



MT. HOOD
COMMUNITY COLLEGE

2011 – 2012
PROPOSED BUDGET

OFFICE OF ADMINISTRATIVE SERVICES
26000 SE STARK STREET
GRESHAM OR

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**MT. HOOD COMMUNITY COLLEGE DISTRICT
BUDGET COMMITTEE**

In accordance with ORS 294.341, the governing body of each municipal corporation having a district population exceeding 200,000 and which is located in a county having a tax supervising and conservation commission shall act as the budget committee for such municipal corporation.

NAME	ZONE	TERM ENDS -- JUNE 30
Brian Freeman	2	2013
Rod Monroe	4	2013
Bob Morris	5	2011
Beverly Russell	6	2011
Vacant	3	2011
Dave Shields	1	2013
Ralph Yates	7	2011

JoAnn Zahn, Budget Officer

Mt. Hood Community College

2011 – 2012 Proposed Budget

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OFFICE OF THE PRESIDENT
John J. "Ski" Sygielski, President
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Email: john.ski@mhcc.edu

April 20, 2011

To the Mt. Hood Community College Board of Education and Budget Committee:

For the second year in a row I am proposing to you a College budget in the midst of dismal economic challenges. The substantial shortfall of \$3.5 billion at the State level has been the news for months. Oregon continues to be one of the top states when it comes to unemployment, which at 10 percent remains above the national average. The fiscal challenges we face are certainly not unique to Mt. Hood Community College (MHCC). As you know, in February, the Governor recommended a budget that included \$410 million for community colleges for the next biennium. The co-chairs' budget proposed by the legislature does not appear to provide additional funding than what the Governor proposed. Absent better information, at this time, we have based our proposed budget on the \$410 million funding assumption. This amount represents an 18 percent decline in State funding since the last biennium. The \$410 million level of funding compares to the \$411 million of funding in the 2003-05 biennium unadjusted for inflation. However, back in 2003 we received \$2,262 per student full-time equivalent (Student FTE), whereas now almost ten years later we will only be expecting \$1,559 per Student FTE. The graphs on page viii prepared by Community Colleges and Workforce Development (CCWD) depicts this phenomenon of state funding for community colleges.

Last year, we focused on getting our internal "financial house" in order. Together, we successfully brought our spending in line with our revenues and, I'm happy to report, we restored the reserves in the General Fund to the \$4 million level, which is about seven percent of total General Fund expenditures, a goal you established in the spring of 2008. Our goal is to have adequate reserves to preserve staffing and course offerings to students and avoid cuts in the middle of the year, as we experienced over the past two years. This also means that the budget process works well, as it's designed so we can strategically plan how to accomplish our mission, vision, and goals within the financial constraints of our current funding situation.

Shortfall of \$5.8 million

Despite the success of these efforts to get our "financial house" in order, external economic events at the national and state levels threaten to overwhelm us. The decline in State revenue is offset by the full implementation of the equalization formula that divides the revenue among the community colleges. As a result, we are forecasting virtually flat revenue from the State. Expenditures, on the other hand, are anything but flat. The shortfall is a combination of:

1. Increases in the Public Employees Retirement System (PERS) costs (due to higher rates as set by the PERS board) total over \$1.9 million for the College. In other words, the PERS increase alone accounts for one third of the \$5.8 million budget hole. And that is in addition to the six percent employee portion that Mt. Hood pays into PERS on behalf of each eligible employee.

2. Increases in employee compensation agreed to in the bargaining contracts with the part-time faculty association and with the classified association and included in the College's final offer to the full-time faculty association. The steps and COLAs for all employee groups add another \$2.2 million to the College's on-going operating costs. Yes, the College's offer to the full-time faculty does increase our overall costs and therefore does contribute to the budget deficit. However, the full-time faculty association's final offer would increase our costs by even more than that. Currently, we are approximately \$2 million apart in our offers.
3. Increases in the annual debt service of \$475,000 to \$2.2 million annually includes paying back the loan we recently took out this year to replace our aging electrical distribution system and replace the last portion of roof on the academic center on the Gresham campus.
4. Decrease in enrollment projections because of the possible elimination of the STEPS program, reduction in high school career and technical education programming, and the general improvement in the economy could mean a corresponding decrease in tuition and fee revenue of \$250,000.
5. Decrease in total revenue of an additional \$1.1 million compared to this year, primarily due to the expected drop in amounts to transfer into the General Fund from other funds.

Finally, this same pattern of relatively flat revenue and increased personnel costs will drive a projected deficit of \$5.2 million in 2012-13. Therefore, this is not a one-year problem.

Proposed Tuition Increase/Enrollment Decline

The State has made it clear that it expects community colleges to fill the funding gap with increased tuition (ranging from a few dollars to \$10 per credit hour) which all community colleges in Oregon are proposing. The Proposed Budget I am presenting you tonight includes a proposed tuition increase of \$6 per credit hour, bringing total tuition per credit hour to \$82. This increase places Mt. Hood's total cost to the student (including fees) higher than many of our comparator colleges (e.g., Clackamas Community College, Portland Community College, etc.). Therefore, if approved, this tuition increase should contribute approximately \$1.5 million towards filling our projected deficit.

How much tuition we collect is also a function of how many students we have to charge. After two years of double digit growth in enrollment, it looks like enrollment has peaked and is now starting to decline. We are expecting to end this year with close to the same number of students as we had last year. Such a decline in enrollment is consistent with national trends that reflect the very slow recovery of the economy. We conservatively estimate that enrollment will fall by two percent next year. As a result the projected deficit, which we had previously announced at \$5.5 million, it is now estimated to be \$5.8 million.

Other Fee Increases

At the April 13 Board meeting, the Board approved a resolution to increase certain course fees. In particular, the increases in the college service fee by \$5 to \$30 per term and the distance learning fee by \$10 to \$40 per term are expected to generate approximately \$300,000. Rental income is a small part of our revenue, yet increasing rental rates by 20 percent, should bring in an additional \$35,000. Still, it is not enough. Therefore, Michael Hay, interim president-elect, and I are once again proposing that the College charge for parking. We are proposing a parking fee of \$25 per term, to begin with. We estimate this will generate \$450,000 of new revenue, net of one-time only implementation costs of about \$250,000.

Cost Reductions – Instruction

The following cost reductions in academic disciplines are strategically selected to still maintain the effectiveness of the programs and the breadth of course offerings that characterize Mt. Hood as a comprehensive community college.

- Using attrition from retirements, along with lay-off notices, the number of full-time faculty included in the proposed budget is reduced to 153 full-time positions. This translates into savings of approximately \$1.4 million.
- Every dean scoured their budget to take cuts wherever possible, primarily in part-time faculty instruction and in supplies, materials and travel. The resulting savings totaled approximately \$625,500.
- Two deans' positions (Economic and Workforce Development and Math) will be eliminated saving approximately \$280,000. This action will promote the following consolidations:
 - 1) Adult Basic Skills and Economic and Workforce Development will be consolidated into Community Education
 - 2) Allied Health, Nursing, Science, Math and Engineering will be consolidated into a new division named Health Professions, Science, Technology, Engineering, Math (STEM)
- We propose moving the certified nursing assistant (CNA) courses into our community education program, which will save approximately \$170,000, because community education courses are designed to charge fees appropriate for recovering the related costs. Community education will also be reorganized for savings of \$102,400.
- A potential decline in enrollment should have a corresponding reduction in the need for part-time faculty. A one percent reduction in part-time faculty costs saves approximately \$64,000.

Cost Reductions – Support Services

- The new fleet of 80 multi-function devices (MFDs) is being installed over the next month. MFDs are copiers, printers and scanners. The contractual arrangement we now have with Copiers Northwest should save us approximately \$200,000 per year during the five-year term.
- Within the next few months we will explore partnering with a vendor to provide the printing and binding services that are not easily or appropriately performed on the new machines. We expect another \$200,000 of savings from this change. This is a forerunner to the kinds of fundamental changes in service delivery that we will have to explore and consider, as we anticipate the State of Oregon to continue to face funding difficulties for the next five to seven years. .
- Changes in the following areas are not without their challenges in making a smooth transition to new ways of providing services with reduced staff and resources. Needless to say, going forward, we are being forced to re-engineer our institution and it will not be easy or pleasant; however, it is the reality of higher education in the State of Oregon. Wherever possible, attrition is used to effect staff reductions.
 - ✓ Information Technology will reduce its budget by \$175,000.
 - ✓ Student Services is implementing the new Student Enrollment Management Plan and plans to save \$104,100.
 - ✓ Administrative Services will not fill vacant positions and make other reductions in supplies and materials to save \$175,000.

The revenue enhancements and expenditure reductions outlined in this proposed budget are but stop-gap measures for balancing the budget. They are effective short-term solutions that solve an immediate problem, but because there has not yet been systemic and systematic fundamental change in the way MHCC delivers its educational and support services, the pressure on the budget will not only continue, but probably compound and increase until such fundamental changes are developed and implemented. Declining resources and escalating demands for services create a huge pressure for governmental entities of all types to provide more and more services while spending less and less money.

Investment in the Future

It bears repeating that the changes we are proposing to balance the budget are strategically designed to continue to move mountains at MHCC. We remain committed to providing our students and the community with the quality of services that they have come to enjoy and deserve. Some highlights included in this budget are:

- Continuing the growth of new programs started this year, such as Health Informatics, Wilderness Leadership and Experiential Education and Game Design courses

- Investing in improved services to support the distance learning programs by hosting the learning systems with Blackboard
- Increasing the number of totally on-line degrees, including Career and Technical Education degrees
- Developing a student help desk within the Learning Commons
- Completing our pilot year of the Strategic Program Assessment (“SPA”) work and increase the number of programs to be reviewed for 2011-12
- Implementing the Student Enrollment Management plan to improve academic advising, retention and persistence so students successfully complete programs at a higher rate
- Expanding tutoring services which are used by over 20,000 students a year
- Constructing a new electrical distribution system on the Gresham campus to avoid campus closures due to electrical failures, as well as finishing the roof replacement on the academic center
- Completing the construction on the new Early Childhood Center building, which is on time and on budget to open in August 2011. It will be home to our early childhood program and to the pre-school programs of Head Start.

Conclusion

This is our proposed budget, a budget Michael Hay, Ed.D., the College’s interim president-elect, and I worked very closely on developing. I want to thank those who attended the two budget forums and communicated their thoughts, ideas and concerns with us and members of our senior leadership team. I was impressed by the seriousness with which our employees entered into these deliberations. There are two significant uncertainties within which we find ourselves, both of which are critical factors in proposing a budget and both of which remain unknown, even as we speak.

