

BUDGET COMMITTEE

MEETING AGENDA

October 7, 2015

3:00 p.m.



Location: Building 4, Conference Rm. #2460

Time: 3:00 p.m. – 4:30 p.m.

Committee Members:

Mike Gregoryk, Chair	Martin Ramey	Elizabeth Contreras (Student)	Bill Scroggins (Guest)
Dan Smith, Co-Chair	Rosa Royce	Vacant (Student)	
Irene Malmgren	Justin Ott		
Audrey Yamagata-Noji	Michael Sanetrick		Kerry Martinez (Notes)
Mark Fernandez	Lance Heard		
Gary Nellesen	Lisa Romo		

AGENDA ITEMS:

- 1. Agenda Check**
- 2. Review Budget Committee Meeting Summary of September 16, 2015**
- 3. Prepare 2015-16 Budget Committee Goal and Progress Report, Purpose and Function**
- 4. Review Recommendations from Budget Sub-committee Regarding BP6200, BP6250, and AP6250**

**Mt. San Antonio College
Budget Committee
Summary of October 7, 2015**

Committee Members:

- Mike Gregoryk, Chair
- Dan Smith, Co-Chair
- Jennifer Galbraith for Irene Malmgren
- Audrey Yamagata-Noji

- Martin Ramey
- Mark Fernandez
- Rosa Royce
- Lance Heard
- Lisa Romo

- Elizabeth Contreras(Student)
- Beverly Yan (Student)
- Justin Ott
- Gary Nellesen

- Michael Sanetrick
- Bill Scroggins (Guest)
- Kerry Martinez (Notes)

ITEM	DISCUSSION/COMMENTS	ACTION/OUTCOME
1. Agenda Check	Beverly Yen introduced herself as a new member of the Budget Committee, representing the Associated Students. Mike Gregoryk welcomed her to the Budget Committee.	Approved, as presented.
2. Review Budget Committee Meeting Summary of September 16, 2015	The Budget Committee Meeting Summary of September 16, 2015, was approved with one correction. Michael Sanetrick was present at the September 16 meeting and was marked as absent.	Approved, with one correction.
3. Prepare 2015-16 Budget Committee Goal and Progress Report, Purpose and Function	<p>The Budget Committee reviewed the current Goal and Progress Report, and the Purpose and Function statement. They agreed to submit the following revisions:</p> <p><u>Purpose</u></p> <p>The Budget Committee is the primary governance body for developing, recommending, and evaluating policies and procedures relating to institutional planning and its integration link to the budget process and all aspects of College finances.</p> <p><u>Function</u></p> <p>There was just one change on item No. 5; to remove the reference (ACGJC Standard I.B.3):</p>	Approved with revisions.

	<p><u>Membership (14)</u></p> <p>The Membership was updated and approved by the Budget Committee.</p> <p><u>Committee Goals</u></p> <p>The Budget Committee agreed to the following goals:</p> <p>GOAL #1: Maintain the Budget Committee website to ensure it is accurate, complete, and current.</p> <p>GOAL #2: Review and Revise the Budget Review and Development Process to align and integrate with campus-wide planning processes and the Strategic Plan process and timelines.</p> <p>GOAL #3: Review, evaluate, and make recommendations for the OPEB Trust (Retirees Health Benefits) so the Trust will continue to meet its funding goals.</p> <p>GOAL #4: Review and make recommendations for a PERS/STRS Trust to meet its funding goals.</p> <p>GOAL #5: Improve communication about budget issues to the campus and community. by utilizing technology and collaborating with the Marketing Department.</p>
<p>4. Review Recommendations from Budget Sub-committee Regarding BP6200, BP6250, and AP6250</p>	<p>Budget Sub-committee members Mark Fernandez, Martin Ramey, Rosa Royce, and Daniel Smith gave the following recommendations for BP 6250 Budget Management: Rosa noted that the committee analyzed BP 6250 very thoroughly. It was noted that the goal was to consolidate and make these policies less confusing by simplifying them.</p> <p>Paragraph 1: The Sub-committee agreed to remove this paragraph.</p> <p>Paragraph 2: The Sub-committee would like to have feedback from the Budget Committee on the use of the work “should” versus the use of the words “must” or “shall”. The understanding is that “must” and “shall” mean required and “should” indicates a recommendation and provides more flexibility to the Board of Trustees. What is the degree of strength given to the 10% reserves mandate? The Budget Committee agreed that the language used in Paragraph 2 will be “shall.”</p>

Dan Smith will represent the Budget Committee in President’s Advisory Council (PAC) and bring the recommendations on these three items to them for review.

