



Chabot-Las Positas
Community College District

Board of Trustees Meeting

September 16, 2014

Adoption Budget
Fiscal Year 2014-15

*Lorenzo Legaspi
Vice Chancellor
Business Services*

Presentation Summary

- Budget Requirement
- State Budget for FY 2014-15
- CLPCCD's Budget Development Assumptions
- Enrollment Data
- New Allocation Model - Narrative
- New Allocation Model - Calculations
- Budgets for District Funds
- Concerns and Budget Risks
- Fiscal Assessment Checklist
- Questions and Comments

Budget Requirement

- Title 5, Sections 58301 and 58305 of the California Code of Regulations require community college districts to:
 - Hold a public hearing on the proposed budget
 - Adopt a final budget on or before the 15th day of September

State Budget for FY 2014-15

- Funds Proposition 98 minimum guarantee
- Adoption of a Cost-of-Living Adjustment (COLA) of .85%
- Adoption of funding for Growth Restoration of 2.75%
- Funding of \$170 million for the Student Success and Student Equity
- Funding for Def. Maintenance and Instr. Equipment: \$148 million
- Funding for Economic and Workforce Development: \$50 million
- Funding energy efficiency projects related to Prop 39: \$39.7 million
- Funding of \$498 million to buy down Deferrals. \$94 million left
- Rainy Day Fund: \$1.4 billion in 2015-16
- STRS Funding Reform: Employer Rate from 8.25% to 19.1%
- Student Fees: Remain the same at \$46 per credit unit

CLPCCD's Budget Assumptions

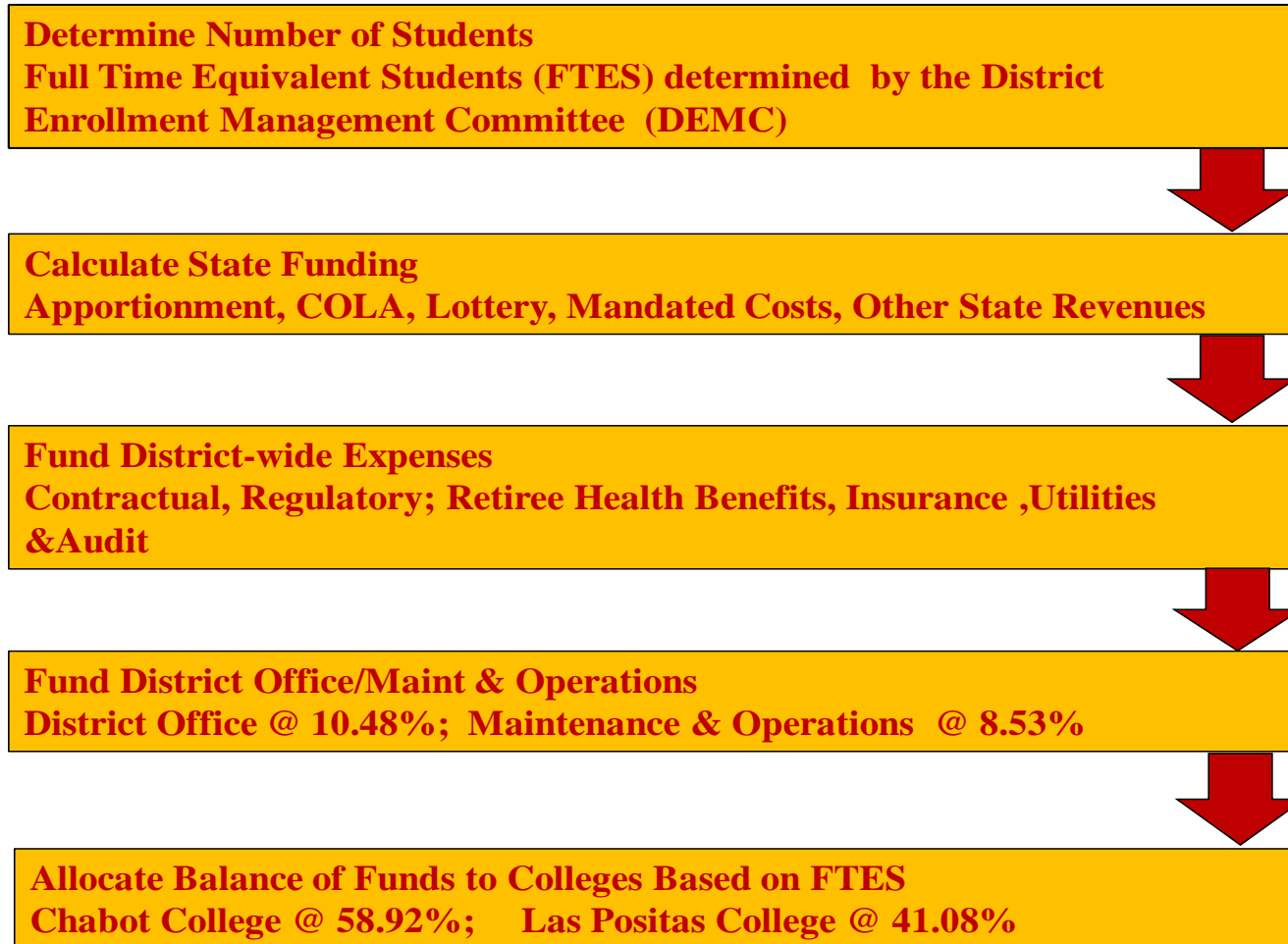
- Full Time Equivalent Students (FTES) enrollment of 16,861
 - Chabot College @ 9,935
 - Las Positas College @ 6,926
- Cost-of-Living adjustment (COLA) @ 0.85%
- Access (Restoration/Growth) @ 2.50%
- General Apportionment of \$85,989,907
- Lottery Revenue of \$2,105,695
- Reflects Health and Welfare Increases and Employee Contributions to Medical Costs
- Reflects Step and Column Salary Increases
- Reflects Payback to the RUMBL Fund from Energy Rebates

