

2008-09

BUDGET FORUM

Presented by:

**Dr. Helen Benjamin, Chancellor
Kindred Murillo, Vice Chancellor,
Districtwide Administrative Services**

WHAT WE ARE GOING TO COVER TODAY

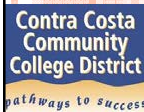
**Looking Back – Acknowledging
Our Past**

**Current Reality – Understanding
Where We Are**

Creating Our Future

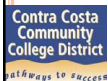
LOOKING BACK

Our Values & Budget Parameters



BUDGET VALUES

- The foundation of the budget development process is a belief in the basic shared values of:
 - Honesty, Integrity, Transparency,** and an overall sense of **Collegiality**
- **Fiscal prudence** will be exercised in the development of the budget
- These values will be upheld by ensuring:
 - Discussions and actions are student-centered
 - District's financial condition will be honestly communicated to all
 - Decisions on financial matters are data-driven
 - District budget practices are comparable with similar institutions
 - Items included in the budget will be based on need



BUDGET PARAMETERS

To the extent possible, the budget will:

- Allow sufficient resources to meet diverse student needs
- Be developed based on achievable FTES goals
- Maintain a minimum 5% reserve
- Provide sufficient staffing to fulfill our mission



BUDGET PARAMETERS

To the extent possible, the budget will:

- Provide for contractual obligations and fixed costs
- Cover costs of retiree health benefits and increase reserve for unfunded liability
- Include funding for Districtwide projects
- Adhere to formulae stipulated in Business Procedures



BUDGET PARAMETERS

To the extent possible, the budget will:

- Budget college carry-overs as one-time expenditures
- Maintain and improve college appearance
(Provide required matching funds)
- Have compensation be at the top third of Bay 10
(If affordable)
- Reflect improvement in productivity at all levels
- Be developed within a multi-year plan



