

FY 2019/2020 League Proposed Budget and Dues

Overview

The Proposed FY 2020 League Budget has been developed to fund the strategic priorities of the League Board, to support advocacy, district services, professional and policy development in consultation with the CCCT and CEOCCC Boards, and to strengthen the capacity of the League to effectively support California's 73 districts and 115 community colleges. The spending plan includes the following components:

- 2019-2020 Budget Summary
- Detail of the proposed 2019-2020 Revenue and Expenditures in the Operating Budget
- GASB 68 PERS Unfunded Liability
- 2019-2020 League Dues
- Projected FY 2019 Net Income

Proposed 2019-2020 Revenues and Expenditures

Proposed budget operational revenues for FY 2020 are \$4.51 million.

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

Proposed budget operational expenditures for FY 2020 are \$4.35 million.

The proposed FY 2020 League Operational Budget projects revenues to exceed expenditures, with a Net Income of \$157,559.

League Operations

Proposed Income is \$179,510, which accounts for approximately 3.97% of the total revenues in the FY 2020 Proposed Budget.

Proposed expenditures are \$3,164,567, which accounts for approximately 72.5% of the total expenditures in the FY 2020 Proposed Budget.

Salaries and Benefits

Staff salaries and fringe benefits are \$2,449,640, which accounts for approximately 56.19% of the total expenditures in the FY 2020 Proposed Budget.

Staff salaries and benefits include:

1. Four percent COLA
2. Cal-PERS Retirement Contributions
3. Projected healthcare increase of 5.00%

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	\$230,000-270,000	Community College Association Executives Compensation Survey. CA Association Detailed Compensation Budget > 5 million
Vice Presidents, Officers, and Directors	\$100,000-\$160,000	CA Association Detailed Compensation Budget > 5 million
Program Manager, Technical Directors, and Legislative Advocates	\$75,000-\$100,000	CA Association Detailed Compensation Budget > 5 million
Program Associates and Specialists	\$40,000-\$75,000	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 percentages are based on the employee’s start date in the Cal-PERS System.

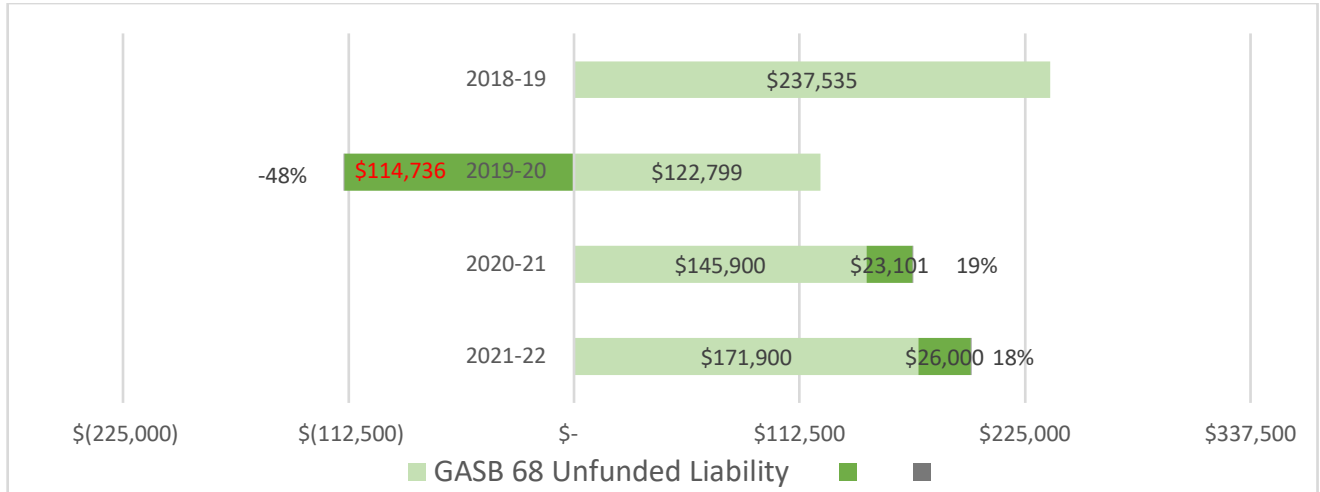
- Employer Contributions are the following:
 - Classic Members, 8.081%
 - PEPRAs Members, 6.985%
- Employee Contributions are the following:
 - Classic Members, 7.0%
 - PEPRAs Members, 6.75%

In lieu of a salary schedule with automatic step increases, over the past ten years the League Board has approved the following COLAs for League employees:

