Cañada College

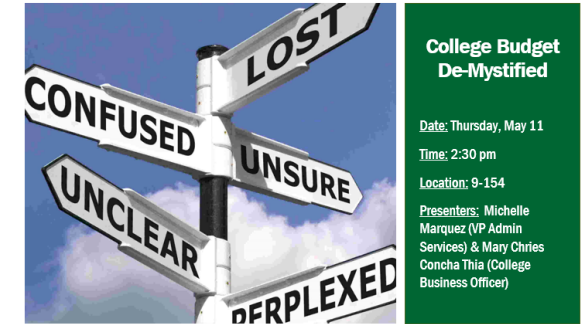# College Budget De-Mystified

May 11, 2017

Presented by:
Michelle Marquez – VP, Administrative Services
Mary Chries Concha Thia – College Business Officer

Overview

- Why develop budgets?

- How do we receive our funding?

- Budget development calendar

- Budget development cycle

- Budget development process

- Program review resource requests

- College budget information

- Open discussion

College Budget De-Mystified

Date: Thursday, May 11

Time: 2:30 pm

Location: 9-154

Presenters: Michelle Marquez (VP Admin Services) & Mary Chries Concha Thia (College Business Officer)

MAY 11, 2017
COLLEGE BUDGET DE-MYSTIFIED

Want to know more about how the college budget is developed????

Join us for an opportunity to learn and discuss the college budget:

- College budget development process
- Opportunities for faculty, staff, and administrator input in program, department, and division budgets
- Resource request process
- Ask questions about the college budget
- Provide suggestions about process improvements

Cañada College

Why develop budgets?

Why develop budgets?

- Provides a fiscal plan for revenue expenditures

- Allocation of resources

- What is our college budget?

- Estimate of revenues and expenditures

- Authorization to spend (approved by Board of Trustees)

- Maximum amount that can be spend in a major classification

How do we receive our funding?

Apportionment vs. Community Supported

Revenue Limit District Funding
Money from Local Taxes — Property Taxes — Revenue Limit
Money From the state — State Aid — Revenue Limit

Basic Aid District Funding
Money from Local Taxes — Property Taxes — Revenue Limit — Extra Property Taxes to Keep

General fund revenue sources

- Property tax – San Mateo County

- Redevelopment funds

- Student fees

- Non resident student fees

SMCCCD Resource Allocation Model

Guiding Principles:
- Fair model
- Simple
- Predictable
- Stable
- Minimize internal conflict
- Timely (allows colleges sufficient time to plan)
- Multi-year application

Priorities:
- Accommodate good and bad years
- Promote sensible use of public funding (no 'use it or lose it' policy)
- Use quantitative, verifiable factors
- Protect the integrity of base funding (no sudden or major changes)
- Aligns with District mission and goals

Cañada College 17/18 Site Allocation

- 16/17 base funding: $23,557,862

- Change in International Student revenue: ($225,352)

- CPI on non-personnel: $21,522

- Estimated FTES: 3,852

- Budget adjustment: $128,495

- Prop 30: $299,604

- Total estimate 17/18: $ 23,782,131

Budget development calendar

Budget Development Calendar

- "On or before the 15th day of September of each year the governing board of each community college district shall prepare and keep on file for public inspection a statement of all receipts and expenditures of the district for the preceding fiscal year and a statement of the estimated total expenses for the district for the current fiscal year." *Title V 58300*

Budget Development Calendar

- January: Governor's proposed budget

- May: Revised Governor's budget ('May revise')

- June: District tentative budget (adopted by BOT)

- June: State budget signed

- July: College budget enacted

- September 15: District final budget (adopted by BOT)

SMCCCD Integrated Budget and Planning Calendar

San Mateo County Community College District
Annual Integrated Budget Planning Calendar

