

Budget Update 5-28-15

Planning and Resources Council Tentative Budget Update

Our budget Process

- What is TB versus AB?
- Tentative Budget is an early budget that is adopted by the Governing Board usually based upon the Governor's January budget/May revise but usually before the legislature passes a budget. It is required by law to ensure smooth operations when the fiscal year starts July 1, and is based on projected year end expenses and a consistent ending balance figure.

Our budget Process

- What is TB versus 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, but still contains some projections and assumptions.

State Wide Budget Highlights

- The May revise proposes allocating the funds as follows:
 - \$61.1M for COLA (1.02%),
 - \$156.5M to restore access (3%)
 - \$75M to increase faculty hiring
 - \$266.7M Base funding increase to support district operating expense increases
 - \$626M to pay off mandated obligations

State Wide Budget Highlights

- The May revise proposes additional funds for categorical & other special funds:
 - \$115M for Student Equity
 - \$299.2M for SSSP
 - \$2.5M for Categorical Program COLA
 - \$148M for Deferred Maint. & Instructional Equip.
 - \$94.5M to completely retire deferrals

Important GCCCD TB Budget Facts

- Does not include actual ending balance
 - Includes estimate that may fluctuate(one-time \$).
- Does not include prior year one-time funds
- Includes Step & Column, RAF & SET estimates.
- Includes benefit cost increase projections
- Includes estimated utility cost increases
- Includes current approved staffing plan
- Includes a 1% fiscal uncertainty holding

May Revise impacts on TB Amounts

- Includes 3% Restoration Funding
 - (1% of this in holding at each college, \$555K for GC)
- Includes COLA of 1.02% .
- Includes increased base allocation Funding

- Does not include increase for Hiring full time faculty
- Does not include Outstanding mandated claims one-time funds
- Does not include categorical increase estimates

Tentative Budget Update

Grossmont Unrestricted Tentative Budget includes ongoing and one-time \$ (Ending balance amounts)	
2015-2016 Tentative Budget UGF	\$63,442,309
2014-2015 Revised Adopted Budget UGF	\$62,810,432
Increase from 2014-15 Adopted Budget	<u>\$631,887</u>
Percentage Change	1.01%

Budget Increases and Costs

- Benefit Holding has increased by \$1.6 million
- Dedicated income has remained flat
- Utility Increases of 120K (5%)
- Additional Personnel Costs
 - RAF and SET allocations for 2014/15 & 2015/16 \$1.3 million
 - Step & Column
 - Costs for increasing sections to reach new goals and summer pull back - \$700K

Tentative Budget Update

Grossmont Unrestricted Tentative Budget less one time funds (ending balances)	
2015-2016 Tentative Budget UGF	\$61,242,309
2014-2015 Adopted Budget UGF	\$57,950,788
Increase in ongoing portion of budget from 2014-15 Adopted Budget	<u>\$3,291,521</u>
Percentage Change	5.68%

Tentative Budget Update

Ending Balance from previous year Differences	
2015-2016 Tentative Budget UGF beginning balance	\$2,200,000
2014-2015 Adopted Budget UGF beginning balance	\$4,859,644
Difference	<u>-\$2,659,644</u>

GCCCD FTES Targets

Apportionment FTES Goals per Semester 2015-16	
Current FTES Goals	18,193
Estimated 2% growth reported earlier	364
Total FTES needed to garner in 2015-16	18,557
Additional 1% growth Included in Governor's May Revise	182
Revised Target	18,739

Does not count non-resident FTES or summer pull back amounts

Grossmont 2015-16 FTES Targets

Current 2014-15 FTES Goals	12,617
Estimated 2% growth	250
Additional 1% growth Included in Governor's May Revise	127
Total FTES needed to garner in 2015-16	12,994
Plus FTES shortage from 2014-15	168
Plus Non-Resident Students	707
Revised Target	<u>13,868</u>

2015-16 FTEF Goals at 2% Growth

Target FTEF Goals For 2015-16	FTES per FTEF Goal ratios	Current FTEF	FTES Needed	Reports Projected FTES
Summer	15.0	59	851	905
Fall	16.1	424	6,826	
Spring	15.8	391	6,177	
Totals	15.8	871	13,766	

2014-15 FTES per FTES goal was 16, we anticipate coming in at 15.4
 13,766 FTES includes summer pull back and non-resident students

Changes From TB to AB

Adopted Budget will likely increase from Tentative Budget.

- **Finalization of state budget allocations**
- **Better gauge of dedicated revenue.**
- **Utilizes final ending balance amounts.**
- **Better gauge of FTES goals**