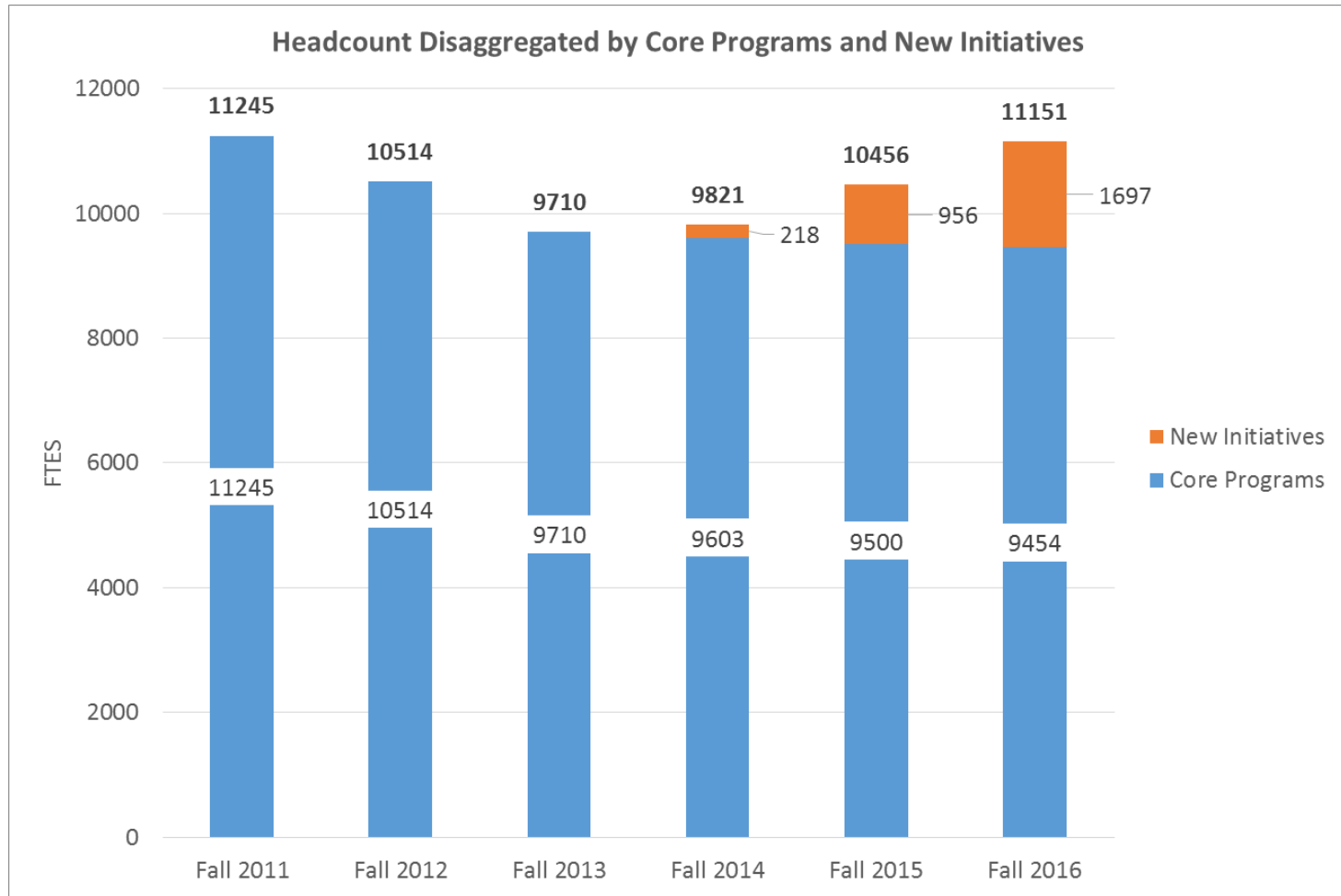


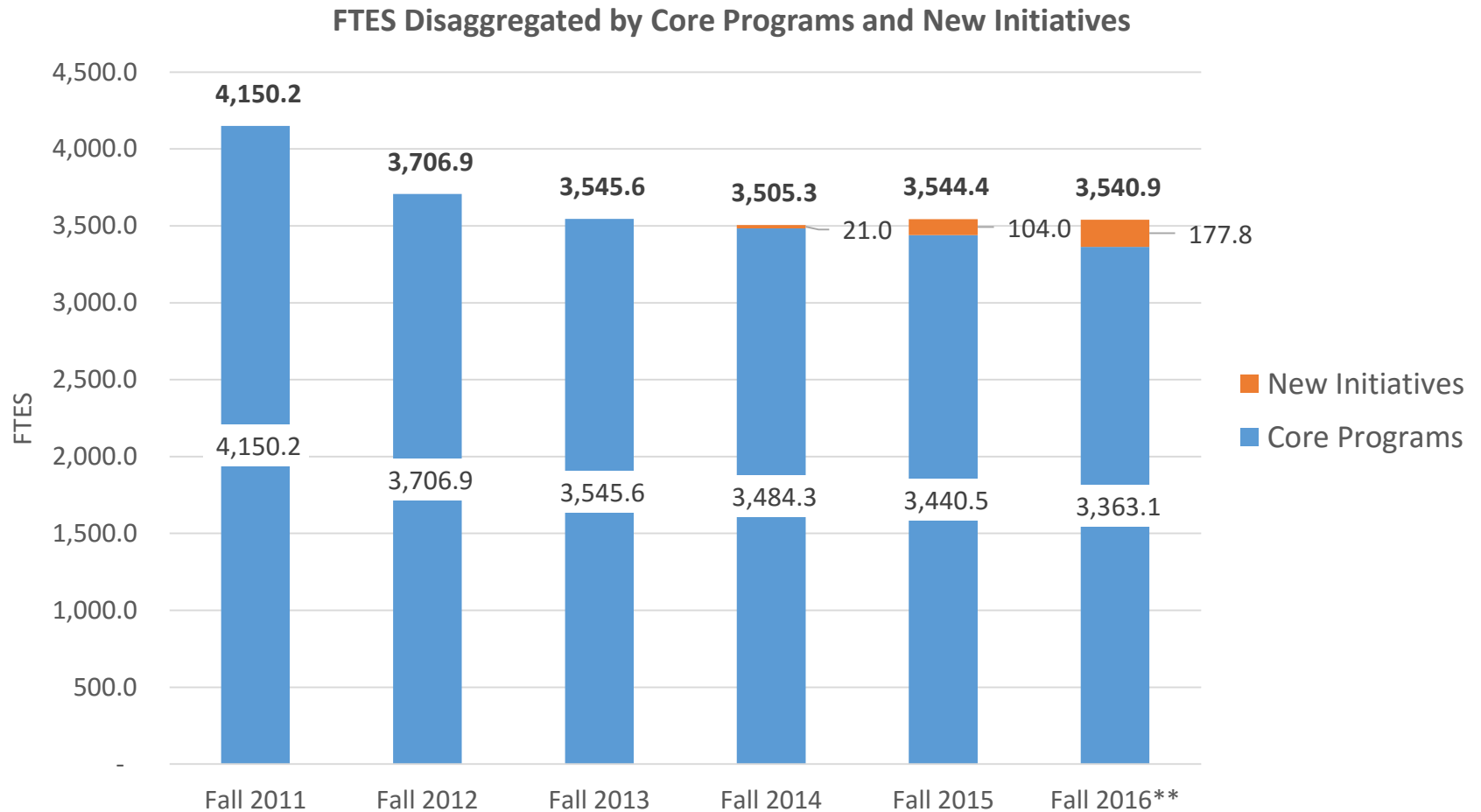
Board of Trustees
December 14, 2016

Budget Update

Headcount: Core and Non-core



FTES: Core and Non-core



Retirement Costs

PERS and STRS Rate Increases

Fiscal Year	Annual Increase	Cumulative Increase
2016-17	\$696,569	\$696,569
2017-18	\$602,423	\$1,298,992
2018-19	\$602,423	\$1,901,415
2019-20	\$590,800	\$2,492,215
2020-21	\$357,833	\$2,850,048

Projection

	2015-16	2016-17	2017-18	2018-19	2019-20
	Act	Proj	Proj	Proj	Proj
FTES	8,313	8,313	8,313	8,360	8,360
Revenues	\$55,399,552	\$52,239,440	\$52,176,013	\$52,887,447	\$53,914,052
Expenditures	\$52,300,920	\$53,506,926	\$54,000,293	\$54,934,591	\$55,832,623
Rev - Exp	\$3,098,632	\$(1,267,486)	\$(1,824,280)	\$(2,047,144)	\$(1,918,571)
Contingency	\$4,704,012	\$3,561,216	\$2,238,319	\$511,344	\$(1,109,524)

