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MARICOPA FINANCIAL PLAN

FISCAL YEAR 2003 THROUGH 2017

OCTOBER 2007

A COMMUNITY OF COLLEGES... COLLEGES FOR THE COMMUNITY... A MARICOPA EXPERIENCE

**Real Life.
Real People.
Real Learning.**





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The Nursing Program provides several options, beginning with Nurse Assisting and continuing on to the Practical Nurse Certificate and Registered Nurse degree. Approved by the Arizona State Board of Nursing, the program is also accredited by the National League of Nursing Accreditation.

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 2002 - 03 through 2006- 07, budgeted data for FY 2007-08 and projections for Fiscal Years 2008 - 09 through 2016 - 17. 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 FY2008-09 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), and General Fund revenue and expenditure projections (Table 4).

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 4 reflects the summary financial projections including the available new resources and anticipated expenditure commitments through FY 2016-17

Strategic / Financial Linkage

Table 5 defines the linkage between projected expenditure item categories in FY 2008-09 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



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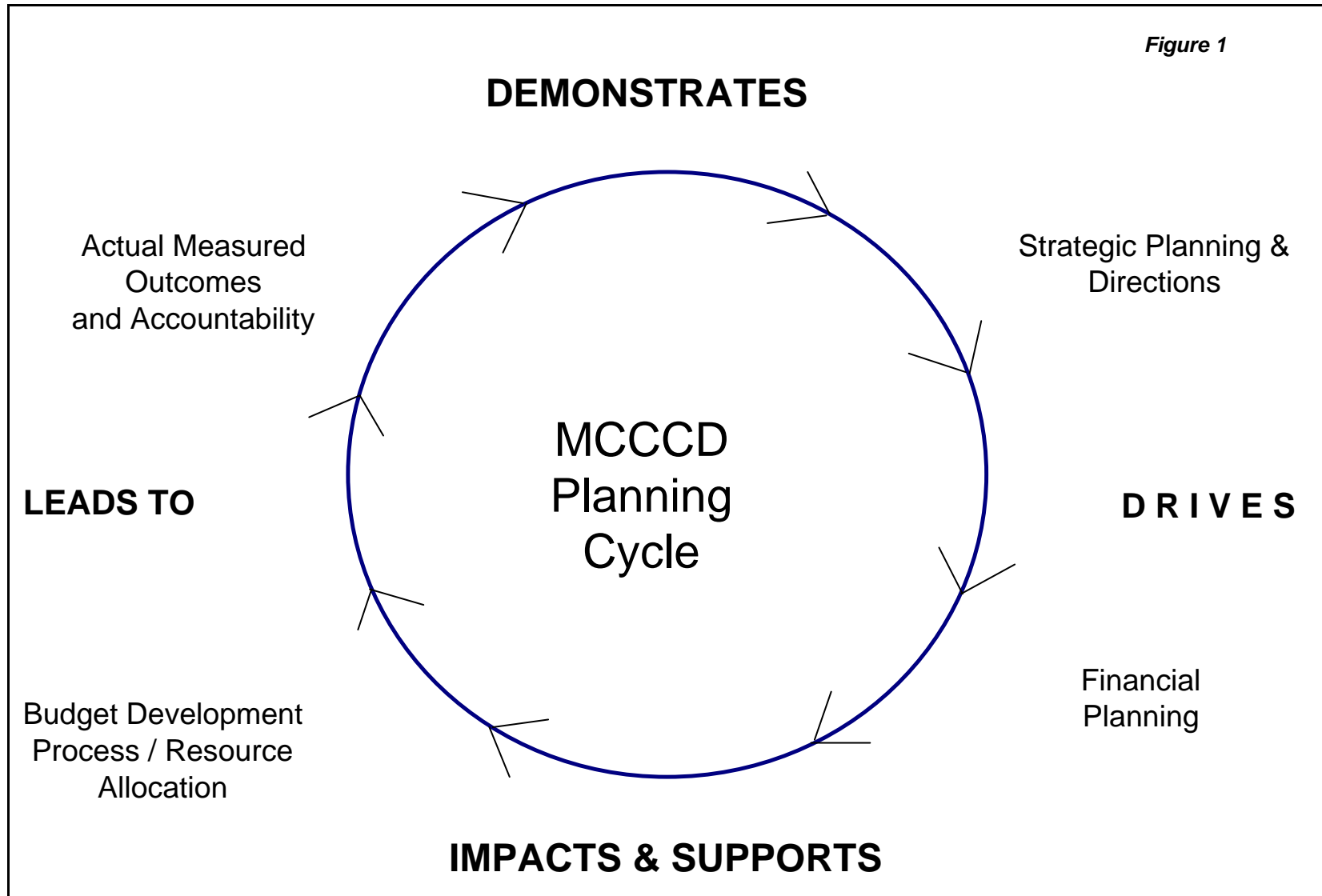
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STRATEGIC PLANNING ELEMENTS

The Fire Science Technology Program is designed for students who desire advanced training as professional firefighters, basic preparation courses for a career in fire science, or a better understanding of fire hazards and problems in the field. However, because of accident liability, hands-on experiences are limited to in-service personnel. Completion of the two-year program will qualify students for the Associate in Applied Science degree in Fire Science Technology.

