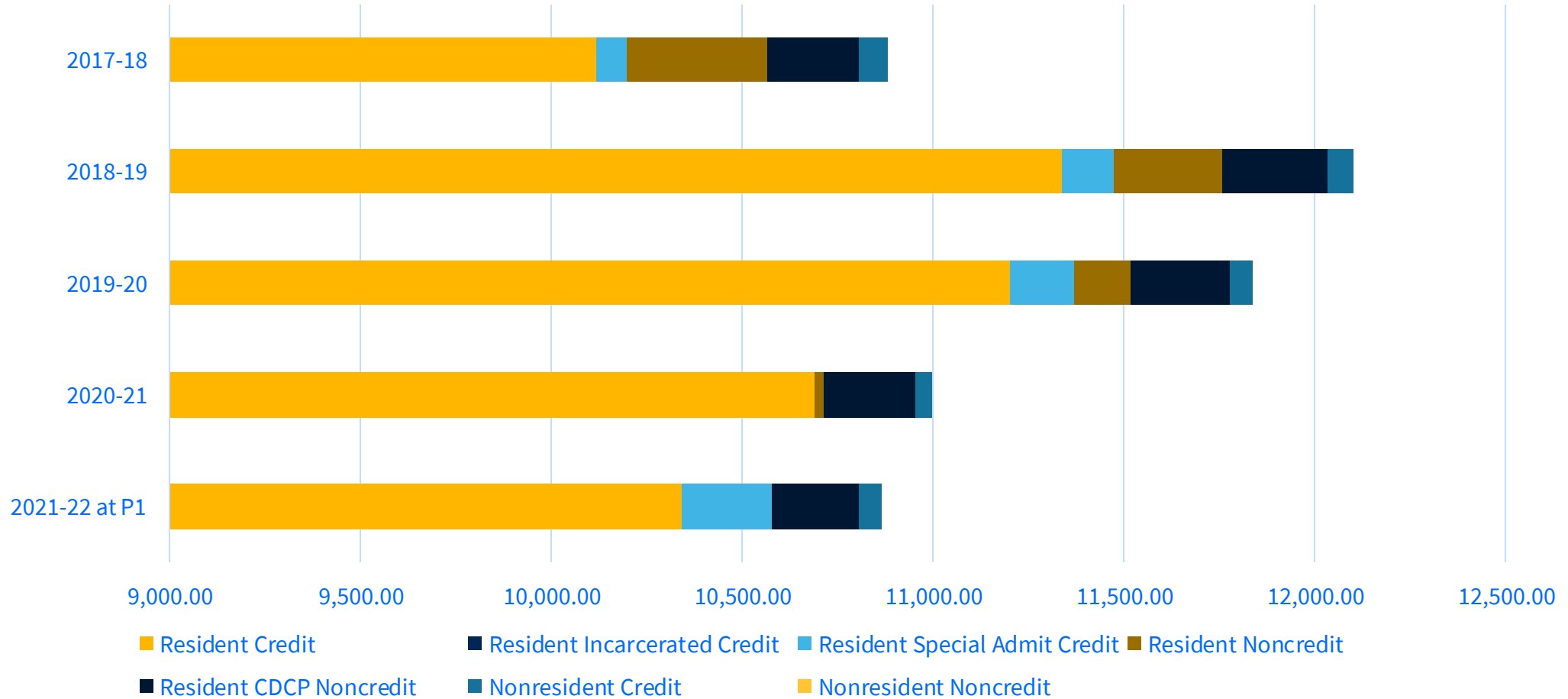


# Features of MSJC Budgeting

Dean's Retreat

# Enrollment Trends



# Student Centered Funding Formula (SCFF)

Three components reflecting access, equity, and success.

