



# 2009/10 Fiscal Year Budget Discussion #2

Identification and Review of Budget  
Reduction Possibilities for  
Fiscal Year 2010/11

October 13, 2009  
Agenda Item No. 21

# Discussion Overview

- Assumptions
- Budget Retrospective
- Prior Year Adjustments
- 2010/11 Reduction Possibilities
- 2010/11 Budget Development
- Interim Report Certification
- Outlook & Considerations
- Conclusion



# 2009/10 Assumptions

■ Enrollment	
■ 2008/09 P-2 Prior Year	52,170
■ 2009/10 Budgeted Enrollment	52,203
■ First Week Enrollment	52,414
■ Current Enrollment	52,282
■ Revenue Limit per Student	\$5,203
■ State Revenue Decrease from 2008/09	- \$31.4M
■ 2% Required Reserve	\$7.63M
■ Unallocated Ending Balance	<b>\$5,663</b>



# Budget Retrospective

- Revenue Limit Funding
  - 2006/07 \$5,531.18
  - 2009/10 \$5,203.38 - \$327.80
- Enrollment P-2 Funded ADA
  - 2006/07 49,234
  - 2009/10 50,135 + 901
- Health & Welfare Costs
  - 2006/07 \$32.9M
  - 2009/10 \$40.0M + \$7.1M
- General Fund Budget
  - 2006/07 \$384,650,000
  - 2009/10 \$381,717,000 - \$2,933,000



# Prior Year Adjustment & Reductions

<u>Year</u>	<u>Amount</u>
2001/02	\$4.8M
2002/03	\$3.8M
2003/04	\$12.8M
2004/05	\$2.0M
2006/07	-
2007/08	\$10.5M
2008/09	\$20.5M
2009/10 (April)	\$25.6M
2009/10 (June)	\$1.8M
2009/10 (September)	<u>\$7.8M</u>
Total	\$89.6M



# 2010/11 Reduction Possibilities

- Review of Budget Reduction Possibilities
- Reduction Targets
  - 2010/11      \$25.1M
  - 2011/12      \$4.3M
- Reduction possibility list will be provided and reviewed at the Board meeting.



# 2010/11 Budget Development

- Calendar/Timeline
  - December - June
- Guidelines and Assumptions
  - Development of Estimates and Projections
- Continued Review
  - Core Programs and Local Favorites
  - Savings + Efficiencies
- Stakeholder Engagement
  - District
  - Community



# Interim Report Certifications

(Ed. Code §42131)

- Positive
  - District **will** meet its financial obligations for the current and subsequent two fiscal years.
- Qualified
  - District **may not** meet its financial obligations for the current fiscal year or two subsequent fiscal years.
- Negative
  - District will be **unable** to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.





# Outlook & Considerations

- 2010/11 – 2012/13, anticipate continued deterioration of state revenue.
- Additional cuts are almost certain in future years.
- Mid-year cuts are a distinct possibility.
- Need to consider implication of cuts to students.



# Outlook & Considerations

- Need to be compliant and operational.
- We are now confronting reduction and elimination of core academic programs.
- Without a corresponding elimination of programs or services, additional personnel cuts will jeopardize system sustainability.



# Conclusion

- Next Steps
  - November 10
    - Present and Discuss Draft Reductions
  - December 15
    - Present 1<sup>st</sup> Interim Report
    - Approve 2010/11 Reductions
- Questions/Comments

