



FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

Budget Summary and Reduction Strategy April 2003

*An outline of the
2002–2003 budget,
the Governor’s proposed
2003–2004 budget,
estimated impacts
to the district
and strategies to
address reductions.*

2002–2003 Foothill-De Anza Budget

In December, 2002, the Governor proposed mid-year cuts to offset the state's pending \$30-plus billion deficit. On March 19, the Governor signed SB 18X, a mid-year cuts bill that reduced funding for the Foothill-De Anza Community College District by \$4.7 million. There may be an additional reduction of \$1 million if state property tax revenues fall even more in the next three months. Included in the bill are cuts to instructional equipment and library materials, scheduled maintenance, technology funding and a significant reduction in base revenue. In anticipation of these cuts, starting in December the district instituted hiring restrictions, reduced discretionary spending and cut 360 classes for Winter Quarter. Through these actions the district realized sufficient savings to address the cuts imposed by SB 18X.

2003–2004 Governor's Budget Proposal

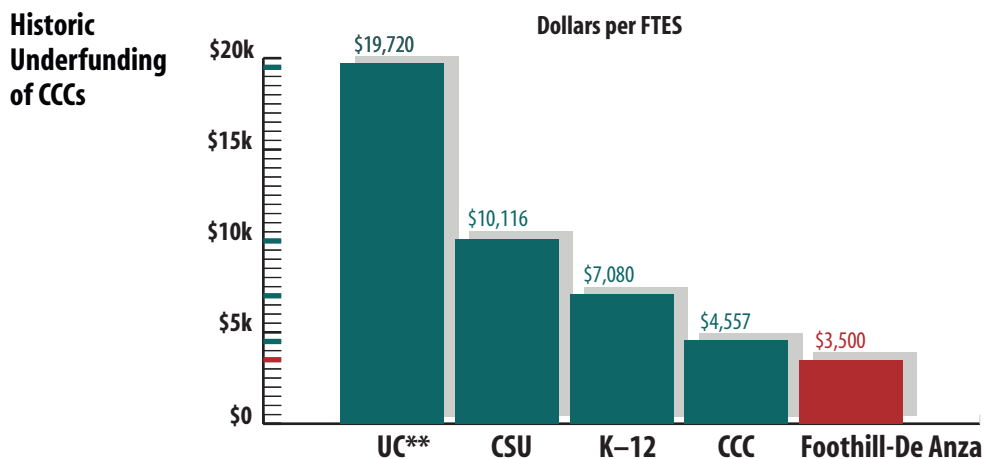
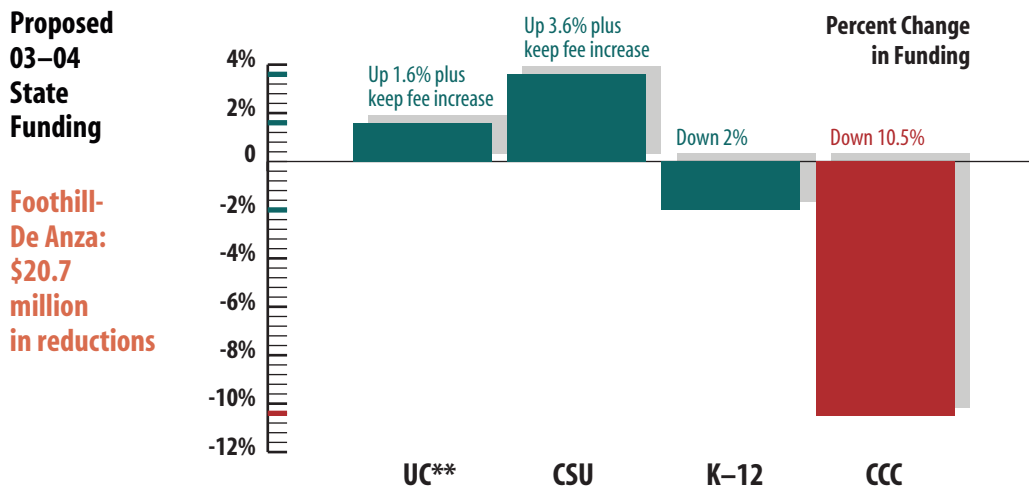
The Governor's 2003–2004 budget, released in January, proposed huge cuts to the community college system totaling \$1 billion. The proposal introduced a variety of severe categorical reductions, a cut to base revenue of 6 percent and a 128-percent increase in the enrollment fee to \$16 per quarter unit. Ironically, the budget also included 3 percent for growth, and no cost of living adjustment. In addition to the proposed state funding cuts, the district is anticipating major increases in operating expenses in the 2003–2004 year. The list of state cuts and expenses includes:

CATEGORY	FHDA CUTS/EXPENSES
INITIAL CUTS	
Reduction in State Revenue _____ 51 Percent Cut _____	\$ 11,000,000
EXPENSES (INCREASE FROM 02–03 BUDGET)	
Operating Deficit (Carry Forward 01–02) _____	\$ 5,000,000
Health Benefits _____	\$ 1,500,000
PERS Rate _____	\$ 2,000,000
Step and Column Increases _____	\$ 1,200,000
Total estimated reductions needed for 03–04 equal	<u>\$ 20,700,000</u>
ADDITIONAL CUTS	
PT Faculty Compensation _____ 11 Percent Cut _____	\$ 181,429
CA Virtual Campus _____ 45 Percent Cut _____	\$ 258,353
Child Care Funding _____ 87 Percent Cut _____	\$ 800,000
Economic Development _____ 51 Percent Cut _____	\$ 289,923
EOPS _____ 45 Percent Cut _____	\$ 719,678
DSPS _____ 45 Percent Cut _____	\$ 1,800,000
Basic Skills _____ 11 Percent Cut _____	\$ 218,706
Matriculation _____ 20 Percent Cut _____	\$ 253,211

Initial Strategies to Address \$20.7 Million Deficit

STRATEGY	\$ AMOUNT
Eliminate unfilled classified and management positions—backfill faculty	\$ 2,300,000
Reduce B budget by 10 percent	\$ 1,000,564
Use all unallocated ending balances	\$ 4,308,000
Potential productivity increase to 540	\$ 966,000
Reduce general fund maintenance/capital funding	\$ 700,000
Reduce district subsidy for foundation	\$ 242,569
Lobby state to reduce enrollment cap	\$ 3,300,000

Comparative State Funding for Education in California



***State general funds allocated for instructional-related activities, California Postsecondary Education Commission Fiscal Analysis 2000a*