

**Feather River Community College District**  
**REVENUE PROJECTIONS and BUDGET ASSUMPTIONS**  
for  
**2011-12**  
- as of April 17, 2011 -

<b>Prior to Anticipated State-Mandated Apportionment Reduction—</b>	
Total Projected Unrestricted Revenue for 2011-12*:	\$12,909,794
Consisting of	
a. General Revenues**	\$11,116,114
b. Other Revenue***	\$1,793,680
<b>Anticipated State-Mandated Apportionment Reduction—</b>	
a. Cut Estimated at 15%, assessed against General Revenue only:	\$1,667,417
b. Corresponding FTES 'Workload Reduction' @ 15% of 1630: 245	
<b>Net Total Projected Unrestricted Revenue for 2011-12:</b>	<b>\$11,242,377</b>
—expected to be certified as Budgeted Unrestricted Revenue for 2011-12 on 311Q, and entered into Board-approved Tentative Budget.	
—Barring an early state budget that yields a different Unrestricted Revenue number, all non-restricted expenditures will be budgeted against this number, and all reductions will be counted towards the above Cut number.	

**\*Detail Breakdown of Total Projected Unrestricted Revenue:**

<b>** a. General Revenues (Prior to Anticipated Reduction)****</b>	
1. Property Taxes (Tax Allocation – Secured Roll)	\$5,266,748
2. Enrollment Fees (8874,8875,8882)	\$537,411
3. State Apportionment (8610,8615,8619)	<u>\$5,311,955</u>
	<b>\$11,116,114</b>
<b>*** b. Other Revenue (Not affected by Anticipated Reduction)</b>	
1. Forest Revenues (Secure Rural Schools Act)	\$101,275
2. ARRA Funding	\$0
3. Lottery	\$187,500
4. Interest – County Treasurer	\$20,000
5. Interest – TRAN	\$2,500
6. Health Services Fees	\$53,700
7. Out-of-State Tuition: Nonresident Tuition	\$385,000
8. Part-Time Faculty Compensation (Other Gen'l Cat'l Progr's) (8629,8659)	\$26,934
9. Other Local Revenues – Athletics	\$10,000
10. Other Local Revenue (8890,8898)	\$80,000
11. Transcripts/Refund Processing (Student Records)	\$3,500
12. MAA	\$0
13. State Mandated Costs	\$0
14. FRFR Membership Dues	\$85,000
15. Other Local Revenue (FRFR Misc. Revenue-lockers, etc.)	\$25,000

16. Community Service Classes (8872)	\$19,000
17. Incoming Transfers (8980,8981)	\$98,400
18. Use of Reserves in 2011-12 Budget	<u>\$695,871</u>
	\$1,793,680
<b>Total Unrestricted Revenue</b>	<b>\$12,909,794</b>

**NOTES on Revenue Assumptions**

- Use of Beginning Fund Balance (#18 in Other Revenue) is tantamount to use of reserves, and is also represented in Reserves breakdown, although this amount does not constitute additional available funds/reserves.
- Differences between 2010-11 Final Budget (as represented in 12/31/10 311Q) are due to differing projections for some of the Other Revenue lines:
  1. FRFR revenue is projected lower than it was for 2010-11.
  2. Forest Revenue (SRS) is projected lower, per statute.
  3. Projected MAA revenue has not materialized in 2010-11; none is projected for 2011-12.
  4. Athletics Revenue (gate and other miscellaneous) is projected more realistically for 2011-12, based on pattern of actuals in 2010-11.
  5. Interest Income has dropped in the last two years; it is estimated conservatively.
  6. Minor differences in projections for Out-of-State fees, Health Services fees, Part-time Faculty Compensation, Transcript/Refund Processing fees, etc.

