

Planning & Resources Council  
Tentative Budget Presentation  
5/22/14

# Our budget Process

## What is a Tentative Budget (TB)



- Tentative Budget is an early budget that is adopted by the Governing Board in June
- Based upon the Governor's January budget
- It is required by law and helps to ensure smooth operations when the fiscal year starts July 1
- Based on projected year end expenses and a consistent ending balance figure
  - Our Ending balance requirement is \$1.44 million

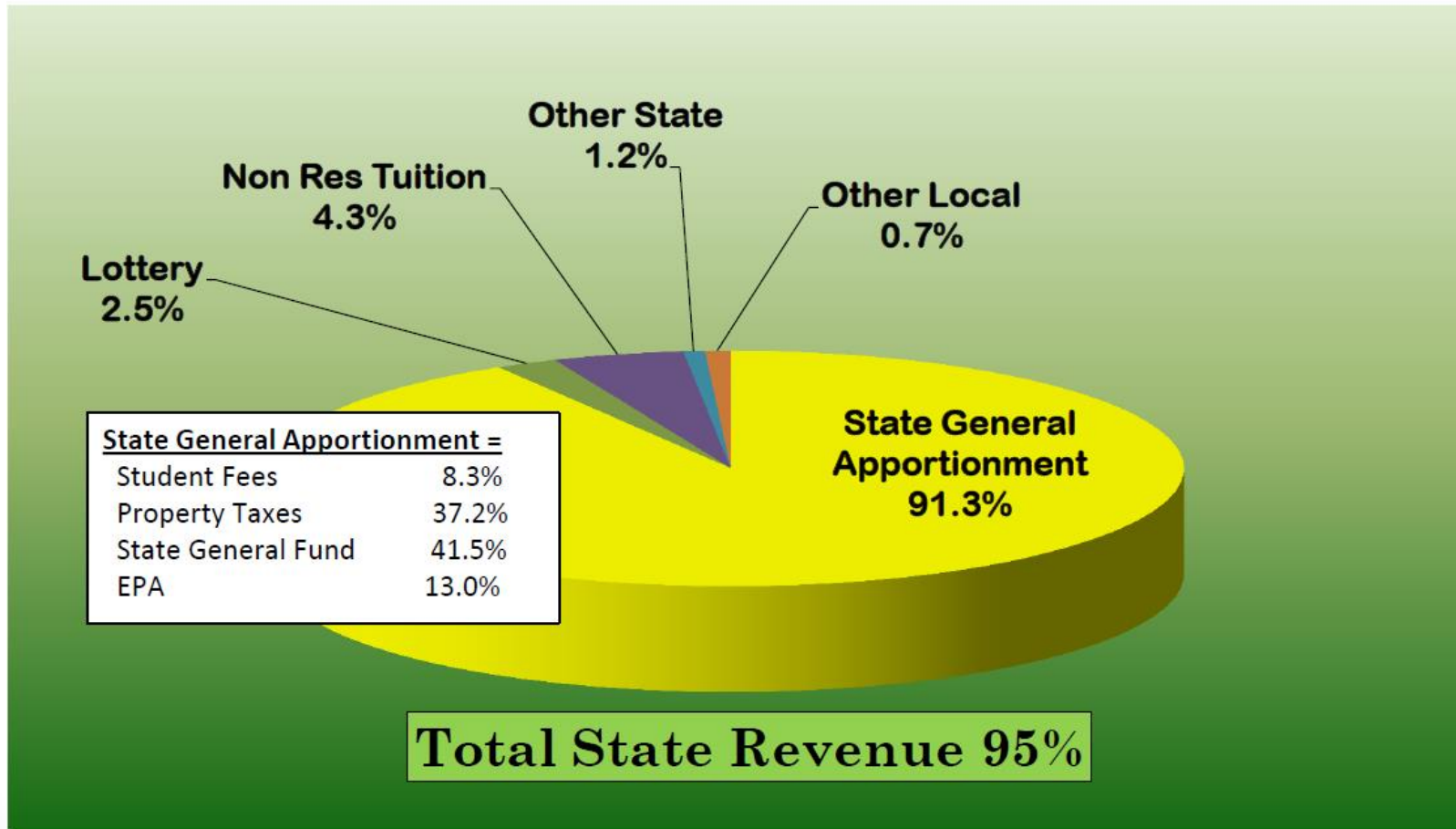
# Our budget Process

## What is an Adopted Budget (AB)

- Adopted Budget is the final budget that is adopted by the Governing Board
- Based upon the state budget approved by the legislature.
- It is based on final year end expenses and ending balance figures
- Still contains some projections and assumptions.



