

# CHAPTER 3

## GENERAL FUND

### General Comments

The College's General Fund is used to record and report transactions related to academic and instructional programs and their administration. Activities necessary for providing this service are grouped into seven classifications: Instruction, Information Services, Public Service, Instructional Support, Student Services, Institutional Administration, and Physical Plant Operations. The primary revenue sources that provide funding for these activities are tuition, property taxes, and state appropriations.

The COVID-19 pandemic has had a profound economic impact on the College's 2020-2021 projected revenues resulting in an 8.73 percent decrease in General Fund revenues for next year when compared to the 2019-2020 budgeted revenues. However, when comparing 2019-2020 projected revenues to 2020-2021 budgeted revenues, it results in a 4.66 percent decrease in General Fund revenues for next year.

	<b>Audited 2018-2019</b>	<b>2019-2020 Budget</b>	<b>2019-2020 Projected</b>	<b>Projected vs. Budget</b>	<b>2020-2021 Budget</b>	<b>2020-2021 Budget vs. Projected</b>
<b>Tuition and Fees</b>	7,883,339	7,982,865	7,022,831	(960,034)	6,734,195	(288,636)
<b>Property Taxes</b>	12,988,218	13,703,927	13,551,569	(152,358)	13,822,434	270,865
<b>State Appropriations</b>	5,565,844	5,110,471	5,173,421	62,950	4,161,051	(1,012,370)
<b>Other</b>	418,809	309,966	344,498	34,532	213,820	(130,678)
<b>TOTAL REVENUE</b>	26,856,210	27,107,229	26,092,319	(1,014,910)	24,931,500	(1,160,819)

Table 3.1

Tuition and fee revenue is budgeted to decrease 4.29 percent (as compared to 2019-2020 projected revenue) due to a projected 4 percent decline in billable contact hours coupled with a 2 percent increase in tuition rates. Property tax values in Monroe County are projected to remain somewhat flat and as a result, property tax revenues are budgeted to increase slightly by 1.96 percent and state appropriations are expected to decrease by 24.33 percent (\$1,012,370), as compared to 2019-2020 budgeted revenue due to the state of Michigan's anticipated shortfall of \$3.2 billion in its current budget. Even when adjusted for the Personal Property Tax (PPT) reimbursements year over year, there remains a sizable reduction anticipated in state appropriations fueled in large part by discussion of a negative supplemental in FY2020 and FY2021.

Table 3.2 demonstrates the annual percentages each revenue source represents of total General Fund revenues over 24 years.

Requested expenses in next year's General Fund budget represent a 4.76 percent decrease over the current year's budgeted expenses.

The proposed budget includes inactivating five full-time positions and one part-time support staff position that were budgeted in 2019-2020. They include the following:

Dean of Humanities/Social Sciences, Professor of Mathematics, Assistant Professor of English, Professor of Computer Information Systems, Administrative Assistant – Whitman Center, and Technical Operations Assistant (part-time position). The proposed budget also includes partial year funding for the following full-time positions which were funded in the 2019-2020 budget: Vice President of Enrollment Management and Student Services (budgeted for  $\frac{3}{4}$  year), Assistant Professor of Electronics and Electrical Technology (budgeted for  $\frac{1}{2}$  year), Professor of Construction Management Technology (budgeted for  $\frac{1}{2}$  year), Maker Space Technician (budgeted for  $\frac{1}{2}$  year), and General Maintenance Worker (budgeted for  $\frac{1}{2}$  year). The following positions have been restructured and/or hours reduced in the proposed budget: Auto Service Coordinator (position eliminated) partial funding used for Auto Lab Technician position, Science Lab Coordinator (full-time position) restructured to two part-time positions, Technical Director (Meyer Theater) hours reduced, Fitness Center Coordinator reassigned to Student Success Coach (summer and fall semester), Events, Alumni and Student Activities Coordinator reassigned hours to Student Success Coach (summer and fall semester), and reduced funding for Student Assistants (reduced from \$249,897 to \$110,000).

**Table 3.2**  
**General Fund Revenues Percentage of Total**

<b>FY</b>	<b>T &amp; F</b>	<b>Taxes</b>	<b>State</b>	<b>Other</b>	<b>Total</b>
97-98	19.5%	55.4%	21.8%	3.3%	100.0%
98-99	19.7%	55.6%	21.7%	3.0%	100.0%
99-00	19.4%	54.4%	22.3%	3.9%	100.0%
00-01	19.2%	54.3%	23.7%	2.8%	100.0%
01-02	20.5%	54.5%	23.1%	1.9%	100.0%
02-03	20.9%	55.6%	21.9%	1.6%	100.0%
03-04	23.0%	56.4%	19.4%	1.2%	100.0%
04-05	23.9%	55.2%	19.1%	1.8%	100.0%
05-06	24.4%	55.3%	17.7%	2.6%	100.0%
06-07	24.4%	55.3%	17.7%	2.6%	100.0%
07-08	25.8%	54.0%	17.7%	2.5%	100.0%
08-09	27.9%	54.3%	16.4%	1.4%	100.0%
09-10	32.3%	50.9%	15.9%	0.9%	100.0%
10-11	34.4%	48.5%	16.1%	1.0%	100.0%
11-12	35.4%	47.6%	16.1%	0.9%	100.0%
12-13	36.7%	45.6%	16.7%	1.0%	100.0%
13-14	35.3%	45.1%	18.6%	1.0%	100.0%
14-15	34.4%	47.0%	17.8%	0.8%	100.0%
15-16	32.9%	48.2%	18.0%	0.8%	100.0%
16-17	32.5%	46.8%	19.7%	0.9%	100.0%
17-18	30.7%	46.9%	21.1%	1.3%	100.0%
18-19	29.3%	48.4%	20.7%	1.6%	100.0%
19-20*	29.5%	50.6%	18.8%	1.1%	100.0%
20-21*	27.0%	55.4%	16.7%	0.9%	100.0%

\*Budgeted

Two positions are assuming expanded responsibilities and the proposed budget recommends increased funding for these positions. The recommendation includes upgrading the Coordinator of Research, Evaluation and Assessment from a professional staff position to an administrative position and the ASET Technician and Perkins Specialist position would be restructured from an 11-month assignment to a 12-month assignment.

The proposed 2020-2021 budget includes, per an anticipated Agreement with the MCCC Maintenance Association, a 0 percent increase in the maintenance employees' compensation. Wage increases for the full-time faculty per the faculty contract include a 1 percent increase and step advances. A 0 percent increase is being proposed for the president and to the salary schedules for administrators, professional staff, support staff, part-time support staff, and adjunct faculty. Full-time administrators, professional staff, and support staff who are eligible would receive step advances. Student assistant wages are budgeted at minimum wage (\$9.65) and will increase to \$9.87 in January 2021 (unless otherwise determined by the U.S. Bureau of Labor Statistics).

The following tables illustrate the wage adjustments by employee group:

**Management Salary Schedule**

FY	Steps	Percentage	Off-Schedule	Salary Schedule Freeze
2007-2008	X	3%		
2008-2009	X	3%		
2009-2010				X
2010-2011	X		\$500	X
2011-2012			\$500	X
2012-2013	X		\$500*	X
2013-2014	X	1%		
2014-2015				X
2015-2016	X		1%**	X
2016-2017	X	1%		
2017-2018	X	1.5%		
2018-2019	X	1.5%		
2019-2020	X	1%		
2020-2021	X			X

**Professional Staff**

FY	Steps	Percentage	Off-Schedule	Salary Schedule Freeze
2011-2012				New
2012-2013				X
2013-2014	X	1%		
2014-2015				X
2015-2016	X		1%**	X
2016-2017	X	1%		
2017-2018	X	1.5%		
2018-2019	X	1.5%		
2019-2020	X	1%		
2020-2021	X			X

*Note: Employee group created in January 2012 (Steps not given in 2012-13)*

**Table 3.3**

**Support Staff**

FY	Steps	Percentage	Off-Schedule	Salary Schedule Freeze
2007-2008	X	3%		
2008-2009	X	3%		
2009-2010				X
2010-2011	X		\$500	X
2011-2012			\$500	X
2012-2013	X		\$500*	X
2013-2014	X	1%		
2014-2015				X
2015-2016	X	1%		
2016-2017	X	1%		
2017-2018	X	1.5%		
2018-2019	X	1.5%		
2019-2020	X	1%		
2020-2021	X			X

\* \$500 Off-Schedule to full-time employees at top step of salary schedule

\*\* 1% Off-Schedule to full-time administrators/professional staff at 12th step; excludes VPs

**Part-time Support Staff**

FY	Percentage	Off-Schedule	Salary Schedule Freeze
2007-2008	3%		
2008-2009	3%		
2009-2010			X
2010-2011		\$250/\$125	X
2011-2012		\$250/\$125	X
2012-2013		\$250/\$125	X
2013-2014	1%		
2014-2015			X
2015-2016	1%		
2016-2017	1%		
2017-2018	1.5%		
2018-2019	1.5%		
2019-2020	1%		
2020-2021			X

Table 3.4

**Maintenance Staff**

FY	Steps	Percentage	Off-Schedule	Hourly Rate Freeze
2008-2009	NA	3%		
2009-2010	NA			X
2010-2011	NA			X
2011-2012	NA		\$500	X
2012-2013	NA		\$500	X
2013-2014	NA		\$500	X
2014-2015	NA	1%	\$250	
2015-2016	NA	1%	\$250	
2016-2017	NA	1%		
2017-2018	NA	2%		
2018-2019	NA	2%		
2019-2020	NA	2%		
2020-2021	NA			X

**Student Assistants**

FY	Wage	Wage Freeze
2006-2007	\$6.95	
2007-2008	\$7.15	
2008-2009	\$7.40	
2009-2010	\$7.40	X
2010-2011	\$7.40	X
2011-2012	\$7.40	X
2012-2013	\$7.40	X
2013-2014	\$7.40	X
2014-2015	\$8.15	
2015-2016	\$8.50	
2016-2017	\$8.90	
2017-2018	\$9.25	
2018-2019	\$9.45	
2019-2020	\$9.65	
2020-2021	\$9.87	

Table 3.5

### Full-time Faculty

FY	Steps	Percentage	Off-Schedule	Salary Schedule Freeze
2006-2007	X	3%		
2007-2008	X	3%		
2008-2009	X	3%		
2009-2010	X	3%		
2010-2011	X		\$500*	X
2011-2012	X		\$1,000*	X
2012-2013	X		\$500*	X
2013-2014	X	1%	\$500	
2014-2015	X	1%		
2015-2016	X	1%		
2016-2017	X	1%		
2017-2018	X	1.5%		
2018-2019	X	1.5%		
2019-2020	X	1%	\$100/\$1,000^	
2020-2021	X	1%		

\* Off-Schedule paid to faculty members on Step 12 of salary schedule

^Off-Schedule paid to faculty members as follows: \$100 for those on steps 1-11 and \$1,000 for those on step 12 during the 2018-19 contract year.

