



2015 -2016 Tentative Budget Overview

May 7, 2015 Town Hall Meeting

Presented by:

- Diana Keelen, Executive Director of Business Services



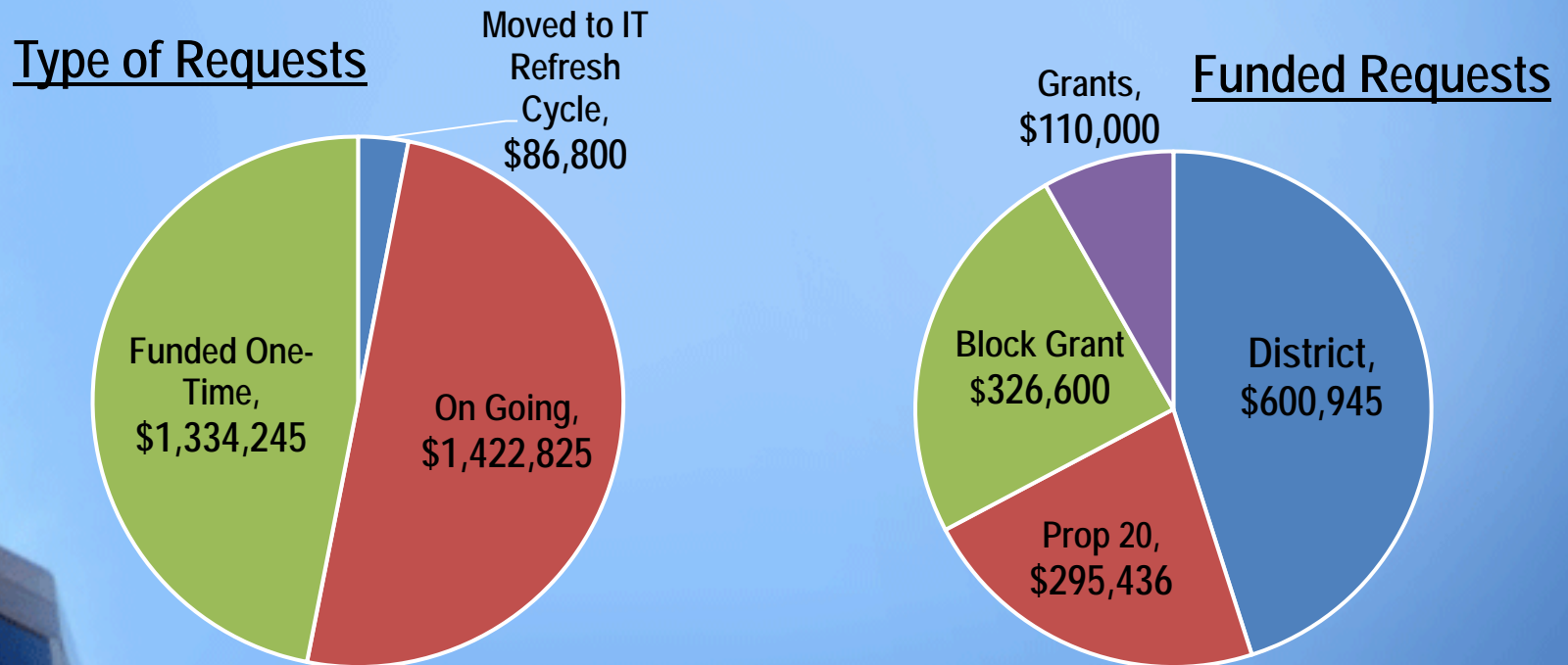
2014-2015 Accomplishments

- District Implemented a Comprehensive Resource Allocation Process that ties to Institutional Planning
- Banner Enterprise System Implementation
- Bachelor's Degree in Airframe Manufacturing Technology
- Funding the Retiree Health Liability



2014-2015 Budget Requests

- 152 Budget requests received
- Total requests were \$2,843,870
- Able to fund \$1,332,981 in requests