	<p>Paragraph 3: The Sub-committee agreed to remove this paragraph.</p> <p>Paragraph 4: The Sub-committee agreed to remove this paragraph. The Sub-committee recommended the rewording of the paragraph in red font and to include the revised paragraph in BP 6200 Budget Preparation. This revised language aligns to BP 6200 because it describes part of the process of the development of the annual budget prior to adoption.</p>
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FUTURE AGENDA ITEMS

- Review Approved 2015-16 New Resources Allocation Requests
- Budget Subcommittee's Report Back from President's Advisory Committee (PAC) After Receiving Recommendations from Budget Committee Regarding BP6200, BP6250, and AP6250
- Discuss Agenda Items for Joint Committee Meeting on November 4, 2015, Budget Committee and Institutional Effectiveness Committee (IEC)
- Discuss Request for Evidence from the Standard IV.A Writing Team

FUTURE MEETING DATES

- October 21, 2015
- November 4, 2015 - Joint Committee Meeting with Institutional Effectiveness Committee (IEC)
- November 18, 2015 – cancelled due to Expanded PAC Meeting conflict

**Mt. San Ar nio College
Budget Committee
Summary of September 16, 2015**

Committee Members:		
<input checked="" type="checkbox"/> Mike Gregoryk, Chair <input checked="" type="checkbox"/> Dan Smith, Co-Chair <input checked="" type="checkbox"/> Irene Malmgren <input checked="" type="checkbox"/> Audrey Yamagata-Noji	<input checked="" type="checkbox"/> Martin Ramey <input checked="" type="checkbox"/> Mark Fernandez <input checked="" type="checkbox"/> Rosa Royce <input checked="" type="checkbox"/> Lance Heard <input type="checkbox"/> Lisa Romo	
	<input checked="" type="checkbox"/> Elizabeth Contreras(Student) <input type="checkbox"/> Vacant (Student) <input type="checkbox"/> Justin Ott <input checked="" type="checkbox"/> Gary Nellesen	
	<input type="checkbox"/> Michael Sanetrick <input type="checkbox"/> Bill Scroggins (Guest) <input checked="" type="checkbox"/> Kerry Martinez (Notes)	
ITEM	DISCUSSION/COMMENTS	ACTION/OUTCOME
1. Agenda Check		Approved, as presented.
2. Review Budget Committee Meeting Summary of September 2, 2015	<p>The Budget Committee Meeting Summary of September 2, 2015, was approved, as presented.</p>	Approved, as presented.
3. Hear Reports from Vice Presidents that Serve on the Budget Committee to Discuss the New Resources Allocation Process and how Effective it was for them	<p>Irene Malmgren reported on the Instruction Team's new resources allocation prioritization process. She stated the divisions within Instruction come together and prioritize in the areas of staffing, facilities, instructional equipment, supplies, and lottery and look at the details of the requests. Money has been allocated along the way; for example; they were able to get some things funded in July so classes that started in August didn't have to wait until October. Irene said there are some things that can be fine-tuned as we go along but that is being done. She noted that it is easier when there's money to allocate because they don't have to draw such a fine line. She also noted that integration is the biggest change she's seen with this process along with the clarity of the request being in better shape than in the past. There's a better chance of getting things ordered and delivered on time.</p> <p>Mike Gregoryk reported on the Administrative Services Team's new resources allocation prioritization process. He stated Administrative</p>	

Services' process is very similar to Instruction's; it starts with PIE. Mike's direct report managers go through their PIEs and pull out their requests which could be anywhere from full-time positions to capital outlay items. One of the big differences in Administrative Services is that some of the things that come across aren't for the benefit of a specific department, they are institutional, not just for Administrative Services but for the whole college. Mike and his direct reports meet and prioritize each department's requests, including the items that have an institutional impact. Then the Vice Presidents meet with Dr. Scroggins and talk about institutional issues. They review and look at the items globally. Irene noted that the teams work together and coordinate the needs that affect each other, they've been able to fund things together. Lance Heard asked if there is a way to make sure this is captured as a practice and would it be helpful for the Budget Committee to document this as a best practice. Mike stated this is a great idea. Mark Fernandez suggested this be added to the section in the budget process/guideline regarding new resource allocation. The sub-committee working on reviewing the budget process will bring this to a future meeting and discuss adding this to the budget process. It was noted that a section for outcomes has been added to the PIE process. Mark stated in the past Immediate Need Requests were also included in the discussion along with New Resource Allocation Requests. Mike stated Immediate Need Requests have become very limited because Dr. Scroggins is looking very closely at these requests and asking why wasn't this in your PIE, sometimes they should have been put in the New Resources Allocation Requests. Mark stated it would be helpful to understand how Immediate Needs are being submitted and how well this process is working. Irene and Mike both gave examples of recent Immediate Needs Requests from their areas. These items were unforeseen and were one-time expenses.

