

The background of the slide features a light green gradient. Overlaid on this are several puzzle pieces that form the shape of the state of Texas. The puzzle pieces are cutouts of a US dollar bill, specifically showing the portrait of George Washington and the serial number 8835503. A hand is visible on the right side, placing one of the puzzle pieces into the larger assembly.

MT. SAN ANTONIO COLLEGE

2016-17 ADOPTED BUDGET

Presented by:
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September 14, 2016

2016-17 FUNDING FOR MT. SAC UNRESTRICTED GENERAL FUND



| Item | Statewide Budget Allocation | Mt. SAC Budget Allocation |
|--|--------------------------------|------------------------------|
| Growth (2%) | \$114.7 Million | \$3,174,787 |
| COLA (0%) | Zero | Zero |
| Increase in Base Allocation | \$75 Million | \$2,026,158 |
| State-Mandated Costs Reimbursements (One-Time) | \$105.5 Million | \$2,860,953 |
| Backfill for Property Taxes | \$31.7 Million | ? |

2016-17 STATE BUDGET AND MT. SAC RESTRICTED FUNDING

| Item | Statewide Budget Allocation | Mt. SAC Budget Allocation |
|---|--------------------------------|------------------------------|
| Strong Workforce Program - 60% for Districts, 5% for Fiscal Agent, and Remaining 35% for Region | \$200 Million | \$2,493,730 |
| Career Technical Education (CTE) Pathway Program | \$48 Million | TBD |
| Basic Skills and Student Outcomes Transformation Program | \$30 Million | \$1,289,691 |
| Physical Plant and Instructional Support (One-Time) | \$184.5 Million | \$5,004,993 |
| Energy Efficiency Projects | \$49.2 Million | \$1,135,557 |

2015-16 Growth Update



| Per Second Principal (P2) Apportionment June 2016 | | | | |
|--|------------------------------|-----------------|------------------------|--|
| Description | Growth Formula Percent | Total Amount | Increase in Dollars | Estimated Number of FTES (At Credit Rate) Increase in FTES |

2015-16 Estimated Growth Over Cap

?

?

1,198

2015-16 Estimated Growth at Cap Maximum -
Annual - February 2017

3.83%

\$ 5,061,412

1,009

\$988,994

211

2015-16 Estimated Growth - P2 - June 2016

2.91%

\$ 4,072,418

798

Compared to Funded FTES of 2014-15 Recalc April 2016 and 2015-16
Annual 320 Report:

| | Credit | Noncredit | CDCP | Total |
|------------------------------|--------|-----------|-------|--------|
| 2014-15 Recalc P1 April 2016 | 24,281 | 1,802 | 4,186 | 30,269 |
| 2015-16 Annual 320 | 25,180 | 1,644 | 4,643 | 31,467 |
| Total Increase | 899 | (158) | 457 | 1,198 |

CHANGES TO THE FUND BALANCE FROM 2015-16 ADOPTED BUDGET TO 2016-17 ADOPTED BUDGET

| | <u>In Millions</u> | |
|---|--------------------|---------------|
| Fund Balance per 2015-16 Adopted Budget | \$23.7 | |
| Plus: Unbudgeted Revenues | | |
| - 2014-15 Decrease in Growth due to Unfunded FTES - Adjustment | (\$ 0.8) | |
| - 2015-16 Estimated CDCP & Increase to Base Allocation - Adjustment | \$ 1.1 | |
| - 2015-16 Estimated Growth | \$ 4.1 | |
| - 2014-15 & 2015-16 Apportionment Deficit/Recoveries Net – Adjustment | \$ 0.7 | |
| - Miscellaneous Revenues | <u>\$ 1.2</u> | <u>\$ 6.3</u> |
| Plus: Unexpended Expenditure Budgets | | |
| - Permanent/Hourly Faculty, including Faculty Professional Growth Stipend | \$ 1.3 | |
| - 2015-16 Faculty Hiring | \$ 1.3 | |
| - Unexpended Budget on Management/Classified Positions (Includes New Resources) | \$ 2.7 | |
| - Unexpended Departmental/Institutional Budgets (Includes New Resources) | \$ 4.1 | |
| - Appropriated During the Fiscal Year 2015-16, | | |
| ➤ Additional Transfer to the STRS/PERS Trust | (\$ 2.0) | |
| ➤ New Resources Allocation Phase 4 – Mainly Solar Photovoltaic | <u>(\$2.1)</u> | <u>\$5.3</u> |

