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**GROSSMONT-CUYAMACA**  
COMMUNITY COLLEGE DISTRICT

**2011/12**  
**Adoption Budget**  
**Workshop**  
**September 6, 2011**



Budget Planning Linked to *Strategic Areas of Focus*  
*And Values Students, Employees, & Other Community*

- **Student Access**
  - **Students first**
- **Learning and Student Success**
  - **Protecting the learning core**
- **Value and Support of Employees**
  - **Balance needs of employees with needs of students**
- **Economic and Community Development**
  - **Maximize potential revenues**
- **Fiscal and Physical Resources**
  - **Fund structural commitments and fixed increases**
  - **Address Accreditation, legal & fiscal stability challenges**



# *Total Adoption Budget*

## ➤ Today's Workshop

- PowerPoint Presentation
- Adoption Budget Packet

## ➤ Total Budget \$179,064,672

○ General Fund:	<u>10/11 AB</u>	<u>11/12 AB</u>
Unrestricted Fund	\$108.2 m	\$106.4 m
Restricted Fund	<u>21.6 m</u>	<u>19.3 m</u>
Total General Fund	\$129.8 m	\$125.7m
Other Funds	<u>72.1 m</u>	<u>53.3 m</u>
Total Budget	<u><u>\$201.9 m</u></u>	<u><u>\$179.0 m</u></u>



# *2011/2012 State Approved Budget Summary*

## California Community Colleges

- **Net Reduction \$315 million**
- **Student fee increase to \$36/credit unit from \$26**
- **Additional \$129 million in deferrals**
- **Budget assumes additional \$4 billion in revenue to help close the gap**
- **Colleges are subject to midyear cuts if revenue fall below estimates & student fees may increase**



# *2011/2012 State Approved Budget Summary*

## California Community Colleges - Continue

### ➤ **Midyear cuts:**

○ **Tier 1 – If \$2 - \$3 billion of the \$4 billion of revenue received:**

- \$30 million cut to apportionments
- Backfill by additional student fee increase of \$10 per credit unit beginning Spring 2012 – \$46 per unit

○ **Tier 2 – If less than \$2 billion of the \$4 billion of revenue received:**

- Additional \$72 million cut to apportionment beyond the Tier 1 cuts



# *2011/2012 State Approved Budget Summary*

## **GCCCD Impact**

### ➤ **Midyear cuts:**

#### ○ **Tier 1 –**

- **Net revenue reduction of \$5.1 million**
- **Workload reduction of 6.2%**
- **FTES reduction of 2,254 from 10/11 actuals**
- **600 sections reduction**

#### ○ **Tier 2:**

- **Net revenue reduction of \$6.3 million**
- **Workload reduction of 7.56%**
- **FTES reduction of 2,500 from 10/11 actuals**
- **650 sections reduction**



