



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

To: College Council

From: Albert Alt, Ed.D. Vice President of College Administrative Services

CC: Jill Stearns, Ph.D., President/Chair

Date: April 10, 2017

RE: 2017-2018 Tentative MJC Budget

As documented in Engaging All Voices, Resource Allocation Council is responsible for recommending the preliminary budget to College Council. College Council ultimately recommends a preliminary budget to the President. To fulfil that responsibility, beginning in January, RAC began reviewing relevant inputs to the budget development process. Critical inputs include the Governor's Proposed Budget, the District's budget development timeline and the major components of the MJC budget: Permanent Personnel, PTOL and Operational expenses. These inputs have been assimilated into preliminary budget scenarios for consideration by College Council.

It is important to note the budget is in the earliest stages and is subject to change as the State and District budget processes progress. 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 may change significantly in the coming months, each unit within the District (MJC, Columbia and Central Services) is responsible for submitting a preliminary budget to Executive Vice Chancellor Teresa Scott consistent with the District Budget [Timeline](#).

Each unit must develop a preliminary budget consistent with the college [Target](#) Budget by Site issued by Teresa Scott on 03/08/17. In order to fulfill responsibilities noted in Engaging All Voices, Resource Allocation Council reviewed the permanent personnel file in detail, with expenses projected at \$44.1 million. Also, in March, the Council reviewed the methodology for projecting PTOL expenses for the 2017-2018 academic year and the College's FTES target. At the time of review PTOL expenses were projected at approximately \$10.7 million.



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Operational Budgets, funded at the same level as 2016-2017, total \$2.1 million dollars. The total budget necessary to accommodate the three major components of the college budget total \$56,986,210. As noted previously, at the preliminary stage of the budget development, the College budget must balance to the target of \$55,278,247.

In order to provide an initial College Budget that balances to the target, RAC reviewed three scenarios. After review of the scenarios, RAC recommended Scenario 2 and Scenario 3 be considered by College Council, as follows:

Budget Category	MJC Budget Need	Scenario 1 (Operational 1.0)	Scenario 2 (Operational .75)	Scenario 3 (Operational .50)
Personnel	\$44,098,471	\$44,098,471	\$44,098,471	\$44,098,471
PTOL	\$10,700,000	\$8,992,037	\$9,545,000	\$10,085,907
Operational	\$2,187,739	\$2,187,739	\$1,634,776	\$1,093,870
Total	\$56,986,210	\$55,278,247	\$55,278,247	\$55,278,247
Target	\$55,278,247	\$55,278,247	\$55,278,247	\$55,278,247
	(\$1,707,963)			

As noted in the table, MJC's true budget needs to fully fund PTOL and Operational expenses exceed the preliminary target by approximately \$1.7 million dollars. Scenario 2 and 3 put forth a college budget that balances with the current target provided by the District. At the time of an adopted State budget and after year end close of the 2016-2017 fiscal year if additional funds are allocated to MJC, PTOL and Operational expenses would be backfilled accordingly.

The Budget Planning Timeline requires the college budget to be submitted to the District by the April 10, 2017. As such, a recommendation from College Council to the President for one of the noted scenarios is necessary.