



Campus Budget Forum on 2011-12 District Budget

February 16, 2011

Board Room

Presented by Yulian I. Ligioso
Vice President, Finance & Administration

It is “*Baad*”

Governor Jerry Brown: “This is a tough budget for tough times.”

Chancellor Jack Scott... “These are difficult times for California and there’s no way to avoid the pain of budget cuts. However, if our community colleges sustain reductions of this magnitude, we anticipate up to 350,000 students will be turned away next year.”

Erik Skinner, Exec. Vice Chancellor for Programs... “...Negative impacts would be felt by all Californians. Still, we should not lose sight of the potential benefit contained in the Governor’s proposal, namely that it offers to bring about some lasting resolution and stability to the state’s fiscal crisis. If it succeeds in that, it may be worth the pain included in the budget plan. Perhaps most importantly we should keep in mind that an all-cuts budget would make the negative impacts, described above, pale in comparison.”

Scott Lay, Exec Director, CC League... “California’s higher education system is in a crisis situation with insufficient resources at a time of record demand...”

Supt-President Jowel Laguerre... “Let me, perhaps, say it for you: IT IS BAD!!!!”

Supt-President Jowel Laguerre... “We did our best for the past two budgets and had as little disruption as possible. However, this budget is a fiscal crisis and will negatively impact us all. But, we will continue to use a measured team approach so that we preserve the core, mission, and function of the college.”

“Tough Budget for Tough Times”

1. Governor’s Proposed 2011-12 Budget

2. College Budget Plan Chronology

- League Analysis
- District Impact

3. Next Steps...An Action Plan

- Inform the Campus Community
- Options to Bridging the Gap

Proposed 2011-12 State Budget

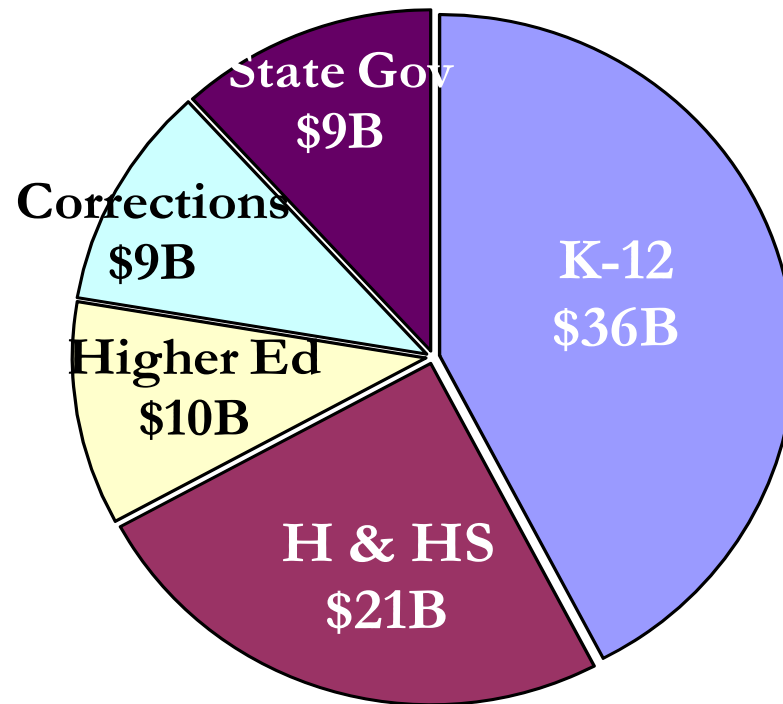
Proposed \$85B State '11 - '12 Budget

State Election Risk

\$12 Billion (14% of budget)

Already Cut '11 - '12

K-12	-0.40%
H & HS	-21.00%
Higher Ed.	-16.00%
Corrections	-1.00%



Will a cut to the Prop 98 minimum (-\$2B) be enough?