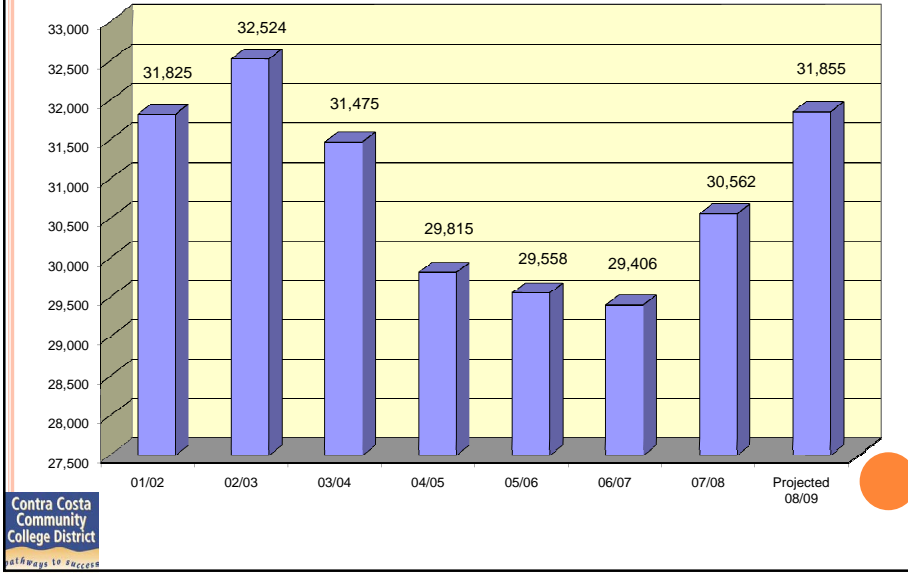
FIVE YEAR BUDGET TRENDS

Five Year Budget History	FY 03-04 Actual	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual
Net Beginning Balance					\$ 22,308,009
Prior Years Adjustment					\$ (1,693,178)
Adjusted Beginning Balance	\$ 8,109,824	\$ 9,873,748	\$ 10,691,623	\$ 14,171,994	\$ 20,614,831
Revenues					
Federal	\$ 56,275	\$ 36,925	\$ 21,540	\$ 18,880	\$ 22,601
State	\$ 47,619,220	\$ 56,958,779	\$ 52,415,906	\$ 71,734,071	\$ 73,842,925
Local	\$ 90,306,970	\$ 83,851,146	\$ 88,179,845	\$ 93,575,167	\$ 94,670,227
Other	\$ 2,348,479	\$ 1,025,568	\$ 1,131,636	\$ 1,284,425	\$ 18,436
Total Revenues	\$ 140,330,944	\$ 141,872,418	\$ 141,748,927	\$ 166,612,543	\$ 168,554,189
Expenditures					
Academic Salaries	\$ 65,604,769	\$ 63,594,788	\$ 60,310,632	\$ 67,452,668	\$ 73,493,170
Classified Salaries	\$ 29,291,579	\$ 26,877,989	\$ 26,691,809	\$ 28,838,462	\$ 31,901,459
Benefits	\$ 26,121,204	\$ 29,991,276	\$ 29,870,252	\$ 32,344,585	\$ 33,337,826
Supplies and Material	\$ 2,963,359	\$ 2,897,140	\$ 3,150,548	\$ 3,466,914	\$ 2,833,052
Other Operating Expenses	\$ 13,205,223	\$ 14,469,894	\$ 15,434,800	\$ 15,548,426	\$ 15,799,153
Capital Outlay	\$ 734,171	\$ 827,159	\$ 973,418	\$ 1,384,415	\$ 2,022,460
Other Outgo	\$ 407,621	\$ 1,165,141	\$ 1,919,219	\$ 17,460,080	\$ 2,345,379
One time expenditures					
Total Expenditures	\$ 138,327,926	\$ 139,823,387	\$ 138,350,678	\$ 166,495,550	\$ 161,732,499
Excess (Deficiency)	\$ 2,003,018	\$ 2,049,031	\$ 3,398,249	\$ 116,993	\$ 6,821,690
Prior Year Adjustment	\$ (239,094)	\$ (1,231,156)	\$ 82,122	\$ 8,019,022	
Ending Balance June 30	\$ 9,873,748	\$ 10,691,623	\$ 14,171,994	\$ 22,308,009	\$ 27,436,521
Percentage Ending Balance	7.1%	7.6%	10.2%	13.4%	16.96%
Percent Fixed Payroll	87.5%	86.2%	84.5%	77.3%	85.8%



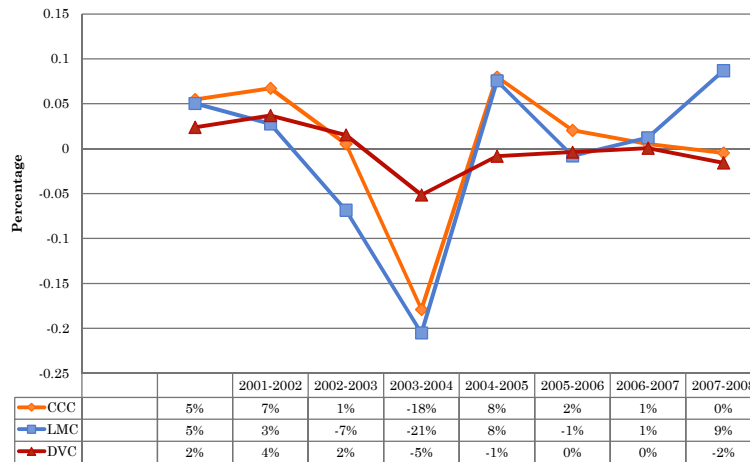
EIGHT YEAR DISTRICT FTES TREND DATA

Total District (Resident & Nonresident) FTES



HISTORY OF CLASS SECTIONS

Percentage Cut of Sections



FULL TIME EQUIVALENT STUDENTS/ SECTIONS



OUR CURRENT REALITY

2008-2009 BUDGET DETAILS

DISTRICT ADOPTION BUDGET –
\$388 MILLION

Unrestricted General Fund	\$	196,823,922
Restricted General Fund	\$	28,559,971
Capital Projects Fund	\$	16,669,578
2002/2006 Bond Construction Fund	\$	76,120,323
Information Technology Fund	\$	3,164,924



DISTRICT ADOPTION BUDGET –
\$388 MILLION

Bookstores & Cafeterias	\$	4,140,858
Self Insurance Fund	\$	169,630
Student Financial Aid	\$	11,003,795
Student Loan and Scholarchip Fund	\$	531,981
Retiree Health Benefits Fund	\$	50,587,760
Student Body Center Fund	\$	1,196,337



