

Chabot-Las Positas Community College District



Budget in Brief Summary of the Governor's January Budget Proposal for Fiscal Year 2011-12

Chabot College Townhall Meeting

February 8, 2011

*Lorenzo Legaspi
Vice Chancellor
Business Services*



Estimated \$25.4 billion shortfall

- \$8.2 billion in 2010-11
- \$17.2 billion in 2011-12
- Long-term \$20 billion structural shortfall



Proposed Solutions

- \$12.5 billion in spending reductions
- \$12 billion in revenue extensions and modifications
- \$1.9 billion in other solutions
- \$1 billion reserve



Widespread Cuts

- \$1.7 billion to Medi-Cal
- \$1.5 billion to CalWORKs
- \$750 million to Department of Developmental Services
- \$500 million to the University of California
- \$500 million to California State University
- \$308 million to state employee compensation
- \$200 million from reorganizations, consolidations and other efficiencies



Proposition 98 Cuts

- Child Care \$750 million
- Community Colleges \$400 million cut
\$129 million deferral
- K-12 Schools No further cuts
\$2.1 billion deferral



Additional Revenues

- Five-Year Extension of Temporary Taxes
 - Personal Income Tax Increase (0.25%)
 - Dependent Care Exemption
 - Sales and Use Tax (1.0%)
 - Vehicle License Fee (0.5%)



For the California Community Colleges

- No mid-year cuts proposed
- 0.00% Cost of Living Adjustment (COLA); statutory COLA estimated at 1.67%



For the California Community Colleges (con't)

- \$400 million cut to base apportionments (“funding reforms”)
 - Work with BOG, CCCCO, and stakeholders
 - Modify census date
 - Incentivize completion



For the California Community Colleges (con't)

- \$10 per credit unit increase in student fees
 - 38.5% hike from \$26 to \$36 per unit
 - \$110 million to fund 1.9% enrollment growth
- Categorical flexibility provisions would be extended through 2014-15

