

SUBJECT: 2015/16 APRIL REVISED BUDGETS

SYNOPSIS:

The 2015/16 April Revised Budgets are presented for Board of Trustees consideration.

RECOMMENDATION:

The Superintendent/President recommends the adoption of the 2015/16 April Revised Budgets for the Mendocino-Lake Community College District Unrestricted General Fund, Restricted General Fund, Debt Service Fund, Child Care Fund, Capital Projects Fund, Special Reserve Fund, Health Fund, Student Representation Fee Fund, Student Center Fund, and Student Financial Aid Award Projections as shown in Attachments "A-1" through "I".

ANALYSIS:

On September 9, 2015, the Board of Trustees approved the 2015/16 Adopted Budgets. All Budgets presented here reflect information received and decisions made since the approval of the Adopted Budgets. Highlights are discussed below:

UNRESTRICTED GENERAL FUND:

Beginning Balance: The beginning balance for the 2015/16 proposed April Revised Budget is \$2,125,361 based on the June 30, 2015 audited financial statements.

Revenue Highlights include:

1. General Apportionment Revenue: Based on the First Principal Apportionment documents and related information provided by the California Community Colleges Chancellor's Office (CCCCO), the proposed April Revised Budget includes an assumption that our General Apportionment will remain at the same level assumed in the Adopted Budget. General Apportionment is based on the assumption the college will receive funding for 3,045 FTES and the State will deficit apportionment by 0.50%. The college received the final calculation for 2014/15 apportionment in February 2016. We had assumed a 0.50% deficit factor when closing 2014/15. When final calculations were complete, 2014/15 did not require a deficit factor, which resulted in \$104,000 in additional one-time revenue in 2015/16.
2. Decline/Restoration/Budget Stability: The District's FTES base coming in to 2015/16 was 3,045. In the event of enrollment decline, districts are protected under current regulations from a reduction to apportionment revenue in the year of the decline only. Any decline must be restored in the following year to avoid a loss of apportionment funding. The college will receive stability funding in 2015/16, which is the one year hold harmless year. The college will lose apportionment funding for any FTES reported that is less than 3,045 in 2016/17.
3. One-time Revenues: The state budget included \$632 million in one-time funding to begin to address the backlog in mandated cost reimbursements. The college will receive \$1,653,000. These are unrestricted one-time funds. These funds have been used to restore the general fund reserves that have been used during the prolonged recession. This budget also includes \$104,000 in one time funds due to the 2015/16 recalculation on apportionment, as detailed previously in #1.

4. Revisions to Existing Grants: Based on additional information received subsequent to the adoption of the Adopted Budget, the budgets for some grants and other restricted programs have been revised accordingly.

Expenditure Highlights include:

1. Salaries, Wages and Benefits:

Costs for all currently authorized positions are included in this budget based on projected actual costs for 2015/16. All collective bargaining agreements have been settled for 2015/16 and all associated costs are included in this budget.

2. Contractual Services:

Immaterial adjustments were made to contractual services including interpreting costs for deaf and hard of hearing students, trustee elections, and utilities.

3. Capital Outlay:

The General Fund capital outlay budget was increased by \$84,000. \$50,000 will fund the replacement of non-instructional computers. An additional \$11,500 will fund computers for new employees.

4. Other Transfers:

The net transfer to the Child Care Fund decreased \$17,938 from the Adopted budget. The transfer to the Debt Service Fund is unchanged.

Mendocino Coast Center: This budget includes an estimate of \$250,000 to be received from College of the Redwoods per our current Memorandum of Understanding (MOU). The MOU states the CR will transfer to all revenue received for the Coast Center and the Fine Woodworking Program, net of direct expenditures, to Mendocino College. Based on a mid-year estimate from CR, this net amount is estimated to be \$300,000.

In addition, 100 FTES were served by Mendocino College at the Coast Center in 2015/16.

Unrestricted Ending Balance:

For the first time in many years, this April Revise Budget as presented is a balanced budget. This budget complies with all Board Budget Parameters. The budgeted ending fund balance is \$4,369,080 which is 19.84% of expenditures.

