

**Financial Resources Plan  
2001-2004**

**Document No. 28  
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STRATEGIC AND INSTITUTIONAL  
PLANNING DOCUMENT  
#28

**Updated February 2002**

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*MARICOPA COMMUNITY COLLEGES*

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## **Background**

The Financial Resource Plan serves as a framework to structure effective multi-year strategic resource/budget planning. It is a flexible document that incorporates district-wide budget resource planning initiatives and processes as well as those specific to Estrella Mountain. The plan addresses and responds to the Strategic Directions and Institutional Priorities of Estrella Mountain.

This plan includes: guiding principles, goals for the financial resource process, identification of key expenditure categories, priority categories for resource allocation, a model of the College's budget process and a glossary of budget planning terms.

Our planning is part of a larger District financial resources process. Estrella Mountain's fiscal systems are subject to the policies set by Maricopa County Community College District (MCCCD) Governing Board and are supported by centralized services and technical support at the District level.

The Maricopa Business Services Division provides centralized support and technical assistance to individual colleges. These services include accounting, auditing, purchasing, auxiliary services, accounts payable, and budgeting.

There are three main sources of revenue: Property taxes, tuition and fees, and state appropriations. Other opportunities for additional revenue include the option of the College Carry-Forward Program. This program permits each College to carry forward up to 3% of its Fund 1 base budget into the next fiscal year. The Tuition and Fee Rebate Program is a program that rewards colleges for each additional full-time student equivalent achieved over the prior year's base FTSE. The resultant funds are used to adjust annual budgets of the colleges to more accurately reflect the additional cost of serving new students.

Estrella Mountain uses Maricopa Community Colleges adopted fund accounting method, which is a generally accepted accounting standard of the American Institute of Certified Public Accounts. This method categorizes revenues and expenses. See Appendix A for a description of the various funds.

Every fiscal year the Maricopa Community Colleges Governing Board adopts a new budget. The fiscal year is from July to June. This budget helps support the all of the Maricopa campuses, skill centers, and auxiliary sites. The adopted budget for FY2001-2002 was in the amount of \$672.6 million dollars.

Maricopa Colleges maintains budgetary controls in the form of line-item budgets and budget transfer restrictions by function and object. Maricopa Colleges also maintains an encumbrance accounting system as a budgetary control. Open encumbrances are liquidated at year-end and reestablished as needed in the new fiscal year.

# Financial Resource Vision

*Estrella Mountain maintains a holistic perspective in the effective utilization of resources to provide the greatest benefit to all constituencies within our dynamic, evolving organization.*

## Guiding Principles

This plan adheres to a set of guiding principles. The Financial Resource Plan:

- Supports the mission, goals, and core values of the college
- Incorporates the Strategic Directions and Institutional Priorities of the College.
- Encourages a holistic perspective  
(integrates capital and operational budget planning)
- Achieves balance  
(supports both existing priorities and new initiatives)
- Invests in the future  
(thinks beyond traditional budget categories; plan for the future; make informed decisions on trends and data)
- Targets growth  
(invests in growth for the benefit of the greatest number of customers)
- Maintains accountability  
(operates with integrity in all budget planning and processes)
- Promotes partnerships  
(builds partnerships among divisions and within the community)
- Remains flexible and open to continuous improvement

## Goals, Objectives and Strategies

The following goals, objectives and strategies are designed to move the college toward the achievement of the Financial Resource Vision. The goals and objectives span a period of 3 years are updated on an annual basis.

## **Long Term Goals 2002-2004**

### **Goal 1: Strengthen the budget allocation process to better link to the college's Strategic Directions and Priorities and operational planning processes**

Over 80% of the operational budget is allocated to salary and benefit lines. Therefore, it is vital for the remaining 20% of the budget to be prioritized and monitored to ensure adequate funds to support the college's strategic initiatives as well as ongoing operational needs.

#### **Objectives:**

- Identify weak areas on the current procedures.
- Strengthen the Budget Development Steering Team (BDST) and through this team develop a budget process.
- Develop stronger procedures for capital assets.
- Implement a budget development system that is utilized by all divisions.
- Continued education in budget development, prioritized expenditures, division accountability and monitoring of respective accounts

### **Goal 2: Implement an automated budget system at the college level.**

#### **Objectives:**

- Develop an automated budget system that will be utilized by all divisions, and will assist with prioritization and allocation of funds.
- The system should also provide a variety of reporting capabilities.
- Providing training and guidance for divisional implementation of budget process.
- Identify resources needed for the implementation of an automated budget system.
- Customize training materials for the budget process.

