

**Contra Costa  
Community  
College District**

*pathways to success*

**STUDY SESSION ON 2006-07  
DISTRICT BUDGET**

**April 26, 2006**

Chancellor's Office  
Contra Costa Community College District  
500 Court Street  
Martinez, California 94553

**STUDY SESSION ON 2006-07 DISTRICT BUDGET**

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## **Listing of Activities in the Development of the 2006-07 District Budget**

The following is a listing of the actions already taken and to be undertaken in the development of the budget for 2006-07. It adheres to the guidelines for preparation of the annual budget as set forth in the California Code of Regulations. Among other inclusions, the Code requires adoption of the District's tentative budget by July 1, and adoption of a fiscal budget by September 15. In addition, the Code requires availability of the budget to the public for review with notification of such in a "newspaper of general circulation in the district" of the public hearing on the budget prior to adoption.

### **2005**

**October** District Education Program Planning meeting to establish new, modified, and/or discontinued programs in the district

Box 2A meeting for determination of the number of full-time faculty to be hired in the ensuing year

### **2006**

**January** Chancellor's Cabinet revises 2004-05 Budget Development Calendar and Values and Parameters statement

DGC reviews Budget Development Calendar and Values and Parameters statement

**Jan/Feb/Mar** Chancellor and Vice Chancellor for Finance and Administration conduct budget workshop with DGC to discuss how the district budget is developed

Chancellor's Cabinet and DGC separately list strategic needs for the District not including salaries and benefits

Chancellor's Cabinet and DGC develop work toward common recommendations of strategic needs for submission to the Governing Board

Chancellor's Cabinet establishes and reaches agreement on FTES goals

**April** Governing Board conducts study session on the 2006-07 budget and gives direction to the Chancellor on items to be included in the preliminary 2006-07 budget

**May** Chancellor and Vice Chancellor conduct budget forums at all District sites to discuss how the district budget is developed and allocations made to the locations

Preliminary budget presented to Governing Board for discussion

June	Update DGC on budget changes Governing Board approval of tentative budget
On or before August 15	Vice Chancellor of Finance and Administration prepares final budget
August 15	Newspaper publication of availability of district budget (on or before but not less than 3 days prior to availability of proposed budget for public inspection)
August 20	Proposed budget available for public inspection
August 30, 2006	Governing Board holds public hearing and final budget presented for approval. Carryover calculation completed for 2005-2006
On or before September 30	Transmittal to State Chancellor's Office and appropriate county offices for information and review
October 1	Adjustments made to FTES goals and budget if necessary

**2007**

January	Governing Board presented with modifications
June 27, 2007	Governing Board presented with final modifications

## **Board Goals 2005-2007**

The following Board goals are linked to the District Strategic Directions for 2005-2007. The tasks define the Board's role in supporting and achieving the Strategic Directions and are performed by the Board. The Board will evaluate its performance on these tasks as part of the Board self-evaluation criteria for the January 2007 Board self-evaluation.

District progress on the District Strategic Directions is assessed through evaluation of the Chancellor and other institutional effectiveness monitoring practices.

The Strategic Directions and Board Tasks are numbered for convenience only and do not indicate priority status.

### **District Strategic Direction 1: Achieve Enrollment Growth to Better Serve Our Community**

- 1.1 Monitor enrollment patterns by review and discussion of relevant reports.
  - By August 31, 2006, the Board will review market survey results that identify perceptions about and needs for Contra Costa Community College District (CCCCD) services, including those in the areas of general education, associate of arts degrees, transfer, (re) training, certificate/vocational education, and life long learning.
  - The Board will receive updated enrollment projections in January, April, July and September of 2006 in order to make effective decisions about enrollment and request additional information as appropriate.
- 1.2 Assure that appropriate resources are allocated to foster enrollment growth through the budget approval process and the Board's ongoing monitoring of expenditure categories.
  - Confirm that sufficient resources are effectively allocated in the 2006-07 budget to foster enrollment growth.
- 1.3 Monitor the effectiveness of strategies designed to promote enrollment growth through review and discussion of relevant reports.
  - An enrollment management plan to increase enrollment in opportunity areas identified by the market survey to remove barriers for students is presented to the Board by August 31.
- 1.4 To develop and monitor strategies to fulfill the economic development mission and assure that appropriate resources are allocated to the mission.
  - Board receives annual reports on college and District economic efforts and reviews the return on investment.

