Governor releases State Budget on January 10, 2018
- $190 billion general fund budget
- Provides $780 million in new Prop 98 General Funding for Community Colleges
Governor releases May Revise on May 11, 2018
- Increase COLA from 2.51% to 2.71%
- $60 million for a 1% growth
- $175 million on-going and $104 million one-time to hold colleges harmless
- $46 million for College Promise Program
- $32.9 million for Student Success and Completion Incentive grants
- $2 million for Chancellor’s Office operations
- $120 million for Online Education – ($100 million one-time)
- Decreases from $274.3 million to $143.5 million for Deferred Maintenance and Instructional Equipment
- $20 million (one-time) for Innovation Awards
NEW FUNDING FORMULA—MAY REVISE

- Based on four primary parameters a new focus on equity:
  - Base Allocation – 60% of formula. Based on FTES enrollment.
  - Supplemental Allocation – 20% of formula. Based on number of low-income students.
    - District enrolls reflecting two factors: enrollment of students who receive a College Promise Grant fee waiver and enrollment of students who receive a Pell grant.
  - Student Success Incentive Allocation – 20% of formula.
    - Additional funding for: number of degrees and certificates granted; number of students who complete a degree or certificate in three years or less; funds for each Associate Degree for Transfer granted by the college.
### MAY REVISION FUNDING FORMULA

<table>
<thead>
<tr>
<th>60% Base</th>
<th>20% Supplement (Equity)</th>
<th>20% Success</th>
</tr>
</thead>
</table>
| • Measures FTES enrollment based on a **three-year average**.  
• Consistently counts summer session enrollments in the fiscal year that follows the summer term.  
• Provides a rural allocation consistent with the current formula. | • Pell grant headcount enrollment  
• Headcount enrollment of students 25 years and older who receive a College Promise Grant fee waiver (formerly known as the BOG Fee Waiver)  
• AB 540 students per the California Dream Grant application | Progress  
• Transfer-level mathematics and English within the first year  
Outcomes  
• AA/AS degree  
• Transfer to ANY accredited 4-year institution  
• ADT  
• Credit certificates 18 units or greater  
• 9 (CTE) units  
Wages  
• Regional living wage after one year |
UPDATED FUNDING FORMULA

- Three-year phase-in of the formula
  - 2018/19 70-20-10
  - 2019/20 65-20-15
  - 2020/21 60-20-20
- New “stability” provision that each district would receive the greater of their past year or current year funding
- Reverts to current practice for shift of summer enrollment
2018/19 DISTRICT BUDGET

- 2.51% State COLA
- No growth or restoration funds
- Salary enhancement--TBD
- WSCH—530
- FTES Target—13,700
- FTEF funded—308
- 5% reserve and no more than 3% contingency reserve
- Dean & Department Chair positions fully funded
- Student categorical funding same as 2017/18
- Proposition 30 funded at $100/FTES
- Meet statutory obligations
BUDGET DEVELOPMENT APPROACH

- Maintain community support status
- Manage enrollment
- Use Resource Allocation Model
- Balance budget with community support funds
 Assigned to Banked Leave Liability - $5,683,749
 Assigned to Student Transcript/Material - $388,362
 Assigned to Faculty Travel/Conference - $171,129
 Prepaids - $200,000
 Reserve at 5% - $6,572,732
 Contingency Reserve - $3,066,891
 Community Support Fund Reserve - $39,964,396
 Board Elections - $86,729

