



Coast Community College District

Meeting
of the

District Budget Advisory Committee

May 24, 2011

Inspiration. Innovation. Graduation.

Table of Contents

- State/System Update**
- Coast**
 - **Changes in Revenue and Expense**
 - **Budget Solutions Summary**
 - **FTES Projections**
 - **Analysis of Ending Fund Balance**
- Look Ahead**

State/System Update

- ❑ **May Revise affirms changes stemming from January Budget Proposal**
 - Net \$290M reduction
 - Student Fees to \$36/unit
 - New revenue allows reduction of \$961M deferral to \$611M
 - Eliminates 43 Commissions or Boards including CPEC
 - Adjustments for current year & budget year property tax estimates

- ❑ **The Governor's plan still relies on tax extensions**
 - (2/3 vote in both houses)

State/System Update

❑ What if taxes aren't approved?

❑ There is no "Plan B"

■ What might an all-cuts solution look like?

- » Further H & HS cuts and cuts to education
- » Impose \$5B cut to Prop 98 (*Governor indicates no desire to suspend*)
- » Student Fees could hit \$125/unit
- » Additional \$500M cut to both UC and CSU
- » Loss of an estimated 52,000 CCC courses
- » Significant change to structure of K-12

■ The details are not worked out

Changes in Revenue and Expenses

<i>2011-12 Scenarios</i>	<i>May-11</i>
	<i>Scenario #2</i>

<i>Revenue change (2010-11)</i>	
General Apportionment	\$0
COLA*	\$640,000
Growth/Restoration*	\$4,180,000
Deficit Factor	(\$1,340,000)
Lottery	(\$500,000)
<i>Total Revenue change estimate</i>	<i>\$2,980,000</i>

<i>Emerging 2011-12 Internal Operating Deficit</i>	
STRS	\$0
PERS	(\$160,000)
Health Benefits	(\$1,650,000)
Step/Column	(\$725,000)
UIC	(\$702,000)
<i>Subtotal - CCCD 2011-12 Internal Operating Deficit</i>	<i>(\$3,237,000)</i>

Changes in Revenue and Expenses

<i>2011-12 Scenarios</i>	<i>May-11</i>
	<i>Scenario #2</i>
<i>Estimated state imposed budget cut (%)</i>	
<i>Estimated state imposed budget cut*</i>	<i>(\$18,821,000)</i>
<i>Increased Student Fees</i>	<i>\$3,335,000</i>
<i>Net projected State Impact</i>	<i>(\$15,486,000)</i>
<i>Total Projected Deficit</i>	<i>(\$15,743,000)</i>
<i>District-Wide Savings</i>	
Estimated District-wide (Admin 9) savings	\$1,300,000
Eliminate Retiree Health Benefit Contribution (KOCE)	\$1,200,000
<i>Net deficit before workload Reduction</i>	<i>(\$13,243,000)</i>
<i>Cost Reduction Allocated to Sites</i>	<i>(\$13,243,000)</i>

Deficit Allocated to Sites

<i>2011-12 Scenarios</i>	<i>May-11</i>
	<i>Scenario #2</i>
<i>Site</i>	<i>Amount</i>
OCC	(\$6,144,752)
GWC	(\$3,763,661)
Coastline	(\$2,141,393)
District office	(\$1,191,870)
<i>Total</i>	<i>(\$13,243,000)</i>

