

North Orange County Community College District
 FTES Targets - 2013-14 Preliminary Budget Assumptions
 As of March 8, 2013

| | 2012/13 Revised Target | % | 2012/13 Actuals FTES @ P1 | % | Difference Target & Actuals | % | Total | | % Change Target & Target |
|--------------|---------------------------|----------------|------------------------------|----------------|--------------------------------|--------------|-------------------|-------------------|-----------------------------|
| | | | | | | | 2013/14 Target | 2013/14 Change | |
| Cypress | 10,621.68 | 32.13% | 10,731.48 | 32.18% | 109.80 | 1.03% | 10,834.11 | 212.43 | 2.00% |
| Fullerton | 16,850.09 | 50.96% | 17,025.01 | 51.05% | 174.92 | 1.04% | 17,187.09 | 337.00 | 2.00% |
| SCE | 5,591.14 | 16.91% | 5,591.08 | 16.77% | (0.06) | 0.00% | 5,702.96 | 111.82 | 2.00% |
| Total | 33,062.91 | 100.00% | 33,347.57 | 100.00% | 284.66 | 0.86% | 33,724.17 | 661.26 | 2.00% |

Note 1) 2012/13 Revised Target includes 330 FTES increase due to passage of Prop 30

Note 2) 2013/14 Target reflects 2.0% growth.

Note 3) 804.04 of 2012-13 Actual FTES at FC are Non-Credit FTES.

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NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2013-14 Preliminary Budget Assumptions
March 8, 2013

I. State Revenue

A. Estimated Funded FTES in 2013-14 of 33,090.83 (26,803.57 Credit; 3,583.74 Non-Credit; 2,703.52 CDCP)

B. FTES Workload Measure Assumptions:

| Year | Base | Actual | Funded | Actual Growth/Restoration | (Over)/Under Cap | Unfunded |
|------------|-----------|-----------|------------------|---------------------------|------------------|----------|
| 2003-04 | 33,708.49 | 32,720.67 | 33,183.38 | -2.93% | 462.71 | -1.39% |
| 2004-05 | 32,720.67 | 34,390.45 | 34,390.45 | 5.10% | - | 0.00% |
| 2005-06 | 34,390.45 | 33,540.89 | 34,390.89 | 0.00% | 850.00 | -2.47% |
| 2006-07 | 33,540.89 | 34,824.38 | 34,824.38 | 3.83% | - | 0.00% |
| 2007-08 | 34,824.38 | 36,544.41 | 35,037.92 | 0.61% | (1,506.49) | 4.30% |
| 2008-09 | 35,037.92 | 38,552.15 | 35,029.99 | -0.02% | (3,522.16) | 10.05% |
| 2009-10* | 33,460.89 | 38,702.01 | 33,902.47 | 1.32% | (4,799.54) | 14.16% |
| 2010-11 | 33,902.47 | 37,733.25 | 34,744.84 | 2.48% | (2,988.41) | 8.60% |
| 2011-12** | 32,091.10 | 33,265.82 | 32,088.51 | -0.01% | (1,177.31) | 3.67% |
| 2012-13*** | 32,088.51 | 33,347.57 | 32,441.99 (Est.) | 1.10% | (905.58) | 2.79% |
| 2013-14 | 32,441.99 | 33,724.17 | 33,090.83 (Est.) | 2.00% | (633.34) | 1.91% |

* 2009-10 Funded reflects reduction in workload measures per AB X4 1.

** 2011-12 Base reflects 7.64% workload measure reduction (Scenario B+).

*** 2012-13 Funded reflects additional estimated 330 funded FTES due to passage of Prop 30

C. Apportionment Base:

| | |
|--|--------------------|
| Foundation Grant | \$ 8,857,454 |
| Credit FTES @ \$4,565 | 122,353,740 |
| Non-Credit FTES @ \$2,745 | 9,837,223 |
| CDCP @ \$3,232 | 8,737,966 |
| 12-13 Base Funding (excludes est. deficit) | <u>149,786,383</u> |
| COLA of 1.65% | 2,471,475 |
| Projected Deficit | - |
| Base for 2013-14 | <u>152,257,859</u> |

D. Unrestricted lottery is projected at \$124.25 per FTES (\$4,190,225). Restricted lottery at \$30 per FTES (\$1,011,725).

