



**FOOTHILL**  
**COLLEGE**



# Budget Overview Town Hall Meeting

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**November 8, 2017**

Foothill College, 12345 El Monte Road, Los Altos Hills, CA 94022 | [foothill.edu](http://foothill.edu)

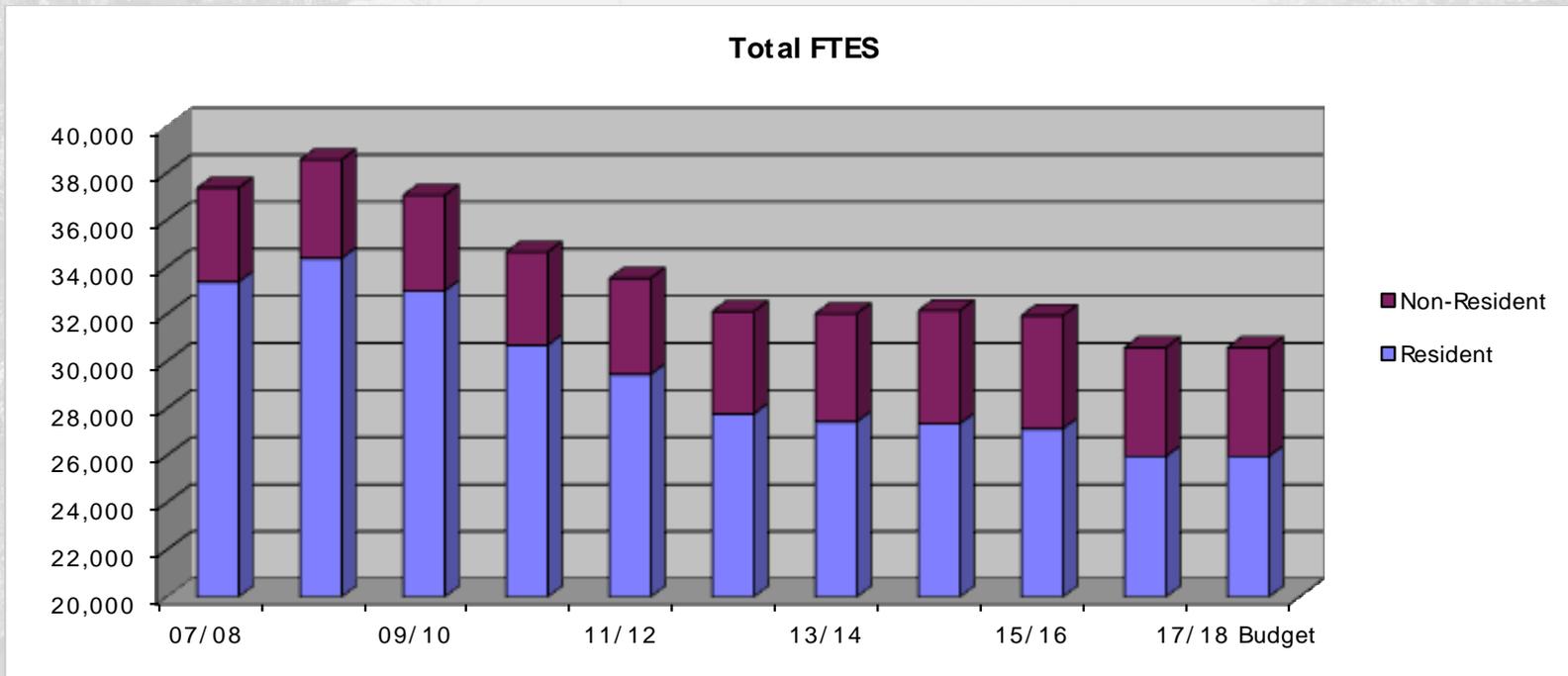


## Overview:

- History of FTES and Productivity
- Impact on the 2017-18 Budget
- District/Foothill College Reduction Targets
- Revenue & Expense Planning
- Timelines



