

2013-14 Budget Development

Presentation to the
District-wide Budget Advisory Committee
May 16, 2013

*Presented by Andy Dunn, Vice Chancellor
Finance and Administrative Services*

Discussion Agenda

- ▶ What is the May Revise?
- ▶ Budget Development Calendar
- ▶ FTES Scenarios
 - ▶ 2011-12 Final Recalculation
 - ▶ 2012-13 Adopted/P-1/P-2
 - ▶ 2013-14 Projections
- ▶ 2013-14 Budget Scenarios
 - ▶ Growth
- ▶ Risk and Uncertainty
- ▶ Looking Ahead

- ***What is the May Revise?***

- The State Constitution requires that the Governor submit a budget to the Legislature by January 10.
- The Department of Finance proposes adjustments to the Governor's Budget through "Finance Letters" in the spring.
- By statute, the Department of Finance is required to give the Legislature all proposed adjustments, other than Capital Outlay and May Revision, to the Governor's Budget by April 1. Capital Outlay adjustments are due by May 1.
- The traditional May Revision adjustments are due by May 14, and consist of an update of General Fund revenues and changes in expenditures for school funding requirements pursuant to Proposition 98, caseload, enrollment, or population.
- The Legislature typically waits for the May Revision update before final budget decisions are made on major programs such as Education, Corrections, and Health and Human Services.
- *<http://www.dof.ca.gov/fisa/bag/process.htm>*

Budget Development Calendar

Jan 10	Governor's Budget Proposal
Jan 18	Statewide Budget Workshop
Jan 24	District Budget Advisory Committee (DBAC)
Jan 31	VSP Closes
Feb 6	Board of Trustees Meeting
Feb 10	Targets
Mar 14	District Budget Advisory Committee (DBAC)
May 15	May Revise
May 16	District Budget Advisory Committee (DBAC)
Jun 13	District Budget Advisory Committee (DBAC)
June	Adopt Tentative Budget

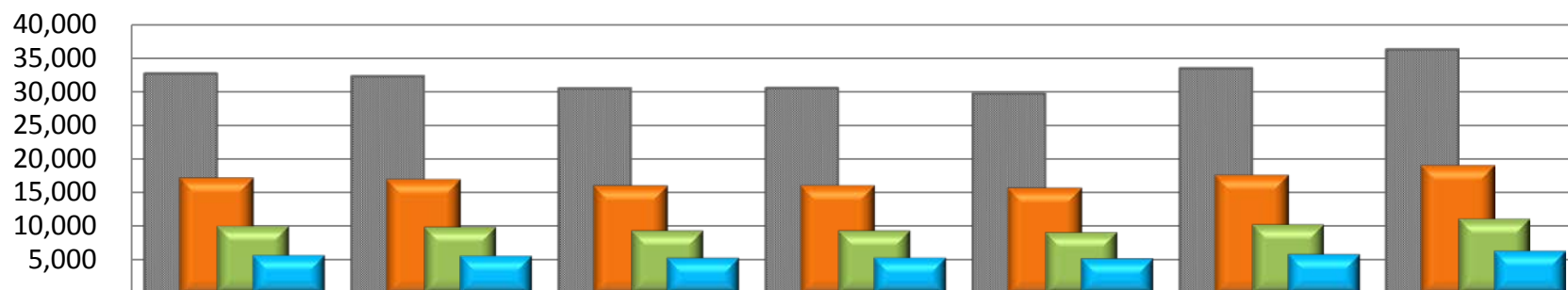
2011-12 Final Recalculation

2011-12 Final Recalculation		32,449
2012-13 (P-1)		30,704
2012-13 (P-2)		<u>29,884</u>
<i>Current FTES Below Base</i>		2,565

Note:

\$11.7 million at risk if Coast does not recover base.

2013-14 Preliminary FTES Targets Campuses – April, 2013



	2011-12 Adopted Budget	2011-12 Final Recalculation	2012-13 Stability Model (5.56% Workload Reduction)	2012-13 (P-1)	2012-13 (P-2)	2013-14 (Target = Stabilization + 3.6% Restoration)	2015-16 Base FTES Funding (4% Growth)
■ TOTAL	32,848	32,449	30,645	30,704	29,884	33,617	36,398
■ OCC - 52.11%	17,117	16,909	15,969	16,000	15,573	17,518	18,967
■ GWC - 30.51%	10,022	9,900	9,350	9,368	9,118	10,257	11,105
■ CCC - 17.38%	5,709	5,640	5,326	5,336	5,194	5,843	6,326

2013-14 Targets

2013-14 (Scenario A <P-2>)		33,617			
Target Above Base		3,733			
			OCC	1,945	52.11%
Stabilization	7.90%		GWC	1,139	30.51%
Restoration	<u>3.60%</u>		CCC	<u>649</u>	<u>17.38%</u>
Total	11.50%			3,733	100.00%

What will it take to earn 3,733 FTES?

▶ 2013-14 Target	33,617 FTES
▶ 2012-13 Adopted Budget reflects	<u>32,358 FTES</u>
▶ Difference	1,259 FTES

▶ 2011-12 Final Recalculation	32,449 FTES
▶ 2012-13 P-2 enrollment reflects	<u>29,884 FTES</u>
▶ Difference	2,565 FTES

- Assumptions
 - 3 FTES/Section
 - 1,244 Sections Required
 - \$4,300/Section
 - \$5.35 million

Risk and Uncertainty

- ▶ EPA Fund
 - Limited Term Resources
 - SUT – Four years
 - PIT – Seven years
 - 2012-13 only one cash infusion at year end
 - 2013-14 and onward – quarterly payments
- ▶ Deficit Factor
 - RDA Funds - backfill
 - Student Enrollment Fee - unclear
- ▶ Enrollment Management Risk
 - \$11.7 million at risk without FTES restoration

Budget Goals

▶ Tactical

- Earn available Restoration Funding
- Resolve Structural Budget imbalance
- Reorganization

▶ Strategic

- Foundation Grant Opportunities
 - Grow OCC to "Large" College
 - Secure State Approval for Newport Beach Learning Center
 - Secure State Approval for Le Jao Center
- Real Estate Asset Development opportunities
- Non-Resident FTES

Budget Development – Looking Ahead

- ▶ May Revise Released - May 15
- ▶ Tentative Budget Presentation
 - DBAC June
 - Audit/Budget Committee June
 - Board of Trustees June 19