MISSION STATEMENT

Norco College provides educational programs, services, and learning environments for a diverse community. We equip our students with the knowledge and skills to attain their goals in higher, career/technical, and continuing education; workforce development; and personal enrichment. To meet the evolving community needs, Norco College emphasizes the development of technological programs. As a continuing process, we listen to our community and respond to its needs while engaging in self-examination, learning outcomes assessment, ongoing dialogue, planning, and improvement.
Budget Impact 2011-12

- 6.8% budget reduction=$400 million
- $10 fee increase per unit=$36 (38.5%)
- 2009-10 CC System reduced by $520 mil
IMPACT OF FEE INCREASE

- $26 Per credit for 15 units = $780/yr.
- $36 Per credit for 15 units = $1,080/yr.

Prior to 1984 CC = no fees
CCs Are A Wise Investment

- 70% of CA higher Ed students are at CC
- 70% of nurses in CA educated at CC
- 80% of firefighters, law enforce officers and emergency medical technicians trained by CC
- 75% of CA GI Bill Veterans attend CC
Norco College Strategies

- Cuts in section are ordered by the District based on budget as directed by the Board of Trustees.
- Enrollment Management Task Force will recommend priorities for required cuts in sections to minimize impact on student.
  - This is a representative task force of all campus constituencies.
- The Emergency Budget Advisory Group will be reconvened this summer when the extent of cuts are known.
  - All constituencies will be represented, student representatives strongly encouraged.
FY 2011-2012 Projected Budget Problem

*** Major Components ***

Size of Problem $ (18.41M)

- Difference between 2011-12 revenues & expenditures based on what we know today… but the situation is fluid
The budget “problem” comes from five sources:

- Significant One-Time Issues
- Anticipated State Budget Cuts
- Expenditures on Automatic Pilot
- Fixed Cost Increases
- Carryover of Prior-Year Deficit
In any budget year, expenditure items go up, down or remain the same. Additionally, most are ongoing (i.e. base) expenditures, whereas some are either one-time or intermittent in nature. Following are the major items affecting the RCCD budget for FY 2011-12.

**Significant One-Time Budget Issues**

Performance Riverside Negative Balance and Major Gifts Campaign Outstanding Balance $1.63M

**Anticipated State Budget Cuts**

State Cut Based on the Governor’s January Budget $6.80M
Automatic Pilot (mainly internally driven)*
- New Facilities (RCC Nursing/Science, MVC NOC, & NC NOC & Secondary Effects)
- Benefit Cost Increases, Step Increases $3.63M

* These are automatic, but not totally uncontrollable

Fixed Costs (mainly externally driven)
- PERS & Unemployment Insurance (possibly higher)
- Estimated Increases in Utilities $1.75M
Prior Year One-Time Solutions (FY 2009-2010)

- Golden Handshake Savings $ 3.40M
- Prior Year Carryover in Excess of the 5.0% Reserve Requirement $ 2.40M

- These are one-time monies used last year that are not available to cover expenses in the coming year.
Proposed Solutions

FY 2011-2012 Budget Problem $ (18.41M)

Proposed Budget Adjustments

1. Contingency Drawdown from $11.26m to $8.04m to get the 5% Reserve Level (July 1, 2011) $3.22M

2. Adjustments in state income and PERS $1.36M

3. No Additional BCTC Sheriff Academy $0.34M

4. Interfund Borrowing (Audit requirement) – Payoff Major Gifts Campaign Receivable ($0.90m) and Eliminate Performance Riverside Accumulated Deficit to Increase Resource 1000 Fund Balance ($0.73m) $1.63M
5. Outsource Safety & Police Dispatch Operation                $0.25M

6. Eliminate March Dental & March Education Center Rent       $0.16M

7. Reduce New Facility Operating Cost Estimates               $0.84M
   (Nursing/Sciences $.70m; Norco Secondary Effects & Network Operations Center will not be completed until FY 12-13 $.14m)

8. Reduce Printing of Class Schedule & Catalog                $0.05M

9. Positive Budget Variance - Estimated Vacancy Savings/Hiring Freeze & Non-Rehires $2.94M

Total Proposed Budget Adjustments $10.79M

FY 2011-2012 Remaining Budget Problem $(7.62)
<table>
<thead>
<tr>
<th>Proposed Budget Strategies</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Enrollment/Schedule Reduction Across Four (4) Terms</td>
<td>$2.93M</td>
</tr>
<tr>
<td>2. Utility Savings from College Closure (not contemplated at this time)</td>
<td>-</td>
</tr>
<tr>
<td>3. Compensation Adjustment (management furlough)</td>
<td>$0.28M</td>
</tr>
<tr>
<td>4. Short-Term Temporary ($1.28m) &amp; Student Employees ($0.55m) - 20% Reduction</td>
<td>$0.37M</td>
</tr>
<tr>
<td>5. Eliminate/Reduce Categorical Backfill (not being eliminated at this time)</td>
<td>-</td>
</tr>
<tr>
<td>6. Reduce 5% Contingency Reserve to 3.0%</td>
<td>$2.92M</td>
</tr>
</tbody>
</table>