X-Contr. Rate Teaching	EC Rate after max of 6 contact hrs.	X-Contr. Rate Stu. & Info. Serv.	EC Rate after max of 180 hours	Spr/Sum X-Contr. Rate Teaching	EC Rate after max of 6 contact hrs.	Spr/Sum X-Contr. Rate Stu. & Info. Serv.	EC Rate after max of 180 hours	Indep Study - lecture	Indep Study - lecture /lab	Drama (per semester)	Agora (per semester)	Literary Arts Mag.	Club Advisors
\$60.63		\$34.80		\$60.63		\$34.80				\$1,067.00	\$618.00	\$898.00	\$1,010.00
\$62.45		\$35.84		\$62.45		\$35.84				\$1,099.00	\$637.00	\$925.00	\$1,041.00
\$64.32		\$36.92		\$64.32		\$36.92				\$1,132.00	\$656.00	\$953.00	\$1,072.00
\$66.25		\$38.03		\$66.25		\$38.03				\$1,166.00	\$675.00	\$982.00	\$1,104.00
\$66.25		\$38.03		\$66.25		\$38.03				\$1,166.00	\$675.00	\$982.00	\$1,104.00
\$66.25		\$38.03		\$66.25		\$38.03				\$1,166.00	\$675.00	\$982.00	\$1,104.00
\$66.25		\$38.03		\$66.25		\$38.03				\$1,166.00	\$675.00	\$982.00	\$1,104.00
\$66.91		\$38.41		\$66.91		\$38.41				\$1,178.00	\$682.00	\$992.00	\$1,115.00
\$67.58		\$38.79		\$67.58		\$38.79				\$1,189.00	\$689.00	\$1,002.00	\$1,126.00
\$68.26		\$39.18		\$68.26		\$39.18				\$1,201.00	\$695.00	\$1,012.00	\$1,137.00
\$68.26	\$51.52	\$39.18	\$27.22	\$68.26	\$45.02	\$39.18	\$23.79			\$1,213.00	\$702.00	\$1,022.00	\$1,148.00
\$68.94	\$51.52	\$39.57	\$27.22	\$68.94	\$45.02	\$39.57	\$23.79			\$1,231.00	\$712.00	\$1,037.00	\$1,166.00
\$69.63	\$51.52	\$39.97	\$27.22	\$69.63	\$45.02	\$39.97	\$23.79			\$1,250.00	\$723.00	\$1,053.00	\$1,183.00
\$70.33	\$52.04	\$40.37	\$27.49	\$70.33	\$45.47	\$40.37	\$24.03	\$300.00	\$350.00	\$1,263.00	\$730.00	\$1,064.00	\$1,195.00
\$71.03	\$52.56	\$40.77	\$27.76	\$71.03	\$45.92	\$40.77	\$24.27	\$303.00	\$354.00	\$1,276.00	\$737.00	\$1,075.00	\$1,207.00

Table 3.6

All employees of Monroe County Community College are required by law to participate in the Michigan Public School Employees Retirement System (MPERS). Full-time administrators, professional staff, and faculty have the option by law to elect to participate in an optional retirement plan (ORP) administered by TIAA-CREF in lieu of the MPERS plan. MPERS is administered by the Michigan Office of Retirement Services (ORS) with the oversight of a 12-member board. They collect and compile employee wage, contribution, and service information from 541 K-12 districts, 36 public school academy/charter schools, 7 universities, 28 community colleges, 56 intermediate school districts, and 10 libraries.

For employees participating in MPERS, their specific retirement plan is determined based upon their date of hire and elections they made during the hiring process. Employees hired prior to 1986 are in the Basic Plan (unless they have elected to move to the MIP plan). The Member Investment Plan (MIP) took effect January 1, 1987. The MIP and Basic plans were closed to new members starting on July 1, 2010, and MIP and Basic members were given the opportunity to switch to the Defined Contribution (DC) plan. Employees who began working at the College on July 1, 2010 or later are a member of either the Pension Plus plan, Pension Plus 2 plan, or the Defined Contribution (DC) plan. For eligible employees who select the ORP plan, if employed on or before August 23, 2014, the College and the employee contribute the same amount that would have been contributed to the MPERS plan. If employed after August 23, 2014, the College contributes 12 percent and the employee contributes 4 percent to the plan. The following table illustrates the retirement contribution rates paid by the College:

RETIREMENT - EMPLOYER CONTRIBUTION RATES				
	MPERS Defined Contribution	MPERS Defined Benefit	ORP Employed on or before: August 23, 2014	ORP Employed After: August 23, 2014
2018-2019	24.96% - 29.96%	25.82% - 30.16%	25.82% - 30.16%	12%
2019-2020	29.96%	25.55% - 30.16%	25.55% - 30.16%	12%
2020-2021	29.96%	26.25% - 30.16%	26.25% - 30.16%	12%

Table 3.7

As has been the practice over the past few years, during FY20 the organization was analyzed and changes were made in how the college is organized and staffed. Organizational lines of reporting were updated to move the Library and the Whitman Center under the Instructional Area, move the Marketing and Communications Department under Enrollment Management and Student Services, and move Information Systems, Data Processing, Security Services, and the Fitness Center under Administration.

In balancing the budget, numerous additions, cuts and adjustments were made throughout the various cost centers and activities. Despite the fact that the FY21 budget contains new initiatives and, in some cases additional funding, balancing the budget proved to be extremely difficult due to the economic impact of the coronavirus pandemic and the resulting uncertainty of state appropriations and enrollment. While economists speculate that the U.S. economy will be in recovery by the third quarter of this year and that the labor market will recover quicker than previously expected, higher education leaders continue to contemplate the short and long-term effects of the pandemic and the possibility of a “second wave” of cases in the fall or winter. This

uncertainty has limited the college's ability to address all of the needs that currently exist including the ability to add new programs and services.

The budget includes recommended transfers to the General Fund from the Technology Fund (\$100,000), Food Service Fund (\$30,450), the Endowment Fund (\$100,005), and the Maintenance and Replacement Fund (\$474,710). The transfer from the Technology Fund will be used to offset cost that directly support student use of technology. The transfer from the Food Service Fund will be used to offset the cost of institutional scholarships. The Endowment Fund transfer will fund capital outlay purchases and the transfer from the Maintenance and Replacement Fund will be made should the college realize more than a 10 percent cut in State Allocations.

The proposed budget also includes a transfer from the General Fund to the Unexpended Plant Fund of \$1,000,000 to be used to retire the long-term debt associated with the HVAC project. This transfer is made possible due by a projected increase to unrestricted net position resulting from 2019-2020 revenues being greater than expenses. If approved, the transfers will be made following the completion of the 2019-2020 audit.

The College's long-term debt obligation for the HVAC project has an outstanding balance at the close of FY20 of \$12,966,909.95. Interest and principal payments in FY 2020-2021 will total \$1,436,118.51 (See Table 8.2 for the complete payment schedule).

The General Fund does not reflect all of the College's expenditure needs. The Technology Fund and the Maintenance and Replacement Fund must always be considered within this analysis, as should the Millage Maintenance and Replacement Fund. The Technology Fund receives funding from the Technology Fee charged per billable contact hour. The Maintenance and Replacement Fund does not have a revenue source except for funding transferred from the General Fund (and gift revenues from The Foundation). The Millage Maintenance and Replacement Fund will receive funding for one more year from Monroe County property taxes. If approved by the Board, the college will ask the Monroe County electorate for a renewal of this 5-year millage (2021-2025) on the November 3, 2020 general election ballot.

Following is a summary of next year's proposed General Fund budget. It is recommended that any additions to the College's unrestricted net position following the 2019-2020 audit be transferred to the Unexpended Plant Fund to be used for payments on the HVAC project loan.

