McLennan COMMUNITY COLLEGE

Preliminary Budget Review

June 2022

Preliminary Budget Information

$60,431,921 – INCOME
$64,057,910 – EXPENSES
- $3,625,989 – DEFICIT

- $11.9 million – State Appropriations
- $21.7 million – Tuition and Fees
- $26.2 million – Taxes (current level)

- $1.1 million in proposed additions to the budget
- 3% minimum salary increases
- $1 million salary adjustments
  - Additional staff market adjustments
  - Additional faculty adjustments
- $1.2 million contingency
- $100,000 projects
- $750,000 transfer capital improvement fund
- $2.5 million technology

Major Considerations:

- Salary Increases
- Staffing Needs
- Technology Needs
- Facility Needs
- Increased Operational Costs
- Tax Rate

Historic Salary Increases

FY2019

Staff

- 50% of the calculated increase to bring salaries to market averages ($1.1 million)

Faculty/Overloads

- 2% increase and annual increment/earned credit ($576,000)

FY2020

Staff

- 2% increase and 25% of the calculated increase to bring salaries to market averages ($800,000)

Faculty/Overloads

- 2% increase and annual increment/earned credit ($605,898)

FY2021

Staff

- 12.5% of the calculated increase to bring salaries to a market average or $500 ($240,000)

Faculty/Overloads

- annual increment/earned credit or $500 ($219,177)

FY2022

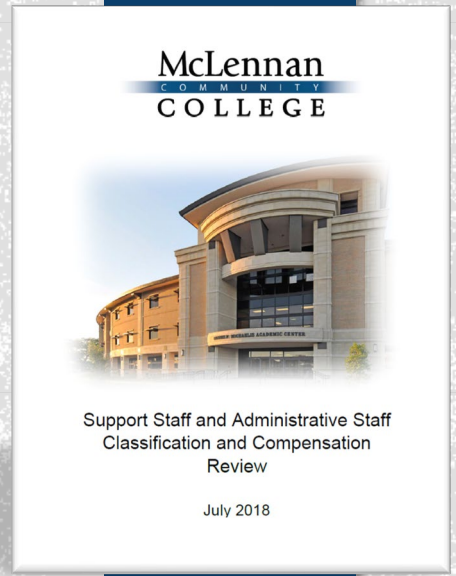
Staff

- 2% increase and 12.5% of the calculated increase to bring salaries to market averages ($910,405)

Faculty/Overloads

- 3% increase and annual increment/earned credit ($747,339)

$5,198,819 increases over 4 years ($3,050,405 - staff & $2,148,414 - faculty)



Salary Increases

Staff Salary Plan Goal from 2018:

- **Bring starting salaries to within 8% of the average market rate**
- **Bring all staff to the average market rate or above**

From the July 2018 Classification and Compensation Report:

Title	Level	Current Min.	FY2019 Min.	FY2020 Min.	FY2021 Min.	FY2022 Min.
Sr. Groundskeeper	C	$25,482	$26,585	$27,837	$28,087	$28,775
Admin Secretary	B	$23,644	$24,854	$26,024	$26,274	$26,901
Utilities Technician	F	$28,533	$31,862	$32,987	$33,362	$34,486
Police Officer	N/C	$25,482	$35,969	$39,197	$40,004	$42,425

Examples of our challenge:

- **Admin Secretary in 2018 had a market average pay of $30,545.**
- **The current minimum of $26,901 is close to being 8% below the market average of 2018.**

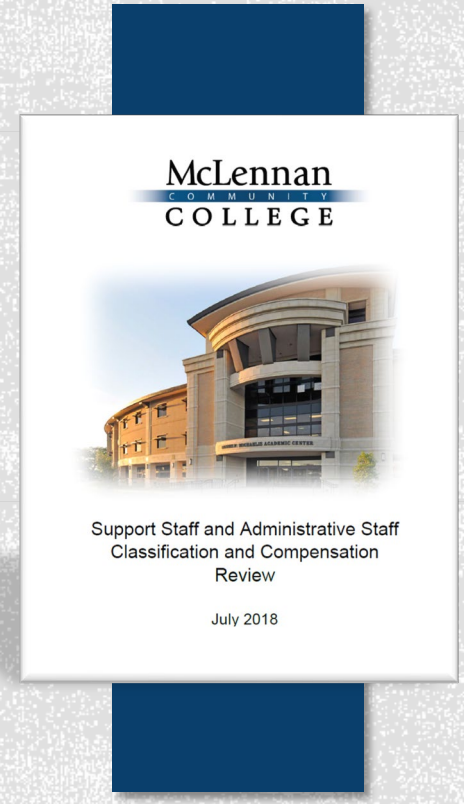
Problem:

- **The current market average pay is now $33,079.**

Faculty Salary Recommendation:

- **Based on Consumer Price Index a cost of living adjustment of 6.8%-7.23% would prevent an effective pay cut.**
- **6%-7% increase for faculty is approximately $1.7 million**

