

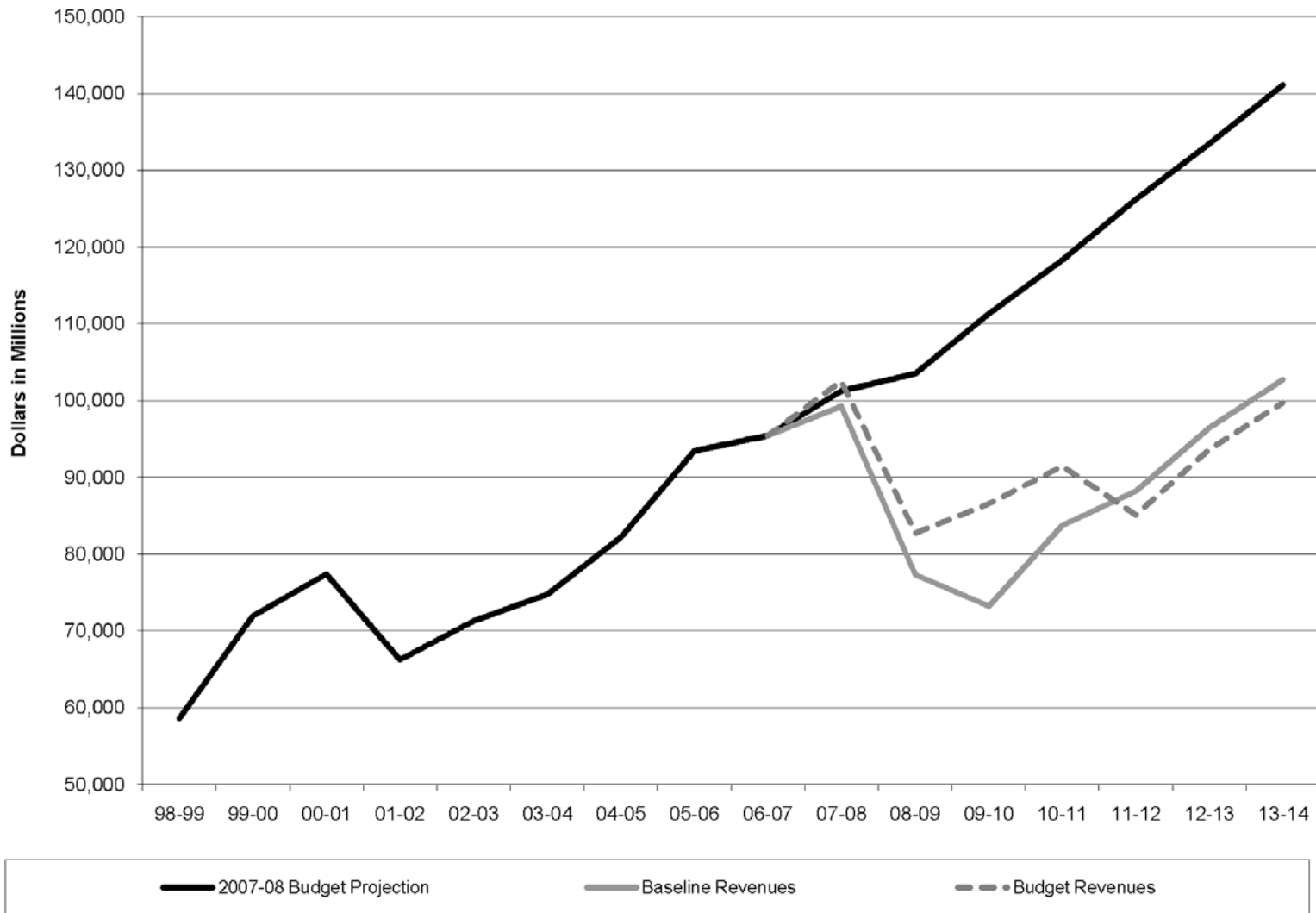
VENTURA COUNTY  
COMMUNITY COLLEGE DISTRICT



2012-2013 ADOPTION BUDGET  
PRESENTED TO CITIZEN'S ADVISORY BODY

OCTOBER 9, 2012

### 2007-08 Projected Revenues Compared to 2010-11 May Revision Projections



# STATE BUDGET- THE BIG PICTURE

- In January, the budget gap was estimated at \$9.2 billion. At May Revision, the gap was revised to \$15.7 billion
- Total General Fund expenditures = \$91.3 billion
- \$4 billion more than in 2011-12, but still \$11 billion below the 2007-08 fiscal year . . . . .
- . . . . and this assumes the November ballot initiative passes

## STATE BUDGET – AB 1464

- Closes a \$15.7 billion budget gap and provides for a reserve of \$948 million by:
  - Budget cuts of \$8.1 billion
  - Increased revenues of \$6 billion (Prop 30)
  - Funding shifts, payment delays and other miscellaneous solutions of \$2.5 billion

# PROP 30

Approved budget assumes passage of November ballot initiative (Proposition 30).

