IMPERIAL COMMUNITY COLLEGE DISTRICT

ACCREDITATION SPECIAL REPORT

April 15, 2014

Submitted by:

Imperial Valley College
380 E. Aten Road
Imperial CA, 92251

Contact Person:
Victor M. Jaime, Ed.D.
Superintendent/President

Submitted to:

Accrediting Commission for Community and Junior Colleges
Western Association of Schools and Colleges

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Certification of the Accreditation Special Report

To: Accrediting Commission for Community and Junior Colleges
Western Association of Schools and Colleges

From: Victor M. Jaime, Ed.D., Superintendent/President / Chief Executive Officer
Imperial Valley College
380 East Aten Road
Imperial, California 92251

We certify that there was broad participation by the campus community, and we believe the Special Report accurately reflects the nature and substance of this institution.

Signatures:

Dr. Victor M. Jaime, Chief Executive Officer	4/10/14 Date
Karla A. Sigmond, President, District Board of Trustees	4/10/14 Date
Ricardo Ibarra, President, Associated Student Government	4/9/14 Date
Eric Lehtonen, President, Academic Senate	4/8/14 Date
Dr. Daniel Gilison, Chair, College Council	4/8/14 Date

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A list of evidence, with hyperlinks to each item, is provided at the end of the Report.

Statement of Report Preparation

This Special Report is intended to address the ACCJC concerns cited in a letter to Imperial Valley College Superintendent/President, Dr. Victor Jaime, dated February 6, 2014. More specifically, the purpose of this report is to provide information and evidence of the improved fiscal status of Imperial Valley College and its ongoing financial strategies to ensure fiscal sustainability.

The College has been asked to address the Financial Reviewer Panel's observations of the College's weaknesses in addressing high permanent fixed costs related to human resources, subsidized categorical programs through associated College costs, and declining revenue. Contractual items highlighted included fifteen 5% step increments for classified personnel, high reassigned time and high number of positions with reassigned time, extended work calendars for chairs and counselors, less cost-efficient pro-rata payment for intersession and overload teaching assignments for full-time faculty, Faculty Obligation Number (FON) above the State requirement, low class caps and low enrollments, and declining reserve fund balances and declining growth. [1]

On February 7, 2014, the College's Accreditation Liaison Officer (ALO) and Continuous Accreditation Readiness Team (CART) co-chairs met to establish a potential response team. The Special Report status was shared with administrative team members and the final response team was created with the membership listed below.

Special Report Team Members	**Title**
Dr. Victor Jaime	Superintendent/President
John Lau	Vice President for Business Services
Carlos Fletes	Director of Fiscal Services
Todd Finnell	Vice President for Student Services, Technology, and Research
Kathy Berry	Vice President for Academic Services / Accreditation Liaison Officer
Dr. Marion Boenheim	Interim Associate Dean of Human Resources
Eric Lehtonen	President, Academic Senate
Kevin White	Chair, Budget and Fiscal Planning Committee; Chair, Behavioral and Social Sciences Department
Dr. Daniel Gilison	Chair, College Council; Chair, Science, Math, and Engineering Department
Mary Lofgren	Counselor, Extended Opportunities Program Services; Lead Negotiator for CTA
Linda Amidon	Administrative Assistant, Academic Services
Mary Carter	Administrative Assistant, Business Services
Melody Chronister	Instructional Support Specialist

Jeff Cantwell	Director of Application Services
Alejandro Aguilar	Systems Analyst
Matthew Thale	Systems Analyst
Jose Carrillo	Director of Institutional Research
Becky Green	Director of Child, Family, and Consumer Sciences
Dr. Martha O. Garcia	SB70 Programs Coordinator
Sheila Dorsey-Freeman	Human Resources Analyst
Martha P. Garcia	Human Resources Analyst
Martha Sanchez	Human Resources Specialist
Ted Ceasar	Dean of Counseling
Brian McNeece	Dean of Arts, Letters, Languages, and Learning
Efrain Silva	Dean of Economic and Workforce Development
Tina Aguirre	Dean of Health and Sciences

A PowerPoint detailing the Special Report findings was presented to the Board of Trustees at the February 19, 2014 Board meeting.[2] College meetings were held in which the Special Report was discussed.[3] The list of meetings demonstrating college-wide involvement and transparency is shown below.

Board of Trustees	Budget and Fiscal Planning	Continuous Accreditation Readiness Team	College Council	Academic Senate
February 19 Special Report PowerPoint Presentation March 15 Board Retreat to address the Special Report March 19 PowerPoint Presentation April 10 Special Report Response Certified	February 26 Special Report PowerPoint Presentation March 13 Approve Fund Balance Policy March 26 Discussion re an OPEB funding strategy, dash-boards, and Special Report April 4 Special Report Response approved	February 21 Special Report PowerPoint Presentation March 7 Reviewed Timeline and Assignments April 4 Special Report Response approved	February 24 Special Report PowerPoint Presentation March 10 CBO John Lau report on Special Report April 7 Special Report Response approved	March 5 Special Report PowerPoint Presentation April 2 Special Report Response approved

The reading and approval of the final document was completed by the Academic Senate on April 2, Budget and Fiscal Planning Committee on April 4, College Council on April 7, and the Board of Trustees on April 10, 2014.[4]

Response to the Commission Letter

The Commission's letter directs Imperial Valley College to provide a Special Report to the Commission by April 15, 2014. The purpose of this Special Report is to provide current information and evidence specific to the College's compliance with ACCJC Accreditation Standards and other required elements of the Financial Reviewer Panel as follows:

1) The actions taken by the District to address the permanent fixed costs resulting from mandated entitlements in the District's collective bargaining contracts.

2) Standards III.D.1.a, III.D.1.b, III.D.2, III.D.3, and III.D.4 require financial planning, sound financial practices, and financial stability.

   Financial Resources Standards:

   III.D.1: The institution's mission and goals are the foundation for financial planning.

   a. *Financial planning is integrated with and supports all institutional planning.*
   b. *Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships and expenditure requirements.*

   III.D.2: To assure the financial integrity of the institution and responsible use of its financial resources, the internal control structure has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision-making.

   III.D.3: The institution has policies and procedures to ensure sound financial practices and financial stability.

   III.D.4: Financial resource planning is integrated with institutional planning. The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement of the institution.

The College acknowledges the Financial Reviewer Panel's perception of a financial weakness in addressing high permanent fixed costs related to labor contracts, subsidizing categorically funded programs through associated college costs, and declining revenue and enrollments. The College believes it has taken measures to correct several of these areas and is in the process of implementing further measures to improve its fiscal stability.

HIGH PERMANENT FIXED COSTS RELATED TO LABOR CONTRACTS

ACCJC: Classified support staff salary schedules have 15 step increments per track with a 5% increase at each step.

The College is aware of the unsustainability of the classified salary schedule based on current and future financial limitations.[5] The College attempted to negotiate with the Classified School Employees Association (CSEA) to better align the salary schedule with the College's compensation philosophy and with similar colleges as identified in the December 3, 2012 Fiscal Crisis and Management Assistance Team Report (FCMAT).[6] The negotiations with CSEA resulted in an impasse, went to mediation, and are currently in fact finding process.

The negotiation processes are still ongoing at the time of submission of the Special Report. The following table represents the College's last and final offer. The College's offer includes a restructuring of the classified schedule to one that has five steps at three percent (3%) increments and four longevity steps; this would bring the classified salary into alignment with colleges identified as comparative colleges in the 2012 FCMAT Report. A one-time off-schedule COLA of 1.57% has been offered, which is consistent with the State 2013-2014 COLA. The College also proposed to "Y" rate those classified employees that would be outside the salary range in order to prevent a sudden decrease in salary.[7]

Table 1: Comparison of Current CSEA Salary Schedule to College's Proposed Salary Schedules with "Y" Rating

Academic Year	Current CSEA Contract Salaries	College Proposed Contract Salaries Plus "Y" Rating	Proposed Savings
2012-2013	$5,598,039	$5,598,039	n/a
2013-2014	$6,088,143	$5,704,061	$384,082
2014-2015	$6,349,179	$5,833,061	$516,118
2015-2016	$6,603,255	$5,850,005	$753,250
Potential 3-Year Savings			**$1,653,450**

The College has addressed other permanent fixed costs related to human resources through structural changes with the meet-and-confer groups. Salary scales were adjusted to align with the median or average of FCMAT's four comparative colleges. Number of ranges and steps as well as percentage increase at each step was analyzed and adjusted for a total savings over three years of at least $292,019.04.

In addition, at its meeting on February 19, 2014, the Board approved a Voluntary Employee Separation Incentive Program (VESIP) as a cost saving measure.

Table 2: Savings from Salary Schedules for Meet and Confer Groups

	Classified Managers	Confidentials	Administrators	Savings
Savings 14-15	$16,583.90	$32,934.63	$61,954.86	$111,473.39
Savings 15-16	$35,189.87	$48,992.61	$96,363.17	$180,545.65
Total Savings				**$292,019.04**

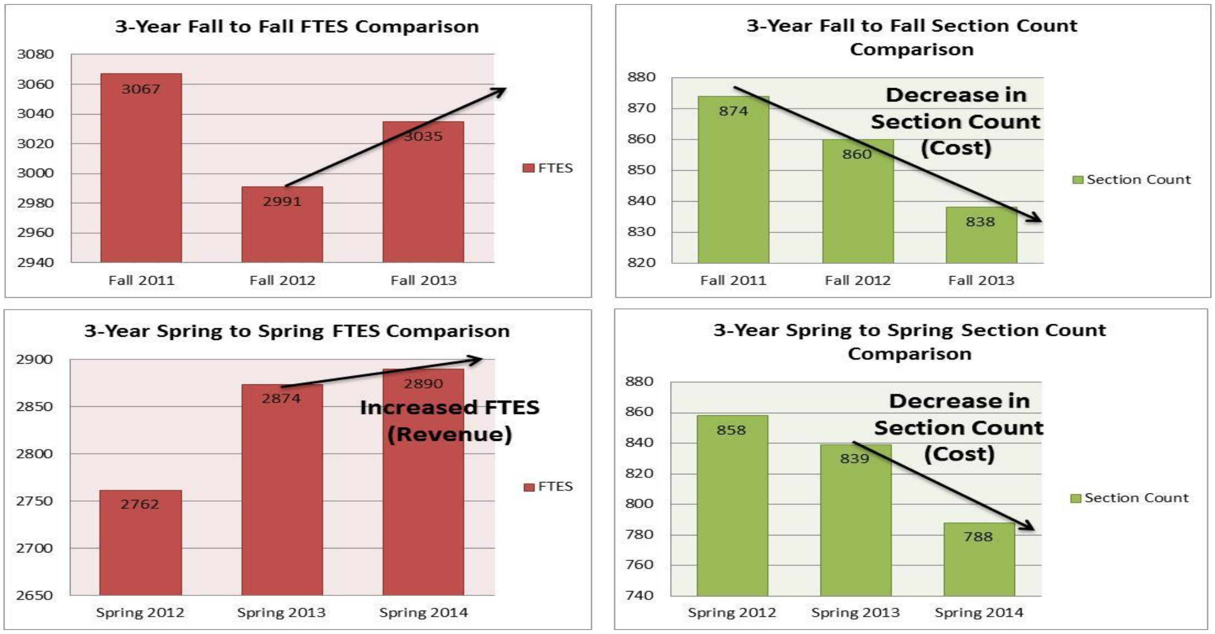
ACCJC: Low minimum enrollment for a class to go with a provision that classes cannot be cancelled for low enrollment.

