

**BOARD REPORT NO. 10-6-101B**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: James Keller, Executive Vice Chancellor, 358-6790

**ADOPTION OF THE 2010-11 TENTATIVE BUDGET**

In accordance with State law, the Tentative Budget must be adopted by the Board of Trustees on or before July 1, 2010. The budget will be revised during the summer to reflect needed changes resulting from passage of the State Budget and from 2009-10 year-end close activities. The Tentative Budget also will be revised to reflect other revisions that occur up to the time that the Final Budget is presented to the Board of Trustees for approval on September 22, 2010.

The Tentative Budget is derived from revenue projections based upon the latest information available from the State Chancellor’s Office and estimates for local revenue. Expenditure projections are based upon data currently available relating to District obligations, set-asides, and site allocations. The Tentative Budget is a compilation of information presented to the Board subsequent to adoption of the 2010-11 Budget and Planning Calendar on January 27, 2010.

**RECOMMENDATION**

To meet the California Code of Regulations, Section 58305 requirements for Tentative Budget approval, to proceed with the orderly closing of the 2009-10 accounting records, and to begin 2010-11 disbursements in July 2010, it is recommended that the Board of Trustees adopt the following Tentative Budget:

General Fund, Unrestricted	\$ 124,489,924
General Fund, Restricted	18,906,142
Self-Insurance Fund	9,473,116
Debt Service Fund	45,883,207
Capital Projects Fund	247,897,174
Bookstore Fund	14,879,676
Cafeteria Fund	599,405
Child Development Fund	1,267,449
Trust Funds (Financial Aid)	15,054,137
Reserve Fund for Post-Retirement Benefits	<u>39,785,132</u>
<b>TOTAL – ALL FUNDS</b>	<b>\$ 518,235,362</b>

THE TENTATIVE BUDGET REPORT provides a summary of 2010-11 State and District budget planning information. It focuses primarily on the Unrestricted General Fund; however, preliminary information is also included about other District funds shown in detail on Exhibits B through J.

## **Budget Planning**

The District has adhered to stated timelines set forth in the budget calendar approved by the Board of Trustees in January. A more thorough review of the District's resource allocation began in fall 2009 shortly after the 2009-10 State budget was adopted. All throughout the spring semester, the District Committee on Budget and Finance reviewed the Resource Allocation model implemented in 2006-07, along with income assumptions and expenditure plans. Chief Financial Officer Kathy Blackwood distributed samples of other districts' resource allocation models for comparison. Committee members expressed opinions and concerns from their constituencies regarding line items and distribution formulas contained in the SMCCCD allocation model. Questions raised at the Colleges' budget committees were shared at the regular District Committee on Budget and Finance meetings and concerns were addressed by College and District Administration. The current model will continue to undergo review as necessary.

For the third consecutive fiscal year, California is experiencing extreme fiscal challenges and the State is unable to balance its budget. Faced with this reality, the District has been proactive and has anticipated much of what has been laid out in the Governor's budget. The three Colleges and District Office have reduced their allocations by 10% in 2009-10 with an additional 10% reduction to their 2010-11 allocations. In recent months, there have been lengthy discussions regarding budget cuts at Board meetings as a multitude of ideas and testimonies from staff, students and the community were presented.

Chancellor Galatolo has sent regular email updates to the college community on the budget situation and will continue to work over the summer with local legislators and various advocacy groups to protect education from further reductions. The SMCCCD community has been encouraged to contact their legislators to support community colleges.

## ***MAY REVISION***

The Governor revealed revisions to his January budget proposal on May 14. As the nation continues to deal with the severe economic recession, shrinking state budgets have drastically reduced funding for California community colleges. Governor Schwarzenegger proposed to close the \$19.1 billion budget gap by cutting spending (\$12.4 billion), federal relief (\$3.4 billion), alternative funding (\$1.3 billion) and fund shifts or borrowing (\$2 billion).

In his budget update on June 1, State Vice Chancellor Erik Skinner summarized the Legislative Analyst's Office analysis of the May Revise relating to community colleges:

*The LAO recommends rejection of two of the Governor's more controversial proposals—the elimination of CalWORKs and drastic reduction in child care programs. Instead, they recommend alternative spending reductions as well as revenue increases in order to close the \$19.1 billion budget gap. Highlights include:*

- *Due to a slightly more optimistic economic forecast, LAO estimates state revenues will be approximately \$1.4 billion higher than estimated by the Administration (\$400 million in 2009-10 and \$1 billion in 2010-11).*
- *LAO recommends that the Legislature suspend Proposition 98. This proposal is primarily intended to eliminate legal uncertainty about the Proposition 98 minimum funding guarantee,*

*rather than to create state budget savings. LAO provides a number of options under which the Legislature could provide various levels of funding for K-12 schools and community colleges.*

- *For the community colleges, LAO recommends reducing funding for Physical Education courses. Rather than reduce the funding rate for PE courses, as they have proposed in the past, this time LAO proposes limiting the amount of PE instruction by imposing district-level caps on the amount of FTES that can be claimed in PE. As part of this proposal, community college apportionments would be reduced by \$150 million. LAO estimates that this would result in a statewide reduction of 50 percent in PE instruction.*

*In response to this proposal, we have argued that the \$120 million in workload reduction that was included in the current year community college budget was aimed at reducing lower priority courses outside the areas of basic skills, CTE, and transfer and that is what the colleges are currently in the process of doing. It would thus be unfair and premature to cut the community colleges a second time, since it will not be until early fall that we have complete data on which course offerings were cut in 2009-10. While LAO's new PE proposal has not gained much traction since its release, it reflects the continued scrutiny that we will face concerning how we use our FTES funding. If the Legislature is forced to cut Proposition 98 spending, it is possible this proposal could gain steam.*

