

BUDGET COMMITTEE

MEETING AGENDA

June 7, 2017

3:00 p.m.



Location: Building 4, Conference Room #2460

Time: 3:00 p.m. – 4:30 p.m.

Committee Members:

Mike Gregoryk, Chair
Martin Ramey, Co-Chair
Irene Malmgren
Audrey Yamagata-Noji
Gary Nellesen
Myeshia Armstrong

Rosa Royce
Mark Fernandez
Lisa Romo
Justin Ott
Michael Sanetrick
Lance Heard

Brian Moon (Student)
Israel Garcia (Student)

Kerry Martinez (Notes)
Yadira Santiago (Notes)

AGENDA ITEMS:

- 1. Agenda Check**

- 2. Review the Budget Committee Meeting Summary of May 17, 2017**

- 3. Review of the Draft 2017-18 Tentative Budget**

- 4. Committee Goal and Progress Report**

**Mt. San Antonio College
Budget Committee Summary of
June 7, 2017**

Committee Members:

- | | | | |
|------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------|
| <input checked="" type="checkbox"/> Mike Gregoryk, Chair | <input type="checkbox"/> Gary Nellesen | <input checked="" type="checkbox"/> Justin Ott | <input checked="" type="checkbox"/> Brian Moon (Student) |
| <input checked="" type="checkbox"/> Martin Ramey, Co-Chair | <input checked="" type="checkbox"/> Myeshia Armstrong | <input checked="" type="checkbox"/> Michael Sanetrick | <input type="checkbox"/> Israel Garcia(Student) |
| <input type="checkbox"/> Irene Malmgren | <input checked="" type="checkbox"/> Rosa Royce | <input checked="" type="checkbox"/> Lance Heard | <input checked="" type="checkbox"/> Yadira Santiago (Notes) |
| <input type="checkbox"/> Audrey Yamagata-Noji | <input checked="" type="checkbox"/> Mark Fernandez | <input checked="" type="checkbox"/> Lisa Romo | <input checked="" type="checkbox"/> Kerry Martinez (Notes) |

ITEM	DISCUSSION/COMMENTS	ACTION/OUTCOME
1. Agenda check		Agenda approved.
2. Review the Budget Committee Meeting Summary of May 17, 2017	The Budget Committee Meeting Summary of May 17, 2017, was reviewed and approved.	Memory approved.
3. Review of the Draft 2017-18 Tentative Budget	<p>Handouts provided:</p> <p>1. Unrestricted General Fund - Changes the Fund Balance From 2016-2017 Adopted Budget to 2017-18 Tentative Budget (May 5, 2017).</p> <ul style="list-style-type: none"> • Estimated Ending Fund Balance Unrestricted General Fund is \$34,444,102. • 2017-2018 Tentative Budget projection shows an Ongoing Budget Deficit of \$(1,054,313). The College's actual results have consistently performed better than budgeted, due to underspending and conservative revenue assumptions. • Ending Fund Balance is estimated at \$20,537,268 which represents a 10.01% fund balance which meets the College's Board Policy of 10% Unrestricted Fund balance. <p>2. Mt. San Antonio College 2017-18 Tentative Budget Scenarios Draft (June 6, 2017).</p> <ul style="list-style-type: none"> • Full detailed version of what the summary has spelled out. • Includes a stability adjustment of the decline of 440.51 FTES. 	

4. Review Committee Goal and Progress Report	The process, and form, is currently being discussed in PAC. The Goal and Progress Report does not need to be turned in at this time. The committee will be notified of the changes.	
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FUTURE AGENDA ITEMS

FUTURE MEETING DATES

- **July/August date, as needed, email or call if something needs to be discussed.**
- **September 6, 2017**
- **September 20, 2017**

**UNRESTRICTED GENERAL FUND
CHANGES TO THE FUND BALANCE
FROM 2016-17 ADOPTED BUDGET TO 2017-18 TENTATIVE BUDGET
(May 5, 2017)**

