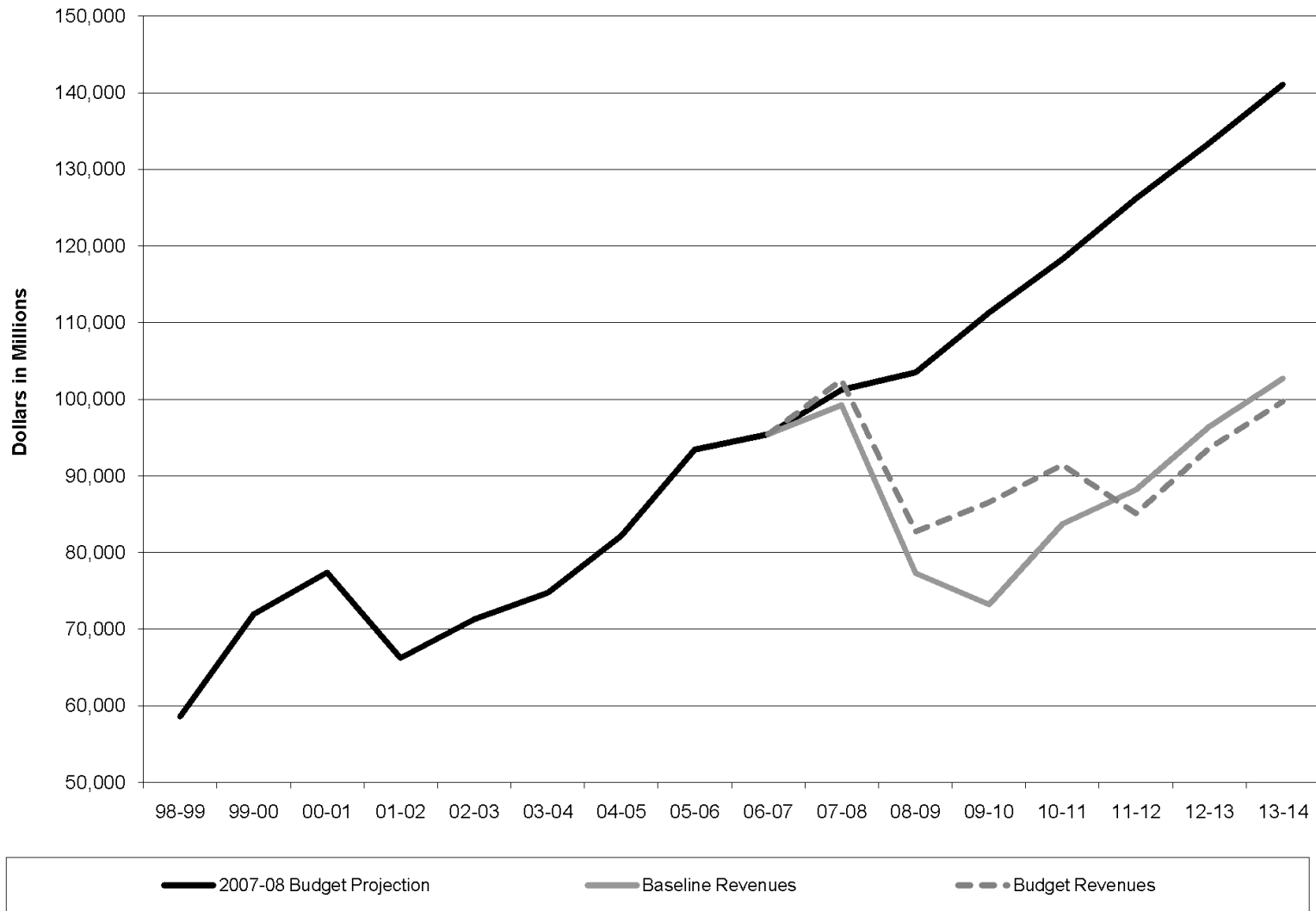


# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT



## EXECUTIVE SUMMARY 2010-2011 ADOPTION BUDGET OCTOBER 12, 2010

### 2007-08 Projected Revenues Compared to 2010-11 May Revision Projections



# STATE BUDGET CRISIS

(THREE MONTHS INTO THE FISCAL YEAR)

- \$19+ billion budget deficit
- 20% of State General Fund Budget
- Real and permanent solutions to structural deficit not identified

# APPROVED STATE BUDGET

(100 DAYS INTO THE FISCAL YEAR)

- Cuts of \$7- 8 billion (some of which depend on union negotiations)
- Higher projections of State revenue
- Higher projections of receipt of Federal funds
- Borrowing from other funds as well as next year (additional deferrals)
- One-year Suspension of Prop 98
- Real and permanent solutions to the structural imbalance not yet identified. – LAO estimates 2/3 of the solutions are one-time or temporary in nature.
- Talks of re-opening the budget as early as Dec/Jan
- Early estimates of \$10+ billion budget imbalance in FY12

