FY13 VCCCD Budget Calendar

February 2012
Seek Board Guidance (Study Session)

March
Board Approval of Budget Assumptions

April
Classified Board Actions

May –June
Legislative Process

May 14
May Revise

June
Approve Tentative Budget

July–September
State Approved Budget

November 6
Tax Initiative Results

November 7
Reductions if Tax Initiative Fail

December – February 2013
Possible Statewide Deficit/P1
VCCCD General Fund Revenue Reductions

FY10 ($4.6 m)
FY11 $1.5 m
FY12
  Signed budget ($7.5 m)
  trigger cuts ($2.4 m)
  P1 adjustment ($3.2 m)
Total projected FY12 (actual as of 05/8/12) ($13.1 m)

3 year revenue reduction ($16.2 m) 11.5%
3 year increase in District costs ($9.7 m)
  3 year budget shortfall ($25.9 m) 18.4%
VCCCD General Fund Revenue – Assuming Initiative Failure

3 year budget shortfall ($25.9 m) 18.4% **
FY13 Triggers (based on Governor’s Initial budget) ($6.8 m) *
Projected increased costs ($3.0 m)

4 year reduction in General Fund budget ($35.7 m) 25.3% **

* Assumes FY13 triggers—may change with Governor’s May Revise.
** May change with P2
FY13 VCCCD Tentative Budget

- Revenue
  - Assumes Governor’s January Budget (Flat Revenue for California Community Colleges)

- Increased Costs (inflationary)
  - Included in Tentative Budget
FY13 VCCCD Tentative Budget

FY13 Tentative Budget

- Resolves $6m in ongoing shortfall
- Establishes contingency of $2m against FY13 triggers
- Committing $4.8m use of reserves for triggers, plus any other revenue shortfall to balance budget

FY14

- Remaining shortfall of $8m to be addressed (assuming failure of November tax initiatives)
- Plus, any other ongoing FY13 shortfall beyond $6.8 in triggers
FY12 VCCCD Reserves

Reserves as of 03/31/2012 (FY12) $18,691,458

Potential use of reserves (FY13 triggers—partial, based on Governor's initial budget) ($4,800,000) *

Projected Reserves 12/31/12 (FY13) $13,891,458 *

* May change based on final budget.
Risks & Possibilities for FY13

- Revenue shortfall from that included in Governor’s initial budget – estimated $3.5 billion (for first 4 months)

- May Revise (due May 14th) additional reductions?

- LAO’s projection of tax initiative revenue

- AB2591 – Backfill of apportionment shortfalls (in suspense)