

RIVERSIDE COMMUNITY COLLEGE DISTRICT

*District Budget Advisory Council
Meeting of March 27, 2009
Digital Library, Room 409
9:00 – 11:00 a.m.*

MINUTES

Task Force Members

Present

Aaron Brown, Associate Vice Chancellor, Finance
Becky Elam, Vice President, Business Services (Riverside)
Norm Godin, Vice President, Business Services (Norco)
Beth Gomez, Budget Manager
Cindy Taylor, Outreach/Passport to College Coordinator (Riverside)
Pam Kollar, Academic Evaluations Specialist (Norco)
Michael McQuead, Associate Professor, CIS (Moreno Valley)
Carmen Payne, Secretary IV, Health Sciences (Moreno Valley)
Peter Boelman, Associate Professor, Economics, Social & Behavioral Sciences (Norco)
Angel Lopez, Chief of Staff, ASRCC (Norco)
Meghan Skaggs, Treasurer, ASRCC (Norco)
Vickie Vega (Recorder)

Absent

Jim Buysse, Vice Chancellor, Administration and Finance
Reagan Romali, Vice President, Business Services (Moreno Valley)
Ajené Wilcoxson, Associate Professor, Business Administration (Riverside)

I. Meeting was called to order

II. Minutes of February 20, 2009 and March 6, 2009.

The minutes of the February 20, 2009 and March 6, 2009 meetings were reviewed and approved without change.

III. State Budget Update

- Aaron led a discussion about the current status of the State Budget and the potential impact on RCCD (source – emails from Erik Skinner and Scott Lay – forwarded by Dr. Buysse to DBAC and handout from The Sacramento Bee (ballot measures)).

- LAO identified shortfall of \$8 to \$12 billion
 - \$5.9 billion additional at risk if upcoming ballot measures don't pass
 - Lottery alone could be \$5 billion
 - Redirection of Child Development and Mental Health Funds
 - LAO Projections – Possible enrollment fee increase from \$20 to \$40 per unit
 - State looking at Federal Stimulus Package for partial bailout for 09/10 (one-time monies)
 - Property tax backfill is not likely
- Meghan and Angel spoke about the Student “March in March” event. Rally fizzled somewhat after State Budget came out and community colleges were not hurt as much as expected. It was more of a “Thank You” rally than anything else.
- Aaron discussed P1 FTES projections (see handout from Chris Yatooma on preliminary growth rates and handout modeling RCCD FTES growth projections).
 - No P1 revision yet
 - We will estimate RCCD's growth rate at 2% based on the CO's preliminary rate (handout) of 4% after factoring in adjustments for new facilities and over subscribed system growth. In the prior year, RCCD's growth rate was 5.02% but was constrained to 1.55% in the adopted State budget. Adjustments may be made as more information becomes available

III. Budget Allocation Model

- A, B & C Budgets (Budget Savings) – Deferred to next meeting so key DBAC members can participate in the discussion.
- Norm requested DBAC agenda item for next meeting (Distribution of Resources for Other than Resource 1000). Aaron recommended that the group bring back suggestions to next the meeting.

IV. Other – Measure C

Aaron handed out a copy of the Measure C Projects Commitments Summary that will be distributed to the District Strategic Planning Committee (see attached). Recommendations regarding enhancing this report are welcome.

IV. Next Meeting

- April 24, 2009 – 9:00 a.m. to 11:00 a.m. – DL 409

Riverside Community College District
Actual Credit FTES FY 08-09, Projected FTES FY 09-10 and
Compressed Calendar Adjustment Impact

FY 2008-2009 at P1 (January 2009)

Base Credit FTES	26,619.88	
Restored Credit FTES	-	
Funded Growth for Credit FTES (1.824%)	485.48	
	26,619.88	
Total Funded Credit FTES		27,105.36
Actual Credit FTES reported	(29,860.85)	
Total Actual Credit FTES		(29,860.85)
Estimated Unfunded Credit FTES for 2008-2009		(2,755.49)

FY 2009-2010

Credit FTES Projection (0% District Growth and 2.0% Funded FTES Constrained from 4.00%)

