

## Community College Financial Projection Dartboard 2011-12 Adopted State Budget and ABX1 32 Version (September 23, 2011)

This version of SSC's Financial Projection Dartboard is based on the 2011-12 Adopted State Budget, updated to reflect subsequent events, including the enactment of ABX1 32. The COLA, CPI, and ten-year T-bill factors have not changed from the last version of the Dartboard; the workload reduction figures and the footnotes have been updated to reflect events subsequent to the enactment of the State Budget. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are, at best, general guidelines.

Factor	2010-11	2011-12	2012-13 <sup>1</sup>	2013-14	2014-15	2015-16
Statutory COLA for Apportionments	-0.39%	2.24%	3.10% <sup>2</sup>	2.80%	3.00%	3.20%
<b>Funded COLA</b>	<b>0%</b>	<b>0.00%</b>	<b>3.10%</b>	<b>2.80%</b>	<b>3.00%</b>	<b>3.20%</b>
Growth Funding	2.2%	0.00%	0.00%	3.0%	3.0%	3.0%
<b>Workload Reduction<sup>3</sup></b>	<b>-3.34%</b>	<b>Additional<sup>4</sup> -6.2%, Total 9.54%</b>	<b>Ongoing</b>	<b>Ongoing</b>	<b>Ongoing</b>	<b>Ongoing</b>
"Protected" State Categorical Programs <sup>5</sup>	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
"Unprotected" State Categorical Programs <sup>6</sup>	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
California CPI	1.80%	3.20%	2.80%	3.00%	3.10%	3.30%
California Lottery <sup>7</sup>	Base Prop 20	\$111.75 \$17.00	\$111.75 \$17.00	\$111.75 \$17.00	\$111.75 \$17.00	\$111.75 \$17.00
PERS Employer Rate	10.707%	10.923%	12.0%	12.0%	12.0%	12.0%
Interest Rate for 10-Year Treasuries	3.10%	3.50%	4.00%	4.10%	4.20%	4.40%

<sup>1</sup> The 2012-13 Budget Proposal submitted by the Chancellor's Office is requesting restoration of all prior-year COLAs, workload reductions, and categorical funding cuts, funding for the 2012-13 estimated COLA, and one-time funding for deferred maintenance, instructional equipment, and mandate reimbursements. The Dartboard recognizes this as a request that local agencies are advised not to include this in their financial plans just yet; therefore, the factors here represent what we advise for planning until the Governor's January Budget Proposal is unveiled in January 2012.

<sup>2</sup> While a positive statutory COLA is projected for 2012-13, the state's ability to fund it is suspect. Districts should have a contingency plan if the state decides not to fund the COLA.

<sup>3</sup> The Budget Act includes trigger language for midyear cuts if state revenues are falling short of projections in December, as follows: (a) If revenues for the year are estimated to be less than \$1 billion below the forecast, then no changes are required; (b) If revenues fall between \$1 billion and \$2 billion lower, then a series of additional cuts are triggered, including a \$23 million across-the-board cut to child care and an additional \$30 million reduction to community college apportionments (applied as a one-time 0.63% general deficit), accompanied by another \$10 increase to student enrollment fees (to \$46/unit, delayed to summer 2012 per ABX1 32); (c) If revenues fall more than \$2 billion, then the state will impose additional cuts to public education of up to \$1.9 billion—an additional \$72 million reduction to community college apportionments (applied as a 1.52% workload reduction) and the rest would be cuts to K-12 education.

<sup>4</sup> This is a result of the \$190 million reduction in general purpose funding in 2009-10 and the \$313 million reduction in 2011-12 (\$290 million from the Budget Act and \$23 million for district base funding increases not funded by the state).

<sup>5</sup> Reflects 2009-10 cut of 32% (except as noted in list). Programs are "protected" because the funding restrictions and requirements remain.

#### Protected Programs

- Basic Skills
- CalWORKs (augmented 2009-10)
- Career-Technical Education (augmented 2010-11)
- Cooperative Agency Resources for Education (CARE)
- Disabled Students Programs and Services (DSPS)
- Extended Opportunity Programs and Services (EOPS) (48% cut)
- Fund for Student Success
- Foster Care Education (25% cut)
- Nursing Program Support
- Student Financial Aid Administration
- Telecommunications and Technology

<sup>6</sup> Reflects 2009-10 cut of 62% (except as noted in list). Programs are "unprotected" because, following a public hearing of the governing board, districts can redirect the funding to any other state categorical program, and funding restrictions and requirements are waived as a result through 2014-15. Funding allocations will be proportional based on 2008-09.

#### Unprotected Programs

- Apprenticeship
- Campus Child Care Tax Bailout
- Economic Development
- Equal Employment Opportunity
- Matriculation
- Part-time Faculty Compensation (71% cut)
- Part-time Faculty Health Insurance
- Part-time Faculty Office Hours
- Physical Plant/Instructional Support (funding eliminated)
- Transfer Education and Articulation

<sup>7</sup> The forecast for Lottery funding per FTES includes both base (unrestricted) funding and the amount restricted by Proposition 20 for instructional materials. Lottery funding is initially based on prior year actual annual FTES, and is ultimately based on current-year annual FTES.