

MSJC  
PD Day

OCTOBER 21, 2022





# San Jacinto Campus

160 acres



## STEM Building

Architect: *LPA*

Construction Manager: *C.W. Driver*

General Contractor: *Bernards*

Funding: *Bond*

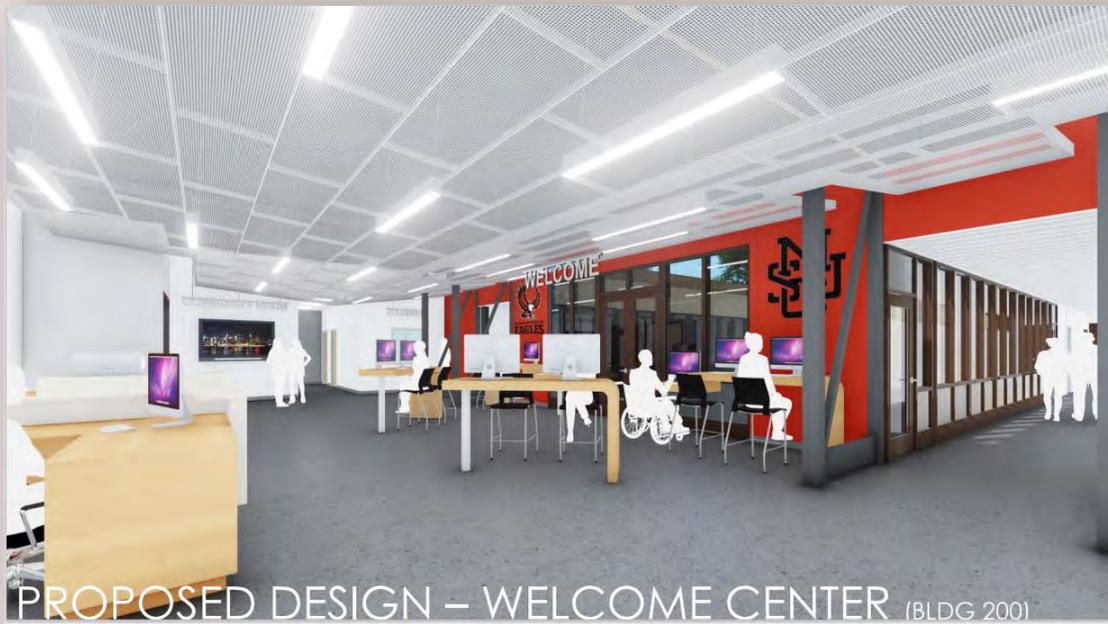


- Est. Project cost: \$39,076,000
- Est. Completion: Fall 2023
- Est. Occupy: Spring 2024
- 48,701 ASF
  - 6,544 ASF in Lecture Rooms
  - 23,199 ASF in Labs

# SJC STEM – Construction Photos







## 1150/200 Renovation

Architect: 19-6

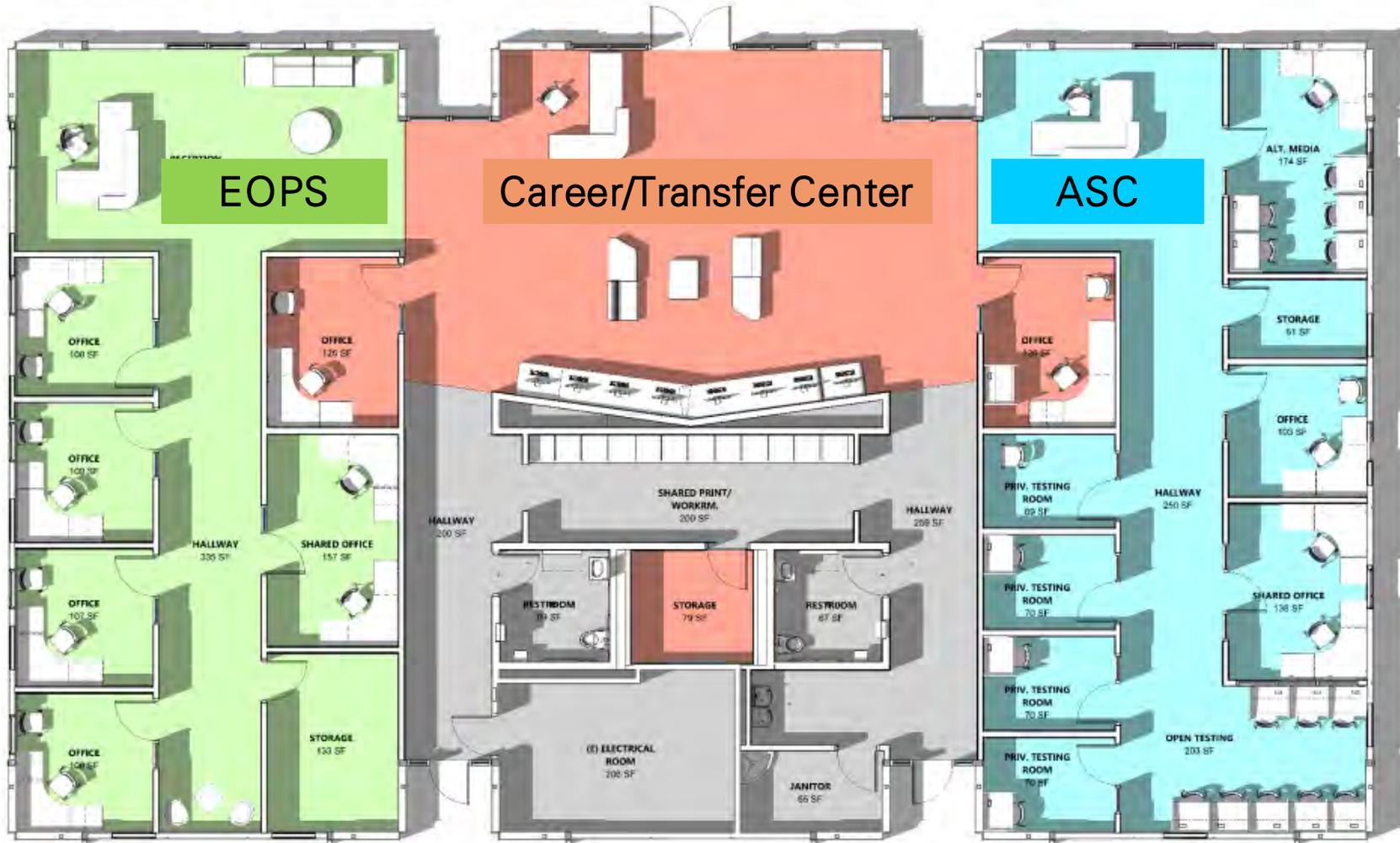
Construction Managers: *C.W. Driver*

Estimated Project Cost: \$10.5 million

Funding source: *General Fund*

- Project In Design (Seismic Review)
- DSA submittal: November 2022
- Estimate Construction: June 2023
- Estimated Completion: Fall 2024

