



**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 8, 2016

RE: 2016-2017 Tentative MJC Budget

Throughout spring, Resource Allocation Council has been reviewing data inputs which impact the MJC Budget for assimilation into the College's preliminary 2016-2017 budget. The budget is in the earliest stages and is subject to change as the State's and District budget process progresses. The next most informative step in the process is the Governor's May Revision and then ultimately the adopted budget, typically adopted in 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 so she may submit the District's tentative budget to the Governing Board. Each college is responsible for developing their respective budget development process for their respective unit.

At MJC, as documented in Engaging All Voices, Resource Allocation Council is responsible for recommending the preliminary budget to College Council, and ultimately to the President. To fulfil that responsibility, beginning in January, RAC began reviewing relevant inputs to the budget development process to include: the Governor's Proposed Budget, the District's budget development timeline and the major components of the MJC budget.

With regard to the MJC budget, the most significant components are: Personnel – permanent faculty, staff, administration and their associated benefits; PTOL; and Operational Expenses (division/department budgets). In February, the Council reviewed the permanent personnel file in detail, with expenses projected at \$42.5 million. In March, the Council reviewed the methodology for projecting PTOL expenses for the 2016-2017 year. At the time of review PTOL expenses were projected at approximately \$11.5 million (Personnel and PTOL totaling approximately \$54 million dollars).



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

At the March 18 RAC meeting, the council reviewed the 2016-2017 General Fund Target distributed by Executive Vice Chancellor Teresa Scott documenting the MJC Target (revenue) at \$54,040,905. At the time, with only high level detail available, the Council moved to put forward a preliminary budget as follows:

Permanent Personnel:	\$42,500,000
PTOL:	\$10,500,000
Operational Expenses:	\$ 1,000,000
Total MJC Budget:	\$54,000,000

RAC recommended this high level budget allocation without all of the components of the budget fully completed, including the projection of operational expenses. RAC recognized that fully funding the PTOL expenditures along with permanent personnel cost would consume all of the MJC Budget Target. At my recommendation, they voted to put forward an approximate budget reducing the PTOL expenditure and funding approximately 50% of the operational allocation necessary for divisions and departments to begin the year. RAC recommended when additional funds become available through the process, those funds be allocated to PTOL and then to operational budgets.

The District's budget development timeline requires college preliminary budgets to be submitted by 04/11/16 prior to the next RAC meeting scheduled 04/15/16. Given this timeline, the Council has not yet had opportunity to review the final inputs into the preliminary budget. This was understood at the last RAC meeting, March 18, 2016 and the council recommended putting forward the tentative budget to College Council upon completion with the understanding that the budget is a preliminary and will require additional changes before it becomes final.

Upon completing the budget projections on 04/08/16, I am recommending the following budget to College Council:



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

Permanent Personnel: \$42,699,159 (81%)

PTOL: \$ 9,929,998 (18%)

Operational Expenses: \$ 1,411,839 (.02%)

Total MJC Budget: \$54,040,905

RAC will review the completed preliminary budget at its next meeting, April 15, 2016.