

*Chabot – Las Positas  
Community College District*



*Adoption Budget  
Presentation*

*September 6, 2011*

*Fiscal Year*

*Beginning July 1, 2011*

*and*

*Ending June 30, 2012*

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# **CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT**

## **ADOPTION BUDGET PRESENTATION**

### **GENERAL FUND NARRATIVE 2011-2012**

This working copy of the Adoption Budget is presented to the Board of Trustees at its meeting on September 6, 2011 Study Session with the intention to inform the college community of the District's fiscal status. The presentation includes work done so far in the development of the Adoption Budget for 2011-12 focusing primarily on the Unrestricted General Fund. Additional work is necessary before the budget can be presented to the Board of Trustees at its regular meeting on September 20, 2011.

The Adoption Budget is based on the 2011-12 Budget Act passed on June 28, 2011 and signed by the Governor on June 30. The Budget Act closed a deficit of \$26.6 billion for the 18 months ending June 30, 2012. The major solutions are:

- \$11.1 billion in expenditure reductions
- \$11.8 billion in baseline revenue adjustments
- \$2.9 billion in borrowing, shifts, and fund transfers
- \$1 billion in new revenue changes
- \$0.5 billion in local realignment revenue impacts

Following is a summary of the Budget Act as it relates to the California Community Colleges (CCC) and the Chabot-Las Positas Community College District (CLPCCD).

For the California Community Colleges, the Budget Act includes:

- \$400 million base reduction (work load reduction)
- Increase in student fees of \$10 per unit (from \$26/unit to \$36/unit) with another \$10 per unit mid-year (from \$36/unit to \$46/unit)
- 0% COLA (statutory COLA is 1.67%)
- Apportionment deferrals continue with a new deferral of \$129 million from Spring 2012 to October 2012
- Extend categorical flexibility through 2014-15
- No funding was provided for either growth or COLA
- No restoration of the categorical program reductions that were enacted in the 2009 Budget Act

The Budget Act assumes an additional \$4 billion in revenue to close the deficit. However, contingency language or triggers are included in the legislation to take effect if the \$4 billion revenue estimates are not met, resulting in mid-year cuts.

The triggers are:

Tier 0 – There will be no mid-year cuts if at least \$3 billion of the \$4 billion of the higher revenues materialize.

Tier 1 – If only \$2 billion to \$3 billion of the revenues materialize, up to \$601 million in mid-year cuts could be enacted. These actions would include an additional \$100 million reduction to each of UC and CSU and a \$30 million General Fund reduction to the California Community Colleges offset by an increase in fees to \$46 per unit.

Tier 2 – If less than \$2 billion of the revenues materialize, over \$1.8 billion in cuts could be meted out to K-14. Specifically, K-12 could see the elimination of transportation funding (\$248 million) and a reduction of funding equivalent to 7 school days (\$1.5 billion). The California Community Colleges could receive a reduction to apportionments of up to \$72 million beyond the Tier 1 cuts. These reductions would be proportionate to revenue estimates.

For the Chabot-Las Positas Community College District, the Budget Act includes the following:

Using the Tier 2 scenario, the Budget Act reduces the District's General Apportionment by \$5,922,000. Furthermore, state leaders believe that the mid-year fee increase will not yield the budgeted amount. For this reason, the Community College League of California has advised districts to increase the apportionment reduction by a factor of 1.07751938, bringing the reduction from \$5,922,000 to \$6,381,070.

The District's General Apportionment is reduced by \$6,381,070. Together with the District's Structural Deficit to fund mandatory obligations and the Essential/Critical support needs, the District's budget deficit is projected at \$12,623,960. This is made up of the following:

• Apportionment reduction	\$(6,381,070)
• District structural deficit	\$(3,348,257)
• Essential/critical needs (net)	\$(2,894,633)
• Projected budget deficit	\$(12,623,960)

To date, the District has identified solutions to address the \$12,623,960 budget deficit. They are shown below.

• Transfer of information technology expenditures to Measure B interest earnings	\$720,000
• Dublin Center lease revenue	\$500,000
• Reduction in force	\$1,500,000
• Supplemental Employee Retirement Plan (SERP)	\$3,000,000
• Funded vacant positions (estimate)	\$500,000
• State Chancellor's workload reduction (estimate) of 1,712 FTES – equates to lower adjunct faculty costs	\$2,650,000
• Management concessions	\$395,000

As of today, there still remains a structural deficit of \$3,563,209.

