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Long Term Financial Plan

DRAFT

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Executive Summary

Most District Program Reviews identify shortages or additional needs that can only be met with more money. MPC like many other California community colleges have historically been underfunded. Under Program Based Funding, the District was funded at 57% of the established standard. Underfunding has adversely affected MPC's ability to fully support faculty and provide services to students. Although it is not probable MPC can do much to improve state wide college funding formulas, it is believed that improvements can be realized at MPC with improved long-term fiscal planning.

A Fiscal Stability Report (attachment A) was completed in March, 2007 to collect data on revenue and expenses for the college, and determine what's been working and where improvements could be made. The Report concludes that MPC has a history of fiscal stability as evidenced by consistent balanced budgets, positive cash flows, adherence to a Board mandated 10% reserve, early contributions to GASB-45 retirement obligations, and a negotiated salary and benefit formula resulting in a highly competitive, predictable total compensation model. The District's long-term plan includes continuing conservative budgeting practices credited for past stability.

The Fiscal Stability Report indicates 96% of the District's operating revenue is dependent on full time equivalent students (FTES). Secure and growing enrollments are identified the most important factors to ensure the future revenue stream is available to provide quality services. Data included in the Report indicate significant increases in enrollments are currently possible for MPC, and future population growth is projected in the District's service areas. On campus class size data (attachment B) show averages in the low to mid 20's, indicating improvements can be made here. It is believed that class scheduling can also be improved to better serve students and increase enrollments.

In the past two years, two strategic planning areas have received considerable attention concerning enrollments: enrollment growth and improved enrollment efficiency. The college had experienced several years of enrollment stagnation and had increased the overall percentage of noncredit education, often delivered through instructional service agreements, to address this situation. Through a combination of several efforts, enrollment has started to grow, and strategic plans have been developed to sustain manageable growth in the credit curriculum, thereby lessening reliance on noncredit offerings. This review has included detailed examination of college publications, outreach techniques, class scheduling practices, curriculum mix, marketing, instructional partnerships, and academic planning. District demographics demonstrate the value of instructional service agreements as a viable instructional delivery method, but significant attention has been given to developing the most advantageous blend of courses and delivery methods.

Expansion of a Public Safety Training Center in Seaside and an Education Center in Marina are also planned. These sites promise to increase access for local populations, and the Training Center is intended to serve a regional audience. The expansion of these education sites will enhance enrollment and require institutional support.

The District's long term plan includes Seven (7) areas that the District will target to help increase future revenue and promote secure enrollments:

1. Increase enrollments (growth).
2. Review noncredit FTES for potential conversion to credit FTES or to enhanced noncredit FTES.
3. Review positive attendance courses for possible conversion to census and, review attendance accounting methods to ensure compliance and accuracy.
4. Review possible gains with a restructure of current academic calendar.
5. Reduce dependence on instructional service agreements and ensure agreements maintained are well administered.
6. Ensure administrative support for economic and workforce development.
7. Pursue other funding sources.

The District's long term plan also includes working to reduce expenses by continuing to pursue cost containment measures, especially for the Districts' two largest expenses: employee benefits and utilities.

To ensure all these efforts are adequately supported, the college implemented a new Planning and Resource Allocation Process in 2006-07 that is data-driven and tied to long term institutional goals. This process has broadened awareness of these efforts and promoted institutional support for their success. Evidence of this institutional support is the inclusion of an "improvement and growth" fund in the collective bargaining process, a fund set aside from salary/benefit negotiations for investment in overall institutional improvement. The Process was used in 2007-08, then thoroughly reviewed by College Council and an improved version approved for 2008-09 (attachment C).

The details provided in this Long Term Financial Plan indicate many measures recently taken or underway and future plans (in italics) to improve financial resources for the District. This Plan should be reviewed annually by the Budget Committee and College Council and updated, as needed.