# PROPOSED BUILDING UPGRADES

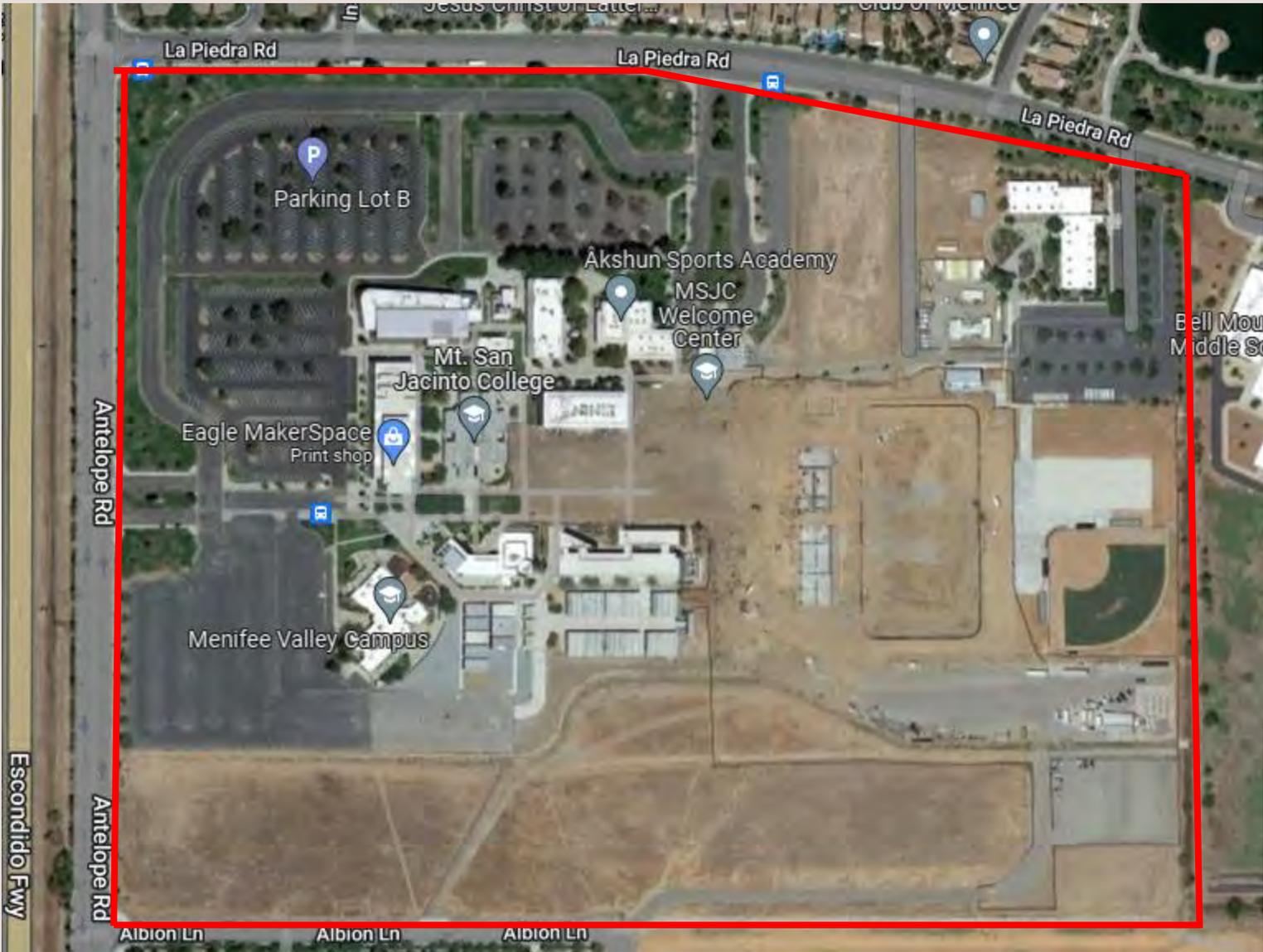


Building 1150  
Renovation



## BUILDING 200 FLOOR PLAN

# Building 200 Renovation



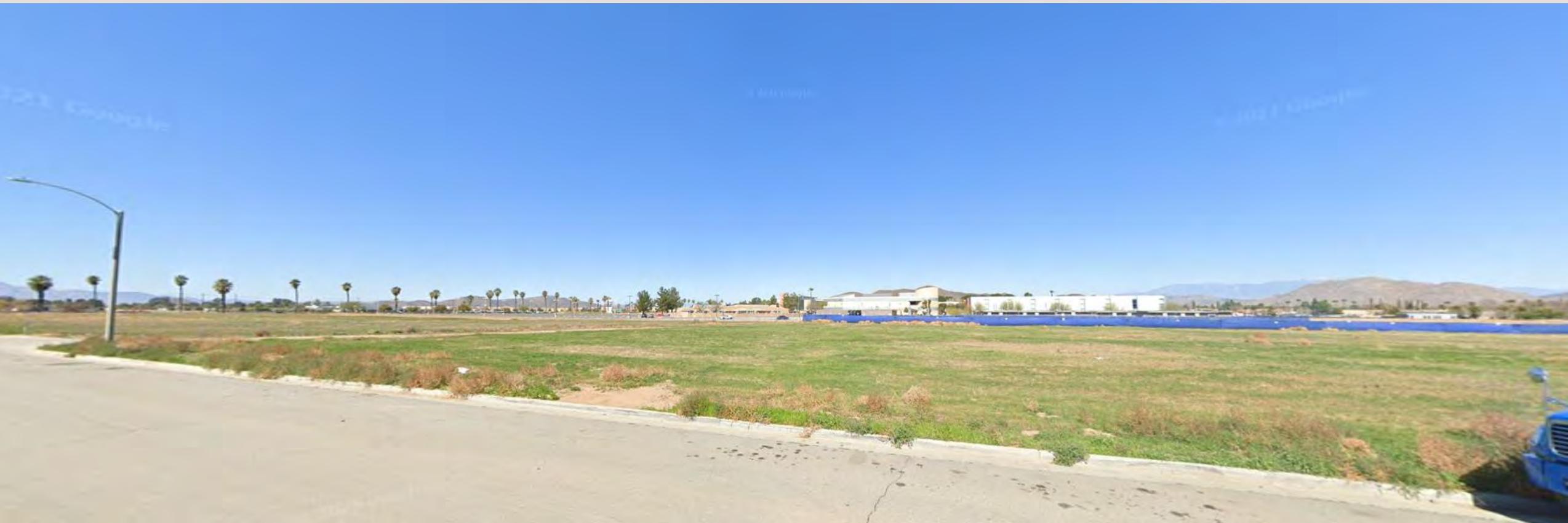
# Menifee Campus

80 acres

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# Menifee Campus

View from Albion Road





## Stadium

Architect: *DLR Group/BakerNowicki*

Construction Manager: *Balfour Beatty*

Estimated Construction Cost: *GMP \$44,604,851*

Funding Source: *Bond*

- 5000 Seat Stadium
- Graduation & Community Events
- Large Classroom, Faculty Offices
- Fitness/Weight Rooms, Locker Rooms, Team Rooms
- Press Box

# MVC Stadium Construction Photos – Fitness Center



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MVC Stadium  
Construction Photos  
Team Room



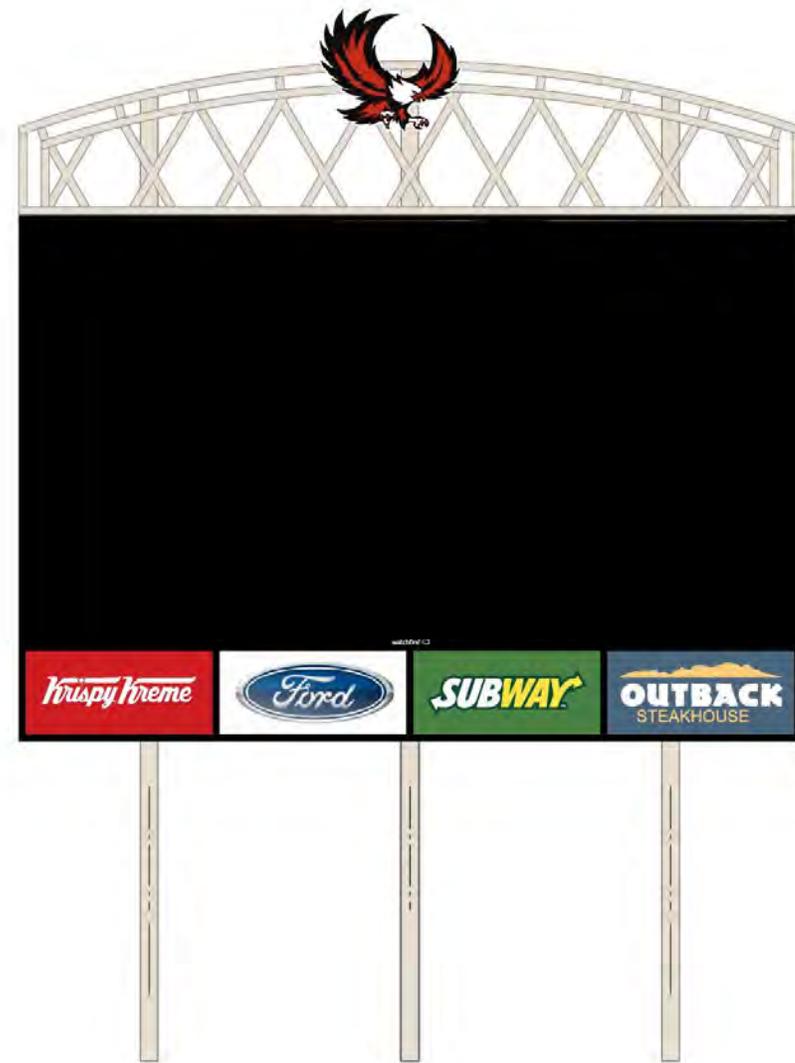
MVC Stadium  
Construction Photos  
Locker Room



## MVC Stadium Construction Photos – Outdoor Space



# MVC Stadium Scoreboard



watchfire 

15'5" x 28' 16mm

FOR DEMONSTRATION PURPOSES ONLY

© 2022 Watchfire Signs



## STEM Building

Architect: *DLR GROUP*

Construction Manager: *Pro West*

General Contractor: *Balfour Beatty*

Funding Source: *Bond*

- Estimated Project Cost: \$49,736,000
- Estimated Completion: Fall 2024
- 41,865 Total ASF
  - 7,931 ASF in Lecture Rooms
  - 27,845 ASF in Labs

# MVC STEM Construction Photos





## San Geronio Pass Campus

50 acres

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# San Geronio Pass Campus

View from Westward Ave.





## HVAC Project

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Estimated Project Amount: \$5 million

- HEERF Funded
- Replacement of approximately 108 HVAC units
- Improving indoor air quality to provide proper ventilation is a key prevention strategy for maintaining healthy environments.



## Access Control

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Estimated Project Amount: \$8.2 million

- HEERF Funded
- Adding Access Control to 513 doors
- Will allow for contact tracing; widely used to timely identify, isolate, and follow-up with those who have come in close contact with an infected person

## **Scheduled Maintenance & Instructional Equipment**

The Physical Plant and Instructional Support program provides \$840,655,000 for Community Colleges for FY 22-23.

Funds are distributed through the apportionments process and are calculated using P2 FTES for FY 21-22.

Districts may allocate their share between the physical plant, instructional support, water conservation, and energy efficiency projects.



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## Scheduled Maintenance Program

Provides funding to districts for non-recurring repair and maintenance of facilities and to correct and avoid health & safety hazards, maintain an environment conducive to learning, and improve long-term cost effectiveness of facility operations.