### **Goal 3: Expand capabilities of automated system to monitor effectiveness and accountability.**

#### **Objectives:**

- Expand automated budget system to provide a wider variety of reporting capabilities.
- Ensure that all divisions have a full understanding of the budget development process, the prioritized expenditures, and the expectation for accountability and monitoring of accounts.
- Implement a progress on goals related to funding allocations as part of the budget submission process.
- Automated summary reports generated by the system.

## **Goal 4: Translate Phase III Construction into required financial commitments.**

### **Objectives:**

- Compiling capital and construction needs – translate into required financial resources.
- Identify long-term financial challenges related to phase III build out and continued replacement of capital equipment.
- Implement stronger procedures for monitoring and protecting capital assets.
- Translate all capital and construction needs into required financial categories to support the development of the 2004 MCCCCD bond program.

## **Goal 5: Develop budget processes to accommodate anticipated growth in student enrollment.**

### **Objectives:**

- Establish a solid budgetary foundation that allows for projections and planning for future growth.
- Review success in ability to adequately project carry forward, and tuition and fee rebate dollars.
- Develop a proactive system to ensure student fees are identified during the development of program or course and that they are sufficient to cover the costs associated with the fees.
- Develop a feasibility cost analysis system that ensures the college can support new curricular areas and programs areas before they are developed.
- Increase our ability to project 3% carry forward, and tuition/fee rebate dollars.
- Educate divisions on how to grow their fee accounts to accommodate large purchases not funded under capital requests.
- Before adding courses or disciplines the appropriate instructors should be on board to present a plan of resources needed to adequately support successful delivery of instruction to the students

## **Strategies:**

These objectives will be achieved by providing on-going training sessions, quality customer service and enhanced communication to all employees. Divisional participation in all processes will also be expanded.

The design of the system will stress user-friendly interfaces. Training sessions and materials will be emphasized during the implementation phase.

Through BDST's involvement in the implementation of a strong budget process and reviewing requests with in-depth questions for justification, and the support of administration; there should be sound decision making in additional curriculum. The goal is to grow the College in a manner that allows financial as well as other resources needed to support the successful implementation of new programs.

## ***APPENDIX A***

### **Implementation**

- Research and define a budget development process that will accommodate the needs of Estrella Mountain Community College.
- Obtain administrative approval and support for implementation of a new budget development and asset control processes.
- Provide training and guidance for divisional implementation of budget process.
- Fiscal monitoring of division procurement practices to ensure that Estrella Mountain adheres to the MCCCDC procurement guidelines.
- Fiscal monitoring of division budgets to assist in prioritizing expenditures, correct coding, and maintaining a positive balance account.

## *APPENDIX B*

### **Description of Funds**

**General Fund or Fund 1:** represents the general operating fund and covers instruction, academic support, administration, student services, physical plant, general institutional, and public service. Revenue sources: Primary tax levy, state aid, general tuition and fees, fund balances, in-lieu tax revenues, and miscellaneous revenue sources.

**Auxiliary Funds or Fund 2:** supports student activities, college activities, course fees, noncredit and special interest programs, scholarships, and miscellaneous revenue activities. Revenue sources: General student fees, course fees, bookstore and food service commissions, facilities rentals, fund balances, and miscellaneous revenues.

**Restricted Funds or Fund 3:** are restricted in use, such as grants, contracts, student financial aid, skill center finances, and Proposition 301 funds. Proposition 301 was passed by voters in November 2000; the .6% increase in sales taxes is dedicated to education, with the share of community colleges earmarked for workforce development.

**Unrestricted Plant Funds or Fund 7:** supports capital purchase of land, land improvements, construction of buildings, capital building improvements, and purchase of capital equipment. Revenue sources: Maricopa tax levy, state aid, fund balance, bond proceeds, and interest income.

