



Budget Presentation

Budget Update April 25, 2011

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Current State Outlook

- A \$400 million cut to the base, taken as a workload reduction
- A \$10 increase in per-unit fees, which will mitigate the base cut (\$7/quarter)
- A rejection of the census change proposal
- A rejection of the proposal for 1.9% growth
- A new inter-year deferral (\$129 million)

State Outlook continued

ALL- CUTS STATE BUDGET

- State budget reductions of an additional \$14 billion with no new tax revenue
- Roughly \$5 billion in Prop 98 budget solutions/cuts
- \$685 to \$800 million in cuts coming from the CCC's



FOOTHILL-DE ANZA
Community College District

Scenario(s)

FY	FY 2010/11 Adopted Budget (and escrow II, Deferment I absorbed)	2011/12-Status Quo Before State Cuts	2011/12 Worse Case Scenario (4% loss of FTES in 10/11 and 16% Workload reduction)
Revenue	181,156,493	176,751,387	154,160,865
Expenses	(182,273,451)	(181,884,824)	(184,514,312)
Workload Reduction (reduction in PT Faculty costs)			10,045,022
Net (Deficit)	(1,116,958)	(5,133,437)	(20,308,425)

Next steps:

The Governor's May Budget revise is the next statutory step. In the Budget revise the Governor will have the opportunity to evaluate:

- plan for possible new taxes
- performance of current year revenue
- cuts that have already been made in the signed trailer bills, \$12 billion
- variety of other factors

Impact on FHDA

WHAT DOES A \$30 MILLION REDUCTION MEAN?

- \$22M cut to apportionment would translate into 16% workload reduction. Additional loss of FTES in FY 2010/11 would “increase” workload reduction up to 20% unless FTES are restored next year.
- Currently estimating approximate \$10,045,000 reduction in the part time teaching costs due to 20% work load reduction as well as downsizing institution by corresponding 20% in staffing and B budget

Cuts Allocation:

• De Anza' share:	\$15,240,000
• Foothill's share:	\$9,122,000
• Central Services share:	\$5,490,000
• District Wide share:	<u>\$500,000</u>
Target total:	\$30,353,000

Rough estimates of downsizing

Approximate staffing impact of 20% reduction (by the numbers):

- The full time equivalent of 183 part time positions (300-400 actual part time teaching staff reduced)
- Approximately 94 full time faculty positions due to reduction in FON
- 112 Non-teaching faculty, classified, and administrator positions reduced (based on approximate cost of \$80,000 per position)
- A minimum of \$1.2M reduced from \$6.3M of B budgets (reduced classified part time assignments)

What happens after workload reduction is implemented?

Sobering foot note:

- Assuming we close \$10M of the \$30M with Part-Time faculty costs due to work load reduction, we still are left with \$20M deficit
- \$20M deficit would require approximately 254 fewer non-teaching position reductions district wide (or nearly half of our non-teaching resources) if we balanced the remaining \$20M with position reductions alone.

Available resources to help with planning

Stability Fund, colleges and CS carryover

- Stability Fund plus colleges and CS carryover estimated at total of \$14-\$18M contingent on several factors (10/11 FTEF spend rate, available carryover balances, etc.)
- Based on a 2011-12 \$20M budget deficit (assuming a \$10M workload reduction), the Stability Fund will expire by early to mid spring at current expenditure levels

Critical Dates

- Tentative Budget to Board June 20, 2011
- Both colleges and the district have committed to having their worst case scenario budget plan to the Board by the end of June, at the latest
- Board of Trustees to adopt FHDA Budget at September Board of Trustees meeting with or without a final state budget

Looking ahead...

- We will be serving approximately 29,500 full-time equivalent students (FTES)
- We will definitely not be doing business as usual
- Stay tuned.....

Impact of cuts on colleges and Central Services

- De Anza report (Brian)
- Foothill report (Judy)
- Central Services report (Linda)