Gavilan Joint Community College District  
Governing Board Agenda  
December 11, 2012

Consent Agenda Item No.  
Information/Staff Reports No.  
Discussion Item No.  
Old Business Agenda Item No.  
New Business Agenda Item No.

SUBJECT: Expenditure Reduction Task Force/Reductions to the Unrestricted General Fund Recommendations, Fiscal Years 2012-13 and 2013-14

☐ Resolution: BE IT RESOLVED,

☐ Information Only

☒ Action Item

Proposal:
That the Board of Trustees accept and approve reductions to the Unrestricted General Fund to reduce the college's budget shortage for FY 12/13 and FY 13/14. The categories of savings are summarized below:

1. Reduction to Budget for employee positions funded but vacant during the year. Reduction in overtime also in total. These reductions are not included in the FY 13/14 Tentative Budget. $(626,403)

2. Reduction to Budget for employee positions where employee indicated intent to resign in FY 13/14- $(494,883)

3. Class Schedule Reduction in Spring 13 $(150,000)

4. Reductions in operating budgets $(278,971)

   Totals before Revenue $1,550,257

5. Pursue growth and restoration revenue $485,000
   Total change in fund balance $2,035,257

Background:
The Expenditure Reduction Task Force was asked to develop recommendations to provide the President's Council and the Board of Trustees with recommendations on where the college could reduce expenditures totaling $2,000,000 for FY 12/13 and FY 13/14. The Task Force made a presentation to the Board at the October Board meeting. The Task Force presented its recommendations to President's Council prior to submitting this recommendation to the Board. President's Council decided to remove the Task Force recommendation that called for a reduction in Community Education funding, to remove the recommendation that called for eliminating Golf Course funding and to remove the recommendation that called for a reduction in
in the Athletics budget. The remaining recommendations of the Task Force were endorsed and the summary above shows the impact on the budget.

Proposition 30 was approved by voters and is expected to prevent any future reductions to funds. Revenue available to Gavilan for growth and restoration of workload from FY 09/10 when colleges first started to reduce their FTES to compensate for the lost funding is an approximate total of $485,000. If other colleges are not able to reach their new higher base enrollment levels then unexpended funds have typically been available to other colleges. Gavilan's most appropriate strategy given the change in the statewide outlook is to take advantage of expenditure reductions already available and pursue new revenue that Proposition 30 may provide. Additionally, the college departments will be asked to continue to conserve resources and not purchase anything that is not necessary to keep the college maintained in its present condition.

**Budgetary Implications:**
Financial Impact: These actions will bring the budget closer in line with available revenues with the overall intent of balancing the budget for FY 12/13.

**Follow Up/Outcome:**
If approved the college staff will prepare budget adjustments to reflect the reduced expenditures recommended by the Task Force and endorsed by the Council.

Recommended By: Dr. Steven M. Kinsella, Superintendent/ President

Prepared By: ________________________________

Agenda Approval: ________________________________

Dr. Steven M. Kinsella, Superintendent/ President