



Strategies for Dealing with Declining Enrollment

ACBO Drive-n Workshop
Riverside City College
September 29, 2017



Overview

Increasing Enrollment

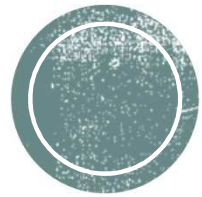
- Promise Programs/Guided Pathways
- Dual Enrollment/High School Programs
- Strong Workforce
- Distance Education
- Scheduling
- Compressed Calendar
- Flex Days
- Noncredit/CDCP/AEBG
- IEPI – Tool Kit

Administrative, Finance and HR Issues

- Hiring Freezes/Layoffs/Other HR issues
- Stability Funding/Summer Shift of FTES/FON Impact
- Marketing/Outreach
- Supplemental Early Retirement Plan (SERP)

ACBO President Suleski's Words of Wisdom

- This workshop is intended to get smart people together to brainstorm on effective methods to deal with declining enrollment
- Don't expect to find the silver bullet to solve all your district's enrollment issues
 - There may be a number of ideas that you'll want to try
 - What works at district 'A' may have a different result at district 'B, C & D'
- Please ask questions and share ideas that you are using at your own district's
- Meet someone NEW – that someone new may help you with an idea or concept that you may not have considered



The New Normal: Increasing Enrollment with Fewer Students Promise Programs and Pathways

Dr. JoAnna Schilling, President
Cypress College



Increasing Enrollment and Doing the Right Thing

Must We Choose?

Here's the Problem

- Average number of units a student takes to receive a degree = 87
- Average number basic skills courses taken in math = 3
- Average number of basic skills courses taken in English = 2
- Reduce the number of units and what happens to your FTES?

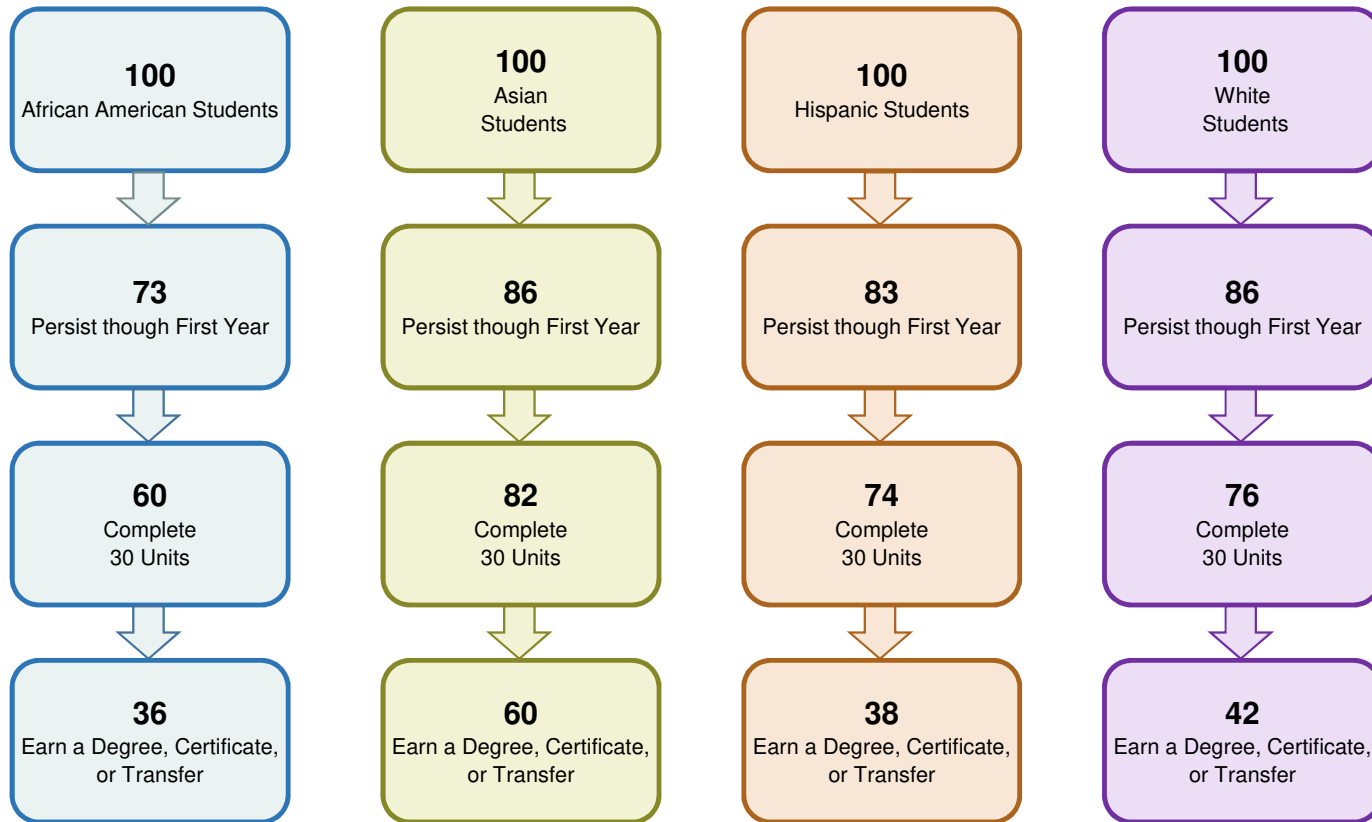


- Promise Programs create a partnership with the student
- Your College becomes the destination of choice
- Your Promise Must be a completion Pledge, not a tuition Pledge
- Build in Incentives- don't just provide Free Tuition!
- Full time students take more units AND complete faster!
- Help students see where they are going – *Clarify the Path*

Promise Programs

Clarify The Path

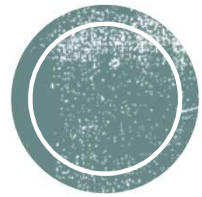
Retention, Not Head Count, is Key to Successful Enrollment



- Clearer Pathways Help Students Stay at Your College
- Pathways help to move students to more units
- Interventions are Key – you must reach out to them at each stage
- Critical point is between 30-45 units
- Discussion: what are you doing to retain students and increase units per student?

Pathways as a Retention Tool

Stay on the Path



Anaheim Educational Pledge and Dual Enrollment

Dr. Cherry Li-Bugg, Vice Chancellor, Educational Services
and Technology

NOCCCD

Anaheim Educational Pledge

- NOCCCD's first foray into North Orange Promise
- A completion pledge, not a tuition pledge
- Built out of the Anaheim Collaborative
 - Anaheim Union High School District (AUHSD)
 - North Orange County CCD (Cypress and Fullerton College, NOCE)
 - CSU, Fullerton
 - UC Irvine
- Pledge also brought in the City of Anaheim as a partner
- A comprehensive and intentional support system to help AUHSD graduates complete their college and career goals



AB288 CCAP Dual Enrollment

- A foundation of the Anaheim Educational Pledge
- NOCCCD started in 2016-2017, with Anaheim Union High School District for both Cypress College and Fullerton College
- Focus was counseling and ethnic studies classes
- Fullerton College also had agreement with Brea-Olinda High School District, Fullerton Joint Union High School District and Placentia-Yorba Linda Unified School District
- Total number of CCAP sections offered in 2016-2017: 60 (FC); 13 (CC); NOCCCD total 73 sections
- Net new FTES generated: 50.4 (FC); 17.26 (CC); NOCCCD total 67.66 FTES

Expansion of CCAP Dual Enrollment at NOCCCD

- In 2017-2018, dual enrollment at NOCCCD has shifted toward a focus on pathways, both CTE and GE
- The number of agreements stays the same but the total number of sections is expected to be: 70 (FC); 63(CC); NOCCCD total 133
- Projected net new FTES will be: 90 (FC); 120(CC); NOCCCD total 210





CTE as a Model for Successful Enrollment and Retention

**Dr. JoAnna Schilling
Cypress College**

Entering the
Path

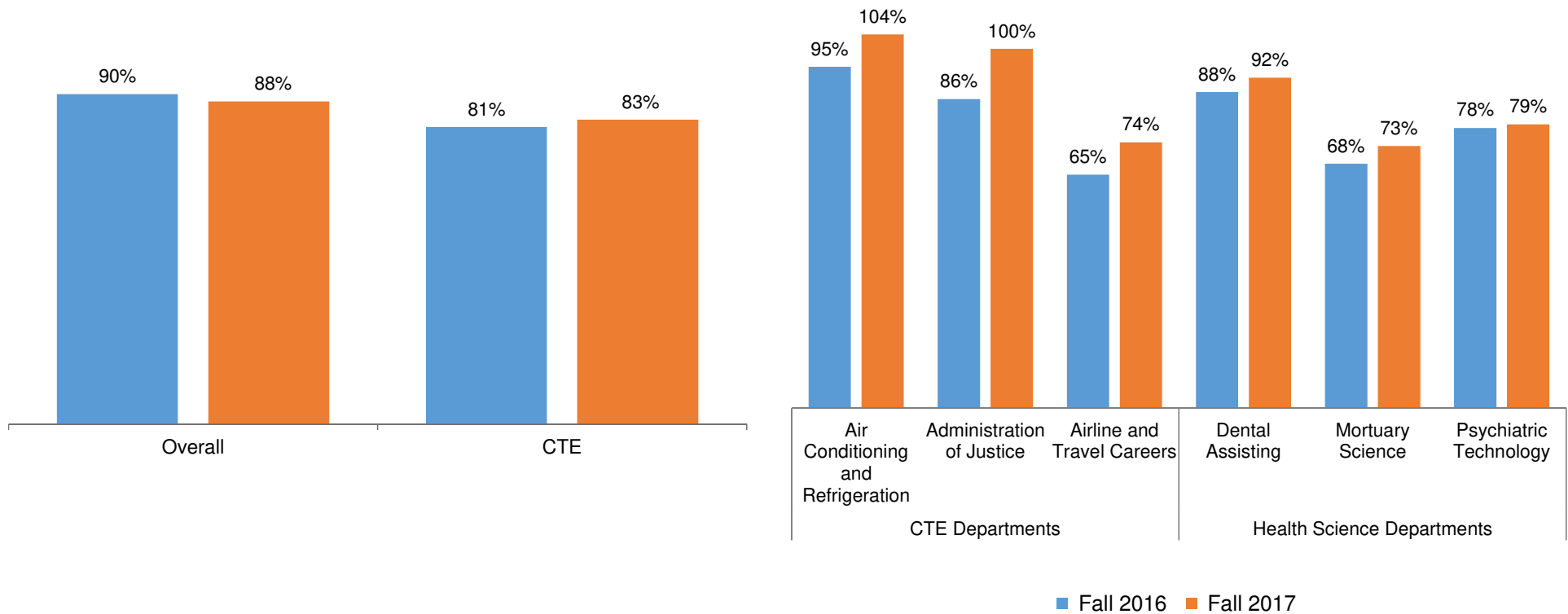


- Meta Majors: Career/Educational Interests Lead to Focused Course Selection = Retention
- Even students unclear on their goals benefit from choosing an area of interest
- CTE programs succeed by attaching career aspirations to degree and certificate completion