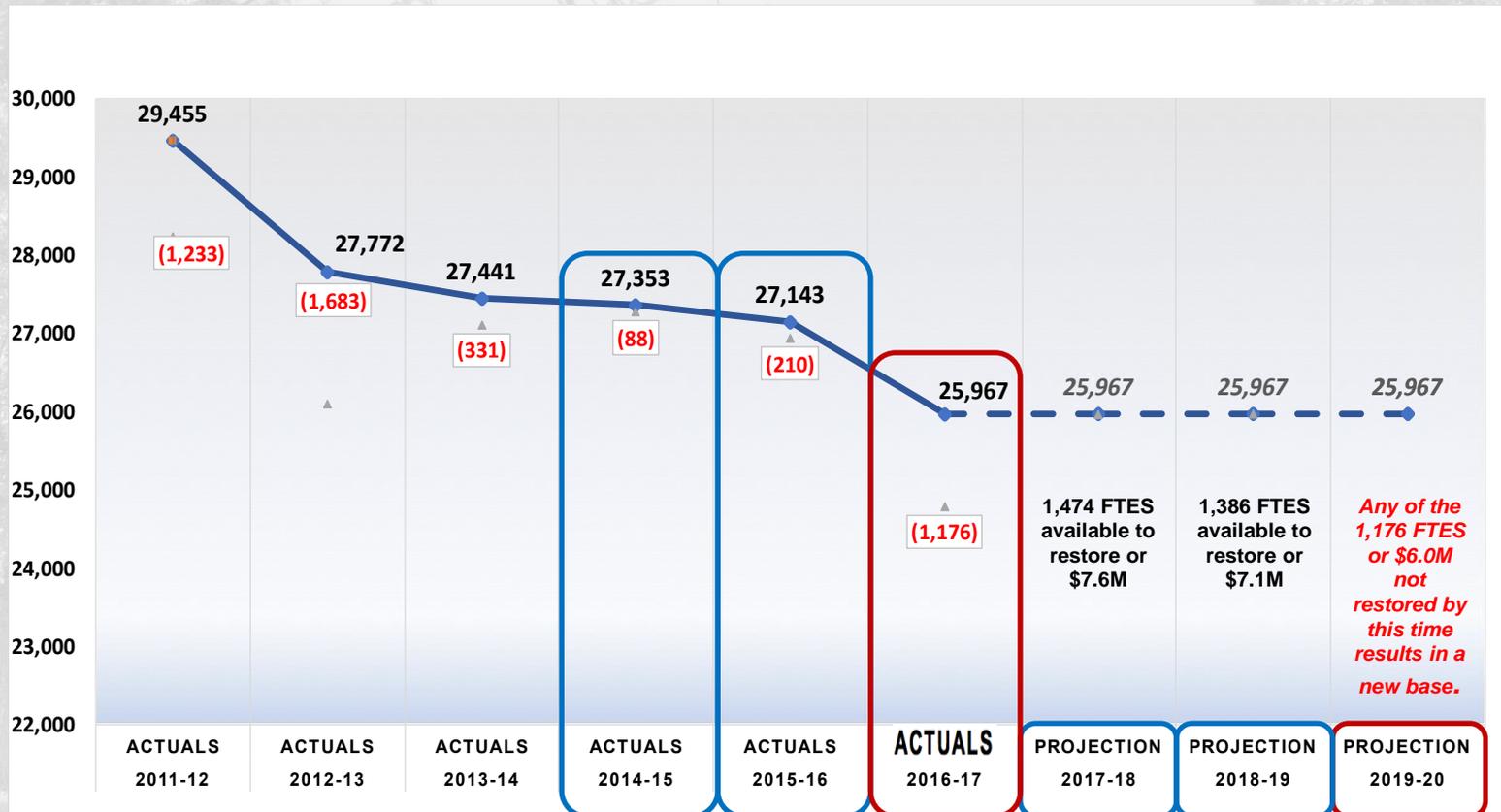
# Historical and Current Resident/Non-Resident Enrollment

