AGENDA

I. Welcome and Call to Order
II. Survey Review with Daniel Martinez
III. Approval of Minutes
IV. Budget Update
V. Budget Allocation Model
   • Assessing the Process
     - Evaluation and Assessment
     - Frequency
     - Funding Formula vs. Allocation Model
VI. Next Meeting
   • February ____ 2012 (?)
VII. Adjournment
The following survey is part of the District Budget Advisory Council's assessment efforts. It focuses on district-wide budget processes and the District Budget Allocation Model. Thank you for agreeing to respond to this survey. We asked you to respond to this survey because we believe you have been involved in one or more budget discussions as part of a strategic planning process, Senate or Association committee work, or other similar activity. If you were sent this survey in error and in fact have no familiarity with the budget processes of the district or your college, you need not respond to these questions.

1. **My assignment is**
   - District
   - Moreno Valley
   - Norco
   - Riverside

2. **I am**
   - Management
   - Faculty
   - Staff
   - Student

3. **Indicate your knowledge about the DISTRICT level budgetary processes**
   - Very knowledgeable
   - Somewhat knowledgeable
   - Minimally knowledgeable
   - I do not consider myself knowledgeable about the district budgetary processes

4. **Indicate your knowledge about the COLLEGE level budgetary processes**
   - Very knowledgeable
   - Somewhat knowledgeable
   - Minimally knowledgeable
   - I do not consider myself knowledgeable about the college budgetary processes
5. What has been your involvement in budgetary processes at the DISTRICT level?
   - Extensively involved
   - Somewhat involved
   - Minimally involved
   - Uninvolved

6. What has been your involvement in budgetary processes at the COLLEGE level?
   - Extensively involved
   - Somewhat involved
   - Minimally involved
   - Uninvolved

7. I am now, or was at one time a member of the District Budget Advisory Council
   - Yes
   - No

This set of questions deals with the budget allocation processes. A later set will ask about the ultimate budget allocations (decisions). If you have had no involvement in the budget process please do not answer the questions on this page.
8. Please rank your response to the following statements:

<table>
<thead>
<tr>
<th>Suggested Changes if Used for New Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> The district budget allocation process has been student centered.</td>
</tr>
<tr>
<td><strong>2</strong> The district budget allocation process has been collegial.</td>
</tr>
<tr>
<td>The district budget allocation process supports long-range planning.</td>
</tr>
<tr>
<td><strong>3</strong> The district budget allocation process has encouraged participation and input from the lowest applicable level (the office where the money is actually spent).</td>
</tr>
<tr>
<td><strong>4</strong> The district budget allocation process has encouraged input from all levels of the college/district community including students.</td>
</tr>
<tr>
<td><strong>5</strong> During discussion of how the district budget allocation process might be made, I was made aware of both the short and long term impacts of various budgetary decisions.</td>
</tr>
<tr>
<td><strong>6</strong> During the past year my college had significant responsibility for its own budget processes (if you are a district employee please select N/A).</td>
</tr>
<tr>
<td><strong>7</strong> I am aware of major regulatory and legal constraints that impact our budget.</td>
</tr>
</tbody>
</table>
8 I believe the district-wide budget allocation processes are data driven.

9 The district allocation process provides for funding district/college improvements.

10 The district allocation process is based on institutional planning documents.
This set of questions deals with the Budget Allocation Model (BAM). If you have had no involvement in the budget process please do not answer the questions on this page.

9. Please rank your response to the following statements:
   **Strongly Agree**
   **Agree**
   **Disagree**
   **Strongly Disagree**
   **Unaware/NA**

<table>
<thead>
<tr>
<th></th>
<th>Suggested Changes if Used for New Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I believe the district BAM will change as needed to meet strategic goals and economic realities.</td>
</tr>
<tr>
<td>2</td>
<td>The district BAM has been broadly communicated.</td>
</tr>
<tr>
<td>3</td>
<td>The district BAM is easy to understand.</td>
</tr>
<tr>
<td>4</td>
<td>The district BAM supports strategic planning.</td>
</tr>
<tr>
<td>5</td>
<td>The district BAM supports operational planning.</td>
</tr>
<tr>
<td>6</td>
<td>The district BAM allows the college/district to respond to immediate crisis.</td>
</tr>
<tr>
<td>7</td>
<td>The district BAM provides for multi-year planning.</td>
</tr>
<tr>
<td>8</td>
<td>The district BAM is regularly evaluated and assessed.</td>
</tr>
<tr>
<td>9</td>
<td>The district BAM promotes efficiency and rational decision-making.</td>
</tr>
<tr>
<td>10</td>
<td>The district BAM provides a sense of stability and financial predictability.</td>
</tr>
<tr>
<td>11</td>
<td>The district BAM effectively supports the district/college mission and goals.</td>
</tr>
<tr>
<td>12</td>
<td>The district BAM provides for long-range liabilities and obligations.</td>
</tr>
<tr>
<td>13</td>
<td>The district BAM allows for financial stability in times of state budget difficulties.</td>
</tr>
<tr>
<td>14</td>
<td>The district BAM insures a contingency reserve of at least 5% of total available funds.</td>
</tr>
</tbody>
</table>
15 My entity (district/college) has received its fair share of the operating budget.