BUDGET ASSUMPTIONS – PROJECTED

- 3.57% salary increase
- Increase to C-Hourly Budget
- Restoration of 1582 FTES
 - Moves one-time revenues to ongoing revenues
- Clean up of Designated & Restricted Funds
 - College designated funds
 - Realignment of Parking and Police Services Expenditures

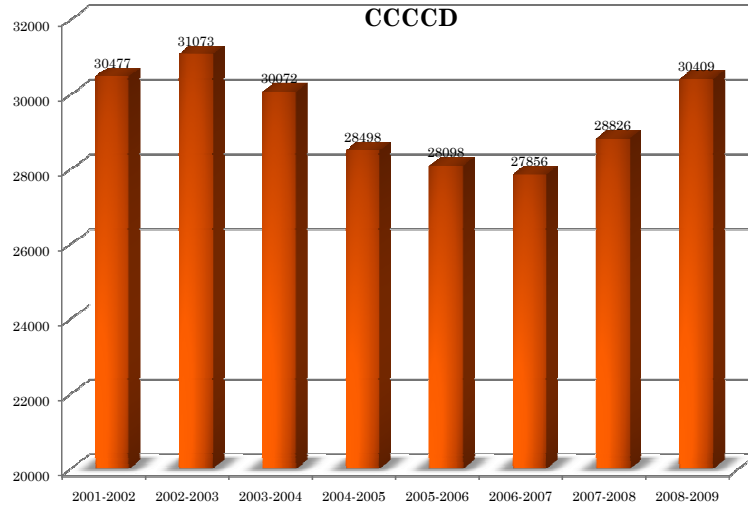


DISTRICT 2008-09 FTES GOALS

	2008-09 FTES Goals
CCC	6,158
DVC	17,282
LMC	8,415
Total	31,855



STABILIZATION AND RESTORATION



2008-2009 ADOPTION BUDGET TO PROJECTED BUDGET - Revenues

	Adoption Budget		
	Ongoing	One-time	Total
Revenues	\$ 160,134,139	\$ 11,406,287	\$ 171,540,426
	Projected Budget		
	Ongoing	One-time	Total
Revenues	\$ 167,357,934	\$ 4,182,492	\$ 171,540,426
Deficit Factor		\$ 2,200,000	\$ 2,200,000
Total	\$ 167,357,934	\$ 1,982,492	\$ 169,340,426

2008-2009 ADOPTION BUDGET TO PROJECTED BUDGET - Expenditures

	Adoption Budget		
	Ongoing	One-time	Total
Expenditures	\$ 162,083,951	\$ 2,194,070	\$ 164,278,021

	Projected Budget		
	Ongoing	One-time	Total
Expenditures	\$ 168,081,486	\$ 4,534,753	\$ 172,616,239



2008-2009 ADOPTION BUDGET TO PROJECTED BUDGET – Fund Balance

Deficit Ongoing \$ (723,552)

Adoption Budget	
Ending Fund Balance	\$ 32,545,901
5% General Fund Reserve	\$ 8,213,901
5% Board Contingency	\$ 8,104,198
Reserve for Salary	\$ 954,298
Undesignated Reserve	\$ 15,273,504

Projected Budget	
Ending Fund Balance	\$ 24,160,708
5% General Fund Reserve	\$ 8,630,812
21/2% Board Reserve	\$ 4,502,099
2 1/2% Board Reserve	\$ 4,502,099
Designated Reserve/Colleges	\$ 4,056,408
Undesignated Reserve	\$ 2,469,290



2008-2009 ADOPTION BUDGET TO PROJECTED
BUDGET – Increases to Ongoing

Salary	\$	3,764,586
Fixed Payroll	\$	513,922
Realign Parking	\$	1,250,000
Police Services Budget		
C Hourly Adjustment	\$	1,360,911

Increases in One-time

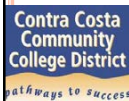
One Time Expenditures		Amount
Designated 07/08 Encumbrances	\$	695,697
Contingency for adjustments	\$	300,000
Audit Adjustment to Restricted Fund	\$	903,887
Total	\$	1,899,584

COLLEGE OPERATING BUDGET AMOUNTS FOR 2008-09

(BASED ON NEW FORMULA)

CCC	\$ 1,923,109
DVC	\$ 4,132,519 (Includes lease)
LMC	<u>\$ 3,978,205</u> (Includes instruction contracts, leases)
Total	\$10,033,833

These funds go directly to the colleges.