CHANGES TO THE FUND BALANCE
FROM 2015-16 ADOPTED BUDGET TO
2016-17 ADOPTED BUDGET
USE OF 2015-16 ENDING BALANCE

In Millions

Less: Commitments

- | | | |
|--|-----------------|-----------------|
| - 2015-16 Purchases in Progress and Carryovers | (\$ 2.6) | |
| - New Resources Allocations Phases 1 through 6 | (\$ 8.6) | |
| - Designated for 2016-17 One-Time Expenditures | <u>(\$ 3.4)</u> | <u>(\$14.6)</u> |

| | |
|-----------------------------------|-------|
| 2016-17 Ongoing Projected Surplus | \$0.1 |
|-----------------------------------|-------|

| | |
|---|--------|
| Projected Ending Balance as of June 30, 2017 (10.33%) | \$20.8 |
|---|--------|


UNRESTRICTED GENERAL FUND
2015-16 ADOPTED BUDGET
(In Millions)

| | Ongoing | One-Time | Total |
|-------------------------|--------------|--------------|---------------|
| Ending Balance | - | 30.6 | 30.6 |
| Revenues | 166.1 | 16.7 | 182.8 |
| | | | - |
| Less: Expenditures | 166.8 | 22.9 | 189.7 |
| | | | - |
| Surplus/ Deficit | (0.7) | (6.2) | (6.9) |
| Ending Balance | (0.7) | 24.4 | \$23.7 |

UNRESTRICTED GENERAL FUND

2015-16 ACTUALS

(In Millions)

| | Ongoing One-Time * | | Total |
|---|--------------------|--------------|---------------------------------------|
| Ending Balance | - | 30.6 | 30.6 |
| Revenues | 167.6 | 21.5 | 189.1 |
| Less: Expenditures | 159.1 | 25.3 | 184.4 |
| Surplus/ Deficit | 8.5 | (3.8) | 4.7 |
| Ending Balance | 8.5 | 26.8 | \$35.3 |
|  | | | \$35.3 One-Time Ending Balance |

*Net of CalSTRS On-Behalf Payments

UNRESTRICTED GENERAL FUND

2015-16 ADOPTED BUDGET VERSUS 2015-16 ACTUALS

(In Millions)

| | Adopted | Actuals * | Difference | One-Time | Ongoing | Total |
|--------------------|---------|-----------|----------------------|------------|------------|---------------|
| Ending Balance | 30.6 | 30.6 | - | - | | |
| Revenues | 182.8 | 189.1 | 6.3 | 4.8 | 1.5 | 6.3 |
| Less: Expenditures | 189.7 | 184.4 | 5.3 | (1.7) | 7.0 | 5.3 |
| Variance | | | <u>\$11.6</u> | 3.1 | 8.5 | \$11.6 |

*Net of CalSTRS On-Behalf Payments

UNRESTRICTED GENERAL FUND

2016-17 ADOPTED BUDGET

(In Millions)

| | Ongoing | One-Time | Total |
|-------------------------|------------|---------------|------------------|
| Ending Balance | - | 35.3 | 35.3 |
| Revenues | 174.4 | 3.0 | 177.4 |
| | | | - |
| Less: Expenditures | 174.3 | 17.6 | 191.9 |
| | | | - |
| Surplus/ Deficit | 0.1 | (14.6) | (14.5) |
| Ending Balance | 0.1 | 20.7 | \$20.8 or 10.33% |

