STATE BUDGET- THE BIG PICTURE

- In January, the budget gap was estimated at $9.2 billion. At May Revision, the gap was revised to $15.7 billion.

- Total General Fund expenditures = $91.3 billion.

- $4 billion more than in 2011-12, but still $11 billion below the 2007-08 fiscal year.

- . . . . and this assumes the November ballot initiative passes.
• Closes a $15.7 billion budget gap and provides for a reserve of $948 million by:

  – Budget cuts of $8.1 billion

  – Increased revenues of $6 billion (Prop 30)

  – Funding shifts, payment delays and other miscellaneous solutions of $2.5 billion
Prop 30

Approved budget assumes passage of November ballot initiative (Proposition 30).

- Would increase sales tax by ¼ percent for 4 years

- Would increase income taxes for those making no less than $250,000 per year for 7 years (increases range from 1% to 3%)

- Would raise approximately $6 billion annually from 2012 through 2016 (somewhat less in 2017 and 2018).

- Prop 30 and Prop 38 (Munger) cancel each other out – you cannot have tax provisions of both. Higher vote total prevails if both gain 50% or more of the vote.
If Prop 30 is not approved by the voters, automatic budget reductions are triggered.

- $6 billion in total cuts
  - $5.4 billion in Proposition 98 (K12 and community colleges)
  - $250 million each from UC and CSU
  - $50 million from Developmental Services
  - $20 million from local police department grants
  - $10 million from the Department of Forestry and Fire Protection
  - $17.6 million from various other programs
COMMUNITY COLLEGES 2012-13 BUDGET

• General Apportionment Revenues
  – $5.5 Billion
    – State General Fund $2.8 Billion (51%)
    – Local Property Taxes $2.3 Billion (42%)
    – Student Fees $374 Million (7%)

• Categorical Revenues
  – $411.3 Million
Assumes passage of Prop 30

- $50 million in restoration funding (growth)
- $159.9 million buy down of deferrals (currently $961 million)
- Full hold harmless protection from any shortages in RDA-related revenues (does not include other property taxes)
- No additional student fee increases
- Did not include Governor's recommendation for consolidation of Categoricals
Assume failure of Prop 30

- This is potentially the second consecutive year that CCCs will face trigger cuts. Cuts are far more drastic in 2012-13, though.
  - Lose $50 million in growth/restoration
  - Lose $159.9 million in deferral buy down
  - Additionally, CCCs would absorb a base reduction of $338.6 million (7.3% workload reduction)
  - Further, failure of Prop 30 would slow growth in the Prop 98 guarantee.
General Apportionment  $122,065,031

Other Revenue  $  5,657,530  
(Lottery, Interest, Non-Resident Tuition)

Total General Fund Unrestricted Revenue  $127,722,561
Impact of State Budget

If Prop 30 passes
  • $1 million in new revenue (restoration)

If Prop 30 fails
  • $8 million in revenue reductions (mid year triggers)
DISTRICT 2012-13 BUDGET

- Includes reduction in expenditures combined with a managed use of reserves
- Resolves budget shortfall for FY 2012-13 only
- Improves enrollment management to reduce unfunded FTES
- Establishes contingency of $2 million against November 2012 triggers
- Built on objective of sustainability
- Committing $6 million of reserves to cover trigger reduction and the use of reserves for any other FY 2012-13 revenue shortfall
- Focuses on funding core functions that support District’s mission
- Complies with all external requirements (Ed Code, Title 5, etc.)
VCCCD General Fund Revenue Reductions

FY 2009-10  ($4.6 m)
FY 2010-11   $1.5 m
FY 2011-12   ($12.9 m)
3 year revenue reduction  ($16.0 m)  11.8%
3 year increase in District costs  ($9.7 m)
   3 year budget shortfall  ($25.7 m)  18.2%

FY 2012-13 Triggers (if prop 30 fails)  ($8.0 m)
FY 2012-13 inflationary costs  ($2.7 m)
estimated 4 year reduction in General Fund budget  ($36.4 m)  25.8%
FY 2012-13 BUDGET

If Prop 30 passes *

- FY 2011-12 deficit ($3 million)
  (FY 2011-12 budgeted expenditures exceed current budgeted revenue) (Mid-year Triggers)
- Increased costs (inflationary) ($3 million)
- Expenditure reductions $8 million
  - contingency in FY 2013-14 $2 million

