



Hello MJC Campus Community!

As the Spring semester comes to end, we are preparing the budget for the 2022-2023 fiscal year. We have reconciled permanent positions and have been given our budget target from the District so we can build our tentative budget.

The [District's tentative budget](#) includes assumptions for both revenues and expenditures.

The revenue assumptions include a cost of living adjustment (COLA) of 5.33% and a deficit factor of 1.03% in case the Student-Centered Funding Formula (SCFF) is not fully funded. The expenditure assumptions include an estimated increase to institutional cost of 3.13%, which utilities assumed to increase 7%. Other expenditure assumptions include an allocation of \$4.8 million for compensation costs such as step and column, longevity, CalPERS and CalSTRS rate increases and fringe benefit increases. MJC also received a one-time allocation of \$1.5 million as according to the District Resource Allocation Model (RAM), MJC is currently underfunded by \$3.3 million but it is unknown if there is ongoing money to augment the college for fiscal year 22-23. This resulted in the following tentative budget targets: MJC - \$73.2 million, CC - \$15.4 million, Central Services \$30.0 million and Institutional Costs - \$11.8 million for a total of \$130.4 million.

MJC's budget of \$73.2 million covers the cost of permanent position charged to the unrestricted general fund as well as the operation costs of the college. Operational costs are items such as supplies, lease agreements, equipment, etc. For fiscal year 2023, the estimated budget for part-time/overload increased approximately \$2.4 million due to anticipation of not having class sizes return to pre-pandemic levels. Therefore, the \$1.5 one-time allocation from the District RAM will be used to offset some of the increased cost for this budget line item. Another \$767,000 from the Higher Education Emergency Relief Funding (HEERF) will also be used to cover the increased cost of part-time/overload.

Between the release of the Governor's budget in January and the implementation of the State's Budget Act of 2023, 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.

MJC continues to spend down the institutional portion of HEERF. The funds have been spent on equipment, supplies, personal protective equipment (PPE), COVID testing centers, cancellation of student debt, Free for Me campaign, vaccination incentive, among many other items. The college has been able to save enough of the funding to cover a second Free for Me Campaign for Fall 2022. The college was recently notified that it has until June 30, 2023 to spend all of its HEERF money. For additional information about the institutional portion of the HEERF funding,

you will find a [reconciliation of the activities](#) on Board Docs as this information is reviewed quarterly with the Resource Allocation and Facilities Committee.

There are many facilities projects taking place across both East and West campus. The new digital sign boards for East and West are in design and the dinosaur statue is in the construction phase in the Great Valley Nature Lab. The conversion of gender-neutral restrooms is continuing with campus maps also being updated to include the restrooms and lactation rooms. Speaker projects for the Performing Arts Center and the football field are moving forward. Areas within Sierra and Yosemite will have their flooring replaced in the upcoming months and facilities projects identified through program review are in the planning phase.

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

Thank you,



**Sarah C Schrader, Ed.D.** *(she, her, hers)*

*Vice President of College & Administrative Services*

**Modesto Junior College**

435 College Avenue, Modesto, CA 95350

(209) 575-6122 | [www.mjc.edu](http://www.mjc.edu)



**WE are MJC**

*the community's college*

[Our mission](#) is to empower students to discover opportunities and reach their goals through access and inclusion in higher education.

MJC le da poder a los estudiantes para descubrir oportunidades y alcanzar sus metas mediante el acceso y la inclusión a la educación superior.