2016-17 ADOPTED BUDGET UNRESTRICTED GENERAL FUND ONGOING REVENUE BUDGET ASSUMPTIONS

| | |
|---|----------------------|
| Base Ongoing Revenue Budget (2015-16) | \$166,105,962 |
| 2016-17 COLA at 0.00% | 0 |
| 2014-15 Growth – April 2016 Recalculation – Adjustment | (786,116) |
| 2015-16 Growth – Estimated Constrained Growth 2.91% or 798 FTES | 4,072,418 |
| 2015-16 Growth – Maximum Constrained Growth at 3.83% or 211 FTES | 988,994 |
| 2015-16 Increase to Base Allocation - Adjustment | 910,617 |
| 2015-16 CDCP Equalization - Adjustment | 157,160 |
| 2015-16 Full-time Faculty Hiring – Adjustment | 48,022 |
| 2016-17 Increase to Base Allocation - \$75 Million Statewide (Budget Act) | 2,026,158 |
| 2016-17 Estimated Lottery Increase | 252,040 |
| Interest – Increase Due to Total Elimination of Apportionment Deferrals | 100,000 |
| Nonresident Tuition - International | 275,000 |
| Nonresident Tuition – Out-of-State | 65,000 |
| Other Miscellaneous Revenue | 137,120 |
| Total Ongoing Revenue Budget | \$174,352,375 |

**2016-17 ADOPTED BUDGET
UNRESTRICTED GENERAL FUND
ONGOING EXPENDITURE BUDGET ASSUMPTIONS**

| | |
|--|----------------------|
| Base Ongoing Expenditure Budget | \$166,839,534 |
| Salary Schedule Progression | 1,533,971 |
| Personnel and Benefit Changes (Positions Hired at a Lower Step) | (976,827) |
| 2016-17 Salary Increase (1%) – All Units | 1,372,811 |
| STRS Employer Rate Increase – From 10.73% to 12.58% | 1,354,225 |
| PERS Employer Rate Increase – From 11.847% to 13.88% | 771,219 |
| Reclassification of Personnel | 106,140 |
| New Positions – Management, Confidential, CSEA 262, and CSEA 651 (Includes Positions Approved with the New Resources Allocations) | 1,697,646 |
| Faculty Professional Growth to Other Faculty Compensation | (1,167,934) |
| New Faculty Positions (General Fund Only) | 559,931 |
| Hourly Faculty Budget (For Growth) | 1,883,261 |
| Miscellaneous Budget Increases | 123,200 |
| 2015-16 New Resources Allocation Phase 4 – Operating Expenses | 230,247 |
| Total Ongoing Expenditure Budget | \$174,327,424 |

2016-17 ADOPTED BUDGET
UNRESTRICTED GENERAL FUND
EXCELLENT NEWS!
BALANCED BUDGET



| | |
|----------------------------|-----------------|
| Total Ongoing Revenue | \$174,352,375 |
| Total Ongoing Expenditures | (\$174,327,424) |
| Ongoing Surplus | \$24,951 |

2016-17 ONE-TIME REVENUE BUDGET ASSUMPTIONS UNRESTRICTED GENERAL FUND

| | |
|---|---------------------|
| Beginning Fund Balance – Carryover Ending Fund Balance as of June 30, 2016 - Designated for One-time Expenditures | \$14,585,569 |
| 2015-16 Growth - Maximum Growth at 3.83% or 211 FTES. The College expects to receive the payment of the Additional One-Time Funds in February 2017. | 988,994 |
| 2016-17 Growth - 2% Statewide. Estimate Based on 2016-17 Advance Apportionment \$3,174,787. Mt. SAC Does Not Budget Growth Until Earned. | - |
| 2016-17 Estimated Apportionment Deficit - at 0.5% | (806,056) |
| 2016-17 State-Mandated Costs Reimbursement - \$105.5 Million Statewide (Budget Act) | 2,860,953 |
| Total One-Time Revenue Budget | \$17,629,460 |

2016-17 ONE-TIME BUDGET EXPENDITURE ASSUMPTIONS

UNRESTRICTED GENERAL FUND

| | |
|--|---------------------|
| Purchases In Progress & Various Carryovers | \$2,617,962 |
| New Resources Allocations 2014-15 & 2015-16, Phases 1 Through 4 – Committed Carryovers | 2,328,927 |
| New Resources Allocations 2015-16, Phase 5 & 6 – Committed Funding | 6,264,974 |
| STRS and PERS Trust (Pending Board of Trustees Approval) | 4,000,000 |
| Auxiliary Unfunded PERS Liability | 160,704 |
| International Students Nonresident Fee | 275,000 |
| Immediate Needs Requests – One-Time | 336,541 |
| Positions Funded with One-Time Funds | 880,262 |
| Election Cost (No Election Cost for 2016-17) | - |
| Hourly Faculty Budget – Estimated Increase to Earn the 2016-17 Growth | 1,507,232 |
| 2016-17 One-Time Savings from Vacant Positions | (742,142) |
| Total One-Time Expenditure Increases | \$17,629,460 |

