

Final Budget 2013-14

Second Reading – College Council

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 well 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 \$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
- 09-10 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

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
- **Net Change between UGF Revenues and Expenses is a reduction in the overall deficit of approximately \$100K**

Changes from Tentative Budget

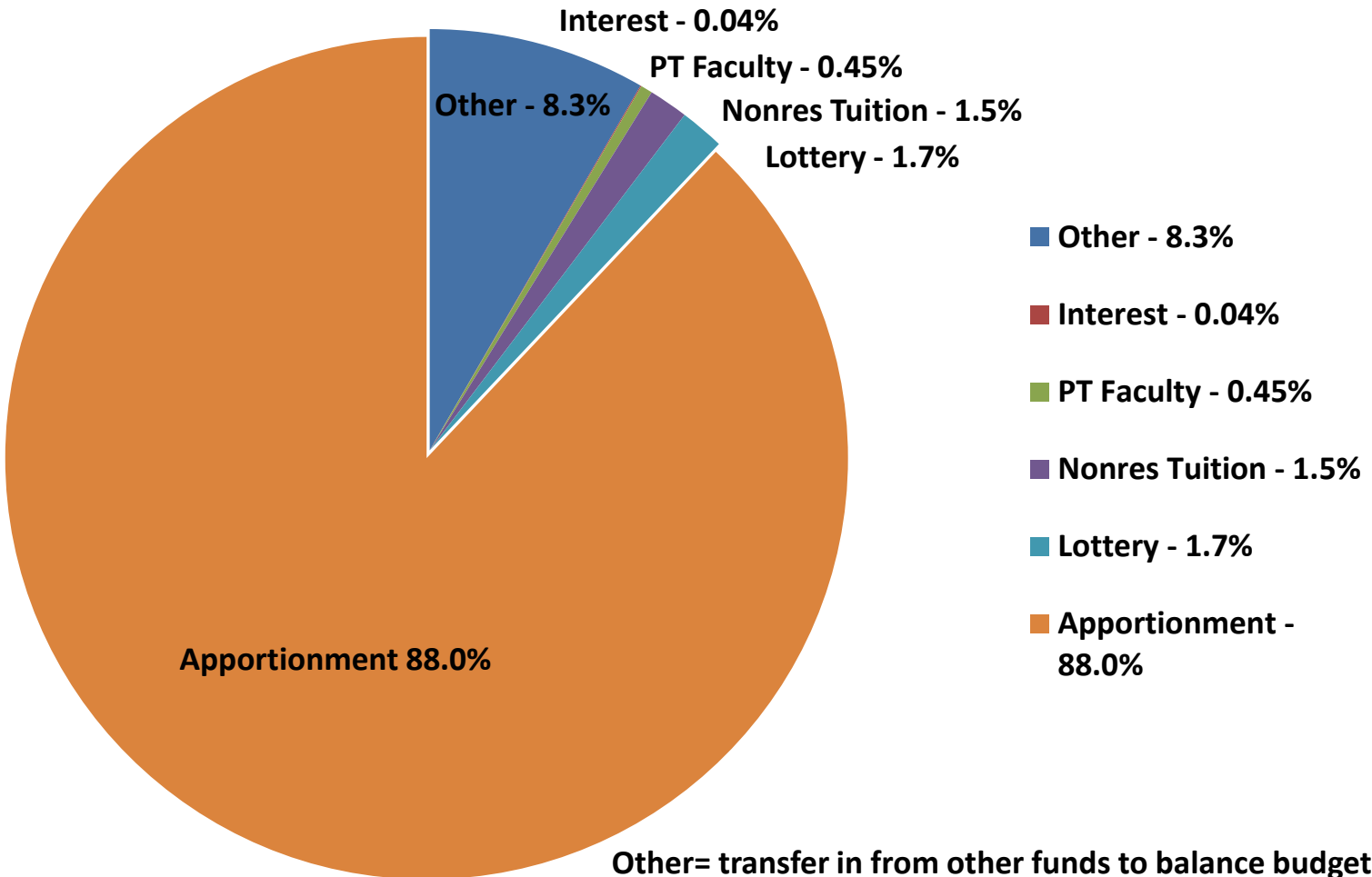
- **Restricted Revenues**

- 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

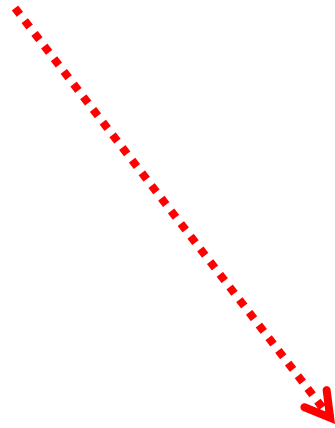
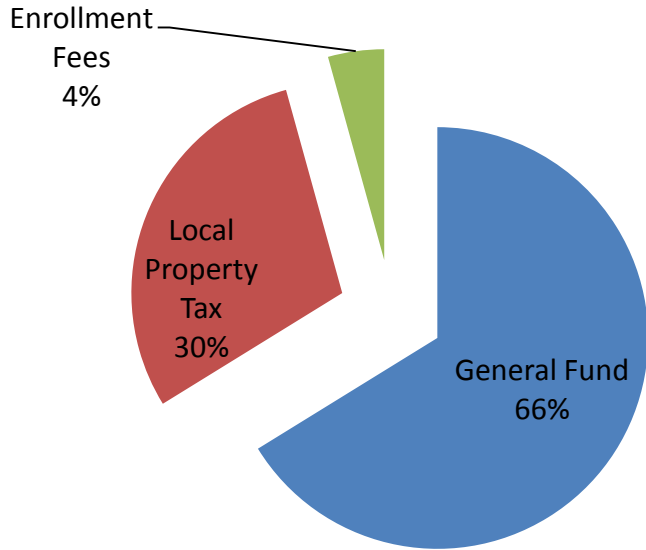
Unrestricted General Fund	Adopted 12-13	Final 13-14	Variance
Revenues			
8100 Fed Revenues	\$10,700	\$10,700	
8600 State Revenues	\$1,025,626	\$894,887	
8610 Apportionment	\$19,104,397	\$18,021,682	
8800 Local Revenues	\$15,947,048	\$16,947,667	
Ongoing Revenues <u>before</u> Transfers & Reserves	\$36,087,771	\$35,874,936	(\$212,835)
Expenses			
Salaries & Statutory Benefits (1000+2000+3000 minus 3400's)	\$25,816,256	\$26,140,518	
Health & Welfare (7309 +4300's)	\$5,751,764	\$5,406,088	
Contracts (ISA, CHOMP & Misc.) (total 5100's)	\$2,045,076	\$2,392,746	
Non-personnel items (utilities, insurance, supplies, repairs, etc)	\$4,529,906	\$4,673,280	
(All other expense)			
	\$38,143,002	\$38,612,632	\$469,630
Structural Deficit in UGF	\$2,055,231	\$2,737,696	