The first impacts our revenue. The legislature is in session and no decisions have yet been made regarding the amount of funding for community colleges for this next biennium. The proposed budget is cautiously based on the \$410 million proposed by the Governor. Talk and rumors continue that the legislature may increase that funding to as much as \$425 million. At the \$425 million level, another \$750,000 for each year of the biennium would come to Mt. Hood Community College. If such an event occurs, Dr. Hay and I are recommending that these additional funds be used to start addressing the budget shortfall expected in the second year of the biennium. In other words, given the economic forecasts at the state level for budget challenges to come over the next five to seven years or more, the changes embodied in this proposed budget need to occur under any scenario.

The second impacts our expenditures. The negotiating process with our full-time faculty association continues and the outcome hangs between a settlement and a threatened strike. Both sides agree that the students would be most negatively impacted should a strike occur, and so the College is making every effort to reach an acceptable settlement with the faculty association as soon as possible. The proposed budget does not include the increase in costs that the faculty association continues to ask for, nor does it include any of the increased costs that would be

associated with a strike. The proposed budget has no contingency to cushion the adverse impact of such additional costs.

Hopefully, through this proposed budget, you see that we are trying to:

- 1) shield our students from unnecessary expenses
- 2) protect the services and programs that serve those most in need
- 3) protect the core functions without which we are not Mt. Hood Community College and do not have our distinctive identity.

However, let me express that now is NOT the time to remain passive about the state budget. With approximately eight weeks remaining in the state legislative budgeting process, I urge every one of us to get involved. As you know, our students are acclaimed and valued in Salem for their presence and engagement in the legislative process and they deserve our enthusiastic support for their efforts.

With what the college is currently enduring, these are not easy times. Therefore, we must all be deeply caring and considerate of each other, and particularly our colleagues directly affected by these changes, as we deal together with the enhancements we need to pursue to ensure we are able to sustain our operation in light of all of the internal and external pressures we face.

This truly is a time to come together as a community and continue to focus our efforts on our students remembering our vocation and College's mission. And this is our time to help see MHCC enjoy an even better place in our history. For nearly 50 years, through the Vietnam War, the Iraq hostage crisis, Black Friday, Challenger disaster, 9/11 and many other challenges, MHCC not only survived but thrived. It is our time as stewards of this college to bring MHCC through it, again. If the past is any indication of the future, I am confident we will!

If you have any questions or need additional information, please let me know. Thank you.

Sincerely,



John J. "Ski" Sygielski

President

**Mt. Hood Community College
2011-2012 General Fund Budget Balancing**

Estimated Budget Shortfall as of April 20, 2011 **\$ (5,800,000)**

Increase Revenues:

Increase tuition \$6.00 per credit hour	1,500,000
Establish parking fees at \$25 per term (net of implementation costs)	450,000
Increase college service fee \$5.00 per term (from \$25 to \$30 per term)	150,000
Increase distance learning fees \$10 per course (from \$30 to \$40 per course)	150,000
Increase rental rates by 20%	35,000

Subtotal Revenue Increases **\$ 2,285,000**

Reduce Expenditures - Instruction:

Reduce full-time faculty positions to 153	1,400,000
Reduce part-time instruction, supplies and travel in deans' budgets	625,500
Reduce part-time faculty positions due to enrollment decline	64,000
Eliminate two dean positions	280,000
Move certified nursing assistant (CNA) courses to community education	170,000
Reorganize community education	102,400

Subtotal Instruction Reductions **\$ 2,641,900**

Reduce Expenditures - Support Services:

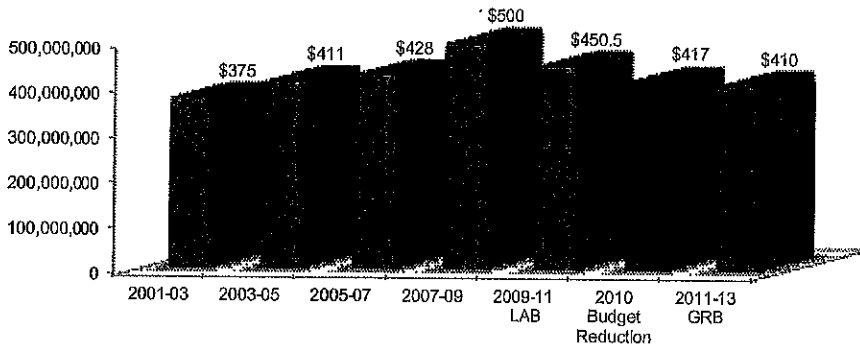
Install new copier/printer/scanner machines	200,000
Partner with vendor for print/binding services	200,000
Information Technology	175,000
Student Services	104,100
Administrative Services	175,000
Miscellaneous Reductions	19,000

Subtotal Support Services Reductions **\$ 873,100**

Remaining Budget Shortfall as of April 20, 2011 **\$ -**

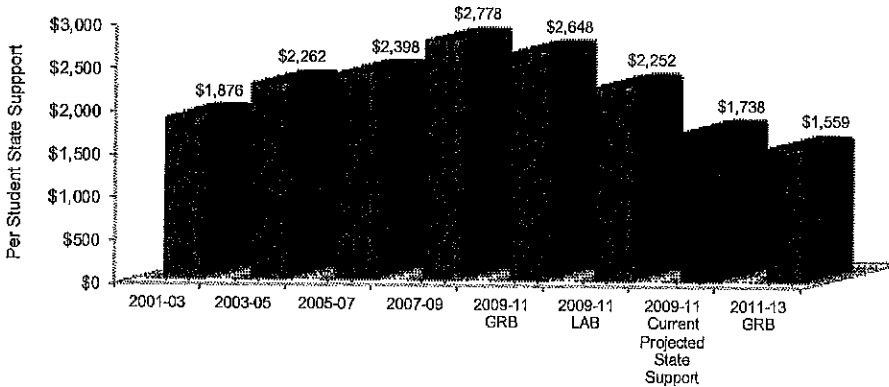
What's been happening with funding?

State Appropriations to Community Colleges (in millions)



State appropriations to Oregon's community colleges grew in the 1990s as the number of students seeking post-secondary education and workforce training increased. However, funding for increased enrollment masked the fact the State's funding per full-time equivalent student has not kept up.

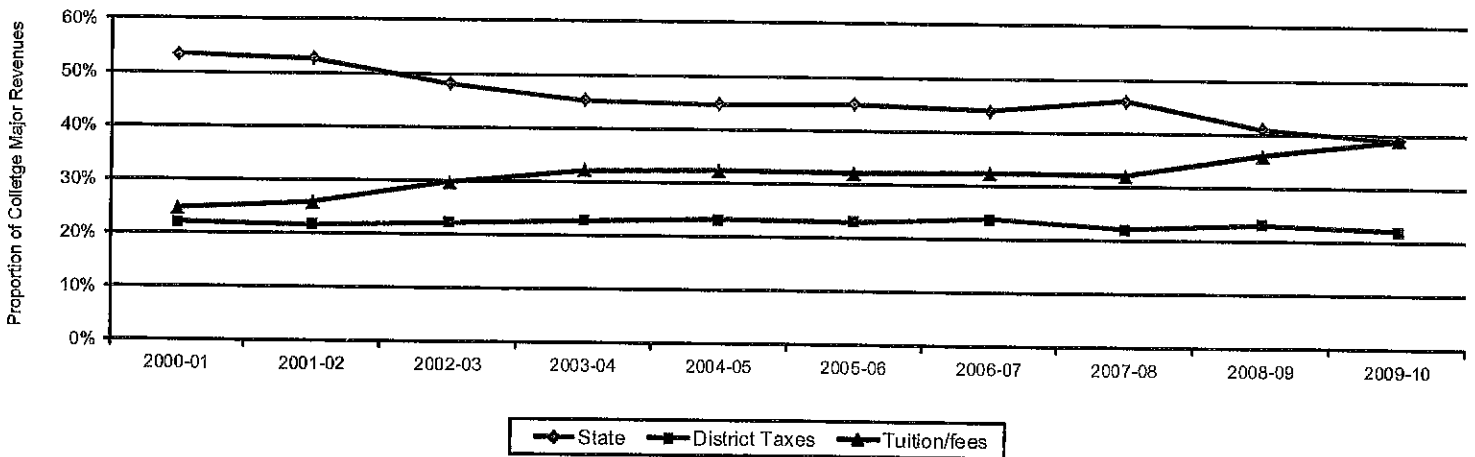
State Support per Student FTE



The 2009 Legislatively Adopted Budget (LAB) included \$450.5 million to serve approximately 200,000 community college students during 2009-11. State support was projected to be \$2,252 per student. The July 2010 state budget reductions lowered the CCSF by \$20 million (9%) to \$430.5 million. In October 2010, another \$13.6 million was reduced from the CCSF, dropping it to \$417 million. The reality is that the state support per student of real and projected enrollment growth lowers funding per student to approximately \$1,738.

On February 1, 2011, the Governor's Recommended Budget identified \$410 million in state support to community colleges, or approximately \$1,559 per student.

