

FINAL BUDGET 2013-14

RESTORATION AND RECOVERY

- ✘ Passage of Prop 30 and State Budget clearly signal better times ahead for CC system
- ✘ How is MPC positioned after four years of significant cuts?
 - + We are educating nearly 20% fewer FTES than in 2008-09.
 - + State workload cuts have reduced revenues far faster than we have been able to reduce expenses, therefore, we continue to deficit spend
 - + Administration is using multiple strategies to increase revenue and reduce expenses

STATE BUDGET ACT 2013-14

- ✘ Increased funding over Governor's May Revise
 - + Enrollment growth / restoration of 1.63% for 13-14 (total of \$266M new money for growth in the system)
 - + COLA of 1.57% (\$87.5M)
 - + Student Success Funding of \$99.2M
 - + Energy efficiency funding of \$48M (allocated by Chancellor's Office)
 - + Deferred Maintenance funding of \$30M
 - + Online education funding of \$16.9M
 - + Increased funding for categorical programs (EOPS \$15M; DSPS \$15M; CalWorks \$8M)
 - + Academic Senate funding increased by \$150K

CHANCELLOR'S BUDGET WORKSHOP

× 2012-13 Budget

- + Deficit Coefficient is still being negotiated between DOF and Chancellor's Office
 - × Range is 0.07% to 2.4% (\$250,000 to \$816,000 for MPC)
- + Deficit coefficient and loss of stability funding in 12-13 will result in ending UGF reserve of below 10%

× 2013-14 Budget

- + 20 districts on “stability funding” totaling \$56.3M
- + Workload restoration totaling \$85.9M (09-10 and 11-12) in the system to increase access. More access money to come. Each district is allocated “restoration eligibility”.

CHANCELLOR'S BUDGET WORKSHOP

- ✘ MPC's Stability and Restoration eligibility as calculated by the Chancellor's Office

+ Stability Eligibility (based on P2)	\$1,541,886
+ 09-10 Restoration Eligibility	\$ 769,805
+ 10-11 Restoration Eligibility	\$ 487,557
+ 12-13 Restoration Eligibility	Not Yet Calculated
+ 13-14 Restoration Eligibility	Not Yet Calculated

- ✘ Three years to earn back stability funding
- ✘ 2009-10 restoration eligibility must be earned in 13-14, otherwise unearned funds will be redistributed to other districts with unfunded FTES

CHANGES FROM TENTATIVE BUDGET

× UGF Revenues

- + Tentative budget apportionment estimate of \$34,056,599 is confirmed
- + Mandate Reimbursement Block Grant (\$28 per FTES) will generate approx. \$190K in 1X funds
- + Lottery revenues increased \$200K using new allocation formula.

CHANGES FROM TENTATIVE BUDGET

× UGF Expenses

- + Increase utilities by \$61,880
 - + MCOE has published SUI rates and they result in a \$229,487 decrease from tentative
 - + Increase marketing and advertising by \$50,000
 - + Decrease library budget by \$68,000 for instructional equipment because new Instructional Equipment / Library (\$109K) will likely provide some backfill
 - + Increase UGF backfill totaling \$48,000 for Matriculation and Supportive Services because Apprenticeship funding is no longer flexible in 13-14
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- × **Net Change between UGF Revenues and Expenses is a reduction in the overall deficit of approximately \$300K from the Tentative Budget.**