Figure 1



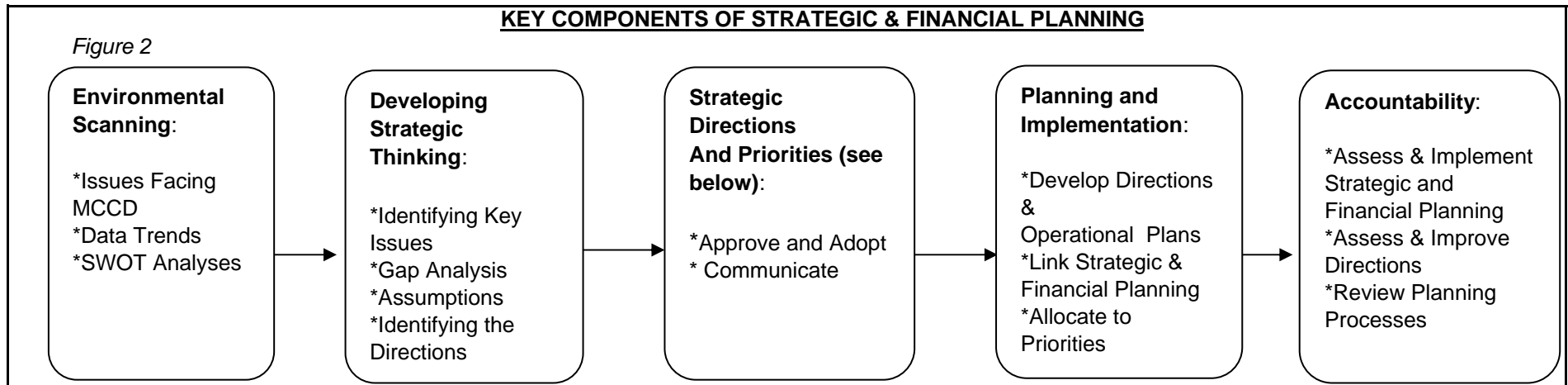


Table 1

Maricopa Community College District Adopted Strategic Directions

- Direction #1:** MCCD will maximize stakeholder access to the Maricopa College's facilities, programs and services.
- Direction #2:** MCCD 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:** MCCD will enhance internal collaboration and increase external partnerships.
- Direction #4:** MCCD will identify and pursue new and existing revenue sources while promoting cost effectiveness.
- Direction #5:** MCCD will recruit, develop and retain a quality diverse workforce.
- Direction #6:** MCCD will maintain a strong identity that reflects its role in and value to the community.



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FINANCIAL PLAN SUMMARY ELEMENTS



The course is designed for students who are seeking employment as a police officer in Arizona and wish to enhance their qualifications by completion of the police academy program prior to obtaining a sworn police officer position. The course is also appropriate for students who are currently serving as reserve officers or non-sworn positions within police agencies who need to receive certification but are not available to attend a full time state sponsored academy.

Table 2: FY 2008-09 FACTS AT A GLANCE
(Comparisons intended to Demonstrate the Scope and Impact of Various Financial Changes)

- * A \$1 tuition increase yields approximately \$2.2 million in additional revenue.
- * Every \$1 Billion Increase in Assessed Property Value yields approximately \$8 million in increases tax receipts.
- * A \$.01 increase in the primary property tax rate yields approximately \$4.3 million in additional revenue.
- * FY 09 State Aid Incremental Funding Rate per FTSE is estimated at \$960 for Operating and \$160 for Capital aid.
- * A 1% COLA would cost approximately \$ 3.8 million and a step would cost approximately \$7.7 million.
- * Every 1% increase in Flex Benefits costs the District approximately \$332 thousand.
- * Every 11.5% increase in Flex Benefits roughly equals a 1% COLA.
- * Every 23.2% increase in Flex Benefits roughly equals a Step.
- * Every 1% increase in ASRS contribution rate costs the District approximately \$3 million.
- * Every 1% increase in ASRS rate roughly equals 0.77% COLA.
- * Every 1% loss in State Aid would amount to approximately \$575 thousand in operating and \$112 thousand in Capital.
- * Every 1% MCCD Budget cut (Fund 1) amounts to approximately
\$ 4.2 million at the Colleges
\$504 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 2008-09	
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 \$3 rate inc. for FY2008-09). * Enrollment Growth recovers from short-term decline in FY2008-09 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 \$3 for FY2008-09. 	<p><u>Expenses</u></p> <ul style="list-style-type: none"> * Commitment to 7 new faculty for FY2008-09. This is based on colleges with increased average FTSE over the past 3 years. * 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. * includes financial stability reserve within Fund Balance equal to to 8% of annual budget. * Hold Harmless for FY06-07 FTSE decline has an impact of \$3.5 million in FY08-9 Budget.
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 decrease of \$425,000 based on FTSE decrease. 	
Note: See Appendix G for additional details about financial plan assumptions.	