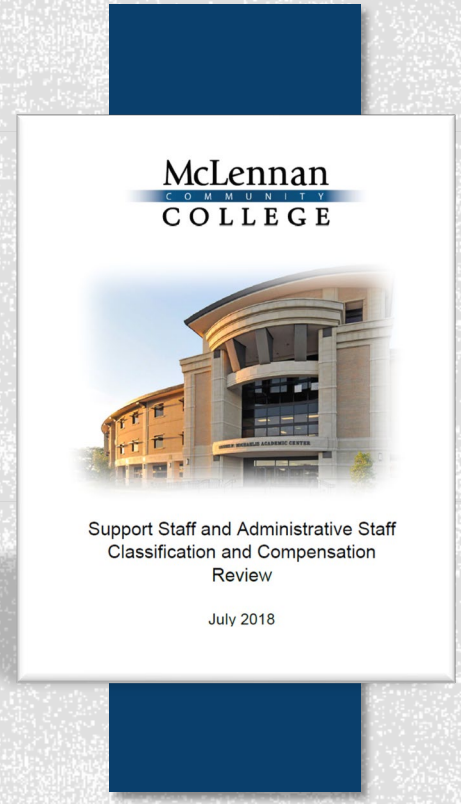
- **6%-7% increase for staff is approximately $1.4 million**



Competition for Talent

City of Waco - Public Information
June 13 at 9:02 AM ·

WACO PD HIRING --- Major incentives! The Waco Police Department is hiring AND offering major incentives and bonuses like:
👉 New hire bonus at $7,500
👉 Out of state, 3+ years of LE experience at $10,000
👉 TCOLE Certified at $15,000
👉 Additional relocation incentives offered up to $3,000
👉 Full details & application at: waco-texas.com/police
#workforwaco #wacotexas #wacotx



Tax Information

Average Home Value in 2017: $158,207 / $122,150 (w/exemption)
Average Home Value in 2018: $177,368 / $133,189 (w/exemption)
Average Home Value in 2019: $188,138 / $144,461 (w/exemption)
Average Home Value in 2020: $198,020 / $154,303 (w/exemption)
Average Home Value in 2021: $221,084 / $167,005 (w/exemption)
Average Home Value in 2022: $283,635 / $179,752 (w/exemption)

	2021 Certified	2022 Preliminary	
Taxable Valuation	$21,026,469,352	$25,429,037,672	
Increase		$4,402,568,320	(21% Increase)

TAX ANALYSIS TABLE		Percentage Increase	Additional M&O	M&O Rate	Debt Serv. Rate	Total M&O & Debt Service
Based on Preliminary Values from April 27, 2022	$25,429,037,672	No-New-Revenue Rate	$ 760,393	$ 0.106179	$ 0.022551	$ 0.128730
2022 approved M&O rate $0.124795 + I&S rate $0.024987 = $0.149782		1.000%	$ 1,030,395	$ 0.107241	$ 0.022551	$ 0.129792
		2.000%	$ 1,300,397	$ 0.108303	$ 0.022551	$ 0.130854
		3.000%	$ 1,570,399	$ 0.109364	$ 0.022551	$ 0.131915
		4.000%	$ 1,840,401	$ 0.110426	$ 0.022551	$ 0.132977
		5.000%	$ 2,110,403	$ 0.111488	$ 0.022551	$ 0.134039
		6.000%	$ 2,380,405	$ 0.112550	$ 0.022551	$ 0.135101
		7.000%	$ 2,650,407	$ 0.113612	$ 0.022551	$ 0.136163
		7.950%	$ 2,906,909	$ 0.114620	$ 0.022551	$ 0.137171
Budgeted M&O Taxes for 2022 at $26,239,905 value	**Voter-Approved Rate**	8.000%	$ 2,920,409	$ 0.114673	$ 0.022551	$ 0.137224
Calculated no new revenue tax rate $0.106179	**Current Rate**	19.827%	$ 6,113,723	$ 0.127231	$ 0.022551	$ 0.149782

PRELIMINARY SCHEDULE IF TAX INCREASE IS OVER 0%

Public Hearing Date to Vote on Tax Increase *(No earlier than 7 days after Appraisal District mails out notices)*	August 30, 2022
Notice of Public Hearings & Tax Revenue Increase *(At least 5 days before Public Hearing in the newspaper)* *(At least 7 days before Public Hearing on the MCC website)*	August 23, 2022
Appraisal District Mails Out Estimated Taxes to be Imposed to Property Owners	August 7, 2022
Recorded Vote on the Proposed Rate *(Send results of the vote to the tax assessor's office)*	August 4, 2022
Final Calculation of No-New-Revenue Tax Rate by Tax Assessor's Office	July 27, 2022
Certification of Tax Roll by Appraisal District	July 25, 2022

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Questions?

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McLennan Community College *Values:*

INCLUSIVENESS
COMMUNICATION
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EXCELLENCE
INTEGRITY