

Maricopa Community Colleges

Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain



MARICOPA FINANCIAL PLAN **Fiscal Year 2001 Through 2015** **October 2005**



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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 2000 - 01 through 2004 - 05, budgeted data for FY 2005-06 and projections for Fiscal Years 2006 - 07 through 2014 - 15. 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 FY2006-07 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 will be available to construct new classrooms and support space and engage in other capital development needed to serve increasing numbers of students. For FY 2006-07 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 2014-15.

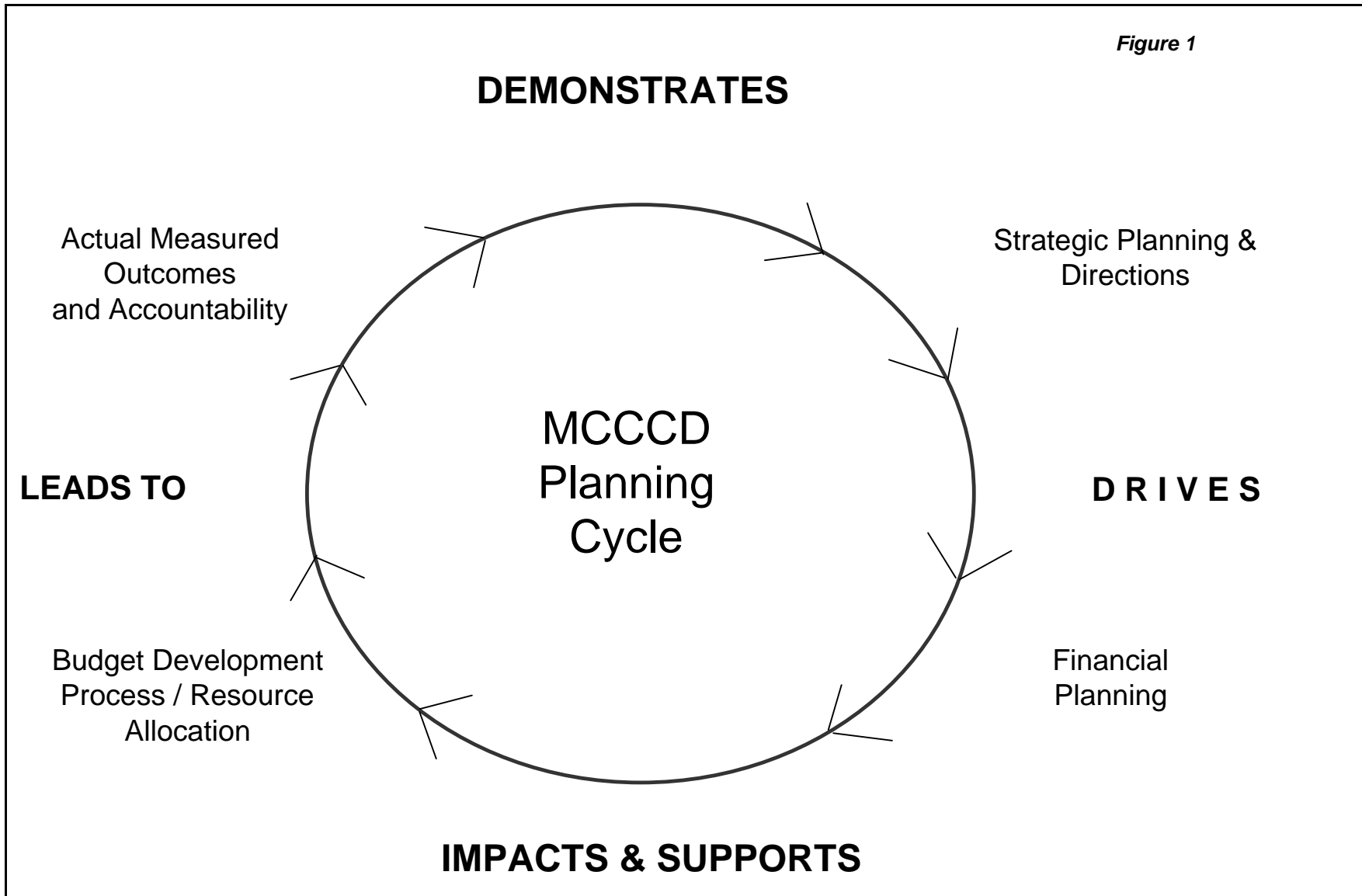
Strategic / Financial Linkage

Table 6 defines the linkage between projected expenditure item categories in FY 2006-07 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.....

