

Mt. San Antonio Community College District Budget Impact Assumptions 2011-12



As of February 28, 2011

California Community Colleges Impact of Governor Brown's 2011-12 Proposed State Budget

Impact to the California Community Colleges:

- ***6.8% budget reduction (\$400 million).*** This cut translates into approximately 400,000 students losing access to classes (200,000 students already in the system for which the colleges are receiving no State remuneration and roughly 200,000 additional students).
- ***The proposed \$10 per unit fee increase would generate \$110 million for the colleges to support an additional 50,000 students.***
- ***With the fee increase, as many as 350,000 students could lose access to a community college education.***
- ***\$10 fee increase would raise student fees from \$26 per unit to \$36 (38.5% increase).***
- ***\$400 million reduction will be offset by \$110 million in student fee increases (net reduction \$290 million).***

California Community Colleges Impact of Governor Brown's 2011-12 Proposed State Budget (cont.)

Total proposed cuts to three segments of higher education:

- University of California \$500 million
- California State University \$500 million
- California Community Colleges \$400 million

\$1.4 billion

California Community Colleges Impact of Governor Brown's 2011-12 Proposed State Budget (cont.)

Estimated financial impact of fee increase to students:

- Under the current \$26 per credit unit fee, full-time students enrolled in 15 units pay approximately \$780 per academic year.
- With the proposed fee increase to \$36 per credit unit, full-time students would pay 38.5% more or roughly \$1,080 per academic year.

Fee history:

	<u>Fiscal Year</u>	<u>Fee (per unit)</u>
➤	1984-85	\$5*
➤	1991-92	\$6
➤	1993-94	\$10
➤	1994-95	\$13
➤	1998-99	\$12
➤	1999-00	\$11
➤	2003-04	\$18
➤	2004-05	\$26
➤	2006-07	\$20
➤	2009-10	\$26
➤	2011-12	\$36 (proposed amount in Governor Brown's January 2011 budget)

*Prior to 1984, community colleges charged no fee.

Assuming June Tax Package is Approved

<u>Source</u>	<u>Amount</u>
State General Fund:	(\$9,506,000)
Increased Student Fees (\$36/unit):	<u>2,614,000</u>
Net Reduction:	(\$6,892,000)
2010-11 Base Offset:	<u>3,000,000</u>
Net Reduction:	(\$3,892,000)
Lost Students: 3,427	

If June Tax Package Fails and Proposition 98 is Funded at Mimimum

<u>Source</u>	<u>Amount</u>
State General Fund:	(\$14,735,000)
Increased Student Fees (\$36/unit):	<u>2,614,000</u>
Net Reduction:	(\$12,121,000)
2010-11 Base Offset:	<u>3,000,000</u>
Net Reduction:	(\$9,121,000)
Lost Students: 6,026	

If June Tax Package Fails and Proposition 98 is Suspended (LAO Options)

<u>Source</u>	<u>Amount</u>
State General Fund:	(\$25,786,000)
Increased Student Fees (\$66/unit):	<u>6,655,000</u>
Net Reduction:	(\$19,131,000)
2010-11 Base Offset:	<u>3,000,000</u>
Net Reduction:	(\$16,131,000)
Lost Students: 9,320	

Note: Plus \$3 million one-time funds from 2010-11 Base Offset.

Legislative Analyst's Office Options for Community College Reductions

**[Requested by Senator Mark Leno (Chair of the
Senate Budget and Fiscal Review Committee)]**

- **\$250 million from establishing a 90-unit cap on each student's subsidized credits**
- **\$170 million from a fee increase from \$36 per unit to \$66 per unit**
- **\$125 million to reduce funding for credit basic skills courses to the level provided for noncredit basic skills courses**
- **\$55 million from eliminating funding for intercollegiate athletics courses**
- **\$55 million from eliminating funding for repetition of credit PE and fine arts classes**
- **\$30 million from eliminating State funding for noncredit PE and fine arts classes**

