

Ventura County Community College District

Budget Update



May 8, 2012

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	<u>(\$3.2 m)</u>		
	Total projected FY12 (actual as of 05/8/12)		<u>(\$13.1 m)</u>	
	3 year revenue reduction		(\$16.2 m)	11.5%
	3 year increase in District costs		<u>(\$9.7 m)</u>	
	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	<u>(\$3.0 m)</u>	
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
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▶ 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)	<u>(\$4,800,000) *</u>
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)