1. Continue current budgeting practices that are credited for past stability including:

- A. Balancing ongoing revenues with ongoing expenses and only using one-time revenues for one-time expenses.
- B. Not budgeting for growth income before it is realized.
- C. Not budgeting for non-verifiable employee turnover savings.
- D. Including budgets for all approved permanent positions, whether filled or unfilled in the current year.
- E. Budget for all known expenses and liabilities and, maintain adequate reserves including an annual contingency budget for unexpected expenses
- F. Continue using a negotiated salary and benefit formula that ties increases in these expenses to increases in revenue.

2. Increase enrollments (growth)

Activities identified to accomplish increased enrollments include:

- A. Enrollment Advisory Committee activities.

The district Enrollment Advisory Committee (EAC) meets regularly and identifies specific targets and activities to improve enrollments. (Attachment D dated March 19, 2008) provides the latest goals of the committee.

The EAC has identified two (2) target groups from which to increase enrollments: Latino students from the Marina/Seaside area, and African-American students from the Marina area. EAC also plans to augment course offerings to better accommodate or meet the needs of the military and their dependents, and to increase training offered to meet local workforce and employer needs.

- B. Marketing/Outreach activities.

- a. Develop and implement a timely and comprehensive marketing plan.

The goals of the MPC marketing plan are to help meet enrollment targets, provide marketing support and program awareness for the college's Education Center in Marina, and to provide support for divisions and departments targeted populations. Budgets for marketing have been increased \$130K to allow for ongoing consistent image and advertising of MPC and registration. Class schedules are now being produced in house to speed up their availability and improve accuracy. An MPC brand has been established to provide a standard and quality for all brochures advertising programs.

AAAG, SSAG, and EOC groups will continue to develop and expand advertising for targeted programs and populations. The VP for Academic Affairs will work with AAAG to develop an overall plan for instruction.

b. Improve MPC website.

A new MPC website was implemented Fall 2008 and major improved areas include MPC brand, ease of access, improved appearance, more up to date information, and student e-mail. The new website created using SharePoint 2007, along with the initiation of student e-mail, integrated, for the first time, students into the daily MPC communication process. The “landing page” for students, MyMPC, has up-to-date information for students such as registration dates. The individual MySites for students and the ClassSites are also forums for marketing important information to students. Students are able to access registration, financial aid, and various student services from the website. This one stop for services will allow for easier access to the registration process and for students to be better informed about available programs and classes.

Future plans include development of more infopath systems to automate processes (include: improve the student MySites to include their personal financial aid portal and integrate single sign-on into the system, and conduct more student/faculty/staff training, particularly in the use of SharePoint surveys

c. Increase outreach with other colleges and businesses.

Relationships with colleges have been strengthened thru transfer agreements and collaborations with regional colleges. The College Catalog identifies articulated transfer majors. The district currently sponsors an annual “college days” event.

The Superintendent/President serves on the Monterey County Workforce Investment Board and chairs the Overall Economic Development Commission-Workforce Investment Board Sub-Committee. Several college officers are actively involved in the Monterey County Business Council.

The deans of instruction and student services will work cooperatively to increase transfer agreements with UC and CSU, and develop working relationships with private colleges.

The Dean of Instruction, Economic Development and Off-Campus Programs will develop a list of potential outreach businesses and organizations in Monterey, Seaside, and Marina.

d. Increase community-based outreach.

President, CIO and CSSO meet quarterly with community representatives to discuss progress and receive advisories on outreach opportunities. Cultural activities on campus, i.e. Cinco de Mayo, Black History month play attract students as well as potential students.

EAC is currently working on identifying service organizations and churches to visit and provide information about MPC

e. Nurture/increase outreach with all area K12's.

The President, CIO and CSSO meet area 9-12 Superintendents and Principals quarterly at minimum. CSSO has visited with area principals to discuss student needs and characteristics and establish relationships. Counselors are assigned to each local high school. Faculty have presented subject related lectures at local high schools. Additional outreach activities include program presentation at High Schools, tours to campus, participation in Job Fairs and Transfer Day.

