

Mt. San Antonio College 2019-20 Tentative Budget

June 26, 2019

Prepared by: Doug Jenson and Rosa Royce

2019-20 STATE BUDGET GOVERNOR AND LEGISLATURE AGREEMENTS CHANGES TO THE STUDENT CENTERED FUNDING FORMULA (SCFF)

- Cap the student success allocation at 10% of the total formula allocation
- Modify transfer student definition where the student completed the most units
- Base transfer data on recently enrolled students, effective in 2019-20
- Implement three-year rolling average for the student success metrics
- Implement unduplicated count for the highest award obtained
- Extend hold harmless period to 2021-22

The outcome of changes being made to the Student Centered Funding Formula are unknown. The College looks forward to participating in the discussion as more details are revealed as well as educating the campus constituencies.

2019-20 STATE BUDGET

GOVERNOR AND LEGISLATURE AGREEMENTS

CALSTRS AND CALPERS

	CalSTRS	CalPERS	Total
Decrease Employer Contributions:	\$606 million	\$244 million	\$850 million
Revised Rates:			
2019-20	18.13% to 17.10%	18.06% to 19.72%	
2021-21	19.10% to 18.40%	23.60% to 22.70%	
Reduction of Unfunded Liabilities:	\$1.64 billion	\$660 million	\$2.3 billion
Total			\$3.15 billion

2019-20 STATE BUDGET

GOVERNOR AND LEGISLATURE AGREEMENTS

OTHER BUDGET ITEMS

- \$5 million ongoing increase to veterans resource centers
- \$3.9 million one-time funding to address student hunger and basic needs
- Provide no additional full-time or part-time faculty funding
- Retain the K-12 Strong Workforce Development program under the California Community Colleges

2018-19 and 2019-20 SCFF PROJECTIONS

	2018-19		2019-20
	Adopted Budget	June 2019 Projected	Tentative Budget
Base Allocation	\$138,138,718	\$138,455,490 ⁽²⁾	\$143,742,575
Supplemental Allocation	34,974,383	35,202,295	36,351,445 ⁽⁴⁾
Student Success Allocation	12,604,220	13,827,450	12,943,155 ^{(4) & (5)}
Growth	(759,266) ⁽¹⁾	-	(656,125) ⁽¹⁾
SCFF	\$184,958,055	\$187,485,235	\$192,381,050 ⁽³⁾
May Revise - \$49 Million Shortfall		(\$1,293,937)	
		\$186,191,298	
Hold Harmless, Based on 2017-18 TCR	\$176,424,297	Plus: 2.71% COLA \$181,205,395	Plus: 3.26% COLA \$187,112,691

(1) Mt. SAC does not budget for Growth until earned.