Effect of One-time Funds

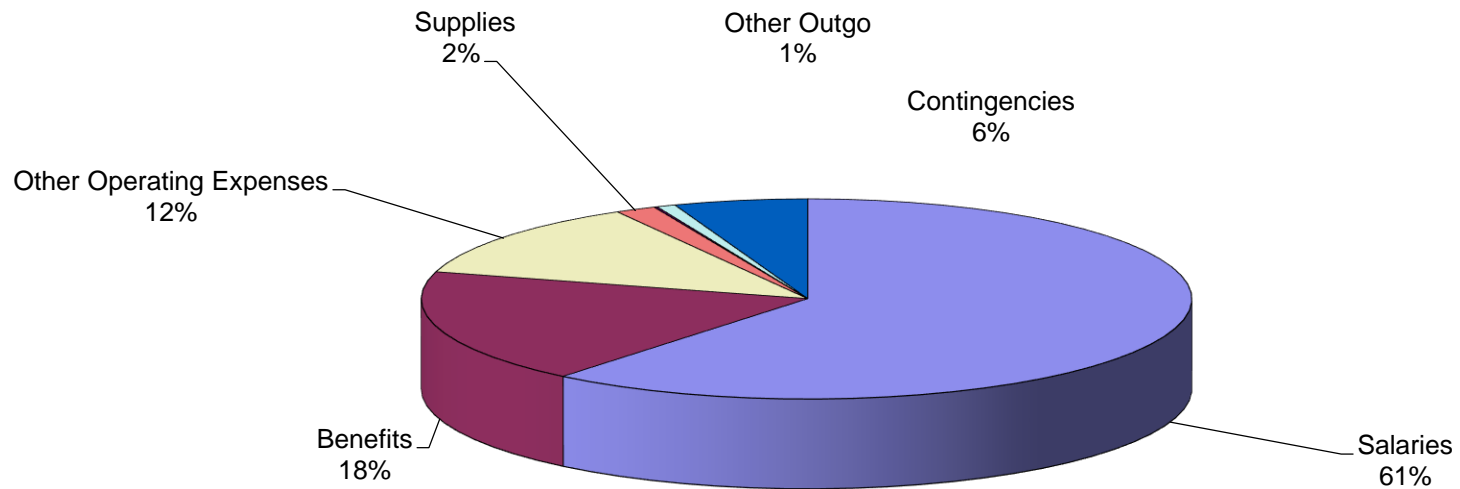
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
One-time \$	\$370,948	\$3,940,125	\$774,324	\$0	\$0	\$0
Contingency	\$1,759,775	\$4,704,012	\$3,561,216	\$2,238,319	\$511,34,14	-\$1,109,524
Ending Balance	\$5,260,574	\$8,359,206	\$7,091,720	\$5,649,163	\$3,971,454	\$2,415,738

LAO Forecast (Nov '16)

- Solid growth in guarantee for 17-18 (3.6%)
- Deterioration in 15-16 and 16-17
 - We should not expect 1-time \$ windfall
- Low COLAs expected throughout the 5-year forecast
- Declining K-12 ADA
- 89 months into economic expansion (4th longest since 1854)

