

REVISED December, 2017

MPC 2018 -19 DRAFT for President's Budget Assumptions

Objective: Unrestricted and Restricted Budgets Balanced

Minimum unrestricted revenue needed - Actual revenue may be more or less and may contain one-time revenue not available for ongoing expenses:

- MPC apportionment at \$40M plus any base increases
- FTES Target approximately 6800+ (fully restore \$300K and capture 1% growth \$400K)
- COLA 1% (place holder pending update from State) \$400K
- Base Increase 1% (place holder pending update from State) \$400K
- One-time funds owed from prior years pending notification from state.
- \$1.5M to \$2.0M ongoing new funding minimum needed.

Expenses:

- New Faculty Hiring at 7 to 11 positions, net 5 to add to budget (will calculate per position average) \$550K
- Other Post-Employment Benefits Annual Required Contribution (line item)
- Assumes an increase to both PERS/STRS rate increase over \$300K (adjust for actual this year)
- Assumes status quo or reduced budgets with the exception of fixed cost increases, and salary raises due to advancement via the cost of step and column increases negotiated salary increases to be determined. 1% increase plus other negotiated items \$450K
- Additional Staffing needed \$200K (example Dir. Facilities)
- 0 to 5% increase in self-insurance – compensation
- ERP Data Center preparation and ongoing operations \$500K
- Minimum 10% Reserve General Fund Balance per Governing Board Policy 6210.
- \$2M increases ongoing anticipated.
- Ending fund balance to include prior years savings and unspent reserve to be set aside for PERS/STRS contingency, a portion will be needed Data Center and ERP Funding,

Notes:

New FT faculty placement at col 4 step 6 at appx \$70k Plus rollup costs appx \$12K Plus H&W appx \$23k rounded to \$110K per FT Faculty.

With retirements looking at 18-19 - could be short 11 of FON.

The cost of accepting a penalty would also include the cost of hiring adjunct faculty and rollup benefit costs. The comparative cost to hiring Full Time faculty including penalties depends upon the efficiencies of the program, i.e. number of students potential per section and assumption that new Full Time Instructors will be teaching full loads with no reassign time vs. part time teaching an equivalent load.