Based on discussion, input, and decisions resulting from tonight's presentation, final changes will be reflected in the Adoption Budget and presented to the Board of Trustees at the September 20, 2011 board meeting.

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT  
ADOPTION BUDGET  
2011-12**

<b>General Fund District Total</b>	<u>2010-11 Adoption Budget</u>	<u>2010-11 Projection</u>	<u>2011-12 Adoption Budget</u>
<b>Revenue</b>			
State Revenue			
General Apportionment	\$ 86,700,843	\$ 87,472,700	\$ 81,450,383
Other State Revenue	7,192,443	6,369,790	5,715,800
Local Revenue	13,840,321	13,294,076	8,604,223
Federal Revenue	<u>4,252,628</u>	<u>4,644,761</u>	<u>4,544,488</u>
Total Revenue	111,986,236	111,781,327	100,314,894
<b>Transfers In</b>			
Admin & Fiscal/Sab Leave	982,173	1,101,657	441,410
Other	<u>450,000</u>	<u>940,611</u>	<u>516,560</u>
Total Transfers In	<u>1,432,173</u>	<u>2,042,268</u>	<u>957,970</u>
<b>Total Revenue and Transfers In</b>	<u>\$ 113,418,409</u>	<u>\$ 113,823,595</u>	<u>\$ 101,272,864</u>
<b>Expenditures</b>			
Academic Salaries	\$ 42,601,906	\$ 44,631,691	\$ 38,811,706
Classified Salaries	27,071,928	26,935,710	22,460,930
Benefits	21,262,729	20,860,479	19,900,978
RUMBL Benefits	4,414,361	4,414,361	4,855,797
SERP Payment	569,479	933,434	933,434
Supplies	2,955,682	2,157,734	762,332
Services	12,449,108	11,464,667	16,192,847
Capital Outlay	439,107	696,016	60,627
Other Outgo/Payment to Students	<u>123,195</u>	<u>388,041</u>	<u>216,012</u>
Total Expenditures	111,887,495	112,482,133	104,194,663
<b>Transfers Out</b>			
Admin & Fiscal/Athletic Ins/Sab Leave	996,242	1,251,657	441,410
Other	<u>534,672</u>	<u>1,652,472</u>	<u>200,000</u>
Total Transfers Out	<u>1,530,914</u>	<u>2,904,129</u>	<u>641,410</u>
<b>Total Expenditures and Transfers Out</b>	<u>\$ 113,418,409</u>	<u>\$ 115,386,262</u>	<u>\$ 104,836,073</u>
Increase/(Decrease) in Fund Balance	\$ 0	\$ (1,562,667)	\$ (3,563,209)
Beginning Balance	<u>\$ 9,329,127</u>	<u>\$ 9,329,127</u>	<u>\$ 7,766,460</u>
Ending Balance	<u>\$ 9,329,127</u>	<u>\$ 7,766,460</u>	<u>\$ 4,203,251</u>

Note: Numbers may not add due to rounding.

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT  
ADOPTION BUDGET  
2011-12**