The College negotiated an agreement with the full-time and part-time faculty collective bargaining units to increase the minimum class size from 25 to 28 students unless student safety and/or facilities or equipment further limit class size. In addition, the negotiated contracts allow an increase to the class maximum size from 40 to 45 with the approval of faculty through the curriculum process.[8] This change was initiated in Spring 2014 and had a notable effect on efficiency, FTES/Section ratio, average class size and average fill-rate, which is depicted below.

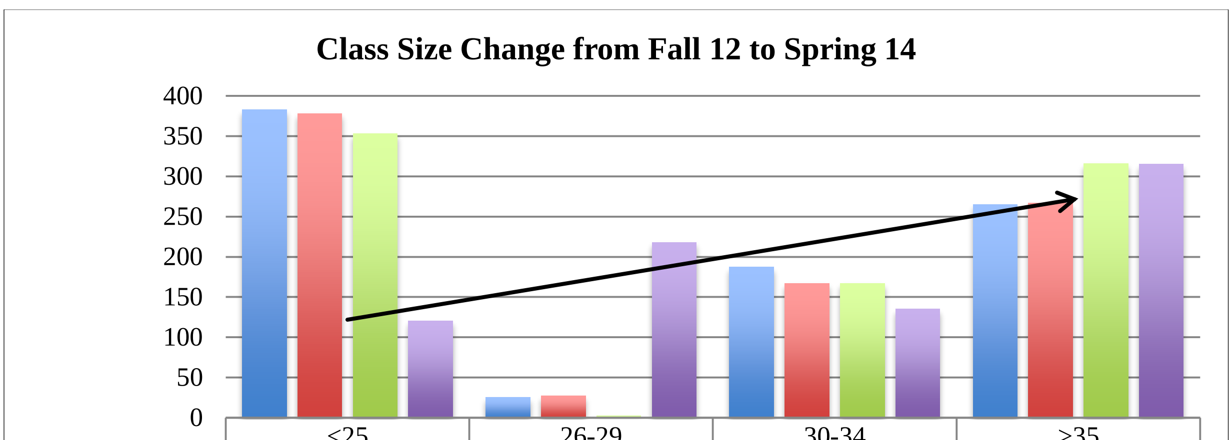
Table 3: FTES and Section Count Indicating an 11.2% Increase in Spring 2014 Efficiency

TERM	Section Count	FTES
Fall 2011	874	3,067
Spring 2012	858	2,762
Fall 2012	860	2,991
Spring 2013	839	2,874
Fall 2013	838	3,035
Spring 2014	**788**	**2,890**

Graph 1: The FTES shows a return of growth since Academic Year 2012-2013. The decrease in the number of sections during the same time frame is indicative of increased efficiencies.



Graph 2: Class Size balance has shifted. Prior to the Spring 2014 changes in contract language, the College had class sizes predominantly below 30 students per section. Now class sizes are predominantly above 30 students per section, which aligns more closely with the State average for class size. A subcommittee of the Curriculum Committee is working on individual class size cap adjustments.



	<25	26-29	30-34	>35
Fall 2012	383	25	187	265
Spring 2013	378	27	167	267
Fall 2013	353	2	167	316
Spring 2014	120	218	135	315

The increase in minimum class size, decrease in decision time for class cancelation, reduction in reassigned time, and curricula efficiencies have reduced the College cost for instruction. The change in class size and section count resulted in a reduction of overload (~110 units) and reduction in part-time load (~59.7), which provided a savings when comparing Fall 2013 and Spring 2014.

Table 4: Savings in Instructional Overload and Instructional Part-Time Load Costs

TERM	Full-time Overload Cost	Part-Time Load Cost	Total Costs
Fall 2013 (old contract)	$689,149	$1,101,151	$1,790,300
Spring 2014 (new contract)	$586,289	$1,042,052	$1,628,341
Savings in Overload			**$161,959**

Through negotiations the overall reassigned time was reduced from 187 units to 127 units and in some cases the cost was shifted to stipends. The savings from this change will be achieved primarily by reducing replacement or backfill and greater classroom efficiency for the volume of FTES.

Table 5: Savings after Adjusting Instructional Reassigned Time and Instructional Stipends

TERM	Reassigned Cost	Replacement Cost	Stipend Cost	Total Cost
Fall 2013 (old contract)	$526,234	$184,932	0	$711,166
Spring 2014 (new contract)	$366,897	$134,640	$111,966	$613,503
Savings from Reassigned Time				**$97,663**

ACCJC: Faculty are also paid at 100% of their full time rate for overload and summer semester teaching assignment. Payment of full time faculty during off-contract periods and for overload assignments is being made at the same rate as full-time faculty pay during regular contract year primary load assignments. Adjunct rates which are lower and offered to all adjunct faculty should be considered for all full-time faculty who work during the summer or take overload assignments.

Under the 2010-2011 CTA Contract, the faculty did receive 100% of their full-time pay for summer and winter intersessions.[9] This provision was changed effective with the 2011-2012 CTA Contract, and Article 17.3.1 now reads as follows:[10]

"*17.3.1* *Teaching Assignments*

Unit members teaching during the winter intersession or summer session(s) shall be compensated for the first six (6) units of teaching by employing the following formulas. In no event shall the hourly rate be less than the current overload rate described in Exhibit B3 or $55/hour, whichever is greater. All calculations shall be rounded to the nearest dollar.

For unit members whose assignment contains lecture units, the rate of pay for those lecture units shall be computed as follows:

[(current fiscal year's base salary) ÷ 177] ÷ 6 = (hourly rate)*
(# of lecture hours) x (hourly rate) = compensation*

For unit members whose assignment contains laboratory units the rate of pay for those laboratory units shall be computed as follows:

[(current fiscal year's base salary) ÷ 177] ÷ 6 = (hourly rate)*
(.75 x (# of laboratory hours)] x (hourly rate) = compensation*

**The hourly rate shall not be less than the current overload rate described in Exhibit B3 or $55/hour, whichever is greater.*

Teaching assignments over six (6) units shall be compensated at the current overload rate described in Exhibit B3 or at $55/hour, whichever is greater."

The College negotiated adjustments for full-time overload and part-time hourly pay in the 2013-2015 faculty contracts to better align with comparative colleges identified by FCMAT. To keep within industry market and to compete with regional colleges for a qualified part-time faculty pool, negotiations resulted in progressive increases over two years: From $50 to $55 in 2013-2014 and to $60 in 2014-2015 for full-time overload rates; and from $48.50 to $55 in 2013-2014 and to $60 in 2014-2015 for part-time faculty hourly rates.[11]

Despite the increases, the hourly rates remain below the high end of the comparative colleges as well as below the hourly faculty rate. In addition, overload for fall and spring terms is paid at the approved overload rate, which is also less than the average full-time hourly rate (Tables 6 and 7).

Table 6: Comparison of Current IVC and FCMAT Colleges for Overload/Part-Time Rate
IVC Overload/Part-Time hourly rate is below the high end of the comparative colleges median rate.

Overload Rates Comparison	Lower Scale	Median	High End Scale
College of the Desert	$52.00	$58.00	$64.00
Hartnell	$59.07	$61.64	$64.21
Monterey Peninsula	$35.17	$52.79	$70.41

Shasta	$46.46	$52.27	$58.07
Comparative Colleges Median	$49.23	$55.40	$64.11
IVC 2013-14 & 2014-15 Rate	**(13-14) $55.00**	$57.50	**(14-15) $60.00**

Table 7: Comparison of IVC Average Hourly Rate and Base Salary Rate
IVC Overload/Part-Time hourly rate is below average comparative college hourly and base faculty rate.

Average Rates	Average Hourly Rate	Average Base Salary
Comparative Colleges Average	~$79.50	~$84,592
IVC Overall Average	$71.24	$80,140

ACCJC: Additional contract days up to 199 from 177 for a number of faculty who work as coordinators (and counselors).

Negotiations for the 2013-2015 CTA Contract resulted in 199-day faculty on the E20 level to be Y rated for one academic year (2013-2014) and all other 199-day unit members to be reduced to 194 service days. Effective July 1, 2014, the base salary for all 194-day unit members will reflect a reduction of five service days for teaching and non-teaching unit members.[12] The reduction of five service days, from 199 to 194, resulted in a savings in teaching costs, but an increase in non-teaching costs due to the replacement of the Articulation/Transfer position and the addition of a full-time Distance Education Coordinator.

Table 8: IVC Change in Service Days (199 down to 194) with Continued Step Increases

Decreased Service Days: 199 to 194	# Teaching Faculty w/ Extended Days	Teaching Costs	# Non-Teaching Faculty w/ Extended Days	Non-Teaching Costs
2012-2013	13	$1,152,489	12.85	$1,146,870
2013-2014	11	$1,039,251	14.85	$1,343,658
2014-2015	11	$1,054,391	14.85	$1,382,478
Difference:12-13 & 13-14	(2.00)	($113,238)	2.00	$ 196,788
Net Cost				$ 83,550

The College is aware the initial savings will not be dramatic, but the savings will increase with retirement or attrition and an evaluation of each vacated position as to need and structural efficiencies. In addition, the negotiated contract includes the following provision for non-teaching incumbent 194-day faculty that receives extra duty due to job descriptions: "The current incumbents in these positions will continue to receive this extra duty assignment until the position becomes vacant. Future incumbents in these positions are not entitled to receive these extra duty assignments."[13] These costs are not reflected in the table above.

ACCJC: Nearly 50% over the Faculty Obligation Number required by the state. The required FON is 108 and the number of FTEF is 158 or so.

