2019-20 FINAL BUDGET FOR ADOPTION CONSIDERATION

September 3, 2019

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HARTNELL COLLEGE

HARTNELL COLLEGE

Executive Summary

- Fiscal Year 2019-20 Operating Budget is a balanced budget. Reserves were not required to balance the budget.
- The Fund Balance Reserve for the unrestricted General Fund (Fund 11) is at 21.94%, above the BP 6200 required level of 20% of annual expenditures. The 2018-19 fiscal years ended with a reserve ratio of 22.23%
- All District Funds are projected to have a positive balance at the end of 2019-20.
- All identified requirements have been funded, including previously funded salary increases and increases in benefits.
- Salaries and Benefits account for 85.7% of total requirements. This represents an increase from 82.1% in Fiscal Year 2018-19. Most recent data from Chancellor's Office covering fiscal year 2017-18 states average statewide is at 87.97%, lowest 70.29% and highest 92.71%.

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New Funding Formula

- State allocated an additional $272 million for general apportionments.
- New formula calculates apportionments using three allocations:
  - Base allocations (primarily FTES)
  - Supplemental Allocation (Counts of low-income students)
  - Student Success Allocation (Counts of outcomes with premium for low-incomes students).
- The rates are calculated to provide a three-year transition (FY 2018-19, FY 2019-20, and FY 2020-21). Districts are to receive the greater of the formula total or the amount the district received in 2017-18, adjusted by the changes in cost of living.
- The formula also includes a "Stability" provision that delays any decreases in revenues for one year.
- Fiscal Year 2019-20 includes a cost of living allocation of $1,444,300

HARTNELL COLLEGE

FY 2019-20 Requirements

- Requirements have increased by approximately $1.7 million before transfers, over the prior fiscal year unaudited requirements.
- Employees salary and benefits increased by approximately $2.25 million.
- No funds will be transferred to Capital Outlay Fund 41. Should additional funding be made available in February per P-2 reporting, it may be possible to transfer General Fund surplus to the Capital Outlay Fund 41.

PROPOSED FINAL BUDGET 2019-20

HARTNELL COLLEGE

Revenue Impact Summary	2018-19	2019-20
COLA	2.71% $1,168,995	3.26% $1,444,300
FTES	7,338	7,516
Funding above 2017-18 TCR (Total Computational Revenue)	$2,049,235	$2,337,858
Total Apportionment Increase	$3,218,230	$3,506,853

HARTNELL COMMUNITY COLLEGE DISTRICT
GENERAL FUND RESOURCES - UNRESTRICTED

	2018-19 Unaudited	2019-20 Budget	Increase (Decrease)
FEDERAL FUNDS:			
VA Reporting Fee	$ 1,545	$ 1,500	$ (45)
Pell Grant Administration	1,500	10,000	$ 8,500
Subtotal	3,045	11,500	8,455
STATE FUNDS:			
State Apportionment	12,734,917	10,852,160	(1,882,757)
Full-Time Faculty	326,873	438,578	111,705
Proposition 30 Education Protection Account (EPA)	6,885,691	7,181,643	295,952
State Lottery	1,223,771	1,200,000	(23,771)
Part-Time Faculty	204,003	200,000	(4,003)
BOG Fee Waiver	128,817	125,000	(3,817)
Home Owners Property Tax Relief	106,755	105,000	(1,755)
Apprentice Program	82,527	83,000	473
State Mandate Block Grant	214,956	215,000	44
Subtotal	21,908,310	20,400,381	(1,507,929)
LOCAL FUNDS:			
Property Taxes	24,986,702	26,185,836	1,199,134
Student Enrollment Fees	2,284,274	2,122,859	(161,415)
Non-Resident Enrollment Fees	186,944	200,000	13,056
Community Use of Facilities	58,129	60,000	1,871
Transcripts	57,794	55,000	(2,794)
Other	832,363	541,000	(291,363)
Transfer-In From Other Funds	-	1,562,000	1,562,000
Subtotal	28,406,206	30,726,695	2,320,489
TOTAL RESOURCES	**$ 50,317,561**	**$ 51,138,576**	**$ 821,015**

PROPOSED FINAL BUDGET 2019-20

HARTNELL COLLEGE

GENERAL FUND REQUIREMENTS- UNRESTRICTED

	2018-19 Unaudited	2019-20 Budget	Increase (Decrease)
ACADEMIC SALARIES:			
Instructional	$ 14,617,420	$ 15,155,338	$ 537,918
Non-instructional	4,257,400	4,455,420	$ 198,020
Subtotal	18,874,820	19,610,758	735,938
CLASSIFIED SALARIES:			
Instructional	664,779	626,082	(38,697)
Non-instructional	9,710,317	10,445,270	734,953
Subtotal	10,375,096	11,071,352	696,256
EMPLOYEE BENEFITS:			
State Teachers' Retirement	2,355,279	2,674,486	319,207
Public Employees' Retirement	2,008,588	2,092,664	84,076
Health & Welfare Benefits	6,007,260	6,384,625	377,365
Social Security/Medicare	1,074,734	1,149,491	74,757
Unemployment Insurance	42,643	52,976	10,333
Workers' Compensation Insurance	524,101	472,229	(51,872)
Subtotal	12,012,604	12,826,471	813,867
SUPPLIES/MATERIALS			
Maintenance & Facilities	102,755	138,811	36,056
General Supplies	42,843	44,896	2,053
Instructional Supplies	483,702	621,098	137,396
Subtotal	629,300	804,805	175,505