# *2011/2012 State Approved Budget Summary*

## **GCCCD Adoption Budget**

### **is based on 2 Tiers**

#### ➤ **Tier 1 – FTES Goals:**

- FTES reduction of 2,254
- 600 sections reduction

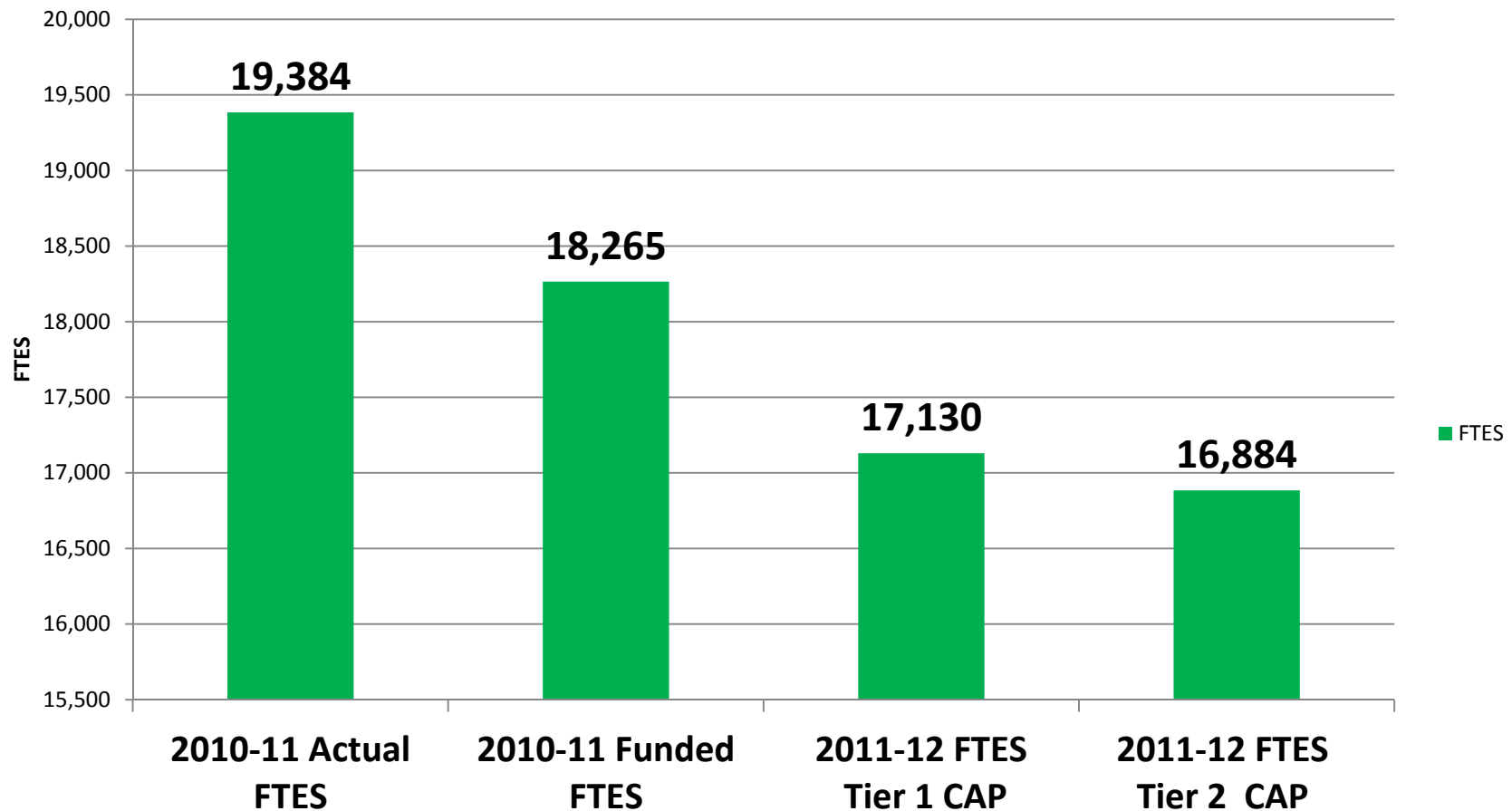
#### ➤ **Tier 2 – Revenue :**

- Net revenue reduction of \$6.3 million



# GCCCD Impact - FTES

## *Workload Reduction Impact*







# *Adoption Budget Assumptions*

## ➤ REVENUE

- No COLA
- No Growth
- \$6.3 million in apportionment reduction – Tier 2
- 4% budget deficit
- One-time 10/11 funds – \$8.2 million

## ➤ EXPENDITURES

- 6.2% FTES workload reduction – Tier 1
- Fund contractual & fixed cost increases
- Fund limited number of approved positions of critical staffing plan
- All other vacant positions are not funded
- Reduce benefits cost by \$500,000



# *Unrestricted General Fund Structural Budget Shortfall*

**Budgeted Income** **\$ 88.4 m**

**Operational Needs** **\$110.4 m**

Base Budget Requirement \$107.8 m

*(including open positions)*

Projected Increased Cost\* \$2.6 m

\$110.4 m

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**Shortfall**

**\$22.0 m**

*\*Step & Column, Utilities, State Unemployment,  
PERS, Health & Welfare Benefits & Critical Restricted Program backfill*

