

Governing Board Study Session on the Proposed 2010-11 District Budgets September 1, 2010

Presented by Roy V. Stutzman, Consultant
Finance and Administration

**Budget Conference Committee Status
Major Community College Items**

League-Supported Action.

	Governor	Senate	Assembly	Conference
Cost-of-Living Adjustment	-0.39% (-\$23 million)	no cut	no cut	no cut
Enrollment Growth	2.21%	2.21%	2.25%	2.21%
Part-Time Faculty Compensation	-\$10 million	no cut	no cut	no cut
EOPS	-\$10 million	no cut	no cut	no cut
Backfill ARRA money that supported categoricals in 2009-10	not proposed	not proposed	\$35 million	\$35 million
Career Technical Education	\$20 million	no increase	no increase	no increase*
Basic Skills Initiative Language	no new language	redistribute 20% of money among districts based on basic skills success	no language	compromise budget bill language to require study of performance-based funding model for basic skills program
Student Financial Aid Administration	no language	redistribute money based on Pell Grant (rather than BOG) awards	no language	no language
CalWORKs	make money flexible, conforming to CalWORKs elimination proposal	same as 2009-10	same as 2009-10	same as 2009-10
Economic/Workforce Development	same as 2009-10	same as 2009-10	+\$100 million	+\$25 million**

Looking Back...



- 2007-08
 - COLA at 4.53%
 - Growth – 0% (restoration)

- 2008-09
 - No funded COLA
 - Growth funding \$845,000 – giving
 - Apportionment deficit \$558,000 – taking away

- 2009-10
 - No funded COLA
 - General apportionment reduction \$1.5 M
 - State categorical funding reduction \$1.2 M

And Moving Forward...A Recent Sequence of Events

- 2010-11
 - No funded COLA
 - Assume no increase in state revenue due to state budget crisis



A Decade of Enrollment and Apportionment Revenue

Year	Reported FTES	Paid FTES	% Growth (actual)	State Apportionment
2010-11	(Projected) 9,142 *	(base) 8,962	- 5.0	46,258,673
2009-10	9,621	8,962	3.3	46,336,942
2008-09	9,314	9,307	3.8	46,375,619
2007-08	9,025	9,100	2.4	45,558,043
2006-07	8,810	8,810	- 4.1	44,057,479
2005-06	9,182	9,182	5.8	38,774,536
2004-05	8,681	8,681	4.9	33,737,177
2003-04	8,271	8,271	- .1	30,484,153
2002-03	8,282	8,164	4.2	30,202,711
2001-02	7,949	7,949	4.8	28,974,923

* - Base Plus 2%

District Response Year-to-Year Expenditure Reductions



	2008-09	2009-10	2010-11
People	138,587	1,037,297	801,500
Things	555,142	1,208,374	797,584
TOTAL	693,729	2,245,671	1,599,084

