



Santa Ana College Planning & Budget Meeting

September 2, 2014





SAC Planning and Budget Committee
Sept. 2, 2014
1:30 p.m. - 3:00 p.m.
S-215

THE PLANNING AND BUDGET COMMITTEE is the participatory governance committee responsible for recommending budget priorities, procedures, and processes to the College Council. The Planning and Budget Committee also functions as a community liaison for fiscal affairs with the college community.

*Santa Ana College Participatory Governance Structure Handbook
(May 8, 2013)*

Agenda

1. Welcome and Introductions
2. Public Comments
3. Approval of Minutes for June 3, 2014 ACTION
4. Budget Update INFORMATION
 - [Budget Performance Quarterly Report for FY 13/14](#)
 - SAC Expenditures FY 13/14
 - Unrestricted Budget (Fd 11, 13) Allocation by Area
- SAC Adopted Budget Assumptions FY 14/15 ACTION
- Carryover Fund 13 FY14/15 INFORMATION
5. Enrollment Update INFORMATION
6. Student Update INFORMATION
7. SACTAC INFORMATION
8. Old Business
9. New Business 1st READING
 - Planning and Budget Manual FY 14/15
10. Future Agenda Items
11. Other Business

Next Meeting - October 7, 2014

The mission of Santa Ana College is to be a leader and partner in meeting the intellectual, cultural, technological and workforce development needs of our diverse community. Santa Ana College provides access and equity in a dynamic learning environment that prepares students for transfer, careers and lifelong intellectual pursuits in a global community.



SAC PLANNING & BUDGET MEETING
MINUTES – JUNE 3, 2014
F-126
1:30P.M. – 3:00P.M.

Draft for Approval

The mission of Santa Ana College is to be a leader and partner in meeting the intellectual, cultural, technological and workforce development needs of our diverse community. Santa Ana College provides access and equity in a dynamic learning environment that prepares students for transfer, careers and lifelong intellectual pursuits in a global community.

Administrators	Academic Senate		CLASSIFIED	GUESTS	
Mike Collins, co-chair	Chris Cannon(a)	Monica Porter	Tom Andrews	Esmeralda Abejar	Brenda Serratos
Jim Kennedy	Ray Hicks co-chair	George Wright	Denise Hatakeyama	Carl Jaeger	Maria Taylor
Linda Rose(a)		John Zarske	Jimmy Nguyen	Rhonda Langston	Kathy White
Lilia Tanakeyowma(a)	Student Rep.		Leslie Wood-Rogers		
	Jorge Sandoval(a)				
1. WELCOME				Meeting called to order 1:31p.m.	
	Self introductions were made.				
2. PUBLIC COMMENTS	DISCUSSION/COMMENTS			ACTIONS/ FOLLOW UPS	
	No Public Comments				
3. MINUTES	DISCUSSION/COMMENTS			ACTIONS/ FOLLOW UPS	
	The May 6, 2014 Planning and Budget minutes were presented for approval.			<u>ACTION</u> Motion was moved by J. Zarske approve the May 6, 2014 Planning & Budget Committee minutes. 2 nd – J. Kennedy Minutes were approved as presented with 1 abstention.	
4. BUDGET UPDATE	DISCUSSION/ COMMENTS			ACTIONS/ FOLLOW UPS	
	<u>STATE</u> Senate Budget and Fiscal Review Subcommittee made recommendations last week. Differ from the Gov.'s May Revise: • Growth 2.75% • Pay down all deferrals to CCCs • Many other recommendations related to increasing spending due to increased revenue, such as COLA increases, more for sch. Main...and allowing for flexibility in funding IE. • Still unclear on the SSSP match requirements as well as the match guidelines- looks like 2:1 match at this point for FY 14/15 SSSP funds. \$2.5 million eligible to the Dist, colleges must come up with \$5 million in new match. Scrubbing budgets in the Student Services areas to look for potential eligible match....need in excess \$2 million in additional match in 14/15. - o Match is all on the non-instructional side of the 50% law calculation We expect the Assembly to use the LAO's higher revenue projections to take				