Community College Major Revenues





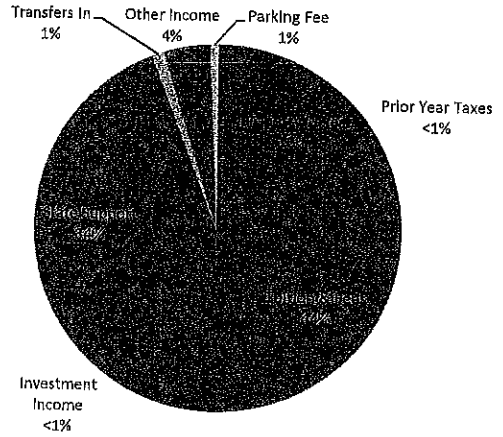
MT. HOOD
COMMUNITY COLLEGE

Summary of Funds

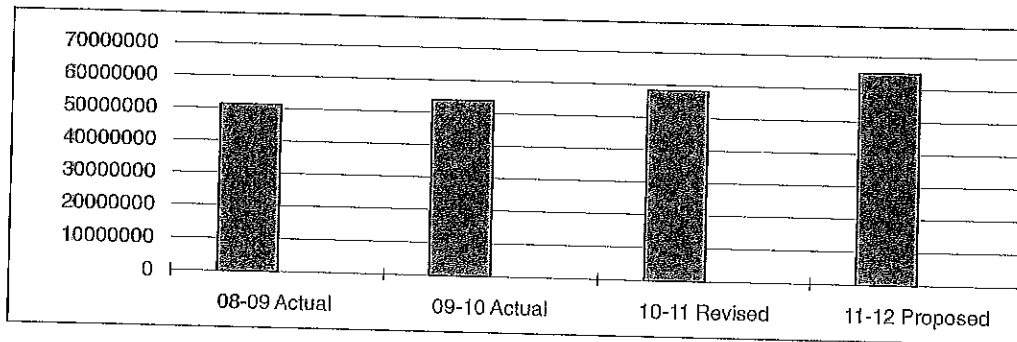
Actual 2008-09	Actual 2009-10	Fund Title	Revised Budget 2010-11	Proposed Budget 2011-12
53,972,166	60,097,688	General Fund - (01)	65,110,000	66,035,754
4,361,056	4,571,510	Pension Bond Debt Service Fund - (03)	4,173,691	3,548,691
6,052,222	14,772,988	Physical Plant Maintenance Fund - (06)	4,900,000	2,015,000
2,711,749	3,651,382	Technology Projects Fund - (07)	3,339,500	2,497,500
-	-	Capital Projects Fund - (08)	6,000,000	5,051,000
10,507,764	18,247,900	Student Aid Fund - (10)	60,896,990	65,896,990
29,801,946	33,881,446	Federal, State & Special Projects Fund - (16)	58,950,000	58,950,000
441,593	30,948	KMHD Radio Station Fund - (35)	-	-
1,573,972	1,390,046	Early Retiree Fund - (39)	500,000	-
5,156,116	5,684,316	Bookstore Fund - (40)	6,200,000	5,200,000
1,584,734	-	Self-Sustaining Programs Fund - (41)	-	-
1,151,297	93,721	Graphic Services Fund - (48)	-	-
671,945	229,053	Telecommunications Services Fund - (49)	-	-
162,555	202,707	Clubs Fund - (50)	245,000	250,500
723,961	700,947	Trusts Fund - (51)	900,000	650,000
746,295	914,442	Associated Student Government Fund - (52)	1,040,500	1,039,700
119,619,371	144,469,094	Total All Funds	212,255,681	211,135,135

General Fund Resources

The college general fund budget for FY 11-12 has been developed in accordance with a fiscal strategy which considers future state support, projected enrollments and required college expenditures. This fiscal strategy calls for continuing adjustments and reallocations of the college budget while providing for fixed costs increases. All of the fiscal premises are based on the district's mission of providing quality education and delivery systems.



Actual				Resources:	Budget			
2008-09	%	2009-10	%		Revised 2010-11	%	Proposed 2011-12	%
24,505,218	46%	22,574,109	38%	State Comm College Support	22,795,797	35%	20,543,806	33%
8,959,509	17%	9,372,851	16%	Current Property Taxes	9,626,203	15%	10,109,920	16%
231,268	0%	298,155	<1%	Prior Years' Taxes	260,000	<1%	260,000	<1%
16,827,701	32%	21,999,269	37%	Tuition and Fees	24,042,000	37%	27,151,250	44%
-	0%	-	0%	Parking Fees	1,990,000	3%	450,000	1%
200,505	0%	65,452	<1%	Investment Income	200,000	2%	100,000	<1%
1,798,556	3%	3,686,898	6%	Other Income	3,979,000	6%	2,507,000	4%
200,000	1%	1,224,668	1%	Transfers In	2,100,000	3%	650,000	1%
52,722,757	100%	59,221,402	100%	TOTAL REVENUES	64,993,000	100%	61,771,976	100%
1,249,409		876,287		Beginning Fund Balance	117,000		4,263,778	
53,972,166		60,097,689		TOTAL RESOURCES	65,110,000		66,035,754	



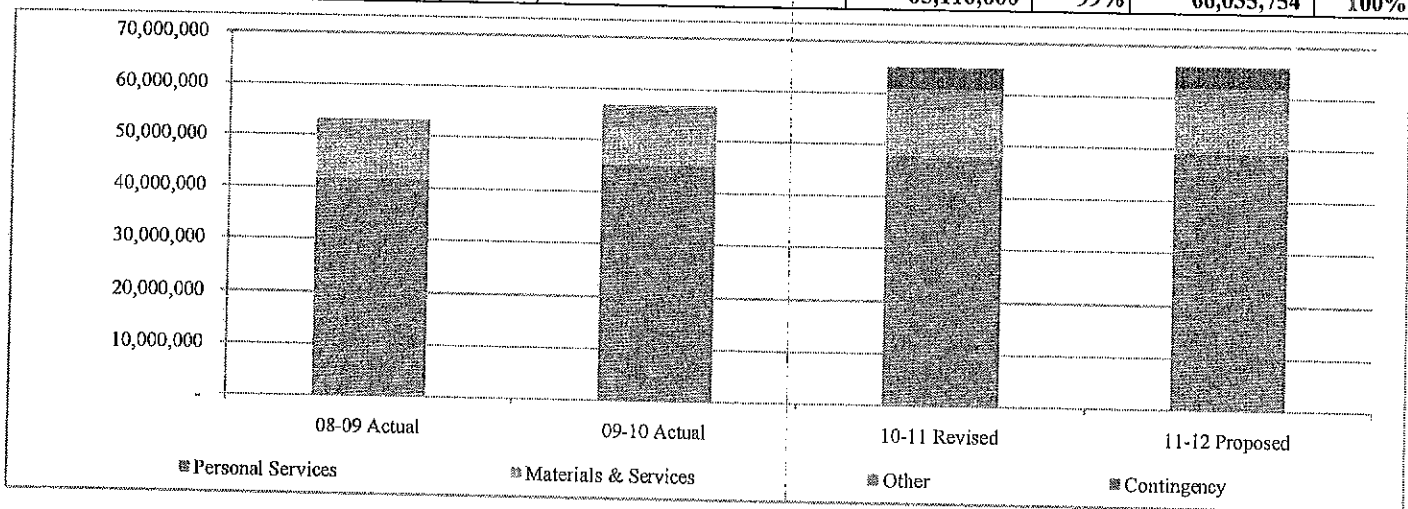
Numbers may not foot due to rounding

General Fund Requirements:

- * By object classification represent a grouping of expenditures in total for the entire fund
- * Personal services include expenses related to compensation and fringe benefits
- * Materials and services include supplies, contracted services, and small equipment
- * The revised 2010-11 budget is as of February 28, 2011

By Object

Actual				Requirements	Budget			
2008-09	%	2009-10	%		Revised 2010-11	%	Proposed 2011-12	%
41,582,796	77%	45,103,720	75%	Personal Services	47,947,484	74%	49,096,828	74%
7,575,154	14%	7,567,567	13%	Materials & Services	8,978,265	14%	8,379,804	13%
1,180,205	2%	1,516,847	3%	Debt Service	1,732,473	3%	2,221,439	3%
171,584	<1%	148,095	<1%	Capital Outlay	738,000	<1%	757,500	1%
1,477,964	3%	1,316,123	2%	Transfers to Other Funds	250,000	0%	250,000	<1%
1,108,176	2%	1,193,170	2%	Grants in Aid	1,200,000	2%	1,285,000	2%
-	0%	-	0%	Contingency	4,263,778	7%	4,045,183	6%
876,287	2%	3,252,167	5%	Unappropriated Fund Balance	-	-	-	-
53,972,166	100%	60,097,689	100%		65,110,000	99%	66,035,754	100%

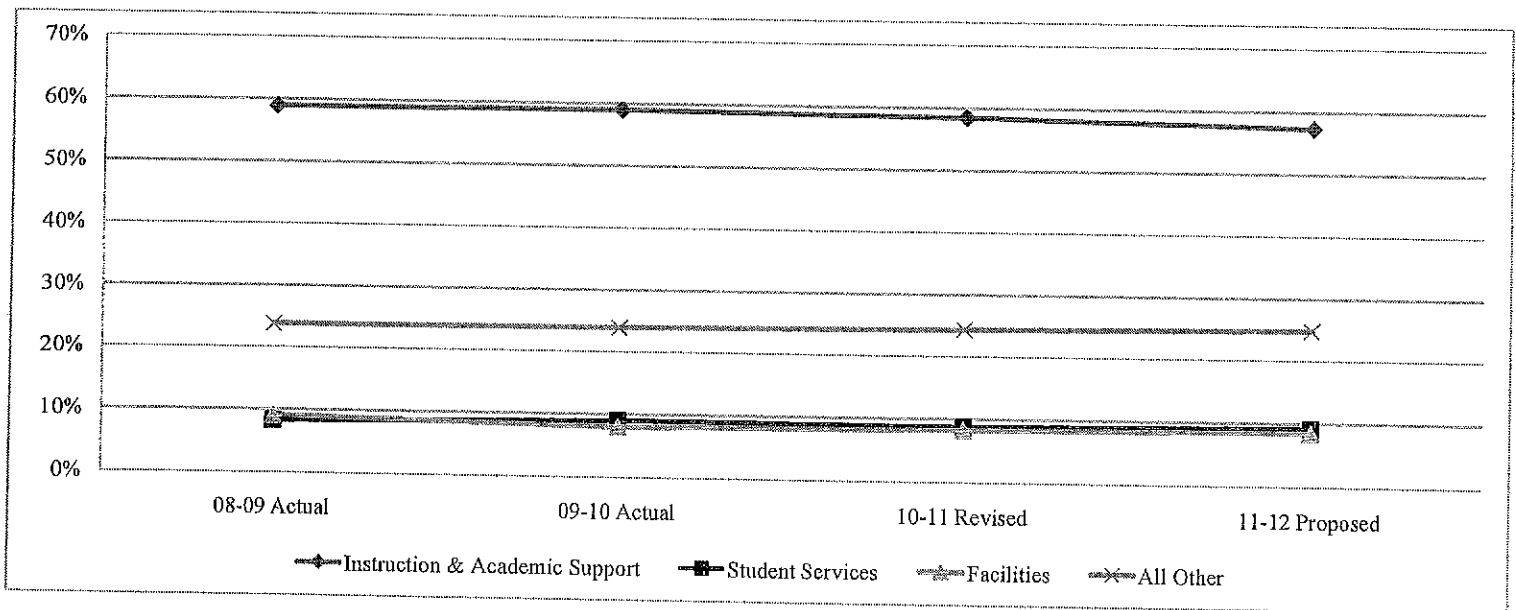


General Fund Requirements:

*By function classification represents a grouping of expenditures by program

By Function

Actual				Requirements	Budget			
2008-09	%	2009-10	%		Revised 2010-11	%	Proposed 2011-12	%
28,686,611	54%	31,060,010	55%	Instruction	28,090,218	46%	28,043,570	45%
2,592,417	5%	2,495,382	4%	Academic Support	7,511,568	12%	7,533,819	12%
372,967	1%	407,507	1%	Research	449,781	1%	532,210	1%
18,259	<1%	63,566	<1%	Public Services	63,382	<1%	66,929	<1%
4,383,146	8%	5,136,948	9%	Student Services	5,359,904	9%	5,706,530	9%
9,647,797	18%	10,625,318	19%	Institutional Support	12,865,801	21%	13,284,856	21%
4,808,544	9%	4,547,498	8%	Facilities Management	5,055,568	8%	5,287,657	9%
1,108,176	2%	1,193,170	2%	Grants in Aid	1,200,000	2%	1,285,000	2%
1,477,962	3%	1,316,122	2%	Transfers	250,000	0%	250,000	0%
53,095,879	100%	56,845,521	100%	TOTAL EXPENDITURES	60,846,222	100%	61,990,571	100%
876,287		3,252,167		Fund Balance/Contingency	4,263,778		4,045,183	
53,972,166		60,097,688		TOTAL REQUIREMENTS	65,110,000		66,035,754	