Month	Campus & District Review or Action	DCBF Consultation	Board Review or Action
Sept	College Budget and Planning committees: • Review priorities, budget goals for current year • Review accomplishments from prior year	DCBF convenes	
Sept – Oct	Develop program plans and discuss strategies for the year; Review external audit reports and audit findings	Discuss resource allocation model	
Oct – Nov	College Budget and Planning Committees: • Develop college budget goals for the year; • Review district preliminary resource allocation Faculty obligation number due to state	Discuss and approve resource allocation model; College/site presentations of allocation model	
Oct – Dec	College Budget and Planning Committees: • Submit hiring priorities • Committees submit tentative recommendations that includes the number of positions to be funded	Review of budget calendar, discussion of budget strategies, resource allocation, and budget development process	
Jan	Governor's budget proposal released		
Jan – Feb	College Budget and Planning Committees: • Review expenditures	Review or revise draft of budget and planning calendar; Review and reassess governor's budget proposal estimates; Discussion of District revenue and expenditure implications	Annual budget calendar approval; Review of Governor's proposed budget; Review of State and District revenue and expenditure implications; Discussion of program and operational priorities; Presentation of prior year external audit reports and audit findings
Jan – Feb	Chancellor's Council: • Discussions of budget strategies and allocations	Continuing discussion of District revenue and expenditure options	Board retreat – review of preliminary District revenue assumptions and expenditure plans
Jan – Feb	Ongoing State Budget Hearings Legislative Analyst's Office Review of Governor's Proposed Budget		
Feb	Colleges finalize summer session schedule of classes	Review of preliminary District revenue assumptions and expenditure plans	District Participatory Governance Council receives budget updates; Board policy discussions/decision regarding budget adjustments
Feb	"P1" First principle apportionment	Review apportionment and District controller certifies to State controller	
Feb/ March	Discussion of budget priorities at Colleges and with Chancellor's Cabinet	Review of Mid-year budget report	Approval of Mid-year budget report
March – May	Departments submit budget requests to College budget committees; College budget committees review requests		
March	Colleges finalize Fall schedule of classes	Review of Board budget priorities and Districtwide allocations	Review/approval of annual budget priorities and Districtwide allocations
March – April	Run preliminary position control worksheets; Colleges begin ongoing review of position control		
March – April	College Budget and Planning Committees: • Preliminary current year ending balance estimates Colleges prepare for current year external audit		Budget updates with Board; Review budget assumptions for Tentative Budget; Board goals for upcoming year
Mid-May	Governor's May Revise		
May	Review of Governors May revise budget	Review of Governor's May revise budget (inform DPGC at subsequent meeting)	Review of Governor's May revise budget; budget priorities, goals, and objectives
May	Site Tentative Budgets completed; work resumes developing final budget after tentative budget is loaded	Review of fiscal self-management checklist	
June	District office completes budget input and prepares Tentative Budget document	Review of Tentative Budget	Adoption of Tentative Budget and Gann Limit
June – August	Final adjustments made to budget	Committee is updated throughout the summer on major budget changes	
End of June	Enactment of subsequent fiscal year budget		
July	County finalizes tax increases		
August	Legislative Trailer Bills		
August	State Budget Workshop		
August	Current year books are closed; District office completes subsequent year budget inputs and prepares Final Budget document		
Sept			Public hearing and adoption of Final Budget

Budget Development by Semester

Fall
- College finalizes spring class schedule
- Review priorities, budget goals for current year and accomplishments from past year
- Develop college budget goals
- Review District resource allocation
- Faculty Obligation Number report due to the State
- Submit hiring priorities to District
- Committees submit tentative recommendation for 2016-17 that includes number of positions to be funded

Spring
- Discussions of budget strategies and allocations
- Governor's budget proposal and May revise
- State budget hearings
- College finalizes summer and fall class schedules
- Departments submit budget requests for 2016-17 to College Budget Committees
- College Budget committees review requests
- Run preliminary position control worksheets for 2016-17 Colleges ongoing review of position control

