



Campus Budget Forum

August 13, 2010

District Finance and 2010-11 District Budgets

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Finance and Administration

Looking Back...

A Recent Sequence of Events

- 2008-09
 - No funded COLA
 - Growth funding \$845,000 - giving
 - Apportionment deficit \$558,000 – taking away
- 2009-10
 - No funded COLA
 - General apportionment reduction \$1.5 M
 - State categorical funding reduction \$1.2 M

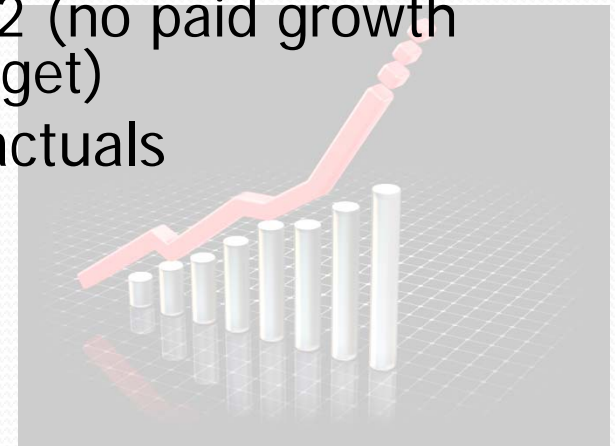
...Moving Forward
- 2010-11
 - No funded COLA
 - Assume no increase in state revenue due to state budget crisis

A Decade of Enrollment and Apportionment Revenue

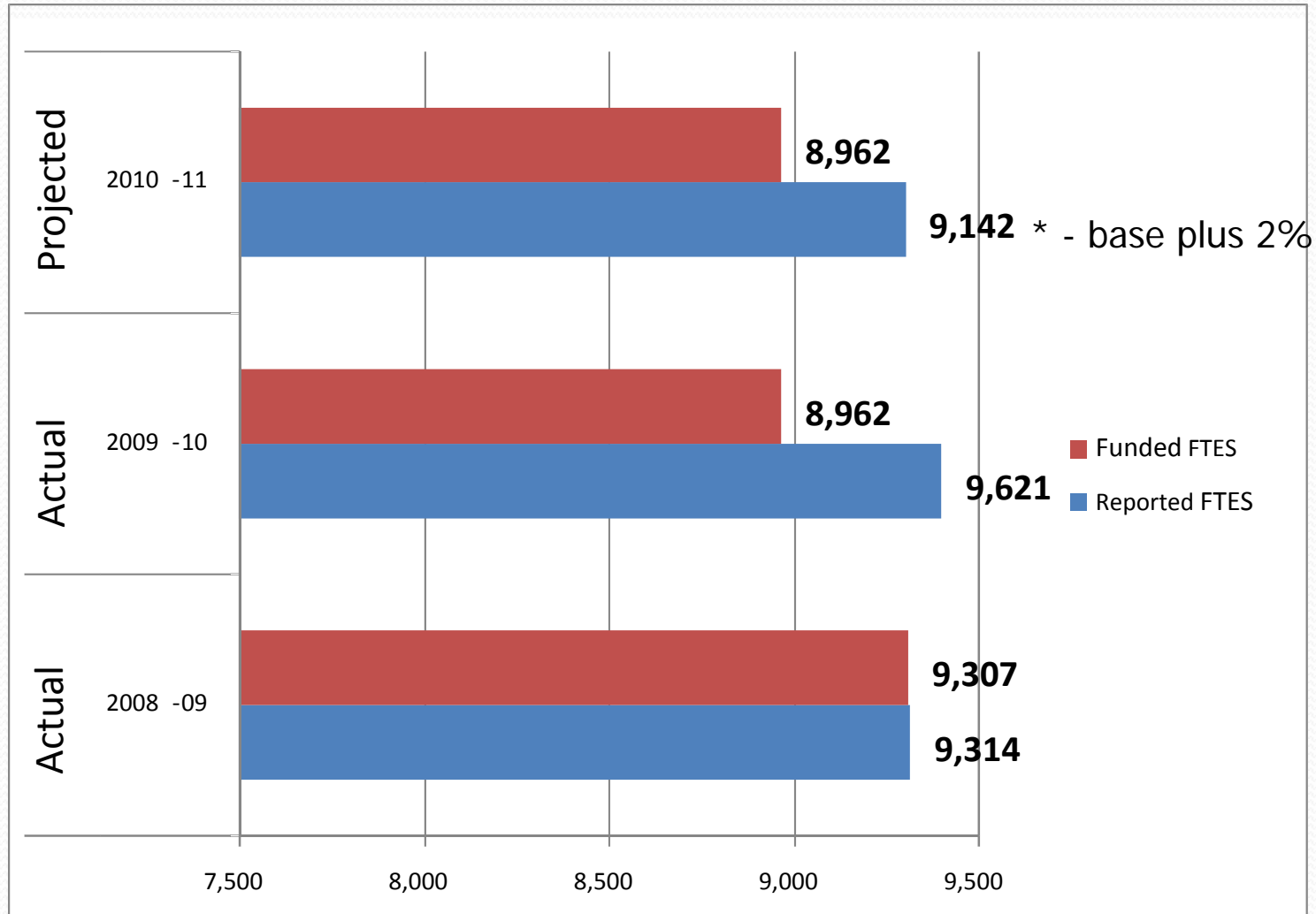
Year	Actual FTES	Paid FTES	% Growth (actual)	State Apportionment
2010-11	(Projected) 9,142	(base) 8,962	- 5.0	46,258,673
2009-10	9,621	8,962	3.3	46,336,942
2008-09	9,314	9,307	3.8	46,375,619
2007-08	9,025	9,100	2.4	45,558,043
2006-07	8,810	8,810	- 4.1	44,057,479
2005-06	9,182	9,182	5.8	38,774,536
2004-05	8,681	8,681	4.9	33,737,177
2003-04	8,271	8,271	- .1	30,484,153
2002-03	8,282	8,164	4.2	30,202,711
2001-02	7,949	7,949	4.8	28,974,923

