



SOLANO
COMMUNITY COLLEGE

ADOPTION BUDGET 2017-18
Governing Board Meeting
SEPTEMBER 6, 2017
First Reading

SERVING SOLANO AND YOLO COUNTIES AND THE CITY OF WINTERS, CALIFORNIA



TRANSFORMING STUDENTS' LIVES



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State Final Budget Summary

State Budget Includes

Basic Allocations

1.56% COLA - \$97.6 million

Increase to Base Funding - \$183.6 million

1% Growth - \$57 million

Other initiatives

Guided Pathways

Increase in Financial Aid

\$2,000 grants to students that meet certain criteria

Including 15 to finish

Innovation awards

Veterans Services

Online Education

Integrated Library Systems

Deferred Maintenance

Facility Prop 51 Funded projects

Budget Development Process

Budget Calendar

Input from Budget Managers

Input from Participatory Governance

Building Assumptions

Staffing

Enrollment

State Budget

Provide a framework to deliver education and support for student success

Resource allocation supported by program review

Financial stability of both short and long term obligations examples are:

Debt

SERP payments

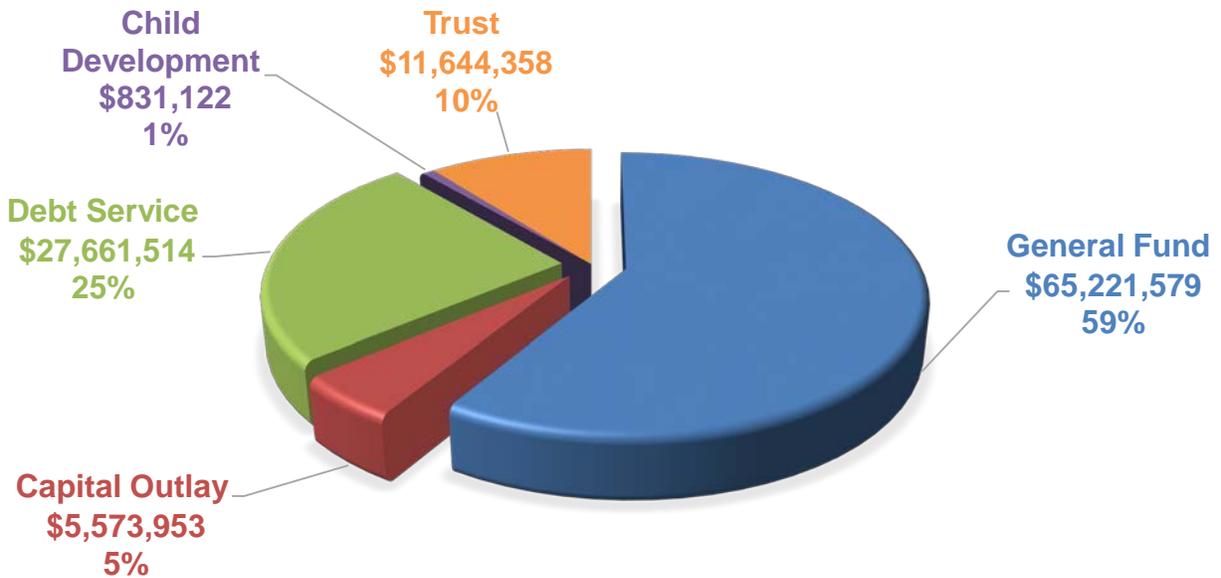
OPEB

Lease payment

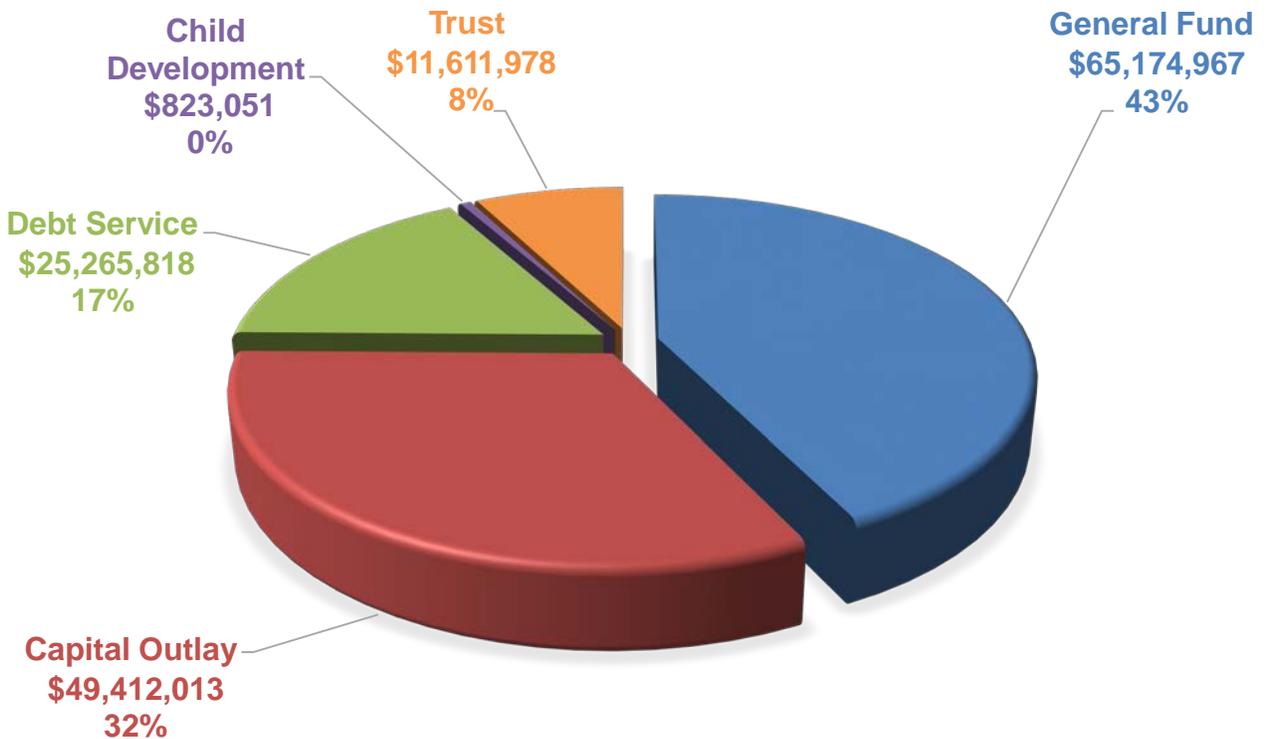
Plan for uncertainty at both the state level and local

DISTRICT RESOURCES AND USES

All Funds – Revenues \$110.9 million



All Funds – Expenditures \$152.3 million



2017-18 REVENUE ASSUMPTIONS

Assumptions included in the Computational Revenue:

- COLA was included in the state final budget of 1.56% provides an additional **\$722,087**
- The \$183.6M base allocation funding provides **\$1,169,532** in ongoing dollars
- The state budget is based on many estimates, the District included the standard deficit factor of 1%, \$ 483,945 to compensate for these uncertainties which represents and increase \$143,945 from prior year.