When the Financial Reviewer Panel completed the analysis of IVC, the FON was 108. In Fall 2013, the FON was decreased to 89.30 as a consequence of the State-mandated workforce reduction and drop in FTES. The College believed the State-mandated workforce reduction would be temporary and did not opt for termination of positions, except for attrition. The College currently has 127 full-time FTEF and 87.85 part-time FTEF. Its full-time to part-time faculty ratio is 59.11%, which is more in alignment with the average for community colleges. These numbers are moving in the right direction due to review of each position vacated through attrition as to the merit for hiring a replacement or filling the position with part-time faculty. The College has reviewed its tools to calculate the ongoing FTEF, project the FON, and revised its faculty replacement policies.

Table 9: IVC Current Full-Time to Part-Time FTEF

FT Faculty Description (tenure track)	**FTEF**
Teaching Faculty (including reassigned time)	103.00
Counselors	15.00
Non-teaching Faculty	9.00
Total for FT Faculty FTEF	**127.00**

* Reassigned Time - Teaching Faculty (tracking purposes only – not in calculations) 13.93

PT Faculty Description	**FTEF**
Part-Time Teaching Faculty	79.74
Counselors	4.17
Non-teaching Faculty, Librarian, Administrative	3.94
Total for PT Faculty FTEF	**87.85**
FT to PT Tenure Positions Ratio	**59.11%**

The College had a reported 66% rate of full-time faculty, which is less than the State recommendation of a 75% full-time to 25% part-time blend, yet not at the more typical community college statewide range of 53% to 59%.[14]

Recruitment of part-time faculty to the College is challenging. One challenge is created by the very low number of residents with the appropriate credentials and/or education to meet State minimum qualifications for teaching at a community college, particularly in the STEM disciplines. Another challenge is that as the only community college in Imperial County, teaching loads are restricted by Ed Code for part-time faculty and individuals can only teach a maximum of 10.05 units per semester, limiting their earning potential. Additionally, the local San Diego State University (SDSU) extension offers a limited number of bachelor degree options and only a couple of masters programs. Consequently, the potential pool for part-time instructors is always small, with young candidates needing to leave the area to pursue qualifying degrees.

Compounding the College's recruitment difficulties, the SDSU extension and the one private university competes to hire part-time faculty from IVC—and from IVC's full-time faculty, with higher compensation packages. This coupled with the socioeconomics, desert climate, and geographic isolation of Imperial County has hindered recruitment of part-time faculty from nearby urban areas. Thus, critical and required class offerings must be filled with full-time faculty teaching overload to address student need, to meet the College mission, and to sustain or grow the FTES.

The College is aware the 60-66% blend of full-time faculty, which has become a necessity due to the factors described above, is a more costly approach to meet the instructional costs. In response, the College has focused on other operational efficiencies; increased class size, decreased reassigned time, decreased service days, and planning for growth in FTES when approved.

SUBSIDIZING CATEGORICALLY FUNDED PROGRAMS

ACCJC: Child Development Center Fund – the college has not acted to control costs in these programs and when revenue was reduced, the college paid or subsidized the programs by augmenting them with funds to pay all costs incurred. This is now taking a priority status that has not been discussed.

After the 2013-2014 academic year began, the Child Development Center was informed of a reduction in both the State Contract for Infants and Child Care. The College's contribution from CalWorks funding was also reduced based on other program priorities. The program had seen a continuous and steady reduction in funding since 2010-2011. Although the demand for child care services did not decrease with the funding reductions, the program absorbed the reductions through internal efficiencies such as reduction of staff hours, in-house meal preparation, and other measures. In 2013-2014, the program felt that it could no longer absorb further cuts without additional district revenue without impacting the quality and availability of services.

Approximately 90 college students, who are single or working parents, are served by the Child Development Center with 75 to 100 children at the center on a given day. A last minute disruption to those services was determined to be inappropriate, and would have forced students to choose between education and child care. The Board approved the subsidizing of an extra $108,000 for the current academic year, through the 2013-2014 budget approval process.

When the State revised its budget, funding allocations for child care services increased resulting in an additional $93,000 in funding that would allow the center to operate without the additional subsidy. Additionally, the College has pledged to maintain CalWorks funding for child care services at higher levels than originally budgeted.[15] The program has since withdrawn its request for additional funding.

The additional funding request, since withdrawn, did not apply to the historical contribution of 50% of the salary and benefits for the director and staff secretary to provide support for academic child development curriculum, as well as some of the operational costs as evidenced in Table 10 below.

The Board of Trustees directed the Superintendent/President to explore a restructuring plan to reduce the College's contribution and make the Child Care Center/Lab School self-funded. The Vice President for Business Services and Vice President for Academic Services anticipate submitting a plan to achieve this goal to the Board for review in Fall 2014.

Table 10: College Subsidies to Child Care Categorical Program in 2013-2014

Academic Year	Categorical Funding	Required Match	Total College Cost	College Contribution Above Required Match
AY 13-14	$528,461	0	$108,181	**$108,181**

ACCJC: And other programs that receive categorical or specially restricted revenue from the State to provide specific additional services to students who meet eligibility requirements. This is now taking a priority without discussion.

The Financial Reviewer Panel raised concerns regarding the College's contribution, above match, to categorical or specially restricted revenue from the State to provide specific additional services to students who meet eligibility requirements. The College's DSPS, Student Success and Support Program (formerly Matriculation) fall into this category and do include financial contributions from the College. These costs will be reviewed by the CBO, CSSO, and the Dean of Counseling. The investigation will be completed and the associated financial details determined prior to the submittal of the 2014-2015 budget in June 2014. A report will be made available to the participatory governance committees and the Special Report Committee.

To date the following has been reviewed:

- Disabled Students Programs and Services (DSPS) is a long standing program in California and is addressed in the Code of Regulations as well as Education Code. Contributing to the DSPS program is essential for compliance with Federal disability non-discrimination laws, specifically Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA), and state law, Gov. Code Sec 11135 et seq.

- Title 5, Section 56070 requires that revenue generated by DSPS classes be returned to the DSPS program. In addition, a portion of the DSPS allocation includes funds designated to provide services to Deaf/Hard of Hearing students, which require a 25% match. Title 5, Section 560762, refers to the additional funds, up to 10%, as "college effort." Over the past five years, this has generated an additional $159,910 or approximately ~$31,982 per year to the DSPS allocation.

- The ADA requires that all resources of a public institution are to be considered available to meet the needs of eligible students with disabilities. This requirement is reinforced in Title 5, Section 56076, which states, "As a condition of receiving funds pursuant to this subchapter, each community college district shall certify that reasonable efforts have been made to utilize all funds from federal, state, or local sources which are available for serving students with disabilities." California Education Code, Section 84850 similarly states, "As a condition of receiving funds pursuant to this section, each community college district shall certify that reasonable efforts have been made to utilize all funds from federal, state, or local sources which are available for serving disabled student." Finally, California Education Code, Section 67310(e) states, "All public postsecondary education institutions shall continue to utilize other available resources to support programs and services for disabled students as well as maintain their current level of funding from other sources whenever possible."

- The need for colleges to provide support to the DSPS program is such an integral component of the College's compliance with federal and state laws that California Community Colleges Chancellor Jack Scott, on September 14, 2012, issued an advisory to all CEOs, CSSOs, and CIOs, in which he stated, "…the requirement to provide the reasonable accommodations and services, as specified in federal and state statutes, is an institutional obligation, regardless of adequate state funding for DSPS."

- The match for the Student Success and Support Program (formerly Matriculation) is an in-kind match of 3:1 for the credit program and 1:1 for the non-credit program. The services that are allowable for the match, i.e. Admissions and Records and Counseling, are services that are necessary for the College to provide and have been identified as the in-kind match for the Student Success and Support Program. As a result of the Student Success Act of 2012 there are new guidelines for what services are allowable for the match.

- The College will apply the new guidelines to the in-kind match and make adjustments to show the match as required by the guidelines. This will be reflected in the End-of-Year Report to the Chancellor's Office for FY 2013-2014. It should be noted that the non-credit allocation was reduced from $35,217 for 2012-2013 to $5,373 for 2013-2014. The in-kind match of $5,373 will be reflected in the End-of Year report for FY 2013-2014.

- The College serves the residents of Imperial County with the lowest socioeconomic indicators in the state. Nearly 77% of the College's students receive financial aid of some form. To serve such low-income students and to improve student success rates, many supportive programs are needed. The success of the EOPS program with its notable high graduation numbers is to be commended. For 2012-2013, EOPS students represented 24% of the students graduating while the EOPS program represents approximately 9% of the total student population. Several of these programs such as Basic Skills and CalWorks are State-funded, while others such as the TRIO and ATLAS are federally funded. The Student Success and Support Program requires the College to match three dollars for every one dollar of state funding for credit SSSP.[16]

- The College operates with multiple categorical funded programs, the majority of which are in the realm of student services. All such programs with a life of more than one year do have a potential hidden long-term cost associated when retirement benefits are issued. The College has addressed this long-term cost with the full-time faculty and classified collective bargaining units by including the following provisions in the respective agreements:

> ***CTA Article 18.2:*** *The District shall provide lifetime health benefits for all unit members, hired on or before June 30, 2012, upon retirement under the following terms. The District shall provide lifetime health benefits for retirees hired on or after July 1, 2012 once the unit member has worked for IVC for 18 years and retires from IVC.*
>
> ***CSEA Article 10.2.4****: Classified employees hired after June 30, 2010, will not be eligible for the health insurance benefits provided under Article 10.2.*

Table 11: College Subsidies to Other Categorical Programs in 2013-2014

Categorical Program	Categorical Funding	Required Match	Total College Cost	College Costs Above Required
DSPS	$376,574	$60,073 (based on FTES)	$310,534	$251,460
Student Success & Support - Credit	$357,918	$1,073,754 (3:1 match)	$2,034,454	$960,700
Student Success & Support - Non-Credit	$5,373	$5,373 (1:1 match)	$61,419	$56,046
Total Associated College Cost			$2,406,407	**$1,267,206**

DECLINING REVENUE AND ENROLLMENTS

ACCJC: Rapidly declining fund balance caused by lack of action to address imbalance between revenue and expenditures.

At the June 19, 2013 meeting, the Board adopted the Budget and Fiscal Planning Committee's recommendation for a prudent reserve level of 16.6%.[17] The Budget and Fiscal Planning Committee's recommended strategy to increase the reserve to 16.6% using favorable year end variance was presented to the Board at the March 15, 2014 Board Retreat.[18]

In order to better implement and monitor fiscal planning, the College made a fiscal commitment to the installation of Strategic Planning Online system (SPOL) during 2013-2014. The advantages of the SPOL planning tool includes its ability to identify additional requests; provide multiple year budget projections; and link assessment, planning, and ongoing accreditation to the budget figures.

