

**Lassen Community College**

**Institutional Planning  
and  
Budget Development Process Handbook**



**2013-2014**

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# *Lassen Community College*

## ***PLANNING AND BUDGET DEVELOPMENT PROCESS***

Title 5 of the California Code of Regulations requires that the “[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 districts 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 acceptance 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 IV – Student Services 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.

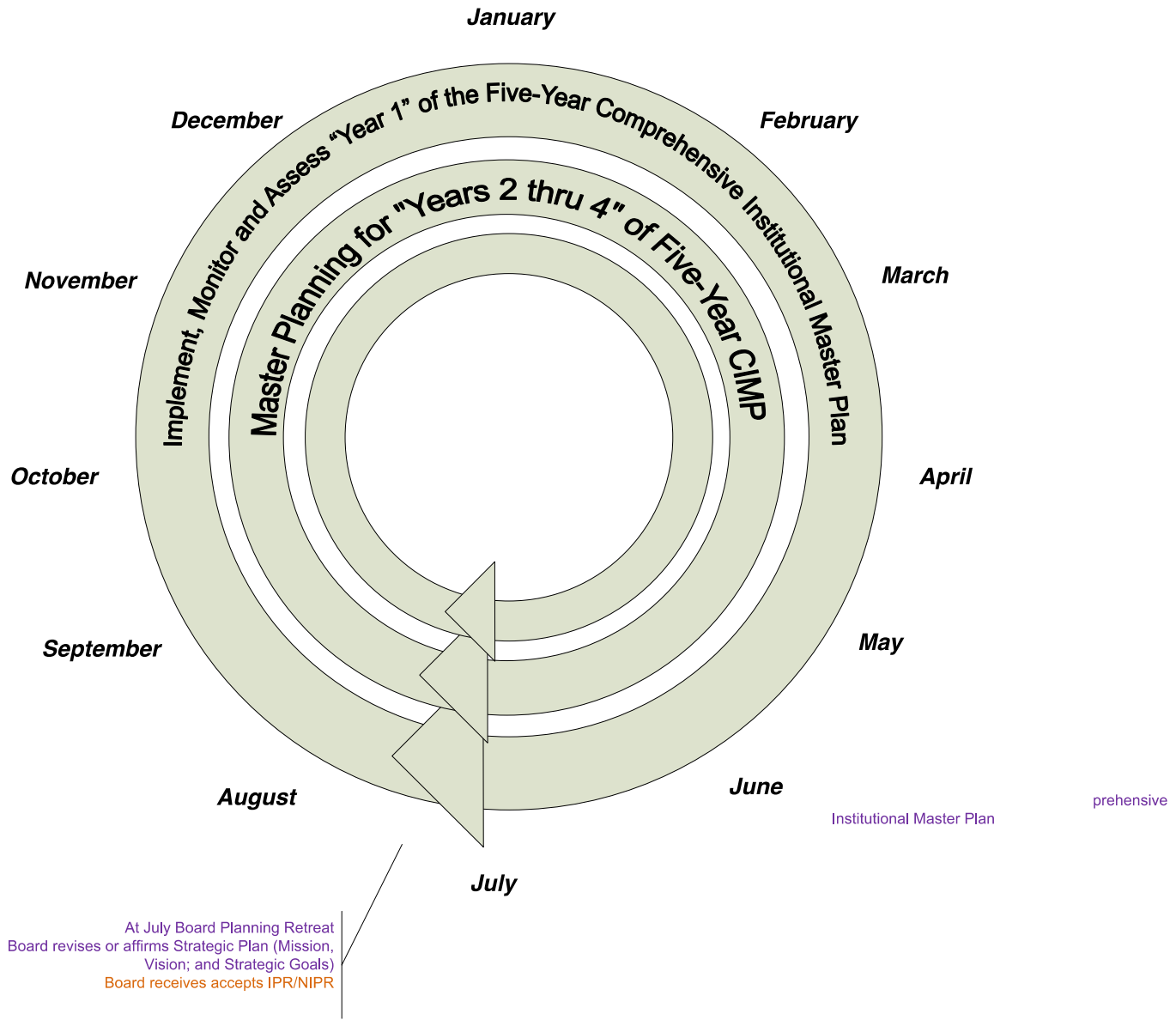
The President’s Office will monitor the program review process. The Governing Board will accept each IPR and NIPR. Upon Board approval, copies of each program’s Program Review Recommendation Prioritization forms will be provided to the Academic Planning, Facilities Planning, Student Services, Human Resource 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 on the college website.