Budget Development by Semester

Spring

- Preliminary current year 2015-16 ending balance estimates
- Colleges prepare for current year external audit
- Review of Governor's May Revise
- Site Tentative Budgets completed. Work resumes developing final budget after tentative budget is loaded
- District Office completes budget input and prepares Tentative Budget document
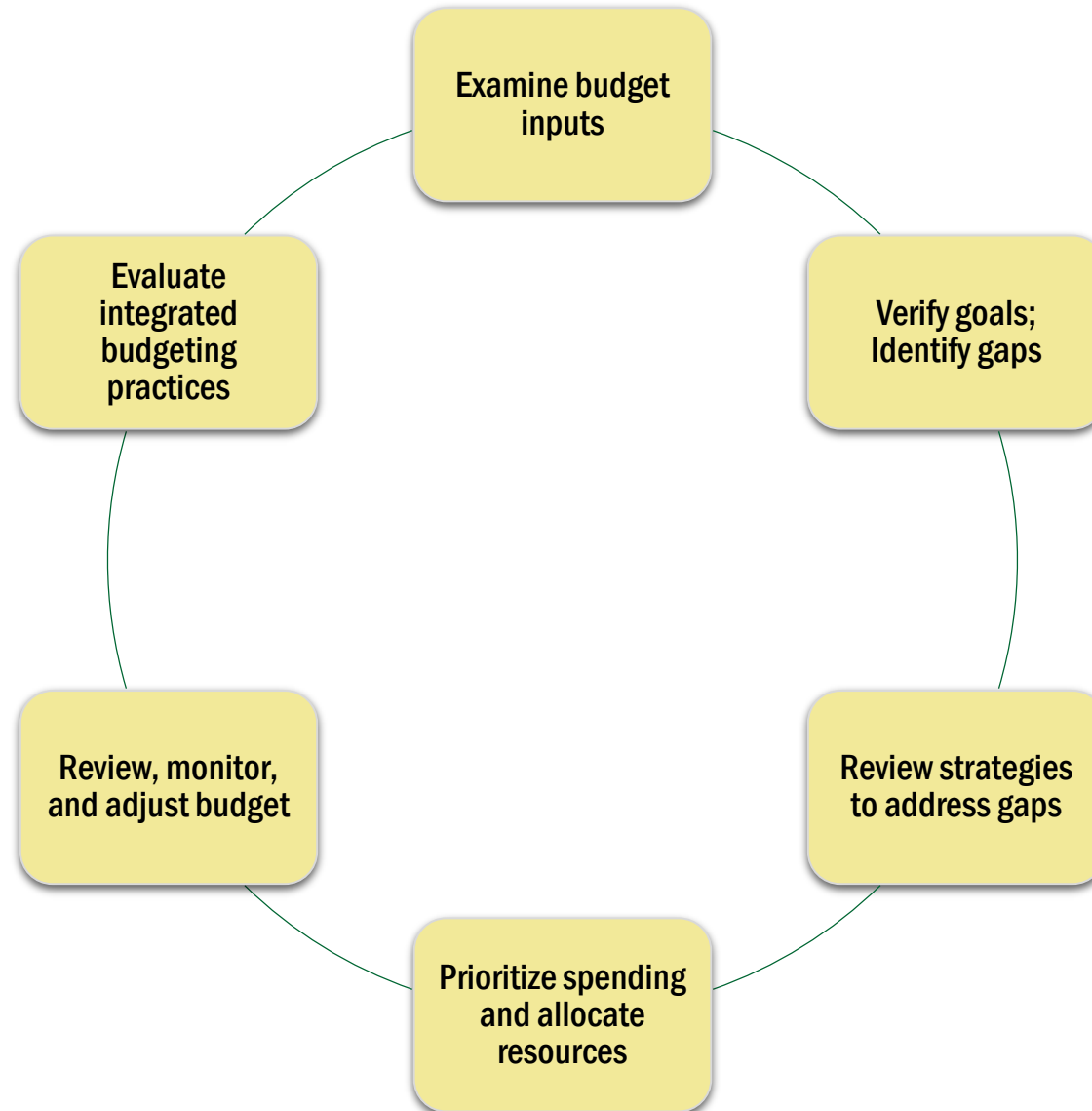- Final adjustments to budget are made

