



# 2019-2020 Tentative Budget



VISION FOR  
SUCCESS



Budget Committee

May 29, 2019

Diana Keelen, Executive Director of Business Services

# Topics

- Student Centered Funding Formula (SCFF)
- 2018-2019 Estimated Actuals
- Status of Stability
- Evolution of 18-19 Total Computational Revenue (TCR)
- 2019-2020 Governor's May Revision
- 2019-2020 Tentative Budget



# Student Centered Funding Formula

## Year 1:

70% Base (Enrollment) 3 year average FTES

20% Supplemental Grant

10% Student Success Initiative Grant

## Year 2: - On Hold Using Year 1 per Gov Proposal

65% Base (Enrollment)

20% Supplemental Grant

15% Student Success Initiative Grant

## Year 3:

60% Base (Enrollment)

20% Supplemental Grant

20% Student Success Initiative Grant

- Hold Harmless held to 2017-2018 levels plus COLA for 3 years
- Noncredit & CDCP separate
- Oversight Council created (Governor's Rep, Senate Rules Committee & Speaker)
- Basic Skills, SSSP & Student Equity Combined into one allocation called the Student Equity & Achievement Program



# The Evolution of AVC's 18-19 TCR

	Jul-19	Feb-19	Apr-19		
<b>I. BASE ALLOCATION</b>	<b>Advanced</b>	<b>P1</b>	<b>P1 Revision</b>		
	2017-2018	2018-2019	Diff	2018-2019	Diff
FTES (3 yr average)	10,211	10,604	394	10,397*	(207)

\*Removed special admit, CDCP, incarcerated credit and non credit FTES



# The Evolution of AVC's 18-19 TCR

II. SUPPLEMENTAL ALLOCATION	Advanced	P1		P1	
	2016-2017	2017-2018	Diff	2017-2018	Diff
Pell	7,777	7,951	174	7,951	0
AB540	510	515	5	515	0
California Promise Grant (formally BOG Fee Waiver)	14,027	13,978	(49)	13,978	0

\*Changed fiscal year data set. Started with 2016-2017 and then switched to 2017-2018 at P1.





# The Evolution of AVC's 18-19 TCR

III. STUDENT SUCCESS ALLOCATION		Advanced	P1		
		2016-2017	2017-2018	Diff	
Associate Degree for Transfer	Headcount	430	566	136	32%
Associate Degrees	Headcount	1,303	1,224	(79)	-6%
Bachelor's Degree	Headcount	0	0	0	0%
Credit Certificates	Headcount	895	1,049	154	17%
Transfer Level Math & English	Headcount	206	187	(19)	-9%
Transfer	Headcount	1,052	1,060	8	1%
Nine or More Units of CTE	Headcount	2,138	2,033	(105)	-5%
Regional Living Wage	Headcount	907	1,091	184	20%
<u>Pell Recipients</u>					
Associate Degree for Transfer	Headcount	306	396	90	29%
Associate Degrees	Headcount	869	855	(14)	-2%
Bachelor's Degree	Headcount	0	0	0	0%
Credit Certificates	Headcount	622	693	71	11%
Transfer Level Math & English	Headcount	122	97	(25)	-20%
Transfer	Headcount	585	596	11	2%
Nine or More Units of CTE	Headcount	1,421	1,318	(103)	-7%
Regional Living Wage	Headcount	449	546	97	22%
<u>California Promise Grant Recipients</u>					
Associate Degree for Transfer	Headcount	370	485	115	31%
Associate Degrees	Headcount	1,086	1,050	(36)	-3%
Bachelor's Degree	Headcount	0	0	0	0%
Credit Certificates	Headcount	753	865	112	15%
Transfer Level Math & English	Headcount	157	139	(18)	-11%
Transfer	Headcount	829	837	8	1%
Nine or More Units of CTE	Headcount	1,796	1,693	(103)	-6%
Regional Living Wage	Headcount	653	816	163	25%

\*Changed fiscal year data set. Started with 2016-2017 and then switched to 2017-2018 at P1.

