



Peralta Community College District

333 East Eighth Street • Oakland, California 94606 • (510) 466-7200

Memorandum

To: Wise E. Allen, Chancellor

From: Ronald Gerhard, Vice Chancellor for Budget & Finance

CC: Board of Trustees

Date: November 14, 2011

Re: 2011-12 Budget Update

We continue to closely monitor state revenues as monthly financial reports are released by the State's Department of Finance and Controller's offices. On November 10, 2011, State Controller John Chiang released his monthly financial report covering the State's cash receipts and disbursements for the month of October. In summary, revenues came in \$810.5 million below projections contained in the state budget. Year-to-date revenue are cumulatively below the state's budgeted figures by an estimated \$1.5 billion. To read the State Controller's full report please see <http://sco.ca.gov/Files-EO/11-11summary.pdf>.

Despite the disappointing revenue performance over the first four months of the fiscal year the Controller's report did note that the recent employment numbers may point to a substantially better economic picture ahead. In total, the state added close to 250,000 jobs over the last year causing the unemployment rate to fall to 11.9% from 12.1%. Midyear cuts to community college funding will be triggered if revenue forecasts released in November by the Legislative Analyst's Office and in December by the Department of Finance are \$1 billion or more short of the fiscal year budget estimates.

Contained within the Board agenda you will find new quarterly financial reports for the larger funds within the District. These reports are in addition to the CCFS 311 Quarterly Reports that are required by the State Chancellor's Office. These new quarterly reports reflects activities from July 1, 2011 through September 30, 2011, or the 1st quarter of the fiscal year. As the reports reflect, the District continue to operate within budget.