

PCCFA General Meeting September 13, 2012

Key Facts

2011-12 Operating Statement: June 30, 2012

Budgeted Expenditures: \$116 M

Actual Expenditures: \$110.4 M

Expenditures Under Budget = \$5.6 M

Actual Revenues: \$112.2 M

Resulting in 2011-12 Surplus Revenues = \$1.8 M

Total General Reserves: \$20.7 M

2012-13 Adopted Budget

Budgeted Expenditures = \$111.4 M

So we are planning on spending \$1 M over 2011-12 Actual Expenditures

Meanwhile we are...

- **Cutting 578 sections/classes**
- **Cutting Winter Inter-Session = 6 week furlough for faculty (short circuiting both shared governance and the negotiating process)**
- **Suggesting furloughs in the spring for all non-faculty**
- **Approving the hiring of 30+ new Employees**
- **Spending 8.5 M on evacuating the U-Bldg.**

The Administration continues to characterize our 2011-12 year end surplus of \$1.8 Million as a “Budget Crisis”. Apparently if you have averaged an annual surplus of \$5.5 Million for the past eight years and have saved \$20.7 Million in the general reserves a surplus of only \$1.8 Million for 2011-12 might feel like a “Budget Crisis”.

PCCFA Presentation Made at PCC Board of Trustees

September 5, 2012

For video of the presentation, please visit: <http://www.youtube.com/watch?v=d0RBCQIVXgM>

My name is Danny Hamman. I am a faculty member at the CEC. I also serve as an Academic Senate representative on the Budget Resource Allocation Committee (BRAC) and I am the Co-lead negotiator for the Faculty Association.

Thank you for your thankless work as PCC Trustees. Thank you for taking the time to listen. Your decisions affect the lives of hundreds of faculty and staff and tens of thousands of students.

I am here on behalf of the Faculty Association. We want to share what we are being told about the financial condition of the college and show the conclusions we’ve reached based on the numbers provided by the District.

If there are any inaccuracies in our presentation we welcome the administration’s input on setting the record straight. We are only interested in making sure the facts are known so decisions made by this body can be fully informed and negotiations can be productive.

We are always interested in reasonable and appropriate cost saving measures. We are not opposed to appropriate prudence in these economic times. But any good thing taken to the extreme can become a bad thing. We need to remember we are not a bank we are an educational institution. We are not suggesting spending all our reserves, although dipping into them during tough economic times to provide a few more classes, is what reserves are for.

However, the numbers indicate that without dipping into the reserves we can afford another year similar to 2011-12 in which, in spite of the budget cuts from the state, we ended the year with a surplus of at least \$1.8 M and it included both a Winter Inter-Session and 578 more classes/sections.

The suggestion of a budget crisis has lead to recent decisions by both the Administration and the Board that short circuit the deliberative process known as Shared Governance and negotiations. Of particular importance is the attempt to radical change the Calendar by eliminating Winter Intersession mid-year – essentially a missed opportunity for students and effectively a 6 week furlough for faculty.

The faculty are at least as interested, if not more interested, than the Administration and the Board, in the financial viability & stability of PCC.

1. This is our livelihood and our careers – we have no interest in PCC failing financially.
2. More importantly we love teaching and we love the students we work with here at PCC. We love PCC.
3. Finally faculty tenure tends to be much longer than administrators and Board Members

We are reasonable people – we are willing to do whatever it takes to make sure PCC is the best educational institution it can be as well as fiscally viable and stable.

The fundamental problem seems to be a difference in what we believe the facts to be and the state of PCC's financial status. This is affecting decisions made by the Administration, the Board, and negotiations.

We have made similar presentations to the administration through the shared governance process and negotiations and we have received no explanation as to why these numbers or conclusions are wrong.

There are two distinctly different narratives being told. On the one hand, in February of this year the Board was told and a letter was sent out to the PCC community which read in part,

“Fair warning and full disclosure: if you are hoping against hope that PCC can solve its current budget crisis and yet preserve the status quo, this is going to be a difficult message for you.

Can we end our budget crisis without making difficult choices, and soon? No.

Can we end our budget crisis without the end of business as usual? No.

