

Lassen Community College

Institutional Planning and Budget Development Process Handbook



2010-2011

Revised and accepted by the Lassen Community College Academic Senate – September 3, 2009
Revised and accepted by the Lassen Community College Consultation Council/Strategic
Planning Committee – August 27, 2009

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Lassen Community College

PLANNING AND BUDGET DEVELOPMENT PROCESS

Title 5 of the California Code of Regulations requires that “[Community College] District financial planning will include both short-term and long-term goals and objectives, and broad-based-input, and will be coordinated with the district educational planning” (Appendix A: Title 5 Section 58311). Lassen Community College’s planning and budget development process operates within this context.

The Comprehensive Institutional Master Plan is a five-year plan that is updated and sent to the Governing Board for approval annually. The institutional planning document and budget will reflect the college mission statement and strategic goals as established by the Governing Board and presented in Section II – Institutional Section (Appendix B: Mission Statement and Strategic Goals).

The institutional planning and budget development process begins with the instructional program review (IPR) and non-instructional program review (NIPR). The instructional and non-instructional program reviews provide the unit level planning documents for Lassen Community College. The program goals and objectives as well as recommendations and budget requests developed during the review process integrate into the various planning sections of the Comprehensive Institutional Master Plan (Section III - Educational Master Plan, Section V - Institutional Technology Plan and Facilities Master Plan, Section VI - Human Resource Plan and Professional Development Plan).

The schedule of program reviews is provided in the Instructional and Non-instructional Program Review Handbooks. Vocational instructional programs are reviewed every two years and academic instructional and non-instructional programs are reviewed every four years. Area administrators will remind program managers when their program review is due.

The President’s Office will monitor the program review process. The Governing Board will accept each IPR and NIPR. Upon Board approval, copies of each program’s Budget Enhancement Request Forms will be provided to the Academic Planning, Facilities Planning and Institutional Technology Planning Committees.

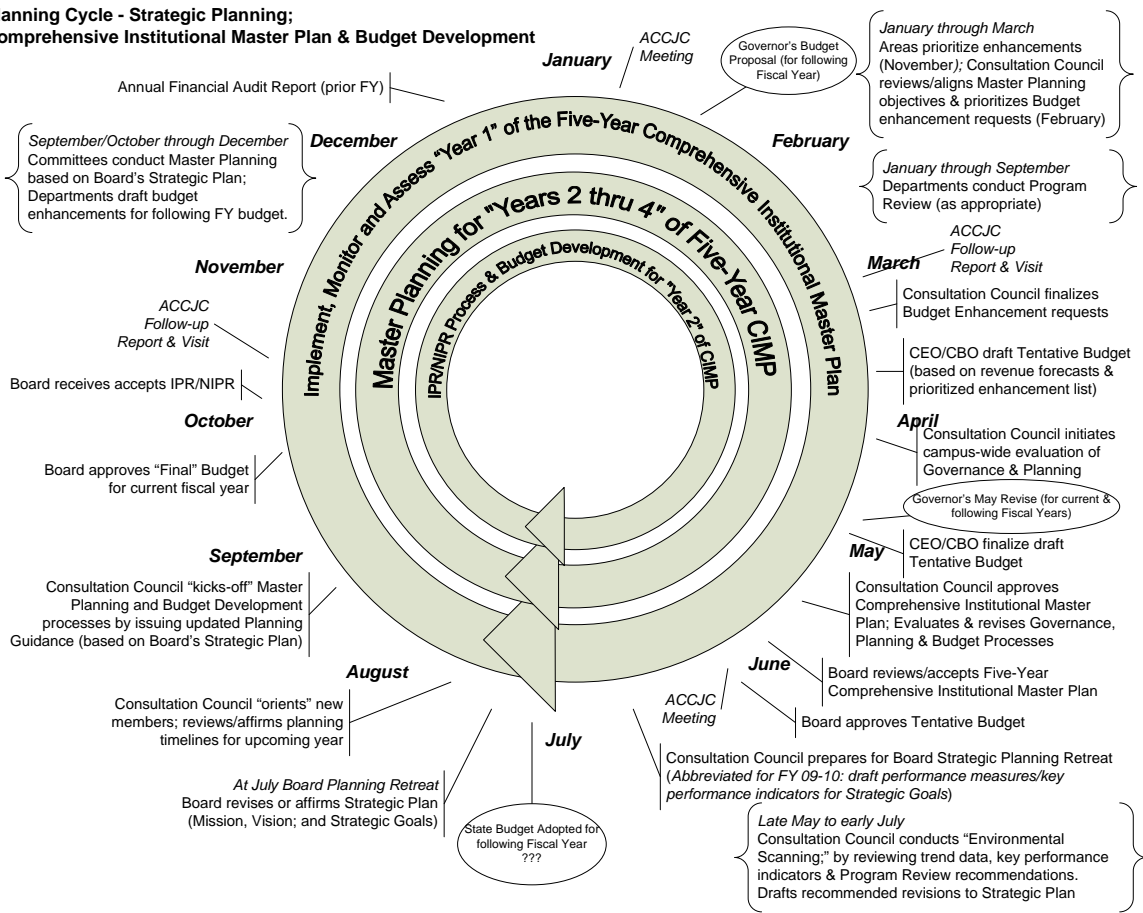
- The Office of the President is responsible for housing all the current institutional planning documents and for assuring completion of program reviews as scheduled.
- Copies of institutional planning documents and program reviews are placed in the college library.