The State's Money Crisis

- 
- ✘ **\$25 Billion Gap**
 - ✘ **Proposed: \$12.5 billion in cuts**
\$12 billion in tax continuations

Impact of Governor's Budget Proposal on Community College System



- ✘ No mid-year cuts
- ✘ \$400 million cut for apportionment reductions by reforming census dates
- ✘ Student fee increase from \$26 per unit to \$36 per unit
- ✘ Additional \$129 million new apportionment deferral
- ✘ No further cuts to student support categorical programs
- ✘ Categorical flexibility provisions adopted in 2009-10 will extend for two additional years, through 2014-15
- ✘ Provides 1.9% enrollment growth, funded by revenues generated by increase in student fees

Community College League Budget Scenarios

Assuming June Tax Package is Approved

- Source Amount State General Fund: $-\$3,368,000$
- Increased Student Fees: $\$926,000$
- Net Reduction: $-\$2,442,000$
- Lost Students: Solano: 1,087

If June Tax Package Fails and Prop. 98 is Funded at Minimum

- Source Amount State General Fund: $-\$5,220,000$
- Increased Student Fees: $\$926,000$
- Net Reduction: $-\$4,294,000$
- Lost Students: Solano: 1,912

If June Tax Package Fails and Prop. 98 is Suspended

- Source Amount State General Fund: $-\$7,578,000$
- Increased Student Fees: $\$926,000$
- Net Reduction: $-\$6,651,000$
- Lost Students: Solano: 2,958

For SCC, three scenarios translate to...

Assuming June Tax Package is Approved		<i>FABPAC Supports: Assuming June Tax Package FAILS and Prop 98 Funded at Minimum</i>		Assuming June Tax Package Fails and Prop 98 is Suspended	
State General Fund	3,368,000	State General Fund	5,220,000	State General Fund	7,578,000
Increased Student Fees	926,000	Increased Student Fees	926,000	Increased Student Fees	926,000
Net Reduction	(2,442,000)	Net Reduction	(4,294,000)	Net Reduction	(6,652,000)
District Expenditure Increase	(2,580,954)	District Expenditure Increase	(2,580,954)	District Expenditure Increase	(2,580,954)
Total Problem	(5,022,954)	Total Problem	(6,874,954)	Total Problem	(9,232,954)

2011-12 General Fund Unrestricted Budget - Scenario #2

Budget Planning Worksheet

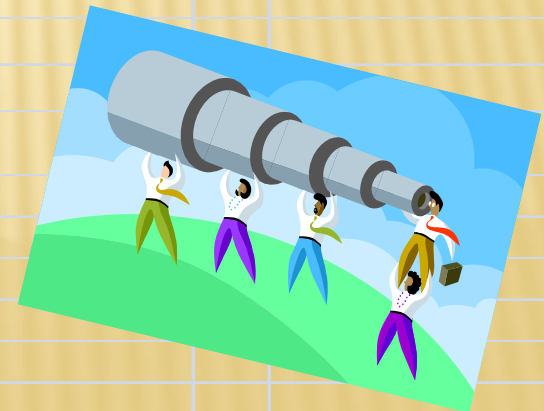
Items	FY 2010-11	FY 2011-12		
	Activity	Revenue Loss	Increase in Cost	Decrease Expenditure
2010-11 Growth funding - not budgeted (Source: Oct. advance. app)	1,043,025			
2010-11 Mandated cost claims reimbursement - not budgeted (Source: Oct. advance. app)	167,121			
Refund of early retirement incentive	200,000			
Revenue Apportionment Loss: \$5,220,000 minus \$926,000 in increased student fees (Source: League's District Budget Impact 2/3/11)		4,294,000		
1% on salary schedule for ALG, SCFA, CSEA on 6/30/11 (est) ⁷			300,000	
Health Benefit Premium ²			948,692	
PERS - District contribution ³			206,309	
Step & Column			323,803	
Full-time faculty hires (6 replacements) ⁴			382,788	
Classified hires (new)				
Property & Liability Insurance ⁵			419,362	
	1,410,146	4,294,000	2,580,954	
Total Revenue Gain & Loss and Cost Increases			5,464,808	
Consultants				
- Special Trustee ¹				
- Fiscal				48,000
Election Cost				250,000
Furloughs: 1) classified & management one day per month-\$481,000, 2) faculty two days per year-\$122,000 ⁶				603,000
Health Benefit Premium (plan of benefits-10% or \$720,000) ⁶				720,000
Freeze Step & Column ⁶				323,803
Class Schedule Reductions - 200 sections				700,000
Bookstore - contract out (\$100K in excess of current bookstore contribution)				100,000
Faculty Reassigned Time (2 FTE)				70,000
Cap benefits at 2010-11 levels ⁶				948,692
Suspend OPEB contributions				200,000
15% reduction in supplies & other operating expenditures				1,310,649
Confidentials RIF - merger Academic & Student Svs				86,768
1% on salary schedule for ALG, SCFA, CSEA on 6/30/11 (est) ⁷				300,000
Total Amount of Expenditure Decreases				5,460,912
The Gap =				(3,896)

