

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT



EXECUTIVE SUMMARY 2007-2008 ADOPTION BUDGET SEPTEMBER 11, 2007

BUDGET HIGHLIGHTS

- The Adoption Budget for FY 08 is based on SB 361 (the new state funding formula for community colleges implemented in FY07), as well as the District's new Budget Allocation Model approved by the Board in May 2007.
- During 2006-07 the District reported restoration of 650 FTES lost in prior years due to enrollment decline, and borrowed only about one half of summer 2007 as compared to the prior year. This budget reflects revenue still below base of approximately \$4.3 million. Any addition restoration that may be earned in FY 2008 is not included in the budget.
- Although contract negotiations are in process, the budget includes an approximate 6.23% increase in compensation.
- The budget reflects full implementation requirements as GASB 45 as it applies to our Retiree Health Liability, as well as partial funding toward that end. The District's most recent Retiree Health Actuarial reflects a long-term liability of \$150 million.
- In order to ensure financial stability, in FY 07 the Board established reserves to weather state-wide budget shortfalls, fluctuations in enrollment, and unanticipated increases in costs, without imposing mid-year cuts, while maintaining a state-required minimum prudent reserve of 5%. The Board approved the FY08 budget assumptions in May 2007, segregating reserves into four distinct general fund reserves: (1) Designated Reserve - State-required minimum 5% (in accordance with State Chancellor's Office Accounting Advisory FS 05-05); (2) Designated Reserve – Revenue shortfall contingency (to protect against statewide property tax and enrollment fee shortfall, as well as district enrollment decline, and any other revenue shortfall); (3) Unrestricted Reserve – Unallocated (the portion of the ending balance as of 6/30/07 which is greater than the amount required for the reserves); and (4) Designated Reserve – Budget carryover, which is not a true reserve as it is budgeted for full expenditure in 2007-08.

2007-2008 ADOPTION BUDGET GENERAL FUND - UNRESTRICTED BUDGET OVERVIEW

BUDGET ROLLOVER	1,260,124
USE OF RESERVES - Augmentation for Salary Increase	1,000,000
REVENUE	131,828,942
TOTAL RESOURCES	134,089,066
TOTAL EXPENDITURES	134,089,066

