

Board of Trustees Agenda Item

Board Meeting Date: July 21, 2010

Title of Item: Approval of Tentative Budget

Background and Analysis:

Enclosed with the agenda item is a cover memo to the Board regarding the Tentative Budget and the bound copy of the tentative budget which will be reviewed at the July 21 meeting. The Board of Trustees is required to approve the Tentative Budget prior to June 30.

Recommendation: Approve the Tentative Budget for the 2010-11 fiscal year

Submitted by: Andy Dunn, Bernata Slater
Additional contact names:
Is backup provided? yes



June 8, 2010

To: Board of Trustees
From: Andy Dunn, Bernata Slater, Mike Brandy
Subject: 2010-11 Tentative Budget

Enclosed with this memo is the 2010-11 Tentative Budget. The initial parameters and strategies that were used to craft this budget were set in motion last November. It has been a difficult budget development process as the colleges and district offices had to make painful reductions in programs and services to bring the budget into balance following a reduction in our general fund and categorical programs in excess of \$10 million dollars. The strategy to bring the budget into balance while preserving critical programs and protecting as many jobs as possible has been challenging to implement. Because of the hard work of analysis and decision making through the governance and collective bargaining processes, our objective to balance the budget for the 2010-11 year has been achieved given the set of assumptions outlined in the accompanying document.

The Board of Trustees has been actively engaged in setting the strategies to balance the budget and frequent reviews of the progress toward achieving the objectives. The broad parameters of the Tentative Budget were reviewed with the trustees at the last two board meetings. In summary, the General Fund budget is balanced with about a \$2 million cushion in operating revenue if we do not receive any additional state cuts. If this assumption holds, our intent is to fold the Escrow II positions back into the operating budget (equal to about \$2 million in expense).

Also included are exhibits from De Anza, Foothill and Central Services outlining the uses of their projected ending fund balances for the next 1-2 years. This strategy of honoring the carryover fund balance among the entities is a major component of funding critical needs in the colleges as a result of the deep cuts to the operating budget.

Staff will be prepared to review the major assumptions outlined in the slides within the Tentative Budget and to address any further questions the Board may have regarding the proposed budget.

Foothill College's use of projected College Fund 14 Balance	
6/30/10 close (June 10, 2010)	
Fund Balance Uses	2010/11
June 30, 2010 Projected FH Fund 14 B & C College Wide Ending Balance	\$2,112,000
Department B Budget Augmentations	
Accreditation Budget	\$40,000
To make 10/11 B budgets whole	\$200,000
Research	\$10,000
Departmental B Budget Commitments	\$ 8,000
subtotal	\$ 258,000
Integrated Planning & Budget Allocations	
Library Resources & LRC workers	\$100,000
Math My Way Interns	\$65,000
Grad Student Tutors - PSME	\$55,000
Etudes	\$ 114,000
subtotal	\$334,000
Categorical Labor Reallocations	
Matriculation Cuts to Cover Counselor Salaries & Benefits	\$ 450,000
Outreach Office Labor Reallocation fd 21 to fd14	\$ 35,000
ALD Counselors	\$ 50,000
subtotal	\$ 535,000
Departmental Carryovers (restricted)	\$ 575,000
Faculty Release/Reassign Time	\$300,000
Part-Time Faculty Evaluations	\$30,000
District Grants Office	\$80,000
Grand Total	\$2,112,000