# Schedule Maintenance & Instructional Equipment Allocation



	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Instructional Equipment	\$297,084	0	0	0	0	\$2,000,000
Scheduled Maintenance	\$454,490	\$272,296	\$145,882	0	\$5,468,696	\$8,117,155





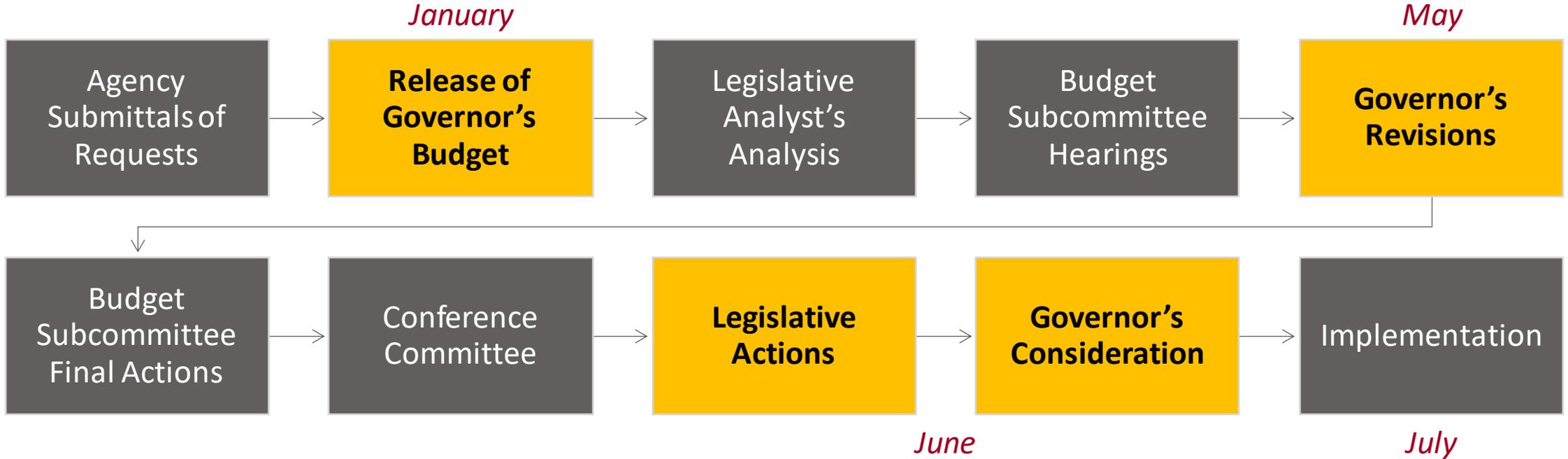
Questions?

# Features of MSJC Budgeting

All College Day  
October 21, 2022

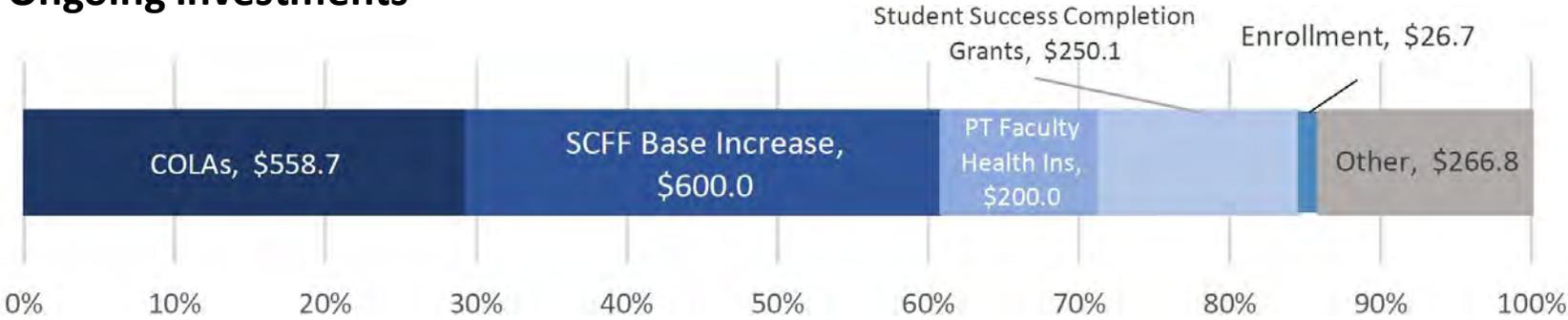
**MSJC** | Mt. San Jacinto  
College

# State Budget Development Process

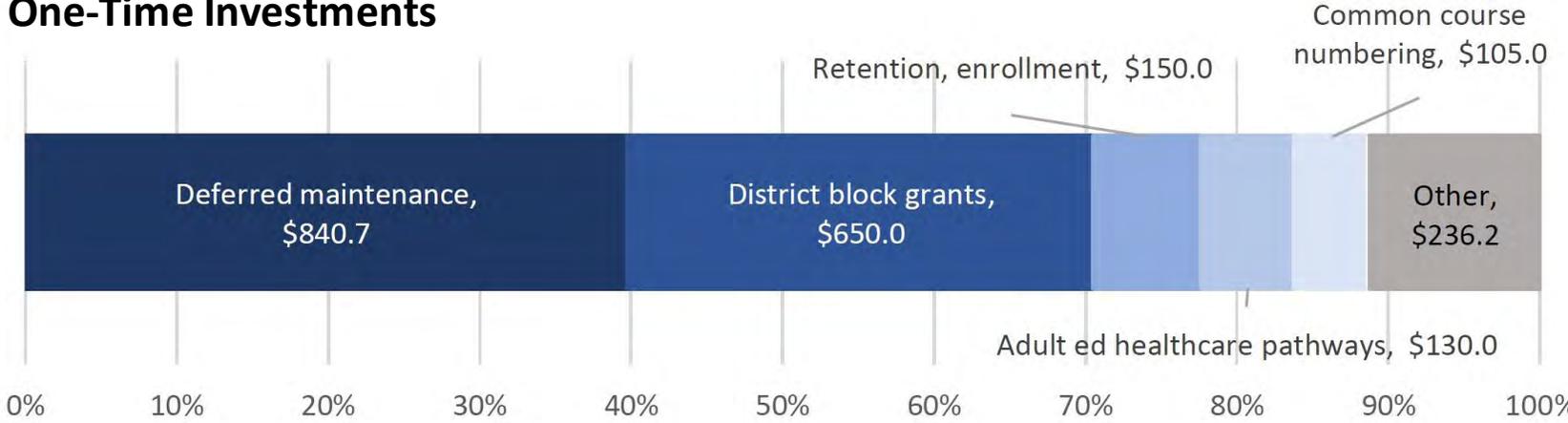


# CCC New Investments (In Millions)

## Ongoing Investments



## One-Time Investments



# MSJC Budgeted Funds

Fund	Description	FY22-23 Budget
11	General – Unrestricted	\$166,733,654
12	General – Restricted	\$79,475,545
32	Cafeteria	\$2,706,684
33	Child Development	\$1,429,309
41	Capital Outlay Projects	\$62,943,111
43	Bond Projects	\$65,544,237
51	Bookstore	\$2,753,525
61	Self-Insurance	\$1,457,873
71	Student Government Association	\$531,477
72	Student Representation Fee	\$176,102
74	Student Financial Aid	\$27,988,864
79	Foundation	\$6,050,336
	TOTAL	\$417,790,717