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
2010-2011 ADOPTED BUDGET
UNRESTRICTED GENERAL FUND**

REVENUE BUDGET ASSUMPTIONS

		Funds 11 & 12	Fund 13	Total
2009-10 Apportionment Base		\$ 131,060,305		\$ 131,060,305
Base Apportionment Adjustment	To Be Determined		-	-
COLA	To Be Determined			-
Growth	To Be Determined	-	-	-
2009-10 Total Apportionment Revenue		\$ 131,060,305	\$ -	\$ 131,060,305
Lottery	Projected to Increase from \$111 to \$115 per FTES (31,797)	3,656,655	-	3,656,655
Interest	Interest Rates Decreased	550,000	-	550,000
Nonresident Tuition	Increased by \$500,000	3,000,000	-	3,000,000
PT Faculty Office Hours/Health Insurance	Decreased by \$14,000 from 2009-10	51,000	-	51,000
PT Faculty Parity	Possible Decrease from \$672,548 to \$402,548 (2.7% of \$10M Statewide Reduction)	402,548	-	402,548
Medicare Part D Subsidy		330,000		330,000
Other Miscellaneous Revenue	Facility Rental, Community Services, Contract Education, Misc. Fees, etc.	850,096	1,381,206	2,231,302
Total Other Revenue		\$ 8,840,299	\$ 1,381,206	\$ 10,221,505
Total Ongoing Revenue Budget		\$ 139,900,604	\$ 1,381,206	\$ 141,281,810

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
2010-2011 ADOPTED BUDGET
UNRESTRICTED GENERAL FUND**

EXPENDITURE BUDGET ASSUMPTIONS

Ongoing Expenditure Budget:

		Funds 11 & 12	Fund 13	Total
Base Ongoing Expenditure Budget	As of the 2009-10 Adopted Budget	\$ 144,399,893	\$ 1,381,206	\$ 145,781,099
2010-11 Salary Schedule Progression	Estimated Step/Column and Longevity Changes	1,223,564	-	1,223,564
2010-11 Adjunct Salary Schedule Progression	Estimated Step/Column Changes	128,000	-	128,000
2010-11 Noncredit Adjunct Step/Column Placement	Estimated Step/Column Changes	105,000	-	105,000
Misc. Personnel and Benefit Changes		(233,825)	-	(233,825)
PERS Employer Rate Increase	Estimated Rate Increase from 9.709% to 10.707%	280,281	-	280,281
Unemployment Insurance Increase	Increase from 0.30% to 0.72% (140% increase)	292,638	-	292,638
Increase in Retiree Health Premiums	Budget Increase based on 2009-10	97,342	-	97,342
Approved Ongoing Budget Increases	Budget Increases Approved by President's Cabinet	282,857	-	282,857
Rate-Driven Increases	Estimated Placeholder (Anticipate Large Increases in Various Software License Fees)	500,000	-	500,000
Revenue Lease Bonds (COPS)	Liability Transferred to Escrow Account	(1,281,050)	-	(1,281,050)
Operational "Status Quo" Budget Reductions	Ongoing Expenditure Savings	(1,794,253)	-	(1,794,253)
Vacant Positions Eliminated	Ongoing Expenditure Savings	(1,686,743)	-	(1,686,743)
Noncredit Hourly Faculty Budget Reduction	Ongoing Expenditure Savings (Based on 2009-10 Actual Expenditures)	(1,097,474)	-	(1,097,474)
Categorical Positions Transferred to General Fund		194,242	-	194,242
Total Ongoing Expenditure Budget		\$ 141,410,472	\$ 1,381,206	\$ 142,791,678
Total Ongoing Budget Surplus/(Deficit)		\$ (1,509,868)	\$ -	\$ (1,509,868)

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
2010-2011 ADOPTED BUDGET
UNRESTRICTED GENERAL FUND**

One-Time Expenditure Budget Funded from Reserves:

2009-10 Carryover Budgets to 2010-11	2009-10 Purchases in Progress and Carryover Budgets	1,206,834	1,331,238	2,538,072
Categorical Support - ARRA Replacement	Carryover from 2009-10	612,948		612,948
Categorical Support	Partially Backfill 2009-10 Budget Reductions. Same Amount Budgeted in 2009-10	1,027,382		1,027,382
Categorical Support - Unfunded Positions		433,365		433,365
Vacant Faculty Positions	Remain Unfilled for 2010-11 for One-time Budget Savings	(739,944)		(739,944)
Replacement of Chillers, Cooling Towers, and Controls	One-time Transfer to the Capital Outlay Fund for the Performing Arts Center	800,000		800,000
Accreditation Expenses	For October 2010 Site Visit	50,000		50,000
Total One-Time Expenditure Budget Funded from Reserves		\$ 3,390,585	\$ 1,331,238	\$ 4,721,823

