

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 College's 2021-2022 projected revenues represent a 1.21 percent increase in General Fund revenues for next year when compared to the 2020-2021 revised budgeted revenues. However, when comparing 2020-2021 projected revenues to 2021-2022 budgeted revenues, it results in a 2.01 percent increase in General Fund revenues for next year.

	Audited 2019-2020	2020-2021 Revised Budget	2020-2021 Projected	Projected vs. Budget	2021-2022 Budget	2021-2022 Budget vs. Projected
Tuition and Fees	7,107,797	6,734,195	6,435,143	(299,052)	6,378,822	(56,321)
Property Taxes	13,522,365	13,822,434	13,761,652	(60,782)	14,187,269	425,617
State Appropriations	5,126,331	5,096,071	5,305,305	209,234	5,419,300	113,995
Other	329,914	203,820	140,000	(63,820)	183,115	43,115
TOTAL REVENUE	26,086,407	25,856,520	25,642,100	(214,420)	26,168,506	526,406

Table 3.1

Tuition and fee revenue is budgeted to decrease 0.88 percent (as compared to 2020-2021 projected revenue) due to a projected 0 percent decline in billable contact hours coupled with a 1.93 percent increase in tuition rates. Property tax values in Monroe County are projected to increase slightly and as a result, property tax revenues (as compared to 2020-2021 projected revenue) are budgeted to increase by 3.00 percent (\$425,617). State appropriations (as compared to 2020-2021 projected revenue) are expected to increase by 2.10 percent (\$113,995) due in large part to the Governor's recommendation of a one-time adjustment of \$102,600. Other Revenue (as compared to 2020-2021 projected revenue) is budgeted to increase 23.55 percent (\$43,115) as a result of campus occupancy and activities returning to normal following the Pandemic. Overall, 2021-2022 budgeted revenues as compared to projected 2020-2021 revenues suggest a 2.01 percent increase. When compared budget to budget, the projected increase in general fund revenues is 1.21 percent.

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

Table 3.2
General Fund Revenues Percentage of Total

FY	T & F	Taxes	State	Other	Total
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	27.2%	51.8%	19.7%	1.3%	100.0%
20-21*	26.0%	53.5%	19.7%	0.8%	100.0%
21-22*	24.4%	54.2%	20.7%	0.7%	100.0%

*Budgeted

Requested expenses in next year's General Fund budget represent a 3.03 percent increase over the current year's budgeted expenses. Wages and fringes comprise 82.83 percent of total expenses, down 3.92 percent as compared to 2019-2020 actual expenses.

The proposed budget includes reactivating one full-time administrative position (Dean of Humanities/Social Sciences).

Three positions are being recommended for upgrades: Director of Financial Aid (Administrator, Grade Two), Executive Director of The Foundation (Administrator, Grade Two), and the Chief of Safety Services (part-time Professional Staff, Grade One). The recommendation also includes restructuring a number of positions including the following: Financial Aid Assistant (full-time position funded by combining two part-time positions), Success Navigator – Analyst (restructured Administrative Assistant position), Success Navigator – Retention and Completion (restructured Administrative Assistant position), Receivables Accountant (combining the Accounts Receivable Clerk position with new grant accounting responsibilities), ASET Perkins Technician and Makerspace Coordinator (reassigning the Makerspace responsibilities to the ASET

Technician/Perkins Specialist), and assigning coordination of articulation, direct college and dual enrollment to the Dean of Science/Mathematics. New full-time positions either funded partially or fully by grants include the Experiential Learning Coordinator, the Success Navigator – Math, and a financial aid assistant. Funding for Student Assistants has been increased from \$53,816 to \$120,006.

The proposed 2021-2022 budget proposes a 0 percent increase in wages for administrators, professional staff, faculty, support staff, part-time support staff, and adjunct faculty. Full-time administrators, professional staff, faculty, and support staff who are eligible would receive step advances. The MCCC Maintenance Association Agreement that is in effect until June 30, 2021 has been extended by two months and will now terminate on August 31, 2021. The contract is currently in negotiations. Student assistant wages are budgeted at minimum wage (\$9.87) and will increase to \$10.10 in January 2022 (unless otherwise determined by the U.S. Bureau of Labor Statistics).

The following tables illustrate the wage adjustments by employee group from 2007-2008 to 2021-2022:

PERCENTAGE OF TOTAL EXPENSES THAT ARE WAGES AND FRINGES

Fiscal Year	Wages	Fringes	Total Wages and Fringes
2002-03	60%	22%	82%
2003-04	59%	24%	83%
2004-05	60%	23%	83%
2005-06	58%	25%	83%
2006-07	59%	25%	84%
2007-08	58%	26%	84%
2008-09	57%	26%	83%
2009-10	59%	27%	86%
2010-11	57%	28%	85%
2011-12	57%	28%	85%
2012-13	55%	29%	84%
2013-14	55%	29%	84%
2014-15	55%	30%	85%
2015-16	56%	27%	83%
2016-17	58%	27%	85%
2017-18	57%	26%	83%
2018-19	56%	28%	84%
2019-20	58%	29%	87%
2020-21*	56%	28%	84%
2021-22*	55%	28%	83%
20 Yr Avg	57%	27%	84%

*Budgeted

Table 3.3

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
2021-2022	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
2021-2022	X			X

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

Table 3.4

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
2021-2022	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
2021-2022			X

Table 3.5

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
2021-2022	Currently in Negotiations (June 2021)			

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	
2021-2022	\$10.10	

Table 3.6

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%		
2021-2022	X			X

* 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.

