



Hello MJC Campus Community –

As we come to the end of another academic year, we are now elbow deep in preparing the tentative budget for fiscal year 2022. As the summer draws near, we will be eyeball deep in closing the fiscal year end and preparing the final budget. For fiscal folks, this is our favorite time of the year, at least for me 😊.

In calculating the District's tentative budget, the revenue assumptions included a cost of living adjustment (COLA) of 1.5% which will be tied to a draft actionable plan to close equity gaps as well as a 1% deficit factor in case the Student-Centered Funding Formula (SCFF) is not fully funded. The expenditure assumptions include an increase of \$315,000 for institutional costs and \$2.4 million for compensation costs such as classification review, step and column, and benefit rate changes. This resulted in the following tentative budgets: MJC - \$67.1 million, CC - \$14.6 million, Central Services - \$28.1 million and Institutional Costs - \$9.1 million for a total of \$118.9 million.

MJC's budget of \$67.1 covers the cost of permanent positions in the unrestricted general fund as well as the operational costs of the college. Operational costs are items such as supplies, lease agreements, equipment, etc. For fiscal year 2022, the estimated budget for part-time/overload will be covered out the unrestricted general fund as well as funding provided through the Higher Education Emergency Relief Fund Part III (HEERF III). Due to the pandemic and CDC guidelines, MJC must restrict the number of students we have present in a physical classroom at one time, which could result in smaller class sizes than we would typically be able to offer. Therefore, our cost for part-time/overload is estimated to be approximately \$6 to \$7 million higher than prior year. This increased cost will be charged to the HEERF III funding allocation.

Between now and the implementation of the State's Budget Act of 2022, the Legislative Analyst's Office will review the Governor's January Budget, State Budget Committee hearings will be held, the Governor will issue a revision to his budget in May, and the State Budget Subcommittee will take final actions to ensure a budget is provided to the Governor for consideration and approval in June.

At the Federal level, MJC has received its \$20.6 million of HEERF II funding. Per the funding guidelines, of the \$20.6 million, a minimum of \$4.8 million must be spent on direct emergency aid to students. For information regarding the planned spending of these funds, please visit the [HEERF II Spending Plan w/Budgets](#) memo on the RAC website. Also on the RAC website, you will find a [reconciliation of the institutional portions](#) of all pandemic funding MJC has received. Included in the reconciliation is an allocation of HEERF III funding. On March 11, 2021, the President signed the \$1.9 trillion American Rescue Plan into law which allocation \$39.6 billion

to the HEERF fund. It is anticipated that MJC will receive approximately \$36.1 million of which \$18.1 million must be allocated directly to students for emergency financial aid. For additional information about this allocation, please see the [HEERF III memo](#) on the RAC website. As we receive additional information about our HEERF III funding allocation, it will also be added to the RAC website.

At the final College Council meeting this year, the [College Resource Allocation Model](#) recommended by RAC was approved for implementation. The purpose of this model is to create a process by which resources are allocated to address the college's priorities. We are excited to implement this model to provide transparency to the resource allocation process which will be closely tied to program review.

If you have any questions about the information provided, please do not hesitate to reach out to me. Thank you!