Description of the CFCC Annual Institutional Effectiveness Planning and Assessment Cycle

**December-February**

*This phase of the institutional effectiveness implementation cycle includes strategic planning and mid-year budget review. It focuses on the decisions necessary to prepare a detailed annual budget for the next fiscal year beginning July 1.*

County Budget Planning: As early as December, the executive vice president, vice presidents and faculty and staff identify and submit county budget requests to the president and vice president of business services for consideration. County budget funds are used for the maintenance and upkeep of college facilities, maintenance personnel salaries, and utilities, however, local governments are not restricted from providing funds to community colleges for other purposes appropriate to the institution’s mission.

In January, the CFCC Board of Trustees approves the New Hanover County and the Pender County budget requests.

State Budget Planning - The vice presidents conduct a mid-year state budget review in January and report to the vice president of business services any changes in priorities that will create shortages or surpluses in current funds. Current budgets are adjusted based on this mid-year review.

The executive vice president and vice presidents with the deans, department chairs, directors and planning units begin making decisions in January about division and department goals and major initiatives for the coming year. These decisions support the achievement of the college mission and goals and are most often guided by enrollment and FTE levels, space needs and loss or gain of facilities, staffing levels, start-up of new programs, and actions associated with modifications to programs and services. Departments consider their strengths, weaknesses and opportunities for planning and match those with resources. This step in planning involves strategic decisions that may or may not require additional state funds to implement. The budget process is guided by college goals and unit objectives. Requests for budget increases must be communicated in the form of objectives. Objectives written for budgeting purposes are most often expressed as "process" objectives that answer the question: What actions must we take to achieve our purpose and objectives? (rather than the IE planning question "How Well are our students learning and our administrative services functioning?).

Once major initiatives are identified for the coming year, budget objectives are developed by the unit managers and each objective is submitted on a "Planning and Budgeting Request Form" to prepare for the college's annual state budget hearing. Each budget request must include the justification for funding, appropriate budget line item codes, and cost. State budget funds may be used for part-time and full-time salaries, instructional supplies, materials, services provided by contract, advertising, printing, annual maintenance agreements, minor equipment, professional development and travel.

Each unit manager is responsible for preparing and prioritizing the budget objectives and receiving approval from their department chair, dean and vice president before the state budget hearing. Once the approval steps are completed, the executive vice president and vice presidents send their budget plans to the vice president of business services so all requests can be tallied before the hearing.

In late February, the president and vice president of business services schedule a College Council state budget hearing that is open to all employees. The goal of the hearing is to reach agreement on the items presented and to cull the requests, based on priority, to fit the projected state budget for the next fiscal year. The vice presidents must justify the increases or decreases to their current budget. Each request is discussed and may be challenged during the hearing. The president and vice president of business services reserve the right to make budget decisions to maintain the integrity of the budget.

Because the state budget for the next fiscal year is not yet approved by the General Assembly at the time of the hearing, budget projections used for the hearing are based on the FTE earned during the current year, performance funding dollars, carry over funds, growth money the college may receive and other sources of revenue such as special allotments, grants or gifts. More than one budget scenario is projected (from worst case to best case) and considered during the hearing.
Following the budget hearing, the vice president of business services prepares a summary of the funding decisions made at the hearing and distributes to College Council. When the college receives its final budget, the president approves the allocation of funds by line item and funds are distributed to department budgets.