



Agenda Item Details

Meeting	Jul 07, 2017 - League Board Meeting
Category	4. Organization
Subject	4.5 FY 2018 League Budget and Dues (Sarah Kiesling)
Type	Action, Information

Overview

The Proposed FY 2018 League Budget has been developed to fund the strategic priorities of the League board, to address priorities expressed by the CCCT and CEOCCC boards, and to strengthen the capacity of the CCLC to support California's 72 districts and 114 community colleges. The spending plan reflects the following ***budget principles***:

- Display proposed revenue and expenditures in the Operating Budget summary and detail
- Projected FY 2017 Net Income
- Invest 75% of Projected FY 2017 Net Income in a conservative financial instrument to help with the increase of the Unfunded CalPERS Liability
- Increase budget detail for greater transparency and more informed decision making
- Net Income carry-over revenues are used to reduce the need to draw down Reserves

Proposed budgeted operational revenues for FY 2018 are \$4.42 million.

Revenue is based on 100% dues membership, educational and leadership development programs, and district services.

Proposed budgeted operational expenditures including one-time special projects/programs for FY 2018 are \$4.44 million.

The proposed FY 2018 League Operational Budget calls for revenues, including FY2017 Net carry over to exceed expenditures, by \$155,253.

The projected FY 2017 Net Income is \$689,789. Per League board approval in May, 75% of the estimated net income will be placed into a conservative financial instrument(s), following consultation with the League's Investment Committee. The remaining 25%, will be carried over as unreserved/cash funds.

Employer Payment of Unfunded Liability

- Fiscal Year 2017-2018 Employer Payment of Unfunded Liability is \$206,277
- Fiscal Year 2018-2019 (projected) Employer Payment of Unfunded Liability is \$236,975

One-time special projects of \$20,789 was paid from Operational Net carry-over revenues.

Salaries and Benefits

Proposed FY 2018 staff salaries and benefits are \$2,022,964.

Staff salaries and benefits include:

1. Two and one-half percent total compensation adjustment.
2. CalPERS Retirement Contributions
3. Projected 6% healthcare increase

Staff salaries and benefits account for 46% of the total expenditures in the FY 2018 Proposed Budget.

League employees are not paid based on a salary schedule with automatic step increases, nor is there a written program for merit pay or stipends. Below is a chart depicting the research for relevant salary comparisons and employment market conditions.



Position(s)	Compensation range	Positions used for comparable compensation: CalSAE
President/Chief Executive Officer	\$230,000-260,000	CA Association Detailed Compensation, Budget >5 million
Vice Presidents and Program Directors	\$100,000-\$145,000	CA Association Detailed Compensation, Budget >5 million
Program Manager, Technical Directors, and Legislative Advocates	\$65,000-\$95,000	CA Association Detailed Compensation, Budget >5 million
Program Associates	\$50,000-\$65,000	CA Association Detailed Compensation, Budget >5 million

The salary for the President and CEO is set by the League board of directors based on a comprehensive evaluation, including feedback from the policy boards.

League staff members participate in the California Public Employees Retirement System. Contribution % are based the employers start date in the Cal-PERS system.

- Employer contributions are 7.2% or 6.533%
- Employee contributions are 7.0% or 6.25%

In lieu of a salary schedule with automatic step increases, over the past ten years the League board has approved the following total compensation adjustments for League employees:

	California CPI	League
FY 2007	3.4%	4%
FY 2008	3.4%	4%
FY 2009	1.3%	4%
FY 2010	0.7%	0% (frozen)
FY 2011	1.7%	2%
FY 2012	2.4%	1%
FY 2013	2.1%	2% <i>(effective Jan 1, following Prop 30)</i>
FY 2014	1.4%	2%
FY 2015	1.5%	5%
FY 2016	2.0%	0%
FY 2017	2.5%	2.5%
FY 2018	2.5 %	<i>Proposed 2.5%</i>

The FY 2018 Proposed Budget:

- Includes salaries within the above ranges
- Maintains fringe benefits based on present policies and includes CalPERS participation
- Provides a \$1,500 per person allocation for professional development (PD) activities based each employee/supervisor PD Plan
- 2.5% total compensation increase

Education and Leadership Development

The League will sponsor approximately twelve workshops, conferences and seminars including the Annual Convention this academic/fiscal year.

