

BUDGET COMMITTEE

MEETING AGENDA

October 3, 2018

3:00 p.m.



Location: Building 4, Conference Room #2460

Time: 3:00 p.m. – 4:30 p.m.

Committee Members:

Mike Gregoryk, Chair	Rosa Royce	Peter Gonzales	
Joan Sholars, Co-Chair	Gary Nellesen	Mark Fernandez	
Gregory Anderson	Vicki Greco	Lisa Romo	
Audrey Yamagata-Noji	Lance Heard	Andy Jaeseung Shin (Student)	Kerry Martinez (Notes)
Doug Jenson	Tamra Horton	(Student)	Yadira Santiago (Notes)

AGENDA ITEMS:

- 1. Agenda Check**
- 2. Review the Budget Committee Meeting Summary of September 19, 2018.**
- 3. Update the Committee Goal and Progress Report – Due to PAC October 1, 2018.**
- 4. Review Purpose & Function – AP's and BP's and Accreditation Standard (emailed)**
- 5. Budget Review and Development Guide – last updated September 2016**
- 6. Orientation/review/summary of rules and regulations in regards to the OPEB Trust and STRS/PERS Trust.**

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

October 17, 2018

November 7, 2018

November 21, 2018

December 5, 2018

The committee does not meet during Summer or Winter Intersessions, unless needed.

**Mt. San Antonio College
Budget Committee Summary of
October 3, 2018**

Committee Members:

- | | | | |
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| <input type="checkbox"/> Mike Gregoryk, Chair | <input checked="" type="checkbox"/> Rosa Royce | <input checked="" type="checkbox"/> Peter Gonzales | |
| <input checked="" type="checkbox"/> Joan Sholars, Co-Chair | <input type="checkbox"/> Gary Nellesen | <input checked="" type="checkbox"/> Mark Fernandez | |
| <input checked="" type="checkbox"/> Madelyn Arballo for Gregory Anderson | <input checked="" type="checkbox"/> Vicki Greco | <input type="checkbox"/> Lisa Romo | |
| <input type="checkbox"/> Audrey Yamagata-Noji | <input type="checkbox"/> Lance Heard | <input checked="" type="checkbox"/> Andy Jaeseung Shin (Student) | <input type="checkbox"/> Kerry Martinez (Notes) |
| <input checked="" type="checkbox"/> Doug Jenson | <input checked="" type="checkbox"/> Tamra Horton | <input checked="" type="checkbox"/> YiFan Zhang (Student) | <input checked="" type="checkbox"/> Yadira Santiago (Notes) |

ITEM	DISCUSSION/COMMENTS	ACTION/OUTCOME
1. Agenda check	Agenda checked.	Agenda approved.
2. Review the Budget Committee Meeting Summary of September 19, 2018.	The Budget Committee Meeting Summary of September 19, 2018, was reviewed and approved.	Meeting Summary approved.
3. Update the Committee Goal and Progress Report – Due to PAC October 1, 2018.	<ul style="list-style-type: none"> ▪ PAC is requesting a formal response as to why Goals #2 through #4 were not met. <ul style="list-style-type: none"> ▪ <i>Goal #2-Review, evaluate, and make recommendations for the OPEB Trust (Retirees Health Benefits) so the Trust will continue to meet its funding goals.</i> ▪ <i>Goal #3-Review, evaluate, and make recommendations for a PERS/STRS Trust to meet its funding goals.</i> ▪ <i>Goal #4- Improve communication about budget issues to the campus and community.</i> <p>The committee had a discussion regarding the issues with the goal responses turned in to PAC and determined that:</p> <ul style="list-style-type: none"> ▪ Goals #2 and #3 were not met due to changes to the GASB (Governmental Accounting Standards Board) No. 74 Financial Reporting Post-employment Benefit Plans Other than Pension Plans. The committee is waiting on the actuarial report for the 2017-18 fiscal year as the new GASB changes will be explained in a more meaningful way with the actuarial reports for two years to make recommendations. 	<p>Continue discussion at the October 17, 2018, meeting.</p> <p>Joan will be providing the formal response at the next PAC meeting.</p>

	<ul style="list-style-type: none"> ▪ Goal #4 was not met due to the Budget Committee not sending out any emails communicating budget issues. The Budget Committee website is current and up to date, but no emails were sent out to the Campus Community. 	
<p>4. Review Purpose & Function – AP’s and BP’s and Accreditation Standard (emailed).</p>	<p>Committee homework: Review AP’s, BP’s, Accreditation Standard, and Resolutions.</p> <p>Joan and Rosa will be attending the next Institutional Effectiveness Committee meeting.</p>	<p>Continue discussion at the October 17, 2018, meeting.</p>
<p>5. Budget Review and Development Guide – last updated September 2016</p>		<p>Moved to the October 17, 2018 meeting.</p>
<p>6. Orientation/review/summary of rules and regulations in regards to the OPEB Trust and STRS/PERS Trust.</p>	<p>Rosa gave a presentation/orientation/review/summary of the OPEB (Other Post-Employment Benefits) Trust and the STRS/PERS (California State Teachers’ Retirement System/California Public Employees’ Retirement System) Trust.</p> <ul style="list-style-type: none"> ▪ February 27, 2008, the Board of Trustees approved Resolution No. 07-07 to establish the OPEB Trust. This was one of the requirements of GASB 43/45 (Governmental Accounting Standard Board). ▪ Resolution No. 07-07 authorizes the establishment of two committees: The Administrative Committee and the Investment Committee. These committees meet twice a year to oversee the administration and investment of the trusts. <p><u>Administrative Committee current members:</u> Mike Gregoryk – VP Administrative Services Eric Kaljumagi – Faculty Association Representative Bill Rawlings – CSEA 262 Representative Justin Ott – CSEA 651 Representative</p> <p><u>Investment Committee current members:</u> Mike Gregoryk – VP Administrative Services Rosa Royce – Chief Compliance Budget Officer Jennifer Galbraith – Management appointed by the CEO</p>	<p>(III.D) Email Resolution No. 07-07, and Resolution No. 15-11, to the committee.</p> <p>Rosa will request a presentation from the Actuarial for one of the future Budget meetings.</p>

- | | | |
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| | <ul style="list-style-type: none">▪ Effective with fiscal year 2015-16, the Budget Committee recommended the continuation of the \$2,500,000 annual contribution to the OPEB trust on an ongoing basis and the payment of the retirees health premiums from interest earned by the trust.▪ On May 27, 2015, the Board of Trustees approved the recommendation from the Budget Committee, “if interest earned from the OPEB trust did not cover the annual cost of the health premiums in any given year, the difference will be covered by the Unrestricted General fund”.▪ Effective with fiscal year 2017-18, the post-employment benefits will be reported under new GASB No.74.▪ On June 22, 2016, the Board of Trustees approved Resolution No. 15-11 to establish Section 115 Mt. San Antonio College STRS/PERS Pension Trust.▪ The Administrative Committee and the Investment Committee oversee the administration and investment of the trusts.▪ The College contributed \$4 million in fiscal year 2015-16, \$4 million in fiscal year 2016-17, and \$2 million in fiscal year 2017-18 | |
|--|---|--|

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

FUTURE AGENDA ITEMS

- **Review of Committee Goals.**
- **Review Purpose and Function.**
- **Budget Review and Development Guide – last updated September 2016.**

FUTURE MEETING DATES

- **October 17, 2018**
- **November 7, 2018**
- **November 21, 2018**
- **December 5, 2018**

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 (15)

	Position Represented	Name	Term
1.	Vice President, Administrative Services (Co-Chair)	Mike Gregoryk	ongoing
2.	Chief Compliance and College Budget Officer	Rosa Royce	ongoing
3.	Associate Vice President, Administrative Services	Doug Jenson	ongoing
4.	Management, one from Instruction (appointed by the Vice President, Instruction)	Gregory Anderson Irene Malmgren	ongoing
5.	Management, one from Facilities Planning & Management (appointed by the Vice President, Administrative Services)	Gary Nellesen	ongoing
6.	Management, one from Student Services (appointed by the Vice President, Student Services)	Audrey Yamagata-Noji	ongoing
7.	Faculty (appointed by the Academic Senate)	(Co-Chair) Joan Sholars	2016-19
8.		Vicki Greco	2017-20
9.		Lance Heard	2016-19
10.		Tamra Horton	2018-21
11.	Classified (appointed by CSEA 651)	Lot Peter Gonzales	2016-19
12.	Classified (appointed by CSEA 252)	Mark Fernandez	2016-19
13.	Confidential (appointed by the Confidentals)	Lisa Romo	2016-19
14.	Students (appointed by the Associated Students)	Ruben Guijarro	2017-18
15.		Matthew McBride	2017-18

2017-18 Committee Goals		Link to College Goal #
GOAL #1:	Committee website up-to-date	8, 12, 14
GOAL #2:	Review, evaluate, and make recommendations for the OPEB Trust (Retirees Health Benefits) so the Trust will continue to meet its funding goals.	7
GOAL #3:	Review, evaluate, and make recommendations for a PERS/STRS Trust to meet its funding goals.	7
GOAL #4:	Improve communication about budget issues to the campus and community.	8, 9, 13, 14

Membership Meeting Times:

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

Person Responsible to Maintain Committee Website:

Yadira Santiago
Ysantiago2@mtsac.edu x5504

College Website Link and Last Time Website Was Updated:

www.mtsac.edu/governance/committees/budget

current 01/08/2018

Budget Review and Development Guide

September 2016



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INTRODUCTION

Budget Guide History

The Budget Committee originally developed the New Resources Allocation Process in the 2005-06 fiscal year to integrate and align the budget process with the College's Planning for Institutional Effectiveness (PIE) process. This process defined a method for allocating new resources, required review of the current "Status Quo" budgets, and provided budget flexibility within departments, divisions, and teams. The process concluded with an annual review of the budget process. During the 2008-09 fiscal year, the Budget Committee evaluated the budget review and development process and determined it should be cyclical because planning and budget development is ongoing. The Budget Committee also determined that combining the new resource allocation process information into the review and development guide would be less confusing. Thus was born the 2010 Budget Review and Development Process Guide.

In 2015, the Budget Committee recognized the Guide was in need of updating to better realign integrated planning with the budget development calendar, to make more efficient forms and processes, and, more importantly, to ensure the College's budget processes are reviewed on a regular basis as required by accreditation standards. The Budget Committee formed a subcommittee to review the Guide and make recommendations for changes, which were presented to the full Budget Committee in the Spring of 2016.

In March and April 2015 of Fiscal Year 2014-15, a total of \$4.3 million was approved for the New Resource Allocation Requests Phase 1 and 2. In July, August, and October 2015 of Fiscal Year 2015-16, a total of \$20.1 million was approved for New Resource Allocation Requests Phase 3 and 4. The process of funding these new allocation requests informed some of the changes incorporated into the Budget Review and Development Guide.

Budget Review

The President's Cabinet has recommended a more comprehensive review of all Status Quo Budgets to better align the College's budget with actual expenditures. Budget managers review departmental budgets to determine whether there is a positive budget balance that can either be reallocated to other line items within the department's budget or redistributed to other departments or College needs.

As part of the budget development of each fiscal year, Fiscal Services provides a *Budget and Expenditure Comparative Report* for the previous three fiscal years, a *Status Quo Budget Reallocation Form*, and a *Positive Budget Balance Explanation Form*. These documents assist with the analysis of budget areas that may need to be realigned with actual expenditures, reallocate budgets to other departments, or justify a positive budget balance that was unused at year-end.

The purpose of the *Budget and Expenditure Comparative Report* is to facilitate the analysis of budget areas that may need to be realigned with actual expenditures. This report includes ongoing budget and expenditure account information for the Unrestricted General Fund 11. The history of each account is presented in chronological order.

Another improvement in the budget review process is the *Positive Budget Balance Explanation* form. Budget areas that end the fiscal year with a positive balance and cannot reallocate those funds within the budget area may be required to provide an explanation as to why a particular budget cannot be reallocated.

Finally, after budget areas complete the *Status Quo Budget Review* process, President's Cabinet will review the *Budget and Expenditure Comparative Report*, the *Status Quo Budget Reallocation Form*, and the *Positive Budget Balance Explanation Form* turned in for each Org in the Unrestricted General Fund.

BUDGET REVIEW AND DEVELOPMENT GUIDE

Mt. San Antonio College's Budget Review and Development Guide provides direction to the College community regarding the association of College and unit goals to funding allocations. Budget review and development is continuous and ongoing; but, for the convenience of the reader, this document will follow a typical calendar year.

After the Governor of California submits an initial budget to the State in January, Fiscal Services will begin to make preliminary projections as to what the College's next budget year might look like ([Appendix A](#)). By the first of March, Departments/Units can expect to receive a memo from Fiscal Services ([Appendix B](#)), which will provide important information and deadlines for the tentative budget development. Included with the memo will be the Department's/Unit's "Status Quo Budget" ([Appendix C](#)).

Budget Templates

The Budget Template includes the Department's/Unit's status quo budget as it was originally allocated in the prior year's Adopted Budget except for position budgets of regular employees that include salary progression (step/column, longevity, professional growth, etc.) stipulated in collective bargaining agreements. Other personnel changes for faculty, management, classified, and confidential procedures are described in the Personnel Budget Procedures (Appendix D). Faculty positions are budgeted in alignment with AP 7120 – Faculty Recruitment and Hiring (Appendix E). Based on what has been reported in PIE, the Department/Unit should decide which line item changes it would need to transfer into the correct account number to better meet its PIE goals **without the assumption of any new budget resources**. The Budget Templates, with or without changes, are then forwarded to the appropriate dean/director to review and approve. The Department/Unit will generally have about two weeks to accomplish this task.

Budget Reductions or Realignments

In some fiscal years, the President's Cabinet may recommend a more comprehensive review of all status-quo budgets with the goal of aligning the College's budget with actual expenditures. In addition to the Budget Templates, departments will receive a Budget and Expenditure Comparative Report for the previous three fiscal years (Appendix F), the Status Quo Budget Reallocation Form (Appendix G), and the Positive Budget Balance Explanation form (Appendix H). These documents will facilitate the analysis of budget areas that may need to be realigned with actual expenditures, reallocated budgets to other departments, or justify a positive budget balance that was unused at year end.

Considerations for Future Budget Reductions

1. Maintain the mission of the College while making reductions:
 - a. Identify programs that cannot be maintained without additional workload reductions;
 - b. Conduct a cost benefit analysis to determine the cost compared to how many students are being served by a program;
 - c. Identify unsuccessful programs and services for possible elimination or reduction;
 - d. Explore partnerships to help offset the cost of services;
 - e. Analyze growth in budgets based on past growth in enrollment, which may then become a focus for reductions; and
 - f. Analyze status quo budget reductions by area in greater detail.
2. Establish triggers for budget reductions, e.g. reserves below ten percent will trigger additional budget reductions.
3. Develop criteria that would enable decisions about which services would be deemed nonessential.
4. Establish campus-wide standards for adequacy of services:
 - a. Analyze service-level standards;
 - b. Efficiency of staffing levels; and
 - c. Maintain compliance with Federal and State mandates.
5. Invest bond funds to reduce energy costs.

6. Secure funding from the Foundation to supplement some of the shortfalls in funding.
7. Analyze the budget implications of institutionalizing grants at the end of their cycles.
8. Protect full-time employee positions and consider them a high priority.

Immediate Need Request

An “immediate need” occurs when a sudden, one-time increase in funding is necessary to continue operating a critical or legally mandated program or service or to prevent liability to the College. Immediate need requests **should not be used to hire permanent employees**. The Immediate Need Request Form (Appendix I) should be submitted to the appropriate dean/director, who will approve and forward to the appropriate vice president. Fiscal Services will process funding after the President's Cabinet's approval. An immediate need request may be submitted at any time during the fiscal year.

1. Example 1: An “immediate need” would occur if an expensive, required piece of equipment has broken down and cannot be repaired; instruction cannot continue without it, but the Department/Unit does not have enough available budget to purchase a replacement. If the equipment is so expensive that it would by itself drain much of the supply budget, and so necessary that the program could not continue without it, then it qualifies as an “immediate need.”
2. Example 2: An “immediate need” would occur if an increase in the cost of fuel for the aeronautics instructional program would cause the planes to be grounded and the students would be unable to fly.
3. Example 3: An “immediate need” would occur if the College discovers mold growing in an occupied building and must hire a hazardous material cleanup service to come in and remove the mold, and such a service was not included in the facilities budget or any department budget.

Rate Driven Increase Request

A “rate driven” increase is a contractually mandated increase in cost that is out of the Department's/Unit's control. Examples of rate-driven increases are:

1. Equipment maintenance agreements;
2. Institutional memberships;
3. Insurance; and
4. Utilities.

The increased cost of paper is not considered a rate-driven increase because options exist to lower the cost of paper. Departments/Units should complete the Rate-Driven Increase Form (Appendix J) at any time during the fiscal year when this type of increase occurs. The form should include Dean/Director and appropriate Vice President/President approval, and then sent to the Associate Vice President, Fiscal Services for review, who will seek final approval from the Vice President, Administrative Services.

The Immediate Need Request and the Rate-Driven Increase forms can be requested from Fiscal Services or downloaded from the College's “Administrative Forms” web site at <http://www.mtsac.edu/employees/forms/index.html>.

New Resource Requests

By mid-March, the Budget Committee should send out an email announcing whether there are any new resources available for allocation. These new resources are generally a combination of the previous year's growth money (which is not budgeted since the amount the State estimates may change multiple times during most years), funded COLA, and various one-time allocations. It is possible that the Budget Committee will recommend that the College hold some new money in reserve or that new resources may be announced at other times, as they become available.

Once new resources are deemed available, Departments/Units will be given the opportunity to make a request for new funding to meet their PIE goals. Except for new personnel position requests, this new funding (if granted) will initially be given on a one-time basis. To receive the allocation again for the next fiscal year, the Department/Unit would need to submit the request again. Units should include their New Resources Allocation Requests in the "New Resources Request Spreadsheet" (Appendix K). This spreadsheet is a component of the PIE process and should be completed and submitted with the Department's/Unit's PIE to the appropriate dean/director. These New Resources Requests will be further prioritized at the Division and Team levels. The vice presidents will make a recommendation for funding to the president.

Submitting Status Quo Budget Templates

The Status Quo Budget Template(s) will travel from the Department/Unit, to the dean/director (for review and approval), and to the appropriate vice president (also for review and approval) and returned to Fiscal Services based on the due dates established in the Budget Review and Development Calendar (Appendix L). Once approved, Fiscal Services will make the approved changes to the next year's tentative budget.

Fiscal Services will include approved Immediate Needs for the following fiscal year on the tentative or adopted budgets if there is sufficient time for processing. Otherwise, the funding will be provided via appropriation transfer after the annual budget is adopted on or before September 15.

Requests for new resources take a longer path. Departments/Units must submit their request(s) using the "The New Resources Allocation Request Spreadsheet" (Appendix K) as part of the Department's/Unit's PIE. The request(s) should be aligned to specific planning goals or activities as defined in the Department's/Unit's PIE process. Each request should have specific documentation to support the amount requested, such as price quotes from vendors or other proof of price, as Fiscal Services will need this information once the request is approved for funding. Departments/Units should also include any "ongoing" ancillary costs, such as maintenance, annual software license fees, etc. Department/Unit New Resource Requests are then forwarded to the Dean/Director (for review, approval, and prioritization) and to the appropriate Vice President (for review and prioritization).

All new resource requests should be summarized and prioritized by each Vice President using the established format developed by Fiscal Services (Appendix K) before presenting the request to the Budget Committee. **The Budget Committee does not approve new funding requests**, but it will review all submitted requests and may attach comments or recommendations to a request, if it chooses. These comments and recommendations, if affirmed by the President's Advisory Council, will be forwarded with the request to the President's Cabinet.

Requests for new academic faculty positions are submitted in the spring semester, but no action is taken on them until the following fall.

New Resource Request Approval Process

The President's Cabinet consists of the College's President and Vice Presidents. This group will discuss the strengths and weaknesses of the submitted new resources allocation and immediate need requests and how best to prioritize by mandate, innovation, expected program improvement, and alignment with College goals. While each Vice President advises the President, the final list of what to fund and what to deny is made by the College President. The Budget Committee strongly recommends the College President allocate the funding of any new resources on a one-time basis. The College's Board of Trustees generally adopts the budget in September.

Tentative and Adopted Budget

Fiscal Services prepares the budget scenarios ([Appendix M](#)) that reflect the most recent revenue estimates based on the Governor's May Revise. The President's Cabinet determines which of the revenue estimates will be used for the tentative budget. Typically, the more conservative budget scenario is selected. The College's process is flexible enough to recognize when additional sources of revenue are identified and immediately begins the new resources allocation process to fund the educational and operational needs for the College in a timely manner. The President's Cabinet identifies new sources of revenue to fund the highest priority of new resource allocations.

The revenue estimates developed in May are distributed directly to the Budget Committee and to the campus community via the President's Cabinet Notes. The Vice President of Administrative Services provides periodic updates to the President's Advisory Council (PAC). Constituent group leaders are represented on the Budget Committee and PAC and provide information and analysis to their respective groups. The tentative budget is reviewed at Budget Committee, PAC, and is presented to and approved by the Board of Trustees annually in June. The Adopted Budget is reviewed at the Budget Committee, is presented to PAC and approved by the Board of Trustees annually in September. Paper and electronic copies of the budget reports are made available to the entire campus.

Fall Review

In September, Department/Units that have received one-time funding for the same expenditure for a third consecutive year may request that expenditure be changed to "ongoing." The Budget Committee reviews these requests to ensure the Department/Unit has followed appropriate budget and PIE procedures. After its review, the Budget Committee may make a recommendation to the President to change the funding to ongoing or to extend the funding for additional years or to eliminate the funding. The President discusses the requests and the Budget Committee's recommendations with Cabinet and then makes the final determination. The President's determination is then reported to PAC. If the funding is switched to ongoing, then the amount of the ongoing funding will be added to the Department's/Unit's Status Quo Budget during budget preparation for the next fiscal year.

In the fall, the Budget Committee reviews the previous fiscal year's actual expenditures, evaluating the effectiveness of the Budget Review and New Resources Allocation Process, and recommending changes, as needed, to PAC. The Budget Committee also meets with the Institutional Effectiveness Committee annually to review the PIE summaries and coordinate planning efforts. The Budget Committee then may request the vice presidents provide feedback about the processes, e.g. what worked well, what did not work well, and to consider suggestions for improving the process.

For academic departments, the new academic faculty requests submitted the previous spring are independently prioritized both by the Academic Senate Executive Board and by the division deans as per AP 7120. In late October, the division and Academic Senate hiring prioritization lists are merged into a single list by the Academic Mutual Agreement Council. Although the College president makes the determination as to the number of new faculty to hire, by agreement the College president will not alter the order of the merged list. The recruitment of new positions for the subsequent fall semester should be able to begin by early January.

Other Budgetary Issues

To fulfill its purpose of developing, recommending, and evaluating policies and processes relating to all aspects of College finances, it is necessary for the Budget Committee to understand the College's finance structure and to remain informed as to the progress of each year's budget development. To obtain this information, the Budget Committee undertakes a series of reviews. In March, the Committee shall review the "Preliminary Tentative Budget" based upon the best estimates available to Fiscal Services. This information helps guide the Committee to determine the available new resources for the year. In April, time is spent reviewing the details of the previous year's actual expenses for selected Departments/Units. At this time, the selected Departments/Units are recommended by the vice presidents, and the intended purpose is to educate the members of the Budget Committee. Time is also spent reviewing relationships across campus, such as department costs per FTES and comparative unit staffing levels. An additional goal of the Budget Committee is to communicate to the campus community critical information related to the College's finances, budgeting and planning.

Communication

The Budget Committee is committed to improving transparency and communication to the campus community about critical information related to the College's finances, including the budgeting and planning process, College reserves, and year-end variances. Information about the College budget can be found on the Budget Committee's web page:

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

BUDGET COMMITTEE

The Budget Committee is the primary governance body for developing, recommending, and evaluating policies and procedures relating to institutional planning and its integration to the budget process (Appendix N) and all aspects of College finances (Appendix O). Among other things, the Committee develops and recommends policies and procedures (Appendices P through S) relating to overall resource generation and allocation, develops and recommends policies and procedures for budget development, and reviews the current budget process for effectiveness. The Committee reports to President's Advisory Council on the evaluation of the College budget models and informs the campus about budget-related matters (Appendix T).

The Budget Committee coordinates with the Institutional Effectiveness Committee to ensure the Planning for Institutional Effectiveness process and the budget development process are aligned to ensure budget effectiveness.

Budget Committee Calendar

Spring:

- Reviews Preliminary Tentative Budget (March)
- Determines new resources available for allocation (usually March)
- Communicates expected budget situation, resources, and process to campus community (usually March)
- Reviews one-time new resources allocation requests previously funded (usually March)
- Reviews details of the previous year's actual expenses for selected Departments/Units (usually April)
- Reviews relationships across campus (e.g.: department costs per FTES) (usually April)
-
- Reviews Tentative Budget (June)
- Tentative Budget approved by Board prior to July 1st

Summer:

- Meets only if an emergency arises

Fall:

- Reviews prioritized one-time New Resource Requests (September)
- Makes recommendations on changing one-time funding New Resources expenditures to ongoing (September)
- Meets jointly with the Institutional Effectiveness Committee to review PIE summaries and coordinate planning efforts (October)
- Reviews previous fiscal year's total actual expenditure summary from Fiscal Services (November)
- Compares previous year Adopted Budget to previous year's actual expenditures (November)
- Compares previous year's Adopted Budget to current year's Adopted Budget (November)
- Evaluates Budget Allocation Process (November)
- Makes recommendations about changing budgetary policies and procedures to PAC (December)

Winter:

- Meets only if needed to complete fall activities

APPENDICES

- A. Preliminary Tentative Budget
- B. Fiscal Services Memo
- C. Status Quo Budget
- D. Personnel Budget Procedures
- E. Faculty Hiring Procedures
- F. Previous 3 Years Budget Budget and Expenditure Comparative Report
- G. Status Quo Budget Reallocation Form
- H. Positive Budget Balance Explanation Form
- I. Immediate Needs Request Form
- J. Rate-Driven Increase Form
- K. New Resource Request Spreadsheet
- L. Budget Review and Development Calendar
- M. Fiscal Services Budget Scenarios
- N. Integrated Planning Process Calendar
- O. Budget Committee Purpose, Function, and Membership
- P. Board Policy 6200 – Budget Preparation
- Q. Board Policy 6250 – Budget Management
- R. Administrative Procedure 6200 – Budget Preparation
- S. Administrative Procedure 6250 – Budget Management
- T. Budget Committee Goals
- U. Glossary

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
2016-17 VERY PRELIMINARY TENTATIVE BUDGET
UNRESTRICTED GENERAL FUND**

APPENDIX A

SAMPLE

UNRESTRICTED GENERAL FUND 11:

ONGOING REVENUE BUDGET ASSUMPTIONS

Ongoing Revenue Increases/(Decreases)		Fund 11	Fund 13	Total
Base Ongoing Revenue Budget	Balance as of the 2015-16 Adopted Budget	\$ 166,105,962	\$ -	\$ 166,105,962
2015-16 COLA	Additional Funded COLA at 1.02%	6,032	-	6,032
2016-17 COLA	Funded COLA at 0.47%	741,126	-	741,126
2014-15 Funding Unfunded FTES	Additional 2014-15 Growth. <i>Will be recalculated in March 2016.</i>	434,276	-	434,276
2015-16 Growth - Estimated	Statewide Growth 3%. District Constrained Growth 3.9%. <i>Estimated Constrained Growth 1.87%</i>	2,475,165	-	2,475,165
2015-16 Increase to Base Allocation	\$266.7 Million Statewide Increase. Additional increase as per the 2015-16 First Principal Apportionment of February 2016. <i>Will be recalculated, the Final Figure will be Known in February 2017.</i>	769,460	-	769,460
2015-16 CDCP Equalization	\$49 Million Statewide. Increase of the Career Development & College Preparation Courses (CDCP) Rate to the Credit Rate as per 2015-16 First Principal Apportionment of February 2016.	157,160	-	157,160
2015-16 Full-Time Faculty Hiring	\$62.3 Million Statewide. Mt. SAC is Ranked at Quintile 4 or \$110,000 per Each Full-Time Faculty. The Faculty Obligation Increase is 14.76. Additional increase as per the 2015-16 First Principal Apportionment of February 2016. <i>Will be recalculated, the Final Figure will be Known in February 2017.</i>	43,882	-	43,882
Lottery	TBD. Will be adjusted with the with the Annual Attendance Report and New Rates in July 2016.	-	-	-
Interest	Increase Duet to Total Elimination of the Apportionment Deferrals	50,000	-	50,000
Nonresident Tuition	TBD	-	-	-
PT Faculty Office Hours/Health Insurance	No Increase	-	-	-
PT Faculty Parity	No Increase	-	-	-
Other Miscellaneous Revenue	TBD	-	-	-
Total Revenue Increases/(Decreases)		\$ 4,677,101	\$ -	\$ 4,677,101
Total Ongoing Revenue Budget		\$ 170,783,063	\$ -	\$ 170,783,063

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
2016-17 VERY PRELIMINARY TENTATIVE BUDGET
UNRESTRICTED GENERAL FUND

