

Monterey Peninsula College

Adopted Budget

Fiscal Year 2014-2015

*Pending Board Approval of
August 27, 2014*

Monterey Peninsula College

Adopted Budget

Fiscal Year 2014-2015

Table of Contents

<u>Title</u>	<u>Description</u>	<u>Page</u>
Executive Summary	Narrative Overview of budget	1-9
3 Year Comparison of all Funds	A 3-year comparison of revenue and expenses for all funds	10-11
Unrestricted General Fund Highlights	Narrative of Unrestricted General Fund revenues and expenses	12-14
Mission Statement, Institutional Goals		15-16

Executive Summary

2014-2015 Adopted Budget

Introduction

The Adopted Budget is the District's spending plan from September 15, 2014 through June 30, 2014. On or before September 15, the Board is required to hold a public hearing and approve an Adopted Budget for the fiscal year. The Adopted Budget is based on "budget assumptions" developed from a number of sources including the Governor's May Revision, approved trailer bills, and input from the Chancellor's Office and the Community College League of California, and the approved Budget Act for 2014-15.

Following is a summary indicating the projected beginning balances (based on the current 2014-15):

Summary of All Funds				
MPC 2014-2015 Adopted Budget				
The following is a summary indicating the projected beginning balances, 2014-2015 budgets, and projected ending balances for all funds maintained by the District:				
<u>Funds</u>	<u>Beginning Fund Balance 7/1/2014</u>	<u>Budgets 2014-2015</u>		<u>Ending Fund Balance 6/30/2015</u>
		<u>Revenue</u>	<u>Expense</u>	
General				
Unrestricted	\$3,802,947	\$38,029,473	\$38,029,473	\$3,802,947
Restricted	\$0	\$6,628,178	\$6,628,178	\$0
Special Revenue				
Child Development - Unrestricted	\$0	\$302,207	\$302,207	\$0
Child Development - Restricted	\$0	\$190,565	\$190,565	\$0
Student Center	\$296,981	\$259,200	\$259,200	\$296,981
Parking	\$85,280	\$525,000	\$525,000	\$85,280
Debt Service				
Student Center	\$20,722	\$17,625	\$17,625	\$20,722
Capital Projects				
Building	\$11,855,862	\$25,000	\$2,232,397	\$9,648,465
Self Insurance	\$6,642,543	\$6,553,264	\$8,794,471	\$4,401,336
Fiduciary				
Financial Aid	\$17,745	\$5,200,000	\$5,200,000	\$17,745
Associated Students	\$92,451	\$90,000	\$90,000	\$92,451
Scholarship and Loans	\$272,948	\$2,500,000	\$2,500,000	\$272,948
Trust Funds	\$293,917	\$510,000	\$510,000	\$293,917
Orr Scholarship	\$22,302	\$10,000	\$20,000	\$12,302
Total	<u>\$24,657,060</u>	<u>\$61,986,075</u>	<u>\$67,082,554</u>	<u>\$19,560,581</u>
Notes: Beginning Balance is prior to audit of 2013-2014 fiscal year end.				
Ending Balance is calculated based on Beginning Balance and Budgets				
All funds are budgeted to have positive ending fund balances. The unrestricted general fund maintains the Board established fund balance reserve of 10% of general fund expenditures.				

It should be noted that in the unrestricted general fund, one-time funds of approximately \$2.6 million are being used to balance the budget. This structural deficit must be addressed to maintain fiscal stability.

California Community Colleges

The approved Budget Act for 2014-15 calls for the following provisions for the California Community College system:

- \$47.3 million to fund a 0.85-percent cost-of-living adjustment
- \$140.4 million to fund available for general apportionment growth.
- \$30 million to provide support services to students with disabilities.
- \$50 million added to support one-time and ongoing costs to improve Student Success in career technical education.
 - A one-time increase to support the existing Economic and Workforce Development program at the CCC Chancellor's Office. These funds will provide resources for community colleges to develop, enhance, and expand career technical education programs that meet regional labor market demands.
 - Beginning in 2015-16, an increase in funding rate for career development and college preparation noncredit courses (also known as CDCP or enhanced noncredit) to equal the rate provided for credit courses. Career development and college preparation noncredit courses offer flexibility for community colleges to design and deliver courses better suited for students pursuing career technical education. Currently, the lower funding rate, along with the higher cost of career technical education, serve as barriers to many community colleges offering career development and college preparation instruction in a manner that supports student success.
- \$6 million increase to technology infrastructure (\$1.4M one-time, \$4.6M on-going) to upgrade bandwidth and replace technology equipment at each community college. These investments will support student success technology initiatives started in 2013-14, including electronic transcripts, electronic planning, incoming student evaluation, and online education initiative.
- \$148 million for deferred maintenance and instructional equipment. Flexible locally and specified as one-time.
- \$49.5 million to pay down mandates, although funding is allocated per FTES. Funding received will offset district prior claims to extent any exist.
- \$39.7 million for Proposition 39 (\$32.7 million for projects)
- \$498 million for paying down deferrals-only \$94 million left.

