



2011-12
FINAL BUDGET

OVERVIEW

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





2011-12 STATE BUDGET





State Budget Highlights

- Only second time this decade that State had an approved budget by June 30th
- Did not rely on tax extensions
- Additional cuts from May Revise
 - \$150M from UC, CSU and Courts
- Additional Revenue
 - Tax online sales (\$200M)
 - VLF \$12 increase (\$300M)
 - Fire Fee for rural homeowners (\$50M)
 - Tax Receipts (\$4B)
- Automatic Trigger Cuts



Effect on Community Colleges

- \$400M cut to base revenues taken as a workload reduction
- A \$10/unit fee increase to mitigate base cut (\$110M)
- An additional \$129M inter-year deferral
- \$25M student fee shortfall not addressed
- Trigger Cuts
 - Director of Finance to determine by December 15th
 - Tier 0 – No mid-year cuts if \$3B of \$4B of revenue materialize
 - Tier 1 – If only \$2B to \$3B of revenue materialize, \$30M additional cut to base and an additional \$10/unit fee increase (\$46/unit)
 - Tier 2 – If less than \$2B materialize, all of Tier 1 actions plus an additional \$72M reduction to base revenues.



Effect on Glendale Community College

- Apportionment Reduction \$4.26M
- 6.2% reduction in workload
- Additional \$3M of funding deferred
- Total now = \$16.9M
- Trigger Cuts
 - Tier 1 – Additional \$390K apportionment reduction
 - Tier 2 – Additional \$1.3M apportionment reduction
includes Tier 1 cut above



ENROLLMENT



Enrollment Trends

Enrollment Categories	2007-08	2008-09	2009-10	2010-11
Funded Credit FTEs	13,280	13,277	12,696	13,185
Funded Non-Credit FTEs	272	321	410	394
Funded Career Dev/College Prep	2,470	2,577	2,536	2,376
Total Funded FTEs	16,022	16,175	15,642	15,955
Unfunded Credit FTEs	277	1,082	2,268	209
Unfunded Non-Credit FTEs	123	735	847	0
Unfunded Career Dev/College Prep	147	620	504	0
Total Unfunded FTEs	547	2,437	3,619	209
Non-Resident	995	975	795	616
Total FTEs	17,564	19,587	20,056	16,780



Enrollment

- Declined over 3,200 FTEs from 2009-10
 - Implementation of Block Schedules (8% reduction in credit enrollment)
 - Elimination of Second Summer Session
 - Further reduction in Winter
 - Construction at Garfield Campus
 - Reduction in Lifelong Learning Classes
 - PeopleSoft System implementation
- Still 200 FTEs unfunded in 2010-11
- Projected 6.2% reduction in workload for 2011-12
 - Summer 2011 further reduced
 - Winter 2012 eliminated



COLLEGE BUDGET



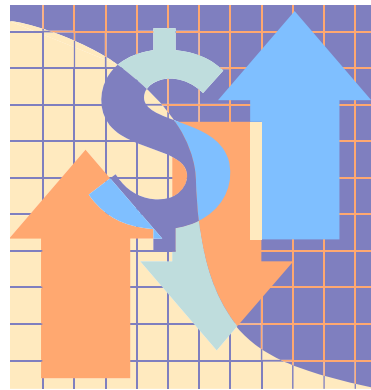


COLLEGE BUDGET DEVELOPMENT

Unrestricted General Fund

- 2010-11 Ending Balance increased \$278K to \$6.09 million (7.52%)
 - Amount in excess of 5% used to balance Final Budget
- Includes 5% General Reserve
 - \$4 million reserve established (\$200K reduction)
- \$350K reserve set aside for new requests
- \$2M budget cut/new revenue still required
 - Final Budget balanced by assuming Guild and CSEA will agree to 5% pay concession similar to Managers

REVENUE ADJUSTMENTS

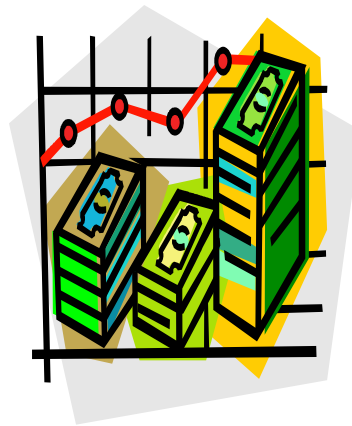




Revenue Adjustments

Category	Tent.	Final	Total
2011-12 Base Reductions	(\$3.85M)	(\$0.39M)	(\$4.24M)
Loss of federal funds	(\$0.06M)	-	(\$0.06M)
Mandate Cost Claims	(\$0.32M)	-	(\$0.32M)
Non-Resident Tuition	(\$0.30M)	-	(\$0.30M)
Transcripts	(\$0.14M)	-	(\$0.14M)
Blue Shield Rebate	(\$0.14M)	-	(\$0.14M)
Total Revenue Adjustment	(\$4.81M)	(\$0.39M)	(\$5.20M)