FY	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
2006-2007	\$60.63		\$34.80		\$60.63		\$34.80				\$1,067.00	\$618.00	\$898.00	\$1,010.00
2007-2008	\$62.45		\$35.84		\$62.45		\$35.84				\$1,099.00	\$637.00	\$925.00	\$1,041.00
2008-2009	\$64.32		\$36.92		\$64.32		\$36.92				\$1,132.00	\$656.00	\$953.00	\$1,072.00
2009-2010	\$66.25		\$38.03		\$66.25		\$38.03				\$1,166.00	\$675.00	\$982.00	\$1,104.00
2010-2011	\$66.25		\$38.03		\$66.25		\$38.03				\$1,166.00	\$675.00	\$982.00	\$1,104.00
2011-2012	\$66.25		\$38.03		\$66.25		\$38.03				\$1,166.00	\$675.00	\$982.00	\$1,104.00
2012-2013	\$66.25		\$38.03		\$66.25		\$38.03				\$1,166.00	\$675.00	\$982.00	\$1,104.00
2013-2014	\$66.91		\$38.41		\$66.91		\$38.41				\$1,178.00	\$682.00	\$992.00	\$1,115.00
2014-2015	\$67.58		\$38.79		\$67.58		\$38.79				\$1,189.00	\$689.00	\$1,002.00	\$1,126.00
2015-2016	\$68.26		\$39.18		\$68.26		\$39.18				\$1,201.00	\$695.00	\$1,012.00	\$1,137.00
2016-2017	\$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
2017-2018	\$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
2018-2019	\$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
2019-2020	\$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
2020-2021	\$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
2021-2022	\$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 3.7

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 MPSERS, 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 MPSERS 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				
	MPSERS Defined Contribution	MPSERS Defined Benefit	ORP Employed before:	ORP Employed After:
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%
2021-2022	29.96%	26.31% - 30.16%	26.31% - 30.16%	12%

Table 3.8

As has been the practice over the past few years, during FY21 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 back under Enrollment Management and Student Services.

In balancing the budget, numerous additions, cuts and adjustments were made throughout the various cost centers and activities. Despite the fact that the FY22 budget contains new initiatives and, in some cases additional funding, balancing the budget proved to be challenging due to the residual effects of the Pandemic and the resulting uncertainty of state appropriations and enrollment. 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. 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 Endowment Fund (\$164,259) and the Maintenance and Replacement Fund (\$69,849). The Endowment Fund transfer will fund instructional capital outlay purchases and the transfer from the Maintenance and Replacement Fund will fund capital outlay purchases for Campus Planning and Facilities.

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 to a projected increase to unrestricted net position resulting from 2020-2021 revenues being greater than expenses. If approved, this transfer will be made following the completion of the 2020-2021 audit.

The College's long-term debt obligation for the HVAC project has an outstanding balance at the close of FY21 of \$11,982,537.69. Interest and principal payments in FY 2021-2022 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 Improvement 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 Improvement Fund will receive funding for five more years from Monroe County property taxes as the electorate approved a zero-increase 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 2020-2021 audit be transferred to the Unexpended Plant Fund to be used for payments on the HVAC project loan.

GENERAL FUND REVENUES AND EXPENSES

Table 3.9

			2020-2021 to 2021-2022	
	Budget	Budget	Difference	
Revenue:	2020-2021	2021-2022	\$	%
Tuition & Fees	\$ 6,734,195	\$ 6,378,822	\$ (355,373)	-5.28%
Property Taxes	13,822,434	14,187,269	364,835	2.64%
State Appropriation*	5,096,071	5,419,300	323,229	6.34%
Investment Income	21,000	5,505	(15,495)	-73.79%
Other	182,820	177,610	(5,210)	-2.85%
Total	\$ 25,856,520	\$ 26,168,506	\$ 311,986	1.21%
Expenses:				
Full-time Faculty	\$ 4,991,364	\$ 5,081,393	\$ 90,029	1.80%
Extra-contractual Faculty	834,509	807,676	(26,833)	-3.22%
Adjunct Faculty	1,619,451	1,509,344	(110,107)	-6.80%
Faculty Wages	\$ 7,445,324	\$ 7,398,413	\$ (46,911)	-0.63%
Administration	2,576,314	2,797,001	220,687	8.57%
Professional Staff	745,219	724,022	(21,197)	-2.84%
Support Staff	2,484,040	2,416,944	(67,096)	-2.70%
Maintenance	998,864	1,046,046	47,182	4.72%
Student Assistants	53,816	120,006	66,190	122.99%
Opt Out	27,750	29,375	1,625	5.9%
Total Wages	\$ 14,331,327	\$ 14,531,807	\$ 200,480	1.40%
Fringe Benefits	7,064,987	7,337,947	272,960	3.86%
Total Wages & Fringes	\$ 21,396,314	\$ 21,869,754	\$ 473,440	2.21%
Services	1,128,942	1,217,039	88,097	7.80%
Supplies	896,640	882,545	(14,095)	-1.57%
Rent/Utilities/Insurance	1,096,057	1,102,975	6,918	0.63%
Other	871,200	895,128	23,928	2.75%
Capital Outlay	100,005	310,173	210,168	210.16%
Contingency	137,507	125,000	(12,507)	-9.1%
Total Expenses	\$ 25,626,665	\$ 26,402,614	\$ 775,949	3.03%
Transfers In	-	(234,108)	(234,108)	
Transfers Out	2,000,000	1,000,000	(1,000,000)	
Total Expenses & Transfers	\$ 27,626,665	\$ 27,168,506	\$ (458,159)	-1.66%
Revenue Greater / (Less)				
Than Expenses & Transfers	\$ (1,770,145)	\$ (1,000,000)		
* 2020-21 and 2021-22 State Appropriations excludes UAAL of \$1,400,000				

REVENUES AND EXPENSES – TOTAL OPERATIONS

(Does Not Include Transfers)

