

RIVERSIDE COMMUNITY COLLEGE DISTRICT

*District Budget Advisory Council
Meeting of June 4, 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)
Michael McQuead, Associate Professor, CIS (Moreno Valley)
Mary Legner, Associate Professor, Mathematics (Riverside)
Pam Kollar, Academic Evaluations Specialist (Norco)
Peter Boelman, Associate Professor, Economics, Social & Behavioral Sciences (Norco)
Vickie Vega (Recorder)

Absent

Jim Buysse, Vice Chancellor, Administration and Finance
Reagan Romali, Vice President, Business Services (Moreno Valley)
Tom Allen, Associate Professor, English & Speech Communication (Riverside)
Carmen Payne, Secretary IV, Health Sciences (Moreno Valley)
Angel Lopez, Chief of Staff, ASRCC (Norco)
Meghan Skaggs, Treasurer, ASRCC (Norco)

I. Meeting was called to order

II. Tentative Budget

- Aaron distributed and discussed the Tentative Budget that will be taken to the Resources Committee June 9, 2009 (Note - Tentative Budget does not take into account the Governor's proposals).
 - The 09-10 Tentative Budget represents our best estimate at this point for the beginning balance, anticipated revenues, and expenditures
 - It is a continuing resolution, providing enough funds to operate until the 09-10 Final Budget is adopted in September

- Assumptions for the FY 2009-2010 Tentative Budget (Resource 1000)
 - Ending Balance Projection
 - 2007-2008 Adjustments
 1. P1 Recalculation (\$1.15 million)
 - 2008-2009 Adjustments
 1. Deficit Factor .9870 (\$1.70 million)
 2. Defunded Cola (\$.89 million)
 3. Reduced Interest Income (\$.82 million)
 4. Reduced Lottery Income (\$.39 million)
 5. Projected operating budget savings (\$5.40 million)
 - FY 2009-2010 Baseline Budget
 - COLA at 0%
 - Funded growth at 2% (\$2.5 million)
 - Deficit Factor .9850 (\$2.0 million)
 - Base apportionment allocations for Norco & Moreno Valley are not included (\$2.76 million)
 - Ending Balance Target
 - Resource 1000 Deficit (\$1.46 million)
 - FY 2009-2010 Base Expenditure Budget Additions

* Full-Time Step & Column and Professional Growth	\$.76 million
* 1% salary increase(less .68% prior year COLA reduction)	\$.33 million
* Health & Welfare Benefits (6% estimated increase)	\$1.10 million
* Classification study	\$.56 million
* 10 new faculty positions salary (net)	\$.68 million
* Operating costs for new facilities (Norco Soccer & Industrial Tech)	\$.62 million
* Prior year Enrollment Efficiency Incentive	\$.22 million
* Election costs reduction	(\$.71) million
* Prior year “Golden Handshake” payoff	(\$.56) million
* Small college factor (Norco & Moreno Valley)	\$.53 million
 - Tentative Budget Special Notes
 - Resource 1080 – Community Education – Deficit projections are contingent upon estimated revenues
 - Resource 1090 – Performance Riverside – Discretionary income and costs are fixed
 - Resource 3300 – Child Care – Receives General Fund subsidizing
- Executive Cabinet will be meeting Monday to discuss actions to deal with the District’s budget situation.

III. State Budget Update

- Aaron updated the group on the status of the State Budget and the potential impact on RCCD (handouts – Dr. Buysse email to Executive Cabinet, Community College League of California Budget Update, CBO’s email, Community College League of California Impact of Proposed Budget Cuts and Impact of Proposed Budget Cuts on Riverside CCD).
 - There are not a lot of solutions on the horizon with the Governors proposed budget cuts, RCCD is looking at a potential \$19 million problem
 - A proposal crafted by several community college leaders was forwarded to the legislature (see Theresa Tena email)
 - Rejection of the \$120 million in cuts specifically for physical education
 - Limit cuts to 15% each EOPS & DSPS
 - Limit student fee increase to \$22 per unit
 - Workload reduction proposal
- Aaron asked group for suggestion/recommendations to be forwarded to Executive Cabinet for Monday’s meeting
 - Becky – Consider cancelling or limiting Winter Intersession
 - Mary – Offer Winter “On-line” only
 - Norm – Maybe consider not having a compressed calendar
 - Becky – Consider a four day work week
 - Mike – Maybe offer Summer only at one campus
 - Norm – Consider shutting down on weekends
 - Becky – Offer “On-line” to replace weekend shutdown
 - Pam – Maybe cut back on concurrent enrollment
 - Mary – Maybe have Workforce Prep help with concurrent enrollment issues

IV. Next Meetings

- June 25, 2009 – 9:00 a.m. to 11:00 a.m. – DL 409

Brown, Aaron

From: Chief Business Officers [CBO-ALL@LISTSERV.CCCCO.EDU] on behalf of Theresa Tena [ttena@CCLEAGUE.ORG]
Sent: Wednesday, June 03, 2009 11:43 AM
To: CBO-ALL@LISTSERV.CCCCO.EDU
Subject: Governor's May Revise spreadsheet and Regulatory and Statutory Relief Effort
Attachments: May Revise Budget Chart June 3 2009.pdf; SCO ltr May 29.pdf

Colleagues

May Revise Detail Finally Shared

I am sending along an updated League budget tracking spreadsheet FINALLY reflecting the Governor's May Revise proposal. The detailed information was recently made available.

By and large the "big" picture items remain the same – the colleges are slated to receive a roughly \$825 million reduction over the next 13 months, no relief for the property tax shortfall (\$41.1 M CY and \$116.7 M BY), and the Administration is still proposing to cut \$85 million in categorical funding in the current year and defer \$115 million of current year unrestricted apportionment funding to the next fiscal year.

Please note the following

- The \$58.3 million remaining of growth funds has been redirected to the apportionment base to offset the projected \$116.7 million property tax shortfall. With that action the 3% enrollment growth included in the February 2009-10 Budget Act has been zeroed out
- The final list of exempt categorical programs:
 - 2008-09: Categorical reductions of \$85 million
 - 2008-09: **Foster Care Education (\$5.2 M)**, Cal Works (\$43.5 M), Financial Aid Administration (\$51.2 M), and TTIP (\$26.2 M) are exempt from the reductions.
 - 2008-09 Categorical reduction percentage is 14.7%
 - 2009-10: Categorical reductions of \$334 million
 - 2009-10: **Foster Care Education (\$5.2 M)**, Financial Aid Administration (\$51.2 M), and TTIP (\$26.2 M) are exempt. The Cal Works program is NOT exempt in the budget year.
 - 2009-10 Categorical reduction percentage is 53.5% (applied to DSPS, EOPS, CARE, and Matriculation AFTER 3% categorical growth removed (\$10.2 M)
 - The Administration proposes categorical flexibility similar to K-12 categorical flexibility for the current year and budget year for all programs except the ones listed above.

The Administration's proposal will be discussed in conference committee when the Education issues are addressed. The Legislature will of course have an opportunity to alter the Governor's proposal and the final product will be different; however given the magnitude of the budget shortfall – estimated \$24 billion – and the draconian reductions proposed in other areas of the budget, the college budgets will be cut. The question is whether we will be successful in garnering federal budget stabilization funds or a modest amount of enrollment fee increase revenue to mitigate the cuts now proposed.

League / CBO Regulatory and Statutory Relief Effort

Yesterday, Scott Lay sent a note to CEOs outlining an effort to develop a list of recommended regulatory and statutory items needed to ensure districts fiscal survival. I have contacted the representative body of the CBOs – the ACBO Board – and enlisted their help to coordinate several brainstorming sessions. A number of CBO's have also contacted me and expressed a desire to submit recommendations. While I will be working directly with the

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ACBO board, I encourage any CBO to contact me and submit items to the list. Please include as much detailed analysis as possible.

Given this budget is unfolding in real time I will be approaching this effort in a two fold manner

- A) short-term issues directly tied to the budget principles supported by the CEO Board as reflected by the "budget compromise" proposal
 - a. This proposal was crafted by several community college leaders and has been shared with legislative staff/control agencies. The goal of the package is to avoid disproportionate cuts to the colleges, minimize poor policy choices, and to enable as much flexibility as possible to allow colleges to protect access and the core institutions that must survive the downturn. Essentially the proposal:
 - i. Rejects the \$120 million cut specifically for physical education course and restore with federal stimulus funds or by limiting the community college cut to a proportional share of Prop. 98.
 - ii. Limits the cuts to 15% each for support services for poor (EOPS) and disabled (DSPS) students.
 - iii. Applies the remaining categorical cut across-the-board to all other categoricals, and adopt the same flexibility and mandate relief provided to K-12 categorical programs in February.
 - iv. Limits the student fee increase to a reasonable level of \$22 per unit, and use the revenue to backfill the categorical program cuts.
 - v. To the extent the apportionment is reduced by a specific reduction or a revenue shortfall (property tax or structural); reduce local district workload to match available funding to ensure constant general funding per student.
- B) long-term issues requiring further analysis and time to implement. Given the State Controller has urged the Legislature and Governor pass a budget by June 15, 2009 (see attached letter), items not addressed under the short-term automatically move to the long term issue list.

The League will study each suggestion put forward and we look forward to receiving your suggestions.

Theresa D. Tena
Director of Fiscal Policy
Community College League of California
1121 L Street, Suite 805
Sacramento, CA 95814
(916) 441-0353



**COMMUNITY COLLEGE LEAGUE
OF CALIFORNIA**

Item	2008-09 REVISED ENACTED BUDGET	Governor's May Revise Proposal 2008- 09	2009-10 ENACTED BUDGET	Governor's May Revise Proposal 2009-10
General Apportionment				
Base Apportionment (incl: GF, P-Tax, Fee)	5,727,059,000	5,727,059,000	5,840,559,000	5,840,559,000
Property tax shortfall		(41,100,000)		(116,700,000)
Apportionment reduction: fund physical education and recreational classes at noncredit rate.				(120,000,000)
Redirect 1% Apportionment Growth to base shortfall				58,313,000
	5,727,059,000	5,685,959,000	5,840,559,000	5,662,172,000
Cost-of-living adjustment	0	0	0	0
Growth for Apportionments	113,500,000	113,500,000	175,213,000	0
Total General Apportionment	5,840,559,000	5,799,459,000	6,015,772,000	5,662,172,000
Categorical Programs				
Academic Senate for the Community Colleges	467,000	398,400	467,000	217,000
Apprenticeship	14,641,000	12,490,600	14,641,000	6,803,000
Basic Skills	33,100,000	28,238,400	33,100,000	15,380,200
Career Technical Education	20,000,000	17,062,400	20,000,000	9,293,100
Child Care Tax Bailout	6,836,000	5,831,900	6,836,000	3,176,400
Disabled Students Programs and Services	115,011,000	98,118,500	118,461,000	53,440,700 c
Economic Development	46,790,000	39,917,600	46,790,000	21,741,300
EOPS	106,786,000	91,101,500	109,990,000	49,618,900 c
CARE	15,505,000	13,227,700	15,970,000	7,204,500 c
Equal Employment Opportunity	1,747,000	1,490,400	1,747,000	811,800
Foster Care Education Program	5,254,000	5,254,000 a	5,254,000	5,254,000 b
Fund for Student Success	6,158,000	5,253,500	6,158,000	2,861,400
Matriculation	101,803,000	86,850,400	104,857,000	47,303,500 c
Nursing	22,100,000	18,854,000	22,100,000	10,268,900
Part-Time Faculty Compensation	50,828,000	43,362,500	50,828,000	23,617,600
Part-Time Faculty Health Insurance	1,000,000	853,100	1,000,000	464,700
Part-Time Faculty Office Hours	7,172,000	6,118,600	7,172,000	3,332,500
Physical Plant and Instructional Support	27,345,000	23,328,600	27,345,000	12,706,100
Special Services for CalWORKs Recipients	43,580,000	43,580,000 a	43,580,000	20,249,800
Student Financial Aid Administration	51,269,000	51,269,000 a	51,269,000	51,269,000 b
Telecommunications / Technology Svcs / C.V. U	26,197,000	26,197,000 a	26,197,000	26,197,000 b
Transfer Education and Articulation	1,424,000	1,214,800	1,424,000	661,700
Total Categorical Funds	705,013,000	620,012,900	715,186,000	371,873,100
Ongoing Funds Subtotal	6,545,572,000	6,419,471,900	6,730,958,000	6,034,045,100
One-Time Funds (Prop. 98 Reversion & Settle-up)				
Physical Plant & Instructional Support				
Career Technical Education SB 1133	38,000,000	38,000,000	38,000,000	38,000,000
One-time Prop 98 Funds Subtotal	38,000,000	38,000,000	38,000,000	38,000,000
Miscellaneous (Non-program) Items				
Fiscal Crisis Management Assistance Team (FCMAT)	508,000	508,000	508,000	508,000
Mandates (6870-295-0001)	4,004,000	4,004,000	3,000	3,000
STRS Payments for CCC Employees	89,173,000	89,173,000	95,524,000	95,524,000
Lease-Purchase Bond Payments	68,100,000	68,100,000	66,829,000	66,829,000
Lottery	164,170,000	164,170,000	148,679,000	148,679,000
Total State-Determined Funding	6,909,527,000	6,783,426,900	7,080,501,000	6,383,588,100
Funded FTES	1,200,433	1,203,342	1,236,446	1,203,342
Prop 98 (Local) Ongoing Funding per FTES	5,453	5,335	5,444	5,014
Prop 98 (Local) One-Time Funding per FTES	32	32	31	32
Funding per FTES	\$ 5,756	\$ 5,637	\$ 5,726	\$ 5,305

