



SAN DIEGO COMMUNITY COLLEGE DISTRICT

Chancellor's Budget Forum March – April, 2011



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California Community Colleges Budget Process

State Budget - Proposition 98



Governor - Legislature



State Board of Governors & System



Local Boards of Trustees & Districts



Federal & Special Funds

• Allocations

72
Districts

San Diego Community
College District





California's Challenge

JAWS: THE BUDGET

Major Problems



Unstable Revenue

- Proposition 13
- Reliance on Individual Wealth

2/3 Vote

Term Limits



Governor's Proposed Schedule

Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sept.



Budget proposal released

Legislative hearings

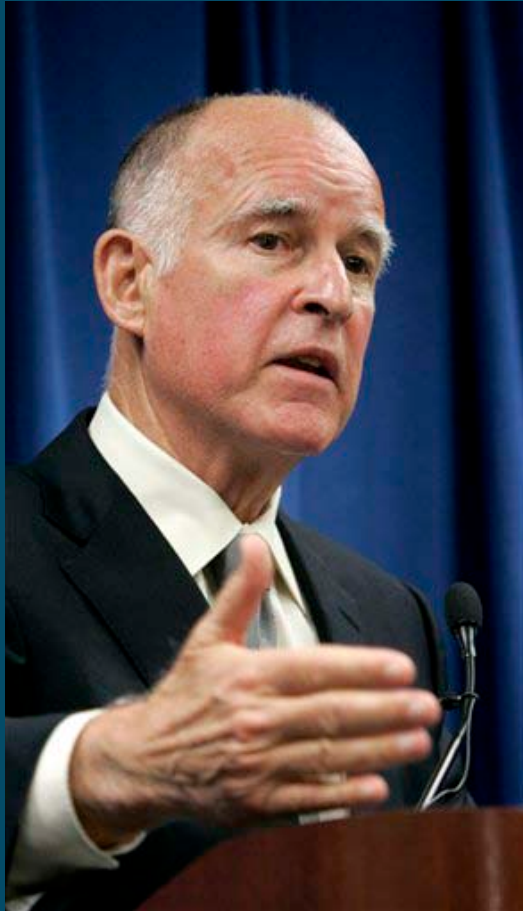
"Mini" budget package

Special election

Main budget passage



Governor's Budget (January 10, 2011)



- \$12 Billion in Reductions
 - \$12.5 Billion in 5-year Tax Extensions
 - \$400 Million Reduction for Community Colleges (minus \$110 from student fee increase)
-
- \$290 Million Net Reductions
 - \$10 Million (-5.2%) Reduction for SDCCD



Impact of No Tax Extensions

- \$800 Million Reduction for Community Colleges (with offsets)
- \$17.7 Million Reduction (-9.1%) for SDCCD

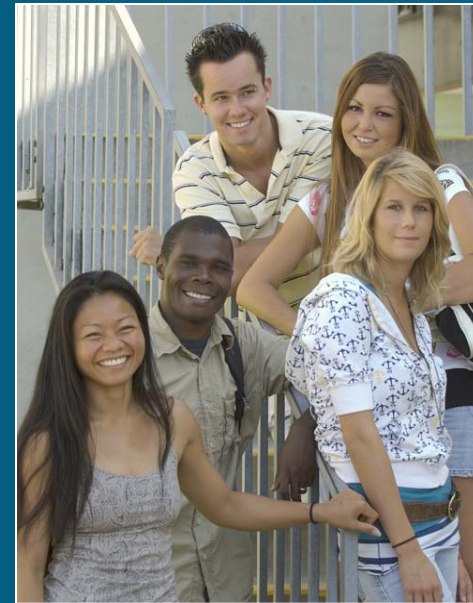


Increase in Student Enrollment Fee

\$26/Unit



\$36/Unit





Changing Philosophy of Student Enrollment Fees



Time Frame	Per Unit Fees
Prior to Fall 1984	\$0
Fall 1984 - Spring 1991	\$5, capped at \$50 per semester
Fall 1991 - Fall 1993	\$6, capped at \$60 per semester
Spring 1993	\$10, cap eliminated Differential fee of \$50/unit for holders of BA/BS degrees
Fall 1993 - Fall 1995	\$13, Differential fee of \$50/unit for holders of BA/BS degrees
Spring 1996 - Fall 1998	\$13 Differential fee eliminated
Spring 1999 - Fall 1999	\$12
Spring 2000 - Spring 2003	\$11
Fall 2003 - Spring 2004	\$18
Fall 2004 - Fall 2006	\$26
Spring 2007 - Summer 2010	\$20
Fall 2010 – Summer 2011	\$26
Fall 2011 - Enacted	\$36



State Payment Deferrals

A wide-angle photograph of a desert landscape. The foreground and middle ground are dominated by rolling sand dunes in shades of orange and tan. Several small, dark green bushes are scattered across the dunes. The sky is a pale, clear blue, suggesting a bright, sunny day.