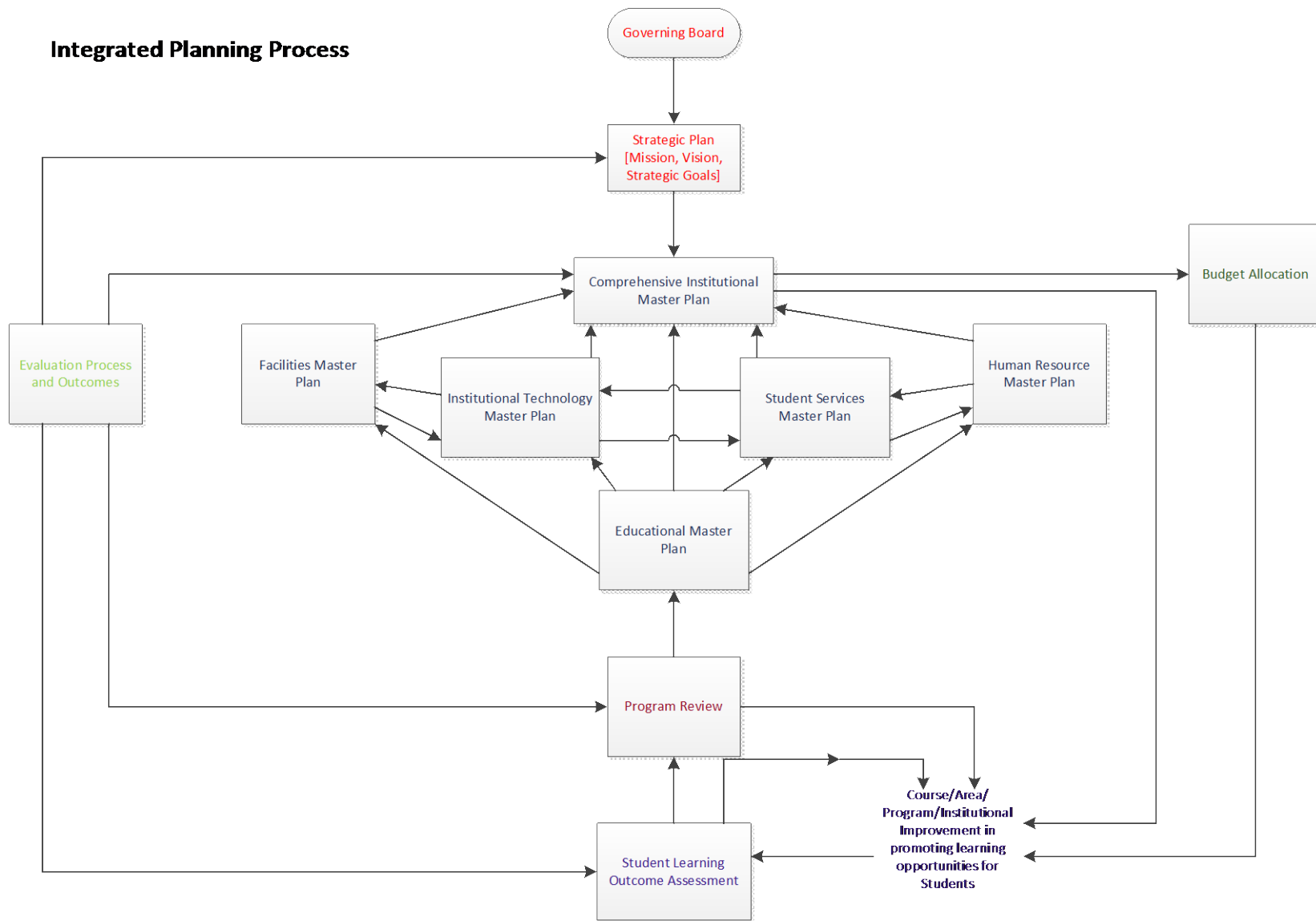
Regarding the development of the budget, the Comprehensive Institutional Master Plan will be used as the foundation and frame upon, and within which, the Budget is built. All budgets (requests for funding) shall be developed through the budget development process as integrated into the program review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