### **District Strategic Direction 2: Reestablish the Fiscal Health of the District**

- 2.1 Ensure that all Board members have adequate and appropriate knowledge related to fiscal standards and accountability.
  - A study session on the relevant documents to develop an understanding of the new accountability standards to assess the financial condition of community college districts developed by the State Chancellor's Office will be held in January 2006.
- 2.2 Make sound fiscal decisions, based on District priorities and good information that ensure the long term financial health of the District.
  - The Board will review the 2006-07 state allocation schedule as soon as it is available.

- Conduct study sessions on the needs and priorities of the District and budget assumptions and projections by May 1, 2006. The budget will include the following:
  - 1) District spending within the revenue budget and a minimum 5% reserve;
  - 2) long-range projections of proposed expenditure commitments for Board review; and
  - 3) recommendations on the fiscal implication of retiree health benefits and the GASB 45 requirement.
- As part of all contract negotiations, the Board will review and discuss the long-range implications and revenues required to meet expenditure projections.
- The Board will receive a report and recommendations on the fiscal implications and revenue needs to complete current and proposed building projects in February 2006.

**2.3 Monitor the fiscal health of the District.**

- In January and December of 2006, the Board will review the degrees to which CCCC meets the criteria set forth in Accounting Advisory: Monitoring and Assessment of Fiscal Conditions.
- Reports will be given monthly on the rate at which District budgeted funds are being spent.
- Once the annual audit is completed, a Board finance committee meeting will be held in which the auditing firm presents the findings to the Board. At the Board meeting following the finance committee meeting, the firm will formally present the findings to the Board.
- Ensure that any deficiencies reported in the annual audit are addressed in a timely manner.

**District Strategic Direction 3: Improve Morale throughout the Entire District**

**3.1 Work together to create a well-functioning Board unit by adhering to principle of effective Boardmanship.**

- The January 2007 Board self-evaluation will show evidence of the following:
  - 1) that an open climate among Board members results in creative and respective problem solving and signals the District's commitment to superior student learning, sound financial management, and high employee satisfaction has been developed;
  - 2) Board members fully participate in regular Board retreats and study sessions to promote thoughtful and thorough discussion of issues;
  - 3) Board members are knowledgeable about principles of effective Boardmanship and new Board members receive an orientation to their role;
  - 4) Board members participate in at least one professional development activity annually; and
  - 5) Board members fully prepare for Board meetings by reviewing all materials prior to the meeting and communicating any concerns or questions to the Chancellor.

**3.2 Maintain a strong Board/Chancellor partnership by providing ongoing support and practicing open communication.**

- The Board chair will meet monthly with the Chancellor to review the Board agenda.
- Establish Board goals/tasks annually with the Chancellor and meet regularly to check progress toward goal achievement.
- Follow the process agreed upon for evaluation of the Chancellor.
- Respond in a timely, thoughtful and candid manner to communications from the Chancellor and Board president regarding the business of the District.

**3.3 Ensure that our interactions with our communities and constituencies are based on integrity, good will and mutual respect.**

- Define and honor communication protocols that promote best practices for communicating with community and employees.

- 3.4 Emphasize teamwork in our approach to problem solving through processes that adhere to applicable regulations and contracts.
- Board members will uphold the principle and courtesy of “no surprises” regarding questions and concerns related to Board and District business by communicating with the Board chair and Chancellor.
  - Board members will uphold the principle that Board maintains positions on issues that come before the Board are decided at the Board meeting after full debate and consideration of all points of view.

3.5 Actively support the colleges and advocate on their behalf in the communities they serve.

- Work with Chancellor to increase the total number of employees who respond to the climate survey by 20%.
- Work with Chancellor to develop a plan for improving the five lowest and most important responses to statements on the climate survey.
- Work with Chancellor to increase the number of climate survey respondents overall that agree or strongly agree to climate statements by 20%.
- Identify opportunities for the Board, the Chancellor and her designees to speak and interact with the community and to promote the District and its services.
- Improve dialogue among Board members and with the Chancellor to create a broader and better understanding of successes and challenges in the District.

**District Strategic Direction 4: Improve Student Learning and Achievement of their Educational Goals**

4.1 Communicate and uphold educational values and strategies that support student learning in all Board deliberations.

- Expect that the colleges have processes for determining the prevalence of excellent instructional practices as well as staff development activities to support those practices.
- Ensure that funds are allocated through the budgeting process for sabbaticals and other activities to enable instructors to experiment with new teaching methods and that the results are publicized within the faculty.