## APPENDIX C

### B U D G E T S C H E D U L E

F Y 2 0 0 2 - 2 0 0 3

| <b>DATE</b>               | <b>ACTIVITY</b>   |
|---------------------------|---|
| September – December 2001 | District Budget Office meets with all colleges to discuss budget issues   |
| October 26, 2001          | All divisional budget requests are due to Administrative Services   |
| October 31, 2001          | All District-wide requests and tuition and fee proposals are due  |
| December 3, 2001          | Budget materials due from Colleges to Budget Office   |
| December & January 2002   | FAC Allocation subcommittee reviews budget submissions  |
| January 8&9, 2002         | Budget Presentations  |
| January 9                 | FAC evaluations of budget requests due to Budget Office   |
| January 22                | FAC prioritization of budget requests; recommendations to CEC on Proposed Tuition and Fee Schedule                |
| January 29                | FAC meeting, deadline for prioritization of requests and submission to CEC  |
| February, 2002            | State Board reviews budget and tuition planning information   |
| March 26                  | Governing Board adoption of Tuition & Fee Schedule;<br>Preliminary Proposed Budget presented as information item. |
| March 29                  | Submit Tuition and Fee Schedule & Proposed Budget to State Board  |
| April 19                  | State Board review/adoption of Tuition and Fee Schedule   |
| April 23                  | Governing Board Adoption of Preliminary Proposed Budget   |