In conclusion, the LAO 14-15 general fund forecast is \$2.2 billion higher than the Governor's but the Governor ultimately prevailed in negotiations with the Legislatures, and the state budget is based on the lower Governor's forecast. The Governor's approach is a more conservative forecast. The approach taken is intended to protect the state from boom and bust budgeting cycles, retire debt, and focus new money on education.

FTES Trend and Estimate for 2014-15

A historical review of MPC's FTES trend shows that the College peaked in 2008-09 with 8,490 total FTES, of which 76.3% were credit FTES. Starting in 2009-10, the state imposed a system-wide workload reduction cutting unrestricted apportionment by \$190 million. Growth/restoration funding of \$126 million was added to the 2010-11 system-wide, but MPC's total FTES generation continue to decline from the 2009-10 level. In 2011-12, the state imposed a large system wide workload reduction of \$385 million based on a number of mid-year trigger cuts and MPC's total FTES decreased to 6,806, approximately \$1.387 million below the college's apportionment cap. In 2012-13, MPC FTES continued to decrease to 6,684. The Annual 320 attendance report recently submitted to the Chancellor's Office for 13-14 indicates MPC will not reach its apportionment cap for a third year in a row. This will result in a lower cap FTES starting in 14-15. In estimating the college's apportionment revenue for 2014-15, the adopted budget projects MPC will maintain the lower 13-14 FTES level while generating apportionment revenue totaling \$33,328,898. The projected COLA of 0.85% is incorporated into the 2014-15 estimate. For budgeting purposes, it is important to utilize a conservative estimate of revenue until growth is demonstrated. Since external factors such as student fees collected, property taxes, and RDA backfill are difficult to estimate, the apportionment estimate for 2014-15 projects no deficit coefficient arising from these factors at this time.

UNRESTRICTED GENERAL FUND COMPARISON				
		Tentative	Adopted	
		14-15	14-15	Variance
Revenues				
8100	Federal Revenues	\$10,700	\$10,700	
8600	State Revenues	\$5,865,381	\$5,927,595	
8610	General Apportionment	\$12,238,687	\$11,716,186	
8800	Local Revenues	\$18,031,803	\$17,733,785	
Total Ongoing Revenues <u>before</u> Transfers		\$36,146,571	\$35,388,266	(\$758,305)
Expenses				
1000	Academic Salaries	\$14,495,827	\$14,538,615	
2000	Classified Salaries	\$7,129,909	\$7,092,665	
3000	Employee Benefits	\$9,374,716	\$9,508,138	
4000	Supplies and Materials	\$481,173	\$462,694	
5000	Other Operating Expenses and Services	\$5,787,196	\$5,888,846	
6000	Capital Outlay	\$200,776	\$210,035	
7000	Other Outgo	\$458,369	\$328,480	
Total Expenses		\$37,927,966	\$38,029,473	\$101,507
Structural Deficit in UGF		(\$1,781,395)	(\$2,641,207)	

MPC Budget Assumptions

The following budget assumptions will be used in developing the Adopted Budget for 2014-15. As noted earlier, these assumptions can change.

- Apportionment revenue is estimated at \$33,328,898 assuming no deficit coefficient.
- Total revenue is estimated at \$35,388,266 before one-time transfers.
- A Cost of Living Adjustment (COLA) of 0.85% is incorporated into apportionment estimate
- Revised lottery estimate shows approximately \$62,214 more revenue than indicated in the tentative budget.
- Categorical budgets are balanced
- Increase to both PERS/STRS rate increase
- Decrease to Proposition 39 funds
- Increase to Life/LTD and medical insurance cost of \$205,379 from tentative budget due to increase in the premium funding rate.
- Increase to the legal budget of \$123,321
- Physical Plant and Instructional Equipment funded at \$879,347.

MPC Budget Response

In the past four years, MPC responses to budget deficits have been largely opportunistic. That is, taking advantage of opportunities to reduce expenditures as they arose, such as reducing staffing by attrition, reducing program costs due to reduction in state support, modifying instructional service agreements in response to the state's changing priorities, and restructuring MPC's defined health benefits plan. For budget year 2014-15, this "measured" approach will continue to allow the District to defer some difficult decisions until more is known about the true budget picture and FTES production.