Chart 1 - GENERAL FUND ACTUAL AND PROJECTED REVENUES
FY2002-03 through FY2008-09 (in millions)

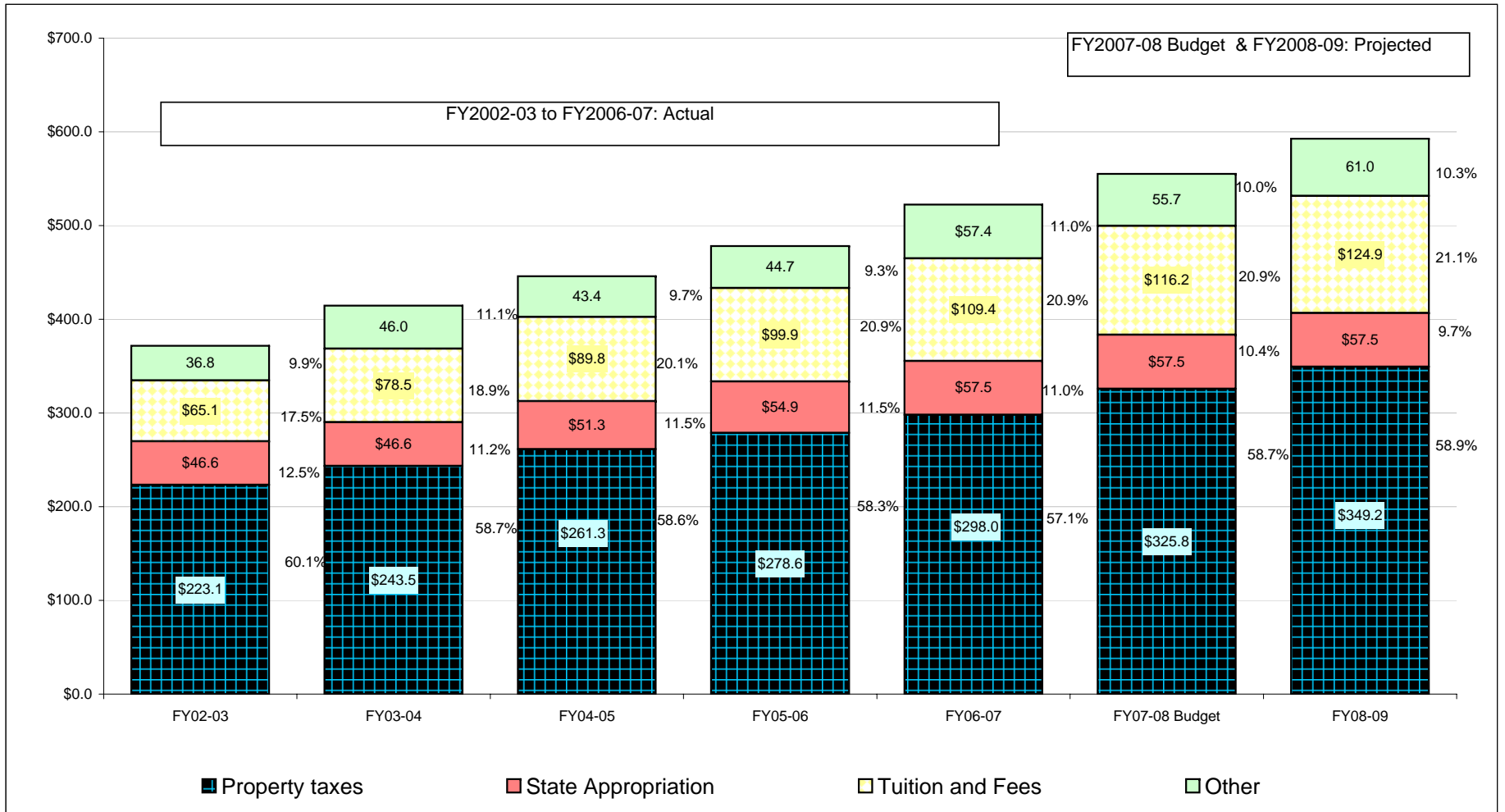


Table 4: Additional Potential Expenditures (General Fund) Fiscal Years 2008-09 through 2012-13					
	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13
Projected Revenue Increases (see Appendix E):	\$ 31,477,126	\$ 32,935,190	\$ 36,635,806	\$ 33,180,507	\$ 35,570,459
Potential Expenditures *					
Instructional/Student Services					
1 New Faculty - allocation based on FTSE (7 for FY09, w 5% incr future)	\$ (590,912)	\$ (620,458)	\$ (651,480)	\$ (684,055)	\$ (4,679,021)
2 Prop 301 Faculty moved to Gen Fund (2-3 faculty through FY2020-21)	\$ (172,705)	\$ (178,201)	\$ (182,566)	\$ (186,406)	\$ (283,107)
3 Enrollment Growth Funding	\$ (5,297,250)	\$ (6,731,370)	\$ (4,244,430)	\$ (4,321,500)	\$ (4,719,295)
4 Operating Costs for 2004 Bond Program - Capital Construction	\$ (3,500,000)	\$ (3,500,000)	\$ (3,000,000)	\$ (2,200,000)	\$ (2,000,000)
5 Operating Costs for Bond Program - Technology	\$ (2,500,000)	\$ (2,500,000)	\$ (2,500,000)	\$ (3,000,000)	\$ (3,000,000)
6 Scholarships	\$ (781,000)	\$ (551,000)	\$ (564,000)	\$ (582,000)	\$ (769,000)
7 International Students	\$ (200,000)	\$ -	\$ -	\$ (200,000)	\$ -
Employees					
8 ME ASRS increase (est 9.6% to 10% for FY08-09, then remain flat no incr %)	\$ (1,176,330)	\$ -	\$ -	\$ -	\$ -
9 E Flex Benefit/Wellness Increase (est 12.5% incr for FY08-09, then 10%/yr after)	\$ (4,147,247)	\$ (3,838,538)	\$ (4,222,391)	\$ (4,644,631)	\$ (5,109,094)
10 Meet & Confer- COLA (illustrative only) 3.0% Western CPI -June 2007	\$ (9,456,428)	\$ (9,740,121)	\$ (10,032,324)	\$ (10,333,294)	\$ (10,643,293)
11 Meet & Confer - Step Increase (illustrative only)	\$ (7,709,714)	\$ (6,938,743)	\$ (6,244,868)	\$ (6,507,153)	\$ (6,780,453)
12 Adjunct Faculty Rate increase at 5% (illustrative only)	\$ (3,297,680)	\$ (3,462,564)	\$ (3,635,692)	\$ (3,817,477)	\$ (4,008,351)
13 PG Fund @ \$1,250/FTE increase (illustrative only)	\$ (143,220)	\$ (143,220)	\$ (143,220)	\$ (143,220)	\$ (143,220)
14 Education/Anniversary costs (w 3% incr future)	\$ (1,000,000)	\$ (1,030,000)	\$ (1,060,900)	\$ (1,092,727)	\$ (1,125,509)
15 Tuition Waivers	\$ (280,000)	\$ (310,000)	\$ (340,000)	\$ (370,000)	\$ (410,000)
16 Compensated Absences (w 3% incr future)	\$ (300,000)	\$ (309,000)	\$ (318,270)	\$ (327,818)	\$ (337,653)
Infrastructure/Business Costs					
17 E ATASS, Prev. Maint, Risk Management (with 3% incr future years)	\$ (220,000)	\$ (226,600)	\$ (233,398)	\$ (240,400)	\$ (247,612)
Total Potential Expenditures	\$ (40,772,486)	\$ (40,079,814)	\$ (37,373,541)	\$ (38,650,680)	\$ (44,255,606)
Total Potential Balance (deficit)	\$ (9,295,360)	\$ (7,144,624)	\$ (737,735)	\$ (5,470,173)	\$ (8,685,147)
18 Strategic Initiatives	\$ (4,000,000)	\$ (4,000,000)	\$ (4,000,000)	\$ (4,000,000)	\$ (4,000,000)
a College Safety - TBD	\$ -	\$ -	\$ -	\$ -	\$ -