FY	G/F	TECH	M&R	TOTAL
10-11				
Revenues	25,747,947	592,123	25,044	26,365,114
Expenses	25,389,072	955,975	669,474	27,014,521
R≥E	358,875	(363,852)	(644,430)	(649,407)
11-12				
Revenues	25,499,175	540,941	3,911	26,044,027
Expenses	25,564,224	464,107	299,413	26,327,744
R≥E	(65,049)	76,834	(295,502)	(283,717)
12-13				
Revenues	25,842,937	841,486	100,000	26,784,423
Expenses	25,530,584	796,009	292,024	26,618,617
R≥E	312,353	45,477	(192,024)	165,806
13-14				
Revenues	26,678,371	930,576	300,000	27,908,947
Expenses	26,138,834	928,593	409,928	27,477,355
R≥E	539,537	1,983	(109,928)	431,592
14-15				
Revenues	26,469,039	842,090	600,000	27,911,129
Expenses	25,330,435	806,668	441,903	26,579,006
R≥E	1,138,604	35,423	158,097	1,332,123
15-16				
Revenues	25,545,212	1,275,259	504,889	27,325,360
Expenses	24,219,483	1,259,874	894,371	26,373,728
R≥E	1,325,729	15,385	(389,482)	951,632
16-17				
Revenues	26,381,098	1,274,172	101,000	27,756,270
Expenses	23,300,934	1,145,259	29,083	24,475,276
R≥E	3,080,164	128,913	71,917	3,280,994
17-18				
Revenues	26,818,804	1,220,316	450,000	28,489,120
Expenses	23,807,859	1,152,345	174,230	25,134,434
R≥E	3,010,945	67,971	275,770	3,354,686
18-19				
Revenues	26,856,209	1,206,835	150,000	28,213,044
Expenses	24,278,892	821,810	98,716	25,199,418
R≥E	2,577,317	385,025	51,284	3,013,626
19-20				
Revenues	26,086,407	1,009,073	125,000	27,220,480
Expenses	23,571,481	1,295,400	116,999	24,983,880
R≥E	2,514,926	(286,327)	8,001	2,236,600
20-21*				
Revenues	25,856,520	1,175,000	7,000	27,038,520
Expenses	25,626,665	1,173,600	243,151	27,043,416
R≥E	229,855	1,400	(236,151)	(4,896)
21-22*				
Revenues	26,168,506	1,132,669	53,871	27,355,046
Expenses	26,402,614	1,192,415	360,166	27,955,195
R≥E	(234,108)	(59,746)	(306,295)	(600,149)

*Note: FY 2020-21 and FY 2021-22 are budget amounts

Table 3.10

GENERAL FUND REVENUES BY SOURCE

Revenues	2019-20 Actual	2020-21 Revised Budget	2021-22 Proposed	Increase / (Decrease)	% Change
Tuition & Fees	\$ 7,107,797	\$ 6,734,195	\$ 6,378,822	\$ (355,373)	-5.28%
Property Taxes	13,522,365	13,822,434	14,187,269	364,835	2.64%
State Appropriations	5,126,331	5,096,071	5,419,300	323,229	6.34%
Other	329,914	203,820	183,115	(20,705)	-10.16%
Totals:	\$ 26,086,407	\$ 25,856,520	\$ 26,168,506	\$ 311,986	1.21%

Table 3.11

REVENUE SOURCE BY PERCENTAGE OF TOTAL

Revenues	2019-20 Actual	2020-21 Revised Budget	2021-22 Proposed
Tuition & Fees	27.25%	26.04%	24.38%
Property Taxes	51.84%	53.46%	54.22%
State Appropriations	19.65%	19.71%	20.71%
Other	1.26%	0.79%	0.70%
	100.00%	100.00%	100.00%

Table 3.12

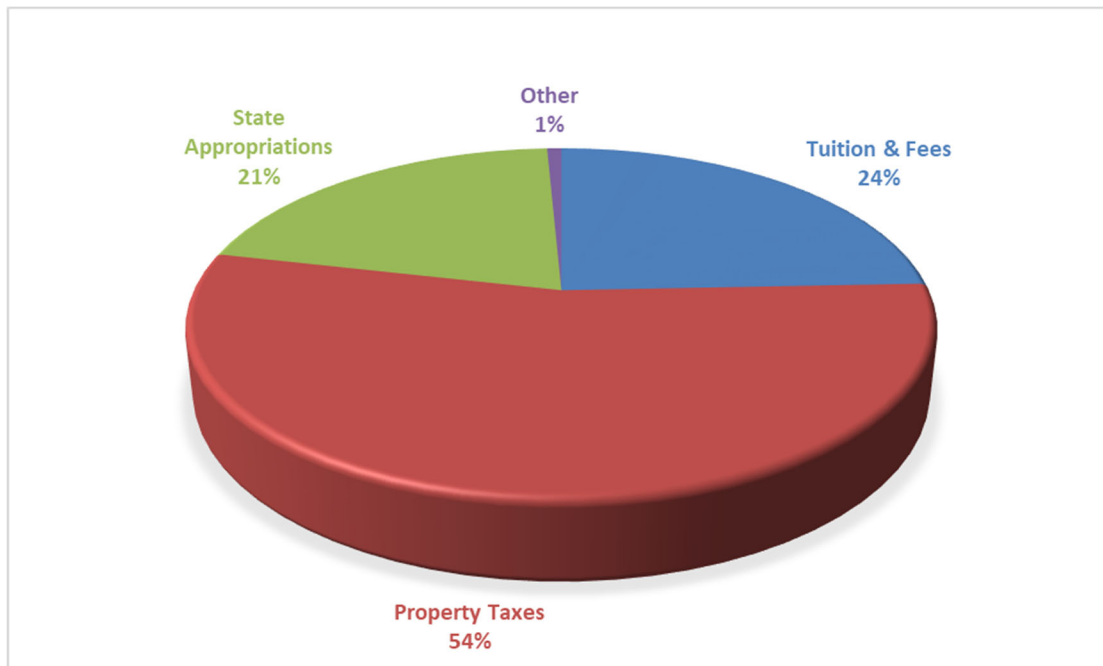


Figure 3.1

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

GENERAL FUND REVENUE HISTORY

YEAR	T & F	TAXES	STATE	OTHER	TOTAL
2019-20	7,107,797	13,522,365	5,126,331	329,914	26,086,407
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

YEAR	T & F	TAXES	STATE	OTHER	TOTAL
1983-84	1,144,236	4,562,125	1,429,808	295,697	7,431,866
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 3.13