Base Funded Credit FTES from 2008-2009	27,105.36	
Plus, Estimated Funded Credit FTES (2.00% of 27,105.36 = 542.11, 1,084.21 at 4.0%)	542.11	
	27,647.47	
Estimated Funded FY 2009-2010 Credit FTES		27,647.47
Actual FY 2008-2009 credit FTES at P1	29,860.85	
Targeted Growth for FY 2009-2010 is 0% (0.00)	-	
	29,860.85	
Estimated Total Actual FY 2009-2010 Credit FTES		29,860.85
Estimated Unfunded FY 2009-2010 Credit FTES		(2,213.38)

Compressed Calendar Impact

Credit FTES Projection (0% District Growth and 2.0% Funded FTES Constrained from 4.00%)

Base Estimated Funded Credit FTES from 2009-2010	27,647.47	
Plus, Estimated Funded Credit FTES (2.00% of 27,647.47 = 552.95, 1,105.90 at 4.0%)	552.95	
	28,200.42	
Estimated Funded FY 2010-2011 Credit FTES		28,200.42
Estimated Actual Total FY 2009-2010 Credit FTES	29,860.85	
Targeted Growth for FY 2010-2011 is 0% (0.00)	-	
	29,860.85	
Estimated Total Actual FY 2010-2011 Credit FTES		29,860.85
Estimated Unfunded FY 2010-2011 Credit FTES		(1,660.43)
Less, Estimated Compressed Calendar Accounting Adjustment (7% of 29,860.85)		(2,090.26)
Estimated Credit FTES below Base Workload (Stability)		(429.83)

From: Yatooma, Chris [mailto:cyatooma@CCCCO.EDU]
Sent: Friday, March 20, 2009 1:50 PM
To: SO2CBO@LISTSERV.CCCNEXT.NET
Subject: FW: IMPORTANT: 2008-09 DISTRICT GROWTH RATES

Dear CBOs:

The Chancellor's Office Demographics' Unit has completed its calculation of the 2009-10 **Preliminary** District Growth Rates, which we are sharing with you in the attached Excel document. We are also sharing a word document that explains how these factors are calculated by the Demographics' Unit. These **Preliminary** Rates include **only** the following factors: Change in Adult Population, High School Graduation Rate (and the corresponding Blended Rate) and the Participation Rate. The remaining factors used to calculate final 2009-10 District Growth Rates, the New Facility Rate and the 1% minimum, will not be available for several more months. (Note that District Growth Rates for 2009-10 continue to be derived from the same factors that the system has used for the past several years.)

When the final 2009-10 District Growth Rates are complete, we'll share them with you and also calculate each district's constrained growth rate and growth revenue cap. The constrained growth rates and growth revenue caps will be based on the 3% funding amount (\$175 million) provided in the recently enacted 2009-10 Budget Act and each district's funded FTES workload certified at the 2008-09 Second Principal Apportionment.

For now, if you have any questions on the attached **Preliminary** District Growth Rates, please call/write Channing Yong in our Demographics Unit at 916- 327-5883 or Willard Hom, Director of Research and Demographics, at 327-5887; both are copied on this email.

Thank you. Chris

Chris Yatooma
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**CALIFORNIA COMMUNITY COLLEGES
ADVANCE PRELIMINARY 2009-10 GROWTH RATES**