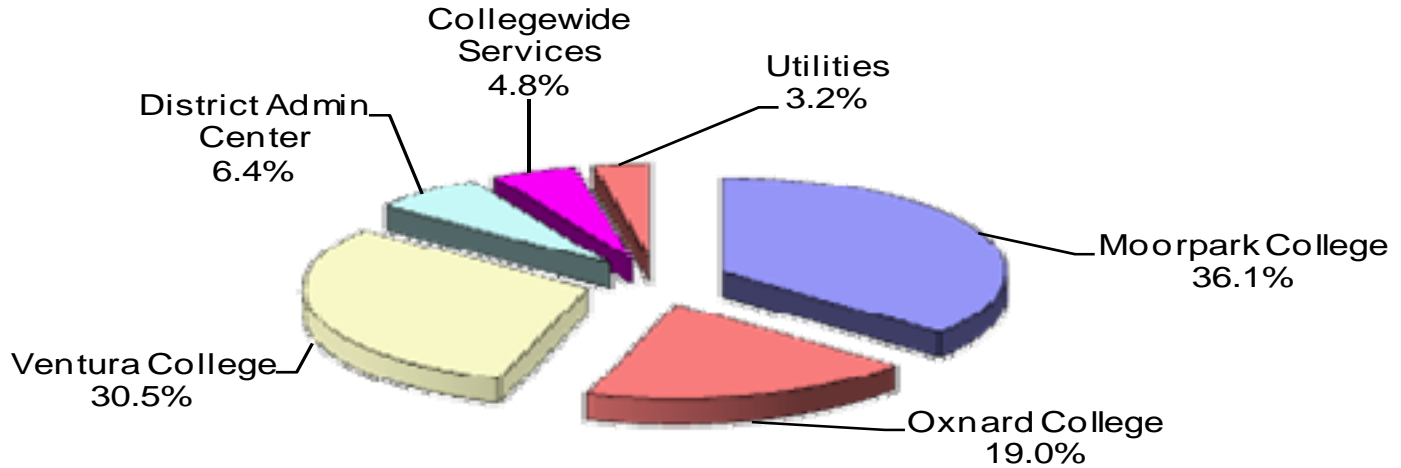
2007-08 ADOPTION BUDGET GENERAL FUND – UNRESTRICTED BUDGET COMPARISON

	2007-08		2006-07		Change from Prior Year	Percent of Change
	Adoption Budget	Percent of Budget	Actual Expenses	Percent of Budget		
Faculty Salaries	56,856,657	42.4%	51,776,146	42.2%	5,080,511	44.8%
Classified Salaries	22,432,312	16.7%	19,177,460	15.6%	3,254,852	28.7%
Management Salaries	6,055,426	4.5%	4,672,873	3.8%	1,382,553	12.2%
Employee Benefits	27,616,032	20.6%	25,504,670	20.8%	2,111,362	18.6%
Supplies & Materials	2,649,731	2.0%	1,352,052	1.1%	1,297,679	11.4%
Other Operating Expenses	14,556,276	10.9%	12,006,562	9.8%	2,549,714	22.5%
Capital Outlay/Equipment	1,540,150	1.1%	2,114,059	1.7%	(573,909)	-5.1%
Transfers In/Out	2,382,482	1.8%	6,146,291	5.0%	(3,763,809)	-33.2%
	134,089,066	100.0%	122,750,113	100.0%	11,338,953	100.0%
					9.24%	

2007-08 ADOPTION BUDGET GENERAL FUND - UNRESTRICTED COMPARISON BY SITE

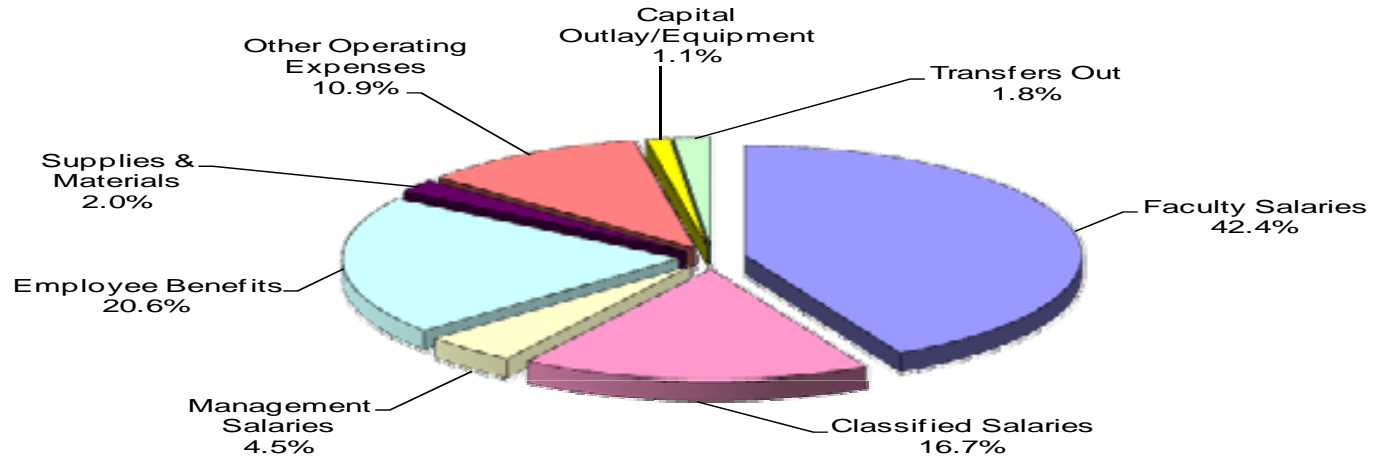
	2007-08 Adoption Budget	2006-07 Actual Expense	2006-07 Adoption Budget
Moorpark College	48,422,517	43,424,138	43,957,920
Oxnard College	25,413,077	24,344,715	24,607,625
Ventura College	40,880,114	37,945,530	38,329,612
District Administrative Ctr	8,580,402 *	7,103,249	7,182,599
Collegewide Services (CWS)	6,486,956	6,050,311	6,298,615
Utilities	4,306,000	3,882,170	3,682,414
Total Expenses	134,089,066	122,750,113	124,058,785
* Includes transferring of costs from colleges of \$214K and CWS of \$511K.			