CHANGES FROM TENTATIVE BUDGET

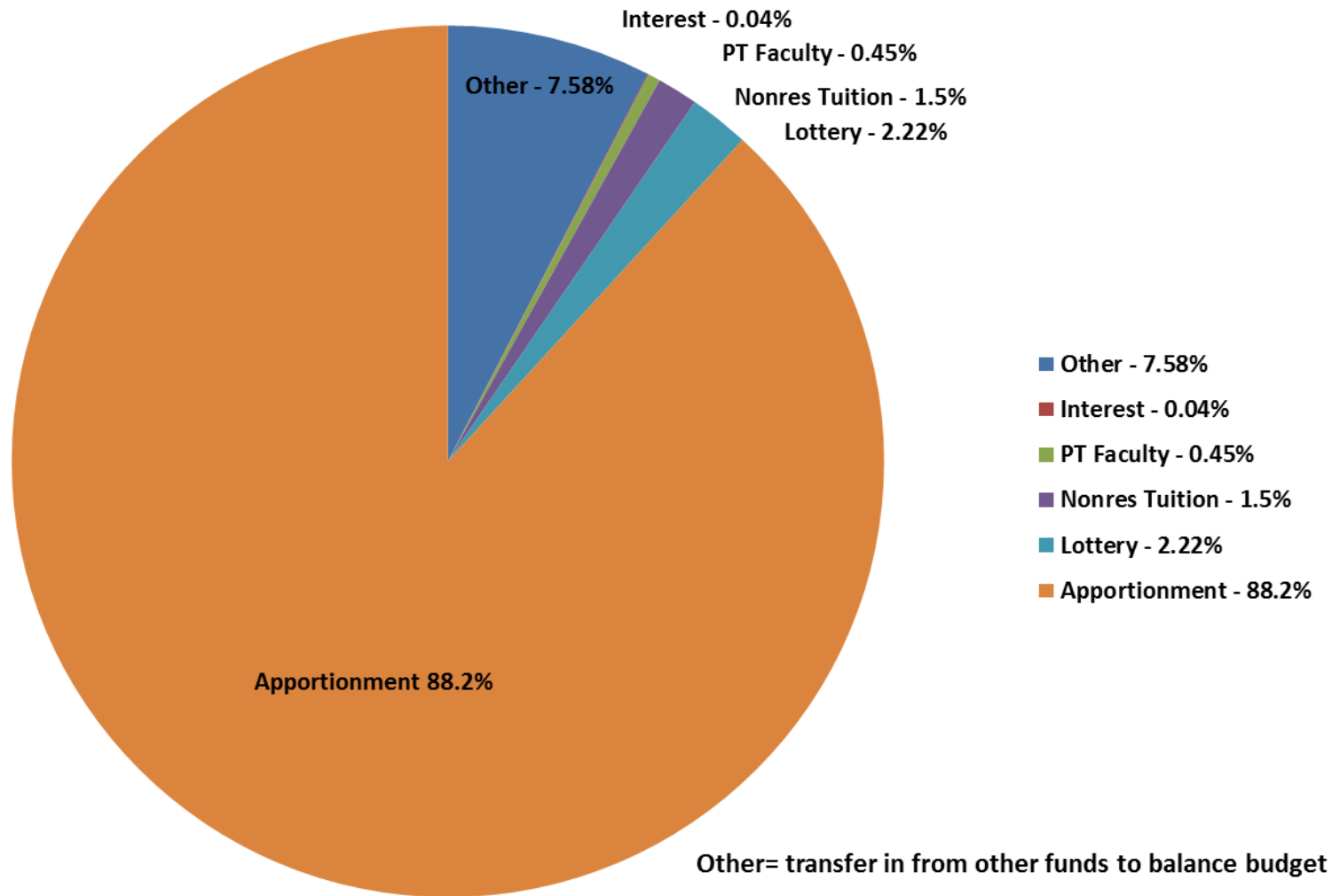
× Restricted Revenues

- + Instructional Equipment and Library funded at \$109,705 - new
- + Scheduled Maintenance funded at \$109,713 - new
- + No Apprenticeship Allowance – loss of \$68K

