

***2008 – 2009***  
**Governing Board**  
**Tentative Budget Workshop**

**June 10, 2008**



# **Welcome & Introduction by Chancellor Suarez**



# **Budget Overview**

**Sue Rearic**

**Vice Chancellor-Business Services**



# Funds Available in the TB

*(Page ii)*

- Total Funds Available: \$271 M
- Included in that amount:
  - General Fund \$ 123 M
  - Capital Funds, non Prop. R \$ 44 M
  - Proposition R \$ 90 M
- Workshop Edition TB Packet



# Overview of Presentation

- Part I: 08/09 Tentative Budget
  - General Fund
    - Unrestricted
    - Restricted
- Part II: The May Revise and other developments on State budget
- Part III: Supplemental Funds



# Part I – General Fund Tentative Budget

- TB (Tentative Budget) is based upon the Governor's January budget proposal
- Legally required to continue operations on 7/1
- All 07/08 expenses and resulting ending balances are estimates to tie back to Formula assumptions



# Comparisons

**07/08 Projection to 08/09 TB**

**07/08 AB to 08/09 TB**

## Tentative Budget

- Beginning Balances are set at PY TB level
- 07/08 expenditure projections may be high
- TB based on state preliminary January information

**therefore.....**



# Comparisons

**07/08 Projection to 08/09 TB**

**07/08 AB to 08/09 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



# Income Allocation Formula

- Income Allocation Model consists of three components:
  - Criteria
  - Process
  - Formula
- The Formula allocates all Unrestricted Funds



# Major Assumptions in TB

- 3% State deficit factor
- 1% Growth (District will grow to 18,691)
- 0% COLA



# Beginning Balances

- Prudent management of on-going budgets always results in some balances rolling to the next year
- TB Beginning Balances estimated at the level as 07/08 TB for comparison purposes
- Beginning Balances are used at TB by colleges to balance their allocations



# FTES

*(Page IV)*

**04/05**

Above Base

**18,049**

Final Report

**05/06**

Below Base

**17,010**

**18,049**

District  
Received  
Stability Funding

**06/07**

Partial Restoration

**17,572**

**18,049**

Pull back Summer  
to report at Base



# FTES

07/08

08/09

Forecast

Above Base

TB budgeted  
1% Growth  
**18,691**

State Report

**18,549**  
P2



# *Grossmont College*

Presentation by  
Dr. Sunita Cooke  
President



# Grossmont College

## *Planning Incorporates:*

- 2004-2010 Strategic Plan Goals
- Facilities Master Plan
- Educational Master Plan
- Technology Plan
- Staffing Committee Recommendations
- Planning and Budget Council Recommendations





# Grossmont College

## *Priorities for 2008/09*

- Increase enrollment
- Implement off-site parking plan and Grossmont College Shuttle Service
- Collect evidence, write reports, host ACCJC site team visit
- Fully implement Basic Skills Plan
- Deploy streamlined planning process
- Strengthen and develop innovative partnerships



# Grossmont College

## Projected cost increases for 2008/09



With the 3% anticipated deficit factor, the net impact on the 08/09 budget is a shortfall of \$5.3 million.



# Grossmont College

## *Funds Available*

FY 08/09 Tentative Budget

\$56,808,977

Comparison to 07/08 TB

08/09 TB Increased \$1,875,721 (3.41%)



# Grossmont College

## 2008/09 Tentative Budget

(Page 14)

<b>Contract Salary</b>	<b>\$38,678,235</b>	<b>68%</b>
<b>Benefits</b>	<b>11,773,370</b>	<b>21%</b>
<b>Other Expenses</b>	<b><u>6,357,372</u></b>	<b>11%</b>
<b>Total Budget</b>	<b><u>\$56,808,977</u></b>	<b><u>100%</u></b>



# Grossmont College

## *Budget Summary*

- Consolidating sections and maximizing efficiencies
- Curtailing travel
- Looking critically at each position
  - Delaying replacement whenever possible
- Despite these challenges, we put students first
  - Ensuring student access to classes – offerings, online
  - Incorporating ROP programs to ensure excellent workforce training for adults
  - Parking off-site so our students can access parking on campus
  - Freezing new, non-instructional positions
- Goal is to minimize impact on students.



# Grossmont College

## *Budget Summary*

- Despite these challenges, we put students first
  - Ensuring student access to classes – offerings, online
  - Incorporating ROP programs to ensure excellent workforce training for adults
  - Parking off-site so our students can access parking on campus
- Consolidating sections and maximizing efficiencies
- Curtailing travel
- Looking critically at each position
  - Delaying replacement whenever possible
  - Freezing new, non-instructional positions



# CUYAMACA COLLEGE

Presented by  
Dr. Geraldine M. Perri  
President



# Cuyamaca College

## *Plans Which Guide the Budget Process*

- *Strategic Plan 2004-10* 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





# Cuyamaca College

## *Budget Planning Process*

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



# CUYAMACA COLLEGE

## *FY 08/09 TB Budget Criteria*

1. Ensure student access to learning
2. Preserve existing faculty and staff contract positions
3. Meet enrollment goal



# Cuyamaca College

## *Funds Available*

FY 08/09 Tentative Budget  
\$25,782,844

Comparison to 07/08 TB  
08/09 TB Increased \$1,297,083 (5.30%)