Full Time Equivalent Student (FTES) Enrollment

<i>YEAR</i>	<i>CHABOT</i>	<i>% Growth</i>	<i>LPC</i>	<i>% Growth</i>	<i>TOTAL</i>	<i>% Growth</i>
2004-2005	10,477	1.4	5,886	3.1	16,363	2.1
2005-2006	10,367	(1.1)	6,171	4.8	16,538	1.1
2006-2007	10,313	(0.5)	7,089	14.9	17,402	5.2
2007-2008	10,420	1.0	7,186	1.4	17,606	1.2
2008-2009	10,912	4.7	6,591	(8.3)	17,503	(0.6)
2009-2010	11,315	3.7	7,501	13.8	18,816	7.5
2010-2011	10,756	(4.9)	6,744	(10.1)	17,500	(7.0)
2011-2012	9,754	(9.3)	6,442	(4.5)	16,196	(7.5)
2012-2013	9,552	(2.0)	6,651	3.2	16,203	0.0
2013-14 (P3 Projection)	9,693	1.5	6,758	1.6	16,451	1.5
2014-15 (DEMC Target)	9,935	2.5	6,926	2.5	16,861	2.5

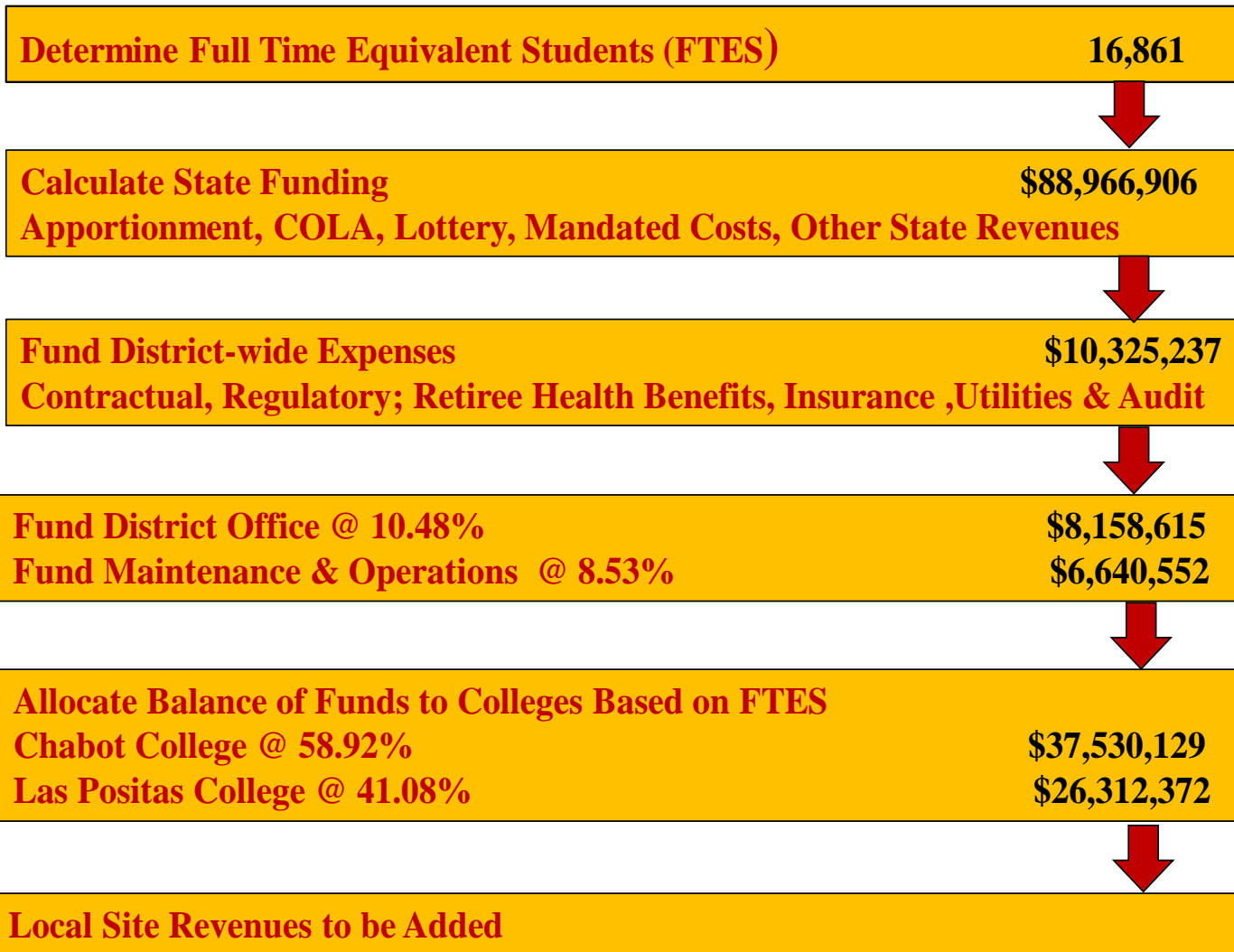
New Allocation Model - Narrative

BUDGET ALLOCATION MODEL



New Allocation Model- Calculations

BUDGET ALLOCATION



Adoption Budget 2014-2015 – General Fund

REVENUE	
State General Apportionment, State /Local/Federal Revenue and Transfers	\$121,408,544
EXPENDITURES	
Total Expenditures	121,265,631
NET INCREASE/(DECREASE) IN FUND BALANCE	142,913
BEGINNING BALANCE	11,693,177
ENDING BALANCE	\$11,836,090

Adoption Budget 2014-2015 – Cafeteria Fund

REVENUE	
Operations/Commissions and Interest	\$79,844
EXPENDITURES	
Expenditures and Transfers	30,734
NET INCREASE/(DECREASE) IN FUND BALANCE	49,110
BEGINNING BALANCE	122,407
ENDING BALANCE	\$171,517

Adoption Budget 2014-2015 - Child Development Fund

REVENUE	
State /Local/Federal Revenue	\$963,563
Transfers In	\$266,982
EXPENDITURES	
Expenditures	1,230,545
NET INCREASE/(DECREASE) IN FUND BALANCE	\$0
BEGINNING BALANCE	\$0
ENDING BALANCE	\$0

Adoption Budget 2014-2015 - Self Insurance Fund (RUMBL)

REVENUE	