- *In addition, LAO continues to recommend that community college student fees be increased to \$40 per credit unit with the resulting revenues dedicated to: 1) funding 2.21 percent enrollment growth (thus saving the state \$126 million in General Fund resources compared to the Governor's budget); and 2) rejecting the Governor's proposal for a negative 0.38 percent COLA (at a cost of \$23 million). At this point, the fee increase proposal has not received much support in the Legislature. However, it is common for community college student fees to be a late hour negotiation as the overall community college budget package comes together.*
- *LAO recommends that the Legislature consider new revenue options, including: 1) extending temporary tax increases and delaying tax breaks adopted in February 2009; 2) eliminating certain tax credits, exemption, and deductions; 3) increasing fees, including those paid by community college students; and 4) increasing targeted taxes (Vehicle License Fee and alcohol).*

The Senate and Assembly budget committees finalized their budget packages at the end of May in time to present the Joint Legislative Conference Committee (three Democrats and two Republicans from each house) the following community college highlights. This process will take several weeks as the committee discusses and reconciles the items where there are differences between the two versions.

**Senate:**

- ✓ \$126 million for enrollment funding (2.21 percent)
- ✓ Rejected negative COLA
- ✓ Rejected Governor's proposed \$10 million cut to EOPS
- ✓ Rejected Governor's proposed \$10 million cut to Part-Time Faculty Compensation
- ✓ Rejected Governor's proposed \$20 million augmentation for SB 70 CTE programs
- ✓ Redirected \$3.8 million in Basic Skills categorical funds to establish a pot of incentive funding for districts that increase completion rates in Basic Skills courses.
- ✓ Modified funding formula for Financial Aid Administration categorical dollars to be based on number of Pell Grant recipients rather than BOG Waiver recipients.

## **Assembly:**

- ✓ \$129 million for enrollment funding (2.26 percent)
- ✓ \$100 million augmentation for the Economic and Workforce Development program to support workforce training enrollments
- ✓ Rejected negative COLA
- ✓ \$383 million in one-time funding to fully pay the backlog of community college mandate claims (an additional \$983 million is provided for K-12 mandate claims)

Based on budget deliberations over the summer, we can expect the final budget to contain significant adjustments from those noted at the time the Tentative Budget was prepared.

## **Enrollment**

Despite record unemployment attracting adults to return to school, community colleges experienced a one percent drop in enrollment. This decline is due to lack of funding rather than lack of demand. State Chancellor Jack Scott stated that the 112-college system is likely to reduce its enrollment by about 250,000 students in the coming academic year. Community colleges across the State are expected to enroll as many students as institutional funds will permit while facing the paradox of enrollment increases as State funding decreases. Many colleges are struggling to serve a growing number of students using reserves. Given the limited financial resources, this practice cannot continue as it will result in overcrowded classrooms that could ultimately diminish learning.

For our three Colleges, the consequences of a multi-billion dollar State budget deficit will result in fewer classes offered in 2010-11 while filling classrooms to capacity. Class wait lists exceeded 14,000 last semester. Based on current enrollment numbers, the District is projecting approximately 1,400 FTES (full time equivalent students) that will not be funded in 2009-10.

## **Measure G**

Until now, no community college has succeeded in passing a parcel tax. According to School Services of California, the last time a community college attempted a parcel tax was in 1984 at which time it failed at the polls. California law allows the imposition of a parcel tax by a school district on local residents upon the approval of two thirds of the voters.

Parcel taxes are often used by local school districts to attract and retain qualified teachers, maintain smaller class sizes and support classroom science, math, art, music and physical education programs. Their greatest benefit is that they are a reliable source of local funds which give school districts a greater ability to plan for the future.

Encouraged by results of a survey conducted early in the spring semester that demonstrates public support for a parcel tax to generate money for the College District, the Board of Trustees decided to include Measure G on the June 8 primary ballot. At \$34 per parcel, the measure would yield \$6 million annually and would expire in four years (June 2014). This funding source will greatly assist the Colleges in surviving the current funding emergency. The Tentative Budget does not include this revenue source pending the official outcome of the election. As of this writing, votes continue to be tabulated at the County Elections Office. The last update shows the measure ahead with a 67.06% favorable vote.

The District is committed to restoring classes in reading, writing and math as well as preserving job training for careers in nursing, health care, science, green technology, police and fire technology programs. Measure G provides for accountability by requiring the District to conduct an annual audit of all spending. It also requires the District to provide a specific list of ways that funds will be spent.

## 2010-11 Revenue Projection

The revenue estimates are based upon the Governor's budget proposal in January and will be revised after passage of a final State budget over the summer. The funding mechanism of SB361 is fairly clear and the State has provided a worksheet for estimating district apportionment. The District subsequently prepared an estimate of its base revenue taking into consideration a set of factors that includes enrollment and projected property tax assessed valuation. The District's total revenue projection is \$109,113,151 which is \$638,795 more than last fiscal year.

For 2010-11, the assumptions include:

1. Continuation of SB 361 funding as proposed at the State budget workshops.
2. 2010-11 FTES based on funded State decline from 2009-10 FTES goals and no shifting of FTES.
3. 2010-11 Non-resident FTES declines at the same rate as average for the last 2 years.
4. Zero State revenue COLA.
5. 0% State funded growth.
6. Deficit factor on State revenue projected.
7. 1.9% inflation on certain expenses.
8. Utilities and benefits are based on 2009-10 increase over 2008-09
9. No increase for Full Time faculty outside of what Colleges fund from their site allocations.
10. Fixed costs are based on best guesses for now.
11. State revenue COLA minus 1% for salary compensation settlement.
12. Student fee increase to \$32 and 10% increase in BOG waivers.

