

FISCAL YEAR 2009 BUDGET (Action)

BACKGROUND

The League budget (Attachment 2.7A) presented by staff for board action is developed, to the maximum extent possible, to align with the League Strategic Plan (2007-2012), which was adopted in July 2007. It will support continuation of and improvement in the priorities of the CCCT and CEOCCC boards.

Budget revenues will decrease \$135,994 (-4.2%) under projected FY 2008 revenues. Revenue is based on 100% membership and a dues increase of \$68,707 (5.2%), conferences net income decreasing \$42,926 (-49%), district services revenue dropping \$80,202 (7.8%) and its net income decreasing \$100,722 (-14.8%), and interest income decreasing \$2,000 (2%).

Expenditures are budgeted to increase by \$103,288 (3.4%) above FY 2008 projected expenditures.

The proposed budget calls for revenues exceeding expenditures by \$9,744.

POLICY ISSUES

SALARIES AND FRINGE BENEFITS

Staff salaries and fringe benefits account for 54.9% of the total expenditures of the association in the proposed FY 2009 budget. In FY 2002 the figure was 56%, 52.8% in FY 2003, 54.1% in FY 2004, 57% in FY 2005, 56% in FY 2006, 60.7% in FY 2007, and 53.8% in FY 2008.

League employees are not paid based on a salary schedule with automatic step increases. Any increase in salary is based on the amount budgeted by the League board, with each employee's salary set by the chief executive officer with approval of the League chair, based on the following salary ranges:

- \$40,000-55,000 for support staff positions
- \$50,000-75,000 for assistant director positions
- \$90,000-120,000 for director positions
- \$160,000-185,000 for chief executive officer

The salary for the President and CEO is set by the League Board of Directors.

During the past ten years the League board has approved increases in the budget for staff that resulted in minimum increases of:

	CALIFORNIA CPI	LEAGUE
FY 1999	2.5%	3%
FY 2000	3.2%	2.5%
FY 2001	4.3%	3%
FY 2002	2.9%	3.5%
FY 2003	2.6%	3.5%
FY 2004	1.9%	2%
FY 2005	3.3%	2.5%
FY 2006	4.3%	4%
FY 2007	3.3%	4%
FY 2008	3.2% (forecast)	4%

The FY 2009 budget as proposed:

- Includes salaries within the above ranges;
- Provides for employee salary increases of a minimum of 4%;
- Maintains other fringe benefits based on present policies and includes CalPERS participation;
- Provides a total increase of \$89,022 (5.5%) for salary and fringe benefit costs over the projected year-end expenditures for FY 2008.

EDUCATION AND DEVELOPMENT SERVICES

The League sponsored 9 workshops, conferences, seminars and the convention this year. This category accounted for 16.2% of anticipated expenditures in FY 2008 and is budgeted at 18.3% for FY 2009. These events are budgeted to net (exclusive of salaries) \$45,300 for FY 2009. Most event sponsorship revenue is now accounted for in the Corporate Partners program, which significantly reduced the apparent net income in conference revenue in recent years.

The FY 2009 budget in this area includes:

- Continuation of the convention, trustees orientation, trustees annual conference, board chairs workshop, board secretaries workshop, legislative conference, vineyard symposium, great teachers seminar, classified leadership seminar, Asilomar leadership seminar, and student trustees orientation;
- Convention, conferences and workshops attendance projected to decrease due to state budget situation;
- Increases in registration fees to reflect increased costs to implement the conferences; and,
- Continuation of the League on Call service which functions at break-even.

PUBLICATIONS/COMMUNICATIONS

The cost of producing and mailing publications, maintenance of the website, and general communications accounts for 1.5% of the budget in FY 2009 (compared to 1.8% in FY 2008).

In FY 2008, the *League in Action* was converted from a printed biennial publication to a monthly electronic publication. Using the new format, League staff is able to highlight and provide hyperlinks to major events, news articles, legislative alerts and Corporate Partners. The response of the switch to an electronic format has been extraordinarily positive.

The News will continue to be a print publication, mailed to over 4,100 community college personnel, including trustees, CEOs, academic senate presidents, all administrators listed in the directory, Board of Governors and Chancellor's staff, and organizational leaders. *The News* highlights exciting news items about the people and programs at our colleges. In Spring 2008 issue, Corporate Partner placements were provided for the first time to offset the cost of publication and mailing and provide additional benefits of membership in the Corporate Partners program.

In FY 2008, *Introduction to Fiscal Responsibilities* was published, which is a guidebook primarily for trustees. Developed by Cindra Smith in consultation with chief business officer, System Office and trustee leaders, the handbook has been an extraordinary success. Each district was provided complimentary copies for each trustee and district and college CEO, and 223 additional copies were purchased by colleges and other organizations.

