

Budget Preparation

Each year, the Chancellor shall present to the Board a budget, prepared in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual. The schedule for presentation and review of budget proposals shall comply with state law and regulations, and provide adequate time for Board study.

Budget development shall meet the following criteria:

- The annual budget shall support the District's master and educational plans.
- Assumptions upon which the budget is based are presented to the Board for review.
- A schedule is provided to the Board by March of each year that includes dates for presentation of the tentative budget, required public hearing(s), Board study session(s), and approval of the final budget. At the public hearings, interested persons may appear and address the Board regarding the proposed budget or any item in the proposed budget.
- Unrestricted general reserves for economic uncertainty shall be no less than 6% of the District's annual budget exclusive of funds designated by the Board for special activities.
- Changes in the assumptions upon which the budget was based shall be reported to the Board in a timely manner.
- Budget projections address long-term goals and commitments.

See Administrative Regulation 6200

Reference: Education Code Section 70902(b)(5); Title 5 58300, et seq.

Adopted by the Governing Board: October 10, 1978; March 7, 2006

New Fiscal Reality

2011 – 2012 Funding Scenarios

	Adopted Budget FY 2010-11	League Projected Scenarios for 2011-12		
		Prop. 98 Funded Minimum Level (Tax Package Fails)	Prop. 98 Suspended (Tax Package Fails)	Best Case Scenario (Tax Package Passes)
Unrestricted General Fund				
Revenue				
State Apportionment	\$131,900,000	\$131,900,000	\$131,900,000	\$131,900,000
State Restoration of FTES Funding to Apportionment		\$3,035,000	\$3,035,000	\$3,035,000
State Reduction to Apportionment		(\$14,828,000)	(\$21,525,000)	(\$9,567,000)
State Increase in Student Fees		\$2,631,000	\$2,631,000	\$2,631,000
Other Miscellaneous Revenue	\$8,398,197	\$8,398,197	\$8,398,197	\$8,398,197
Total Revenue	\$140,298,197	\$131,136,197	\$124,439,197	\$136,397,197
Expenditures				
Certificated Salaries	\$67,704,249	\$67,704,249	\$67,704,249	\$67,704,249
Classified Salaries	\$28,368,425	\$28,368,425	\$28,368,425	\$28,368,425
Employee Benefits	\$28,927,776	\$28,927,776	\$28,927,776	\$28,927,776
Supplies and Materials	\$3,155,812	\$3,155,812	\$3,155,812	\$3,155,812
Other Operating Expenses	\$11,537,308	\$11,312,308	\$11,312,308	\$11,312,308
Capital Outlay	\$1,229,277	\$1,229,277	\$1,229,277	\$1,229,277
Other Outgo/Contingency	\$843,248	\$297,248	\$297,248	\$297,248
Total Expenditures	\$141,766,095	\$140,995,095	\$140,995,095	\$140,995,095
Revenues Over/(Under) Expenditures	(\$1,467,898)	(\$9,858,898)	(\$16,555,898)	(\$4,597,898)

Note:

Revenue assumes all misc. revenue remaining the same and no deficit to apportionment funding into 2011-12.

Expenditures have not been adjusted for property/liability insurance, CalSTRS or CalPERS increases, step/column increases or any other expenditure cost the District may need to consider increasing to operate.

New Fiscal Reality 2011 – 2012

Projected Annual Adjustments

	League Projected Scenarios for 2011-12		
	Prop. 98 Funded Minimum Level (Tax Package Fails)	Prop. 98 Suspended (Tax Package Fails)	Best Case Scenario (Tax Package Passes)
Projected Deficit	(\$9,858,898)	(\$16,555,898)	(\$4,597,898)
Other Revenue Increases	\$0	\$0	\$0
Projected Annual Expenditure Increases			
Step/Column Increases (All Employees)	\$1,200,000	\$1,200,000	\$1,200,000
CalPERS (0.5% Current Estimate)	\$130,000	\$130,000	\$130,000
Worker's Comp (Rate fixed thru 2011-12)	\$0	\$0	\$0
Total Annual Expenditure Increases	\$1,330,000	\$1,330,000	\$1,330,000
Revenues Over/(Under) Expenditures	(\$11,188,898)	(\$17,885,898)	(\$5,927,898)
Other Expenditure Considerations, but Not Estimated for this Presentation			
CalSTRS (No Indication of Change)	??	??	??
Property/Liability Insurance	??	??	??
Utilities	??	??	??
Other Expenses	??	??	??