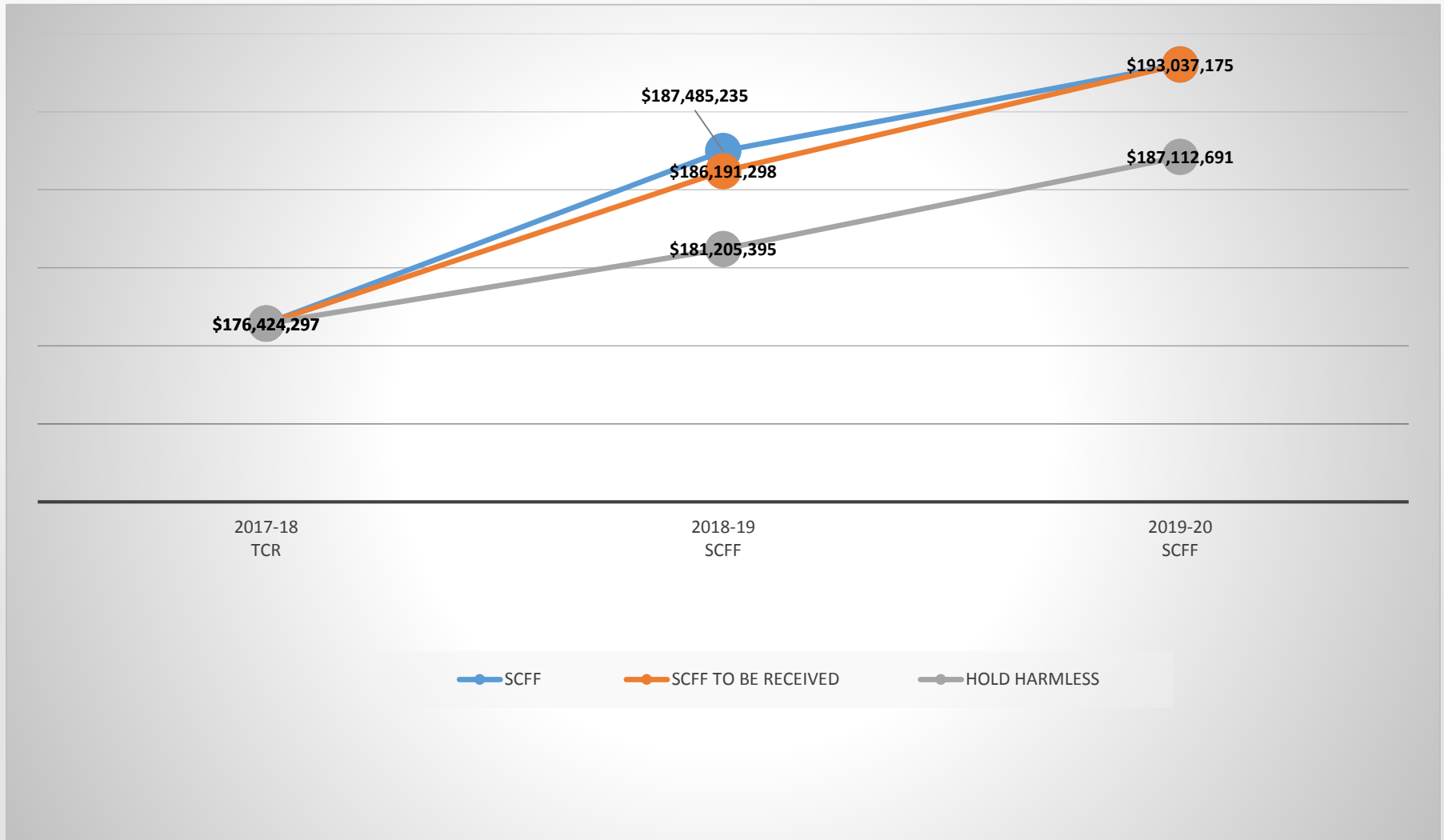
(2) Base Allocation includes FTES submitted in April 2019. Also, includes 124 FTES for 2018-19 Target Growth estimated at \$656,125.

(3) 2019-20 SCFF Calculation includes Factored Rates increased by 3.26% COLA per May Revise.

(4) Supplemental and Success allocations are based on 2017-18 counts as the 2018-19 counts are unknown.

(5) Includes decrease in transfer counts equivalent to the 2018-19 \$49 Million Statewide Shortfall.

2018-19 and 2019-20 SCFF PROJECTIONS



CHANGES TO THE FUND BALANCE FROM 2018-19 ADOPTED BUDGET TO 2019-20 TENTATIVE BUDGET

	<u>In Millions</u>
Fund Balance per 2018-19 Adopted Budget	\$26.4
Plus: Unbudgeted Revenues	
- 2018-19 SCFF Adjustment	\$ 1.1
- 2018-19 SCFF - \$49 Million Statewide Shortfall	(\$1.3)
- 2017-18 Growth Beyond 1% Target	\$ 1.5
- 2018-19 Growth	\$ 0.7
- Nonresident Tuition & Miscellaneous Revenues	<u>\$ 0.9</u>
	\$ 2.9
Plus: Unexpended Expenditure Budgets	
- Faculty, Management, and Classified Positions ⁽¹⁾	\$ 9.0
- Unexpended Departmental and Institutional Budgets	\$ 1.6
- Unexpended New Resources Allocation Budgets ⁽²⁾	<u>\$ 3.6</u>
	\$ 14.2

(1) Positions currently in process of being filled.

(2) Mainly New Resources Allocation Phases 9 to 10, approved in May, July, August, and October 2018.

