~ \$5,945,312

18/19 Payment: \$223,750

Lease Revenue Bonds, Series 2011C ~~\$6,789,255~~ \$6,789,255

18/19 Payment: \$280,050 plus \$294,118 sinking fund

# PROPERTY TAX HISTORY AND PROJECTION FOR 8/19



Updated:5/29/17

# COMMUNITY SUPPORT FUND RESERVE



# COMMUNITY SUPPORT FUND RESERVE: ON-GOING VS. ONETIME FUNDS

## Revenues

On-going Property Taxes

39,589,664 41,085,829 44,375,309 57,913,395 59,085,107 61,202,571

One-time RDA

10,000,000 5,000,000 5,000,000 5,000,000 5,000,000 5,000,000

## Expenditures

On-going Expenditures

33,914,855 42,284,035 44,894,817 59,226,896 59,899,696 63,858,591

# STATUTORY OBLIGATIONS

50% Law

Fulltime Faculty Obligation

50%L0.083 T/m [(50%)4.3 9dW 0.08H1 <</6 >ChartDC /CS1 8s 1 scn/TT0CS3

# FACTORS AFFECTING DISTRICT BUDGET IN THE NEXT YEARS

State Funding Formula

New Online Community College

Guided Pathways

50% Law

Grants/Categorical Funding (Consolidation)

Enrollment Management

Recession

Increased CalPERS/STRS Employer Contribution Rates

# SUMMARY OF COST FOR BANNER IMPLEMENTATION

	2015/16	2016/17	2017/18	Total
<b>Backfill/OT for Banner Project</b>				
Finance Module	\$188,865	\$35,367	\$0	\$224,232
Student Module	\$115,810	\$1,007,294	\$562,850	\$1,685,954
HR/Payroll Module	\$61,575	\$274,396	\$426,650	\$762,621
Technical Support	\$66,611	\$221,731	\$113,044	\$401,386
<b>TOTAL</b>	<b>\$432,861</b>	<b>\$1,538,788</b>	<b>\$1,102,544</b>	<b>\$3,074,193</b>
<b>Ellucian</b>	\$4,151,938	\$4,260,951	\$504,747	\$8,917,636
<b>Strata Information Group (SIG)</b>	\$265,655	\$542,628	\$690,211	\$1,498,494
<b>Other – Software &amp; Equipment</b>	\$247,195	\$33,346	\$8,055	\$288,596
<b>TOTAL</b>	<b>\$4,664,788</b>	<b>\$4,836,925</b>	<b>\$1,194,958</b>	<b>\$10,704,726</b>
<b>GRAND TOTAL</b>	<b>\$5,097,649</b>	<b>\$6,375,713</b>	<b>\$2,305,557</b>	<b>\$13,778,919</b>



# REDEVELOPMENT AGENCY

AB1X 26 dissolves Redevelopment Agencies on February 1, 2012

City assumed responsibility as Successor Agency

Oversight Board designated to direct/approve actions of Successor Agency

Seven Member Board

Successor agencies in District

Campbell

Los Gatos

San Jose

Santa Clara

As of July 1, 2018, all individual oversight boards subsumed into a single oversight board for each county