BUDGET COMMITTEE

MEETING AGENDA

March 4, 2020

3:00 p.m.

Location: Building 4, Conference Room 2460 **Time: 3:00 p.m. – 4:30 p.m.**

Committee Members:

Morris Rodrigue, Chair	Gary Nellesen	Brandon Gillett	Vivian Ruiz (Notes)
Joan Sholars, Co-Chair	Vicki Greco	Lisa Romo	
Audrey Yamagata-Noji	Tamra Horton	Jaeseung "Andy" Shin (Student)	
Richard Mahon	Vacant (Faculty)	Kian Bidari (Student)	
Rosa Royce	Anthony Stanisci	Doug Jenson (Guest)	

AGENDA ITEMS:

1. **Agenda Check**
2. **Review the Budget Committee Meeting Summary of November 6, 2019**
3. **Governor's January Proposal for 2020-2021 Budget**
4. **2019-2020 Apportionment P1 Update**
5. **Budget Development Calendar**
6. **Purpose & Function Approved on October 23, 2019**

FUTURE BUDGET COMMITTEE MEETINGS (3:00 p.m. – 4:30 p.m.):

March 18, 2020
April 1, 2020
April 15, 2020
The committee does not meet during Summer or Winter Intersessions, unless needed.

Mt. San Antonio College
Budget Committee Summary of
March 4, 2020

Committee Members:

☒ **Morris Rodrigue- Co-Chair**	☒ **Gary Nellesen**	☒ **Brandon Gillett**	☒ **Emily Woolery (Guest)**
☒ **Joan Sholars, Co-Chair**	☒ **Vicki Greco**	☐ **Lisa Romo**	
☐ **Audrey Yamagata-Noji**	☒ **Tamra Horton**	☐ **Jaeseung "Andy" Shin (Student)**	☒ **Vivian Ruiz (Notes)**
☒ **Richard Mahon**	☐ **Vacant (Faculty)**	☒ **Kian Bidari (Student)**	
☒ **Rosa Royce**	☐ **Anthony Stanisci**	☒ **Doug Jenson**	

ITEM	DISCUSSION/COMMENTS	ACTION/OUTCOME
1. Agenda check	Agenda checked.	**Agenda approved.**
2. Review the Budget Committee Meeting Summary of November 6, 2019	The Budget Committee Meeting Summary of November 6, 2019, was reviewed and approved with one change. • # 4. Board Policy requires the College to pay $2.5 million into the ~~**corpus**~~ **trust** every year and to pay the Retirement Benefit Obligation out of the earnings of the OPEB Trust.	**Meeting Summary approved with correction with one change.**

3. Governor's January Proposal for 2020-2021 Budget	Morris Rodrigue presented the Governor's Proposal for 2020-2021 Budget.
	• Budget priorities include:
	  ○ Addressing affordability crisis – health care and housing
	  ○ Investing in emergency response – homelessness and wildfires
	  ○ Promoting opportunity – increased funding for preschool, public schools, and higher education; new department of Early Childhood Development
	• Increases funding compared to 2019-20 enacted budget. Total spending up by $7.4 billion.
	• Proposition 98 funding increased from $81.5 billion to $84 billion.
	• Continues focus on resiliency: Grows Rainy Day Fund, grows Public School System Stabilization Account, and makes required Proposition 2 debt payments (includes supplemental $1.1 billion payment to CalPERS in 2023-24).
		IIID.

	Total Computational Revenue (TCR) and Timelines for Unrestricted General Fund.
	
	• Total Computational Revenue (TCR) is funding associated with the Student Center Funding Formula plus carve out for non-credit and special admits FTES.
	• Components: Base Allocation, Supplemental Allocation, and Student Success Allocation.
	• Principal Apportionment Process -For Any Given Fiscal Year
	  ○ AD - Advance Apportionment - July of Current FY
	  ○ P1 - Period 1 – February of Current FY
	  ○ P2 - Period 2 - June of Current FY
	  ○ R1 - Recalculation – February of the Subsequent FY
	
	2018-2019 SCFF Update
	• TCR as of February 2020 $187.5 million
	• District funded for the total SCFF
	• There is no deficit or shortfall
	• Received additional one-time of $648,834	

4. 2019-2020 Apportionment P1 Update	• Projected TCR $197.3 million • Increase of $10.2 million when compared to the 2019-2020 Adopted Budget • Deficit as of February $7.3 million	
5. Budget Development Calendar	Rosa Royce presented the Budget Development Calendar. • The Board of Trustee are scheduled to approve the 2020-21 Adopted Budget on September 9, 2020. • The Budget Committee discussed the need to obtain detailed budget information. It was indicated that the 2018-19 Adopted Budget with details can be found through the following link: https://www.mtsac.edu/fiscal/budgets.html	**IIID.**