4.2 Monitor student learning by reviewing reports on the establishment and assessment of student learning outcomes.

- Ensure that the District is engaged in a systematic process of establishing and assessing student learning outcomes at the course, program and degree levels.

4.3 Expect and monitor that educational programs are high quality, cost effective, and support student success.

- Ensure that the Board policy on the establishment, review, modifications, and elimination of programs are conducted and followed as set forth in the policy.
- Identify metrics or measures that will engage the Board in monitoring the effectiveness of the educational programs.

4.4 Expect and monitor that institutional planning meets the needs of the communities served by the District.

- By July 1, 2007, the Board will receive a District master plan that addresses current and future community needs and an analysis of the District's response to those needs.

**4.5 Ensure that the workforce development for the CCCCDC reflects the mission called for by the state.**

- **By December 2006, the Board will receive the workforce development plan for the District.**

**4.6 Support student involvement in deliberations that involve student learning and educational goals.**

- **Ensure that students have the opportunity to participate in constituent-based college leadership processes.**



## Budget Values and Parameters

In preparing the annual budget for the District, the goal is to develop a balanced budget that provides for programs and services that meet the needs of the community served by the Contra Costa Community College District (CCCCD). The budget will be developed within the context of the values and parameters below.

### Values

The foundation of the budget development process is a belief in basic, shared values: honesty, integrity, transparency, and an overall sense of collegiality. Fiscal prudence will be exercised in the development and management of the budget. These values will be upheld by ensuring the following:

- Discussions and all actions are student-centered.
- Communication of financial information will be practiced to ensure dialogue among constituencies and honest portrayal of the District's financial condition.
- Decisions on financial matters are data-driven.
- District budget practices are comparable to institutions of similar size and scope.

### Parameters

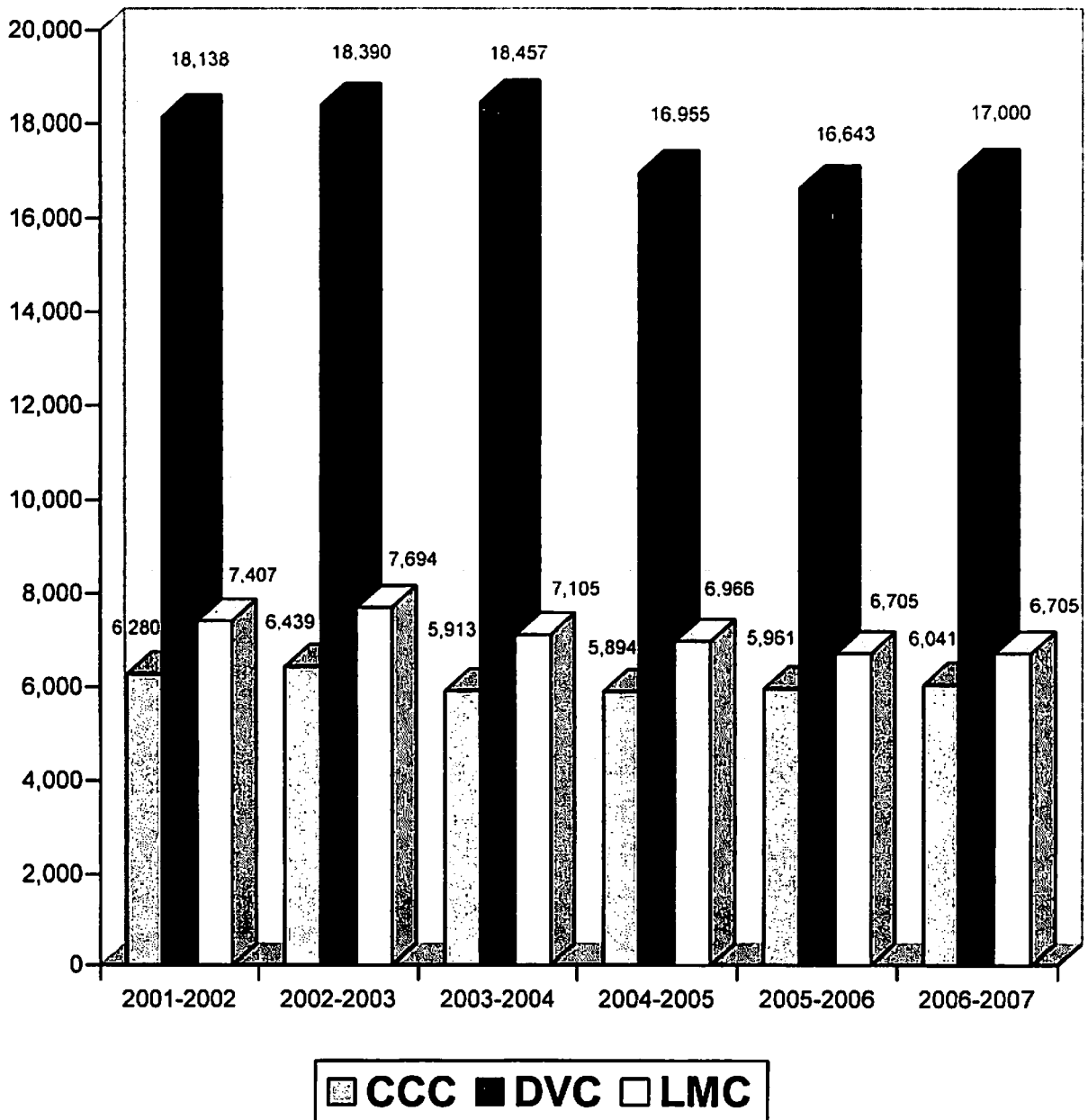
To the extent possible, the budget will:

1. allow the resources sufficient for meeting the needs of the diverse student population of the District;
2. be developed based on achievable FTES goals that provide for the highest possible level of student access;
3.
  - 3a. Strive for reaching the desirable fund balance of 7% while maintaining a minimum emergency fund balance reserve of 5% of the unrestricted general fund budgeted expenditures for the fiscal year; **(Chancellor's Cabinet recommendation)**
  - 3b. ~~Strive for reaching the desirable fund balance of 7% while maintaining~~ **Maintain** a minimum emergency fund balance reserve of 5% of the unrestricted general fund budgeted expenditures for the fiscal year; **(District Governance Council recommendation)**
4. provide sufficient funding to ensure an appropriate number of faculty, classified staff and management personnel to fulfill the mission of the District and its colleges;
5. provide for contractual obligations and fixed costs;
6. cover the current year retiree health benefit expenses and increase restricted reserves for the retiree health benefit liability;
7. include funding for new Districtwide projects based on District goals;
8. adhere to formulae stipulated in Business Procedures;
9. budget and restrict college year-end carryover balances for one-time expenditures only;
10. provide funds for scheduled/deferred maintenance, Block Grant, and other state matching fund programs; and
11. be developed within a multi-year plan.

### District FTES Projections for 2006-07

<b>CCC</b>	6,041	1.3% increase
<b>DVC</b>	17,000	2.2% increase
<b>LMC</b>	6,702	no increase
<b>Total =</b>	29,891	with 1,350 FTES coming from non-resident students (an increase of 1.4%)

### District 6-Year Trend of Earned FTES



## Revenues and Expenditures

**District resources** are simply the total of the current year's beginning fund balance plus the current year's revenues.

District Resources = Beginning Fund Balance + Current Year Revenues

The District's "resources" are used to afford the District total "uses which include the District's expenditures and the fund balance/reserve.

### Components of Current District Revenue

Apportionment revenue*	\$123,692,989	90.0%
Non-resident and foreign fees	5,340,228	3.9%
Lottery*	3,536,732	2.6%
Other state revenues	2,316,880	1.7%
Local revenues	<u>2,477,107</u>	<u>1.8%</u>
Total	\$137,363,936	100.0%

\*Revenue directly tied to reported FTES

## State Apportionment

The total apportionment to be received in any one year is calculated as follows:

### Base Apportionment

+	COLA	
+	Growth/decline*	(*a negative number)
+	Equalization	
+	Stability funding	(offsets the decline)
-	<u>Deficit funding</u>	
=	Total apportionment	

### Projected Apportionment 2006-07

Base Apportionment		\$123,692,989
+	COLA 5.18%	6,407,296*
+	FTES Growth 1.4%	1,731,702
+	Net M&O growth (SRVC)	371,137*
+	Equalization	0
+	Stability funding	0
-	<u>Deficit funding</u>	<u>0</u>
=	Total apportionment	\$132,203,124
*	Potential new money =	\$ 8,510,135

## Anticipated Changes to Revenue and Expenditures for 2006-07

From the total resources available, the District makes budgetary allocations to fund the following:

1. Fund balance/reserve (5% of expenditures – minimum)
2. Full-time employee salaries and benefits
3. Retiree health benefits
4. Part-time faculty salaries and benefits
5. Operational expenses
  - Includes expenditures for supplies, equipment, contracted services, leases, insurance, utilities, classified and student hourly staff, etc.)

