



**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
GOVERNING BOARD OF TRUSTEES**

**REGULAR MEETING
WEDNESDAY, JANUARY 24, 2018**

REPORTS AND PRESENTATIONS



MONTEREY PENINSULA
COLLEGE

Administrative Services Update

Finance & Accounting

On January 10, 2018, the Governor of California released the 2018-19 state proposed budget. The budget proposal continues the shift of funding to focus more on student outcomes and success, rather than simply FTES numbers. Two new significant items have been included in the budget proposal that will directly affect California Community Colleges. The first item is the creation of California’s first fully online community college. The second item is a new outcomes-focused funding formula to be implemented within the community college system.

The state’s budget, when taken in its entirety, has a cautious approach to spending that acknowledges both federal and state economic volatility and uncertainty. Although, with the 2017-18 state revenues exceeding budget expectations, the proposed budget has resulted in an all-time high K-14 education Proposition 98 funding level of \$78.3 billion for 2018-19. California Community Colleges have been allocated \$780 million of this Prop 98 funding base, \$375 million of which will be one-time funds.

Listed below are significant line items within the 2018-19 budget proposal and their possible implications on MPC:

<u>2018-19 Budget Proposal</u>	<u>Statewide Allocation</u>	<u>MPC Implications</u>	<u>Nature of Revenue</u>
Cost of Living Adjustment (COLA) of 2.51%	\$161.2M	Approximately \$950K	Ongoing
System-wide workload growth	\$60M	TBD	Ongoing
Base augmentation for assisting District’s transition to a student-focused funding formula.	\$175M	Funding base increases TBD - MPC will be held harmless in workload funding for 2018-19 during the transition to the new funding formula.	Ongoing
College promise programs – AB19	\$46M	TBD	One-time
Full-time student success grants and completion incentives	\$50M	TBD	One-time
Fully online community college	\$120M	TBD	\$100M one-time and \$20M on-going
Prop 39 clean energy projects	\$46.5M	TBD	One-time
Deferred maintenance and instructional equipment	\$275.2M	Approximately \$1.6M	One-time

2017-18 State Financial Update

- Through December 31, 2017:
 - The “Big 3” state revenue sources are all exceeding budgeted expectations (personal income tax, corporate tax, and sales & use tax).
 - After the first half of the 2017-18 fiscal year, total state revenues of \$57.12B are exceeding the budgeted amount by 7.1% and are 10.6% higher than the midway point of 2016-17.

Information Technology

- Discussing possible funding solutions for new data center
 - Possible Prop 39 Clean Energy project
- Providing support services to financial aid and student services in the transition to the financial aid ERP system PowerFaid.

Facilities & Construction

- Working with DSA (Department of State Architect) on the last few remaining items associated with the Child Development Center project.
 - Tike path
 - Courtyard fencing
 - Playground slide
- Recently completed parking lot and roadway asphalt crack repairs.
 - Scheduled resealing of entire asphalt footprint in late April or early May.
- Currently reviewing first draft of conceptual rendering drawings and plans for the baseball field renovation.