

**Digest of Comments From Interviews  
#2,13,15,20,21,23,24,25,27,32,34, and the  
Budget Focus Group on the Budget Process**

**Definition**

The definition of budgeting as practiced at OCC was fairly consistent among all respondents: in effect; "the process of determining what resources are available to the college annually, and the arrangements for their allocation"

**History**

- Most respondents stated that until quite recently the process of developing the budget was a "top down" procedure dominated by District Office
- Many respondents noted that of late, budget data has been developed at the campus level, DO serving more as a "broker" to the process; this development is viewed as an improvement
- Nevertheless, DO continues to set the calendar for completion of various steps in the process, and this, in turn, is governed by the need for board approval by June

**Advantages**

- The process is participative, it permits general communication within the college community on how monies will be spent
- Top campus priorities are usually funded
- Through this process the college has been able to live within its resources, although all goals could not be met
- It provides a good readout on monies available, and permits one to plan accordingly
- It ensures that the budget will be balanced each year, as required by law
- This approach was necessary and effective prior to passage of the millage

## BUDGET PROCESS

### Digest of Interviews #2, 13, 15, 20, 21, 23, 24, 25, 27, 32, & 34 as well as Budget Focus Group

#### WHAT WAS THE PURPOSE OF THE BUDGET PROCESS?

It was generally felt that the purpose was to allocate college resources to units of the college; a methodology to assign revenue. It has recently changed from being so prescriptive (based on credit production by site) and moving to being more broad based. It was agreed that it needs to take the planning of the college and translate it into dollars so that resources go to the right areas to fund what the college says it is going to do.

#### IN YOUR OWN WORDS, CAN YOU EXPLAIN THE PROCESS USED IN BUDGETING?

In a few words, "here's target dollars, make it fit!" Time-driven (schedule) system that is political with District Office dominating that lacks functional planning up front and executional analysis at end.

Process was further described as evolving from document preparation at District Office with only discretionary dollars discussed with entire (Budget Council) community to one where campuses build budgets based on enrollment projects for the site. Felt that a much more "bottom up" participatory approach based on needs was used on campuses than when all came together at the district level. It is definitely a system of planning to dollar amounts.

#### WHAT DO YOU FEEL BUDGETING ACCOMPLISHED?

It seems that the budget has accomplished several relatively unrelated things. The themes seem to be represented by

- method of disseminating institutional financial information to a broad base of people
- sense of participation and achievement by group of people
- balancing of income and expenditures as required by state law
- status quo thinking and self preservation
- helps units understand own needs
- encourages overspending
- ineffective division of dollars

#### DO YOU FEEL THAT THIS BUDGET PROCESS HELPED YOU IN ACCOMPLISHING YOUR DAY TO DAY RESPONSIBILITIES? WHY OR WHY NOT?

People responding to interviews felt that the "budget" itself helped them focus their daily work in how to plan, how to spend money, what money was available, etc. People responding in the focus group did not feel that there was a lot of "meshing" between the process and what they do on a daily basis. They still

**Disadvantages**

- Historically based, it works to maintain the status quo. It retains elements (programs, etc) that might no longer be relevant or productive
- System encourages spending up to the limit, so allocations will not be decreased the following year; departments often ask for more than they need
- There is not much program analysis. Such program reviews as have been tried are not given sufficient support or time to prove themselves
- Calendar for budget development (still controlled by DO) contains unrealistic deadlines
- Campus centered, "political," with inter-campus competition for funds. There are few mechanisms for district-wide prioritization and allocation
- The one year to which it is limited is too short
- Board interference can set carefully developed plans awry

**Suggestions**

- Current financial report computer program is useless, needs to be replaced
- Planning should drive the budget, rather than the other way around
- Multi- year budgeting would facilitate planning
- More attention should be paid to long range planning
- Begin with mission statement, prioritize functions, then apply resources, which include people, information, time, as well as money

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seem to spend a lot of time and energy "looking for money" within their budgets to fund initiatives. All seemed base responses to the question of whether the budget helped them than whether the budget process helped them.

### WHEN YOU COMPARE THE BUDGET'S PURPOSE TO ITS RESULTS, TO WHAT DEGREE DO YOU BELIEVE IT WAS SUCCESSFUL?

Responses varied from successful to not very successful with the majority centered around somewhat/modestly successful. Seemed to be a definition of successful as "sustaining the organization" and "being fiscally responsible" and "budget driving planning."

### WHAT ABOUT THE BUDGET PROCESS WAS NOT SUCCESSFUL? IN YOUR OPINION, WHAT CAUSED THE PROBLEMS WITH THE BUDGETING PROCESS?

