

MARIN COMMUNITY COLLEGE DISTRICT

BUDGET DIALOGUE WITH THE PRESIDENT
PROJECTED BUDGET 2012/13 THROUGH 2014/15

JUNE 27, 2012

Budget Discussion

- Marin Community College District (MCCD) is faced with a structural deficit of almost \$4M in 2012/13 which increases in subsequent years.
- In addition to the deficit, the District has numerous requests from PRAC (Planning and Resource Allocation Committee) and ART (Accreditation Response Team) which need to be addressed.
- The projected budgets for 2012/13 through 2014/15 are developed primarily from the 2011/12 budget, not 2011/12 estimated actuals.
- The Board has developed guiding principles for preparation of the district's budgets.

Board's Guiding Principles

The Board developed the following guiding principles for the preparation of the 2012-2015 fiscal year budgets:

- Prepare a multi-year budget.
- Prepare a balanced budget.
- Close gap in structural deficit.
- Fund essential accreditation matters.
- Maintain core schedule of classes.
- Maintain core services.
- Invest in student success.
- Maintain investments in unfunded liability reserves.
- Investigate new sources of revenue.
- Investigate opportunities for leveraging shared services.

Revenue Budget Discussion

- MCCD is a basic aid district. 90% of our revenue comes from local property taxes. We generally have a fixed revenue stream.
- Secured property tax, which is the bulk of our revenue, has a maximum increase of 2% per year. We obtain this projection from the County. The secured property tax is based on the assessed property values which have declined.
- Supplemental property tax provided significant increases several years ago. As a result of real estate sales and increased property values, we received \$1.6M in 2005/06 but now we are only anticipating \$415K – a significant reduction.
- While enrollment fee increases would seem to benefit the District, instead they often result in more students qualifying for Board of Governors (BOG) waivers. As a basic aid district, we do not receive state backfill for the BOG waivers, so it is lost revenue to the District.
- The District suffered a loss of State funding for Partnership for Excellence resulting in a permanent revenue reduction of \$1.2M.

Expenditure Budget Discussion

- Over 90% of the District's expenditures are "fixed":
 - Salaries and benefits constitute 86.5% of the district's expenditures.
 - Utilities make up another 4.5%.
- Salaries are budgeted for each position with projected increases for step and column.
- Statutory benefits increase proportional to salary increases and projected rate increases.
- Medical benefits is the single largest increased expenditure in the budget:
 - The assumption for medical benefits is a 12.5% annual increase.
 - Medical benefits have increased as high as 17% in prior years.
- In 2012/13 the District has to absorb the licensing fees for Banner, an increase in contract services of \$325K from the 2011/12 budget.
- Other discretionary operating expenditures for the District are not very large.