When the Financial Reviewer Panel studied submitted data, it noted the declining reserves with a projection of 1.7% (June 30, 2015) in coming years with no adjustments in contracts. The College is now projected to have a slow, but growing reserve in the best-case scenario (7.37%) with the current salary structures. The College acknowledges for planning purposes a worst-case scenario (0.2%) without adjustments in contracts and declining growth revenue projected as seen in the graphs and table following this section. During the Board session on February 19, 2014, a PowerPoint presentation provided an overview of the Special Report and at the Board Retreat on March 15, 2014, the following financial implications and details were discussed.

The first or best-case scenario predicts a 3% growth for academic years 2014-2015, 2015-2016, and 2016-2017. Within this scenario are four fiscal possibilities:

a) compliance with existing contracts,
b) existing contracts, except no step increases,
c) existing contracts and best and final for CSEA, and
d) existing contracts with no step increases, overload rate decreased to $50 in 2016-2017 and best and final for CSEA.

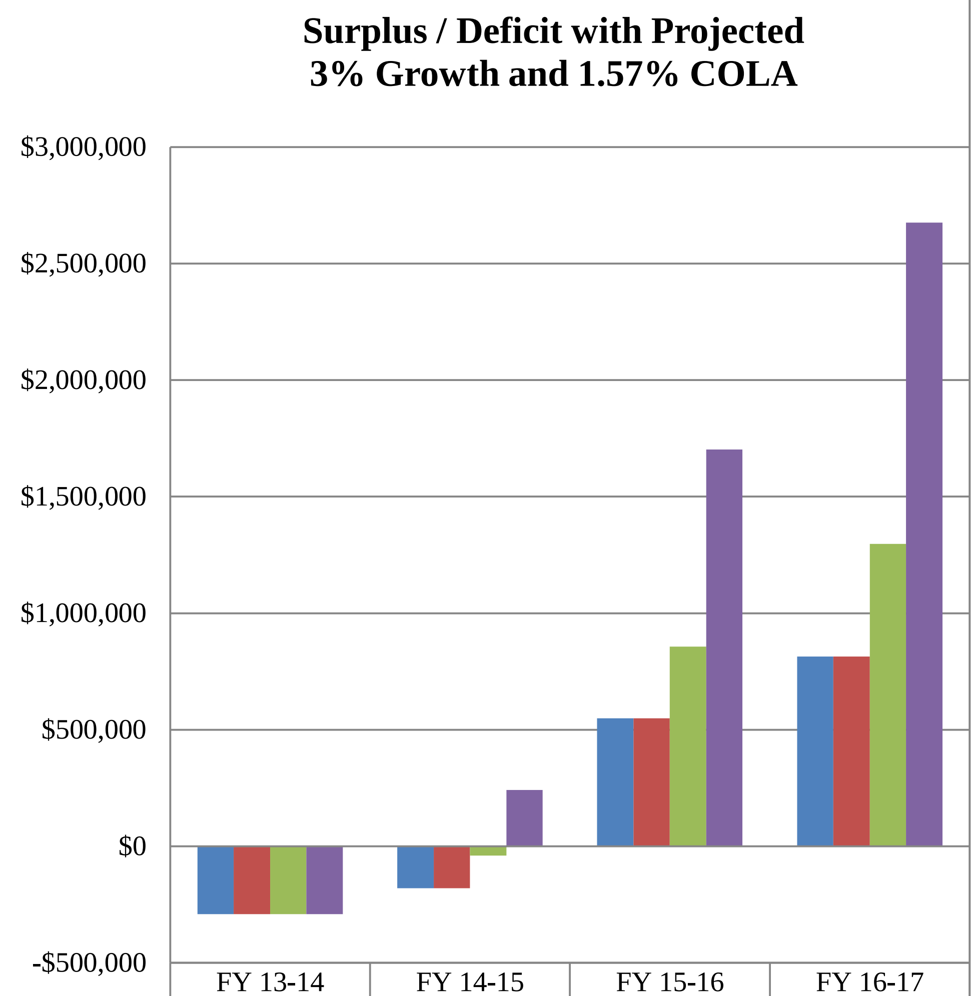
Utilizing the end-balance at year close to fund the OPEB and the designated increase reserves, the undesignated reserves will increase from 5.68% to 7.37% in 2016-2017.

The second or worst-case scenario is used for planning purposes only. This worst-case scenario predicts a 2% growth for academic year 2014-2015, a 1% growth in 2015-2016 and no growth in 2016-2017. Again, within this scenario are four fiscal possibilities:

a) compliance with existing contracts,
b) existing contracts, except no step increases,
c) existing contracts and best and final for CSEA, and
d) existing contracts with no step increases, overload rate decreased to $50 in 2016-2017 and best and final for CSEA.

Utilizing the end-balance at year close to fund the OPEB (30%) and the designated increase reserves (70%), the reserves will decrease from 5.68% to 0.20% in 2016-2017.

Graph 3: Surplus/Deficit in Best Case Scenario with 3% Growth and 1.57% COLA



	FY 13-14	FY 14-15	FY 15-16	FY 16-17
1 Current Agreements (Includes Step Increase)	-$290,710	-$180,261	$548,965	$814,527
2 Current Agreements (No Step Increase)	-$290,710	-$180,261	$548,965	$814,527
3 Current Agreements w/ CSEA projected best & final with step increase	-$290,710	-$40,197	$856,642	$1,296,855
4 Current (No Step Increase) OL $50 in 16-17. CSEA projected best & final with no step increase.	-$290,710	$241,446	$1,702,226	$2,675,314

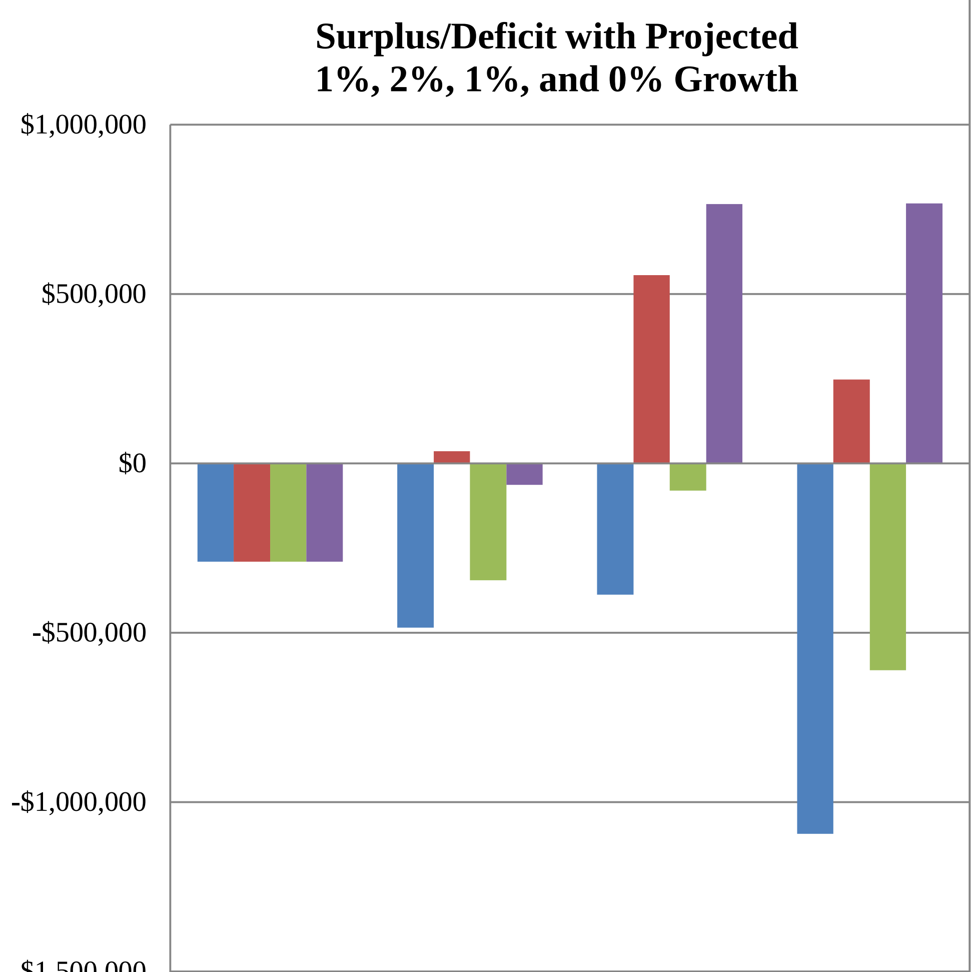
See Appendix A for related spreadsheets

Table 12: Summary of Best Case Scenario with 3% Continued Growth, 1.57% COLA, and Current Contracts

PROJECTED FINANCIAL SUMMARY WITH EXISTING CONTRACTS	**FY 13-14 1% Growth**	**FY 14-15 3% Growth**	**FY 15-16 3% Growth**	**FY 16-17 3% Growth**
VOLUME				
Total FTES	6,625	6,822	7,026	7,235
INCOME				
State Apportionment	23,608,613	24,827,193	25,697,071	26,549,825
EPA (13.61%)	4,630,399	4,821,083	4,958,126	5,092,468
PT Faculty Allocation	143,230	143,230	143,230	143,230
Unrestricted Lottery	763,000	763,000	763,000	763,000
Local Funds	6,535,815	6,535,815	6,535,815	6,535,815
Total Unrestricted Revenue	$35,681,057	$37,090,320	$38,097,252	$39,084,339
EXPENSES				
Salary & Benefits	29,595,135	30,476,318	31,207,872	31,881,484
Summer	783,828	625,630	644,399	663,731
Winter	0	625,630	644,399	663,731
3% Growth Factor	0	0	251,472	251,472
Operations	5,592,804	5,543,003	4,800,145	4,809,394
	$35,971,767	$37,270,581	$37,548,288	$38,269,812
SURPLUS OR (DEFICIT)	**-$290,710**	**-$180,261**	**$548,965**	**$814,527**
Beginning Balance	2,335,584	2,044,874	1,864,613	2,248,888
OPEB Ending	0	0	164,689	409,048
DESIGNATED Increase Reserves	0	0	384,275	570,169
Undesignated Reserves	5.68%	5.00%	5.99%	7.37%
ENDING BALANCE	**2,044,874**	**1,864,613**	**2,248,888**	**2,819,057**

See Appendix A for related and complete spreadsheet

Graph 4: Surplus/ Deficit in Worst Case Scenario with Declining Growth



	FY 13-14	FY 14-15	FY 15-16	FY 16-17
1 Current Agreements (Includes Step Increase)	-$290,710	-$485,435	-$387,920	-$1,093,635
2 Current Agreements (No Step Increase)	-$290,710	$35,524	$555,365	$247,948
3 Current Agreements w/ CSEA projected best & final with step increase	-$290,710	-$345,371	-$80,242	-$611,307
4 Current (No Step Increase) OL $50 in 16-17. CSEA projected best & final with no step increase.	-$290,710	-$63,728	$765,342	$767,153

See Appendix B for related spreadsheet.

