



MCLENNAN
COMMUNITY COLLEGE

Preliminary Budget Review

July 2023

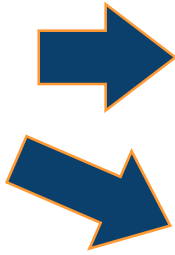


Preliminary Budget Information

\$61,964,026 – INCOME

\$67,191,087 – EXPENSES

- \$5,227,061 – DEFICIT



- \$11.9 million – State Appropriations (current level)
- \$20.4 million – Tuition and Fees (current level)
- \$28.1 million – Taxes (current level)

- \$4.7 million in proposed additions to the budget
 - 3% minimum salary increases (\$1,179,747)
 - Earned Credits and Annual Increment (\$208,361)
 - HR Task Force Recommendations (\$468,659)
 - Restoring contingency (\$925,000)
 - Additional projects (\$393,000)
 - Additional technology (\$1,079,539)
 - Additional advertising (\$200,000)

Major Considerations:

- Competitive Salaries
- Technology Needs
- Facility Needs
- Increased Operational Costs
- Tax Rate
- Financial Stability
- Enrollment Growth



Salary Increases

Minimum 3% for all employees:

Employee Group	(3%) Amount	(5%) Amount
Support Staff	\$192,984	\$321,640
Administrative Staff	\$361,070	\$601,783
Part-time and Overload Faculty	\$159,471	\$265,784
Faculty	\$466,223	\$777,038
TOTAL	\$1,179,748	\$1,966,244

HR Task Force Recommendations:

1. Part-time, Overload, Summer Salary Schedule - \$30,000
2. Staff Education Recognition - \$105,000
3. Staff Longevity - \$185,000
4. Faculty Annual Increment Changes - \$148,659

TOTAL - \$468,659

Faculty Annual Increment and Earned Credits: \$208,361

Total Investment in Employee Salaries: \$1,856,768 (3%) | \$2,643,264 (5%)



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)

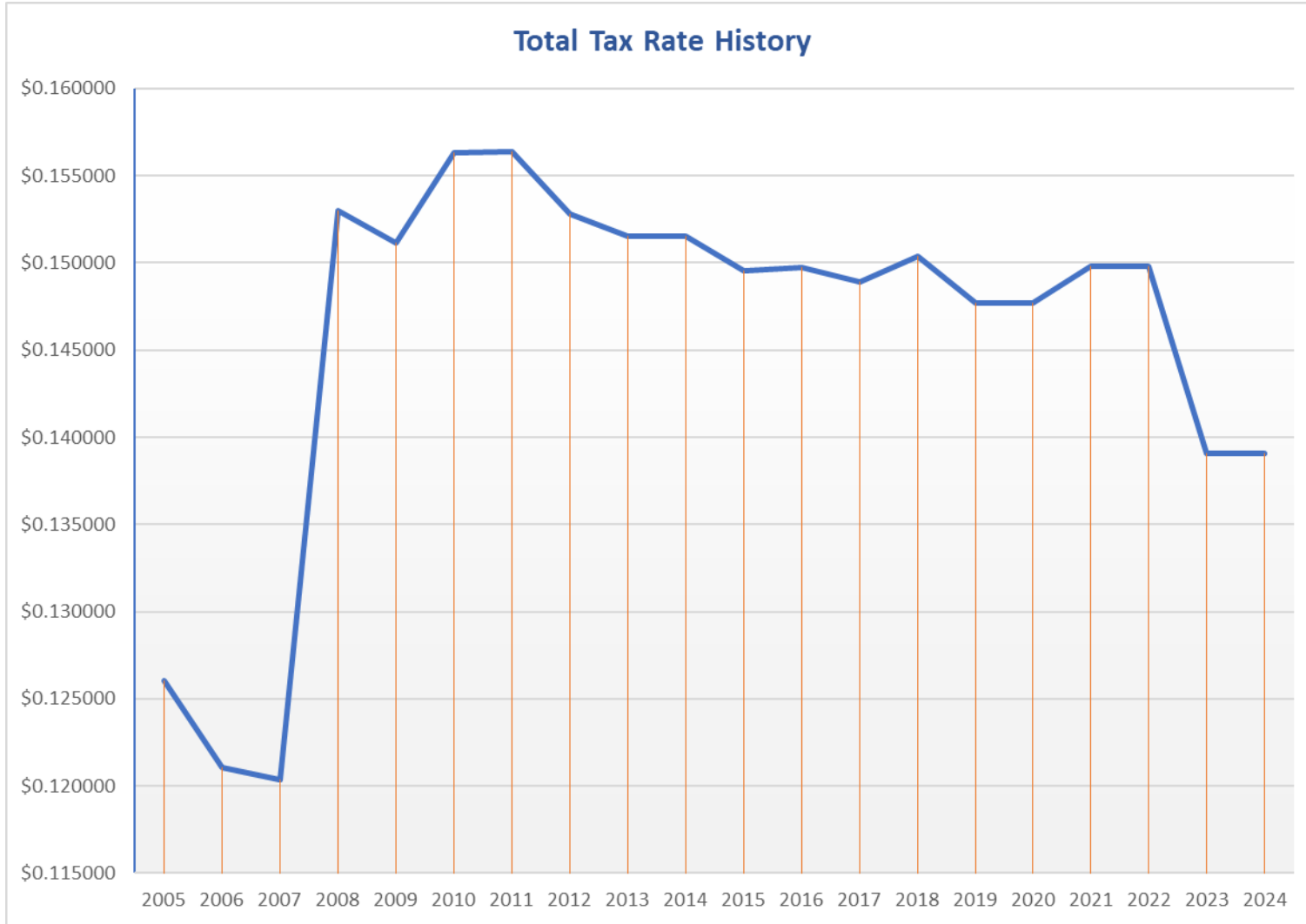
Average Home Value in 2023: \$316,275 / \$202,225 (w/exemption) (12.5% Increase)

