AGENDA

I. Welcome and Call to Order
II. Approval of Minutes - December 9, 2011 and January 20, 2012
III. Budget Update
IV. Measure C Update
V. Survey
   • Assessing the Process
   • Assessing the Budget Allocation Model
VI. Next Meeting
   • March _?_ 2012 (FYI... No School March 30th and April 9th thru the 13th)
VII. Adjournment
RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council
Meeting of December 9, 2011
Alumni House Living Room
9:00 a.m. - 11:00 a.m.

MEETING

Task Force Members

Present
Jim Buysse, Vice Chancellor, Administration and Finance
Aaron Brown, Associate Vice Chancellor, Finance
Norm Godin, Vice President, Business Services (Riverside)
David Bobbitt, Interim Vice President, Business Services (Moreno Valley)
Laurens Thurman, Interim Vice President, Business Services (Norco)
Mary Legner, Professor, Mathematics (Riverside)
Michael McQued, Associate Professor, CIS (Moreno Valley)
Tom Allen, Associate Professor, English & Media Studies (Riverside)
Jim Parsons, Associate Vice Chancellor, Strategic Communications & Relations
Pam Kollar, Academic Evaluations Specialist (District)
Tom Wagner, Associate Professor, Business Administration (Norco)
Gustavo Segura, Instructional Media/Broadcast Coordinator (Moreno Valley)
Vickie Vega, Confidential Representative (Recorder)

Absent
Meghan Skaggs, ASRCC (Norco)
Botra Ra Moeung, Educational Advisor (Riverside)

Guest
Daniel Martinez

I.  Meeting was called to order

II. Survey Review with Daniel Martinez
Daniel reviewed Kristina Kauffman’s files and compiled information to provide the group with the 2010 DBAC Survey results in a PowerPoint presentation.

- The purpose of the survey was to gauge individual’s knowledge of DBAC, the BAM and the budget development process.
- There were a total of 72 responses.
- Daniel compiled only the “Agree” and “Disagree” responses; the “Unaware” responses were excluded.
- The group decided that the “Unaware” responses needed to be included to properly evaluate
- There were also questions raised on who received the survey. Vickie will research the target groups of the survey and forward the information to the group.
- Daniel will update survey results with “Unaware” responses and reset the results into three categories. 1. Agree; 2. Disagree; and 3. Unaware. He will forward the new PowerPoint to Vickie along with survey questions for distribution to the group.
There was a suggestion that the survey be sent out again to the same individuals to see if there responses have changed. Daniel advised against this. The “next step” will be determined after the group receives updated information.

III. Minutes
Godin moved and Legner second that the Council approve the minutes of August 11, 2011 and October 28, 2011 meetings. Motion carried (12 ayes, 2 absent [Skaggs and Moeung]).

IV. Budget Update
Dr. Buysse met with the Southern California CBO group and the ACBO Board and had several items to report.

- The general consensus is that the Triggers will most likely be pulled given the State’s weak cash position and the fact that they were inserted to curry favor with Wall Street to ensure that cash would be available.
- The $10 fee increase associated with Trigger 1 only goes into effect next summer if Trigger 1 is pulled. That increase, beginning in Summer 2012, should offset the carry forward of the $30 million in lost revenue associated with Trigger 1 and the anticipated $25 million current year enrollment fee shortfall in terms of the 2012-13 budget.
- As regards Trigger 2, there was some confusion about how it will play if it’s pulled:
  - If we go past the mark, all $72 million will be lost, or
  - If we go past the mark, the impact would be proportionate with the amount of the shortfall beyond the Trigger 2 level
  - The Chancellor’s office clarified that the former will occur, not the latter.
- There is a fight going on between Orange County and the State regarding property taxes that may cost the CCC’s $12-15 million in lost property tax revenue. Could possibly yield a deficit factor of .25%.
- The College of the Desert “whistle blower” issue regarding FTES reporting and the Palo Verde Certificates of Participation issue have reached the California Watch group and the press, causing interest in the audits of community college districts.
- The pension reform issue is still alive. A number of proposals are in play in terms of legislative action and the November ballot.
- The State may appropriate the CCC’s reserves as a budget strategy.
- The Governor’s January budget could include the assumption that tax extensions and/or increases will be approved on the November 2012 ballot.
- Student Success is still moving along, but it is very contentious.
- The Community College League of California budget workgroup prepared the Workgroup’s Discussion and Analysis report with its recommendations for the CEO Board and the Community College League (Dr. Buysse to forward report to group).
  - One of the recommendations is to fund some rural Districts and hold them harmless as far as workload reduction, leaving $15 million more workload reduction to allocate to the other CCC’s. This procedure was actually done in allocating FY 2011-12 apportionment funding.