Academic Affairs will work to increase outreach to K12's by faculty. The academic deans will identify faculty ambassadors and schedule regular visits to all local high schools.

C. Eliminate artificial barriers to enrolling.

a. Debts, payment of fees.

Procedures and computer processes were changed beginning with the Fall 2008 to allow students with debts to register and pay their past debts with their current registration on-line thereby streamlining the process.

The Fiscal, Admissions and Records, and Financial Aid offices will meet as a group over the summer 2009 to review their processes to identify and eliminate possible barriers.

b. Improve parking access.

For the Fall 2008 semester over 100 additional parking spaces have been added to the main campus. The temporary facilities constructed at the MPC Ed Center at Marina were constructed with more spaces to accommodate all students enrolled at the center.

The reconstruction of parking lots B, C, and J is planned for winter and summer 2009 and will result in an increase of 60-80 additional parking spaces available for the Fall 2009.

The District continues to work with Monterey/Salinas Transit (MST) to provide bus service to the center of campus.

- c. Improve ease of registration on-line, in person, etc.

Reg Daze activities promote early registration opportunities and assistance at main campus and Marina site. Increased counseling assistance has been made available throughout registration period and peer support from student ambassadors.

The schedule of classes has been extensively revised based on student input and is now mailed to postal customers in the district.

Future increases in first generation college students having little family experience with college going skills and less financial capacity are anticipated. The VP for Student Services will appoint an ad-hoc committee to review the application, enrollment, and financial aid processes and recommend improvements and ways to provide additional assistance.

- d. Improve hours of operation of services (A&R, Financial Aid, etc.).

Registration extends services to 7:30 a.m. start during first two weeks of each semester. Both Financial Aid and A&R provide evening services throughout Fall and spring. Student Activities (ASMPC) open for extended hours during first two weeks of each semester. Marina services offered from 7:30 a.m. during first two weeks.

The VP for Student Services will work with SSAG to expand hours of services.

- e. Expand access to enrollment information in multiple languages.

Enrollment information is now available in English and Spanish. Phone message system has Spanish language message.

The District has designated 3 classified positions as bi-lingual (Spanish) required: MPC Ed Center, Admissions and Records, and Financial Aid. The worth of this will be evaluated and, if deemed successful, additional position designations considered.

- f. Provide access services at off campus sites.

Services are offered at Marina Education Center throughout the semester. Services are scheduled and schedule is posted in each facility. Additionally, start up activity is held (open house) at Marina prior to

semester beginning. Bookstore services are provided at the MPC Ed Center at Marina during first week of classes.

As the center grows, the VP of Student Services will work with ASAG to expand these services.

D. Expand programs and classes.

- a. Use student surveys and input from industries (data) to expand programs and classes.

Several needs assessments in the form of surveys have been conducted with continuing students, local residents, and business and industry to determine the type of training that will meet the educational needs of the community that MPC serves.

Student surveys have focused primarily on the scheduling patterns that would be most convenient as well as additional course offerings that would meet the educational needs of continuing students. Participants have been very forthcoming with information that points to the need for a cultural shift in class scheduling patterns. This shift requires a commitment on the part of faculty to schedule classes at times that are convenient for students.

As stated earlier, the College has been involved in conducting needs assessment with local business and industry as well to determine the type of educational training and program expansion needed to meet their needs. At least three initiatives have been studied with different levels of success. One of those was the development of a CIT (Crisis Intervention Training) course for fire fighters, dispatchers and ambulance drivers. It was determined that the demand for such training is great, thus the development of the course, which was incorporated into the existing fire training program. The course has received approval from the Curriculum Advisory Committee (CAC) and is scheduled to be offered for the first time in Summer, 2008.

Developing a Physical Therapy Assistant Program through the help of a grant received some consideration. However, it was determined that the costs of establishing such a program would be prohibitive. As a result of this finding, the idea is being pursued, but in collaboration with other community colleges in the region and in partnership with local hospitals.

