

Document # MSOP1	Title: Budget Development Process	Print Date: 7-25-2014
Revision # 1.0	Prepared By: Dr. Dativa Del Rosario	Date Prepared: 7-25-2014

Purpose: To provide procedures and guidelines for budget development process that allows integration of financial resources planning and institutional planning at both the College and District levels.

Scope: This procedure applies to all employees (Faculty, Staff, Administration and Student Representatives) who are involved in the budget development process for their respective departments.

Responsibilities:

PCCD District Finance, Planning and Budgeting Council, Vice Chancellor of Finance, Budget Director

College President

Director of Business and Administrative Services

Cost Center Manager

Participatory Governance Committees such as College Budget Committee, College Educational Master Planning Committee, College Council

Definitions and Abbreviations

- **Budget Accounting codes – 23 Digit accounting codes used to identify the expenditures in the commitment control system.**

Procedures:

1.0 DISTRICT BUDGET ASSUMPTIONS

In developing each year's allocation, a set of budget assumptions is utilized to ensure that college budgets are (1) built by the use of current data, (2) remain within expenditure requirements, and (3) are balanced.

1.01 For the fiscal year 2014-15 the District used the following assumptions

1.1 GENERAL ASSUMPTIONS

1. The Adopted Budget will be balanced.

2. The Adopted Budget will have a contingency reserve of no less than 5%.

3. The District and colleges will use plans, planning documents, and planning processes as a basis for the development of their expenditure budgets.
4. The District does not intend to issue a Tax Revenue Anticipation Note (TRANS) for the coming Fiscal Year.
5. All State Apportionment deferrals will be eliminated.
6. There will be a line item in the budget for facilities maintenance and repair.

1.2 Revenue Assumptions:

1. General apportionment deficit factor 2% from 2014-15.
2. Access money, formally referred to as enrollment growth funds, for PCCD of 2.5% for 2014-15, estimated 374 FTES which means approximately \$2 million for PCCD.
3. The Cost of Living Adjustment (COLA) of .85% for 2014-15 equals \$850,657 for PCCD.
4. Full Time Equivalent Student (FTES) base of 19,355; funded base credit FTES of 19,055. This is a 2.5% increase from 2013-14 P1 Certified FTES.
5. Funded base non-credit FTES of 91.48.
6. Anticipated property tax receipts of \$28,645,643 which is an increase of \$561,679 or 2% from 2013-14 estimate.
7. Unrestricted lottery at \$126.00 per funded FTES.
8. Mandated Cost Block Grant budgeted at \$503,771. This is the same as prior year.
9. Third Year of Parcel Tax estimated to be \$8,053,385.

1.3 Expenditure Assumptions

1. The District will meet all negotiated contractual obligations.
2. Step and column salary increases will be included.

3. Projected Public Employee Retirement System contribution increase to 11.771%, an increase of .329% estimated to be \$73,563.
4. State Teachers Retirement System increased to 8.88%, an increase of .63% which is estimated to be \$198,600.
5. Maintain the District contribution to DSPS of \$1.15 million.
6. Any restricted funding cuts or cost increases must be borne by the respective program.
7. Increase in Medical premiums up to District cap, estimated increase cost of \$979,893:
 - Kaiser 0% increase from prior year
 - Traditional PPO (PFT, Admin, SEIU) – 26% increase
 - Lite PPO (PFT, Admin, SEIU) – 24.9% increase
 - Traditional PPO (Local 39) – 22.1% increase
 - Lit PPO (Local 39) – 17.5% increase
8. No increase to OPEB required contribution.
9. Allocation of new faculty positions is based on achieving parity within the Colleges.
10. Utilities to be budgeted at the campus level at the prior year rates plus 2% for inflation. This increase in site discretionary budgets and a decrease in the Department of General Services budgets for this purpose will total in an increase of \$71,801 increase.
11. 1% adjustment to PFT salary schedules, to equalize the on-going cost with other unit settlements from 2012-13, estimated adjustment to be \$299,859.
12. Increase in Workers Compensation rate of .1% to 1.3% of payroll, estimated cost to be \$54,500.

2.0 DISTRICT BUDGET PROCESS

1. All colleges and district office service centers returned their budget development documents to the Vice Chancellor of Finance on or before the deadline in the budget building calendar.

2. Based upon these documents, and the Final Budget Assumptions, a Tentative Budget is compiled and approved by the Board of Trustees in June.
3. The Tentative Budget is communicated throughout the institution through the participatory governance structure via the Planning and Budgeting Council.
4. When the State adopts its final budget, the District will begin to work to refine and adjust the Tentative Budget to establish the Final Budget which is then approved by the Board of Trustees. This includes final prior year expense information, projected ending balances, and updated revenue information. .

2.0 COLLEGE BUDGET DEVELOPMENT PROCESS

- 2.1 The college budget is driven by the college mission, vision, values, goals and strategies, in accordance with the College's Education Master Plan, Facilities Master Plan and Strategic Goals and Objectives. The College conducts Program Reviews every three years and mission and goals are always at the forefront for consideration. Annual Program Updates (APU's) are completed every October of each year by all instructional programs and student support services.
- 2.2 The Budget Allocation Process started with consultation with the department chairs, then to the College Budget Committee and then to the College Council.

The following steps are followed:

1. Baseline budgets are provided for all disciplines at the meeting conducted in February/March CDCPD meeting.
2. Department Chairs compile the list of requests and entered in the Budget Template provided by the District Finance. All requests are documented in task stream and reports must be attached.
3. Department Chairs hold department meetings with Division Deans and SLOAC chair (if desired) to facilitate a discussion of priorities for the upcoming fiscal year. A list of priorities will be made for inclusion in the budget request spreadsheet.
4. Department Chairs complete the budget request spreadsheet and submit to Division Deans with copies of task stream reports and minutes from the budget prioritization meeting.
5. Division Deans compile the budget requests and submit to Vice President of Instructions, then to Business Manager for review.
6. The submitted budget requests is submitted to the College Budget Committee, to College Council and then to President for approval.

7. The completed budget requests are submitted to District Finance for incorporation in the overall District-wide budget and then for approval by the Board of Trustees.

Forms/Records:

Form #	Record/Form/Activity Name	Satisfies Clause
Required by Standard		
Board Policy 6200 Budget Preparation		
Board Policy 6300 Fiscal Management and Accounting		
Board Policy 6320 Investments		
District Budget Calendar		
College Budget Development Flow Chart		