

FISCAL YEAR 2013 BUDGET AND DUES (Discussion/Action)

BACKGROUND

The League budget (Attachment 2.3A) 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.

Budgeted revenues for FY 2013 will decrease \$77,825 (-2.5%) under projected FY 2012 revenues. Revenue is based on 100% membership and an increase from the dues formula of \$25,160 (1.7%).

Projected net income from conferences and workshops for FY 2012 is approximately \$23,000 over the approved budget. However, due to budget constraints within the districts, we are conservatively projecting unchanged budgeted income for FY 2013. District services revenue is anticipated to increase slightly by \$14,830 from the FY 2012 approved budget.

Expenditures are budgeted to increase by \$26,904 (0.9%) above FY 2012 projected expenditures.

The proposed budget calls for revenues exceeding expenditures by \$8,933.

POLICY ISSUES

SALARIES AND FRINGE BENEFITS

Staff salaries and fringe benefits account for 64.1% of the total expenditures of the association in the proposed FY 2013 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, 53.8% in FY 2008, 54.9% in FY 2009, 57.1% in FY 2010, 57.1% in FY 2011 and 62.9% in FY 2012.

The increase in salaries and fringe benefits is primarily attributable to the incorporation of the assistant director of district services into the operating budget. The individual was previously a regional representative funded by the special assessment for budget advocacy, which was a restricted item not included in the operating budget.

League employees are not paid based on a salary schedule with automatic step increases. The budget proposes no changes to staff salaries for FY 2013.

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:

- \$40,000-60,000 for administrative staff positions
- \$50,000-85,000 for assistant director positions
- \$90,000-120,000 for director and vice president positions
- \$160,000-185,000 for the chief executive officer

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

League staff members participate in the California Public Employees Retirement System. The League's contribution for FY 2012 is 13.04% and expected to be 13.8% in FY 2013, and employees are required to contribute 7%.

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 | 4.2% | 4% |
| FY 2007 | 3.4% | 4% |
| FY 2008 | 3.4% | 4% |
| FY 2009 | 1.3% | 4% |
| FY 2010 | 0.7% | 0% (frozen) |
| FY 2011 | 1.4% | 2% |
| FY 2012 | 2.0% | 1% |
| FY 2013 | 2.0% | 0% (frozen) |

According to the Department of Finance, the California Consumer Price Index for FY 2013 is projected to increase 2.0%. Given the revenue projections for the League and uncertainty with the state budget, no adjustments to staff salaries are proposed.

The FY 2013 budget as proposed:

- Includes salaries within the above ranges;
- Freezes staff salaries
- Maintains other fringe benefits based on present policies and includes CalPERS participation;
- Reflects an increase in expenditures of \$69,104 (+3.8%) for salary and fringe benefit costs over the projected year-end expenditures for FY 2012, accounting for the incorporation of a staff person into the operating budget who was previously employed under restricted funds.

EDUCATION AND DEVELOPMENT SERVICES

The League sponsored 9 workshops, conferences, seminars and the convention this year. This category accounted for 13.2% of anticipated expenditures in FY 2012 and is budgeted at 13.1% for FY 2013. These events are budgeted to net (exclusive of salaries) \$43,800 for FY 2013.

The FY 2013 budget in this area includes:

- Continuation of the convention, trustees orientation, trustees annual conference, board chairs workshop, executive assistants workshop, legislative conference, vineyard symposium, classified leadership seminar, Asilomar leadership seminar, and student trustees orientation;
- Staffing for the northern and southern CEO conferences;
- Convention, conferences and workshops attendance projected to modestly decrease over last year's numbers, given continued local district budget cuts;
- 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 1.0% of the budget in FY 2013.

The League publishes *The News* as a print newsletter mailed to all trustees, CEOs and approximately 3,500 other college leaders. The *League in Action* is an electronic newsletter focusing on the activities, programs and services of the League and is e-mailed to approximately 5,100 individuals.

The League annually publishes the directory, which goes 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 2013:

- Maintains *The News* as a print publication mailed to approximately 4,000 CEOs, trustees and other college leaders;
- Maintains the *League in Action* as an electronic publication e-mailed to 5,100 users and posted to the League's website;
- 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 exceeded the budgeted amount for both FY 2011 and FY 2012. The anticipated revenue has been conservatively raised to reflect an ongoing trend.

WEBSITE & ASSOCIATION MANAGEMENT

The League's enhanced website was launched at the beginning in July 2008, and the budget provides funding to continue 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 17 meetings of the boards of the League, 7 meetings of the League advisory committees and 1 statewide CEO meeting.

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 to 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% of the League budget in FY 2013, unchanged from FY 2012. Costs for CEOCCC meetings were reduced by holding two meetings as conference calls, whereas typical years only have one.

