



# 2019-2020 Adopted Budget



VISION <sup>FOR</sup>  
SUCCESS



September 9, 2019  
Board of Trustees

Diana Keelen, Executive Director of Business Services

*"The budget is not just a collection of numbers, but an expression of our values and aspirations."*

*~ Jacob Lew*

# Topics

- Summary of Community College Budget
- Student Centered Funding Formula (SCFF)
- 2018-2019 Estimated Actuals
- 2019-2020 Draft Adopted Budget



# 2019-2020 Governor's Budget Themes

- Effective Government
  - Eliminating debts and paying down liabilities
  - Reversing deferrals
  - Building up Reserves
- Affordability and Opportunity
  - Funding for low income families
  - Increasing K-12 funding per pupil
  - Investing in Special Ed Programs
  - Fund first years of community college for first time, full time students
- Justice and Dignity
  - Supporting local governments in assisting with the homelessness epidemic and mental health issues
  - Significant investment in preventing and mitigating the homelessness epidemic
  - Health care for undocumented immigrants



# Summary of CA Community College Budget

**Table 5: California Community Colleges Funding by Program at 2019 Budget Act<sup>a</sup> (In Millions)**

Program	2018-19 Revised	2019-20	Change		Explanation of change
			Amount	Percent	
Student Centered Funding Formula	\$7,165	\$7,430	265	3.69%	COLA, enrollment growth, minimum revenue provision
Student Equity and Achievement Program	475	475	-	-	
Strong Workforce Program	255	248	-7	-2.75%	Remove \$7 one-time, \$7 in 2019-20 is from one-time sources
Student Success Completion Grant	132	150	18	13.98%	Adjust for revised estimates of recipients
Adult Education Program	131	135	4	3.14%	COLA (does not apply to \$5 million for data system)
Disabled Students Programs and Services (DSPS)	120	124	4	3.26%	COLA
Extended Opportunity Programs and Services (EOPS)	112	116	4	3.26%	COLA
California College Promise (AB 19)	46	85	37	79.4%	Remove \$4 for revised estimates of recipients, add \$42.5 expansion
Financial aid administration	92	76	-16	-17.28%	Remove \$14 one-time, adjust for revised estimates of fee waivers
Full-time faculty hiring	50	50	-	-	
CalWORKs student services	45	47	1	3.26%	COLA

Source: California Community College Joint Analysis, State Budget Update: Enacted 2019-2020 Budget, June 28, 2019



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Program	2018-19 Revised	2019-20	Change		Explanation of change
			Amount	Percent	
Apprenticeship (CCC districts)	53	44	-9	-17.13%	Remove \$10 one-time, COLA
Integrated technology	42	42	-	-	
Mandates Block Grant and reimbursements	33	34	1	1.85%	COLA, revised enrollment estimates
Institutional effectiveness Initiative	29	28	-1	-4.78%	Remove one-time funding
Part-time faculty compensation	25	25	-	-	
Online education Initiative	58	23	-35	-60.34%	Remove one-time funding
Economic and Workforce Development	23	23	-	-	
NextUp (foster youth program)	20	20	-	-	
Calbright College (online college)	120	20	-100	-83.33%	Remove one-time funding
Cooperative Agencies Resources for Education (CARE)	16	17	1	3.26%	COLA
Lease revenue bond payments	32	16	-16	-49.00%	Adjust for actual obligations
Deferred maintenance and instructional equipment (one time)	28	14	-14	-48.21%	Remove and add one-time funding
Nursing grants	13	13	0	-	
Part-time faculty office hours	62	12	-50	-80.42%	Remove one-time funding
Veterans Resource Centers	13	10	-3	-38.46%	Remove one-time funding and augment

Source: California Community College Joint Analysis, State Budget Update: Enacted 2019-2020 Budget, June 28, 2019



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Program	2018-19 Revised	2019-20	Change		Explanation of change
			Amount	Percent	
Student housing program	-	9	9	-	Funding for new program
Foster Parent Education Program	5	6	0	7.61%	Backfill federal funding (\$0.4 million)
Childcare tax bailout	4	4	0	3.26%	COLA
Other <sup>b</sup>	3	3	-	2.66%	
Equal Employment Opportunity Program	5	3	-2	-43.39%	Remove one-time funding (EEO Fund)
Umoja	3	3	-	-	
Mathematics, Engineering, Science Achievement (MESA)	2	2	-	-	
Puente Project	2	2	-	-	
Middle College High School Program	2	2	-	-	
College-specific allocations	16	11	-5	-	Remove and add one-time funding
One-time program funding <sup>c</sup>	31	9	-22		Remove and add one-time funding
K-12 passthroughs (adult ed, K-12 apprenticeship, workforce)	621	606	-15	-2.42%	Remove one-time funding, COLA
<b>Totals</b>	<b>\$9,884</b>	<b>\$9,937</b>	<b>\$49</b>	<b>0.49%</b>	

<sup>a</sup> Table reflects total programmatic funding for CCC, including amounts from prior years available for use in the years displayed.

