

2007 – 2008
Governing Board
Tentative Budget Workshop

June 12, 2007



Welcome & Introduction by Chancellor Suarez



Budget Overview

Sue Rearic
Interim Vice Chancellor
Business Services



Funds Available in the TB

(Page ii)

- Total Funds Available: \$285 M
- Included in that amount:

General Fund \$124 M

Capital Funds, non Prop. R \$ 39 M

Proposition R \$110 M

- Workshop Edition TB Packet



Overview of Presentation

- Part I: 07/08 Tentative Budget
 - General Fund
 - Unrestricted
 - Restricted
- Part II: The May Revise and expectations for the signed State budget in July
- Part III: Supplemental Funds



Part I – General Fund Tentative Budget

- TB (Tentative Budget) is based upon January information
- Legally required to continue operations on 7/1
- All 06/07 expenses and resulting ending balances are forecasts



Comparisons

06/07 Projection to 07/08 TB

06/07 AB to 07/08 TB

Tentative Budget

- Beginning Balances are set at PY TB
- 06/07 expenditure projections may be high
- TB based on state preliminary January information

therefore.....



Comparisons

06/07 Projection to 07/08 TB

06/07 AB to 07/08 TB

Adoption Budget

- Better picture for comparisons
- Updated State Information
- Based on final actual year end data and a signed State budget



Overview of the Unrestricted General Fund

- Unrestricted General Fund is the Operating fund of the district
- Presentation will focus on this Fund
- Site allocations are determined by the Income Allocation Formula



Major Assumptions in TB

- State Provided by SB361 Income
- District will restore enrollment to Base of 18,049
- 4% COLA
- 5% Contingency Reserve



Beginning Balances

- Prudent Management of on-going budgets results in some balances rolling to the next year
- TB Beginning Balances estimated at the level as 06/07 TB for comparison purposes
- Beginning Balances are used at TB by colleges to balance their allocations



FTES

(Page IV)

04/05

05/06

Below Base

Below Base

Actual

17,966

17,010

State Report

18,049

18,049

District Received State
Stability Funding



FTES

06/07

07/08

Forecast

Partial Restoration
17,565

Goal to Restore to Base
18,049

State Report

Pull Back Summer
to Report at Base
of 18,049

18,049
Report at Base



STATE COLA

(Page 6)

- 4% COLA in TB = **\$3,371,657**
- COLA is provided on certain components of state revenue only
- For Example:
 - 4% of 06/07 Projected Expenses = **\$3,874,094**
 - 4% on all unrestricted 06/07 income would be **\$4,576,702**



Impact of 06/07 Bargaining Status

- 06/07 Expenditures include 05/06 retro payments (*Page 9*)
- 06/07 Forecasts completion of Bargaining
- If Bargaining is not complete by Year End – expenses will be recorded and recognized as part of Year End
- 07/08 Bargaining Holding is in Districtwide site 2 (*Page 26*)



Grossmont College

Presentation by Dr. Dean Colli
Interim President



Grossmont College

Goals for 2007/08

Our first priority is to provide programs and services to meet student needs. We propose to accomplish this by:

- **Stabilizing Enrollment-** Our goal is to achieve our targeted base of 12,516 FTES and possibly expand enrollment by 1% to capture growth funding
- **Staffing** – We need to hire new and replacement contract faculty and classified staff to provide additional sections and services to meet enrollment targets



Grossmont College

Goals for 2007/08 (cont.)

- **Facilities** – As far as Prop R funding will permit, we plan to proceed with the implementation of the campus Facilities Master Plan. This year, renovation of the Exercise Science complex and construction of a new parking structure is scheduled to begin, with continued planning for the Health/Physical Sciences and the Student Services/Student Center complexes.



Grossmont College

Goals for 2007/08 (cont.)

- **Planning and Budget** – Need to continue to rely on college processes to meet Strategic Plan objectives and work with the District and community to find alternative sources of funding to assist with program and services expansion and completion of the Facilities Master Plan.



Grossmont College

Campus Budget Planning relies on the:

- **Educational Master Plan**
- **Planning and Budget Council (P&BC)**
- **Staffing Committees (Faculty & Classified)**
- **Facilities Committee**
- **Technology Committee**



Grossmont College

Enrollment Strategies

- Expand full-term and accelerated term offerings
- Provide additional online and off campus sections
- Continue to consider the timing of converting Regional Occupational Programs (ROP) to FTE credit classes



Grossmont College

Enrollment Goal

- **At a minimum, achieve our resident base FTES**

Goal FY 2006/07 12,516

Projected FY 2006/07* 12,215

Goal FY 2007/08 (excludes growth) 12,516

*-Excludes projected Summer 2007 pull back of 301 FTES to meet base

- **Goal is to increase 602 FTES (4.9%) over current year projection to meet base and attempt to generate additional FTES growth in FY 2007/08 (i.e., 1% growth = 125 FTES)**



Grossmont College

Funds Available 2007/08 TB \$54,933,256

Budget covers:

- **2006/07 staffing levels (i.e., contract and hourly faculty and staff)**
- **Staff benefits**
- **2006/07 base allocations for Operating, Supplies, and Equipment expenses**

Comparison to 06/07 TB

07/08 TB Increased \$3,257,741 (6.3%)



Grossmont College

The 2007/08 Tentative Budget does not include the following:

- Funding provided for one-time budget augmentations in 2006/07 \$993,000
- Estimated cost increases for campus utilities \$275,000

Estimated Unmet Funding Needs \$1,268,000



Grossmont College

Conclusion

- **The highest priority is enrollment.** This will be accomplished by offering a diversity of courses (i.e., content, delivery mode, and location) as demanded by our students
- **We need to fill critical faculty and staff vacancies.** This will allow us to provide needed course offerings in addition to adequately promoting our programs and outreach efforts



Grossmont College

Conclusion

- **Elimination of one-time augmentations limits our ability to meet increased program and service needs.**
- **No emerging needs or new initiatives are funded in the Tentative Budget.** The current budget only allows us to add sections; it does not allow us to expand programs and services to meet the demands of our students.