Table 13: Summary of Worst Case Scenario with Declining Growth and Final Contracts

PROJECTED FINANCIAL SUMMARY WITH EXISTING CONTRACTS	**FY 13-14 1% Growth**	**FY 14-15 2% Growth**	**FY 15-16 1% Growth**	**FY 16-17 0% Growth**
VOLUME				
Total FTES	6,625	6,757	6,824	6,824
INCOME				
State Apportionment	23,608,613	24,563,553	24,887,707	24,901,365
EPA (13.61%)	4,630,399	4,779,548	4,830,616	4,832,768
PT Faculty Allocation	143,230	143,230	143230	143,230
Unrestricted Lottery	763,000	763,000	763000	763,000
Local Funds	6,535,815	6,535,815	6,535,815	6,535,815
Total Unrestricted Revenue	$35,681,057	$36,785,146	$37,160,368	$37,176,177
EXPENSES				
Salary & Benefits	29,595,135	30,476,318	31,207,872	31,881,484
Summer	783,828	625,630	644,399	663,731
Winter	0	625,630	644,399	663,731
3% Growth Factor	0	0	251,472	251,472
Operations	5,592,804	5,543,003	4,800,145	4,809,394
	$35,971,767	$37,270,581	$37,548,288	$38,269,812
SURPLUS OR (DEFICIT)	**-$290,710**	**-$485,435**	**-$387,920**	**-$1,093,635**
BEGINNING BALANCE	2,335,584	$2,044,874	$1,559,439	$1,171,519
OPEB Ending	0	0	0	0
DESIGNATED Increase Reserves	0	0	0	0
Undesignated Reserves	5.68%	4.18%	3.12%	0.20%
ENDING BALANCE	**$2,044,874**	**$1,559,439**	**$1,171,519**	**$77,885**

See Appendix B for related complete spreadsheet

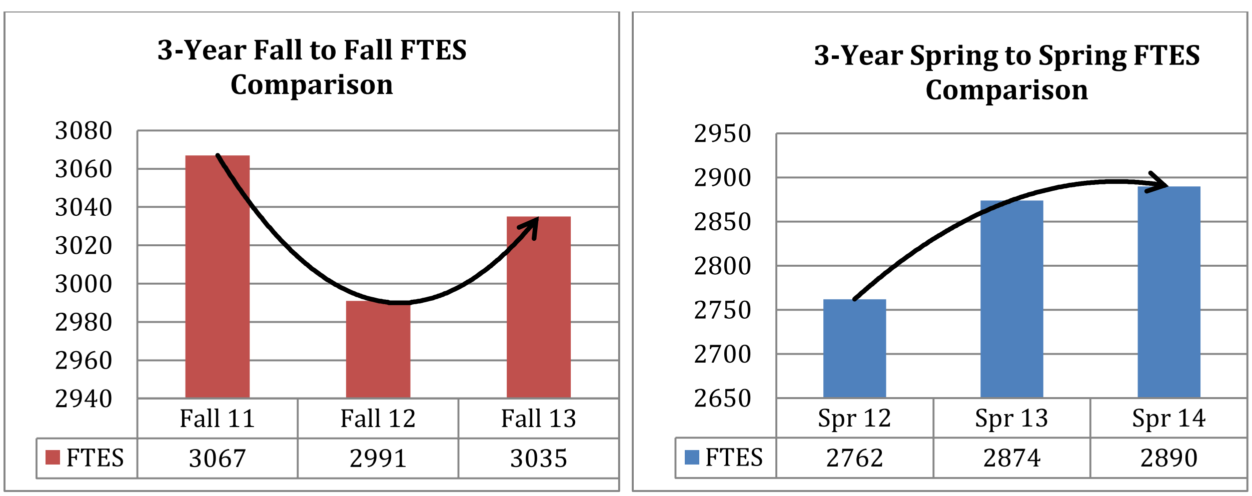
ACCJC: Enrollment is also declining rapidly

At the time of the Financial Reviewer Panel's initial study, the College enrollment dropped in response to several factors: Elimination of extended campuses, changes in registration and fee-collection practices, and especially the mandated workforce reduction. First, the closing of the Calexico extended campus prompted a loss of enrollment due to students' initial unwillingness to travel to the main campus. Calexico students have now adjusted, thanks to the addition of more bus trips and a transit center on campus. Second, during 2011-2012, the College's efforts to tighten fee collection policies resulted in a loss of some students who were not able to comply. Third, the State-mandated workforce reduction caused the College to cut its offerings on the order of 5% and then 10%.

In the 2013-2014 academic year the projections show the College has achieved the full restoration requirement for enrollment and is projecting growth. Reinstating the Winter intersession will contribute to the annual FTES growth and will help students complete their certificates, degrees, or majors in a timely manner. Enrollment is no longer declining; enrollment is growing. All three of the conditions that caused decline in enrollment have been resolved.

The College has adopted other measures to ensure growth, which is dictated, in part, by facilities and physical classroom capacity. The College has surveyed current classroom physical seating capacities. The recent renovation of building 400 and the old planetarium in building 200 has resulted in larger classrooms. The new CTE buildings will accommodate larger class sizes. As the College moves forward to use bond money to renovate more classrooms, this practice will continue. In addition, the College plans for flexible classroom use via movable walls to raise efficiency in matching class size with available facilities.[19] The Curriculum Committee is developing policies to align with this effort in matching class sizes to the pedagogical best practices for each type of subject matter.[20]

Graph: 3-Year of FTES Actual



ACCJC: The Commission should monitor this situation to determine actions taken to reduce the permanent fixed cost structure as described earlier.

On March 26, 2014, the Budget and Fiscal Planning Committee recommended that

> "if a favorable variance exists at the close of a fiscal year (between budget and actual) that this amount be allocated 70% to the reserve and 30% to a fund designated for the OPEB liability within the reserve. Any use of the available reserve for current operations requires approval by the Board of Trustees. Furthermore, if determined to be financially feasible by the administration and the board, the 30% shall be transferred to an irrevocable trust fund for the OPEB liability."[21]

The College acknowledges its fiscal status and has developed or implemented tools to monitor financial indicators: SPOL and financial dashboards. The College has improved its budgeting practices, internal monitoring, and financial trigger decision points for administration.

The College further acknowledges that should the worst-case scenario become a reality, the College will request to reopen negotiations with its collective bargaining units. The Board will be approached with cost savings measures that must be negotiated with all bargaining and non-bargaining units. The reopener provisions of the respective contracts are reflected below:

> **CTA Contract:** *During its lifetime the contract may be reopened only when required by changes to the law, or when mutually agreed upon by both parties. If proposed by April 1st of subsequent years, either party reserves the right to re-open negotiations under the CBA for Article 17 (Compensation), and Article 18 (Health and Welfare Benefits), and up to one additional article for negotiation.*[22]

> **PTFA Contract:** *The contract term is for 2013-14 and 2014-15, with reopeners for Article 12 (Salary) and up to two additional articles by either party if initial proposals are "sunshine" by April 1st.*[23]

CLOSING

The ACCJC Financial Reviewer Panel's letter to the College indicates the IVC is "not a going concern." The narrative and data in this Special Report show that the snapshot taken by the Financial Reviewer Panel represents a "perfect storm" of difficult challenges, especially reductions and delays in State funding levels. The College has responded in multiple ways to adapt to these challenges to maintain its financial stability. Most notable of these measures are the closing of all extended campus facilities, layoffs, furloughs, imposition of a compensation philosophy for structural savings, and retirement incentives. Many of those actions are addressed in the Follow-up Report that the College submitted to the Commission on March 9, 2014.[24] Though supplementary to this report, those measures have created permanent reductions in expenses and are therefore essential to a full understanding of the College's efforts to maintain financial stability.

Among the issues considered in this report is the classified staff salary schedule, with its 15-step increments with a 5% increase at each step. The College has been aware that these contractual obligations are entirely untenable during the recent period of workforce reductions. Currently, negotiations with the classified bargaining unit are undergoing mediation and fact-finding. The Financial Reviewer Panel's letter to the College has provided a welcome third party validation of the College's arguments.

The College's current financial situation came about via many years in a growth environment. Assumptions about growth were institutionalized in collective bargaining agreements. The College has made significant progress in changing its management practices throughout the institution, but because of the complexity of change within an institution subject to participatory governance and the need to gradually phase in belt-tightening measures, it will take several more years to fully realize. To conclude, the College is indeed a going concern; recent and future adjustments detailed above will ensure its financial stability into the foreseeable future.

