

Cabrillo College

**2006-2007
PRELIMINARY BUDGET**

CABRILLO COMMUNITY COLLEGE DISTRICT

June 5, 2006



Cabrillo College • *Celebrating Excellence Since 1959*

June 5, 2006

To the Governing Board:

The 2006-07 Preliminary Budget is presented to the Governing Board for approval. This document has been prepared based on the assumptions and goals presented to the Governing Board in April.

The 2006-07 Preliminary Budget is in balance with an excess of revenue over expenses of \$1.9 million. The highlights of the 2006-07 Preliminary Budget include:

Revenue

COLA: COLA for 2006-07 @ 5.18%, estimated at \$2,488,365 for the College.

Equalization: Equalization is estimated at \$1,700,000.

Growth: Projected FTES for Cabrillo for 2006-07 is equal to the funded level for 2004-05. Therefore, no growth funds have been anticipated in 2006-07.

Decline: A permanent reduction in funding of \$956,952 due to a decline in enrollment.

Partnership: PFE funding of \$2,190,266 was folded into base revenue. This is a change in classification not an increase in funding.

Expenditures

1725 Faculty Obligation Requirements: The 2006-07 Preliminary Budget includes a reduction of budgeted full-time faculty positions. The District's full-time faculty obligation was reduced as a result of the enrollment decline. No layoffs are anticipated as a result of this change.

Salaries: No salary increases are included in the Preliminary Budget. Negotiated salary agreements will be included in the Final Budget.

Benefits: Health benefit increases have been estimated at 6.5%.

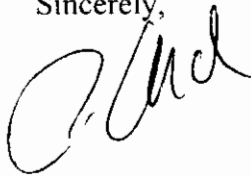
Other Expenditures: The 2006-07 Preliminary Budget includes increases in other operating expenses such as utilities, postage, printing, and etcetera.

The following documents from the Community College League are attached to provide an overview of the current State budget deliberations for community colleges.

- Talking Points on the Governor's Proposed 2006-07 Budget and Tentative Budget estimates

The College has continued to work to develop strategies for addressing the enrollment decline. I wish to thank the members of the Board, members of the College Planning Council, administration, faculty, staff, students and the Office of Business Services for their commitment and dedication in helping to develop the 2006-07 Budget.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pegi Ard', written in a cursive style.

Pegi Ard
Assistant Superintendent/Vice President,
Business Services

PA/jgt



Talking Points on the Governor's Proposed 2006-07 Budget

General

- This budget proposal demonstrates the governor's continued commitment to access to our community colleges, which serve as the gateway to a better life for millions of Californians.
- The governor's budget increase hikes funding per student by \$383 to \$5,361, an increase of 7.7%.

Growth

- The budget includes 3% enrollment growth funding, which will provide access to community colleges for 63,800 more Californians (35,000 full-time equivalent students).

Cost-of-living Adjustment

- This budget recognizes the quickly inflating costs of doing business in our colleges and protects the quality of our classroom instruction and student services with a 5.18% COLA.

Funding Formula Reform

- The Governor's proposed \$130 million for equalization shows his continued commitment for eliminating the disparity of funding per student among community college districts.
- We are disappointed the governor did not include funding for the important community college priorities of equitable funding for noncredit instruction and small rural colleges.
 - Increased noncredit instruction will allow colleges to work with the most educationally underprepared adults through short-term vocational training, ESL courses and basic skills training.
 - Our rural colleges are essential to their communities, but face limited growth potential while facing increasing costs of operation.
- We appreciate the Governor's desire to sign a compromise funding formula bill, SB 361 (Scott) later this year. We applaud the commitment of the Governor's staff to continue to work through the details of a complex and broken funding model.

Economic and Workforce Development

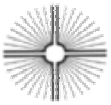
- We applaud the augmentation to the governor's initiative to increase coordination between community colleges and high schools for fully articulated, industry-driven career technical education curricula.

Student Fees

- The governor has recognized in this budget that community college students should not be asked to pay an increased tax in the form of a fee increase.
- Over the last three years, community college fees increased 131%, while per capita personal income has grown 7.2%. We propose reducing fees to bring them in line with personal income and limit future increases to the ability of Californians to pay for them.

Our Ongoing Challenge

- We must address the threatened artificial community college funding cap within Proposition 98 facing community colleges beginning in the next few years, which will shut the doors to higher education through the community colleges for thousands of Californians.
- We will continue to advocate for funding that brings community colleges in California above the bottom five states in the country.



Item	2005-06 Final Budget	2006-07 System Budget Request	2006-07 Governor's Proposed Budget	
General Apportionment				
Apportionments: General Fund	2,384,811,000		2,765,675,000	
Apportionments: Local Property Tax Revenues	1,829,726,000		1,899,329,000	
Apportionments: Student Fees	347,929,000		358,367,000	
Subtotal General Apportionment	4,562,466,000	4,970,208,000	5,023,371,000	
04-05 Apportionment Veto Set-Aside for Accountability	31,409,000	(folded in to base)	(folded in to base)	
Cost-of-living adjustment (categorical COLA incl. below)	209,624,000	264,600,000	264,600,000	(5.18%)
Core Operational & Institutional Needs (1%)		47,500,000	0	
Deficit Reduction (1/2 of 03-04 lost COLA)		48,000,000	0	
Equalization	30,000,000	80,000,000	130,000,000	
Non-credit enhancement	-	30,000,000	0	
Rural College Access Grants	-	5,000,000	0	
Total General Apportionment	4,833,499,000	5,440,308,000	5,417,971,000	
Categorical Programs				
Academic Senate for the Community Colleges	467,000	517,000	467,000	
Basic Skills and Apprenticeship	43,453,000	48,203,865	46,499,113	(a)
California Virtual University	1,347,000	1,347,000	1,347,000	
Career Technical Education	-	-	50,000,000	
Child Care Tax Bailout	-	-	6,494,000	(b)
Disabled Students Programs and Services	91,191,000	107,184,000	107,184,000	(c)
Economic Development	35,790,000	50,790,000	35,790,000	
EOPS & CARE	104,759,000	112,127,000	112,127,000	(a)
Equal Employment Opportunity	1,747,000		1,747,000	
Foster Care Education Program	4,754,000	4,754,000	4,754,000	
Fund for Student Success	6,158,000	6,158,000	6,158,000	
Full-time Faculty: Increase Positions	-	40,000,000	-	
Growth for Apportionments	136,709,000	210,000,000	148,800,000	(3.00%)
Matriculation	66,332,000	93,767,998	70,981,961	(a)
Part-Time Faculty Compensation	50,828,000	100,828,000	50,828,000	
Part-Time Faculty Health Insurance	1,000,000	5,200,000	1,000,000	
Part-Time Faculty Office Hours	7,172,000	11,972,000	7,172,000	
Physical Plant and Instructional Support	27,345,000	29,345,000	27,345,000	
Special Services for CalWORKs Recipients	34,580,000	43,580,000	34,580,000	
Student Financial Aid Administration	48,206,000	51,600,000	51,849,000	
Telecommunications and Technology Infra.	24,397,000	26,250,000	24,897,000	(d)
Transfer Education and Articulation	1,974,000	1,974,000	1,424,000	
One-Time Funds				
Career technical education	20,000,000	37,400,000	-	
Property Tax Backfill	15,600,000	-	-	
Nursing enrollment and equipment needs	10,000,000	-	-	
Mandate reimbursements (suspension continues)	10,000,000	20,000,000	-	
Electronic Transcript Exchange	-	700,000	-	
Physical Plant and Instructional Support	-	50,000,000	-	
AB 1280 Rural Baccalaureate Pilot Programs	-	-	100,000	
-	-	-	-	
Miscellaneous (Non-program) Items				
Mandate reimbursements (suspension continues)	4,000	20,000,000	-	
Lease-Purchase Bond Payments	61,512,000	60,648,000	64,565,000	
Lottery	177,871,000	177,871,000	177,871,000	
Total State-Determined Funding	5,816,695,000	6,752,524,863	6,451,951,073	10.9%
Funded FTES	1,168,391	1,215,127	1,203,443	3.0%
Funding per FTES	\$ 4,978	\$ 5,557	\$ 5,361	7.7%

(a) Categorical programs would receive the 5.18% cost-of-living adjustment and 1.74% for statutory enrollment growth.

(b) Item shifted from the State Department of Education budget.

(c) Includes \$9.6 million for interpreters and real-time captioning equipment for hearing impaired and learning disabled students, as well as 5.18% cost-of-living adjustment and 1.75% for statutory enrollment growth.

(d) Includes a \$500,000 increase for CalPASS.

