



Chandler – Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain

Maricopa Financial Plan

Fiscal Year 2004 through 2018

Student Success

ONE



Public Stewardship





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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 2003-04 through 2007-08, budgeted data for FY 2008-09 and projections for FY 2009-10 through 2017-18. 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 FY2009-10 and beyond builds on past planning efforts and focuses on advancing existing and new goals and maintaining financial stability and flexibility. The effects of the stagnate housing market, widespread credit concerns, and weak consumer spending that have plagued the national and local economies will have an impact on the District as well making the need for sound financial planning imperative not just advisable. Resource projections for the next few years indicate limited revenue growth and suggest that advancement of new initiatives will rest heavily on continued operational efficiency and internal reallocation. Although challenging, it creates a clear incentive to critically examine institutional processes and will better position the District to take advantage of revenue growth in consequential ways once the current cyclic downturn runs its course. A referendum for a new capital program was overwhelmingly approved by voters in November, 2004 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. A welcome byproduct of the referendum will be the flow of construction dollars into the local economy.

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 2017-18.

Strategic / Financial Linkage

Table 4 defines the linkage between projected expenditure item categories in **FY 2009-10** 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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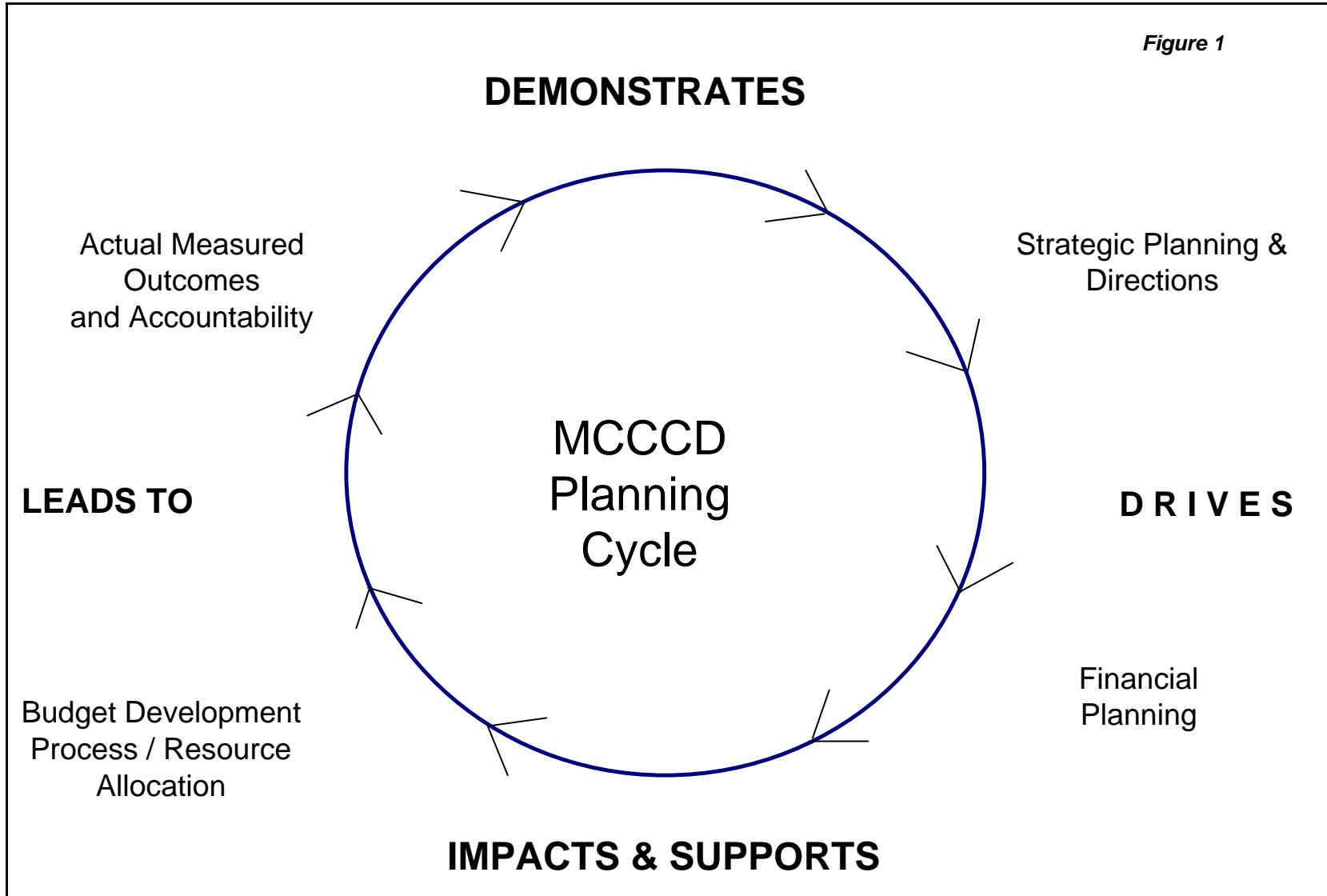
Strategic Planning Elements

