Palo Verde College

Although the College has stabilized its budget, it is going into 2013-14 with deficit challenges, even with new projected income coming in from the State. Our goal is to manage the deficit by maintaining current contracts with some adjustments through fall semester, with the *hope* that the actual FTES acquisition results in the College reaching 1887 which would result in approximately $319,000 in additional funds in February, 2014. If this FTES materializes, the District would make a good faith effort to bargain with the units a proportionate distribution taking into consideration maintaining a balanced budget and meeting Board finance goals.

CURRENT STATUS of 2013-14 BUDGET

NEW UNFUNDED EXPENSE PROJECTIONS		**NEW INCOME PROJECTIONS**	
1. Step & Column Advancements ($46,570 for faculty)	$140,000	1. Needles FTES restored	$138,000
2. OPEB – unfunded for past 2 years & required for 2013-14	$195,000	2. 1.565% COLA	$156,000
3. Health Benefits Increases 8.55%	$111,000	3. Spring Street annual mortgage eliminated	$64,000
4. COPs Option 4 shortfall (has to be identified prior to June, 2015)	$125,000		
TOTAL PRELIMINARY UNFUNDED PROJECTION:	**$571,000**	**TOTAL PRELIMINARY NEW INCOME PROJECTION:**	**$373,000**
Deficit / Shortfall = $198,000			

Board Fiscal Priorities:
The Board of Trustees has established the following fiscal priorities for 2013-14:

1. Maintain a balanced budget.

2. By June 30, 2015, identify $125,000 of on-going funds to address the shortfall of the COP Option 4 Debt Mitigation Plan (Accreditation issue).

3. Identify $111,000 to cover the anticipated new costs to maintain current level of health benefits.

4. Restoration of salaries to the level that existed in 2011-12 for all impacted employees prior to awarding salary increases.

5. Identify funds from the ending balance to make progress towards increasing the Board's reserve.