# 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

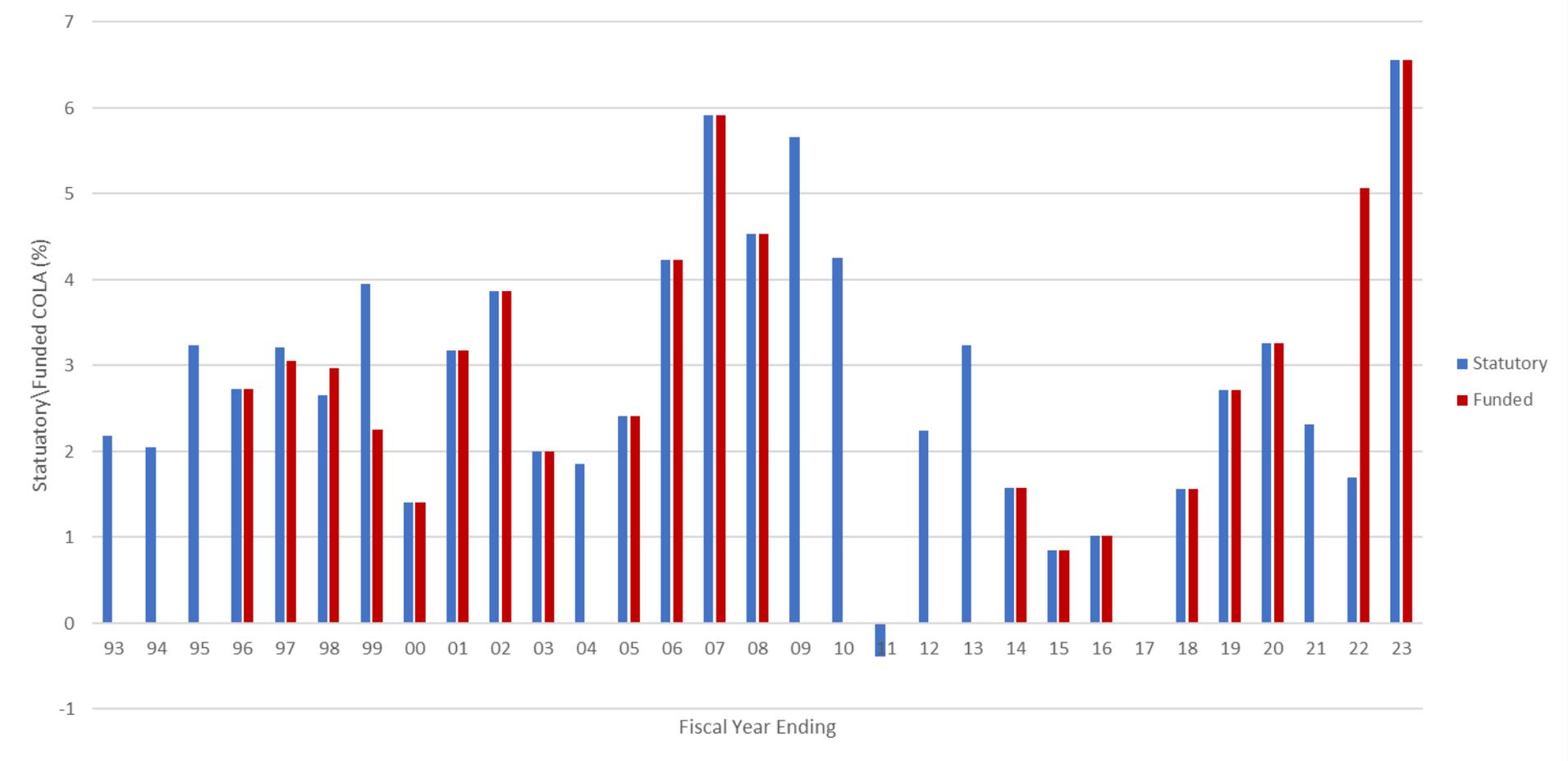
## III. Success Allocation

- *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

# Cost of Living Adjustment (COLA)

- An adjustment to revenue to ensure purchasing power is not eroded by inflation.
- "[U]nless otherwise specified in the annual Budget Act, **the cost-of-living adjustment shall be the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year.**" (EDC §84750.4(b)(3), emphasis added)
- The result of the calculation in bold type in EDC §84750.4(b)(3) is called the **statutory COLA**.

# Statutory vs. Funded COLA



**\$1 inflated @ statutory COLA = \$1.86 vs. \$1.61 = \$1 inflated @ funded COLA**

# MSJC Total Computational Revenue (TCR) History

	18/19 RC	19/20 RC	20/21 RC	21/22 P2
<i>I. Base</i>	\$50,925,109	\$53,976,102	\$55,875,218	\$58,989,878
<i>II. Supplemental</i>	\$19,564,591	\$20,055,888	\$19,989,528	\$17,003,801
<i>III. Success</i>	\$8,466,192	\$7,663,072	\$8,871,404	\$10,291,802
SCFF Revenue (A)	<b>\$78,955,892</b>	<b>\$81,695,062</b>	<b>\$84,736,150</b>	\$86,285,481
Stability (B)	\$73,455,559	\$81,529,854	\$81,695,062	<b>\$89,032,273</b>
Hold Harmless (C)	\$73,455,559	\$75,850,210	\$75,850,210	\$79,695,816
<b>TCR (Max of A, B, C)</b>	<b>\$78,955,892</b>	<b>\$81,695,062</b>	<b>\$84,736,150</b>	<b>\$89,032,273</b>

# Stability Funding

A decrease in a community college district's SCFF revenue "shall result in the associated reduction beginning in the year following the initial year of decreases, adjusted for changes in the cost-of-living adjustment."