	Changes to the Fund Balance
2016-17 ADOPTED BUDGET - FUND BALANCE - At 10.33%	\$ 20,756,787
Plus: 2016-17 Unbudgeted Revenues	
2015-16 Increase to Base Allocation & Faculty Hiring - Ongoing	133,851 (A)
2016-17 Increase to Base Allocation	18,433
2015-16 Additional Growth -Ongoing	503,502 (B)
2015-16 Additional Growth - One-Time	503,502 (B)
2016-17 Stability Adjustment	32,982 (C)
Apportionment Prior Year Adjustments (Base Allocation/Faculty Hiring) - One-Time	133,851 (A)
2016-17 Statewide Apportionment Deficit at 0.0%	806,056 (D)
New Resources Allocation - Unused Budgets from Prior Years	931,367 (E)
Non Resident Tuition (International & Out-of-State)	298,398 (F)
Miscellaneous Revenue	200,855 (G)
Changes in 2016-17 Revenues	3,562,797
Plus: 2016-17 Unexpended Expenditure Budgets	
Permanent/Hourly Faculty (Net of \$474,667 for 4 Faculty Initially Budgeted with SWP)	443,426
Unexpended Budget for Positions and Benefits (Mainly Classified Managers & Staff) ⁽¹⁾	2,974,561
Unexpended Departmental & Institutional Budgets	2,541,979
Unexpended New Resources Allocation Budgets - One-Time ⁽²⁾	4,164,552
Changes in 2016-17 Expenditures	10,124,518 (H)
Net Changes in Revenues & Expenditures	13,687,315
Less: Commitments	
Purchases in Progress and Carryovers (Estimated)	(2,742,228)
New Resources Allocation Phases 1 to 6	(4,164,552) (I)
Designated for 2017-18 One-Time Expenditures and Proj. Apportionment Deficit	(5,945,741) (J)
Total Commitments	(12,852,521)
2017-18 TENTATIVE BUDGET	
Plus: 2017-18 Ongoing Revenues	182,209,332
Less: 2017-18 Ongoing Expenditures	(183,263,645) (K)
Ongoing Budget Deficit	(1,054,313) (L)
ONE-TIME FUNDS	
Beginning Estimated Balance as of July 1, 2017	12,852,521
Plus: 2017-18 One-Time Revenues	(844,636)
Less: 2017-18 One-Time Expenditures ⁽³⁾	(12,007,885)
One-Time Revenues net of One-Time Expenditures	-
REVENUE GENERATED ACCOUNTS	
Beginning Estimated Balance as of July 1, 2017	6,797,926
Plus: 2017-18 Revenue Generated Accounts Increases	3,128,911
Less: 2017-18 Revenue Generated Accounts Decreases	(9,926,837)
Ending Fund Balance Revenue Generated Accounts	-
ENDING FUND BALANCE - At 10.01%	\$ 20,537,268

(1) Positions currently in progress of being filled.

(2) Mainly New Resources Allocations Phase 5 and Phase 6 carryovers.

(3) Mainly includes a \$2,742,228 for Purchases in Progress and Carryovers, \$4,164,552 for New Resources Allocations Phases 1 to 6, \$2,000,000 Scheduled Maintenance and Instructional Equipment, \$486,454 for Four Faculty Positions Funded with One-Time Funds, \$2,000,000 for the Mt. SAC STRS/PERS Trust contribution to be approved by the Board of Trustees in September 13, 2017, and \$679,248 for the Summer Growth for Noncredit.

**UNRESTRICTED GENERAL FUND
CHANGES TO THE FUND BALANCE
FROM 2016-17 ADOPTED BUDGET TO 2017-18 TENTATIVE BUDGET
FOOTNOTES
(May 5, 2017)**

- (A) 2015-16 Increase to Base Allocation and Faculty Hiring Allocation adjusted and received as of April 2017. These allocations belong to the 2015-16 fiscal year. Since the funds are adjusted the following fiscal year, the College received ongoing funds for 2016-17 and one-time funds for the fiscal year 2015-16.
- (B) 2015-16 Additional Growth adjusted and received as of April 2017. This allocation belong to the 2015-16 fiscal year. Since the funds are adjusted the following fiscal year, the College received ongoing funds for 2016-17 and one-time funds for the fiscal year 2015-16.
- (C) Per the 2016-17 first principal apportionment, the College is projecting to be in Stability as of June 30, 2017. This is a minor adjustment that accounts for the possible increases in Growth and Increase to the Base for 2016-17. This adjustment will change with the second principal apportionment for 2016-17.
- (D) In the Adopted Budget 2016-17, the College estimated the 2016-17 Apportionment Deficit to be at 0.5% or \$806,056. The 2015-16 statewide deficit resulted in 0% with the 2015-16 Apportionment Recalculation. Therefore, the College's assumption is that there will be no deficit as of June 30, 2017. However, the final number will be known with the final Apportionment Recalculation of February 2018. The deficit is the result of fluctuations of local and fee revenues throughout the year. The deficit could increase if a significant number of districts claim stability restoration.
- (E) Unused position one-time budgets for the Temporary Project Manager/Site Improvement for Preventive Maintenance (\$400,000) as approved with the New Resources Allocation Phase 2, the Assistant Director of Health Services (\$151,367) as approved with the New Resources Allocation Phase 3, and the Special Project Manager/Building Additions and Equipment for Building Security and Safety (\$380,000) as approved with the New Resources Allocation Phase 3. These fund were transferred to the Capital Outlay Fund and Student Health Fund in previous years and are being returned to the Unrestricted General Fund via Interfund Transfer-In. Interfund Transfer-Ins are categorized as revenues.
- (F) The College received additional revenues for international and out-of-state students nonresident tuition.
- (G) The College received additional revenues for prior year lottery adjustment and interest.
- (H) The unexpended expenditure budgets are mainly the result of vacancies for classified management and staff. A large amount is due to the New Resources Allocation Requests Phases 1 through 6.
- (I) New Resources Allocations Committed Carryovers Phase 1 to 6.
- (J) The Commitments to cover the Designated 2017-18 One-Time Expenditures and the Projected 2017-18 Apportionment Deficit are comprised of:

Projected 2017-18 Apportionment Deficit	844,636
STRS and PERS Trust	2,000,000
Scheduled Maintenance and Instructional Equipment	2,000,000
Auxiliary Unfunded PERS Liability	152,545
International Student Nonresident Fee	275,000
Computer Replacement Program	250,000
Faculty Positions (4)	486,454
Summer Growth from Noncredit	679,248
2017-18 One-Time Savings from Vacant Positions -Estimated	(742,142)
	\$5,945,741
	\$5,945,741

**UNRESTRICTED GENERAL FUND
CHANGES TO THE FUND BALANCE
FROM 2016-17 ADOPTED BUDGET TO 2017-18 TENTATIVE BUDGET
FOOTNOTES
(May 5, 2017)**

- (K) Includes a \$2.5 million payment towards the annual contribution to the OPEB Trust for 2017-18 as approved by the Board of Trustees on May 27, 2015.
- (L) The College is projecting an Ongoing Budget Deficit of \$1,054,313; however, the College actual results have consistently performed better than budgeted, due to underspending and conservative revenue assumptions. The actual results for the latest three fiscal years were: Ongoing Surplus of \$4,191,562 in 2013-14, Minor Ongoing Deficit of \$342,800 in fiscal year 2014-15, and Ongoing Surplus of \$8,555,505 in 2015-16.

MT. SAN ANTONIO COLLEGE
2017-18 TENTATIVE BUDGET SCENARIOS
(June 6, 2017)

Descriptions	Footnote	2017-18 Tentative Budget			
		Tentative Budget	Conservative	Likely	Optimistic
UNRESTRICTED GENERAL FUND					
Ending Budget Fund Balance Previous Year (2016-17 Adopted Budget)	(1)	\$ 20,756,787	\$ 20,756,787	\$ 20,756,787	\$ 20,756,787
Net Changes in Estimated Revenues and Expenditures		13,687,315	13,687,315	13,687,315	13,687,315
BEGINNING FUND BALANCE (2016-17 Estimated Ending Fund Balance)	(2)	34,444,102	34,444,102	34,444,102	34,444,102
Base Apportionment		159,822,349	159,822,349	159,822,349	159,822,349
2016-17 \$75 Million Base Allocation Increase for Operating Expenses.		2,044,591	2,044,591	2,044,591	2,044,591
2016-17 Stability Adjustment - Per P1		32,982	32,982	32,982	32,982
Projected Decline as a result of 440.51 FTEs Decrease. Projection is calculated with Figures from the P2 Attendance Report.	(3)	(2,088,070)	(2,088,070)	-	-
Base To Calculate COLA and Increase to the Base for 2017-18, if the College Goes on Stability in 2017-18		159,811,852	159,811,852	161,899,922	161,899,922
2016-17 Stability Adjustment	(3)	2,088,070	2,088,070	-	-
Base Apportionment per 2016-17 P1 (Base To Calculate COLA and Increase to the Base If the College Does not go on Stability)	(3)	161,899,922	161,899,922	161,899,922	161,899,922
2017-18 Estimated Funded COLA at 1.56% (May Revise)	(4)	2,493,065	2,493,065	2,525,639	2,525,639
2017-18 \$183.6 Million Base Allocation Increase - (May Revise) - Budgeted as Follows:	(4)	4,534,124	4,534,124	4,593,366	4,593,366
		Conservative	Likely	Optimistic	
For STRS and PERS - Ongoing *		\$2,661,766	\$2,661,766	\$2,661,766	
New Resources Phase 7 - Ongoing		<u>\$1,872,358</u>	<u>\$1,931,600</u>	<u>\$1,931,600</u>	
Total Increase to Base		\$4,534,124	\$4,593,366	\$4,593,366	
Total Estimated Apportionment		168,927,111	168,927,111	169,018,927	169,018,927
Lottery (Decreased 555 FTEs. Per 2016-17 P2 Attendance Report. Will be Recalculated with the Annual Attendance Report)	(5)	4,588,560	4,588,560	4,588,560	4,588,560
Miscellaneous (Per 2016-17 Adopted Budget)	(6)	7,602,861	7,602,861	7,602,861	7,602,861
Mandated Cost Block Grant (Per 2016-17 Adopted Budget)	(7)	869,880	869,880	869,880	869,880
Interest - Increase as a Result of Total Elimination of Deferrals	(8)	100,000	100,000	100,000	100,000
Non Resident Fees-International - Increase Based on 2016-17 Estimated Actuals	(8)	275,000	275,000	275,000	275,000
Non Resident Fees-Out-of-State - Increase Based on 2016-17 Estimated Actuals	(8)	8,000	8,000	8,000	8,000
Part-time Faculty Office Hours/Health Insurance - To be Determine at Year-End		-	-	-	-
Part-time Faculty Parity - To be Determine at Year-End		-	-	-	-
Miscellaneous Revenues (Per Estimated Actuals, primarily decreased as a result of decrease in settlements)	(8)	(162,080)	(162,080)	(162,080)	(162,080)
TOTAL ONGOING REVENUES		182,209,332	182,209,332	182,301,148	182,301,148