6. Purpose & Function Approved on October 23, 2019	The Committee approved the following changes made to the Purpose and Function from the October 23, 2019, meeting. Function: Numerical order Membership: Remove Mike Gregoryk and add Morris Rodrigue Remove "acting co-chair" for Doug Jenson and leave as a committee member Remove number 3 from the email address and add in # 6. Vruiz6@mtsac.edu	**Changes as discussed in the meeting.**

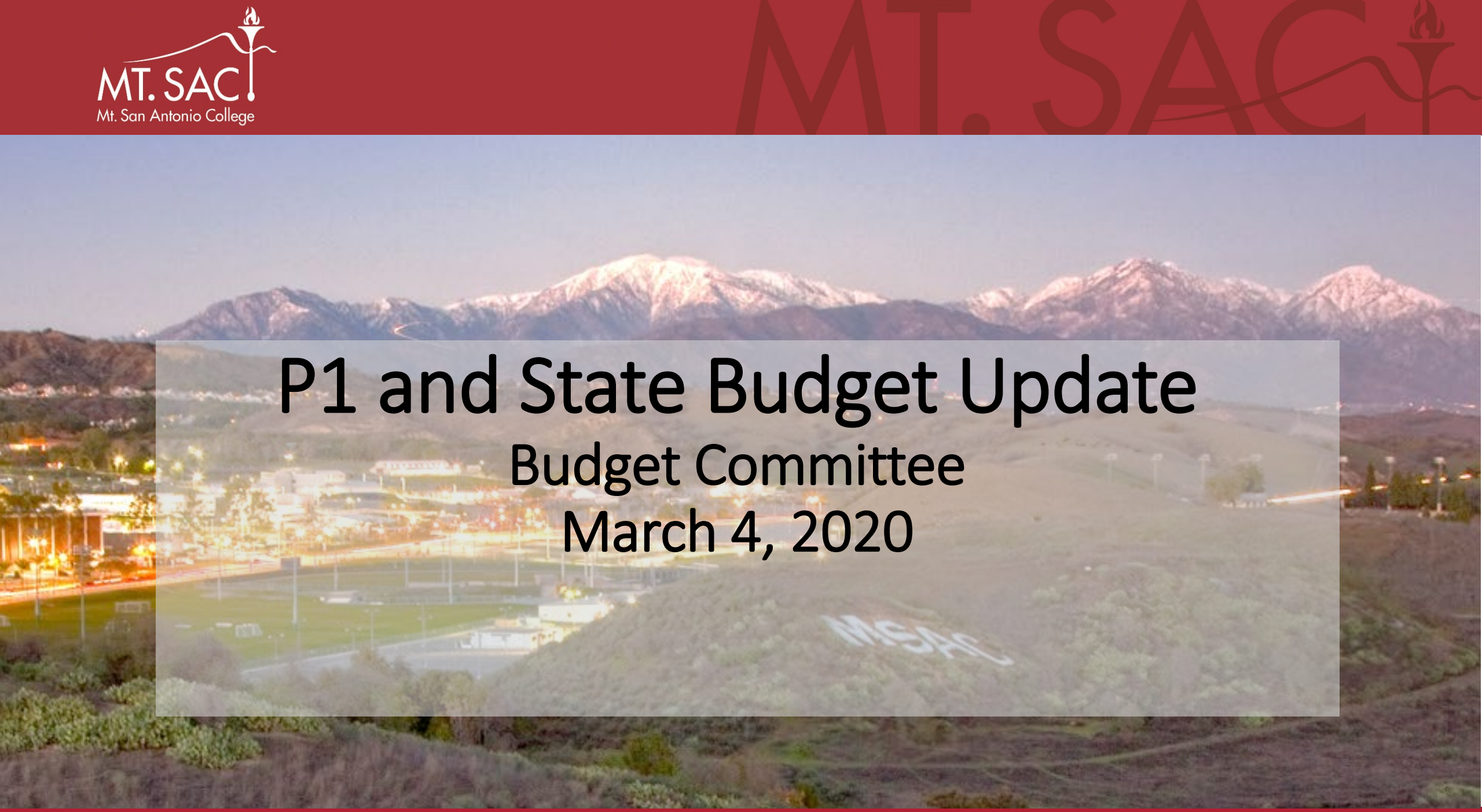
Accreditation Standard - IIID. Financial Resources—Plans and manages financial affairs with integrity and in support of all institutional planning.

