

# Chabot-Las Positas Community College District



## Budget in Brief Summary of the Governor's January Budget Proposal for Fiscal Year 2011-12

Las Positas College Townhall Meeting

February 2, 2011

*Lorenzo Legaspi  
Vice Chancellor  
Business Services*



## Estimated \$25.4 billion shortfall

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- \$8.2 billion in 2010-11
- \$17.2 billion in 2011-12
- Long-term \$20 billion structural shortfall



## Proposed Solutions

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- \$12.5 billion in spending reductions
- \$12 billion in revenue extensions and modifications
- \$1.9 billion in other solutions
- \$1 billion reserve



## Widespread Cuts

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- \$1.7 billion to Medi-Cal
- \$1.5 billion to CalWORKs
- \$750 million to Department of Developmental Services
- \$500 million to the University of California
- \$500 million to California State University
- \$308 million to state employee compensation
- \$200 million from reorganizations, consolidations and other efficiencies



## Proposition 98 Cuts

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- Child Care \$750 million
- Community Colleges \$400 million cut  
\$129 million deferral
- K-12 Schools No further cuts  
\$2.1 billion deferral



## Additional Revenues

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- Five-Year Extension of Temporary Taxes
  - Personal Income Tax Increase (0.25%)
  - Dependent Care Exemption
  - Sales and Use Tax (1.0%)
  - Vehicle License Fee (0.5%)



## For the California Community Colleges

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- No mid-year cuts proposed
- 0.00% Cost of Living Adjustment (COLA); statutory COLA estimated at 1.67%



## For the California Community Colleges (con't)

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- \$400 million cut to base apportionments (“funding reforms”)
  - Work with BOG, CCCCO, and stakeholders
  - Modify census date
  - Incentivize completion





## For the California Community Colleges (con't)

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- \$10 per credit unit increase in student fees
  - 38.5% hike from \$26 to \$36 per unit
  - \$110 million to fund 1.9% enrollment growth
- Categorical flexibility provisions would be extended through 2014-15



