

Recommendation for General Fund Budget Reduction Targets

Presented at the
Regular Meeting of the Board of Trustees - 05/07/2018
by
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FOOTHILL-DE ANZA
Community College District

Foothill-De Anza Community College District
Multi-Year Projections For General Purpose Fund (Fund 114)

8.28.17 Board Study Session

Resident FTES - Flat

	2015/16 Actuals	2016/17 Actuals	2017/18 Adopted Budget	2018/19 Projection	2019/20 Projection
Resident FTES (F/T Equiv Student)	27,143	25,967	25,967	25,967	25,967
FTES Restoration	-0.77%	-4.33%	0.00%	0.00%	0.00%
COLA	1.02%	0.00%	1.56%	1.00%	1.00%
Revenues	187,829,528	181,873,380	188,986,093	192,159,324	195,364,724
Expenses	183,967,716	192,775,009	192,802,869	195,179,837	196,599,937
Net Transfers Out	7,385,424	5,841,654	6,555,241	6,555,241	6,555,241
Total Expenses and Net Transfers Out	191,353,140	198,616,663	199,358,110	201,735,078	203,155,178
Structural Surplus(Deficit)	(3,523,612)	(16,743,283)	(10,372,017)	(9,575,754)	(7,790,454)
Planned Budget Reductions			(2,000,000)	(3,000,000)	(5,000,000)
Adjusted Structural Surplus(Deficit)	(3,523,612)	(16,743,283)	(8,372,017)	(6,575,754)	(2,790,454)
One-Time Adjustments to Revenue	17,272,430	9,023,917	0	0	0
One-Time Expenditures	(4,299,203)	(1,430,213)	1,000,000	1,000,000	1,000,000
Net Change in Fund Balance	9,449,615	(9,149,578)	(7,372,017)	(5,575,754)	(1,790,454)
Beginning Fund Balance	48,551,766	58,001,380	48,851,802	41,479,785	35,904,031
Net Change in Fund Balance	9,449,615	(9,149,578)	(7,372,017)	(5,575,754)	(1,790,454)
Ending Fund Balance	58,001,381	48,851,802	41,479,785	35,904,031	34,113,577
Less: Carryforwards/Restricted Colleges/CS/DW Carryforwards, 5% Reserves	25,489,457	25,119,725	25,035,286	25,254,135	25,475,140
FHDA Stability Fund	32,511,924	23,732,077	16,444,499	10,649,896	8,638,437

Variance: +/- \$1-2 million subject to revenue fluctuations

Foothill-De Anza Community College District
Multi-Year Projections For General Purpose Fund (Fund 114)

