Budget Update
Second Quarter Report

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February 14, 2012
Major Changes From 1st Quarter

2011-2012 Budget

Tier 1/Tier 2 ($750K)
Property Tax Deficit ($700K)
Student Fee Deficit ($1.4M)

4% Loss!
How does it add up?

2011-2012 Budget

Structural deficit ($3.1M)
Reserves now 7%
Ending Fund Balance $5.4M

All projections!
What about next year?

2012-2013 Budget

Structural deficit P/Y  ($3.1M)
Revenues up  $600K
Expenditures up  ($2.5M)

New structural deficit  ($5M)
Reserves  $400K  0.5%
Target to balance  $5M

All projections!
Summary of 2012-13 Adjustments

Revenue: Assumes tax measure passes

Expenditures:

- PERS: $428K
- Step & Column: $565K
- Medical Premiums: $600K+
- OPEB Burden: $1.1M
- Deficit: $700K
- PG&E Rebate (decrease): ($650K)
- Adjunct: ?
What might change - TBD

Property tax deficits
Student fee deficits
Tax measure fails
Basic aid relief
Year-end variance
OPEB remarketing
Redevelopment Agency
Other uncertainties/adjustments

It will change!
Solution Strategies

Revenue Enhancement
Parking fees
Non-resident tuition
Facility rental
Public private ventures
Other revenues...

Expenditure Reduction
Enrollment management
Contractual negotiations
Operating budgets
Other expenditure savings...
How are we going to do it?

- Quarterly updates – very important!
- District Budget Committee – analysis
- “On-going” solutions
- Multiple solutions
- Collaboration, transparency, open dialogue
- Resolve collegially with processes
The Long-term Outlook

- Appears to be near bottom
- Tax measure critical, $2013
- Basic aid prospects good
- Must fix structural deficit
- Small margins – remain fiscally agile – there will be surprises
- Solve it – get it behind us
- Move forward together as an organization
Next Steps

February 28: Board workshop
March-May: Analysis, recommendations, decisions
June: Adopt Tentative Budget
July: State Budget Act
September: Adopt Final Budget
November: Tax election results