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