**2006-2007
PRELIMINARY BUDGET**

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Attachments:

2006-07 Base Budget Planning Assumptions

2006-07 Budget Development Calendar

I. GENERAL FUND - OVERVIEW

The General Fund is maintained to account for those transactions that are for the overall College operation (Instruction, Student Services, Business Services, etcetera). Within the General Fund, a number of sub-funds have been established: Base Budget, Restricted, District Match, Community Education, Carry-Over, and One-Time Sub-Funds. The division of these sub-funds reflects the need to differentiate discretionary revenue from restricted revenue and ongoing funding from one-time funding.

A brief description of each sub-fund is provided later in the report. To prepare the One-Time and Carry-Over Sub-Fund budgets, the 2005-06 books must be closed. Budgets for these sub-funds will be presented in the 2006-07 Final Budget.

The Preliminary Budget for the General Fund Base Budget is summarized as follows:

General Fund Overview	Unrestricted Base Budget	Restricted Fund	Community Education
Revenues	\$55,633,684	\$6,075,996	339,000
Total Expenditures	52,712,376	5,712,382	339,000
Revenues less Expenditures	2,921,308	363,614	0
Net Other Sources and Outgo	(934,117)	(524,180)	0
Net Projected Change in Fund Balance	1,987,191	(160,566)	0
Beginning Fund Balance July 1, 2006	1,805,740	109,385	65,323
Net Fund Balance June 30, 2007	\$3,792,931	(51,181)	65,323

A. BASE BUDGET

Base Budget is an unrestricted sub-fund, accounting for the ongoing operational expenditures of the College and is based on the Governor's January Budget and the Equalization Compromise.

1. BASE BUDGET REVENUE

The Base Budget Revenue for community colleges is primarily derived according to the revenue allocation method, Program Based Funding. Funds are provided for each full-time equivalent student (FTES) from the state general apportionment, student enrollment fees, and property taxes. The state's financial health is unexpectedly improved this year. As a result, the climate may be such that SB 361, the legislation which includes the adoption of a new funding formula for Community Colleges, will be included in the state enacted budget. The details of the implementation are still under discussion.

a. General Apportionment

2005-06 Estimated

Enrollment Fees: The enrollment fees for 2005-06 were projected at \$26 per unit.

COLA: COLA of 4.23% or \$ 1,974,161 was estimated for the current year.

Growth: No growth funds were estimated for 2005-06.

FTES Decline: The District will experience a permanent reduction in funding of \$956,952 for the 2.42% reduction in FTES that occurred in 2004-05. As a reminder, the Budget Act specifies that districts are held harmless in the year of decline and must return to their base level in the year immediately following the year of decline. Currently, the District is expecting to maintain the 2004-05 FTES level in 2005-06.

Partnership for Excellence (PFE): PFE funding for 2005-06 was estimated at \$2,190,266. PFE funding in the amount of \$1,875,543 will be folded into the District's General Apportionment allocation in 2005-06. The remainder; \$314,723 will be included in base revenue in 2006-07. It should be noted that the District does not receive COLA for PFE funding that is not part of the base revenue.

Equalization: The College projected Equalization funding of \$1,538,811 for 2005-06; \$1,115,916 from the previous year and new funding of \$422,895 for 2005-06.

Part-time Faculty Compensation: Part-Time Faculty Compensation funds are estimated at \$495,146 for 2005-06.

2006-2007 Preliminary Budget

Enrollment Fees: Student Enrollment fees are budgeted at \$26 per unit. A decrease in Student Enrollment fees may be included as a part of the State enacted budget.

Growth: No growth funds are included in the 2006-07 Preliminary Budget. The District's enrollment is expected to remain at the 2004-05 level for 2006-07.

COLA: The Governor's January budget provided community colleges a COLA of 5.18%. \$2,488,365 has been projected in the 2006-07 Preliminary Budget. It is likely that COLA will increase to 5.92% in the State enacted budget.

Equalization: Equalization is the most volatile and unpredictable component of the District's funding for 2006-07. An Equalization compromise was developed by the SB 361 Implementation Task Force. The District has projected equalization funding based on a modified version of the compromise; \$1,700,000. The compromise provided for \$2,000,000. The latest proposal on Equalization funding was submitted by the Assembly Budget Subcommittee. The subcommittee proposes to cut equalization by about ½ to fund a Student Enrollment fee reduction.

Partnership for Excellence (PFE): The District has not included a separate budget for PFE funding for 2006-07. PFE funding of \$2,190,266 has been added to the District's General Apportionment Revenue base.

Part-Time Faculty Compensation: Funding for this program has been maintained at the same level as 2005-06.

This chart compares 2005-06 General Apportionment with the budget for 2006-07.

GENERAL APPORTIONMENT

	2005-06 BUDGET	2005-06 PROJECTED*	2006-07 PRELIMINARY BUDGET
BASE REVENUES	\$43,437,670	\$43,437,670	\$48,037,925
Equalization (added to base)	1,538,811	1,538,811	1,700,000
PFE		1,875,543	
COLA, Cost of Living Adjustment	2,939,368	1,974,161 4.23%	2,488,365 5.18%
FTES Decline	-1,004,082	-956,952	
Prior Year Adjustments		-145,642	
GENERAL APPORTIONMENT	\$45,911,767	\$47,723,591	\$52,226,290

*Based on First Principal Apportionment received in March 2006.

b. **Lottery**

2005-06 Estimated

Lottery estimates for 2005-06 are based on a total of 11,402 FTES. The State Chancellor's Office has not officially updated the lottery estimate from the funding estimated when the Final Budget was adopted. Therefore, the District is still projecting a rate of \$154 per FTES; \$29 restricted, \$125 unrestricted.

2006-07 Budget

The lottery estimate for 2006-07 is based on total of 11,402 FTES. A preliminary update from the State Chancellor's Office indicates a reduction in lottery funding. Preliminary Budget estimates are based on funding of \$146 per FTES; \$25 restricted, \$121 unrestricted.

c. **Non-Resident Tuition**

2005-06 Estimated

The 2005-06 budgeted revenue for non-resident tuition was \$798,609. This estimate was based on a fee of \$164 per unit.

2006-07 Budget

Non-resident tuition for 2006-07 will increase from \$164 per unit to \$174 per unit. The Preliminary Budget assumes that non-resident tuition will decline by 5% in 2006-07 due to a reduction in total units. Total revenue of \$880,223 is projected for 2006-07.

2. BASE BUDGET EXPENDITURES

The following assumptions were used in generating the base budget expenditures:

- No salary increases are included in the Preliminary Budget. The results of negotiated agreements with employee groups will be included in the Final Budget.
- Medical benefit increases were estimated at 6.5%
- Column and step increases
- Funding for new classified positions of \$117,000 is included in the Preliminary Budget.
- The District reduced the number of full-time faculty positions budgeted as a result of a reduction in the state mandated full-time faculty obligation number. The full-time faculty obligation was reduced to 212. The reduction in the mandate is directly related to the decline in enrollment.
- Energy costs have been budgeted to increase 2006-07. Natural gas price fluctuations continue to make it difficult to accurately project these expenditures.
- The Preliminary Budget anticipates increases in general liability insurance, maintenance service expenditures, utilities and a COLA increase of 5.18% for supplies.

2006-07 PRELIMINARY BUDGET
GENERAL FUND - OVERVIEW

a. **Benefits**

Mandatory benefits have been funded based on the following rates:

DISTRICT BENEFITS	FY 04/05	FY 05/06	FY 06/07
PERS (Employer Portion)	9.952%	9.116%	9.116%
PERS Employee (Paid by Employer for Confidential employees and for Classified bargaining-unit employees)	7%	7%	7%
PERS AB2177	\$9.33/mo/per employee	\$9.33/mo/per employee	\$9.33/mo/per employee
STRS	8.25%	8.25%	8.25%
SOCIAL SECURITY	6.20%	6.20%	6.20%
MEDICARE	1.45%	1.45%	1.45%
WORKERS COMP			
Rate per \$100 payroll	\$2.06	\$1.63	\$1.63
UNEMPLOYMENT			
Rate per \$100 payroll	.65%	.45%	.45%
Local experience charge	15.00%	15.00%	15.00%
CAFETERIA PACKAGE/FTE			
Certificated, Administrative, Confidential	\$4,979, \$9,013, \$12,349	\$5,518, \$10,265, \$14,014	\$5,894, \$11,168, \$15,361
Classified	\$4,979, \$9,013, \$12,349	\$5,518, \$10,265, \$14,014	\$5,894, \$11,168, \$15,361