Total Unrestricted General Expenditure Budget	\$ 144,801,057	\$ 2,712,444	\$ 147,513,501
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SUMMARY OF UNRESTRICTED GENERAL FUND RESERVES

Reserves for Contingencies:

		Percentage	Total
Reserve - (10% Board Required)	10% per Board Policy	10.00%	\$ 14,751,350
Undistributed Reserve	Available for Emergencies	6.30%	9,287,375
Total Unrestricted General Fund Reserves		16.30%	\$ 24,038,725

2009 - 2010

EXPLANATION OF THE POSITIVE ENDING BALANCE

REVENUE INCREASES:

	Estimated	Actuals	
Prior Year Apportionment Adjustment (2008-09)	273,535	223,524	
Apportionment Revenue (2009-10)	(68,679)	(217,113)	
Non Resident Tuition	648,185	960,872	
Interest	(57,278)	25,266	
Parking Citations	60,000	103,212	
JPA Property Tax Delinquency	51,705	51,705	
Administrative Allowance 2% Enrollment		152,909	
Part-time Faculty Health Insurance & Office Hours		(46,286)	
Faculty Parity		34,347	
Performing Arts Ticket Sales		6,529	
Student Fees		(18,318)	
Medicare Part D Subsidy		330,538	
Enrollment Fee Administration 2%		103,954	
Administrative Allowance, Financial Aid Programs		22,306	
Enrollment Prior Year		67,384	
Material Fees		46,661	
Current Year Lottery		(33,489)	
Prior Year Lottery		88,153	
Sale of Fixed Assets		13,887	
American Recovery and Reinvestment Act (ARRA)		612,948	
Self-Insured Retention Trust		26,623	
Other Misc. Revenue		63,819	
Income Generated		36,017	Carryover funds to 2010-11
TOTAL REVENUE INCREASES	907,468	2,655,448	

EXPENDITURE SAVINGS :

Savings from Frozen Positions	2,642,415	2,642,415	Planned savings
Misc. Salary and Benefit Savings	501,660	77,948	Result of unpaid LOA, docked pay, etc.
Short-term Hourly, Overtime and Benefits	854,031	575,765	Savings are the result of a mandatory reduction (per President's Cabinet) of use of short-term hourly and overtime except for emergencies as approved by the Vice Presidents
Retiree Health and Welfare Premiums	622,333	584,544	Savings are a result of a two-month premium holiday
Stars of Excellence	152,428	122,940	Conserved Budget; Balance of unspent funds
Liability Insurance Premiums	159,644	160,198	Premiums less than estimated.
Contracted Services - President and Institutional	193,292	204,971	Budget unspent. Planned budget reduction for 2010-11
Utilities	715,460	779,583	Saving due to Energy Management Projects. Planned reduction for 2010-11
Catalog and Schedules	205,189	240,821	Instruction discontinued the mailing of the Schedule of Classes to the community, which was a deliberate cost saving strategy.
LACOE Contracted Services and Fees	201,456	115,717	Budget savings due to Mt. SAC obtaining Fiscal Accountability Status. This ongoing budget savings of approximately \$200,000 was included in the Banner Budget and will be transferred to IT in 2010-11.
Marketing Savings	97,545	123,529	Due to a planned reduction in marketing
Mail Services	59,426	49,017	Savings in Postage Account - reduction in various mailings
Human Resources - Recruitment	23,651	42,236	Savings as a result of the hiring freeze