1100 FTES decline with additional \$5 million reduction

Description	2017/18 Adopted Budget	2017/18 Projection	2018/19 Projection	2019/20 Projection	2020/21 Projection
Resident FTES (F/T Equiv Student)	25,967	24,867	24,867	24,867	24,867
FTES Decline/Restoration	0.00%	-4.24%	0.00%	0.00%	0.00%
Productivity	509	509	509	509	509
COLA	1.56%	1.56%	0.00%	1.00%	1.00%
Revenues					
State Apportionment	147,945,769	142,279,669	142,279,700	143,702,500	145,139,500
Non-Resident Tuition	27,750,000	27,750,000	28,277,300	28,984,200	29,708,800
STRS On-Behalf Payments	4,500,000	4,500,000	5,000,000	5,500,000	6,000,000
Other Revenues	8,790,324	8,790,324	8,790,324	8,790,324	8,790,324
Total Ongoing Revenues	\$188,986,093	\$183,319,993	\$184,347,324	\$186,977,024	\$189,638,624
Expenses					
Certificated Salaries	86,191,895	86,191,895	86,491,895	86,791,895	87,091,895
Classified Salaries	37,392,242	37,392,242	37,592,242	37,792,242	37,992,242
Employee Benefits	41,875,732	41,875,732	44,569,900	47,377,900	49,773,600
STRS On-Behalf Payments	4,500,000	4,500,000	5,000,000	5,500,000	6,000,000
Materials & Supplies	3,874,610	3,874,610	3,874,610	3,874,610	3,874,610
Operating Expenses	18,295,852	18,295,852	18,295,852	18,295,852	18,295,852
Capital Outlay	672,538	672,538	672,538	672,538	672,538
Ongoing Reductions to Exp: 2017-18	0	0	(2,000,000)	(2,000,000)	(2,000,000)
Ongoing Reductions to Exp: 2018-19	0	0	(3,000,000)	(3,000,000)	(3,000,000)
Ongoing Reductions to Exp: 2019-20	0	0	0	(5,000,000)	(5,000,000)
Ongoing Add. Proposed Reductions				(5,000,000)	(5,000,000)
Total Ongoing Expenses	192,802,869	192,802,869	191,497,037	185,305,037	188,700,737
Net Transfers Out	6,555,241	6,555,241	6,555,241	6,555,241	6,555,241
Total Expenses & Net Transfers Out	\$199,358,110	\$199,358,110	\$198,052,278	\$191,860,278	\$195,255,978
Structural Surplus/(Deficit)	(10,372,017)	(16,038,117)	(13,704,954)	(4,883,254)	(5,617,354)
One-Time Adjustments to Revenue					
State Stabilization SB 361	0	5,666,100	0	0	0
Total One-Time Adjustments	\$0	\$5,666,100	\$0	\$0	\$0
One-Time Expenditures & Transfers					
One-Time Districtwide Savings	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total One-Time Expenditures	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Net Change in Fund Balance	(\$9,372,017)	(\$9,372,017)	(\$12,704,954)	(\$3,883,254)	(\$4,617,354)
Beginning Fund Balance	\$48,851,803	\$48,851,803	\$39,479,786	\$26,774,832	\$22,891,578
Net Change in Fund Balance	(9,372,017)	(9,372,017)	(12,704,954)	(3,883,254)	(4,617,354)
Ending Fund Balance	\$39,479,786	\$39,479,786	\$26,774,832	\$22,891,578	\$18,274,224
Less:					
College/CS/DW Carryforwards	15,117,381	15,117,381	13,117,381	13,117,381	13,117,381
5% Reserves	9,917,905	9,917,905	9,852,614	9,543,014	9,712,799
Total Carryforwards	25,035,286	25,035,286	22,969,994	22,660,394	22,830,179
Less One-Time 17/18 Cuts	(2,000,000)	(2,000,000)	0	0	0
FHDA Stability Fund	\$16,444,500	\$16,444,500	\$3,804,837	\$231,184	(\$4,555,955)

Variance: +/- \$1-2 million subject to revenue fluctuations

Foothill-De Anza Community College District
Multi-Year Projections For General Purpose Fund (Fund 114)

