2011-2012 Budget Update
September 22, 2011

Kevin McElroy, Vice Chancellor, Business Services
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 = $173,796,409
- Expenses = (181,437,125)
- **Deficit after workload reduction and restoration** ($ 7,640,698)
  (Total workload reduction -6.2%, restoration + 4.5%, net -1.7% reduction)
- One-time funds available to offset 11/12 deficit $7,640,716
- Net $0
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
### Analysis of FTES

#### 10-11 P-A

<table>
<thead>
<tr>
<th></th>
<th>Resident Credit</th>
<th>Non Credit</th>
<th>Apportionment</th>
<th>Non resident</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>De Anza</td>
<td>17,582</td>
<td>-</td>
<td>17,582</td>
<td>2,387</td>
<td>19,969</td>
</tr>
<tr>
<td>Foothill</td>
<td>12,870</td>
<td>201</td>
<td>13,071</td>
<td>1,584</td>
<td>14,654</td>
</tr>
<tr>
<td>Total</td>
<td>30,452</td>
<td>201</td>
<td>30,653</td>
<td>3,971</td>
<td>34,624</td>
</tr>
</tbody>
</table>

FTES below base

<table>
<thead>
<tr>
<th></th>
<th>(1,345)</th>
<th>(96)</th>
<th>-1,441</th>
<th>(97)</th>
<th>(1,539)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% below base</td>
<td>-4%</td>
<td>-32%</td>
<td>-4.5%</td>
<td>-2%</td>
<td>-4%</td>
</tr>
</tbody>
</table>

#### 11-12 Adopted Budget--6.21 %

Workload Reduction with 4.5%

<table>
<thead>
<tr>
<th>Restoration or net 1.7% reduction</th>
<th>Resident Credit</th>
<th>Non Credit</th>
<th>Apportionment</th>
<th>Non resident</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>De Anza</td>
<td>17,516</td>
<td>0</td>
<td>17,516</td>
<td>2,387</td>
<td>19,903</td>
</tr>
<tr>
<td>Foothill</td>
<td>12,454</td>
<td>226</td>
<td>12,680</td>
<td>1,584</td>
<td>14,264</td>
</tr>
<tr>
<td>Total</td>
<td>29,970</td>
<td>226</td>
<td>30,196</td>
<td>3,971</td>
<td>34,167</td>
</tr>
</tbody>
</table>
FTES from regular on-campus and off-campus programs is budgeted at 34,167 FTES and productivity of 546
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
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
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.