## I. Base Allocation

- Basic Allocation: *District Configuration*
- *FTES (3-year average for credit)* ← COVID Emergency Conditions Allowance (ECA)

## II. Supplemental Allocation

- *Prior year headcounts* for AB540, Pell Grant, & Promise Grant students

## III. Success Allocation

- *Prior 3-year average headcounts* for all students, Pell Grant recipients, and Promise Grant recipients who complete/acquire:
  - degrees, certificates, or transfer-level math/English courses
  - transfer to 4-year university
  - 9 or more CTE units
  - regional living wage

# Achieving a Structurally Balanced Budget

Ongoing Revenue  $\geq$  Ongoing Expense

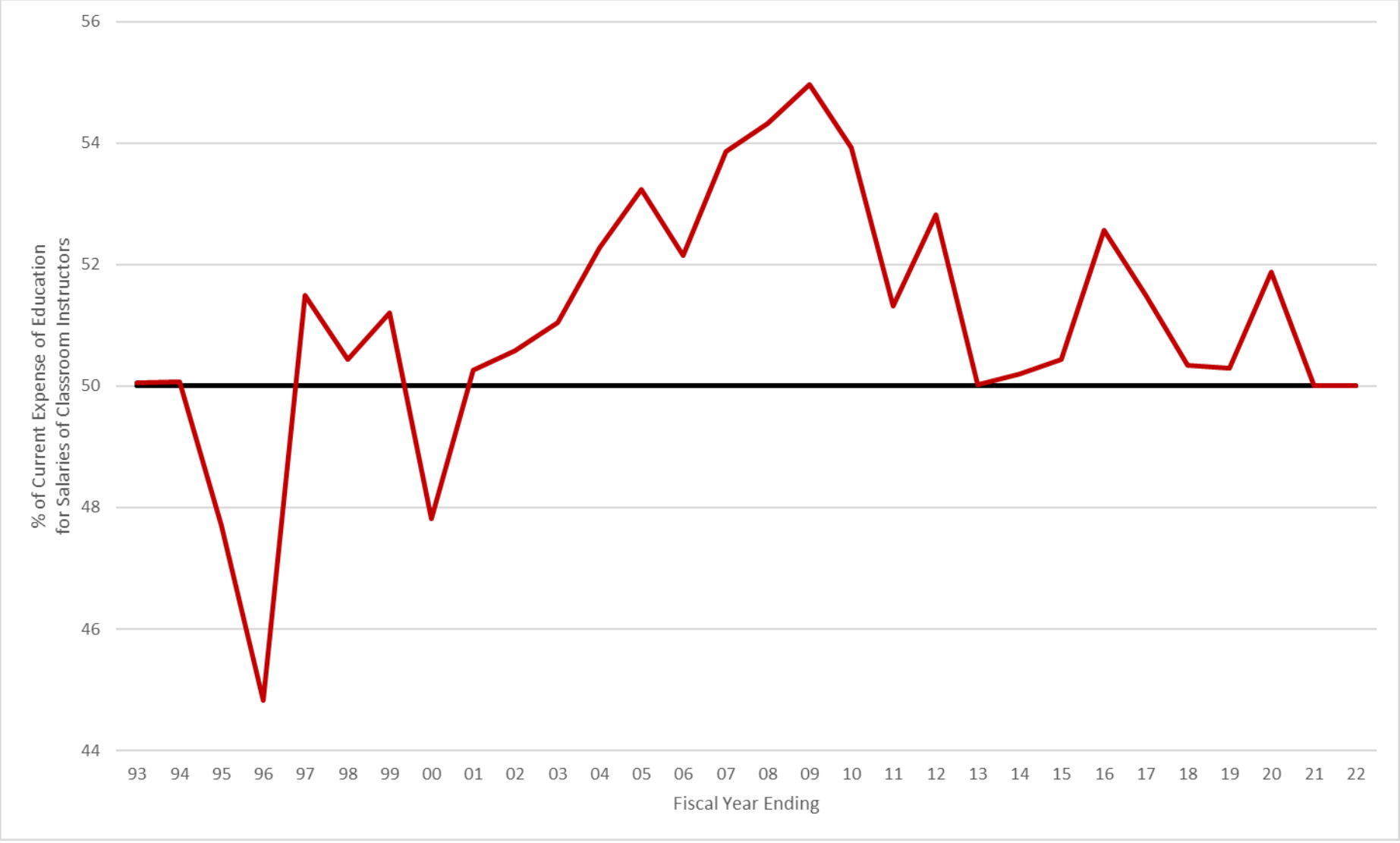
	Ongoing	One-Time
Revenues	<p>Conservative estimates of portion of revenue that can be relied on for an extended period:</p> <ul style="list-style-type: none"><li>• Property Taxes</li><li>• Local Fees</li><li>• State General Apportionment</li><li>• Other Federal/State Allocations</li></ul>	<ul style="list-style-type: none"><li>• HEERF &amp; Other Stimulus Revenue</li><li>• COVID-19 Emergency Conditions Allowance</li><li>• SCFF One-Year Stability</li><li>• SCFF Hold Harmless</li><li>• Windfall in Local Revenue</li></ul>
Expenditures	<ul style="list-style-type: none"><li>• Salaries</li><li>• Benefits</li><li>• Supplies</li><li>• Materials</li></ul>	<ul style="list-style-type: none"><li>• Capital Asset Acquisition</li><li>• Projects</li></ul>