## GENERAL FUND REVENUES AND EXPENSES

Table 3.8

			2019-2020 to 2020-2021	
	Budget	Budget	Difference	
Revenue:	2019-2020	2020-2021	\$	%
Tuition & Fees	\$ 7,982,865	\$ 6,734,195	\$ (1,248,670)	-15.64%
Property Taxes	13,703,927	13,822,434	118,507	0.86%
State Appropriation*	5,110,471	4,161,051	(949,420)	-18.58%
Investment Income	90,135	21,000	(69,135)	-76.70%
Other	219,831	182,820	(37,011)	-16.84%
<b>Total</b>	<b>\$ 27,107,229</b>	<b>\$ 24,921,500</b>	<b>\$ (2,185,729)</b>	<b>-8.06%</b>
<b>Expenses:</b>				
Full-time Faculty	\$ 5,208,485	\$ 4,991,364	\$ (217,121)	-4.17%
Extra-contractual Faculty	803,853	834,509	30,656	3.81%
Adjunct Faculty	1,798,922	1,619,451	(179,471)	-9.98%
<b>Faculty Wages</b>	<b>\$ 7,811,260</b>	<b>\$ 7,445,324</b>	<b>\$ (365,936)</b>	<b>-4.68%</b>
Administration	2,629,243	2,576,314	(52,929)	-2.01%
Professional Staff	780,615	745,219	(35,396)	-4.53%
Support Staff	2,552,991	2,484,040	(68,951)	-2.70%
Maintenance	1,002,375	998,864	(3,511)	-0.35%
Student Assistants	249,897	53,816	(196,081)	-78.46%
Opt Out	32,250	27,750	(4,500)	-14.0%
<b>Total Wages</b>	<b>\$ 15,058,631</b>	<b>\$ 14,331,327</b>	<b>\$ (727,304)</b>	<b>-4.83%</b>
Fringe Benefits	7,457,061	7,064,987	(392,074)	-5.26%
<b>Total Wages &amp; Fringes</b>	<b>\$ 22,515,692</b>	<b>\$ 21,396,314</b>	<b>\$ (1,119,378)</b>	<b>-4.97%</b>
Services	1,183,232	1,128,942	(54,290)	-4.59%
Supplies	963,652	896,640	(67,012)	-6.95%
Rent/Utilities/Insurance	1,101,348	1,096,057	(5,291)	-0.48%
Other	917,516	871,200	(46,316)	-5.05%
Capital Outlay	175,789	100,005	(75,784)	-43.11%
Contingency	50,000	137,507	87,507	175.0%
<b>Total Expenses</b>	<b>\$ 26,907,229</b>	<b>\$ 25,626,665</b>	<b>\$ (1,280,564)</b>	<b>-4.76%</b>
Transfers In	-	(705,165)	(705,165)	
Transfers Out	1,200,000	1,000,000	(200,000)	
<b>Total Expenses &amp; Transfers</b>	<b>\$ 28,107,229</b>	<b>\$ 25,921,500</b>	<b>\$ (2,185,729)</b>	<b>-7.78%</b>
<b>Revenue Greater / (Less)</b>				
<b>Than Expenses &amp; Transfers</b>	<b>\$ (1,000,000)</b>	<b>\$ (1,000,000)</b>		
* 2019-20 and 2020-21 State Appropriations excludes UAAL of \$1,600,000 and \$1,400,000 respectively				



## REVENUES AND EXPENSES – TOTAL OPERATIONS

(Does Not Include Transfers)

FY	G/F	TECH	M&R	TOTAL
<b>09-10</b>				
Revenues	25,993,591	611,642	45,170	26,650,403
Expenses	24,731,430	564,528	1,200,238	26,496,196
<b>R≥E</b>	<b>1,262,161</b>	<b>47,114</b>	<b>(1,155,068)</b>	<b>154,207</b>
<b>10-11</b>				
Revenues	25,747,947	592,123	25,044	26,365,114
Expenses	25,389,072	955,975	669,474	27,014,521
<b>R≥E</b>	<b>358,875</b>	<b>(363,852)</b>	<b>(644,430)</b>	<b>(649,407)</b>
<b>11-12</b>				
Revenues	25,499,175	540,941	3,911	26,044,027
Expenses	25,564,224	464,107	299,413	26,327,744
<b>R≥E</b>	<b>(65,049)</b>	<b>76,834</b>	<b>(295,502)</b>	<b>(283,717)</b>
<b>12-13</b>				
Revenues	25,842,937	841,486	100,000	26,784,423
Expenses	25,530,584	796,009	292,024	26,618,617
<b>R≥E</b>	<b>312,353</b>	<b>45,477</b>	<b>(192,024)</b>	<b>165,806</b>
<b>13-14</b>				
Revenues	26,678,371	930,576	300,000	27,908,947
Expenses	26,138,834	928,593	409,928	27,477,355
<b>R≥E</b>	<b>539,537</b>	<b>1,983</b>	<b>(109,928)</b>	<b>431,592</b>
<b>14-15</b>				
Revenues	26,469,039	842,090	600,000	27,911,129
Expenses	25,330,435	806,668	441,903	26,579,006
<b>R≥E</b>	<b>1,138,604</b>	<b>35,423</b>	<b>158,097</b>	<b>1,332,123</b>
<b>15-16</b>				
Revenues	25,545,212	1,275,259	504,889	27,325,360
Expenses	24,219,483	1,259,874	894,371	26,373,728
<b>R≥E</b>	<b>1,325,729</b>	<b>15,385</b>	<b>(389,482)</b>	<b>951,632</b>
<b>16-17</b>				
Revenues	26,381,098	1,274,172	101,000	27,756,270
Expenses	23,300,934	1,145,259	29,083	24,475,276
<b>R≥E</b>	<b>3,080,164</b>	<b>128,913</b>	<b>71,917</b>	<b>3,280,994</b>
<b>17-18</b>				
Revenues	26,818,804	1,220,316	450,000	28,489,120
Expenses	23,807,859	1,152,345	174,230	25,134,434
<b>R≥E</b>	<b>3,010,945</b>	<b>67,971</b>	<b>275,770</b>	<b>3,354,686</b>
<b>18-19</b>				
Revenues	26,856,209	1,206,835	150,000	28,213,044
Expenses	24,278,892	821,810	98,716	25,199,418
<b>R≥E</b>	<b>2,577,317</b>	<b>385,025</b>	<b>51,284</b>	<b>3,013,626</b>
<b>19-20*</b>				
Revenues	27,107,229	1,176,899	125,000	28,409,128
Expenses	26,907,229	1,556,719	124,485	28,588,433
<b>R≥E</b>	<b>200,000</b>	<b>(379,820)</b>	<b>515</b>	<b>(179,305)</b>
<b>20-21*</b>				
Revenues	24,921,500	1,151,352	7,000	26,079,852
Expenses	25,626,665	1,320,845	215,150	27,162,660
<b>R≥E</b>	<b>(705,165)</b>	<b>(169,493)</b>	<b>(208,150)</b>	<b>(1,082,808)</b>

\*Note: FY 2019-20 and FY 2020-21 are budget amounts

Table 3.9

### GENERAL FUND REVENUES BY SOURCE

Revenues	2018-19 Actual	2019-20 Budget	2020-21 Proposed	Increase / (Decrease)	% Change
Tuition & Fees	\$ 7,883,339	\$ 7,982,865	\$ 6,734,195	\$ (1,248,670)	-15.64%
Property Taxes	12,988,218	13,703,927	13,822,434	118,507	0.86%
State Appropriations	5,565,844	5,110,471	4,161,051	(949,420)	-18.58%
Other	418,809	309,966	213,820	(96,146)	-31.02%
Totals:	\$ 26,856,210	\$ 27,107,229	\$ 24,931,500	\$ (2,175,729)	-8.03%

Table 3.10

### REVENUE SOURCE BY PERCENTAGE OF TOTAL

Revenues	2018-19 Actual	2019-20 Budget	2020-21 Proposed
Tuition & Fees	29.35%	29.45%	27.01%
Property Taxes	48.36%	50.55%	55.44%
State Appropriations	20.72%	18.85%	16.69%
Other	1.56%	1.14%	0.86%
	100.00%	100.00%	100.00%

Table 3.11

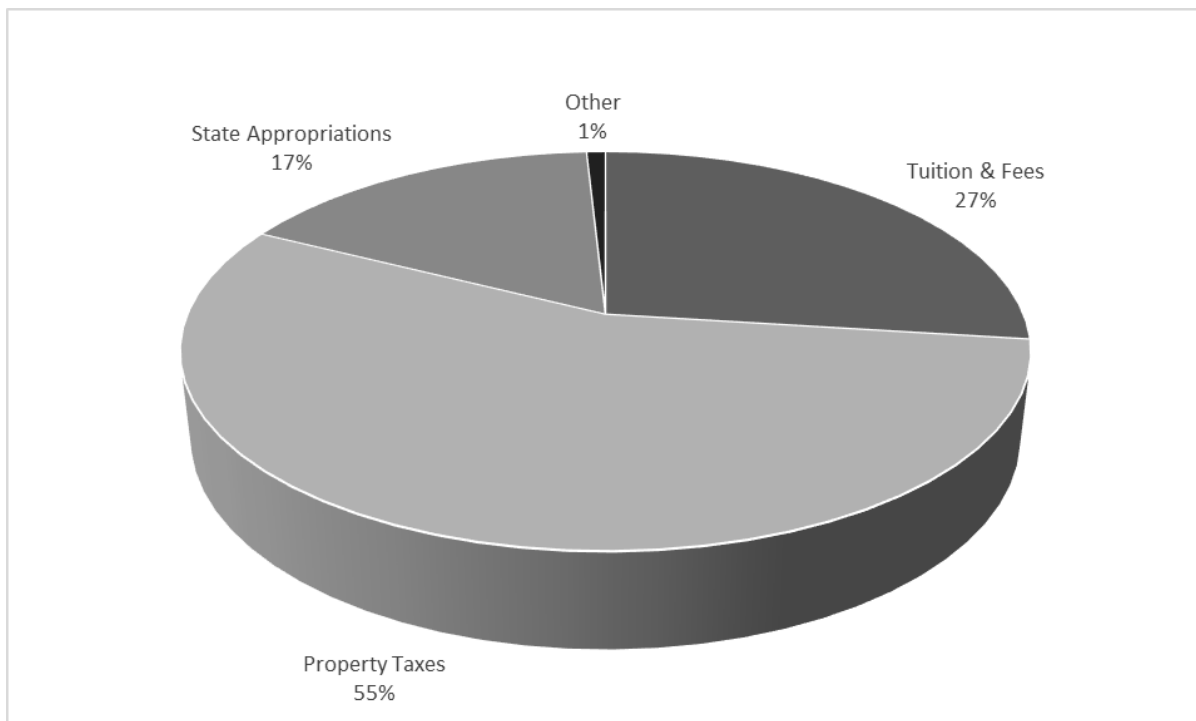


Figure 3.1

The following table offers an analysis of the College General Fund revenue history.

