



2016/17
Tentative Budget
Workshop
June 14, 2016

Linking Strategic Planning to Budget

GCCCD 2016-2022 Mission, Vision, Goals

➤ **District Mission**

Provide outstanding diverse learning opportunities that prepare students to meet community needs, promotes a global responsibility, and fosters opportunities for all.

➤ **District Vision**

- Student Success, Equity, and Access
- Workforce and Economic Development
- Organizational Strength

➤ **Districtwide Goals**

- Create streamlined, student-centered pathways to educational goal completion.
- Close achievements gaps by engaging individual students with diverse needs and removing structural barriers to their success.
- Cultivate a student-centered culture of excellence, trust, stewardship, and service.

Tentative Budget Workshop

- Today's PowerPoint
- TB Workshop Edition booklet
- Additional Details – [available on intranet](#)

Overview

- Governor's Proposed Budget – January 2016:
 - GCCCD Tentative Budget Development
 - 2016/2017 Income Allocation Model

- Governor's May revision

2015/2016 State Forecast

- The State of California's revenue outlook continues to improve
- Actual State revenues have outpaced estimates
 - Augmentation of one-time funds of \$266.7 million for general operating expenses
 - Proposition 98 minimum guarantee estimated to grow \$0.8 billion
- California's unemployment rate has fallen below 6% for the first time since 2007
 - Significant improvement from the unemployment rate of 12.4 % in 2010
 - Still not at the pre-recession level of 4.9 % in 2006

2016/2017 Governor's Proposed Budget

- In January 2016, Governor Brown released his proposed budget
 - Budget proposal is a starting point, then changes follow
- Budget proposal has five major themes:
 - Maintaining fiscal balance
 - Continued investment in education
 - Repairing the State's infrastructure
 - Counter-acting the effects of poverty
 - Confronting climate change
- Key Components:
 - \$ 29.3 M for a .47 % COLA
 - \$114.7 M for a 2.00 % increase in Access
 - No increase in base allocation funding
 - No augmentation of Student Success & Equity program funds
 - Plus one-time funds:
 - \$200 M added to improve and expand efforts for workforce
 - \$30 M increase to the existing Basic Skills to incentivize student transition to college-level programs

California Community Colleges May Revise

➤ Increase in Access

- \$114.7 M for 2.0 % – No change from January proposal

➤ Decrease in COLA

- \$0.0 M for a 0% COLA - Decrease from January proposal of 0.47 %

➤ Increase in Base Allocation Funding

- \$ 75 M – Increase from January proposal of \$0 M

➤ Increase in one-time mandated cost funds

- \$38.6 million increase to cover lower than estimated 15/16 property taxes

More on May Revise

Will be included in budget once additional information is received.

- Increase in funds to retire prior mandated claims
 - \$29.2 M increase to be used to promote campus security, technology and professional enhancement

- Proposition 98
 - Up slightly from \$71.6 B to \$71.9 B

More details of the State budget are under development and will hopefully be included in the approved budget language.

Budget is expected to be approved soon and signed by the Governor before July 1, 2016

GCCCD Tentative Budget

➤ Total General Fund Budget \$172.6 M

	<u>14/15 TB</u>	<u>15/16 TB</u>	<u>16/17 TB</u>
<u>General Funds Available:</u>			
Unrestricted Fund	\$105.4 M	\$115.7 M	\$ 124.8 M
Restricted Fund	<u>16.5 M</u>	<u>26.0 M</u>	<u>54.5 M</u>
Total General Fund	<u>\$121.9 M</u>	<u>\$141.7 M</u>	<u>\$ 179.3 M</u>

Unrestricted General Fund Budget

Increase in TB Operating Funds:

- COLA
- Growth funded

Increased costs will be higher:

- Cost to fund Growth
- Compensation Increases
 - Step/Column & Longevity
 - STRS & PERS rate increases
 - Health Benefit rate increases
- Utilities & Operating cost increases
 - Impact of rate increases exceeded the usage reductions

Transfer of funds from 15/16 will help cover initial year impact of higher expenses

