



FY 2008-09 CCS Budget Development

Timelines

Budget Assumptions

Fees

District Council/Financial Advisory Committee
Meeting

March 10, 2008

Budget Development Schedule

Action	District-wide	SCC	SFCC	IEL	Facilities
1 Budget Process Planning Begins	February 1, 2008				
2 Lab & Course Fees, S&A Fees, Tech Fees Developed	February - May 2008				
3 Lab & Course Fee Proposals due to District	March 31, 2008				
4 Distribute Carry-Forward Base Budget Estimates, Planning Assumptions	February - March 2008				
5 District Council/Financial Advisory Committee Meeting (Fees, Assumptions)	March 10, 2008				
6 Board of Trustees <i>Timeline & Assumptions Review</i>	March 18, 2008				
7 SBCTC Publishes Budget	April 1, 2008				
8 VP Council & District Cabinet Meetings	April 7, 2008				
9 District Council/Financial Advisory Committee Meetings	April 7, 2008				
10 VP Council & District Cabinet Meetings <i>Perkins/WRT/WF Internal Allocations Approved</i>	April 21, 2008				
11 College/District Departmental Budgets Developed	April/May 2008				
12 District Distributes Budget Allocations to Units	On Receipt of SBCTC Budget				

Budget Development Schedule

Action	District-wide	SCC	SFCC	IEL	Facilities
13 Colleges, IEL, Administrative Services and Facilities Finalize Budgets	May - June 2008				
14 VP Council & District Cabinet Meetings	May 5, 2008				
15 District Council/Financial Advisory Committee Meetings	May 12, 2008				
16 Worker Retraining Plans Due	May 8, 2008	May 8, 2008	May 7, 2008	May 7, 2008	N/A
17 Perkins Plans Due	May 15, 2008	May 15, 2008	May 14, 2008	May 14, 2008	N/A
18 WorkFirst Plan Due	May 8, 2008	TBD	May 6, 2008	May 7, 2008	N/A
19 Other SBCTC Grants or Allocations	See "Other Funds" SBCTC Grant Schedule				
20 Board of Trustees Retreat	TBD April 2008				
21 VP Council & District Cabinet Meetings <i>Budget allocation approval</i>	May 19, 2008				
22 Board of Trustees <i>Allocation Approval and Spending Resolution</i>	May 20, 2008				
23 Fiscal Year 2008 Ends/2009 Begins	June 30/July 1, 2008				
24 Board of Trustees <i>Detailed Budget Approval</i>	July 15, 2008				

General Budget Assumptions

- 2008-09 inflation forecast is 2%
 - Units should use this rate in budgeting for goods & services
- Utilities
 - Rising rate environment
 - FY08-09 utility budget will be increased by \$235,355 - total budget \$3,555,405
 - This budget increase includes the addition of sn-w'ey'-mn and rate increases
 - Available state funds plus excess reserve will cover needs and maintain Utilities Reserve Account target at 10%
 - Additional utilities distribution not planned from units
- Enrollment
 - Meeting enrollment targets will require continuous effort;
 - Assume 07-08 target will be met, thus making CCS eligible for growth FTE
 - CCS will continue to monitor and manage enrollment towards SBCTC target
 - Colleges will retain base carry forward enrollment
 - General growth enrollments will be allocated based on two-year average performance towards institutional target
 - Enrollment strategies will continue; marketing allocation will be reviewed
 - Goals: to identify enrollment strategies and potential for new student markets

General Budget Assumptions

- **Unfunded mandates and related costs**
 - Potential for unfunded salary and benefit costs to be assumed at the local level
 - Unfunded mandates from local, state and federal agencies will continue
- **Tuition and Fees and Waivers**
 - Review legislative changes and current CCS policies
 - Review will be completed during budget development
 - An average 2% increase is authorized per year this biennium (2007-09); increase is subject to I-960
- **CCS Allocation Methodology**
 - Pro-rata model for
 - Allocation of district-wide resource increases
 - Allocation of district-wide budget adjustments, if necessary
 - Will consider an earmark for additional campus safety considerations
 - Specific allocation methodologies for earmarked allocations and other line item allocations
 - Goal is to closely match allocation to expenditure history or purpose of the line item resource (e.g., salary, benefits, child care)
 - High Cost set-aside will remain at \$200,000 (in units' base budgets)

