San Joaquin Delta College Community College District

Governor’s Budget 2013-14

Raquel Puentes-Griffith, Controller
Board of Trustees Meeting
January 22, 2013
Overview

- State and District Budget Process
- Governor’s Budget Highlights
- District Impact
- Closing Key Points - Risks and Other Considerations
State Budget Process Summary

- **January 10**: Governor’s Budget
- **Late Jan - Feb**: LAO Analysis
- **March – May**: Legislative Subcommittees
- **May 15**: May Revise
- **June 15**: Legislature Budget Deadline
- **Mid – Late Jun**: Governor Signs Budget
District Budget Process - Assumptions

- **January/February**
  - Recurring Base
  - Governor's Budget
  - First Apportionment – P1

- **March/April – Preliminary Assumptions**
  - Revenue Assumptions:
    - FTES Target, Restoration/Growth, COLA
    - Deficits, Trigger Reductions, Other Revenue
  - Expenditure Assumptions:
    - FON, Positions FTE Level, Step/Column, Benefit Increases
    - Program Review Resource Requests
    - Utilities, OPEB, Other Operational
    - Other funds, Self Insurance, Auxiliary
  - Current Year Preliminary Financial Projections
District Budget Process - Tentative

- March/April – Assumptions

- May/June – Tentative Budget
  
  *No Later than July 1 – per Title 5, Sec 58305(a)*
  
  - May Revise – State Budget
  
  - Assumption Adjustments/Other Obligations
  
  - Updated Financial Projections

  Tentative

  Adopted
The Budget Process - Adopted

- March/April – Assumptions

- May/June – Tentative Budget

- August/September – Adopted Budget
  
  *By Sep 15th – Per Title 5, Sec 58305(c)*
  
  - Final Year-End Closing Figures
  - Final Apportionment – P2
  - Public Hearing
Governor’s Budget Highlights

• State is beginning to slowly recover
• There is a clear priority to restore education….along with heavy expectations for change
  • $197 million increase to System – either FTES restoration and/or COLA to be decided by BOG
    • ~ $2.4 million to District
  • $179 million deferral buy down
    • ~ less in borrowing costs and improve cashflow
  • $49.5 million in energy projects Prop 39 funding

• More policy impact than fiscal impacts
  • Online education efforts
  • Adult Education and Apprenticeship
  • Census date to completion based funding; 90 unit limit

• Much to sort out in the coming months….
District Impact

• The proposed $197 million increase in ongoing revenue…
  • Translates to *approximately* $2.4 million
  • If restoration, *approximately* 540 FTES

• Offset the District's annual increase in costs
• Significantly reduce the structural budget deficit for 2013-14
• Most likely, we will not need the planned $2 million expenditure reduction in 2013-14.
Key Closing Points
Risks and Other Considerations

- Governor’s proposed budget – just the beginning of the process
- The economic recovery is fragile both at the national and state level
- The time that Prop 30 bought should be used wisely to rebuild a new, more efficient, more effective and stronger System
- Educational sector was delivered a mandate with being a funded priority…must be successful
- We are the catalyst for long term economic recovery