

**FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGES
DEPARTMENTAL FORECAST SUMMARY
VARIANCE ANALYSIS - FISCAL YEAR 2013 BUDGET COMPARED TO FISCAL YEAR 2012 REFORECAST**

OVERALL

Total revenues are budgeted to increase \$4.4 million, or 7% as compared to the FY2012 forecast, primarily due to increases in Career Pathway, Career Ladders, Student Mental Health, new Student Success funding, and is partially offset by the completion of the VRRRM program.

Total net income is budgeted to increase \$36k or 7% as compared to the FY2012 forecast, primarily due to increases in Career Pathway, Career Ladders, Student Mental Health, and new Student Success funding, and is partially offset by completion of the VRRRM program and relocation of administrative costs that were previously funded by BAR and VRRRM.

YOUTH AND ADULT SERVICES

YESS-LA AND YESS-CA: \$2.7 million total contracts budgeted at 95% utilization rate. YESS-LA assumes a full year contract extension from the County of Los Angeles.

Apple Corps Tutoring: Budgeted to operate in Los Angeles and Sacramento with revenues and net income of \$208k and \$5k, respectively. Apple Corps program has accumulated net losses/investment of \$179K and \$51k during FY2011 and FY2012, respectively, and is currently under review to determine ongoing sustainability options.

AIR QUALITY

Bureau of Automotive Repair: \$5.9 million contract budgeted at 95% utilization rate and includes additional funding for development and operation of Automotive Recourse Center (Smog Technician training and recertification website) and marketing and research support services. Total revenues and net margin of \$5.9 million and \$760k, respectively.

South Coast HEROS II: Revenues and net income budgeted to increase by \$209k and \$64k, respectively, due to operational phase of pilot program.

South Coast Enhanced Fleet Modernization Program (EFMP): Budgeted revenues and net income of \$1.0 million and \$57k, respectively, for EFMP which will leverage the successes of the VRRRM program and assist South Coast Air District in the administration of programs to cost-effectively reduce emission-related pollutants in targeted areas of California.

Coachella Valley Power Plant Mitigation: Anticipated new Coachella Valley program from South Coast Air District with funding up to \$59 million over 5 years will be modeled after highly successful VRRRM program. Anticipated FY2013 revenues and margin of \$4.5 million and \$253k, respectively.

VRRRM: Contract will be significantly completed as of 06/30/12 resulting in a decrease of revenues and net margin of \$8.8 million and \$663k, respectively.

CAREER PATHWAY

Revenues and net income budgeted to increase by \$436k and \$60k, respectively, representing a 6% increase in revenues over FY2012, primarily related to new contracts executed with Southern California Edison in FY2012, increase in current contract utilization, and execution of new public and private sector contracts.

COLLEGE BUYS

Revenues and net income budgeted to decrease by \$93k and \$89k, respectively, primarily related to Microsoft eliminating the Student Select Program and decreased institutional software licenses for Blackboard (learning management system).

CALIFORNIA CONNECTS

Program revenues are expected to increase while net income is expected to decrease due to program being fully staffed at contracted levels and increased utilization of sub-recipient contacts. The increase in sub-recipient activity has no margin impact. California Connects contract is expected to operate through June 2013.

CAREER LADDERS

Revenues and net income expected to increase \$1,327k and \$120k, respectively, primarily due to an anticipated new multi year grant to be awarded during early FY2013.

FISCAL SPONSORS

Early Assessment Program was a multi year grant which concluded activates during FY2012 and results in decreased revenues and net income of \$234k and \$19k for FY2013.

Misc. Chancellor's Office Projects: Decreased revenues and net income of \$49k and \$7k, respectively, primarily related to fiscal sponsor services provided for Emergency Planning and Investor Owned Utilities.

Chancellor's Circle: Revenues and net income expected to increase by \$25k and \$22k, respectively, due to recruitment of new corporate sponsors.

NCCCF: Due to new partnership agreement between the Foundation, NCCCF and CASE, NCCCF will not be accounted for as a financially interrelated organization of the Foundation beginning in FY2013. As a result, the Foundation's support for NCCCF will be accounted for as an administrative donation instead of Fiscal Sponsorship, resulting net income increase of \$55k in Fiscal Sponsors.

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FACILITY SYSTEMS

No significant change from FY2012. Increased revenues (\$17k) related to ongoing support of GIS integration with Onuma Systems. Onuma Systems is a web-based Building Information Modeling (BIM) tool.

HEALTH CARE

Nursing Resource Center: No new market activity budgeted for FY2013. Slight decrease in revenues and net income due to a few customers declining system subscription renewals due to required technology enhancements that have yet to be implemented.

Nursing Education Fund: Increased revenue of 135k due to the anticipated awarding of grant for necessary technology enhancements to Nursing Resource Center.

STUDENT MENTAL HEALTH

Increased revenues and net income of \$3,518k and \$230k, respectively, primarily relates to the awarding and disbursement of community college sub-grant funds.

STUDENT SUCCESS

Increased revenues and net income of \$394k and \$40k, respectively, primarily due to new flagship fundraising efforts.

CHANCELLOR'S OFFICE SUPPORT

Contributions to Chancellor's Office are maintained at \$300k for FY2013.

ADMINISTRATIVE

Salaries and benefits increased by \$227k, primarily related to Finance and General Counsel personnel that were previously funded by VRRRM and BAR, which are partially offset non-recurring FY2012 expense.

NCCCF annual support of \$44k will be classified as an administrative donation instead of fiscal sponsorship beginning in FY2013, due to the new partnership agreement between the Foundation, NCCCF and CASE.

Increases in staff training and travel of \$37k and \$30k, respectively, due to increased focus on organizational wide training needs and increased Executive Management travel requirements.

ADVANCEMENT

Advancement consists of Resource Development, Marketing and Public Relations and primarily includes payroll and benefit costs related to VP and related support staff, plus associated office expenses. Budget also includes \$14k for general brochure and annual report updates.

New Staff Positions

Air Quality: Air Quality Program Director (new position dependent on additional funding).

Programs and Services: Director of Collaborative Services (new position to support CollegeBuys, NRC and FUSION).

Career Ladders: Two Senior Associate positions for Career Ladders Project (new program funded positions).

Software Programming: Two software programmers for funded programming work in Air Quality and Health Care (2012 staff attrition).