



# 2016 -2017 Draft Adopted Budget Overview

**August 24, 2016 Budget Committee**

Presented by:

- Diana Keelen, Executive Director of Business Services

# Agenda

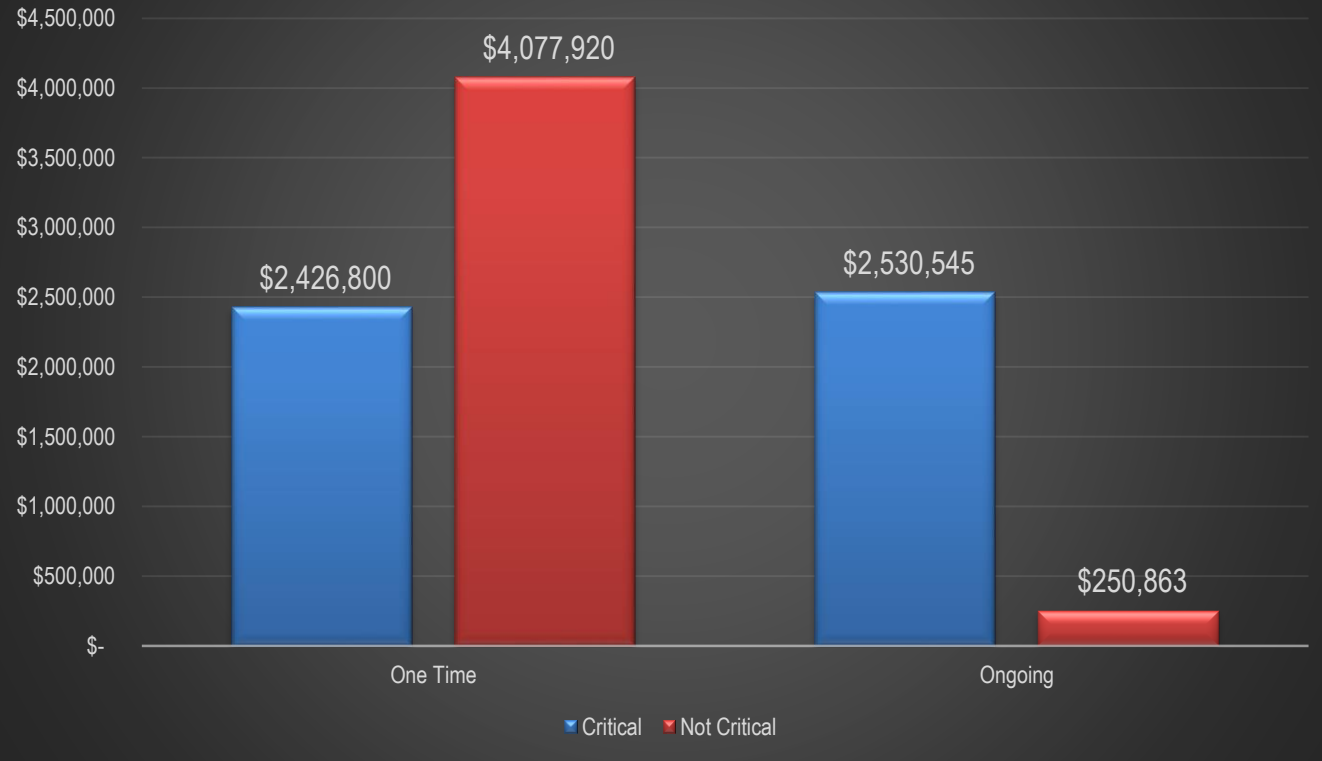
- 2015-2016 Accomplishments
- 2015-2016 Budget Requests
- 2015-2016 Estimated Actuals
- 2016-2017 Governor's Proposed Budget
- 2016-2017 Community College Budget
- 2016-2017 AVC Adopted Budget Highlights
- 3 Year Budget Projection
- 2016-2017 Budget Requests
- Summary