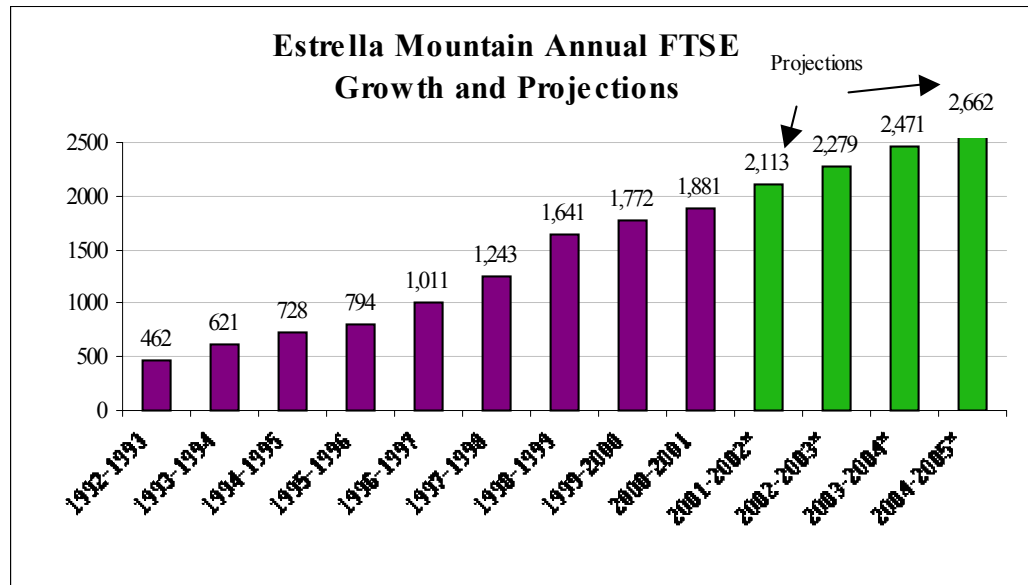
## APPENDIX D

### Student Enrollment

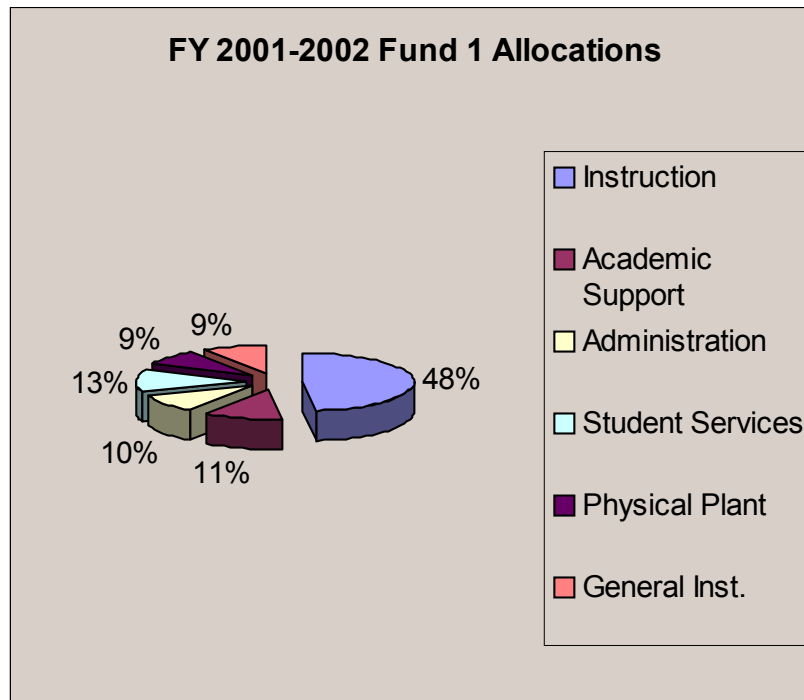
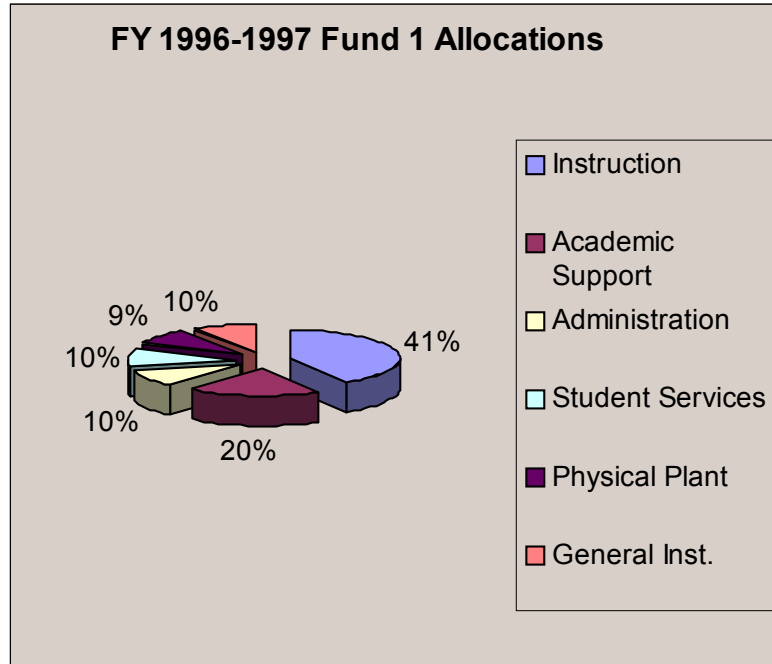
Most students attending Estrella Mountain enroll in credit courses. Enrollment in credit courses has increased consistently each since the campus opened in 1992-1993. While student enrollment is often described in unduplicated headcount (i.e. Fall 2001 = 4,958 students), the annual operating budget is based on full-time student equivalents (FTSE). Annual FTSE is equivalent to the number of student credit hours divided by 30, which approximates a full-time student enrolled in 15 credit hours during the fall and spring semesters. FTSE accounts for both part-time and full-time students and is a major factor in determining the level of State Aid, one of the three major revenue sources for the District's main operational budget. FTSE is also one of the three factors used to reset the District's Expenditure Limitation, which is a provision of the Arizona Constitution and state law that sets an upper threshold on the amount of expenditures that can be funded from local taxes. This limits the budget growth due to the fact that two of three major sources of funding for the operational budget (property taxes and State Aid) are considered to be local taxes.

The Maricopa Community College District also maintains a FTSE Incentive Program to fund continued growth. The current rate is \$1685.00 for each additional FTSE a college produces. For examples, Estrella Mountain is projecting 2,113 FTSE for 2001-2002. This represents an increase of 232 FTSE or \$390,920.00 in FTSE Incentive dollars.

The following chart depicts recent and projected FTSE growth for Estrella Mountain.