V. Next Meeting
January 20, 2011 - 9:00 a.m. to 11:00 a.m. (DL 409)
Agenda Items: Last year survey and BAM assessment
MEETING

Task Force Members

Present
Jim Buysse, Vice Chancellor, Administration and Finance (District)
Aaron Brown, Associate Vice Chancellor, Finance (District)
David Bobbitt, Interim Vice President, Business Services (Moreno Valley)
Laurens Thurman, Interim Vice President, Business Services (Norco)
Michael McQuead, Associate Professor, CIS (Moreno Valley)
Tom Allen, Associate Professor, English & Media Studies (Riverside)
Jim Parsons, Associate Vice Chancellor, Strategic Communications & Relations (District)
Pam Kollar, Academic Evaluations Specialist (District)
Gustavo Segura, Instructional Media/Broadcast Coordinator (Moreno Valley)
Vickie Vega, Confidential Representative (Recorder)

Absent
Meghan Skaggs, ASRCC (Norco)
Tom Wagner, Associate Professor, Business Administration (Norco)
Norm Godin, Vice President, Business Services (Riverside)
Mary Legner, Professor, Mathematics (Riverside)
Botra Ra Moeung, Educational Advisor (Riverside)

Guest
Daniel Martinez

I. Meeting was called to order

II. Survey Follow-up with Daniel Martinez
Daniel updated the PowerPoint of the survey results to include all responses. The group concluded that:

- Survey results PowerPoint will be uploaded onto the internet.
- The survey results achieved the objective of the survey which was to determine the awareness process of the DBAC group and BAM by the colleges and District.
- The level of participation in the survey was low and that we should use this first survey as a baseline.
- A new survey will be conducted with a more defined group to include all Strategic Planning Committees districtwide.
This new survey will be conducted in early May 2012 with results of the evaluation concluded in Fall 2012. Any actionable items will be determined based on the results of the evaluation. The new survey will be focused on more critical areas of evaluation and awareness, with the goal of reducing the “Unawares”.

After the survey of the evaluation and assessment of the budget process is complete, an assessment of the BAM itself will begin by using another survey instrument.

Daniel recommended that the questions in the new survey be grouped by type of question (process, awareness, evaluation, etc.).

III. Budget Update

Dr. Buysse gave an update on the status of State budget issues (see attached webinar handout):

2011-12 State budget enactment effects on RCCD:
- $7.6m general fund cut
- $36 per unit enrollment fee
- $2.5m additional mid-year cuts
- New Summer enrollment fee increase by $10 per unit to - $46 per unit
- More students applying for BOG waivers, resulting in lower revenues. Previously the BOG waivers averaged $25m, now they are around $100m. Percentage of waivers applied for at RCCD:
  - 08-09 - 49%
  - 09-10 - 54%
  - 10-11 - 61%
  - 11-12 - 70% (est.)
- There is a proposal to cut the General Fund by $149m Systemwide
- Currently the County of Riverside assessed valuations are down 1.45%

2012-13 State Budget forecast:
- Governor initiative to temporarily increase taxes through 2016
- Proposed new triggers for RCCD of $6.3m if tax plan is not met
- The District’s Chancellor’s Office along with Administration and Finance and college leadership will hold Budget Forums in a few weeks to identify the depth of our budget crises and the impact the Governor’s proposals will have on RCCD.

IV. Next Meeting

February 24, 2012 - 9:00 a.m. to 11:00 a.m. (AD 109)

Agenda Items: Approval of the Minutes from December 9, 2011 and January 20, 2012
- Survey Objectives and Questions
- BAM assessment
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
- 2013-14: -$4.1B
- 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 Sales Tax +0.5%
$1,171M

2012-13 High Income PIT
$3,519M

2011-12 High Income PIT
$2,245M
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:*

- Proposition 98: -$4,836.9M
- University of California: -$200.0M
- California State University: -$200.0M
- Courts: -$125.0M
- Other: -$28.1M
Proposition 98

