

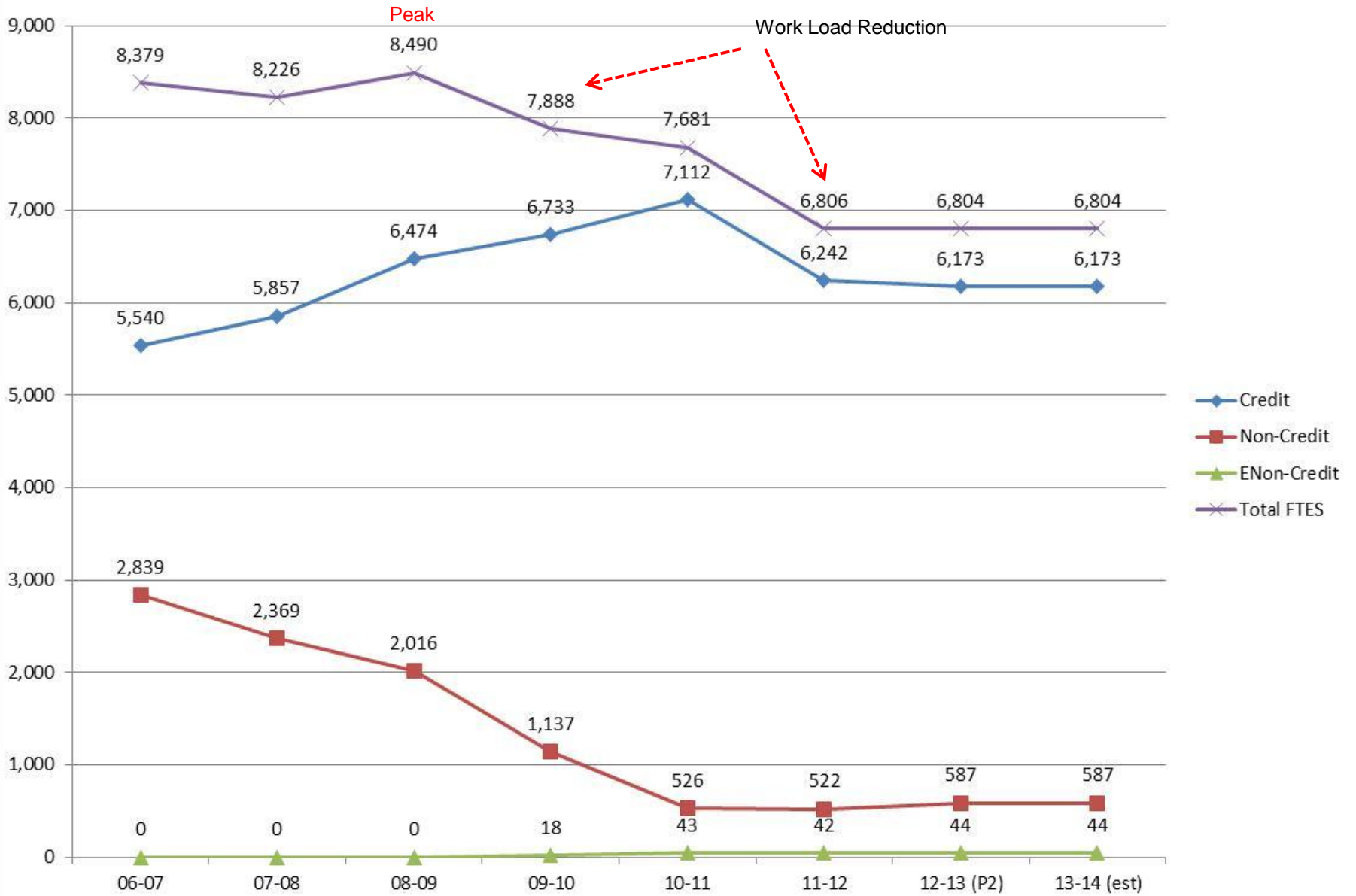
Final Budget 2013-14

First Reading – College Council

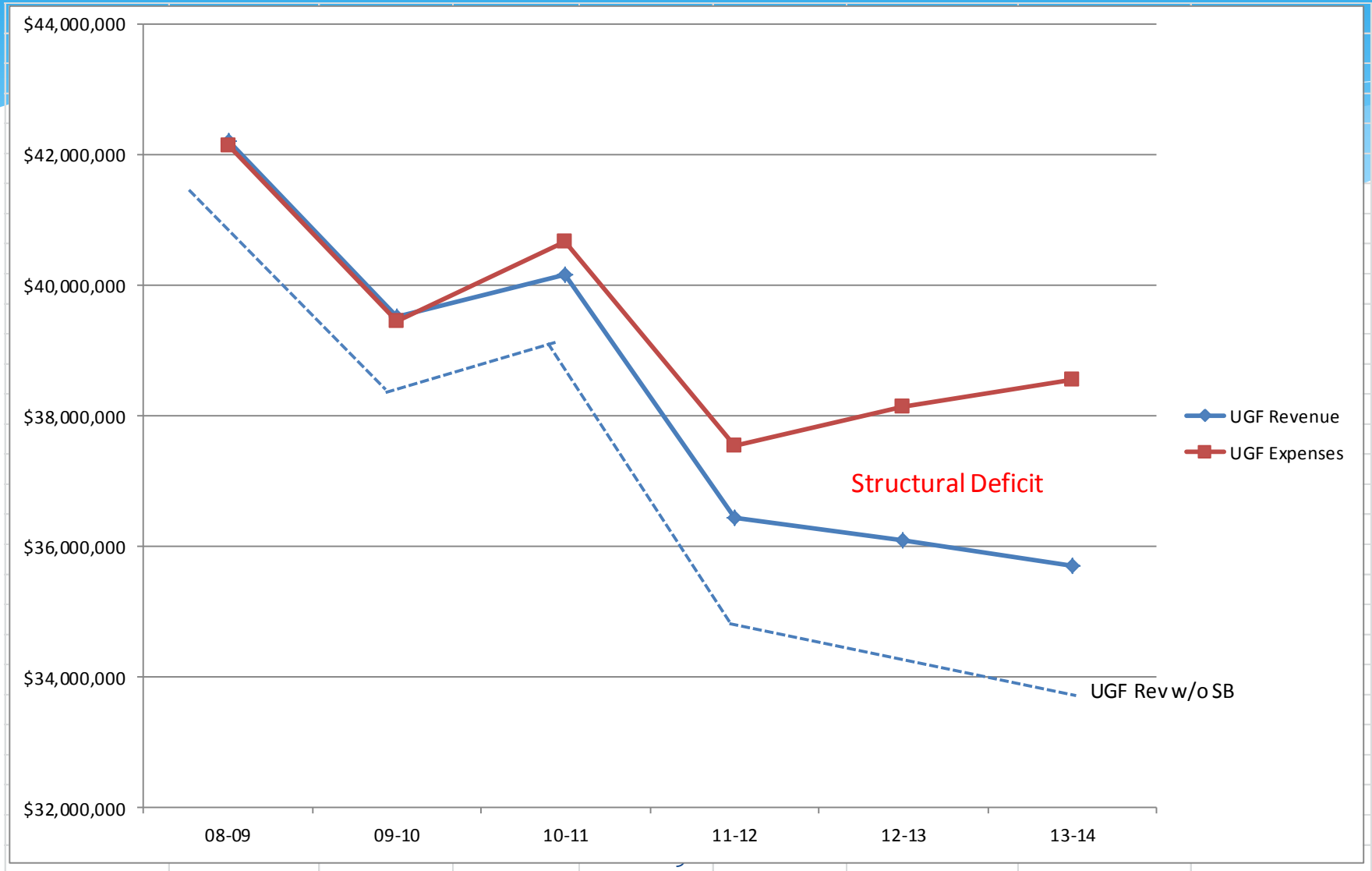
Administrative Services

Aug 6, 2013

FTES Trend



What does “deficit spending” look like?



Budget Responses

\$2.85 million deficit created over the past 3 years because revenues have fallen much faster than expenses.

- * Reserves and 1X funds used to close the deficit gap, but this is unsustainable
- * Some of the 1X funds used to close the deficit should be earmarked for items such as OPEB unfunded liability and other capital investments.

Goal is for revenues = expenditures

- * Reduce ongoing/structural expenses by at least \$1.4 million for 2014-15 budget
- * Balanced budget in 2015-16
- * Tough choices ahead... it will be a matter of values

Changes from Tentative Budget

* UGF Revenues

- * Apportionment Estimate (Chancellor's Budget Workshop on Aug 8th)
 - * Confirm changes resulting from loss of stability funding, COLA (1.57%), EPA and deficit coefficient
- * Mandate Reimbursement Block Grant (\$28 per FTES) will generate approx. \$190K in 1X funds