### **GENERAL FUND REVENUE HISTORY**

<b>YEAR</b>	<b>T &amp; F</b>	<b>TAXES</b>	<b>STATE</b>	<b>OTHER</b>	<b>TOTAL</b>
2018-19	7,883,339	12,988,218	5,565,844	418,809	26,856,210
2017-18	8,224,631	12,581,734	5,660,614	351,824	26,818,804
2016-17	8,577,606	12,356,491	5,199,535	247,466	26,381,098
2015-16	8,414,300	12,317,196	4,609,457	204,260	25,545,212
2014-15*	8,767,177	11,968,333	5,533,326	200,203	26,469,039
2013-14	9,408,614	12,025,044	4,970,813	273,900	26,678,371
2012-13	9,402,222	11,672,059	4,525,314	243,342	25,842,937
2011-12	9,015,089	12,134,618	4,094,000	255,468	25,499,175
2010-11	8,866,987	12,474,876	4,143,881	262,203	25,747,947
2009-10	8,388,824	13,234,336	4,143,868	226,562	25,993,590
2008-09	7,060,488	13,698,173	4,143,880	347,651	25,250,192
2007-08	6,445,359	13,468,676	4,418,900	621,854	24,954,789
2006-07	5,895,887	12,864,794	3,313,500	731,191	22,805,372
2005-06	5,415,485	12,259,020	3,922,100	561,923	22,158,528
2004-05	5,063,807	11,684,119	4,049,700	375,498	21,173,124
2003-04	4,582,859	11,244,481	3,855,100	234,846	19,917,286
2002-03	4,113,045	10,939,319	4,305,891	320,728	19,678,983
2001-02	3,959,052	10,518,389	4,462,223	365,696	19,305,360
2000-01	3,537,634	10,037,409	4,378,640	524,321	18,478,004
1999-00	3,482,756	9,838,512	4,008,744	690,032	18,020,044
1998-99	3,330,164	9,390,077	3,664,952	512,131	16,897,324
1997-98	3,166,654	8,970,521	3,534,573	528,791	16,200,539
1996-97	3,058,341	8,588,273	3,279,142	482,700	15,408,456
1995-96	2,942,789	8,337,066	3,015,192	402,986	14,698,033
1994-95	2,791,235	7,767,911	2,731,000	351,262	13,641,408
1993-94	2,698,031	7,830,308	2,644,900	270,001	13,443,240
1992-93	2,510,835	7,520,854	2,587,259	311,086	12,930,034
1991-92	2,145,950	7,387,254	2,736,148	311,018	12,580,370
1990-91	1,753,745	6,981,544	2,270,675	357,039	11,363,003
1989-90	1,591,282	6,542,416	2,225,700	382,311	10,741,709
1988-89	1,369,865	6,256,248	2,019,175	340,416	9,985,704
1987-88	1,347,578	5,992,466	1,953,975	323,377	9,617,396
1986-87	1,183,986	5,598,548	1,836,250	320,093	8,938,877
1985-86	1,117,012	5,041,087	1,705,050	291,367	8,154,516
1984-85	1,163,861	4,803,871	1,556,300	333,636	7,857,668
1983-84	1,144,236	4,562,125	1,429,808	295,697	7,431,866

YEAR	T & F	TAXES	STATE	OTHER	TOTAL
1982-83	1,121,179	4,362,457	1,276,986	253,276	7,013,898
1981-82	999,211	4,079,066	1,275,459	169,912	6,523,648
1980-81	904,561	3,525,398	1,310,328	168,712	5,908,999
1979-80	719,369	1,765,876	1,409,572	215,004	4,109,821
1978-79	665,305	1,562,838	1,284,003	256,334	3,768,480
1977-78	681,461	1,390,090	1,155,665	292,595	3,519,811
1976-77	687,093	1,345,478	1,051,277	221,011	3,304,859
1975-76	621,828	1,235,818	949,375	219,897	3,026,918
1974-75	500,506	1,114,439	912,957	255,300	2,783,202
1973-74	469,913	950,770	788,909	172,428	2,382,020
1972-73	496,357	838,848	727,846	113,479	2,176,530
1971-72	507,539	676,094	732,664	209,763	2,126,060
1970-71	496,315	594,877	672,752	91,445	1,855,389
1969-70	469,577	535,224	750,670	100,547	1,856,018
1968-69	401,282	506,647	420,199	91,922	1,420,050
1967-68	222,192	482,652	269,865	51,320	1,026,029
1966-67	78,547	468,322	108,160	53,267	708,296
1965-66	- 0 -	467,040	- 0 -	17,319	484,359
1964-65	- 0 -	421,410	- 0 -	- 0 -	421,410

\*State Revenue includes UAAL funding; 2014-2015 adjusted to remove UAAL is \$4,535,989

Table 3.12

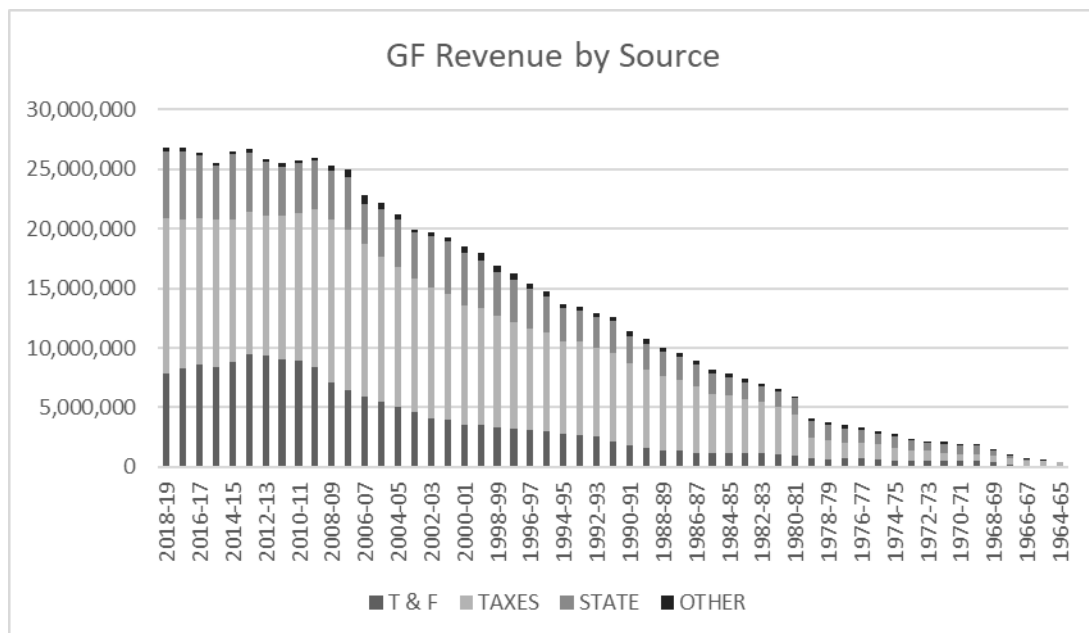


Figure 3.2

## GENERAL FUND REVENUES

### Tuition and Fees

Tuition and fees revenue represents tuition from both credit classes and non-credit classes such as lifelong learning courses and the contracted training conducted for business and industry. Fee revenue is generated by charges for such items as lab materials, transcripts and registration fees.

The three academic semesters in the College's next fiscal year are Fall 2020, Winter 2021, and Summer 2021.

The College's Board of Trustees has the sole right and responsibility to set and change tuition rates for the College. The Board has always made a concerted and earnest effort to maintain the affordability for both current and future students attending MCCC. On March 23, 2020, the Board voted unanimously to increase Monroe County resident tuition by 2.00 percent per billable contact hour and increase out-of-county tuition by 2.00 percent and out-of-state tuition by 2.00 percent.

A tuition and fee revenue amount of \$6,734,195 is being projected for next year's budget. This represents a decrease of \$1,248,670 or -15.64 percent as compared to the current year's budget. When compared to 2019-2020 projected tuition and fee revenue, this is a \$288,636 decrease that equates to a -4.29 percent decrease over the current year. The business office is projecting a 4 percent decrease in billable contact hours in 2020-2021.

Table 3.13 shows the tuition rates over the past sixteen years for credit classes for the three tuition rate categories: resident (property owned in Monroe County); non-resident (residing in the state of Michigan, but outside of Monroe County); and out-of-state (residing outside of Michigan).

