

Mt. San Jacinto Community College District Tentative Budget 2017-2018



Presented by:
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2017-18 Tentative Budget

June 8, 2017
Board of Trustees Meeting

Topics of Discussion

- 2017-2018 State Update
 - Deferred Maintenance
 - Apportionment
- MSJC 2017- 2018 Budget Assumptions
- PERS & STRS Rates
- OPEB
- Measure AA
- Next Steps

2017-18 Tentative Budget

2017-2018 State Update – Ongoing Funds

Item	2016-17 Enacted Totals	2017-18 System Budget Request	2017-18 Governor's January Proposal	2017-18 May Revision	Notes
Ongoing Funds					
Cost of Living Adjustment (COLA)	0%	1%	\$94.1 M (1.48%)	\$97 M (1.56%)	
Enrollment Growth	2%	2%	\$79.3 M (1.34%)	\$57.8 M (1%)	Allows the system to serve around 24,000 more students.
Base Augmentation	\$75 M	\$200 M	\$23.6 M	\$183.6 M	
Student Success and Support Program (SSSP)	No Augmentation	No Augmentation	No Augmentation	No Augmentation	
SSSP - Equity	No Augmentation	No Augmentation	No Augmentation	No Augmentation	
Workforce & CTE Pathways	\$248 M	No Augmentation	No Augmentation	No Augmentation	
Basic Skills	\$30M	\$25M	No Augmentation	No Augmentation	
COLA for EOPS, DSPS, Cal Works, Childcare Tax Bailout	0%	1%	\$5.6 M (1.48%)	\$5.6 M (1.56%)	
Full-Time Student Success Grants	\$41.2 M	No Augmentation	No Augmentation	\$5 M	About \$600 per full-time student.
Online Education Initiative	No Augmentation	\$10 M	\$10 M	\$10 M	

Source: Community College League of California

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2017-2018 State Update – One-Time Funds

Item	2016-17 Enacted Totals	2017-18 System Budget Request	2017-18 Governor's January Proposal	2017-18 May Revision	Notes
One-Time Funds					
Guided Pathways			\$150 M	\$150 M	Amends trailer bill language: (1) clarify the Guided Pathways four pillar framework; (2) clarify the funds will be used for release time, professional development, and technology solutions; (3) CO authority to require program criteria, qualitative and quantitative indicators; and (4) requires annual report.
Integrated Library Systems			\$6 M	\$6 M	
Deferred Maintenance & Instructional Equipment		\$184.5M	\$43.7 M	\$135.8 M	Will <u>not</u> be allocated until P2 in 2018-19
Prop 39 Clean Energy Job Creation Fund			\$52.3 M	\$46.5 M	
Equal Employment Opportunity Program				\$1.82 M	One-time from FON penalties
RDA Backfill				\$31.7 M	One-time, allocated on FTES basis to backfill for lower than estimated RDA revenue.
Innovation Awards		\$25M	\$20 M	\$20 M	Focus areas to be determined by CCC Chancellor.

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Deferred Maintenance

- Allocates \$135.8 Million
- One Time Funding
- No District Match required
- Funds to be disbursed May 2019
- Governor to hold funds to ensure that Prop 98 is not over appropriated as a result of lower than expected revenues in 2017-18

Source: School Services California

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Chancellor's Office – Apportionment

FY 16-17 - Second Principal Apportionment

- 24 Districts are in Stability Restoration
- 9 of the Districts in Restoration have restored and qualify for some growth.
- 27 Districts qualify for growth.

FY 15-16 Recalculation

- Additional revision in June 2017

Source: Chancellor's Office 2017 ACBO Presentation

MSJC Tentative Budget

2017-2018



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MSJC Budget – Revenue Assumptions

- No Base Allocation Increase
- Enrollment Growth: 2.62%
 - Budgeted No Growth
- COLA: 1.56%
 - Budgeted No COLA
- Scheduled Maintenance & Instructional Equipment
 - Budgeted: \$110,507



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MSJC Budget – Expenditure Assumptions

- 11 Newly Hired - Net New Teaching Faculty
- 2 New Non-Teaching Faculty
- 13 Replacements for retired Faculty
- Increase to STRS/PERS employer contribution rates
- 7% Board Reserve
- Increase to Salary Base



