

BUDGET COMMITTEE

MEETING AGENDA

February 4, 2015

3:00 p.m.



Location: Building 4, Conference Rm. #2460

Time: 3:00 p.m. – 4:30 p.m.

Committee Members:

Mike Gregoryk, Chair
Richard McGowan,
Co-Chair
Irene Malmgren
Audrey Yamagata-Noji
Mark Fernandez

Gary Nellesen
Martin Ramey
Rosa Royce
Johnny Jauregui
Michael Sanetrick
Lance Heard

Fernando Aguayo (Student)
Gisela Carrillo-Lopez (Student)

Bill Scroggins (Guest)

Kerry Martinez (Notes)

AGENDA ITEMS:

- 1. Agenda Check**

- 2. Review Budget Committee Meeting Summary of December 3, 2014**

- 3. Review Board Presentation – Budget Issues and Impacts: Ongoing and One-time**

- 4. Review Revised New Resource Allocation Form**

- 5. Review AP 6250 Budget Management and BP 6200 Budget Preparation**

**Mt. San Antonio College
Budget Committee
Summary of December 3, 2014**

Committee Members:		
<input type="checkbox"/> Mike Gregoryk, Chair <input checked="" type="checkbox"/> Richard McGowan, Co-Chair <input checked="" type="checkbox"/> Irene Malmgren <input checked="" type="checkbox"/> Audrey Yamagata-Noji	<input checked="" type="checkbox"/> Martin Ramey <input checked="" type="checkbox"/> Mark Fernandez <input checked="" type="checkbox"/> Rosa Royce <input checked="" type="checkbox"/> Lance Heard	
<input checked="" type="checkbox"/> Gisela Carrillo Lopez (Student) <input checked="" type="checkbox"/> Fernando Aguayo (Student) <input checked="" type="checkbox"/> Johnny Jauregui <input type="checkbox"/> Gary Nellesen	<input checked="" type="checkbox"/> Michael Sanetrick <input type="checkbox"/> Bill Scroggins (Guest) <input checked="" type="checkbox"/> Kerry Martinez (Notes)	
ITEM	DISCUSSION/COMMENTS	ACTION/OUTCOME
1. Agenda Check	The Budget Committee members discussed the previously scheduled Budget Committee meeting on December 17, 2014. Many members will not be able to attend. Kerry will send out a cancellation notice.	Approved, as presented.
2. Review Budget Committee Meeting Summary of November 19, 2014	The Budget Committee Meeting Summary of November 19, 2014, was approved, as presented.	Approved, as presented.
3. Review Budget Development Guidelines and Immediate Needs Process	Richard McGowan read an e-mail from Mark Fernandez that was sent to the Budget Committee members suggesting a review of the Budget Development Guidelines which does not align with the new Budget calendar or current practice. In the meeting packet is a copy of the official Budget Review and Development Process Guidelines that have not been revised and updated since implementation. The Budget Committee reviewed the official guidelines and requested a review of the revised BP 6200 and AP 6250, which are currently in the approval process. Richard noted a process on the original Budget Calendar that states the Budget Committee makes recommendations on changing one-time expenditures to ongoing. Richard asked if that is on the current calendar. Rosa Royce stated over the years it was agreed that the Budget Committee should review the processes and not make recommendations. Richard stated the Budget Committee has deviated from the process so he suggests a return to the correct process or propose a new process.	