Summer

- Current FY books are closed
- College budgets are loaded
- District office complete budget input and prepares final budget document
- Legislative trailer bills are finalized
- Board of Trustees adopts final budget (September)
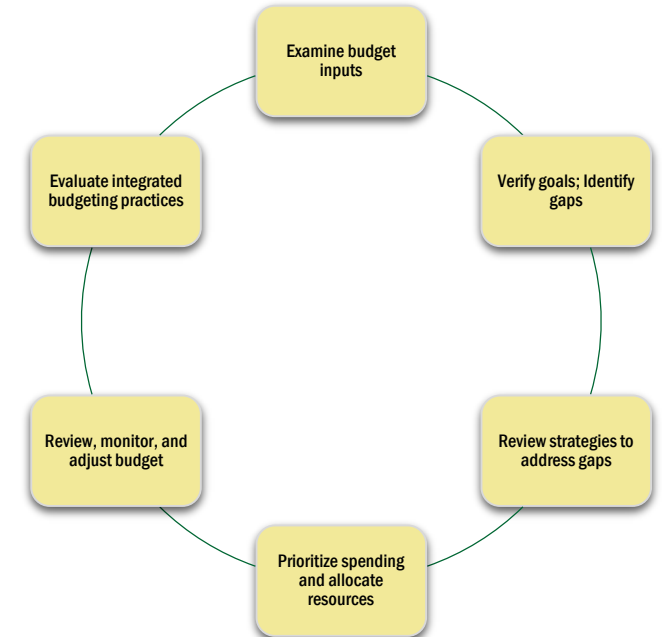
Budget development cycle
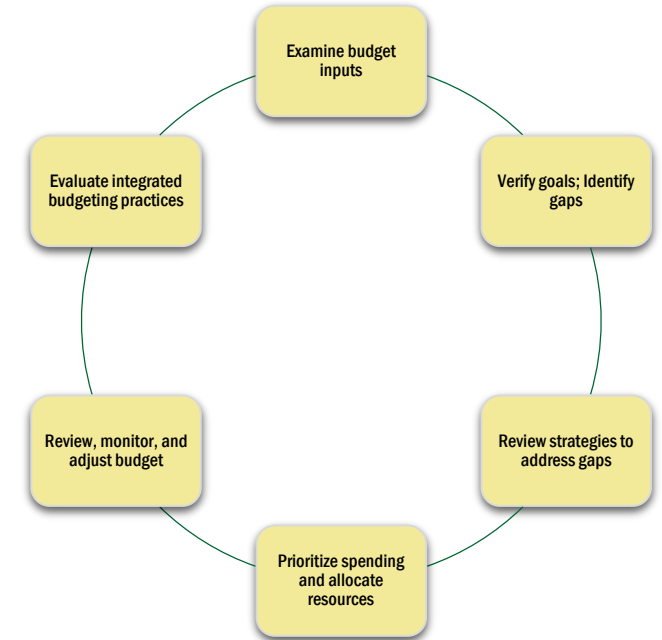
Budget Development Cycle

Budget Development Cycle

- **Examine budget inputs**
  - Budget principles guiding budget development
  - Internal and external forces that may impact the budget
- **Verify goals and identify gaps**
  - Identify the goals driving our budget (EMP, strategic goals, accreditation standards, program review, division/department/program goals)
  - Identify gaps – are we adequately budgeting funds to achieve our goals?
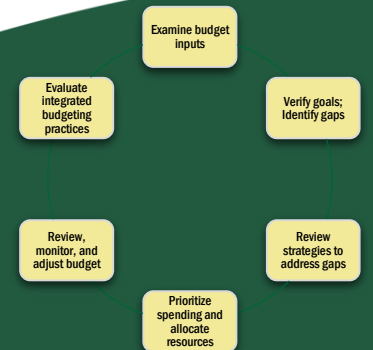
Examine budget inputs

