



MARICOPA FINANCIAL PLAN

Fiscal Year 2002 Through 2016



October 2006



Table of Contents

Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Phoenix

Paradise Valley

Rio Salado

Scottsdale

South Mountain

Introduction and Summary of Purpose	Page 1
MCCCD Planning Cycle	Page 2
Key Components of Strategic & Financial Planning	Page 3
Facts at a Glance (Table 2)	Page 4
Major Assumptions (Table 3)	Page 5
FTSE Estimates (Table 4)	Page 6
General Fund Revenue Chart	Page 7
General Fund Expenditures Projections (Table 5)	Page 8 & 9
Linkage Between Strategic Direction and FY08 Budget (Table 6)	Page 10
Appendix	Page 11-21

Real Life.
Real People.
Real Learning.



INTRODUCTION AND SUMMARY OF PURPOSE

The purpose of the Maricopa Financial Plan is to provide the leadership of the Maricopa Community Colleges with information to help it set resource levels and make allocations to achieve strategic directions and initiatives. The plan includes actual data for Fiscal Years 2001 - 02 through 2005- 06, budgeted data for FY 2006-07 and projections for Fiscal Years 2007 - 08 through 2015 - 16. This summary financial plan contains the data most pertinent to the decision making process. Although the primary focus is on the General Fund (Fund 1), summary data for all funds is provided in Appendix F. ***It should be noted that amounts in the plan are estimates made by the Budget and Financial Planning Department as part of the planning process and are subject to change as new information becomes available and as the MCCD budget, planning and leadership councils and Governing Board deliberate on specific issues.***

The District planning for FY2007-08 and beyond builds on past planning efforts and focuses on advancing existing and new goals and maintaining financial stability and flexibility. The District has entered the post 1994 General Obligation Bond era characterized by significantly fewer capital funds available to address ongoing capital needs. A voter referendum for a new capital program was approved in November 2004 by the voters, and \$951 million was made available to construct new classrooms and support space and engage in other capital development needed to serve increasing numbers of students. For FY 2007-08 forward the district projects steady, smooth increases in its resource base for operational needs, but also projects expenditure pressures from flex benefits, retirement contribution rate and insurance premium increases. The Maricopa Financial Plan presents a holistic approach to the District's strategic and financial goals; however, the key components are the Strategic Planning Cycle (Figures 1 and 2), current adopted strategic directions (Table 1), major assumptions, (Table 3), FTSE* estimates (Table 4) and General Fund revenue and expenditure projections (Table 5).

Strategic Planning

Figure 1 presents a birds-eye view of the planning cycle. The continuous, unbroken loop demonstrates the symbiotic relationship shared by all parts of strategic and financial planning. The strategic planning process has been broken into five key components detailed in Figure 2. It is the intent of the District that all strategic and financial planning will support the vision, mission and goals of the district; and the six strategic directions outlined in Table 1.

Financial Planning

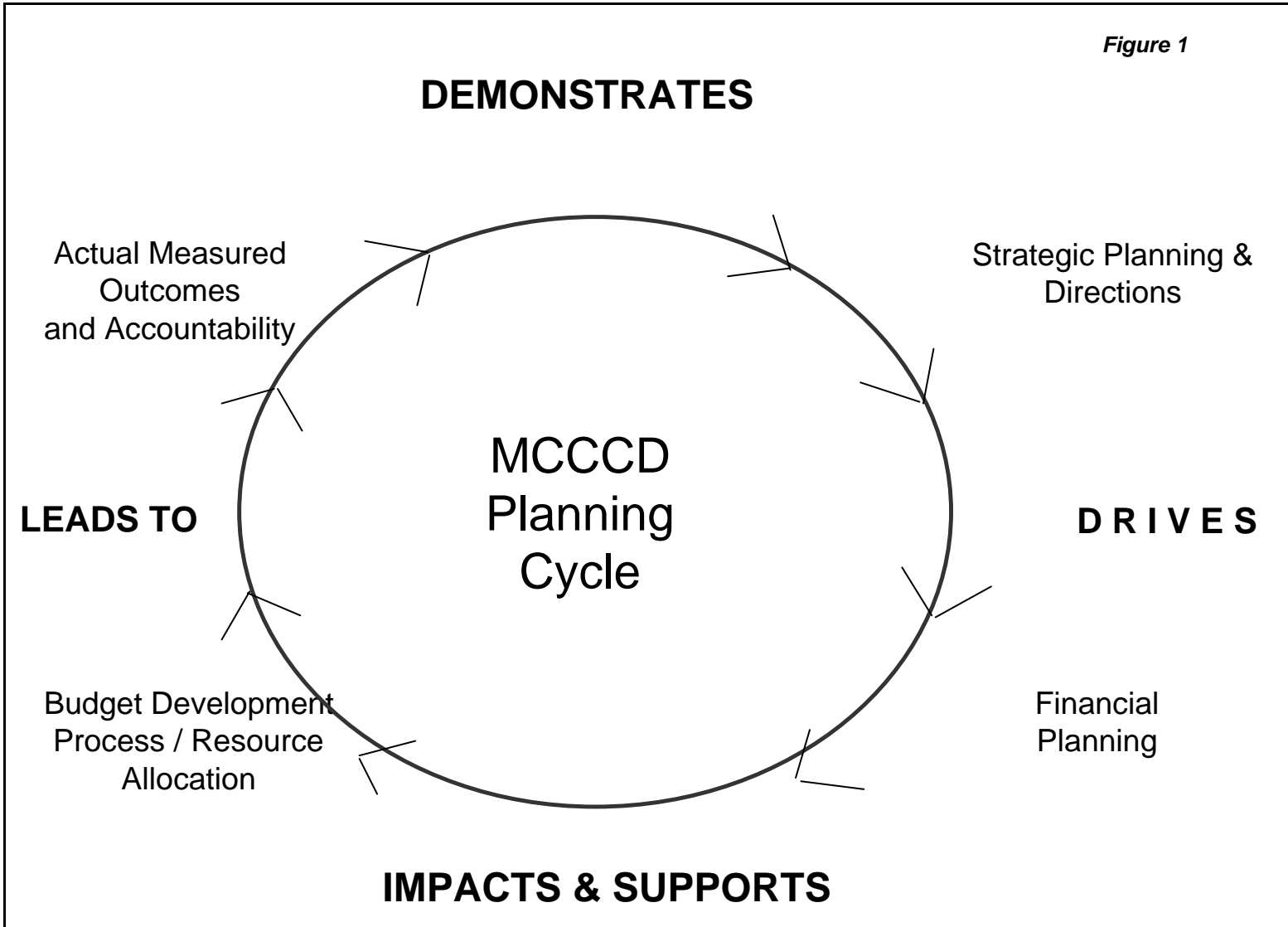
Table 2 describes a number of district financial *Facts At A Glance*. Changes in these areas, among others, have a very significant influence on the financial projections. Table 2 is provided as a means of demonstrating the scope of a number of very important planning elements by showing the amount of money involved in relatively small changes in these areas. Table 5 reflects the summary financial projections including the available new resources and anticipated expenditure commitments through FY 2015-16