These figures assume that all revenues and expenditures will materialize at 100% of budgeted amounts. Past experience suggests that some budgeted expenditures could be unspent at year-end which would increase the ending balance.

OTHER FUNDS:

The Debt Services Fund Budget (Attachment B), includes the debt service payments on the Solar Field Project and the Energy Project. A portion of the Solar Field Project was funded by eleven year municipal lease bonds. The debt service will be offset by the energy savings from the solar field and PG&E incentives, both of which are highly dependent upon weather conditions. The Energy Project was funded with a five year, \$500,000 interest free loan from PG&E.

The Child Care Fund Budget (Attachment C), was revised to reflect salary, benefit, supply, service expenditure revisions made since the adoption of the budget in September. The proposed April

Revised Budget includes a General Fund subsidy of \$82,427, a decrease of \$27,968 from the Adopted Budget.

The Capital Projects Fund Budget (Attachment D), reflects budgets similar to those presented in the Adopted Budget. \$100,000 was allocated to upgrade the telephone system to Voice over Internet Protocol (VOIP) and to add telephones to all classrooms for security purposes. \$33,000 was allocated to finish multiple flooring projects.

The Special Reserve Fund Budget (Attachment E), includes the reserves for accrued vacations, load banking and self-insurance needs (active/retiree health plans, property, liability, workers' compensation). Accrued vacation and load banking are both reserved at 25% of the total value projected as of June 30, 2015. The Health Fund Reserve is intended to set aside funds for possible transfer to the Health Benefits Fund if necessary and to recognize that at the end of each year there are Incurred But Not Recorded (IBNR) health benefit claims. The Self Insurance Reserve is set aside to address other unforeseen costs associated with the District being self-insured for property, liability, and workers' compensation. The GASB 45 Reserve begins to address the need to fund the future liability of retiree health benefits; it reflects the Annual Required Contribution (ARC) as reflected in the actuarial study dated December 7, 2013. A new actuarial study will be completed by December 2016.

The Health Fund Budget (Attachment F), identifies those monies set aside for payment of plan participant health benefits during the 2015/16 fiscal year. Revenue is budgeted at \$1,600 per plan participant per month. Actual health benefit claims from July 1, 2015 through February 29, 2016 have averaged \$1,508 per month.

The Student Representation Fee Fund Budget (Attachment G), was included to reflect the \$1 per semester that each student pays to support student government here at the college.

The Student Center Fund Budget (Attachment H), was included to reflect the \$1 per unit per semester to a maximum of \$5 that each student pays for equipment and improvements in the Student Centers.

The Student Financial Aid Award Projections (Attachment I), includes projected 2015/16 revenues and expenditures based on the latest information regarding utilization and program funding.

MOTION/ACTION:

RESOLVED, That the Board of Trustees of the Mendocino-Lake Community College District does hereby adopt the proposed 2015/16 April Revised Budgets as presented and shown on Attachments A-1 through I:

Attachment A-1	April Revised Unrestricted General Fund Budget, 2015/16
Attachemnt A-2	April Revised Restricted General Fund Budget, 2015/16
Attachment B	April Revised Debt Service Fund Budget, 2015/16
Attachment C	April Revised Child Care Fund Budget, 2015/16
Attachment D	April Revised Capital Projects Fund Budget, 2015/16
Attachment E	April Revised Special Reserve Fund Budget, 2015/16
Attachment F	April Revised Health Fund Budget, 2015/16
Attachment G	April Revised Student Representation Fee Fund Budget, 2015/16
Attachment H	April Revised Student Center Fund Budget, 2015/16
Attachment I	April Revised Student Financial Aid Award Projections, 2015/16