Revenue estimates are based on the assumptions listed above and expenditures include costs to continue ongoing operations. The following tables summarize projected revenues and expenditures. In addition to annual inflationary cost increases, costs include those associated with providing health and medical benefits to active and retired employees, increases in insurance premiums, technology upgrades and maintenance and utilities.

<b>Revenue</b>	<b>2009-10 Final Budget</b>	<b>2010-11 Tentative</b>	<b>\$ Change</b>
Base Revenue	\$105,755,349	\$101,607,674	\$(4,147,675)
Growth/Restoration	(3,705,994)	0	3,705,994
Lottery	2,399,161	2,400,000	839
State PT Faculty Parity	150,157	385,618	235,461
P/T Faculty Office Hours/Med.	107,391	243,118	135,727
Apprenticeship	221,148	99,800	(121,348)
Non-Resident Tuition	1,551,466	1,656,441	104,975
Interest	1,000,000	1,000,000	0
Miscellaneous	995,500	1,720,500	725,000
<b>Total</b>	<b>\$108,474,176</b>	<b>\$109,113,151</b>	<b>\$638,973</b>

<b>Expenditures</b>	<b>2009-10 Final Budget</b>	<b>2010-11 Tentative</b>	<b>\$ Change</b>
Site Allocations	\$71,997,019	\$67,756,299	(4,240,720)
Employee Benefits	19,924,200	21,348,655	1,424,455
Retiree Benefits	7,112,362	7,402,500	290,138
Formula Adjustments	877,161	877,161	0
Apprenticeship	221,148	99,800	(121,348)

<b>Expenditures (continued)</b>	<b>2009-10 Final Budget</b>	<b>2010-11 Tentative</b>	<b>\$ Change</b>
Miscellaneous	1,118,000	1,118,000	0
Utilities	5,009,782	5,070,145	60,363
Salary Commitments	3,504,876	3,368,082	(136,794)
Managed Hiring	1,629,000	1,058,000	(571,000)
Insurance	998,928	1,079,000	80,072
Consultant/Legal/Election	203,200	200,000	(3,200)
Staff Development	381,232	384,492	3,260
Software/Hardware/Telephone	597,400	1,046,702	449,302
Centers for Teaching/Learning	306,900	0	(306,900)
<b>Total</b>	<b>\$113,881,208</b>	<b>\$110,808,835</b>	<b>\$(3,072,372)</b>

For the Tentative Budget, the estimated expenditures exceed projected revenues by \$1,695,684. Prudent fiscal practices by the Colleges and District Office have resulted in higher than expected ending balances at the sites. These ending balances will help alleviate some of the anticipated shortfall. The Tentative Budget will be revised to include any changes resulting from the final State budget, the 2010-11 fiscal year-end numbers and the parcel tax.

### **2010-11 Estimated Beginning Balance**

The beginning balance is estimated at \$14,853,199 and includes reserves of 5% according to Board policy. Details of the Unrestricted General Fund are detailed in Exhibit A. The remaining balance originates from specific projects and activities of the 2009-10 year and will be carried over into the new fiscal year and committed to these purposes. The current estimate is subject to change when final amounts become available following year-end close of the District's financial records.

### **2009-10 Ending Balance Estimates**

The sites are relying on the balances to partially cover deficits in 2010-11. The projections of 2009-10 ending balances submitted by the Budget Offices at each site are as follows:

Cañada College	\$717,280
College of San Mateo	\$2,001,695
Skyline College	\$1,273,273
District Office	\$1,400,000
Facilities	\$1,200,000

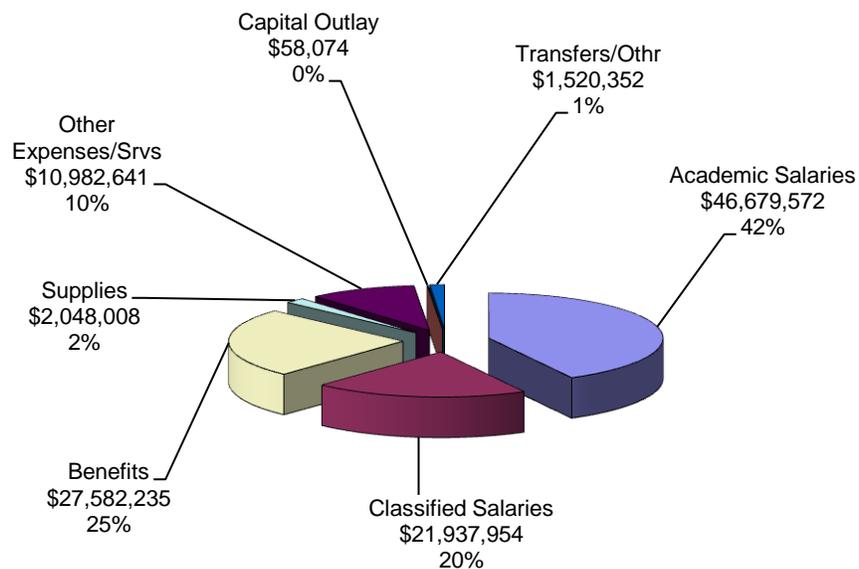
### **2010-11 Site Allocations**

The site allocations for the Tentative Budget have been adjusted for step, column, and longevity increases as well as for growth according to the resource allocation model. The allocations reflect the 10% reductions that include permanent and hourly salaries and discretionary operating costs. Employee benefits have historically been budgeted separately in Central Services. Beginning 2010-11, benefits will be distributed and managed at each of the sites. The allocations will be adjusted for the adopted budget as necessary.

<u>Site</u>	<u>Allocation without benefits</u>	<u>Benefits</u>	<u>Allocation total with benefits</u>
Cañada College	\$11,962,442	\$3,427,769	\$15,390,211
College of San Mateo	22,831,000	6,295,360	29,126,360
Skyline College	20,307,956	5,074,527	25,382,483
District Office	7,502,913	2,274,970	9,777,883
Facilities	5,151,987	1,849,841	7,001,828

The major functional uses of the unrestricted general fund budget are illustrated below by major account category.