E. Estimated reimbursement for part-time faculty hours and benefits is \$229,575 and estimated SB 739 funding for part-time faculty compensation is estimated at \$769,652.

F. Categorical programs will continue to be budgeted separately, matching revenues and expenditures. Due to state budget reductions, some categorical programs may still require campus contributions from general fund carryovers in order to balance expenditures for 2013-14.

G. 2% fee waiver administration allocation estimated at \$556,135

II. Local Revenue

H. Non-Resident Tuition will continue to be budgeted at \$1,000,000.

I. Interest earnings estimated at \$200,000.

J. Other miscellaneous income is estimated at \$10,000.

K. The budget proposal included a Mandated Block Grant to be funded at \$28/FTES. Potential mandated cost revenues are estimated at \$633,000.

Note: Apportionment Deficit History (@ Recalc):

| FY | Deficit Factor | Deficit Amount |
|--------------|----------------|----------------|
| 2012-13 Est. | 0.8342964525 | (9,678,570) |
| 2011-12 | 0.9806172025 | (2,823,939) |
| 2010-11 | 0.9967683905 | (507,429) |
| 2009-10 | 1.0000000000 | - |
| 2008-09 | 0.9880368230 | (1,897,768) |
| 2007-08 | 0.9967341610 | (510,770) |
| 2006-07 | 1.0000000000 | - |
| 2005-06 | 1.0000000000 | - |
| 2004-05 | 1.0000000000 | - |

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2013-14 Preliminary Budget Assumptions
March 8, 2013

III. Appropriations and Expenditures

- A. Personnel costs include no on-going salary increases for 2012-13 or 2013-14.
- B. No salary increase budgeted for 2013-2014. Each 1% salary increase for Unrestricted General Fund positions = \$975,000. Each 1% salary increase for Extended Day would be an additional \$206,535.
- C. Salary and Benefit Costs (excluding categorical, extended day and self-supporting positions) are estimated at \$112,045,467. This includes an average 5% increase in medical. This also includes a 1.05% decrease to SUI. There is currently no increase in the STRS rate although projections indicate we could see significant increases if enacted. The cost of each 1% increase in the STRS rate is approximately \$500,000.
- D. Retiree medical cost is estimated at \$5,705,438. This represents a 5% increase.
- E. The advanced full-time faculty obligation for Fall 2013 is estimated at 498.8. The District is currently recruiting 17 faculty positions for an estimated total of 502 positions counting toward the obligation. Therefore, the District expects to be 3.2 positions above the obligation. Staff is seeing a number of faculty retirements during fiscal year 2012-13; therefore the number of positions that we will be recruiting for may be re-evaluated.
- F. The calculated backfill adjustment amount has not changed at this time and is equal to \$55,125 for Librarians, \$55,584 for Counselors, and \$30,511 for all other positions. Extended Day budget adjustments are based on \$1,286 for credit FTES and \$863 for noncredit FTES. Estimated benefit costs for the Part-time Faculty and other hourly employees is estimated at \$2,716,972.
- G. Operating Allocation equals \$9,758,536. This amount incorporates 0% increase for COLA for 2013-2014. This amount also incorporates a reduction for a \$5,000,000 structural deficit. There is no one time allocation assumed for 2013-2014.
- H. Districtwide expenses include budget for recruiting, memberships, sabbatical bond reimbursements, emergency notification, sewer, attorney, electricity, gas, water, waste disposal, election, hospitality, ride share (AQMD), student insurance, Employee Assistance Program and interest expenses. Districtwide expenses also include a \$250,000 contribution to the Fullerton College Child Care fund per Board action on 4/14/09. Total Districtwide expenses are budgeted at \$5,937,549.
- I. No ongoing budget has been established for scheduled maintenance match for 2013-14.
- J. Ongoing contribution for insurance expense (Property & Liability) of \$1,221,000 is suspended for 2013-14.
- K. Sabbatical cost is estimated at \$150,000.
- L. Related activity expense which covers additional duty days for faculty is estimated at \$350,000.
- M. Memberships for contract employees is estimated at \$5,000 and mileage, based on the IRS mileage rate, is estimated at \$62,800.
- N. The unfunded liability for retiree benefits is estimated at \$115 million based on the most recent actuarial study.
- O. No increase is proposed for Growth Beyond Extended Day.