a Categorical Program exempt from cut in 2008-09. All other programs reduced by 14.69%
b Categorical Program exempt from cut in 2009-10. All other programs reduced by 53.53%
c 2009-10 Growth of 3% backed out then 53.53% reduction applied

Brown, Aaron

From: Buysse, Jim
Sent: Tuesday, May 26, 2009 10:56 AM
To: Hendrick, Irving; Carlson, Chris; Lacy, Linda; Kane, Melissa; Maghroori, Ray; Perez, Monte; Muto, Jan; Davis, Brenda; Parsons, Jim
Cc: Brown, Aaron; Elam, Becky; Godin, Norm; Romali, Reagan
Subject: The Budget--2008-09

Here's a recap of where things seem to stand relative to the 2008-09 State budget for California's community colleges. I will review 2009-10 in a second writing. Please keep in mind that these are estimates, as community college districts have not yet been provided with district-by-district detail. Also, please keep in mind that, to echo Jack Scott, the State Chancellor, we're dealing with the Governor's proposal, nothing more and nothing less than that. We still have a budget enacted and in place for 2009-10, and that will be the budget until it is amended. The verdict is out as to how long the amendment process might take. Some think there will be action on the 2008-09 component before the end of June. Some, such as Scott Lay, also think there will be action on the 2009-10 budget within the first 45 days or so of the new year at most. Others, such as Erik Skinner, think it might take somewhat longer, since the two parties are so locked into their respective positions.

Both sides acknowledge, however, that there's a \$23 billion cash flow gun pointed at the heads of State decision makers, and that this could be the impetus for getting something done in a relatively timely manner. It is possible, though, (and as Scott Lay warned at the ACBO Board meeting) that the State will in fact run out of money. It's also possible that the "budget problem" could grow to the neighborhood of \$30 billion if State revenues continue to tank. (The LAO projected the problem at \$24 billion late last week, up by \$3 billion over the Governor's estimate from just a week earlier.) Additionally, while federal stimulus money might be available, Karen Bass has said that we shouldn't count on any additional stimulus money based on her discussions with federal policy makers during a recent trip to Washington. Everyone seems to agree that the amended 2009-10 budget is going to be draconian, bleak, dire, or whatever dark adjective you'd like to insert...and that includes the budget for the CCC.

DEFINITION OF THE PROBLEM, 2008-09/2009-10--\$825 million, excluding the lost COLA

FY 2008-09

1. \$42.1 million property tax shortfall—not backfilled, and unlike in the past, with no restoration in FY 2009-10;
2. \$85 million reduction to categoricals (excluding CalWORKs, Student Financial Aid administration and Telecommunications and Technology);
3. Total cut--\$127.1 million, leading to a cut in per FTES funding of \$107 (1.84%);
4. An additional cash deferral of \$115 million, without guidance as to how it this deferral would occur; and
5. Remember, since these proposals are not yet enacted, we do not know whether they will be adopted.

For RCCD—The additional cash deferral for us would be about \$2.5 million, bringing total deferrals to \$16.8 million. This will result in lost interest income and additional interest expense in Resource 1000. Our share of the lack of a property tax backfill is already covered in our budget projection for 2008-09. The estimated reduction in categoricals would be some \$1.5 million, or 15% of the budgets for impacted programs. However, since this latter action would occur effectively at year-end, most if not all of the reductions would have to be absorbed by Resource 1000 in 2008-09. Bottom line...reserves at June 30 would be about \$2.2 million less than projected, with 2009-10 further impacted by a reduction of \$.95 million via the carry forward of the '08-09 base reduction.

Brown, Aaron

From: Buysse, Jim
Sent: Tuesday, May 26, 2009 12:05 PM
To: Hendrick, Irving; Carlson, Chris; Kane, Melissa; Maghroori, Ray; Perez, Monte; Muto, Jan; Davis, Brenda; Lacy, Linda; Parsons, Jim
Cc: Brown, Aaron; Elam, Becky; Godin, Norm; Romali, Reagan
Subject: The Budget--2009-10

We've known for some time that we have a budget problem in front of us in the neighborhood of \$9 million. This was before the Governor's recent proposal. We've also had a possible solution which included the following actions:

- a. Recapture the funds set aside in 2008-09 for the Classification Study (\$.5 million);
- b. Reduce the class schedule (about 100 sections and 300 FTES) (\$.4 million);
- c. Golden Handshake (\$1 million);
- d. Extend the '08-09 positive budget variance through '09-10 (\$4.16 million);
- e. Defer hiring the 10 new faculty positions for '09-10 (\$.65 million); and
- f. Use the 2009-10 center-to-college money (\$2.76 million)

This package would actually get us to \$9.47 million. At this point, however, hiring as begun relative to item e, item d is likely to be less on a District-wide basis due to categorical cuts and other factors, the golden handshake remains a bit speculative as to amount and the center-to-college money could be deficated by the State. Thus, the yield, here will be less that originally projected. Any drop below the \$9 million target will add to the '09-10 problem. Additionally, we have reduction in reserves for 2008-09 in the amount of \$2.2 million and the carry forward of the base reduction of \$.95 million into fiscal '09-10. On that unpleasant note, let's look at the Governor's 2009-10 proposal.

2009-10

1. Enrollment Growth—The Governor has reduced growth funding from 3% to 1%, a reduction of \$116.9 million. We would not likely see 1% at Riverside, so there's only a minimal effect here...plus the CCC will likely propose that remaining growth money be used to offset other cuts. The ACBO Board has also recommended doing so. The ACBO Board also suggested consideration of a 4.5% cut in funded FTES so that the system could maintain its current funding rate per FTES. It was noted that UC and CSU were being allowed to retain their current funding rates.
2. Property Tax Shortfall—The Governor's proposal projects a \$116.7 million shortfall in property tax revenue and indicates that there would again be no backfill.
3. Physical Education/Recreation courses—The Governor proposes to adopt the LAO's proposal relative to funding these courses at the noncredit rate instead of at the credit rate. To this end, \$120 million would be cut from the CCC budget. We don't know how this cut would be distributed. It could occur on a per FTES basis as was done with concurrent PE, or it could be levied on a district by district basis based on MIS, 320 or other reporting. The ACBO Board recommended that we oppose this one because the UC and the CSU are not having to make similar cuts.
4. Categoricals—The Governor proposes a \$344.2 million reduction to the base funding for these programs.
5. Subsequent to the release of the Governor's proposal, he has indicated that borrowing \$5.5 billion is now off the table, and that a like amount of cuts must be found. All we know at present is that the entire Cal Grant program (all new awards) would be eliminated.
6. The LAO now estimates the budget problem at \$24 billion, \$3 billion more than reflected in the Governor's proposal. Additionally, the LA has suggested the possibility of a \$60 per unit enrollment fee, up from previous proposals of \$30 and \$40. The ACBO Board last week suggested a \$24 fee which would likely not significantly affect student demand while yielding \$57 million to offset other cuts. Our hope here was that with \$57 million here plus \$58 million from reallocating the remaining 1% growth funding and some of the unallocated stimulus money, we might get the overall cut for 2009-10 down from the \$500 million level to something in the \$350-400 million range.
7. For RCCD, we would be looking at a 2009-10 problem composed of the \$2.2 million drop in our beginning balance projection, a \$.95 million reduction in our base carried forward from '08-09, an estimated reduction of \$2.79 million due to the PE/Rec proposal, a property tax shortfall of \$2.72 million and a \$3.88 million hit to categorical. We had been projecting a deficit of some \$1.7 million, so that would be an offset. Thus, the general cuts total \$8.66 million against which we could apply the \$1.7 million projected deficit, leaving a budget problem of \$6.96 million...plus the thorny issue of what to do with the categorical programs. And this assumes that we solve the \$9 million problem mentioned at the outset of this communication.

Brown, Aaron

From: Buysse, Jim
Sent: Tuesday, May 26, 2009 1:08 PM
To: Hendrick, Irving; Carlson, Chris; Parsons, Jim; Lacy, Linda; Davis, Brenda; Kane, Melissa; Maghroori, Ray; Muto, Jan; Perez, Monte
Cc: Brown, Aaron; Elam, Becky; Godin, Norm; Romali, Reagan
Subject: The Budget--2010-11 and beyond

Well, here's round three...fiscal year 2010-11 and beyond. It's important that we look beyond this year and next as we deliberate how to proceed. We're likely in for a rough go at least into 2013 or 2014. We may see the rise of inflation (6-12%), and perhaps stagflation, as we proceed through this time period, perhaps starting in 2011. It's awfully hard to predict, and no one seems to have anything like a functional crystal ball. However, we can talk a bit about 2010-11. Here's what we know:

First, we will have shrunk someway, somehow. That simply cannot be avoided. If we maintain our reserves at the 5% level, we will have reduced our budget substantially through 2009-10 via accommodating the initial \$9 million problem, the net \$6.96 million "general" problem arising in 2009-10 and the \$3.88 problem in categoricals. The shrinkage would be on the order of 10-13%, assuming the Governor's proposal is enacted. Second, on top of this reduced base we may well see a year, 2010-11, with no budgetary increases, if not further reductions. Additionally, we will likely see PERS and STRS requiring increased employer contributions totaling \$3.5-5.0 million at RCCD in that year and each year thereafter for some period of time. We would also have to finance a Board election in the fall of 2010 (\$.7 million). We also have the compressed calendar issue, but hopefully this requirement will be deferred pursuant to my earlier discussions with the State Chancellor's Office staff. We would also have fixed cost increases to cover (e.g. step and column, health and welfare, etc) which would likely require a cool million or more. And we would be looking at bringing facilities on line (Norco Student Success and Riverside Nursing/Science) which could cost \$.5 million plus. Thus, we have in the neighborhood of \$7 million in additional expenditure requirements with little if any funding as an offset...which would yield further shrinkage on the order of 4-5%.