2017-18 Tentative Budget

MSJC Budget – Budget Allocation Model

Unrestricted General Fund - Unaudited

Revenue

Net additional Unbudgeted Revenue over Expense
 Unused Categorical Program Interfund Transfer
 Budgeted Ending Balance 6/30/17
Unaudited Beginning Balance 7/1/2017
 Actual Revenue FY 2017-2018
 Total Anticipated Revenue

Tentative Budget FY 2017-2018

\$ 10,250,848
 -
 300,000
\$ 10,550,848
 75,998,420
86,549,268

Notes

1. Less, Unrestricted Reserve	(300,000)	
2. Less, Intrafund Transfer to Student Financial Services	(85,000)	
3. Less, Interfund Transfer to Childcare	(164,204)	
4. Less, Intrafund Transfer to Block Grant	(270,587)	
5. Less, Unrestricted Reserve transfer to 7% reserve	(70,000)	
6. Less, Interfund Transfer to Self Insurance	(231,463)	
7. Less, Interfund Transfer to Capital Outlay	(1,100,000)	
		(2,221,254)
Total Available Funds for Allocation (TAFA)		\$ 84,328,014

Allocation Increment

1. PY Base Expenditure Budget (2016-2017)		\$ 82,815,073
2. CY TAFA (2017-2018)		84,328,014
3. Allocation Increment (A.I.)		1,512,941
4. FY 2017-2018 Base Budget Adjustments	(1,512,941)	
Remaining Allocation Increment		\$ -