# Cuyamaca College

## *FY 08/09 TB Funding Plan*

- Personnel costs
- Operational expenses
- Board faculty/staffing commitment
  - Faculty (\$300,000)
  - Staffing (\$100,000)
- Additional utilities expenses



# CUYAMACA COLLEGE

## *FY 08/09 Base Requirement*

Contract Salaries	\$13,864,570
Benefit Holdings	5,420,779
Operating Expenses	<u>8,214,262</u>
Total Base Requirement	<u>\$27,499,611</u>



# Cuyamaca College

## *Tentative Budget Allocation*

TB Allocation	\$25,782,844
Base Requirement	<u>27,499,611</u>
Budget Shortfall	(\$ 1,716,767)



# Cuyamaca College

## *Strategy to Balance*

**FY 08/09 TB Budget Shortfall**

**\$ 1,716,767**

I. Implement Reduction Strategy (5%)

\$ 1,316,121

President	\$ 143,182
Student Services	383,000
Instruction Services	506,353
Administrative Services	283,586

II. Additional One-Time Cuts (1.6%)

\$ 400,646

Adjunct Faculty	\$ 200,000
Hourly Classified	150,000
Postage	50,646



# Cuyamaca College

## *FY 08/09 Tentative Budget Funds*

Contract Salary	\$ 17,714,195	69%
Benefits	5,464,988	21%
Other Expenses	<u>2,603,661</u>	<u>10%</u>
Total Budget	<u>\$25,782,844</u>	<u>100%</u>





# Cuyamaca College

## *2008/09 Challenges*

- Providing students with comprehensive instructional programs & support services
- Implementing student learning outcomes and increase college outcomes: basic skills success, certificates & degree completions, transfers & job placements
- Transitioning to a more complex educational institution  
*(Facilities, technologies & personnel)*
- Supporting faculty & staff development
- Maintaining expanded college facilities & grounds
- Expanding community and business collaborations and partnerships



# District Services & Districtwide Budget

Sue Rearic

Vice Chancellor- Business Services



# District Services

## *Budget Allocation*

- Determined by the Allocation Formula
- Based on baseline discretionary funds and contract salary estimates
- Reduced allocation in TB by the 3% deficit



# District Services

*(Pages 21 – 24)*

FY 08/09 Tentative Budget  
\$10,035,387

Comparison to 07/08 TB  
08/09 TB Increased \$230,887 (2.35%)



# District Services

## *2008-09 Tentative Budget*

*(Page 22)*

<b>Contract /Hourly Salary</b>	<b>\$ 6,571,027</b>	<b>66%</b>
<b>Benefits</b>	<b>\$ 1,915,421</b>	<b>19%</b>
<b>Other Expenses</b>	<b><u>\$ 1,548,939</u></b>	<b><u>15%</u></b>
<b>Total Budget</b>	<b><u>\$10,035,387</u></b>	<b><u>100%</u></b>



# District Services

## Challenges

- Implement budget reduction
- Maintain service levels
- Continue development of District Services Strategic Plan and fund related strategic action items



# Districtwide Budget

*(Pages 25 -28)*

## *Budget Allocation*

- Keycode specific, zero based annually
- Fixed or bargained costs
- Allocations components have DW impact



# Districtwide

FY 08/09 Tentative Budget  
\$4,067,541

Comparison to 07/08 TB  
08/09 TB decreased \$2,763,107 (-40.45%)





# Districtwide

## *2008-09 Tentative Budget*

*(Page 26)*

<b>Contract Salary</b>	\$ 23,000	<1%
<b>Benefits</b>	\$1,332,139	33%
<b>Other Expenses</b>	<u>\$2,712,402</u>	<u>67%</u>
<b>Total Budget</b>	<u>\$4,067,541</u>	<u>100%</u>



# General Fund Restricted Funds

- Revenue Summary *(Page 8)*
- TB estimates are conservative
- Expenditure Summary *(Page 11)*
- State proposal includes cuts which will be clearer with approved State budget

# Part II

## *May Revise*

- COLA
- 1.67% Growth (increase from 1%)
- Potential property tax backfill



# State Budget Subcommittees

- COLA proposals:
  - 1.6% Assembly
  - 3.68% Senate
- Categorical impacts vary



# General Fund *Summary*

- Tentative Budget
  - Funds available for distribution are best estimates at this time
  - Purpose is to allow district to operate on July 1
  
- May Revise and Next Step



# Part III

## Supplemental Funds

*(Pages 29 – 49)*



# College Supplemental Funds

- Bookstores
- Child Development Centers
- ASCC
- Ornamental Horticulture
- Student Center funds
- Student Representation Fee funds



# **Fund 40**

## **Capital Outlay Projects Fund**

**(Pages 38-45)**

- The Tentative Budget column amounts are for the full balance of the projects, not just for the 08-09 year
- Separate pages for Capital Projects Funds and Prop R





# Self Insurance Fund

(Page 46)



# Other Post Employment Benefits Funds

## **GASB 45**

*(Page 47)*

