



2012-13 FINAL BUDGET

OVERVIEW

- STATE BUDGET
- ENROLLMENT
- COLLEGE BUDGET
- REVENUE ADJUSTMENTS
- EXPENDITURE ADJUSTMENTS
- RESERVES
- PENDING ISSUES
- BUDGET FORECAST



2012-13 STATE BUDGET



State Budget Highlights

- Second time in a row State had an approved budget by June 30th with no Republican votes
- Balanced a \$15.7 billion deficit
- Assumes the November tax initiative passes
- Automatic mid-year budget cuts if tax initiative does not pass

Tax Initiative

- Compromise measure between Governor and California Federation of Teachers
- Increase Sales tax by $\frac{1}{4}\%$ for four years
- Increase income tax for tax payers earning in excess of \$250K for seven years
- Raise approximately \$8 billion
- First initiative on the ballot: Proposition 30
- Proposition 38: Munger tax initiative

Effect on Community Colleges

- No base reductions
- \$50M in growth/restoration funding
- \$159.9M to buy down deferral (\$961M to \$801M)
- Mandate block grant (\$28/FTE)
- Automatic backfill of Redevelopment Agency tax revenues (\$116M in 2011-12 & \$341M in 2012-13)
- If Prop 30 fails
 - Lose \$50M in growth/restoration funding
 - Lose \$159.9M of deferral buy down funding
 - Additional \$338.6M reduction in base revenues
 - 7.3% workload reduction

Effect on Glendale Community College

■ If Prop 30 passes

- Additional \$650K of growth funding
- Additional \$2 million of deferral funding
- Additional \$392K of mandated cost revenue

■ If Prop 30 fails

- Loss of \$650K of growth/restoration funding
- Loss of \$2 million of deferral funding
- Additional reduction of \$4.6M in State apportionment funding
- Workload reduction of 1,070 FTE's

ENROLLMENT



Enrollment Trends

Enrollment Categories	2008-09	2009-10	2010-11	2011-12
Funded Credit FTEs	13,277	12,696	13,185	12,296
Funded Non-Credit FTEs	321	410	394	275
Funded Career Dev/College Prep	2,577	2,536	2,376	2,126
Total Funded FTEs	16,175	15,642	15,955	14,697
Unfunded Credit FTEs	1,082	2,268	209	35
Unfunded Non-Credit FTEs	735	847	0	0
Unfunded Career Dev/College Prep	620	504	0	0
Total Unfunded FTEs	2,437	3,619	209	35
Non-Resident	980	795	616	623
Total FTEs	19,592	20,056	16,780	15,355

Enrollment

- Declined over 4,700 FTEs from 2009-10
 - Implementation of Block Schedules (8% reduction in credit enrollment) in 2010-11
 - Elimination of Second Summer Session
 - Elimination of Winter session
 - Reductions in Fall, Spring, and First Summer
 - Reduction in Programs
 - Lifelong Learning Classes
 - Fitness Center
- Met base enrollment numbers in 2011-12
 - Only 35 unfunded FTES
- Projected 7.3% reduction in workload for 2012-13 if tax initiative fails

COLLEGE BUDGET



COLLEGE BUDGET DEVELOPMENT

Unrestricted General Fund

- Assumes tax initiative will fail
- 2011-12 Ending Balance decreased \$1.2M to \$4.90 million (6.34%)
 - Amount in excess of 5% used to balance Final Budget
- Includes 5% General Reserve
 - \$3.63 million reserve established (\$330K reduction)
- Rollover Budget started with a \$14.3M deficit
- \$9.8M of budget solutions identified
- \$4.5M budget cut/new revenue still required

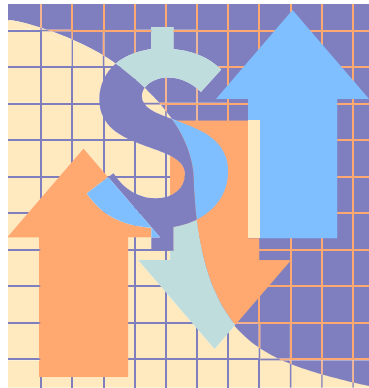


COLLEGE BUDGET DEVELOPMENT

Unrestricted General Fund

- Final Budget Balanced by:
 - One month workload reduction for approximately 115 employees (\$260K)
 - Eliminate Summer 2013 (\$600K)
 - Cut 500 classes from Spring 2013 (\$2.05M)
 - Full layoffs for classified and management staff (\$1.2M)
 - Health plan changes (\$350K)