# DISTRICT ADOPTION BUDGET

- Built on objective of sustainability.
- Focuses on funding core functions that support District's mission.
- Continues integration of student services costs previously funded by other sources.
- Improves enrollment management to reduce unfunded FTES.
- Complies with all external requirements (Ed Code, Title 5, etc)

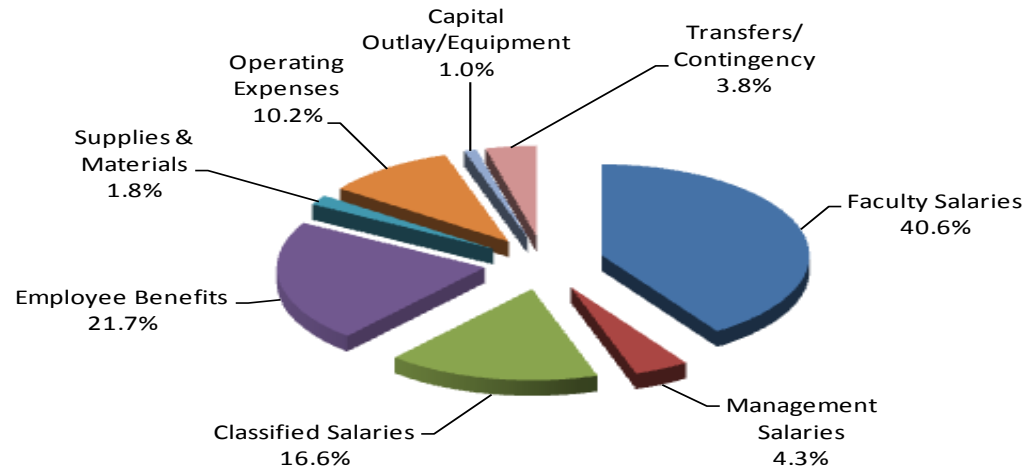
## DISTRICT ADOPTION BUDGET

- Because of the volatility and uncertainty of the State budget process and failure on the part of the state legislature to identify real and permanent solutions to the statewide structural deficit, the District has directed funds above those included in the Tentative Budget to temporarily address local structural deficits such as instructional materials and equipment, library materials and books, tech refresh and equipment replacement, scheduled maintenance, and areas of non-recurring expenditures.
- A plan to address the local structural deficits on a longer term will be presented to the Board along with the Budget Assumptions in the spring.

**2010-11 ADOPTION BUDGET  
GENERAL FUND - UNRESTRICTED  
COMPARATIVE BUDGET SUMMARY  
ALL LOCATIONS**

	<u>2009-10 ACTUAL EXPENDITURES</u>	<u>2010-11 TENTATIVE BUDGET</u>	<u>2010-11 ADOPTION BUDGET</u>	<u>Tentative vs Adoption</u>
1000 FACULTY SALARIES	57,691,334	56,297,501	55,819,804	(477,697)
2000 MANAGEMENT SALARIES	6,208,087	5,814,370	5,874,415	60,045
2000 CLASSIFIED SALARIES	22,395,375	22,679,490	22,771,966	92,476
3000 EMPLOYEE BENEFITS	<u>28,624,169</u>	<u>29,082,085</u>	<u>29,787,265</u>	<u>705,180</u>
SALARY & BENEFIT SUBTOTAL	114,918,966	113,873,446	114,253,449	380,003
4000 SUPPLIES & MATERIALS	1,669,622	2,463,481	2,417,391	(46,090)
5000 OPERATING EXP	12,219,128	13,376,263	13,946,529	570,266
6000 CAPITAL OUTLAY	334,672	895,504	1,344,002	448,498
7000 TRANSFERS/CONTINGENCY	<u>4,237,144</u>	<u>2,261,271</u>	<u>5,430,452</u>	<u>3,169,181</u>
DIRECT EXPENDITURE SUBTOTAL	<u>18,460,565</u>	<u>18,996,519</u>	<u>23,138,373</u>	<u>4,141,854</u>
TOTAL BUDGETED EXPENDITURES	<u>133,379,531</u>	<u>132,869,965</u>	<u>137,391,822</u>	<u>4,521,857</u>