FUTURE AGENDA ITEMS

- **Budget Review and Development Guide – last updated September 2016.**
- **Questica Presentation**

FUTURE MEETING DATES

- **May 6, 2020**
- **May 20, 2020**
- **June 3, 2020**
- **June 17, 2020**



P1 and State Budget Update

Budget Committee

March 4, 2020

Total Computational Revenue (TCR)

Funding associated with the Student Centered Funding Formula plus carve outs for non-credit and special admit FTES.

TCR

- Base Allocation
  - Non-Credit
  - Special Admit (Dual Enrollment)
- Supplemental Allocation
- Student Success Allocation

Apportionment Timelines

- Unrestricted General Fund
- Principal Apportionment Process -For Any Given Fiscal Year
  - AD - Advance Apportionment - July of Current FY
  - P1 - Period 1 – February of Current FY
  - P2 - Period 2 - June of Current FY
  - R1 - Recalculation – February of the Subsequent FY

2018-19 TCR Estimates the Wild Ride

Advance	P1	P1 V2	P2	R1
State Estimate Aug 2018 $185.7 M	Max Feb 2019 $191.5 M	Max Apr 2019 $191.6 M	Max Jun 2019 $187.6 M	Max Feb 2020 $187.5 M
		Constrained Apr 2019 $190.8 M	Constrained June 2019 $187.6 M	
2018-19 Hold Harmless $181.2 M	Available Revenue Feb 2019 $181.9 M	Available Revenue Apr 2019 $183.0 M	Available Revenue Jun 2019 $186.8 M	Available Revenue Feb 2020 $187.5 M

2019-20 TCR

Advance

Jul 2019
$187.6 M

2019-20
Hold Harmless
$187.1 M

P1

Re-bench Formula
Feb 2020
Est. Max
$197.3 M

Re-bench Formula
Feb 2020
Current Available Funding
$190.0 M

P2

Final Re-bench of Formula
Jun 2020
?

2018-19 SCFF Update

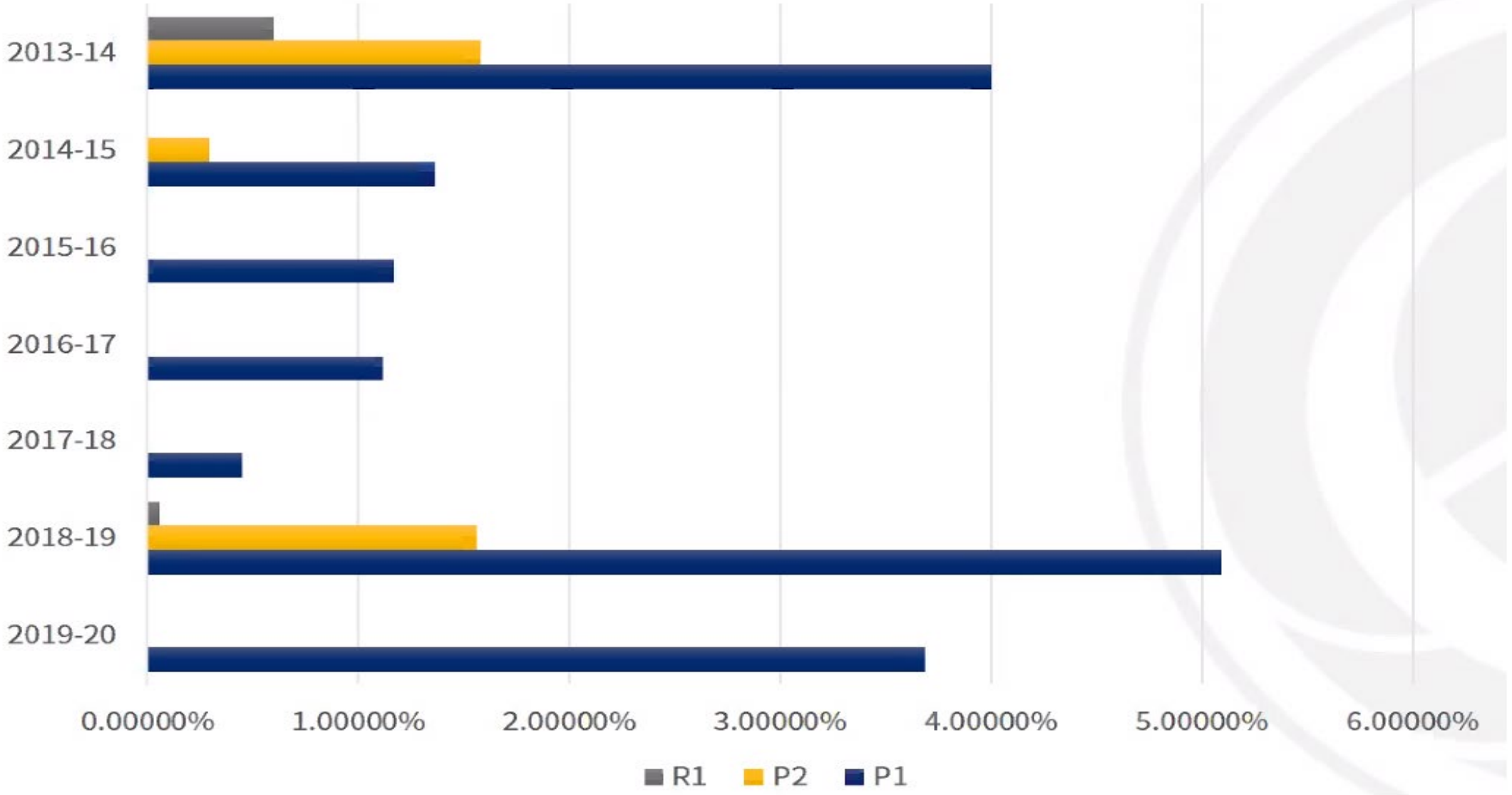
	P2 Jun 2019	Recalc Feb 2020	Decrease SCFF	Aditional One-time Funds
Per TCR	$187,627,396	$187,483,410	($143,986)	
Revenue Received	$186,834,576	$187,483,410		$648,834
Shortfall	($792,820)			