**Be the
college of
clarity rather
than just the
college of
choices!**

CTE Enrollment in Action

Fill Rates by Department





Distance Education and Enrollment

How to Increase FTES Without Compromising Success

Dr. Meridith Randall, VPAA
Chaffey College

Case Study: Chaffey College

RANCHO

| | Fall 2017 1st Census 09/05/17 | Fall 2016 1st Census 09/06/16 | Difference | Percent Above/Below Fall 2016 Semester | Needed to Achieve 1.92% Growth (1st Census) | Difference | Percent Above/Below 1.92% Growth Target |
|-------------|-------------------------------------|-------------------------------------|------------|---|--|------------|--|
| Headcount | 16,755 | 16,563 | 192 | 1.16 | 16,881 | -126 | -0.75 |
| Enrollments | 38,985 | 39,625 | -640 | -1.62 | 40,386 | -1,401 | -3.47 |
| Units | 123,228.50 | 125,958.00 | -2,729.50 | -2.17 | 128,376.50 | -5,147.00 | -4.01 |

Case Study: Chaffey College

DISTANCE LEARNING

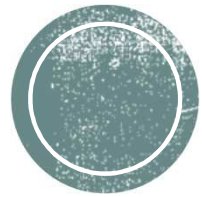
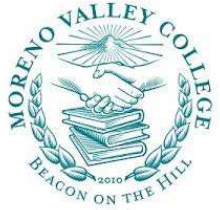
| | Fall 2017 1st Census 09/05/17 | Fall 2016 1st Census 09/06/16 | Difference | Percent Above/Below Fall 2016 Semester | Needed to Achieve 1.92% Growth (1st Census) | Difference | Percent Above/Below 1.92% Growth Target |
|-------------|-------------------------------------|-------------------------------------|------------|---|--|------------|--|
| Headcount | 3,157 | 2,415 | 742 | +30.72 | 2,461 | 696 | +28.26 |
| Enrollments | 4,700 | 3,491 | 1,209 | +34.63 | 3,558 | 1,142 | +32.10 |
| Units | 13,540.50 | 10,062.00 | 3,478.50 | +34.57 | 10,255.00 | 3,285.50 | +32.04 |

Expanding Distance Education Responsibly

- Always faculty-driven
- Role of Curriculum Committee
- Need for Advisory Committee/oversight of quality
- Contract issues: ability to limit, require training, observe courses

Long-term Planning for Support

- IT staff
- LMS – connection to Online Education Initiative, Canvas
- DE Support Staff
- Faculty Designers/Pedagogical Trainers



Scheduling and Other Issues to Consider When Attempting to Increase Enrollment

Carlos Lopez

Interim Vice President of Academic Affairs, Moreno Valley College

Enrollment Management: Organized, Systematic, and Planned

- Is Enrollment Management Planned or Does it Just Happen?
- Enrollment Management must be a planned and thought out process:

Why?

- Faculty, staff, and administrators need guidance and predictability:
 - Timelines
 - Schedules that meet student needs (especially under the Guided Pathways Framework)
 - Produces sufficient FTES efficiently for the college to function (meets target)

An Ideal Model

(before you begin the scheduling process)

- Enrollment Management Calendar
- District FTES Cap
- FTES Targets
 - by college or campus are established via local process
- FTEF (resources) allotment given to each college or campus
 - CIO and CBO work collaboratively to cost out what it will take to meet the given FTES target **BEFORE** the schedule is developed
 - If the target cannot be obtained with given resources then options to consider include:
 - Shift additional resources to the schedule
 - Improve efficiency in scheduling via block scheduling, large lecture balance, space utilization, shifting FTEF to higher demand areas, etc.
 - Improve college going rates, per student unit load, fall-spring retention rates, etc.

- At each college, the FTES and FTEF to support that FTES, are distributed to the divisions and departments

| 2017-2018 Total FTEF Allocation & FTES Targets | | | |
|--|----------------|--------------|-------------------------------|
| School | FTEF Allotment | FTES Target | Efficiency Target (FTES/FTEF) |
| Arts and Letters | 209 | 3,002 | 14.4 |
| Library | 1.6 | 22 | 13.8 |
| Counseling | 3.8 | 61 | 16.1 |
| CTE | 159 | 2,403 | 15.1 |
| Math and Science | 253 | 3,995.50 | 15.8 |
| TOTALS | 626 | 9,484 | 15.1 |

What is an efficient schedule?

A guideline for efficient schedules is:
17.5 FTES/FTEF

Translates into WSCH/FTEF:
525 For 17.5 TLM Colleges
565 for 16 TLM Colleges

Issues from the field:

- Where to go for Enrollment Management Resources?
- Small classroom sizes and class caps
 - How and where are class caps set?
 - Who has a say?
- Instruction, Student Services, and Business Services Silos
- Over use of summer “Borrowing”



Compressed Calendars

Carlos Lopez

Interim Vice President of Academic Affairs, Moreno Valley College

Traditional Calendar was 18-week semesters

- The traditional California Community College Calendar has been an 18 week semester with 17 weeks of instruction and 1 week of final exams
- Title 5 Section 58120 was amended in 1996 to allow colleges more flexibility in scheduling while maintaining quality instruction and the improvement in facilities utilization.

The Move to Compressed Calendars

- Since 1996 many districts have gone to a “compressed calendar” where classroom time is compressed into a 16-week term.
 - Each section has more contact time
 - There is no loss in instructional time when compared to the traditional 17.5 week semester
 - As of 2016-2017, 37 of 72 districts are on some form of compressed calendar

175-Day Still Needs to be Met

- Can use Saturdays and Sundays as long as 3 hours of instruction occur on each of those days

Excessive Flex Days Complicate Going to a Compressed Calendar

- More than 10 flex days is an issue
- Move to compressed calendar and change in flex days, needs to be approved by the State Chancellor's Office **before** changes are made
 - Planning for a shift to a compressed calendar takes significant stakeholder dialogue and district planning
 - Ensuring compliance with the “in-lieu-of classroom instruction” and no loss/no gain in FTES provisions of Flex Calendars

FTES Consequences

- **ONE-TIME** FTES Increase
 - Addition of Winter Session 4-week term in January-February
 - Potential for improving block scheduling during transition to compressed calendar

PROS and CONS

- PROS
 - More flexibility
 - Shorter semesters
 - Some indication of improved student performance
 - One-time FTES “pop”

PROS and CONS (continued)

- CONS

- More places to go wrong related to apportionment reporting like term length multipliers, F-factor computation, and over reporting contact hours
- Many intensive programs do not want a reduction in the number of days that classes meet
 - Example – a Biology lab needs more days to meet for labs; having fewer labs that each are 15 minutes longer does not allow for the Biologist to cover all required topics
- Less “on-contract” time during regular terms for training, stakeholder engagement, and other functions of the colleges



Flexible Calendar

Dr. Meridith Randall, Chaffey College

Flex Calendar Basics

- The intent of flex days is to allow for faculty (and possibly others) to engage in professional development
- Flex “holds a college harmless” for apportionment purposes by allowing a flex factor to apply to FTES calculation
- Having flex days is permissive and must be approved annually in June
- A college may designate up to 15 days (out of 175 instructional days) as flex
- A “flex day” is generally 6 hours, but the length is determined locally
- Flex activities CANNOT duplicate contractual faculty responsibilities
- A college must have a flex advisory committee and carefully account for flex hours performed

Tricky Parts

- FLEX DAYS ARE IN LIEU OF INSTRUCTIONAL DAYS – not additional!
- Flex is governed by Title 5 – know the requirements
- Generally, activities must be for staff, student, or instructional improvement (section 55720)
- Flex hours must be performed within the fiscal hour and cannot be banked
- Only courses co-terminous with the semester are subject to reduction for flex days
- Part-time faculty may or may not be affected by flex depending on which days they teach (e.g., a Wednesday flex day will not affect a class taught on Tuesday and Thursday)

More Tricky Parts

- You must keep track of the flex obligation performed by each faculty member, whether flex days are mandatory or “flexible”
- Flex hours CAN be performed on an instructional day as long as they take place outside a faculty member’s contractual duties
- Flex hours are generally 1:1 unless a faculty member is a presenter
- Faculty are required to develop an annual flex plan which can be modified
- The formula used to “make apportionment whole” should apply only to those courses and days affected by flex

Future of Flex?