b Other District-wide Initiatives TBD	\$ -	\$ -	\$ -	\$ -	\$ -
Total Potential Balance (deficit) with District-wide Requests	\$ (13,295,360)	\$ (11,144,624)	\$ (4,737,735)	\$ (9,470,173)	\$ (12,685,147)

* M references mandates; E references externally driven expenditures.

Table 4: Additional Potential Expenditures (General Fund) Fiscal Years 2013-14 through 2016-17

		FY13-14	FY14-15	FY15-16	FY16-17
Projected Revenue Increases (see Appendix E):		\$ 39,291,586	\$ 41,083,200	\$ 43,698,276	\$ 47,412,779
Potential Expenditures *					
Instructional/Student Services					
1	New Faculty - allocation based on FTSE (7 for FY09, w 5% incr future)	\$ (4,912,972)	\$ (5,158,620)	\$ (5,416,551)	\$ (5,687,379)
2	Prop 301 Faculty moved to Gen Fund (2-3 faculty through FY2020-21)	\$ (289,858)	\$ (295,148)	\$ (304,221)	\$ (308,873)
3	Enrollment Growth Funding	\$ (4,915,600)	\$ (5,213,390)	\$ (5,456,570)	\$ (5,708,570)
4	Operating Costs for 2004 Bond Program - Capital Construction	\$ (1,500,000)	\$ (1,500,000)	\$ (700,000)	\$ -
5	Operating Costs for Bond Program - Technology	\$ (2,400,000)	\$ (1,000,000)	\$ (700,000)	\$ -
6	Scholarships	\$ (800,000)	\$ (827,000)	\$ (854,000)	\$ (882,000)
7	International Students	\$ -	\$ (200,000)	\$ -	\$ -
Employees					
8 ME	ASRS increase (est fr 9.1% to 9.6% for FY0708; 10% for FY08-09, then 0%)	\$ -	\$ -	\$ -	\$ -
9 E	Flex Benefit/Wellness Increase (est 12.5% incr for FY08-09, then 10%/yr after)	\$ (5,620,003)	\$ (6,182,003)	\$ (6,800,204)	\$ (7,480,224)
10	Meet & Confer- COLA (<i>illustrative only</i>) 3.0% <i>Western CPI - June 2007</i>	\$ (10,962,592)	\$ (11,291,470)	\$ (11,630,214)	\$ (11,979,120)
11	Meet & Confer - Step Increase (<i>illustrative only</i>)	\$ (6,983,867)	\$ (7,193,383)	\$ (7,409,184)	\$ (7,631,460)
12	Adjunct Faculty Rate increase at 5% (<i>illustrative only</i>)	\$ (4,208,768)	\$ (4,419,207)	\$ (4,640,167)	\$ (4,872,175)
13	PG Fund @ \$1,250/FTE increase (<i>illustrative only</i>)	\$ (143,220)	\$ (143,220)	\$ (143,220)	\$ (143,220)
14	Education/Anniversary costs (w 3% incr future)	\$ (1,159,274)	\$ (1,194,052)	\$ (1,229,874)	\$ (1,266,770)
15	Tuition Waivers	\$ (410,000)	\$ (450,000)	\$ (490,000)	\$ (540,000)
16	Compensated Absences (w 3% incr future)	\$ (347,782)	\$ (358,216)	\$ (368,962)	\$ (380,031)
Infrastructure/Business Costs					
17 E	ATASS, Prev. Maint, Risk Management (with 3% incr future years)	\$ (255,040)	\$ (262,692)	\$ (270,572)	\$ (278,689)
Total Potential Expenditures		\$ (44,908,976)	\$ (45,688,400)	\$ (46,413,739)	\$ (47,158,511)
Total Potential Balance (deficit)		\$ (5,617,390)	\$ (4,605,200)	\$ (2,715,463)	\$ 254,268
18	Strategic Initiatives	\$ (4,000,000)	\$ (6,000,000)	\$ (8,000,000)	\$ (10,000,000)
a	College Safety - TBD	\$ -	\$ -	\$ -	\$ -
b	Other District-wide Initiatives TBD	\$ -	\$ -	\$ -	\$ -
Total Potential Balance (deficit) with District-wide Requests		\$ (9,617,390)	\$ (10,605,200)	\$ (10,715,463)	\$ (9,745,732)

