

The background of the slide features a grayscale image of several hands holding together interlocking puzzle pieces. One of the puzzle pieces is a US dollar bill, with the words "FEDERAL RESERVE NOTE" and the number "835507" visible. The hands are positioned around the puzzle pieces, suggesting a process of assembly or construction.

**MT. SAN ANTONIO COLLEGE**

**2014-15 ADOPTED BUDGET**

**September 10, 2014**

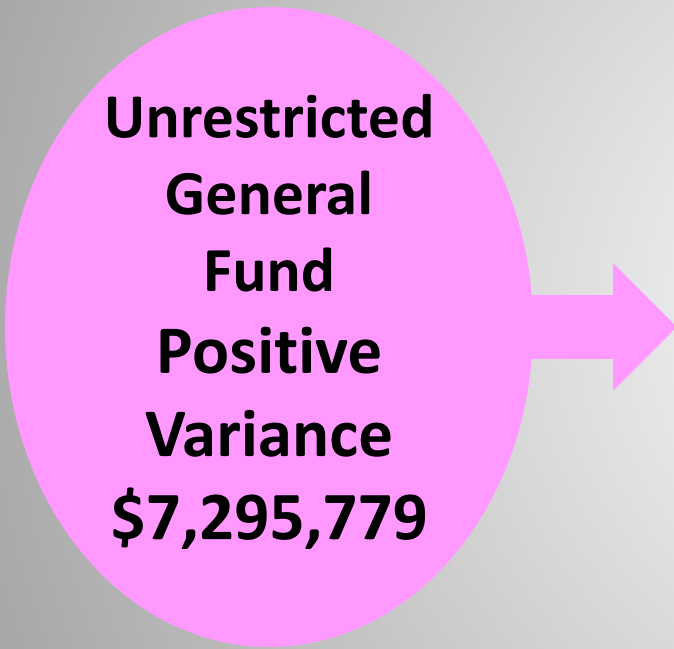
# 2014-15 FUNDING FOR MT. SAC

## GOOD NEWS!

- COLA 0.85% - \$1,114,919 for Mt. SAC
- Growth 2.75% - \$3,587,437 for Mt. SAC
- Student Success and Support Program - \$1,675,053 (Very Preliminary) for Mt. SAC
- Student Equity Plans - \$1,655,272 for Mt. SAC
- Disabled Students Programs and Services – \$30 Million Statewide, Mt. SAC's Allocation TBD
- Scheduled Maintenance - \$1,959,851 for Mt. SAC (No Match)
- Instructional Equipment - \$1,959,851 for Mt. SAC (No Match)
- Economic and Workforce Development Program (CTE) - \$50 Million Statewide, Mt. SAC's Allocation TBD
- Mandate Reimbursement Claims - \$812,089
- Proposition 39 Energy Efficiency Projects - \$836,777
- \$498 Million Statewide to Reduce Apportionment Deferrals from \$592 to \$94 Million
- A Positive Trigger if Revenues Come in Above Budgeted Levels, and the First Priority for These Funds Would be to Pay Down the Remaining Apportionment Cash Deferrals
- Increase in the Career Development and College Preparation Courses (CDCP) Rate to the Level of Credit FTES for 2015-16

# 2013-14 Positive Variance

**Unrestricted  
General  
Fund  
Positive  
Variance  
\$7,295,779**



## Changes in Revenues:

•Nonresident Tuition	\$0.8M
•2012-13 Over Cap Growth/Restoration	\$0.7M
•2013-14 Over Cap Growth/Restoration	\$1.3M
•2012-13 One-time Apportionment Deficit	\$1.1M
•2012-13 Redevelopment Revenues	\$2.0M
•2013-14 One-time Apportionment Deficit	(\$1.0M)
•Prior Year Lottery & Misc. Revenues	\$0.6M

## Changes in Expenditures:

•Positive Budget Balances	\$2.6M
•Salary & Benefit Savings	\$1.4M
•2013-14 New Resources Allocation	(\$0.7M)
•Additional Cost of Course Offerings to Earn the 2013-14 Growth	(\$1.5M)