<b>Account Category</b>	<b>2009-10 Final Budget</b>	<b>2010-11 Tentative</b>	<b>\$ Change</b>
Certificated Salaries	\$48,379,901	\$46,679,572	\$(1,700,329)
Classified Salaries	24,134,562	21,937,954	(2,196,608)
Employee Benefits	27,010,560	27,582,235	571,675
Supplies/Materials	2,224,948	2,048,008	(176,940)
Operating Expenses	10,657,916	10,982,641	324,725
Capital Outlay	83,074	58,074	(25,000)
Transfers/Other	1,390,246	1,520,352	13,106
<b>Total</b>	<b>\$113,881,208</b>	<b>\$110,808,835</b>	<b>\$(3,072,373)</b>



**2010-11 TENTATIVE BUDGET - UNRESTRICTED GENERAL FUND  
NET BEGINNING BALANCE (PRIOR YEAR CARRYOVER)**

	<b>Final Budget 2008-09</b>	<b>Tentative Budget 2009-10</b>	<b>Final Budget 2009-10</b>	<b>Tentative Budget 2010-11</b>
<b>ESTIMATED NET BEGINNING BALANCE</b>				
Carryover Balances - Committed but unexpended				
Professional Development	\$144,072	\$150,000	\$178,499	\$200,000
Program Improvement	55,894	54,000	43,536	65,000
Staff Development	11,649	10,000	36,431	40,000
Duplicating Equipment Upgrade	13,753	9,500	13,753	9,500
CSM Science Sales	5,882	0	5,607	5,200
SFSU Nursing Program	127,879	160,000	160,911	166,000
College Events Funds	166,575	0	84,017	0
Emergency Preparedness	199,470	170,000	210,116	176,000
Fleet Program	12,020	11,000	15,420	7,400
Equipment Surplus	34,318	35,000	34,423	43,000
Satellite Dish Contracts	233,094	450,000	448,463	610,000
Apprenticeship Programs	26,306	0	15,385	0
President's Innovation Fund	26,306	0	19,840	40,000
Contingency Increment	0	-290,657	0	-523,574
Other Carryover	2,069,161	1,496,943	1,200,434	1,881,983
Subtotal	\$3,126,379	\$2,255,786	\$2,466,835	\$2,720,509
Savings for Rebudgeting				
College of San Mateo	318,230	1,434,263	1,823,485	2,001,695
Cañada College	0	0	510,680	717,280
Skyline College	265,149	841,684	1,126,861	1,273,273
Chanc. Office/Facilities	264,237	950,000	1,471,254	2,600,000
Subtotal	\$847,616	\$3,225,947	\$4,932,280	\$6,592,248
<b>ESTIMATED COMMITMENTS/SAVINGS TO REBUDGET</b>	\$3,973,995	\$5,481,733	\$7,399,115	\$9,312,757
Reserve for Contingency	\$5,939,010	\$5,648,353	\$6,064,016	\$5,540,442
Revolving Fund, and General Reserve	0	0	0	0
Subtotal	\$5,939,010	\$5,648,353	\$6,064,016	\$5,540,442
Unrestricted Balance	399,547	0	1,067,272	0
<b>TOTAL ESTIMATED NET BEGINNING BALANCE</b>	\$10,312,552	\$11,130,086	\$14,530,403	\$14,853,199

**INCOME ASSUMPTIONS**

<b>ESTIMATED CURRENT INCOME</b>				
General Revenue and Fees	108,229,523	104,939,133	105,755,349	101,607,674
Restoration/Growth	0	0	(3,705,995)	0
Lottery	2,503,260	2,254,518	2,399,161	2,400,000
State Part-Time Faculty Support	1,609,670	1,609,670	257,547	628,736
Apprenticeship Programs	216,157	221,148	221,148	99,800
Non-Resident Tuition	1,510,091	1,644,137	1,551,466	1,656,441
Interest Income	1,686,000	1,000,000	1,000,000	1,000,000
Miscellaneous Income	995,500	995,500	995,500	1,720,500
<b>TOTAL ESTIMATED CURRENT INCOME</b>	116,750,201	112,664,106	108,474,177	109,113,151
<b>TOTAL INCOME + NET BEGINNING BALANCE (Unrestricted General Fund)</b>	\$127,062,753	\$123,794,192	\$123,004,580	\$123,966,350