Descriptions	Footnote	2017-18 Tentative Budget			
		Tentative Budget	Conservative	Likely	Optimistic
BASE ONGOING EXPENDITURE BUDGET PER THE 2016-17 ADOPTED BUDGET - Includes the OPEB Contribution of \$2,500,000	(9)	(174,327,424)	(174,327,424)	(174,327,424)	(174,327,424)
2017-18 Salary Schedule Progression for Full-time Permanent Staff	(10)	(1,132,957)	(1,132,957)	(1,132,957)	(1,132,957)
2017-18 Credit Adjunct Step/Column		(128,000)	(128,000)	(128,000)	(128,000)
2017-18 Non Credit Adjunct Step/Column		(105,000)	(105,000)	(105,000)	(105,000)
2016-17 Medical Coverage Opt-out		166,368	166,368	166,368	166,368
Misc. Personnel and Benefit Changes (Mainly Changes in Step & Column due to Filled Vacancies and Changes in Employer Contributions for Hourly Budgets)	(11)	775,278	775,278	775,278	775,278
2016-17 Health and Welfare Increase, Collective Bargaining Agreements - Annual \$100 Health and Welfare for all Units		(115,847)	(115,847)	(115,847)	(115,847)
2017-18 Salary and Benefit Increase - Collective Bargaining Agreements - 1.56% Cost-of-Living Increase - Applied to Salaries \$2,278,106 and Applied to Annual Health and Welfare \$152,446	(12)	(2,430,552)	(2,430,552)	(2,430,552)	(2,430,552)
STRS Increase from 12.58% to 14.43% *	(13)	(1,426,913)	(1,426,913)	(1,426,913)	(1,426,913)
PERS Employer Rate Increase from 13.888% to 15.531% *	(14)	(654,050)	(654,050)	(654,050)	(654,050)
Unemployment Insurance - No Change. Rate Remains at 0.05% for 2017-18		-	-	-	-
Worker's Compensation Increase - Rate Increase from 1.55% to _____ - To be Determined		-	-	-	-
Reclassification of Personnel (Management, CSEA 262, and CSEA 651)	(15)	(60,323)	(60,323)	(60,323)	(60,323)
New Management, Confidential, CSEA 262, CSEA 651 Positions (Includes Positions Previously Funded with One-Time Funds and Transferred to Ongoing as Approved by President's Cabinet on March 28, 2017 and Positions Funded Through the New Resources Allocation Phases 5 & 6)	(16)	(1,351,119)	(1,351,119)	(1,351,119)	(1,351,119)
Faculty Professional Growth (Ongoing Increase from Summer 2016 to Spring 2017)		(150,000)	(150,000)	(150,000)	(150,000)
New Faculty Position (0.3 New Faculty Position Funded with 2015-16 Over Cap Growth \$33,117, less \$14,187 reduction of Hourly Adjunct for New Faculty Position)		(18,930)	(18,930)	(18,930)	(18,930)
Hourly Faculty Budget (Ongoing Increase from Summer 2016 to Spring 2017)		(246,070)	(246,070)	(246,070)	(246,070)
2016-17 New Resources Allocation Phase 5 - Operating Expenses (Approved by President's Cabinet on July 26, 2016)		(26,000)	(26,000)	(26,000)	(26,000)
2016-17 New Resources Allocation Phase 6 - Operating Expenses (Approved by President's Cabinet on November 1, 2016 and March 21, 2017)		(159,748)	(159,748)	(159,748)	(159,748)
New Resources Allocation Phase 7:	(17)	(1,872,358)	(1,872,358)	(1,931,600)	(1,931,600)
		Conservative	Likely	Optimistic	
For STRS and PERS - Ongoing *		\$2,661,766	\$2,661,766	\$2,661,766	
New Resources Phase 7 - Ongoing		<u>\$1,872,358</u>	<u>\$1,931,600</u>	<u>\$1,931,600</u>	
Total Increase to Base		\$4,534,124	\$4,593,366	\$4,593,366	
TOTAL ONGOING EXPENDITURES		(183,263,645)	(183,263,645)	(183,322,887)	(183,322,887)
ONGOING PROJECTED SURPLUS/(DEFICIT)		(1,054,313)	(1,054,313)	(1,021,739)	(1,021,739)

* STRS AND PERS EMPLOYER INCREASES:			
	STRS	PERS	TOTAL
Increase included in Salary Schedule Progression, New Faculty and Classified Positions, and Hourly Faculty Budget	1,426,913	654,050	2,080,963
Per Above Line Item	272,507	308,296	580,803
	<u>1,699,420</u>	<u>962,346</u>	<u>\$ 2,661,766</u>