- The final SCFF calculation is $187,483,410.
- The District was funded for the total Apportionment. There is no deficit or shortfall.
- The District will receive additional one-time funds of $648,834.

2019-20 SCFF Update
Projected Increase of $10.2 Million When Compared to the 2019-20 Adopted Budget

	Budget Sep 2019	P1 Feb 2020	Difference
Hold Harmless/Minimum Revenue	**$187,112,691**	-	
Base Allocation	-	$148,961,002	
Supplemental Allocation	-	33,766,128	
Student Success Allocation	-	14,556,560	
Total Funding per SCFF	**$187,112,691**	**$197,283,690**	**$10,170,999**
Available Revenue		**$190,004,430**	
Shortfall		**$7,279,260**	

CCCs History of Deficit Factors



2019-20 SCFF and 2018-19 SCFF Comparison
Projected Increase of $9.8 Million

	SCFF P1 2019-20		SCFF Recalc 2018-19		Difference
Base Allocation	$148,961,002	75%	$138,852,488	74%	$10,108,514
Supplemental Allocation	33,766,128	17%	35,202,295	19%	(1,436,167)
Student Success Allocation	14,556,560	8%	13,428,627	7%	1,127,933
Total Funding per SCFF	**$197,283,690**	**100%**	**$187,483,410**	**100%**	**$9,800,280**
Shortfall	**(7,279,260)**		-		
SCFF Revenue Received	**$190,004,430**		**$187,483,410**		

2019-20 SCFF and 2018-19 SCFF Comparison
Base Allocation Increased by $10,108,515

- Major increase due to:
  - Credit FTE rate increased from $3,727 to $4,014
  - Strong FTE counts accounting for 75% of total District SCFF projected funding
  - FTE Growth in the noncredit programs
  - However, Growth may be over estimated by approximately $200,000

- **Subject to change:**
  - Formula includes average of FTE actuals for the 2017-18, 2018-19, and estimates for 2019-20. Districts have until November 1, 2020 to submit final FTE counts for 2019-20.
  - FTE rates will be re-benched with P2 in June 2020.

2019-20 SCFF and 2018-19 SCFF Comparison
Supplemental Allocation Decreased by $1,436,167

- **Possible Reason:**
  - Transition of the Summer from header to trailer term in the academic year. 2017-18 includes 5 terms (Summer 2017, Fall 2017, Winter 2018, Spring 2018, and Summer 2018).

- **Subject to change:**
  - Counts may change. Data review period was extended from January 14 to March 20, 2020
  - Supplemental rates will be re-benched with P2 in June 2020.