# 2014-15 ADOPTED BUDGET

## UNRESTRICTED GENERAL FUND

### ONGOING REVENUE BUDGET ASSUMPTIONS

2013-14 Adopted Budget		2014-15 Adopted Budget
<u>\$ 137,408,765</u>	→ Increase \$5,147,407 ←	<u>\$ 142,556,172</u>
• 2012-13 Growth/Restoration		\$ 347,614
• 2013-14 COLA - 1.57%		5,458
• 2013-14 Growth/Restoration - 1.63%		1,813,906
• 2013-14 Over Cap Growth/Restoration		1,262,599
• 2014-15 COLA - 0.85%		1,114,919
• Lottery - Increases: FTES by 1,137, from \$126 to \$128		204,250
• Interest - Decrease in Apportionment Deferrals		50,000
• Nonresident Tuition - Based on 2013-14 Actuals		600,000
• Other Miscellaneous Revenues - Discontinue Medicare Part D		<u>(251,339)</u>
Total Ongoing Revenue Budget Increases		\$5,147,407

# 2014-15 ADOPTED BUDGET

## UNRESTRICTED GENERAL FUND

### ONGOING EXPENDITURE BUDGET ASSUMPTIONS

2013-14 Adopted Budget		2014-15 Adopted Budget
(140,268,112)		(146,304,389)
(6,585,543)		(6,903,119)
<b>\$ (146,853,655)</b>	→ Increase (\$6,353,853) ←	<b>\$ (153,207,508)</b>

- 2014-15 Salary Schedule Progression - Personnel Changes      \$(552,518)
- New and Reinstated Positions      (199,331)
- 2014-15 Salary & Benefit Increase - 1% and \$500 H&W      (1,804,661)
- 2013-14 Salary & Benefit Increase for Managers,  
Supervisors, and Confidential - COLA of 1.57%      ( 378,967)
- PERS - Rate Increase from 11.442% to 11.771%      (106,328)
- STRS - Rate Increase from 8.25% to 8.88%      (382,861)
- Retiree Health Premiums - Decrease in Rates      190,495
- Payment to the OPEB Trust - Actuarial of March 2014      (508,071)
- Worker's Compensation - From 1.48% to 1.59%      (82,327)
- Reclassification - To be Determined      -

# ONGOING EXPENDITURE BUDGET ASSUMPTIONS

## Continued

2013-14 Adopted Budget		2014-15 Adopted Budget
(140,268,112)		(146,304,389)
(6,585,543)		(6,903,119)
<b><u>\$ (146,853,655)</u></b>	<b>→ Increase (\$6,353,853) ←</b>	<b><u>\$ (153,207,508)</u></b>

• Eliminated Vacant Positions - Three Faculty Positions	\$ 375,902
• Backfill for Eliminated Faculty Positions	(127,320)
• Positions Transferred to the Restricted General Fund	127,288
• Increase in Course Offerings - Increased 1,037 FTES to Earn the 2013-14 Growth	(2,601,790)
• Budget Increases - Approved by President's Cabinet	(131,364)
• Conference and Travel, Management Department Funds	<u>(172,000)</u>
<b>Total Ongoing Expenditure Increases</b>	<b>\$ (6,353,853)</b>

# 2014-15 ADOPTED BUDGET

## UNRESTRICTED GENERAL FUND

### ONE-TIME REVENUE BUDGET ASSUMPTIONS

- 2013-14 Apportionment Deficit - Est. at 1.7% & Will be Reduced to 1% at the February 2015 Recalculation \$ 900,000
- 2014-15 Growth/Restoration - 2.75%, Estimated at \$3,587,437 -
- 2014-15 Apportionment Deficit - Estimated at 0.75% of Total 2014-15 Estimated Apportionment (992,114)
- Mandated Cost Block Grant - 29,003 FTES at \$28 812,089
- Total One-time Revenue Budget \$ 719,975**

# 2014-15 ADOPTED BUDGET

## UNRESTRICTED GENERAL FUND

### ONE-TIME EXPENDITURES BUDGET ASSUMPTIONS

• Purchases in Progress & Carryover Budgets	\$(2,332,579)
• One-time Support - Child Development Center	(116,957)
• Positions and Operating Expenses Funded with Anticipated 2014-15 Growth	(488,253)
• Computer Replacement Program	(250,000)
• Increase in Course Offerings - To Earn the 2014-15 Growth	(2,408,703)
• Immediate Needs Requests	<u>(279,628)</u>
<b>Total One-time Expenditure Increases</b>	<b><u>\$(5,876,120)</u></b>