The recommended budget for FY 2013:

- Maintains the number of CEOCCC board meetings at 9 and 1 statewide CEO meeting, with board meetings primarily in Sacramento;
- Provides for League board meetings at 4;
- Maintains the CCCT board meetings at 5;
- Continues funding for the Commission on the Future;
- Includes meeting costs for three advisory committees meeting 2-3 times during the year; and
- Provides continued funding for the Task Force on the Future of the League to explore strategic financing and operational issues for the organization.

OFFICE OPERATIONS/PROFESSIONAL SERVICES

In FY 2013, 5.4% of the League budget is expected to be spent on general office operations and professional services (6.0% in FY 2012). This category includes postage, telephone, supplies, equipment, maintenance, mortgage costs and consultants.

The recommended budget for FY 2013:

- Continues the investment in professional development activities tied to the employee evaluation process;
- Includes \$5,000 for obtaining the assistance of consultants as needed to help on initiatives of the League boards;
- Includes \$5,000 for legal assistance;
- Provides for an audit of the books as required by policy;
- 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% of the expenditures of the association is anticipated to be spent on staff travel in FY 2013. 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 and at local governing board meetings.

DISTRICT SERVICES

The district services area included fourteen distinct programs that resulted in a projection of \$1,077,460 in revenue during FY 2012. The FY 2013 budget projects revenue at a level of \$1,005,093.

The most significant risk for the organization continues to be the electronic information resources program, which is largely funded through categorical funds provided to community college districts. In FY 2010, there were significant reductions in the categorical funds most colleges use to purchase these services. In addition, the Chancellor's office has worked with the Council of Chief Librarians in order to negotiate statewide purchasing of three databases. While we did not see a significant reduction in database subscriptions in FY 2011 and FY 2012, it is possible that a large decline will occur in FY 2013 due to budget cuts and the statewide purchase and staff continues to conservatively project revenues for this program.

Projected expenses for the district services area, excluding compensation, were \$321,450 in FY 2012 and are expected to decrease to \$298,750 in FY 2013.

The FY 2013 district services budget includes:

- Rising fees and costs in Policy & Procedure service due to increased usage by districts;
- Maintenance of the other present programs now established;
- Revenue from the June 2012 TRANs received in FY 2013; 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 projects. Yearly expenditures for major equipment and furnishings and major building repair and upgrades are made from the designated reserves, and special or enhanced activities not of an ongoing nature are funded from the special projects reserve. 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 2012 projection shows the categorical reserves (current assets minus liabilities) at the end of the fiscal year at \$1,517,200. This is based on expenditures of \$175,939 (excluding redistricting pass-through) from the categorical reserves during FY 2012, matched by an end of year projected net operating revenue of \$113,662 and one-time increases totaling \$106,827 from the net proceeds of redistricting (\$38,842) and a Securities and Exchange Commission settlement with financial institutions relating to tax and revenue anticipation bond guaranteed investment contracts (\$67,985).

Categorical reserves are thus \$1,517,200, or 50.5% of FY 2013 budgeted expenditures. This level is approximately 6 months' cash flow and \$516,267 over the board policy to maintain at least a 4-month cash flow reserve (33.3% of expenditures).

LEAGUE DUES FORMULA – FY 2013

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 League's dues formula is based on the most recent complete fiscal year data, which is 2010-11. Therefore, because enrollment growth funding was provided in 2010-11, the dues formula results in an increase.

The following proposed dues formula for FY 2013 would increase dues revenue by \$25,160 (1.7%).

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.

This results in an average dues increase of \$333, with sixty-two districts paying higher dues in FY 2013 than FY 2012, and ten districts paying lower dues.

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?

RECOMMENDATION – DUES AND BUDGET

It is recommended the board adopt the FY 2013 budget and dues formula.

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
Budget Summary
LEAGUE OPERATING BUDGET

