Strategic Budget Planning
Guidelines

Amarillo College

The steps outlined below should facilitate budget planning, optimize involvement from personnel, and assure that institutional effectiveness and quality improvement are pervasive in budget planning practices. Business Office budget requests are to be submitted by late March. Instructions and forms from the Business Office for submission of requested budgets will be forthcoming.

All personnel have the opportunity to give input to the budget process. The budget timeline will be posted via e-mail. All personnel are encouraged to identify budgetary needs to their immediate supervisor for consideration in the budget process. Budget meetings will be posted and open to all.

Step 1 – Provide Follow-up on the Current Budget

We must all identify in writing how we have been good stewards of any increases we received in the current year’s budget. We must each attempt to show how we are “closing the loop” on institutional effectiveness. Look back at the forms submitted on Budget Planning Form 1. There are two ways that responses might be built.

1. **Grouped responses:** Many of the Form 1 sheets developed last year could be grouped together if they relate to a single program, project or initiative. Those that can be grouped by program, project or initiative may (a) reference the same Institutional Goal(s). *(Last year the “goals” were termed “Strategic Plan Objectives” on Form 1 before the Strategic Plan experienced some changes in format and content).* They may even (b) reference the same Program Goal Statement(s) taken from each department’s PET forms. When you have grouped last year’s existing forms into a logical order in reference to a specific program, project or initiative, then to help “close the loop,” add an “Outcomes” section either on a cover page for each group or at the end of the group that addresses what changes or progress (if any at this point) can be attributed to the budget increase(s) received. See more detailed instructions for addressing “Outcomes” at the end of this document (page 5). A sample of a “Grouped Response” is attached.

2. **Stand alone responses:** A few of last year’s Form 1 sheets may need to stand alone, particularly if they reflect a unique request. Even though they may reference a particular program, project or initiative, the request was significant or unique enough that it could more clearly be addressed with “Outcomes” of its own rather than being grouped with any other Form 1 sheets. These “Outcomes as of (insert date)” can be placed below the “Request” section on one or more of the appropriate Form 1 sheets completed last year. See more detailed instructions for addressing “Outcomes” at the end of this document (page 5). A sample of a “Stand Alone” response is attached.
Step 2 – Identify the Following Budget Priorities

- **Institutional Goals** – All budget requests must be linked to one or more Institutional Goals. All goals are measured within the Strategic Plan. Ask –
  - Where should my area’s budget attention be focused to support the AC Mission and Goals in the upcoming year?

- **Supporting Priorities** -- After identifying an Institutional Goal, other supporting priorities may be referenced, such as:
  a. *Success Indicators and Standards* (measuring each Strategic Plan Goal),
  b. *Action Plans* that relate to unmet Standards in the Strategic Plan,
  c. the *President’s Objectives* (copy attached), or
  d. *other relevant evaluative documentation* (such as Program Review recommendations, needs identified through Performance Evaluation, certain Master Plans, etc.).

- **PET Forms** -- Closely aligned with the Strategic Plan are the *Planning and Evaluation Tracking (PET) forms* which document each area’s goals, measurement of these goals, and use of results to make improvements. The results from these forms may further identify budget priorities for your area.