# 50% Law: EDC §84362(d); 5 CCR §59204

"There shall be expended during each fiscal year for payment of **salaries of classroom instructors** by a community college district, 50 percent of the district's **current expense of education.**" (EDC §84362(d); Emphasis Added to Terms Defined in 5 CCR §59204)

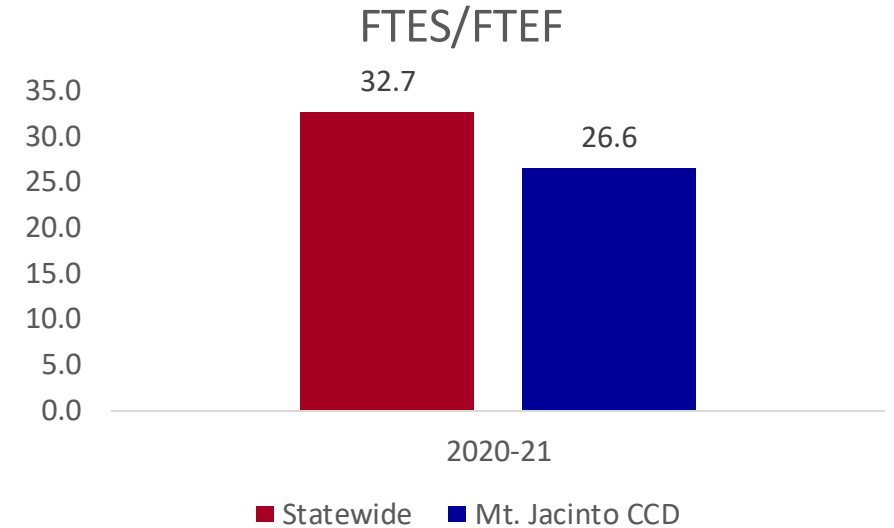
<b>Wrong Side</b>	<b>Right Side</b>
<ul style="list-style-type: none"><li>• Salaries &amp; Benefits of those who are not Classroom Instructors or IAs</li><li>• Supplies, Materials &amp; Printing</li><li>• Consultants</li><li>• Conferences, Travel</li><li>• Membership &amp; Dues</li><li>• Insurance</li><li>• Utilities</li><li>• Rents, Leases, &amp; Maintenance</li><li>• Legal, Election, &amp; Audit</li><li>• Other Operating Expenses &amp; Services</li></ul>	<ul style="list-style-type: none"><li>• Salaries &amp; Benefits of FT/PT Classroom Instructors &amp; IAs</li></ul>