FY 2010-11...a current snapshot

	Adopted Budget	Adjustments		Targeted
Revenues				
Apportionment	46,258,673	1,042,821 (a)		47,301,494
Other State	1,297,072	167,121 (b)		1,464,193
Other Local	<u>2,253,362</u>	<u>200,000</u>		<u>2,253,362</u>
	49,809,107	1,409,942		51,019,049
Expenditures				
Academic Salaries	20,161,973			20,161,973
Classified Salaries	9,804,067			9,804,067
Employee Benefits	12,197,793			12,197,793
Supplies	1,134,590	(300,000) (c)		834,590
Other Operating	6,681,209	(300,000) (d)		6,381,209
Capital Outlay	<u>288,534</u>	<u>(50,000) (e)</u>		<u>238,534</u>
	<u>50,268,166</u>	<u>(650,000)</u>		<u>49,618,166</u>
Excess Revenues (Expenditures)	(459,059)	2,059,942		1,400,883
Adjusted Beginning Fund Balance	<u>3,207,000</u>			<u>3,207,000</u>
Ending Fund Balance	<u><u>2,747,941</u></u>			<u><u>4,607,883</u></u>
(a) Workload Augmentation		1,042,821		
(b) Mandated Cost Reimbursement		167,121		
(c) Shifts to Prop 20 Lottery Funds		(200,000)		
Freeze Non-Instructional Supplies		(100,000)		
(d) Elections, Travel, Other		(300,000)		
(e) Suspend Equipment Purchases		(50,000)		

