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# GROSSMONT-CUYAMACA

## COMMUNITY COLLEGE DISTRICT

**2013/14**  
**Adoption Budget**  
**Workshop**  
**September 3, 2013**



# Linking Strategic Planning to Budget

*Values Students, Employees, & Community*

## ➤ **Student Access**

- **Students first**

## ➤ **Learning and Student Success**

- **Protecting the learning core**

## ➤ **Value and Support of Employees**

- **Balance needs of employees with needs of students**

## ➤ **Economic and Community Development**

- **Maximize potential revenues**

## ➤ **Fiscal and Physical Resources**

- **Fund structural commitments and fixed increases**
- **Address Accreditation, legal & fiscal stability challenges**



# *Total Adoption Budget*

## ➤ Today's Workshop

- PowerPoint Presentation
- Adoption Budget Packet

## ➤ Total Budget \$544,485,322

|                    |                  |                  |
|--------------------|------------------|------------------|
| ○ General Fund:    | <u>12/13 AB</u>  | <u>13/14 AB</u>  |
| Unrestricted Fund  | \$100.7 m        | \$106.8 m        |
| Restricted Fund    | <u>19.0 m</u>    | <u>19.2 m</u>    |
| Total General Fund | \$119.7 m        | \$126.0m         |
| Other Funds        | <u>30.7 m</u>    | <u>418.4 m</u>   |
| Total Budget       | <u>\$150.4 m</u> | <u>\$544.4 m</u> |



# *2013/2014 Budget State Overview*

## ➤ No structural shortfall in 2013/14 or out years

- 2008-09      - \$14.5 billion
- 2009-10      - \$41.6 billion
- 2010-11      - \$19.9 billion
- 2011-12      - \$25.4 billion
- 2012-13      - \$ 9.2 billion
- 2013-14      \$ 0

## ➤ Invest in both K-12 and Higher Education

## ➤ Continue to pay down the Wall of Debt

- 2010-11      \$ 35.0 billion
- 2012-13      \$ 27.0 billion
- 2016-17 Goal   \$ 4.7 billion



# *California Community Colleges*

- \$87.5 million (1.57%) Cost-of-living adjustment
  - COLA raises the dollars per FTES we receive from the State and does not require the District to serve more FTES
  - The last COLA was received in FY 2007-08. Since then the dollars per FTES has been \$4,565 per credit FTES. Now it is \$4,636 per credit FTES
- \$89.4 million (1.63%) Enrollment Restoration/Access
  - Restoration funding provides the opportunity for the District to increase its base funding and serve more FTES
  - Does not increase the dollars per FTES but allow the District to receive more funds for more FTES
- Deferrals are down to \$592 million from \$776 million last year and \$961 million 2 years ago



# *GCCCD Adoption Budget*

- 1.57% Cost-of-Living adjustment \$1.3million
- 2.25% Enrollment Restoration \$1.8 million
  - FTES CAP 17,398
  - 383 additional FTES
- 4% Budget Deficit Factor \$3.7 million
  - Set aside for possible state revenue shortfall in property taxes and/or enrollment fees
- One-time funds dedicated from Prior Year \$2.3 million
- Beginning balance \$12.2 million