**MCCC TUITION RATES**

Beginning	Resident	Non-Resident	Out-of-State
Fall 2005	\$58 (+\$4 = 7.4%)	\$98 (+\$6 = 6.5%)	\$108 (+\$7 = 6.9%)
Fall 2006	\$60 (+\$2 = 3.4%)	\$104 (+\$6 = 6.1%)	\$115 (+\$7 = 6.5%)
Fall 2007	\$64 (+\$4 = 6.7%)	\$110 (+\$6 = 5.8%)	\$122 (+\$7 = 6.1%)
Fall 2008	\$67 (+\$3 = 4.7%)	\$115 (+\$5 = 4.6%)	\$128 (+\$6 = 4.9%)
Fall 2009**	\$67	\$115	\$128
Fall 2010	\$72 (+\$5 = 7.5%)	\$124 (+\$9 = 7.9%)	\$138 (+\$10 = 7.9%)
Fall 2011	\$77 (+\$5 = 7.0%)	\$132 (+\$8 = 6.5%)	\$147 (+\$9 = 6.5%)
Fall 2012	\$84 (+\$7 = 9.1%)	\$144 (+\$12 = 9.1%)	\$160 (+\$13 = 8.85%)
Fall 2013	\$92 (+\$8 = 9.5%)	\$158 (+\$14 = 9.7%)	\$176 (+\$16 = 10%)
Fall 2014	\$95 (+\$3 = 3.3%)	\$163 (+\$5 = 3.2%)	\$181 (+\$6 = 3.4%)
Fall 2015	\$102 (+\$7 = 7.37%)	\$177 (+\$14 = 8.59%)	\$197 (+\$16 = 8.84%)
Fall 2016	\$107 (+\$5 = 4.9%)	\$186 (+\$9 = 5.09%)	\$207 (+\$10 = 5.08%)
Fall 2017	\$107	\$190 (+4 = 2.15%)	\$211.50 (+4.50 = 2.17%)
Fall 2018	\$109.50 (+\$2.50 = 2.34%)	\$194.50 (+\$4.50 = 2.37%)	\$216.50 (+\$5 = 2.37%)
Fall 2019	\$112.50 (+\$2.75 = 2.51%)	\$199.50 (+\$5 = 2.57%)	\$222 (+\$5.50 = 2.54%)
Fall 2020	\$114.50 (+\$2.25 = 2.0%)	\$203.49 (+\$3.99 = 2.0%)	\$226.44 (+\$4.44 = 2.0%)

\*Year of State tuition restraint incentive; \*\*Conversion from credit hour to billable contact hour basis

**Table 3.13**

### State Appropriations

In FY 2000-2001, MCCC's state funding represented 23.7 percent of the total General Fund revenues. In the FY 2020-2021 budget, state appropriations represent 16.69 percent of total General Fund revenues, down from FY 2019-2020 (2.16 percent). While MCCC may never see a return to the level reached in FY 2000-2001, the FY 2020-2021 anticipated decrease in state appropriations dramatically affects the general fund budget (total decrease of \$949,420) and may signal an ever-increasing threat to the state's ability and commitment to fund higher education.

At the time of preparing this proposed budget, State funding for community colleges has not been finalized. The Consensus Revenue Estimating Conference held in May reported that the state's General Fund will see a \$2 billion drop in tax revenue while the School Aid Fund will experience a nearly \$1.2 billion decrease in revenue from the 2019 budget (Detroit News, May 15, 2020). The shortfall is requiring the Governor and Senate to make budget cuts before the end of September (end of the state's fiscal year). While the precise cuts to education have not been announced, it has been hypothesized that community colleges will see a 10 percent negative supplemental this year and that the FY 2020-2021 budget will be built using the reduced FY 2019-2020 appropriation adding an additional 10 percent reduction. The proposed budget includes the outlined assumption in the calculations for college's 2020-2021 State Appropriations.

Beginning in 2012, Public Act 300 instituted several reforms to the Michigan Public School Employees' Retirement System (MPERS), one of which was to cap the employer's share of the Unfunded Actuarial Accrued Liability (UAAL) on reported payroll at 20.96 percent. As a result, per section 147c of the Education Omnibus Budget, the balance of retirement costs are funded with state appropriations, referred to as MPERS UAAL Rate Stabilization payments. These funds are allocated and distributed to the College on a monthly basis, and in turn, the College is invoiced monthly by the Office of Retirement Services and pays these funds to the retirement system.

The UAAL Rate Stabilization funds were removed from the General Fund in 2016-2017 and are now recorded in the Retirement Designated Fund. The anticipated UAAL revenues and expenditures allocation for 2020-2021 is \$1.4 million. The UAAL Rate Stabilization Rates for the College were \$589,099 in 2013-2014, \$997,337 in 2014-2015, \$1,360,249 in 2015-2016, \$1,450,164 in 2016-2017, \$1,618,975 in 2017-2018, \$1,437,376 in 2018-2019, and projected to be \$1.45 million in 2019-2020 and \$1.4 million in 2020-2021.

## **Property Taxes**

For Monroe County Community College, the taxation district is Monroe County, Michigan. As such, all millage elections for the College must be approved by the Monroe County electorate. In 1964, county voters approved a 1.25 mil levy to create the College. In 1980, a 1 mil increase was approved. The rate remained at 2.25 mils until 1994 when revised tax legislation (the Headlee Amendment) introduced a rollback provision. Such rollbacks are calculated annually and are required when the increase in "adjusted" property tax values exceeds the rate of inflation. The current millage rate for the College is 2.1794 mills (since 2005), and the 2.25 millage rate can only be reinstated by a vote of the Monroe County electorate.

In November 2016, the College requested voter approval for a .85 mil property tax levy for a period of 5 years to be used for critical maintenance and renovation projects. The request was approved by the voters and is now generating revenues to complete these needed projects (see Chapter 11).

For the 2020-2021 fiscal year, a slight increase in property tax revenues is projected. The budget includes a .86 percent increase (\$118,507) for property tax revenues. The projected 2020-2021 property tax revenue includes the city of Monroe/DTE Monroe Power Plant adjustment as well as the tax adjustment for Republic Services in Erie Township (FY 2019-2020 refund totaling \$111,367.64 operating millage and \$43,435.12 maintenance and improvement millage) but does not include an adjustment for the Frenchtown Township/DTE Fermi II appeal as that has not yet been settled.

On May 29, 2018, the DTE Electric Company filed a petition with the Michigan Tax Tribunal seeking a 58.2 percent reduction in the taxable value of the Monroe Power Plant located in the City of Monroe. The company was seeking a \$283 million reduction in its Monroe Power Plant property taxes. Following negotiations, the city of Monroe and DTE signed a Consent Agreement regarding the Monroe Power Plant tax appeal in May 2020. The terms of that agreement and the resulting effect on MCCC property tax revenues is illustrated in the following table:

YEAR	ROLL TAXABLE VALUE	Consent Agreement Taxable Value	YR-Over-YR Percent Change	Total Percent Change	GENERAL FUND MILLAGE RATE	ROLL TAX	Consent Agreement Roll Tax	REFUND
2018	503,876,075				2.1794	1,098,148		-
2019	516,637,332	482,100,000	-4.32%	-4.32%	2.1794	1,125,959	1,050,689	(75,271.78)
2020		461,121,331	-10.75%	-8.49%	2.1794		1,004,968	
2021		433,138,415	-6.07%	-14.04%	2.1794		943,982	
2022		421,138,412	-2.77%	-16.42%	2.1794		917,829	
2023		385,138,405	-8.55%	-23.56%	2.1794		839,371	
2024		361,138,399	-6.23%	-28.33%	2.1794		787,065	
2025		361,138,399	0.00%	-28.33%	2.1794		787,065	

**Table 3.14**

On June 11, 2018, the College learned that the DTE Electric Company had also filed a petition with the Michigan Tax Tribunal on May 29, 2018, requesting a 60 percent reduction in the taxable value of the Fermi 2 Nuclear Power Plant located in Frenchtown Township. The company is seeking a \$242 million reduction in its Fermi 2 property taxes. Frenchtown Township and DTE are currently in negotiations regarding the tax appeal. The potential impact to the general fund of a taxable value adjustment for the Fermi II plant is highlighted in the following table:

YEAR	ROLL TAXABLE VALUE	Reduction Percent Change	OFFER FOR FRENCHTOWN TAXABLE VALUE	TAXABLE VALUE DIFFERENCE	GENERAL FUND MILLAGE RATE	ROLL TAX	POSSIBLE REFUND
<b>2018</b>	<b>404,344,600</b>				<b>2.1794%</b>	<b>881,229</b>	
2018	404,344,600	5.00%	384,127,370	(20,217,230)	2.1794%	837,167	(44,061)
2018	404,344,600	10.00%	363,910,140	(40,434,460)	2.1794%	793,106	(88,123)
2018	404,344,600	55.00%	181,955,070	(222,389,530)	2.1794%	396,553	(484,676)
<b>2019</b>	<b>409,793,600</b>				<b>2.1794%</b>	<b>893,104</b>	
2019	409,793,600	5.00%	389,303,920	(20,489,680)	2.1794%	848,449	(44,655)
2019	409,793,600	10.00%	368,814,240	(40,979,360)	2.1794%	803,794	(89,310)
2019	409,793,600	55.00%	184,407,120	(225,386,480)	2.1794%	401,897	(491,207)
2020	389,303,920	5.00%	369,838,724			806,027	
2020	368,814,240	10.00%	331,932,816			723,414	
2020	184,407,120						

Table 3.15

## Other Revenue

The 2020-2021 budget includes a 34.24 percent decrease (\$106,146) in Other Revenue. As can be seen below, the decrease is due primarily to an anticipated decline in investment income and rent of facilities and land. The anticipated decrease in rent is a result of facility usage restrictions caused by the pandemic and continuing construction on campus.