UNRESTRICTED GENERAL FUND COMPARISON

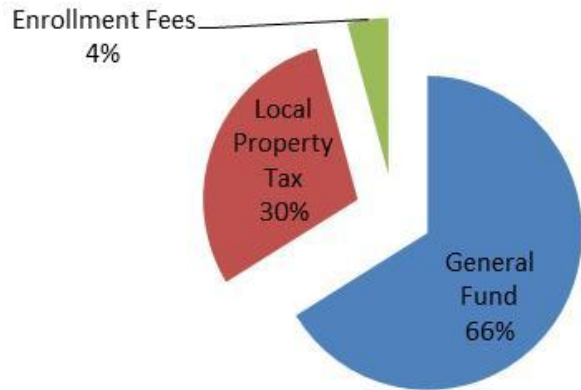
Unrestricted General Fund	Adopted 12-13	Final 13-14	Variance
Revenues			
8100 Fed Revenues	\$10,700	\$10,700	
8600 State Revenues	\$1,025,626	\$5,883,525	
8610 Apportionment	\$19,104,397	\$12,246,457	
8800 Local Revenues	\$15,947,048	\$17,928,415	
Ongoing Revenues <u>before</u> Transfers & Reserves	\$36,087,771	\$36,069,097	(\$18,674)
Expenses			
Salaries & Statutory Benefits (1000+2000+3000 minus 3400's)	\$25,816,256	\$26,140,518	
Health & Welfare (7309 + 3400's)	\$5,751,764	\$5,404,098	
Contracts (ISA, CHOMP & Misc.) (total 5100's)	\$2,045,076	\$2,392,746	
Non-personnel items (utilities, insurance, supplies, repairs, etc)	\$4,529,906	\$4,657,871	
(All other expense)	\$38,143,002	\$38,595,233	\$452,231
Structural Deficit in UGF	\$2,055,231	\$2,526,136	

