



From the Office of
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PRESIDENT'S BULLETIN

Vision: Creating opportunities for student success.

Mission: Coastline Community College promotes academic excellence and student success for today's global students through accessible, flexible, innovative education that leads to the attainment of associate degrees, transfers, certificates, basic skills readiness for college, and career and technical education.

**Monday,
October 8, 2012**

COMING EVENTS:

October 8
University Transfer Event
[\[MORE INFO\]](#)

October 21
Goodwill Donation Drive
[\[MORE INFO\]](#)

Recent press releases:
www.coastline.edu/news

Recent news clips:
www.coastline.edu/clips

President's Open Hour:
The President will continue to have the last Thursday and first Friday of each month available for *Open Hour*. Contact Laila Rusamiprasert at lrusamiprasert@coastline.edu if you wish to come by on those days.

Newport Beach ribbon cutting ceremony attended by more than 250

Coastline Newport Beach opened to the public for the first time on October 3 for a special ribbon cutting ceremony and dedication. The ceremony was attended by more than 250 guests. Speakers included Coastline Board President Jim Moreno, Chancellor Jones, and Newport Beach Mayor Nancy Gardner. Several news outlets covered the event. Check www.coastline.edu/clips to read all the latest stories.

Accreditation update

As we continue to edit and refine our Accreditation Self Evaluation, it is important to ensure all Coastline stakeholders are included in our process. To facilitate this, an accreditation open forum was held on 10/1/12. Here, Accreditation Steering Committee members reviewed the accreditation process, provided overviews of the standards, discussed our self evaluation, and described our actionable improvement plans. Furthermore, the forum allowed faculty and staff to suggest improvements to our report. Thank you to those who participated. The CCD Board of Trustees will review a draft of the self evaluation on 10/17/12, with final Board approval set for November. To view the latest draft of the Self-Study, go to www.coastline.edu/admin and log-in using the same user name and password as your e-mail log-in. Once you are logged in, look for the purple box on the lower right corner called "Accreditation".

College and District budget update

The 2011/12 College Ending Balance was presented to the Budget committee on 9/12/12. The General Fund Ending Balance was reported at \$500K (2% of the total General Fund Operation) and cumulative Ancillary Ending Balance was \$6.4 Million. A recommendation was made by the Budget Committee to the Planning, Institutional Effectiveness and Accreditation Committee (PIEAC) to hold back \$3 Million from the Ancillary Ending Balance. This will be held as a reserve for contingency for Contract Education to provide uninterrupted services for 6 months in preparation for unanticipated/unforeseen decline in revenue generation, due to reduction in enrollment or reduction in funding level from the federal government. A copy of this budget report is attached here (see next page).

On 10/2/12, Chancellor Jones led a Budget Forum at Coastline to provide staff with an analysis of budget impacts to the Coast District pending the outcome of Proposition 30 and Measure M. If Proposition 30 fails in November, Coast will face an estimated \$16 Million budget deficit for 2013/14. Coastline's reduction target will be close to \$2.6 Million. Details of this budget presentation can be found in the following PDF pages. Coastline continues to work closely with the district office in the days ahead to develop plans and strategies to effectively address both possible outcome scenarios for Proposition 30.

Enrollment update

Faculty, department chairs, and deans continue to work together on implementing our 2012-2013 enrollment management plan. Through careful planning, we are currently within 100 FTES of our anticipated enrollments for summer 2012 and fall 2012. Due to changes in student enrollment patterns, we will make a few adjustments to our enrollment plans for spring 2013. To ensure we meet our annual FTES target, we will slightly increase our FTES target for spring 2013. In addition, instructor requests for additional add codes for spring 2013 will likely be granted as long as there is appropriate capacity available. We want to thank everyone for helping our students get the classes they need.