	<p>Rosa stated the calendar and narrative need to be reviewed because there are discrepancies between the two. The narrative should be revised and then the calendar can be adjusted. It was pointed out that the original process says personnel expenses should not be funded with one-time funding, which is currently happening. Audrey Yamagata-Noji noted that the guidelines were written when the College didn't have any money so it couldn't be put into practice until several years later.</p> <p>Richard asked the Budget Committee members if they would like to form a sub-committee to review and revise the Budget Development Guidelines and develop a timeline. Lance Heard, Rosa Royce, Richard McGowan, and Mark Fernandez volunteered to be sub-committee members. These meetings will be scheduled in January and the goal is to have some revisions to review at the March 4, 2015, Budget Committee meeting. Audrey suggested having our student representatives present the Associated Students budget process sometime in the spring.</p>
<p>4. Budget Committee's Role and Procedures for Reviewing New Resource Allocations</p>	<p>The Budget Committee discussed the fact that the current Guidelines state the Budget Committee "determines" rather than "recommends" the funding of New Resource Allocations. The Budget Committee agreed that this should be included in the guideline review by the Sub-Committee.</p>
<p>5. Statement from the Budget Committee to President's Cabinet – Ongoing Structural Deficit</p>	<p>Richard stated this is another project. Rosa stated the reasons for the differences can be found on the variance report in the Adopted Budget. Audrey suggested Rosa give another presentation, as she did last year, to help the Budget Committee understand the ongoing structural deficit. Rosa said she may be able to put together a small summarized explanation, or maybe a "fact sheet" placed on the Budget Committee website that makes it easier for people to understand the variances. Richard suggested the Budget Committee make a statement saying with the new incoming state funds, the Budget Committee recommends that the College no longer budget deficits and instead have a balanced budget every year. Rosa stated this is already in our Board Policy.</p>

FUTURE AGENDA ITEMS:

- **Budget Review and Development Process Guidelines – Report from Sub-Committee**
- **Associated Students Budget Presentation**

FUTURE MEETING DATES:

- **February 18, 2015 (Sub-Committee Only)**
- **March 4, 2015**



BUDGET ISSUES AND IMPACTS: ONGOING AND ONE-TIME

February 7, 2015

2013-14 Growth

Revenues:	Cap Funded	\$1,813,906
	Over Cap Funded	1,262,247
	Total Revenues	3,076,153
Expenditures:		
	Cost of Instruction	2,654,280
	15% 2013-14 Over Cap Funded Growth for Health & Welfare	414,126
	0.15% COLA Increase for Salary & Benefit Increase	176,649
	Annual Increase of \$500 for Health & Welfare	473,251
	Increase in Faculty Contract	153,751
	Total Expenditures	3,872,057
	Expenditures are Greater than Revenues	(795,904)
	Unfunded Growth of 682 FTES, if Funded it is Estimated at	3,160,628
	Health & Welfare Contribution of up to \$1,100 for Regular Employees	(442,844)
	Available One-time Revenues for 2014-15	1,921,880
	<ul style="list-style-type: none"> As a Result of Earning all 2013-14 Growth, the District Could Potentially Have Additional: 2014-15 One-time Revenues of \$1,921,880 2014-15 Ongoing Revenues of \$3,160,628 	

2014-15 Growth

Revenues:	
Cap to be Funded (2.75%)	\$3,587,437
Total Revenues	3,587,437
Expenditures Committed:	
Cost of Instruction (Very Preliminary)	2,152,589
Positions Funded with Anticipated Growth	390,640
Operating Expenses Funded with Anticipated Growth	106,170
Total Expenditures	2,649,399
Revenues are Greater than Expenditures	938,038

- The District Preliminary FTE Increase for 2014-15 is at 5.25%.
- State Funded Growth is 2.75%; Therefore, the District Could Earn Additional 2.5% in Over Cap Growth Funds Estimated at \$2,687,358

2015-16 Potential Revenue Available for Compensation

- \$92.4 Million (1.58%) Cost-of-Living Adjustment (COLA)
 - For Mt. SAC Approximately \$2.2 Million
 - PERS/STRS Increases?

Governor's January 2015-16 State Budget Proposal and the Effects for Mt. SAC - Ongoing

- \$106.9 Million (2%) for Growth
 - For Mt. SAC Approximately \$2.8 Million
- \$49 Million to Increase the Career Development and College Preparation Courses (CDCP) Rate to the Level of Credit Rate
 - For Mt. SAC Approximately \$4.8 Million
- \$125 Million to Increase the Base Allocation Funding to Reflect Increased Operating Expenses Such as Scheduled Increases in STRS and PERS Contributions
 - For Mt. SAC Approximately \$3.3 Million