2019-20 SCFF and 2018-19 SCFF Comparison
Student Success Allocation Increased by $1,127,933

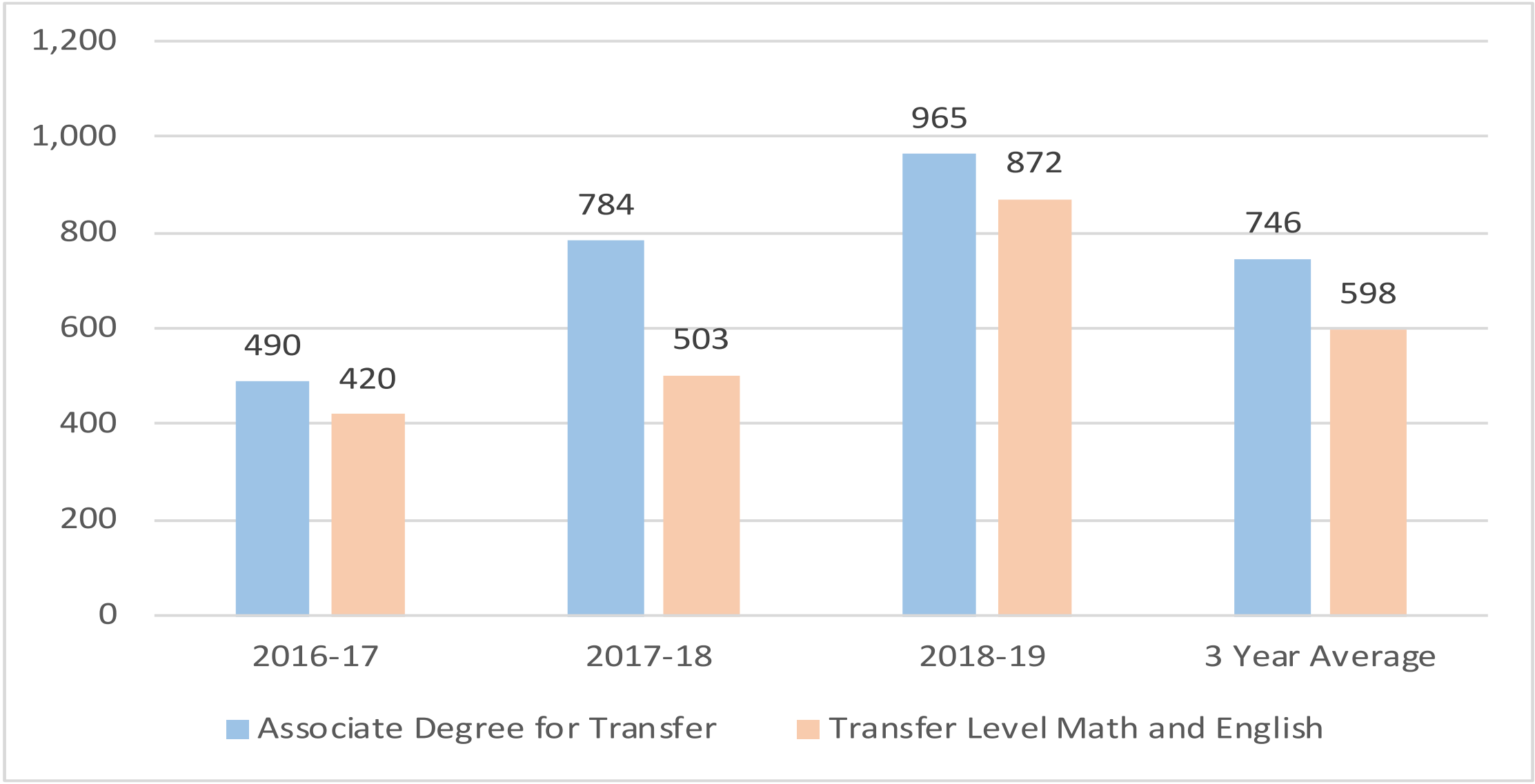
Key Changes to Student Success Allocation Metrics