BY LOCATION



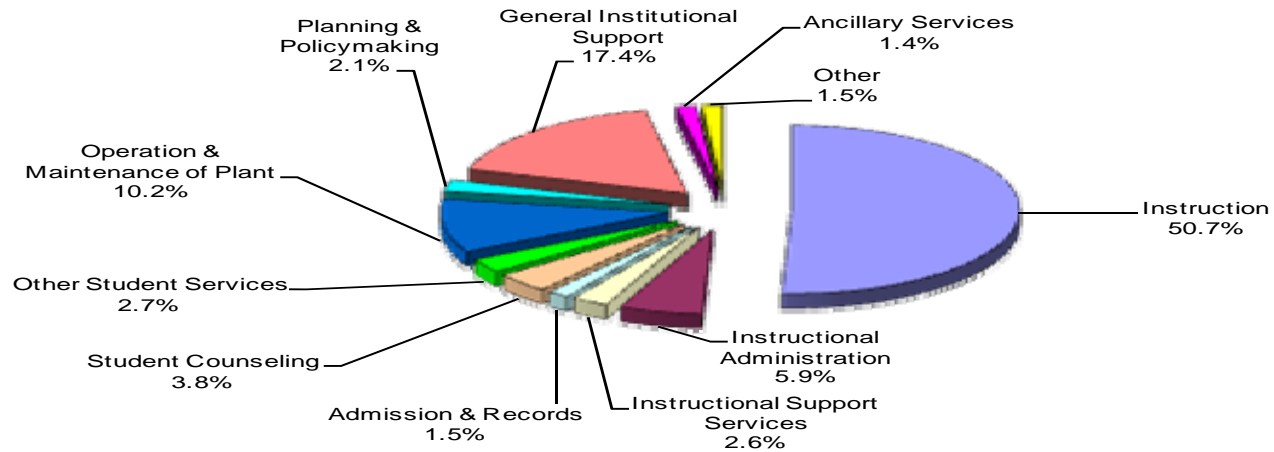
Moorpark College	48,422,517	36.1%
Oxnard College	25,413,077	19.0%
Ventura College	40,880,114	30.5%
District Admin Center	8,580,402	6.4%
Collegewide Services	6,486,956	4.8%
Utilities	4,306,000	3.2%
Total	134,089,066	100.0%

BY EXPENDITURE CATEGORY



Faculty Salaries	56,856,657	42.4%
Classified Salaries	22,432,312	16.7%
Management Salaries	6,055,426	4.5%
Employee Benefits	27,616,032	20.6%
Supplies & Materials	2,649,731	2.0%
Other Operating Expenses	14,556,276	10.9%
Capital Outlay/Equipment	1,540,150	1.1%
Transfers Out	2,382,482	1.8%
Total	134,089,066	100.0%

BY PROGRAM



Instruction	68,000,348	50.7%
Instructional Administration	7,860,170	5.9%
Instructional Support Services	3,495,118	2.6%
Admission & Records	2,053,984	1.5%
Student Counseling	5,124,205	3.8%
Other Student Services	3,686,002	2.7%
Operation & Maintenance of Plant	13,736,933	10.2%
Planning & Policymaking	2,864,441	2.1%
General Institutional Support	23,331,300	17.4%
Ancillary Services	1,924,035	1.4%
Other	2,012,529	1.5%
Total	134,089,066	100.0%

2007-2008 BUDGETED RESERVES GENERAL FUND - UNRESTRICTED

STATE REQUIRED MINIMUM - 5%	6,831,024
REVENUE SHORTFALL CONTIGENCY	1,000,000
UNALLOCATED	4,305,744
TOTAL RESERVES	12,136,768
DESIGNATED FOR SALARY INCREASE AUGMENTATION	1,000,000
DESIGNATED FOR BUDGET ROLLOVER	1,260,124

2007-08 ADOPTION BUDGET BUDGET SUMMARY BY FUND

	2007-08 Adoption Budget	Percent of Total
General Fund - Unrestricted	146,225,836	60.1%
General Fund - Designated	4,259,398	1.8%
General Fund - Restricted	23,969,663	9.9%
Health Service Fund	4,686,263	1.9%
Parking Services Fund	2,863,012	1.2%
Child Development Fund	1,687,347	0.7%
Bookstore Fund	15,268,826	6.3%
Cafeteria Fund	1,599,842	0.7%
Internal Services Fund	14,928,673	6.1%
Financial Aid Fund	11,975,700	4.9%
Capital Projects Fund *	15,708,816	6.5%
Total All Funds	243,173,376	100.0%
* Does not include Measure S funds of \$256,454,107		

BUDGET CHALLENGES/OPPORTUNITIES

- The State budget continues to be a challenge for all state-funded agencies, as the legislature/Governor once again failed to pass a balanced budget. The state general fund budget includes the use of other resources, such as transportation funds, etc., which will not be available in the future. This could cause issues of funding shortfalls for the District in the future years.
- The District must develop an environment that ensures stability and sustainability of enrollment and revenue, and balance all needs to ensure that sustainability.
- Enrollment continues to be our biggest challenge **and** opportunity. In recent years, the District's base revenue has been reduced significantly due to the decline in enrollment, and is still approximately \$4.3 million below base. Many enrollment management strategies have been implemented but, for budget purposes, we are assuming stable enrollment for FY08. Although we are anticipating additional restoration in FY08, it is the policy of the District to no longer budget growth or restoration prior to earning that revenue.
- The District has the opportunity to generate additional revenue by restoring FTES lost in prior years, as well as growing to the CAP allowed. For each credit FTES generated above our current level of 24,813, the district would generate \$4,565 that would be available for expenditure in FY09 and beyond.
- The budget for FY08 was built with a deficit, utilizing \$1,000,000 of reserves to fund projected expenditures, including salary augmentations. This action assumes that the District will generate revenue in FY08 and/or FY09 beyond the amount that is already committed.