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2015/16**

	2015/16 ADOPTED BUDGET FUND 11	2015/16 REVISED BUDGET FUND 11
BEGINNING FUND BALANCE	\$ 2,109,017	\$ 2,125,361
<u>REVENUE:</u>		
A. Federal	42,000	42,000
B. State	15,897,345	15,829,263
C. Local	8,038,402	8,391,219
D. Transfer in from Health Fund	-	-
TOTAL REVENUE	<u>\$ 23,977,747</u>	<u>\$ 24,262,482</u>
<u>EXPENDITURES:</u>		
A. Certificated Salaries and Wages	\$ 9,112,468	\$ 9,345,305
Classified Salaries and Wages	4,071,336	4,216,260
Subtotal Salaries and Wages	<u>13,183,804</u>	<u>13,561,565</u>
Fringe Benefits	4,762,151	4,817,528
Total Personnel Costs	<u>17,945,955</u>	<u>18,379,093</u>
B. Supplies	650,763	717,036
C. Contractual Services	2,241,289	2,281,998
D. Capital Outlay	6,138	90,196
E. Transfers		
To Child Care Fund	120,395	102,457
To Debt Service Fund	442,983	442,983
Other Outgo	-	5,000
	<u>563,378</u>	<u>550,440</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>\$ 21,407,523</u>	<u>\$ 22,018,763</u>
ENDING FUND BALANCE	4,679,241 21.86%	4,369,080 19.84%
CHANGE IN RESERVES	<u>\$ 2,570,224</u>	<u>\$ 2,243,719</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
RESTRICTED GENERAL FUND
2015/16**

	2015/16 ADOPTED BUDGET FUND 12	2015/16 REVISED BUDGET FUND 12
	<u> </u>	<u> </u>
BEGINNING FUND BALANCE	\$ 231,725	\$ 230,903
<u>REVENUE:</u>		
A. Federal	1,080,806	1,268,992
B. State	4,433,099	5,585,726
C. Local	91,500	109,488
TOTAL REVENUE	<u>\$ 5,605,405</u>	<u>\$ 6,964,206</u>
<u>EXPENDITURES:</u>		
A. Certificated Salaries and Wages	\$ 1,230,761	\$ 1,134,578
Classified Salaries and Wages	1,202,165	1,595,544
Subtotal Salaries and Wages	<u>2,432,926</u>	<u>2,730,122</u>
Fringe Benefits	917,664	953,446
Total Personnel Costs	<u>3,350,590</u>	<u>3,683,568</u>
B. Supplies	336,123	593,919
C. Contractual Services	1,284,105	1,360,863
D. Capital Outlay	412,275	801,464
E. Transfers to Student Financial Aid Fund and Other Payments To/For Students	<u>271,312</u>	<u>571,314</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>\$ 5,654,405</u>	<u>\$ 7,011,128</u>
ENDING FUND BALANCE	182,725	183,981
CHANGE IN RESERVES	<u>\$ (49,000)</u>	<u>\$ (46,922)</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
DEBT SERVICE FUND
2015/16**

	2015/16 ADOPTED BUDGET FUND 29	2015/16 REVISED BUDGET FUND 29
BEGINNING FUND BALANCE	\$ -	\$ -
<u>REVENUE:</u>		
A. Interest	(1,000)	(1,000)
B. PG&E Incentive - Solar	-	-
C. Transfer from General Fund - Solar	346,209	346,209
D. Transfer from General Fund - Energy Projects	96,774	96,774
TOTAL FUNDS AVAILABLE	<u>\$ 441,983</u>	<u>\$ 441,983</u>
<u>EXPENDITURES:</u>		
A. Solar debt service payments	\$ 345,209	\$ 345,209
B. Energy projects debt service payments	96,774	96,774
RESERVES	-	-
TOTAL EXPENDITURES AND RESERVES	<u>\$ 441,983</u>	<u>\$ 441,983</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
CHILD CARE FUND
2015/16**

