

Building the Budget: Assumptions in 2018-19

Research for September's Discussion

Trends we are watching within the Community College Environment:

- ✓ **State economic trends:** Right now there are varying interpretations of when, but most agree that some form of state budget decline, slow down or recession is eminent. *ACCCA will need to assume slower revenues for professional development programs in advance of impact.*
- ✓ **Administrative Hiring Trends:** Slower growth in administrative ranks [hiring] will impact member recruitment potential. *We need a QP to determine current and near future hiring trends by district before January.*
- ✓ **Affiliate group and CCCCO influencers/disruptors:** Two red flags are emerging that could impact ACCCA's growth potential: IEPI Professional Development programs that are crowding the calendar and an increased scrutiny of the role of interest groups by CCCCO and the League.
- ✓ **Training content that is aligned with administrative needs:** ACCCA needs an alternative to the waiting list and a stronger regional connection. Data shows a pathway to administration for former faculty is needed. *Proposed content for "Admin 150" and the opportunity to provide regional events are factors in 2018-19.*
- ✓ **Align benefit package to member needs:** Using survey data and usage data from providers work with a committee to assess each element of the current package and make recommendations to the Board about what to keep, what to drop and any benefits that should be added to enhance membership value.

Operational Expenditure Assumptions:

Salaries and Benefits:

- Assume reclassification of 1 FTE to PT;
- No salary increases in 18/19 Budget. Can reconsider in January 2019;
- 8% increase in health benefit costs and adjust in January [cap is \$1,000 per employee, most would exceed cap at 8%]

Office Space/Lease:

- Assume a 2% increase in rent and parking over prior year

Utilities/Supplies:

- Assume 2% increase over prior year

Printing/Graphic Design:

- Assume a 50% reduction over prior year as initial reprints from new design go away

Equipment/Technology Upgrades:

- Assume no new equipment or software in 18/19 but increasing maintenance costs

Cost/Benefit Review of Contracted Services:

- Assume a revised agreement for recruitment services to initiate retainer payment only when recruitment goals are met.

Scheduled Increases of existing contracts:

- Assume 3% across the board pending negotiation of Gilbert multi-year agreement

Anticipated Board Expenses

- Anticipate significant reduction due to decreasing costs associated with annual meeting

Anticipated Commission and Committee Support

- Revisit status quo in January for increase to cover one in-person meeting of the RMC and related travel incentives to attend conference

Anticipated “Special Project” Costs

- Anticipate no special projects not already funded

Event Revenue/Expense Assumptions:

Admin 101: Status Quo

Admin 201: Postpone 2018 to address challenges, incorporate in PD Menu and present in 2019

Great Deans Program: Status Quo

Mentor Program: Increased fee to \$1,500 in 18/19

Annual Conference: Assume lower profit margin than 2018; increased costs

Budget Workshop: Change of venue for 2019; no significant revenue/expense change

One Day/Regional Events: Anticipating at least one event, revenue/expense neutral

Sponsors and Vendors Participation: Status Quo

Addressing the Operational Deficit in 2018-19:

1. **Identify recruitment goals and strategy for 2018-19.** Based on 17/18 census and membership data, massive potential for new members exists in **all** regions, but some more than others. To leverage the potential, ACCCA must prioritize the regions with the most potential first, and the districts within that region accordingly. ACCCA will direct all appropriate resources to each [month by month] including direct communications and contact, recruiter visits, regional events, Campus Contact and member get a member incentives, and equally important, Board Member focus, to achieve a minimum of 3% growth in every region in 2018-19.
2. **Explore New Sources of Revenue Beyond Membership Dues.** The Finance Committee will make recommendations to the Board in January about each. Some examples are providing administrative services to other organizations [i.e., ACBO]; ways to enhance the JobTrac; whether or not to monetize the Salary Survey and any potential for grant or endowment funds now or in the future.

3. **Show Potential Members Value in Membership.** Following the Ad-hoc Committee's member benefit review and determination of the benefits going forward, the Finance Committee will need to prepare a member cost/benefit analysis for each level of membership and translate that into marketing messages.
4. **Quantify Retention Rate and Metrics to Show Growth.** Finance Committee to work with staff to establish a calculation to determine year to year retention rate of members [including those who join through program participation] to determine trends.
5. **Quantify Recruitment Success Rates.** To determine the effect of the Recruiter on membership increases, establish metrics to identify all new members processed as a result of Recruiter outreach. Review findings with Recruiter on quarterly basis and in annual assessment of the contract.