APPENDIX A

SAMPLE

ONGOING EXPENDITURE BUDGET ASSUMPTIONS

Ongoing Expenditure Increases/(Decreases)		Fund 11	Fund 13	Total
Base Ongoing Expenditure Budget	Balance as of the 2015-16 Adopted Budget	\$ 166,839,534	\$ -	\$ 166,839,534
2016-17 Salary Schedule Progression	Estimated Step/Column and Longevity Changes	1,290,657	-	1,290,657
2016-17 Credit Adjunct Step/Column	Estimated Step/Column Increases	128,000	-	128,000
2016-17 Noncredit Adjunct Step/Column	Estimated Step/Column Increases	105,000	-	105,000
2015-16 Medical Coverage Opt-out	Faculty, CSEA 262, and CSEA 651	-	-	-
Misc. Personnel and Benefit Changes	Mainly Changes in Step and Column due to Filled Vacancies and Changes in Employer Contributions for Hourly Budgets	(128,491)	-	(128,491)
2016-17 Salary and Benefit Increase, Collective Bargaining Contracts	1% Salary Increase for all Units	1,383,463	-	1,383,463
STRS Employer Rate Increase	Rate Increase from 10.73% to 12.58%	-	-	-
PERS Employer Rate Increase	Rate Increase from 11.847% to 13.050%	-	-	-
Unemployment Insurance	TBD	-	-	-
Reclassification of Personnel	Management, CSEA 262, and CSEA 651	62,870	-	62,870
New Positions	Management, Confidential, CSEA 262, and CSEA 651. Includes Ongoing Positions approved with the New Resources Allocation Phase 4 (Refer to Pages ___ to ___ for Details)	1,655,760	-	1,655,760
Reallocation of Faculty Professional Growth	The increase to fund the Faculty Professional Growth was included in the 2015-16 Budget in its entirety. These funds are being reallocated to fund the New Faculty Positions and the Ongoing Increase to Earn the 2015-16 Growth. The District will Continue to Increase this Budget Based on Actuals Expenses for Each Fiscal Year.	(1,267,934)	-	(1,267,934)
New Faculty Positions	Thirteen New Faculty Positions \$1,417,261 less Reduction of Hourly Adjunct per each New Faculty Position \$618,330 (Refer to Page ___ for Details)	798,931	-	798,931
Class Schedule Increase	Ongoing Increase from Summer 2015 to Spring 2016 to Earn the 2015-16 Growth	1,651,311	-	1,651,311
Budget Increases	Approved by President's Cabinet (Refer to Page ___ for Details)	-	-	-
2015-16 New Resources Allocation Phase 4 - Operating Expenses	As approved by President's Cabinet on October 13, 2015 (Refer to Pages ___ to ___ Details)	269,750	-	269,750
Total Net Increase to Ongoing Expenditure Budget		\$ 5,949,317	\$ -	\$ 5,949,317
Total Ongoing Expenditure Budget		\$ 172,788,851	\$ -	\$ 172,788,851
Total Ongoing Budget Surplus/(Deficit)		\$ (2,005,788)	\$ -	\$ (2,005,788)

**MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
2016-17 VERY PRELIMINARY TENTATIVE BUDGET
UNRESTRICTED GENERAL FUND**

APPENDIX A

SAMPLE

ONE-TIME REVENUE AND EXPENDITURE BUDGET ASSUMPTIONS

Beginning Fund Balance and One-Time Revenue Budget Increases/(Decreases)		Fund 11	Fund 13	Total
Beginning Fund Balance	Carryover Estimated Ending Fund Balance as of June 30, 2016	\$ 8,154,177	\$ -	\$ 8,154,177
2015-16 Apportionment Deficit	The 2014-15 Apportionment Ended with No Deficit. The Assumption is that all the 2015-16 will be Recovered in February 2017.	\$ 2,049,922		2,049,922
2016-17 Apportionment Deficit	Estimated at ____ of the Total 2016-17 Estimated Apportionment or (\$ _____)	-	-	-
2016-17 Growth	2% Statewide per Governor's January Proposal. TBD	-	-	-
2016-17 State Mandated Reimbursement	\$76.3 Million Statewide. Calculated on _____ Actual FTES released with the 2015-16 Second Principal Apportionment.	2,063,245	-	2,063,245
Total Beginning Fund Balance and One-Time Revenue Budget		\$ 12,267,344	\$ -	\$ 12,267,344

One-Time Expenditure Budget Increases/(Decreases)		Fund 11	Fund 13	Total
Purchases In Progress	Estimated Carryover from 2015-16 (Refer to Page ____ to ____ for Details)	\$ 605,464	\$ -	\$ 605,464
Various Carryover Budgets	Estimated Carryover for 2015-16 (Refer to Page 44 for Details)	1,643,446	-	1,643,446
2014-15 New Resources Allocation Phase 1 - Carryover	As approved by President's Cabinet on March 24, 2015 (Refer to Pages __ to __ for Details)	413,621	-	413,621
2014-15 New Resources Allocation Phase 2 - Carryover	As approved by President's Cabinet on April 21, 2015 (Refer to Pages __ to __ for Details)	236,696	-	236,696
2015-16 New Resources Allocation Phase 3 - Carryover	As approved by President's Cabinet in July 21, 2015 (Refer to Pages __ to __ for Details)	1,962,761	-	1,962,761
2015-16 New Resources Allocation Phase 4 - Carryover	As approved by President's Cabinet in October 13, 2015 (Refer to Pages __ to __ for Details)	2,048,418		2,048,418
STRS and PERS Trust	Set Aside Budget for 2016-17 Contribution (Pending Board of Trustees Approval)	2,000,000	-	2,000,000
Auxiliary Unfunded PERS Liability	Set Aside Budget (Pending Board of Trustees Approval)	127,044	-	127,044
STRS Employer Rate Increase	Rate Increase from 10.73% to 12.58%. Includes 1% Salary Increase for 2016-17.	1,801,846	-	1,801,846
PERS Employer Rate Increase	Rate Increase from 11.847% to 13.050%. Includes 1% Salary Increase for 2016-17.	754,202	-	754,202
International Students Non Resident Fee	Projected Increase in 2015-16 Fees to be Transferred to the International Student Fund	-	-	-
Immediate Needs Requests - One-Time	Approved by President's Cabinet (Refer to Page __ for Details)	-	-	-
Positions Funded with One-Time Funds	Management and Classified. Includes Positions approved with the New Resources Allocation Phase 4 (Refer to Pages ____ for Details)	930,443	-	930,443
Election Cost	No Election Costs	-	-	-
Class Schedule Increase	Estimated Increase to Earn the 2016-17 Growth TBD	-	-	-
2015-16 One-Time Savings from Vacant Positions	Salary and Benefit Savings - Less Requested Backfill Budget (Refer to pages __ to __ for Details)	(256,597)	-	(256,597)
Total One-Time Expenditure Budget Increases/(Decreases)		\$ 12,267,344	\$ -	\$ 12,267,344

MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT
2016-17 VERY PRELIMINARY TENTATIVE BUDGET
UNRESTRICTED GENERAL FUND

APPENDIX A

SAMPLE

UNRESTRICTED GENERAL FUND 13 - REVENUE-GENERATED ACCOUNTS:

REVENUE AND EXPENDITURE ASSUMPTIONS

Beginning Fund Balance and One-Time Revenue Budget Increases/(Decreases)		Fund 11	Fund 13	Total
Beginning Balance	Estimated Fund Balance as of June 30, 2016	\$ -	\$ 3,920,241	\$ 3,920,241
2016-17 Revenue Budgets	Matching Revenue and Expenditure Accounts. Based on 2015-16 Adopted Budget	-	3,037,747	3,037,747
Total Revenue Budget		\$ -	\$ 6,957,988	\$ 6,957,988

One-Time Expenditure Budget Increases/(Decreases) - Funded from the Unassigned Fund Balance		Fund 11	Fund 13	Total
2015-16 Carryover	Revenue-Generated Accounts - Estimated Carryover Balances as of June 30, 2016	\$ -	\$ 3,920,241	\$ 3,920,241
2016-17 Expenditure Budgets	Matching Revenue and Expenditure Accounts Based on 2015-16 Adopted Budget	-	3,037,747	3,037,747
Total Expenditure Budget - Funded from the Assigned Fund Balance		\$ -	\$ 6,957,988	\$ 6,957,988

Beginning Fund Balances - One-Time & Revenue Generated Accounts	\$ 8,154,177	\$ 3,920,241	\$ 12,074,418
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Total Unrestricted General Fund Revenue Budget - Ongoing, One-Time, and Revenue Gen. Accounts	\$174,896,230	\$ 3,037,747	\$ 177,933,977
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Total Unrestricted General Fund Expenditure Budget - Ongoing, One-Time, and Revenue Gen. Accounts	\$185,056,195	\$ 6,957,988	\$ 192,014,183
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APPENDIX B

To: All Department Budget Managers

From: Rosa M. Royce
Associate Vice President, Fiscal Services

Date: March 1, 2016

Subject: **2016-17 Tentative Budget Development (Read Carefully)**

It has been recommended by President's Cabinet to complete a more comprehensive review of all of the Status Quo Budgets with the goal of aligning the College's budget with actual expenditures. It is imperative that we collectively work together to review our departmental budgets versus expenditures to determine if any funds are available for reallocation to other department budgets or college needs.

In addition to the *Status Quo Budget Template* files, the Fiscal Services department is sending a *Budget and Expenditure Comparative Report* for fiscal years 2013-14, 2014-15 and 2015-16, *Status Quo Budget Reallocation Form*, and *Positive Budget Balance Explanation Form*. These documents have been developed to facilitate the analysis of budget areas that may need to be realigned with actual expenditures, reallocate budgets to other departments, or justify a positive budget balance that was unused at year-end. The guidelines on how to use these documents are explained later on in this memo.

New Resources Allocation

The 2016-17 New Resources Allocation process will be announced at a later time, if funds are available.

2016-17 Tentative Budget

The **2016-17 Tentative Budget** will include:

- Personnel changes approved by the Board of Trustees through January 13, 2016. Personnel changes approved after January 13, 2016 through June 30, 2016 will be updated by Fiscal Services and reflected in the 2016-17 Adopted Budget.
- 5.02% ongoing salary increase effective July 1, 2015 for Faculty, Managers, Confidential, Supervisors, CSEA 262 and CSEA 651
- Health and welfare increase effective July 1, 2015 for Faculty, Managers, Confidential, Supervisors, CSEA 262 and CSEA 651
- Budgeted amounts for personnel changes, including employee step and longevity increases that will be effective in 2016-17
- Approved rate-driven increases through February 29, 2016.
- Ongoing budget allocations for the 2015-16 New Resources Allocations Phase 4 as approved by President's Cabinet on October 13, 2015.

Status Quo Budget Template Files

Budget Managers will receive one or more *2016-17 Status Quo Budget Template(s)* (Excel files). These templates have been developed by “Org” or by “Fund”. Templates developed by “Org” are for department budgets within the Unrestricted General Fund 11. Templates developed by “Fund” are for Grants and Categorical Programs. In both cases, the templates include tabs for each budget. The tabs are located at the bottom of the spreadsheet and include the words “Org” or “Fund” followed by the corresponding code.

All Funds except “Grants and Categorical Programs (Fund 17)”

Please **do not** include any new budget increases or budget reductions on the *2016-17 Status Quo Budget Template*. If the budget is increased in one department (Org), it needs to be decreased in another department (Org). This process is more for realigning your status quo budget to what your anticipated expenditure needs are for 2016-17. This process will save Budget Managers from having to submit budget transfers, which will expedite your purchases.

Grants and Categorical Programs (Fund 17)

Budget line items for Grants and Categorical Programs may be increased or decreased with proper supporting documentation that reflects the total funding allocation. However, sufficient budget must be provided for all the permanent employees. Since the final funding allocation may not be known when the budget is submitted, please provide your best estimate. Fiscal Services will continue working with the Grant and Categorical Budget Managers as updated information becomes available.

Step 1 - Guidelines for using the *Status Quo Budget Template File*

Please complete the following steps to assist us with the preparation of the 2016-17 Adopted Budget:

1. Departments and/or units should review the ***Status Quo Budget 2016-17*** column, which reflects the “ongoing” budget allocation at the present time, for any needed transfers to other accounts.
2. Reflect all budget changes based on your anticipated expenditure plans for 2016-17 in the ***Budget Changes 2016-17*** column. Changes can only be made in **cells highlighted in yellow**. Cells for permanent salaries and benefits have been protected, as Fiscal Services is responsible for updating these budgets. Please include an explanation in the ***Comments*** section if the budget is increased in one department (Org), and decreased in another department (Org).
3. After making your revisions to the ***Budget Changes 2016-17*** column, the ***Revised Status Quo Budget 2016-17*** column will automatically reflect the new total amount that will be included in the Tentative Budget.
4. If you need to add new accounts, please list them at the bottom of the *budget template* in the ***Add Additional Accounts*** section. Any additional comments can be made in the ***Comments*** section.

Budget and Expenditure Comparative Report Review

Please use the *Budget and Expenditure Comparative Report* to facilitate the analysis of budget areas that may need to be realigned with actual expenditures. This report includes ongoing budget and expenditure account information for the Unrestricted General Fund 11. The budget and actuals for fiscal years 2013-14 and 2014-15 are final numbers.

Information for 2015-16 fiscal year includes budgets, commitments (requisitions, purchase orders and purchase order change notices with Accounting approval), and balances as of February 25, 2016. The history of each account is presented in chronological order. For updated information on account balances, please access the form FGIBDST (Organization Budget Status) in the Banner System.

Step 2 - Status Quo Budget Reallocation Form

Once you have completed the *Status Quo Budget Template* and aligned your budgets to your expenditures history or have adjusted for anticipated expenditures, then complete the *Status Quo Budget Reallocation Form*. The file for this form contains two tabs at the bottom. The first tab is a sample on how to complete the form and the second tab is the blank form for you to complete.

If you **do not** have budgets that can be utilized by other departments or college needs, you must complete the *Positive Budget Balance Explanation Form*.

Step 3 – Positive Budget Balance Explanation Form (Mandatory)

Using the *Budget and Expenditure Comparative Report* as a reference, if you have any accounts that have historically ended the fiscal year with a positive balance and you are unable to reallocate this budget, you **MUST** complete the *Positive Budget Balance Explanation Form* to provide an explanation as to why a particular budget cannot be reallocated. The completion of this form is **mandatory** for all departments. The file for this form contains two tabs at the bottom. The first tab is a sample on how to complete the form and the second tab is the blank form for you to complete.

Step 4 – Routing of Completed Forms (Files) - Status Quo Budget Template, Status Quo Budget Reallocation Form, and Positive Budget Balance Explanation Form:

Please follow the specified approval routing and timelines below:

1. **Departments:** Once departments complete the changes, **save the files** to your hard drive; then forward the saved files via e-mail to the appropriate Dean/Director no later than **Monday, March 14, 2016**.
2. **Deans/Directors:** Once Deans/Directors complete the review and changes, **save the files** to your hard drive; then forward the saved files via e-mail to the appropriate Vice President or President no later than **Friday, March 25, 2016**.
3. The **Vice President or President** should review, and forward each file to budgetdevelopment@mtsac.edu, no later than **Friday, April 08, 2016**. No hard copies with signatures are required to be sent to Fiscal Services. We will know they have been reviewed and approved once we receive the file from the Vice Presidents or President.

Rate-Driven Increase Request

If your department or unit has a need for a budget increase which is mandated and out of the department's/unit's control, this type of budget increase is considered a "rate-driven increase". Some examples of rate-driven increases include increased costs in equipment maintenance agreements, institutional memberships, insurances, and utilities. Please complete the attached *Rate-Driven Increase Request Form* and forward the original approved form with supporting documentation to Rosa Royce.

Approval Queues

If departments are planning reorganizations of budgets for the 2016-17 fiscal year that may require changes to budget and expenditure approval responsibility, please send your request to Rosa Royce at rroyce@mtsac.edu no later than April 30, 2016.

Budget Committee Review

Once the *Status Quo Budget Review* has been completed, President's Cabinet will review the *Budget and Expenditure Comparative Report*, the *Status Quo Budget Reallocation Form* and the *Positive Budget Balance Explanation Form* turned in for each Org.

2016-17 Tentative Budget and Adopted Budget

Fiscal Services will review the *Status Quo Budget Template* files and include appropriate changes in the Tentative Budget to be approved by the Board of Trustees on June 22, 2016. These changes will also be included in the Adopted Budget to be approved on September 14, 2016. Once the final budget has been adopted by the Board of Trustees, the budgets will be updated in Banner. Effective with the approval of the Adopted Budget, purchase requisitions will be returned to the requisitioner if there is insufficient budget to cover the purchase.

Thank you for your cooperation with this budget process. Your feedback is appreciated. If you have any questions or need assistance, please contact me at ext. 5517, Katie Ly at ext. 5762, or Christine Lam at ext. 5428.

**MT. SAN ANTONIO COLLEGE
2016-17 BUDGET TEMPLATE
Unrestricted General Fund
Fund 11**

APPENDIX C

Org-PRESIDENT

Fund	Org	Account	Program	Activity	ACCOUNT Description	ORG Description	FTE	Range	Acct%	Adopted Budget 2015-16	Status Quo Budget 2016-17	Budget Changes 2016-17	Revised Status Quo Budget 2016-17
11000	100000	121000	660000	1200	Educational Admin-Regular	President				235,435	262,513		262,513
					ME9997 Scroggins, William T.		1.000	1	100.00	262,513			-
													-
													-
													-
													-
													-
													-
11000	100000	149900	660000	1200	Hrly Noninstr Sal-Other Comp	President				12,000	0		-
					2016-17 PERSONNEL RESTRUCTURE (\$12,000)								-
													-
11000	100000	211000	660000	2100	Classified Salaries-Unit A	President				0	0		-
11000	100000	213000	660000	2100	Confidential Salaries	President				172,976	186,583		186,583
					CO9997 Lindholm, Denise C.		1.000	104	100.00	112,527			-
					CO9982 Nelson, Carol R.		1.000	73	100.00	74,056			-
													-
													-
													-
11000	100000	215000	660000	2100	Classified Admin Salaries	President				122,096	128,225		128,225
					MC9993 Dolan, Jill		1.000	14	100.00	128,225			-
													-
													-
11000	100000	236000	660000	2100	Overtime, Noninstructional	President				3,000	3,000		3,000
11000	100000	421500	660000		Books, Magazines, Periodicals/NFees	President				1,100	1,100		1,100
11000	100000	451000	660000		Supplies	President				8,000	8,000		8,000
11000	100000	522000	660000		Mileage	President				100	100		100
11000	100000	531000	660000		Dues and Memberships	President				1,200	1,200		1,200
					12-13 OPERATIONAL STATUS QUO BUDGET REDUCTIONS, FIRST ROUND (\$2,600)								-
11000	100000	564500	660000		Maintenance Agreements	President				900	900		900
11000	100000	589000	660000		Other Services	President				4,400	4,400		4,400
					11-12 BUDGET REDUCTION (\$7,000)								-
11000	100000	589200	660000		Services for Catering/Prom Items	President				1,200	1,200		1,200
11150	100000	521000	660000		Travel and Conferences	President				4,000	4,000		4,000
					14-15 CONFERENCE AND TRAVEL, ONGOING \$4,000								-
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-

Add additional accounts:

**MT. SAN ANTONIO COLLEGE
2016-17 BUDGET TEMPLATE
Unrestricted General Fund
Fund 11**

Fund	Org	Account	Program	Activity	ACCOUNT Description	ORG Description	FTE	Range	Acct%	Adopted Budget 2015-16	Status Quo Budget 2016-17	Budget Changes 2016-17	Revised Status Quo Budget 2016-17
													-
													-
													-
													-
TOTAL										566,407	601,221	-	601,221

Comments:

PRESIDENT

**MT. SAN ANTONIO COLLEGE
PERSONNEL BUDGET PROCEDURES**

MANAGEMENT/CLASSIFIED/CONFIDENTIAL POSITIONS

I. POSITION AND VACANCY BUDGET

A. Position Budget for Fiscal Year

1. A position which is vacant on July 1 will be budgeted for the next fiscal year at Step 3 of the appropriate salary schedule. If the position is filled with a permanent replacement prior to establishment of the final budget, the position budget will be adjusted to the actual replacement step.
2. A position which becomes vacant subsequent to establishment of the final budget will remain budgeted for the current fiscal year at the range and step of the employee vacating the position. Except, when the District budgets for the exact amount needed for each position. In this case, the savings for each position is calculated, backfill budget for each position is accounted for, and the remainder budget is removed as one-time savings.
3. Unexpended funds in the position account at the end of the current fiscal year will revert to the unrestricted general fund unassigned fund balance.

B. Vacation Payoff

The Department/Unit is responsible for funding employee vacation payoffs in the fiscal year during which the vacancy occurs.

C. Permanent Replacement Costs

The Department/Unit is responsible for funding any costs which exceed the position budget for the fiscal year in which the replacement occurs. The position will be budgeted at the actual replacement step for the subsequent fiscal year.

D. Other Personnel Costs

The Department/Unit may utilize vacant position budget in excess of vacation payoff and permanent replacement costs for any personnel costs.

E. Maximum Duration of Vacancy

Vacant positions must be replaced or eliminated within twelve months of the last paid day of employment of the employee vacating the position. Exceptions must be authorized by President's Cabinet.

II. VACANCY BUDGET DUE TO UNPAID LEAVE OF ABSENCE

- A. The position will be budgeted for the fiscal year at the employee's regular range, step and percent of employment.
- B. The Department/Unit may utilize vacant position budget in excess of temporary replacement costs for any personnel costs.
- C. Unexpended funds in the position account at the end of the fiscal year will revert to the unrestricted general fund unassigned fund balance.

**MT. SAN ANTONIO COLLEGE
PERSONNEL BUDGET PROCEDURES**

III. BUDGET FOR RECLASSIFICATION

A. Temporary Reclassification

From the effective date of the reclassification, for each fiscal year during which the employee is reclassified, the Department/Unit will fund the difference between the employee's regular range and step for the fiscal year and the reclassified range and step for the fiscal year, including longevity and shift differential.

B. Permanent Reclassification

From the effective date of the reclassification, for the fiscal year in which the reclassification occurs, the College will fund the difference between the employee's range and step prior to reclassification and the employee's range and step after reclassification, including benefits, longevity and shift differential.

IV. BUDGET FOR INCREASE IN PERCENTAGE OF EMPLOYMENT

A. Temporary Increase in Percentage of Employment

From the effective date of the increase in percentage of employment, for each fiscal year during which the increased percentage of employment continues, the Department/Unit will fund the difference between the employee's regular percentage of employment and the increased percentage of employment, including benefits, longevity and shift differential.

B. Permanent Increase in Percentage of Employment

1. For the fiscal year in which the increase in percentage of employment occurs, the Department/Unit will fund the difference between the employment percentage prior to the increase and the employment percentage after the increase, including benefits, longevity and shift differential.
2. For the subsequent fiscal year, the cost center's status quo budget allocation will be reduced in an amount equal to the difference between the employment percentage prior to the increase and the employment percentage after the increase, calculated at the employee's range and step, including benefits, longevity and shift differential.

V. BUDGET FOR ADDITION OR CHANGE IN SHIFT DIFFERENTIAL

Increase in differentials will be funded from the Unrestricted General Fund.

VI. BUDGET FOR TEMPORARY REPLACEMENT OF PERMANENT STAFF

The Department/Unit is primarily responsible for funding the cost of temporary replacements while an employee is on extended leave. If the Department/Unit is unable to cover the replacement costs, a request stating the necessity for the replacement may be submitted to Fiscal Services. Fiscal Services will review the request and process the appropriation transfer from the Personnel Budget Placeholder if funds are available.

**MT. SAN ANTONIO COLLEGE
PERSONNEL BUDGET PROCEDURES**

VII. BUDGET FOR ADDITION OF NEW POSITION (NO EXISTING VACANCY)

The Department/Unit must purchase new positions from the status quo budget allocation in an amount equal to the salary at Step 1 of the range for the position plus benefits and shift differential (excluding longevity). New positions must be approved by President's Cabinet.

VIII. BUDGET DUE TO ELIMINATION OF A POSITION

Savings from eliminated positions will revert to the unrestricted general fund, unassigned fund balance. President's Cabinet may approve the transfer of eliminated positions budget to the Department/Unit budget.

IX. BUDGET FOR PERSONNEL CHANGES

Fiscal Services will adjust personnel budgets for the following changes that are board approved:

- A. Professional Growth Stipends
- B. Range/Step Corrections
- C. Negotiated Settlements

X. OTHER

- A. Position budgeting and allocation of costs in extenuating circumstances not enumerated above will be determined by the Vice President, Administrative Services in Conjunction with the affected Vice President in a manner consistent with the foregoing provisions.
- B. Each Departments/Units is responsible for over expenditures of their management, classified or confidential salary budgets. In the event of over expenditure, the Department/Unit's carryovers will be used to balance the deficit; if carryovers do not exist or are insufficient, the deficit will be rectified through a repayment plan approved by the Vice President, Administrative Services.

**MT. SAN ANTONIO COLLEGE
PERSONNEL BUDGET PROCEDURES**

FACULTY POSITIONS

I. POSITION AND VACANCY BUDGET

A. Position Budget for Fiscal Year

1. In accordance of AP 7120 Recruitment and Hiring Faculty and after President's approval, new faculty positions will be budgeted at an estimated salary range determined by Fiscal Services. If the position is filled with a permanent faculty member prior to establishment of the final budget, the position budget will be adjusted to the actual step of the faculty member hired.
2. A position which becomes vacant subsequent to establishment of the final budget will remain budgeted for the current fiscal year at the range and step of the employee vacating the position.
3. The Department/Unit with the appropriate Vice President's approval may utilize vacant position budget for the faculty replacement cost of the vacated position. If the available budget is for instructors, it can only be used to fund instructors. If the available budget is for counselors, it can only be used to fund counselors. If the available budget is for librarians, it can only be used to fund librarians. This is to maintain the ratio between instructional and non-instructional positions.
4. Unexpended funds in the position account at the end of the fiscal year will revert to the unrestricted general fund, unassigned fund balance.

II. BUDGET FOR PERSONNEL CHANGES

Fiscal Services will adjust personnel budgets for the following changes that are board approved:

- A. Professional Growth Stipends
- B. Range/Step Corrections
- C. Negotiated Settlements

Chapter 7 - Human Resources

APPENDIX E

AP 7120 Recruitment and Hiring: Faculty

References:

Education Code Sections 87100 et seq., 87400, and 88003; Accreditation Standard III.A

Applicant Travel Reimbursement

The College is authorized to pay for and/or reimburse necessary traveling expenses to and from the College for candidates who travel to the College for full-time faculty interviews.

Eligibility for Reimbursement

Full-time faculty (contract and regular) applicants who must travel 150 miles or more (subject to verification) one way from their residence to the College to interview for the following classifications of positions will be eligible for reimbursement.

Reimbursable Expenses

- A. The College shall reimburse up to a total of \$500 for actual and necessary travel expenses associated with the applicant's interview. Any expenses exceeding this amount shall be the applicant's responsibility.
- B. Travel may be by air, private or rented automobile, bus, or rail. Expenses for lodging, meals, parking, and incidentals, such as cab fare, shall be considered appropriate expenses. Expenses for lodging and meals are subject to approval by the Vice President, Human Resources. It is expected, however, that airline tickets will be booked at coach or tourist class rates.
- C. Mileage for using one's own car shall be reimbursed at the appropriate College mileage rate, not to exceed what it would have cost for air fare.
- D. Reimbursement is limited to the expenditures incurred by the applicant on behalf of himself/herself only.
- E. The total number of travel days for which lodging and meal expenses may be claimed will normally be limited to one day prior and one day following the interview, depending on the distance to be traveled and the time of the interview. Exceptions will be determined by the Vice President, Human Resources in consultation with the appropriate hiring managers.

Required Documentation for Reimbursement

Applicants shall submit to the Office of Human Resources a Candidate Reimbursement for Interview Form and providing all required documentation of expenses within 30 days of completing travel. Original receipts for lodging and carrier expenses must be submitted in order for the applicant to be reimbursed. The Candidate Reimbursement for Interview Form will be authorized by Human Resources.

Full-Time Faculty Selection Procedures

The following provisions are applicable to all non-management, academic, full-time positions:

A. Faculty Positions

1. Growth: The need for contract tenure-track faculty shall be developed by each department and recommended to the area administrator in the Spring semester for positions requested to be hired the following academic year (e.g., Spring 2008 for academic hiring for 2008-09, start date of Fall 2009). The area administrator, in consultation with the department chairs, or a representative of the department if a department chair is not available, will prioritize the requests submitted by the departments within the division and will forward them to the Vice President, Instruction by the end of the Spring semester. The Vice President, Instruction will provide the lists of requests for faculty positions prioritized by each division to the Academic Senate. The Instruction Team and the Academic Senate Executive Board will independently prioritize the submitted requests. The priorities for the Academic Senate and Instruction Team will be brought to the Academic Mutual Agreement Council (AMAC) for the development of a single list to represent the faculty growth positions priorities for the College. The prioritized list shall be submitted to the College President for a decision regarding the number of growth positions approved for hire in that academic year.