Strategic / Financial Linkage

Table 6 defines the linkage between projected expenditure item categories in FY 2007-08 and the adopted strategic directions. With a deliberate and concerted effort, the District will continue to align financial planning, budget development and resulting resource allocations to the established strategic directions in order to make the investments necessary for organizational success.

* FTSE is an acronym for Full Time Student Equivalents

Strategic Planning Elements.....



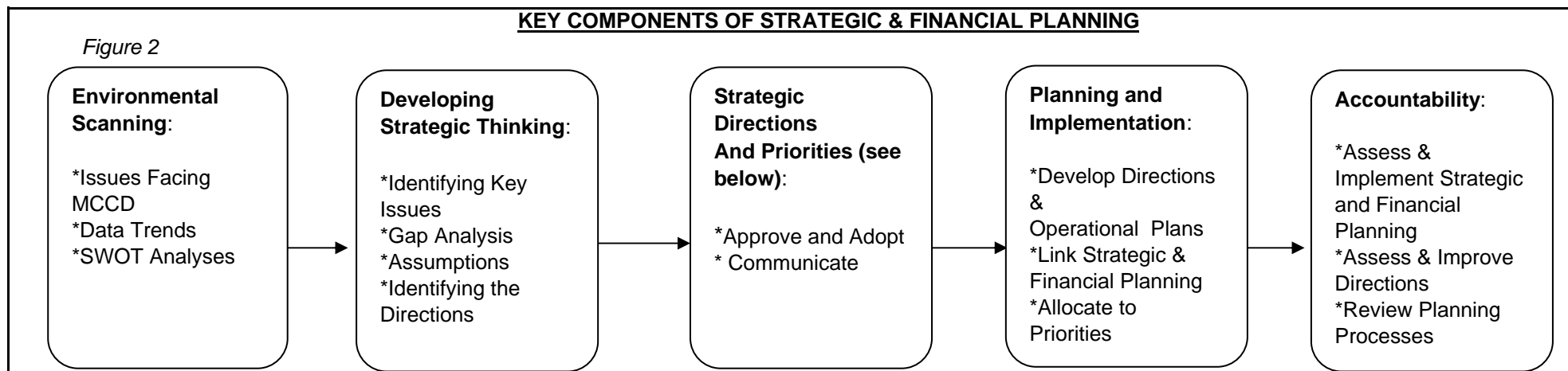


Table 1

Maricopa Community College District Adopted Strategic Directions

- Direction #1:** M CCD will maximize stakeholder access to the Maricopa College's facilities, programs and services.
- Direction #2:** M CCD will promote and support opportunities for students by enhancing learning environments and delivery options, student retention and success strategies and quality teaching and learning.
- Direction #3:** M CCD will enhance internal collaboration and increase external partnerships.
- Direction #4:** M CCD will identify and pursue new and existing revenue sources while promoting cost effectiveness.
- Direction #5:** M CCD will recruit, develop and retain a quality diverse workforce.
- Direction #6:** M CCD will maintain a strong identity that reflects its role in and value to the community.

Financial Plan Summary Elements.....

Table 2: FY 2007-08 FACTS AT A GLANCE
 (Comparisons intended to Demonstrate the Scope and Impact of Various Financial Changes)

- * A \$1 tuition increase yields approximately \$ 2.3 million in additional revenue.
- * Every \$1 Billion Increase in Assessed Property Value yields approximately \$ 8.7 million in increases tax receipts.
- * A \$.01 increase in the primary property tax rate yields approximately \$ 3.7 million in additional revenue.
- * FY 08 State Aid Incremental Funding Rate per FTSE is estimated at \$1,008 for Operating and \$160 for Capital aid.
- * A 1% COLA would cost approximately \$ 3.7 million and a step would cost approximately \$ 7.2 million.
- * Every 1% increase in Flex Benefits costs the District approximately \$348 thousand.
- * Every 11% increase in Flex Benefits roughly equals a 1% COLA.
- * Every 21% increase in Flex Benefits roughly equals a Step.
- * Every 1% increase in ASRS contribution rate costs the District approximately \$2.8 million.
- * Every 1% increase in ASRS rate roughly equals 0.78% COLA.
- * Every 1% loss in State Aid would amount to approximately \$575 thousand in operating and \$114 thousand in Capital.
- * Every 1% MCCD Budget cut (Fund 1) amounts to approximately
 \$ 4 million at the Colleges
 \$ 462 thousand at the District Office.

FINANCIAL PLANNING

Each year, the Budget Office puts together projections based on historic activity and economic data. There are several major assumptions in the Maricopa Financial Plan as listed in Table 3 below. Any changes to these assumptions would directly impact revenue forecasts. More specific details about Plan assumptions are contained in Appendix G.