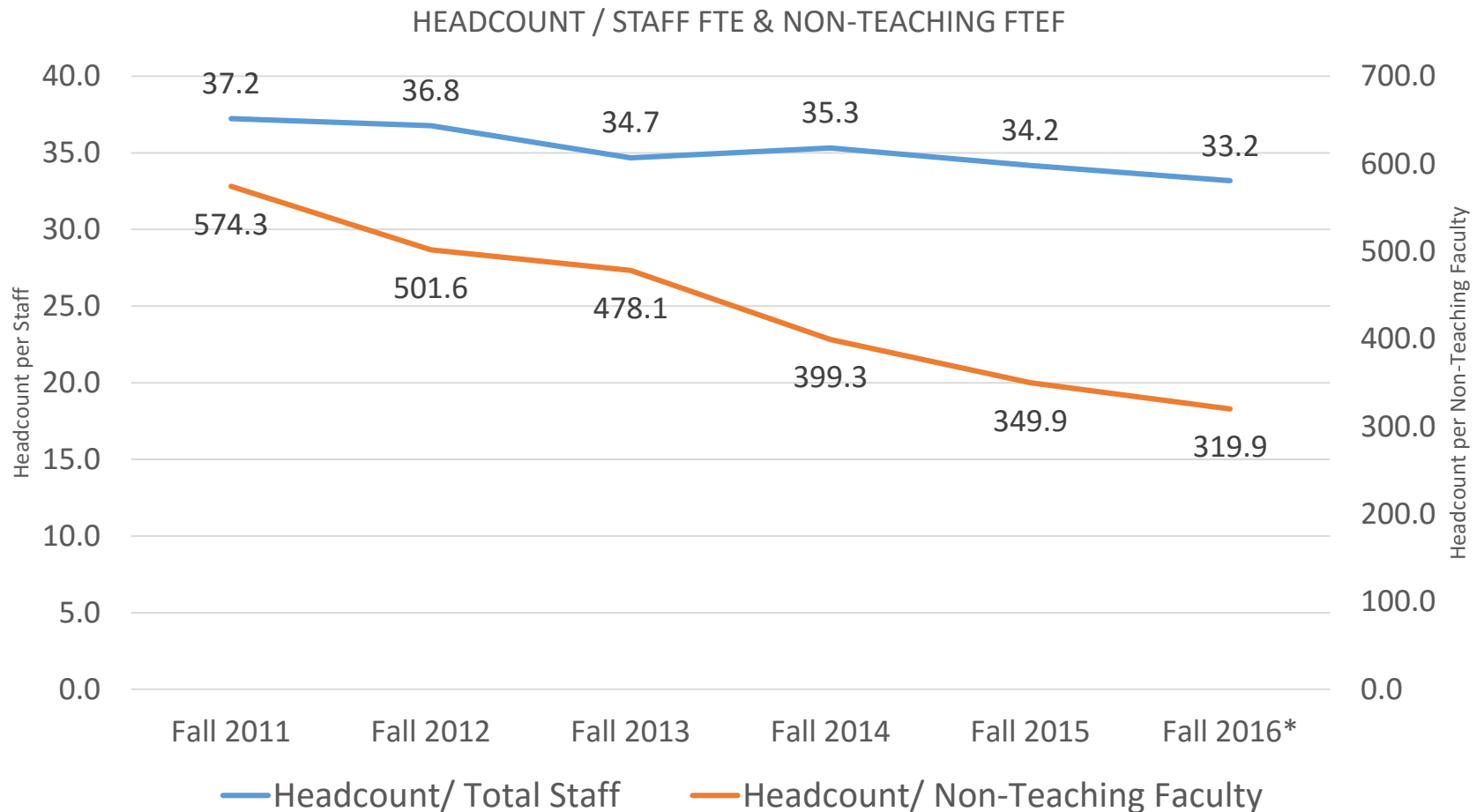
Expenditures

General Fund Unrestricted Expenditures
Total \$56,681,867

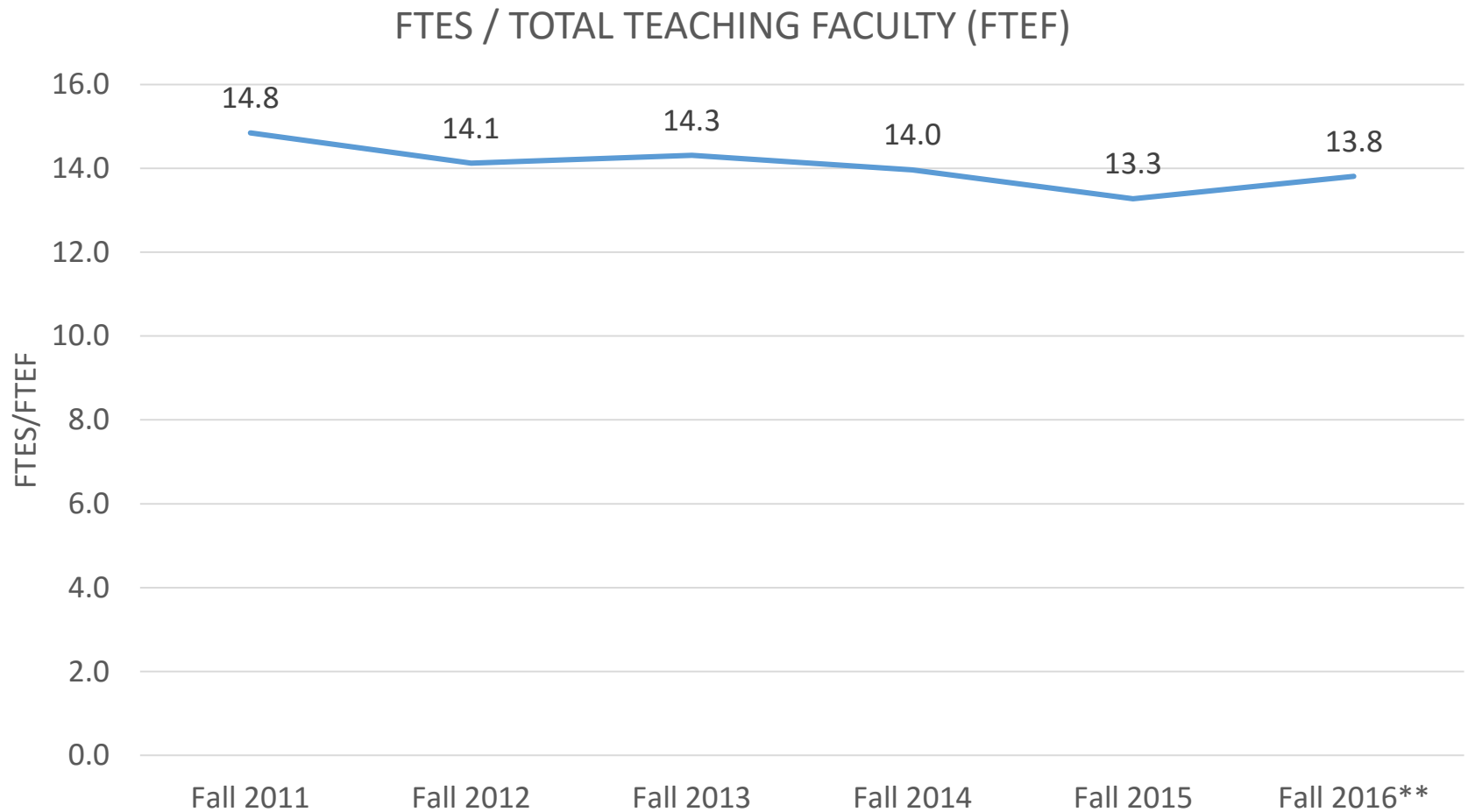


District Name	Student/Employee	% of Classified	% of Tenured Faculty	% of Mgt
San Luis Obispo	20.03	34.16%	21.90%	4.27%
Merced	18.20	32.75%	23.41%	5.85%
Citrus	22.24	31.89%	22.43%	2.92%
Monterey	26.41	31.16%	19.75%	1.99%
Sequoias	21.43	29.39%	23.39%	6.45%
Santa Barbara	28.86	29.08%	21.72%	4.53%
Allan Hancock	22.31	28.48%	15.34%	3.53%
Mt. San Jacinto	20.04	27.97%	13.75%	2.73%
Hartnell	29.16	27.90%	18.30%	6.88%
Antelope	21.16	27.83%	19.53%	2.36%
Cabrillo	22.10	27.05%	22.58%	4.84%
Ohlone	23.30	24.69%	15.09%	5.62%
Yuba	21.29	24.17%	16.85%	5.09%
Santa Clarita	27.03	24.16%	16.31%	8.64%
Victor Valley	20.03	20.07%	9.85%	1.37%
AVERAGE	22.90	28.05%	18.68%	4.47%

Staffing



Efficiency



Challenges

- FTES
- Retirement costs
- Managing one-time funding
- Low COLAs
- Potential for economic slowdown
- Competitive compensation (including benefits)
- Technology

Major Options

- Natural Attrition
- Reorganization
- Efficiency/fill rates
- Increased FTES (new initiatives)
- Retirement incentives
- New Revenue Sources (e.g., leases)
- Increased use of PT (we're 22 over our FON)