Assessing the Budget Process Ohlone Community College District

Background

The budget is required by Ed Code §70902 (b) 5 in order for the college to legally operate. The California Code of Regulations Title 5 §59011 further defines what the elements of the budget cycle need to be in order to comply with the Ed Code. The elements are:

- A budget calendar must be developed and presented to the Board of Trustees on or before March 31.
- A Tentative Budget must be in place before July 1st.
- Public Hearing is required prior to the adoption of the Final Budget.
- The Budget Book will include all major assumptions.
- The Final Budget must be approved by the Board of Trustees on or before September 15th.
- Subsequent reports must be made to the Board of Trustees’ on a quarterly basis and filed with the Chancellors Office 45 days after the end of the quarter (311Q).
- A yearly budget and financial report must be filed 3 months after the year end (CCSF311).
- The General Operating Budget of the District shall support the District’s master plan and educational plan;
- The budget document must be based on documented assumptions that are presented to the Board for review;
- The budget must contain a 5% contingency reserve that requires board resolution to utilize.

In addition to the legal requirements, WASC requires that an institution demonstrate improved effectiveness through systematic planning and resource allocation. Standard I.B.3 states, “The institution assesses progress toward achieving its stated goals and makes decisions regarding the improvement of institutional effectiveness in an ongoing and systematic cycle of evaluation, integrated planning, resources allocation, implementation, and re-evaluation.” (pg.16).

The college is fulfilling the legal requirements and has slowly over time worked toward integrating the planning with the resource/budget allocation process. The first step was taken when program review was first instituted in 1999/2000. Budget increases and added positions were required to be documented in the departments program review.

AB 1725 set out requirements for faculty involvement in shared governance through the Faculty Senate. There are a number of areas of involvement but pertinent to the resource allocation process, the Faculty Senate must approve the priority of new faculty positions.

In 2005/06 the college council allocated $1.5M of one time funds for the express purpose of funding the program improvements that came out of program review, which was on a three year cycle at the time. In that way each of the cycles would have access to improvement funds. The council developed a formal process for allocating these funds and applications were accepted and evaluated for advancement of the college goals. This process was in place for 2 complete years. Council
assessed this process after the second year. Program review was the basis for all of the requests but budget managers were not involved in the process and competing factions within the departments were vying for the funding. There were also significant requests for computer labs and the council determined that a more appropriate venue for these requests was the Technology Committee.

The economic downturn halted this process in 2008-09 In 2008 a team assessed the program review process looking toward implementing an online process utilizing CurricUNET.(See assessment of Program Review.) A review of the program budget was added to this process along with specific resource allocation for Program Improvement Objectives (PIO).

In 2003-04 a change of leadership instituted the College Council as the primary shared governance committee. This committee combined the strategic planning committee and the budget committee into one body to aid with the integration of planning and budget.

After the accreditation self assessment was complete and another change in leadership, it was clear that the charge of the college council was too expansive. A Budget Task Force was convened to ascertain what the charge of the new budget committee should be. The task force was made up of 5 budget experts: Dean, classified, confidential, faculty and the Dean of Business with oversight from the VP of Administrative Services.

This team met 5 times. They familiarized themselves with the current budget, the legal requirements

**Description of the Current Process**

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<th>January</th>
<th>Business Office reviews 2nd Quarter Data</th>
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<tr>
<td></td>
<td>Assesses revenue and all funds looking for budget trends</td>
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<td>Notify managers where problems are encountered</td>
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<table>
<thead>
<tr>
<th>February</th>
<th>Set Budget assumptions based on Governors Budget</th>
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<tr>
<td></td>
<td>and best guess of other revenues</td>
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<td>Set scenarios for possible changes in revenue</td>
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<tr>
<th>March</th>
<th>Meet with Budget managers to set next year’s allocation</th>
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<td>• Review staffing</td>
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<td></td>
<td>• Adjust for fixed cost increases</td>
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<td>• Move budget to accommodate POI’s</td>
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<tr>
<th>April</th>
<th>Review GL and look for trends in revenue and expenses</th>
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<td>Estimate fixed costs ie insurance, utilities, contracts</td>
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| May           | Prepare the Tentative Budget for passage in June |

(missing from here, since we have not had any for a couple of years, is the faculty senate participation in new faculty position and instructional equipment/materials planning.)
The proposed process from the Budget Task Force addresses when to insert the budget committee and PIO’s into the budget process.

**Proposed additions to the Process**

- Administrative Services will develop preliminary estimates of revenue and committed costs and will prepare budget development instructions.
- The Budget committee will review the estimates, committed costs and instructions and offer questions and communicate back to constituents.
- In the Fall Departments are allocating the resources at the program level for the current year and completing Program Reviews.
- In the Spring, the new PIO will go through the 2 stage prioritization processes.
- The budget committee will gather information about the next year’s budget as well as review how the current budget is progressing and communicating back to their constituents.
- After the PIO Prioritization Sub Committee and the RAT have done their work then the budget committee will take the projected revenue and the committed expenditures and add the appropriate PIO’s to the budget.
- Tentative budget will be presented to the VP’s and College Council.
- Then the budget will be presented to the Board of Trustees for approval and implementation on or before June 30th.

**Involvement and roles**

In the budget preparation process the primary participants are the Business Office and Budget Managers and the Board of Trustees. All of whom are well aware of their role. It is assumed that Budget Managers are communicating with their respective departments for input into the process. Faculty Senate provides input and approves the prioritization of faculty positions. College Council has played the role of the review of budget information and reports. Because the College Council does not have sufficient time to address all of the aspects of budget planning and prioritization processes, the proposed budget committee will provide additional shared governance participation and add to the overall campus dialogue. The Budget Committee has not yet met however, the first charge will be to make sure that each member of the proposed 7 member committee understands their role.

**Research and Data**

The budget process draws from analysis of past activity and expected future revenues from the state and other sources. Information is gathered from divisions and departments and outside sources to estimate expenditures. The Fulltime Faculty Obligation Number (FON) and the 50% calculation are taken into consideration. The Ed Code and the CCR Title 5 are taken into consideration to develop the appropriate mile stones.

**Opportunities for Input and Vetting**

This occurs at all levels of the campus community. Budget managers, College Council and the Board of Trustees are kept informed of what the activities at the state mean to the college and current outcomes are presented to the same constituent groups.
The proposed responsibilities of the new budget committee will add more opportunity for dialogue and a better understanding of the budget process. This group will also complete the linkage between strategic planning, program review and budget.

**Integration with Other plans and Processes**
The new program review model includes budget as an element of the review. Any request for additional positions or funding will require a PIO from the Program Review Process. The new committee will link funding sources to the Strategic PIO’s and prioritize/recommend PIO’s for the Foundations Mimi-Grants.

**Product of the Planning Process**
The product is the operating budget that is linked with the Strategic Goals of the College.

**Planning for Sustainability**
Because the budget is a legal requirement, the planning for budget will go on year after year whether it is linked to a plan or not. The budget committee will be an integral part of keeping the strategic plan as part of the budget process.