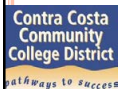


(BASED ON NEW FORMULA)

COLLEGE CLASSIFIED STAFFING DOLLAR AMOUNTS FOR 2008-09

CCC	\$ 3,435,060
DVC	\$ 7,358,258
LMC	<u>\$ 3,830,372</u>
Total	\$14,623,690

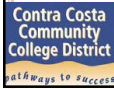
**These amounts do not include custodians,
buildings and grounds workers and police.
These funds go directly to the colleges.**



FULL-TIME/PART-TIME FACULTY STAFFING
AMOUNTS FOR 2008-2009

	<u>Adopted</u>	<u>Projected (3.57)</u>
Full-time faculty	\$37,334,332	\$38,667,168
Part-time faculty	<u>\$25,914,233</u>	<u>\$26,839,371</u>
Total faculty salaries	\$63,248,565	\$65,506,539

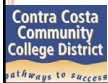
Full-time faculty salaries are not distributed to the colleges.



MANAGEMENT STAFFING AMOUNTS
FOR 2008-09

	<u>Adopted</u>	<u>Projected (3.57)</u>
CCC	\$ 2,488,692	\$ 2,577,538
DVC	\$ 4,237,643	\$ 4,388,925
LMC	\$ 2,490,211	\$ 2,579,112
DO	\$ 1,719,124	\$ 1,780,497
DW	<u>\$ 1,469,774</u>	<u>\$ 1,522,245</u>
Total	\$12,405,444	\$12,848,319

*Police services, information technology services, internal audit, marketing



DISTRICT OFFICE/DISTRICTWIDE BUDGET ALLOCATION AMOUNTS*

Facilities **\$11,723,834**

Includes \$4.5M for utilities, \$5.3M for salaries and benefits, \$1M for building and equipment repair and \$.5M for supplies

Police Services **\$ 1,802,442**

District Office **\$ 6,799,442**

Salaries and departmental operations budgets



DISTRICTWIDE SERVICES

Districtwide Services	Adopted Budget
	FY 2008-2009
Information Technology Services	2,266,717
Internal Auditing	161,482
Marketing	662,880
International Education	1,807,478
Human Resources Department Chair/ Faculty evaluation stipends and legal expenses	735,643
Finance Services Retiree Health Benefits	11,303,205
Facilities Services	11,723,834
Police Services	1,802,442
Total Districtwide Services	30,463,681



DISTRICT OFFICE SERVICES

District Office	Adopted Budget
	FY 2008-2009
Chancellors Office	720,196
Board	318,992
Districtwide Planning and Educational Services	544,087
Districtwide Administrative Services and Finance	
Human Resources	1,786,441
Internal Auditing	
Purchasing	651,325
Payroll	849,763
Accounting	1,928,638
Total District Office	6,799,442

EXAMPLES OF USE OF ONE-TIME, UNRESERVED, UNDESIGNATED BALANCE FOR 2008-09

Recommended Expenditure or Commitments of *One-Time* Resources Include:

- IT hardware and infrastructure \$ 820,920
- Districtwide minor capital projects \$ 475,000
- Implementation of the CLARUS study \$ 100,000
- Matching funds for the scheduled maintenance program \$ 245,306
- CCC Liberal Arts Building, seismic project \$ 400,000

State Statute Implications on Budgets

- 50% Law - Requires that fifty percent of district expenditures in certain categories must be expended for classroom instruction.
- Full Time Faculty Obligation – Requires community college districts to increase their based number of full-time faculty over the prior year in proportion to the amount of growth in credit FTES. 4cd – 354.70 FTFO
- 75/25 – Policy enacted as part of AB 1725 that sets 75 percent of the hours of credit instruction as a goal for classes to be taught by full-time faculty.