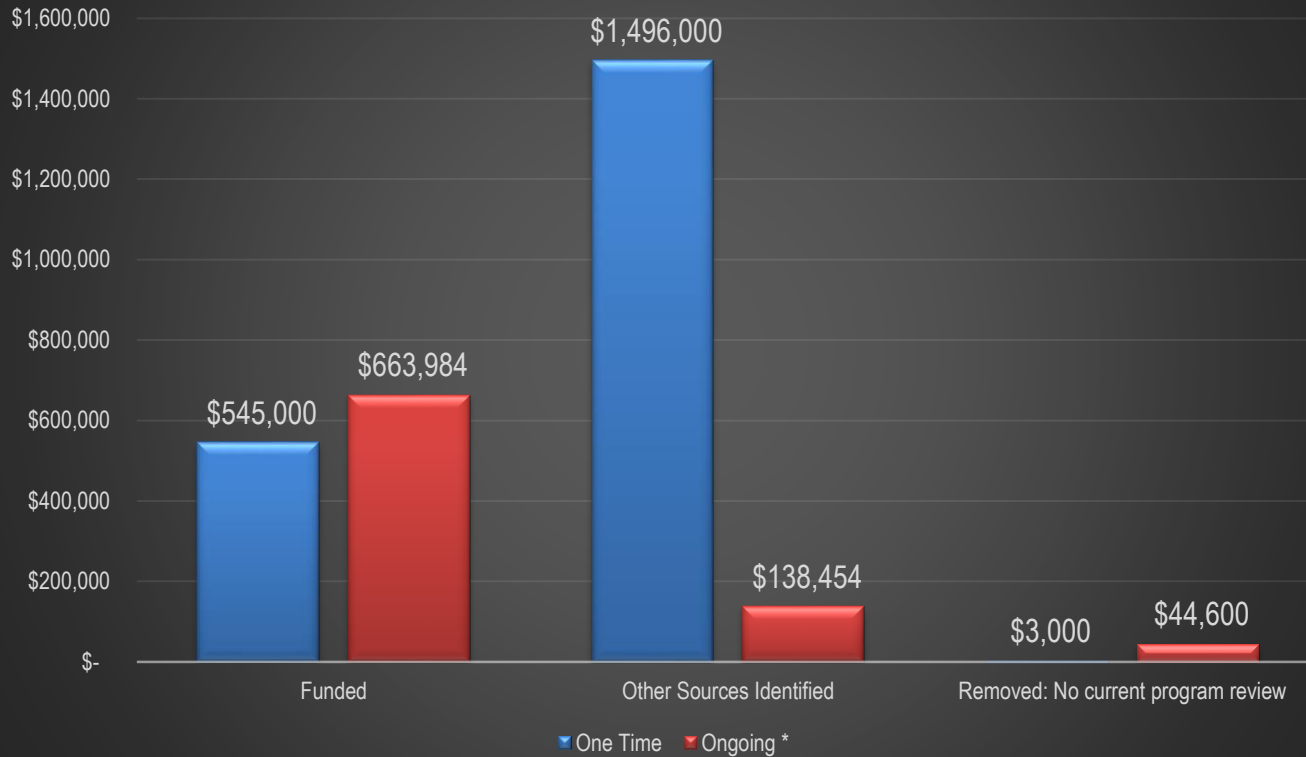
# 2015-2016 Accomplishments- Short List

- 1 of 15 community colleges to offer a bachelor's degree
- Student Success Scorecard for CTE is 56.1% overall, statewide average is 51.4%; one of the top in the state
- Completed the accreditation self study
- Books Help Program: \$170K in 15-16; \$140K set aside of 16-17; 643 applications as of 8/12/16 thanks to Student Equity Funds
- AVTA free bus passes to students, \$80K AVAQMD grant, \$80K Match with Equity, and AVTA \$80K per year; over 450 applications as of 8/12/16
- Student Equity is sponsoring slots at the CDC & partnering with CCRC (Child Care Resource Center) to pay for child care for eligible students
- Fully integrated business enterprise system as of July 1, 2016
- 1 of 15 community colleges that are fiscally independent as of July 1, 2016
- Expanding Palmdale capacity: Center & Regional Airport training programs
- H&S Virtual Science Lab is now actually a virtual science lab
- Board of Trustees has approved a \$350 million capital bond measure for November 2016 election