Other Revenue represents revenue generated by the following activities:

Other Revenue:	2019-20	2020-21	Variance
Grant Reimbursements	-	-	-
Investment Income	90,135	21,000	(69,135)
Indirect Cost Recoveries	28,000	28,000	-
Culinary Sales	13,000	7,000	(6,000)
Non-Tuition Fees and Fines	28,800	28,800	-
Rent of Facilities and Land	139,320	109,320	(30,000)
Alumni Dues and Events	6,500	6,000	(500)
Other Events and Workshops	3,600	3,100	(500)
Bookstore Scholarship	(10,000)	(10,000)	-
Miscellaneous	10,611	10,600	(11)
	309,966	203,820	(106,146)

Table 3.16

The following table presents a four-year history of Other Revenue:



Other Revenue	History			
	2018-2019 Actuals	2017-2018 Actuals	2016-2017 Actuals	2015-2016 Actuals
Indirect Cost Recovery	23,467	38,044	19,728	35,144
Interest	186,244	94,557	11,115	3,615
Culinary Sales	11,818	13,638	13,019	22,610
Fines, Fees & Charges	37,860	28,899	6,846	4,144
Rent	137,319	150,605	178,092	110,393
Alumni Dues & Events	9,251	7,258	9,740	8,375
Student Government & Events	3,978	7,412	8,188	6,662
Miscellaneous Revenue	17,657	23,079	8,467	21,417
<b>TOTAL</b>	<b>427,593</b>	<b>363,492</b>	<b>255,195</b>	<b>212,360</b>

Table 3.17

## GENERAL FUND EXPENSES

The following pages outline expenses by activity, expenses by category, renovation projects, and capital outlay purchases.

### GENERAL FUND EXPENSES BY ACTIVITIES

	Actual	Actual	Budget	Proposed	19-20 to 20-21	Difference
Expenses	2017-18	2018-19	2019-20	2020-21	\$	%
Instruction	\$ 10,393,030	\$ 10,516,107	\$ 11,769,408	\$ 11,084,931	\$ (684,477)	-5.82%
Information Technology	1,003,673	1,179,534	1,293,764	1,331,825	38,061	2.94%
Public Service	191,836	210,083	210,006	171,478	(38,528)	-18.35%
Instructional Support	3,353,671	3,591,387	3,570,561	3,278,915	(291,646)	-8.17%
Student Services	2,639,613	2,700,669	2,961,543	2,696,511	(265,032)	-8.95%
Institutional Administration	3,118,286	3,031,952	3,460,309	3,461,732	1,423	0.04%
Physical Plant Operations	3,107,751	3,049,160	3,641,638	3,601,273	(40,365)	-1.11%
Total Expenses	\$ 23,807,859	\$ 24,278,892	\$ 26,907,229	\$ 25,626,665	\$ (1,280,564)	-4.76%
Transfer from Endowment Fund	\$ -	\$ -	\$ -	\$ (100,005)	\$ (100,005)	
Transfer from Technology Fund	\$ -	\$ -	\$ -	\$ (100,000)	\$ (100,000)	
Transfer from Auxiliary Fund	\$ -	\$ -	\$ -	\$ (30,450)	\$ (30,450)	
Transfer from M&R Fund	\$ -	\$ -	\$ (75,272)	\$ (474,710)	\$ (399,438)	
Transfer to Unexpended Fund	1,624,000	861,945	1,690,000	1,000,000	(690,000)	
Transfers to Retirement Fund	-	225,000	-	-	-	
Transfers to M&R Fund	-	500,000	500,000	-	(500,000)	
Total Transfers to and (from) funds	\$ 1,624,000	\$ 1,586,945	\$ 2,114,728	\$ 294,835	\$ (1,819,893)	
Total Expenses and Transfers	\$ 25,431,859	\$ 25,865,837	\$ 29,021,957	\$ 25,921,500	\$ (3,100,457)	-10.68%

Table 3.18

### PERCENTAGE OF TOTAL EXPENSES

	Actual	Budget	Proposed
	2018-19	2019-20	2020-21
Instruction	43.31%	43.74%	43.26%
Information Technology	4.86%	4.81%	5.20%
Public Service	0.87%	0.78%	0.67%
Instructional Support	14.79%	13.27%	12.79%
Student Services	11.12%	11.01%	10.52%
Institutional Administration	12.49%	12.86%	13.51%
Physical Plant Operations	12.56%	13.53%	14.05%
Total	100.00%	100.00%	100.00%

Table 3.19

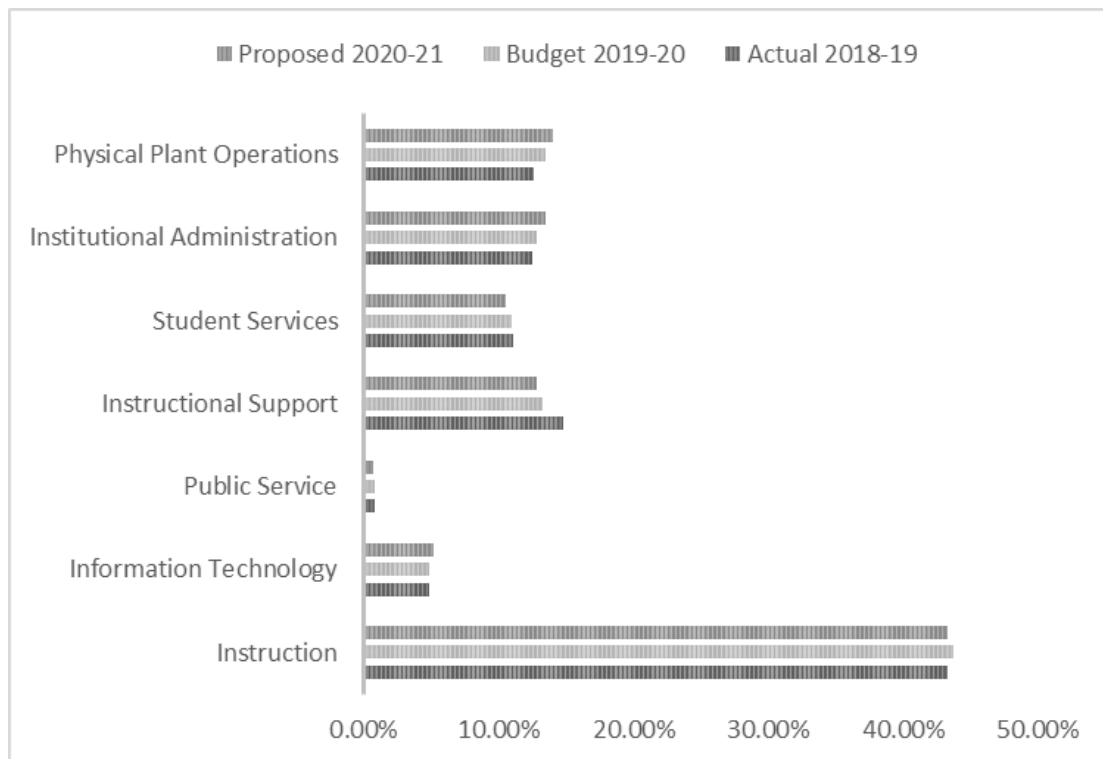


Figure 3.3

**GENERAL FUND  
EXPENSES BY CATEGORY**

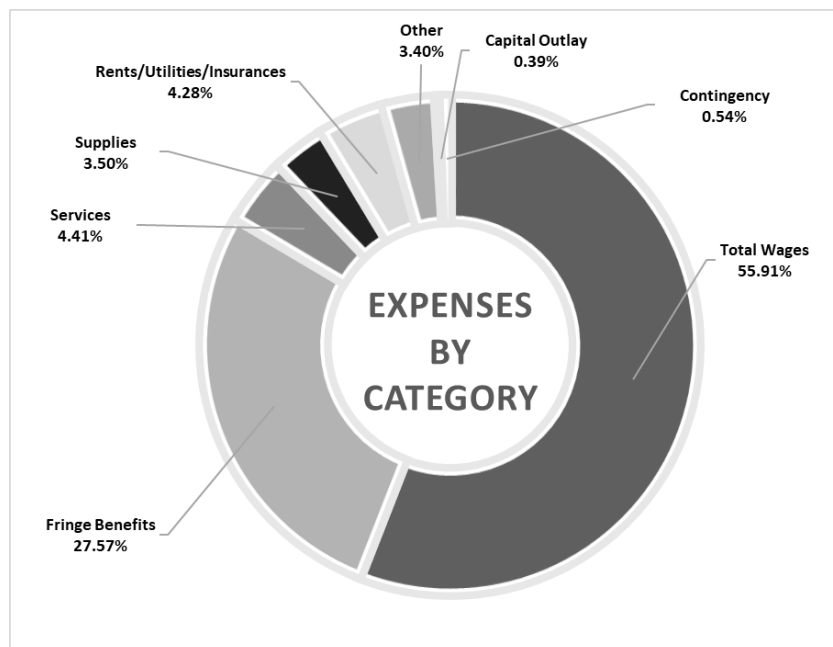
Expenses	Actual	Budget	Budget	19-20 to 20-21 Difference	
	2018-19	2019-20	2020-21	\$	%
Full-time Faculty	\$ 4,849,908	\$ 5,208,485	\$ 4,991,364	\$ (217,121)	-4.17%
Extra-contractual Faculty	773,333	803,853	834,509	30,656	3.81%
Adjunct Faculty	1,478,246	1,798,922	1,619,451	(179,471)	-9.98%
<b>Faculty Wages</b>	<b>\$ 7,101,487</b>	<b>\$ 7,811,260</b>	<b>\$ 7,445,324</b>	<b>\$ (365,936)</b>	<b>-4.68%</b>
Administration	2,622,132	2,629,243	2,576,314	(52,929)	-2.01%
Professional	710,116	780,615	745,219	(35,396)	-4.53%
Support Staff	2,356,390	2,552,991	2,484,040	(68,951)	-2.70%
Maintenance	922,794	1,002,375	998,864	(3,511)	-0.35%
Student Assistants	237,588	249,897	53,816	(196,081)	-78.46%
Opt Out	33,839	32,250	27,750	(4,500)	-13.95%
<b>Total Wages</b>	<b>\$ 13,984,346</b>	<b>\$ 15,058,631</b>	<b>\$ 14,331,327</b>	<b>\$ (727,304)</b>	<b>-4.83%</b>
Fringe Benefits	6,778,776	7,457,061	7,064,987	(392,074)	-5.26%
<b>Total Wages &amp; Fringes</b>	<b>\$ 20,763,122</b>	<b>\$ 22,515,692</b>	<b>\$ 21,396,314</b>	<b>\$ (1,119,378)</b>	<b>-4.97%</b>
Services	1,033,137	1,183,232	1,128,942	(54,290)	-4.59%
Supplies	808,252	963,652	896,640	(67,012)	-6.95%
Rents/Utilities/Insurances	796,577	1,101,348	1,096,057	(5,291)	-0.48%
Other	692,852	917,516	871,200	(46,316)	-5.05%
Capital Outlay	184,952	175,789	100,005	(75,784)	-43.11%
Contingency	-	50,000	137,507	87,507	175.01%
<b>Total Expenses</b>	<b>\$ 24,278,892</b>	<b>\$ 26,907,229</b>	<b>\$ 25,626,665</b>	<b>\$ (1,280,564)</b>	<b>-4.76%</b>
Net Transfers	1,586,945	2,114,728	294,835	(1,819,893)	
<b>Total Expenses and Transfers</b>	<b>\$ 25,865,837</b>	<b>\$ 29,021,957</b>	<b>\$ 25,921,500</b>	<b>\$ (3,100,457)</b>	<b>-10.68%</b>