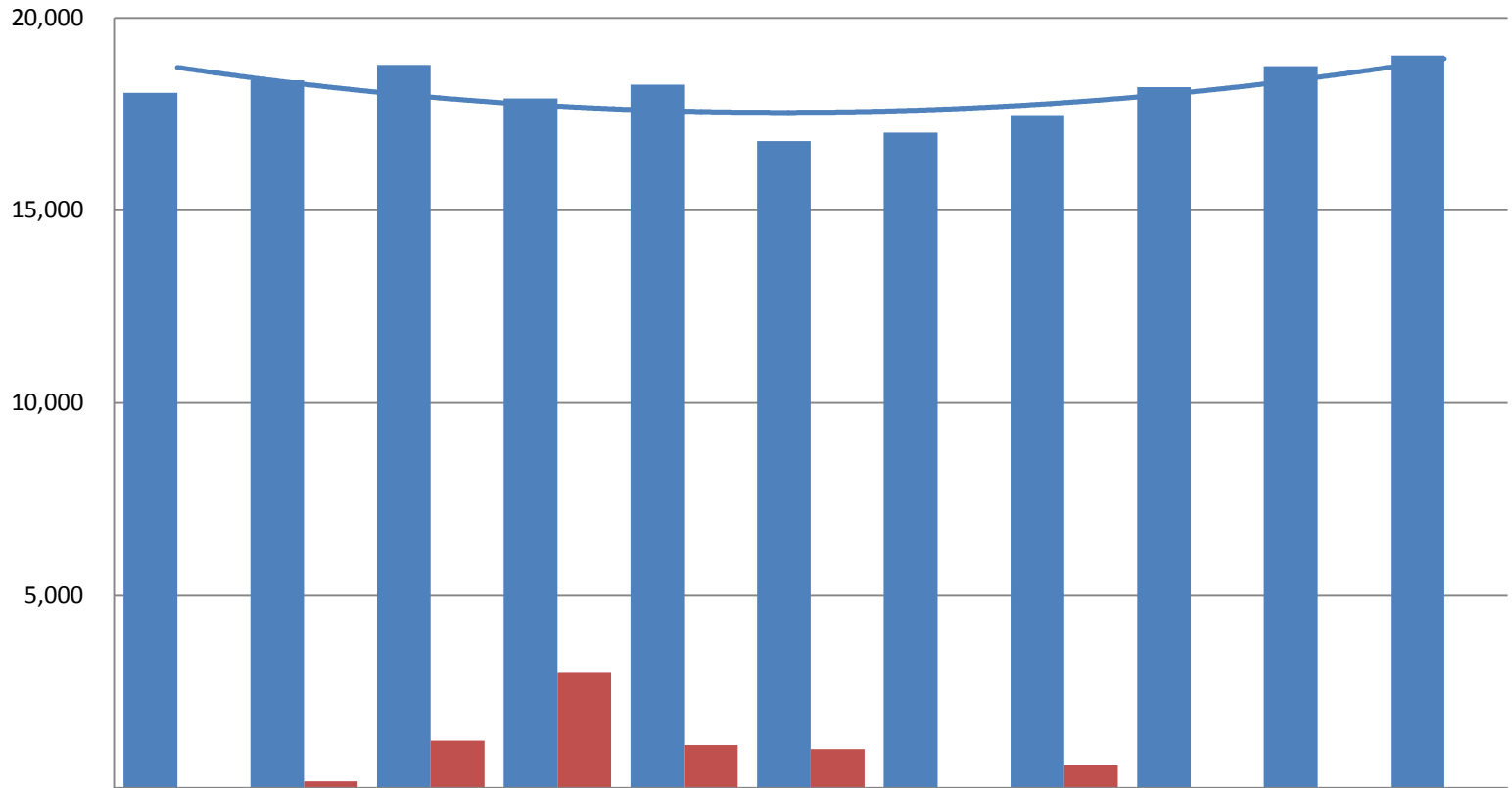
Detailed fiscal impacts will be included in
Adoption Budget presentation