	2022 Value	2023 Preliminary
Taxable Valuation	\$24,325,068,151	\$28,413,676,350
Increase		\$4,088,608,199 (16.8% Increase)



TAX ANALYSIS TABLE		Percentage Increase	Additional M&O	M&O Rate	Debt Serv. Rate	Total M&O & Debt Service
Based on 2nd Preliminary Values 6/26/23	\$28,413,676,350	No-New-Revenue Rate	\$ 1,080,236	\$ 0.102844	\$ 0.019239	\$ 0.122083
2023 approved M&O rate \$0.115691 + I&S rate \$0.023383 = \$0.139074		1.000%	\$ 1,372,453	\$ 0.103872	\$ 0.019239	\$ 0.123111
		2.000%	\$ 1,664,670	\$ 0.104901	\$ 0.019239	\$ 0.124140
		3.000%	\$ 1,956,887	\$ 0.105929	\$ 0.019239	\$ 0.125168
		4.000%	\$ 2,249,104	\$ 0.106958	\$ 0.019239	\$ 0.126197
		5.000%	\$ 2,541,321	\$ 0.107986	\$ 0.019239	\$ 0.127225
		6.000%	\$ 2,833,538	\$ 0.109015	\$ 0.019239	\$ 0.128254
		7.000%	\$ 3,125,755	\$ 0.110043	\$ 0.019239	\$ 0.129282
		7.950%	\$ 3,403,361	\$ 0.111020	\$ 0.019239	\$ 0.130259
	Voter-Approved Rate	8.000%	\$ 3,417,972	\$ 0.111071	\$ 0.019239	\$ 0.130310
Budgeted M&O Taxes for 2023 at \$28,141,525 value	Current Rate	16.521%	\$ 5,907,953	\$ 0.119835	\$ 0.019239	\$ 0.139074