Table 3.20

### EXPENSES BY CATEGORY – PERCENTAGE OF TOTAL

	Actual	Budget	Budget
	2018-19	2019-20	2020-21
Full-time Faculty	19.98%	19.36%	19.48%
Extra-contractual Faculty	3.19%	2.99%	3.26%
Adjunct Faculty	6.09%	6.69%	6.32%
<b>Total Faculty</b>	<b>29.25%</b>	<b>29.03%</b>	<b>29.05%</b>
Administration	10.80%	9.77%	10.05%
Professional	2.92%	2.90%	2.91%
Support Staff	9.71%	9.49%	9.69%
Maintenance	3.80%	3.73%	3.90%
Student Assistants	0.98%	0.93%	0.21%
Opt Out	0.14%	0.12%	0.11%
<b>Total Wages</b>	<b>57.60%</b>	<b>55.97%</b>	<b>55.92%</b>
Fringe Benefits	27.92%	27.71%	27.57%
<b>Total Wages &amp; Fringes</b>	<b>85.52%</b>	<b>83.68%</b>	<b>83.49%</b>
Services	4.26%	4.40%	4.41%
Supplies	3.33%	3.58%	3.50%
Rents/Utilities/Insurances	3.28%	4.09%	4.28%
Other	2.85%	3.41%	3.40%
Capital Outlay	0.76%	0.65%	0.39%
Contingency	0.00%	0.19%	0.54%
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Table 3.21 (above); Figure 3.4 (below)



## TRANSFERS FROM THE GENERAL FUND

TRANSFERS FROM THE GENERAL FUND TO/(FROM):								
	Retirement	Designated	Auxiliary	Restricted	Endowment	M & R	Unexpended	Total
<u>FY</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Plant Fund</u>	<u>Transfers</u>
96-97		\$ 100,000		\$ 74,291		\$ 500,000		\$ 674,291
97-98		445,000		20,765		800,000		1,265,765
98-99				17,399	500,000	1,500,000		2,017,399
99-00				19,698		2,111,000		2,130,698
00-01				15,967		1,000,000		1,015,967
01-02		1,000,000		18,091				1,018,091
02-03				19,950		1,000,000	1,000,000	2,019,950
03-04				17,560		3,700,000		3,717,560
04-05				21,954				21,954
05-06				25,000		1,000,000		1,025,000
06-07				25,134				25,134
07-08		1,000,000		19,667				1,019,667
08-09				(17,002)		1,000,000		982,998
09-10				1,114				1,114
10-11				686				686
11-12				15,778	(45,000)			(29,222)
12-13			(215,000)	1,234			4,371,685	4,157,919
13-14				547				547
14-15			(20,286)	644				(19,642)
15-16				\$ 694		\$ 441,488	\$ 858,245	\$ 1,300,427
16-17					(24,000)		1,480,000	\$ 1,456,000
17-18							1,624,000	\$ 1,624,000
18-19	225,000					500,000	861,945	\$ 1,586,945
Total	\$ 225,000	\$ 2,545,000	\$ (235,286)	\$ 299,170	\$ 431,000	\$13,552,488	\$10,195,875	\$ 27,013,247
BUDGETED/APPROVED TRANSFERS FROM THE GENERAL FUND TO/(FROM):								
19-20						424,728	1,690,000	2,114,728
20-21		(100,000)	(30,450)		(100,005)	(474,710)	1,000,000	294,835
Total	\$ 225,000	\$ 2,445,000	\$ (265,736)	\$ 299,170	\$ 330,995	\$13,502,506	\$12,885,875	\$ 29,422,811

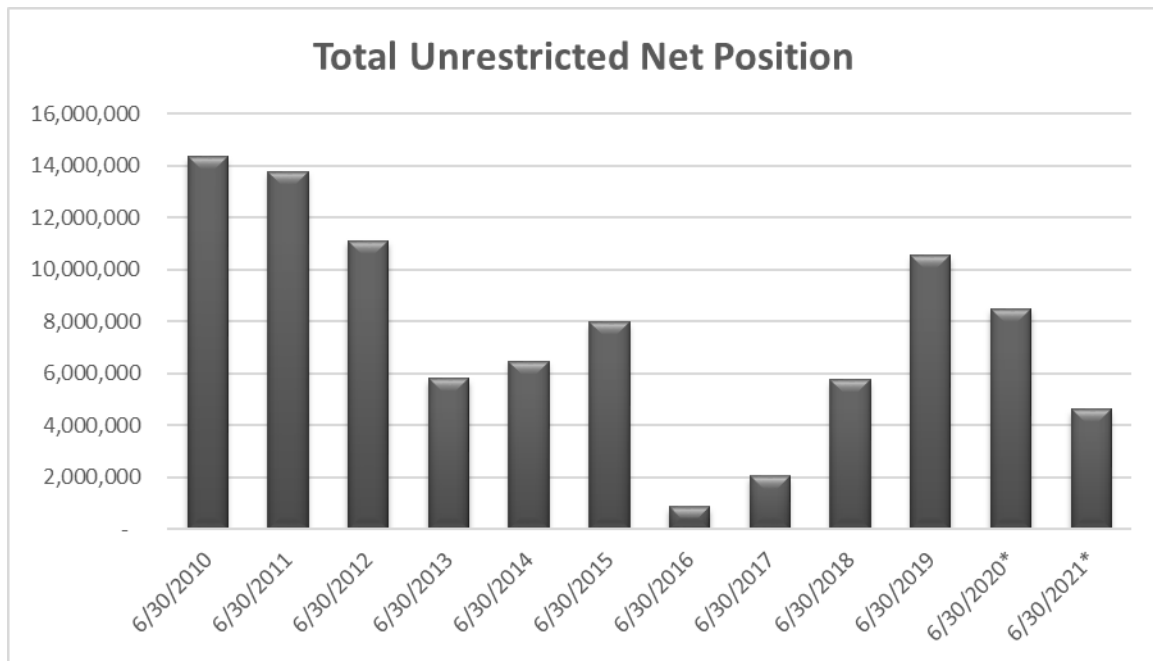
Table 3.22

## UNRESTRICTED NET POSITION

The College has designated the use of unrestricted net position (often referred to as “Reserves”) as follows:

UNRESTRICTED NET POSITION	6/30/2016 Actual	6/30/2017 Actual	6/30/2018 Actual	6/30/2019 Actual	6/30/2020 Projected	6/30/2021 Projected
Designations for Unrestricted Net Position:						
Working Capital	6,184,234	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000
Contingencies	-	2,758,398	4,145,343	5,135,715	4,442,367	3,442,367
Technology Equipment	250,024	378,936	446,907	831,933	831,933	562,440
Auxiliary Activities	1,264,204	1,381,123	1,473,081	1,530,452	1,432,952	1,426,952
Student Loans	19,173	18,177	18,217	18,237	18,237	18,257
Quasi-Endowment	9,667	273,352	275,462	278,809	282,444	185,439
HVAC (Long-term Debt)	(7,299,580)	(13,036,407)	(13,628,873)	(13,277,385)	(11,995,732)	(11,438,747)
Major Maintenance and Renovation	446,097	531,392	820,507	1,385,841	1,810,569	1,142,459
Millage Maintenance and Renovation		4,683,844	7,156,653	9,594,179	6,631,346	4,228,839
Undesignated	-	-	-	-	-	-
Unrestricted Net Position without Pension Liability	873,818	2,038,815	5,757,298	10,547,781	8,504,116	4,618,006
MPSERS Net Pension Liability (Retirement)	(29,343,944)	(29,915,337)	(29,761,286)	(30,651,495)	(30,651,495)	(30,451,495)
MPSERS Net OPEB Liability (Health-Care Ret)	-	-	(11,458,191)	(11,018,223)	(11,018,223)	(10,818,223)
Total Unrestricted Net Position	(28,470,126)	(27,876,522)	(35,462,179)	(31,121,937)	(33,165,602)	(36,651,712)

Table 3.23



\*Projected

Figure 3.5

## COMPOSITE FINANCIAL INDICATOR SCORE (CFI)

The CFI methodology is used by the Higher Learning Commission (HLC) as a gauge of member institution's financial health. The score is calculated using four key financial ratios, assigning a strength factor to each based on a common scale and assigning a weight factor that allows weaknesses in some ratios to be quantitatively offset by strengths in others. The CFI measures all financial resources of the institution; therefore, The Foundation at MCCC and the Millage Maintenance and Replacement Fund financial data are included in the calculation of the ratios.