<sup>b</sup> Other programs include Academic Senate, transfer, FCMAT, and part-time faculty health insurance.

<sup>c</sup> In 2018-19, includes one-time allocations for hunger-free campus, mental health services and training, re-entry grant program, and open educational resources. In 2019-20, includes basic needs programs, re-entry grant program, teacher credentialing partnerships, and assessment of college-based food programs.

COLA = cost-of-living adjustment.



# Student Centered Funding Formula

## Year 1:

70% Base (Enrollment) 3 year average FTES  
20% Supplemental Grant  
10% Student Success Initiative Grant

## Year 2: - On Hold Using Year 1 per Gov Proposal

65% Base (Enrollment)  
20% Supplemental Grant  
15% Student Success Initiative Grant

## Year 3:

60% Base (Enrollment)  
20% Supplemental Grant  
20% Student Success Initiative Grant

- Hold Harmless held to 2017-2018 levels plus COLA for 3 years
- Noncredit & CDCP separate
- Oversight Council created (Governor's Rep, Senate Rules Committee & Speaker)
- Basic Skills, SSSP & Student Equity combined into one allocation called the Student Equity & Achievement Program



# Highlights of Major Policy Changes

## Student Centered Funding Formula

- 2019-2020 SCFF Calculation Formula is 70% base allocation, 20% for supplemental allocation and 10% for student success allocation
- Beginning in 2020-2021, these rates would simply be adjusted by COLA. The distribution of the three components of the allocation will be determined by the underlying factors.
- The student success allocation calculation will be adjusted as follows:
  - Counts only the highest of all awards (associate degree for transfer, associate degree, baccalaureate degree and credit certificate) a student earned in the same year. It also counts the award only if the student was enrolled in the district the year the award was granted.
  - Redefines transfer student as one who transferred to a four year university by completing 12 or more units in the district in the year prior to the transfer.
  - Uses a 3 year average for each of the measures in the student success allocation.
- Extends minimum revenues using at least 2017-2018 TCR revenues plus COLAs year through 2021-2022. Current law is to 2020-2021.
- The budget also charges the Chancellor's Office with determining the final funding rates for 19-20 in accordance with these policy adjustments.





# Highlights of Major Policy Changes

## Expansion of California College Promise

- Adds \$43 million for a total of \$85 million for the college promise
- Trailer language allows second year of fee waivers for first-time, full-time college students. Law currently allows first year.
- Language allows districts to alter the definition of full-time for students with disabilities.
- Funds will be allocated in accordance with AB19: the cost districts incur for waiving fees for first-time, full-time students for two years.
- No changes in participation requirements. Districts must partner with other LEAs for an Early Commitment to College program, improve college readiness, reduce the need for remediation, use “multiple measures” for assessment and placement, participate in Guided Pathways and ensure students complete the federal or state financial aid application while participating in the federal student loan program.



# Highlights of Major Policy Changes

## Cal Grant Expansion

- Increase competitive award to 15,250 for total of 41,000 new awards each year
- Must not qualify for entitlement programs, primarily due to time they have been out of school
- For students with dependent children, Cal Grant A creates up to \$6K in new access awards for non tuition costs; Cal Grant B the maximum award would increase to \$6K annually. Previous figure was \$1,648; Cal Grant C the maximum for books and supplies would be \$4K as opposed to \$1,094 in the prior year.
- The budget created the Cal Grant B incentive program for students not eligible for FWS programs and non tuition aid up to \$1,500 per semester so long as at least 150 hours of community or volunteer services in completed per semester. There is also \$9 million added to the General Fund for this program on an ongoing basis.