Tentative Budget Assumptions

- .47% Cost-of-Living (COLA) \$.5 M
- Enrollment Growth \$ 1.3 M
 - FTES CAP 19,024
 - Increase of 281 over 2015/16
- One-time funds from Prior Year \$ 2.7 M
- Beginning balance (reserve plus site estimates) \$ 10.6 M

Resident FTES History & Projections

Resident FTES History & Projections



	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17 TB
Funded (CAP)	18,049	18,382	18,775	17,908	18,268	16,804	17,021	17,474	18,197	18,743	19,024
Unfunded (Above CAP)	-	176	1,232	2,989	1,116	1,015	-	586	-	-	-

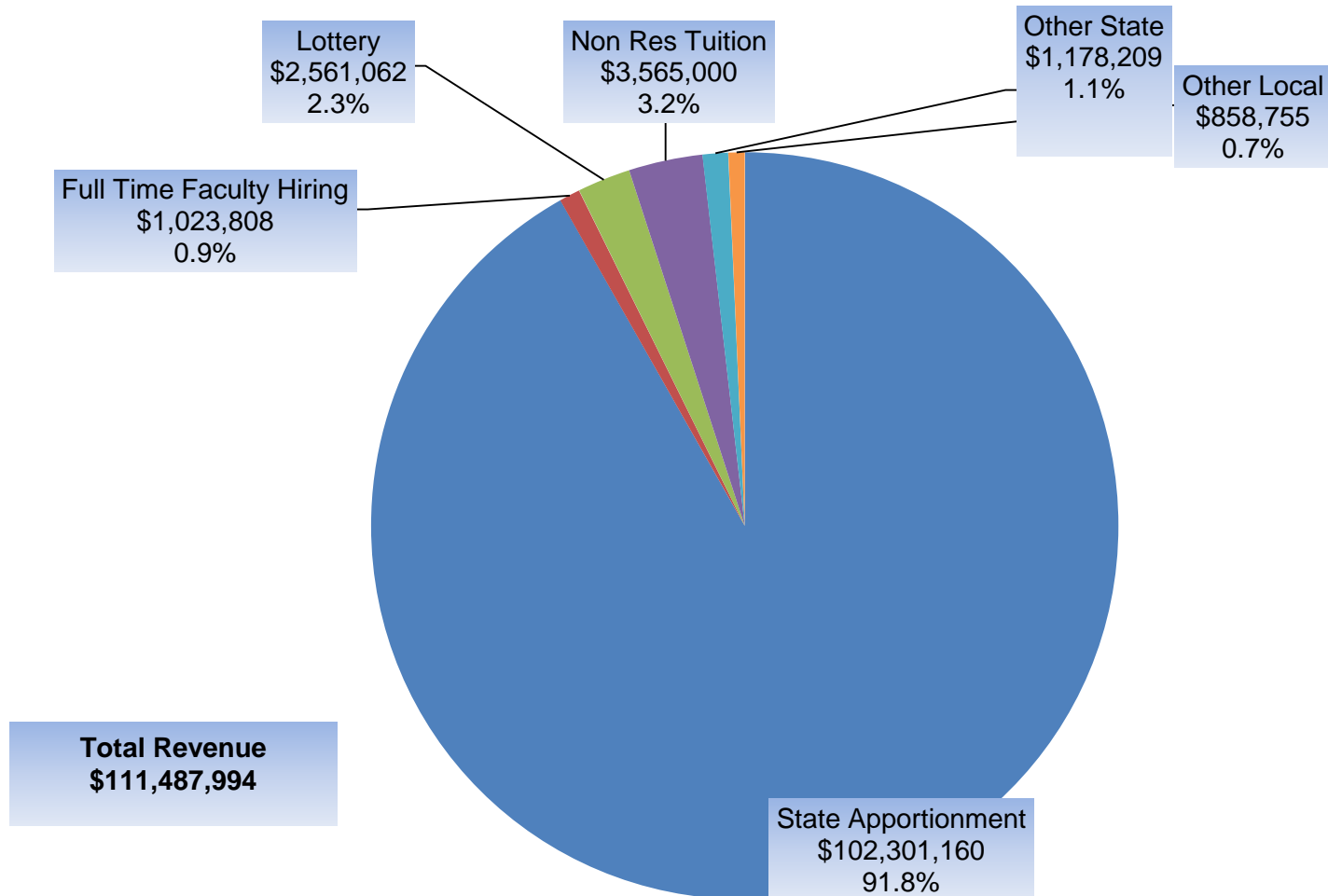
2016/2017 FTES Growth Scenario

2% Growth Analysis

	GC	CC	Total	Targeted Growth %
Base	12,996	5,747	18,743	
Additional Growth to makeup for 2015/16	744	-	744	
2% Growth Split (GC 0.0% - CC 100.0%)	<u>-</u>	<u>375</u>	<u>375</u>	2.00%
Total FTES Needed	<u>13,740</u>	<u>6,122</u>	<u>19,862</u>	
<i>Planned growth =</i>	5.72%	6.53%	5.97%	

Unrestricted General Fund

TB Revenue— Pages 4 (chart) and 6 (\$)