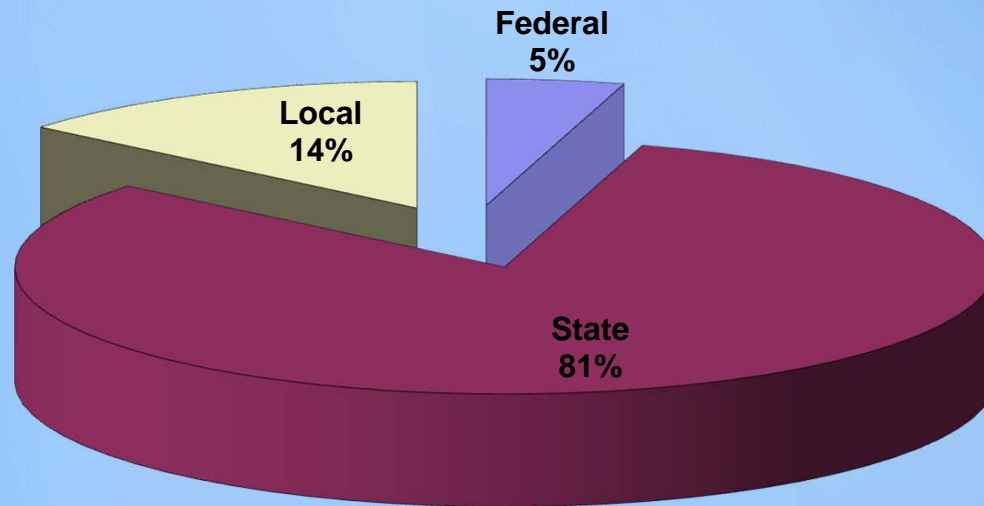
2014-2015 Unrestricted Draft Estimated Actuals

Beg. Balance	\$ 9,401,773
Revenue	\$ 61,612,870
Expenses	\$ 61,361,945
Ending Balance	\$ 9,652,698
Surplus/(Deficit)	\$ 250,925
Reserve %	15.7%

