expenses). The projected structural budget deficit was part of a planned spend-down of the robust district reserves ($58 million).

For fiscal year 2017-18, the district has projected a $10.4 million structural deficit and spend

As of the P-1 report for 2017-18, the district is very disappointingly experiencing another dramatic projected decline of approximately 900 FTES for the year. While the colleges are making all best efforts to restore some of the FTES decline before the final attendance reporting period, we will be reflecting the FTES decline and the corresponding reduction in apportionment revenue in the 2018-19 Adopted Budget. This will result in an approximate $4.5

The district has adequate dollars ($23.7 million) in the stability fund to offset the revenue loss for 2018-19. **However, the district's plan to balance the structural deficit within the next three years and still maintain an acceptable balance within the Stability Fund, will need to be updated and implemented expeditiously to account for this new, unanticipated loss of ongoing revenue.**

Are the district's enrollment projections updated at least semiannually?
Yes, enrollment projections are reviewed and updated at the beginning of every academic quarter.

Are staffing adjustments consistent with the enrollment trends?
positions, both teaching and support staff, in direct proportion to FTES growth. While the law requires an increase in full-
same rationale for growth and reduction of non-teaching positions.

Conversely, the district demonstrated its commitment to adjusting staffing levels to available resources during the dramatic initial loss of FTES in 2011-12 and 2012-13 after workload reductions and repeatability restrictions were imposed by the state. Given the dramatic reduction in FTES in 2016-17 and projected in 2017-18, and as a function of **the three-year plan to eliminate the structural budget deficit**, the district will again be forced to adjust staffing levels to become consistent with how much apportionment is earned by the FTES reported.

Does the district analyze enrollment and Full-Time Equivalent Students (FTES) data?
Yes, every quarterly report includes an analysis of FTES and productivity. In addition to this report to the Board, the Office of Institutional Research generates frequent reports, which are shared with the enrollment management teams and senior staff at b

spring enrollment at P-

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each quarter, and the Vice Chancellor of Business Services, Executive Director of Fiscal Services or the Director of Budget Operations responds to inquires as requested.

Are budget revisions made or confirmed by the board in a timely manner after the collective bargaining agreements are ratified?
Yes, the board receives and approves a complete reconciliation of all revisions and transfers processed in each quarter, as well as the Quarterly Financial Status Reports (CCFS-311Q), which includes a summary of costs due to collective bargaining agreements.

Has the district's long-term debt decreased from the prior fiscal year?
No, in November of 2016, the district issued certificates of participation (COPs) in the amount of $27.76 million. The additional new long-term debt is to refinance existing COP and lease debt and to finance an additional $22 million to pay for the cost of a major seismic renovation to the De Anza College Flint Center garage.

Due to the availability of lower interest rates, the annual debt service for the existing COP payments was lowered by $267,000 annually. The prior COP debt will still be retired on the same schedule within the 2021-22 fiscal year. The finance schedule for the new money extends to the 2041-42 fiscal year for full repayment at approximately $1.6 million annually.

Has the district identified the repayment sources for the long-term debt?
Yes, the long-term debt is financed through both special revenue sources and budgeted general fund monies. The parking structure debt is financed through parking fee revenue and general funds budgeted annually. The Foothill College Campus Center debt and the De Anza College Campus Center debt are financed through campus center use fees. The Foothill College Bookstore equipment acquisition is financed through the Foothill College Bookstore operations.

Does the district compile annualized revenue and expenditure projections throughout the year?
Yes, included in each quarterly report for each fund, annualized projections are presented to measure budget performance and project ending fund balance for each fund. The District Budget Committee and the Audit and Finance Committee review revenue and expense projections at the end of each quarter before the Board of Trustees approves them in the quarterly reports.

10. Retiree Health Benefits: Is this area acceptable? Yes

The most recent actuarial report, dated April 16, 2016, represented a valuation of our retiree health program as of July 1, 2015. The actuarial report was in effect for fiscal year 2016-17 audited financial statements as reflected in the June 30, 2017 audit report. We are required to update this report every two years.

On November 24, 2017, the new actuarial report was prepared with a valuation date of June 30, 2017 -Employment Benefits (OPEB) liability at

$107.7million in accordance with the new GASB 74 and 75 standard, which moves OPEB accounting and financial reporting toward the same model as pensions under GASB 67 and 68. The

recognizing the net OPEB liability on the balance sheet of the audited financial statements and the elimination of the Annual Required Contribution (ARC) as a measurement of funding the liability.

determine how to best operationalize the recommendations.

Has the district met the requirements of the 50 percent law?

Yes, for fiscal years 2012-13 through 2016-17, the district has met the requirements of the 50% law. The 2016-17 percentage (53.82%) was slightly lower than 2015-16 because prior year totals contained negotiated current year and retroactive instructional salary and benefit cost increases and higher CalSTRS employer contribution rates that translated to increased costs required to be recognized in accordance with G