 **Total Projected Ending Fund Balance** - $56,133,988
COMMUNITY SUPPORT STATUS

- Enroll Fee, Property Taxes, and EPA
- TCR
RESOURCE ALLOCATION MODEL

AVAILABLE REVENUE

UNRESTRICTED FUNDS

DISTRICT SERVICES

FACULTY

BASELINE STAFFING ALLOTMENTS

DISTRICT-WIDE FIXED COSTS

NON-RESIDENT FEES

RESTRICTED FUNDS

STUDENT SUPPORT CATEGORICAL PROGRAMS

OTHER CATEGORICAL PROGRAMS

LAND CORPORATION

PROP 20 LOTTERY

RESIDENT FTES RATIO

NON-RESIDENT FTES RATIO

WVC

MC

WVC

MC

PASS THRU

Maduli.02.12.13
RAM ALLOCATION BY LOCATION

- West Valley College: 33% ($43.0 mil)
- Mission College: 29% ($38.7 mil)
- District Services: 14% ($18.4 mil)
- Districtwide: 24% ($31.4 mil)
FTES SUMMARY

- MC
- WVC
- Districtwide

![Graph showing FTES across fiscal years](image-url)
DISTRICT LIABILITIES

- Banked Leave – $11,773,213
  - $874,050 short-term
  - $10,899,163 long-term
- Vacation and Comp Time -- $3,713,056
  - $62,034 short-term
  - $3,651,022 long-term
- CalPERS and CalSTRS
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PERS 2014-15</td>
<td>44,693</td>
<td>44,693</td>
<td>44,693</td>
<td>44,693</td>
<td>44,693</td>
<td>44,693</td>
<td>44,693</td>
</tr>
<tr>
<td>PERS 2015-16</td>
<td>13,149</td>
<td>13,149</td>
<td>13,149</td>
<td>13,149</td>
<td>13,149</td>
<td>13,149</td>
<td>13,149</td>
</tr>
<tr>
<td>PERS 2016-17</td>
<td>371,598</td>
<td>371,598</td>
<td>371,598</td>
<td>371,598</td>
<td>371,598</td>
<td>371,598</td>
<td>371,598</td>
</tr>
<tr>
<td>PERS 2017-18</td>
<td>335,595</td>
<td>335,595</td>
<td>335,595</td>
<td>335,595</td>
<td>335,595</td>
<td>335,595</td>
<td>335,595</td>
</tr>
<tr>
<td>PERS 2019-20</td>
<td>556,712</td>
<td>556,712</td>
<td>556,712</td>
<td>556,712</td>
<td>556,712</td>
<td>556,712</td>
<td>556,712</td>
</tr>
<tr>
<td>PERS 2020-21</td>
<td>673,137</td>
<td>673,137</td>
<td>673,137</td>
<td>673,137</td>
<td>673,137</td>
<td>673,137</td>
<td>673,137</td>
</tr>
<tr>
<td>PERS 2022-23</td>
<td>158,958</td>
<td>158,958</td>
<td>158,958</td>
<td>158,958</td>
<td>158,958</td>
<td>158,958</td>
<td>158,958</td>
</tr>
<tr>
<td>Total Cost</td>
<td>765,035</td>
<td>1,274,747</td>
<td>1,831,459</td>
<td>2,504,596</td>
<td>2,761,809</td>
<td>2,920,767</td>
<td>2,920,767</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>STRS 2015-16</td>
<td>475,199</td>
<td>475,199</td>
<td>475,199</td>
<td>475,199</td>
<td>475,199</td>
<td>475,199</td>
<td>475,199</td>
</tr>
<tr>
<td>STRS 2016-17</td>
<td>498,277</td>
<td>498,277</td>
<td>498,277</td>
<td>498,277</td>
<td>498,277</td>
<td>498,277</td>
<td>498,277</td>
</tr>
<tr>
<td>STRS 2017-18</td>
<td>511,028</td>
<td>511,028</td>
<td>511,028</td>
<td>511,028</td>
<td>511,028</td>
<td>511,028</td>
<td>511,028</td>
</tr>
<tr>
<td>STRS 2020-21</td>
<td>420,490</td>
<td>420,490</td>
<td>420,490</td>
<td>420,490</td>
<td>420,490</td>
<td>420,490</td>
<td>420,490</td>
</tr>
<tr>
<td>STRS 2021-22</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>STRS 2022-23</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td>1,643,137</td>
<td>2,399,066</td>
<td>3,177,673</td>
<td>3,598,163</td>
<td>3,598,163</td>
<td>3,598,163</td>
<td>3,598,163</td>
</tr>
</tbody>
</table>
DISTRICT OUTSTANDING DEBT