Can we end our budget crisis with innovative and comprehensive change that creates a brighter future for all faculty, staff and students? Yes.”¹

And later in that same letter it read, “But to make matters worse, this is now the fifth consecutive year that our annual operating expenses and enrollment have significantly exceeded our annual funding from the state. We have not balanced our expenses on current revenue since Dr. Kossler retired in 2007. At that time, we did have some savings. Today, we have spent almost all of it.”²

And as recently as one month ago the BRAC committee was told by the administration that our expenditures were @ \$120M a year and our expected revenues for 2012-13 were about \$105 M leaving us with about a \$15M deficit. Along with this came a proposal of possible ways to bridge this gap which included among other things ...

1. Furloughs for “non-faculty”
2. The elimination of Winter Inter-Session – Effectively a 6 week furlough for faculty

(Which at the time the Administration said they “Must negotiate with the FA”)

(BOTP 7/18/12 pp. 53-56)

¹ (Part II: Budget Reality Check: We've Hit The Wall - / February 14, 2012 <http://pulse.pasadena.edu/2012/02/part-ii-budget-reality-check-weve-hit-the-wall/>)

² *Ibid*

If this narrative is true we don't understand why the administration would recommend and the Board would approve

1. The hiring of @ 30 New Employees
2. The expenditure of \$8.5 Million Dollars moving people out of the U-building – \$2.3 Million over budget I might add.

A building that, in the Spring of 2011, the administration declared unsafe and determined had to be evacuated by August, 2011 in part, based on studies as old as December, 2007. That study by the way found three other buildings with the same Category V Risk Factor – C, R, and E and two other buildings with worse risk factors of V/VI – C-Sexton Auditorium and W building. Yet, students were using this unsafe facility as recently as two weeks ago (one year after the self-imposed deadline of August, 2011) and today I was in that building because our Faculty Association offices are still there. The cost of this unnecessary project \$8.5 Million would fund 1,700 sections = 6+ Winter Inter-Sessions. The over-run on this item alone \$2.3 Million would fund 460 sections almost 2 Winter Inter-Sessions

On the other hand the numbers tell us a different narrative...

According to our Year End Operating Statements and Financial Status Reports (311Qs) we have been living well within our means...

Year End "Sweeps" Spreadsheets [See next page - "PACCD Year End Transfers 2003 – 2012" Spreadsheet

Here is a spreadsheet with our year end "sweeps" for the past five years.

PACCD Year End Transfers 2003 - 2012 (Source: PCC Operating Statements/C-311Qs)					
2011 - 2012		Including Deferral		Fund Ending Balance	
		\$ 5,374,000.00		2010-11	\$ 18,897,581.00
Increase General Reserve	\$ 1,810,167.00	\$ 7,184,167.00		2011-12	\$ 20,707,748.00
				Increase in Ending Balance	\$ 1,810,167.00
2010 - 2011				Percentage Increase	9.58%
Other Outgo	\$ 4,996,858.00	Average 2 yrs.	\$ 6,126,311.50	Percentage of Budget \$109.5 M	18.91%
Increase General Reserve		Total 2 Years	\$ 12,252,623.00		
	\$ 4,996,858.00			Note: State requires 3 - 5 %	\$ 5,275,000.00
				Excess	\$ 15,432,748.00
2009 - 2010		Average 4 Yrs.	\$ 5,491,843.00		
Other Outgo	\$ 6,047,673.00	Total 4 Yrs.	\$ 21,967,372.00	Real Increase - add deferral	\$ 5,374,000.00
Increase General Reserve	\$ 1,208,092.00			Total Increase =	\$ 7,184,167.00
	\$ 7,255,765.00				
2008-2009				2011-11	\$ 18,897,581.00
Other Outgo	\$ 1,713,284.00			2012-13	\$ 26,081,748.00
Increase General Reserve	\$ 2,695,988.00			Increase in Ending Balance	\$ 7,184,167.00
	\$ 4,409,272.00			Percentage Increase	38.02%
2007-2008				Percentage of Budget \$109.5 M	23.82%
Other Outgo	\$ 3,935,398.00				
Increase General Reserve	\$ 1,370,079.00				
	\$ 5,305,477.00				

It demonstrates that our revenues have exceeded our expenditures resulting in **surpluses averaging \$5.5M since 2007**. Yet we are told “annual operating expenses have exceeded our state funding” since 2007.