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

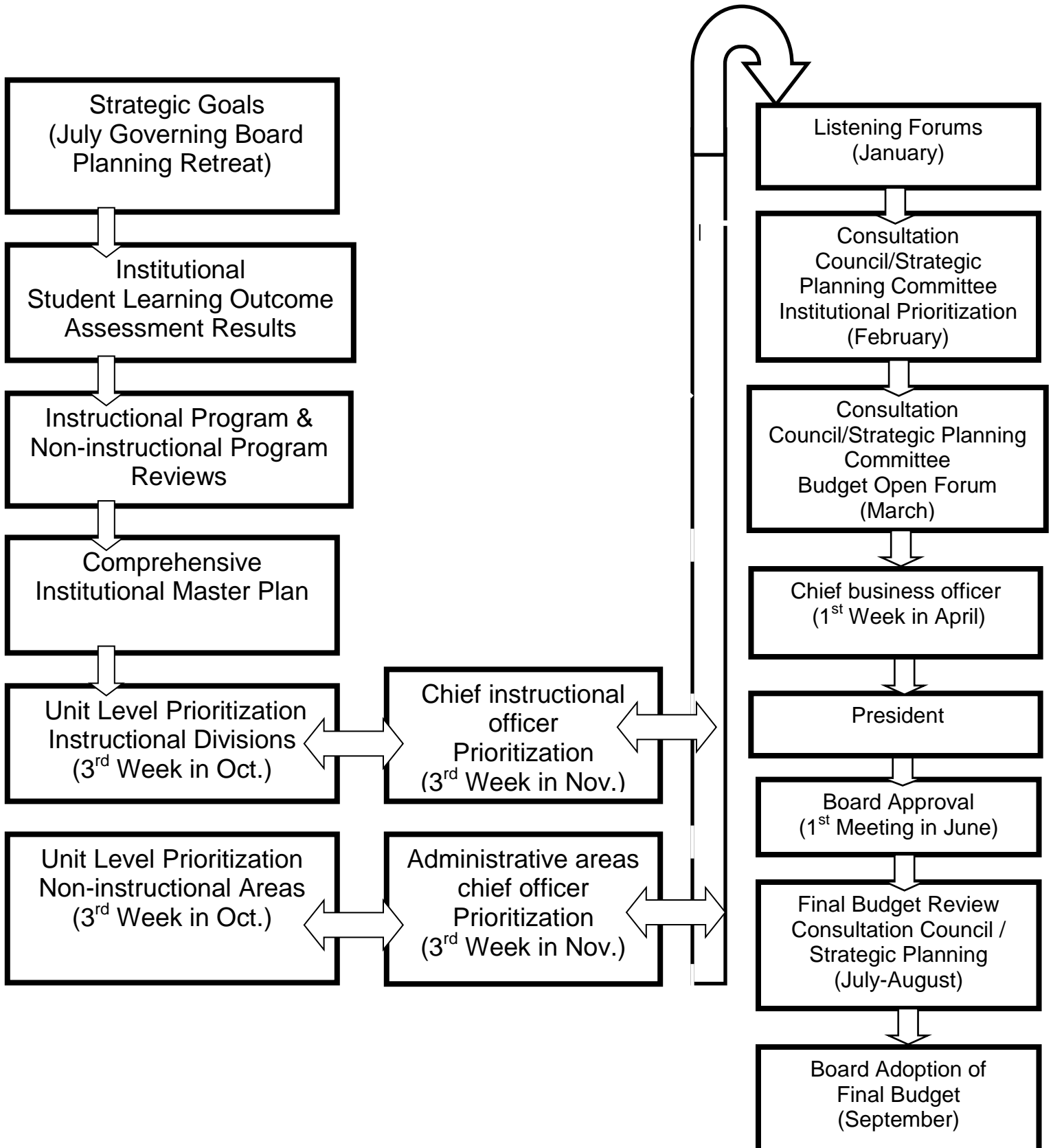
- a. One-time revenues will be allocated to one-time expenditures; on-going expenditures shall be covered from on-going revenues.
- b. Year-end balances are not budgeted for ongoing expenses.
- c. Funds are budgeted where they are expected to be spent so as to minimize transfers and protect budget integrity.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



# Integrated Planning Process



# PLANNING & BUDGET INPUT PROCESS FLOW CHART



# Lassen Community College

## PLANNING/BUDGET DEVELOPMENT CALENDAR

(Green type = Planning, Black type = Budget Development)