2006-07 PRELIMINARY BUDGET
GENERAL FUND - OVERVIEW

BASE BUDGET REVENUE	UNRESTRICTED GENERAL FUND BASE BUDGET				
	2004-05	2005-06			2006-07
	ACTUAL 6/30/05 \$	ADOPTED BUDGET \$	%	WORKING BUDGET AT 3/31/06 \$	PRELIMINARY BUDGET \$
FEDERAL					
8150 Admin. Allowance	36,103	35,568		35,568	26,283
8160 Veterans	907	900		900	900
Total Federal	37,010	36,468		36,468	27,183
STATE					
8612 *General Apportionment	19,729,050	20,614,131	40	24,028,485	28,192,290
8612 P/T Faculty Comp	495,146	495,146	1	495,146	495,146
8612 *Equalization	1,115,916	1,538,811	3	0	1,700,000
8670 *State Taxes	196,194	196,000		196,000	197,000
8613 *BOGG	2,297,413	2,300,000	4	2,300,000	2,500,000
2% Admin. Allow.	47,338	44,769		44,769	50,000
8614 Partnership for Excellence	1,875,543	2,190,266	4	314,723	0
8699 Other State Revenues	5,000	5,000		0	0
8681 Lottery	<u>1,374,936</u>	<u>1,391,875</u>	3	<u>1,391,875</u>	<u>1,379,642</u>
Total State	27,136,536	28,775,998	56	28,770,998	34,514,078
LOCAL					
8811 *Taxes	15,636,112	15,623,357	30	15,623,357	15,435,000
*ERAF	1,353,442	1,500,000	3	1,500,000	200,000
8840 Catalogs	247	200		200	200
8850 Facility Rental/Use	87,253	85,000		85,000	80,000
8860 Interest	133,035	160,000		160,000	160,000
8874 *Enrollment Fee	4,002,691	4,139,468	8	4,139,468	4,002,000
2% Adm. Allow.	81,688	84,479		84,479	80,000
8879 Transcripts	26,492	20,000		20,000	25,000
8880 Non-Resident Tuition	805,642	798,609	2	798,609	880,223
8890 Parking Citations	129,300	130,000		130,000	120,000
8890 Fingerprints	72,782	50,000		80,000	80,000
8890 Miscellaneous	<u>37,737</u>	<u>20,000</u>		<u>20,000</u>	<u>30,000</u>
Total Local	22,366,421	22,611,113	44	22,641,113	21,092,423
Total Revenue	49,539,967	51,423,579	100	51,448,579	55,633,684
* GENERAL APPORTIONMENT					
Base, Prior Year	42,403,690	43,437,670		43,437,670	48,037,925
Add:					
PFE				1,875,543	
Equalization (added to base)	1,115,916	1,538,811		1,538,811	1,700,000
Prior year adj.				39,029	
FTES Decline	(1,004,082)	(1,004,082)		(956,952)	0
COLA, 2.41%, 4.23%, 5.18%	1,033,980	1,939,368		1,974,161	2,488,365
Budget Stability (in one time)	1,004,082				
M & O adjustment				(184,671)	
Deficit Factor (1/2%)	<u>(222,768)</u>				
* TOTAL GENERAL APPORTIONMENT	44,330,818	45,911,767		47,723,591	52,226,290

2006-07 PRELIMINARY BUDGET
GENERAL FUND - OVERVIEW

BASE BUDGET EXPENDITURES	UNRESTRICTED GENERAL FUND BASE BUDGET				2006-07 PRELIMINARY BUDGET \$
	2004-05	2005-06			
	ACTUAL 6/30/05 \$	ADOPTED BUDGET \$	%	WORKING BUDGET \$	
CERTIFICATED SALARIES					
1100 Teaching	11,505,466	13,307,170		13,313,241	13,143,632
1200 Non-Teaching	3,614,316	3,873,066		3,841,449	3,924,957
1300 Part-Time Teaching	7,209,691	7,071,295		6,892,684	7,510,697
1400 P/T Non-Teaching	<u>431,268</u>	<u>133,213</u>		<u>386,603</u>	<u>133,213</u>
Total Certificated	22,760,741	24,384,744	48	24,433,977	24,712,499
CLASSIFIED SALARIES					
2100 Regular Contract	8,183,208	8,812,577		8,534,717	8,935,565
New Classified Positions					117,000
2200 Instr'l Aide Contract	1,153,592	1,319,067		1,233,061	1,346,708
2300 P/T Classified	513,805	490,911		535,089	465,756
2400 P/T Class Inst Aide	<u>262,186</u>	<u>206,393</u>		<u>256,380</u>	<u>233,538</u>
Total Classified	10,112,791	10,828,948	21	10,559,247	11,098,567
STAFF BENEFITS	8,919,307	9,753,095	19	9,771,424	10,347,369
SUPPLIES					
4200 Other Books	8,070	8,001		8,001	8,001
4300 Instr'l Supplies	65,407	390,717		326,129	388,061
4500 Non-Instr'l Supplies	<u>250,715</u>	<u>314,552</u>		<u>335,374</u>	<u>349,282</u>
Total Supplies	324,192	713,270	1	669,504	745,344
OPERATING EXPENDITURES					
5100 Profess'l Services	690,154	648,335		906,765	657,668
5200 Travel, Mileage	83,118	115,755		126,633	115,356
5300 Dues & Memberships	59,197	63,034		66,397	66,942
5400 Insurance	367,300	411,005		411,005	422,997
5500 Utilities	1,672,816	1,698,786		1,694,624	1,932,186
5600 Rental Equip & Fac	38,163	54,389		56,944	54,389
Maint. Serv. Agrmts	391,410	564,118		605,792	639,660
Repairs	112,502	153,362		156,012	156,962
5700 Legal Fees	104,648	125,000		125,000	125,000
Audit	46,050	55,000		66,970	65,000
Misc. Fees (Mchnt Bank)	122,167	122,426		122,426	122,426
5800 Postage	185,516	226,100		226,152	224,500
Advertising	88,783	118,984		113,223	116,539
Fingerpt & Testing Reqs	57,813	43,150		75,990	45,050
Printing	128,550	184,692		182,356	185,406
Program Support	11,082	170,942		51,563	172,322
Component	0	67,878		58,615	67,878
Other Fees	41,863	37,272		44,836	36,590
Uncollectable Stdnt Recv.	<u>381,885</u>	<u>350,000</u>		<u>350,000</u>	<u>350,000</u>
Total Operating	4,583,017	5,210,228	10	5,441,303	5,556,871
SUB-TOTAL EXPENDITURES	46,700,048	50,890,285	99	50,875,455	52,460,650

2006-07 PRELIMINARY BUDGET
GENERAL FUND - OVERVIEW

BASE BUDGET EXPENDITURES	UNRESTRICTED GENERAL FUND BASE BUDGET				
	2004-05	2005-06			2006-07
	ACTUAL 6/30/05 \$	ADOPTED BUDGET \$	%	WORKING BUDGET \$	PRELIMINARY BUDGET \$
CAPITAL OUTLAY					
6300 Books	15,944	19,823		16,417	19,823
6400 Equipment	185,987	220,643		241,014	203,587
6500 Lease/Purchase	<u>29,346</u>	<u>29,003</u>		<u>29,003</u>	<u>28,316</u>
Total Capital Outlay	231,277	269,469	1	286,434	251,726
TOTAL EXPENDITURES	46,931,325	51,159,754	100	51,161,889	52,712,376
TOTAL REVENUE	49,539,967	51,423,579		51,448,579	55,633,684
REVENUE OVER (UNDER) EXPENDITURES	2,608,642	263,825		286,690	2,921,308
OTHER FINANCING SOURCES (OUTGO)					
Fin. Aid Fund Match	(45,664)	(67,651)		(67,651)	(67,460)
To Gen Fund, Dist. Match	(381,500)	(381,500)		(381,500)	(381,500)
Restricted Indirect	107,762	100,000		114,436	116,902
TRANSFERS					
Categorical Project Support	(4,744)	0			
From Student Center Fund				22,000	42,000
From Bookstore Fund	73,386	73,386		73,386	73,386
From ASCC					15,000
From Trust & Agency	21,330	53,063		31,063	53,371
To Child Development Fd	(424,451)	(435,546)		(449,982)	(449,982)
To Debt Service-TRAN Int. Due	(21,288)	0		(1,524)	
To Cafeteria Fund	(120,000)	(120,000)		(120,000)	0
To Debt Service	<u>(207,699)</u>	<u>(317,113)</u>		<u>(323,837)</u>	<u>(335,834)</u>
Total Transfers	(683,466)	(746,210)		(768,894)	(602,059)
TOTAL OTHER FINANCING SOURCE SOURCES (OUTGO)	(1,002,868)	(1,095,361)		(1,103,609)	(934,117)
EXCESS REVENUE/TRANSFERS OVER (UNDER) EXPENDITURES	1,605,774	(831,536)		(816,919)	1,987,191
ONE-TIME SAVINGS, PRIOR & CUR. BUDGET STABILITY TO ONE-TIME FROM ONE-TIME SUB-FUND ALLOCATION FOR GROWTH	596,814 (1,004,082) 0 0	964,536 (50,000) 964,536 (50,000)		964,536 (50,000) 964,536 (50,000)	0 0 0 0
NET INCREASE TO FUND BALANCE		83,000		97,617	1,987,191
BALANCE - BEGINNING YEAR	1,722,740	1,722,740		1,722,740	1,805,740
YEAR END FUND BALANCE	1,722,740	1,805,740		1,820,357	3,792,931
RESERVES					
General Reserve	1,667,740	1,667,740		1,667,740	1,667,740
Revolving Cash Fund	30,000	30,000		30,000	30,000
Clearing/Operationa	25,000	25,000		25,000	25,000
Unallocated	0	0		14,617	1,904,191
CalPers	0	83,000		83,000	166,000
TOTAL RESERVES	1,722,740 =====	1,805,740 =====		1,820,357 =====	3,792,931 =====

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B. COMMUNITY EDUCATION

This sub-fund accounts for the Community Education and the Contract Education programs.