The President of the College will issue instructions to the Office of Human Resources regarding filling the open positions, based on the following procedures listed under Recruitment below.

2. Vacancy: When a faculty member submits a formal notice of resignation or retirement or does not have his/her contract renewed, a replacement for the vacancy must be requested by the department and the area administrator using the forms developed for requesting a faculty position. If the vacancy is declared before the end of the Fall semester, replacements will be considered in AMAC based on documentation of need. The determination will be made by AMAC, after consultation with the department chair and area administrator, whether to replace, to open recruitment for the next on the list, or to not fill the position that year. If the position is not filled that year, it will remain a vacancy for reconsideration as a replacement the following year.

Following approval by AMAC, the Vice President, Instruction will issue instructions to the Office of Human Resources regarding filling the open positions, based on the following procedures listed under Recruitment below.

3. Unusual Situations: When a department experiences a vacancy due to faculty reassignment or to department restructuring, the decision to replace will be made by mutual agreement in AMAC. The department, in consultation with the area administrator, should submit a request for a faculty position as described under Section 2 (Vacancy) above.

Following approval by AMAC, the Vice President, Instruction will issue instructions to the Office of Human Resources regarding filling the open positions, based on the following procedures listed under Recruitment below.

4. Temporary Full-time Positions: Either when a vacancy remains unfilled after the prioritization process because of a failed recruitment or when a department demonstrates a need for a full-time position because of program expansion or loss of faculty after the prioritization process, a department may request a one-year, temporary full-time position. Such requests require the approval of the appropriate dean and vice president, who, after consultation with AMAC, will take the request to President's Cabinet for final approval. Candidates for temporary positions may be drawn from applicant pools formed for a tenure-track position or from other sources. If a search is conducted, every effort will be made to notify part-time faculty of the opportunity to apply for the temporary position. Candidates for temporary positions must have the support of the department chair and appropriate administrator.

A selection committee will be formed and a formal interview will be held using the processes outlined below.

- a. Screening - Temporary Positions: The Screening Committee shall consist of one area administrator, the department chair, and one to three faculty chosen by the department. If the department wishes to select faculty persons from outside the department, this is permissible. These individuals will be voting members of the Committee. The voting members of the Screening Committee shall elect the Screening Committee Chair. The Screening Committee may appoint two additional non-voting Screening Committee members who may be managers, industry representatives, faculty, classified staff, and/or students. The Academic Senate President, or designee, may approve faculty appointments to the Screening Committee.

The Committee will screen all applications meeting job-related criteria, determine the list of candidates to be interviewed, and conduct the interviews. Every effort will be made to establish a diverse committee membership with regard to sex, race, color, ancestry, religious creed, national origin, age, medical condition, mental and physical disabilities, marital status, sexual orientation, or Vietnam Era Veteran Status.

- b. Interviews - Temporary Positions: The Screening Committee Chair will schedule interviews so that they will not conflict with classes taught by Committee members or applicants. Any conflicts will be discussed with Committee members or applicants prior to scheduling. The established College interview procedure shall be used in all interviews. Questions to be asked in the interviews will be developed and agreed upon by the Committee. The questions will be subject to approval by

the Vice President, Human Resources, or designee, to ensure that they are not illegal or discriminatory.

- c. Final Selection of Temporary Positions: It will be the Screening Committee's task to recommend one or more candidates for an interview by the appropriate vice president. The final interview shall include the appropriate vice president, the department chair (or designee) and the area administrator (or designee). The Vice President will make the final recommendation to the Board of Trustees.

B. Recruitment

Full-time Tenure Track: It is the policy of the College that all full-time position vacancies be advertised in and out of the District.

The appropriate subject area faculty, together with the area administrator, shall develop the faculty position descriptions, requirements, and desired qualifications.

The job notice will include all job-related skills, requirements, and any additional qualifications recommended by faculty, when appropriate. Criteria for hiring that go beyond the minimum qualifications may be established by the College and will usually be limited to knowledge in the specific subjects to be taught.

The position descriptions will be approved by AMAC. If any changes are recommended by AMAC that differ from those submitted by the department, consultation with department representation will be held prior to advertising for the position. Every attempt will be made to obtain agreement. If this is not possible, the recommendation of the College President/CEO will be used.

C. Applications

The application form is the document by which standard information about each applicant is obtained. In addition to the standard form, a supplemental application form may be used for certain positions to gather specialized job-related information for use in the screening process. All applicants shall submit completed application forms, a résumé, and transcripts of the college work completed. Departments, in consultation with their area administrator, will determine whether to require letters of recommendation or whether to make letters of recommendation optional at the time the hiring brochure is prepared. Documents will be submitted into the system electronically either by the applicant or the Office of Human Resources. In addition, the applicant may include other pertinent materials to be used in the screening procedures. All application materials shall be addressed to the Office of Human Resources and will be kept on file for three years.

State law allows local districts to establish equivalencies to the degree or experience requirements. If the position announcement allows applicants to have equivalent qualifications, they must be verified by documentation. This documentation will be considered part of the application. Human Resources will determine if the applicant meets minimum qualifications. When appropriate or necessary, the Office of Human Resources will consult with the Academic Senate President regarding verification of minimum qualifications. The Academic Senate President will review all equivalency

requests before including candidates in the applicant pool to be reviewed by the Screening Committee.

D. Screening

The Screening Committee shall consist of one area administrator, department chair and three faculty persons selected by vote of the department. If the department chair is not available, a fourth faculty person shall be selected by vote of the department. If the department wishes to select faculty persons from outside the department, this is permissible. These five persons will be voting members. All Screening Committees will include an Equal Employment Opportunity Representative. This individual shall be a non-voting member of the Committee and will be appointed by Human Resources, in consultation with the Academic Senate President. The voting members of the Screening Committee shall elect the Screening Committee Chair. The Screening Committee may appoint two additional non-voting Screening Committee members who may be managers, industry representatives, faculty, classified staff, and/or students. The Academic Senate President, or designee, shall approve faculty appointments to the Screening Committee.

The Committee will electronically screen all applications meeting job-related criteria, determine the list of candidates to be interviewed, and conduct the interviews. Any committee member who does not complete prescreening tasks assigned to the committee will be removed from the committee. Every effort will be made to establish a diverse Committee membership with regard to sex, race, color, ancestry, religious creed, national origin, age, medical condition, mental and physical disabilities, marital status, sexual orientation, or Vietnam Era Veteran Status. Each Committee, upon its formation, will contact the Equal Employment Opportunity Officer to confirm that the procedures it will be following in screening and interviewing will conform to the College's equal employment and non-discrimination policies. All members of the hiring committee will have Equal Employment Opportunity training in accordance Title 5 Section 53003(c)(4).

E. Interviews

In coordination with the area administrator, the Office of Human Resources will make the necessary arrangements for all interviews, which will be conducted by the Screening Committee. Every effort will be made by the Office of Human Resources and the Screening Committee Chair to schedule interviews so that they will not conflict with classes taught by Committee members or applicants. Any conflicts will be discussed with Committee members or applicants prior to scheduling. The established College interview procedure shall be used in all interviews. Questions to be asked in the interviews will be developed and agreed upon by the committee in conjunction with the Vice President, Human Resources, or designee, at least one day before the interviews begin. The questions will be subject to approval by the Vice President, Human Resources, or designee, to ensure that they are not illegal or discriminatory.

F. Final Selection

It will be the Screening Committee's task to recommend two or more applicants for interview by the College President/CEO and/or designee(s). A recommendation of fewer than two candidates must be accompanied by a written explanation. The Screening Committee's recommendations and all interview materials must be sent to the Office of Human Resources. The Screening Committee's recommendations and evaluation sheets on the finalists will be sent forward to the College President/CEO and/or designee(s) and will be taken into consideration when making the final selection. The College President/CEO will make the final recommendation to the Board of Trustees.

The final interview shall include the College President/CEO or his/her designee, the appropriate Vice President, the chair of the Screening Committee, and the EEO representative. If the chair of the Screening Committee is the area administrator, then the faculty department chair or designee will be invited to participate. Likewise, if the Screening Committee chair is a faculty member, then the area administrator will be invited to participate. The College President/CEO may request additional candidates to be identified by the Screening Committee if he/she determines that the candidates recommended by the Screening Committee do not meet Mt. San Antonio College standards. In such cases, the Screening Committee will reconvene to determine if it will recommend two or more additional candidates for interview or to recommend additional recruitment for additional applicants.

G. Board Approval

Prior to submission of the selected finalist to the Board of Trustees, the College President/CEO, or designee, will review any selection that does not align with recommendations from the Screening Committee with the Academic Senate President, or designee. Upon selecting the finalist for submission to the Board of Trustees, the College President/CEO will inform the area administrator of the decision, who will inform the members of the Screening Committee as to the decision.

H. Revision

The hiring process and its procedures are subject to review and revision at the request of the Academic Senate, College President/CEO, or the Board of Trustees.

Faculty Conditions of Employment and Assignment

Required Personnel Records

- A. Academic personnel must provide the following information and records for the Office of Human Resources: (1) credentials or verification of minimum qualifications; (2) professional records and official, sealed college transcripts; and (3) verification of freedom from active tuberculosis. New employees must secure this verification prior to their first day of employment (results obtained up to 60 days prior to start date are acceptable); continuing employees shall file verification every four years from the previous date of clearance; failure to comply may result in the withholding of next month's payroll warrant until this requirement is satisfied; (5) fingerprint clearance (LiveScan); and (6) Employment and/or vocational verifications.

- B. The following information and records must be provided for the Payroll Office: (1) Employee's Withholding Exemption Certificate; (2) Loyalty Oath; and (3) Copies of Social Security Card and California Driver's License.
- C. The Office of Human Resources must be notified whenever changes occur that make records incorrect.

Hourly Academic Employee Selection Procedures

The following provisions are applicable to instructional part-time hourly positions:

A. Vacancy

Appropriate department chairs, program supervisors, directors, and/or faculty will inform the appropriate division when openings for part-time positions occur and determine how recruitment should be conducted as well as provide updates to the job notice.

The job notice will include all job-related skills, requirements, and any additional qualifications recommended by faculty, when appropriate. Criteria for hiring that go beyond the minimum qualifications may be established by the College and will usually be limited to knowledge in the specific subjects to be taught.

B. Recruitment

The Office of Human Resources will recruit using widespread local announcements with sufficient time for applicants to respond.

C. Screening

At least one faculty/program supervisor or department chair from the appropriate content area will screen the applications to determine candidates who meet the minimum qualifications or equivalencies. From this group, candidates will be selected for interviews.

D. Interviews

At least one faculty/program supervisor or department chair from appropriate content area will interview qualified applicants. Based on interview results and after references are checked by the vice president or the supervising manager, the Committee will create a pool of available candidates. A list of these candidates will be sent to the Office of Human Resources.

E. Maintaining the Pool

Such a pool will be maintained and updated by the Division (with proper notification to the Office of Human Resources) during the calendar year in order to be available when hiring is required.

F. Hiring

The department chair, or designee, will select from the pool a candidate(s) for hire as needed and submit hiring documentation to the Office of Human Resources.

G. Emergency Procedures

Whenever a qualified candidate is not available from this pool for a specific position, every effort will be made to apply the aforementioned procedures. When this is not possible, the Division Dean or Associate Dean will consult with faculty within the content area before selecting a candidate for hire. Persons hired or rehired will be required to go through the required hiring procedures before employment can begin.

H. Revisions

This hiring process and its procedures are subject to review and revision at the request of the Academic Senate, College President/CEO, or the Board of Trustees.

Approved: November 10, 2009

Revised: May 22, 2013

M t. S a n A n t o n i o C o l l e g e
Budget and Expenditure Comparative Report
For Fiscal Year 2013/2014, 2014/2015, & 2015/2016
Unrestricted General Fund - 11
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APPENDIX F

Org Description: President

Fund	Orgn	Acct	Prog	Actv	Account Description	Fiscal Year	Adopted Budget	Revised Budget	Actuals	Commitments	Balance
11000	100000	121000	660000	1200	Educational Admin-Regular	2013/2014	229,500	235,399	235,404	0	(5)
11000	100000	121000	660000	1200	Educational Admin-Regular	2014/2015	235,435	235,435	235,428	0	7
11000	100000	121000	660000	1200	Educational Admin-Regular	2015/2016	235,435	259,253	173,232	0	86,021
11000	100000	149900	660000	1200	Hrly Noninstr Sal-Other Comp	2013/2014	12,000	12,309	12,000	0	309
11000	100000	149900	660000	1200	Hrly Noninstr Sal-Other Comp	2014/2015	12,000	12,000	12,000	0	0
11000	100000	149900	660000	1200	Hrly Noninstr Sal-Other Comp	2015/2016	12,000	0	0	0	0
11000	100000	211000	660000	2100	Classified Salaries-Unit A	2013/2014	61,819	66,384	66,373	0	11
11000	100000	211000	660000	2100	Classified Salaries-Unit A	2014/2015	31,006	0	0	0	0
11000	100000	211000	660000	2100	Classified Salaries-Unit A	2015/2016	0	0	0	0	0
11000	100000	213000	660000	2100	Confidential Salaries	2013/2014	100,133	103,709	104,125	0	(416)
11000	100000	213000	660000	2100	Confidential Salaries	2014/2015	139,401	172,976	172,973	0	3
11000	100000	213000	660000	2100	Confidential Salaries	2015/2016	172,976	181,659	121,103	0	60,556
11000	100000	215000	660000	2100	Classified Admin Salaries	2013/2014	0	119,683	119,688	0	(5)
11000	100000	215000	660000	2100	Classified Admin Salaries	2014/2015	119,702	122,096	122,112	0	(16)
11000	100000	215000	660000	2100	Classified Admin Salaries	2015/2016	122,096	128,225	85,496	0	42,729
11000	100000	236000	660000	2100	Overtime, Noninstructional	2013/2014	3,000	3,143	3,143	0	0
11000	100000	236000	660000	2100	Overtime, Noninstructional	2014/2015	3,000	3,000	3,000	0	0
11000	100000	236000	660000	2100	Overtime, Noninstructional	2015/2016	3,000	3,000	1,084	0	1,916
11000	100000	421500	660000		Books, Magazines, Periodicals/NFees	2013/2014	1,100	997	997	0	0
11000	100000	421500	660000		Books, Magazines, Periodicals/NFees	2014/2015	1,100	1,207	1,207	0	0
11000	100000	421500	660000		Books, Magazines, Periodicals/NFees	2015/2016	1,100	1,100	1,342	0	(242)
11000	100000	451000	660000		Supplies	2013/2014	5,060	6,287	3,313	0	2,974
11000	100000	451000	660000		Supplies	2014/2015	8,000	8,000	5,481	0	2,519
11000	100000	451000	660000		Supplies	2015/2016	8,000	8,000	2,179	3,672	2,149
11000	100000	453200	660000		Supplies-Promotional Items	2013/2014	0	722	823	0	(101)

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Org Description: President

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11000	100000	453200	660000		Supplies-Promotional Items	2014/2015	0	5	5	0	0
11000	100000	453200	660000		Supplies-Promotional Items	2015/2016	0	0	93	0	(93)
11000	100000	471000	660000		Food Supplies	2013/2014	0	0	68	0	(68)
11000	100000	521000	660000		Travel and Conferences	2013/2014	0	19,452	19,452	0	0
11000	100000	521000	660000		Travel and Conferences	2014/2015	0	0	(114)	0	114
11000	100000	521000	660000		Travel and Conferences	2015/2016	0	0	920	0	(920)
11000	100000	522000	660000		Mileage	2013/2014	100	733	811	0	(78)
11000	100000	522000	660000		Mileage	2014/2015	100	100	462	0	(362)
11000	100000	522000	660000		Mileage	2015/2016	100	100	340	0	(240)
11000	100000	531000	660000		Dues and Memberships	2013/2014	1,200	390	390	0	0
11000	100000	531000	660000		Dues and Memberships	2014/2015	1,200	1,200	400	0	800
11000	100000	531000	660000		Dues and Memberships	2015/2016	1,200	1,200	590	0	610
11000	100000	564500	660000		Maintenance Agreements	2013/2014	1,500	225	1,009	0	(784)
11000	100000	564500	660000		Maintenance Agreements	2014/2015	900	900	986	0	(86)
11000	100000	564500	660000		Maintenance Agreements	2015/2016	900	900	523	574	(197)
11000	100000	583000	660000		Advertisement, Non-Legal	2013/2014	366	1,480	1,480	0	0
11000	100000	589000	660000		Other Services	2013/2014	4,400	2,149	1,536	0	613
11000	100000	589000	660000		Other Services	2014/2015	4,400	4,288	3,272	0	1,016
11000	100000	589000	660000		Other Services	2015/2016	4,400	4,400	385	330	3,685
11000	100000	589200	660000		Services for Catering/Prom Items	2013/2014	600	1,200	612	0	588
11000	100000	589200	660000		Services for Catering/Prom Items	2014/2015	1,200	1,200	1,798	0	(598)
11000	100000	589200	660000		Services for Catering/Prom Items	2015/2016	1,200	1,200	678	1,272	(750)
11150	100000	521000	660000		Travel and Conferences	2014/2015	4,000	4,000	1,989	0	2,011
11150	100000	521000	660000		Travel and Conferences	2015/2016	4,000	4,000	1,817	490	1,692

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Org Description: President

Fund	Orgn	Acct	Prog	Actv	Account Description	Fiscal Year	Adopted Budget	Revised Budget	Actuals	Commitments	Balance
						Total 2013/2014	420,778	574,262	571,225	0	3,037
						Total 2014/2015	561,444	566,407	561,000	0	5,407
						Total 2015/2016	566,407	593,037	389,782	6,338	196,917

POSITIVE BUDGET BALANCE EXPLANATION FORM
UNRESTRICTED GENERAL FUND

APPENDIX H

SAMPLE

Organization: President Institutional

ACCOUNT NUMBER					ACCOUNT DESCRIPTION	FISCAL YEAR	BALANCE AMOUNT	EXPLANATION OF POSITIVE BUDGET BALANCES?
FUND	ORG	ACCT	PROG	ACTV				
11000	900000	561000	660000		Contracted Services	2014-15	35,074	There was a Purchase in Progress (P0033030) for \$11,000 that carryover to 2014-15. There was a expense for \$11,635 in account 589000 that came out of this budget line item. The contracts varied as College has different institutional needs each fiscal year.

IMMEDIATE NEED REQUEST

2016 - 2017

APPENDIX I



Requested by: (Unit, Department, Division or Vice President)			
			Date to VP:
Location	(Fill-in)	Reviewed By (Signature):	
Department or Unit:			Date to Cabinet:
Division:			Outcome:
Vice President:			

Budget Request(s)	Justification for Request(s)	Funds Requested **		Funding
(List in Priority Order)	An "Immediate Need" is a shortfall in funding that, unless funded immediately, could cause a program to cease to function.	Amount	One-time	Approved
1.				
	Account Number(s):			
2.				
	Account Number(s):			
3.				
	Account Number(s):			

**** Please provide documentation to support the amount requested, such as price quotes from vendor, copy of catalog, etc. Also, include any ancillary costs, such as maintenance, annual software upgrades, etc.**

RATE-DRIVEN INCREASE REQUEST

2016 - 2017

APPENDIX J



REQUESTING: (Unit, Department, Division or Vice President)					
			Reviewed by AVP, Fiscal Services:		
Location	(Fill-in)	Reviewed By (Signature):	Date:		
Department or Unit:			Approved by VP, Administrative Services:		
Division:					
Vice President:			Date to VP:		

	Budget Request(s)	Justification for Request(s)	Funds Requested **				Funding
	(List in Priority Order)	A "Rate-Driven Increase" is for a reason, which is mandated and out of the Department's/Unit's Control. A "Rate-Driven Increase" may be submitted (with supporting documentation), <u>anytime</u> during the fiscal year.	Amount	One-time	Ongoing		Approved
1.							
	Account Number(s):						
2.							
	Account Number(s):						
3.							
	Account Number(s):						

**** Please provide documentation to support the amount requested, such as the prior and current year's invoice. (Which supports the increase)
Examples of Rate Driven Increases are existing maintenance agreements, memberships, utilities. (Not a cost increase in a supply item)**

2016-17 NEW RESOURCE ALLOCATION REQUESTS - PRIORITIZED SUMMARY

(For requests that have been approved for funding, please provide documentation to support amount requested, such as price quotes from vendor, copy of catalog, etc.)

APPENDIX K

TEAM: Instruction

Priority Number	Division	Department-Org/Department's Contact Staff	Description	Justification of Need	To Be Completed By Departments				Required if Budget Approved By President's Cabinet					To Be Completed When President's Cabinet Makes Final Decision			
					One-time	Ongoing	Total Requested	PIE Page (s)	Account Number					Total Funded	Outcome (President's Cabinet Funding Decision)	Funding Source	Comments
									Fund	Org	Acct	Prog	Actv				
	Technology and Health	Welding	Instructional supplies and materials for the Welding program		7,750	7,750	VP-PIE Page 7	11000	353520	431000	095650		7,750	Funded	Lottery Ongoing	President's Cabinet 10/15/14	
	Humanities	Sign Language, Interpreting	Interpreters to assist Deaf professors in the classroom	5,000		5,000	VP-PIE Page 10	11000	345500	241100	080900	2200	83,100	Not Funded	Unrestricted General Fund One-time	President's Cabinet 10/15/14	
					\$ 5,000	\$ 7,750	\$ 12,750		Total					\$ 90,850			

**Appendix C
2016-17 BUDGET DEVELOPMENT CALENDAR**

APPENDIX L

(November 4, 2015)

DESCRIPTION OF TASK	DUE DATE
Fiscal Services Updates and Projects Personnel Budget (Changes through January 13, 2016 Board Agenda)	01/29/16
Fiscal Services Distributes Status Quo Budget Templates to Departments for Tentative Budget Changes/Analysis	03/01/16
Fiscal Services Prepares Preliminary Tentative Budget	03/07/16
Departments Complete Status Quo Budget Review; Then Sends to Deans/Directors	03/14/16
Budget Committee Reviews Preliminary Tentative Budget	03/16/16
Budget Committee Determines and Communicates New Resources Available	03/16/16
Budget Committee Reviews One-time New Resources Allocation Requests previously funded	03/16/16
Budget Committee Sends Communication Campus Wide Regarding New Resources Allocation Process	03/23/16
Deans/Directors Review and Approve Department's Status Quo Budgets; Then Sends to VPs	03/25/16
Vice Presidents Review and Approve Department's Status Quo Budgets; Then Sends to Fiscal	04/08/16
Departments Prioritize New Resources Requests for One-Time Funding in their PIE Forms	05/15/16 to 06/30/16
Budget Committee Reviews the Completed Tentative Budget	06/01/16
Fiscal Services Completes the Tentative Budget and Prepares Board Agenda Item	06/03/16
President's Cabinet Makes Final Decision on Funding for One-time New Resources Allocation Requests Previously Funded . (The review is for 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)	06/21/16
Tentative Budget Submitted for Board Approval	06/22/16
Fiscal Services' Deadline for 2015-16 Year-End Closing	07/21/16
Deans/Directors Prioritize Department's New Resource Allocation Requests	07/01/16
Vice Presidents Prioritize Team's New Resource Allocation Requests	08/14/16
Budget Committee Reviews the Completed Adopted Budget	09/07/16
Board of Trustees Approves Adopted Budget	09/14/16
Budget Committee Finalizes Review of New Resource Allocation Requests and Forwards to President's Advisory Council	09/21/16
President's Advisory Council Reviews New Resources Allocation Requests and Forwards to President's Cabinet	09/28/16
President Makes Final Decision on New Resources Requests Based on President's Cabinet Recommendations; and Budget Committee and President's Advisory Council Reviews	10/04/16
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 New Resources Allocation funded Requests to Budget Committee and President Advisory Council	TBD

LEGEND:

- Budget Committee**
- Department level**
- Administrative Level**
- Other Groups**
- Fiscal Services**



**MT. SAN ANTONIO COLLEGE
2016-17 BUDGET SCENARIOS**
(June 1, 2016)

APPENDIX M

Descriptions	Footnote	2016-17 Tentative Budget			
		Tentative Budget	Conservative	Likely	Optimistic
UNRESTRICTED GENERAL FUND					
Ending Budget Fund Balance Previous Year (2014-15 Adopted Budget)	(1)	\$ 23,704,069	\$ 23,704,069	\$ 23,704,069	\$ 23,704,069
Net Changes in Estimated Revenues and Expenditures - Includes 2015-16 Estimated Growth of 798 FTES		10,251,514	10,251,514	10,251,514	10,251,514
BEGINNING FUND BALANCE (2015-16 Estimated Fund Balance)	(2)	33,955,583	33,955,583	33,955,583	33,955,583
Base Apportionment		132,101,158	132,101,158	132,101,158	132,101,158
2014-15 Growth/Restoration (2.00%) - Increase of 1,393 FTES		6,031,585	6,031,585	6,031,585	6,031,585
2015-16 Funded COLA at 1.02%		1,467,240	1,467,240	1,467,240	1,467,240
2015-16 \$49 Million Career Development and College Preparation Courses (CDCP)		5,714,336	5,714,336	5,714,336	5,714,336
Base Apportionment plus COLA as per 2015-16 P1	(3)	145,314,319	145,314,319	145,314,319	145,314,319
2015-16 Estimated Growth - Will Earn Additional 798 FTES	(4)	3,767,645	3,767,645	3,767,645	3,767,645
2015-16 Growth - With Additional 250 FTES from Summer 2016, the Estimated Growth will Increase by	(4)	1,181,436	-	1,181,436	1,181,436
2015-16 \$62.3 Million Full-time Faculty Hiring as per 2015-16 P1	(5)	1,664,910	1,664,910	1,664,910	1,664,910
2015-16 \$266.7 Million Base Allocation Increase for Operating Expenses such as STRS & PERS Cost Increases as per 2015-16 P1	(6)	7,105,954	7,105,954	7,105,954	7,105,954
2016-17 Estimated Funded COLA at 0.00% (May Revise)		-	-	-	-
2016-17 \$75 Million Base Allocation Increase for Operating Expenses. Could be utilized for STRS & PERS Cost Increases - (May Revise)	(7)	2,027,517	2,027,517	2,027,517	2,027,517
Total Estimated Apportionment		161,061,781	159,880,345	161,061,781	161,061,781
Lottery (Increased by 468 FTES Per 2015-16 First Principal Attendance Report. Will be Recalculated with the Annual Attendance Report)	(8)	4,481,960	4,481,960	4,481,960	4,481,960
Miscellaneous (Per 2015-16 Adopted Budget)	(9)	7,036,160	7,036,160	7,036,160	7,036,160
Mandated Cost Block Grant (Per 2015-16 Adopted Budget)	(10)	853,045	853,045	853,045	853,045
	(11)	275,000	275,000	275,000	275,000
Non Resident Fees-International - Increase Based on 2015-16 Estimated Actuals	(11)	75,000	75,000	75,000	75,000
Non Resident Fees-Out-of-State - Increase Based on 2015-16 Estimated Actuals	(11)	75,000	75,000	75,000	75,000
Interest - Increase as a Result of Total Elimination of Deferrals	(11)	75,000	75,000	75,000	75,000
Student Records - To be Determine at Year-End		-	-	-	-
		-	-	-	-
Various Adjustments: Parking Citations, Performing Arts Tickets, Student Visa Application, BOG Fee Waiver Administration, Administrative Allowance Financial Aid Programs, Prior Year Lottery Adjustment, Self Insured Trust, and Energy Maintenance Projects. (Will be Adjusted when final actuals are known for the FY 2015-16)					
TOTAL ONGOING REVENUES		173,857,946	172,676,510	173,857,946	173,857,946

Descriptions	Footnote	2016-17 Tentative Budget			
		Tentative Budget	Conservative	Likely	Optimistic
BASE ONGOING EXPENDITURE BUDGET PER THE 2015-16 ADOPTED BUDGET	(12)	(166,839,534)	(166,839,534)	(166,839,534)	(166,839,534)
2016-17 Salary Schedule Progression for Full-time Permanent Staff	(13)	(1,300,971)	(1,300,971)	(1,300,971)	(1,300,971)
2016-17 Credit Adjunct Step/Column		(128,000)	(128,000)	(128,000)	(128,000)
2016-17 Non Credit Adjunct Step/Column		(105,000)	(105,000)	(105,000)	(105,000)
2015-16 Medical Coverage Opt-out		66,658	66,658	66,658	66,658
Misc. Personnel and Benefit Changes (Mainly Changes in Step & Column due to Filled Vacancies and Changes in Employer Contributions for Hourly Budgets)	(14)	542,257	542,257	542,257	542,257
2015-16 Salary and Benefit Increase - Collective Bargaining Agreements - 1% Cost-of-Living Increase - Approved for the Faculty, Pending Board Approval for the Other Units	(15)	(1,402,503)	(1,402,503)	(1,402,503)	(1,402,503)
STRS Increase from 10.73% to 12.58%	(16)	(1,354,225)	(1,354,225)	(1,354,225)	(1,354,225)
PERS Employer Rate Increase from 11.847% to 13.050%	(17)	(771,219)	(771,219)	(771,219)	(771,219)
Unemployment Insurance - No Change. Rate Remains at 0.05% for 2016-17		-	-	-	-
Worker's Compensation Increase - Rate Increase from 1.55% to _____ - To be Determined		-	-	-	-
Reclassification of Personnel	(18)	(85,976)	(85,976)	(85,976)	(85,976)
New Management, Confidential, CSEA 262, CSEA 651 Positions	(19)	(1,697,646)	(1,697,646)	(1,697,646)	(1,697,646)
Reallocation of Faculty Professional Growth to Fund Faculty Compensation	(20)	1,124,406	1,124,406	1,124,406	1,124,406
New Faculty Positions (7 New Positions less Reduction of Faculty Adjunct)	(21)	(438,947)	(438,947)	(438,947)	(438,947)
Class Schedule Increase (For 2015-16 Growth) - Preliminary to be Recalculated at Year-End	(22)	(1,177,577)	(1,177,577)	(1,177,577)	(1,177,577)
Budget Increases		(126,842)	(126,842)	(126,842)	(126,842)
2015-16 New Resources Allocation Phase 4 - Operating Expenses		(230,247)	(230,247)	(230,247)	(230,247)
TOTAL ONGOING EXPENDITURES		(173,925,366)	(173,925,366)	(173,925,366)	(173,925,366)
ONGOING PROJECTED SURPLUS/(DEFICIT)		(67,420)	(1,248,856)	(67,420)	(67,420)

