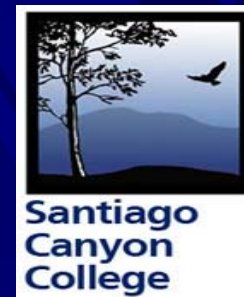




RANCHO SANTIAGO

COMMUNITY COLLEGE DISTRICT



2011-2012 Budget Update

Board of Trustees Meeting
July 25, 2011

State Budget Update

- Legislature approved a simple majority state budget on June 28th
 - SB 87 – Main budget bill
 - Governor signed on June 30th
 - AB 114 – Education trailer bill
 - AB 121 – mid-year trigger bill
- State budget “balanced” with \$4 billion in additional new revenues expected in 2011-2012
 - In addition to the \$6.6 billion already expected
 - Reduction triggers

State Budget Update Community Colleges

- Net \$290 million reduction in state apportionment funding
 - RSCCD - \$7.9 million – 6.2% workload reduction
- Increases student fees from \$26 to \$36 per unit
- Student fee collection shortfall acknowledged to be \$25 million statewide in 2011/2012
 - Estimate an additional RSCCD funding reduction of approximately \$800,000 or more
- Mid-year funding cut triggers if certain levels of additional \$4 billion in revenue doesn't materialize
- Additional apportionment cash deferrals

State Budget Update

Mid Year Triggers

■ Trigger 0

- at least \$3 of the \$4 billion materializes: No additional cuts

■ Trigger 1

- between \$2 and \$3 billion of revenue materializes: \$30 million apportionment cut, backfilled by an increase in fees of \$10, to \$46/unit

- RSCCD – additional \$800,000 to \$1 million cut

■ Trigger 2

- between \$0 and \$2 billion of new revenue materializes: Trigger 1 cut and fee increase PLUS a \$72 million additional apportionment cut

- RSCCD – additional \$1.8 million to \$2 million cut

- Combined = \$2.6 to \$3 million mid-year cut

RSCCD Budget

- Tentative Budget was prepared with the Modified Plan A scenario
 - State funding reduction of \$7.9 million
 - Partially offset by \$7.5 million reduction already budgeted last year
- Additional \$3.5 million in ongoing cost reductions necessary for Adopted Budget
 - \$2.5 million for additional new ongoing expenditures
 - \$1.0 million in anticipation of Trigger 1 mid-year reduction

Proposed Adopted Budget timeline

- BAPR Committee – Adopted Budget Assumptions recommendations
 - July 27th
- Board budget study session
 - August 22nd Board meeting
- Proposed Adopted Budget approval
 - September 12th Board meeting
 - September 15th Adopted Budget due date