Descriptions	Footnote	2017-18 Tentative Budget			
		Tentative Budget	Conservative	Likely	Optimistic
ONE-TIME REVENUES: (INCREASES)/DECREASES					
2017-18 Growth - 1% Statewide as per Governor's May Revise Budget. Mt. SAC does not Budget Growth Until Earned.	(18)	-	-	-	1,518,762
2017-18 Apportionment Deficit - Estimated at 0.5% of Total Apportionment of \$168,927,111	(19)	(844,636)	(844,636)	-	-
TOTAL ONE-TIME REVENUES		(844,636)	(844,636)	-	1,518,762
ONE-TIME EXPENTITURES: (INCREASES)/DECREASES					
Carryovers and Purchases in Progress - Commitments from 2016-17 - Estimated		(2,742,228)	(2,742,228)	(2,742,228)	(2,742,228)
New Resources Allocation Requests Phases 1 Through 6 - Carryovers - Commitments from 2016-17		(4,164,552)	(4,164,552)	(4,164,552)	(4,164,552)
STRS and PERS Trust	(20)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Scheduled Maintenance and Instructional Equipment	(21)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Auxiliary Unfunded PERS Liability	(22)	(152,545)	(152,545)	(152,545)	(152,545)
International Student Nonresident Fee		(275,000)	(275,000)	(275,000)	(275,000)
Computer Replacement Program		(250,000)	(250,000)	(250,000)	(250,000)
Faculty Positions - Four Faculty Positions Initially Funded with Strong Workforce Program in the Adopted Budget 2016-17. These positions were Transferred to the Unrestricted General Fund in 2016-17 and funded with One-Time funds.		(486,454)	(486,454)	(486,454)	(486,454)
Election Cost - No Election Costs as a Result of Adopting Resolution No. 16-04 to Consolidate Board of Trustees Elections with the Statewide Elections. Next Elections are Scheduled for November 2018.		-	-	-	-
Hourly Faculty Budget - Estimated Increase to Earn the 2017-18 Growth - Optimistic Approach for Scenario 3 (Cost of Hourly Faculty Increase @ 35% of Growth Revenue - Based in 2015-16 Actuals)		-	-	-	(531,567)
Summer Growth for Non Credit - Alhambra, Rio Verde, Whittier and Chaffey Joint Union.		(679,248)	(679,248)	(679,248)	(679,248)
Savings from Vacant Positions - per 2016-17 Adopted Budget		742,142	742,142	742,142	742,142
TOTAL ONE-TIME EXPENDITURES: (INCREASES)/DECREASES		(12,007,885)	(12,007,885)	(12,007,885)	(12,539,452)
ONGOING AND ONE-TIME PROJECTED INCREASES/DECREASES		(13,906,834)	(13,906,834)	(13,029,624)	(12,042,429)
ENDING FUND BALANCE		20,537,268	20,537,268	21,414,478	22,401,673

Descriptions	Footnote	2017-18 Tentative Budget			
		Tentative Budget	Conservative	Likely	Optimistic
UNRESTRICTED GENERAL FUND - REVENUE GENERATED ACCCOUNTS					
BEGINNING FUND BALANCE	(23)	6,797,926	6,797,926	6,797,926	6,797,926
ONE-TIME REVENUES: (INCREASES)/DECREASES	(23)	3,128,911	3,128,911	3,128,911	3,128,911
ONE-TIME EXPENTITURES: (INCREASES)/DECREASES	(23)	(9,926,837)	(9,926,837)	(9,926,837)	(9,926,837)
REVENUE GENERATED ACCOUNTSPROJECTED INCREASES/DECREASES	(23)	(6,797,926)	(6,797,926)	(6,797,926)	(6,797,926)
ENDING FUND BALANCE		-	-	-	-

Descriptions	Footnote	2017-18 Tentative Budget			
		Tentative Budget	Conservative	Likely	Optimistic
SUMMARY					
BEGINNING BALANCE		41,242,028	41,242,028	41,242,028	41,242,028
TOTAL REVENUES		184,493,607	184,493,607	185,430,059	186,948,821
TOTAL EXPENDITURES		(205,198,367)	(205,198,367)	(205,257,609)	(205,789,176)
SUMMARY OF FUND BALANCE:					
Assigned Fund Balance-Over Cap Growth/Restoration for Health & Welfare					
Assigned Fund Balance-Carryovers and Purchases in Progress				-	-
Assigned Fund Balance-Revenue Generated Accounts					
Unassigned Fund Balance - 10% Board Policy	(24)	20,519,837	20,519,837	20,525,761	20,578,918
Unassigned Fund Balance		17,431	17,431	888,717	1,822,755
TOTAL FUND BALANCE		\$ 20,537,268	\$ 20,537,268	\$ 21,414,478	\$ 22,401,673
TOTAL FUND BALANCE PERCENTAGE		10.01%	10.01%	10.43%	10.89%
NOTE:					
OPEB (Other Postemployment Benefits) Contribution and Retirees Health Premiums:					
OPEB Contribution and Retirees Health Premiums - Based 2015-16 Actuals		3,931,388	3,931,388	3,931,388	3,931,388
Will be paid from the Interest Earned in the OPEB Trust.					

MT. SAN ANTONIO COLLEGE
2017-18 TENTATIVE BUDGET SCENARIOS DEFINITIONS AND FOOTNOTES
(June 6, 2017)

Definitions:

Conservative:

- Information available at the time the budget is prepared
- Worst case scenario of state – at risk
- Historical patterns for revenues and expenditures

Likely:

- Worst case scenario may not happen because they do not materialize and are mitigated during the year. Example: revenues are backfilled, or economic situation changes.
- Offline conversations with decision makers.

