2012–2013
ADOPTED BUDGET

Board of Trustees Meeting
September 10, 2012
Outline of Presentation

1. State Budget Overview
2. RSCCD 2012-2013 Proposed Adopted Budget
3. What’s Next?
4. Recommendation
State Budget Overview
2012-2013 State budget enacted June 27
- Anticipates November 6 tax measure will pass
- If not, then automatic trigger cuts to education

Provides $209 million more for community colleges
- $159 million – partial deferral buy down
- $50 million – growth/restoration

Also provides $28 per FTES for Mandated Costs

No COLA (cost of living allowance)
- Fifth year in a row
No Cost of Living Allowance (COLA)
- Fifth year in a row without COLA

California Community Colleges COLA History

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>CCC COLA</th>
<th>Statutory</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>2.00</td>
<td>1.66</td>
</tr>
<tr>
<td>2003-04</td>
<td>0.00</td>
<td>1.86</td>
</tr>
<tr>
<td>2004-05</td>
<td>2.41</td>
<td>2.41</td>
</tr>
<tr>
<td>2005-06</td>
<td>4.23</td>
<td>4.23</td>
</tr>
<tr>
<td>2006-07</td>
<td>5.92</td>
<td>5.92</td>
</tr>
<tr>
<td>2007-08</td>
<td>4.53</td>
<td>4.53</td>
</tr>
<tr>
<td>2008-09</td>
<td>0.00</td>
<td>5.66</td>
</tr>
<tr>
<td>2009-10</td>
<td>0.00</td>
<td>5.02</td>
</tr>
<tr>
<td>2010-11</td>
<td>0.00</td>
<td>(0.38)</td>
</tr>
<tr>
<td>2011-12</td>
<td>0.00</td>
<td>2.24</td>
</tr>
<tr>
<td>2012-13</td>
<td>0.00</td>
<td>3.24</td>
</tr>
</tbody>
</table>

Student fees increased from $36 to 46 per unit
If tax measure does not pass = automatic trigger cuts to CCs:
- Trigger implemented as of January 1, 2013
- Lose $50 million in “growth/restoration”
- Lose $159.9 million deferral buydown
- In addition, $338.6 million additional systemwide state funding reductions
  - 7.4% Workload Measures Reduction
    - Negative growth of 7.4%
  - $8.6 million state funding cut to RSCCD
State Budget
What’s Included for CCs

- Also, with or without tax measure passage, there are indications that state revenues are still lagging behind estimates.

- If so, then Proposition 98 minimum funding guarantee for K-14 education could be reduced accordingly.

- All are anxiously waiting the outcome of the November 6 tax measure…
RSCCD
2012-2013
Proposed Adopted Budget
Proposed Adopted Budget

- Includes Budget Allocation and Planning Review Committee (BAPR) recommended and Board approved budget assumptions for the Adopted Budget
- BAPR reviewed and unanimously recommended the proposed Adopted Budget to the Chancellor
- Includes transition to the new SB 361 Budget Allocation Model (BAM)
Allocates apportionment revenue based on state model for base allocation and FTES generation to the colleges

Deducts cost of District Office and Districtwide services

Allocates 100% of “local” revenue to the site that generates it

Sites now responsible to live within allocation and receive carryover of unspent funds
2012/13 Budgeted Unrestricted General Fund Expenditures:

- Santa Ana College: $74,031,140
- Santiago Canyon College: $33,698,194
- District Office: $26,841,443
Proposed Adopted Budget Changes from Prior Year

- PERS Increased Cost $250,000
- Health and Welfare $1,900,000
- Step and Column $2,500,000
- Election Expense $400,000
  - Updated estimated cost of election expected to be $230,500 to $290,500
- Budget Cuts/Savings ($5,000,000)
Federal Revenues = $12.06 million – 7.4%
State Revenues = $96.72 million – 59.1%
Local Revenues = $54.77 million – 33.5%
  - Property taxes = $42.96 million
    - Collected $37.69 million in 2011/12
  - Student fees = $7.4 million (@ $46/unit)
  - Non-resident tuition = $1.65 million
Total budget year revenue - $163.56 million
Proposed Adopted Budget
General Fund Combined

