OXNARD COLLEGE

2011-12 TENTATIVE BUDGET FORUM

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FY12 Tentative Budget-General Fund

The FY12 Tentative Budget was built on the January 10 Governors Budget which reduced approximately $400 million from the California Community Colleges, but estimated increased revenue from student fees of $110 million. This resulted in an overall reduction to the California Community Colleges of $290 million. The VCCCD portion of this ongoing reduction was $6.5 million.

Additionally, there were numerous expenditure increases as a result of health and welfare, retiree liability, and step and column adjustments. The estimates for these costs are as follows:

➢ Retiree Health Liability	$1,100,000
➢ Health Care Premiums	$1,000,000
➢ Step and Column Adjustments	$800,000
➢ PERS/Unemployment	$700,000
➢ Net effect to the VCCCD General Fund	($10,100,000)

FY12 Tentative Budget-General Fund

VCCCD does however, have sources of funding which will help offset this ongoing reduction. For FY11 the District received $2.8 million in growth revenue for FY12. This will be used to help address the reduction target. The one-time augmentation of $4 million that was allocated to the colleges for FY11 will also be used to meet the reduction. The remaining amount of the reduction, approximately $3.3 million, will come from the colleges and District General Fund budgets

For FY12 Oxnard College will be implementing reductions totaling approximately $1.8 million General Fund. These reductions will be in the following four general areas:

One-time allocations	($1,083,000)
Hourly Instructional Schedule	($400,000)
Permanent Staff	($261,000)
College Contingency Fund	($95,000)

FY12 Tentative Budget-Auxiliary Funds

Over the past year(s), auxiliary operations have sustained various losses in revenue which has affected their fiscal solvency. Consequently, these losses must be offset through decreased operational costs as these entities must be self-supporting.

BOOKSTORE

- Industry is changing, there are many low-cost alternatives for students.
- Sales have been declining, which affects the operations gross profit margin.
- Personnel expenses are above the industry averages.

CAFETERIA AND CHILD DEVELOPMENT CENTERS

- Revenues have been declining. Pricing needs to be developed that is competitive and which will increase gross profit margins.
- Personnel expenses are above industry averages

As a result of these issues, numerous operational and personnel adjustments were made in order to balance the FY12 budget for these areas.

FY12 Tentative Budget

Essentially, the VCCCD sites will take reductions amounting to as much as 7% from their General Fund budgets, with up to 7% taken from the various District Reserve accounts. Any use of reserves however, is a temporary solution. The sites will need to plan in FY12 how they will incorporate the reduction absorbed by the reserves. Thus, additional reductions will be required in FY13 to sustain the reduction estimated for this year.

The best case scenario is that the State will pass legislation to increase taxes. This will go against the Governor's pledge for no new taxes without voter approval, but this will save State agencies from having to implement reductions that severely hamper their operations.

The Governor could also approve a half-cuts budget with a November 2011 initiative and return for more cuts if that plan fails. He could also approve an all-cuts plan with a plan for a November 2011 tax package, or, approve an all-cuts plan and wait until the November 2012 presidential election.

FY12 Tentative Budget Summary

Because of the volatility of State revenues, and the past failure of the state legislature to identify real and permanent solutions to address the statewide structural deficit, the District will again undergo numerous operational changes in order to remain fiscally solvent.

There is no "pot of gold" to bail us out of this fiscal crisis. However, we will still need to work as a cohesive unit to absorb these reductions by evaluating and finding new lower cost ways to improve our services, reducing our program and service offerings, and finding new sources of sustainable revenue to assist us through tough times.

The crisis is not yet over. But working together, we can get through this together.

Questions???