

### **3A1** Budget *(revised April 8, 2010)*

**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 the 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 budget or any item in the proposed budget. See **Appendix 3A1B** of this Manual for current calendar for development of budget. District-wide unrestricted general fund reserves shall be no less than five percent (5%). The budgeted unrestricted general fund reserves calculation will be based upon the projected unrestricted expenditures multiplied by five percent (5%). College budgeted reserves will not be considered as part of the District-wide reserves.

#### **3A1A7** Purpose of Reserves

The District-wide and College 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, at no time should District-wide reserves fall below the minimum levels contained in 3A1A6. Reserves in excess of these needs may be used for the following purposes:

a) Provide resources to maintain mission critical educational programs (General Education/Transfer, Developmental Education, and Career Technical Education) and support services.

b) Provide resources for the expansion, reduction, or restructuring of College/District programs and services.

c) 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.

**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 each College and District Office are allocated a proportional share of the anticipated income based upon size of the College. Procedures for allocation may be reviewed and revised annually.

The Chancellor or designee shall work with representatives of the College Academic Senates and District staff in designing the process for development of the District budget.

**3A1B** College expenditure 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.

**3A1C** The Colleges and the District Office/Central Services will each establish unrestricted reserves for obligations and contingencies.

**3A1D** If District-wide, College, or District Office/Central Services reserves decline below the level adopted by the Board in the final budget, then Board approval is required.