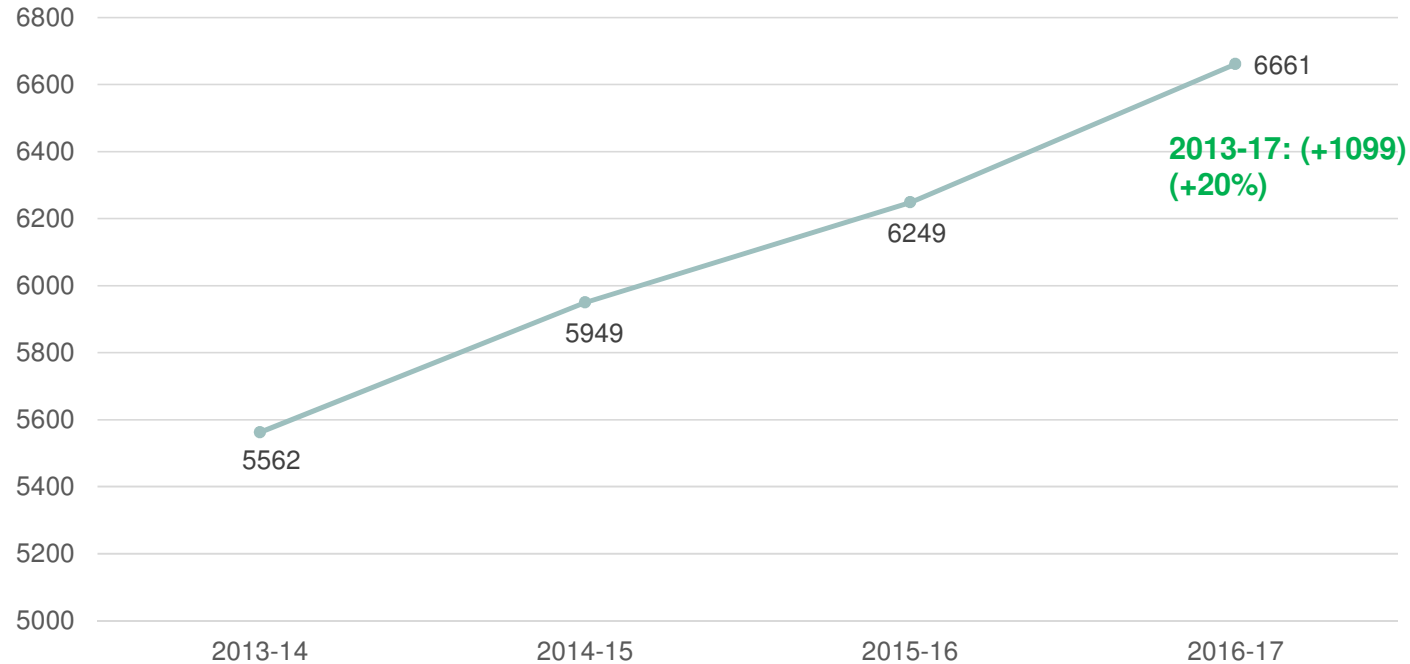
- State handbook from 2007 is due for revision and state may reward having flex days in the future
- More colleges are interested in “mid-semester” flex days rather than bunching them at the start of a term
- Faculty prefer “flexible” obligations rather than mandatory days
- Can be used to reduce 18-week semesters to 17-week semesters.....



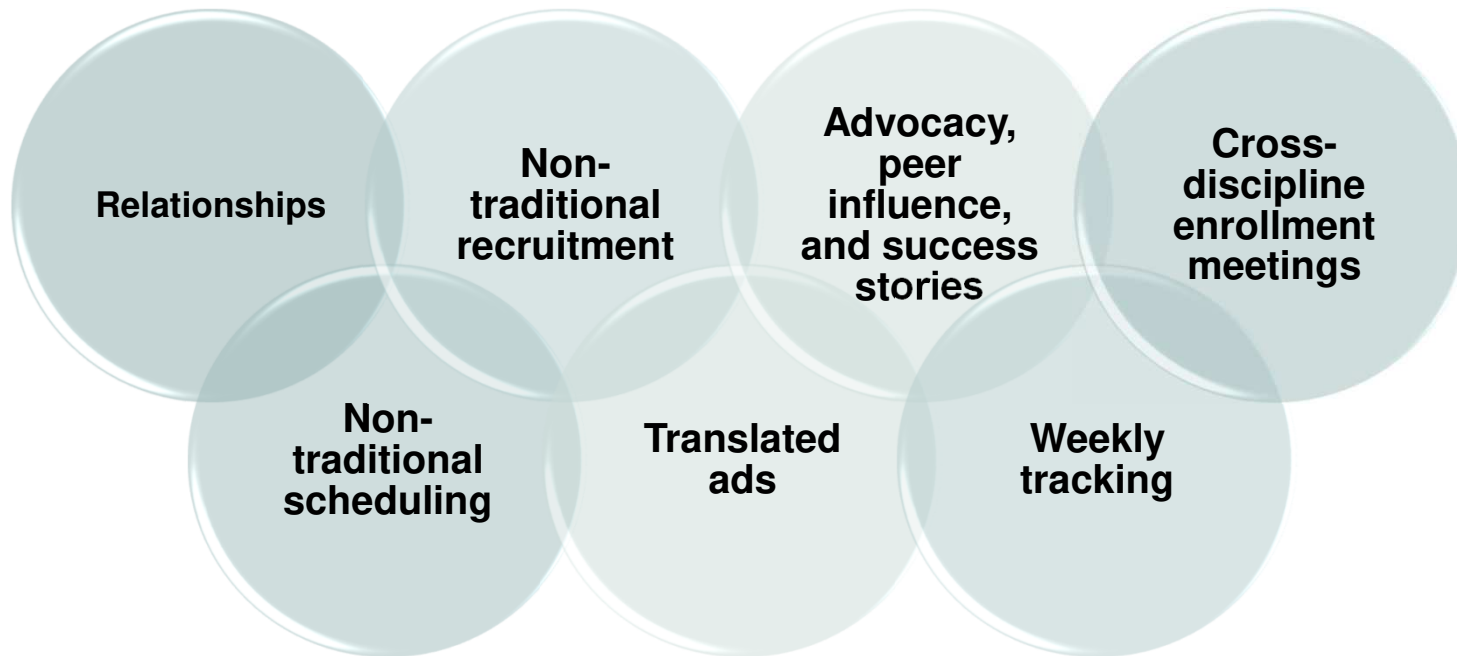
Noncredit Enrollment Management

Dr. Irene Malmgren, Vice President, Instruction, Mt. San Antonio College
Dr. Madelyn Arballo, Dean, School of Continuing Education,
Mt. San Antonio College

School of Continuing Education Overall Growth 2013-2017



SCE Growth and Retention Strategies



Noncredit Enrollment Management “Hacks”



HS districts for STV



Older Adult or STV?



Retention = Growth



Vigilance with trends



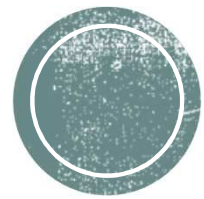
Customized training w/LWDB and AJCCs



Mirrored classes/NC bridge classes



Better in NC?



IEPI – Tool Kit

Craig Justice, CCC Chancellor's Office

Update:

- Applied Solutions Kit - Strategic Enrollment Management (SEM ASK)
- Resource Guides for FTES, Budgeting, Facilities, and Schedule Management Strategies pursue topics in-depth

ACBO @ RCC September 29, 2017

ASK: Applied Solutions Kit

Presenter



Craig Justice

- SEM ASK Project Team Member
- CIO, Irvine Valley College (Retired)
- Past President, CCCCIO
- Economist

What is SEM ASK?

Tools and Resources

- Models and exemplars for SEM planning
- Strategies, practices and research
- Tools, concept papers, and promising practices
- Training and support

Rigorous research, vetting & review process

- SEM Literature review
- SEM Field survey
- ASK-SEM Advisory committee
- Professional conferences and meetings



NOTE: The ASK-SEM will not be mandated or prescribed, but rather an extensively researched set of tools, resources and practices made available to colleges to use at their discretion.

Highlights from the Survey: What Colleges Need

- Tools & Templates
- Best Practices
- Training/Professional Development
- Marketing & Promotion
- Data
- Enrollment Forecasting, Scheduling, **Software (CIOs)**
- Key Metrics and Dashboards for enrollment analysis, engagement strategies
- SEM Planning process, models, & structures; understanding & managing FTES generation
- Enhanced marketing of CCC to improve image, models of plans linked to enrollment goals/targets
- HS Grad rate data; labor market and economic trend data

Professional Development Resources and Associated Tools

Each Professional Development (PD) Package will include:

- Resource Guide (15-20 pages)
- Slide deck
- Associated Resources

*Colleges may conduct their own training sessions or
ask for outside guidance.*

Highlights FTES, Efficiency, Budgeting, and Scheduling

Four Resource Guides and a *Primer*:

1. Calculating FTES and Efficiency
2. Understanding Role of FTES in Budgeting
3. Scheduling and Facilities Utilization
4. Schedule Management

FTES *Primer*: an overview of the fundamentals

What is the Primer?

Understanding FTES and Its Role in California Community College Funding—A Primer

Teaching the Fundamentals:

- Chapter 1: Calculating FTES and Efficiency
- Chapter 2: FTES and Budgeting
- Chapter 3: Scheduling for Growth and Student Success (**Your Input Needed**)

Scheduling for Growth and Student Success

Strategies for Growth and Success

- **Strive for quality and efficiency**
 - Focus on Classroom Efficiency as a Tool
 - Use Section Fill-rates to Inform Decisions to add/cancel Sections During Registration
- **Build a Student-centered Schedule**
 - Scheduling Determines Student Access
 - Focus on What Students' Need for Completion and Success

Scheduling for Growth and Student Success

Tools, Strategies, and Best Practices

- Dashboards, useful metrics, strategies, and best practices currently used by colleges will be collected and shared.
- Once fully vetted, the resources will be accessible through the Professional Learning Network (PLN).

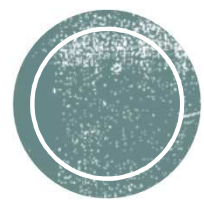
Thank you!

- *Primer* – Available Mid-October (Ch. 1-2)
- FTES and Budgeting Resource Guides – November 2017
- Resource Guides for Scheduling-Space Utilization and Schedule Management – February 2018

QUESTIONS????