# The Evolution of State-wide 18-19 TCR

III. STUDENT SUCCESS ALLOCATION		Advanced	P1		
		2016-2017	2017-2018	Diff #	% Diff
Associate Degrees	Headcount	101,256	110,987	9,731	10%
Associate Degree for Transfer	Headcount	38,659	49,682	11,023	29%
Bachelor's Degree	Headcount	0	95	95	0%
Credit Certificates	Headcount	60,251	72,603	12,352	21%
Nine or More Units of CTE	Headcount	192,108	186,498	(5,610)	-3%
Transfer	Headcount	150,303	157,139	6,836	5%
Transfer Level Math & English	Headcount	21,295	25,250	3,955	19%
Regional Living Wage	Headcount	175,611	185,679	10,068	6%
<u>Pell Recipients</u>					
Associate Degrees	Headcount	56,224	60,823	4,599	8%
Associate Degree for Transfer	Headcount	21,387	27,231	5,844	27%
Bachelor's Degree	Headcount	0	47	47	0%
Credit Certificates	Headcount	30,460	36,188	5,728	19%
Nine or More Units of CTE	Headcount	88,887	83,503	(5,384)	-6%
Transfer	Headcount	59,722	62,272	2,550	4%
Transfer Level Math & English	Headcount	7,087	9,104	2,017	28%
Regional Living Wage	Headcount	39,667	48,050	8,383	21%
<u>California Promise Grant Recipients</u>					
Associate Degrees	Headcount	76,098	83,407	7,309	10%
Associate Degree for Transfer	Headcount	28,703	36,834	8,131	28%
Bachelor's Degree	Headcount	0	76	76	0%
Credit Certificates	Headcount	42,311	50,578	8,267	20%
Nine or More Units of CTE	Headcount	129,478	124,252	(5,226)	-4%
Transfer	Headcount	92,636	96,263	3,627	4%
Transfer Level Math & English	Headcount	10,699	13,341	2,642	25%
Regional Living Wage	Headcount	78,429	86,251	7,822	10%

\*Changed fiscal year data set. Started with 2016-2017 and then used 2017-2018 at P1.

