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State Center Community College District  
Districtwide Manager's Meeting  
March 15, 2012

# 2011-12 Budget Update

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- Adopted Budget for 2011-12 includes a use of reserves of \$4,934,747.
- \$2,525,000-Mid-Year Trigger Cuts  
\$1,583,800 came from various savings and \$941,200 is from campus reserves.
- The latest challenge for this year is the unanticipated funding deficit of \$149m statewide which amounts to \$3,550,000 for SCCCD.

# 2011-12 Budget Update

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Two major components make up the \$149m statewide deficit:

1. Overestimated student enrollment fees  
and
2. Overestimated property taxes

# Projected 2012-13 Fiscal Impact

	Tax Initiative <b>FAILS</b>	Tax Initiative <b>PASSES</b>
<b>REVENUES:</b>		
State Apportionment	119,225,000	125,600,000
State Budget Deficit (est. 0.75%)	(900,000)	(942,000)
Misc. Revenue	3,750,000	3,750,000
Total Projected Revenues	122,075,000	128,408,000
<b>EXPENDITURES:</b>		
2011-12 Budget (Fund 11 Only)	140,087,714	140,087,714
Lottery Unrestricted Portion	(4,129,028)	(4,129,028)
Parity Pay	(581,380)	(581,380)
Revised 2011-12 Expenditures	135,377,306	135,377,306
2012-13 Step & Column Increases	1,100,000	1,100,000
Total Projected Expenditures	136,477,306	136,477,306
(Shortfall)/Surplus	<b>(14,402,306)</b>	<b>(8,069,306)</b>
Estimated Costs Increases	<b>(1,150,000)</b>	<b>(1,150,000)</b>
Revised Estimated Total (Shortfall)/Surplus	<b>(15,552,306)</b>	<b>(9,219,306)</b>
Funded Cap (FTES)	23,511	24,908

# State Apportionment Revenues & Impact on Funded Cap

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2012-13	Tax Initiative Fails
State Apportionment (5.56% workload Reduction)	\$ 119,225,000
Base Allocation (Colleges & Centers)	\$ (11,071,818)
2012-13 Advance Apportionment FTES Based	\$ 108,153,182
Assumption: 300 Non-Credit FTES	\$ (825,000)
Subtotal	\$ 107,328,182
Amount Paid per Credit FTES	\$ 4,565
Estimated 2012-13 Credit FTES Funded Cap	23,511

2012-13	Tax Initiative Passes
State Apportionment	\$ 125,600,000
Base Allocation (Colleges & Centers)	\$ (11,071,818)
2012-13 Advance Apportionment FTES Based	\$ 114,528,182
Assumption: 300 Non-Credit FTES	\$ (825,000)
Subtotal	\$ 113,703,182
Amount Paid per Credit FTES	\$ 4,565
Estimated 2012-13 Credit FTES Funded Cap	24,908