The State has primed the community college system with over \$140.4 million of growth / restoration funding. MPC must grow FTES to maximize funding. Administration has been focusing on growth in the following ways to reduce the deficit spending pattern by increasing revenues:

- Grow credit FTES
- Increase program development to meet changing education needs of the community
- Improve institutional efficiencies
- Improve & enhance enrollment & retention rates
- Increase outreach, advertising and marketing
- Create opportunities to partner with public & private organizations

At the same time, the District is continuing to examine ways to reduce expenses in operations, programs, positions, wages, and benefits. The vast majority of general fund expenses are in the areas of salaries and benefits, therefore subject to collective bargaining.

General Fund

The General Fund includes the general operating budgets for the District. Some monies are restricted as to their use and the fund is therefore separated by unrestricted and restricted.

Unrestricted General Fund

The District’s primary financial activities for day-to-day operating revenues and expenses occur in the Unrestricted General Fund. Revenue is budgeted by the source of the funding and expenses are budgeted by their function. Amounts budgeted for revenue and expense in the Unrestricted General Fund show revenue and expenses essentially balanced with an ending balance of \$3,802,947 maintains the Board’s 10% target reserve. The District is using \$2.6 million in one-time funds and reserves to augment unrestricted revenues to balance the budget.

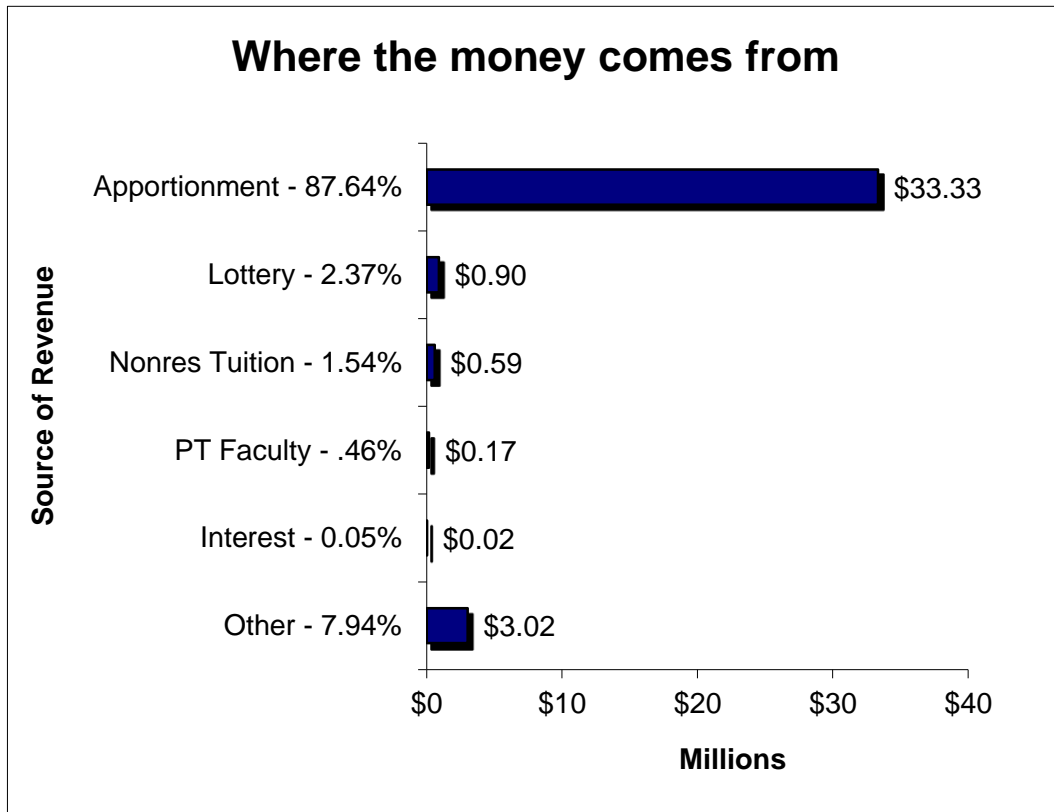
Unrestricted General Fund apportionment revenues are estimated to be \$584,926 less than the adopted level in 2013-14. This is the net change accounting for ongoing COLA added to the base apportionment and local revenues. Unrestricted General Fund expenses are estimated to decrease by \$565,760 from the 2013-14 adopted level. This is the net change after accounting for attrition; STRS and PERS rates; increase in utilities; ISA contracts; increase in non-personnel items such as library materials; and the transfer to support the child development fund. Changes in UGF revenues and increases in expenses for 2014-15 show a structural deficit of \$2,641,207 before District reserves and one-time funds are used to balance the budget.