Numbers may not foot due to rounding



Other Funds

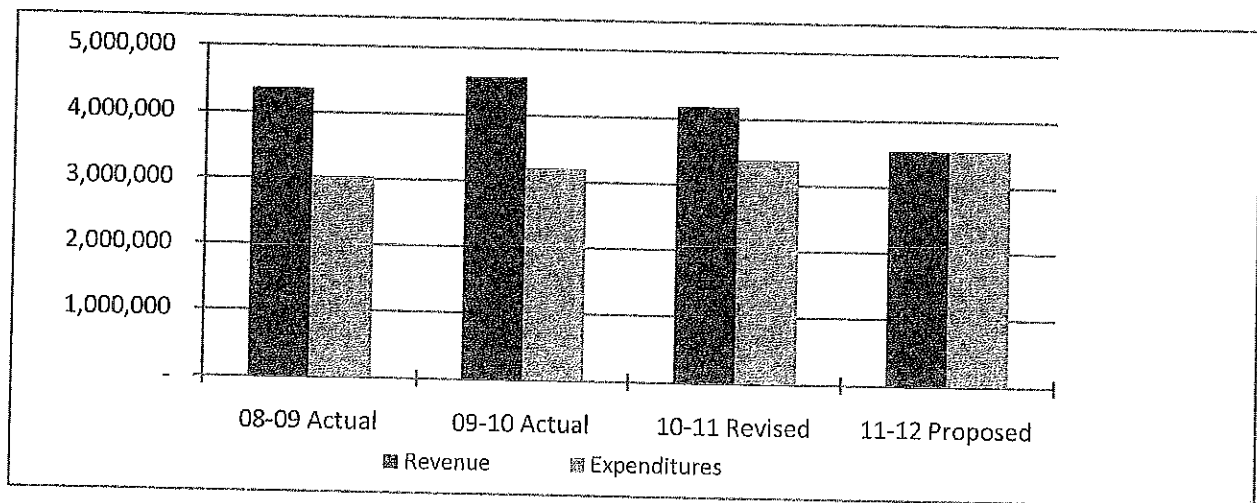
- 03 Pension Bond Debt Service Fund**
- 06 Physical Plant Maintenance Fund**
- 07 Technology Projects Fund**
- 08 Capital Projects Fund**
- 10 Student Aid Fund**
- 16 Federal, State and Special Projects Fund**
- 35 KMHD Radio Station Fund***
- 39 Early Retiree Fund***
- 40 Bookstore Fund**
- 41 Self-Sustaining Programs Fund***
- 48 Graphic Services Fund***
- 49 Telecommunications Services Fund***
- 50 Clubs Fund**
- 51 Trusts Fund**
- 52 Associated Student Government Fund**

*No longer an active fund

Pension Bond Debt Service Fund (03)

Fund requirements are principal and interest on bonds issued to finance the College's share of the unfunded actuarial liability of Oregon Public Employees Retirement System (PERS). Resources are provided by charges assessed to other funds as a percentage of salary subject to PERS.

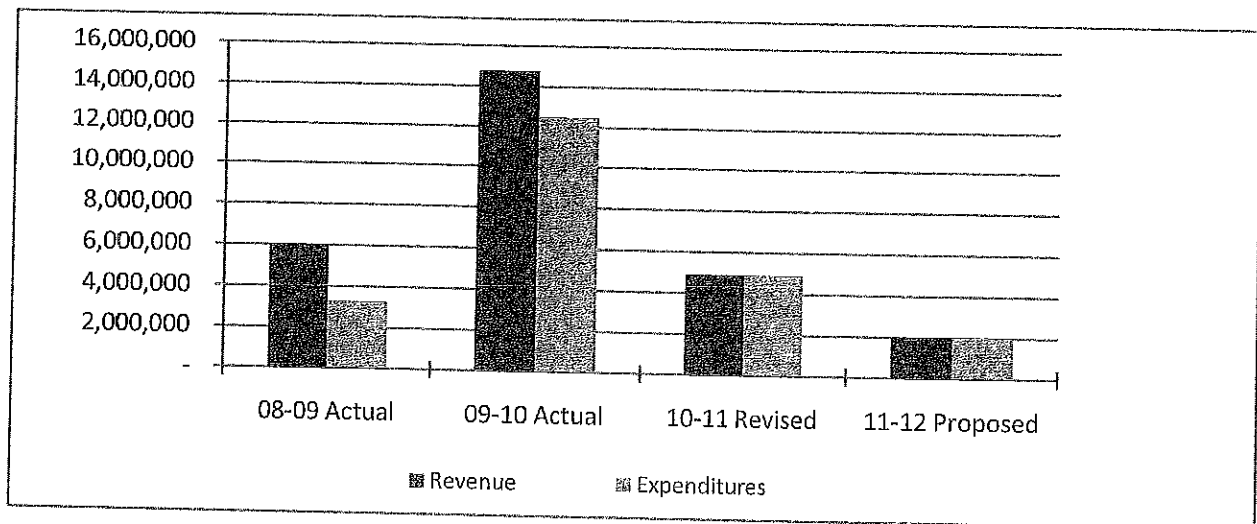
Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
30,225	-	Interest	-	-
<u>3,134,050</u>	<u>3,244,144</u>	Bond Assessment	3,373,691	3,548,691
3,164,275	3,244,144	Total Revenues	<u>3,373,691</u>	<u>3,548,691</u>
<u>1,196,781</u>	<u>1,327,366</u>	Beginning Fund Balance	800,000	-
4,361,056	4,571,510	Total Resources	<u>4,173,691</u>	<u>3,548,691</u>
Requirements:				
Debt Service				
1,194,439	1,241,820	Principal - Bond	1,281,164	1,312,570
<u>1,839,251</u>	<u>1,956,870</u>	Interest - Bond	<u>2,092,527</u>	<u>2,236,121</u>
3,033,690	3,198,690	Total Requirements	<u>3,373,691</u>	<u>3,548,691</u>
Other financing uses:				
-	-	Operating Transfer-(01)	800,000	-
<u>1,327,366</u>	<u>1,372,820</u>	Ending Fund Balance	-	-
4,361,056	4,571,510	Total Requirements and Ending Fund Balance	<u>4,173,691</u>	<u>3,548,691</u>



Physical Plant Maintenance Fund (06)

This fund accounts for resources provided by debt proceeds or transfers from various other funds. The funds have been used to maintain the physical plant of the District. FY 10-11 forward, these funds are for the completion of the Early Childhood Center construction.

Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
89,951	111,873	Interest and Other	-	-
-	-	State Aid/Construction	2,500,000	2,015,000
-	11,014,301	Debt Proceeds	-	-
-	75,546	Transfer from Fed/State Proj.	-	-
800,000	800,000	Transfer from General Fund	-	-
<u>889,951</u>	<u>12,001,720</u>	Total Revenues	<u>2,500,000</u>	<u>2,015,000</u>
5,162,271	2,771,268	Beginning Fund Balance	2,400,000	-
<u>6,052,222</u>	<u>14,772,988</u>	Total Resources	<u>4,900,000</u>	<u>2,015,000</u>
Requirements:				
473,334	581,021	Materials and Services	623,157	256,000
2,807,619	11,906,914	Capital Outlay	3,962,037	1,625,500
		Contingency	314,806	133,500
<u>3,280,953</u>	<u>12,487,935</u>	Total Requirements	<u>4,900,000</u>	<u>2,015,000</u>
2,771,269	2,285,053	Ending Fund Balance	-	-
<u>6,052,222</u>	<u>14,772,988</u>	Total Requirements and Ending Fund Balance	<u>4,900,000</u>	<u>2,015,000</u>

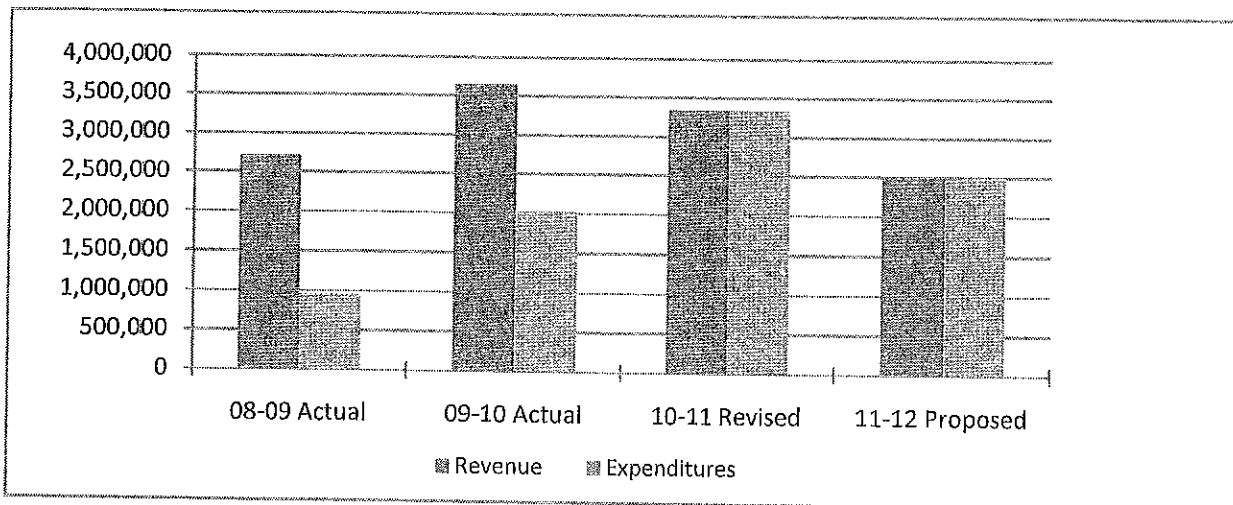


Technology Projects (07)

This fund provides for the technology and telecommunication needs of the District.

Revenues are derived from the technology fee charged to students, telephone departmental chargeback, and telephone deskset sales.

