Budget Development Criteria, Values and Guiding Principles

Each year, the Chancellor shall present to the Governing Board a budget, prepared in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual. The schedule for presentation and review of budget proposals shall comply with state law and regulations and provide adequate time for Board study.

The Governing Board recognizes that the annual budget is the District's primary financial planning document and a critical tool for advancing the educational mission of the District and supporting the well-being of students and the employees who serve them. Budget development shall be guided by principles of transparency, accountability, fiscal stewardship, and shared responsibility. Accordingly, the Budget Development Criteria, Values, and Guiding Principles associated with the District's Budget Development are provided below.

Development Criteria

The budget development process shall meet the following criteria:

1. The annual budget shall support the District's strategic ~~master~~ plan and the colleges' educational and facilities ~~master~~ plans and be developed in alignment with the parameters outlined in Business Procedure 18.02.

2. Assumptions upon which the budget is based are presented to the Board for review.

3. A schedule is provided to the Board at the November Board meeting each year that includes dates for presentation of the Tentative ~~b~~Budget, required public hearing(s), Board study session(s), and approval of the ~~a~~Adopted ~~b~~Budget. At the public hearings, interested persons may appear and address the Board regarding the proposed budget or any item in the proposed budget.

4. Unrestricted general fund reserves shall be no less than two months of unrestricted general fund operating expenditures as specified in Business Procedure 18.01. Reserve levels shall be reviewed annually during the annual budget development process. If reserve levels fall below the minimum levels, the District shall develop a plan through the annual budget process to replenish the funds within three years.

5. Changes in the assumptions upon which the budget was based shall be reported to the Board in a timely manner.

6. Budget projections address long-term goals and commitments.

Development Values

The budget development process will be carried out with a commitment to honesty, integrity, transparency, and an overall sense of collegiality. Fiscal prudence and conservatism will be exercised in the development and management of the budget. These values will be upheld by ensuring:

1. Discussions and actions are student centered.

2. Communication of financial information will be practiced to ensure dialogue among constituencies and honest portrayal of the District's financial condition.

3. Decisions on financial matters are data driven.

4. District budget practices are comparable to institutions of similar size, funding changes, and scope.

5. Items included in the budget will be based on need.

6. Commitment to fostering employee engagement, dialogue, and feedback in support of informed budget decisions that promote student success.

Development Guiding Principles

The District's and colleges' Strategic Plans and the following guiding principles are the criteria used in development of the budget. The allocation of resources shall be guided by the following six principles:

1. Transparency and Clarity
   - The data, assumptions, and processes used to allocate funding must be consistent, accessible and transparent
   - Colleges must be able to understand how enrollment, student outcomes, and other funding factors affect their allocations

2. Collaborative Growth and Financial Health
   - Support sustainable growth and long-term financial health across 4CD
   - Reinforce collaboration among the colleges and the District Office
   - Acknowledge the interdependence of District sites and the shared benefits created by enrollment growth and improved student outcomes anywhere within the District

3. Target Setting and Data-Informed Decision-Making
   - Leverage the base, supplemental, and student success components of SCFF by incorporating annual college targets that support strategic enrollment management, improved student outcomes, and progress toward District and college strategic goals
   - Targets are to be informed by reliable data and evaluated within the context of each college's opportunities and challenges
   - Targets are to be evaluated and adjusted on a yearly basis

4. Stability and Predictability
   - Provide sufficient budget stability and predictability to support multi-year planning, staffing continuity, and consistent services and support for students and employees
   - Adopted budget allocations should be stable for the year, with adjustments made in the subsequent year

5. Innovation, Flexibility, and Continuous Improvement
   - Provide sufficient flexibility and responsiveness to address changes in revenues, expenditures, and Federal, State, and District priorities
   - Encourage innovation
   - Recognize continuous improvement in enrollment and student outcomes

6. Recognition of Unique College Contributions
   - Recognize and support the distinct contributions each college makes to the District as a whole

Education Code Section 70902(b)(5) Title 5, Section 58300 and following

Adopted: 7/30/08

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Related Board Policy:
Board Policy 5031

Related Procedures:
Business Procedures 18.01, 18.02, 18.06