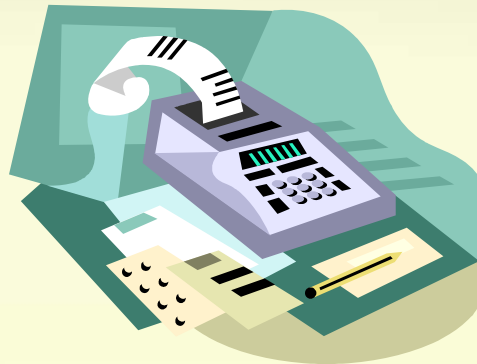




**2013-2014
BUDGET FORUM
PRESENTATION
June 4, 2013**



Presentation Overview

- ❑ Citrus College
- ❑ State Budget –Governor's May Revise
- ❑ Budget Assumptions
 - ❑ Revenue
 - ❑ Expenditures
- ❑ Citrus College proposed 2013-2014 Tentative Budget:
 - ❑ Budget Management
 - ❑ Revenue
 - ❑ Expenditures
 - ❑ Deficit Spending
 - ❑ Fund Balance
- ❑ Budget Calendar for 2013-2014



CITRUS COLLEGE

- Deficit Spending for 2012-2013 at **\$714,310** reducing the ending balance from **14.51%** in 2011-2012 to an ending balance **13.05%** for operating budget 2012-2013, a **1.46%** reduction.



Governor's May Revision

- Approximately \$227M in programmatic funds is proposed (\$30M more than was proposed in January).
- The Governor would allocate the funds as follows:
 - \$89.4M to restore access/enrollment growth (1.63%)
 - \$87.5M for COLA (1.57%)
 - \$50M for the Student Success and Support Program (formerly Matriculation)



Governor's May Revision

Deferral Buy Down

- **2012-2013 increase in Proposition 98 obligations to pay down \$179.9M in deferrals. Reduce the total system-wide deferral to \$621.2M**
- **2013-2014 pay down an additional \$64.5M in deferrals reducing the system-wide deferral to \$557.5M**



Governor's May Revision

Status of January Policy Proposals

vs.

May Revise

- The implementation of a 90-unit cap on state support (full student cost beyond 90 units) has been withdrawn.
- The proposal to move census date and fund colleges based on student success rather than enrollment has been withdrawn.



Governor's May Revision

Status of January Policy Proposals

vs.

May Revise

- Expanding the delivery of courses through technology- the allocation of \$16,910,000 is still being proposed.
- The FAFSA requirement for a Board of Governors (BOG) waiver – the *May Revise* requires the BOG to develop a process for determining student independence (e.g., prior year tax return).



Governor's May Revision

Adult Education

- Shift existing adult education to community colleges- the initial proposal has been withdrawn.
- \$30M is proposed for two-year Adult Education planning grants, with \$500M available in 2015-2016 for regional adult education consortia.

Comparison of the Spending Plans

ITEM	2012-13 SPENDING LEVEL	2013-14 GOVERNOR MAY REVISE	2013-14 SENATE	2013-14 ASSEMBLY
Instructional Equipment	\$0	\$0	\$12M (one time funds)	\$0
Scheduled Maintenance	\$0	\$0	\$12M (one time Funds)	\$0
Professional Development	\$0	\$0	\$6M (one time funds)	\$0
Enrollment Growth	1%	1.63%	1.63%	2.2%
Cost-of-Living Adjustment	0	1.57%	1.57%	1.57%
Online Education Platform and Professional Development	\$0	\$16.9M	\$16.9M	\$16.9M

Comparison of the Spending Plans

ITEM	2012-13 SPENDING LEVEL	2013-14 GOVERNOR MAY REVISE	2013-14 SENATE	2013-14 ASSEMBLY
Student Success and Support (formerly Matriculation)	\$49.2M	\$99.2M	\$99.2M	\$113.4M
EOPS	\$73.6M	\$73.6M	\$98.6M	\$134.1M
CARE	\$9.3M	\$9.3M	\$10.6M	\$9.3M
DSP&S	\$69.2M	\$69.2M	\$94.2M	\$126.8M
CalWORKS Services	\$26.7M	\$26.7M	\$34.5M	\$44.3M
Student Financial Aid Admin	\$71.0M	\$67.5M	\$67.5M	\$72.1M

Comparison of the Spending Plans

ITEM	2012-13 SPENDING LEVEL	2013-14 GOVERNOR MAY REVISE	2013-14 SENATE	2013-14 ASSEMBLY
Foster Care Education Program	\$5.25M	\$5.25M	\$5.25M	\$5.34M
Fund for Student Success	\$3.8M	\$3.8M	\$3.8M	\$6.3M
Nursing Support	\$13.4M	\$13.4M	\$13.4M	\$22.4M
Telecom/Technology	\$15.3M	\$15.3M	\$15.3M	\$15.5M
Academic Senate	\$318,000	\$318,000	\$415,000	\$474,000
Child Care Tax Bailout	\$3.3M	\$3.3M	\$3.3M	\$7.7M

Comparison of the Spending Plans

ITEM	2012-13 SPENDING LEVEL	2013-14 GOVERNOR MAY REVISE	2013-14 SENATE	2013-14 ASSEMBLY
Equal Employment Opportunity	\$767,000	\$767,000	\$767,000	\$779,000
Economic Development	\$22.9M	\$22.9M	\$22.9M	\$23.3M
Apprenticeship	\$7.2M	\$7.2M	\$7.2M	\$15.5M
Part –Time Faculty Office Hours	\$3.5M	\$3.5M	\$5.9M	\$7.2M
Part-Time Faculty Health Insurance	\$490,000	\$490,000	\$820,000	\$1.0M
Child Care Tax Bailout	\$3.3M	\$3.3M	\$3.3M	\$7.7M