To close the structural deficit, the District will be transferring \$2,241,207 from the Self Insurance Fund, and \$400,000 from Capital Outlay / Project fund. Clearly, the continued use of reserves and one-time funds to bridge an ongoing revenue shortfall is unsustainable and must be addressed to maintain fiscal stability.

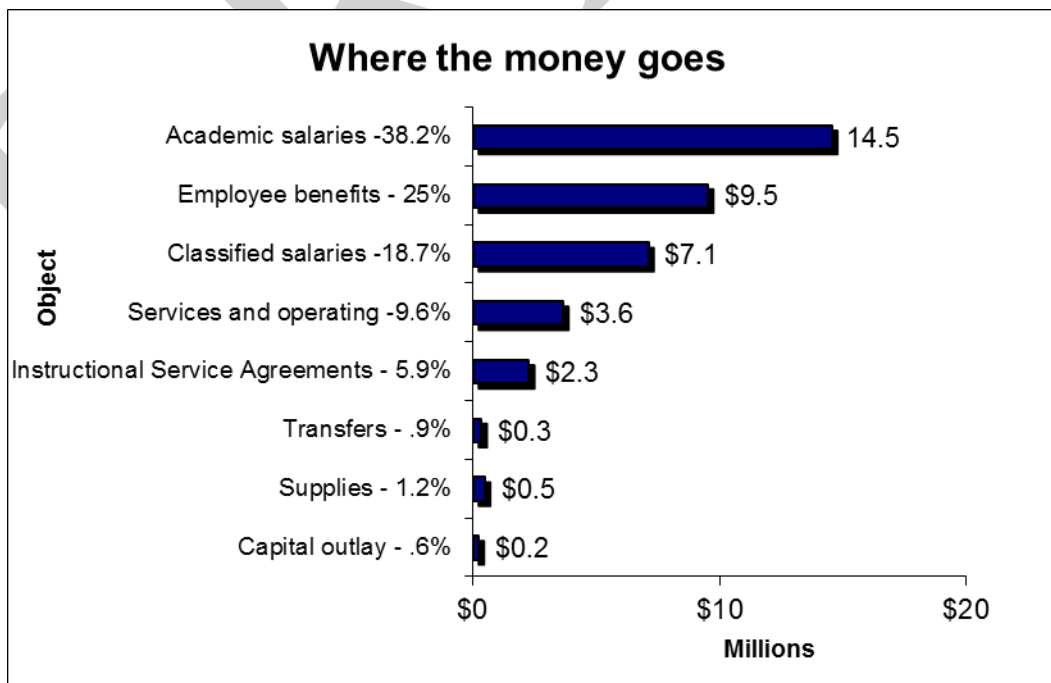
The following chart shows apportionment budgeted for last year and what is projected for 2014-15:

	2013-14		2014-15			
	<u>Adopted</u>		<u>Adopted</u>			
Total Computational Revenue (TCR)	\$34,189,373	a	\$33,328,898	c		
Less:						
Stability Reduction	(132,774)	b	---			
Adjusted Revenue Entitlement	\$34,056,599		\$33,328,898			
Budgeted Apportionment	\$34,056,599		\$33,328,898			
a) Assumes a 1.57% COLA						
b) Assume additional stability funding is taken away because we don't make lowered cap in 2013-14						
c) Assumes a 0.85% COLA						

The following charts show how unrestricted general funds are generated and expended.



The largest portion of expenses is for people, with salaries and corresponding fringe benefits for employees accounting for 82% of total expenses. Adding Instructional Service Agreements to employee expenses accounts for 88% of total expenses. The cost of employee benefits continues to be the second largest expense in the budget, currently representing 25% of total expenses.



Restricted General Fund

Funds used for the operation and support of educational programs that are specifically restricted by law, regulation, donor, or other outside agency are recorded in the Restricted General Fund. The majority of these funds must be expended within the fiscal year or returned to the funding agency. Budgets for state programs are based on the state's current approved budget. Funds budgeted for all programs total just over \$6.6 million. Budgets for state programs are based on the state's latest allocation numbers.