A third initiative related to the establishment of a community education program that would focus on meeting the training needs of local

businesses through state funding from the Employment Training Panel has also been considered. This program would be provided in partnership with the Monterey County Business Council. However, due to the economic slow-down, funding is limited for the current fiscal year. This initiative will be revisited in 2008-2009.

The VP of Academic Affairs will continue to work with academic deans and AAAG to revise the class schedule and expand programs to meet the changing needs of the constituents.

b. Expand distance education.

A new Dean of Instruction, Economic Development and Off Campus Programs was hired in Fall 2008. The responsibilities of the new Dean include expanding distance education.

The District's Academic Senate has created an ad-hoc Distance Education Task Force. The task force will work with the Dean of Economic Development and Off-Campus Programs to discuss and establish Distance Education policies and plan for expansion of Distance Education offerings for MPC.

c. Expand partnerships with industries.

The responsibilities of the new Dean of Instruction, Economic Development & Off-Campus Programs position include working with off campus businesses to develop partnerships.

Through MPC's involvement with California Homeland Security Consortium grant funding is being sought to develop online/hybrid delivery for CIT course and potentially other courses for first responders.

Dean of Economic Development will establish further relationships for additional consortia involvement.

d. Expand partnerships with other schools (2+2+2 type programs).

The VP of Academic Affairs will continue to work with academic deans and AAAG to expand partnerships with other schools.

e. Increase concurrent enrollment programs with secondary schools.

A review of Advanced Placement courses was completed. The Board Policy governing concurrent enrollment has been revised to better meet the needs of special admit students. A draft Memorandum of

Understanding (attachment E) has been presented to the area high school districts to clarify the mutual roles and responsibilities associated with an effective concurrent enrollment program.

The Vice President for Academic Affairs will obtain signed MOU's from participating schools. The Superintendent/President, and Vice Presidents for Academic Affairs and Student Services will continue to meet area 9-12 Superintendents and Principals quarterly at minimum.

- f. Expand offerings at the Public Safety Training Center (PSTC) in Seaside and Education Center in Marina.

The permanent facilities at the PSTC are currently under construction with an anticipated completion to offer classes in Fall 2009. An additional portable building (classroom) is being placed at the Ed Center at Marina to be available for Spring 2009.

The district is currently contracting with South Bay Regional Public Safety Training Consortium (SBRPSTC) to expand enrollments in the public safety programs.

With the completion of the new facilities, additional classes will be offered at both sites including Saturday classes at Marina. Discussions are currently underway with Parks and Recreation to use the new facilities and expand their offerings at the new PSTC. The District is also working to take over the EMT program from the county.

E. Improve class scheduling.

- a. Normalize class schedule to reduce conflicts with other classes and improve facility utilization (include parking).
- b. Review multiple section courses for maximum efficiency.
- c. Review low enrollment courses for possible sequence scheduling or elimination.
- d. Work to ensure a balance with productivity (class size).
- e. Develop multi-year schedule.

The Vice President for Academic Affairs and the Academic Deans will work with the Academic Affairs Advisory Group to review the above (a thru e) and make improvements where possible.

- f. Use student surveys to determine student needs and adjust schedule accordingly.

- g. Increase collaboration with counseling.

The Vice Presidents of Academic Affairs and Student Services will hold focus groups to assess students scheduling needs and develop a system to share (communicate) information with Academic Affairs.

- F. Improve retention.

- a. Improve counseling services.

Through cooperation with Academic Affairs, counselors are provided with a daily update of class changes during first week of instruction. This is a tool that assists counselors in advising students of course options available to address needs after class cancellation.

Counselors are developing late start class schedule for students who need to add courses or first time students who started the registration process late. And, counselors are available evenings to assist students with schedule adjustments.

The Vice President of Student Services is moving to extended student orientations with more content and student interaction.