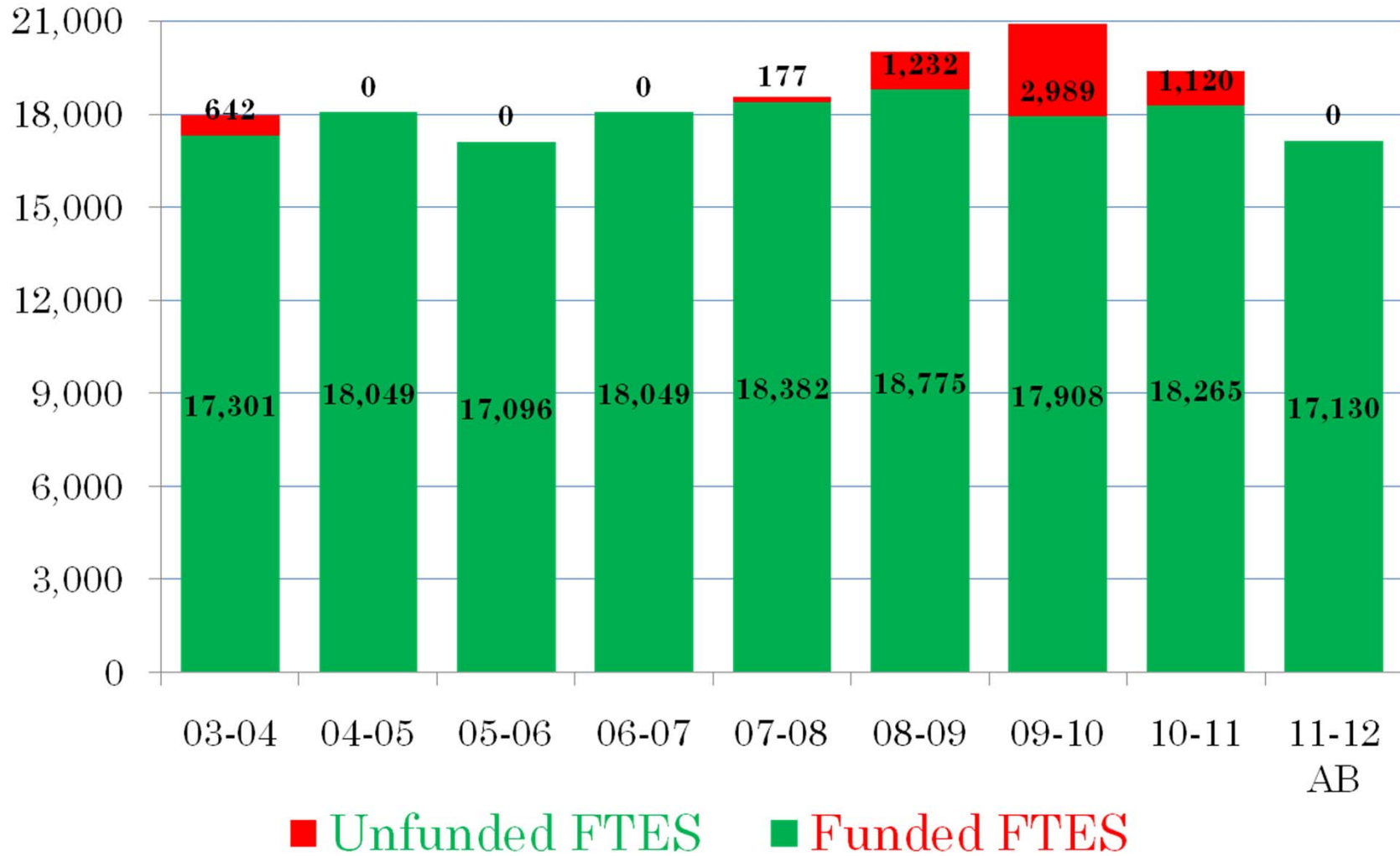


## *Addressing the Shortfall*

➤ <b>One-Time Beginning Balance</b>	<b>\$3.4 m</b>
<i>After 5% Contingency Reserve &amp; 2010/11 Purchase Order Carryover</i>	
➤ <b>One-Time 10/11 Funds</b>	<b>8.2 m</b>
<i>April Board Action</i>	
➤ <b>Sections Reduction</b>	<b>2.3 m</b>
<i>600 Sections (Tier 1)</i>	
➤ <b>Reductions to Operational Allocations</b>	<b>8.1 m</b>
<i>Unfunded open positions &amp; cuts in operational expenses</i>	
<b>Total Solutions</b>	<b><u><u>\$22.0 m</u></u></b>



