

## Budget Update – April 3, 2012

### College Council

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- Final Budget for 2011-12 – *adopted September 2011*
  - Worst case budget assumed (includes trigger cuts)
  - Estimated increases in deficit show in black and savings shown in red
  - Budget response included a combination of attrition savings, wage concessions, district one-time funds, and workload reduction measures

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- Updated 2011-12 budget including changes
  - Many of the anticipated budget savings are not likely to materialize
    - ✓ 15% reduction in dept. budgets
    - ✓ Reduction in ISAs
    - ✓ Reduction in adjunct budget
    - ✓ Additional CDC revenues will not fully materialized
  - Other surprises
    - ✓ Significant deficit coefficient (96.5 cents on the \$) applied to apportionment
    - ✓ FTES generation is running below cap – need to take measures (\$\$) to minimize stability funding in 2012-13

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- Beginning budget development for 2012-13
  - Assume worst case – additional trigger cut of \$1.76M if tax initiative does not pass in November
  - Identify known expenditure increases and decreases

**Final Budget 2011-12 Adopted September 2011**

**Starting Budget Deficit for 2011-12**

**\$2,943,808**

**Identified Increases:**

PERS	\$38,462	
SUI	\$187,518	
Classified Reclass / Equity	\$115,552	
Property Insurance	\$17,000	
Utilities	\$72,063	
Use of MCOE financial system	\$53,010	
Non-Resident Fee Decrease - Statewide Avg. Dropped	\$25,000	
Data Lines - Ed Ct.	\$34,005	
<i>Mgmt, Conf &amp; Admin Step &amp; Long</i>	<i>\$42,174</i>	
<i>Classified Step &amp; Long</i>	<i>\$108,391</i>	
<i>Faculty Step &amp; Col - included in net retirement savings</i>	<i>\$0</i>	

*\$708,477 Ongoing Incr.  
incl'd step,col, long*

Trustee Election	\$199,000
Demographic Study	\$31,000
Library Materials	\$70,000

**Wage Concession: Net after adjustments**

Management 2.02%	(\$70,094)	
Classified 2.25% / 3.02% prorated	(\$226,595)	
Faculty 2.02%	(\$344,587)	
		<u>(\$641,276)</u>

**Attrition Savings: (in silos to arrive at wage concession)**

Classified	(\$25,000)	
Management	(\$150,000)	
Faculty (1st year savings 11-12)	(\$636,288)	
		<u>(\$811,288)</u>

**Other:**

District one-time money	(\$750,000)	One-time
15% reduction in department budgets	(\$105,000)	
Reduction in ISAs	(\$439,000)	
Reduction in Adjunct Budget because of workload reduction	(\$300,000)	
PT Faculty Funding - faculty silo	(\$180,000)	
Reduced Support of CDC	(\$200,000)	
Furlough Money for Classified from 10/11 - classified silo	(\$257,110)	One-time
		<u>(\$2,231,110)</u>

Remaining Deficit before Medical Benefits Savings

**\$253,309**

**Updated 2011-12 Budget - April 2012**

**Starting Budget Deficit for 2011-12**

**\$2,855,198**

**Identified Increases:**

PERS	\$38,462
SUI	\$187,518
Classified Reclass / Equity	\$115,552
Property Insurance	\$17,000
Utilities	\$72,063
Use of MCOE financial system	\$53,010
Non-Resident Fee Decrease - Statewide Avg. Dropped	\$25,000
Data Lines - Ed Ct.	\$34,005
<i>Mgmt, Conf &amp; Admin Step &amp; Long</i>	<i>\$42,174</i>
<i>Classified Step &amp; Long</i>	<i>\$108,391</i>
<i>Faculty Step &amp; Col - included in net retirement savings</i>	<i>\$0</i>
Trustee Election	\$100,000
Demographic Study	\$31,000
Library Materials	\$70,000

**Wage Concession: Net after adjustments**

Management 2.02%	(\$70,094)
Classified 2.25% / 3.02% prorated	(\$226,595)
Faculty 2.02%	(\$344,587)
	<u>(\$641,276)</u>

**Attrition Savings: (in silos to arrive at wage concession)**

Classified	(\$25,000)
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Faculty (1st year savings 11-12)	(\$636,288)
	<u>(\$811,288)</u>

**Other:**

District one-time money	(\$750,000)	One-time
15% reduction in department budgets	(\$25,000)	
Reduction in ISAs	\$0	No savings - over budget
Reduction in Adjunct Budget because of workload reduction	\$0	No savings - over budget
PT Faculty Funding - faculty silo	(\$180,000)	
Reduced Support of CDC	(\$75,000)	
Furlough Money for Classified from 10/11 - classified silo	(\$257,110)	One-time
	<u>(\$1,287,110)</u>	

**Remaining Deficit before Medical Benefits Savings**

**\$1,009,699**

Allocated Medical Benefits Savings per Agreements	(\$425,833)	
Increase in Adjunct Budget	\$400,000	One-time
Increase in ISA + Adjunct budgets to secure more FTES	\$424,342	One-time
Deficit Coefficient Reduction	\$822,295	One-time
	<u>\$1,646,637</u>	

**Unbudgeted Deficit for 2011-12**

**\$2,230,503**

<b>Worst Case Trigger Cut 2012-13</b>	\$1,766,000
<b>Deficit Coefficient 2012-13</b>	??

**Estimated Increases in 2012-13:**

TRAN Cost	\$50,000
SIS Fee Increase - assumes MPC bears full cost	\$60,000
PERS	\$0
Classified Reclass / Equity increase	\$122,078
Additional cost to increase FTES	\$0
Search Consultant	\$30,000
Other	\$0

**Estimated Savings in 2012-13**

FORA Environmental Insurance Expires	<u>(\$50,000)</u>
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<b>Total Deficit to Close in 2012-13</b>	<b>\$1,978,078</b>
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