

**Coast Community  
College District  
Meeting  
of the  
District Budget  
Advisory Committee**

**March 3, 2011**

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## Budget Assumptions January

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## Budget Assumptions February

- ▶ Census Proposal
- ▶ Workload Reduction
- ▶ Growth Proposal
- ▶ Revised “worst case” scenario

# Apportionment Funding

## ▶ System Decreases

1. \$290 million (If \$400 million decrease netted against \$110 million growth)
2. \$400 million system impact if June tax measures pass
3. \$900 million system impact if June tax measures fail

## ▶ Reform Census Accounting Practice

## ▶ No Stated Workload Reduction

## Property Tax Adjustment

- ▶ No backfill for estimated \$14.7 million 2010-11 shortfall
- ▶ Backfill of \$33.4 million for 2011-12

## Student Fees

- ▶ Increase unit cost from \$26 to \$36
- ▶ Estimated \$110 million increased Supplants apportionment funds

## Student Fee Revenue

- ▶ Decrease \$15.2 million in current year (BOG waiver increase)
- ▶ Decrease \$18.7 Million in Budget Year (BOG waiver increase)

## Growth

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- ▶ \$110 million (1.9%) increase

## Deferral Payments

- ▶ Increase by \$129 million for 2011-12 for a total of \$961 million
- ▶ Stated goal is to create one-time Prop 98 savings for 2011-12

## Categorical Programs

- ▶ No further reductions planned
- ▶ Flex provisions continued through 2013-14

## February 18, 2011 - CCCCCO Update

- ▶ Both Houses (Assembly and Senate) announce opening positions on Governors Budget.
- ▶ Summary Positions by both Houses:
  - ❑ Proposal to allocate funding reductions through Census change rejected
    - (SB 1143 Student Success Task Force critical to this issue)
  - ❑ System funding reductions will be allocated through proportionate Workload Reduction.
  - ❑ CCC Reduction of \$400m (Best Case) supported
  - ❑ 1.9% Growth proposal rejected; rather net \$110m in new student fees against base reduction.
  - ❑ Worst Case scenario revised based on LAO letter.
- ▶ Conference Committee work expected to begin this week

## Simulated Workload Reduction

<i>Reference Only:</i>	Credit	Non-Credit	N/C Converted	Total
OCC	18,323	36	22	18,345
GWC	10,694	14	8	10,702
CCC	5,827	260	156	5,983
	34,844	310	186	35,030

### Simulated Workload Reduction FTES 2011/2012

	Allocation	Credit	Non-Credit	N/C Converted	Total	FTES Reduction	Section Reduction	Est Reduction in Instructional Cost
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#### Scenario A: 5% Workload Reduction

OCC	52.37%	17,407	34	21	17,428	917	229	<b>\$1,031,906</b>
GWC	30.55%	10,159	13	8	10,167	535	134	<b>\$601,988</b>
CCC	17.08%	5,536	247	148	5,684	299	75	<b>\$336,544</b>
<b>Total</b>	<b>100.00%</b>	<b>33,102</b>	<b>295</b>	<b>177</b>	<b>33,279</b>	<b>1,752</b>	<b>438</b>	<b>\$1,970,438</b>

#### Scenario B: 10% Workload Reduction

OCC	52.37%	16,491	32	20	16,511	1,835	459	<b>\$2,063,813</b>
GWC	30.55%	9,625	13	7	9,632	1,070	268	<b>\$1,203,975</b>
CCC	17.08%	5,244	234	140	5,385	598	150	<b>\$673,088</b>
<b>Total</b>	<b>100.00%</b>	<b>31,360</b>	<b>279</b>	<b>167</b>	<b>31,527</b>	<b>3,503</b>	<b>876</b>	<b>\$3,940,875</b>

#### Scenario C: 15% Workload Reduction

OCC	52.37%	15,575	31	19	15,593	2,752	688	<b>\$3,095,719</b>
GWC	30.55%	9,090	12	7	9,097	1,605	401	<b>\$1,805,963</b>
CCC	17.08%	4,953	250	133	5,086	897	224	<b>\$1,009,631</b>
<b>Total</b>	<b>100.00%</b>	<b>29,617</b>	<b>292</b>	<b>158</b>	<b>29,776</b>	<b>5,255</b>	<b>1,314</b>	<b>\$5,911,313</b>

#### Assumptions

1. Workload Reduction shall be proportionate to overall budget reduction
2. 4 FTES/Section
3. \$4,500 cost per 3 unit section
4. Basis: 2010-11 P-1 (2.2% Growth above 2010-11 Base)

