

## Budget Assumptions

### REVENUE ASSUMPTIONS—

#### GENERAL FUND UNRESTRICTED (GFU):

- Property tax revenue increase of 7.9% from FY2021–22
- Revenue decline from Parking, Bookstore, Cafeteria, Theatre Ticket sales with no CARES Act lost revenue funding backfill
- State General Revenues (Lottery, EPA, General allocations) projected flat due to FTES hold harmless from the Emergency Conditions Allowance (ECA) extension
- Student fees/charges projected to decline due to FTES decline and no CARES Act lost revenue backfill, with 5% enrollment decline projected for FTES

### EXPENSE ASSUMPTIONS—

#### GENERAL FUND UNRESTRICTED (GFU)

- “Step and Column” salary increases
- Negotiated COLA (2%)
- \$1.5 million Health Benefit cost increases (~10% average cost per person + cost for new FTE with benefits)
- Hire 7–8 faculty positions
- Program Review Resource Allocation requests
- Guided Pathways implementation
- Inflation factored in Services for annualized contract adjustments
- CalSTRS rates: From 16.92% to 19.1%, an increase of 2.2%
- CalPERS rates: From 22.9% to 25.37%, an increase of 2.5%
- Technology cost escalation for on-going hardware/software
- Facilities Master Plan needs

### EXPENSE ASSUMPTIONS—

#### OUTGOING TRANSFERS

- Capital Outlay for Technology:
  - \$2.5 million: maintain for ongoing needs
- Capital Outlay for Facilities:
  - \$1.2 million: maintain for ongoing needs
  - \$5 million: for Facilities Master Plan projects, not covered by the general obligation bond
- Debt Services:
  - General obligation bond debt managed and paid by the San Diego County Treasury on behalf of the District. District taxes are collected to service the annual debt payments for Series A Bond (\$100 million) and Series B bond (\$255 million).

## Landscape for FY2022–23

- 7.9% property tax revenue increase
- CalSTRS and CalPERS annual cost increases
- Salary increases for Step/Column, COLA, and new hires
- Health Care Cost Increases
- Property and Liability Insurance Cost increases
- Student Success requirements:
  - Academic and Career Pathways increased efforts
- Enhance diversity, equity, and inclusion efforts
- Tight labor market for recruitment
- Planning Framework and program review needs
- Facilities general obligation bond
- Impacts of collective bargaining
- Non-resident student tuition decrease from \$307 to \$304 per unit
- 50% law requirements

### Enrollment Assumptions

Enrollment assumption will be negative for FY2022–23. Enrollment for FY2021–22 ended at 8,798 Full Time Equivalent Students (FTES), a decline of 10.4% from the prior fiscal year FY2020–21. Most California community colleges have declines in enrollment due to the pandemic from March 2020.

### General Fund—Unrestricted Fund Balance

Fund balance is the difference between fund assets and fund liabilities of governmental and similar trust funds. It is the net assets or available resources of a fund. The board directive for the District is to maintain a minimum of a 15% fund balance of the expenditure budget. The state recommends a minimum of a 5% fund balance. These levels are set to accommodate unforeseen economic changes that may have a significant impact on the District's operations.

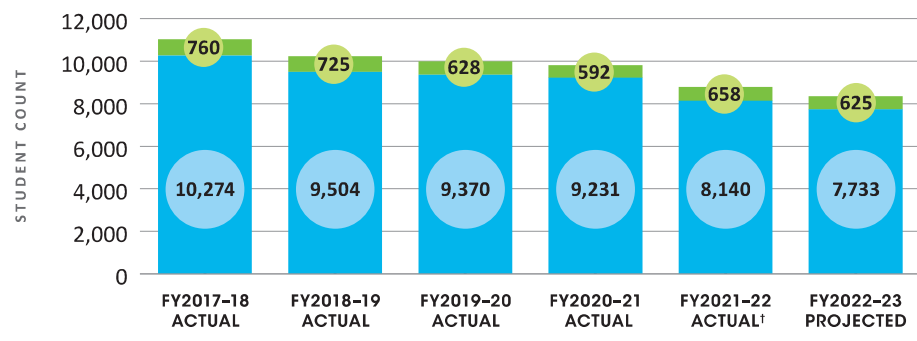
At the end of FY2021–22, the unrestricted general fund balance was \$36.6 million, or 26.0% of the annual expenditures, which is approximately three months of operational cost. The ending balance was an improvement from the budget due to timing/delay and reduction in all spending areas. The FY2022–23 budget fund reserve balance is projected to end at \$38.3 million, or at 25.6%, or three months of operational costs.

### Balanced Budget

Excluding transfers from reserves to support capital projects, the District operates with a balanced budget, where revenues exceed operational expenses. The District continues to invest and transfer funds to the Capital Project fund in support of the District's technology and the Facilities Master Plan needs.

#### MIRACOSTA COMMUNITY COLLEGE DISTRICT FULL TIME EQUIVALENT STUDENTS (FTES)

	FY2017–18 ACTUAL	FY2018–19 ACTUAL	FY2019–20 ACTUAL	FY2020–21 ACTUAL	FY2021–22 ACTUAL†	FY2022–23 PROJECTED
<b>Total Credit FTES</b>	10,274	9,504	9,370	9,231	8,140	7,733
<b>Total Noncredit FTES</b>	760	725	628	592	658	625
<b>Total FTES</b>	11,034	10,229	9,998	9,823	8,798	8,358
<b>Total FTES Annual Change from Prior Year</b>	(48)	(805)	(231)	(175)	(1,025)	—
<b>Total FTES % Change Year-to-Year</b>	-.4%	-7.3%	-2.3%	-1.8%	-10.4%	-5.0%



■ Total Noncredit FTES  
■ Total Credit FTES

†Source: MCCD Annual 13 July 2022 Attendance Report