

<b>CCC Board of Education– Topic Summary</b>	
Topic:	Budget Planning Principles
Date:	March 15, 2023
Prepared By:	Jeff Shaffer, Interim Vice President of Finance & Operations/CFO
Division/Department:	College Services
<b>RECOMMENDATION:</b>	Adopted the Budget Principles for 2023/24 Budget Development

**BACKGROUND**

The Board of Education annually reviews budget guidelines as part of the budget development cycle. As described in the Government Finance Officer Association’s (GFOA) *Best Practices in Community College Budgeting*:

Budget principles are general guidelines that a college intends to honor through its budget process. Principles are not technical and can be understood and appreciated by all members of the organization and the public. By adopting budget principles, a college’s decision makers can create overarching values to help frame and guide budget deliberations. A college should collaboratively develop budgeting principles and policies with those who have executive authority to propose a budget and those who have legislative authority to approve it, as well as the strategic planning and the finance departments.

Budget principles create overarching values for prioritization and resource allocation. Key principles to consider include defining goals for student achievement, using data to drive decision making, allocating dollars optimally to create the most benefit given the cost, reviewing past spending decisions, developing and adhering to a multi-year funding plan, and accounting for and reporting the true cost of serving students and the resulting outcome.

Budget policies help a college to identify its financial action and provide a standard against which its fiscal performance can be judged. These policies could address establishing a general fund reserve, long-term forecasting, capital asset maintenance and replacement, monitoring of revenues and expenditures, diversification of revenue, pension and other post-employment benefits, and grant funding.

**REPORT**

This report articulates the budget principles, which provide the parameters for the development of the 2023-24 budget.

The college’s measures by which we are able to gauge our success in achieving all aspects of our mission in statute, accreditation and board policy are reflected in our four Strategic Priorities. Strategic priorities are focus areas and initiatives which are designed to improve the College’s ability to achieve mission fulfillment. The current strategic priorities are:

### Strategic Priority 1: Diversity Equity, and Inclusion

Attract, retain, and uplift systemically non-dominant students and employees

- Modify and regularly deploy DEI Climate Survey
- Create tracking process for DEI Framework application
- Extend DEI planning efforts beyond the current three-year strategic plan

### Strategic Priority 2: Excellence in Teaching and Learning

Lead and support ongoing development and improvement of equitable innovative and responsive learning environments for students and employees

- Define and implement equitable best teaching and learning practices
- Utilize student and employee feedback and student outcomes to improve teaching and learning practices
- Invest in equitable, innovative, and responsive professional development and learning

### Strategic Priority 3: Holistic Student Support

Collaborate with students both in and out of the classroom to understand and respond to their needs / goals

- Create and maintain up-to-date, consistent messaging and shared knowledge related to student support
- Improve ease of access to and between services
- Strengthen students' sense of belonging at CCC

### Strategic Priority 4: Organizational Health

Strengthen our organizational culture, our systems, and our stewardship of resources in order to better empower employees to fulfill our central mission

- Commit to continuous quality improvement of major processes, including the College's approach to the CQI cycle.
- Coordinate and improve the approach to empowering employees through training and transfer of knowledge
- Create and curate a knowledge base of operational documentation
- Implement an Employee Climate Survey

### Strategic Priority 5: Community Connections

Cultivate and nurture responsive and sustainable community relationships

- Align our relationship tracking, systems, and supports

- Develop and implement an approach to assess the health of our relationships
- Engage thoughtfully and intentionally with our community

### **Board Budget Principles**

The current principles from the FY 2022-23 budget development process include:

- Ensure budget supports improvements in Mission Fulfillment by integrating Strategic Priorities and program and service area assessment results with budget allocation decisions.
- Consider CCC's affordability, district median income, and comparability with other metro-area community colleges when establishing total student costs, including tuition rates.
- Focus on fiscal responsibility, return on investment, and strategic resource realignment in budget allocations, and minimize ongoing resource requests beyond the three-year horizon.
- Maintain Board required minimum ending fund balance throughout a three-year forecast, with an emphasis towards balancing revenues and expenditures over a four-year planning horizon.