**2010-11 TENTATIVE BUDGET - UNRESTRICTED GENERAL FUND  
ESTIMATED EXPENDITURES**

	<b>Final Budget 2008-09</b>	<b>Tentative Budget 2009-10</b>	<b>Final Budget 2009-10</b>	<b>Tentative Budget 2010-11</b>
<b>EXPENDITURE PLAN</b>				
<b>ESTIMATED 2008-09 CARRYOVER</b>				
<b>COMMITMENTS</b> (From Previous Page)	\$3,126,379	\$2,255,786	\$2,466,835	\$2,720,509
Contingency Increment (Included below)	0	290,657	0	523,574
<b>ESTIMATED SAVINGS FOR</b>				
<b>REBUDGETING</b> (From Previous Page)	847,616	3,225,947	4,932,280	6,592,248
<b>COMMITMENTS AND REBUDGETED SAVINGS</b>	<b>\$3,973,995</b>	<b>\$5,772,390</b>	<b>\$7,399,115</b>	<b>\$9,836,331</b>
<b>ESTIMATED CURRENT EXPENDITURES:</b>				
Site Allocations				
College/District Base Allocations	77,611,094	72,262,113	71,997,018	67,756,298
Formula Adjustments/Contracts	877,161	877,161	877,161	877,161
Apprenticeship Programs	216,157	221,148	221,148	99,800
Salary commitments (Hrly. COLA)	4,067,710	2,587,726	3,504,876	3,368,082
Matriculation	0	0	0	0
<b>Districtwide Obligations</b>				
Employee/Retiree Benefits	25,328,600	27,626,958	27,036,562	28,751,155
Utilities	5,008,180	5,236,298	5,009,782	5,070,145
Insurance	991,000	998,928	998,928	1,079,000
Soft/Hardware Maintenance Contracts	597,400	597,400	597,400	1,046,702
<b>Special Appropriations</b>				
FTES Growth	0	0	0	0
Managed Hiring	300,000	300,000	1,629,000	1,058,000
Resource Allocation Model	0	0	0	0
Miscellaneous	1,148,000	1,118,000	1,118,000	1,118,000
Consultants/Legal Expense	200,000	203,200	203,200	200,000
Election	200,000	200,000	0	0
Program Improvement	50,000	50,000	50,000	50,000
Classified Staff Development	50,000	50,000	50,000	50,000
Management Staff Development	13,000	16,232	16,232	19,492
Professional Development	265,000	265,000	265,000	265,000
Technology Advancement	306,900	306,900	306,900	0
Museum of Tolerance	50,000	50,000	0	0
Reserve Fund for Post-Retirement Benefits	1,500,000	0	0	0
<b>ESTIMATED CURRENT EXPENDITURES</b>	<b>\$118,780,202</b>	<b>\$112,967,064</b>	<b>\$113,881,207</b>	<b>\$110,808,835</b>
<b>TOTAL ESTIMATED EXPENDITURES</b> including carryover	<b>\$122,754,197</b>	<b>\$118,739,454</b>	<b>\$121,280,322</b>	<b>\$120,645,166</b>
Reserve for Contingency	\$5,939,010	\$5,648,353	\$6,064,016	\$5,540,442
Revolving Fund, Stores, & General Reserve	0	0	0	0
Unallocated Ending Balance	399,547	0	1,067,272	0
Estimated Marginal Revenue/Deficit	-2,030,001	-302,958	-5,407,030	-1,695,684
Subtotal	<b>\$4,308,556</b>	<b>\$5,345,395</b>	<b>\$1,724,258</b>	<b>\$3,844,758</b>
<b>TOTAL EXPENDITURES + RESERVES</b> <b>(Unrestricted General Fund)</b>	<b>\$127,062,753</b>	<b>\$124,084,849</b>	<b>\$123,004,580</b>	<b>\$124,489,924</b>

**2010-11 TENTATIVE BUDGET - SELF-INSURANCE FUND**

	Actual 2008-09	Final Budget 2009-10	Estimated Actual 2009-10	Tentative Budget 2010-11
ESTIMATED NET BEGINNING BALANCE	\$ 6,445,054	\$ 6,286,697	\$ 6,286,697	\$ 7,512,616
ESTIMATED INCOME				
Interest	\$ (215,747)	\$ 178,000	\$ 90,000	\$ 110,500
Self Insurance Transfer	2,022,868	1,850,000	1,805,000	1,850,000
Interfund Transfer In	-	-	-	-
TOTAL ESTIMATED INCOME	\$ 1,807,121	\$ 2,028,000	\$ 1,895,000	\$ 1,960,500
TOTAL INCOME & NET BEGINNING BALANCE	\$ 8,252,175	\$ 8,314,697	\$ 8,181,697	\$ 9,473,116
ESTIMATED EXPENDITURES				
Salaries	\$ 121,604	\$ 26,597	\$ 103,836	\$ 26,709
Benefits	41,531	12,346	51,245	12,604
Supplies	-	10,000	-	10,000
Operating Expenses	1,802,343	1,041,000	514,000	700,000
TOTAL ESTIMATED EXPENDITURES	\$ 1,965,478	\$ 1,089,943	\$ 669,081	\$ 749,313
TOTAL ENDING BALANCE	\$ 6,286,697	\$ 7,224,754	\$ 7,512,616	\$ 8,723,803
TOTAL EXPENDITURES AND ENDING BALANCE	\$ 8,252,175	\$ 8,314,697	\$ 8,181,697	\$ 9,473,116

**2010-11 TENTATIVE BUDGET - DEBT SERVICE**

	Actual 2008-09	Final Budget 2009-10	Estimated Actual 2009-10	Tentative Budget 2010-11
ESTIMATED NET BEGINNING BALANCE	\$ 26,772,227	\$ 18,441,349	\$ 18,441,349	\$ 19,383,207
ESTIMATED INCOME				
Interest	\$ (632,646)	\$ 405,000	\$ 90,400	\$ 100,000
Property Taxes	24,430,903	24,466,700	26,000,000	26,400,000
Transfer In	-	-	-	-
Others	-	-	-	-
TOTAL ESTIMATED INCOME	<u>23,798,257</u>	<u>24,871,700</u>	<u>26,090,400</u>	<u>26,500,000</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$ 50,570,484</u>	<u>\$ 43,313,049</u>	<u>\$ 44,531,749</u>	<u>\$ 45,883,207</u>
ESTIMATED EXPENDITURES				
Debt Reduction - Principal	\$ 16,065,000	\$ 9,575,000	\$ 9,575,000	\$ 11,200,000
Debt Reduction - Interest	16,064,135	15,573,544	15,573,542	15,163,991
Others	-	-	-	-
TOTAL ESTIMATED EXPENDITURES	<u>\$ 32,129,135</u>	<u>\$ 25,148,544</u>	<u>\$ 25,148,542</u>	<u>\$ 26,363,991</u>
TOTAL ENDING BALANCE	<u>\$ 18,441,349</u>	<u>\$ 18,164,505</u>	<u>\$ 19,383,207</u>	<u>\$ 19,519,216</u>
TOTAL EXPENDITURES AND ENDING BALANCE	<u>\$ 50,570,484</u>	<u>\$ 43,313,049</u>	<u>\$ 44,531,749</u>	<u>\$ 45,883,207</u>