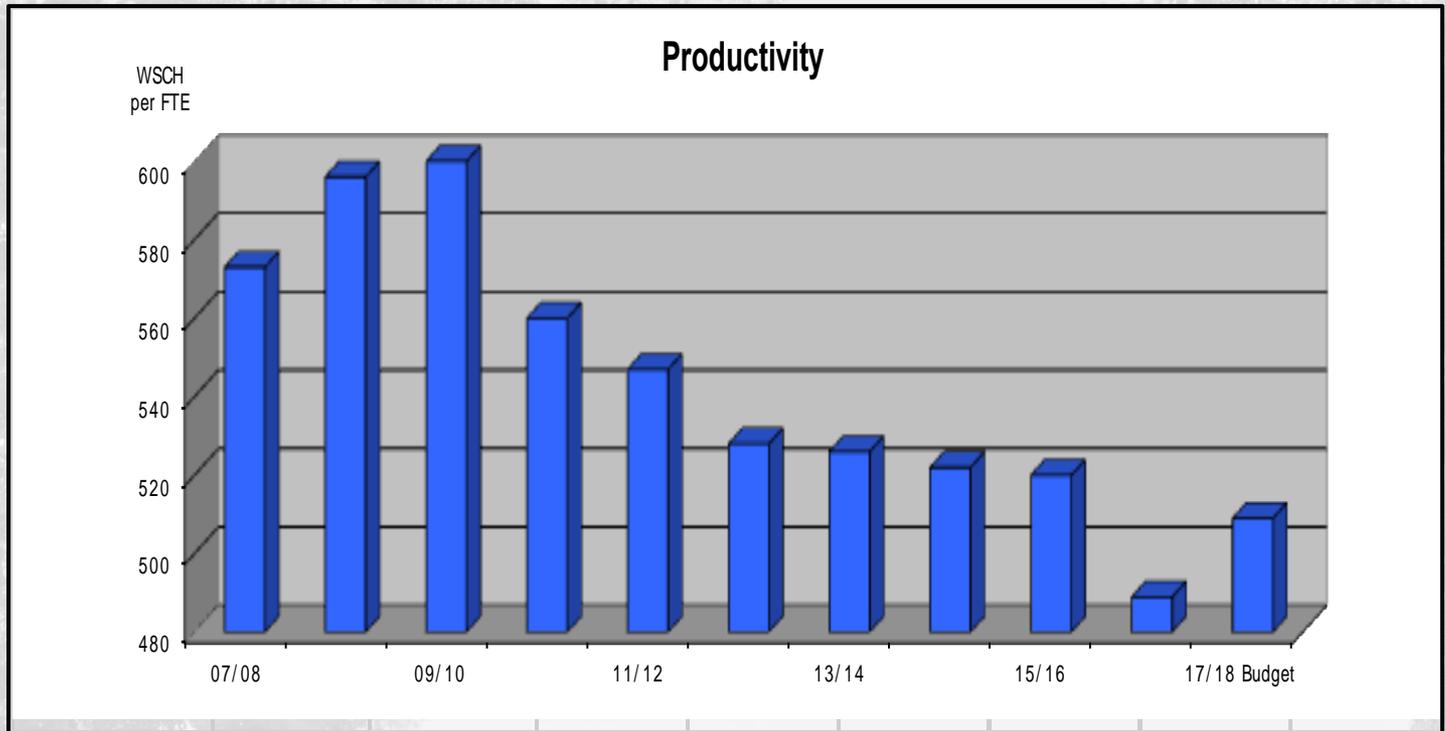




# Historical Credit & Non-credit FTES

Under SB361, FTES restoration is available for a 3-year window, after the year of decline, to recapture the total FTES lost for the years within that 3-year period.





- FTES generated from courses offered.
- 2017-18 Projected Productivity – 509.



