

SUBJECT: 2012/13 APRIL REVISED BUDGETS

SYNOPSIS:

The 2012/13 April Revised Budgets are presented for Board of Trustees consideration.

RECOMMENDATION:

The Superintendent/President recommends the adoption of the 2012/13 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 September 12, 2012, the Board of Trustees approved the 2012/13 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 2012/13 proposed April Revised Budget is \$3,272,467 based on the 2011/12 Audit Report. The unrestricted portion of the beginning balance is \$3,068,996. The remaining \$203,471 is funds restricted for the Student Health Fee Program.

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 decrease in 2012/13 by a total of \$183,000 due to an unexpected 1% deficit factor because of less enrollment fees and property tax being received than what the State projected.
2. **Decline/Restoration/Budget Stability** – It is anticipated that the District will receive funding for its enrollment base of 3097 FTES which includes restoration of 427 FTES from the 2011/12 fiscal year. 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. **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 2012/13. This budget includes the cost of collective bargaining unit settlements, and step and longevity changes. Due mainly to \$220,000 in sections added to the schedule to meet our FTES base, net salary and benefit costs included herein are more than what was anticipated in the adopted budget.
2. **Supplies:**
The cost of supplies is almost \$70,000 more than budgeted which includes additional marketing expense in order to increase enrollment.

3. Other Transfers:

The net transfer to the Child Care Fund has been increased in this budget by \$29,445 for a total transfer from the General Fund of \$107,140. This reflects a reduction in the projected allocation of the director's time to the foster care program.

Unrestricted Ending Balance:

The proposed April Revised Budget includes a net increase in the anticipated deficit of \$511,912 from what was approved in the Adopted Budget. Therefore the unrestricted ending balance is projected to decrease from \$2,519,366 as reflected in the adopted budget to \$2,005,011 (9.7% of expenditures). This is a considerable change in our financial situation but still leaves us with significant reserves. Due to the passage of Proposition 30 and the recovery in the State's revenues, we anticipate this to be the worst of the great recession years and that our fund balance will improve in future 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 and decrease the deficit amount.

OTHER FUNDS:

The Debt Services Fund Budget (Attachment B), includes the debt service payments on the Solar project and the recent HVAC upgrades. The debt service will be offset by the energy savings and PG&E incentives.

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 \$102,140, an increase of \$29,445 from the Adopted Budget which reflects the reduction in the projected allocation of the director's time to the foster care program.

The Capital Projects Fund Budget (Attachment D), reflects \$1.2 million in HVAC replacement and upgrades in our energy system which is partially offset by PG&E rebate incentives and an interest free loan at the completion of the project. The difference is being carried by this fund resulting in a negative balance.

The Bond Project Fund Budget (Attachment E), includes projected revenues and expenditures for all Measure "W" Bond Projects anticipated for this fiscal year from bond proceeds.

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, 2012. 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 and reflects the Annual Required Contribution (ARC) as reflected in the actuarial study dated June 13, 2011.

The Health Fund Budget (Attachment G), identifies those monies set aside for payment of plan participant health benefits during the 2012/13 fiscal year. Revenue is budgeted at \$1,936 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 Centers.

The Student Financial Aid Award Projections (Attachment J), includes projected 2012/13 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 2012/13 April Revised Budgets as presented and shown on Attachments A through J:

Attachment A	April Revised General Fund Budget, 2012/13
Attachment B	April Revised Debt Service Fund Budget, 2012/13
Attachment C	April Revised Child Care Fund Budget, 2012/13
Attachment D	April Revised Capital Projects Fund Budget, 2012/13
Attachment E	April Revised Bond Projects Fund Budget, 2012/13
Attachment F	April Revised Special Reserve Fund Budget, 2012/13
Attachment G	April Revised Health Fund Budget, 2012/13
Attachment H	April Revised Student Representation Fee Fund Budget, 2012/13
Attachment I	April Revised Student Center Fund Budget, 2012/13
Attachment J	April Revised Student Financial Aid Award Projections, 2012/13

