



# 2012-13 Budget Update

---

Board of Trustees Meeting

October 2, 2012

# Tax Initiative Passes – Key Financial Changes

---

In Millions

	<u>Statewide</u>	<u>SCCCD</u>
No Workload Reduction	\$338.0	\$8.3
Restoration Funding	\$ 50.0	\$1.1
Buy Down Deferrals (Cash flow*)	\$159.9	\$4.7

\* Funding arrives from state sooner; not new money



# Pass/Fail Comparison

	Budget Tax Initiative <b>Fails</b>	Update Tax Initiative <b>Passes</b>	Difference
Apportionment P2	\$ 125,601,726	\$ 125,601,726	\$ -
Workload (Reduction)	(8,343,734)	-	8,343,734
Deficit .75%	(880,000)	<b>(942,000)</b>	(62,000)
Workload Restoration	-	<b>1,056,425</b>	1,056,425
Misc Income	4,700,000	<b>4,700,000</b>	-
Lottery Rev (Exp 3,950,000)	3,450,000	<b>3,450,000</b>	-
Parity Pay	581,380	<b>581,380</b>	-
Total Revenues	<b>\$ 125,109,372</b>	<b>\$ 134,447,531</b>	\$ 9,338,159
12-13 Final Budgeted Expenditures	131,873,380	<b>131,873,380</b>	-
Add back: Concession	6,000,000	<b>6,000,000</b>	-
Add back: Core Restructuring	3,400,000	<b>3,400,000</b>	-
Add'l't Cost to Cover Sch C FTES	-	<b>350,000</b>	350,000
Total Expenditures	<b>\$ 141,273,380</b>	<b>\$ 141,623,380</b>	\$ 350,000
Net Deficit	\$ (16,164,008)	\$ <b>(7,175,849)</b>	\$ 8,988,159
Core Restructuring	3,400,000		
Concessions*	6,000,000		
Reserves	6,764,008		
	<b>\$ 16,164,008</b>		

\* In Negotiations with SCFT, CSEA, & POA



# Enrollment Management - Credit FTES Target

---

	Final Budget Tax Initiative <b>Fails</b>	Budget Update Tax Initiative <b>Passes</b>
Funded (Cap) Cr FTES	23,064	24,888
Target Cr FTES	23,958	25,386
Target % Above Cap	3.88%	2%
Cr FTES Restoration Funding	None	232
<b>Total Cr FTES Target</b>	<b>23,958</b>	<b>25,618</b>
Small Summer Session	Yes	Yes



# Historical State Apportionment Funding

	<u>Appor- tionment Funding</u>	<u>Appor- tionment Deficit</u>	<u>Adj. Appt. Funding</u>	<u>Workload (Reduction) or Restoration</u>	<u>Funded Credit FTES</u>
2008-09*	\$ 136,470,850	\$ (1,623,837)	\$ 134,847,013		27,135
2009-10*	\$ 131,909,012	\$ -	\$ 131,909,012	\$ (4,561,838)	26,253
2010-11*	\$ 135,082,688	\$ (436,535)	\$ 134,646,153	\$ 3,173,676	26,928
2011-12**	\$ 125,601,726	<u>\$ (2,950,938)</u>	\$ 122,650,788	<u>\$ (9,480,962)</u>	24,888
	-7.96%	<u>\$ (5,011,310)</u>	-9.04%	<u>\$ (10,869,124)</u>	
<b>Total Loss in Funding since 2008-09</b>				<b>(13,820,062)</b>	
<b>Percentage Loss in Funding since 2008-09</b>				<b>-10.13%</b>	

\*Recalc report

\*\*P-2 report, actual Cr FTES is 25,299



# Historical State Apportionment Funding

In Millions



# Projected Additional Expenses

<b>Costs Category</b>	<b>Projected 2013-14</b>	<b>Projected 2014-15</b>	<b>Projected 2015-16</b>
Step & Column Increases	\$1,125,000	\$1,125,000	\$1,125,000
Pension Costs (PERS Only)*	\$ 150,000	\$ 100,000	\$ 100,000
Property & Liability Insurance	\$ 50,000	\$ 50,000	\$ 50,000
Utilities	Assumes no rate increases		
SUI Increases	Unknown based on experience rates		
Workers Comp Rate**	\$ 100,000	\$ 100,000	\$ 100,000
Retiree Health Benefits	\$ 50,000	\$ 50,000	\$ 50,000
Election Costs	\$ (250,000)	\$ 250,000	\$ (250,000)
<b>Total</b>	<b>\$1,225,000</b>	<b>\$1,675,000</b>	<b>\$1,175,000</b>
<b>Annual Increase</b>	<b>\$1.2m</b>	<b>\$1.7m</b>	<b>\$1.2m</b>
<b>Cumulative Effect</b>	<b>\$1.2m</b>	<b>\$2.9m</b>	<b>\$4.1m</b>