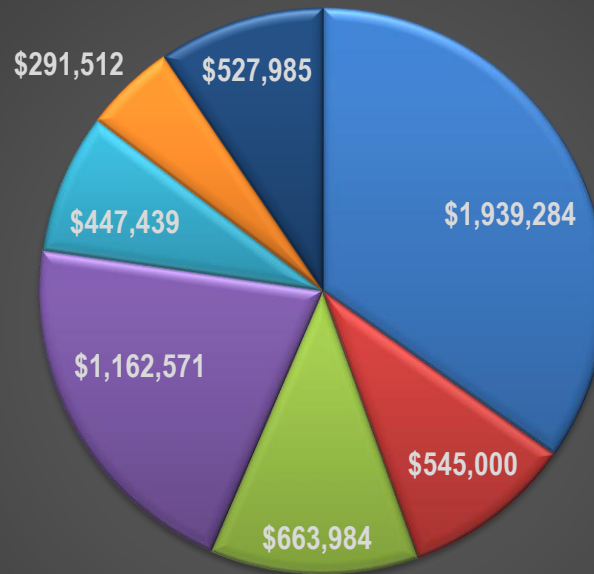
## 2015-2016 Non Staffing Budget Requests



## 2015-2016 Funded Budget Requests Increases



## 2015-2016 Unrestricted Fund Budget Increases



- Staffing & Reorgs
- Total One Time Resource Allocation
- Total On Going Resource Allocation
- Total On Going Negotiations
- Total One Time Negotiations
- Step & Column
- PERS/STRS increases



# 2015-2016 AVC Unrestricted Draft Adopted Budget Estimated Actuals

	<u>2015-2016</u>
<b>Beg. Balance</b>	<b>\$10,365,652</b>
<b>Revenue</b>	<b>\$74,072,828</b>
<b>Expenses</b>	<b>\$64,558,789</b>
<b>Total Ending Fund Balance</b>	<b>\$19,879,692</b>
<b>Surplus/(Deficit)</b>	<b>\$ 9,514,040</b>
<b>One Time Committed Funds &amp; Assigned Reserves</b>	<b>\$(4,336,800)</b>
<b>Unassigned Ending Fund Balance</b>	<b>\$15,542,892</b>
<b>Reserve %</b>	<b>24.1%</b>

# 2015-2016 FTES Targets vs Actuals

2015-2016 FTES	Plan
<b><u>FTES Target</u></b>	
2014-2015 Base FTES	11,292
2011-2012 Restoration FTES	79
Growth FTES	255
Potential Funded FTES	11,626
<b>2% Above Funded Target</b>	<b>11,859</b>
2014-2015 FTES Needed to Borrow	47
<b>Total FTES Target to including making up borrowing</b>	<b>11,906</b>

2015-2016 FTES	Attainment
2015-2016 Actual FTES at final report.	11,031
2014-2015 Make up for Borrowing	-47
Total FTES towards 2015-2016	10,984
2015-2016 Potential Borrowing	672
<b>Funded FTES</b>	<b>11,626</b>

**96% of State Apportionment Revenue is based on FTES**



# 2016-2017 Governor's Budget Themes

- Maintaining fiscal balance
- Eliminating the Retiree Health Unfunded Liability
- Continuing to Invest in Education
- Strengthening our Infrastructure
- Counteracting the Effects of Poverty
- Raising the Minimum Wage
- Addressing Climate Change
- Saving Money while paying down debt and liabilities

# 2016-2017 AVC Adopted Budget Revenue Highlights

- The “Un-COLA”. USDOC released the Implicit Rate Deflator; used to calculate statutory COLA for K-14. Deflator is 0.0029%. Estimates were 0.47%, Adopted budget is 0% COLA, categorical COLA also removed = \$30.6M
- Base Augmentation of \$75M
- 2% growth in budget, AVC not assuming growth
- Funding for one time mandated costs assumed
- Scheduled maintenance & block grant funding of \$184.5 Mil for CCs. No match required.

# 2016-2017 AVC Adopted Budget Expense/Investment Highlights

- Includes negotiated agreement: 2% on schedule, 2% off schedule
- \$750K in ongoing resource allocation funds
- \$250K in one time resource allocation funds
- STRS/PERS increases
- Security contract increase
- 20% Increase in general liability insurance
- Election costs for November 2016 ballot measure
- Palmdale Regional Airport lease rent
- Minimum wage increase to \$10 per hour
- Hiring an additional dean – AA reorg