# *FTEs History & Projections*





# *Site Allocations*

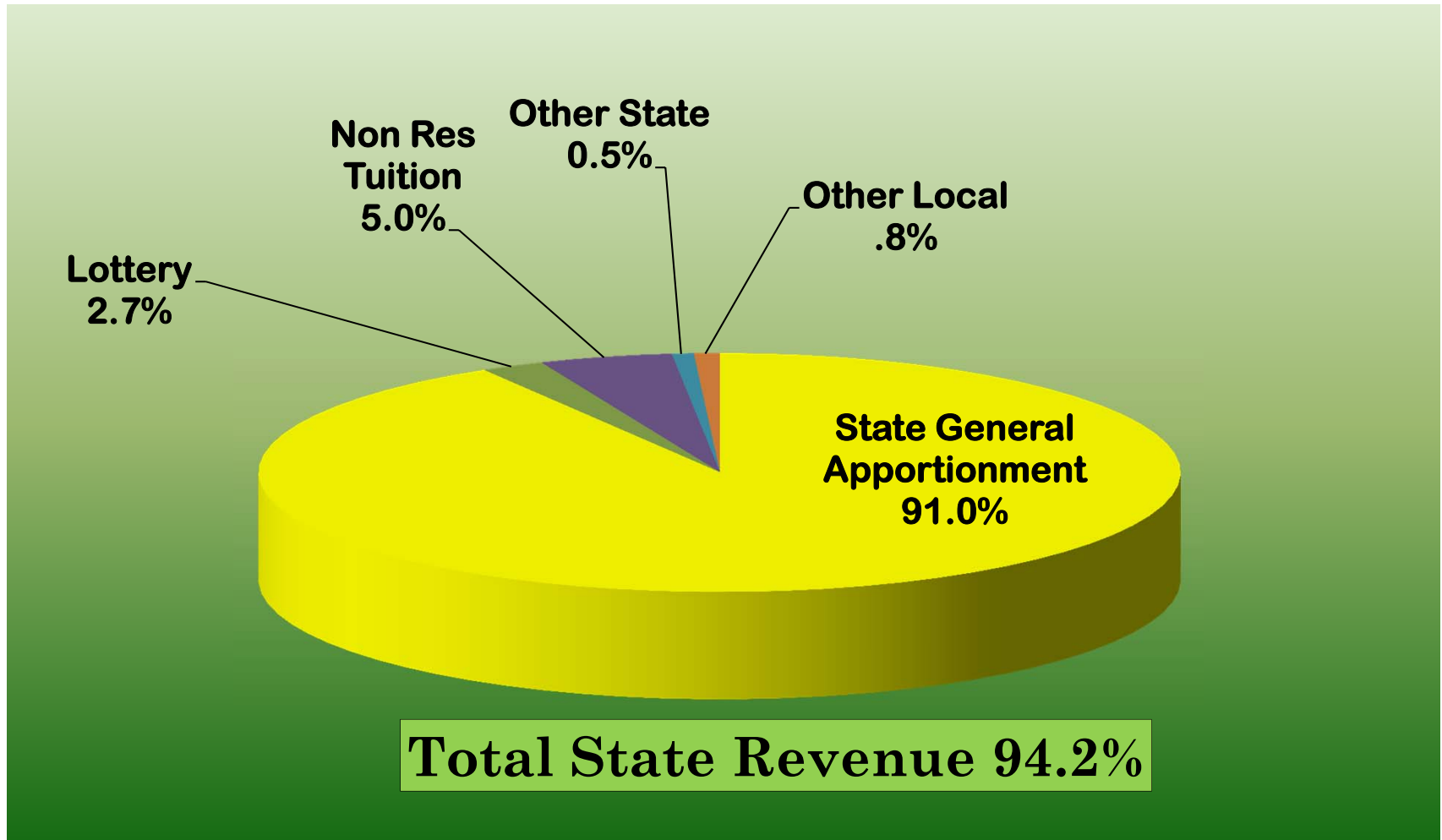
## *Unrestricted General Fund*

<b>Total Funds Available</b>	<b>\$106,430,651</b>
<b>Less 5% Contingency Reserve</b>	<b>( 4,817,363)</b>
<b>Total Formula Allocation</b>	<b><u>\$101,613,288</u></b>

<b>Grossmont College</b>	<b>\$ 60,402,656</b>	<b>Page 14</b>
<b>Cuyamaca College</b>	<b>26,775,957</b>	<b>Page 18</b>
<b>District Services</b>	<b>10,064,509</b>	<b>Page 22</b>
<b>Districtwide Commitments</b>	<b>4,370,166</b>	<b>Page 26</b>
<b>Total Allocations</b>	<b><u>\$ 101,613,288</u></b>	<b>Page 10</b>