The following chart shows the 19 largest categorical programs and their respective funding level for the 2014-15 Adopted Budget:

	2013-14	2014-15	Change
Extended Opportunities Programs and Services (EOP&S)	\$604,354	\$730,406	\$126,052
Disabled Students Programs and Services (DSP&S)	\$493,087	\$476,686	(\$16,401)
Marine Advanced Tech. Ed. Res. Ctr. (MATERC)	\$395,890	\$399,732	\$3,842
Upward Bound	\$388,453	\$388,453	\$0
Math Science Upward Bound (MSUB)	\$376,700	\$376,700	\$0
Matriculation - CR/NCR	\$344,941	\$826,747	\$481,806
Health Services	\$350,000	\$342,000	(\$8,000)
Student Support Services (TRIO)	\$294,916	\$304,351	\$9,435
Student Financial Aid Administration (SFAA/BFAP)	\$226,635	\$240,493	\$13,858
Lottery	\$210,893	\$239,394	\$28,501
Federal Work Study	\$136,838	\$136,838	\$0
CalWorks/TANF	\$168,870	\$218,543	\$49,673
Perkins I-C Student Support Structure	\$127,745	\$136,951	\$9,206
Workability	\$111,828	\$0	(\$111,828)
Marine Tech Mentor/Intern	\$106,447	\$108,938	\$2,491
First 5 Monterey County Workforce Devt.	\$105,864	\$109,486	\$3,622
C.A.R.E (Coop. Agencies Res. Ed.)	\$91,413	\$91,413	\$0
Basic Skills 2012-13	\$69,390	\$82,000	\$12,610
Basic Skills 2013-14	\$90,000	\$90,000	\$0

Special Revenue Fund:

Child Development Center (CDC), Student Center and Parking are accounted for in the Special Revenue Fund. Revenues generated by these programs are intended to pay for the cost of services provided.

Revenues and expenses for child development services are recorded in the CDC Fund. The CDC Fund includes monies that are restricted as to their use and the fund is therefore separated into unrestricted and

restricted. The CDC Fund has a total budget of \$492,772 (unrestricted and restricted). CDC has been operating with a State Preschool contract under the California Department of Education. Unfortunately the reimbursement funds available from state contracts have covered less than 50% of operating costs, which are almost entirely payroll and benefits.

The Student Center Fund is maintained to record financial transactions of the Student Center building that was partially constructed using lease revenue bonds. The Student Center Fund receives revenue primarily from student use fees and commissions from the bookstore and cafeteria. The bond requires income to be used to make debt payments and maintain the facility. Half of the Student Activity Coordinator is paid by the Student Center Fund and half is paid by the Unrestricted General Fund.

The Parking Fund is maintained to record financial transactions related to parking as required by the Education Code. Revenues are primarily from parking permit sales and parking citations. Expenses are for parking security and maintenance and improvements to the parking lots.

Debt Service

Long-term debt principal, interest, and related costs of the District are accounted for in the Debt Service Fund. There is one obligation remaining that is accounted for in this fund: the annual long-term debt payment for the Student Center. The capital lease for energy conservation projects (SunTrust lease) was paid off in the 13-14 FY. Student Use Fees in the Student Center operating accounts pay the Student Center required payment of \$17,625.

Capital Projects

Non-bond expenses for all major acquisition, construction and deferred maintenance projects are accounted for in the Capital Projects Fund. Local expenditures include IPP & FPP processing, donations for the Library & Technology Center, Athletic facilities, and District expenses for Fort Ord. State expenditures include Physical Plant & Instructional Support funds. Expenses have been budgeted at \$1,783,438 of which includes a \$400,000 transfer out to the UGF for the structural deficit.

Building

Expenses associated with Measure I, the \$145 million Proposition 39 bond, are accounted for in the Building Fund. Expenses included in the 2014-15 adopted budget total \$2.2 million which include amounts to be expended for multiple projects (art complex, student center project). The art complex, and student center project will be completed this summer.

Self Insurance

Expenses for the District's self-insured medical benefits are budgeted and recorded in the Self Insurance Fund. Payments will be made from the various operating funds to the Self Insurance Fund to cover the claim payment. Total expenses of \$8,794,471 are currently being budgeted and include \$2,241,207 transfer out to the UGF for the structural deficit. Medical claims expenses are budgeted at \$6,394,883 for 2014-15.

Medical and RX claims continue to be holding steady in 2013-14. Review of the expense loss ratio for “active” employees continues to show ratios of less than 100%. As a result, all groups remain at Phase 1 of the three phase plan implemented in 2010-11. The three phase plan expired in June 2013 and no replacement plan has been recommended by Health and Welfare Cost Containment Committee at this point in time. Part of the leveling off of medical claims is likely tied to CHOMP being moved from Anthem’s Tier 3 to Tier 1 hospital rating. Another factor in the reduced utilization of medical services may have been changes in employee behavior as a result of the three phase plan.

Fiduciary Fund

The Fiduciary Fund is used to account for assets held by the District as trustee. These funds include Student Financial Aid, Associated Students, Scholarships and Loans, Trust Funds, and Orr Scholarship funds.