Optimistic:

- Most favorable outcome of every situation

Footnote	Narrative
(1)	Conservative, Likely, and Optimistic: From 2016-17 Adopted Budget Ending Fund Balance, please refer to page 22 of the 2016-17 Adopted Budget.
(2)	Conservative, Likely, and Optimistic: The following are the changes from the 2016-17 Adopted Budget to arrive at an Estimated Ending Fund Balance for the Unrestricted General Fund:

	Changes to the Fund Balance	
2016-17 ADOPTED BUDGET - FUND BALANCE - At 10.33%	\$ 20,756,787	
Plus: 2016-17 Unbudgeted Revenues		
2015-16 Increase to Base Allocation & Faculty Hiring - Ongoing	133,851	(A)
2016-17 Increase to Base Allocation	18,433	
2015-16 Additional Growth -Ongoing	503,502	(B)
2015-16 Additional Growth - One-Time	503,502	(B)
2016-17 Stability Adjustment	32,982	(C)
Apportionment Prior Year Adjustments (Base Allocation/Faculty Hiring) - One-Time	133,851	(A)
2016-17 Statewide Apportionment Deficit at 0.0%	806,056	(D)
New Resources Allocation - Unused Budgets from Prior Years	931,367	(E)
Non Resident Tuition (International & Out-of-State)	298,398	(F)
Miscellaneous Revenue	200,855	(G)
Changes in 2016-17 Revenues	3,562,797	
Plus: 2016-17 Unexpended Expenditure Budgets		
Permanent/Hourly Faculty (Net of \$474,667 for 4 Faculty Initially Budgeted with SWP)	443,426	
Unexpended Budget for Positions and Benefits (Mainly Classified Managers & Staff) ⁽¹⁾	2,974,561	
Unexpended Departmental & Institutional Budgets	2,541,979	
Unexpended New Resources Allocation Budgets - One-Time ⁽²⁾	4,164,552	
Changes in 2016-17 Expenditures	10,124,518	(H)
Net Changes in Revenues & Expenditures	13,687,315	
Estimated Ending Fund Balance Unrestricted General Fund	34,444,102	

Footnote**Narrative**

- (A) 2015-16 Increase to Base Allocation and Faculty Hiring Allocation adjusted and received as of April 2017. These allocations belong to the 2015-16 fiscal year. Since the funds are adjusted the following fiscal year, the College received ongoing funds for 2016-17 and one-time funds for the fiscal year 2015-16.
- (B) 2015-16 Additional Growth adjusted and received as of April 2017. This allocation belong to the 2015-16 fiscal year. Since the funds are adjusted the following fiscal year, the College received ongoing funds for 2016-17 and one-time funds for the fiscal year 2015-16.
- (C) Per the 2016-17 first principal apportionment, the College is projecting to be in Stability as of June 30, 2017. This is a minor adjustment that accounts for the possible increases in Growth and Increase to the Base for 2016-17. This adjustment will change with the second principal apportionment for 2016-17.
- (D) In the Adopted Budget 2016-17, the College estimated the 2016-17 Apportionment Deficit to be at 0.5% or \$806,056. The 2015-16 statewide deficit resulted in 0% with the 2015-16 Apportionment Recalculation. Therefore, the College's assumption is that there will be no deficit as of June 30, 2017. However, the final number will be known with the final Apportionment Recalculation of February 2018. The deficit is the result of fluctuations of local and fee revenues throughout the year. The deficit could increase if a significant number of districts claim stability restoration.
- (E) Unused position one-time budgets for the Temporary Project Manager/Site Improvement for Preventive Maintenance (\$400,000) as approved with the New Resources Allocation Phase 2, the Assistant Director of Health Services (\$151,367) as approved with the New Resources Allocation Phase 3, and the Special Project Manager/Building Additions and Equipment for Building Security and Safety (\$380,000) as approved with the New Resources Allocation Phase 3. These fund were transferred to the Capital Outlay Fund and Student Health Fund in previous years and are being returned to the Unrestricted General Fund via Interfund Transfer. Transfer-Ins are categorized as revenues.
- (F) The College received additional revenues for international and out-of-state students nonresident tuition.
- (G) The College received additional revenues for prior year lottery adjustment and interest.
- (H) The unexpended expenditure budgets are mainly the result of vacancies for classified management and staff. A large amount is due to the New Resources Allocation Requests Phases 1 through 6.

(3) Conservative:

The College is projecting a decline in apportionment revenue for the fiscal year 2016-17. Decline is when a College has fewer FTEs than the previous year funded apportionment base. The College will receive a Stability Adjustment for the first year of decline. The 2016-17 fiscal year will be funded at the same level of the 2015-16 year.

The Total Projected Apportionment is estimated at \$161,899,922 as per the 2016-17 First Principal Apportionment (See Schedule No.1). The College is projecting a decline of \$2,088,070 as a result of a decrease of 440.51 FTEs (See Schedule No. 2).