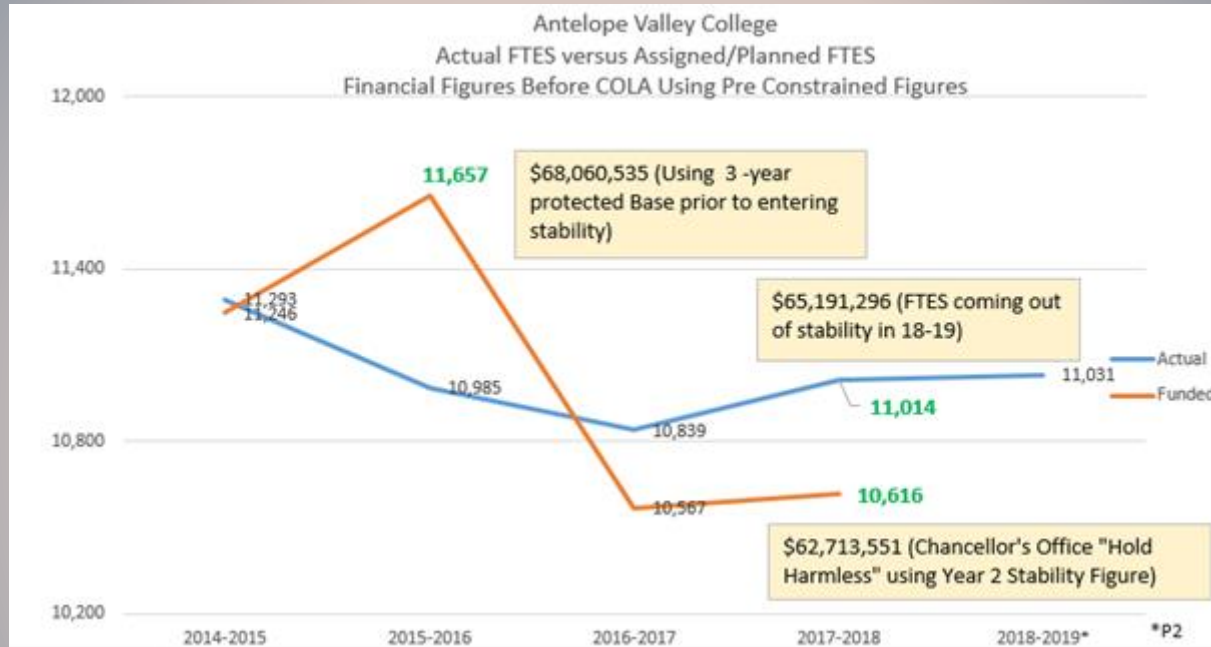


# 2018-2019 Estimated Actuals

2018-2019 Estimated Actuals										
Fund	Name	Beginning Balance	Revenue	Expenditures	Ending Balance	Committed/ Assigned Reserves	Surplus/ Deficit	Unrestricted Balance	Reserve	% of overall budget
	General Fund									
10	Unrestricted	10,707,490	73,490,489	73,742,338	10,455,641	(500,000)	(251,849)	9,955,641	13.5%	36.57%
13 & 14	Restricted	3,064,574	18,559,258	20,970,730	653,103		(2,411,471)			10.40%
21	Bond Interest & Redemption	17,496,624	16,764,954	20,693,536	13,568,042		(3,928,582)			10.26%
41	Capital Outlay Fund	4,967,440	2,141,983	3,687,884	3,421,539		(1,545,901)			1.83%
42	Revenue Bond Construction	115,062,388	1,750,000	45,374,919	71,437,469		(43,624,919)			22.50%
51	Enterprise Operations/Auxiliary Services	711,304	768,104	767,780	711,628		324			0.38%
33	Child Development Center	129,762	796,306	809,598	116,469		(13,293)			0.40%
72	Student Rep	321,934	40,500	20,000	342,434		20,500			0.01%
74	Financial Aid	1,150,275	35,420,012	35,345,535	1,224,752		74,477			17.53%
75	Scholarships & Loan	27,172	238,549	238,549	27,172		0			0.12%
<b>Antelope Valley College Budget</b>			<b>149,970,155</b>	<b>201,650,869</b>			<b>(51,680,714)</b>			<b>100.00%</b>



# Status of Stability



Method	Report	TCR
Using SCFF 18-19	P1	\$ 75,905,759
Using SCFF 18-19 Using 5.02% Deficit	P1	\$ 71,958,660
Using SCFF 17-18 Constrained 8%	P1 April Revision	\$ 67,703,504
17-18 TCR + COLA "Hold Harmless"		\$ 64,309,876
True Hold Harmless Pre-Stability Base Constrained 8%		\$ 73,593,856
Hold Harmless Using Out of Stability Base Constrained 8%		\$ 70,491,348