<i>Conclusion</i>

All funds are balanced except for Capital Outlay and Self Insurance because significant transfers are being made in 2014-15 to close the structural deficit in the General Fund. Positive year-end balances (reserves) are projected.

Monterey Peninsula College

3-Year Comparison

	2012-2013 <u>Actual</u>	2013 - 14		2014-2015	% > Budget to <u>Adopted Bud</u>
		Tentative <u>Budget</u>	Adopted <u>Budget</u>	Adopted <u>Budget</u>	
Unrestricted General Fund:					
Income					
Federal	\$3,041	\$10,700	\$10,700	\$10,700	0.0%
State	\$16,038,970	\$18,916,569	\$18,129,982	\$18,166,282	0.2%
Local	\$22,073,317	\$19,615,969	\$20,473,717	\$19,852,491	-3.0%
Total Income	<u>\$38,115,328</u>	<u>\$38,543,238</u>	<u>\$38,614,399</u>	<u>\$38,029,473</u>	-1.5%
Expense					
Academic Salaries	\$14,232,486	\$14,204,581	\$14,364,593	\$14,538,615	1.2%
Classified Salaries	\$7,627,302	\$7,732,390	\$7,741,819	\$7,092,665	-8.4%
Fringe Benefits	\$4,054,094	\$4,610,387	\$4,447,825	\$9,508,138	113.8%
Books and Supplies	\$502,596	\$605,759	\$585,500	\$462,694	-21.0%
Operating	\$5,239,979	\$5,605,526	\$5,734,146	\$5,888,846	2.7%
Capital Outlay	\$186,828	\$202,576	\$139,576	\$210,035	50.5%
Transfers	\$6,963,853	\$5,583,935	\$5,581,775	\$328,480	-94.1%
Total Expenses	<u>\$38,807,136</u>	<u>\$38,545,154</u>	<u>\$38,595,234</u>	<u>\$38,029,473</u>	-1.5%
Restricted General Fund:					
Income					
Federal	\$2,235,216	\$2,032,353	\$2,032,353	\$2,342,942	15.3%
State	\$2,469,119	\$2,329,076	\$2,418,123	\$3,345,952	38.4%
Local	\$513,909	\$771,694	\$796,987	\$939,284	17.9%
Total Income	<u>\$5,218,244</u>	<u>\$5,133,123</u>	<u>\$5,247,463</u>	<u>\$6,628,178</u>	26.3%
Expense					
Academic Salaries	\$1,299,992	\$1,320,590	\$1,278,270	\$1,543,886	20.8%
Classified Salaries	\$1,140,342	\$1,051,664	\$1,060,725	\$1,151,704	8.6%
Fringe Benefits	\$418,002	\$407,521	\$380,131	\$1,071,984	182.0%
Books and Supplies	\$289,519	\$221,729	\$211,219	\$237,133	12.3%
Operating	\$1,265,639	\$1,014,519	\$1,166,096	\$1,728,613	48.2%
Capital Outlay	\$91,148	\$292,589	\$312,998	\$381,357	21.8%
Transfers	\$713,603	\$824,510	\$838,023	\$513,501	-38.7%
Total Expenses	<u>\$5,218,244</u>	<u>\$5,133,122</u>	<u>\$5,247,462</u>	<u>\$6,628,178</u>	26.3%
Unrestricted Child Development					
Income	\$358,460	\$312,715	\$310,573	\$302,207	-2.7%
Expense	\$358,460	\$312,715	\$310,573	\$302,207	-2.7%
Restricted Child Development					
Income	\$210,789	\$187,943	\$245,147	\$190,565	-22.3%
Expense	\$210,789	\$187,943	\$245,147	\$190,565	-22.3%
Student Center					
Income	\$273,271	\$265,200	\$264,200	\$259,200	-1.9%
Expense	\$462,005	\$265,200	\$264,200	\$259,200	-1.9%
Student Revenue Bond					
Income	\$18,601	\$18,075	\$18,075	\$17,625	-2.5%
Expense	\$18,525	\$18,075	\$18,075	\$17,625	-2.5%