De Anza College Proposed Use of Fund Balance for 2010-2012				
ITEM	Description	Total	2010-2011	2011-2012
5/30/10				
PRESIDENT & MARKETING				
1 Budget Supplement	Emergency Fund	\$ 100,000	\$ 100,000	
2 Establish District Grants Office	DA's Share of Organizational Costs	\$ 120,000	\$ 60,000	\$ 60,000
	Total President & Marketing Offices	\$ 220,000	\$ 160,000	\$ 60,000
FINANCE & EDUCATIONAL RESOURCES (VP1)				
3 Custodial/Ed Resources Supplies	Cost of paper products & supplies	\$ 138,000	\$ 69,000	\$ 69,000
4 Omni Update	Three Year Contract (college wide expense)	\$ 50,000	\$ 25,000	\$ 25,000
5 .10 FTE to Fund 14 from Measure C	To cover non Measure C activity	\$ 9,332	\$ 9,332	\$ -
6 Scheduled Maintenance Funds	Supplement Categorical Cuts	\$ 100,000	\$ 50,000	\$ 50,000
7 Ergonomics		\$ 10,000	\$ 5,000	\$ 5,000
8 VP 1 Budget Supplement	Emergency Fund	\$ 100,000	\$ 100,000	\$ -
	Total Finance & Educational Resources(VP1)	\$ 407,332	\$ 258,332	\$ 149,000
STUDENT SERVICES (VP2)				
Admissions & Records				
9 Outreach & Relations to Schools	Targeted Outreach	\$ 100,000	\$ 50,000	\$ 50,000
10 Banner Software Augmentation	Changes required by Banner Implementation	\$ 20,000	\$ 10,000	\$ 10,000
11 Printing Costs	Specialized add stickers, transcript paper, etc.	\$ 20,000	\$ 10,000	\$ 10,000
12 A&R Service Agreements	Current electronic transcript service & conversion to CCC Apply	\$ 10,000	\$ 5,000	\$ 5,000
		\$ 150,000	\$ 75,000	\$ 75,000
Athletics				
13 Augmentation Request	DA Teams Competition Expenses	\$ 80,000	\$ 40,000	\$ 40,000
14 VP 2 Budget Supplement	Emergency Fund	\$ 100,000	\$ 100,000	
	Total Student Services (VP2)	\$ 330,000	\$ 215,000	\$ 115,000

De Anza College Proposed Use of Fund Balance for 2010-2012					
	ITEM	Description	Total	2010-2011	2011-2012
	5/30/10				
	INSTRUCTION & ACADEMIC SERVICES (VP3)				
	Learning Resources				
15	Student Assistants	Previously funded by VTEA & CALWORKS	\$ 50,000	\$ 25,000	\$ 25,000
16	Part-time faculty librarians	Evening & WE Hours	\$ 80,000	\$ 40,000	\$ 40,000
17	SIRSI License	Online catalogue system	\$ 70,000	\$ 35,000	\$ 35,000
			\$ -	\$ -	\$ -
			\$ 200,000	\$ 100,000	\$ 100,000
	Student Success Center				
18	B-Budget Augmentation	Until permanent budget can be identified	\$ 200,000	\$ 100,000	\$ 100,000
	Other Instructional				
19	Turn It In	Plagiarism Software - 5 year contract	\$ 100,000	\$ 50,000	\$ 50,000
20	Accreditation Reserve	To finance related costs	\$ 30,000	\$ 15,000	\$ 15,000
21	Part time evaluations	Subsidize district budget per negotiations	\$ 26,000	\$ 13,000	\$ 13,000
22	Grant Consultant	Title III Grants	\$ 120,000	\$ 60,000	\$ 60,000
23	Other Reassigned/Release	Backfill for Faculty Re-assigned/Release	\$ 200,000	\$ 200,000	\$ -
24	VP 3 Budget Supplement	Three year allocation (Addtl. \$30k for VP3)	\$ 130,000	\$ 130,000	
		Total Other Instructional Costs	\$ 606,000	\$ 468,000	\$ 138,000
	SLO/SAO Project				
25	Guest Speaker/Training		\$ 6,000	\$ 3,000	\$ 3,000
26	Meeting Expenses		\$ 2,000	\$ 1,000	\$ 1,000
27	Materials/supplies		\$ 2,000	\$ 1,000	\$ 1,000
28	Substitute Pay	From 1320 (\$5,000/Year)	\$ -	\$ -	\$ -
29	ECMS_SLO Server System	To be taken from Measure C (\$10,000)	\$ -	\$ -	\$ -
30	SLO Institute	2 persons	\$ 6,000	\$ 3,000	\$ 3,000
31	Reassigned Time	SAO/SLO	\$ 100,000	\$ 50,000	\$ 50,000
		Total SLO/SAO	\$ 116,000	\$ 58,000	\$ 58,000
	Total Academic Services & Instruction (VP3)		\$ 1,122,000	\$ 726,000	\$ 396,000
	Augmentation Requests Total VP 1, 2, 3		\$ 2,079,332	\$ 1,359,332	\$ 720,000
			Total (2010-2012)	2010-2011	2011-2012
	Summary of Use of Fund Balance:				
	* Beginning Fund Balance (estimated)		\$ 2,350,000	\$ 2,350,000	\$ 990,668
	Less: Requests for Augmentation		\$ 2,079,332	\$ 1,359,332	\$ 720,000
	Fund Balance Forward		\$ 270,668	\$ 990,668	\$ 270,668
6/1-1/10	* Net of \$1.5 million estimated categorical backfill for 09-10 fiscal year.				