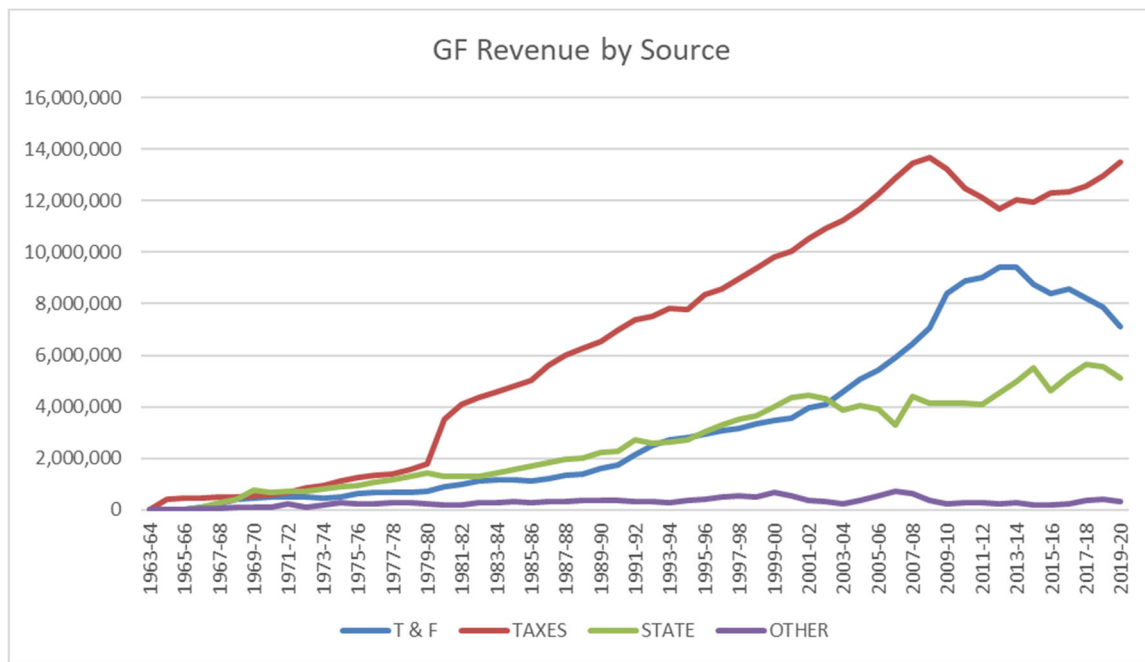


Figure 3.2

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 2021, Winter 2022, and Summer 2022.

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 22, 2021, the Board voted to increase Monroe County resident tuition by 1.93 percent per billable contact hour and increase out-of-county tuition by 1.93 percent and out-of-state tuition by 1.95 percent.

Projected tuition and fee revenue for next year's budget is \$6,378,822. This represents a decrease of \$355,373 or -5.28 percent as compared to the current year's budget. When compared to 2020-2021 projected tuition and fee revenue, this is a \$56,321 decrease that equates to a -0.88 percent decrease over the current year. Tuition and fee revenue for 2021-2022 assumes no increase or decrease in billable contact hours as compared to 2020-2021 actual billable contact hours.

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 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	\$112.25 (+\$2.75 = 2.51%)	\$199.50 (+\$5 = 2.57%)	\$222 (+\$5.50 = 2.54%)
Fall 2020	\$114.50 (+\$2.25 = 1.97%)	\$203.50 (+\$4.00 = 1.97%)	\$226.50 (+\$4.50 = 1.98%)
Fall 2021	\$116.75 (+\$2.25 = 1.93%)	\$207.50 (+\$4.00 = 1.93%)	\$231.00 (+4.50 = 1.95%)

**Conversion from credit hour to billable contact hour basis

Table 3.14

State Appropriations

In FY 2000-2001, MCCC's state funding represented 23.7 percent of the total General Fund revenues. In the FY 2021-2022 budget, state appropriations represent 20.7 percent of total General Fund revenues, up from FY 2020-2021 (1.0 percent). While MCCC may never see a return to the level reached in FY 2000-2001, the FY 2021-2022 anticipated increase in state appropriations provides some stability to the general fund budget (total increase of \$323,229) should the final appropriation equal the projected amount.

At the time of preparing this proposed budget, State funding for Michigan community colleges has not been finalized. The Consensus Revenue Estimating Conference held in May reported that Michigan has about \$2 billion more in revenue than initially expected for this fiscal year due to federal stimulus dollars and increased consumer spending on goods (Detroit News, May 21, 2021). As a result, expected State revenue for the fiscal year 2022 budget was adjusted upwards from the January estimates by \$1.5 billion. However, according to the Michigan Community College Association (MCCA), the House and Senate remain far apart on several key points of difference as well as having significant policy differences with the Administration. With that in mind, on June 17 the Senate passed Senate Bill 537 that would allow the Legislature to remove the July 1 deadline to present the budget to the Governor if negotiations need to continue. It is anticipated that the House could consider passage of the bill in late June resulting in prolonged negotiations as the State moves toward its fiscal year end of September 30.

As the State budget is not finalized, the College's budget for State Appropriations was built using the Governor's recommended budget for fiscal year 2022. The Governor's recommendation is for flat operational funding as compared to FY20-21 and a one-time adjustment of \$102,600, which equates to a 2.2 percent increase in State funding.

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 2021-2022 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, \$1,398,690 in 2019-2020 and projected to be \$1.4 million in 2020-2021 and \$1.4 million in 2021-2022.

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 mill levy to create the College. In 1980, a 1 mill increase was approved. The rate remained at 2.25 mills 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 2016, the College requested voter approval for a .85 mill property tax levy for a period of 5 years to be used for critical maintenance and improvement projects. The request was approved by the voters and has generated revenues to complete Phase 1 of these needed projects. On November 3, 2020, the Monroe County electorate approved a zero-increase renewal of the .85 mill property tax levy for five years to complete Phase 2 of improvements (see Chapter 11).

For the 2021-2022 fiscal year, an increase in property tax revenues is projected. The budget includes a 2.64 percent increase (\$364,835) for property tax revenues. The projected 2021-2022 property tax revenue does not include an adjustment for the Frenchtown Township/DTE Fermi 2 tax appeal, as that has not yet been settled.

On June 11, 2018, the College learned that the DTE Electric Company had 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.