# Allocation of 2016-17 Ending Fund Balance

<b>2016-17 Ending Fund Balance</b>	<b>\$ 48.8M</b>
<hr/>	
◆ Colleges & Central Services B budget carryover	\$ 12.3M
◆ District-wide carryover (negotiated contract items, EIS/ETS backfill and encumbrance carryforwards)	\$ 2.8M
◆ Maintain district's budgeted 5% reserve	\$ 10.0M
<hr/>	
◆ <b>Stability Fund</b>	<b>\$ 23.7M</b>



# 2017-18 Projected Ending Fund Balance:

<b>Beginning Fund Balance July 1, 2017</b>	<b>\$ 48.8M</b>
Plus: Revenue	188.9M
Less: Expenses	192.8M
Less: Transfers Out	<u>6.5M</u>
<b>Projected Structural Deficit</b>	<b>\$(10.4M)</b>
Plus: One-Time District-wide savings	<u>1.0M</u>
<b>Net Change - Projected Fund Balance</b>	<b>\$ (9.4M)</b>
<b>Projected Ending Fund Balance (June 30, 2018)</b>	<b>\$ 39.4M</b>

## Fund Balance Allocation:

College & Central Services Carryforwards	\$ 12.3M
District-wide Carryforward	2.8M
Required 5% Budgeted Reserve	<u>9.9M</u>
<b>Projected Stability Fund at June 30, 2018</b>	<b>\$ 14.4M</b>

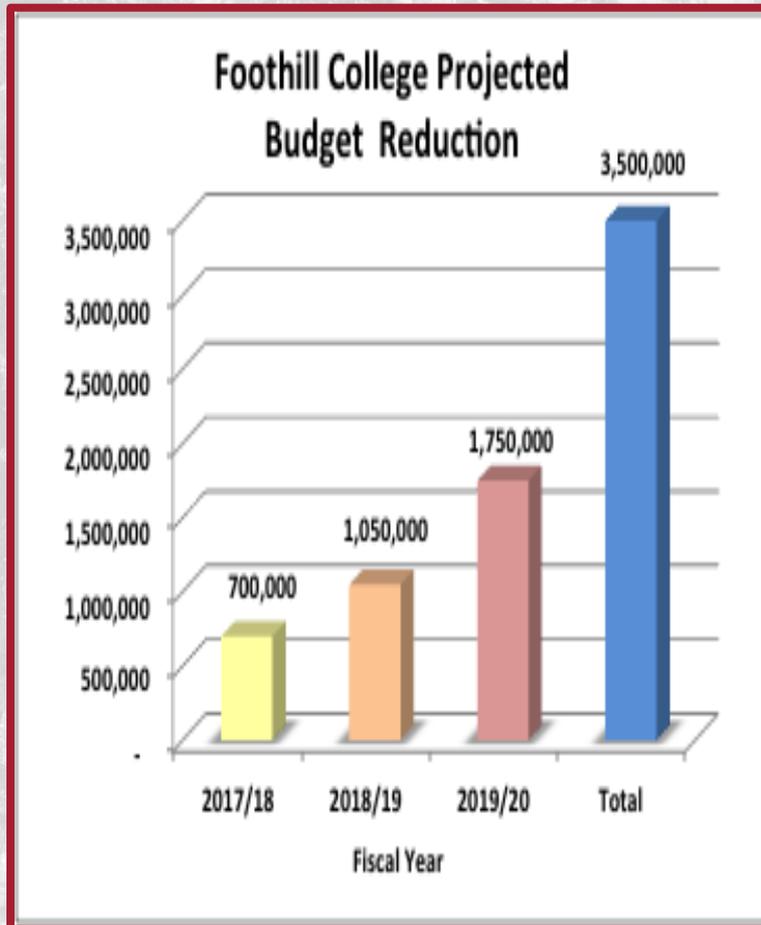


## Background:

- Structural budget deficit of **-\$10.4M** for 2017/18.
- District Budget reductions strategy includes:
  - **-\$2M** for 17/18
  - **-\$3M** for 18/19
  - **-\$5M** for 19/20.
- Distribution of reductions is (35% Foothill, 50% De Anza, & 15% District).



