Comparison of 2010-11 **Unaudited** Actual to 2011-12 Adopted Budget

REVENUE

One-time Decrease

\$1,000,000 Deficit Factor, \$25 million in fee revenue shortfall and deferral of increase in fees to \$46 until Summer 2012

Ongoing Decrease

\$5.185 million workload reduction

\$1.7 million increase in deferrals (cash flow)

nterest revenue continues to decline

Ongoing Increase Increase student fee to \$36, offset to workload reduction)

\$459,000 in international student revenue (net)

\$139,000 in Lottery Revenue CE fee based classes (\$???) Ongoing Reduction \$323,000 Hourly expense

EXPENSE BUDGET

\$261,000 Supplies and Materials

\$792,000 Other Operating Expenses

BEST ESTIMATE FOR: \$102,000 faculty stipends converted to contract load

\$545,000 academic salaries vacancy factor

\$375,000 classified vacancy factor

\$171,000 credit adjunct benefits

\$110,000 section 125 deductions

\$213,000 H&W allowance

<u>One-time Reduction</u> \$408,000 9 full time faculty positions not filled

EXPENSE ACTUAL

<u>Ongoing Reduction</u> \$401,000 2 deans and 1 director positions not filled

\$357,000 70 credit course reductions, spring 2012

\$90,000 CE courses converted to fee based

<u>One-time Increase</u> \$100,000 for acting president, EVP and stipends

\$79,000 president search

\$431,000 superintendent/president buyout

EXPENSE - ACTUAL

Ongoing increase \$60,000 CE adjuncts for computer labs

\$50,000 hourly for ESP degree transfer program

\$115,000 hourly readers

\$545,000 state UI rate

\$498,000 H&W employer contribution

\$242,000 fixed and mandated

\$97,000 workers comp insurance

\$153,000 sabbaticals

\$353,000 CalPERS



- Ongoing Revenue Increased \$598,000
- Ongoing Expense Reductions of \$848,000
- Ongoing Expense Increases of \$2,113,000



• Budget Revenues Decrease \$5,740,000



• Budget Expenses Increase \$3,264,000



• Budget Transfers Decreased \$3,685,000



- Construction decreases \$2.01 million
- Equipment decreases \$1.04 million
- General Fund decreases \$5.59 million
- Total decrease in fund balances is estimated at \$8.64 million



• The Best Estimate for expenses is \$1,308,788 less than the Adopted Budget

Net Reduction in Fund Balance



 The amount required to balance the budget is approximately \$5.6 million from the Adopted Budget



 Best Estimate Fund Balance for the General Fund is \$1,308,788 higher than Adopted Budget

BUDGET RISKS

- Fall in the stock market makes the shortfall in state revenues more of a probability.
- Federal Grant funding could be reduced due to the reduction in Federal funding. This is very difficult to estimate as it is a trickle down from state pass through on grants as well as direct funding. In the past the College has limited backfill to critical programs (DSPS, EOPS, Matriculation) funded thru the apportionment process, Federal grants were not included.
- "Best estimate" means that there will not be funds "falling to ending balances" for salary and benefit expense in 2011-12. For 2012-13 this will be true for all expense accounts.

ANALYSIS of the ALLOCATION of BUDGET REDUCTIONS for 2012-13 AND 2013-14

Reductions From Instructional Expenses

	2011-12	2012-13	2013-14	Total
Credit Sections	70	210	40	320
Instruction Expense	357,000	1,071,000	204,000	1,632,000
Non-credit Sections	60	96	96	252
Instruction Expense	90,000	144,000	144,000	378,000
Reduction in FTF		6	4	10
FTF Expense		240,000	160,000	400,000
Total Instruction	\$447,000	\$1,215,000	\$348,000	\$2,010,000

Reductions from instructional expenses are in reducing credit and non-credit sections and the reduction in the full time faculty obligation.

Allocation of Expenditures Based on Actual for 2009-10 and 2010-11

Organization	Average of last two years)		
Presidents Office	4.0%	\$	1,896,096
Educational Programs	55.1%	\$	25,885,835
Business Services	20.3%	\$	9,526,106
Information Technology	9.7%	\$	4,565,712
Human Resources	2.3%	\$	1,089,325
Continuing Education	8.5%	\$	3,990,067
Total	100.0%	\$	46,953,141

This is the average from the last two years of actual expenditures by area for all "non-instructional" expenditures.

Reduction From 2010-11 Actual Expenditures

Organization	Total	\$ 2,775,000
Presidents Office	4.0%	\$ 112,062
Educational Programs	55.1%	\$ 1,529,891
Business Services	20.3%	\$ 563,007
Information Technology	9.7%	\$ 269,840
Human Resources	2.3%	\$ 64,381
Continuing Education	8.5%	\$ 235,819

• The reduction is based on the allocation of all non-instructional expenditures.

Reduction from 2011-12 Budget to Equal 2010-11 Actual

Organization	Total	\$ 1,308,788
Presidents Office	4.0%	\$ 52,852
Educational Programs	55.1%	\$ 721,551
Business Services	20.3%	\$ 265,534
Information Technology	9.7%	\$ 127,266
Human Resources	2.3%	\$ 30,364
Continuing Education	8.5%	\$ 111,220

• This is the budget reduction required in addition to the actual reduction from 2010-11

Total Budget Reduction

Organization	Total	\$ 4,083,788
Presidents Office	4.0%	\$ 164,915
Educational Programs	55.1%	\$ 2,251,442
Business Services	20.3%	\$ 828,541
Information Technology	9.7%	\$ 397,107
Human Resources	2.3%	\$ 94,745
Continuing Education	8.5%	\$ 347,039

• This is the total reduction from the 2011-12 budget to reach the required break-even budget for 2013-14.