Regarding the development of the budget, the Comprehensive Institutional Master Plan will be used as the foundation and frame upon, and within which, the Budget is built. All budgets (requests for funding) shall be developed through the budget development process. The same budget request forms and resource allocation process will be utilized for all funding sources.

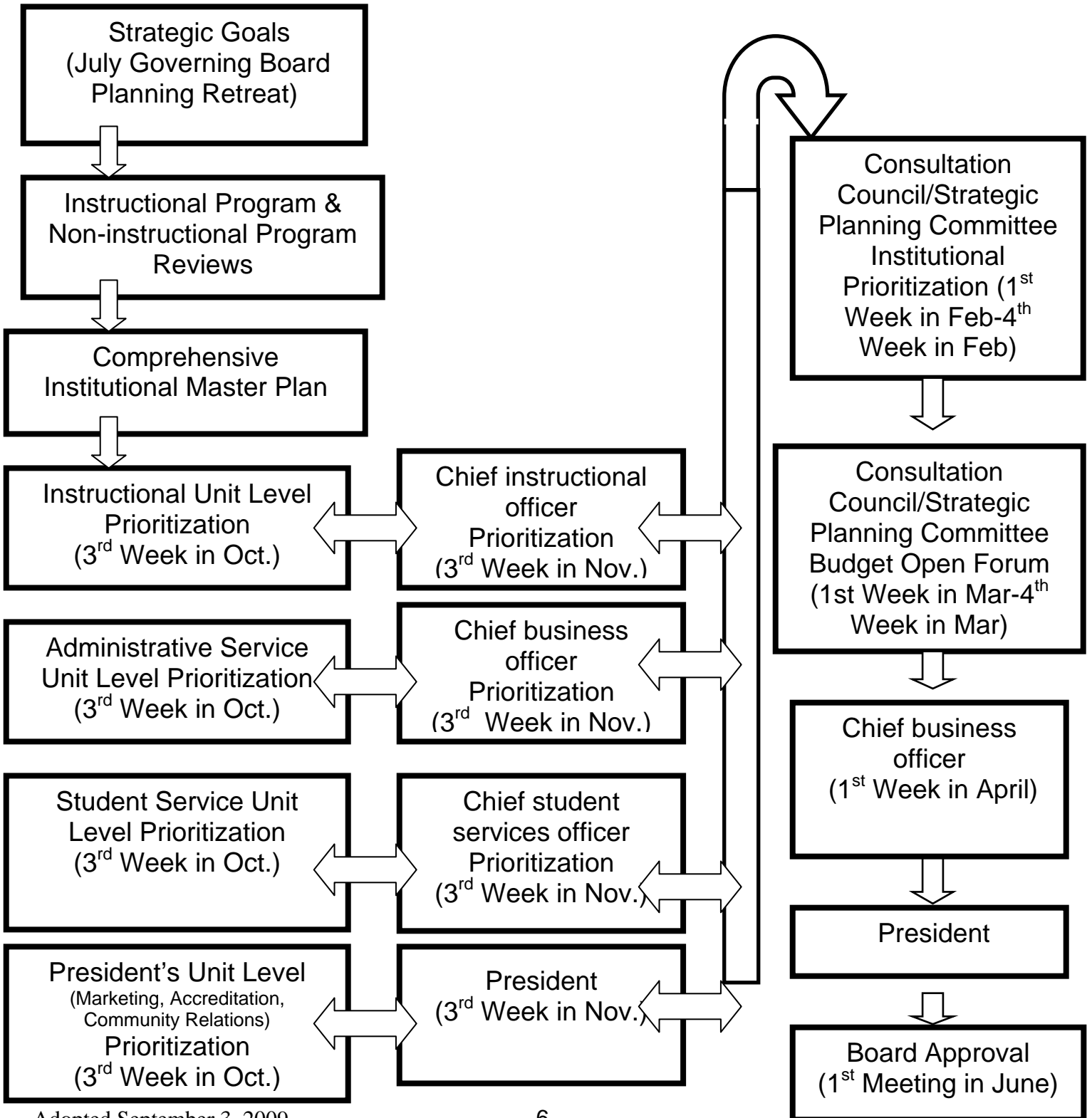
Budget principles are stated in each District Budget document, as presented in Appendix C. The following guidelines additionally apply to the development of the Budget:

- a. One-time revenues will be allocated to one-time expenditures; on-going expenditures shall be covered from on-going revenues.
- b. Year-end balances are not budgeted for ongoing expenses.
- c. Funds are budgeted where they are expected to be spent so as to minimize transfers and protect budget integrity.
- d. Contractual obligations and fixed costs are budgeted first.
- e. New positions must be fully funded: salary, benefits, support expenses.

**Planning Cycle - Strategic Planning;
Comprehensive Institutional Master Plan & Budget Development**



BUDGET INPUT PROCESS FLOW CHART



Lassen Community College

BUDGET DEVELOPMENT CALENDAR

1. JULY

Compilation and Analysis of Data
Evaluation of Previous Years Strategic Educational Initiatives
Governing Board Planning Retreat to refine Strategic Goals

2. AUGUST

Update of *Annual Fact Book* published
Consultation/Council/Strategic Planning Committee develops annual budget prioritization criteria

3. SEPTEMBER

FIRST WEEK

Distribution of Institutional Planning and Budget Development Process Handbook, Budget Enhancement Request Forms and Current Year Fiscal Updates/Budget Assumptions

SECOND WEEK

Governing Board approval of final budget

FOURTH WEEK

Budget Enhancement Request Forms, with justifications from approved program reviews, comprehensive institutional master plan and primary budget prioritization criteria, will be gathered by unit level members for prioritization. The same budget request forms and resource allocation process will be utilized for all funding sources i.e. VATEA, Instructional Equipment and Library Materials Block Grant, General Fund.

4. MID-OCTOBER – MID-NOVEMBER

THIRD WEEK

Unit level members (program areas) will meet to prioritize budget requests for unit (program area) based on the budget prioritization criteria found in this document. The budget enhancement request forms will be grouped into one of three categories: staffing, one-time expenditures, or on-going non-staffing expenditures. Prioritized lists for each category will be prepared.

Prioritized lists will be forwarded to area dean and returned to unit members for their records.

5. MID- NOVEMBER - DECEMBER

Area administrators will prioritize area budget requests based on the budget prioritization criteria found on page 5 of this document in consultation with unit level managers.

The three prioritized lists will be forwarded by the area dean to the Consultation Council/Strategic Planning Committee and returned to unit members for their review and records.