**\*\*\*\*Detail Breakdown for Anticipated State-Mandated Reduction:**

<b>a. General Revenues (Assuming 15% Reduction)</b>	
1. Property Taxes (Tax Allocation – Secured Roll)	\$5,266,748
2. Enrollment Fees (8874,8875,8882)	\$537,411
3. State Apportionment (8610,8615,8619)	<u>\$3,644,538</u>
	\$9,448,697
<b>b. Other Revenue</b>	<u>\$1,793,680</u>
<b>Total Net Projected Unrestricted Revenue for 2011-12:</b>	<b>\$11,242,377</b>

**Plan for 15% Reduction to General Fund**

April 18, 2011

Status Quo Unrestricted Revenue Projection for 2011-12	\$12,909,794
Unrestricted Revenue to which Reduction is Applicable	\$11,116,114
Which includes \$10/unit Fee Increase	
15% Reduction	- \$1,667,417
Uncontrollable Increases as of 4/18/11:	- \$222,308
Additional BFB Required	+\$96,290
Total Reduction to be Achieved	<b>(\$1,793,435)</b>
(Use of BFB budgeted both as revenue and expense, @ \$695,871)	

Goal: Achieve Reduction as Equitably as Possible, while Maintaining Funded FTES (Revenue to Support Ongoing Operations) (FTES Reduction Assumption: 245 FTES)

Note: It is in the staff's interest for the college to be able project solvency long-term. Therefore reductions must be targeted at areas where costs can be reduced without reducing revenue below the level of funded FTES.

<b>With 5.6% Salary Reduction, or Equivalent Bargained Reductions</b>		
<b>Savings Item</b>	<b>Reduction Value</b>	<b>Impacts</b>
Operational Savings	\$596,867	Difficulty Operating Departments, Providing Services
Associate Faculty Reductions or Contracted Instruction (Course Reductions, subject to adjustment)	\$293,245	Slower Degree & Certificate Completion, Possible Impact on Recruitment
Management Salary Cut, 7.5%	\$113,234	Furloughs likely mean some work not done timely, missed deadlines
Layoff 1.5 Managers	\$116,520	Possible Severe Impact on Long-term Viability of College
Reduce Student Employment	\$50,000	Reduced Student Retention, Functionality of Departments
Classified Salary Cut, 7.5%	\$133,788	Furloughs likely mean some work not done timely, missed deadlines
Layoff Classified Positions (5.23 FTE)	\$327,412	Slower & Reduced Functionality in Various Departments; Deteriorating Conditions; Phasing Out of Some Services/Functions
Faculty Salary Cut, 7.5%	\$162,372	
Total	\$1,793,435	

Total Beginning Fund Balance (existing General Fund Reserves)		Secure Rural Schools (SRS a.k.a. "Forest") Reserve	
\$2,590,461	7.1.2010 Beginning Fund Balance	\$1,226,245	7.1.2010 Beginning SRS Reserve
		\$296,684	Jan. 2011 SRS Apportionment Received
<b>Set-Asides, Current</b>		<b>Set-Asides</b>	
\$600,534	5% Mandated Cash Reserve	<b>Actual Expenditures in 2010-11</b>	
\$503,129	BFB Budgeted for Operations 2010-11	\$80,346	Master Facility Plan (NTD Architecture)
\$192,742	Add'l BFB Used to Balance in 2010-11	\$35,000	Capital Improvements, FRCRH*
\$30,000	Banner 8 Implementation	\$50,000	Operational Support, FRCRH*
\$15,000	Interest on Other Borrowing	\$5,735	Final Roof Repairs, FRCRH*
\$1,000,000	Cash Flow Set-Aside	<b>Anticipated Expenditures</b>	
\$250,316	FRCRH Occupancy Guarantee Costs 2010-11, incl. rent subsidy	\$44,351	Capital Improvements, FRCRH*
<b>Net</b>		\$400,000	Cost Over-runs on LRC
<b>(\$1,260)</b>		\$300,000	Legal Set-Aside
		\$300,000	Future FRCRH Repairs
		\$100,000	Capital Improvements to Campus
		\$75,000	Desktop Upgrades
		\$45,000	LRC Contractor Settlement
<b>Anticipated Additional One-Time Resources</b>		<b>Anticipated Additional One-Time Resources</b>	
\$211,000	Growth Funds for 2010-11 (Net)	\$80,000	Settle Wallace-Kuhl, Lionakis
		\$101,275	Dec. 2011 SRS Apportionment
<b>Set-Asides, 2011-12</b>		<b>Projected Balance Year Ending June, 2012</b>	
\$562,119	5% Mandated Cash Reserve	\$268,772	
\$695,871	Unused BFB from 2010-11, roll into 2011-12		*Foundation Loan
\$25,000	Interest on Other Borrowing		
\$96,290	Add'l BFB Required at 7.5% Scenario		
\$1,000,000	Cash Flow Set-Aside		
<b>Net Est. Balance for 2011-12</b>			
\$126,865			
<b>CASH FLOW PROVISIONS (est. \$2.4 m impact for 2011-12)</b>			
Continuing Spending Frost			
TRAN:			
	\$1,900,000		
5% Mandated Cash Reserve:			
	\$562,119		
BFB Set-Aside:			
	\$1,000,000		