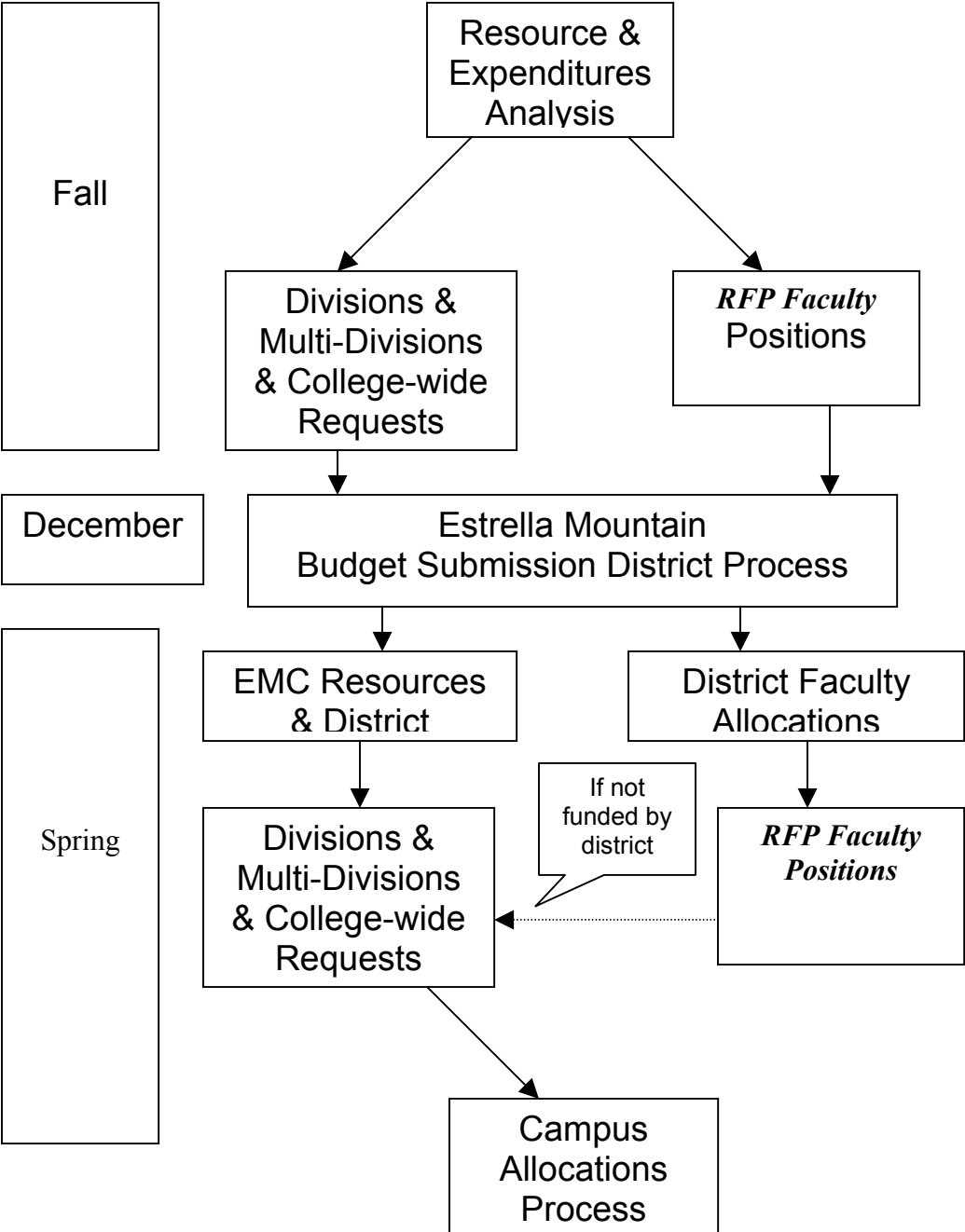


## Appendix E Estrella Mountain Fund 1 Allocation Comparison 1996-1997 vs. 2001-2002



**APPENDIX F**

**EMCC Internal Budget Process Strategy  
FY 1999 – 2000**



## *APPENDIX G*

### MCCD DISTRICT WIDE FUND 1 ALLOCATIONS FOR FY 01-02

| MCCD District Wide Fund 1 Allocations |                         |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       |                         |                         |
| <b>PHOENIX</b>                        |                         | <b>\$ 34,398,572.00</b> |
|                                       | <b>City Colleges</b>    | <b>\$ 333,204.00</b>    |
| <b>GLENDALE</b>                       |                         | <b>\$ 44,816,167.00</b> |
| <b>GATEWAY</b>                        |                         | <b>\$ 18,454,808.00</b> |
| <b>MESA</b>                           |                         | <b>\$ 53,751,682.00</b> |
|                                       | <b>East Mesa Campus</b> | <b>\$ 4,556,452.00</b>  |
| <b>SCOTTSDALE</b>                     |                         | <b>\$ 29,526,596.00</b> |
|                                       | <b>SCC Airpark</b>      | <b>\$ 787,230.00</b>    |
| <b>RIO SALADO</b>                     |                         | <b>\$ 25,090,458.00</b> |
| <b>SOUTH MOUNTAIN</b>                 |                         | <b>\$ 13,264,753.00</b> |
| <b>CHANDLER/GILBERT</b>               |                         | <b>\$ 18,169,275.00</b> |
|                                       | <b>Williams ED CTR</b>  | <b>\$ 1,134,665.00</b>  |
| <b>PARADISE VALLEY</b>                |                         | <b>\$ 17,901,949.00</b> |
| <b>ESTRELLA MTN.</b>                  |                         | <b>\$ 11,503,020.00</b> |
| <b>GOVERNING BOARD (003)</b>          |                         | <b>\$ 150,784.00</b>    |
| <b>CHANCELLOR (005)</b>               |                         | <b>\$ 819,067.00</b>    |
| <b>V.C - ACADEMIC(010)</b>            |                         | <b>\$ 5,311,247.00</b>  |
| <b>V.C. - BUS. SVCS. (015)</b>        |                         | <b>\$ 4,132,797.00</b>  |
| <b>V.C. - H.R. (020)</b>              |                         | <b>\$ 5,856,564.00</b>  |
| <b>V.C. - EXT. AFFAIR (025)</b>       |                         | <b>\$ 2,993,650.00</b>  |
| <b>V.C. - ITS (035)</b>               |                         | <b>\$ 7,172,103.00</b>  |
| <b>DSSC FACILITIES (040)</b>          |                         | <b>\$ 3,318,846.00</b>  |
