

Monterey Peninsula College

2009-10 Final Budget

Income...a Moving Target

- **In February** – despite poor economics, state approved 18 mo budget no cuts to CC's & no COLA...District's Tentative Budget included \$1.2M in cuts to accommodate \$500K for increased costs & \$700K for potential cuts.
- **In June** - League provided projections indicating Governor's May revise would result in \$4.7M cuts to MPC (\$2.3M in general cuts for 2009-10, \$500K cuts to 2008-09, \$1.9M cuts to categoricals).
- **In July** - League projections indicate Legislative budget calls for \$3.7M cuts to MPC (\$1.6M general cuts for 2009-10, \$500K cuts to 2008-09, \$1.6M cuts to categoricals), plus deferrals.
- **July 28** - final approved , League projections indicate state budget cuts MPC \$3M (\$1.3M general cuts, \$1.7M cuts to categoricals for 2009-10) with potential ARRA 1-time backfill between \$0 and \$700K, plus deferrals.
- **August 25** - revised Advance Apportionment cuts MPC \$3.3M (\$1.3M general cuts, \$2M cuts to categoricals) with potential ARRA 1-time backfill between \$0 and \$700K, plus deferrals.
- **Future risks...it's not over!**
 - Uncertainty regarding Federal ARRA funds, and add'l cuts to balance next yr
 - Structural imbalance in the state budget...mid-year cuts, more cuts next year
 - Property tax shortfall
 - Deferrals/cash flow...currently \$7M (30%) for MPC and add'l projected

State cuts to District's General Fund Revenues

	Initial cuts <u>Projected</u>	\$'s from <u>State Advanced</u>
Apportionment cut	-\$1,322,000	-\$1,314,054
PT Faculty Comp Cut	-\$230,936	-\$180,318
State cut for SB1133		-\$68,497
State cut for Apprenticeship	-\$44,600	-\$145,000
State cut for PT Fac ofc hrs	-\$2,220	-\$3,538
Cuts affecting UGF	-\$1,599,756	-\$1,711,407
Apprenticeship		\$68,298
Basic Skills	-\$41,951	-\$49,402
EOPS	-\$296,020	-\$367,512
CARE	-\$34,632	-\$42,180
DSPS	-\$292,211	-\$411,030
Calworks	-\$51,274	-\$56,971
Matriculation	-\$425,924	-\$377,149
Fac Staff Diversity	-\$4,079	-\$6,633
TTIP	-\$7,207	-\$36,036
Nursing Education	-\$46,098	-\$127,269
Transfer & Articulation	-\$1,280	-\$4,000
Instructional Equipment	-\$100,000	-\$100,000
Scheduled Maintenance	-\$100,000	-\$100,000
Cuts affecting RGF	-\$1,400,676	-\$1,609,884
Total state cuts	-\$3,000,432	-\$3,321,291

Apportionment Calculation

Workload measures (2008-09)	<u>Reported</u>	<u>Funded</u>	<u>Unfunded</u>
Credit FTES	6514.74	6463.75	50.99
Noncredit FTES	2061.38	2061.38	0
	<u>8576.12</u>	<u>8525.13</u>	<u>50.99</u>
Base Allocation			
Single College District under 10000 FTES			\$3,321,545
Grandfathered Center under 250 FTES			\$276,795
Total Base Allocation			<u>\$3,598,340</u>
FTES Allocation			
	<u>FTES</u>	<u>Rate</u>	
Credit	6463.75	\$4,564.8300	\$29,505,920
Noncredit	2061.38	\$2,744.9578	\$5,658,401
Total FTES Allocation			<u>\$35,164,321</u>
Total Computational Revenue (2008-09)			<u><u>\$38,762,661</u></u>
State cut for for 2009-10	3.39%		(\$1,314,054)
Base Revenue for 2009-10			<u><u>\$37,448,607</u></u>
New workload measures for 2009-10 based on 3.39% apportionment cut:			
Credit	6222.21		
Noncredit	1984.35		
	<u>8206.56</u>		

Expense Increases with no COLA

- **Contractual salary increases** for step, column, equity
- **Utilities** +\$169K
- **Election Expense** +\$95K
- **Software License, etc.**
- **Benefits**
 - Roll up on contractual increases (plus PERS & dental increases)
 - Medical (16% increase...\$960K)
 - Cost containment measures save \$534K...
 - **Budgeted as if approved** (Formulary for RX, Medicare as primary, Health Place America, Chiropractic Carve Out)
 - District and retiree increase (6% ...\$360K)

Guidelines used to balance budgets

- **Long Term Financial Plan**
 - Improve scheduling, improve class size, noncredit to credit, reduce ISA
 - Cost containment (benefits vs. salaries)
- **Planning Assumptions – Fall 2009**
 - 6) Noncredit to credit,
 - 8 & 9) promote efficiency,
 - 10) maintain perm staff,
 - 11) examine vacancies,
 - 12) budget savings from 2008/09,
 - 13) balance 2009/10
- **Workloads (FTES) adjusted down** allowing districts to make necessary cuts to course sections without further loss of income. Chancellor directs colleges that reductions in course sections, to the greatest extent possible, to be achieved in areas other than basic skills, CTE, and transfer.
- **Department specific cuts** identified working with advisory groups and department managers

Summary of Cuts

- Academic salaries
 - Full Time
 - Adjunct increased \$668K
- Administrative/Management salaries
 - Administration
 - Management/confidential
- Classified salaries
 - Regular
 - NOE \$86K
- Instructional Service Agreements cut \$902K
- Supplies, travel, printing, equip \$204K
- Transfers
 - Students \$25K
 - Health Services \$65K