2008-09 Planning & Budget Assumptions

Board Policy:
A. Based on Board policy, assume that a general reserve balance of 6% of State and local income will be maintained. Further assume the general reserve will be at the 5% as required by the Board of Governors.

The following assumptions are based on the Governor’s State Budget signed on September 23, 2008.

Enrollment Fee Increase:
B. Assume student fees will not increase.

Projected New Revenues:
C. Assume state general revenues will be allocated per SB 361.
D. Assume growth will be funded at 2.0% statewide. However, since the District is borrowing about 150 FTES from 2008-09 to maintain 2007-08 base revenue, it is unlikely that the District will achieve any growth in 2008-09. Thus, no growth funds are budgeted. However, any growth achieved up to 1.56% will be funded.
E. Assume that COLA will be funded at 0.68%. (District will receive about $316,267—set aside funds for pending mid year cuts.)
F. Assume $200 million deferral continues and the June apportionment is moved from July to September 2008.
G. Assume $250 million of apportionment for January, February, March 2009 will be delayed until April, May, and June 2009.

Projected One Time Revenues
H. Assume $75 million in one time funds is available to partially backfill property tax shortfall in 2007-08. (District will receive about $545,311—set aside funds to cover increased property tax shortfall in 2007-08 and pending property tax shortfall in 2008-09.)

Projected Cuts to Revenues
I. Assume COLA and growth for selected categorical programs, i.e., EOPS/CARE, DSPS, Matriculation, and Basic Skills will not be funded statewide.
J. Assume funding for categorical programs (EOPS/CARE, DSPS, Matriculation, Student Financial Aid Administration) will remain at the same level as 2007-08.
K. Assume funding for Part-Time Faculty Compensation will be remain at the same level as 2007-08.
Projected reallocation of revenues to cover budget shortfall:

AA. The escrow amount of $375,365 (used for property tax/enrollment fee shortfall) will be reallocated to partially cover estimated budget shortfall of $881,786.

BB. The new program development budget in the amount of $70,000 will be reallocated to partially cover estimated budget shortfall of $881,786.

CC. About $367,366 of unearned FTES funding is available to partially cover estimated budget shortfall of $881,786.

DD. About $20,000 will shift from the unrestricted accounts to categorical programs. The amounts shifted to categorical programs are within the scope of the categorical program. This savings will be reallocated to partially offset the estimated budget shortfall of $881,786.

Projected Budget Updates:

These assumptions were revised after the Governor signed the 2008-09 State Budget on September 23, 2008.