FY 2011-12...at a glance

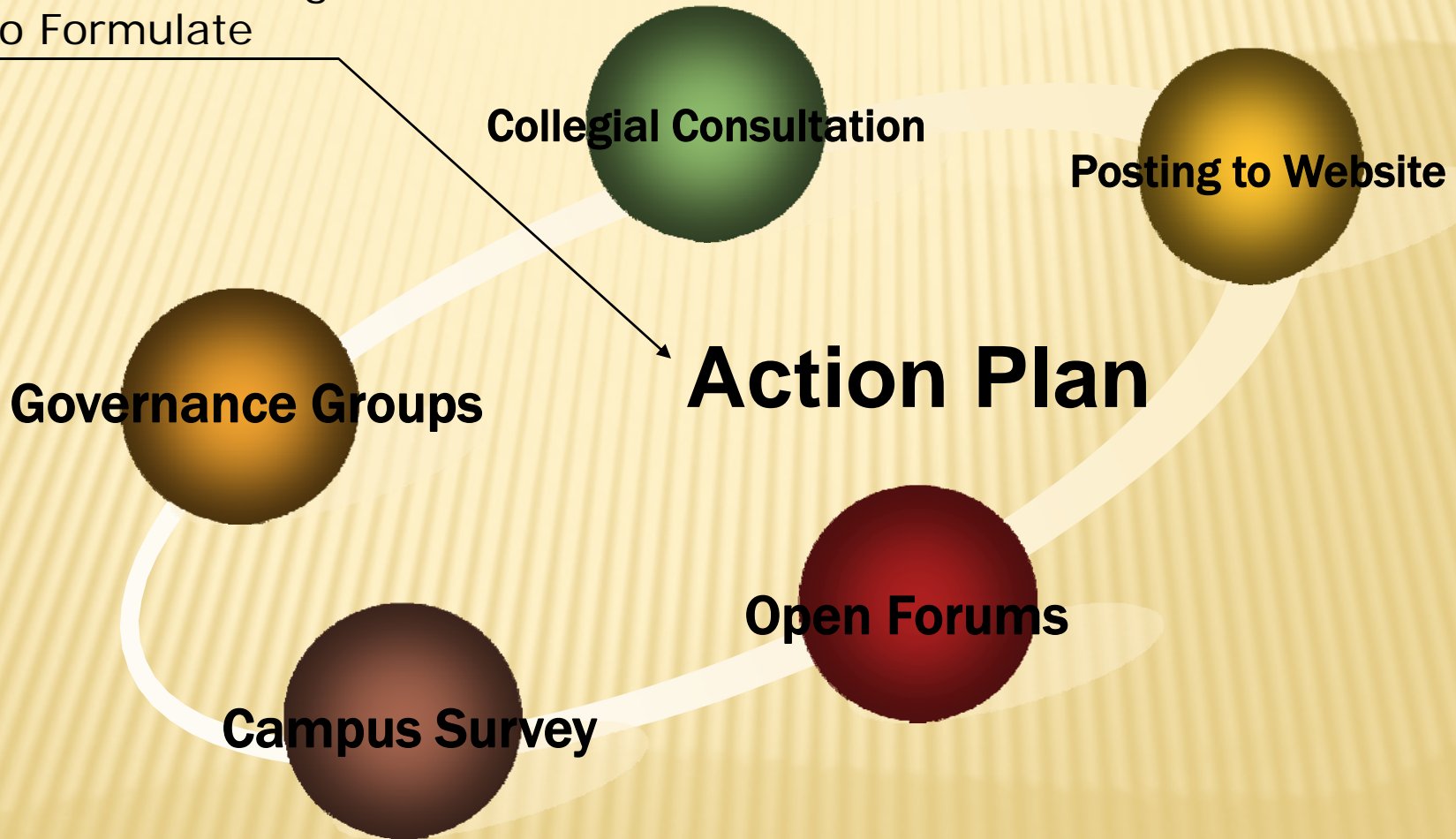
	Targeted FY 2010-11	CCLC - Tax Package Fails, Prop 98 Funded at Minimum	Estimated Budget FY 2011-12
Revenues			
Apportionment	47,301,494	(4,305,000)	42,996,494
Other State	1,464,193		1,464,193
Other Local	2,253,362		2,253,362
	<u>51,019,049</u>		<u>46,714,049</u>
Expenditures			
Academic Salaries	20,161,973	802,500 (1)	20,964,473
Classified Salaries	9,804,067	204,091 (1)	10,008,158
Employee Benefits	12,197,793	1,155,001 (2)	13,352,794
Supplies	834,590		834,590
Other Operating	6,381,209	419,362 (3)	6,800,571
Capital Outlay	238,534		238,534
	<u>49,618,166</u>		<u>52,199,120</u>
Excess Revenues (Expenditures)	1,400,883		
Excess Expenditures			(5,485,071)
Beginning Fund Balance	<u>3,207,000</u>		
Ending Fund Balance	<u><u>4,607,883</u></u>		
Legend:			
(1) 1% Salary Increase	300,000		
Step/Column Movements	323,803		
FT Faculty Replacements	382,788		
(2) Health Plan Increase	948,692		
PERS Increase	206,309		
(3) Property & Liability Insurance	419,362		



