## Today’s Budget Status

### 2011-2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance</td>
<td>$8,503,688</td>
<td>10.99%</td>
</tr>
<tr>
<td>Projected Ending Fund Balance</td>
<td>$5,409,987</td>
<td>7%</td>
</tr>
</tbody>
</table>

### 2012-2013

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Ending Fund Balance</td>
<td>$5,425,657</td>
<td>7.23%</td>
</tr>
</tbody>
</table>
We’re Good To Go!

2011-2012 should finish at 7%; approximately $5.4M
What May Change: Uncertainties

2011-2012

- Property Tax Deficit
- Student Fee Deficit
- Potential Year-end Variance
- Other uncertainties/adjustments

3rd Quarter reflects latest projections for knowns & estimates!
Summary of 2012-2013 Projections

2012-2013 projected to finish at 7.23%; approximately $5.4M

Balanced with one-time and on-going savings
How’d We Do It?
Changes from 2nd Quarter

- Major revenue adjustment
  - Bookstore transfer $500,000*

- Major expenditure adjustments
  1. Enrollment strategies $880,000*
  2. Defunding position strategies $1.04M*

*One-time adjustments
Major expenditure adjustments (cont.)

3. Statutory benefits $670,000  
   (PERS, Unemployment Insurance)

4. Health Benefits $1.6M+

5. OPEB refinancing $300,000

6. Other minor rev/exp adjustments

Achieved projected balance for 2012-2013!
It is fragile, it will change!

- Property Tax Deficit (used 1%)
- State still facing approximately $10B problem
- We assume tax measure passes – it may not???
  - Tax measure risk: $1.5M to $3.5M
  - We project potential basic aid relief
- Year-end variances: a bit unpredictable, usually favorable
- New program initiatives: e.g., ITSS
As It Stands

- 2011-12 we look okay at 7%
- 2012-13 fragile at 7.23%
- 2013-14 outlook very challenging
- $2.5M one-time deficit carry forward margins are gone!
- Begin planning in earnest this fall
Review: Board Principles

- Board provide policy framework
- Chancellor execute/implement strategies within framework
- Maintain “student-centered” approach
- Compliance with accreditation standards
- Develop on-going & one-time strategies to achieve target
Review: Board Assumptions

- Will maintain 7% reserve
- Build/update assumptions in quarterly reports
- Assumes tax measure passes
- Must grow revenue & cut spending
  - On-going & one-time
- Budget updated as new information becomes available
Key Budget Standards
(California Community Colleges)

- Structural spending patterns
- Fund balance, cash flow
- Regular budget monitoring
- MIS, position control
- Internal controls
- Enrollment management
- Leadership, collective bargaining agreements, governance
Next week: May Revise – update of State budget

May 24th: Proposed Tentative Budget to District Budget Committee

June 12th: Adopt Tentative Budget

July: State Budget Act?

August: Close 2011-2012 books

September 11th: Adopt final 2012-2013 budget

Sept – Dec: Major 2013-14 budget planning

November: Tax measure election results
Keys to Success

- Understand the issues/variables
- Use DBC for discussion, assumptions, Q&A, planning, budget strategies
- Provide detail, analysis, options to solve
- Collaboration, transparency, resolve collegially with processes
Keys to Success

- Use Trustee principles and assumptions
- Regular communications – updates
- Keep our focus on students
- Attack the budget problem together as an organization