## Foothill's Portion of Reductions:



- Foothill's portion is \$700,000 for 2017/18.
- Another \$1,050,000 for 2018/19 for Yr. 2.
- \*Additional cuts for Yr. 3 of \$1,750,000 for 2019/20.
- Total is \$3.5 M.

\*Based on FTES and financial outlook.



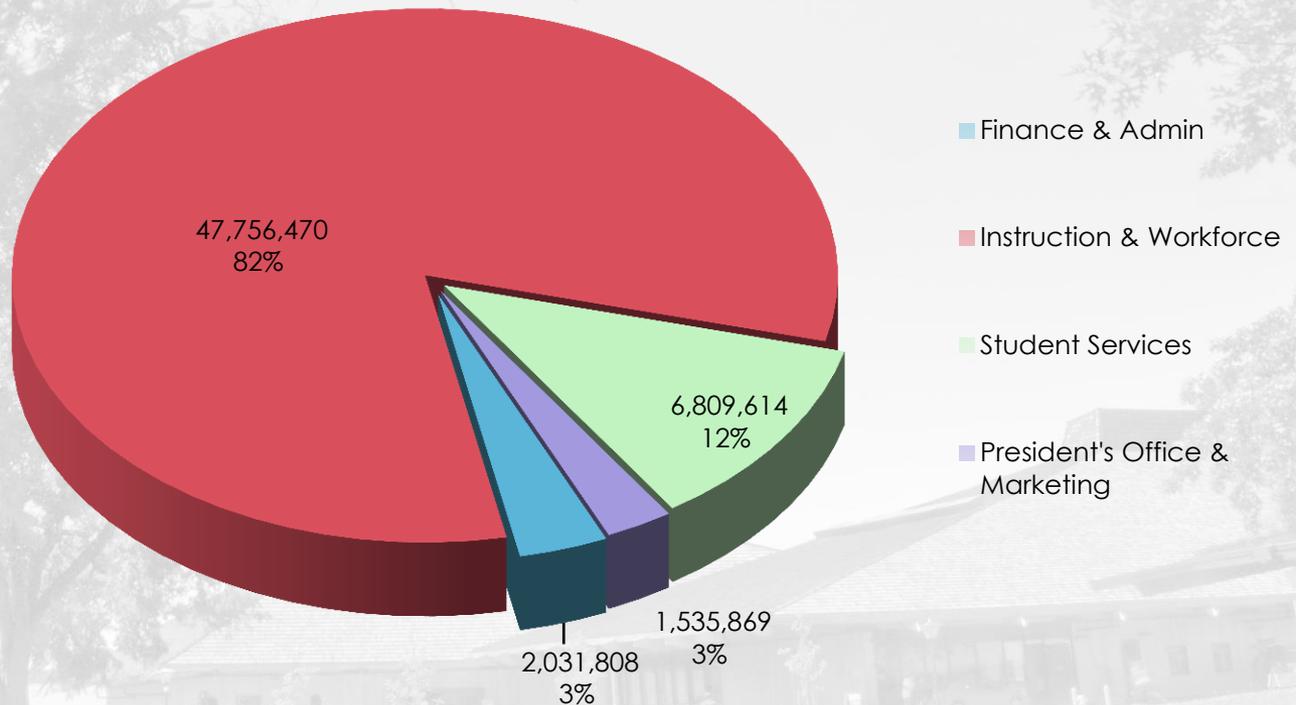
## Portion of Reductions (continued):

- For the reduction of \$700,000 for (2017-18):
  - No planned position reductions.
  - Use carryover/float.
  - **Next year must be a permanent “on-going” reduction.**
- For (2018/19) Foothill’s total ongoing reduction is \$1,750,000.



