

2011-2012 BUDGET ASSUMPTIONS

5/17/11

Maintenance Management Fund:

	Other	Solar	Total
Fund Balance at 6/30/10	\$ 6,103.00	\$ 49,693.76	\$ 55,796.76
ADD 2010/11	266,586.80	85,605.12	352,191.92
Current Fund Balance	\$ 272,689.80	\$ 135,298.88	\$ 407,988.68

BUDGET ASSUMPTIONS

	BUDGET <u>2011/12</u>	BUDGET <u>2010/11</u>
▶ Revenue	\$44,793K	\$43,992K
▶ Expenditures	<u>\$45,516K</u>	<u>\$43,990K</u>
▶ DEFICIT	<u>(\$ 723K)</u>	<u>\$ 2K</u>

Statement of Sources and Uses

FISCAL YEAR	ACTUAL	ACTUAL	ADOPTION	PROJECTED	DRAFT	BDGT/BDGT	%
	<u>2008-2009</u>	<u>2009-2010</u>	<u>BUDGET</u> <u>2010-2011</u>	<u>ACTUAL</u> <u>2010-2011</u>	<u>TENTATIVE</u> <u>BUDGET</u> <u>2011-2012</u>	<u>DOLLAR</u> <u>CHANGE</u>	<u>CHANGE</u>
SOURCES OF FUNDS							
REVENUES							
PROGRAM-BASED FUNDING	40,985,225	41,358,344	40,872,407	40,436,637	41,631,613	759,206	1.9%
FEDERAL	245	23,375	250	250	250	-	0.0%
OTHER STATE	2,684,842	1,879,446	1,890,096	1,998,303	1,932,040	41,944	2.1%
OTHER LOCAL	1,132,211	1,205,171	1,229,500	1,177,754	1,229,500	-	0.0%
TOTAL SOURCES	44,802,523	44,466,336	43,992,253	43,612,944	44,793,403	801,150	1.8%
USE OF FUNDS							
SALARIES	27,899,435	27,950,220	27,915,823	27,848,356	28,180,235	264,412	0.9%
BENEFITS	9,537,655	9,453,636	10,078,383	9,880,677	10,751,361	672,978	6.8%
TOTAL SALARIES & BENEFITS	37,437,090	37,403,856	37,994,206	37,729,033	38,931,596	937,390	2.5%
FIXED EXPENSES	1,880,347	1,885,216	1,977,000	2,083,931	2,301,355	324,355	15.6%
OTHER OPERATING	3,514,111	3,296,545	3,393,098	2,743,993	3,578,998	185,900	6.8%
CAPITAL OUTLAY	211,918	206,315	171,306	262,849	171,306	-	0.0%
OTHER OUTGO	1,313,096	1,280,672	454,272	595,587	533,482	79,210	13.3%
TOTAL OTHER EXPENSES	6,919,472	6,668,748	5,995,676	5,686,360	6,585,141	589,465	10.4%
TOTAL USES	44,356,562	44,072,604	43,989,882	43,415,393	45,516,737	1,526,855	3.5%
SOURCES OVER (UNDER) USES	445,961	393,732	2,371	197,551	(723,334)	(725,705)	-367.4%
TRANSFER IN (OUT)	(148,519)	(148,147)	-	(113,410)	-	-	n/a
BEGINNING FUND BALANCE	4,618,497	\$ 4,915,939	\$ 5,164,863	\$ 5,161,524	\$ 5,245,665	\$ 80,802	1.6%
ENDING FUND BALANCE	4,915,939	\$ 5,161,524	\$ 5,167,234	\$ 5,245,665	\$ 4,522,330	\$ (644,904)	-12.3%
	11.1%	11.7%	11.7%	12.1%	9.9%		

REVENUE ASSUMPTIONS

▶ Property Taxes	\$592K
▶ Enrollment Fees	\$167K
▶ State Revenue	\$ 42K
▶ Local Revenue	<u>\$ 0</u>
▶ Increase over 2010/11 revenue budget	<u>\$801K</u>

REVENUE ASSUMPTIONS

- ▶ **Property Taxes** **\$592K**
 - State Board of Equalization inflation factor is 0.753%
 - Secured taxes – County estimate
 - Supplemental – use 2010/11 actual
 - Unsecured – County estimate
 - Prior year – use 2010/11 actual

- ▶ **Enrollment Fees , net** **\$167K**
 - Fee increase from \$26 to \$36/unit
 - Significant increase in BOG waivers

REVENUE ASSUMPTIONS

- ▶ **State Revenue** \$ 42K
 - Increase in lottery
 - Best case scenario is \$400M
or 6.4% reduction in PT faculty,
health benefits, office hours