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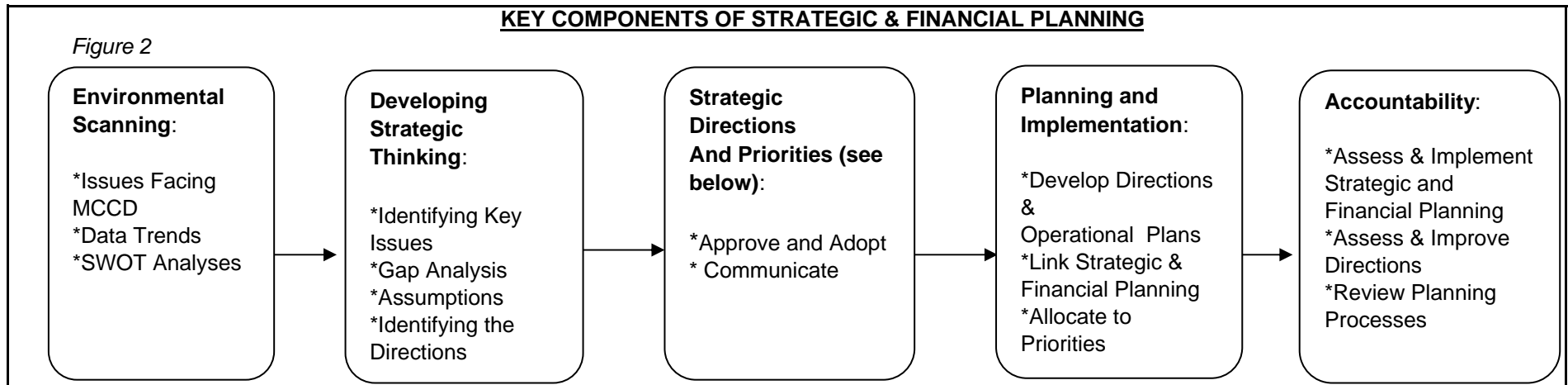


Table 1

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

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Table 2: FY 2009 -10 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 \$9 million in increases tax receipts.
- * A \$.01 increase in the primary property tax rate yields approximately \$4 million in additional revenue.
- * A 1% COLA would cost approximately \$ 3.9 million and a step would cost approximately \$7.1 million.
- * Every 1% increase in Flex Benefits costs the District approximately \$381 thousand.
- * Every 1% increase in COLA roughly equals 10.3% increase in Flex Benefits
- * Every 18.8% 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 \$111 thousand in Capital.
- * Every 1% MCCD Budget cut (Fund 1) amounts to approximately \$4.9 million

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 2009-10	
<p>Operating Budget -</p>	
<p><u>Revenues</u></p> <ul style="list-style-type: none"> * Lower growth in Property Tax revenues, based on trends and legal limits in increases on existing property. * Tuition revenue growth from both rate increase (assumes \$3.00 rate inc. for FY2009-10). * Continuing growth in Proposition 301 revenues. * Increase Out-of-State Surcharge by \$16.00 for FY2009-10. 	<p><u>Expenses</u></p> <ul style="list-style-type: none"> * 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. * Includes financial stability reserve within Fund Balance equal to to 8% of annual budget.
<p>Capital Budget -</p> <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. 	
<p>Note: See Appendix G for additional details about financial plan assumptions.</p>	

Chart 1 - GENERAL FUND ACTUAL AND PROJECTED REVENUES
FY2003-04 through FY2009-10 (in millions)

