



### **2018-19 Proposed Budget Assumptions**

The below assumptions will be used to develop the 2017-18 Tentative Budget in accordance with Board Policy 6200 – Budget Preparation.

#### **General Assumptions:**

1. The 2018-19 Tentative Budget will be balanced.
2. The 2018-19 Tentative Budget will maintain an unrestricted general fund reserve of at least 10% as outlined in Board Policy 6210 – General Fund Reserve.
3. Enactment of the 2018-19 new California Community College Funding Formula (June 2018) will be reflected in MPC's Final Budget (September 2018).

#### **Revenue Assumptions:**

4. General apportionment deficit factor of 1% for 2018-19, \$400K.
5. Funded FTES base of 6,700 generating total computational revenue of approximately \$40M.
6. Anticipated property tax receipts of \$18.9 million.
7. Student enrollment fee revenues of \$2.9 million.
8. Continued Proposition 30 State funding of \$5.0 million. This tax revenue will continue until December 31, 2030.
9. Unrestricted lottery at \$146.00 per funded FTES.
10. The Cost of Living Adjustment (COLA) of 2.51% or \$0.95 million (assumption will be adjusted pending June budget enactment at the state level).

#### **Expenditure Assumptions:**

11. The District intends to meet all negotiated contractual obligations. Recent raises have been included for all impacted employee groups.
12. Projected STRS contribution of 16.28% (increase of 1.85%), and CalPERS contribution 18.10% (increase of 2.57%). Total ongoing cost increase of approximately \$495K.
13. Increase in Medical premiums of up to 5% (Actuarial assumptions in OPEB report project 4%).
14. Contributions may be made to the District's irrevocable trust to fund future retiree health benefits. These other post-employment benefits (OPEB) annual required contribution is \$943K. This is in addition to \$780K in pay-as-you-go costs for funding the medical expenses of current retirees (6.5% increase).
15. New faculty hiring – up to 10 positions with 5 being added to the budget (approximately \$550K).
16. Departmental operational budgets will remain static throughout the year.
17. Step and column salary increases, along with associated variable benefits, will be included within the budget.

Budget Committee  
04-04-2018