Step 3 – Determine Requests for the Upcoming Budget Cycle

- **For Resubmitted or Continued Requests:** If a request from last year is to be resubmitted or was projected to continue in the upcoming year, last year’s Form 1 can be updated or a new Form 1 may be created if greater clarity will result. (See the two examples attached.) Follow these guidelines:
  o Add “Outcomes as of (insert date),“ indicating the most recent status after implementing the “Improvement Strategies” through funding received. Where possible, explain evaluative methods, data and rationale.
  o Add a section for “Continued/Resubmitted Request” and itemize the request or refer back to the previous “Request” section if appropriate.
  o In the appropriate dollar column, identify the Fiscal Year (FY) for which the amounts are being requested:
    - **For current year allocated amounts:** Place any amount that was allocated for use in the current year’s budget into Column 1.
    - **For upcoming year requests:** Place any amount requested for the upcoming year’s budget in Column 2.
    - **For any year projected beyond the upcoming year:** (Note: Applicable only if the new Form 1 is used). Place estimated amount in Column 3 on the new Form 1. The “Projected” column is only to be used for requests that have a planned extension beyond the upcoming budget cycle. Important: Identification of a projected request will not guarantee that it will be granted when the projected budget cycle arrives. Consult Division Budget Supervisors before identifying projections beyond the upcoming year.
• **For New Budget Requests:** A revised Form 1 is attached. It can be retrieved from the public misc. drive. **Start a new Form 1** for next year’s budget cycle if you are addressing a completely different request from those on last year’s Form 1’s. A new Form 1 is appropriate when a new, previously un-addressed request for a program or a new project/initiative is proposed. Any increase or a significant decrease to the budget must be noted in all of the following categories that apply:

(1) personnel, (2) equipment, (3) travel, (4) departmental operating expense (DOE). If DOE is increased or decreased as much as 10% or $500, it is subject to these procedures.

Whenever possible, group the “Requests” by program, project or initiative such that all four categories (personnel, equipment, travel, DOE) may be addressed on the same Form 1 if appropriate to the “Improvement Strategy” identified on that Form 1. In other words, present requests so they show a logical, holistic picture of improvements projected per program, project or initiative (i.e., If a new position is requested and a computer is also requested to support the position, put both requests on one Form 1).

**Step 4 – Prepare and Submit Budget Form 1**

Opportunities for personnel to identify budget needs should be built into the department’s budget process. The Immediate Budget Supervisor (i.e., department head) will develop Form 1 based on discussions, negotiations, and prioritizing with the department. The budget and all Form 1’s will be submitted to the Division Budget Supervisor (i.e., division head).

**Step 5 – Prioritize Requests on Budget Form 2**

The Division Budget Supervisor will study the submitted budgets and Form 1’s. Meetings and further detail may be requested of the Immediate Budget Supervisors. Ultimately, the Division Budget Supervisors will prioritize all requests for all program areas under their responsibility onto Form 2 (see blank copy and examples attached). Form 2 is also located on the public misc. drive. Form 2 has two different purposes:

- **For All New Project/New Initiative Requests:** Complete Form 2 when a significant new project or new initiative within a division warrants funding consideration. For new projects/initiatives, requests from all categories (personnel, equipment, travel, DOE) should be listed on the same Form 2 to give a holistic picture of the budget requirements. Relevant Form 1’s (and any other vital information/data) should be organized and submitted behind this Form 2 to provide additional insight into the rationale and value-added benefits of the new project/initiative.

- **For All Division Budget Request/s:** Complete another Form 2 for any increases requested. Priority rank each request within the appropriate category -- personnel, equipment, travel, DOE. For example, all personnel requests for all programs -- including new projects/initiatives -- are to be prioritized on the same form. Everything requested for a new project/initiative must be repeated and prioritized by category like all other program requests.

Forms 1 and 2 will be organized by program area and submitted to the appropriate Executive Committee member by the Division Budget Supervisor.
Detailed Instructions for Completing Budget Form 1

Use Form 1 only if an increase or a decrease is being requested. See p. 2 of Guidelines.

Note: Some of the terminology on Form 1 has changed from last year’s Form 1.

- **Institutional Goal** (Note: Ten Institutional Goals are in the Strategic Plan. They were termed Strategic Plan Objectives in last year’s Strategic Plan and on last year’s Form 1).