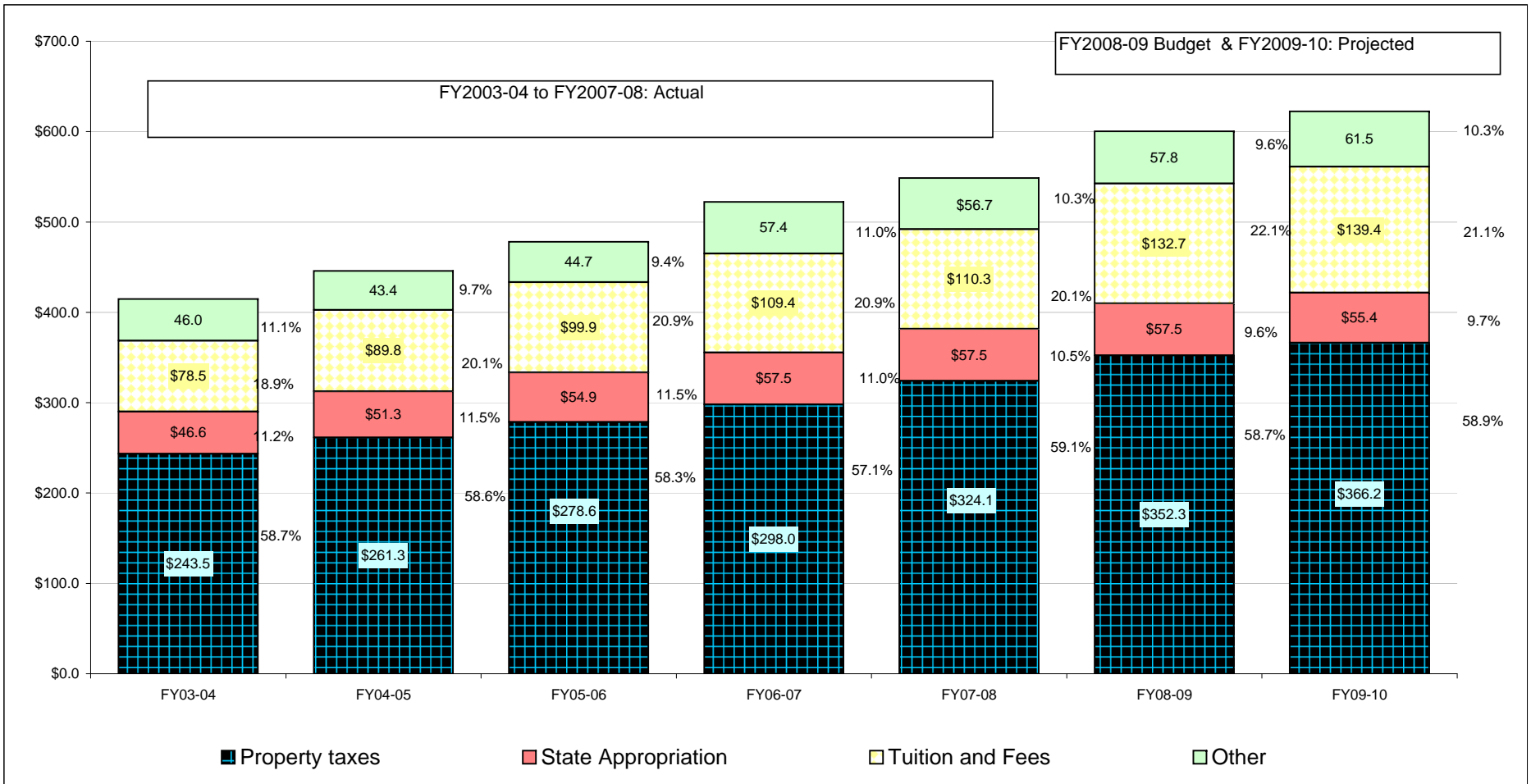
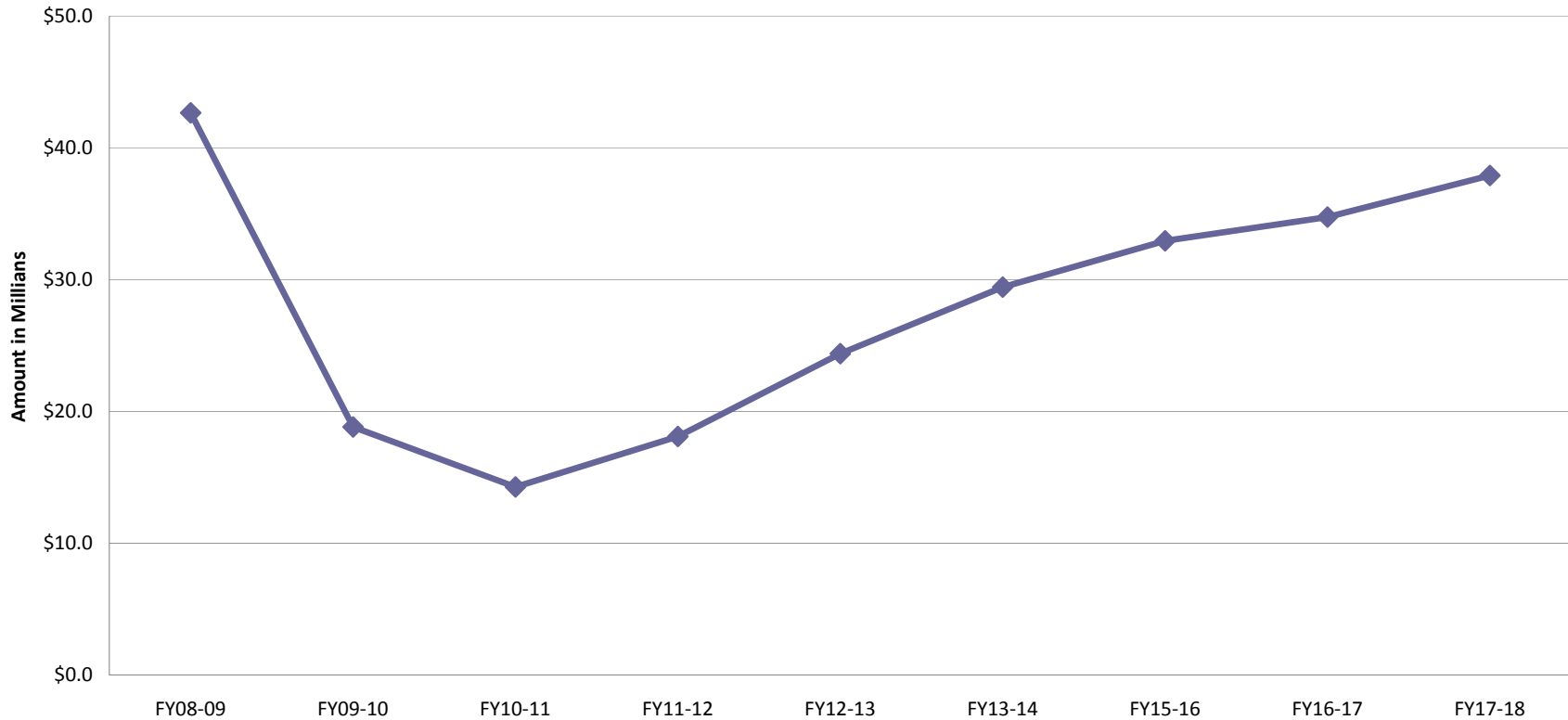


Chart 2 -- Projected Funds Available for New Allocations

Fiscal Years 2009-10 through 2017-18



The projected funds available for allocation are net of known commitments and revenue offsets (Appendix E). In keeping with the Maricopa Community Colleges' appreciation for careful financial planning, the projected revenues lean more toward a conservative outlook. The downward trend in the immediate future cautions against consideration of new program initiatives that require a large investment of new resources.