In addition to the two periodicals actually published, the League annually publishes the directory, and policy papers (1-3/year), which go to all CEOs, trustees, and community college staff. Special publications also are produced. Most publications are placed on the League website.

The publications/communications budget for FY 2009:

- Recognizes the conversion of *League in Action* to an electronic publication e-mailed to 4,100 users and posted to the League's website;
- Maintains the publications mailing lists at the same number;
- Provides funding for development of a second edition of the *Introduction to Fiscal Responsibilities*;
- Provides funding for additional publications as needed during the year;

CORPORATE PARTNERS

The Corporate Partners program provides an opportunity to provide ongoing linkages between the business community and the League. The program experienced significant growth in FY 2008, doubling the number of corporate partners and nearly doubling revenue. Anticipating a slowdown in the economy and a tightening of corporate giving, the League increased expenditures on partner retention through increased opportunities for partner visibility. Nevertheless, the number of partners and the level of their participation is expected to decrease significantly in FY 2009.

WEBSITE & ASSOCIATION MANAGEMENT

The League's new website was launched at the beginning in July 2008, and the budget provides funding for the internet4associations software suite that, among other things, enables the League to:

- Maintain a greater number of documents and reference materials online;
- Provide more up-to-date information;
- Provide online registration for conferences and seminars;
- Enable districts to update contact information for district leaders online.

MEETINGS/BOARD TRAVEL

This fiscal year there were 14 meetings of the boards of the League, 7 meetings of the League committees and 2 statewide CEO meetings. An Advisory Committee on District Services was added to provide feedback on and oversight over the League's fiscal and services programs to districts.

The meetings require staff time in the preparation of notices, agenda materials and minutes, in addition to costs for staff travel, lodging and meals. For board meetings, travel costs are reimbursed board members. Although travel costs are not reimbursed for committee members, meals and coffee breaks during the meetings are paid for by the League.

Direct meeting and board travel costs account for 2.4% of the League budget in FY 2009 as compared with 2.3% in FY 2008.

The recommended budget for FY 2009:

- Maintains the number of CEOCCC board meetings at 9 and 1 statewide meeting, with board meetings primarily in Sacramento;
- Provides for League board meetings at 3;
- Maintains the CCCT board meetings at 5, with added costs for 1 meeting with the Board of Governors;
- Includes meeting costs for three advisory committees meeting 2-3 times during the year; and
- Provides for CCCT officer travel to meet with the BOG officers, and funding of ad hoc committees if needed during the year.

OFFICE OPERATIONS/PROFESSIONAL SERVICES

In FY 2009, 8% of the League budget is expected to be spent on general office operation/professional services (7.5% in FY 2008). This category includes postage, telephone, supplies, equipment, maintenance, mortgage costs, legislative office lease and consultants.

The recommended budget for FY 2009:

- Continues the investment in professional development activities tied to a new employee evaluation process;
- Includes \$6,000 for obtaining the assistance of consultants and legal counsel as needed to help on initiatives of the League boards;
- Provides for an audit of the books as required by policy;
- Continues the lease of space for the legislative staff at the Senator Hotel Office Building;
- Includes insurance at present levels (general liability; directors and officers liability; flood, fire, theft, and other multi-peril); and
- Continues the policy of maintenance, equipment and furnishings expenditures coming from categorical reserves as needed.

STAFF TRAVEL

Approximately 1.6% of the expenditures of the association are spent on staff travel. During the past few years, representatives of the League staff has attended annually the ACCT annual convention and legislative seminar; the annual convention of AACC; the annual conferences of the PIOs, CSSOs, CIOs, ACBO, Researchers, Northern and Southern CEOs, ACCCA and Academic Senate. In addition, staff members often attend the regular meetings of the CBOs and RP Group; local trustees regional meetings; regional CEO meetings with the Chancellor; and make presentations at local districts on local decision-making with the Academic Senate.

The FY 2009 proposed budget includes a 15.5% decrease in staff travel.

DISTRICT SERVICES

The district services area included twelve distinct programs that resulted in a projection of \$1,031,542 in revenue during FY 2008. The FY 2009 budget projects revenue at a level of \$951,340.

The electricity consortium, which enables districts to purchase electricity directly from non-utility providers, was renewed for Pacific Gas & Electric (PG&E) territory districts, which resulted in higher income than expected in FY 2008. With continued volatility in the oil and natural gas markets, the districts in the PG&E territory may wish to return to bundled service, which accounts for the lower projected revenue in FY 2009.

Projected expenses for the district services area, excluding compensation, were \$346,480 in FY 2008 and are expected to be modestly higher as program quality is enhanced to promote district retention in FY 2009.