Expenditures:
- Salaries and benefits - $136.7 million
  - Approximately 81% of all district budgeted expenses
    - Academic Salaries - $58.79 million – 43%
    - Classified Salaries - $38.99 million – 29%
    - Employee Benefits - $38.92 million – 28%
- Supplies - $3.50 million
- Services and other operating expense - $26.03 million
- Equipment - $2.92 million
- Other transfers - $2.07 million

Total budgeted expenditures of $171.22 million
Reserve for Economic Uncertainty
   - 5% Board Policy Contingency - $7,190,256

Other Designated Reserves - $815,861
   - Restricted Program Reserves and Revolving Cash

Budget Center Carryover Funds - $6,063,762
   - Santa Ana College - $3,385,208
   - Santiago Canyon College - $1,811,931
   - District Office - $866,623

Beginning Budget Stabilization Fund - $29,867,597

Ending Budget Stabilization Fund - $27,442,983
### Fund Balance and Carryover

**Breakdown of Unrestricted Fund Balance**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2011/12 Beginning Fund Balance</td>
<td>$ 46,173,393</td>
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<tr>
<td>2011/12 Change in Fund Balance</td>
<td>(3,029,682)</td>
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<tr>
<td>Adjustment of Health Services from Fund 12 to Fund 11</td>
<td>77,904</td>
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<tr>
<td><strong>Ending Balance FY 2011/12 / Beginning Balance FY 2012-13</strong></td>
<td>43,221,615</td>
</tr>
<tr>
<td>Carryover for Santa Ana College</td>
<td>$ 3,385,208</td>
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<tr>
<td>Carryover for Santiago Canyon College</td>
<td>1,811,931</td>
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<tr>
<td>Carryover for District Office</td>
<td>866,623</td>
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<tr>
<td><strong>Total Budget Center Carryovers</strong></td>
<td>6,063,762</td>
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<tr>
<td>5% Board Policy Contingency</td>
<td>7,190,256</td>
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<tr>
<td>Revolving Cash</td>
<td>100,000</td>
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<tr>
<td><strong>Beginning Budget Stabilization Fund</strong></td>
<td>29,867,597</td>
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<tr>
<td><strong>Budgeted Spenddown</strong></td>
<td>(2,424,614)</td>
</tr>
<tr>
<td><strong>Ending Budget Stabilization Fund</strong></td>
<td>$ 27,442,983</td>
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What’s Next?
What's Next?

- Wait for the results of the November 6th election
Recommendation
# List of Funds Budgeted

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
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<tbody>
<tr>
<td>General Fund</td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>$ 171,219,535</td>
</tr>
<tr>
<td>Board Policy Contingency (5%)</td>
<td>7,190,256</td>
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<tr>
<td>Restricted Reserves</td>
<td>815,861</td>
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<tr>
<td>Budget Stabilization</td>
<td>27,442,983</td>
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<tr>
<td>Unrestricted Contingency</td>
<td>1,257,521</td>
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<tr>
<td><strong>Total General Fund</strong></td>
<td><strong>$ 207,926,156</strong></td>
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<tr>
<td>Bond Interest and Redemption Funds</td>
<td>23,932,217</td>
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<tr>
<td>Bookstore Fund</td>
<td>9,858,944</td>
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<tr>
<td>Child Development Fund</td>
<td>5,373,027</td>
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<tr>
<td>Capital Outlay Projects Fund</td>
<td>25,135,301</td>
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<td>General Obligation Bond Funds</td>
<td>69,829,313</td>
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<tr>
<td>Self-Insurance Fund - Property and Liability</td>
<td>2,920,446</td>
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<tr>
<td>Self-Insurance Fund - Workers' Compensation</td>
<td>8,329,277</td>
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<tr>
<td>Retiree Benefits Fund</td>
<td>(6,714,341)</td>
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<tr>
<td>Associated Students Fund</td>
<td>369,610</td>
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<tr>
<td>Student Financial Aid Fund</td>
<td>26,774,367</td>
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<tr>
<td>Community Education Fund</td>
<td>886,119</td>
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<tr>
<td>Diversified Trust Fund</td>
<td>2,051,976</td>
</tr>
<tr>
<td><strong>Total All Funds</strong></td>
<td><strong>$ 376,672,412</strong></td>
</tr>
</tbody>
</table>
Adopted Budget Recommendation

- Recommend approval of the proposed 2012-2013 Adopted Budget, as presented