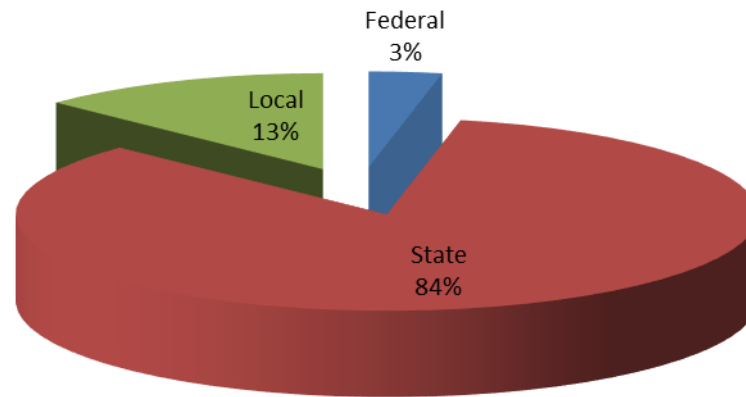


# 2018-2019 Estimated Actuals

## Unrestricted

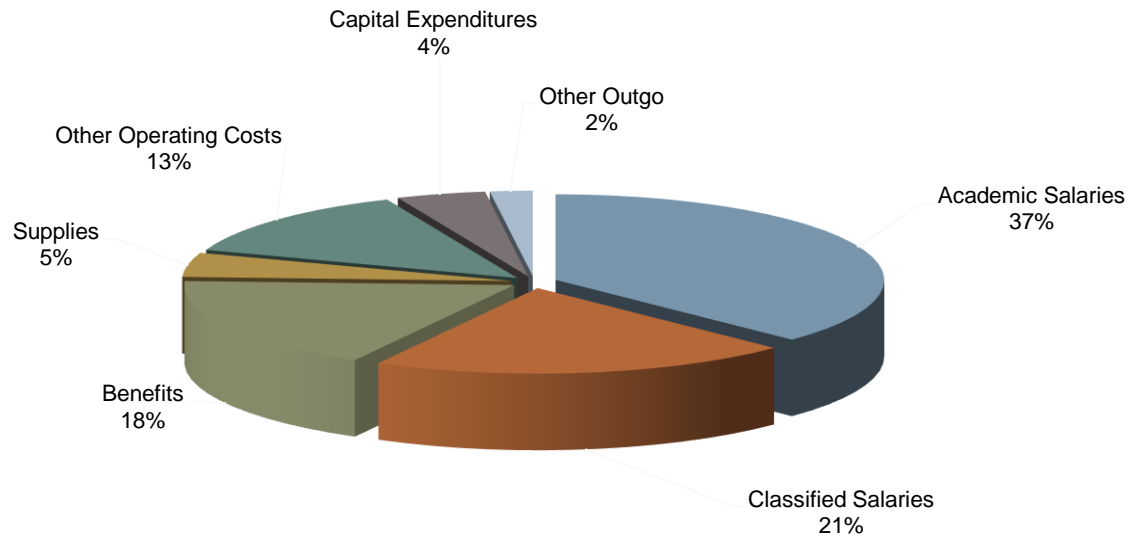
	<u>2018-2019</u> <u>Estimated Actuals</u>
Beg. Balance	\$10,707,490
Revenue	\$73,490,489
Expenses	\$73,742,338
Ending Fund Balance	\$10,455,641
Surplus/(Deficit)	\$ (251,849)
One Time Committed Funds & Assigned Reserves	\$ (500,000)
Unassigned Ending Fund Balance	\$ 9,955,641
Reserve %	13.5%
Full Time Faculty Actuals/FON Compliance	188/148.4
50% Law Compliance	52%
Salary & Benefits/Expense Ratio	83.6%

# 2018-2019 Estimated Actuals General Fund Revenue





# 2018-2019 Estimated Actuals General Fund Expenditures





# 2019-2020 Governor's May Revision Budget Themes

- Effective Government
  - California GDP continues to outpace nation
  - Risk: International Monetary Fund & Fed Reserve projecting 70% of world's economy will slow in 2019
  - Build budget resiliency by:
    - Eliminate Debts and Reverse Deferrals-contributing to CalSTRS employer obligation
    - Build reserves: Adds \$1.2 billion in Rainy Day fund for a total of \$16.5 billion in 19-20; Prop 2 investment for the first time of \$389 million
- Affordability and Opportunity
  - \$210 million in refund for low income families with young children
  - Increase funding per pupil for K-12 - \$5K more than 8 years ago
  - \$300 million for special ed programs
  - Fund first years of community college for first time, full time students
- Justice and Dignity
  - \$650 million one time to support local governments in assisting with the homelessness epidemic and mental health issues
  - \$1 billion to prevent and mitigate the homelessness epidemic





# 2019-2020 Governor's May Revision

*Table 5: California Community Colleges Funding by Program (Dollars in Millions)	2018-19		2019-20	
	January	May	January	May
	REVISED		PROPOSED	
Student Centered Funding Formula	\$7,156	\$7,170	\$7,504	\$7,435
Student Equity and Achievement Program	475	475	475	475
Strong Workforce Program	255	255	171	248
Student Success Completion Grant	132	132	143	150
Adult Education Program	131	131	135	135
Disabled Students Programs and Services (DSPS)	120	120	125	124
Extended Opportunity Programs and Services (EOPS)	112	112	116	116
California College Promise (AB 19)	46	46	80	83
Financial aid administration	92	92	77	76
Full-time faculty hiring	50	50	50	50
CalWORKs student services	45	45	47	47
Apprenticeship (CCC districts)	53	53	44	44
Integrated technology	42	42	42	42
Deferred maintenance and instructional equipment (one time)	28	28	0	40
Mandates Block Grant and reimbursements	33	34	34	33
Institutional effectiveness initiative	29	29	28	28
Part-time faculty compensation	25	25	25	25
Online education initiative	58	58	23	23
Economic and Workforce Development	23	23	23	23
NextUp (foster youth program)	20	20	20	20
California Online Community College	120	120	20	20