$55,000M

$52,527M

$42,750M

$30,500M

$18,250M

$6,000M

Gov’s Budget

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

Total intra-year deferrals: $300 million

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

Total intra-year deferrals: $300 million
### Categorical Flexibility

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

**Strongly Agree**

**Agree**

**Disagree**

**Strongly Disagree**

**Unaware/NA**

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>The district budget allocation process has been student centered.</td>
</tr>
<tr>
<td>2</td>
<td>The district budget allocation process has been collegial.</td>
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<tr>
<td>3</td>
<td>The district budget allocation process has encouraged participation and input from the lowest applicable level (the office where the money is actually spent).</td>
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<td>4</td>
<td>The district budget allocation process has encouraged input from all levels of the college/district community including students.</td>
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<tr>
<td>5</td>
<td>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>
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<td>6</td>
<td>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>
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<td>7</td>
<td>I am aware of major regulatory and legal constraints that impact our budget.</td>
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<td><strong>8</strong></td>
<td>I believe the district-wide budget allocation processes are data driven.</td>
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<tr>
<td><strong>9</strong></td>
<td>The district allocation process provides for funding district/college improvements.</td>
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<tr>
<td><strong>10</strong></td>
<td>The district allocation process is based on institutional planning documents.</td>
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</table>
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:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Unaware/NA</th>
</tr>
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<tbody>
<tr>
<td><strong>1</strong></td>
<td>I believe the district BAM will change as needed to meet strategic goals and economic realities.</td>
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<td><strong>2</strong></td>
<td>The district BAM has been broadly communicated.</td>
<td></td>
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<td><strong>3</strong></td>
<td>The district BAM is easy to understand.</td>
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<td><strong>4</strong></td>
<td>The district BAM supports strategic planning.</td>
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<td><strong>5</strong></td>
<td>The district BAM supports operational planning.</td>
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<td><strong>6</strong></td>
<td>The district BAM allows the college/district to respond to immediate crisis.</td>
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<td><strong>7</strong></td>
<td>The district BAM provides for multi-year planning.</td>
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<td><strong>8</strong></td>
<td>The district BAM is regularly evaluated and assessed.</td>
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<td><strong>9</strong></td>
<td>The district BAM promotes efficiency and rational decision-making.</td>
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<td><strong>10</strong></td>
<td>The district BAM provides a sense of stability and financial predictability.</td>
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<td><strong>11</strong></td>
<td>The district BAM effectively supports the district/college mission and goals.</td>
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<td><strong>12</strong></td>
<td>The district BAM provides for long-range liabilities and obligations.</td>
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<td><strong>13</strong></td>
<td>The district BAM allows for financial stability in times of state budget difficulties.</td>
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<tr>
<td><strong>14</strong></td>
<td>The district BAM insures a contingency reserve of at least 5% of total available funds.</td>
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<td>No.</td>
<td>Text</td>
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<td>15</td>
<td>My entity (district/college) has received its fair share of the operating budget.</td>
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<td>16</td>
<td>The BAM takes into consideration new programs and initiatives.</td>
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<td>17</td>
<td>The district BAM takes into consideration operating costs for new facilities.</td>
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<td>18</td>
<td>The district BAM takes into consideration funding for new positions necessary for program growth.</td>
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<td>19</td>
<td>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.</td>
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<td>20</td>
<td>The district BAM encourages enrollment efficiencies through incentives.</td>
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10. How can the BAM process be improved?

11. How can the BAM be improved?
The following survey is part of the District Budget Advisory Council's ongoing assessment efforts and thus is related to accreditation. The survey focuses on district-wide budget processes and the District's Budget Allocation Model. Thank you for agreeing to respond to this survey. We asked you to respond to this survey because we believe you are or have been involved in one or more budget discussions as part of the District and/or a college strategic planning process, Senate or Association committee work, or other similar activity. Thank you for agreeing to respond to this survey. If you were sent this survey in error and in fact have no familiarity with the budget processes of the district or your college, please do you need not respond to these survey 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
   - Reasonably Knowledgeable
   - Somewhat knowledgeable
   - Minimally knowledgeable
   - I do not consider myself knowledgeable about the district budgetary processes
   - Not Knowledgeable
4. Indicate your knowledge about the COLLEGE level budgetary processes

- Very knowledgeable

- Reasonably knowledgeable

- Somewhat knowledgeable

- Minimally knowledgeable

- I do not consider myself knowledgeable about the college budgetary processes

- Not Knowledgeable
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:

<p>| | |</p>
<table>
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<tbody>
<tr>
<td><strong>Strongly Agree</strong></td>
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<tr>
<td><strong>Agree</strong></td>
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<tr>
<td><strong>Disagree</strong></td>
<td></td>
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<tr>
<td><strong>Strongly Disagree</strong></td>
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<tr>
<td><strong>Unaware/NA</strong></td>
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**Suggested Changes if Used for New Survey**

1. The district budget allocation process has been student centered.

2. The district budget allocation process has been collegial.

3. The district budget allocation process supports long-range planning.

4. The district budget allocation process has encouraged participation and input from the lowest applicable level (the office where the money is actually spent).

5. The district budget allocation process has encouraged input from all levels of the college/district community including students.