Schedule No. 1

CALIFORNIA COMMUNITY COLLEGES
2016-17 FIRST PRINCIPAL APPORTIONMENT
MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT

April Revision
EXHIBIT C

Workload Measures	Base Funding	Marginal Funding	Base FTEs	Growth FTEs	Restored FTEs	Stability FTEs	Total Funded FTEs	Unfunded FTEs	Actual FTEs
Credit FTEs	5,005.683045	5,005.683057	25,096.340	0.000	0.000	(262.500)	24,833.840	0.000	24,833.840
Noncredit FTEs	3,010.058097	3,010.058097	1,644.620	0.000	0.000	1,079.720	2,724.340	0.000	2,724.340
CDCP FTEs	5,005.683057	5,005.683057	4,643.560	0.000	0.000	(886.330)	3,757.230	0.000	3,757.230
Total FTEs			31,384.520	0.000	0.000	(69.110)	31,315.410	0.000	31,315.410
I Base Revenues +/- Restore or Decline					V Other Revenue Adjustments				
A. Basic Allocation				\$6,003,433					\$0
B. Revised Base FTEs Revenue				\$153,818,916					(\$30,350)
1. Credit Base Revenue		\$125,624,324							\$22,030
2. Noncredit Base Revenue		\$4,950,402							\$2,052,911
3. Career Development College Prep		\$23,244,190							\$2,044,591
C. Current Year Decline				(\$2,500,659)					\$2,533,641
Total Base Revenue Less Decline				\$157,321,690					\$161,899,922
							VII Total Computational Revenue		(sum of II,III,IV,V,& VI)

Schedule No. 2
MT. SAN ANTONIO COLLEGE
2016-17 Estimated Base Apportionment Revenue for 2017-18 Tentative Budget

2015-16 Recal April 2017		
		\$ 6,003,433
FTEs	Rate	Est. Total
25,096.340	5,005.683057	125,624,325
1,644.620	3,010.058097	4,950,402
4,643.560	5,005.683057	23,244,190
<u>31,384.520</u>		<u>\$ 153,818,916</u>
		<u>\$ 159,822,349</u>

2015-16 Recal April 2017		
		\$ 6,003,433
FTEs	Rate	Est. Total
25,096.340	5,005.683057	125,624,325
1,644.620	3,010.058097	4,950,402
4,643.560	5,005.683057	23,244,190
<u>31,384.520</u>		<u>\$ 153,818,916</u>
		<u>\$ 159,822,349</u>

2016-17 P1 - April 2017		
		\$ 6,003,433
FTEs	Rate	Est. Total
24,833.840	5,005.683057	124,310,332
2,724.340	3,010.058097	8,200,422
3,757.230	5,005.683057	18,807,503
<u>31,315.410</u>		<u>151,318,256</u>
		<u>\$ 157,321,690</u>

2016-17 P2 - June 2017 Projected 320 Report		
		\$ 6,003,433
FTEs	Rate	Est. Total
24,262.910	5,005.683057	121,452,438
1,586.000	3,010.058097	4,773,952
5,095.100	5,005.683057	25,504,456
<u>30,944.010</u>		<u>151,730,845</u>
		<u>\$ 157,734,278</u>

Difference P1 2016-17 and Recalc 2015-16

		\$ -
--	--	------

Difference Projected P2 2016-17 and Recalc 2015-16

		\$ -
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FTEs	Rate	Est. Total
(262.500)	5,005.683057	(1,313,992)
1,079.720	3,010.058097	3,250,020
<u>(886.330)</u>	<u>5,005.683057</u>	<u>(4,436,687)</u>
<u>(69.110)</u>		<u>(2,500,659)</u>
		<u>\$ (2,500,659)</u>

FTEs	Rate	Est. Total
(833.430)	5,005.683057	(4,171,886)
(58.620)	3,010.058097	(176,450)
<u>451.540</u>	<u>5,005.683057</u>	<u>2,260,266</u>
<u>(440.510)</u>		<u>(2,088,070)</u>
		<u>\$ (2,088,070)</u>

Likely, and Optimistic:

The Total Projected Apportionment is estimated at \$161,899,922 as per the 2016-17 First Principal Apportionment (See Schedule No.1). This calculation does not include any decreases in FTEs.

Footnote**Narrative****(4) Conservative:**

This section includes the 2017-18 Estimated Fund COLA of 1.56% and \$183.6 Million Statewide Increase to the Base Allocation as per the Governor's May Revise Budget. These amounts have been calculated assuming the College Projected Decline materializes at the end of the fiscal year 2017-18.

Descriptions	Conservative	Likely	Optimistic
Base Apportionment per 2016-17 P1, If College Does Not Go on Stability in 2017-18	161,899,922	161,899,922	161,899,922
Projected Apportionment Decline. Decrease of 440.51 FTEs as per the Projected p2 Attendance Report.	(2,088,070)	-	-
Base Apportionment per 2016-17 P1, If College Does Not Go on Stability in 2017-18	159,811,852	161,899,922	161,899,922
2017-18 Estimated Funded COLA at 1.56% (May Revise)	2,493,065	2,525,639	2,525,639
2017-18 \$183.6 Million Base Allocation Increase - (May Revise)	4,534,124	4,593,366	4,593,366

Likely and Optimistic:

This section includes the 2017-18 Estimated Fund COLA of 1.56% and \$183.6 Million Statewide Increase to the Base Allocation as per the Governor's May Revise Budget. These amounts have been calculated assuming the College Projected Decline does not materialize at the end of the fiscal year 2017-18.

