

# BUDGET FACTORS

GCCCD Governing Board Meeting – January 2017

# Learning Objective



To introduce and refresh understanding of general factors that affect budget development and decisions

# Overview

- Faculty Obligation Number (FON)
  - Lorenze Legaspi
- Full Time Equivalent Student (FTES)
  - Sahar Abushaban
- PERS/STRS Increases
  - Doug Jenson
- Governor's January Budget
  - Doug Jenson

# Faculty Obligation Number

# Faculty Obligation Number (FON)

- Who/what/where/when/how?



# FON

- ❑ What – FON sets the minimum number of Full-Time Faculty (FTF)
- ❑ Who – Tenure Track
- ❑ Where – Calculated as a district
- ❑ When – Established in 1988 based on 88/89 number of FTF
- ❑ How – FON is increased with growth in credit FTES

The image shows three overlapping documents related to the Full-Time Faculty Obligation (FON) process:

- Left Document:** A policy document titled "California Community Colleges Employees Tenure Obligations for Fall 2014". It lists several key points:
  - Total LA and other faculty FTEs at each college are calculated as of 8/31/14 based on the 2014-15 budget.
  - FTEs are calculated based on the 2014-15 budget and the 2014-15 enrollment.
  - FTEs are calculated based on the 2014-15 budget and the 2014-15 enrollment.
  - FTEs are calculated based on the 2014-15 budget and the 2014-15 enrollment.
  - FTEs are calculated based on the 2014-15 budget and the 2014-15 enrollment.
- Middle Document:** A summary table titled "Statewide Community College Districts Full-Time Faculty Obligation (FON) Summary". It shows data for various districts, including State Obligation, District Actual, and Assessment Rates.
 

DISTRICT	STATE OBLIGATION	DISTRICT ACTUAL	ASSESSMENT RATE
001	100	100	100%
002	200	200	100%
003	300	300	100%
004	400	400	100%
005	500	500	100%
006	600	600	100%
007	700	700	100%
008	800	800	100%
009	900	900	100%
010	1000	1000	100%
011	1100	1100	100%
012	1200	1200	100%
013	1300	1300	100%
014	1400	1400	100%
015	1500	1500	100%
016	1600	1600	100%
017	1700	1700	100%
018	1800	1800	100%
019	1900	1900	100%
020	2000	2000	100%
- Right Document:** A spreadsheet titled "Preliminary FON Calculation by SDC - Fall 2014". It shows a detailed breakdown of the calculation, including Full-Time Faculty Obligation, Assessment Rates, and Total Full-Time Faculty.
 

Category	2014	2015	% Change
Full-Time Faculty Obligation	1000	1000	0%
Assessment Rates	100%	100%	0%
Total Full-Time Faculty	1000	1000	0%

# FON at GCCCD

□ 2016/17 Obligation – 304 FTF

Grossmont College 220.0

Cuyamaca College +87.5

Total GCCCD 307.5 FTF



# The Basics of FTES



# WHAT IS FTES?



Full-Time Equivalent Student

It is not a headcount

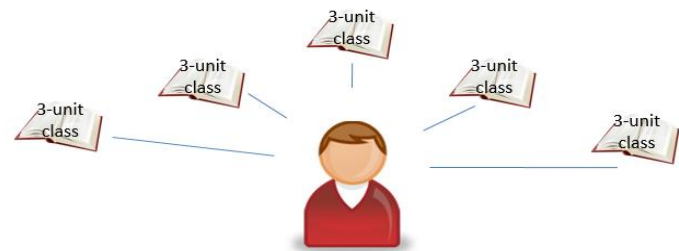
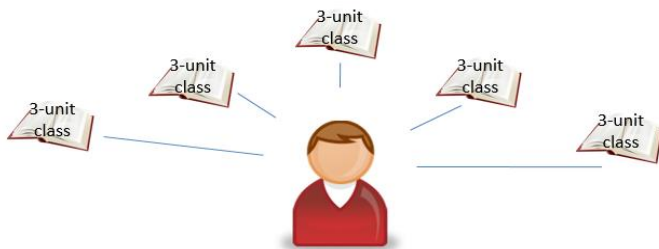
One FTES is equivalent to 525 hours of student instruction

Can be generated by one student or multiple part-time students

# FTES Calculation

Fall

Spring



Mike

5 classes x 3 hours x 35 weeks = 525  
Instruction Hours

# FTES Calculation

## Fall



Debbie

9 hours  
Microbiology  
Lecture & lab



Barbara

3 hours  
Economics



Larry

3 hours  
Algebra

+

+

=

15 Hours per week

# FTES Calculation

## Spring



Debbie

5 hours  
Math



Barbara

3 hours  
English



Larry

7 hours  
History & Music

+

+

=

15 Hours per week

15 hours X 35 Weeks = 525 Instruction Hours



# Why Is FTES Important?

85% of District Unrestricted General Funds come from earning FTES

2016-2017

- ▣ \$95.4 million out of \$122 million
- ▣ 19,075 FTES

State only funds District for resident FTES

# How Is FTES Funded?

- Credit FTES = \$5,004/FTES
- Noncredit FTES = \$3,009/FTES

# How Is FTES Reported?

Apportionment Attendance Report (CCFS -320)