COASTLINE COMMUNITY COLLEGE

2011-12 COLLEGE ENDING BALANCE

GENERAL FUND

2011-12 ADJUSTED BUDGET			26,091,826
DEDICATED REVENUE COMPARISON	BUDGET	ACTUAL	
NONRESIDENT TUITION	510,000	385,857	
TRANSCRIPT FEES	80,000	97,302	
PARKING FINES	-	3,328	
CLASS AUDIT FEES	-	49	
OTHER STUDENT FEES		(38,656)	
SUBLEASE/RENTALS	140,000	153,697	
NONRESIDENT APP FEE	500	2,520	
TELECOURSE PRODUCTION	400,000	-	
OTHER MISCELLANEOUS INCOME		155,460	
TOTAL ADDITIONAL DEDICATED REVENUE	1,130,500	759,557	(370,943)
NEW AVAILABLE BASE			25,720,883
LESS: ACTUAL EXPENDITURES			(23,533,184)
TRANSFER TO FUND 40			(1,200,000)
RAINY DAY FUND			(385,000)
ENDING BALANCE FOR 2011-12			602,699
Vacation Payout to Faculty			(65,000)
Reserve for Additional Accreditation Expenses			(20,000)
TOTAL GENERAL FUND RESERVE FOR CONTINGENCY:			517,699 2%

ANCILLARY OPERATIONS

ISD

RETAINED EARNINGS 859,879

CONTRACT ED

RETAINED EARNINGS 7,306,860

TOTAL DOLLAR AVAILABLE FROM ANCILLARY OPERATIONS **8,166,739**

Expenses to be funded in 2012/13

PIEAC Prioritization Funding (170,000) Approved by PIEAC 5/12

College Support Activities - Seaport (1,500,000) Staffing Expenses

Modular Building Removal (Costa Mesa Center) (25,000) Contractual Obligation

Net Partner financial aid software (40,000) Implementation Cost

Total Dollar Available after funding the mandated expenses for 2012/13 **6,431,739**

Recommendation for funding for 2012/13

Reconfiguration costs for Newport Beach Center (200,000)

Reserve for Newport Beach Debt Service (2,500,000)

Technology Investment/Replacement (300,000)

Reserve for Facilities Lease/Projects (Le-Jao Parking, OLIT) (200,000)

Education Master Plan Initiatives (100,000)

TOTAL ANCILLARY RESERVE RECOMMENDED FOR CONTINGENCY: **3,131,739** 51%

Chancellor's Budget Forum

October 2012

Andrew Jones
Chancellor

Andy Dunn
Vice Chancellor, Finance & Administrative Services

Martha Parham
District Director, Marketing & Public Affairs

Areas of Discussion

Budget Evolution

Prop 30 vs. Prop 38

Impact of Prop 30 Failure (or success of Prop 38)