CHANGES TO THE FUND BALANCE FROM 2018-19 ADOPTED BUDGET TO 2019-20 TENTATIVE BUDGET USE OF 2018-19 ESTIMATED ENDING BALANCE

In Millions

Less: Commitments

- 2018-19 Purchases in Progress and Carryovers	(\$2.3)	
- Unexpended New Resources Allocations		
Carryovers Phases 1 to 10	(\$3.6)	
- Designated for 2019-20 One-Time Expenditures	(\$5.3)	
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		(\$11.2)
 - 2019-20 Ongoing Projected Budget Deficit*		 (\$ 1.0)

Projected Fund Balance as of June 30, 2020 (13.43%)	\$31.3
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* The College's actual results have consistently performed better than budget, due to conservative revenue assumptions.

2019-20 TENTATIVE BUDGET UNRESTRICTED GENERAL FUND ONGOING REVENUE BUDGET ASSUMPTIONS

Base Ongoing Revenue Budget (2018-19)	\$200,829,698
2017-18 Base Apportionment and 2018-19 COLA Adjustment	43,238
2017-18 Additional Growth Beyond 1% Target	733,001
2019-20 COLA at 3.26% (Part of the SCFF)	5,907,296
2019-20 Student Centered Funding Formula (Needs to be Earned)	739,460
2018-19 Faculty Hiring – Adjustment	205,415
Lottery Increase – To be Adjusted with Annual Attendance in July 2019	40,770
Interest – Increased interest rates and higher cash balances in 2018-19	500,000
Nonresident Tuition – International	150,000
Nonresident Tuition – Out-of-State	50,000
Other Miscellaneous Revenue (Mainly decreases in Part-time Faculty Parity, Office Hours, and Health Insurance)	(208,528)
Total Ongoing Revenue Budget	\$208,990,350

2019-20 TENTATIVE BUDGET UNRESTRICTED GENERAL FUND ONGOING EXPENDITURE BUDGET ASSUMPTIONS

Base Ongoing Expenditure Budget	\$199,890,818
Salary Schedule Progression	1,690,371
Personnel and Benefit Changes (Positions Hired at a Lower Step)	(1,251,095)
2018-19 Collective Bargaining Agreements – Additional 1.29% Increase for all units	2,161,535
2019-20 Collective Bargaining Agreements – Placeholder for a 1.97% (3.26% less 1.29%) pending settlements of Collective Bargaining Agreements	3,324,223
STRS Employer Rate Increase – From 16.28% to 17.10%	690,011
PERS Employer Rate Increase – From 18.062% to 18.93% (Final Budget Estimated at 19.72%)	389,233
New Management and Classified Positions	106,488
New Faculty Positions – 13 New Positions	1,625,115
New Faculty Positions – FON Compliance – 18 New Positions	2,132,082
2018-19 Faculty Hiring – Funds 18 New Positions that reduces Hourly Faculty Budget	(1,453,372)
Immediate Needs Requests	64,800
New Resources Allocation Operating Expenses Phase 10	346,231
Early High School Program Credit/Rate Driven	270,351
Total Ongoing Expenditure Budget	\$209,986,791

2019-20 TENTATIVE BUDGET UNRESTRICTED GENERAL FUND

Total Ongoing Revenue	\$208,990,350
Total Ongoing Expenditures	(\$209,986,791)
Ongoing Projected Deficit *	(\$996,441)

* The College's actual results have consistently performed better than budget, due to conservative assumptions.

2019-20 ONE-TIME REVENUE AND EXPENDITURE BUDGET ASSUMPTIONS UNRESTRICTED GENERAL FUND

Beginning Fund Balance – From Ending Estimated Fund Balance as of June 30, 2019	\$11,166,842
2019-20 Growth – Per May Revise 0.55% Statewide - Mt. SAC does not budget Growth until earned	-
Total One-Time Revenue Budget	\$11,166,842