Table 3: Major Assumptions in the Maricopa Financial Plan Fiscal Year 2007-08	
Operating Budget -	
<p><u>Revenues</u></p> <ul style="list-style-type: none"> * Continued growth in Property Tax revenues, based on trends and legal limits in increases on existing property. * Tuition revenue growth from both rate and enrollment increases (assumes \$4 rate inc. for FY2007-08). * Enrollment Growth recovers from short-term decline in FY2007-08 and grows continuously through plan years. * State Aid no increase due to FTSE decline, hold harmless. * Capital State Aid transfer assumed. * Continuing growth in Proposition 301 revenues. * Increase Out-of-State Surcharge by \$4 for FY2007-08. 	<p><u>Expenses</u></p> <ul style="list-style-type: none"> * Commitment to 16 new faculty hires for Phase 2 faculty match in FY2007-08 * Health benefit cost increases throughout the plan years. * Meet and Confer adjustments are estimated in each plan year. These are illustrated, based on employee group proposals to fund steps and measure salary adjustments against an inflation index. * Phased in operating cost support for the new and renovated space constructed with 2004 Bond resources. * Enrollment growth funding to the colleges, with rate changes at a level equal to the tuition rate increase. (\$2,370 total)
Capital Budget -	
<ul style="list-style-type: none"> * Passage of a new G.O. Bond in 2004 authorizing \$951 million in G.O. Bond Debt. Phased bond issuance per Dain Rauscher estimate of \$190 million in FY05, \$240 million in FY07, \$260 million in FY09, \$210 million in FY11 and \$51 million in FY13. * Capital State Aid transfer assumed. * State Aid cut of \$218,200 based on FTSE decline. 	
Note: See Appendix G for additional details about financial plan assumptions.	

Full Time Student Equivalent (FTSE) Assumptions

Table 4 shows five years of full time student equivalent (FTSE) history as well as projections for the upcoming ten years.

Table 4: Growth in FTSE Fiscal Years 2001-02 through 2015-16															
	Actuals					Projected									
	<u>FY01-02</u>	<u>FY02-03</u>	<u>FY03-04</u>	<u>FY04-05</u>	<u>FY05-06</u>	<u>FY06-07</u>	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>	<u>FY11-12</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>FY14-15</u>	<u>FY15-16</u>
FTSE	59,779	64,826	68,612	71,387	70,025	70,523	78,104	81,477	84,995	88,640	92,442	96,407	100,542	104,855	109,354
Increase	3,345	5,047	3,786	2,775	(1,363)	498	7,581	3,373	3,518	3,645	3,802	3,965	4,135	4,313	4,499
% Increase	5.93%	8.44%	5.84%	4.04%	-1.91%	0.71%	10.75%	4.32%	4.32%	4.29%	4.29%	4.29%	4.29%	4.29%	4.29%

Chart 1 - GENERAL FUND ACTUAL AND PROJECTED REVENUES
 FY2001-02 through FY2007-08 (in millions)

