SANTA BARBARA CITY COLLEGE ASSUMPTIONS USED TO DEVELOP THE 2011-12 ADOPTED BUDGET

Board of Trustees Study Session August, 2011 August 11, 2011

The overall major assumptions for building the 2011-12 Adopted budget are based on the Scenario using the state budget adopted on June 28, 2011. The state budget uses the optimistic revenue assumption that would result in a \$4.264 million reduction in revenues for the College. If the state revenue does not materialize the state would increase the reduction in revenue for the College to \$5.185 million on December 15, 2011. The College chose to use the conservative approach for our Adopted Budget of \$5.185 million. This will result in assuming:

- An ongoing reduction in general fund revenues of \$5.185 million (5.6%) starting in 2011-12 and implemented through workload reduction. Workload reduction is a reduction in the full-time equivalent students funded by the State equivalent to the reduction in revenue. This includes the triggers should the state revenue not reach targets.
- Implementation of this \$5.185 million reduction in revenue is phased over a three-year period starting in 2011-12
- In 2011-12, the following reductions in budget are implemented

 Total reduction in unrestricted general fund budget of \$2 million through
 a combination of reductions in budgets and actual expenditures as
 follows:

70 credit sections reduced in Spring 2012 equivalent to \$357,000 reduction in the TLU allocation (Summer 2011 and Fall 2011 kept at the same level as Summer 2010 and Fall 2010, respectively)

Reduction of \$90,000 in Continuing Education direct instructional expenditures by converting 60 sections from free (tn9o33jve[e)44(f)-62631u58 P MC

For the scenario "Adopted Budget with less than \$2 billion of new revenue," the

- 7. It is assumed there is a deficit factor to cover the deferral of the increase in student fees from \$36 to \$46 per unit until summer 2012 and the \$25 million in the shortfall of fees collected (see discussion above). **The deficit is estimated at \$1 million.**
- 8. Nonresident student enrollments from international and out

(state-supported) to fee-based. This translates to about 252 class sections to be converted over a three-year period. In order to make the transition easier and provide maximum opportunity for consultation, discussion and input, the number of sections to be converted will be smaller in 2011-12 compared to 2012-13 and 2013-14. For 2011-12, Continuing Education will need to convert to fee-based 60 sections to meet this target. For 2012-13, the target is 96 additional sections and for 2013-14 96 more sections. For 2011-12, this will result in about \$90,000 reduction in direct instructional expenditures.

k. No funding will be transferred to the hourly budget for the Express to

approximately 2 fewer full-time faculty positions are required for each 1% decline in funded CA credit resident FTES. As such, retirements or resignations of full-time faculty occurring in 2011-12 and beyond will be replaced only in very limited cases. A process for determining which positions will be replaced will be developed in consultation with the Academic Senate.

- 7. The increase for fixed and mandated expenses is based on actual or trends. Fixed and mandated expenses consist of increases in maintenance agreements, utilities, postage, rent etc. The projected net increase is \$242,083.
- 8. Workers compensation insurance has increased statewide. The projection is the current rate of 1.38% and it is increasing to 1.58% in 2011-12.

9.

4. Transfer