Table 4: Additional Potential Expenditures (General Fund) Fiscal Years 2009-10 through 2013-14					
	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14
Instructional/Student Services					
1 New Faculty	-	-	-	-	1,361,414
2 Prop 301 Faculty moved to Gen Fund (2-3 faculty through FY2020-21)	191,202	192,962	196,726	302,984	307,141
3 Enrollment Growth Funding	1,045,620	2,568,339	1,194,480	680,545	885,610
4 Operating Costs for 2004 Bond Program - Capital Construction	2,500,000	2,500,000	2,200,000	2,000,000	1,500,000
5 Operating Costs for Bond Program - Technology	500,000	1,150,000	1,300,000	1,400,000	1,500,000
6 Scholarships (incl. Talent Waiver)	475,000	511,200	563,700	569,600	581,100
Subtotal Instructional/Student Services	\$ 4,711,822	\$ 6,922,501	\$ 5,454,906	\$ 4,953,129	\$ 6,135,265
Employee Support					
7 ME ASRS increase	500,000	-	-	-	-
8 E Flex Benefit/Wellness Increase (est 5% incr for FY09-10 then 10%/yr after)	1,902,630	2,092,893	2,302,182	2,532,401	2,785,641
9 Meet & Confer- COLA (illustrative only) 4.9% Western CPI -June 2008	15,777,353	16,250,674	16,738,194	17,240,340	17,757,550
10 Meet & Confer - Step Increase (illustrative only)	7,141,803	6,427,623	5,784,860	6,027,825	6,280,993
11 Adjunct Faculty Rate increase at 5% (illustrative only)	3,515,430	3,691,202	3,875,762	4,069,550	4,273,027
12 Education/Anniversary costs (w 3% incr future)	1,250,100	1,287,603	1,326,231	1,366,018	1,406,999
13 Tuition Waivers	320,000	320,000	350,000	380,000	420,000
14 Compensated Absences (w 3% incr future)	300,000	309,000	318,270	327,818	337,653
Subtotal Employee Support	\$ 30,707,316	\$ 30,378,994	\$ 30,695,499	\$ 31,943,951	\$ 33,261,862
Infrastructure/Business Costs					
15 E ATASS, Risk Management (with 3% incr future years)	\$ 220,000	\$ 226,600	\$ 233,398	\$ 240,400	\$ 247,612
Total Potential Expenditures	\$ 35,639,138	\$ 37,528,095	\$ 36,383,803	\$ 37,137,480	\$ 39,644,739
16 Strategic Initiatives (eg: Faculty, Safety, Libraries etc.)	\$ 6,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Total All Potential Expenditures and Strategic Initiatives	\$ 41,639,138	\$ 41,528,095	\$ 40,383,803	\$ 41,137,480	\$ 43,644,739

* M references mandates; E references externally driven expenditures.

The Maricopa Community College District's annual budget process will play an integral part in aligning revenues and potential expenditures to ensure a balanced budget

Table 4: Additional Potential Expenditures (General Fund) Fiscal Years 2014-15 through 2017-18					
		FY14-15	FY15-16	FY16-17	FY17-18
Instructional/Student Services					
1	New Faculty	1,429,485	1,500,959	1,576,007	1,654,808
2	Prop 301 Faculty moved to Gen Fund (2-3 faculty through FY2020-21)	312,920	321,307	329,194	338,968
3	Enrollment Growth Funding	907,160	616,100	625,100	616,100
4	Operating Costs for 2004 Bond Program - Capital Construction	1,500,000	700,000	-	-
5	Operating Costs for Bond Program - Technology	1,600,000	1,700,000	1,800,000	1,900,000
6	Scholarships (incl. Talent Waiver)	581,100	582,200	566,200	566,200
Subtotal Instructional/Student Services		\$ 6,330,665	\$ 5,420,566	\$ 4,896,501	\$ 5,076,076
Employee Support					
7	ME ASRS increase	-	-	-	-
8	E Flex Benefit/Wellness Increase (est 5% incr for FY09-10 then 10%/yr after)	3,064,205	3,370,625	3,707,688	4,078,456
9	Meet & Confer- COLA (illustrative only) 4.9% Western CPI -June 2008	18,290,277	18,838,985	19,404,154	19,986,279
10	Meet & Confer - Step Increase (illustrative only)	6,469,423	6,663,506	6,863,411	7,069,313
11	Adjunct Faculty Rate increase at 5% (illustrative only)	4,486,678	4,711,012	4,946,563	5,193,891
12	Education/Anniversary costs (w 3% incr future)	1,449,209	1,492,685	1,537,465	1,583,589
13	Tuition Waivers	420,000	460,000	510,000	560,000
14	Compensated Absences (w 3% incr future)	347,782	358,216	368,962	380,031
Subtotal Employee Support		\$ 34,527,573	\$ 35,895,028	\$ 37,338,243	\$ 38,851,560
Infrastructure/Business Costs					
15	E ATASS, Risk Management (with 3% incr future years)	\$ 255,040	\$ 262,692	\$ 270,572	\$ 278,689
Total Potential Expenditures		\$ 41,113,279	\$ 41,578,286	\$ 42,505,317	\$ 44,206,325
16	Strategic Initiatives (eg: Faculty, Safety, Libraries etc.)	\$ 4,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Total All Potential Expenditures and Strategic Initiatives		\$ 45,113,279	\$ 47,578,286	\$ 48,505,317	\$ 50,206,325

* M references mandates; E references externally driven expenditures.