If DTE should prevail on its argument, the local taxing units would permanently lose over \$12.5 million in tax revenues each year. The College’s share of the total tax collection is 5.97 percent (approximately \$745,000 annually). A reduction in taxable value will adversely affect both the College’s General Fund and the Millage Maintenance and Improvement Fund.

The College has set aside the following funding for potential reimbursement of DTE tax revenue collected in 2018, 2019, 2020, and 2021: General Fund - \$925,000 (held in the Maintenance and Replacement Fund), and Millage Maintenance and Improvement Fund - \$432,697.

Frenchtown Township and DTE are currently in negotiations regarding the tax appeal.

Other Revenue

The 2021-2022 budget includes a 9.68 percent decrease (\$20,705) 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.

Other Revenue represents revenue generated by the following activities:

Other Revenue:	2020-21	2020-21	Variance
Grant Reimbursements	-	-	-
Investment Income	21,000	5,505	(15,495)
Indirect Cost Recoveries	28,000	24,500	(3,500)
Culinary Sales	7,000	5,000	(2,000)
Non-Tuition Fees and Fines	28,800	32,590	3,790
Rent of Facilities and Land	109,320	104,320	(5,000)
Alumni Dues and Events	6,000	7,000	1,000
Other Events and Workshops	3,100	3,600	500
Bookstore Scholarship	(10,000)	(10,000)	-
Miscellaneous	10,600	10,600	-
	203,820	183,115	(20,705)

Table 3.15

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

Other Revenue	History			
	2019-2020 Actuals	2018-2019 Actuals	2017-2018 Actuals	2016-2017 Actuals
Indirect Cost Recovery	25,540	23,467	38,044	19,728
Interest	113,089	186,244	94,557	11,115
Culinary Sales	4,122	11,818	13,638	13,019
Fines, Fees & Charges	32,469	37,860	28,899	6,846
Rent	125,072	137,319	150,605	178,092
Alumni Dues & Events	7,467	9,251	7,258	9,740
Student Government & Events	2,053	3,978	7,412	8,188
Miscellaneous Revenue	32,330	17,657	23,079	8,467
TOTAL	342,141	427,593	363,492	255,195

Table 3.16

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	20-21 to 21-22	Difference
Expenses	2018-19	2019-20	2020-21	2021-22	\$	%
Instruction	\$ 10,516,107	\$ 10,206,741	\$ 11,084,928	\$ 11,211,003	\$ 126,075	1.14%
Information Technology	1,179,534	1,228,730	1,331,826	1,350,798	18,972	1.42%
Public Service	210,083	184,836	171,478	208,204	36,726	21.42%
Instructional Support	3,591,387	3,309,890	3,253,004	3,349,760	96,756	2.97%
Student Services	2,700,669	2,525,330	2,722,427	2,845,600	123,173	4.52%
Institutional Administration	3,031,952	3,164,508	3,461,732	3,723,173	261,441	7.55%
Physical Plant Operations	3,049,160	2,951,445	3,601,270	3,714,076	112,806	3.13%
Total Expenses	\$ 24,278,892	\$ 23,571,481	\$ 25,626,665	\$ 26,402,614	\$ 775,949	3.03%
Transfer from Endowment Fund	\$ -	\$ -	\$ -	\$ (164,259)	\$ (164,259)	
Transfer from Technology Fund	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Auxiliary Fund	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from M&R Fund	\$ -	\$ (75,272)	\$ -	\$ (69,849)	\$ (69,849)	
Transfer to Unexpended Fund	861,945	1,690,000	2,000,000	1,000,000	(1,000,000)	
Transfers to Retirement Fund	225,000	-	-	-	-	
Transfers to M&R Fund	500,000	500,000	-	-	-	
Total Transfers to and (from) funds	\$ 1,586,945	\$ 2,114,728	\$ 2,000,000	\$ 765,892	\$ (1,234,108)	
Total Expenses and Transfers	\$ 25,865,837	\$ 25,686,209	\$ 27,626,665	\$ 27,168,506	\$ (458,159)	-1.66%

Table 3.17

PERCENTAGE OF TOTAL EXPENSES

	Actual	Budget	Proposed
	2019-20	2020-21	2021-22
Instruction	43.30%	43.26%	42.46%
Information Technology	5.21%	5.20%	5.12%
Public Service	0.78%	0.67%	0.79%
Instructional Support	14.04%	12.69%	12.69%
Student Services	10.71%	10.62%	10.78%
Institutional Administration	13.43%	13.51%	14.10%
Physical Plant Operations	12.52%	14.05%	14.07%
Total	100.00%	100.00%	100.00%