# Foothill College General Fund Budget for 2017/18

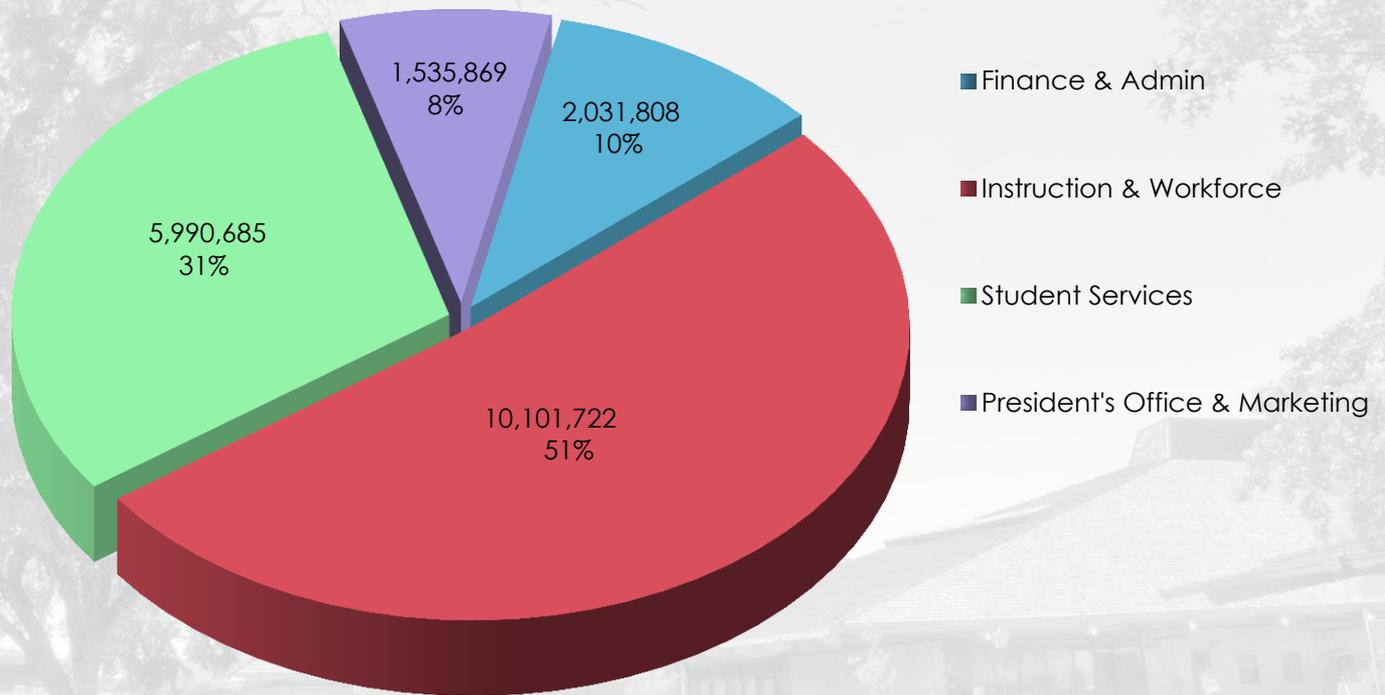
Foothill College General Fund Budget 2017/18 by Division = \$58,133,763





# 2017-18 Non-teaching & Non-ISP "A" & "B" Budget Amounts

Non-Instructional & Non-International (General Fund Budget) = \$19,660,085





# Foothill College-General Fund (proposed targets) by division:

<u>Division</u>	Total Foothill General Fund Budget	Year 1 & 2 \$1,750,000	Year 1 & 2 % Reduction	Year 3 \$1,750,000	Year 3 % Reduction	Total \$3,500,000	Total % Reduction
Finance & Admin	\$2,031,808	\$175,000	8.6%	\$175,000	8.6%	\$350,000	17.2%
Instruction & Workforce	\$47,756,470	\$525,000	1.1%	\$525,000	1.1%	\$1,050,000	2.2%
Student Services	\$6,809,614	\$875,000	12.8%	\$875,000	12.8%	\$1,750,000	25.7%
President's Office & Marketing	\$1,535,869	\$175,000	11.4%	\$175,000	11.4%	\$350,000	22.8%
<b>Total</b>	<b>\$58,133,762</b>	<b>\$1,750,000</b>	<b>3.0%</b>	<b>\$1,750,000</b>	<b>3.0%</b>	<b>\$3,500,000</b>	<b>6.0%</b>