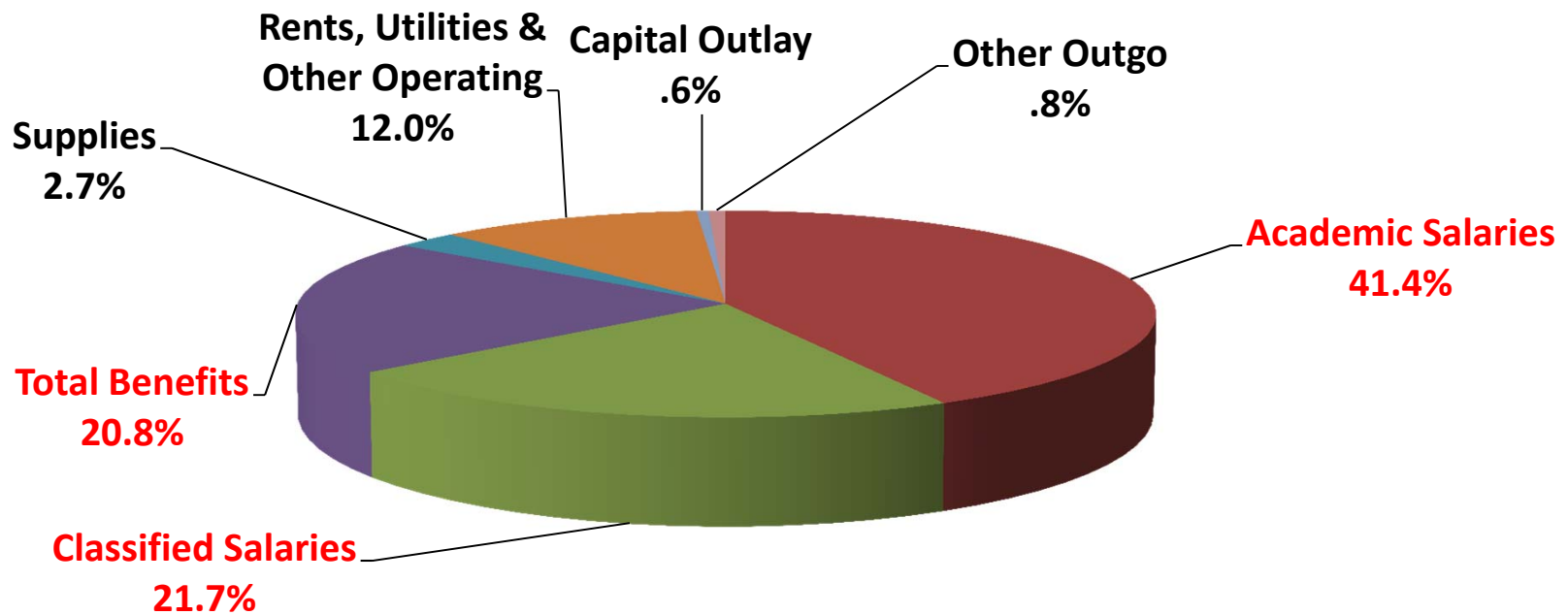


# *Unrestricted General Fund Revenue - \$88.4 m – Page 6*





# Unrestricted General Fund Budget Expenditures – Page 10



<b>Operational Costs</b>	<b>16.1%</b>
<b>Total Compensation</b>	<b>83.9%</b>



# *Budget Steps*

## **Step 1 Tentative Budget**

- Approved 6/21/2011

## **Step 2 Close Out 2010/11**

- Final revenue & expenditures
- Balances will help 2011/12

## **Step 3 Adoption Budget**

- Board to consider 9/13/2011

## **Step 4 Plan for Mid-Year Cuts & Slow Recovery**

- Experts suggest to budget with caution
- Planning & open communication will continue
- Unclear how State will allocate cuts





# Questions ?

## *District Strategic Planning & Budget Committee Members:*

Arleen Satele

Barbara Blanchard

Brian Nath

Cheryl Anne Phillips

Cheryl Houston

Cindy Miles

Erin Miller

Henry Eimstad

Jerry Buckley

Kim Widdes

Jesus Miranda

Jim Mahler

John Colson

Julianna Barnes

Linda Jensen

Mark Zacovic

Michael Copenhaver

Michael Wangler

Robin Steinback

Sahar Abushaban

Shirley Pereira

Sue Gonda

Sue Rearic

Sunita Cooke

Tim Corcoran

Tim Flood

Wendy Corbin