



## Principles and Guidelines for Budget Increase and Reduction

November 2020

Considering the potential volatility and uncertainty of future budgets, the following principles and criteria are intended to guide the campus in allocating resources to align with the mission of the Campus.

### **Budget Increase and Reduction Principles:**

- Fund core programs and services required for students to succeed
  - Current law defines CCC's core mission as providing academic and vocational instruction at the lower-division (freshman and sophomore) level. Under this mission, community colleges ***prepare students for transfer to four-year institutions and grant associate's degrees and certificates***. Other important statutory missions include ***providing opportunities for workers to update their job skills***.
- Follow collegially developed processes.
- Maintain transparency.
- Budget to the allocated FTES and CCCCCO Vision for Success metrics with consideration to possible additional State growth funding.
- Develop an annual balanced budget.
- Develop reserves for future uncertainties.
- Consider the ongoing costs of new commitments.
- Use the best known information for budget estimates. When uncertain, use conservative estimates.
- Have a systematic process for funding future liabilities; Develop a long-range plan to address future liabilities.
- Continue to provide input into the Resource Allocation Model to consider economy of scale issues.
- One-time funds used only for one-time expenses.
- Honor collective bargaining agreements as they relate to budget increases and reductions
- Adjust to the expansion and contraction of categorical funding resources with consideration to impacts on the General Fund.
- Review and consider budgetary recommendations from consultants (Example: 2014 College Brain Trust study).

### **Guidelines:**

The CHC Budget Committee recommends the following criteria be used to guide specific general fund budget adjustments:

- Provide course offerings in accordance with the "Guidelines for Prioritizing Course Offerings in Situations Where Crafton Either Needs to Reduce or Increase Sections" as developed by the Enrollment Strategies Committee.

- Evaluate and adjust the district assessment as part of the Resource Allocation Model to minimize impact on the student-centered college budget.
- In an effort to maintain transparency, we will obtain input from all constituencies on budgetary directions through collegial consultation.
- Prioritize budget expenses by service level as follows:
  - Service Level 1
    - Non-discretionary expenses required to meet the needs of students, faculty, and staff to meet the annual budget and regulatory mandates. Necessary expenses to maintain minimum course and program requirements. (Examples: instructional supplies and equipment essential to conduct classes, costs to meet safety regulations, regulatory fees, mandated agency fees, accessibility mandates, mandated conferences/staff development to maintain licensure and accreditation)
  - Service Level 2
    - Discretionary expenses not required under statute or mandate needed to maintain the minimum level of operations/services. However, these are high priority expenses that contribute to student success and the maintainability of the college. These are high priority expenses that do not violate regulations if not funded, but are needed to facilitate instruction/operate/service the campus (Examples may include: non-critical supplies/services/equipment, high-priority marketing expenses, tutoring, outreach,)
  - Service Level 3
    - Discretionary expenses to improve service and the physical environment. (Examples may include: elective conferences, mileage--unless required by contracts, non-critical marketing, contingency budgets)
  - Service Level 4
    - General Fund expenses not included in Levels 1, 2, 3 above (Examples may include: elective events not directly supporting the college).
- Incorporate and utilize annual planning and program review priorities for funding when discretionary resources are available.

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Reviewed and Accepted by Crafton Council: 11/10/2020

Reviewed By:

- Classified Senate 5/22/20 and 9/11/20
- Student Senate 9/14/20 and 9/21/20
  - Academic Senate 9/30/20

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