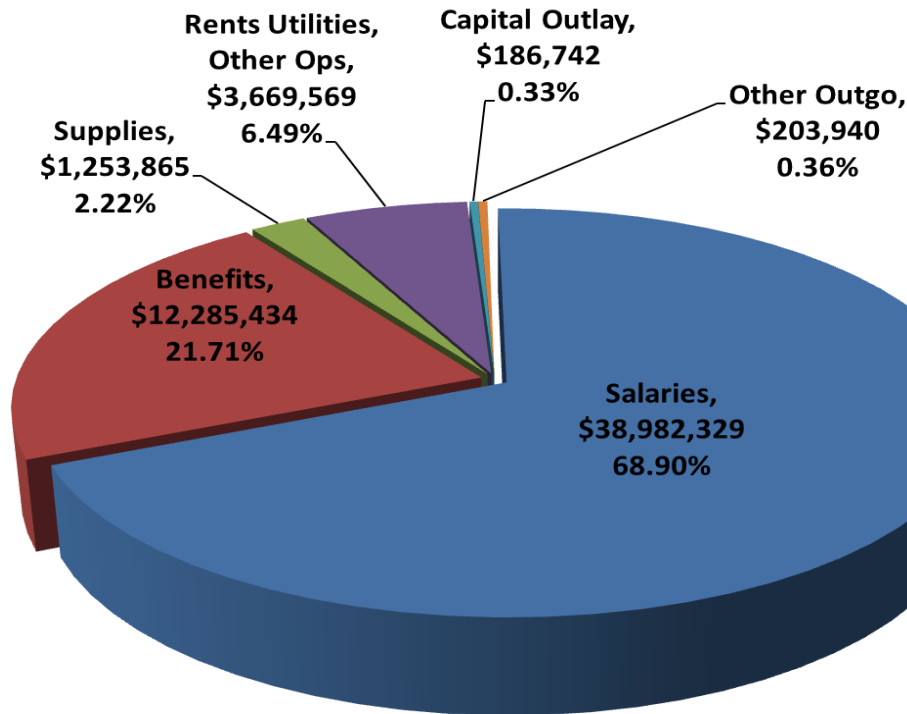
# Where does our funding come from?



2013-14 Adopted Budget Example of income sources for GCCCD

# Proposed Expenditures for 2014-15

**Grossmont College Unrestricted Fund Distribution**



**Salaries & Benefits = 90.61%**  
**All other categories = 9.39%**

# Tentative Budget Formulation

2014 - 2015  
INCOME ALLOCATION FORMULA

Tentative Budget

GOAL FTES CALCULATION		Grossmont College	Cuyamaca College	District Services	Districtwide Commitments	Total
FTES - Resident Students		12,505	5,530			18,035
FTES - Nonresident Students		700	57			757
Total FTES		13,205	5,587			18,792
%						
% of Total FTES (to distribute DW Commitments)		70.27%	29.73%			100.00%
% of Resident FTES (to distribute Total State Income)		69.34%	30.66%			100.00%
<b>INCOME</b>						
State Income		14/15				
State General Revenue	\$89,686,534	X Resident FTES %	\$62,188,643	\$27,497,891		\$89,686,534
State, Other Revenue	3,376,943	X Resident FTES %	2,341,572	1,035,371		3,376,943
Total Apportionment and Other State Income			\$64,530,215	\$28,533,262	\$0	\$93,063,477
Dedicated Income		From Page 2	3,998,062	352,586	0	593,224
Total Income			\$68,528,277	\$28,885,848	\$0	\$593,224
Beginning Balances			\$1,442,322	\$427,408	\$245,869	\$5,242,127
Less: District Contingency Reserve (5.5% of CY Budget)						
TOTAL FUNDS AVAILABLE			\$69,970,599	\$29,313,256	\$245,869	\$342,385
<b>DISTRIBUTION OF FUNDS AVAILABLE</b>						
Funds Available From Above			\$69,970,599	\$29,313,256	\$245,869	\$342,385
Adjustments to Gross Allocations:						
DW Commitments	Total FTES %	(\$8,762,123)	(\$2,860,935)		\$9,623,058	\$0
DW Commitments - 2% Budgeted Deficit	Total FTES %	100,563	42,547		(143,110)	0
Funding of DW Staffing Commitment		1,200,000	1,200,000		(2,400,000)	0
Funding of Accreditation Allocation		25,000	25,000		(50,000)	0
Funding of Dedicated Classroom/Labs Maint	Per ASF	206,105	153,805		(359,910)	0
Funding of Economy of Scale	Per Formula	(607,490)	607,490			0
District Services Allocations	Total FTES %	(7,708,398)	(3,261,287)	10,969,685		0
District Services - 2% Budgeted Deficit		157,623	66,688	(224,311)		0
Total Allocations		\$56,581,879	\$25,286,564	\$10,991,243	\$7,012,423	\$99,872,109
% of Total Allocation		56.65%	25.32%	11.01%	7.02%	100.00%