## Revised Scenarios (page 1 of 2)

<b>2011-12 Scenarios</b>	<b>Sep-10</b>	<b>Nov-10</b>	<b>Jan-11</b>	<b>Jan-11</b>	<b>Feb-11</b>
	<b>Scenario #1*</b>		<b>Scenario #2*</b>		<b>Scenario #3 (Alt)</b>
<b>Revenue change (2010-11)</b>					
General Apportionment	\$0	\$0	\$0	\$0	\$0
COLA*	\$0	\$0	\$640,000	\$640,000	\$640,000
Growth/Restoration*	\$0	\$0	\$3,800,000	\$3,800,000	\$3,800,000
Deficit Factor (Prop tax shortfall)	\$0	\$0	(\$440,000)	(\$440,000)	(\$440,000)
<b>Total Revenue change estimate</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>
<b>Emerging 2011-12 Internal Operating Deficit</b>					
STRS	(\$436,000)	(\$436,000)	(\$436,000)	(\$436,000)	(\$436,000)
PERS	(\$319,500)	(\$319,500)	(\$319,500)	(\$319,500)	(\$319,500)
Health Benefits	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Step/Column	(\$1,225,000)	(\$1,225,000)	(\$1,225,000)	(\$1,225,000)	(\$1,225,000)
<b>Subtotal - CCD 2011-12 Internal Operating Deficit</b>	<b>(\$2,980,500)</b>	<b>(\$2,980,500)</b>	<b>(\$2,980,500)</b>	<b>(\$2,980,500)</b>	<b>(\$2,980,500)</b>
<b>Estimated state imposed budget cut*</b>	<b>\$0</b>	<b>(\$7,000,000)</b>	<b>(\$12,128,000)</b>	<b>(\$18,798,000)</b>	<b>(\$32,809,000)</b>
<b>Increased Student Fees</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,335,000</b>	<b>\$3,335,000</b>	<b>\$8,467,000</b>
<b>Net projected State Impact</b>	<b>\$0</b>	<b>(\$7,000,000)</b>	<b>(\$8,793,000)</b>	<b>(\$15,463,000)</b>	<b>(\$24,342,000)</b>
<b>Possible Negotiated Solutions</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>
<b>Total Projected Deficit</b>	<b>(\$2,980,500)</b>	<b>(\$9,980,500)</b>	<b>(\$7,773,500)</b>	<b>(\$14,443,500)</b>	<b>(\$23,322,500)</b>
Estimated District-wide (Admin 9) savings	\$0	\$0	\$500,000	\$500,000	\$500,000
<b>Net deficit before workload Reduction</b>	<b>(\$2,980,500)</b>	<b>(\$9,980,500)</b>	<b>(\$7,273,500)</b>	<b>(\$13,943,500)</b>	<b>(\$22,822,500)</b>

## Revised Scenarios (page 2 of 2)

2011-12 Scenarios	Sep-10	Nov-10	Jan-11	Jan-11	Feb-11	
	Scenario #1* Scenario #2* Scenario #3 (Alt)					
<b>Projected Workload Reduction</b>	\$0	\$0	\$0	\$0	\$0	
<b>Non-Instructional Cost Reduction Allocated to Sites</b>	(\$2,980,500)	(\$9,980,500)	(\$7,273,500)	(\$13,943,500)	(\$22,822,500)	
Site	Allocation	Amount	Amount	Amount	Amount	
OCC	46%	(\$1,382,952)	(\$4,630,952)	(\$3,374,904)	(\$6,469,784)	(\$10,589,640)
GWC	28%	(\$847,058)	(\$2,836,458)	(\$2,067,129)	(\$3,962,743)	(\$6,486,155)
Coastline	16%	(\$481,947)	(\$1,613,847)	(\$1,176,125)	(\$2,254,664)	(\$3,690,398)
District office	9%	(\$268,245)	(\$898,245)	(\$654,615)	(\$1,254,915)	(\$2,054,025)
<b>Total</b>	<b>100%</b>	<b>(\$2,980,500)</b>	<b>(\$9,980,500)</b>	<b>(\$7,272,773)</b>	<b>(\$13,942,106)</b>	<b>(\$22,820,218)</b>

**Assumptions:**

- \*2010-11 COLA results from absence of budgeted negative COLA
- \*Restoration @ 2.2% = \$3.8m
- \*Scenario #1 = June tax package approved
- \*Scenario #2 = June tax package fails and Prop 98 funded at minimum
- \*Scenario #3 = June tax package fails and Prop 98 suspended
- \*Figures revised as noted in Scott Lay email of January 27, 2011 re changes in Basic Aid District calcs.