**MARIN COMMUNITY COLLEGE DISTRICT
PROJECTED BUDGET 2012/13 - 2014/15**

**UNRESTRICTED GENERAL FUND
STATEMENT OF CHANGES IN FUND BALANCES**

FISCAL YEAR	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	ESTIMATED ACTUAL 2011-2012	PROJECTED BUDGET 2012-13	PROJECTED BUDGET 2013-14	PROJECTED BUDGET 2014-15
SOURCES OF FUNDS							
BEGINNING FUND BALANCE	\$ 4,618,497	\$ 4,915,939	\$ 5,161,246	\$ 6,210,072	\$ 4,936,996	\$ 981,861	\$ (4,149,137)
REVENUES							
PROGRAM-BASED FUNDING	\$ 40,985,225	\$ 41,358,344	\$ 40,794,971	\$ 41,346,542	\$ 41,855,636	\$ 42,159,575	\$ 42,891,525
FEDERAL	245	23,375	-	574	250	250	250
OTHER STATE	2,684,842	1,879,446	2,316,045	1,626,140	731,531	738,846	746,235
OTHER LOCAL	1,132,211	1,205,171	1,166,971	1,203,723	1,230,000	1,267,400	1,304,948
TOTAL REVENUE	44,802,523	44,466,336	44,277,987	44,176,979	43,817,417	44,166,071	44,942,957
TOTAL SOURCES	49,421,020	49,382,275	49,439,233	50,387,051	48,754,413	45,147,932	40,793,820
USE OF FUNDS							
SALARIES	27,899,435	27,950,220	27,876,476	28,542,372	28,853,807	29,016,737	29,181,107
BENEFITS	9,537,655	9,453,636	9,817,410	10,959,503	12,443,329	13,410,066	14,480,137
TOTAL SALARIES & BENEFITS	37,437,090	37,403,856	37,693,886	39,501,875	41,297,136	42,426,803	43,661,244
FIXED EXPENSES	1,880,347	1,885,216	2,094,515	2,137,701	2,226,000	2,411,600	2,615,760
OTHER OPERATING	3,514,111	3,296,545	2,496,615	2,614,240	3,471,250	3,680,500	3,490,675
CAPITAL OUTLAY	211,918	206,315	262,249	374,373	301,287	301,287	301,287
OTHER OUTGO	1,313,096	1,280,672	560,652	724,931	476,879	476,879	476,879
TOTAL OTHER EXPENSES	6,919,472	6,668,748	5,414,031	5,851,245	6,475,416	6,870,266	6,884,601
TOTAL USES	44,356,562	44,072,604	43,107,917	45,353,120	47,772,552	49,297,069	50,545,845
SOURCES OVER (UNDER) USES	5,064,458	5,309,671	6,331,316	5,033,931	981,861	(4,149,137)	(9,752,025)
TRANSFER IN (OUT)	(148,519)	(148,425)	(121,244)	(96,935)	-	-	-
ENDING FUND BALANCE	\$ 4,915,939	\$ 5,161,246	\$ 6,210,072	\$ 4,936,996	\$ 981,861	\$ (4,149,137)	\$ (9,752,025)
RESERVE	11.1%	11.7%	14.4%	10.9%	2.1%	-8.4%	-19.3%
SURPLUS/(DEFICIT)	\$ 297,442	\$ 245,307	\$ 1,048,826	\$ (1,273,076)	\$ (3,955,135)	\$ (5,130,998)	\$ (5,602,888)

**MARIN COMMUNITY COLLEGE DISTRICT
PROJECTED BUDGET 2012/13 - 2014/15**

**UNRESTRICTED GENERAL FUND
STATEMENT OF SOURCES OF FUNDS**

FISCAL YEAR	ACTUAL 2009-2010	ACTUAL 2010-2011	ESTIMATED ACTUAL 2011-2012	PROJECTED BUDGET 2012-13	PROJECTED BUDGET 2013-14	PROJECTED BUDGET 2014-15
PROGRAM-BASED FUNDING						
STATE SUBVENTIONS	\$ 275,034	\$ 273,494	\$ 273,774	\$ 268,463	\$ 268,463	\$ 268,463
TOTAL	275,034	273,494	273,774	268,463	268,463	268,463
PROPERTY TAXES						
SECURED	38,039,678	37,601,190	37,732,767	38,027,633	38,322,499	39,045,308
SUPPLEMENTAL	375,548	386,798	415,000	415,000	419,150	423,342
UNSECURED	850,212	847,250	901,585	904,540	909,063	913,608
PRIOR-YEAR	96,382	98,399	38,416	40,000	40,400	40,804
TOTAL TAXES	39,361,820	38,933,637	39,087,768	39,387,173	39,691,112	40,423,062
ENROLLMENT FEES	1,721,490	1,587,840	1,985,000	2,200,000	2,200,000	2,200,000
TOTAL PROGRAM-BASED	41,358,344	40,794,971	41,346,542	41,855,636	42,159,575	42,891,525
FEDERAL REVENUE	23,375	-	574	250	250	250
STATE REVENUE						
PARTNERSHIP FOR EXCELL	1,158,014	1,153,040	576,520	-	-	-
OTHER STATE	721,432	1,163,005	1,049,620	731,531	738,846	746,235
TOTAL STATE	1,879,446	2,316,045	1,626,140	731,531	738,846	746,235
LOCAL REVENUE						
INTEREST	16,836	29,264	9,688	10,000	10,000	10,000
NON-RESIDENCE FEES	723,007	737,809	820,000	850,000	880,000	910,000
OTHER STUDENT CHARGES	79,441	81,453	75,977	75,000	76,500	78,030
NON-RESIDENCE INSURANCE	39,959	40,746	52,958	55,000	56,100	57,222
MISCELLANEOUS	345,928	277,699	245,100	240,000	244,800	249,696
	1,205,171	1,166,971	1,203,723	1,230,000	1,267,400	1,304,948
TOTAL REVENUE	\$ 44,466,336	\$ 44,277,987	\$ 44,176,979	\$ 43,817,417	\$ 44,166,071	\$ 44,942,957