Descriptions	Footnote	2016-17 Tentative Budget			
		Tentative Budget	Conservative	Likely	Optimistic
ONE-TIME REVENUES: (INCREASES)/DECREASES					
2015-16 Apportionment Deficit Recovery	(23)	1,145,047	1,145,047	1,145,047	1,940,218
2015-16 Growth - With Additional 250 FTES from Summer 2016, the Estimated Growth will Increase by \$1,181,436. These Additional Growth will be coming on a one-time basis next February 2017	(4)	1,181,436	-	1,181,436	1,181,436
2016-17 Growth (2%) - Governor's May Revise and Chancellor's Office Simulation	(24)	-	-	-	3,093,673
2016-17 Apportionment Deficit - Estimated at 0.5% of Total Apportionment	(25)	(805,309)	(799,402)	(805,309)	(820,777)
2016-17 \$105.5 Million State Mandated Reimbursement	(26)	2,852,040	2,852,040	2,852,040	2,852,040
TOTAL ONE-TIME REVENUES		4,373,214	3,197,685	4,373,214	8,246,590
ONE-TIME EXPENTITURES: (INCREASES)/DECREASES					
Carryovers and Purchases in Progress - Commitments from 2015-16 - Based on 2015-16 Adopted Budget		(2,535,672)	(2,535,672)	(2,535,672)	(2,535,672)
2014-15 and 2015-16 New Resources Allocation Requests - Carryovers - Commitments from 2015-16	(27)	(2,297,345)	(2,297,345)	(2,297,345)	(2,297,345)
STRS and PERS Trust	(28)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Auxiliary Unfunded PERS Liability	(29)	(127,044)	(127,044)	(127,044)	(127,044)
International Student Nonresident Fee	(11)	(275,000)	(275,000)	(275,000)	(275,000)
Immediate Needs Requests - One-Time		(14,000)	(14,000)	(14,000)	(14,000)
Positions Funded with One-Time Funds	(30)	(562,340)	(562,340)	(562,340)	(562,340)
2016-17 \$105.5 Million State Mandated Reimbursement - Expenditure Budget	(26)	(2,852,040)	(2,852,040)	(2,852,040)	(2,852,040)
Election Cost - No Election Costs		-	-	-	-
Class Schedule Increase (2016-17 Growth) - Per 2015-16 Estimated Increase in Course Offerings		-	-	-	(966,772)
Savings from Vacant Positions - per 2015-16 Adopted Budget		256,597	256,597	256,597	256,597
TOTAL ONE-TIME EXPENTITURES: (INCREASES)/DECREASES		(12,406,844)	(12,406,844)	(12,406,844)	(13,373,616)
ONGOING AND ONE-TIME PROJECTED INCREASES/DECREASES		(8,101,050)	(10,458,015)	(8,101,050)	(5,194,446)
ENDING FUND BALANCE		25,854,533	23,497,568	25,854,533	28,761,137
UNRESTRICTED GENERAL FUND - REVENUE GENERATED ACCCOUNTS					
BEGINNING FUND BALANCE	(31)	5,137,259	5,137,259	5,137,259	5,137,259
ONE-TIME REVENUES: (INCREASES)/DECREASES	(31)	2,501,548	2,501,548	2,501,548	2,501,548
ONE-TIME EXPENTITURES: (INCREASES)/DECREASES	(31)	(7,638,807)	(7,638,807)	(7,638,807)	(7,638,807)
REVENUE GENERATED ACCOUNTS PROJECTED INCREASES/DECREASES	(31)	(5,137,259)	(5,137,259)	(5,137,259)	(5,137,259)
ENDING FUND BALANCE		-	-	-	-

Descriptions	Footnote	2016-17 Tentative Budget			
		Tentative Budget	Conservative	Likely	Optimistic
SUMMARY					
BEGINNING BALANCE		39,092,842	39,092,842	39,092,842	39,092,842
TOTAL REVENUES		180,732,708	178,375,743	180,732,708	184,606,084
TOTAL EXPENDITURES		(193,971,017)	(193,971,017)	(193,971,017)	(194,937,789)
SUMMARY OF FUND BALANCE:					
Assigned Fund Balance-Over Cap Growth/Restoration for Health & Welfare					
Assigned Fund Balance-Carryovers and Purchases in Progress					
Assigned Fund Balance-Revenue Generated Accounts				-	-
Unassigned Fund Balance - 10% Board Policy		19,397,102	19,397,102	19,397,102	19,493,779
Unassigned Fund Balance	(32)	6,457,431	4,100,466	6,457,431	9,267,358
TOTAL FUND BALANCE		\$ 25,854,533	\$ 23,497,568	\$ 25,854,533	\$ 28,761,137
TOTAL FUND BALANCE PERCENTAGE		13.33%	12.11%	13.33%	14.75%
NOTE:					
OPEB (Other Postemployment Benefits) Contribution and Retirees Health Premiums:					
OPEB Contribution and Retirees Health Premiums - Cost for 2016-17	(12)	4,078,338	4,078,338	4,078,338	4,078,338
Will be paid from the Interest Earned in the OPEB Trust.					

MT. SAN ANTONIO COLLEGE
2016-17 BUDGET SCENARIOS DEFINITIONS AND FOOTNOTES
(June 1, 2016)

Definitions:

Conservative:

- Information available at the time the budget is prepared
- Worst case scenario of state – at risk
- Historical patterns for revenues and expenditures

Likely:

- Worst case scenario may not happen because they do not materialize and are mitigated during the year. Example: revenues are backfilled, or economic situation changes.
- Offline conversations with decision makers.

Optimistic:

- Most favorable outcome of every situation

Footnote	Narrative
(1)	Conservative, Likely, and Optimistic: From 2015-16 Adopted Budget Ending Fund Balance, please refer to page 22 of the 2015-16 Adopted Budget.
(2)	Conservative, Likely, and Optimistic: The following are the changes from the 2015-16 Adopted Budget to arrive at an Estimated Ending Fund Balance for the Unrestricted General Fund:

	Changes to the Fund Balance
2015-16 ADOPTED BUDGET - FUND BALANCE - At 12.05%	\$ 23,704,069
Plus: 2015-16 Unbudgeted Revenues	
2014-15 COLA (1.02%)	(6,416)
2014-15 Decrease in Growth	(786,116) (A)
2015-16 CDCP Equalization	157,160
2015-16 Increase to Base Allocation	879,034 (B)
2015-16 Full-Time Faculty Hiring	41,204
2015-16 Estimated Growth - Constrained Growth 2.85%	3,767,645 (C)
2014-15 Apportionment Deficit Recovery	441,629
2015-16 Increase of Apportionment Deficit from 0.4% to 1.22%	(1,310,604) (D)
Miscellaneous Revenue	772,149 (E)
Changes in 2015-16 Revenues	3,955,685
Plus: 2015-16 Unexpended Expenditure Budgets	
Permanent/Hourly Faculty and Classified Permanent Positions	491,859
2015-16 Faculty Hiring	1,319,256
New Faculty Professional Growth Stipend	1,224,406
New Resources Allocation - Unexpended Budget for Positions	2,420,432
New Resource Allocation - Unexpended Departmental and Institutional Budgets	1,484,285
Unexpended Institutional Budgets	1,355,591
Additional Transfer to STRS/PERS Trust	(2,000,000) (F)
Changes in 2015-16 Expenditures	6,295,829 (G)
Net Changes in Revenues & Expenditures	10,251,514
Estimated Ending Fund Balance Unrestricted General Fund	33,955,583

Footnote

Narrative

(A) The 2014-15 Growth was reduced with the April 2016 final Recalculation.

(B) The College received additional funds to the 2015-16 Increase to Base with the April 2016 First Principal Apportionment. This additional funding is subject to change with the final Apportionment Recalculation of February 2017.

Conservative, Likely, and Optimistic:

Total Base Apportionment of \$143,847,079 plus OPEB (0.02%) of \$

Board of Trustees on May 27, 2015.

(3)

147,240 as per first principal apportionment dated April 15, 2016. Includes CDCP Equalization for a total of \$5,714,336 and 2014-15 Growth of \$6,031,585.

(C) The 2015-16 Growth was not included in the 2015-16 Adopted Budget as established in the Budget Review and Development Process. The final number is the final Growth. The final Growth will be

CALIFORNIA COMMUNITY COLLEGES 2015-16 FIRST PRINCIPAL APPORTIONMENT MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT		
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APRIL
EXHIBIT C

(D) In August 2016, increased from

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675.903051	4,723.597254	24,281.387	1,196.503	0.000	0.000	25,477.890	0.000	25,477.890
Noncredit FTES	2,811.752093	2,840.431965	1,802.040	-478.630	0.000	0.000	1,323.410	0.000	1,323.410
Noncredit - CDCP FTES	4,675.903043	4,723.597254	4,185.750	5.790	0.000	0.000	4,191.540	0.000	4,191.540
Total FTES:			30,269.177	723.663	0.000	0.000	30,992.840	0.000	30,992.840

(E) The College received lottery adjustment

I Base Revenues +/- Restore or Decline			V Other Revenue Adjustments		
A Basic Allocation		\$5,670,617	A Misc. Revenue Adjustments		\$0
B Basic FTES Revenue Before Workload Reduction	\$138,176,462		B Full-Time Faculty Hiring		\$1,664,910
C Workload Reduction	\$0.00		C Base Increase		\$7,105,954
D Revised Base FTES Revenue	\$138,176,462		Total Revenue Adjustments		\$8,770,864
1 Credit Base Revenue	\$113,537,411		VI Stability Adjustment		\$0
2 Noncredit Base Revenue	\$5,066,890		VII Total Computational Revenue		\$158,404,816
3 Career Development College NonCr	\$19,572,161		(sum of II, III, IV, V, & VI)		
E Current Year Decline	\$0		VIII District Revenue Source		
Total Base Revenue Less Decline		\$143,847,079	A1 Property Taxes		\$31,100,535
II Inflation Adjustment			A2 Less Property Taxes Excess		\$0
A Statewide Inflation Adjustment	1.02%		B Student Enrollment Fees		\$8,335,231
B Inflation Adjustment	\$1,467,240				
C Current Year Base Revenue + Inflation Adjustment		\$145,314,319			

(G) The unexpended expenditure budgets are mainly the result of vacancies for faculty, management, and classified positions. A large amount is due to the New Resources Allocation Requests positions and operational budgets. These budgets have been committed and will be carryover to the fiscal year 2016-17.

(H) Includes a \$2.5 million payment towards the annual contribution to the OPEB Trust for 2016-17 as approved by the

Footnote

Narrative

(4) Likely, and Optimistic:

The total Growth is estimated to be 2.85% Constrained Growth or approximately 798 FTES. This represents a total of \$3,767,645. If the College includes an Additional 250 FTES from the Summer 2016, the Growth will increase by approximately \$1,181,436. These estimates are preliminary and will change several times. The total 2015-16 Growth will be known in February 2017.

Description	3.83% Constrained Growth, Per Per P1 Apportionment April 2016		
	Growth Formula Percent	Total Amount	Estimated Number of FTES (At Credit Rate)
2015-16 Estimated Growth <u>at Cap</u>	3.83%	\$ 5,061,412	1,072
2015-16 Estimated Growth	3.75%	\$ 4,949,081	1,048 *
2015-16 Estimated Growth	2.85%	\$ 3,767,645	798
2015-16 Estimated Growth	2.00%	\$ 2,643,034	560
2015-16 Estimated Growth	1.00%	\$ 1,321,517	280

Compared to Funded FTES of 2014-15 Recalc April 2016 and 2015-16 P2 320 Report:

	Credit	Noncredit	CDCP	Total
2014-15 Recalc P1 April 2016	24,281	1,802	4,186	30,269
2015-16 P2 320	24,854	1,641	4,572	31,067
Subtotal	573	(161)	386	798
* Includes Summer 2016 Projected Growth for CED				250
Total				1,048

Additional Growth for 250 FTES from Summer 2016:

2015-16 Estimated Growth	3.75%	\$ 4,949,081	1,048
2015-16 Estimated Growth	2.85%	\$ 3,767,645	798
Difference		\$ 1,181,436	250

(5) Conservative, Likely and Optimistic:

The 2015-16 Full-Time Faculty Hiring is estimated at \$1,664,910 as per the 2015-16 first principal apportionment of April 2016. This allocation is subject to change with the final apportionment recalculation of February 2017.

(6) Conservative, Likely and Optimistic:

The 2015-16 Increase Base Allocation is estimated at \$7,105,954 as per the 2015-16 first principal apportionment of April 2016. This allocation is subject to change with the final apportionment recalculation of February 2017.

(7) Conservative, Likely, and Optimistic:

The Governor's State Budget May Revision includes a proposal to increase the Base Allocation by \$75 Million statewide. This funding could be utilized for the escalating operational costs and CalPERS and CalSTRS increases. This was estimated on FTES from the 2014-15 final apportionment released in April 2016.

Footnote**Narrative**

(8) Conservative, Likely, Optimistic:

Lottery revenues increased by \$65,520 (from \$4,416,440 to \$4,481,960). The estimate is based on the 2015-16 P1 attendance report as follows:

32,014 FTES times \$140 per FTE = \$4,481,960

The Lottery revenue budget will be recalculated at year-end when the annual attendance for 2015-16 is known.

(9) Conservative, Likely, Optimistic:

These budgets include Nonresident fees, interest and other miscellaneous fees. Some of these budgets will be adjusted to actuals after the 2015-16 College books are closed.

(10) Conservative, Likely, Optimistic:

The Mandated Cost Block Grant is estimated as per the 2015-16 Adopted Budget. The Budget will be revised with the 2015-16 second principal apportionment funded FTES.

(11) Conservative, Likely, Optimistic:

Nonresident Tuition International and Out-of-State as well as the Interest have been increase based on 2015-16 estimated actuals.

(12) Conservative, Likely, and Optimistic:

For the Base Ongoing Expenditures, please refer to page 17 of the 2015-16 Adopted Budget. This Ongoing balance includes a \$2,500,000 budget for the OPEB Trust. On May 27, 2015, the Board of Trustees approved a Funding Plan of Other Post-Employment Benefits Other than Pensions (OPEB) and a Change to the Financial Presentation. The Change consists on funding on an ongoing basis \$2,500,000 from the Unrestricted General Fund and paying the Retirees Health Premiums from the OPEB Trust.

The 2016-17 Total Expenditure for the OPEB Contribution and the Health Retirees Premiums of \$6,578,338 as per the latest actuarial report. \$4,078,338 will be funded from the OPEB Trust.

(13) Conservative, Likely, and Optimistic:

Salary schedule progression includes projected step/column increases for full-time permanent employees based on individual employee records.

(14) Conservative, Likely, and Optimistic:

Miscellaneous personnel and benefit changes mainly include changes in step/column due to positions becoming vacant and filled vacancies during the year. Vacancies for managers, classified, supervisory, and confidential employees are budgeted at step 3.

(15) Conservative, Likely, and Optimistic:

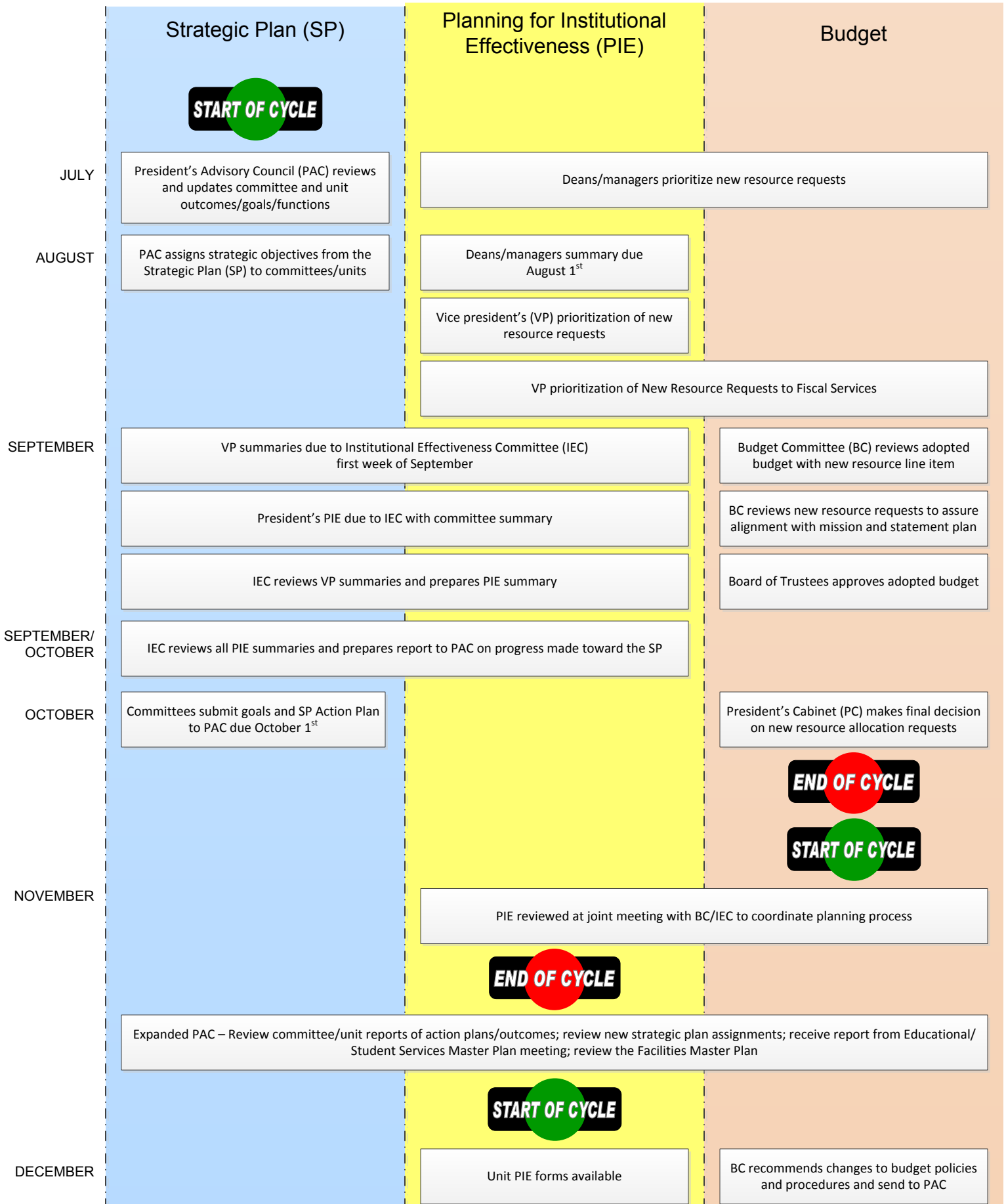
The 2015-16 Salary and Benefit Increase is calculated at 1%. The State did not provide any Cost-of-Living Increase as per the Governor's May Budget Revision.

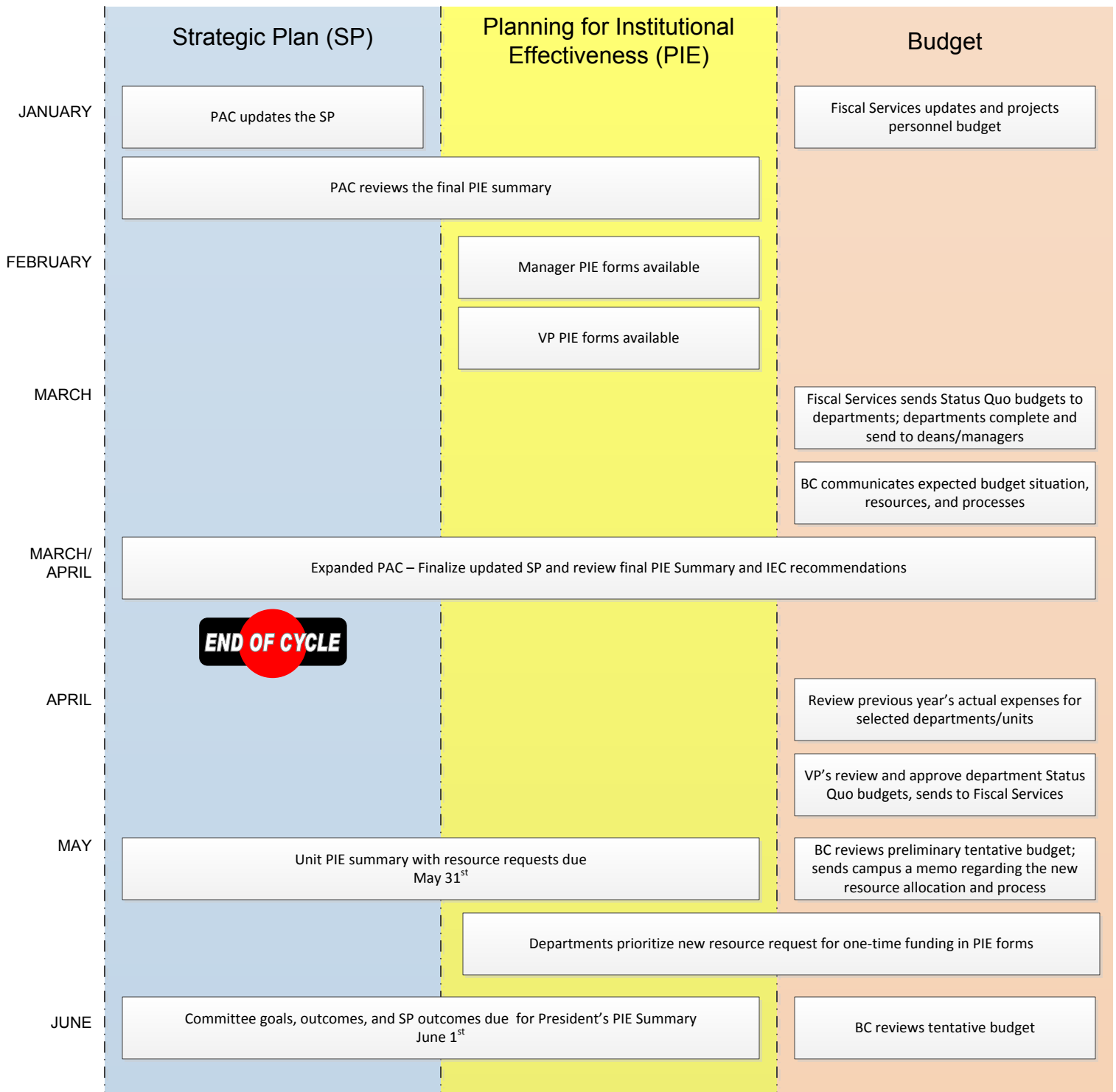
Footnote**Narrative**

- (16) **Conservative, Likely, and Optimistic:**
The STRS employer rate will increase from 10.73% to 12.58%. Includes full-time and adjunct faculty. This Budget does not include the 1% salary increase. The 1% increase on STRS is included in the budget line item 2015-16 Salary and Benefit Increase.
- (17) **Conservative, Likely, and Optimistic:**
The PERS employer rate will increase from 11.847% to 13.050%. This Budget does not include the 1% salary increase. The 1% increase on STRS is included in the budget line item 2015-16 Salary and Benefit Increase.
- (18) **Conservative, Likely, and Optimistic:**
Mainly includes the Cost of Reclassification as approved by the Board of Trustees during the fiscal year 2015-16.
- (19) **Conservative, Likely, and Optimistic:**
Includes new positions for Managers, Confidential, CSEA 262, and CSEA 651, which were approved with the 2015-16 New Resources Allocation Phase 4.
- (20) **Conservative, Likely, and Optimistic:**
The increase to fund the Faculty Professional Growth was included in the 2015-16 Adopted Budget in its entirety. These funds are being reallocated to the New Faculty Positions and the Ongoing Increase to earn the 2015-16 Growth. The College will continue to increase this budget based on actual expenses for each fiscal year.
- (21) **Conservative, Likely, and Optimistic:**
The College is adding 7 new faculty positions for a total of \$761,479 and reducing the equivalent adjunct faculty budget for \$317,373.
- (22) **Conservative, Likely, and Optimistic:**
The Class Schedule Increase to earn the 2015-16 Growth has been estimated at \$1,177,577. This estimate will be revised when the final adjunct faculty payroll is paid for 2015-16.
- (23) **Conservative, Likely, and Optimistic:**
The 2015-16 apportionment deficit as of April 2016 is estimated at 1.22%. The assumption is that the deficit will at 0.5% of the total apportionment next February 2017. The decrease from 1.22% to 0.5% is quantify at \$1,145,047 for the Conservative and Likely scenarios. The Optimistic scenario assumes a total recovery of the deficit for \$1,940,218.
- (24) **Optimistic:**
The estimate included is for the 2% Statewide Growth as per the Governor's State Budget May Revision. It is based on a simulation of the new growth formula prepared by the Chancellor's Office using 2015-16 first principal apportionment figures. This formula accounts for district demographics related to poverty and college attainment. The new growth formula also seeks to balance two key elements: 1) need based on local demographics, and 2) actual demand as demonstrated by the number of students served in previous fiscal years.

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- (25) **Conservative, Likely, and Optimistic:**
The assumption is that the apportionment deficit will be 0.5% for the fiscal year 2016-17. The figure are different because the Conservative, Likely and Optimistic scenarios include different total apportionment bases.
- (26) **Conservative, Likely, and Optimistic:**
The Governor's State Budget May Revision includes a proposal to increase funding by \$105.5 Million statewide in one-time funding for State Mandated Reimbursements. Mt. SAC's share is approximately \$2,852,040. This was estimated on FTES from the 2014-15 Apportionment Recalculation released on April 2016. Funds could be utilized for the escalating operational costs and CalSTRS and CalPERS increases. An equivalent budget Expenditure is included.
- (27) **Conservative, Likely, and Optimistic:**
2014-15 New Resources Allocation Requests Phases 1 & 2 Carryovers approved by President's Cabinet on March 24 and April 21, 2015 and 2015-16 New Resources Allocation Requests Phases 3 & 4 Carryovers approved by President's Cabinet on July 21, August 14 and October 13, 2015.
- (28) **Conservative, Likely, and Optimistic:**
A total of \$4 million will be transferred to the Section 115 Mt. San Antonio College STRS/PERS Trust. The establishment of the trust is pending Board of Trustees approval, and will be presented to the board on June 22, 2016.
- (29) **Conservative, Likely, and Optimistic:**
The Auxiliary PERS Unfunded Liability is due to a new method that is based on group benefit obligation. The Auxiliary Services is in Pool Plan and must follow decisions made by the PERS Board.
- (30) **Conservative, Likely, and Optimistic:**
The Positions Funded with One-Time Funds were approved at President's Cabinet on April 5, 2016 and May 3, 2016.
- (31) **Conservative, Likely, and Optimistic:**
The Revenue Generated Accounts are budgets for college programs that produce revenue to fund the total cost of the program. Some examples are the Athletic Program, Music Program and Community Services.
- (32) **Conservative, Likely, and Optimistic:**
The Unassigned Fund Balance could be used to fund the New Resources Allocation Requests Phase 5, Computer Replacement Program, Utilities Costs, Increase of the Minimum Wage, etc.

Integrated Planning and Budgeting Process Calendar





SP = Strategic Plan
 PIE = Planning for Institutional Effectiveness
 VP = Vice President
 PC = President's Cabinet
 PAC = President's Advisory Council
 BC = Budget Committee
 IEC = Institutional Effectiveness Committee

**BUDGET COMMITTEE'S
PURPOSE, FUNCTION AND MEMBERSHIP**
(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 institutional planning and its integration to the budget process and 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.
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)

Vice President, Administrative Services (Chair)	Mike Gregoryk	(ongoing)
Associate Vice President, Fiscal Services	Rosa Royce	(ongoing)
Three Managers	Irene Malmgren	(ongoing)
(one from Facilities Planning & Management, one	Gary Nellesen	(ongoing)
from Student Services, and one from Instruction)	Audrey Yamagata-Noji	(ongoing)
Four Faculty	*Dan Smith,	(2015-18)
(Appointed by the Academic Senate)	Co-Chair	
* 1 Appointed Co-Chair	Martin Ramey	(2013-16)
	Michael Sanetrick	(2014-17)
	Lance Heard	(2013-16)
Two Classified	Justin Ott	(2015-18)
	Mark Fernandez	(2015-18)
Confidential Group	Lisa Romo	(2015-18)
One Member at Large	Vacant	(2011-14)
(Appointed by V.P. Administrative Services, confirmed		
by Budget Committee)		
Two Students	Elizabeth Contreras	(2015-16)
(Appointed by Associated Students)	Beverly Yan	(2015-16)

Person responsible to maintain committee website:

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

Chapter 6 – Business and Fiscal Affairs

APPENDIX P

BP 6200 Budget Preparation

References:

Education Code Section 70902(b)(5); Title 5 Sections 58300 et seq.; BP 6250

Each year, the CEO shall present to the Board of Trustees a budget, prepared in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual. The schedule for presentation and review of budget proposals shall comply with State law and regulations and provide adequate time for appropriate review.