Verify goals; Identify gaps

Review strategies to address gaps

Prioritize spending and allocate resources

Review, monitor, and adjust budget

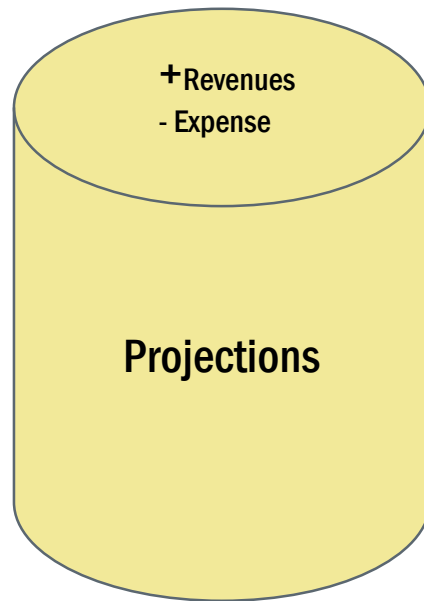Evaluate integrated budgeting practices

Budget Development Cycle

- Review strategies to address gaps
  - EMP strategic initiatives, District strategies
- Prioritize spending and allocate resources
  - Prioritize expenditures so that resources are directed toward acheiveing college goals
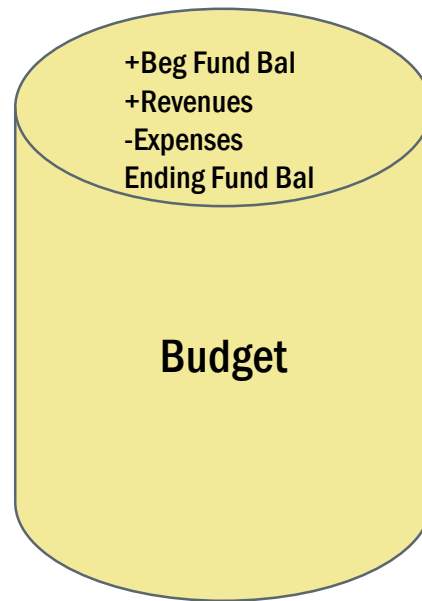 - Document the budget and process in order to communicate how funds are allocated

Budget Development Cycle

- Review, monitor and adjust the budget
  - Systematically monitor expenditures to ensure we are staying within budget
  - Check progress of budgeted priorities and make adjustments as necessary

- Evaluate integrated budgeting practices
  - Review criteria and success measures of the budgeting process
  - Evaluate the true cost of college operation support services to ensure appropriate allocation
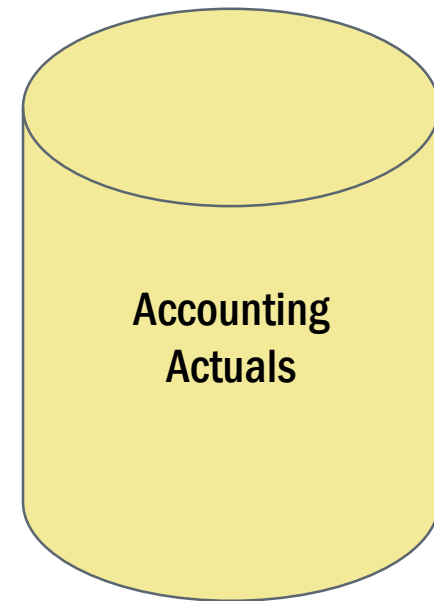 - Ensure budget development cycle decreases ambiguity and increases transparency

Examine budget inputs

Evaluate integrated budgeting practices

Verify goals; Identify gaps

Review, monitor, and adjust budget

Review strategies to address gaps

Prioritize spending and allocate resources

Budget development process

Unrestricted Funds (Fund 1)

- What does "unrestricted funds" mean?
    - Unrestricted funds are used to account for resources available for the general purposes of district/college operations and support of its educational programs (Budget and Accounting Manual)
- Our primary source of unrestricted funds is our Site Allocation
- Site allocation determined through the District Resource Allocation Model
- Other sources of unrestricted funds include indirect costs and contract revenue

Budget Goals and Priorities for 16/17

Our college budget is a tool to translate our plans into specific, action-oriented goals and objectives

Goals

- **Effectiveness** (leveraging existing resources)

