

SUBJECT: 2010/11 APRIL REVISED BUDGETS

SYNOPSIS:

The 2010/11 April Revised Budgets are presented for Board of Trustees consideration.

RECOMMENDATION:

The Superintendent/President recommends the adoption of the 2010/11 April Revised Budgets for the Mendocino-Lake Community College District General Fund, Debt Service Fund, Child Care Fund, Capital Projects Fund, Bond 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" through "J".

ANALYSIS:

On October 6, 2010, the Board of Trustees approved the 2010/11 Adopted Budgets. All Budgets presented here reflect information received and decisions made since the approval of the Adopted Budgets. Highlights are discussed below:

GENERAL FUND:

Beginning Balance: The beginning balance for the 2010/11 proposed April Revised Budget is \$3,046,665 based on the 2009/10 Audit Report. The unrestricted portion of the beginning balance is \$2,857,479. The remaining \$189,186 is funds restricted for the Student Health Fee Program.

Revenue Highlights include:

1. **General Apportionment Revenue (2010/11)** – 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 increase in 2010/11 by a net total of \$358,000 due to enrollment growth funds.
2. **Decline/Restoration/Budget Stability** – It is anticipated that the District will receive funding for its enrollment base of 2,930 FTES plus restoration funding for 76 FTES for 2010/11; in addition, we intend to receive our full enrollment growth funding for an additional 108 FTES. 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.
3. **Mandated Costs** – The proposed April Revised Budget reflects \$56,000 of mandated costs reimbursement which has been received but not reflected in the Adopted Budget.
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 2010/11. This budget includes the cost of anticipated collective bargaining unit

settlements, and step and longevity changes. Due to the restoration of the negotiated salary decrease of 4% for all employees effective January 1, 2011, anticipated cost of union settlements, and the cost of an increase in course sections to meet student demand, net salary and benefit costs included herein are \$569,000 more than what was anticipated in the adopted budget.

2. Supplies and Services:

The proposed April Revised Budget includes a projected increase in supplies which includes classroom materials that are offset by the collection of materials fees.

3. Other Transfers:

The net transfer to the Child Care Fund has been decreased in this budget by \$79,061 for a total transfer from the General Fund of \$83,766. This reflects the proper reallocation of instructional salaries from the Child Care Fund to the General Fund. The unallocated categorical backfill that was set aside to support categorical programs has been removed from the revised budget.

Unrestricted Ending Balance:

The proposed April Revised Budget includes a net increase in revenue of \$519,222 and a net increase in expenditures of \$381,412 from what was approved in the Adopted Budget. Total revenues now exceed total expenditures by \$328,522 which complies with the Board of Trustees Budget Parameter regarding a balanced budget. Therefore the unrestricted ending balance is projected to increase from \$2,857,479 as reflected in the adopted budget to \$3,186,001 (16.4% of expenditures). This is a significant improvement in our financial situation and will greatly aid us in meeting the financial challenges that await us in the next three years.

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 project. This portion of the 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 for the first five years. No significant changes from the adopted budget are anticipated.

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 October. The proposed April Revised Budget includes a general fund subsidy of \$83,766, a decrease of \$79,061 from the Adopted Budget which reflects the proper reallocation of instructional salaries from the Child Care Fund to the General Fund.

The Capital Projects Fund Budget (Attachment D), reflects a PG&E rebate of \$17,077 for an exterior lighting project and increases in the expenditure budget that include \$17,000 to comply with our Educational Broadcast system (EBS) license as well as Heating Ventilation and Air Conditioning (HVAC) repairs and upgrades. \$533,636 of reserves are set aside for future projects.

The Bond Project Fund Budget (Attachment E), includes projected revenues and expenditures for all Measure "W" Bond Projects anticipated for this fiscal year from Series A bond proceeds. This budget assumes that the Series B bond sale will occur in June 2011. An additional \$200,000 is included in the Willits Center budget to cover planning and architectural costs this year.

The Special Reserve Fund Budget (Attachment F), includes the reserves for accrued vacations, load banking and self-insurance needs (active/retiree health plans, property, liability, worker's compensation). Accrued vacation and load banking are both reserved at 25% of the total value projected as of June 30, 2010. 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 worker's compensation. The GASB 45 Reserve begins to address the need to fund the future liability of retiree health benefits; it was increased to reflect the Annual Required Contribution (ARC) as reflected in the actuarial study dated April 9, 2008.