BUDGET UPDATE (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	similar actions to these, which will place pressure on the Governor to augment his revenue assumptions and agree to a higher spending plan. Stay tuned. • CalSTRS alternative proposal, which will be recommended to the Senate and Assembly Budget Committees, will fully fund CalSTRS over 30 years, but has some significant changes. Compared to the May Revision proposal, the alternative proposal reduces the employer contribution rate increases for the first three years, then increases the rate to the same final rate reflected in the May Revision proposal - o Current May revise has CalSTRS employer contribution at 9.5% 14-15 (8.88%), from 8.25% in 13/14- \$687,500 in District contributions rate for 14/15. ▪ 15/16 11.81% (9.81%) • Proposed increase to CDCP rates in FY 2015/16 to the credit rate/FTES - o Current CDCP rate= \$3,232 - o Current credit rate= \$4,564 - o Difference of \$1,332 - o Could generate an additional \$8.6 million in 15/16 • Legislature has a June 15th deadline to enact a state budget, forward to Gov. by July 1 <u>DISTRICT</u> • Tentative budget assumptions were recommended by FRC for 14/15 and sent to this Committee for review. The Tent. budget will be presented to the BOT on June 9. Placeholder budget to allow for Dist to pay bills, salaries. Tent. Budget is posted on the P&B website for all to review. • Potentially \$3.6 million if the Dist can earn it....\$2.5 million for SAC if we can grow 2.75%. • COLA increase at .85%, about \$1.2 million if it stays at .85, segregated and put in a holding account pending CBA outcomes. No COLA for categorical programs. • Sch. Maint. as it stands today= \$3.9 million Dist, no match, one time funding- NO IE at this point in the budget • \$740,000 for DIST related to State Mandated Cost reimbursement block grant • In essence, District's expenses in the Tent. budget far outpace increase in revenues (\$4.6 new revenue, \$7.4 in new expenses) \$2.8 million deficit in Tent. budget, covered by budget stabilization fund. Starting to impact the budget stabilization fund. • FY 14/15 Adopted Budget will go to BOT for approval at the Sept. 8th meeting- includes actual enacted state budget act funding.	

BUDGET UPDATE (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<u>SAC</u> • Cash Flow Report- At April month end, 3.3% under budget, about \$2.53 million under budget. Could potentially increase due to actuals at year end close. • 14/15 Tent. Budget at SAC shows \$2.35 million increase in budget, but also shows a \$2.1 million increase in employee benefits due to step & column. • We are seeing a shift of FTES revenue from SAC to SCC due to FTES estimated annual accounting at P2. FY 13/14 FTES split was SAC = 70.80% and SCC= 29.20%, and it appears that we may not make the SAC target, landing at P2 reporting at 70.19%. SCC did grow more than their target to 29.81%, about a .61 basis point change. - o According to the model, the P2 split becomes the FY 14/15 split. It really means that a few more bucks will go to SCC due to their ability to grow more than SAC. Both colleges met their base target, but SCC grew more than SAC. - o Still a work in progress, as the final numbers for much of our positive attendance and non-credit have yet to be firmed up. - o Tentative budget only! <u>Cash Flow Report ending April 2014</u> • College is under budget with 80% being spent so far. • Still working with departments/divisions to cover negative balances. • In order to budget properly more information is needed from the departments and divisions in the area of beyond contract scheduling. • It was noted that banked leave is posted by the district twice a year. Members were updated the college is in discussions with SCE regarding sub-metering the campus buildings in an effort to better track utilities costs. Appreciation was given to the membership their work on the committee and their diligence in working with the departments and divisions.	
5. STUDENT UPDATE		
	There was no formal student update presented, however the following student news was shared with the committee: • SAC Student Representation fee was approved which is one dollar per student that registers at SAC. • SCC and SAC students collectively proposed to raise the student activities fee and that proposal will be presented at the next BOT meeting. This was good news for the students as it will allow for funding of projects that the ASG has been interested in moving forward with.	
6. SACTAC	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	The committee has formed a subcommittee to prioritize all the technology requests that were received from the 14/15 RARs process. The prioritized list will be brought to the Planning and Budget committee for review. As funds are available, SACTAC will move through the list.	