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
GENERAL FUND
2012/13**

	2012/13 ADOPTED BUDGET			2012/13 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		\$193,635	\$193,635		\$203,471	\$203,471
Unrestricted	\$3,071,439		3,071,439	\$3,068,996		3,068,996
TOTAL BEGINNING FUND BALANCE	<u>\$3,071,439</u>	<u>\$193,635</u>	<u>\$3,265,074</u>	<u>\$3,068,996</u>	<u>\$203,471</u>	<u>\$3,272,467</u>
REVENUE:						
A. Federal	\$52,000	\$707,600	\$759,600	\$52,000	\$737,111	\$789,111
B. State	12,657,658	2,038,630	14,696,288	12,131,151	2,713,426	14,844,577
C. Local	6,988,396	86,486	7,074,882	7,492,260	86,486	7,578,746
D. Transfers In			0			0
TOTAL REVENUE	<u>\$19,698,054</u>	<u>\$2,832,716</u>	<u>\$22,530,770</u>	<u>\$19,675,411</u>	<u>\$3,537,023</u>	<u>\$23,212,433</u>
EXPENDITURES:						
A. Certificated Salaries and Wages	\$8,345,124	\$515,059	\$8,860,183	\$8,550,703	\$660,960	\$9,211,663
Classified Salaries and Wages	4,202,495	895,203	5,097,698	4,258,546	980,447	5,238,993
Subtotal Salaries and Wages	<u>\$12,547,619</u>	<u>\$1,410,262</u>	<u>\$13,957,881</u>	<u>\$12,809,249</u>	<u>\$1,641,407</u>	<u>\$14,450,656</u>
Fringe Benefits	\$5,024,997	\$544,005	\$5,569,002	\$5,039,273	\$626,080	\$5,665,353
Total Personnel Costs	<u>\$17,572,616</u>	<u>\$1,954,267</u>	<u>\$19,526,883</u>	<u>\$17,848,522</u>	<u>\$2,267,488</u>	<u>\$20,116,009</u>
B. Supplies	\$609,707	\$146,433	\$756,140	\$679,489	\$293,031	\$972,520
C. Contractual Services	1,751,714	406,210	2,157,924	1,766,714	574,317	2,341,031
D. Capital Outlay	38,394	162,753	201,147	89,192	212,455	301,646
E. Transfers to Student Financial Aid Fund and Other Payments To/For Students		187,015	187,015	3,080	213,694	216,774
F. Other Transfers						
To Child Care Fund	77,695		77,695	107,140		107,140
To Debt Service Fund	200,000		200,000	245,258		245,258
	<u>\$277,695</u>	<u>\$0</u>	<u>\$277,695</u>	<u>\$352,398</u>	<u>\$0</u>	<u>\$352,398</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>\$20,250,127</u>	<u>\$2,856,678</u>	<u>\$23,106,804</u>	<u>\$20,739,396</u>	<u>\$3,560,985</u>	<u>\$24,300,380</u>
ENDING FUND BALANCE						
Restricted - Student Health Fee Program		\$169,673	\$169,673		\$179,509	\$179,509
Unrestricted	2,519,366	12.4%	2,519,366	2,005,011	9.7%	2,005,011
TOTAL ENDING FUND BALANCE	<u>\$2,519,366</u>	<u>\$169,673</u>	<u>\$2,689,039</u>	<u>\$2,005,011</u>	<u>\$179,509</u>	<u>\$2,184,520</u>
CHANGE IN RESERVES						
Restricted - Student Health Fee Program		(\$23,962)	(\$23,962)		(\$23,962)	(\$23,962)
Unrestricted	(\$552,073)		(\$552,073)	(\$1,063,985)		(\$1,063,985)
TOTAL CHANGE IN RESERVES	<u>(\$552,073)</u>	<u>(\$23,962)</u>	<u>(\$576,035)</u>	<u>(\$1,063,985)</u>	<u>(\$23,962)</u>	<u>(\$1,087,947)</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
DEBT SERVICE FUND
2012/13**

