

WEEKLY BUDGET UPDATE

March 26, 2009

In the budget update last week, you were provided with a detailed overview of the effect of the state budget on ROCPs and information on the impact to Baldy View ROP. This week the focus will be on new budget developments and action taken to address the 2008-09 and 2009-10 reductions.

Budget developments that transpired during the week of March 23

March 23, 2009, 8:08 a.m. – Email notification from California Association of Regional Occupational Centers and Programs (CAROCP) that the state recertified the P1 (First Apportionment allocation) and informed ROCPs that the deficit factor originally stated to be 15.38% had increased to 22%. Translated into a dollar amount that equals an additional reduction to Baldy View ROP of \$584,000.00.

After several inquiries to the California Department of Education (CDE), the issue was determined to be a mistake and that ROCPs should go back to the original 15.38% deficit factor. Although we were glad to hear the outcome, it resulted in a loss of two days of work for our staff recalculating the fiscal impact on Baldy View ROP.

Action taken to address 2008-09 reductions on Baldy View ROP

Based on the deficit proposed in the Governor's 2008-09 budget, Baldy View ROP took the proactive approach of reducing the 2008-09 budget by 7% (\$572,000) at the beginning of the fiscal year.

We were able to achieve this through a combination of minimal reductions to staff and without any elimination of course offerings.

Unfortunately, the severity of the state economic crisis caused the state revenues to come in far below expectation. As a result, the state has once again reduced the allocation to ROCPs by an additional 8.38% (\$726,000). This 8.38% reduction in addition to the initial 7% decrease equals the 15.38% cut for fiscal year 2008-09.

In order to address the remaining deficit, the only decision that has been made as of this time is the reduction of all but a few required course offerings during the summer as stated in prior communications to staff. (Due to the end of the fiscal year being June 30, only the first two weeks of the summer session will assist in the elimination of the deficit.)

One bit of good news that occurred in the past week is the receipt of a one-time Excess Property Taxes based on the 2007-08 fiscal year. At this point, it appears that a portion of the additional reductions will be off-set due to funds received.

Although the property tax funds and the decrease in summer offerings will retire the majority of the \$726,000, there is still a portion of the deficit that remains. As decisions are made with input received, we will inform you as soon as possible.

Action taken to address 2009-10 reductions on Baldy View ROP

The 2009-10 fiscal year brings with it additional reductions of 5.88% (\$406,000) on top of the 15.38% for a total annual decrease in funding of \$1.7 million dollars.

Given that we are still in the midst of addressing the current year (2008-09) shortfall, we have had limited opportunity to determine exact reductions for next year (2009-10).

The only decision that has deliberately been made to mitigate the deficit is the elimination of the summer offerings from July 1 through August 7. As previously stated, as soon as any other solutions have been developed, we will inform you.

Other factors to keep in mind as we maneuver our way through this fiscal year and next is that the following factors could still negatively impact our financial position:

- The notification that the Legislative Analyst has projected an additional increase in the deficit of the state budget in the range of \$8 - \$14 billion.
- The need for all ballot measures to pass on May 19.
- Any possible negative impact of the Governor's May Revise, now slated to occur in June.

I want to once again assure you that we will do all we can to preserve the programs and personnel of Baldy View ROP.