



# Chabot-Las Positas Community College District

## Budget in Brief Summary of the Governor's January Budget Proposal for Fiscal Year 2011-12

Lorenzo Legaspi  
Vice Chancellor  
Business Services  
January 18, 2011



## Estimated \$25.4 billion shortfall

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- \$8.2 billion in 2010-11
- \$17.2 billion in 2011-12
- Long-term \$20 billion structural shortfall



## Proposed Solutions

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- \$12.5 billion in spending reductions
- \$12 billion in revenue extensions and modifications
- \$1.9 billion in other solutions
- \$1 billion reserve



# Widespread Cuts

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- \$1.7 billion to Medi-Cal
- \$1.5 billion to CalWORKs
- \$750 million to Department of Developmental Services
- \$500 million to the University of California
- \$500 million to California State University
- \$308 million to state employee compensation
- \$200 million from reorganizations, consolidations and other efficiencies



## Proposition 98 Cuts

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- Child Care \$750 million
- Community Colleges \$400 million cut  
\$129 million deferral
- K-12 Schools No further cuts  
\$2.1 billion deferral



# Additional Revenues

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- Five-Year Extension of Temporary Taxes
  - Personal Income Tax Increase (0.25%)
  - Dependent Care Exemption
  - Sales and Use Tax (1.0%)
  - Vehicle License Fee (0.5%)



# For the California Community Colleges

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- No mid-year cuts proposed
- 0.00% Cost of Living Adjustment (COLA); statutory COLA estimated at 1.67%



## For the California Community Colleges (con't)

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- \$400 million cut to base apportionments (“funding reforms”)
  - Work with BOG, CCCCO, and stakeholders
  - Modify census date
  - Incentivize completion





## For the California Community Colleges (con't)

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- \$10 per credit unit increase in student fees
  - 38.5% hike from \$26 to \$36 per unit
  - \$110 million to fund 1.9% enrollment growth
- Categorical flexibility provisions would be extended through 2014-15