2008-09 COMPENSATION FACTS TO DATE

- Step, class and longevity increase
 - \$981,578
- Health benefits
 - Increase projected to be 9.9% (\$1.9M)
- Salary
 - Salary increases are based on formula and to be determined once enrollment increase is known.
- Approximate cost per 1% increase in salaries:

<u>Faculty</u>	<u>Local One</u>	<u>Unrepresented</u>	<u>Total</u>
\$733,159	\$279,820	\$207,619	\$1,220,598






2009-2010

BUDGET

Contra Costa
Community
College District
pathways to success

OUR CHALLENGES

- State budget is uncertain
 - Growing student demand
 - Declining budgets at state level
 - 2009-2010 – Growth cap potential
 - Priorities for funding
 - Top 3rd of the Bay Ten in salary
 - Excellent classroom instruction
 - Autonomous colleges serving diverse community needs
 - Technology costs
 - Accountability requirements increasing
 - Maintenance and upkeep of facilities
- 

STRATEGIC DIRECTIONS FOR 2009-2014 (DRAFT)

- Student Learning and Success
- College Awareness and Access
- Community Development
- Organizational Effectiveness
- Fiscal Health and Resource Management



District Goals 2009-2014 (Draft)

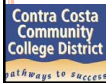
- Goal 1: Significantly improve the success of our diverse student body in pursuit of their educational and career goals, with special emphasis on closing the student achievement gap.
- Goals 2: Increase awareness of and equitable access to Contra Costa Community College District for a changing and diverse population.
- Goal 3: Support Community development through education and leadership in collaboration with government, community organizations, business and industry



District Goals 2009-2014 (Draft)

Goal 4: Improve the effectiveness of District-wide planning, operations, resource allocation and decision-making.

Goal 5: Provide sound fiscal stewardship to ensure a sustainable economic future consistent with our values, vision and mission



STATE BUDGET

- Current projection of \$13.6 billion deficit for FY 09-10 if ballot measures fail.
- Ballot Measures
 - Proposition 1A – Savings Account (“rainy day fund”)
 - Proposition 1B – Education Finance
 - Proposition 1C – Lottery Securitization
 - Proposition 1D – Childhood Development Programs
 - Proposition 1E – Mental Health Programs
 - Proposition 1F – Salary Hikes for Legislators
- Federal Economic Stimulus Implications



SUMMARY OF STATE PROJECTED APPORTIONMENT 2009-10

- **No Cost of Living Adjustment (COLA).**
- **Growth funded at the statewide level up to 3% restoration fully funded** (Each districts varies)
- **Community Colleges are being warned to anticipate a \$100-\$200 million dollar budget reduction over the next two years.**



CREATING OUR FUTURE

**RENOVATING, REVITALIZING &
NEW FACILITIES**

**PLANNING FOR TECHNOLOGY
COLLEGE FIRST ALLOCATIONS**



2002 MEASURE A BOND ALLOCATION (AS OF 4/09)

<u>Campus</u>	<u>Allocation</u>	<u>% of Total</u>
<i>Projects</i>		
Contra Costa College	\$ 35,146,138	29%
Diablo Valley College	\$ 37,470,446	31%
Los Medanos College	<u>\$ 41,383,416</u>	<u>34%</u>
Total College Allocations	\$114,000,000	95%
<i>District Building Projects</i>	\$ 700,000	1%
<i>Program Allocation</i>	\$ 5,300,000	4%
Grand Total	\$120,000,000	100%
<i>Interest</i>	\$ 9,192,704	
Total Program	\$ 129,192,704	



2006 MEASURE A BOND

Total bonds \$286.5M
First Issuance \$ 73.5M

Contra Costa College

- Athletic Field
- Physical Education Annex Renovation
- College Center Design

Diablo Valley College

- Athletic Field
- Commons Area Development

Los Medanos College

- Athletic Fields
- Student Services
- Nursing/EMT Remodel

District

- Energy Management
- IT Infrastructure
- District-wide ADA Transition Plan
- Program Studies



NEW ALLOCATION MODEL

- Accreditation Recommendation to revise funding allocation model and technology funding
- College First
- Based on SB 361
 - The way CCCCD gets funding
 - Base allocation per college
 - Base allocation per center
 - Per FTES allocation
- College First Model
 - District Office, Districtwide Services, and Technology Initiative assessed back to colleges on per FTES Basis

QUESTIONS AND THANK YOU!