* M references mandates; E references externally driven expenditures.



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STRATEGIC/FINANCIAL LINKAGES

The Certificate of Completion (CCL) in Nuclear Medicine Technology is designed to prepare students to function as competent members of the healthcare team in the role of nuclear medicine technologists. Employment opportunities exist in hospitals, medical offices and ambulatory clinics. Upon completion of the program, the student will be eligible to apply for the certifying board examination administered by the American Registry of Radiologic Technology [ARRT (N)], the nuclear Medicine Technology Certification Board (NMTCB) and Arizona State Licensure. The curriculum is structured to provide appropriate didactic instruction, as well as ample supervised clinical exposure, to assure sufficient opportunity to achieve all didactic and clinical requirements.

Maricopa Community College District Adopted Strategic Directions

- Direction #1:** MCCC will maximize stakeholder access to the Maricopa College's facilities, programs and services.
- Direction #2:** MCCC 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:** MCCC will enhance internal collaboration and increase external partnerships.
- Direction #4:** MCCC will identify and pursue new and existing revenue sources while promoting cost effectiveness.
- Direction #5:** MCCC will recruit, develop and retain a quality diverse workforce.
- Direction #6:** MCCC will maintain a strong identity that reflects its role in and value to the community.

Table 5: Linkage between Strategic Directions and Potential FY2008-09 Budget Initiative Estimates				
Potential FY2006 Budget Items	Directions # 1 & 2	Direction #3	Direction #5	Business Costs
New Faculty	\$ (590,912)			
Proposition 301 Faculty moved to Gen Fund*	\$ (172,705)			
Enrollment Growth Funding	\$ (5,297,250)			
Operating Costs for 2004 Bond - Capital	\$ (3,500,000)			
Operating Costs for Bond - Technology	\$ (2,500,000)			
Scholarships	\$ (781,000)			
International Students	\$ (200,000)			
College/DO Initiatives	\$ (4,000,000)			
ASRS Contribution Rate			\$ (1,176,330)	
Flex Benefits			\$ (4,147,247)	
Meet and Confer			\$ (17,166,142)	
Adjunct Faculty Rate Increase			\$ (3,297,680)	
PG Funding @ \$1,250/FTE increase			\$ (143,220)	
Other Personnel cost			\$ (1,580,000)	
ATASS, Prev. Maint, Risk Management				\$ (220,000)
	\$ (17,041,867)	\$ -	\$ (27,510,619)	\$ (220,000)
Percent of Resource Total	38.1%	0.0%	61.4%	0.5%
			\$ (44,772,486)	
			\$ 31,477,126	
			Surplus / (Deficit)	\$ (13,295,360)

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 MCCC 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.



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APPENDIX

The Teacher Education Alliance (TEALL) is a new program designed to assist students working on their Associate in Arts in Elementary Education (AAEE) Degree through Maricopa Community Colleges to smoothly transition to Arizona State University.

Appendix A - General Fund Actual Revenues
Fiscal Years 2002-03 through 2006-07

	Actuals FY02-03	Actuals FY03-04	Actuals FY04-05	Actuals FY05-06	Actuals FY06-07
Property Taxes	\$ 218,867,745	\$ 238,949,997	\$ 256,339,823	\$ 273,982,214	\$ 293,431,885
State Aid Appropriation	\$ 46,613,700	\$ 46,613,700	\$ 51,290,400	\$ 54,863,200	\$ 57,528,300
Capital transfer	\$ -	\$ -	\$ -	\$ -	\$ -
SRP in lieu	\$ 4,267,166	\$ 4,562,181	\$ 4,975,746	\$ 4,647,291	\$ 4,572,741
Tuition and Fees	\$ 65,071,041	\$ 78,527,606	\$ 89,842,494	\$ 99,869,632	\$ 109,377,273
Out of County	\$ 916,554	\$ 355,629	\$ 535,593	\$ 537,665	\$ 388,294
Out of State	\$ 7,930,559	\$ 8,030,138	\$ 8,978,270	\$ 9,704,982	\$ 10,796,292
Other Fees and Charges	\$ 2,340,266	\$ 2,536,112	\$ 2,369,172	\$ 2,358,129	\$ 5,563,278
Interest	\$ (1,577,585)	\$ 1,076,022	\$ 1,600,000	\$ 3,932,570	\$ 5,918,238
Other	\$ 373,502	\$ 390,031	\$ 789,709	\$ 1,385,040	\$ 1,733,392
Transfers	\$ 2,846,439	\$ 4,358,782	\$ 4,442,000	\$ 4,020,000	\$ 46,800
Fund Balance	\$ 23,983,719	\$ 29,238,370	\$ 24,716,065	\$ 22,773,743	\$ 32,990,500
Grand Total	<u>\$ 371,633,106</u>	<u>\$ 414,638,568</u>	<u>\$ 445,879,272</u>	<u>\$ 478,074,467</u>	<u>\$ 522,346,992</u>