Current Rate - \$0.139074

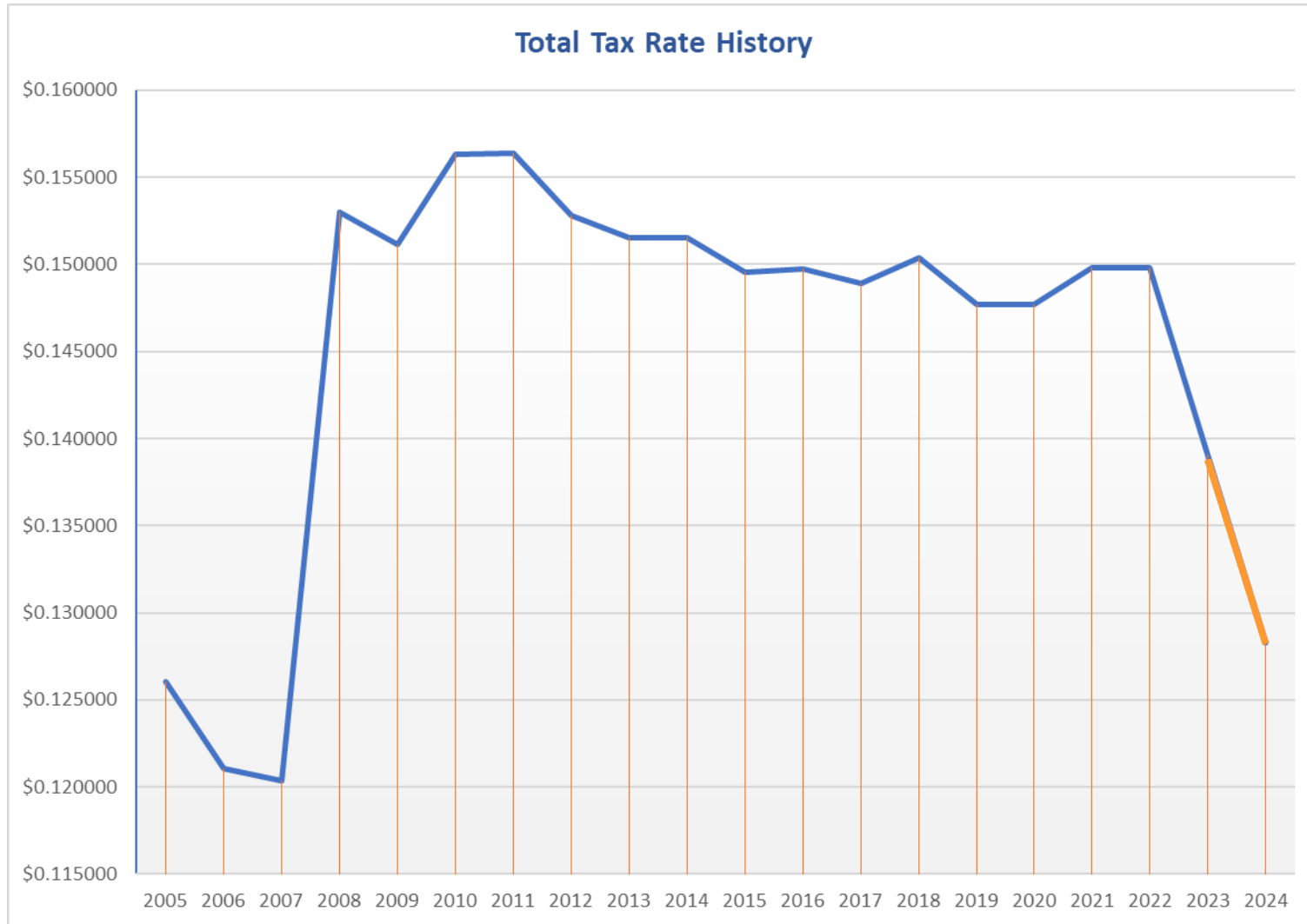


Impact of Tax Rate:

- Current Rate (16.521% Increase above the NNR Rate)
- Above the Voter Approved Rate - 8% Increase - would require an election.



6% Increase above the NNR Rate - \$0.128254



Impact of Tax Rate:

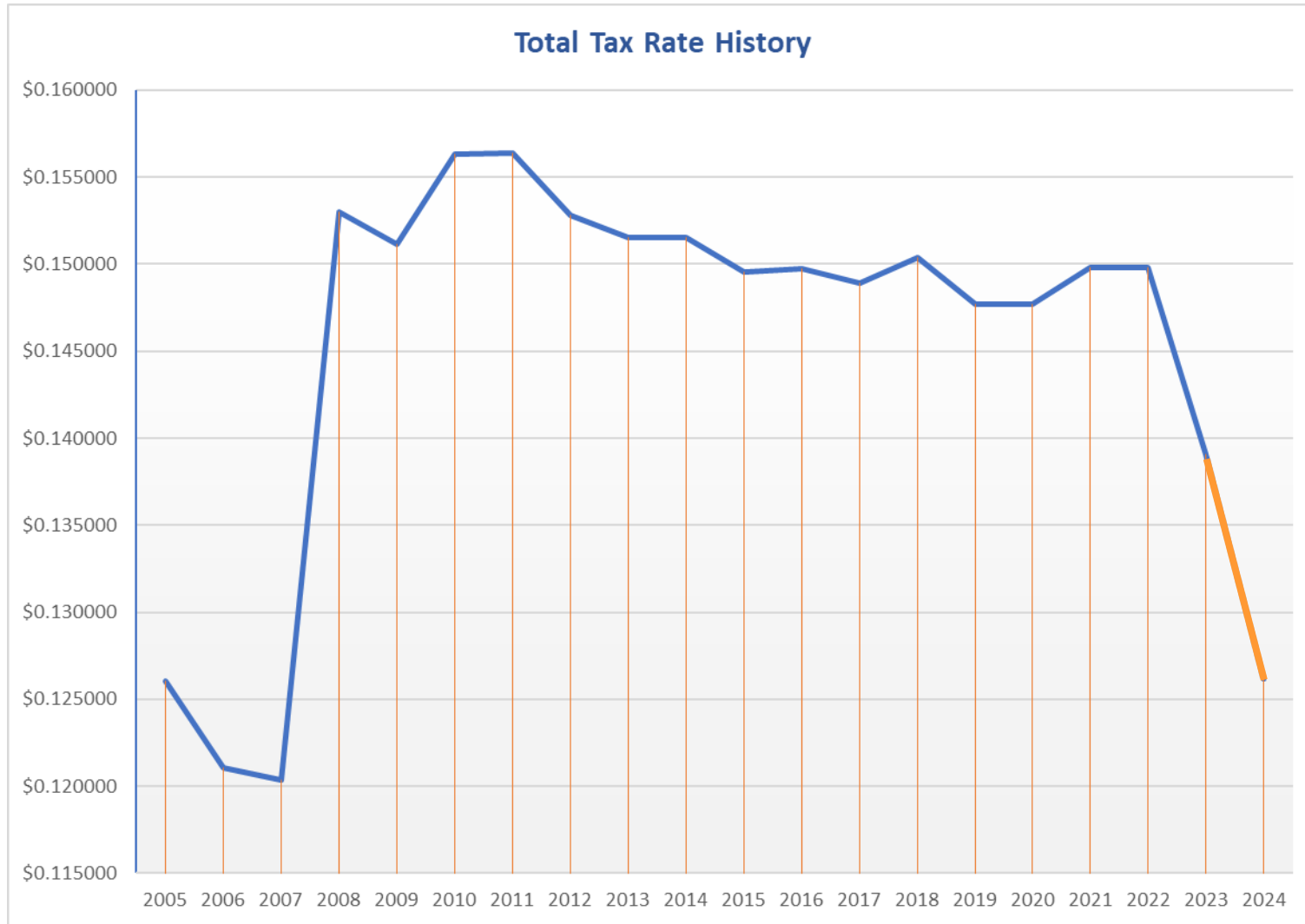
- 6% Increase above the NNR Rate
- \$2,833,538 in additional revenue
- The 4% Increase last year reduced the tax rate by \$0.010708, this option reduces the tax rate by \$0.010820.
- \$0.000112 more than the decrease last year

Impact on Home Owners:

- 2022 Average Home Value - \$179,752
 - \$249.99 annually
- 2023 Average Home Value - \$202,225
 - \$259.36 annually
- Increases:
 - \$9.37 annually
 - \$0.78 month



4% Increase above the NNR Rate - \$0.128254



Impact of Tax Rate:

- 4% Increase above the NNR Rate
- \$2,249,104 in additional revenue
- The 4% Increase last year reduced the tax rate by \$0.010708, this option reduces the tax rate by \$0.012877.
- \$0.002169 more than the decrease last year

Impact on Home Owners:

- 2022 Average Home Value - \$179,752
 - \$249.99
- 2023 Average Home Value - \$202,225
 - \$255.20
- Increases:
 - \$5.21 annually
 - \$0.43 month





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PRELIMINARY SCHEDULE IF TAX INCREASE IS OVER 0%

Public Hearing Date to Vote on Tax Increase <i>(No earlier than 7 days after Appraisal District mails out notices)</i>	August 29, 2023
Notice of Public Hearings & Tax Revenue Increase <i>(At least 5 days before Public Hearing in the newspaper)</i> <i>(At least 7 days before Public Hearing on the MCC website)</i>	August 22, 2023
Recorded Vote on the Proposed Rate <i>(Send results of the vote to the tax assessor's office)</i>	August 8, 2023
Appraisal District Mails Out Estimated Taxes to be Imposed to Property Owners	August 7, 2023
Final Calculation of No-New-Revenue Tax Rate by Tax Assessor's Office	July 27, 2023
Certification of Tax Roll by Appraisal District	July 25, 2023

Questions?