**\$980 Million for
Community Colleges**



Late Breaking News

Budget Negotiations for Tax Extensions Ballot Failed in Sacramento

(March 29, 2011)

Options :

1. Approve an all-cuts budget plan with sights set on placing a tax initiative on the ballot in the presidential general election in November 2012;
2. Approve an all-cuts budget plan and pursue a November 2011 initiative with a “targeted” tax package;
3. Approve a half-cuts budget plan with a November 2011 initiative and return for more (mid-year) cuts if the initiative fails; or
4. Pursue a legislative tax modification plan and persuade the Governor to sign the legislation, thereby breaking his pledge for voter approval of any tax increase.





Potential Budget Reductions Based on Governor's Proposal for 2011-2012

Workload Reduction Based on Governor's Balanced Approach & June Tax Package Approved

Lost FTES due to new Workload Reduction	= 2,430	\$10.06 million (5.2%)	Continuous Lost Revenue
Projected Unfunded FTES (2010-2011)	= <u>3,000</u>		
Potential Unfunded FTES (2011-2012)	= 5,430		
(If 11-12 Class Sections = 10-11 offerings)			

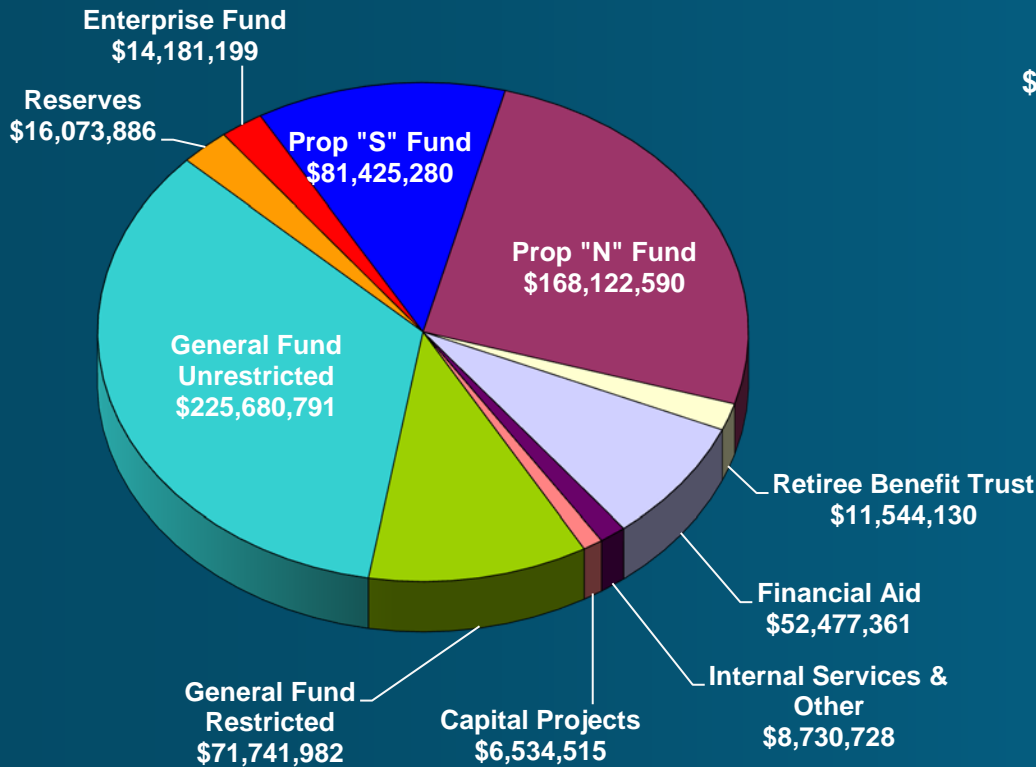
Potential Budget Reduction Plan for 2011-12

■ Eliminate unfunded FTES by defunding 292.64 FTEF in 2011-2012 budget (approx. 5,000 FTES reduction)	\$ 5.8 million	Continuous Reduction
■ Continue hiring freeze and defund vacant positions where possible	\$ 1.0 million	Continuous & One-Time
■ Reduce Cash Flow Reserves	\$ 2.7 million	One-Time Reduction
■ Reduce Categorical backfill; reduce costs of publications and mailings; other misc. reductions	\$ 0.5 million	Continuous Reduction
Total Budget Reductions 2011-2012	\$10.0 million	