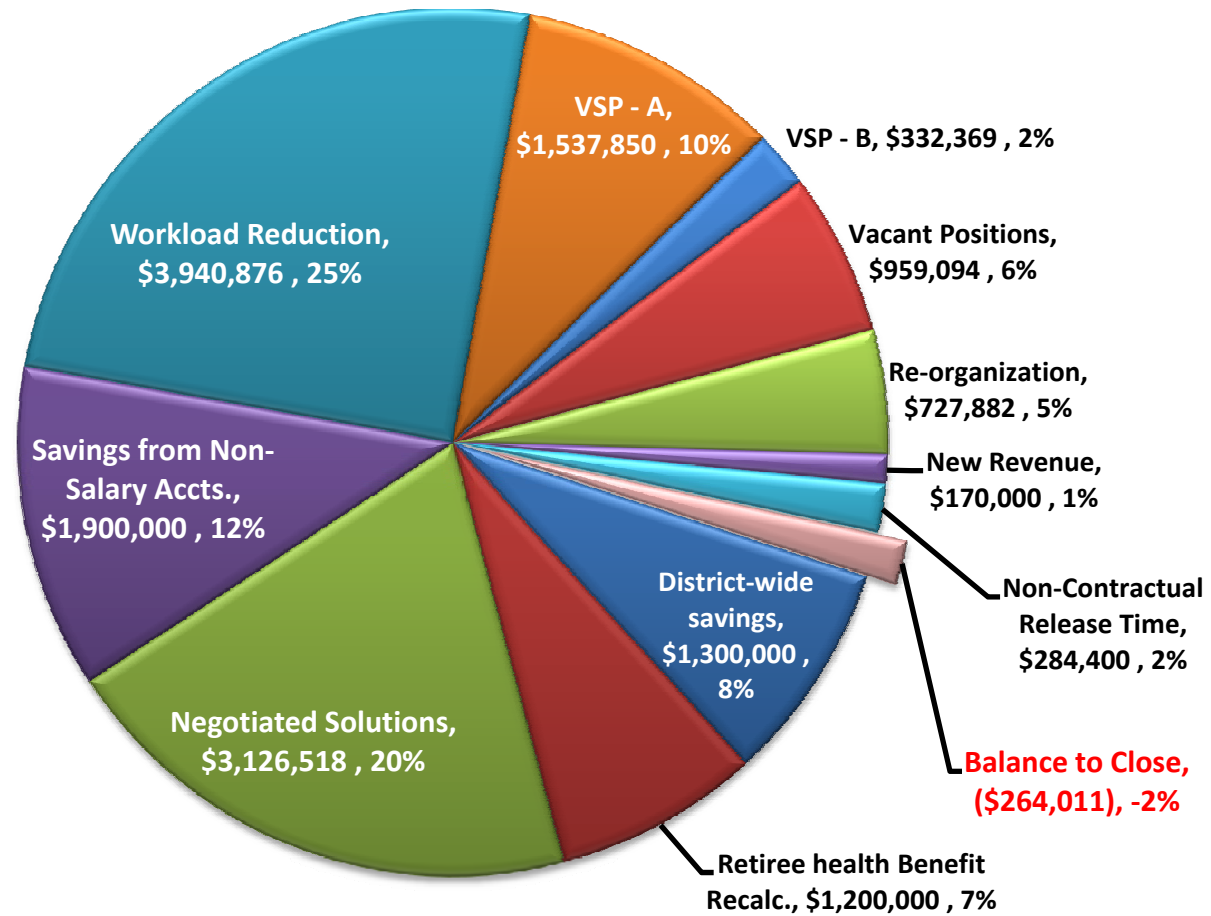
Budget Solutions Summary

2011-12 Scenarios		Alt. Scenario #2*		
Net Deficit - Pre Negotiations		\$13,243,000		
Negotiated Solutions		Allocation (1)	Solutions	
Health & Welfare		\$ 16,323,093	\$0	
<u>Unit</u>	<u>Share</u>	<u>Total Salary & Benefit</u>	<u>3% Simulated Reduction</u>	
CFE	46.7%	\$48,665,530	\$1,459,966	47%
CFCE	38.4%	\$40,072,485	\$1,202,175	38%
ACE	1.0%	\$1,044,626	\$31,339	1%
CDMA	12.3%	\$12,858,815	\$385,764	12%
Exec	1.5%	\$1,575,803	\$47,274	2%
Board	0.1%	\$93,463		
Total	100.0%	\$104,310,722		
Total		\$ 120,633,815	\$3,126,518	100%
Net Deficit - Post Negotiations		\$10,116,482		