Imperial Valley College
Accreditation Special Report
April 15, 2014

Appendices

4 Year Revenue/Expenditure Projections

Appendix A

Imperial Community College District
4 Year Revenue/Expenditure Projections
Unrestricted General Fund, 3%, 3%, and 3% Growth

		FY 13-14	**FY 14-15**	**FY 15-16**	**FY 16-17**
FTES	**Base**	**Projected**	**Projected**	**Projected**	**Projected**
Credit FTES	6,003	6,582	6,779	6,983	7,192
Noncredit FTES	40	38	38	38	38
Noncredit - CDCP FTES	10	5	5	5	5
Total FTES		6,625	6,822	7,026	7,235
Growth		1.00%	3.00%	3.00%	3.00%
COLA		1.57%	1.57%	1.57%	1.57%
FTES Rates					
Credit FTES	4,565				
Noncredit FTES	2,788				
Noncredit - CDCP FTES	3,283				
- Previous Year COLA			484,591	547,546	563,111
Basic Allocation		3,321,545	3,321,545	3,321,545	3,321,545
Credit FTES		27,403,375	30,947,049	31,875,460	32,831,724
Noncredit FTES		109,771	105,946	105,946	105,946
Noncredit - CDCP FTES		30,996	16,414	16,414	16,414
Subtotal		30,865,687	34,875,545	35,866,911	36,838,740
COLA 1.57%		484,591	547,546	563,111	578,368
Subtotal		31,350,278	35,423,090	36,430,022	37,417,109
Restoration Funding		2,663,549			
Total Computational Revenue		**34,013,827**	**35,423,090**	**36,430,022**	**37,417,109**
EPA (13.61% of Total Computational Revenue)		4,630,399	4,821,083	4,958,126	5,092,468
Property Taxes		4,483,296	4,483,296	4,483,296	4,483,296
Enrollment Fee Revenue		1,291,519	1,291,519	1,291,519	1,291,519
General Apportionment		23,608,613	24,827,193	25,697,081	26,549,825
Total Computational Revenue		**34,013,827**	**35,423,090**	**36,430,022**	**37,417,109**
State Funds					
State Apportionment		23,608,613	24,827,193	25,697,081	26,549,825
EPA (13.61% of Total Computational Revenue)		4,630,399	4,821,083	4,958,126	5,092,468
Part Time Faculty Allocation		143,230	143,230	143,230	143,230
State Unrestricted Lottery		763,000	763,000	763,000	763,000

Total State Funds	**29,145,242**	**30,554,505**	**31,561,437**	**32,548,524**
Local Funds				
Property Taxes	4,483,296	4,483,296	4,483,296	4,483,296
Enrollment Fee Revenue (100%)	1,291,519	1,291,519	1,291,519	1,291,519
Bookstore Commission (5 yr. avg)	123,000	123,000	123,000	123,000
Cafeteria Commission (5 yr. avg)	14,000	14,000	14,000	14,000
Indirect Revenue (5 yr. avg)	224,000	224,000	224,000	224,000
Interest Income (5 yr. avg)	44,000	44,000	44,000	44,000
Non-resident Tuition (5 yr. avg)	287,000	287,000	287,000	287,000
Misc. Income (5 yr. avg)	53,000	53,000	53,000	53,000
Transcripts Income (5 yr. avg)	16,000	16,000	16,000	16,000
Total Local Funds	**6,535,815**	**6,535,815**	**6,535,815**	**6,535,815**
Total Unrestricted Revenues	**35,681,057**	**37,090,320**	**38,097,252**	**39,084,339**
EXPENSES				
Scenario 1 - Rollover with Current Negotiated Agreements (Includes Step Increases)				
Administrators	1,416,868	1,455,055	1,489,237	1,519,927
Faculty (Full Time)	9,267,940	9,450,688	9,616,297	9,770,898
Faculty (Part Time)	2,135,048	2,135,048	2,329,143	2,329,143
Overload	1,266,467	1,266,467	1,381,601	1,381,601
Other Salaries	150,995	150,995	150,995	150,995
Student Employment	242,961	242,961	242,961	242,961
Benefits	8,859,150	9,219,374	9,219,374	9,494,688
Summer School	783,828	625,630	644,399	663,731
Winter Session		625,630	644,399	663,731
Classified Managers	993,981	1,012,629	1,024,292	1,036,304
Classified Confidential	685,790	697,451	709,463	717,971
Classified CSEA	4,575,935	4,845,650	5,044,511	5,236,996
Cost Associated with Growth	0	0	251,472	251,472
Supplies	825,000	837,375	849,936	862,685
Services	3,087,000	3,087,000	3,087,000	3,087,000
Capital Outlay	473,000	473,000	473,000	473,000
COPs	412,083	760,163	0	0
LRBs	307,505	307,505	312,250	308,750
Short Term Debt Interest	125,000	0	0	0
SERP	285,256	0	0	0
VESIP	77,960	77,960	77,960	77,960
Total Unrestricted Expenses	35,971,767	37,270,581	37,548,288	38,269,812
Surplus (Deficit)	**-290,710**	**-180,261**	**548,965**	**814,527**
OPEB Beginning	0	0	0	164,689
OPEB Adjustment (30% of Surplus)	0	0	164,689	244,358

OPEB Ending	0	0	164,689	409,047
Reserve Adj Beginning	0	0	0	384,275
Reserve Adjustment (70% of Surplus)	0	0	384,275	570,169
Reserve Adjustment Ending	0	0	384,275	954,444
Projected Surplus after OPEB and Reserve Funding		0	0	0
Beginning Balance	2,335,584	2,044,874	1,864,613	2,248,888
Change in operations	-290,710	-180,261	548,965	814,527
Ending Balance before OPEB & Reserves	2,044,874	1,864,613	2,413,577	3,063,415
	5.68%	5.00%	6.43%	8.00%
Designated – OPEB		0	164,689	244,358
Designated - Increase Reserves		0	384,275	570,169
Ending Balance	**2,044,874**	**1,864,613**	**2,248,888**	**2,819,057**
	5.68%	5.00%	5.99%	7.37%
Scenario 2 - Rollover with Current Negotiated Agreements (No Step Increase)				
Administrators	1,416,868	1,416,868	1,416,868	1,416,868
Faculty (Full Time)	9,267,940	9,267,940	9,267,940	9,267,940
Faculty (Part Time)	2,135,048	2,135,048	2,329,143	2,329,143
Overload	1,266,467	1,266,467	1,381,601	1,381,601
Other Salaries	150,995	150,995	150,995	150,995
Student Employment	242,961	242,961	242,961	242,961
Benefits	8,859,150	9,219,374	9,219,374	9,494,688
Summer School	783,828	625,630	644,399	663,731
Winter Session		625,630	644,399	663,731
Classified Managers	993,981	993,981	993,981	993,981
Classified Confidential	685,790	685,790	685,790	685,790
Classified CSEA	4,575,935	4,575,935	4,575,935	4,575,935
Cost Associated with Growth	0	0	251,472	251,472
Supplies	825,000	837,375	849,936	862,685
Services	3,087,000	3,087,000	3,087,000	3,087,000
Capital Outlay	473,000	473,000	473,000	473,000
COPs	412,083	760,163	0	0
LRBs	307,505	307,505	312,250	308,750
Short Term Debt Interest	125,000	0	0	0
SERP	285,256	0	0	0
VESIP	77,960	77,960	77,960	77,960
Total Unrestricted Expenses	35,971,767	36,749,622	36,605,003	36,928,230
Surplus (Deficit)	**-290,710**	**340,698**	**1,492,249**	**2,156,109**
OPEB Beginning	0	0	102,210	549,884
OPEB Adjustment (30% of Surplus)	0	102,210	447,675	646,833

OPEB Ending	0	102,210	549,884	1,196,717
Reserve Adj Beginning	0	0	238,489	1,283,063
Reserve Adjustment (70% of Surplus)	0	238,489	1,044,574	1,509,276
Reserve Adjustment Ending	0	238,489	1,283,063	2,792,340
Projected Surplus after OPEB and Reserve Funding		0	0	0
Beginning Balance	2,335,584	2,044,874	2,283,363	3,327,937
Change in Operations	-290,710	340,698	1,492,249	2,156,109
Ending Balance before OPEB & Reserves	2,044,874	2,385,572	3,775,612	5,484,046
	5.68%	6.49%	10.31%	14.85%
Designated – OPEB		102,210	447,675	646,833
Designated - Increase Reserves		238,489	1,044,574	1,509,276
Ending Balance	**2,044,874**	**2,283,363**	**3,327,937**	**4,837,213**
	5.68%	6.21%	9.09%	13.10%
Scenario 3 - Rollover with Current Negotiated Agreements (Includes Step Increase) for all groups except Classified Staff (CSEA). Classified Staff (CSEA) projected best and final with step increase				
Administrators	1,416,868	1,455,055	1,489,237	1,519,927
Faculty (Full Time)	9,267,940	9,450,688	9,616,297	9,770,898
Faculty (Part Time)	2,135,048	2,135,048	2,329,143	2,329,143
Overload	1,266,467	1,266,467	1,381,601	1,381,601
Other Salaries	150,995	150,995	150,995	150,995
Student Employment	242,961	242,961	242,961	242,961
Benefits	8,859,150	9,219,374	9,219,374	9,494,688
Summer School	783,828	625,630	644,399	663,731
Winter Session		625,630	644,399	663,731
Classified Managers	993,981	1,012,629	1,024,292	1,036,304
Classified Confidential	685,790	697,451	709,463	717,971
Classified CSEA	4,575,935	4,705,586	4,736,834	4,754,668
Cost Associated with Growth	0	0	251,472	251,472
Supplies	825,000	837,375	849,936	862,685
Services	3,087,000	3,087,000	3,087,000	3,087,000
Capital Outlay	473,000	473,000	473,000	473,000
COPs	412,083	760,163	0	0
LRBs	307,505	307,505	312,250	308,750
Short Term Debt Interest	125,000	0	0	0
SERP	285,256	0	0	0
VESIP	77,960	77,960	77,960	77,960
Total Unrestricted Expenses	35,971,767	37,130,517	37,240,610	37,787,484
Surplus (Deficit)	**-290,710**	**-40,197**	**856,642**	**1,296,855**
OPEB Beginning	0	0	0	256,993
OPEB Adjustment (30% of Surplus)	0	0	256,993	389,056

OPEB Ending	0	0	256,993	646,049
Reserve Adj Beginning	0	0	0	599,650
Reserve Adjustment (70% of Surplus)	0	0	599,650	907,798
Reserve Adjustment Ending	0	0	599,650	1,507,448
Projected Surplus after OPEB and Reserve Funding		0	0	0
Beginning Balance	2,335,584	2,044,874	2,004,677	2,604,327
Change in Operations	-290,710	-40,197	856,642	1,296,855
Ending Balance before OPEB & Reserves	2,044,874	2,004,677	2,861,319	3,901,181
	5.68%	5.40%	7.68%	10.32%
Designated – OPEB		0	256,993	389,056
Designated - Increase Reserves		0	599,650	907,798
Ending Balance	**2,044,874**	**2,004,677**	**2,604,327**	**3,512,125**
	5.68%	5.40%	6.99%	9.29%
Scenario 4 - Rollover with Current Negotiated Agreements (No Step Increase) for all groups except Classified Staff (CSEA). Classified Staff (CSEA) includes projected best and final with no step increase. Overload rate at $50 in 16-17.				
Administrators	1,416,868	1,416,868	1,416,868	1,416,868
Faculty (Full Time)	9,267,940	9,267,940	9,267,940	9,267,940
Faculty (Part Time)	2,135,048	2,135,048	2,135,048	1,940,952
Overload	1,266,467	1,266,467	1,266,467	1,151,334
Other Salaries	150,995	150,995	150,995	150,995
Student Employment	242,961	242,961	242,961	242,961
Benefits	8,859,150	9,219,374	9,219,374	9,494,688
Summer School	783,828	625,630	644,399	663,731
Winter Session		625,630	644,399	663,731
Classified Managers	993,981	993,981	993,981	993,981
Classified Confidential	685,790	685,790	685,790	685,790
Classified CSEA	4,575,935	4,675,187	4,675,187	4,675,187
Cost Associated with Growth	0	0	251,472	251,472
Supplies	825,000	837,375	849,936	862,685
Services	3,087,000	3,087,000	3,087,000	3,087,000
Capital Outlay	473,000	473,000	473,000	473,000
COPs	412,083	760,163	0	0
LRBs	307,505	307,505	312,250	308,750
Short Term Debt Interest	125,000	0	0	0
SERP	285,256	0	0	0
VESIP	77,960	77,960	77,960	77,960
Total Unrestricted Expenses	35,971,767	36,848,874	36,395,026	36,409,025
Surplus (Deficit)	**-290,710**	**241,446**	**1,702,226**	**2,675,314**
OPEB Beginning	0	0	72,434	583,102