• Payment to OPEB Trust - An Annual Payment of \$2.5 Million is Included in the Budget	521,140
• Retiree Benefit Premiums - Paid from the OPEB Trust	3,881,979
• One-time Savings from Vacant Positions	<u>784,504</u>
<b>Total One-time Expenditure Increases/Decreases</b>	<b><u>(\$688,497)</u></b>

<b>Total One-time Revenues and Expenditures</b>	<b><u>\$31,478</u></b>
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# UNRESTRICTED GENERAL FUND

## REVENUE-GENERATED ACCOUNTS

### REVENUE AND EXPENDITURE ASSUMPTIONS

Total Beginning Fund Balance	\$3,245,417
Revenue Budgets - Matching Revenue and Expenditure Accounts	\$2,149,213
<b>Total Revenue Budget</b>	<b>\$5,394,630</b>
2013-14 Carryover - Revenue-Generated Accounts, Fund Balance	(\$3,245,417)
Expenditure Budgets - Matching Revenue and Expenditure Accounts	(2,149,213)
<b>Total Expenditure Budget</b>	<b>(\$5,394,630)</b>
<b>Total Ending Fund Balance</b>	<b>-</b>

# 2014-15 ADOPTED BUDGET UNRESTRICTED GENERAL FUND BALANCE

Assigned Fund Balance - 15% 2013-14 Over Cap Growth/Restoration for Health & Welfare	0.26%	\$407,197
Unassigned Fund Balance - 10% Board Policy	10.00%	15,929,063
Unassigned Fund Balance	0.02%	34,650
<b>Total Fund Balance</b>	<b>10.28%</b>	<b>\$15,631,759</b>

# BUDGET AND ACTUALS COMPARISON HISTORY

	2013-14 Adopted	2013-14 Actuals	2014-15 Adopted
Base Apportionment	\$ 125,762,935	\$ 125,762,935	\$ 128,090,485
2013-14 Growth/Restoration	-	-	1,813,906
2013-14 Over Cap Growth/Restoration	-	-	1,262,599
<b>TOTAL ONGOING REVENUES</b>	<b>\$ 137,408,765</b>	<b>\$ 139,186,522</b>	<b>\$ 142,556,172</b>
Salaries, Benefits, and Operating Expenditures	(140,268,112)	(135,785,480)	(146,304,389)
OPEB Payment and Retirees Premiums	(6,585,543)	(6,482,208)	(6,903,119)
<b>TOTAL ONGOING EXPENDITURES</b>	<b>\$ (146,853,655)</b>	<b>\$ (142,267,688)</b>	<b>\$ (153,207,508)</b>
<b>STRUCTURAL ONGOING DEFICIT</b>	<b>\$ (9,444,890)</b>	<b>\$ (3,081,166)</b>	<b>\$ (10,651,336)</b>
2013-14 Growth/Restoration	1,842,576	1,813,906	-
2013-14 Over Cap Growth/Restoration	-	1,262,599	-
2014-15 Growth/Restoration	-	-	-
<b>TOTAL ONE-TIME REVENUE</b>	<b>\$ 2,816,794</b>	<b>\$ 6,512,278</b>	<b>\$ 719,975</b>
One-Time Expenditures Course Offerings	(1,105,014)	(2,654,280)	(2,408,703)
One-Time Exp.Savings - OPEB Payment & Retiree Health Premiums	6,585,543	6,482,208	4,403,119
<b>TOTAL ONE-TIME EXPENDITURES</b>	<b>\$ 1,313,831</b>	<b>\$ (1,449,598)</b>	<b>\$ (688,497)</b>
<b>TOTAL ONE-TIME REVENUES AND EXPENDITURES</b>	<b>\$ 4,130,625</b>	<b>\$ 5,062,680</b>	<b>\$ 31,478</b>
<b>TOTAL REVENUE GENERATED - INCREASES/DECREASES</b>	<b>\$ (2,720,704)</b>	<b>\$ 524,713</b>	<b>\$ (3,245,417)</b>
<b>SUMMARY OF FUND BALANCE:</b>			
Assigned Fund Balance - 15% 2013-14 Over Cap Growth for Health & Welfare	\$ -	\$ -	\$ 407,197
Assigned Fund Balance - New Resources Allocation Requests/Carryovers	1,238,791	2,332,579	-
10% - Board Policy	\$ 14,984,613	\$ 14,648,657	\$ 15,929,063
Unassigned Fund Balance	3,471,585	10,009,732	34,650
<b>Total Fund Balance - Unrestricted General Fund</b>	<b>\$ 19,694,989</b>	<b>\$ 26,990,968</b>	<b>\$ 16,370,910</b>
	\$ 7,295,779		
<b>Assigned Fund Balance - Revenue-Generated Accounts</b>	<b>\$ -</b>	<b>\$ 3,245,417</b>	<b>\$ -</b>
<b>Total Fund Balance Unrestricted General Fund</b>	<b>\$ 19,694,989</b>	<b>\$ 30,236,385</b>	<b>\$ 16,371,110</b>
<b>Total Fund Balance Percentage Unrestricted General Fund</b>	<b>13.14%</b>	<b>20.64%</b>	<b>10.28%</b>