UNRESTRICTED GENERAL FUND REVENUE-GENERATED ACCOUNTS REVENUE AND EXPENDITURE ASSUMPTIONS

| | |
|---|--------------------|
| Fund Balance as of June 30, 2016 | \$5,619,466 |
| Revenue Budgets - Matching Revenue and Expenditure Accounts | 3,291,216 |
| Total Revenue Budget | \$8,910,682 |
| | |
| 2015-16 Carryover – Revenue-Generated Accounts | \$5,619,466 |
| Expenditure Budgets - Matching Revenue and Expenditure Accounts | 3,291,216 |
| Total Expenditure Budget | \$8,910,682 |
| | |
| Total Revenue-Generated Accounts Increases/(Decreases) | - |

2016-17 ADOPTED BUDGET UNRESTRICTED GENERAL FUND BALANCE

| | | |
|--|--------|--------------|
| Unassigned Fund Balance – 10% Board Policy | 10.00% | \$20,086,757 |
| Unassigned Fund Balance | 0.33% | 670,030 |
| Total Fund Balance | 10.33% | \$20,756,787 |



FUNDING FOR NEW FACULTY POSITIONS

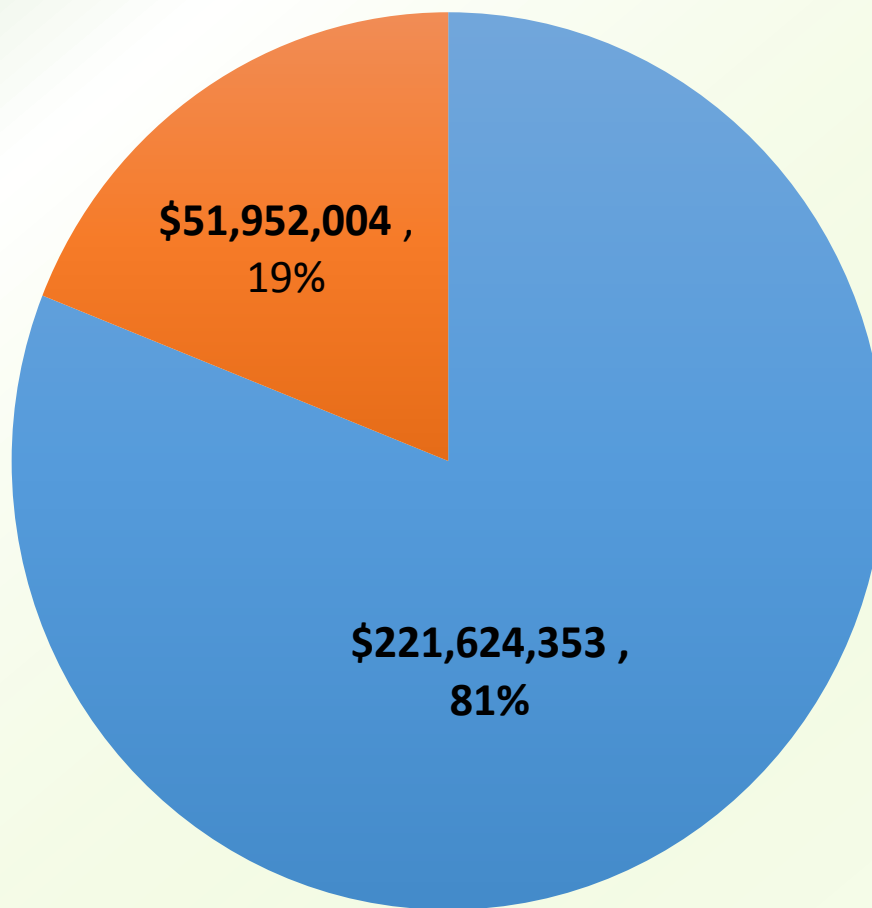
| JOB CLASSIFICATION | FUNDING | NUMBER OF POSITIONS | SUBTOTAL | TOTAL |
|--------------------|---|---------------------|--------------|--------------|
| Professors | Unrestricted General Fund Existing Funds, Replacements | 15 | | \$ 1,721,393 |
| Professors | Unrestricted General Fund Faculty Hiring 2015-16 Was Included in the 2015-16 Adopted Budget | 15 | | 1,700,345 |
| Librarian | Unrestricted General Fund Growth 2015-16 | 1 | \$ 132,233 | 932,191 |
| Professors | New Funding Added to the 2016-17 Adopted Budget Hourly Faculty Was Reduced by \$372,360 | 7 | \$ 799,958 | |
| Professors | Restricted General Fund Strong Workforce Program | 6 | | 685,764 |
| Counselors | Restricted General Fund Student Success & Support Program (Credit) | 6 | | 759,425 |
| Counselors | Restricted General Fund Student Success & Support Program (Noncredit) | 6 | | 729,252 |
| TOTAL | | 56 | \$ 6,528,370 | |

