

MONTGOMERY COLLEGE
Office of Management and Budget
July 1, 2015

Budget Management Strategies and Budget Guidelines for FY16

This week we are completing a significant budget year, in which we successfully met our budget challenges and placed a greater emphasis on planning for our fiscal future. In the year ahead, we will continue to face a challenging fiscal landscape, as state and county officials ask us to operate in an increasingly constrained budgetary environment.

For the 2016 fiscal year, the College's Office of Management and Budget (OMB) identified \$6.1 million reductions in expenses, of which \$5.0 million are permanent reductions to the base budget. To ensure the least impact on our students, the largest cuts in FY16 were taken from the Administrative and Fiscal Services unit (\$2,975,000), as well as some collegewide budgets. The remaining reductions were distributed across the remaining units of the College. These reductions are an important demonstration of our practicing good fiscal stewardship of the funds we receive. To that end, the strategies listed below have been developed to assist unit administrators to effectively manage their budgets.

OMB and the senior leaders will review the current and upcoming year budgets. The following are guidelines to facilitate the process.

- OMB will work with each member of the SALT team to:
 - review effectiveness of all programs,
 - identify opportunities to align resources effectively,
 - assist in reviewing non instructional hiring,
 - review new procurements valued above \$100,000, and
 - reduce travel and conference budgets.
- OMB and the Office of Planning and Institutional Effectiveness will update the senior leaders and unit managers throughout the year on progress towards achieving efficient and effective practices.
- Unit administrators will need to work with OMB to effectively manage their budgets. Below are guidelines for managing unit budgets.

Budget Guidelines

The Administrative and Fiscal Services team will assess any changes and recommend on a quarterly basis to Senior Leadership:

- Lapse funds will not be available to the extent they have been in previous years.
- Unit administrators need to review spending that has been dependent on funding from lapse funds.
- Assess how initiatives and activities support the College's mission.
- Before committing to a large activity, determine if the activity affects the Student Success Scorecard.

- Before requesting funds, thoroughly examine organization budgets in your control.
- The pool of funds used for unbudgeted temporaries added two years ago is no longer available, nor will lapse funds be readily available. AFS will provide quarterly updates with any changes. Review your use of extended use of temporary staff. If the position is needed, consider reallocating a vacant position.
- If a unit is short-staffed, look at staff in other units for assistance.
- Overtime may not be used as a source to fund vacancies. Look within the unit to change personnel hours or adjust work schedules per the College's policies and procedures to possibly compensate for extended hours.

By taking these steps, we are all focusing on ways to be more efficient, and thereby help the College meet the needs of our students while leveraging the greatest value from our budget resources. As we start fiscal year2016, I want you to know that your continued support of our budget goals is essential and greatly appreciated. If you have any questions please contact [Robert Preston](#) or [Linda Hickey](#) through College e-mail.