Where UGF money comes from

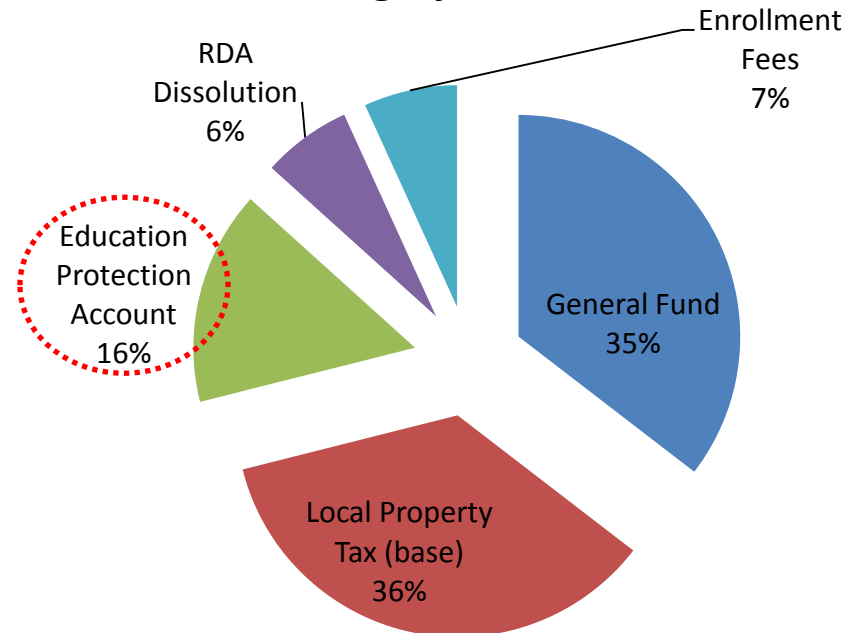


More Components to Apportionment

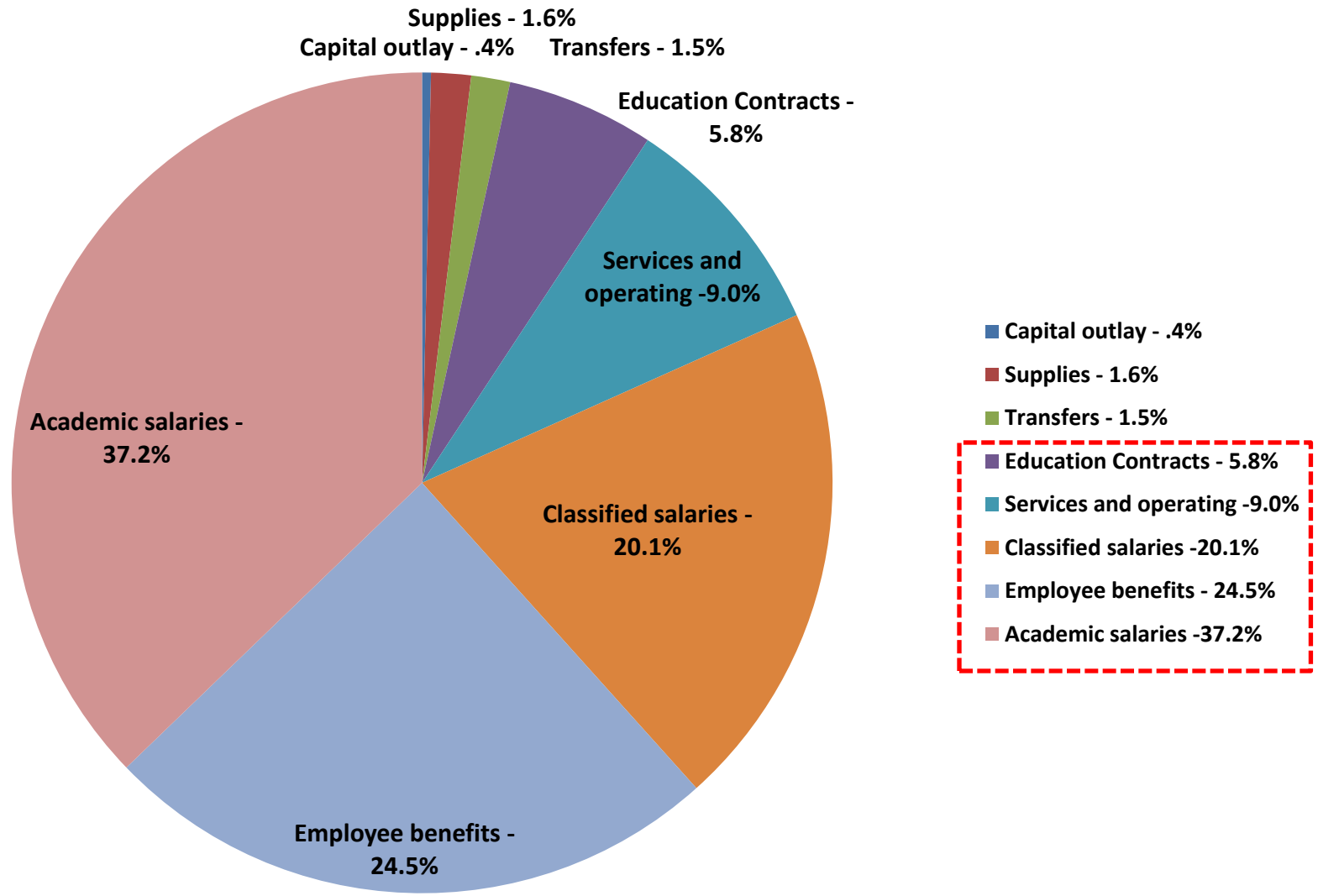
CCC Funding by Source 08-09



CCC Funding by Source in 12-13



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 Instructional Contracts)	\$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

Education Contracts (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 FTES levels of 12-13
 - 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

Budget Responses

\$2.74 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

Questions