It also demonstrates that our **general reserves or savings as of June 30, 2012 is \$20.7 M**. Yet we are told “we have spent almost all of our savings.”

I have presented these numbers in the BRAC committee and there has been no disagreement as to the veracity of these numbers. But again, if there are any inaccuracies in our presentation we welcome the administration’s input on setting the record straight. We are only interested in making sure the facts are known so decisions made by this body can be fully informed. And negotiations can be productive.

We believe we have made adjustments and taken cost cutting measures over the past few years in light of the state budget problems. The fact that we ended 2011-12 with a \$1.8 M surplus is evidence of this. **Among other things, the Faculty Association negotiated an early retirement incentive that has resulted in bottom line savings to our annual expenditures in excess of \$10 M a year.**

Quarterly Financial Status Report: 311Q [See next page - 311Q - BOTP 8/15/12 pp. 53-55 esp. 54]³

[Page 53]

This is our official quarterly financial status report for 2011-12 year end – June 30, 2012. It is signed by our Chief Business Officer and our CEO/President, I believe under penalty of perjury. This is a very important document and it confirms, among other things, on item K that we had revenues over expenditures of \$1.8M.

³ http://www.pasadena.edu/meetdocs/board_15472_C.pdf (Page 53)

**CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE**

**Quarterly Financial Status Report, CCFS-311Q
VIEW QUARTERLY DATA**

CHANGE THE PERIOD

Fiscal Year: 2011-2012

Quarter Ended: (Q4) Jun 30, 2012

District: (770) PASADENA

Line	Description	As of June 30 for the fiscal year specified			
		Actual 2008-09	Actual 2009-10	Actual 2010-11	Projected 2011-2012
I. Unrestricted General Fund Revenue, Expenditure and Fund Balance:					
A. Revenues:					
A.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	122,927,825	121,383,834	120,709,759	110,792,788
A.2	Other Financing Sources (Object 8900)	38,541	127,484	20,335	1,413,215
A.3	Total Unrestricted Revenue (A.1 + A.2)	122,966,366	121,511,318	120,730,094	112,206,003
B. Expenditures:					
B.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	118,557,094	115,195,015	116,602,589	110,273,880
B.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	1,713,284	6,047,673	4,996,858	121,956
B.3	Total Unrestricted Expenditures (B.1 + B.2)	120,270,378	121,242,688	121,599,447	110,395,836
C.	Revenues Over(Under) Expenditures (A.3 - B.3)	2,695,988	268,630	-869,353	1,810,167
D. Fund Balance, Beginning					
D.1	Prior Year Adjustments + (-)	0	939,462	0	0
D.2	Adjusted Fund Balance, Beginning (D + D.1)	15,862,854	19,498,304	19,766,934	18,897,581
E.	Fund Balance, Ending (C. + D.2)	18,558,842	19,766,934	18,897,581	20,707,748
F.1	Percentage of GF Fund Balance to GF Expenditures (E. / B.3)	15.4%	16.3%	15.5%	18.8%

II. Annualized Attendance FTES:

G.1	Annualized FTES (excluding apprentice and non-resident)	24,055	23,422	23,230	21,425
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III. Total General Fund Cash Balance (Unrestricted and Restricted)

Line	Description	As of the specified quarter ended for each fiscal year			
		2008-09	2009-10	2010-11	2011-2012
H.1	Cash, excluding borrowed funds		15,777,049	12,635,298	6,525,144
H.2	Cash, borrowed funds only		0	0	5,000,000
H.3	Total Cash (H.1+ H.2)	21,154,090	15,777,049	12,635,298	11,525,144