# MSJC 50% Law Performance



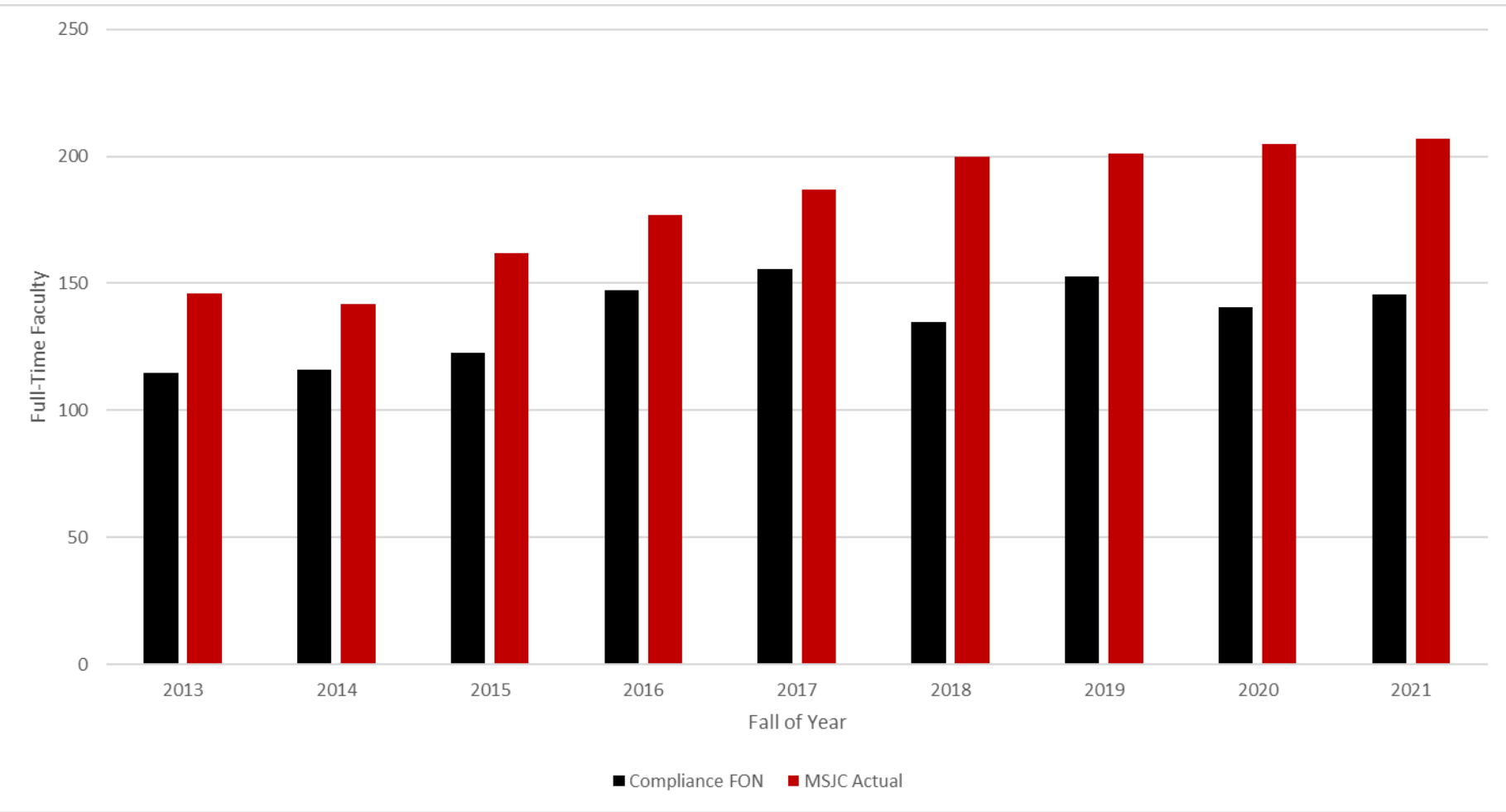
# Efficiency

- FTES = Full-Time Equivalent Student  
Calculated per title 5 section 58003.1
- FTEF = Full-Time Equivalent Faculty  
Calculated per title 5 sections 53309 and 53310



Through calculation of a standard “equivalent” measures, we can compare workload and efficiency across programs, colleges, and districts.