The Health Fund Budget (Attachment G), identifies those monies set aside for payment of plan participant health benefits during the 2010/11 fiscal year. Revenue is budgeted at \$1,760 per plan participant per month. It won't be known until the close of this fiscal year whether this level of contributions was sufficient to cover health costs.

The Student Representation Fee Fund Budget (Attachment H), 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 I), 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 Center.

The Student Financial Aid Award Projections (Attachment J), includes projected 2010/11 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 2010/11 April Revised Budgets as presented and shown on Attachments A through J:

Attachment A	April Revised General Fund Budget, 2010/11
Attachment B	April Revised Debt Service Fund Budget, 2010/11
Attachment C	April Revised Child Care Fund Budget, 2010/11
Attachment D	April Revised Capital Projects Fund Budget, 2010/11
Attachment E	April Revised Bond Projects Fund Budget, 2010/11
Attachment F	April Revised Special Reserve Fund Budget, 2010/11
Attachment G	April Revised Health Fund Budget, 2010/11
Attachment H	April Revised Student Representation Fee Fund Budget, 2010/11
Attachment I	April Revised Student Center Fund Budget, 2010/11
Attachment J	April Revised Student Financial Aid Award Projections, 2010/11

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
GENERAL FUND
2010/11**

	2010/11 ADOPTED BUDGET			2010/11 PROPOSED REVISED BUDGET		
	Unrestricted Subfund 11	Restricted Subfund 12	Total General Fund Fund 10	Unrestricted Subfund 11	Restricted Subfund 12	Total General Fund Fund 10
BEGINNING FUND BALANCE						
Restricted - Student Health Fee Program		\$189,186	\$189,186		\$189,186	\$189,186
Unrestricted	\$2,857,479		2,857,479	\$2,857,479		2,857,479
TOTAL BEGINNING FUND BALANCE	<u>\$2,857,479</u>	<u>\$189,186</u>	<u>\$3,046,665</u>	<u>\$2,857,479</u>	<u>\$189,186</u>	<u>\$3,046,665</u>
REVENUE:						
A. Federal	\$82,583	\$803,325	\$885,908	\$67,615	\$1,320,595	\$1,388,210
B. State	12,129,811	1,731,458	13,861,269	12,418,619	1,865,248	14,283,867
C. Local	6,967,361	154,302	7,121,663	7,212,743	156,220	7,368,963
TOTAL REVENUE	<u>\$19,179,755</u>	<u>\$2,689,085</u>	<u>\$21,868,840</u>	<u>\$19,698,977</u>	<u>\$3,342,063</u>	<u>\$23,041,040</u>
EXPENDITURES:						
A. Certificated Salaries and Wages	\$7,685,705	\$581,705	\$8,267,410	\$8,049,138	\$677,850	\$8,726,988
Classified Salaries and Wages	3,862,373	751,286	4,613,659	3,985,840	991,223	4,977,063
Subtotal Salaries and Wages	<u>\$11,548,078</u>	<u>\$1,332,991</u>	<u>\$12,881,069</u>	<u>\$12,034,978</u>	<u>\$1,669,073</u>	<u>\$13,704,051</u>
Fringe Benefits	<u>\$4,517,923</u>	<u>\$561,305</u>	<u>\$5,079,228</u>	<u>\$4,600,056</u>	<u>\$672,842</u>	<u>\$5,272,898</u>
Total Personnel Costs	<u>\$16,066,001</u>	<u>\$1,894,296</u>	<u>\$17,960,297</u>	<u>\$16,635,034</u>	<u>\$2,341,915</u>	<u>\$18,976,949</u>
B. Supplies	\$579,672	\$103,052	\$682,724	\$636,193	\$146,268	\$782,460
C. Contractual Services	1,748,574	368,792	2,117,366	1,748,103	467,884	2,215,987
D. Capital Outlay	67,578	99,506	167,084	67,359	95,160	162,519
E. Transfers to Student Financial Aid Fund and Other Payments To/For Students		195,344	195,344		281,742	281,742
F. Other Transfers						
Categorical Programs Backfill	164,391		164,391			
To Health Fund						
To Child Care Fund	162,827	6,000	168,827	83,766		83,766
To Debt Service Fund	200,000		200,000	200,000		200,000
	<u>\$527,218</u>	<u>\$6,000</u>	<u>\$533,218</u>	<u>\$283,766</u>	<u>\$0</u>	<u>\$283,766</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>\$18,989,043</u>	<u>\$2,666,990</u>	<u>\$21,656,033</u>	<u>\$19,370,455</u>	<u>\$3,332,968</u>	<u>\$22,703,424</u>
ENDING FUND BALANCE						
Restricted - Student Health Fee Program		\$211,281	\$211,281		\$198,281	\$198,281
Unrestricted	3,048,191		3,048,191	3,186,001		3,186,001
TOTAL ENDING FUND BALANCE	<u>\$3,048,191</u> 16.1%	<u>\$211,281</u>	<u>\$3,259,472</u> 14.1%	<u>\$3,186,001</u> 16.4%	<u>\$198,281</u>	<u>\$3,384,282</u> 14.0%
CHANGE IN RESERVES						
Restricted - Student Health Fee Program		\$22,095	\$22,095		\$9,095	\$9,095
Unrestricted	\$190,712		190,712	\$328,522		328,522
TOTAL CHANGE IN RESERVES	<u>\$190,712</u>	<u>\$22,095</u>	<u>\$212,807</u>	<u>\$328,522</u>	<u>\$9,095</u>	<u>\$337,617</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
DEBT SERVICE FUND
2010/11**