* 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

Changes from Tentative Budget

- * **Restricted Revenues**
 - * Instructional Equipment and Library funded at \$109,705
 - * Scheduled Maintenance funded at \$109,713

Unrestricted General Fund Comparison at Tentative

| Unrestricted General Fund | Adopted 12-13 | Tentative 13-14 | Variance |
|--|--------------------|--------------------|-------------|
| Revenues | | | |
| 8100 Fed Revenues | \$10,700 | \$10,700 | |
| 8600 State Revenues | \$1,025,626 | \$894,887 | |
| 8610 Apportionment | \$19,104,397 | \$18,021,682 | |
| 8800 Local Revenues | \$15,947,048 | \$16,770,667 | |
| Ongoing Revenues <u>before</u> Transfers & Reserves | \$36,087,771 | \$35,697,936 | (\$389,835) |
| Expenses | | | |
| Salaries & Statutory Benefits | \$26,678,433 | \$26,929,769 | |
| Health & Welfare | \$5,751,764 | \$5,404,100 | |
| Contracts (ISA, CHOMP & Misc.) | \$2,045,076 | \$2,392,165 | |
| Non-personnel items (utilities, insurance, supplies, repairs, etc) | \$3,667,729 | \$3,819,120 | |
| | \$38,143,002 | \$38,545,154 | \$402,152 |
| Structural Deficit in UGF | \$2,055,231 | \$2,847,218 | |

Questions