Thus, back to the first paper I wrote in this series. We need to think seriously about where we are headed and how we should arrive. Like it or not, we're already on the ark.

Brown, Aaron

From: Buysse, Jim
Sent: Monday, June 01, 2009 3:44 PM
To: Elam, Becky; Godin, Norm; Romali, Reagan
Cc: Brown, Aaron
Subject: FW: Budget Situation

Hi,

Here's a copy of what I submitted to ExCab this morning. ExCab will meet again next Monday. I'm going to see if I can find a time when we can all discuss. In the meantime, please be prepared to discuss with you Presidents.

Jim

Well, you heard a bit Friday about the budget situation we're confronting. As you heard at DSPC on Friday, our "problem" is substantial. Under the Governor's proposal, we would lose some \$1.5 million in 2008-09. Add this to our 2009-10 budget situation, and we have a \$19.54 budget problem. And on top of that, 2010-11 could be a year of no additional revenues when costs increase anywhere from \$3.71 million to \$7.21 million. Thus, we have a budget problem that is somewhere in the range of \$23-27 million...a problem of about 1/6th, which is huge. Plus, there's no quick fix on this one. We're in it for the long haul. So, what might we do? Here are some ideas.

1. Prayer...We can hope that our collective lobbying across the system is successful and that the cuts are reduced by \$165-215 million by giving up the remaining 1.0% in growth funding, adding a small (\$4.00?) enrollment fee increase and obtaining some stimulus funding. That would yield \$3.63-4.73 million for us. Since we still must await the details of the final (or next?) State fix, we can hold onto this one for awhile and hope that it occurs.
2. Enrollments...We can't escape doing something here. We simply cannot sustain \$20 million in enrollments (our 4,308 overcap credit FTES) without that funding. And there may in fact be a workload reduction in the works, which would increase the overcap number to 5,512 FTES (\$25 million). We can do this by eliminating either the summer session or the winter intersession. In either case, we would save around \$5 million, and we'd reduce the overcap FTES by a little more than half. We also may need to go beyond that. The question is, given the bleak, multi-year financial outlook, can we afford any overcap FTES. The suggestion here is that we in some way eliminate at least half of the overcap FTES by some combination of eliminating a session and reducing the fall and/or spring sessions, and then wait to see what happens with the enrollment fee. Additionally, if we want to choose the winter intersession, we may need a waiver from the State Chancellor's Office relative to the 175-day requirement. Also, regardless of what we do, we must seek a deferral of the compressed calendar implementation. Finally, if we took out all 4,308 FTES, we'd save some \$5.8 million, and at 5,512, that number would be \$7.5 million. On a related note, while we shrink, we should look at hourly staffing and whether that could/should be reduced. We should also engage in a "selective" hiring freeze process.
3. We could use the center-to-college money in '09-10, which would be one-time money, as an offset against our budget problem. That would yield \$2.76 million, although this amount might be reduced by a deficit factor if systemwide revenues fall below budgeted levels. It's also contingent on obtaining accreditation at both MVC and NC. If the latter occurs, the backup plan would have to be either additional cuts or tapping into the District's contingency.
4. Positive budget variances...We could charge each campus and the District Office with the responsibility of assuring a positive budget variance in '09-10 and perhaps again in '10-11 (and maybe every year until budget "recovery," however that would be defined, occurs). We could set that number at the average variance for each location over the last five years. That could yield +/- \$4 million for each year.

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5. We could immediately freeze all faculty hires. This one has not yet been analyzed for possible savings.
6. We could defer implementation of the classification study and any follow up action on reclassifications (from the "old" method). The budget projection already assumes that we've done that for FY 2008-09. Prospectively, we would save \$.66 million for each additional year of deferral.
7. We could offer a golden handshake (currently under review) and possibly a voluntary separation incentive. Potential savings here are still to be determined.
8. Though some of these are in a sense campus-based, it is suggested here that subsidy areas need to be addressed on a Districtwide basis. Here we're talking about Customized Solutions (\$173K); Child Centers (\$365K); Performance Riverside (\$193K); and Food Services (\$677K). Community Ed is also a little dicey. We might and probably would need some lead time on these, so they probably would be actions that could not occur until at least FY2010-11. We may also need to reassess interfund transfers to categoricals, depending on what the State does with these programs. For example, we currently transfer \$665K to DSPS. If the State cuts this program, does the associated transfer go up or down? A final area for Campus/District consideration would be reassigned time/stipends/special assignments.
9. Speaking of categoricals, this is obviously a "wait and see" area. However, we need to start looking at these and how we might react to cuts in each program.
10. We're carrying some \$2.4 million in unspent capital outlay (the 6000 object code series). Should these one-time funds be dedicated towards the budget problem?
11. We have a reserve of \$91K in the Bookstore. Should this be used for the budget problem. It's one-time money.
12. We still have the setaside of \$220K for enrollment efficiency at Norco. Should this one-time money be redirected to the budget problem?
13. We will need to assess the implications of the PE/Rec proposal, if it stands, to determine the appropriate institutional response.
14. Redevelopment...Should we seek authority to utilize some or all of these funds in addressing our budgetary dilemma? Revenues are estimated at \$1.68 million, and we have an estimated beginning balance going into FY 2009-10 of \$7.2 million.
15. At some point, should we utilize part of our reserves. Half of our reserves would be about \$4.6 million. This too is a one-time solution.

From: Buysse, Jim
Sent: Wednesday, June 03, 2009 9:46 AM
To: Brown, Aaron
Subject: FW: Important request from CCLC

From: Theresa Tena [mailto:ttena@cleague.org]
Sent: Tuesday, June 02, 2009 1:53 PM
To: Austin, James; 'Andy Dunn'; bdowd@palomar.edu; 'Blackwood, Kathy'; 'Bob Temple'; 'Fred Williams'; 'Jeanette Gordon'; 'Jim Buysse'; 'Joe Sullivan'; 'Jon Sharpe'; peard@cabrillo.edu; 'Steve Crow'; 'Susan Bray'; tburke@kccd.edu; 'Teresa Scott'
Cc: 'Scott Lay'; 'Skinner, Erik'; 'Yatooma, Chris'
Subject: RE: Important request from CCLC

Hello folks

Sorry for the short conference call notice, but the League would appreciate your feedback related to the "budget compromise" (attached Excel spreadsheet) discussed by the CEO's last week.

This proposal was crafted by several community college leaders and has been shared with legislative staff/control agencies. The goal of the package is to avoid disproportionate cuts to the colleges, minimize poor policy choices, and to enable as much flexibility as possible to allow colleges to protect access and the core institutions that must survive the downturn. Essentially the proposal:

- Rejects the \$120 million cut specifically for physical education course and restore with federal stimulus funds or by limiting the community college cut to a proportional share of Prop. 98.
- Limits the cuts to 15% each for support services for poor (EOPS) and disabled (DSPS) students.
- Applies the remaining categorical cut across-the-board to all other categoricals, and adopt the same flexibility and mandate relief provided to K-12 categorical programs in February.
- Limits the student fee increase to a reasonable level of \$22 per unit, and use the revenue to backfill the categorical program cuts.
- To the extent the apportionment is reduced by a specific reduction or a revenue shortfall (property tax or structural); reduce local district workload to match available funding to ensure constant general funding per student.

The League would like to solicit feedback on a conference call specifically on the following concepts:

1. Workload Reduction proposal (attached CEO Board item and Title 5 section)
2. Full Time Faculty Obligation implications of a workload reduction (attached Title 5 section). Assume a 3 year moratorium on the obligation.
3. Unrestricted general fund match requirement issues related to EOPS & DSPS; additional general fund match requirements issues? I have attached a copy of the K-12 categorical flexibility language adopted in February as a template of language the community colleges may see. Please let me know if you have feedback/comments.
4. Small College minimum allocation related to categorical programs (Basic Skills, Instructional Equipment, Scheduled Maintenance). Additional small college allowances
5. Intra district loan flexibility options to mitigate cash flow situation. Education Code, Budget bill language, or Title 5 language needed?

6. STRS retirement impacts related to possible district initiated furlough programs to achieve cost savings
7. Waiver of 50% Law requirements related to local bond funded capital outlay projects maintenance and operations costs.
8. Accountability Reporting for Community Colleges moratorium on reporting?
9. OTHER ISSUES?????

Please consider the above a preliminary list and please send along additional items which should be added to the list. I should caution folks, the League is approaching this exercise as an attempt to ensure no unintended consequences are set in motion by the budget compromise. We have negotiated a fragile compromise and will not attempt to take direct aim at "third rail" issues such as the outright elimination of the 50% Law.

The call time will be determined by the greatest number of attendees able to participate. I will send out call-in information once we have received responses from all board members.

THANK YOU IN ADVANCE FOR YOUR PARTICIPATION AND FEEDBACK!

Theresa D. Tena
Director of Fiscal Policy
Community College League of California
1121 L Street, Suite 805
Sacramento, CA 95814
(916) 441-0353

Workload Reduction

Background

Title 5 regulation “58772 Base Revenue and Workload Reduction” allow the Chancellor’s Office staff, upon a determination that funds are not sufficient to fully fund base revenues, to proportionally reduce base workload measures. Projected apportionment deficits in the current year and budget year (structural & local revenue shortfalls and policy reductions) and the lack of a cost of living adjustment for 2008-09 and 2009-10 provide justification for proposing a workload reduction. Ultimately the goal of the workload reduction would be to provide districts relief from the pressure to grow AND absorb base reductions simultaneously.

The first criteria to implement a workload reduction requires a base shortfall to be “known at the time of the adoption of the State Budget Act”. The 2008-09 Budget Act was signed by the Governor on September 23, 2008. The revised 2008-09 Budget Act was signed by the Governor on February 20, 2009. A structural shortfall was predicted for 2008-09 when it was determined a shortfall occurred in 2007-08; however budget bill language “masked” the actual shortfall. Budget bill language in 2007-08 specified that restoration of prior years FTES decline would take precedent over funding for growth. This language was inserted for only the 2007-08 fiscal year.

The Community College League advocated for a similar proposal during the 2003-04 budget negotiations. The proposal attempted to solve the long standing equalization issue among districts in an environment of base reductions.

Justification

There are several fiscal justifications for workload reduction:

1) Apportionment Shortfall. It is estimated the 2008-09 second principal apportionment will result in an estimated \$92 million dollar shortfall. It is estimated the \$92 million is comprised of the following: \$51 million dollar property tax shortfall; and a \$41 million structural shortfall. This shortfall will result in a roughly 2 percent reduction to each district’s unrestricted revenue. Unlike prior years local revenue shortfalls (enrollment fee & property tax) the deficit in 2008-09 will NOT be one-time. A portion of the deficit (\$41 million) is a structural shortfall and is a direct outcome of the \$80 million base reduction taken from the community colleges in the 2007-08 Budget Act. The \$41 million structural shortfall is ongoing and while the amount will vary dependent upon statewide reported FTES - the structural shortfall will continue.

Based upon the materials released in the May Review, the administration is not planning to backfill Department of Finance’s estimated \$42.1 million current year property tax shortfall and the estimated \$116.7 million budget year property tax shortfall.

2) COLA. In the current year, community colleges did not receive the statutory cost of living adjustment of 5.66% which equated to a roughly \$331 million loss of purchasing power on the unrestricted general apportionment. The 2009-10 COLA is 4.25% and equates to roughly \$263 million on the unrestricted general apportionment. Beyond the statutorily measured inflationary costs, districts are facing increased costs for items such as “step and column”, health premiums, retirement contributions, and utilities. Many districts have implemented hiring freezes to mitigate increased fixed costs pressures. A continued environment of no COLA and base revenue reductions will compromise the delivery instructional and student services.