| | 2011-12 Adopted Budget | 2011-12 Year End Projections | 2012-13 Proposed Budget |
|-------------------------|------------------------------|------------------------------------|-------------------------------|
| REVENUE | | | |
| Dues | 1,439,337 | 1,439,938 | 1,464,497 |
| Corporate Partners | 60,000 | 83,000 | 75,000 |
| Conferences & Worksh | 437,000 | 451,625 | 437,000 |
| League on Call | 1,000 | 5,000 | 1,000 |
| District Services Progr | 990,293 | 1,077,400 | 1,005,093 |
| Publications | 12,700 | 8,500 | 9,100 |
| Rental Income | 15,948 | 16,000 | 15,948 |
| Phi Theta Kappa Awarc | 4,000 | 8,000 | 4,000 |
| Miscellaneous | 100 | 100 | 100 |
| Interest | 3,000 | 3,000 | 3,000 |
| Total Revenue | 2,963,378 | 3,092,563 | 3,014,738 |
| EXPENSES | | | |
| Boards | 60,250 | 59,400 | 60,250 |
| Committees | 16,000 | 20,000 | 16,000 |
| Corporate Partners Pro | 15,000 | 10,000 | 10,000 |
| Conferences & Worksh | 393,200 | 385,000 | 393,200 |
| League on Call | 1,000 | 5,000 | 1,000 |
| District Services Progr | 292,189 | 321,450 | 298,750 |
| Publications | 33,750 | 32,000 | 32,250 |
| Website & Assoc. Mgm | 2,500 | 2,500 | 2,500 |
| Staff | 1,851,166 | 1,872,666 | 1,925,270 |
| Office Operations | 177,479 | 165,376 | 161,576 |
| Professional Services | 25,000 | 25,000 | 29,000 |
| Memberships | 1,500 | 1,000 | 1,500 |
| Phi Theta Kappa Awarc | 10,000 | 10,000 | 10,000 |
| Other | 64,509 | 69,509 | 64,509 |
| Total Expenses | 2,943,543 | 2,978,901 | 3,005,805 |
| NET INCOME | 19,835 | 113,662 | 8,933 |

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA
 Budget Detail
 LEAGUE OPERATING BUDGET

| | 2011-12 Adopted Budget | 2011-12 Year End Projections | 2012-13 Proposed Budget |
|---|------------------------------|------------------------------------|-------------------------------|
| <u>REVENUE</u> | | | |
| <u>DUES</u> | 1,439,337 | 1,439,938 | 1,464,497 |
| <u>CORPORATE PARTNERS</u> | 60,000 | 83,000 | 75,000 |
| <u>ANNUAL CONVENTION</u> | | | |
| Registrations/Meals | 170,000 | 155,000 | 170,000 |
| Exhibits/Sponsors | 35,000 | 41,000 | 35,000 |
| Other | 1,000 | 0 | 1,000 |
| TOTAL CONVENTION | 206,000 | 196,000 | 206,000 |
| <u>LEGISLATIVE CONFERENCE</u> | | | |
| Registrations/Meals | 71,000 | 91,000 | 71,000 |
| Sponsors | 2,500 | 2,000 | 2,500 |
| TOTAL LEGISLATIVE CONFERENCE | 73,500 | 93,000 | 73,500 |
| <u>TRUSTEE EDUCATION & DEVELOPMENT</u> | | | |
| Annual Trustees Conference | 64,000 | 60,000 | 64,000 |
| Effective Trusteeship Workshop | 20,000 | 31,000 | 20,000 |
| Student Trustees Workshop | 14,000 | 12,000 | 14,000 |
| TOTAL TRUSTEE ED & DEV | 98,000 | 103,000 | 98,000 |
| <u>CEO EDUCATION & DEVELOPMENT</u> | | | |
| Vineyard Symposium | 7,500 | 9,000 | 7,500 |
| <u>OTHER ED AND DEVELOPMENT SERVICES</u> | | | |
| Classified Leadership Institute | 30,000 | 30,000 | 30,000 |
| Asilomar Leadership Skills Seminar | 22,000 | 37,000 | 22,000 |
| TOTAL OTHER ED/DEV SERVICES | 52,000 | 50,625 | 52,000 |
| <u>TOTAL CONFERENCES/WORKSHOPS</u> | 437,000 | 451,625 | 437,000 |
| <u>LEAGUE ON CALL</u> | 1,000 | 5,000 | 1,000 |
| <u>DISTRICT SERVICES PROGRAM</u> | | | |
| TRANS | 75,000 | 70,000 | 70,000 |
| Lease Revenue Bonds | 10,000 | 5,000 | 5,000 |
| Short Term Credit (Zions) | 1,000 | 1,000 | 1,000 |
| Electricity Purchase Program | 324,000 | 324,000 | 324,000 |
| Student Health Insurance Program | 10,000 | 10,000 | 10,000 |
| Electronic Information Resources | 300,000 | 300,000 | 300,000 |
| Charitable Gift Annuity Program | 2,000 | 2,000 | 2,000 |
| Policy & Procedure Service | 104,793 | 175,000 | 104,793 |