Institutional Reflection Looking Forward

Budget Development Schedule

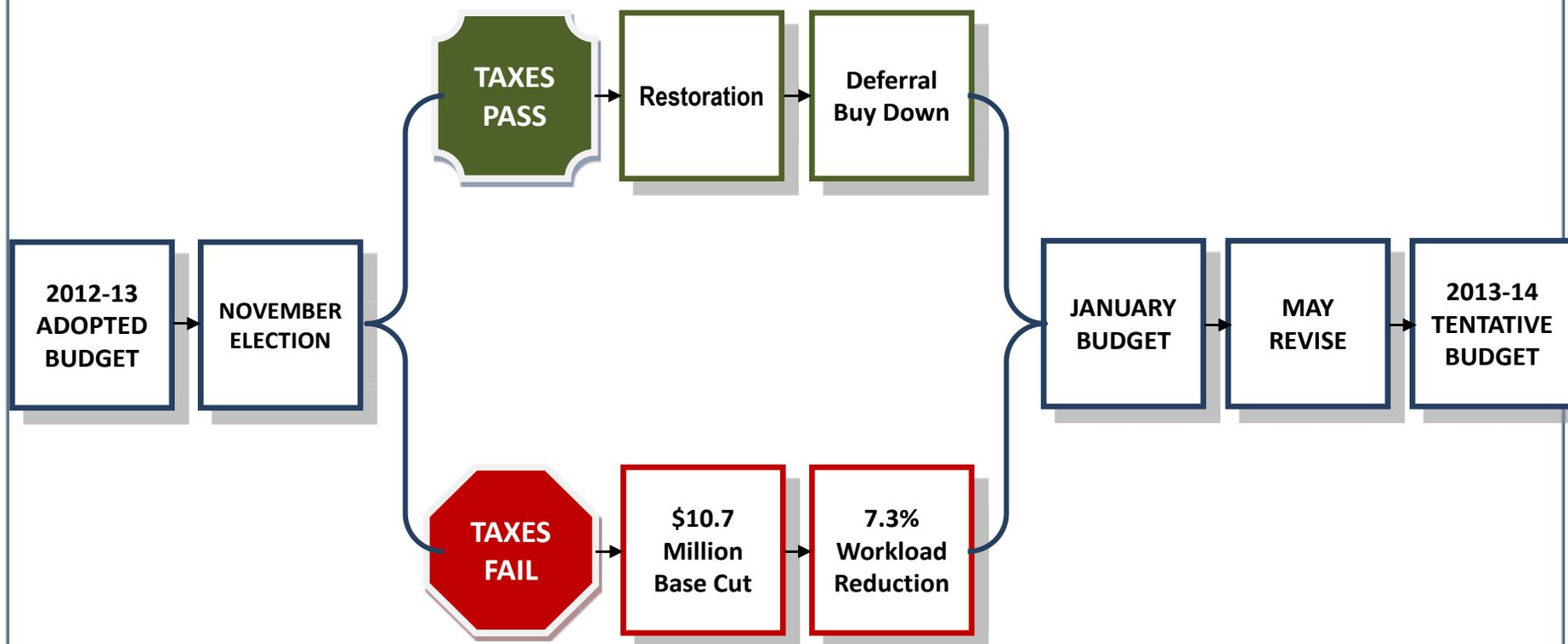
All About Measure M

Looking Ahead

How has the Budget Picture Evolved Since January?

Budget Assumptions		January Budget Proposal	May Revise (Tentative)	Adopted State Budget (Final Coast Budget)
State Deficit		9.2 billion	15.7 billion	15.7 billion
Prop. 30 Passes	Deferral buy-down	268 million	313 million	159.9 million
	Restoration	0	0	50 million
Prop. 30 Fails	Base Cut	300 million	300 million	338.6 million
	Workload Reduction	5.56%	6.40%	7.30%
Coast Impact	Base Cut	8.2 million	9.5 million	10.7 million
	Workload Reduction	1799 FTES	2071 FTES	2361 FTES
Categoricals		No change	No change	No change
Deficit Factor	2011-12	5.4 million	4.1 million	3.1 million
RDA Fund Risk	2011-12	N/A	3.5 million	Hold Harmless
	2012-13	N/A	10.8 million	Hold Harmless

2013-14 Budget Development Schematic



Prop 38

- ▶ 12 year across-the-board income tax increase
- ▶ Bolster K-12 and Early Childhood Education spending and buy-down State deficit
- ▶ No funds for Higher Education
- ▶ Molly Munger, prime advocate, has donated more than \$7 million

Prop 30

- ▶ Seven year increase on income tax for high-income earners
- ▶ Four year ¼-cent increase in sales tax
- ▶ Funds would bolster K-14, helping to meet Prop 98 guarantee, and help balance the State budget
- ▶ Allocates temporary tax proceeds as follows:
 - K-12 89%
 - CCC 11%

***What
happens if
Prop. 30
passes?***

- ▶ \$50 Million System Restoration
 - \$1.3 million (~1%) available to be earned by Coast (*above base*)
- ▶ Legislative Intent calls for the following to be given priority consideration:
 - Transfer
 - CTE
 - Basic Skills
- ▶ Deferral Buy Down
 - Will begin to mitigate cash flow concerns in out years

***What should
be done with
the Rainy
Day Fund
(assuming
Prop. 30
passes)?***

- ▶ Return campus contributions
 - For purposes of Restoration
- ▶ Rebuild General Reserve
 - Move toward policy goal of 7%
- ▶ Maintain Balance of Rainy Day fund going forward
 - Until such a time that economy is predictable and stable

***What
happens if
Prop. 30
fails?***

- ▶ \$10.7 million Base Cut
- ▶ 7.3% Workload Reduction
- ▶ 2361 fewer funded FTES
- ▶ Legislative Intent calls for the following to be protected:
 - Transfer
 - CTE
 - Basic Skills
- ▶ An estimated \$16 million imbalance emerges in the 2013-14 FY.