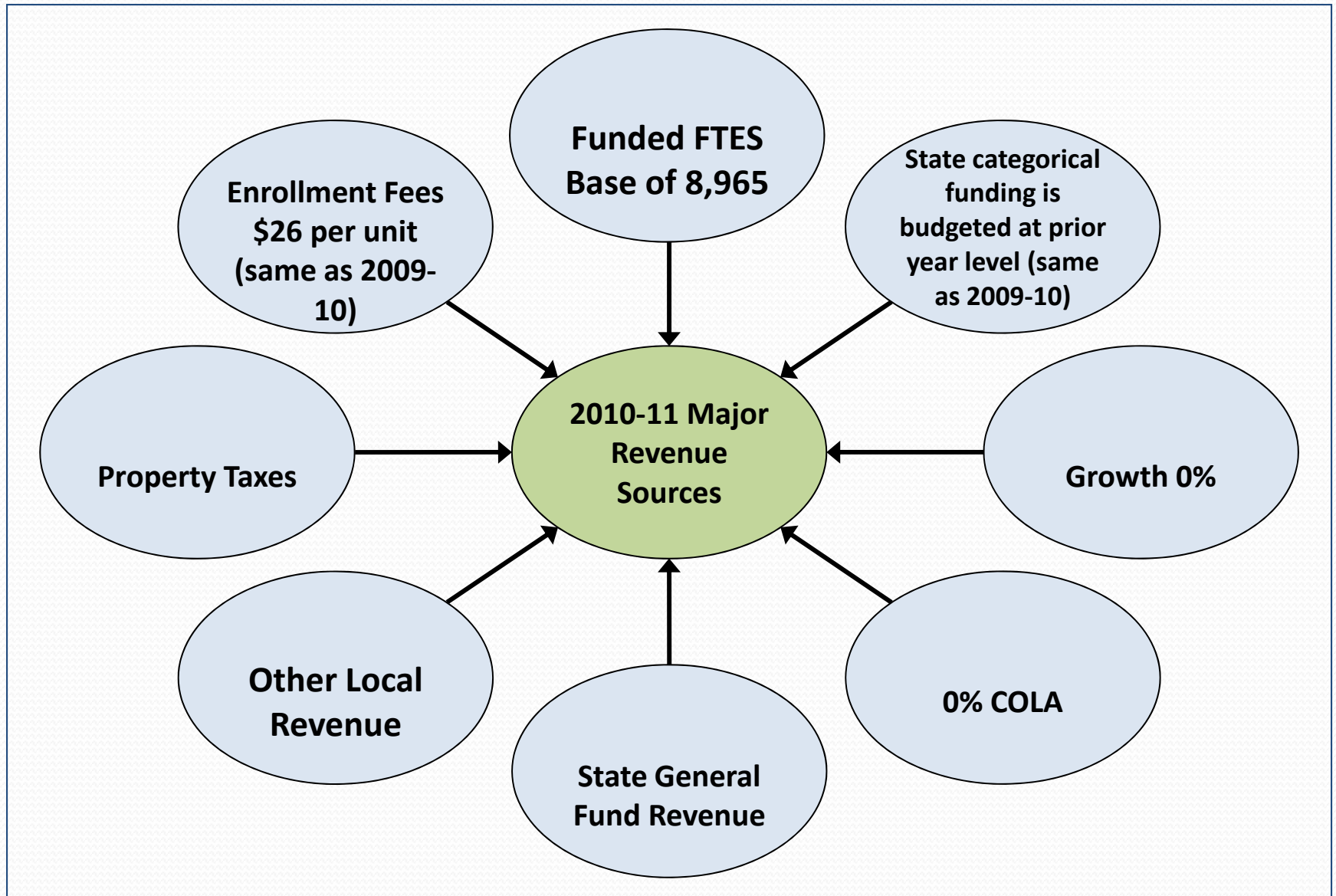
Source: The People & Things List

Unrestricted General Fund
Revenue / Expenditures
Source: CCFS-311 Annual Financial Report

	2005-06	2006-07	2007-08	2008-09	
Revenue	43,067,679	47,909,009	48,967,691	50,379,704	+ 17.0%
Expenditures	42,333,034	46,288,175	50,216,581	51,089,894	+20.7%
	734,646	1,620,834	(1,248,890)	(710,190)	