<u>Division</u>	Non-teaching/ISP "A" & "B" Budget GF	Year 1 & 2 \$1,750,000	Year 1 & 2 % Reduction	Year 3 \$1,750,000	Year 3 % Reduction	Total \$3,500,000	Total % Reduction
Finance & Admin	\$2,031,808	\$175,000	8.6%	\$175,000	8.6%	\$350,000	17.2%
Instruction & Workforce	\$10,101,722	\$525,000	5.2%	\$525,000	5.2%	\$1,050,000	10.4%
Student Services	\$5,990,685	\$875,000	14.6%	\$875,000	14.6%	\$1,750,000	29.2%
President's Office & Marketing	\$1,535,869	\$175,000	11.4%	\$175,000	11.4%	\$350,000	22.8%
<b>Total</b>	<b>\$19,660,085</b>	<b>\$1,750,000</b>	<b>8.9%</b>	<b>\$1,750,000</b>	<b>8.9%</b>	<b>\$3,500,000</b>	<b>17.8%</b>

- Target reduction is 6% of the total College General Fund Budget.
- Target reduction Non-teaching/ISP "A" & "B" budget is 17.8%.
- Distribution of proposed target reductions is 10% Finance & Admin, 10% President's Office & Marketing, 50% Student Services and 30% Instruction & Workforce Development.



# Things that we are doing to help our enrollment.

- Summer enrollment increased ( $\approx 15\%$ , 200 FTES)
- Second spring was also successful
- Dual enrollment increased by (30%)
- Supplemental instruction (tutoring)
- 20+ Associate Degrees for Transfer



## New programs and events planned for outreach to specific populations:

- Homeschooled students
- ESL (credit & non-credit)
- Dual enrollment students (Early College Promise & private schools)
- Apprenticeship students
- Older adults (non-credit)
- Community members for Physical Education & Fine Arts
- Adult Education



# Guiding Principles and Strategies for Reductions:

- Selective Strategic Hiring
  - Evaluate vacant positions
  - Full-time faculty, FON (fill some vacancies)
- Tighten Budget
  - Analyze Schedule (programs and sections)
  - Develop performance metric
  - Review service contracts



# Principles continued....

- Move positions to other funding sources:
  - Categorical programs (**caution: supplanting**)
  - Grants (operational costs)
  - Self Sustaining Fund 115
  - Foundation
- Prioritize Services



## Other Important Principles:

- Sustainability & Resource Stewardship:
  - Educational expenses, instructional materials, financial aid, health services, etc. to support students success.
  - Reduce energy consumption (Winter Break).
- Stay true to our Mission's core values: "honesty, integrity, trust, openness, transparency, forgiveness, and sustainability."



## Things to consider:

- Preserve revenue generating programs:
  - Instructional programs/sections analysis. (WSCH/Productivity).
  - ISP (International Student Program).
  - DRC-DSP&S (non-credit).
  - ISA's-Performing Arts Alliance, YearUp, JTPA, etc. (**compliance**).



## More things to consider:

- Maintain match requirements for categoricals.
  - SSSP (1:1), BFAP, EOPS, DSP&S, etc..
- Ongoing 'B' budget.
  - Serve student needs.
  - Maintain healthy level of operational resources.



# Strategies for Budget Reductions:

## Implement cost cutting strategies:

- Evaluate vacant classified, faculty, and administration positions (Selective Strategic Hiring).
- Move positions to other funds (Self-Sustaining, Categorical Funds, & Grants).
- Reduce Services.
- Review Service Contracts.
- Discretionary “B” Budget.
- Reduce Positions.



## Timeline:

- July 1, 2018 - Budget Reductions of \$700,000, plus the \$1,050,000 must be identified.
- July 1, 2019 - Year 1 & 2 cuts must be fully implemented.
- July 1, 2019 - \*Additional \$1,750,000 shall be identified.
- Consultation: Participatory governance and town hall

\*Based on FTES figures and financial outlook.



# Feedback?



# FOOTHILL COLLEGE

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