

## **FY08 Budget Development Process**

### **I. Calendar**

The Budget Office has posted the budget calendar on our website and it will be updated throughout the year.

Important dates for web based system:

All units begin web budget entry 4/16/2007, complete by 5/4/2007

### **II. Tuition and Fees**

All fee requests were due to the Budget Office by March 9. A summary of new fees and proposed changes is being prepared and will be sent to each Vice President for review. In May a final summary will be reviewed by the President for presentation to the Board of Trustees.

Service fees (user fees) are being reviewed and will be finalized soon.

For Academic Units, you will need to estimate tuition revenue. You should not budget any projected tuition increase. Tuition AND fees and contract courses should be budgeted based on current and prior year activity. If tuition budgets are received that are below current year actual, the Budget Office will notify you to provide an explanation and will likely increase your budget.

The tuition increase percentage is unknown at this time.

### **III. State Appropriations**

State appropriations in object 31500 have been removed from service units. This source of funding has been replaced dollar-for-dollar with “tax-in” 81150. This change in resources has no impact on the base budget amounts for service and academic units. After August 1, the state appropriations from the service units will be moved to the academic units in exchange for the tax payment. Again, the net effect to all units is zero, but this allows the Budget Office to push all state funding into the academic units.

### **IV. Initiative Requests**

The call for initiative requests went out on February 1. Responses were due to the Budget Office by April 13. Initiative requests will be summarized and reviewed by the administration and discussed during the budget hearings with the President in early May.

### **V. Carryforward Estimates**

Do not budget your carryforward estimate at this time. The actual carry forward will be determined after the last post-close in August and will be budgeted separately.

The Budget Office has sent carryforward estimate template to all units with the March month-end data completed. Each unit will estimate revenue and expenditures from April through June and return the template by April 20.

An “E” fund review was completed in the fall and another will take place later this spring. Any outstanding deficit balances will need to be resolved before this fiscal year end. The Budget Office will also review stagnant accounts and accounts with large balances.

### **VI. Other Budget Development**

The final budget submission for your responsibility should not have any debit budget amounts in your revenue budget object codes or any credit amounts in your expenditure budget object codes.

You may need to budget/ reallocate amounts in 50000. This code may be used, but should be reserved for holding funds that do not have a specific use at the time the budget is developed.

Currently, the House Budget has a 3% pay increase—across the board for all classified employees and ‘without uniformity’ for unclassified. Remember that the State only funds a

portion of the pay increase and the difference will have to be covered by tuition revenue for the academic units. This will be an initiative request taken to the Board of Trustees.

The employer contribution for retirement will increase by .5% on July 1, 2007. The Budget Office will send an estimate of this amount to you; however there are no new funds to cover this increase, so you will need to budget appropriately.

An additional increase of 1% to the employer retirement contribution to cover the increase to Other Post-Employee Benefits for retiree health/dental insurance passed as part of the House budget. The funding available and the impact of this item are unknown at this point.

All Service units were asked to update the "Service Units Description." The changes are being updated and the revised descriptions will be on the Budget Office website soon.

The sales tax will increase by 1% on July 1, 2007.

The federal minimum wage may increase over the next two to three years. The Budget Office completed an assessment of the staged impact. For the first step increase few additional resources are required and the impact on the Columbia "A" fund budget is minimal. As the wage rises, the impact increases. Additional funds are not available for these increases, so you will need to budget appropriately.

## **VII. Budget Execution**

The FY2008 base budget will be loaded the week of July 9. The Budget Office will not load any other BD's in July to preserve the base.

In August, the Budget Office will load the carryforward.

The BOT initiatives including the tuition increase, pay package and other initiatives will be allocated as soon as possible following receipt of information from the Budget and Control Board. The tax will be recalculated during this process.

In FY2008, budget transfers should continue to be separated based on recurring (permanent) and non-recurring (one-time) transactions. In addition, budget transfers between responsibilities should be submitted in a separate budget transfer and not as part of any budget transfers within your responsibility. All BD's must be submitted through the BD entry tool available on the Accounting Services Intranet.