## Allocation Framework with Workload Reduction

2011-12 Scenarios		Jan-11 Scenario #1*	Jan-11 Scenario #2*	Feb-11 Scenario #3 (Alt)
<b>Net deficit allocated to sites</b>		<b>\$7,273,500</b>	<b>\$13,943,500</b>	<b>\$22,822,500</b>
Site	Allocation	Amount - Post Negotiations		
<b>OCC</b>	46%	\$3,374,904	\$6,469,784	\$10,589,640
Savings from Non-Salary Accts.**		(\$100,000)	(\$100,000)	(\$100,000)
Workload Reduction		(\$1,031,906)	(\$2,063,813)	(\$3,095,719)
Savings from VSP				
Vacant Positions				
Re-organization				
Savings from position reductions				
Other				
<b>Balance</b>		<b>\$2,242,998</b>	<b>\$4,305,971</b>	<b>\$7,393,921</b>
<b>GWC</b>	28%	\$2,067,129	\$3,962,743	\$6,486,155
Savings from Non-Salary Accts.**		(\$150,000)	(\$150,000)	(\$150,000)
Workload Reduction		(\$601,988)	(\$1,203,975)	(\$1,805,963)
Savings from VSP				
Vacant Positions				
Re-organization				
Savings from position reductions				
Other				
<b>Balance</b>		<b>\$1,315,141</b>	<b>\$2,608,768</b>	<b>\$4,530,192</b>
<b>CCC</b>	16%	\$1,176,125	\$2,254,664	\$3,690,398
Savings from Non-Salary Accts.		(\$150,000)	(\$150,000)	(\$150,000)
Workload Reduction		(\$336,544)	(\$673,088)	(\$1,009,631)
Savings from VSP				
Vacant Positions				
Re-organization				
Savings from position reductions				
Other				
<b>Balance</b>		<b>\$689,581</b>	<b>\$1,431,576</b>	<b>\$2,530,767</b>
<b>District Office</b>	9%	\$654,615	\$1,254,915	\$2,054,025
Savings from Non-Salary Accts.		(\$677,605)	(\$677,605)	(\$677,605)
Savings from VSP				
Vacant Positions				
Re-organization				
Savings from position reductions				
Other				
<b>Balance</b>		<b>(\$22,990)</b>	<b>\$577,310</b>	<b>\$1,376,420</b>
	<b>100%</b>	<b>\$7,273,500</b>	<b>\$13,943,500</b>	<b>\$22,822,500</b>

\*\* These accounts are still under study

## District Budget Advisory Committee March 3, 2011 DETAIL - Site Budget Reduction Plans Rev #1

ID	Task Name	Duration	Start	Finish	2011																	
					Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov				
1																						
2	Coast Budget Development (2011-12)	221 days?	Wed 11/10/10	Wed 9/14/11																		
3	LAO Fiscal Outlook Released	0 days	Wed 11/10/10	Wed 11/10/10																		
4	January Budget Proposal Released	0 days	Mon 1/10/11	Mon 1/10/11																		
5	Develop and Distribute Budget Reduction Scenarios	11 days?	Mon 1/17/11	Mon 1/31/11																		
6	Solidify Site Budget Reduction plans	55 days?	Wed 2/2/11	Wed 4/20/11																		
7	Week 1 (1/31) - 2/2 Recommend Board approval of VSP	0 days	Wed 2/2/11	Wed 2/2/11																		
8	Week 2 (2/7) - Non Salary Account Estimates	6 days?	Mon 2/7/11	Mon 2/14/11																		
9	Week 3 (2/14) - Check in with Board	0 days	Wed 2/16/11	Wed 2/16/11																		
10	Week 4 (2/21) - Review Negotiations Process	6 days?	Mon 2/21/11	Mon 2/28/11																		
11	Week 5 (2/28) - Mini State Budget - Policy check	6 days?	Mon 2/28/11	Mon 3/7/11																		
12	Week 5 - Check in with Board	0 days	Wed 3/2/11	Wed 3/2/11																		
13	Week 6 (3/7) - Review negotiations Process	6 days?	Mon 3/7/11	Mon 3/14/11																		
14	Week 6 (3/11) - Last Date for legislature to place tax ext on June ballot	0 days	Fri 3/11/11	Fri 3/11/11																		
15	Week 7 (3/14) - Conclude VSP - Tally participants	0 days	Mon 3/14/11	Mon 3/14/11																		
16	Week 7 - Preliminary identification of required position reductions	6 days?	Mon 3/14/11	Mon 3/21/11																		
17	Week 7 - Check in with Board	0 days	Wed 3/16/11	Wed 3/16/11																		
18	Week 8 - preliminary review of all solutions	6 days?	Mon 3/21/11	Mon 3/28/11																		
19	Week 9 (4/15) - prelim results to Board	0 days	Wed 4/6/11	Wed 4/6/11																		
20	Week 10 - Conclude 55 to 50 program	0 days	Fri 4/15/11	Fri 4/15/11																		
21	Week 11 - Solution summary to Board	0 days	Wed 4/20/11	Wed 4/20/11																		
22	"May Revise" Released	0 days	Thu 5/5/11	Thu 5/5/11																		
23	"Lock Down" Tentative Budget Solution	0 days	Thu 5/5/11	Thu 5/5/11																		
24	Tentative Budget Adoption	0 days	Wed 6/15/11	Wed 6/15/11																		
25	State Budget signed into law	0 days	Fri 7/1/11	Fri 7/1/11																		
26	Final Budget Adoption	0 days	Wed 9/14/11	Wed 9/14/11																		