- **Focused Growth** (building on what works)

- **Supportive Energy** (creating room for ideas and innovation)

Priorities

- **Transparency in process**

- **Resource optimization**

- **Efficiency and effectiveness**

College Budgeting Process, FY 16/17

Month	Tasks	Who is Involved?
March	Review 3-year financial projections	• VPAS • CBO • College President
	Develop FTES and productivity targets	• VPI • Instructional Deans • Faculty
	Review position control worksheets	• Org Administrators (President, VPs,
	Identify department budget needs	• Org Administrators • Faculty • Staff
April	Develop draft division budgets (budget development meetings)	• Org Administrators • VPAS • CBO
	Submit list of faculty release time for FY 16/17 (estimates for Spring if not known)	• VPI • VPAS
	Develop 1310 (hourly faculty) budget	• VPAS • CBO • VPI
	Position control worksheet corrections complete	• Org Administrators • VPAS • CBO
	Develop draft college budget	• VPAS • CBO
	Make adjustments to proposed division budgets	• Org Administrators • VPAS • CBO
	Review draft college budget	• College President • VPAS

Month	Tasks	Who is Involved?
May	Tentative position control worksheet submitted to district	• CBO
	Tentative college budget developed	• VPAS • CBO
	Tentative college budget presented to PBC	• VPAS
	Tentative budget submitted to District	• CBO
June	Final review of position control	• CBO • VPAS
	Submit final position control to District	• CBO
	Review tentative college budget	• VPAS • CBO
July/August	Finalize college budget and submit to District	• VPAS • CBO • College President

More information available on the Administrative Services webpage:
http://canadacollege.edu/adminservices/resources.php

Common Budget Building Blocks

- Salaries

- Benefits

- COLAs

- Step and column increases

- LSI

- Vacant positions, newly approved positions, retirements

- Growth/decline in FTES (impacts categorical, lottery, and hourly teaching budget)

- Productivity

- Supplies/equipment

- Other operating costs

- Reserves for contingency

Budget Development Guidelines

Budget Development for <u>Fixed Expenditures</u>	
Review position control (April)	In April, you will receive a copy of the position control worksheet for your area of responsibility. Review each position and verify the FTE and labor distribution. This also includes verifying the correct account numbers. Please make corrections on the worksheet, and note any vacant or missing positions. Common errors identified in this process include: Wrong account numbers, incorrect labor distribution (for positions with salaries charged to multiple accounts), incorrect banking or release time for faculty.

Budget Development Guidelines

Budget Development for __Discretionary Expenditures__	
Review current year budget (March)	Look at what you have budgeted for this year. Were there areas you under- or over-budgeted? Did you have expenditures this year that you did not budget for (e.g., conferences)? What are the top priorities for resource allocation?
Identify budget needs (March-April)	When you develop your new budget, work with your staff and faculty to identify next year's budget needs. This can be a time consuming process, but it is critical to ensure you consider all the necessary expenditures for your respective area. Consider the following types of expenditures: • Hourly employees (subs, short term, student assistants) • Overtime or Comp time for regular employees (not encouraged, but there are special instances) • Instructional supplies • Non-instructional supplies • Duplicating • Advertising and marketing • Contract services • Maintenance costs • Subscriptions and memberships • Travel (conferences, mileage reimbursements)
Develop targets (FTES, load) (March-April)	This is a critical component of our college budget development process. Instructional administrators should identify load and FTES targets and review historical data to enable appropriate allocations for adjunct faculty.