There seemed to be agreement that there was a lack of any year-end analysis, any cost benefit analysis, any tying expenditure closely enough to derive benefits and that these omissions caused problems in the next year's budgeting because the "same old, same old" was preserved. There also seemed to be a sense that the following were problems

- Budgeting precedes planning
- Lack of college-wide budget criteria
- Funding is done out of historical perspective
- Lack of program and support reviews
- Decisions are made based on previous year's figures and decisions
- College culture of competition instead of collaboration between sites
- Guidelines are moving targets

### HOW COULD THE BUDGETING PROCESS HAVE BEEN MORE SUCCESSFUL AT OCC?

It was felt that more success could be realized by incorporating a few ideas such as

- Better conceptual understanding of what the college is trying to accomplish accompanied by a better clarification of using analysis to develop priorities and better clarification of roles in the process
- Better development of planning model before budgeting including forecasting over a rolling five-year period, with revisions in budget mid-year with better communication of the what and why of changes
- Establishment of clearer consistencies and expectations
- Better communication of "real" situation--where surpluses exist, need for "slush"--would eliminate suspicions
- Installation of financial management system on technology that is not "user hostile"
- Make decision-making process a more open process that everyone can understand
- More training and orientation for those working directly with the budget

① What was the purpose of budget process.

#21 To determine allocation of funds.

#23 Tight central control ~~partially~~ to assure financial integrity. Evolved to a more release and empowerment process.

#24 To outline the plan for expenditures. The budget was a tool to control expenditures.

#25 To reflect based on the assumption of incoming revenues what the priorities we have in terms of expenditures.

#20 To establish some logic and equity in the allocation of college resources to campuses, sites, departments. To make sure we all got paid.

#15 No clear purpose given.

#13 To allocate the available funds to the various programs.

#2 To allocate the resources that the college has to the units.

#27 To determine what finances it would take to run the college.

#32 To take the planning of the college and translate it into dollars and sense so resources go to right areas to fund what we say we're going to do.

**BFG** A process that accounts for money. Budgeting is the most powerful planning tool in the organization. A resource application to pre-agree function to perform.

(2) Can you explain the process used in budgeting.

#21 People submit needs, aggregated at site level, and totaled at district level.

If gap between requests and available funds, we whittle out those things we can't afford.

#23 Site needs are brought to central office for debate. Placement of budget really remained in the finance operations.

#24 Campuses put together their budget projections and budget office at DO became clearing house.

#25 Campuses and DO prepare individual budgets and then we got together and reconciled issues and figures.

#20 Budgeting came first -- not planning.

#15 There is a schedule of dates on which is attached various information gathering, initial planning assessments, and so forth.

#13 College personnel come together to review virtually every line of budget.

#2 Decisions are made unilaterally and a budget document given to people. DCSES on campuses prepare budgets.

#27 Lengthy process primarily in finance area. Looked at a lot of demographic data to see what plans the college needed.

(2)

#32 Each campus builds its own budget starting from the ground up.

#34 Main process was you bring the campus budget to Chancellor Council and the critical decisions were made around the table.

BFG - President's removed themselves from Budget Council so they could make the real decisions in another forum.

(3) What do you feel the budgeting process accomplishes?

#21 Makes people articulate what they want to spend.

#23 It disseminated information to a wider group of people about the financial condition of the college. Some participation in the process.

#24 Accomplished the balancing of the budget.

#25 It accomplishes self education of the economic realities that we have to deal with.

It forces people to prioritize what's more important.

#20 People realized how much they were accomplishing on how few resources or how much more resources they would need to really do what they needed to do.

#15 It has achieved a little more credibility and faith and trust in the institution that the individual needs are being heard.

#13 Made people feel participatory. Made decisions. Accomplished more openness because the budget was laid out for everyone to see. Created more knowledge about the money.

#2 It divides up the money. It does not look at what the priorities are.

#22 A reality check on people who had a lot of ideas. An opportunity to look at what our resources capabilities were.



(4) Do you feel that this process helped you in accomplishing your day to day responsibilities?

#21 Yes, lets me know what the college feels is important.

#23 The process is always in the forefront of my mind.

#24 Yes.

#25 Absolutely. It's a guide line in terms of how we're doing.

#20 Yes. Once you knew your budget, you were able to do what you needed to do within the limits of those allocations.

#15 Yes, I have good information as a senior administrator.

#13 Yes, I had a better understanding of how much money there was available and what we might be able to do.

#2 Not clear.

#27 Yes. It let you know what you could spend or what you couldn't spend.

#32 Not clear.

#34 Yes, it focused me on my strategic plan.

BFG - You spend it in March because they'll freeze it in April.

- (5) When you compare budgeting process . . . .
- #21 Fairly successful. If people spend money as they planned, you should be able to track accomplishment of plan.
  - #23 They weren't extremely successful but not a total failure. They brought dialogue to certain people in the institution upon which other things have unfolded.
  - #24 Yes, it was. The budget dollars, people came in at budget.
  - #25 I think its successful, but can be improved.
  - #20 Modestly successful in the sense that the time has created some levels of consternation of chinese fire drill.
  - #15 We have advanced from a three to a six or seven. We're moving in the right direction.
  - #13 It was somewhat successful. I think we were able to re-allocate some funds to what we saw as the purposes of the college.
  - #2 Does the budget process make the college run like it should run? Absolutely not.
  - #22 It was successful from the stand point that we live within our resources. It was not successful in accomplishing many of the goals and objectives the college sought to achieve.

(5)

#32 It ~~can~~ can only be successful to the extent that we have a good strategic and operational planning process.

#34 At the end we were moving where we should be. This was pre-millage and we were in survival mode. Once millage passed we had the ability to look at the things differently.

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