**Appendix B - General Fund Projected Revenues
Fiscal Years 2007-08 through 2011-12**

	Budget FY07-08	Projections FY08-09	Projections FY09-10	Projections FY10-11	Projections FY11-12
Property Taxes	\$ 321,018,986	\$ 344,430,446	\$ 367,988,296	\$ 391,858,951	\$ 415,683,975
State Aid					
Appropriation	57,528,300	57,528,300	60,996,700	66,384,900	67,826,800
Capital Transfer from Fund 7	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SRP in Lieu	4,816,598	4,808,128	4,844,293	4,887,319	4,933,761
Tuition and Fees volume incr.	116,216,100	120,467,025	129,904,965	137,287,575	144,913,440
Rate Increase HEPI	-	4,455,960	4,545,360	4,636,560	4,729,620
Addtl Recommendation	-	2,227,980	-	-	-
Out of County	492,045	480,058	516,645	543,711	572,213
Out of State	11,074,650	11,074,650	11,451,540	11,787,600	12,134,520
Rate Increase	-	103,020	105,060	107,160	109,320
Addtl Recommendation	-	51,510	-	-	-
Other Fees and Charges	5,974,060	6,000,620	6,053,160	6,112,490	6,172,420
Interest	3,500,000	3,850,000	3,889,000	3,928,000	3,968,000
Other	910,000	946,710	985,258	1,025,732	1,056,095
Transfers					
From F2 (FTSE growth reserve)	1,586,200	2,668,800	1,246,000	1,128,700	1,151,600
Fund Balance	30,169,100	31,601,120	32,537,370	33,520,370	34,552,570
Grand Total	\$ 555,286,039	\$ 592,694,327	\$ 627,063,647	\$ 665,209,068	\$ 699,804,334

Appendix B - General Fund Projected Revenues
Fiscal Years 2012-13 through 2016-17

	Projections	Projections	Projections	Projections	Projections
	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17
Property Taxes	\$ 439,685,568	\$ 464,176,054	\$ 489,083,741	\$ 514,829,110	\$ 541,929,714
State Aid					
Appropriation	69,286,000	70,774,900	72,293,600	73,843,000	75,423,100
Capital Transfer from Fund 7	-	-	-	-	-
SRP in Lieu	4,983,099	5,036,030	5,092,653	5,153,699	5,172,017
Tuition and Fees volume incr.	152,789,985	163,459,125	174,496,275	185,908,500	197,709,120
Rate Increase - HEPI	7,236,810	7,382,070	7,530,210	7,681,320	7,835,490
Addtl Recommendation	-	-	-	-	-
Out of County	600,552	629,277	662,592	697,034	733,363
Out of State	12,485,760	12,904,950	13,337,700	13,784,280	14,237,880
Rate Increase	167,220	170,550	173,970	177,480	180,990
Addtl Recommendation	-	-	-	-	-
Other Fees and Charges	6,232,950	8,532,390	11,793,660	16,420,170	22,984,530
Interest	4,008,000	4,049,000	4,090,000	4,131,000	4,173,000
Other	1,087,679	1,120,530	1,154,707	1,190,260	1,227,263
Transfers					
From F2 (FTSE growth reserve)	1,174,800	1,198,400	1,222,400	1,246,800	1,271,900
Fund Balance	35,636,370	36,774,370	37,969,270	39,223,970	40,541,370
Grand Total	\$ 735,374,793	\$ 776,207,646	\$ 818,900,778	\$ 864,286,623	\$ 913,419,737

Appendix C - General Fund Actual Expenditures
Fiscal Years 2002-03 through 2006-07

Expenditures by Object Code	Actual FY02-03	Actual FY03-04	Actual FY04-05	Actual FY05-06	Actual FY06-07
Personal Services	\$ 241,505,406	\$ 257,355,454	\$ 271,185,023	\$ 291,661,495	\$ 306,737,428
Employee Benefits	\$ 41,461,101	\$ 53,319,523	\$ 57,364,855	\$ 63,081,996	\$ 74,738,876
Contractual Services	\$ 25,435,200	\$ 27,606,702	\$ 30,308,899	\$ 34,234,928	\$ 39,081,645
Supplies & Materials	\$ 8,768,295	\$ 9,433,176	\$ 8,690,644	\$ 9,445,592	\$ 9,125,007
Current Fixed Charges	\$ 5,491,092	\$ 5,505,431	\$ 5,975,587	\$ 6,416,686	\$ 7,015,755
Utilities/Comm/Travel	\$ 14,090,804	\$ 14,641,456	\$ 14,430,504	\$ 15,910,285	\$ 16,624,496
Capital Outlay	\$ 896,215	\$ 1,330,210	\$ -	\$ -	\$ 777,973
Transfers/Other	\$ 9,928,274	\$ 14,740,984	\$ 17,206,031	\$ 33,624,422	\$ 26,212,668
Grand Total	\$ 347,576,387	\$ 383,932,936	\$ 405,161,544	\$ 454,375,404	\$ 480,313,848