DISTRICT	ADULT POP CHANGE	HIGH SCHOOL GRAD CHANGE	BLENDED* RATE	UNDERSERVED
Allan Hancock	0.17	1.26	0.72	0.00
Antelope Valley	0.73	3.52	2.29	0.00
Barstow	-0.03	1.38	0.49	0.00
Butte	0.33	1.41	0.90	0.00
Cabrillo	0.23	4.42	2.33	0.00
Cerritos	0.04	6.06	3.28	0.04
Chabot-Las Positas	0.38	3.93	2.38	0.00
Chaffey	0.35	5.39	3.14	1.14
Citrus	0.02	6.10	3.71	0.00
Coast	-0.09	2.54	1.32	0.00
Compton	-0.02	-2.78	-0.02	1.27
Contra Costa	0.20	3.62	2.23	0.07
Copper Mountain	0.70	2.48	1.27	0.22
Desert	0.86	6.78	3.87	1.00
El Camino	0.14	7.11	4.22	0.10
Feather River	0.10	-2.09	0.10	0.00
Foothill-DeAnza	0.12	4.81	2.36	0.00
Gavilan	0.37	6.01	2.77	0.00
Glendale	0.13	4.71	2.24	0.00
Grossmont	0.18	7.40	4.19	0.00
Hartnell	0.15	3.63	1.75	0.04
Imperial	0.85	15.70	8.84	0.00
Kern	0.31	1.70	1.08	0.13
Lake Tahoe	0.33	-6.04	0.33	0.00
Lassen	0.06	0.36	0.19	0.65
Long Beach	0.22	-0.51	0.22	0.06
Los Angeles	0.57	-1.86	0.57	0.77
Los Rios	0.13	2.48	1.24	0.00
Marin	0.18	5.56	2.16	0.70
Mendocino	0.18	0.29	0.24	0.42
Merced	0.47	-0.28	0.47	0.31
Mira Costa	0.29	3.29	1.91	0.63
Monterey	0.03	2.02	0.77	0.00
Mt San Antonio	-0.04	1.13	0.60	0.00
Mt San Jacinto	0.70	12.73	7.46	0.88
Napa	0.32	-0.14	0.32	0.00
North Orange	0.15	3.92	2.16	0.07
Ohlone	0.21	1.91	1.25	0.00
Palomar	0.37	4.42	2.53	0.00
Palo Verde	-0.91	10.67	1.51	0.00
Pasadena	0.22	8.46	4.95	0.00
Peralta	0.33	8.19	2.86	0.01
Rancho Santiago	0.17	0.31	0.23	0.00

**CALIFORNIA COMMUNITY COLLEGES
ADVANCE PRELIMINARY 2009-10 GROWTH RATES**

DISTRICT	ADULT POP CHANGE	HIGH SCHOOL GRAD CHANGE	BLENDED* RATE	UNDERSERVED
Redwoods	0.26	-4.96	0.26	0.14
Rio Hondo	-0.02	3.21	1.54	0.13
Riverside	0.26	6.56	4.00	0.00
San Bernardino	0.07	1.76	0.85	0.23
San Diego	0.42	-0.07	0.42	0.43
San Francisco	0.51	0.26	0.51	0.19
San Joaquin Delta	0.27	2.79	1.71	0.21
San Jose	0.45	-0.46	0.45	1.39
San Luis Obispo	0.29	4.76	2.99	0.00
San Mateo	0.19	1.81	1.02	0.20
Santa Barbara	0.39	0.96	0.70	0.00
Santa Clarita	1.77	6.89	4.87	0.00
Santa Monica	0.31	-0.93	0.31	0.00
Sequoias	0.46	-0.35	0.46	0.36
Shasta	0.24	2.00	1.16	0.04
Sierra	0.81	2.40	1.76	0.00
Siskiyou	1.15	-3.08	1.15	0.00
Solano	0.22	-0.20	0.22	0.52
Sonoma	0.20	3.40	1.70	0.00
South Orange	0.35	4.25	2.38	0.11
Southwestern	0.12	8.17	4.77	0.00
State Center	0.42	-0.36	0.42	0.00
Ventura	0.26	8.35	5.32	0.00
Victor Valley	0.09	6.06	3.15	0.00
West Hills	0.93	-4.19	0.93	0.00
West Kern	7.25	1.39	7.25	0.00
West Valley	0.10	-0.61	0.10	0.00
Yosemite	1.69	-5.11	1.69	0.20
Yuba	0.41	3.60	1.98	0.00

* Blended rate derived from Adult Population rate and High School Graduation rate and is explained in detail in the accompanying word document.

Note: The remaining factors used to calculate final district growth rates, the new facility rate and the 1% minimum, will not be available for several months. When the final district growth rates are complete, we'll share these rates and also calculate and share each district's constrained growth rate and growth revenue cap. The constrained growth rates and growth revenue caps will be based on the 3% funding amount (\$175 million) provided in the recently enacted 2009-10 Budget Act and each district's funded FTES workload certified at the 2008-09 Second Principal Apportionment.

THE SACRAMENTO BEE sacbee.com

This story is taken from Sacbee / Capitol and California

Five of six ballot items doomed, says California GOP Senate leader

sferriss@sacbee.com

Published Friday, Mar. 27, 2009

Sen. Dennis Hollingsworth, the Republicans' new state Senate leader, predicted Thursday that five out of six ballot measures linked to the budget deal will fail at the polls May 19.

