

**Mt. San Antonio College  
Budget Committee  
Summary of February 22, 2012**

**Committee Members:**

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| <input checked="" type="checkbox"/> Mike Gregoryk, Chair | <input checked="" type="checkbox"/> Jennifer Galbraith         | <input type="checkbox"/> Mark Fernandez                     | <input type="checkbox"/> Annette Loria (Guest)             |
| <input checked="" type="checkbox"/> Linda Baldwin        | <input checked="" type="checkbox"/> Don Hurdle for Art Morales | <input checked="" type="checkbox"/> Crystal Lane Swift      | <input type="checkbox"/> Sofia Haq (Student)               |
| <input checked="" type="checkbox"/> Virginia Burley      | <input type="checkbox"/> Jean Garrett                          | <input checked="" type="checkbox"/> Bill Scroggins (Guest)  | <input type="checkbox"/> Jose Jimenez (Student)            |
| <input checked="" type="checkbox"/> Audrey Yamagata-Noji | <input type="checkbox"/> Denise Lindholm                       | <input checked="" type="checkbox"/> Richard McGowan (Guest) | <input checked="" type="checkbox"/> Kerry Martinez (Notes) |

ITEM	DISCUSSION/COMMENTS	ACTION/OUTCOME
<b>1. Agenda Check</b>	Mike Gregoryk added one item to the Agenda; Review of Document Titled “2011-12 Summary of Apportionment Reductions.”	Approved, with one addition.
<b>2. Review Meeting Summary of February 8, 2012</b>	The Budget Committee Meeting Summary of February 8, 2012 was reviewed and approved, as submitted.	Approved, as submitted.
<b>3. Review of Document Titled “2011-12 Summary of Apportionment Reductions”</b>	The Budget Committee members reviewed the document titled “2011-12 Summary of Apportionment Reductions” that lists the ongoing apportionment reduction totals (Statewide \$385,000,000/Mt. SAC \$9,828,788-2.55%) which was budgeted; the one-time apportionment reduction totals (Statewide \$179,000,000/Mt. SAC \$4,253,309-2.38%) which was not budgeted; and the total 2011-12 apportionment reductions (Statewide \$564,000,000/Mt. SAC \$14,082,097-2.50%). Mike noted that these are very preliminary ball-park numbers.	
<b>4. Review Dr. Scroggins’ Document Titled “Options for Addressing the Structural Budget Deficit for 2012-14”</b>	The Budget Committee members reviewed the document titled “Options for Addressing the Structural Budget Deficit for 2012-14” that Dr. Scroggins shared with the Board of Trustees. The document listed 11 options: <ol style="list-style-type: none"> <li>1. Line item budget review with expected savings of \$400,000 ongoing. It was noted that the departments will receive a three-year history of their budgets with a narrative asking them to identify line items that can be reduced or</li> </ol>	