Figure 1



KEY COMPONENTS OF STRATEGIC & FINANCIAL PLANNING

Figure 2

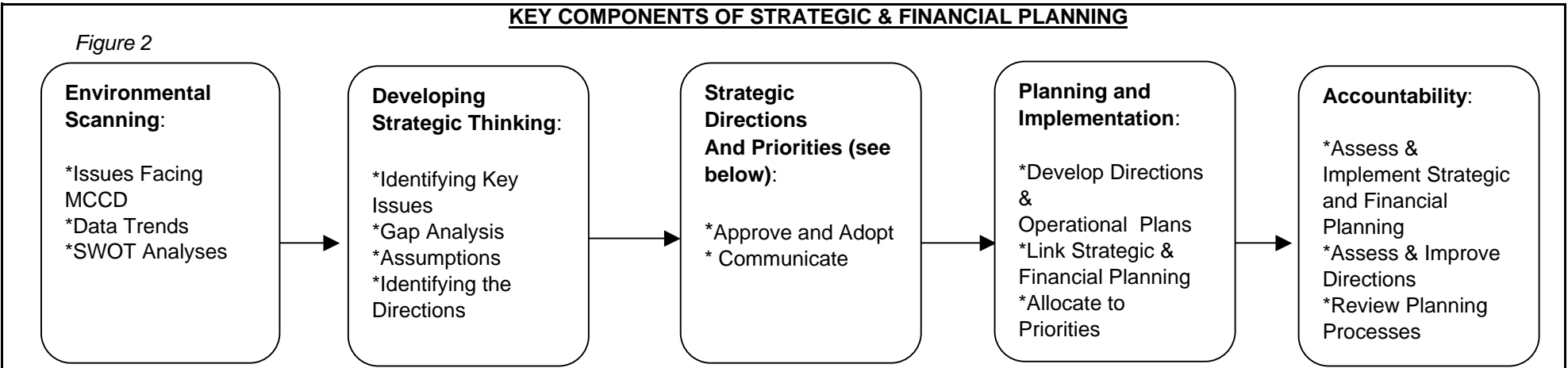


Table 1

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.

Financial Plan Summary Elements.....

**Table 2: FY 2006-07 FACTS AT A GLANCE
(Comparisons intended to Demonstrate the Scope and Impact of Various Financial Changes)**

- * A \$1 tuition increase yields approximately \$2.28 million in additional revenue.
- * Every \$1 Billion Increase in Assessed Property Value yields approximately \$8.8 million in increases tax receipts.
- * A \$.01 increase in the primary property tax rate yields approximately \$3.4 million in additional revenue.
- * FY 07 State Aid Incremental Funding Rate per FTSE was \$960 for Operating and \$160 for Capital aid.
- * A 1% COLA would cost approximately \$3.43 million and a step would cost approximately \$6.65 million.
- * Every 1% increase in Flex Benefits costs the District approximately \$320,693.
- * 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 the ASRS contribution rate costs the District and its employees each approximately \$2.67 million.
- * Every 1% increase in ASRS rate roughly equals a 0.78% COLA.
- * Every 1% loss in State Aid would amount to approximately \$548,633 in operating and \$109,720 in Capital.
- * Every 1% MCCD Budget Cut (Fund 1) amounts to approximately -
\$3.7 million at the colleges.
\$415,000 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 2006-07	
Operating Budget -	
<p>Revenues</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 \$5 rate inc. for FY2006-07). * Consistent Enrollment Growth throughout the plan years. * State Aid increased at FTSE Growth Rate each plan years. * Capital State Aid transfer assumed. * Continuing growth in Proposition 301 revenues. * Increase Out-of-State Surcharge * Increase Registration Fee from \$5 to \$10 	<p>Expenses</p> <ul style="list-style-type: none"> * Commitment to new faculty hiring including additional 25 new faculty Phase 2 faculty match in FY2006-07. * 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. * Continued enrollment growth funding to the colleges, with rate changes at a level equal to the changing tuition rate.
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 Jan 05, \$240 million in Jan 07, \$260 million in Jan 09, \$210 million in Jan 11 and \$51 million in Jan 13. * Capital State Aid transfer assumed. 	
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 2006-07 through 2014-15											
		Actuals									
		FY00-01	FY01-02	FY02-03	FY03-04	FY04-05					
	FTSE	56,434	59,779	64,826	68,612	71,387					
	Increase	1,762	3,345	5,047	3,786	2,775					
	% Increase	3.40%	5.93%	8.44%	5.84%	4.04%					
		Projected									
		FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15
	FTSE	75,175	79,020	83,310	88,536	94,092	99,974	106,227	112,875	119,942	127,456
	Increase	3,788	3,845	4,290	5,226	5,556	5,882	6,253	6,648	7,067	7,514
	% Increase	5.31%	5.11%	5.43%	6.27%	6.28%	6.25%	6.25%	6.26%	6.26%	6.26%

Chart 1 - GENERAL FUND ACTUAL AND PROJECTED REVENUES
 FY2000-01 through FY2006-07 (in millions)

