



To: Bruce Baron, Chancellor

Date: 1/20/2015

From: Jose Torres, District Budget Committee Chairperson

Re: District Budget Committee Recommendation #2015-04 on Projected Funds for 2015-16 Budget

At its **January 15, 2015** meeting, the District Budget Committee (DBC) approved a recommendation to Chancellor's Cabinet to use the following projections going into the 2015-16 budget development process.

General Fund

- o Funded Growth – 2%
- o COLA – 1.58%
- o Base Allocation (base rate) – use 2014-15 figures for budget development purposes
- o FTES Allocation – TBD
- o Deferrals – plan for no deferrals

Categorical

- o Additional \$100 million for student success and support program
- o Additional \$100 million for student equity plans
- o Proposition 39 -Year 3 – \$326,974 (per Prop 39 memo)
- o Mandated Claims /Block Grant – use 2014-15 amounts for budget development purposes

Chancellor Cabinet Response:

Chancellor's Cabinet agrees with these budget assumptions for 2015-2016 budget development. We want to stress the importance of developing and maintaining a balanced budget over the next five years. Please look at the numbers in the short-term and long-term -timeframes. There are a number of costs that must be considered when creating multi-year forecasts including contractual step-and-column increases, and rising health benefit costs. In addition, we have a number of unknown costs that will impact our District such as the Affordable Care Act and AB1522 which permits sick leave time for part-time employees. Any COLA and unrestricted revenues we receive from the State above our existing base must be first considered to cover all costs of providing a long-term operating budget that is balanced.

Chancellor

1-23-15

Date