6. JANUARY

The Dean of Administrative Services monitors current year operations and evaluates the status of the following academic year's budget by comparing the projected revenues against the projected expenditures. The Dean of Administrative Services will advise the President's Cabinet of any projected budget shortfalls potentially impacting staffing levels. The President's Cabinet will forward recommendations based on the projections to the Consultation Council/Strategic Planning Committee prior to any consideration of institutional prioritization of budgetary requests. Discussions by Consultation Council/Strategic Planning Committee on the recommendations will occur prior to the third week in February.

7. FEBRUARY

Consultation Council/Strategic Planning Committee will evaluate all budget requests prioritized by unit level managers and area deans. Institutional priorities will be assigned to each budget request within the three separately maintained lists.

The prioritized lists will be distributed to the campus community at the end of February.

8. MARCH

Consultation Council/Strategic Planning Committee will hold open forum style budget meetings.

Funding categories will be assigned to the prioritized lists by the Dean of Administrative Services.

The recommended prioritized list will be forwarded to President for his consideration and

returned to unit members for their review and records.

9. APRIL - MAY

The Dean of Administrative Services will draft the tentative budget for institutional review to include 50% Law Analysis and GANN Appropriations Unit.

The president will finalize the ranked list into the Institutional Budget Priority Lists for the Comprehensive Institutional Master Plan, presentation to the campus and Governing Board.

FIRST WEEK OF MAY

Cut-off date for processing of purchase requisition.

10. JUNE

FIRST GOVERNING BOARD MEETING

- The president will submit the tentative budget to the Lassen Community College District Governing Board for approval.

2010-2011 BUDGET PRIORITIZATION CRITERIA (adopted by the Consultation Council/Strategic Planning Committee – August 27, 2009):

1. Health and Safety
 2. Implementation of Objectives from Strategic Plan
 - a. Mandates
 - b. Potential for Long-Term Sustainable FTE Growth
 - c. Program Maintenance
 - d. Recommendations from the IPR/NIPRs
 - e. Potential for Short-Term FTE Growth
 - f. Program Expansion
 - g. Support Multiple Programs
 3. High Benefit/Cost Ratio
- Correct an Injustice

Budget Enhancement/Reduction Request Form

Fiscal Year 2010 – 2011

Operational
 Equipment
 Facilities
 Staffing

Program or Subject Area: _____

Submitted by: _____

TOP Code: _____

Date Submitted: _____

- Enter items that have been included in an approved, current or revised program review.
- Enter the appropriate area, relevant strategic goal and top three budget prioritization criteria
- Enter items in descending order of Program or Department priority
- Unit Level Priority will be determined by a program or department meeting to evaluate individual requests
- Area Level Priority will be determined by the area dean
- College Level Priority will be determined by the Consultation Council/Strategic Planning Committee

Strategic Goal	Area	Object Code	Budget Criterion*	Budget Criterion*	Budget Criterion*	Identify Budgetary Needs/Reductions and provide Justification/Impact- Program Review and Institutional Planning Document Locator (e.g. Section, Page Number)	Total Cost	Unit Level Priority Number	Area Level Priority Number	College Level Priority Number

Area: A – administrative services; I – instructional services; P – president; S – student services
 * Select up to three main Budget Prioritization Criteria, which justify the request

APPENDICES

Appendix A

PRINCIPLES FOR SOUND FISCAL MANAGEMENT

Title 5. Education

Division 6. California Community Colleges

Chapter 9. Fiscal Support

Subchapter 4. Budgets And Reports

Section 58311

In any organization certain principles, when present and followed, promote an environment for growth, productivity, self-actualization, and progress. The following principles shall serve as the foundation for sound fiscal management in community college districts:

1. Each district shall be responsible for the ongoing fiscal stability of the district through the responsible stewardship of available resources.
2. Each district will adequately safeguard and manage district assets to ensure the ongoing effective operations of the district. Management will maintain adequate cash reserves, implement and maintain effective internal controls, determine sources of revenues prior to making short-term and long-term commitments, and establish a plan for the repair and replacement of equipment and facilities.
3. District personnel practices will be consistent with legal requirements, make the most effective use of available human resources, and ensure that staffing costs do not exceed estimates of available financial resources.
4. Each district will adopt policies to ensure that all auxiliary activities that have a fiscal impact on the district comport with the educational objectives of the institution and comply with sound accounting and budgeting principles, public disclosures, and annual independent audit requirements.
5. Each district's organizational structure will incorporate a clear delineation of fiscal responsibilities and establish staff accountability.
6. Appropriate district administrators will keep the governing board current on the fiscal condition of the district as an integral part of the policy- and decision-making processes.
7. Each district will effectively develop and communicate fiscal policies, objectives, procedures, and constraints to the governing board, staff, and students.

