



Sierra Joint Community College District

Adopted Budget
2010-2011

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September 14, 2010



Budget Overview

- Long History of balanced budgets
- Reserves at 8 – 13% past 10 years
- Well-positioned for more economic uncertainty

Where were we a year ago?

Revenue

- \$2.6M Cut to Base Revenue
- \$3M Cut to Categorical Revenue
- Large Deficit Factor (1.5%, \$1.1M)
- Mid-year cut uncertainties
- Inside an economic spiral



Where were we a year ago?

Expenditures

- Tier 1/Tier 2 Cuts (\$1M)
- Assumed departmental budgets fully spent given Tier 1/Tier 2 cuts

What Actually Happened in 2009-10?

Revenue

- Sustained \$2.6M Cut to Base Revenue
- Sustained \$3M cut to Categorical Revenue (deferred revenue softened the blow)
- Actual Deficit Factor nearly Zero
- No mid-year cuts
- No economic spiral


What Actually Happened in 2009-10?

Expenditures

- OmniParty Agreements (Attrition & Growth) \$1.5M
- Slowed Spending \$2M
 - Hiring Slowdown (reduced temps/OT/student help)
 - Reduced Operating Expenses (Utilities, repairs, bad debts, advertising, lower debt servicing costs, election)
 - Departmental budgets not spent
- OmniParty Transfer to Restricted fund (\$2M)

Overall

- Near balanced budget (\$700k)



2010-11 Budget

Budget Projection

Revenue	\$90.8M
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Expenditures	<u>90.2M</u>
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Operating Surplus	0.6M
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2010-11 Budget

Revenue Assumptions

- 2.21% growth (\$1.6M with \$1.3M held in reserve pending OmniParty negotiations)
- 0 COLA
- 1% Deficit
- No Further State cuts

2010-11 Budget

Expenditure Assumptions

- Budgets at 2009-10 levels (assumes budgets fully spent)
- Operating budgets based on trends
- Contingencies for uncertainties
- Salary reductions & furloughs in place
- Program cuts \$1.4M & Reduced work year \$400k (reduced work year expires in 2011-12)
- Attrition savings
- Categorical spending at State funding levels



2010-11 Budget

Organizational Response

Unprecedented response to economic crisis

- Salary Reductions \$2.6M
- 6 Furlough Days \$450k
- Attrition
- Suspension of +2 FON Progression

Budget Overview

2009-10	(\$700k)
2010-11	\$600k *
2011-12	(\$2.9M)
2012-13	(\$3.8M)

* OmniParty agreements solved the 2010-11 deficit

OmniParty 2010-11

- Review Agreements (Salary reductions & furloughs)
- 1st Year Growth
- Mutual interest item “Un-Growth”
- Begin Formula Renewal discussions
- Update Formula language
- Reserves

System of Reserves

- General Fund Reserves (\$4M ↑ 8%)
- OmniParty Reserves
- Budget Variance contingencies
- General Fund contingencies
- Already serving 2+% Growth

Fast Facts

- Step/Column/Longevity \$750k
- 1% Total Salaries \$600k
- 1% Deficit \$700k
- 1% Growth \$700k
- 1% COLA \$700k
- Each Furlough Day = \$75k

Planning Ahead

- By 2012-13 should target a balanced budget
- Manage one-time resources as one-time
 - carefully & systematically
 - for budget smoothing
- Watch changeable deficit factors & property tax collections
- Monitor state budgets and economic trends

Planning Ahead – con't

- Watch for mid-year budget issues
- Set reserve goals
- Put reserves into play while balancing budget
- Staffing pressure
- Unresolved State budget issues

Planning Ahead - con't

- PERS/STRS premium increases
- Increased cost of operations
- Consider new ePar for department budget needs
- Use Planning, ePar and Program Review Process



Final Thoughts

- So far have weathered the economic crisis
- We've responded as an organization
- We're in a good economic place
- We're positioned to absorb more state cuts & address salary restoration



Final Thoughts

- We're positioned to maintain a stable budget with time to respond to any unforeseen events
- We've managed this crisis through governance and collective bargaining
- We need to stay together to see this through