	2010/11 ADOPTED BUDGET FUND 29	2010/11 PROPOSED REVISED BUDGET FUND 29
BEGINNING FUND BALANCE	\$147,969	\$147,969
<u>REVENUE:</u>		
A. Interest		\$400
B. PG&E Incentive	\$517,774	517,774
C. Transfer from General Fund	200,000	200,000
TOTAL FUNDS AVAILABLE	<u>\$865,743</u>	<u>\$866,143</u>
<u>EXPENDITURES:</u>		
A. Debt service payment	<u>\$717,774</u>	<u>\$717,774</u>
RESERVES	\$147,969	\$148,369
TOTAL EXPENDITURES AND RESERVES	<u>\$865,743</u>	<u>\$866,143</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
CHILD CARE FUND
2010/11**

	2010/11 ADOPTED BUDGET FUND 33	2010/11 PROPOSED REVISED BUDGET FUND 33
<u>REVENUE:</u>		
Federal		
A. Food Program	\$33,000	\$33,000
State		
B. CA State Preschool Program	213,994	178,994
C. CalWORKS via North Coast Opportunities	36,500	10,500
D. Food Program	2,000	2,000
E. General Contract	120,559	155,559
F. Instructional Materials Grant	437	437
G. Renovation and Repair Grant	60,000	60,000
Local		
H. Parent Fees - Certified/Subsidized	100	100
I. Parent Fees - Non-Certified/Full Fee	20,000	40,500
J. Interest	-50	-50
K. NCO CAPP Program	3,000	11,000
L. Other Local Income	100	100
Transfers		
M. General Fund Subsidy	162,827	83,766
N. CalWORKS College Grant	2,000	
 TOTAL REVENUE	 <u><u>\$654,467</u></u>	 <u><u>\$575,906</u></u>
<u>EXPENDITURES:</u>		
A. Personnel Costs		
1. Salary and Wages		
Classified Regular	226,556	173,613
Classified Hourly	147,537	147,537
	<u>\$374,093</u>	<u>\$321,150</u>
2. Benefits	<u>\$179,940</u>	<u>\$154,322</u>
Total Personnel Costs	<u>\$554,033</u>	<u>\$475,472</u>
B. Supplies	\$22,024	\$20,709
C. Contractual Services	\$17,210	\$18,525
D. Capital Outlay	<u>\$61,200</u>	<u>\$61,200</u>
 TOTAL EXPENDITURES	 <u><u>\$654,467</u></u>	 <u><u>\$575,906</u></u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
CAPITAL PROJECTS FUND
2010/11**