(EDC §84750.4(g)(4)(A))

	20/21 RC		21/22 P2
<i>I. Base</i>	\$55,875,218		\$58,989,878
<i>II. Supplemental</i>	\$19,989,528		\$17,003,801
<i>III. Success</i>	\$8,871,404		\$10,291,802
SCFF Revenue (A)	<b>\$84,736,150</b>		\$86,285,481
Stability (B)	\$81,695,062	+ 5.07% COLA →	<b>\$89,032,273</b>
Hold Harmless (C)	\$75,850,210		\$79,695,816
<b>TCR (Max of A, B, C)</b>	<b>\$84,736,150</b>		<b>\$89,032,273</b>

# Deficit Factor

If local property taxes, student enrollment fees, State general fund appropriations, and other local tax revenues allocated to community college districts for general operating support are less than the TCR amounts computed for all districts for the fiscal year, the Chancellor shall apportion state aid by reducing the amount computed for each district by a **deficit factor** to conform to the statewide total revenue available. (5 CCR §58779, emphasis added)

	<b>21/22 P1</b>
<i>I. Base</i>	\$58,989,878
<i>II. Supplemental</i>	\$17,003,801
<i>III. Success</i>	\$10,292,121
SCFF Revenue (A)	\$86,285,800
Stability (B)	<b>\$89,032,273</b>
Hold Harmless (C)	\$79,695,816
<b>TCR (Max of A, B, C)</b>	<b>\$89,032,273</b>
<b>3.3548% Deficit Factor</b>	<b>\$(2,986,898)</b>
<b>Available Revenue</b>	<b>\$86,045,375</b>

# 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

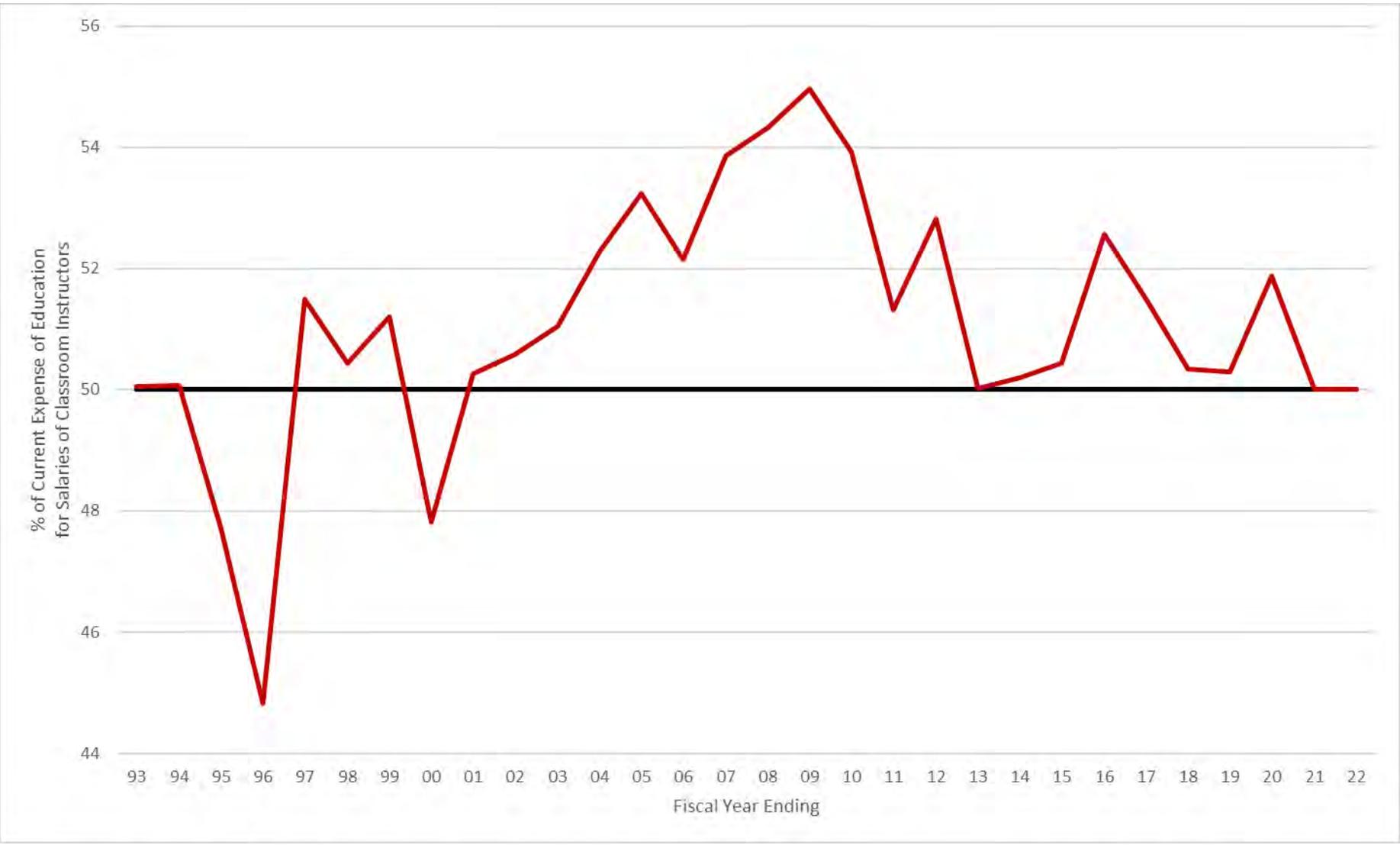
"There shall be expended during each fiscal year for payment of **salaries of classroom instructors** by a community college district, 50 percent of the district's **current expense of education.**" (EDC §84362(d); Emphasis Added to Terms Defined in 5 CCR §59204)

<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>

# 50% Law Context

- Originally enacted in 1961.
- Enacted before collective bargaining was implemented for community college districts in the 1970s.
- "The policy judgment underlying this bill is that school districts are expending too much money on administration and on student counseling and guidance services. It is believed that the need for extensive counseling and administrative services would be substantially reduced if the classroom teacher was not confronted with overly large classes..." (Correspondence from Legislature to the Governor, 1961)

# MSJC 50% Law Performance



# Failure to Comply with 50% Law

Failure to comply may result in deduction from apportionments made to the district an amount equal to the amount by which the district failed to comply. (5 CCR §59214)