# MSJC FON Performance





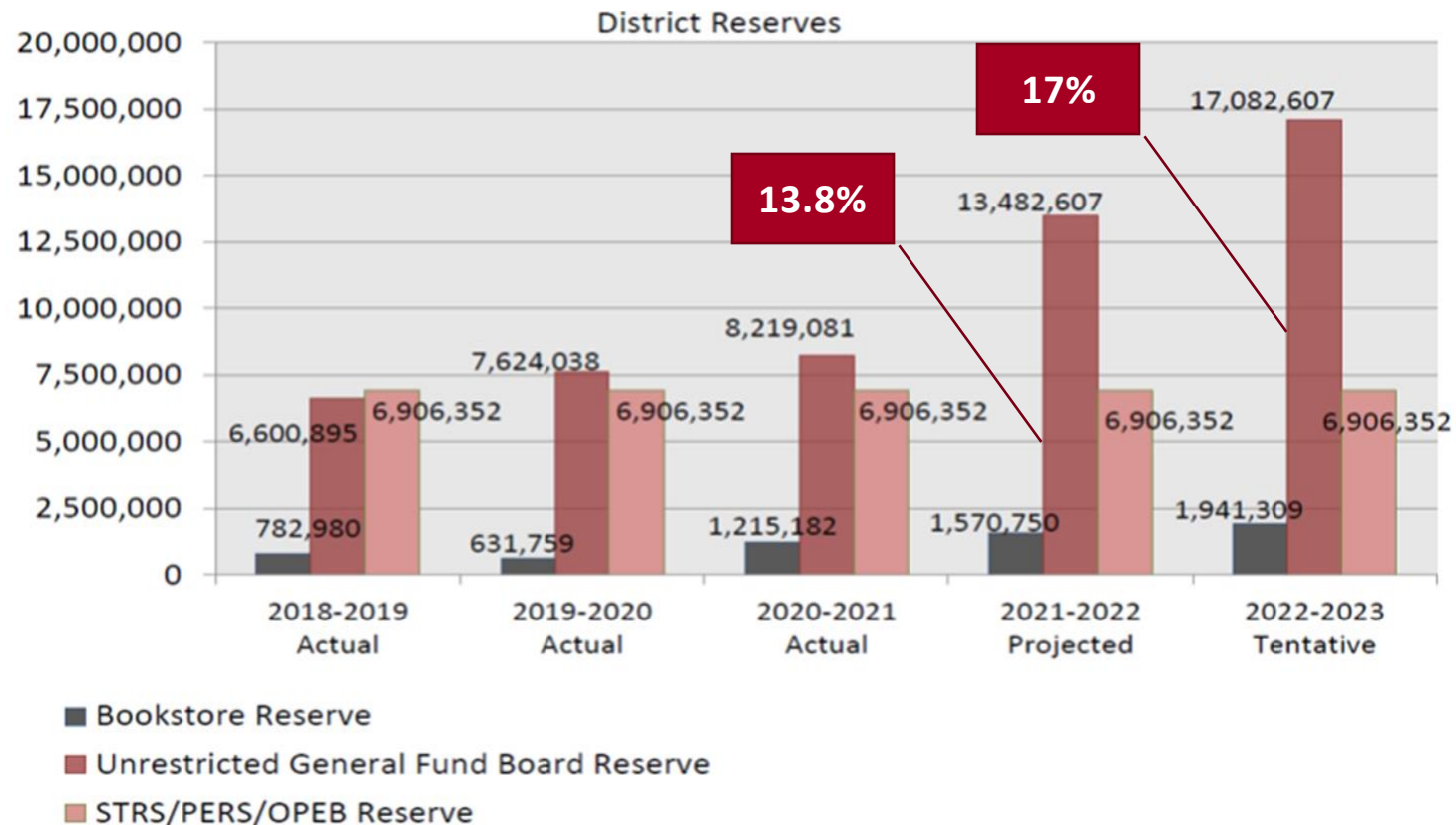
# AB 1505: Proposed Adjustment to FON

Proposes adding the following section to EDC:

"87482.65. The board of governors shall adopt regulations that require the fall of 2023 full-time faculty obligation for each community college district to be set to the actual full-time faculty number reported for the fall of 2022 and annually adjusted pursuant to Section 51025 of Title 5 of the California Code of Regulations." (Emphasis added)