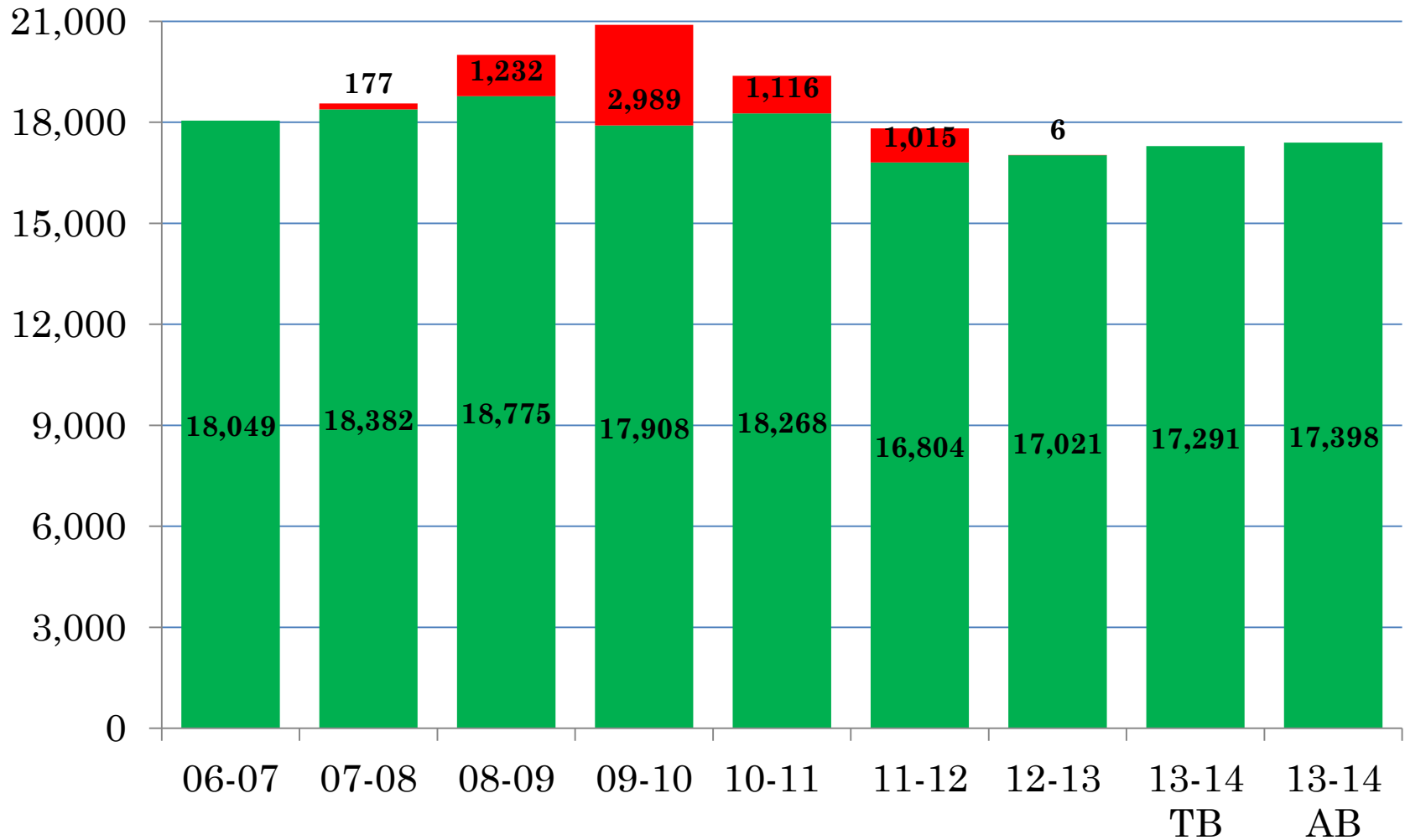


# *Summary of 2012-2013 Ending Balance*

|                                    |                             |
|------------------------------------|-----------------------------|
| ➤ Ending Balance at 6/30/2013      | \$12.2 million              |
| ➤ Less:                            |                             |
| ➤ 5% Contingency Reserve           | \$4.7 million               |
| ➤ Purchase Orders                  | \$2.3 million               |
| (carried to next fiscal year)      |                             |
| ➤ Ending Balance after Commitments | <u><u>\$5.2 million</u></u> |



# *FTES History & Projections*



■ Funded FTES

■ Unfunded FTES



# *State General Apportionment Payment Deferrals*

| Fiscal Year | Statewide<br>Deferral | GCCCD<br>Deferral |
|-------------|-----------------------|-------------------|
| 2007/2008   | \$200 M               | \$ 3.1 M          |
| 2008/2009   | \$540 M               | \$ 8.4 M          |
| 2009/2010   | \$703 M               | \$10.9 M          |
| 2010/2011   | \$832 M               | \$13.4 M          |
| 2011/2012   | \$961 M               | \$15.1 M          |
| 2012/2013   | \$776M                | \$ 12.5 M         |
| 2013/2014   | \$592 M               | \$ 10.1 M         |



# *State General Apportionment Payment Deferrals*

- Deferrals are paid to the District by July of next fiscal
- January to June apportionment payments are reduced by the deferral amount
- Impacts of Deferral:
  - Significant challenges with cash flow
  - Cost of borrowing to meet operational expenses of the District