	<u>2012/13 ADOPTED BUDGET FUND 29</u>	<u>2012/13 PROPOSED REVISED BUDGET FUND 29</u>
BEGINNING FUND BALANCE	\$114,799	\$114,799
<u>REVENUE:</u>		
A. Interest	\$0	\$0
B. PG&E Incentive - Solar	557,386	544,386
C. Transfer from General Fund - Solar	200,000	213,000
D. Transfer from General Fund - Energy Projects		32,258
TOTAL FUNDS AVAILABLE	<u>\$872,185</u>	<u>\$904,443</u>
<u>EXPENDITURES:</u>		
A. Solar debt service payments	\$872,185	\$872,185
B. Energy projects debt service payments		\$32,258
RESERVES	\$0	\$0
TOTAL EXPENDITURES AND RESERVES	<u>\$872,185</u>	<u>\$904,443</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
CHILD CARE FUND
2012/13**

	2012/13 ADOPTED BUDGET FUND 33	2012/13 PROPOSED REVISED BUDGET FUND 33
REVENUE:		
Federal		
A. Food Program	\$31,000	\$31,000
State		
B. CA State Preschool Program	140,560	153,560
C. CalWORKS via North Coast Opportunities	10,924	10,924
D. Food Program	2,000	2,000
E. General Contract	121,026	108,026
F. Renovation and Repair Grant	18,000	18,000
Local		
G. Parent Fees - Certified/Subsidized	18,268	1,268
H. Parent Fees - Non-Certified/Full Fee	45,570	62,570
I. Interest	(150)	0
J. NCO CAPP Program	3,000	3,000
K. Other Local Income	2,600	3,641
Transfers		
L. General Fund Subsidy	72,695	102,140
M. Employee Child Care Benefit	5,000	5,000
TOTAL REVENUE	\$470,493	\$501,129
EXPENDITURES:		
A. Personnel Costs		
1. Salary and Wages		
Classified Regular	168,429	167,843
Classified Hourly	118,016	138,816
	<u>\$286,445</u>	<u>\$306,659</u>
2. Benefits	\$129,195	\$138,576
Total Personnel Costs	<u>\$415,640</u>	<u>\$445,235</u>
B. Supplies	\$17,744	\$16,607
C. Contractual Services	\$16,609	\$18,787
D. Capital Outlay	<u>\$20,500</u>	<u>\$20,500</u>
TOTAL EXPENDITURES	\$470,493	\$501,129

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
CAPITAL PROJECTS FUND
2012/13**

	2012/13 ADOPTED BUDGET FUND 41	2012/13 PROPOSED REVISED BUDGET FUND 41
	<u> </u>	<u> </u>
BEGINNING FUND BALANCE		
Restricted	\$0	\$0
Unrestricted	119,037	119,037
TOTAL BEGINNING FUND BALANCE	<u>\$119,037</u>	<u>\$119,037</u>
<u>REVENUE:</u>		
A. Interest	\$4,000	(\$2,000)
B. Energy System Upgrade Rebates/Loans	1,050,000	723,229
C. Other PG & E rebates		46,520
D. City of Ukiah - Carousel Sewer Funds		62,477
E. Redevelopment Agency	100,000	100,000
F. NCCCSIA Return of Equity	70,000	49,000
TOTAL REVENUES	<u>\$1,224,000</u>	<u>\$979,226</u>
TOTAL FUNDS AVAILABLE	<u><u>\$1,343,037</u></u>	<u><u>\$1,098,263</u></u>
<u>EXPENDITURES AND TRANSFERS:</u>		
A. Energy System Upgrade	1,120,000	1,263,105
B. HVAC Upgrades	15,000	23,548
C. Lake Center	5,000	
D. Security Systems	10,000	
E. Campus Signs		62,477
F. Other Capital Projects	25,000	15,000
TOTAL EXPENDITURES	<u>\$1,175,000</u>	<u>\$1,364,130</u>
<u>RESERVES:</u>		
A. Other Capital Projects	168,037	(\$265,867)
TOTAL RESERVES	<u>\$168,037</u>	<u>(\$265,867)</u>
TOTAL EXPENDITURES AND RESERVES	<u><u>\$1,343,037</u></u>	<u><u>\$1,098,263</u></u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
BOND PROJECTS FUND
2012/13**