	California CPI	League
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%	2.5%
FY 2019	2.9%	3.0%
FY 2020	3.9%	4.0%

- 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 on each employee/supervisor PD Plan
- 4.0% COLA

GASB 68 PERS Unfunded Liability



- Fiscal Year 2019-2020 \$122,799, a 48% decrease from Fiscal Year 2018-2019
- Fiscal Year 2020-2021 (projected), \$145,900, a 19% increase from Fiscal Year 2019-2020
- Fiscal Year 2021-2022 (projected), \$171,900, a 18% increase from Fiscal Year 2020-2021

Facilities/Office Operations and Professional Services

includes postage, telephones, supplies, equipment, utilities, security, building maintenance, rent and parking for the L Street Legislative office, legal services, charitable donations, 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 Legal counsel with District Services and Legislation
 - Continues the policy of maintenance, equipment, and furnishings expenditures
- Proposed expenditures are \$284,400, which accounts for approximately 6.52% of the total expenditures in the FY 2020 Proposed Budget.

Meetings/Board Travel

This fiscal year, there will be four League board meetings, eight CEOCCC board meetings, one Statewide CEO meeting, and six CCCT board meetings. In addition, three meetings of the League's Advisory Committee on Education Services (ACES), five meetings of the Advisory Committee on Legislation (ACL), two meetings for the CEO Strategic Leadership Program (CSLP) committees, and monthly meetings for both the Consultation Council/Budget Advocacy and the Workgroups/Taskforce 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 policy 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.

- Proposed direct meetings and board travel expenditures are \$151,125, which accounts for approximately 3.46% of the total expenditures in the FY 2020 Proposed Budget.

The FY 2019 Proposed Budget:

- Adjusts expenses for increasing hotel and air travel costs
- Anticipates four League board meetings
- Anticipates eight CEO board meetings, which includes two joint meetings with the CCCT
- Anticipates six CCCT board meetings, which includes three two-day meetings and two joint meetings with the CEOCCC
- Includes costs for five advisory committee meetings that meet on average two to four times during the year

Publications

The League produces a variety of publications to assist boards, trustees and CEOs in fulfilling their roles and responsibilities. Our publications are regularly updated documents. These can be updated annually or as needed – but are consistently republished and/or reprinted for regular distribution to members.

- Proposed Income is \$2,010, which accounts for approximately .04% of the total revenues in the FY 2020 Proposed Budget.
- Proposed cost of producing and mailing publications and general communications is \$35,625, which accounts for approximately .82% of the total expenditures in the FY 2020 Proposed Budget.

Website & Association Management

Aeronet Communications continues management and monitoring of the League's website. The League's website continues to be mobile-friendly, offers greater search and navigation possibilities, and permits a far more sophisticated set of functions and information than its prior iteration. The League provides the following to our members:

- 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 Capitol Track
 - A Drupal/Mailchimp integration module for League email communications.
- Proposed expenditures are \$50,000, which accounts for approximately 1.15% of the total expenditures in the FY 2020 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, 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.

- Proposed expenditures are \$86,406, which accounts for approximately 1.98% of the total expenditures in the FY 2020 Proposed Budget.

Indirect Revenue/Management Fees : Fiscal Agency/Sponsor

The League provides organizational and fiscal resources as the fiscal agent for a variety of education-related organizations. The League agrees to maintain fiscal records and provide services including accounts payable and accounts receivable for all funds collected by or on behalf of these organizations. The League also provides quarterly financial reports on account activity and balance to these entities.

Fiscal Sponsor

- CCCAA
- EDGE Coalition

Fiscal Agent

- 4CS
- ACCT AA
- AACCTA
- APITA
- CCPRO
- CABSE
- CALCCTA
- CCAE formerly NCSACE
- CLI
- Real #114
- Veterans

- Proposed Income is \$90,000, which accounts for approximately 1.99% of the total revenues in the FY 2020 Proposed Budget.

Investment Income/ Categorical Reserves

League Investments are currently being invested through Charles Schwab and managed and monitored by Moss Adams.

- Proposed Income is \$85,0000, which accounts for approximately 1.88% of the total revenues in the FY 2020 Proposed Budget.
- Categorical Reserves at the beginning of FY 2020 are\$2,516,978. No Categorical Reserves were used for FY 2019.
- Under League Board policy, categorical reserves are required to be at least 33% of the approved operational expense budget.

League Programs

Proposed Income is \$2,370,100, which accounts for approximately 52.47% of the total revenues in the FY 2020 Proposed Budget.

Proposed expenditures are \$1,182,595, which accounts for approximately 27.87% of the total expenditures in the FY 2020 Proposed Budget.

