



FOOTHILL-DE ANZA
Community College District

2011-2012 Budget Update September 22, 2011

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Review of 6/30/11 Ending Balance

The June 30, 2011 ending balance was \$44,842,128 and consisted of the following components:

Restricted:

- \$9,890,000 District's budgeted 5% reserves

Designated:

- \$12,776,601 for college and Central Services carryover
- \$3,063,917 for encumbrances and district-wide carryover
- \$ 4,000,000 for 2012/13 Stability Funds
- \$15,111,610 net 2011/12 Stability Fund



Where are we now for 11/12?

Current Income vs. Current Expenses

■ Income =	\$173,796,409
■ Expenses =	<u>(181,437,125)</u>
■ Deficit after workload reduction and restoration (\$ 7,640,698) <i>(Total workload reduction -6.2%, restoration + 4.5%, net -1.7% reduction)</i>	
■ One-time funds available to offset 11/12 deficit	<u>\$ 7,640,716</u>
■ Net	\$ 0



Plans for Use of Stability Fund in 2011/12 and 2012/13

- To offset an operating deficit of \$7.6 million and delay permanent reductions to operating expenses using one-time stability funds in fiscal year 2011/12
- To offset anticipated mid-year state cuts of approximately \$3.5 million
- To offset any apportionment shortfall if no restoration in resident FTES is achieved in fiscal year 11/12

(Any unused 11/12 Stability Fund will supplement 12/13 Stability Fund and will be used to defer cuts implementation)

- To set aside \$4 million in stability funds for 2012/13 in anticipation of operating cost increases and additional state reductions



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Analysis of FTES

10-11 P-A	Total				
	Resident Credit	Non Credit	Apportionment	Non resident	Total
De Anza	17,582	-	17,582	2,387	19,969
Foothill	12,870	201	13,071	1,584	14,654
Total	30,452	201	30,653	3,971	34,624
FTES below base	(1,345)	(96)	-1,441	(97)	(1,539)
% below base	-4%	-32%	-4.5%	-2%	-4%

11-12 Adopted Budget--6.21 % Workload Reduction with 4.5% restoration or net 1.7% reduction					
	Total				
	Resident Credit	Non Credit	Apportionment	Non resident	Total
De Anza	17,516	0	17,516	2,387	19,903
Foothill	12,454	226	12,680	1,584	14,264
Total	29,970	226	30,196	3,971	34,167



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FHDA 2011/12 Productivity

- FTES from regular on-campus and off-campus programs is budgeted at 34,167 FTES and productivity of 546



Major Variables for Expense and Revenue Projections

- Mid-year cuts due to revenue shortfall (approximately \$3.5 million)
- Deficit factor due to state under-budgeted student enrollment fees, property tax shortfall and state general fund revenue shortfall (only 1% or \$1.4 million budgeted)
- Productivity may increase because of student demand or decrease due to tuition increase
- Restoration (possible loss of approximately \$450,000 for every 100 FTES not restored)
- Self-insured medical benefits costs



General Outlook for Fiscal Year 2012/13

Assuming that by June 30, 2012 \$10 to \$11 million in operating costs have already been reduced to balance the budget ...

2012/13 is expected to be challenging for the following reasons:

- State budget is still not balanced
- Our medical benefits costs may increase and if so, will be paid with one-time funds in 2011/12 and 2012/13
- Enrollment uncertainty



Remember What We Will Do to Achieve our Educational Master Plan Goals

- We will be able to serve an expected 34,167 full-time equivalent students (FTES) by focusing on our core mission
- We will be able to provide the very best support services for students given the reductions in state funding due to workload reduction
- We will be able to maintain a minimum 5% reserve to anticipate mid-year fluctuations
- We will have our Stability Fund to close 11/12 operating deficit and allow for strategic reductions effective July 1, 2012
- We will aggressively search for new revenue sources in support of critical programs and services