3) Long sought after gains for items such as credit equalization will be eroded if the system continues to experience base revenue shortfalls along with policy driven budget cuts. Without affirmatively reducing base workload measures, the real funding per FTES for districts will decline.

Staff Analysis

League staff has prepared a simulation for discussion purposes. The proposal would provide an across-the-board workload reduction to all districts 2009-10 base credit, base non-credit and base CDCP FTES.

Across-the-board:

An across-the-board workload reduction to credit, non-credit, CDCP FTES is proposed. The factor utilized will incorporate the 2009-10 COLA amount, the estimated structural shortfall, the estimated property tax shortfall and the PE & recreational budget cut. At this time, League staff estimate the combined reductions as 8.87% percent of the overall unrestricted general apportionment (general fund, property taxes, enrollment fees) although the factor could change dependent upon actions taken to revise the 2009-10 Budget Act. If the 8.87% factor is applied to each districts 2009-10 base workload measure (credit, non-credit, CDCD) it would result in an estimated 106,000 FTES reduction statewide. The fiscal impact of such a calculation amounts to roughly \$473.7 million using the 2008-09 funding rates.

This is a significant reduction and therefore the components included in the 8.87% factor will likely be revisited.

Enrollment Growth

The May Revise proposal will compromise quality and reduce access. In a marked departure from the Governor's January budget proposal, the May Revise proposal will simultaneously slash base budgets while expecting the colleges to grow. These are incongruent expectations given the "flat" budget increases from 2007-08 to 2008-09, and the level of additional cuts proposed in the 2009-10 May Revise. Therefore the League proposes the remaining 1 percent of enrollment growth funds (\$58.4 million) be utilized to off set proposed base reductions. The level of ongoing base reductions is simply too great to continue to perpetrate the illusion that colleges can grow while simultaneously absorbing base reductions.

Significant Issues

Politically Viable?

The practical effect of workload reduction is allowing districts, if they elect to do so, to deny access to students. This is a conflict with the system's "Community College's Key to Economic Recovery" advocacy message. While there was strong support in February for the system's access message, the fiscal realities of an estimated \$21 billion dollar shortfall and the May Revise proposal of the Governor clearly establish other priorities for the state. To propose reductions of over \$800 million when the system is already serving \$225 million of unfunded is convoluted.

While the system made progress in recent years addressing credit equalization and career technical education funding – the proposed reductions compromise the real funding per FTES for all districts. In addition the differential funding proposal for physical education will compromise the ability of districts to offer high cost programs.

Implications for future Enrollment Growth

Many districts (36 of 72 P1 2008-09) have unfunded enrollment, varying from a dozen to over 5,000. Districts are now reducing course sections for the summer and the fall – enrollments are being curtailed. It should be noted, districts currently have the ability to drive their enrollments down through budget stability (P1 5 districts amounting to \$16 million). However, the budget stability mechanism obfuscates the true goal of proposing a workload reduction – maintain the per FTES funding level. The districts should recognize the severity of the May Revise proposal and maintain the per FTES funding level. It is in the best interest of the system to be clear and direct to the Administration and Legislative leaders and use the same arguments long successfully used for UC and CSU to ensure their per FTES funding is not diminished.

Finally if a fee increase proposal is supported, this will contribute to additional enrollment decline dependent upon the amount of the per credit unit dollar increase.

Result of workload reduction

Implementing a workload reduction in 2009-10 will result in a lower funded credit FTES for 2009-10. This would impact the full-time faculty obligation and a determination would need to be made regarding how such an adjustment would occur. One suggestion would place a three year moratorium on the change in the full time faculty obligation number and not require districts to replace faculty who voluntarily leave. In addition, while not directly impacted by a workload reduction, a number of categorical programs fund faculty counted toward the full time faculty obligation. These programs are facing roughly a 50% funding reduction and to the extent categorical

faculty positions are reduced, a corresponding reduction must occur in the district full time faculty obligation number.

SB 361 – Basic Allocations

Districts receive base allocation dependent upon their size under SB 361. A workload measure reduction could trigger a change in a district FTES level and could impact a district's basic allocation. Regulations currently provide a one year hold harmless provision and this issue may require additional analysis to ensure unintended consequences do not trigger additional district reductions. Such a reduction could mitigate whatever short-term relief a workload measure reduction would generate.

Issues for Discussion

General

- Is this approach consistent with the goals of ensuring student access and success statewide?

Impact of Proposed Budget Cuts on Riverside CCD

Projected lost students: 4,695 (9%)

Each mortarboard represents 1,000 students.



General Cuts: \$8,381,040

2009-10 General apportionment shortfall:	-\$950,000
2009-10 Physical education cut:	-\$2,790,000
2009-10 Property tax shortfall:	-\$2,720,000
2008-09 Property tax shortfall:	-\$971,040
2008-09 General apportionment shortfall:	-\$950,000

Ongoing Categorical Cuts: \$3,880,428

Basic Skills:	-\$387,492 (-58.8%)
Cooperative Agencies Resources for Education (CARE):	-\$56,089 (-58.8%)
Counseling, Placement and Assessment (Matriculation-Credit):	-\$1,001,761 (-58.8%)
Disabled Students Programs and Services:	-\$1,085,927 (-58.8%)
Extended Opportunities Programs and Services:	-\$430,292 (-58.8%)
Instructional Equipment:	-\$149,630 (-58.8%)
Part-time Faculty Compensation:	-\$619,593 (-58.8%)
Scheduled Maintenance:	-\$149,644 (-58.8%)

Additional One-time Categorical Cuts: \$997,270

Basic Skills:	-\$99,585 (-14.7%)
Cooperative Agencies Resources for Education (CARE):	-\$14,415 (-14.7%)
Counseling, Placement and Assessment (Matriculation-Credit):	-\$257,453 (-14.7%)
Disabled Students Programs and Services:	-\$279,083 (-14.7%)
Extended Opportunities Programs and Services:	-\$110,585 (-14.7%)
Instructional Equipment:	-\$38,455 (-14.7%)
Part-time Faculty Compensation:	-\$159,235 (-14.7%)
Scheduled Maintenance:	-\$38,459 (-14.7%)

Note: All numbers are estimated based on the most recent available data, and will vary upon when the cuts are implemented. Significant additional cuts not included are career technical education, nursing and economic development, which are allocated on a grant basis and for which the 58.8% reduction methodology has not been released.

Brown, Aaron

From: scottlay@ccleague.org
Sent: Thursday, June 04, 2009 7:37 AM
To: Brown, Aaron
Subject: Budget Update - Thursday, June 4



June 4, 2009

Dear Aaron,

The Conference Committee on the State Budget is expected to discuss and may take action on education items today, including community college items. The committee hearing is "upon call of the chair," meaning it will happen sometime after this morning's floor sessions, and similar variable meetings have been announced for tomorrow and Saturday. You can [listen to the hearings](#) or [watch it online](#). If we get more information about when the hearing will be, we'll post it to the [League's Twitter stream](#) where we will also try to post items as they happen in the committee.

Here are a few update items:

May Revise Changes: The "official" [finance letters](#) were submitted to the Legislature late Tuesday night. In them, the governor proposes changes to the budget changes that had previously been proposed to community colleges including:

- **Growth:** The governor no longer proposes 1% enrollment growth in 2009-10, but instead redirects \$58.3 million in growth funds to the apportionment to partially backfill falling property tax revenues.
- **Categorical cuts:** The governor no longer proposes to exempt **CalWORKs** from the across-the-board categorical cuts in 2009-10, and instead proposes a cut of \$23.3 million (54%). Under the governor's revised proposal, **Foster Care Education** would be exempt from the across-the-board cut in 2009-10.

All of the changes are reflected in the [revised League Budget Chart](#).

Is the Legislature really going to act quickly? That is the question I have been getting most frequently both via e-mail and in my visits to college campuses over the last couple of weeks. Frankly, we don't know. Legislative staff has been instructed to be technically ready to move these budget cuts through in the next couple of weeks, and some action must be taken by mid-July to avoid the state's coffers from going dry. Nevertheless, the political enormity would suggest that this will take months to do, at least in the larger level of cuts necessary. This obviously makes it very difficult to coordinate advocacy efforts, as we neither want to "cry wolf" nor miss an important window to tell the community college story.

The budget situation continues to deteriorate and is quite grim. Yesterday, the Obama Administration accepted the governor's revised federal stimulus application, which allows for the deep cuts proposed to education funding. Advocates for virtually every program are resigned to devastating cuts and are preparing for the long term campaign of rebuilding programs that are essential to what we know as the Golden State.

6/4/2009

Across the board, we're going to be making difficult decisions. Personally, I'm currently trying to find \$150,000 (6%) to cut from the League's budget. While it dwarfs in state budget terms, it's extraordinarily hard to do while protecting our hardworking staff. I'm asking our staff what they can do differently as we face a shrinking budget.

Thus, I'll ask the same question of you, and hope to hear from faculty, staff, administrators, trustees and community members. **What would you do differently to save money in our colleges?** Next week, we're going to be talking to the board of the chief business officers, and many of your ideas might be brought up for discussion. It's a time for necessary creativity, which will push us all out of our comfort boxes, but the resulting change might just be better for our students and communities, both in the difficult budget time and in the long run. E-mail me at scottlay@ccleague.org.

Thank you,

A handwritten signature in black ink, appearing to read "Scott Lay". The signature is fluid and cursive, with a large initial "S" and a trailing flourish.