2015-16 One-Time Funding

- \$353 Million to Pay Down Outstanding Mandate Claims
 - These One-time Funds Would be Allocated to Districts on a Per-FTES Basis, and They Will Not Require Local Match.
 - Could be Allocated to Instructional Equipment and Scheduled Maintenance.
 - For Mt. SAC Approximately \$9.3 Million

Governor's January 2015-16 State Budget Proposal

Categorical Funds

- \$100 Million for the Student Success and Support Program
 - For Mt. SAC Approximately \$1.7 Million
 - Match: To be Determined (2014-15 was 2:1)
- \$100 Million for Student Equity Plans
 - For Mt. SAC Approximately \$2.4 Million
 - No Match
- \$39.6 Million for Proposition 39 Energy Efficiency Projects and Workforce Development
 - For Mt. SAC Approximately \$900 Thousand

Other Budget Issues

- OPEB Trust
 - Retirees' Health Premiums - \$3.9 Million
 - Payment to the OPEB Trust - \$3.1 Million
- STRS Increases
 - “Employer Share” Rate Will Increase from 8.88% to 10.73% in 2015-16, and Will be at 19.10% in 2020-21.
- PERS Increases
 - “Employer Share” Rate Will Increase from 11.771% to 12.60 % in 2015-16, and Will be at 20.4% in 2020-21.
- RECLASSIFICATION
 - Very Preliminary Estimate \$520,000 (Ongoing)
- Proposition 30 is Temporary (\$21.1 Million for Mt. SAC in 2014-15)
 - Sales Tax Increase Terminates at the End of 2016.
 - Income Tax Increase Terminates at the End of 2018.

One-Time Revenues Available for 2014-15

- Phase 1
 - Reimbursement of State-Mandated Local Programs \$1.3 Million
- Phase 2
 - 2013-14 Additional Over Cap Growth (If all Remainder Unfunded FTES are Funded) \$1.9 Million
- Phase 3
 - 2014-15 Positive Variance \$ _____

New Resources Allocation Process

- After the Governor Submits the Initial State Budget in January, Fiscal Services Makes Preliminary Budget Projections for the Following Budget Year by Early March;
- In March, the Budget Committee Reviews the “Preliminary Tentative Budget” and Determines the Available New Resources for the Year;
- By Mid-March, the Budget Committee Announces Whether or Not There Are Any New Resources Available for Allocation;
- These New Resources Are Generally a Combination of the Previous Year’s growth Funds, Funded COLA, and Various One-time Allocations;
- The Budget Committee May Choose to Hold Some New Money in Reserve or Announce New Resources at Other Times, as They Become Available;
- Once New Resources Are Deemed Available, Departments/Units Are 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) is Initially Given on a One-time Basis;

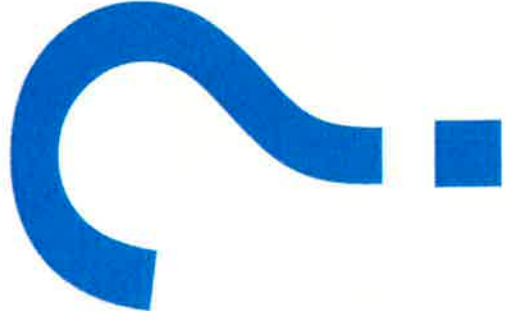
New Resources Allocation Process

- To Receive the Allocation Again for the Next Fiscal Year, the Department/Unit Would Need to Submit the Request Again;
- The New Resource Requests Travel From the Department/Unit to the Dean/Director (for Review, Approval, and Prioritization) and Then to the Appropriate Vice President (for Review and Prioritization);
- All New Resource Requests are Summarized and Prioritized by Each Vice President's Team Using an Established Format Before it is Presented to the Budget Committee;
- The Budget Committee Ensures that the Process Has Been Followed and Forwards the Requests to the President's Advisory Council (PAC);
- After PAC Reviews the Requests they are Forwarded to President's Cabinet (PC);
- PC Discusses the Strengths and Weaknesses of the Submitted New Resources Allocation Requests and How Best to Prioritize by Mandate, Innovation, Expected Program Improvement, and Alignment with College Goals;

New Resources Allocation Process

- While Each Vice President Advises the President, the Final Funding Decision is Made by the College President;
- The Budget Committee Strongly Recommends that the College President Allocates the Funding of any New Resources on a One-time Basis;
- 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; and
- If the Funding is Switched to Ongoing, the Budget Will be Added to the Department’s/Unit’s Status Quo Budget During Budget Preparation for the Next Fiscal Year.