	2010/11 ADOPTED BUDGET FUND 41	2010/11 PROPOSED REVISED BUDGET FUND 41
	<u> </u>	<u> </u>
BEGINNING FUND BALANCE		
Restricted	\$97,415	\$97,415
Unrestricted	1,057,803	1,057,803
TOTAL BEGINNING FUND BALANCE	<u>\$1,155,218</u>	<u>\$1,155,218</u>
<u>REVENUE:</u>		
A. Interest	\$2,000	\$3,000
B. PG&E Rebate		17,077
C. Physical Plant Block Grant: On-going	18,443	18,443
D. Redevelopment Agency		5,000
TOTAL REVENUES	<u>\$20,443</u>	<u>\$43,520</u>
TOTAL FUNDS AVAILABLE	<u><u>\$1,175,661</u></u>	<u><u>\$1,198,738</u></u>
<u>EXPENDITURES:</u>		
A. Science Building	\$97,415	\$97,415
B. EBS Educational Broadcast System		17,000
C. HVAC Upgrades - Block Grant	18,443	18,443
D. HVAC Upgrades		15,000
E. Lake Center	5,000	5,000
F. North State Street Improvements	500,000	500,000
G. Other Capital Projects		12,244
TOTAL EXPENDITURES	<u>\$620,858</u>	<u>\$665,102</u>
<u>RESERVES:</u>		
A. Other Capital Projects	554,803	533,636
TOTAL RESERVES	<u>\$554,803</u>	<u>\$533,636</u>
TOTAL EXPENDITURES AND RESERVES	<u><u>\$1,175,661</u></u>	<u><u>\$1,198,738</u></u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
BOND PROJECTS FUND
2010/11**

	2010/11 ADOPTED BUDGET FUND 43	2010/11 PROPOSED REVISED BUDGET FUND 43
	<u> </u>	<u> </u>
BEGINNING FUND BALANCE	\$13,996,910	\$13,996,910
<u>REVENUE:</u>		
Series B bond proceeds	\$37,500,000	\$37,500,000
Interest	638,724	638,724
TOTAL REVENUES	<u>\$38,138,724</u>	<u>\$38,138,724</u>
TOTAL FUNDS AVAILABLE	<u>\$52,135,634</u>	<u>\$52,135,634</u>
<u>Project #</u>		
Bond Project Management		
717320 Salary and Benefits	\$221,242	\$224,819
717320 Consultants	115,000	115,000
717320 Supplies, Services, & Equipment	57,000	57,000
Subtotal, Bond Project Management	<u>\$393,242</u>	<u>\$396,819</u>
717000 Campus Lighting	\$135,000	\$135,000
717010 Disabled Access Improvements	66,007	66,007
717020 Energy Projects	143,848	143,848
717030 Flooring Replacement	69,638	69,638
717050 Other Campus Infrastructure	160,000	390,000
717060 Point Arena Field Station	457,588	457,588
71707X Renovation for Instructional and Student Services	66,178	66,178
717170 Allied Health/ Nursing Facility		20,000
717180 Athletic Field Improvements	675,000	685,000
717190 Library/Learning Center	23,033,000	23,033,000
717200 Student Center Cafeteria (renovate current Library Bldg.)	464,972	464,972
717210 Maintenance/Warehouse	2,543,626	2,543,626
717240 Modernize Vocational Program Facilities and Equipment	154,358	154,358
717270 Integrated Information System	788,801	788,801
717300 Lake County Center	800,000	800,000
717310 Willits/Northern Mendocino County Center	1,549,000	1,749,000
000000 Other Bond Projects	500,000	256,423
Subtotal, Bond Projects	<u>\$31,607,016</u>	<u>\$31,823,439</u>
000000 Contingency	500,000	500,000
TOTAL EXPENDITURES	<u>\$32,500,258</u>	<u>\$32,720,258</u>
RESERVES:	<u>\$19,635,376</u>	<u>\$19,415,376</u>
TOTAL EXPENDITURES AND RESERVES	<u>\$52,135,634</u>	<u>\$52,135,634</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
SPECIAL RESERVE FUND
2010/11**

	2010/11 ADOPTED BUDGET FUND 61	2010/11 PROPOSED REVISED BUDGET FUND 61
BEGINNING FUND BALANCE	\$1,406,019	\$1,406,019
<u>REVENUE:</u>		
A. Interest	\$10,000	\$10,000
TOTAL FUNDS AVAILABLE	<u>\$1,416,019</u>	<u>\$1,416,019</u>
<u>EXPENDITURES AND TRANSFERS:</u>		
A. Transfer to Health Fund	<u>\$0</u>	<u>\$0</u>
<u>RESERVES:</u>		
A. Accrued Vacation Reserve	\$140,000	\$140,000
B. Load Banking Reserve	63,000	63,000
C. Health Fund Reserve	300,000	300,000
D. Incurred But Not Recorded (IBNR) Health Benefits	298,451 *	298,451 *
E. GASB 45 Reserve	470,447 **	470,447 **
F. Self Insurance Reserve	144,121	144,121
TOTAL RESERVES	<u>\$1,416,019</u>	<u>\$1,416,019</u>
TOTAL EXPENDITURES AND RESERVES	<u>\$1,416,019</u>	<u>\$1,416,019</u>

*Health benefit expenditures incurred but not paid at June 30, 2010.