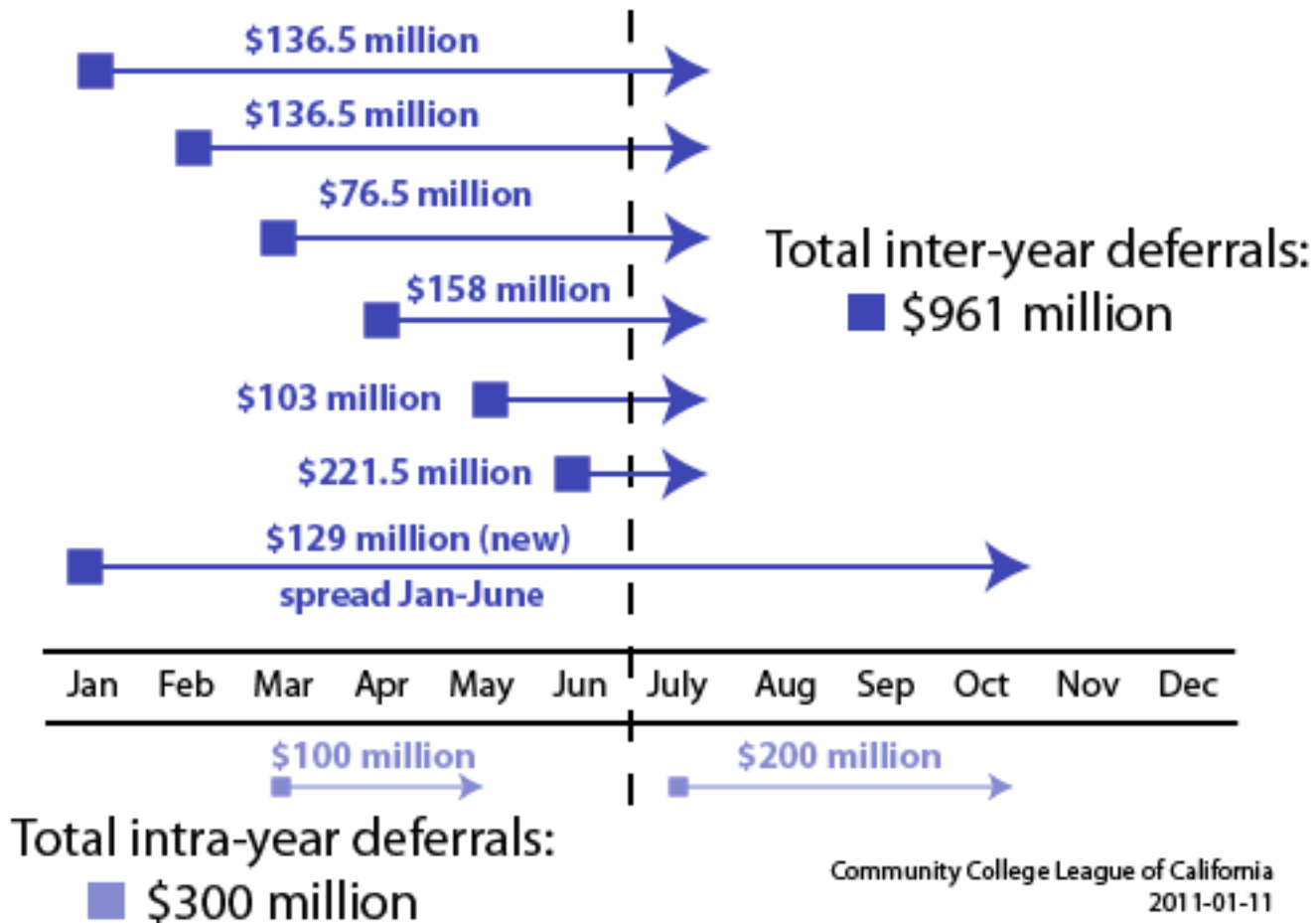
# Apportionment Deferrals

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- Increase of \$129 million in inter-year funding deferrals
- Total inter-year deferrals = \$961 million
- Total deferrals = \$1.261 billion
- 20 percent of annual funding

# Apportionment Deferrals (Con't)

## Community College Apportionment Deferrals





# For the Chabot-Las Positas Community College District

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## Revenue

FY

2011/12

\$400 million cut in apportionment

(\$5,851,000)

1.9% enrollment growth

\$1,450,503

Net decrease in state funding

(\$4,400,497)



# For the Chabot-Las Positas Community College District

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FY 2011/12

Net decrease in state funding (\$4,400,497)

## District Mandatory Obligations

Step and column salary increases (\$715,724)

Premium increases for health & welfare (\$1,521,572)

Premium increases for property & liability ins (\$47,525)

Premium increases for student insurance (\$59,377)

Increase in fringe benefits (W/C, U/I, PERS) (\$193,730)

Total district mandatory obligations (\$2,537,928)

Total Projected Budget Deficit (\$6,938,425)

# What Happens if Tax Package is Not Approved by Voters?

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<u>If June Tax Fails &amp; Prop 98 at Minimum</u>	FY 2011/12
State General Fund	(\$9,069,000)
1.9% enrollment growth	<u>\$1,450,503</u>
State reduction	(\$7,618,497)
District structural deficit	<u>(\$2,537,928)</u>
Total budget deficit	(\$10,156,425)

# What Happens if Tax Package is Not Approved by Voters?

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<u>If June Tax Fails &amp; Prop 98 Suspended</u>	FY 2011/12
State General Fund	(\$13,165,000)
1.9% enrollment growth	<u>\$1,450,503</u>
State reduction	(\$11,714,497)
District structural deficit	<u>(\$2,537,928)</u>
Total budget deficit	(\$14,252,425)




# Accelerated Budget Timeline

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- January 10 Budget Release
- January-February Budget Hearings
- March 1 “Mini” Budget Enacted
- June Special Election
- July Main Budget Enacted





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This presentation will be posted on the website  
by Friday, January 21:

<http://www.clpccd.org/business/BusinessServicesBudget.php>