## Budget Simulation: Feather River CCD

printable version

### Underlying Assumptions

The reduction simulations assume a dollar reduction in each of credit, noncredit and CDCP FTES in a proportional manner across the district's offerings. Because noncredit and CDCP are funded at a lower rate, the percentage of FTES reduced is greater. Similar to 2009-10, each district would likely be able to decide the exact blend of its reductions. Headcount is simply a multiplier of 2.1 of the district's lost FTES, based on statewide ratios from 2009-10.

---

2011-12 Base revenue (before reductions)	\$11,207,932
Share of state apportionment (excluding ELPT)	0.20%
Number and percent credit FTES	1,573 (96.60%)
Number and percent noncredit FTES	55 (3.40%)
Number and percent CDCP FTES	0 (0.00%)

---

Notes: ELPT = excess local property tax districts

---

### Quick Comparison

	<b>Governor's Balanced Approach</b> (\$400 million cut, \$110 million new fee revenue)	<b>All-Cuts, Prop. 98 Protected</b> (\$620 million cut, \$110 million new fee revenue)	<b>All Cuts, Prop. 98 Suspended (LAO Option)</b> (\$1.085 billion cut, \$280 million new fee revenue)
<b>Net apportionment cut</b>	-\$-577,000 (-5.2%)	-\$-1,015,000 (-9.1%)	-\$-1,602,000 (-14.3%)
<b>Lost FTES</b>	-129	-227	-359
<b>Lost headcount</b>	-269	-473	-747
<b>Lost sections</b>	-43	-76	-120

---

### Detailed Scenarios

#### Assuming June Tax Package is Approved

*\$290 million net reduction to apportionment*

Apportionment reduction:	-\$-577,000 (-5.2%)
Lost credit FTES:	-122
Lost noncredit FTES:	-7
Lost CDCP FTES:	0

<b>Total lost FTES:</b>	<b>-129</b>
<b>Lost headcount students:</b>	<b>-269</b>
<b>Lost course sections:</b>	<b>-43</b>

---

## **If June Tax Package Fails and Prop. 98 is Fully Funded**

*\$510 million net reduction to apportionment*

Apportionment reduction:	<b>-\$1,015,000 (-9.1%)</b>
Lost credit FTES:	-215
Lost noncredit FTES:	-13
Lost CDCP FTES:	0
<b>Total lost FTES:</b>	<b>-227</b>
<b>Lost headcount students:</b>	<b>-473</b>
<b>Lost course sections:</b>	<b>-76</b>

---

## **If June Tax Package Fails and Prop. 98 is Suspended (LAO Options)**

*\$805 million net reduction to apportionment*

Apportionment reduction:	<b>-\$1,602,000 (-14.3%)</b>
Lost credit FTES:	-339
Lost noncredit FTES:	-20
Lost CDCP FTES:	0
<b>Total lost FTES:</b>	<b>-359</b>
<b>Lost headcount students:</b>	<b>-747</b>
<b>Lost course sections:</b>	<b>-120</b>