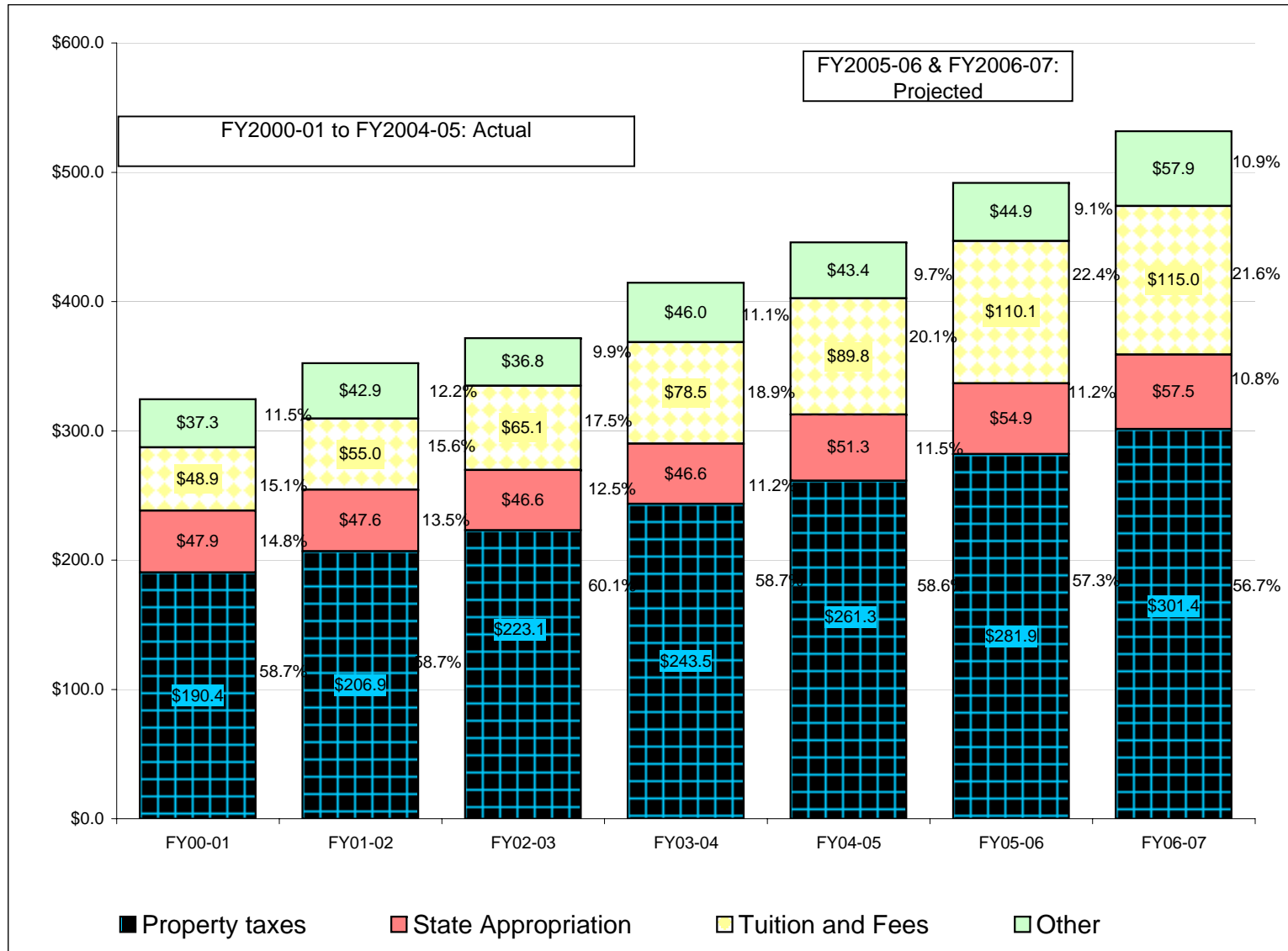


Table 5: Additional Potential Expenditures (General Fund) Fiscal Years 2006-07 through 2010-11

	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
Projected Revenue Increases (see Appendix E):	36,627,411	40,523,787	44,829,612	48,474,330	55,630,371
Potential Expenditures *					
Instructional/Student Services					
1 New Faculty - Phase I	\$ (1,918,950)	\$ (2,014,898)	\$ (2,115,642)	\$ (2,221,424)	\$ (2,332,496)
2 New Faculty - Phase II (faculty match - 25 faculty FY07 only)	\$ (1,918,950)	\$ (2,448,023)	\$ (2,570,424)	\$ (2,698,945)	\$ (2,833,892)
3 Prop 301 Faculty moved to Gen Fund (2-3 faculty through FY2020-21)	\$ (154,834)	\$ (141,092)	\$ (180,496)	\$ (163,477)	\$ (174,816)
4 Enrollment Growth Funding	\$ (2,773,350)	\$ (10,283,910)	\$ (12,972,440)	\$ (14,306,400)	\$ (16,051,120)
5 Enterprise - New Student System	\$ (1,259,032)	\$ (49,000)	\$ (49,000)	\$ (49,000)	\$ (49,000)
6 Operating Costs for 2004 Bond Program - Capital Construction	\$ (3,000,000)	\$ (3,000,000)	\$ (4,000,000)	\$ (3,500,000)	\$ (3,500,000)
7 Operating Costs for 2004 Bond Program - Technology	\$ -	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (4,000,000)
8 Student Activities/Credit Card Charges (moved from Fund 2)	\$ (1,557,726)	\$ (233,659)	\$ (233,659)	\$ (233,659)	\$ (233,659)
9 Scholarships	\$ (1,816,100)	\$ (1,149,500)	\$ (1,222,600)	\$ (1,300,400)	\$ (1,844,200)
10 International Students	\$ -	\$ (200,000)	\$ -	\$ -	\$ (200,000)
11 College Initiatives	\$ -	\$ -	\$ -	\$ -	\$ -
12 District-Wide Initiatives	\$ (500,525)	\$ -	\$ -	\$ -	\$ -
Employees					
13 ME ASRS Increase (from 7.4% to 9.1% in FY06-07, and addtl 0.5% per yr in future)	\$ (2,597,397)	\$ (1,367,550)	\$ (1,400,371)	\$ (1,433,980)	\$ (1,468,396)
14 E Flex Benefit/Wellness Increase (10.5% FY 07-11, 5% FY 12-15)	\$ (2,328,209)	\$ (2,599,606)	\$ (2,977,565)	\$ (3,395,209)	\$ (3,856,706)
15 Meet & Confer - COLA (<i>illustrative only</i>) 2.4% Western CPI - June/05	\$ (6,844,656)	\$ (7,008,928)	\$ (7,177,142)	\$ (7,349,393)	\$ (7,525,779)
16 Meet & Confer - Step Increase (<i>illustrative only</i>)	\$ (6,648,933)	\$ (6,316,486)	\$ (5,684,838)	\$ (5,116,354)	\$ (5,239,146)
17 Adjunct Faculty Rate increase at 5% (<i>illustrative only</i>)	\$ (2,759,778)	\$ (2,897,767)	\$ (3,042,655)	\$ (3,194,788)	\$ (3,354,527)
18 PG Fund @ \$1,250/FTE increase (<i>illustrative only</i>)	\$ (213,625)	\$ (213,625)	\$ (213,625)	\$ (213,625)	\$ (213,625)
19 Other CPD (<i>illustrative only</i>)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)
20 Adjunct Tuition Waiver Implementation TBD	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure/Business Costs					
21 E Inflation and Business Costs	\$ (2,292,000)	\$ (2,347,008)	\$ (2,403,336)	\$ (2,461,016)	\$ (2,520,081)
22 Operating Costs for 2004 Bond Program - District Office	\$ (243,683)	\$ (188,985)	\$ -	\$ -	\$ -
23 College Safety - TBD	\$ -	\$ -	\$ -	\$ -	\$ -
Total Potential Expenditures (Assumes 10.5% Flex Increase):	\$ (38,977,748)	\$ (44,610,036)	\$ (48,393,793)	\$ (49,787,670)	\$ (55,547,443)
Total Potential Balance (deficit)	\$ (2,350,336)	\$ (4,086,249)	\$ (3,564,180)	\$ (1,313,341)	\$ 82,929