# 2019-2020 Governor's May Revision

*Table 5: California Community Colleges Funding by Program (Dollars in Millions)	2018-19		2019-20	
	January	May	January	May
	REVISED		PROPOSED	
Cooperative Agencies Resources for Education (CARE)	16	16	17	17
Lease revenue bond payments	32	32	16	16
Nursing grants	13	13	13	13
Part-time faculty office hours	62	62	12	12
Legal services	10	10	10	10
Fund for Student Success	9	0	9	0
Foster Parent Education Program	5	5	5	6
Veterans Resource Centers	13	13	5	5
Childcare tax bailout	4	4	4	4
Other (Academic Senate, transfer, FCMAT and part-time faculty health insurance)	3	3	3	3
Equal Employment Opportunity Program	5	5	3	3
Umoja	0	3	0	3
MESA-Math, Engineering, Science Achievement	0	2	0	2
Puente Project	0	2	0	2
Middle College High School Program	0	2	0	2
One-time program funding	31	31	-	0
College-specific allocations	16	16	-	0
K-12 passthroughs (adult ed, K-12 apprenticeship, workforce)	621	621	609	606
<b>Totals</b>	<b>\$9,888</b>	<b>\$9,902</b>	<b>\$9,888</b>	<b>\$9,939</b>

\*Association of California Community College Administrators, the Association of Chief Business Officials, and the Community College League of California Joint Analysis of Governor's May 2019 Revise, May 9, 2019



# 2019-2020 Budget Changes to Unrestricted Expenditures

Exhibit A to Unrestricted Fund 2018-2019 Budget Changes to 2019-2020 Adopted Budget				
	Change	Increase	Decrease	Total
1	Increase in Step & Column Estimates	\$ 353,109		
2	Security Contract Increase of 5% per year	\$ 102,914		
3	Minimum Wage Increase	\$ 15,000		
4	2% on schedule CMS & Administrators	\$ 267,369		
5	2% off schedule CMS& Administrators	\$ 272,716		
6	Increase in Utilities & Insurance Expense	\$ 96,480		
7	Instructional Materials	\$ 22,800		
8	STRS increase from 16.28 to 17.10%	\$ 258,462		
9	PERS increase from 18.10 to 20.80%	\$ 302,435		
10	Increase in Fox Hangar Rent	\$ 1,200		
11	Removal of One Time Funding		\$ (450,000)	
	<b>Total Increase (Decrease)</b>	<b>\$ 1,692,485</b>	<b>\$ (450,000)</b>	<b>\$ 1,242,485</b>



# 2019-2020 Tentative Budget Unrestricted

	<u>2019-2020 Tentative Budget</u>
Beg. Balance	10,455,641
Revenue	75,234,227
Expenses	74,984,823
Ending Fund Balance	10,705,046
Surplus/(Deficit)	\$249,404
One Time Committed Funds & Assigned Reserves	(\$500,000)
Unassigned Ending Fund Balance	\$10,205,046
Reserve %	13.6%
<b>Full Time Faculty Actuals/FON Compliance Estimate</b>	<b>188/171</b>
50% Law Compliance	50%
Salary & Benefits/Expense Ratio	84%