Note 1: All Federal, State, and Locally funded categorical programs balance revenue and expenditures.

North Orange County Community College District
Allocation Model for 2013-14 Preliminary Budget Assumptions
March 8, 2013

| | Operating Allocation | | | | Total |
|--|----------------------|-------------|-------------|-----------|-------------|
| | DS | CC | FC | SCE | |
| 2012-13 Starting Allocation | 2,833,201 | 3,620,395 | 7,143,692 | 1,328,000 | 14,925,288 |
| Reduction for Structural Deficit | (861,180) | (1,515,673) | (2,029,603) | (593,544) | (5,000,000) |
| Proposed Prior Year Growth Beyond Extended Day | | | | | 0 |
| Backfill for FT Counselor/Librarian Vacancy Eliminations | | (55,584) | (111,168) | | (166,752) |
| Adj. for New Counselor/Librarian backfill (CC - 1, FC - 2) | | | | | 0 |
| Personnel Changes | | | | | 0 |
| Subtotal On-going Operating Allocation | 1,972,021 | 2,049,138 | 5,002,921 | 734,456 | 9,758,536 |

| | DS | CC | FC | SCE | Total |
|--|----|----|----|-----|-------|
| DPC One-time Allocation @ 0.00% Growth Beyond Extended Day | 0 | 0 | 0 | 0 | 0 |
| Subtotal One-time Operating Allocation | 0 | 0 | 0 | 0 | 0 |

| | Extended Day Budgets | | | | Total |
|--|----------------------|-----------|-----------|-----------|------------|
| | DS | CC | FC | SCE | |
| 2012-13 Starting Allocation | 0 | 5,068,151 | 7,903,299 | 4,221,263 | 17,192,713 |
| 2012-13 FTE Increase | | 136,316 | 216,048 | 48,328 | 400,692 |
| Salary Increase (___% Credit, ___% Non-Credit) | | 0 | 0 | 0 | 0 |
| Changes for FTES Increase | | 273,185 | 433,382 | 96,501 | 803,068 |
| Backfill for FT Faculty Vacancy Eliminations | | | | | 0 |
| Adj. for New Faculty (CC - __, FC - __) | | | | | 0 |
| Total Extended Day Budget | 0 | 5,477,652 | 8,552,729 | 4,366,092 | 18,396,473 |

| | DS | CC | FC | SCE | Total |
|--------------------|----|---------|---------|---------|-----------|
| Restricted Lottery | | 325,023 | 515,613 | 171,089 | 1,011,725 |

| 2013-14 FTES Targets | FTES | % |
|----------------------|-----------|----------|
| SCE | 5,702.96 | 0.169106 |
| CC | 10,834.11 | 0.321257 |
| FC | 17,187.09 | 0.509637 |
| Total | 33,724.17 | 1.000000 |