Purchases In Progress and Various Carryovers	\$2,262,853
New Resources Allocation Phases 1 to 10 – Committed Carryovers	3,635,694
STRS and PERS Trust (Pending Board of Trustees Approval)	4,000,000
Auxiliary Unfunded PERS Liability	202,544
Computer Replacement Program	250,000
Positions Funded with One-time Funds & CSEA 262 Health and Welfare	485,982
Election Cost (No elections until the 2020-21 fiscal year)	-
Hourly Faculty for 2018-19 and 2019-20	811,896
2019-20 One-Time Savings from Vacant Positions (Based on 2018-19)	(482,127)
Total One-Time Expenditure Increases	\$11,166,842

UNRESTRICTED GENERAL FUND REVENUE-GENERATED ACCOUNTS REVENUE AND EXPENDITURE ASSUMPTIONS

Estimated Beginning Fund Balance	\$9,356,800
Revenue Budgets – Matching Revenue and Expenditure Accounts	2,399,368
Total Revenue Budget	\$11,756,168
2018-19 Estimated Carryover – Revenue-Generated Accounts	\$9,356,800
Expenditure Budgets – Matching Revenue and Expenditure Accounts	2,399,368
Total Expenditure Budget	\$11,756,168
Total Revenue-Generated Accounts Increases/(Decreases)	-

2019-20 TENTATIVE BUDGET UNRESTRICTED GENERAL FUND BALANCE

Unassigned Fund Balance – 10% Board Policy	10.00%	\$23,290,980
Unassigned Fund Balance	3.43%	7,992,955
Total Fund Balance	13.43%	\$31,283,935

THE BIG PICTURE

UNRESTRICTED GENERAL FUND & UNRESTRICTED REVENUE GENERATED

2019-20 Tentative Budget

ONE-TIME EXPENDITURES ALREADY INCLUDED IN 2019-20 TENTATIVE BUDGET		
2019-20 One-Time Unrestricted	2019-20 Revenue Generated	2019-20 Unrestricted Deficit

2019-20 Tentative Budget Without One-Time

Total Revenues	\$211,389,718
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\$211,389,718

Salaries and Benefits	189,450,247
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5,795,786	1,646,956
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182,007,505

Supplies, Services, & Capital Outlay	43,459,554
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5,371,056	7,709,844
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30,378,654

Unrestricted General Ongoing Projected Deficit	
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996,441

Total Expenditures	\$232,909,801
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\$11,166,842	\$9,356,800	\$996,441
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\$212,386,159

Revenues Over (Under) Expenditures	(\$21,520,083)
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\$21,520,083

(\$996,441)

Fund Balance Beginning 7/1/18	47,618,617
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Projected Surplus 2018-19	5,185,401
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Projected Ending Balance 6/30/19	\$52,804,018
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Projected Fund Balance 6/30/20	\$31,283,935
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10% Board Policy Reserves	23,290,980
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Unassigned Fund Balance	7,992,955
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\$31,283,935

Additional Budget Items

- OPEB Trust
 - Retirees' Health Premiums – Paid from interest earned \$4.3 million
 - Annual Ongoing Contribution – Funded with the Unrestricted General Fund \$2.5 million.
- STRS Rate Increases
 - “Employer Share” will increase from 16.3% to 17.1% in 2019-20
 - Will increase to 18.1% by 2025-26.
- PERS Rate Increases
 - “Employer Share” will increase from 18.1% to 19.7% in 2019-20
 - Will increase to 26.2% by 2025-26.
- Proposition 30 was extended with Proposition 55 in November 2016
 - Estimated at \$31.5 million for Mt. SAC in 2018-19
 - Income Tax Increase is scheduled to end in 2030.
- Maintain Unrestricted General Fund Balance Reserve at not less than 10% of Total Expenditures – Board Policy (BP) 6250.
 - 10% of \$232,909,801, which is \$23,290,980 in the 2019-20 Tentative Budget

Questica Budget Where We Are

Board
Approval
10/11/2017

Created
128 user
profiles
with 100
unique
roles

Over
400
change
requests

Entered
1,900
Positions

Trained
86+
staff

Built
11,592
budget
lines

More than
3,000 orgs
approved by
President,
VPs,
Managers,
and Fiscal
Services

Supported
creation
of more
than 80%
of the
budget
booklet

**2019-20
Tentative
Budget**

*Thanks to the team members
who assisted in building this
budget!*