Table 3.18

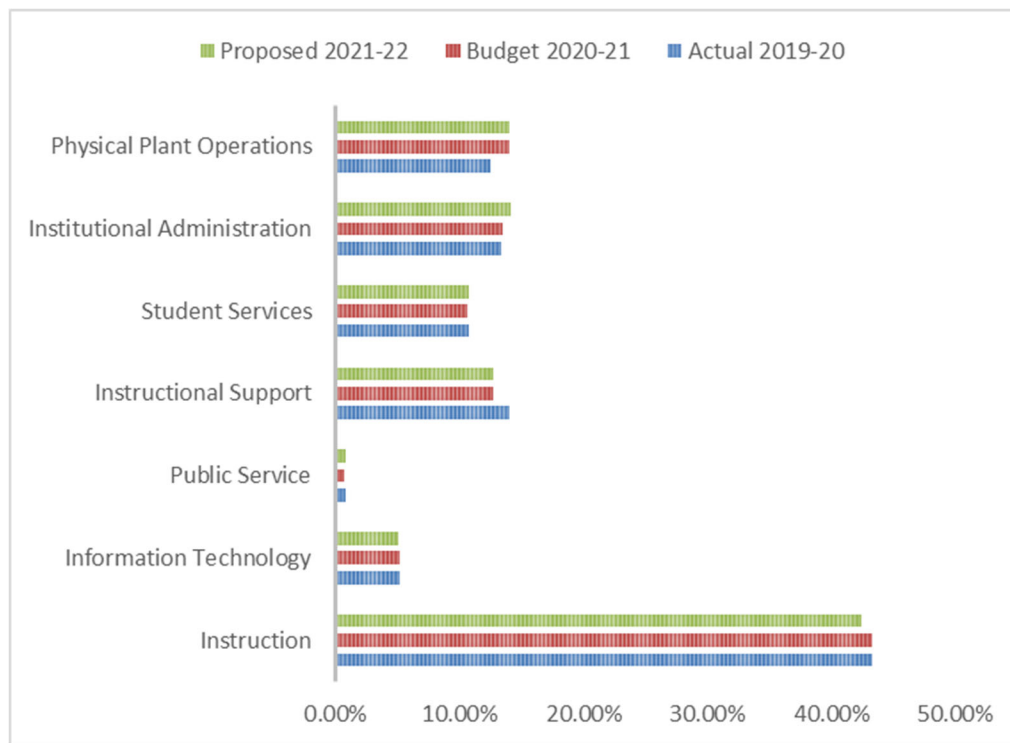


Figure 3.3

GENERAL FUND EXPENSES BY CATEGORY

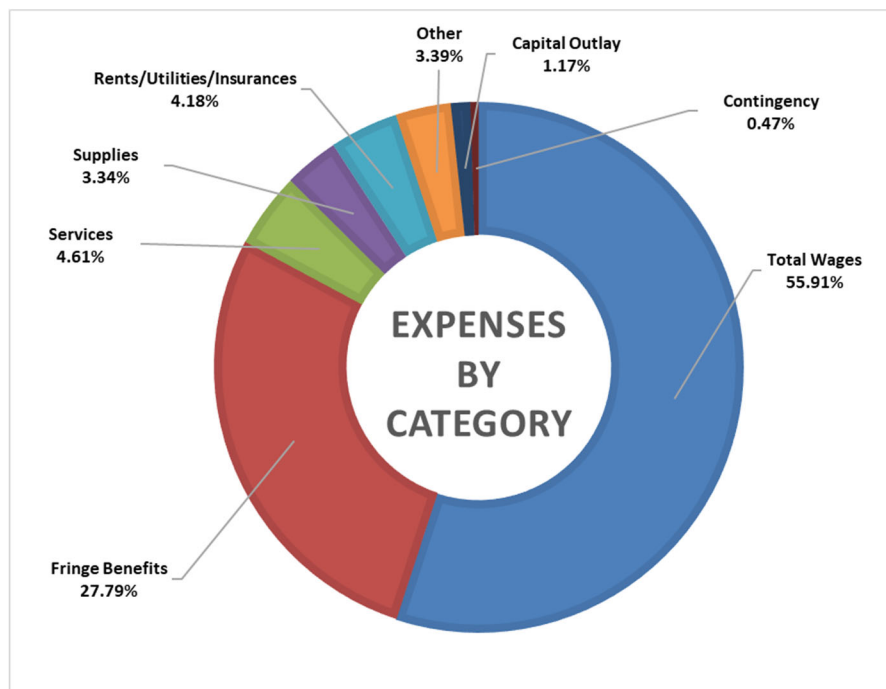
Expenses	Actual	Budget	Budget	20-21 to 21-22	
	2019-20	2020-21	2020-21	Difference	
				\$	%
Full-time Faculty	\$ 4,998,084	\$ 4,991,364	\$ 5,081,393	\$ 90,029	1.80%
Extra-contractual Faculty	768,615	834,509	807,676	(26,833)	-3.22%
Adjunct Faculty	1,253,883	1,619,451	1,509,344	(110,107)	-6.80%
Faculty Wages	\$ 7,020,582	\$ 7,445,324	\$ 7,398,413	\$ (46,911)	-0.63%
Administration	2,539,082	2,576,314	2,797,001	220,687	8.57%
Professional	756,755	745,219	724,022	(21,197)	-2.84%
Support Staff	2,316,565	2,484,040	2,416,944	(67,096)	-2.70%
Maintenance	872,222	998,864	1,046,046	47,182	4.72%
Student Assistants	177,425	53,816	120,006	66,190	122.99%
Opt Out	29,983	27,750	29,375	1,625	5.86%
Total Wages	\$ 13,712,614	\$ 14,331,327	\$ 14,531,807	\$ 200,480	1.40%
Fringe Benefits	6,735,216	7,064,987	7,337,947	272,960	3.86%
Total Wages & Fringes	\$ 20,447,830	\$ 21,396,314	\$ 21,869,754	\$ 473,440	2.21%
Services	835,759	1,128,942	1,217,039	88,097	7.80%
Supplies	693,950	896,640	882,545	(14,095)	-1.57%
Rents/Utilities/Insurances	726,702	1,096,057	1,102,975	6,918	0.63%
Other	699,055	871,200	895,128	23,928	2.75%
Capital Outlay	168,185	100,005	310,173	210,168	210.16%
Contingency	-	137,507	125,000	(12,507)	-9.10%
Total Expenses	\$ 23,571,481	\$ 25,626,665	\$ 26,402,614	\$ 775,949	3.03%
Net Transfers	2,114,728	294,835	765,892	471,057	
Total Expenses and Transfers	\$ 25,686,209	\$ 25,921,500	\$ 27,168,506	\$ 1,247,006	4.81%

Table 3.19

EXPENSES BY CATEGORY – PERCENTAGE OF TOTAL

	Actual	Budget	Budget
	2019-20	2020-21	2021-22
Full-time Faculty	21.20%	19.48%	19.25%
Extra-contractual Faculty	3.26%	3.26%	3.06%
Adjunct Faculty	5.32%	6.32%	5.72%
Total Faculty	29.78%	29.05%	28.02%
Administration	10.77%	10.05%	10.59%
Professional	3.21%	2.91%	2.74%
Support Staff	9.83%	9.69%	9.15%
Maintenance	3.70%	3.90%	3.96%
Student Assistants	0.75%	0.21%	0.45%
Opt Out	0.13%	0.11%	0.11%
Total Wages	58.17%	55.92%	55.04%
Fringe Benefits	28.57%	27.57%	27.79%
Total Wages & Fringes	86.75%	83.49%	82.83%
Services	3.55%	4.41%	4.61%
Supplies	2.94%	3.50%	3.34%
Rents/Utilities/Insurances	3.08%	4.28%	4.18%
Other	2.97%	3.40%	3.39%
Capital Outlay	0.71%	0.39%	1.17%
Contingency	0.00%	0.54%	0.47%
Total Expenses	100.00%	100.00%	100.00%