- The District has 2.05% growth rate which equates to \$845,413. However, as a result of the enrollment planning, the District is setting FTES targets at a more realistic level, therefore no growth is included in this budget.

2016-2017 Computational Revenue	\$47,880,759
COLA	722,087
Base Allocation	1,169,532
Reduction in FTES	(1,220,000)
Change in deficit factor	(483,945)
Growth	0
2017-18 Computational Revenue	\$48,068,433

- Education Protection Account (EPA) funding is **\$6,701,266**. EPA funding does not represent an increase to overall funding but is a component of the total as are enrollment fees, property taxes and state apportionment.

2017-18 REVENUE ASSUMPTIONS (CONTINUED)

COMPONENTS OF COMPUTATIONAL REVENUE	
Property Taxes /RDA	16,758,398
Enrollment Fees	3,619,722
State Apportionment	20,989,047
Education Protection Act (EPA)	6,701,266
TOTAL	48,068,433

- Since 2012-13, the District has opted to receive annual State Mandated Cost reimbursements based on FTES. The District is choosing this option again for 2017-18 and has included **\$489,853** in the Final Budget.
- The District is re-benching FTES to provide a far more stable, sustainable funding model. The budget is built based on 8,056 FTES which represents a 244 FTES reduction from prior year for a cost of **\$1,220,000**. This target will be re assessed when data is available.
- The impact of the Bio Manufacturing 4 year degree is included in the FTES projections

FULL-TIME EQUIVALENT STUDENTS (FTES)				
	2014-15 ¹	2015-16 ¹	2016-17 ¹	2017-18 ²
Base	8,176	6,916	8,300	7,100
Stability	(1,260)		(1,200)	
Restoration		1,384		956
Adjusted Base	6,916	8,300	7,100	8,056

2017-18 REVENUE ASSUMPTIONS (CONTINUED)

The District is taking steps to improve fiscal stability by lowering projected FTES to a more sustainable number. By projecting a lower FTES goal while improving outreach and retention efforts, the District will reduce the likelihood of moving in and out of stability by 2023.