* M references mandates; E references externally driven expenditures.

Table 5: Additional Potential Expenditures (General Fund) Fiscal Years 2011-12 through 2014-15

		FY11-12	FY12-13	FY13-14	FY14-15
Projected Revenue Increases (see Appendix E):		\$ 59,884,188	\$ 64,796,510	\$ 70,030,329	\$ 75,758,159
Potential Expenditures *					
Instructional/Student Services					
1	New Faculty - Phase I (25 new faculty)	\$ (2,449,121)	\$ (2,571,577)	\$ (2,700,155)	\$ (2,835,163)
2	New Faculty - Phase II (faculty match)	\$ (2,975,587)	\$ (3,124,366)	\$ (3,280,584)	\$ (3,444,613)
3	Prop 301 Faculty moved to Gen Fund (2-3 faculty through FY2020-21)	\$ (163,110)	\$ (259,895)	\$ (242,435)	\$ (256,446)
4	Enrollment Growth Funding	\$ (17,707,660)	\$ (19,601,210)	\$ (21,659,960)	\$ (23,904,160)
5	Enterprise - New Student System	\$ (49,000)	\$ (49,000)	\$ (49,000)	\$ (49,000)
6	Operating Costs for 2004 Bond Program - Capital Construction	\$ (3,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (453,398)
7	Operating Costs for 2004 Bond Program - Technology	\$ (4,000,000)	\$ (5,000,000)	\$ (4,000,000)	\$ (3,798,813)
8	Student Activities/Credit Card Charges (moved from Fund 2)	\$ (233,659)	\$ (233,659)	\$ (233,659)	\$ (233,659)
9	Scholarships	\$ (1,961,500)	\$ (2,086,300)	\$ (2,219,000)	\$ (2,360,200)
10	International Students	\$ -	\$ -	\$ (200,000)	\$ -
11	College Initiatives	\$ (3,000,000)	\$ (5,000,000)	\$ (5,000,000)	\$ (5,000,000)
12	District-Wide Initiatives	\$ (2,000,000)	\$ (2,000,000)	\$ (3,000,000)	\$ (3,000,000)
Employees					
13 ME	ASRS Increase (from 7.4% to 9.1% in FY06-07, and addtl 0.5% per yr in future)	\$ (1,503,637)	\$ (1,539,724)	\$ (1,576,678)	\$ (1,614,518)
14 E	Flex Benefit/Wellness Increase (10.5% FY 07-11, 5% FY 12-15)	\$ (1,555,552)	\$ (1,683,330)	\$ (1,817,496)	\$ (1,958,371)
15	Meet & Confer - COLA (<i>illustrative only</i>) 2.4% Western CPI - June/05	\$ (7,706,398)	\$ (7,891,351)	\$ (8,080,744)	\$ (8,274,681)
16	Meet & Confer - Step Increase (<i>illustrative only</i>)	\$ (5,364,886)	\$ (5,493,643)	\$ (5,625,491)	\$ (5,760,502)
17	Adjunct Faculty Rate increase at 5% (<i>illustrative only</i>)	\$ (3,522,254)	\$ (3,698,366)	\$ (3,883,285)	\$ (4,077,449)
18	PG Fund @ \$1,250/FTE increase (<i>illustrative only</i>)	\$ (213,625)	\$ (213,625)	\$ (213,625)	\$ (213,625)
19	Other CPD (<i>illustrative only</i>)	\$ (154,200)	\$ (154,200)	\$ (154,200)	\$ (154,200)
20	Adjunct Tuition Waiver Implementation	\$ -	\$ -	\$ -	\$ -
Infrastructure/Business Costs					
21 E	Inflation and Business Costs	\$ (2,580,563)	\$ (2,642,496)	\$ (2,705,916)	\$ (2,770,858)
22	Operating Costs for 2004 Bond Program - District Office	\$ -	\$ -	\$ -	\$ -
23	College Safety - TBD	\$ -	\$ -	\$ -	\$ -
Total Potential Expenditures (Assumes 10.5% Flex Increase):		\$ (60,140,750)	\$ (65,242,742)	\$ (68,642,227)	\$ (70,159,657)
Total Potential Balance (deficit)		\$ (256,561)	\$ (446,232)	\$ 1,388,102	\$ 5,598,502