WHERE UGF MONEY COMES FROM

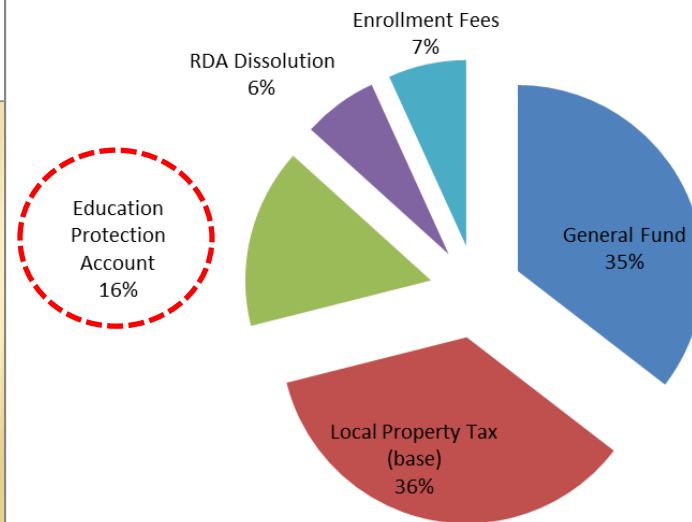


MORE COMPONENTS TO APPORTIONMENT

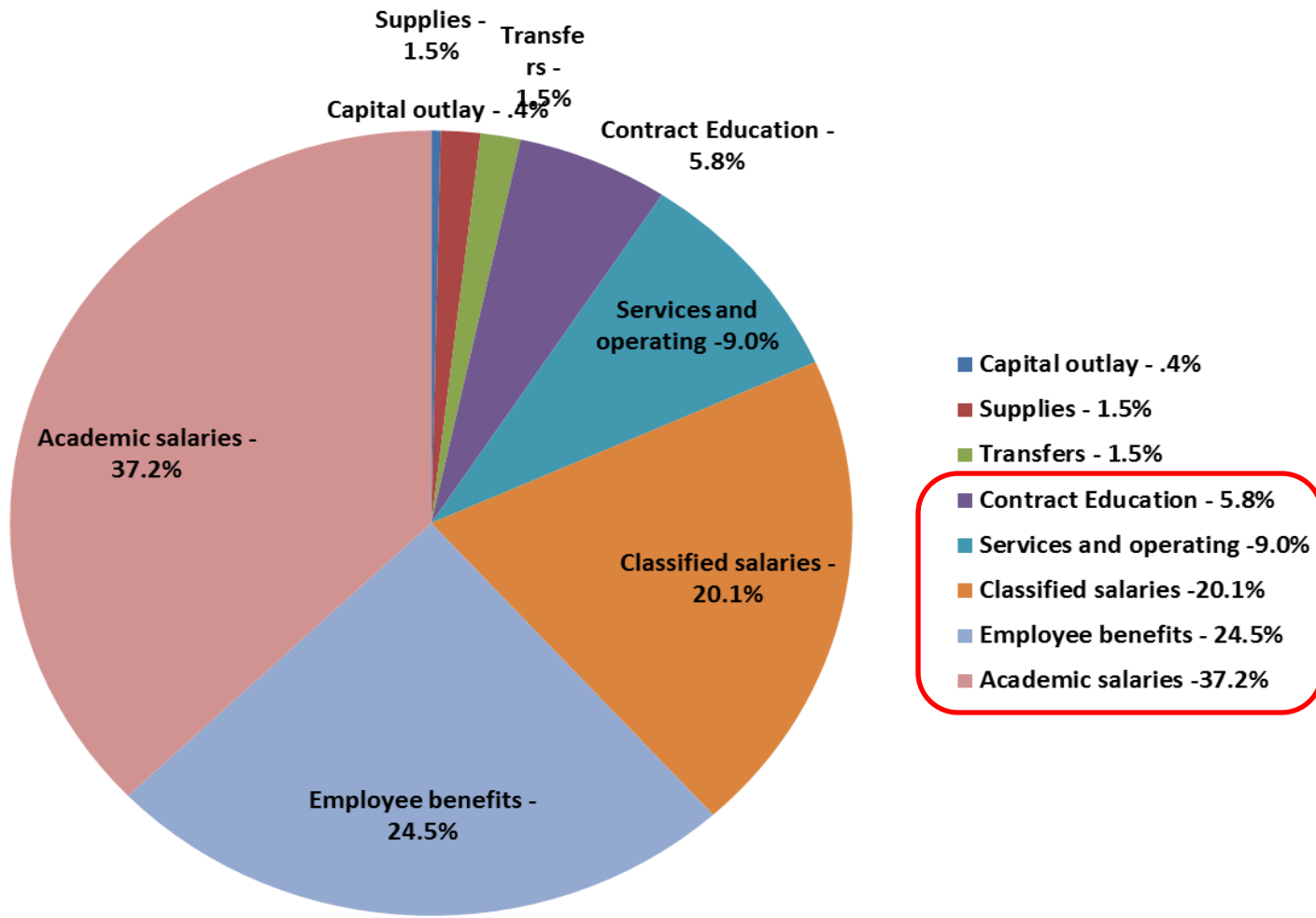
CCC Funding by Source 08-09



CCC Funding by Source in 2012-13



WHERE UGF MONEY GOES



UGF EXPENSES

Academic Salaries (1100-1400) for 2013-14

Instructional Salaries (FT Faculty)	\$6,313,334
Instructional Salaries (PT faculty / adjunct, grading factor)	\$4,914,433
Non-Instructional Salaries	
* Academic administrators, counselors, librarians, dept chairs	\$2,799,070
Non-Instructional Salaries	
* Hourly	\$337,756
Total - does not include statutory or health benefits	\$14,364,593

Classified & Other Nonacademic Salaries (2100-2400)

Non-Instructional Classified FT	\$4,857,617
Managers, Supervisors and Confidential	\$1,178,786
Instructional Aides, Regular FT	\$806,990
Instructional Aides, PT and Hourly	\$642,644
Non-Instructional Classified, PT and Hourly	\$255,782
Total - does not include statutory or health benefits	\$7,741,819

UGF EXPENSES

Employee Benefits (3100-3900)	
STRS Retirement	\$1,152,564
PERS Retirement	\$1,362,034
FICA	\$477,119
Medicare	\$315,713
SUI (State Unemployment Insurance)	\$65,561
Worker's Comp	\$672,945
Health & Welfare (Medical, Dental, Vision, Life Ins., Lg Term Disability Ins.)	\$5,406,088
Total	\$9,452,024

Services & Operating (5100-5900)	
Contracts (Other than Contract Education)	\$146,767
Travel & Conference	\$151,691
Dues & Memberships	\$174,335
Insurance (Property & Liability, Student Accident)	\$361,373
Utilities	\$1,267,307
Leases, Repairs, Maint. Agreements	\$645,296
Legal, Election & Audit	\$217,400
Other Services	\$523,998
Total	\$3,488,167

