



Chabot-Las Positas Community College District

BOARD OF TRUSTEES
STUDY MEETING

March 6, 2012

Budget Presentation

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Vice Chancellor
Business Services*

Presentation Summary

- **Background Information**
Governor's January Budget Proposal
- **Update on Current Year 2011-12 Budget**
February Surprise - Enrollment Fee Shortfall
Property Tax Shortfall
- **Preliminary Budget for FY 2012-13**
Tax Initiative Pass /Fail Scenarios
- **Key Dates**
- **Budget Development Framework**
Guiding Principles
Role of the District Budget Study Group (DBSG)

Background Information

Governor's January Budget Proposal

- \$9.2 billion budget gap
- November tax initiative
 - Personal income tax increase on wealthy
 - Sales tax increase half percent (1/2%)
- No cuts to education if tax initiative passes
- Triggers included
 - \$4.8 billion in cuts to education
 - No payback of deferrals
- No enrollment growth
- No increase in student fees
- 0% COLA (3.17% COLA)

Budget Development Assumptions

- Based on Governor's January Proposal – 0% COLA; 0 Growth
- Two Scenarios - (1) If Tax Initiative Passes; (2) If Tax Initiative Fails
- Includes increases in Mandatory Obligations - Retiree Medical Premium; PERS; Step & Column; Medical Premium for SEIU; Property & Liability Insurance
- Includes Concessions made by Faculty Association & Administrators
- Includes \$0 Concessions from SEIU
- Deficit Coefficient - 3.4% in 2011-12; 0% in 2012-13

February Surprise

- Enrollment fee shortfall of \$100 million (\$1,443,159)
- Property tax shortfall of \$49 million (\$795,764)

Update on Current Year 2011-12 Budget

	Adoption Budget	FY 2011-12 Estimated Actual
Revenue	\$ 89,251,483	\$ 90,500,079
Expenditures	92,814,692	95,863,348
Budget Deficit	(3,563,209)	(5,363,269)
Beginning Balance	5,682,032	6,700,783
Ending Balance	2,118,823	1,337,514
Borrowed from RUMBL	2,489,841	2,489,841
Reserve balance after borrowing	4,608,664	3,827,355
Reserve Percentage	5%	4%
Shortfall: to Restore 5% Reserve		(937,617)

Preliminary Budget for FY 2012-13

Tax Initiative Pass/Fail Scenarios

	FY 2012-13 Projection If Tax Passes	FY 2012-13 Projection If Tax Fails
Revenue	\$ 93,068,982	\$ 89,041,306
Expenditures	97,198,289	97,198,289
Budget Deficit	(4,129,307)	(8,156,983)
Beginning Balance	3,827,355	3,827,355
Ending Balance	(301,952)	(4,329,628)
Shortfall: to Close Budget Deficit and Restore 5% Reserve	(5,143,505)	(9,171,181)

Key Dates

- January 5 Governor's January Budget Proposal
- May 20 Governor's May Revise
- June 1 DBSG Recommendation
- June 30 Tentative Budget Due to the State
- September 15 Adoption Budget Due to the State

Budget Development Framework

Guiding Principles

- Use DEMC targets to project staffing
- Maintain the five percent (5%) reserve
- Not pay back the RUMBL at this time
- One time monies will be applied to the five percent (5%) reserve and any excess will pay back the RUMBL
- DBSG to meet every two weeks starting with the March 2 meeting
- Solution for \$5.1 million by March 31, 2012
- DBSG recommendations to be forwarded to the Chancellor and the Board
- DBSG recommendation targeted to be completed by June 1st. to meet the statutory requirement for Tentative Budget by June 30th

Budget Development Framework

Role of the District Budget Study Group (DBSG)

- DBSG to identify solutions for \$5.1 million deficit by March 31st
- Established future meeting dates
 - March 16, 2012*
 - March 30, 2012*
 - April 20, 2012*
 - April 27, 2012*
 - May 11, 2012*
 - May 25, 2012*