



Budget Workshop

Board of Trustees
February 5, 2014



Governor's Proposed 2014-2015 State Budget



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- Great for education



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- Health care



Governor's Proposed 2014-2015 State Budget

- Great for education
- Health care
- Rainy day fund

What's in it for Community Colleges?

- Proposition 98
- Access
- COLA
- Student Success
- Deferred Maintenance
- Instructional Equipment
- Deferrals
- Proposition 39




What's in it for Community Colleges?


- Improving Statewide Performance
- Flexibility
- Redevelopment Agencies
- Apportionment Stabilization
- Adult Education
- Innovative Models of Higher Education

Proposed Budget does NOT include

- Increase in student fees
- Proposal to fund based on FTES completion
- Requirement that all students seeking fee waivers to complete a FAFSA



Governor does state the intent to devise a plan in the 2015-2016 fiscal year that will resolve the CalSTRS fund shortfall within 30 years.



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This could be positive for the district's 50% law requirement but it is also an increase in district expenditures.



Update on the District's Budget



Linking of Budget Years

2012-2013

2013-2014

2014-2015

2015-2016

Deficit Factor 2012-2013

Deficit factor	Resulting shortfall*
– 3.77%	\$1,686,460
– 2.4%	\$1,046,075
– 2.0%	\$ 871,729
– 1.5%	\$ 653,797
– 1.0%	\$ 435,865
– 0.5%	\$ 217,932

*estimates

2012-2013 Adopted Budget

- Assumed a 2.4% deficit factor (\$1,046,075)
- Assumed funding for a \$613,813 budget gap
- Therefore,
 - 1.0% deficit factor results in additional net revenue of \$636,782
 - 0.5% deficit factor results in additional net revenue of \$854,715

Which adds to the 2012-2013 Ending
Balance/2013-2014 Beginning Balance



SUPER COOL

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- Umm, there is always a but...

2013-2014 Adopted Budget

- Assumed revenue and expenditures based on 8633 FTES

Credit FTES = \$4,636.49

Enhanced FTES = \$3,282.80

Non-credit FTES = \$2,788.05

Therefore, every 100 FTES = \$463,649

2013-2014 Actuals

- If actual FTES are 8,200 (-433) then there is a reduced revenue of \$2,007,600 from the adopted budget.
- Also a reduction in COLA of \$31,519
- Resulting in a total reduction to the adopted budget of \$2,039,119

Also will result in reductions in lottery and 3SP funding

Possible Pots of Gap Funding

- Deficit factor unbudgeted revenue 2012-2013
\$636,782 - \$854,715
- Projected unspent budget in faculty salaries/benefits 2013-2014
\$801,250
- Contingency funds 2013-2014
\$1,484,084
- TOTAL of
\$2,922,116 - \$3,140,049

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Request extension to stability



Need to adjust the Five Year Budget Projections

- But need to know FTES target plan for the five years in order to do the projects

So what do we do now?

2012-2013 stability 8633, actual 7900

2013-2014 8200?? two summers?

2014-2015 stability 8200?
actual 7200?? no summers?

2015-2016

?????



What is a realistic FTES target for the next five years?

The Planning and Budget Committee has appointed a taskforce to answer this question with a deadline of February 18, 2014.



Board guidance?