2009-10 Planning and Budget Forum

September 8, 2009
Planning, Budgeting, and Assessment (PBA) Process as of October, 2008

1. Strategic Direction Review/Refinement
   - Inputs: System Strat Plan, District Strat Plan, Fd Plan, Other Plans, Balanced Scorecard, Fall enrollment projections, Snapshot, Surveys, Budget, Board/Community Input, Program Review, Assessment Data etc

2. Unit Planning/Prioritization Guidance

3. Area and College Faculty/Personnel Prioritization
   - Tier 1 (mid-year hires – form Cmtes)
   - Tier 2 (hi priority for Fall, form Cmtes)
   - Tier 3 (hire if resources available)

4. College Faculty Tier 3: Guidance to form hiring committees and advertise

5. Unit Plans complete

6. Area Prioritization (one time and ongoing requests)

7. College faculty Tier 3 Go/ No Go decision

8. College establishes ongoing and one-time priorities

9. Augmentation decision

10. Budget Development begins

11. Objectives and Action Plans developed and coordinated

12. Final Budget

13. Review and Refine

Process ensures that planning informs resourcing decisions and that evaluation informs planning

Inputs: Governor’s budget proposal, Spring enrollment projections

Inputs: Program Review, Program Review Template, Student Learning Outcomes data, Strategic Direction, assessment of prior unit plan
AGENDA:
- Revised State Budget
- Challenges and Threats
- Butte College 2009-10 Budget
- Opportunities
- Frequently Asked Questions (FAQs)
- More Q & A
2009-10 Revised State Budget

- February Budget addressed $42 bil. gap
- May Budget addressed another $15 bil. Gap
- Ballot measures fail, gap grows to $21 bil.
- A few days later, gap grows to $24 billion
- Approved budget cuts $680 mil. to CCs
2009-10 Revised State Budget

- Student fees increase to $26 per unit ($80 million to mitigate cuts)
- Assumes $130 million in federal (ARRA) funds
- No COLA revenue
- No Growth revenue
2009-10 Revised State Budget

- Categorical Cuts ($333 million)
  - No cuts: Student Financial Aid Administration, Foster Care Education
  - 16% cut: CalWorks, Basic Skills, DSPS, EOPS, CARE, FSS, Nursing
  - 17% cut: SB 70 Career Tech Education
  - 20% cut: Telecommunications/Technology

Note: Percentage cuts assume federal backfill of $130 mil.
2009-10 Revised State Budget

Categorical Cuts ($333 million) cont.

- 32% cut: Economic Development, Equal Employment Opportunity, Transfer Education and Articulation, Matriculation, Part-time Faculty Compensation, and Part-time Faculty Office Hours

- Elimination: Physical Plant/Instructional Equipment

  Note: Percentage cuts assume federal backfill of $130 mil.
2009-10 Revised State Budget

- General Purpose Cut - $120 million
- Property Tax Shortfall - $53 million
- Student Fee Shortfall - $21 million
- Reduced Workload Measures
- Categorical Flexibility
Challenges and Threats

- Economic Recovery Slow – (CA even slower)
- Uncertainty of federal (ARRA) funds
- Mid-year Cuts
- Additional Property Tax Shortfall
- Structural Imbalance of State Budget
Butte College 2009-10 Budget

- Changes:
  - Restoration funds: $4.1 million
  - State Budget Cuts: (1.9 million)
  - Net Revenue: $2.2 million
  - Salaries and Benefits: 2.2 million
  - Subtotal: 0
## Butte College 2009-10 Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other operating, personnel, and equipment costs</td>
<td>$2.1 million</td>
</tr>
<tr>
<td>Strategic Budget Reductions</td>
<td>(1.4 million)</td>
</tr>
<tr>
<td>Reserves</td>
<td>(0.7 million)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

Other probable uses of reserves in 2009-10:
- Retirement Incentives
- PT faculty budget to fund sections
- Additional categorical backfill
Advantages and Opportunities

- Additional Restoration Funding – 2%
- Center Status Funding – 2%
- Attrition – Vacancies and Retirements
- Reserves
Full-time Equivalent Students (FTES)

- 2004-05: 11918
- 2005-06: 11480
- 2006-07: 11016
- 2007-08: 10773
- 2008-09: 11655
- 2009-10: 11655

Restoration: 11902 (247)
Frequently Asked Questions

- How are we doing comparative to other districts?
- Will there be additional mid-year cuts?
- How much federal funding will we receive and how will it be used?
- How do we plan to avoid layoffs?
- Will Administration take the same personnel consolidations as the staff?
Frequently Asked Questions

- What is our reserve status and how is it being used?
- What is the reserve for if this is not a time to use the reserve?
- Why not use part of the reserve for salaries even though they are one-time money as the state claims it will pay back the system in 2012. If that doesn’t happen, then we can lay off as necessary.
Frequently Asked Questions

- How are the Administration budgets being affected?
- What is the Information Technology budget and are they being cut as well?
- How will Travel/Conference budgets be affected?
- How are the effects on funding of “non-essentials” such as BCLDI? Are there cuts to Academic Senate, etc?
Frequently Asked Questions

- Is the District willing to share line item details with us so that we can understand where all of our money is being spent?
- What criteria is being used for section cuts and how does this affect programs?
- What are the financial effects on associate faculty?
- What is the impact on work study and student employees?
Frequently Asked Questions

- There is concern that some of these ‘emergency’ decisions may become permanent.
- Why is Perkins IV money being taken from allocated programs and shifted elsewhere on campus?
- What is the process for relating cost saving measures? How will we know about their implementations and the follow through effects?
- How can Classified be involved in the cost-cutting decisions beyond just being informed of what administration is deciding?
Frequently Asked Questions

- In regards to Fund 69 our Retiree Benefits Fund. The fund has $19.9 million set aside for retiree benefits. Is it true (or do we know whether) the actuarial was flawed? If so, would it be financially prudent to have the actuarial redone in order to have an accurate figure? Regardless of the answers to the above two questions (but especially if the answers are yes), wouldn’t $19.9 million and the interest it garners be enough to get us by for a few years without additional input? In other words, couldn’t we use the $731,000 to help fund operations during the next few years and help avoid layoffs?
QUESTIONS???

Presentation available on the website:
http://www.butte.edu/community/about/pba/pba_committee.html