

APPENDIX G – Planning and Budget Resource Plan Committee Report

Subcommittee members: Kevin White, Lead, John Lau, Frances Arce-Gomez, Eric Jacobson

Entering into the 2011 review-evaluation-planning cycle, the Planning and Budget Resource Committee was 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 2011-2012 budget. As the 2011-2012 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 Planning and Budget Resource Committee reviewed the 2010 budget development guidelines and the 2010 prioritization criteria and concurred to 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 | vi. Memberships –mandated by regulating entity (not optional) |
| ii. General maintenance and environmental services supplies | vii. Medical directorships – compliance issue for some health programs |
| iii. Maintenance agreements such as Copier machines | viii. Simulation maintenance/warranty fees |
| iv. Electronic/technological data bases and software maintenance fees | ix. Taxes and other mandated fees |
| v. Athletic Association Fees – compliance issue for all sports | x. Ordinary maintenance repairs and grounds |
| | xi. Security |

b. Contractual obligations include:

- i. All regular salaries and benefits (under and not under collective bargaining units).
 - 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 and potential conflicts** between scheduling of repayment and deferred apportionment.
7. **Future risk and cost increases are mitigated** by finding external solutions for high-risk administrative services
8. **Categorical or restricted programs** are aligned with strategic goals and to the degree possible, support on-going District expenditures – make maximum use of pro-offered “flexibility with categorical funds”
9. **Categorical funding** should be sought when possible
10. **Cash short-falls** are accommodated by developing and implementing a disciplined spending plan tied to cash-flow projections with centralized spending controls
11. **Cost saving suggestions** shall be developed and distributed annually when starting the budget process.
12. **California budget will dictate** assumptions for apportionment, growth goals, categorical changes, etc.
13. **California economic status will dictate** assumptions related to increasing costs for utilities, postage, supply and demand, tax revenues, etc.
14. **The Cost of Living Adjustment (COLA)** will be based on the Governor’s proposed budget
15. **The lottery revenue will be calculated** at the rate projected annually by the California Community Colleges Chancellor’s Office.
16. **Departments will not be penalized** for implementing cost efficiencies in one fiscal year in the subsequent year.

#	Planning and Budget Prioritization Criteria	EMP Goal
1	Safety, health, and regulatory compliance	3.1
2	Critical to an approved program or service – may include capitalized equipment / technology. Supports multiple programs or services	3.5
3	Confirmed cost or energy savings and/or increased efficiencies. High benefit::cost ratio. Failure to do now will cost more 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	Validated recommendation from the Program Review process for approved course, program, or service, but not critical to its continuance. 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

Planning and Budget Resource Plan Committee Recommendations

After reviewing the tools, the Planning and Budget Committee developed goals and recommendations for the 2011-2012 year and linked them to the EMP goals when possible. In addition to the goal/recommendation, the committee added dates due and lead responsible persons. Finally the committee concurred these recommendations should be reevaluated in September 2011 to ensure inclusion of any changes required based any amendments to the State budget and potential for trickledown consequences on the college.

Planning Budget Committee Goals And Recommendations

#	Resource Plan Goal	EMP Goal	Due Date	Lead
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	ongoing	John Lau
2	Determine the appropriateness of merging the responsibilities of the campus Planning and Budget Committee with the Planning and Budget Resource Committee for purpose of the annual EMP Resource Plan Reports.	3.2, 3.3	9-15-2011	Eric Jacobson
3	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	9-30-2011	Kevin White
4	Provide training on the APR and CPR forms each fall to ensure the specific detail required for effective fiscal planning	3.7	10-15-2011	Frances Arce Gomez
5	A listing of additional priority considerations and scoring guide for fiscal requests was developed in 2010 in a shared governance committee process. These guides should be reevaluated, updated, and presented again to the shared governance committees in fall 2011.	3.2, 3.3	9-14-2011	Kevin White
6	Review of all recommendations after California budget is finalized and re-certify with the Planning and Budget Committee	3.2, 3.3	9-14-2011	Eric Jacobson