



GROSSMONT-CUYAMACA
COMMUNITY COLLEGE DISTRICT

VICE CHANCELLOR-BUSINESS SERVICES

MEMORANDUM

TO: Sue Rearic
Vice-Chancellor, Business Services

FROM: Sahar Abushaban

DATE: September 29, 2011

SUBJECT: 2011/12 Adoption 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 2011/12 Adoption 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 The State budget includes zero Growth
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 2011/12 Adoption Budget:

- FTES goals were based on the State 2011/12 CAP for Tier 1 as recommended by the FTES Task Force and Districtwide Strategic Planning & Budget Council (DSP&BC)
- Hold FTES split same as 2010/11.
- Estimate a 4% deficit factor based on the fiscal uncertainty of the State budget.
- Maintain the prior-year level Declining Economy of Scale factor.