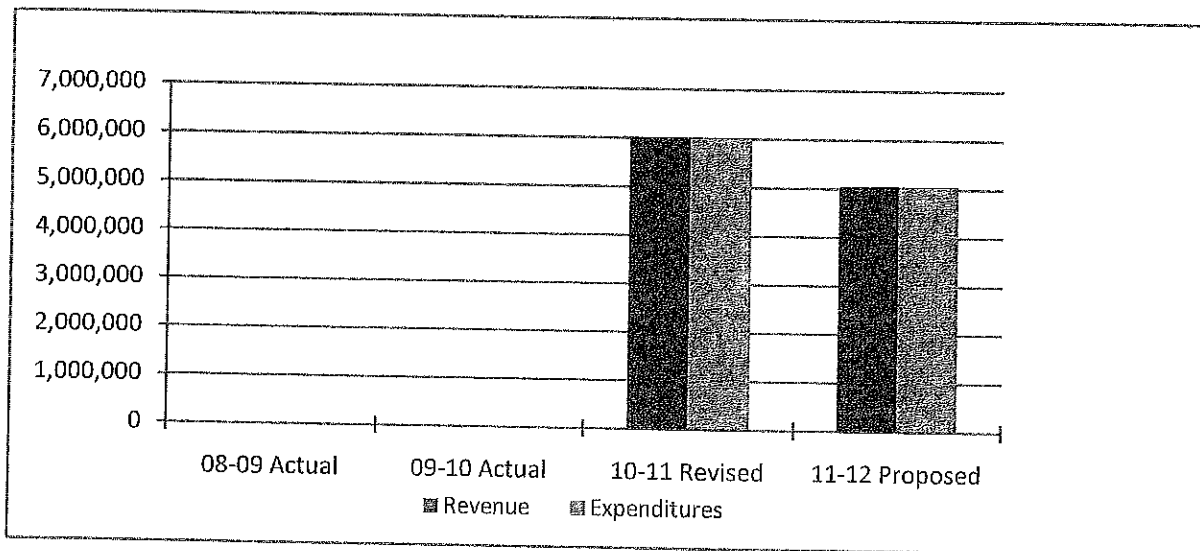
Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
885,795	1,283,045	Technology Fee	1,382,000	1,340,000
70	387,488	Other Income	257,500	407,500
-	229,053	Transfer from Telecom	-	-
<u>885,865</u>	<u>1,899,586</u>	Total Revenues	<u>1,639,500</u>	<u>1,747,500</u>
1,825,884	1,751,796	Beginning Fund Balance	1,700,000	750,000
<u>2,711,749</u>	<u>3,651,382</u>	Total Resources	<u>3,339,500</u>	<u>2,497,500</u>
Requirements:				
934,350	1,311,025	Materials and Services	2,017,250	2,202,085
25,603	710,405	Capital Outlay	779,750	180,000
-	-	Contingency	542,500	115,415
<u>959,953</u>	<u>2,021,430</u>	Total Requirements	<u>3,339,500</u>	<u>2,497,500</u>
1,751,796	1,629,952	Ending Fund Balance	-	-
<u>2,711,749</u>	<u>3,651,382</u>	Total Requirements and Ending Fund Balance	<u>3,339,500</u>	<u>2,497,500</u>



Capital Projects Fund (08)

This fund provides for the capital project needs of the District. Revenues are derived from the debt proceeds.

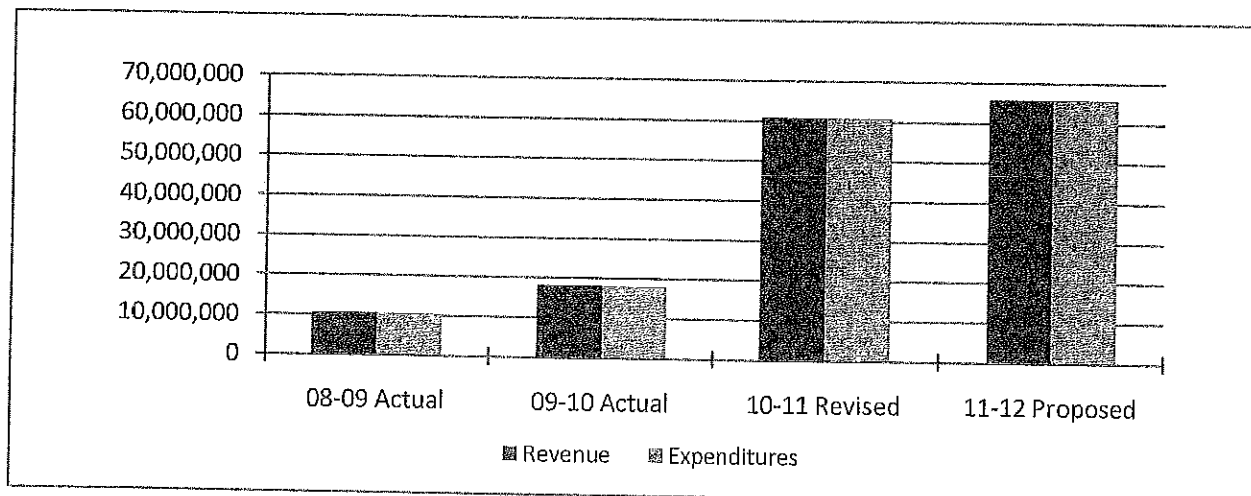
Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
-	-	Debt Proceeds	6,000,000	-
-	-	Transfer from General Fund	-	-
-	-	Total Revenues	6,000,000	-
-	-	Beginning Fund Balance	-	5,051,000
-	-	Total Resources	6,000,000	5,051,000
		Requirements:		
-	-	Personal Services	122,000	66,219
-	-	Materials and Services	220,800	121,877
-	-	Capital Outlay	5,657,200	4,050,300
-	-	Contingency	-	812,604
-	-	Total Requirements	6,000,000	5,051,000
-	-	Total Requirements and Ending Fund Balance	6,000,000	5,051,000



Student Aid Fund (10)

This fund is used to budget for federal campus-based student loans, direct loans, state and federal grants and federal work-study for qualified students of the college. Resources are provided by local, state and federal financial aid programs, mandatory transfers and loan repayment funds. Requirements are all related to the various federal and state financial aid programs administered by the District.

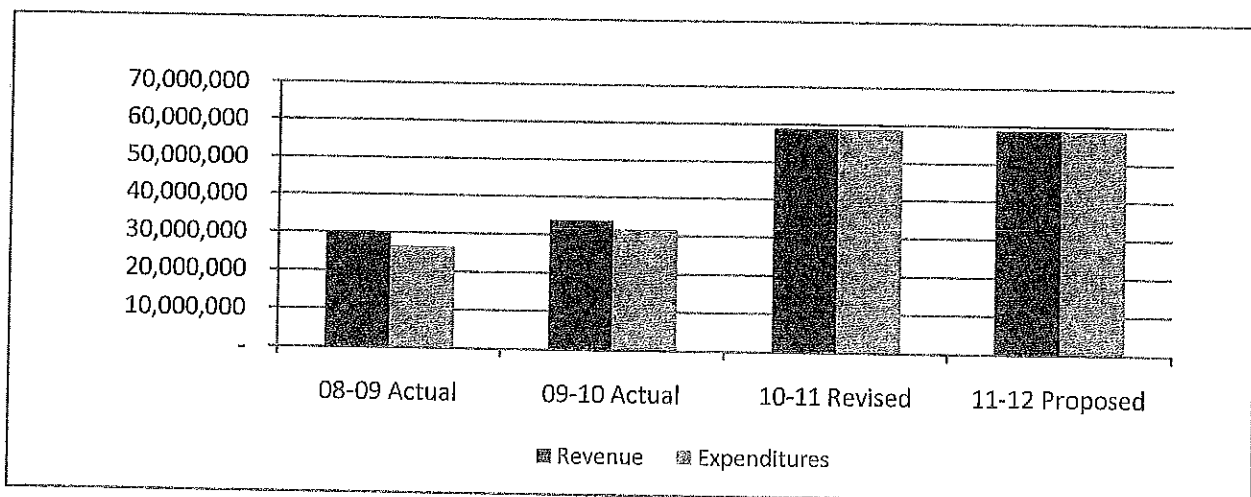
Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
9,643,129	17,648,891	Governmental Funds	59,683,990	64,683,990
386,455	289,682	Loan Collections	923,000	923,000
7,243	1,320	Interest & Other	40,000	40,000
<u>10,036,827</u>	<u>17,939,893</u>	Total Revenues	<u>60,646,990</u>	<u>65,646,990</u>
Other financing sources:				
191,154	171,309	Transfer from General Fund	250,000	250,000
<u>279,783</u>	<u>136,698</u>	Beginning Fund Balance	-	-
<u>10,507,764</u>	<u>18,247,900</u>	Total Resources	<u>60,896,990</u>	<u>65,896,990</u>
Requirements:				
448,329	393,529	Personal Services	663,990	663,990
<u>9,860,640</u>	<u>17,643,535</u>	Grants and Loans	<u>60,133,000</u>	<u>65,133,000</u>
<u>10,308,969</u>	<u>18,037,064</u>	Total Requirements	<u>60,796,990</u>	<u>65,796,990</u>
Other financing uses:				
<u>62,097</u>	<u>40,371</u>	Operating Transfers - (16)	<u>100,000</u>	<u>100,000</u>
10,371,066	18,077,435	Total requirements and other financing uses	60,896,990	65,896,990
<u>136,698</u>	<u>170,465</u>	Ending fund balance	-	-
<u>10,507,764</u>	<u>18,247,900</u>	Total Requirements and Ending Fund Balance	<u>60,896,990</u>	<u>65,896,990</u>



Federal, State and Special Projects Fund (16)

This fund accounts for the financial operations of categorical programs of the District, funded by state, federal, and private revenues, other than student financial aid. Expenditures are made pursuant to the guidelines of each funding source.