6. 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.

7. During the past year my college had significant responsibility for its own budget processes (if you are a district employee please select N/A).

8. I am aware of major regulatory and legal constraints that impact our budget.
I believe the district-wide budget allocation processes are data driven.

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

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 |

| 1 | I believe the district BAM will change as needed to meet strategic goals and economic realities. |
| 2 | The district BAM has been broadly communicated. |
| 3 | The district BAM is easy to understand. |
| 4 | The district BAM supports strategic planning. |
| 5 | The district BAM supports operational planning. |
| 6 | The district BAM allows the college/district to respond to immediate crisis. |
| 7 | The district BAM provides for multi-year planning. |
| 8 | The district BAM is regularly evaluated and assessed. |
| 9 | The district BAM promotes efficiency and rational decision-making. |
| 10 | The district BAM provides a sense of stability and financial predictability. |
| 11 | The district BAM effectively supports the district/college mission and goals. |
| 12 | The district BAM provides for long-range liabilities and obligations. |
| 13 | The district BAM allows for financial stability in times of state budget difficulties. |
| 14 | The district BAM insures a contingency reserve of at least 5% of total available funds. |
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?
The following survey is part of the District Budget Advisory Council's ongoing assessment efforts and thus is related to accreditation. The survey focuses on district-wide budget processes and the District's Budget Allocation Model.

Thank you for agreeing to respond to this survey. We asked you to respond to this survey because we believe you are or have been involved in one or more budget discussions as part of the District and/or a college strategic planning process, Senate or Association committee work, or other similar activity. Thank you for agreeing to respond to this survey. If you were sent this survey in error and in fact have no familiarity with the budget processes of the district or your college, please do not respond to complete these survey 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
   - Reasonably Knowledgeable
   - Somewhat knowledgeable
   - Minimally knowledgeable
   - I do not consider myself knowledgeable about the district budgetary processes
     Not Knowledgeable
4. Indicate your knowledge about the COLLEGE level budgetary processes

- Very knowledgeable
- Reasonably knowledgeable
- Somewhat knowledgeable
- Minimally knowledgeable
- I do not consider myself knowledgeable about the college budgetary processes
  Not Knowledgeable
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:

**Strongly Agree**

**Agree**

**Disagree**

**Strongly Disagree**

**Unaware/NA**

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**Suggested Changes if Used for New Survey**

1. The district budget allocation process has been student centered.
2. The district budget allocation process has been collegial.
3. The district budget allocation process supports long-range planning.
4. The district budget allocation process has encouraged participation and input from the lowest applicable level (the office where the money is actually spent).
5. The district budget allocation process has encouraged input from all levels of the college/district community including students.
6. 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.
7. During the past year my college had significant responsibility for its own budget processes (if you are a district employee please select N/A).
8. I am aware of major regulatory and legal constraints that impact our budget.
I believe the district-wide budget allocation processes are data driven.

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

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.

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Suggested Changes if Used for New Survey
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The district BAM encourages enrollment efficiencies through incentives.

I believe the district BAM will change as needed to meet strategic goals and economic realities.

10. How can the BAM process be improved?

11. How can the BAM be improved?
Colleagues,

As you know, the P1 apportionment identifies a significant current year deficit in system funding. The total shortfall identified is $179M (3.29% statewide, but effectively a 3.42% deficit for non-basic aid districts) and consists of the following elements:

- $107M due to a fee revenue shortage
- $41M in property taxes
- $30M due to the Tier 1 trigger reduction
- $1M due to other miscellaneous adjustments

As the $30M trigger cut was anticipated, we should not expect any relief for that portion of the deficit. That, however, still leaves a hole of $149M that districts had no reason to expect. Given the major reductions the system has experienced in recent years, an unanticipated deficit is unacceptable.

Addressing this shortfall will be a major focus of this year’s budget advocacy. Chancellor Scott and I have already met with Finance Director Matosantos to communicate the severity of the problem, and I have similarly been informing key legislative staff. These are just the first steps in what I expect will be a unified system push to have the deficit resolved. We believe this shortfall also highlights the problem with not having statutory protection from revenue shortfalls, as K-12 does, and we will be pressing that point, as well.

As one who follows the budget situation in Sacramento closely, though, I do need to caution that there is no guarantee that the deficit will be backfilled. The state has a current year budget deficit identified by the Department of Finance of over $4B and a cash flow situation difficult enough to require new statutory payment flexibility for the Department of Finance. Reportedly, the Treasurer is going to the market to borrow an additional $1B to help cover payouts over the next two months. Given the state’s financial distress, districts will need to take a close look at their current year budgets to determine whether any adjustments are needed to make it through the fiscal year in the event the shortfall goes unaddressed.