The Vice President's for Academic Affairs and Student Services will work with their respective advisory groups to determine the feasibility of having counselors or other appropriate personnel attend all classes being cancelled to counsel students to register in other appropriate classes.

- b. Improve placement testing to ensure students are enrolled in classes they are capable of passing.

Placement tests are scheduled to be given throughout the year and more often during registration periods. High School seniors are afforded the opportunity to take the placement test during the Spring semester prior to Fall enrollment period.

The Dean of Instruction, Liberal Arts is working to improve BSI and student success initiatives.

- c. Implement an early alert to counselors regarding failing students.

Early alert notices (attachment F) are currently sent to faculty during the third week of each Fall and Spring term. Counselors avail themselves for classroom visits to speak about services available to students.

The VP for Student Services is working with the Dean of Student Services to add a mid semester alert system.

d. Examine student success programs for possible adoption.

In December of 2007, a task force of faculty and staff was assembled to develop a pilot program addressing issues of college retention. The group was designated the Student Success Program Task Force (SSPTF). The primary directive was to develop a pilot program for student success that included three components: 1) a student cohort within the MPC community that could benefit from participation in a program aimed at academic success; 2) a curriculum that delivers basic skills and entry-level coursework within the framework of a learning community model; and 3) the establishing of a robust support network that functions to bring together students, instructors, and support staff in a manner that engages and inspires participants within a positive collegiate atmosphere that fosters academic success and a more productive future. The task force reviewed data on MPC students, best practices and strategies, and developed a pilot program referred to as *Lobo-TLC (Teaching and Learning Community)* made up of ten (10) components: 1) recruitment, 2) orientation, 3) course curriculum, 4) early alert and intervention program, 5) mentoring, 6) assessment, 7) appreciative and intrusive advising, 8) staffing, 9) co-curricular activities, and 10) faculty/staff development. (The full report of the task force is included as attachment G).

The Vice President's for Academic Affairs and Student Services will work with their respective deans and advisory groups to implement Lobo-TLC for Fall 2009.

Student Success programs such as TRIO, Punte, Umoja and First Year Experience are all being examined for possible adoption.

3. **Review noncredit FTES for potential conversion to credit or enhanced noncredit FTES.**

Noncredit classes generate less apportionment income per FTES than enhanced noncredit and credit classes (\$2,626, \$3,092, & \$4,367 respectively in 2006-07).

The Vice President's of Academic Affairs and Student Services will establish an ad-hoc committee of representatives from both areas to study this and make appropriate recommendations.

4. **Review positive attendance courses for possible conversion to census and review attendance accounting methods to ensure compliance and accuracy.**

In general, census classes generate more contact hours (FTES) than positive attendance classes.

The Vice President's of Academic Affairs and Student Services will establish an ad-hoc committee of representatives from both areas to study this and make appropriate recommendations.

5. Review possible gains with restructure of current academic calendar.

There are potential gains contact hours (FTES) by using a compressed 16 week calendar.

The Vice President of Academic Affairs will work with the Academic Affairs Advisory Group to determine the feasibility of this.

6. Reduce dependence on instructional service agreements (ISA's) and ensure agreements maintained are well administered

Looking at the recent past, the District has maintained a large number of credit and non-credit instructional agreements with various agencies. In 2007-08, the college made a conscious decision to begin to reduce its dependence on instructional agreements, especially those in the non-credit area. Therefore, there were no increases in the largest fitness contracts and some decreases in others. In 2008-09, the college has continued to reduce the number of FTES that come from non-credit fitness programs. In January, 2009 the District will end its instructional agreement with the Monterey Sports Center. This will lead to a further reduction in non-credit FTES from the fitness area.

Based on the above, the number of non-credit FTES from instructional agreements will decline substantially in 2008-09. The plan is to continue to reduce the number of FTES that the college generates from non-credit instructional agreements in 2009-10. At the same time, the District is making efforts to increase the number of credit courses offered on campus and at the Education Center in Marina to replace this lost FTES.