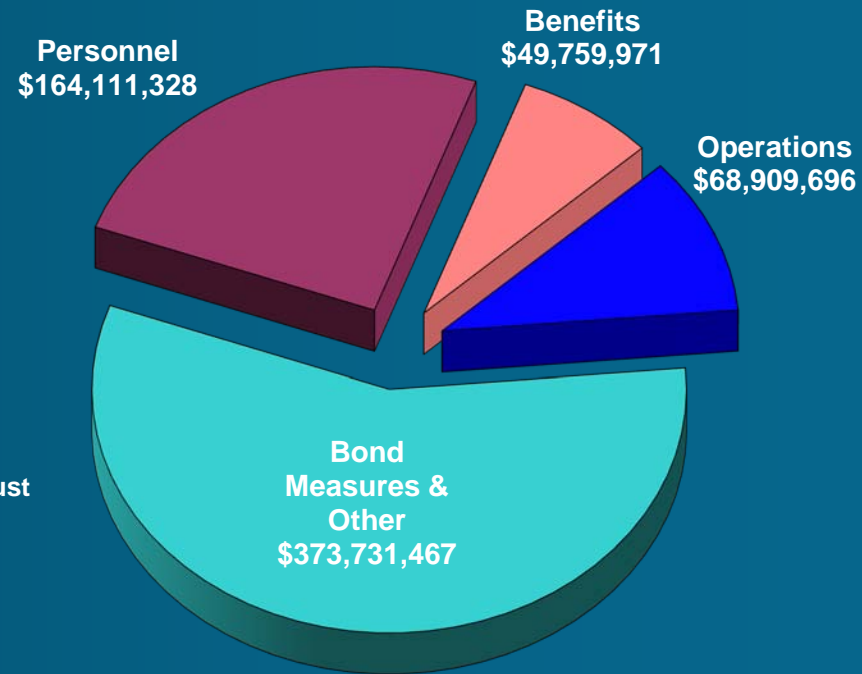


Summary of Fund Allocation and General Fund Operating Budget

Total: \$656,512,462