IV. Unrestricted General Fund Revenue, Expenditure and Fund Balance:

Line	Description	Adopted Budget (Col. 1)	Annual Current Budget (Col. 2)	Year-to-Date Actuals (Col. 3)	Percentage (Col. 3/Col. 2)
I. Revenues:					
I.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	114,624,306	114,668,913	110,792,788	96.6%
I.2	Other Financing Sources (Object 8900)	1,394,000	1,394,000	1,413,215	101.4%
I.3	Total Unrestricted Revenue (I.1 + I.2)	116,018,306	116,062,913	112,206,003	96.7%
J. Expenditures:					
J.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	115,766,081	115,766,081	110,273,880	95.3%
J.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	252,225	252,225	121,956	48.4%
J.3	Total Unrestricted Expenditures (J.1 + J.2)	116,018,306	116,018,306	110,395,836	95.2%
K.	Revenues Over(Under) Expenditures (I.3 - J.3)	0	44,607	1,810,167	
L.	Adjusted Fund Balance, Beginning	18,897,581	18,897,581	18,897,581	
L.1	Fund Balance, Ending (C. + L.2)	18,897,581	18,942,188	20,707,748	
M.	Percentage of GF Fund Balance to GF Expenditures (L.1 / J.3)	16.3%	16.3%		

V. Has the district settled any employee contracts during this quarter? **NO**

If yes, complete the following: (If multi-year settlement, provide information for all years covered.)

Contract Period Settled (Specify)	Management	Academic		Classified
		Permanent	Temporary	

More importantly, on page two of this document is a question that reads,

“Does the district have significant fiscal problems that must be addressed?”

This Year? NO

Next Year? NO⁴

View Quarterly Data - CCFS-311Q (Quarterly Financial Status Report)

YYYY-YY	Total Cost Increase	% *	Total Cost Increase	% *	Total Cost Increase	% *	Total Cost Increase	% *
a. SALARIES:								
Year 1:								
Year 2:								
Year 3:								
b. BENEFITS:								
Year 1:								
Year 2:								
Year 3:								

* As specified in Collective Bargaining Agreement or other Employment Contract

c. Provide an explanation on how the district intends to fund the salary and benefit increases, and also identify the revenue source/object code.

VI. Did the district have significant events for the quarter (include incurrence of long-term debt, settlement of audit findings or legal suits, significant differences in budgeted revenues or expenditures, borrowing of funds (TRANS), issuance of COPs, etc.)? **NO**

If yes, list events and their financial ramifications. (Enter explanation below, include additional pages if needed.)

VII. Does the district have significant fiscal problems that must be addressed? **NO**
 This year? **NO**
 Next year? **NO**

If yes, what are the problems and what actions will be taken? (Enter explanation below, include additional pages if needed.)

⁴ http://www.pasadena.edu/meetdocs/board_15472_C.pdf (Page 55)


It was signed 8/9/12 and 8/10/12 – by our CBO and CEO respectively - just weeks ago.⁵

(But we were told there is a “Budget Crisis” – “requiring difficult choices and the end of business as usual.”)

Certify Quarterly Data - CCFS-311Q (Quarterly Financial Status Report) Page 1 of 1

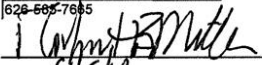
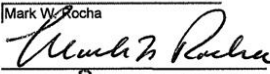
**CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE**

Quarterly Financial Status Report, CCFS-311Q
CERTIFY QUARTERLY DATA

CHANGE THE PERIOD 
Fiscal Year: 2011-2012
Quarter Ended: (Q4) Jun 30, 2012

District: (770) PASADENA

Your Quarterly Data is ready for certification.
Please complete the fields below and click on the 'Certify This Quarter' button

<p>Chief Business Officer</p> <p>CBO Name: <u>Robert Miller</u></p> <p>CBO Phone: <u>Use format 999-555-1212</u> <u>626-585-7685</u></p> <p>CBO Signature: <u></u></p> <p>Date Signed: <u>8/5/12</u></p> <p>Chief Executive Officer Name: <u>Mark W. Rocha</u></p> <p>CEO Signature: <u></u></p> <p>Date Signed: <u>8-10-2012</u></p> <p>Electronic Cert Date:</p>	<p>District Contact Person</p> <p>Name: <u>Maria Descalzo</u></p> <p>Title: <u>Supervisor, Acctg. Fiscal Services</u></p> <p>Telephone: <u>Use format 999-555-1212</u> <u>626-585-7310</u></p> <p>Fax: <u>Use format 999-555-1212</u> <u>626-585-7968</u></p> <p>E-Mail: <u>mbdescalzo@pasadena.edu</u></p>
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California Community Colleges, Chancellor's Office
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1102 Q Street, Suite 4554
Sacramento, California 95814-6511