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Strategic/Financial Plan Linkages

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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 FY2009-10 Budget Initiative Estimates				
Potential FY2010 Budget Items	Directions # 1 & 2	Direction #3	Direction #5	Business Costs
Proposition 301 Faculty moved to Gen Fund*	\$ 191,202			
Enrollment Growth Funding	\$ 1,045,620			
Operating Costs for 2004 Bond - Capital	\$ 2,500,000			
Operating Costs for Bond - Technology	\$ 500,000			
Scholarships	\$ 475,000			
International Students	\$ -			
College/DO Initiatives	\$ 6,000,000			
ASRS	\$ -		\$ 500,000	
Flex Benefits			\$ 1,902,630	
Meet and Confer			\$ 22,919,156	
Adjunct Faculty Rate Increase			\$ 3,515,430	
Other Personnel cost			\$ 1,870,100	
ATASS, Risk Management				\$ 220,000
	\$ 10,711,822	\$ -	\$ 30,707,316	\$ 220,000
Percent of Resource Total	25.7%	0.0%	73.7%	0.5%
Total Potential Expenditures and Strategic Initiatives <u>\$ 41,639,138</u>				

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 A - General Fund Actual Revenues
Fiscal Years 2003-04 through 2007-08

	Actuals FY03-04	Actuals FY04-05	Actuals FY05-06	Actuals FY06-07	Actuals FY07-08
Property Taxes	\$ 238,949,997	\$ 256,339,823	\$ 273,982,214	\$ 293,431,885	\$ 319,353,423
State Aid Appropriation	\$ 46,613,700	\$ 51,290,400	\$ 54,863,200	\$ 57,528,300	\$ 57,528,300
Capital transfer	\$ -	\$ -	\$ -	\$ -	\$ -
SRP in lieu	\$ 4,562,181	\$ 4,975,746	\$ 4,647,291	\$ 4,572,741	\$ 4,741,676
Tuition and Fees	\$ 78,527,606	\$ 89,842,494	\$ 99,869,632	\$ 109,377,273	\$ 110,266,981
Out of County	\$ 355,629	\$ 535,593	\$ 537,665	\$ 388,294	\$ 424,683
Out of State	\$ 8,030,138	\$ 8,978,270	\$ 9,704,982	\$ 10,796,292	\$ 13,849,902
Other Fees and Charges	\$ 2,536,112	\$ 2,369,172	\$ 2,358,129	\$ 5,563,278	\$ 5,543,467
Interest	\$ 1,076,022	\$ 1,600,000	\$ 3,932,570	\$ 5,918,238	\$ 5,802,071
Other	\$ 390,031	\$ 789,709	\$ 1,385,040	\$ 1,733,392	\$ 948,296
Transfers	\$ 4,358,782	\$ 4,442,000	\$ 4,020,000	\$ 46,800	\$ -
Fund Balance	\$ 29,238,370	\$ 24,716,065	\$ 22,773,743	\$ 32,990,500	\$ 30,169,100
Grand Total	<u>\$ 414,638,568</u>	<u>\$ 445,879,272</u>	<u>\$ 478,074,467</u>	<u>\$ 522,346,992</u>	<u>\$ 548,627,898</u>

Appendix B - General Fund Projected Revenues					
Fiscal Years 2008-09 through 2012-13					
	Budget FY08-09	Projections FY09-10	Projections FY10-11	Projections FY11-12	Projections FY12-13
Property Taxes	\$ 347,905,170	\$ 361,729,403	\$ 368,973,597	\$ 380,129,515	\$ 395,484,272
State Aid					
Appropriation	\$ 57,528,300	\$ 55,416,100	\$ 55,416,100	\$ 55,416,100	\$ 55,540,900
Capital Transfer from Fund 7	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
SRP in Lieu	\$ 4,418,036	\$ 4,481,551	\$ 4,342,736	\$ 4,338,977	\$ 4,294,271
Tuition and Fees volume incr.	\$ 132,720,915	\$ 132,720,915	\$ 139,971,210	\$ 146,855,040	\$ 153,809,220
Rate Increase HEPI	\$ -	\$ 6,683,940	\$ 6,683,940	\$ 6,683,940	\$ 6,687,000
Addtl Recommendation	\$ -	\$ -	\$ -	\$ -	\$ -
Out of County	\$ 426,707	\$ 471,068	\$ 490,160	\$ 510,170	\$ 534,199
Out of State	\$ 12,184,050	\$ 12,184,050	\$ 13,574,820	\$ 13,732,410	\$ 13,893,150
Rate Increase	\$ -	\$ 669,630	\$ 157,590	\$ 160,740	\$ 163,980
Addtl Recommendation	\$ -	\$ 721,140	\$ -	\$ -	\$ -
Other Fees and Charges	\$ 5,974,060	\$ 5,974,060	\$ 6,032,870	\$ 6,092,260	\$ 6,152,260
Interest	\$ 3,850,000	\$ 1,925,000	\$ 1,925,000	\$ 1,945,000	\$ 1,965,000
Other	\$ 925,750	\$ 1,091,200	\$ 1,136,970	\$ 1,174,031	\$ 1,212,664
Transfers					
From F2 (FTSE growth reserve)	\$ 2,778,300	\$ 2,778,300	\$ 2,570,100	\$ 2,570,100	\$ 2,583,300
Fund Balance	\$ 29,679,008	\$ 35,662,600	\$ 36,801,970	\$ 37,998,270	\$ 39,254,270
Grand Total	\$ 600,390,296	\$ 622,508,957	\$ 638,077,063	\$ 657,606,553	\$ 681,574,486

