

OXNARD COLLEGE



2010-11 ADOPTED BUDGET FORUM

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FY11 State Budget Update

- **Budget signed October 8, 2010 – approximately 100 days past deadline**
- **Projected \$25.4 Billion State budget deficit in 2011-12 (\$6.1 billion in 2010-11 and \$19.3 billion for 2011-12)**
- **Budget deficit is approximately 30% of the State General Fund budget**
- **Proposition 98 guarantee suspended for FY11 – Loss of estimated \$4.1 billion to K-14**
- **Expenditure reductions of \$8.4 billion are proposed; some of which depend on concessions from various state unions**



FY11 State Budget Update

- Budget relies on borrowing from other state funds, in addition to the deferral of cash payments to local agencies, to balance budget (i.e., CCC's apportionment payment of \$129 million deferred to 2011-12)
- No new funding for categorical programs.
- Legislative Analyst's Office notes that over two-thirds of the budget solutions are one-time or temporary in nature
- Discussions in Sacramento already seem to point to the re-opening of the budget as early as Dec/Jan
- With no new taxes, or, the continuation of tax hikes approved in 2009-10, this represents lost revenue of approximately \$8.3 billion.



FY11 College Adoption Budget Guidelines

- Budget built on principle of 'sustainability'
- Focuses on funding core functions that support the District and/or college mission
- Integrates some mandated student services costs which were previously funded by other sources
- Improves enrollment management to reduce our unfunded FTES
- Expenditure budgets comply with all external requirements (i.e., Education Code, Title V, etc.)



FY11 College Adoption Budget Guidelines (cont.)

•Due to the uncertainty on the part of the State Legislature to identify and implement permanent solutions to solve the budget deficit, the college identified and prepared ongoing reductions for our programs and services beginning in FY11. However, with the failure of the State Legislature to pass a budget timely, the District as part of the Adopted Budget process, directed funds above what was included in the Tentative Budget to help the college address structural deficits and meet one-time needs in various areas.

As a result of this increased funding, the college was able to re-direct, on a one-time basis, funds to provide additional instructional equipment and supplies, meet unfunded scheduled maintenance needs, and assist the college with technology development. These non-recurring expenses will not negatively impact the FY12 budget, but will help us get through FY11.



FY11 College Adoption Budget Guidelines (cont.)

- FY11 funding also institutionalized support for extra-large class stipends, hourly substitute pay, hourly interpreters, and library materials.
- To address other college structural deficits on a long-term basis, a plan will need to be developed by the college for presentation to the Board in the spring.