Speaking to a Sacramento Press Club luncheon, Hollingsworth, R-Murrieta, also said majority Democrats would have gotten the blame if the recent budget deal had collapsed and driven the state into insolvency.

Hollingsworth took over the Senate GOP caucus in the middle of the night after his colleagues deposed Sen. Dave Cogdill of Modesto. Cogdill had cut the budget deal that included tax increases with Gov. Arnold Schwarzenegger, Democrats and Assembly Republican Leader Mike Villines, R-Clovis.

The May 19 ballot propositions are designed to raise money to make the deal work and prevent growth of the budget deficit.

Hollingsworth said he is against one of the key measures – Proposition 1A – but doesn't intend to spend time campaigning against it.

He predicted enough voters are already upset about tax increases to turn out and defeat the measure.

Proposition 1A would extend increases in sales, vehicle and income taxes up to two years; give the governor the authority to make midyear spending cuts; and try to discourage spending growth by transferring money to the state's "rainy day" fund during healthy fiscal years.

Hollingsworth said he thinks the only measure that might pass on May 19 is Proposition 1F, which prevents pay raises for California elected officials during budget deficit years.

"Senate Republicans are going to be prepared to provide some alternatives," Hollingsworth said, if the measures go down to defeat. He noted that GOP solutions would include mostly spending cuts.

Hollingsworth also responded to media reports that GOP legislators, during heated budget negotiations, had suggested in private discussions that they allow California to descend into insolvency so the Democrats would be blamed.

In an interview published Thursday in the online Santa Barbara Independent, Sen. Abel Maldonado, R-Santa Maria, described how he had been pressured to reverse his decision to vote for the budget deal.

"It was 'Abel, let it go into bankruptcy, let it go off a cliff, we need to prove a point, that it's the majority's fault,' " Maldonado was quoted saying.

Hollingsworth said Thursday that the remarks attributed to Republican lawmakers have to be "put into context."

He interpreted them to mean that if California were to go broke because of a failed budget deal, then it would be the Democrats' fault for "refusing to cut spending."

"If it goes off a cliff, it's the Democrats" who would be responsible, Hollingsworth said.

He also responded to a question about attempts to recall GOP legislators who voted for the budget deal.

"I don't think the recalls make sense," Hollingsworth said. "If Abel Maldonado were recalled, there would probably be a Democrat elected in that district."

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Call Susan Ferriss, Bee Capitol Bureau, (916) 321-1267.

Riverside Community College District
 Measure C Projects Commitments Summary
 as of March 19, 2009