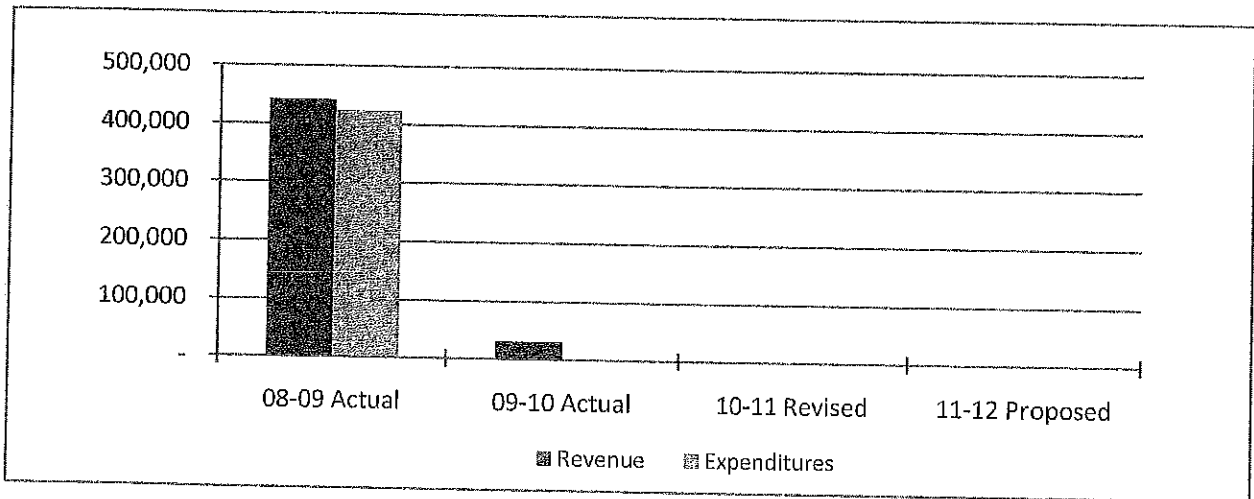
Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
22,353,798	26,347,723	Government Funds	50,350,000	51,100,000
294,000	269,267	Transfer from General Fund	-	-
62,097	40,371	Transfer from Student Aid	100,000	100,000
<u>3,831,380</u>	<u>3,774,278</u>	Other Sources	<u>7,500,000</u>	<u>7,500,000</u>
26,541,275	30,431,639	Total Revenues	57,950,000	58,700,000
<u>3,260,671</u>	<u>3,449,807</u>	Beginning Fund Balance	<u>1,000,000</u>	<u>250,000</u>
29,801,946	33,881,446	Total Resources	58,950,000	58,950,000
Requirements:				
15,741,669	16,976,577	Personal Services	24,640,000	24,640,000
9,851,215	9,606,089	Materials and Services	23,250,000	23,010,000
670,272	3,784,996	Capital Outlay	10,000,000	10,000,000
88,983	220,799	Grants in Aid	60,000	300,000
-	1,000,000	Contingency	1,000,000	1,000,000
<u>26,352,139</u>	<u>31,588,461</u>	Total Requirements	58,950,000	58,950,000
Other financing uses:				
-	100,000	Operating Transfer - (06)	-	-
<u>3,449,807</u>	<u>2,192,985</u>	Ending Fund Balance	-	-
29,801,946	33,881,446	Total Requirements and Ending Fund Balance	58,950,000	58,950,000



KMHD Radio Station Fund (35)

This fund was established to account for the revenues and expenditures of KMHD as a self-supporting public radio station. Resources are provided by listener donations and through corporate underwriting. Beginning FY 2009-10, Oregon Public Broadcasting (OPB) manages the radio station.

Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
323,637	9,891	Listener Donations	-	-
38,473	1,860	Corporate Underwriting	-	-
7,777	396	Sales Miscellaneous	-	-
809	129	Interest	-	-
<u>370,696</u>	<u>12,276</u>	Total Revenues	-	-
70,897	18,672	Beginning Fund Balance	-	-
<u>441,593</u>	<u>30,948</u>	Total Resources	-	-
Requirements:				
362,021	-	Personal Services	-	-
60,900	-	Materials and Services	-	-
-	-	Capital Outlay	-	-
<u>422,921</u>	-	Total Requirements	-	-
Other financing uses:				
-	-	Operating Transfer - (01)	-	-
<u>18,672</u>	<u>30,948</u>	Ending Fund Balance	-	-
<u>441,593</u>	<u>30,948</u>	Total Requirements and Ending Fund Balance	-	-



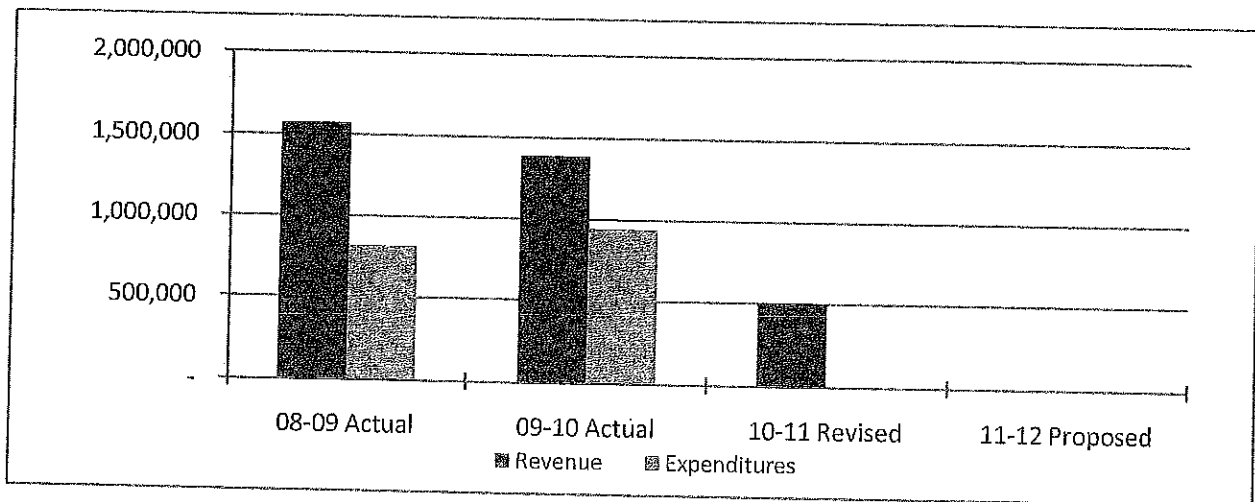
Early Retiree Fund (39)

This fund was established to account for costs associated with severance pay and medical and dental payments for retired employees as provided by collective bargaining agreements.

Resources of this fund are received from charges assessed to other funds.

Beginning FY 2010-11 costs will be accounted for in the General Fund.

Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
621,893	626,771	Charges for Benefits	-	-
17,902	4,444	Interest	-	-
639,795	631,215	Total Revenues	-	-
934,177	758,831	Beginning Fund Balance	500,000	-
1,573,972	1,390,046	Total Resources	500,000	-
Requirements:				
815,141	941,845	Personal Services	-	-
-	-	Materials and Services	-	-
-	-	Contingency	-	-
815,141	941,845	Total Requirements	-	-
Other financing uses:				
-	-	Operating Transfer - (01)	500,000	-
758,831	448,201	Ending Fund Balance	-	-
1,573,972	1,390,046	Total Requirements and Ending Fund Balance	500,000	-

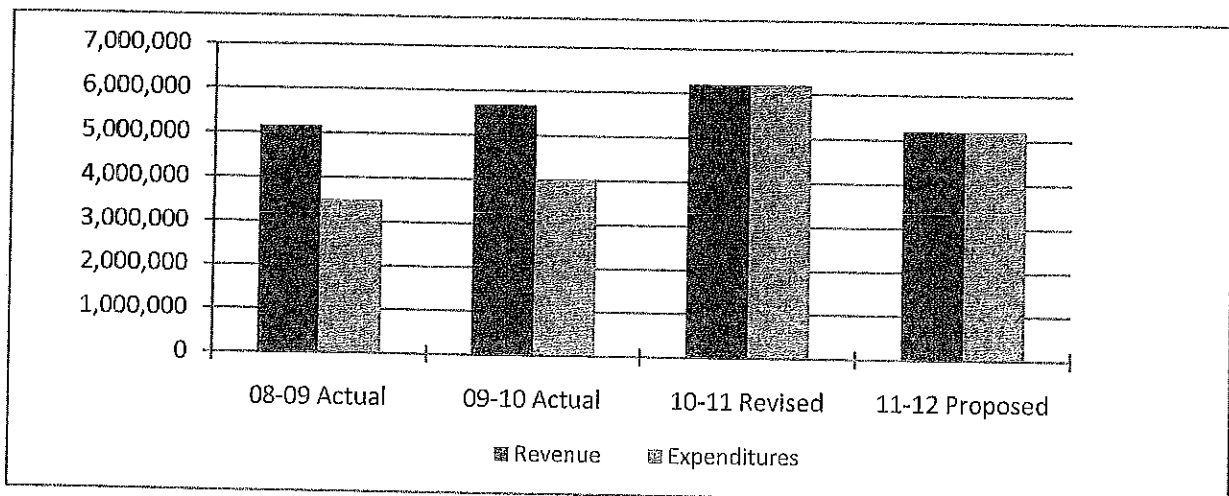


Bookstore Fund (40)

The bookstore operates as a self-supporting entity of the college.

The primary responsibility of the store is the provision of textbooks, supplies, and general merchandise for the students and staff.

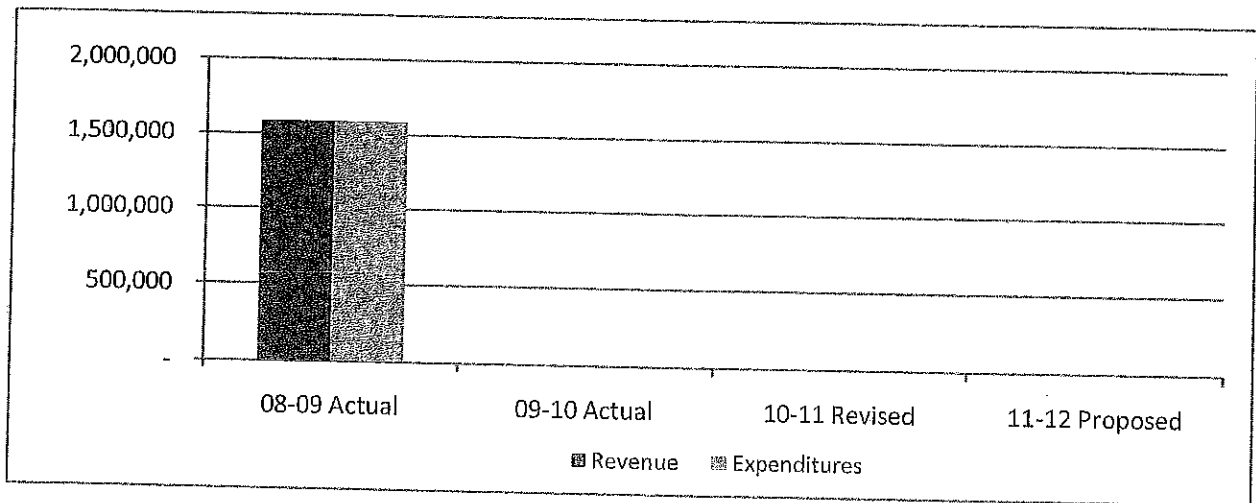
Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
3,536,311	4,005,379	Textbook Sales	4,870,000	4,870,000
18,223	5,864	Interest	30,000	30,000
<u>3,554,534</u>	<u>4,011,243</u>	Total Revenues	<u>4,900,000</u>	<u>4,900,000</u>
1,601,582	1,673,073	Beginning Fund Balance	1,300,000	300,000
<u>5,156,116</u>	<u>5,684,316</u>	Total Resources	<u>6,200,000</u>	<u>5,200,000</u>
Requirements:				
2,585,039	2,732,834	Cost of Merchandise	4,175,610	3,576,110
559,683	568,335	Personal Services	650,390	674,335
113,395	205,851	Materials and Services	224,000	175,555
24,926	6,808	Capital Outlay	50,000	10,000
-	-	Contingency	300,000	264,000
<u>3,283,043</u>	<u>3,513,828</u>	Total Requirements	<u>5,400,000</u>	<u>4,700,000</u>
Other financing uses:				
200,000	500,000	Operating transfers - (01)	800,000	500,000
<u>3,483,043</u>	<u>4,013,828</u>	Total other financing uses	<u>6,200,000</u>	<u>5,200,000</u>
1,673,073	1,670,488	and requirements	-	-
<u>5,156,116</u>	<u>5,684,316</u>	Ending fund balance	<u>6,200,000</u>	<u>5,200,000</u>
Total Requirements and Ending Fund Balance				



Self-Sustaining Programs Fund (41)

Includes athletics, aquatics, continuing education, and training and employee development. Beginning FY 2006-07 athletics is accounted for in the Associated Student Government Fund (52). Beginning FY 2009-10 this fund was consolidated within the General Fund.