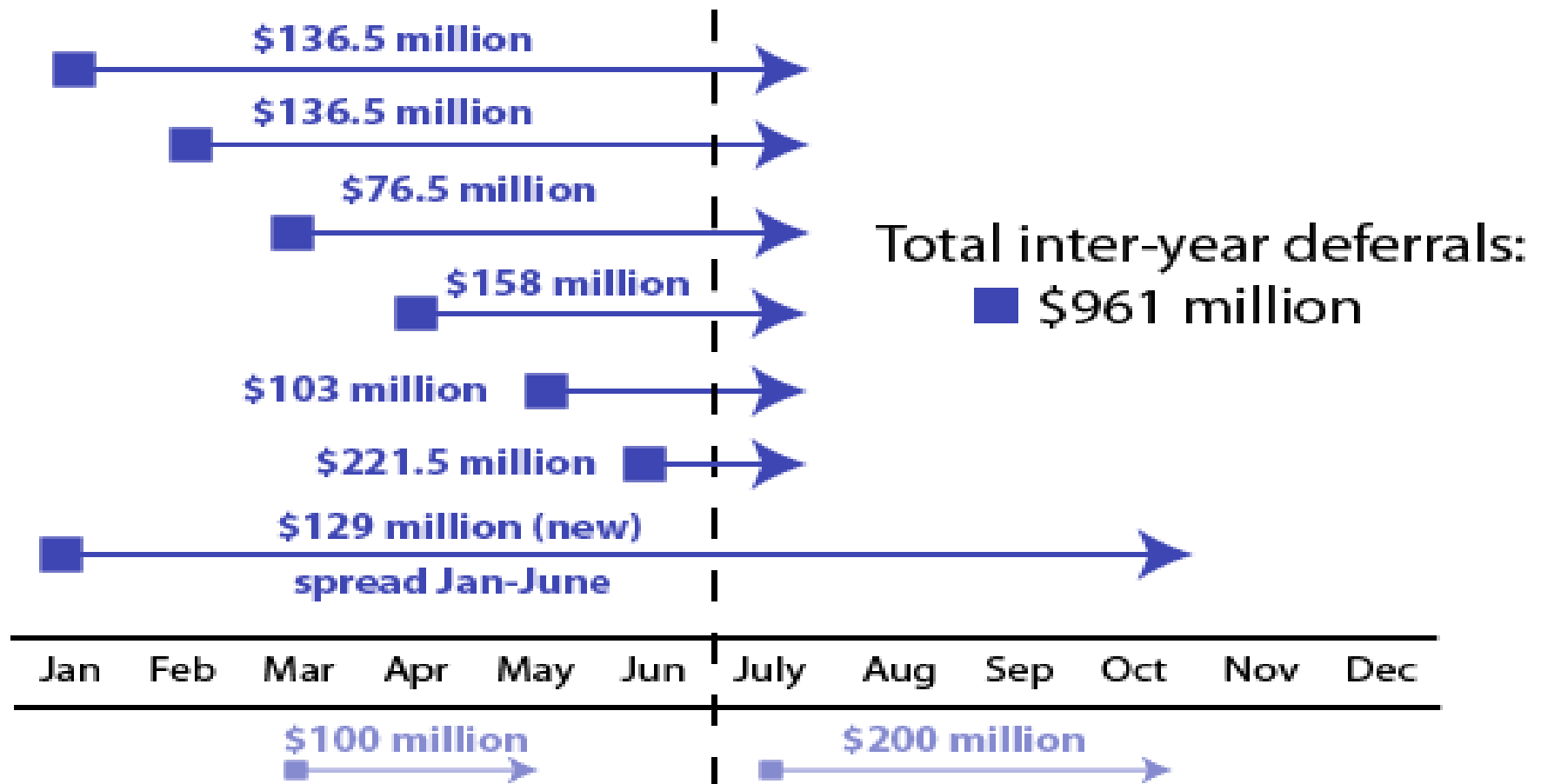


Apportionment Deferrals

- Increase of \$129 million in inter-year funding deferrals
- Total inter-year deferrals = \$961 million
- Total deferrals = \$1.261 billion
- 20 percent of annual funding

Apportionment Deferrals (Con't)

Community College Apportionment Deferrals



Total intra-year deferrals:
■ \$300 million



For the Chabot-Las Positas Community College District


Revenue

FY 2011/12

\$400 million cut in apportionment (\$6,059,000)

1.9% enrollment growth \$1,666,000

Net decrease in state funding (\$4,393,000)



For the Chabot-Las Positas Community College District

FY 2011/12

Net decrease in state funding	(\$4,393,000)
<u>District Mandatory Obligations</u>	
Step and column salary increases	(\$715,724)
Premium increases for health & welfare	(\$1,521,572)
Premium increases for property & liability ins	(\$47,525)
Premium increases for student insurance	(\$59,377)
Increase in fringe benefits (W/C, U/I, PERS)	<u>(\$193,730)</u>
Total district mandatory obligations	<u>(\$2,537,928)</u>
Total Projected Budget Deficit	<u>(\$6,930,928)</u>

What Happens if Tax Package is Not Approved by Voters?

If June Tax Fails & Prop 98
at Minimum

FY 2011/12

State General Fund	(\$9,391,000)
1.9% enrollment growth	<u>\$1,666,000</u>
State reduction	(\$7,725,000)
District structural deficit	<u>(\$2,537,928)</u>
Total budget deficit	(\$10,262,928)

What Happens if Tax Package is Not Approved by Voters?

If June Tax Fails & Prop 98 Suspended

FY 2011/12

State General Fund	(\$13,632,000)
1.9% enrollment growth	<u>\$1,666,000</u>
State reduction	(\$11,966,000)
District structural deficit	<u>(\$2,537,928)</u>
Total budget deficit	(\$14,503,928)



Accelerated Budget Timeline

- January 10 Budget Release
- January-February Budget Hearings
- March 1 “Mini” Budget Enacted
- June Special Election
- July Main Budget Enacted

CLPCCD Distribution of Budget Deficit Using the Allocation Model - \$7 Million Deficit

Revenue Allocation Model after Districtwide off-the top Expenses

Total Deficit	Districtwide 6.43%	Chabot 45.12%	LPC 28.97%	District 9.51%	M&O 9.96%	Total 100%
\$7 million Deficit	(445,577)	(3,127,434)	(2,007,831)	(659,451)	(690,635)	(6,930,928)
	445,577	(214,871)	(137,948)	(45,308)	(47,450)	
	0	(3,342,304)	(2,145,780)	(704,7549)	(738,086)	(6,930,928)
Potential Solutions:						
Shifts to Measure B		241,115	154,797	50,842	53,246	500,000
Dublin Center		241,115	154,797	50,842	53,246	500,000
Energy Rebates (one-time)		385,784	247,676	81,347	85,193	800,000
Mitigation Acreage (one-time)		289,338	185,757	61,010	63,895	600,000
	0	(2,184,951)	(1,402,752)	(460,719)	(482,506)	(4,530,928)
		48.22%	30.96%	10.17%	10.65%	100%
SERP ???						
Funded Vacant Positions ???						

CLPCCD Distribution of Budget Deficit Using the Allocation Model - \$10.3 Million Deficit

Revenue Allocation Model after Districtwide off-the-top Expenses

Total Deficit	Districtwide 6.43%	Chabot 45.12%	LPC 28.97%	District 9.51%	M&O 9.96%	Total 100%
\$10.3 million Deficit	(659,785)	(4,630,928)	(2,973,084)	(976,478)	(1,022,654)	(10,262,928)
	659,785	(318,168)	(204,266)	(67,089)	(70,262)	
	0	(4,949,096)	(3,177,350)	(1,043,567)	(1,092,915)	(10,262,928)
Potential Solutions:						
Shifts to Measure B		241,115	154,797	50,842	53,246	500,000
Dublin Center		241,115	154,797	50,842	53,246	500,000
Energy Rebates (one-time)		385,784	247,676	81,347	85,193	800,000
Mitigation Acreage (one-time)		289,338	185,757	61,010	63,895	600,000
	0	(3,791,743)	(2,434,322)	(799,527)	(837,336)	(7,862,928)
		48.22%	30.96%	10.17%	10.65%	100%
SERP ???						
Funded Vacant Positions ???						