2009 - 2010
EXPLANATION OF THE POSITIVE ENDING BALANCE

Instructional Equipment (District Matching Funds)	106,795	106,795	The Instruction Office intentionally did not allocate all of these funds in order to save for emergencies. The State funding for Instructional Equipment was eliminated in 2009-10. These funds will be a carried over to 2010-11.
Rate-Driven Increases Budget	289,388	289,388	Did not expend the full allocation for 2009-10, carry over to 2010-11
Accreditation	28,036	27,157	These funds will be carried over to 2010-11 to be use in connection with our October 2010 Accreditation Site Visit.
Computer Replacement Program	141,726	141,275	Balance of \$250,000 allocation for computer replacement program. Intentionally only replaced computers as needed.
New Faculty Computers and Furniture	88,799	88,799	Balance of \$105,000 allocation for the purchase of computers and furniture for new faculty. Planned budget reduction for 2010-11
President's Discretionary Equipment	90,000	90,000	Budget unspent. Planned budget reduction for 2010-11
Hourly Faculty Budget and Benefits	(321,000)	1,163,094	Estimated a possible over expenditure by year-end. June Summer Session paid in July (Carryover 3 days June Payroll = \$287,325)
Community Services, Wellness, Facilities Rental	(300,000)	(157,153)	Estimated a possible over expenditure by year-end
Vacation Accrual	(300,000)	57,675	Estimated expense booked at year-end that is not budgeted
Placeholder for Faculty/Staff/Student Travel Budget	257,926	257,926	Waiting to be allocated
Retirees Benefits - District Contribution		95,381	
Balances from Unspent Status Quo Budgets		1,449,081	\$ 273,443 Carry over budget for purchases in progress to 2010-11
Institutional Memberships		35,306	
Energy Maintenance Projects		92,220	
Indirect Cost		327,439	
Allowance for Doubtful Accounts		(321,501)	
American Recovery and Reinvestment Act (ARRA)		(612,948)	
Self-Insured Retention Trust		(23,708)	
Income Generated		1,295,221	Carryover funds to 2010-11
Non Credit Matriculation Categorical Support	150,865	150,865	Carryover funds to 2010-11
DSPS Categorical Support	-	18,804	Carryover funds to 2010-11
Designated Reserves for Categorical Support		612,948	Savings due to the receipt of ARRA Funds - Carryover funds to 2010-11
Election Costs	172,405	172,405	Election costs less than initially estimated by the County of Los Angeles
TOTAL EXPENDITURE BUDGET SAVINGS	6,833,470	11,076,153	

ADJUSTMENT TO RESERVES:

Enterprise Application System		(1,576,540)	Reserves Transferred to Expense Accounts
Designated for Enterprise Application System		98,054	Balance of EAS Designated Reserve - Carry over funds to 2010-11
Approved Expense Transfers One-time and Ongoing after Adopted Budget 09/10		(206,614)	Reserves Transferred to Expense Accounts
TOTAL ADJUSTMENT TO RESERVES		(1,685,100)	

TOTAL EXPENDITURE BUDGET SAVINGS AND RESERVE ADJUSTMENTS	6,833,470	9,391,053	
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TOTAL 2009-10 POSITIVE VARIANCES	7,740,938	12,046,501	
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Funds will be carried over to 2010-11 and budgeted as one-time

Matching Revenue and Expenditure Accounts

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

Budget Comparison History

Unrestricted General Fund

	2010-2011 Adopted Budget
REVENUE SOURCE:	
Base Apportionment	\$ 131,060,305
Miscellaneous	6,564,850
Lottery - Current Year	3,656,655
Total Ongoing Revenue:	\$ 141,281,810
EXPENDITURES:	
Total Ongoing Expenditures:	\$ (142,791,678)
Surplus/(Deficit)	\$ (1,509,868)
One-Time Expenditures	(4,721,823)
Total One-Time Revenue Less Expenditures:	\$ (4,721,823)
SUMMARY OF RESERVES:	
10% Contingency	\$ 14,751,350
Undistributed Reserve	\$ 9,287,375
Total General Fund Reserves	\$ 24,038,725
General Fund Reserve Percentage	16.30%