<b>General Fund</b>	2010-11	2010-11	2011-12
<b>District Total - Unrestricted</b>	<u>Adoption Budget</u>	<u>Projection</u>	<u>Adoption Budget</u>
<b>Revenue</b>			
State Revenue			
Total General Apportionment	\$ 86,700,843	\$ 87,472,700	\$ 81,450,383
Other State Revenue	870,800	920,700	526,800
Local Revenue	10,476,959	9,719,734	6,315,130
Federal Revenue	<u>1,200</u>	<u>-</u>	<u>1,200</u>
<b>Total Revenue</b>	98,049,802	98,113,134	88,293,513
<b>Transfers In</b>			
Admin & Fiscal/Sab Leave	982,173	1,101,657	441,410
Other	<u>450,000</u>	<u>855,833</u>	<u>516,560</u>
<b>Total Transfers In</b>	<u>1,432,173</u>	<u>1,957,490</u>	<u>957,970</u>
<b>Total Revenue and Transfers In</b>	\$ 99,481,975	\$ 100,070,624	\$ 89,251,483
<b>Expenditures</b>			
Academic Salaries	\$ 40,707,100	\$ 42,564,715	\$ 38,223,533
Classified Salaries	22,386,728	21,545,410	20,040,026
Benefits	19,178,776	18,891,700	18,462,061
RUMBL Benefits	4,414,361	4,414,361	4,855,797
SERP Payment	569,479	933,434	933,434
Supplies	2,095,805	1,186,355	-
Services	8,606,198	9,584,303	9,658,431
Capital Outlay	<u>167,286</u>	<u>95,763</u>	<u>-</u>
<b>Total Expenditures</b>	98,125,733	99,216,041	92,173,282
<b>Transfers Out</b>			
Admin & Fiscal/Athletic Ins/Sab Leave	996,242	1,251,657	441,410
Other	<u>360,000</u>	<u>1,101,282</u>	<u>200,000</u>
<b>Total Transfers Out</b>	<u>1,356,242</u>	<u>2,352,939</u>	<u>641,410</u>
<b>Total Expenditures and Transfers Out</b>	<u>\$ 99,481,975</u>	<u>\$ 101,568,980</u>	<u>\$ 92,814,692</u>
<b>Increase/(Decrease) in Fund Balance</b>	\$ 0	\$ (1,498,356)	\$ (3,563,209)
Beginning Balance	<u>\$ 7,180,388</u>	<u>\$ 7,180,388</u>	<u>\$ 5,682,032</u>
<b>Ending Balance</b>	<u>\$ 7,180,388</u>	<u>\$ 5,682,032</u>	<u>\$ 2,118,823</u>
Required 5% reserve for economic uncertainties			<u>\$ 4,608,664</u>
<b>Amount needed to meet minimum 5% reserve</b>			<u><u>\$ (2,489,841)</u></u>

Note: Numbers may not add due to rounding.

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT  
ADOPTION BUDGET  
2011-12**

<b>General Fund District Total - Restricted</b>	<u>2010-11 Adoption Budget</u>	<u>2010-11 Projection</u>	<u>2011-12 Adoption Budget</u>
<b>Revenue</b>			
State Revenue			
Other State Revenue	\$ 6,321,643	\$ 5,449,090	\$ 5,189,000
Local Revenue	3,363,362	3,574,342	2,289,093
Federal Revenue	<u>4,251,428</u>	<u>4,644,761</u>	<u>4,543,288</u>
Total Revenue	13,936,434	13,668,193	12,021,381
<b>Transfers In</b>			
Other	<u>-</u>	<u>84,778</u>	<u>-</u>
Total Transfers In	<u>-</u>	<u>84,778</u>	<u>-</u>
<b>Total Revenue and Transfers In</b>	<b>\$ 13,936,434</b>	<b>\$ 13,752,971</b>	<b>\$ 12,021,381</b>
<b>Expenditures</b>			
Academic Salaries	\$ 1,894,806	\$ 2,066,976	\$ 588,173
Classified Salaries	4,685,200	5,390,300	2,420,904
Benefits	2,083,953	1,968,779	1,438,917
Supplies	859,877	971,379	762,332
Services	3,842,911	1,880,364	6,534,416
Capital Outlay	271,821	600,253	60,627
Other Outgo/Payment to Students	<u>123,195</u>	<u>388,041</u>	<u>216,012</u>
Total Expenditures	13,761,762	13,266,092	12,021,381
<b>Transfers Out</b>			
Other	<u>174,672</u>	<u>551,190</u>	<u>-</u>
Total Transfers Out	<u>174,672</u>	<u>551,190</u>	<u>-</u>
<b>Total Expenditures &amp; Transfers Out</b>	<b>\$ 13,936,434</b>	<b>\$ 13,817,282</b>	<b>\$ 12,021,381</b>
Increase/(Decrease) in Fund Balance	\$ -	\$ (64,311)	\$ -
Beginning Balance	<u>\$ 2,148,738</u>	<u>\$ 2,148,738</u>	<u>\$ 2,084,427</u>
Ending Balance	<u><u>\$ 2,148,738</u></u>	<u><u>\$ 2,084,427</u></u>	<u><u>\$ 2,084,427</u></u>

Note: Numbers may not add due to rounding.