- Would increase sales tax by  $\frac{1}{4}$  percent for 4 years
- Would increase income taxes for those making no less than \$250,000 per year for 7 years (increases range from 1% to 3%)
- Would raise approximately \$6 billion annually from 2012 through 2016 (somewhat less in 2017 and 2018).
- Prop 30 and Prop 38 (Munger) cancel each other out – you cannot have tax provisions of both. Higher vote total prevails if both gain 50% or more of the vote.

# STATE BUDGET - TRIGGERS

If Prop 30 is not approved by the voters, automatic budget reductions are triggered.

- \$6 billion in total cuts
  - \$5.4 billion in Proposition 98 (K12 and community colleges)
  - \$250 million each from UC and CSU
  - \$50 million from Developmental Services
  - \$20 million from local police department grants
  - \$10 million from the Department of Forestry and Fire Protection
  - \$17.6 million from various other programs

# COMMUNITY COLLEGES 2012-13 BUDGET

- **General Apportionment Revenues**
  - **\$5.5 Billion**
    - State General Fund \$2.8 Billion (51%)
    - Local Property Taxes \$2.3 Billion (42%)
    - Student Fees \$374 Million (7%)
- **Categorical Revenues**
  - **\$411.3 Million**

# COMMUNITY COLLEGE SYSTEM BUDGET

## Assumes passage of Prop 30

- \$50 million in restoration funding (growth)
- \$159.9 million buy down of deferrals (currently \$961 million)
- Full hold harmless protection from any shortages in RDA-related revenues (does not include other property taxes)
- No additional student fee increases
- Did not include Governor's recommendation for consolidation of Categoricals



# COMMUNITY COLLEGE SYSTEM BUDGET

## Assume failure of Prop 30

- This is potentially the second consecutive year that CCCs will face trigger cuts. Cuts are far more drastic in 2012-13, though.
  - Lose \$50 million in growth/restoration
  - Lose \$159.9 million in deferral buy down
  - *Additionally*, CCCs would absorb a base reduction of \$338.6 million (7.3% workload reduction)
  - Further, failure of Prop 30 would slow growth in the Prop 98 guarantee.

# VCCCD 2012-13 BUDGET

General Apportionment	\$122,065,031
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Other Revenue	<u>\$ 5,657,530</u>
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(Lottery, Interest, Non-Resident Tuition)

Total General Fund Unrestricted Revenue	\$127,722,561
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# VCCCD

## Impact of State Budget

### If Prop 30 passes

- \$1 million in new revenue (restoration)

### If Prop 30 fails

- \$8 million in revenue reductions (mid year triggers)

## DISTRICT 2012-13 BUDGET

- Includes reduction in expenditures combined with a managed use of reserves
- Resolves budget shortfall for FY 2012-13 only
- Improves enrollment management to reduce unfunded FTES
- Establishes contingency of \$2 million against November 2012 triggers
- Built on objective of sustainability
- Committing \$6 million of reserves to cover trigger reduction and the use of reserves for any other FY 2012-13 revenue shortfall
- Focuses on funding core functions that support District's mission
- Complies with all external requirements (Ed Code, Title 5, etc.)

# VCCCD GENERAL FUND REVENUE REDUCTIONS

FY 2009-10	(\$4.6 m)	
FY 2010-11	\$1.5 m	
FY 2011-12	<u>(\$12.9 m)</u>	
3 year revenue reduction	(\$16.0 m)	11.8%
3 year increase in District costs	<u>(\$9.7 m)</u>	
3 year budget shortfall	(\$25.7 m)	18.2%
FY 2012-13 Triggers (if prop 30 fails)	(\$8.0 m)	
FY 2012-13 inflationary costs	(\$2.7 m)	
<b>estimated 4 year reduction in General Fund budget</b>	<b>(\$36.4m)</b>	<b>25.8%</b>

# FY 2012-13 BUDGET

## If Prop 30 passes \*

FY 2011-12 deficit	(\$ 3 million)
(FY 2011-12 budgeted expenditures exceed current budgeted revenue) (Mid-year Triggers)	
Increased costs (inflationary)	(\$ 3 million)
Expenditure reductions	<u>\$ 8 million</u>
contingency in FY 2013-14	\$ 2 million