The proposed revenues are \$950,200, which accounts for 22% of the total revenues in the FY 2018 Proposed Budget.

The proposed expenditures are \$969,300, which accounts for 22% of the total expenditures in the FY 2018 Proposed Budget.

The FY 2018 Proposed Budget:

- Continues the Annual Convention, Annual Trustees Conference, Effective Trustees Workshop, Board Chair Workshop, Executive Assistants' Workshop, Legislative Conference, Vineyard Symposium, Classified Leadership Institute, Asilomar

Leadership Seminar, Washington DC Delegation Breakfast, Phi Theta Kappa Luncheon, Student Trustees Workshop, ACCT Leadership Congress, Equity Summit, and the CEO Leadership Academy

- Financial resources to maintain fiscal management of the Joint CEO Conference, A2MEND, CTE/CEO Summit, and CCPRO
- Additional one-time events and workshops are typically funded from reserves

Publications

The projected cost of producing and mailing publications, maintenance of the website, and general communications in FY 2018 is \$30,100.

The League publishes the Annual Directory jointly with the Chancellor's Office of the California Community Colleges which goes to all CEOs, trustees, and community college staff.

Special publications also are produced, including the newsletter League/MATTERS and League Highlights. Most publications are also placed on the League Website.

Publications account for 1% of the total expenditures in the FY 2018 Proposed Budget.

Corporate Partners

Our Corporate Partners Program connects the business community and the League while supporting the educational and advocacy programs so critical to our work with the Districts and Colleges. \$93,000 of the anticipated \$118,000 generated from this program will be allocated towards educational programs proportional with the direct costs of Corporate Partners participating at various League events.

The Corporate Partners Program accounts for 2.6% of the total revenues in the FY 2018 Proposed Budget.

Website & Association Management

Aeronet Communications has been hired to do the League's website redesign and upgrade. The redesigned website will be mobile-friendly, far easier to search and navigate, and permit a far more sophisticated set of functions and information display than the current site. The budget provides one-time allocation of \$30,000 to complete the website redesign project. The new League website will be built on the Drupal content management system (CMS). The new website redesign will enable the League to provide:

- A modern website interface that will be mobile responsive and more user friendly
- Membership database and member account login
- Online registration for conferences and events, as well as member invoicing and payment tracking
- An Interactive, map-based directory search feature
- Legislative tracking with CapitolTrack
- A Drupal/Mailchimp integration module for League email communications.

The new website is scheduled to launch in November at the 2017 Annual Convention.

Website & Association Management accounts for 1% of the total expenditures in the FY 2018 Proposed Budget.

Meetings/Board Travel

This fiscal year, there were four League board meetings, six CCCT board meetings, nine CEOCCC board meetings, and one Statewide CEO meeting. In addition, there were three meetings of the League's Advisory Committee on Education Services (ACES) and there were five meetings of the Advisory Committee on Legislation (ACL) committees.

The aforementioned meetings require staff time in the preparation of notices, agenda materials and minutes, as well as costs for staff travel, lodging and meals. For board meetings, travel costs are reimbursed to board members. Although travel costs are not reimbursed for committee members, meals and coffee breaks during the meetings are paid for by the League.

Direct meeting and board travel costs account for 2.0% of the League's expenditures in the FY 2018 Proposed Budget.

The FY 2018 Proposed Budget:

- Adjusts expenses for increasing hotel and air travel costs
- Anticipates four League board meetings
- Anticipates nine CEO board meetings, including two joint meeting with CCCT

- Anticipates five CCCT board meetings, including three two-day meetings and two joint meetings with the CEOCCC
- Includes costs for two advisory committee meetings two to four times during the year
- Office Operations/Professional Services

Projected general office operations, housing, and professional services includes postage, telephones, supplies, equipment, utilities, security, building maintenance, rent and parking for the L Street Legislative office, legal services, accounting, payroll services, and consultants.