* 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 FY2006-07 Budget Initiative Estimates				
Potential FY2006 Budget Items	Directions # 1 & 2	Direction #3	Direction #5	Business Costs
New Faculty	\$ (3,837,900)			
Proposition 301 Faculty moved to Gen Fund*	\$ (154,834)			
Enrollment Growth Funding	\$ (2,773,350)			
Student Information System	\$ (1,259,032)			
Operating Costs for 2004 Bond - Capital	\$ (3,000,000)			
Operating Costs for 2004 Bond - Technology	\$ -			
Operating Costs for 2004 Bond - District Office	\$ (243,683)			
Credit Card Charges (Moved from Fund 2)	\$ (1,557,726)			
Scholarships	\$ (1,816,100)			
College/DO Initiatives	\$ (500,525)			
ASRS Contribution Rate			\$ (2,597,397)	
Flex Benefits			\$ (2,328,209)	
Meet and Confer			\$ (13,493,589)	
Adjunct Faculty Rate Increase			\$ (2,759,778)	
PG Funding @ \$1,250/FTE increase			\$ (213,625)	
Other CPD			\$ (150,000)	
Non Faculty Staffing Increase - Unavailable			\$ -	
Inflation and Business Costs				\$ (2,292,000)
	\$ (15,143,150)	\$ -	\$ (21,542,598)	\$ (2,292,000)
Percent of Resource Total	38.9%	0.0%	55.3%	5.9%
			\$ (38,977,748)	
			\$ 36,627,411	
			<u>\$ (2,350,336)</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 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.

Appendix

Appendix A - General Fund Actual Revenues

Fiscal Years 2000-01 through 2004-05

	Actuals FY00-01	Actuals FY01-02	Actuals FY02-03	Actuals FY03-04	Actuals FY04-05
Property taxes	\$ 185,770,777	\$ 202,530,355	\$ 218,867,745	\$ 238,949,997	\$ 256,339,823
State aid	\$ 47,945,800	\$ 47,592,900	\$ 46,613,700	\$ 46,613,700	\$ 51,290,400
capital transfer	\$ -	\$ -	\$ -	\$ -	\$ -
initiatives - one time	\$ -	\$ -	\$ -	\$ -	\$ -
SRP in lieu	\$ 4,643,252	\$ 4,367,298	\$ 4,267,166	\$ 4,562,181	\$ 4,975,746
Tuition and fees	\$ 48,858,899	\$ 55,020,486	\$ 65,071,041	\$ 78,527,606	\$ 89,842,494
Out of county	\$ 927,780	\$ 820,054	\$ 916,554	\$ 355,629	\$ 535,593
Out of state	\$ 6,406,267	\$ 6,674,201	\$ 7,930,559	\$ 8,030,138	\$ 8,978,270
Other fees and charges	\$ 1,927,105	\$ 2,185,078	\$ 2,340,266	\$ 2,536,112	\$ 2,369,172
Interest	\$ 4,025,240	\$ 3,065,003	\$ (1,577,585)	\$ 1,076,022	\$ 1,600,000
Other	\$ 404,789	\$ 300,066	\$ 373,502	\$ 390,031	\$ 789,709
Transfers	\$ 3,141,090	\$ 3,210,174	\$ 2,846,439	\$ 4,358,782	\$ 4,442,000
Fund balance	\$ 20,468,520	\$ 26,617,662	\$ 23,983,719	\$ 29,238,370	\$ 24,716,065
Grand Total	<u>\$ 324,519,519</u>	<u>\$ 352,383,277</u>	<u>\$ 371,633,106</u>	<u>\$ 414,638,568</u>	<u>\$ 445,879,272</u>
Actual Revenue Increase	\$ 26,099,238	\$ 27,863,758	\$ 19,249,829	\$ 43,005,462	\$ 31,240,704