Send questions to:
Christine Atalig (916)327-5772 atalig@ccco.edu or Tracy Britten (916)323-6899 tbritten@ccco.edu
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Budgeted Expenditures vs. Actual Expenditures

There is a big difference between Budgeted Expenditures and Actual Expenditures

2011 - 12 Operating Statement ending June 30, 2012 [See next page – “PCC Operating Statement” - BOTP 8/15/12 p. 16]⁶

⁵ http://www.pasadena.edu/meetdocs/board_15472_C.pdf (Page 55)

⁶ http://www.pasadena.edu/meetdocs/board_15472_C.pdf (Page 16)

2011-12

PASADENA AREA COMMUNITY COLLEGE DISTRICT
 FY2011-12 OPERATING STATEMENT
 TENTATIVE AS OF JUNE 30, 2012 (08/08/12)

Q4

	ADOPTED BUDGET	BUDGET ADJUSTMENTS	REVISED BUDGET	ACTUAL TO DATE	\$ VARIANCE	% VARIANCE
REVENUE						
FEDERAL	\$ 252,948	\$ 33	\$ 252,981	\$ 214,590	\$ (38,391)	-15%
STATE						
General Apportionment	\$ 71,562,692	\$ -	\$ 71,562,692	\$ 67,301,469	\$ (4,261,223)	-6%
Enrollment Fee Waiver (2%)	\$ 142,362	\$ -	\$ 142,362	\$ 142,362	\$ -	0%
Part-time Faculty Compensation	\$ 484,748	\$ -	\$ 484,748	\$ 484,748	\$ -	0%
State Lottery Proceeds	\$ 2,937,987	\$ -	\$ 2,937,987	\$ 3,018,983	\$ 80,996	3%
Misc State Revenue	\$ 365,891	\$ 44,574	\$ 410,465	\$ 365,439	\$ (45,026)	-11%
TOTAL STATE REVENUE	\$ 75,493,680	\$ 44,574	\$ 75,538,254	\$ 71,313,001	\$ (4,225,253)	-6%
LOCAL						
Tax Allocation / Secured Roll	\$ 16,573,402	\$ -	\$ 16,573,402	\$ 16,986,703	\$ 413,301	2%
Tax Allocation / Supplemental Roll	\$ 176,407	\$ -	\$ 176,407	\$ 178,281	\$ 1,874	1%
Tax Allocation / Unsecured Roll	\$ 746,742	\$ -	\$ 746,742	\$ 748,679	\$ 1,937	0%
Prior Years Taxes	\$ 1,249,608	\$ -	\$ 1,249,608	\$ 1,352,975	\$ 103,367	8%
Educational Revenue Augmentation	\$ -	\$ -	\$ -	\$ (590,770)	\$ (590,770)	-
Redevelopment Agency Fund				\$ 2,423,991	\$ 2,423,991	
Gifts and Grants	\$ 350,000	\$ -	\$ 350,000	\$ 81,983	\$ (268,017)	-77%
Contract Service/Contract Ed	\$ -	\$ -	\$ -	\$ (6,880)	\$ (6,880)	-
Sales & Commissions	\$ 10,000	\$ -	\$ 10,000	\$ 4,592	\$ (5,408)	-54%
Rentals / Civic Center	\$ 246,000	\$ -	\$ 246,000	\$ 235,801	\$ (10,199)	-4%
Rentals / Bookstore	\$ 20,000	\$ -	\$ 20,000	\$ 20,004	\$ 4	0%
Rentals / Miscellaneous	\$ 14,000	\$ -	\$ 14,000	\$ 4,033	\$ (9,967)	-71%
Interest on Deposits	\$ 250,000	\$ -	\$ 250,000	\$ 182,290	\$ (67,710)	-27%
Extended Learning Center	\$ 675,000	\$ -	\$ 675,000	\$ 712,650	\$ 37,650	6%
Enrollment Fees	\$ 9,877,620	\$ -	\$ 9,877,620	\$ 7,568,486	\$ (2,309,134)	-23%
Course Materials Fees	\$ 110,900	\$ -	\$ 110,900	\$ 94,371	\$ (16,529)	-15%