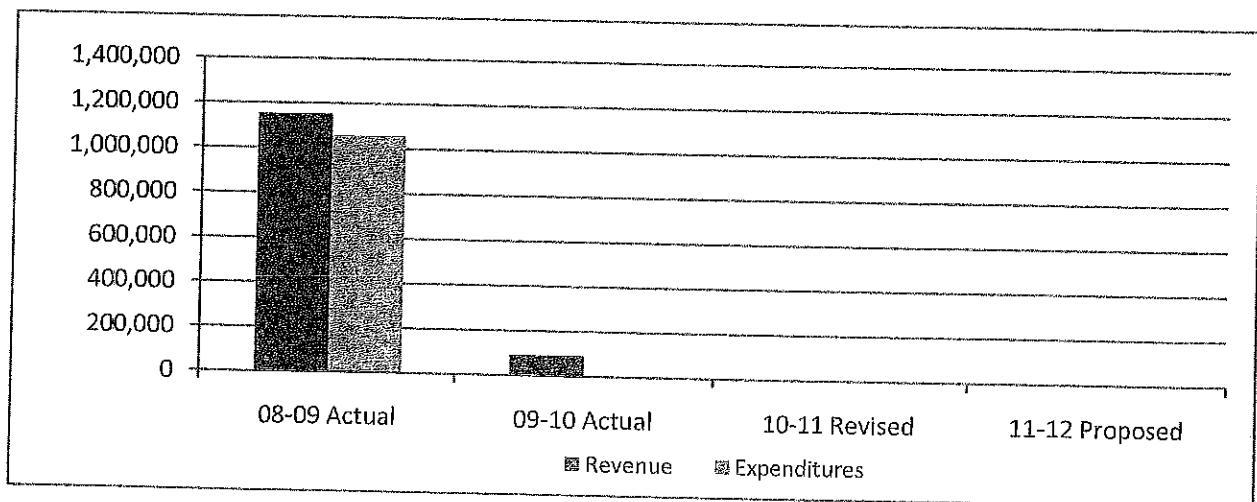
Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
204,126	-	Transfer from General Fund	-	-
557,901	-	Fees & Charges	-	-
822,707	-	Activities	-	-
<u>1,584,734</u>	-	Total Revenues	<u>-</u>	<u>-</u>
-	-	Beginning Fund Balance	-	-
<u>1,584,734</u>	-	Total Resources	<u>-</u>	<u>-</u>
Requirements:				
1,084,717	-	Personal Services	-	-
500,017	-	Materials and Services	-	-
-	-	Capital Outlay	-	-
-	-	Contingency	-	-
<u>1,584,734</u>	-	Total requirements	<u>-</u>	<u>-</u>
-	-	Ending Fund Balance	-	-
<u>1,584,734</u>	-	Total Requirements and Ending Fund Balance	<u>-</u>	<u>-</u>



Graphic Services Fund (48)

The Graphic Services Fund is an internal service fund set up to provide printing, quick copy, graphic design, and walk-up copiers for the District. Revenues are derived from the sale of graphic services to the College and other non-profit organizations. Beginning FY 2009-10 this fund was consolidated within the General Fund.

Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
967,465	-	Graphic Services	-	-
183,832	93,721	Beginning Fund Balance	-	-
<u>1,151,297</u>	<u>93,721</u>	Total Resources	-	-
Requirements:				
403,156	-	Personal Services	-	-
638,823	-	Materials and Services	-	-
15,597	-	Capital Outlay	-	-
<u>1,057,576</u>	-	Total Requirements	-	-
Other financing uses:				
-	93,721	Operating transfers - (01)	-	-
-	93,721	Total other financing uses	-	-
<u>93,721</u>	-	Ending Fund Balance	-	-
1,151,297	93,721	Total Requirements and Ending Fund Balance	-	-



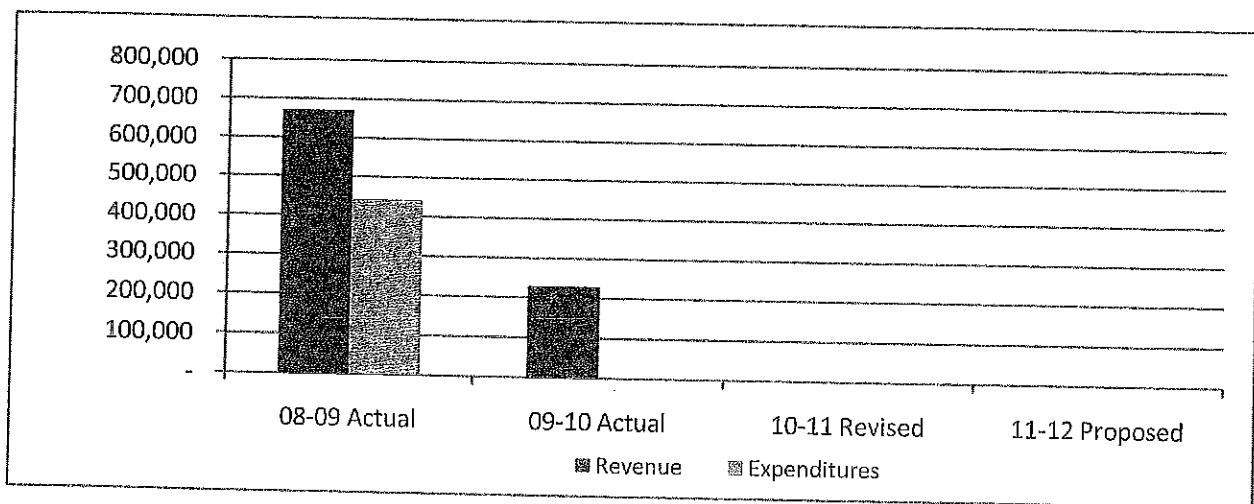
Telecommunications Services Fund (49)

This fund accounts for the costs of the District's telecommunications services including telephone and data bandwidth inter-connections.

The revenues of this fund consist of charges to the user divisions or departments.

Beginning FY 2009-10 this fund was consolidated within the Technology Projects Fund.

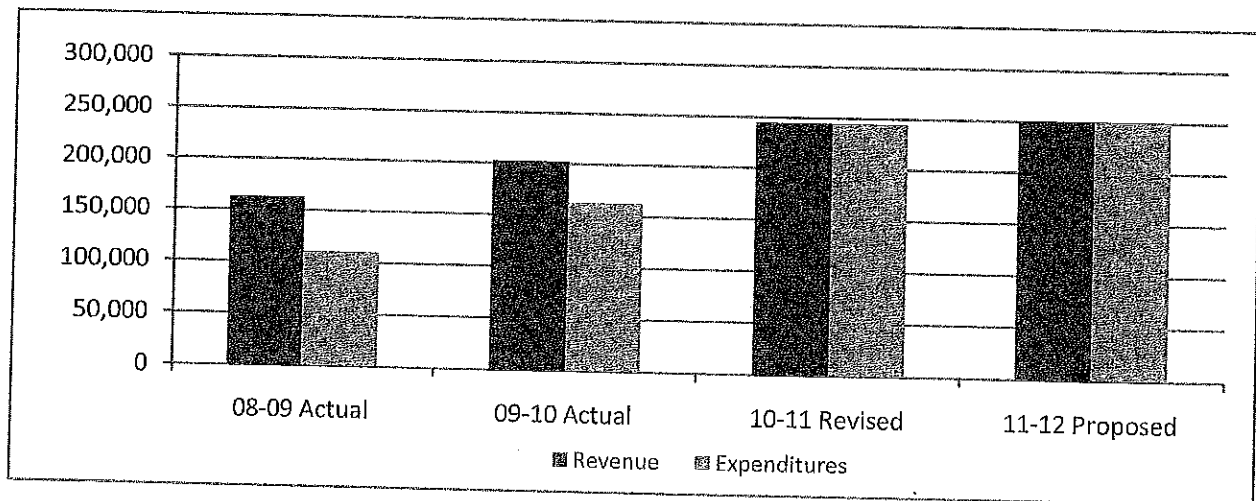
Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
394,787	-	Telephone Charges	-	-
394,787	-	Total Revenues	-	-
277,158	229,053	Beginning Fund Balance	-	-
671,945	229,053	Total Resources	-	-
Requirements:				
172,693	-	Personal Services	-	-
270,197	-	Materials and Services	-	-
442,890	-	Total Requirements	-	-
Other financing uses:				
-	229,053	Operating transfers - (07)	-	-
-	-	Total other financing uses	-	-
229,055	-	Ending Fund Balance	-	-
671,945	229,053	Total Requirements and Ending Fund Balance	-	-



Clubs Fund (50)

This fund is established to account for transactions of various student groups and their related special events or workshops such as the Ceramics Club and Rho Theta.