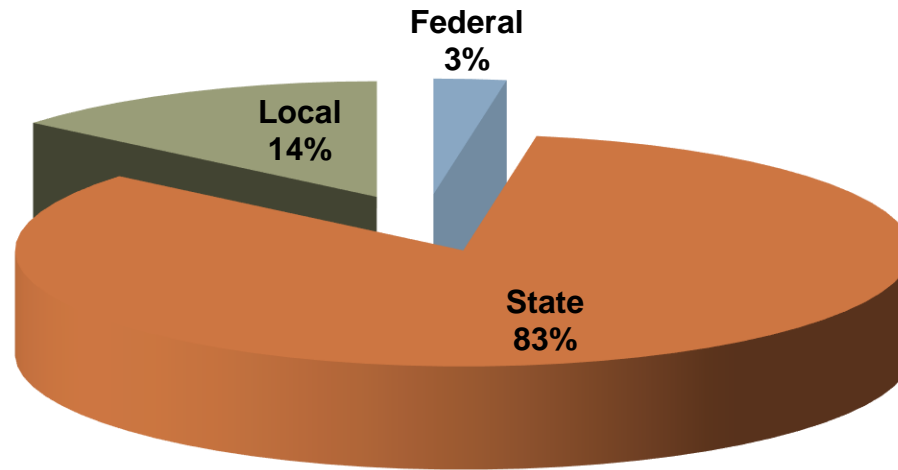


# 2019-2020 Tentative Budget

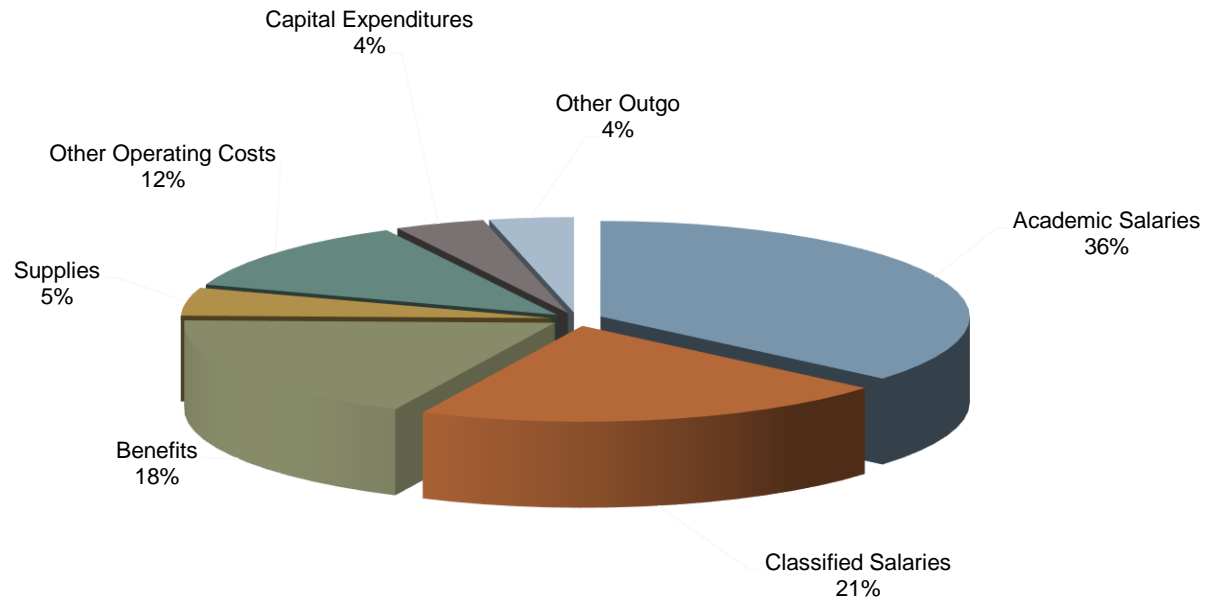
2019-2020 Tentative Budget										
Fund	Name	Beginning Balance	Revenue	Expenditures	Ending Balance	Committed/Assigned Reserves	Surplus/Deficit	Unrestricted Balance	Reserve	% of overall budget
	General Fund									
10	Unrestricted	10,455,641	75,234,227	74,984,823	10,705,046	(500,000)	249,404	10,205,046	13.6%	33.83%
13 & 14	Restricted	653,103	23,796,005	23,748,222	700,886		47,783			10.71%
21	Bond Interest & Redemption	13,568,042	17,603,202	18,624,182	12,547,061		(1,020,981)			8.40%
41	Capital Outlay Fund	3,421,539	1,870,000	2,871,246	2,420,293		(1,001,246)			1.30%
42	Revenue Bond Construction	71,437,469	1,425,242	63,211,694	9,651,016		(61,786,453)			28.52%
51	Enterprise Operations/Auxiliary Services	711,628	952,080	892,945	770,763		59,135			0.40%
33	Child Development Center	116,469	811,065	834,268	93,266		(23,203)			0.38%
72	Student Rep	342,434	40,500	50,000	332,934		(9,500)			0.02%
74	Financial Aid	1,224,752	35,705,667	36,172,486	757,933		(466,819)			16.32%
75	Scholarships & Loan	27,172	249,287	249,287	27,172		0			0.11%
<b>Antelope Valley College Budget</b>			<b>157,687,275</b>	<b>221,639,154</b>			<b>(63,951,879)</b>			<b>100.00%</b>