2016-17 Adopted Budget for all Funds

| FUND DESCRIPTION | EXPENDITURE | FUND BALANCE | TOTAL |
|--|-----------------------|----------------------|-----------------------|
| Unrestricted General Fund - 11 | \$ 191,956,884 | \$ 20,756,787 | \$ 212,713,671 |
| Unrestricted General Fund, Revenue Generated Fund - 13 | 8,910,682 | - | 8,910,682 |
| Restricted General Fund - 17 | 51,777,824 | 174,180 | 51,952,004 |
| Child Development Fund - 33 | 1,845,547 | 686,265 | 2,531,812 |
| Farm Operations Fund - 34 | 268,800 | 208,879 | 477,679 |
| Student Health Services Fund - 39 | 1,532,898 | 649,148 | 2,182,046 |
| Capital Outlay Projects Fund - 41 | 25,850,840 | 999,893 | 26,850,733 |
| Capital Outlay Projects/Redevelopment Fund - 43 | 9,921 | 4,088,453 | 4,098,374 |
| Bond Anticipation Construction Fund - 44 (Measure RR) | 1,103,761 | 77,315 | 1,181,076 |
| Bond Construction Funds 45 & 46 (Measure RR) | 62,315,875 | 1,351,785 | 63,667,660 |
| Associated Students Trust Fund | 506,246 | 2,189,367 | 2,695,613 |
| Student Representation Fee Trust Fund - 71 | 26,459 | 60,598 | 87,057 |
| Student Financial Aid Trust Fund -74 | 54,577,640 | 2,827 | 54,580,467 |
| Scholarship and Loan Trust Fund - 75 | 909,522 | - | 909,522 |
| Other Trust Funds - 79 | 452,264 | 1,041,497 | 1,493,761 |
| TOTAL | \$ 402,045,163 | \$ 32,286,994 | \$ 434,332,157 |

General Fund

Unrestricted and Restricted: \$273.6 Million



■ Unrestricted ■ Restricted

RESTRICTED GENERAL FUND

| DESCRIPTION | EXPENDITURE | FUND BALANCE | TOTAL |
|---|----------------------|-------------------|----------------------|
| Workforce Investment Act, Title II: Adult Education and Family Literacy Act Section 225, Section 231 and English Literacy and Civics Education | \$ 1,184,233 | \$ - | \$ 1,184,233 |
| Building Pathways of Persistence and Completion , Title V | 1,030,769 | - | 1,030,769 |
| Adult Education Block Grant (AEBG) Regional Consortia - Carryover 15/16 | 2,881,499 | - | 2,881,499 |
| Career Technical Education, Perkins Title I-C - 16/17 | 1,007,719 | - | 1,007,719 |
| Basic Skills - 16/17 | 1,165,639 | - | 1,165,639 |
| Board Financial Assistance Program (BFAP) - 16/17 | 1,109,173 | - | 1,109,173 |
| Disabled Student Programs and Services (DSPS) - 16/17 | 3,256,137 | - | 3,256,137 |
| Extended Opportunity Programs and Services (EOPS) - 16/17 | 1,016,434 | - | 1,016,434 |
| Full-Time Student Success (Cal Grants) | 1,351,591 | - | 1,351,591 |
| Instructional Equipment - 16/17 | 2,502,496 | - | 2,502,496 |
| Strong Workforce Program - 16/17 | 2,493,730 | - | 2,493,730 |
| Student Equity - Carryover 15/16 | 2,032,290 | - | 2,032,290 |
| Student Equity - 16/17 | 3,387,056 | - | 3,387,056 |
| Student Success & Support Program (Credit) - Carryover 15/16 | 4,396,960 | - | 4,396,960 |
| Student Success & Support Program (Credit) - 16/17 | 6,971,468 | - | 6,971,468 |
| Student Success & Support Program (Noncredit) - Carryover 15/16 | 1,081,586 | - | 1,081,586 |
| Student Success & Support Program (Noncredit) - 16/17 | 1,682,227 | - | 1,682,227 |
| Lottery-Restricted | 3,392,252 | - | 3,392,252 |
| Parking Revenue Plus Fund Balance | 2,650,115 | 174,180 | 2,824,295 |
| Other Grants and Categorical Programs (41) | 7,184,450 | - | 7,184,450 |
| TOTAL | \$ 51,777,824 | \$ 174,180 | \$ 51,952,004 |