8. Each district will have an adequate management information system that provides timely, accurate, and reliable fiscal information to appropriate staff for planning, decision-making, and budgetary control.
9. Each district will adhere to appropriate fiscal policies and procedures and have adequate controls to ensure that established fiscal objectives are met.
10. District management will have a process to evaluate significant changes in the fiscal environment and make necessary, timely, financial and educational adjustments.
11. District financial planning will include both short-term and long-term goals and objectives, and broad-based-input, and will be coordinated with the district educational planning.

Each district's capital outlay budget will be consistent with its five-year plan and reflect regional planning and needs assessments. To the extent that the foregoing principles repeat or paraphrase mandates already in existence, these underlying mandates shall continue to be legally binding. Otherwise these principles, by themselves, shall be applied to the extent that existing state and district funding is available.

Lassen Community College

MISSION STATEMENT: (adopted by the Governing Board – September 23, 2008)

Lassen Community College provides outstanding programs for all those pursuing higher education goals. These programs offer a wide range of educational opportunities including transfer degrees and certificate programs, economic and workforce development, basic skills instruction, and support services that ensure students succeed at the post-secondary level. They also include non-credit, and community service courses and programs that enhance the community culturally, civically and socially. The college serves the community, both on campus and in the outreach centers in its effort to build intellectual growth, human perspective and economic potential.

STRATEGIC GOALS: (adopted by the Governing Board - August 12, 2008)

Strategic Goal # 1 (*Student Success*): Enable students' attainment of educational goals, including degrees and certificates, transfer, job placement and advancement, basic skills, and lifelong learning.

Strategic Goal #2 (*Responsive Curricula*): Develop and implement curricula that is responsive to changing student learning needs, to changing economic and workforce development needs, and to community cultural, social and civic interests.

Strategic Goal #3 (*Student Access*): Provide a college environment that reaches-out-to and supports students, minimizes barriers, increases opportunity, and increases success through access and retention.

Strategic Goal #4 (*Resource Development*): Develop and manage human, physical, technological and financial resources to promote growth and to effectively support the learning environment.

Strategic Goal #5 (*Organizational Effectiveness*): Enhance organizational function in leadership, interaction, planning, and accountability to ensure responsive stewardship of public trust and resources.

Strategic Goal #6 (*Community Leadership*): Provide an environment that supports, partners and leads in the development and implementation of community initiatives.

**LASSEN COMMUNITY COLLEGE DISTRICT
BUDGET PRINCIPLES, PRIORITIES, and Key Points
2009-10**

BUDGET PRINCIPLES

- Transparency
- Broad participation
- Balanced
- Conservative
- Complete/comprehensive

BUDGET GUIDELINES AND PRIORITIES

- Align with College’s Strategic Plan (Vision/Mission/Values/Strategic Goals). Achieve Strategic Goals - ensuring student success, expanding services and access (growth).
- Transfer resources from indirect (internal) services to prioritize services that directly support student success and program growth.
- Mitigate future risk and avoid future cost increases by finding external (outsourced) solutions for high-risk administrative services.
- Align categorical/restricted programs with Strategic Goals; to the degree possible, use those funds to support on-going District expenditures even if on a one-time basis. Make maximum use of pro-offered “flexibility with Categorical funds.”
- Recommended level of reserves equal to a minimum of 2 months of payroll (approx \$1.6 million); preferred level equal to 2 months of operations (approx \$2.0 million).
- To accommodate cash flow short-falls, implement a disciplined spending plan tied to cash-flow projections with centralized spending control.
- Use inter-fund borrowing in preference to external borrowing, due to added costs and potential conflicts between scheduling of repayment and deferred apportionment.