CENTRAL SERVICES "B" BUDGET CARRYOVER PROJECTION AND TWO YEAR SPENDING PLAN
(as of 5/24/10)

Department	Unrestricted Balance:	Amount	2010/11 Spending Plan	Amount	2011/12 Spending Plan	Total	BBA
Chancellor's Office	90,650	50,000	staff development, specialized grants, and innovation support	40,650	staff development, specialized grants, and innovation support	90,650	-
Business Services	559,135	363,700	\$127K for International Recruitment program (agent fees and outreach), \$150K for Grants Anticipated Backfill, \$87K for Security deficit , \$55K for Banner backfill/additional costs of implementation	195,435	\$127K for International Recruitment program (agent fees and outreach), \$67K for Banner backfill/ additional implementation costs	559,135	-
Plant/Operations	142,616	142,616	Operations/ B budget needed to provide services to colleges	<i>Plant Services currently runs an operating deficit of approximately \$650K.</i>		142,616	-
Risk Management	53,587	53,587	will be used to provide support to Plant Services			53,587	-
Safety and Security	(86,700)		deficit will be covered from Business Services one-time funds				
Accounting Services	48,144	28,000	\$28K for Banner backfill/ additional implementation costs	20,144	\$20K for Banner backfill/ additional implementation costs	48,144	-
Payroll Services	28,256	14,000	\$14K for Banner backfill/ additional implementation costs	14,256	\$14K for Banner backfill/ additional implementation costs	28,256	-
Hazardous Materials	20,000	20,000	will be used to provide support to Plant Services			20,000	-
Budget Office	39,607	20,000	\$20K for Banner backfill/ additional implementation costs	19,607	\$19K for Banner backfill/ additional implementation costs	39,607	-
Material Services	96,182	65,000	\$65K for Banner backfill/ additional implementation costs/SDL replacement	31,182	\$31K for Banner backfill/ additional implementation costs	96,182	-
Human Resources	199,602	84,000	Banner backfill/ additional implementation costs; Faculty Neg Prep costs; Document Management-Complaints/Lawsuits	115,602	Banner backfill/ additional implementation costs; Document Management-Complaints/Lawsuits; Equipment/Supplies DOB renovation needs	199,602	-

CENTRAL SERVICES "B" BUDGET CARRYOVER PROJECTION AND TWO YEAR SPENDING PLAN
(as of 5/24/10)

Department	Unrestricted Balance:	Amount	2010/11 Spending Plan	Amount	2011/12 Spending Plan	Total	BBA
ETS	1,023,854	550,000	\$550K for the following projects: * Assist in EIS procurement, project planning, & risk assessment * Integrate applications into IDM framework - Phase 2 * Replace email - calendaring systems * Acquire & implement Argos reporting tool for Banner * Replace network components and implement security * Acquire & implement VDI (lower computer costs) * Acquire & implement board meeting software * Implement virtualization in L7 (lower server costs) * Increase summer staff support for tech services groups * Provide funds for non-bond work of Measure C techs * Provide B budget backfill (fund maintenance) * Implement projects in the District's strategic plan * Subscribe to technology research information * Provide staff training for ETS personnel * Develop reports to increase department productivity * Fund A budget increases in FY 2010-11	473,854	\$474K for the following projects * Integrate applications into IDM framework - Phase 2 * Acquire & implement VDI (lower computer costs) * Implement functionality in EIS system (enhanced use) * Implement virtualization at DR site (lower costs) * Increase summer staff support for tech services groups * Provide funds for non-bond work of Measure C techs * Provide B budget backfill (fund maintenance) * Implement projects in the District's strategic plan * Subscribe to technology research information * Provide staff training for ETS personnel (new systems) * Develop reports to increase department productivity * Fund A budget increases in FY 2011-12	1,023,854	-
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Total Central Services "B" Budget carryover as of 5/24/10	2,214,933	1,390,903	0.00	910,730	0.00	2,301,634	0.00