

# Budget Update

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# Highlights

- Background Regarding Reductions
- Reductions by Division
- Guiding Principles for Phase II Budget Reductions
- Dates and Next Steps

# Our Mission



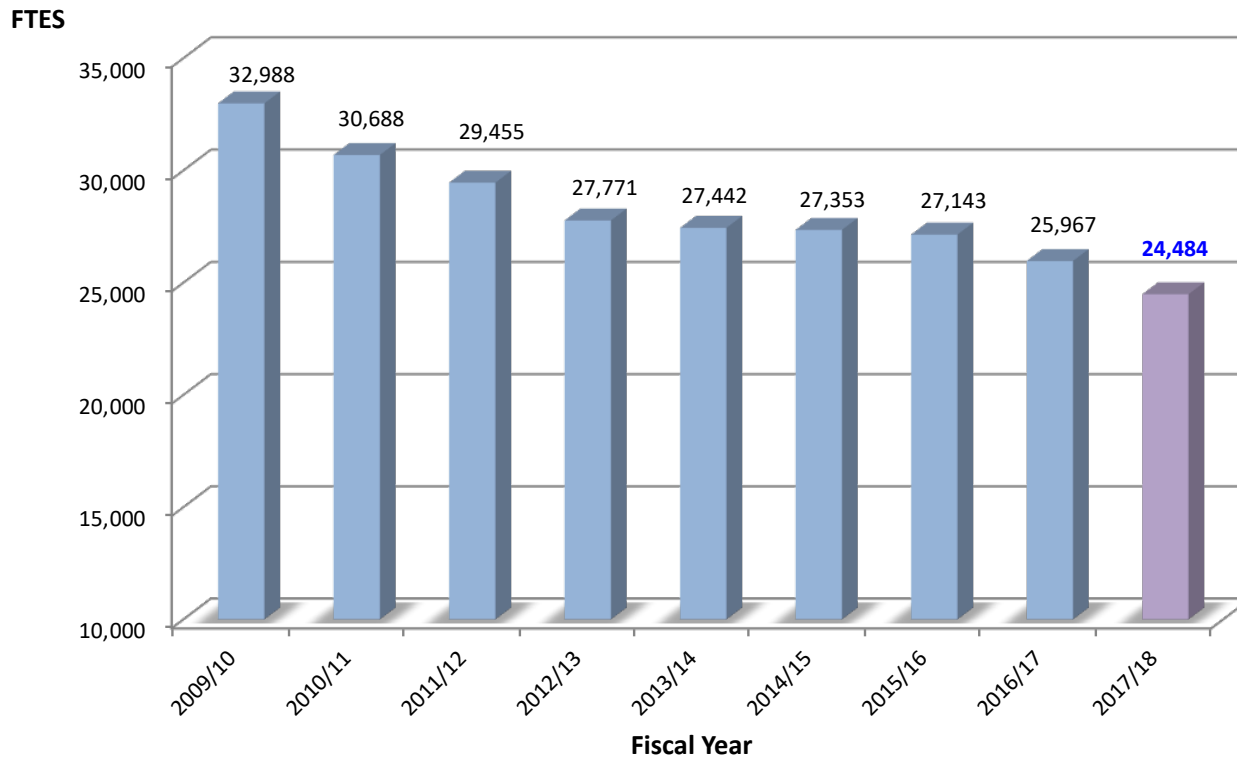
**Believing a well-educated population is essential to sustaining and enhancing a democratic society, Foothill College offers programs and services that empower students to achieve their goals as members of the workforce, as future students, and as global citizens. We work to obtain equity in achievement of student outcomes for all California student populations, and are guided by our core values of honesty, integrity, trust, openness, transparency, forgiveness, and sustainability. Foothill College offers associate degrees and certificates in multiple disciplines, and a baccalaureate degree in dental hygiene.**

# Background

- 2017-18: District started with a **-\$10** million structural deficit  
<http://business.fhda.edu/budget/annual-budget-and-quarterly-report.html>
- District enrollment decreased **1,484** Resident FTES = approx. - **\$7.6** million
- Total ongoing structural deficit was estimated at **-\$17.6** million

# Resident FTES (2009-10 through 2017-18)

FHDA District - Resident FTES



# Enrollment

Resident FTES	2016/17	Final 2017/18	Total	Percent
Foothill	10,626.98	10,160.30	-466.68	-4.39%
De Anza	15,340.54	14,323.42	-1,017.12	-6.63%
Total	25,967.52	24,483.72	-1,483.80	-5.71%
Non-Resident FTES	2016/17	Final 2017/18	Total	Percent
Foothill	1,756.99	1,673.03	-83.96	-4.78%
De Anza	2,856.76	2,768.17	-88.59	-3.10%
Total	4,613.75	4,441.20	-172.55	-3.74%
Grand Total	30,581.27	28,924.92	-1,656.35	-5.42%

➤ Foothill's decline in FTES is due to exclusion of ISA's programs:  
 Non-ISA enrollment was up 153 FTES or **+1.53%** compared to 2016/17