*Actual through May 31, 2014

	2012-2013	2013-2014		2014-2015	% >
	<u>Actual</u>	<u>Tentative</u>	<u>Adopted</u>	<u>Adopted</u>	<u>Budget to</u>
		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Adopted Bud</u>
Debt Service					
Income	\$275,942	\$275,324	\$275,324	\$0	-100.0%
Expense	\$275,324	\$275,324	\$275,324	\$0	-100.0%
Parking					
Income	\$422,669	\$512,000	\$512,000	\$525,000	2.5%
Expense	\$422,070	\$487,184	\$489,741	\$525,000	7.2%
Capital Projects					
Income	\$2,369,387	\$1,159,692	\$1,269,405	\$1,145,563	-9.8%
Expense	\$1,912,890	\$2,682,285	\$2,491,998	\$1,783,438	-28.4%
Self Insurance					
Income	\$6,940,012	\$6,342,942	\$6,349,078	\$6,553,264	3.2%
Expense	\$7,864,355	\$8,092,942	\$8,099,078	\$8,271,970	2.1%
Financial Aid					
Income	\$5,198,296	\$5,300,000	\$5,300,000	\$5,200,000	-1.9%
Expense	\$5,198,480	\$5,300,000	\$5,300,000	\$5,200,000	-1.9%
Associated Students					
Income	\$114,135	\$90,000	\$90,000	\$90,000	0.0%
Expense	\$69,636	\$90,000	\$90,000	\$90,000	0.0%
Scholarship and Loans					
Income	\$2,335,037	\$2,531,700	\$2,531,700	\$2,500,000	-1.3%
Expense	\$2,566,724	\$2,531,700	\$2,531,700	\$2,500,000	-1.3%
Trust Funds					
Income	\$283,081	\$469,102	\$469,102	\$510,000	8.7%
Expense	\$508,432	\$469,102	\$469,102	\$510,000	8.7%
Orr Scholarship					
Income	\$37,303	\$13,000	\$13,000	\$10,000	-23.1%
Expense	\$28,279	\$28,000	\$28,000	\$20,000	-28.6%
Building Fund					
Income	-\$20,618	\$50,000	\$6,349,078	\$25,000	-99.6%
Expense	\$15,058,710	\$7,520,032	\$8,099,078	\$2,232,397	-72.4%

*Actual through May 31, 2014

Unrestricted General Fund Highlights

2014-2015 Adopted Budget

Revenues:

Total Unrestricted General Fund revenue budgeted for 2014-15 is \$38,029,473. This includes \$2,641,207 of reserves and one-time funds transferred into the general fund to close the structural deficit, balance the budget, and show a 10% reserve.

- **Apportionment** - The largest source of unrestricted revenue, \$33,328,898 is received through the California Community College System and is based on actual enrollments of the College. These funds are referred to as apportionment and are received from student enrollment fees, local property taxes, and state backfill. Apportionment is calculated based on full time equivalent students (FTES): \$4,564.83 per credit FTES and \$2,744.96 per noncredit FTES plus a base allocation of \$3,321,545 for a single campus District and \$276,795 for a satellite campus. The projected apportionment assumes no deficit coefficient; and a 0.85% COLA.
- **Part-Time Faculty Compensation** – The District has budgeted \$173,268. It should be noted that in 2008-09, the State cut part-time faculty compensation by \$180,000.
- **Lottery** – Funds received from the Lottery Commission are based on FTES, including non-resident and apprenticeship. Lottery funds are budgeted at \$901,248 for 2014-15. This is \$44,070 more than 2013-14.
- **Nonresident Fees** – The non-resident fee revenue for 2014-15 is budgeted at \$585,000. The new rate adopted by the board for 2014-15 is the State average of \$193 per unit.
- **Interest** – Interest income is budgeted at \$20,000 for 2014-15. The yield on the funds deposited with the county treasury continues to be at historic lows (< 0.50%). All indications are that the Federal Reserve will continue to keep short term rates at very low levels.

Expenses:

Total Unrestricted General Fund Expenses are budgeted at \$38,029,473. Projections are included for all known obligations.

- **Salaries** - Increases for required step and column movement and longevity have been budgeted where appropriate.
- **Fringe Benefits** – Fringe benefits are shown in two categories: salary roll-up costs and medical benefits.

Salary roll-up costs include retirement, Medicare, FICA, unemployment, and workers comp. Roll-up costs associated with salary increases for required step and column movement and longevity increases have been budgeted.

Expenses for the District's self-insured medical benefits are budgeted and recorded in the various operating accounts within the General Fund. Payments are now being made to the Self Insurance

fund to cover the claim expenditures. This is a change in the accounting from last year where transfers were completed to move funds from the General Fund to the Self Insurance fund.