Questions



NEW RESOURCES ALLOCATION REQUEST - DRAFT

2014 - 2015



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) (List in Priority Order)	Description of Request(s) <small>Include Appropriate PIE Goals or Activities. Attach copy of the PIE "Section V - Resources Needed to Achieve Goals" that includes the request for the need for funding.</small>	Funds Requested **			Funding Approved
		Amount	One-time	Ongoing	
1.			X	N/A	
Account Number(s):					
2.			X	N/A	
Account Number(s):					
3.			X	N/A	
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.

<p>Yes <input type="checkbox"/> If yes, please forward a copy of your plan to your manager with this document. No <input type="checkbox"/> If no, please explain:</p>
<p>Does your service area need additional help to improve its outcomes assessment work?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/> Please Explain:</p>
<p>How has the assessment process led to the improvement of curricula, pedagogy or services?</p> <p>Please Explain:</p>
<p>Please record an SLO (outcome), data collected, and use of results obtained this year. This should be an SLO that revealed a key finding or led to substantive conversations.</p>

V. RESOURCES NEEDED TO ACHIEVE GOALS

Resources requested should support the achievement of one or more college, team, or department goals. Resource type may be in the following categories:

- Rate Driven Increase
- Instructional Equipment
- Staffing
- Facilities Modification

- Technology: Equipment, Software, or Support
- Professional Development Training
- Research Support
- Marketing

Resources should relate to college/instruction/department goals, and should be supported by data and evidence. Ideally speaking resource requests should be derived from information provided in previous sections, and should reflect the values, and needs of the department. Resource requests are intended to ensure achievement of goals (e.g., use of technology to enhance student success, training to stay current in the field and ensure excellent programs, additional staffing to ensure quality of instruction in a diversity of disciplines, faculty advisors to promote student success an dcourse and program completion).

We realize that for a manager prioritizing the needs below, it may be impossible for some given the timeline for the completion in August and the fact that faculty are not available to be part of the integrated division/department priority discussions. Please do the best that you can with the situation and to honor your team. One suggested way of completing this piece is to include all departments' priorities as they have them noted such that your final managers' listing would naturally have many #1 priorities, many #2 priorities, etc. On your completed Manager PIE Summary, please note if you will need additional time with your Division to do a finalized prioritizing of each list as the needed resource allocation process becomes available throughout the year.

Note: Any department with an "immediate need" for resources resulting from shortfalls in funding that, unless filled immediately, could cause the program to cease to function should request needed funding using the Immediate Need Request Form following the process identified in the college's Budget Review and Development Process.

To justify the resource request, please provide supporting information under "Justification of Need," such as relationship to college and/or department goal(s), outcomes assessment data, or advisory committee input. Please organize requests by resource type and prioritize the requests within each category.

Rate Driven Increase			
Priority #	Resource (Be specific, but not dollar amount needed)	Justification of need	New request
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>

Instructional Equipment			
Priority #	Resource (Be specific, but not dollar amount needed)	Justification of need	New request
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>

Staffing			
Priority #	Resource (Be specific, but not dollar amount needed)	Justification of need	New request

		Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Yes <input type="checkbox"/>	No <input type="checkbox"/>

Facilities Modification			
Priority #	Resource (Be specific, but not dollar amount needed)	Justification of need	New request
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>

Technology: Equipment, Software, Support			
Priority #	Resource (Be specific, but not dollar amount needed)	Justification of need	New request
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>

Professional Development Training			
Priority #	Resource (Be specific, but not dollar amount needed)	Justification of need	New request
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>

Research Support			

Priority #	Resource (Be specific, but not dollar amount needed)	Justification of need	New request
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>

Marketing			
Priority #	Resource (Be specific, but not dollar amount needed)	Justification of need	New request
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>