The FY 2009 district services budget includes:

- Addition of a purchasing consortium for the BoardDocs agenda-management service;
- Maintenance of the other present programs now established;
- Maintaining consultants to oversee the Collective Bargaining Database and the Policy and Procedure services;
- Revenue from the June 2008 TRANs received in FY 2009;
- Revenue from Electricity Purchasing Consortium dropping with the possibility of the PG&E territory districts discontinuing participation in the program; and,
- Revenue from the ongoing programs being stable or dropping slightly.

MEMBERS EQUITY

The League policy is to divide member equity into two parts. One part includes long-term assets minus liabilities (undesignated reserves) and one includes current assets minus liabilities (categorical reserves). It further has been established that the categorical reserves would be divided into four categories: 1) operating, 2) equipment/furnishings, 3) building, and 4) special programs. Yearly expenditures for major equipment and furnishings and major building repair and upgrades are made from the designated reserves. From time to time, the League board acts to move money from the operating reserve to one of the other categories as needs are identified.

The FY 2009 projection shows the categorical reserves (current assets minus liabilities) at the end of the fiscal year at \$1,376,407. This is based on expenditures of \$124,132 from the categorical reserves during FY 2008, matched by an end of year projected net of \$251,577.

At the projected \$1,255,822 reserve level, the categorical reserves (current assets minus liabilities) would stand at 40.2% of FY 2009 budgeted expenditures. This level is approximately 5 months' cash flow and \$337,484 over the board policy to maintain at least a 4-month cash flow reserve (33.3% of expenditures).

Staff expects to make several one-time expenditures in FY 2009, including funding of the League's facilities plan (\$30,000) and the installation of a security gate (\$30,000); development of a grassroots advocacy system (\$50,000); continuation of the media communications and outreach program through AcostaSalazar Inc. (\$50,000); commencing work on a community college history project to correspond with the 2010 centennial (\$25,000); and continued participation in Californians for Community Colleges (\$25,000).

LEAGUE DUES FORMULA – FY 2009

The dues formula policy adopted by the League board includes several components: a basic services fee for each district/college, a percent of the district's state general apportionment and local property tax revenues for the preceding fiscal year up to a certain level and a lesser percent for the revenue above that level and a maximum dues level. Each year the levels and percent are determined and acted on by the board.

The standard application of the League's dues formula this year would result in a statewide average increase of over 10.1%, with some districts facing increases of 25% or more. This is due to the large budget increases districts received in the 2006-07 fiscal year through the enactment of SB 361, which provided large equalization and noncredit revenue increases.

Recognizing that the 2008-09 fiscal year budget will be challenging for districts, staff proposes changing the calculation factor for dues. This change would reduce the statewide dues increase from 10% to 5.2%, reducing the dues increase from \$132,744 to \$68,708 (48.2%).

The following proposed dues formula for FY 2009 would increase dues revenue by \$68,708.

1. The dues will include:
 - a. A basic services fee of \$600 for each district plus \$600 for each college in a multi-college district;
 - b. Plus .0003 times the district's state general apportionment and local property tax revenues, up to \$60 million for the preceding fiscal year (as reported in the Chancellor's Office Fiscal Data Abstract);
 - c. Plus .00017 times the district's state general apportionment and local property tax revenues in excess of \$60 million.
2. No district shall pay in excess of \$95,000.

This formula results in 8 districts paying less in dues and 64 districts paying more than this year (34 districts paying less than a 5% increase, 24 paying 5-10% more, and 9 paying over 10% more, with an average dues increase of 5.2%). (See Attachment 2.7B.)

ISSUES FOR CONSIDERATION

- Does the budget provide adequate support to fulfill the mission of the League and the work of the CCCT and CEOCCC boards?
- Is the budget based on reasonable projections (such as membership, conference attendance, cost changes, interest, success of new programs, etc.)?
- Are adequate resources provided to enable initiatives to be implemented as need arises?
- Are appropriate resources provided/available to address unanticipated services or actions the League may need to provide or take to meet member and association needs?
- Is the staff compensation proposal fair, sufficient and competitive so as to maintain high quality staff or to attract replacement staff members if openings occur?
- The League board policy is to maintain a 4-month cash flow reserve. Is this appropriate?