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Hiring Freezes, Layoffs & Other HR Issues

Sharon Ormond, AALRR

Options for Reducing Personnel Costs

- Hiring Freeze
- “Golden Handshake”
- Negotiate Cost Savings
- Release of Adjuncts
- Layoffs



Options for Reducing Personnel Costs

- **Hiring Freeze**
 - No new positions created
 - Not filling vacancies that may arise through attrition

- **The “Golden Handshake”**
 - Encourages eligible employees to retire early by providing an incentive
 - Retirement eligible employees are typically the highest paid employees
 - Agency realizes an immediate cost savings

Caution: “Effects” bargaining may be required

Options for Reducing Personnel Costs



Negotiating Costs Savings*

- Reduce Salary
- Reduce Benefits Caps
- Freeze Step Column Increases
- Suspend Sabbatical Leaves
- Suspend Stipends

** Negotiations applicable only to represented employees*

** Check for amending of administrator contracts*

Options for Reducing Personnel Costs

Negotiating Costs Savings

- Reduce Work Year/Furlough Days
 - Pros
 - Avoids layoffs and allows agency to retain skilled, trained workers
 - Results in cost savings
 - Cons
 - Results in agency closing doors on particular days, or operating with reduced staffing levels
 - Agency does not save costs associated with employer-funded benefits (e.g., health & welfare benefits)
- Caution: Salary reductions in a workweek may affect “exempt” status of salaried employees for that workweek (so they may be eligible for OT in that workweek) – consult with legal counsel”

Options for Reducing Personnel Costs



Negotiating Costs Savings

- Increases Instructional Hours Per Week
- Suspend Use of Bank Hours
- Relax Released Time Mandates
- Add to Committee Assignments
- Modify Language Affecting Staffing Levels (e.g., Maximum and Minimum Class Sizes, Class Cancellation Policies)

Options for Reducing Personnel Costs

- **Release of Adjuncts**
- **Layoffs**
 - Academic:
 - March 15 deadline
 - Effects bargaining may be required
 - Classified:
 - Any time after 60 days' notice
 - Eliminating positions — Effects bargaining may be required
 - Reduction in hours — Decision and effects bargaining may be required

Options for Reducing Personnel Costs

- **Layoffs**

- Pros

- Decision to implement layoffs is a management prerogative
 - Quick way to realize savings including salaries and benefits

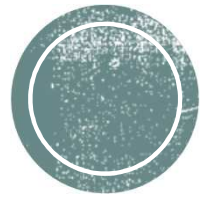
- Cons

- Affect on morale and productivity
 - Laying off skilled workers can result in recruitment and training costs when economy recovers and need for increased staffing returns
 - Academic rehire rights may limit actual savings

Options for Reducing Personnel Costs

- **Cautions:**

- For academic RIFs, no tenured employee may be terminated under Section 87743 while any probationary employee, or any other employee with less seniority, is retained to render service in a FSA that the tenured employee could provide
- No release of contract employees for economic reasons
- 75% Rule (hours of credit instruction taught by full-time faculty)
- 50% Law (at least 50% of education expense must go to payment of instructor salaries)
- Always check language in local CBAs



Stability Funding, Summer Shift of FTES & FON Impact

Mario Rodriguez, CCCCCO

Fred Williams, NOCCCD

Stabilization and Summer Shift

- Shell game or “effective management strategy”
- Provides district with Stability and Flexibility



Strategic FTES Borrowing

- **If there are new registration regulations or other uncertainty in the coming year**
 - Repeatability restrictions
 - Increase in enrollment fees
 - Change in BOG Fee Waiver administration
- **There is extra growth on the table**
 - 3% growth in current year, following year is less
 - Maximize growth potential
- **Final year of restoration and not fully restored**
 - Maximize your base FTES

Borrowing Summer FTES

- What is it and why use it?
- “Summer Shift” rules – courses that overlap fiscal years (Title 5 Sec. 58010)
- Summer FTES may be reported:
 - In the fiscal year in which **census** occurs OR
 - When the **course ends**



Stabilization and Restoration

- Districts in stabilization
- Districts in restoration and/or growth
- What is the difference?
- What is “summer shift”?
- Why would a district “borrow” FTES?



Growth History

| | 07-08 | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 | 16-17 (P2) |
|--|-------|-------|--------|-------|--------|-------|-------|-------|-------|------------|
| Growth (Growth FTES/Base FTES)* | 1.35% | 2.00% | -3.55% | 2.40% | -7.24% | 0.91% | 1.72% | 2.73% | 2.21% | 0.67% |
| Unfunded Growth | 1.13% | 4.54% | 8.23% | 3.20% | 3.51% | 0.55% | 1.34% | 0.53% | 0.00% | 0.00% |
| # Districts in Stabilization | 8 | 1 | 2 | 4 | 14 | 17 | 20 | 17 | 29 | 30 |
| # Districts Restoring | 30 | 20 | 5 | 4 | 2 | 8 | 9 | 14 | 11 | 21 |

Statewide Implications

Stability Adjustment – 30 districts

- \$196.8 million cost for stability in 2016-17
- \$194.9 available to be restored in 2017-18 (1st year)
- \$25.7 million may be lost if older than 3 years

NOTE: \$76.2 million is from community supported CCD's and
San Francisco

Statewide Implications

Stability Restoration – 24 districts

- DOF estimates using a rolling 3-year average
- Any amount earned and not in the budget will contribute to the deficit factor for all
- Amount left available to restore for the district will carry to the next year, or be lost if older than 3 years

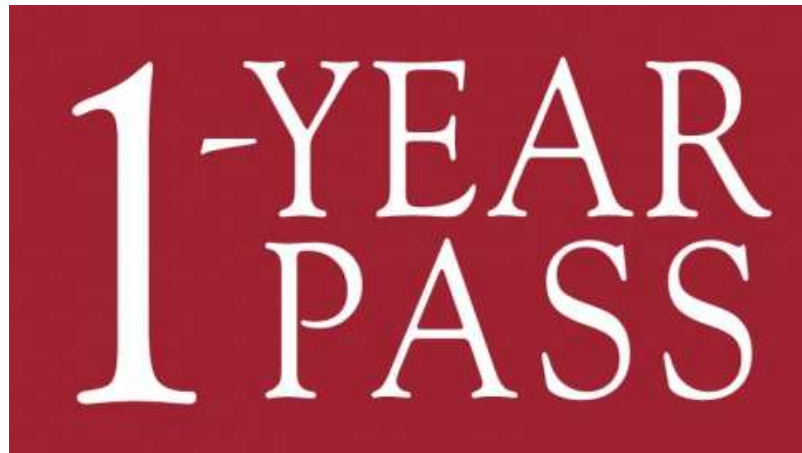


Statewide Trends

- 51 districts in stability or restoration (at P-2)
 - 30 districts on stabilization (initial year of decline)
 - 21 districts in restoration (restoring from decline)
 - Economy
 - Course Repetition
 - BOG Fee Waiver SAP
 - Accountability Measures
 - Accelerated Completion Agenda
 - Few Units per Semester
 - 18-24 Year Old Population
 - Minimum Wage Increase
 - Promise Programs

Budget Stability Title 5 § 58776

Districts shall receive stability funding only in the initial year of decline in FTES in an amount equaling the revenue loss associated with the FTES reduction for that year.



Budget Stability Title 5 § 58776

Declines in college FTES that result in a reduction of calculated basic allocation will not cause a reduction in basic allocation base revenue until the third year after the year of the FTES decline, and the basic allocation will not be reduced if the FTES is restored back to or above the pre-decline base.



Restoration

- Restoration takes place by increasing FTES after a decline year. Total available restoration level is based on the previous total computational revenue amount.
- The makeup of non-credit, credit, and CDCP can change and the district can still restore to an FTES level that is equivalent to the previous revenue level.



Decline Restoration

Title 5 § 58777

Districts shall be entitled to restore any reductions in apportionment revenue due to declines in FTES during the three years following the initial year of decline in credit, noncredit, or career development and college preparation FTES if there is a subsequent increase in FTES.

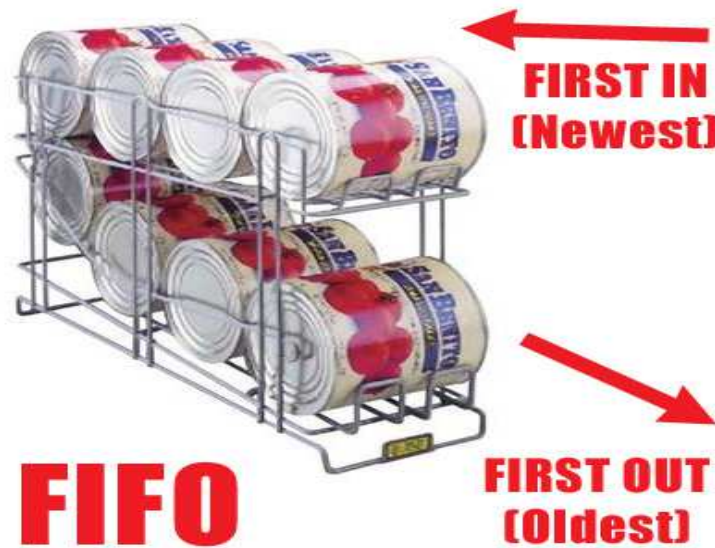
Restoration of revenue for declining workload and the inflation adjustments made between the year of decline and the year of restoration shall be made at the district's current marginal funding rate.