Subject to change. Information released prior to May Revise

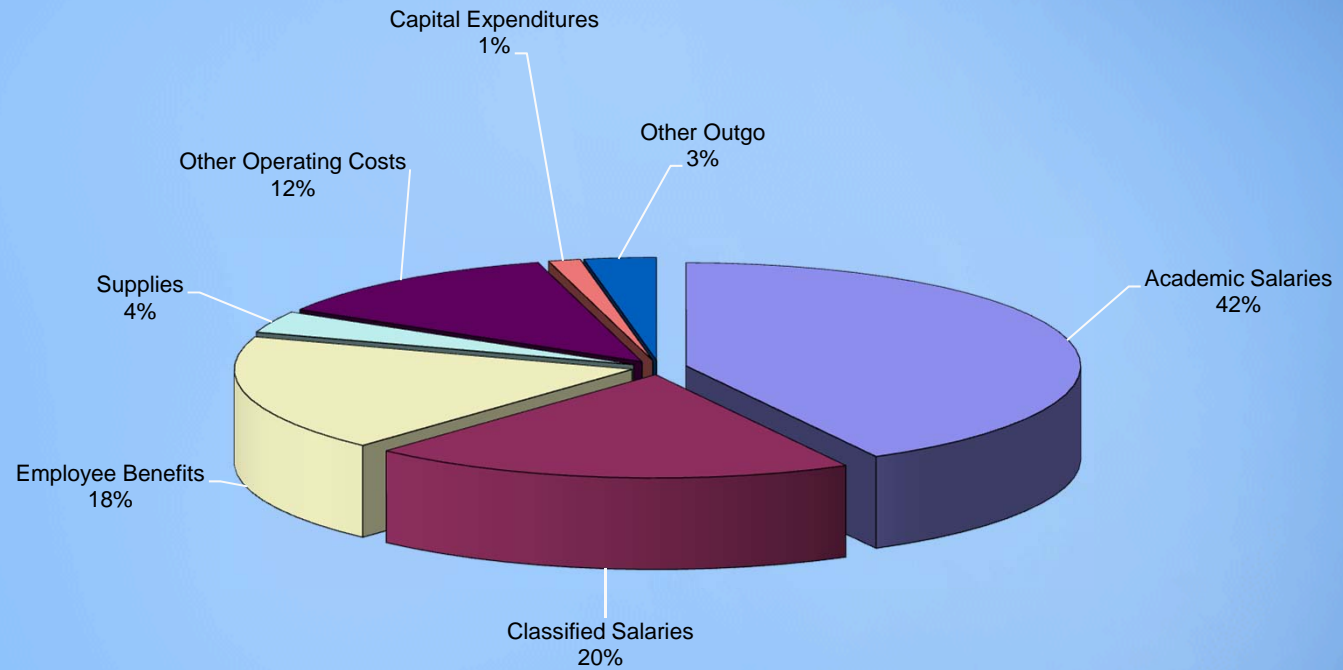


2015-2016 General Fund Revenue





2015-2016 General Fund Expenses





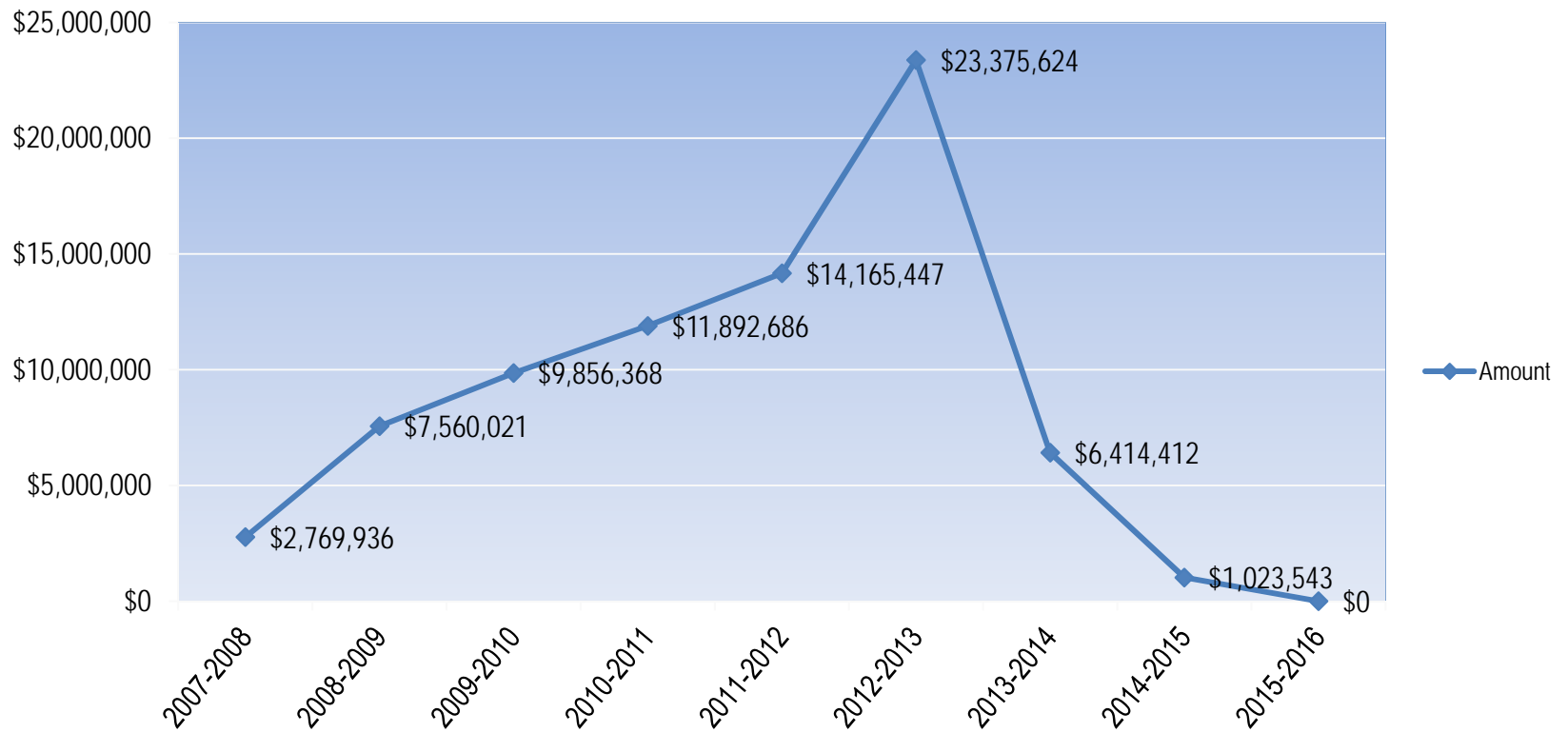
2015-2016 AVC Tentative Budget Highlights