RECOMMENDATION – DUES AND BUDGET

It is recommended the board act to approve the dues formula and FY 2009 budget as proposed.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
 Budget Summary
 LEAGUE OPERATING BUDGET

	<u>2007-08</u> <u>Budget</u>	<u>2007-08</u> <u>Year End</u> <u>Projections</u>	<u>2008-09</u> <u>Proposed</u> <u>Budget</u>
REVENUE			
Dues	1,321,275	1,321,275	1,389,982
Corporate Partners	75,000	145,050	75,000
Convention/Workshops	555,500	597,109	551,000
League on Call	6,000	6,842	6,000
District Services Program	931,500	1,031,542	951,340
Publications	30,000	29,392	25,500
Rental Income	23,263	23,263	23,263
Phi Theta Kappa Awards	10,000	11,551	10,000
Miscellaneous	100	90	100
Interest	<u>100,000</u>	<u>102,065</u>	<u>100,000</u>
Total Revenue	3,052,638	3,268,179	3,132,185
EXPENSES			
Boards	55,500	64,804	64,500
Committees	7,950	6,790	10,700
Corporate Partners Program	10,000	31,376	20,000
Convention/Workshops	472,200	508,883	505,700
League on Call	6,000	8,630	8,500
District Services Program	320,800	346,480	367,000
Publications	54,000	49,910	40,000
Website & Assoc. Mgmt.	6,210	6,215	6,250
Staff	1,813,155	1,688,286	1,771,690
Office Operations	208,406	217,488	228,100
Professional Services	16,900	19,753	21,000
Memberships	1,700	1,000	1,500
Phi Theta Kappa Awards	18,000	14,331	16,000
Other	<u>46,850</u>	<u>52,656</u>	<u>58,950</u>
Total Expenses	3,037,671	3,016,602	3,119,890
NET INCOME	14,967	251,577	12,295

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
Budget Detail
LEAGUE OPERATING BUDGET

	<u>2007-08 Budget</u>	<u>2007-08 Year End Projections</u>	<u>2008-09 Proposed Budget</u>
REVENUE			
<u>DUES</u>	1,321,275	1,321,275	1,389,982
<u>CORPORATE PARTNERS</u>	75,000	145,050	75,000
<u>ANNUAL CONVENTION</u>			
Registrations/Meals	150,000	196,195	175,000
Exhibits/Sponsors	50,000	56,000	50,000
TOTAL CONVENTION	<u>200,000</u>	<u>252,195</u>	<u>225,000</u>
<u>LEGISLATIVE CONFERENCE</u>			
Registrations/Meals	90,000	87,180	86,000
Sponsors	10,000	12,000	10,000
TOTAL LEGISLATIVE CONFERENCE	<u>100,000</u>	<u>99,180</u>	<u>96,000</u>
<u>TRUSTEE EDUCATION & DEVELOPMENT</u>			
Annual Trustees Conference	75,000	72,085	70,000
Effective Trusteeship Workshop	17,500	20,955	18,500
Student Trustees Workshop	10,000	13,485	12,000
TOTAL TRUSTEE ED & DEV	<u>102,500</u>	<u>106,525</u>	<u>100,500</u>
<u>CEO EDUCATION & DEVELOPMENT</u>			
Vineyard Symposium	6,000	8,340	7,500
<u>OTHER ED AND DEVELOPMENT SERVICES</u>			
California Great Teachers Seminar	45,000	59,239	55,000
Classified Leadership Institute	50,000	35,000	35,000
National Great Teachers Leadership Colloquium	12,000	0	0
Asilomar Leadership Skills Seminar	40,000	36,630	32,000
TOTAL OTHER ED/DEV SERVICES	<u>147,000</u>	<u>130,869</u>	<u>122,000</u>
<u>LEAGUE ON CALL</u>	6,000	6,842	6,000
<u>DISTRICT SERVICES PROGRAM</u>			
TRANS	54,000	43,155	78,840
Lease Revenue Bonds	0	30,000	6,000
Student Housing Bonds	3,500	0	0
Short Term Credit (Zions)	3,000	2,356	2,500
Electricity Purchase Program	280,000	324,000	260,000
Student Health Insurance Program	20,000	21,927	20,000
Electronic Information Resources	250,000	251,433	250,000
Charitable Gift Annuity Program	5,000	4,143	5,000
Policy & Procedure Service	100,000	132,554	99,000
Collective Bargaining Database	124,000	136,458	137,500