The Community Education program is primarily based upon revenue generated from class fees.

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Community Education**

	Actuals 2004-05	Final Budget 2005-06	Budget 2006-07
Revenues			
8800: Local	459,005	330,000	339,000
Total Revenues	459,005	330,000	339,000
Expenditures			
1000: Academic Salaries	80,631	56,114	44,336
2000: Non-Instructional Salaries	108,406	81,503	80,308
3000: Employee Benefits	33,933	34,983	30,308
4000: Supplies and Materials	14,187	9,400	7,400
5000: Other Operating Expenses	184,704	148,000	176,648
6000: Capital Outlay			
Total Expenditures	421,861	330,000	339,000
Excess of Revenues Over Expenditures	37,144	0	0
Other Financing Sources (Outgo)			
7600: Grants/Donations/Scholarships			
Interfund Transfers			
8900: Transfers In			
7300: Transfers Out			
Total Other Financing Sources (Outgo)			
Net Change to Fund Balance	37,144	0	0
Beginning Fund Balance	28,179	65,323	65,323
Fund Adjustment			
Ending Fund Balance	65,323	65,323	65,323

C. CARRY-OVER SUB-FUND

The carry-over sub-fund accounts for self-sustaining funds, projects that are not completed within the same fiscal year, and available balance in line-item budgets authorized for carry-over.

Self-sustaining funds depend on their ability to generate revenue to support their actual operating expenditures.

Major projects that cross fiscal years are carried over in this sub-fund. Examples are major repairs, remodeling, and painting projects that are not state-funded.

Examples of items authorized for carry-over are the year-end balances in supply budgets and the balance in the account established to fund the deductible for insurance claims.

To prepare the budget for this sub-fund, the 2005-06 books must be closed. The budget will be presented as part of the 2006-07 Final Budget.

D. GENERAL RESTRICTED FUND

The Restricted General Fund programs are established for the purpose of providing specialized services. These services are funded by revenues collected from program participants or from revenues provided by a Federal, State or local agency. As the name implies, restricted funds may only be used to pay for the costs of providing specific services.

Federal, State and local agencies frequently require that a district receiving special funding provide general fund dollars to the restricted program. This “match” varies by funding agency and may be in the form of a cash contribution to pay for specific expenditures, or it may be an “in-kind” contribution that is made through allocation of existing district resources such as use of a facility, use of equipment, utilities or personnel.

The Preliminary Budget includes estimates for about one-half of the District’s grants and categorically funded programs. The remaining grant and categorical program budgets will be included in the Final Budget.

Page 16 shows a summary of the Restricted General Fund revenues and expenditures. Page 17 shows the listing of programs included in the Restricted General Fund budget.

The Preliminary Budget for the Restricted programs is currently out of balance. This reflects the college’s on-going commitment to fund full-time positions when the 2006-07 award from granting agencies is not yet assured.

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Restricted Fund**

	Actuals 2004-05	Final Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal	1,447,565	1,157,018	684,895
8600: State	5,285,910	4,562,023	3,871,877
8800: Local	1,664,013	1,722,711	1,519,224
Total Revenues	8,397,488	7,441,752	6,075,996
Expenditures			
1000: Academic Salaries	2,189,241	1,807,079	1,524,036
2000: Non-Instructional Salaries	1,712,441	1,658,648	1,527,699
3000: Employee Benefits	869,463	876,573	852,755
4000: Supplies and Materials	439,864	442,590	352,526
5000: Other Operating Expenses	1,629,990	1,496,849	1,422,897
6000: Capital Outlay	792,712	163,852	32,469
Total Expenditures	7,633,711	6,445,591	5,712,382
Excess of Revenues Over Expenditures	763,777	996,161	363,614
Other Financing Sources (Outgo)			
7600: Grants/Donations/Scholarships	(159,461)	(267,935)	(68,435)
7320: Indirects	(91,286)	(100,000)	(100,000)
Interfund Transfers			
8900: Transfers In			
7300: Transfers Out	(138,921)	(356,685)	(355,745)
Total Other Financing Sources (Outgo)	(389,668)	(724,620)	(524,180)
Net Change to Fund Balance	374,109	271,541	(160,566)
Project Reserves	(374,106)	(271,541)	0
Beginning Fund Balance	109,382	109,385	109,385
Fund Adjustment			
Ending Fund Balance	109,385	109,385	(51,181)

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Restricted - General Fund Detailed Program Listing**

Account	Project	Description	Federal Revenue 8100	State Revenue 8600	Local Revenue 8800-8900	Certificated Salaries 1000	Classified Salaries 2000	Employee Benefits 3000	Supplies & Materials 4000	Other Operating Expenses & Services 5000	Capital Outlay 6000	Student Aid 7000	Transfer Out 7300	Indirect 7320	Total Expenses
various	000	Transportation			520,000		57,739			251,016			211,245		520,000
8016	023	CAP			53,816		35,205	6,000		12,111		500			53,816
6015	031	College/Career Night			6,555		498	48	600	5,409					6,555
4150&6016	047	CA Wellness			77,419	19,342		5,435		49,123				3,519	77,419
4109	049	Nursing Expansion				4,624									4,624
4014&6016	063	WDBA-Irvine			122,243		8,294	2,247	1,000	106,000				4,702	122,243
4014&6016	067	WDBA - Packard Year 2			8,320					6,000	2,000			320	8,320
various	068	WDBA-NSF Year 2	76,047				8,000	122	1,000	62,000	2,000			2,925	76,047
3050	100	Lottery		285,050					285,050						285,050
3050	103	Student Representation			30,200					1,700			28,500		30,200
3050	104	Child Care Fees			6,150					2,150			4,000		6,150
8610	110	Health Services			473,500	243,714	50,742	97,816	7,615	72,287	1,326				473,500
various	111	DSPS		1,547,190		909,397	186,934	305,956	12,000	120,903	12,000				1,547,190
4480	112	Human Care Alliance					80,772								80,772
7025	122	Tutorials-Griffith			63,495		29,475	32,400	1,000	620					63,495
8152	125	CARE		77,746			4,500		1,500	33,811		37,935			77,746
8150&7025	126	EOPS		337,087		69,795	127,593	52,846	9,057	44,796	3,000	30,000			337,087
6017	140	WIA-FTTW					1,322								1,322
6017	141	WIA-FTTW					1,322								1,322
8131	153	SFAA - BFAP		387,600			291,268	80,332		16,000					387,600
44xx	165	Foster Parent		127,712		39,894	22,976	18,783	2,000	38,866	2,000			3,193	127,712
6024	175	MESA					13,020								13,020
6021	187	Ladders		70,000					265	67,143				2,592	70,000
7011	190	Matriculation-noncredit		7,598		7,598									7,598
7011&various	194	Matriculation-credit		440,853		108,707	187,930	126,216	4,000	12,000	2,000				440,853
6017	204	TANF (FTTW)	18,027	18,027			28,445	6,609		1,000					36,054
6017	205	Calworks (FTTW)		141,740			127,915	13,825							141,740
6012	236	Tech Prep Hartnell			7,305					7,305					7,305
6041	259	Bay ITC			30,421					29,251				1,170	30,421
6017	292	Calworks (FTTW)					8,899								8,899
4109	332	Nursing Expansion				9,459									9,459
4411	365	OFR Foster Parent		123,437		39,894		11,147	7,425	55,096				9,875	123,437
4411	367	STAP		110,878					3,500	98,508				8,870	110,878
6210	399	SBDC-SBA (2006)	90,710				31,080	11,591	1,150	43,400				3,489	90,710
6210	398	SBDC-ECON DEV		150,000			67,160	22,788	500	51,283	2,500			5,769	150,000
6210	391	SBDC-SBA (2007)					29,580	11,568							41,148
3050	507	Student Center Fees			119,800					7,800			112,000		119,800
4014&6016	710	WDBA-NSF Year 3	104,867			14,110	5,000	1,723	2,000	78,000				4,034	104,867
Various	816	VTEA 1C	328,096			23,355	118,078	38,072	12,688	130,260	5,643				328,096
6012	819	Tech Prep VTEA 1B	67,148			34,147	3,952	7,231	176	19,059				2,583	67,148
0000	000	Estimated Indirects		46,959										46,959	46,959
		Total	684,895	3,871,877	1,519,224	1,524,036	1,527,699	852,755	352,526	1,422,897	32,469	68,435	355,745	100,000	6,236,562