**Total GASB 45 liability per actuarial study dated April 9, 2008 is \$4,313,494.

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
STUDENT REPRESENTATION FEE FUND
2010/11**

	2010/11 ADOPTED BUDGET FUND 72	2010/11 PROPOSED REVISED BUDGET FUND 72
BEGINNING FUND BALANCE	\$30,170	\$30,170
<u>REVENUE:</u>		
A. Student Representation Fees	\$13,500	\$13,500
B. Interest	100	100
TOTAL REVENUE	<u>\$13,600</u>	<u>\$13,600</u>
TOTAL FUNDS AVAILABLE	<u><u>\$43,770</u></u>	<u><u>\$43,770</u></u>
<u>EXPENDITURES:</u>		
A. Services (Travel)	\$15,000	\$15,000
TOTAL EXPENDITURES	<u>\$15,000</u>	<u>\$15,000</u>
RESERVES	\$28,770	\$28,770
TOTAL EXPENDITURES AND RESERVES	<u><u>\$43,770</u></u>	<u><u>\$43,770</u></u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
STUDENT CENTER FUND
2010/11**

	2010/11 ADOPTED BUDGET FUND 73	2010/11 PROPOSED REVISED BUDGET FUND 73
BEGINNING FUND BALANCE	\$225,545	\$225,545
<u>REVENUE:</u>		
A. Student Center Fees	\$38,000	\$38,000
B. Interest	1,000	1,000
TOTAL REVENUE	<u>\$39,000</u>	<u>\$39,000</u>
TOTAL FUNDS AVAILABLE	<u><u>\$264,545</u></u>	<u><u>\$264,545</u></u>
<u>EXPENDITURES:</u>		
A. Supplies	\$1,250	\$1,250
B. Equipment	3,000	3,000
TOTAL EXPENDITURES	<u>\$1,250</u>	<u>\$4,250</u>
RESERVES	\$263,295	\$260,295
TOTAL EXPENDITURES AND RESERVES	<u><u>\$264,545</u></u>	<u><u>\$264,545</u></u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
STUDENT FINANCIAL AID AWARD PROJECTIONS
2010/11**

	<u>2010/11 ESTIMATED AWARDS</u>	<u>2010/11 ESTIMATED AWARDS</u>
<u>SOURCE OF FUNDS:</u>		
FEDERAL SOURCES		
A. PELL GRANT	\$4,200,000	\$5,300,000
B. FSEOG	50,000 *	55,000 *
C. ACADEMIC COMPETITIVENESS GRANTS	20,000 **	6,500 **
D. BUREAU OF INDIAN AFFAIRS	11,150	5,000
E. STAFFORD LOANS	900,000	800,000
F. AMERICORPS	55,000	25,000
G. FEDERAL WORK STUDY	55,000	40,000
TOTAL FEDERAL SOURCES	<u>5,291,150</u>	<u>6,231,500</u>
STATE SOURCES		
A. CAL GRANT	\$270,000	\$195,000
B. EOPS GRANT	50,000	50,000
C. CARE GRANT	0 ***	0 ***
D. CHAFEE GRANT	25,000	5,000
TOTAL STATE SOURCES	<u>\$345,000</u>	<u>\$250,000</u>
C. LOCAL SOURCES		
1. SCHOLARSHIPS	\$185,000	\$235,250
TOTAL	<u><u>\$5,821,150</u></u>	<u><u>\$6,716,750</u></u>
<u>DISBURSEMENTS:</u>		
A. STUDENT FINANCIAL AID	<u><u>\$5,821,150</u></u>	<u><u>\$6,716,750</u></u>

* Set by federal allocations

** Eliminated program

*** Issuing meal vouchers instead