



2017/18 Budget Presentation  
Susan Cheu  
Vice President, Finance & College Operations  
October 2017

# Agenda

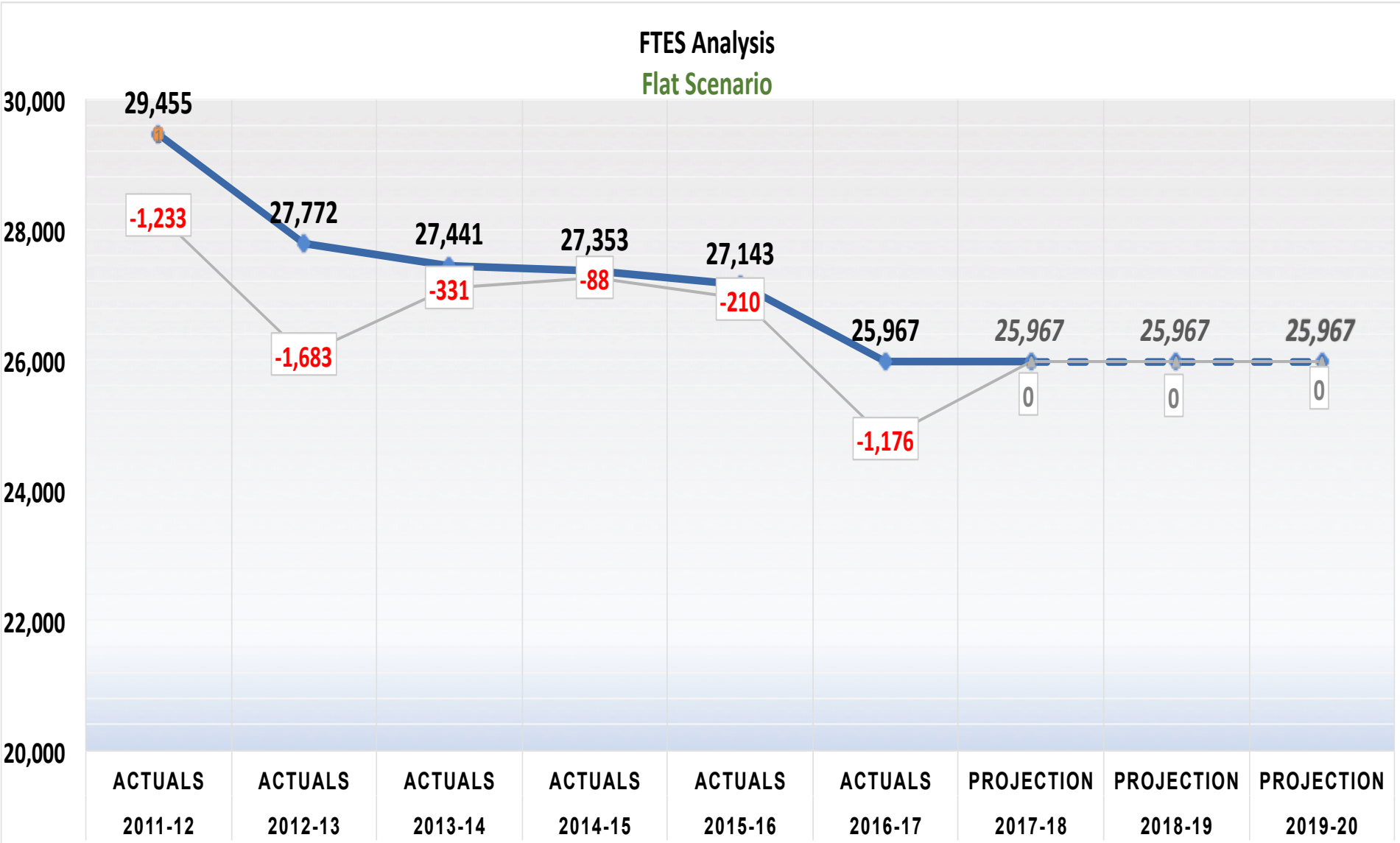
- District Wide Financial Situation
  - Enrollment situation
  - Structural deficit
- Campus Financial Situation
- Effect of District Wide Cuts to Campus
- Finance & College Operations Budget
- Amount of Cuts for Finance & College Operations
- Strategy for Cuts for Finance & College Operations