E. RESERVES (ENDING BALANCE)

1. BASE BUDGET RESERVES

The General Reserves, Revolving Fund, Revolving Stores, Clearing/Operational Fund and CalPers Reserve are accounted for in the Base Budget in the amount of \$1,888,740. These funds are not designated for allocation during the fiscal year.

a. General Reserves

An account to record the reserve budgeted to provide operating cash in the succeeding fiscal year until taxes and state funds become available. The California Community Colleges Chancellor’s Office guideline is a minimum of 5% of the total General Fund Reserve. The District will calculate this in the Final Budget when all sources of funds are included. For the preliminary, the general reserves are estimated at \$1,667,740.

b. Revolving Cash Fund

A \$30,000 account to be used for emergency or small sundry disbursements.

c. Clearing/Operational Fund

A \$25,000 account to be used for District deposits and subsequent withdrawal into appropriate County treasury accounts.

d. CalPers Reserve

A CalPers reserve is included in the 2006-07 Preliminary Budget. The reserve will be used to help smooth recent fluctuations that have occurred in the CalPers employer contribution rate.

**2006-07 PRELIMINARY BUDGET
RESERVES OF THE GENERAL FUND**

RESERVES Preliminary Budget	Base Budget	Restricted Sub Fund	Comm Ed	TOTAL General Fund
General Reserve	1,667,740		65,323	1,733,063
Revolving Cash Fund	30,000			30,000
Clearing/Operational	25,000			25,000
CalPers	166,000			166,000
Unallocated Reserve	1,904,191			1,904,191
Total Reserves	\$3,792,931		65,323	\$3,858,254

OTHER FINANCING SOURCES (OUTGO)

Other financing sources include proceeds from long-term debt, sale of fixed assets, and incoming transfers.

Other outgo includes debt retirement, student aid and transfers to other funds.

Inter-fund transfers are made to move appropriations and dollars from one fund to another fund for the purpose of paying for expenditures using the structure required by generally accepted accounting principles applied to governmental entities. The transfer of funds allows money to be moved from one fund to a second fund with the second fund then being responsible for paying all operating costs of that program. This practice allows all program expenditures related to the operation of the program, regardless of funding sources, to be accounted for in a single fund. This treatment provides readers with a full understanding of the scope of the program as a whole.

Intra-fund transfers are made within a fund of a district. An example of an intra-fund transfer would be moving funds from the unrestricted general fund to the restricted general fund.

A schedule of Inter- and Intra-fund Transfers is included on the following page. Some of the sub-funds within the General Fund such as the Carryover and One-Time sub-funds do not have complete budget schedules included in the Preliminary Budget. Therefore, transfers for those sub-funds are not included in the attached schedule.

INTER- AND INTRA-FUND TRANSFERS

	Transfer in	Transfer Out
Unrestricted General Fund 11		
To Child Development 33		449,982
To Debt Service Fund 22		335,834
From ASCC Fund 71	15,000	
From Stu Ctr Fund 73	42,000	
From Trust & Agency 79	53,371	
From Bookstore 51	73,386	
Restricted General Fund 12		
To Transportation Fund 41		211,245
To Child Development Fund 33		4,000
To Student Ctr Trust Fund 73 fees		112,000
To Student Rep Fund 72 fees		28,500
Debt Service Fund 22		
From Unrestricted General Fund 11	335,834	
Child Devel Fund 33		
To Building Fund 43		4,000
From Unrestricted General Fund Base 11	449,982	
From General Restricted Fund 12 (child care fees)	4,000	
Building Funds 41-47		
From Child Devel Fund 33	4,000	
From General Restricted Fund 12 (Transportation)	211,245	
Bookstore Fund 51		
To ASCC fund 71		15,000
To Unrestricted General Fund Base 11		73,386
Student Representation Fund 72		
From General Restricted Fund 12 (fees)	28,500	
Student Center Trust Fund 73		
To Unrestricted General Fund Base 11		42,000
From General Restricted Fund 12 (fees)	112,000	
ASCC Fund 71		
To Unrestricted General Fund Base 11		15,000
From Bookstore Fund	15,000	
Trust & Agency Fund 79		
Pino Alto/Sesnon to Unrestricted General Fund Base 11		53,371
Total Inter- and Intra-fund Transfers	1,344,318	1,344,318
Indirects collected in the Unrestricted General Fund		
From Child Development Fund 33	16,902	
From Restricted General Fund 12	100,000	
Total Indirects Reimbursed on Fund 11	116,902	

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II. DEBT SERVICE FUND

The District uses the Debt Service Fund to account for the payment of the Certificates of Participation (COP) authorized by the Board of Trustees in 1997-98. COPs are a form of debt used by governmental agencies that does not require voter approval.

A transfer from the General Fund is made to cover annual COP commitments.

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Debt Service Fund**

	Actuals 2004-05	Final Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal			
8600: State			
8800: Local	7,482	6,000	6,000
Total Revenues	7,482	6,000	6,000
Expenditures			
1000: Academic Salaries			
2000: Non-Instructional Salaries			
3000: Employee Benefits			
4000: Supplies and Materials			
5000: Other Operating Expenses	31,648		
6000: Capital Outlay	207,699	323,113	341,834
Total Expenditures	239,347	323,113	341,834
Excess of Revenues Over Expenditures	(231,865)	(317,113)	(335,834)
Other Financing Sources (Outgo)			
Interfund Transfers			
8900: Transfers In	231,865	317,113	335,834
7300: Transfers Out			
Total Other Financing Sources (Outgo)	231,865	317,113	335,834
Net Change to Fund Balance	0	0	0
Beginning Fund Balance	348,845	348,845	348,845
Fund Adjustment			
Ending Fund Balance	348,845	348,845	348,845

III. CHILD DEVELOPMENT FUND

The Child Development Fund is designated as a special revenue fund. This fund accounts for legally restricted revenue sources such as the Child Care Premium Tax Bailout, the California Department of Education, and the U.S. Department of Education.

The District budgets a transfer from the General Fund for labor costs. The budgeted transfer for the Preliminary Budget is \$449,982. There is also a budgeted transfer in from the General Restricted Fund of \$4,000 for net proceeds of the Child Care Fee.

The Child Development Fund is expected to close Fiscal Year 2005-06 with a small fund balance.

**Cabrillo Community College District
Preliminary Budget 2006-2007
Child Development Fund**

	Actual 2004-05	Budget 2005-06	Budget 2006-07
Revenues			
810: Federal	66,085	25,000	66,994
860: State	632,418	597,647	625,674
880: Local	129,621	150,850	143,250
Total Revenues	828,124	773,497	835,918
Expenditures			
1000: Academic Salaries	502,935	509,800	485,424
2000: Non-Instructional Salaries	257,342	259,416	290,557
3000: Employee Benefits	234,723	252,368	230,629
4000: Supplies and Materials	40,398	40,464	41,131
5000: Other Operating Expenses	194,566	201,561	224,224
6000: Capital Outlay	7,406	0	0
7000: Grants/Donations/Scholarships	0	0	0
Total Expenditures	1,237,370	1,263,609	1,271,965
Excess of Revenues Over Expenditures	(409,246)	(490,112)	(436,047)
Other Financing Sources (Outgo)			
7320: Indirects	(16,475)	(14,436)	(16,902)
Interfund Transfers			
Transfers In	430,294	455,725	453,982
Transfers Out	(4,000)	(4,000)	(4,000)
Total Other Financing Sources (Outgo)	409,819	437,289	433,080
Net Change to Fund Balance	573	(52,823)	(2,967)
Beginning Fund Balance	67,899	68,472	15,649
Fund Adjustment			
Ending Fund Balance	68,472	15,649	12,682

IV. BUILDING FUND

This fund accounts for federal, state, and local funding for scheduled maintenance and capital outlay projects, and student transportation fees. The Preliminary Budget includes projected expenses for new projects only.