|                                       |                         | <b>\$303,443,889.00</b> |

# ESTRELLA MOUNTAIN COMMUNITY COLLEGE

## STRATEGIC AND INSTITUTIONAL PLANNING DOCUMENTS

| NUMBER | TITLE  | DATE            |
|--------|--|-----------------|
| No. 1  | Planning Directions: A Conceptual Framework for Planning                                     | August, 1989    |
| No. 2  | West Valley Community Education Needs Assessment   | September, 1990 |
| No. 3  | Assessment of Business Programs and Computer Facilities                                      | October, 1989   |
| No. 4  | Conceptual Phase Proposal: New Site for College Facilities                                   | October, 1989   |
| No. 5  | Proposed Physical Education Report   | November, 1989  |
| No. 6  | Strategic Planning Fact Book   | March, 1990     |
| No. 7  | Report of the Teaching for Learning Subcommittees  | April, 1990     |
| No. 8  | Child Care Options   | May, 1990       |
| No. 9  | Master Plan Report   | June, 1990      |
| No. 10 | PALS Lab Proposal  | July, 1990      |
| No. 11 | Project C.Y.C. Final Report  | July, 1990      |
| No. 12 | Community Planning Process   | August, 1990    |
| No. 13 | Project CBLC Final Report  | September, 1991 |
| No. 14 | Establishing a Community Based Literacy Program:<br>Dreams, Realities, And Future Directions | November, 1991  |
| No. 15 | Adult Literacy Planning Committee Report   | December, 1991  |
| No. 16 | Capital Planning for the Twenty-First Century  | March, 1992     |
| No. 17 | Blueprints for Planning November, 1996   |                 |
| No. 18 | Insuring Institutional Effectiveness   | November, 1996  |
| No. 19 | Environmental Scan and Fact Book 1997  | January, 1997   |
| No. 20 | Environmental Scan and Fact Book 1999  | June, 1999      |
| No. 21 | Environmental Scan and Fact Book 2000  | August, 2000    |
| No. 22 | Environmental Scan and Fact Book 2001  | August, 2001    |
| No. 23 | Child Care Options '99 August, 1999  |                 |
| No. 24 | Plan for Institutional Effectiveness 1999-2002   | August, 1999    |
| No. 25 | Strategic Plan 2001-2004 (Update)  | September, 2001 |
| No. 26 | Student Success Plan 2001-2005   | June, 2001      |
| No. 27 | Student Academic Achievement Plan 2001-2011 (Update)   | November, 2001  |
| No. 28 | Financial Resources Plan 2001-2004   | December, 2001  |
| No. 29 | Academic Plan 2001-2006  | January, 2002   |
| No. 30 | Information Technology Plan 2002-2006  | February, 2002  |