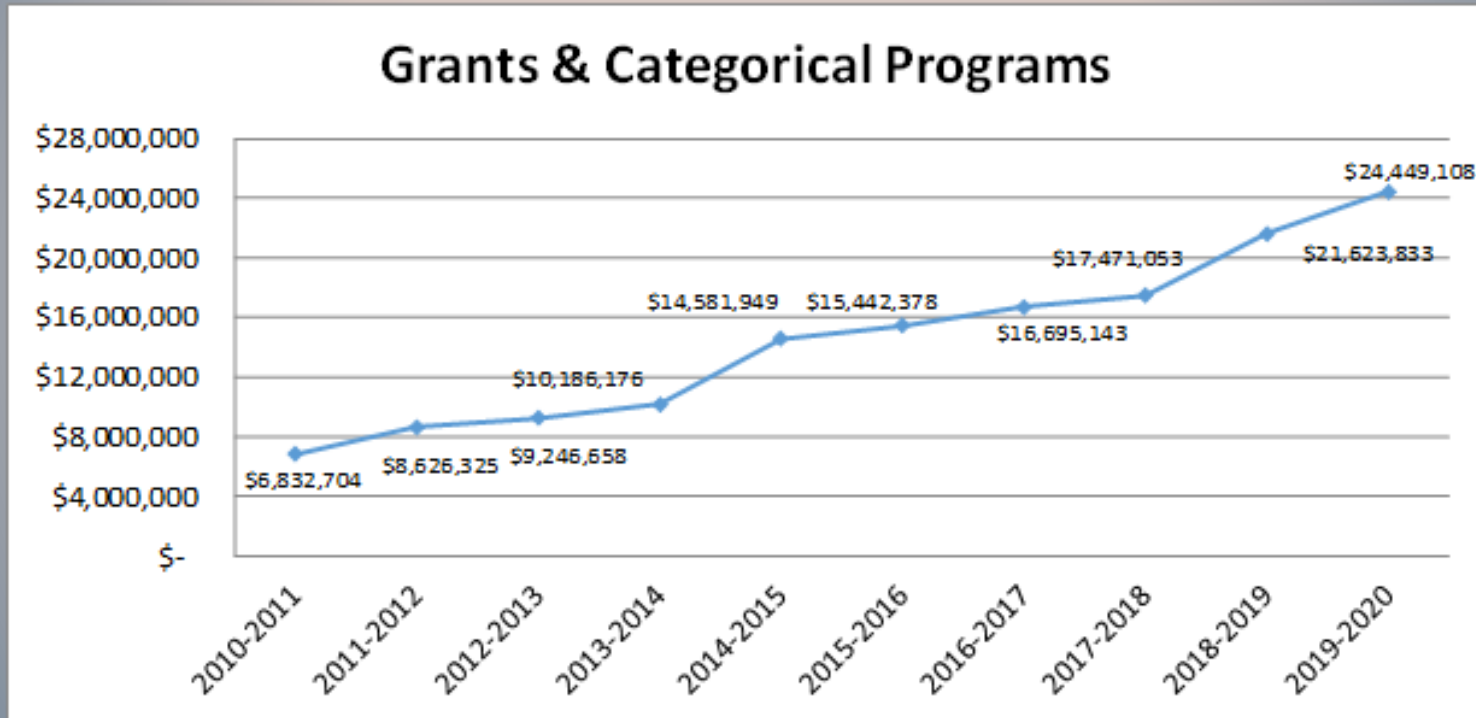
# 2019-2020 Tentative Budget General Fund Revenue



# 2019-2020 Tentative Budget General Fund Expenditures



# 2019-2020 Tentative Budget Restricted



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