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT  
ADOPTION BUDGET  
2011-12**

<b>Cafeteria Fund District Total</b>	<u>2010-11 Adoption Budget</u>	<u>2010-11 Projection</u>	<u>2011-12 Adoption Budget</u>
<b>Revenue</b>			
Cafeteria Operations	\$ 25,000	\$ 21,080	\$ 30,080
Vending Commissions	-	14,000	3,500
Interest	<u>250</u>	<u>200</u>	<u>200</u>
<b>Total Revenue</b>	<b>\$ 25,250</b>	<b>\$ 35,280</b>	<b>\$ 33,780</b>
<b>Expenditures</b>			
Classified Salaries	\$ 28,803	\$ 27,157	\$ 29,967
Benefits	<u>16,415</u>	<u>17,015</u>	<u>17,842</u>
<b>Total Expenditures</b>	<b>\$ 45,217</b>	<b>\$ 44,172</b>	<b>\$ 47,809</b>
Increase/(Decrease) in Fund Balance	\$ (19,967)	\$ (8,892)	\$ (14,029)
Beginning Balance	<u>\$ 40,195</u>	<u>\$ 40,195</u>	<u>\$ 31,303</u>
Ending Balance	<u><u>\$ 20,227</u></u>	<u><u>\$ 31,303</u></u>	<u><u>\$ 17,274</u></u>

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT  
ADOPTION BUDGET  
2011-12**

<b>Child Development Fund District Total</b>	<u>2010-11 Adoption Budget</u>	<u>2010-11 Projection</u>	<u>2011-12 Adoption Budget</u>
<b>Revenue</b>			
State Revenue	\$ 901,879	\$ 672,000	\$ 600,000
Child Care Fees	202,447	35,000	35,000
Federal Revenue	636,050	653,000	559,000
Interfund Transfers In	<u>360,000</u>	<u>362,000</u>	<u>200,000</u>
<b>Total Revenue</b>	<b>\$ 2,100,376</b>	<b>\$ 1,722,000</b>	<b>\$ 1,394,000</b>
<b>Expenditures</b>			
Classified Salaries	\$ 1,351,768	\$ 1,087,000	\$ 846,000
Benefits	663,098	467,000	428,000
Supplies	40,000	131,000	84,000
Services	45,510	6,000	6,000
Other Outgo	-	30,000	30,000
Interest Expense	<u>-</u>	<u>1,000</u>	<u>-</u>
<b>Total Expenditures</b>	<b>\$ 2,100,376</b>	<b>\$ 1,722,000</b>	<b>\$ 1,394,000</b>
Increase/(Decrease) in Fund Balance	\$ -	\$ -	\$ -
Beginning Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT  
ADOPTION BUDGET  
2011-12**

<b>Self Insurance Fund (RUMBL) District Total</b>	<u>2010-11 Adoption Budget</u>	<u>2010-11 Projection</u>	<u>2011-12 Adoption Budget</u>
<b>Revenue</b>			
Contract Services	\$ 4,414,361	\$ 4,414,361	\$ 4,855,797
Interest	<u>15,000</u>	<u>12,400</u>	<u>10,000</u>
<b>Total Revenue</b>	<b>\$ 4,429,361</b>	<b>\$ 4,426,761</b>	<b>\$ 4,865,797</b>
<b>Expenditures</b>			
Services	<u>\$ 4,414,361</u>	<u>\$ 4,462,429</u>	<u>\$ 4,855,797</u>
<b>Total Expenditures</b>	<b>\$ 4,414,361</b>	<b>\$ 4,462,429</b>	<b>\$ 4,855,797</b>
Increase/(Decrease) in Fund Balance	\$ 15,000	\$ (35,668)	\$ 10,000
Beginning Balance	<u>\$ 3,066,884</u>	<u>\$ 3,066,884</u>	<u>\$ 3,031,216</u>
Ending Balance	<u><u>\$ 3,081,884</u></u>	<u><u>\$ 3,031,216</u></u>	<u><u>\$ 3,041,216</u></u>

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT  
ADOPTION BUDGET  
2011-12**

