



# Chabot-Las Positas Community College District

Adoption Budget Presentation  
Board Study Meeting  
September 6, 2011

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Business Services*

# Presentation Summary

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- State Budget: As it Relates to California Community Colleges and Chabot-Las Positas Community College District
- District Structural Deficit
- Identified Solutions to Deficit
- District Enrollment
- Budget Summary
  - General Fund
  - Other District Funds
- Closing

# State Budget: As it Relates to California Community Colleges

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- Signed by Governor on June 30, 2011
- Closed a gap of \$26.6 billion
- Major Solutions:
  - ➔ \$11.1 billion in expenditure reductions
  - ➔ \$11.8 billion in baseline revenue adjustments
  - ➔ \$2.9 billion in borrowing, shifts, and fund transfers
  - ➔ \$1 billion in new revenue changes
  - ➔ \$0.5 billion in local realignment revenue impacts

# State Budget: As it Relates to California Community Colleges

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*Department of Finance will certify in January whether \$4 billion projection is accurate. The “trigger” cuts are essentially in three tiers, based on how much of the extra \$4 billion comes in.*

For community colleges:

Tier 0 (less than \$1 billion): No cuts

Tier 1 (\$1-2 billion): \$30 million apportionment cut, backfilled by an increase in fees of \$10, to \$46/unit

Tier 2 (\$2+ billion): Tier 1 cut and fee increase PLUS a \$72 million additional apportionment cut (workload reduction assumed)

# State Budget: As it Relates to Chabot-Las Positas Community College District

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- Assuming Tier 2 – if less than \$2 billion materialize  
Chabot-Las Positas Community College District  
Apportionment Reduction: **-\$5,922,000 (6.9%)**
- In addition, shortfall in fee increase  
Additional Apportionment Reduction - **\$459,070**
- Total Apportionment Reduction - **\$6,381,070**

# District Structural Deficit

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State Apportionment Reduction	\$(6,381,070)
District Mandatory Obligations	(3,348,257)
Essential/Critical Needs (net)	(2,894,633)
Projected Budget Deficit	<u>\$(12,623,960)</u>

# Identified Solutions to Budget Deficit

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Transfer of Information Technology Expenditure to Measure B Interest Earnings	\$720,000
Dublin Center Lease Revenue	500,000
Reduction In Force	1,500,000
Supplemental Employee Retirement Plan (SERP)	3,000,000
Funded Vacant Positions (estimate)	500,000
State Chancellor's Workload Reduction (estimate) of 1,712 FTES equates to lower adjunct faculty costs	2,650,000
Executive and Administrator Concessions	395,148
Total Identified Solutions to Deficit	<u>\$9,265,148</u>

# Enrollment

## Full Time Equivalent Student (FTES)

Enrollment (Credit & Non Credit)	Chabot College	Las Positas College	Total	Growth Percentage
2006-2007 Adjusted	10,312	7,088	17,401	5.2%
2007-2008	10,063	7,001	17,064	-1.9%
2007-2008 Adjusted	10,358	7,143	17,501	0.6%
2008-2009	10,533	6,509	17,123	-2.16%
2008-2009 Adjusted	10,912	6,591	17,503	.01%
2009-2010	11,236	7,518	18,754	7.1%
2010-2011	11,270	7,078	18,348	-2.17%
2011-12 Projected	9,033	6,298	15,331	-16.4%



# FTES ANALYSIS

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<b>2010-11</b>		
	Actual	18,348
	Funded	17,215
	Difference Over Cap	1,113
2011-12		
	Estimated Actual	17,215
	Projected and Funded	15,331
	Difference Over Projected	1,884

# Employee Benefits - Total Compensation

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## Salaries and Benefits

## Percentages

	<u>Certificated</u>	<u>Classified</u>
State Teachers Retirement System	8.25%	---
Public Employees Retirement System	---	10.923%
OASDHI (Social Security)	---	6.20%
Medicare	1.45%	1.45%
State Unemployment Insurance	1.61%	1.61%
Workers Compensation	1.2394%	1.2394%
STRS Cash Balance Plan (Hourly Academic)	4.00%	---
Alternate Retirement System (Hourly Non Academic)	----	3.75%

# General Fund (Unrestricted)

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Total Revenues	\$89,251,483
Total Expenditures	\$92,814,692
Increase/(Decrease) in Fund Balance	(3,563,209)
Beginning Balance	5,682,032
Ending Balance	\$ 2,118,823

## General Fund (Unrestricted) – *continued*

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Required 5% Reserve for Unforeseen Economic Uncertainties	4,608,664
Ending Balance	\$ 2,118,823
Shortfall to Meet Minimum 5% Reserve	<b>\$2,489,841</b>

# Cafeteria Fund

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Total Revenues	\$33,780
Total Expenditures	47,809
Increase/(Decrease) in Fund Balance	(14,029)
Beginning Balance	31,303
Ending Balance	\$17,274

# Child Development Fund

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Total Revenues	\$1,394,000
Total Expenditures	1,394,000
Increase/(Decrease) in Fund Balance	-0-
Beginning Balance	-0-
Ending Balance	-0-

# Self Insurance Fund (RUMBL)

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Total Revenues	\$4,865,797
Total Expenditures	4,855,797
Increase/(Decrease) in Fund Balance	10,000
Beginning Balance	3,031,216
Ending Balance	\$3,041,216

# Measure B Fund

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Total Revenues	\$5,316,195
Total Expenditures	76,883,437
Increase/(Decrease) in Fund Balance	(71,567,242)
Beginning Balance	220,143,659
Ending Balance	\$148,576,417



# Capital Outlay Projects Fund

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Total Revenues	\$ 5,452,797
Total Expenditures	5,132,898
Increase/(Decrease) in Fund Balance	319,899
Beginning Balance	3,838,898
Ending Balance	\$4,158,797

# Property Sale Fund

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Total Revenues	\$15,000
Total Expenditures	876,155
Increase/(Decrease) in Fund Balance	(861,155)
Beginning Balance	3,699,127
Ending Balance	\$2,837,972

# Closing

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- We have a structural deficit
- We have less than 5% reserve for economic uncertainties
- Health and welfare costs continue to increase
- Mid-year cuts expected