➤ Productivity: **474**

# Assumptions/Unknowns

- Supplementary Retirement Plan (SRP)
- Future Enrollment/FTES
- New Funding Formula  
Uncertainty

# Budget Reduction Plan

- District Budget Reduction Strategy reflects a total of **-\$17.6** million in cuts  
<http://business.fhda.edu/budget/annual-budget-and-quarterly-report.html>
- **-\$2M** for 17/18, **-\$3M** for 18/19, & **-\$12.6M** for 19/20
- Distribution of reductions is (**35%** Foothill, 50% De Anza, & 15% District)
- Foothill's share of the total reduction is **\$6.16M**



# Phase I Budget Reductions

- Foothill College Budget Reductions for Years 1 & 2, were implemented July 1, 2018
- Foothill College target was **-\$1,750,000**
- Foothill College used 8 Guiding Principles for Phase I
- Actual reductions submitted in June 2018 for Phase I was **-\$1,751,236**

# Phase II Budget Reductions

- Foothill College Budget Reductions target for Year 3 is **-\$4,408,764**
- Reduction List is due to District on **November 2, 2018**
- Implementation date is **July 1, 2019**

# Reduction Preview

- **No program eliminations**
- Information is reflected by division
- Does not include position number, name, position title, etc.
- Does not factor impact to 1320  
(Part-time faculty)

# Finance, Marketing & President's Office: Phase I

- Moved one filled Classified (ACE) position (.5 FTE) to the Self Sustaining Fund 115
- Moved one filled Administrator position (.3 FTE) to the Self Sustaining Fund 115
- Eliminated one vacant Classified (ACE) position (.79 FTE) General Fund and (.21 FTE) Self Sustaining Fund

**Total Reductions = \$180,049**

# Finance, Marketing & President's Office: Phase II

- Move two Classified ACE positions, one filled (.25 FTE) to Self Sustaining Fund 115 and one vacant (.50 FTE) to the Workforce Development Program
- Move one filled Classified Teamsters position (.5 FTE) to Self Sustaining Fund
- Eliminate two Administration positions (2.0 FTE); one filled and one vacant
- Eliminate two and a half filled Classified ACE positions (2.5 FTE)

**Subtotal = \$793,927**

- “B” Budget permanent reduction

**Subtotal = \$115,000**

**Total Reductions = \$908,927**

# Finance, Marketing & President's Office

Phase I reductions = **\$180,049**

Phase II reductions = **\$908,927**

## **Reorg. Additions**

Add one Administrator position (1.0 FTE)

Add one Classified Teamsters position  
(1.0 FTE)

Reorganization costs = **-\$324,281**

**Total reductions = \$764,696**

# Instruction: Phase I

- Moved one vacant Administrator position (1.0 FTE) to the Self Sustaining Fund and to Strong Workforce
- Eliminated one vacant Classified ACE position (1.0 FTE)
- Eliminated nine vacant Faculty Assoc. positions (9.0 FTE)

**Total Reductions = \$1,497,899**

# Instruction: Phase II

- Move one filled Classified ACE position (1.0 FTE) to the Foundation
- Eliminate one filled Administrator position (1.0 FTE)
- Eliminate two vacant Classified ACE positions (2.0 FTE) and nine and one-half filled Classified ACE positions (8.88 FTE) General Fund & (.62 FTE) Restricted Fund
- Eliminate 12 vacant Faculty Assoc. positions (12.0 FTE)

**Subtotal = \$2,526,967**

- “B” Budget reduction

**Subtotal = \$100,000**

**Total Reductions = \$2,626,967**



# Instruction

Phase I Total Reductions = **\$1,497,899**

Phase II Total Reductions = **\$2,626,967**

## **Reorg. Additions**

Add one Classified ACE position (1.0 FTE)

Reclass for one filled Administrator position

Reorganization costs = **-\$110,711**

**Total Reductions = \$4,014,155**

# Student Services: Phase I

- Moved two filled Classified ACE positions (.25 FTE) to the Self Sustaining Fund 115 and (.50 FTE) to the Campus Center Fund 128
- Eliminated one vacant Classified ACE position (.06 FTE) General Fund and (.94 FTE) SSSP

**Total Reductions = \$73,287**

# Student Services: Phase II

- Move two vacant Classified ACE positions (2.0 FTE) to SSSP
- Move three filled Classified ACE positions (3.0 FTE) to SSSP and one filled Classified ACE position (.25 FTE) to Student Accounts
- Move one filled Faculty Assoc. position (.75 FTE) to SSSP
- Eliminate one filled Administrator position (1.0 FTE)
- Eliminate three filled Classified ACE positions (2.77 FTE) General Fund and (.23 FTE) Restricted Fund
- Eliminate one vacant Classified Teamsters position (1.0 FTE)

**Total Reductions = \$1,324,992**

# Student Services

Phase I Reductions = **\$73,287**

Phase II Reductions = **\$1,324,992**

**Total Reductions = \$1,398,279**

# Division Totals

Division	Total
Finance, Marketing & President's Office	\$764,696
Instruction	\$4,014,155
Student Services	\$1,398,279
<b>Subtotal</b>	<b>\$6,177,130</b>
Target	\$6,160,000
Balance	\$17,130