Scott Lay
President and Chief Executive Officer

**Community College League of California
2017 O Street, Sacramento, California 95811
916.444.8641 . www.ccleague.org**



**COMMUNITY COLLEGE LEAGUE
OF CALIFORNIA**

Item	2008-09 REVISED ENACTED BUDGET	Governor's May Revise Proposal 2008- 09	2009-10 ENACTED BUDGET	Governor's May Revise Proposal 2009-10
General Apportionment				
Base Apportionment (incl. GF, P-Tax, Fee)	5,727,059,000	5,727,059,000	5,840,559,000	5,840,559,000
Property tax shortfall		(41,100,000)		(116,700,000)
Apportionment reduction: fund physical education and recreational classes at noncredit rate.				(120,000,000)
Redirect 1% Apportionment Growth to base shortfall				58,313,000
	5,727,059,000	5,685,959,000	5,840,559,000	5,662,172,000
Cost-of-living adjustment	0	0	0	0
Growth for Apportionments	113,500,000	113,500,000	175,213,000	0
Total General Apportionment	5,840,559,000	5,799,459,000	6,015,772,000	5,662,172,000
Categorical Programs				
Academic Senate for the Community Colleges	467,000	398,400	467,000	217,000
Apprenticeship	14,641,000	12,490,600	14,641,000	6,803,000
Basic Skills	33,100,000	28,238,400	33,100,000	15,380,200
Career Technical Education	20,000,000	17,062,400	20,000,000	9,293,100
Child Care Tax Bailout	6,836,000	5,831,900	6,836,000	3,176,400
Disabled Students Programs and Services	115,011,000	98,118,500	118,461,000	53,440,700 c
Economic Development	46,790,000	39,917,600	46,790,000	21,741,300
EOPS	106,786,000	91,101,500	109,990,000	49,618,900 c
CARE	15,505,000	13,227,700	15,970,000	7,204,500 c
Equal Employment Opportunity	1,747,000	1,490,400	1,747,000	811,800
Foster Care Education Program	5,254,000	5,254,000 a	5,254,000	5,254,000 b
Fund for Student Success	6,158,000	5,253,500	6,158,000	2,861,400
Matriculation	101,803,000	86,850,400	104,857,000	47,303,500 c
Nursing	22,100,000	18,854,000	22,100,000	10,268,900
Part-Time Faculty Compensation	50,828,000	43,362,500	50,828,000	23,617,600
Part-Time Faculty Health Insurance	1,000,000	853,100	1,000,000	464,700
Part-Time Faculty Office Hours	7,172,000	6,118,600	7,172,000	3,332,500
Physical Plant and Instructional Support	27,345,000	23,328,600	27,345,000	12,706,100
Special Services for CalWORKs Recipients	43,580,000	43,580,000 a	43,580,000	20,249,800
Student Financial Aid Administration	51,269,000	51,269,000 a	51,269,000	51,269,000 b
Telecommunications / Technology Svcs / C.V. U	26,197,000	26,197,000 a	26,197,000	26,197,000 b
Transfer Education and Articulation	1,424,000	1,214,800	1,424,000	661,700
Total Categorical Funds	705,013,000	620,012,900	715,186,000	371,873,100
Ongoing Funds Subtotal	6,545,572,000	6,419,471,900	6,730,958,000	6,034,045,100
One-Time Funds (Prop. 98 Reversion & Settle-up)				
Physical Plant & Instructional Support				
Career Technical Education SB 1133	38,000,000	38,000,000	38,000,000	38,000,000
One-time Prop 98 Funds Subtotal	38,000,000	38,000,000	38,000,000	38,000,000
Miscellaneous (Non-program) Items				
Fiscal Crisis Management Assistance Team (FCMAT)	508,000	508,000	508,000	508,000
Mandates (6870-295-0001)	4,004,000	4,004,000	3,000	3,000
STRS Payments for CCC Employees	89,173,000	89,173,000	95,524,000	95,524,000
Lease-Purchase Bond Payments	68,100,000	68,100,000	66,829,000	66,829,000
Lottery	164,170,000	164,170,000	148,679,000	148,679,000
Total State-Determined Funding	6,909,527,000	6,783,426,900	7,080,501,000	6,383,588,100
Funded FTES	1,200,433	1,203,342	1,236,446	1,203,342
Prop 98 (Local) Ongoing Funding per FTES	5,453	5,335	5,444	5,014
Prop 98 (Local) One-Time Funding per FTES	32	32	31	32
Funding per FTES	\$ 5,756	\$ 5,637	\$ 5,726	\$ 5,305

a Categorical Program exempt from cut in 2008-09. All other programs reduced by 14.69%
b Categorical Program exempt from cut in 2009-10. All other programs reduced by 53.53%
c 2009-10 Growth of 3% backed out then 53.53% reduction applied

Impact of Proposed Budget Cuts

Projected lost students: 250,000

Statewide Cuts

General Cuts

Enrollment growth:	-\$116,900,000
General shortfall:	-\$41,000,000
Physical education cut:	-\$120,000,000
Property tax shortfall:	-\$116,700,000
2008-09 Property tax shortfall:	-\$42,100,000
2008-09 General shortfall:	-\$41,000,000

Ongoing Categorical Cuts: \$344,200,000

Basic Skills:	-\$18,925,800 (-58.8%)
Career Technical Education:	-\$5,717,800 (-58.8%)
Cooperative Agencies Resources for Education (CARE):	-\$9,131,400 (-58.8%)
Counseling, Placement and Assessment (Matriculation):	-\$59,954,800 (-58.8%)
Disabled Students Programs and Services:	-\$67,733,400 (-58.8%)
Economic Development:	-\$26,753,400 (-58.8%)
Extended Opportunities Programs and Services:	-\$62,889,500 (-58.8%)
Instructional Equipment/Scheduled Maintenance:	-\$15,635,200 (-58.8%)
Nursing:	-\$12,636,300 (-58.8%)
Part-time Faculty Compensation:	-\$29,062,300 (-58.8%)

Additional One-time Categorical Cuts: \$85,000,000

Basic Skills:	-\$4,867,900 (-14.7%)
Career Technical Education:	-\$1,470,700 (-14.7%)
Cooperative Agencies Resources for Education (CARE):	-\$2,280,300 (-14.7%)
Counseling, Placement and Assessment (Matriculation):	-\$14,971,800 (-14.7%)
Disabled Students Programs and Services:	-\$16,914,000 (-14.7%)
Economic Development:	-\$6,881,200 (-14.7%)
Extended Opportunities Programs and Services:	-\$15,704,600 (-14.7%)
Instructional Equipment/Scheduled Maintenance:	-\$4,021,500 (-14.7%)
Nursing:	-\$3,250,200 (-14.7%)
Part-time Faculty Compensation:	-\$7,475,100 (-14.7%)

Selected cuts. Smaller categorical programs are not listed.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
RESOURCES COMMITTEE

Report No.: VI-B-1

Date: June 16, 2009

Subject: Tentative Budget for 2009-2010 and Notice of Public Hearing on the 2009-2010 Budget

Background: On or before the first day of July, the District is required to develop a Tentative Budget for the ensuing fiscal year and to forward a copy to the Riverside County Superintendent of Schools. The Tentative Budget for FY 2009-2010 is attached for the Board's review and consideration. Changes to this budget will be reflected in the Final Budget which will be submitted in September for Board approval.

The essential purpose of the Tentative Budget is to establish spending authority for the District from July 1st until such time as the Final Budget is adopted by the Board of Trustees in September. This two-part budget process is necessary due to uncertainties associated with both the State budget for the coming fiscal year and the State's "Second Principal Apportionment (P2)" report for the then current fiscal year.

It should be observed that the Riverside Community College District has adopted an approach to the Tentative Budget which yields a modified, continuing resolution budget. Thus, the Tentative Budget for fiscal 2010 reflects a continuation of the revised FY 2008-2009 Budget, albeit with certain modifications as described in the attachment. It should also be noted that Budget Allocation Model proposals have been incorporated in the FY 2009-2010 Tentative Budget based on the projected availability of funds for allocation.

Additionally, in accordance with Title 5, Section 58300, the Tentative Budget must indicate the date, time and location at which the Board will hold a public hearing concerning the Final Budget proposal. The staff recommends that the Board set September 15, 2009 as the date for the public hearing. Also, and pursuant to Title 5, Section 58301, the Final Budget proposal must be made available for inspection three (3) days prior to the public hearing. We plan to use the Office of the Vice Chancellor, Administration and Finance, for this purpose. Finally, we will publish this information in The Press Enterprise.

Recommended Action: It is recommended that the Board of Trustees approve the 2009-2010 Tentative Budget, which consists of the funds and accounts noted therein, and authorize staff to forward a copy to the Riverside County Superintendent of Schools.

It is also recommended that the Board of Trustees announce that: 1) the proposed 2009-2010 Budget will be available for public inspection beginning September 8, 2009, at the Office of the Vice Chancellor, Administration and Finance; and 2) the public hearing will be held at 6:00 p.m. at a Board meeting on September 15, 2009, to be followed by the adoption of the 2009-2010 Final Budget. It is further recommended that the Board authorize the Chancellor to sign a notice relative to these dates.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
RESOURCES COMMITTEE

Report No.: VI-B-1

Date: June 16, 2009

Subject: Tentative Budget for 2009-2010 and Notice of Public Hearing on the
2009-2010 Budget (continued)

Irving G. Hendrick
Interim Chancellor

Prepared by: James L. Buysse
Vice Chancellor,
Administration and Finance

Aaron S. Brown
Associate Vice Chancellor,
Finance

RIVERSIDE COMMUNITY COLLEGE DISTRICT
TENTATIVE BUDGET

FISCAL YEAR 2009-2010

RIVERSIDE COMMUNITY COLLEGE DISTRICT
ASSUMPTIONS FOR FY 2009-2010 BASE BUDGET
RESOURCE 1000

1. FY 2008-2009 Ending Balance Projection
 - a. Adjustments associated with FY 2007-2008
 - i. Audit Adjustments – None
 - ii. P1 Recalculation adjustment – (\$1.15 million)
 - b. FY 2008-2009
 - i. Deficit factor of .9870 for a statewide structural shortfall and property tax shortfall - \$1.70 million
 - ii. Defunded COLA - \$.89 million
 - iii. Reduced Interest Income - \$.82 million
 - iv. Reduced Lottery Income - \$.39 million
 - v. Projected salary, benefit savings operating budget savings - \$5.40 million
2. FY 2009-2010 Baseline Budget
 - a. COLA at 0%
 - b. Funded growth at 2.00% - \$2.50 million (preliminary growth rate – 4.0%)
 - c. Deficit factor at .9850 – (\$2.00 million)
 - d. Base apportionment allocations for Norco and Moreno Valley as colleges are not included - \$2.76 million
3. Ending Balance Target
 - a. Resource 1000 Deficit – (\$1.46 million)
4. FY 2009-2010 Base Expenditure Budget Additions Include:
 - a. Full-time Step and Column and Professional Growth \$.76 million
 - b. One percent salary increase (less .68% prior year COLA reduction) \$.33 million
 - c. Health and Welfare Benefits (estimated 6% increase) \$1.10 million
 - d. Classification study \$.56 million
 - e. Ten new faculty positions salary, net
(five each at Moreno Valley and Norco) \$.68 million
 - f. Operating costs for new facilities (Norco Industrial
Technology Facility and Norco Soccer Field) \$.62 million
 - g. Prior Year Enrollment Efficiency Incentive \$.22 million
 - h. Election costs reduction (\$.71) million
 - i. Prior Year “Golden Handshake” payoff (\$.56) million
 - j. Small college factor allocation subsequent to FY 2008-2009
Budget adoption (new positions at Moreno Valley and Norco) \$.53 million

Riverside Community College District
 Budget Allocation Model
 Tentative Budget - FY 2009-2010

Revenue

Contingency from 2008-2009	12,566,801
Decrease in Revenue from 2008-2009	(5,158,861)
Unspent DO/DSS 2008-2009 Budget	2,134,376
Unspent Riverside Campus 2008-2009 Budget	1,193,159
Unspent Norco Campus 2008-2009 Budget	741,554
Unspent Moreno Valley Campus 2008-2009 Budget	1,326,525
Estimated Beginning Balance 7/1/09	\$ 12,803,554
Projected Revenue FY 2009-2010	140,428,570
Total Available Funds (TAF)	153,232,124
Notes	
1. Less, 5% Contingency Reserve (Board Policy)	1,464,985
2. Less, 1.0% Reserve for Economic Uncertainty	-
3. Less, District Interfund/Intrafund Transfers	(1,446,181)
4. Less, New District/College Program/Initiatives	(560,845)
5. Less, Operating Costs for New Facilities	(616,510)
6. Set-Aside for New Positions/PT Faculty Growth	(676,205)
Total Available Funds for Allocation (TAF)	(1,834,756)
	<u>\$ 151,397,368</u>

Allocation Increment

PY Base Expenditure Budget (2008-2009)	\$ 149,443,854
CY TAF (2009-2010)	151,397,368
Allocation Increment (A.I.)	1,953,514
7. Less, Base Budget Adjustments	(1,205,207)
8. Less, Small College Factor	(527,976)
9. Less, Enrollment Efficiency Incentive	(220,331)
10. Less, District Office/District Support Services	-
11. Remaining Allocation Increment	(1,953,514)
	<u>\$ -</u>