16/17 Budget Summary by Division

2016/2017 Final Budget Details

Org #	Description	Administrator	16/17 Tentative Budget	
3144	President's Office	Moore	Position Control	$1,172,606
			Hourly Salaries	$85,735
			Discretionary	$247,502
			Total	**$1,505,843**
3229	Operations	Marquez	Position Control	$1,167,090
			Hourly Salaries	$20,593
			Discretionary	$131,337
			Total	**$1,319,020**
3333	Enrollment Services	Lopez	Position Control	$1,156,807
			Hourly Salaries	$2,500
			Discretionary	$20,579
			Total	**$1,179,886**
3340	Counseling	Bricker	Position Control	$1,366,019
			Hourly Salaries	$0
			Discretionary	$36,750
			Interfund Transfer	$247,782
			Total	**$1,650,551**
3345	VPSS Office	Lopez	Position Control	$767,805
			Hourly Salaries	$750
			Discretionary	$64,400
			Interfund Transfer	$256,950
			Total	**$1,088,905**

2016/2017 Final Budget Details

Org #	Description	Administrator	16/17 Tentative Budget	
3411	Business, Design, and Workforce	Diamond	Position Control	$1,883,479
			Hourly Salaries	$214,736
			Discretionary	$18,659
			Total	**$2,116,874**
3413	Humanities and Social Science	Johnson	Position Control	$3,960,204
			Hourly Salaries	$43,031
			Discretionary	$47,540
			Total	**$4,050,775**
3414	Science and Technology	Stringer	Position Control	$3,314,008
			Hourly Salaries	$141,432
			Discretionary	$31,220
			Total	**$3,486,660**
3416	Athletics, Library, Learning Resources	Rana	Position Control	$1,889,219
			Hourly Salaries	$173,541
			Discretionary	$156,502
			Total	**$2,219,262**
3441	VPI Office	Anderson	Position Control	$805,309
			Hourly Salaries	$4,460,147
			Discretionary	$46,250
			Total	**$5,311,706**
	Totals		Position Control	$17,481,546
			Hourly Salaries	$5,142,465
			Discretionary	$1,237,352
			Grand Total	**$23,861,363**

16/17 Hourly Salary Budget

		Hourly Faculty Budget, FY 16/17				
FTES	**WSCH**	**LOAD Target**	**FTEF Needed**	**FT FTE Available**	**PT FTE Needed**	**Budget Needed**
		545	112.84	55.73	57.11	$3,591,616
		525	117.14	55.73	61.41	$3,861,948
		515	119.42	55.73	63.69	$4,004,987
4,100	61,500	500	123.00	55.73	67.27	$4,230,274
		490	125.51	55.73	69.78	$4,388,128
		485	126.80	55.73	71.07	$4,469,496

16/17 budget based on 485 load

Program review resource request process

Funding Sources

- Lottery
  - Restricted fund for instructional supplies and software
- Equipment
  - New computers, technology, supplies and equipment
- ITS
  - Technology replacements (labs, projectors, printers, office technology)

Program Review Resource Request Process

Resource Request Information	
Type of resource:	
Priority level (High, Medium, Low):	
Item name:	
New/Repair/Replacement:	
Are taxes included?	
Is shipping included?	
# of items needed:	
Unit price:	
Total cost:	
Description (including vendor and catalog item/number):	

Program Review Resource Request Process

Type of Resource: Select the type of resource request from the drop down list.

- Facilities: Includes requests for new facilities or facility improvements. Examples of facility requests include: program space needs, new flooring, or replacement of large equipment.
- Contract Services: Includes requests for independent contractors or service vendors beyond what the program/department current budget can cover.
- Equipment: Items with a single unit cost greater than $5,000. Examples of equipment requests include: x-ray machine, batting cages). If equipment will require additional resources (power, removal of existing equipment, etc.) please provide these details in your request.
- Supplies: Includes new items with a single unit cost less than $5,000 that are not currently budgeted by the program/department.
- Subscriptions and memberships: Includes subscriptions for resources, materials, or services. Membership requests can only be for institutional memberships and must follow district guidelines. Individual memberships are not allowed.
- Professional Development: Includes requests for professional development funds that are not currently budgeted by the program/department.
- Instructional Personnel: Includes requests for new instructional personnel
- Non-instructional Personnel: Includes requests for non-instructional personnel
- Information Technology (IT): Includes requests for new IT equipment (computer, laptop, printer, and scanner). Replacement of existing IT equipment does not need to be submitted as a resource request. Please work with IT directly for replacement items.
- Other: Includes items not covered by all other resource request categories. Please check with the budget office prior to using this category.

