



IMPERIAL VALLEY COLLEGE
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Superintendent/President
Victor M. Jaime, Ed.D.
victor.jaime@imperial.edu

September 15, 2014

ICCD Board of Trustees

RE: 2014-15 Final Budget Letter of Transmittal

In conformance with State of California budget law and as the Superintendent/President of the District, I hereby submit to the Board of Trustees the 2014-15 Final Budget along with the required budget message, outlining major changes and assumptions contained in the proposed budget.

The State of California and California Community Colleges continue on the road to recovery. Personal Income Tax revenue is above original estimates and funding is being proposed in the areas of Enrollment restoration (growth) 2.75% and COLA .85%.

Imperial Valley College has been able to restore 100% of its 2011-12 and 2012-13 decline of 506 FTES in two years instead of the original plan to fully restore in three years. This was made possible partially by utilizing approximately 380 FTES from the 2013 summer session. This move has restored \$2 million in funding caused by the decline. In addition, the state restored 11-12 workload measures providing additional opportunities for FTES growth.

According to information received from the Chancellor's Office regarding 2014-15 cash flow, cash deferrals for Community College districts will continue which will require the continued use of TRANS. However the state has reduced the amount of the deferrals and will look into eliminating them completely as the state economy improves.

The District's objective as per our budget guidelines is to produce a budget that is only funded with on-going revenues. This budget currently shows a \$441,187 deficit, however \$700,000 included in the expenditure budget is attributable to a one-time COP (Certificates of Participation) payment. When we exclude this amount from the ongoing operating expenses, current revenues exceed current expenditures producing a surplus of \$258,813. This final budget currently shows a 5.29% reserve or \$1,963,190. This is based on total projected unrestricted expenditure budget of \$37,092,745.

The projected revenues, expenses and reserves are contingent upon all of the following assumptions holding during FY 2014-15:

1. .85% COLA
2. The college is able to maintain its base FTES of 6,225 plus a 2.75% growth bringing the total projected FTES to 6,807.
3. 100% backfill of any property tax shortage, including revenues due to dissolution of RDAs
4. Increase Health Insurance cost of 10%

The college still has the challenge of continuing to balance its budget while meeting the needs of our community. As we look into the near future in FY 2014-15, we must not lose sight of FY 2015-16 and beyond district's obligations and the impact they will have on district's reserves. Some significant obligations to consider for current year and long term are as follows:

1. Current labor contracts.
2. Future increase in the cost of providing Health Insurance.
3. New building maintenance and operation.
4. GASB 45 (OPEB) funding requirements.
5. Potential employee pension (STRS and PERS) contribution rates increases.

The college administration will continue to work with the Budget and Fiscal Planning Committee, represented and unrepresented groups and the college's shared governance committees to constantly monitor the budget and to ensure that it remains balanced.

Sincerely,

A handwritten signature in blue ink, appearing to read "Victor M. Jaime".

Victor M. Jaime, Ed.D.
Superintendent/President