		Estimated Budget FY 2011-12	Budget Planning Options		Adjusted Estimated Budget FY 2011-12
Revenues					
	Apportionment	42,996,494			42,996,494
	Other State	1,464,193			1,464,193
	Other Local	2,253,362	100,000	(a)	2,353,362
		46,714,049			46,814,049
Expenditures					
	Academic Salaries	20,964,473	(1,895,427)	(b) (1e)	19,069,046
	Classified Salaries	10,008,158	(488,144)	(c) (2e)	9,520,014
	Employee Benefits	13,352,794	(948,692)	(f)	12,404,102
	Supplies	834,590			834,590
	Other Operating	6,800,571	(1,448,000)	(d)	5,352,571
	Capital Outlay	238,534			238,534
		52,199,120			47,418,857
Excess Revenues (Expenditures)		(5,485,071)			
Excess Expenditures					(604,808)
Beginning Fund Balance					4,607,883
Ending Fund Balance					4,003,075
Legend:					
(a)	Additional Revenues from Bookstore Outsourcing		100,000		
(b)	Reduce Class Schedule - 200 sections	700,000			
	Re-Org Academic Affairs	300,000			
	Reduce Release Time (2 FTE)	70,000			
			1,070,000		
(c)	Confidentials re-org		86,768		
(d)	Suspend OPEB Contribution	200,000			
	Reduce Financial Consultants	48,000			
	Reduction in supplies & other operating expenditures	1,200,000			
			1,448,000		
(e)	1% salary increase	300,000			
	Furloughs	603,000			
	Step/columns	323,803			
			1,226,803		
	Certificated	(e 1)	825,427		
	Classified	(e 2)	401,376		
(f)	Cap Benefits		948,692		

Next Steps – An Action Plan

Data-Driven
Decision-Making
to Formulate



Current Chronology of Events

January

- 10 – Governor Brown releases budget proposal
- 12 – Budget presentation to Board by Roy Stutzman & VP Ligioso
- 14 – ACCCA Budget Workshop in Sacramento
- 19 – FABPAC provided budget highlights and votes to support League's mid-range scenario of proposed cuts
- Discussions at Supt-President Fiscal and Cabinet Meetings

February

- 7 – Dr. Laguerre and VP Ligioso meet with Academic Senate
- 9 – Joint Meeting of Shared Governance & FABPAC to discuss budget planning
- 14 to 22 – Campus Budget Survey conducted
- 16 – Campus Budget Forums held at Fairfield campus (11 am & 4 pm)
- 16 – FABPAC meets
- 22 – Campus Budget Forums held at Vacaville & Vallejo Centers
- 22 – Budget presentation given to ASSC
- Weekly meeting to review expenditures: EVP Reyes, VP Ligioso, Director Ulrich
- Discussions begin on academic re-org
- Continued dialogue held at Supt-President Fiscal and Cabinet Meetings, Shared Governance, Division Meetings
- Budget development cycle begins for 2011-12

March

- Continue dialogue with constituent groups, campus committees, budget planning and development .

MEMORANDUM

Date: February 8, 2011
To: College Community
From: Jowel C. Laguerre
Subject: Budget Update

We will communicate often to you the steps and initiatives we are taking in regard to the budget. Vice President Yulian Ligioso will be the main spokesperson for issues regarding the budget and will speak on my behalf and on behalf of the institution. I would like to provide a few important updates:

- VP Ligioso, EVP Reyes, Director Ulrich and Executive Director Bostic and I have met to discuss the budget issues. We will continue to meet at least weekly to review the latest on the budget and to determine the proper communication to you.
- At our last meeting, we decided that it would be good for us to save as much as we can from our 2010-11 budgets at this time to alleviate the devastating impact of the upcoming cuts.
- VP Ligioso, EVP Reyes, and Director Ulrich will review expenditures and approve what should or should not move forward. They will meet regularly to have these discussions to avoid the proverbial bottleneck.
- While initially I was encouraging EVP Reyes to look at reorganizing Academic Affairs for the fall of 2012, the severity of the budget will require dramatic administrative cuts. Therefore, the reorganization discussions will start immediately for a July 1, 2011 implementation.
- We are re-evaluating all the new positions and will hold conversations with the Academic Senate on the faculty positions and with CSEA and Local 39 on classified positions. Both faculty and administrative positions will be evaluated for continuous recruitment, modified recruitment or elimination of recruitment.
- We are exploring additional revenues to help us in the long run; but they may not have an immediate impact on the current issues. These include grants, fundraising, management of enrollment, etc.
- VP Ligioso will provide accurate data, numbers and information so that our budget discussions, negotiation with the bargaining units can be transparent.
- We are sending out a survey for your input into the budget; please return it to us as soon as possible.
- We will hold several open forums to discuss the budget with you.