OPEB Adjustment (30% of Surplus)	0	72,434	510,668	802,594
OPEB Ending	0	72,434	583,102	1,385,696
Reserve Adj Beginning	0	0	169,012	1,360,570
Reserve Adjustment (70% of Surplus)	0	169,012	1,191,558	1,872,720
Reserve Adjustment Ending	0	169,012	1,360,570	3,233,290
Projected Surplus after OPEB and Reserve Funding		0	0	0
Beginning Balance	2,335,584	2,044,874	2,213,886	3,405,444
Change in Operations	-290,710	241,446	1,702,226	2,675,314
Ending Balance before OPEB & Reserves	2,044,874	2,286,320	3,916,112	6,080,758
	5.68%	6.20%	10.76%	16.70%
Designated – OPEB		72,434	510,668	802,594
Designated - Increase Reserves		169,012	1,191,558	1,872,720
Ending Balance	**2,044,874**	**2,213,886**	**3,405,444**	**5,278,164**
	5.68%	6.01%	9.36%	14.50%
SUMMARY	**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**
Scenario 1 - Rollover with Current Negotiated Agreements (Includes Step Increase)				
Total Unrestricted Revenues	35,681,057	37,090,320	38,097,252	39,084,339
Total Unrestricted Expenses	35,971,767	37,270,581	37,548,288	38,269,812
Surplus – Deficit	**-290,710**	**-180,261**	**548,965**	**814,527**
Scenario 2 - Rollover with Current Negotiated Agreements (No Step Increase)				
Total Unrestricted Revenues	35,681,057	37,090,320	38,097,252	39,084,339
Total Unrestricted Expenses	35,971,767	36,749,622	36,605,003	36,928,230
Surplus – Deficit	**-290,710**	**340,698**	**1,492,249**	**2,156,109**
Scenario 3 - Rollover with Current Negotiated Agreements (Includes Step Increase) for all groups except Classified Staff (CSEA). Classified Staff (CSEA) projected best and final with step increase				
Total Unrestricted Revenues	35,681,057	37,090,320	38,097,252	39,084,339
Total Unrestricted Expenses	35,971,767	37,130,517	37,240,610	37,787,484
Surplus – Deficit	**-290,710**	**-40,197**	**856,642**	**1,296,855**
Scenario 4 - Rollover with Current Negotiated Agreements (No Step Increase) for all groups except Classified Staff (CSEA). Classified Staff (CSEA) includes projected best and final with no step increase. Overload rate at $50 in 16-17.				
Total Unrestricted Revenues	35,681,057	37,090,320	38,097,252	39,084,339
Total Unrestricted Expenses	35,971,767	36,848,874	36,395,026	36,409,025
Surplus – Deficit	**-290,710**	**241,446**	**1,702,226**	**2,675,314**

Appendix B

Imperial Community College District
4 Year Revenue/Expenditure Projections
Unrestricted General Fund 1%, 2%, 1% and 0% Growth

		FY 13-14	FY 14-15	FY 15-16	FY 16-17
FTES	**Base**	**Projected**	**Projected**	**Projected**	**Projected**
Credit FTES	6,003	6,582	6,714	6,781	6,781
Noncredit FTES	40	38	38	38	38
Noncredit - CDCP FTES	10	5	5	5	5
Total FTES		6,625	6,757	6,824	6,824
Growth		1.00%	2.00%	1.00%	0.00%
COLA		1.57%	1.57%	1.57%	1.57%
FTES Rates					
Credit FTES	4,565				
Noncredit FTES	2,788				
Noncredit - CDCP FTES	3,283				
- Previous Year COLA			484,591	547,546	563,111
Basic Allocation		3,321,545	3,321,545	3,321,545	3,321,545
Credit FTES		27,403,375	30,646,592	30,953,058	30,953,058
Noncredit FTES		109,771	105,946	105,946	105,946
Noncredit - CDCP FTES		30,996	16,414	16,414	16,414
Subtotal		30,865,687	34,575,088	34,944,509	34,960,074
COLA 1.57%		484,591	542,829	548,629	548,873
Subtotal		31,350,278	35,117,916	35,493,138	35,508,947
Restoration Funding		2,663,549			
Total Computational Revenue		**34,013,827**	**35,117,916**	**35,493,138**	**35,508,947**
EPA (13.61% of Total Computational Revenue)		4,630,399	4,779,548	4,830,616	4,832,768
Property Taxes		4,483,296	4,483,296	4,483,296	4,483,296
Enrollment Fee Revenue		1,291,519	1,291,519	1,291,519	1,291,519
General Apportionment		23,608,613	24,563,553	24,887,707	24,901,365
Total Computational Revenue		**34,013,827**	**35,117,916**	**35,493,138**	**35,508,947**
State Funds					
State Apportionment		23,608,613	24,563,553	24,887,707	24,901,365
EPA (13.61% of Total Computational Revenue)		4,630,399	4,779,548	4,830,616	4,832,768
Part Time Faculty Allocation		143,230	143,230	143,230	143,230
State Unrestricted Lottery		763,000	763,000	763,000	763,000

Total State Funds	**29,145,242**	**30,249,331**	**30,624,553**	**30,640,362**
Local Funds				
Property Taxes	4,483,296	4,483,296	4,483,296	4,483,296
Enrollment Fee Revenue (100%)	1,291,519	1,291,519	1,291,519	1,291,519
Bookstore Commission (5 yr avg)	123,000	123,000	123,000	123,000
Cafeteria Commission (5 yr avg)	14,000	14,000	14,000	14,000
Indirect Revenue (5 yr avg)	224,000	224,000	224,000	224,000
Interest Income (5 yr avg)	44,000	44,000	44,000	44,000
Non-resident Tuition (5 yr avg)	287,000	287,000	287,000	287,000
Misc Income (5 yr avg)	53,000	53,000	53,000	53,000
Transcripts Income (5 yr avg)	16,000	16,000	16,000	16,000
Total Local Funds	**6,535,815**	**6,535,815**	**6,535,815**	**6,535,815**
Total Unrestricted Revenues	**35,681,057**	**36,785,146**	**37,160,368**	**37,176,177**
EXPENSES				
Scenario 1 - Rollover With Current Negotiated Agreements (Includes Step Increase)				
Administrators	1,416,868	1,455,055	1,489,237	1,519,927
Faculty (Full Time)	9,267,940	9,450,688	9,616,297	9,770,898
Faculty (Part Time)	2,135,048	2,135,048	2,329,143	2,329,143
Overload	1,266,467	1,266,467	1,381,601	1,381,601
Other Salaries	150,995	150,995	150,995	150,995
Student Employment	242,961	242,961	242,961	242,961
Benefits	8,859,150	9,219,374	9,219,374	9,494,688
Summer School	783,828	625,630	644,399	663,731
Winter Session		625,630	644,399	663,731
Classified Managers	993,981	1,012,629	1,024,292	1,036,304
Classified Confidential	685,790	697,451	709,463	717,971
Classified CSEA	4,575,935	4,845,650	5,044,511	5,236,996
Cost Associated With Growth	0	0	251,472	251,472
Supplies	825,000	837,375	849,936	862,685
Services	3,087,000	3,087,000	3,087,000	3,087,000
Capital Outlay	473,000	473,000	473,000	473,000
COPs	412,083	760,163	0	0
LRBs	307,505	307,505	312,250	308,750
Short Term Debt Interest	125,000	0	0	0
SERP	285,256	0	0	0
VESIP	77,960	77,960	77,960	77,960
Total Unrestricted Expenses	35,971,767	37,270,581	37,548,288	38,269,812
Surplus (Deficit)	**-290,710**	**-485,435**	**-387,920**	**-1,093,635**
OPEB Beginning	0	0	0	0
OPEB Adjustment (30% of Surplus)	0	0	0	0

OPEB Ending	0	0	0	0
Reserve Adj Beginning	0	0	0	0
Reserve Adjustment (70% of Surplus)	0	0	0	0
Reserve Adjustment Ending	0	0	0	0
Projected Surplus after OPEB and Reserve funding		0	0	0
Beginning Balance	2,335,584	2,044,874	1,559,439	1,171,519
Change in Operations	-290,710	-485,435	-387,920	-1,093,635
Ending Balance before OPEB & Reserves	2,044,874	1,559,439	1,171,519	77,885
	5.68%	4.18%	3.12%	0.20%
Designated - OPEB		0	0	0
Designated - Increase Reserves		0	0	0
Ending Balance	**2,044,874**	**1,559,439**	**1,171,519**	**77,885**
	5.68%	4.18%	3.12%	0.20%
Scenario 2 - Rollover With Current Negotiated Agreements (No Step Increases)				
Administrators	1,416,868	1,416,868	1,416,868	1,416,868
Faculty (Full Time)	9,267,940	9,267,940	9,267,940	9,267,940
Faculty (Part Time)	2,135,048	2,135,048	2,329,143	2,329,143
Overload	1,266,467	1,266,467	1,381,601	1,381,601
Other Salaries	150,995	150,995	150,995	150,995
Student Employment	242,961	242,961	242,961	242,961
Benefits	8,859,150	9,219,374	9,219,374	9,494,688
Summer School	783,828	625,630	644,399	663,731
Winter Session		625,630	644,399	663,731
Classified Managers	993,981	993,981	993,981	993,981
Classified Confidential	685,790	685,790	685,790	685,790
Classified CSEA	4,575,935	4,575,935	4,575,935	4,575,935
Cost Associated with Growth	0	0	251,472	251,472
Supplies	825,000	837,375	849,936	862,685
Services	3,087,000	3,087,000	3,087,000	3,087,000
Capital Outlay	473,000	473,000	473,000	473,000
COPs	412,083	760,163	0	0
LRBs	307,505	307,505	312,250	308,750
Short Term Debt Interest	125,000	0	0	0
SERP	285,256	0	0	0
VESIP	77,960	77,960	77,960	77,960
Total Unrestricted Expenses	35,971,767	36,749,622	36,605,003	36,928,230
Surplus (Deficit)	**-290,710**	**35,524**	**555,365**	**247,948**
OPEB Beginning	0	0	10,657	177,267
OPEB Adjustment (30% of Surplus)	0	10,657	166,610	74,384