1485 FTES decline with additional \$7.6 million reduction

Description	2017/18 Adopted Budget	2017/18 Projection	2018/19 Projection	2019/20 Projection	2020/21 Projection
Resident FTES (F/T Equiv Student)	25,967	24,482	24,482	24,482	24,482
FTES Decline/Restoration	0.00%	-5.72%	0.00%	0.00%	0.00%
Productivity	509	509	506	506	506
COLA	1.56%	1.56%	0.00%	1.00%	1.00%
Revenues					
State Apportionment	147,945,769	140,295,769	140,295,800	141,698,800	143,115,800
Non-Resident Tuition	27,750,000	27,750,000	28,277,300	28,984,200	29,708,800
STRS On-Behalf Payments	4,500,000	4,500,000	5,000,000	5,500,000	6,000,000
Other Revenues	8,790,324	8,790,324	8,790,324	8,790,324	8,790,324
Total Ongoing Revenues	\$188,986,093	\$181,336,093	\$182,363,424	\$184,973,324	\$187,614,924
Expenses					
Certificated Salaries	86,191,895	86,191,895	83,091,895	83,391,895	83,691,895
Classified Salaries	37,392,242	37,392,242	38,360,242	38,560,242	38,760,242
Employee Benefits	41,875,732	41,875,732	44,291,380	47,099,400	49,495,100
STRS On-Behalf Payments	4,500,000	4,500,000	5,000,000	5,500,000	6,000,000
Materials & Supplies	3,874,610	3,874,610	3,874,610	3,874,610	3,874,610
Operating Expenses	18,295,852	18,295,852	18,295,852	18,295,852	18,295,852
Capital Outlay	672,538	672,538	672,538	672,538	672,538
Ongoing Reductions to Exp: 2017-18	0	0	(2,000,000)	(2,000,000)	(2,000,000)
Ongoing Reductions to Exp: 2018-19	0	0	(3,000,000)	(3,000,000)	(3,000,000)
Ongoing Reductions to Exp: 2019-20	0	0	0	(5,000,000)	(5,000,000)
Ongoing Add. Proposed Reductions	0	0	0	(7,600,000)	(7,600,000)
Total Ongoing Expenses	192,802,869	192,802,869	188,586,517	179,794,537	183,190,237
Net Transfers Out	6,555,241	6,555,241	6,555,241	6,555,241	6,555,241
Total Expenses & Net Transfers Out	\$199,358,110	\$199,358,110	\$195,141,758	\$186,349,778	\$189,745,478
Structural Surplus/ (Deficit)	(10,372,017)	(18,022,017)	(12,778,334)	(1,376,454)	(2,130,554)
One-Time Adjustments to Revenue					
Mandated Cost Payment	0	725,411	0	0	0
State Stabilization SB 361	0	7,650,000	0	0	0
Total One-Time Adjustments	\$0	\$8,375,411	\$0	\$0	\$0
One-Time Expenditures & Transfers					
One-Time Districtwide Savings	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total One-Time Expenditures	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Net Change in Fund Balance	(\$9,372,017)	(\$8,646,606)	(\$11,778,334)	(\$376,454)	(\$1,130,554)
Beginning Fund Balance	\$48,851,803	\$48,851,803	\$40,205,197	\$28,426,863	\$28,050,409
Net Change in Fund Balance	(9,372,017)	(8,646,606)	(11,778,334)	(376,454)	(1,130,554)
Ending Fund Balance	\$39,479,786	\$40,205,197	\$28,426,863	\$28,050,409	\$26,919,855
Less:					
College/CS/DW Carryforwards	15,117,381	15,117,381	13,117,381	13,117,381	13,117,381
5% Reserves	9,917,905	9,917,905	9,707,088	9,267,489	9,437,274
Total Carryforwards	25,035,286	25,035,286	22,824,468	22,384,869	22,554,654
Less One-Time 17/18 Cuts	(2,000,000)	(2,000,000)	0	0	0
FHDA Stability Fund	\$16,444,500	\$17,169,911	\$5,602,394	\$5,665,540	\$4,365,201

BUDGET TARGET ADJUSTMENT COMPARISON

Structural Surplus/ (Deficit)	2017/18 Adopted Budget	2017/18 Projection	2018/19 Projection	2019/20 Projection	2020/21 Projection
BoT S.S. 08.28.2017	(10,372,017)	(10,372,017)	(9,575,754)	(7,790,454)	N/A
(DBAC) 04.17.2018	(10,372,017)	(16,038,117)	(13,704,954)	(4,883,254)	(5,617,354)
BoT 05.07.2018	(10,372,017)	(18,022,017)	(12,778,334)	(1,376,454)	(2,130,554)

Ending Fund Balance	2017/18 Adopted Budget	2017/18 Projection	2018/19 Projection	2019/20 Projection	2020/21 Projection
BoT S.S. 08.28.2017	41,479,785	41,479,785	35,904,031	34,113,577	N/A
(DBAC) 04.17.2018	39,479,786	39,479,786	26,774,832	22,891,578	18,274,224
BoT 05.07.2018	39,479,786	40,205,197	28,426,863	28,050,409	26,919,855

FHDA Stability Fund	2017/18 Adopted Budget	2017/18 Projection	2018/19 Projection	2019/20 Projection	2020/21 Projection
BoT S.S. 08.28.2017	16,444,499	16,444,499	10,649,896	8,638,437	N/A
(DBAC) 04.17.2018	16,444,500	16,444,500	3,804,837	231,184	(4,555,955)
BoT 05.07.2018	16,444,500	17,169,911	5,602,394	5,665,540	4,365,201

Any
Questions/Comments/Feedback?



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