Revenue Assumptions & FTES

- Revenue for 2009-10 increased by \$1,107,182 resulting from formal approval of "Center" status for Vallejo site
- "Center" revenue becomes part of the on-going District revenue base
- Revenue in 2010-11 is expected to be reduced by a 0.38% negative COLA based upon the May Revise- subject to final state budget
- Growth is budgeted at 0%
 - 2009-10, District funded base is 8,962 FTES (workload reduction resulting from 2009-10 budget act)
 - 2010-11, District base FTES is 8,962 (no paid growth contemplated in current District budget)
- Local Revenue based upon 2009-10 actuals



Funded vs Reported FTES



2010-11 Estimated Apportionment

General Apportionment Revenue for 2010-11				
	Base Apportionment			\$46,258,673
	The Sources:			
	Property Taxes		\$9,391,958	
	98% of Enrollment Fees		\$3,943,634	
	State Apportionment		\$32,923,081	
	Total			\$46,258,673



Expenditure Increases

- Health & welfare benefits cost increase: \$575,000
- Future retiree benefit cost: \$225,000 (pre-fund)
- New staffing costs at Vallejo and Vacaville: \$606,000
- Election 2010 costs: \$250,000
- All categorical carryover anticipated in 2009-10 is budgeted to be spent in 2010-11
- PERS Increase (10%): \$379,500

Statutory Benefits

	2009-10	2010-11
STRS	8.25	8.25
PERS	9.709	10.707
FICA	6.2	6.2
PERS (employee)	8.24	8.24
Medicare	1.45	1.45
SUI	0.30	0.72
Workers' Comp	1.48	1.5682

Changes Between Years

Revenues			
	Negative COLA	\$	(176,817)
Expenditure Increases			
	Health & Welfare cost increase	\$	(575,000)
	New staffing costs for Vallejo, Vacaville	\$	(606,000)
	Election 2010 costs	\$	(250,000)
	eCollege	\$	(20,000)
	PERS	\$	(379,500)
		\$	(1,830,500)
Total negative impact		\$	(2,007,317)

Expenditure Reductions

Early Retirement Savings	329,000
Custodial shift change to swing	15,000
Reclassify appropriate police services to parking fund	65,000
Reduce hourly instructional budget: summer-59 sections x \$3500	206,500
Reduce hourly instructional budget: fall-33 sections x \$3500	115,000
Reduce Legal Fees	200,000
Reduce contributions to the theater	220,000
Community Services	48,226
CMF clean-up (reclassify expenses to capital projects)	200,000
Consulting contract (Interim S/P)	65,000
Special Trustee contract	48,000
Vacaville Center Lease (base rent reduction to 12/31 and reclassify to capital projects)	266,358
TOTAL	1,778,084