The District FTES for 2017-18 is in line with this plan.

SIX-YEAR PLAN TO GET OFF STABILITY							
Growth = 1.75%	Stability		Stability		Stability		
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Summer	780	14	808	364	836	657	866
Fall	3,445	3,505	3,566	3,628	3,691	3,756	3,822
Spring	3,060	3,114	3,168	3,223	3,279	3,336	3,394
Summer	780	-	458		194		
Reported	8,065	6,633	8,000	7,215	8,000	7,749	8,082
Stability	-	1,432	-	785		251	
Funded	8,065	8,065	8,000	8,000	8,000	8,000	8,082

Assumptions for Other General Fund Unrestricted Revenue:

- Nonresident tuition rates will increase to \$227 per unit. This is at the board approved rate and is an increase of \$ 16 over prior year. The total amount budgeted is \$595,977
- The other revenues that are included in Other General Fund Revenue are:
 - Contract Education \$ 340,540
 - Facility Rental \$ 49,336
 - Bookstore \$ 132,000
 - Others Revenues \$ 252,691

2017-18 EXPENDITURE ASSUMPTIONS

General Fund Expenditure Assumptions:

- The Full Time Faculty Obligation compliance number for fall of 2017 is 130.8. The District is above this number by 20.2 for a total of 151.0
- 16 Full time faculty took advantage of the SERP that was offered in 2015-16. These positions are being replaced with new faculty at lower levels on the salary schedule. There are also currently 6.5 still vacant positions.
- Step and column increases have been included at 4% except for the faculty salary schedule true up
- The number of classified staff and management has increased by 3. There are still 25 positions that remain vacant. Given the time to recruit, the District has included an estimated salary saving of **\$1,500,000** to provide a more realistic estimate of expected costs.
- Health and Welfare increased by **\$433,148**
- The District negotiated a cost sharing plan for benefits which resulted in a reduction of health and welfare costs of **\$218,000**.
 - The STRS rate increased from 12.58% to 14.43%, for an additional cost of \$364,129.
 - The PERS rate increased from 13.888% to 15.531%, for an additional cost of \$268,109.

	ADOPTED 2016-17	PROPOSED 2017-18
Increase in Class Offerings	176,000	-
Increase in Health/Welfare	498,000	433,148
Increase in Retirements		
○ STRS 1.85%	376,000	364,129
○ PERS 2.50%	203,000	268,109
Step/Column	522,000	516,394
OPEB	692,383	320,000

2017-18 EXPENDITURE ASSUMPTIONS (CONTINUED)

- The District's contribution rate for State Unemployment Insurance is 0.05%. This is the same as prior year.
- Rate adjustments for workers compensation, property & liability, auto, and physical damage insurance have not been distributed so the prior year budget is carried over.
- Rates for student insurance currently not been distributed so prior year budget is carried over
- The District match requirement for the Student Success and Support Program will remain at 1.3 to 1 (District to State dollars) for 2017-18 funding. This will result in a cost of approximately \$2.3M.

Other State Funded Expenditures:

- \$76.9 million was disbursed for deferred maintenance, instructional equipment, library material, and specified water conservation projects. The District's share of that funding is \$489,853. All of it was allocated to instructional equipment and library materials for fiscal year 2017-18
- Proposition 39 Energy Efficiency funds were allocated to the District in the amount of \$248,309
- The District was awarded state funding for \$20,865,911. The Learning Resource Center (Library Project) was one of only 15 awarded in 2017-18.
- The allocation method of other funds set aside in the state budget are yet to be determined so no amount is added.

Reserves:

- The ending Fund Balance for the General Unrestricted Fund for 2016-17 is \$12,991,785 or 25% of General Fund Unrestricted Expenditures.
- The District is projecting a 2017-18 ending balance of \$13,038,064 which represents 25.78% of the expected General Fund Expenditures.
- The Reserve exceeds the 5% recommended prudent reserve set by the Chancellors Office.