SACTAC (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	It was clarified that SACTAC is a participatory governance committee whose mission is to oversee the academic technology needs of the college. Members were reminded that the structure and overall charge differs from a department or division. It was noted that this new reporting structure where all budget items/recommendations come to Planning and Budget was a change that was reviewed by the Academic Senate and College Council. A concern was shared regarding requests made in past years. No feedback was provided as to the outcome of their requests. Discussion ensued: • Prioritization process is based on the budgeting criteria, Strategic Plan, college mission. • Process is only for budget augmentation. • The college-wide RARs requests, the “prioritized” requests and the funded requests are posted on the Planning and Budget website. ◦ This allows for faculty and staff to track their request within the process. • The RARs process allows for transparency. • If there is a question regarding a request, this process allows for open communication. The membership was reminded about the importance of sharing the information from the Planning and Budget meetings with their constituencies. In addition, letting their constituencies know where the information is located.	
7. OLD BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	No old business to report.	
8. NEW BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
50% Law Update	Members were reminded that the law requires that community college districts spend half of its “current expense of education” each fiscal year for salaries of classroom instructors. The law limits how much districts can spend on non-instructional costs. An update on the work of the 50% law task force was provided. • The group met, analyzed and identified the gap between instructional expenses and non-instructional expense. • The gap was noted as 61.3% for SAC and 53.65% for SCC. • The task force discussed an equitable distribution between SAC and SCC. Discussion ensued. • The following was proposed. SAC will not go above 62% and SCC will increase theirs to 59.9%. • SCC will work with their campus constituencies will develop a formal plan to increase instructional expenses and decrease non-instructional expenses by adding 1mil annually to the beneficial side of the calculation. • With the new faculty hiring, SAC will solely carry the district for 14/15. • Members were reminded that with the increased FTEs at SCC in 14/15, SCC’s FON will increase which will in turn increase their instructional costs. • Not meeting the 50% Law could result in a penalty action that SCC would be	

NEW BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	responsible for if they were not able to meet their agreed share. • District must play a strong role by controlling expenses. The committee continues to work on this with more recommendations and discussions at FRC. Members will be kept updated accordingly. It was noted that no language has been added to the Budget Allocation Model Allocation Implementation document.	
Budget Stabilization Fund	Members were updated that the committee's concern regarding the monies taken from the Budget Stabilization fund to cover the expenses of the OEC project and a plan for those funds to be replenished was brought to the attention of the Chancellor. The concern was shared and heard and no further feedback on the matter was provided.	
District Budget Augmentation requests update from POE	It was reported that the district budget augmentations that are moving forward at this time are: Elections - \$400,000 Legal fees - \$250,000 International Student recruitment - \$18,000.00 It was not clear as to the status of the \$250,000 request for Marketing costs. The importance of having a well thought out marketing plan was noted.	
FTEs Generation FY14/15	Earlier in the meeting, a concern was shared regarding the college's FTE generation for 14/15 and how the impact of closing Dunlap Hall would affect that. It was noted that the college is committed to meeting their base target and then moving toward their growth target. Maria Taylor, Facilities Coordinator provided an overview to the membership regarding the status of the relocation of classes as a result of Dunlap's closing. • 300 classes are normally scheduled in Dunlap Hall. • Every class was relocated to a regular classroom on campus with the exception of four classes that will be utilizing computer classrooms. • The process for adding additional classes was outlined. - o Once the Schedule goes to print, an Open Space Report is provided to the deans. - o The deans build their additional classes based off of the Open Space Report. It was also mentioned that in order to air condition one classroom in Dunlap Hall, the entire four-story building has to be air conditioned, hence the entire building had been air-conditioned to accommodate three Saturday classes. • The Village classrooms are all individually programmed which will be a cost savings to the college. Discussion ensued. • The new schedule is a roll over from the previous schedule which had growth built into it. - o Strategies to grow on top of that is a goal of the college.	

NEW BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	▪ After the drop date, there will be a review of classes with high fill rates. ▪ A review of what specific classes are needed related to our pathway core programs is also planned. ▪ Friday/Saturday pathway classes in the Village and I building are being discussed. ▪ Academic Affairs is looking at ways to maximize efficiency of our physical plant. The membership thanked Mrs. Taylor for her efforts in this area.	
9. FUTURE AGENDA ITEMS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
10. OTHER ITEMS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<u>Continuing Education Consortium</u> • The governor is working to build a consortium of non-credit providers between K-12 and community colleges in an effort to have a more organized non-credit program throughout the state. An update was reported on the local region. • The regional consortium meets regularly. • Independent program area meetings will begin soon. They will be discussing how to deliver adult education throughout the region. • The region consists of SCC and SAC who are the major providers of non-credit services. • This is has great potential for the district for new revenue and opportunities to expand services. • The program will allow expanding services in other areas of Santa Ana. It was reported that 49% of Santa Ana residents ages 25 and over do not have a high school diploma. With this potential outreach, it will possible for continuing education students to transfer to Santa Ana College making them the number #1 feeder institution into the college.	