# *Site Allocations*

## *Unrestricted General Fund*

**Total Funds Available**

**\$ 106,840,917**

**Less 5% Contingency Reserve**

**( 4,594,351)**

**Total Formula Allocation**

**\$ 102,246,566**

**Grossmont College**

**\$ 60,487,274**

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**Cuyamaca College**

**25,968,407**

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**District Services**

**9,970,735**

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**Districtwide Commitments**

**5,820,150**

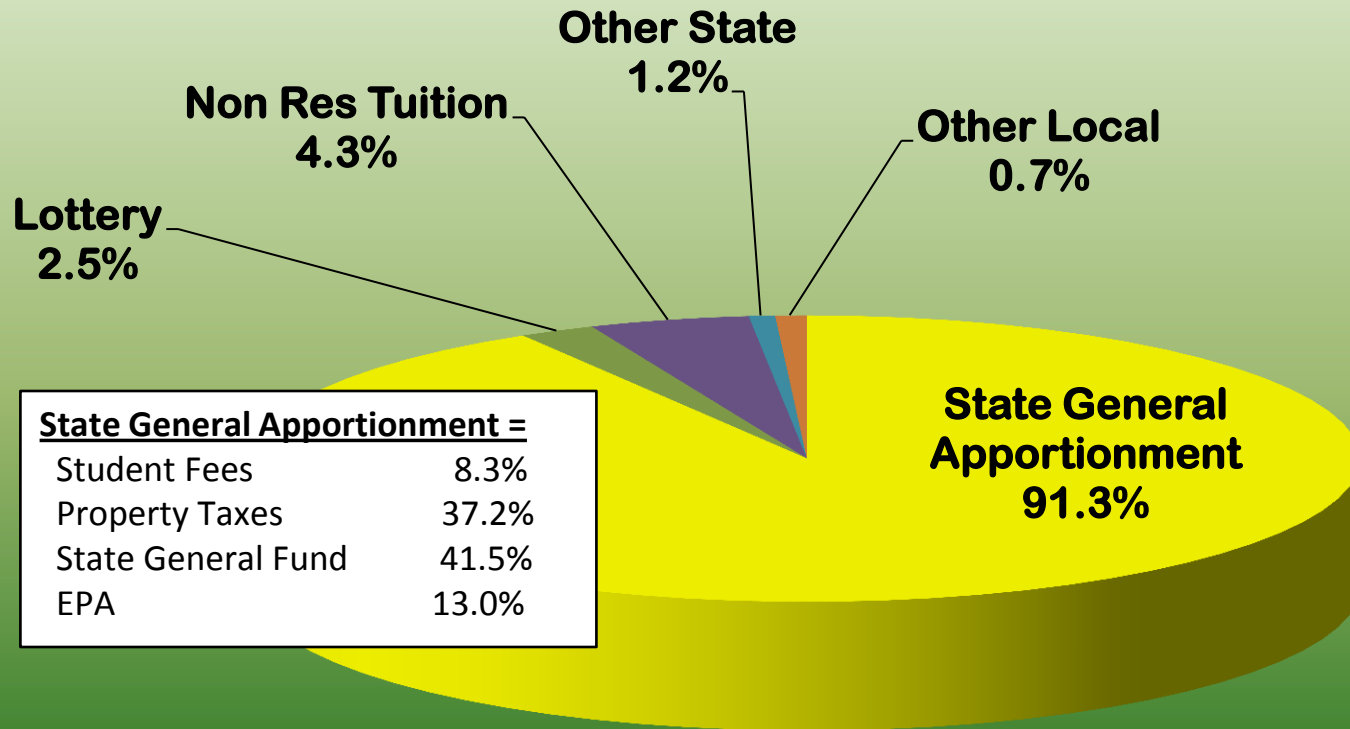
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**Total Allocations**