Expenditures

	Moreno Valley	Norco	Riverside	DSS	D.O.	Total
FY 2008/2009 Base Expenditure Budget	\$ 28,519,552	\$ 21,523,315	\$ 70,422,942	\$ 23,515,319	\$ 5,462,726	\$ 149,443,854
Base Budget Adjustments - Tentative Budget	364,912	677,092	684,926	180,450	(702,173)	1,205,207
Operating costs for New Facilities	-	616,510	-	-	-	616,510
New District/College Program/Initiatives	-	-	-	-	560,845	560,845
New Positions/PT Faculty Growth	423,055	527,713	54,700	(324,263)	(5,000)	676,205
Subtotal	29,307,519	23,344,630	71,162,568	23,371,506	5,316,398	152,502,621
District Office/District Support Services						
Subtotal	29,307,519	23,344,630	71,162,568	23,371,506	5,316,398	152,502,621
Small College Factor	237,368	290,608	-	-	-	527,976
Enrollment Efficiency Incentive	45,233	175,098	-	-	-	220,331
Remaining Allocation Increment	-	-	-	-	-	-
Base Expenditure Budget for FY 2009-2010	\$ 29,590,120	\$ 23,810,336	\$ 71,162,568	\$ 23,371,506	\$ 5,316,398	\$ 153,250,928
% Increase to PY Base Budget	3.75%	10.63%	1.05%	-0.61%	-2.68%	2.55%
\$ Increase to PY Base Budget	\$ 1,070,568	\$ 2,287,021	\$ 739,626	\$ (143,813)	\$ (146,328)	\$ 3,807,074
% of Base Budget Increase	28.12%	60.07%	19.43%	-3.78%	-3.84%	100.00%

*****NOTE*****
 The amounts shown in the Budget Allocation Model are based on budget assumptions for the Tentative Budget. Amounts will change during the final budget development process as budget assumptions are adjusted based on updated information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS
 2009-2010

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget 2008-2009</u>	<u>Tentative Budget 2009-2010</u>
	<u>District</u>		
<u>General Funds</u>			
<u>Unrestricted - Fund 11</u>			
<u>Resource</u>			
1000	General Operating	\$ 163,553,018	\$ 153,232,124
1080	Community Education	843,409	683,700
1090	Performance Riverside	294,400	133,190
1110	Bookstore (Contract-Operated)	1,247,549	1,201,877
1170	Customized Solutions	<u>600,566</u>	<u>573,437</u>
	Total Unrestricted General Funds	<u>166,538,942</u>	<u>155,824,328</u>
<u>Restricted - Fund 12</u>			
<u>Resource</u>			
1050	Parking	2,241,660	2,210,974
1070	Student Health	2,518,297	2,760,135
1180	Redevelopment Pass-Through	7,360,421	8,879,351
1190	Grants and Categorical Programs	<u>33,157,842</u>	<u>28,964,666</u>
	Total Restricted General Funds	<u>45,278,220</u>	<u>42,815,126</u>
	Total General Funds	<u>211,817,162</u>	<u>198,639,454</u>
<u>Special Revenue - Funds 32 & 33</u>			
<u>Resource</u>			
3200	Food Services	2,086,845	2,213,503
3300	Child Care	<u>1,834,099</u>	<u>1,880,890</u>
	Total Special Revenue Funds	<u>3,920,944</u>	<u>4,094,393</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 TENTATIVE BUDGET FUND / ACCOUNT SUMMARY - TOTAL AVAILABLE FUNDS
 2009-2010

<u>Fund / Resource</u>	<u>Fund Name</u>	<u>Adopted Budget 2008-2009</u>	<u>Tentative Budget 2009-2010</u>
<u>Capital Projects - Fund 41</u>			
<u>Resource</u>			
4100	State Construction & Scheduled Maintenance	13,189,822	5,321,017
4110	Child Development Center	54,140	-
4120	Non-State Funded Capital Outlay Projects	1,116,214	1,116,227
4130	La Sierra Capital	12,582,744	12,446,687
4160	General Obligation Bond Funded Capital Outlay	<u>88,559,741</u>	<u>76,116,771</u>
	Total Capital Projects Funds	<u>115,502,661</u>	<u>95,000,702</u>
<u>Internal Service - Fund 61</u>			
<u>Resource</u>			
6100	Health and Liability Self-Insurance	7,917,074	8,619,151
6110	Workers Compensation Self Insurance	<u>2,596,999</u>	<u>2,822,697</u>
	Total Internal Service Funds	<u>10,514,073</u>	<u>11,441,848</u>
	Total District Funds	<u>\$ 341,754,840</u>	<u>\$ 309,176,397</u>
<u>Expendable Trust and Agency</u>			
<u>Student Financial Aid Accounts</u>			
	Student Federal Grants	\$ 17,268,167	\$ 19,163,715
	State of California Student Grants	<u>1,585,000</u>	<u>1,800,000</u>
	Total Student Financial Aid Accounts	<u>18,853,167</u>	<u>20,963,715</u>
<u>Other Account</u>			
	Associated Students of RCC	<u>1,822,094</u>	<u>1,638,774</u>
	Total Expendable Trust and Agency	<u>\$ 20,675,261</u>	<u>\$ 22,602,489</u>
	Grand Total	<u>\$ 362,430,101</u>	<u>\$ 331,778,886</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 11, RESOURCE 1000 - UNRESTRICTED GENERAL FUND - INCOME

TENTATIVE OPERATING BUDGET
2009-2010

Estimated Beginning Balance, July 1		\$ 12,803,554
Federal Income		
Student Financial Aid Adm. Fees	\$ 115,321	
Veterans Report Fee	<u>5,000</u>	
Total Federal Income		120,321
State General Apportionment		
General Apportionment	93,755,968	
Enrollment Fee Waiver Administration	97,589	
Homeowner's Prop Tax Exemption	<u>432,426</u>	
Total State General Apportionment		94,285,983
Other State Income		
Lottery	2,869,990	
Part-Time Faculty Compensation	<u>1,083,773</u>	
Total Other State Income		4,104,208
Local Income		
Property Taxes	30,713,528	
Food Sales / Commissions	104,348	
Interest	440,000	
Enrollment Fees	7,563,491	
Nonresident Student Fees	1,832,500	
Transcript / Late Application Fees	82,000	
Other Student Fees	93,655	
Cosmetology / Dental Hygiene / Other Sales	91,420	
Leases and Rental Income	47,311	
Donations	77,040	
Miscellaneous Local Income	<u>345,877</u>	
Total Local Income		41,391,170
Other/Incoming Transfers		
Sales - Obsolete Equipment	6,600	
Indirect Costs Recovery	<u>520,288</u>	
Total Other/Incoming Transfers		<u>526,888</u>
Total Income		\$ <u>140,428,570</u>
Total Available Funds		\$ <u>153,232,124</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 11, RESOURCE 1000 - UNRESTRICTED GENERAL FUND - EXPENDITURES

TENTATIVE OPERATING BUDGET
 2009-2010

Object Code

1100	Regular Full-Time Teaching	\$ 28,363,460	
1200	Regular Full-Time Non-Teaching	13,017,491	
1300	Part-Time Hourly Teaching and Overload	28,853,106	
1400	Part-Time Hourly Non-Teaching	<u>1,752,551</u>	
	Total Academic Salaries		\$ 71,986,608
2100	Regular Full-Time and Part-Time Classified	29,383,680	
2200	Regular Full-Time Instructional aides	2,360,075	
2300	Student Help Non-Instructional and Classified Overtime	826,385	
2400	Student Help Instructional Aides	<u>193,920</u>	
	Total Classified Salaries		32,764,060
3000	Employee Benefits		27,896,131
4000	Books and Supplies		2,987,775
5000	Services and Operating Expenditures		15,204,683
6000	Capital Outlay		2,411,671
7300	Interfund Transfers		
	To Resource 3300	365,000	
	To Resource 6100	<u>250,000</u>	
	Total Interfund Transfers		615,000
8999	Intrafund Transfers		
	Bookstore (Resource 1110)	(390,000)	
	College Work Study (Resource 1190)	189,297	
	Customized Training (Resource 1170)	173,470	
	Performance Riverside (Resource 1090)	193,257	
	DSP&S (Resource 1190)	665,157	
	Instructional Equipment Match (Resource 1190)	<u>-</u>	
	Total Intrafund Transfers		<u>831,181</u>
	Total Resource 1000 Expenditures Excluding Contingency		\$ 154,697,109
7900	Unrestricted Reserve	-	
	Reserve for Economic Uncertainty	-	
	General Reserve	<u>-</u>	
	* Total Contingency / Reserves		<u>-</u>
	Total Resource 1000 Expenditures Including Contingency / Reserves		<u>\$ 154,697,109</u>
	Resource Deficit		<u>\$ (1,464,985)</u>

* The Resource 1000 5% Contingency was calculated in accordance with Board Policy 7080, by taking into account the TAF for all Resources comprising Unrestricted Fund 11 (1000, 1080, 1090, 1110, 1170) and factoring in the deficit for Resource 1090. The calculated 5% Contingency for Fund 11 is \$7,791,216

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 2009-2010 TENTATIVE BUDGET
 RESOURCE 1000 - UNRESTRICTED EXPENDITURES BY LOCATION

<u>Account Description</u>	<u>Moreno Valley Campus</u>	<u>Norco Campus</u>	<u>Riverside City College</u>	<u>District Support Svcs</u>	<u>District Office</u>	<u>Totals</u>
<u>Academic Salaries</u>						
Total 1100	\$ 5,167,101	\$ 5,439,303	\$ 17,757,056	\$ -	\$ -	\$ 28,363,460
Total 1200	2,318,052	2,103,796	5,422,457	2,098,020	1,075,166	13,017,491
Total 1300	8,501,396	5,658,204	14,693,506	-	-	28,853,106
Total 1400	298,960	446,975	833,349	113,985	59,282	1,752,551
Total 1000 Series	<u>\$ 16,285,509</u>	<u>\$ 13,648,278</u>	<u>\$ 38,706,368</u>	<u>\$ 2,212,005</u>	<u>\$ 1,134,448</u>	<u>\$ 71,986,608</u>
<u>Classified Salaries</u>						
Total 2100	\$ 3,845,761	\$ 3,065,791	\$ 10,166,865	\$ 10,803,021	\$ 1,502,242	\$ 29,383,680
Total 2200	278,237	336,169	1,745,669	-	-	2,360,075
Total 2300	98,684	107,938	425,902	156,269	37,592	826,385
Total 2400	18,560	-	175,360	-	-	193,920
Total 2000 Series	<u>\$ 4,241,242</u>	<u>\$ 3,509,898</u>	<u>\$ 12,513,796</u>	<u>\$ 10,959,290</u>	<u>\$ 1,539,834</u>	<u>\$ 32,764,060</u>
<u>Employee Benefits</u>						
Total 3100	\$ 1,267,419	\$ 1,065,004	\$ 3,007,563	\$ 160,716	\$ 93,592	\$ 5,594,294
Total 3200	340,161	280,873	1,021,797	989,903	138,922	2,771,656
Total 3300	513,610	425,257	1,382,054	822,519	128,810	3,272,250
Total 3400	2,175,938	2,162,188	6,580,253	2,816,588	276,815	14,011,782
Total 3500	61,320	51,270	152,445	39,477	117,017	421,529
Total 3600	268,899	224,775	670,995	172,543	35,032	1,372,244
Total 3900	78,674	19,669	354,033	-	-	452,376
Total 3000 Series	<u>\$ 4,706,021</u>	<u>\$ 4,229,036</u>	<u>\$ 13,169,140</u>	<u>\$ 5,001,746</u>	<u>\$ 790,188</u>	<u>\$ 27,896,131</u>
<u>Books and Supplies</u>						
Total 4200	\$ 1,816	\$ 2,660	\$ 19,953	\$ 13,332	\$ 2,353	\$ 40,114
Total 4300	241,823	289,048	326,117	10,001	6,016	873,005
Total 4400	-	-	-	-	-	-
Total 4500	220,547	189,057	679,579	397,285	123,245	1,609,713
Total 4600	55,174	41,259	253,525	5,138	-	355,096
Total 4700	800	-	109,047	-	-	109,847
Total 4000 Series	<u>\$ 520,160</u>	<u>\$ 522,024</u>	<u>\$ 1,388,221</u>	<u>\$ 425,756</u>	<u>\$ 131,614</u>	<u>\$ 2,987,775</u>
<u>Services and Operating Expenditures</u>						
Total 5000	\$ 686	\$ 995	\$ 3,328	\$ 495,071	\$ 2,160	\$ 502,240
Total 5100	959,127	84,471	127,505	334,263	286,172	1,791,538
Total 5200	89,655	78,193	374,152	263,207	99,903	905,110
Total 5300	36,159	29,230	63,739	13,818	56,546	199,492
Total 5400	17,246	-	38,372	457,274	-	512,892
Total 5500	605,913	723,025	1,939,302	73,132	88,727	3,430,099
Total 5600	1,716,222	289,665	1,203,989	1,707,028	51,218	4,968,122
Total 5700	23,389	12,117	79,143	616,424	364,315	1,095,388
Total 5800	107,050	225,622	651,512	458,811	356,807	1,799,802
Total 5000 Series	<u>\$ 3,555,447</u>	<u>\$ 1,443,318</u>	<u>\$ 4,481,042</u>	<u>\$ 4,419,028</u>	<u>\$ 1,305,848</u>	<u>\$ 15,204,683</u>
<u>Capital Outlay</u>						
Total 6100	\$ -	\$ -	\$ -	\$ 37,318	\$ -	\$ 37,318
Total 6200	84,277	194,862	280,864	75,691	99,881	735,575
Total 6300	11,776	-	-	-	-	11,776

