

# Los Rios Community College District

2016-17 Tentative Budget

Presented to the Board of Trustees

June 8, 2016

# Los Rios Community College District 2016-17 Tentative Budget

- Proposed State Budget
- Projections for Los Rios
- Positives & Challenges
  - Enrollment
  - Major appropriation increases, including pension costs
- Institutional Effectiveness Goals – Reserves

# 2016-17 Tentative Budget California Community Colleges

Description	January Proposal	May Revise	Conference Committee
<b>COLA</b>	0.47%	Zero	May Revise
<b>Growth</b>	\$114 (2.00%)	\$114M (2.00%)	May Revise
<b>Basic Allocation</b>	Zero	\$75M	Senate +\$10.3M
<b>Mandate Past Claims</b>	\$76.3M	\$105.5M	May Revise
<b>Increase Regular Faculty</b>	None	None	Assembly \$22M
<b>Student Success &amp; Support &amp; Student Equity</b>	No Change	No Change	May Revise
<b>CTE – Strong Workforce</b>	\$248M	\$248M	May Revise
<b>COLA for Categorical programs</b>	0.47%	Zero	May Revise
<b>SMSR/SIEF</b>	\$289M	\$219.4M	Senate -\$6.4M, Assembly -\$15M
<b>Basic Skills Program</b>	\$30M	\$30M	May Revise
<b>Other</b>			Restore CalWORKs, fund part-time faculty, MESA & EEO; both houses rejected innovation awards

# 2016-17 Tentative Budget

## Los Rios Projected Increases

General Purpose Allocations	2013-14 Increase	2014-15 Increase	2015-16 Increase	2016-17 Projected
Growth (actual for 2013-14 & 2014-15)	\$ 5.3M	\$ 9.4M	Zero	\$ 3.0M
Funding for new centers (West Sacramento, Elk Grove & Rancho Cordova)		\$ 1.1M	\$ 1.1M	\$ 1.1M
COLA	\$ 3.8M	\$ 2.1M	\$ 2.7M	0
Base Allocation Increase	0	0	\$12.7M	\$3.4M
New Faculty Funding	0	0	\$ 2.8M	0
<b>Total General Purpose – continuing</b>	<b>\$ 9.1M</b>	<b>\$12.6M</b>	<b>\$19.5M</b>	<b>\$7.5M</b>
<b>Total without Growth in 2016-17</b>				<b>\$4.5M</b>
Prior Years' Claims for Mandated Costs (one-time)	0	\$ 2.2M	\$28.9M	\$4.8M

Categorical Programs	Base 2013-14	Total 2014-15	Total 2015-16	Estimated 2016-17
Student Success & Support Program (SSSP)	\$ 4.2M	\$ 9.3M	\$12.3M	No Change
Student Equity Program	0	\$ 3.2M	\$ 6.4M	No Change
SMSR/SIEF & LM – One-time only	0	\$ 6.6M	\$ 6.8M	\$ 10M

*DSPS has been fully restored and EOPS partially. CalWORKS is the last major student services program that has not been at least partially restored. Overall increase since 2008-09 for Student Services categorical programs is \$13.3M*

# 2016-17 Tentative Budget Positives

- No deferrals – general fund cash was (\$12M) in June 2013, +\$63M in June 2015
- Budget is balanced without use of reserves
- Medical premium increases are small (Kaiser HMO plan 3.08% increase) following zero increase in 2015-16
- Base augmentation will provide on-going funds to support compensation and operational increases
- Significant allocation of one-time funds that can be used to invest in infrastructure and equipment
- Additional Investment in Career and Technical Education

# 2016-17 Tentative Budget Challenges

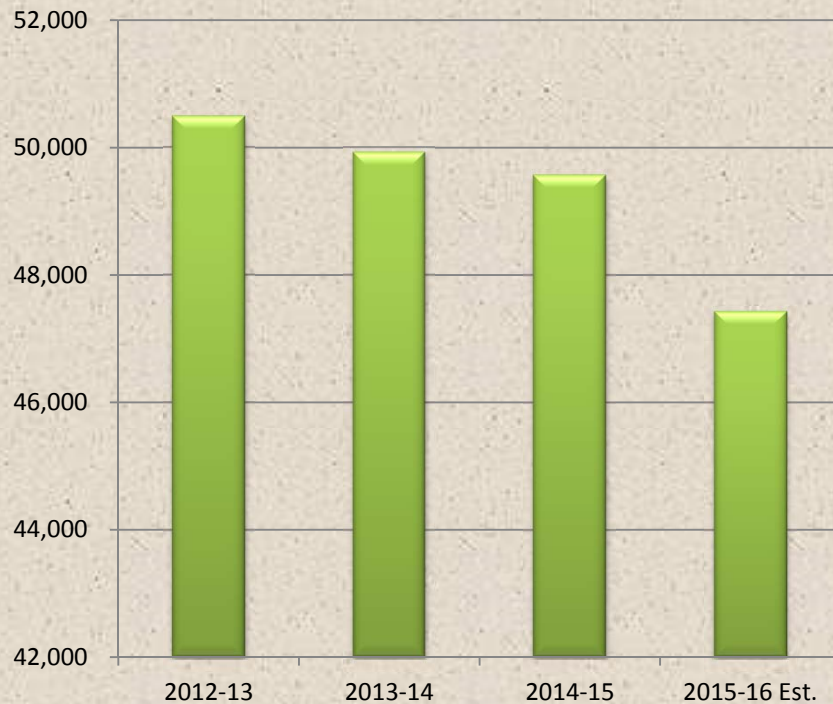
- Growth is difficult to achieve
- Retirement increases need to be funded
- Sales tax portion of Proposition 30 is set to expire December 2016