2017-18 GENERAL FUND BUDGET

UNRESTRICTED [11]

<i>REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE</i>	<i>Adopted Budget 2016-17</i>	<i>Unaudited Actuals for 2016-17</i>	<i>Proposed Budget 2017-18</i>
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Federal Sources	\$	\$ 14,940	\$
State Sources	28,026,517	30,684,409	27,690,313
Local Sources	22,905,348	22,006,428	22,923,965
Other Revenue			
	<u> </u>	<u> </u>	<u> </u>
Total Revenue	50,931,865	52,705,777	50,614,278
EXPENDITURES:			
Academic Salaries	20,753,626	19,725,393	19,682,643
Classified Salaries	9,843,106	8,889,054	9,824,403
Benefits	14,768,511	13,964,979	14,074,503
Supplies and Materials	497,553	551,469	549,502
Other Operating	5,821,504	7,121,803	6,222,947
Capital Outlay	83,487	142,596	183,668
Other Outgo	30,000	89,004	30,000
Reductions Needed			
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES	<u>51,797,787</u>	<u>50,484,298</u>	<u>50,567,666</u>
NET INCREASE (DECREASE) IN FUND BALANCE	(865,922)	2,221,479	46,612
Beginning Fund Balance	8,597,566	10,769,973	12,991,452
Estimated Ending Balance	<u>7,731,644</u>	<u>12,991,452</u>	<u>13,038,064</u>
	<u> </u>	<u> </u>	<u> </u>
	14.93%	25.73%	25.78%

CALIFORNIA COMMUNITY COLLEGES

2017-2018 GANN LIMIT WORKSHEET

DISTRICT NAME: Solano Community College District
 DATE: June 30, 2017

I. 2017-18 Appropriations Limit:		
A.	2016-17 Appropriations Limit	\$ <u>50,338,034</u>
B.	2017-18 Price Factor: <u>1.0369</u>	
C.	Population factor:	
	1 2015-16 Second Period Actual FTES <u>8,308.80</u>	
	2 2016-17 Second Period Actual FTES <u>7,232.26</u>	
	3 2017-18 Population change factor <u>.8704</u>	
	(line C.2. divided by line C.1.)	
D.	2016-17 Limit adjusted by inflation and population factors (line A multiplied by line B and line C.3.)	\$ <u>45,430,970</u>
E.	Adjustments to increase limit:	
	1 Transfers in of financial responsibility \$ <u>0</u>	
	2 Temporary voter approved increases <u>0</u>	
	3 Total adjustments - increase <u>0</u>	
	Sub-Total	\$ <u>45,430,970</u>
F.	Adjustments to decrease limit:	
	1 Transfers out of financial responsibility \$ <u>0</u>	
	2 Temporary voter approved increases <u>0</u>	
	3 Total adjustments - decrease <u>0</u>	
G.	2017-18 Appropriations Limit	\$ <u><u>45,430,970</u></u>
II. 2017-18 Appropriations Subject to Limit:		
A.	State Aid (General Apportionment, Apprenticeship Allowance, Education Protection Account tax revenue	\$ <u>28,166,241</u>
B.	State Subventions (Home Owners Property Tax Relief, Timber Yield tax, etc.)	
C.	Local Property taxes	<u>16,758,398</u>
D.	Estimated excess Debt Service taxes	
E.	Estimated Parcel taxes, Square Foot taxes, etc.	
F.	Interest on proceeds of taxes	
G.	Local appropriations from taxes for unreimbursed State, court, and federal mandates	
H.	2017-18 Appropriations Subject to Limit	\$ <u><u>44,924,639</u></u>

OTHER DISTRICT FUNDS

1. DEBT SERVICE
 - a. **Measure G [21]**
 - b. **Measure Q [22]**
 - c. **Energy Conservation Bond [29]**
2. CHILD DEVELOPMENT [33]
3. CAPITAL OUTLAY
 - a. **Measure Q [421]**
 - b. **Theater Project [416]**
 - c. **Capital Outlay [41]**
4. ENTERPRISE
 - a. **Bookstore [51]**
5. SELF-INSURANCE [61]
6. FINANCIAL AID [74]
7. LOCAL TRUSTS/CLUBS [79]
8. CCLC RETIREE HEALTH BENEFIT [84]

QUESTIONS