	2012/13 ADOPTED BUDGET FUND 43	2012/13 PROPOSED REVISED BUDGET FUND 43
	<u> </u>	<u> </u>
BEGINNING FUND BALANCE	\$20,710,778	\$20,710,778
<u>REVENUE:</u>		
Series B bond proceeds	\$0	\$0
Interest	5,563	5,563
TOTAL REVENUES	<u>\$5,563</u>	<u>\$5,563</u>
TOTAL FUNDS AVAILABLE	<u>\$20,716,341</u>	<u>\$20,716,341</u>
Project #		
Bond Project Management		
717320 Salary and Benefits	\$248,160	\$248,160
717320 Supplies, Services, & Equipment	20,700	20,700
Subtotal, Bond Project Management	<u>\$268,860</u>	<u>\$268,860</u>
717030 Flooring Replacement	31,862	31,862
717050 Other Campus Infrastructure		28,000
717060 Point Arena Field Station	67,127	67,127
717170 Allied Health/ Nursing Facility	2,075,000	2,075,000
717190 Library/Learning Center	1,728,528	1,728,528
717200 Student Center Cafeteria (renovate current Library Bldg.)	3,559,472	3,559,472
717240 Modernize Vocational Program Facilities and Equipment	60,000	60,000
717270 Integrated Information System	130,076	130,076
717300 Lake County Center	6,457,392	6,457,392
717310 Willits/Northern Mendocino County Center	4,772,567	4,772,567
000000 Other Bond Projects	500,000	472,000
Subtotal, Bond Projects	<u>\$19,382,024</u>	<u>\$19,382,024</u>
 TOTAL EXPENDITURES	 <u>\$19,650,884</u>	 <u>\$19,650,884</u>
RESERVES:	<u>\$1,065,457</u>	<u>\$1,065,457</u>
TOTAL EXPENDITURES AND RESERVES	<u>\$20,716,341</u>	<u>\$20,716,341</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
SPECIAL RESERVE FUND
2012/13**

	2012/13 ADOPTED BUDGET FUND 61	2012/13 PROPOSED REVISED BUDGET FUND 61
BEGINNING FUND BALANCE	\$1,418,441	\$1,418,441
<u>REVENUE:</u>		
A. Interest	\$6,000	\$6,000
TOTAL FUNDS AVAILABLE	\$1,424,441	\$1,424,441
<u>EXPENDITURES AND TRANSFERS:</u>		
A. Transfer to Health Fund	\$0	\$0
<u>RESERVES:</u>		
A. Accrued Vacation Reserve	\$132,000	\$132,000
B. Load Banking Reserve	58,000	58,000
C. Health Fund Reserve	275,000	275,000
D. Incurred But Not Recorded (IBNR) Health Benefits	150,000 *	180,000 ***
E. GASB 45 Reserve	640,341 **	640,341 **
F. Self Insurance Reserve	169,100	139,100
TOTAL RESERVES	\$1,424,441	\$1,424,441
TOTAL EXPENDITURES AND RESERVES	\$1,424,441	\$1,424,441

*Health benefit expenditures incurred but not paid at June 30, 2011.