We did our best for the past two budgets and had as little disruption as possible. However, this budget is a fiscal crisis and will negatively impact us all. But, we will continue to use a measured team approach so that we preserve the core, mission, and function of the college. Thank you for your continued support!

Solano Community College District **2011-12 Budget Development Calendar**

January		April		August	
14	Governor's expected release date of 2011-12 State budget proposal.	1	No purchases greater than \$25,000 to be processed after April 30.	2	Present 2011-12 Adopted Budget to SPC.
19	FABPAC Meeting: Report on Governor's 2011-12 budget proposal.	10	Tentative Budget sent to Vice Presidents for review with Budget Managers.	TBA	FABPAC-Special Meeting during Flex-Cal, review of 2011-12 Public/Final Budget.
22	FY 2011-12 revenue & expenditure projections. Also projections on some fixed costs and state revenues.	May		September	
February		1	Close out all open item PO's by 6/30 to minimize "carry-over" charges.	*	Board Meeting: Public Hearing and Workshop on 2011-12 District Budgets.
1	Position Budget Worksheets, budget worksheets, instructions and District Budget Assumptions distributed to Budget Managers.	3	Budget Managers transmit corrections/adjustments to Fiscal Services for data entry (2nd submission).	14	Board Meeting: 2011-12 Adoption Budget adopted by Governing Board. *
2	Board Study Session: Review - Mid-Year Financial Status to include unspent allocations	13	Governor's May Revise expected release date.	October	
15	FROM Integrated Planning Process (IPP): FABPAC to provide budgeting recommendations & report the results to the Review Groups (RGs) and college community by Feb. 15 of planning year.	12	Vice Presidents transmit budget changes & corrections to Fiscal Services for Tentative Budget (2nd submission).	1	From IPP: RG forwards all reasonable strategies to Shared Governance Council by October 1 of planning year.
15	Review early purchasing deadline for current fiscal year.	17	Draft Tentative Budget prepared for the SPC.	Board & Campus Community: Staff & FABPAC develop 2012-13 Budget Development Calendar and distribute.	
17	Budget Managers transmit position corrections/adjustments to Fiscal Services.	18	FABPAC meeting: Review of Tentative 2011-12 General Fund budget in light of May Revise.	November	
17-23	Vice Presidents review restricted & unrestricted funds with program budget managers and prepare preliminary budget projections.	June		1	From IPP: Strategic proposals requiring funding will be forwarded to FABPAC by November 1 of planning year.
16	FABPAC meeting: 2011-12 financial projections update.	1	Board Meeting: 2011-12 Tentative Budget presented for information.	December	
26	Vice Presidents forward preliminary budget worksheets to Fiscal Services.	15	Board Meeting: 2011-12 Tentative Budget adopted by Board.	Faculty hiring recommendations	
March		July			
1	From IPP: The SPC (Supt/President & Cabinet) identify proposals to be implemented and report these to the campus community by March 1 of planning year.	2	Budget Managers transmit position corrections/adjustments to Fiscal Services (final submission).		
8	Present Preliminary 2011-12 General Fund Budget to the SPC.	9	Final budget worksheets returned to Vice Presidents for review with Budget Managers.		
16	Present Preliminary 2011-12 General Fund Budget to the Governing Board.	16	Vice Presidents submit Final Budgets to Fiscal Services.	* - Dates in September are contingent on the State budget passage and could impact subsequent dates in the calendar.	

“The Good”



“There is nothing bad we cannot overcome when we decide to team up, face it, and confront it.”

Dr. Laguerre, SP Direct 1/20/11



Questions / Comments



Find this power point presentation and other budget information :

- 1) <http://www.solano.edu/administration/budget.html>
- 2) ***My Solano, under Groups – Finance & Administration***