A Quick Review: Decline, Stability, Restoration & Growth

- Decline is when a college has fewer FTES than the previous year
- A college gets Stability funding the 1st year of decline
 - Funded at the same FTES as the previous year
- Restoration brings the college back to previous year's FTES level
 - Three years to restore the FTES
- Growth funding is earned after all lost FTES has been restored

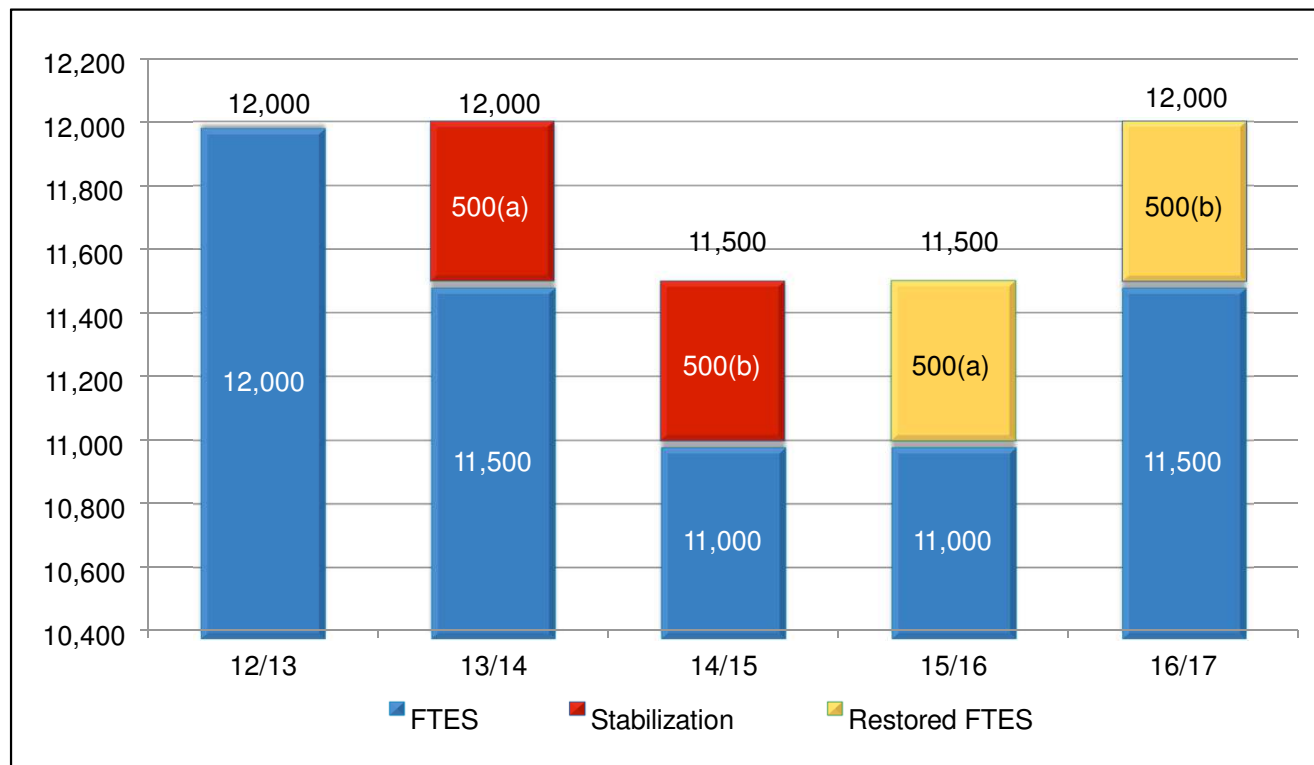
Decline/Stability/Restoration

- There may be 3 years of decline simultaneously
- The oldest decline is restored first
- The dollar value is restored; the mix of the FTES may change



Scenario 3: Stabilization Followed By Restoration

FIRST APPORTIONMENT REVENUE LOST IS FIRST APPORTIONMENT REVENUE RESTORED



Borrowing Tips

- Borrowing can be used for restoration AND growth
- Borrowing can retain the ability for the college to earn revenue that it would otherwise lose
- No Summer Shift or “not borrowing” - when and why
- When you borrow it changes your cash flow

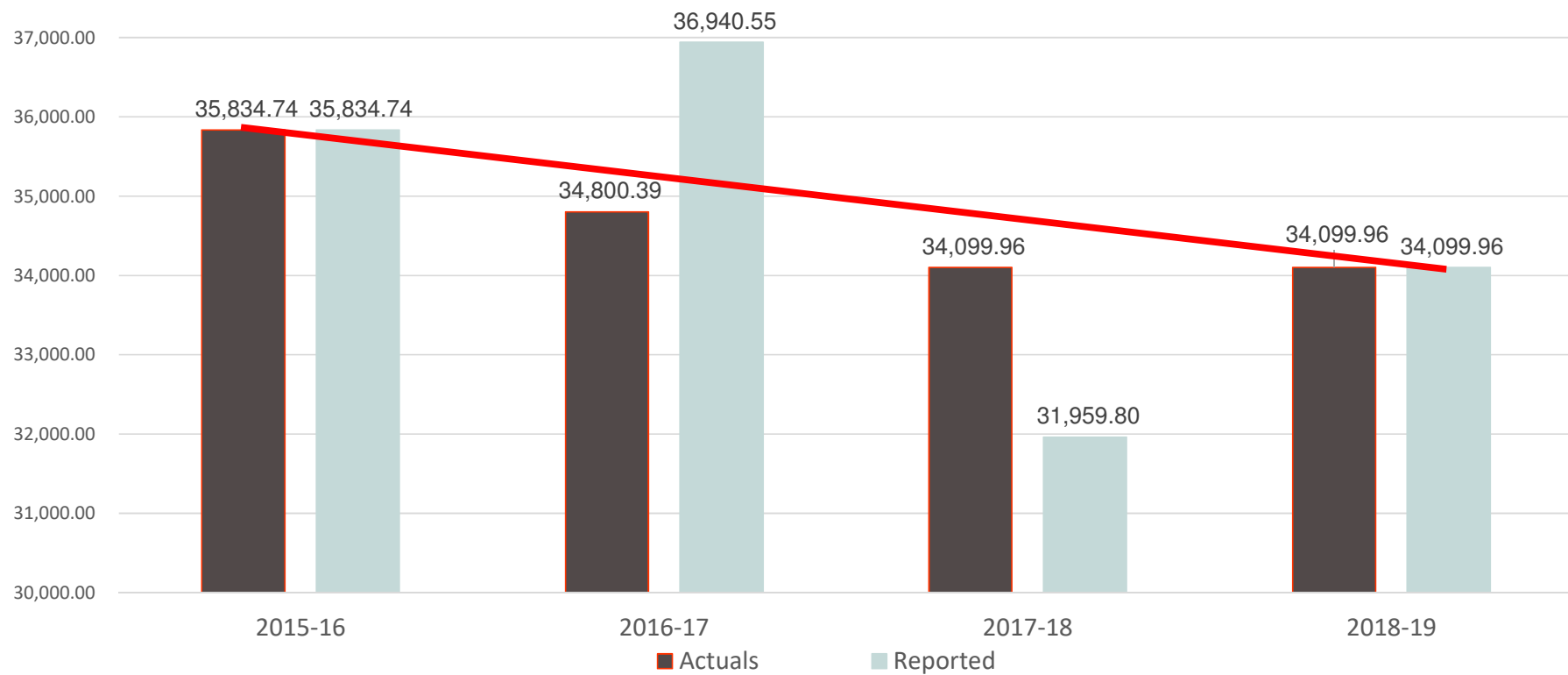




NOCCCD 2016-17 Example

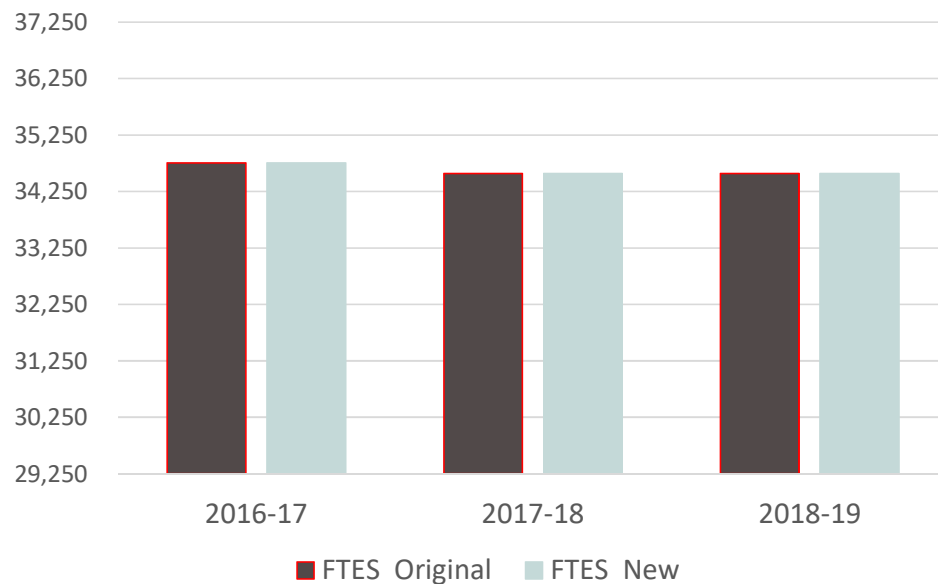
Fred Williams, Vice Chancellor, Finance & Facilities
NOCCCD