General Budget Assumptions

- Programs and Services
 - Maintenance and capital improvements will emphasize preventative maintenance
 - Building Improvement Request (BIR) chargebacks will reflect full cost recovery
 - Quality of programs must be maintained
 - All mandated and legally required services will be prioritized by the colleges, IEL, administrative services and facilities
- Partnerships and collaboration with education partners and community organizations critical as resources decline
 - Colleges and district office will continue to seek grant opportunities for new initiatives and to provide community and contracted services
- Reserves
 - District office will continue to maintain designated reserves in critical accounts
 - Colleges and district office will maintain 5% operating reserves

Revenue Budget Assumptions

- New State funding allocation will be earmarked for Tuition Replacement, COLA's, FTE, and benefit adjustments
 - Represented staff COLA 2% effective 7/1/08
 - Exempt COLA 2% effective 9/1/08
 - Faculty (I-732 covered employees) 2.8% COLA effective 7/1/08 will be raised to 3.9% and an additional 1% may be added
 - Health Insurance Rate reduction from \$732 to \$575 per month per employee in 2008; may reduce to \$561 in 2009
 - Base budgets will be reduced to reflect lower cost
- Facilities Maintenance & Operations (M&O) funding
 - Additional \$121,000 for SFCC sn-w'ey'-mn to reflect a full year of occupancy
 - Magnuson building will be transferred in January 09, M&O funding will follow

Revenue Budget Assumptions

- Enrollment targets will be closely monitored
- Colleges will retain base carry forward FTE targets
- Achieving targeted enrollment allocations may be challenging
- New FTE funding in several categories
 - General growth: 71 @ \$4,900 per FTES (\$347,900)
 - Setaside apprenticeships: 85 @ 4,150 per FTES (\$352,750)
 - Apprenticeships: 29 @ \$5,950 per FTES (\$172,550)
 - ABE: 42 @ \$6,050 per FTES (@254,100)
 - Transfer High Demand: 13 @ 8,750 per FTES (\$113,750)
 - I-BEST: 16 @ \$9,750 per FTES (\$156,000)
- Worker Retraining
 - Base funding stable (247 FTE @ \$4611=\$1,138,917)
 - Variable FTE allocation and funding assumed in budget (\$315,084)
 - CCS allocation developed for internal use
- Running Start enrollment will be stable (approximately 700 annual FTE; 820 headcount)
 - No funding or FTES recognition is assumed in budget

Revenue Budget Assumptions

- International Students now reported as state support FTE
 - Units will receive international program allocations - anticipate slight growth in the program
- Tuition increase ~2% + about \$165,000 "tuition replacement" funds in 2008-09 - Increase is subject to I-960 approval
- Lab and course fee revenue
 - I-960 requires legislative approval of fee increases other than strictly material cost recovery
- Technology fee Revenue dependent on enrollment levels
 - Current rate is \$4.00/credit up to maximum of \$40 at all units
 - Budgets are developed through campus committees and recommended to the board
- Grants and contracts
 - Institutions continue to seek grants for program improvements
 - Perkins internal allocation model will be updated based on FY 08-09 planning numbers and formula variables
 - Negotiated indirect will be collected from all federal, state and private grants and contracts

Expenditure Budget Assumptions

- Enrollment challenges must be considered as expenditure levels are established
- Inflation will impact the ability to purchase the current level of goods & services, travel and equipment
- Colleges, IEL, Facilities & Administrative services will establish their own budget priorities and service levels
- Unfunded cost increases will be accounted for within available budgets or through a district-wide reallocation, depending on the item of cost