2017-18 Tentative Budget

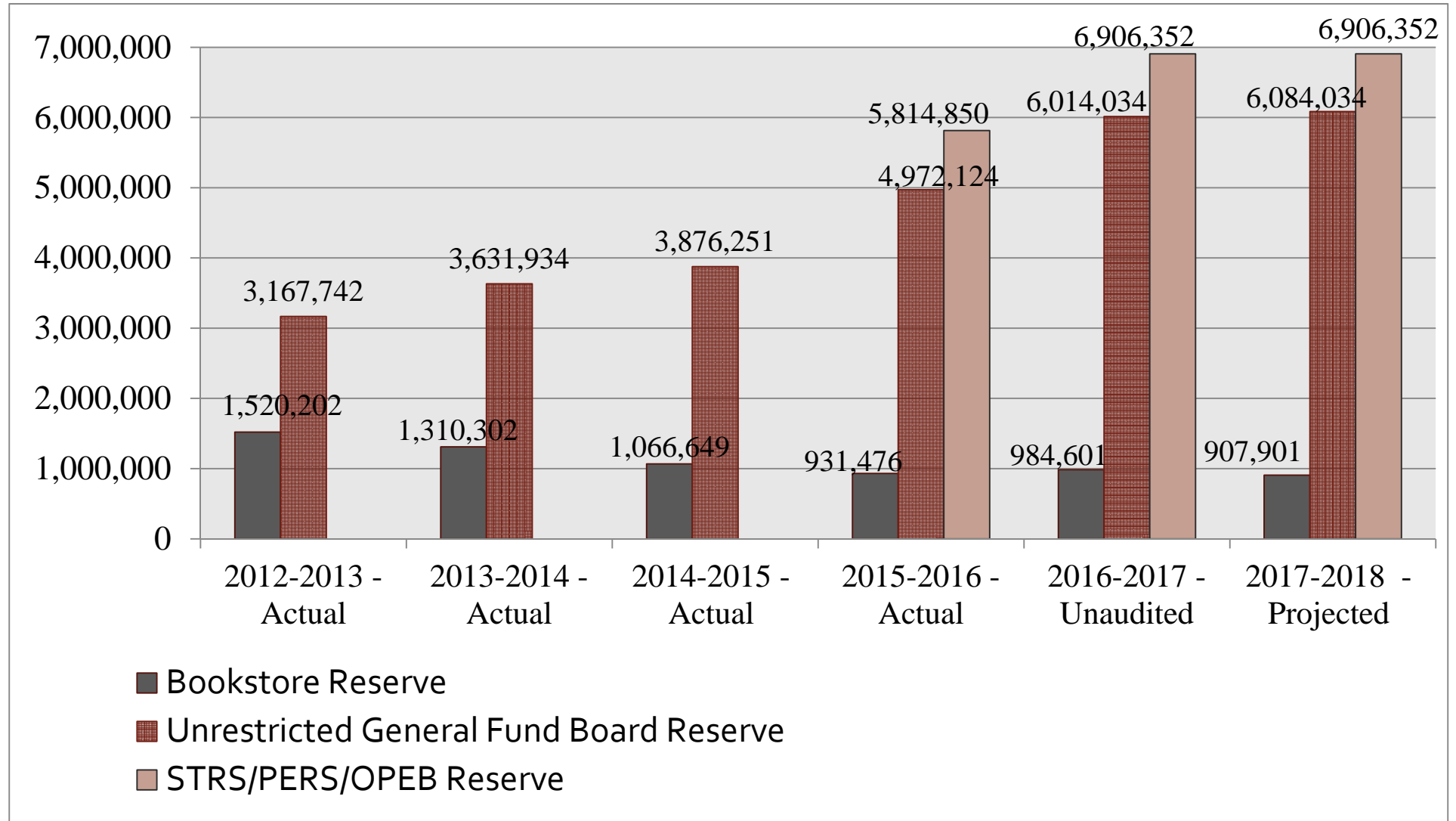
MSJC Budget – Budget Allocation Model

	President	Instruction	Student Services	Business Services	Human Resources	Total
16/17 Base Expenditure Budget	\$7,309,049	\$45,145,002	\$11,320,553	\$17,472,546	\$1,558,923	\$82,815,073
17/18 Base Budget Adjustments	\$750,364	\$738,092	\$731,321	\$187,303	\$197,363	\$2,604,443
16/17 PERS/STRS Reserve (<i>moved to object 7920</i>)	(\$1,091,502)					(\$1,091,502)
17/18 Base Expenditure Budget	\$6,967,911	\$45,892,094	\$12,051,874	\$17,659,849	\$1,756,286	\$84,328,014

	San Jacinto Campus	Meniffee Valley Campus	Temecula Campuses	San Gorgonio Campus	District Wide	Total
17/18 Base Expenditure Budget	\$27,648,193	\$31,530,079	\$2,280,771	\$552,273	\$22,316,698	\$84,328,014

2017-18 Tentative Budget

MSJC Budget – Unrestricted General Fund Reserves



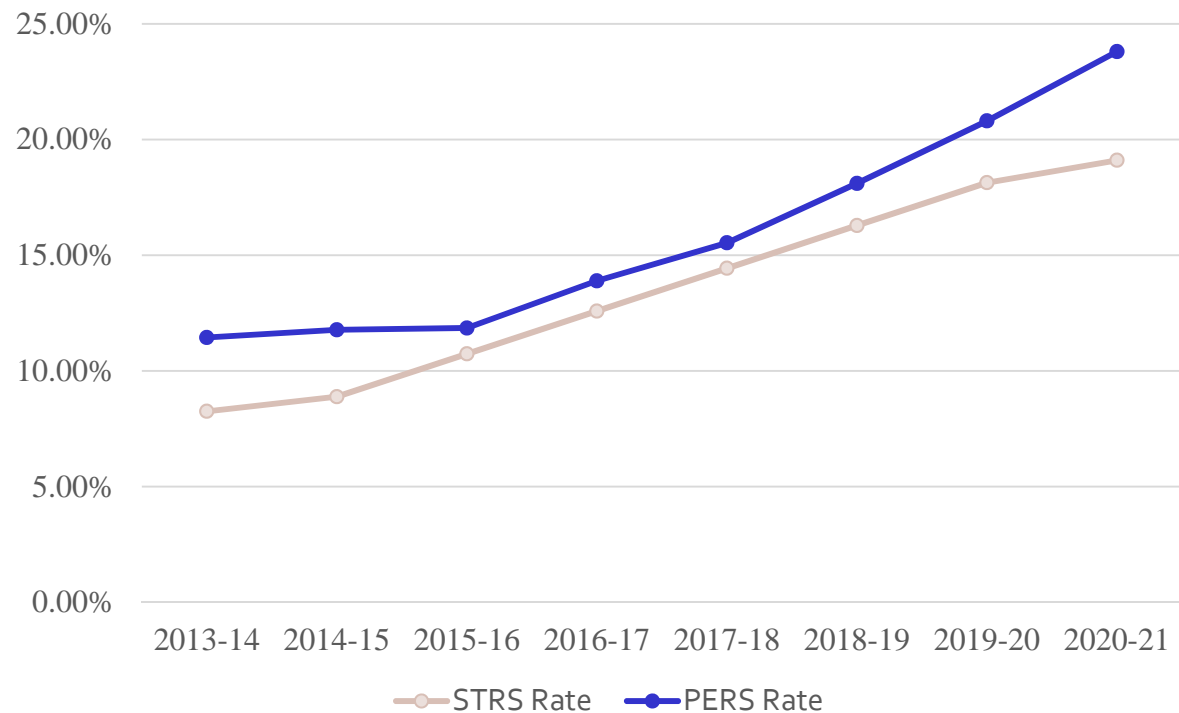
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MSJC Budget – PERS & STRS Increase