Restoration of Cuts	Fiscal Year	Work-load %	Apportion-ment	Base	FTES	Growth	New Base	Fiscal Year Funded Levels
2011-2012 Workload Reduction	2011-2012	-7.74%	(\$3,965,475)	11,371	-872		10,499	2005-2006 & 2006-2007
2011-2012 Workload Restoration	2012-2013				120		10,619	2006-2007 & 2007-2008
2011-2012 Workload Restoration	2013-2014				298		10,917	2006-2007 & 2007-2008
2011-2012 Workload Restoration Estimate	2014-2015				375		11,292	2009-2010 & 2010-2011
2011-2012 Workload Restoration Estimate	2014-2015				79	147	11,518	
2011-2012 Workload Left to be Restored					0	147		



2015-2016 AVC Tentative Budget Highlights

Antelope Valley College Deferrals Trend





2015-2016 AVC Tentative Budget Revenue Highlights

- 1.58% COLA
- 2% Restoration/Growth funding
- \$2.3M in scheduled maintenance/
Instructional equipment
- Additional funding for SSSP & Student
Equity
- 0.5 % Revenue Deficit Estimate



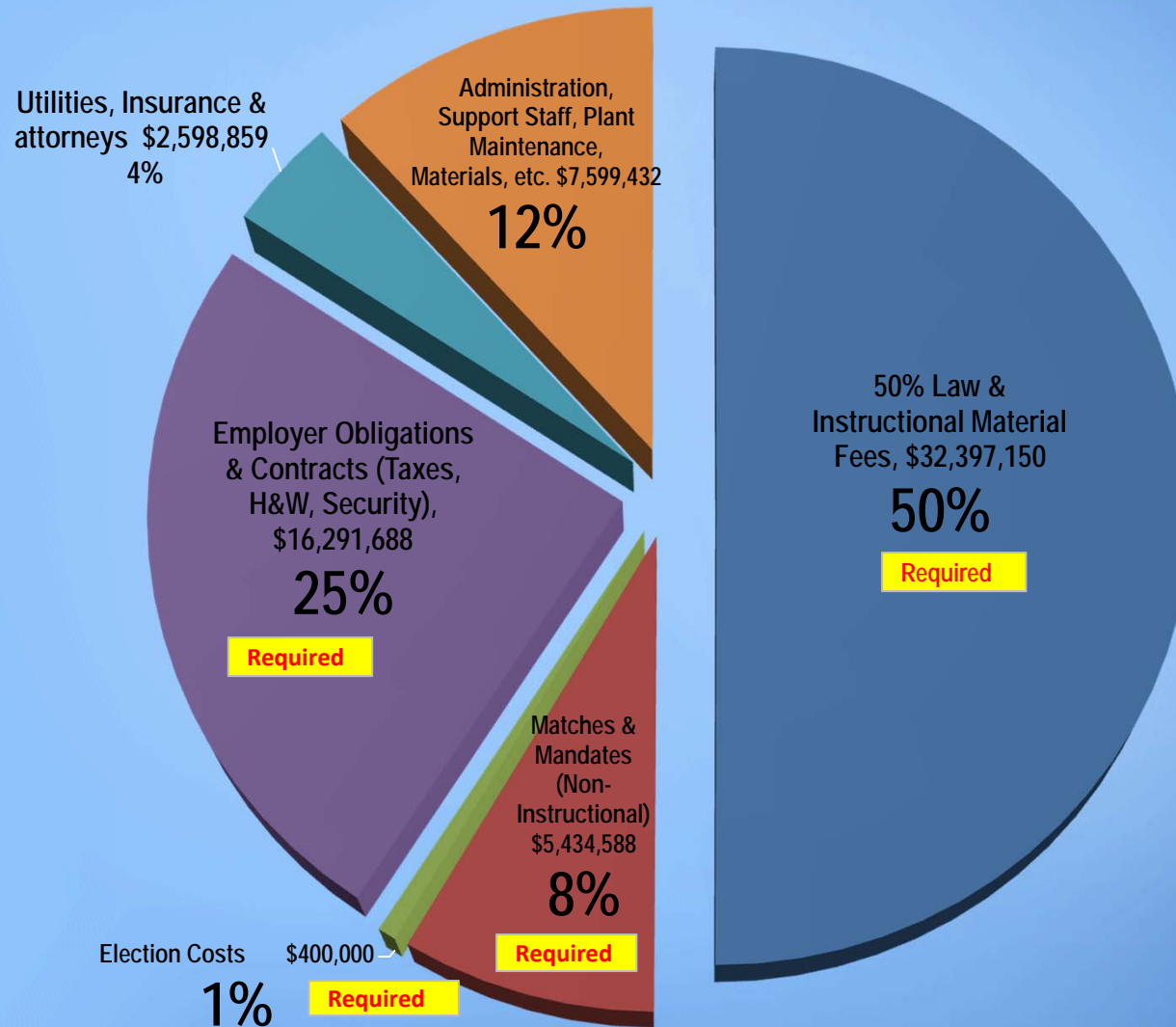
2015-2016 AVC Tentative Budget Expense/Investment Highlights