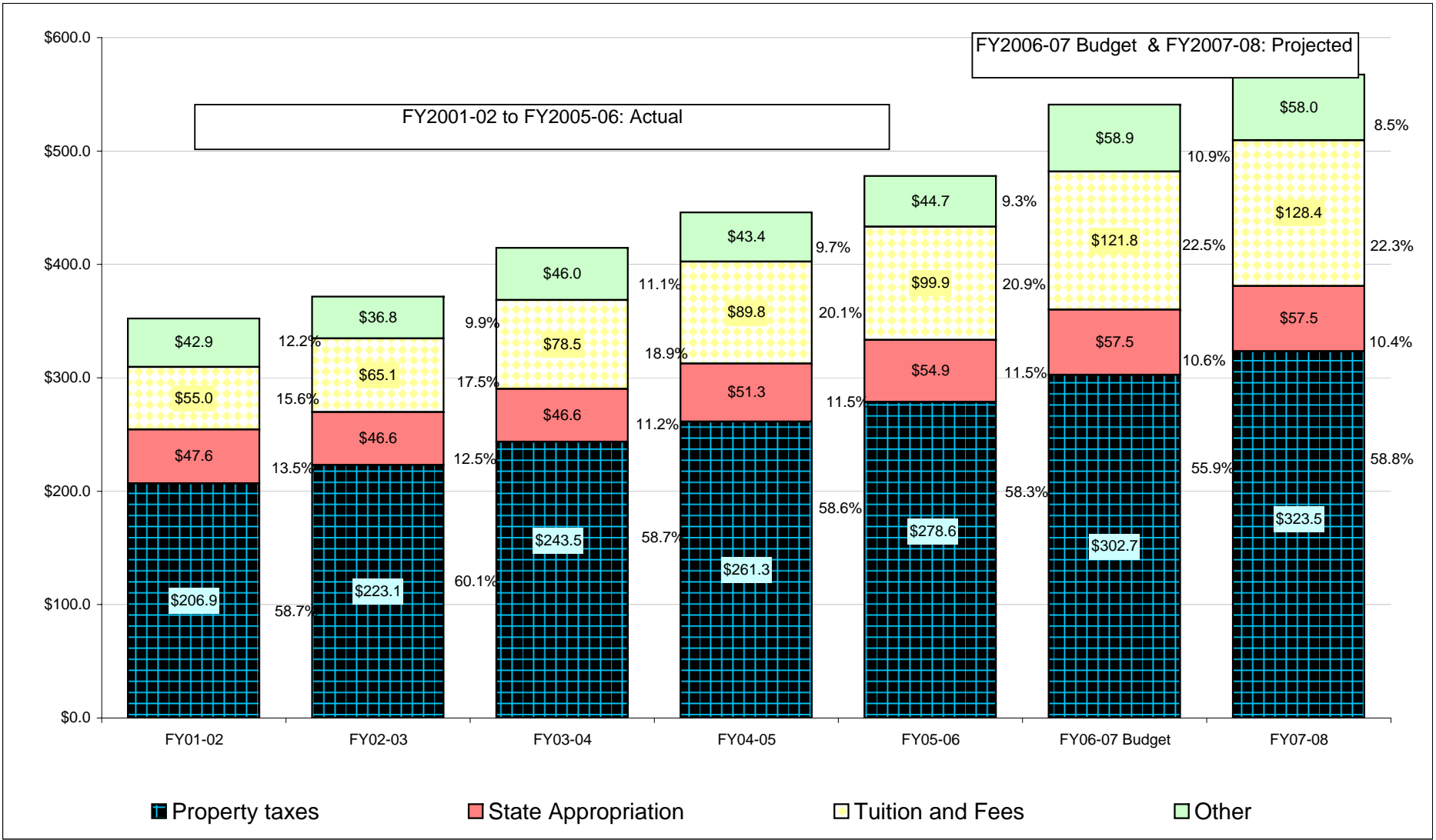


Table 5: Additional Potential Expenditures (General Fund) Fiscal Years 2007-08 through 2011-12					
	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
Projected Revenue Increases (see Appendix E):	30,026,364	37,906,913	45,861,481	46,413,344	48,945,481
Potential Expenditures *					
Instructional/Student Services					
1 New Faculty - Phase I (0 Fac FY08; 25 for future years with 5% incr)	\$ -	\$ (1,961,075)	\$ (2,059,129)	\$ (2,162,085)	\$ (2,270,189)
2 New Faculty - Phase II (faculty match = 16 for FY08; 0 for FY09; and 30 future yrs)	\$ (1,255,088)	\$ -	\$ (2,353,290)	\$ (2,470,955)	\$ (2,594,502)
3 Prop 301 Faculty moved to Gen Fund (2-3 faculty through FY2020-21)	\$ (140,483)	\$ (165,922)	\$ (172,075)	\$ (176,726)	\$ (181,796)
4 Enrollment Growth Funding	\$ -	\$ (8,791,160)	\$ (9,818,880)	\$ (10,757,780)	\$ (11,771,330)
5 Operating Costs for 2004 Bond Program - Capital Construction	\$ (3,000,000)	\$ (4,000,000)	\$ (3,500,000)	\$ (3,500,000)	\$ (2,000,000)
6 Operating Costs for Bond Program - Technology	\$ (1,374,583)	\$ (2,000,000)	\$ (2,000,000)	\$ (4,000,000)	\$ (4,000,000)
7 Scholarships	\$ (555,309)	\$ (620,597)	\$ (700,935)	\$ (787,410)	\$ (880,091)
8 International Students	\$ (174,375)	\$ -	\$ -	\$ (200,000)	\$ -
Employees					
9 ME ASRS increase (est fr 9.1% to 9.6% for FY07-08; 10% for FY08-09, then 0%)	\$ (1,422,180)	\$ (1,564,398)	\$ -	\$ -	\$ -
10 E Flex Benefit/Wellness Increase (est 7.5% incr for FY07-08, then 10 %/yr after)	\$ (2,610,611)	\$ (3,268,684)	\$ (3,809,461)	\$ (4,190,407)	\$ (4,609,448)
11 Meet & Confer - COLA (<i>illustrative only</i>) 4.2% Western CPI - June/06	\$ (15,516,982)	\$ (16,168,695)	\$ (16,847,780)	\$ (17,555,387)	\$ (18,292,713)
12 Meet & Confer - Step Increase (<i>illustrative only</i>)	\$ (7,187,274)	\$ (6,827,910)	\$ (6,145,119)	\$ (5,530,607)	\$ (5,762,893)
13 Adjunct Faculty Rate increase at 5% (<i>illustrative only</i>)	\$ (3,143,268)	\$ (3,300,431)	\$ (3,465,453)	\$ (3,638,726)	\$ (3,820,662)
14 PG Fund @ \$1,250/FTE increase (<i>illustrative only</i>)	\$ (168,965)	\$ (168,965)	\$ (168,965)	\$ (168,965)	\$ (168,965)
Infrastructure/Business Costs					
15 E Inflation and Business Costs	\$ (1,970,391)	\$ (2,017,680)	\$ (2,066,105)	\$ (2,115,691)	\$ (2,166,468)
16 Operating Costs for 2004 Bond Program - District Office	\$ (194,223)	\$ -	\$ -	\$ -	\$ -
17 College Safety - TBD	\$ -	\$ -	\$ -	\$ -	\$ -
Total Potential Expenditures	\$ (38,713,732)	\$ (50,855,518)	\$ (53,107,192)	\$ (57,254,739)	\$ (58,519,058)
Total Potential Balance (deficit)	\$ (8,687,368)	\$ (12,948,605)	\$ (7,245,711)	\$ (10,841,395)	\$ (9,573,577)
18 District-Wide Requests	\$ (7,307,403)	\$ -	\$ -	\$ -	\$ -
Total Potential Balance (deficit) with District-wide Requests	\$ (15,994,771)	\$ (12,948,605)	\$ (7,245,711)	\$ (10,841,395)	\$ (9,573,577)

* M references mandates; E references externally driven expenditures.

