

Proposed 5-Year Fiscal Plan Development Process

- Introduction

It is important that the 5-Year Fiscal Plan be developed as part of the on-going, continuous program review – strategic planning – budget cycle. It is also important to remember that the 5-Year Fiscal Plan is a plan, not a budget. As such, the 5-Year Fiscal Plan is presented to the board as an informational item; the plan is not adopted by the board as a budget. The plan will be updated twice yearly, but dramatic and unanticipated events could require more frequent updates to the plan.

- Process

- January

- Process begins after the governor’s proposed budget is announced
- District total Unrestricted General Fund apportionment estimated
- FTES needed to generate the available apportionment estimated
- Estimated revenue and FTES proposed target reviewed by the Planning and Budget Committee (PBC)

- February

- Cabinet reviews revenue estimate and proposed FTES target
- Revenue and FTES target presented to the board as information
- After board review:
 - Total projected revenue used to develop the Tentative Budget
 - FTES target used to develop the academic schedule of classes

- March, April

- Tentative Budget developed
- Schedule of classes developed and finalized
- 5 Year Fiscal Plan updated to reflect the Tentative Budget and revised projections

- May

- Tentative Budget and 5-Year Fiscal Plan finalized
- Tentative Budget and 5-Year Fiscal Plan reviewed by PBC

- June

- 5-Year Fiscal Plan included as an informational item at the board Tentative Budget workshop

- September

- 5-Year Fiscal Plan revised
- 5-Year Fiscal Plan presented to the board as an informational item in the Adoption Budget workshop

- Parameters

- Total Board reserve a minimum of 7%
- All known fixed commitments* fully funded (* must be carefully defined)

- Format

- Year #1 of the five years is the current Budget Year
- Years 2, 3, 4, 5 are projections
- Categorization of fiscal information is congruent with the format of the Tentative and Adopted budgets
- Attached is an example of the format
- General Assumptions – examples
 - Annual FTES goals reflect a combination of
 - Projected state funding
 - The Strategic Plan
 - Realistic enrollment management trends and institutional capacity
 - Revenues
 - Specific known increases are recognized
 - If FTES goal is increased the resulting revenue from that FTES is recognized
 - Increased by the estimated CCC COLA
 - Expenses
 - Specific known increases are recognized (PERS, STRS)
 - Other expenses increase by 75% of COLA annually
 - Expenses budgeted no more than 95% of projected revenues
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