| | 2011-12 Adopted Budget | 2011-12 Year End Projections | 2012-13 Proposed Budget |
|---|------------------------------|------------------------------------|-------------------------------|
| <u>DISTRICT SERVICES PROGRAM (cont'd)</u> | | | |
| Retiree Health Benefits JPA | 125,000 | 125,000 | 125,000 |
| BoardDocs | 18,000 | 45,000 | 43,000 |
| Solar Purchasing and Financing Program | 20,000 | 20,000 | 20,000 |
| CalTRUST | 500 | 400 | 300 |
| TOTAL DISTRICT SERVICES PROGRAM | 990,293 | 1,077,400 | 1,005,093 |
| <u>PUBLICATIONS</u> | | | |
| Directory & Business and Consultants | 9,000 | 5,000 | 8,500 |
| Businesses and Consultants Directory | 3,000 | 3,000 | 0 |
| Introduction to Fiscal Responsibilities | 600 | 400 | 500 |
| Other | 100 | 100 | 100 |
| TOTAL PUBLICATIONS | 12,700 | 8,500 | 9,100 |
| <u>RENTAL INCOME</u> | 15,948 | 16,000 | 15,948 |
| <u>PHI THETA KAPPA AWARDS</u> | 4,000 | 8,000 | 4,000 |
| <u>MISCELLANEOUS</u> | 100 | 100 | 100 |
| <u>INTEREST</u> | 3,000 | 3,000 | 3,000 |
| TOTAL REVENUE | 2,963,378 | 3,092,563 129,185 | 3,014,738 |
| <u>EXPENSES</u> | | | |
| <u>BOARDS OF DIRECTORS</u> | | | |
| CCLC | | | |
| Meeting Travel | 4,500 | 3,000 | 4,500 |
| Meeting Space/Meals | 1,750 | 2,200 | 1,750 |
| Other Expenses | 2,500 | 500 | 2,500 |
| CCCT | | | |
| Meeting Travel | 15,000 | 15,000 | 15,000 |
| Meeting Space/Meals | 9,000 | 9,000 | 9,000 |
| Other Expenses | 2,000 | 1,500 | 2,000 |
| CEOCCC | | | |
| Meeting Travel | 17,000 | 15,000 | 17,000 |
| Meeting Space/Meals | 7,000 | 12,000 | 7,000 |
| Other Expenses | 500 | 200 | 500 |
| Awards/Recognition | 1,000 | 1,000 | 1,000 |
| TOTAL BOARDS OF DIRECTORS | 60,250 | 59,400 | 60,250 |
| <u>COMMITTEES</u> | | | |
| Advisory Committee on Legislation | 2,500 | 2,500 | 2,500 |
| Advisory Committee on Education Services | 2,500 | 2,500 | 2,500 |
| Advisory Committee on District Services | 1,000 | 0 | 1,000 |
| Commission on the Future | 5,000 | 8,000 | 5,000 |
| Organizational Task Force | 5,000 | 7,000 | 5,000 |
| TOTAL COMMITTEES | 16,000 | 20,000 | 16,000 |

| | 2011-12 Adopted Budget | 2011-12 Year End Projections | 2012-13 Proposed Budget |
|---|------------------------------|------------------------------------|-------------------------------|
| <u>CORPORATE PARTNERS PROGRAM</u> | 15,000 | 10,000 | 10,000 |
| <u>ANNUAL CONVENTION</u> | 180,000 | 175,000 | 180,000 |
| <u>LEGISLATIVE CONFERENCE</u> | 50,000 | 45,000 | 50,000 |
| <u>TRUSTEE EDUCATION & DEVELOPMENT</u> | | | |
| Annual Trustees Conference | 64,000 | 60,000 | 64,000 |
| Effective Trusteeship Workshop | 14,000 | 15,000 | 14,000 |
| Student Trustees Workshop | 12,000 | 13,000 | 12,000 |
| TOTAL TRUSTEE ED & DEV | 90,000 | 88,000 | 90,000 |
| <u>CEO EDUCATION & DEVELOPMENT</u> | | | |
| Vineyard Symposium | 16,000 | 14,000 | 16,000 |
| New CEO Meetings | 5,000 | 0 | 5,000 |
| TOTAL CEO ED & DEV | 21,000 | 14,000 | 21,000 |
| <u>OTHER ED AND DEVELOPMENT SERVICES</u> | | | |
| Classified Leadership Institute | 30,000 | 30,000 | 30,000 |
| Asilomar Leadership Skills Seminar | 22,000 | 31,000 | 22,000 |
| Other | 200 | 2,000 | 200 |
| TOTAL OTHER ED/DEV SERVICES | 52,200 | 63,000 | 52,200 |
| <i>TOTAL--CONVENTIONS/WORKSHOPS</i> | 393,200 | 385,000 | 393,200 |
| <u>LEAGUE ON CALL</u> | 1,000 | 5,000 | 1,000 |
| <u>DISTRICT SERVICES PROGRAM</u> | | | |
| Communications | 100 | 200 | 100 |
| Postage | 150 | 50 | 150 |
| Travel | 1,000 | 100 | 1,000 |
| Meetings | 1,000 | 100 | 1,000 |
| Policy and Procedures | 85,000 | 100,000 | 105,000 |
| Electronic Information Resources | 29,500 | 25,000 | 29,500 |
| Electricity Purchase Program | 95,000 | 95,000 | 95,000 |
| Collective Bargaining Database | 5,000 | | |
| Charitable Gift Annuity Program | 1,000 | 1,000 | 1,000 |
| Retiree Health Benefits JPA | 40,000 | 35,000 | 40,000 |
| BoardDocs | 14,439 | 45,000 | 6,000 |
| Solar Purchasing and Financing Program | 20,000 | 20,000 | 20,000 |
| Other | 0 | 0 | 0 |
| <i>TOTAL DISTRICT SERVICES PROGRAM</i> | 292,189 | 321,450 | 298,750 |