  1. Identify the Institutional Goal(s) you intend to impact through next year’s budget.
  2. Determine which specific Success Indicators and Standards from the Strategic Plan are to be affected.
  3. Reference an Action Plan if one has been developed to address an unmet “Standard” within the Strategic Plan which your area should affect.
  4. Identify another relevant justification if your request does not relate to an existing “Success Indicator,” such as: (a) assisting in achieving one of the President’s Objectives (copy attached) or (b) taking action based on other relevant evaluative information or approved plans from your area.
  5. If no evaluation is appropriate beneath the Success Indicator/Standard, move to your own PET forms as shown in Steps 6 – 10 below.

- **Planning & Evaluation Tracking (PET) Program Goal Statement**

  6. Identify which “PET Goal Statement(s)” in your program’s Planning and Evaluation Tracking plan relates to and supports the Institutional Goal(s) being impacted. If none, see #10 below.
  7. State the “Assessment Tools/Standard” from your PET plan, which relates to the program goal identified.
  8. Describe the “Results (Current Status)” of the efforts to meet the “Assessment Tools/Standard” determined in your PET plan. Use several years of the most recent quantitative and qualitative data available. For instance, if appropriate, contact hours and enrollment figures can strengthen results presented. Survey data and productivity data may also strengthen the results presented. Documented evidence of “Results” or “Current Status” is crucial.
  9. Briefly describe the “Factors Affecting Performance” or any conditions not described in “Results” which contributed to a weakness or caused an improvement to be needed.
  10. If no PET Goal and documentation helped in the design of the “Improvement Strategy,” the consequent “Request” may or may not have adequate substantiation. Should those instances occur, other evaluative data and a clear explanation must be provided on Form 1.

- **Improvement Strategy**

  11. Briefly describe the strategies being recommended to overcome deficiencies/weaknesses. How will the Goal(s) identified be impacted?
• **Requests (Needed to Implement Strategy)**

12. List each item with the cost. Increases/decreases in more than one of the four budget categories (personnel, equipment, travel, DOE) might be appropriate to implement one “Improvement Strategy.” Any or all categories can appear on the same Form 1. The three columns at the far right should reflect: Column 1 - any previously appropriated amount (if applicable), Column 2 - any requested amount for the next budget cycle, and Column 3 - any projected amount for future budget cycles beyond next year (discuss with Division Budget Supervisor before inserting estimate in Column 3).

• **Outcomes as of (date) ** *(Needed as follow-up on all requests granted for current budget year)*

13. The “Outcomes” section is **new to Form 1** and references **Step 1 – Follow-up** explained above on page 1. **“Outcomes” are only to be shared in the year(s) after a request has been granted** to help assure accountability for the funds through measurement of the outcomes that occurred.

14. If **stand alone** requests are identified from last year’s Form 1, insert at the end of each appropriate Form 1 “Outcomes as of ___(date)”. Document the findings to date that support any changes/improvements that have resulted. Identify the extent to which these changes/improvements can be credited to the budget allocation. (See Stand Alone example attached).

15. If you **group several related** Form 1 sheets together because they relate to a specific program, project or initiative, you may cover them with a sheet on which you portray “Outcomes as of ___(date)”. Document the findings to date that support any changes/improvements that have resulted. Identify the extent to which these changes/improvements can be credited to the budget allocation. (See Grouped Response example enclosed).

16. “Outcomes” should reflect **cause and effect** relationships whenever feasible:

- What effect did the budget increase have on changing or improving the “Results” from your PET Goal (found on Budget Form 1) or other measures that you had projected to impact?
- Does the most recent data (numbers, percentages, etc.) support your intended improvement strategy at this time?

17. If you do **not** have significant outcomes to report at this point, explain the **progress** made and your measurement timeline:

- What has happened to date?
- When will you be able to report outcomes?
- To what extent will you be able to measure the effect of the budget allocation on outcomes?

18. If applicable, identify the **next steps** intended as follow-up or continuance to further “close the loop” on institutional effectiveness/quality improvement processes. This may involve an additional or continued request. If an additional request is appropriate, identify it and place the funds requested in the Column 2 on last year’s Form 1 or Column 3 on the new Form 1.