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North Orange County Community College District
Unrestricted General Fund On-going Resource Summary
2013-14 Preliminary Budget Assumptions
as of March 8, 2013

| Revenues | 2012-13 | 2013-14 |
|--|------------------------|-----------------------|
| C. Apportionment/Taxes/Enrollment Fees | \$ 135,749,566 | \$ 149,786,383 |
| C. Growth | - | - |
| C. COLA | - | 2,471,475 |
| D. Unrestricted Lottery | 3,993,416 | 4,190,228 |
| E. Part-Time Faculty Office Hours/Benefits | 229,575 | 229,575 |
| E. Part-time Faculty Compensation | 769,652 | 769,652 |
| G. Fee Waiver Admin | 555,785 | 556,135 |
| H. Non-Resident Tuition | 1,000,000 | 1,000,000 |
| I. Interest | 250,000 | 200,000 |
| J. Misc Income | 10,000 | 10,000 |
| K. Mandated Cost | - | - |
| | <u>\$ 142,557,944</u> | <u>\$ 159,213,449</u> |
| | | |
| Expenditures | | |
| C. Unrestricted General Fund Personnel | \$ 110,709,115 | \$ 112,045,467 |
| D. Retiree Benefits | 5,433,750 | 5,705,438 |
| F. Extended Day Budgets | 17,192,714 | 18,396,473 |
| F. Extended Day/Hourly Benefits | 2,418,275 | 2,716,972 |
| G. Operating Allocation | 14,925,288 | 9,758,536 |
| H. Districtwide | 5,942,519 | 5,937,519 |
| I. Scheduled Maintenance Match | - | - |
| J. Insurance | - | - |
| K. Sabbatical | 150,000 | 150,000 |
| L. Related Activity | 350,000 | 350,000 |
| M. Other (Mileage/Memberships) | 66,200 | 67,800 |
| N. Repayment to Retiree Benefit Fund | - | - |
| Total | <u>\$ 157,187,861</u> | <u>\$ 155,128,204</u> |
| | | |
| Revenue less Expenditures | <u>\$ (14,629,917)</u> | <u>\$ 4,085,245</u> |

North Orange County Community College District
Districtwide Expenses - 2013-14 Preliminary Budget Assupmtions
March 8, 2013

| | 2012-13 | 2013-14 |
|--|---------------------|---------------------|
| Recruiting Budget | \$ 40,000 | \$ 40,000 |
| Fingerprinting | 25,000 | 25,000 |
| Sabbatical Bond Reimbursements | 3,000 | 3,000 |
| Districtwide Memberships | 120,000 | 120,000 |
| Child Care Contribution - per Board action 4/14/09 | 250,000 | 250,000 |
| Audit Expenses | 60,000 | 60,000 |
| Emergency Notification System | 5,000 | 5,000 |
| Sewer Expenses | 95,000 | 95,000 |
| Additional Attorney Expenses | 250,000 | 250,000 |
| Waste Disposal | 160,000 | 160,000 |
| Election Expense | 200,000 | 200,000 |
| Hospitality | 69,066 | 69,066 |
| Ride Share | 120,000 | 120,000 |
| Utility Expenses | 3,800,000 | 3,800,000 |
| CC Cogen Maintenance | 450,000 | 450,000 |
| Student Insurance | 220,453 | 220,453 |
| Employee Assistance Program | 30,000 | 30,000 |
| Interest | 45,000 | 40,000 |
| Total Districtwide Expenses | <u>\$ 5,942,519</u> | <u>\$ 5,937,519</u> |

Note: Historical Utility Expenses (Actual Exp.):

| | |
|----------------|----------------|
| 2012-13 (Est.) | - \$ 3,800,000 |
| 2011-12 | - \$ 3,341,363 |
| 2010-11 | - \$ 3,429,063 |
| 2009-10 | - \$ 3,676,013 |
| 2008-09 | - \$ 4,265,651 |
| 2007-08 | - \$ 4,774,540 |
| 2006-07 | - \$ 3,978,836 |
| 2005-06 | - \$ 3,508,223 |
| 2004-05 | - \$ 3,239,964 |