**Appendix B - General Fund Projected Revenues
Fiscal Years 2005-06 through 2009-10**

	Budget FY05-06	Projections FY06-07	Projections FY07-08	Projections FY08-09	Projections FY09-10
Property taxes	\$ 277,107,904	\$ 296,692,273	\$ 317,842,269	\$ 340,499,798	\$ 364,772,301
State aid					
Appropriation	54,863,300	57,527,300	61,163,700	64,854,900	68,973,300
Capital Transfer from Fund 7	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SRP in lieu	4,795,570	4,712,264	4,686,241	4,660,320	4,635,070
Tuition and fees					
volume incr.	110,096,614	110,413,275	128,731,050	144,745,110	162,276,075
rate incr. HEPI	-	4,563,180	4,813,560	5,119,800	5,445,540
Addtl Recommend	-	6,844,770	2,406,780	2,559,900	2,722,770
Out of county	270,595	550,918	584,359	617,614	648,532
Out of state	11,078,890	11,297,880	12,855,318	14,189,912	15,620,151
rate incr. HEPI		399,420	478,560	501,840	526,080
Addtl Recommend		564,894	197,774	208,675	220,002
Other fees and charges	2,503,301	4,439,490	4,689,830	4,957,290	5,243,330
Interest	1,500,000	2,306,000	2,364,000	2,424,000	2,485,000
Other	393,798	779,880	795,130	811,140	827,950
Transfers		-	-	-	-
From F2 (FTSE growth reserve)	3,405,750	2,746,600	2,964,600	3,478,800	3,949,800
Transfer From Endowment	1,000,000	-	-	-	-
Fund balance	22,397,116	25,990,500	27,140,200	28,347,500	29,615,100
Fund balance for operating costs	376,627	-	-	-	-
Grand Total	\$ 491,789,465	\$ 531,828,644	\$ 573,713,371	\$ 619,976,599	\$ 669,961,001
Projected Revenue Increase	\$ 45,910,193	\$ 40,039,179	\$ 41,884,727	\$ 46,263,228	\$ 49,984,402

**Appendix B - General Fund Projected Revenues
Fiscal Years 2010-11 through 2014-15**

	Projections FY10-11	Projections FY11-12	Projections FY12-13	Projections FY13-14	Projections FY14-15
Property taxes	\$ 390,774,873	\$ 418,630,812	\$ 448,472,197	\$ 480,440,525	\$ 514,687,367
State aid					
Appropriation	73,990,200	79,323,900	84,970,600	90,973,400	97,355,400
Capital Transfer from Fund 7	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SRP in lieu	4,610,524	4,586,151	4,562,538	4,539,145	4,516,570
Tuition and fees					
volume incr.	181,453,905	205,550,790	231,981,270	260,939,700	292,647,750
rate incr.	8,688,060	9,240,840	9,828,810	10,454,130	11,119,320
Addtl Recommend	2,896,020	3,080,280	3,276,270	3,484,710	3,706,440
Out of county	667,974	690,873	714,187	737,939	762,049
Out of state	17,157,666	18,879,921	20,732,704	22,802,104	25,023,964
rate incr. HEPI	620,460	650,430	757,800	794,700	916,740
Addtl Recommend	231,860	242,050	252,838	265,141	278,044
Other fees and charges	5,549,510	5,877,580	6,229,440	6,607,210	7,013,200
Interest	2,548,000	2,612,000	2,678,000	2,745,000	2,814,000
Other	845,600	864,130	883,590	904,020	925,480
Transfers	-	-	-	-	-
From F2 (FTSE growth reserve)	4,201,400	4,468,800	4,753,000	5,055,300	5,377,100
Transfer From Endowment	-	-	-	-	-
Fund balance	30,946,100	32,343,600	33,811,000	35,351,800	36,969,600
Fund balance for operating costs	-	-	-	-	-
Grand Total	\$ 727,182,153	\$ 789,042,157	\$ 855,904,244	\$ 928,094,823	\$ 1,006,113,025
Projected Revenue Increase	\$ 57,221,151	\$ 61,860,004	\$ 66,862,088	\$ 72,190,579	\$ 78,018,201

Appendix C - General Fund Actual Expenditures

Fiscal Years 2000-01 through 2004-05

Expenditures by Object Code	Actual FY00-01	Actual FY01-02	Actual FY02-03	Actual FY03-04	Actual FY04-05
Personal Services	\$ 207,766,203	\$ 225,501,220	\$ 241,505,406	\$ 257,355,454	\$ 271,185,023
Employee Benefits	\$ 32,616,943	\$ 38,281,156	\$ 41,461,101	\$ 53,319,523	\$ 57,364,855
Contractual Services	\$ 24,176,440	\$ 26,223,520	\$ 25,435,200	\$ 27,606,702	\$ 30,308,899
Supplies & Materials	\$ 8,708,210	\$ 8,220,161	\$ 8,768,295	\$ 9,433,176	\$ 8,690,644
Current Fixed Charges	\$ 3,818,885	\$ 4,956,311	\$ 5,491,092	\$ 5,505,431	\$ 5,975,587
Utilities/Comm/Travel	\$ 13,591,336	\$ 14,101,568	\$ 14,090,804	\$ 14,641,456	\$ 14,430,504
Capital Outlay	\$ -	\$ 580,888	\$ 896,215	\$ 1,330,210	\$ -
Transfers/Other	\$ 8,182,883	\$ 11,605,955	\$ 9,928,274	\$ 14,740,984	\$ 17,206,031
Grand Total	\$ 298,860,901	\$ 329,470,780	\$ 347,576,387	\$ 383,932,936	\$ 405,161,544