Site Allocations

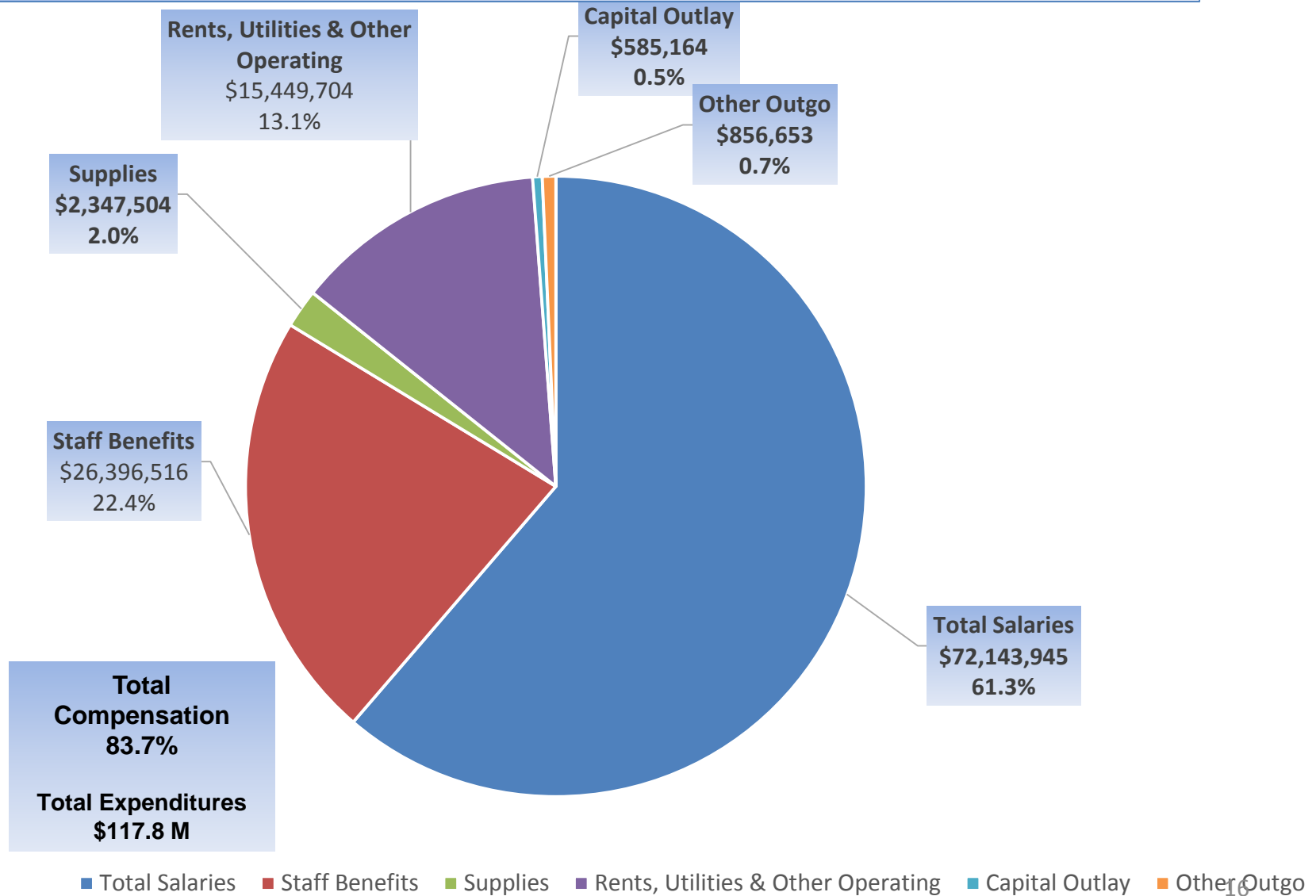
Unrestricted General Fund

Total Funds Available	\$ 124,846,255
Less Contingency Reserve	(7,066,769)
Total Income Allocation Model	<u>\$ 117,779,486</u>

Grossmont College	\$ 68,534,098	Page 14
Cuyamaca College	30,151,431	Page 18
District Services	12,401,991	Page 22
Districtwide Commitments	6,691,966	Page 26
Total Allocations	<u>\$ 117,779,486</u>	

Unrestricted General Fund

TB Expenditures – Pages 10 (\$) and 12 (chart)



Health Benefit Increases

Category	2015-16		2016-17		YOY Change	
	<u># Budgeted</u>	<u>Total Cost</u>	<u># Budgeted</u>	<u>Total Cost</u>	<u>Total Cost</u>	<u>% Change</u>
Contract Employees	739	\$11.83 M	761	\$13.32 M	\$ 1,490,396	12.6%
Retirees	83	\$1.32 M	75	\$1.13 M	\$ (185,590)	-14.4%
Part-time faculty	<u>74</u>	<u>\$0.81 M</u>	<u>123</u>	<u>\$1.25 M</u>	\$ <u>436,735</u>	54.3%
	<u>896</u>	<u>\$13.96 M</u>	<u>959</u>	<u>\$15.70 M</u>	\$ <u>1,741,541</u>	<i>Overall</i> 12.5%

STRS/PERS Increases

STRS Increase	\$1,185,309	
PERS Increase	<u>787,821</u>	
Total		\$1,973,130
Less: Recommendation to fund 50% of the Unrestricted portion of the increase using 2015/16 one-time funds		<u>- 871,236</u>
Amount to be funded using 2016/17 resources		<u><u>\$1,101,894</u></u>

Budget Challenges

- FTES targets must be met
- Significant increases in STRS/PERS, health benefits and other costs