16 The BAM takes into consideration new programs and initiatives.

17 The district BAM takes into consideration operating costs for new facilities.

18 The district BAM takes into consideration funding for new positions necessary for program growth.

19 The district BAM takes into consideration the impact of base budget adjustments such as the COLA, step/grade increases, utility cost increases and other fixed cost changes.

20 The district BAM encourages enrollment efficiencies through incentives.

10. How can the BAM process be improved?

11. How can the BAM be improved?
2012-13 State Budget

Overview Webinar

California Community Colleges Chancellor’s Office
Community College League of California
AGENDA

1:00pm – 1:30pm - Webinar Presentation

1:30pm – 2:30pm - Questions & Answers

PARTICIPANTS

Jack Scott, Chancellor, California Community Colleges
Dan Troy, Vice Chancellor, California Community Colleges
Scott Lay, President/CEO, Community College League of CA
Theresa Tena, Dir., Fiscal Policy, Community College League of CA
Housekeeping Items:

Call will be recorded & available at CCC Confer later this afternoon. PDF will be on League website and sent out during presentation.

ALL PARTICIPANTS WILL BE SILENCED TO REDUCE BACKGROUND NOISE.

Questions may be submitted via WEB CHAT ONLY. Individual submitting the question and the question will be stated during the call.
Audio Listening

If you are listening over the telephone, click the telephone handset.

If you are listening over your computer, adjust the volume with the sliders.
Send Text Chat Messages

Click Send to deliver the message.

Type your message in this area.
View Closed Captions

Click to open the Closed Caption window.

Read the verbal conversation by opening the CC window on the menu bar!
2011-12 Budget

At budget enactment:

• $400 million ongoing general fund cut
• fee increase to $36 per unit effective fall

January mid-year actions:

• Additional cuts totaling $102 million
• Fee increase to $46, effective summer

Effective ongoing cut of $385 million
2011-12 Threats

- More students applying for Board of Governors fee waivers, leading to lower fee revenues
- Governor proposes cutting $146.9 million in general fund apportionments, with expected increased property taxes from the end of redevelopment.
2012-13 State Budget

Years of deep cuts have reduced deficit:

- 2012-13 Deficit: $9.2 Billion
- 2012-13: -$5.1B
- 2013-14: -$4.7B
- 2014-15: -$2.9B
- 2015-16: -$1.9B
2012: Governor’s Solutions

$4.2 billion in cuts

$6.9 billion in revenues

- Cal Grants 4%
- Proposition 98 7%
- CalWORKs 57%

2012-13 High Income PIT
- 2011-12 High Income PIT
- 2012-13 Sales Tax +0.5%
Governor’s Tax Proposal

Governor plans to collect signatures for an initiative to temporarily increase taxes:

- on the November 6, 2012 ballot
- simple majority required
- raises sales tax by 0.5% from January 1, 2013 through December 31, 2016
- raises personal income taxes on individuals > $250,000 from 2012 through 2016 tax years
The New Budget Triggers

*If the revenue targets associated with the governor’s tax plan are not met, triggered cuts would be made:*

<table>
<thead>
<tr>
<th>Category</th>
<th>Cut Amount</th>
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</thead>
<tbody>
<tr>
<td>Proposition 98</td>
<td>-$4,836.9M</td>
</tr>
<tr>
<td>University of California</td>
<td>-$200.0M</td>
</tr>
<tr>
<td>California State University</td>
<td>-$200.0M</td>
</tr>
<tr>
<td>Courts</td>
<td>-$125.0M</td>
</tr>
<tr>
<td>Other</td>
<td>-$28.1M</td>
</tr>
</tbody>
</table>
Proposition 98

Gov's Budget

$52,527M

$50,100M

$55,000M

$42,750M

$30,500M

$18,250M

$6,000M

Gov's Budget w/o Taxes

$2.6 billion GO Bond debt

$4.8 billion in automatic cuts to K-12/CCC if taxes fail.
Community College Scenarios

**Scenario A**
- $218 million “deferral buy-back”
- $12.5 million mandates block grant

**Scenario B**
- $264 million base cut, workload reduction of around 5.56%
- no Scenario A augmentations

**Categorical Consolidation Both Scenarios $411.6 million**
Deferral “Buyback”

Maneuver “spends money,” “reducing debt,” without a program benefit.