This process of gradually reducing the college's dependence on non-credit instructional agreements must be managed so that the reductions on the one hand can be balanced with increases on the other. Hence, the District's overall income from FTES should not be negatively affected if this exchange occurs as planned. The unpredictability of the instructional agreements and ongoing changes in the interpretation of state regulations will continue to make this effort challenging.

However, in the long run, the District's funding base will be more predictable using a larger percentage of on campus credit courses for its base.

In 2007-08, the District entered into an instructional agreement with the Farmworkers Institute of Education and Leadership Development (FIELD). This non-credit agreement provided for the instruction of ENSL courses in Kern County, Santa Cruz County and locally. These non-credit FTES have substantially replaced many of those lost from the fitness programs temporarily. So, the overall reduction in non-credit FTES from instructional agreements has been relatively small. At the current time, it appears the biggest portion of this agreement which is connected with classes offered in Kern County, will end in December 2008. There is a possibility that this could be replaced for a while at least partially by classes in Modesto, but that has not been confirmed as of this date.

The Dean of Instruction, Occupational & Economic Development will conduct audits of ISA's to ensure quality and all legal requirements are being met. Any reductions in ISA's for personal fitness or drama will not be replaced with in-kind contracts. The Vice President for Academic Affairs and deans of instruction will continue to review individual instructional agreements and how they contribute to the District's overall enrollment.

7. Ensure administrative support for economic and workforce development.

The function directly supports the District's goal to grow and; therefore, is a high priority.

The Dean of Instruction, Economic Development & Off-Campus Programs will develop a proposed action plan with component goals for the area. The established Planning and Resource Allocation Process will be used to prioritize any request for additional support for this function.

8. Pursue other outside funding sources.

- A. Pursue California Postsecondary Education Commission (CPEC) approval for MPC Ed Center.

The District's Ed Center is a grandfathered center. In 2006-07, apportionment allocations for grandfathered centers with between 250 and 500 FTES were \$250,000 compared to \$1 million for CPEC approved centers. The apportionment allocation is increased each year by the COLA provided to community colleges.

(It is intended that this additional funding would be used to provide the initial staffing and other increased costs needed for the Ed Center build out.)

The Assistant to the President has been assigned the task to determine the requirements needed to qualify for CPEC approval.

B. Pursue local redevelopment funds.

Significant development is planned for the former Fort Ord properties and redevelopment funds might be available to assist the college.

The Administrative Assistant to the VP for Administrative Services has been tasked to contact all the local redevelopment agencies to determine the potential for funding for the college.

C. Pursue additional grant funding.

Funding from most grants is restricted in nature and often requires significant additional work to apply and maintain. However, these sources of funding should be pursued for possible assistance to the college.

The Assistant to the President has been assigned the task to review the District's process to approve applications for grants and Board approval.

9. Pursue cost containment measures for the Districts' large expenses.

After salaries and related payroll expenses, the next largest expenses for the District are for self insured medical expenses and utilities. It is believed that there are potential savings to be realized in both of these areas.

A. Pursue additional cost containment measures for employee medical self insurance.

The District has made progress in the past with medical cost containment measures including increasing co-pays, changing administrators, changing stop loss limits and carriers, and adding employee wellness incentives. The ongoing increased costs to fund the GASB 45 liability will also adversely affect future expenses.

The District will continue to work with the Health & Welfare Cost Containment Committee to identify and implement additional cost saving measures.

The District will continue to work with the Health & Welfare Cost Containment Committee and negotiate with bargaining groups to cap retiree benefit expenses by grandfathering the retirement benefit.

B. Pursue additional cost containment measure for utility expenses.

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The District has completed a \$2.8M energy upgrade that is projected to save the District \$240K annually. The savings will be used for the next ten (10) years to pay off the lease agreement that paid for the upgrades.

The District will review additional measures that could provide savings including automated parking lot lighting controls, solar, and cogeneration.