Table 5: Additional Potential Expenditures (General Fund) Fiscal Years 2011-12 through 2014-15									
		FY12-13		FY13-14		FY14-15		FY15-16	
Projected Revenue Increases (see Appendix E):		\$	51,938,105	\$	57,906,825	\$	61,403,495	\$	64,972,071
Potential Expenditures *									
Instructional/Student Services									
1	New Faculty - Phase I (23 Fac FY08; 25 for future years)	\$	(2,383,699)	\$	(2,502,884)	\$	(2,628,028)	\$	(2,759,429)
2	New Faculty - Phase II (30 faculty match)	\$	(2,724,227)	\$	(2,860,439)	\$	(3,003,461)	\$	(3,153,634)
3	Prop 301 Faculty moved to Gen Fund (2-3 faculty through FY2020-21)	\$	(280,566)	\$	(284,873)	\$	(291,458)	\$	(297,333)
4	Enrollment Growth Funding	\$	(12,852,952)	\$	(14,296,060)	\$	(15,661,680)	\$	(16,029,310)
5	Operating Costs for 2004 Bond Program - Capital Construction	\$	(1,000,000)	\$	(1,000,000)	\$	(1,090,102)	\$	-
6	Operating Costs for Bond Program - Technology	\$	(5,000,000)	\$	(4,000,000)	\$	(4,448,813)	\$	-
7	Scholarships	\$	(979,356)	\$	(1,097,938)	\$	(1,225,373)	\$	(1,361,821)
8	International Students	\$	-	\$	(200,000)	\$	-	\$	-
Employees									
9 ME	ASRS increase (est fr 9.1% to 9.6% for FY0708; 10% for FY08-09, then 0%)	\$	-	\$	-	\$	-	\$	-
10 E	Flex Benefit/Wellness Increase (est 10% incr/yr)	\$	(5,070,392)	\$	(5,577,432)	\$	(6,135,175)	\$	(6,441,934)
11	Meet & Confer - COLA (<i>illustrative only</i>) 2.4% <i>Western CPI - June/05</i>	\$	(19,061,007)	\$	(19,861,570)	\$	(20,695,756)	\$	(21,564,977)
12	Meet & Confer - Step Increase (<i>illustrative only</i>)	\$	(6,004,934)	\$	(6,257,142)	\$	(6,519,942)	\$	(6,793,779)
13	Adjunct Faculty Rate increase at 5% (<i>illustrative only</i>)	\$	(4,011,695)	\$	(4,212,280)	\$	(4,422,894)	\$	(4,644,038)
14	PG Fund @ \$1,250/FTE increase (<i>illustrative only</i>)	\$	(168,965)	\$	(168,965)	\$	(168,965)	\$	(168,965)
Infrastructure/Business Costs									
15 E	Inflation and Business Costs	\$	(2,218,463)	\$	(2,271,706)	\$	(2,326,227)	\$	(2,382,057)
16	Operating Costs for 2004 Bond Program - District Office	\$	-	\$	-	\$	-	\$	-
17	College Safety - TBD	\$	-	\$	-	\$	-	\$	-
Total Potential Expenditures		\$	(61,756,257)	\$	(64,591,288)	\$	(68,617,872)	\$	(65,597,277)
Total Potential Balance (deficit)		\$	(9,818,152)	\$	(6,684,462)	\$	(7,214,377)	\$	(625,206)
District-Wide Requests		\$	(2,000,000)	\$	(2,000,000)	\$	(3,000,000)	\$	(3,000,000)
Total Potential Balance (deficit) with District-wide Requests		\$	(11,818,152)	\$	(8,684,462)	\$	(10,214,377)	\$	(3,625,206)

* M references mandates; E references externally driven expenditures.

Strategic / Financial Plan Linkages.....

Maricopa Community College District Adopted Strategic Directions

- Direction #1:** M CCD will maximize stakeholder access to the Maricopa College's facilities, programs and services.
- Direction #2:** M CCD will promote and support opportunities for students by enhancing learning environments and delivery options, student retention and success strategies and quality teaching and learning.
- Direction #3:** M CCD will enhance internal collaboration and increase external partnerships.
- Direction #4:** M CCD will identify and pursue new and existing revenue sources while promoting cost effectiveness.
- Direction #5:** M CCD will recruit, develop and retain a quality diverse workforce.
- Direction #6:** M CCD will maintain a strong identity that reflects its role in and value to the community.

Table 6: Linkage between Strategic Directions and Potential FY2007-08 Budget Initiative Estimates				
Potential FY2006 Budget Items	Directions # 1 & 2	Direction #3	Direction #5	Business Costs
New Faculty	\$ (1,255,088)			
Proposition 301 Faculty moved to Gen Fund*	\$ (140,483)			
Enrollment Growth Funding	\$ -			
Operating Costs for 2004 Bond - Capital	\$ (3,000,000)			
Operating Costs for Bond - Technology	\$ (1,374,583)			
Operating Costs for 2004 Bond - District Office	\$ (194,223)			
Scholarships	\$ (555,309)			
International Students	\$ (174,375)			
College/DO Initiatives	\$ (7,307,403)			
ASRS Contribution Rate			\$ (1,422,180)	
Flex Benefits			\$ (2,610,611)	
Meet and Confer			\$ (22,704,256)	
Adjunct Faculty Rate Increase			\$ (3,143,268)	
PG Funding @ \$1,250/FTE increase			\$ (168,965)	
Other CPD			\$ -	
Inflation and Business Costs				\$ (1,970,391)
	\$ (14,001,464)	\$ -	\$ (30,049,280)	\$ (1,970,391)
Percent of Resource Total	30.4%	0.0%	65.3%	4.3%
			\$ (46,021,135)	
			\$ 30,026,364	
			\$ (15,994,771)	

Note: Strategic Direction # 6 is an outcome of most, if not all resource commitments district wide. It is an overriding direction that creates a framework within which all M CCD investments are made. Direction # 4 is not a part of the graph as it addresses new revenue sources while the graph shows incremental resource commitments. * Two to three faculty will be moved from Prop 301 to the General Fund each year.

Appendix

Appendix A - General Fund Actual Revenues
Fiscal Years 2001-02 through 2005-06

	Actuals FY01-02	Actuals FY02-03	Actuals FY03-04	Actuals FY04-05	Actuals FY05-06
Property taxes	\$ 202,530,355	\$ 218,867,745	\$ 238,949,997	\$ 256,339,823	\$ 273,982,214
State aid	\$ 47,592,900	\$ 46,613,700	\$ 46,613,700	\$ 51,290,400	\$ 54,863,200
capital transfer	\$ -	\$ -	\$ -	\$ -	\$ -
initiatives - one time	\$ -	\$ -	\$ -	\$ -	\$ -
SRP in lieu	\$ 4,367,298	\$ 4,267,166	\$ 4,562,181	\$ 4,975,746	\$ 4,647,291
Tuition and fees	\$ 55,020,486	\$ 65,071,041	\$ 78,527,606	\$ 89,842,494	\$ 99,869,632
Out of county	\$ 820,054	\$ 916,554	\$ 355,629	\$ 535,593	\$ 537,665
Out of state	\$ 6,674,201	\$ 7,930,559	\$ 8,030,138	\$ 8,978,270	\$ 9,704,982
Other fees and charges	\$ 2,185,078	\$ 2,340,266	\$ 2,536,112	\$ 2,369,172	\$ 2,358,129
Interest	\$ 3,065,003	\$ (1,577,585)	\$ 1,076,022	\$ 1,600,000	\$ 3,932,570
Other	\$ 300,066	\$ 373,502	\$ 390,031	\$ 789,709	\$ 1,385,040
Transfers	\$ 3,210,174	\$ 2,846,439	\$ 4,358,782	\$ 4,442,000	\$ 4,020,000
Fund balance	\$ 26,617,662	\$ 23,983,719	\$ 29,238,370	\$ 24,716,065	\$ 22,773,743
Grand Total	\$ 352,383,277	\$ 371,633,106	\$ 414,638,568	\$ 445,879,272	\$ 478,074,467