Total Proposed Budget Strategies: $6.50M

FY 2011-2012 Remaining Budget Problem: $(1.12)

This will be covered by interfund borrowing.
FY 2011-2012 Projected Budget Planning

*** Credit FTES ***
FY 2009-2010 Unfunded Credit FTES

Actual Credit FTES at FY 2009-2010 P1
Recalculation 30,960.73

Funded Credit FTES for FY 2009-2010 P1
Recalculation (26,051.08)

Unfunded Credit FTES for FY 2009-2010
(Represents 18.85%) 4,909.65
FY 2010-2011 Credit FTES Projection

Beginning Actual Credit FTES for FY 2010-2011 (From FY 2009-2010 P2) 30,960.73

Less, FTES Reductions for Compressed Calendar Change and Section Reductions (2,386.13)

Estimated Total Actual Credit FTES for FY 2010-2011 P1 Recalculation 28,574.60

Less, Funded Base Credit FTES for FY 2010-2011 P1 Recalculation 26,051.08

Less, Funded Growth Credit FTES for FY 2010-2011 (2.2%) 638.28

Total Funded Credit FTES for FY 2010-2011 (26,689.36)

Estimated Unfunded Credit FTES for FY 2010-2011 (Represents 7.06%) 1,885.24
FY 2011-2012 Credit FTES Projection

Beginning Estimated Total Credit FTES from FY 2010-2011: 28,574.60

Enrollment/Schedule Reduction: (2,218.00)

Estimated Total Credit FTES for FY 2011-2012: 26,356.60

Less, Beginning Funded Base Credit FTES FY 2011-2012: 26,689.36

Less, Estimated Workload Reduction (Governor’s Proposed Budget): (1,439.38)

Estimated Funded Credit FTES for FY 2011-2012: (25,249.98)

Estimated Unfunded Credit FTES for FY 2011-2012 (Represents 4.38%): 1,106.62
FY 2011-2012 Projected Budget Problem

*** Solutions Sustainability Analysis ***
Solutions Sustainability Analysis

**Question:** To what extent will the FY 2011-12 projected budget problem, though solved in the short term, continue into FY 2012-13?

- One-Time Only Solutions $8.30M
- One-Time Solutions for One-Time Problems $1.63M
- Ongoing “Base” Solutions $8.48M
- Total Solutions $18.41M
### Solutions Sustainability Analysis (continued)

#### FY 2012-13 Projection

<table>
<thead>
<tr>
<th></th>
<th>Best Case</th>
<th>Middle Case</th>
<th>Worse Case</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Projection</strong></td>
<td>$ (1.88M)$ (^1)</td>
<td>$ (7.65M)$ (^2)</td>
<td>$ (11.18M)$ (^3)</td>
</tr>
<tr>
<td>Exclude STRS</td>
<td>-</td>
<td>$1.88M$</td>
<td>$3.75M$</td>
</tr>
<tr>
<td><strong>Revised Projection</strong></td>
<td>$ (1.88M)$</td>
<td>$ (5.77M)$</td>
<td>$ (7.43M)$</td>
</tr>
<tr>
<td>Prior-Year One-Time Solutions</td>
<td>$ (8.30M)$</td>
<td>$ (8.30M)$</td>
<td>$ (8.30M)$</td>
</tr>
<tr>
<td><strong>Projected Budget Problem, Fiscal Year 2012-13</strong></td>
<td>$ (10.18M)$</td>
<td>$ (14.07M)$</td>
<td>$ (15.73M)$</td>
</tr>
</tbody>
</table>

\(^1\) Assumes $5.94m in New State Funding  
\(^2\) Assumes $1.67m in New State Funding  
\(^3\) Assumes No New State Funding
• The situation is in constant flux. At this point no one knows what the final state budget will look like or when it will be passed.
• Cuts in state funding could be much higher than those initially projected by the Chancellor as a June election on tax extensions becomes less likely.
• We may be well into the next academic year before the situation becomes clear.
What can you do?

◦ Talk to friends, family and co-workers about the importance of Community Colleges.
◦ Let your representatives know your position.
◦ Look for opportunities to be a “collective” voice like Hands Across California:
  http://www.handsacrosscalifornia.org/