FTES Trend

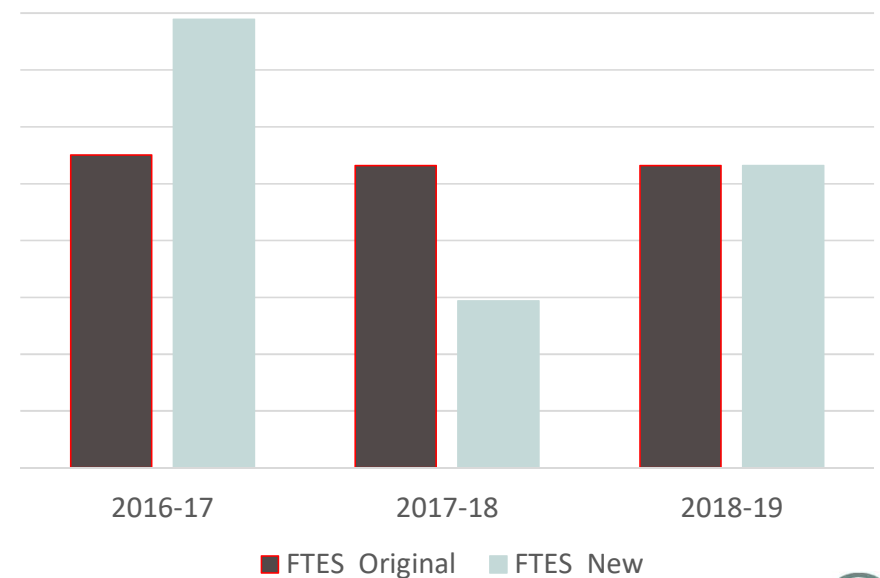


FTES Comparisons

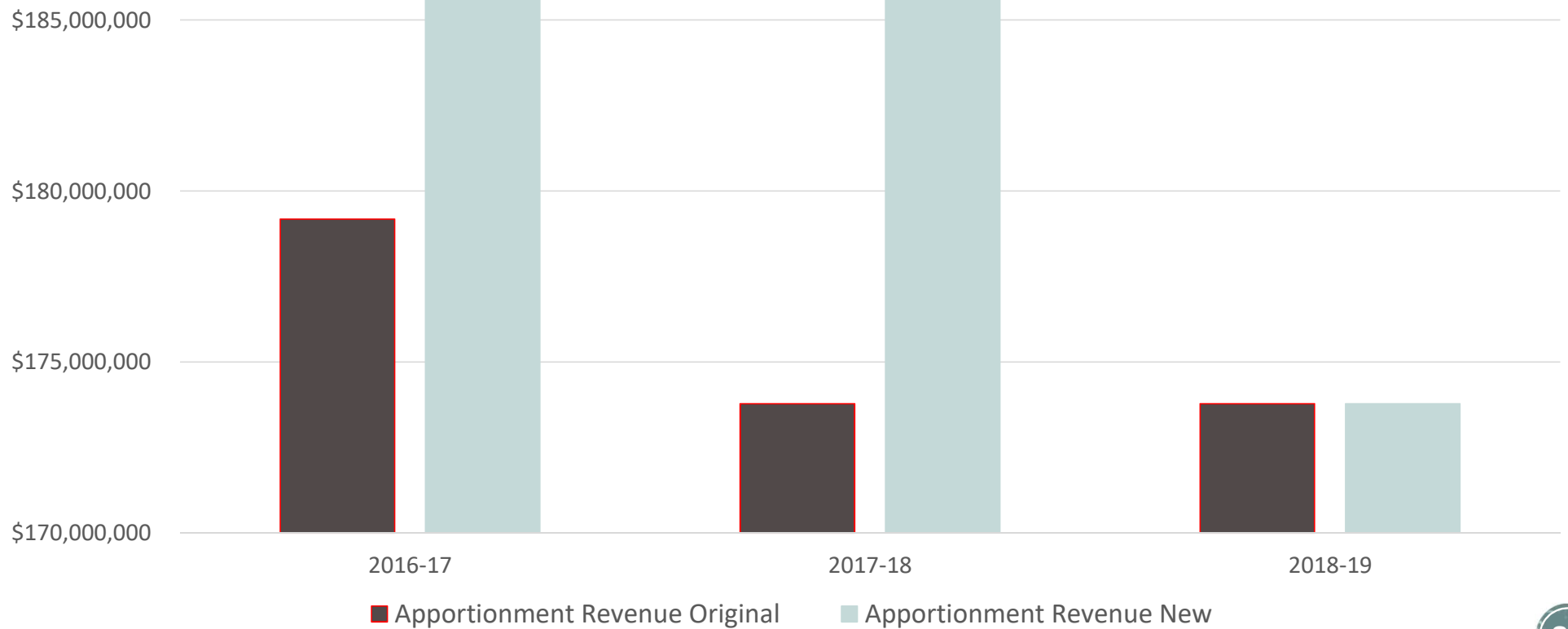
FTES Actually Generated
Original vs. **New** Strategies



FTES Reported
Original vs. **New** Strategies



Apportionment Revenue Comparison



Borrowing Summer FTES Simulations

| | 2015-16 FTES | 2016-17 FTES | 2017-18 FTES | Three Year Cumulative | 2018-19 FTES | 2019-2020 FTES |
|---|-----------------|-----------------|-----------------|--------------------------|-----------------|-------------------|
| Simulation 1 - Credit FTES Reported In the Year Earned | 30,545.18 | 29,828.90 | 29,099.95 | 89,474.03 | 29,099.95 | 29,099.95 |
| Earned Revenues | \$ 157,338,222 | \$ 153,648,664 | \$ 149,893,842 | | \$ 149,893,842 | \$ 149,893,842 |
| Stability Funds | | \$ 3,689,558 | \$ 3,754,821 | | | |
| Total Apportionment Revenue | \$ 157,338,222 | \$ 157,338,222 | \$ 153,648,664 | \$ 468,325,108 | \$ 149,893,842 | \$ 149,893,842 |
| Simulation 2 - Borrowing FTES in 2016-17 from 2017-18 | 30,545.18 | 29,828.90 | 29,099.95 | | 29,099.95 | 29,099.95 |
| Borrowed Summer FTES | | 2,140.16 | (2,140.16) | | | |
| Reported FTES | 30,545.18 | 31,969.06 | 26,959.79 | 89,474.03 | 29,099.95 | 29,099.95 |
| Earned Revenue | \$ 157,338,222 | \$ 164,672,628 | \$ 138,869,878 | | \$ 149,893,842 | \$ 149,893,842 |
| Stability Funds | | | \$ 25,802,750 | | | |
| Total Apportionment Revenue | \$ 157,338,222 | \$ 164,672,628 | \$ 164,672,628 | \$ 486,683,478 | \$ 149,893,842 | \$ 149,893,842 |
| Difference Between Simulation 1 and 2 | | | | \$ 18,358,370 | | |

Decision-Making Process

- Talked with the Chancellor
- Shared the concept with the Cabinet
- Presidents/Provost shared the idea with their cabinets
- Presented information/concept to the Council on Budget and Facilities
- Presented to the District's Consultation Council (Shared Governance groups)
- Board Study Session
- The Chancellor presented the concept at our Management Retreat
- Communicated at Opening Day activities
- Included in the District Budget



Impact on FON

| | Credit FTES | FON |
|-------------|-------------|---------|
| 2016-17 P-2 | 29,536.47 | 574.20 |
| 2017-18 P-2 | 26,959.79 | 524.13 |
| Difference | 2,576.68 | 50.07 |
| % Change | (8.72%) | (8.72%) |
| 2017-18 P-2 | 26,959.79 | 524.13 |
| 2018-19 P-2 | 29,099.95 | 565.75 |
| Difference | (2,140.16) | (41.62) |
| % Change | 7.94% | 7.94% |





Early Retirement Incentives

Dan Keenan, Senior Vice President, Keenan Financial Services
Jeffrey Mizokawa, Keenan Financial Services

Declining Enrollment

- Dropping Fulltime Equivalent Students
 - Over the last 5 years many Districts have seen a significant drop in enrollment