Similarly, with the prospect of more midyear trigger cuts on the horizon in November (the Department of Finance now estimates the CCCs will be in line for a trigger reduction of $292M if the Governor’s ballot initiative fails), districts need to have a plan in place to address the possibility of another difficult year in 2012-13. An economic recovery appears to be underway, but, without voter approval of increased revenues this fall, the recovery does not appear to be fast enough to help turn the negative tide until the 2013-14 fiscal year.

Regards,
Dan Troy

Vice Chancellor for Fiscal Policy
Chancellor’s Office of the California Community Colleges
February 7, 2012
Dear James,

Yesterday, the Legislative Analyst's Office released its annual analysis of the impact of the governor's budget on Proposition 98 and community colleges. In it, there were very few surprises, but it provides a good opportunity to update you on several items.

**Current year deficit** - The current year deficit is growing larger, and will likely exceed 3%. The official word should come from the state Chancellor's Office within the next ten days. We are preparing an aggressive media and legislative effort to highlight the impact of this largely unexpected mid-year cut to our colleges. While securing a backfill amidst the state's cash flow and structural budget problems will be difficult, it is essential that the cut and its impact on student access and success not be ignored.

**Apportionment and categorical flexibility** - The governor's budget trailer bill language was released late last week and, as expected, it proposes radical changes to the way the state Chancellor's Office distributes both apportionment and categorical funding to our colleges. With a need to focus on securing temporary revenues to balance the budget with a plan to restore funding to our colleges, this is not the year to re-write SB 361, eliminate equalization and our commitment to enhanced noncredit funding, and pit existing categorical programs against one another. Instead, we need to highlight the significant cuts community colleges have taken, the accrued deficit to our per-student funding, and support a new Student Success Initiative. That initiative, which would build on the foundation of matriculation, will enable significant new student support services as revenues are restored to our colleges.

**Budget Highs and Lows** - In the budget business, there are good days and bad days. Last Wednesday, Facebook announced an IPO that would value the company between $80-$100 billion. If the IPO goes forward, this will likely increase state revenues between $300 - $750 million in 2012-13. More importantly, it will significant rev California's economic engine in the Bay Area, as newly realized wealth translates into increased consumer spending and real estate transactions. On the downside, yesterday there was the news that a federal panel denied a waiver request by California to require co-pays for Medi-Cal patients, the latest in a series of rulings that have blocked many of the budget-balancing health and human services cuts. While this is good for economically disadvantaged population, it adds another $575 million to next year's budget problem on top of the $9.2 billion budget deficit.

Let’s hope that we get a good budget news day today!

**Where have all the women gone?** Last week, the California Budget Project released a report looking at the impact of the Great Recession on California's women and their families. In it, there was a shocking statistic - "Enrollment in California's community colleges dropped by 129,612 between 2007-08 and 2010-11, with women accounting for a full 81.6 percent of the reduced enrollment."

Quickly looking at MIS data myself, it appears that this is mostly the consequence of the elimination of noncredit and/or recreational classes, with a sizeable majority of the lost female students with noncredit or <6 credit unit status. Among female students 20-24, we actually increased during this time of reduced enrollment, including among Latina and African-American women.

However, with devastating child care and CalWORKs cuts on the table for the 2012-13 budget that would likely force out tens of thousands of poor women community college students, we should probably look more deeply into the CBP report's finding. And, there has been some concern that "pink collar" job training has been cut in our colleges to place more of a focus on transfer and perceived higher demand career technical training. That may be done for the right reasons, but we need to ensure subgroups of our students aren't falling through the cracks.

Are you seeing anything on your campus that would explain the number? If so, e-mail me at scottlay@ccleague.org.

Sincerely,

Scott Lay
President and Chief Executive Officer, The League
Orange Coast College '94
The attached piece is a bit disconcerting to say the least. It affirms the $41m property tax shortfall which has recently been reported. That’s up from the earlier report just a couple of weeks ago of $25m, so that does not bode well for a major component of revenues…nor does it suggest any kind of turnaround in real estate. One also has to wonder about what happened to the “structural deficit” about which we were curious. It has shrunk from $18m to $1.0m for “miscellaneous” things.

Furthermore, they are now estimating a $292m budget hit if the tax proposal does not pass. That’s up from the earlier estimate of $264m. Our hit would then be $7m rather than $6.3, and the workload reduction would be 1,535 FTES, up 153 FTES for the earlier estimate of 1,382.

Colleagues,

Attached is a brief note regarding the current year deficit calculated at P1.

Thank you,
Dan Troy

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