- Increase in course offerings, 480 LHE
- 1.5% Rate increase on top of salaries
- H&W from \$13,385.10 to \$14,000
- Biennial Elections \$400K
- STRS increase from 8.88% to 10.48%
- PERS increase from 11.77% to 11.847%
- Resource Allocation Funding, \$350K ongoing and \$150K one-time funding
- Plan to renovating new Palmdale location & existing Foxfield hangar



2015-2016 AVC Tentative Budget Highlights

2015-2016 "Unrestricted" Tentative Budget Expenses





2015-2016 AVC Draft Unrestricted Tentative Budget Highlights

Beg. Balance	9,652,698
Revenue	64,526,064
Expenses	64,721,717
Ending Balance	9,457,045
Surplus/(Deficit)	(\$195,653)
Reserve %	14.6%

Subject to change. Information released prior to May Revise



What's Up With the Reserve

- The reserve is a one-time funded savings account
- % = Level of acceptable risk
 - **Can we support a significant reduction in revenue over the course of a year?** 80% of revenue is funded by the State, which is based on estimates of capital gains & taxes, which has boom and bust cycles. In 2011-2012, we received a nearly 8% workload reduction-most taken from one semester
 - **Can we pay our bills if we do not receive our money on time?** District spends over \$5 million a month on average. \$9 million reserve does not cover 60 days of cash
 - **Can we cover a significant event that would cause our expenditures to increase?**
 - 88% of expenses are required: either dictated by the CA legislature, contractual obligations or we have little control over (utilities, insurance, attorneys, etc.)
 - Disaster reimbursements can take up to 2 years-need immediately available cash
 - **Can the reserve be supported over the next 3 years using prudent fiscal management practices?** (STRS going up to over 19% by 2021 (over \$450K each year, step & column is approximately \$300K per year.)
- 2012-2013 Average CCC reserve level was over 17%, in 2005-2006 Average CCC reserve level was 12% *(source: Chancellor's Office Fiscal Data Abstract)*



3 Year Budget Trend

	2016-2017 Projected Budget	2017-2018 Projected Budget	2018-2019 Projected Budget
Beginning Balance	9,457,045	9,054,252	7,403,140
Revenue	63,940,191	63,940,191	63,940,191
Expenditures	64,342,984	65,591,303	66,023,469
Ending Fund Balance	9,054,252	7,403,140	5,319,862
Reserve %	14.1%	11.3%	8.1%
Surplus/(Deficit)	-402,793	-1,651,112	-2,083,277



2015-2016 Goals

- Budget Committee to Develop an Integrated Resource Allocation Model to include other funding sources
- Work on Reducing Dependence on LACOE
- Relocate the Palmdale Center to support long-term growth
- Improve the Facilities at Foxfield
- Explore Revenue Generating Ideas

