

Assumptions for Five Year Projections

Fiscal years: 2016-17 to 2020-21

WHY the DRAMATIC DECLINE in FTES?

- The strength of the economy.
- Cal State and UC increasing acceptance rates significantly.
- The high cost of housing.
- The strength of the dollar on international markets.
- Fewer incoming and continuing students.

DROP IN RESIDENT FTES

- Projected decline in FTES is 23% from 2015-16 to 2019-20.
- Projected decline in revenues is \$16.1 million from 2015-16 to 2019-20;
 - \$9 million in revenue has already been lost from 2015-16 to 2016-17.

Actual Decline	Actual	Estimated	Estimated	Estimated	Estimated	Estimated
2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
14,273	13,295	12,454	12,037	11,537	10,988	10,988
\$70,771,330	\$70,771,330	\$66,161,016	\$61,976,732	\$59,899,550	\$57,414,351	\$54,682,616

REVENUE

REVENUE REDUCTIONS	2016-17	2017-18	2018-19	2019-20	2020-21
Percent FTES reduction applied to:	6.9%	6.3%	3.3%	4.1%	4.8%
Mandate Costs		104,321	54,351	68,437	78,482
Lottery		126,488	65,900	82,979	95,159
State Enrollment Fees		548,750	285,900	359,992	412,832
State Apportionment Revenues		4,184,284	2,077,182	2,485,199	2,731,735
SubTotal FTES Revenue Reduction		4,963,842	2,483,334	2,996,608	3,318,207
Prop 30 Sales Tax Discontinuance		1,146,000			
Loss in Nonresident Enrollments	1,058,000	162,235	157,368	152,646	148,067
Total Revenue Reduction	1,058,000	6,272,077	2,640,701	3,149,254	3,466,275

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. Savings from the SERP given the assumptions of 20 classified, 1 classified manager, 2 certificated managers, 11 faculty not being replaced are:

SERP	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Faculty	462,810	470,481	480,141	492,633	501,876	2,407,941
Certificated Managers	99,950	96,565	98,049	96,781	94,206	485,551
Classified	1,028,773	1,064,949	1,089,481	1,115,199	1,127,275	5,425,677
Classified Managers	188,870	187,691	187,092	189,255	185,982	938,890
Total	1,780,403	1,819,686	1,854,763	1,893,868	1,909,339	9,258,059

ENDING UNRESTRICTED GENERAL FUND BALANCE

SCENARIO 1, NO CHANGE	2016-17	2017-18	2018-19	2019-20	2020-21
	Projection	Projection	Projection	Projection	Projection
REVENUE	96,038,895	89,766,818	87,126,117	83,976,863	80,510,588
EXPENSE	95,255,415	96,714,396	97,760,737	98,828,206	99,305,219
TRANSFERS	-3,975,847	-3,975,847	-3,975,847	-3,975,847	-3,975,847
NET ADJ TO ENDING BALANCE	-3,192,367	-10,923,425	-14,610,467	-18,827,190	-22,770,478
ENDING BALANCE	26,197,461	15,274,036	663,569	-18,163,621	-40,934,098
SCENARIO 2, SERP	2016-17	2017-18	2018-19	2019-20	2020-21
	Projection	Projection	Projection	Projection	Projection
REVENUE	96,038,895	89,766,818	87,126,117	83,976,863	80,510,588
EXPENSE	95,255,415	94,933,993	95,941,051	96,973,443	97,411,351
TRANSFERS	-3,975,847	-3,975,847	-3,975,847	-3,975,847	-3,975,847
NET ADJ TO ENDING BALANCE	-3,192,367	-9,143,022	-12,790,781	-16,972,427	-20,876,610
ENDING BALANCE	26,197,461	17,054,439	4,263,658	-12,708,769	-33,585,378

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