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 2009-2010 TENTATIVE BUDGET
 RESOURCE 1000 - UNRESTRICTED EXPENDITURES BY LOCATION

<u>Account Description</u>	<u>Moreno Valley Campus</u>	<u>Norco Campus</u>	<u>Riverside City College</u>	<u>District Support Svcs</u>	<u>District Office</u>	<u>Totals</u>
Total 6400	<u>185,688</u>	<u>262,920</u>	<u>623,137</u>	<u>240,672</u>	<u>314,585</u>	<u>1,627,002</u>
Total 6000 Series	<u>\$ 281,741</u>	<u>\$ 457,782</u>	<u>\$ 904,001</u>	<u>\$ 353,681</u>	<u>\$ 414,466</u>	<u>\$ 2,411,671</u>
Resource 1000 Expenditures	<u>\$ 29,590,120</u>	<u>\$ 23,810,336</u>	<u>\$ 71,162,568</u>	<u>\$ 23,371,506</u>	<u>\$ 5,316,398</u>	<u>\$ 153,250,928</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 12, RESOURCE 1050 - PARKING

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1		\$ 224,274
Local Income		
Interest	\$ 5,000	
Rents and Leases	1,700	
Parking Permits / Fines	<u>1,980,000</u>	
Total Local Income		<u>1,986,700</u>
Total Available Funds (TAF)		<u>\$ 2,210,974</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 1,183,422
3000	Employee Benefits	365,805
4000	Book and Supplies	82,579
5000	Services and Operating Expenditures	304,662
6000	Capital Outlay	<u>70,003</u>
	Total Expenditures	2,006,471
7900	* Contingency / Reserve	<u>204,503</u>
	Total Resource 1050 Expenditures Including Contingency / Reserves	<u>\$ 2,210,974</u>

* 5% Contingency reserve calculated from TAF equals \$110,549

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 12, RESOURCE 1070 - STUDENT HEALTH

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1		\$ 1,144,702
Local Income		
Health Fees	\$ 1,485,669	
Interest	24,435	
Other	<u>105,329</u>	
Total Local Income		<u>1,615,433</u>
Total Available Funds (TAF)		<u>\$ 2,760,135</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$ 253,252
2000	Classified Salaries	559,351
3000	Employee Benefits	199,220
4000	Book and Supplies	100,386
5000	Services and Operating Expenditures	271,785
6000	Capital Outlay	<u>94,478</u>
	Total Expenditures	1,478,472
7900	* Contingency / Reserves	<u>1,281,663</u>
	Total Resource 1070 Expenditures Including Contingency / Reserves	<u>\$ 2,760,135</u>

* 5% Contingency reserve calculated from TAF equals \$ 138,007

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 11, RESOURCE 1080 - COMMUNITY EDUCATION

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1		\$	(67,300)
Local Income			
Community Activities Program Fees	\$	750,000	
Interest		<u>1,000</u>	
Total Local Income			<u>751,000</u>
Total Available Funds (TAF)		\$	<u>683,700</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$	4,272
2000	Classified Salaries		259,993
3000	Employee Benefits		70,610
4000	Book and Supplies		4,700
5000	Services and Operating Expenditures		<u>375,400</u>
	Total Expenditures		714,975
7900	* Contingency / Reserves		<u>-</u>
	Total Resource 1080 Expenditures Including Contingency / Reserves	\$	<u>714,975</u>
	Resource Deficit	\$	(31,275)

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 11, RESOURCE 1090 - PERFORMANCE RIVERSIDE

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1		\$ (775,157)
Local Income	\$ 715,090	
Intrafund Transfer from Resource 1000	<u>193,257</u>	
Total Income		<u>908,347</u>
Total Available Funds (TAF)		<u>\$ 133,190</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 318,979
3000	Employee Benefits	109,822
4000	Book and Supplies	31,500
5000	Services and Operating Expenditures	441,580
6000	Capital Outlay	<u>-</u>
	Total Expenditures	901,881
7900	Contingency / Reserves	<u>-</u>
	Total Resource 1090 Expenditures Including Contingency / Reserves	<u>\$ 901,881</u>
	Resource Deficit	\$ (768,691)

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 11, RESOURCE 1110 - BOOKSTORE (CONTRACTOR-OPERATED)

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1		\$ 136,869
Local Income		
Commissions	\$ 1,047,008	
Interest	3,000	
Reimbursement	<u>15,000</u>	
Total Local Income		<u>1,065,008</u>
Total Available Funds (TAF)		<u>\$ 1,201,877</u>

EXPENDITURES

Object Code

5000	Services and Operating Expenditures	\$ 43,775
7390	Interfund Transfer to Resource 3200	676,930
8999	Intrafund Transfer to Resource 1000	<u>390,000</u>
	Total Expenditures	1,110,705
7900	* Contingency / Reserves	<u>91,172</u>
	Total Resource 1110 Expenditures Including Contingency / Reserves	<u>\$ 1,201,877</u>

* 5% Contingency reserve calculated from TAF equals \$60,094

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 11, RESOURCE 1170 - CUSTOMIZED SOLUTIONS

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1		\$	91,020
Local Income			
Interest	\$	2,500	
Contract Revenue		<u>306,447</u>	
Total Local Income			308,947
Intrafund Transfer from Resource 1000			<u>173,470</u>
Total Available Funds (TAF)		\$	<u>573,437</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$	-
2000	Classified Salaries		168,349
3000	Employee Benefits		48,378
4000	Book and Supplies		7,675
5000	Services and Operating Expenditures		<u>145,123</u>
	Total Expenditures		369,525
7910	* Contingency / Reserves		<u>203,912</u>
	Total Resource 1170 Expenditures Including Contingency / Reserves	\$	<u>573,437</u>

* 5% Contingency reserve calculated from TAF equals \$28,672

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 12, RESOURCE 1180 - REDEVELOPMENT PASS-THROUGH

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1		\$ 7,195,287
Local Income		
Interest	\$ 172,140	
Redevelopment Agency Agreements	<u>1,511,924</u>	
Total Local Income		<u>1,684,064</u>
Total Available Funds (TAF)		<u>\$ 8,879,351</u>

EXPENDITURES

Object Code

5000	Services and Operating Expenditures	<u>\$ 129,400</u>
	Total Expenditures	<u>129,400</u>
7900	* Contingency / Reserves	<u>8,749,951</u>
	Total Resource 1180 Expenditures Including Contingency/Reserves	<u>\$ 8,879,351</u>

* 5% Contingency reserve calculated from TAF equals \$ 443,968

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - INCOME

TENTATIVE OPERATING BUDGET
 2009-2010

Estimated Beginning Balance, July 1		\$	-
Federal Income			
Calif. Transportation & Logistics Inst.	\$	19,227	
CalWorks Program		131,320	
CCRAA Access to Success		1,189,166	
CCRAA Project Success		1,901,115	
CCRAA Step Up to Success		1,708,215	
Child Care Access		36,057	
Child Develop. Ctr. Carryover		37,485	
Comm. Action Partnership Riv.		243,461	
ECS Consortium Grant		17,500	
Fast Track to the AND Program		251,189	
Foster & Kinship Care		64,194	
Foster & Kinship Provider Training		51,865	
Fund for Improvement Post Secondary Ed		47,879	
Gateway to College		405,159	
NSF Logistics Technicians		613,449	
NSF Nat'l Ctr Logistics & Supply		40,718	
Nursing Education Pract & Retention		408,850	
Post-Emancipation Services		117,000	
Pre-Emancipation Services		133,000	
Procurement Assistance		363,180	
Riverside County Emancipation Services		850,000	
Student Support Services TRIO Norco		291,952	
SYEP Independent Living Youth Acad.		660,000	
TANF 50%		92,576	
Tech Prep Regional Coord Project		315,000	
Title V Chaffey Community College		81,295	
Title V HSI Coop MV/Norco		347,168	
Title V HSI Cop MV/UCR		664,401	
Title V Moreno Valley		18,191	
Title V Riverside		46,387	
Tri-Tech Small Business Development -108		138,894	
Tri-Tech Small Business Development -109		208,284	
UCR / TQE Grant		26,842	
Upward Bound TRIO Norco CNUSD2		388,226	
Upward Bound TRIO Norco Norte Vista		363,283	
Upward Bound TRIO Riverside		447,654	
USDA Soil Science		182,900	
VTEA		919,675	
VTEA Tech Prep		203,250	
VATEA Title IIA State Leadership		158,000	
Water Quality Research		74,644	
WIA Allied Health Prog. Expansion		495,000	
Workability Grant		<u>290,060</u>	
Total Federal Income			\$15,043,711

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - INCOME (continued)

TENTATIVE OPERATING BUDGET
 2009-2010

State Income

Basic Skills ESL -022	399,817
Basic Skills ESL -023	577,171
BFAP Augmentation	679,915
BOG Financial Aid Administration	212,868
CA Articulation NBR	4,000
CA High School Exit Exam	44,628
CACT	205,000
CalWorks	419,361
CalWorks Community College Set-Aside Program	150,000
Career Tech Education - Fiscal Agent	344,271
Center for International Trade Development	205,000
CITD Hub FP3	121,000
CITD Leadership Grant	162,500
CTE Community Collaborative Project - Suppl -1	14,467
CTE Community Collaborative Project - Suppl -2	100,000
CTE Community Collaborative Project - Unite	137,445
CTE Community Collaborative Project - 08/09	400,000
CTE Enrollment Growth & Retention AND-RN	649,149
CTE Enrollment Growth & Retention AND-RN -08/09	745,400
CTE Teacher Preparation Pipeline	31,187
DSP&S Allocation	1,890,169
EOPS - CARE	151,539
EOPS Allocation	830,500
EWD Regional Consortia	77,009
Faculty and Staff Diversity (including carryover)	87,550
Foster & Kinship Care Education	59,929
Instructional Equipment	91,012
Lottery	239,818
Matriculation	1,702,174
Matriculation C/O	170,826
Middle College	136,769
Nursing & Allied Health Equipment	3,586
Nursing Faculty Recruitment & Retention	166,741
Physican Assistant Base Program Song Brown	107,000
SBDC State CCCCCO	50,000
Song Brown PA Mental Health	99,808
Song Brown Registered Nursing 07/09	99,823
Song Brown Registered Nursing - 08/10	200,000
Song Brown Registered Nursing Special Project	20,041
Staff Development	15,102
Teeth are Us	128,655
Telecommunications Technology Grant	<u>34,241</u>