# Positions/FTEs to be Eliminated

Employee Type	Vacant	Filled	Reorg	Total
Administration	1.0	3.0	-1.0	<b>3.0</b>
Classified ACE	5.5	15	-1.0	<b>19.5</b>
Classified Teamsters	1.0	0.0	-1.0	<b>0.0</b>
Faculty Assoc.	21.0	0.0	0.0	<b>21.0</b>
Total	28.5	18.0	-3.0	<b>43.5</b>

# Seven Proposed Guiding Principles for Reductions: Phase Two

- 1) Preserve Quality Education
- 2) Follow College's Core Values
- 3) Strategic Enrollment Growth
- 4) Cabinet Review/Approval
- 5) Minimize the number of lay-offs and (when possible) the effects on employees, including racial/ethnic impact, and in accordance with collective bargaining agreements, while improving efficiency and being strategic in reorganization
- 6) Spending relates to strategic objectives
- 7) Shared Impact

**Note:** It was recommended by the Council on Oct. 5, 2018, to eliminate the eighth principle that dealt with program elimination.

# Minimizing Layoffs

- **Categorical Programs**  
(SSSP, Student Equity, Strong Workforce)
- **Vacancies**  
(full-time faculty, retirements & full-time classified vacancies)
- **“B” Budget**
- **Self-Sustaining Fund**  
(Rental Facilities/Fine Arts)
- **Campus Center Use Fees** (Fund 128)
- **Foundation**  
(KCI Program)
- **Raise Printing Fees**  
(Support Printing Services position)
- **Reduce release time,**  
stipends, comp-time & overtime



# Transfers & “B” Budget

**Transfers to Other Funds = \$1,272,295**

**“B” budget reductions = \$215,000**

**Total = \$1,487,295**

# Who and How Decisions are Made: Participatory Governance and Town Halls

- **Round 1: Budget Reduction & Proposed Percentage Cuts in Each Division**
  - September 14, 2017: Governance Summit —> present information about budget reductions percentages
  - November 8, 2017: Town hall at main campus (Hearthside)
  - November 30, 2017 (Sunnyvale) / December 5, 2017 (Hearthside): District town halls
  - November 1 & 15, 2017: PaRC regarding Proposed % Cuts in each Division
- **Round 2: Guiding Principles & Discussion by Divisions on Possible Budget Cuts**
  - January 22, 2018: Cabinet retreat
  - January 25, 2018: Admin Council retreat
  - January 31, 2018: PaRC
- **Round 3: Finalize list of reductions for Year 1 & 2**
  - March 22: Cabinet retreat
  - April 19: Town Hall
  - April 18 & 25: PaRC
  - April/May: Finalize list to District

# Budget Reduction Phase II Timelines

- **Round 4: Guiding Principles for Phase II – Year 3 and Program Review**
  - May 16, June 6 & June 20, 2018: PaRC develop/review Guiding Principles for Phase II
  - September 14, 2018: Governance Summit – approve Guiding Principles Phase II
  - October 5, 2018: *new* “Governance Council” Meeting-recommends Phase II Guiding Principles & program elimination criteria if needed (1<sup>st</sup> reading)
  - October 24, 2018: Town hall on main campus
  - October 26, 2018: “Governance Council” meeting
  - November 2, 2018: “Governance Council” meeting – budget reduction list (FINAL recommendation)
  - **November 2, 2018: FINAL DELIVERY TO DISTRICT**

# Recommendations from the Council Oct. 5, 2018

1. Guiding Principles recommendation for approval
2. Nov. 2 – final recommendation for list of reductions to District
3. No program eliminations
4. No personnel details for the eliminations until Jan./Feb. 2019
5. Town Hall meeting for October 24, 2018

# Feedback / Questions?

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Budget Feedback

## BUDGET UPDATES

Budget Updates 2017-2018

## Budget Updates 2018-2019

### Budget Town Hall

Join us for the latest news on the district budget and give your [feedback](#).

#### NEXT MEETING

Oct. 24 at 2:30 p.m.  
Hearthside Room

Due to declining enrollment, the Foothill-De Anza Community College District (FHDA) began the 2017/18 FY with a structural operating deficit of [\\$10.3 million](#).

To counter this, the district identified a budget reduction strategy that included:

- District-wide reductions of: -\$2M for 2017/18, -\$3M for 2018/19, and -\$5M for 2019/20.
- Due to the further decline in FTES, the District recommended an additional reduction of -\$7.6M in the third year bringing the total reduction for 2019/20 to -\$12.6M.
- Distribution of reductions is 35% Foothill, 50% De Anza, and 15% District.
- Foothill's share of the reduction is \$6.16M.
- As of July 1, 2018, Foothill implemented \$1.75M reductions in three areas: Finance, Marketing & President's Office; Instruction & Workforce; and Student Services.
- Foothill College is in the process of obtaining a recommendation for the additional \$4.4M in budget reductions to meet the college's target.

[foothill.edu/president/feedback.html](http://foothill.edu/president/feedback.html)