PROPOSED FINAL BUDGET 2019-20

HARTNELL COLLEGE

OPERATIONAL COSTS			
Contracts	2,149,509	2,126,482	(23,027)
Travel & Conferences	291,206	383,383	92,177
Memberships	136,201	158,412	22,211
Insurance	423,363	429,000	5,637
Utilities	1,169,377	733,193	(436,184)
Leases/Printing/Maintenance	1,395,446	1,567,592	172,146
Legal, Audit & Elections	264,438	200,000	(64,438)
Advertising/Postage & Other	949,463	1,004,421	54,958
Subtotal	6,779,003	6,602,483	(176,520)
CAPITAL OUTLAY			
Books & Software	46,193	59,344	13,151
Equipment	539,489	-	(539,489)
Subtotal	585,682	59,344	(526,338)
OTHER OUTGO:			
Interfund Transfers	954,702	126,000	(828,702)
TOTAL REQUIREMENTS	**$ 50,211,207**	**$ 51,101,213**	**$ 890,006**

HARTNELL COLLEGE

Capital Resource Allocation Funding (Funds 12, 41 and 44)

Deferred Maintenance and Instructional Block Grant (Fund 12)

Available Budget	$ 89,483
Allocated for Instructional Equipment	

Capital Outlay (Fund 41)

Beginning Balance	$1,174,309
Revenue	$125,000
Project Budget	$1,000,000

Facilities Development (Fund 44)

Beginning Balance	$1,999,634
Revenue	$ 544,000
Project Budget	$1,559,100

HARTNELL COLLEGE

CalPERS Proposed Employer Rates

	2018-19 Actual	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Classified Payroll*	$ 10,375,096	$ 11,071,352	$ 11,500,000	$ 12,000,000	$ 12,500,000	$ 12,900,000	$ 13,400,000
Rate	18.06%	19.72%	23.60%	24.90%	25.7%	26.4%	26.6%
Projected Total Expense (90% of all classified amt)	$ 1,686,368	$ 1,964,944	$ 2,442,600	$ 2,689,200	$ 2,891,250	$ 3,065,040	$ 3,207,960
Projected Increase	$ 232,467	$ 278,576	$ 477,656	$ 246,600	$ 202,050	$ 173,790	$ 142,920

* Projections assume new positions added each year

2018/19 is actual cost. 2019-20 budget amount. All other years are projected based on average increases for step and column.

HARTNELL COLLEGE

CalSTRS Proposed Employer Rates

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Certificated Payroll	$ 18,874,820	$ 19,610,758	$ 20,122,811	$ 20,522,811	$ 20,922,811	$ 21,422,811	$ 21,822,811
Rate	16.28%	18.10%	19.10%	19.10%	19.10%	19.10%	19.10%
Projected Total Expense (77% of all faculty amt)	$ 2,366,072	$ 2,733,153	$ 2,959,462	$ 3,018,290	$ 3,077,194	$ 3,150,653	$ 3,209,443
Projected Increase over prior years' rate	$ 117,584	$ 367,081	$ 226,309	$ 58,828	$ 58,904	$ 73,459	$ 58,790

* Projections assume new positions added each year

*2018/19 is actual. 2019-20 is budget amount. All other years are projected based on average increases for step and column.

HARTNELL COLLEGE

New Positions (General Fund)

Faculty

Swim Coach

Biology

All other faculty and classified position hires are replacements of vacated positions.

PROPOSED FINAL BUDGET 2019-20

HARTNELL COLLEGE

	Tentative Budget	Final Budget	Difference
Revenue			
Federal	$ 23,500	$ 11,500	$ (12,000)
State	$ 20,815,127	$ 20,400,381	$ (414,746)
Local	$ 28,532,747	$ 30,726,695	$ 2,193,948
Total Revenue	$ 49,371,374	$ 51,138,576	$ 1,767,202
Expenditures			
Academic Salaries	$ 18,678,717	$ 19,610,758	$ 932,041
Classified Salaries	$ 11,227,863	$ 11,071,352	$ (156,511)
Employee Benefits	$ 12,194,412	$ 12,826,471	$ 632,059
Supplies & Materials	$ 746,666	$ 804,805	$ 58,139
Other Operating Exp.	$ 6,363,605	$ 6,602,483	$ 238,878
Capital Outlay	$ 181,240	$ 59,344	$ (121,896)
Other Outgo	$ 1,031,500	$ 126,000	$ (905,500)
Total Expenditures	$ 50,424,003	$ 51,101,213	$ 677,210
Surplus/(Deficit)	$ (1,052,629)	$ 37,363	