### 1. JULY

- Governing Board Planning Retreat
  - Presentation of Compiled and Analyzed Data
  - Presentation of Evaluation of Previous Year Strategic Educational Initiatives
  - Presentation of progress on Key Performance Indicators

### 2. AUGUST

- Update of *Annual Fact Book* published
- Consultation Council/Strategic Planning Committee develops annual budget prioritization criteria
- Governing Board adoption of Strategic Plan

### 3. SEPTEMBER

#### Early

- Distribution of Institutional Planning and Budget Development Process Handbook, and Current Year Fiscal Updates/Budget Assumptions
- Governing Board approval of final budget
- Program Review Prioritized Recommendation Forms from previous year forwarded to planning committees. Prioritized recommendations must include budget needs and requests information as well as justifications from Comprehensive Institutional Master Plan and primary budget prioritization criteria.
- Academic Planning Committee works on development of Educational Master Plan

#### Late

- Program Review Prioritized Recommendation forms 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. OCTOBER – MID-NOVEMBER

- Consultation Council/Strategic Planning Committee adoption of Educational Master Plan
- Status Update on Institutional Budget Priorities for current year (determined the previous spring)
- Status Update on Progress on Annual Planning Agenda
- Unit level members (program areas) will meet to prioritize budget requests for unit (program area) based on the adopted budget prioritization criteria.
- Prioritized list of budget requests for each area will be forwarded to area dean and returned to unit members for their records.
- Facilities Planning, Human Resource Planning, Institutional Technology Planning and Student Services Planning Committees work on development of Master Plans based on Educational Master Plan



## **5. MID- NOVEMBER - DECEMBER**

- Area administrators will prioritize area budget requests based on the adopted budget prioritization criteria in consultation with unit level managers.
- Prioritized list will be forwarded by the area dean to the Consultation Council/Strategic Planning Committee and returned to unit members for their review and records.
- **Consultation Council adoption of Student Services Master Plan**

## **6. JANUARY**

- The Chief Business Officer 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 Chief Business Officer 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.
- Consultation Council will conduct Listening Forums for campus input
- Status Update on Institutional Budget Priorities for current year (determined the previous spring)
- **Consultation Council adoption of Institutional Technology Master Plan**

## **7. FEBRUARY**

- Discussions by Consultation Council/Strategic Planning Committee on the recommendations received from the President's Cabinet will occur prior to the third week in 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.
- The prioritized list will be distributed to the campus community at the end of February.
- **Consultation Council adoption of Facilities Master Plan**

## **8. MARCH**

- Consultation Council/Strategic Planning Committee will hold open forum style budget meetings.
- Funding categories will be assigned to the prioritized list by the Chief Business Officer.
- The recommended prioritized list will be forwarded to President for his consideration and returned to unit members for their review and records.
- **Environmental Scan Data Compiled**
- **Consultation Council adoption of Human Resources Master Plan**

## **9. APRIL**

- **Consultation Council acceptance of master plan revisions as a result of other plans developed since initial adoption.**

## **10. MAY**

- **Consultation Council/Strategic Planning Committee adoption of the Comprehensive Institutional Master Plan**
- **Acceptance of instructional program reviews by Academic Senate and non-instructional program reviews by President's Cabinet**
- **Annual Report on NIPR SLO/AUO Assessment Results (Office of Institutional Research)**

- The Chief Business Officer 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 List for the Comprehensive Institutional Master Plan, presentation to the campus and Governing Board.
- Cut-off date for processing of purchase requisition.

## 11. JUNE

- Acceptance of executive summaries of instructional and non-instructional program reviews by Consultation Council/Strategic Planning Committee forward to Governing Board
- The President will submit the tentative budget to the Lassen Community College District Governing Board for approval.

## Budget Enhancement Request Form from Program Review

**Fiscal Year 2012 – 2013**

- Academic Planning  
  Institutional Technology Planning  
  Facilities Planning  
  Human Resources  
 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 primary 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 administrator
- College Level Priority will be determined by the Consultation Council/Strategic Planning Committee

Strategic Goal	Planning Agenda Item	Implementation Time Frame	Estimated Cost	Expected Outcome

Area: F – fiscal and administrative services; I – instructional services; P – president; S – student services; R-research, planning and information services; H-human and support services

\* Select up to main Budget Prioritization Criteria, which justify the request

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.
12. 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:**

(Board Policy 1200 – readopted August 14, 2012)

Lassen Community College provides outstanding programs for all pursuing higher education goals. The core programs offer a wide range of educational opportunities including transfer degrees and certificate, economic and workforce development, and basic skills instruction. The college serves students, both on campus and in outreach areas in its effort to build intellectual growth, human perspective and economic potential.