If Prop 30 fails

- Mid Year Triggers ($8 million)
- Use of reserves $6 million

* If prop 30 passes, $1 million restoration will increase reserves.
<table>
<thead>
<tr>
<th></th>
<th>Assuming passage of Prop 30</th>
<th>Assuming failure of Prop 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unbudgeted FY 2012-13 restoration</td>
<td>$1 million</td>
<td>0</td>
</tr>
<tr>
<td>contingency/shortfall (outcome of Prop 30)</td>
<td>$2 million</td>
<td>($6 million)</td>
</tr>
<tr>
<td>FY13-14 inflationary costs</td>
<td>($3 – 4 million)</td>
<td>($3 – 4 million)</td>
</tr>
<tr>
<td>Budget shortfall in FY 2013-14*</td>
<td>(0 - $1 million)</td>
<td>($9-10 million)</td>
</tr>
</tbody>
</table>

* Does not include any subsequent FY 2013-14 State budget action!
Current Year
2012-13
2012-13 ADOPTION BUDGET
GENERAL FUND - UNRESTRICTED
BY LOCATION

<table>
<thead>
<tr>
<th>Location</th>
<th>2011-12 Adoption Budget</th>
<th>2011-12 Actual Expense</th>
<th>2012-13 Adoption Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moorpark College</td>
<td>47,236,244</td>
<td>46,291,518</td>
<td>45,512,555</td>
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<tr>
<td>Oxnard College</td>
<td>24,532,800</td>
<td>24,042,144</td>
<td>23,535,921</td>
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<tr>
<td>Ventura College</td>
<td>42,488,380</td>
<td>41,638,611</td>
<td>40,514,285</td>
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<td>District Admin Center</td>
<td>8,873,943</td>
<td>8,724,332</td>
<td>8,497,589</td>
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<tr>
<td>Districtwide Services</td>
<td>6,083,637</td>
<td>6,538,529</td>
<td>6,231,971</td>
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<tr>
<td>Utilities</td>
<td>4,325,413</td>
<td>4,325,413</td>
<td>3,865,000</td>
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<tr>
<td><strong>Total</strong></td>
<td>133,540,417</td>
<td>131,560,547</td>
<td>128,157,322</td>
</tr>
</tbody>
</table>
## 2012-13 Adoption Budget

**General Fund - Unrestricted**

### By Expenditure Category

<table>
<thead>
<tr>
<th>Category</th>
<th>2011-12 Adoption Budget</th>
<th>2011-12 Actual Expense</th>
<th>2012-13 Adoption Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty Salaries</td>
<td>53,483,270</td>
<td>53,292,636</td>
<td>50,207,705</td>
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<tr>
<td>Management Salaries</td>
<td>5,948,764</td>
<td>5,871,959</td>
<td>5,776,046</td>
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<tr>
<td>Classified Salaries</td>
<td>22,219,750</td>
<td>21,012,573</td>
<td>20,341,505</td>
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<tr>
<td>Employee Benefits</td>
<td>32,954,308</td>
<td>32,263,764</td>
<td>33,449,464</td>
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<tr>
<td>Supplies &amp; Materials</td>
<td>2,210,207</td>
<td>1,864,553</td>
<td>2,086,303</td>
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<tr>
<td>Operating Expenses</td>
<td>13,090,673</td>
<td>11,283,434</td>
<td>13,131,189</td>
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<tr>
<td>Capital Outlay/Equipment</td>
<td>633,157</td>
<td>561,381</td>
<td>435,689</td>
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<tr>
<td>Transfers/Contingency</td>
<td>3,000,288</td>
<td>5,410,247</td>
<td>2,729,422</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>133,540,417</strong></td>
<td><strong>131,560,547</strong></td>
<td><strong>128,157,322</strong></td>
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The pie chart shows the distribution of expenditures with the following percentages:
- Faculty Salaries: 39.2%
- Management Salaries: 4.5%
- Classified Salaries: 15.9%
- Employee Benefits: 26.1%
- Supplies & Materials: 1.6%
- Operating Expenses: 10.2%
- Capital Outlay/Equipment: 0.3%
- Transfers/Contingency: 2.2%