



Chabot-Las Positas Community College District

Presentation on the Governor's
January Budget Proposal – Las Positas College
Town Hall Meeting

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Presentation Summary

- Governor's Budget message
- Impact on Current Year 2007-08
- Impact on Budget Year 2008-09
- Looking Ahead
 - State Budget Process
 - Maximize District Revenues
 - District direction for 07/08 and 08/09
- Avoiding Pitfalls in an Economic Downtown
- Sound Fiscal Management – Checklist



Governor's Budget Message

- On the heels of his State of the State Address, Governor Schwarzenegger indicated:
 - California faces a budget shortfall of \$14.5 billion
 - “California does not have a revenue problem, it has a spending problem”
 - Across the board reductions and no tax increases
 - Declaration of a fiscal emergency under the provisions of Proposition 58 (2004)
- For 07/08, Proposition 98 is over-appropriated by \$1.4 billion
- For 08/09, Proposition 98 is suspended, allowing the Governor to fund Prop 98 below statutory provisions



Impact on Current Year 2007-08

- State Impact (Proposition 98) \$400 million
- K-12 Education \$360 million
- California Community Colleges \$40 million
- Chabot – Las Positas CCD \$598,000

The Administration and CCC are committed to identifying unspent funds and other one-time savings to backfill the \$40 million.



Impact on Budget Year 2008-09

- State Impact (Proposition 98) \$4 billion
- California Community Colleges \$484 million
- Chabot - Las Positas CCD
 - General Apportionment, zero (0.0%) COLA (Statutory COLA estimated at 4.94%) \$4.2 million
Note: the budget proposal contains a workload budget increase of 4.94% and then immediately rescinded as part of budget reductions
 - Reduction in Enrollment Growth \$1.4 million
 - Cuts in Categorical Programs \$484,000
 - Deferral Mechanism – defer June 2008 apportionment payment to September 2008 (cash flow issue)



Looking Ahead

- Continue to communicate budget developments
 - Governor's May Revision
 - State Budget Adoption
- Continue to advocate for CLPCCD and CCC
- Contact Key Legislators
 - Governor
 - Senate – Peralta, Torlakson
 - Assembly – Corbett, Hayashi



Looking Ahead (cont'd)

- Continue to seek ways to maximize District Revenue
 - Rollback of 700 FTES to 2006-07 Fiscal Year
 - \$80 million of growth funding left “on the table” for districts
 - Practice of Rollback is common statewide
 - Rollback generated approximately \$3.0 million
 - For 2007-08
 - No mid-year cuts




Looking Ahead (cont'd)

- For 2008-09
 - Protect our employees
 - The District will continue to be committed to
 - Fund the schedule to serve targeted 17,465 FTES
 - Provide step & column salary increases
 - Provide benefits
 - Maintain adequate level of operations, utilities, insurance, etc.
 - Address impact of cuts to categorical programs
 - Maintain a prudent reserve



California Community Colleges Sound Fiscal Management Self-Assessment Checklist

1. **Deficit Spending** – Is this area acceptable? **Yes / No**
2. **Fund Balance** – Is this area acceptable? **Yes / No**
3. **Enrollment** – Is this area acceptable? **Yes / No**
4. **Unrestricted General Fund Balance** – Is this area acceptable? **Yes / No**
5. **Cash Flow Borrowing** – Is this area acceptable? **Yes / No**
6. **Bargaining Agreements** – Is this area acceptable? **Yes / No**
7. **Unrestricted General Fund Staffing** – Is this area acceptable? **Yes / No**



California Community Colleges Sound Fiscal Management Self-Assessment Checklist– *(cont'd)*

8. **Internal Controls** – Is this area acceptable? **Yes / No**
9. **Management Information Systems** – Is this area acceptable? **Yes / No**
10. **Position Control** – Is this area acceptable? **Yes / No**
11. **Budget Monitoring** – Is this area acceptable? **Yes / No**
12. **Retiree Health Benefits** – Is this area acceptable? **Yes / No**
13. **Leadership/Stability** – Is this area acceptable? **Yes / No**
14. **District Liability** – Is this area acceptable? **Yes / No**
15. **Reporting** – Is this area acceptable? **Yes / No**