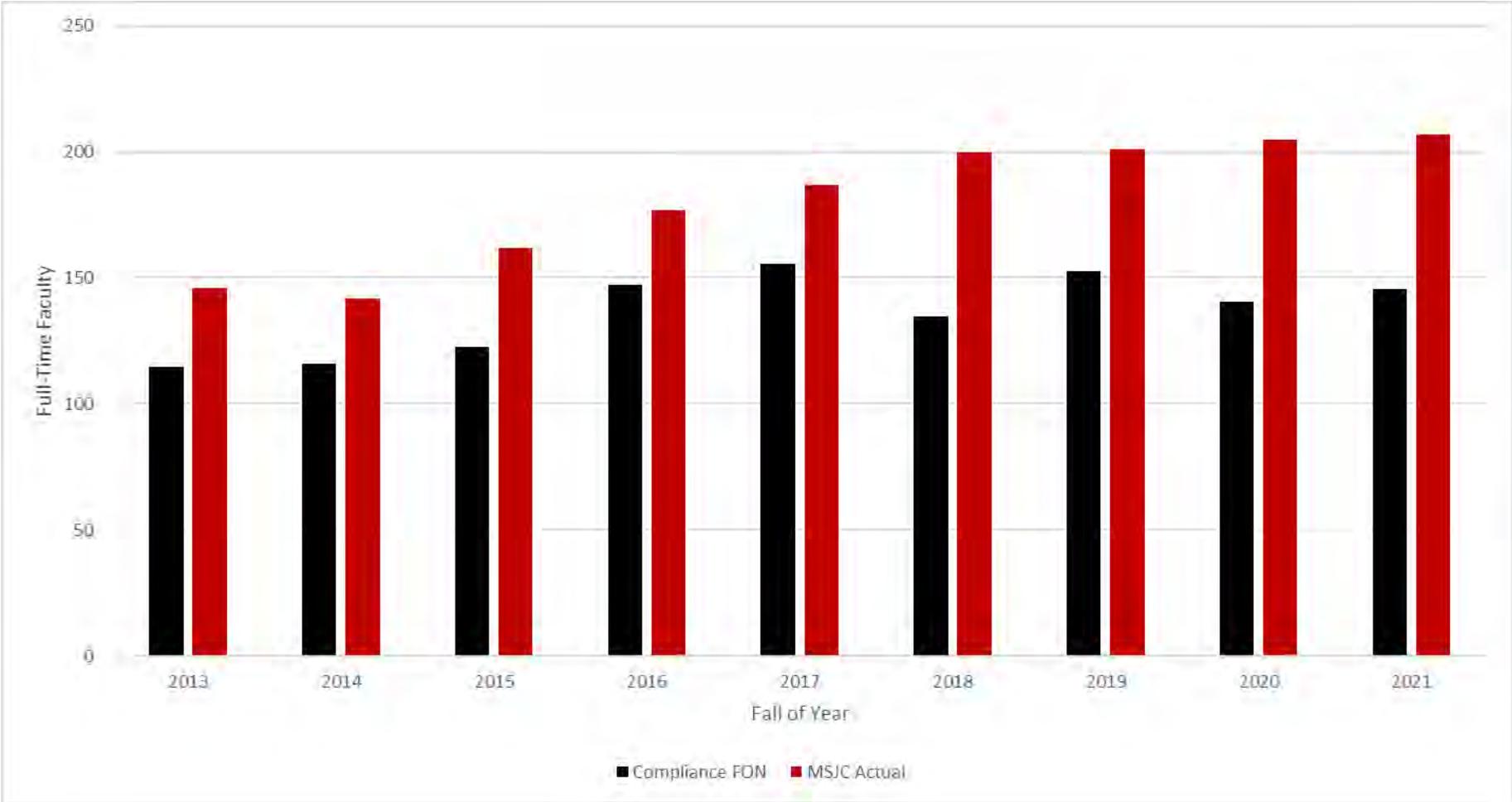
# AB 1725 & 75/25 Goal

- Signed into law by Governor Dukmejan in 1988
- Codified into law "longstanding policy of the board of governors that at least 75 percent of the hours of credit instruction in the California Community Colleges, as a system, should be taught by full-time instructors." (EDC §87482.6(a))
- Required districts to apply program improvement allocations to hiring full-time faculty to meet 75% of credit hours goal.
- Enabled board of governors to adopt regulations for effective administration of achieving this goal.

# Faculty Obligation Number (FON)

- Board of Governors adopted 5 CCR §§51025; 53301; 53302; 53308-53312; 53314 to administer attainment of 75% goal.
- If Board of Governors has determined adequate funding exists, a district's base full-time FON is increased by the percent change in funded credit FTES.
- If a District fails to meet FON in a year when Board of Governors determines adequate funding exists, the maximum penalty is "the Chancellor shall reduce the district's revenue for the current fiscal year by an amount equal to the average replacement cost for the prior fiscal year times the deficiency in the number or percentage equivalent of full-time faculty." (5 CCR §51025(e))
  - \$87,151 is the statewide average replacement cost for 2022-23.

