

OPTIONS FOR ELIMINATING THE DEFICIT

2009/10 FINANCIAL CONDITION OF THE DISTRICT

- ▶ ESTIMATED ENDING FUND BALANCE \$4.6M

- ▶ 2009/10 ESTIMATED RESERVE 10.5%

- ▶ INCLUDES 2009/10 FUNDING FOR:
 - DSPS \$281K
 - ECONOMIC DEV. (FOOD SYSTEMS) \$172K
 - COMMUNITY SERVICES \$119K
 - CHILD CARE FUND \$ 77K
 - OTHER CATEGORICAL PROGRAMS \$148K

2010/11 FINANCIAL CONDITION OF THE DISTRICT

- ▶ 2010/11 ANTICIPATED DEFICIT \$930K
 - INCLUDES FUNDING FOR CHILD CARE FUND & PUENTE
 - EXCLUDES FUNDING FOR OTHER CATEGORICAL PROGRAMS

- ▶ IF DEFICIT IS NOT ELIMINATED, RESERVE DROPS TO 7.4%

- ▶ DEFICIT OF \$2.25 MILLION, RESERVE DROPS TO 5.0%
 - DECISION TO FUND CATEGORICAL PROGRAMS

- ▶ 5% RESERVE LEVEL:
 - DOES NOT ALLOW FOR UNANTICIPATED EVENTS, SUCH AS UNFUNDED ECONOMIC DEVELOPMENT PROGRAM (FARM)

 - DOES NOT COMPLY WITH BOARD POLICY

OPTIONS FOR ELIMINATING THE DEFICIT

- ▶ REDUCE NON-INSTRUCTIONAL AREAS
 - LIMITED SUSTAINABILITY; THIS WAS DONE A FEW YEARS AGO
- ▶ REDUCE FUNDING FOR CATEGORICAL PROGRAMS
 - IF NEED TO REDUCE PERMANENT STAFF, DELAYED IMPACT
- ▶ REDUCE INSTRUCTIONAL UNITS
 - ACROSS THE BOARD OR SPECIFIC PROGRAMS?
 - REVIEW CLASS ENROLLMENT LEVELS?
- ▶ TRANSFER CLASSES TO FEE-BASED
- ▶ REDUCE OR CANCEL SUMMER SESSION
 - ALLOW TRANSFER CLASSES ONLY?
 - REVIEW NECESSITY OF FIELD TRIPS?
- ▶ REDUCE PERMANENT STAFF IN UNRESTRICTED FUND
- ▶ FREEZE VACANT POSITIONS

TIMING OF DECISIONS IMPACTS POTENTIAL SAVINGS

- ▶ PART-TIME STAFF REDUCTIONS RESULTS IN MORE IMMEDIATE SAVINGS
- ▶ REDUCTIONS IN PERMANENT STAFF
 - SAVINGS ARE NOT IMMEDIATE – MAY BE DELAYED FROM 45 DAYS TO OVER 15 MONTHS
 - APPLIES TO BOTH CATEGORICAL AND UNRESTRICTED FUNDS
- ▶ POTENTIAL TIME LAG IN REDUCING INSTRUCTIONAL UNITS
 - ONCE A SEMESTER IS IN PROGRESS, COST OF THAT SEMESTER IS FIXED
 - SAVINGS ARE LIMITED TO THE FOLLOWING SEMESTER BUT THERE IS SIGNIFICANT LEAD TIME INVOLVED
- ▶ REDUCTION OR CANCELLATION OF SUMMER SESSION
 - COST OF SUMMER SESSION OVERLAPS FISCAL YEARS
 - 50% REDUCTION FOR SUMMER 2011 WOULD RESULT IN 25% SAVINGS IN FY 2010/11

OPTIONS FOR ELIMINATING THE 2010/11 DEFICIT

- ▶ \$369K ELIMINATE OVERLOAD NOT MANDATED BY AGREEMENTS
- ▶ \$135K CONVERT NONCREDIT, PE AND ART AVOCATIONAL CLASSES TO CES IN SPRING 2011
- ▶ \$250K REDUCE SUMMER SESSION 50% *
- ▶ \$295K DSPTS SELF-FUNDED
- ▶ \$190K 10% ACROSS BOARD CUT
- \$1,239K TOTAL OTHER OPTIONS

* Summer school savings overlaps fiscal years

OPTIONS FOR ELIMINATING FUTURE DEFICITS

- ▶ DECISIONS ABOUT THE DISTRICT'S MISSION AND PURPOSE
- ▶ DECISIONS ABOUT LIMITING ENROLLMENT GROWTH
- ▶ DECISIONS ABOUT EXTENT OF PROGRAM OFFERINGS
- ▶ EVALUATE NECESSITY OF STAFF REDUCTIONS, TIMING AND SAVINGS
 - IMPACT ON CATEGORICAL PROGRAMS AND REQUIREMENT TO BE SELF-FUNDING
 - IMPACT ON UNRESTRICTED FUND
- ▶ EVALUATE POTENTIAL TRANSFER OF ADDITIONAL CLASSES TO FEE-BASED