- Provides for the annual financial audit as required by board policy
- Includes insurance at present levels (general liability; directors' and officers' liability, flood, fire, theft, and other multi-peril)
- Maintains consultant services with District Services and Legislation
- Continues the policy of maintenance, equipment, and furnishings expenditures

Office Operations and Professional Services costs account for 7% of the League's expenditures in the FY 2018 Proposed Budget.

Staff Travel by Division

Representatives of the League staff attend the following: Legislative seminars, ACCT Annual Convention, AACC Annual Convention, the annual conferences of the PIOs, CSSOs, CIOs, A2MEND, M2CS, Academic Senate, and the Student Success Conference.

In addition, staff members attend the regular meetings of the CBOs and the RP Group; local trustees' regional meetings, regional CEO meetings with the Chancellor, presentations at local districts on local decision-making with the Academic Senate, and at local governing board meetings.

While the share of the budget spent on staff travel has been consistent, at the board's request, the League has maintained a travel approval policy to ensure that all travel is consistent with League strategic priorities, and that staff resources are used as efficiently and as effectively as possible.

The proposed expenditures are \$64,000, which accounts for 1.0% of the total expenditures in the FY 2018 Proposed Budget.

District Services

The District Services area includes 11 district programs. The major programs in this group include Electronic Information (Library) Resources, the Policy and Procedure Service, BoardDocs, the Retiree Health Benefit JPA, Electricity Purchasing, and Charitable Gift Annuity.

The proposed revenues are \$1,589,000, which accounts for 36% of the total revenues in the FY 2018 Proposed Budget.

The proposed expenditures are \$627,500, which accounts for 14% of the total expenditures in the FY 2018 Proposed Budget.

League Unrestricted Reserves

Categorical Reserves at the beginning of FY 2018 is projected to be around \$1,890,649. No Categorical Reserves were used for FY 2017.

One-Time Special Projects/Programs-Proposed that may require the use of reserves in FY 2018:

- | | |
|------------------------------------|------------------|
| • League Podcast Development | \$ 10,000 |
| • CA Comm. College History Project | \$ 25,000 |
| • Library Website Development | \$ 20,000 |
| • Website Redesign | <u>\$ 25,000</u> |

TOTAL\$ 75,000

Under League policy, categorical reserves are required to be 33% of the approved operational expense budget. For FY 2018, the proposed reserve required 33% is \$1,464,611.

League Dues Formula

The dues formula policy mandated by the League board automatically follows the California Community Colleges Recalculation Apportionment Reports obtained from the California Community Colleges Chancellor's Office.

The 2017-2018 League dues formula is based on the 2015-14 fiscal year data. The basic services fee, which was last increased in 2001-02, continues unchanged.

The proposed Dues revenue is \$1,759,995, which accounts for 40% of the total revenues in the FY 2018 Proposed Budget.

The Dues formula from the Chancellor's Office includes:

1. A basic services fee of \$800 for each district plus \$800 for each college in a multi-college district;
2. Plus .000325 times the district's state general apportionment, property taxes, less property taxes excess (if applicable), education protection account, and enrollment fees up to \$60 million for the preceding fiscal year (as reported in the Chancellor's Office 2015-2016 Recalculation Apportionment Reports);
3. Plus .000175 times district's state general apportionment, property taxes, less property taxes excess (if applicable), education protection account, and enrollment fees in excess of \$60 million for the preceding fiscal year (as reported in the Chancellor's Office 2015-2016 Recalculation Apportionment Reports).

This results in average dues increase of \$1,185, with 58 districts paying higher dues and 14 districts paying lower dues in FY 2018.

[League 17-18 Budget Detail.pdf \(208 KB\)](#)

[League 17-18 Budget- OneTime Spc ProjectPrograms.pdf \(20 KB\)](#)

[League 17-18 Budget Summary.pdf \(41 KB\)](#)

[Dues 2017-18 Spreadsheet from Rec Page Less Property.pdf \(53 KB\)](#)

[CCCCA FY18 Preliminary Budget Approved 6-27-17.pdf \(75 KB\)](#)

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