



**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 6, 2018

RE: 2018-2019 Tentative MJC Budget

As documented in Engaging All Voices, Resource Allocation Council (RAC) 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.

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 Susan Yeager consistent with the District Budget [Timeline](#), no later than April 16, 2018.

Each unit must develop a preliminary budget consistent with the college [Target](#) Budget by Site issued by Susan Yeager on 03/05/18. In order to fulfill responsibilities noted in Engaging All Voices, Resource Allocation Council reviewed critical inputs including 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. The permanent personnel file projected staffing costs, including salary, benefits and mandated fringe benefits at \$44.9 million. The Council reviewed projected PTOL expenses for the 2018-2019 academic year and the College's FTES target. PTOL expenses are projected at approximately \$11.5 million.



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Operational Budgets, funded at the same level as 2016-2017, total approximately \$2 million dollars. The budget necessary to accommodate the three major components of the college budget total \$58,512,251 (MJC Budget Need).

As noted previously, at the preliminary stage of the budget development, the College budget must balance to the target of \$56,080,423. In order to provide an initial College Budget that balances to the target, RAC reviewed several other budget scenarios, provided below. After review of the scenarios, RAC recommended Scenario 2 be considered by College Council.

| Budget Category | MJC Budget Need | Scenario 1 (Operational 1.0) | Scenario 2 (Operational .85) | Scenario 3 (Operational .75) |
|-----------------|-----------------|------------------------------|------------------------------|------------------------------|
| Personnel | \$44,988,226 | \$44,988,226 | \$44,988,226 | \$44,988,226 |
| PTOL | \$11,500,000 | \$9,068,172 | \$9,260,663 | \$9,388,991 |
| Operational | \$2,024,025 | \$2,024,025 | \$1,831,534 | \$1,703,206 |
| Total | \$58,512,251 | \$56,080,423 | \$56,080,423 | \$56,080,423 |
| Target | \$56,080,423 | \$56,080,423 | \$56,080,423 | \$56,080,423 |
| | (\$2,431,828) | | | |

If Scenario 2 is adopted, if any additional one-time funds become available to the College through the State budget process or through one-time allocation from the District, those funds would be allocated to PTOL as a first priority.

Resource Allocation Council respectfully requests that College Council recommend Scenario 2 to the College President.

Additionally, Resource Allocation Council would like to convey to College Council it is one of RACs goals to examine and align resource allocation strategies to align resources with the new Statewide Funding Formula, Pathways and completion.