Expenditures By Function	Actual FY00-01	Actual FY01-02	Actual FY02-03	Actual FY03-04	Actual FY04-05
Public Service	\$ 202,370	\$ 254,237	\$ 444,284	\$ 502,211	\$ 435,250
Instruction	\$ 152,291,279	\$ 163,467,951	\$ 175,704,409	\$ 191,783,755	\$ 204,092,622
Academic Support	\$ 33,065,610	\$ 36,341,620	\$ 37,067,228	\$ 41,715,474	\$ 45,307,708
Administration	\$ 41,623,071	\$ 47,826,089	\$ 50,192,792	\$ 55,258,955	\$ 59,095,164
Student Services	\$ 22,969,248	\$ 25,263,240	\$ 26,035,222	\$ 29,264,599	\$ 30,270,556
Operations/Maintenance	\$ 25,882,157	\$ 27,785,378	\$ 29,010,628	\$ 30,275,612	\$ 29,583,409
General Institutional	\$ 22,506,197	\$ 27,218,721	\$ 28,917,561	\$ 34,333,269	\$ 36,267,798
Contingency	\$ 320,969	\$ 1,313,544	\$ 269,528	\$ 799,061	\$ 109,037
Grand Total	\$ 298,860,901	\$ 329,470,780	\$ 347,641,653	\$ 383,932,936	\$ 405,161,544

Appendix D - General Fund Projected Expenditures

Fiscal Years 2005-06 through 2009-10

Expenditures by Object Code	Adopted FY05-06	Projections FY06-07	Projections FY07-08	Projections FY08-09	Projections FY09-10
Personal Services	\$ 282,864,151	\$ 305,893,616	\$ 329,984,591	\$ 356,593,963	\$ 385,343,655
Employee Benefits	\$ 69,987,218	\$ 75,685,247	\$ 81,645,919	\$ 88,229,701	\$ 95,343,048
Contractual Services	\$ 26,162,644	\$ 28,292,683	\$ 30,520,903	\$ 32,982,055	\$ 35,641,168
Supplies & Materials	\$ 8,455,650	\$ 9,144,069	\$ 9,864,220	\$ 10,659,653	\$ 11,519,067
Current Fixed Charges	\$ 7,384,452	\$ 7,985,659	\$ 8,614,578	\$ 9,309,243	\$ 10,059,782
Utilities/Comm/Travel	\$ 14,395,494	\$ 15,567,507	\$ 16,793,543	\$ 18,147,744	\$ 19,610,871
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers/Other	\$ 82,539,856	\$ 89,259,862	\$ 96,289,617	\$ 104,054,240	\$ 112,443,410
Grand Total	\$ 491,789,465	\$ 531,828,644	\$ 573,713,371	\$ 619,976,599	\$ 669,961,001

Expenditures By Function	Adopted FY05-06	Projections FY06-07	Projections FY07-08	Projections FY08-09	Projections FY09-10
Public Service	\$ 334,801	\$ 362,059	\$ 390,573	\$ 422,068	\$ 456,097
Instruction	\$ 228,502,017	\$ 247,105,574	\$ 266,566,634	\$ 288,062,095	\$ 311,286,538
Academic Support	\$ 55,364,642	\$ 59,872,170	\$ 64,587,466	\$ 69,795,685	\$ 75,422,825
Administration	\$ 70,551,920	\$ 76,295,925	\$ 82,304,691	\$ 88,941,595	\$ 96,112,337
Student Services	\$ 34,344,453	\$ 37,140,616	\$ 40,065,665	\$ 43,296,489	\$ 46,787,184
Operations/Maintenance	\$ 33,341,032	\$ 36,055,502	\$ 38,895,091	\$ 42,031,522	\$ 45,420,231
General Institutional	\$ 44,441,078	\$ 48,059,261	\$ 51,844,219	\$ 56,024,845	\$ 60,541,738
Contingency	\$ 24,909,522	\$ 26,937,538	\$ 29,059,032	\$ 31,402,301	\$ 33,934,050
Grand Total	\$ 491,789,465	\$ 531,828,644	\$ 573,713,371	\$ 619,976,599	\$ 669,961,001

Appendix D - General Fund Projected Expenditures
Fiscal Years 2010-11 through 2014-15

Expenditures by Object Code	Projections FY10-11	Projections FY11-12	Projections FY12-13	Projections FY13-14	Projections FY14-15
Personal Services	\$ 418,255,731	\$ 453,835,952	\$ 492,293,237	\$ 533,815,327	\$ 578,689,311
Employee Benefits	\$ 103,486,267	\$ 112,289,647	\$ 121,804,880	\$ 132,078,418	\$ 143,181,293
Contractual Services	\$ 38,685,269	\$ 41,976,151	\$ 45,533,139	\$ 49,373,596	\$ 53,524,076
Supplies & Materials	\$ 12,502,907	\$ 13,566,505	\$ 14,716,108	\$ 15,957,326	\$ 17,298,743
Current Fixed Charges	\$ 10,918,985	\$ 11,847,842	\$ 12,851,808	\$ 13,935,784	\$ 15,107,264
Utilities/Comm/Travel	\$ 21,285,829	\$ 23,096,574	\$ 25,053,738	\$ 27,166,876	\$ 29,450,598
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers/Other	\$ 122,047,165	\$ 132,429,486	\$ 143,651,335	\$ 155,767,495	\$ 168,861,739
Grand Total	\$ 727,182,153	\$ 789,042,157	\$ 855,904,244	\$ 928,094,823	\$ 1,006,113,025