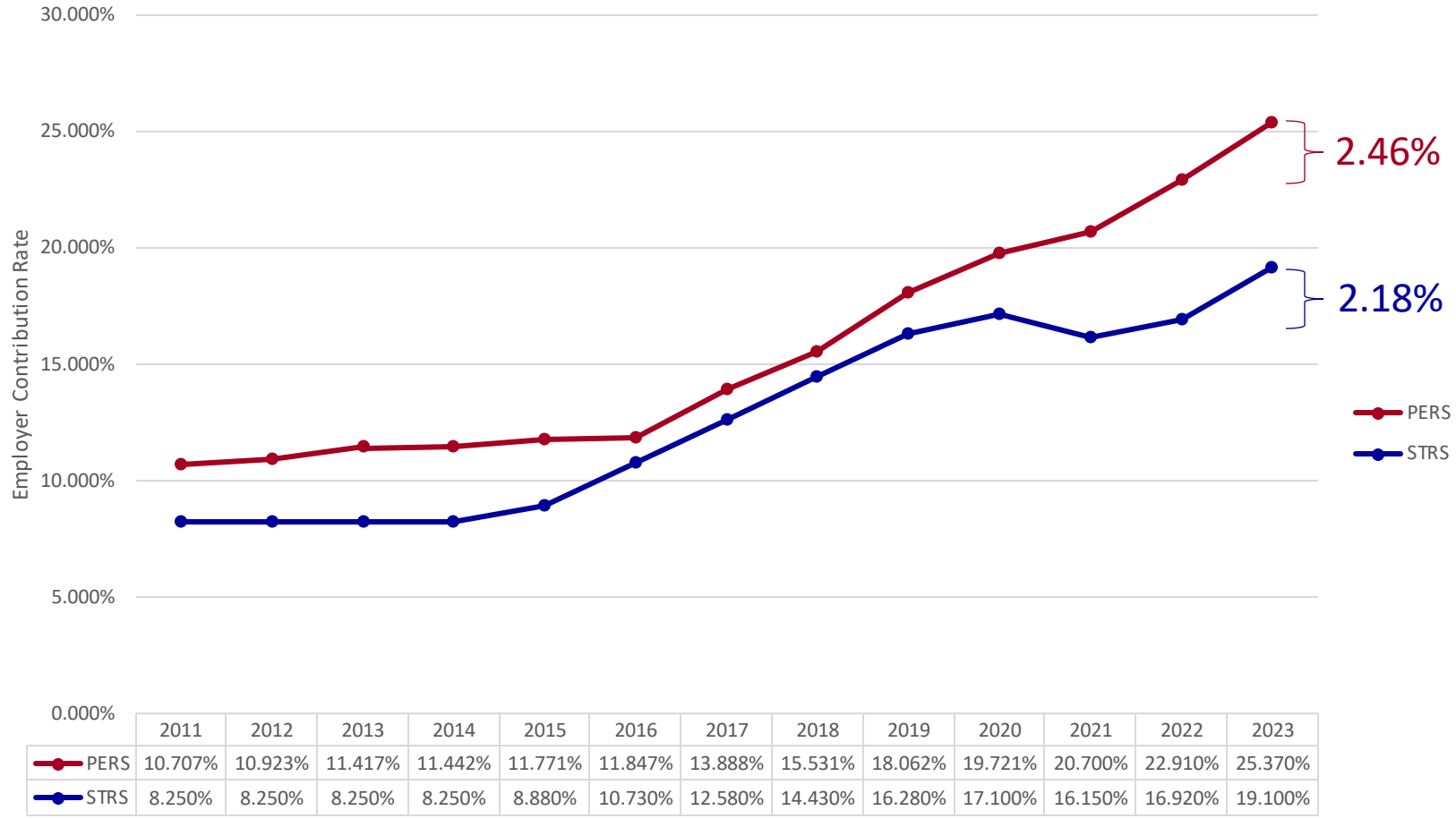
# District Reserves

The Chancellor's Office recommends districts adopt policies to maintain **sufficient unrestricted reserves with a suggested minimum of two months (approximately 16.6%) of general fund operating expenditures or revenues** consistent with Budgeting Best Practices published by the Government Finance Officers Association.



# MSJC Ongoing Employer Cost Increases

Evolution of PERS/STRS Employer Contribution Rates



# MSJC Ongoing Employer Cost Increases

Employer Cost	Projected 22/23 Increase
PERS/STRS Contributions	\$1,200,000
Step/Column Raises	\$862,000
Benefits Contributions	\$128,765
<b>Total</b>	<b>\$2,190,765</b>

# MSJC Ongoing Facility Operating Cost Increases

Facility	GSF	ASF
MVC Stadium	32,530	27,374
SJC STEM Building	56,863	37,022
MVC STEM Building	57,130	41,865
<b>Total</b>	<b>146,523</b>	<b>101,569</b>