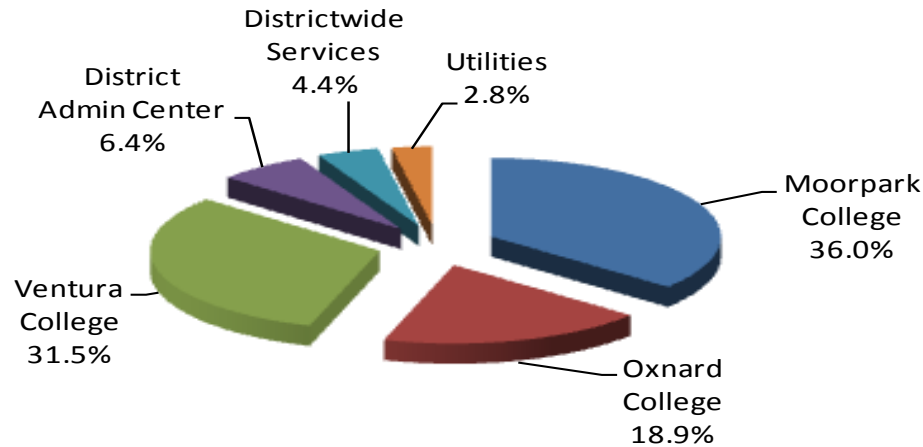
# 2010-11 ADOPTION BUDGET GENERAL FUND - UNRESTRICTED BY EXPENDITURE CATEGORY



	2009-10 Actual	2010-11 Budget		
Faculty Salaries	57,691,334	55,819,804	40.6%	} 83.2%
Management Salaries	6,208,087	5,874,415	4.3%	
Classified Salaries	22,395,375	22,771,966	16.6%	
Employee Benefits	28,624,169	29,787,265	21.7%	
Supplies & Materials	1,669,622	2,417,391	1.8%	
Operating Expenses	12,219,128	13,946,529	10.2%	
Capital Outlay/Equipment	334,672	1,344,002	1.0%	
Transfers/Contingency	4,237,144	5,430,452	3.8%	
<b>Total</b>	<b>133,379,531</b>	<b>137,391,822</b>	<b>100.0%</b>	



# 2010-11 ADOPTION BUDGET GENERAL FUND - UNRESTRICTED BY LOCATION



	<b>2009-10 Actual</b>	<b>2010-11 Budget</b>	
Moorpark College	48,546,932	49,523,883	36.0%
Oxnard College	25,250,727	25,933,342	18.9%
Ventura College	41,377,198	43,236,919	31.5%
District Admin Center	8,537,995	8,809,216	6.4%
Districtwide Services	5,981,013	6,001,463	4.4%
Utilities	3,685,666	3,887,000	2.8%
<b>Total</b>	<b>133,379,531</b>	<b>137,391,822</b>	<b>100.0%</b>

## 2010-11 ADOPTION BUDGET BUDGET SUMMARY BY FUND

	2010-11 Adoption Budget	Percent of Total
General Fund - Unrestricted	159,037,592	58.2%
General Fund - Designated	6,442,198	2.4%
General Fund - Restricted	18,105,667	6.6%
Health Services Fund	4,991,837	1.8%
Parking Services Fund	3,248,148	1.2%
Child Development Fund	1,568,695	0.6%
Bookstore Fund	15,301,177	5.6%
Cafeteria Fund	2,319,532	0.8%
Internal Services Fund	11,671,347	4.3%
Financial Aid Fund	32,666,509	11.9%
Capital Projects Fund	* 18,049,841	6.6%
Total All Funds	273,402,542	100%

\* Does not include budgeted GO Bonds (Measure S) of \$145,679,650.

## RISKS IN CURRENT YEAR

- Final budget solutions are not clear and Sacramento insiders believe the budget may be re-opened as early as December/January. LAO's analysis likely will not be consistent with budget assumptions.
- State budget relies on revenue, including receipt of federal funds, that may not materialize, which could result in mid-year reductions from State.
- Proposition 98 has been suspended.
- Talks of re-opening the budget as early as Dec/Jan because the budget is truly not balanced.

### **Safeguard**

- **As a part of our reserves, the Board has designated \$5 million for revenue shortfall contingency.**

## CHALLENGES IN 2011-12 AND BEYOND

- FY11 State budget likely relies on unrealistic revenues, one-time accounting gimmicks, fund shifts, and borrowing from next year; therefore, is expected to result in additional reductions in FY12 and beyond.
- There are significant levels of State's unfunded liabilities in both STRS and PERS, which cannot be ignored. (Most likely resulting in significant increase employer rates.) Costs such as health insurance and retirement contributions are likely to increase disproportionately to revenue.
- District/Colleges must identify permanent solutions to local structural budget deficits.
- Colleges must continue the deliberation on definition of "core" and identify sustainable solutions.
- Cash remains "king".

# CHALLENGES IN 2011-12 AND BEYOND

## Safeguards

- Restoration from Tentative to Adoption Budget in FY11 is directed to non-recurring expenses and temporary relief of local structural deficits.
  - Reductions next year could be done without significant impact to core operations.
- Growth (2.21%) received in FY 11, will be budgeted in FY12 as new revenue. – Could be used to offset reductions or add to core schedule/ services.
- Current District projections are that unfunded FTES of between 1500 and 2000 will remain by end of FY11.