Budget development shall meet the following criteria:

- The General Fund Budget shall support the College's Mission, Master Plan, Educational Plan, goals, and priorities. It shall also support existing educational programs and services;
- The annual budget shall be developed in sufficient detail to give a clear indication of the major items of revenues and expenditures including the College's goals, plans, and purposes for expenditures;
- Assumptions upon which the budget is based are presented to the Board of Trustees for review;
- On or before the first day of July each year, the Board of Trustees shall adopt a tentative budget;
- The College shall make the proposed budget available for public inspection at least three days prior to the public hearing, at which any resident in the district may appear and object to the proposed budget or any item in the budget;
- The Board of Trustees shall hold a public hearing on the proposed budget for the ensuing fiscal year, in a College facility or some other place conveniently accessible to the residents of the District;
- On or before the 15th day of September, the Board of Trustees shall adopt a final budget;
- Changes in the assumptions upon which the budget was based shall be reported to the Board of Trustees in a timely manner;
- Budget projections address long-term goals and commitments;
- Annual fiscal year revenue and expenditure estimates shall be developed conservatively with the goal of projecting a balanced budget with preference for adopting a surplus, that is, an excess of revenue over expenditures;
- Recognizing that expenditures fluctuate and that income is not fully ascertained until the following fiscal year, it is the College's goal to manage this dynamic process to assure that total expenditures do not exceed total income for the year exceeds total expenditures;

- Prior to adoption of the annual budget, if estimated revenues exceed estimated expenditures, the College may allocate surplus funds to institutional priorities as determined through the annual planning and budgeting process; and
- Adoption of the final budget by the Board of Trustees acknowledges the College's Mission, goals, plans, and priorities. Budget adoption by the Board of Trustees constitutes legal authority for the receipt and disbursement of funds and the implementation of the budget.

Approved: July 28, 2004

Reviewed: May 6, 2014

Reviewed: December 16, 2014

Revised: May 11, 2016

Chapter 6 – Business and Fiscal Affairs

APPENDIX Q

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 approval 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.

To ensure ongoing fiscal health and stability, the District shall maintain the total Unrestricted General Fund Balance (reserves) at not less than 10% of total 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 5%. If the reserves become less than 10%, the College will present a plan within 120 days to restore the reserves within two fiscal years.

Approved: July 28, 2004

Reviewed: May 6, 2014

Revised: June 22, 2016

Chapter 6 - Business and Fiscal Affairs

APPENDIX R

AP 6200 Budget Preparation

References:

Accreditation Standards; Education Code Section 70902(b)(5); Title 5 Sections 58300 et seq.

Budget preparation will be developed using an established process as approved by the College's Budget Committee. A budget preparation calendar will be developed annually, which will include the tentative and final budget deadlines.

The adopted budget will be submitted to the California Community College Chancellor's Office upon the submission of the Annual Financial and Budget Report (CCFS-311) no later than October 10th of each fiscal year.

Reviewed: December 16, 2014

Chapter 6 - Business and Fiscal Affairs

APPENDIX S

AP 6250 Budget Management

References:

Title 5 Sections 58307 and 58308

Title 5 requires that budget management conforms to the following minimum standards:

- Total amounts budgeted as the proposed expenditure for each major classification of expenditures shall be the maximum expended for that classification for the academic year, except as specifically authorized by the Board of Trustees;
- Transfers may be made from the reserve for contingencies to any expenditure classification by written resolution of the Board of Trustees and must be approved by a two-thirds vote of the members of the Board of Trustees;
- Transfers may be made between expenditure classifications by approval of the Board of Trustees and may be approved by a majority of the members of the Board of Trustees; and
- Excess funds must be added to the general reserve of the College and are not available for appropriation except by approval of the Board of Trustees setting forth the need according to major classification.

Appropriation Transfer Procedures

- A. General Information: It is recognized that from time to time that, after the adoption of the annual budget, the reallocation of certain funds within the budget may become necessary or desirable for efficient operation of the College. Every attempt should be made to hold such transfers to a minimum through good advance planning during budget preparation.
- B. Procedures: Whenever a reallocation of funds within the budget is made, it is extremely important that proper procedures are followed to meet legal requirements and maintain proper budgetary controls. The following procedures are designed to meet these objectives and to clarify and standardize the method of requesting and implementing appropriation transfers within the budget:
1. The budget control officer requesting the transfer should obtain a copy of "Request for Appropriation Transfer" form from Fiscal Services. This request must be submitted prior to the use of the funds (purchase requisition, travel and conference expense, mileage expense, timesheets, revolving cash reimbursement, etc.).
 2. Complete the form, as per specified instructions.

3. The form should include a signature of the “requestor” and should include approval signatures as follows:
 - a. Transfers made between expenditure classifications less than \$5,000 should be approved by the appropriate manager. Transfers made between expenditure classifications greater than or equal to \$5,000 must be approved by the vice president of the area or the College President/CEO.
 - b. Transfers from regular salary accounts (accounts used to charge permanent employees), regardless of the amount, must be approved by the College President/CEO or vice president of the area requesting the transfer and the chief fiscal officer or designee.
 - c. Transfers from the Faculty Hourly Accounts (Unrestricted General Fund), regardless of the amount, must be approved by the chief instructional officer and the chief fiscal officer.
 - d. All transfers from the Fund Balance (Reserves), Unrestricted General Fund must be approved by the Vice President of Administrative Services and the chief fiscal officer.
4. After the form is completed with the appropriate approvals, the request should be routed to the Fiscal Services Department.
5. The Fiscal Services Department will submit the “Request for Appropriation Transfer” to the Board of Trustees as pursuant to the California Code of Regulations, Title 5 Section 58307.

Budget Revision Procedures

- A. General Information: The College is continuously looking for opportunities to increase its revenues, obtaining categorical programs (grants, entitlements, donations, and other financial assistance) and contracts. This is an ongoing process throughout the year; therefore, there is a need to recognize the receipt of these funds after the adoption of the final budget.
- B. Procedures: When a written notification (award letter, contract, agreement, etc.) is received regarding a change (increase or decrease) of funding, it is extremely important that proper procedures are followed to meet legal requirements and maintain proper budgetary controls. The following procedures are designed to meet these objectives and standardize the method of requesting and implementing budget revisions within the budget:
 1. The Program Manager should obtain a “Request for Budget Revision” form from the Fiscal Services Department. This request must be submitted prior to the use of the funds (purchase requisition, travel and conference expense, mileage expense, timesheets, revolving cash reimbursement, etc.).

2. The Fiscal Services Department will assign an appropriate account number for all new programs, as needed.
3. Complete the form, as per specified instructions.
4. The form should include a signature of the “requestor” and shall include approval signatures as follows:
 - a. Budget Revisions less than \$5,000 should be approved by the appropriate manager. Budget Revisions equal to or over \$5,000 must be approved by the College President/CEO or the vice president of the area requesting the budget revision and the chief fiscal officer.
 - b. Budget Revisions that include regular salary accounts (accounts used to charge permanent employees), regardless of the amount, must be approved by the College President/CEO or the vice president of the area requesting the transfer and the chief fiscal officer or designee.
 - c. All Budget Revisions that increase or decrease the Fund Balance (Reserves), Unrestricted General Fund must be approved by the Vice President of Administrative Services and the chief fiscal officer.
5. After the form is completed with the appropriate approvals, the request should be routed to the Fiscal Services Department.
6. The Fiscal Services Department will submit the “Request for Budget Revision” to the Board of Trustees as pursuant to the California Code of Regulations, Title 5 Section 58308.

Revised: October 21, 2015

**BUDGET COMMITTEE'S
GOALS**

Committee Goal	Link to College Goal #	Completed Outcomes/Accomplishments (descriptive bullet list)
GOAL #1: Committee website is up-to-date.	6, 11, 15	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/Guideline to align and integrate with campus-wide planning processes and the Strategic Plan process and timelines.	7,14	The Budget Sub-committee continues to meet to review and revise the Budget Review and Development Process/Guideline to align and integrate with campus-wide planning processes and the Strategic Plan process and timelines. The Budget Sub-committee will bring a Draft version of the revised Budget Review and Development Process/Guideline to the full Budget Committee for comment by fall 2016. The Budget Sub-committee reports their progress to the Budget Committee and makes recommendations.

Committee Goal	Link to College Goal #	Completed Outcomes/Accomplishments (descriptive bullet list)
<p>GOAL #3: Review and make recommendations for the OPEB Trust (Retirees Health Benefits) to meet its funding goals. Review the Actuarial Report and make recommendations.</p>	<p>7</p>	<p>The College continues to fund \$2,500,000 towards the annual contribution to the OPEB Trust on an ongoing basis from the Unrestricted General Fund and pays the retirees' health premiums from the interest earned on the OPEB Trust. 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 will 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 corresponding one-time savings. This recommendation was approved by the Board of Trustees on May 27, 2015.</p>
<p>Goal #4: Review and comment on Accreditation Standard IIID.</p>	<p>12,14</p>	<p>Budget Committee members participated and sat on the committee for Accreditation Standard IIID. These Budget Committee members served as representatives for the Budget Committee.</p>
<p>Goal #5: Improve communication about budget issues to the campus and community by utilizing technology and other opportunities to share information campus-wide.</p>	<p>8,9, 13,14</p>	<p>The Budget Committee will continue to explore new methods of improving communication. One method of improving communication that the Budget Committee is considering is a quarterly informational announcement containing budget highlights and an opportunity for the campus community to submit questions where answers will be provided.</p>

Committee Goal	Link to College Goal #	Completed Outcomes/Accomplishments (descriptive bullet list)
Goal #6: Review PERS/STRS financial responsibilities and recommend ways in which PERS/STRS contributions can be met.	7	The Budget Committee recommended developing a PERS/STRS Trust so that Mt. San Antonio College can meet increased PERS/STRS employer contribution rates through 2021. Resolution No. 15-11 – Authorization to Establish a Section 115 Mt. San Antonio College STRS/PERS Pension Trust will go to the Board of Trustees for approval on June 22, 2016.

Glossary

Actuals

Amounts of revenues received or accrued and amounts of expenditures paid or accrued.

Accruals

Revenues or expenditures that have been recognized for the fiscal year but not received or disbursed until the subsequent fiscal year. Annually, accruals are included in the revenue and expenditure amounts reported in the year-end financial statements.

Accrual Basis

The method of accounting which calls for recognizing revenue/gains and expenses/losses in the accounting period in which the transactions occur regardless of the timing of the related cash flows. (Contrast with Cash Basis.)

Adopted Budget

The final college budget approved by the Board of Trustees on or before September 15.

Apportionment

General funding based on a statewide legislative model which incorporates property taxes, enrollment fees, and funding for the number of Full-Time Equivalent Students (FTES) served.

Assigned Fund Balance

Fund Balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing board delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of the fund.

Budget

A plan of operation expressed in terms of financial or other resource requirements for a specific period of time. (*GC 13320, 13335; SAM 6120.*)

CDCP

Career Development and College Preparation Courses.

Carryover

The unencumbered balance of an appropriation that continues to be available for expenditure in years subsequent to the year of approval. For example, if a three-year appropriation is not fully encumbered in the first year, the remaining amount is carried over to the next fiscal year.

COLA

Cost of Living Allowance. Periodic increase in salaries to compensate for loss in purchasing power of money due to inflation.

Deficit

A deficit occurs when expenditures exceed revenues during an accounting period or fiscal year.

Equalization

State funds provided to address the historic disparity in funding per FTES (full time equivalent student) among community college districts.

Encumbrances

Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Expenses, Expenditures

Decreases in net financial resources. Outflows or other using up of assets or incurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

Fund Balance (Reserves)

For budgeting purposes, the excess of a fund's resources over its expenditures. An amount of a fund balance set aside to provide for estimated future expenditures or losses, working capital, or for other specified purposes.

Growth

Funds provided in the state budget to support the enrollment of additional FTE students.

Lottery

Revenues to provide supplemental funding to California education at all levels.

Modified Accrual Basis (Modified Cash Basis)

The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available" to finance expenditures of the current period." "Measurable" is interpreted as the ability to provide a reasonable estimate of actual cash flow. "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period." Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid or when

consumed. All governmental funds, expendable trust funds and agency funds are accounted for using modified accrual basis of accounting.

One-time Revenues – Non-recurring resources generated by one-time events.

One-Time Expenditures

A proposed or actual expenditure that is non-recurring (usually only in one annual budget) and not permanently included in baseline expenditures or the status quo budget.

Ongoing Revenues

Recurring resources that can generally be counted upon on an annual basis and over which the District has significant discretion as to their use.

Ongoing Expenditures

Recurring expenditures that will occur every fiscal year. For example: salaries for regular full time employees, operating expenditures for departments, and utilities.

Purchases in Progress

Encumbrances that represent valid obligations related to unfilled purchase orders for items or services. Purchases in Progress are recognized as a subtraction of the Unrestricted General Fund Balance and are budgeted the following fiscal year in the corresponding departmental budgets.

Revenue

Increases in net assets from other than expense or expenditures refunds or other financing sources.

Restricted General Fund

The Restricted General Fund is used to account for resources available for the operation and support of the educational programs that are specifically restricted by laws, regulations, donors, or other outside agencies as to their expenditures. Restricted moneys are generally from an external source that requires the moneys be used for specific purposes.

Surplus

A surplus occurs when revenues exceed expenditures during an accounting period or fiscal year.

Unassigned Fund Balance

Unassigned Fund Balance is the residual classification for the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the assigned classification in that fund. Positive unassigned amounts will be reported only in the general fund. This classification includes amounts identified by the governing board as reserved for economic uncertainties.

Unrestricted General Fund

The Unrestricted Fund is used to account for resources available for the general purposes of the district operations and support of its educational program. This fund includes board-designated moneys which represent a commitment of unrestricted resources that are stipulated by the governing board to be used for a specific purpose. Such resources are not truly restricted since such designations can be changed at the board's discretion. Because the governing board retains discretionary authority to redesignate these resources for some other purpose (assuming no legal obligation has been entered into), board-designated moneys are to be accounted for in the Unrestricted General Fund.

Unrestricted General Fund – Revenue Generated Accounts

The Unrestricted General Fund – Revenue Generated Accounts is used to account for resources available for designated or specific college programs. Some sources of revenues are the result of fundraising, donations, or fees. Examples are: International Student Program, Community Services Program, Fire Academy Program, Music-Choral Program, Athletic Programs, etc.

Vacant Position

A position that is unfilled.

Standard III.D. Financial Resources

III.D.1.

Financial resources are sufficient to support and sustain student learning programs and services and improve institutional effectiveness. The distribution of resources supports the development, maintenance, allocation and reallocation, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. (ER 18)

Evidence of Meeting the Standard

Financial Resources are Sufficient

Mt. San Antonio College (Mt. SAC) has sufficient financial resources to support and sustain student learning programs and services and improve institutional effectiveness. As a result of continuous collaborative teamwork among constituents, the College has effectively managed its budget regardless of enrollment fluctuations, continuous apportionment deficits, and ongoing operating expenditure increases. In 2014-15, expenditures in the unrestricted general fund totaled \$152.2 million and \$21.7 million in the restricted general fund. The College has also expended a total of \$20.8 million in the debt service fund and special revenue fund, \$37.7 million in the capital project fund, and \$49.2 million in the student financial aid fund ([III.D.1-1 pg. 33-42](#), [III.D.1-2](#), [III.D.1-3](#)). The College has sufficient revenues to maintain and grow educational programs. Unrestricted general fund revenues

increased from \$139.1 million in 2011-12 to \$157.9 million in 2014-15 ([III.D.1-4](#)). As a result, the College has been able to serve more students, with FTES increasing by 2,575 from 2011-12 to 2014-15 ([III.D.1-5 pg. 13](#)).

The Distribution of Resources Supports Programs and Services

The distribution of resources at Mt. SAC through an integrated planning process supports the development, maintenance, allocation and reallocation, and enhancement of programs and services. The College allocates its new resources using the budget review and development process, which provides means for setting priorities for funding institutional improvements. This process is integrated with the Planning for Institutional Effectiveness Process (PIE). The PIE process includes specific planning goals driven by the Strategic Plan. Department/units submit their requests for new resources. These requests are prioritized at several levels, from the units through the division/departments until they reach the Vice President level. They are also presented to numerous committees (e.g., Budget Committee, President's Advisory Council), and ultimately the Vice Presidents make a recommendation for funding to the College President. The President makes the final funding decision, which is later presented to the Board of Trustees. A total of \$4.3 million was recommended for funding in 2014-15 and a total of \$6.2 million was recommended for funding in

2015-16 ([III.D.1-6 pg. 3](#), [III.D.1-7](#), [III.D.1-8](#), [III.D.1-9 pg. 3](#)).

The College consistently receives federal and state funding to maintain and enhance educational programs and services. In 2014-15, the College received a total of \$21 million in grants and categorical programs ([III.D.1-5 pg. 49-52](#)). Some notable grant and categorical funds received were: 1) Building Pathways of Persistence and Completion (Title V), to develop curriculum design models and support structures that accelerate students' certificate completion, graduation and/or transfer rates, 2) Adult Education and Family Literacy, English Literacy and Civic Education, to supplement educational services that enable adults to acquire basic English literacy skills, complete basic education courses, and secure training for employment and citizenship, 3) Disabled Student Program and Services (DSPS), to provide support services, specialized instruction, and educational accommodations to students with disabilities so that they can participate as fully and benefit as equitably from the college experience as their non-disabled peers, and 4) Student Success and Support Program (SSSP), to increase student access and success by providing students with core SSSP services including orientation, assessment and placement, counseling, advising, and other education planning services, and other support services necessary to assist them in achieving their educational goal and declared course of study ([III.D.1-10](#), [I.A.2-10](#)).

Mt. SAC is committed to providing quality educational facilities and current technology. Resources for the

modernization, expansion, alteration, and repair of existing facilities are allocated on a priority basis as prescribed by Administrative Procedure (AP) 6610: Facilities Project Prioritization ([III.D.1-11](#)). Facilities resource requests are submitted by each unit through the PIE process. The requests are prioritized first at the division/unit level, team level, then at the Vice President level and submitted in draft form to the Director of Facilities Planning and Management (FPM). The Director of FPM reviews the prioritized requests and develops very preliminary cost estimates and then combines the requests into a master list of proposed facilities projects. The Facilities Advisory Committee (FAC) reviews the project concepts on the combined list and makes recommendations to the Campus Master Plan Coordinating Team (CMPCT) to fund, or not to fund, individual projects ([III.D.1-12](#)). The Director of FPM regularly reports to the President's Advisory Council (PAC) on the status of proposed, approved, ongoing and completed projects. CMPCT approves and identifies funding sources for projects ([III.D.1-13 pg. 2](#)). The Director of FPM provides regular updates on the status, schedule, and budget for all facilities projects. Facilities Planning and Management supports the Administrative Services, Student Services, and Instruction Teams by assisting in the planning, design, procurement and installation of equipment such as classroom and office furniture, classroom audio-visual technology, and large or complex instructional equipment. The FAC reviews campus standards for equipment and facilities, and makes recommendations to CMPCT. The major sources of revenue that provide funding for facilities and equipment have been two bond

measures: Measure R for \$221 million, approved by the local voters in 2001, and Measure RR for \$353 million, approved by local voters in 2008. The College carefully plans the issuance of bonds to provide sufficient funding for upcoming projects as well as savings for the taxpayers. Projects for Measure R have been completed. The College has issued \$238 million in general obligation bonds for the Measure RR projects ([III.D.1-14](#), [III.D.1-15](#), [III.D.1-16](#)).

The College Foundation Supports Educational Programs and Services

The Mt. SAC Foundation supports the College's educational programs and services by raising money for scholarships, campus projects, and other needs beyond those achievable through the regular funding sources. One of the highest profile activities of the Foundation, beginning in 2008 through 2012, was its participation in a system wide campaign to build a scholarship endowment for students. Thanks to the extreme generosity of the Bernard Osher Foundation, Mt. SAC has established a \$1.5 million endowment fund that will award scholarships to deserving students in perpetuity ([III.D.1-17](#)). Since the completion of the Osher Campaign, the Foundation has continued its focus on building endowments. Since July 2012, it has established eight new endowed scholarship funds and created an operational endowment from gifts that totaled more than \$264,000 ([III.D.1-18 pg. 2](#)). From 2011-2015, the Foundation has secured support for the following campus projects:

- \$70,000 in support of the Mt. SAC Public Arts Council Karl Benjamin Mosaic Project;
- \$25,000 to help send the Chamber Singers, Mt. SAC's award-winning choral group, to international competitions in China and Germany in 2013 and 2015, respectively ([III.D.1-19](#), [III.D.1-20](#));
- \$100,000 for Pathways to Transfer, an accelerated program to help students in basic skills courses in math and English to complete a degree and transfer to a four-year university ([III.D.1-21 pg. 25](#));
- \$30,000 for the Health Professions Student Success coach in the Technology and Health Division;
- \$62,000 to support the planetarium technician position in the Natural Sciences Division;
- \$25,000 in support of Reach for the Stars, a program that brings hundreds of middle-school students from disadvantaged school districts to the Mt. SAC Randall Planetarium for a day of fun and educational science-based activities;
- \$92,190 for Flight Safety in the Aeronautics program; and
- \$70,000 in scholarship support for students studying in the Science, Technology, Engineering, and Mathematics (STEM) fields.

The College Plans and Manages Finances with Integrity and Stability

Mt. SAC plans and manages its financial affairs with integrity and in a manner that ensures financial stability. Board Policy (BP) 6300, Fiscal Management, requires that adequate internal controls exist ([III.D.1-22](#)). Fiscal objectives, procedures, and constraints are communicated to the Board of Trustees and College employees

and adjustments to the budget are made in a timely manner, when necessary. The management information system provides timely, accurate, and reliable fiscal information and responsibility and accountability for fiscal management are clearly delineated. Despite state budget reductions of \$9.8 million in fiscal year 2011-12, the College has consistently recovered and maintained its reserves above the 10 percent unrestricted general fund policy ([III.D.1-23 pg. 5-6](#), [III.D.1-4](#)). The College has sustained and grown its educational programs while maintaining an average year-end reserve balance of 21.64 percent from 2010-11 to 2014-15. This conservative approach has helped ensure financial stability even during times of economic crisis. The College issued bonds in September 2015, obtaining an AA credit rating from Standard & Poor's and Aa2 credit rating from Moody's. In the opinion of these credit agencies Mt. SAC has a very strong financial position with a positive and stable outlook ([III.D.1-24](#), [III.D.1-25](#)).

Mt. SAC has demonstrated that it plans and manages its financial affairs with integrity. The College has complied with the Fiscal Independence requirements since they became effective on July 1, 2012 ([III.D.1-26](#), [III.D.1-27](#), [III.D.1-28](#), [III.D.1-29](#)). The College was granted Fiscal Independence status upon the approval of the Board of Governors of the California Community Colleges Systems Office, which was based largely on recommendations from the Los Angeles County Superintendent of Schools, the Los Angeles County Auditor/Controller, and the result of an independent Certified Public Account firm's survey of Mt. SAC's accounting controls. Fiscal Independence

status allows the College to have broad authority to issue warrants without the review or approval of the Los Angeles County Superintendent of Schools or the Los Angeles County Auditor/Controller. With Fiscal Independence, the College assumed fiscal, budget, human resources, payroll, and financial management system processing, and the oversight for the internal audit function for the issuance of the payroll and commercial warrants.

Pursuant to Prop. 39, the Mt. SAC Citizens' Oversight Committee is principally charged with ensuring the proper expenditures of bond funding for campus construction, reconstruction, rehabilitation, or replacement of campus facilities and informing the public concerning the expenditure of bond proceeds. Members are appointed by the Mt. SAC Board of Trustees and represent various sectors of the community, including businesses, seniors, taxpayers, students, and an advisory body for the College Foundation. The College has continuously received clean or unmodified audit opinions on the bond performance and financial audits. In addition, the College's Measure R Series C was audited by the Internal Revenue Service in 2014, which resulted in no audit findings to the College ([III.D.1-30](#)).

Mt. SAC's budget provides sufficient resources for the effective planning, maintenance, implementation, and enhancement of distance learning (DL) courses, programs and services as well as personnel development. The Distance Learning Committee (DLC) is the shared governance leadership group that discusses, reviews and evaluates distance learning modes of instruction and

recommends and promotes best practices and new opportunities for distance learning and teaching. The College's DL courses are maintained and enhanced through regular processes in academic departments and new DL courses are approved through a separate curriculum approval process. The DLC sends curricular proposals for creation of DL offerings to the Educational Design Committee for review and for submission to the Curriculum and Instruction Council for approval. The current budget funds two full-time classified positions in the Online Learning Support Center (OLSC), two faculty on reassigned time, and Information Technology (IT) staff and manager time for systems support (student information system, servers, data storage, data line, etc.), integration between student information systems and the learning management systems, and web and portal services that enable instruction, programs, and services to occur. In addition, the current budget funds a dean and associate dean, library and learning resources, whose responsibilities include overseeing the DL courses, one administrative secretary whose responsibilities include supporting DL, and the equivalent of one Full-time Equivalent (FTE) faculty on reassigned time to coordinate DL courses and provide leadership in matters pertaining to DL ([III.D.1-31](#)).

The institution's participation as a pilot college in the statewide Online Education Initiative (OEI) brings state-subsidized tools to support DL teaching and learning. Through OEI, the institution began using free online tutoring via NetTutor for all classes in fall 2015, which increases the institution's capacity to provide

comparable student support services to online students during late evening, holidays, and weekend hours and in subject matters for which existing tutoring programs cannot provide adequate expertise. Another free OEI tool is online readiness videos, which better inform and prepare students to succeed in online classes. On July 13, 2016, the College adopted OEI's free learning management system, Canvas by Instructure, for use beginning fall 2016 with 30 pilot classes. It is providing support to integrate the Banner student information system with Canvas for these pilot classes. The use will be expanded in the winter and spring 2017 terms as the College migrates from Moodlerooms to Canvas by the end of spring 2017. The cost of the learning management system, and tier-one technical support after 10 p.m., on holidays, and weekends for faculty and students will be entirely subsidized by the state for two years. After this period, the Chancellor's Office and the OEI Executive Team are optimistic that the state will continue to fund Canvas, in part or whole, as the OEI grant is a \$10 million ongoing funding.

Fiscal Planning Includes Distance Learning

Fiscal planning for distance learning takes into consideration the short-term as well as the long term investment needs related to teaching through electronic means ([III.D.1-32](#), [III.D.1-33](#), [III.D.1-34](#), [III.D.1-35](#)). Distance learning has appropriate control and quality mechanisms for external contracts to support technology needed for distance education. IT and the OLSC team monitor and respond to faculty messages seeking technical support. When technical

problems cannot be resolved locally, the IT systems administrator for Moodlerooms sends help requests directly to Moodlerooms for resolution. If escalated problems are not adequately addressed, higher-level IT administrators directly contact the vendor's higher-level administration to obtain more expedient solutions ([III.D.1-36](#)). The College provided feedback to Moodlerooms on the recurrent disruptions to the "look and feel" of the course shells with semi-annual upgrades, which informed the release of Moodlerooms Snap Themes for a mobile-friendly, accessible, and stable interface for faculty and students. This template was released in January of 2016, ending the unpredictable disruptions to Moodlerooms gradebook for students taking online tests ([III.D.1-37](#)).

Analysis and Evaluation

Mt. San Antonio College's (Mt. SAC's) financial resources are sufficient to support and sustain student learning programs and services and improve effectiveness. The distribution of resources supports the development, maintenance, allocation, reallocation, and

enhancement of programs and services. The College plans and manages its financial affairs with integrity and in a manner that ensures financial stability. Based on the narrative above, the College meets Accrediting Commission for Community and Junior Colleges Eligibility Requirement 18.

Accomplishments and Outcomes

- Mt. SAC has effectively managed its budget regardless of enrollment fluctuations, continuous apportionment deficits, and ongoing operating expenditure increases.
- Through an integrated planning process, the College distributes its resources to support the development, maintenance, allocation, and reallocation of program and services.
- The Mt. SAC Foundation supports the College's educational programs and services.
- Mt. SAC has demonstrated that it plans and manages its financial affairs with integrity.
- Fiscal planning for distance learning takes into consideration the short-term as well as the long-term investment.