Total State Income

11,965,471

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - INCOME (continued)

TENTATIVE OPERATING BUDGET
2009-2010

Local Income

CACT Seminars	44,500	
CITD Conferences	10,675	
4Faculty Web Services	12,551	
Gateway to College	344,172	
Intn'l Student Capital Outlay Surcharge	481,342	
Nuview Bridge	19,833	
PAC- Seminars	34,835	
Riverside County Board of Supervisors	25,507	
Tri-Tech SBCD Cash Match	121,339	
Tri-Tech SBCD Seminars	6,089	
West Ed Paraprofessional	<u>187</u>	
Total Local Income		1,101,030

Interfund and Intrafund Transfers

DSP&S Match/Over (from Resource 1000)	665,157	
Federal Work Study (from Resource 1000)	<u>189,297</u>	
Total Interfund and Intrafund Transfers		<u>854,454</u>

Total Income		<u>28,964,666</u>
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Total Available Funds		<u><u>\$28,964,666</u></u>
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RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 12, RESOURCE 1190 - GRANTS AND CATEGORICAL - EXPENDITURES

TENTATIVE OPERATING BUDGET
2009-2010

Expenditures

Object Code

1000	Academic Salaries	\$ 5,364,944
2000	Classified Salaries	9,251,443
3000	Employee Benefits	3,847,621
4000	Book and Supplies	2,028,626
5000	Services and Operating Expenditures	5,872,353
6000	Capital Outlay	2,124,875
7500	Scholarships	32,000
7600	Book Grants / Bus Passes	442,804
7900	Contingency / Reserves	<u>-</u>
Total Resource 1190 Expenditures Including Contingency / Reserves		<u>\$28,964,666</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 32, RESOURCE 3200 - FOOD SERVICES

TENTATIVE OPERATING BUDGET
 2009-2010

INCOME

Estimated Beginning Balance, July 1		<u>\$ 214,063</u>
Local Income		
Food Sales / Commissions	\$ 1,218,721	
Video /Vending /Pepsi Support	100,000	
Interest	<u>3,789</u>	
Total Local Income		1,322,510
Interfund Transfer From Resource 1110 - Bookstore Fund		<u>676,930</u>
Total Income		<u>1,999,440</u>
Total Available Funds (TAF)		<u><u>\$ 2,213,503</u></u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 777,265
3000	Employee Benefits	357,603
4000	Books and Supplies	696,632
5000	Services and Operating Expenditures	193,086
6000	Capital Outlay	<u>-</u>
	Total Expenditures	2,024,586
7900	* Contingency / Reserves	<u>188,917</u>
	Total Resource 3200 Expenditures Including Contingency / Reserves	<u><u>\$ 2,213,503</u></u>

* 5% Contingency reserve calculated from TAF equals \$ 110,675

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 FUND 33, RESOURCE 3300 - CHILD CARE

TENTATIVE OPERATING BUDGET
 2009-2010

INCOME

Estimated Beginning Balance, July 1		\$ 103,241
Federal Income		
Lunch Program	\$ 30,995	
State Income		
Tax Bailout Funds	143,552	
Local Income		
Parent Fees	\$1,236,102	
Interest Income	<u>2,000</u>	
Total Local Income	1,238,102	
Interfund Transfer from Resource 1000 - General Fund	<u>365,000</u>	
Total Income		<u>1,777,649</u>
Total Available Funds (TAF)		<u>\$ 1,880,890</u>

EXPENDITURES

Object Code

1000	Academic Salaries	\$ 981,967
2000	Classified Salaries	310,560
3000	Employee Benefits	262,800
4000	Books and Supplies	83,259
5000	Services and Operating Expenditures	93,359
6000	Capital Outlay	<u>350</u>
	Total Expenditures	1,732,295
7900	* Contingency / Reserves	<u>148,595</u>
	Total Resource 3300 Expenditures Including Contingency / Reserves	<u>\$ 1,880,890</u>

* 5% Contingency reserve calculated from TAF equals \$ 94,045

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 41, RESOURCE 4100 - STATE CONSTRUCTION / SCHEDULED MAINTENANCE

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1		\$ 978,444
State Income		
Scheduled Maintenance	\$ 100,000	
P.E. - Phase II	170,265	
Norco Phase III	3,711,380	
Nursing / Science Bldg	<u>260,928</u>	
Total State Income	\$ 4,242,573	
Interfund Transfer From Resource 4160	<u>100,000</u>	
Total Income		<u>4,342,573</u>
Total Available Funds (TAF)		<u>\$ 5,321,017</u>

EXPENDITURES

Object Code

5000	Services and Operating Expenditures	\$ 21,084
6000	Capital Outlay	<u>5,299,933</u>
	Total Expenditures	5,321,017
7900	Contingency / Reserves	<u>-</u>
	Total Resource 4100 Expenditures Including Contingency/Reserves	<u>\$ 5,321,017</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 41, RESOURCE 4120 - NON-STATE FUNDED CAPITAL OUTLAY PROJECTS

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1	\$ 541
Local Income	<u>1,115,686</u>
Total Available Funds	<u>\$ 1,116,227</u>

EXPENDITURES

Object Code

6000	Capital Outlay	<u>\$ 1,115,676</u>
	Total Expenditures	1,115,676
7900	Contingency / Reserves	<u>551</u>
	Total Resource 4120 Expenditures Including Contingency / Reserves	<u>\$ 1,116,227</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 41, RESOURCE 4130 - LA SIERRA CAPITAL

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1	\$ 12,198,321
Local Income	<u>248,366</u>
Total Available Funds (TAF)	<u>\$ 12,446,687</u>

EXPENDITURES

Object Code

5000	Services and Operating Expenditures	\$ 10,000
6000	Capital Outlay	<u>1,484,699</u>
	Total Expenditures	1,494,699
7920	Contingency / Reserves	<u>10,951,988</u>
	Total Resource 4130 Expenditures Including Contingency / Reserves	<u>\$ 12,446,687</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 41, RESOURCE 4160 - GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1	\$ 75,308,731
Local Income	
Interest	<u>808,040</u>
Total Available Funds (TAF)	<u>\$ 76,116,771</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 150,051
3000	Employee Benefits	61,083
4000	Books and Supplies	-
5000	Services and Operating Expenses	176,287
6000	Capital Outlay	71,336,041
8000	Intrafund Transfers	<u>100,000</u>
	Total Expenditures	71,823,462
7910	Contingency	<u>4,293,309</u>
	Total Resource 4160 Expenditures Including Contingency / Reserves	<u>\$ 76,116,771</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 61, RESOURCE 6100 - HEALTH & LIABILITY SELF-INSURANCE

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1		\$ 3,270,045
Local Income		
Interest	\$ 64,669	
Self Insurance Health Plan	<u>5,034,437</u>	
Total Local Income		\$ 5,099,106
Interfund Transfer from Resource 1000 - General Fund	<u>250,000</u>	
Total Income		<u>5,349,106</u>
Total Available Funds (TAF)		<u>\$ 8,619,151</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$ 166,067
3000	Employee Benefits	56,859
4000	Book and Supplies	7,400
5000	Services and Operating Expenditures	5,188,404
6000	Capital Outlay	<u>40,000</u>
	Total Expenditures	5,458,730
7900	Contingency / Reserves	<u>3,160,421</u>
	Total Resource 6100 Expenditures Including Contingency / Reserves	<u>\$ 8,619,151</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
FUND 61, RESOURCE 6110 - WORKERS COMPENSATION SELF-INSURANCE

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Estimated Beginning Balance, July 1		\$	1,286,882
Local Income			
Interest	\$	26,000	
Workers Compensation Premiums		<u>1,509,815</u>	
Total Local Income			<u>1,535,815</u>
Total Available Funds (TAF)		\$	<u>2,822,697</u>

EXPENDITURES

Object Code

2000	Classified Salaries	\$	78,120
3000	Employee Benefits		29,412
4000	Books and Supplies		620
5000	Services and Operating Expenditures		1,444,980
6000	Capital Outlay		<u>-</u>
	Total Expenditures		1,553,132
7900	Contingency / Reserves		<u>1,269,565</u>
	Total Resource 6110 Expenditures Including Contingency / Reserves	\$	<u>2,822,697</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
STUDENT FEDERAL GRANTS

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Unaudited Beginning Balance, July 1		\$	-
Federal Income			
PELL Student Grants and Book Waivers	\$ 18,000,000		
FSEOG Student Grants and Book Waivers	513,715		
ACG Academic Competitiveness Grant	50,000		
Federal Work Study	<u>600,000</u>		
Total Federal Income			<u>19,163,715</u>
Total Available Funds (TAF)		\$	<u>19,163,715</u>

EXPENDITURES

Object Code

7520	Student Grants and Book Waivers	\$	<u>19,163,715</u>
	Total Student Federal Grants	\$	<u>19,163,715</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT
STATE OF CALIFORNIA STUDENT GRANTS

TENTATIVE OPERATING BUDGET
2009-2010

INCOME

Unaudited Beginning Balance, July 1	\$ -
State Income - Cal Grant B and C	<u>1,800,000</u>
Total Available Funds (TAF)	<u>\$ 1,800,000</u>

EXPENDITURES

Object Code

7520	Student Grants and Book Waivers	\$ <u>1,800,000</u>
	Total State of California Student Grants	<u>\$ 1,800,000</u>

Note: This item is under review in the State budget development process

RIVERSIDE COMMUNITY COLLEGE DISTRICT
 ASSOCIATED STUDENTS OF RCCD

TENTATIVE OPERATING BUDGET
 2009-2010

INCOME

Unaudited Beginning Balance, July 1		\$	990,286
Local Income			
Student Fees	\$	585,988	
Interest		36,000	
Athletic Events		6,500	
Telephone Commission		<u>20,000</u>	
Total Local Income			<u>648,488</u>
Total Available Funds (TAF)		\$	<u>1,638,774</u>

EXPENDITURES

Account Code

900	ASRCC Operations/Special Events	\$	25,939
905	Organizations Funding		139,870
906	Athletics		233,700
911	Riverside Special Events		73,850
912	Riverside Interclub Council		5,550
913	Riverside MCAC		7,600
914	Riverside Club Special Events		37,939
915	Riverside Board of Commissioners		12,000
917	Riverside Marketing Advertising and Publishing		-
921	Norco Operations/Special Events		38,665
922	Norco Interclub Council		13,300
923	Norco MCAC		-
924	Norco Club Special Events		5,300
926	Norco Government Branches		-
927	Norco Commissioners		-
931	Moreno Valley Special Events		37,204
932	Moreno Valley Interclub Council		4,000
933	Moreno Valley MCAC		5,071
934	Moreno Valley Club Special Events		<u>8,500</u>
	Total Expenditures	\$	648,488
	Contingency		<u>990,286</u>
	Total ASRCC Accounts	\$	<u>1,638,774</u>

RIVERSIDE COMMUNITY COLLEGE DISTRICT

District Budget Advisory Council

Friday, June 4, 2009

Digital Library, Room 409

9:00 - 11:00 a.m.

AGENDA

- I. Welcome and Call to Order
- II. State Budget Update
 - Budget Reduction Strategies
- 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)
 - Productivity/Efficiency Discussion
 - Part-Time Faculty Budgets
 - Planning Link
 - BAM – Mid-Range Financial Planning Model Connection
 - District Strategic Planning, Chancellor's Executive Cabinet?
 - Distribution of Resources for Other Than Resource 1000
- IV. Critical Success Factors
- V. Briefing on New Centers Process
- VI. Next Meeting
 - Bring your calendars
- VII. Adjournment