Adjourned - 3:04p.m.

Next Meeting

Tuesday, August 5, 2014 if needed

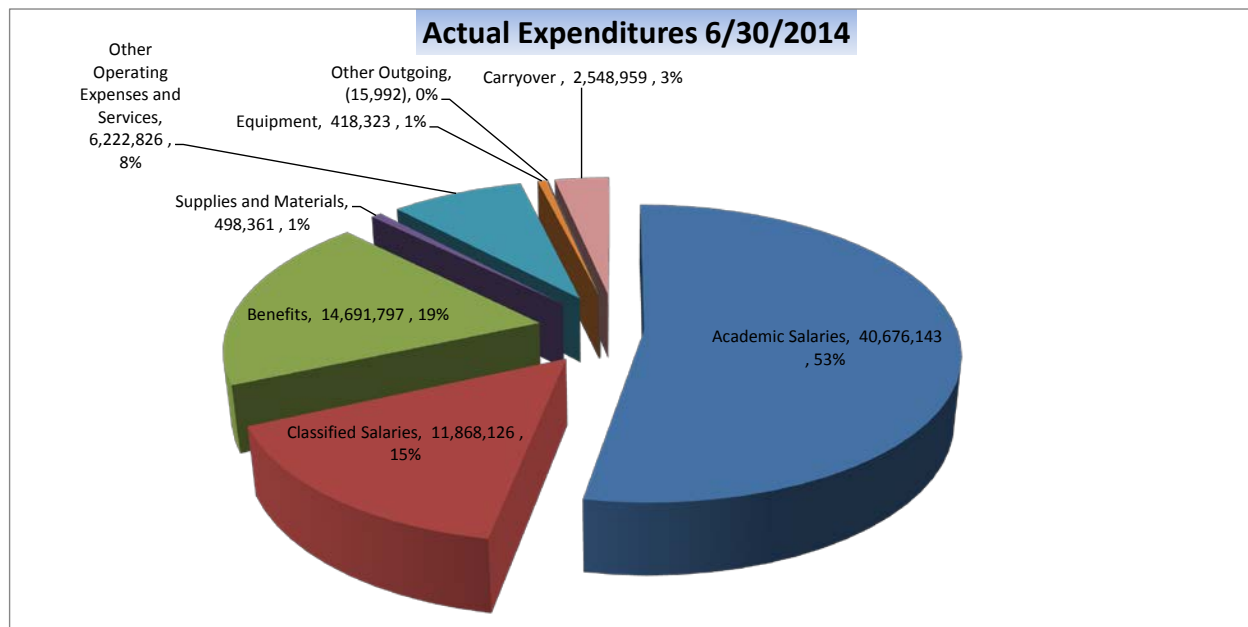
1:30p.m. - 3:00p.m.

S-215

Submitted by G. Lusk 6/25/14

SAC Expenditures FY 2013/14 (Fund 11 and 13)			
Description	Allocated Budget FY 13/14	Actuals 6/30/14	%
Academic Salaries	41,710,959	40,676,143	53%
Classified Salaries	11,999,462	11,868,126	15%
Benefits	14,776,774	14,691,797	19%
Supplies and Materials	594,090	498,361	1%
Other Operating Expenses and Services	7,078,937	6,222,826	8%
Equipment	442,093	418,323	1%
Other Outgoing	306,228	(15,992)	0%
Carryover	-	2,548,959	3%
Total Amounts	76,908,543	76,908,543	100%

TOTAL SALARIES AND BENEFITS	67,236,066.00	87.42%
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SAC Unrestricted Budget (Fd 11,13) Allocation by Area Three Years

