College Forum

Budget Status Report

November 19, 2008
Good News First!

- Facilities and Remodel
  - New Student Services Building
  - Financial Aid
  - Sports Complex
  - Ground Breaking on the new building project
Good News First!

- Increased Enrollments and Changing Demographics
  - Providing exemplary services to students
  - Restoration of lost FTES - VC generated over 10,000 FTES last year and became a mid-sized college in the state funding model.
  - Latino students became the largest group of students in Fall, 2008.
  - Ventura is an extremely efficient college with resources and achieved 102% of the student/faculty productivity 525 benchmark.
Good News First!

- Awarding of grants, contract education and continuing education
  - Outstanding service to our community
  - $5,580,000 in grants and contracts for this year
    - Title V - Developing Hispanic-Serving Institutions Program
    - CCRAA - Strengthening STEM Pathways
    - County of Ventura
    - Continuing Education
Good News First!

- Expanded Use of Technology
  - Use of Blackboard for distance education classes
  - New Director of Technology and the reorganization of IT support staff.
  - Luminis Portal
  - Curricunet
  - Omni Update
  - Campus Security
What's Happening!

Mid-Year State Budget Reductions

Governor’s Plan

Legislative Analysts Proposal

Special Session
State Legislature

Mid-Year Budget Reductions
Introduction

- The purpose of this forum is to present the status of the State, District and College budgets.

- There are three different “budget horizons” to understand and deal with.
  - **Immediate:** Make mid-year reductions using one-time (non-recurring) dollars. No positions are being cut in the mid-year budget reduction.
  - **Next Year:** Make additional reductions using recurring dollars.
  - **Longer Term:** Develop a sustainable budget by identifying college priorities and levels-of-service.
State Budget – Governor’s Plan

- State Budget Enacted – September 23, 2008
  - $103.3 billion in General Fund
  - Bridged a $15.2 billion shortfall through a combination of cuts and borrowing
  - $9.7 billion in cuts to numerous programs
  - Governor declared, “This is not a budget to be proud of.”

Community Colleges did not receive the 5.6% COLA adjustment
Governor Declared a Fiscal Emergency – November 6, 2008

- $24.2 billion budget shortfall problem (the $15.2 billion gap increased)
  - $11.2 billion is already unrealized
- Driven largely by the loss of personal income tax revenues
- Governor’s proposal:
  - $4.7 billion in additional taxes; and,
  - $4.5 billion in program cuts;
  - $2.0 billion other adjustments.

This deals with the “immediate budget horizon”.

If any of these new taxes are not implemented the budget reductions will increase!

This is about 40%, 40% and 20% in taxes, cuts and other.
State Budget - Governor's Plan

Additional Taxes
- Sales tax increase by 1.5%
- Expansion of sales and use tax (tax more items and services)
- Increase oil, alcohol and excise taxes
- Increase vehicle license fees

$332.2 Million Mid-Year Community College Budget Cuts
- Eliminate the 0.68 percent COLA ($39.8 million)
- Reduce the apportionment ($292.4 million)
- Flexibility for districts to redirect categorical funds

With the expectation to maintain course offerings
Proposal - Legislative Analysts

- Eliminate the 0.68 percent COLA
  - $39.8 million

- Increase student fees to $26/unit on January 1, 2009
  - $40 million

- Increase student fees to $30/unit on July 1, 2009
  - $120 million

Will be very difficult to implement
Proposal – Legislative Analysts

- Lower physical education credit courses to the noncredit apportionment rate
  - $60 Million

- Lower funding for “enrichment” credit courses to the noncredit rate
  - $200 Million

A larger issue is: Who defines the programs at the colleges? External agencies or the internal stakeholders?

Examples were given: photography, drawing, dance, ceramics, etc.

Reduces the State FTES apportionment rate from $4,565 to $2,745
Budget – Operating Parameters

- 50% of general fund costs are in instruction

- 50% Full-Time Obligation (district totals)
  - 812 total allowable FTEF in Fall 2008
  - 418 Full-time FTEF = 51.5% FTO

- Proposition 98 (K-14)
  - Education spending should keep pace with the growth in the California economy and increases in student enrollment.
  - Creates restoration and growth factors.
  - The Legislature may suspend the Proposition 98 funding requirement with a two-thirds vote.