Other			
Priority #	Resource (Be specific, but not dollar amount needed)	Justification of need	New request
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Yes <input type="checkbox"/> No <input type="checkbox"/>

VI. FUTURE PLANS

Please describe your division's plans for the next 5 years given the current conditions. Please try to list only three to five major planning themes (e.g., staffing, facilities, equipment, etc.) along with a short description of each and the connected department and team goals. ***If your future plans have already been included with trend analysis they do not need to be included here.***

Future Plans	College Goal #	Team Goal #

Chapter 6 - Business and Fiscal Affairs

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 written resolution of the Board of Trustees, and may be approved by a majority of the members of the Board of Trustees.
- Excess funds must be added to the general reserve of the College, and are not available for appropriation except by resolution 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 after the adoption of the annual budget that 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, time sheets, 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 up to ~~\$1,000~~ **\$4,999** should be approved by the appropriate manager. Transfer made between expenditure classifications **equal to or over \$1,000 \$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.**
4. After the form is completed with the appropriate approvals, the request should be forwarded **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 ~~copy of the~~ "Request for Budget Revision" Form from Fiscal Services. This request must be submitted prior to the use of the funds (purchase requisition, travel and conference expense, mileage expense, time sheets, revolving cash reimbursement, etc.).
 2. Fiscal Services 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 must be approved by the appropriate manager and Vice President of the area or the College President/CEO.~~
- 4. The form should include a signature of the “requestor” and should include approval signatures as follows:**
 - a. Budget Revisions up to \$4,999 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 forwarded **routed** to Fiscal Services.
6. Fiscal Services will submit the “Request for Budget Revision” to the Board of Trustees as pursuant to the California Code of Regulations, Title 5 Section 58308.

Chapter 6 – Business and Fiscal Affairs

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.

The District's unrestricted general reserves shall be no less than 10%. (A prudent reserve is defined by the California Community College Chancellor's Office as 5%.)

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 a resolution 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.

MOVED FROM BP 6200

To assure ongoing fiscal health and stability, every effort shall be made to maintain the total Unrestricted General Fund Balance at not less than 10% of expenditures. If the General Fund Balance becomes less than 10%, the College will present a plan within 120 days to restore the deficit or shortage within two fiscal years.

MOVED FROM BP 6200

In times of fiscal uncertainty, the Board of Trustees may, by resolution, waive the clause in this policy of maintaining a ten percent Unrestricted General Fund Balance. Upon recommendation of the College President/CEO, reserves may be utilized to the extent necessary down to a level of five percent of the expenditures of the Unrestricted General Fund. The reduced Unrestricted General Fund Balance must remain at a level no lower than five percent. It is intended that this exception be considered temporary in nature and restoration as stated in the above bulleted clause be implemented.

MOVED FROM BP 6200

If revenues exceed expenditures in any given fiscal year, the College may allocate surplus funds to institutional priorities as determined through the annual planning and budgeting process. Restoration of reserves to the ten percent level, as stated in the above bulleted clause, shall be given priority.

Approved: July 28, 2004

Revised:

Chapter 6 – Business and Fiscal Affairs

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 actual total income for the year exceeds total expenditures;

- ~~To assure ongoing fiscal health and stability, every effort shall be made to maintain the total Unrestricted General Fund Balance at not less than 10% of expenditures. If the General Fund Balance becomes less than 10%, the College will present a plan within 120 days to restore the deficit or shortage within two fiscal years.~~
- ~~In times of fiscal uncertainty, the Board of Trustees may, by resolution, waive the clause in this policy of maintaining a ten percent Unrestricted General Fund Balance. Upon recommendation of the College President/CEO, reserves may be utilized to the extent necessary down to a level of five percent of the expenditures of the Unrestricted General Fund. The reduced Unrestricted General Fund Balance must remain at a level no lower than five percent. It is intended that this exception be considered temporary in nature and restoration as stated in the above bulleted clause be implemented;~~
- ~~If revenues exceed expenditures in any given fiscal year, the College may allocate surplus funds to institutional priorities as determined through the annual planning and budgeting process. Restoration of reserves to the ten percent level, as stated in the above bulleted clause, shall be given priority; 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.

Adopted: July 28, 2004