Audrey Yamagata-Noji reported on the Student Services Team's new resources allocation prioritization process and stated it worked well. They used the format they received from Fiscal Services so the justification was there. Audrey stated the Student Services team met and everyone explained their internal rankings and the purpose and rationale for what they

	<p>needed, then they voted. Audrey stated the items she would have chosen if she did it herself ended up being the same as what was decided upon in the end. She gave some examples of their approved requests. Mike noted that another thing he found about, which is of value, is when the Vice Presidents meet with Dr. Scroggins they really get to know each other's operations a lot better. They make decisions together on how they can better serve students.</p>	
<p>4. Review and Make Recommendations on the Findings on BP6200 Budget Preparation, BP6250 Budget Management, and AP6250 Budget Management</p>	<p>Dan Smith reviewed the latest version of BP6250 Budget Management and BP6200 Budget Preparation with the Budget Committee, which were reviewed and revised in Academic Senate on May 7, 2015. He asked if BP6200 is correct and ready to pass with the recent revisions. Budget Committee members reviewed BP 6200 and BP6250 and gave suggestions. Martin Ramey suggested consistency be used when writing % or percent. The committee agreed that they should be written as "percent." The third paragraph that was moved from BP6200 to BP6250 was noted to be redundant and repeats language from another paragraph in the Board Policy. It was noted that clarification is needed regarding the practice of maintaining the District's unrestricted general reserves. It should match Title V regulations. It was suggested that the first sentence in the last paragraph on BP6250 be moved up to the fourth paragraph in the document and to avoid redundancy in the document. Mark noted the paragraph stating "the following steps will be taken" should be included in AP6250 not BP6250 because it's not a policy. Mike suggested the Budget sub-committee review these documents and make revisions without undoing the work of the Academic Senate. Rosa noted the team now consists of Dan, Mark, Martin, and herself.</p>	<p>Budget Sub-committee will return at a future meeting with their recommendations.</p>
<p>5. Other Business</p>	<p>Mark Fernandez stated he was asked to find out where the money that is being collected in student bus fees going. It was noted that all students are being charged the fee but not all students are using the buses. Audrey stated research of the ridership was done in the pilot phase of three semesters and they came up with a dollar value target which represented the amount of fees to be charged. At this point in time they will bill the College at the end of the term. There is an approximate amount we are collecting and an approximate amount we think the costs are. The</p>	

difference between these, she's not sure how this will be reconciled. For example; if the College had a boost in enrollment so we had more resources, we shouldn't be paying in all that was collected, we pay the base amount that they calculated. At this point our enrollment is flat, and based on the data they had before, we're probably right on the money. If the enrollment goes down and ridership goes up, where the costs go up for Foothill Transit, we then need to negotiate with them. Mike stated initially what the College contracted for was that Foothill Transit would do the calculation on the ridership and if at the end of the year we're in the positive then that's the College's money which will be set up in a student reserve for transportation. If we start losing enrollment and don't make their ridership number, that's on Foothill Transit and not on the College. Mike doesn't expect a lot of positive revenue coming out of this.

FUTURE AGENDA ITEMS

- Review Recommendations from Budget Sub-committee Regarding BP6200, BP6250, and AP6250

FUTURE MEETING DATES

October 7, 2015
October 21, 2015
November 4, 2015

BUDGET COMMITTEE

(Governance Committee – Reports to President’s Advisory Council)

Purpose

The Budget Committee is the primary governance body for developing, recommending, and evaluating policies and procedures relating to planning and its link to all aspects of College finances.

Function

1. Develop and recommend policies and procedures relating to overall resource generation and allocation.
2. Develop and recommend policies and procedures for budget development, and review the current budget process for effectiveness.
3. Develop and recommend policies and procedures for allocating discretionary revenue.
4. Evaluate effectiveness of policies and procedures relating to all aspects of College finances.
5. Evaluate the College budget models using an ongoing and systematic cycle of evaluation, integrated planning, resource allocation, implementation, and re-evaluation (ACCJC Standard I.B.3).
6. Reports to President’s Advisory Council on the evaluation of the College budget models and informs the campus about budget-related matters.