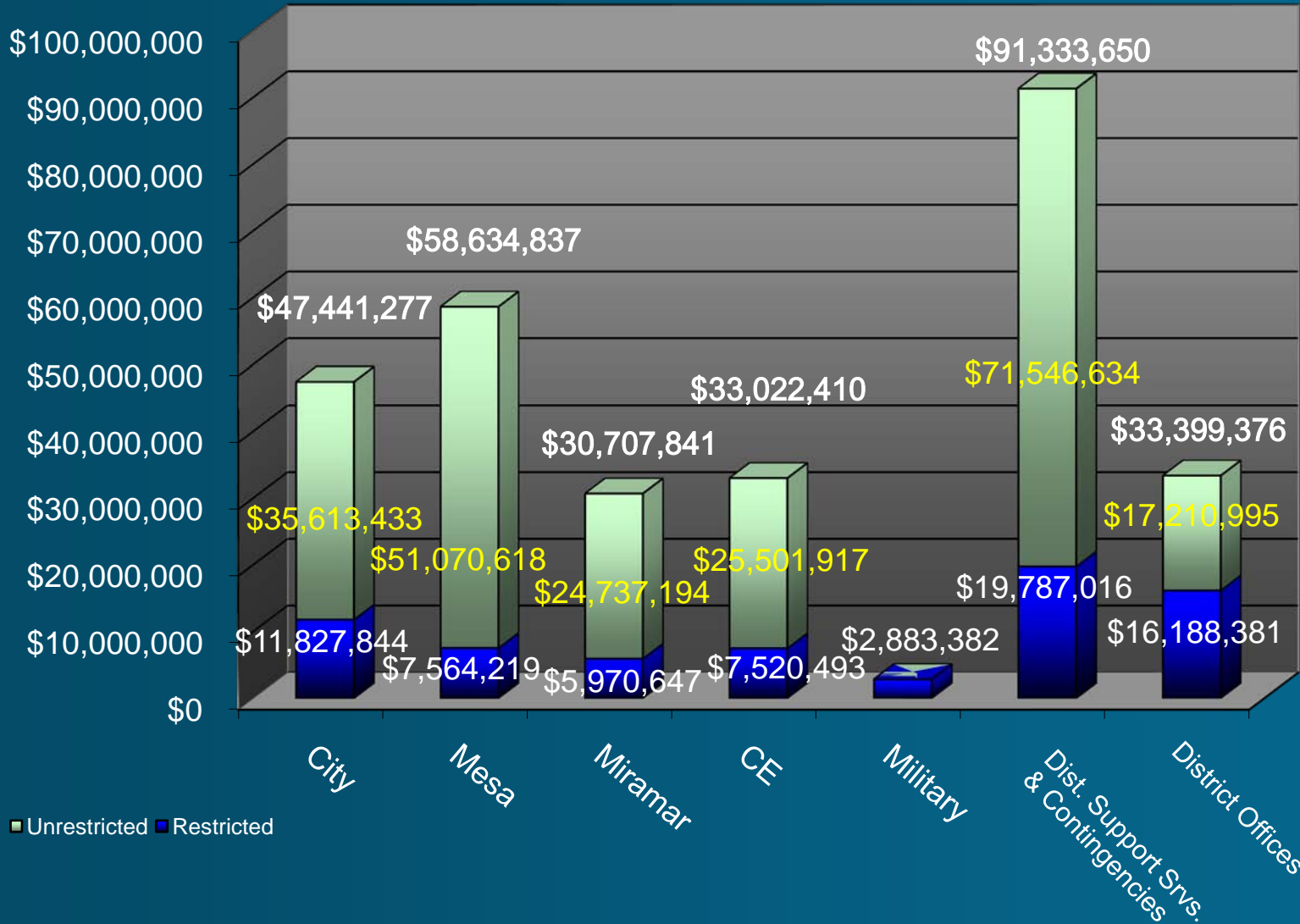


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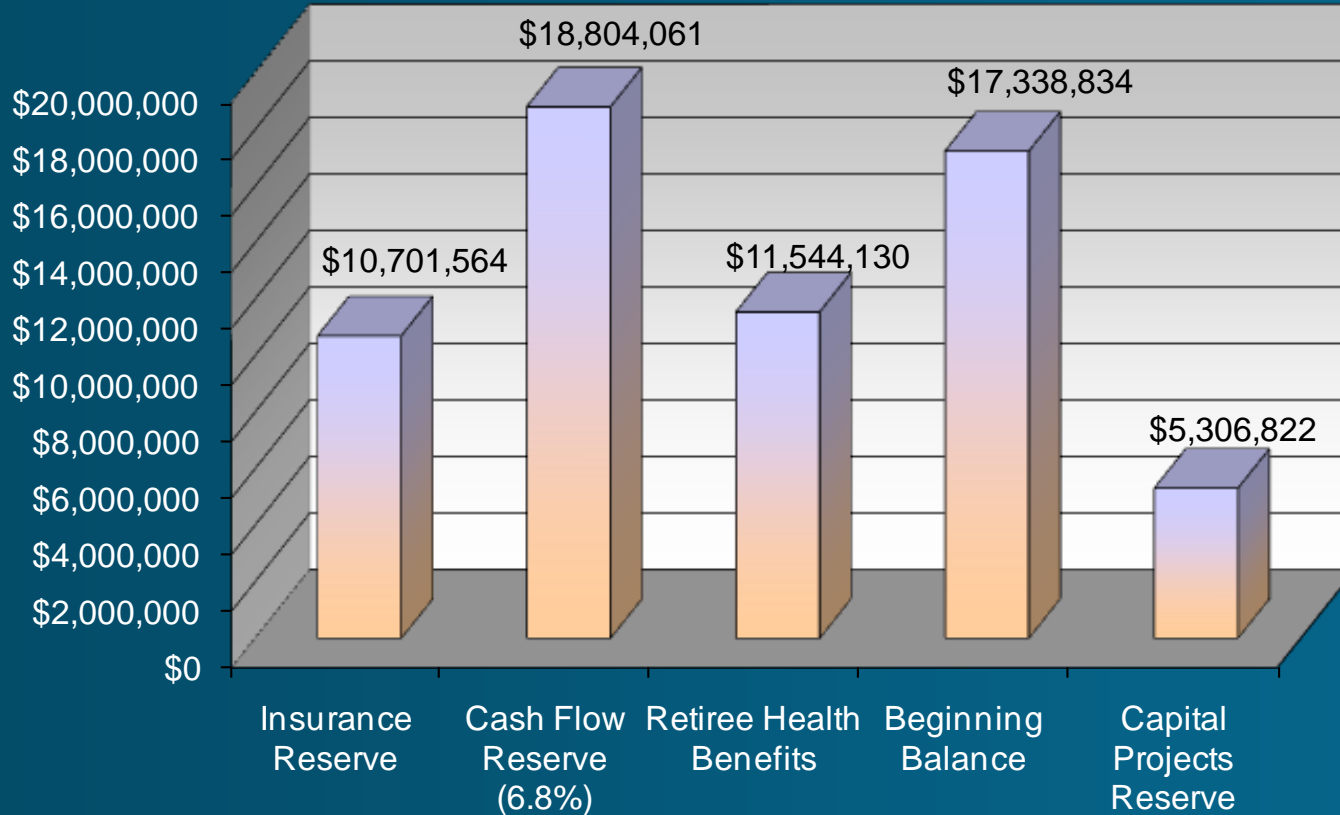


