

**Coast Community College District
Tentative Budget
June 23, 2010**

Board Room
5:00 PM



Budget Shortfall Forecast 2010-11

	<u>5/7/2010</u>	<u>6/23/2010</u>
A) 2009-10 Budget Reduction (covered by one-time funds)	\$ 5,822,688	\$ 5,822,688
Negative State COLA (.38%)	\$ 648,363	\$ 648,363
Board Election	\$ 550,000	\$ 550,000
Estimated Mandatory Increase		
STRS	\$ -	\$ -
PERS (1%)	\$ 430,000	\$ 355,000
UIC (.42%)	\$ 515,000	\$ 465,000
	<u>\$ 7,966,051</u>	<u>\$ 7,841,051</u>
 B) To Protect Categorical Contract Employees	 <u>\$ 1,500,000</u>	 <u>\$ 1,500,000</u>
 C) Negotiable Items		
Salary Increase		
CFE (10/11 increase .75%)	\$ 400,000	\$ 335,000
CFCE/Classified (unfunded 09/10)	\$ 450,000	\$ 340,000
CCA	unknown	\$ -
CDMA/Other	unknown	\$ -
Health Benefits	\$ 3,000,000	\$ 2,656,000
Step & Column	\$ 1,200,000	\$ 1,225,000
	<u>\$ 5,050,000</u>	<u>\$ 4,556,000</u>
 TOTAL SHORTFALL	 <u>\$ 14,516,051</u>	 <u>\$ 13,897,051</u>

Budget Shortfall Forecast for Future Years as of 6/23/10

	<u>2011-12</u>	<u>2012-13</u>
A) 2010-11 Budget Reduction (covered by one-time funds)	\$ 1,000,000	\$ 1,000,000
Board Election	\$ -	\$ 550,000
Estimated Mandatory Increase		
STRS (1%, 2%)	\$ 436,000	\$ 872,000
PERS (0.9%, 3%)	\$ 319,500	\$ 1,065,000
	<u>\$ 1,755,500</u>	<u>\$ 3,487,000</u>
 B) To Protect Categorical Contract Employees	 <u>\$ -</u>	 <u>\$ -</u>
C) Negotiable Items		
Salary Increases	\$ -	\$ -
Health Benefits	\$ 1,000,000	\$ 2,000,000
Step & Column	\$ 1,225,000	\$ 2,450,000
	<u>\$ 2,225,000</u>	<u>\$ 4,450,000</u>
 TOTAL SHORTFALL	 <u>\$ 3,980,500</u>	 <u>\$ 7,937,000</u>
CUMULATIVE SHORTFALL	<u>\$ 3,980,500</u>	<u>\$ 11,917,500</u>

Assumptions

- Faculty contract will expire June 30, 2011.
- CFE/Classified and CCA Contract will expire June 30, 2010.

Budget Solutions as of 6/23/10

Eliminate ENDS Program and All Vacant Positions	\$ 8,800,000
Increase from \$7.8 million	
• Backfill only 33 of 49 Instructional Faculty Positions	
• Do Not Backfill 2 Re-assigned Faculty	
• Reduce PT Faculty Backfill Rate from \$45,000 to \$39,200	
Reduce Summer 2010 Class Offerings	2,000,000
Reduce Non-Instructional Hourly Staff	1,000,000
Reduce Travel and Other Discretionary Expenses	500,000
Redirect KOCE Payment from Retiree Benefit Liability	500,000
One Time Funds from College Ancillary Programs	<u>1,000,000</u>
	<u>\$ 13,800,000</u>

Future Challenges

- Severe Human Resource Deficit
 - Permanent loss of \$8.8 million worth of staff positions
 - New funding required for future staff
 - Re-allocating human resources throughout the District
- Meeting the Full Time Faculty Obligation
 - State waiver will sunset
 - State adjustment will increase obligation
- New State Mandates (SB1143, etc.)
- Unknown PERS Rate Increases
- Unknown STRS Rate Increases
- Unknown Health Benefits Cost Increases
 - Increase of \$1,500 per person for 2010-11 = \$3 million
- Future State Budgets
- Future New Legislation
- Prop 98 Changes
- Unfunded Technology Needs for the Future

**Budget Conference Committee Status
Major Community College Items**

League-Supported Action.

	Governor	Senate	Assembly	Conference
Cost-of-living adjustment	-0.39%	no cut	no cut	<i>no action</i>
Growth	2.21%	2.21%	2.25%	<i>no action</i>
Part-time Faculty Compensation	-\$10,000,000	no cut	no cut	no cut**
EOPS	-\$10,000,000	no cut	no cut	no cut**
Career Technical Education	\$20,000,000	no increase***	no increase	no increase**
Basic Skills Initiative Language	no new language	redistribute 20% of money among districts based on basic skills success	no language	Compromise budget bill language to require study of performance-based funding model for basic skills program.
Student Financial Aid Administration	no new language	redistribute money based on Pell Grant (rather than BOG) awards	no language	<i>no action</i>
CalWORKs	make money flexible, conforming to CalWORKs elimination proposal	same as 2009-10	same as 2009-10	same as 2009-10**
Economic Development	same as 2009-10	same as 2009-10	+\$100,000,000*	<i>no action</i>