



Mt. San Jacinto Community College District
1499 N. State Street, San Jacinto, CA 92583

Roger Schultz
Superintendent/President

Board of Trustees
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Motte
Gwen Schlange
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To: Board of Trustees
From: Roger Schultz, Superintendent/President
Subject: Adopted Budget 2009-2010
Date: October 15, 2009

Most of us have seen the budget news as it has evolved since the summer. We have been given estimates on revenues and cuts which have changed even before the ink is dry. That being said, this document reflects the most recent information we have been given and it will surely change as we move farther into the fiscal year.

The General Fund Revenue has been reduced by over \$2 million from 2008-2009 which resulted in a 3.39% workload reduction (translated = negative growth). This results into a lower funded revenue base. Mt. San Jacinto was second out of 112 Community Colleges in terms of growth and in this current economic climate growth is not being funded. As a result, we have implemented strategies to reduce budget expenditures which includes the Chancellor's Office recommendation of reducing over cap FTES which unfortunately translates into reducing the number of class sections offered. Staff will continue to work diligently on the best way to deal with the permanent and on-going reductions.

Categorical programs have also faced substantial reductions. Overall, MSJC experienced a total of 53% reduction to our categorical programs. This budget reflects a \$480,000 backfill from the General Fund base budget to the Categorical Programs to continue to provide quality services to our students. Any American Recovery and Re-Investment Act (ARRA) funds received in 2009-2010 may be used to offset this backfill.

The District has implemented a budget allocation model which has assisted in determining a fair and equitable strategy for base budget reductions. We have implemented a two-phase budget reduction plan that will allow us to strategically examine the potential consequences of such cuts to mitigate the effect on our students. Phase one (a 2.5% reduction equivalent to \$1,559,085) of the plan

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San Jacinto, CA 92583
951.487.6752

Menifee Valley Campus
28237 La Piedra Road
Menifee, CA 92584
951.672.6752

San Geronio Pass Service Center
1735 W. Ramsey Street, #111
Banning, CA 92220
951.922.1327

Temecula Education Complex
27447 Enterprise Circle West
Temecula, CA 92590
951.308.1059

will be implemented with approval of the budget adoption and phase two (an additional 2.5% reduction) will be brought forward for consideration in December 2009. This base budget reduction has been a difficult task, but MSJC is in a better financial position than many other community colleges due to the fiscally prudent practices of the staff and the Board. The reserves have allowed us to make our reductions methodically and strategically. This budget represents a conservative picture with the information that we have at this time. There is risk that we could be adversely impacted by a further midyear appropriation reduction if property taxes and personal income taxes continue to decline and/or if there is a significant reduction in the projected amount of student revenue fees collected.

As more information comes to us on the current budget situation, we will continue to work with the Budget Development Committee and the college constituencies on the best approach and solutions. We have implemented a page on the District website dedicated to “budget watch” to provide up to date information to our college community.

This has been a very challenging time for our staff and students who have all felt the effects of this economic downturn. We are challenged to serve students and the community as we continue to grow and enrollment demand increases. We remain committed to engage in the spirit of shared governance as we strive to develop new ways to provide access and quality service to our students and the communities we serve.