	2015/16 ADOPTED BUDGET FUND 33	2015/16 REVISED BUDGET FUND 33
	<u> </u>	<u> </u>
<u>REVENUE:</u>		
Federal		
A. Food Program	\$ 35,000	\$ 35,000
State		
B. CA State Preschool Program	177,013	192,348
C. Food Program	2,000	2,000
D. General Contract	130,000	141,473
E. Facilities Renovation Repair	18,012	18,012
Local		
F. Parent Fees - Non-Certified/Full Fee	82,220	40,000
G. Other Local Income	-	-
Transfers		
H. General Fund Subsidy	110,395	82,427
I. Employee Child Care Benefit	10,000	20,000
 TOTAL REVENUE	 <u><u>\$ 564,640</u></u>	 <u><u>\$ 531,260</u></u>
 <u>EXPENDITURES:</u>		
A. Personnel Costs		
1. Salary and Wages		
Classified Regular	\$ 181,833	\$ 145,023
Classified Hourly	162,904	196,200
	<u>344,737</u>	<u>341,223</u>
2. Benefits	159,531	121,665
Total Personnel Costs	<u>504,268</u>	<u>462,888</u>
B. Supplies	24,100	30,100
C. Contractual Services	18,260	20,260
D. Capital Outlay	18,012	18,012
 TOTAL EXPENDITURES	 <u><u>\$ 564,640</u></u>	 <u><u>\$ 531,260</u></u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
CAPITAL PROJECTS FUND
2015/16**

	2015/16 ADOPTED BUDGET FUND 41	2015/16 REVISED BUDGET FUND 41
	<u> </u>	<u> </u>
BEGINNING FUND BALANCE		
Unrestricted	\$ 1,061,605	\$ 1,094,349
TOTAL BEGINNING FUND BALANCE	<u>1,061,605</u>	<u>1,094,349</u>
REVENUE:		
A. Interest	2,500	2,500
B. Proposition 39 Energy Projects	119,011	116,011
D. Physical Plant Block Grant	193,547	193,547
E. Redevelopment Agency On-going	100,000	100,000
F. NCCCSIA Return of Equity	20,000	38,000
G. Other PG&E Rebates	-	18,941
TOTAL REVENUES	<u>435,058</u>	<u>468,999</u>
TOTAL FUNDS AVAILABLE	<u>\$ 1,496,663</u>	<u>\$ 1,563,348</u>
EXPENDITURES AND TRANSFERS:		
A. Energy Projects	\$ 119,011	\$ 116,011
B. Physical Plant Block Grant	193,547	193,547
C. Campus Signs	54,952	54,952
D. Disabled Access Improvements	50,000	50,000
E. Flooring Replacement	-	33,078
F. Telecommunications Technology	-	100,000
G. Other Capital Projects	100,000	154,924
TOTAL EXPENDITURES	<u>517,510</u>	<u>702,512</u>
RESERVES	979,153	860,836
TOTAL EXPENDITURES AND RESERVES	<u>\$ 1,496,663</u>	<u>\$ 1,563,348</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
SPECIAL RESERVE FUND
2015/16**

	2015/16 ADOPTED BUDGET FUND 61	2015/16 REVISED BUDGET FUND 61
	<u> </u>	<u> </u>
BEGINNING FUND BALANCE	\$ 1,280,852	\$ 1,280,852
<u>REVENUE:</u>		
A. Interest	4,000	4,000
TOTAL FUNDS AVAILABLE	<u>\$ 1,284,852</u>	<u>\$ 1,284,852</u>
<u>EXPENDITURES AND TRANSFERS:</u>		
A. Transfer to General Fund	<u>\$ -</u>	<u>\$ -</u>
<u>RESERVES:</u>		
A. Accrued Vacation Reserve	135,000	135,000
B. Load Banking Reserve	81,000	81,000
C. Health Fund Reserve	275,000	275,000
D. Incurred But Not Recorded (IBNR) Health Benefits	180,000	180,000
E. GASB 45 Reserve	* 599,990 *	* 599,990 *
F. Self Insurance Reserve	13,862	13,862
TOTAL RESERVES	<u>1,284,852</u>	<u>1,284,852</u>
TOTAL EXPENDITURES AND RESERVES	<u>\$ 1,284,852</u>	<u>\$ 1,284,852</u>

*Total GASB 45 liability per actuarial study dated December 7, 2013 is \$6,342,577.