If total District resources do not cover total uses, then expenditure cuts are required.

Currently, the anticipated increases to revenue are:

Apportionment:	COLA 5.18%	\$ 6,407,296
Apportionment:	FTES growth 1.4%	\$1,731,702
Apportionment:	Net M&O growth	\$ 371,137

\*Note: For 2006-07, the District will not book this revenue, or the associated expenditure increases, until the growth is confirmed by the fall 2006 census figures.

Currently, the anticipated increases to expenditures are:

• 20 FTEF increase in full-time faculty	\$ 783,120
• Step, class and longevity increases	\$ 955,676
• Current contract salary changes	\$ 970,226
• Sabbatical allowance	\$ 852,467
• SRVC personnel and operations	\$ 709,831
• 15% increase in utility costs	\$ 658,775
• 8% increase in health benefit costs	\$1,278,403

Currently, the anticipated decreases to expenditures are:

• Elimination of 2005-06, 2% growth margin*	\$ 757,785
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\*This was the additional funding provided to the colleges in 2005-06 to facilitate growth.

**Contra Costa Community College District**  
**SALARY SCHEDULE AND DISTRICT BENEFITS PREMIUM HISTORY**  
(effective July 1 unless noted)

Fiscal Year	Salary Schedule Changes					Benefits Premium Changes	
	Faculty	Classified	Confidentials	Managers/ Supervisors	Chancellor's Cabinet	Medical Plans	Dental Plans
83-84	0.0%	0.0%	0.0%	0.0%	0.0%		
84-85							
eff. 7-1-84	8.4%	10.4%	8.4%	8.4%	8.4%		
eff. 7-1-85	4.0%		4.0%	4.0%	4.0%		
85-86	6.2% (87.1% of work year)	5.4%	5.4%	5.4%	5.4%		
86-87	5.0%	5.4%	5.0%	5.0%	5.0%		
87-88	4.0%	4.0%	4.0%	4.0%	4.0%		
88-89	4.7%	4.7%	4.7%	4.6/7%	4.6/7%		
89-90	7.0%	7.0%	7.0%	7.0%	7.0%		
90-91	6.5%	6.5%	6.5%	6.5%	6.5%		
91-92	3.0%	3.0%	3.0%	3.0%	3.0%		
92-93	0.0%	0.0%	0.0%	0.0%	0.0%		
93-94	2.0%	2.0%	2.0%	2.0%	2.0%	5.53%	2.66%
94-95	2.0%	2.0%	2.0%	2.0%	2.0%	-0.03%	5.82%
95-96	4.0%	4.0%	4.0%	4.0%	4.0%	-6.95%	0.80%
96-97	4.0%	4.0%	4.0%	4.0%	4.0%	0.61%	4.17%
97-98	2.97%	2.97%	2.97%	2.97%	2.97%	14.18%	8.13%
98-99	2.26%	2.26%	2.26%	2.26%	2.26%	11.39%	6.50%
99-00	1.41%	1.41%	1.41%	1.41%	1.41%	11.90%	5.25%
00-01 <sup>(4)</sup>	6% + 1%	6% + 1%	6% + 1%	6% + 1%	6% + 1%	14.72%	15.45%
01-02	4.25%	4.25%	4.25%	4.25%	4.25%	12.20%	6.97%
02-03 <sup>(6)</sup>	6.2%	6.2%	6.2%	6.2%	6.2%	24.03%	-1.42%
03-04 <sup>(1)(5)(7)</sup>	0.0%	0.0%	0.0%	0.0%	-2.0%	9.46%	-8.51%
04-05 <sup>(2)(3)</sup>	-6.9% eff 4/1/05	0.00%	-7.00%	-7.00%	-7.00%	18.37%	6.17%
05-06 <sup>(3)</sup>	-6.90%	-3.38% eff 8/1/05	-5.25%	-5.25%	-5.25%	8.34%*	9.5%*
06-07	-5.25%*	0%*	0%*	0%*	0%*	8%*	4%*