**2010-11 TENTATIVE BUDGET - SPECIALLY FUNDED PROGRAMS**

Based on Current Agreements

<u>Fund</u>	<u>Program</u>	<u>Source</u>	<u>College of San Mateo</u>	<u>Cañada College</u>	<u>Skyline College</u>	<u>Chancellor's Office</u>	<u>Total</u>
30004	TRIO - Student Support Services	Federal			512,198		512,198
30004	TRIO - Upward Bound	Federal		250,000			250,000
30005	Work Study	Federal	106,385	83,799	262,102		452,286
30007	VTEA IC	Federal	209,282	129,088	221,917		560,287
30028	TRIO - Student Support Services	Federal		238,496			238,496
30034	VTEA Tech Prep	Federal	67,027	67,027	67,027	8,043	209,124
30057	Workability III	Federal			149,214		149,214
30077	National Science Foundation - Chemistry	Federal		133,849			133,849
30079	Minority Science and Engineering Impr Prog	Federal		300,000			300,000
30080	College Cost Reduction and Access	Federal		400,000			400,000
30085	USDOL-ETA CBJTG BayCEC	Federal			380,000		380,000
30086	NSF S-STEM (M-SETS) Scholarships	Federal		174,763			174,763
30088	WIA - EWD/Allied Health Program, Phase 2	Federal		123,995			123,995
300XX	USDOE FIPSE University Center Consortiun	Federal		350,000			350,000
31002	DSP&S	State	424,216	228,206	368,758		1,021,180
31003	EOP&S	State	402,519	322,028	353,104		1,077,650
31004	EOP&S/CARE	State	18,166	20,929	31,846		70,940
31009	Matriculation	State	276,810	189,708	229,364		695,883
31012	Foster Care Education	State		83,735			83,735
31016	AB602-Board Fin Asst Prog Adm Allow	State	280,948	209,857	256,193		746,999
31031	CalWORKs	State	100,865	100,865	100,865		302,596
31032	Middle College High School	State	84,604	84,604			169,208
31033	TANF	Federal	23,660	23,660	23,660		70,979
31035	Center for Int'l Trade Development	State			205,000		205,000
31045	Staff Diversity	State				8,508	8,508
31055	MESA/CCCP	State		50,568	50,568		101,136
31069	Prop 20--Lottery	State				370,000	370,000
31078	Enrollment Growth AD Nursing	State	101,087				101,087
31109	Basic Skills	State	67,419	106,274	184,939		358,632
31110	CTE Com Collab. Proj.	State			200,000		200,000
32003	Public Bdcst-CSG-TV	Local	636,527				636,527
32004	Public Bdcst-CSG-FM	Local	154,695				154,695
32005	Public Bdcst-Interconnect	Local	12,695				12,695
32017	Menlo Park Redevelopment	Local		208,373			208,373
35022	KCSM TV	Local	2,800,000				2,800,000
35023	KCSM FM	Local	1,500,000				1,500,000
35045	Financial Aid Admin Allow	Local	4,000	10,000	110,000	22,109	146,109
35046	Peninsula Library Systems	Local				140,000	140,000
39001	Parking Fees	Local				2,500,000	2,500,000
39030	Health Service Fees	Local	400,000	225,000	365,000		990,000
Total 2010-2011 Tentative Budget			<u>\$7,670,905</u>	<u>\$4,114,823</u>	<u>\$4,071,755</u>	<u>\$3,048,660</u>	<u>\$18,906,142</u>