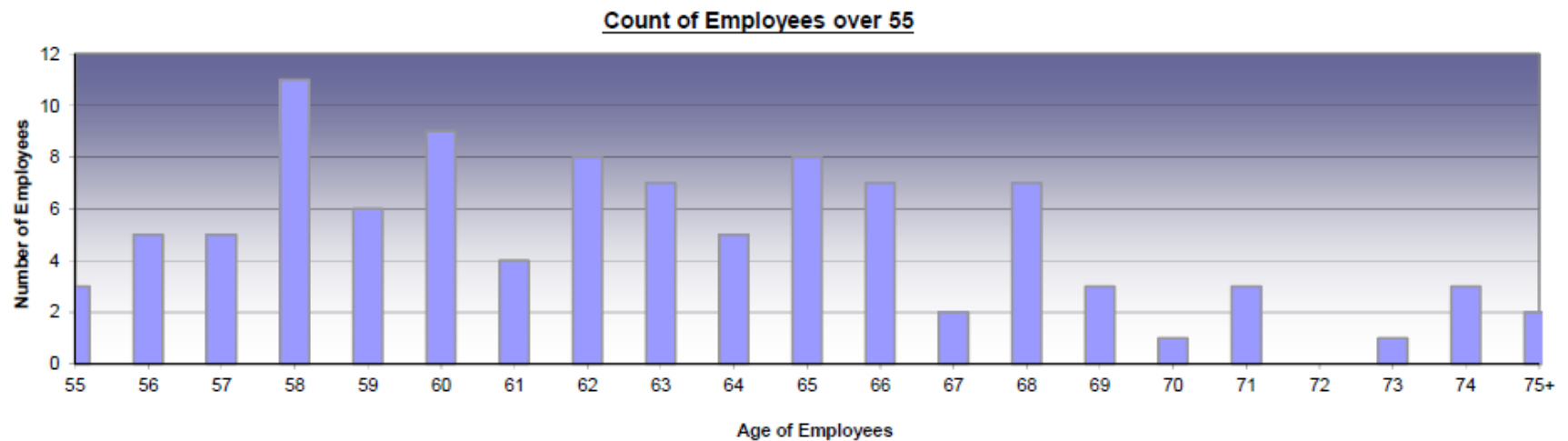


Budget Solutions

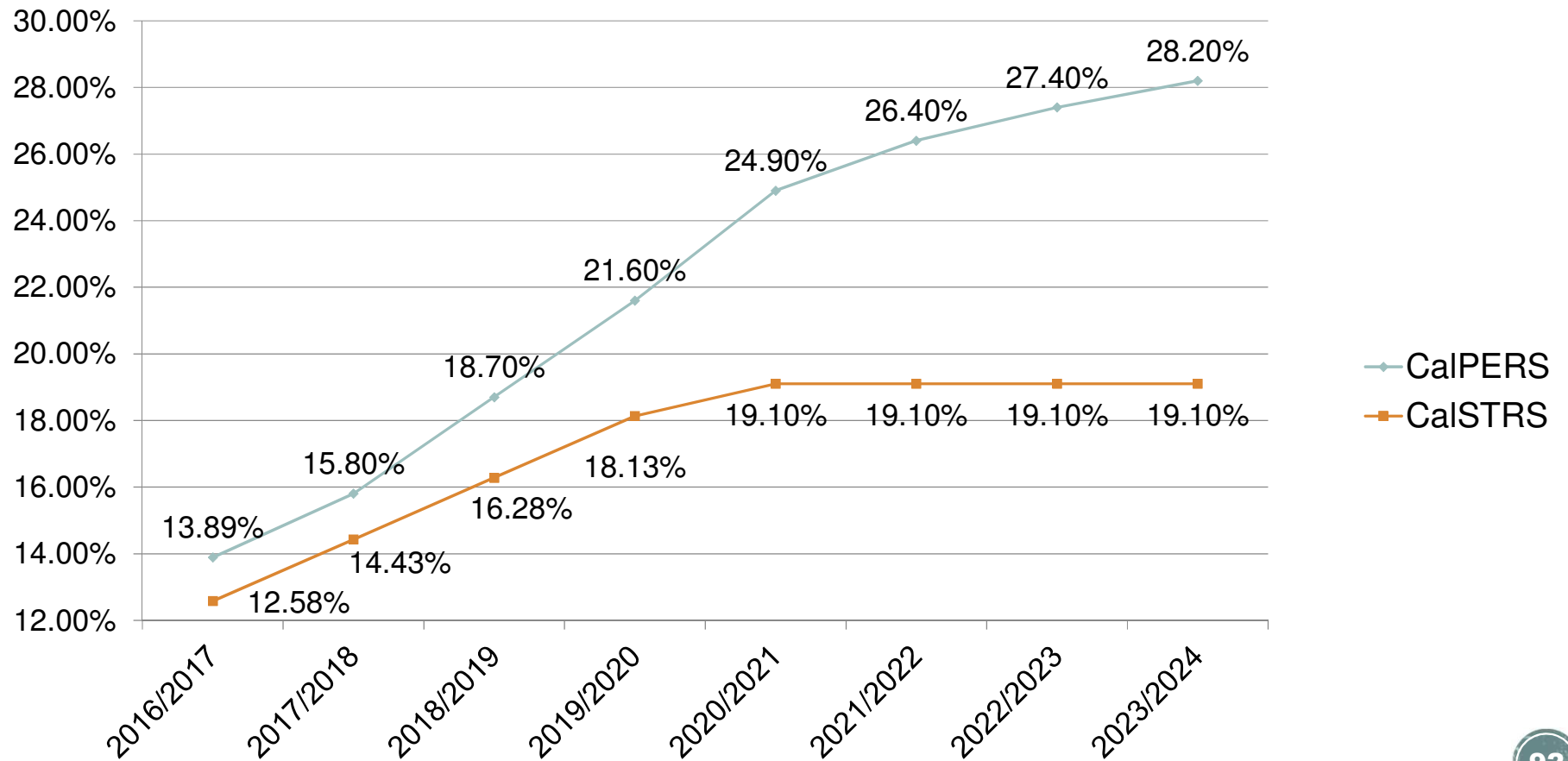
- Layoffs
- Consolidation of Job Roles
- Increasing Class Sizes
- Facility Closures
- Program Closures

Current Situation

- Many Districts have aging teacher populations
 - On average out of 100 faculty members, 70% are 60 years of age or older

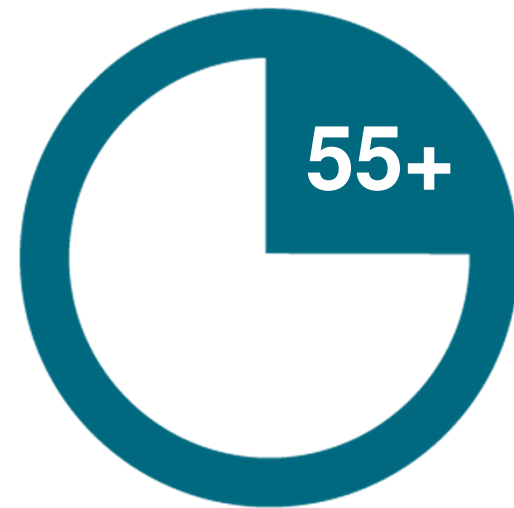


Rising PERS & STRS Contributions



Silver Tsunami

- According to the Bureau of Labor Statistics, by 2022, more than 25% of U.S. workers will be 55 years old or older, up from 14% in 2002
- And according to AARP, nearly 10,000 Baby Boomers reach retirement age every day



Silver Tsunami

- The number of Californians over 65 will nearly double by 2030, thanks to increasing longevity and the aging of our biggest population; the Baby Boomers
- Seniors will have gone from one in 10 Californians to almost one in five

Why is SERP a Win-Win?

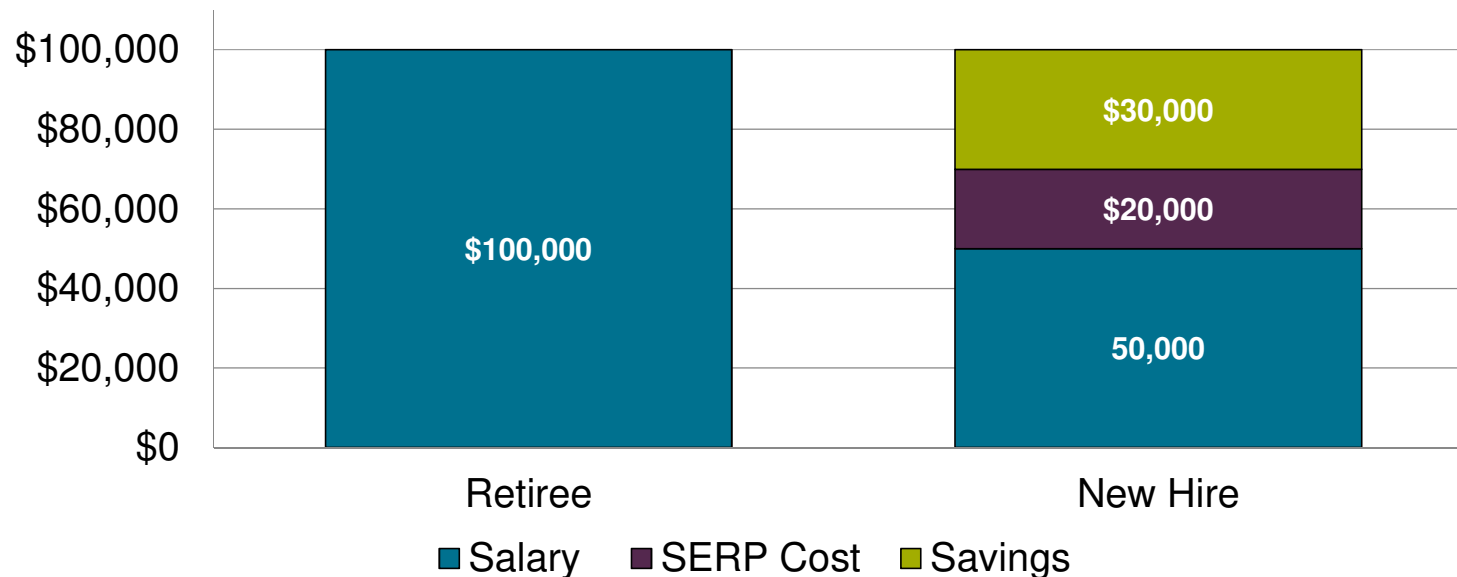


SERP allows Districts to develop and offer an incentive plan that will enhance retiree benefits and improve job security for existing employees while providing an effective budget and staff planning solution

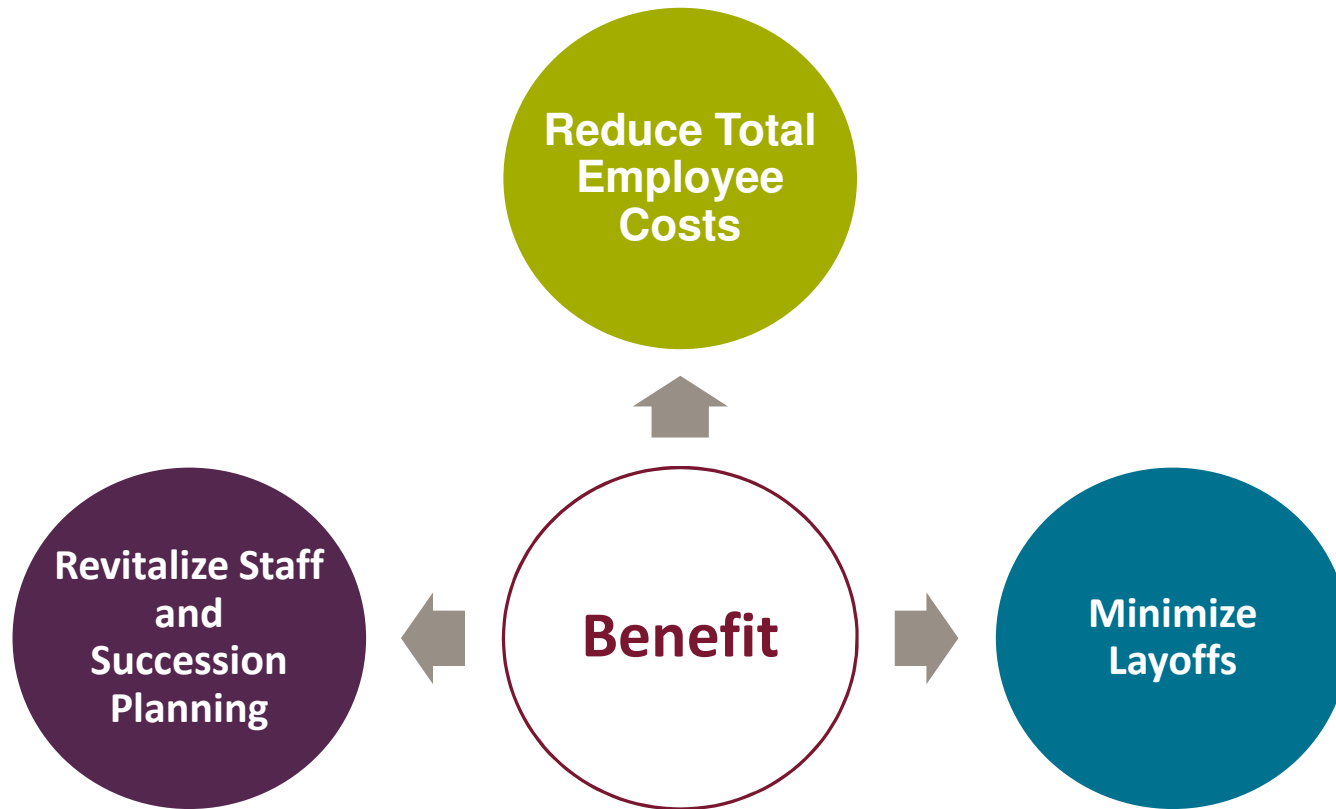
How Do Early Retirement Incentives Work?