	2017-18	2018-19	2019-20	2020-21
PERS	\$368,067	\$1,071,640	\$1,845,689	\$2,736,501
STRS	\$655,577	\$1,489,648	\$2,369,132	\$2,953,014

State Employer Contribution Rates



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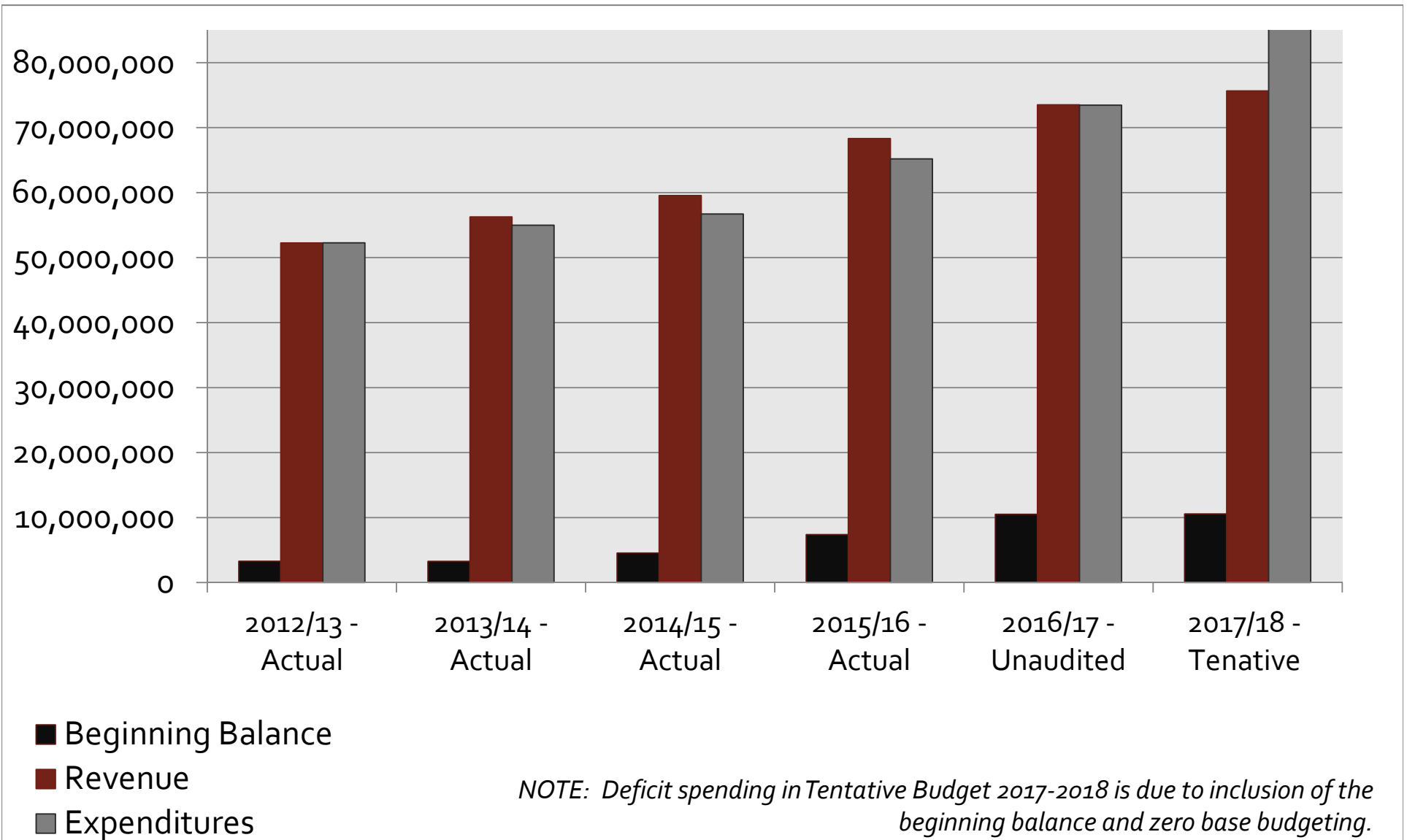
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MSJC Budget – OPEB