List of Evidence

I.A.2-10	Grants Office Annual Report FY 2014-15
III.D.1-1	Annual Financial and Budget Report 2014-15 pg. 33-42
III.D.1-2	Annual Financial and Budget Report FY 2013-14
III.D.1-3	Annual Financial and Budget Report FY 2012-13
III.D.1-4	Unrestricted General Fund Average Reserves
III.D.1-5	Adopted Budget 2015-16 pg. 13
III.D.1-5	Adopted Budget 2015-16 pg. 49-52
III.D.1-6	President Cabinet Notes 3-24-2015 pg. 3
III.D.1-7	New Resources Allocation Requests 2014-15
III.D.1-8	President Cabinet Notes 7-21-2015
III.D.1-9	President Cabinet Notes 8-14-2015 pg. 3
III.D.1-10	Grants and Categorical Programs
III.D.1-11	AP6610 Facilities Projects Prioritization
III.D.1-12	Facilities Advisory Committee Meeting Notes 4-13-2015
III.D.1-13	CMPCT Notes 5-3-2016 pg. 2
III.D.1-14	Prop 39 Measure R Financial Audit 2014-15
III.D.1-15	Prop 39 Measure RR Financial Audit 2014-15
III.D.1-16	Prop 39 Performance Audit 2014-15
III.D.1-17	Osher Campaign
III.D.1-18	Foundation Board of Directors Meeting 10-15-2015 pg. 2
III.D.1-19	Chambers Singers and Syncopation Choir Competition in China 11-24-2012
III.D.1-20	Chamber Singers Board of Trustees Agenda 11-12-2014
III.D.1-21	Donation to Pathway to Transfer Program pg. 25
III.D.1-22	BP6300 Fiscal Management
III.D.1-23	Adopted Budget 2011-12 pg. 5-6
III.D.1-24	Standard & Poor's Ratings
III.D.1-25	Moody's Ratings
III.D.1-26	Fiscal Independence Oversight FY 2012-13
III.D.1-27	Fiscal Independence Oversight FY 2013-14
III.D.1-28	Response to Fiscal Oversight 2013-14
III.D.1-29	Fiscal Independence Oversight FY 2014-15
III.D.1-30	IRS Letter for Bonds 2001 Election 2006 Series C
III.D.1-31	Distance Learning Costs
III.D.1-32	Distance Learning/Online Learning Support Center (OLSC) PIE 2014-15
III.D.1-33	Distance Learning Committee Meeting Minutes 10-27-2015
III.D.1-34	Distance Learning Committee Meeting Minute 11-24-2015
III.D.1-35	Summary of the Research on Adopting Canvas
III.D.1-36	Escalating MR Technical Problems to Moodlerooms
III.D.1-37	Moodlerooms Course Template Change - Problem Solving

III.D.2.

The institution's mission and goals are the foundation for financial planning, and financial planning is integrated with and supports all institutional planning. The institution has policies and procedures to ensure sound financial practices and financial stability. Appropriate financial information is disseminated throughout the institution in a timely manner.

Evidence of Meeting the Standard

The Mission and Goals of the College are the Foundation for Integrated Financial Planning

Mt. San Antonio College (Mt. SAC) has remained one of the strongest, financially healthy districts in the state due to a history of conservative financial policies, integration of institutional planning with strategic goals and fiscal management, and in-depth analysis and review of the outcomes of this planning process, Planning for Institutional Effectiveness (PIE). The College mission and goals are the foundation for financial planning and are integrated with and support all College planning through the PIE process. PIE is used to ensure “ongoing, true program review and planning” and shows a “closer connection among planning, outcomes assessment, and resource requests” ([III.D.2-1](#)). Every level of the College organization participates in PIE for annual and long-range planning. At the unit level, staff members contribute to the unit’s PIE report. Managers review their units’ PIE and identify required resources in a three-year plan

([III.D.2-2 pg. 13](#)). Vice Presidents review their managers’ PIE reports and prioritize new resource requests for the entire division/department ([III.D.2-3](#)). The new PIE process is a three-year plan that includes Unit, Manager, and Vice President PIE reports that must follow the Budget Review and Development Guide ([I.A.2-9 pg. 4](#)).

Mt. SAC practices a comprehensive institutional review and planning process that integrates College goals and the mission effectively. Institutional planning begins with the start of each PIE planning cycle at the unit level. The completion of the PIE cycle includes the Vice President summaries, which provide a detailed analysis of present and future financial obligations as well as prioritized new resource requests and culminates with the creation of the institutional PIE, written by the Institutional Effectiveness Committee. Campus committees also practice an annual committee review process to align the committees’ functions with strategic goals and the College mission. Board Policies and Administrative Procedures define budget management requirements to ensure financial stability. Sources of revenue create no cash-flow difficulties, insurance is more than adequate to meet College needs, and reserves are sufficient to cover contingencies or emergencies ([I.B.9-10](#)).

Units and managers at Mt. SAC carefully review their current budget to determine what additions might be needed ([III.D.2-4](#)). The process involves:

- Managers determine whether each line item is appropriately funded based on the needs of their area and make line-item transfers as necessary to ensure funding is sufficient to provide the programs and services offered.
- Managers determine whether new financial resources are needed for new programs, services, or staff and include the justification in the PIE.
- If new resources are needed, budget managers explain and justify this in PIE, by citing the page number, and making a new resource allocation request ([III.D.2-4](#)).
- New resource requests are reviewed and prioritized by the Vice Presidents.
- President’s Cabinet then reviews all new resource requests to ensure they “support the achievement of one or more College, team, or department goals.”
- Finally, the College President reviews requests and determines which requests will be funded ([III.D.2-3](#)).

This procedure is explained in the PIE instructions, and in the Budget Review and Development Guide ([I.A.2-9 pg. 4](#)). This process allows for openness and transparency. Mt. SAC’S Budget Committee also reviews all PIE reports and new resource allocation requests to determine whether each unit, manager, and Vice President followed established budget procedures, to determine whether the process is effective and meets the requirements of Board Policy, and to inform the campus about institutional effectiveness ([III.D.2-5](#)).

To ensure the College mission and goals are an integral part of this PIE process, the President’s Advisory Council assigns

Strategic Objectives to various units, departments, and programs ([I.A.3-1 pg. 7](#)). These Strategic Objectives as well as department/unit goals are integrated into each unit, manager, and Vice President’s PIE. At the end of the PIE process, each team analyzes how well it met its department/unit goals and College goals. This PIE process has greatly improved the integration of planning with the College mission and goals with all units, departments, programs and services across campus. The process allows participation of employees in academic and administrative departments. The Vice Presidents’ PIE summaries provide the campus community, Board of Trustees, and institutional leaders a very detailed look at how Strategic Objectives and institutional planning are integrated and support the College’s mission.

Mt. SAC’s policies and procedures ensure sound financial practices and financial stability. Board Policy (BP) 6250 requires the College to maintain an unrestricted general fund balance of not less than 10 percent. This substantial unrestricted general fund balance during the past three years has ensured the College’s fiscal stability, particularly during and after the recession. Mt. SAC has not laid off a single permanent district-funded employee for lack of funds in more than a decade, which is a strong indicator of financial stability. Following this policy, the College has also generated unrestricted general fund balances of 12.05 percent, 22.47 percent, 20.64 percent, and 19.94 percent during the current and past fiscal years respectively to meet emergencies and contingencies ([III.D.1-5 pg. 26](#)).

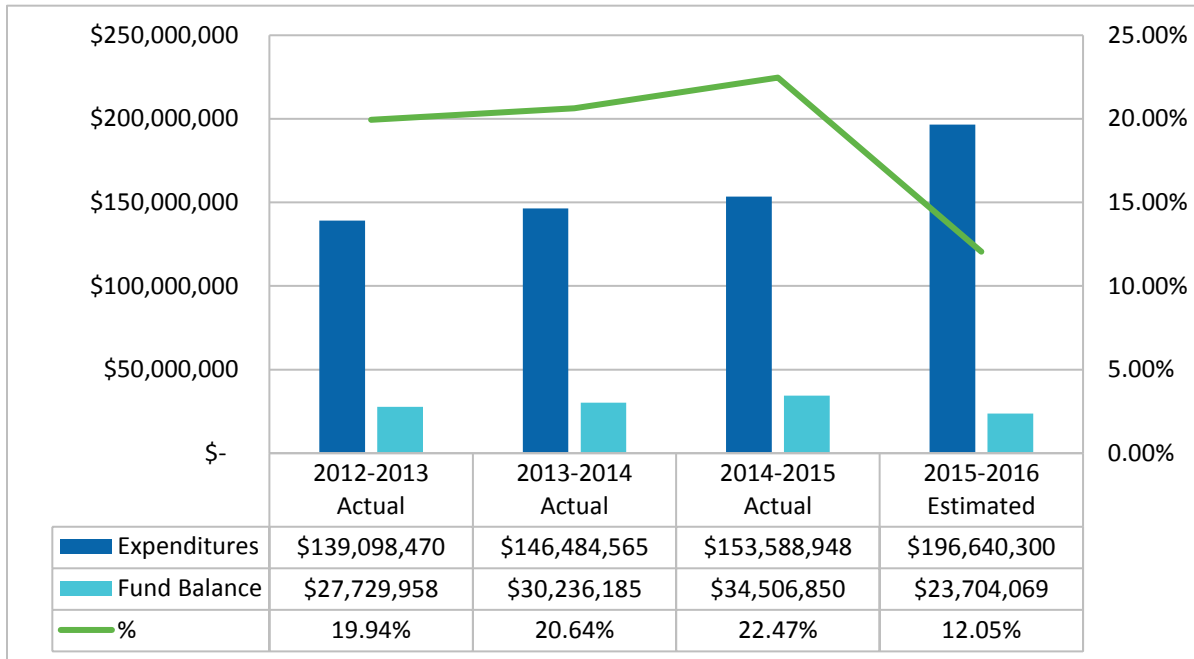


Figure III.D.2.-1. Unrestricted General Fund Ending Fund Balance (Reserves) as a Percent of Total Expenditures

Administrative Procedure (AP) 6250 defines the procedures for budget management to ensure compliance with Title 5 ([III.D.2-6](#)). Units and departments may only expend what is proposed in the unit or department’s budget. Transfers may be “made from the reserve for contingencies” with a written resolution approved by a two-thirds vote of the Board of Trustees. Transfers may also be made “between expenditure classifications by written resolution” and a majority vote of the Board of Trustees. Excess funds “must be added to the general reserve” and are not available for appropriation except by resolution of the Board of Trustees. After adoption of the budget, AP 6250 also provides the procedure for “reallocation of certain funds within the budget” via request to the Board of Trustees as pursuant to California Code of Regulations Title 5 Section 58308.

Mt. SAC receives revenues from several sources, which are managed following the procedures outlined in AP 6250 to ensure legal requirements are followed ([III.D.2-6](#)). A majority of the College’s funding comes from base apportionment, accounting for more than 77 percent of the adopted budget. The College also obtains additional funding for categorical programs from line item restricted funds in the state budget, grants, and partnerships ([III.D.1-5 pg. 26](#)). Funding categorical programs continues to be a priority to support student programs and services. The Grants Office oversees the application processes for grants and contracts for various College programs. The Grants Office provides a quarterly report to President’s Cabinet and periodic reports to the Board of Trustees ([I.A.2-10](#)).

During Fiscal Year (FY) 2015-16, the Grants Office monitored 30 active grant

projects for a FY funding level of \$5,966,188 and a total funding level of \$15,863,790. During FY 2015-16, the Grants Office coordinated the development of 13 new applications for a first-year request of \$2,748,578 and a total funding request of \$4,481,600. During FY 2015-16, of the 13 new applications developed, one was a preliminary application invited to submit a full application, nine were awarded, and two are pending. At the end of FY 2015-16, the Grants Office was in the process of developing seven additional grant applications for an estimated first-year request of \$1,045,000 and a total funding request of \$3,945,000. At the end of FY 2015-16, the Grants Office was in the process of developing supporting documents for two partner grant applications, for an estimated first-year request of \$62,000 and an estimated total funding request of \$236,000 ([III.D.2-7 pg. 5](#)).

The Mt. SAC Foundation also supports students and the College with donations for student scholarships, campus projects, and capital campaigns. Nearly \$774,288 was raised in FY 2014-15, which is an increase of 45.3 percent from FY 2013-14 ([III.D.2-8 pg. 21](#)).

With these additional sources of funds, the unrestricted general fund balance, and conservative fiscal practices, Mt. SAC continues its long history of sufficient cash flow and reserves to maintain stability. On the rare occasion when cash flow is weak, Mt. SAC has an effective approach to dealing with this. The College first looks at the unrestricted general fund cash balance. Due to the Board Policy requiring a 10 percent ending balance, the

assumption is that the cash balance could cover operating expenses and payroll for more than one month. This approach is usually a one-time event, such as when the state does not pass a budget on time and does not disburse apportionment for one or more months. For more prolonged periods when cash flow is limited, the College's Fiscal Services Department will also monitor cash on a daily basis and prepare cash flow projections to determine the need for issuing Tax and Revenue Anticipation Notes (TRANs) Another strategy is to utilize inter-fund transfers as approved by the Board of Trustees ([III.D.2-9 pg. 84-85](#), [III.D.2-10 pg. 45](#)).

The College has Policies and Procedures to Ensure Sound Financial Practices and Stability

Mt. SAC is more than adequately insured to ensure financial stability. The College is required to purchase insurance in accordance with BP/AP 6540 to cover losses that occur to property, employees, and third-party liability. In such instances where the College carries deductibles for losses to property and liability, the College has a trust fund account to cover such losses. An annual analysis is performed by the College service provider and the Director of Safety and Risk Management to ensure that there is sufficient funding ([III.D.2-11](#), [III.D.2-12](#)). An irrevocable trust fund has been established to pay for retiree health benefits, and a biennial actuarial study is conducted by a third party vendor to ensure that funding is adequate and to ensure the necessary reserves to pay outstanding liabilities ([III.D.2-13](#)). Requests for funding resulting from changes in federal, state and/or local

legislation have been addressed through immediate needs requests, new resource allocations, department/general funds, and insurance funds. Losses resulting from an “unforeseen” emergency or catastrophic event would result in an emergency proclamation and may initially result in the use of general fund reserves. In a federal, state, or local declared emergency, the College would be eligible for disaster relief funding. These policies and procedures and the Mt. SAC Board of Trustees’ very conservative fiscal practices ensure compliance with laws and regulations, and the inclusive and comprehensive PIE process at all levels of College operations are indicative of Mt. SAC’s sound fiscal practices and stability.

Financial Information is Disseminated throughout the College in a Timely Manner

Appropriate financial information is disseminated throughout Mt. SAC in a timely manner. One of the goals of the College Budget Committee, a governance committee composed of faculty, classified staff, confidential staff, managers, administrators, and student representatives, is to communicate more effectively with the campus community ([III.D.2-14 pg. 4](#)). On May 6, 2015, the Budget Committee met with the Directors of Marketing and Communication and Public Relations to discuss more effective communication. The outcome of that meeting provided more direction for the Budget Committee to meet this goal. The Vice President of Administrative Services and Associate Vice President of Fiscal Services also provides budget presentations to the committee, President’s Cabinet, and the Board of

Trustees regarding the tentative and adopted budgets ([III.D.2-15](#), [III.D.2-16 pg. 7, 45-60](#)). The Institutional Effectiveness Committee (IEC), which is responsible for reviewing and improving the PIE process, also communicates with the appropriate budget managers about procedures, timelines, and deadlines as well as assistance with the PIE forms ([III.D.2-1](#)). The Budget Committee and IEC also coordinate calendars so PIE and budget calendar timelines are aligned. This alignment of program review, budget allocation, and strategic planning derives from the Strategic Plan ([I.A.3-1 pg. 23-24](#)). This information is then disseminated to all budget managers and other appropriate staff ([III.D.2-17](#)). The College President also uses his weekly Cabinet Action Notes to disseminate information about budget matters. Budget transfer and reallocation information is also presented for public review and comment in Board of Trustees agendas when necessary ([III.D.2-18 pg. 25-29](#)). This information is given in advance to constituent group leaders and discussed with the President prior to the Board meeting. Fiscal Services consistently sends out e-mail messages to the College employee Listserv regarding information about year-end deadlines ([III.D.2-19](#)).

Analysis and Evaluation

Mt. San Antonio College’s (Mt. SAC’s) mission and goals are the foundation for financial planning that is integrated with and supports all College planning. The College has policies and procedures to ensure sound financial practices and stability. Appropriate financial information is disseminated in a timely manner.

Accomplishments and Outcomes

- The College mission and goals are the foundation for financial planning and are integrated with and support all College planning.
- Mt. SAC is more than adequately insured to ensure financial stability.
- Appropriate financial information is disseminated throughout the College in a timely manner.

List of Evidence

I.A.2-9	Budget Review and Development Guide 2016 pg. 4
I.A.2-10	Grants Office Annual Report FY 2014-15
I.A.3-1	Strategic Plan 2015-17 pg. 7
I.A.3-1	Strategic Plan 2015-17 pg. 23-24
I.B.9-10	President's Cabinet New Resource Allocations Table
III.D.1-5	Adopted Budget 2015-16 pg. 26
III.D.2-1	Unit PIE Memo 2015
III.D.2-2	Information Technology PIE 2014-15 pg. 13
III.D.2-3	New Resource Allocation Request Summary 2015
III.D.2-4	Tentative Budget Memo 2016-17
III.D.2-5	Budget Committee Summary 2-4-2015
III.D.2-6	AP6250 Budget Management
III.D.2-7	Pie Worksheet - Grants Office 2014-15 pg. 5
III.D.2-8	Foundation Funds Raised in 2014-15 pg. 21
III.D.2-9	TRANS Official Statement 2013 pg. 84-85
III.D.2-10	Temporary Inter-fund Cash Borrowing pg. 45
III.D.2-11	BP6540 Insurance
III.D.2-12	AP6540 Insurance
III.D.2-13	Actuarial 03-01-14
III.D.2-14	Budget Committee Plan and Goals 2014-15 pg. 4
III.D.2-15	Cabinet Notes 6-9-2015
III.D.2-16	Adopted Budget 2015-16 Board Presentation pg. 7, 45-60
III.D.2-17	Joint Budget - IEC Meeting 2015
III.D.2-18	November Board of Trustees Agenda - Fund Transfers 2015 pg. 25-29
III.D.2-19	Deadlines Memo 5-8-2015

III.D.3.

The institution clearly defines and follows its guidelines and processes for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets.

Evidence of Meeting the Standard

The College Defines and Follows Guidelines and Processes for Financial Planning and Budget Development

For the past two years, Mt. San Antonio College (Mt. SAC) has developed and implemented significant refinements to its Planning for Institutional Effectiveness (PIE) process. The procedures have been more clearly defined, a comprehensive analysis of outcomes follows each cycle of the PIE process, and the process itself has been aligned to match the budget development process. The result has been a much more comprehensive planning and budgeting process. The planning process is clearly documented. The Institutional Effectiveness Committee (IEC) oversees PIE and consists of representatives from all constituent groups ([I.A.3-6](#)). IEC establishes PIE processes and procedures based on input from all constituent groups. At the end of each PIE cycle, IEC reviews each of the Vice President summaries and the Institutional PIE to determine effectiveness of the PIE process. IEC reports the results of this analysis to the President's Advisory Council (PAC). The PIE process and procedures are clearly defined for budget managers and unit member participants ([III.D.2-1](#)). The

budget development calendar and guidelines are clearly documented in Board Policy (BP) 6250, which defines budget management ([III.D.3-1](#)). Administrative Procedure (AP) 6250 defines budget practices and processes, which must be followed, including appropriate codes and regulations ([III.D.2-6](#)). The Budget Review and Development Guidelines are developed and maintained by the campus Budget Committee as required in AP 6200 Budget Preparation ([I.A.2-9](#)). All constituent groups are represented in the Budget Committee.

In 2013, Mt. SAC's Research and Institutional Effectiveness Department conducted a climate survey of its employees, which showed that 58 percent reported that they believe Mt. SAC's mission is central to all planning activities. Under half report that they understand the PIE process (45 percent) and would like more information on the relationship between PIE and the budget process (45 percent)" ([III.D.3-2 pg. 8](#)) Since that time IEC has focused on engaging the College and has as one of their functions a focus on informing the campus about institutional effectiveness efforts. Additionally, weekly President's Cabinet Notes provide an opportunity for employees to understand resource allocation processes ([I.B.9-10](#)).

Constituencies have Opportunities to Participate in Development of Institutional Plans and Budgets

Mt. SAC has an effective institutional planning and budgeting process. All constituencies have a place on the Budget

Committee and IEC. IEC is the committee that is at the core of College planning. For program review, faculty, staff, and managers at the unit level produce unit PIEs which drive the planning and budgeting process. This process is transparent as prioritization of budget requests move from unit level to division level to team level to Budget Committee to President’s Cabinet ([III.D.2-4](#)). The College is committed to making planning a fully inclusive process at all levels of the College. The College is confident that its planning and budget development process is clearly defined in policies and procedures. The College is also confident that these processes and procedures are followed. Using a continuous improvement process over the past few years is at the heart of the Colleges’ work in this area. The evaluation and improvement process is continuing with the recently formed work group. A budget subcommittee group with faculty, classified, and management representation was tasked to review and

update the Budget Review and Development Process Guide. The first draft of the revised document was presented to the Budget Committee on Sept. 12, 2016 ([III.D.2-4](#)). The final document is expected to be released by the end of fall 2016.

Analysis and Evaluation

Mt. San Antonio College (Mt. SAC) clearly defines and follows its guidelines and processes for financial planning and budget development. All constituencies have opportunities to participate in the development of institutional plans and budgets.

Accomplishments and Outcomes

- Mt. SAC has developed a comprehensive planning and budgeting process.
- The College has an effective institutional planning and budgeting process.

List of Evidence

I.A.2-9	Budget Review and Development Guide 2016
I.A.3-6	Institutional Effectiveness Committee Purpose, Function, and Members
I.B.9-10	President's Cabinet New Resource Allocations Table
III.D.2-1	Unit PIE Memo 2015
III.D.2-4	Tentative Budget Memo 2016-17
III.D.2-6	AP6250 Budget Management
III.D.3-1	BP6250 Budget Management
III.D.3-2	Employee Climate Survey pg. 8

III.D.4.

Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.

Evidence of Meeting the Standard

College Planning is Based on Realistic Assessment

The institutional planning process at Mt. San Antonio College (Mt. SAC) reflects a realistic assessment of financial resource availability, development of financial resources, and expenditure requirements. The process begins in January as Fiscal Services starts to build the anticipated budget. In February/March when the College receives its final apportionment calculation of the previous year, Fiscal Services prepares a preliminary tentative budget for the following fiscal year, which includes estimates of full-time salaries. On March 1, Fiscal Services distributes the status quo budget templates to budget managers with projected salaries for the next fiscal year ([III.D.4-1](#), [III.D.4-2](#)). Budget managers make the necessary adjustments in alignment of the budget allocated to their department. They are not allowed, at this point, to increase their budget. According to the budget process, the College identifies new resource needs in anticipation of the new resource allocation process. The College's Strategic Plan includes a timeline of an alignment of the budget, Planning for Institutional Effectiveness (PIE), and Strategic Planning processes ([I.A.3-1 pg. 23-24](#)). In April, budget managers identify new resource needs, prepare supporting

documentation, and prioritize the requests at the unit/department level as part of the PIE process ([III.D.4-3](#), [III.D.4-4](#)). In May, new resource needs are prioritized at the Vice Presidents' level. At President's Cabinet, the Vice President make recommendations for the funding of prioritized new resource requests, and the President makes the final decision for funding ([I.B.9-10](#)).

New resource requests are prioritized at all levels according to educational and operational needs, and in alignment with the mission of the College. The Budget Committee reviews and evaluates the process and makes recommendations to PAC to revise or update as necessary ([III.D.4-5](#)). The Budget Committee does not review or prioritize the specific new resource requests. Based on the Governor's May Revise budget, President's Cabinet identifies funds for new resources. Fiscal Services prepares the budget scenarios that reflect the most recent revenue estimates based on the Governor's May Revise. President's Cabinet determines which of the revenue estimates will be used for the tentative budget ([III.D.2-15](#)). Typically, the more conservative budget scenario is selected. The College's process is flexible enough to recognize when additional sources of revenue are identified and immediately begins the new resources allocation process to fund the educational and operational needs for the College in a timely manner ([III.D.4-6](#), [III.D.4-2](#)). The President's Cabinet identifies new sources of revenue to fund the highest priority of new resource allocations. The immediate needs process allows funding for

immediate needs and can be submitted year-round when emergency funding is needed ([III.D.4-7](#), [III.D.4-8](#)).

Administrative Procedure (AP) 6610 identifies a process to fund emergency or urgent facilities improvement and equipment replacement to address unforeseen or emergent conditions ([III.D.1-11](#)).

Individuals involved in institutional planning receive accurate information about available funds, including the annual budget showing ongoing and anticipated fiscal commitments. The revenue estimates developed in May are distributed directly to the Budget Committee and to the campus community via the President's Cabinet Action Notes. The Vice President of Administrative Services provides periodic updates to the President's Advisory Council (PAC). Constituent group leaders are represented on the Budget Committee and PAC and provide information and analysis to their respective groups ([III.D.4-6](#), [III.D.2-15](#), [III.D.4-9](#)). The Tentative Budget is reviewed at Budget Committee, at PAC, and is presented to and approved by the Board of Trustees annually in June ([III.D.4-10](#) [pg. 6, 22-103](#)). The Adopted Budget is reviewed at the Budget Committee, is presented to PAC and approved by the Board of Trustees annually in September ([III.D.2-16](#) [pg. 7, 45-60](#)). Paper and electronic copies of the budget reports are made available to the entire campus. Once the Board of Trustees approves the budget, detailed information is available in the Banner System in real time 24/7 for individuals involved in institutional planning and operations.

Facilities Planning and Management maintains a financial commitment log for all facilities projects. The commitment log is used to track available finances for each project from a variety of sources, including Measure R and Measure RR bond funds, interest earned on bond funds deposited with the county treasury, Bond Anticipation Notes, Certificate of Participation (COPS) loans, redevelopment funds, general funds set aside for capital outlay purposes, energy funds, including Prop. 39, utility incentive payments, and energy project loans. A summary report for each fund source is prepared quarterly and reviewed by the Facilities Advisory Committee, Campus Master Plan Coordinating Team (CMPCT), Citizens' Oversight Committee, and the Board of Trustees ([III.D.4-11](#), [III.D.4-12](#)). The summary reports provide a basis for the funding approval of individual projects by accurately identifying available resources from all sources. The report reflects changes in project budgets due to unforeseen conditions, College approved changes to project scope of work, approved contractor change requests, and architect errors and omissions. External factors, such as the state budget, create opportunities for the College to react in a timely manner to the situation. As such, the timeline developed is used as a guide. The College must have fluid processes that allow it to appropriately be proactive to new budget issues (either increases or decreases).

College Partnerships Exist to Support Student Learning

Mt. SAC hosts a Center of Excellence (COE) for Labor Market Research. The COE provides regional workforce information and insight for California community

colleges, regions, and sector networks to: 1) identify opportunities and trends in high-growth, emerging, and economically critical industries and occupations; 2) estimate the gap between labor market demand, available training, and existing or future workers; and 3) help regions respond to workforce needs by providing them quality information for decision-making. Data provided by the COE helps to inform new CTE program development.

In addition, the College regularly pursues grant funding to support the development and/or implementation of new CTE programs. Mt. SAC has received funding from the U.S. Department of Labor, the National Science Foundation, and the California Community College Chancellor's Office to support emerging CTE programs. Examples include certificates and degrees in cybersecurity, building automation, and industrial design engineering.

The College has a relationship with Foothill Transit to provide bus passes to students at a nominal cost ([III.D.4-13 pg. 121](#)). Credit students pay for the cost of these bus passes, which was approved by the Associated Students in November 2014. In April 2015, members of CMPCT met with representatives from Foothill Transit to begin planning for a joint use transit center on campus. As of December 2015, a preliminary site plan has been developed that would provide expanded service to students and staff, a new intersection along Temple Avenue, a pedestrian pathway linking the athletics area south of Temple Avenue to the main campus, and an accessible pathway from the transit center to the center of campus. As of December 2015, staff has

initiated efforts to submit a proposal for grant funding for elements of the transit center under the Affordable Housing and Sustainable Communities program established by SB 862.

Other partnerships include:

- Mt. SAC has a unique connection with Southern Illinois University (SIU). Students completing an Associate of Science (A.S.) degree at Mt. SAC can enter the SIU Bachelor of Science degree program in Aviation Management immediately after the completion of their A.S. degree. This program is held in Mt. SAC classrooms on the weekends ([III.D.4-14](#)).
- The California Community College - Investor Owned Utility (CCC-IOU) Partnership provides support and funding to develop and implement energy efficiency measures across campus.

Analysis and Evaluation

Mt. San Antonio College (Mt. SAC) planning reflects realistic assessments of financial resource availability, development of financial resources, partnerships, and expenditure requirements.

Accomplishments and Outcomes

- Through the institutional planning process at Mt. SAC a realistic assessment of financial needs is directly tied to resource allocation.
- Individuals involved in institutional planning receive accurate information about available funds.
- Mt. SAC has partnerships with outside entities.