- Lease Revenue Refunding Bonds, Series 2016C (Refunding LRB, Series 2009A-1) - $65,064,166
  - 18/19 Payment: $2,845,976
- Lease Revenue Bonds, Series 2009A - $2,042,500
  - 18/19 Payment: $935,500
- Lease Revenue Bonds, Series 2011B - $6,945,312
  - 18/19 Payment: $223,750
- Lease Revenue Bonds, Series 2011C - $6,789,255
  - 18/19 Payment: $280,050 plus $294,118 sinking fund
PROPERTY TAX HISTORY AND PROJECTION FOR 2018/19

Updated: 5/29/17
### Community Support Funds Reserve

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Support Funds</td>
<td>49,589,664</td>
<td>46,085,829</td>
<td>49,375,309</td>
<td>62,913,395</td>
<td>64,085,107</td>
<td>66,202,571</td>
</tr>
</tbody>
</table>

#### Community Support Funds Allocation:

**On-going Expenditures**

- Operating Budget Support: 4,450,309
- Stability Funding - FTES at 16,098: 12,352,666
- Stability Funding - Hold Harmless (internal): 11,109,204
- Prior Salary/Benefits Enhancement Given: 12,964,726
- Future Salary/Benefits Enhancement: -
- Refunding Bonds 2016 (LRB 2009) Debt Payment: 3,504,498
- LRB 2011 Debt Payment: 642,656
- PERS and STRS Rate Increase: -
- Foundation Decentralization: 210,938

**One-time Expenditures**

- One-time Faculty Parity Retro: 209,341
- One-time Classified Retro for Reclassification: 604,810
- Technology Upgrade: 1,500,000
- Banner Backfill/OT: 1,500,000
- Pre-bond Expense: 81,250
- Student Bad Debt Write-Off/Allowance: 500,000

**Total CSF Allocation**

| Fiscal Year | 38,310,256 | 44,284,035 | 44,894,817 | 59,226,896 | 59,899,696 | 63,858,591 |

**Change in CSF (shortfall)/Surplus**

| Fiscal Year | 11,279,408 | 1,801,794 | 4,480,492 | 3,686,499 | 4,185,411 | 2,343,980 |

**CSF Beginning Balance**

| Fiscal Year | 26,883,194 | 38,162,602 | 39,964,396 | 44,444,888 | 48,131,387 | 52,316,798 |

