



RANCHO SANTIAGO
COMMUNITY COLLEGE DISTRICT



2012-2013
Budget Update

Board of Trustees Meeting
November 13, 2012

State Budget Update

- Proposition 30 passed by voters on the November 6th election!!!
- Education avoids major mid-year Trigger cuts!!!

State Budget Update

- State Budget was approved by Legislature on Friday June 15, 2012
- Assumed November 6, 2012 tax measure would pass
 - Additional taxes were included in state budget act
- RSCCD 2012-2013 Adopted Budget
 - Also assumed November tax measure would pass

State Budget Update

- Education Protection Account (EPA) formed with passage of Prop 30 for the duration of temporary tax increases
- Prop 98 share of new taxes under Prop 30 will be deposited into EPA Account
- Funds restricted under EPA
 - No administrative salaries
 - No administrative costs
 - Separate annual audit
 - Public hearings on use of funds
- Regulations TBD
- Districts won't know how much in EPA until June 20th

State Budget Update

- Prop 30 to provide \$209 million more for community colleges
 - \$159 million – partial deferral buy down
 - RSCCD = approximately \$5 million of \$25 million current deferrals
 - Partially buys down state IOU's
 - No new money for spending
 - \$50 million – growth/restoration
 - RSCCD = approximately \$1 million
 - Approximately 0.89% restoration of funded FTES
- No COLA (cost of living allowance)
 - Fifth year in a row

RSCCD Budget Impact

- Opportunity to earn 0.89% restoration for funded FTES
 - Campuses are currently approximately 2.5% over funded FTES base
 - Therefore, 0.89% restoration funds have already been earned
 - No need to spend more to achieve the funds

RSCCD Budget Impact

- RSCCD 2012-2013 Adopted Budget deficit spends by approximately \$7 million
- Restoration funds will reduce deficit spending to approximately \$6 million in the current fiscal year
 - Without additional offsetting costs

2012-2013 Budget Concerns

- EPA a Restricted or Unrestricted Program?
 - 50% Law implications
- Are EPA revenue expectations overstated?
 - 25% estimate - RSCCD = \$5.3 million loss
 - 10% estimate - RSCCD = \$2.1 million loss
 - We won't know until June 20th
- Property tax shortfalls?
 - Will RDA additional funds materialize?
 - Will State have the funds to backfill?
 - Assessed Valuation (AV) overstated?
 - Negative ERAF?
- Student fee shortfalls?
 - Statewide vs. district