# TOTAL APPORTIONMENT COMPUTATIONAL REVENUE

	2011-12		2012-13		2013-14		2014-15 Adopted Budget <sup>(2)</sup>	
	<u>Actuals</u>	<u>%</u>	<u>Actuals</u>	<u>%</u>	<u>Actuals</u>	<u>%</u>	<u>Budget <sup>(2)</sup></u>	<u>%</u>
Property Taxes	\$ 17,854,370	14%	\$ 30,060,724	24%	\$ 21,260,878	16%	\$ 19,399,742	15%
Education Protection Account <sup>(1)</sup>	-	0%	20,322,901	16%	19,741,454	15%	21,085,304	16%
Student Enrollment Fees	7,294,458	6%	8,268,855	7%	7,822,620	6%	7,924,512	6%
State General Apportionment	99,234,790	80%	67,458,069	53%	82,342,038	63%	83,872,351	63%
<b>Total Base Apportionment</b>	<b><u>\$ 124,383,618</u></b>	<b><u>100%</u></b>	<b><u>\$ 126,110,549</u></b>	<b><u>100%</u></b>	<b><u>\$ 131,166,990</u></b>	<b><u>100%</u></b>	<b><u>\$ 132,281,909</u></b>	<b><u>100%</u></b>

(1) Created by Proposition 30, which temporarily raises the sales tax and use tax by .25 cents until 2016, and raises the income tax on annual earnings over \$250,000 until 2018. These funds are one-time in nature, occurring over several years.

(2) Includes 0.85% COLA of \$1,114,919. Does not include 2014-15 Growth Restoration estimated at \$3,587,437.

# WHAT'S AT RISK?



- OPEB Trust
  - Retirees' Health Premiums - \$ 3,881,979
  - Payment to OPEB Trust - \$521,140
- 2013-14 Apportionment Deficit - Shortfall in Property Taxes and Enrollment Fees
  - At Second Principal Apportionment 1.7% or \$2,253,660 for Mt. SAC
  - Mt. SAC Budgeted only 1% at \$1,295,780
- STRS Increases
  - Increase “Employer Share” **Rate from 8.25% to 8.88% in 2014-15**, and Consistent Increases to Reach a Rate of 19.10% on 2020-21
- PERS Increases
  - Increase “Employer Share” **Rate from 11.442% to 11.771% in 2014-15**, and Consistent Increases to Reach a Rate of 20.4% on 2020-21
- Proposition 30 is Temporary (\$21.1 for Mt. SAC in 2014-15)
  - Sales Tax Increase Terminates at the End of 2016
  - Income Tax Increase Terminates at the End of 2018

# WHAT'S NEXT?

- Advocate for a Permanent Backfill for Shortfalls in Property Taxes & Enrollment Fees
- Determine Best Use of Student Success and Support, Student Equity, and DSPS Categorical Funds
- Complete Reclassification Study
- Plan Careful Enrollment Management to Earn the 2.75% Growth for 2014-15
- Continue with Collaboration, Teamwork, and Campus-wide Effort in Working Together to Find Solutions to Ensure Mt. SAC's Fiscal Stability



# QUESTIONS