ENROLLMENT MANAGEMENT
(Based on Community College League Projections)

SCCCD Projected FY 2010-11 FTES at 6.5% over CAP

Site	Credit		Non-Credit		Total FTES
	FTES	%	FTES	%	
FCC	17,839	62%	327	83%	18,166
RC	5,453	19%	63	16%	5,516
NC	5,372	19%	6	2%	5,378
Total	28,664	100%	396	100%	29,060

Funding per FTES	\$ 4,565	\$ 2,745	
FTES Funding	\$ 130,851,160	\$ 1,087,020	\$ 131,938,180
Impact of less than or equal to 10,000 FTES Threshold (RC/NC's)			\$ 553,591

of Students X # Hours per Week X 17.5 weeks per Semester Divided by 525 = FTES
 One Student X 15 Hours per Week X 17.5 weeks (one semester) Divided by 525 = 0.5 FTES
FTES= Full Time Equivalent Student

RECOMMENDATION

	#1	#2	#3
	<u>Min. Funding 98</u>	<u>98 Suspended</u>	<u>Best Case</u>
Apportionment Funding	\$ 131,900,000	\$ 131,900,000	\$ 131,900,000
Restoration	\$ 3,035,000	\$ 3,035,000	\$ 3,035,000
State Reduction to Apportionment	\$ (14,828,000)	\$ (21,525,000)	\$ (9,567,000)
State Increase in Student Fees	\$ 2,631,000	\$ 2,631,000	\$ 2,631,000
Total Apportionment Funding	\$ 122,738,000	\$ 116,041,000	\$ 127,999,000
College/Center (Base) Funding	\$ (11,071,818)	\$ (11,071,818)	\$ (11,071,818)
Apportionment Funding based on FTES	\$ 111,666,182	\$ 104,969,182	\$ 116,927,182
Non Credit FTES Funding	\$ (1,087,020)	\$ (1,087,020)	\$ (1,087,020)
Apportionment Funding (Credit FTES)	\$ 110,579,162	\$ 103,882,162	\$ 115,840,162
Credit FTES Rate	\$ 4,565	\$ 4,565	\$ 4,565
Projected Credit FTES CAP	24,223	22,756	25,376
Reduction Required (%)	15.49%	20.61%	11.47%
Reduction Required (Credit FTES)	4,441	5,908	3,288
1% Cushion (Credit FTES)	242	228	254

Reduction in Credit FTES Required

1% Over CAP	4,199	\$ 302,500	In Other Reductions
2% Over CAP	3,957	\$ 605,000	In Other Reductions
3% Over CAP	3,715	\$ 907,500	In Other Reductions
4% Over CAP	3,473	\$ 1,210,000	In Other Reductions

ENROLLMENT MANAGEMENT

(Based on Community College League Projections)

RECOMMENDATION

	#1 <u>Min. Funding 98</u>	#2 <u>98 Suspended</u>	#3 <u>Best Case</u>
4% Over CAP	25,191	23,668	26,392
Extra FTES served	968	912	1,016
Reduction Required	12.12%	17.43%	7.93%
FCC	15,686	14,741	16,430
RC	4,793	4,504	5,021
NC	4,712	4,423	4,941
Total	25,191	23,668	26,392

Reedley College

Credit FTES	9,505	8,927	9,962
NonCredit FTES	69	69	69
	9,574	8,996	10,031

5% Over CAP	25,433	23,896	26,646
Extra FTES served	1,210	1,145	1,270
Reduction Required	11.27%	16.63%	7.04%
FCC	15,836	14,883	16,588
RC	4,839	4,547	5,070
NC	4,758	4,466	4,988
Total	25,433	23,896	26,646

Reedley College

Credit FTES	9,597	9,013	10,058
NonCredit FTES	69	69	69
	9,666	9,082	10,127

RECOMMENDATION #1

		TARGET CREDIT FTES	REDUCTION CR FTES
Example	4% Over CAP CREDIT FTES	25,191	3,473
	Extra FTES served	968	
	Reduction Required (%)	12.12%	
	FCC	14,791	3,048
	RC/NC	10,400	425
	Total	25,191	3,473