Description	Project Start Date	-----Measure C Funding by Site-----				Total Measure C Funding Requirements	State/Local Funding	Total Project
		District	Riverside	Norco	Moreno Valley			
Completed								
Certificates of Participation (1993 & 2001) - Refunding	Aug-04	\$ 12,492,085	\$ -	\$ -	\$ -	\$ 12,492,085	\$ -	\$ 12,492,085
GO Bond Issuance Related Expenditures	Aug-04	4,860,905	-	-	-	4,860,905	-	4,860,905
MLK Renovation	Oct-04	-	1,010,614	-	-	1,010,614	5,133,999	6,144,613
Phase I - Parking Structure - Riverside	Nov-04	-	20,949,896	-	-	20,949,896	-	20,949,896
RCCD System Office/Future RSA	Nov-04	2,629,981	-	-	-	2,629,981	-	2,629,981
Swing Space	Dec-04	-	4,273,734	-	-	4,273,734	-	4,273,734
Phase I - Wheelock PE Complex/Athletic Field	Dec-04	-	4,516,435	-	-	4,516,435	-	4,516,435
Bridge Space	Mar-05	69,911	404,183	359,401	341,637	1,175,132	-	1,175,132
District Phone and Voicemail Upgrades	Apr-05	349,000	-	-	-	349,000	-	349,000
Room Renovations - Norco	May-06	-	-	100,020	-	100,020	-	100,020
Emergency Phone Project	Jun-06	10,000	178,626	102,773	88,318	379,717	-	379,717
Hot Water Loop System & Boiler Repl. - Moreno Valley	Jun-06	-	-	-	891,296	891,296	-	891,296
ECS Secondary Effects - Moreno Valley	Sep-06	-	-	-	288,919	288,919	-	288,919
Long Range Master Plan - Riv/Norco/MoVal	Feb-07	-	807,532	362,867	289,985	1,460,384	-	1,460,384
Logic Domain - Capital Project Management System	Mar-07	96,000	-	-	-	96,000	-	96,000
Total Completed Projects		\$ 20,507,882	\$ 32,141,020	\$ 925,061	\$ 1,900,155	\$ 55,474,118	\$ 5,133,999	\$ 60,608,117
In-Progress or Initial Phase*								
Norco Industrial Technology Facility Project	Dec-04	\$ -	\$ -	\$ 10,147,826	\$ -	\$ 10,147,826	\$ 20,484,000	\$ 30,631,826
Moreno Valley/Student/Academic Services Facility Project	Dec-04	-	-	-	5,212,558	5,212,558	14,397,724	19,610,282
Nursing/Sciences Building - Riverside	Dec-04	-	25,850,833	-	-	25,850,833	59,308,000	85,158,833
District Computer/Network/ System Upgrades	Apr-05	1,032,044	-	-	-	1,032,044	-	1,032,044
Future Projects - Feasibility/Planning/Management	Aug-05	1,534,710	-	-	-	1,534,710	-	1,534,710
Phase II - Wheelock PE Complex Gymnasium Retrofit	Sep-05	-	8,255,120	-	-	8,255,120	10,156,000	18,411,120
Quad Modernization	Sep-05	-	8,920,991	-	-	8,920,991	4,019,766	12,940,757
Stokoe Innovative Learning Center	Jan-06	-	7,653,605	-	-	7,653,605	2,444,632	10,098,237
Scheduled Maintenance Match	Feb-06	-	838,593	180,850	351,322	1,370,765	2,140,534	3,511,299
Infrastructure Projects - Riverside/Norco/Moreno Valley	Jun-06	484,451	-	-	-	484,451	-	484,451
Utility Retrofit Project	Aug-06	600,000	3,210,016	1,587,401	1,388,503	6,785,920	-	6,785,920
Food Services Remodel - Riverside/Moreno Valley	Nov-06	-	1,045,268	-	3,500,000	4,545,268	-	4,545,268
ECS Building Upgrade Project - Moreno Valley/Norco	Nov-06	-	-	373,031	252,296	625,327	-	625,327
Student Support Center - Norco	Nov-06	-	-	19,994,500	-	19,994,500	-	19,994,500
Physical/Life Science Secondary Effects	Mar-07	-	4,138,500	-	-	4,138,500	16,766,568	20,905,068
Modular Redistribution Projects (All campuses and BCTC)	Mar-07	-	3,334,062	2,079,335	4,797,591	10,210,988	-	10,210,988
Riverside PBX/Network Operations Center	Apr-07	-	500,000	-	-	500,000	-	500,000
Norco Network Operations Center / M&O Facility	Apr-07	-	-	2,112,193	-	2,112,193	-	2,112,193
Moreno Valley Network Operations Center (NOC)	Apr-07	-	-	-	3,013,357	3,013,357	-	3,013,357
Aquatics Center - Riverside	Sep-07	-	5,000,000	-	-	5,000,000	9,031,125	14,031,125
Soccer Field / Artificial Turf - Norco	Dec-07	-	-	4,616,480	-	4,616,480	-	4,616,480
Bradshaw Building Electrical Project	Jul-08	-	500,000	-	-	500,000	-	500,000

Riverside Community College District
 Measure C Projects Commitments Summary
 as of March 19, 2009