# Major Differences between Tentative to Adopted

<b>Unrestricted General Fund Assumptions:</b>	<b>2015-2016 Actuals</b>	<b>2016-2017 Adopted</b>
<b><i>Summary of Major Revenue Changes</i></b>		
1. State: Prior Year Recalc Additional Funds 1x	549,829	
2. State: Increase in Base Funding	324,365	239,665
3. State: EPA Funds		-338,609
4. Local: Reduction in Utility Incentives		-450,000
5. Local: Reduction in Prior Year Taxes	-247,727	
6. Local: Reduction in Enrollment Fees-PY A/R		-223,335
	<b>626,467</b>	<b>-772,279</b>
<b><i>Summary of Major Expense Changes</i></b>		
7. One Time Mandated Cost	-451,980	451,980
8. Palmdale Regional Airport Lease		118,800
9. Learning Center Mold Abatement		100,000
10. Using SSSP funds for Counseling positions	-850,000	-850,000
11. One Time Resource Allocation		250,000
12. On Going Resource Allocation		250,000
13. November 2016 Election Cost Estimate		141,919
	<b>-1,301,980</b>	<b>462,699</b>

\* Page 6-7 of budget narrative has explanations for each of these



# 2016-2017 Resource Allocation

	Requested Positions	Total Positions Funded	Total Requested Amount	Total Amount Funded
Faculty	16	8	1,386,720	693,360
Classified	15	7	1,028,754	490,151
CMS	6	1	632,580	118,452
On Going Non Staff	-	-	855,484	125,358
One Time Non Staff	-	-	2,340,392	250,000
Total			6,243,930	1,677,320

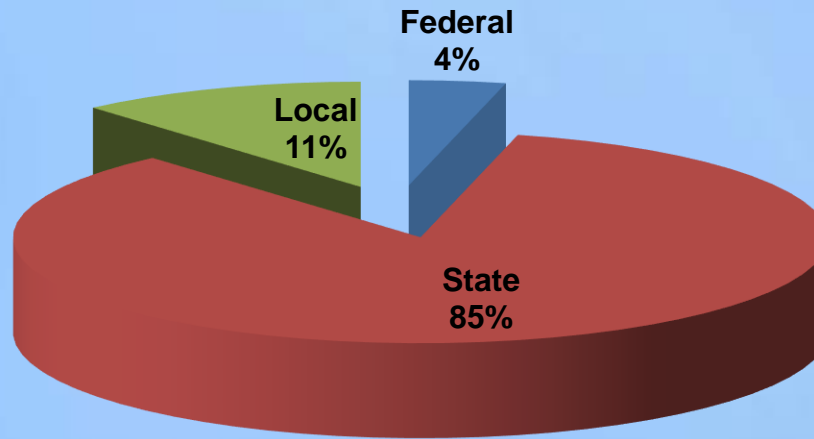
Includes facilities requests that may be able to be funded with scheduled maintenance



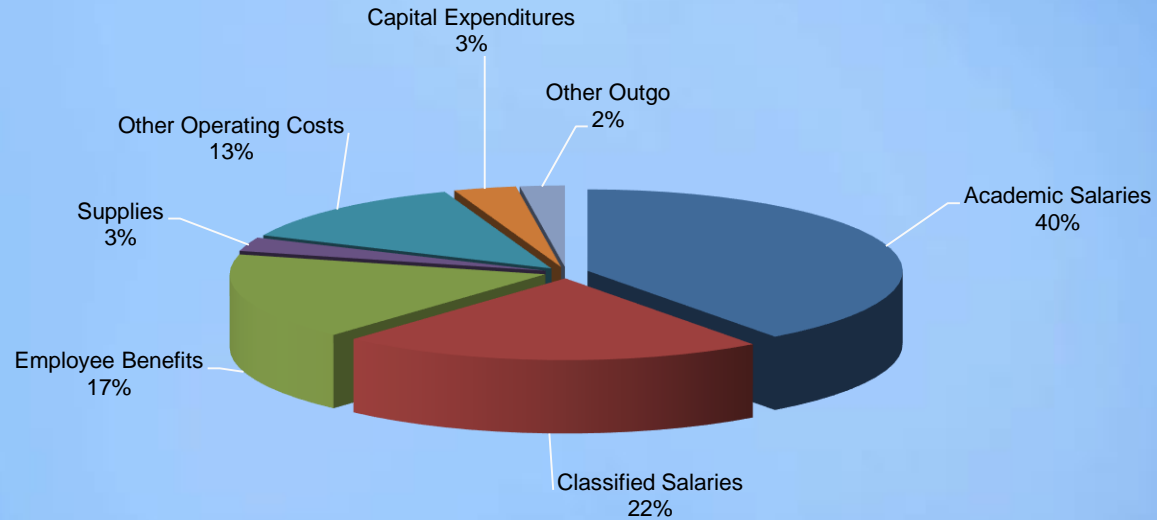
# 2016-2017 Unrestricted Draft Adopted Budget

