

Santa Monica Community College District
Board of Trustees 2015-2016
Budget Objectives and Principles
Adopted May 1, 2012
Revised June 7, 2016

OBJECTIVES

1. Develop a budget plan that brings available ongoing revenues and expenditures into balance effective with the adoption budget for 2016-2017
2. Protect the College's ongoing operation by maintaining a fund balance for the District of 7.5% or more going forward from 2016-2017.

The following budget principles have been developed in response to the changing environment, including enrollment trends and funding formulas.

PRINCIPLES

- A. The College is committed to student access and success and service to the community.
- B. Ensure that enrollment targets are consistent with the state-funded FTES cap, and, to the degree that they are the basis for revenue projections, can realistically be achieved within the fiscal limitations of the College.
- C. Maintain course offerings that are responsive to student needs and consistent with the State priorities of student success, transfer, career technical, and basic skills education.
- D. Programs will not be eliminated or reduced without careful review of program viability.
- E. Establish and maintain an acceptable cost effective level of learning resources and student support services based on comparative performance data as determined by the College.
- F. Develop and implement a variety of expenditure reduction strategies.
- G. Expedite changes that may produce lower costs over time such as energy saving retrofits, alternative energy sources, reduction or consolidation of facility usage, etc.
- H. Use staff attrition and/or existing vacancies as one means of reaching budget targets, where possible, or as an opportunity for reorganization to increase efficiency.
- I. Seek to spread cost reductions strategically.
- J. Budget planning should attempt to avoid future layoffs of permanent employees. If necessary, the District may seek salary freezes, furloughs, salary reductions, and other temporary or ongoing adjustments.

- K. Continue to seek external sources of funding, such as grants, to support the College's core missions, but avoid those with matching, management, or reporting requirements that demand significant college resources.
- L. Develop a budget process that manages the growth of expenditures based on: analysis of program need (rather than historical allocations); realistic expectations of revenues; updated financial information; and performance measurements.
- M. Review ongoing and future planning initiatives in terms of their long-term advantages to the College in meeting public demand for classes and services, improving student success outcomes, or to provide new revenues. Modify, defer, or abandon as appropriate those for which the costs outweigh their potential for furthering the College's core missions and goals.
- N. Make effective use of the College's established planning structures and processes to recommend specific actions to reach the stated objectives, following the principles listed above. The College President shall clarify how these recommendations will be evaluated and the timelines necessary to arrive at a set of final recommendations for any particular budget cycle.
- O. Develop strategies to address employee health and benefit increases as well as future retiree health and pension liabilities.
- P. Encourage the generation of revenue through entrepreneurial and asset management activity.

Adopted 6/7/2016