- District has contracted with Total Compensation Systems (TCS) to conduct Actuarial Study
- TCS actuarial study is intended to serve the following purposes:
 - To provide information to manage the costs and liabilities associated with retiree health benefits.
 - To provide information to communicate the financial implications of retiree health benefits
 - To provide information needed to comply with GASB Accounting Standards 43 and 45 related OPEB.
- Results of the Actuarial will be presented to the Board of Trustees at the October 2017 Meeting
- The District's Irrevocable Trust is held with the California Employers Retiree Benefit Trust (CERBT); a not for profit organization

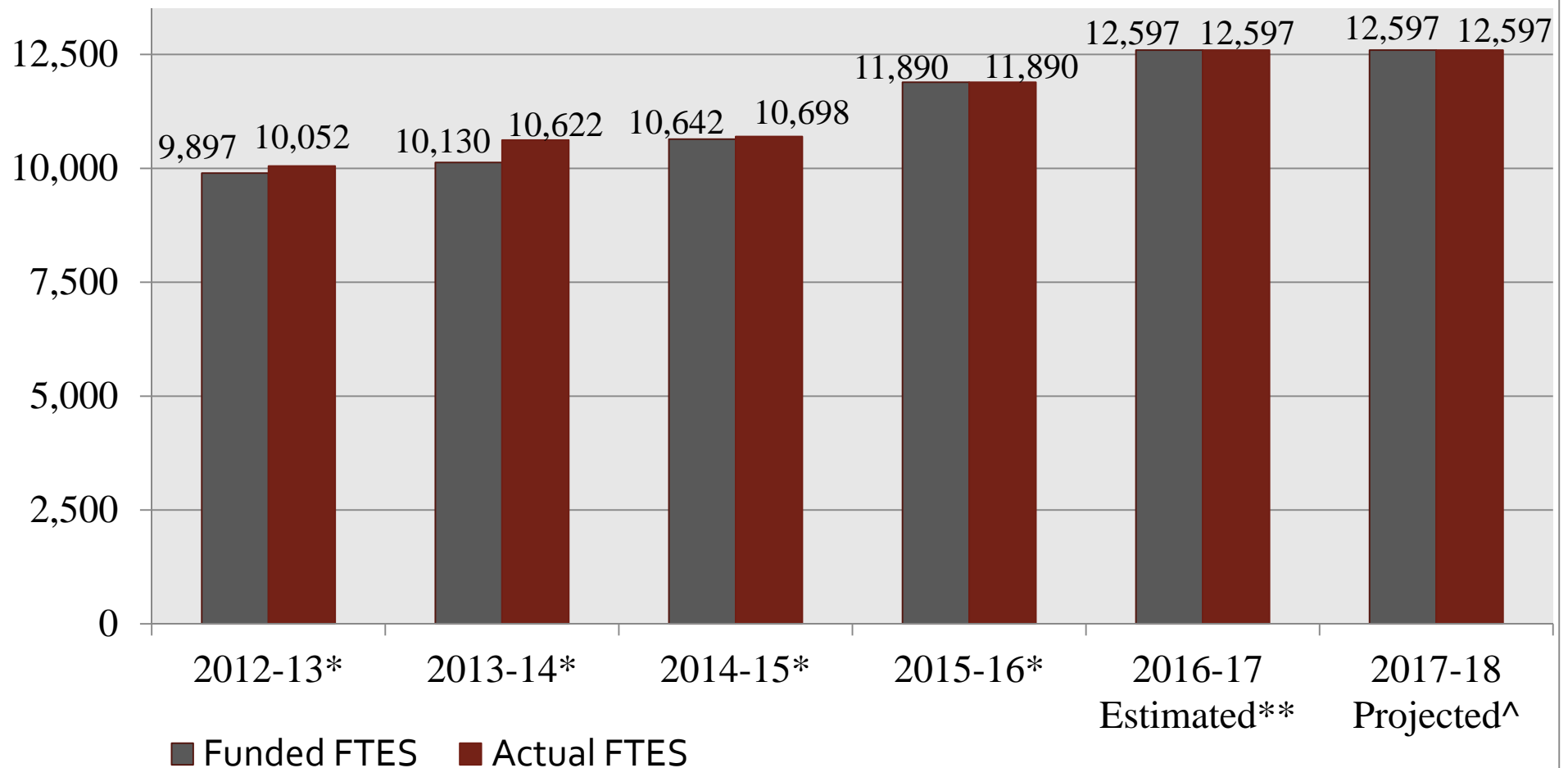
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MSJC Budget – Revenue vs. Expenditures