List of Evidence

I.A.3-1	Strategic Plan 2015-17 pg. 23-24
I.B.9-10	President's Cabinet New Resource Allocations Table
III.D.1-11	AP6610 Facilities Project Prioritization
III.D.2-15	Cabinet Notes 6-9-2015
III.D.2-16	Adopted Budget 2015-16 Board Presentation pg. 7 , 45-60
III.D.4-1	Budget Development Memo 2015-16
III.D.4-2	Budget Scenario 2015-16
III.D.4-3	Budget Committee and Institutional Effectiveness Committee Meeting
III.D.4-4	Budget Development Calendar 2016-17
III.D.4-5	Memory Budget Committee 9-16-2015
III.D.4-6	Memory Budget Committee 6-3-2015
III.D.4-7	Cabinet Notes 12-9-2014
III.D.4-8	Immediate Needs 12-9-2014
III.D.4-9	President Advisory Council Minutes 6-10-2015
III.D.4-10	Tentative Budget 2015-16 Board Presentation pg. 6 , 22-103
III.D.4-11	Measure R Budget Report 11-2015
III.D.4-12	Measure RR Budget Report 11-2015
III.D.4-13	MOU with Foothill Transit pg. 121
III.D.4-14	Contract Aviation Management Program

III.D.5.

To assure the financial integrity of the institution and responsible use of its financial resources, the internal control structure has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making. The institution regularly evaluates its financial management practices and uses the results to improve internal control systems.

Evidence of Meeting the Standard

Internal Control Structure has Appropriate Control Mechanisms

Financial planning at Mt. San Antonio College (Mt. SAC) aligns with the institutional goals in the Planning for Institutional Effectiveness (PIE) process and is integrated with the planning processes of the College for ongoing and new resource allocations. This process permits input from each department, division, and instructional unit as well as executive management to ensure adequate financial resources are directed toward College goals ([III.D.5-1](#), [III.D.5-2](#)). While instructional units are responsible for their respective budgets, the President's Cabinet is the final approving body before presentation to the Board of Trustees. This approach has worked well for the College and provides oversight of revenue and expenditures. Multiple constituents participate in this process, including faculty, staff, managers, and College executives. In addition, the Board's policy to require a 10 percent reserve has enabled the College to remain

fiscally solvent in times of financial uncertainty with the state budget providing sufficient resources to support the College's mission and goals, student learning, and other services ([III.D.5-3](#)).

Once the final budget is approved by the Board of Trustees, it is uploaded to the Banner Finance System. Managers and staff responsible for budgets have access to this system 24/7 and can submit purchase requisitions online. The system validates for sufficient budget and appropriate manager for approval before the purchase order is prepared.

The College engages independent auditors to perform an external audit of the College's finances on an annual basis. College audit reports for the three years ending June 30, 2013, 2014, and 2015, respectively have obtained unmodified audit opinions for the past three years. An unmodified opinion is the best opinion that a college can obtain. Additional reports are made available to all constituents via the College's website. Internal controls are evaluated and reviewed annually during the financial audit. The audits demonstrate high integrity of financial management practices and internal controls. The College has continuously received unmodified (best opinion) audit opinions, which means the financial statements present fairly, in all material respects, the College's financial position and there were no deficiencies in the internal controls such as material weaknesses or reportable conditions ([III.D.5-4 pg. 5, 115, III.D.5-5, III.D.5-6](#)).

The College Widely Disseminates Dependable and Timely Information for Sound Financial Decision-making

Board Policies (BPs) and Administrative Procedures (APs) at Mt. SAC regulate the budget processes. The College President makes an annual budget presentation to the Board of Trustees (BP 6200). The budget is prepared in accordance with Title 5 of the California Code of Regulations and with the California Community Colleges Budget and Accounting Manual (BP 6200, 6250). The General Fund supports the College's mission, educational plans and their goals and priorities (BP 6200). The College's budgetary process includes review and input from the College's Budget Committee (AP 6200) and the College's budgetary process allows for revisions and appropriation transfers, as needed by individual units within guidelines specified in AP 6250 ([III.D.5-3](#), [III.D.3-1](#), [III.D.5-7](#), [III.D.2-6](#)). The information that comes out of these reviews and the budget process is disseminated in a timely manner.

Mt. SAC's Budget Committee develops and evaluates budget policies and processes and reports their recommendations to the President's Advisory Council ([I.A.3-1 pg. 23-24](#)). Membership for each of these committees allows opportunities for participation from all constituent groups on campus ([III.D.5-8](#)). The committee publishes various resources to explain the process such as A Guide to Mt. SAC's Budget Review and Development and the Budget Review and Development Guide ([III.D.5-9](#), [I.A.2-9](#)).

The College Regularly Evaluates Its Financial Management Practices and Uses the Results to Improve

The College consistently evaluates and improves its financial management practices through the following processes:

- Internal controls are reviewed on a daily basis (e.g., separation of duties, custody of assets, reconciliation). The College's Fiscal Independence and the College's Audits indicate that the College's internal controls are effective.
- External audits provide feedback on the College's practices and alignment with general accounting principles and Government Auditing Standards. The College continues to have unmodified audits.
- Fiscal Services Department is responsible to oversee all financial transactions of the College and ensure that they are accurate and have appropriate management oversight. The transactions are audited by Fiscal Services personnel at all levels. Personnel ensure that the integrity and legality of the transactions are evaluated. Fiscal independence and the external audits demonstrate that this process is effective.
- The College's annual independent audit is conducted in accordance with Government Auditing Standards. The audit evaluates the College's internal control over financial reporting and tests compliance with pertinent laws, regulations, contracts, grant agreements. The College continues to have unmodified audits.
- The LA County Office of Education performs an oversight review every year since Mt. SAC became fiscally

independent. Based on the Los Angeles County Office of Education Fiscal Independence oversight for fiscal years 2012-13, 2013-14, and 2014-15, the College has adequate internal control procedures in place and materially complied with the required accounting controls prescribed by the Board of Governors ([III.D.1-26](#), [III.D.1-27](#), [III.D.1-28](#), [III.D.1-29](#)).

Analysis and Evaluation

The internal control structure at Mt. San Antonio College (Mt. SAC) assures financial integrity and responsibility by having appropriate control mechanisms. Dependable and timely information is

widely disseminated for sound financial decision making. The College regularly evaluates its financial management practices and uses the results to improve internal control systems.

Accomplishments and Outcomes

- Mt. SAC has in place a process that has worked well for the College and provides oversight of revenue and expenditures.
- Information regarding the review and implementation of budget process is disseminated in a timely manner.
- Annually, Mt. SAC evaluates its current and future budgetary and resource needs through the PIE process.

List of Evidence

I.A.2-9	Budget Review and Development Guide 2016
I.A.3-1	Strategic Plan 2015-17 pg. 23-24
III.D.1-26	Fiscal Independence Oversight FY 2012-13
III.D.1-27	Fiscal Independence Oversight FY 2013-14
III.D.1-28	Response to Fiscal Oversight 2013-14
III.D.1-29	Fiscal Independence Oversight FY 2014-15
III.D.2-6	AP6250 Budget Management
III.D.3-1	BP6250 Budget Management
III.D.5-1	PIE Summary 2012-13
III.D.5-2	PIE Summary 2011-12
III.D.5-3	BP6200 Budget Preparation
III.D.5-4	Audit 2014-15 pg. 5 , 115
III.D.5-5	Audit 2013-14
III.D.5-6	Audit 2012-13
III.D.5-7	AP6200 Budget Preparation
III.D.5-8	Budget Committee Purpose, Function, and Members 2015
III.D.5-9	Budget Timeline

III.D.6.

Financial documents, including the budget, have a high degree of credibility and accuracy, and reflect appropriate allocation and use of financial resources to support student learning programs and services.

Evidence of Meeting the Standard

Financial Documents have a High Degree of Credibility and Accuracy

Financial documents at Mt. San Antonio College (Mt. SAC), including the budget, have a high degree of credibility and accuracy. The audit statements indicate the institutional budget is an accurate reflection of institutional spending. In the auditor's opinion, the financial statements fairly present the financial position of the College and are in accordance with generally accepted accounting principles. The College has received an unmodified opinion from the financial auditors for the past three years ([III.D.5-4 pg. 5, 115](#), [III.D.5-5 pg. 5, 104](#), [III.D.5-6 pg. 5, 104](#)). The explanations of budget variances are documented in each adopted budget ([III.D.1-5 pg. 17](#)).

The College's approved procedures on the unrestricted general fund budget require that it does not include revenue until it is earned. For example, the funding received for growth full-time equivalent students (FTES) is not budgeted until the following year. New resource allocations are for one year to be sure the revenue is secure before making the allocation ongoing in the second year. This conservative budget process has served the College well in both good and bad budget years.

Campus constituent group leaders, including Associated Students, Academic Senate, Faculty Association, Classified Senate, California School Employees Association CSEA 262 and CSEA 651, and managers, were emailed and asked if their constituents felt the institutional budget is an accurate reflection of the institutional spending.

They reported their constituents have confidence in the budget because the College is fiscally strong; however, the perception among constituents is that the College is over-budgeting and underspending. This perception may be the result of the budgeting process. Constituents would appreciate a clearer explanation of how changes throughout the year can affect the budget ([III.D.6-1](#)). The budget development process is currently being reviewed and updated by the Budget Committee. The updated process will help improve communication with the campus constituents so there is a clearer understanding of the new resource allocation and budget development processes ([III.D.6-2](#)).

Allocation and Use of Resources are Appropriate to Support Student Learning

Financial documents reflect appropriate allocation and use of financial resources to support student learning programs and services. Resource allocations are based on the needs of each unit or department, as defined in the Planning for Institutional Effectiveness (PIE) process ([III.D.2-1](#)). The College mission and goals guide the institutional planning and assessment processes ([III.C.3-5](#), [III.D.6-3](#), [II.A.2-7](#), [I.B.2-17](#)). Each unit or department's

Planning for Institutional Effectiveness Plan (PIE) demonstrates a connection between planning, outcomes assessment and resource requests ([III.D.6-4](#), [III.D.6-5](#), [III.D.6-6](#), [III.D.6-7](#)). The College is currently utilizing a new PIE document that demonstrates the progress each unit or department has made with the resources they have obtained.

Analysis and Evaluation

Financial documents at Mt. San Antonio College (Mt. SAC), including the budget, have a high degree of credibility and

accuracy and reflect appropriate allocation and use of financial resources to support student learning programs and services.

Accomplishments and Outcomes

- Mt. SAC’s audit statements indicate the institutional budget is an accurate reflection of institutional spending.
- Each unit or department’s Planning for Institutional Effectiveness (PIE) demonstrates a connection between planning, outcomes assessment, and resource requests.

List of Evidence

I.B.2-17	VP PIE Student Services Outcomes 2015-16
II.A.2-7	Vice President of Instruction PIE 2015-16
III.C.3-5	Vice President's PIE Administrative Services 2015
III.D.1-5	Adopted Budget 2015-16 pg. 17
III.D.2-1	PIE Memo 01-22-2015
III.D.5-4	Audit 2014-15 pg. 5 , 115
III.D.5-5	Audit 2013-14 pg. 5 , 104
III.D.5-6	Audit 2012-13 pg. 5 , 104
III.D.6-1	Constituent Credibility Survey 2015
III.D.6-2	Budget Committee Minutes 5-6-2015
III.D.6-3	Vice President of Human Resources PIE 2015-16
III.D.6-4	PIE Report Human Resources 2013-14
III.D.6-5	PIE Report Administrative Services 2013-14
III.D.6-6	PIE Report Instructional Services 2013-14
III.D.6-7	PIE Report Student Services 2013-14

III.D.7.

Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.

Evidence of Meeting the Standard

Mt. San Antonio College's (Mt. SAC) responses to external audit findings are comprehensive, timely, and communicated appropriately. External audit findings are reported to the Board of Trustees annually in December. Constituent groups and institutional leaders attend Board of Trustee's meetings. The meeting agendas and minutes are posted and available online ([III.D.7-1 pg. 7](#), [III.D.7-2 pg. 7](#), [III.D.7-3 pg. 6](#)). The Associate Vice President, Fiscal Services, notifies the appropriate Vice President, dean or director to resolve any audit findings ([III.D.7-4](#)). Any audit finding or questioned costs are corrected within the next audit cycle ([III.D.5-5 pg. 105](#), [III.D.5-6 pg. 108](#), [III.D.7-5 pg. 98-101](#)). The Board of Trustees is presented with financial updates by the Vice President of Administrative Services and Associate Vice President of Fiscal Services throughout the year ([III.D.7-6](#)). The Vice President of Administrative Services and the Associate Vice President of Fiscal Services present budget and fiscal conditions to the President's Cabinet. The President distributes Cabinet Action Notes

to the campus community, weekly, via email. This report contains a summary of what was reported to Cabinet, including updated budget information, fiscal conditions, and financial planning ([III.D.7-7](#)). Budget and fiscal conditions are presented and discussed at the Budget Committee meetings where all constituent groups are represented ([III.D.7-8](#), [III.D.7-9](#), [III.D.7-10](#)). The Institutional Effectiveness Committee and the Budget Committee jointly aligned the planning calendars for Budget, Planning for Institutional Effectiveness (PIE), and Strategic Planning. This process allows the PIE plans to be used in a more authentic and timely manner for resource allocation ([III.D.2-1](#), [II.A.2-7](#), [I.A.3-1 pg. 23-24](#)).

Analysis and Evaluation

Mt. San Antonio College's (Mt. SAC's) responses to external audit findings are comprehensive, timely, and communicated appropriately.

Accomplishments and Outcomes

- External audit findings are reported to the Board of Trustees annually in December.
- The Vice President of Administrative Services and the Associate Vice President of Fiscal Services present budget and fiscal conditions to the President's Cabinet.
- Budget and fiscal conditions are presented and discussed at the Budget Committee meetings where all constituent groups are represented.

List of Evidence

I.A.3-1	Strategic Plan 2015-17 pg. 23-24
II.A.2-7	Vice President of Instruction PIE 2015-16
III.D.2-1	PIE Memo 1-22-2015
III.D.5-5	Audit 2013-14 pg. 105
III.D.5-6	Audit 2012-13 pg. 108
III.D.7-1	Board of Trustees Minutes 12-10-2014 pg. 7
III.D.7-2	Board of Trustees Minutes 12-11-2013 pg. 7
III.D.7-3	Board of Trustees Minutes 12-12-2012 pg. 6
III.D.7-4	Audit Finding Email Notification 11-21-2015
III.D.7-5	Audit 2011-12 pg. 98-101
III.D.7-6	Budget Update Board of Trustees meeting 02-22-2014
III.D.7-7	President Cabinet Notes 02-11-2014
III.D.7-8	Budget Committee Minutes 12-03-2014 1 of 2
III.D.7-9	Budget Committee Minutes 12-03-2014 2 of 2
III.D.7-10	Budget Development Calendar 2014-15

III.D.8

The institution's financial and internal control systems are evaluated and assessed for validity and effectiveness, and the results of this assessment are used for improvement. Evidence of Meeting the Standard

Evidence of Meeting the Standard

Financial and Internal Control Systems are Evaluated and Assessed

The Mt. San Antonio College District's (Mt. SAC) internal controls are evaluated and assessed by external auditors, the Los Angeles County Office of Education, and management. Internal controls are evaluated and reviewed annually during the financial audit. The audits demonstrate high integrity of financial management practices and internal controls. The College has continuously received unmodified (best opinion) audit opinions, which means the financial statements are in accordance with generally accepted accounting principles and there were no deficiencies in the internal controls, such as material weaknesses or reportable conditions ([III.D.5-4 pg. 5, 115](#)). Expenditures from special funds are made in a manner consistent with the intent and requirements of the funding source. For fiscal years ending June 30, 2013, June 30, 2014, and June 30, 2015, Mt. SAC received unmodified audit opinions on compliance with federal and state programs. There was an audit finding of noncompliance related to the timely reporting of sub award data for the Advance Technologies Education – Cyber

Watch totaling \$279,464 for fiscal year 2012-13 under the Federal Funding Accountability and Transparency Act Subaward Reporting System. The College corrected the reporting immediately ([III.D.5-5 pg. 106, III.D.5-6 pg. 106](#)). The College's special funds are audited or reviewed by funding agencies regularly. In fact, the outstanding work done with the Federal "Building Pathways of Persistence and Completion," Title V grant for \$3.2 million is a model for grant programs ([III.D.8-1](#)). Bond expenditures are consistent with regulatory and legal restrictions. The College has a history of receiving unmodified audit opinions for financial audits and performance audits. The College's General Obligation Bonds 2001 Election, 2006 Series C was audited in 2014 by the Department of Treasury, Internal Revenue Service. The outcome was favorable to the College, and the audit was closed ([III.D.1-30](#)).

Based on the Los Angeles County Office of Education Fiscal Independence oversight for fiscal years 2012-13, 2013-14, and 2014-15, the College has adequate internal control procedures in place and materially complied with the required accounting controls prescribed by the Board of Governors ([III.D.1-26, III.D.1-27, III.D.1-28, III.D.1-29](#)). The College was approved for Fiscal Independence status, effective July 1, 2012. This status allows the College to have broad authority to issue warrants without review or approval of the Los Angeles County Superintendent of Schools or the Los Angeles County Auditor/Controller. The Fiscal Independence status recognizes the College's competence, minimizes the

duplication of efforts between the College and the Los Angeles County Superintendent of Schools, and grants increased control at the local level, while maintaining adequate safeguards over the expenditures of public funds. With the Fiscal Independence, the Los Angeles County Superintendent of Schools' role is to provide fiscal oversight with an annual review. If at any time the Los Angeles County Superintendent of Schools determines that the accounting controls of the College become inadequate, he or she may recommend to the Board of Governors that approval of Fiscal Independence be revoked effective the first day of the following fiscal year ([III.D.8-2](#), [III.D.8-3](#)). Fiscal oversight is conducted based on the following accounting control standards prescribed by the Board of Governors:

- **Standard 1: Adequate Fund Balance** - The College has avoided deficit balances in its funds and has maintained a prudent reserve in its unrestricted general fund over the preceding five fiscal years;
- **Standard 2: Statute and Governing Board** - The College makes only lawful and appropriate expenditures in carrying out the programs authorized by the governing board;
- **Standard 3: Adequate Internal Controls** - The staff of accounting, budgeting, contracts, management information systems, internal audits, personnel, and procurement departments are adequate in numbers and skill level to administer administrative programs independent of detailed review by the county office of education and to provide an internal audit function that assures adequate internal controls; and

- **Standard 4: Legality and Propriety of Transactions** – The staff of the accounting, budgeting, contracts, management information systems, internal audits, personnel, and procurement departments exercise independent judgment to assure the legality and propriety of transactions.

Assessment Results are Used for Improvement

Fiscal Services regularly evaluates Mt. SAC's financial internal controls and management processes. The results of the evaluations are used to improve financial management systems. As an example, the College has implemented online budget transfer and the use of the purchasing card to improve efficiencies while maintaining good internal controls. Mt. SAC maintains its budget and accounting records using the Banner system. Departments are able to track their transactions in real time 24/7. The College initially implemented online purchase requisitioning for campus departments in December 2007. This process allows automatic validation of sufficient budget, and online requisitions are routed to the appropriate manager and approved electronically via web. The College implemented the online budget transfer portion in September 2014 as departments had the need to reallocate their budget(s), or increase their budget(s) for new sources of funding, such as grants, prior to processing their requisitions or expenditures. The implementation of this process included the assessment of the internal controls. Separation of duties was evaluated to route the approval of the online budget transfers to the respective manager at the department level and within the Fiscal

Services department. In addition, the development of the process included validation of account codes, dates, and sufficient budget to properly record the transactions ([III.D.8-4](#)). The College implemented the use of purchasing cards for small dollar supply purchases and travel expenses in 2015. This was an effort to improve efficiencies to trim the traditional paper and labor-intensive procurement process. The implementation began with a small pilot group of employees to allow Fiscal Services assessment and testing of internal controls. Fiscal Services created procedures to provide proper safeguards against the misuse of an assigned purchasing card. Prior to issuance of a purchasing card employees are required to attend training on internal controls and use of the card. Fiscal Services employees have also been trained on specific internal

controls to audit purchasing card transactions ([III.D.8-5](#), [III.D.8-6](#)).

Analysis and Evaluation

Mt. San Antonio College's (Mt. SAC's) financial and internal control systems are evaluated and assessed for validity and effectiveness, and the results of the assessment are used for improvement.

Accomplishments and Outcomes

- Mt. SAC's internal controls are evaluated and assessed by external auditors, Los Angeles County Office of Education, and management.
- Fiscal Services regularly evaluates Mt. SAC's financial internal controls and management processes.
- Results of evaluations are used to improve financial management systems.

List of Evidence

III.D.1-26	Fiscal Independence Oversight FY 2012-13
III.D.1-27	Fiscal Independence Oversight FY 2013-14
III.D.1-28	Response to Fiscal Oversight 2013-14
III.D.1-29	Fiscal Independence Oversight FY 2014-15
III.D.1-30	IRS Letter for Bonds 2001 Election 2006 Series C
III.D.5-4	Audit 2014-15 pg. 5 , 115
III.D.5-5	Audit 2013-14 pg. 106
III.D.5-6	Audit 2012-13 pg. 106
III.D.8-1	Evaluator Letter for Building Pathways Grant
III.D.8-2	Fiscal Independence Report
III.D.8-3	Fiscal Independence Report - Appendices
III.D.8-4	Banner Guide for Online Budget Transfers
III.D.8-5	User Guide for Procurement Card Program
III.D.8-6	Internal Control Training - Implementation of Procurement Card

III.D.9.

The institution has sufficient cash flow and reserves to maintain stability, support strategies for appropriate risk management, and, when necessary, implement contingency plans to meet financial emergencies and unforeseen occurrences.

Evidence of Meeting the Standard

The College has Sufficient Cash Flow and Reserves for Stability

Since 2010, Mt. San Antonio College (Mt. SAC) has enjoyed a healthy unrestricted general fund balance well in excess of 10 percent, the minimum amount required by Board Policy (BP). This reserve has given Mt. SAC the ability to remain financially stable through years of budget reductions and reduced state funding. The 2015-16 adopted budget projects an unrestricted general fund balance of \$23.7 million, which is 12.05 percent; the 2014-15 Fiscal Year (FY) ended with an actual unrestricted general fund balance of \$34.5 million or 22.47 percent; and the 2013-14 FY ended with an actual unrestricted general fund balance of \$30.2 million or 20.64 percent. In 2015-16, the College received an addition of approximately \$42.4 million in one-time and ongoing revenue, which, along with its healthy reserves, ensures Mt. SAC can remain financially stable as well as have sufficient revenue for financial emergencies and unforeseen occurrences ([III.D.1-5 pg. 19-26](#)).

For more than 10 years now, Mt. SAC has had many major construction projects to create new high-tech classrooms,

laboratories, office space, conference rooms, a science building, Exploratorium, Planetarium, and hundreds of renovations to existing facilities, all part of the College Master Plan ([III.D.9-1](#)). Funding for these projects has come from the passage of two bond measures. Measure R was a \$221 million facilities construction bond approved by voters in 2001. Measure RR was a \$353 million facilities construction bond approved by voters in 2008. In the fiscal year ending 2014, the Campus Improvement Bond Report to the community showed the College has a favorable variance of more than \$118 million ([III.D.9-2 pg. 3](#)). The sale of bonds for construction projects and College reserves are more than sufficient to support risk management strategies for the bond projects.

The College has Support Strategies for Risk Management and Necessary Contingency Plans

Mt. SAC has several risk management strategies that are funded through immediate need or new resource allocation requests. The College is required to purchase insurance in accordance with BP 6540 and Administrative Procedure (AP) 6540 to cover losses which occur to property, employees, and third-party liability ([III.D.2-11](#), [III.D.2-12](#), [III.D.9-3](#)). In such instances where the College carries deductibles for losses to property and liability, the College has a trust fund account to cover such losses and an annual analysis is performed by the College service provider and the Director of Safety and Risk Management; to ensure there is sufficient funding. Losses

resulting from an “unforeseen” emergency or catastrophic event would result in an emergency proclamation and may initially result in the use of general fund reserves. In a Federal, state or locally declared emergency, the College would be eligible for disaster relief funding. College cash and reserves are also more than sufficient to support these risk management strategies.

Mt. SAC has sufficient cash and reserves to support risk management strategies and to implement appropriate contingency plans to meet financial emergencies or unforeseen occurrences. The College is confident its risk management plans and ability to implement contingency plans are both realistic and appropriate.

Analysis and Evaluation

Mt. San Antonio College (Mt. SAC) has sufficient cash flow and reserves to maintain stability, support strategies for appropriate risk management, and, when necessary, implement contingency plans to meet financial emergencies and unforeseen occurrences.

Accomplishments and Outcomes

- Mt. SAC’s healthy reserve gives the College the ability to remain financially stable through years of budget reductions and reduced state funding.
- The College is confident its risk management plans and ability to implement contingency plans are both realistic and appropriate.

List of Evidence

III.D.1-5	Adopted Budget 2015-16 pg. 19-26
III.D.2-11	BP6540 Insurance
III.D.2-12	AP6540 Insurance
III.D.9-1	Master Plan 2012
III.D.9-2	Measure R & RR Report to the Community 2014 pg. 3
III.D.9-3	ASCIP Certificate of Liability Coverage 2015

III.D.10.

The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.

Evidence of Meeting the Standard

The College Practices Effective Oversight of Finances in All Areas

Mt. San Antonio College (Mt. SAC) uses a variety of processes to assess its use of financial resources. Fiscal Services reviews overall expenditures for the entire campus. Annually in March, Fiscal Services electronically distributes the status quo budget templates to develop the budget for the following year. Along with that, budget managers receive a budget and expenditure comparative report which provides three years of historical budget and expenditure data. This gives the budget manager an opportunity to evaluate spending in each account to better predict the spending the following fiscal year and reduce the number of budget transfers while keeping within the previous year's allocation to the unit. Based on the feedback received from the budget manager, Fiscal Services prepares tentative and adopted budget reports and sends the reports campus wide. As per Title 5 regulations, the tentative budget is submitted to the Board of Trustees for approval annually in June and the adopted budget is annually submitted on or before September 15 ([III.D.10-1](#), [III.D.10-2](#)). Ongoing budget revisions and transfers are reported to the Board of

Trustees for their approval monthly. The College's Enterprise Application System, Banner, provides 24/7 access to budget and expenditures to budget managers ([III.D.10-3](#), [III.D.10-4](#), [III.D.4-10 pg. 22, 37](#), [III.D.10-5 pg. 109](#)).

Fiscal Services prepares a preliminary tentative budget, Budget Scenarios Report, and Changes to the Fund Balance Report ([III.D.4-2](#)). The preparation of these budgets starts in March ([III.D.10-6 pg. 4-5](#), [III.D.1-5 pg. 17-18](#)). The Changes to the Fund Balance Report provides information about the unrestricted general fund projected and final ending balance. These reports are presented to the Budget Committee for their review and reaffirmation of the budget development process. Based on the assessment of the ending balances and budget projections, the President's Cabinet decides whether or not there are sufficient resources to fund budget requests submitted through the Planning for Institutional Effectiveness (PIE) process. When a unit requests additional funding, the section in the unit's PIE report citing how the resource would be used is required as a justification for the resource request ([III.D.10-7](#)).

The Institutional Effectiveness Committee (IEC) is charged with the assessment of the College's planning processes/program review, PIE, which includes resource requests from all campus units. Yearly, the resource requests from each departmental PIE are compiled and prioritized and reported by the area's Vice President to the President's Cabinet. The President's Cabinet prioritizes all requests with a global look and Fiscal Services

prepares the new resources allocation requests report. The Budget Committee's role is to ensure the prioritization process has been followed and makes recommendations on budget procedures and resource allocation processes. The President's Advisory Council (PAC) receives reports from the IEC and Budget Committee and makes recommendations to the President's Cabinet for changes to the College's resource request and allocation process. Additionally, IEC reports to PAC any planning recommendations including the solicitation of resource requests as they relate to the PIE process. The President's Cabinet authorizes and implements processes and any changes resulting from discussions and recommendations in Cabinet, IEC, Budget Committee, and PAC ([III.D.10-8 pg. 3](#), [III.D.1-7](#)).

An external auditing firm audits Mt. SAC annually. This audit includes the assessment of the internal controls for governmental funds, Title IV financial aid funds, grants, and externally funded programs. The external auditors also audit the auxiliary services organization, which is an integral part of the College operations for the bookstore and dining services. These audits have resulted in no findings, thereby attesting to the effective use of resources ([III.D.5-4 pg. 107-113](#), [III.D.10-9](#)).

Mt. SAC has held a fiscal independent status since July 1, 2012. The College has complied with the requirements, which indicates that the College has done a good job with fiscal oversight of the finances ([III.D.1-29](#), [III.D.1-27](#), [III.D.1-26](#)).

Another process Mt. SAC uses to assess its use of financial resources is Financial Aid's

membership in the Department of Education's Quality Assurance Program. "The purpose of Quality Assurance is to assure that data provided is accurate and correct, so that the delivery of Title IV student aid funds is conducted accurately, expediently, and with high integrity" ([III.D.10-10](#)).