| | 2011-12 Adopted Budget | 2011-12 Year End Projections | 2012-13 Proposed Budget |
|---|------------------------------|------------------------------------|-------------------------------|
| <u>PUBLICATIONS</u> | | | |
| The NEWS | 7,500 | 6,000 | 7,500 |
| Directory & Business and Consultants Direct | 17,000 | 16,000 | 17,000 |
| Trustee Handbook/Guides | 2,500 | 3,000 | 3,000 |
| Board Focus | 3,750 | 3,000 | 3,750 |
| Introduction to Fiscal Responsibilities | 2,500 | 4,000 | 500 |
| Other Publications/Reports | 500 | - | 500 |
| TOTAL PUBLICATIONS | 33,750 | 32,000 | 32,250 |
| <u>WEBSITE & ASSOCIATION MANAGEMENT</u> | 2,500 | 2,500 | 2,500 |
| <u>STAFF</u> | | | |
| <u>Salaries</u> | 1,325,636 | 1,325,636 | 1,373,360 |
| <u>Fringe Benefits</u> | | | |
| Social Security & Unemployment Taxes | 101,273 | 101,273 | 106,190 |
| Health and Welfare | 202,999 | 202,999 | 213,044 |
| Pension Plan | 178,258 | 178,258 | 184,676 |
| TOTAL Fringe Benefits | 482,530 | 482,530 | 503,910 |
| <u>Travel</u> | | | |
| President/Chief Executive Officer | 18,000 | 25,000 | 18,000 |
| Vice President | 3,000 | 3,000 | 3,000 |
| Education Services | 3,000 | 1,000 | 3,000 |
| State Policy & Research | 1,000 | 500 | 1,000 |
| Fiscal Policy | 2,500 | 6,000 | 2,500 |
| Governmental Relations | 4,000 | 2,000 | 4,000 |
| TOTAL Travel | 31,500 | 37,500 | 31,500 |
| <u>Staff Development</u> | 10,000 | 25,000 | 15,000 |
| <u>Employee Search</u> | 500 | - | 500 |
| <u>Public Relations</u> | 1,000 | 2,000 | 1,000 |
| TOTAL STAFF | 1,851,166 | 1,872,666 | 1,925,270 |
| <u>OFFICE OPERATIONS</u> | | | |
| <u>Supplies</u> | | | |
| General | 15,000 | 10,000 | 12,000 |
| Legislative | 500 | 1,500 | 2,000 |
| Copier | 500 | - | 500 |
| Copier/Leg. | 100 | - | 100 |
| TOTAL Supplies | 16,100 | 11,500 | 14,600 |
| <u>Postage</u> | | | |
| General | 7,500 | 6,500 | 7,500 |
| Legislative | 500 | 200 | 500 |
| TOTAL Postage | 8,000 | 6,700 | 8,000 |

| | 2011-12 Adopted Budget | 2011-12 Year End Projections | 2012-13 Proposed Budget |
|---|------------------------------|------------------------------------|-------------------------------|
| <u>Telecommunications</u> | | | |
| General | 12,000 | 12,000 | 12,000 |
| Legislative | 2,500 | 4,000 | 4,500 |
| TOTAL Telecommunications | 14,500 | 16,000 | 16,500 |
| <u>Equipment (Maintenance, Rental)</u> | | | |
| General | | | |
| Copiers | 13,000 | 13,000 | 13,000 |
| Computer Maintenance/Upgrade | 6,000 | 8,000 | 6,000 |
| Web/Email Hosting | 8,000 | 7,000 | 8,000 |
| Postage Meter | 12,000 | 7,500 | 8,000 |
| Miscellaneous | 600 | - | 600 |
| FAX (Maintenance & Phone Charges) | 1,400 | 750 | 1,400 |
| <u>Equipment (Maintenance, Rental)</u> | | | |
| Legislative | | | |
| Copier | 5,800 | 4,500 | 5,800 |
| Computer Maintenance/Upgrade | 1,000 | 1,000 | 1,000 |
| Web/Email Hosting | 500 | 500 | 500 |
| Postage Meter | 1,100 | 1,300 | 500 |
| FAX (Maintenance & Phone Charges) | 500 | 350 | 500 |
| Miscellaneous | 100 | 100 | 100 |
| TOTAL Equipment Maintenance | 50,000 | 44,000 | 45,400 |
| <u>Housing</u> | | | |
| Mortgage | 18,426 | 18,426 | 18,426 |
| Utilities | 15,000 | 15,000 | 15,000 |
| Maintenance/Repair | 10,000 | 10,000 | 10,000 |
| Custodial | 7,800 | 7,000 | 7,800 |
| Security | 3,100 | 3,100 | 3,100 |
| L Street office | 11,803 | 12,400 | 0 |
| TOTAL Housing | 66,129 | 65,926 | 54,326 |
| <u>Insurance</u> | 12,000 | 10,000 | 12,000 |
| <u>Reference Library</u> | 4,000 | 4,000 | 4,000 |
| <u>Legislative Bill Room</u> | 750 | 750 | 750 |
| <u>Legislative Bill Tracking and Monitoring</u> | 6,000 | 6,500 | 6,000 |
| TOTAL OFFICE OPERATIONS | 177,479 | 165,376 | 161,576 |
| <u>PROFESSIONAL SERVICES</u> | | | |
| Legal Services | 1,000 | 1,000 | 5,000 |
| Accounting Services | 19,000 | 19,000 | 19,000 |
| Other | 5,000 | 5,000 | 5,000 |
| TOTAL PROFESSIONAL SERVICES | 25,000 | 25,000 | 29,000 |
| <u>MEMBERSHIPS</u> | 1,500 | 1,000 | 1,500 |