**Appendix B - General Fund Projected Revenues
Fiscal Years 2006-07 through 2010-11**

	Budget FY06-07	Projections FY07-08	Projections FY08-09	Projections FY09-10	Projections FY10-11
Property taxes	\$ 298,014,922	\$ 318,858,545	\$ 339,935,411	\$ 361,487,889	\$ 383,753,170
State aid					
Appropriation	57,528,300	57,528,300	57,528,300	63,976,600	67,214,600
Capital Transfer from Fund 7	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SRP in lieu	4,639,330	4,623,076	4,597,728	4,574,129	4,555,637
Tuition and fees					
volume incr.	121,821,225	121,690,800	136,664,460	152,712,285	172,530,930
rate incr. HEPI	-	6,751,890	7,045,830	9,803,520	10,230,360
Addtl Recommend	-	2,250,630	2,348,610	2,450,880	2,557,590
Out of county	387,588	651,460	646,010	687,506	715,994
Out of state					
rate incr.	11,694,858	10,752,150	11,169,000	11,600,460	12,099,960
Addtl Recommend	-	150,030	153,000	208,080	212,280
Addtl Recommend	-	50,010	51,000	52,020	53,070
Other fees and charges	5,922,040	5,974,060	6,026,600	6,085,930	6,145,860
Interest	2,306,000	3,000,000	3,075,000	3,152,000	3,231,000
Other	888,093	928,460	960,140	993,398	1,028,322
Transfers					
From F2 (FTSE growth reserve)	2,746,600	2,851,800	3,993,300	2,503,000	2,612,100
Fund balance	32,990,500	29,368,100	30,236,700	31,148,700	32,106,300
Grand Total	\$ 540,939,456	\$ 567,429,311	\$ 606,431,089	\$ 653,436,397	\$ 701,047,173

**Appendix B - General Fund Projected Revenues
Fiscal Years 2011-12 through 2015-16**

	Projections FY11-12	Projections FY12-13	Projections FY13-14	Projections FY14-15	Projections FY15-16
Property taxes	\$ 406,948,252	\$ 431,298,376	\$ 456,840,647	\$ 483,611,409	\$ 511,645,982
State aid					
Appropriation	70,591,800	74,091,000	77,740,900	81,547,300	85,516,900
Capital Transfer from Fund 7	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SRP in lieu	4,537,426	4,519,516	4,503,057	4,486,958	4,471,819
Tuition and fees					
volume incr.	193,786,875	216,567,975	240,963,870	270,196,590	301,517,625
rate incr.	10,675,800	11,140,680	14,532,150	15,164,850	15,825,150
Addtl Recommend	2,668,950	2,785,170	2,906,430	3,032,970	3,165,030
Out of county	746,727	777,541	808,858	843,806	879,192
Out of state	12,609,960	13,137,600	13,683,330	14,305,050	14,940,450
rate incr. HEPI	216,480	220,800	281,550	287,250	292,950
Addtl Recommend	54,120	55,200	56,310	57,450	58,590
Other fees and charges	6,206,390	6,419,000	6,639,450	6,868,030	7,105,060
Interest	3,312,000	3,395,000	3,480,000	3,567,000	3,657,000
Other	1,055,775	1,084,369	1,114,160	1,145,197	1,177,540
Transfers					
From F2 (FTSE growth reserve)	2,725,800	2,844,700	2,968,400	3,097,400	3,232,400
Fund balance	33,111,900	34,167,800	35,276,400	36,440,600	37,662,900
Grand Total	\$ 751,248,255	\$ 804,504,727	\$ 863,795,512	\$ 926,651,860	\$ 993,148,588

Appendix C - General Fund Actual Expenditures
Fiscal Years 2001-02 through 2005-06

Expenditures by Object Code	Actual FY01-02	Actual FY02-03	Actual FY03-04	Actual FY04-05	Actual FY05-06
Personal Services	\$ 225,501,220	\$ 241,505,406	\$ 257,355,454	\$ 271,185,023	\$ 291,661,495
Employee Benefits	\$ 38,281,156	\$ 41,461,101	\$ 53,319,523	\$ 57,364,855	\$ 63,081,996
Contractual Services	\$ 26,223,520	\$ 25,435,200	\$ 27,606,702	\$ 30,308,899	\$ 34,234,928
Supplies & Materials	\$ 8,220,161	\$ 8,768,295	\$ 9,433,176	\$ 8,690,644	\$ 9,445,592
Current Fixed Charges	\$ 4,956,311	\$ 5,491,092	\$ 5,505,431	\$ 5,975,587	\$ 6,416,686
Utilities/Comm/Travel	\$ 14,101,568	\$ 14,090,804	\$ 14,641,456	\$ 14,430,504	\$ 15,910,285
Capital Outlay	\$ 580,888	\$ 896,215	\$ 1,330,210	\$ -	\$ -
Transfers/Other	\$ 11,605,955	\$ 9,928,274	\$ 14,740,984	\$ 17,206,031	\$ 33,624,422
Grand Total	\$ 329,470,780	\$ 347,576,387	\$ 383,932,936	\$ 405,161,544	\$ 454,375,404

Expenditures By Function	Actual FY01-02	Actual FY02-03	Actual FY03-04	Actual FY04-05	Actual FY05-06
Public Service	\$ 254,237	\$ 444,284	\$ 502,211	\$ 435,250	\$ 394,771
Instruction	\$ 163,467,951	\$ 175,704,409	\$ 191,783,755	\$ 204,092,622	\$ 224,277,869
Academic Support	\$ 36,341,620	\$ 37,067,228	\$ 41,715,474	\$ 45,307,708	\$ 20,500,995
Administration	\$ 47,826,089	\$ 50,192,792	\$ 55,258,955	\$ 59,095,164	\$ 69,802,179
Student Services	\$ 25,263,240	\$ 26,035,222	\$ 29,264,599	\$ 30,270,556	\$ 34,121,289
Operations/Maintenance	\$ 27,785,378	\$ 29,010,628	\$ 30,275,612	\$ 29,583,409	\$ 33,337,502
General Institutional	\$ 27,218,721	\$ 28,917,561	\$ 34,333,269	\$ 36,267,798	\$ 41,301,907
Contingency	\$ 1,313,544	\$ 269,528	\$ 799,061	\$ 109,037	\$ 638,894
Grand Total	\$ 329,470,780	\$ 347,641,653	\$ 383,932,935	\$ 405,161,544	\$ 424,375,404