A strength factor ranging from 1 to 10 is assigned to each ratio. Strength factor is calculated by dividing the calculated ratio by the relevant value for 1. For example, if our strength factor for the primary reserve ratio is .79, it means our ratio is .79x higher than the lowest acceptable score. A factor of 1 means the calculated ratio indicates financial stress, 3 means the ratio indicates relative financial health, and 10 represents excellent financial health.

Weights are also assigned to each ratio, with the weighting more heavily skewed toward measurement of retained wealth and less toward current operations.

The following table shows the current ratio calculation and the strength and weight assigned to each, using HLC's new official calculation that excludes the impact of GASB 68:

	Ratio	Strength	Weight	CFI
<b>Primary Reserve Ratio</b>	0.422	3.174	0.35	1.11
<b>Net Operating Revenue Ratio</b>	0.104	8.040	0.10	0.80
<b>Return on Net Assets Ratio</b>	0.067	3.350	0.20	0.67
<b>Viability Ratio</b>	1.136	2.724	0.35	0.95
<b>CFI Score</b>	1.730	17.29	1.00	3.53

Table 3.24

The HLC identifies three zones in which scores fall: "Above the Zone" (1.1 to 10), "In the Zone" (0 to 1.0), and "Below the Zone" (-4.0 to -0.1). Each zone specifies a range of CFI scores that assist the HLC in identifying institutions that may be in financial distress and need further review.

The following table shows the current CFI score and historical trend for MCCC, using HLC's official score that excludes the impact of GASB 68. A calculation without the millage funds is also provided for reference.

Composite Financial Index (CFI)							
	NO MILLAGE FUNDS		INCLUDES MILLAGE AND FOUNDATION FUNDS				
	2019	2018	2019	2018	2017	2016	2015
<b>Primary Reserve Ratio</b>	0.42	0.21	1.11	0.79	0.49	0.34	0.93
<b>Net Operating Revenue Ratio</b>	0.70	0.10	0.80	1.00	1.00	(0.06)	(0.06)
<b>Return on Net Assets Ratio</b>	0.36	0.17	0.67	1.28	1.10	(0.08)	0.02
<b>Viability Ratio</b>	0.33	0.15	0.95	0.58	0.34	0.23	3.50
<b>CFI</b>	<b>1.81</b>	<b>0.63</b>	<b>3.53</b>	<b>3.65</b>	<b>2.93</b>	<b>0.43</b>	<b>4.39</b>

Table 3.25



### Notes on CFI:

- The CFI blends the four key measures of financial health into a single a number.
- This presents a more balanced view where weaknesses in one number may be offset by a strength in another.
- The Higher Learning Commission may request additional financial documents if the CFI is below 1.0 in the first year.
- Two consecutive years where the CFI is below 1.0 results in the institution being required to submit a report and additional financial documents.

### CFI Explanation and Summary

In FY16, MCCC's CFI dropped below 1.0 due to the College's long-term debt for the HVAC project, which placed MCCC into HLC's "In the Zone" zone. The College was not required to submit anything to the HLC. In FY17, the CFI moved "Above the Zone" due to the Millage funds.

### CFI Glossary

**Primary Reserve Ratio** – The Primary Reserve Ratio measures the financial strength of the institution by comparing expendable net assets to total expenses. A Primary Reserve Ratio of .4 or better is advisable to give the institution the flexibility to transform the enterprise. The implication of .4 is that the institution would have the ability to cover about five months of expenses from reserves. Generally, institutions operating at this level rely on internal cash flow to meet short-term needs, are able to carry on reasonable level of facilities maintenance, and appear capable of managing modest unforeseen adverse financial events.

**Net Operating Revenue Ratio** – A positive ratio indicates that the institution experienced an operating surplus for the year. Generally, the larger the surplus the stronger the institution's financial performance as a result of the year's activities. A negative ratio indicates a loss for the year. A small deficit in a particular year may be relatively unimportant if the institution is financially strong, is aware of the causes of the deficit and has a plan in place that cures the deficit. Large deficits and structural deficits are usually a bad sign.

**Return on Net Assets Ratio** – This ratio determines whether the institution is financially better off than in previous years by measuring total economic return. A decline in this ratio may be appropriate and even warranted if it reflects a strategy to better fulfill the institution's mission. On the other hand, an improving trend in this ratio indicates that the institution is increasing its net assets and is likely to be able to set aside financial resources to strengthen its future financial flexibility.

**Viability Ratio** – The Viability Ratio measures one of the most basic determinates of clear financial health: the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date.

## THREE-YEAR FORECAST

The purpose of the financial forecast is to evaluate current and future fiscal conditions to guide policy and programmatic decisions. A financial forecast is a fiscal management tools that presents estimated information based on past, current, and projected financial conditions.

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	Approved	Proposed	Projected	Projected	Projected
	Budget	Budget	Budget	Budget	Budget
<b>Revenues</b>					
Tuition & Fees	\$ 7,982,865	\$ 6,734,195	\$ 6,699,514	\$ 6,665,011	\$ 6,630,687
Property Tax	13,703,927	13,822,434	13,960,658	14,100,265	14,241,268
State Appropriation	5,110,471	4,161,051	4,587,409	5,060,666	5,096,483
Other	309,966	203,820	222,102	206,014	206,476
Total Revenues	27,107,229	24,921,500	25,469,683	26,031,956	26,174,914
<b>Expenses</b>					
Salaries	15,058,631	14,331,327	14,381,779	14,382,322	14,382,871
Fringe Benefits	7,457,061	7,064,987	7,149,553	7,210,298	7,272,318
Services	1,183,232	1,128,942	1,151,521	1,151,521	1,151,521
Supplies	963,652	896,640	914,573	914,573	914,573
Rents/Utilities/Insurances	1,101,348	1,096,057	1,150,860	1,173,877	1,197,355
Other	917,516	871,200	888,624	888,624	888,624
Capital Outlay	175,789	100,005	50,003	50,003	50,003
Contingency	50,000	137,507	50,190	50,190	50,190
Total Expenses	26,907,229	25,626,665	25,737,102	25,821,408	25,907,454
<b>Revenues over/(under) Expenses</b>	<b>200,000</b>	<b>(705,165)</b>	<b>(267,419)</b>	<b>210,548</b>	<b>267,460</b>
<b>Transfers</b>					
Transfer to/from Technology (20) Fund	0	(100,000)	(100,000)	(100,000)	(100,000)
Transfer to/from Auxiliary (33) Fund	0	(30,450)	(30,450)	(30,450)	(30,450)
Transfer to/from Endowment (61) Fund	0	(100,005)	0	0	0
Transfer to/from Unexpended (71) Fund	1,690,000	1,000,000	1,236,075	1,236,075	1,236,075
Transfer to/from M&R (80) Fund	424,728	(474,710)	0	0	0
Total Transfers	2,114,728	294,835	1,105,625	1,105,625	1,105,625
<b>Net Increase/(Decrease)</b>	<b>(1,914,728)</b>	<b>(1,000,000)</b>	<b>(1,373,044)</b>	<b>(895,077)</b>	<b>(838,165)</b>
Beginning Fund Balance	10,185,716	9,492,367	9,242,367	8,619,324	8,474,247
Previous Year Revenues over Expenses	1,221,379	750,000	750,000	750,000	750,000
<b>Ending Fund Balance</b>	<b>9,492,367</b>	<b>9,242,367</b>	<b>8,619,324</b>	<b>8,474,247</b>	<b>8,386,082</b>

Table 3.26

The forecast as presented is built upon the following assumptions:

- Billable Contact Hours (as calculated based upon actual tuition revenue) – 1.5 percent decrease projected each year (2021-22, 2022-23, 2023-24)
- Tuition Increase – 2 percent increase projected each year (2021-22, 2022-23, 2023-24)
- Property Tax Increase – 1 percent increase projected each year (2021-22, 2022-23, 2023-24)
- State Aid Increase – 11 percent increase projected in 2021-22 and 2022-23; .75 percent increase projected in 2023-24
- Average Salary Increase – 0 percent increase projected each year (2021-22, 2022-23, 2023-24)
- Health Care Hard Cap Rate – 3.3 percent increase projected in 2021-22; 2.5 percent increase projected in 2022-23, 2023-24
- Actual Revenues over Expenses as Compared to Budget - \$750,00 each year (2021-22, 2022-23, 2023-24)

## RENOVATION PROJECTS

The 2020-2021 General Fund budget includes funding for the following renovation projects:

Fund	Cost Center	Number	Description	2020-2021 Budget Request
01	7200	5379000	2 CLRC Classrooms	54,600.00
<b>TOTAL GENERAL FUND RENOVATION</b>				<b>54,600.00</b>

Table 3.27

## REQUESTED CAPITAL OUTLAY

The 2020-2021 General Fund budget includes funding for capital outlay purchases as listed below.

Fund	Cost Center	Number	Description	2020-2021 Budget Request
01	1150	5810000	Leica ICC50W microscope camera from Ward Scientific (Biology)	\$ 2,350
01	1150	5810000	Millikan Oil Drop Apparatus from Pasco (Physics)	\$ 12,360
01	1150	5810000	Vacuum pump for Rotavapor (Chemistry)	\$ 1,600
01	1260	5810000	Alto-Sham Combi-Oven (Culinary)	\$ 25,000
01	1300	5810000	Bridge Crane for T-171 (CTC Receiving Area)	\$ 25,000
<b>TOTAL INSTRUCTION</b>				<b>\$ 66,310</b>
1	7500	5870000	2020 Ford Interceptor – Base Utility SUV (Security)	\$ 33,695
<b>TOTAL SECURITY</b>				<b>\$ 33,695</b>
<b>GRAND TOTAL CAPITAL OUTLAY</b>				<b>\$ 100,005</b>

Table 3.28