Education and Leadership Development

The League hosts several annual conferences and events that offer professional development opportunities for California's community college Presidents, CEOs, Trustees, and administrator:

1. Annual Convention
2. Annual Trustees Conference
3. Asilomar Leadership Seminar
4. Board Chair Workshop(s)
5. CEO Leadership Academy
6. CEO Symposium
7. Effective Trustees Workshop
8. Excellence in Trusteeship Program
9. Executive Assistants' Workshop
10. Legislative Conference
11. League on Call
12. Phi Theta Kappa Luncheon
13. Student Trustees Workshop
14. Vineyard Symposium
15. Washington DC Delegation Breakfast

- Proposed Income is \$917,100, which accounts for approximately 20.30% of the total revenues in the FY 2020 Proposed Budget.
- Proposed expenditures are \$953,370, which accounts for approximately 21.86% of the total expenditures in the FY 2020 Proposed Budget.

District Services

The League's district services and programs is designed to provide member districts with cost-effective, easy-to-use purchasing, fiscal and foundation services. The League works closely with Chief Business Officers (CBO) and other campus groups to offer programs that allow districts to benefit from the power of collaborative purchasing and competitive pricing, whether it be for services or commodities.

The District Services unit includes 8 district programs:

1. BoardDocs
2. Charitable Gift Annuity
3. Energy Services
4. Financing Authority
5. Library Consortium
6. Pension Rate Stabilization Program
7. Policy and Procedure Services
8. Retiree Health Benefits: JPA

- Proposed Income is \$1,360,000, which accounts for approximately 30.11% of the total revenues in the FY 2020 Proposed Budget.
- Proposed expenditures are \$124,100, which accounts for approximately 2.84% of the total expenditures in the FY 2020 Proposed Budget.

The League's Corporate Partner and Sponsorship programs offers private and non-profit enterprises the opportunity to demonstrate their commitment to serving the colleges by becoming actively engaged in building strong working relationships with leaders from the community college districts. The \$41,000 of the anticipated \$165,500 generated from these programs will be allocated proportionally to the direct costs of Corporate Partners and Sponsors participating at various League events, maintaining approximately \$121,000 in the revenue operational account line.

- Proposed Income is \$121,000, which accounts for approximately 2.76% of the total revenues in the FY 2020 Proposed Budget.
- Proposed expenditures are \$12,100, which accounts for approximately 0.27% of the total expenditures in the FY 2020 Proposed Budget.

Professional Development

The League provides leadership in the ongoing education and professional development of community college governing board members, chief executive officers, and district and college staff to ensure the continued strength, diversity, vitality and effectiveness of the colleges' educational programs and services. The League offers the following services to our members:

- CEO Strategic Leadership Program
 - Excellence in Trusteeship Program
 - League on Call
 - Collegiality in Action, also known as Tech Assist
-
- Proposed Income is \$41,000, which accounts for approximately .91% of the total revenues in the FY 2020 Proposed Budget.
 - Proposed expenditures are \$26,325, which accounts for approximately .60% of the total expenditures in the FY 2020 Proposed Budget.

Research and Policy Development Projects

The League seeks to better influence the policy-making process by investing in research partnerships that highlight and support community college quality and innovation. The project includes the following:

- CEO Dashboard
 - History Project
 - The RP Group
 - Trustee Dashboard
-
- Proposed expenditures are \$80,000, which accounts for approximately 1.83% of the total expenditures in the FY 2020 Proposed Budget.

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.

Proposed Dues are \$1,845,713, accounting for approximately 40.86% of the total revenues in the FY 2020 Proposed Budget.

The 2019-2020 League Dues formula includes:

1. A basic service fee of \$800 for each district, plus \$800 for each college in a multi-college district;
2. Plus .000325 times the Property Taxes, Less Property Taxes Excess (if applicable), Student Enrollment Fees, State General Apportionment, Full-Time Faculty Hiring, and Education Projection Account, up to \$60 million for the preceding fiscal year (as reported in the Chancellor's Office 2017-2018 Recalculation Apportionment Reports, Exhibit E, District Revenue Source);
3. Plus .000175 times the Property Taxes, Less Property Taxes Excess (if applicable), Student Enrollment Fees, State General Apportionment, Full-Time Faculty Hiring, and Education Projection Account in excess of \$60 million ((as reported in the Chancellor's Office 2017-2018 Recalculation Apportionment Reports, Exhibit E, District Revenue Source);

For FY 2020, the calculation results in an average due increase of \$786, with 66 districts paying higher dues, 6 districts paying lower dues, and the inclusion of 1 new district (Calbright).