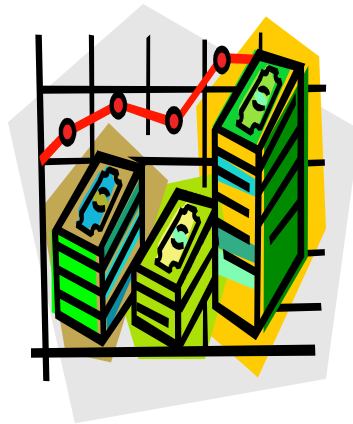
REVENUE ADJUSTMENTS



Revenue Adjustments

Category	Tent.	Final	Total
2012-13 Base Reductions	(\$3.998M)	(\$0.120M)	(\$4.118M)
Interest	(\$0.050M)	-	(\$0.050M)
Non-Resident Tuition	(\$0.300M)	-	(\$0.300M)
Other Local	(\$0.479M)	\$0.014	(\$0.465M)
Other Fees	(\$0.025M)		(\$0.025M)
Blue Shield Rebate	(\$0.131M)		(\$0.131M)
Mandated Cost Claims		\$0.392M	\$0.392M
Total Revenue Adjustment	(\$4.983M)	\$0.286M	(\$4.697M)

EXPENDITURE ADJUSTMENTS



Exempt Cost Adjustments

Augmentation	Tent.	Final	Total
Step & Column	\$544K	-	\$544K
Health Insurance	\$1,066K	(\$630K)	\$436K
Dental		\$25K	\$25K
Utilities/Postage	(\$15K)	(\$110K)	(\$125K)
PERS Retirement	\$211K	(\$124K)	\$87K
State Unemployment Insurance	(\$283K)	-	(\$283K)
Reallocation Reserve	\$50K	-	\$50K
State Lobbyist		(\$27K)	(\$27K)
Total Expenditure Adj.	\$1,573K	(\$866K)	\$707K

2012-13 “Must Do” Requests

Augmentation	Tent.	Final	Pending
Five faculty hires	-	-	\$120K
OSHA safety equipment	-	-	\$15K
Assessment Tests	-	-	\$24K
Stengel Field modular rental	-	-	\$3K
White board markers	-	-	\$3K
Total “Must Do”	-	-	\$165K

Budget Actions Taken

Budget Action	Tent.	Final	Total
200 Classes Cut	\$0.900M		\$0.900M
Vacant Positions (net of new hires)	\$3.839M		\$3.839M
Budget Reallocation Sub-Comm.	\$1.600M		\$1.600M
Exempt Cost Adjustments		\$0.859M	\$0.859M
CSEA 3.33% pay cut		\$0.536M	\$0.536M
Management 5% pay cut		\$0.401M	\$0.401M
5% Reserve	\$0.400M	(\$0.065M)	\$0.335M
Mandated Cost Revenue		\$0.392M	\$0.392M
2011-12 Ending Balance		\$0.895M	\$0.895M
Miscellaneous	\$0.076M		\$0.076M
Total Budget Adjustments	\$6.815M	\$3.018M	\$9.833M

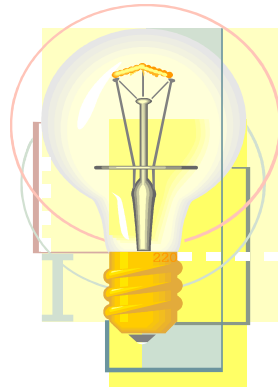
RESERVES



2012-13 COLLEGE UNRESTRICTED GENERAL FUND RESERVES

Reserve	On-Going	One-Time	Total
General Reserve (5.04%)		\$3,625,000	\$3,625,000
Contingency Reserve (0.56%)	\$400,000		400,000
Subtotal Mandatory (5.60%)	\$400,000	\$3,625,000	\$4,025,000
Senate PFE Grants	3,037		3,037
Reallocation Reserve		50,000	50,000
Total Reserves	<u>\$403,037</u>	<u>\$3,675,000</u>	<u>\$4,078,037</u>

PENDING ISSUES

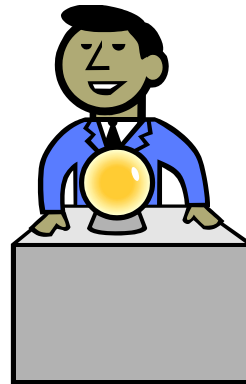




PENDING BUDGET ACTIONS

- Tax Initiative
- 2012-13 Collective Bargaining
- Health Plan Changes
- 2012-13 Budget Requests

BUDGET FORECAST





Budget Forecast

- College budget dependent on passage of Proposition 30
- Even if Proposition 30 passes College will experience budget challenges in future years
- College will need new State discretionary revenue (COLA or growth).