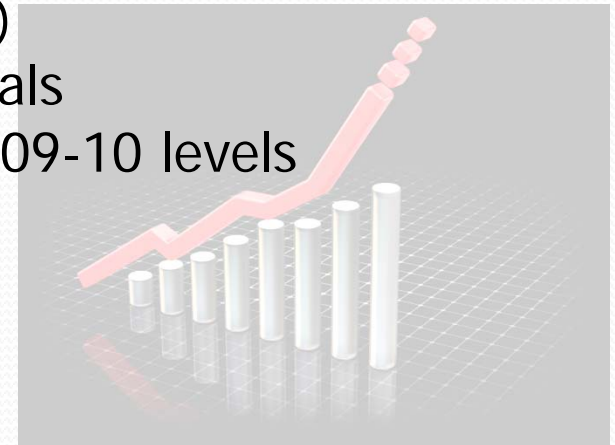
* - Funding Formula Change - SB 361

Revenue Sources

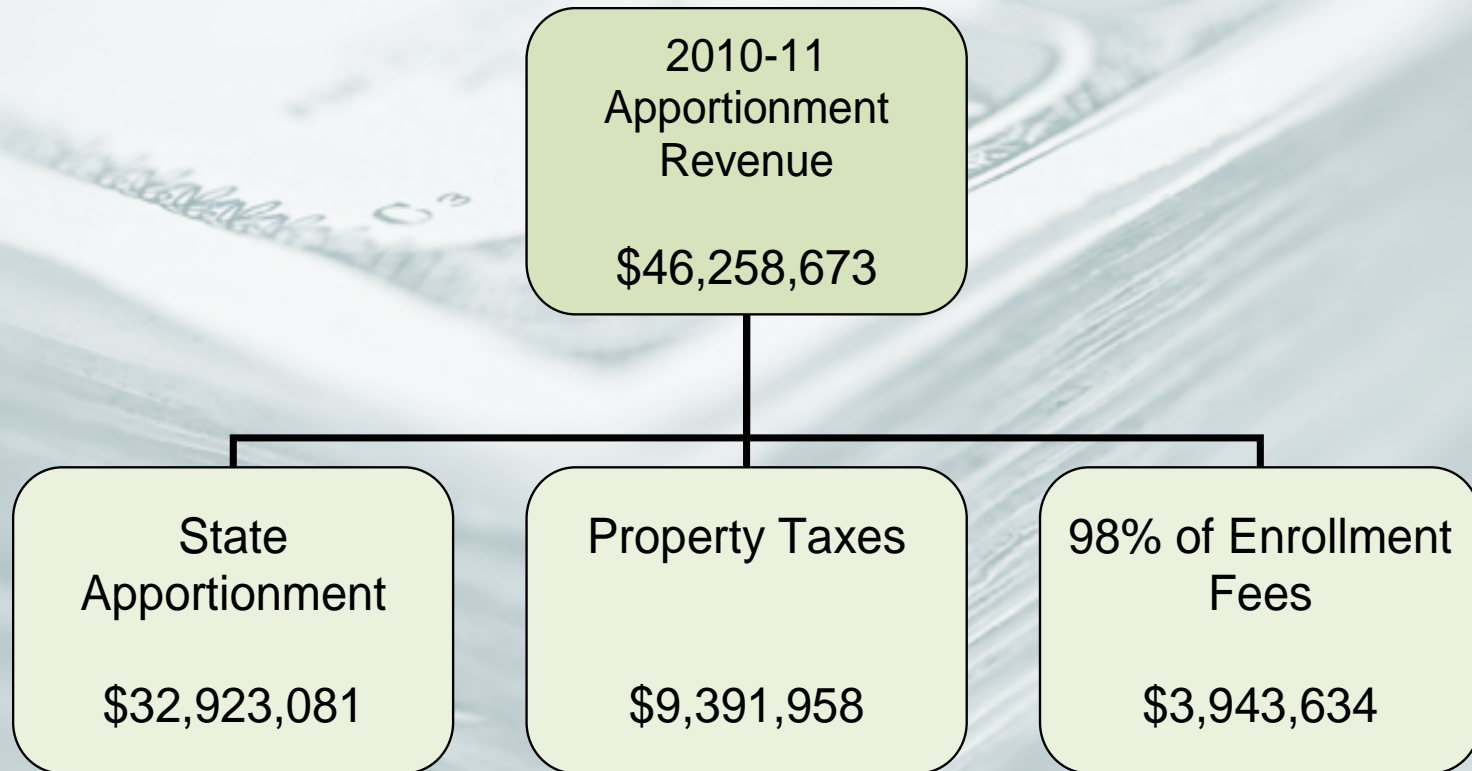


Revenue Assumptions & FTES

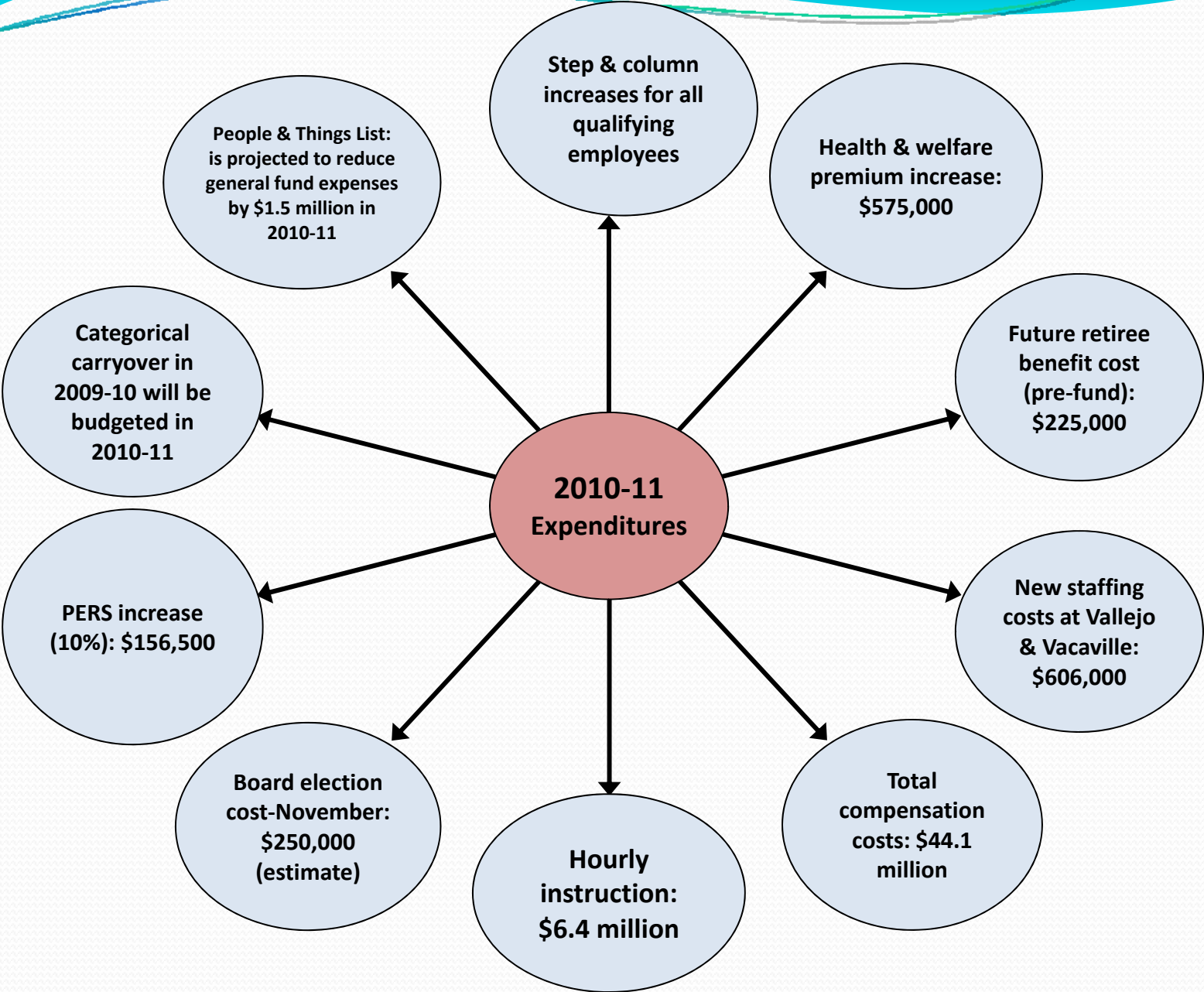
- Total apportionment revenue based on 2009-10
- Revenue for 2009-10 increased by \$1,107,182 resulting from formal approval of "Center" status for Vallejo site
- "Center" revenue becomes part of the on-going District revenue base
- Revenue in 2010-11 is expected to be reduced by a 0.38% negative COLA (\$176,817) based upon the May Revise- subject to final state budget
- Growth is budgeted at 0%
 - 2009-10, District funded base is 8,962 FTES (workload reduction resulting from 2009-10 budget act)
 - 2010-11, District base FTES is 8,962 (no paid growth contemplated in current District budget)
- Local Revenue based upon 2009-10 actuals
- State categorical funding budgeted at 2009-10 levels



Components of Apportionment Revenue



Expenditures



Statutory Benefits

	2009-10	2010-11	Change
STRS	8.25 %	8.25 %	No Change
PERS	9.709 %	10.707 %	+ 10.3 %
FICA	6.2 %	6.2 %	No Change
PERS (employee)	8.24 %	8.24 %	No Change
Medicare	1.45 %	1.45 %	No Change
SUI	0.30 %	0.72 %	+ 240 %
Workers' Comp	1.48 %	1.5682 %	+ 6 %



Expenditure Increases...



Increases	Cost
Health & Welfare Premium	575,000
New staffing costs for Vacaville and Vallejo Centers	606,000
Board elections	250,000
PERS	156,500
TOTAL	1,587,500

General Fund Expenditure Reductions...