Expenditures By Function	Projections FY10-11	Projections FY11-12	Projections FY12-13	Projections FY13-14	Projections FY14-15
Public Service	\$ 495,052	\$ 537,165	\$ 582,683	\$ 631,829	\$ 684,943
Instruction	\$ 337,873,420	\$ 366,615,670	\$ 397,682,057	\$ 431,224,242	\$ 467,474,136
Academic Support	\$ 81,864,665	\$ 88,828,736	\$ 96,355,932	\$ 104,482,998	\$ 113,266,126
Administration	\$ 104,321,261	\$ 113,195,672	\$ 122,787,681	\$ 133,144,112	\$ 144,336,572
Student Services	\$ 50,783,262	\$ 55,103,298	\$ 59,772,657	\$ 64,814,136	\$ 70,262,590
Operations/Maintenance	\$ 49,299,558	\$ 53,493,378	\$ 58,026,316	\$ 62,920,500	\$ 68,209,771
General Institutional	\$ 65,712,589	\$ 71,302,634	\$ 77,344,697	\$ 83,868,276	\$ 90,918,473
Contingency	\$ 36,832,346	\$ 39,965,604	\$ 43,352,221	\$ 47,008,730	\$ 50,960,414
Grand Total	\$ 727,182,153	\$ 789,042,157	\$ 855,904,244	\$ 928,094,823	\$ 1,006,113,025

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

Fiscal Years 2006-07 through 2014-15

	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
Projected Revenue Increases: (see Table 9)	40,039,179	41,884,727	46,263,228	49,984,402	57,221,151
Potential Commitments / Additional Dollars:					
Carryforward Adjustment	(3,593,384)	(1,149,700)	(1,207,300)	(1,267,600)	(1,331,000)
Reduced Fund Balance for Op Costs	376,627	-	-	-	-
Uncollected Tax Levy	(195,011)	(211,240)	(226,316)	(242,473)	(259,780)
Student Bad Debt Recovery	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
TOTAL	(3,411,768)	(1,360,940)	(1,433,616)	(1,510,073)	(1,590,780)
Net Funds Available for Allocation	<u>36,627,411</u>	<u>40,523,787</u>	<u>44,829,612</u>	<u>48,474,330</u>	<u>55,630,371</u>
	FY11-12	FY12-13	FY13-14	FY14-15	
Projected Revenue Increases: (see Table 9)	61,860,004	66,862,088	72,190,579	78,018,201	
Potential Commitments / Additional Dollars:					
Carryforward Adjustment	(1,397,500)	(1,467,400)	(1,540,800)	(1,617,800)	
Reduced Fund Balance for Op Costs	-	-	-	-	
Uncollected Tax Levy	(278,316)	(298,178)	(319,449)	(342,243)	
Student Bad Debt Recovery	(300,000)	(300,000)	(300,000)	(300,000)	
TOTAL	(1,975,816)	(2,065,578)	(2,160,249)	(2,260,043)	
Net Funds Available for Allocation	<u>59,884,188</u>	<u>64,796,510</u>	<u>70,030,329</u>	<u>75,758,159</u>	

Appendix F - Total Revenue Projections

Fiscal Years 2006-07 through 2014-15

	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
General Fund	531,828,644	573,713,371	619,976,599	669,961,001	727,182,153
Auxiliary Fund	124,604,772	130,990,117	137,782,789	145,007,358	152,690,979
Restricted Fund	166,874,413	185,123,698	205,368,713	227,827,711	252,742,812
Plant Fund	\$ 430,872,706	\$ 342,694,533	\$ 470,381,989	\$ 309,327,364	\$ 416,786,978
Total	<u>1,254,180,535</u>	<u>1,232,521,718</u>	<u>1,433,510,090</u>	<u>1,352,123,435</u>	<u>1,549,402,922</u>

	FY11-12	FY12-13	FY13-14	FY14-15
General Fund	789,042,157	855,904,244	928,094,823	1,006,113,025
Auxiliary Fund	160,863,393	169,555,634	178,801,324	188,635,376
Restricted Fund	280,382,613	311,045,085	345,060,788	382,796,426
Plant Fund	\$ 315,408,198	\$ 272,187,881	\$ 216,287,770	\$ 179,130,490
Total	<u>1,545,696,361</u>	<u>1,608,692,845</u>	<u>1,668,244,705</u>	<u>1,756,675,317</u>

Appendix G - Major Assumptions Inherent in the Projections

Fiscal Year 2006-07

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 2006-07 assumes the State will fund enrollment growth.

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 2006-07 through 2014-15****Operating Budget****Expenses**

New Faculty - The Plan includes the commitment to hire additional faculty per a formula and a match of faculty created through reallocation.

Health Benefits - Increases reflect an assumed increase of 10.69% for FY2006-07 and 10.5% from FY 2007-08 to FY2010-11. FY 2011-12 to 2014-15 assume a 5% increase, assuming some moderation in cost increases.

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 FY2006-07 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 FY2006-07 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 2006-07 through 2014-15

Capital Budget

Revenue

State Aid - State capital aid is based on FTSE growth 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)