

2019-20 Final Budget

Monterey Peninsula College

Discussion Topics

- Current California fiscal outlook
- 2019-20 California state budget highlights
- 2019-20 state budget community college highlights
- MPC's budget highlights
- MPC's student centered funding formula

California's Fiscal Outlook

- State revenues close out 2018-19 strong
 - Total general fund revenues exceeded budget expectations by \$1.04B
 - Personal income tax exceeded expectations by \$104M, or 0.8%
 - Corporation tax exceeded expectations by \$323M, or 10%
 - Sales and use tax fell short by \$77M, or 2.8%
 - All other revenues were a net \$59M over expectations
- Unemployment remains at a record low (both national and California)
 - June 2019 – CA unemployment rate stood at 4.2%
 - June 2019 – U.S. unemployment rate stood at 3.7% (0.1% above the 3.6% 50-year record set in May)

2019-20 State Budget Highlights

- Continued focus on budget resiliency
 - \$1.2B deposited into rainy day fund (now a total of \$15.5B)
 - \$389M deposited into public school stabilization fund
 - \$1.5B deposited into economic uncertainties fund
 - \$1.5B deposited into safety net reserves fund
- Strong focus on affordability
 - Health insurance support, new housing, expands tax credits, and extends family leaves

Community College Highlights

- Proposition 98 “minimum guarantee” for community colleges - \$81B
 - K – 14 split (K-12 receives 89.07% and 12-14 receives 10.93% split)
 - \$8.7B for community colleges (\$5.5B from general fund & \$3.2B from property tax)
- Student centered funding formula
 - Now counts only the highest of awards
 - Amends definition of transfer student – must take at least 12 units prior to transfer
 - Student success allocation – now a three year average
 - “Hold harmless” extended through 2021-22

Community College Highlights

- \$43M for the expansion of the college promise (total program now \$85M)
 - First two year of college tuition free
- Cal Grant Expansion
 - Cal Grant A & B (non-tuition costs) now increased to \$6,000 (from \$1,648)
 - Cal Grant C (books & supplies) now increased to \$4,000 (from 1,094)
- Longitudinal data system
 - “Cradle-to-Career” data system
 - Connections information from schools, employers, and state agencies

Community College Highlights

- Pension costs relief
 - One-time payments to reduce share of unfunded liability:
 - \$1.6B to CalSTRS & \$660M to CalPERS
 - Additional relief funding to reduce employer pension rates
 - \$356M to CalSTRS (reduces rate from 18.1% to 17.1%)
 - \$144M to CalPERS (reduces rate from 20.7% to 19.7%)

	<i>2014-15</i>	2018-19	<i>2019-20</i>	2020-21	2021-22	2022-23
PERS	<i>11.44%</i>	18.06%	<i>19.72%</i>	22.70%	24.60%	24.40%
STRS	<i>8.25%</i>	16.28%	<i>17.10%</i>	18.40%	18.10%	18.10%

2019-20 MPC Budget Highlights

UNRESTRICTED GENERAL FUND SUMMARY

2019-20 Final Budget

Description	2016-17 Actuals	2017-18 Actuals	2018-19 Revised Budget	2019-20 Tentative Budget	2019-20 Final Budget
Revenues					
Federal Revenue	\$ 12,148	\$ 8,755	\$ 10,300	\$ 10,300	\$ 10,300
State Revenue	17,513,401	16,993,912	19,152,714	19,372,764	20,889,600
Local Revenue	25,231,201	25,292,039	24,307,556	25,325,156	23,807,040
Transfers In	2,031,765	-	-	-	-
Total Revenues & Transfers	\$ 44,788,515	\$ 42,294,706	\$ 43,470,570	\$ 44,708,220	\$ 44,706,940
Expenditures					
Academic Salaries*	\$ 15,246,195	\$ 14,665,944	\$ 15,151,321	\$ 15,462,745	\$ 15,511,155
Classified Salaries	7,204,502	6,904,334	7,177,537	7,537,710	7,259,518
Benefits	11,725,780	13,351,682	13,945,749	14,237,081	14,364,673
Supplies & Materials	615,783	665,663	549,272	505,395	510,734
Services & Operating	6,854,280	6,147,825	6,281,707	6,582,050	6,677,621
Equipment	199,271	343,484	195,401	213,656	213,656
Transfers Out	1,600,648	167,862	169,583	169,583	169,583
Total Expenditures & Transfers	\$ 43,446,459	\$ 42,246,795	\$ 43,470,570	\$ 44,708,220	\$ 44,706,940
Surplus/(Deficit)	\$ 1,342,056	\$ 47,911	\$ (0)	\$ (0)	\$ 0
* Academic Salaries	13,860,417	13,310,598	13,718,755	13,978,120	13,915,356
* Administration Salaries	1,385,778	1,355,345	1,432,566	1,484,625	1,595,799
	15,246,195	14,665,944	15,151,321	15,462,745	15,511,155

TOTAL COMPUTATIONAL REVENUE

2019-20 Final Budget

Description	2016-17 Actuals	2017-18 Actuals	2018-19 Revised Budget	2019-20 Tentative Budget	2019-20 Final Budget
Revenues					
Property Taxes	\$ 20,324,736	\$ 21,888,446	\$ 20,341,474	\$ 21,467,314	\$ 20,032,193
Student Enrollment Fees	2,950,882	2,794,677	2,890,731	2,832,916	2,744,320
Prop 30 EPA	5,234,963	5,335,400	5,073,759	5,688,044	6,035,249
Apportionment	8,728,804	8,861,047	11,627,242	11,256,621	12,433,133
Total Computational Revenues (6,700 FTES)	\$ 37,239,385	\$ 38,879,570	\$ 39,933,206	\$ 41,244,895	\$ 41,244,895
Student Centered Funding Formula					
Base Allocation	N/A	\$ 28,247,426	\$ 28,161,907	TBD	TBD
Low-Income	N/A	5,339,390	6,141,677	TBD	TBD
Completion	N/A	3,578,402	4,343,662	TBD	TBD
Total SCFF Revenue	N/A	\$ 37,165,218	\$ 38,647,246	TBD	TBD

