



GROSSMONT-CUYAMACA
COMMUNITY COLLEGE DISTRICT

VICE CHANCELLOR-BUSINESS SERVICES

MEMORANDUM

TO: Districtwide Strategic Planning & Budget Council
FROM: Sue Rearic
DATE: June 7, 2010
SUBJECT: 2010/11 Tentative Budget Income Allocation Formula Criteria and Strategy

The Formula

The District's Income Allocation Model includes critical criteria in order for the Declining Economy of Scale (EOS) Formula to advance, thereby reducing the EOS. For 2010/11 Tentative Budget, the following are the criteria for reduction of the EOS and the status:

<u>Criteria</u>	<u>Status</u>
All four criteria must be met	
2% COLA	Not met The State budget includes zero COLA
2% Growth	Not Met Even though the State proposed budget includes 2.21% Growth, Growth is not included in the Tentative Budget
Adequate Growth dollars in Cuyamaca to earn more additional Growth-related income than the year's reduction related to the Economy of Scale factor	Not applicable Overall FTES split will not change
Minimum 1% FTES growth at Grossmont	Not applicable Overall FTES split will not change

Outline of Strategy for 2010/11 Tentative Budget:

- FTES goals were based on the State 2009/10 CAP as recommended by the FTES Task Force.
- Hold FTES split same as 2009/10.
- Estimate a 4% deficit factor based on the fiscal uncertainty of the State budget.
- Maintain the prior-year level Declining Economy of Scale factor.