# How does this budget compare?

2014 - 2015  
INCOME ALLOCATION FORMULA

*Tentative Budget*

COMPARATIVE INFORMATION - Compare to 13/14 Tentative Budget

	Grossmont College	Cuyamaca College	District Services	Districtwide Commitments	Total
<b>ALLOCATION DOLLARS</b>					
14/15 Tentative Budget (from Page 1)	\$56,581,879	\$25,286,564	\$10,991,243	\$7,012,423	\$99,872,109
13/14 Tentative Budget	56,478,762	25,320,133	10,123,431	4,628,647	96,550,973
Increase (Decrease)	\$103,117	(\$33,569)	\$967,812	\$2,383,776	\$3,321,136
Percent Change	0.18%	-0.13%	8.57%	51.50%	3.44%

2014 - 2015  
INCOME ALLOCATION FORMULA

*Tentative Budget*

COMPARATIVE INFORMATION - Compare to 13/14 Adoption Budget

	Grossmont College	Cuyamaca College	District Services	Districtwide Commitments	Total
<b>ALLOCATION DOLLARS</b>					
14/15 Tentative Budget (from Page 1)	\$56,581,879	\$25,286,564	\$10,991,243	\$7,012,423	\$99,872,109
13/14 Adoption Budget	60,487,274	25,968,407	9,970,735	5,820,150	102,246,566
Increase (Decrease)	(\$3,905,395)	(\$681,843)	\$1,020,508	\$1,192,273	(\$2,374,457)
Percent Change	-6.46%	-2.63%	10.24%	20.40%	-2.32%

# Difference Between 2013-14 TB and 2014-15 TB

- Districtwide Budget Changes
  - Financial Security
    - Increasing accreditation required contingency
      - Was at 5% of current budget, now at 5.5% of current budget
  - Campus Safety
    - Sheriff Contract, full year impact
    - Additional Campus And Parking Services (CAPS)
    - Hazardous Waste Management increased costs
  - Technology Support and Services
    - Additional District IS personnel to cover colleges increased technology demands
    - Cynosure, SSSP impacts, data collection, etc..
    - New Enterprise System implementation and system maintenance



# Difference Between 2013-14 TB and 2014-15 TB

- College Budgeting and Cost changes
  - Increased payroll
    - New hires, step and column, RAF and SET allocations
    - Increases to cover growth from 11,990 FTES to 12,505 FTES
  - No one-time or targeted reduction funds
  - Reduction in Administrative Services and President's Office budget allocations
  - No activity proposal funds allocated in TB
- Some good news
  - Reduction in our benefits holding account
  - Reduced deficit factor holding from 4% down to 2%
  - Categorical Budget partial restoration
  - New categorical and grant funding including SSSP, possible Title V

# Moving Forward

- Anticipate ending balance will increase but not to levels that rolled into 2013-14
- Continue to monitor utilities costs, early indications that costs will increase again
- Monitor Part Time Instructional costs and make adjustments as needed.
  - State growth allocation decrease from 3% down to 2.75% in May revise
  - Efficiency & fill rate fluctuations can impact budget
- Ending balance to fund some activity proposals
- Focus on maintaining & growing Non-resident student population
- Wait for final state budget, hope for the best!

# Conclusion

May Revise was not full of good news

- Slight COLA decrease
- Growth Decreased
- Deficit factor was not decreased

Indications are that the legislature is pushing to improve community college budgets.

Any changes will be incorporated into our Adopted Budget.

# QUESTIONS???

- Remember you are all invited to attend the Governing Board/DSP&BC Tentative Budget Workshop
- Tuesday, June 10, 3:30-5:00 pm at Cuyamaca College Student Center Room I-209