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
HEALTH FUND
2015/16**

	2015/16 ADOPTED BUDGET FUND 62	2015/16 REVISED BUDGET FUND 62
BEGINNING FUND BALANCE	\$ 1,307,710	\$ 1,307,710
<u>REVENUE:</u>		
A. Contribution from Other Funds	3,226,662	3,401,331
B. Employee Contributions	21,000	21,000
C. Interest	4,000	4,000
TOTAL REVENUE	<u>3,251,662</u>	<u>3,426,331</u>
TOTAL FUNDS AVAILABLE	<u>\$ 4,559,372</u>	<u>\$ 4,734,041</u>
<u>EXPENDITURES:</u>		
A. Health Care Services	\$ 3,251,662	\$ 3,426,331
B. Transfer to General Fund	-	-
TOTAL EXPENDITURES	<u>3,251,662</u>	<u>3,426,331</u>
RESERVES	<u>1,307,710</u>	<u>1,307,710</u>
TOTAL EXPENDITURES AND RESERVES	<u>\$ 4,559,372</u>	<u>\$ 4,734,041</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
STUDENT REPRESENTATION FEE FUND
2015/16**

	2015/16 ADOPTED BUDGET FUND 72	2015/16 REVISED BUDGET FUND 72
BEGINNING FUND BALANCE	\$ 24,336	\$ 24,336
<u>REVENUE:</u>		
A. Student Representation Fees	11,000	11,000
B. Interest	100	100
TOTAL REVENUE	<u>11,100</u>	<u>11,100</u>
TOTAL FUNDS AVAILABLE	<u>\$ 35,436</u>	<u>\$ 35,436</u>
<u>EXPENDITURES:</u>		
A. Services (Travel)	\$ 11,100	\$ 6,000
TOTAL EXPENDITURES	<u>11,100</u>	<u>6,000</u>
RESERVES	<u>24,336</u>	<u>29,436</u>
TOTAL EXPENDITURES AND RESERVES	<u>\$ 35,436</u>	<u>\$ 35,436</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
STUDENT CENTER FUND
2015/16**

	2015/16 ADOPTED BUDGET FUND 73	2015/16 REVISED BUDGET FUND 73
BEGINNING FUND BALANCE	\$ 297,136	\$ 297,136
<u>REVENUE:</u>		
A. Student Center Fees	34,000	34,000
B. Interest	1,000	1,000
TOTAL REVENUE	<u>35,000</u>	<u>35,000</u>
TOTAL FUNDS AVAILABLE	<u>\$ 332,136</u>	<u>\$ 332,136</u>
<u>EXPENDITURES:</u>		
A. Student Salary & Benefits	\$ 10,000	\$ -
B. Supplies	10,000	7,000
C. Services	3,500	4,500
D. Equipment	10,000	1,000
TOTAL EXPENDITURES	<u>33,500</u>	<u>12,500</u>
RESERVES	<u>298,636</u>	<u>319,636</u>
TOTAL EXPENDITURES AND RESERVES	<u>\$ 332,136</u>	<u>\$ 332,136</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
STUDENT FINANCIAL AID AWARD PROJECTIONS
2015/16**

	<u>2014/15 ESTIMATED AWARDS</u>	<u>2015/16 ESTIMATED AWARDS</u>
<u>SOURCE OF FUNDS:</u>		
FEDERAL SOURCES		
A. PELL GRANT	\$ 5,500,000	\$ 5,500,000
B. FSEOG	55,000	69,000
C. BUREAU OF INDIAN AFFAIRS	6,000	11,000
D. DIRECT LOANS	1,400,000	1,250,000
E. AMERICORPS	12,000	46,000
F. FEDERAL WORK STUDY	35,000	71,000
TOTAL FEDERAL SOURCES	7,008,000	6,947,000
STATE SOURCES		
A. CAL GRANT	300,000	370,000
B. EOPS GRANT	40,000	157,000
C. CHAFEE GRANT	12,500	40,000
D. FULL TIME STUDENT SUCCESS GRANT	-	115,500
TOTAL STATE SOURCES	352,500	682,500
C. LOCAL SOURCES		
A SCHOLARSHIPS	200,000	300,000
TOTAL	\$ 7,560,500	\$ 7,929,500
<u>DISBURSEMENTS:</u>		
A. STUDENT FINANCIAL AID	\$ 7,560,500	\$ 7,929,500