<sup>(1)</sup> Chancellor's Cabinet -2% FY 03-04 only

<sup>(2)</sup> Classified 7% furlough. Conf, Mgr/Sup, Cabinet -7% FY 04-05 only

<sup>(3)</sup> Faculty 3.38% for FY 04-05 and 5.25% for FY 05-06 administered as 6.9% 4/1/05 - 6/30/06

<sup>(4)</sup> Medical copay \$0 to \$5

<sup>(5)</sup> Medical copay \$5 to \$15

<sup>(6)</sup> Dental plan switch to ACSIG Insured

<sup>(7)</sup> Dental plan switch to ACSIG Self-insured

<sup>(\*)</sup> Projected based on current agreements and/or rates

Contra Costa Community College District  
**YEAR-TO-YEAR ANNUALIZED SALARY SCHEDULE CHANGES**

Fiscal Year	Annualized Salary Schedule Changes				
	Faculty	Classified	Confidentials	Managers/ Supervisors	Chancellor's Cabinet
83-84	0.0%	0.0%	0.0%	0.0%	0.0%
84-85	8.4%	10.4%	8.4%	8.4%	8.4%
eff. 7-1-84	4.0%		4.0%	4.0%	4.0%
eff. 7-1-85	6.2%	5.4%	5.4%	5.4%	5.4%
85-86	5.0%	5.4%	5.0%	5.0%	5.0%
86-87	4.0%	4.0%	4.0%	4.0%	4.0%
87-88	4.7%	4.7%	4.7%	4.6/7%	4.6/7%
88-89	7.0%	7.0%	7.0%	7.0%	7.0%
89-90	6.5%	6.5%	6.5%	6.5%	6.5%
90-91	3.0%	3.0%	3.0%	3.0%	3.0%
91-92	0.0%	0.0%	0.0%	0.0%	0.0%
92-93	2.0%	2.0%	2.0%	2.0%	2.0%
93-94	2.0%	2.0%	2.0%	2.0%	2.0%
94-95	4.0%	4.0%	4.0%	4.0%	4.0%
95-96	4.0%	4.0%	4.0%	4.0%	4.0%
96-97	2.97%	2.97%	2.97%	2.97%	2.97%
97-98	2.26%	2.26%	2.26%	2.26%	2.26%
98-99	1.41%	1.41%	1.41%	1.41%	1.41%
99-00	6% + 1%	6% + 1%	6% + 1%	6% + 1%	6% + 1%
00-01	4.25%	4.25%	4.25%	4.25%	4.25%
01-02	6.2%	6.2%	6.2%	6.2%	6.2%
02-03	0.0%	0.0%	0.0%	0.0%	-2.0%
03-04	-1.73%	0.00%	-7.00%	-7.00%	-5.10%
04-05	-5.27%	-3.10%	1.88%	1.88%	1.88%
05-06	1.77%*	-0.29%*	0%*	0%*	0%*
06-07	(*) Projected based on current agreements				

## 2006-2007 Employee Compensation Facts

1. Under current contracts and given the projected increases in health benefits, total compensation for the District's employee groups will increase by:

Faculty	2.22%
Local One	0.95%
Unrepresented	0.86%

2.	Increase components:	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
	Faculty	1.77%	0.45%	2.22%
	Local One	-0.29%	1.24%	0.95%
	Unrepresented	0.00%	0.86%	0.86%

3. The cost associated with a 1% change in salary by employee group is:

<u>Faculty</u>	<u>Local One</u>	<u>Unrepresented</u>	<u>Total</u>
\$596,793	\$230,170	\$128,586	\$955,676