EXPENDITURE ADJUSTMENTS



Expenditure Adjustments

Augmentation	Tent.	Final	Total
Step & Column	\$718K	-	\$718K
Health Insurance	\$1,000K	-	\$1,000K
Dental	\$50K	-	\$50K
Utilities/Postage	(\$255K)	-	(\$255K)
PERS Retirement	\$200K	(\$150K)	\$50K
State Unemployment Insurance	\$500K	-	\$500K
Reallocation Reserve	\$47K	-	\$47K
Student Insurance	-	\$40K	\$40K
Federal Lobbyist	(\$75K)	\$23K	(\$52K)
Total Expenditure Adj.	\$2,185K	(\$87K)	\$2,098K

2011-12 “Must Do” Requests

Augmentation	Tent.	Final	Pending
Nursing Simulator Maintenance Agreement	-	-	\$15K
Oracle/PeopleSoft license	-	-	\$170K
SARS maintenance agree.	-	-	\$ 6K
Custodian	-	-	\$50K
District Accountant	-	-	\$90K
Chemistry dishwasher	-	-	\$1K
Total “Must Do”	-	-	\$332K

Budget Actions Taken

Budget Action	Tent.	Final	Total
Vacant Positions*	\$2.296M	\$0.053M	\$2.349M
Retirement Incentive	\$1.628M	\$0.030M	\$1.658M
Budget Reallocation Sub-Comm.	\$0.763M	-	\$0.763M
Summer Inter-session savings	\$0.835M	-	\$0.835M
Eliminate Winter Inter-session	\$1.150M	-	\$1.150M
Management 5% pay cut	\$0.423M	-	\$0.423M
5% Reserve	-	\$0.200M	\$0.200M
Miscellaneous	\$0.080M	(\$0.051M)	\$0.029M
Total Budget Cuts	\$7.175M	\$0.232M	\$7.407M

*Net of new hires



RESERVES

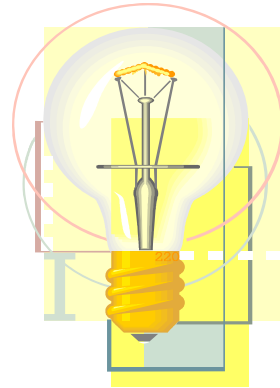


2010-11 COLLEGE UNRESTRICTED GENERAL FUND RESERVES

Reserve	On-Going	One-Time	Total
General Reserve (5.08%)		\$4,000,000	\$4,000,000
Contingency Reserve (0.64%)	\$500,000		500,000
Subtotal Mandatory (5.72%)	\$500,000	\$4,000,000	\$4,500,000
Senate PFE Grants	3,037		3,037
2011-12 Budget Requests	350,000		350,000
Reallocation Reserve		150,000	150,000
Employee Group Credit		229,830	229,830
Total Reserves	<u>\$853,037</u>	<u>\$4,379,830</u>	<u>\$5,232,867</u>



PENDING ISSUES

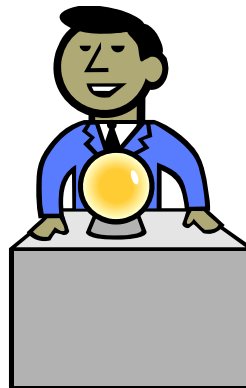




PENDING BUDGET ACTIONS

- 2011-12 Collective Bargaining
- 2012 Health Insurance Premium Renewal
 - 10% increase budgeted
- Health Plan Changes
- 2010 Blue Shield Rebate - \$247,613
- Mid-year budget cuts

BUDGET FORECAST





Budget Forecast

- 2012-13 will be another budget challenge
- College used one time budget solutions
 - Use of reserves to balance budget
 - Positions must be left vacant
- College must continue to end year with significant excess reserves over 5%
- College will have to fund its inflationary cost increases with potentially little new discretionary revenue.