Appendix D - General Fund Projected Expenditures

Fiscal Years 2006-07 through 2010-11

Expenditures by Object Code	Adopted FY06-07	Projections FY07-08	Projections FY08-09	Projections FY09-10	Projections FY10-11
Personal Services	\$ 304,362,345	\$ 319,266,997	\$ 341,211,547	\$ 367,659,323	\$ 394,447,769
Employee Benefits	\$ 77,329,201	\$ 81,116,019	\$ 86,691,461	\$ 93,411,035	\$ 100,217,163
Contractual Services	\$ 31,372,236	\$ 32,908,537	\$ 35,170,478	\$ 37,896,590	\$ 40,657,817
Supplies & Materials	\$ 8,814,968	\$ 9,246,638	\$ 9,882,198	\$ 10,648,180	\$ 11,424,030
Current Fixed Charges	\$ 7,128,316	\$ 7,477,390	\$ 7,991,342	\$ 8,610,762	\$ 9,238,161
Utilities/Comm/Travel	\$ 15,065,988	\$ 15,803,771	\$ 16,890,030	\$ 18,199,199	\$ 19,525,232
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers/Other	\$ 96,866,402	\$ 101,609,959	\$ 108,594,034	\$ 117,011,307	\$ 125,537,001
Grand Total	\$ 540,939,456	\$ 567,429,311	\$ 606,431,089	\$ 653,436,397	\$ 701,047,173

Expenditures By Function	Adopted FY06-07	Projections FY07-08	Projections FY08-09	Projections FY09-10	Projections FY10-11
Public Service	\$ 306,613	\$ 321,628	\$ 343,735	\$ 370,378	\$ 397,365
Instruction	\$ 247,124,014	\$ 259,225,700	\$ 277,043,361	\$ 298,517,373	\$ 320,267,988
Academic Support	\$ 60,193,372	\$ 63,141,047	\$ 67,480,994	\$ 72,711,539	\$ 78,009,457
Administration	\$ 76,791,297	\$ 80,551,774	\$ 86,088,433	\$ 92,761,265	\$ 99,520,050
Student Services	\$ 36,207,055	\$ 37,980,118	\$ 40,590,649	\$ 43,736,886	\$ 46,923,650
Operations/Maintenance	\$ 35,203,816	\$ 36,927,750	\$ 39,465,948	\$ 42,525,008	\$ 45,623,471
General Institutional	\$ 49,340,629	\$ 51,756,844	\$ 55,314,307	\$ 59,601,795	\$ 63,944,510
Contingency	\$ 35,772,660	\$ 37,524,450	\$ 40,103,662	\$ 43,212,152	\$ 46,360,682
Grand Total	\$ 540,939,456	\$ 567,429,311	\$ 606,431,089	\$ 653,436,397	\$ 701,047,173

Appendix D - General Fund Projected Expenditures
Fiscal Years 2011-12 through 2015-16

Expenditures by Object Code	Projections FY11-12	Projections FY12-13	Projections FY13-14	Projections FY14-15	Projections FY15-16
Personal Services	\$ 422,693,664	\$ 452,658,690	\$ 486,018,952	\$ 521,385,397	\$ 558,800,120
Employee Benefits	\$ 107,393,585	\$ 115,006,785	\$ 123,482,612	\$ 132,468,148	\$ 141,974,090
Contractual Services	\$ 43,569,271	\$ 46,657,924	\$ 50,096,543	\$ 53,741,949	\$ 57,598,483
Supplies & Materials	\$ 12,242,090	\$ 13,109,939	\$ 14,076,122	\$ 15,100,408	\$ 16,184,016
Current Fixed Charges	\$ 9,899,694	\$ 10,601,489	\$ 11,382,803	\$ 12,211,103	\$ 13,087,374
Utilities/Comm/Travel	\$ 20,923,408	\$ 22,406,682	\$ 24,058,021	\$ 25,808,666	\$ 27,660,701
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers/Other	\$ 134,526,544	\$ 144,063,217	\$ 154,680,459	\$ 165,936,189	\$ 177,843,804
Grand Total	\$ 751,248,255	\$ 804,504,727	\$ 863,795,512	\$ 926,651,860	\$ 993,148,588

Expenditures By Function	Projections FY11-12	Projections FY12-13	Projections FY13-14	Projections FY14-15	Projections FY15-16
Public Service	\$ 425,819	\$ 456,006	\$ 489,613	\$ 525,241	\$ 562,932
Instruction	\$ 343,201,965	\$ 367,531,773	\$ 394,618,310	\$ 423,333,748	\$ 453,712,265
Academic Support	\$ 83,595,614	\$ 89,521,760	\$ 96,119,379	\$ 103,113,758	\$ 110,513,222
Administration	\$ 106,646,552	\$ 114,206,795	\$ 122,623,663	\$ 131,546,696	\$ 140,986,514
Student Services	\$ 50,283,792	\$ 53,848,442	\$ 57,816,991	\$ 62,024,196	\$ 66,475,065
Operations/Maintenance	\$ 48,890,509	\$ 52,356,389	\$ 56,214,975	\$ 60,305,606	\$ 64,633,148
	\$ 68,523,494	\$ 73,381,168	\$ 78,789,250	\$ 84,522,556	\$ 90,587,912
Contingency	\$ 49,680,511	\$ 53,202,394	\$ 57,123,330	\$ 61,280,059	\$ 65,677,529
Grand Total	\$ 751,248,255	\$ 804,504,727	\$ 863,795,512	\$ 926,651,860	\$ 993,148,588

Appendix E - Potential Commitment / Additional Dollars (General Fund)
Fiscal Years 2007-08 through 2015-16