Membership (14)

	<u>Position Represented</u>	<u>Name</u>	<u>Term</u>
1.	Vice President, Administrative Services (Chair)	Mike Gregoryk	(ongoing)
2.	Four Managers (one from Facilities Planning & Management, one from Student Services, one from Fiscal Services, and one from Instruction)	Irene Malmgren	(ongoing)
3.		Rosa Royce	(ongoing)
4.		Gary Nellesen	(ongoing)
5.		Audrey Yamagata-Noji	(ongoing)
6.	Four Faculty (Appointed by the Academic Senate) * 1 Appointed Co-Chair	*Dan Smith (Co-Chair)	(2015-18)
7.		Martin Ramey	(2013-16)
8.		Michael Sanetrick	(2014-17)
9.		Lance Heard	(2013-16)
10.	Two Classified	Justin Ott	(2015-18)
11.		Mark Fernandez	(2015-18)

12.	One Confidential	Lisa Romo	(2015-18)
13.	Two Students (Appointed by Associated Students)	Elizabeth Contreras	(2015-16)
14.		Vacant	(2015-16)

Rationale for changes (if any):

Membership Meeting Times:

COMMITTEE TYPE	CHAIR	MEETING SCHEDULE	LOCATION	TIME
Budget Committee	Michael Gregoryk	1 st and 3 rd Wednesdays of Every Month	Building 4, Room 2460	3:00 – 4:30 pm

Person Responsible to Maintain Committee Website:

Kerry Martinez
kmartinez@mtsac.edu, 909-274-5502

College Website Link and Last Time Website Was Updated

<http://www.mtsac.edu/governance/committees/budget/>

Last updated: October 6, 2015



**Committee Goal and Progress Report
2015-16**

Committee name: Budget Committee

Name of person completing the report: Kerry Martinez

Instructions: By October 1, 2015: complete Columns 1 and 2; submit electronically to dlinholm@mtsac.edu (on behalf of the President's Advisory Council). By June 1, 2016: Complete Column 3 and submit electronically to dlinholm@mtsac.edu (on behalf of the President's Advisory Council).

(EXPAND AS NECESSARY)

Committee Goal	Link to College Goal #	Completed Outcomes/Accomplishments (descriptive bullet list)



Committee Goal and Progress Report 2014-15

Committee name: Budget Committee

Name of person completing the report: Kerry Martinez

Instructions: By October 1, 2014: complete Columns 1 and 2; submit electronically to dlinholm@mtsac.edu (on behalf of the President's Advisory Council). By June 1, 2015: Complete Column 3 and submit electronically to dlinholm@mtsac.edu (on behalf of the President's Advisory Council).

(EXPAND AS NECESSARY)

Committee Goal	Link to College Goal #	Completed Outcomes/Accomplishments (descriptive bullet list)
GOAL # 1: Maintain the Budget Committee website to ensure it is accurate, complete, and current.	8,9, 13,14	The Budget Committee website is kept accurate, complete, and current. Budget Committee minutes are posted on the website in a timely manner.
GOAL #2: Review and Revise the Budget Review and Development Process to align and integrate with campus-wide planning processes and the Strategic Plan process and timelines.	7,9,14	A Budget Sub-committee was formed to review and revise the Budget Review and Development Process to align and integrate with campus-wide planning processes and the Strategic Plan process and timelines. The sub-committee is currently working on a revised draft, which it will present to the full Budget Committee for comment by fall 2015. The Budget Sub-committee reports their progress to the Budget Committee and makes recommendations.
GOAL #3: Review and make recommendations for the OPEB Trust (Retirees Health Benefits) to meet its funding goals.	7	A Memorandum was sent to Bill Scroggins, President & CEO, and to the President's Cabinet Members on May 6, 2014, from the Budget Committee formally recommending that the College continue to fund \$2,500,000 towards the annual contribution to the OPEB Trust on an ongoing basis from the Unrestricted General Fund, pay the retirees' health premiums from the interest earned on the OPEB Trust and if the interest earned does not cover the annual cost in any given fiscal year, the difference will be covered by the Unrestricted General Fund, and change the financial presentation of the OPEB annual contribution and health premiums to reflect the \$2,500,000 as an ongoing expenditure budget, and the difference as a one-time expenditure budget with the corresponding one-time savings. This recommendation was approved by the Board of

