A Guide to Mt. SAC’s Budget Review and Development Process

Mt. San Antonio College’s Budget Review and Development Process provides guidance to the college community regarding the association of college and unit goals to funding allocations. The process 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 Sheets” (Appendix C).

- **What to Do With the Status Quo Budget Sheet(s).** The Status Quo Budget Sheet(s) display the department’s/unit’s current budget as it was originally allocated in the prior year’s Adopted Budget. Based on what has been reported in PIE (Planning for Institutional Effectiveness), the department/unit should decide which line item changes they would need to transfer into the correct account number to better meet their PIE goals without the assumption of any new budget resources. The Status Quo Budget Sheet(s), 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.

- **Immediate Need Request.** At times, departments/units will discover that they have an “immediate need.” Immediate needs are shortfalls in funding that, unless filled immediately, could cause the program to cease to function. For example, an “immediate need” would occur if an expensive required piece of equipment has broken 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.” The “Immediate Need Request Form” (Appendix D) should be submitted to the appropriate dean/director as an attachment to the Status Quo Budget Sheet.

- **Rate-Driven Increase Request.** Departments/Units may also experience a need for a budget increase for a reason, 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 cost in equipment maintenance agreements, institutional memberships, insurance, and utilities. Please complete the “Rate-Driven Increase Request Form” (Appendix E) anytime during the fiscal year when this type of increase occurs. Excel and PDF versions of the “Immediate Need” and “Rate-Driven Increase” Request Forms are at [http://inside.mtsac.edu/organization/committees/budget/documents.html](http://inside.mtsac.edu/organization/committees/budget/documents.html).

- **New Resources.** By mid-March, the Budget Committee should send out an email announcing whether or not there are any new resources available for allocation. These new resources are generally a combination of the previous year’s growth money (which we don’t budget for, since the amount the State estimates may change multiple times during most years), funded COLA (cost of living adjustment), and various one-time allocations. It is possible that the Budget Committee will choose to hold some new money in reserve or that new resources will 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 (Planning for Institutional Effectiveness) 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. The request should be forwarded to the appropriate dean/director to review and create a prioritized list of requests under his/her purview.

Where the Paperwork Goes. The Status Quo Budget Sheet(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 F). Once approved, Fiscal Services will make the approved changes to the next year’s tentative budget.

If the department/unit returns an “Immediate Needs Request Form,” these requests will be accumulated and presented to President’s Cabinet for discussion. This discussion will usually occur in June, and President’s Cabinet will either approve or disapprove the Immediate Needs. Fiscal Services will notify all departments/units of the outcome of their request(s) (approved or not approved). The Immediate Needs Requests that are approved will be included in the proposed Adopted Budget.

Requests for new resources take a longer path. Departments/Units must submit their request(s) using the “New Resources Allocation Request Form” (Appendix G). The request(s) should be aligned to specific planning goals or activities as defined in the department/unit’s PIE process. Each form should also include specific documentation to support the amount requested, such as price quotes from vendors or other proof of price. Also, include any “ongoing” ancillary costs, such as maintenance, annual software license fees, etc. From the department/unit, new resource requests travel 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 before presenting the request to the Budget Committee. The Budget Committee does not approve new funding requests, but they will review all submitted requests and may attach comments or recommendations to a request, if they choose. These comments and recommendations, if affirmed by the President’s Advisory Council (PAC), will travel with the request to 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.

Who Decides Whether to Give You Money? 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 that the College president allocate the funding of any new resources on a one-time basis. The College’s Board of Trustees generally adopts our budget in August.

Follow-up Happens in Fall. In September, departments/units who have received one-time funding for the same expenditure requested for a third consecutive year may request that expenditure be changed to “ongoing” for the fourth year. These requests go directly to the Budget Committee, which may make a recommendation to keep the funding on a one-time basis, to fund the expenditure for a specified number of years, or to switch the funding to ongoing. This recommendation then needs to be affirmed by PAC and approved by the College president. 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.

The Budget Committee also spends time in the fall reviewing 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 the President’s Advisory Council (PAC). The Budget Committee also meets with the Institutional Effectiveness Committee (IEC) annually to review the PIE summaries and coordinate planning efforts.

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 (AMAC). 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 Budget
Committee. Time is also spent reviewing relationships across campus, such as department costs per FTES and comparative unit staffing levels.

- **Communication.** 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.

### Budget Committee Calendar

**Spring:**
- March usually March: Reviews Preliminary Tentative Budget
- March usually March: Determines new resources available for allocation
- usually March: Communicates expected budget situation, resources, and process to campus community
- usually April: 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)
- May: Reviews and comments on requests for new one-time resources
- June: Reviews Tentative Budget

**Summer:** Meets only if an emergency arises

**Fall:**
- October: Makes recommendations on changing one-time funding expenditures to ongoing
- October: Meets jointly with the Institutional Effectiveness Committee to review PIE summaries and coordinate planning efforts
- November: Reviews previous fiscal year’s total actual expenditure summary from Fiscal Services
- November: Compares Adopted Budget to previous year’s actual expenditures
- November: Evaluates Budget Allocation Process
- December: Makes recommendations on changing budgetary policies and procedures to PAC

**Winter:** Meets only if needed to complete fall activities

### History of the Budget Review and Development Process

The Budget Committee originally developed the *New Resources Allocation Process* and the *Budget Review and Development Process* during the 2005-06 fiscal year. The goal of this new process was the following:

- Integrate and align the budget process with the College’s Planning for Institutional Effectiveness (PIE) process. This process was used for the first time in February 2006 to distribute $681,009 in one-time funds;
- Define a method for allocating new resources;
- Review of current “Status Quo” budgets;
- Provide budget flexibility within departments, divisions, and teams; and
- Conclude with an annual review of the budget process.

During the 2008-09 fiscal year, the Budget Committee evaluated this process and determined that the process should be more cyclical in nature, as planning and budget development is an ongoing process that occurs on a continual basis. The Budget Committee also determined it would be less confusing to combine the *New Resources Allocation Process* and the *Budget Review and Development Process* into the *new Budget Review and Development Process*. The Budget Committee plans to implement the *new Budget Review and Development Process* in March 2010. A copy of the process guide and budget forms are available at: