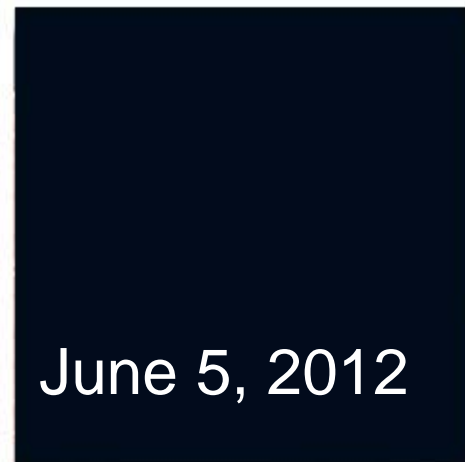
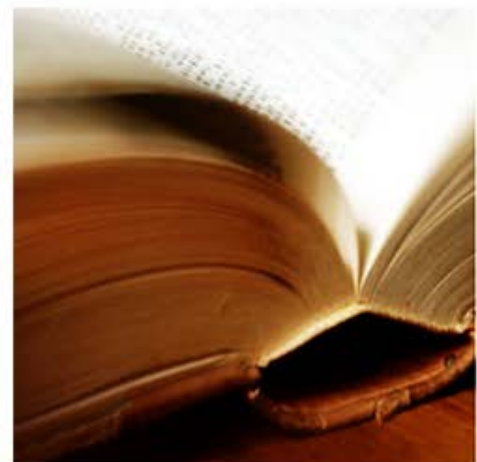
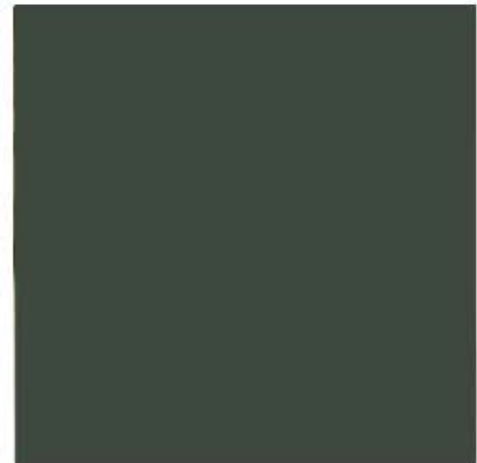


State Center Community College District 2012-13 Tentative Budget



2011-12 Budget Update

- 2011-12 Adopted Budget (\$4.9M Deficit)

- \$7.7 M – Workload Reduction
- \$2.3M – Annual permanent increases (SUI, PERS, Step/Col)

- December 2011 - \$2,525,000 Mid-Year Trigger Cuts

- \$4B in anticipated state revenues did not materialize
- \$1,775,000 Permanent Reduction in Funding
- \$750,000 1-time deficit impact – shortage enrollment fees

- February 2012 - \$3,550,000 unanticipated deficit

- \$149M statewide shortfall – enrollment fees and property taxes
- \$3.55M 1-time deficit impact for fiscal year

- **May Revise Update**

- \$50M statewide – San Mateo CCD became a Basic Aid District
 - \$1.15M improvement in projected deficit to SCCCD
- \$116M projected revenue – closure of RDAs
 - Governor redirecting revenue to other programs
 - Shortfall – deficit to community colleges

2011-12 Budget Update

Est. Impacts of Gov's Jan. Budget & Gov's May Revise

	<u>Gov's Jan. Budget 2011-12</u>	<u>Gov's May Revise 2011-12</u>	
2011-12 Adopted Budget	(\$4,934,747)	(\$4,934,747)	SCCCD Impact
Jan 2012 Mid Year Trigger Cuts	\$2,525,000	\$2,525,000	SCCCD Impact
February "Surprise" 2012	\$3,550,000	\$2,400,000	SCCCD Impact
RDA	\$146.9 m	\$116.1 m	System Impact
	Unknown	\$2,784,000	SCCCD Impact

Source: CCLC & CCCCCO

2012-13 Budget Development

Board of Trustees – Guiding Principles

- **Align Programs, Services, and Staffing to Core Mission**
 - Basic Skills
 - Career Technical Education
 - Transfer
- **Focus on Student Completion**
- **Managed Student Enrollment**
- **Maintain Financial Stability**
- **Maximize Operational Efficiencies**

2012-13 Tentative Budget Proposal

Estimated General Fund Resources**	\$	121.7M
2011-12 Budgeted Expenditures	\$	(134.7M)
Budget Adjustments (SUI, PERS, Step/Column)	\$	(1.3M)
Estimated Deficit	\$	<u>(14.3M)</u>
Tentative Budget Proposal to Balance:		
Core Restructing	\$	(3.4M)
Concessions	\$	(6.0M)
Use of Reserves	\$	(4.9M)

****Assumes Tax Initiative Fails (\$6.4M reduction)**

2012-13 Budget – May Revise

- **May 2012 – Governor’s May Revise**
 - \$9.2 Billion statewide shortfall has grown to \$15.7 Billion
 - Tax Initiative Fails - \$5.5 Billion reduction K-14 Education
 - Community College System could lose \$600M if initiative fails
 - \$313M deferral buy-back / \$287M workload reductions
 - Additional \$676,000 reduction to SCCCD (May Revise)
 - Governor is betting on
 - Tax Initiative, RDA revenues, Facebook IPO

November Tax Initiatives

Est. Impacts of Gov's Jan. Budget & Gov's May Revise

	Gov's Jan. Budget	Gov's May Revise
	2012-13	2012-13
FY 2011-12	\$4.1 B	\$7.6 B
FY 2012-13	\$5.1 B	\$8.1 B
Total Shortfall	\$9.2 B	\$15.7 B
Solution:		
Additional Revenues	\$6.9 B	\$5.9 B
Reductions (Programs/Services)	\$4.2 B	\$8.3 B
Other Loans & Transfers		\$2.5 B
Budget Reserve	(\$1.0 B)	(\$1.0 B)
Total	\$10.1 B	\$15.7 B

November Tax Initiatives

Deferral Buy-Down	\$218 m Unknown	\$313 m Unknown	System Impact SCCCD Impact
Workload Reduction	\$264 m \$6,374,309	\$286.5 m \$7,050,170	System Impact SCCCD Impact
Consolidated Categorical Block Grant	\$411.6 m Unknown	\$411.6 m Unknown	System Impact SCCCD Impact
RDA	\$150.6 m Unknown	\$341.2 m* \$8,391,000	System Impact SCCCD Impact
State Mandate Block Grant	\$12.5 m Unknown	\$33.4 m 28/FTES	System Impact SCCCD Impact

* \$140.3 m on-going + \$200.9 m one-time
Source: CCLC & CCCCCO

Status of Reserves

Reserves Balance 6/30/11

\$ 41,314,383

Adjustments to Reserves FY 2011-12

2011-12 Budget Use of Reserves \$ (4,934,747)

2011-12 Lottery Decision Package \$ (4,129,028)

Mid-Year Reduction Plan (Trigger Cuts) \$ (941,200)

February Surprise (shortfall in enrollment fees & property taxes) \$ (760,000)

2011-12 Lottery Revenues \$ 3,450,000

Total Adjustments to Reserves FY 2011-12 \$ (7,314,975)

Adjustment to Reserves FY 2012-13

2012-13 Lottery Decision Package \$ (3,950,000)

Proposed Use of Reserves 2012-13 Budget \$ (4,900,000)

Estimated 2012-13 Lottery Revenue \$ 2,800,000

Total Estimated Adjustments to Reserves FY 2012-13 \$ (6,050,000)

Projected Balance of Reserves

\$ 27,949,408

Questions?