Transfers and Interest	\$6,093,992
EXPENDITURES	
Expenditures and Transfers	6,089,992
NET INCREASE/(DECREASE) IN FUND BALANCE	4,000
BEGINNING BALANCE	4,258,165
ENDING BALANCE	\$4,262,165

Adoption Budget 2014-2015 - Measure B Capital Projects Fund

REVENUE	
Interest	\$141,427
EXPENDITURES	
Expenditures	24,000,000
NET INCREASE/(DECREASE) IN FUND BALANCE	(23,858,573)
BEGINNING BALANCE	100,752,377
ENDING BALANCE	\$76,893,804

Adoption Budget 2014-2015 - Capital Projects Fund

REVENUE	
State/Local/Federal Revenue and Transfers	\$3,317,619
EXPENDITURES	
Expenditures	1,907,134
NET INCREASE/(DECREASE) IN FUND BALANCE	1,410,485
BEGINNING BALANCE	5,099,818
ENDING BALANCE	\$6,510,303

Adoption Budget 2014-2015 - Special Reserve Funds (Nike Project, COP)

REVENUE	
Interest	\$3,000
EXPENDITURES	
Expenditures	513,322
NET INCREASE/(DECREASE) IN FUND BALANCE	(510,322)
BEGINNING BALANCE	3,342,808
ENDING BALANCE	\$2,832,486

Concerns and Budget Risks

- Set Expectations
- Plan for expenses charged to Measure B interest going back to General Fund
- Enrollment Trends
- STRS Funding Reform
- Lack of Discretionary Funding, minimal COLA of 0.85%
- New Integrated Planning and Budget Model (IPBM)
- Accreditation

Fiscal Self Assessment Checklist

1. Deficit Spending – Is this area acceptable? Yes / No

- Is the district spending within their revenue budget in the current year?
- Has the district controlled deficit spending over multiple years?
- Is deficit spending addressed by fund balance, ongoing revenue increases, or expenditure reductions?
- Are district revenue estimates based upon past history?
- Does the district automatically build in growth revenue estimates?