| | 2011-12 Adopted Budget | 2011-12 Year End Projections | 2012-13 Proposed Budget |
|-------------------------------|------------------------------|------------------------------------|-------------------------------|
| <u>PHI THETA KAPPA AWARDS</u> | 10,000 | 10,000 | 10,000 |
| <u>OTHER</u> | | | |
| Property Taxes | 12,559 | 12,559 | 12,559 |
| Corporate Filing Fees, etc. | 200 | 200 | 200 |
| Bank Charges | 3,500 | 3,500 | 500 |
| Online Credit Card Fees | 15,000 | 20,000 | 18,000 |
| Depreciation Expense | 33,000 | 33,000 | 33,000 |
| Miscellaneous | 250 | 250 | 250 |
| TOTAL OTHER | 64,509 | 69,509 | 64,509 |
| TOTAL EXPENSES | 2,943,543 | 2,978,901 | 3,005,805 |
| NET INCOME (LOSS) | 19,835 | 113,662 | 8,933 |

| | Beginning Balance July 2011 | FY 12 Projected Expenditures | FY 12 Projected Revenues | Projected Net Revenue Distribution | Ending Projected June 2012 |
|--|-----------------------------------|------------------------------------|--------------------------------|--|----------------------------------|
| Net Assets | | | | | |
| Undesignated (long term assets minus liabilities) | 240,177 | - | - | - | 240,177 |
| Categorical Reserves (current assets minus liabilities) | | | | | |
| Operating | 300,008 | | | | 300,008 |
| Equipment/Furnishings | 162,524 | 27,975 | - | 35,000 | 169,549 |
| Building | 177,076 | 23,371 | - | 50,000 | 203,705 |
| Special Programs | 833,132 | 124,593 | - | 135,399 | 843,938 |
| Total categorical reserves | 1,472,740 | 175,939 | - | 220,399 | 1,517,200 |
| <i>One-time activities (net included above net revenue distribution)</i> | | | | | |
| | | Expenditures | Revenues | | |
| SEC settlement | - | one-time 611,862 | 679,846 | | |
| Redistricting | - | one-time 488,658 | 527,500 | | |
| Total Net Undesignated and Reserve Ass | 1,712,917 | | | | 1,757,377 |

Major one-time expenditures for 2011-12: Actual

Equipment

| | | |
|---------------------------|---------------|----------|
| Conference room furniture | 4,056 | |
| Computers | 17,735 | |
| Conferencing equipment | 6,183 | |
| | 27,975 | 1 |

Building

| | | |
|-------------------|---------------|----------|
| New HVAC Unit | 15,336 | |
| Exterior painting | 8,035 | |
| | 23,371 | 2 |

Special Programs

| | | |
|------------------------------------|----------------|----------|
| Budget advocacy/district svc staff | 60,090 | |
| Governor's tax measure | 25,000 | |
| CA Coalition for Public Higher Ed | 25,000 | |
| Other programs | 14,503 | |
| | 124,593 | 3 |

Balance in excess of 33% Reserves **516,267**

* Board policy requires a minimum of 33.% of expenditures (\$1,000,933 for FY 2013)

Anticipated major one-time expenditures for 2012-13:

Projected

Building

Equipment/Furnishings

Equipment upgrades 25,000

Special Programs

| | |
|--|--------|
| Governor's Tax Measure | 25,000 |
| Jack Scott Retirement | 20,000 |
| Staff Development | 20,000 |
| Sponsorships (APAHE, A2MEND, Federal b | 5,000 |