- ▶ **Local Revenue** \$ 0
 - Maintain at 2010–2011 actuals

Statement of Sources of Funds

FISCAL YEAR	ACTUAL		ADOPTION	PROJECTED	DRAFT	BDGT/BDGT	% CHANGE
	2008-2009	2009-2010	BUDGET 2010-2011	ACTUAL 2010-2011	TENTATIVE BUDGET 2011-2012	DOLLAR CHANGE	
PROGRAM-BASED FUNDING							
STATE SUBVENTIONS	280,416	275,034	267,685	268,233	269,482	1,797	0.7%
TOTAL	280,416	275,034	267,685	268,233	269,482	1,797	0.7%
PROPERTY TAXES							
SECURED	37,713,052	38,039,678	37,543,962	37,301,401	38,127,173	583,211	1.6%
SUPPLEMENTAL	751,877	375,548	375,548	321,414	321,414	(54,134)	-16.8%
UNSECURED	798,323	850,212	850,212	847,250	905,965	55,753	6.6%
PRIOR-YEAR	103,062	96,382	85,000	90,292	90,292	5,292	5.9%
TOTAL TAXES	39,366,314	39,361,820	38,854,722	38,560,357	39,444,844	590,122	1.5%
ENROLLMENT FEES	1,338,495	1,721,490	1,750,000	1,608,047	1,917,287	167,287	9.7%
TOTAL PROGRAM-BASED	40,985,225	41,358,344	40,872,407	40,436,637	41,631,613	759,206	1.9%
FEDERAL REVENUE	245	23,375	250	250	250	-	0.0%
STATE REVENUE							
PARTNERSHIP FOR EXCELL	1,742,873	1,158,014	1,153,040	1,153,040	1,153,040	-	0.0%
OTHER STATE	941,969	721,432	737,056	845,263	779,000	41,944	5.0%
TOTAL STATE	2,684,842	1,879,446	1,890,096	1,998,303	1,932,040	41,944	2.1%
LOCAL REVENUE							
INTEREST	97,271	16,836	20,000	20,000	20,000	-	0.0%
NON-RESIDENCE FEES	682,286	723,007	740,000	823,891	740,000	-	0.0%
OTHER STUDENT CHARGES	86,838	79,441	80,000	69,208	80,000	-	0.0%
NON-RESIDENCE INSURANCE	35,103	39,959	39,500	40,747	39,500	-	0.0%
MISCELLANEOUS	230,713	345,928	350,000	223,908	350,000	-	0.0%
	1,132,211	1,205,171	1,229,500	1,177,754	1,229,500	-	0.0%
TOTAL REVENUE	\$ 44,802,523	\$ 44,466,336	\$ 43,992,253	\$ 43,612,944	\$ 44,793,403	\$ 801,150	1.8%

EXPENDITURE ASSUMPTIONS

▶ Salaries	\$265K
▶ Benefits	\$673K
▶ Fixed expenses	\$324K
▶ Other operating	\$186K
▶ Capital/Other outgo	<u>\$ 79K</u>
▶ Increase over 2010/11 expenditure budget	<u>\$1,527K</u>

EXPENDITURE ASSUMPTIONS

- ▶ Salaries \$265K
 - Negotiations: \$323K
 - Step and column increases

- ▶ Benefits \$673K
 - Negotiations: \$339K
 - 10.2% health rate increase
 - 13.7% PERS increase

EXPENDITURE ASSUMPTIONS

- ▶ Fixed expenses \$324K
 - 5% – 27% rate increase

- ▶ Other operating \$186K
 - Election–4 seats \$286K
 - Savings in legal fees \$100K
 - Discretionary – hold flat

- ▶ Capital/Other outgo \$ 79K
 - Debt payment reduction
 - Additional categorical funding
 - Discretionary – hold flat

Statement of Uses of Funds

FISCAL YEAR	ACTUAL	ACTUAL	ADOPTION	PROJECTED	DRAFT	BDGT/BDGT	
	<u>2008-2009</u>	<u>2009-2010</u>	<u>BUDGET</u> <u>2010-2011</u>	<u>ACTUAL</u> <u>2010-2011</u>	<u>TENTATIVE</u> <u>BUDGET</u> <u>2011-2012</u>	<u>DOLLAR</u> <u>CHANGE</u>	<u>%</u> <u>CHANGE</u>
USE OF FUNDS							
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OUTLOOK FOR THE FUTURE

- ▶ Ongoing structural deficit
 - Uncertain property tax revenue recovery
 - Increasing salaries, benefits, and other costs
- ▶ Difficulty maintaining reserve levels that can withstand economic downturns
- ▶ Inability to meet all priorities

ISSUES FACING THE DISTRICT

- ▶ Eliminating the 2011 / 12 deficit
- ▶ Making strategic decisions to maintain the financial condition of the district
- ▶ Evaluating solutions to eliminate the current and future budget deficits

MAY REVISION

- ▶ **The Big Picture** – On Monday May 16th the Governor released his annual May Revision. Relative to the budget proposal issued in January, **the news is largely positive**. The Department of Finance has identified an increase in revenue of \$6.6 billion covering the 2010–11 and 2011–12 years. Combined with the significant legislative actions taken in March, the scope of **the budget gap identified by the Governor has been reduced from \$26.6 billion to \$10.8 billion**.

MAY REVISION

- ▶ **Community Colleges – The May Revision proposes to keep the most of the actions taken on the CCC budget earlier in the year intact** (a \$400 million base reduction plus an increase of fees of \$10 per unit) while using the new revenues to buy back \$350 million in inter-year deferrals.
- ▶ **NO PROPOSED IMPACT ON BASIC AID DISTRICTS.**

MAY REVISION

- ▶ **Doomsday?** – In the event tax extensions are not approved, the May Revision summary speaks in broad terms about reductions to education (additional \$500 million in cuts to each of UC and CSU and a \$5 billion cut to Proposition 98), though the Governor chose not to specify how these reductions would be taken. **Given the \$6.6 billion in new revenues, though, it seems unlikely that the CCCs would be subject to the worst case scenario spelled out in February by the LAO.**

What will the Legislature do?

- ▶ The May Revision represents the Governor's plan, but the Legislature will also have their say. They may have a different set of programmatic priorities.
- ▶ While the Governor has not proposed any policy changes for the CCCs, will the Legislature take the same approach?
- ▶ Legislative hearings are not slated to begin until the week of May 23rd

LEGISLATIVE ANALYSIS OFFICE (LAO)

- ▶ Basic Aid Districts have remained below the radar:
- ▶ The LAO has been questioning why are Basic Aid Districts receiving Partnership For Excellence (PFE) dollars.
- ▶ **Marin = \$1.1 million**
- ▶ **LAO may recommend taking the dollars away from Basic Aid Districts.**