UGF EXPENSES

Contract Education (various 5100 codes)	
Drama	\$90,000
Hope Services	\$12,000
South Bay Reg. Public Safety JPA	\$1,166,324
Occupational Ed. Fire	\$67,300
Monterey Bay Aquarium	\$5,000
Parks and Rec	\$83,926
North Bay Industries	\$18,600
Central Coast Lighthouse Keepers	\$11,500
Monterey State Park	\$7,200
Monterey Fire Dept.	\$36,500
Clovis Fire	\$10,000
Contingency for Contracts	\$250,467
CHOMP	\$487,162
Total	\$2,245,979

2013-14 FINAL BUDGET ASSUMPTIONS

- ✘ MPC apportionment cap will be reduced to \$34M because we have been below cap for two successive years.
 - + Estimate assumes we maintain similar FTES levels as 2012-13
 - + Apportionment estimate includes COLA of 1.57%
- ✘ Some restoration of categorical funding including CalWorks, DSPS, EOPS, Instructional Equipment / Library, and Scheduled Maintenance.
- ✘ New Student Success funding will help in areas of counseling, advising, and education planning
 - + Criteria for funding allocation not yet approved by BOG

SUMMARY OF ALL FUNDS

- ✘ District manages 14 individual funds, the largest being the General Fund at \$43.6M
 - + The GF is balanced with a 10% reserve because we are using \$2.5M of reserves and one-time funds to balance the budget
- ✘ All other funds are balanced except for Self Insurance and Capital Projects / Outlay.
- ✘ Not all funds are self supporting. GF supports the following funds
 - + Self Insurance \$4,990,380
 - + Child Development Fund \$248,823
 - + Debt Service (energy) \$275,324
 - + EOPS \$67,248

SUMMARY OF ALL FUNDS

MPC 2013-2014 Final Budget

The following is a summary indicating the projected beginning balances, 2013-2014 budgets, and projected ending balances for all funds maintained by the District:

Funds	Beginning Fund Balance 7/1/2013	Budgets 2013-2014		Ending Fund Balance 6/30/2014
		Revenue	Expense	
General				
Unrestricted	\$3,840,358	\$38,614,399	\$38,595,234	\$3,859,523
Restricted	\$0	\$5,247,462	\$5,247,462	\$0
Special Revenue				
Child Development - Unrestricted	\$0	\$310,573	\$310,573	\$0
Child Development - Restricted	\$0	\$245,147	\$245,147	\$0
Student Center	\$259,336	\$264,200	\$264,200	\$259,336
Parking	\$116,995	\$512,000	\$489,741	\$139,254
Debt Service				
Student Center	\$20,905	\$18,075	\$18,075	\$20,905
Lease Payments	\$52,285	\$275,324	\$275,324	\$52,285
Capital Projects	\$1,771,607	\$1,269,405	\$2,491,998	\$549,014
Building	\$27,158,736	\$50,000	\$7,520,032	\$19,688,704
Self Insurance	\$8,292,175	\$6,349,078	\$8,099,078	\$6,542,175
Fiduciary				
Financial Aid	\$12,881	\$5,300,000	\$5,300,000	\$12,881
Associated Students	\$75,000	\$90,000	\$90,000	\$75,000
Scholarship and Loans	\$272,948	\$2,531,700	\$2,531,700	\$272,948
Trust Funds	\$293,917	\$469,102	\$469,102	\$293,917
Orr Scholarship	\$41,262	\$13,000	\$28,000	\$26,262
Total	\$42,208,405	\$61,559,465	\$71,975,666	\$31,792,204

Notes: Beginning Balance is prior to audit of 2012-2013 fiscal year end.

Ending Balance is calculated based on Beginning Balance and Budgets

All funds are budgeted to have positive ending fund balances. The unrestricted general fund maintains the Board established fund balance reserve of 10% of general fund expenditures.

QUESTIONS