**LASSEN COMMUNITY COLLEGE INSTITUTIONAL STRATEGIC GOALS:**

(revised and approved August 14, 2012)

1. **Institutional Effectiveness:** Provide the governance, leadership, integrated planning and accountability structures, and processes to effectively support the learning environment, while ensuring responsible stewardship of public trust and resources.
2. **Learning Opportunities:** Provide an array of rigorous academic programs delivered via a variety of modalities that promote student learning and meet the needs of the local and global community.
3. **Resource Management:** Manage human, physical, technological and financial resources to sustain fiscal stability and to effectively support the learning environment.
4. **Student Success:** Provide a college environment that reaches-out-to and supports students, minimizes barriers, and increases opportunity and success through access and retention to enable student attainment of educational goals including completion of degrees and certificates, transfer, job placement and advancement, improvement of basic skills, and self development through lifelong learning.

**LASSEN COMMUNITY COLLEGE  
BUDGET PRINCIPLES, PRIORITIES, AND CRITERIA  
2013-2014**

**BUDGETING PRINCIPLES:**

- Transparency
- Broad participation
- Balanced
- Conservative
- Complete/comprehensive (including long term obligations)

**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 and allowable, 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 two (2) months of payroll (approximately \$1.6 million); preferred level equal to two (2) months of operations (approximately \$2 million).
- To accommodate cash flow shortfalls, 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.

**2013-2014 BUDGET PRIORITIZATION CRITERIA** (adopted by the Consultation Council/Strategic Planning Committee –):

1. Health and Safety
2. Implementation of Strategic Goals
  - a. Mandates
  - b. Enhances Student Learning
  - c. Potential for Long-Term Sustainable FTEs
  - d. Program Maintenance
  - e. Recommendations from IPR/NIPRs
  - f. Infrastructure
  - g. Support Multiple Programs
3. High Benefit/Cost Ratio
4. Capture Program Growth

## Glossary of Terms

**Abatement:** The return of part or all of an item of income or expenditure to its source.

**Accounting System:** (1) The special field concerned with the design and implementation of procedures for the accumulation and reporting of financial data. (2) The total structure of records and procedures, which discover, record, classify, and report information on the financial operations of an agency through its funds, balanced account groups, and organizational components.

**Administrative Unit Outcomes (AUOs):** Similar to SLOs, administrative outcomes determine what the expected outcomes are for offices and departments that provide services and administrative support rather than instruction.

**Annual Appropriation Limit (Gann Limit)**

**Apportionment:** Allocation of state or federal aid, district taxes, or other moneys to community college districts or other governmental units.

**Appropriation for contingencies:** (formerly termed Undistributed Reserve) That portion of current fiscal year's budget not appropriated for any specific purpose and held subject to intrabudget transfer, i.e., transfer to other specific appropriations as needed during the fiscal year. (becomes the "ending balance" at June 30, and the "beginning balance" at July 1.

**Budget:** A plan of financial operation for a given period for specified purposes consisting of an estimate of income and expenditures.

**Budget document:** The instrument used by the budget-making authority to present a comprehensive financial program (for California Community Colleges, this Form CCFS-311). Included is a balanced statement of revenues and expenditures (both actual and budgeted), as well as other exhibits.

**Capital Outlay:** The acquisition of fixed assets or additions to fixed asset, including land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or equipment.

**Charts of Accounts:** A systematic list of accounts applicable to a specific entity.

**Community Services:** Educational, cultural, and recreational services, which an educational institution may provide for its community in addition to regularly scheduled classes. Community college districts receive no direct State apportionment for community services.

**Contract Services:** Services rendered by personnel who are not on the payroll of the college system, including all related expenses covered by the contract.

**Current Expenses of Education (CEE):** EC 84362, CRR 59200 et seq. The current General Fund operating expenditures of a community college district excluding expenditures for food services, community services, object classifications 6000 (except Equipment Replacement) and 7000, and other costs specified in laws and regulations.



**Current Liabilities:** Amount due and payable for goods and services received prior to the end of the fiscal year. Current liabilities are paid within a relatively short period of time, usually within a year.