**MARIN COMMUNITY COLLEGE DISTRICT
PROJECTED BUDGET 2012/13 - 2014/15**

**UNRESTRICTED GENERAL FUND
STATEMENT OF USES OF FUNDS**

FISCAL YEAR	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	ESTIMATED ACTUAL 2011-2012	PROJECTED BUDGET 2012-13	PROJECTED BUDGET 2013-14	PROJECTED BUDGET 2014-15
USE OF FUNDS							
SALARIES	\$ 27,899,435	\$ 27,950,220	\$ 27,876,476	\$ 28,542,372	\$ 28,853,807	\$ 29,016,737	\$ 29,181,107
BENEFITS	9,537,655	9,453,636	9,817,410	10,959,503	12,443,329	13,410,066	14,480,137
TOTAL SALARIES & BENEFITS	37,437,090	37,403,856	37,693,886	39,501,875	41,297,136	42,426,803	43,661,244
FIXED EXPENSES	1,880,347	1,885,216	2,094,515	2,137,701	2,226,000	2,411,600	2,615,760
OTHER OPERATING	3,514,111	3,296,545	2,496,615	2,614,240	3,471,250	3,680,500	3,490,675
CAPITAL OUTLAY	211,918	206,315	262,249	374,373	301,287	301,287	301,287
OTHER OUTGO	1,313,096	1,280,672	560,652	724,931	476,879	476,879	476,879
TOTAL OTHER EXPENSES	6,919,472	6,668,748	5,414,031	5,851,245	6,475,416	6,870,266	6,884,601
TOTAL USES	\$ 44,356,562	\$ 44,072,604	\$ 43,107,917	\$ 45,353,120	\$ 47,772,552	\$ 49,297,069	\$ 50,545,845

**MARIN COMMUNITY COLLEGE DISTRICT
PROJECTED BUDGET 2012/13 - 2014/15**

**UNRESTRICTED GENERAL FUND
SALARY ANALYSIS**

FISCAL YEAR	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	ESTIMATED ACTUAL 2011-2012	PROJECTED BUDGET 2012-13	PROJECTED BUDGET 2013-14	PROJECTED BUDGET 2014-15
SALARIES							
FACULTY							
INSTRUCTORS-REGULAR	\$ 7,461,780	\$ 7,371,749	\$ 7,231,459	\$ 7,401,583	\$ 9,493,545	\$ 9,542,910	9,592,532
INSTRUCTORS-HOURLY	7,462,957	7,541,007	7,437,215	7,623,131	5,419,187	5,419,187	5,419,187
NON-INSTRUCTORS-REGULAR	1,259,722	1,244,280	1,276,964	1,218,271	1,603,589	1,629,283	1,655,389
NON-INSTRUCTORS-HOURLY	482,770	582,681	565,219	720,694	270,200	270,200	270,200
FACULTY	16,667,229	16,739,717	16,510,857	16,963,679	16,786,521	16,861,580	16,937,308
CLASSIFIED							
STAFF - REGULAR	7,393,962	7,283,125	7,227,906	7,329,075	8,026,780	8,102,227	8,178,383
INSTRUCTIONAL - REGULAR	910,957	940,956	965,743	980,194	963,076	969,554	976,076
HOURLY INST./NON INST.	566,840	598,608	647,129	647,330	451,406	451,406	451,406
OVERTIME	173,350	141,064	146,574	130,579	83,460	83,460	83,460
CLASSIFIED	9,045,109	8,963,753	8,987,352	9,087,178	9,524,722	9,606,647	9,689,325
ADMINISTRATORS							
ACADEMIC	1,827,124	1,888,748	2,033,054	1,964,299	1,901,104	1,907,050	1,913,015
CLASSIFIED	359,973	358,002	345,213	527,216	641,460	641,460	641,460
ADMINISTRATORS	2,187,097	2,246,750	2,378,267	2,491,515	2,542,564	2,548,510	2,554,475
TOTAL SALARIES	\$ 27,899,435	\$ 27,950,220	\$ 27,876,476	\$ 28,542,372	\$ 28,853,807	\$ 29,016,737	\$ 29,181,107