Appendix B - General Fund Projected Revenues
Fiscal Years 2013-14 through 2017-18

	Projections FY13-14	Projections FY14-15	Projections FY15-16	Projections FY16-17	Projections FY17-18
Property Taxes	\$ 415,495,776	\$ 437,798,514	\$ 460,832,693	\$ 485,112,592	\$ 510,646,682
State Aid					
Appropriation	\$ 55,666,600	\$ 55,792,300	\$ 55,918,000	\$ 56,043,700	\$ 56,170,400
Capital Transfer from Fund 7	\$ -	\$ -	\$ -	\$ -	\$ -
SRP in Lieu	\$ 4,294,271	\$ 4,252,649	\$ 4,170,763	\$ 4,051,780	\$ 4,051,780
Tuition and Fees volume incr.	\$ 160,912,500	\$ 168,034,320	\$ 174,939,840	\$ 181,845,360	\$ 188,750,880
Rate Increase - HEPI	\$ 6,696,000	\$ 6,705,000	\$ 6,705,000	\$ 6,705,000	\$ 6,705,000
Addtl Recommendation	\$ -	\$ -	\$ -	\$ -	\$ -
Out of County	\$ 562,729	\$ 598,608	\$ 638,673	\$ 681,292	\$ 727,930
Out of State	\$ 13,990,740	\$ 14,439,900	\$ 14,903,430	\$ 15,381,600	\$ 15,866,790
Rate Increase	\$ 167,220	\$ 170,550	\$ 173,970	\$ 177,480	\$ 180,990
Addtl Recommendation	\$ -	\$ -	\$ -	\$ -	\$ -
Other Fees and Charges	\$ 8,428,990	\$ 11,658,030	\$ 16,238,790	\$ 22,738,220	\$ 31,961,040
Interest	\$ 1,985,000	\$ 2,005,000	\$ 2,026,000	\$ 2,047,000	\$ 2,068,000
Other	\$ 1,252,945	\$ 1,294,952	\$ 1,338,768	\$ 1,384,469	\$ 1,432,142
Transfers					
From F2 (FTSE growth reserve)	\$ 2,609,100	\$ 2,609,100	\$ 2,570,100	\$ 2,570,100	\$ 2,570,100
Fund Balance	\$ 40,573,170	\$ 41,957,970	\$ 43,411,970	\$ 44,938,770	\$ 46,541,870
Grand Total	\$ 712,635,041	\$ 747,316,893	\$ 783,867,997	\$ 823,677,363	\$ 867,673,604

Appendix C - General Fund Actual Expenditures
Fiscal Years 2003-04 through 2007-08

Expenditures by Object Code	Actual FY03-04	Actual FY04-05	Actual FY05-06	Actual FY06-07	Actual FY07-08
Personal Services	\$ 257,355,454	\$ 271,185,023	\$ 291,661,495	\$ 306,737,428	\$ 313,364,781
Employee Benefits	\$ 53,319,523	\$ 57,364,855	\$ 63,081,996	\$ 74,738,876	\$ 77,929,074
Contractual Services	\$ 27,606,702	\$ 30,308,899	\$ 34,234,928	\$ 39,081,645	\$ 38,828,108
Supplies & Materials	\$ 9,433,176	\$ 8,690,644	\$ 9,445,592	\$ 9,125,007	\$ 10,741,907
Current Fixed Charges	\$ 5,505,431	\$ 5,975,587	\$ 6,416,686	\$ 7,015,755	\$ 7,293,155
Utilities/Comm/Travel	\$ 14,641,456	\$ 14,430,504	\$ 15,910,285	\$ 16,624,496	\$ 17,877,876
Capital Outlay	\$ 1,330,210	\$ -	\$ -	\$ 777,973	\$ -
Transfers/Other	\$ 14,740,984	\$ 17,206,031	\$ 33,624,422	\$ 26,212,668	\$ 39,009,226
Grand Total	\$ 383,932,936	\$ 405,161,544	\$ 454,375,404	\$ 480,313,848	\$ 505,044,127