SANTA ANA COLLEGE		FY 2013/14				FY 2012/13				FY 2011/12			
AREA	DESCRIPTION	Allocated Budget	% Alloc	Actuals 6/30/14	% used	Allocated Budget	% Alloc	Actuals 6/30/13	% used	Allocated Budget	% Alloc	Actuals 6/30/12	% used
Academic Affairs	Salaries and Benefits	43,464,347	56%	43,150,939	99%	41,103,346	55%	40,757,769	99%	40,366,627	52%	40,440,241	100%
Academic Affairs	Non Salary Accounts	3,721,810	5%	3,273,834	88%	3,386,408	5%	3,088,377	91%	3,352,237	4%	3,238,193	97%
	Total Academic Affairs	47,186,157	61%	46,424,773	98%	44,489,754	60%	43,846,146	99%	43,718,864	57%	43,678,434	100%
School of Continuing Ed	Salaries and Benefits	9,609,160	12%	9,673,421	101%	9,313,300	13%	9,162,849	98%	10,470,948	14%	10,218,707	98%
School of Continuing Ed	Non Salary Accounts	616,610	1%	581,075	94%	464,754	1%	436,436	94%	445,562	1%	424,641	95%
	Total SCE	10,225,770	13%	10,254,496	100%	9,778,054	13%	9,599,285	98%	10,916,510	14%	10,643,348	97%
Student Services	Salaries and Benefits	9,863,530	13%	9,784,829	99%	10,070,195	14%	9,792,691	97%	9,820,920	13%	9,596,604	98%
Student Services	Non Salary Accounts	104,942	0%	89,349	85%	202,802	0%	144,065	71%	87,179	0%	51,789	59%
	Total Student Svcs	9,968,472	13%	9,874,178	99%	10,272,997	14%	9,936,756	97%	9,908,099	13%	9,648,393	97%
Administrative Services	Salaries and Benefits	3,853,246	5%	3,871,369	100%	3,944,442	5%	3,723,388	94%	3,962,270	5%	3,714,801	94%
Administrative Services	Non Salary Accounts	3,535,050	5%	3,228,799	91%	3,368,930	5%	2,982,249	89%	3,958,676	5%	2,702,610	68%
	Total Administrative Svcs	7,388,296	10%	7,100,168	96%	7,313,372	10%	6,705,637	92%	7,920,946	10%	6,417,411	81%
President's Office	Salaries and Benefits	1,744,497	2%	755,509.0	43%	1,429,534	2%	773,592	54%	4,459,094	6%	3,150,133	71%
President's Office	Non Salary Accounts	442,750	1%	(49,540.0)	-11%	1,122,053	2%	(75,565)	-7%	60,181	0%	60,767	101%
	Total President's Office	2,187,247	3%	705,969	32%	2,551,587	3%	698,027	27%	4,519,275	6%	3,210,900	71%
	Total SAC Budget	76,955,942	100%	74,359,584	97%	74,405,764	100%	70,785,851	95%	76,983,694	100%	73,598,486	96%

SANTA ANA COLLEGE
UNRESTRICTED GENERAL FUND
2014-15 ADOPTED BUDGET ASSUMPTIONS
DRAFT September 2, 2014

The following assumptions will be used in the development of the 2014/15 SAC Adopted Budget

1. From a budget methodology perspective, SAC will be in implementation year three of the District's transition to the SB 361 Budget Allocation Model.
2. Adopted Base Budget for 2014/15 will begin with a rollover in total 2013/14 SAC Adopted Budget. The Adopted Budget will be balanced if necessary by using a portion of the District's Budget Stabilization Fund.
3. SAC Adopted Budget Assumptions will be in alignment with the District's 14/15 Adopted Budget Assumptions
4. SAC Adopted Budget will be prepared in alignment with the established College Mission/Goals and Strategic Plan as well as the College budgeting priorities as developed by the SAC Planning & Budget committee.
5. In alignment with the District's Adopted Budget Assumptions, SAC will plan for a COLA increase (.85%) and an estimated Restoration/Access/Growth (2.75%) increase for the Adopted Budget. COLA revenue will be set aside in districtwide expenditure accounts subject to collective bargaining. SAC must first earn the Restoration/Access/Growth before any revenue will be realized.
6. SAC portion of the \$1.2 million district cost will be set aside for step and column movement (including benefits).
7. SAC portion of the \$1,650,000 million district cost will be budgeted to account for 8.2% increase in Health and Welfare benefit premium cost.
8. The College will budget for a total of twenty nine (29) full time faculty positions (9 replacement and 20 new positions) to comply with District's FON statutory requirement.
9. Existing vacant positions will be fully funded.
10. Sabbatical costs will be budgeted for at SAC.
11. Part-time hourly budgets will contain sufficient funds to meet SAC's FTES target in accordance with the class schedule. The current rate per Lecture Hour Equivalent (LHE) for hourly faculty is \$1,174 effective July 2013. This represents a 6.7% increase from 2012/13.
12. 0% increase in cost for utilities expenses and preventative and routine maintenance will be budgeted.
13. A Technology-Innovation Fund will be budgeted for SAC.
14. A Professional Development Fund will be budgeted at SAC.
15. A budget for accreditation expenses will be budgeted at SAC.
16. SAC will fund an Institutional Contingency Reserve of 20% of the total SAC carryover funds.
17. SAC will be allocated \$1,872,322 in Scheduled Maintenance funds and \$802,424 in Instructional Equipment funds; no match is required by the state.