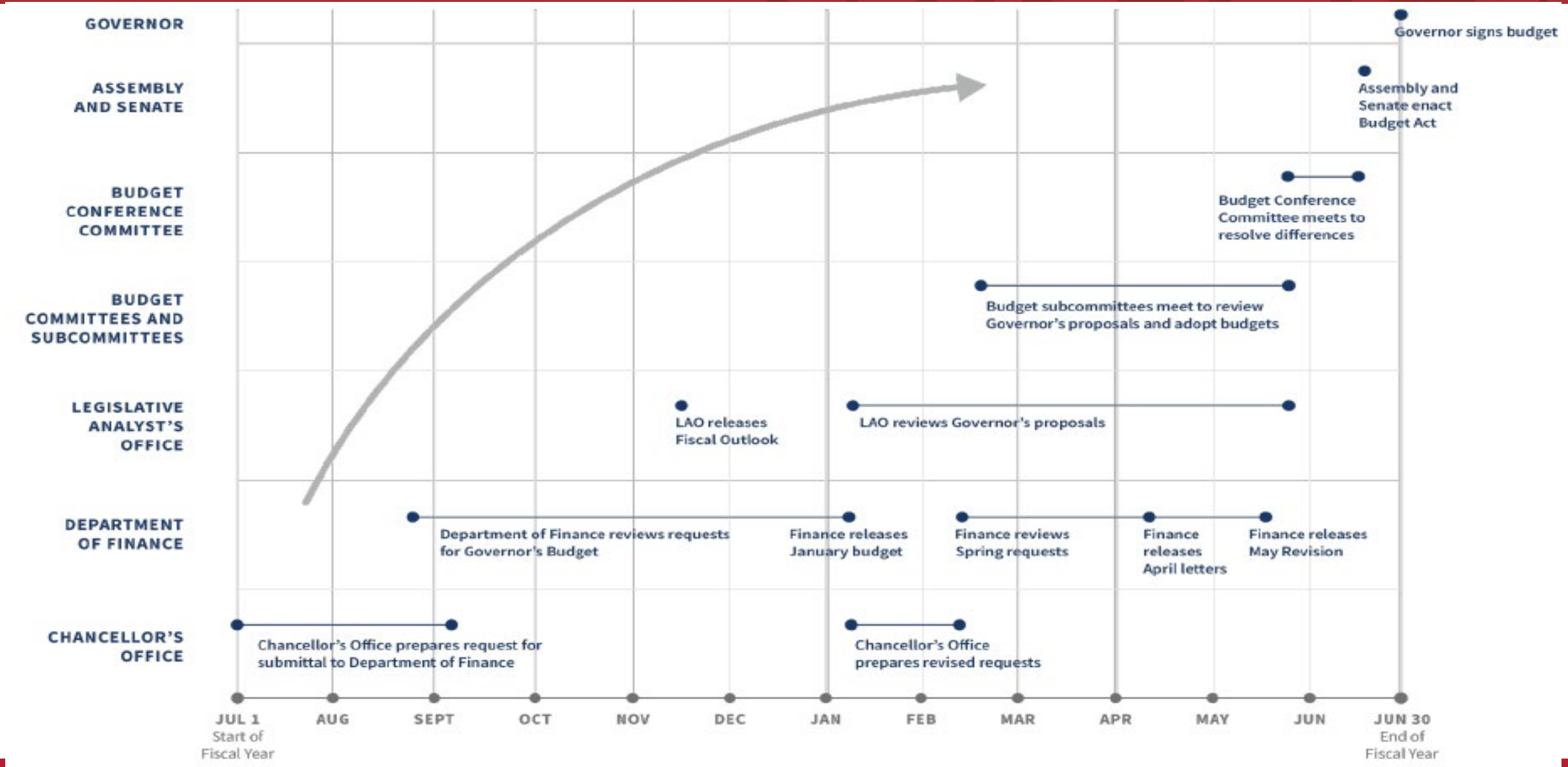
- Three year average for student success metrics.
- Counts only the highest of all awards a student earned in a given year, if student was enrolled in the district in the year the award was granted.
- A student who transferred to a four-year university is now included in the district's count only if the student completed 12 or more units in the district in the year prior to transfer.

Subject to change:

- Counts may change. Data review period was extended from January 14, 2020 to March 2020
- Supplemental rates will be re-benched with P2 in June 2020.

Student Success Metrics
ADT and Transfer Level Math & English




GOVERNOR
ASSEMBLY AND SENATE
BUDGET CONFERENCE COMMITTEE
BUDGET COMMITTEES AND SUBCOMMITTEES
LEGISLATIVE ANALYST'S OFFICE
DEPARTMENT OF FINANCE
CHANCELLOR'S OFFICE
Governor signs budget
Assembly and Senate enact Budget Act
Budget Conference Committee meets to resolve differences
Budget subcommittees meet to review Governor's proposals and adopt budgets
LAO releases Fiscal Outlook
LAO reviews Governor's proposals
Department of Finance reviews requests for Governor's Budget
Finance releases January budget
Finance reviews Spring requests
Finance releases April letters
Finance releases May Revision
Chancellor's Office prepares request for submittal to Department of Finance
Chancellor's Office prepares revised requests
JUL 1 Start of Fiscal Year
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN
JUN 30 End of Fiscal Year

