



**FOOTHILL-DE ANZA**  
Community College District

# **Budget Update**

## **May 17, 2012**

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# State Budget Update

- Governor's revised budget
  - State economic update
  - Impact on community colleges



Scenario	Best Case	Worst Case
Projected Deficit (net of workload reduction) based on May Revise	(\$11.8M)	(\$17.1M)
Cuts to be Implemented 6/30/12( <i>estim.</i> )	\$4M	\$4M
<b><i>Remaining Deficit on 6/30/12</i></b>	<b><i>(\$7.8M)</i></b>	<b><i>(\$13.1M)</i></b>
<b><i>Projected shortfall after use of one-time funds</i></b>	<b><i>(\$1M to \$2M)</i></b>	<b><i>(\$5M plus)</i></b>



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# What changed and may change in the near future?

- FHDA enrollment decline
- State funding for FTES declined
- Additional mid-year cuts
- Deficit could get worse



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# Risk Factors

- Governor's tax package uncertainty and competing Munger proposal
- Budget signed into law could be even worse than the Governor's revised budget
- State accounting maneuvers
- Impact of student enrollment fee increase
- FHDA enrollment
- Overly optimistic state revenue projections
- Mid-year cuts



# Strategy to balance the budget in FY 2012/13

- Finalize budget cut plans
- Continued collaboration
- Timelines and benchmarks



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# Final Thoughts

- Chancellor's closing comments
- Q & A