	<u>2016-2017</u>
<b>Beginning Fund Balance</b>	<b>19,879,692</b>
<b>Revenue</b>	<b>67,981,004</b>
<b>Expenses</b>	<b>71,504,180</b>
<b>Total Ending Fund Balance</b>	<b>16,356,516</b>
<b>Surplus/(Deficit)</b>	<b>(\$3,523,176)</b>
<b>One Time Committed Funds &amp; Assigned Reserves</b>	<b>(\$1,113,364)</b>
<b>Unassigned Ending Fund Balance</b>	<b>\$15,243,152</b>
<b>Reserve %</b>	<b>21.3%</b>

# 2016-2017 Adopted Budget General Fund Revenues

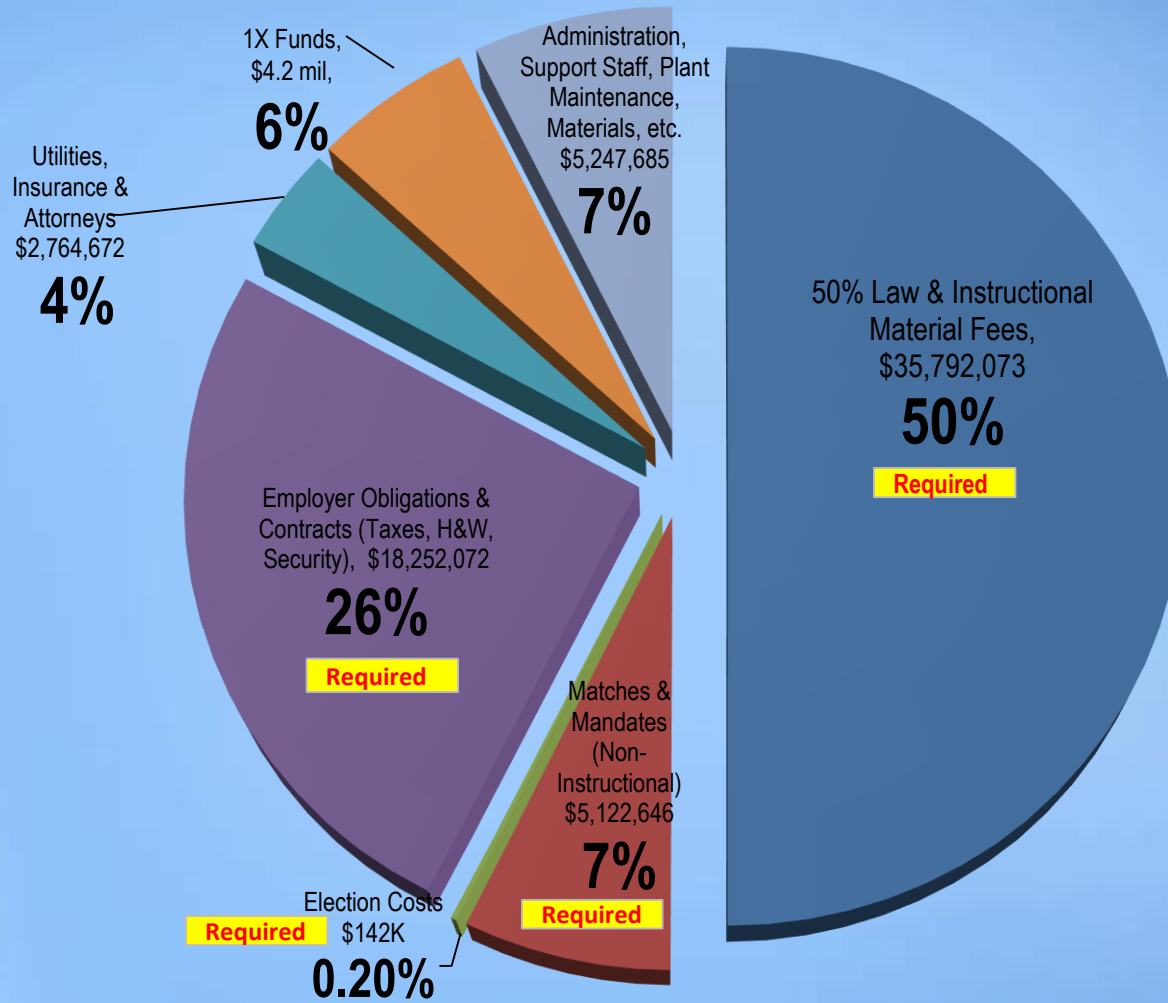


# 2016-2017 Adopted Budget General Fund Expenditures





## 2016-2017 "Unrestricted" Adopted Budget Expenses

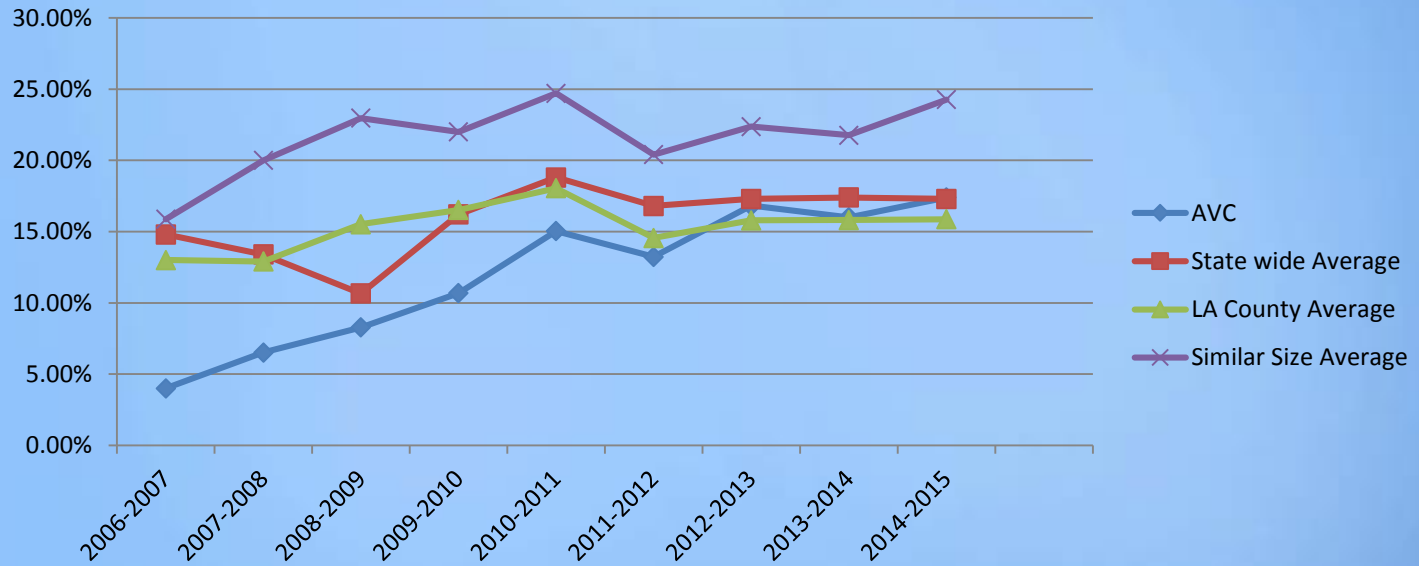


# What's Up With the Reserve

- Received \$6.25 million in One-Time Mandated Cost Backlog. Majority of spending to occur in 2016-2017.
- The reserve is a one-time funded savings account
- % = Level of acceptable risk
- 80% of revenue is funded by the State, which estimates off of capital gains & taxes, which has boom and bust cycles
- District spends over \$5 million a month on average. \$9 million reserve does not cover 60 days of cash
- 87% of expenses are required: either dictated by the CA legislature, contractual obligations or have little control over (utilities, insurance, etc.)
- Disaster reimbursements can take up to 2 years-need immediately available cash