***Post election
reflection –
how do we
move
forward?***

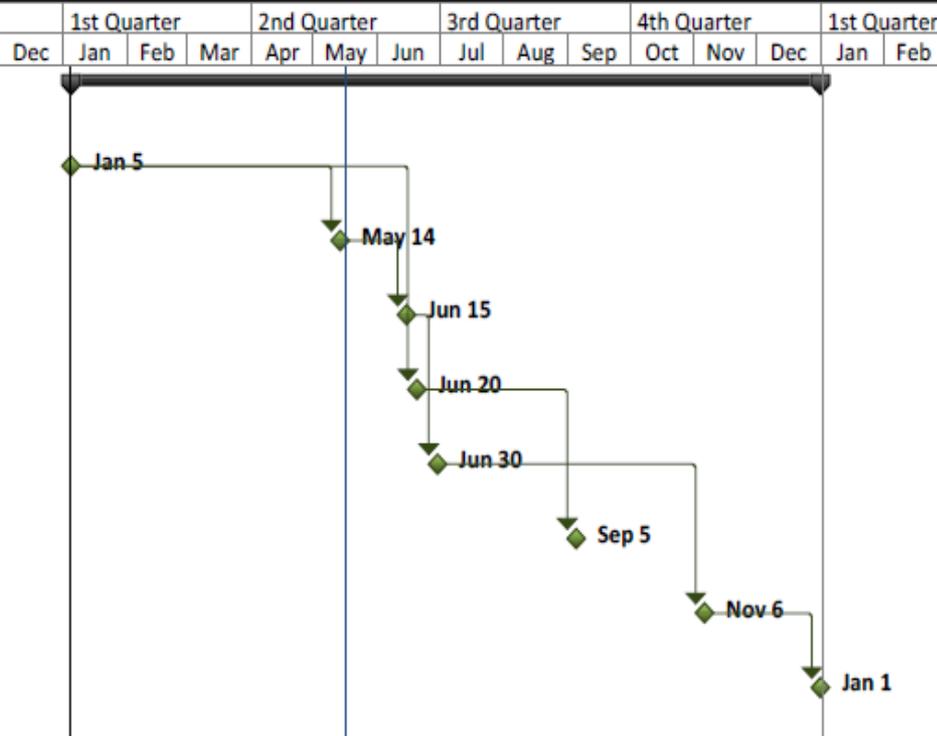
- ▶ Why should this be done?
 - Is it essential to student learning (e.g., access, retention and success)?
- ▶ What are the consequences of not doing it?
- ▶ What are the alternatives?
- ▶ Can it be done another way?
- ▶ Can it be done more efficiently with the same level of effectiveness?
- ▶ Should it be suspended or eliminated?
- ▶ What (else) can be done with the budget available?

What is Measure M?

- ▶ A \$698 million General Obligation bond measure on the November ballot
- ▶ What will it do?
 - Allow for significant modernization and renovation of facilities left untouched by Measure C
 - Create endowments for technology and maintenance needs
 - Allow the district to leverage matching state resources for certain eligible facilities

Critical Path Budget Development Calendar

2012-13 Budget Development Calendar

ID	Task Name	Start	Finish	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			1st Quarter			
				Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
1	Coast Budget Development 2012-2013	Thu 1/5/12	Tue 1/1/13																
2	Governor's Budget Proposal Released	Thu 1/5/12	Thu 1/5/12	Jan 5															
3	May Revise Released	Mon 5/14/12	Mon 5/14/12					May 14											
4	Legislature sends budget to Governor	Fri 6/15/12	Fri 6/15/12							Jun 15									
5	Coast Board Adopt Tentative Budget	Wed 6/20/12	Wed 6/20/12								Jun 20								
6	Governor Signs state budget into law	Sat 6/30/12	Sat 6/30/12									Jun 30							
7	Coast Board Adopts Final Budget	Wed 9/5/12	Wed 9/5/12											Sep 5					
8	General Election (Gov. Tax Package)	Tue 11/6/12	Tue 11/6/12													Nov 6			
9	Trigger reductions if Rev. targets not met	Tue 1/1/13	Tue 1/1/13														Jan 1		

What risks loom as we look ahead?

- ▶ Tax Measure
 - Voter willingness to pass November Tax?
 - Munger vs. Brown – one could cancel the other!
- ▶ Revenues are highly variable, with or without Prop. 30
- ▶ Workload Reduction of 7.3% will be decided in November
- ▶ Mid-year trigger pulled January 1
 - Reduction if taxes fail
 - Restoration if taxes pass
- ▶ Cash Flow
 - Only 40% of apportionment revenue available through November
- ▶ Student fee shortfall
 - Increased BOG waivers as fees go to \$46/unit
- ▶ Enrollment declines possible in some districts, particularly rural colleges with a proposal to triple neighboring state student fees to \$138/unit