	<u>2007-08 Budget</u>	<u>2007-08 Year End Projections</u>	<u>2008-09 Proposed Budget</u>
<u>DISTRICT SERVICES PROGRAM (cont'd)</u>			
Retiree Health Benefits JPA	90,000	85,516	85,000
BoardDocs	0	0	7,500
Other	2,000	0	0
TOTAL DISTRICT SERVICES PROGRAM	<u>931,500</u>	<u>1,031,542</u>	<u>951,340</u>
<u>PUBLICATIONS</u>			
Directory	14,000	10,484	10,000
Businesses and Consultants Directory	14,000	12,145	10,000
Introduction to Fiscal Responsibilities	0	6,395	5,000
Other	2,000	368	500
TOTAL PUBLICATIONS	<u>30,000</u>	<u>29,392</u>	<u>25,500</u>
<u>RENTAL INCOME</u>	23,263	23,263	23,263
<u>PHI THETA KAPPA AWARDS</u>	10,000	11,551	10,000
<u>MISCELLANEOUS</u>	100	90	100
<u>INTEREST</u>	100,000	102,065	100,000
TOTAL REVENUE	<u>3,052,638</u>	<u>3,268,179</u>	<u>3,132,185</u>
EXPENSES			
<u>BOARDS OF DIRECTORS</u>			
CCLC			
Meeting Travel	4,000	2,600	3,000
Meeting Space/Meals	1,000	1,603	1,500
Other Expenses	1,000	2,806	2,500
CCCT			
Meeting Travel	12,000	15,228	15,000
Meeting Space/Meals	5,000	9,555	9,000
Other Expenses	2,000	2,471	2,000
CEOCCC			
Meeting Travel	23,000	20,769	22,000
Meeting Space/Meals	5,000	7,180	7,000
Other Expenses	1,500	2,338	2,000
Awards/Recognition	1,000	254	500
TOTAL BOARDS OF DIRECTORS	<u>55,500</u>	<u>64,804</u>	<u>64,500</u>
<u>COMMITTEES</u>			
Advisory Committee on Legislation	2,750	2,350	2,500
Advisory Committee on Education Services	3,000	4,140	4,000
Advisory Committee on District Services	2,000	300	1,500
Futures Commission	0	0	2,500
Other	200	0	200
TOTAL COMMITTEES	<u>7,950</u>	<u>6,790</u>	<u>10,700</u>

	<u>2007-08 Budget</u>	<u>2007-08 Year End Projections</u>	<u>2008-09 Proposed Budget</u>
<u>CORPORATE PARTNERS PROGRAM</u>	10,000	31,376	20,000
<u>ANNUAL CONVENTION</u>	185,000	205,300	210,000
<u>LEGISLATIVE CONFERENCE</u>	60,000	56,844	60,000
<u>TRUSTEE EDUCATION & DEVELOPMENT</u>			
Annual Trustees Conference	60,000	84,890	75,000
Effective Trusteeship Workshop	15,000	18,606	16,500
Student Trustees Workshop	9,000	12,375	11,000
TOTAL TRUSTEE ED & DEV	<u>84,000</u>	<u>115,871</u>	<u>102,500</u>
<u>CEO EDUCATION & DEVELOPMENT</u>			
Vineyard Symposium	6,000	13,228	7,500
New CEO Meetings	4,000	1,855	7,500
Mentorship	3,000	0	3,000
TOTAL CEO ED & DEV	<u>13,000</u>	<u>15,083</u>	<u>18,000</u>
<u>OTHER ED AND DEVELOPMENT SERVICES</u>			
California Great Teachers Seminar	41,000	51,600	52,000
Classified Leadership Institute	48,000	30,000	30,000
Asilomar Leadership Skills Seminar	30,000	32,155	31,000
National Great Teachers Leadership Colloquium	11,000	0	0
Capitol Days	0	2,030	2,000
Other	200	0	200
TOTAL OTHER ED/DEV SERVICES	<u>130,200</u>	<u>115,785</u>	<u>115,200</u>
<u>LEAGUE ON CALL</u>	6,000	8,630	8,500
<u>DISTRICT SERVICES PROGRAM</u>			
Communications	500	0	0
Postage	500	0	0
Travel	1,000	785	1,000
Meetings	500	2,470	2,500
Miscellaneous	100	0	0
Policy and Procedures	60,000	60,000	78,500
Student Housing Bonds	200	0	0
Library Services	25,000	23,000	29,500
Electricity Purchase Program	75,000	106,900	95,000
Collective Bargaining Database	95,000	70,838	75,000
Charitable Gift Annuity Program	3,000	9,987	3,000
Retiree Health Benefits JPA	60,000	72,500	81,500
BoardDocs	0	0	1,000
TOTAL DISTRICT SERVICES PROGRAM	<u>320,800</u>	<u>346,480</u>	<u>367,000</u>