## List of Strategic Needs as Agreed upon by DGC and Chancellor's Cabinet

<p><b>GOAL 1: Enrollment growth</b></p> <p><i>*Accountability measures will require that an implementation plan be developed through college shared governance before funding: One month after the end of the fiscal year, an evaluation report will be prepared describing what was accomplished.</i></p>	<p>Provide technology upgrades for labs, classrooms, and staff including new computers and smart classrooms. Consider long term maintenance and future replacement of these items.*</p> <p>Enhance student access to district and student services by providing a single point of online contact. Provide email accounts for students.</p> <p>Web development including pertinent college information in multiple languages.</p> <p>Increase full time faculty and fill vacant positions.</p> <p>Fund college outreach efforts to increase enrollment including but not limited to*:</p> <ul style="list-style-type: none"> <li>• Development of partnerships with local HS and community agencies to provide innovative courses meeting the needs of the work force and community.</li> <li>• Targeted research specific to each geographic area and demographics for each college in order to assess student and community needs.</li> <li>• Review and develop courses and programs in response to state workforce needs.</li> </ul> <p>Increase the operating budgets to provide support for college functions such as tutoring and instructional supplies.*</p>
<p><b>GOAL 2: Reestablish the fiscal health of the District</b></p>	<p>Implement an in-house district-wide online course management system to offer additional online courses with better support and consolidate licensing and equipment expenses.<sup>1</sup></p> <p>Provide support for a single sign-on security system to allow all district users only one login/password. Savings in IT support for forgotten passwords.</p>
<p><b>GOAL 3: Improve morale throughout the entire District</b></p> <p><i>*Accountability measures will require an implementation plan be developed through college shared governance before funding and that one month after the end of the fiscal year, an evaluation report will be prepared describing what was accomplished.</i></p>	<p>Increase budget for staff development to fund activities such as:</p> <ul style="list-style-type: none"> <li>• Training in subject matter</li> <li>• On and off campus workshops</li> <li>• Training on Datatel and other software.</li> <li>• Professional and Academic Conferences</li> </ul> <p>Funding for short term HR staff to expedite hiring of current vacant positions</p> <p>Augment police equipment budget to upgrade aging equipment and vehicles to increase safety, effectiveness and responsiveness and to purchase defibrillators or other emergency equipment including improved communications equipment.</p> <p>Upgrade aging equipment and vehicles for Buildings and Grounds staff to increase safety, effectiveness, and responsiveness.</p>
<p><b>GOAL 4. Improve student learning and achievement of their educational goals</b></p> <p><i>*Accountability measures will require an implementation plan be developed through college shared governance before funding and that one month after the end of the fiscal year, an evaluation report will be prepared describing what was accomplished.</i></p>	<p>Enhance student access to district and student services by providing a single point of online contact. Provide stable email accounts for students.</p> <p>Provide technology upgrades for labs, classrooms, and staff including new computers and smart classrooms. Consider maintenance and replacement of these items.</p> <p>Funds for a district wide plan to develop SLO's including items such as reassigned time for development, assessment, and training on related software.</p> <p>Fund college outreach efforts to increase enrollment including but not limited to*:</p> <ul style="list-style-type: none"> <li>• Development of partnerships with local HS and community agencies to provide innovative courses meeting the needs of the work force and community.</li> <li>• Targeted research specific to each geographic area and demographics for each college in order to assess student and community needs.</li> <li>• Review and develop courses and programs in response to state workforce needs.</li> </ul>

<sup>1</sup> This will consolidate licensing and equipment expenses that individual campuses are funding. A consolidated system would provide better integration with Datatel Colleague. This integration provides better student support and an overall better student experience in online courses. This consolidation would provide the district the capability to offer more online sections while offering better support to the students and faculty. Consolidate Blackboard and WebCT.

## Potential Sources of Funding not Included in Projections

### Final COLA

- The LAO has issued a statement that the final 2006-07 COLA could be as high as 5.8% (which could mean an additional \$700,000 to the District)

### Equalization Funding

- Currently the District is slated to receive \$0, but, there is ongoing discussion on this issue.
- In one scenario, in which SB 361 becomes the new funding formula, there is a “hold harmless” clause by which the District would receive \$1.9 million equalization funding

### Funded FTES Growth

- What will be the District's reported/funded FTES for 2006-07?
- The District could experience growth in excess of goals
- The District could utilize “borrowing” and receive revenues based on a higher level of reported FTES
  - Advantages:
    - Allows the District to end the 2005-06 year with a larger reserve
    - All else being equal would take four years after 2005-06 for an FTES decline to be felt
    - Could be recovered at a modest rate of growth in the 1% range for three years
    - Would produce additional funds for the District over a four year period
  - Disadvantages:
    - District is still advancing summer FTES
    - Pressure to spend additional funds on ongoing cost items