\*Pension Reform could change these estimates (excludes STRS)

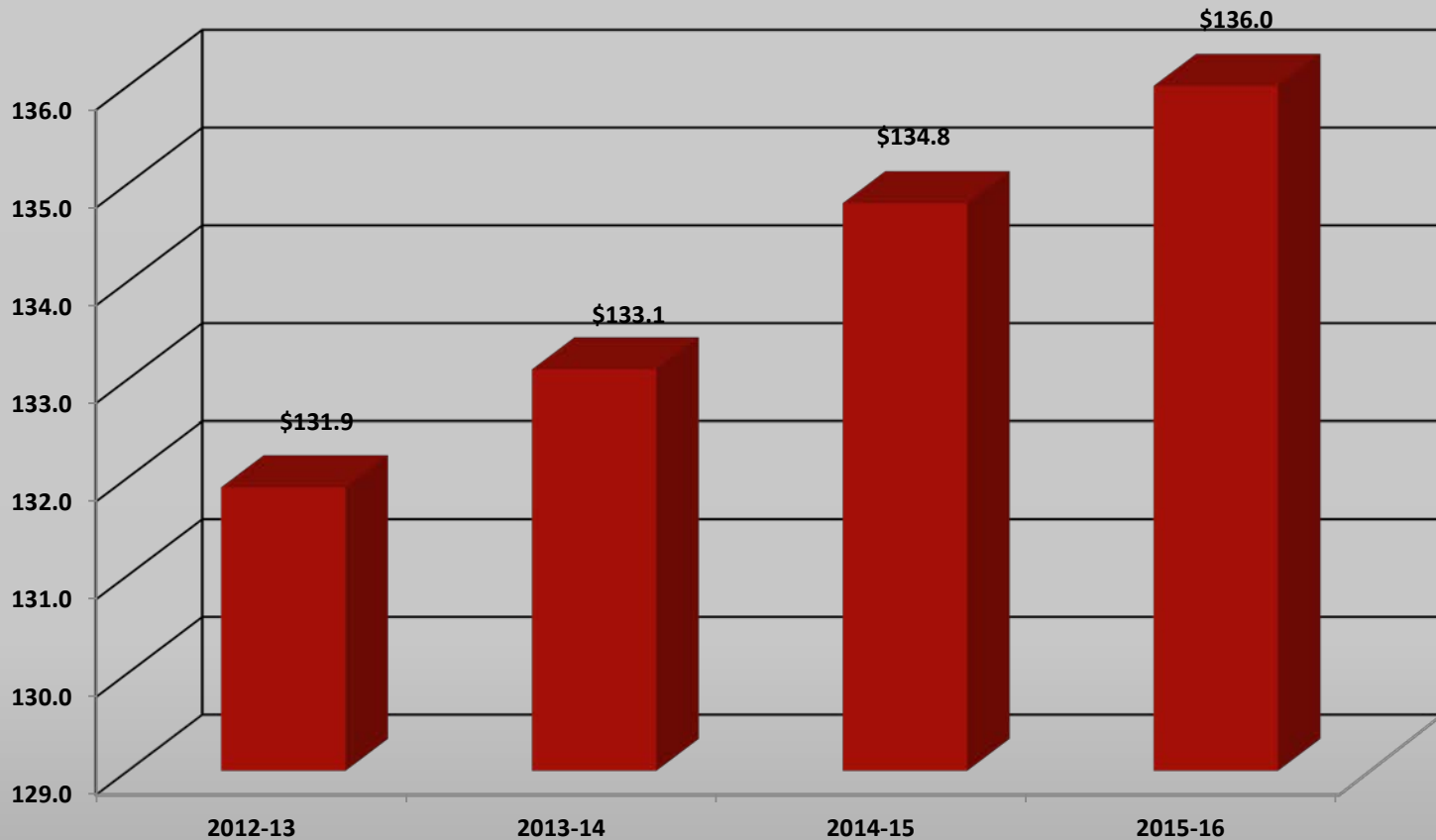
\*\*Trend currently is to provide more services for injuries while on the job under Gov. Brown

**(Additional/Incremental Costs)  
On-Going Structural Deficit regardless  
of State funding  
This does not address prior year  
budget deficit**



# Projected Expenses

In Millions





# Questions?

---