

Chabot-Las Positas Community College District



Board of Trustees Meeting

June 28, 2011

Tentative Budget Fiscal Year 2011-12

*Lorenzo Legaspi
Vice Chancellor
Business Services*

Presentation Summary

- “Placeholder Budget”
- May Revision
- District Structural Deficit
- Identified Solutions to Deficit
- Outstanding Deficit
- Summary of Various Funds
- State Budget Update – New Budget Plan
- Questions and Comments

A “Placeholder Budget”

- This Tentative Budget is a “Placeholder Budget”, a starting point in the development of the final Adoption Budget
 - The budget will change as a result of:
 - ➡ The legislative process
 - ➡ Changes in the district conditions

Governor's May Revise as it Relates to Community Colleges

- \$400 million base reduction (work load reduction)
- Increase in student fees of \$10 per unit (from \$26/unit to \$36/unit)
- 0% COLA (statutory COLA is 1.67%)
- Apportionment deferrals continue with a new deferral of \$129 million from Spring 2012 to October 2012
- Extend categorical flexibility through 2014-15

District Structural Deficit

State Apportionment Reduction	\$(7,773,000)
District Mandatory Obligations	(3,348,257)
Essential/Critical Needs (net)	(3,026,033)
Projected Budget Deficit	\$(14,147,290)

District Mandatory Obligations

Premium increases for health/medical/dental/vision	\$(1,654,701)
Step/column, longevity, career advancement increases	(715,724)
Premium increases for property and liability insurance	(47,525)
Premium increases for student and athletic insurance	(59,377)
Workers' compensation increase	(57,958)
Unemployment insurance increase	(437,602)
Public Employees' Retirement System (PERS) increase	(100,370)
Increase in utilities	(275,000)
Total change in District Mandated Obligations	\$3,348,257

Identified Solutions to Budget Deficit

Transfer of Information Technology Expenditures 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
Total Identified Solutions to Deficit	\$8,870,000

Outstanding Deficit and Potential Solutions - Unrestricted

Outstanding Deficit	\$(5,429,913)
Executive and Administrator Concessions	395,148
Subtotal	(5,034,765)
OTHER POTENTIAL SOLUTIONS	
One Time Monies (Energy Rebates)	1,000,000
Reductions per Revenue Allocation Model	2,048,595
Labor Concessions	
Reduction In Force	
Reduction In Instructional & Support Services	
Total	\$(1,986,170)

Tentative Budget 2011-2012 – District General Fund

REVENUE	
State General Apportionment	\$80,288,121
Other State Revenue	4,094,024
Local Revenue	8,360,781
Federal Revenue	3,159,535
Total Revenue	95,902,461
EXPENDITURES	
Academic Salaries	38,975,910
Classified Salaries	22,219,616
Benefits	25,909,654
Supplies, Services and Capital Outlay	14,064,290
Reductions Per Revenue Model (50% of Outstanding Deficit)	(2,048,595)
Total Expenditures	\$99,120,875

Tentative Budget 2011-2012 - Unrestricted

REVENUE	
State General Apportionment	\$80,288,121
Other State Revenue	526,800
Local Revenue	6,409,230
Federal Revenue	1,200
Total Revenue	87,225,351
EXPENDITURES	
Academic Salaries	38,417,173
Classified Salaries	19,817,183
Benefits	24,468,173
Supplies, Services and Capital Outlay	9,789,831
Reductions Per Revenue Model (50% of Outstanding Deficit)	(2,048,595)
Total Expenditures	\$90,443,765

Tentative Budget 2011-2012 - Restricted

REVENUE	
Other State Revenue	\$3,567,224
Local Revenue	1,951,551
Federal Revenue	3,158,335
Total Revenue	8,677,110
EXPENDITURES	
Academic Salaries	558,737
Classified Salaries	2,402,433
Benefits	1,441,481
Supplies, Services and Capital Outlay	4,274,459
Total Expenditures	\$8,677,110

Tentative Budget 2011-2012 - Cafeteria Fund

REVENUE	
Cafeteria Operations	\$30,080
Vending Commissions	3,500
Interest	200
Total Revenue	33,780
EXPENDITURES	
Classified Salaries	29,967
Benefits	17,842
Total Expenditures	\$47,809

Tentative Budget 2011-2012 – Child Development Fund

REVENUE	
State Revenue	\$600,000
Child Care Fees	35,000
Federal Revenue	559,000
Inter-fund Transfers In	200,000
Total Revenue	1,394,000
EXPENDITURES	
Classified Salaries	846,000
Benefits	428,000
Supplies, Services and Capital Outlay	120,000
Total Expenditures	\$1,394,000

Tentative Budget 2011-2012 – Self Insurance Fund

REVENUE	
Transfers In	\$4,855,797
Interest	10,000
Total Revenue	4,865,797
EXPENDITURES	
Benefits	4,855,797
Total Expenditures	\$4,855,797

Tentative Budget 2011-2012 –Measure B Fund

REVENUE	
Interest	\$5,316,195
Total Revenue	5,316,195
EXPENDITURES	
Classified Salaries	834,119
Benefits	335,142
Supplies, Services and Capital Outlay	75,714,176
Total Expenditures	\$76,883,437

Tentative Budget 2011-2012 – Capital Projects Fund

REVENUE	
State Revenue	\$4,236,297
Local Revenue	1,200,000
Interest	16,500
Total Revenue	5,452,797
EXPENDITURES	
Services	16,335
Capital Outlay and Inter-fund Transfers	5,116,563
Total Expenditures	\$5,132,898

Tentative Budget 2011-2012 – Special Reserve Funds (Nike Project, COP)

REVENUE	
Interest	\$15,000
Total Revenue	15,000
EXPENDITURES	
Supplies, Services and Capital Outlay	876,155
Total Expenditures	\$876,155

New Budget Plan

- Majority-Vote Budget (Prop 25)
- Balanced budget for 2011-12
- Closes \$9.6 billion deficit
- Assumes \$4 billion in higher Revenues
- Redirects 1.06% of the revenue to local government
- Triggers Mid-Year Cuts to Education and Other Programs
- Retains \$5 Billion Structural Deficit for 2012-13

Note: It is likely a vote on the budget will occur today.

Details of the New Budget Plan

It maintains parts of the package Brown vetoed nearly two weeks ago

- \$150 million in cuts a piece for the University of California, California State University systems
- \$150 million cut to state courts
- \$200 million in Amazon online tax enforcement
- \$2.8 billion in deferrals to K-12 schools and community colleges
- \$300 million from \$12 per vehicle increase in DMV registration fee
- \$150 million from fire fee for rural homeowners
- \$1.7 billion from redevelopment agencies
- \$1.2 billion in higher May and June revenues

The \$4 Billion “Trigger” Plan

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 (at least \$3 billion of the \$4 billion materializes): No cuts
- Tier 1 (between \$2b and \$3b of revenue materializes): \$30 million apportionment cut, backfilled by an increase in fees of \$10, to \$46/unit
- Tier 2 (between \$0 and \$2b of new revenue materializes): Tier 1 cut and fee increase PLUS a \$72 million additional apportionment cut (workload reduction assumed)

Questions and Comments