Expenditures By Function	Actual FY02-03	Actual FY03-04	Actual FY04-05	Actual FY05-06	Actual FY06-07
Public Service	\$ 444,284	\$ 502,211	\$ 435,250	\$ 394,771	\$ 360,659
Instruction	\$ 175,704,409	\$ 191,783,755	\$ 204,092,622	\$ 224,277,869	\$ 235,992,559
Academic Support	\$ 37,067,228	\$ 41,715,474	\$ 45,307,708	\$ 20,500,995	\$ 53,477,029
Administration	\$ 50,192,792	\$ 55,258,955	\$ 59,095,164	\$ 69,802,179	\$ 73,175,802
Student Services	\$ 26,035,222	\$ 29,264,599	\$ 30,270,556	\$ 34,121,289	\$ 36,321,744
Operations/Maintenance	\$ 29,010,628	\$ 30,275,612	\$ 29,583,409	\$ 33,337,502	\$ 35,611,135
General Institutional	\$ 28,917,561	\$ 34,333,269	\$ 36,267,798	\$ 41,301,907	\$ 45,120,838
Contingency	\$ 269,528	\$ 799,061	\$ 109,037	\$ 638,894	\$ 254,083
Grand Total	\$ 347,641,653	\$ 383,932,935	\$ 405,161,544	\$ 424,375,404	\$ 480,313,848

Appendix D - General Fund Projected Expenditures
Fiscal Years 2007-08 through 2011-12

Expenditures by Object Code	Budget FY07-08	Projections FY08-09	Projections FY09-10	Projections FY10-11	Projections FY11-12
Personal Services	\$ 318,033,477	\$ 339,458,629	\$ 359,143,249	\$ 380,990,585	\$ 400,804,612
Employee Benefits	\$ 82,491,819	\$ 88,049,095	\$ 93,154,910	\$ 98,821,692	\$ 103,961,073
Contractual Services	\$ 33,643,648	\$ 35,910,140	\$ 37,992,507	\$ 40,303,660	\$ 42,399,717
Supplies & Materials	\$ 7,833,777	\$ 8,361,520	\$ 8,846,390	\$ 9,384,532	\$ 9,872,589
Current Fixed Charges	\$ 7,177,318	\$ 7,660,837	\$ 8,105,075	\$ 8,598,122	\$ 9,045,281
Utilities/Comm/Travel	\$ 13,898,027	\$ 14,834,304	\$ 15,694,519	\$ 16,649,246	\$ 17,515,116
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers/Other	\$ 92,207,973	\$ 98,419,803	\$ 104,126,997	\$ 110,461,232	\$ 116,205,945
Grand Total	\$ 555,286,039	\$ 592,694,327	\$ 627,063,647	\$ 665,209,068	\$ 699,804,334

Expenditures By Function	Budget FY07-08	Projections FY08-09	Projections FY09-10	Projections FY10-11	Projections FY11-12
Public Service	\$ 304,675	\$ 325,200	\$ 344,058	\$ 364,988	\$ 383,969
Instruction	\$ 249,422,008	\$ 266,224,970	\$ 281,662,896	\$ 298,796,962	\$ 314,336,378
Academic Support	\$ 63,582,749	\$ 67,866,166	\$ 71,801,608	\$ 76,169,430	\$ 80,130,744
Administration	\$ 81,626,793	\$ 87,125,794	\$ 92,178,068	\$ 97,785,428	\$ 102,870,916
Student Services	\$ 38,046,347	\$ 40,609,438	\$ 42,964,309	\$ 45,577,906	\$ 47,948,258
Operations/Maintenance	\$ 35,949,340	\$ 38,371,161	\$ 40,596,238	\$ 43,065,781	\$ 45,305,486
General Institutional	\$ 52,476,870	\$ 56,012,111	\$ 59,260,156	\$ 62,865,059	\$ 66,134,458
Contingency	\$ 33,877,257	\$ 36,159,487	\$ 38,256,313	\$ 40,583,514	\$ 42,694,124
Grand Total	\$ 555,286,039	\$ 592,694,327	\$ 627,063,647	\$ 665,209,068	\$ 699,804,334

Appendix D - General Fund Projected Expenditures
Fiscal Years 2012-13 through 2016-17

Expenditures by Object Code	Projections FY12-13	Projections FY13-14	Projections FY14-15	Projections FY15-16	Projections FY16-17
Personal Services	\$ 421,177,170	\$ 444,563,701	\$ 469,015,685	\$ 495,009,888	\$ 523,150,295
Employee Benefits	\$ 109,245,326	\$ 115,311,346	\$ 121,653,724	\$ 128,396,125	\$ 135,695,210
Contractual Services	\$ 44,554,858	\$ 47,028,837	\$ 49,615,527	\$ 52,365,363	\$ 55,342,238
Supplies & Materials	\$ 10,374,405	\$ 10,950,460	\$ 11,552,760	\$ 12,193,047	\$ 12,886,199
Current Fixed Charges	\$ 9,505,045	\$ 10,032,828	\$ 10,584,655	\$ 11,171,287	\$ 11,806,355
Utilities/Comm/Travel	\$ 18,405,395	\$ 19,427,383	\$ 20,495,932	\$ 21,631,876	\$ 22,861,609
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers/Other	\$ 122,112,595	\$ 128,893,090	\$ 135,982,495	\$ 143,519,037	\$ 151,677,832
Grand Total	\$ 735,374,793	\$ 776,207,646	\$ 818,900,778	\$ 864,286,623	\$ 913,419,737

