



# Chabot-Las Positas Community College District

2009-10 Budget

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September 1, 2009



# Presentation Summary

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## Governor's Budget Package July 28, 2009

- Chronology of Events
- Two Other Significant Factors
  - Enrollment
  - Employee Compensation
- Budget Summary
  - Source of Funds/Use of Funds
  - General Fund
  - Chabot College
  - Las Positas College
  - Other District Funds
- Proposed Budget Cuts
- Looking Ahead



## Governor's Budget Package July 28, 2009

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- September 23, 2008 – Fiscal Year 2008-09 Budget signed into law already \$1.1 billion out of balance
- November 2008 – Budget shortfall for 2008-09 grown to \$11.2 billion and the Governor projected \$13 billion shortfall for FY2009-10
- December 2008 – Governor and Legislators in debates, budget ballooned to \$41.6 billion
- January 2009 – Governor released the 2009-10 budget proposal
- February 2009 – Budget bill was signed into law and proclaimed earliest in history of California
- May 2009 – Special Election, all propositions failed, except for 1F



## Governor's Budget Package July 28, 2009 - *continued*

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- June 2009 – Governor released May Revision with cuts, and district had concrete numbers to develop the budget
- June 23, 2009 – CLPCCD submitted the Tentative Budget
- July 28, 2009 – Governor signed trailer bills addressing \$24 billion budget deficit. CLPCCD develops budget based on Governor's budget package



## Summary of July 28, 2009 Budget Package as it Relates to Community Colleges

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- Student Fee increased from \$20 to \$26
- Estimated \$130 million fund allocation from American Recovery and Reinvestment Act
- Elimination of all growth funds
- No COLA
- \$333 million cuts to categorical programs - one time backfill using federal ARRA funds
- \$120 million reduction to general fund in lieu of reduction to PE funding rates
- \$53 million property tax shortfall



## Summary of July 28, 2009 Budget Package as it Relates to Community Colleges - *continued*

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- \$21 million student fee shortfall
- Language authorizing State Chancellor to reduce base workload
- Language authorizing districts to transfer certain categorical funds



## Summary of July 28, 2009 Budget Package as it Relates to Chabot-Las Positas Community College District - *continued*

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- \$3.37 million adjusted reduction to unrestricted funds for 2009-10 budget
- \$1.90 million adjusted reduction to categorical funds for 2009-10 budget

### Potential challenges threatening the budget:

- Less than 50% of the \$130 million from the ARRA funds projected by the Systems Office formula
- Mid-Year-Cuts – Result of less than projected state revenue and local property taxes
- Workload Reductions – Further reductions in apportionments and too late into the school year to adjust schedule

## Significant Factors: Full Time Equivalent Student Enrollment

Enrollment (Credit & Non Credit)	Chabot College	Las Positas College	Total	Growth Percentage
2006-0007	10,062	6,638	16,700	1.0%
2006-0007 Adjusted	10,312	7,088	17,401	5.2%
2007-2008	10,063	7,001	17,064	1.9%
2007-2008 Adjusted	10,358	7,143	17,501	0.6%
2008-2009	10,533	6,590	17,123	-2.16%
2009-2010	10,414	7,305	17,719	3.48%



## Significant Factors: Employee Compensation

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<u>Salaries and Benefits</u>	<u>Percentages</u>
Cost of living adjustment	0.0%
State Teachers Retirement System	8.25%
Public Employees Retirement System	9.70%
OASDHI (Social Security)	6.20%
Medicare	1.45%
State Unemployment Insurance	0.30%
Workers Compensation	1.22%
STRS Cash Balance Plan (Hourly Academic)	4.00%
Alternate Retirement System (Hourly Non Academic)	3.75%



## Significant Factors: Employee Compensation – *Continued*

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- Step/column and longevity increases are including in the compensation expenditures
- Health and Welfare benefits (medical, dental, life insurance, vision) are budgeted at an average cost per employee. Medical premiums cost have increased on average by 10.8% over 2008 – 2009
- Retiree Health Benefits budget of \$3,986,374