**14/15 Adopted Budget - Planning
for Carryover funds**

Description	Fund 11	Carryover Fund 13	Total
Budget Expenses:			
DSPS Interpreters	112,700	-	112,700
Inst. Associates-Kinesiology		80,373	80,373
Inst. Associates-CJ	356,446		356,446
Catalogs Schedule/Printing		32,000	32,000
Accreditation		25,000	25,000
Staff Development		10,000	10,000
Credit Card fees		130,303	130,303
Instructional Agreements		622,941	622,941
Holding Account (Schedule Investment)	253,965	39,014	292,979
Instructional Assistants (LGI Science)	82,106	-	82,106
Information Technology/Innovation		75,000	75,000
Match to Inst. Equipment Grant		-	-
Maintenance Contracts		-	-
Utilities increase		-	-
Unrestricted Contingency		509,758	509,758
Total Project 0001	805,217	1,524,389	2,329,606
Unrestricted Lottery- Utilities	1,959,165		1,959,165
Instructional Agreements	1,698,273		1,698,273
Instructional Agreements SCE	-	393,904	393,904
Instructional Agreements Fire Academy	-	579,821	579,821
Project 0000	3,657,438	973,725	4,631,163
Foundation Funded Prog. 3411		4,994	4,994
Int. Student fund 3487		1,465	1,465
Technology Enhancement 3682		44,216	44,216
Other Projects	-	50,675	50,675
Total	4,462,655	2,548,789	7,011,444

Santa Ana College

Planning & Budget Manual 14/15



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Santa Ana College Budget Manual

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SANTA ANA COLLEGE

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<u>2013-14 SAC Budget Priorities</u> Revised 2/5/2013	<u>2014-15 SAC Budget Priorities</u> Revised 10/1/2013
Core Mission: Transfer/BS/CTE (credit/non-credit) <u>General Priorities</u> • Legal Mandates and Compliance • Health & Safety of the Learning and Working Environment • Student Success Initiatives • Program & Services Sustainability <u>Specific Priorities</u> <u>FTES Production</u> 1. Credit 2. Non-Credit 2a. Enhanced 2b. Non-Enhanced <u>FTES Support</u> 1. A&R, FA, Counseling 2. Tutoring, Library, Study Centers, Supplemental Instruction <u>Support Services</u> 1. Health & Safety 2. Maintain Existing Facilities & Equip 3. Appearance 4. Go Green	<u>General Priorities</u> • Legal Mandates and Compliance* • Health & Safety of the Learning and Working Environment • Student Completion Initiatives • Program & Services Sustainability <u>Specific Priorities</u> <u>FTES Production</u> 1. Credit 2. Non-Credit 2a. Enhanced 2b. Non-Enhanced <u>FTES Support</u> 1. A&R, FA, Counseling 2. Tutoring, Library, Study Centers, Supplemental Instruction <u>Support Services</u> 1. Health & Safety 2. Maintain Existing Facilities & Equip 3. Appearance 4. Go Green *includes but not limited to: AB1725, ADA, Title V, etc.
<i>Approved 2/5/2013</i>	<i>Approved 10/1/2013</i>

SAC RESOURCE ALLOCATION REQUEST (RAR) PROCEDURES

This process intends to link all college resource allocation requests to the department/division goals, the college mission, and to the planning and budget committee's established budgeting priorities. The Resource Allocation Request Form outlines the mission and the budget priorities on the document for easy reference.