Student Records	\$ 174,700	\$ -	\$ 174,700	\$ 170,845	\$ (3,855)	-2%
Non Resident Tuition	\$ 7,500,000	\$ -	\$ 7,500,000	\$ 8,014,747	\$ 514,747	7%
Other Student Fees and Charges	\$ 48,200	\$ -	\$ 48,200	\$ 68,528	\$ 20,328	42%
Other Local Income	\$ 855,099	\$ -	\$ 855,099	\$ 1,013,888	\$ 158,789	19%
TOTAL LOCAL REVENUE	\$ 38,877,678	\$ -	\$ 38,877,678	\$ 39,265,197	\$ 387,519	1%
OTHER REVENUE	\$ 1,394,000	\$ -	\$ 1,394,000	\$ 1,413,215	\$ 19,215	1%
TOTAL REVENUE	\$ 116,018,306	\$ 44,607	\$ 116,062,913	\$ 112,206,003	\$ (3,856,910)	-3%
EXPENDITURES						
ACADEMIC SALARIES						
Academic Monthly	\$ 27,808,681	\$ (463,361)	\$ 27,345,320	\$ 25,894,019	\$ (1,451,301)	-5%
Non Teaching Certificated	\$ 8,332,100	\$ 331,970	\$ 8,664,070	\$ 8,949,400	\$ 285,330	3%
Instruction Adjunct/Overload/Hrly	\$ 19,625,787	\$ -	\$ 19,625,787	\$ 19,473,562	\$ (152,225)	-1%
Non Teaching Stipends	\$ 61,897	\$ 131,391	\$ 193,288	\$ 306,816	\$ 113,528	59%
TOTAL ACADEMIC SALARIES	\$ 55,828,465	\$ -	\$ 55,828,465	\$ 54,623,797	\$ (1,204,668)	-2%
CLASSIFIED SALARIES						
Supervision/Management	\$ 1,906,170	\$ -	\$ 1,906,170	\$ 2,106,900	\$ 200,730	11%
Classified Monthly	\$ 14,898,391	\$ (71,075)	\$ 14,827,316	\$ 14,560,290	\$ (267,026)	-2%
Hourly/Overtime/Students	\$ 2,632,594	\$ 1,424,043	\$ 4,056,637	\$ 4,475,567	\$ 418,930	10%
Other	\$ 1,609,475	\$ (1,352,968)	\$ 256,507	\$ -	\$ (256,507)	-100%
TOTAL CLASSIFIED SALARIES	\$ 21,046,630	\$ -	\$ 21,046,630	\$ 21,142,757	\$ 96,127	0%
EMPLOYEE BENEFITS						
Retirement	\$ 9,647,830	\$ (136,930)	\$ 9,510,900	\$ 7,877,170	\$ (1,633,730)	-17%
Health & Welfare	\$ 10,538,681	\$ 66,419	\$ 10,605,100	\$ 11,401,692	\$ 796,592	8%
Other	\$ 4,031,691	\$ 70,511	\$ 4,102,202	\$ 4,244,414	\$ 142,212	3%
TOTAL EMPLOYEE BENEFITS	\$ 24,218,202	\$ -	\$ 24,218,202	\$ 23,523,276	\$ (694,926)	-3%
SUPPLIES	\$ 1,990,040	\$ -	\$ 1,990,040	\$ 1,341,845	\$ (648,195)	-33%
SERVICES	\$ 10,289,855	\$ -	\$ 10,289,855	\$ 9,284,203	\$ (1,005,652)	-10%
CAPITAL OUTLAY	\$ 2,392,889	\$ -	\$ 2,392,889	\$ 358,001	\$ (2,034,888)	-85%
OTHER OUTGO	\$ 252,225	\$ 44,607	\$ 296,832	\$ 121,957	\$ (174,875)	-59%
TOTAL EXPENDITURES	\$ 116,018,306	\$ 44,607	\$ 116,062,913	\$ 110,395,836	\$ (5,667,077)	-5%
NET OPERATING SURPLUS (DEFICIT)	\$ -	\$ -	\$ -	\$ 1,810,167	\$ 1,810,167	
FUND BALANCE, BEGINNING						
Fund Balance Reserved	\$ 12,050,000		\$ 12,050,000	\$ 12,050,000		
Annual Operating Contingencies	\$ 6,847,581		\$ 6,847,581	\$ 6,847,581		
FUND BALANCE, ENDING	\$ 18,897,581		\$ 18,897,581	\$ 20,707,748		

Here is the 2011-12 year end Operating Statement. Some key facts to note...