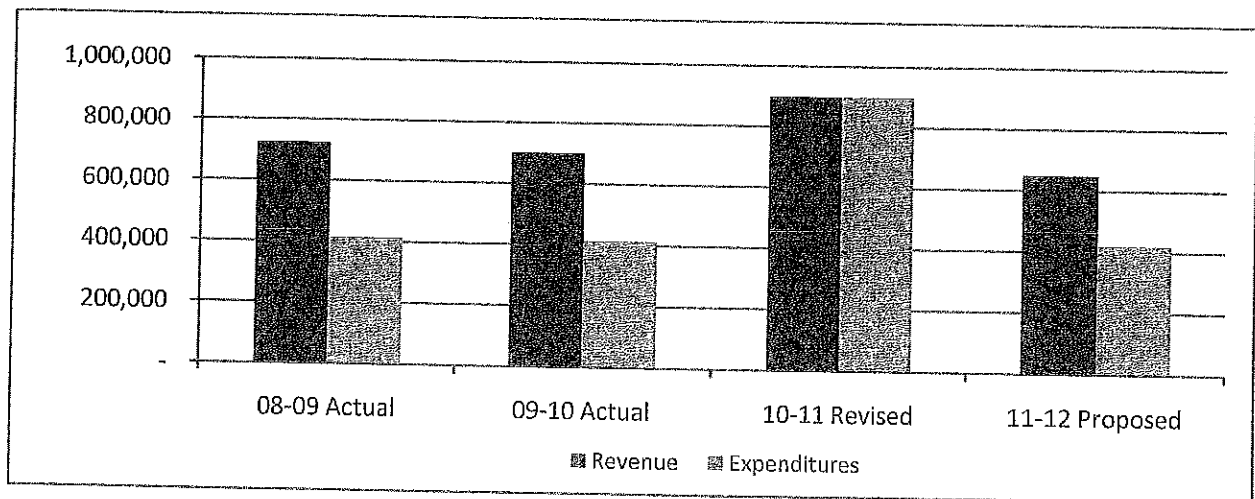
Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
-	-	Transfer from Trust Fund	-	5,500
110,243	150,184	Fees and Activities	170,000	170,000
52,312	52,523	Beginning Fund Balance	75,000	75,000
<u>162,555</u>	<u>202,707</u>	Total Resources	<u>245,000</u>	<u>250,500</u>
Requirements:				
-	-	Personal Services	9,240	9,240
110,033	162,730	Materials and Services	230,760	236,260
-	-	Capital Outlay	5,000	5,000
<u>110,033</u>	<u>162,730</u>	Total Requirements	<u>245,000</u>	<u>250,500</u>
52,522	39,977	Ending Fund Balance	-	-
<u>162,555</u>	<u>202,707</u>	Total Requirements and Ending Fund Balance	<u>245,000</u>	<u>250,500</u>



Trusts Fund (51)

This fund is established to account for transactions of various activities, collections, and special events such as study abroad opportunities and funds raised for specific programs.

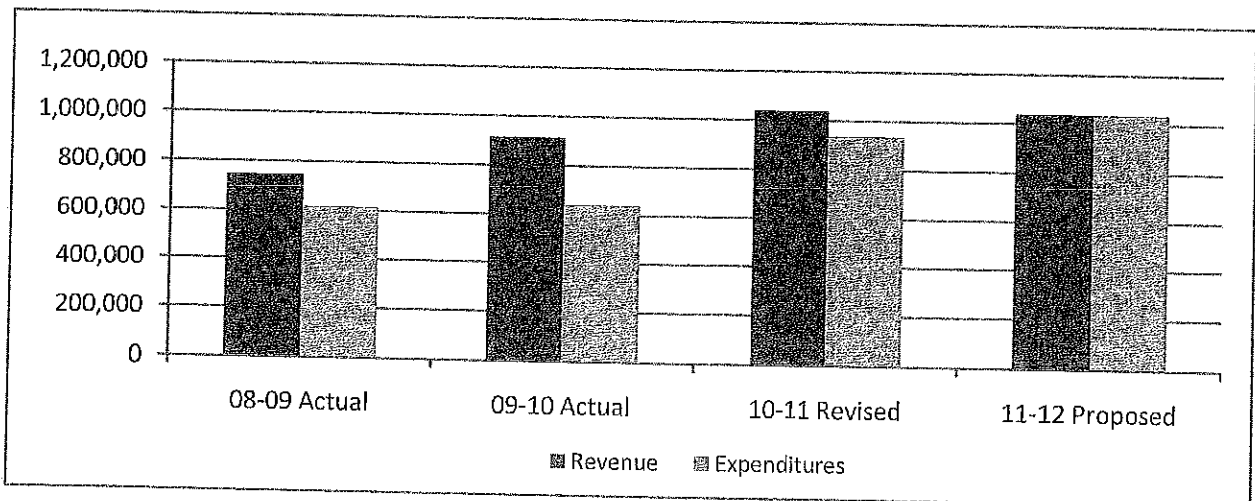
Actual		Resources:	Budget	
2008-09	2009-10		Revised 2010-11	Proposed 2011-12
323,310	390,730	Fees and Activities	450,000	250,000
400,651	310,217	Beginning Fund Balance	450,000	400,000
<u>723,961</u>	<u>700,947</u>	Total Resources	<u>900,000</u>	<u>650,000</u>
		Requirements:		
5,910	5,695	Personal Services	53,184	23,847
405,720	374,884	Materials and Services	826,816	385,653
2,114	31,939	Capital Outlay	20,000	10,000
<u>413,744</u>	<u>412,518</u>	Total Requirements	<u>900,000</u>	<u>419,500</u>
		Other financing uses:		
-	-	Operating transfers - (01)	-	150,000
-	-	Operating transfers - (50)	-	5,500
-	-	Operating transfers - (52)	-	75,000
-	-	Total other financing uses		<u>230,500</u>
<u>310,217</u>	<u>288,429</u>	Ending Fund Balance	-	-
723,961	700,947	Total Requirements and Ending Fund Balance	900,000	650,000



Associated Student Government Fund (52)

This fund is an agency fund and accounts for the transactions and activities of the Associated Student Government. Beginning FY 2006-07, athletics are accounted for in this fund.

Actual		Resources:	Budget	
2007-09	2009-10		Revised 2010-11	Proposed 2011-12
-	-	Transfer from Trust Fund	-	75,000
553,613	675,285	Student Activity Fees	770,400	850,000
142,636	106,786	Other Income - Fundraising	107,100	-
4,673	2,397	Investment Earnings	8,000	1,000
<u>700,922</u>	<u>784,468</u>	Total Revenues	<u>885,500</u>	<u>926,000</u>
45,373	129,974	Beginning Fund Balance	155,000	113,700
<u>746,295</u>	<u>914,442</u>	Total Resources	<u>1,040,500</u>	<u>1,039,700</u>
Requirements:				
145,854	129,734	Personal Services	222,513	218,248
470,466	488,754	Materials and Services	710,664	731,432
-	22,690	Capital Outlay	5,000	5,000
-	-	Contingency	-	85,020
<u>616,320</u>	<u>641,178</u>	Total Requirements	<u>938,177</u>	<u>1,039,700</u>
129,975	273,264	Ending Fund Balance	102,323	-
<u>746,295</u>	<u>914,442</u>	Total Requirements and Ending Fund Balance	<u>1,040,500</u>	<u>1,039,700</u>



GLOSSARY

Adopted budget. The financial plan adopted by the governing body (MHCC Board of Education) that forms a basis for appropriations.

Ad valorem tax. A property tax computed as a percentage of the value of taxable property. (See "assessed value.")

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a specific period of time. Based on the adopted budget, including supplemental budgets, if any. Presented in a resolution adopted by the governing body. Appropriations lapse at the end of the fiscal year.

Appropriation transfers. Appropriations can be transferred within a fund from an existing appropriation to another existing appropriation. For example, within a general fund, appropriations can be transferred **by resolution** from the existing materials and services appropriation to the existing capital outlay appropriation. It is also possible to transfer funds within an object classification, for example, from office supplies to graphic services. This type of transfer does not require a resolution, but can be accomplished by completing the Budget Transfer Request form.

Approved budget. Financial plan approved by the budget committee and presented to the governing body (Board of Education) for adoption. The data from the approved budget is published in the Financial Summary before the budget hearing.

Assessed value. The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property's maximum assessed value or real market value.

Audit. The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State.

Audit report. A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders and regulations.

Budget. Written report showing the local government's comprehensive financial plan for one fiscal year. Must include a balanced statement of actual revenues and expenditures during each of the last two years, estimated revenues and expenditures for the current and upcoming year.

Budget committee. The governing body (MHCCD Board of Education) of each municipal corporation having a population exceeding 200,000 and which is located in a county having a tax supervising and conservation commission shall be the budget committee for such municipal corporation.

Budget message. Written explanation of the budget and local government's financial priorities. Prepared by the executive officer or chairperson of the governing body.

Budget officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget.

Capital outlay. Items that generally have a useful life of one or more years, such as machinery, land, furniture, equipment or buildings.

Debt Service Fund. A fund established to account for payment of general long-term debt principal and interest.

Expenditures. Decreases in net financial resources if accounts are kept on an accrual or modified accrual basis; total amount paid if accounts are kept on a cash basis.

Fiscal year. Twelve-month period beginning July 1 and ending June 30 for local governments.

Fund. A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

General Fund. A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund.

Governing body. Board of Education.

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one department or agency to other departments or agencies on a cost-reimbursement basis.

Line-item budget. The traditional form of budgeting, where proposed expenditures are based on individual objects of expense within a department or division.

Object classification. Classification of expenditures, such as personal services, materials and services, capital outlay, debt services, and other types of requirements. Also called category.

Program. A group of related activities to accomplish a major service or function for which the local government is responsible.

Property Taxes. Amounts imposed on taxable property by a local government within its operating rate limit, levied under local option authority, or levied to repay bonded debt.

Proposed budget. Financial and operating plan prepared by the budget officer, submitted to the public and budget committee for review.

Rate limit. A district's permanent ad valorem property tax rate for operating purposes. This rate levied against the assessed value of property raises taxes for general operations.

Reserve fund. Established to accumulate money from one fiscal year to another for a specific purpose.

Resolution. A formal order of a governing body.

Resource. Estimated beginning funds on hand plus anticipated receipts. See "Revenues."

Revenues. Monies received or anticipated by a local government from either tax or nontax sources.

Student Full-Time Equivalent (SFTE). Represents total student enrollment based on a standard definition of full-time.

Special revenue fund. A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes.

Supplemental budget. Prepared to meet unexpected needs or to spend revenues not anticipated at time regular budget was adopted. Cannot be used to authorize a tax levy.

Tax levy. Taxes imposed by a local government unit through a rate or amount.

Tax Supervising and Conservation Commission (TSCC). Tax supervising and conservation commissions supervise local government budgeting and taxing activities. Currently, only Multnomah County has such a commission. The commission reviews and certifies budgets from all units within its jurisdiction before adoption by the local governing body.

Trust fund. A fund used to account for fiscal activities of assets held in trust by a local government.

Unappropriated ending fund balance. Amount set aside in the budget to be used as a cash carryover to the next year's budget to provide the local government with needed cash until tax money is received from the county treasurer in November. This amount cannot be transferred by resolution or used through a supplemental budget.