Filed to the State Chancellor's Office

## Reporting Periods

- ▣ First Period (P1)
- ▣ Second Period (P2)
- ▣ Annual Report
- ▣ Recalc Report



# Timeline



**2016-2017**



**2015-2016**



**2017-2018**

# Summary



District has to earn the FTES to receive the funds

Close monitoring throughout the year

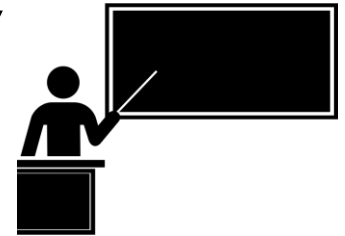
Critical decisions to be made

Complicated to calculate

# STRS & PERS

# What Is STRS & PERS

- CalSTRS = State Teachers' Retirement System
  - ▣ Provides retirement, disability and survivor benefits for California's Pre-Kindergarten – Community College educators and their families (largest teachers' retirement fund in the U.S.)



- CalPERS = Public Employees' Retirement System
  - ▣ Manages pension and health benefits for California public employees, retirees, and their families (largest public pension fund in the U.S.)



# STRS

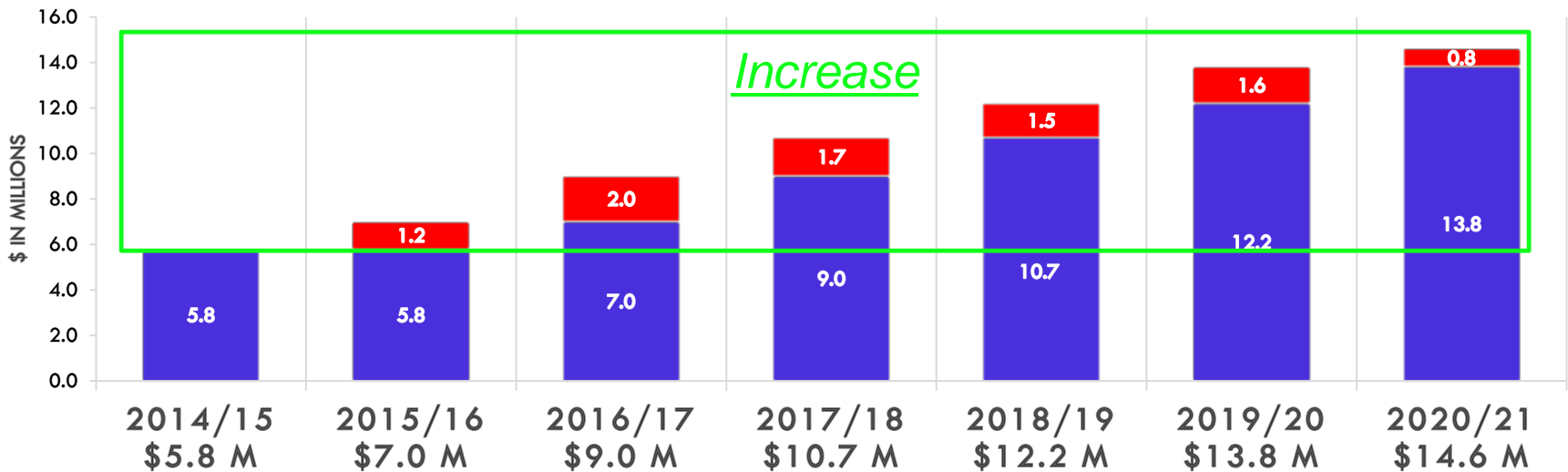
	2014/15	2020/21	INCREASE
	Actual	Estimate	
Rate	11.77%	20.40%	<b>73.30%</b>

# PERS

	<b>2014/15</b>	<b>2020/21</b>	<b>INCREASE</b>
	Actual	Estimate	
Rate	8.88%	19.10%	<b>115.1%</b>

# Estimated STRS & PERS

## PERS / STRS



6 year increase = ~ \$32.5 M

*Based on current employees*

# Governor's January Budget





# Governor Brown's 17-18 January Budget Proposal Message



The Governor urged state leaders to set aside funding against future volatility, and dedicated the budget to his late first dog Sutter, and included the quote “Save some biscuits for a rainy day”.



The CCC Chancellor's Office commented that state revenues are now beginning to lag expectations, and that years of seeing significant increases are likely behind us. Colleges should expect modest growth until the next recession.

Chancellor Miles followed up the Governor's message by saying “we will remain fiscally conservative and keep up our budget reserves to protect our fiscal security.”