	<u>2007-08 Budget</u>	<u>2007-08 Year End Projections</u>	<u>2008-09 Proposed Budget</u>
<u>PUBLICATIONS</u>			
The NEWS	16,000	8,500	10,000
League in Action	3,000	0	0
Directory	19,500	12,981	13,000
Trustee Handbook/Guides	4,500	8,904	9,000
Businesses & Consultants Directory	6,000	5,027	0
Introduction to Fiscal Responsibilities	0	12,179	5,000
Other Publications/Reports	5,000	2,319	3,000
TOTAL PUBLICATIONS	<u>54,000</u>	<u>49,910</u>	<u>40,000</u>
<u>WEBSITE & ASSOCIATION MANAGEMENT</u>			
	6,210	6,215	6,250
<u>STAFF</u>			
<u>Salaries</u>	1,277,124	1,186,881	1,260,340
<u>Fringe Benefits</u>			
Social Security & Unemployment Taxes	97,231	90,690	96,532
Health and Welfare	190,787	173,594	169,750
Pension Plan	186,013	172,049	183,568
TOTAL Fringe Benefits	<u>474,031</u>	<u>436,333</u>	<u>449,850</u>
<u>Travel</u>			
President/Chief Executive Officer	20,000	25,000	22,000
Vice President	2,500	0	0
District Services	2,500	8,043	5,000
Education Services	3,000	5,812	5,000
State Policy & Research	1,500	900	1,000
Fiscal Policy	3,000	2,968	3,000
Governmental Relations	4,000	4,660	4,500
TOTAL Travel	<u>36,500</u>	<u>47,383</u>	<u>40,500</u>
<u>Staff Development</u>	25,000	15,170	20,000
<u>Employee Search</u>	0	1,588	1,000
<u>Public Relations</u>	500	931	1,000
TOTAL STAFF	<u>1,813,155</u>	<u>1,688,286</u>	<u>1,771,690</u>
<u>OFFICE OPERATIONS</u>			
<u>Supplies</u>			
General	15,000	17,500	18,000
Legislative	3,000	2,600	2,500
Copier	500	500	500
Copier/Leg.	100	100	100
TOTAL Supplies	<u>18,600</u>	<u>20,700</u>	<u>21,100</u>
<u>Postage</u>			
General	12,500	12,500	12,500
Legislative	750	350	350
TOTAL Postage	<u>13,250</u>	<u>12,850</u>	<u>12,850</u>

	<u>2007-08 Budget</u>	<u>2007-08 Year End Projections</u>	<u>2008-09 Proposed Budget</u>
<u>Telecommunications</u>			
General	12,500	11,200	18,000
Legislative	3,000	3,850	6,250
TOTAL Telecommunications	<u>15,500</u>	<u>15,050</u>	<u>24,250</u>
<u>Equipment (Maintenance, Rental)</u>			
General			
Copiers	15,000	15,617	15,500
Computer Maintenance/Upgrade	5,000	6,150	6,000
Web/Email Hosting	2,080	3,677	4,000
Postage Meter	10,500	9,835	10,000
Miscellaneous	200	524	524
FAX (Maintenance & Phone Charges)	600	1,465	1,400
<u>Equipment (Maintenance, Rental)</u>			
Legislative			
Copier	5,300	5,765	5,800
Computer Maintenance/Upgrade	1,500	2,473	2,400
Web/Email Hosting	2,000	1,987	2,000
Postage Meter	1,000	1,492	1,500
Miscellaneous	100	0	100
FAX (Maintenance & Phone Charges)	900	885	900
TOTAL Equipment Maintenance	<u>44,180</u>	<u>49,870</u>	<u>50,124</u>
<u>Housing</u>			
Mortgage	18,426	18,426	18,426
Utilities	17,000	17,936	18,000
Maintenance/Repair	8,000	7,966	8,000
Custodial	7,500	7,440	7,800
Security	2,600	2,565	2,600
L Street office	43,500	43,600	43,600
TOTAL Housing	<u>97,026</u>	<u>97,933</u>	<u>98,426</u>
<u>Insurance</u>	10,500	10,455	10,500
<u>Reference Library</u>	4,500	4,350	4,500
<u>Legislative Bill Room</u>	750	740	750
<u>Legislative Communications System</u>	4,100	5,540	5,600
TOTAL OFFICE OPERATIONS	<u>208,406</u>	<u>217,488</u>	<u>228,100</u>
<u>PROFESSIONAL SERVICES</u>			
Accounting Services	13,300	13,103	15,000
Other	3,600	6,650	6,000
TOTAL PROFESSIONAL SERVICES	<u>16,900</u>	<u>19,753</u>	<u>21,000</u>
<u>MEMBERSHIPS</u>	1,700	1,000	1,500

