OXNARD COLLEGE

2011-12 TENTATIVE BUDGET FORUM

DR. RICHARD DURAN, PRESIDENT
DR. JOHN AL-AMIN, VICE PRESIDENT-BUSINESS SERVICES
ROBERT CABRAL, ACADEMIC SENATE PRESIDENT

FEBRUARY 23-24, 2011

FY11 Adoption Budget

- Built on objective of sustainability.
- Focuses on funding core functions that support the District and college mission.
- Continues integration of student services costs previously funded by other sources.
- Improves enrollment management to reduce unfunded FTES.
- Complies with all external requirements (Ed Code, Title 5, etc.)

FY11 Adoption Budget (cont)

- Because of the volatility and uncertainty of the State budget process and failure on the part of the state legislature to identify real and permanent solutions to the statewide structural deficit, the District directed funds above those included in the Tentative Budget to temporarily address local structural deficits such as instructional materials and equipment, library materials and books, tech refresh and equipment replacement, scheduled maintenance, and areas of non-recurring expenditures.

- A plan to address the local structural deficits on a longer term will be presented to the Board along with the Budget Assumptions in the spring. Current structural deficits related to personnel will need to be addressed as a part of FY12 budget development.

FY12 State Budget Status

- $25+ billion state budget deficit
- Jan 10 Governor's Budget includes a reduction of $400 million to the base appropriation for the California Community College system budget.
- Budget also includes increase in student fees from $26 to $36 per unit. Potential revenue of $110 million is projected from this change.

FY12 State Budget Highlights

- Jan 10 budget figures assume passage of ongoing tax increases in June ‘11. With these numbers, the projected reduction to the District is approximately $7 million. If the proposed tax increases do not pass, the potential cut to VCCCD would amount to approximately $18.4 million.

- State budget also continues deferral of cash payments to the community colleges.

FY12 Reduction Targets

- To meet the reduced funding base for FY12, the District office and colleges have been directed to develop reduction plans of 3%, 5% and 7%. These targets are consistent with the three funding/reduction scenarios that have been presented by the State; (1) June tax package approved (3%), (2) Tax package fails and Prop 98 is funded at the minimum guarantee (5%), and (3) if the tax package fails and Prop 98 is suspended (7%).
- At the 3% level, this amounts to a $778K reduction;
- At the 5% level, this amounts to a $1.3 million reduction; and
- At 7%, this would be a $1.8 million dollar reduction.

FY12 Budget Development Guidelines

- ❖ The college Planning and Budget Council, as in previous years, has established guidelines to assist college units with strategic and/or reduction planning.

  These guidelines are:

- Vacant General Fund positions will not be filled unless they are critical to the college (i.e., necessary for FON Obligation or other compliance regulations).
- Hourly classified staffing will be reduced, unless critical to ensure that programs are compliant with State or federal mandates.
- The class schedule will be reduced to meet the reduced level of funding provided by the State. Course offerings will be based upon the “core” principles determined by the college.
- Purchase of non-critical equipment, computers, or other program service needs, such as consultants, will be delayed.

FY12 Budget Development Guidelines

- The college will reduce full/part time permanent position as needed to reach the 5% and 7% reduction levels, but only as a last resort.
- Total cost of ownership principles should be included within the college resources allocation model to address new building needs and meet accreditation requirements.
- All Divisions are to participate in college budget reductions.

Given the current State timeframes, budget reduction plans need to be completed and submitted by no later than March 1, 2011. This will give the PBC time to review the plans in March and/or April and make final recommendations to the President by May 2011.

Challenges in 2011-12 and Beyond

- CalPERS and CalSTRS rates have increased and projected health insurance costs are also increasing. These increased liabilities, in addition to collective bargaining increases, are also changes to the college budget which will need to be absorbed within our reduced resources.

- The college must continue to identify permanent solutions to address our structural budget deficits and also reduce our reliance on grant funding for program expenses. These issues are additional pressures on our available General Fund resources.

- The college must continue our deliberation and definition of “core” programs and services, identify sustainable solutions to providing these programs and services, and if necessary, reduce and/or consolidate program offerings and services to stay within budget.

Questions???