Hartnell Community College District

Budget Presentation

September 7, 2010

Building a Sustainable Budget

HARTNELL
COLLEGE

How to Gain Fiscal Stability and Reduce Budget Swings

Using Sound Budgeting Practices

- **Maximize Revenue**

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- Establish Clear Budget Controls
- **Maintain Adequate Reserves**

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- **Student Fees**

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- **Student Fees**
- **State General Fund**

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- State General Fund

Budget for FTES growth only after it is realized
Maximize classroom space utilization, increase class size

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Control Expenses

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- Don’t budget anticipated savings until realized
- **Tie compensation adjustments to state apportionment revenue (income)**

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Balance Revenue and Expenses

- Use on-going revenue for on-going expenses

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- Use one-time revenue for one-time investments

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Establish Clear Budget Controls

- **Provide timely, accurate information for budget monitoring**

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- Make mid-year adjustments when necessary
- Adopt sound cash management policies (borrowing is costly)

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Maintain Adequate Reserves

- **Cash Flow – During July-November expenses exceed revenue**

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- **Demonstrates sound fiscal management (favorable in bond ratings)**

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- **Used to smooth budgets for variable spending patterns**

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- **Required by state (3%), accreditation (5%), and suggested by business professionals (7-10%)**

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