2020-21 Governor's January Proposal

- Addressing affordability crisis – health care and housing
- Investing in emergency response – homelessness and wildfires
- Promoting opportunity – increased funding for preschool, public schools, and higher education; new Department of Early Childhood Development
- Increases funding compared to 2019-20 enacted budget. Total spending up by $7.4 billion.
- Proposition 98 funding increased from $81. 5 billion to $84 billion.
- Continues focus on resiliency: Grows Rainy Day Fund, grows Public School System Stabilization Account, and makes required Proposition 2 debt payments (includes supplemental $1.1 billion payment to CalPERS in 2023-24).

2020-21 Governor's January Proposal Community Colleges Ongoing Increases

- $167.2 Million for a 2.29% COLA for SCFF.
- $31.9 Million for a 0.5% Enrollment Growth.
- $9.2 Million for a 2.29% COLA for CalWORKS, Campus Childcare, DSPS, EOPS, Apprenticeships, and Mandated Block Grant programs.
- Proposition 98 CCC's share at 10.93%.
- $15.8 Million for dreamer resource liaisons and legal aid support for immigrants.
- $15 Million to expand California apprenticeship initiative.
- $11.4 Million to support CCC's food pantry services.
- $5 Million for instructional materials for dual enrollment students.

2020-21 Governor's January Proposal Community Colleges One-time Increases

- $20 Million to expand access to work-based learning models.
- $15 Million to create statewide pilot fellowship program for diverse hiring.
- $10 Million to expand zero textbook cost within program pathways.
- $10 Million for part-time faculty office hours.
- $17.2 Million for Physical Plant and Instructional Support.
- $20.4 Million for apprenticeship coursework Initiative.
- $27.6 Million in Proposition 51 bond funds for 24 new projects.

2020-21 Governor's January Proposal
CCC System Support Program

Shift $125 Million in funding from existing categorical set-asides and statewide programs to a new CCC System Support Program

- Pending trailer bill will require Board of Governor's to adopt annual budget and expenditure reports
- Set-asides for administrative and statewide activities
  - Student Equity and Achievement Program
  - Cooperating Agencies Foster Youth Educational Support
  - CCC Strong Workforce Program
- Statewide Programs
  - Institutional Effectiveness Partnership Initiative
  - Integrated Technology
  - Transfer Education and Articulation
  - Expand Delivery of Courses through Technology
  - Statewide media campaigns (from Financial Aid Administration)

Budget Challenges

- OPEB Trust – Continued need to fund
- Income for Parking Services is declining
- STRS Rate Increases
  - "Employer Share" will increase from 17.1% to 18.4% in 2020-21
  - Will decrease to 18.1% by 2023-24
- PERS Rate Increases
  - "Employer Share" projected to increase from 19.7% to 22.8% in 2020-21
  - Projected to increase to 26.6% by 2023-24

Budget Challenges

- Proposition 30 was extended with Proposition 55 in November 2016
  - Estimated at $32.1 million for Mt. SAC in 2019-20
  - Income Tax Increase is scheduled to end in 2030

- Maintain Unrestricted General Fund Balance Reserve at not less than 10% of Total Expenditures – Board Policy (BP) 6250.
  - 10% of $235,314,580, which is $23,531,458 in the 2019-20 Adopted Budget

Future Considerations

- Presidential Elections
- Possible short falls in State revenues that rely heavily on volatile state income tax collections, particularly those from capital gains.
- Apportionment deficits, unlike K-12 there is no provision for automatic backfill for CCCs.

Questions

Appendix C
2020-21 BUDGET DEVELOPMENT CALENDAR

(March 4, 2020)