A. SCHEDULED MAINTENANCE & CAPITAL OUTLAY PROJECTS

The State provides funds for hazardous materials removal, scheduled maintenance, and capital outlay projects. The Building Fund also includes funding from Redevelopment Agencies. The College has been awarded an allocation from State Proposition 55 of \$20,357,000 for construction and \$1,135,000 for equipment for the Arts Education Complex.

Specific projects include:

Capital Construction Arts	
Education Complex, Second Year	10,178,500
Scheduled Maintenance	
Fire Alarms System Upgrade	204,645

B. TRANSPORTATION, PARKING & SECURITY

After payment is made to the Santa Cruz County Transit District, the net collections from the bus passes and parking permit fees are transferred into the Building Fund. These funds are designated for parking lot security, maintenance, and repairs.

C. CERTIFICATES OF PARTICIPATION (COPS)

Certificates of Participation (COPS) were sold in 1997-98. The proceeds have been used for deferred maintenance, upgrading of infrastructure, and purchase and installation of the Datatel software system. Most recently, the fund has supported the costs of the conversion to the Datatel Payroll System.

**Cabrillo Community College District
 Preliminary Budget 2006-2007
 Building Fund**

	Actual 2004-05	Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal	0	0	
8600: State	560,994	10,293,962	10,178,500
8800: Local	405,154	387,500	361,000
Total Revenues	966,148	10,681,462	10,539,500
Expenditures			
1000: Academic Salaries	0	0	0
2000: Non-Instructional Salaries	100,119	255,063	55,901
3000: Employee Benefits	35,075	45,600	31,103
4000: Supplies and Materials	34,986	22,444	21,792
5000: Other Operating Expenses	890,099	1,959,151	1,241,150
6000: Capital Outlay	361,236	9,321,988	9,301,886
7000: Grants/Donations/Scholarships	0		
Total Expenditures	1,421,515	11,604,246	10,651,832
Excess of Revenues Over Expenditures	(455,367)	(922,784)	(112,332)
Interfund Transfers			
Transfers In	600,569	705,983	215,245
Transfers Out	(28,280)	0	0
Net Change to Fund Balance	116,922	(216,801)	102,913
Beginning Fund Balance	1,775,034	1,891,956	1,675,155
Fund Adjustment			
Ending Fund Balance	1,891,956	1,675,155	1,778,068
Reserve - Parking Lot		56,264	(35,323)
Reserve - Redevelopment		537,006	717,006
Reserve - Future COP's Projects		408,900	408,900
Reserve - For Contingency		78,982	93,482
Reserve - Future Scheduled Maintenance Projects		594,002	355,303

V. GENERAL OBLIGATION BOND FUND

In June 1998 the voters approved an \$85 million General Obligation Bond (Measure C) on behalf of Cabrillo College.

Sales of Measure C bonds have taken place in increments as funds were needed:

1st Issue (Series A)	1998-99	- \$12 million
2nd Issue (Series B)	1999-00	- \$30 million
3rd Issue (Series C)	2000-01	- \$20 million
Final Issue (Series D)	2001-02	- \$23 million

In March 2004 the voters approved a \$118.5 million General Obligation Bond (Measure D) on behalf of Cabrillo College.

Sales of Measure D bonds have begun and will take place in increments as funds are needed:

1st Issue (Series A)	May 2004	- \$60 million
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The following key projects are included in the Bond Fund for 2006-07:

- Construction of the Arts Education Classroom (AEC) Project:
 - Project also receives \$20,357,000 State Capital Outlay Construction funding and \$1,136,000.00 Equipment funding.
- Construction of the Student Services Complex project
- Construction of the Parking structure adjacent to the future Health & Wellness Center
- Building Design of the Allied Health Complex
- Building Improvements (as approved throughout the year)
- ADA access improvements (as approved throughout the year)

The following key projects were completed in 2005-06:

- Synthetic turf for the stadium
- HVAC replacement in Buildings 400 and 450.
- Numerous building improvement projects throughout campus (building painting, classroom renovation, etc.)
- Soccer field converted to parking
- Enrollment Center
- Sheriff relocation
- ADA access improvements (ADA doors for Building 1100, new access paths at the softball and baseball fields.

The 2006-07 Preliminary Budget shows expenditures for newly funded projects only.

**Cabrillo Community College District
Preliminary Budget 2006-2007
1998 & 2004 General Obligation Bonds
Bond Funds (Combined)**

	Actual 2004-05	Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal			
8600: State			
8800: Local	1,404,737	1,100,000	1,200,000
Total Revenues	1,404,737	1,100,000	1,200,000
Expenditures			
1000: Academic Salaries	0	0	
2000: Non-Instructional Salaries	7,721	0	
3000: Employee Benefits	818	0	
4000: Supplies and Materials	138,285	258,296	10,431
5000: Other Operating Expenses	7,072,451	9,705,633	409,625
6000: Capital Outlay	4,682,144	17,339,690	1,004,794
Total Expenditures	11,901,419	27,303,618	1,424,850
Excess of Revenues Over Expenditures	(10,496,682)	(26,203,618)	(224,850)
Other Financing Sources (Outgo)			
8800: Sale of Bonds	0	0	
Interfund Transfers			
8900: Transfers In			
7300: Transfers Out	(199,926)	(489,944)	0
Total Other Financing Sources (Outgo)	(199,926)	(489,944)	0
Net Change to Fund Balance	(10,696,608)	(26,693,562)	(224,850)
Beginning Fund Balance	68,807,761	58,111,153	31,417,591
Fund Adjustment			
Ending Fund Balance	58,111,153	31,417,591	31,192,741

**Cabrillo Community College District
 Preliminary Budget 2006-2007
 2004 General Obligation
 Bond Fund - Measure D**

	Actual 2004-05	Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal			
8600: State			
8800: Local	1,270,933	1,000,000	1,200,000
Total Revenues	1,270,933	1,000,000	1,200,000
Expenditures			
1000: Academic Salaries	0	0	
2000: Non-Instructional Salaries	0	0	
3000: Employee Benefits	0	0	
4000: Supplies and Materials	106,444	229,960	10,431
5000: Other Operating Expenses	4,095,941	6,749,073	409,625
6000: Capital Outlay	2,699,072	16,016,967	1,004,794
Total Expenditures	6,901,457	22,996,000	1,424,850
Excess of Revenues Over Expenditures	(5,630,524)	(21,996,000)	(224,850)
Other Financing Sources (Outgo)			
8800: Sale of Bonds			
Interfund Transfers			
8900: Transfers In			
7300: Transfers Out	(199,926)	(489,944)	
Total Other Financing Sources (Outgo)	(199,926)	(489,944)	0
Net Change to Fund Balance	(5,830,450)	(22,485,944)	(224,850)
Beginning Fund Balance			(22,485,944)
Fund Adjustment			
Ending Fund Balance	(5,830,450)	(22,485,944)	(22,710,794)

**Cabrillo Community College District
 Preliminary Budget 2006-2007
 1998 General Obligation Bonds
 Bond Fund - Measure C**

	Actual 2004-05	Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal			
8600: State			
8800: Local	133,804	100,000	0
Total Revenues	133,804	100,000	0
Expenditures			
1000: Academic Salaries			
2000: Non-Instructional Salaries	7,721	0	
3000: Employee Benefits	818	0	
4000: Supplies and Materials	31,841	28,336	0
5000: Other Operating Expenses	2,976,510	2,956,559	0
6000: Capital Outlay	1,983,072	1,322,723	0
Total Expenditures	4,999,962	4,307,618	0
Excess of Revenues Over Expenditures	(4,866,158)	(4,207,618)	0
Other Financing Sources (Outgo)			
8800: Sale of Bonds			
Interfund Transfers			
8900: Transfers In			
7300: Transfers Out			
Total Other Financing Sources (Outgo)			
Net Change to Fund Balance	(4,866,158)	(4,207,618)	0
Beginning Fund Balance	9,073,776	4,207,618	0
Fund Adjustment			
Ending Fund Balance	4,207,618	0	

VI. BOOKSTORE FUND

The Bookstore Fund is an enterprise fund. An enterprise fund accounts for the total costs of providing goods and services on a continuing basis to students or staff and is financed through user charges or earned income.

This fund accounts for the total operation of the Bookstore, which includes payments to the District of \$125,000 in occupancy and administrative fees and a \$15,000 transfer to the Student Senate library reserve book fund for students.

Incorporated into the Preliminary Budget is a two percent discount on new textbooks priced \$100 and over. This is a continuance of the program recommended by the Bookstore Committee in 2004 to help reduce the price of books to students.

