Assumptions for Five Year Projections

Fiscal years: 20167 to

WHYthe DRAMATIC DECLINE FTES?

- The strength of the economy.
- Cal State and UC increasing acceptance rate significantly.
- The high cost of housing.
- Loss of housing in IV (Tropican®00 beds).
- The strength of the dollar on international markets.
- Fewer incoming and continuing students.

DROP IN RESIDENT FTES

- Projected decline in FTES is 23% from 2001 to 2019
 20.
- Projected decline in revenues is \$16.1 million;
 - \$9 million in revenue has already been lost for 2087

REVENUE

This is for Unrestricted General Fund only, not categorical funding based on FTES.

SUPPLEMENTAL EMPLOYEE RETIREMENT PLAN

The Supplemental Employee Retirement Plan (SERP) may
be utilized to reduce staffing to the levels required in the
assumption. Saving from the SERP given the
assumptions of 20 classified, 1 classified manager, 2
certificated managers, 11 faculty not being replaced are:

ENDING UNRESTRICTED GENERAL FUND BALANCE

These are projected ending balances from the 5 Year Projection based on the two scenarios included in the projection assumptions.

CONCLUSION

- Thecollege has not been able to stop the decline irenrollment.
- This will result in the erosion of ending balances.

RECOMMENDATIONS

- Immediately implement hiring freeze for faculty, staff and administration.
- The SERP assumptions allow for replacements of 7 classified and 8 faculty. Not replacing the 7 classified would save an additional \$468,000 and not replacing the 8 faculty would save an additional \$810,000. While this would not eliminate the need to continue reducing employees in the next few years, it would possibly eliminate the need for layoffs if there is enough natural attrition.
- Begin evaluation of facilities to shut down. There will not be enough custodial and maintenance staff to support the Main Campus and both Centers.

RECOMMENDATIONS

- Eliminate transfers to Construction and Equipment Funds.
- Discontinue automatic IT refresh of technology equipment. Replace technology equipment only if cost of

ADDITIONAL ACTIONS FOR-27016

- REDUCTIONS in the major discretionary dollars: e.g. hourly staff, consulting, legal and stipends must be put in place in the CURRENT FISCAL YEAR!
- IF Discretionary expenditure budgets are not decreased significantly those costs will have to be absorbed through additional staff reductions in future years.

RECOMMENDATIONS "WAYS TO INCREASE REVENUE