

APPENDIX G – Planning and Budget Resource Plan Committee Report 2012

Committee members: John Lau, Kevin White, Kathy Berry, Jessica Waddell, Eric Jacobson, Dave Drury, Carlos Fletes, Albert Izarraraz, Jeff Cantwell, Frances Arce-Gomez and Marilyn Boyle.

Entering into the 2012-13 review-evaluation-planning cycle, the Budget and Fiscal Planning Committee is aware of the ongoing saga of the California fiscal crisis and the subsequent financial impact and the college's need for fiscal restraint in the 2012-13 budget. As the 2012-13 budget was developed, the fluidity of the State budget placed a cautionary tone on the Annual Program Reviews (APR) and Comprehensive Program Reviews (CPR) process.

The Budget and Fiscal Planning Committee reviewed the 2012-13 budget development guidelines and the 2012-13 prioritization criteria and concurred with the continued utilization of both as guides to prioritization.

BUDGET DEVELOPMENT GUIDELINES

1. **Contractual obligations and fixed costs are budgeted first.** These will be reviewed annually by the assigned committee
 - a. Fixed costs include:
 - i. Utilities, rent, and leases
 - ii. General maintenance and environmental services supplies
 - iii. Maintenance agreements such as copiers
 - iv. Electronic/technological databases and software maintenance fees
 - v. Athletic association fees – compliance issue for all sports
 - vi. Memberships – specify mandated, recommended by regulating entity (optional memberships are not fixed)
 - vii. Medical directorships – compliance issue for some health programs
 - viii. Simulation maintenance/warranty fees
 - ix. Taxes and other mandated fees

- x. Ordinary maintenance and grounds repairs
 - xi. Security
 - b. Contractual obligations include:
 - i. All regular salaries and benefits
 - ii. Contracted services such as cafeteria, architect, etc.
- 2. **Year-end balances** are not budgeted for ongoing expenses.
- 3. **One-time revenues** will be allocated to one-time expenses and ongoing expenses shall be funded from on-going revenues.
- 4. **New positions** must be fully funded: salary, benefits, and support expenses. Categorical positions may have case by case exception.
- 5. **Protect budget integrity and minimize departmental District budget transfers** by budgeting funds where they are expected to be spent. Internal budget transfers assist in maintaining alignment with strategic goals, but must be approved at the vice-president level.
- 6. **External borrowing may add costs.** When necessary TRANs (Tax Revenue Anticipation Notes) can be sought as a short-term solution to cash flow issues.
- 7. **Categorical or restricted programs** are aligned with strategic goals and to the degree possible, support on-going District expenditures – make maximum use of “flexibility with categorical funds”.
- 8. **Categorical funding** should be sought when possible and appropriate.
- 9. **Cash short-falls** are accommodated by developing and implementing a disciplined spending plan tied to cash-flow projections with centralized spending controls
- 10. **Cost saving suggestions** shall be developed and distributed annually when starting the budget process.

11. **California budget will dictate** assumptions for apportionment, growth goals, categorical changes, etc.
12. **California economic status will dictate** assumptions related to increasing costs for utilities, postage, supply and demand, tax revenues, etc.
13. **The Cost of Living Adjustment (COLA)** will be based on the Governor’s proposed budget
14. **The lottery revenue will be calculated** at the rate projected annually by the California Community Colleges Chancellor’s Office.
15. **Departments will not be penalized** for implementing controls and cost efficiencies in one fiscal year in the subsequent year.

#	BUDGET AND FISCAL PLANNING COMMITTEE PRIORITIZATION CRITERIA GUIDE	EMP Goal
1	Safety, health, and regulatory compliance	3.1
2	Critical to an approved program or service – may include capitalized equipment / technology. Support multiple programs or services	3.5
3	Confirmed cost or energy savings and/or increased efficiencies. High benefit::cost ratio. Would failure to do this now, cost more money later? Consider initial, operational, and maintenance costs.	3.4
4	Growth/expansion potential or new program, facility, or service. Quantify long-term and short term FTES potential.	3.3
5	Recommendations from the Program Review process for approved course, program, or service. Program maintenance	3.2 & 3.3
6	Grant funded (or other than district funded)	3.3
7	Desired for optimizing existing program or service, modernization of existing facility, or related capitalized equipment including technology	3.6 & 3.7
8	Correct errors and oversights. Details required	3.7

Budget and Fiscal Planning Committee Resource Plan Recommendations

After reviewing the tools, the Budget and Fiscal Planning Committee developed goals and recommendations for the 2012-13 year and linked them to the EMP goals when possible. In addition to the goal/recommendation, the committee added dates as appropriate. Finally the

committee concurred that these recommendations should be re-evaluated in September 2012 to ensure inclusion of any changes required based on any amendments to the State budget and potential for trickledown consequences to the college.

#	Resource Plan Goal	EMP Goal	Due Date
1	Continue to prioritize non-contractual, non-fixed, expenditures based on the Budget Development guide and the Prioritization Criteria (see above)	3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7	On-going
2	Modify the CPR form to capture all the necessary information to more fully evaluate fiscal impact of requests in the future.	3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7	On-going
3	Provide training on the APR and CPR forms to ensure the specific detail required for effective fiscal planning.	3.7	On-going
4	A listing of additional priority considerations and scoring guide for fiscal requests was developed in a shared governance committee process. These guides should be re-evaluated, updated, and presented again to the shared governance committees annually.	3.2, 3.3	On-going
5	Review of all recommendations after the State budget is finalized and re-certify with the Budget and Fiscal Planning Committee prior to the submission of the Final budget to the Board of Trustees for approval.	3.2, 3.3	Prior to 9-14-12