Mt. SAC abides by Title 5 Regulations for Categorical Programs such as Disabled Student Programs and Services, Extended Opportunity Programs and Services, CalWORKs, etc., which have very specific guidelines as to how their respective funds may be spent. Additionally, Mt. SAC closely follows county grant requirements (CalWORKs for example), and federal spending regulations for grants such as TRiO, and other federal programs.

Additionally, at the beginning of every academic year, each categorical program must provide the Chancellor's Office with a detailed account of how funds from the prior year that were allocated to the program were spent using the Student Services Automated Reporting for Community Colleges (SSARCC) system. These reports are prepared by each categorical program budget manager. This report is reviewed by Fiscal Services to ensure expenditures match the General Ledger and are in compliance with the California Community Colleges Budgeting and Accounting Manual and the categorical program's spending guidelines. Once cleared by Fiscal Services, the report must be approved by the appropriate Vice President, the Vice President of Administrative Services, and the College's President/CEO.

Mt. SAC uses multiple levels of oversight in the development of purchase orders

and budget transfers, including a review by Fiscal Services with oversight by the Board of Trustees ensuring the account has sufficient funds for the purchase order or transfer and the expense or transfer is made following College policies and procedures ([III.D.5-3](#), [III.D.5-7](#), [III.D.3-1](#), [III.D.2-6](#)). Transfers are included monthly for Board approval and details are provided for review by constituent groups leaders each month. The College's fiscal management adheres to Title 5 procedures and its books and records adhere to the California Community Colleges Budget and Accounting Manual. Board Policies and Administrative Procedures provide direction and lines of responsibility for the overall fiscal management of the campus ([III.D.1-22](#), [III.D.10-11](#)). The College prepares and delivers the Quarterly Financial Status Report (CCFS-311Q), quarterly financial report, containing the financial and budgetary situation for the general fund to the Board of Trustees as required by law ([III.D.10-12 pg. 38-40](#)). The College also prepares and delivers the annual financial report, (CCSF-311). This report is submitted to the California Community Colleges Chancellor's Office and distributed to all constituent groups ([III.D.1-1](#)). Ahead of each Board meeting, the College President meets with the constituency group leaders to conduct an Agenda Review. As part of that process, the Friday before the Board meeting the Fiscal Department sends to the leaders the Detailed Listing of the Board Appropriations Transfer via email.

Mt. SAC demonstrates compliance with Federal Title IV regulations and requirements for student financial aid funds. These funds are part of the

College's annual external audit. The College has not received any audit findings related to these funds. Financial Aid and Fiscal Services have an agreed upon reconciliation process in place to ensure that financial aid programs reach the right student, in the correct amount, and for the correct time period. The Banner system provides controls to ensure financial aid reconciliation is accurate. Financial Aid and Fiscal Services work collaboratively to ensure agreement with the Department of Education. The process includes: disbursement, month end, and yearly reconciliation. At disbursement, Financial Aid disburses funds to students using the Banner system to check student eligibility. Financial Aid provides a disbursement report to Fiscal Services with each disbursement checked against the student account summary and available cash in the U.S. Department of Education's Grant Management System (G5). A monthly reconciliation is coordinated between Financial Aid and Fiscal Services to ensure all funds are accounted for. Financial Aid will reconcile against the U.S Department of Education's Common Origination and Disbursement system while Fiscal Services will reconcile against the G5 system. At the close of the fiscal year, Financial Aid and Fiscal Services will also coordinate a reconciliation review to ensure all student/fund accounts are balanced. Because reports are many, and are run, saved, and reviewed electronically, evidence is also stored electronically. Also due to personal data on these reports, it is not best practice to print and share with constituents outside of Financial Aid and Fiscal Services. Auditing officials are able to view these reports, when on campus, conducting a review.

Assessment Results are Used to Make Improvements

Mt. SAC uses results of its assessment of the College's budget processes and expenditures to make improvements. An example is the change in PIE due dates to better align with established budget processes and deadlines recommended by IEC ([I.A.3-1 pg. 23-24](#)). Joint Meetings between IEC and the Budget Committee are held on this topic ([III.D.10-13 pg. 2](#), [III.D.10-14](#), [I.A.3-7](#)).

Analysis and Evaluation

Mt. San Antonio College (Mt. SAC) practices effective oversight of finances, including management of financial aid, grants, externally funded programs,

contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.

Accomplishments and Outcomes

- Mt. SAC uses a variety of processes to assess its use of financial resources.
- The College's yearly audit includes the assessment of the internal controls for governmental funds, Title IV financial aid funds, grants, and externally funded programs.
- External auditors audit the auxiliary services organization.
- Mt. SAC uses results of its assessment of the College's budget processes and expenditures to make improvements.

List of Evidence

I.A.3-1	Strategic Plan 2015-17 pg. 23-24
I.A.3-7	Budget and Institutional Effectiveness Committee Meeting 2014
III.D.1-1	Annual Financial and Budget Report 2014-15
III.D.1-5	Adopted Budget 2015-16 pg. 17-18
III.D.1-7	New Resource Allocation 2015-16
III.D.1-22	BP6300 Fiscal Management
III.D.1-26	Fiscal Independence Oversight FY 2012-13
III.D.1-27	Fiscal Independence Oversight FY 2013-14
III.D.1-29	Fiscal Independence Oversight FY 2014-15
III.D.2-6	AP6250 Budget Management
III.D.3-1	BP6250 Budget Management
III.D.4-2	Budget Scenarios 2015-16
III.D.4-10	Tentative Budget 2015-16 Board Presentation pg. 22, 37
III.D.5-3	BP6200 Budget Preparation
III.D.5-4	Audit 2014-15 pg. 107-113
III.D.5-7	AP6200 Budget Preparation
III.D.10-1	Title V Tentative Budget-Filing-Adoption-Filing and Approval of Final Budget
III.D.10-2	Proposed Budget-Hearing: Notice-Publication
III.D.10-3	Budget Template 2015-16
III.D.10-4	Budget and Expenditure Comparative Report
III.D.10-5	Adopted Budget 2015-16 - Agenda pg. 109
III.D.10-6	Tentative Budget 2015-16 pg. 4-5
III.D.10-7	Unit PIE Form 2014-15
III.D.10-8	New Resource Allocation Cabinet Notes 3-24-2015 pg. 3
III.D.10-9	Audit Auxiliary Services 2014-15
III.D.10-10	Financial Aid's Quality Assurance Program
III.D.10-11	AP6300 Fiscal Management
III.D.10-12	Quarterly Financial Statements 311Q pg. 38-40
III.D.10-13	Joint Committees Meeting-Budget and Institutional Effectiveness Minutes 12-4-2013 pg. 2
III.D.10-14	Joint Committees Meeting-Budget and Institutional Effectiveness Minutes 11-5-2014

III.D.11

The level of financial resources provides a reasonable expectation of both short- term and long-term financial solvency. When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies, plans, and allocates resources for payment of liabilities and future obligations.

Evidence of Meeting the Standard

The Mt. SAC Board of Trustees plans for maintenance and improvements of its facilities through appropriate measures, such as the issuance of bonds. The status of current and future projects, which are the result of the College's integrated planning processes, are analyzed to determine the need for funds as well as the repayments of current and future obligations ([III.D.11-1 pg. 2](#)). After bonds are issued, the bond funds are included in the adopted budget ([III.D.11-2 pg. 6-7, 112-113](#)). The College provides health benefits for its retirees and manages the liabilities closely. As required by the Government Accounting Standards Board No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions or Other Postemployment Benefits (OPEB), the College updated its actuarial study on retiree health liabilities in March 2014. This actuarial valuation showed that the plan is 67.2 percent funded ([III.D.5-4 pg. 76, III.D.2-13](#)). An updated actuarial report will be included in the 2015-16 audit. The 2015-16 audit will be approved

by the Board of Trustees in December 2016. The Budget Committee recommended restoration of funding of the OPEB Trust obligation ([III.D.11-3](#)). The College reinstated \$2.5 million in the budget to make the contribution to the OPEB Trust for 2014-15 ([III.D.11-2 pg. 6-7](#)). The California's two largest pension systems, the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) have largely increased their contribution rates for future years. The College has established an irrevocable trust to address future payments with an initial contribution of \$4 million ([III.D.11-4 pg. 47](#))

Analysis and Evaluation

The level of financial resources at Mt. San Antonio College (Mt. SAC) provides a reasonable expectation of both short- and long-term financial solvency. When making financial plans, the College assures financial stability. Additionally, Mt. SAC clearly identifies, plans, and allocates resources for payment of liabilities and future obligations.

Accomplishments and Outcomes

- The Mt. SAC Board of Trustees plans for maintenance and improvements of its facilities through appropriate measures.
- The College updated its actuarial study on retiree health liabilities in March 2014 and is making a \$2.5 million contribution on an ongoing basis.
- The College has established an irrevocable trust to address the increases in CalPERS and CalSTRS contributions in future years.

List of Evidence

III.D.2-13	Actuarial 03-01-14
III.D.5-4	Audit 2014-2015 pg. 76
III.D.11-1	Board Study Session 2-7-2015 pg. 2
III.D.11-2	Adopted Budget 2014-15 pg. 6-7 , 112-113
III.D.11-3	Budget Committee Minutes 3-19-2014
III.D.11-4	Board of Trustees Agenda 6-22-2016 pg. 47

III.D.12

The institution plans for and allocates appropriate resources for the payment of liabilities and future obligations, including Other Post-Employment Benefits (OPEB), compensated absences, and other employee-related obligations. The actuarial plan to determine Other Post-Employment Benefits (OPEB) is current and prepared as required by appropriate accounting standards.

Evidence of Meeting the Standard

Due to the recent economic crisis, the College began to defer payments to fully fund its current Other Post-Employment Benefits (OPEB) obligation. This decision resulted in no contribution to the OPEB obligation for fiscal years 2012-13 and 2013-14 ([III.D.12-1](#)). The Budget Committee recommended restoration of funding for the OPEB trust obligation in March 2014 ([III.D.11-3](#)). Following that recommendation, the College budgeted \$2.5 million towards its contribution to the OPEB trust for 2014-15 ([III.D.11-2 pg. 6-7, 112-113](#)). In 2014-2015, the Budget Committee adopted a goal to review and make recommendations for ongoing OPEB trust contributions in order to meet funding goals. That decision led to the committee recommending funding of the liability for the fiscal year 2014-15. In 2015-2016, the committee updated the goal to evaluate,

review and make recommendations for the OPEB trust to continue to meet its funding goals ([III.D.12-2](#)). In May 27, 2015, the Board of Trustees approved the funding of \$2.5 million towards the annual contribution to the OPEB trust on an ongoing basis. As required by the Government Accounting Standards Board No. 45 Accounting and Financial reporting by Employers for Postemployment Benefits Other Than Pensions, the College updated its actuarial study on retiree health liabilities in March 2014 ([III.D.2-13](#)). An updated actuarial report will be included in the 2015-16 audit. The 2015-16 audit will be approved by the Board of Trustees in December 2016.

In recent years, California's two largest pension systems, the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS), have faced growing unfunded liabilities, which were exacerbated during the recession. As a result, the Governor, the legislature, and the CalPERS Board have scheduled increases in contribution rates from the state, employers, and employees. As a result, in June 23, 2016, the College established an irrevocable trust for future CalSTRS and CalPERS obligations increases, with an initial contribution of \$4 million. The following table shows the actual and projected CalPERS and CalSTRS employer contribution rates and amounts for the College:

FISCAL YEAR	CalSTRS	CalPERS	TOTAL INCREASE
2014-15 ⁽¹⁾	8.88%	11.771%	711,771
2015-16	10.73%	11.847%	2,033,571
2016-17	12.58%	13.888%	3,045,038
2017-18	14.43%	15.500%	1,987,940
2018-19	16.28%	17.100%	1,983,379
2019-20	18.13%	18.600%	1,945,373
2020-21	19.10%	19.800%	1,177,164
TOTAL			\$ 12,884,236

(1) Actual Expenditures

Figure III.D.12-1. Actual and projected CalSTRS and CalPERS Contributions

The College maintains a vacation liability account fund for payment of compensated absences based on past service. This fund is reviewed every year, at year end, by Fiscal Services, for compliance with Governmental Accounting Standards Board 16 (GASB 16) accounting for compensated absences. The spreadsheet is included in the year-end financial statements.

Analysis and Evaluation

Mt. San Antonio College (Mt. SAC) plans for and allocates appropriate resources for the payment of liabilities and future obligations, including Other Post-Employment Benefits (OPEB), compensated absences, and other employee-related obligations. The actuarial plan to determine OPEB is current and prepared as required.

Accomplishments and Outcomes

- The Budget Committee recommended restoration of funding of its OPEB trust obligation in March 2014.
- In 2014-2015, the Budget Committee adopted a goal to review and make recommendations for the OPEB trust to meet its funding goals.
- In May 27, 2015, the Board of Trustees approved \$2.5 million towards the OPEB trust.
- The College is planning for future financial obligations by starting an irrevocable trust to pay for CalSTRS and CalPERS increases.

List of Evidence

III.D.2-13	Actuarial 3-1-2014
III.D.11-2	Adopted Budget 2014-15 pg. 6-7, 112-113
III.D.11-3	Budget Committee Minutes 3-19-2014
III.D.12-1	Budget Committee Minutes 9-4-2013
III.D.12-2	Budget Committee Minutes 10-7-2015

III.D.13.

On an annual basis, the institution assesses and allocates resources for the repayment of any locally incurred debt instruments that can affect the financial condition of the institution.

Evidence of Meeting the Standard

Mt. San Antonio College (Mt. SAC) assesses the repayment of locally incurred debt instruments at the Board Study Session on an annual basis. The bond debt does not have adverse impact on the current obligations because the repayment is secured by the property tax pledge from local taxpayers. The College currently has general obligation bond debt for Prop. 39 General Obligation Bonds, Measure R (Election 2001) and Measure RR (Election 2008). The repayment of these bonds is secured by the district's voter-approved unlimited property tax pledge. Los Angeles County levies, collects, and disburses the district's property taxes, including the portion restricted to pay the debt service on the general obligation bonds. The level of locally incurred debt instruments as of June 30, 2015, is \$396.7 million. This balance primarily includes the remaining principal debt for Measure R general obligation bonds (Election 2001) of \$154.4 million and \$242.3 million in Measure RR general obligation bonds (Election 2008). The bonds were issued to finance the repair, upgrade, acquisition, construction, and equipment of selected College

property and facilities ([III.D.5-4 pg. 60](#)). The College has a loan with the City of Walnut for construction of the Performing Arts Center. The balance as of June 30, 2015, is \$113,526. The annual payment consists of \$1 for every ticket sold for all performances. The payment for fiscal year 2014-15 was \$25,312. The College implemented Government Accounting Standards Board (GASB) statements No. 68 and 71, which impacts the accounting and reporting (accrual basis) of pension expense and net pension liability by reflecting the amounts on the entity wide financial statements. The net pension liability, as of June 30, 2015, is \$125.3 million as a result of the recognition of the proportionate share of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) pension expense ([III.D.5-4 pg. 60](#)).

Analysis and Evaluation

On an annual basis, Mt. San Antonio College (Mt. SAC) assesses and allocates resources for the repayment of any locally incurred debt instruments that can affect its financial condition.

Accomplishments and Outcomes

- Mt. SAC assesses the repayment of local incurred debt instruments at the Board Study Session on an annual basis.
- The College implemented Government Accounting Standards Board (GASB) statements.

List of Evidence

III.D.5-4	Audit 2014-15 pg. 60
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III.D.14.

All financial resources, including short- and long-term debt instruments (such as bonds and Certificates of Participation), auxiliary activities, fund-raising efforts, and grants, are used with integrity in a manner consistent with the intended purpose of the funding source.

Evidence of Meeting the Standard

Mt. San Antonio College (Mt. SAC) maintains a chart of accounts in accordance with the California Community College Budget and Accounting Manual, published by the Chancellor's Office of California. This ensures the consistent reporting of all its funds with integrity. The College abides by Title 5 Regulations for Categorical Programs such as Disabled Students Programs and Services, Extended Opportunity Programs and Services and CalWORKs, which have very specific guidelines as to how their respective funds may be spent. Additionally, Mt. SAC closely follows county grant requirements (CalWORKs for example), and federal spending regulations for grants such as TRiO and other federal programs.

External auditors audit Mt. SAC's bond funds annually. The performance audits consistently state that the College expended proceeds of the bonds for the purposes approved by the voters and only on the specific Board of Trustees approved projects. The College aligns with Prop. 39 mandates and maintains a Citizens' Oversight Committee that is primarily responsible for ensuring proper expenditure of bond funding for campus

construction, reconstruction, rehabilitation or replacement of campus facilities, and informing the public concerning the expenditure of bond proceeds ([III.D.1-16](#), [III.D.14-1](#)).

Mt. SAC assesses the repayment of the long-term debt annually. The bonds (locally incurred debt instruments) are assessed at the Board Study Session on an annual basis. The debt does not have an adverse impact on the current obligations because the repayment is secured by the property tax pledge from local taxpayers. The College also assesses its long-term obligation for pensions and healthcare benefits. This is part of the budget development process. The Budget Committee makes recommendations for funding to the President's Cabinet, which, after review, is presented to the Board of Trustees for approval ([III.D.14-2 pg. 5](#)). In June 23, 2016, the College established an irrevocable trust for future CalSTRS and CalPERS obligations increases, with an initial contribution of \$4 million. The College has a \$2.5 million ongoing budget for Other Post-Employment Benefits (OPEB) for retirees' healthcare benefits. Effective with the fiscal year 2014-15, the College adheres to the Governmental Accounting Standards Board (GASB) statements when planning long-term fiscal resources such as CalPERS and CalSTRS retirement benefits and OPEB for retirees' healthcare benefits ([III.D.5-4 pg. 61-73](#)). OPEB actuarials are prepared every two years to assess the payment by fiscal year as per GASB ([III.D.14-3](#), [III.D.14-4](#), [III.D.2-13](#)).

The College has a separate organization, Mt. San Antonio College Auxiliary Services

that mainly provides bookstore functions for students, faculty and employees of the College and oversees the dining services operation outsourced to Sodexo since 2011. The Auxiliary engages external auditors to perform an external audit of the finances on an annual basis. Audit reports for the past three years ending June 30, 2013, 2014, and 2015, respectively have obtained unmodified audit opinions. An unmodified opinion is the best opinion an organization can obtain, thus demonstrating the integrity of the use of financial resources ([III.D.14-5](#), [III.D.14-6](#), [III.D.14-7](#)).

The Mt. San Antonio College Foundation provides support with fundraising activities for College programs and scholarships. The Foundation engages external auditors to perform an external audit on an annual basis. Audit reports for the past three years ending June 30, 2013, 2014 and 2015, respectively, are provided. The Foundation has obtained unmodified audit opinions for the last three years. An unmodified opinion is the best opinion and organization can obtain, thus demonstrating the integrity of the use of financial resources ([III.D.14-8](#), [III.D.14-9](#), [III.D.14-10](#)).

Analysis and Evaluation

All of Mt. San Antonio College's (Mt. SAC's) financial resources, including short- and long-term debt instruments (such as bonds and Certificates of Participation), auxiliary activities, fund-raising efforts, and grants, are used with integrity in a manner consistent with the intended purpose of the funding source.

Accomplishments and Outcomes

- Mt. San Antonio College (Mt. SAC) maintains a chart of accounts in accordance with the California Community Colleges Budget and Accounting Manual published by the California Community Colleges Chancellor's Office.
- Mt. SAC consistently accounts for its funds with integrity.
- External auditors audit Mt. SAC's bond funds annually.
- Mt. SAC assesses the repayment of the long-term debt annually.
- Auxiliary activities and fund-raising efforts are used with integrity and for the intended purpose.

List of Evidence

III.D.1-16	Prop 39 Performance Audit 2014-15
III.D.2-13	Actuarial 3-1-2014
III.D.5-4	Audit 2014-15 pg. 61-73
III.D.14-1	Prop 39 Performance Audit 2013-14
III.D.14-2	Budget Committee Minutes - OPEB Funding Recommendation pg. 5
III.D.14-3	Actuarial 5-1-2011
III.D.14-4	Actuarial 3-1-2012
III.D.14-5	Auxiliary Audit 2014-15
III.D.14-6	Auxiliary Audit 2013-14
III.D.14-7	Auxiliary Audit 2012-13
III.D.14-8	Foundation Audit 2014-15
III.D.14-9	Foundation Audit 2013-14
III.D.14-10	Foundation Audit 2012-13

III.D.15.

The institution monitors and manages student loan default rates, revenue streams, and assets to ensure compliance with federal requirements, including Title IV of the Higher Education Act, and comes into compliance when the federal government identifies deficiencies.

Evidence of Meeting the Standard

The College Monitors and Manages Student Loan Default Rates, Revenue Streams, and Assets

For the past three years, Mt. SAC's Cohort Default Rate has been steady, ranging from 13 percent to 17 percent. Mt. SAC's annual cohort default rates are, and have been, within federal guidelines. The rates are below the Department of Education's monitoring level, and the College has not been asked for a detailed Default Prevention Plan and USDE Audits/reports ([III.D.15-1](#), [III.D.15-2](#), [III.D.15-3](#), [III.D.15-4](#)).

Although it is not mandated, Mt. SAC recognizes the benefits of default prevention efforts. Thus, the College has instituted a financial literacy program for its students while increasing its efforts with default prevention. Some of these efforts include continued exit loan counseling, monthly review of delinquency reports, and periodic briefings with consultants provided by the Chancellor's Office to project future cohort default rate with real data.

The College has a Plan for Remediating any Deficiencies Resulting in Non-Compliance

Mt. SAC monitors the default rate regularly and has a plan to reduce the default rate when it exceeds federal guidelines. In fact, the College provides student interventions to prevent the default rate from increasing. The College has a financial aid specialist whose sole program responsibility is default prevention. In collaboration with other offices, this program is steadily being expanded. The default prevention program includes conducting workshops to reach more students on campus regarding financial literacy and how incurred debt can affect future life plans. In fiscal year 2012-13, 500 students were able to participate in default prevention workshops; in 2013-14 this effort was expanded to 750 students, and the 2014-15 goal was to reach at least 1,000 students as well as opening workshops to others in the community.

Mt. SAC's Financial Aid Office has policies and procedures in place to adhere to Title IV of the Higher Education Act. To ensure that Financial Aid staff is sufficiently trained, staff participates in a bi-annual training day, weekly staff meetings, and federal, state, and regional training events. Financial Aid staff also conduct training for other offices to provide information on new regulatory changes. Policies and procedures are posted on the College website and sent to students directly. The College also strives to send targeted communication to students to help them prepare for possible financial aid eligibility issues, such as a reminder

when the student is in "Warning" status for Satisfactory Academic Progress, what this means, what the student needs to complete for current term, and what is the impact for subsequent term. The Financial Aid office also alternates staff to serve on its different committees, creating an opportunity to participate and cross-learn. As the College begins planning for a new aid year, staff will be selected to participate on the Verification Committee. The committee reviews current verification processes and requirements, compares them to any federal changes to verification for the new aid year, and makes recommendations to adjust verification processes for the new aid year. Through this strategy, development of work skills as well as increased understanding of policy and procedures have helped the Financial Aid team enhance processes to improve efficiency and customer service. The College has not had any findings with its annual audits. Data is stored in a shared drive organized by program and aid year for staff to review changes made from year to year, including forms, policy, and protocols. Also, the robust usage of the Banner system has supported the ability to meet compliance requirements. Documentation of each financial aid

recipient file by aid year is essential in ensuring compliance as well as good customer service ([III.D.15-5](#), [III.D.15-6](#), [III.D.15-7](#)).

Analysis and Evaluation

Mt. San Antonio College (Mt. SAC) monitors and manages student loan default rates, revenue streams, and assets to ensure compliance with federal requirements, including Title IV of the Higher Education Act, and comes into compliance when deficiencies are identified.

Accomplishments and Outcomes

- Mt. SAC's annual cohort default rates are, and have been, within federal guidelines.
- Mt. SAC recognizes the benefits of default prevention efforts.
- The College provides student interventions to prevent the default rate from increasing.
- Mt. SAC's Financial Aid Office has policies and procedures in place to adhere to Title IV of the Higher Education Act.
- The College has not had any findings with its annual audits.

List of Evidence

III.D.15-1	FISAP 2012-13
III.D.15-2	FISAP 2013-14
III.D.15-3	FISAP 2014-15
III.D.15-4	Evidence of Cohort Default Rate
III.D.15-5	PowerPoint of Financial Literacy Outreach Efforts
III.D.15-6	Financial Aid Direct Loan Information and Counseling Workshops 2014
III.D.15-7	Financial Aid Direct Loan Information and Counseling Workshops 2015

III.D.16.

Contractual agreements with external entities are consistent with the mission and goals of the institution, governed by institutional policies, and contain appropriate provisions to maintain the integrity of the institution and the quality of its programs, services, and operations.

Evidence of Meeting the Standard

Contractual Agreements with External Entities are Consistent with the College's Mission and Goals and Governed by Policy

Mt. SAC's Board Policies and Administrative Procedures establish the authority to enter into contractual agreements and clearly identifies which contracts can be approved under delegated authority ([III.D.16-1](#), [III.D.16-2](#), [III.D.16-3](#), [III.D.16-4](#), [III.D.16-5](#), [III.D.16-6](#)). Only the President, Vice President of Instruction, and Vice President of Administrative Services has the authority to execute documents for purchasing contract function. The Purchasing Department oversees all contracts on behalf of the College ([III.D.16-7](#)). Contracts and contract amendments are submitted to the Board of Trustees for approval at its monthly meetings. All contracts include indemnification and termination clauses to protect the College. The College has a conflict of interest policy and Administrative Procedures for Board members and employees that prohibits personal financial interest when entering into a contract for the College ([III.A.13-2](#), [III.D.16-8](#)).

Board Policy 6150 designates specific administrators with the responsibility to sign contractual agreements ([III.D.16-7](#)). The College will enter into a contractual agreement when the Planning for Institutional Effectiveness (PIE) and new resources allocation process calls for them. Facilities-related contracts are reviewed by the Facilities Advisory Committee to ensure that new and renovated facilities are consistent with the Facilities Master Plan developed to align with the College mission and to meet College goals ([III.D.16-9](#)).

Contractual Agreements Contain Provisions to Maintain Integrity and Quality

Mt. SAC has a variety of contractual agreements that range in depth and breadth from a single-use agreement for the use of a College facility to long-term professional service agreements and major construction contracts. For construction projects valued at \$1,000 to \$45,000, short-form contracts are used to ensure compliance with College applicable codes, safety policies, adequate supervision, material substitution, hazardous materials compliance, standard of care, indemnification, termination provisions, and payment and performance bond requirements ([III.D.16-10](#), [III.D.16-11](#), [III.D.16-12](#)). For publicly bid construction contracts in excess of \$45,000, extensive contract general conditions and special conditions ensure compliance with applicable codes, safety policies, adequate supervision, material substitution, hazardous materials compliance, standard of care,

indemnification, termination provisions, warranties, contract closeout requirements, and payment and performance bond requirements ([III.D.16-13](#), [III.D.16-14](#), [III.D.16-15](#), [III.D.16-16](#)).

Contract documents are periodically reviewed and updated with support from legal counsel. Project-specific contract documents used for special projects such as design build, energy projects, and lease-leaseback agreements for professional services such as construction management and architectural and engineering services include specific terms and conditions to ensure compliance with the College mission, internal policies, and with applicable codes and best practices ([III.D.16-17](#), [III.D.16-18](#)).

Analysis and Evaluation

Contractual agreements with external entities are consistent with the mission and goals of Mt. San Antonio College (Mt. SAC), are governed by institutional

policies, and contain appropriate provisions to maintain the integrity of the College and the quality of its programs, services, and operations.

Accomplishments and Outcomes

- Mt. SAC has Board Policies and Administrative Procedures that establish the authority to enter into contractual agreements and clearly identifies which contracts can be approved under delegated authority.
- The College will enter into a contractual agreement when the Planning for Institutional Effectiveness (PIE) and new resources allocation process calls for them.
- Contract documents are periodically reviewed and updated with support from legal counsel.
- Agreements for professional services include specific terms and conditions to ensure compliance with the College mission, internal policies, and with applicable codes and best practices.

List of Evidence

III.A.13-2	BP2710 Conflict of Interest
III.D.16-1	BP6340 Contracts
III.D.16-2	AP6340 Bids and Contracts
III.D.16-3	AP6350 Construction Contracts
III.D.16-4	AP6360 Electronic Systems and Materials Contracts
III.D.16-5	AP6365 Accessibility of Information Technology
III.D.16-6	AP6370 Personal Services Contracts
III.D.16-7	BP6150 Designations of Authorized Signatures
III.D.16-8	AP2710 Conflict of Interest
III.D.16-9	Facilities Advisory Committee Notes 10-10-2015
III.D.16-10	Field Contract \$1,000-\$4,999
III.D.16-11	Field Contract \$5,000-\$24,999
III.D.16-12	Field Contract \$25,000-\$45,000
III.D.16-13	Contract General Conditions
III.D.16-14	Contract Special Conditions-Quality Control
III.D.16-15	Contract Special Conditions-Warranties
III.D.16-16	Contract Special Conditions-Contract Closeout
III.D.16-17	Architect Master Agreement
III.D.16-18	Architect Agreement Terms and Conditions

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