GROSSMONT COLLEGE

Questions???



CUYAMACA COLLEGE

Presented by
Dr. Geraldine M. Perri
President



CUYAMACA COLLEGE

“Plans Which Guide the Budget Process”

- *Strategic Plan 2004-10 & Master Plan 2000* outlines major short- and long-term institutional priorities
- *Annual Implementation Plan* identifies key activities for the year
- *Academic & Technology Master Plans* highlights instructional goals, activities and needs
- *Student Services Master Plan* defines divisional priorities and needs



Budget Planning Process

1. Budget Committee outlines criteria for funding
2. Baseline operational expenses are funded
3. Vice Presidents present top priorities for additional funding based on Master Plans
4. Budget Committee, in collaboration with the President's Cabinet, develops the Tentative Budget and items to be funded



CUYAMACA COLLEGE

Budget Criteria

- Ensure student access to learning
- Support and increase full-time faculty & staff contract positions
- Support new facilities
- Support ongoing institutional planning & accreditation priorities
- Support the quality of the overall educational experience



CUYAMACA COLLEGE

Funds Available

FY 07/08 Tentative Budget

\$24,485,761

Comparison to 06/07 TB

07/08 TB Increased \$1,744,385 (7.67%)



FY 07/08 Tentative Budget Funds:

- 1) FY 06/07 Staffing & Operational Levels
- 2) Board Faculty/Staffing Commitments
4 Faculty Positions & 3 FTE Staff Positions
- 3) Top College Priorities FY 07/08
 - a) Staffing
4 Faculty Positions & 5.5 FTE Staff Positions
 - b) Operational Expenses for New Facilities
- Utilities, maintenance & contracts



CUYAMACA COLLEGE

Unmet College Priorities from Master Plans

- Academic/Classified Contract Salaries \$ 805,176
 - Adjunct Faculty &
Non-instructional Hourly 274,225
 - Operating Expenses 484,775
(*utilities, contracts, supplies, etc.*)
- \$1,564,176**



CUYAMACA COLLEGE

2007/08 Challenges

- 1. Meet Enrollment Goal: 5,533 FTES 6.6% (366 FTES over Prior Year Actual FTES)**
- 2. Increase full-time faculty & staff to support programs & services**
- 3. Provide comprehensive instructional and student support programs & services**
- 4. Successfully incorporate new facilities and transition to a new operational level**



2007/08 Challenges

- 5. Embrace and explore new community partnerships**
- 6. Expand resource development opportunities**
- 7. Continue implementation of student learning outcomes**
- 8. Implementation of Institutional and Divisional Plans**
- 9. Support Faculty & Staff Development**



CUYAMACA COLLEGE

Enrollment Strategies

ACCESS

- Increase schedule offerings, credit & non-credit courses
- Diversify schedule formats, emphasizing online classes

MARKETING & OUTREACH

- Increase outreach efforts throughout the community
- Increase and diversify marketing efforts

RETENTION

- Expand established successful retention activities
- Develop new & innovative retention strategies



CUYAMACA COLLEGE

Questions???



District Services & Districtwide Budget

Sue Rearic
Interim Vice Chancellor
Business Services



District Services

(Pages 21 – 24)

- Operational departments
- Budgets built on baselines from 1997
- Increased by compensation adjustments and other items reviewed by DSP&BC



District Services

2007-08 Tentative Budget

(Page 22)

Contract /Hourly Salary	\$6,164,696	63%
Benefits	\$1,670,878	17%
Other Expenses	<u>\$1,968,926</u>	<u>20%</u>
Total Budget	<u>\$9,804,500</u>	<u>100%</u>

06/07 TB \$9,666,125



Districtwide Budget

(Pages 25 -28)

- Allocation specific, Zero based annually
- Fixed or bargained costs
- Allocations with DW impact
- No Governing Board Election in 07-08



Districtwide 2007-08 Tentative Budget

(Page 26)

Contract Salary	\$2,726,074	40%
Benefits	\$1,969,648	29%
Other Expenses	<u>\$2,134,926</u>	<u>31%</u>
Total Budget	<u>\$6,830,648</u>	<u>100%</u>

06/07 TB \$3,106,261



General Fund Restricted Funds

- Revenue Summary *(Page 8)*
- Expenditure Summary *(Page 11)*



Part II

May Revise

- COLA Increase - Now 4.53%
- More One Time Funds including Nursing and Career Technical Education
- Potential Base Reduction



Politics of the May Revise and State Budget

Discussion by Dana Quittner
Associate Vice Chancellor



General Fund Summary

- Tentative Budget
 - Funds available for distribution are best estimates at this time
 - Purpose is to allow district to operate on July 1st
 - Restoration of FTES is critical
- May Revise and Next Step
 - May see an increase in funds available
 - Much of it is One-time Funds
 - Develop AB after Year-End & State Budget in August



Part III

Supplemental Funds

(Pages 29 – 48)



Fund 40

Capital Outlay Projects Fund

- The Tentative Budget column amounts are for the full balance of the projects, not just for the 07-08 year
- Separate pages for Capital Projects Funds and Prop R
- *Pages 38 – 41*



GASB 45

(Page 48)

- Reflects the Initial Allocation in 06/07
- 07/08 Develop Plan & Update Actuarials