# Background

- Ongoing declining enrollment means less revenue for General Fund
- General Fund comprises the majority of funding for Instruction, Student Services and Finance & College Operations
- The Board of Trustees, concerned about the ongoing structural deficit, has requested the district take action to reduce costs
- In August 2017, Board of Trustees approved \$10M district wide budget reduction target. The district has 3-years to implement plans

# Enrollment Decline

FTES Analysis  
 Flat Scenario



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
Resident FTES (F/T Equiv Student)	27,143	25,967
FTES Restoration	-0.77%	-4.33%
COLA	1.02%	0.00%
<b>Revenues</b>	<b>187,829,528</b>	<b>181,873,380</b>
<b>Expenses</b>	<b>183,967,716</b>	<b>192,775,009</b>
<b>Net Transfers Out</b>	<b>7,385,424</b>	<b>5,841,654</b>
<b>Total Expenses and Net Transfers Out</b>	<b>191,353,140</b>	<b>198,616,663</b>
<b>Structural Surplus/(Deficit)</b>	<b>(3,523,612)</b>	<b>(16,743,283)</b>
<b>Planned Budget Reductions</b>		
<b>Adjusted Structural Surplus/(Deficit)</b>	<b>(3,523,612)</b>	<b>(16,743,283)</b>
<b>One-Time Adjustments to Revenue</b>	<b>17,272,430</b>	<b>9,023,917</b>
<b>One-Time Adjustments to Expenditures</b>	<b>(4,299,203)</b>	<b>(1,430,213)</b>
<b>Net Change in Fund Balance</b>	<b>9,449,615</b>	<b>(9,149,578)</b>
<b>Beginning Fund Balance</b>	<b>48,551,766</b>	<b>58,001,380</b>
<b>Net Change in Fund Balance</b>	<b>9,449,615</b>	<b>(9,149,578)</b>
<b>Ending Fund Balance</b>	<b>58,001,381</b>	<b>48,851,802</b>
<b>Less: Carryforwards/Restricted</b>		
Colleges/CS/DW Carryforwards, 5% Reserves	25,489,457	25,119,725
<b>FHDA Stability Fund</b>	<b>32,511,924</b>	<b>23,732,077</b>

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

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

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



# De Anza FY16/17 B Budget Financial Statements

## FY16/17 De Anza Unrestricted B Budget at 6/30/17

	Approved Budget	Current Budget	YTD Actual	Enc's	Reserves	Budget Avail	% Spent
Finance & College Ops	339,621	785,674	554,669	783	29,248	200,973	74%
Student Services	145,712	830,600	576,139	35,839	-	218,621	74%
AVP-Student Services	48,578	410,267	358,671	5,860	4,627	41,109	90%
Instruction	978,470	1,819,120	1,636,124	56,256	-	126,740	93%
College Wide	61,590	116,812	41,226	-	-	75,586	35%
Communications	188,688	428,027	360,650	6,070	-	61,307	86%
President	119,335	131,863	94,366	-	-	37,497	72%
	<b>1,881,994</b>	<b>4,522,362</b>	<b>3,621,845</b>	<b>104,808</b>	<b>33,875</b>	<b>761,834</b>	<b>83%</b>
<b>Budget Adjustments (B&lt;-&gt;A)</b>							
Reassigned Time	400,000	504,734	504,734			-	100%
SLO/SAO Project	60,000	-				-	
Reclass/Backfill	46,000					-	
	<b>506,000</b>	<b>504,734</b>	<b>504,734</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<b>Total Budget</b>	<b>2,387,994</b>	<b>5,027,097</b>	<b>4,126,579</b>	<b>104,808</b>	<b>33,875</b>	<b>761,834</b>	<b>85%</b>



