



2016 -2017 Draft Tentative Budget Overview

**Town Hall
May 17, 2016**

Presented by:

- Diana Keelen, Executive Director of Business Services



2015-2016 Highlights

- Assumed 3.28% growth; actual enrollment flat
- Tentative Agreement negotiated that includes 2% on schedule, 2% off schedule and an increase to the H&W cap for employees to \$14K
- Unrestricted:
 - Hired 7 Full time Faculty, Hired 7 classified and 1 CMS position
 - Funded \$501K in ongoing resource allocation requests
 - Funded all critical one time funding requests \$876,100
- Hired additional staff to support Equity & SSSP



2015-2016 Estimated Actuals

	<u>2015-2016</u>
Beg. Balance	\$10,478,975
Revenue	\$71,362,483
Expenses	\$67,998,754
Total Ending Fund Balance	\$13,842,704
Surplus/(Deficit)	\$ 3,363,729
One Time Committed Funds & Assigned Reserves	\$(3,397,256)
Unassigned Ending Fund Balance	\$10,445,448
Reserve %	15.4%



2016-2017 Governor's May Revision

Item	2015-2016 Enacted	2016-2017 January Proposed Augmentation	AVC's Estimated Portion (Jan)	2016-2017 May Revision	AVC's Estimated Portion (May)	2016-2017 AVC Change from January to May 2015
Ongoing Funds						
Cost-of-living adjustment %	1.02%	0.47%	0.47%	0.00%	0.00%	-0.47%
Cost-of-living adjustment \$	\$ 61,000,000	\$ 29,300,000	\$ 298,762	0.00%	\$ -	\$ (298,762)
Categorical COLA \$	\$ 2,500,000	\$ 1,300,000		0.00%		\$ -
Enrollment Restoration/Growth %	3.00%	2.00%	0.00%	2.00%	0.00%	0.00%
Enrollment Restoration/Growth \$	\$ 156,500,000	\$ 114,700,000	\$ -	\$ 114,700,000	\$ -	\$ -
Basic Allocation	\$ 266,700,000	No Augmentation	\$ -	\$ 75,000,000	\$ 765,000	\$ 765,000
Student Success and Support Program (SSSP)	\$ 299,200,000	No Augmentation	\$ -	No Augmentation	\$ -	\$ -
Implementation of Student Equity Plans	\$ 155,000,000	No Augmentation	\$ -	No Augmentation	\$ -	
Institutional Effectiveness	\$ 17,500,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	
Apprenticeship Programs	\$ 52,000,000	\$ 1,800,000	\$0	\$ 1,660,000	\$0	\$ -
TTIP	No Augmentation	\$ 3,000,000	\$0	\$ 8,000,000	\$0	\$ -
Workforce & CTE Pathways	No Augmentation	\$ 248,000,000	?	\$ 248,000,000	?	\$ -
One-Time Funds						
Open Educational Resources (OER) and Sero Textbook Cost Initiatives	N/A	\$ 5,000,000	?	\$ 5,000,000	?	0
Adult Ed Tech Assist	N/A	N/A	?	\$ 5,000,000	?	
Online Education Initiative	N/A	N/A	?	\$20,000,000	?	
Mandate Backlogs	\$ 604,000,000	\$ 76,300,000	\$ 1,350,510	\$ 105,500,000	\$ 1,867,350	\$ 516,840
Deferred Maintenance & Instructional Equipment	\$ 148,000,000	\$ 289,000,000	\$ 2,858,013	\$ 219,400,000	\$ 2,169,716	\$ (688,297)
Other						
Adult Ed (Tied to partnerships)	\$ 500,000,000	No Augmentation	\$0	No Augmentation	\$0	
Prop 39	\$ 38,800,000	\$ 45,200,000	?	\$ 49,300,000	?	



2016 – 2017 Highlights

- Revenues:
 - May revise issued
 - 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%, May revise shows 0% COLA, categorical COLA also removed = \$30.6M
 - Base Augmentation of \$75M, January release showed \$0
 - 2% growth in budget, AVC not assuming growth
 - Funding for one time mandated costs assumed ~\$500K
 - Scheduled maintenance & block grant reduced. Went from \$289M to \$219.4M. No match required.
- Expenses
 - Includes TA, 2% on schedule, 2% off schedule
 - Resource allocation funding and Palmdale staffing set aside
 - STRS/PERS increases
 - Minimum wage increase to \$10 per hour
 - Hiring an additional dean – AA reorg



2016-2017 “Draft Tentative Budget”

	<u>2016-2017</u>
Beg. Balance	13,842,704
Revenue	68,594,469
Expenses	70,279,207
Total Ending Fund Balance	12,157,966
Surplus/(Deficit)	(\$1,684,738)
One Time Committed Funds & Assigned Reserves	(\$1,076,457)
Unassigned Ending Fund Balance	\$11,081,509
Reserve %	15.8%



3 Year Budget Projection

		2017-2018 Projected Budget	2018-2019 Projected Budget	2019-2020 Projected Budget
BEGINNING FUND BALANCE		12,157,966	8,960,298	4,793,669
REVENUE				
8100-8200	Federal	20,909	20,909	20,909
8600-8700	State	57,909,537	57,909,537	57,909,537
8800	Local	<u>9,681,079</u>	<u>9,681,079</u>	<u>9,681,079</u>
<u>Total Revenue</u>		67,611,526	67,611,526	67,611,526
REVENUE PLUS BEGINNING FUND BALANCE		79,769,492	76,571,823	72,405,194
EXPENDITURES				
1100-1400	Academic Salaries	31,825,526	32,143,781	32,465,219
2100-2400	Classified Salaries	13,148,869	13,267,109	13,386,531
3100-3800	Employee Benefits	14,485,583	15,075,057	15,778,691
4100-4700	Supplies	1,347,952	1,347,952	1,347,952
5100-5800	Other Operating Costs	7,925,522	7,853,390	7,985,522
6100-6700	Capital Expenditures	208,750	208,750	208,750
<u>Total Expenditures</u>		68,942,201	69,896,038	71,172,664
7100-7600	Other Outgo	1,866,993	1,882,117	1,901,118
<u>Total Expenditures & Other Outgo</u>		70,809,194	71,778,155	73,073,782
Ending Fund Balance		8,960,298	4,793,669	(668,588)
Surplus/(Deficit)		(3,197,668)	(4,166,629)	(5,462,257)
One Time Committed Funds		0	0	0
Assigned Aside for Categorical Salaries + Benes		(363,166)	(517,906)	(517,906)
Unassigned Ending Fund Balance		8,597,132	4,275,762	(1,186,494)
Reserve %		12.1%	6.0%	-1.6%