**Deferred Income:** Revenue received prior to being earned such as bonds sold at a premium, advances received on federal or State program grants, or registration fees received for a subsequent period.

**Deficit:** Excess of liabilities over assets.

**Direct Expenses or Costs:** Expenses that can be separately identified and charged as a party of the cost of an activity, department, services, or a product.

**Employee Benefits:** Amounts paid by an employer on behalf of employees. These amounts are not included in the gross salary, but are over and above. While not paid directly to employees, they are nevertheless part of the cost of salaries and benefits. Examples are (1) group health or life insurance payments; (2) contribution to employee retirement; (3) district share of O.A.S.D.I. (Social Security) taxes; (4) worker's compensation payments.

**Encumbrances:** Obligations in the form of purchase orders, contracts, salaries, and other commitments for which part of an appropriation is reserved.

**Entitlement:** An amount of money to which an entity has a right as determined by the granting or awarding party.

**Expenses of Education:** This includes all General Fund expenditures, restricted and unrestricted, for all objects of expenditure 1000 through 5000 and all expenditures of activity from 0100 to 6700.

**Expenses:** Expenditures made or liabilities incurred for goods and services used in the current year.

**Fiscal Year:** For governmental entities in the State of California, the period beginning July 1 and ending June 30. Otherwise, it is usually a period of one year which can by agreement begin at any time and end one year later.

**Fixed Assets:** Assets of permanent character having continuing value such as land, buildings, machinery, furniture, and equipment.

**Fixed Costs:** Those costs, that remain relatively constant regardless of enrollment or volume of business. Examples include interest, insurance, and contributions to retirement systems.

**Full-time Equivalent (FTE) Employees:** Ratio of the hours worked based upon the standard work hours of one full-time employee. For example, classified employees may have a standard work-load of 40 hours per week, if several classified employees worked 380 hours in one week, the FTE conversion would be  $380/40$  or 9.5 FTE.

**Full-time Equivalent Students (FTES):** An FTES represents 525 class (contact) hours of student instruction/activity in credit and noncredit courses. Full-time equivalent student (FTES) is one of the workload measures used in computation of state support for California Community Colleges (see form CCF-320, “Apportionment Attendance Report”).

**Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein.

**Fund Balance:** The fund equity of governmental funds and Trust Funds; the difference between assets and liabilities within a fund.

**General Fund:** The fund used to account for the ordinary operations of the district. It is available for any legally authorized purpose not specified for payment by other funds.

**Indirect Cost:** Elements of cost necessary in the operation of the Local Educational Agency (LEA) or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be determined readily and accurately or for which the cost of such a determination exceeds the benefit of the determination.

**Instructional Aide:** A person employed to assist classroom instructors and other certificated personnel in the performance of their duties; in the supervision of students; and in instructional tasks which, in the judgment of the certificated personnel to whom the instructional aide is assigned, may be performed by a person not licensed as a classroom instructor (EC 88243)

**Liabilities:** Debt or other legal obligations (exclusive of encumbrances) arising out of transactions in the past, which must be liquidated, renewed, or refunded at some future date.

**Long-term Debt:** A loan that extends for more than one year from the beginning of the fiscal year.

**Non-Instructional Program Review (NIPR):** A program review completed by areas that do not have instructional responsibilities. In cases where a program provides instruction as well as support or services, an IPR will be completed.

**Prepaid Expenses:** Goods or services for which payment has been made, but for which benefits have not been realized as of a certain date; e.g., prepaid rent, prepaid interest, and premiums or unexpired insurance. Benefits and corresponding charges to expenses will be borne in future accounting periods.

**Program Accounting:** A system of accounting in which records are maintained to accumulate income and expenditure data by program rather than by organization or by fund.

**Restricted Accounts:** Cash and/or other assets, which are limited as to use or disposition by their source. Their identity is therefore maintained and their expenditure or use is also recorded separately.

**Sales and Use Tax:** A tax imposed upon the sale of goods and services. The use tax is paid in lieu of sales tax on goods purchased outside the state, but intended for use in the state.

**Self-Insurance Fund:** An Internal Service Fund designed to account for income and expenditures of self-insurance programs.

**Student Learning Outcomes (SLOs):** The expected knowledge, skills or attitudes students will have after completing a course, program, or leaving the institution after accomplishing an academic goal.