**CSF Ending Balance**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>38,162,602</th>
<th>39,964,396</th>
<th>44,444,888</th>
<th>48,131,387</th>
<th>52,316,798</th>
<th>54,660,778</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-going Property Taxes</td>
<td>39,589,664</td>
<td>41,085,829</td>
<td>44,375,309</td>
<td>57,913,395</td>
<td>59,085,107</td>
<td>61,202,571</td>
</tr>
<tr>
<td>One-time RDA</td>
<td>10,000,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>49,589,664</td>
<td>46,085,829</td>
<td>49,375,309</td>
<td>62,913,395</td>
<td>64,085,107</td>
<td>66,202,571</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-going Expenditures</td>
<td>33,914,855</td>
<td>42,284,035</td>
<td>44,894,817</td>
<td>59,226,896</td>
<td>59,899,696</td>
<td>63,858,591</td>
</tr>
<tr>
<td>One-time Expenditures</td>
<td>4,395,401</td>
<td>2,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>38,310,256</td>
<td>44,284,035</td>
<td>44,894,817</td>
<td>59,226,896</td>
<td>59,899,696</td>
<td>63,858,591</td>
</tr>
<tr>
<td><strong>Current Year Change in CSF</strong></td>
<td>(shortfall)/Surplus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-going Balance</td>
<td>5,674,809</td>
<td>(1,198,206)</td>
<td>(519,508)</td>
<td>(1,313,501)</td>
<td>(814,589)</td>
<td>(2,656,020)</td>
</tr>
<tr>
<td>One-time Balance</td>
<td>5,604,599</td>
<td>3,000,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td><strong>Total CSF (Shortfall)/Surplus Amount</strong></td>
<td>11,279,408</td>
<td>1,801,794</td>
<td>4,480,492</td>
<td>3,686,499</td>
<td>4,185,411</td>
<td>2,343,980</td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-going Balance</td>
<td>17,738,474</td>
<td>16,540,268</td>
<td>16,020,760</td>
<td>14,707,259</td>
<td>13,892,670</td>
<td>11,236,650</td>
</tr>
<tr>
<td>One-time Balance</td>
<td>20,424,128</td>
<td>23,424,128</td>
<td>28,424,128</td>
<td>33,424,128</td>
<td>38,424,128</td>
<td>43,424,128</td>
</tr>
<tr>
<td><strong>Total Ending Balance</strong></td>
<td>38,162,602</td>
<td>39,964,396</td>
<td>44,444,888</td>
<td>48,131,387</td>
<td>52,316,798</td>
<td>54,660,778</td>
</tr>
</tbody>
</table>
STATUTORY OBLIGATIONS

- 50% Law
- Full-time Faculty Obligation
Ed Code 84362 states that District's expenditures for salaries of classroom instructors must be equal to or greater than 50 percent of the District's current expense of education.
FACTORS AFFECTING DISTRICT BUDGET IN THE OUT YEARS

- State Funding Formula
- New Online Community College
- Guided Pathways
- 50% Law
- Grants/Categorical Funding (Consolidation)
- Enrollment Management
- Recession
- Increased CalPERS/CalSTRS Employer Contribution Rates
### SUMMARY OF COST FOR BANNER IMPLEMENTATION

<table>
<thead>
<tr>
<th>Backfill/OT for Banner Project</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance Module</strong></td>
<td>$188,865</td>
<td>$35,367</td>
<td>$0</td>
<td>$224,232</td>
</tr>
<tr>
<td><strong>Student Module</strong></td>
<td>$115,810</td>
<td>$1,007,294</td>
<td>$562,850</td>
<td>$1,685,954</td>
</tr>
<tr>
<td><strong>HR/Payroll Module</strong></td>
<td>$61,575</td>
<td>$274,396</td>
<td>$426,650</td>
<td>$762,621</td>
</tr>
<tr>
<td><strong>Technical Support</strong></td>
<td>$66,611</td>
<td>$221,731</td>
<td>$113,044</td>
<td>$401,386</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$432,861</td>
<td>$1,538,788</td>
<td>$1,102,544</td>
<td>$3,074,193</td>
</tr>
</tbody>
</table>

| **Ellucian**                                                 | $4,151,938| $4,260,951| $504,747| $8,917,636   |
| **Strata Information Group (SIG)**                          | $265,655  | $542,628  | $690,211| $1,498,494   |
| **Other – Software & Equipment**                            | $247,195  | $33,346   | $8,055  | $288,596     |
| **TOTAL**                                                    | $4,664,788| $4,836,925| $1,194,958| $10,704,726 |

**GRAND TOTAL**                                               | $5,097,649| $6,375,713| $2,305,557| $13,778,919 |
REDEVELOPMENT AGENCY

- ABIX 26 dissolves Redevelopment Agencies on February 1, 2012
  - City assumed responsibility as Successor Agency
  - Oversight Board designated to direct/approve actions of Successor Agency
    - Seven Member Board
- Successor agencies in District
  - Campbell
  - Los Gatos
  - San Jose
  - Santa Clara
- As of July 1, 2018, all individual oversight boards subsumed into a single oversight board for each county