# MSJC FON Performance



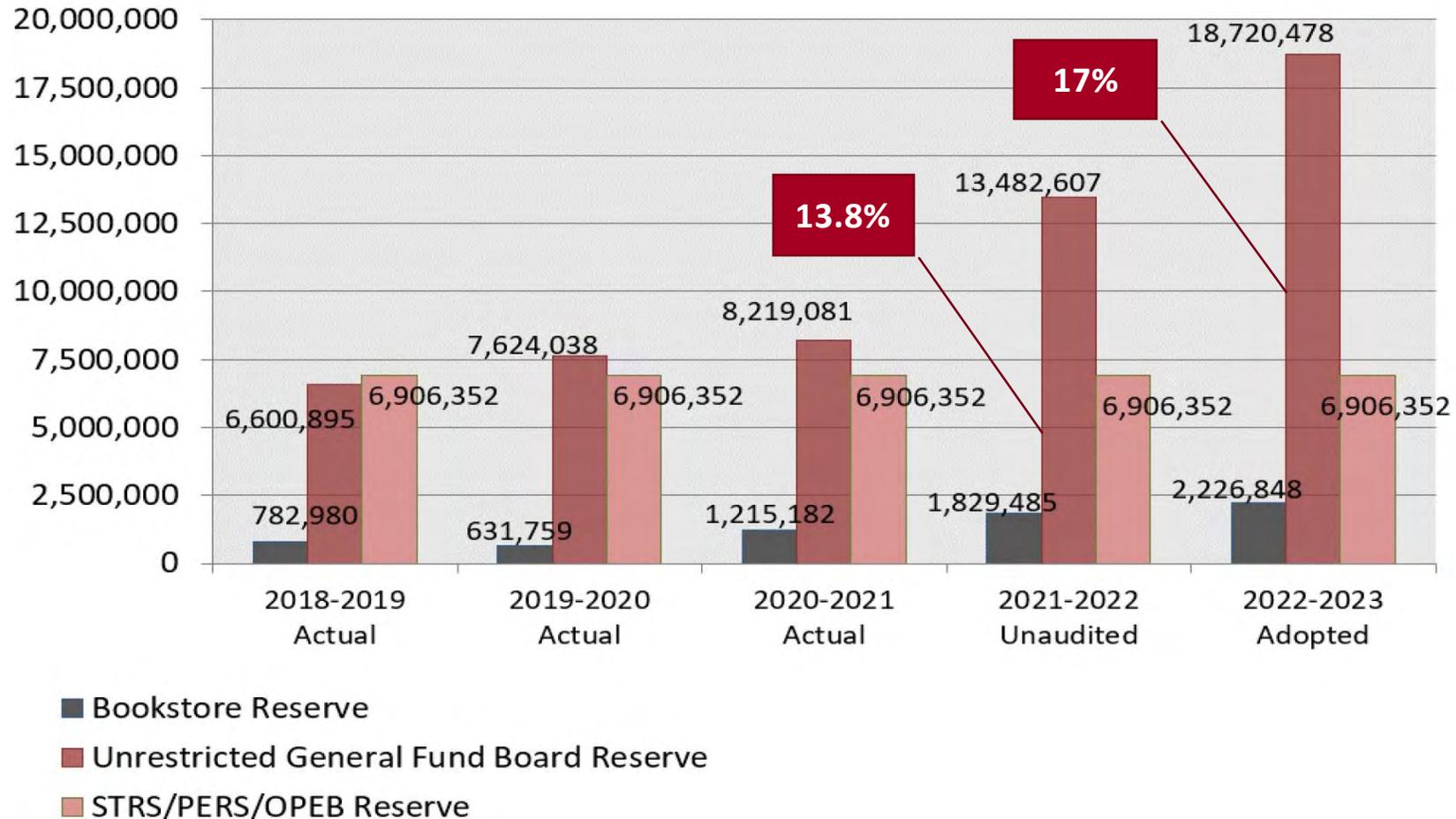
# AB 1505: Proposed Adjustment to FON

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)

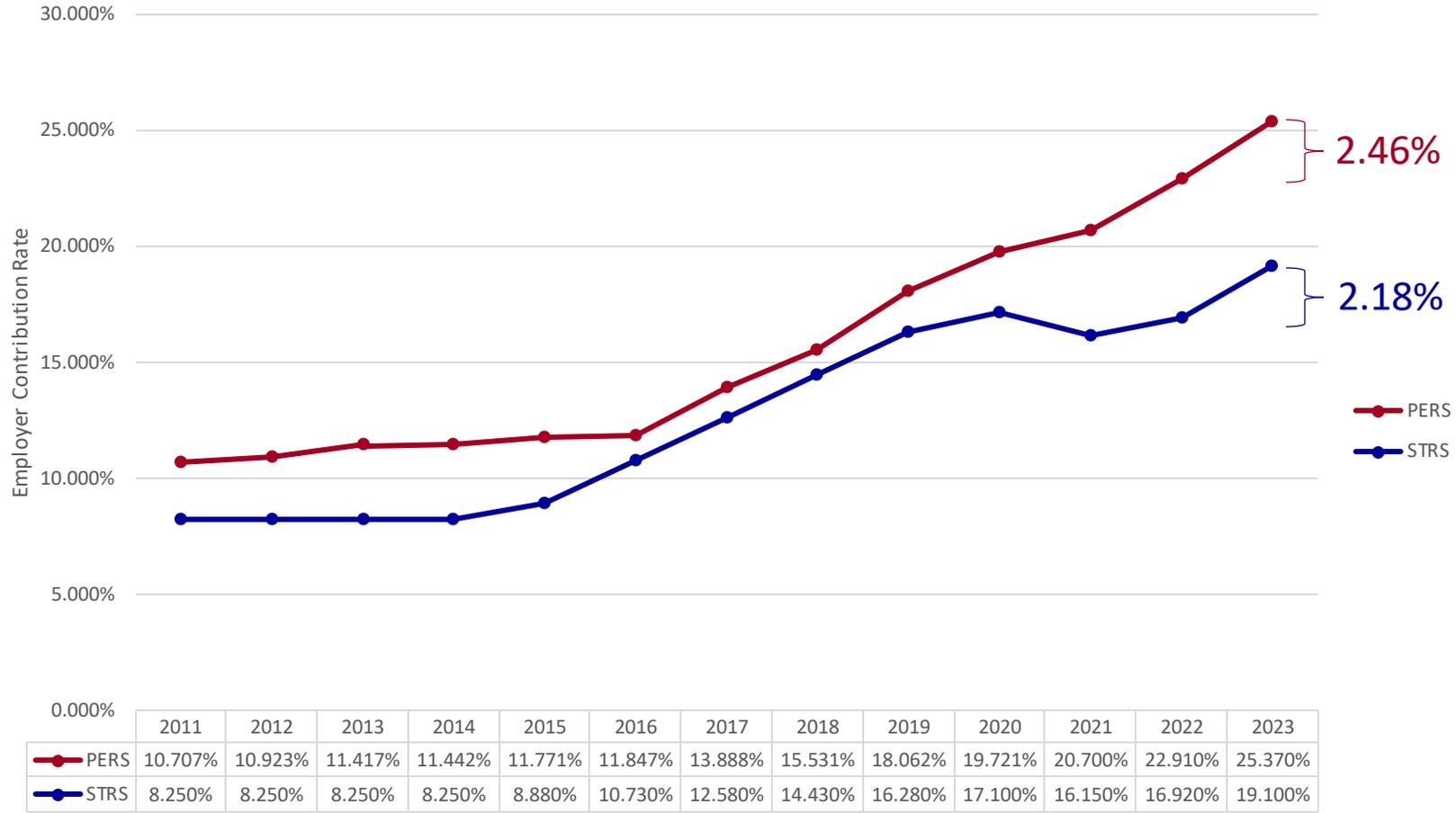
# District Reserves

Chancellor's Office requires districts adopt a policy aligning reserve balances to Budgeting Best Practices published by the Government Finance Officers Association for receiving Emergency Conditions Allowance.



# MSJC Ongoing Employer Cost Increases

Evolution of PERS/STRS Employer Contribution Rates



Fiscal Year Ending

# 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>