OPEB Ending	0	10,657	177,267	251,651
Reserve Adj Beginning	0	0	24,867	413,623
Reserve Adjustment (70% of Surplus)	0	24,867	388,756	173,563
Reserve Adjustment Ending	0	24,867	413,623	587,186
Projected Surplus after OPEB and Reserve Funding	0	0	0	0
Beginning Balance	2,335,584	2,044,874	2,069,741	2,458,496
Change in Operations	-290,710	35,524	555,365	247,948
Ending Balance before OPEB & Reserves	2,044,874	2,080,398	2,625,106	2,706,444
	5.68%	5.66%	7.17%	7.33%
Designated - OPEB		10,657	166,610	74,384
Designated - Increase Reserves		24,867	388,756	173,563
Ending Balance	**2,044,874**	**2,069,741**	**2,458,496**	**2,632,060**
	5.68%	5.63%	6.72%	7.13%
Scenario 3 - Rollover with Current Negotiated Agreements (Includes Step Increase) for all groups except Classified Staff (CSEA). Classified Staff (CSEA) projected best and final with step increase				
Administrators	1,416,868	1,455,055	1,489,237	1,519,927
Faculty (Full Time)	9,267,940	9,450,688	9,616,297	9,770,898
Faculty (Part Time)	2,135,048	2,135,048	2,329,143	2,329,143
Overload	1,266,467	1,266,467	1,381,601	1,381,601
Other Salaries	150,995	150,995	150,995	150,995
Student Employment	242,961	242,961	242,961	242,961
Benefits	8,859,150	9,219,374	9,219,374	9,494,688
Summer School	783,828	625,630	644,399	663,731
Winter Session		625,630	644,399	663,731
Classified Managers	993,981	1,012,629	1,024,292	1,036,304
Classified Confidential	685,790	697,451	709,463	717,971
Classified CSEA	4,575,935	4,705,586	4,736,834	4,754,668
Cost Associated With Growth	0	0	251,472	251,472
Supplies	825,000	837,375	849,936	862,685
Services	3,087,000	3,087,000	3,087,000	3,087,000
Capital Outlay	473,000	473,000	473,000	473,000
COPs	412,083	760,163	0	0
LRBs	307,505	307,505	312,250	308,750
Short Term Debt Interest	125,000	0	0	0
SERP	285,256	0	0	0
VESIP	77,960	77,960	77,960	77,960
Total Unrestricted Expenses	35,971,767	37,130,517	37,240,610	37,787,484
Surplus (Deficit)	**-290,710**	**-345,371**	**-80,242**	**-611,307**
OPEB Beginning	0	0	0	0
OPEB Adjustment (30% of Surplus)	0	0	0	0

OPEB Ending	0	0	0	0
Reserve Adj Beginning	0	0	0	0
Reserve Adjustment (70% of Surplus)	0	0	0	0
Reserve Adjustment Ending	0	0	0	0
Projected Surplus after OPEB and Reserve Funding	0	0	0	0
Beginning Balance	2,335,584	2,044,874	1,699,503	1,619,261
Change in Operations	-290,710	-345,371	-80,242	-611,307
Ending Balance before OPEB & Reserves	2,044,874	1,699,503	1,619,261	1,007,955
	5.68%	4.58%	4.35%	2.67%
Designated – OPEB		0	0	0
Designated - Increase Reserves		0	0	0
Ending Balance	**2,044,874**	**1,699,503**	**1,619,261**	**1,007,955**
	5.68%	4.58%	4.35%	2.67%
Scenario 4 - Rollover with Current Negotiated Agreements (No Step Increase) for all groups except Classified Staff (CSEA). Classified Staff (CSEA) includes projected best and final with no step increase. Overload rate at $50 in 16-17.				
Administrators	1,416,868	1,416,868	1,416,868	1,416,868
Faculty (Full Time)	9,267,940	9,267,940	9,267,940	9,267,940
Faculty (Part Time)	2,135,048	2,135,048	2,135,048	1,940,952
Overload	1,266,467	1,266,467	1,266,467	1,151,334
Other Salaries	150,995	150,995	150,995	150,995
Student Employment	242,961	242,961	242,961	242,961
Benefits	8,859,150	9,219,374	9,219,374	9,494,688
Summer School	783,828	625,630	644,399	663,731
Winter Session		625,630	644,399	663,731
Classified Managers	993,981	993,981	993,981	993,981
Classified Confidential	685,790	685,790	685,790	685,790
Classified CSEA	4,575,935	4,675,187	4,675,187	4,675,187
Cost Associated with Growth	0	0	251,472	251,472
Supplies	825,000	837,375	849,936	862,685
Services	3,087,000	3,087,000	3,087,000	3,087,000
Capital Outlay	473,000	473,000	473,000	473,000
COPs	412,083	760,163	0	0
LRBs	307,505	307,505	312,250	308,750
Short Term Debt Interest	125,000	0	0	0
SERP	285,256	0	0	0
VESIP	77,960	77,960	77,960	77,960
Total Unrestricted Expenses	35,971,767	36,848,874	36,395,026	36,409,025
Surplus (Deficit)	**-290,710**	**-63,728**	**765,342**	**767,153**
OPEB Beginning	0	0	0	229,602

OPEB Adjustment (30% of Surplus)	0	0	229,602	230,146
OPEB Ending	0	0	229,602	459,748
Reserve Adj Beginning	0	0	0	535,739
Reserve Adjustment (70% of Surplus)	0	0	535,739	537,007
Reserve Adjustment Ending	0	0	535,739	1,072,746
Projected Surplus after OPEB and Reserve Funding	0	0	0	0
Beginning Balance	2,335,584	2,044,874	1,981,146	2,516,885
Change in Operations	-290,710	-63,728	765,342	767,153
Ending Balance before OPEB & Reserves	2,044,874	1,981,146	2,746,488	3,284,038
	5.68%	5.38%	7.55%	9.02%
Designated – OPEB		0	229,602	230,146
Designated - Increase Reserves		0	535,739	537,007
Ending Balance	**2,044,874**	**1,981,146**	**2,516,885**	**3,053,892**
	5.68%	5.38%	6.92%	8.39%
SUMMARY	**FY 13-14**	**FY 14-15**	**FY 15-16**	**FY 16-17**
Scenario 1 - Rollover with Current Negotiated Agreements (Includes Step Increase)				
Total Unrestricted Revenues	35,681,057	36,785,146	37,160,368	37,176,177
Total Unrestricted Expenses	35,971,767	37,270,581	37,548,288	38,269,812
Surplus – Deficit	**-290,710**	**-485,435**	**-387,920**	**-1,093,635**
Scenario 2 - Rollover with Current Negotiated Agreements (No Step Increase)				
Total Unrestricted Revenues	35,681,057	36,785,146	37,160,368	37,176,177
Total Unrestricted Expenses	35,971,767	36,749,622	36,605,003	36,928,230
Surplus – Deficit	**-290,710**	**35,524**	**555,365**	**247,948**
Scenario 3 - Rollover with Current Negotiated Agreements (Includes Step Increase) for all groups except Classified Staff (CSEA). Classified Staff (CSEA) projected best and final with step increase				
Total Unrestricted Revenues	35,681,057	36,785,146	37,160,368	37,176,177
Total Unrestricted Expenses	35,971,767	37,130,517	37,240,610	37,787,484
Surplus – Deficit	**-290,710**	**-345,371**	**-80,242**	**-611,307**
Scenario 4 - Rollover with Current Negotiated Agreements (No Step Increase) for all groups except Classified Staff (CSEA). Classified Staff (CSEA) includes projected best and final with no step increase. Overload rate at $50 in 16-17.				
Total Unrestricted Revenues	35,681,057	36,785,146	37,160,368	37,176,177
Total Unrestricted Expenses	35,971,767	36,848,874	36,395,026	36,409,025
Surplus - Deficit	**-290,710**	**-63,728**	**765,342**	**767,153**

Accreditation Special Report Evidence

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[1] ACCJC Action Letter 02-06-14
[2] Board Meeting PowerPoint – Special Report 02-19-14
[3] Committee Minutes – Discussion re Special Report
[4] Committee Agendas - Approval of Special Report
[5] 2012-2013 Classified Salary Schedule
[6] FCMAT Report 12-03-12, p. 8 - Comparison Colleges
[7] District's Last, Best and Final Offer to CSEA
[8] 2013-2015 CTA Contract, p. 88; 2013-2015 PTFA Contract, p. 22 – Class Size
[9] 2010-2011 CTA Contract, p. 101 – Summer and Winter Compensation
[10] 2011-2012 CTA Contract, p. 99 – Summer and Winter Compensation
[11] 2013-2015 CTA Contract, p. 127; 2013-2015 PTFA Contract, pp. 26-27 – Overload and Hourly Rates
[12] 2013-2015 CTA Contract, p. 126 – Salary Schedule for 194-Day Faculty
[13] 2013-2015 CTA Contract, pp. 107-108 - Extra Duty Contracts for Incumbent Non-Teaching 194-Day Faculty
[14] California Community Colleges 2011-2012, 2012-2013 Full-Time Faculty Obligation
[15] 2013-2014 CalWorks Child Care Allocation Letter 10-09-13
[16] Student Success and Support Program 2013-2014 Funding Letter 06-28-13
[17] Resolution 15732 Board Reserves Requirement 06-29-13
[18] Board Retreat PowerPoint – Strategy to Increase Reserve 03-15-14
[19] Email to Business Services, Room Divider Information, 10-18-13
[20] Curriculum Committee Minutes – Establishing/Modifying Class Size
[21] Budget and Fiscal Planning Committee Minutes 03-26-14
[22] 2013-2015 CTA Contract, p. 122 - Contract Reopeners
[23] 2013-2015 PTFA Contract, p. 28 - Contract Reopeners
[24] 2014 Accreditation Follow-up Report 03-15-14