TOTAL 95,000

DRAFT FY 2013 LEAGUE DUES CALCULATION

| <u>District</u> | <u>Basic Service Fee</u> | <u>Gen Appt & Prop Tax Rev</u> | <u>GA&PTR x rate *</u> | <u>Actual 2011-12 Dues</u> | <u>Formula 2012-13 Dues</u> | <u>Change from 2011-12 Dues</u> |
|---------------------|--------------------------|------------------------------------|----------------------------|----------------------------|-----------------------------|---------------------------------|
| Allan Hancock Joint | 600 | 44,613,997 | 13,384 | \$13,955 | \$13,984 | \$29 |
| Antelope Valley | 600 | 54,080,595 | 16,224 | \$16,422 | \$16,824 | \$402 |
| Barstow | 600 | 13,840,839 | 4,152 | \$4,747 | \$4,752 | \$5 |
| Butte | 600 | 53,942,115 | 16,183 | \$17,273 | \$16,783 | -\$491 |
| Cabrillo | 600 | 51,225,935 | 15,368 | \$15,566 | \$15,968 | \$402 |
| Cerritos | 600 | 76,807,945 | 20,857 | \$21,324 | \$21,457 | \$134 |
| Chabot-Las Positas | 1,800 | 79,371,452 | 21,293 | \$22,681 | \$23,093 | \$412 |
| Chaffey | 600 | 66,879,703 | 19,170 | \$19,893 | \$19,770 | -\$123 |
| Citrus | 600 | 51,984,989 | 15,595 | \$16,055 | \$16,195 | \$141 |
| Coast | 2,400 | 154,446,898 | 34,056 | \$35,553 | \$36,456 | \$903 |
| Compton | 600 | 32,061,577 | 9,618 | \$9,021 | \$10,218 | \$1,198 |
| Contra Costa | 2,400 | 136,448,173 | 30,996 | \$33,175 | \$33,396 | \$221 |
| Copper Mountain | 600 | 10,305,739 | 3,092 | \$3,719 | \$3,692 | -\$27 |
| Desert | 600 | 32,220,579 | 9,666 | \$10,310 | \$10,266 | -\$44 |
| El Camino | 600 | 90,463,959 | 23,179 | \$23,165 | \$23,779 | \$614 |
| Feather River | 600 | 10,826,715 | 3,248 | \$3,830 | \$3,848 | \$18 |
| Foothill-DeAnza | 1,800 | 142,179,441 | 31,971 | \$33,827 | \$33,771 | -\$56 |
| Gavilan Joint | 600 | 26,111,733 | 7,834 | \$8,268 | \$8,434 | \$165 |
| Glendale | 600 | 70,032,798 | 19,706 | \$20,134 | \$20,306 | \$172 |
| Grossmont-Cuyamaca | 1,800 | 83,458,196 | 21,988 | \$23,325 | \$23,788 | \$463 |
| Hartnell | 600 | 33,744,109 | 10,123 | \$10,464 | \$10,723 | \$260 |
| Imperial Valley | 600 | 34,064,075 | 10,219 | \$10,552 | \$10,819 | \$267 |
| Kern | 2,400 | 98,174,167 | 24,490 | \$26,523 | \$26,890 | \$367 |
| Lake Tahoe | 600 | 12,020,274 | 3,606 | \$4,018 | \$4,206 | \$188 |
| Lassen | 600 | 11,766,860 | 3,530 | \$4,074 | \$4,130 | \$56 |
| Long Beach | 600 | 98,371,123 | 24,523 | \$24,341 | \$25,123 | \$782 |
| Los Angeles | 6,000 | 473,927,506 | 88,368 | \$92,220 | \$94,368 | \$2,148 |
| Los Rios | 3,000 | 242,617,855 | 49,045 | \$50,614 | \$52,045 | \$1,431 |
| Marin | 600 | 38,823,988 | 11,647 | \$12,380 | \$12,247 | -\$132 |
| Mendocino-Lake | 600 | 17,671,283 | 5,301 | \$5,791 | \$5,901 | \$110 |
| Merced | 600 | 47,304,205 | 14,191 | \$14,717 | \$14,791 | \$74 |
| MiraCosta | 600 | 72,368,218 | 20,103 | \$21,026 | \$20,703 | -\$323 |
| Monterey Peninsula | 600 | 36,050,636 | 10,815 | \$11,320 | \$11,415 | \$95 |
| Mt. San Antonio | 600 | 126,041,248 | 29,227 | \$29,308 | \$29,827 | \$519 |
| Mt. San Jacinto | 600 | 48,161,069 | 14,448 | \$14,378 | \$15,048 | \$670 |
| Napa Valley | 600 | 28,108,938 | 8,433 | \$8,895 | \$9,033 | \$138 |
| North Orange County | 1,800 | 145,445,258 | 32,526 | \$33,085 | \$34,326 | \$1,240 |
| Ohlone | 600 | 39,367,844 | 11,810 | \$12,049 | \$12,410 | \$361 |
| Palo Verde | 600 | 11,629,214 | 3,489 | \$4,092 | \$4,089 | -\$3 |
| Palomar | 600 | 87,398,761 | 22,658 | \$22,806 | \$23,258 | \$451 |
| Pasadena | 600 | 98,106,297 | 24,478 | \$24,919 | \$25,078 | \$159 |
| Peralta | 3,000 | 94,936,405 | 23,939 | \$26,605 | \$26,939 | \$334 |