Expenditures By Function	Projections FY12-13	Projections FY13-14	Projections FY14-15	Projections FY15-16	Projections FY16-17
Public Service	\$ 403,486	\$ 425,891	\$ 449,315	\$ 474,218	\$ 501,176
Instruction	\$ 330,313,829	\$ 348,655,028	\$ 367,831,824	\$ 388,218,125	\$ 410,287,616
Academic Support	\$ 84,203,721	\$ 88,879,267	\$ 93,767,822	\$ 98,964,706	\$ 104,590,668
Administration	\$ 108,099,757	\$ 114,102,168	\$ 120,378,039	\$ 127,049,737	\$ 134,272,282
Student Services	\$ 50,385,428	\$ 53,183,159	\$ 56,108,350	\$ 59,218,036	\$ 62,584,473
Operations/Maintenance	\$ 47,608,325	\$ 50,251,853	\$ 53,015,816	\$ 55,954,106	\$ 59,134,994
Contingency	\$ 69,496,016	\$ 73,354,893	\$ 77,389,573	\$ 81,678,727	\$ 86,322,013
	\$ 44,864,231	\$ 47,355,388	\$ 49,960,039	\$ 52,728,968	\$ 55,726,514
Grand Total	\$ 735,374,793	\$ 776,207,646	\$ 818,900,778	\$ 864,286,623	\$ 913,419,737

Appendix E - Potential Commitment / Additional Dollars (General Fund)

Fiscal Years 2008-09 through 2016-17

	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13
Projected Revenue Increases:	\$ 37,408,288	\$ 34,369,320	\$ 38,145,421	\$ 34,595,266	\$ 35,570,459
Potential Commitments / Additional Dollars:					
Carryforward Adjustment	(1,432,020)	(936,250)	(983,000)	(1,032,200)	(1,083,800)
Hold Harmless Cost FY06-07 FTSE (Fund 1 & Fund 2)	(3,376,266)	-	-	-	-
Uncollected Tax Levy	(1,107,126)	(481,342)	(509,251)	(364,326)	(371,560)
Student Bad Debt Recovery	(15,750)	(16,538)	(17,364)	(18,233)	(19,144)
TOTAL	(5,931,162)	(1,434,130)	(1,509,615)	(1,414,759)	-
Net Funds Available for Allocation	\$ 31,477,126	\$ 32,935,190	\$ 36,635,806	\$ 33,180,507	\$ 35,570,459
	FY13-14	FY14-15	FY15-16	FY16-17	
Projected Revenue Increases:	\$ 40,832,853	\$ 42,693,132	\$ 45,385,845	\$ 49,133,114	
Potential Commitments / Additional Dollars:					
Carryforward Adjustment	(1,138,000)	(1,194,900)	(1,254,700)	(1,317,400)	
Uncollected Tax Levy	(383,166)	(393,925)	(410,707)	(379,665)	
Student Bad Debt Recovery	(20,101)	(21,107)	(22,162)	(23,270)	
TOTAL	(1,541,267)	(1,609,932)	(1,687,569)	(1,720,335)	
Net Funds Available for Allocation	\$ 39,291,586	\$ 41,083,200	\$ 43,698,276	\$ 47,412,779	

Appendix F - Total Revenue Projections

Fiscal Years 2008-09 through 2016-17

	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13
General Fund	\$ 592,694,327	\$ 627,063,647	\$ 665,209,068	\$ 699,804,334	\$ 735,374,793
Auxiliary Fund	\$ 152,765,249	\$ 159,070,065	\$ 165,648,137	\$ 172,513,427	\$ 179,677,900
Restricted Fur	\$ 163,874,413	\$ 163,874,413	\$ 174,852,452	\$ 186,565,917	\$ 199,064,073
Plant Fund	\$ 486,996,756	\$ 332,146,755	\$ 469,841,982	\$ 385,824,096	\$ 329,252,320
	<u>\$ 1,396,330,745</u>	<u>\$ 1,282,154,881</u>	<u>\$ 1,475,551,640</u>	<u>\$ 1,444,707,774</u>	<u>\$ 1,443,369,087</u>

	FY13-14	FY14-15	FY15-16	FY16-17
General Fund	\$ 776,207,646	\$ 818,900,778	\$ 864,286,623	\$ 913,419,737
Auxiliary Fund	\$ 187,153,526	\$ 194,954,266	\$ 203,096,076	\$ 211,590,923
Restricted Fur	\$ 212,399,487	\$ 226,628,249	\$ 241,810,203	\$ 258,009,205
Plant Fund	\$ 269,589,616	\$ 226,126,043	\$ 169,866,909	\$ 165,086,831
	<u>\$ 1,445,350,276</u>	<u>\$ 1,466,609,336</u>	<u>\$ 1,479,059,811</u>	<u>\$ 1,548,106,697</u>

Appendix G - Major Assumptions Inherent in the Projections

Fiscal Year 2008-09

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 7.3% increase in property tax receipts.

Tuition and Fees - tuition increase is assumed at the 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 - FY2008-09 assumes the State will fund at the FY2007-08 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 2008-09 through 2016-17****Operating Budget****Expenses**

New Faculty - The Plan includes the commitment to hire 7 new faculty.

Health Benefits - Increases reflect an assumed increase of 12.5% for FY2008-09, and 10% for FY 2009-10 to 2016-17

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 FY2008-09 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 FY2008-09 and includes the related commitment to operating costs to support the bond capital program. Operating costs of approximately \$ 3.5 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 2008-09 through 2016-17

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)