Expenditures By Function	Actual FY03-04	Actual FY04-05	Actual FY05-06	Actual FY06-07	Actual FY07-08
Public Service	\$ 502,211	\$ 435,250	\$ 394,771	\$ 360,659	\$ 406,138
Instruction	\$ 191,783,755	\$ 204,092,622	\$ 224,277,869	\$ 235,992,559	\$ 237,567,116
Academic Support	\$ 41,715,474	\$ 45,307,708	\$ 20,500,995	\$ 53,477,029	\$ 55,555,712
Administration	\$ 55,258,955	\$ 59,095,164	\$ 69,802,179	\$ 73,175,802	\$ 67,563,077
Student Services	\$ 29,264,599	\$ 30,270,556	\$ 34,121,289	\$ 36,321,744	\$ 50,900,521
Operations/Maintenance	\$ 30,275,612	\$ 29,583,409	\$ 33,337,502	\$ 35,611,135	\$ 38,259,196
General Institutional	\$ 34,333,269	\$ 36,267,798	\$ 41,301,907	\$ 45,120,838	\$ 49,422,142
Contingency	\$ 799,061	\$ 109,037	\$ 638,894	\$ 254,083	\$ 5,370,225
Grand Total	\$ 383,932,935	\$ 405,161,544	\$ 424,375,404	\$ 480,313,848	\$ 505,044,127

Appendix D - General Fund Projected Expenditures
Fiscal Years 2008-09 through 2012-13

Expenditures by Object Code	Budget FY08-09	Projections FY09-10	Projections FY10-11	Projections FY11-12	Projections FY12-13
Personal Services	\$ 331,959,593	\$ 344,189,141	\$ 352,796,845	\$ 363,594,823	\$ 376,846,845
Employee Benefits	\$ 90,807,475	\$ 94,152,865	\$ 96,507,501	\$ 99,461,285	\$ 103,086,373
Contractual Services	\$ 36,961,411	\$ 38,323,087	\$ 39,281,495	\$ 40,483,776	\$ 41,959,297
Supplies & Materials	\$ 8,090,425	\$ 8,388,480	\$ 8,598,265	\$ 8,861,430	\$ 9,184,404
Current Fixed Charges	\$ 7,537,121	\$ 7,814,792	\$ 8,010,229	\$ 8,255,397	\$ 8,556,283
Utilities/Comm/Travel	\$ 14,612,360	\$ 15,150,686	\$ 15,529,584	\$ 16,004,895	\$ 16,588,229
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers/Other	\$ 110,421,911	\$ 114,489,906	\$ 117,353,144	\$ 120,944,947	\$ 125,353,054
Grand Total	\$ 600,390,296	\$ 622,508,957	\$ 638,077,063	\$ 657,606,553	\$ 681,574,486

Expenditures By Function	Budget FY08-09	Projections FY09-10	Projections FY10-11	Projections FY11-12	Projections FY12-13
Public Service	\$ 477,671	\$ 495,269	\$ 507,655	\$ 523,192	\$ 542,261
Instruction	\$ 262,202,047	\$ 271,861,694	\$ 278,660,587	\$ 287,189,492	\$ 297,656,752
Academic Support	\$ 65,701,470	\$ 68,121,943	\$ 69,825,581	\$ 71,962,717	\$ 74,585,559
Administration	\$ 85,343,665	\$ 88,487,766	\$ 90,700,725	\$ 93,476,783	\$ 96,883,752
Student Services	\$ 47,995,475	\$ 49,763,651	\$ 51,008,172	\$ 52,569,369	\$ 54,485,376
Operations/Maintenance	\$ 38,244,100	\$ 39,653,031	\$ 40,644,699	\$ 41,888,703	\$ 43,415,430
General Institutional	\$ 63,590,254	\$ 65,932,949	\$ 67,581,843	\$ 69,650,306	\$ 72,188,866
Contingency	\$ 36,835,614	\$ 38,192,655	\$ 39,147,802	\$ 40,345,990	\$ 41,816,490
Grand Total	\$ 600,390,296	\$ 622,508,957	\$ 638,077,063	\$ 657,606,553	\$ 681,574,486

Appendix D - General Fund Projected Expenditures
Fiscal Years 2013-14 through 2017-18

Expenditures by Object Code	Projections FY13-14	Projections FY14-15	Projections FY15-16	Projections FY16-17	Projections FY17-18
Personal Services	\$ 394,020,423	\$ 413,196,238	\$ 433,405,575	\$ 455,416,425	\$ 479,742,225
Employee Benefits	\$ 107,784,202	\$ 113,029,742	\$ 118,558,001	\$ 124,579,065	\$ 131,233,382
Contractual Services	\$ 43,871,456	\$ 46,006,551	\$ 48,256,721	\$ 50,707,478	\$ 53,415,988
Supplies & Materials	\$ 9,602,954	\$ 10,070,301	\$ 10,562,838	\$ 11,099,280	\$ 11,692,141
Current Fixed Charges	\$ 8,946,208	\$ 9,381,594	\$ 9,840,445	\$ 10,340,200	\$ 10,892,516
Utilities/Comm/Travel	\$ 17,344,184	\$ 18,188,274	\$ 19,077,859	\$ 20,046,743	\$ 21,117,528
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers/Other	\$ 131,065,614	\$ 137,444,193	\$ 144,166,558	\$ 151,488,172	\$ 159,579,824
Grand Total	\$ 712,635,041	\$ 747,316,893	\$ 783,867,997	\$ 823,677,363	\$ 867,673,604