RESTRICTED GENERAL FUND SUMMARY

2019-20 Final Budget

Description	2017-18 Actuals	2018-19 Revised Budget	2019-20 Tentative Budget	2019-20 Final Budget
Revenues				
Federal Revenue	\$ 2,611,585	\$ 2,497,219	\$ 2,386,483	\$ 2,491,267
State Revenue	7,272,047	8,582,730	5,739,297	6,308,690
Local Revenue	528,705	1,790,594	1,068,373	1,068,139
Transfers In	65,816	-	-	69,583
Total Revenues & Transfers	\$ 10,478,152	\$ 12,870,544	\$ 9,194,153	\$ 9,937,679
Expenditures				
Academic Salaries	\$ 2,365,865	\$ 2,977,389	\$ 1,807,782	\$ 1,870,160
Classified Salaries	1,812,127	2,209,361	1,622,746	1,709,585
Benefits	1,659,668	1,938,773	1,495,110	1,572,191
Supplies & Materials	454,386	598,677	257,464	255,464
Services & Operating	2,438,508	3,220,220	1,477,958	1,500,443
Equipment	694,709	350,579	160,300	160,300
Transfers Out	1,052,889	1,575,545	2,372,793	2,869,536
Total Expenditures & Transfers	\$ 10,478,152	\$ 12,870,544	\$ 9,194,153	\$ 9,937,679
Surplus/(Deficit)	\$ -	\$ (0)	\$ (0)	\$ -

All FUNDS SUMMARY

2019-20 Final Budget

Description	General Fund		Child		College Center							Total
	Unrestricted	Restricted	Development	Capital Outlay	Self Insurance	Parking	Bond	College Center	Building	OPEB	Work Comp	
Revenues												
Federal Revenue	\$ 10,300	\$ 2,491,267	\$ 18,484	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,520,051
State Revenue	\$ 20,889,600	\$ 6,308,690	\$ 362,354	\$ 368,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,929,489
Local Revenue	\$ 23,807,040	\$ 1,068,139	\$ 49,801	\$ 57,493	\$ 7,746,299	\$ 556,265	\$ -	\$ 230,000	\$ 160,000	\$ 942,870	\$ 28,600	\$ 34,646,507
Transfers In	\$ -	\$ 69,583	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,583
Total Revenues & Transfers	\$ 44,706,940	\$ 9,937,679	\$ 530,639	\$ 426,338	\$ 7,746,299	\$ 556,265	\$ -	\$ 230,000	\$ 160,000	\$ 942,870	\$ 28,600	\$ 65,265,630
Expenditures												
Academic Salaries	\$ 15,511,155	\$ 1,870,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,381,315
Classified Salaries	\$ 7,259,518	\$ 1,709,585	\$ 396,651	\$ -	\$ -	\$ 288,876	\$ -	\$ 28,272	\$ -	\$ -	\$ -	\$ 9,682,902
Benefits	\$ 14,364,673	\$ 1,572,191	\$ 159,329	\$ -	\$ -	\$ 244,673	\$ -	\$ 21,530	\$ -	\$ 942,870	\$ -	\$ 17,305,266
Supplies & Materials	\$ 510,734	\$ 255,464	\$ 21,484	\$ -	\$ -	\$ 14,016	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 802,198
Services & Operating	\$ 6,677,621	\$ 1,500,443	\$ -	\$ 118,428	\$ 7,746,299	\$ 8,700	\$ -	\$ 155,021	\$ 2,160,000	\$ -	\$ 28,600	\$ 18,395,112
Equipment	\$ 213,656	\$ 160,300	\$ -	\$ 246,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 620,501
Transfers Out	\$ 169,583	\$ 2,869,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,039,119
Total Expenditures & Transfers	\$ 44,706,940	\$ 9,937,679	\$ 577,464	\$ 364,973	\$ 7,746,299	\$ 556,265	\$ -	\$ 205,323	\$ 2,160,000	\$ 942,870	\$ 28,600	\$ 67,226,413
Surplus/(Deficit)	\$ 0	\$ -	\$ (46,825)	\$ 61,365	\$ -	\$ -	\$ -	\$ 24,677	\$ (2,000,000)	\$ -	\$ -	\$ (1,960,783)
Beginning Fund Balance 7/1/18												
<i>Beginning Fund Balance 7/1/18</i>	\$ 8,145,519	\$ -	\$ 87,672	\$ 86,648	\$ 3,597,912	\$ 457,597	\$ 23,029	\$ 696,947	\$ 8,838,287	\$ 576,250	\$ 110,598	\$ 22,620,459
<i>2018-19 Revised Budget Surplus/(Deficit)</i>	\$ (0)	\$ (0)	\$ 56,918	\$ 176,378	\$ -	\$ (22,210)	\$ 50	\$ 40,449	\$ (220,000)	\$ -	\$ (28,800)	\$ 2,785
<i>Estimated Beg. Fund Balance 7/1/19</i>	\$ 8,145,519	\$ (0)	\$ 144,590	\$ 263,026	\$ 3,597,912	\$ 435,387	\$ 23,079	\$ 737,396	\$ 8,618,287	\$ 576,250	\$ 81,798	\$ 22,623,244

Questions