- **Books and Supplies** – This category is budgeted at \$462,694 for 2014-2015.
- **Services and Operating** – At \$5,888,846 this budget category is \$154,700 more than last year:
 1. **Utilities** – Total utility expenses (electricity, natural gas, water, waste disposal and sewage) are budgeted at \$1,284,618. Telephone expenses are budgeted at \$86,000. There is no longer a transfer to the Debt Services Fund of \$275,324, the lease the district had with Sun Trust for the energy conservation projects has been paid off.
 2. **Risk Management (insurance)** – The District is in a pool with other community colleges and is self-insured for property and liability coverage. Property and liability is budgeted at \$277,321 plus \$0 budgeted for deductibles. Student accident insurance for athletes is budgeted at \$70,474. (A budget for student accident insurance is also included in the Restricted General Fund at \$45,418.)
 3. **Instructional Service Agreements** – \$2,288,561 is budgeted for Instructional Service Agreements (ISA.)
 4. **Travel** – The conference attendance and related travel budget is \$140,339 for 2014-15.
 5. **Legal Expenses** - The legal budget is \$178,321.
 6. **Election Expenses** –There will be a Board election in 2014-2015. The election cost is approximately \$100,000 annually since elections are held every two years. The election expense is budgeted at \$50,000.
 7. **Building Maintenance** – Minor capital improvements is budgeted at \$77,000.
 8. **Other Services & Expenses** – The total budgets here are similar to last year,
 9. **Contingencies** – Total general institutional contingency is budgeted at \$30,120, a reduction of \$57,000 from last year.
- **Capital Outlay** – This category is budgeted at \$43,414.
- **Transfers** - Transfers to other funds are budgeted at \$328,481, a decrease of \$5,253,294 from last year, primarily due to the change in accounting recognizing the expense in the General Fund instead of the Self Insurance fund. This will allow for the health and welfare expense to be recognized in the general fund.

Also, there is no longer a transfer to the Debt Service Fund of \$275,324; this is due to the district paid off the lease with Sun Trust in the 13-14 FY.

The following are transfers to other funds:

Child Development Fund	\$260,707
EOP&S	\$ 67,774

Fund Balance:

Revenues and Expenses are balanced and an ending Unrestricted General Fund balance of \$3,802,947 is projected which is approximately 10% of expenditures.

Conclusion

All funds are balanced except for Capital Outlay and Self Insurance because of transfers to the General Fund to close the structural deficit. All funds show positive year-end balances (reserves).

DRAFT

MONTEREY PENINSULA COLLEGE

Institutional Goals and Objectives for 2011-2014 **(Revision forthcoming for 2015-2018)**

Mission Statement

Monterey Peninsula College is committed to fostering student learning and success by providing excellence in instructional programs, facilities, and services to support the goals of students pursuing transfer, career, basic skills, and life-long learning opportunities. Through these efforts MPC seeks to enhance the intellectual, cultural, and economic vitality of our diverse community.

Values Statement

We hold the following as vital to the attaining of our Mission:

- Recruiting and retaining highly qualified and diverse faculty and staff.
- Supplying and supporting faculty and staff with high quality equipment and necessary training.
- Providing all faculty, staff, students and support personnel with clean, attractive and safe facilities.
- Fostering a culture of collaboration to promote and achieve student success.

Goal 1: Promote academic excellence and student success.

Objective 1.1: Investigate ways to articulate student success that represent the diverse range of our students' goals, and retain strong academic integrity and high academic standards.

Objective 1.2: Improve student experiences by supporting the quality of instruction and service delivery through

- a. creating a framework for faculty and staff to learn, share ideas, engage in dialog and collaborate.
- b. promoting efforts to analyze the effectiveness of programs and make improvements based on the results.

Objective 1.3: Develop and prioritize the implementation of an online learning strategic plan that includes institutional support, protocols, and assessment of instruction.

Objective 1.4: Develop and implement ways to

- a. more effectively recruit and select excellent faculty and staff.
- b. train and mentor new faculty and staff so that they most effectively serve students and promote learning.

Goal 2: Build MPC into an economic driving force for the Monterey area by supporting and developing programs that teach employable skills.

Objective 2.1: Develop and enhance credit Career and Technical programs and courses to provide students with employable skills.

Objective 2.2: Establish and strengthen industry, government, and community partnerships.

Goal 3: Manage the rate of growth in programs and services in Seaside and Marina, subject to funding and growth conditions.

Objective 3.1: Based on assessment and analysis of community needs and district resources, develop appropriate class schedules and programs.

Objective 3.2: Provide essential support services to enable student success at the Marina Education Center and the Seaside Public Safety Center.

Goal 4: Maintain and strengthen instructional and institutional technology.

Objective 4.1: Conduct a broad-based review of the functionality and efficiency of all district technology including the organization, management and support for MPC's websites.

Objective 4.2: Conduct a broad-based review of the leadership, management, and structure of campus-wide technology support to maximize efficiency, resources, and ease of use.

Objective 4.3: Based on the recommendations from these reviews, develop a long-term funding plan and implement changes that take into consideration the availability of college resources.

Approved College Council April 5, 2011

Approved Governing Board May 24, 2011