# District Health Benefit Costs

<b>Plan</b>	<b>Employee Only</b>	<b>Employee + 1</b>	<b>Family</b>
Kaiser	490.07	980.14	1,470.20
Blue Cross HMO	651.14	1,301.03	2,148.63
Blue Cross PPO	975.10	1,950.53	3,218.31
Delta Dental	61.55	123.10	181.57
Vision Service Plan	13.65	27.29	40.95
Anthem Blue Cross Life and AD&D	21.00 Approximate	N/A	N/A
<b>Cost to Employee</b>	<b>Employee Only</b>	<b>Employee + 1</b>	<b>Family</b>
Kaiser	-0-	-0-	-0-
Blue Cross HMO	-0-	-0-	-0-
Blue Cross PPO	323.96	649.50	1,069.68

## Adjunct Faculty Kaiser Rates – Cost to Employee

<b>Plan</b>	<b>Employee Only</b>	<b>Employee + 1</b>	<b>Family</b>
Kaiser	245.04	490.07	735.10



## Budget Expenditure Reductions

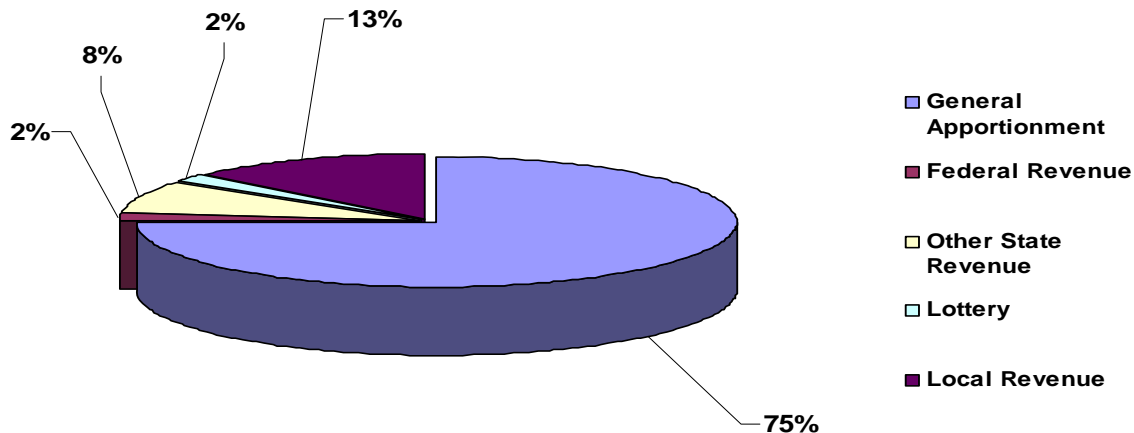
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	<u>Unrestricted</u>	<u>Restricted</u>
Chabot College	\$1,914,043	\$1,030,945
Las Positas College	\$1,094,043	\$ 614,757
District Office and M&O	<u>\$1,356,131</u>	<u>\$ 251,897</u>
Totals	\$4,364,217	\$1,897,599

# Source of Funds

The District derives revenues from a number of sources as shown below. The major sources of revenue are:

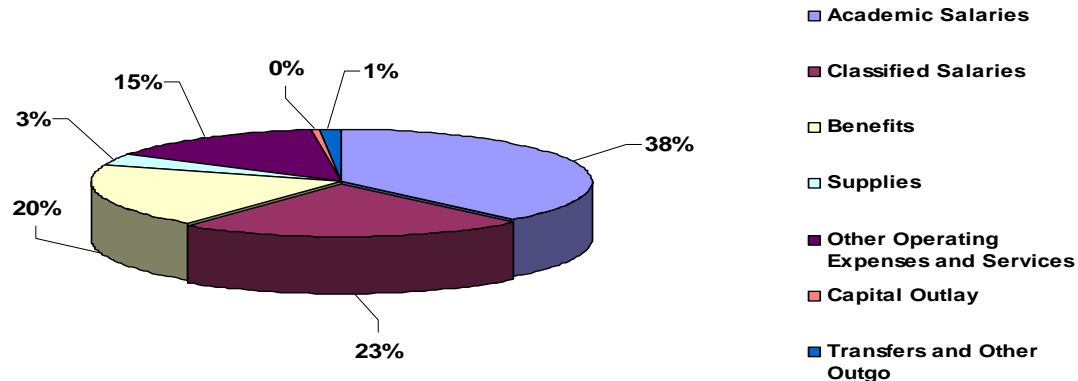
General Apportionment (State General Fund, Property Taxes, Equalization, and Enrollment Fees)	\$86,389,771
Federal Revenue	2,123,379
Other State Revenue	9,581,007
Lottery	2,140,375
Local (Other)	11,065,480
<b>Total</b>	<b>\$115,322,651</b>



# Use of Funds

The District's major expense categories are shown below. Salaries and benefits make up the District's (unrestricted) expenditures.

Academic Salaries	\$45,414,153
Classified Salaries	27,174,998
Benefits	23,652,903
Supplies	4,067,184
Other Operating Expenses and Services	17,165,759
Capital Outlay	481,690
Transfers and Other Outgo	1,685,188
<b>Total</b>	<b>\$119,641,875</b>



## General Fund (Unrestricted and Restricted)

Total Revenues	\$111,210,296
Total Expenditures	114,685,303
Increase/(Decrease) in Fund Balance	(3,475,007)
Beginning Balance	14,619,565
Ending Balance	\$11,144,557
<u>Components of Ending Balance</u>	
General Reserve for Economic Uncertainties	4,991,192
Other Reserves: Sabbatical; Legal; Adjunct, RDA	683,626
Restoration Apportionment Reserve	1,568,565
Restricted Accounts Ending Balance	3,512,443
Undesignated Ending Balance	388,732

## Chabot College (Unrestricted and Restricted)

Total Revenues	\$50,845,833
Total Expenditures	50,747,029
Increase/(Decrease) in Fund Balance	98,804
Beginning Balance	2,478,301
Ending Balance	\$2,577,105

## Las Positas College (Unrestricted and Restricted)

Total Revenues	\$30,954,299
Total Expenditures	32,512,788
Increase/(Decrease) in Fund Balance	107,205
Beginning Balance	754,562
Ending Balance	\$861,767

## Self Insurance Fund

Total Revenues	\$4,541,374
Total Expenditures	3,986,374
Increase/(Decrease) in Fund Balance	555,000
Beginning Balance	2,690,413
Ending Balance	\$3,245,413

## Cafeteria Fund

Total Revenues	\$28,030
Total Expenditures	42,903
Increase/(Decrease) in Fund Balance	(14,873)
Beginning Balance	44,186
Ending Balance	\$29,313

## Child Development Fund

Total Revenues	\$1,990,431
Total Expenditures	1,990,431
Increase/(Decrease) in Fund Balance	-0-
Beginning Balance	-0-
Ending Balance	-0-

## Capital Outlay Projects Fund

Total Revenues	\$ 816,485
Total Expenditures	898,562
Increase/(Decrease) in Fund Balance	(82,077)
Beginning Balance	2,874,385
Ending Balance	\$2,792,308

## Property Sale Fund

Total Revenues	\$75,000
Total Expenditures	996,121
Increase/(Decrease) in Fund Balance	(921,121)
Beginning Balance	3,778,236
Ending Balance	\$2,857,116

## Measure B Fund

Total Revenues	\$29,600,000
Total Expenditures	130,946,140
Increase/(Decrease) in Fund Balance	(101,346,140)
Beginning Balance	378,126,076
Ending Balance	\$276,779,936



# California Community Colleges Sound Fiscal Management Self-Assessment Checklist

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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 – *Continued*

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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**



## Looking Ahead

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- Property Tax Shortfall
- Mid-Year Cuts
- Deeper Cuts in 2009-10
- Workload Measures
- Structural Deficit