# Highlights of Major Policy Changes

## Relief on Pension

- One time CalSTRS contribution of \$1.6 billion
- One time CalPERS contribution of \$660 million

This reduces the employer contribution rates as follows:

STRS Contribution Rates				
	New Employer Rate	Prior Employer Rate	Employee (pre-2013 hire date)	Employee (post-2013 hire date)
2013-2014		8.25%	8%	8%
2014-2015		8.88	8.15	8.15
2015-2016		10.73	9.2	8.56
2016-2017		12.58	10.25	9.205
2017-2018		14.43	10.25	9.205
2018-2019		16.28	10.25	10.205
2019-2020	17.1	18.13	10.25	10.205
2020-2021	18.4	19.1	10.25	10.205

PERS Contribution Rates				
	New Employer Rate	Prior Employer Rate	Employee (pre-2013 hire date)	Employee (post-2013 hire date)
2013-2014		11.44%	7%	6%
2014-2015		11.77	7.00	6.00
2015-2016		11.85	7.00	6.00
2016-2017		13.89	7.00	6.00
2017-2018		15.53	7.00	6.50
2018-2019		18.1	7.00	6.50
2019-2020	19.7	20.8	7.00	6.50
2020-2021	22.7	23.8	7.00	6.50



# 2018-2019 Estimated Actuals Unrestricted

	<u>2018-2019</u> <u>Estimated Actuals</u>
Beg. Balance	\$15,353,154
Revenue	\$72,443,471
Expenses	\$73,725,366
Ending Fund Balance	\$14,071,260
Surplus/(Deficit)	\$ (1,281,895)
One Time Committed Funds & Assigned Reserves	\$ (500,000)
Unassigned Ending Fund Balance	\$ 13,571,260
Reserve %	19.1%



# 2018-2019 AVC Estimated Actuals Overall

2018-2019 Estimated Actuals										
Fund	Name	Beginning Balance	Revenue	Expenditures	Ending Balance	Committed/ Assigned Reserves	Surplus/Deficit	Unrestricted Balance	Reserve	% of overall budget
	General Fund									
10	Unrestricted	15,353,154	72,443,471	73,725,366	14,071,260	(500,000)	(1,281,895)	13,571,260	19.1%	43.90%
13 & 14	Restricted	5,376,221	15,657,898	17,578,027	3,456,092		(1,920,129)			10.47%
21	Bond Interest & Redemption	17,496,624	16,795,977	20,693,536	13,599,065		(3,897,559)			12.32%
41	Capital Outlay Fund	4,968,962	2,585,311	3,641,982	3,912,291		(1,056,670)			2.17%
42	Revenue Bond Construction	115,062,388	2,265,087	16,246,995	101,080,480		(13,981,908)			9.67%
51	Enterprise Operations/Auxiliary Services	711,304	816,474	853,594	674,183		(37,121)			0.51%
33	Child Development Center	129,762	979,616	795,367	314,011		184,249			0.47%
72	Student Rep	321,934	41,116	20,523	342,527		20,593			0.01%
74	Financial Aid	1,150,275	36,016,734	34,136,755	3,030,253		1,879,978			20.33%
75	Scholarships & Loan	27,172	253,504	249,563	31,112		3,940			0.15%
Antelope Valley College Budget			147,855,187	167,941,709			(20,086,521)			100.00%

