

2013-14 Adoption Budget Board Presentation September 11, 2013



Contra Costa College

Diablo Valley College

San Ramon Campus

Los Medanos College

Brentwood Center

Topics

- Increased State Support
 - Cost of Living Adjustment (COLA)
 - Increased Student Access
- Full Time Equivalent Students (FTES)
 - Growth Available
 - Cautious Optimism
- Fiscal Year 2013-14 Adoption Budget
 - Overview and fund balance
 - FTES targets
 - Major Areas of Concern
 - – Three-year Projection • • • • •



Increased State Support

- Community College System is receiving 1.57% for a Cost of Living Adjustment (COLA); total of \$87.5M
 - \$2.3M for the District
- Community College System is receiving 1.63% to restore student access; total of \$89.4M
 - District can earn \$2.7M by increasing its FTES



FTES – Growth Available

- The District did not achieve its base FTES in FY 2012-13; currently on stability
 - Aggressive FTES strategy in FY 2013-14
 - Year-over-year growth of 1,201 resident FTES, or 4.42%
 - 1,201 resident FTES growth comprised of:
 - 604 FTES to restore base and get off stability (2.18% year-over-year growth)
 - 172 FTES is to capture available FY 2009-10 restoration; ***this is the final chance to reclaim this lost FTES*** (2.86% year-over-year growth)
 - 425 FTES is to capture available FY 2011-12 restoration; (4.42% year-over-year growth)



FTES – Cautious Optimism

- Summer 2013
 - Nearly 400 resident FTES above Summer 2012
 - Achieved one-third of the total year-over-year growth planned in our smallest semester
 - Achieved two-thirds of the year-over-year growth needed to get off stability in our smallest semester
 - DVC was the driver of Summer 2013 increases
- Fall and Spring
 - Still need 800 resident FTES year-over-year growth to hit our target
 - Cautious optimism is the current feeling



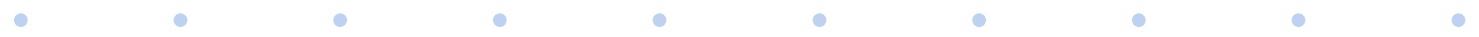
Adoption Budget Overview

- Adoption Budget shows a current-year structural surplus of \$1.4M
 - COLA and budgeted growth money largely account for the surplus
 - Structural surplus is 0.8% of total expenditure budget
- All colleges and the District Office have a balanced operating budget
 - Each location is living within its means



Adoption Budget Overview

- The District begins FY 2013-14 with an opening fund balance in its ongoing, unrestricted general fund of \$27.9M
 - Very healthy reserves, approximately 17% of total expenditures
- With budgeted expenses of \$165.7M offset by anticipated revenues of \$167.1M, the District has a structural, or operating, surplus of \$1.4M
 - This \$1.4M surplus will be added to the District fund balance, bringing the ratio of fund balance to expenditures to 17.73%



Adoption Budget – Fund Balance

Beginning Fund Balance	\$	27,962,544
plus operating surplus:		<u>1,423,050</u>
Projected Ending Balance at June 30, 2014:	\$	29,385,594

Components of Ending Fund Balance

		<u>Restricted</u>
5% Board Reserve:	\$	8,240,229
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1% minimum Site Reserves:		3,907,999
Designated Reserves:		<u>6,057,154</u>
Subtotal Restricted:	\$	26,445,611

includes ISA reserves, deficit funding reserves, and reserves for compensated absences

		<u>Unrestricted</u>
Undesignated Reserves:	\$	<u>2,939,983</u>
Subtotal Unrestricted:	\$	2,939,983

Total Reserves: **\$ 29,385,594** (17.73% of expenses)

FTES Targets

2013-14 Total FTES Targets				
	Resident	Non-resident	Total	% of Total
CCC	5,581	193	5,774	18.71%
DVC	15,035	2,200	17,235	55.85%
LMC	7,751	100	7,851	25.44%
Total	28,367	2,493	30,860	100.00%



**1,201 more than FY
2012-13 Actuals**



**77 more than FY
2012-13 Actuals**



Major Areas of Concern

- Student Demand
 - Inverse relationship between the economy and demand for courses
 - The District must be innovative in its scheduling and course offerings
- Productivity
 - Defined as FTES divided by Full Time Equivalent Faculty, a high productivity level allows District resources to be utilized in other areas
 - Has been historically high the past few years



Three-Year Projection

	<i>Resident FTES Target: 28,367</i>	<i>Resident FTES Target: 28,934</i>	<i>Resident FTES Target: 29,513</i>
	Adoption Budget	Projected	Projected
	FY 13-14	FY 14-15	FY 15-16
Projected Revenue	\$167,125,257	\$167,125,257	\$168,534,869
Adjustments (FTES Growth)	\$0	\$2,628,612	\$2,684,244
Remove one-time revenues	\$0	(\$1,219,000)	\$0
Revised Revenue	\$167,125,257	\$168,534,869	\$171,219,113
Projected on-going Expenses	\$165,702,207	\$165,702,207	\$168,886,480
Assessment Increases	\$0	\$780,519	\$835,155
Step/Column Increases	\$0	\$1,248,754	\$1,263,739
Health Benefits Cost Increases	\$0	\$1,155,000	\$1,235,850
Revised Expenses	\$165,702,207	\$168,886,480	\$172,221,224
Revenue less Expense	\$1,423,050	(\$351,611)	(\$1,002,111)
Beginning fund balance	\$27,962,544	\$29,385,594	\$29,033,983
Estimated Unrestricted Ending Balance	\$29,385,594	\$29,033,983	\$28,031,872
Fund balance (decrease) or increase	\$1,423,050	(\$351,611)	(\$1,002,111)

No Cost of Living Adjustment or salary increases included in this model

Recap

- Increased state support through COLA and growth
- Aggressive FTES strategy to capture available funding; cautious optimism
- Healthy reserves; over 17% of expense budget
- Small structural surplus; less than 1% of expense budget
- A commitment to the community to serve and provide excellent educational opportunities to all students



Questions?