Comparison of the Spending Plans

ITEM	2012-13 SPENDING LEVEL	2013-14 GOVERNOR MAY REVISE	2013-14 SENATE	2013-14 ASSEMBLY
Part-Time Faculty Compensation	\$24.9M	\$24.9M	\$24.9M	\$51.6M
Transfer Education and Articulation	\$698,000	\$698,000	\$698,000	\$1.4M

2013-2014 BUDGET ASSUMPTIONS

REVENUE

A. Base Revenue Apportionment:

1. 2012-13 base apportionment
2. Local property taxes @ 2012-13 actual
3. Enrollment fees @ 2012-13 actual
4. Growth @ 1.63%
5. COLA @ 1.57%

B. Lottery revenue budgeted:

1. \$154 per FTE @ 11,035 FTES

2013-2014 BUDGET ASSUMPTIONS

REVENUE

C. Interest Budgeted:

1. 2012-13 actual earnings
2. Interest rate projections

D. Non-resident tuition budgeted:

1. 2012-13 actual FTE
2. @ \$209 per credit hour less facility fee of \$19

E. Local revenue budgeted:

1. 2012-13 actual revenue
2. Adjustment for one-time revenues in current year or anticipated budget year

2013-2014 BUDGET ASSUMPTIONS

EXPENDITURES

A. Salaries budgeted: (1000s and 2000s)

1. 2013-14 existing positions
2. Step and column/class adjustment
3. Negotiated salary increases
4. Possible new hires/replacements
5. One new faculty hire

B. Benefits budgeted: (3000s)

1. Statutory benefits at 2013-14 rates – STRS 8.25%; PERS 11.41%
OASDI 6.20%; Medicare 1.45%; Unemployment .05%;
Workers Comp 1.90%
2. Health Benefits increase: Blue Shield 0%, Kaiser 5.89%

C. Instructional materials and supplies budgeted: (4000s)

1. 2012-13 budget amounts

2013-2014 BUDGET ASSUMPTIONS

EXPENDITURES

D. Other expenses budgeted: (5000s)

1. 2012-13 budget amounts
2. 2012-13 service agreements and memberships
3. Utilities - estimated adjustments

E. Capital outlay budgeted: (6000s)

1. 2012-13 budget amounts

F. Transfers budgeted: (7000s)

1. Scheduled Maintenance/Instructional Material Match/Capital Outlay Projects
2. Categorical program required contributions and general fund support levels

2013-2014 Budget Management

- *GOAL: Meet college's core mission, honor key planning priorities and ensure fiscal stability*

GENERAL STRATEGIES

- Control expenditures and plan budget with conservative revenue estimates
- Maintaining salary & benefits at 85%-87% of total expenditures
- Faculty hiring based on 75/25 Full-Time Faculty Obligation Number and FNIC recommendations
- Enrollment management –meet workload measure (FTES) plus 1.5% buffer

GENERAL FUND TENTATIVE BUDGET

2013-2014 REVENUE

	Revenue	Budget Increase from 2012-2013
Federal	\$21,500	0
State	\$48,560,041	\$1,040,406
Local	\$10,494,087	0
Total	\$59,075,628	\$1,040,406

GENERAL FUND TENTATIVE BUDGET

2013-2014 EXPENDITURES

	Expenditures	Budget Increase/Decrease from 2012-2013
Academic Salaries	\$24,189,696	\$852,543
Classified Salaries	\$14,116,949	\$386,336
Benefits	\$13,738,396	-\$174,120
Supplies	\$1,182,653	\$4,210
Services	\$5,386,863	\$194,399
Equipment	\$156,455	-\$18,110
<u>Total</u>	<u>\$58,771,013</u>	<u>\$1,245,258</u>
Transfers	\$1,152,651	-\$71,123

GENERAL FUND TENTATIVE BUDGET 2013-2014

Estimated Beginning Balance	\$7,667,646
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Decrease Fund Balance Deficit Spending	\$848,036
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Ending Balance June 2014:	\$6,819,610
	11.38% of Expenditures

SUMMARY OF 2013-2014 TENTATIVE BUDGET

Beginning Balance July 1, 2013	\$7,667,646
Total General Fund Revenue	\$59,075,628
Total General Fund Expenditures	\$58,771,013
Excess (Deficiency) of Revenue Over Expenditures	\$304,615
Total Other Financing	-\$1,152,651
Increase/Decrease In Fund Balance	-\$848,036
Ending Balance June 30, 2014	\$6,819,610

The “Real” Gain (at last)

- 2013-2014
 - FTES Restoration 383
 - Sections 179

Budget Calendar 2013-2014

- 3/06/13** Budget Calendar & Budget Assumptions approved by Financial Resources Committee
- 4/02/13** Budget Calendar and Budget Assumptions provided to Board of Trustees
- 4/08/13** Budget worksheets out to Superintendent, Vice Presidents and Cost Center Managers
- 5/06/13** Budget worksheets due to Business Office
- 6/04/13** Budget Forum
- 6/05/13** Tentative Budget reviewed by Financial Resources Committee
- 6/18/13** Adoption of Tentative Budget by Board of Trustees
- July/Aug** Monitor State budget developments making modifications to Tentative Budget
- 8/26/13** Budget reviewed by Financial Resources Committee
- 9/03/13** Budget Forum
- 9/10/13** Adopt District Budget for 2013-2014