

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
CONTROLLER'S OFFICE
MEMORANDUM**

TO: DR. STUART M. BUNDY
Chancellor

FROM: JACOB R. SHERMAN
Controller

DATE: March 29, 1996

SUBJECT: FY-97 BUDGET ALLOCATION MODEL

OBJECTIVES

- Promote budget stability
- Encourage efficiencies and effectiveness
- Enhance communication throughout the district
- Provide a fiscal framework to compliment strategic planning in the district

FY-96 BUDGET ALLOCATION PROCESS/MODEL

- **In January prior to the budget year:**
 - The Board of Trustees adopts the budget calendar providing the timelines necessary for discussion and adoption of the district budget.
 - The governor presents his/her proposed budget to the legislature and district staff attend budget workshops on the governor's proposed budget impact on California Community Colleges. Based on the information from the Governor's Budget and Chancellor's Office workshops, the controller prepares the first simulation of the proposed budget impact to SBCCD and distributes same among the district community.
- **In February prior to the budget year:**
 - Controller and appropriate college representatives work together to identify site-specific budget needs, including preventive maintenance, program needs and campus renovation projects.
 - Staff presents the budget simulation and suggested budget needs as identified by the sites to the trustees for their discussion.

Existing policy calls for the Board of Trustees to give initial direction concerning the development of the budget to include (1) any changes of policy concerning the distribution of resources; (2) any changes in mission requirements; and (3) a determination of the amount of resources expected to be available during the fiscal year for which the budget is being prepared

- The board adopts budget directions at their February meeting. Additional board directions may be subsequently given to prioritize unique district-wide concerns (i.e., instructional technology).
- The budget calendar, adopted budget directions, and budget forms are submitted to the sites and cost centers.
- The site CEO communicates to the cost centers and budget committees his/her budget goals, guidelines and timelines. Budget calendars, adopted budget directions and budget forms are submitted to the cost centers.
- **In March prior to the budget year:**
 - The site cost centers "request" budgets are presented through administrative channels to the site CEO in accordance with the site calendar.
 - The request budgets are submitted to the controller for input and comment.
 - The request budgets are revised as necessary by the sites to comply with site and board directives and are resubmitted to the controller with certification by the site CEO that the budgets are in compliance with site and district directives.
- **In April prior to the budget year:**
 - The preliminary budget is submitted to the sites and the chancellor's and collegiate cabinets are given the controller's analysis of the district budget as to compliance with the stated objectives and as to any identified changes from the governor's proposed budget.
 - Adjustments are made to the site budgets as necessary.
 - Budget workshops are scheduled as necessary/requested.
- **In May prior to the budget year:**
 - The preliminary budget is submitted as an information and discussion item to the Board of Trustees.
 - Budget workshops are scheduled as necessary/requested.

- Adjustments are made to the site budgets as necessary.
- **In June prior to the budget year:**
 - The tentative budget is adopted by the trustees, as required by the Education Code so that the district can legally expend resources in the fiscal year beginning July.
- **In July of the new budget year:**
 - The state budget is adopted.
 - Adjustments are made to the tentative budget as necessary.
- **In August of the new budget year:**
 - Following public hearing, the trustees adopt the budget.
- **In February/March of the budget year:**
 - The controller prepares a mid-year budget report and recommends reduction/augmentation as appropriate.

Budget Guidelines/Model

- The sites are responsible for their budgets, including adjusting their budgets to cover deficits in the following major object accounts:
 - 1300 - Part-time/Overtime Instructors
 - 1400 - Part-time/Overtime Noninstructors
 - 2300 - Part-time/Overtime/Student Noninstruction
 - 2400 - Part-time/Overtime/Student Instructional Aide
 - 4000 - Supplies
 - 5000 - Other Expenses
 - 6000 - Capital Outlay
- The site CEO, after consultation with budget committees, managers, etc., prioritizes site expenditures and allocates available resources accordingly.
- Fiscal services budgets and is responsible for the following district-wide major object accounts for all sites:
 - 11CJ - Full-time Contract Instructors
 - 1200 - Full-time Contract Noninstructors
 - 2100 - Full-time Contract Noninstruction
 - 2200 - Full-time Contract Instructional Aides
 - 3000 - Employee Benefits

- If new monies are available for contract staff expansion, the sites submit their prioritized request to the chancellor. The chancellor, after consultation, determines the district-wide expansion priorities and any additional site budget allocation.
- If contract staff salary savings are realized due to specific site action, those savings may be retained by the site to spend according to site priorities. (Exception example - Golden Handshake negotiated by the district intentionally to reduce salary budgets).
- Savings due to resignations where the position is filled by younger or less experienced personnel are retained by fiscal services for use in district-wide personnel costs - e.g., step advancements, reclassifications, and higher than budgeted new employee costs.
- Based on the FTES cap established by the State Chancellor's Office, fiscal services budgets instructional staff (usually 1300's budget object) for FTES growth or decline and, after site and chancellor's cabinet consultation, allocates same to the sites in accordance with their capacity for growth or decline.
- To encourage effectiveness/efficiency and recognize the ability of the sites to accumulate funds for capital improvement, after funding all deficit site-responsible accounts, the sites may carry over current year budget savings to the next fiscal year (exception: 1300's = 50%).
- With mid-year corrections, one-time only income additions are used for one-time only expenditures and, after collegiate cabinet discussion, are funded by the chancellor for prioritized projects as submitted by the sites.
- With mid-year corrections, new growth revenues are allocated to the two colleges in accordance with their ratio of two-year average of FTES and major objects 4000, 5000, and 6000.

Fy-97 ALLOCATION MODEL

The changes to the FY-96 model are to add under the budget guidelines:

- Any changes to the budget guidelines will be published in June prior to the budget year.
- A site based income budget will be established for FY-97. Any change in that budgeted income will be the responsibility of the site; e.g., shortages or excess will adjust the site expenditure budget. (Example: nonresident tuition, an increase in revenues compared to budget will result in available expenditure funds).

Cc: Budget Committee Chairs: Assembly/CHC/SBVC
 Ongoco/Temple Chancellor's Cabinet
 Collegiate Cabinet