



Principles and Guidelines for Budget Increase and Reduction

April 2024

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 primary mission as providing academic and vocational instruction. Under this mission, community colleges ***prepare students for transfer to four-year institutions and grant associate's degrees and certificates through career and technical training programs***. Other important statutory missions include ***providing opportunities for workers to update their job skills***. (Cal. Ed. Code § 66010.4)
- Follow collegially developed processes.
- Maintain fiscal transparency through participatory governance.
- Create a budget that aligns with FTES allocation and CCCCCO Vision for Success metrics, while also factoring in potential State growth funding. Develop an annual budget with consideration to the district-wide allocation and planned expenses.
- Develop a fiscal reserve on campus to mitigate future uncertainties and support strategic initiatives.
- Consider the ongoing costs of new funding commitments.
- Use the best known data to develop budget estimates. Without applicable data, use conservative estimates.
- Have a systematic process and a long-range plan for funding future liabilities.
- Continue to provide input into the Resource Allocation Model to consider economy of scale issues.
- Use one-time funds only for one-time expenses.
- Honor collective bargaining agreements as they relate to budget increases and reductions.
- Adjust to the changes in categorical funding with consideration to impacts on the General Fund.
- Review and consider budgetary recommendations from consultants as applicable.

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 recommended prioritization of courses from the Enrollment Strategies Committee.
- As funding changes occur, recommend modifications to the district assessment within the Resource Allocation Model to minimize its impact on the student-centered college budget.

- To maintain transparency, obtain input from all constituencies on budgetary directions through collegial consultation.
- Budget reductions may be identified by utilizing the following strategies in applying the above principles and guidelines:
 - Identify potential reductions to campus overhead and contingencies.
 - Consider alternative funding sources to support any potential General Fund reductions.
 - Align instructional and student services budgets at state and district funded levels.
 - Review cost of services and evaluate essential service levels.
 - Vice Presidents and managers discuss with faculty and staff possible budget reductions.
 - Consider adjustments to class scheduling to consolidate into certain buildings to reduce utility costs.

To assist with discussions, areas, divisions, and departments may utilize the following definitions to help determine budget priorities:

Level 1 Expenses – Highest Priority

- 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, mandated student services, costs to meet safety regulations, regulatory fees, mandated agency fees, accessibility mandates, mandated conferences/staff development to maintain licensure and accreditation)

Level 2 Expenses

- 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, marketing and outreach expenses, and tutoring).

Level 3 Expenses

- Discretionary expenses to improve service and the physical environment. (Examples may include: elective conferences, mileage--unless required by contracts, contingency budgets)

Level 4 Expenses – Lowest Priority

- General Fund expenses not included in Levels 1, 2, 3 above (Examples may include: elective events not directly supporting the college).

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