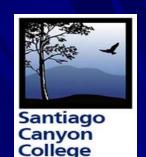




**RANCHO SANTIAGO** COMMUNITY COLLEGE DISTRICT



# 2012-2013 Budget Update

#### Board of Trustees Meeting November 13, 2012

Proposition 30 passed by voters on the November 6<sup>th</sup> election!!!

Education avoids major mid-year Trigger cuts!!!

 State Budget was approved by Legislature on Friday June 15, 2012
 Assumed November 6, 2012 tax measure would pass

 Additional taxes were included in state budget act

#### RSCCD 2012-2013 Adopted Budget

 Also assumed November tax measure would pass

- Education Protection Account (EPA) formed with passage of Prop 30 for the duration of temporary tax increases
- Prop 98 share of new taxes under Prop 30 will be deposited into EPA Account
- Funds restricted under EPA
  - No administrative salaries
  - No administrative costs
  - Separate annual audit
  - Public hearings on use of funds
- Regulations TBD
- Districts won't know how much in EPA until June 20<sup>th</sup>

Prop 30 to provide \$209 million more for community colleges

- \$159 million partial deferral buy down
  - RSCCD = approximately \$5 million of \$25 million current deferrals
  - Partially buys down state IOU's
  - No new money for spending
- \$50 million growth/restoration
  - RSCCD = approximately \$1 million
- Approximately 0.89% restoration of funded FTES
- No COLA (cost of living allowance)
  - Fifth year in a row

# RSCCD Budget Impact

- Opportunity to earn 0.89% restoration for funded FTES
  - Campuses are currently approximately 2.5% over funded FTES base
  - Therefore, 0.89% restoration funds have already been earned

No need to spend more to achieve the funds

# RSCCD Budget Impact

 RSCCD 2012-2013 Adopted Budget deficit spends by approximately \$7 million
 Restoration funds will reduce deficit spending to approximately \$6 million in the current fiscal year

Without additional offsetting costs

#### 2012-2013 Budget Concerns

- EPA a Restricted or Unrestricted Program?
  - 50% Law implications
- Are EPA revenue expectations overstated?
  - 25% estimate RSCCD = \$5.3 million loss
  - 10% estimate RSCCD = \$2.1 million loss
  - We won't know until June 20<sup>th</sup>
- Property tax shortfalls?
  - Will RDA additional funds materialize?
    Will State have the funds to backfill?
  - Assessed Valuation (AV) overstated?
  - Negative ERAF?
- Student fee shortfalls?
  - Statewide vs. district