Table 3.20 (above); Figure 3.4 (below)



TRANSFERS FROM THE GENERAL FUND

TRANSFERS FROM THE GENERAL FUND TO/(FROM):								
<u>FY</u>	<u>Retirement</u> <u>Fund</u>	<u>Designated</u> <u>Fund</u>	<u>Auxiliary</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Endowment</u> <u>Fund</u>	<u>M & R</u> <u>Fund</u>	<u>Unexpended</u> <u>Plant Fund</u>	<u>Total</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
19-20						424,728	1,690,000	\$ 2,114,728
Total	\$ 225,000	\$ 2,545,000	\$ (235,286)	\$ 299,170	\$ 431,000	\$13,977,216	\$11,885,875	\$ 29,127,976
BUDGETED/APPROVED TRANSFERS FROM THE GENERAL FUND TO/(FROM):								
20-21							2,000,000	2,000,000
21-22					(164,259)	(69,849)	1,000,000	765,892
Total	\$ 225,000	\$ 2,545,000	\$ (235,286)	\$ 299,170	\$ 266,741	\$13,907,367	\$14,885,875	\$ 31,893,868

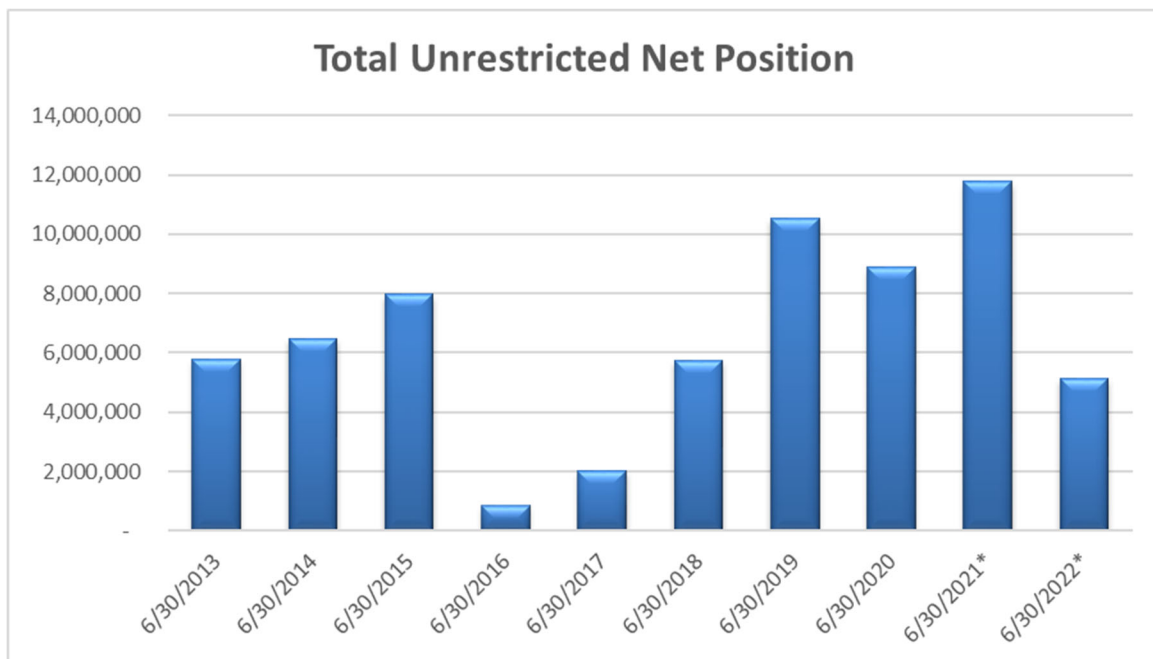
Table 3.21

UNRESTRICTED NET POSITION

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

UNRESTRICTED NET POSITION	6/30/2017 Actual	6/30/2018 Actual	6/30/2019 Actual	6/30/2020 Actual	6/30/2021 Projected	6/30/2022 Projected
Designations for Unrestricted Net Position:						
Working Capital	5,050,000	5,050,000	5,050,000	6,000,000	6,000,000	6,000,000
Contingencies	2,758,398	4,145,343	5,135,715	4,585,913	5,585,913	4,585,913
Technology Equipment	378,936	446,907	831,933	545,606	547,006	487,260
Auxiliary Activities	1,381,123	1,473,081	1,530,452	1,517,083	1,610,583	1,515,024
Student Loans	18,177	18,217	18,237	18,257	18,257	20,556
Quasi-Endowment	273,352	275,462	278,809	282,359	284,206	120,405
HVAC (Long-term Debt)	(13,036,407)	(13,628,873)	(13,277,385)	(11,995,732)	(10,438,747)	(9,846,218)
Major Maintenance and Renovation	531,392	820,507	1,385,841	1,833,471	1,612,070	1,250,776
Millage Maintenance and Improvement	4,683,844	7,156,653	9,594,179	6,098,732	6,564,678	1,015,180
Undesignated	-	-	-	-	-	-
Unrestricted Net Position without Pension Liability	2,038,816	5,757,298	10,547,781	8,885,689	11,783,966	5,148,896
MPSERS Net Pension Liability (Retirement)	(29,915,337)	(29,761,286)	(30,651,495)	(33,265,514)	(33,265,514)	(34,265,514)
MPSERS Net OPEB Liability (Health-Care Ret)		(11,458,191)	(11,018,223)	(10,270,202)	(10,270,202)	(9,970,202)
Total Unrestricted Net Position	(27,876,521)	(35,462,179)	(31,121,937)	(34,650,027)	(31,751,750)	(39,086,820)
UNRESTRICTED NET POSITION	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021*	6/30/2022*
Total Unrestricted Net Position	2,038,816	5,757,298	10,547,781	8,885,689	11,783,966	5,148,896

Table 3.22



*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 Improvement 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
Primary Reserve Ratio	0.391	2.939	0.35	1.03
Net Operating Revenue Ratio	0.067	5.183	0.10	0.52
Return on Net Assets Ratio	0.075	3.751	0.20	0.75
Viability Ratio	1.160	2.781	0.35	0.97
CFI Score	1.693	14.65	1.00	3.27

Table 3.23

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.