MARIN COMMUNITY COLLEGE DISTRICT
PROJECTED BUDGET 2012/13 - 2014/15

UNRESTRICTED GENERAL FUND
BENEFIT ANALYSIS

FISCAL YEAR	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	ESTIMATED ACTUAL 2011-2012	PROJECTED BUDGET 2012-13	PROJECTED BUDGET 2013-14	PROJECTED BUDGET 2014-15
PUBLIC RETIREMENT							
STRS	\$ 1,287,791	\$ 1,293,106	\$ 1,294,127	\$ 1,337,095	\$ 1,387,556	\$ 1,393,571	\$ 1,399,636
PERS	1,628,745	1,575,100	1,651,026	1,734,434	1,894,381	2,008,324	2,124,066
FICA	684,028	661,914	663,501	692,294	702,678	713,219	723,917
MEDICARE	363,344	364,215	368,756	384,276	418,380	420,743	423,126
UNEMPLOYMENT	112,430	146,141	246,665	544,870	554,546	557,169	559,816
WORKERS COMP. INS.	445,242	348,181	364,125	369,938	376,831	378,959	381,105
TOTAL	4,521,580	4,388,657	4,588,200	5,062,907	5,334,373	5,471,984	5,611,667
HEALTH PROTECTION							
MEDICAL	4,321,003	4,402,937	4,562,018	5,223,596	6,409,036	7,210,166	8,111,436
DENTAL, VISION	695,072	662,042	667,192	673,000	699,920	727,917	757,033
TOTAL	5,016,075	5,064,979	5,229,210	5,896,596	7,108,956	7,938,082	8,868,470
TOTAL BENEFITS	\$ 9,537,655	\$ 9,453,636	\$ 9,817,410	\$ 10,959,503	\$ 12,443,329	\$ 13,410,066	\$ 14,480,137

MARIN COMMUNITY COLLEGE DISTRICT
 PROJECTED BUDGET 2012/13 - 2014/15

UNRESTRICTED GENERAL FUND
FIXED EXPENSE ANALYSIS

FISCAL YEAR	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	ESTIMATED ACTUAL 2011-2012	PROJECTED BUDGET 2012-13	PROJECTED BUDGET 2013-14	PROJECTED BUDGET 2014-15
FIXED EXPENSES							
UTILITIES							
SEWER SERVICE	\$ 58,073	\$ 68,897	\$ 63,005	\$ 74,000	\$ 80,000	\$ 88,000	\$ 96,800
TELEPHONE	132,259	118,841	100,166	114,322	120,000	132,000	145,200
WATER	114,252	113,628	129,154	120,703	126,000	138,600	152,460
GAS & ELECTRICITY	1,172,876	1,140,672	1,342,615	1,379,360	1,450,000	1,595,000	1,754,500
PEST CONTROL	37,045	49,279	61,898	79,316	80,000	88,000	96,800
	<u>1,514,505</u>	<u>1,491,317</u>	<u>1,696,838</u>	<u>1,767,701</u>	<u>1,856,000</u>	<u>2,041,600</u>	<u>2,245,760</u>
INSURANCE	<u>365,842</u>	<u>393,899</u>	<u>397,677</u>	<u>370,000</u>	<u>370,000</u>	<u>370,000</u>	<u>370,000</u>
TOTAL	<u>\$ 1,880,347</u>	<u>\$ 1,885,216</u>	<u>\$ 2,094,515</u>	<u>\$ 2,137,701</u>	<u>\$ 2,226,000</u>	<u>\$ 2,411,600</u>	<u>\$ 2,615,760</u>