Ventura College already has 728 unfunded FTES this year!
<table>
<thead>
<tr>
<th></th>
<th>Governor's Mid-year Reductions</th>
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<tbody>
<tr>
<td>1</td>
<td>0.68% COLA</td>
<td>(886,000)</td>
</tr>
<tr>
<td>2</td>
<td>5.32% General Apportionment</td>
<td>(6,926,000)</td>
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<tr>
<td>3</td>
<td>Total Reductions</td>
<td>(7,812,000)</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>District Budgeted Allocated Resources</th>
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<tbody>
<tr>
<td>4</td>
<td>0.68% COLA</td>
<td>886,000</td>
</tr>
<tr>
<td>5</td>
<td>Revenue Contingency</td>
<td>2,000,000</td>
</tr>
<tr>
<td>6</td>
<td>Subtotal Resources</td>
<td>2,886,000</td>
</tr>
<tr>
<td>7</td>
<td>Subtotal Reductions - Resources</td>
<td>(4,926,000)</td>
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</table>
## District Budget

<table>
<thead>
<tr>
<th></th>
<th>Subtotal Reductions - Resources</th>
<th>(4,926,000)</th>
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<tr>
<td>7</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2% Resources by Site</th>
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</thead>
<tbody>
<tr>
<td>8</td>
<td>Ventura College</td>
<td>860,000</td>
</tr>
<tr>
<td>9</td>
<td>Oxnard College</td>
<td>528,000</td>
</tr>
<tr>
<td>10</td>
<td>Moorpark College</td>
<td>1,020,000</td>
</tr>
<tr>
<td>11</td>
<td>District Administrative Center</td>
<td>179,000</td>
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<tr>
<td>12</td>
<td>Subtotal Site Resources</td>
<td>2,587,000</td>
</tr>
<tr>
<td>13</td>
<td>Subtotal Reductions - Resources</td>
<td>(2,339,000)</td>
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</tbody>
</table>

Ventura College’s general fund adopted budget is $43,016,061.
### District Budget

<table>
<thead>
<tr>
<th></th>
<th>Subtotal Reductions - Resources</th>
<th>(2,339,000)</th>
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</thead>
<tbody>
<tr>
<td>13</td>
<td><strong>Budgeted Unallocated Resources</strong></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Adopted Budget</td>
<td>5,408,000</td>
</tr>
<tr>
<td>15</td>
<td>FY08 Property Tax Backfill</td>
<td>1,527,000</td>
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<tr>
<td>16</td>
<td>FY09 Projected Growth</td>
<td>2,000,000</td>
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<tr>
<td>17</td>
<td>Funding Obligation Settlement</td>
<td>216,000</td>
</tr>
<tr>
<td>18</td>
<td>Mid-Year Reduction</td>
<td>(2,339,000)</td>
</tr>
<tr>
<td>19</td>
<td>Subtotal Unallocated Resources</td>
<td>6,812,000</td>
</tr>
</tbody>
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*Expected but not yet available*
### District Budget

<table>
<thead>
<tr>
<th></th>
<th>Subtotal Unallocated Resources</th>
<th>6,812,000</th>
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<tbody>
<tr>
<td>20</td>
<td>Restore Budgeted Reserve</td>
<td>(2,000,000)</td>
</tr>
<tr>
<td>21</td>
<td>Projected FY10 1% Deficit</td>
<td>(1,399,000)</td>
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<tr>
<td>22</td>
<td>Subtotal Budgeted Reserves</td>
<td>3,413,000</td>
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<tr>
<td>23</td>
<td>Unbudgeted 5% Mandatory Reserve</td>
<td>7,000,000</td>
</tr>
<tr>
<td>24</td>
<td>Total Projected FY10 Reserves</td>
<td>10,413,000</td>
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# College Mid-Year Budget Reductions

These are one-time funds and might not be available next year. The four week summer session budget will be reduced from $375,000 to $175,000.

<table>
<thead>
<tr>
<th></th>
<th>Ventura College Budget Reduction</th>
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<tbody>
<tr>
<td>1</td>
<td>Positions Holding Variance</td>
</tr>
<tr>
<td>2</td>
<td>4 Week Summer Session</td>
</tr>
<tr>
<td>3</td>
<td>Advertising Community Relations</td>
</tr>
<tr>
<td>4</td>
<td>Positions Benefits</td>
</tr>
<tr>
<td>5</td>
<td>1% Carry-forward Reserves</td>
</tr>
<tr>
<td>6</td>
<td>Total Reductions</td>
</tr>
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Includes vacancy dollars.
Community Colleges are part of the solution!

- Workforce Development
- Economic Development
- Flexible and Responsive Services
- Higher Education Access
- Comprehensive Mission

Advocacy!
Conclusion

- This presentation of Ventura College’s mid-term reductions dealt with the easiest of the three budget horizons.
  - Immediate: Make mid-year reductions using one-time dollars.
  - Next Year: Make additional reductions using recurring dollars.
  - Longer Term: Develop a sustainable budget by identifying college priorities and levels-of-service.

- We need to start planning for the next two “budget horizons”.

College Forum

Thank You