**Cabrillo Community College District
 Preliminary Budget 2006-2007
 Bookstore Fund
 Enterprise Fund**

	Actual 2004-05	Budget 2005-06	Budget 2006-07
Total Income	3,238,559	3,223,925	3,332,115
Cost of Sales	2,446,996	2,349,600	2,404,002
Gross Profit or (Loss)	791,563	874,325	928,113
Expenditures			
1000: Academic Salaries			
2000: Non-Instructional Salaries	366,872	362,179	372,122
3000: Employee Benefits	120,539	141,715	144,281
4000: Supplies and Materials	3,932	4,000	6,000
5000: Other Operating Expenses	205,438	238,264	257,664
6000: Capital Outlay			
Total Expenditures	696,781	746,158	780,067
Excess of Revenues Over Expenditures	94,782	128,167	148,046
Other Financing Sources (Outgo)			
Interfund Transfers			
8900: Transfers In			
7300: Transfers Out	(88,386)	(88,386)	(88,386)
Total Other Financing Sources (Outgo)	(88,386)	(88,386)	(88,386)
Net Change to Fund Balance	6,396	39,781	59,660
Beginning Fund Balance	1,427,969	1,434,365	1,474,146
Fund Adjustment			
Ending Fund Balance	1,434,365	1,474,146	1,533,806

VII. CAFETERIA SPECIAL REVENUE FUND

The food service operation is contracted to Fresh & Natural, a Milpitas-based company that specializes in providing food service to corporations and public entities. Their contractual arrangement with the College is as follows:

- Pay a 7% commission on register and catering sales, with a minimum annual commission payment of \$35,000.
- Pay the College \$22,500 to cover a portion of the salary of the one District classified employee remaining with food service.
- Pay \$3,000 per year commission on Head Start meals to cover utility costs.
- Provide \$2,000 in student scholarships.
- Provide \$1,000 in co-sponsored catered events and \$1,000 in partnership value to student and College faculty/staff events.

It should be noted that the District has fulfilled its obligation to eliminate the deficit in the Cafeteria Fund. The 2006-07 Preliminary Budget anticipates that the food service program will break even on an ongoing basis.

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Cafeteria Special Revenue Fund**

	Actuals 2004-05	Final Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal			
8600: State			
8800: Local	53,457	60,422	60,000
Total Revenues	53,457	60,422	60,000
Expenditures			
1000: Academic Salaries			
2000: Non-Instructional Salaries	36,004	39,864	41,480
3000: Employee Benefits	14,406	15,892	16,896
4000: Supplies and Materials			
5000: Other Operating Expenses	1,920	2,793	1,624
6000: Capital Outlay			
Total Expenditures	52,330	58,549	60,000
Excess of Revenues Over Expenditures	1,127	1,873	0
Other Financing Sources (Outgo)			
Interfund Transfers			
8900: Transfers In	120,000	354,713	
7300: Transfers Out			
Total Other Financing Sources (Outgo)	120,000	354,713	0
Net Change to Fund Balance	121,127	356,586	0
Beginning Fund Balance	(477,713)	(356,586)	0
Fund Adjustment			
Ending Fund Balance	(356,586)	0	

VIII. ICDL ENTERPRISE FUND

This enterprise fund accounts for the total revenue and cost of providing International Computer Driving License testing services and courseware to California Community Colleges and the business members of the Bay Area Regional Consortium and is financed through net sales and categorical funds.

The budget for the ICDL fund will be included in the District's 2006-07 Final Budget.

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IX. ASSOCIATED STUDENTS FUND

The Associated Students Fund is money held in trust by the District for organized student body association activities. The District has fiduciary responsibility for these funds.

The Associated Students Fund is funded by the sale of student activity cards, vending machine commissions, and contributions from the Bookstore. The revenue supports student services, graduation, clubs, and other College programs, and provides scholarships and loans.

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Associated Students Fund**

	Actuals 2004-05	Final Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal			
8600: State			
8800: Local	48,788	44,350	41,150
Total Revenues	48,788	44,350	41,150
Expenditures			
1000: Academic Salaries			
2000: Non-Instructional Salaries			
3000: Employee Benefits			
4000: Supplies and Materials	10,052	8,000	9,700
5000: Other Operating Expenses	40,733	36,350	31,450
6000: Capital Outlay			
Total Expenditures	50,785	44,350	41,150
Excess of Revenues Over Expenditures	(1,997)		0
Other Financing Sources (Outgo)			
Interfund Transfers			
8900: Transfers In	15,000	15,000	15,000
7300: Transfers Out	(15,000)	(15,000)	(15,000)
Total Other Financing Sources (Outgo)	0	0	0
Net Change to Fund Balance	(1,997)	0	0
Beginning Fund Balance	84,089	82,092	82,092
Fund Adjustment			
Ending Fund Balance	82,092	82,092	82,092

X. TRUST & AGENCY FUND

The Trust and Agency Fund was established to account for monies held in a trustee capacity by the College for individuals, student organizations or clubs. Money is expended in accordance with procedures established by the entity for which the money is held in trust.

The Trust and Agency Fund contains accounts where the District is the agent for the funds. These accounts are not funded from the General Fund. Examples include student clubs and organizations, Cabrillo Stage, Distinguished Artists, Cabrillo Chorus, pottery fund, athletic ancillary funds and numerous others. The fund balance is an accumulated balance of the entities, and is not available to the General Fund.

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Trust and Agency Fund**

	Actuals 2004-05	Final Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal			
8600: State			
8800: Local	930,897	997,315	890,202
Total Revenues	930,897	997,315	890,202
Expenditures			
1000: Academic Salaries			
2000: Non-Instructional Salaries			
3000: Employee Benefits			
4000: Supplies and Materials	140,785	228,720	188,340
5000: Other Operating Expenses	884,897	703,105	652,070
6000: Capital Outlay	2,675		
Total Expenditures	1,028,357	931,825	840,410
Excess of Revenues Over Expenditures	(97,460)	65,490	49,792
Other Financing Sources (Outgo)			
Interfund Transfers			
8900: Transfers In			
7300: Transfers Out	(32,000)	(31,063)	(53,371)
Total Other Financing Sources (Outgo)	(32,000)	(31,063)	(53,371)
Net Change to Fund Balance	(129,460)	34,427	(3,579)
Beginning Fund Balance	946,375	816,915	851,342
Fund Adjustment			
Ending Fund Balance	816,915	851,342	847,763

XI. SCHOLARSHIP & LOAN TRUST FUND

The Scholarship and Loan Trust Fund accounts for gifts, donations and bequests that are used for scholarships, grants or loans to students. The majority of income for this fund comes from the Cabrillo Foundation; the remainder is received from other sources.

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Scholarship and Loan Trust Fund**

	Actuals 2004-05	Final Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal			
8600: State			
8800: Local	337,497	430,000	383,000
Total Revenues	337,497	430,000	383,000
Expenditures			
1000: Academic Salaries			
2000: Non-Instructional Salaries			
3000: Employee Benefits			
4000: Supplies and Materials			
5000: Other Operating Expenses			
6000: Capital Outlay			
Total Expenditures			
Excess of Revenues Over Expenditures	337,497	430,000	383,000
Other Financing Sources (Outgo)			
7000: Grants/Donations/Scholarships	(339,955)	(430,000)	(383,000)
Interfund Transfers			
8900: Transfers In			
7300: Transfers Out			
Total Other Financing Sources (Outgo)	(339,955)	(430,000)	(383,000)
Net Change to Fund Balance	(2,458)	0	0
Beginning Fund Balance	26,528	24,070	24,070
Fund Adjustment			
Ending Fund Balance	24,070	24,070	24,070

XII. STUDENT FINANCIAL ASSISTANCE FUND

Student Financial Assistance Funds are designated to account for receiving and disbursing federal- and state-funded student financial aid.

PELL GRANTS - A federal program available to undergraduate students who are participating in an eligible program on at least a half-time basis (six or more units). The amount of the grant is determined by the student's index number. The beginning budget reflects the amount of the initial award letter. Augmentations are received throughout the year.

SEOG - Supplemental Educational Opportunity Grant is a federal program that enables students with verified exceptional financial needs to pursue their studies at institutions of higher education. The student must be enrolled on at least a half-time basis, show evidence of academic progress, and be capable of maintaining good standing.

EOPS - Extended Opportunity Program and Services is a state grant that is awarded through the Financial Aid Office to students with verified exceptional need who qualify under the program guidelines.

CARE - Cooperative Agencies Resources for Education is a state program awarded through the Financial Aid Office for welfare-dependent single heads of households with preschool age children.