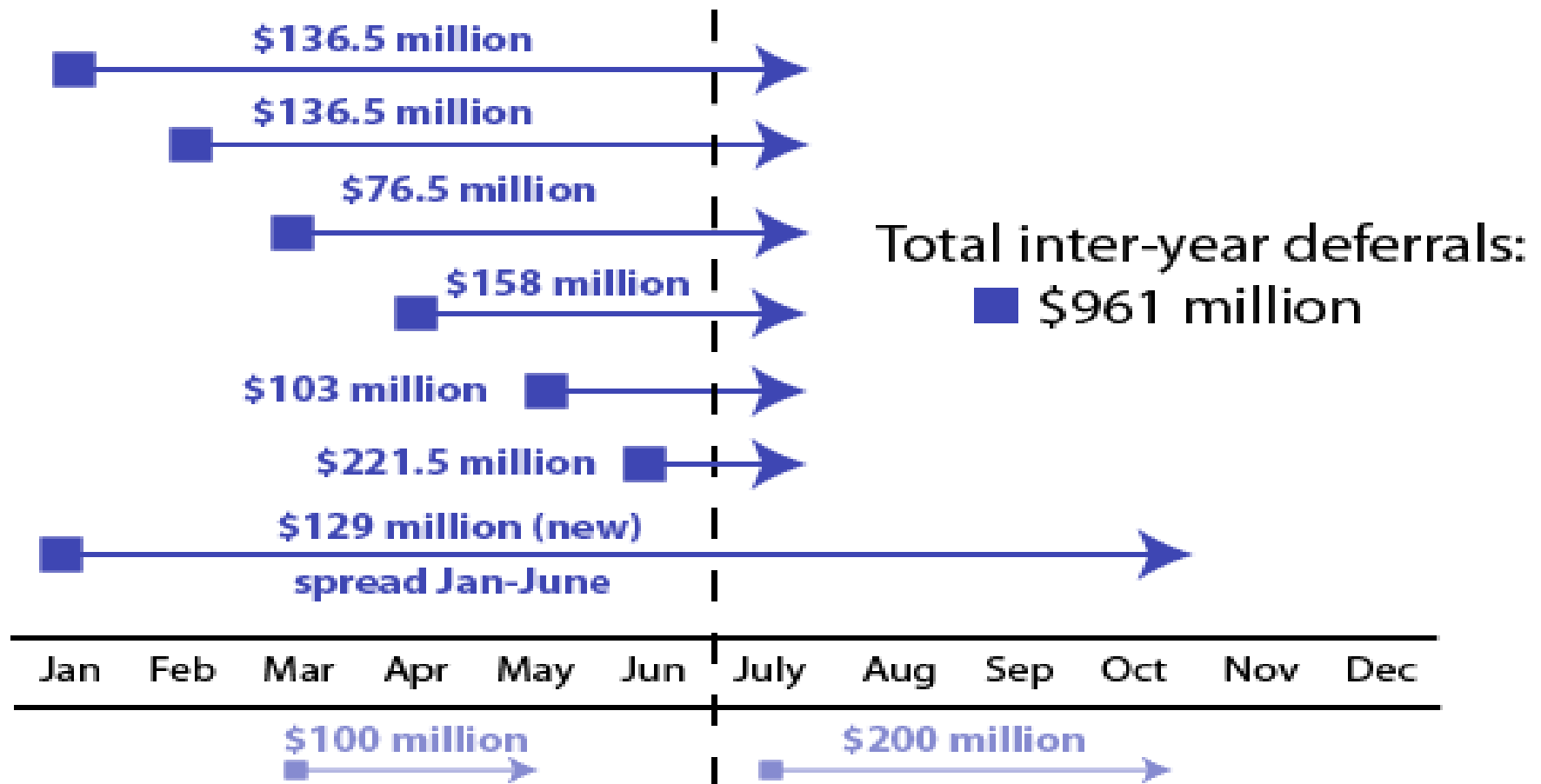
## Apportionment Deferrals

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- Increase of \$129 million in inter-year funding deferrals
- Total inter-year deferrals = \$961 million
- Total deferrals = \$1.261 billion
- 20 percent of annual funding

# Apportionment Deferrals (Con't)

## Community College Apportionment Deferrals



Total inter-year deferrals:  
■ \$961 million

Total intra-year deferrals:  
■ \$300 million



# For the Chabot-Las Positas Community College District

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## Revenue

FY 2011/12

\$400 million cut in apportionment (\$6,059,000)

1.9% enrollment growth \$1,666,000

Net decrease in state funding (\$4,393,000)



# For the Chabot-Las Positas Community College District

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FY 2011/12

Net decrease in state funding	(\$4,393,000)
<u>District Mandatory Obligations</u>	
Step and column salary increases	(\$715,724)
Premium increases for health & welfare	(\$1,521,572)
Premium increases for property & liability ins	(\$47,525)
Premium increases for student insurance	(\$59,377)
Increase in fringe benefits (W/C, U/I, PERS)	<u>(\$193,730)</u>
Total district mandatory obligations	<u>(\$2,537,928)</u>
Total Projected Budget Deficit	<u>(\$6,930,928)</u>



# What Happens if Tax Package is Not Approved by Voters?

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If June Tax Fails & Prop 98  
at Minimum

FY 2011/12

State General Fund	(\$9,391,000)
1.9% enrollment growth	<u>\$1,666,000</u>
State reduction	(\$7,725,000)
District structural deficit	<u>(\$2,537,928)</u>
Total budget deficit	(\$10,262,928)

# What Happens if Tax Package is Not Approved by Voters?

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## If June Tax Fails & Prop 98 Suspended

FY 2011/12

State General Fund	(\$13,632,000)
1.9% enrollment growth	<u>\$1,666,000</u>
State reduction	(\$11,966,000)
District structural deficit	<u>(\$2,537,928)</u>
Total budget deficit	(\$14,503,928)



## Accelerated Budget Timeline

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- January 10 Budget Release
- January-February Budget Hearings
- March 1 “Mini” Budget Enacted
- June Special Election
- July Main Budget Enacted



# Chabot-Las Positas Community College District Distribution of Budget Deficit Using the Allocation Model \$7 Million Deficit

## Revenue Allocation Model after District-wide off-the-top expenses

Total Deficit	District-wide	Chabot	LPC	District Office	M&O	Total
	6.43%	45.12%	28.97%	9.51%	9.96%	100.00%
\$7.0 million deficit	(445,577)	(3,127,434)	(2,007,831)	(659,451)	(690,635)	(6,930,928)
	445,577	(214,871)	(137,948)	(45,308)	(47,450)	-
	0	(3,342,304)	(2,145,780)	(704,759)	(738,086)	(6,930,928)
<b>Potential Solutions:</b>						
Shifts to Measure B		241,115	154,797	50,842	53,246	500,000
Dublin Center		241,115	154,797	50,842	53,246	500,000
Energy Rebates (one-time)		385,784	247,676	81,347	85,193	800,000
Mitigation Acreage (one-time)		289,338	185,757	61,010	63,895	600,000
SERP ???						
Funded Vacant Positions ???						
	0	(2,184,951)	(1,402,752)	(460,719)	(482,506)	(4,530,928)
		48.22%	30.96%	10.17%	10.65%	100.00%

# Chabot-Las Positas Community College District Distribution of Budget Deficit Using the Allocation Model \$10.3 Million Deficit

## Revenue Allocation Model after District-wide off-the-top expenses

Total Deficit	District-wide	Chabot	LPC	District Office	M&O	Total
	6.43%	45.12%	28.97%	9.51%	9.96%	100.00%
\$10.3 million deficit	(659,785)	(4,630,928)	(2,973,084)	(976,478)	(1,022,654)	(10,262,928)
	659,785	(318,168)	(204,266)	(67,089)	(70,262)	-
	0	(4,949,096)	(3,177,350)	(1,043,567)	(1,092,915)	(10,262,928)
<b>Potential Solutions:</b>						
Shifts to Measure B		241,115	154,797	50,842	53,246	500,000
Dublin Center		241,115	154,797	50,842	53,246	500,000
Energy Rebates (one-time)		385,784	247,676	81,347	85,193	800,000
Mitigation Acreage (one-time)		289,338	185,757	61,010	63,895	600,000
SERP ???						
Funded Vacant Positions ???						
	0	(3,791,743)	(2,434,322)	(799,527)	(837,336)	(7,862,928)
		48.22%	30.96%	10.17%	10.65%	100.00%