

BUDGET COMMITTEE

MEETING AGENDA

May 16, 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	
Irene Malmgren	Vicki Greco	Lisa Romo	
Audrey Yamagata-Noji	Lance Heard	Ruben Gujjarro (Student)	Kerry Martinez (Notes)
Steve Garcia	Tamra Horton	Matthew McBride (Student)	Yadira Santiago (Notes)

AGENDA ITEMS:

- 1. Agenda Check**
- 2. Review the Budget Committee Meeting Summary of April 4, 2018, and May 2, 2018.**
- 3. Handout for New Accreditation Process for Committees.**
- 4. Review Governor's May revise.**

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

June 6, 2018

September 5, 2018

September 19, 2018

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

**Mt. San Antonio College
Budget Committee Summary of
May 16, 2018**

Committee Members:		
<input type="checkbox"/> Mike Gregoryk, Chair	<input checked="" type="checkbox"/> Rosa Royce	<input type="checkbox"/> Peter Gonzales
<input checked="" type="checkbox"/> Joan Sholars, Co-Chair	<input type="checkbox"/> Gary Nellesen	<input type="checkbox"/> Mark Fernandez
<input checked="" type="checkbox"/> Dr. Joumana McGowan for Irene Malmgren	<input checked="" type="checkbox"/> Vicki Greco	<input checked="" type="checkbox"/> Lisa Romo
<input checked="" type="checkbox"/> Audrey Yamagata-Noji	<input type="checkbox"/> Lance Heard	<input type="checkbox"/> Ruben Guijarro (Student)
<input checked="" type="checkbox"/> Douglas Jenson	<input checked="" type="checkbox"/> Tamra Horton	<input type="checkbox"/> Matthew McBride (Student)
		<input type="checkbox"/> Kerry Martinez (Notes)
		<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 April 4, 2018, and May 2, 2018.	The Budget Committee Meeting Summaries of April 4, 2018, and May 2, 2018, were reviewed and approved. Please contact Kerry/Yadira for any changes/corrections, to the meeting summary.	Meeting Summaries approved.
3. Handout for New Accreditation Process for Committees.	Joan reviewed the handout and Joumana confirmed that the Accreditation committee is looking for Accreditation Standard III.D to be shown/focused on, in the memory/minutes of the Budget committee.	
4. Review Governor's May revise.	Rosa reviewed the detailed summary handout of the Governor's May revise.	(III.D)

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

FUTURE AGENDA ITEMS

- Update on the Integrated Planning and Budgeting Process Calendar.
- College Promise Funding – Explanation of Usage.

FUTURE MEETING DATES

- June 6, 2018
- June 20, 2018
- September 5, 2018

COMMITTEE: Budget Committee

CHAIR: Mike Gregoryk

Mike,

Your committee has been identified by the Accreditation Steering Committee as doing work related to the following accreditation themes:

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

In an effort to keep current with gathering evidence for accreditation, we request that you identify in your meeting minutes any areas of discussion that align with the above themes. An example from your November 15, 2017 minutes:

3. Review 2018-19 Budget Development Calendar	Rosa and Joan took the lead to thoroughly review the November 3, 2017, Integrated Plan and Budgeting Process Calendar 2018–19 (Draft). Suggested changes were written in red ink on the handout. Discussion of those suggestions, and further recommendations made by the Budget Committee members, will be integrated into a new updated form and brought back to the committee for further discussion, and review, at the December 6, 2017, meeting. Forms to be reviewed at the next meeting: • Integrated Plan and Budgeting Process Calendar • Budget Review and Development Guide • Budget Development Calendar	Updated forms will be reviewed, and discussed, at the December 6, 2017, meeting. (III.D)
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The committee can make the decisions about which, if any, discussion links to one or more of the themes assigned to your committee as it reviews the minutes at each meeting, indicating the theme by number in the Action/Outcome section of your template.

On behalf of the Accreditation Steering Committee, we thank you for your participation in accreditation.

Irene Malmgren, Co-Chair

Kristina Allende, Co-Chair

*Note: Please contact Kristina Allende, x6711 or kallende@mtsac.edu with any questions.

2018-19 Governor's May Revision Budget Proposal – Highlights Released May 11, 2018

On May 11, 2018, Governor Jerry Brown released his proposal for the 2018-19 State Budget, the last State Budget of his tenure. He stated that he intends to leave the most responsible budget for his successor. Similar to past years, he reminded observers that California has a volatile structure, and that balanced budgets have been followed by huge deficits. Governor Brown referred to this volatility in his May Revision remarks as “How do you ride the tiger?”

The budget continues to assume a positive economic outlook for the year, but reinstates that economic expansions do not last forever. In preparation of the next recession, the budget proposes to fully fund the state's Rainy Day Fund by the end of 2018-19, bringing the total to \$13.8 billion. Since January, State revenue projections have grown, and the Governor's proposed to use the surplus in one-time spending to address long-standing infrastructure needs, homelessness, and mental health. The budget proposal does not factor in the recently enacted federal tax bill as the implications are still unknown.

The Proposition 98 minimum guarantee is estimated at \$78.4 billion for 2018-19, a minimal change when compared to the \$78.3 billion estimate included in the January budget proposal. Over a three-year period (2016-17, 2017-18, and 2018-19), compared to the January estimates, adds \$727 million; \$68 million in ongoing funds and \$659 million in one-time funds. The Governor honors the statutory split of 10.93% for 2018-19.

