

Los Rios Community College District

2017-18 Tentative Budget

Presented to the Board of Trustees

June 14, 2017

Los Rios Community College District 2017-18 Tentative Budget

- Proposed State Budget
- Projections for Los Rios
- Opportunities & Challenges
 - Guided Pathways
 - Base Funding Increase
 - Enrollment
 - Appropriation increases, including pension costs
- Institutional Effectiveness Goals – Reserves

2017-18 Tentative Budget

California Community Colleges

Description	2016-17	January Proposal	May	Comment
COLA	Zero	1.47%	1.56%	Proposition 98 requires funding at statutory rate.
Growth	114.7M, 2%	\$79.3M, 1.34%	\$57.8M, 1%	Enrollment growth was funded at 2% in 2016-17; However, many districts are not growing and there is still unearned growth
Base Augmentation	\$75M	\$23.6	\$183.6M	Funding is intended to help districts pay for increases to employer contributions for retirement benefits (STRS/ PERS); At the May level, reflects a 2.78% increase for CCDs.
Guided Pathways	None	\$150M	\$150M	One time funds to support implementation of initiatives aimed at improving student outcomes; To be allocated over five a year period.
Mandate Past Claims	\$105.5M	Zero	Zero	Most of the past claims for CCDs have been funded as a result of the allocations made through 2016-17
Student Success & Support	\$299.2M	No Augment	No Augment	Program replaced Matriculation.
Student Equity	\$155M	No Augment	No Augment	New program for 2014-15 funded at \$70M; 2015-16 total \$155M
COLA for Categorical programs	Zero	1.47%	1.56%	COLA for EOPS, CalWORKS, DSPS, and Child Care Tax Bailout
Scheduled Maintenance /Instructional Equipment	\$184.6M	\$43.7M	\$135.8M	Only \$10M to be distributed in 2017-18; Conference Committee changes to \$76.8M
CTE – Strong Workforce	\$248M	No Augment	No Augment	New program in 2016-17
Basic Skills Program	\$30M	No Augment	No Augment	Funding for programs to aid success of basic skills students

2017-18 Tentative Budget

Los Rios Projected Increases

General Purpose Allocations	2014-15 Increase	2015-16 Increase	2016-17 Z Budget	2017-18 Projected
Growth (actual for 2014-15 & 2015-16)	\$ 9.4M	\$ Zero	\$ 3.1M	\$ 1.3M
Funding for new centers (West Sacramento, Elk Grove & Rancho Cordova)	\$ 1.1M	\$ 1.1M	\$ 1.2M	0
COLA	\$ 2.1M	\$ 2.7M	0	\$4.5M
Base Allocation Increase	0	\$12.7M	\$3.7M	\$8.2M
New Faculty Funding	0	\$ 2.8M	0	0
Total General Purpose – continuing	\$ 12.6M	\$19.5M	\$8.0M	\$14M
Total without Growth in 2016-17 & 2017-18			\$4.9M	\$12.7M
Prior Years' Claims for Mandated Costs (one-time)	\$ 2.2M	\$ 28.9M	\$4.8M	0

Categorical Programs	Total 2014-15	Total 2015-16	Total 2016-17	Estimated 2017-18
Student Success & Support Program (SSSP)	\$ 9.3M	\$ 12.3M	No Change	\$12.3
Student Equity Program	\$ 3.2M	\$ 6.4M	No Change	
Strong Workforce	-0-	-0-	\$5.1M	\$5.1M
SMSR/SIEF & LM – One-time only	\$ 6.6M	\$ 6.8M	\$ 8.4M	\$ 450K

2017-18 Tentative Budget Positives

- Budget is balanced without use of reserves
- Base augmentation will provide on-going funds to support compensation and operational increases
- No deferrals – interest income
- On-going Investment in several student support and instructional initiatives

2017-18 Tentative Budget Challenges

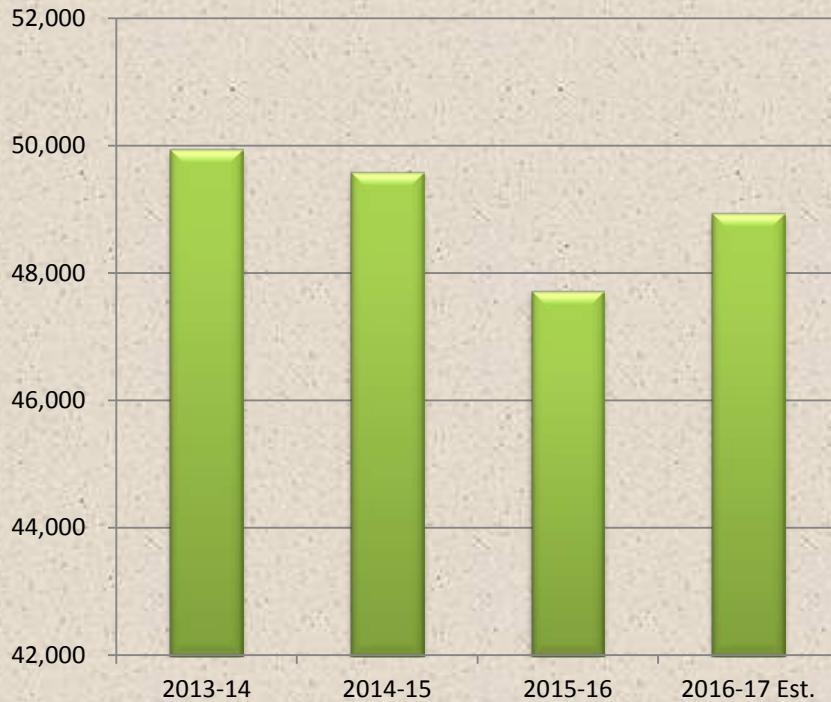
- Enrollment
 - District enrollment was flat for about three years and now appears to be declining
- Retirement increases need to be funded
 - PERS downgraded its discount rate to 7% resulting in a large increase in unfunded liability resulting in an increase in employer contribution rates.
- Natomas Center was not included in projects to be funded with State bonds

2017-18 Tentative Budget Enrollment

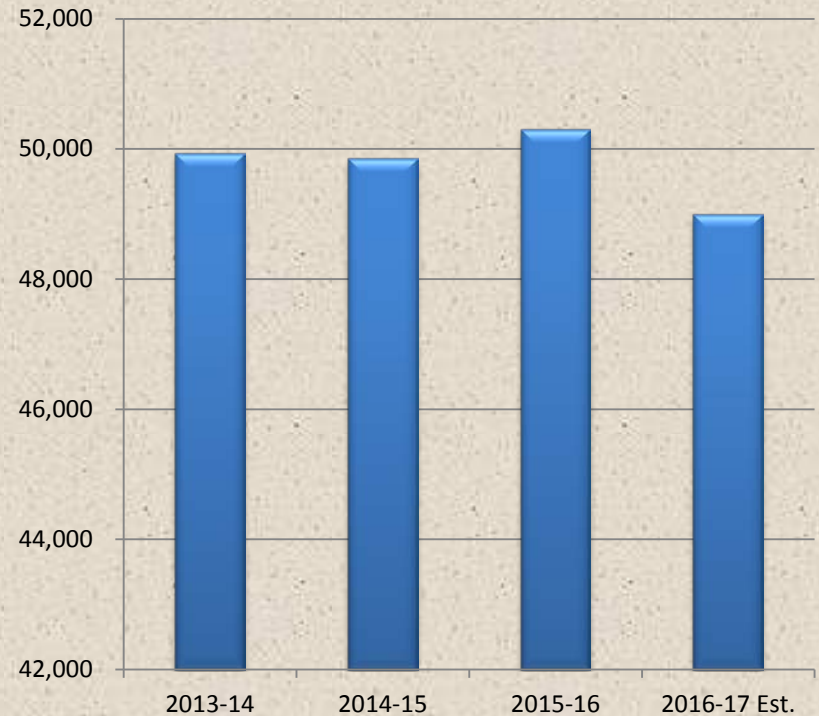
Shifted FTES means less available to report in current year

Achieved FTES is flat

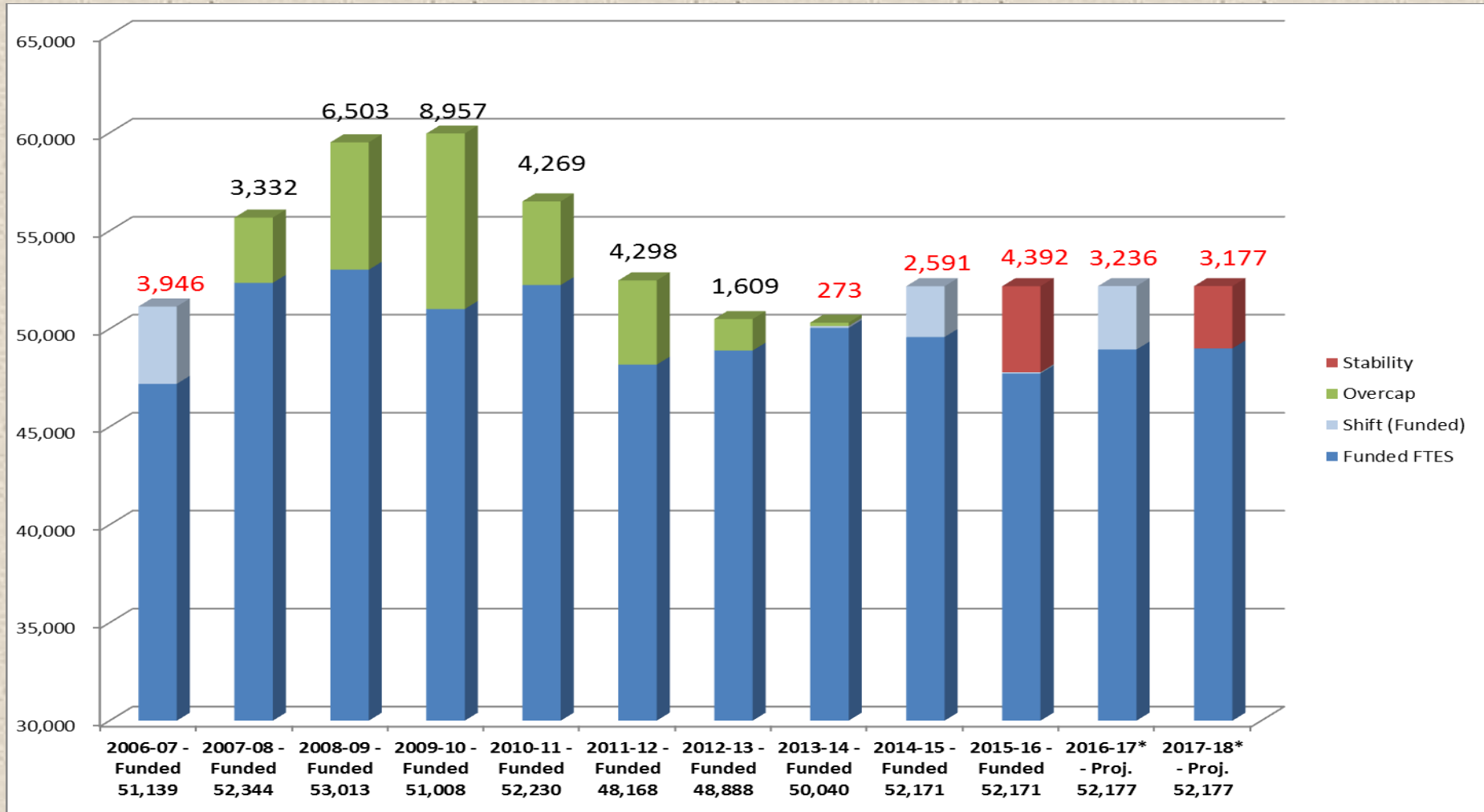
FTES Remaining After Shift



Achieved FTES



2017-18 Tentative Budget Enrollment



Note: Funded portion of the bar is achieved and funded in the year shown.

2017-18 Tentative Budget Staffing for Access

Term	Utilized Instructional Staffing									Authorized
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Summer	148.54	145.83	138.39	105.20	86.21	85.52	91.27	110.02	128.41	136.41
Fall	1,502.07	1,478.50	1,401.81	1,373.68	1,380.33	1,375.21	1,399.43	1,414.70	1,403.66	1,410.42
Spring	1,482.23	1,451.62	1,425.18	1,398.08	1,373.40	1,388.96	1,408.97	1,411.82	1,405.50	1,410.42
Annualized Total	1,640.69	1,610.89	1,551.89	1,491.08	1,463.08	1,467.61	1,495.47	1,523.28	1,532.99	1,546.83

Term	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (proj.)
Summer Productivity	533	607	559	583	572	558	572	535	478	478
Fall Productivity	551	582	558	538	529	521	516	511	497	518
Spring Productivity	548	577	562	554	536	517	498	490	466	518

2017-18 Tentative Budget

Major Spending Increases

- Appropriations
 - Instructional (Summer) – approx. \$450K cost some of which will be funded by program development funds (PDF) and some by compensation formula
 - Medical increase – Kaiser HMO increased by \$133 per month – all employee groups passed on a portion of the increase to employees
 - STRS/PERS – combined increase for 2017-18 is over \$2.5M. Funds were set-aside in 2016-17 to cover.

2017-18 Tentative Budget Planning for PERS/STRS Increases

- Pension Increases Funding Plan
 - Total projected cost increase \$19.6M
 - Continuing funding set aside through 2015-16, \$9.3M
 - Goal for 2017-18 is \$3.8M in addition to “above step one cost”
 - Then on-going \$360K from PDF through 2028-29
 - Total One-time through 2016-17 is currently \$9.8M; goal is to add \$3-\$4M additional

2017-18 Tentative Budget

Institutional Effectiveness

- Institutional Effectiveness Goals
 - 2017-18 - Ending fund balance and audit results plus six year projected results

Ending unrestricted general fund balance as a percentage of total expenditures				
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2011-12	2012-13	2013-14	2014-15	2015-16
12.8%	11.8%	11.2%	12.3%	15.9%

2017-18 Tentative Budget

Institutional Effectiveness

- General Fund unrestricted balance –
 - Last June projected 14.2%; now projecting 16.5% for 2016-17 primarily increasing because of set-asides for PERS/STRS costs and Contingency Reserve. Could be higher if one-time funds are deferred by employee groups
 - For 2017-18, projecting 17.2%, again anticipating more funds set aside for PERS/STRS. However, could be lower if District moves designated funds to a trust.
 - Six Years out goal reflective of what is “reasonable” given the District’s size and no ability to project economic circumstances that far out in time.

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