



# STATE BUDGET 2012-13

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State Center Community College District

Board of Trustees Meeting

February 7, 2012

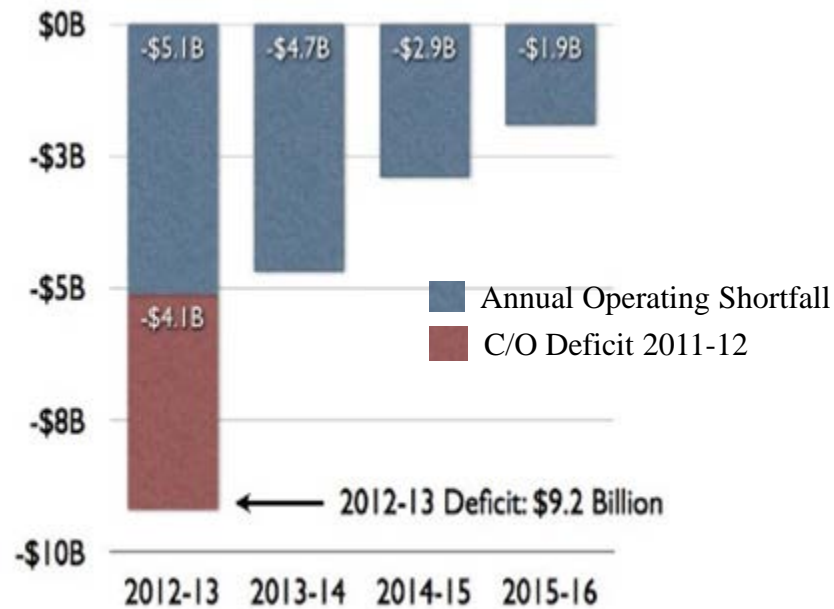
# Governor's 2012-13 State Budget Assumptions

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- \$9.2B Shortfall
- \$6.9B in Increased Revenues
- \$4.2B in Reductions to Programs/Services
- \$1.1B Reserve Fund
- Tax Initiative Proposal **Passes**
- Potential Trigger Cuts in January 2013 if Tax Initiative **Fails**

# 2012-13 State Budget

Years of deep reductions have reduced deficit:



# Governor's Tax Proposal

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Governor plans to collect signatures for an initiative to temporarily increase taxes:

- On the November 6, 2012 ballot
- Simple majority required
- Raises sales tax by 0.5% from January 1, 2013 through December 31, 2016
- Raises personal income taxes on individuals  $>$  \$250,000 from 2012 through 2016 tax years



# Community College Scenarios

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PASS



*Scenario A*

- ◆ \$218 million "deferral buy-back"
- ◆ \$12.5 million mandates block grant

FAIL

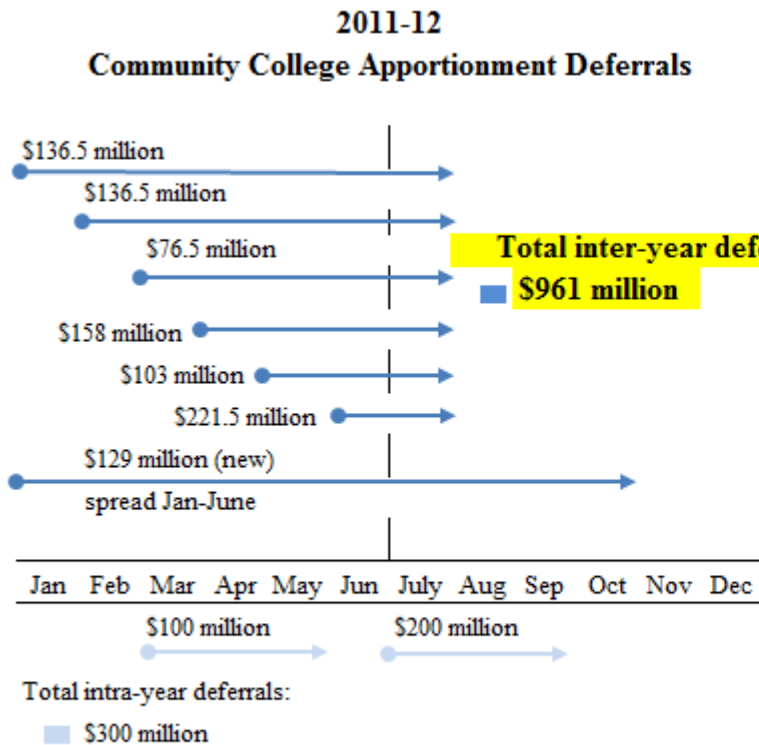


*Scenario B*

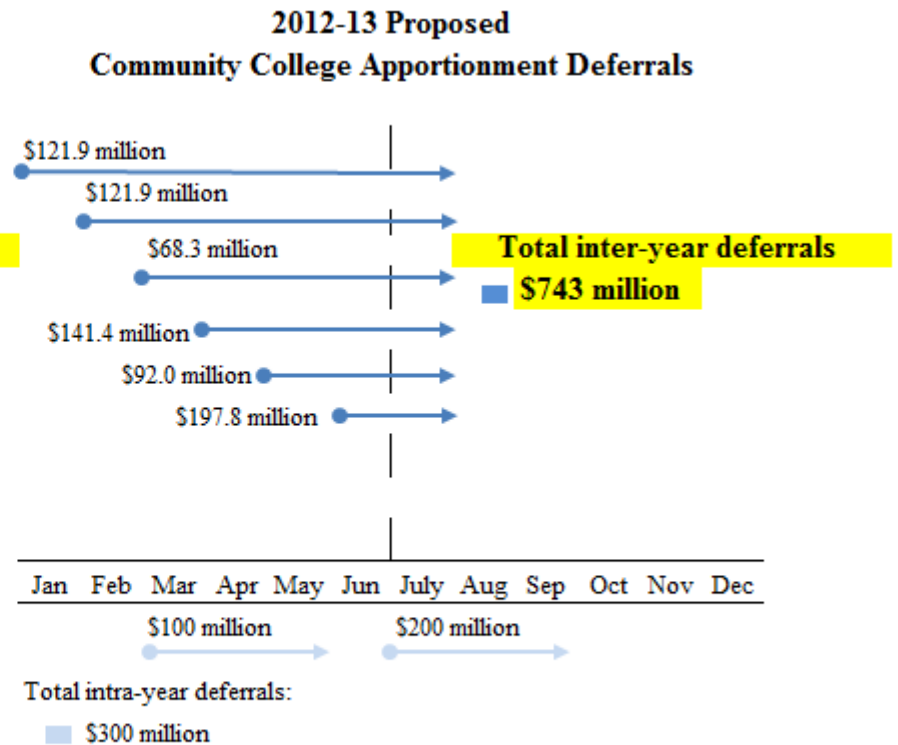
- ◆ \$264 million base cut, workload reduction of 5.56%
- ◆ no Scenario A augmentations

Categorical Consolidation Both Scenarios  
\$411.6 million

# Deferral "Buyback"



Community College League of CA 2011-01-11



Community College League of CA 2012-01-11



# Categorical Flexibility

Basic Skills
Student Financial Aid Admin
EOPS
CalWorks
Matriculation
Academic Senate
Equal Employment Opportunity
Part-time Faculty Health Insurance
Part-time Faculty Compensation
Part-time Faculty Office Hours
Fund for Student Success
Economic Development
Transfer Education and Articulation
Child Care Tax Bailout
Nursing
Disabled Students
Foster Care Education
Telecommunications and Technology

15 categorical programs would be made flexible, to be used for any categorical or "student service" purpose

3 categorical programs would be restricted to current use

# Budget Risks

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- Tax measure is political, uncertain, and costly
- Tax measure may not yield full \$6.9B (LAO estimates only \$4.8B)
- Planning will be difficult. Workload reduction of 5.56% will be decided in November
- Student fee shortfall with more BOG waivers
- Property tax shortfall, particularly in light of redevelopment projections/uncertainty

