



**Office of the Vice President
College and Administrative Services**

To: College Council

From: Sarah C. Schrader, Ed.D. Interim Vice President of College Administrative Services

CC: James Houpis, Ph.D., President/Chair

Date: April 3, 2020

RE: 2020-2021 Modesto Junior College Tentative Budget

As documented in Engaging All Voices, Resource Allocation Council (RAC) is responsible for recommending the tentative budget to College Council. College Council ultimately recommends a tentative budget to the President. To fulfil that responsibility, in January, RAC reviewed relevant inputs to the budget development process which included the Governor's Proposed Budget. Subsequently, RAC reviewed the District's budget development timeline and the major components of the MJC budget: total cost of Permanent Personnel, PTOL needs to meet FTES target and budget available for operational expenses.

It is important to note the budget is in the earliest stages and is subject to change as the State and District budget process progresses. The next most informative step in the process is the Governor's May Revision and then the Adopted Budget, typically completed by July.

While the State budget and the California Community College budget is likely to change in the coming months, each site within the District (MJC, Columbia and Central Services) is responsible for submitting a tentative budget to Vice Chancellor Susan Yeager consistent with the District Budget Timeline.

Each site must develop a tentative budget consistent with the 2020-21 Budget Targets issued by Vice Chancellor Susan Yeager on 03/27/20. The permanent personnel file projected staffing costs, including salary, benefits and mandated fringe benefits at \$51.14 million. PTOL expenses are projected at approximately \$13.54 million to meet the FTES target of 14,447. This leaves approximately \$1.94 million for the college's operational budget. This is approximately 2.9% of the college's total budget. The operational need for MJC is approximately 5% of its total budget. Therefore, the college would need additional funds of approximately \$1.23 million.



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As noted previously, at the preliminary stage of the budget development, the College budget must balance to the target of \$66,623,630, of which \$1,255,912 is considered one-time funds. In order to provide a tentative College Budget that balances to the target, RAC reviewed budget options and recommended the budget category of Operational be utilized as the “balancer” in the tentative budget. If any additional one-time funds are allocated to the College or salary savings are recognized due to vacancies, those funds would be allocated to Operational as a first priority with any additional savings to be allocated as deemed necessary.

Resource Allocation Council respectfully requests that College Council recommend the following budget to the College President:

Budget Category	Budget Need	Proposed Budget
Personnel	\$ 51,135,655	\$ 51,135,655
PTOL	\$ 13,541,500	\$ 13,541,500
Operational	\$ 3,233,858	\$ 1,946,475
Total	\$ 67,911,013	\$ 66,623,630
Target	\$ 66,623,630	\$ 66,623,630
	\$ 1,287,383	