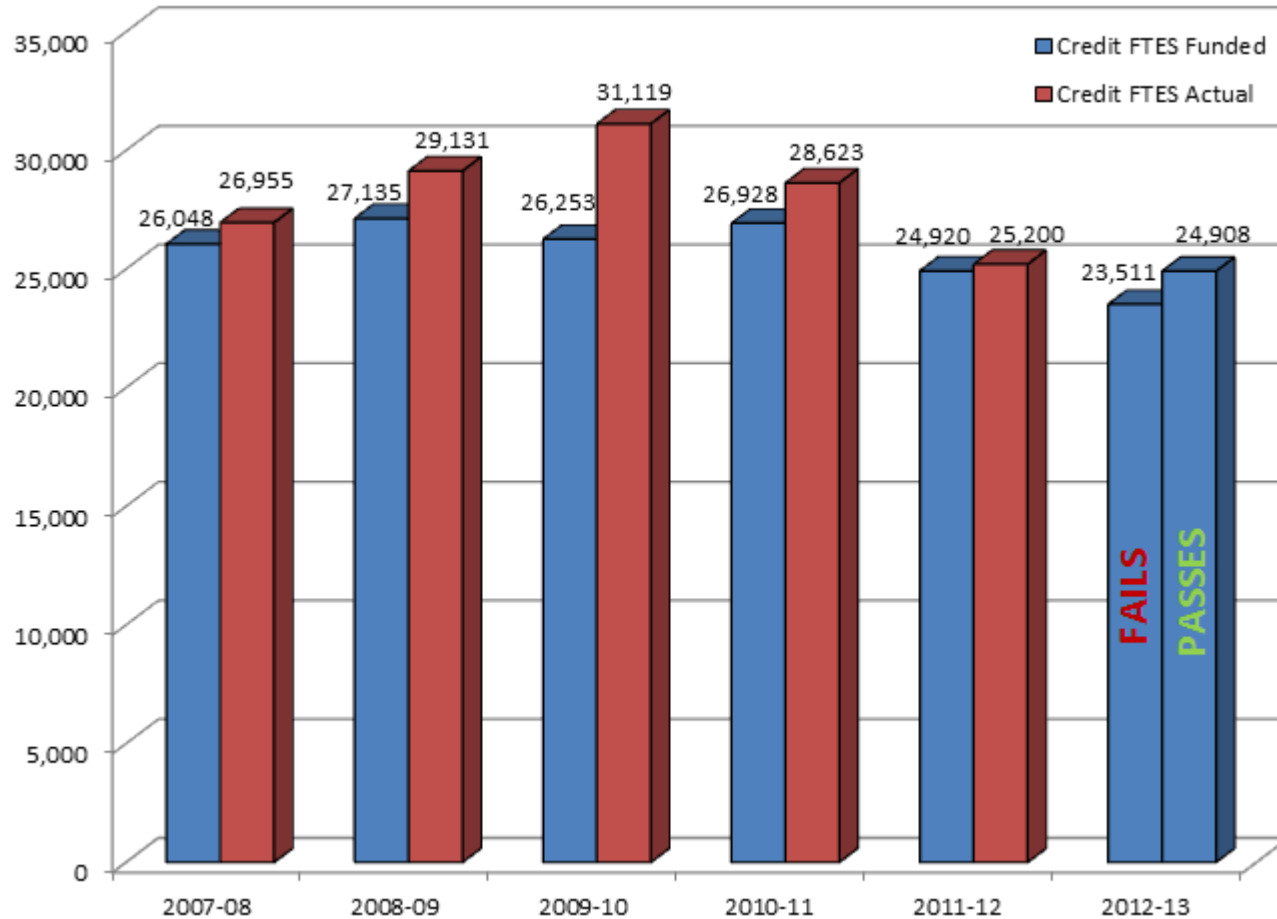
# November Tax Initiatives

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	<u>Sales Taxes</u>	<u>Personal Income Taxes</u>	<u>Sponsor</u>	<u>Revenue to Community Colleges</u>
<b>Governor's</b>	0.5% for 4 years (1/1/13 to 12/31/16)	>\$250k for 5 years (1/1/12 to 12/31/16)	CTA	89% K-12 & 11% CC 2012-13 \$4.8b -6.9b 2013-2016 \$5.5b-\$6.9b 2016-17 \$3.1b-\$3.4b
<b>Millionaire's</b>	N/A	3% >\$1m, 5% >\$2m Indiv. filer Permanent increase	CFT	24% for Colleges & Universities 2012-13 \$6b-\$9.5b 2013-14 \$4-\$6b
<b>Compromise</b>	0.25% for 4 years (1/1/13 to 12/31/16)	1% >\$250k, 2% >\$300k, & 3% >\$500k indiv. filer 7 Years (1/1/12 to 12/31/18)		89% K-12 & 11% CC 2012-13 \$9b Subsequent yrs \$7.1b
<b>Molly Munger's</b>	N/A	Increase state income tax rates for most Californians for 12 yrs unless voters reauthorize	PTA	\$0 (85% K-12 & 15% Preschool and Child Care) \$10b per year

# History of Funded & Actual Credit FTES

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# Status of Reserves

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Reserves 6/30/11		\$ 41,314,383
Use of Reserves:		
Balance Budget 2011-12	\$ (4,934,747)	
2011-12 Mid-Year Reduction Plan	\$ (941,200)	\$ (5,875,947)
		<u>                    </u>
<b>Projected Reserves 6/30/12</b>		<u><u>\$ 35,438,436</u></u>

## **P-1 State Apportionment (2/16/12)**

### **2011-12 Deficits (One-Time)\***

Enrollment Fee Overestimate (DOF)	\$ 2,500,000
Property Tax Overestimate (DOF)	\$ 750,000
State Structural Deficit	\$ 300,000
	<u>                    </u>
	<u><u>\$ 3,550,000</u></u>



# Overview of Key Fiscal Factors

Year	State Appt Funding	Deficit	Deferral	Use of Reserves	Funded CR FTES Cap
2007-08 (Recalc)	\$ 131,205,819	\$ (482,450)	\$5.6m	-	26,048
2008-09( Recalc)	\$ 136,470,850	\$ (1,623,837)	\$15.8m	-	27,135
2009-10 (Recalc)	\$ 131,909,012	\$ -	\$19.8m	-	26,253
2010-11 (Recalc)	\$ 135,082,688	\$ (435,535)	\$23.9m	-	26,928
2011-12 (P-1)	\$ 125,610,986	\$ (4,294,947)	\$27.0m	\$5.9m	24,920
2012-13 (Gov's Jan. Budget) <b>Fails</b>	\$ 119,225,000	?	\$27.0m		23,511
2012-13 (Gov's Jan. Budget) <b>Passes</b>	\$ 125,600,000	?	\$21.0m		24,908
Trend	<b>Declining</b>	<b>Increasing</b>	<b>Increasing</b>	<b>Increasing</b>	<b>Decreasing</b>

# 2012-13 Proposed Budget Guiding Principles for Budget Development

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Align Programs, Services, and Staffing to Core Mission  
(Career Technical Education, Transfer, Basic Skills)

Focus on Student Completion

Managed Student Enrollment

Maintain Financial Stability

Maximize Operational Efficiencies

# Questions?

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