

Deterioration of the Adopted Budget

Within the 2014-2015 Adopted Budget:

Full Time Faculty hires appropriation shortfall - net

SAC - 21 FTE funding not identified	\$	(2,579,661)
Less - offsetting reduction in adj fac costs	\$	739,620
SCC - 1 FTE funding not identified	\$	(122,841)
Less - offsetting reduction in adj fac costs	\$	35,220
Net additional structural costs in adopted budget	\$	<u>(3,159,591)</u>

2014-2015 Adopted Budget structural deficit \$ (5,087,253)

Additional costs NOT included in Adopted Budget

Adjunct Faculty Accounts shortfall	\$	(6,005,368)
When compared to 13/14 actuals		
SAC - estimated shortfall \$(3,416,121)		
SCC - estimated shortfall \$(2,589,247)		

Growth - increased costs of offering 1% more class sections	\$	(405,030)
No costs for growth sections budgeted		
1% more sections - 115 sections		
assumes all 3 LHE classes, 25 students - \$1,174 per LHE		

SCC - 1 Additional FT Faculty hired, funding not identified \$ (131,038)

SCC Campus Budget structural shortfall	\$	(332,132)
SCC overspent 13/14 budget by \$1.3 million		
SCC begins 14/15 with \$332k funding reduction		

Adjusted 14/15 deficit \$ (11,960,821)

Hiring Freeze Potential Savings \$ 3,000,000 ?

Net Adjusted 14/15 deficit \$ (8,960,821)

Additional budget concerns:

SAC -Are Instructional Service Agreements properly funded?

Are utility accounts properly funded?

Reliance on Fund 13 (one-time funds) to fund ongoing positions/costs

Any additional SSSP fund 11 match requirement in 14/15?

SCC \$1.3M in budget reductions are mostly one-time, need to find permanent reductions

Transfers to cover 13XX are also mostly one-time, need to find permanent reductions

If campuses use vacancies to cover 13XX = less savings available from hiring freeze

Additional potential revenues not included in Adopted Budget

	<u>Best Case</u>
Growth revenue funding overprojection 28,628 base to 29,415 with 2.75% 2.75% revenue built into budget - 787 FTES 1.0% now projected by campuses - 286 FTES	\$ (2,344,962)
2013/14 320 Recal potential 52.9 additional FTES	\$ 245,244
No Apportionment Deficit	\$ 2,300,000
Additional Mandated Cost	\$ 300,000
Additional 1% earned Growth	\$ 1,300,000
(less cost to earn)	\$ (405,030)
 Best Case scenario added revenues	 <u>\$ 1,395,252</u>

Reconciliation

Best Case scenario added revenues	\$ 1,395,252
Adjusted 14/15 deficit	\$ (11,960,821)
Hiring Freeze Potential Savings	\$ 3,000,000
Best Case Scenario deficit spending in 14/15	<u>\$ (7,565,569)</u>