

2016-17 TENTATIVE BUDGET

June 22, 2016

Steve Crow, Vice President Administrative Services
Rosemary Barrios, Controller

**2016-17
CALIFORNIA BUDGET**

**COMMITTEE COMPROMISE
PRIOR TO GOVERNOR SIGNING**



MONTEREY PENINSULA
COLLEGE

Conference Committee Compromise

Program	May Revision	Senate Budget	Assembly Budget	Conference Committee	Difference (CC - MR)	Notes
2% Apportionment Growth	114.668	114.668	114.668	114.668	-	
Apportionment Base Increase	75.000	85.293	75.000	75.000	-	
Strong Workforce	200.000	200.000	200.000	200.000	-	60% of the funding goes directly to colleges, and eliminates the ongoing funding cap.
SB 1070 CTE Pathways	48.000	48.000	48.000	48.000	-	Will be folded into the Strong Workforce program in 2017-18.
Basic Skills	30.000	30.000	30.000	30.000	-	Funds additional transformation programs in 2016-17 to allow CCCC to develop new formula for 2017-18. Formula will be allocated on 50% performance, 25% low-income students, and 25% FTES in effective practices.
Institutional Effectiveness	10.000	10.000	10.000	10.000	-	
Inmate e-Reader	3.000	3.000	3.000	3.000	-	
Data Security	3.000	3.000	3.000	3.000	-	
Apprenticeship	1.690	1.690	1.690	1.690	-	
Full-Time Student Success Grant	2.174	2.174	2.174	2.174	-	
Academic Senate	0.300	0.300	0.300	0.300	-	
CalWORKs	-	8.683	-	8.683	8.683	
Part-Time Faculty Office Hours	-	3.658	3.658	3.658	3.658	
Puente and MESA	-	2.366	1.000	2.366	2.366	
Veterans resource centers	-	-	15.000	-	-	
Equal Employment Opportunities	-	-	2.000	2.000	2.000	This is in addition to the \$2.3m in one-time for FON penalties provided in the May Revision. Aimed at BA degrees, non-English speaking households and areas with declining college enrollment.
Financial Aid Outreach and Awareness	-	5.000	1.500	2.500	2.500	
Full-time Faculty	-	-	21.900	-	-	
Technology Infrastructure (\$7.000m One-time)	12.000	12.000	12.000	12.000	-	
Deferred Maintenance and Instructional Equipment (One-time)	219.404	225.231	216.573	184.565	(34.839)	Reduced to conform to the additional spending.
Mandates backlog payments (One-time)	105.501	105.501	105.501	105.501	-	
Property tax backfill (One-time)	38.577	23.087	23.087	31.695	(6.882)	A correction to the May Revision estimate.
Innovation Awards (One-time)	25.000	-	-	25.000	-	Awards will awards should address equity issues, encourage the use of technology, and increase students' access to financial aid.
Online Course Exchange (One-time)	20.000	20.000	-	20.000	-	
Promise Programs (One-time)	-	-	15.000	15.000	15.000	Funds AB 1741 (Rodriguez), which will continue to work through the legislative process.
Adult Education Block Grant Statewide Leadership (One-time)	5.000	5.000	5.000	5.000	-	
Zero-Textbook-Cost Degree (One-time)	5.000	5.000	5.000	5.000	-	
Early Care and Education Pilot Program (One-time)	-	1.400	1.400	1.400	1.400	Funds LA Trade Tech and SEIU partnership for one additional year.



2016-17 BUDGET ASSUMPTIONS

- Tentative Budget Revenue is based on “May Revise”
- MPC apportionment at ~\$35M
- Assumes no COLA
- Assumes base increase of ~\$400,000
- Assumes an increase to both PERS/STRS rate increase
- Assumes 5 new faculty positions
- Assumes status quo budgets with the exception of fixed cost increases, and step and column increases
- Assumes a 10% increase in medical insurance
- Categorical budgets are balanced

2016-17 TENTATIVE BUDGET RESULTS

- Structural Deficit has increased from \$1.17M in 15-16 to \$1.37M in 16-17 (significantly higher including needed expenses e.g. ERP, restoration of positions)
- One-time reserves from Self Insurance funds to close structural deficit
- Unrestricted General Fund revenues are estimated to decrease by \$2M compared to 15-16
- Unrestricted General Fund expenses are estimated to decrease by \$2M compared to 15-16
- Minimum 10% General Reserve fund balance per policy

Additional Budget Actions Taken

- Reduction in utilities by ~\$294K
- Increase for Accreditation support for ~\$68K
- Increase support to Child Development Fund by \$50K

Pending College Issues

- Maintaining current level of FTES
- MPC not eligible for growth funding until fully restored
- State funding formula continues to change with greater restrictions

Summary of all Funds

The district manages 16 individual funds, the largest being the Unrestricted General Fund.

Funds	Beginning Fund Balance 7/1/2016	Budgets		Ending Fund Balance 6/30/2017
		2016-2017 Revenue	Expense	
General				
Unrestricted	\$4,207,901	\$39,033,756	\$39,033,756	\$4,207,901
Restricted	\$0	\$9,248,113	\$9,248,113	\$0
Special Revenue				
Child Development - Unrestricted	\$0	\$155,631	\$155,631	\$0
Child Development - Restricted	\$0	\$439,166	\$439,166	\$0
Student Center	\$437,772	\$258,000	\$259,094	\$436,678
Parking	\$573,254	\$418,790	\$418,790	\$573,254
Debt Service				
Student Center	\$22,371	\$21,500	\$21,500	\$22,371
Capital Projects				
Building	\$9,866,896	\$65,000	\$0	\$9,931,896
Self Insurance	\$3,784,636	\$7,181,305	\$8,331,829	\$2,634,112
Other Post Employment Benefits (OPEB)	\$119,319	\$100,770	\$0	\$220,089
Worker Comp Insurance	\$100,000	\$1,000	\$97,500	\$3,500
Fiduciary				
Financial Aid	\$17,745	\$5,722,000	\$5,722,000	\$17,745
Associated Students	\$105,740	\$90,000	\$90,000	\$105,740
Scholarship and Loans	\$272,948	\$2,600,000	\$2,600,000	\$272,948
Trust Funds	\$36,718	\$1,145,000	\$1,145,000	\$36,718
Orr Scholarship	\$16,385	\$20,000	\$20,000	\$16,385
Total	\$19,961,685	\$66,962,929	\$68,144,818	\$18,779,796



Not all funds are self supporting. The General Fund supports the following funds:

QUESTIONS?