SERP generates cost savings through the differential in salary costs for a retiring employee and a new hire. Maximum savings are achieved when not all positions need to be replaced which is what makes SERP a great solution for declining enrollment.

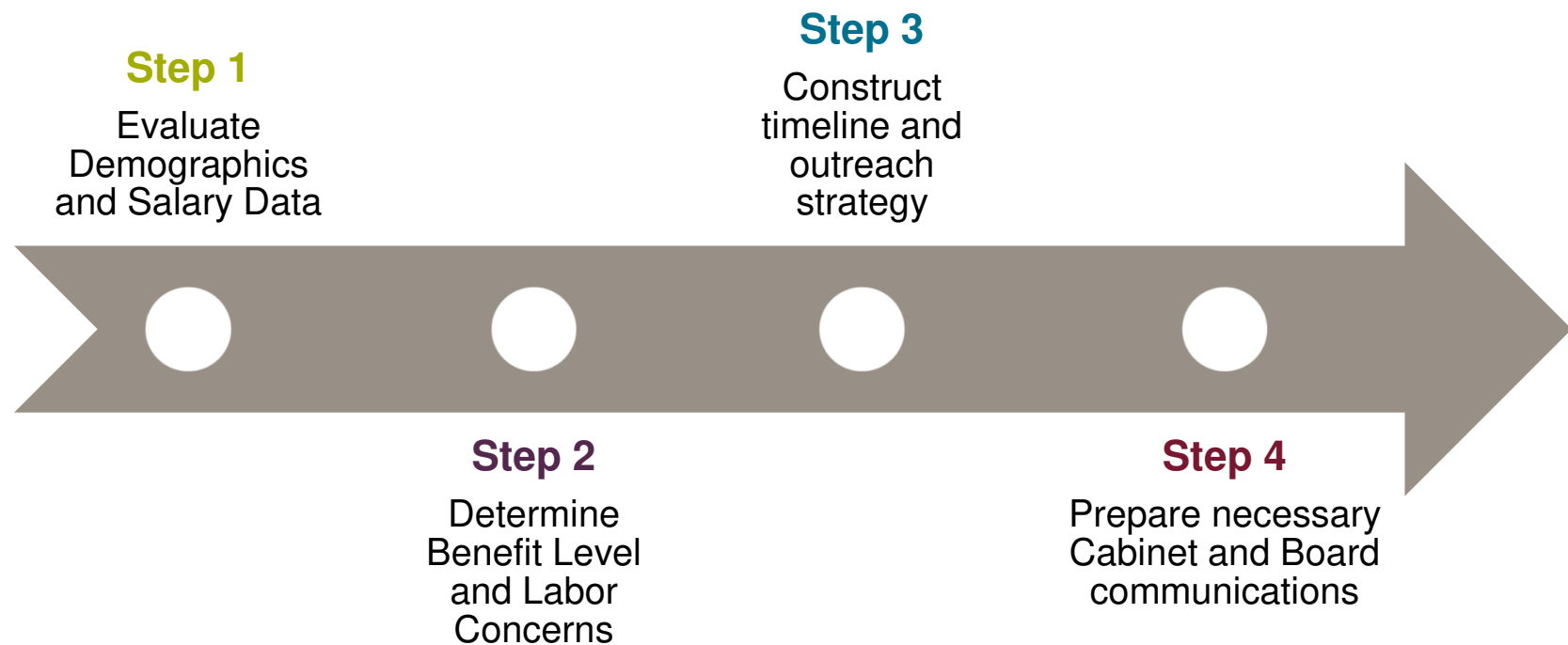
Savings Concept: Year 1



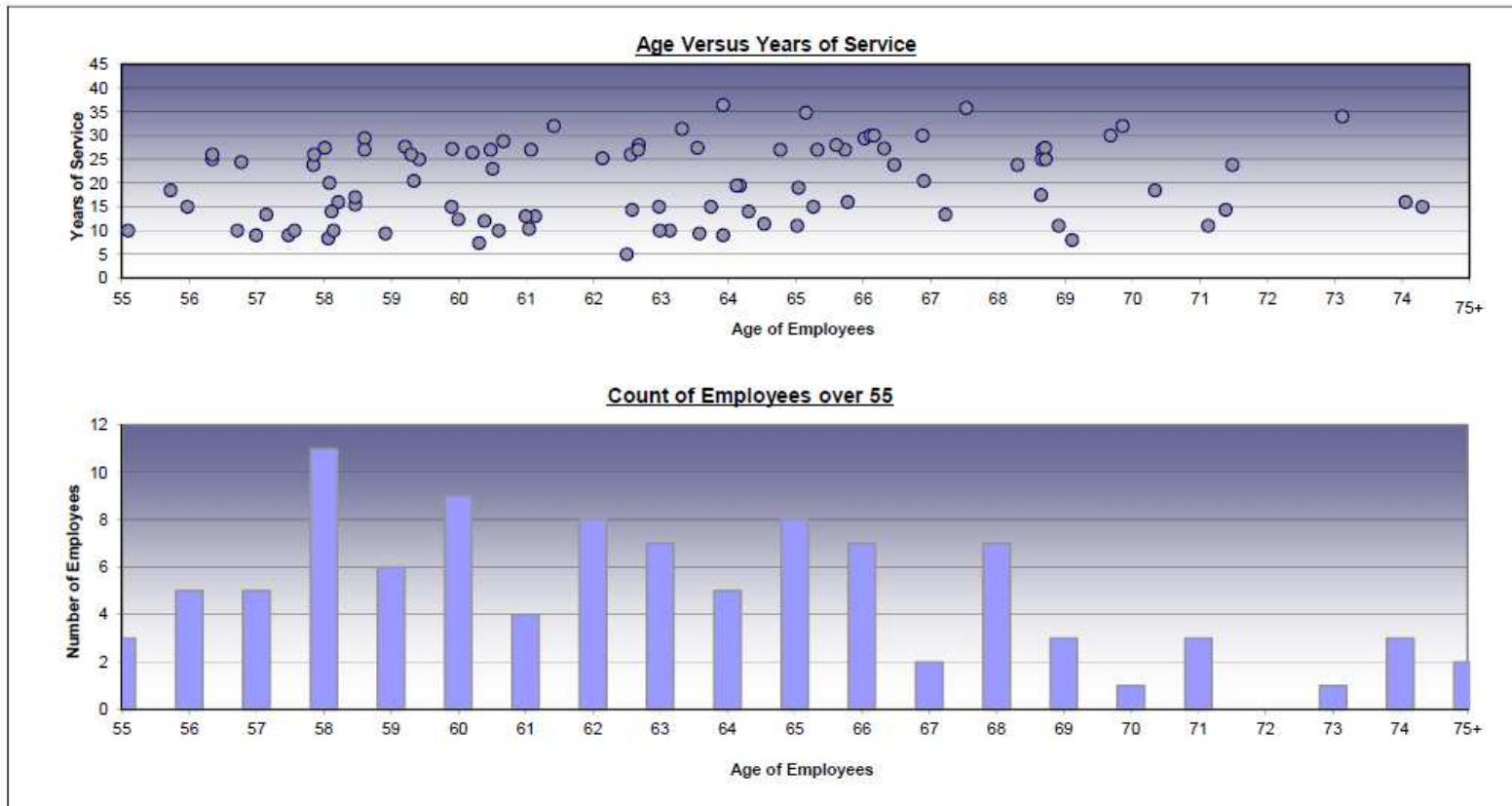
How can an Early Retirement Incentive help you?



Evaluation Process



Demographics



Example Eligibility Guidelines

1. Must be Faculty or Classified Employee
2. Must be at least 55 years of age by June 30, 2018
3. Must have at least 5 years of service with the District by June 30, 2018

| Employee Group | Faculty | Classified |
|-------------------|---------------|---------------|
| Total Eligible | 56 employees | 56 employees |
| Benefit | 75% of Salary | 50% of Salary |
| Natural Attrition | 4 employees | 4 employees |
| Staffing | 100% Replaced | 100% Replaced |



Example Timeline



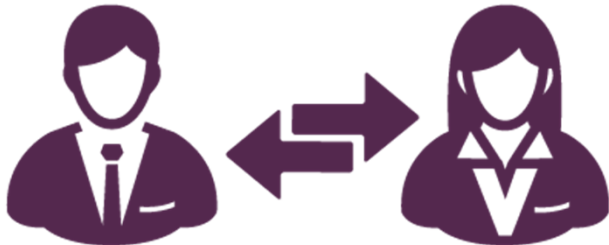
Communication Plan

Achieve optimal participation through effective communication and marketing of the plan:



Group Sessions

- Ensure understanding
- Facilitate transparent process



Individual Counseling

- One-on-One Q&A sessions
- Facilitated by actual retirees



Thank you!
Any Questions?