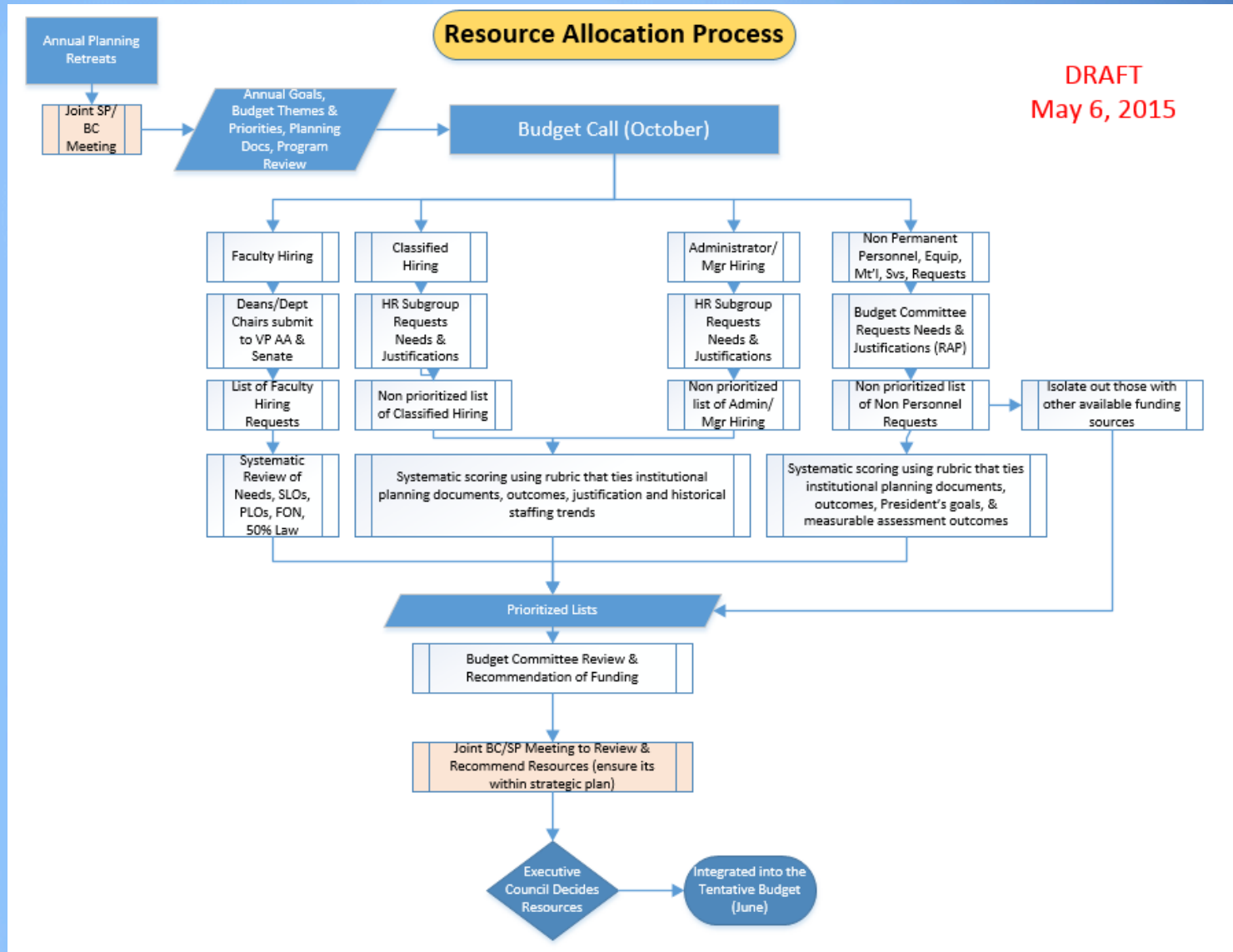


2015-2016 Budget Requests

- 152 Budget requests received
- Total requests were \$9,286,128
 - One-time: \$6,504,720
 - On going: \$2,781,408



What Does the Resource Allocation Process Look Like?





Summary

- Continued Investment in Education, even though Prop 30 not likely to be extended
- Finally restored from 2011-2012 cuts with a small amount of growth
- No more deferrals!
- Funding for plant maintenance & instructional equipment
- Exercise caution in future years due to flat enrollment projections