**\$ 102,246,566**



# *Unrestricted General Fund Revenue - \$92.3 m – Page 6*

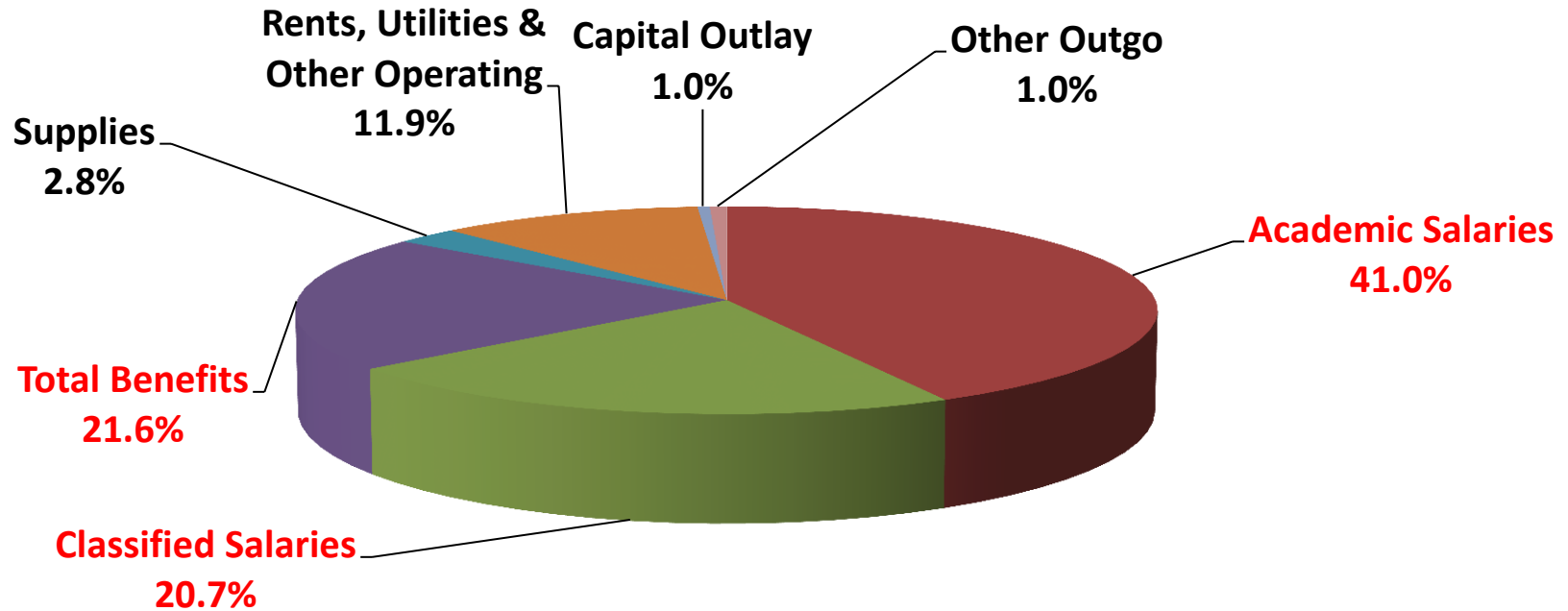


**Total State Revenue 95%**



# *Unrestricted General Fund*

## *Budget Expenditures – Page 10*

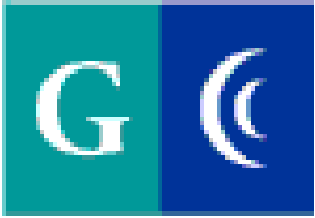


|                           |              |
|---------------------------|--------------|
| <b>Operational Costs</b>  | <b>16.7%</b> |
| <b>Total Compensation</b> | <b>83.3%</b> |



# *Budget Challenges*

- Redevelopment Agency (RDA) backfill
- Proposition 30 is temporary tax increase
  - Sales tax increase terminates at the end of 2016
  - Income tax increase terminates at the end of 2018
- Community Colleges face significant challenges in improving economic times
  - The demand for services goes down as the funding is available to increase those demands
  - District must be aggressive in its course offerings to meet FTES goals
- Even though budget is brighter this year still we are still below our 2008/09 funding level by 1,377 FTES



# *SUMMARY*

## ➤ Tentative Budget

*Approved 6/18/2013*

## ➤ Update Ending Balances

*Year End completed*

## ➤ Today Adoption Budget Workshop

Board to Consider 9/10/2013



# Questions ?

## *District Strategic Planning & Budget Committee Members:*

Alicia Munoz

Anne Krueger

Arleen Satele

Avelina Mitchell

Brian Nath

Chris Tarman

Cindy Miles

Esau Cortez

Jaclyn Marlow

Jeff Baker

Jesus Miranda

Jim Mahler

John Valencia

Katrina Vanderwoude

Kim Widdes

Linda Jensen

Mark Zacovic

Marsha Edwards

Michael Barendse

Michael Copenhaver

Rocky Rose

Sahar Abushaban

Sue Gonda

Sue Rearic

Sunita Cooke

Teresa McNeil

Tim Corcoran

Tim Flood

Wei Zhou