Budget Solutions Summary

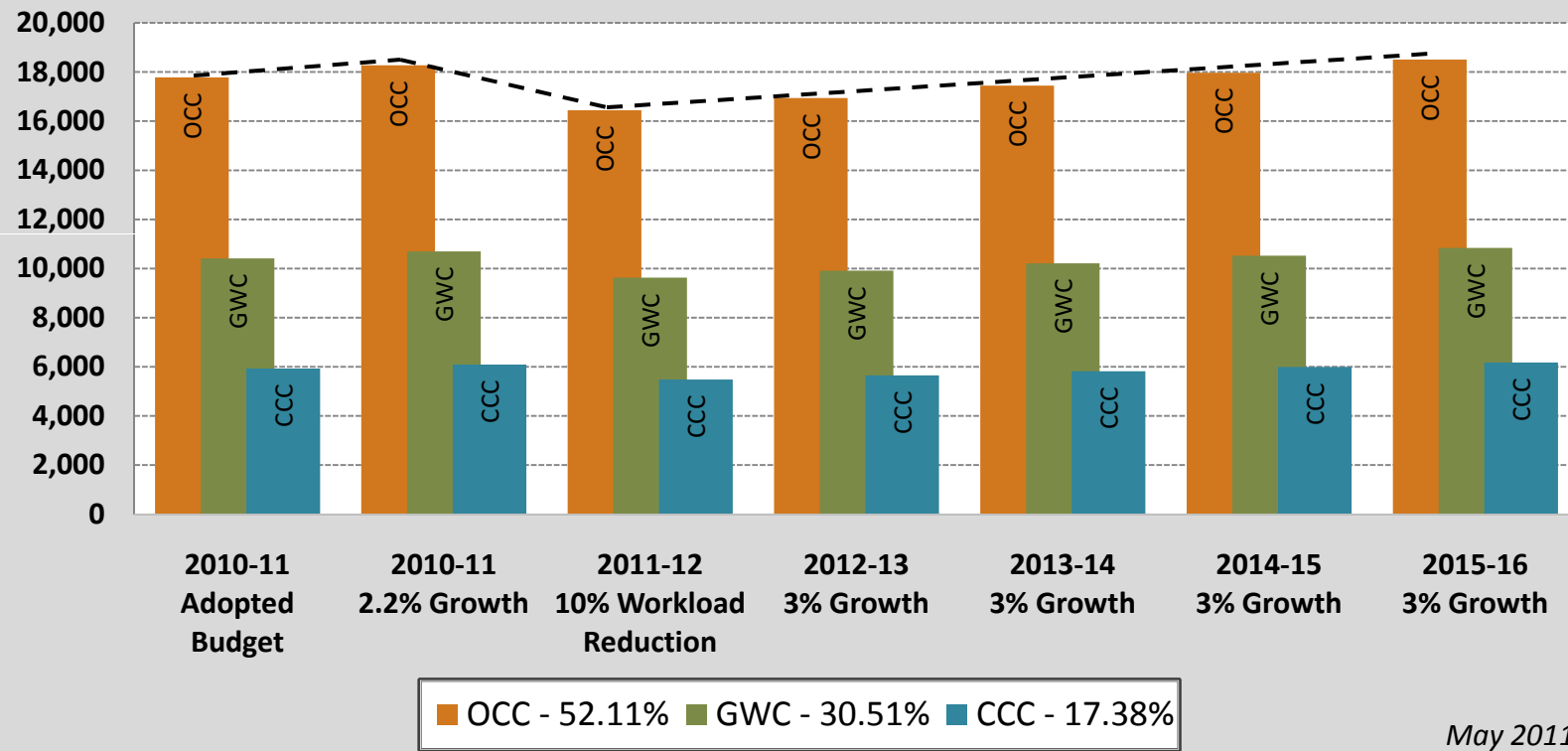
2011-12 Scenarios		Alt. Scenario #2*	
Net Deficit - Pre Negotiations			\$13,243,000
Site	Allocation (2)	Amount - Post Negotiations	
<u>All Sites Summary</u>		\$10,116,482	100%
Savings from Non-Salary Accts.		(\$1,900,000)	-19%
Workload Reduction		(\$3,940,876)	-39%
VSP - A		(\$1,537,850)	-15%
VSP - B		(\$332,369)	-3%
Vacant Positions		(\$959,094)	-9%
Re-organization		(\$727,882)	-7%
New Revenue		(\$170,000)	-2%
Non-Contractual Release Time		(\$284,400)	-3%
Savings from probable layoffs		\$0	0%
Other		\$0	0%
Remaining Target Deficit		\$264,011	3%
<u>Balance to Close Deficit</u>			
Remaining progress toward target	\$192,454	\$264,011	

Budget Solutions Summary



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Multi-Year FTES Trend



Notes:

- 1) If the FTES of a center or college is insufficient to maintain its prior basic allocation amount, the reduction in basic allocation will not occur until the third year following the initial year of insufficient FTES.
- 2) 3% Growth projection from School Services of California

Projected Ending Fund Balance
2010/2011

Beginning Fund Balance (Reserve)		13,500,000
New Revenues		
Apportionment	3,450,000	
Mandated Costs Reimbursement	635,000	
Other Income	170,000	
Total New Revenues		4,255,000
Budget Savings		
District Site	800,000	
District-wide Accounts (Admin 9)		
Reduced Insurance Costs	300,000	
Unused Categorical Position Backfill	400,000	
Election Costs Below Projection	250,000	
Bargaining Unit Retraining Funds	280,000	
DIS and Voyager Projects	420,000	
Other Budget Savings	500,000	
Total District-wide Savings	2,150,000	
Total Budget Savings		2,950,000
Projected Ending Fund Balance		20,705,000

Projected Ending Fund Balance 2010/2011

Reserved Ending Balance

RESERVE FOR CONTINGENCY (6.3%)	13,500,000
GWC LEARNING RESOURCE CENTER	2,000,000
VSP PAYOUT	360,000
CONTRACTUAL CARRY OVER	325,000
CONTRACT/GRANT DEVELOPMENT	100,000
TRANSFER TO ONGOING FOR CFE NEGOTIATIONS	1,459,966
RETIREE HEALTH BENEFITS	<u>1,000,000</u>
Total Designations	18,744,966

Available for One-Time Purposes

1,960,034

Look Ahead

- ❑ **Governor pursues (again) tax extensions**
 - ❑ **Legislature passes a budget**
 - » If they do not do so by June 15, sanctions may be imposed
- ❑ **Outcome likely to fall somewhere between Scenario #1 and #2**
- ❑ **Projected State budget deficits in out years of \$5B to \$7B annually**