2010-11 Reductions	Cost
Early retirement savings	400,000
Custodial shift change	15,000
Reclassify appropriate police services to parking fund	65,000
Reduce hourly instructional budget – summer	206,500
Reduce hourly instructional budget – fall	115,000
Reduce legal fees	200,000
Reduce contributions to theater	220,000
Community Services	48,226
CMF clean-up – reclassify to capital projects)	200,000
Consulting contract (interim S/P)	65,000
Special Trustee contract	48,000
Old Vacaville Center lease (base rent reduction to 12/31 and reclassify to capital projects)	266,358
Property & liability insurance premium (reclassify to Self-Insurance Fund)	419,362
TOTAL	2,268,446

**SUMMARY - GENERAL FUND
PROPOSED FINAL BUDGET**

YEAR	COLA	FTES CAP	FTES TARGET
2010-11	0%	8,965.32	9,142

**DISTRICT REVENUE SOURCES
(8000-8900)**

TOTAL STATE REVENUE 36,468,710 68.3%

TOTAL FEDERAL REVENUE 780,700 1.5%

**TOTAL LOCAL REVENUE &
OTHER SOURCES** 16,136,986 30.2%

TOTAL – ALL REVENUES 53,386,396 100.0%

**DISTRICT EXPENDITURES
(1000 - 7000)**

1000 Certificated Salaries 20,441,380

2000 Classified Salaries 10,999,008

3000 Employee Benefits 12,741,050

TOTAL COMPENSATION 44,181,438 82.1%

4000 Books and Supplies 1,582,436

5000 Services/Utilities/Operating
Exp. 7,155,224

6000 Capital Outlay 713,226

7000 Other Outgo 213,131

TOTAL EXPENDITURES 53,845,455 100%

**EXPENDITURES OVER
REVENUES (DEFICIT)** (459,059)

**DESIGNATED FUND BALANCE
GENERAL RESERVE** \$4,213,530 7.8%

(Board Policy 3005 – 5% reserve = \$2,692,272)

General Unrestricted Fund

Comparative Between 2009-10 and 2010-11

REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE		Adopted Budget 2009-10	Workng Budget 2009-10	Projected Yr Totals 2009-10	Proposed Budget 2010-11
REVENUES:					
Federal Sources	8100-8199	\$	\$	\$ 182,421	\$ 0
State Sources	8600-8699	33,518,992	33,518,992	34,502,088	34,220,153
Local Sources	8800-8899	15,731,075	15,731,075	15,731,684	15,588,954
Total Revenue		49,250,067	49,250,067	50,416,193	49,809,107
EXPENDITURES:					
Academic Salaries	1000-1999	20,531,207	20,497,807	21,475,028	20,161,973
Other Staff Salaries	2000-2999	9,320,928	9,334,214	9,099,940	9,804,068
Employee Benefits	3000-3999	10,964,804	10,964,804	11,317,473	12,197,792
Supplies & Materials	4000-4999	1,383,302	1,443,477	1,183,984	1,134,590
Services & Other Operating	5000-5999	7,440,178	7,417,209	7,562,904	6,681,209
Capital Outlay	6000-6999	493,251	525,413	276,294	288,534
Total Expenditures		50,133,670	50,182,924	50,915,623	50,268,166
EXCESS REVENUES (EXPENDITURES)		(883,603)	(932,857)	(499,430)	(459,059)
OTHER FINANCING SOURCES (USES):					
Other Sources	8980-8999	55,000		126,217	0
Other Uses	7100-7999	(25,000)		(182,421)	0
Total Other Sources (Uses)		30,000	0	(56,204)	0
FUND BALANCE INCREASE (DECREASE)		(853,603)	(932,857)	(555,634)	(459,059)
BEGINNING FUND BALANCE:					
Beginning Balance	9790	3,419,596	3,419,596	3,419,596	4,672,589
Prior Year Adjustments	9791-9792			1,808,627	0
Adjusted Beginning Balance		3,419,596	3,419,596	5,228,223	4,672,589
ENDING FUND BALANCE		\$ 2,565,993	\$ 2,486,739	\$ 4,672,589	\$ 4,213,530

The Present and Beyond: Long-Term Issues

- Maintain Student Access and Service Quality With Declining Resources
- Increasing Costs
- Cash Flow
- Structural Deficit
- Longer Term Financial Strategies & Solutions



It's not the end but