	<u>2007-08 Budget</u>	<u>2007-08 Year End Projections</u>	<u>2008-09 Proposed Budget</u>
<u>PHI THETA KAPPA AWARDS</u>	18,000	14,331	16,000
<u>OTHER</u>			
Property Taxes	10,000	9,676	10,000
Corporate Filing Fees, etc.	50	170	200
Bank Charges	3,600	2,560	3,500
Online Credit Card Fees	0	7,000	12,000
Depreciation Expense	33,000	33,000	33,000
Miscellaneous	200	250	250
TOTAL OTHER	<u>46,850</u>	<u>52,656</u>	<u>58,950</u>
TOTAL EXPENSES	3,037,671	3,016,602	3,119,890
NET INCOME (LOSS)	14,967	251,577	12,295

	<u>Beginning Balance July 2007</u>	<u>Year End Expenditure Projections</u>	<u>Projected Net Revenue Distribution</u>	<u>Projected Year End Balance</u>
<u>Net Assets</u>				
Undesignated (long term assets minus liabilities)	220,429	-	-	220,429
Categorical Reserves (current assets minus liabilities)				
Operating	250,008	-	-	250,008
Equipment/Furnishings	150,729	27,942 ¹	100,000	222,787
Building	243,750	6,797 ²	50,000	286,953
Special Programs	604,475	89,393 ³	101,577	616,659
	<u>1,248,962</u>	<u>124,132</u>	<u>251,577</u>	<u>1,376,407 *</u>
Total Net Assets	<u>1,469,391</u>	<u>124,132</u>	<u>251,577</u>	<u>1,596,836</u>
One-time expenditures for 2007-08:				
¹ Furniture/equipment - O Street League display	17,942			
	<u>10,000</u>			
	<u>27,942</u>			
² O Street building sign	2,576			
Window replacement	2,627			
Parking lot security fence/gate	1,594			
	<u>6,797</u>			
³ Community College Initiative	67,558			
Media communications/outreach	16,030			
Strategic Plan	855			
HOPE awards dinner sponsorship	2,500			
Board of Governors receptions	2,450			
	<u>89,393</u>			
Anticipated major one-time expenditures for 2008-09:				
Facilities plan	30,000			
Parking lot security fence/gate	30,000			
Grassroots advocacy system development	50,000			
Media communications/outreach	50,000			
Californians for Community Colleges	25,000			
Community College History Project	25,000			
	<u>210,000</u>			

*Board policy requires a minimum of 33.3% of expenditures (\$1,038,923 for FY2009).

PROPOSED DUES FORMULA 2008-09

<u>District</u>	<u>Basic Service Fee</u>	<u>Gen Appt & Prop Tax Rev</u>	<u>GA&PTR x rate *</u>	<u>2008-09 Dues</u>	<u>2007-08 Dues</u>	<u>Proposed Increase/Decrease</u>	<u>Percent Change</u>
Allan Hancock Joint	600	41,937,593	12,581	13,181	12,756	425	3.33
Antelope Valley	600	47,061,984	14,119	14,719	13,684	1,035	7.56
Barstow	600	13,359,641	4,008	4,608	4,592	16	0.35
Butte	600	50,792,604	15,238	15,838	16,066	-228	-1.42
Cabrillo	600	49,453,499	14,836	15,436	13,853	1,583	11.43
Cerritos	600	71,134,712	19,893	20,493	20,282	211	1.04
Chabot-Las Positas	1,800	73,134,067	20,233	22,033	20,741	1,292	6.23
Chaffey	600	62,528,969	18,430	19,030	17,382	1,648	9.48
Citrus	600	49,196,257	14,759	15,359	14,318	1,041	7.27
Coast	2,400	147,858,673	32,936	35,336	34,168	1,168	3.42
Compton	600	26,740,352	8,022	8,622	8,594	28	0.33
Contra Costa	2,400	135,575,368	30,848	33,248	29,981	3,267	10.90
Copper Mountain	600	10,004,977	3,001	3,601	2,949	652	22.13
Desert	600	32,373,788	9,712	10,312	9,458	854	9.03
El Camino	600	86,176,383	22,450	23,050	21,862	1,188	5.43
Feather River	600	9,134,626	2,740	3,340	3,259	81	2.50
Foothill-DeAnza	1,800	139,750,844	31,558	33,358	31,517	1,841	5.84
Gavilan Joint	600	24,206,853	7,262	7,862	6,773	1,089	16.08
Glendale	600	66,519,625	19,108	19,708	18,950	758	4.00
Grossmont-Cuyamaca	1,800	76,012,895	20,722	22,522	22,003	519	2.36
Hartnell	600	32,184,538	9,655	10,255	9,227	1,028	11.15
Imperial Valley	600	30,531,276	9,159	9,759	9,473	286	3.02
Kern	2,400	86,749,847	22,547	24,947	24,271	676	2.79
Lake Tahoe	600	10,536,226	3,161	3,761	3,798	-37	-0.98
Lassen	600	11,452,451	3,436	4,036	4,058	-22	-0.55
Long Beach	600	99,182,855	24,661	25,261	23,449	1,812	7.73
Los Angeles	6,000	445,535,286	83,541	89,541	82,714	6,827	8.25
Los Rios	3,000	215,830,499	44,491	47,491	45,104	2,387	5.29
Marin	600	35,559,778	10,668	11,268	11,371	-103	-0.91
Mendocino-Lake	600	16,649,551	4,995	5,595	5,288	307	5.80
Merced	600	41,071,729	12,322	12,922	12,329	593	4.81
MiraCosta	600	70,571,572	19,797	20,397	19,409	988	5.09
Monterey Peninsula	600	32,424,742	9,727	10,327	11,077	-750	-6.77
Mt. San Antonio	600	116,686,862	27,637	28,237	27,610	627	2.27
Mt. San Jacinto	600	41,794,508	12,538	13,138	11,204	1,934	17.26
Napa Valley	600	26,615,744	7,985	8,585	8,285	300	3.62
North Orange County	1,800	138,692,778	31,378	33,178	31,874	1,304	4.09
Ohlone	600	37,435,220	11,231	11,831	11,268	563	4.99
Palo Verde	600	10,820,578	3,246	3,846	3,602	244	6.78
Palomar	600	80,205,215	21,435	22,035	21,504	531	2.47
Pasadena	600	96,896,501	24,272	24,872	23,530	1,342	5.71
Peralta	3,000	90,723,708	23,223	26,223	25,076	1,147	4.57