2017-18 Tentative Budget

MSJC Budget – FTES Comparisons



*Funded & Actual FTES provided by the Chancellor's Office Recalculation Apportionment Reports

**Provided by the Chancellor's Office Second Principal Apportionment Report released April 2017

^Projected Funded FTES based on no growth.

2017-18 Tentative Budget

MSJC Budget – Measure AA

	<u>16-17 Projected</u>	<u>17-18 Tentative</u>
<u>BEGINNING FUND BALANCE</u>	\$54,781,961	\$37,585,991
<u>REVENUES</u>		
Interest	200,000	200,000
<u>TOTAL REVENUES</u>	\$200,000	\$200,000
<u>TOTAL REVENUES AND BEGINNING FUND BALANCE</u>	\$54,981,961	\$37,785,991
<u>EXPENDITURES</u>		
1. District - Athletics Facilities Renovation	4,370,399	11,212,090
2. District - Blue Light Help Phones	1,500	-
3. District - Building Security Access Control	3,000	100,000
4. District - CDEC Security Enhancements	267,995	676,000
5. District - Classroom Phones	75,090	-
6. District - EIR/CEQA	561,087	700,000
7. District - Fiber Re-Capitalization (Technology)	453,098	-
8. District - Infrastructure Master Plan	270,718	-
9. District – Misc. Planning & Bond Management Expenses	630,621	960,296
10. District - Network and Control Switches Upgrades	837,887	-
11. District - Parking Lot Expansion	10,000	100,000
12. District – Planning	62,145	110,000
13. District - Shade Structure Projects	316,657	1,200,000
14. District - Signage and Wayfinding	-	50,000
15. District - Solar Photovoltaic System	2,835,078	-
16. District - Video Conferencing Upgrades	9,406	-

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MSJC Budget – Measure AA

<u>EXPENDITURES</u>	<u>16-17 Projected</u>	<u>17-18 Tentative</u>
17. District - Video Security Enhancements (Cameras & Media Storage)	1,140	150,000
18. District - Wireless Deployment	1,007,110	511,600
19. MVC - Building 900 Feasibility Study	24,000	-
20. MVC - Building 300 Renovation	74,828	300,000
21. MVC - Building 3000 Rehabilitation/Fiber Installation	574,137	2,427,000
22. MVC - Emergency Generator	44,995	217,000
23. MVC - Infrastructure Projects	68,735	400,000
24. MVC - Music Building 200 Renovation	24,235	-
25. MVC - Science Labs and Classroom Modular Swing Space	1,582,439	4,303,300
26. SGP - New Center Template	515,000	50,000
27. SGP - Science Labs and Classroom Modular Swing Space	378,026	350,000
28. SJC - Building 200 Safety Improvements	212,242	-
29. SJC - Emergency Generator	371,290	388,000
30. SJC - Infrastructure Projects	74,487	-
31. SJC - Science Labs and Classroom Modular Swing Space	827,575	350,000
32. SJC - STEM Building	445,000	800,000
33. Wildomar - New Center Template	466,050	-
<u>TOTAL EXPENDITURES</u>	17,395,970	25,355,286
<u>ENDING FUND BALANCE</u>	\$37,585,991	\$12,430,705
<u>TOTAL EXPENDITURES AND ENDING FUND BALANCE</u>	\$54,981,961	\$37,785,991

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Next Steps

- Senate and Assembly have until June 15th to pass State Budget
- The Governor has until the end of the month to act on the State Budget, including potentially line-item vetoing spending levels
- Refine beginning balance with the year-end closing of the ledgers.
- Adjust revenue assumptions to the State budget as approved for CCC's.
- The 2017-2018 Budget will be presented to the Board of Trustees for Adoption on September 14, 2017.

Questions?



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June 8, 2017**