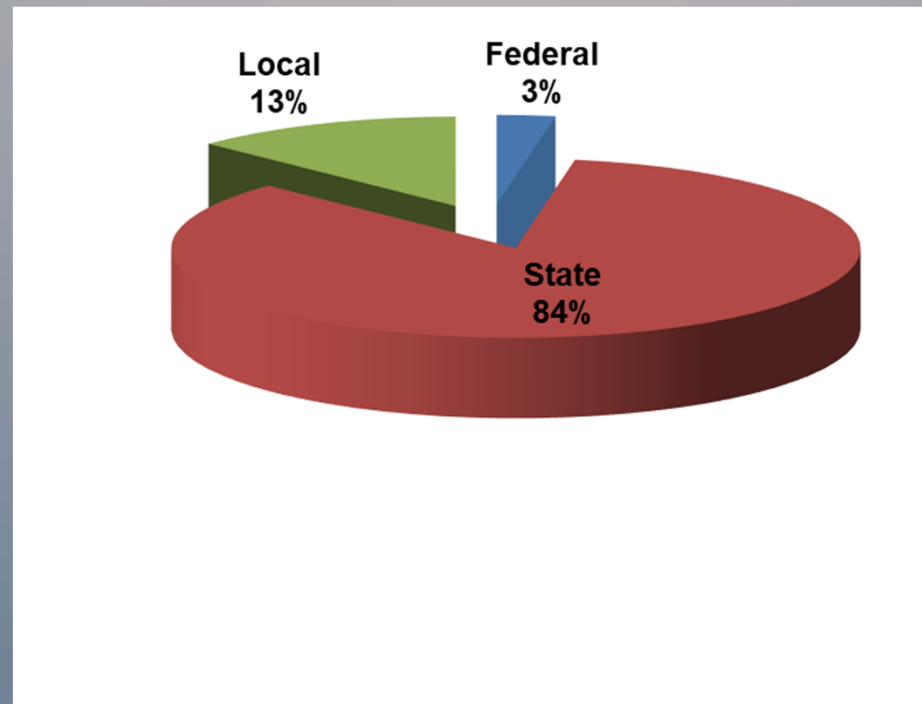


# 2019-2020 Adopted Budget Unrestricted

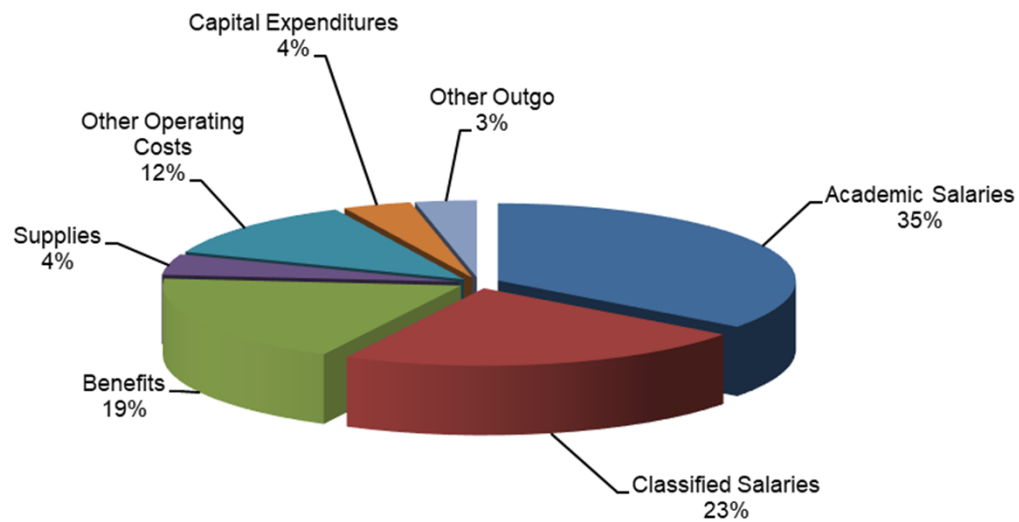
	<u>2019-2020 Adopted Budget using 17-18 TCR base plus COLAs</u>	<u>2019-2020 Adopted Budget using new SCFF Formula</u>
Beg. Balance	14,071,260	14,071,260
Revenue	72,727,018	83,336,198
Expenses*	77,175,137	77,175,137
Ending Fund Balance	9,623,141	20,232,568
Surplus/(Deficit)	(4,448,119)	6,161,308
One Time Committed Funds & Assigned Reserves	(500,000)	(500,000)
Unassigned Ending Fund Balance	9,123,141	19,732,568
Reserve %	12.5%	26.2%

\* Expenses only include board approved negotiation agreement with classified and CMSA