		TARGET CREDIT FTES	REDUCTION CR FTES
Example	5% Over CAP CREDIT FTES	25,433	3,231
	Extra FTES served	1,210	
	Reduction Required (%)	11.27%	
	FCC	15,033	2,806
	RC/NC	10,400	425
	Total	25,433	3,231

**Student Access
Credit FTES and Funding
Recommendation #1**

Fiscal Year	Credit FTES Generated	Credit FTES Funded	Total FTES Unfunded	Percent Unfunded	Total FTES Funded Change	% Increase Funded FTES
2001-02	23,171.8	22,609.3	562.5	2.49%	862.0	3.97%
2002-03	24,541.4	23,395.5	1,145.9	4.90%	786.2	3.48%
2003-04	24,144.5	23,645.2	499.3	2.11%	249.7	1.07%
2004-05	25,483.4	25,483.4	0.0	0.00%	1,838.2	7.77%
2005-06	25,593.0	25,593.0	0.0	0.00%	109.6	0.43%
2006-07	25,522.3	25,593.0	stability	0.00%	(70.7)	-0.28%
2007-08	26,954.6	26,047.6	907.0	3.48%	454.6	1.78%
2008-09	29,131.1	27,135.3	1,995.8	7.35%	1,087.7	4.18%
2009-10 (Preliminary Recalculation)	31,119.1	26,253.1	4,866.0	18.53%	(882.2)	-3.25%
2010-11 Projected (Target FTES)*	28,664.0	26,917.9	1,746.1	6.49%	664.8	2.53%
2011-12 (at CAP)**	24,223.0	24,223.0	0.0	0.00%	(2,694.9)	-10.01%
2011-12 (1% over CAP)**	24,465.0	24,223.0	242.0	1.00%	(2,694.9)	-10.01%
2011-12 (2% over CAP)**	24,707.0	24,223.0	484.0	2.00%	(2,694.9)	-10.01%
2011-12 (3% over CAP)**	24,949.0	24,223.0	726.0	3.00%	(2,694.9)	-10.01%
2011-12 (4% over CAP)**	25,191.0	24,223.0	968.0	4.00%	(2,694.9)	-10.01%

* Assumes no mid year cuts and the District receives restoration of \$3.0 m

** Assumes Minimum funding for Prop 98 and the District has a workload reduction of \$12.2m

***Ending Balance Detail for FY 2009-10
Funds Designated for Economic Uncertainty***

Final Fund Balance 6/30/10	\$ 33,913,762
Lottery Funds	\$ (6,029,386)
Other Designation/Reserves	<u>\$ (428,528)</u>
Fund Balance without Lottery/Other Designations	\$ 27,455,848
Fund Balance Allocated to Colleges/Centers	\$ (10,205,640)
District Fund Balance	<u>\$ 17,250,208</u>
Percent Reserve is of General Fund Budget	16.42%

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Expenditures by Fiscal Year	\$ 174,796,924	\$ 171,479,918	\$ 167,213,392
Budgeted Expenditures			
Board Policy 6% Economic Uncertainty	\$ 10,487,815	\$ 10,288,795	\$ 10,032,804

SCCCD
Lottery Support for Operational Expenditures FY's 2009-10 and 2010-11

Fiscal Year Fund 11 Only	2009-10 Actuals		2009-10 Lottery Support	2010-11 Final Budget		2010-11 Lottery Support
		%			%	
Academic Salaries	\$ 68,071,207	49.0%		\$ 67,704,249	47.8%	
Classified Salaries	\$ 27,761,846	20.0%		\$ 28,368,425	20.0%	
Employee Benefits	\$ 26,481,435	19.1%		\$ 28,927,776	20.4%	
% Salaries and Benefits of Total			88.0%			88.2%
Supplies and Materials	\$ 2,282,617	1.6%	\$ 745,159	\$ 3,155,812	2.2%	\$ 875,153
Other Oper. Exp. & Services	\$ 11,703,989	8.4%	\$ 695,652	\$ 11,537,308	8.1%	\$ 668,247
Capital Outlay	\$ 1,863,490	1.3%	\$ 75,000	\$ 1,229,277	0.9%	\$ 406,624
Other Outgo	\$ 818,759	0.6%		\$ 843,248	0.6%	
% Operating Expenses			12.0%			11.8%
Total	\$ 138,983,343	100.0%	\$ 1,515,811	\$ 141,766,095	100.0%	\$ 1,950,024