Expenditures By Function	Projections FY13-14	Projections FY14-15	Projections FY15-16	Projections FY16-17	Projections FY17-18
Public Service	\$ 566,973	\$ 594,566	\$ 623,646	\$ 655,318	\$ 690,322
Instruction	\$ 311,221,497	\$ 326,367,732	\$ 342,330,305	\$ 359,715,825	\$ 378,929,834
Academic Support	\$ 77,984,555	\$ 81,779,833	\$ 85,779,667	\$ 90,136,056	\$ 94,950,621
Administration	\$ 101,298,916	\$ 106,228,836	\$ 111,424,465	\$ 117,083,246	\$ 123,337,179
Student Services	\$ 56,968,371	\$ 59,740,854	\$ 62,662,766	\$ 65,845,145	\$ 69,362,225
Operations/Maintenance	\$ 45,393,948	\$ 47,603,138	\$ 49,931,397	\$ 52,467,203	\$ 55,269,708
	\$ 75,478,640	\$ 79,151,964	\$ 83,023,269	\$ 87,239,672	\$ 91,899,528
Contingency	\$ 43,722,141	\$ 45,849,969	\$ 48,092,481	\$ 50,534,896	\$ 53,234,188
Grand Total	\$ 712,635,041	\$ 747,316,893	\$ 783,867,997	\$ 823,677,363	\$ 867,673,604

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

Fiscal Years 2009-10 through 2017-18

	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14
Projected Revenue Increases:	\$ 22,118,661	\$ 15,568,106	\$ 19,529,490	\$ 23,967,933	\$ 31,060,555
Potential Commitments / Additional Dollars:					
Carryforward Adjustment	(5,983,592)	(1,139,370)	(1,196,300)	(1,256,000)	(1,318,900)
FY2008-9 Reallocation/Board Contingency	(580,000)	-	-	-	-
FY2008-09 Reserve for State Aid Cut & F7 transfer	4,112,200	-	-	-	-
Uncollected Tax Levy	(685,919)	(142,108)	(223,043)	1,692,692	(300,173)
Student Bad Debt Recovery	(165,450)	(24,810)	(26,051)	(27,353)	(28,721)
TOTAL	(3,302,761)	(1,306,288)	(1,445,394)	409,339	(1,647,794)
Net Funds Available for Allocation	\$ 18,815,900	\$ 14,261,818	\$ 18,084,096	\$ 24,377,272	\$ 29,412,761
	FY14-15	FY15-16	FY16-17	FY17-18	
Projected Revenue Increases:	\$ 34,681,852	\$ 36,551,104	\$ 39,809,366	\$ 43,996,241	
Potential Commitments / Additional Dollars:					
Carryforward Adjustment	(1,384,800)	(1,454,000)	(1,526,800)	(1,603,100)	
Uncollected Tax Levy	(333,916)	(344,285)	(362,414)	(383,011)	
Student Bad Debt Recovery	(30,157)	(31,665)	(33,248)	(34,910)	
TOTAL	(1,748,873)	(1,829,950)	(1,922,462)	(2,021,021)	
Net Funds Available for Allocation	\$ 32,932,979	\$ 34,721,154	\$ 37,886,904	\$ 41,975,220	

Appendix F - Total Revenue Projections
Fiscal Years 2009-10 through 2017-18

	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14
General Fund	\$ 622,508,957	\$ 638,077,063	\$ 657,606,553	\$ 681,574,486	\$ 712,635,041
Auxiliary Fund	\$ 142,861,783	\$ 148,769,589	\$ 154,935,347	\$ 161,369,804	\$ 168,083,708
Restricted Fund	\$ 163,874,413	\$ 174,852,452	\$ 186,565,917	\$ 199,064,073	\$ 212,399,487
Plant Fund	\$ 485,424,238	\$ 367,294,526	\$ 437,779,295	\$ 321,339,651	\$ 317,753,436
Total	<u>\$ 1,414,669,391</u>	<u>\$ 1,328,993,630</u>	<u>\$ 1,436,887,112</u>	<u>\$ 1,363,348,014</u>	<u>\$ 1,410,871,673</u>

	FY14-15	FY15-16	FY16-17	FY17-18
General Fund	\$ 747,316,893	\$ 783,867,997	\$ 823,677,363	\$ 867,673,604
Auxiliary Fund	\$ 175,089,599	\$ 182,401,808	\$ 190,031,082	\$ 197,992,518
Restricted Fund	\$ 226,628,249	\$ 241,810,203	\$ 258,009,205	\$ 275,293,388
Plant Fund	\$ 259,248,131	\$ 198,233,004	\$ 158,300,659	\$ 139,307,994
Total	<u>\$ 1,408,282,872</u>	<u>\$ 1,406,313,013</u>	<u>\$ 1,430,018,309</u>	<u>\$ 1,480,267,504</u>

Appendix G - Major Assumptions Inherent in the Projections

Fiscal Year 2009-10

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.
Overall property tax revenue increases at lower rate compare to prior years as result of slugging property values.

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.
Additional rate increases may be made.

State Aid - FY2009-10 assumes the State will fund at the FY2008-09 actual amount, which is \$2.1 Million less than budgeted.

Auxiliary Fund

Assumes no growth in student activity fee revenues due to leveled enrollment.
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 2009-10 through 2017-18

Operating Budget

Expenses

Health Benefits - Increases reflect an assumed increase of 5% for FY2009-10, and 10% for FY 2010-11 to 2017-18

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 FY2009-10 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 FY2009-10 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 2009-10 through 2017-18

Capital Budget

Revenue

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 FY2009-10, \$210 million in FY2011-12 and \$51 million in FY2013-14. 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)