People & Things List

Item	People	Actual 2008-09	Projected 2009-10	Actual 2009-10	Projected 2010-11
1.1	(1) Associate VP-Workforce/Comm Dev. Retreating to instruction (salary savings)	0	39,000		
1.2	Replacing 10 sections of adjunct faculty (hourly instructional sa	0	34,000		
1.3	(2) Deans-Educational Administrators	0	272,134		
1.4	(3) (2) Classified Managers (Asst Facilities Director) (plus IT Manager & Program Developer)	0	111,253		
1.5	(1) Confidentials Re-Org				TBD
1.6	(6) Vacant faculty positions due to retirements - (3) replaced		273,000		
1.7	(3) Vacant Staff Positions: IT Tech Specialist, Admin Asst III-Humanities, Adm & Records**	323	138,646		
1.8	Instructional Assistants (TBD)	0			Under Review
1.9	Contract Out Services for Bookstore, Graphics, Custodial, Groundskeeping, Warehouse & Police Services	0	To be reviewed		Under Review
1.10	Maintenance/Operations (5 positions)-vacancy; (1) police officer. Vacancies used with the 2008-09 budget reductions- 1 police sergeant, 1 custodian. Current positions TBD (2)	264	169,264		
1.11	Faculty release time (10.80 FTE Fall 2008/Spring 2009)	0	Under Review		Under Review
1.12	VP-ABS (partial year)	0	26,632		
1.13	Early Retirement Incentive Program				329,000
1.14	Custodial shift change to swing				15,000
1.15	Reclassify appropriate polices services expenses to parking fun				65,000
1.16	a. Reduce hourly instructional budget: summer-59 sections x \$3500				206,500
	b. Reduce hourly instructional budget: fall-33 sections x \$3500				115,000
1.17	Allowable District personnel charges to Bond Fund				Under Review
	TOTAL	\$ 138,587	\$ 1,037,297	\$ -	\$ 730,500
	2.2 Dean of Financial & Special Services - Vacant	On Going	On Going		
	Dean of Admissions & Records - Vacant	One-Time	One-Time		
	2.3 Manager for Technology Services and Support Program Developer				
	Assistant Director of Facilities - Vacant				

Finalized 05/06/09

People & Things List

Item	Things	Actual 2008-09	Projected 2009-10	Actual 2009-10	Projected 2010-11
2.1	Evaluate platform for online classes (move away from eCollege to something else)	0	150,000		
2.2	Legal Fees - options for delivery method	0	50,000		200,000
2.3	Elections	13,820	250,000		(250,000)
2.4	Evaluate encroachment of co-curricular & categorical programs	Review			
	a. Theater Program (50 percent reduction for 2 years)		358,039		220,000
	b. Contract Education		n/a		
	c. Community Services				48,226
	d. SBDC				
2.5	Dues & Subscriptions-20 percent (\$35,702)	23,279	12,423		
2.6	Magazines & Periodicals-40 percent (\$37,431)	30,000	7,431		
2.7	Non-instructional supplies-20 percent (\$97,000)	97,000			
2.8	Graphics	10,000			
2.9	Travel & Conference-50 percent (\$82,086)	41,043	41,043		
2.10	Marketing (5995s) - all elements other than enrollment	00,000			
2.11	Overtime-20 percent (\$89,438)		89,438		
2.12	Capital Outlay-Equipment	50,000	50,000		
2.13	Capital Outlay-Equipment Replacement	90,000	200,000		
2.14	Evaluate Programs-Instruction and Non-Instructional Expenditures (including Personnel) be to determined (Program Discontinuance)	u	Watch List - Under Review		Program Review Process
2.15	Energy Conservation Strategies - utility contracts, swimming pool solar panels, etc.	0	Under Review		Under Review