**2010-11 TENTATIVE BUDGET - CAPITAL PROJECTS FUND**

	Actual 2008-09	Final Budget 2009-10	Estimated Actual 2009-10	Tentative Budget 2010-11
ESTIMATED NET BEGINNING BALANCE	\$ 481,025,247	\$ 346,931,551	\$ 346,931,551	\$ 233,965,574
ESTIMATED INCOME				
Bond Construction	\$ (12,506,697)	\$ 6,392,000	\$ 2,313,708	\$ 1,500,000
Canada Staff Housing Planning	0	0	9,000,000	5,500,000
Capital Outlay Projects - State Funded	0	0	0	0
Capital Outlay - Planning	352,113	0	400,000	0
C.O.P. Capital Projects	13,570	109,340	0	0
College Capital Outlay Planning	207	0	0	0
College Vista Maintenance Reserves	460,000	460,000	40,000	40,000
Facilities Capital Improvement	105,782	0	33,715	0
Foundation Funded Projects	4,568	0	2,119	0
Hazardous Substances Projects -State Funded	10,795,955	512,210	520,000	3,965,000
Interest	(1,635,852)	1,227,380	500,000	600,000
Pacific Heights Project - Skyline	0	0	0	0
Property Management Study	0	0	0	0
Redevelopment	2,552,197	2,200,000	2,200,000	2,200,000
Scheduled Maintenance - State Funded	483,157	123,683	47,000	76,600
Scheduled Maintenance - District Funded	1,000,000	0	0	0
Non-resident capital outlay recovery fee	40,696	40,500	49,300	50,000
TOTAL ESTIMATED INCOME	<u>\$ 1,665,696</u>	<u>\$ 29,297,693</u>	<u>\$ 15,105,842</u>	<u>\$ 13,931,600</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u><u>\$ 482,690,943</u></u>	<u><u>\$ 376,229,244</u></u>	<u><u>\$ 362,037,393</u></u>	<u><u>\$ 247,897,174</u></u>
ESTIMATED EXPENDITURES				
Bond Construction	\$ 120,350,013	\$ 276,433,223	\$ 118,050,000	\$ 158,384,000
Canada Staff Housing Planning	2,505,301	1,449,384	9,000,000	5,500,000
Capital Outlay - Planning	16,116	10,922,918	0	15,800,000
Capital Outlay Projects - State Funded	0	0	0	0
C.O.P. Capital Projects	156,969	2,034,799	7,300	2,027,000
College Capital Outlay Planning	102,107	621,066	62,400	558,600
College Vista Maintenance Reserves	0	2,078,500	0	2,087,500
Facilities Capital Improvement	211,297	4,527,687	129,000	4,398,600
Foundation Funded Projects	4,568	0	2,119	0
Hazardous Substances Projects -State Funded	10,742,690	495,503	520,000	3,965,000
Pacific Heights Project - Skyline	1,750	26,901,846	0	21,901,000
Property Management Study	27,997	335,019	44,000	291,000
Redevelopment	1,004,548	9,940,006	210,000	12,145,000
Scheduled Maintenance - State Funded	483,157	123,683	47,000	76,683
Scheduled Maintenance - District Funded	152,255	1,036,488	0	0
Non-resident capital outlay recovery fee	624	430,726	0	470,726
TOTAL ESTIMATED EXPENDITURES	<u>\$ 135,759,392</u>	<u>\$ 337,330,848</u>	<u>\$ 128,071,819</u>	<u>\$ 227,605,109</u>
TOTAL ENDING BALANCE	<u>\$ 346,931,551</u>	<u>\$ 38,898,396</u>	<u>\$ 233,965,574</u>	<u>\$ 20,292,065</u>
TOTAL EXPENDITURES & ENDING BALANCE	<u><u>\$ 482,690,943</u></u>	<u><u>\$ 376,229,244</u></u>	<u><u>\$ 362,037,393</u></u>	<u><u>\$ 247,897,174</u></u>

**2010-11 TENTATIVE BUDGET - BOOKSTORE FUND**

	Actual 2008-09	Adopt Budget 2009-10	Estimated Actual 2009-10	Tentative Budget 2010-11
ESTIMATED NET BEGINNING BALANCE	\$ 6,181,923	\$ 6,471,737	\$ 6,471,737	\$ 6,659,676
ESTIMATED INCOME				
Sales	\$ 8,704,553	\$ 8,725,000	\$ 7,809,401	\$ 7,800,000
Other	462,233	500,000	427,483	420,000
TOTAL ESTIMATED INCOME	<u>\$ 9,166,786</u>	<u>\$ 9,225,000</u>	<u>\$ 8,236,884</u>	<u>\$ 8,220,000</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$ 15,348,709</u>	<u>\$ 15,696,737</u>	<u>\$ 14,708,621</u>	<u>\$ 14,879,676</u>
ESTIMATED EXPENDITURES				
Cost of Merchandise Sold	\$ 6,194,387	\$ 6,300,000	\$ 5,536,340	\$ 5,500,000
(Classified) Salaries	1,310,436	1,412,000	\$ 1,281,668	1,280,000
Employee Benefits	368,531	388,000	\$ 382,895	380,000
Supplies	45,657	45,000	\$ 22,168	22,000
COP Interest Payment				
Other Operating Expense	825,777	620,000	\$ 647,650	645,000
TOTAL ESTIMATED EXPENDITURES	<u>\$ 8,744,788</u>	<u>\$ 8,765,000</u>	<u>\$ 7,870,720</u>	<u>\$ 7,827,000</u>
DISTRICT SUPPORT PAID/(RECEIVED)				
Salaries & Benefits	\$ 109,361	\$ 109,999	\$90,890	\$ 91,000
Rent	67,700	67,700	\$67,700	67,700
Donations	19,639	15,000	\$19,634	20,000
POS system	(64,516)	-		
TOTAL DISTRICT SUPPORT	<u>\$ 132,184</u>	<u>\$ 192,699</u>	<u>\$ 178,224</u>	<u>\$ 178,700</u>
TOTAL ENDING BALANCE	<u>\$ 6,471,737</u>	<u>\$ 6,739,038</u>	<u>\$ 6,659,676</u>	<u>\$ 6,873,976</u>
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$ 15,348,709</u>	<u>\$ 15,696,737</u>	<u>\$ 14,708,621</u>	<u>\$ 14,879,676</u>

**2010-11 TENTATIVE BUDGET - CAFETERIA FUND**

	Actual 2008-09	Final Budget 2009-10	Estimated Actual 2009-10	Tentative Budget 2010-11
ESTIMATED NET BEGINNING BALANCE	\$ 408,068	\$ 398,444	\$ 398,444	\$ 403,405
Adjustment to the Beginning Balance				
ESTIMATED INCOME				
Food Service Income	\$ 106,286	\$ 120,000	\$ 112,374	\$ 112,000
Special Contract Revenue		20,000	20,000	\$ 20,000
Vending Income	104,175	65,000	62,293	\$ 62,000
Other (interest/other)	5,380	5,000	2,701	\$ 2,000
TOTAL INCOME	<u>\$ 215,842</u>	<u>\$ 210,000</u>	<u>\$ 197,368</u>	<u>\$ 196,000</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$ 623,910</u>	<u>\$ 608,444</u>	<u>\$ 595,812</u>	<u>\$ 599,405</u>
ESTIMATED EXPENDITURES				
District/College Support	\$ 89,564	\$ 65,000	\$ 78,007	\$ 78,000
Operational Expenses	135,902	\$ 122,000	114,400	114,000
TOTAL EXPENDITURES	<u>\$ 225,466</u>	<u>\$ 187,000</u>	<u>\$ 192,407</u>	<u>\$ 192,000</u>
TOTAL ENDING BALANCE	<u>\$ 398,444</u>	<u>\$ 421,444</u>	<u>\$ 403,405</u>	<u>\$ 407,405</u>
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$ 623,910</u>	<u>\$ 608,444</u>	<u>\$ 595,812</u>	<u>\$ 599,405</u>