**MARIN COMMUNITY COLLEGE DISTRICT
PROJECTED BUDGET 2012/13 - 2014/15**

**UNRESTRICTED GENERAL FUND
OTHER OPERATING EXPENSES ANALYSIS**

FISCAL YEAR	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	ESTIMATED ACTUAL 2011-2012	PROJECTED BUDGET 2012-13	PROJECTED BUDGET 2013-14	PROJECTED BUDGET 2014-15
OTHER OPERATING EXPENSES							
SUPPLIES & MATERIALS	\$ 472,909	\$ 492,092	\$ 523,795	\$ 531,145	\$ 575,818	\$ 575,818	\$ 575,818
PERSONAL SVCE, LECTURE	97,274	110,356	83,258	100,158	84,166	\$ 84,166	\$ 84,166
TRAVEL & CONFERENCE	129,020	124,374	128,265	107,116	134,749	\$ 134,749	\$ 134,749
DUES & MEMBERSHIP	78,549	91,603	106,378	76,872	100,807	\$ 100,807	\$ 100,807
LEGAL	432,140	340,284	238,655	167,132	200,000	\$ 200,000	\$ 200,000
AUDITS & ELECTION	74,550	286,552	77,100	232,115	92,500	301,750	111,925
CONTRACTED SERVICES	1,571,003	1,297,986	739,588	892,471	1,703,233	\$ 1,703,233	\$ 1,703,233
POSTAGE	113,205	93,588	102,527	79,966	97,875	\$ 97,875	\$ 97,875
PRINTING & PUBLICATION	150,152	121,082	114,183	98,810	119,435	\$ 119,435	\$ 119,435
RENTAL & LEASES	45,126	40,778	38,786	39,480	41,378	\$ 41,378	\$ 41,378
RECRUITMENT	220,625	175,959	154,072	158,509	174,110	\$ 174,110	\$ 174,110
OTHER DISTRICT-WIDE EXP.	123,891	117,906	184,848	125,722	142,666	\$ 142,666	\$ 142,666
MISCELLANEOUS	5,667	3,985	5,160	4,744	4,513	\$ 4,513	\$ 4,513
TOTAL	\$ 3,514,111	\$ 3,296,545	\$ 2,496,615	\$ 2,614,240	\$ 3,471,250	\$ 3,680,500	\$ 3,490,675