Priority: Indicate level of priority (Low, Medium, and High). The level of priority should reflect need related to the program's goals and objectives. For example, a high priority would indicate something 'mission critical'. Medium priority indicates something is important, and low priority would indicate something that is more of a 'want' than a 'need'.

Item Name: The item name should reasonably identify what the item is. Please do not use item numbers (eg., Student Microscope instead of 40X-1000X)

Program Review Resource Request Process

New/Repair/Replacement: Indicate if the request is for a new item, repair of an existing item, or replacement of an existing item. For new items, please indicate in the description if the purchase is a one-time expense or on-going. For repair and replacement items, please indicate when the existing item was purchased. For replacement items, keep in mind 'replacement' means the new item would be consistent with the previous item (not 'more, bigger or better').

Taxes Included: Indicate if the request amount includes taxes

Shipping Included: Indicate if the request amount includes shipping costs
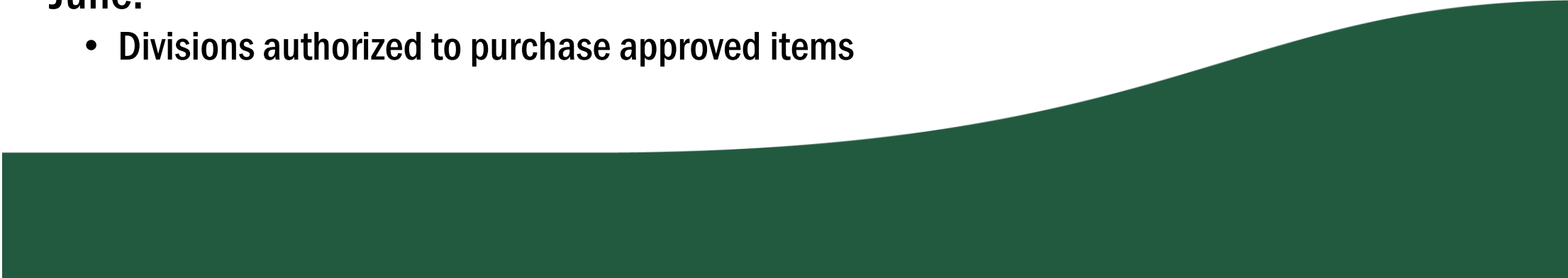
# of items needed: Indicate the number of items requested

Unit price: Indicate unit price. A unit price must be included for the request to be considered. Please make every effort to get an accurate price for items requested. The exception for this requirement include the following request categories: IT and Facilities. For these requests, please enter an amount of $1. The budget office will work with the IT and Facilities departments to obtain quotes.

Total cost: This amount will be calculated automatically based on the # of items needed and unit price.

Description of item: Please describe the individual resource requested and indicate if the expense is one-time or on-going. Also include how the request supports the mission of the college, strategic goals, and/or program mission. If applicable, explain the relationship of the resource recommendation to Learning Outcomes and overall institutional effectiveness. If there are safety/liability concerns, legal, or accreditation mandates related to the request, please indicate this information and provide any supporting documentation.

PR Timeline and Process

- February: PR due

- March: Dean reviews resource requests and provide comments

- April:
  - VPA extracts and compiles all resource requests and reviews for completeness
  - Deans/supervisors follow up as needed to provide additional information

- May:
  - College cabinet reviews and prioritizes requests
  - Requests approved based on prioritization and funding availability
  - Programs are notified of decisions

- June:
  - Divisions authorized to purchase approved items

College budget information

Interested in More Information?

- Visit the Administrative Services [webpage](#) for info about:
    - [Innovation Funds](#)
    - [Budget Office](#) (resources, trainings)
    - [Business Office](#) (cashiers, facility use)
    - [Professional Development](#)
    - [Facilities](#)
    - [Safety](#)
- Visit the Admin Services [SharePoint](#) site for even more info:
    - [16-17 Budget Development](#)
    - [16-17 Final Budget](#)
    - [16-17 Budget Updates](#)

Open discussion

How can we decrease ambiguity and increase transparency?

General questions?