San Joaquin Delta College Community College District

2012-13 Budget Update and Q1-13 Financials

Raquel Puentes-Griffith, Controller
November 20, 2012
Overview

- Agenda Item – Action and Information
- Detailed Changes in Q1-13 Projections
- Looking forward to Q2-13 Update
Agenda Item

1. Budget Adjustments
   – Action, page 37

2. 311Q Report and Q1 Financials by Fund
   – Information, page 40

3. 2012-13 Budget Update & Variance Report
   – Information and Planning, page 61
Prop 30 Recap

2012-13 Budget built on Best Case scenario - Prop 30 success

- Avoided $4.9 million base workload reduction
- Intent was to maintain revenues “flat” and spare trigger cuts…at best
- Small relief on cash deferral and little “new money”, only 132 FTES restoration or $600k - already in budget
- How much Prop 30 will generate is still an unknown
- Other restrictions still to be defined – restricted and unrestricted reporting and administrative costs
## 2012-13 Assumptions Changes

<table>
<thead>
<tr>
<th>No.</th>
<th>Change in Assumption</th>
<th>Budget Assumption Description Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>FTES target will increase from 14,500 to 15,100</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>Budget is built on Best Case scenario</td>
</tr>
<tr>
<td>3</td>
<td>Yes</td>
<td>Worst case scenario did not materialize</td>
</tr>
<tr>
<td>4</td>
<td>Yes</td>
<td>Revenues will have a mid-year deficit applied in 2012-13</td>
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<tr>
<td>5</td>
<td>No</td>
<td>Summer term 2013 remains cancelled</td>
</tr>
<tr>
<td>6</td>
<td>No</td>
<td>Reductions for 2012-13 are addressed; Additional $3 million cut will not occur</td>
</tr>
<tr>
<td>7</td>
<td>No</td>
<td>Contract settlement of 3.46% increase for CTA over two years; increase of 2.23% for other groups</td>
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<tr>
<td>8</td>
<td>No</td>
<td>District will continue to maintain prudent 5% reserve</td>
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</tbody>
</table>
## Adopted Budget to Q1-13 Actual Rev/Exp

### General Fund Unrestricted

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Projected at Q1</th>
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</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$ 79.7 million</td>
<td>$ 78.7 million</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>$(81.3)</td>
<td>$(79.8)</td>
</tr>
<tr>
<td><strong>Operating Deficit</strong></td>
<td>$(1.6)</td>
<td>$(1.1)</td>
</tr>
</tbody>
</table>
Fund Balance Impact – General Fund Unrestricted

Beginning Fund Balance 2012-13 $10.1 million
Plus - Adoption Budget Revenues 79.7
Less - Adoption Budget Expenditures (81.3)
Projected Net Operating Deficit (1.6)
Adopted Budget Projected Fund Balance for June 30, 2013 $8.5 million

Projected based on Q1-13 estimates

Beginning Fund Balance 2012-13 $10.1 million
Plus - Projected Revenues 78.7
Less - Projected Expenditures (79.8)
Projected Net Operating Deficit (1.1)
Q1-13 Projected Fund Balance for June 30, 2013 $9.0 million
Changes in Projections at Q1-13

Revenue Side
2012-13 Budget did not assume mid-year deficits
- Early indications of property tax/enrollment fees shortfall
  - Potential 2012-13 revenue deficit
- $1 million as placeholder; Is it enough?
How much revenue will Prop 30 generate?
- Heavily reliant on volatile tax base
- State projects $9 billion vs. LAO projects $6.8 billion
- CCC won’t see revenues until late June 2013

Expenditure Side
- One-time savings in vacant salaries and benefits $1M
- One-time projected Legal Cost Savings $500k
Looking Forward to Q2-13 Update

- Better estimate of revenue shortfall and 2012-13 deficit
- Tighter projections of one-time expenditure savings
- Continue with planning for 2013-14 reductions and core services discussions
Questions?

Thank you~