Description	Project Start Date	Measure C Funding by Site				Total Measure C Funding Requirements	State/Local Funding	Total Project
		District	Riverside	Norco	Moreno Valley			
Technology Building - A Remodel Project	Dec-08	-	935,000	-	-	935,000	-	935,000
Quad Basement Remodel Project	Dec-08	-	467,500	-	-	467,500	-	467,500
Black Box Theatre Remodel Project	Dec-08	-	761,750	-	-	761,750	-	761,750
Center for Health, Wellness, and Kinesiology - Norco	Feb-09	-	-	5,640,000	-	5,640,000	22,402,912	28,042,912
Health Science Center - Moreno Valley	Feb-09	-	-	-	2,870,000	2,870,000	21,773,273	24,643,273
ADA Transition Plan - District Wide	Feb-09	264,564	4,092,035	952,709	1,050,692	6,360,000	-	6,360,000
Total In-Progress or Initial Phase Projects		\$ 3,915,769	\$ 75,503,273	\$ 47,684,325	\$ 22,436,319	\$ 149,539,686	\$ 182,924,534	\$ 332,464,220
Proposed Future Projects*								
Parking Structure (Moreno Valley)	Future	\$ -	\$ -	\$ -	\$ 22,850,000	\$ 22,850,000	\$ -	\$ 22,850,000
Phase III - Wheelock PE Complex Stadium - (Riverside)	Future	-	5,300,000	-	-	5,300,000	-	5,300,000
Public Safety, Law Enforcement and Fire Training LRC Phase II / BCTC "Center Status" (Moreno Valley)	Future	-	-	-	914,340	914,340	8,229,060	9,143,400
Riverside School for the Arts (Riverside)	Future	-	16,390,000	-	-	16,390,000	46,336,600	62,726,600
Total Proposed Future Projects		\$ -	\$ 21,690,000	\$ -	\$ 23,764,340	\$ 45,454,340	\$ 54,565,660	\$ 100,020,000
Total All Projects / All Phases		\$ 24,423,651	\$ 129,334,293	\$ 48,609,386	\$ 48,100,814	\$ 250,468,144	\$ 242,624,193	\$ 493,092,337
Percentage of Total Measure C		9.75%	51.64%	19.41%	19.20%	100.00%		
Percentage of Total Projects						50.80%	49.20%	100.00%
Total Measure C Authorization - Voter Approved March 2004						350,000,000		
Total Measure C Projects						\$ 250,468,144		
Remaining Measure C Authorization						\$ 99,531,856		

* Some budget amounts shown for In-Progress/Initial Phase Projects and for Future Projects represent preliminary estimates that are subject to change over time as the project develops and matures. The estimates will be refined as more information becomes available and/or new phases of the project are implemented.

DRAFT

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From: scottlay@ccleague.org [mailto:scottlay@ccleague.org]
Sent: Thursday, March 26, 2009 8:55 AM
To: Brown, Aaron
Subject: Assessing the budget risk



March 26, 2009

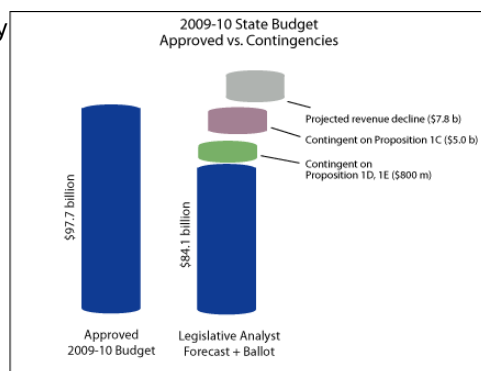
Dear Aaron,

As I cross the state this week--from Monday's Phi Theta Kappa luncheon to visits at Cuesta, Santa Barbara City, and Contra Costa Colleges--I am hearing increasing fear about what risks community colleges face as the state's economy and budget situation continue to crumble. Last night, I visited with education doctoral students at UCLA representing both public and private K-12 and higher education, and the fear was palpable as many of them worried about their jobs and the students they serve.

Meanwhile, many community college leaders are meeting now to talk about their 2009-10 budget, and wondering how to get a budget put together when so many uncertainties are present. It is impossible to provide exact guidance as many factors will drive the budget discussion, as revenues are clearly down, the fate of May 19 budget-related ballot measures is unclear, and case loads in public safety, health and human service programs are increasing, but nobody knows by how much. Nevertheless, I wanted to provide you with a little bit of information that can help you assess the risk to community colleges, so we can all prepare for what might be ahead.

Two weeks ago, the state's nonpartisan Legislative Analyst's Office (LAO) released its first [comprehensive review](#) of the spending plan. In it, the LAO cautioned lawmakers that the plan is already significantly out of balance. Specifically, the Legislative Analyst projects that revenues in 2009-10 will be \$7.8 billion less than approved in the budget act, which creates a shortfall accounting for 8.0% of the overall budget. This is the result of the state's unemployment rate soaring to 10.1% in January -- a number that was previously expected to not be reached until the peak of the recession.

Unfortunately, many analysts now believe that even the LAO's disappointing forecast was too rosy. Budget-writers are now talking about a shortfall in revenues of \$10-12 billion--even with the \$12.5 billion increase in taxes over the 18-month spending plan. With economists now predicting the [state's unemployment rate will reach 11.9%](#) by 2010, this is likely a deeper and more prolonged budget problem than anyone imagined.