<p>GOAL #4: Improve communication about budget issues to the campus and community by utilizing technology and collaborating with the Marketing Department.</p>	<p>8,9 13,14</p>	<p>Trustees on May 27, 2015.</p> <p>Budget Committee members met on May 6, 2015, with Uyen Mai and Jill Dolan from Marketing & Communication to identify concerns and find solutions regarding ways to improve communication about budget issues to the campus and community. The following suggestions were made:</p> <ul style="list-style-type: none"> • Include a budget summary page on the Budget Committee's webpage to provide information to the public; • to reach the community at critical times, revisit the technique of "blast information," • use layman's terms instead of accounting language when communicating with the campus and community, and • provide information on a quarterly basis to the campus community using a similar format as the President's Announcements. <p>The Budget Committee will meet again and discuss these suggestions in fall 2015.</p>
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BP 6250 Budget Management
Budget Sub-Committee Recommendation
October 7, 2015

Budget Sub-Committee: Mark Fernandez, Martin Ramey, Rosa Royce, and Daniel Smith

The review of the proposed changes for some of the paragraphs of “BP 6250 Budget Management” were numbered from one to four. This was done to facilitate discussion and analysis. The changes proposed by the Sub-Committee are highlighted in yellow. The Sub-Committee will need the Budget Committee’s feedback for the items in red font.

The following are the Sub-Committee’s recommendations and needed Budget Committee feedback:

Paragraph 1:

The Sub-Committee agreed to remove this paragraph.

Paragraph 2:

The Sub-Committee would like to have feedback from the Budget Committee on the use of the word “**should**” versus the use of the words “must” or “shall”. The understanding is that “must” and “shall” mean required and “should” indicates a recommendation and provides more flexibility to the Board of Trustees. What is the degree of strength given to the 10% reserves mandate?

Paragraph 3:

The Sub-Committee agreed to remove this paragraph.

Paragraph 4:

The Sub-Committee agreed to remove this paragraph.

The Sub-Committee recommends to reword the paragraph in red font and include the revised paragraph to BP 6200 Budget Preparation. This revised language aligns to BP 6200 because it describes part of the process of the development of the annual budget prior to adoption. Please see the attached proposed changes to BP 6200.

Chapter 6 – Business and Fiscal Affairs

BP 6250 Budget Management

References:

Title 5 Sections 58307 and 58308; BP 6200

The budget shall be managed in accordance with Title 5 and the California Community College Budget and Accounting Manual. Budget revisions shall be made only in accordance with these policies and as provided by law.

Revenues accruing to the College in excess of amounts budgeted shall be added to the College's reserve for contingencies. They are available for appropriation only upon a resolution of the Board of Trustees that sets forth the need according to major budget classifications in accordance with applicable law.

Board of Trustees approval is required for changes between major expenditure classifications. Transfers from the reserve for contingencies to any expenditure classification must be approved by a two-thirds vote of the members of the Board of Trustees. Transfers between expenditure classifications must be approved by a majority vote of the members of the Board of Trustees.

The following steps will be taken to maintain the District's unrestricted general reserves as no less than 10% of expenditures. (A prudent reserve is defined by the California Community College Chancellor's Office no less than 5%.)

MOVED FROM BP 6200

To assure ensure ongoing fiscal health and stability, every effort shall be made to the District should maintain the total Unrestricted General Fund Balance ("reserves") at not less than ten percent (10%) of expenditures. Upon recommendation of the College President/CEO, the Board of Trustees may, by resolution, waive this requirement and permit reserves to be reduced to not less than five percent (5%). If the reserves General Fund Balance becomes less than ten percent (10%), the College will present a plan within 120 days to restore the reserves deficit or shortage within two fiscal years.

MOVED FROM BP 6200

In times of fiscal uncertainty, the Board of Trustees may, by resolution, waive the clause in this policy of maintaining a ten percent Unrestricted General Fund Balance. Upon recommendation of the College President/CEO, reserves may be utilized to the extent necessary down to a level of five percent of the expenditures of the Unrestricted General Fund. The reduced Unrestricted General Fund Balance must remain at a level no lower than five percent. It is intended that this exception be considered temporary in nature and restoration as stated above be implemented.

MOVED FROM BP 6200

If revenues exceed expenditures in any given fiscal year, the College may allocate surplus funds to institutional priorities as determined through the annual planning and budgeting process. Restoration of reserves to the ten percent level, as stated in the above bulleted clause, shall be given priority.

Approved: July 28, 2004

Revised: Academic Senate May 7, 2015