<u>District</u>	<u>Basic Service Fee</u>	<u>Gen Appt & Prop Tax Rev</u>	<u>GA&PTR x rate *</u>	<u>2008-09 Dues</u>	<u>2007-08 Dues</u>	<u>Proposed Increase/Decrease</u>	<u>Percent Change</u>
Rancho Santiago	1,800	124,040,115	28,887	30,687	29,295	1,392	4.75
Redwoods	600	24,305,320	7,292	7,892	7,813	79	1.01
Rio Hondo	600	57,819,596	17,346	17,946	15,542	2,404	15.47
Riverside	600	116,825,481	27,660	28,260	26,304	1,956	7.44
San Bernardino	1,800	65,306,216	18,902	20,702	20,076	626	3.12
San Diego	2,400	177,420,520	37,961	40,361	36,974	3,387	9.16
San Francisco	600	148,005,611	32,961	33,561	32,035	1,526	4.76
San Joaquin Delta	600	68,982,521	19,527	20,127	19,245	882	4.58
San Jose-Evergreen	1,800	66,105,048	19,038	20,838	20,912	-74	-0.35
San Luis Obispo County	600	40,693,133	12,208	12,808	12,054	754	6.25
San Mateo County	2,400	96,003,727	24,121	26,521	26,606	-85	-0.32
Santa Barbara	600	65,681,304	18,966	19,566	18,868	698	3.70
Santa Clarita	600	57,374,331	17,212	17,812	15,490	2,322	14.99
Santa Monica	600	92,841,428	23,583	24,183	22,583	1,600	7.09
Sequoias	600	40,751,623	12,225	12,825	12,006	819	6.83
Shasta-Tehama-Trinity	600	34,469,465	10,341	10,941	11,036	-95	-0.86
Sierra Joint	600	63,383,148	18,575	19,175	18,310	865	4.72
Siskiyou Joint	600	13,418,901	4,026	4,626	4,556	70	1.53
Solano County	600	40,067,431	12,020	12,620	12,415	205	1.65
Sonoma County	600	83,008,552	21,911	22,511	21,637	874	4.04
South Orange County	1,800	137,779,206	31,222	33,022	32,167	855	2.66
Southwestern	600	64,650,128	18,791	19,391	19,116	275	1.44
State Center	1,800	119,698,318	28,149	29,949	28,471	1,478	5.19
Ventura County	2,400	108,088,211	26,175	28,575	28,209	366	1.30
Victor Valley	600	43,036,036	12,911	13,511	12,397	1,114	8.98
West Hills	1,200	26,237,353	7,871	9,071	8,425	646	7.67
West Kern	600	19,375,674	5,813	6,413	5,375	1,038	19.31
West Valley-Mission	1,800	78,793,540	21,195	22,995	21,730	1,265	5.82
Yosemite	1,800	72,694,343	20,158	21,958	21,878	80	0.37
Yuba	600	37,913,175	11,374	11,974	11,041	933	8.45
TOTALS	78,000	5,165,874,629	1,311,983	1,389,982	1,321,275	68,708	5.20

* Rate

GA&PTR up to \$60,000,000 x (0.0003), plus

GA&PTR over \$60,000,000 x (0.000170)