



# 2012-2013 ADOPTED BUDGET

Board of Trustees Meeting  
September 10, 2012

# Outline of Presentation

1. State Budget Overview
2. RSCCD 2012-2013 Proposed Adopted Budget
3. What's Next?
4. Recommendation

# State Budget Overview

# State Budget Overview

- ▣ 2012-2013 State budget enacted June 27
  - Anticipates November 6 tax measure will pass
  - If not, then automatic trigger cuts to education
- ▣ Provides \$209 million more for community colleges
  - \$159 million – partial deferral buy down
  - \$50 million – growth/restoration
- ▣ Also provides \$28 per FTES for Mandated Costs
- ▣ No COLA (cost of living allowance)
  - Fifth year in a row

# State Budget

## What's Included for CCs

- ▣ No Cost of Living Allowance (COLA)
  - Fifth year in a row without COLA

California Community Colleges COLA History

<u>Fiscal</u> <u>Year</u>	<u>CCC</u> <u>COLA</u>	<u>Statutory</u>
2002-03	2.00	1.66
2003-04	0.00	1.86
2004-05	2.41	2.41
2005-06	4.23	4.23
2006-07	5.92	5.92
2007-08	4.53	4.53
2008-09	0.00	5.66
2009-10	0.00	5.02
2010-11	0.00	(0.38)
2011-12	0.00	2.24
2012-13	0.00	3.24

- ▣ Student fees increased from \$36 to 46 per unit

# State Budget

## What's Included for CCs

- ▣ If tax measure does not pass = automatic trigger cuts to CCs:
  - Trigger implemented as of January 1, 2013
  - Lose \$50 million in “growth/restoration”
  - Lose \$159.9 million deferral buydown
  - In addition, \$338.6 million additional systemwide state funding reductions
    - ▣ 7.4% Workload Measures Reduction
      - Negative growth of 7.4%
    - ▣ \$8.6 million state funding cut to RSCCD

# State Budget

## What's Included for CCs

- ▣ Also, with or without tax measure passage, there are indications that state revenues are still lagging behind estimates
- ▣ If so, then Proposition 98 minimum funding guarantee for K-14 education could be reduced accordingly
- ▣ All are anxiously waiting the outcome of the November 6 tax measure...

RSCCD  
2012-2013  
Proposed Adopted Budget

# Proposed Adopted Budget

- ▣ Includes Budget Allocation and Planning Review Committee (BAPR) recommended and Board approved budget assumptions for the Adopted Budget
- ▣ BAPR reviewed and unanimously recommended the proposed Adopted Budget to the Chancellor
- ▣ Includes transition to the new SB 361 Budget Allocation Model (BAM)

# Proposed Adopted Budget New BAM

- ▣ Allocates apportionment revenue based on state model for base allocation and FTES generation to the colleges
- ▣ Deducts cost of District Office and Districtwide services
- ▣ Allocates 100% of “local” revenue to the site that generates it
- ▣ Sites now responsible to live within allocation and receive carryover of unspent funds

# Proposed Adopted Budget New BAM

## ▣ 2012/13 Budgeted Unrestricted General Fund Expenditures:

▪ Santa Ana College	\$74,031,140
▪ Santiago Canyon College	\$33,698,194
▪ District Office	\$26,841,443

# Proposed Adopted Budget Changes from Prior Year

- ▣ PERS Increased Cost                      \$250,000
- ▣ Health and Welfare                      \$1,900,000
- ▣ Step and Column                      \$2,500,000
- ▣ Election Expense                      \$400,000
  - Updated estimated cost of election expected to be \$230,500 to \$290,500
- ▣ Budget Cuts/Savings                      (\$5,000,000)

# Proposed Adopted Budget General Fund Combined

- ▣ Federal Revenues = \$12.06 million – 7.4%
- ▣ State Revenues = \$96.72 million – 59.1%
- ▣ Local Revenues = \$54.77 million – 33.5%
  - ▣ Property taxes = \$42.96 million
    - Collected \$37.69 million in 2011/12
  - ▣ Student fees = \$7.4 million (@ \$46/unit)
  - ▣ Non-resident tuition = \$1.65 million
- ▣ Total budget year revenue - \$163.56 million