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Student Financial Assistance Fund**

	Actuals 2004-05	Final Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal	5,156,491	5,118,442	5,013,956
8600: State	761,156	750,000	785,000
8800: Local	295	348	288
Total Revenues	5,917,942	5,868,790	5,799,244
Expenditures			
1000: Academic Salaries			
2000: Non-Instructional Salaries			
3000: Employee Benefits			
4000: Supplies and Materials			
5000: Other Operating Expenses			
6000: Capital Outlay			
Total Expenditures			
Excess of Revenues Over Expenditures	5,917,942	5,868,790	5,799,244
Other Financing Sources (Outgo)			
7000: Grants/Donations/Scholarships	(5,836,616)	(5,868,790)	(5,799,244)
Interfund Transfers			
8900: Transfers In			
7300: Transfers Out			
Total Other Financing Sources (Outgo)	(5,836,616)	(5,868,790)	(5,799,244)
Net Change to Fund Balance	81,326	0	0
Beginning Fund Balance	(49,305)	32,021	32,021
Fund Adjustment			
Ending Fund Balance	32,021	32,021	32,021

XIII. STUDENT REPRESENTATION FEE FUND

California Legislation authorized a one-dollar fee to be collected from students to support Student Senate representatives in lobbying for student rights before city, state and federal agencies.

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Student Representation Fee Fund**

	Actuals	Final Budget	Budget
	2004-05	2005-06	2006-07
Revenues			
8100: Federal			
8600: State			
8800: Local			
Total Revenues			
Expenditures			
1000: Academic Salaries			
2000: Non-Instructional Salaries			
3000: Employee Benefits			
4000: Supplies and Materials			
5000: Other Operating Expenses	14,878	20,000	21,000
6000: Capital Outlay			
Total Expenditures	14,878	20,000	21,000
Excess of Revenues Over Expenditures	(14,878)	(20,000)	(21,000)
Other Financing Sources (Outgo)			
Interfund Transfers			
8900: Transfers In	27,958	27,946	28,500
7300: Transfers Out			
Total Other Financing Sources (Outgo)	27,958	27,946	28,500
Net Change to Fund Balance	13,080	7,946	7,500
Beginning Fund Balance	29,776	42,856	50,802
Fund Adjustment			
Ending Fund Balance	42,856	50,802	58,302

XIV. STUDENT CENTER FEE FUND

The Student Center Fee is required of all students and is designated solely for the purpose of maintaining, remodeling and/or building a new Student Center. The fee is \$1 per unit for a maximum of \$5 per semester, and cannot exceed \$10 per academic year. Some students receiving financial assistance may have the fee waived.

The new Student Center is currently under construction. It is anticipated that it will open in Spring, 2007. The construction costs are recorded in the bond fund. The Student Center fees will pay for the furnishings for the new Center. In addition, the fees will support the custodial services for the new building by transferring funds to the unrestricted general fund.

**Cabrillo Community College District
 Preliminary Budget 2006-07
 Student Center Fee Fund**

	Actuals 2004-05	Final Budget 2005-06	Budget 2006-07
Revenues			
8100: Federal			
8600: State			
8800: Local	16,596	10,000	10,000
Total Revenues	16,596	10,000	10,000
Expenditures			
1000: Academic Salaries			
2000: Non-Instructional Salaries			
3000: Employee Benefits			
4000: Supplies and Materials			25,000
5000: Other Operating Expenses	27,132	120,000	30,000
6000: Capital Outlay	7,571		350,000
Total Expenditures	34,703	120,000	405,000
Excess of Revenues Over Expenditures	(18,107)	(110,000)	(395,000)
Other Financing Sources (Outgo)			
Interfund Transfers			
8900: Transfers In	110,963	110,957	112,000
7300: Transfers Out	(21,330)	(22,000)	(42,000)
Total Other Financing Sources (Outgo)	89,633	88,957	70,000
Net Change to Fund Balance	71,526	(21,043)	(325,000)
Beginning Fund Balance	734,642	806,168	785,125
Fund Adjustment			
Ending Fund Balance	806,168	785,125	460,125

ATTACHMENTS

2006-07 Base Budget Planning Assumptions

	Worst Case	Range Mid- Range	Best Case
2005-06 Deficit	(965,000)	(965,000)	(965,000)
2006-07 Revenue Adjustment			
2004-05 Recalc. (+15 new FTES)	52,000	52,000	52,000
2005-06 Recover Base Revenue from 2004-05 FTES	(395,000) -1%	0 0%	0 0%
2005-06 Reduction in Maintenance & Operation Funding/Gross Square Footage	(185,000)	(185,000)	(185,000)
2006-07 Growth A. Growth Rates - Cabrillo Adult population change 1.39% High school graduation rate .39% Blended rate @ 1.39%- funded at 100% B. System recommendation to BOG, 3% enrollment growth appropriation C. Budget Planning Assumptions	0 0%	0 0%	0 0%
COLA	1,900,000 4%	2,475,000 5.18%	2,800,000 5.80%
Equalization Governor's Jan. Budget includes \$130 million- allocation methodology unknown, funding at risk in May Revise? Equalization compromise included in best case	0	1,700,000	2,000,000
TOTAL Revenue Adjustment	1,372,000	4,042,000	4,667,000

2006-07 Expense Adjustments

	Worst Case	Range Mid- Range	Best Case
Full-time faculty obligation FON for 2005-06 @ 219, budgeted 217 (Step 5/5 salaries and benefits-avrg cost \$80000) FON for 2006-07 @ 211 based on FTES decline, budget 212, 213 or 214	(246,000) 3 positions	(328,000) 4 positions	(410,000) 5 positions
Adjunct Replacement Units 3,4,5 positions X 30 teaching units @\$1500 per teaching unit 1 Counseling position X 30 teaching units@\$1500 per teaching unit	180,000 120 units	225,000 150 Units	270,000 180 Units
Adjunct Growth Units 100 teaching units @\$1500 per teaching unit	150,000	150,000	150,000
New Classified Positions Classified support costs for adjunct growth activity (30%) * plus \$50,000 ongoing included in classified staffing budget 2005-06	67,000	67,000	67,000
Labor agreements (each 1% for all employee groups= \$443,250 - based on 05/06 Final Budget)	?	?	?
Benefits District Paid Stipend for Health Benefits (based on current contract)	340,000 7.0%	317,000 6.5%	290,000 6.0%
Retiree Benefit funding- Pay as you go estimate for 2006-07 = \$725,000	?	?	?
New Facility Costs: Student Activities Center & Parking Structure Student Services Center	?	?	?
Increase in Worker's Comp., Gen. Liability, other mandatory? Estimate based on 05-06 increase	35,000	35,000	35,000
Step and Column Increases@ ?%	590,000	590,000	590,000
Operating Costs: Supply budget increases for COLA Instructional/Non-Instructional	41,000 5.80%	37,000 5.18%	0 0.00%
Operating Costs: Utility/Gas rate increase and other operating	350,000	350,000	350,000
Other	?	?	?
Total Expense Adjustments	1,507,000	1,443,000	1,342,000
Projected 2006-07 Structural Balance (Deficit)	(1,100,000)	1,634,000	2,360,000



**Budget Development Calendar
2006-07**

<u>Budget Development</u>	<u>College Review/Action</u>	<u>Governing Board Review/Action</u>	<u>State Budget and Reports</u>
October 19, 2005	CPC reviewed the Full-Time Faculty Obligation		
November 30, 2005	CPC to recommend the Full-time Faculty obligation planning parameters		
December 5, 2005		Action Item: 2006-07 Academic Staffing Priorities	
December 21, 2005	CPC to have preliminary discussion regarding 2006-07 planning parameters		
January 10, 2006			Governor's Proposed Budget
February 1, 2006	CPC to recommend budget planning assumptions and calendar, including allocation or reallocation of base budget funds for new requests for classified support positions		

Budget Development

College Review/Action

Governing Board Review/Action

State Budget and Reports

January - May, 2006	Business Office to prepare line item budget detail to be used for Preliminary Budget 2006-07 based on current information, step and column salary increases, project mandatory/contractual increases		
February 6, 2006		Information Items: 2006-07 Budget Calendar and Budget Planning Assumptions	
February, 2006	Complete planning for Fall 2006 Schedule of Classes		First Principal Apportionment, 2005-06
February, 2006	Actual FTES data available for Summer & Fall 2005, estimates for Wintersession 2006		
February-August, 2006	Continue to monitor 2006-07 State Budget proceedings		
March, 2006		Action Item: Adopt 2006-07 Budget Development Process, Calendar and Planning Assumptions	

Budget Development

College Review/Action

Governing Board Review/Action

State Budget and Reports

May, 2006

May Revise

June 5, 2006

Action Item: Adopt Preliminary
Budget, 2006-07

June – August, 2006

Business Office to update line item
budget detail for Final Budget based on
current information. Step and column
salary increases, projected
mandate/contractual increases

Attendance Report Completed,
2006-07

August, 2006

2006-07 State Budget Approved

September, 2006

CPC to recommend target amount for
augmentation/reduction for 2006-76

Action Item: Adopt Final Budget,
2006-07