Expenditure Budget Assumptions

- Consider in budget development:
- Estimated employer pension rates PERS 8.20%; TRS 9.33%
- Estimated employer health premium rate \$575/month/employee (may reduce to \$561)
- Personnel related fee rates (TBD)
 - Unemployment
 - Collective bargaining fee
 - Dept of Personnel
 - Labor relations office
 - Worker's compensation
 - Employee Assistance Program
 - Flexible Spending Account
- Minimum wage currently \$8.07; approximately \$8.31 in Jan 09 (+3%)
- Centrally managed costs and other initiatives
 - Marketing
 - Administrative computing (CIS re-hosting, training)
 - Printing
 - Vicinity mileage increase from \$0.505/mile to ___? each January (+4% from 2007)
 - Others...



Fee Review

Changes from Last Year

- Initiative 960
 - The state legislature must approve most fee increases
 - More intense scrutiny is required on new or increased fees
 - “Material Cost Recovery” is the new key phrase
 - If revenue from a fee is used PURELY for Material Cost Recovery, then the fee may not require legislative approval--but it must be approved by the Board of Trustees

“Material Cost Recovery” is the pass-through cost of materials and supplies used by students for required class activities



Clay, wood, metal
Welding Rod and Gas
Personalized uniforms
Reproduced handouts (some)
Tools/materials kept by students
Test Tubes, Chemicals

Fees for these kinds of things must be justified to the Board of Trustees



Maintaining, repairing, upgrading or replacing classroom equipment
Reproduced course syllabi or schedules
Common-use tools/supplies
Maintaining budget reserves

If any part of a fee contributes to these kinds of things, the fee is subject to I-960!

SBCTC's Take on I-960

Fees that are affected by I-960:

- tuition (this will be addressed by SBCTC for the system)
- application fees
- lab fees when fee covers more than materials recovery charges
- testing fees
- technology fees when not student voted
- matriculation and graduation fees
- transcript fees
- comprehensive fee when not student voted
- commute trip reduction fee
- class withdrawal fees
- late enrollment fee
- International Contract enrollment fee

Fees not affected by I960:

- lab fees solely for materials recovery charges
- fees charged to clinical patients
- charges for work performed such as in automotive programs etc.
- charges for housing and food services
- charges for goods and services of the bookstore
- fees for contract training
- fees for continuing education (non-state supported) programs
- parking fees
- returned check fees
- fines and forfeitures

I-960 Fees

- Fees that we know are subject to I-960 were submitted to SBCTC/OFM and the Legislature in December – hopefully to gain authority for up to a 5.57% increase for 2008-09
- Worst case is that the legislature does not approve the increase
- Next chance to change them may be late 2008

2008 Fee Review

- All new fees or changes to fees must be justified to the Board of Trustees
 - Demonstrate that the fee is based on analysis of actual costs
- Determine if the fee might be subject to I-960
 - If it is and must be changed, we'll submit it when OFM asks
 - If you don't want it to be and must change it, you must change the way you use the revenue

2008 Fee Review

- Fee proposals are due to the Business Office from College VPs on March 31
- The VP Council and Cabinet will screen them and recommend a new fee schedule to the Board of Trustees in May
- The Fee Review Package includes formats and references to help

Justification - KISS

Rationale	Est. Annual Revenue Change	
EXAMPLE - CARP 133: Provides Carpentry students with a calculator they will use throughout their program.	\$408.00	Approx. 17 students will enroll in the Carpentry program in 2008-09; calculators cost \$24.00 each
EXAMPLE – ARCHT 126: Costs of drafting and modeling supplies increased 2%	\$5.60	8 students per year enroll in this course; @ .70 each, the est. revenue increase is \$5.60
EXAMPLE – OR-PR 141: Covers costs of specialized materials for in-class fabrication of orthotics/prostheses	\$650.00	13 students per year. Cost of aluminium stock, moldable acrylic, velcro, hinges, padding materials and fabric for required in-class projects averages \$49.97 per student.

Questions?