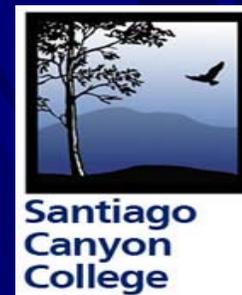




RANCHO SANTIAGO
COMMUNITY COLLEGE DISTRICT



2010-2011 and 2011-2012 Budget Update

Board of Trustees Meeting
March 28, 2011

Latest state budget information

- SB69 Budget Bill passed, not signed
 - Needs \$12.6 billion revenue portion to balance
 - \$11.2 billion in “cuts”
 - \$8.2 billion in actual cuts
 - \$2.6 billion in one time borrowing and transfers
 - \$300 million in new revenue
- Additional solutions of \$2.8 billion needed to balance state budget in addition to the tax extension proposal

Latest state budget information

- Still no agreement on tax extension
Special Election in June

- 2/3 legislative approval not yet achieved
- June 7th election date no longer an option
- June 14th election date new target

- SB70 trailer bill – passed and signed

- Includes education cuts

Community Colleges

- SB70 trailer bill includes
 - \$400 million apportionment workload measures reduction (negative growth)
 - RSCCD = approximately \$10 million reduction
 - Revenue transferred to K-12 under Prop 98
 - Student fee increase – fall semester 2011
 - From \$26 per unit to \$36 per unit
 - \$110 million statewide fee increase will partially offset workload reduction
 - RSCCD = \$2.9 million offset

Community Colleges

- Combined reduction of \$290 million statewide
 - RSCCD = approximately \$7.1 million reduction
- Additional \$129 million deferral statewide
 - RSCCD – additional \$3 million cash deferral
 - RSCCD - total inter-year apportionment cash deferrals now \$25 million
- Categorical Programs – current flexibility provisions extended

What's next?

- Still hope for a June Special Election
 - Options now June 14th or June 21st
- Possible November signature-driven tax initiative special election
 - Short timeline to gather needed signatures
- Governor threatens to approve all cuts budget now
 - By approving the November initiative, voters can reinstate cuts caused by the all cuts budget

Plan B

■ Now multiple Plan B's

- \$26 billion “all cuts” budget
 - Based on LAO recommendations
- November ballot initiative to extend taxes
 - Updated polls show less than majority support by likely voters
- Continued stalemate until state runs out of cash
 - Further threatens state credit ratings
 - Increased costs of borrowing
 - Governor has said this is not an option