2. Fund Balance – Is this area acceptable? Yes / No

- Is the district's fund balance stable or consistently increasing?
- Is the fund balance increasing due to on-going revenue increases and/or expenditure reductions?

Fiscal Self Assessment Checklist – *Continued*

3. **Enrollment** – Is this area acceptable? **Yes / No**

- Has the district's enrollment been increasing or stable for multiple years?
- Are the district's enrollment projections updated at least semi-annually?
- Are staffing adjustments consistent with the enrollment trends?
- Does the district analyze enrollment and full-time equivalent students (FTES) data?
- Does the district track historical data to establish future trends between P-1 and Annual for projection purposes?
- Has the district avoided stabilization funding?

4. **Unrestricted General Fund Balance** – Is this area acceptable? **Yes / No**

- Is the district's unrestricted general fund balance consistently maintained at or above the recommended minimum prudent level (5% of the total unrestricted general fund expenditures)?
- Is the district's unrestricted fund balance maintained throughout the year?

Fiscal Self Assessment Checklist - *Continued*

- 5. Cash Flow Borrowing** – Is this area acceptable? **Yes / No**
- Can the district manage its cash flow without inter-fund borrowing?
 - Is the district repaying TRANS and/or borrowed funds within the required statutory period.
- 6. Bargaining Agreements** – Is this area acceptable? **Yes / No**
- Has the district settled bargaining agreements within new revenue sources during the past three years?
 - Did the district conduct a pre-settlement analysis identifying an ongoing revenue source to support the agreement?
 - Did the district correctly identify the related costs?
 - Did the district address budget reductions necessary to sustain the total compensation increase?
- 7. Unrestricted General Fund Staffing** – Is this area acceptable? **Yes / No**
- Is the district ensuring it is not using one-time funds to pay for permanent staff or other ongoing expenses?
 - Is the percentage of district general fund budget allocated to salaries and benefits at or less than the statewide average (i.e. the statewide average is 85%)?

Fiscal Self Assessment Checklist - *Continued*

8. Internal Controls – Is this area acceptable? **Yes / No**

- Does the district have adequate internal controls to insure the integrity of the general ledger?
- Does the district have adequate internal controls to safeguard the district's assets?

9. Management Information Systems – Is this area acceptable? **Yes / No**

- Is the district data accurate and timely?
- Are the county and state reports filed in a timely manner?
- Are key fiscal reports readily available and understandable?

10. Position Control – Is this area acceptable? **Yes / No**

- Is position control integrated with payroll?
- Does the district control unauthorized hiring?
- Does the district have control over part-time academic staff hiring?

Fiscal Self Assessment Checklist - *Continued*

11. Budget Monitoring – Is this area acceptable? **Yes / No**

- Is there sufficient consideration to the budget, related to long-term bargaining agreements?
- Are budget revisions completed in a timely manner?
- Does the district openly discuss the impact of budget revisions at the board level?
- Are budget revisions made or confirmed by the board in a timely manner after the collective bargaining agreements are ratified?
- Has the district's long-term debt decreased from the prior fiscal year?
- Has the district identified the repayment sources for the long-term debt?
- Does the district compile annualized revenue and expenditure projections throughout the year?

12. Retiree Health Benefits – Is this area acceptable? **Yes / No**

- Has the district completed an actuarial calculation to determine the unfunded liability?
- Does the district have a plan for addressing the retiree benefits liabilities?

Fiscal Self Assessment Checklist - *Continued*

13. Leadership/Stability – Is this area acceptable? **Yes / No**

- Has the district experienced recent turnover in its management team (including the Chief Executive Officer, Chief Business Officer, and Board of Trustees)?

14. District Liability – Is this area acceptable? **Yes / No**

- Has the district performed the proper legal analysis regarding potential lawsuits that may require the district to maintain increased reserve levels?
- Has the district set up contingent liabilities for anticipated settlements, legal fees, etc?

15. Reporting – Is this area acceptable? **Yes / No**

- Has the district filed the annual audit report with the System Office on a timely basis?
- Has the district taken appropriate actions to address material findings cited in their annual audit report?
- Has the district met the requirements of the 50 percent law?
- Have the Quarterly Financial Status Reports (CCFS-311Q), Annual Financial and Budget Reports (CCFS-311), and Apportionment Attendance Reports (CCFS-320) been submitted to the System Office on or before the stated deadlines?

Questions and Comments