Composite Financial Index (CFI)						
	INCLUDES MILLAGE AND FOUNDATION FUNDS					
	2020	2019	2018	2017	2016	2015
Primary Reserve Ratio	1.03	1.11	0.79	0.49	0.34	0.93
Net Operating Revenue Ratio	0.52	0.80	1.00	1.00	(0.06)	(0.06)
Return on Net Assets Ratio	0.75	0.67	1.28	1.10	(0.08)	0.02
Viability Ratio	0.97	0.95	0.58	0.34	0.23	3.50
CFI	3.27	3.53	3.65	2.93	0.43	4.39

Table 3.24

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. For example, a viability ratio of 1.25 means that reserves exceed total obligations by one quarter. The recommended range of this ratio is between 1.25 and 2.00.

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 tool that presents estimated information based on past, current, and projected financial conditions.

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	Approved	Proposed	Projected	Projected	Projected
	Budget	Budget	Budget	Budget	Budget
Revenues					
Tuition & Fees	\$ 6,734,195	\$ 6,378,822	\$ 6,378,822	\$ 6,378,822	\$ 6,378,822
Property Tax	13,822,434	14,187,269	14,045,396	14,185,850	14,327,709
State Appropriation	5,096,071	5,419,300	5,522,686	5,575,413	5,628,667
Other	203,820	183,115	200,876	202,830	204,803
Total Revenues	25,856,520	26,168,506	26,147,780	26,342,915	26,540,001
Expenses					
Salaries	14,331,327	14,531,807	14,583,821	14,585,033	14,586,257
Fringe Benefits	7,064,987	7,337,947	7,443,138	7,520,546	7,599,969
Services	1,128,942	1,217,039	1,241,380	1,253,794	1,266,332
Supplies	896,640	882,545	900,196	909,198	918,290
Rents/Utilities/Insurances	1,096,057	1,102,975	1,125,035	1,147,535	1,170,486
Other	871,200	895,128	913,031	922,161	931,382
Capital Outlay	100,005	310,173	148,883	148,883	148,883
Contingency	137,507	125,000	125,000	125,000	125,000
Total Expenses	25,626,665	26,402,614	26,480,483	26,612,149	26,746,599
Revenues over/(under) Expenses	229,855	(234,108)	(332,703)	(269,235)	(206,598)
Transfers					
Transfer to/from Technology (20) Fund	0	0	0	0	0
Transfer to/from Auxiliary (33) Fund	0	0	0	0	0
Transfer to/from Endowment (61) Fund	0	(164,259)	0	0	0
Transfer to/from Unexpended (71) Fund	2,000,000	1,000,000	1,236,075	1,236,075	1,236,075
Transfer to/from M&R (80) Fund	0	(69,849)	0	0	0
Total Transfers	2,000,000	765,892	1,236,075	1,236,075	1,236,075
Net Increase/(Decrease)	(1,770,145)	(1,000,000)	(1,568,778)	(1,505,310)	(1,442,673)
Beginning Fund Balance	10,585,914	11,585,913	11,585,913	10,767,136	10,011,826
Previous Year Revenues over Expenses	2,770,144	1,000,000	750,000	750,000	750,000
Ending Fund Balance	11,585,913	11,585,913	10,767,136	10,011,826	9,319,153

Table 3.25

The forecast as presented is built upon the following assumptions:

- Billable Contact Hours (as calculated based upon actual tuition revenue) – 0 percent increase/decrease projected each year (2022-23, 2023-24, 2024-25)
- Tuition and Fees – 1 percent increase projected each year (2022-23, 2023-24, 2024-25)
- Property Tax – 1 percent decrease projected in 2022-23 and a 1 percent increase each year thereafter (2023-24, 2024-25)
- State Appropriation – 2 percent increase projected in 2022-23 and a 1 percent increase projected in the following two years (2023-24 and 2024-25)
- Average Salary Increase – 0 percent increase projected each year (2022-23, 2023-24, 2024-25)
- Health Care Hard Cap Rate – 3.7 percent increase projected in 2022-23; 3 percent increase projected in 2023-24, 2024-25
- Actual Revenues over Expenses as Compared to Budget - \$750,00 each year (2022-23, 2023-24, 2024-25)

RENOVATION PROJECTS

The 2021-2022 General Fund budget includes funding for the following renovation projects:

Fund	Cost Center	Number	Description	2020-2021 Budget Request
01	7200	5.379.000	Disposal of Asbestos Countertops (Ceramics Lab)	\$2,920
TOTAL GENERAL FUND RENOVATION				\$2,920

Table 3.26

REQUESTED CAPITAL OUTLAY

The 2021-2022 General Fund budget includes funding for capital outlay purchases as listed below.

Fund	Cost Center	Number	Description	2021-2022 Budget Request
01	1110	5810000	Rotary Sieve and Replacement Screens	\$ 324
01	1300	5810000	ProtoTrak Mill (2)	\$ 60,000
01	1300	5810000	Cars for Auto Lab	\$ 15,000
01	1300	5810000	Plasma Water Table	\$ 130,000
01	1440	5810000	G5 Ventilator	\$ 35,000
TOTAL INSTRUCTION				\$ 240,324
01	7200	5870000	2021 Ford F-150 (without tail gate lift)	\$ 42,858
01	7200	5870000	Gravely Side-by-Side UTV	\$ 26,991
TOTAL PHYSICAL PLANT				\$ 69,849
GRAND TOTAL CAPITAL OUTLAY				\$ 310,173

Table 3.27