**MARIN COMMUNITY COLLEGE DISTRICT
PROJECTED BUDGET 2012/13 - 2014/15**

**UNRESTRICTED GENERAL FUND
CAPITAL OUTLAY ANALYSIS**

FISCAL YEAR	ACTUAL	ACTUAL	ACTUAL	ESTIMATED	PROJECTED	PROJECTED	PROJECTED
	2008-2009	2009-2010	2010-2011	ACTUAL 2011-2012	BUDGET 2012-13	BUDGET 2013-14	BUDGET 2014-15
CAPITAL OUTLAY							
LIBRARY BOOKS/PERIODICALS	\$ 28,362	\$ 23,603	\$ 79,462	\$ 63,010	\$ 51,712	\$ 51,712	\$ 51,712
EQUIPMENT NEW & LEASED	183,556	182,712	182,787	311,363	249,575	249,575	249,575
TOTAL	\$ 211,918	\$ 206,315	\$ 262,249	\$ 374,373	\$ 301,287	\$ 301,287	\$ 301,287
OTHER OUTGO							
ENERGY LOAN REPAYMENT	\$ 110,442	\$ 110,449	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER	-	-	-	-	-	-	-
GASB 45	-	500,000	-	-	-	-	-
INTERFUND / INTRAFUND TRANSFERS:							
MAINTENANCE MANAGEMENT FUND			165,640	136,604			
CHILD DEVELOPMENT FUND	20,979	78,089	110,033	239,125	191,232	191,232	191,232
DSPS	552,431	280,553	167,090	146,324	-	-	-
ECON. WORKFORCE DEV.		170,365	-	-	-	-	-
RISK MARGIN FUND	500,000		-	-	-	-	-
BFAP/FA	107,546	84,358	59,100	61,713	61,713	61,713	61,713
PUENTE	14,463	33,999	57,878	102,265	102,265	102,265	102,265
EOPS/JOB PLACEMENT				13,391	13,391	13,391	13,391
MATRICULATION-NONCREDIT		17,270	-	21,109	61,804	61,804	61,804
MATRICULATION-CREDIT				3,600	45,658	45,658	45,658
WORKSTUDY	6,200	4,876	-	-	-	-	-
MISCELLANEOUS	1,035	713	911	800	816	816	816
TOTAL	\$ 1,313,096	\$ 1,280,672	\$ 560,652	\$ 724,931	\$ 476,879	\$ 476,879	\$ 476,879

**MARIN COMMUNITY COLLEGE DISTRICT
PROJECTED BUDGET 2012/13 - 2014/15**

**UNRESTRICTED GENERAL FUND
PROPERTY TAX TREND**

FISCAL YEAR	ACTUAL 2002-2003	ACTUAL 2004-2005	ACTUAL 2005-2006	ACTUAL 2006-2007	ACTUAL 2007-2008	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	ESTIMATED ACTUAL 2011-2012	PROJECTED BUDGET 2012-13	PROJECTED BUDGET 2013-14	PROJECTED BUDGET 2014-15
PROPERTY TAXES												
SECURED	24,544,121	28,100,100	30,615,880	33,450,987	35,766,615	37,713,052	38,039,678	37,601,190	37,732,767	38,027,633	38,322,499	39,045,308
SUPPLEMENTAL	956,966	1,466,253	1,611,902	1,247,943	1,174,183	751,877	375,548	386,798	415,000	415,000	419,150	423,342
UNSECURED	832,027	853,649	849,442	727,137	777,392	798,323	850,212	847,250	901,585	904,540	909,063	913,608
PRIOR-YEAR	67,792	93,181	63,309	133,711	114,687	103,062	96,382	98,399	38,416	40,000	40,400	40,804
TOTAL LOCAL TAXES	26,400,906	30,513,183	33,140,533	35,559,778	37,832,877	39,366,314	39,361,820	38,933,637	39,087,768	39,387,173	39,691,112	40,423,062
PROPERTY TAXES												
SECURED	93.0%	92.1%	92.4%	94.1%	94.5%	95.8%	96.6%	96.6%	96.5%	96.5%	96.6%	96.6%
SUPPLEMENTAL	3.6%	4.8%	4.9%	3.5%	3.1%	1.9%	1.0%	1.0%	1.1%	1.1%	1.1%	1.0%
UNSECURED	3.2%	2.8%	2.6%	2.0%	2.1%	2.0%	2.2%	2.2%	2.3%	2.3%	2.3%	2.3%
PRIOR-YEAR	0.3%	0.3%	0.2%	0.4%	0.3%	0.3%	0.2%	0.3%	0.1%	0.1%	0.1%	0.1%
TOTAL LOCAL TAXES	100.0%	100.0%	100.0%	100.0%								
TOTAL REVENUE	32,135,867	36,168,292	39,099,202	42,455,894	43,261,057	44,802,523	44,466,336	44,277,987	44,176,979	43,817,417	44,166,071	44,942,957
Secured Tax % Total Revenue	76.4%	77.7%	78.3%	78.8%	82.7%	84.2%	85.5%	84.9%	85.4%	86.8%	86.8%	86.9%
Total Tax % Total Revenue	82.2%	84.4%	84.8%	83.8%	87.5%	87.9%	88.5%	87.9%	88.5%	89.9%	89.9%	89.9%