**2010-11 TENTATIVE BUDGET - CHILD DEVELOPMENT FUND**

	Actual 2008-09	Final Budget 2009-10	Estimated Actual 2009-10	Tentative Budget 2010-11
ESTIMATED NET BEGINNING BALANCE	\$177,874	\$177,874	\$177,874	\$227,791
ESTIMATED INCOME				
Fees	\$221,821	\$198,677	\$214,618	\$230,000
Gifts and Donations	20,000	20,000		
Calif. Dept. of Educ. - Child Development	383,659	430,000	393,663	371,680
Calif. Dept. of Educ. - Child Nutrition	1,968	2,100	1,600	2,100
Federal Revenue - Child Nutrition	37,950	34,000	36,000	34,000
Incoming Transfers/Other	432,795	467,223	440,139	401,878
TOTAL ESTIMATED INCOME	\$1,098,193	\$1,151,999	\$1,086,021	\$1,039,658
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$1,276,067</u>	<u>\$1,329,873</u>	<u>\$1,263,895</u>	<u>\$1,267,449</u>
ESTIMATED EXPENDITURES				
Salaries	\$733,122	\$718,915	\$678,565	\$678,565
Employee Benefits	295,293	354,239	305,344	257,284
Supplies	14,131	10,100	9,031	14,500
Food	61,458	62,000	42,689	63,000
Other Operating Expense	3,676	3,437	475	6,200
TOTAL ESTIMATED EXPENDITURES	\$1,107,680	\$1,148,691	\$1,036,104	\$1,019,550
ESTIMATED ENDING BALANCE	\$168,387	\$181,182	\$227,791	\$247,899
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$1,276,067</u>	<u>\$1,329,873</u>	<u>\$1,263,895</u>	<u>\$1,267,449</u>

**2010-11 TENTATIVE BUDGET - TRUST FUNDS**

	Actual 2008-09	Final Budget 2009-10	Estimated Actual 2009-10	Tentative Budget 2010-11
ESTIMATED NET BEGINNING BALANCE	\$192,001	\$235,313	\$235,313	\$235,313
ESTIMATED INCOME				
Federal Pell, SEOG, ACG, NSF	\$8,538,477	\$9,678,444	\$13,491,498	\$14,218,824
Cal Grants	486,129	495,000	438,074	450,000
Transfers-In	121,265	152,418	149,009	150,000
Other	61,812	0	0	0
TOTAL ESTIMATED INCOME	<u>\$9,207,683</u>	<u>\$10,325,862</u>	<u>\$14,078,581</u>	<u>\$14,818,824</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u>\$9,399,684</u>	<u>\$10,561,175</u>	<u>\$14,313,894</u>	<u>\$15,054,137</u>
ESTIMATED EXPENDITURES				
Federal Pell, SEOG, ACG, NSF	\$8,603,809	\$9,678,444	\$13,491,498	\$14,218,824
Cal Grants	486,129	495,000	438,074	450,000
Other (EOP&S, CARE, TRIO)	74,433	152,418	149,009	150,000
TOTAL EXPENDITURES	<u>\$9,164,371</u>	<u>\$10,325,862</u>	<u>\$14,078,581</u>	<u>\$14,818,824</u>
TOTAL ENDING BALANCE	\$235,313	\$235,313	\$235,313	\$235,313
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$9,399,684</u>	<u>\$10,561,175</u>	<u>\$14,313,894</u>	<u>\$15,054,137</u>

**2010-11 TENTATIVE BUDGET - RESERVE FUND FOR POST-RETIREMENT BENEFITS**

	Actual 2008-09	Final Budget 2009-10	Estimated Actual 2009-10	Tentative Budget 2010-11
ESTIMATED NET BEGINNING BALANCE	\$ 32,836,442	\$ 34,564,967	\$ 34,564,967	\$ 37,147,484
ESTIMATED INCOME				
Incoming Transfers	\$ 1,500,000	\$ 2,497,823	\$ 2,494,751	\$ 2,495,000
Interest	297,538	252,000	129,100	130,000
Home Loan Income	-	5,817	7,066	12,648
TOTAL ESTIMATED INCOME	<u>\$ 1,797,538</u>	<u>\$ 2,755,640</u>	<u>\$ 2,630,917</u>	<u>\$ 2,637,648</u>
TOTAL INCOME & NET BEGINNING BALANCE	<u><u>\$ 34,633,980</u></u>	<u><u>\$ 37,320,607</u></u>	<u><u>\$ 37,195,884</u></u>	<u><u>\$ 39,785,132</u></u>
ESTIMATED EXPENDITURES				
Retirement Board Transfer out	\$ -	\$ -	\$ 5,000,000	\$ 2,000,000
Operating Expenses	<u>\$ 69,013</u>	<u>\$ 79,390</u>	<u>\$ 48,400</u>	<u>\$ 60,000</u>
TOTAL ESTIMATED EXPENDITURES	<u>\$ 69,013</u>	<u>\$ 79,390</u>	<u>\$ 48,400</u>	<u>\$ 60,000</u>
TOTAL ENDING BALANCE	<u>\$ 34,564,967</u>	<u>\$ 37,241,217</u>	<u>\$ 37,147,484</u>	<u>\$ 39,725,132</u>
TOTAL EXPENDITURES & ENDING BALANCE	<u><u>\$ 34,633,980</u></u>	<u><u>\$ 37,320,607</u></u>	<u><u>\$ 37,195,884</u></u>	<u><u>\$ 39,785,132</u></u>