Budget Allocation – General Fund Unrestricted & Restricted 2010-2011 (As of Adopted Budget 08/19/10)





Budget Reserves & Ending Balance 2010-2011 (As of Adopted Budget 08/19/10)



Insurance Reserve: See next slide for details.

Cash Flow Reserve: 6.8% of the General Fund Budget (Up \$3.2 million from 09-10)

Retirement Health Benefit Trust: Will cover retiree health benefits costs. (Market value up \$2.02 million above 09-10)

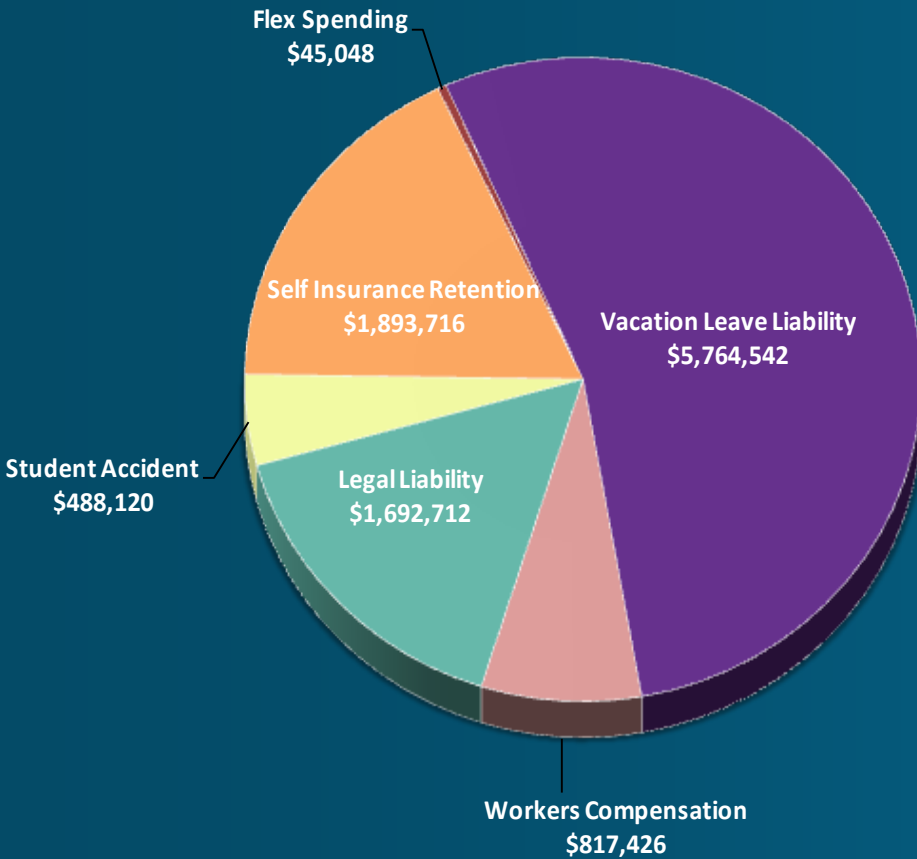
Beginning Balance: Beginning balance for General Fund Unrestricted. (Up \$3.2 million from 09-10)

Capital Projects Reserves: For projects other than Proposition S & N.



Insurance Reserves Breakdown 2010-2011 (Adopted Budget 08/19/10)

Summary of Insurance Reserves



Total: \$ 10,701,564

Self Insurance Retention (SIR)

(Deductibles)

<u>Coverage</u>	<u>Deductible</u>
Property	\$ 100,000
Boiler & Machinery	\$ 5,000
Comprehensive Liability & Legal	\$ 200,000
Auto Liability	\$ 200,000
Worker's Compensation	\$ 500,000
Student Athletic Insurance	\$ 25,000
Etc.	Various

Annual Insurance Premium \$ 1.3 Million