UNRESTRICTED GENERAL FUND APPORTIONMENT REVENUES

| | 2013-14 | | 2014-15 | | 2015-16 | | 2016-17 Adopted ⁽⁵⁾ | |
|---|------------------------------|--------------------|---|--------------------|---|-------------------|---|--------------------|
| | <u>Actuals</u> | <u>%</u> | <u>Actuals ⁽⁵⁾</u> | <u>%</u> | <u>Actuals ⁽⁴⁾</u> | <u>%</u> | <u>Budget</u> | <u>%</u> |
| Property Taxes | \$ 20,369,619 | 16% | \$ 23,897,531 | 17% | \$ 32,084,290 | 20% | \$ 38,347,717 | 24% |
| EPA (Education Protection Account) ^{(1) (2) (3)} | 19,743,943 | 15% | 25,130,421 | 18% | 24,427,205 | 15% | 23,565,661 | 15% |
| Student Enrollment Fees | 7,766,022 | 6% | 7,972,150 | 6% | 8,248,407 | 5% | 8,376,377 | 5% |
| State General Apportionment | 83,108,179 | 63% | 81,132,641 | 59% | 93,436,100 | 58% | 90,921,399 | 56% |
| Total Base Apportionment | <u>\$ 130,987,763</u> | <u>100%</u> | <u>\$ 138,132,743</u> ⁽⁶⁾ | <u>100%</u> | <u>\$ 158,196,002</u> ⁽⁶⁾ | <u>98%</u> | <u>\$ 161,211,154</u> ⁽⁶⁾ | <u>100%</u> |

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

(2) Proceeds shall not be used for administrative costs.

(3) Distribution of funds is on a quarterly basis (September, December, March, and June).

(4) Per second principal apportionment 2015-16.

(5) Includes Increase to the Base Allocation \$2,026,158 and 2015-16 Estimated Growth Increase of \$5,061,412. Does not include 2016-17 Growth estimated at \$3,174,787 and estimated 2016-17 Apportionment Deficit of \$806,056.

Other Budget Issues

- OPEB Trust
 - Retirees' Health Premiums - \$3.9 Million - Paid from the Interest Earned in the OPEB Trust.
 - Retirees' Health Premiums Contribution - \$2.5 Million – Paid from the Unrestricted General Fund.
 - OPEB Trust Balance as June 30, 2016 - \$69.9 Million.
- Mt. SAC STRS/PERS Trust
 - STRS Increases

Employer Share Rate will Increase from 10.73% to 12.58% in 2016-17, and will be at 19.10% in 2020-21.
 - PERS Increases

Employer Share Rate will Increase from 11.847% to 13.888 % in 2016-17, and will be at 19.80% in 2020-21.
 - Mt. SAC STRS/PERS Trust Balances as of June 30, 2016 - \$4 Million.
- Proposition 30 is Temporary (Estimated at \$23.6 Million for Mt. SAC in 2016-17).
 - Sales Tax Increase Terminates in December 2016.
 - Income Tax Increase Terminates in December 2018.

Questions