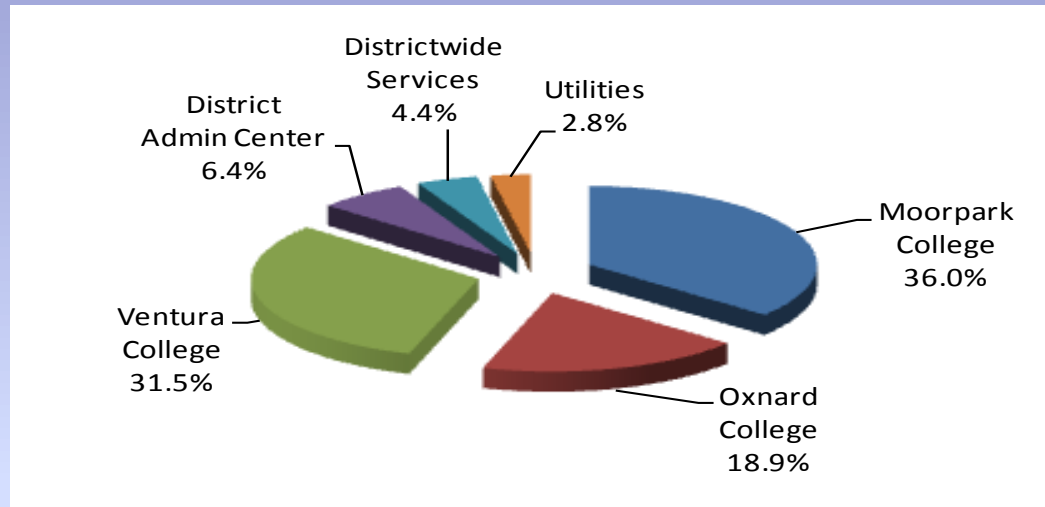


2010-11 ADOPTION BUDGET GENERAL FUND - UNRESTRICTED COMPARATIVE BUDGET SUMMARY OXNARD COLLEGE

	2009-10 ADOPTION BUDGET	2009-10 ACTUAL EXPENDITURES	2010-11 ADOPTION BUDGET	PERCENT OF TOTAL BUDGET
1000 FACULTY SALARIES	11,517,306	11,839,876	11,061,623	42.7%
2000 MANAGEMENT SALARIES	1,391,563	1,261,861	1,273,166	4.9%
2000 CLASSIFIED SALARIES	4,696,195	4,546,218	4,659,822	18.0%
3000 EMPLOYEE BENEFITS	<u>6,032,529</u>	<u>5,944,976</u>	<u>6,278,355</u>	<u>24.2%</u>
SALARY & BENEFIT SUBTOTAL	23,637,593	23,592,930	23,272,966	89.7%
4000 SUPPLIES & MATERIALS	576,198	331,796	589,983	2.3%
5000 OPERATING EXP	1,087,607	947,268	1,118,733	4.3%
6000 CAPITAL OUTLAY	152,512	53,732	241,327	0.9%
7000 TRANSFERS/CONTINGENCY	<u>257,793</u>	<u>325,000</u>	<u>710,333</u>	<u>2.7%</u>
DIRECT EXPENDITURE SUBTOTAL	<u>2,074,110</u>	<u>1,657,796</u>	<u>2,660,376</u>	<u>10.3%</u>
TOTAL BUDGETED EXPENDITURES	<u>25,711,703</u>	<u>25,250,727</u>	<u>25,933,342</u>	<u>100%</u>



2010-11 ADOPTION BUDGET GENERAL FUND - UNRESTRICTED BY LOCATION



	2009-10 Actual	2010-11 Budget	
Moorpark College	48,546,932	49,523,883	36.0%
Oxnard College	25,250,727	25,933,342	18.9%
Ventura College	41,377,198	43,236,919	31.5%
District Admin Center	8,537,995	8,809,216	6.4%
Districtwide Services	5,981,013	6,001,463	4.4%
Utilities	3,685,666	3,887,000	2.8%
Total	133,379,531	137,391,822	100.0%



2010-11 OXNARD COLLEGE ADOPTION BUDGET BUDGET SUMMARY BY FUND

General Fund – Unrestricted	\$25,933,342	34.3%
General Fund – Designated	\$1,004,865	1.3%
General Fund – Restricted	\$6,395,037	8.5%
Health Services Fund	\$309,943	0.4%
Child Development Fund	\$283,492	0.3%
Bookstore Fund	\$2,121,584	2.8%
Cafeteria Fund	\$415,234	0.6%
<u>Capital Projects Fund</u>	<u>\$39,165,857</u>	<u>51.8%</u>
Total Funds, Oxnard College	\$75,629,354	100%



UNRESOLVED ISSUES FOR FY11

- The final budget reductions/solutions proposed are not certain and Sacramento insiders believe the budget may be re-opened as early as December/January. A review of the FY11 Governor's Budget by the Legislative Analyst's Office indicates that the current fiscal plan underestimates the projected FY12 budget shortfall and the FY11 budget relies on revenue, including the receipt of federal funds, that will not materialize. If so, this could result in mid-year reductions from the State.

Please note: As a safeguard against mid-year reductions to college budget, and as a part of the VCCCD reserves, the Governing Board has designated \$5 million in the revenue shortfall contingency fund which can be used to offset any mid-year reductions. No additional reductions to the college FY11 budget are anticipated.



CHALLENGES IN FY12 AND BEYOND

- The FY11 State budget relies on unrealistic revenues, one-time accounting gimmicks, fund shifts, and borrowing from the next fiscal year; therefore, additional reductions may be required in FY12 and beyond.
- There are significant levels of unfunded liabilities in both the STRS and PERS retirement programs, which cannot be ignored. For VCCCD, this would result in a significant increase in our funded employer rates. Additionally, costs such as health insurance and retirement contributions are also likely to increase disproportionately to District revenue.
- The college must continue our deliberation and definition of “core” programs and services, and identify and implement sustainable solutions to providing these programs and services, as well as address our structural deficits.



CHALLENGES IN FY12 AND BEYOND (CONT.)

College Assumptions/Safeguards for future budget years

- Restoration of funds from the Tentative to the Adoption Budget in FY11 have been directed to non-recurring expenses and the temporary relief of local structural deficits. Ongoing reductions for FY12 can therefore be implemented by the college without significant impact to core operations.
- Growth (2.21%) funds included in the Governor's Budget could be eliminated as a part of any midyear reductions in 2010-11. If the State does not remove these funds to address the ongoing deficit, the funds will be received by the District in FY11 and will be budgeted in FY12 as new revenue. These funds will flow through the allocation model and will be used by the college to address staffing and operational needs for the new college facilities that will be fully operational in FY12, address unfunded scheduled maintenance needs for older facilities, enhance core programs and services, and address other college structural deficit needs.



CHALLENGES IN FY12 AND BEYOND (CONT.)

College Assumptions/Safeguards for future budget years

- The District projects that VCCCD will carry between 1,500 and 2,000 unfunded FTES by the end of FY11. The college goal is to continue effective enrollment management that will allow us to maintain our funded FTES.
- As the State continues to rely on optimistic revenue assumptions that are not forms of sustainable revenue, and as taxpayers voted to restrict the Legislature from taking funds from local governments, passing fees, or increasing taxes without a majority (2/3) vote, it cannot be expected that the current level of funding will continue. The college will need to make plans to experience additional program and services reductions in FY12. Deliberations should begin in early Spring at the program/departments level to assess programs and services that will be reduced, consolidated, or not offered beginning in FY12.



Questions?