# 2016-17 Tentative Budget Enrollment

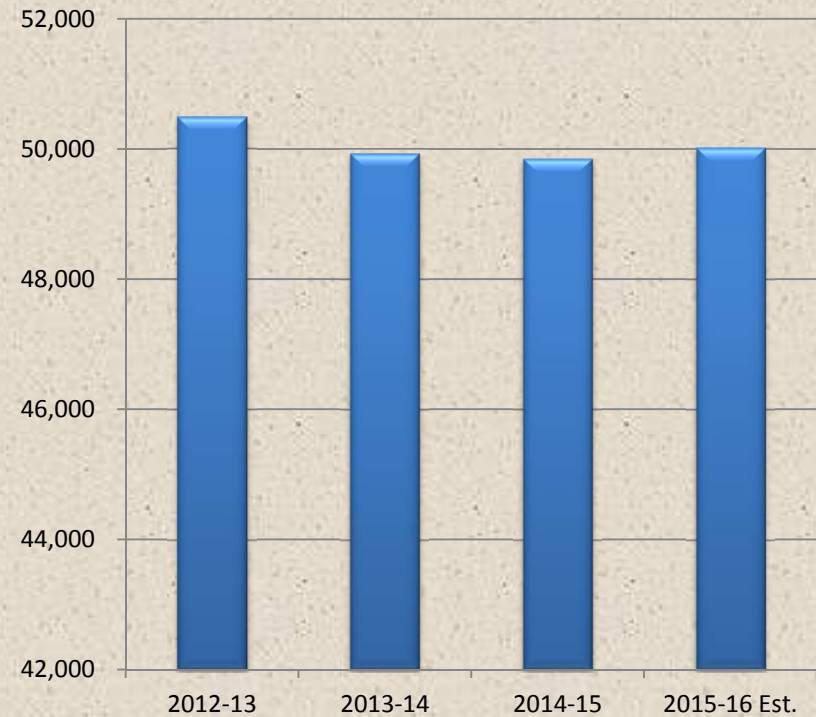
**Shifted FTES means less available to report in current year**

**Achieved FTES is flat**

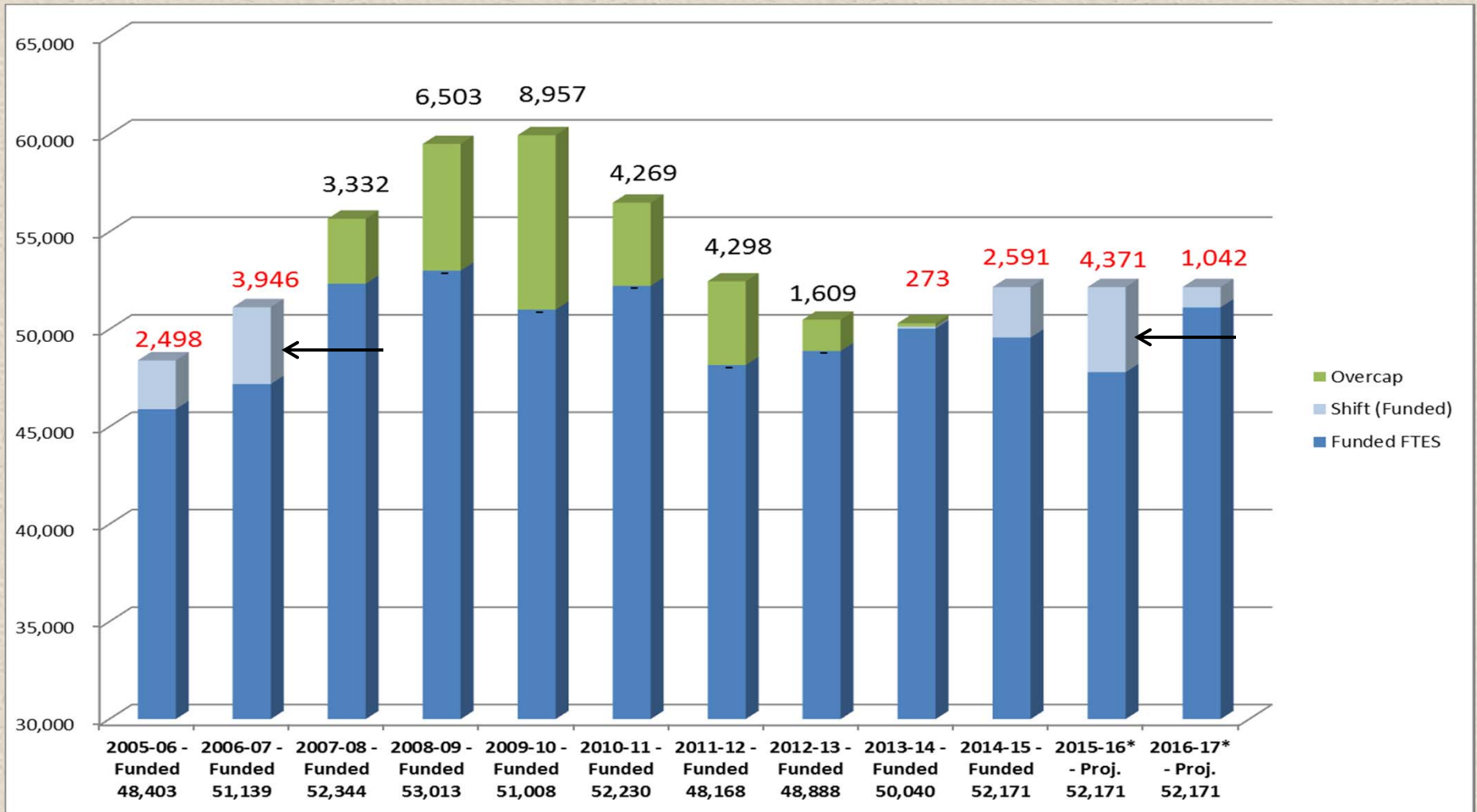
**FTES Remaining After Shift**



**Achieved FTES**



# 2016-17 Tentative Budget Enrollment



Note: Funded means achieved and funded in the year shown.



# 2016-17 Tentative Budget Staffing for Access

Plus 23 FTEF for summer (20%); seeking productivity improvements in fall and spring w/out additional staffing at this time

## Utilized Instructional Staffing

Term	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Authorized 2016-17
Summer	148.54	145.83	138.39	105.20	86.21	85.52	91.27	110.02	133.00
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	1,412.60
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	1,412.60
<b>Annualized Total</b>	<b>1,640.69</b>	<b>1,610.89</b>	<b>1,551.89</b>	<b>1,491.08</b>	<b>1,463.08</b>	<b>1,467.61</b>	<b>1,495.47</b>	<b>1,523.28</b>	<b>1,545.60</b>
<b>Cumulative Change</b>		<b>(30)</b>	<b>(89)</b>	<b>(150)</b>	<b>(178)</b>	<b>(173)</b>	<b>(145)</b>	<b>(117)</b>	<b>(95)</b>

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

# 2016-17 Tentative Budget Major Spending Increases

- Appropriations
  - Instructional (Summer) – approx. \$1.1M cost some of which will be funded by program development funds (PDF) and some by compensation formula
  - Medical increase although small percentage is still over \$900K.
  - STRS/PERS – combined increase is over \$3.1M. Funds were set-aside in 2015-16 to cover.

# 2016-17 Tentative Budget Planning for PERS/STRS Increases

- Pension Increases Funding Plan
  - Total projected cost increase \$16.1M
  - Continuing funding set aside through 2015-16, \$7.3M
    - Goal for 2016-17 is \$1.5M in addition to “above step one cost”
    - Then on-going \$375K from PDF through 2028-29
  - Total One-time through 2015-16 is \$7.2M
    - Another \$2.5M in 2016-17 and \$525K annually through 2025-26

# 2016-17 Tentative Budget Institutional Effectiveness

- Institutional Effectiveness Goals
  - 2016-17 - Fund balance and Audit Results plus six year projection

<b>Ending unrestricted general fund balance as a percentage of total expenditures</b>				
2010-11	2011-12	2012-13	2013-14	2014-15
14.3%	12.8%	11.8%	11.2%	12.3%

- Future goals are Percentage Expended on Salaries & Benefits, Annual Operating Excess/(Deficiency), i.e., is the budget balanced, & Cash Balance

# 2016-17 Tentative Budget Institutional Effectiveness

- Fund balance –
  - Last June projected 11.2%; now projecting 12.7% for 2015-16 primarily due to set-asides for PERS/STRS costs. Could be higher if one-time funds are deferred by employee groups
  - For 2016-17, projecting 14.2%, again anticipating more funds set aside for PERS/STRS.
  - Six Years out goal was reflective of what is “reasonable” given the District’s size and no ability to project economic circumstances that far out in time.
  - Does not include reserves in capital outlay fund.

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