2011-12

Community College Apportionment Deferrals

$136.5 million
$136.5 million
$76.5 million
$158 million
$103 million
$221.5 million
$129 million (new)

Total inter-year deferrals: $961 million

spread Jan-June

Jan Feb Mar Apr May Jun July Aug Sep Oct Nov Dec

Total intra-year deferrals: $300 million

Community College League of California 2011-01-11

2012-13 Proposed

Community College Apportionment Deferrals

$121.9 million
$121.9 million
$68.3 million
$141.4 million
$92.0 million
$197.8 million

Total inter-year deferrals: $743 million

Jan Feb Mar Apr May Jun July Aug Sep Oct Nov Dec

Total intra-year deferrals: $300 million

Community College League of California 2012-01-11
Categorical Flexibility

<table>
<thead>
<tr>
<th>Basic Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Financial Aid Admin</td>
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<tr>
<td>EOPS</td>
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<tr>
<td>CalWORKs</td>
</tr>
<tr>
<td>Matriculation</td>
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<tr>
<td>Academic Senate</td>
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<tr>
<td>Equal Employment Opportunity</td>
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<tr>
<td>Part-time Faculty Health Insurance</td>
</tr>
<tr>
<td>Part-time Faculty Compensation</td>
</tr>
<tr>
<td>Part-time Faculty Office Hours</td>
</tr>
<tr>
<td>Fund for Student Success</td>
</tr>
<tr>
<td>Economic Development</td>
</tr>
<tr>
<td>Transfer Education and Articulation</td>
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<tr>
<td>Child Care Tax Bailout</td>
</tr>
<tr>
<td>Nursing</td>
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<tr>
<td>Disabled Students</td>
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<tr>
<td>Foster Care Education</td>
</tr>
<tr>
<td>Telecommunications and Technology</td>
</tr>
</tbody>
</table>

15 categorical programs would be made flexible, to be used for any categorical or “student service” purpose.

3 categorical programs would be restricted to current use.
Preliminary Thoughts

• We agree with the governor’s call for new revenue.

• The manipulation of Prop. 98 by adding general obligation bond service may be unconstitutional and is a sleight-of-hand cut to schools/CCC.

• While paying down debt/deferrals is good politics, it must be weighed with better policy of restoring access and addressing inflationary costs (2007-08 was last COLA).

• Categorical flexibility may be politically, programmatically and legally difficult.
Budget Risks

- Tax measure is politically uncertain and costly.
- Tax measure may not yield full $6.9B (LAO suggests perhaps only $4.8B)
- Planning will be difficult. Workload reduction of 5.56% will be decided in November
- Student fee shortfall with more BOG waivers.
- Property tax shortfall, particularly in light of redevelopment projections/uncertainty.
The Budget Timeline

• Jan - May: Legislative hearings
• End of Jan: LAO to release their budget analysis
• March 1: DOF requests early legislative action on selected items – including CCC redevelopment offset
• May 14: Governor releases May Revise update revenues, caseload and policy proposals
• June 15: Constitutional deadline for Legislature to send budget to governor
• November 6: General Election
• January 1, 2013: trigger reductions take effect if revenue targets are not met
Simulations Available Today

www.ccleague.org/budget/
Questions

Please submit questions via the CCC Confer web interface.

- Follow-up:
  - Chancellor’s Office:
    - Media: pfeist@cccco.edu/916.327.5353
    - Technical: dtroy@cccco.edu
  - The League: budget@ccleague.org
  - Twitter:
    - @cccbudgetnews - Dan Troy, Chancellor’s Office budget news
    - @ccleague - Scott & Theresa, League budget-related news
  - Web:
    - www.ccleague.org/budget
    - www.cccco.edu, Divisions->Finance->Fiscal Services->Budget
- League Annual Legislative Conference - January 29-30 in Sacramento
  www.ccleague.org/legconf/