<b>Measure B Capital Project Fund District Total</b>	<u>2010-11 Adoption Budget</u>	<u>2010-11 Projection</u>	<u>2011-12 Adoption Budget</u>
<b>Revenue</b>			
Interest	\$ 11,595,931	\$ 11,878,615	\$ 5,316,195
<b>Total Revenue</b>	\$ 11,595,931	\$ 11,878,615	\$ 5,316,195
<b>Expenditures</b>			
Classified Salaries	\$ 928,811	\$ 845,150	\$ 834,119
Benefits	370,197	304,507	335,142
Supplies	18,000	15,702	15,000
Services	700,000	788,878	1,000,000
Capital Outlay	69,582,992	53,508,779	74,309,176
Other Outgo	<u>400,000</u>	<u>389,325</u>	<u>390,000</u>
<b>Total Expenditures</b>	\$ 72,000,000	\$ 55,852,341	\$ 76,883,437
Increase/(Decrease) in Fund Balance	\$ (60,404,069)	\$ (43,973,726)	\$ (71,567,242)
Beginning Balance	<u>\$ 264,117,385</u>	<u>\$ 264,117,385</u>	<u>\$ 220,143,659</u>
Ending Balance	<u><u>\$ 203,713,316</u></u>	<u><u>\$ 220,143,659</u></u>	<u><u>\$ 148,576,417</u></u>

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT  
ADOPTION BUDGET  
2011-12**

<b>Capital Projects Fund District Total</b>	<u>2010-11 Adoption Budget</u>	<u>2010-11 Projection</u>	<u>2011-12 Adoption Budget</u>
<b>Revenue</b>			
State Revenue	\$ 290,297	\$ 128,846	\$ 4,236,297
Local Revenue	1,112,853	1,300,000	1,200,000
Interest	20,000	1,900	16,500
Interfund Transfers	<u>-</u>	<u>100,000</u>	<u>-</u>
<b>Total Revenue</b>	<b>\$ 1,423,150</b>	<b>\$ 1,530,746</b>	<b>\$ 5,452,797</b>
<b>Expenditures</b>			
Services	\$ -	\$ 145,910	\$ 16,335
Capital Outlay	338,188	176,736	4,116,563
Interfund Transfers	<u>-</u>	<u>-</u>	<u>1,000,000</u>
<b>Total Expenditures</b>	<b>\$ 338,188</b>	<b>\$ 322,646</b>	<b>\$ 5,132,898</b>
Increase/(Decrease) in Fund Balance	\$ 1,084,962	\$ 1,208,100	\$ 319,899
Beginning Balance	<u>\$ 2,630,798</u>	<u>\$ 2,630,798</u>	<u>\$ 3,838,898</u>
Ending Balance	<u><u>\$ 3,715,760</u></u>	<u><u>\$ 3,838,898</u></u>	<u><u>\$ 4,158,797</u></u>

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT  
ADOPTION BUDGET  
2011-12**

<b>Special Reserve Funds (Nike Project, COP) District Total</b>	<u>2010-11 Adoption Budget</u>	<u>2010-11 Projection</u>	<u>2011-12 Adoption Budget</u>
<b>Revenue</b>			
Interest	\$ 16,000	\$ 18,000	\$ 15,000
<b>Total Revenue</b>	<b>\$ 16,000</b>	<b>\$ 18,000</b>	<b>\$ 15,000</b>
<b>Expenditures</b>			
Academic Salaries	\$ 15,000	\$ 8,159	\$ -
Benefits	2,000	782	-
Supplies	6,000	411	-
Services	10,000	5,250	10,000
Capital Outlay	<u>936,724</u>	<u>78,966</u>	<u>866,155</u>
<b>Total Expenditures</b>	<b>\$ 969,724</b>	<b>\$ 93,568</b>	<b>\$ 876,155</b>
Increase/(Decrease) in Fund Balance	\$ (953,724)	\$ (75,568)	\$ (861,155)
Beginning Balance	<u>\$ 3,774,695</u>	<u>\$ 3,774,695</u>	<u>\$ 3,699,127</u>
Ending Balance	<u><u>\$ 2,820,971</u></u>	<u><u>\$ 3,699,127</u></u>	<u><u>\$ 2,837,972</u></u>