## If Prop 30 fails

Mid Year Triggers	<u>(\$ 8 million)</u>
Use of reserves	\$6 million

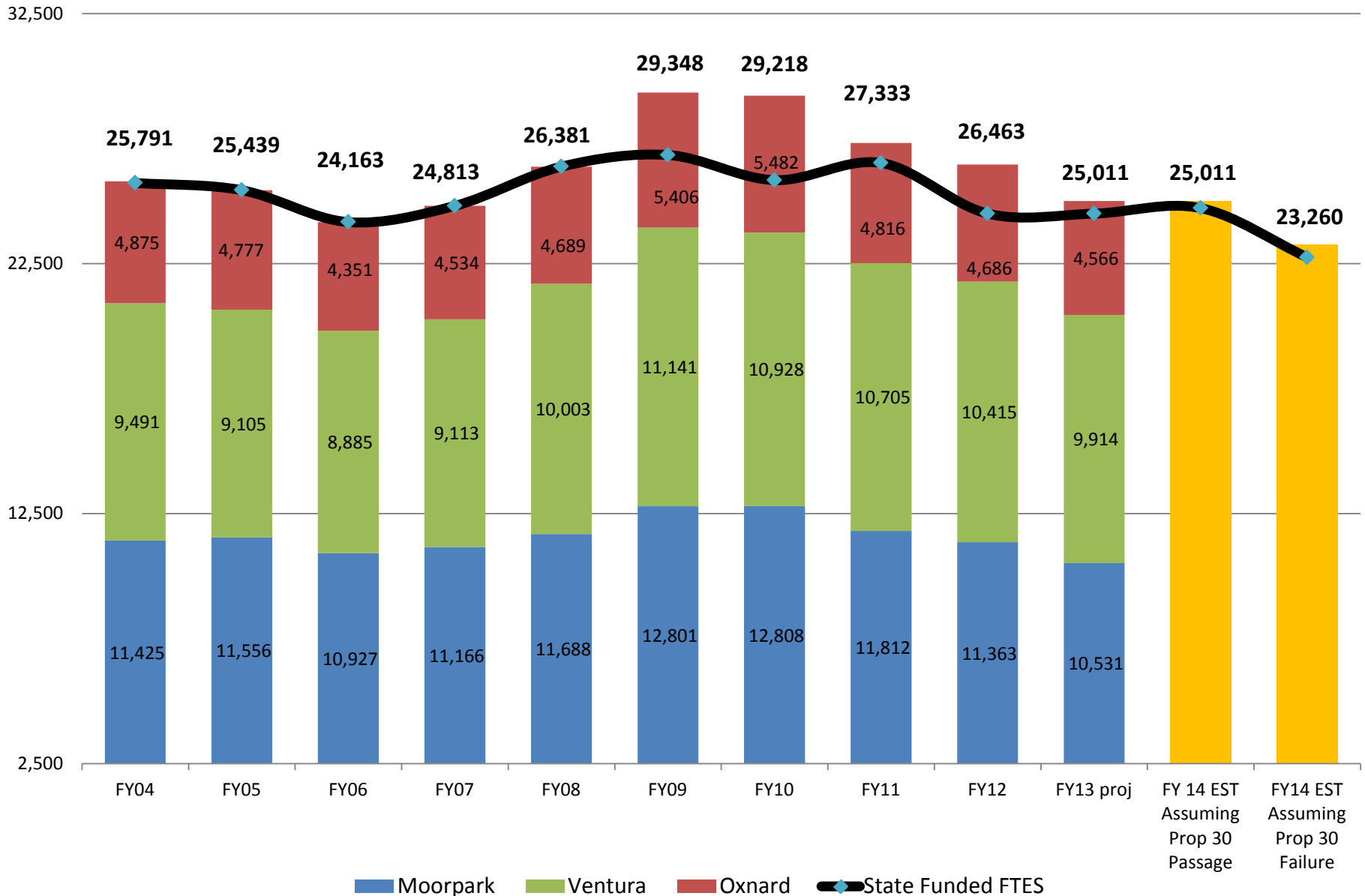
\* If prop 30 passes, \$1 million restoration will increase reserves.

# VCCCD BUDGET FY 2013-14

	<b>Assuming passage of Prop 30</b>	<b>Assuming failure of Prop 30</b>
Unbudgeted FY 2012-13 restoration	\$1 million	0
contingency/shortfall (outcome of Prop 30)	\$2 million	(\$6 million)
FY13-14 inflationary costs	<u>(\$3 – 4 million)</u>	<u>(\$3 – 4 million)</u>
Budget shortfall in FY 2013-14*	(0 -\$1 million)	(\$9-10 million)

\* Does not include any subsequent FY 2013-14 State budget action!