**Total GASB 45 liability per actuarial study dated June 13, 2011 is \$6,236,313.

***Health benefit expenditures incurred but not paid at June 30, 2012.

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
HEALTH FUND
2012/13**

	2012/13 ADOPTED BUDGET FUND 62	2012/13 PROPOSED REVISED BUDGET FUND 62
BEGINNING FUND BALANCE	\$1,116,042	\$1,116,042
<u>REVENUE:</u>		
A. Contribution from Other Funds	\$3,549,608	\$3,549,608
B. Employee Contributions	16,500	16,500
C. Interest	2,000	5,000
TOTAL REVENUE	<u>\$3,568,108</u>	<u>\$3,571,108</u>
TOTAL FUNDS AVAILABLE	<u>\$4,684,150</u>	<u>\$4,687,150</u>
<u>EXPENDITURES:</u>		
A. Health Care Services	<u>\$3,568,108</u>	<u>\$3,571,108</u>
TOTAL EXPENDITURES	\$3,568,108	\$3,571,108
B. Reserve for Future Expenditures	<u>\$1,116,042</u>	<u>\$1,116,042</u>
TOTAL EXPENDITURES AND RESERVES	<u>\$4,684,150</u>	<u>\$4,687,150</u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
STUDENT REPRESENTATION FEE FUND
2012/13**

	2012/13 ADOPTED BUDGET FUND 72	2012/13 PROPOSED REVISED BUDGET FUND 72
BEGINNING FUND BALANCE	\$15,087	\$15,087
<u>REVENUE:</u>		
A. Student Representation Fees	\$10,000	\$10,000
B. Interest	200	200
TOTAL REVENUE	<u>\$10,200</u>	<u>\$10,200</u>
TOTAL FUNDS AVAILABLE	<u><u>\$25,287</u></u>	<u><u>\$25,287</u></u>
<u>EXPENDITURES:</u>		
A. Services (Travel)	\$10,200	\$10,200
TOTAL EXPENDITURES	<u>\$10,200</u>	<u>\$10,200</u>
RESERVES	<u>\$15,087</u>	<u>\$15,087</u>
TOTAL EXPENDITURES AND RESERVES	<u><u>\$25,287</u></u>	<u><u>\$25,287</u></u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
STUDENT CENTER FUND
2012/13**

	2012/13 ADOPTED BUDGET FUND 73	2012/13 PROPOSED REVISED BUDGET FUND 73
BEGINNING FUND BALANCE	\$291,428	\$291,428
<u>REVENUE:</u>		
A. Student Center Fees	\$30,000	\$30,000
B. Interest	1,500	1,500
TOTAL REVENUE	<u>\$31,500</u>	<u>\$31,500</u>
TOTAL FUNDS AVAILABLE	<u><u>\$322,928</u></u>	<u><u>\$322,928</u></u>
<u>EXPENDITURES:</u>		
A. Supplies	\$1,000	\$1,000
B. Equipment	3,000	3,000
TOTAL EXPENDITURES	<u>\$4,000</u>	<u>\$4,000</u>
RESERVES	<u>\$318,928</u>	<u>\$318,928</u>
TOTAL EXPENDITURES AND RESERVES	<u><u>\$322,928</u></u>	<u><u>\$322,928</u></u>

**MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
STUDENT FINANCIAL AID AWARD PROJECTIONS
2012/13**

	<u>2012/13 ESTIMATED AWARDS</u>	<u>2012/13 ESTIMATED AWARDS</u>
<u>SOURCE OF FUNDS:</u>		
FEDERAL SOURCES		
A. PELL GRANT	\$5,000,000	\$5,000,000
B. FSEOG	50,000	60,000
C. BUREAU OF INDIAN AFFAIRS	15,000	12,000
D. DIRECT LOANS	1,200,000	1,200,000
E. AMERICORPS	15,000	22,000
F. FEDERAL WORK STUDY	45,000	35,000
TOTAL FEDERAL SOURCES	6,325,000	6,329,000
STATE SOURCES		
A. CAL GRANT	\$200,000	\$200,000
B. EOPS GRANT	45,000	40,000
C. CHAFEE GRANT	20,000	12,500
TOTAL STATE SOURCES	\$265,000	\$252,500
C. LOCAL SOURCES		
1. SCHOLARSHIPS	\$250,000	\$225,000
TOTAL	\$6,840,000	\$6,806,500
<u>DISBURSEMENTS:</u>		
A. STUDENT FINANCIAL AID	\$6,840,000	\$6,806,500