- Budgeted Expenditures: \$116 Million
- Actual Expenditures: \$110.4 Million
- Expenditures Under Budget = \$5.6 M
- Actual Revenues: \$112.2 M - Actual Expenditures \$110.4 M
- 2011-12 Surplus of \$1.8 M
- Total General Reserves: \$20.7 M

2012 – 2013 Adopted Budget [See next page – “2012/13 Adopted Budget” BOTP 9/5/2012 p. 34]⁷

2012/13 Adopted Budget

2012-2013 PROPOSED ADOPTED BUDGET - ASSUMES NEW CALENDAR

UNRESTRICTED GENERAL FUND - 01 (ACCRUAL BASIS AS OPPOSED TO CASH BASIS)	2011-12 BUDGET	2011-12 ACTUAL	2012-13 PROJECTED BUDGET
REVENUE			
Federal Funding	252,981	214,590	227,562
State Funding	75,538,235	71,313,001	66,493,656
Local Funding	38,877,678	39,265,197	40,550,728
Other Financing Sources	1,394,000	1,413,215	10,000
Insurance Refund			2,306,982
TOTAL REVENUE	116,062,894	112,206,003	109,588,928
EXPENDITURES			
Academic Salaries	55,828,465	54,623,797	53,170,779
Classified & Non Academic Salaries	21,046,630	21,142,757	20,561,782
Employee Benefits	24,218,202	23,523,276	25,219,387
Supplies & Materials	1,990,040	1,341,845	1,884,393
Other Operating Expenses and Services	10,289,855	9,284,203	10,218,590
Equipment Purchase	2,392,889	358,001	287,563
Other Outgo	296,813	121,957	56,601
TOTAL EXPENDITURES	116,062,894	110,395,836	111,399,095
Revenue Over(Under) Expenditures		1,810,167	(1,810,167)
11/12 Surplus Applied to 12/13 Proposed Budget			1,810,167
Net Revenue Over (Under) Expenditures			0

⁷ http://www.pasadena.edu/meetdocs/board_15474_C.pdf(Page 34)

Now let's look at the 2012-13 Budget in tonight's Board Packet. Some key facts to note...

- Expected Revenues of \$109.5 M
- Budgeted Expenditures of 111.4 M
 - **\$1 M over 2011-12 Actual Expenditures**

Meanwhile we are...

- Cutting 578 sections/classes (which was suppose to save us \$3.1 M)
- Hiring @ 30 new employees while we are discussing furloughs for current employees
- Cutting Winter Inter-Session - which is effectively a 6 week furlough for faculty Short circuiting both shared governance and the negotiating process

Budget Summary Spreadsheet [See next page – “Summary 2011-12 Budget as of 6/30/12” Spreadsheet]

Summary of 2011 - 2012 Budget as of 6/30/12					
Actual Expenditures From Operating Budget (BOTP 8/15/12 p. 16/211)					
Actual Expenditures	As of 6/30/2012				
Total Academic Salaries	\$	54,623,797.00			
Total Classified Salaries	\$	21,142,757.00			
Total Employee Benefits	\$	23,523,276.00			
Total Employee Costs	\$	99,289,830.00			
Supplies	\$	1,341,845.00			
Services	\$	9,284,203.00			
Capital Outlay	\$	358,001.00			
Other Outgo	\$	121,957.00			
Sub-Total	\$	11,106,006.00			
Total Expenditures	\$	110,395,836.00			
2011 - 2012 Notes:	Total Actual Expenditures	Total Actual Receipts	Surplus	Deferred Funds	Total Actual Surplus
	\$	110,395,836.00	\$	112,206,003.00	\$
			\$	1,810,167.00	\$ 1,810,167.00
				Total General Reserves	\$ 20,707,748.00