- Proposition 30 (Education Protection Act [EPA]) is temporary tax increase
 - Governor reiterated in his January message that Prop 30 was temporary
 - Sales tax increase ends on December 31, 2016
 - Income tax increase ends on December 31, 2018
 - GCCCD 15-16 EPA funds were \$15.5 M

SUMMARY

Key Talking Points of this TB

- This is a balanced budget
- Statement from Mario Rodriguez, Acting Vice Chancellor at CCC Chancellor's Office, "We are nearing the point where a normal economic expansion period should end; therefore, it's important to use the resources provided in this budget to position your college for the future."
- Budget revenue assumes meeting FTES goals
- Sites have budgeted holdings just in case

Next Steps

Step 1 Consider 2016/17 Tentative Budget

- Tentative Budget must be approved
- Docketed for Board approval June 16th
- To continue operations on July 1st

Step 2 Close Out 2015/16

- Final revenue & expenditures

Step 3 Develop 2016/17 Adoption Budget

- Approved State budget
- Updated with final year-end balances
- Adoption Budget Workshop

Questions and Appreciations

Thank you

*To the many individuals
across the District who work
year-round to develop a
comprehensive budget plan.*

**District Strategic
Planning &
Budget
Committee**

**Grossmont College
Planning &
Resource Council**

**Cuyamaca
College Council**

**District Services
Council**