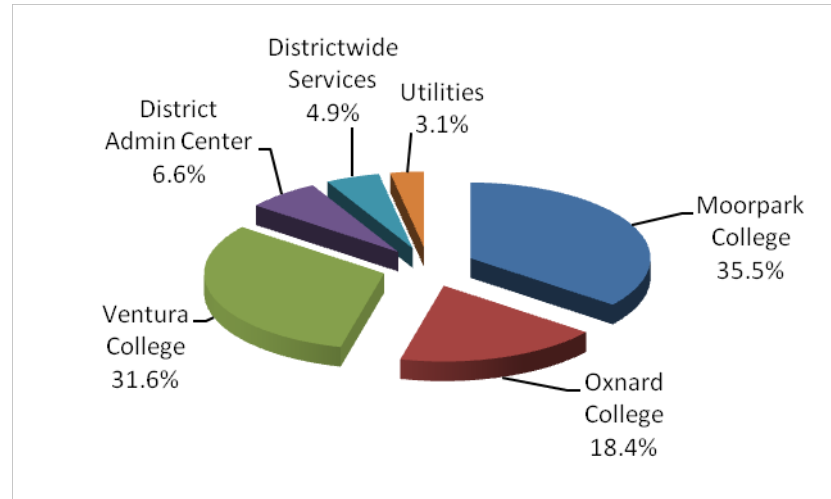
# District Generated Resident FTES





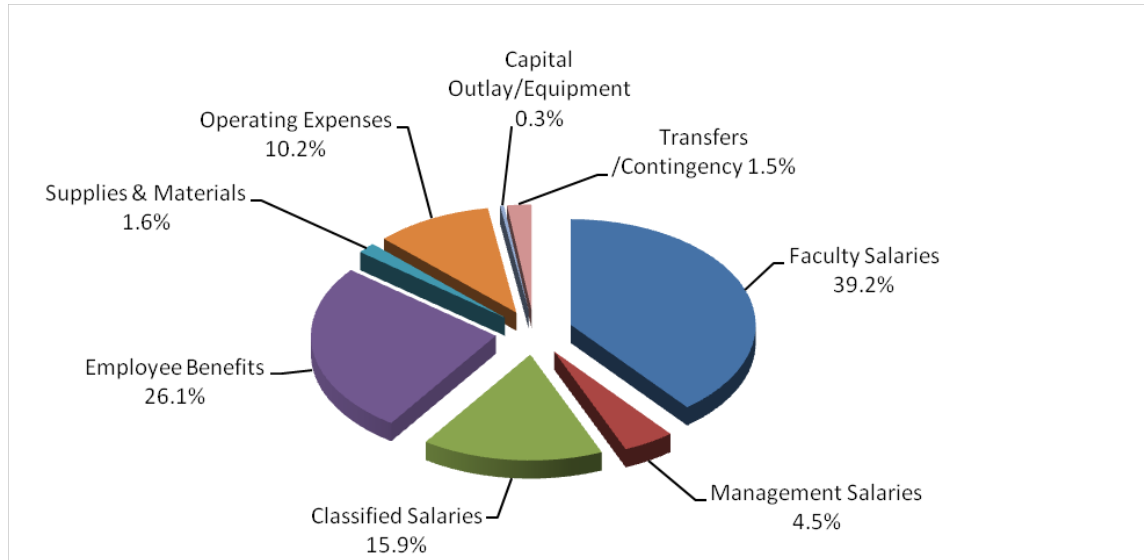
# Current Year 2012-13

# 2012-13 ADOPTION BUDGET GENERAL FUND - UNRESTRICTED BY LOCATION



	<b>2011-12 Adoption Budget</b>	<b>2011-12 Actual Expense</b>	<b>2012-13 Adoption Budget</b>
Moorpark College	47,236,244	46,291,518	45,512,555
Oxnard College	24,532,800	24,042,144	23,535,921
Ventura College	42,488,380	41,638,611	40,514,285
District Admin Center	8,873,943	8,724,332	8,497,589
Districtwide Services	6,083,637	6,538,529	6,231,971
Utilities	4,325,413	4,325,413	3,865,000
<b>Total</b>	<b>133,540,417</b>	<b>131,560,547</b>	<b>128,157,322</b>

# 2012-13 ADOPTION BUDGET GENERAL FUND - UNRESTRICTED BY EXPENDITURE CATEGORY



	2011-12 Adoption Budget	2011-12 Actual Expense	2012-13 Adoption Budget		
Faculty Salaries	53,483,270	53,292,636	50,207,705	39.2%	} 85.7%
Management Salaries	5,948,764	5,871,959	5,776,046	4.5%	
Classified Salaries	22,219,750	21,012,573	20,341,505	15.9%	
Employee Benefits	32,954,308	32,263,764	33,449,464	26.1%	
Supplies & Materials	2,210,207	1,864,553	2,086,303	1.6%	
Operating Expenses	13,090,673	11,283,434	13,131,189	10.2%	
Capital Outlay/Equipment	633,157	561,381	435,689	0.3%	
Transfers/Contingency	3,000,288	5,410,247	2,729,422	2.2%	
<b>Total</b>	<b>133,540,417</b>	<b>131,560,547</b>	<b>128,157,322</b>	<b>100.0%</b>	