DRAFT

DESCRIPTION OF TASK	DUE DATE	COMPLETION DATE
Fiscal Services Updates and Projects Personnel Budget (Changes through January 8, 2020 Board Agenda)	01/24/20	01/24/20
Fiscal Services Distributes Status Quo Budget Templates to Departments for Tentative Budget Changes/Analysis	03/09/20	
Departments Complete Status Quo Budget Review **(**Unit/Grant Review)**; Then Sends to Deans/Directors	03/20/20	
Fiscal Services Prepares Preliminary Tentative Budget	03/27/20	
Budget Committee Reviews Expected Budget, Resources, and Processes	04/01/20	
Budget Committee Reviews Preliminary Tentative Budget	04/01/20	
Deans/Directors Review and Approve Department's Status Quo Budgets **(**Division/Department Budget)**; Then Sends to VPs	04/03/20	
Vice Presidents Review and Approve Department's Status Quo Budgets **(**Area/Team Budget)**; Then Sends to Fiscal	04/24/20	
President's Cabinet Makes Final Decision on Funding for One-time New Resources Allocation Requests Previously Funded . (The review may include New Resources Allocation Requests that have been funded in the previous year (s) that need funding on July 1 and decision for funding can not wait until October)	05/19/20	2/25/20
Departments Prioritize New Resources Requests for One-Time Funding in their PIE Forms	*06/01/20 to 06/30/20	
Budget Committee Reviews the Tentative Budget (Budget Scenarios)	06/03/20	
Fiscal Services Completes the Tentative Budget and Prepares Board Agenda Item	06/05/20	
Tentative Budget Submitted for Board Approval	06/24/20	
Fiscal Services' Deadline for 2018-19 Year-End Closing	07/23/20	
Deans/Directors Prioritize Department's New Resource Allocation Requests	Early September	
Vice Presidents Prioritize Team's New Resource Allocation Requests	Mid September	
VP's Prioritization of New Resources Request to Fiscal Services	Mid September	
Budget Committee Reviews the Proposed Annual Budget	09/02/20	
Board of Trustees Approves Adopted Budget	09/09/2020	
Budget Committee Reviews New Resources Requests to Assure Alignment with the College Budget Development Process by Inviting the Vice Presidents to Report the Process	Early October	
President's Cabinet (PC) Makes Final Decision on New Resources Requests	Mid October	
Fiscal Services Receives Listing of New Resources Allocation Requests with Approved Funding	TBD	
Fiscal Services Notifies Departments that have New Resources Allocation Requests with Approved Funding and Requests Supporting Documentation (quotes, invoices, job descriptions, etc.) and Allocates Funding	TBD	
Fiscal Services reports status of New Resources Allocation funded requests to Budget Committee, President's Cabinet, and Campus Community in the following fiscal year Adopted Budget Plan, which includes expenditures as of June 30, 2020.	09/09/2020	

LEGEND:

Budget Committee
Department level
Administrative Level
Other Groups
Fiscal Services

*** Timeframe**

**** Terminology used in Questica Budget System**

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 for institutional planning as it relates to its integration of the budget process in all aspects of College finances.

Function

1. Evaluate and recommend changes to policies and procedures relating to overall resource allocation.
2. Develop, evaluate, and recommend related policies and procedures for budget development and review the current budget process for effectiveness.
3. Evaluate and recommend changes related to policies and procedures for allocating discretionary revenue.
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 (15)

	Position Represented	Name	Term
1.	Vice President, Administrative Services	Mike Gregoryk	ongoing
2.	Chief Compliance and College Budget Officer	Rosa Royce	ongoing
3.	Associate Vice President, Administrative Services (Acting Co- Chair)	Doug Jenson	ongoing
4.	Management, one from Instruction (appointed by the Vice President, Instruction)	Richard Mahon	2019-22
5.	Management, one from Facilities Planning & Management (appointed by the Vice President, Administrative Services)	Gary Nellesen	2018-21
6.	Management, one from Student Services (appointed by the Vice President, Student Services)	Audrey Yamagata-Noji	2017-20
7.	Faculty (appointed by the Academic Senate)	(Co-Chair) Joan Sholars	2019-22
8.		Vicki Greco	2017-20
9.		Vacant	2019-22
10.		Tamra Horton	2018-21
11.	Classified (appointed by CSEA 651)	Anthony Stanisci	2019-22
12.	Classified (appointed by CSEA 262)	Brandon Gillett	2019-22
13.	Confidential**s** (appointed by the Confident**i**als)	Lisa Romo	2019-22
14.	Students (appointed by the Associated Students)	Jaeseung "Andy" Shin	2019-20
15.		Kian Bidari	2019-20

Membership Meeting Times:

COMMITTEE TYPE	CO-CHAIRS	MEETING SCHEDULE	LOCATION	TIME
Governance	Doug Jenson/Joan Sholars	1st and 3rd Wednesdays of the month	4-2460	3:00-4:30 p.m.

Person Responsible to Maintain Committee Website: Vivian Ruiz
vruiz3@mtsac.edu x5504

College Website Link and Last Time Website Was Updated:
www.mtsac.edu/governance/committees/budget Current