# Reserve Comparables

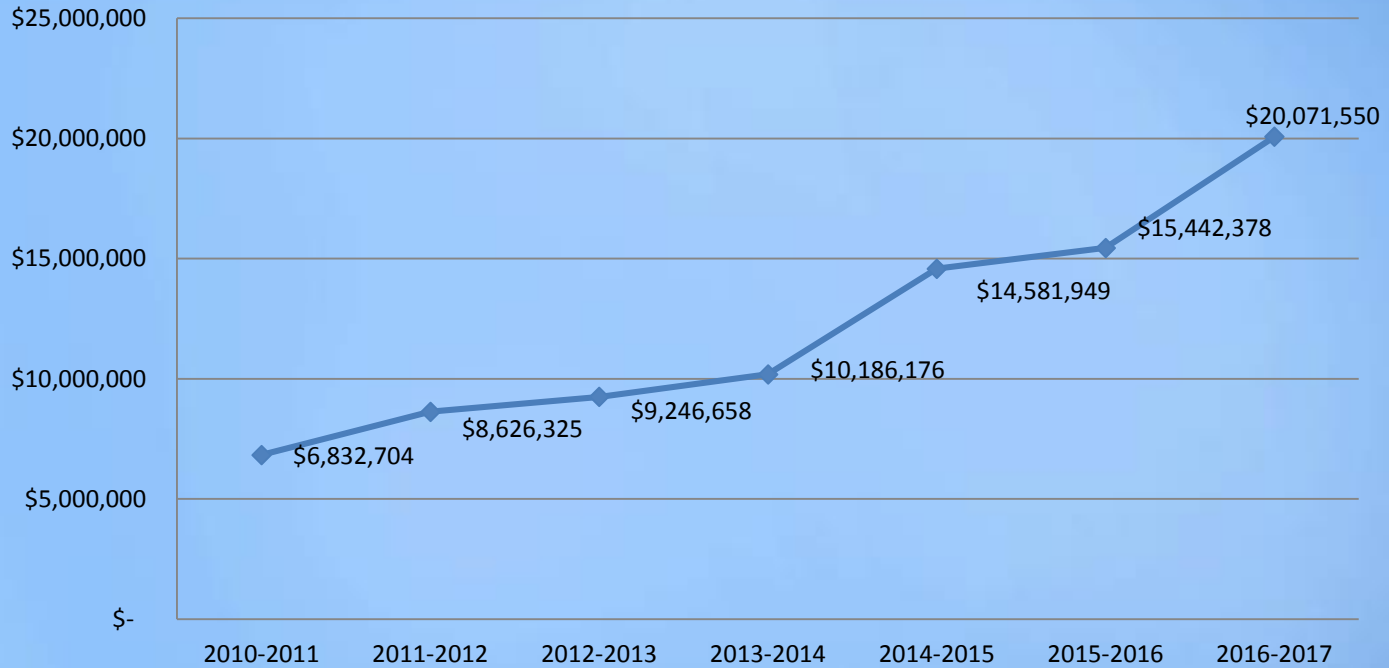
## Unrestricted Ending Fund Balance Reserve Comparables





# General Restricted Fund

## Grants & Categorical Programs





# 3 Year Budget Trend

		2017-2018 Projected Budget	2018-2019 Projected Budget	2019-2020 Projected Budget
<b>BEGINNING FUND BALANCE</b>		16,356,516	12,300,324	7,606,653
<b>REVENUE</b>				
8100-8200	Federal	15,506	15,506	15,506
8600-8700	State	57,993,650	57,993,650	57,993,650
8800	Local	<u>9,267,117</u>	<u>9,267,117</u>	<u>9,267,117</u>
<b>Total Revenue</b>		67,276,273	67,276,273	67,276,273
<b>REVENUE PLUS BEGINNING FUND BALANCE</b>		83,632,788	79,576,597	74,882,925
<b>EXPENDITURES</b>				
1100-1400	Academic Salaries	31,223,957	31,536,196	31,851,558
2100-2400	Classified Salaries	13,852,898	13,978,027	14,104,407
3100-3800	Employee Benefits	14,790,126	15,525,327	16,083,857
4100-4700	Supplies	1,402,110	1,402,110	1,402,110
5100-5800	Other Operating Costs	7,969,708	7,606,495	8,216,708
6100-6700	Capital Expenditures	308,415	308,415	308,415
<b>Total Expenditures</b>		69,547,214	70,356,570	71,967,055
7100-7600	Other Outgo	1,598,250	1,613,374	1,632,375
<b>Total Expenditures &amp; Other Outgo</b>		71,145,464	71,969,944	73,599,429
<b>Ending Fund Balance</b>		12,300,324	7,606,653	1,283,496
<b>Surplus/(Deficit)</b>		(3,869,191)	(4,693,672)	(6,323,157)
<b>One Time Committed Funds</b>		0	0	0
<b>Assigned Aside for Categorical Salaries + Benes</b>		(436,980)	(628,627)	(873,960)
<b>Unassigned Ending Fund Balance</b>		11,863,344	6,978,026	409,536
<b>Reserve %</b>		16.6%	9.7%	0.6%

**Questions?**