# General Fund Revenue 2019-2020 Budget

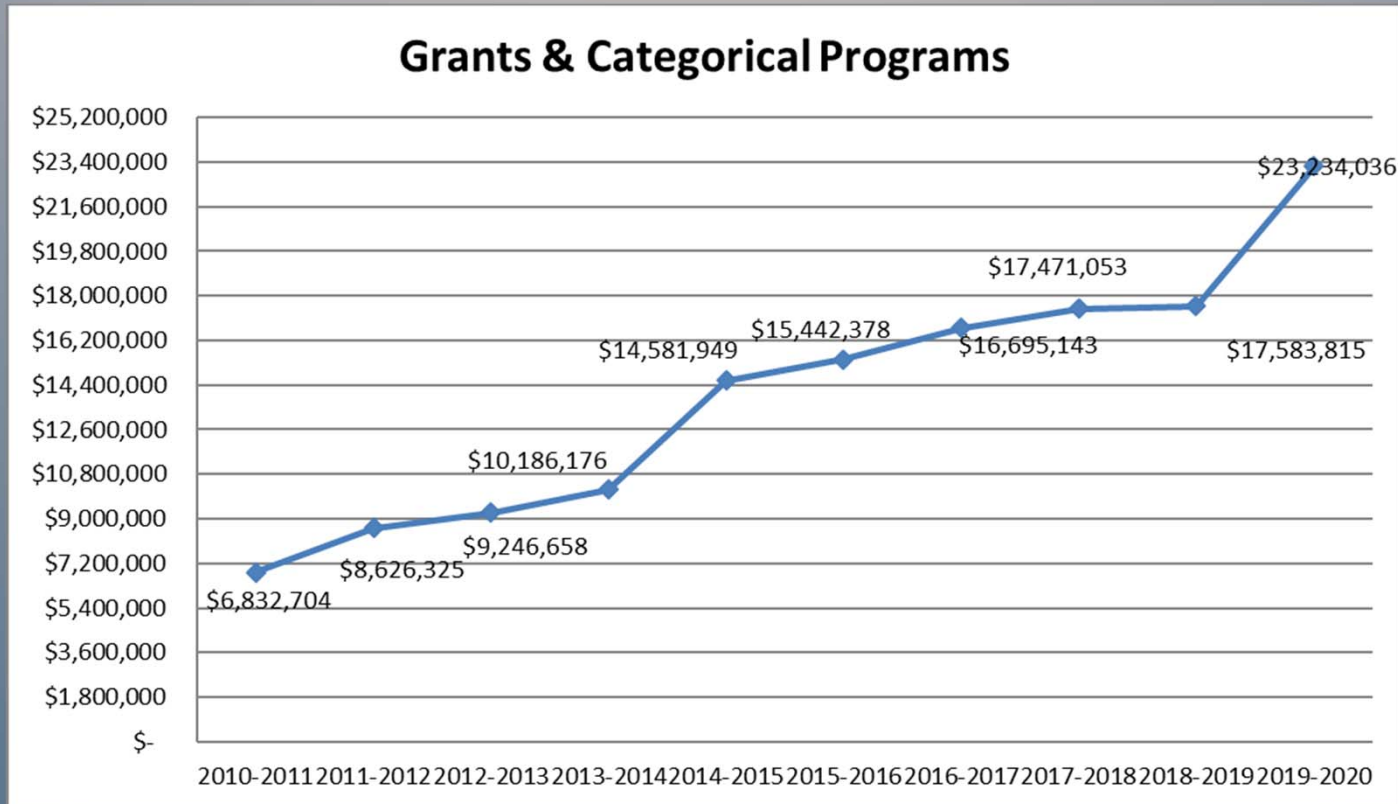


# General Fund Expenditures 2019-2020 Budget





# Grant/Categorical Trend





# AVC Overall Budget

2019-2020 Adopted Budget Using 2017-2018 as Base										
Fund	Name	Beginning Balance	Revenue	Expenditures	Ending Balance	Committed/ Assigned Reserves	Surplus/Deficit	Unrestricted Balance	Reserve	% of overall budget
	General Fund									
10	Unrestricted	14,071,260	72,727,018	77,175,137	9,623,141	(500,000)	(4,448,119)	9,123,141	12.5%	34.56%
13 & 14	Restricted	3,456,092	30,358,522	23,476,993	10,337,621		6,881,529			10.51%
21	Bond Interest & Redemption	13,599,065	17,212,677	18,714,892	12,096,850		(1,502,215)			8.38%
41	Capital Outlay Fund	3,912,291	2,003,425	4,497,826	1,417,890		(2,494,402)			2.01%
42	Revenue Bond Construction	101,080,480	2,026,298	60,437,839	42,668,939		(58,411,541)			27.06%
51	Enterprise Operations/Auxiliary Services	674,183	889,593	884,839	678,938		4,754			0.40%
33	Child Development Center	314,011	875,000	883,484	305,527		(8,484)			0.40%
72	Student Rep	342,527	41,500	50,000	334,027		(8,500)			0.02%
74	Financial Aid	3,030,253	36,308,279	36,943,559	2,394,973		(635,280)			16.54%
75	Scholarships & Loan	31,112	255,015	258,000	28,127		(2,985)			0.12%
Antelope Valley College Budget			162,697,327	223,322,568			(60,625,242)			100.00%