# Proposed Adopted Budget General Fund Combined

- ▣ Expenditures:
  - Salaries and benefits - \$136.7 million
    - Approximately 81% of all district budgeted expenses
    - ▣ Academic Salaries - \$58.79 million - 43%
    - ▣ Classified Salaries - \$38.99 million - 29%
    - ▣ Employee Benefits - \$38.92 million - 28%
  - Supplies - \$3.50 million
  - Services and other operating expense - \$26.03 million
  - Equipment - \$2.92 million
  - Other transfers - \$2.07 million
- ▣ Total budgeted expenditures of \$171.22 million

# Proposed Adopted Budget Reserves and Carryovers

- ▣ Reserve for Economic Uncertainty
  - 5% Board Policy Contingency - \$7,190,256
- ▣ Other Designated Reserves - \$815,861
  - ▣ Restricted Program Reserves and Revolving Cash
- ▣ Budget Center Carryover Funds - \$6,063,762
  - ▣ Santa Ana College - \$3,385,208
  - ▣ Santiago Canyon College - \$1,811,931
  - ▣ District Office - \$866,623
- ▣ Beginning Budget Stabilization Fund - \$29,867,597
- ▣ Ending Budget Stabilization Fund - \$27,442,983

# Fund Balance and Carryover

## BREAKDOWN OF UNRESTRICTED FUND BALANCE

<b>2011/12 Beginning Fund Balance</b>		\$ 46,173,393
<b>2011/12 Change in Fund Balance</b>		(3,029,682)
<b>Adjustment of Health Services from Fund 12 to Fund 11</b>		77,904
<b>Ending Balance FY 2011/12 / Beginning Balance FY 2012-13</b>		<u>43,221,615</u>
Carryover for Santa Ana College	\$ 3,385,208	
Carryover for Santiago Canyon College	1,811,931	
Carryover for District Office	<u>866,623</u>	
Total Budget Center Carryovers		6,063,762
5% Board Policy Contingency		7,190,256
Revolving Cash		<u>100,000</u>
Beginning Budget Stabilization Fund		29,867,597
Budgeted Spenddown		<u>(2,424,614)</u>
Ending Budget Stabilization Fund		<u><u>\$ 27,442,983</u></u>

What's Next?

# What's Next ?

- ▣ Wait for the results of the November 6<sup>th</sup> election

# Recommendation

# List of Funds Budgeted

## General Fund

Expenditures	\$ 171,219,535
Board Policy Contingency (5%)	7,190,256
Restricted Reserves	815,861
Budget Stabilization	27,442,983
Unrestricted Contingency	1,257,521
<b>Total General Fund</b>	<b>\$ 207,926,156</b>
<b>Bond Interest and Redemption Funds</b>	<b>23,932,217</b>
<b>Bookstore Fund</b>	<b>9,858,944</b>
<b>Child Development Fund</b>	<b>5,373,027</b>
<b>Capital Outlay Projects Fund</b>	<b>25,135,301</b>
<b>General Obligation Bond Funds</b>	<b>69,829,313</b>
<b>Self-Insurance Fund - Property and Liability</b>	<b>2,920,446</b>
<b>Self-Insurance Fund - Workers' Compensation</b>	<b>8,329,277</b>
<b>Retiree Benefits Fund</b>	<b>(6,714,341)</b>
<b>Associated Students Fund</b>	<b>369,610</b>
<b>Student Financial Aid Fund</b>	<b>26,774,367</b>
<b>Community Education Fund</b>	<b>886,119</b>
<b>Diversified Trust Fund</b>	<b>2,051,976</b>
<b>Total All Funds</b>	<b>\$ 376,672,412</b>

# Adopted Budget Recommendation

- ▣ Recommend approval of the proposed 2012-2013 Adopted Budget, as presented