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

Budget Comparison History

Unrestricted General Fund

							Estimated *	Estimated *
	2006-2007	2007-2008	2008-2009	2009-2010	2009-2010	2010-2011	2011-2012	2012-2013
REVENUE SOURCE:	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Preliminary Budget</u>	<u>Preliminary Budget</u>
Base Apportionment	\$ 124,043,014	\$ 131,969,070	\$ 133,276,734	\$ 135,729,310	\$ 131,060,305	\$ 131,060,305	\$ 131,060,305	\$ 131,060,305
Apportionment Deficit/Workload Reduction	-	-	(2,015,004)	(4,600,326)	(148,434)		-	-
COLA (-.38%)								
Growth	-	1,882,925	2,452,576	-		-	-	-
Miscellaneous	13,826,939	9,777,293	10,414,978	6,146,475	8,829,001	6,564,850	6,564,850	6,564,850
Lottery - Current Year	3,936,034	3,451,799	3,568,968	3,717,279	3,683,790	3,656,655	3,386,570	3,386,570
Total Ongoing Revenue:	<u>\$ 141,805,987</u>	<u>\$ 147,081,087</u>	<u>\$ 147,698,252</u>	<u>\$ 140,992,738</u>	<u>\$ 143,424,662</u>	<u>\$ 141,281,810</u>	<u>\$ 141,011,725</u>	<u>\$ 141,011,725</u>
EXPENDITURES:								
Total Ongoing Expenditures:	\$(135,761,421)	\$(139,545,855)	\$(140,966,222)	\$(146,105,896)	\$(136,679,574)	\$(142,791,678)	\$(145,391,678)	\$(148,141,678)
Less Anticipated Ongoing Reductions:								
Revised Total Ongoing Expenditures:								
Surplus/(Deficit)	<u>\$ 6,044,566</u>	<u>\$ 7,535,232</u>	<u>\$ 6,732,030</u>	<u>\$ (5,113,158)</u>	<u>\$ 6,745,088</u>	<u>\$ (1,509,868)</u>	<u>\$ (4,379,953)</u>	<u>\$ (7,129,953)</u>
One-Time Revenue (Prior Year Apportionment Adj.)	\$ 120,880	\$ 2,206,934	\$ 1,464,023	\$ -	\$ 223,524	\$ -	\$ -	\$ -
One-Time Revenue Decrease (Property Tax Deficit)	-	(2,225,682)	-	-		-	-	-
One-Time Expenditures	-	(13,732,195)	(7,756,659)	(3,824,338)	(3,859,607)	(4,721,823)	(2,599,187)	(1,549,187)
Total One-Time Revenue Less Expenditures:	<u>\$ 120,880</u>	<u>\$ (13,750,943)</u>	<u>\$ (6,292,636)</u>	<u>\$ (3,824,338)</u>	<u>\$ (3,636,083)</u>	<u>\$ (4,721,823)</u>	<u>\$ (2,599,187)</u>	<u>\$ (1,549,187)</u>
SUMMARY OF RESERVES:								
10% Contingency	\$ 13,576,142	\$ 15,327,805	\$ 14,872,288	\$ 14,993,023	\$ 14,053,918	\$ 14,751,350	\$ 17,059,585	\$ 8,380,445
Designated Reserve-EAS	6,760,886	4,887,931	1,576,540	1,576,540				
Designated Reserve-One-time Expenditures in 2010-11					3,390,585			
Designated Reserve-Income Generated	1,906,795	1,279,627	1,199,187	-	1,331,238			
Undistributed Reserve	10,693,905	5,226,654	9,513,396	1,654,352	11,494,675	9,287,375		
Total General Fund Reserves	<u>\$ 32,937,728</u>	<u>\$ 26,722,017</u>	<u>\$ 27,161,411</u>	<u>\$ 18,223,915</u>	<u>\$ 30,270,416</u>	<u>\$ 24,038,725</u>	<u>\$ 17,059,585</u>	<u>\$ 8,380,445</u>
General Fund Reserve Percentage	24.26%	17.43%	18.26%	12.15%	21.54%	16.30%	11.53%	5.60%
Capital Outlay Reserves		\$ 7,284,044	\$ 5,093,187	\$ 1,689,061	\$ 4,222,202	\$ 2,027,515		
Capital Outlay Reserves-Revenue Lease Bonds		8,054,471	5,202,343	-	2,519,050	-		
Capital Outlay Reserves-Redevelopment		3,756,151	4,312,489	4,405,489	4,620,708	4,597,102		
Total Capital Outlay Reserves		<u>\$ 19,094,666</u>	<u>\$ 14,608,019</u>	<u>\$ 6,094,550</u>	<u>\$ 11,361,960</u>	<u>\$ 6,624,617</u>		
Combined Reserves Percentage		22.19%	21.69%	13.28%	24.54%	17.67%		

* One-time expenditures in the amount \$2,073,695 for Categorical Support Backfill are not included in the 2011-2012 and 2012-2013 Estimated Preliminary Budgets.