

SECTION THREE

BUSINESS SERVICES

3A Fiscal

3A1 Budget Development

3A1A Each year, the Chancellor shall present to the 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. See [Procedure 3A1](#) of this Manual for Budget Preparation Guidelines.

The budget development shall meet the following criteria:

- 3A1A1 The annual budget shall support the District-wide master and educational plans.
- 3A1A2 Budget projections shall address long-term goals and commitments.
- 3A1A3 The annual Budget shall not exceed estimated revenues for the Budget year excluding District-wide or College reserves.
- 3A1A4 The Budget may include a separate request to use District-wide reserves.
- 3A1A5 Assumptions upon which the budget is based are presented to Board for review.
- 3A1A6 A schedule is provided to the Board by December of each year that includes dates for presentation of the tentative budget, required public hearing(s), Board study session(s), and approval of the final budget. At the public hearings, interested persons may appear and address the Board regarding the proposed or any item in the proposed budget. Unallocated District-wide unrestricted general fund reserves shall be no less than fifteen percent (15%).

The budgeted unrestricted general fund reserves calculation will be based upon the projected unrestricted expenditures multiplied by fifteen percent (15%). College budgeted reserves will not be considered as part of District-wide reserves.

Each of the colleges shall maintain a minimum reserve of three percent (3%). These reserves will be established as unrestricted reserves for obligations and contingencies. The college reserves shall be calculated on the same basis as the District-wide reserves and will be applied to each institution.

3A1A7 Purpose of Reserves - The District-wide unrestricted general fund reserves are intended to provide resources for cash flow management, unfunded liabilities, risk mitigation, significant emergencies, and a buffer against future budget reductions. The District may incorporate into the annual budget an appropriate level of reserves to provide resources for these purposes. Unless the District is confronted with catastrophic issues, or the Board authorizes a deviation at no time should District-wide reserves fall below the minimum levels contained in Policy 3A1A6. Reserves in excess of these needs may be used for the following purposes:

- a) Provide resources to maintain mission critical educational programs. Provide resources for the expansion, reduction, or restructuring of College/District programs and services.
- b) Provide capital funds to invest in infrastructure that will lower operational costs, improve efficiencies, improve safety/security, and/or enhance the delivery of educational and/or support services.
- c) Excess reserves to be used as directed by the Board.

3A1A8 Changes in the assumptions upon which the budget was based shall be reported to the Board in a timely manner.

3A1A9 Budget allocations of funds will be made to the Colleges and District Office and will be reviewed by the Board of Trustees and Chancellor's Cabinet. Generally, the allocations to each College and to the District Office shall be based upon the Board approved allocation model. The Chancellor or designee shall work with representatives of the College Academic Senates and other District-wide constituent groups represented on the Chancellor's staff in designing the process for development of the District budget.

3A1B College budgets are prepared under the supervision of the College President or designee. The College President or designee shall work with the College Academic Senate in designing the processes for development of the College budget.