Finalized 05/06/09

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People & Things List

Item	Things	Actual 2008-09	Projected 2009-10	Actual 2009-10	Projected 2010-11
2.16	CMF Clean-up (reclassify expenditure to capital projects)				200,000
2.17	Consulting Contract (Interim Supt/President)				65,000
2.18	Special Trustee Contract (EdMAC)				48,000
2.19	Vacaville Center Lease (base rent reduction lease to 12/31/10 and reclassified to capital projects)				266,358
	Total	\$ 555,142	\$ 1,208,374		\$ 797,584
	Total Savings and Reductions - People AND Things	\$ 693,729	\$ 2,245,671		\$ 1,543,084
	Other Savings	\$ 387,658			
		\$ 1,081,387			
	2008-09 Budget Deficit (as of 5/6/09)	\$1,791,577			
	Actual Reported on CCFS-311 Annual Report	\$710,190			
	2008-09 Finalized on 5/6/09 at Board Meeting:	All positions requiring lay-off notices:			
	Drafts have been:	Evaluate July 1			
	Shared/Reviewed with Shared Governance Council	Re-evaluate Sept. 1 & Dec. 1			
	Shared/Reviewed with FABPAC				
	Board Presentation	On Going	On Going		
		One-Time	One-Time		

Total General Fund

	Current Year Budget ⁸			Tentative Budget			
	2009-10			2010-11			
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	
Revenue							
Federal Revenue	0	1,752,671	1,752,671	0	1,752,671	1,752,671	
State Revenue	34,626,174	4,250,172	38,876,346	34,449,357	4,250,172	38,699,529	7
Local Revenue	15,731,684	558,895	16,290,579	15,731,684	558,895	16,290,579	
Other Revenue	55,000	0	55,000	55,000	0	55,000	
Total Revenue	50,412,858	6,561,738	56,974,596	50,236,041	6,561,738	56,797,779	
Expenditures							
Academic Salaries	20,599,431	956,600	21,556,031	21,303,431	979,455	22,282,886	1,5
Classified Salaries	9,346,655	1,612,697	10,959,352	9,303,530	1,651,227	10,954,757	2,5
Employee Benefits	11,057,583	691,223	11,748,806	11,859,515	707,737	12,567,252	3,5
Supplies and Materials	1,354,411	621,303	1,975,714	1,354,411	636,147	1,990,558	5
Other Operating Exp and Se	7,487,747	1,480,728	8,968,475	7,329,747	1,516,105	8,845,852	4,5
Capital Outlay	520,246	727,905	1,248,151	300,246	745,296	1,045,542	6,5
Other Outgo 7xxx	25,000	520,749	545,749	25,000	533,191	558,191	
Total Expenditures	50,391,073	6,611,205	57,002,278	51,475,880	6,769,157	58,245,037	
Deficit/Surplus	21,785	(49,467)	(27,682)	(1,239,839)	(207,419)	(1,447,258)	
Transfers In	0	0	0	0	0	0	
Transfers out	0	0	0	0	0	0	
Net increase (decrease) in Fund Balance	21,785	(49,467)	(27,682)	(1,239,839)	(207,419)	(1,447,258)	
Beginning Balance	3,162,710	256,886	3,419,596	3,184,495	207,419	3,391,914	
Ending Balance	3,184,495	207,419	3,391,914	1,944,656	0	1,944,656	
	5.6%			3.3%			
5% Reserve Balance	2,850,114		2,850,114	2,912,252		2,912,252	
Restricted Designations		207,419	207,419		0	0	
Unappropriated Fund Bala	334,381	0	334,381	(967,596)	0	(967,596)	

Notes to General Fund Changes

Notes:						
¹ Reduced salaries for early retirement incentive net savings, library staff retirement. Increased salaries for new staffing at Vacaville and Vallejo Centers , and step/column movement.						
² Reduced salaries for community service staff reduction and night crew shift change						
³ Increase to health and welfare benefits						
⁴ Adjusted for various changes including legal fees, contract changes, and parking contribution						
⁵ Increased categorical costs ratably to spend down accumulated carryover from prior year, balancing categorical programs.						
⁶ Reduced contribution to the C. Theater						
⁷ Increased 2009-10 State Revenue budget by \$1,107,182 due to Vallejo Center status funding; decreased 2010-11 apportionment by 0.38%						
⁸ Per Statement of Rev, Exp, Other from Banner, June 18, 2010						

Current State Budget Status

“Exactly one year ago today, Gov. Arnold Schwarzenegger signed a state budget package after nearly a month of IOUs and serious closed-door, cigar-fueled negotiations. And where are we now? Nowhere close. Four weeks into the new fiscal year, lawmakers and Gov. Arnold Schwarzenegger remain stuck in the finger-pointing phase of budget politics as the state faces a projected \$19.1 billion deficit.”

