Budget Update
Q2–14 Financial Projections

Raquel Puentes-Griffith, Controller
Board of Trustees Meeting
February 18, 2014
Overview

- Assumption Changes
- Unrestricted General Fund Projections and Changes
- Closing points and looking forward to Q3
## Change in Budget Assumptions

<table>
<thead>
<tr>
<th>No.</th>
<th>Change in Assumption</th>
<th>Original - Summary Budget Assumption</th>
<th>Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>Revenue of $2.4 million between COLA and Restoration</td>
<td>Known RDA Revenue Shortfall $200,700</td>
</tr>
<tr>
<td>2</td>
<td>Yes</td>
<td>FTES state resident target 15,442 for base funding; schedule target 16,100 (NR and Appr)</td>
<td>Additional PT resources to reach a level close to FTES target; may require summer borrowing</td>
</tr>
<tr>
<td>3</td>
<td>Yes</td>
<td>Increase faculty of 3 in 2013-14 and 10 in 2014-15</td>
<td>2 additional faculty; 12 in 2014-15</td>
</tr>
<tr>
<td>4</td>
<td>Yes</td>
<td>OPEB contribution of $250k consistent with board approved funding plan</td>
<td>10% of final one-time saving additional transfer</td>
</tr>
<tr>
<td>5</td>
<td>No</td>
<td>$1.7M set-aside for Strategic Operating Plan and settlement of non-CTA salary increase</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>No</td>
<td>Categoricals will be self-supporting</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>No</td>
<td>Auxiliaries (Enterprise) will be self-supporting</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>No</td>
<td>District will continue to maintain at least 5% prudent reserve</td>
<td></td>
</tr>
</tbody>
</table>
## Adopted Budget to Q2-14 Projections
### Unrestricted General Fund

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Projected at Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$ 82.9</td>
<td>$ 82.7</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>(82.9)</td>
<td>(82.6)</td>
</tr>
<tr>
<td><strong>Operating Results</strong></td>
<td>$ ---</td>
<td>$ .1</td>
</tr>
</tbody>
</table>

*(figures in millions)*
Fund Balance Impact – General Fund Unrestricted

Beginning Fund Balance 2013-14
Adoption Budget Revenues
Adoption Budget Expenditures
Projected Net Operating Results
Adoption Budget Projected Fund Balance for June 30, 2014

$ 10.3 million

Projected based on Q2-14 estimates

Beginning Fund Balance 2013-14

Projected Revenues
Expenditures
Projected Net Operating Surplus

$ 10.3 million

$ 10.4 million
Changes in Projections at Q2-14

Revenue
2012-13 year-end results did not assume reduction for RDA shortfall

- Sep 2013 at Q1- Still disagreement on actual shortfall amount with estimated range is between $500k - $1.6M

- Update….Final Recal – Substantial property tax increases offset the RDA deficit for a final 2012-13 shortfall of $200k

Expenditure

- Increase in faculty hourly costs $1.2M to meet FTES target; partially offset by faculty vacancies

- Estimated $1.2 one-time savings for partial year vacancies; Projecting $650k of operational savings
Closing and Looking Forward to Q3-14

- Redirect and invest $1.5M in one-time saving toward one-time uses
  - Classroom facilities, maintenance, and improvements
  - Classroom technology upgrades

- Expect improved projections and one-time expenditure savings
  - Vacancy savings and operational savings
  - Better source data - HR/Payroll S2020
Questions?

Thank you~