Additionally, the approval by the voters of three ballot measures that account for \$5.8 billion of the state budget on the May 19 ballot is anything but certain. The Public Policy Institute of California poll [released this morning](#) shows an almost insurmountable political hurdle for Proposition 1C, the lottery securitization measure that the state is counting on for \$5 billion in revenue in 2009-10. The measure has just 37% support and 50% of voters plan to vote "no" on the measure. The Proposition 10 (early childhood education) and Proposition 63 (mental health) redirects also trail, and they account for \$800 million in the 18-month budget plan.

If the Legislative Analyst's Office is correct in its revenue projections and the ballot measures fail, there

would be a \$13.6 billion shortfall in the 2009-10 budget, with the possibility of a \$15-17 billion shortfall if the latest rumored estimates prove true. ([larger chart version](#))

Proposition 98

With the lower revenue projections, the Proposition 98 guarantee for community colleges will drop from between \$3.6 billion (LAO) to over \$5 billion (latest rumors). The Legislature could backfill most of this drop on a one-time basis with federal funds, and significantly help the state's general fund. However, education advocates would likely oppose such a move, as it would create a huge Proposition 98 hole in 2010-11 and beyond. Nevertheless, legislators and the governor may have no choice. In summary, it's possible that funds could be cut significantly in 2009-10 for K-12 and community colleges, but the largest impact wouldn't be felt by community colleges until 2010-11 fiscal year. Under the larger revenue shortfall estimates, however, there wouldn't be enough federal funds to backfill the 2009-10 reduction, and between \$100-200 million could be cut from community colleges.

Community College Revenues

In addition to the overall revenue picture, community colleges are likely to face apportionment shortfalls in 2009-10 from both an operational shortfall in our apportionment calculation (\$40 million) and declining local property taxes. While property taxes have been extraordinarily difficult to project, the latest developments of the housing market picking up due to financial institutions bundling and selling loans at a huge discount to investors who can sell them for much less than their assessed valuation and realize a profit could lead to huge numbers of properties being reassessed lower, leading to lower property tax revenues. Unfortunately, there is no way to know what this impact will be until the situation transpires.

Districts should prepare for an apportionment shortfall of at least the 1.2% expected in the current year, and the number is likely to escalate depending on the property tax situation.

In closing, these are very difficult times for our state and its community colleges. While we have been treated comparatively well in the early budget debates, the situation is clearly worsening. Further, community colleges are on the front lines of this economic crisis. Nobody is left untouched--students, faculty, staff, administrators and trustees. Indeed, many of the people that put on a strong face to make this system work every day return home facing the same scary personal crises that our students face. This is a time for us to work together to be creative, find ways to continue serving students while our funding may indeed decline, and most importantly to treat people compassionately. We are all here for the same purpose, to serve students, and to bring our diverse backgrounds together to find solutions for the challenges we face.

Community colleges have weathered many crises before, and we will again this time.



Scott Lay
President and Chief Executive Officer

RIVERSIDE COMMUNITY COLLEGE DISTRICT

District Budget Advisory Council

Friday, March 27, 2009

Digital Library, Room 409

9:00 - 11:00 a.m.

AGENDA

I. Welcome and Call to Order

- Review minutes of February 20, 2009 and March 6, 2009 meetings

II. State Budget Update

- Budget Reduction Strategies Update

III. Budget Allocation Model

- Evaluation and Assessment
 - Funding Formula vs. Allocation Model
 - Future Projects - Discussion
 - FTES Allocation (Referred to Mag 7)
 - New Positions
 - ◇New Programs/Initiatives
 - ◇New Facilities
 - ◇State Compliance Issues
 - ◇Program Review/Strategic Planning
 - ◇Who should pay for position reclassifications?
 - ◇Maintenance and Operations Standards
 - A,B & C Budgets (Budget Savings) – Review and Discussion
 - Productivity/Efficiency Discussion
 - Guest Speaker
 - Part-Time Faculty Budgets
 - Planning Link
 - BAM – Mid-Range Financial Planning Model Connection – Update
 - District Strategic Planning, Chancellor’s Executive Cabinet?

IV. Next Meeting

- Bring Calendars

V. Adjournment