| <u>District</u> | <u>Basic Service Fee</u> | | <u>GA&PTR x rate *</u> | <u>Actual 2011-12 Dues</u> | <u>Formula 2012-13 Dues</u> | <u>Change from 2011-12 Dues</u> |
|------------------------|--------------------------|----------------------|----------------------------|----------------------------|-----------------------------|---------------------------------|
| Rancho Santiago | 1,800 | 129,848,097 | 29,874 | \$31,055 | \$31,674 | \$619 |
| Redwoods | 600 | 26,734,036 | 8,020 | \$8,488 | \$8,620 | \$132 |
| Rio Hondo | 600 | 62,872,626 | 18,488 | \$18,689 | \$19,088 | \$399 |
| Riverside | 2,400 | 122,495,112 | 28,624 | \$30,182 | \$31,024 | \$842 |
| San Bernardino | 1,800 | 67,104,973 | 19,208 | \$20,648 | \$21,008 | \$359 |
| San Diego | 2,400 | 183,757,529 | 39,039 | \$40,718 | \$41,439 | \$721 |
| San Francisco | 600 | 157,579,348 | 34,588 | \$35,939 | \$35,188 | -\$751 |
| San Joaquin Delta | 600 | 76,489,523 | 20,803 | \$20,805 | \$21,403 | \$599 |
| San Jose-Evergreen | 1,800 | 70,956,916 | 19,863 | \$21,227 | \$21,663 | \$436 |
| San Luis Obispo County | 600 | 46,043,057 | 13,813 | \$13,495 | \$14,413 | \$917 |
| San Mateo County | 2,400 | 100,709,705 | 24,921 | \$26,351 | \$27,321 | \$970 |
| Santa Barbara | 600 | 69,455,991 | 19,608 | \$19,987 | \$20,208 | \$221 |
| Santa Clarita | 600 | 67,590,300 | 19,290 | \$19,382 | \$19,890 | \$509 |
| Santa Monica | 600 | 96,747,254 | 24,247 | \$24,429 | \$24,847 | \$418 |
| Sequoias | 600 | 43,012,255 | 12,904 | \$13,153 | \$13,504 | \$351 |
| Shasta-Tehama-Trinity | 600 | 36,299,906 | 10,890 | \$11,023 | \$11,490 | \$467 |
| Sierra Joint | 600 | 70,269,407 | 19,746 | \$20,001 | \$20,346 | \$345 |
| Siskiyou Joint | 600 | 14,695,637 | 4,409 | \$5,037 | \$5,009 | -\$28 |
| Solano County | 600 | 45,039,247 | 13,512 | \$13,473 | \$14,112 | \$638 |
| Sonoma County | 600 | 88,001,415 | 22,760 | \$23,021 | \$23,360 | \$339 |
| South Orange County | 1,800 | 145,120,856 | 32,471 | \$34,618 | \$34,271 | -\$347 |
| Southwestern | 600 | 72,146,082 | 20,065 | \$20,725 | \$20,665 | -\$61 |
| State Center | 1,800 | 128,102,194 | 29,577 | \$30,778 | \$31,377 | \$600 |
| Ventura County | 2,400 | 120,705,563 | 28,320 | \$30,091 | \$30,720 | \$629 |
| Victor Valley | 600 | 45,804,501 | 13,741 | \$14,144 | \$14,341 | \$198 |
| West Hills | 1,800 | 28,685,251 | 8,606 | \$10,381 | \$10,406 | \$25 |
| West Kern | 600 | 18,187,437 | 5,456 | \$6,317 | \$6,056 | -\$261 |
| West Valley-Mission | 1,800 | 78,782,886 | 21,193 | \$22,619 | \$22,993 | \$374 |
| Yosemite | 1,800 | 80,670,551 | 21,514 | \$23,025 | \$23,314 | \$289 |
| Yuba | 1,800 | 42,663,325 | 12,799 | \$14,277 | \$14,599 | \$322 |
| TOTALS | 81,600 | 5,513,973,691 | 1,382,897 | 1,439,337 | 1,464,497 | \$25,160 |

* Rate

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

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