“A serious cash problem last July helped spur lawmakers and Schwarzenegger into a relatively quick deal. California began issuing IOUs last summer for only the second time since the Great Depression. This year, lawmakers agreed to delay payments to schools and local governments throughout 2010. That avoids a cash shortage and IOUs until at least late August, according to Controller John Chiang, as well as the budget pressures that go along with it.”

- *The Sacramento Bee, July 28, 2010*

Current State Budget Status

“As California staggers toward the fifth week of the fiscal year without a spending plan, a month of closed-door talks in the Capitol have produced little but tension and finger-pointing. The calendar is flipping toward August with no resolution in sight.”

- Los Angeles Times, July 28, 2010

The Present and Beyond: Long-Term Issues

- Maintain Student Access and Service Quality With Declining Resources
- Increasing Costs
- Cash Flow
- Structural Deficit
- Longer Term Financial Strategies & Solutions



Budget Development Calendar

Preliminary Budget Phase		Tentative Budget Phase		Budget Adoption Phase		FY 2011-12 Budget Cycle Begins		From Integrated Planning Process Calendar	
January		April		August		September		October	
15	Governor's expected release date of 2010-11 State budget proposal.	1	No purchases greater than \$25,000 to be processed after April 30.	26	FABPAC-Special Meeting during Flex-Cal, review of 2010-11 Proposed Adoption Budget.	1	Board Study Session: Workshop on 2010-11 Proposed Adoption Budgets. *	To Board & Campus Community: Staff & FABPAC develop 2011-12 Budget Development Calendar and distribute.	
20	FABPAC Meeting: Report of Governor's 2010-11 budget proposal.	10	Tentative Budget sent to Vice Presidents for review with Budget Managers.	12	Publication of legal notice.	15	Board Meeting: Public Hearing and Adoption of the 2010-11 Proposed Adoption Budget. *	November	
22	FY 2010-11 revenue & expenditure projections. Full-time salaries & benefits projected.	May		1	Close out all open item PO's by 6/30 to minimize "carry-over" charges.	From IPP: RG forwards all reasonable strategies to Shared Governance Council by October 1 of planning year.		November	
To Board: Mid-Year Financial Status Review		3	Budget Managers transmit corrections/adjustments to Fiscal Services for data entry (2nd submission).	17	FABPAC meeting: Review of Tentative 2010-11 General Fund budget in light of May Revise.	1	From IPP: Strategic proposals requiring funding will be forwarded to FABPAC by November 1 of planning year.		
February		7	Governor's May Revise expected release date.	June					
1	Position Budget Worksheets, budget worksheets, instructions and District Budget Assumptions distributed to Budget Managers.	12	Vice Presidents transmit budget changes & corrections to Fiscal Services for Tentative Budget (2nd submission).	2	Board Meeting: 2010-11 Tentative Budget presented for information.				
15	FROM Integrated Planning Process (IPP): FABPAC to provide budgeting recommendations & report the results to the Review Groups (RGs) and college community by Feb. 15 of planning year.	14	Draft Tentative Budget prepared for the SPC.	16	Board Meeting: 2010-11 Tentative Budget adopted by Board.				
15	Review early purchasing deadline for current fiscal year.	19	FABPAC meeting: Review of Tentative 2010-11 General Fund budget in light of May Revise.	July					
17	Budget Managers transmit position corrections/adjustments to Fiscal Services.	Publication Budget		2	Budget Managers transmit position corrections/adjustments to Fiscal Services (final submission).				
17-23	Vice Presidents review restricted & unrestricted funds with program budget managers and prepare preliminary budget projections.	9	Final budget worksheets returned to Vice Presidents for review with Budget Managers.						
17	FABPAC meeting: 2010-11 financial projections update.	16	Vice Presidents submit Final Budgets to Fiscal Services.						
26	Vice Presidents forward preliminary budget worksheets to Fiscal Services.								
March									
1	From IPP: The SPC (Supt/President & Cabinet) identify proposals to be implemented and report these to the campus community by March 1 of planning year.								
9	Present Preliminary 2010-11 General Fund Budget to the SPC.								
17	Present Preliminary 2010-11 General Fund Budget to the Governing Board.								

* - Dates in September are contingent on the State budget passage and could impact subsequent dates in the calendar.

QUESTIONS?