The Higher Education section of the budget continues its support to keep student fees low, promote technology and innovation, and improve graduation rates, all in support of student's success in their educational goals. The budget provides approximately \$800 million in new Proposition 98 General Fund spending for community colleges of which \$300 million are one-time funds. Among other proposals, there are three significant changes for community colleges: a new funding formula, a new fully online community college, and the consolidation of three categorical programs.

As stated in his January proposal, the Governor allocates \$175 million to support community colleges transition to a new funding formula for general apportionments and has made some adjustments to the formula. The revised formula is comprised of a Base Grant – approximately 60% of funding, based on a three-year rolling average of full-time equivalent students (FTES); a Supplemental Grant – approximately 20% of funding, based on the number of low-income students over age 25 receiving a College Promise Grant fee waiver (formerly Board of Governors), AB540 students (specified undocumented students), and the total number of students receiving a Pell Grant; and a Student Success Incentive Grant – approximately 20% of funding, based on the calculation of points, with points awarded for completion of degrees and certificates, completion of transfer-level Math and English courses, and attainment of regional living wage after one year of completion.

The noncredit and the career development and college preparation FTES would continue to be funded outside the formula at existing rates. The formula includes a revised hold harmless provision stating that no district will receive less in both 2018-19 and 2019-20 than it received in 2017-18. Ends the practice of “summer shift” by requiring summer terms that cross fiscal years to count in the fiscal year that follow the summer term, effective with the 2019-20 fiscal

year. In addition, the Governor's proposal includes \$104 million in one-time funding to provide discretionary resources so all districts receive, in 2018-19, total resources of at least their 2017-18 totals adjusted by 2.71% cost-of-living adjustment (COLA).

As stated in the January proposal, the Governor proposes \$100 million (one-time) and \$20 million (ongoing) to create a fully online community college that would also offer a pathway in IT support and clarifies that the Board of Governors would serve as the governing board of the college, the faculty and the classified employees would be represented for the purpose of collective bargaining, the college would report outcome measures similar to other community colleges, the president of the college would be responsible for commencing the accreditation process upon enrollment of the college's first cohort of students, and the curriculum developed by the college and its faculty would have the same academic protections granted to all curricula developed by other community college faculty.

The Governor's May revision consolidates the Student Success and Support Program, Student Success for Basic Skills Program, and the Student Equity Program into a single program. Districts will not receive less in 2018-19 or 2019-20 from the new consolidated categorical program than the sum of the amounts the district received from those programs in 2017-18. Mt. SAC current total allocations for these programs is \$12.4 million, \$10.4 million of which is for credit programs and \$2 million for noncredit programs.

The proposal also includes the following important increases for community colleges:

- \$60 million (1%) Growth, approximately \$0.8 million for Mt. SAC.
- \$173.1 million (2.71%) Cost-of-Living Adjustment (COLA), approximately \$4.6 million for Mt. SAC.
- \$46.9 million to reflect the amount of FTEs funding earned back by community colleges districts that declined in enrollment during the previous three years.
- \$143.5 million in one-time funds for Physical Plant and Instructional Equipment. No local match is required. Approximately \$3.6 million for Mt. SAC.
- \$46 million to support the implementation of the California College Promise, which rescinds the \$46 unit fee for all first-time resident students enrolled in 12 units or more per semester during the first year.
- \$7.9 million COLA for Disabled Student Program and Services, Extended Opportunities Program and Services, CalWorks, and the Child Care Tax Bailout Program. Approximately \$143,472 for Mt. SAC.
- \$5 million in ongoing funds for Cooperative Agencies Foster Youth educational support.
- \$21.5 million 2.71% COLA for Adult Education Block Grant (AEBG), approximately \$20,533 for Mt. SAC.
- \$2 million to increase the number of certified nurse assistants being trained through the Strong Workforce Program.
- \$40.7 million to consolidate the Full-Time Student Success and the Completion Incentive Grants.

- \$13.5 million in one-time and \$5 million in ongoing funds for implementation of new financial aid system improvements at colleges.
- Five new Proposition 51 Bond Projects. The Mt. SAC New Physical Education Complex is included in these five projects.
- \$20 million in one-time funds for the Innovation Awards program for grants focused on enhancing equity.
- \$2 million in one-time funds for 15 positions for the Chancellor's Office to support initiatives and investments made in community colleges.
- \$6 million in one-time funds for open educational resources
- \$685,000 in one-time funds to support the course identification numbering system (C-ID).

VERY IMPORTANT

The community college funding formula represents the most significant change to community college funding in many years. The College is currently assessing the implications of the new revised funding formula as well as the implications of the Student Success and Support Program, the Student Equity Program and Basic skills consolidation into a block grant.

Community Colleges will continue to face substantial increases in the coming years due to CalSTRS and CalPERS rate increases and large OPEB liabilities. While the state has provided some funding in previous years, there is no budget allocated for these initiatives in the May revision.

Over the next month, the legislature will pass a budget bill no later than June 15 and later on the Governor will sign the budget on or before July 1.

Prepared by: Rosa Royce