Descriptions	Conservative	Likely	Optimistic
Base Apportionment per 2016-17 P1, If College Does Not Go on Stability in 2017-18	161,899,922	161,899,922	161,899,922
Projected Apportionment Decline. Decrease of 440.51 FTEs as per the Projected p2 Attendance Report.	(2,088,070)	-	-
Base Apportionment per 2016-17 P1, If College Does Not Go on Stability in 2017-18	159,811,852	161,899,922	161,899,922
2017-18 Estimated Funded COLA at 1.56% (May Revise)	2,493,065	2,525,639	2,525,639
2017-18 \$183.6 Million Base Allocation Increase - (May Revise)	4,534,124	4,593,366	4,593,366

(5) Conservative, Likely, Optimistic:

Lottery revenues decreased by \$79,920 (from \$4,668,480 to \$4,588,560). The estimate is based on the 2016-17 P2 attendance report as follows:

$$31,865 \text{ FTES times } \$144 \text{ per FTE} = \$4,588,560$$

The Lottery revenue budget will be recalculated at year-end when the annual attendance for 2016-17 is known.

(6) Conservative, Likely, Optimistic:

These budgets include Nonresident fees, interest and other miscellaneous fees. Some of these budgets will be adjusted to actuals after the 2016-17 College books are closed.

(7) Conservative, Likely, Optimistic:

The Mandated Cost Block Grant is estimated as per the 2016-17 Adopted Budget. The Budget will be revised with the 2016-17 second principal apportionment funded FTES.

Footnote**Narrative**

- (8) **Conservative, Likely, Optimistic:**
Nonresident Tuition International and Out-of-State, interest and other miscellaneous revenues have been increase based on 2016-17 estimated actuals.
- (9) **Conservative, Likely, and Optimistic:**
For the Base Ongoing Expenditures, please refer to page 17 of the 2016-17 Adopted Budget. This Ongoing balance includes a \$2,500,000 budget for the Other Post-Employment Benefits Other than Pensions (OPEB) Trust, which the funding plan was approved by the Board of Trustees on May 27, 2015.
- (10) **Conservative, Likely, and Optimistic:**
Salary schedule progression includes projected step/column increases for full-time permanent employees based on individual employee records.
- (11) **Conservative, Likely, and Optimistic:**
Miscellaneous personnel and benefit changes mainly include changes in step/column due to positions becoming vacant and filled vacancies during the year. Vacancies for managers, classified, supervisory, and confidential employees are budgeted at step 3.
- (12) **Conservative, Likely, and Optimistic:**
The 2016-17 Salary and Benefit Increase and Annual Health and Welfare increase is calculated at 1.56% COLA Increase as per Governor's May Budget Revision.
- (13) **Conservative, Likely, and Optimistic:**
The STRS employer rate will increase from 12.58% to 14.43%. Includes full-time and adjunct faculty.
- (14) **Conservative, Likely, and Optimistic:**
The PERS employer rate will increase from 13.888% to 15.531%.
- (15) **Conservative, Likely, and Optimistic:**
Includes the Cost of Reclassification for Management, CSEA 262 and CSEA 651 employees as approved by the Board of Trustees during the fiscal year 2016-17.
- (16) **Conservative, Likely, and Optimistic:**
Includes new positions for Managers, Confidential, CSEA 262, and CSEA 651 previously funded with one-time funds and transferred to ongoing as approved by President's Cabinet on March 28, 2017 and positions funded through the New Resources Allocation Phases 5 and 6.
- (17) **Conservative, Likely, and Optimistic:**
Includes funds for the 2017-18 New Resources Allocation that is committed for funding.
- (18) **Conservative, Likely:**
The College does not budget for Growth until earned.

(18) Conservative, Likely:

The College does not budget for Growth until earned.

Optimistic:

The estimate included for the 1% Statewide Growth as per the Governor's State Budget May Revision has been provided by the Chancellor's Office.

(19) Conservative:

The assumption is that the apportionment deficit will be 0.5% for the fiscal year 2017-18. The figure are different because the Conservative, Likely and Optimistic scenarios include different total apportionment bases.

Likely, and Optimistic:

Based on the fiscal year 2015-16, the assumption is that the College will not experience an apportionment deficit.

(20) Conservative, Likely, and Optimistic:

A total of \$2 million will be transferred to the Section 115 Mt. San Antonio College STRS/PERS Trust. The trust was established in June 2016.

(21) Conservative, Likely, and Optimistic:

The Governor's May Budget Revision states that funds for Scheduled Maintenance and Instructional Equipment will be deferred until May or June 2019. Since there are no funds for to cover for these expenditures, the College is allocating \$2 million for the fiscal year 2017-18.

(22) Conservative, Likely, and Optimistic:

The Auxiliary PERS Unfunded Liability is due to a new method that is based on group benefit obligation. The Auxiliary Services is in Pool Plan and must follow decisions made by the PERS Board.

(23) Conservative, Likely, and Optimistic:

The Revenue Generated Accounts are budgets for college programs that produce revenue to fund the total cost of the program. Some examples are the Athletic Program, Music Program and Community Services.

(24) Conservative, Likely, and Optimistic:

The College is in compliance with the 10% Board Policy reserves.