	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
Projected Revenue Increases:	26,489,855	39,001,778	47,005,308	47,610,776	50,201,083
Potential Commitments / Additional Dollars:					
Carryforward Adjustment	3,622,400	(868,600)	(912,000)	(957,600)	(1,005,600)
Enrollment Growth Funding Reallocation	637,382	-	-	-	-
Fund 210 Held Harmless	(500,000)	-	-	-	-
Uncollected Tax Levy	(208,274)	(210,515)	(215,289)	(222,468)	(231,769)
Student Bad Debt Recovery	(15,000)	(15,750)	(16,538)	(17,364)	(18,233)
TOTAL	3,536,508	(1,094,865)	(1,143,827)	(1,197,432)	(1,255,602)
Net Funds Available for Allocation	30,026,364	37,906,913	45,861,481	46,413,344	48,945,481
	FY12-13	FY13-14	FY14-15	FY15-16	
Projected Revenue Increases:	53,256,472	59,290,785	62,856,349	66,496,728	
Potential Commitments / Additional Dollars:					
Carryforward Adjustment	(1,055,900)	(1,108,600)	(1,164,200)	(1,222,300)	
Uncollected Tax Levy	(243,322)	(255,258)	(267,547)	(280,194)	
Student Bad Debt Recovery	(19,144)	(20,101)	(21,107)	(22,162)	
TOTAL	(1,318,366)	(1,383,959)	(1,452,854)	(1,524,656)	
Net Funds Available for Allocation	51,938,105	57,906,825	61,403,495	64,972,071	

Appendix F - Total Revenue Projections
Fiscal Years 2007-08 through 2015-16

	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
General Fund	\$ 567,429,311	\$ 606,431,089	\$ 653,436,397	\$ 701,047,173	\$ 751,248,255
Auxiliary Fund	\$ 149,509,000	\$ 155,710,653	\$ 162,181,063	\$ 168,934,956	\$ 175,983,377
Restricted Fund	\$ 185,123,698	\$ 205,368,713	\$ 227,827,711	\$ 252,742,812	\$ 280,382,613
Plant Fund	\$ 487,776,224	\$ 667,025,225	\$ 555,268,322	\$ 678,618,613	\$ 579,478,698
Total	<u>\$ 1,389,838,233</u>	<u>\$ 1,634,535,680</u>	<u>\$ 1,598,713,493</u>	<u>\$ 1,801,343,554</u>	<u>\$ 1,787,092,943</u>

	FY12-13	FY13-14	FY14-15	FY15-16
General Fund	\$ 804,504,727	\$ 863,795,512	\$ 926,651,860	\$ 993,148,588
Auxiliary Fund	\$ 183,339,211	\$ 191,015,345	\$ 199,024,663	\$ 207,385,574
Restricted Fund	\$ 311,045,086	\$ 345,060,788	\$ 382,796,427	\$ 421,572,916
Plant Fund	\$ 530,844,011	\$ 438,792,453	\$ 352,073,792	\$ 269,360,909
Total	<u>\$ 1,829,733,035</u>	<u>\$ 1,838,664,097</u>	<u>\$ 1,860,546,742</u>	<u>\$ 1,891,467,986</u>

Appendix G - Major Assumptions Inherent in the Projections

Fiscal Year 2007-08

Operating Budget Revenues

General Fund

Property Taxes - Assumes maximization of the tax levy as provided in law at 2% along with a valuation growth from new property resulting in an 7% increase in property tax receipts.

Tuition and Fees - tuition increase is assumed at a HEPI rate in accordance with the Tuition Pricing Plan endorsed as a tuition setting guiding by the MCCD. In addition, tuition revenue increases based upon growth in enrollment. Additional rate increases may be made.

State Aid - FY 2007-08 assumes the State will fund at the FY06-07 amount.

Auxiliary Fund

Assumes growth in student activity fee revenues due to increased enrollment and possible redesignation of credit card fees from the auxiliary fund. Assumes continued growth in non credit course fee revenues and other auxiliary fund revenues.

Restricted Fund

Assumes continued receipt of Proposition 301 revenues.

Appendix G - Major Assumptions Inherent in the Projections

Fiscal Years 2007-08 through 2015-16

Operating Budget

Expenses

New Faculty - The Plan includes the commitment to hire a match of 16 faculty created through reallocation.

Health Benefits - Increases reflect an assumed increase of 7.5% for FY2007-08, and 10% for FY 2008-09 to 2015-16

Meet and Confer - Assumes a Step increase in each year along with a COLA.

Increases are based upon proposals made by employee groups which consistently request a step increase and in some cases request the COLA at published inflationary rates. As a result, a step is assumed each year and the COLA in FY2007-08 is at the latest year western region CPI increase as of June.

Please note that Meet and Confer estimates are illustrative and are set apart from this planning process by the Governing Board.

Bond Operating Costs - The Plan includes a \$951 million General Obligation Bond Program in FY2007-08 and includes the related commitment to operating costs to support the bond capital program. Operating costs of approximately \$26 million are committed at \$15 per square foot for newly constructed space, \$5 per square foot for renovated space along with a commitment for technology investments at 15% of the capital expenditure.

Appendix G - Major Assumptions Inherent in the Projections

Fiscal Years 2007-08 through 2015-16

Capital Budget

Revenue

State Aid - State capital aid is based on FTSE estimates.

In the remaining plan years, capital aid is projected to increase at the current statutory funding rate of \$160 per FTSE.

Bond Proceeds - the Financial Plan includes a \$951 million G.O. Bond program in FY2006-07 with those resources phased in with the issuance of approximately \$190 million in debt in FY2004-05, \$240 million in FY2006-07, \$260 million in FY2008-09, \$210 million in FY2010-11 and \$51 million in FY2012-13. In addition, several additional revenue bond issuances may occur for Performing Arts Center construction at several colleges.

2004 Bond Program - the Plan includes the 2004 Bond Program which would make \$951 million in capital resources available to the district. The capital program related to the bond election includes plans to construct 1.5 million square feet of new building space as well as the renovation of 600,000 square feet of existing space. In addition, the bond program would allow for the purchase of land for future growth, funds for technology, occupational education, major maintenance and other initiatives.
(see operational cost impact under Operating Budget assumptions)