	<p>augmented. These suggestions will then go to Budget Committee to review and make suggestions to President's Cabinet.</p> <ol style="list-style-type: none"><li>2. Temporary suspension of District contribution to the Retiree Medical Benefit Trust to save \$1.7 million annually and will extend three to five years until COLA funds are available to restore the ongoing budget item. It was noted that the College will receive a new actuarial study based on options #2 and #3; these will be considered "stop-gap measures."</li><li>3. Temporarily paying the \$3 million annual cost for retiree medical benefits from the Trust rather than from operating funds and will extend three to five years until COLA funds are available to restore the ongoing budget item.</li><li>4. Extending the Measure RR project on scheduled maintenance for 10 years at \$2 million per year to prevent the anticipated additional impact on the General Fund by absorbing costs for large maintenance projects. The initial 5-year project expires next year.</li><li>5. Establish a Measure RR technology replacement project for 6 years at \$1.5 million per year replacing General Fund expenditures currently budgeted for that purpose, expected savings of \$400,000 and the needed replacement costs for technology. Jennifer Galbraith asked if the items that were previously projected to be paid with Measure RR will no longer be done. Dr. Scroggins said they will not be done because State funds are not available. Richard McGowan asked how much of Measure RR will be prioritized. Mike stated it is currently \$40 million. Mike noted</li></ol>	
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	<p>that the regular PIE process will be used with the Measure RR technology replacement project. Dale Vickers provided statistics regarding the College's paper usage which shows that Mt. SAC consumes 2 million pieces of paper per month. Mt. SAC is looking into a manage-printing system and Building 4 will be the example.</p> <ol style="list-style-type: none"><li>6. Reduce staffing through attrition, reassignments, reclassifications, technology efficiencies, and services reductions. Targeted savings is \$1.5 million within 2 years.</li><li>7. Reallocating resources within Instructional Services. This process will take time and is not focused on saving money but rather on using fiscal resources more effectively.</li><li>8. Increasing the International Student Program from 450 to 1,000. Anticipated additional fee income of approximately \$2.5 million will be used to first support the educational needs of the international students but also replace funding for support services to the general student population amounting to approximately \$1 million annually.</li><li>9. Develop an "Austerity Budget" that would eliminate expenditures for travel and conferences, food and entertainment, hospitality, and other non-mission, non-instruction/support activities, an approximate ongoing savings of \$500,000 annually.</li><li>10. Establish within the next 2 years a climate of urgency with respect to the budget deficit. All of the savings mentioned will not be enough to meet annual inflationary costs. Dr. Scroggins noted he does not want a sense of panic but</li></ol>	
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	<p>would like to plan for this realistically. The climate of urgency will be reflected in a number of ways; the Managers will continue to look for efficiencies in everyday operations, CSEA will be more likely to cooperate in eliminating and reclassifying positions, and finally; if the College reaches the point of negotiating reductions in compensation, the climate of urgency will make the inevitable impasse process more manageable. Richard noted that budget balances need to be in-line with what is being communicated to the departments. They are given bad news regularly and end up with good news. Dr. Scroggins stated the numbers need to be presented to give a better reflection of what is anticipated. It was noted that the reductions that have already taken place need to be communicated, the departments have done a good job at saving money.</p> <p>11. Due to a potential workload reduction in 2012-13, assess intersession course offerings (1,513 FTES, workload reduction from mid-year cuts).</p>	
<p><b>5. Review of “2011-12 Adopted Budget Summary”</b></p>	<p>The Budget Committee members reviewed the “2011-12 Adopted Budget Summary.” Mike asked for suggestions on how best to communicate the positive variance. Dr. Scroggins gave an example of someone’s checkbook with a balance of \$2,000 this month and next month the balance is \$2,000. It is the same \$2,000. At Mt. SAC the positive variance is the same year after year and is carried over, which is not necessarily a bad thing. It’s being prudent in this environment.</p>	

	<p>Ginny Burley noted that cutting class offerings is a concern to everyone and it is discouraging to the budget managers when ongoing expenditures usually go up and the documents do not show all of the cuts. Linda Baldwin stated the FTES were cut because the College was not getting paid for them by the State. It is very difficult to explain workload reduction. Linda noted an explanation on Page 21 that gives the reason why the overall revenue went down \$4 million from the previous year. The reason is because the ongoing categorical expenditures are being covered by the General Fund. Ginny noted that very few people can understand the level of detail and she would like a way to communicate information where people “get it.” She suggested focused information bites that come out every month with information that people can process and take in.</p> <p>Jennifer stated that people will still be skeptical and will want the bottom-line. They want to see the money spent from reserves. It is good that Mt. SAC has been fiscally conservative.</p> <p>It was noted that there are some items hanging over Mt. SAC’s head such as the faculty obligation number. The first time Growth is restored, Mt. SAC will have to hire additional faculty. In two years the PERS assessment will probably be 13% for the District contribution. Dr. Scroggins stated Mt. SAC needs to be prepared for the recovery to be slow.</p> <p>Mike stated he appreciates that most of the options for addressing the structural budget deficit for 2012-14 stay away from the classroom. He would like the massive swings in forecasting eliminated and for them</p>	
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	<p>to be more realistic. He warned that the College can't get lost in the idea that we need to reduce reserves. He stated that many Districts are in trouble now because they lived on the edge.</p> <p>Jennifer asked Dr. Scroggins if there was anything else the Budget Committee should be doing. Dr. Scroggins suggested that the Budget Committee develop ways to help people understand the budget documents and communicate in a way that they can understand it. Mike suggested looking at better ways to present the Adopted Budget. Mike stated he would like to work on this subject at the next Budget Committee meeting.</p>	
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**FUTURE AGENDA ITEMS:**

- **Discuss Better Ways to Present the Adopted Budget**

**FUTURE MEETING DATES (3:00 p.m. – 4:00 p.m.)**

- **March 14, 2012**
- **March 21, 2012**
- **April 11, 2012**
- **April 18, 2012**