



To: Budget Managers and staff

From: Morris Rodrigue

Vice President, Administrative Services

Date: May 29, 2020

Subject: BUDGET PROCESS TO REDUCE ONGOING DISCRETATIONARY BUDGETS

FOR THE UNRESTRICTED GENERAL FUND

Due to the effects of the COVID-19 pandemic, the Department of Finance (DOF) announced a \$54 billion statewide shortfall for the 2019-20 and 2020-21 fiscal years in the recently released Governor's May Revision budget. The May Revision reduces California Community Colleges' ongoing funding in 2020-21 by \$1.1 billion when compared to the Governor's January Proposal. Among several reductions, one of the significant proposed reductions is a \$593 million reduction to the Student Centered Funding Formula (SCFF). This reduction is estimated at \$16 million for Mt. San Antonio College. Another critical area is the proposal to establish deferrals to the College's Apportionment payments estimated at \$12.4 million (\$330.1 million statewide) from 2019-20 to 2020-21 and \$24.9 million (\$662.1 million statewide) from 2020-21 to 2021-22.

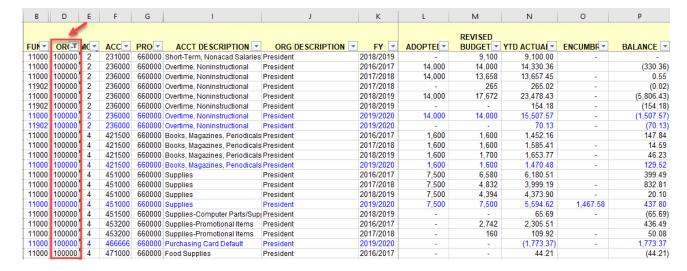
While our College is well-positioned to weather the storm, we need to work together to maintain fiscal stability. We need your help to review the "Ongoing Discretionary Budgets for the Unrestricted General Fund" with the goal of identifying budget reductions on this area. Enclosed, you will find the Budget and Expenditure Comparative report that will facilitate the completion of the Budget reduction process. It is important to note that we are currently reviewing several areas of the budget on separate processes. Therefore, this process **does not** include the review of budgets for regular employee vacancies (permanent employee vacancies), hourly faculty budget, benefits, one-time allocations, and carryover budgets.

Budget and Expenditure Comparative Report Process to Identify Budget Reductions:

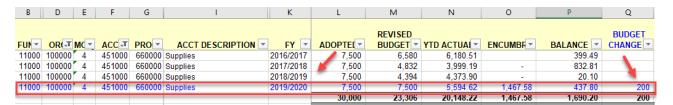
The Budget and Expenditure Comparative Report will facilitate the analysis of budget line items that may be reduced. This report only includes Ongoing Discretionary Budgets for the Unrestricted General Fund for accounts in the range from 23XXXXX to 24XXXXX, 26XXXX, and 4XXXXXX to 76XXXX. This report also includes budget, actuals, and balances for the fiscal years 2016-17 through 2018-19. The information for the current fiscal year 2019-20 includes budgets, actuals, commitments (approved requisitions, purchase orders, and change orders), and balances as of May 7, 2020. The history of each budget line item (account string) is presented in chronological order. For updated information on account balances, please access the form FGIBDST (Organization Budget Status) in the Banner System.

Using the Budget and Expenditure Comparative Report, please process the following:

 Review the budget line items for each organization by filtering the spreadsheet by "ORG" (Column D). Please ensure all Orgs under your budget responsibility are reviewed.



2) Each budget line item (account string) will show in chronological order. If the account balances have historically ended with a positive balance, please include your proposed budget reduction under "Budget Changes" (column Q), only in the budget line item that corresponds to the fiscal year 2019-20 (the line items for 2019-20 are in blue font).



3) If you are unable to reduce your budget line item that have ended historically with positive budget balances, please provide an explanation as to why the particular budget cannot be reduced under "Explanation of Positive Budget Balance", this explanation is mandatory.



Once the process of reviewing the budget line items is completed, submit the report to the President/Vice President of your area with a copy to their Executive Assistant **no later than June 12**, **2020**. Your President/Vice President will review and take the proposed budget reductions to President's Cabinet for further discussion.

If you have questions on the completion of this report, please contact:

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