# Budget Reduction Effect On De Anza College

- De Anza College's reduction amount is 50% (\$5M) over 3-years
  - \$1M in FY17/18 – identify by June 30, 2018 and implement by July 1, 2019
  - \$1.5M in FY18/19 - identify by June 30, 2018 and implement by July 1, 2019
  - \$2.5M in FY19/20 (dependent on enrollment trends)
  
- FY17/18 Plan
  - No layoffs will take place although vacant positions may not be filled
  - Ending-fund balance will cover the FY17/18 \$1M pending the identification and implementation of permanent cost reduction by July 1, 2019.
  - Shared governance process (PBT's) will identify permanent ongoing reductions
  - Identify cost-savings (e.g. software contracts)



# Reduction Effect On Finance & College Operations

- Pending approval by College Council, Finance & College Operations will be asked to meet approximately 9% of the total budget reductions allocated to the campus
  - \$225,000 for Years 1 & 2
  - \$225,000 for Year 3
- Approximately \$200,000 of alternative funding has been identified to cover the reduction target
- The FCOPBT will need to identify at minimum another \$250,000 to meet its 3-year budget cut target.
  - Criteria for identifying and prioritizing cuts
  - Timeline

# Finance and College Operations B Budget

INDEX CODE	BANNER FOP			ORG DESCRIPTION	ORIGINAL BUDGET	REVISED BUDGET	YTD ACTUAL	P.O. ENCUMBR	P.R. RESERV	06/30/17 BUDG BAL AVAIL
	FUND	ORG	PROG							
240008	114000	210002	601000	VP FIN & COLLEGE OP'S	25,182.00	65,860.00	9,309.19	0.00	0.00	56,550.81
					25,182.00	65,860.00	9,309.19	0.00	0.00	56,550.81
240013	114000	211001	601000	ASSOC VP-COLLEGE OP'S	22,228.00	30,422.00	11,124.13	422.00	0.00	18,875.87
240014	114000	211002	651000	MINOR FACILITY MODIF	7,550.00	141,650.00	54,157.78	0.00	0.00	87,492.22
240016	114000	211004	655000	GROUNDS	27,609.00	65,000.00	47,802.75	361.17	0.00	16,836.08
240017	114000	211005	677000	POSTAL SERVICES	24,400.00	11,016.01	10,147.06	0.00	0.00	868.95
240018	114000	211006	649000	GRADUATION	25,000.00	70,000.41	44,560.20	0.00	0.00	25,440.21
240019	114000	211007	677000	SECURITY SYSTEM	35,000.00	36,000.00	29,300.73	0.00	29,248.35	(22,549.08)
240020	114000	211008	669000	EMERGENCY PREPARE	7,000.00	2,000.00	826.60	0.00	0.00	1,173.40
240023	114000	211011	601000	ATHLETIC FIELD MAINT	11,500.00	11,500.00	1,892.14	0.00	0.00	9,607.86
					160,287.00	367,588.42	199,811.39	783.17	29,248.35	137,745.51
240015	114000	211003	653000	CUSTODIAL	100,223.00	258,481.85	272,083.35	0.00	0.00	(13,601.50)
					100,223.00	258,481.85	272,083.35	0.00	0.00	(13,601.50)
240024	114000	212001	601000	DIR-BUDGET/PERSONNEL	0.00	15,000.00	4,601.85	0.00	0.00	10,398.15
240025	114000	212002	601000	PERSONNEL	1,472.00	4,000.00	667.13	0.00	0.00	3,332.87
240026	114000	212004	621000	CASHIERING SERVICES	52,457.00	74,743.79	68,196.28	0.00	0.00	6,547.51
					53,929.00	93,743.79	73,465.26	0.00	0.00	20,278.53
					339,621.00	785,674.06	554,669.19	783.17	29,248.35	200,973.35

Questions ?