1. Budget priorities are determined and approved by SAC Budget and Planning Committee. **(October)**
2. Administrative Services sends out Resource Allocation Request (RAR) form. This form contains the mission and the budget priorities for quick reference. **(October)**
 - The form needs to include items that have been identified and justified in the department program review
 - The requests need to be prioritized by the program areas, including direct ties to college budget priorities, mission, and intended outcomes
3. All program area RARs and supporting evidence needs to be submitted to the area Vice President and simultaneously to the Administrative Services department by the deadlines established. **(December)**
4. Administrative Services compiles prioritized college-wide Resource Allocation Requests **(January)**
 - Develops a spread sheet with area VP priorities included
 - Segregates requests by VP areas
 - Segregates request by specific request type (personnel, facilities, equipment, technology)
 - Comprehensive list of RAR's provided for campus review
5. Requests reviewed and prioritized by Cabinet **(January)**
 - Resource Allocation Requests are presented to Cabinet by area VPs
 - Cabinet prioritizes RARs in accordance with college budget priorities, mission and direct tie to dept/division intended outcomes
 - Tentative SAC budget assumptions are also considered during the prioritization process
6. Administrative Services provides prioritized list of Resource Allocation Request to Planning and Budget for review **(February)**
7. Area Vice Presidents review prioritized list with respective departments/divisions and communicate the location of possible funding. Some requests might be funded in the Tentative Budget, during the Adopted Budget or possibly later depending on funding availability and state budget information. **(June/ September)**
8. Vice President of Administrative Services assigns funding categories and sources of funds to prioritized RARs, and presents the information to cabinet and the Planning and Budget Committee. Allocation of funds is validated after approval of Adopted Budget. **(September)**
9. After Board of Trustees approves the Adopted Budget **(September)**, the RAR list is reviewed to update the last two columns of the RAR form. (Source of funds and request approved Yes/Deferred)
10. Planning and Budget committee as well as management teams are provided with the final prioritized RAR list by VP area. **(September)** If there are items that were not approved and the departments can still justify the need, these items could be included in the Resource Allocation Request for the following year's budget process. **(October)**

**SAC RESOURCE ALLOCATION REQUEST
FY 2014/15**

DIVISION: _____
SUBMITTED BY: _____

Directions:

- * Enter items that have been included in your 2013/14 approved or revised program review that require additional funding
- * Sort request by division/department priority. Prioritize by numerical value, 1 being highest priority of need.
- * Dean/Director submits an electronic copy of this request along with supporting evidence to Administrative Services with a copy to area VP
- * All Resources Allocation Requests need to be submitted no later than **December 18, 2013**

SAC MISSION STATEMENT

The mission of Santa Ana College is to be a leader and partner in meeting the intellectual, cultural, technological and workforce development needs of our diverse community. Santa Ana College provides access and equity in a dynamic learning environment that prepares students for transfer, careers and lifelong intellectual pursuits in a global community.

GL Account	Department	Request Description Personnel/Facility/Technology	How does your request relate to dept/division goal?	How does your request relate to the college mission?	Priority	Estimated Cost FY 14/15	POTENTIAL SOURCE OF FUNDS General Fund/Grants/Other Funds	FOR CABINET USE ONLY. REQUEST APPROVED YES/DEFERRED
For Administrative Services use only:			Date Received:	Total		-		

2014-15- SAC BUDGET PRIORITIES

General Priorities

- Legal Mandates and Compliance *
- Health & Safety of the Learning and Working Environment
- Student Completion Initiatives
- Program & Services Sustainability

Specific Priorities

FTES Production

1. Credit
2. Non Credit
 - 2a. Enhanced
 - 2b Non Enhanced

FTES Support

1. A & R, FA, Counseling
2. Tutoring, Library, Study Center, Supplemental Instruction

Support Services

1. Health & Safety
2. Maintain Existing Facilities & Equipment
3. Appearance
4. Go Green

* Includes but not limited to: AB1725, ADA, Title V, etc

Approved 10/1/2013



SANTA ANA COLLEGE

2014/2015

Planning and Budget

Shared Governance Meeting Schedule

The mission of Santa Ana College is to be a leader and partner in meeting the intellectual, cultural, technological and workforce development needs of our diverse community. Santa Ana College provides access and equity in a dynamic learning environment that prepares students for transfer, careers and lifelong intellectual pursuits in a global community.

Planning & Budget Committee

SAC Foundation Board Room

1:30–3:00p.m.

*August 5, 2014

September 2, 2014

October 7, 2014

November 4, 2014

December 2, 2014

February 3, 2015

March 3, 2015

April 14, 2015

May 5, 2015

*June 2, 2015

**If needed*

COMPREHENSIVE PLANNING AND BUDGET CALENDAR FY 2014/15

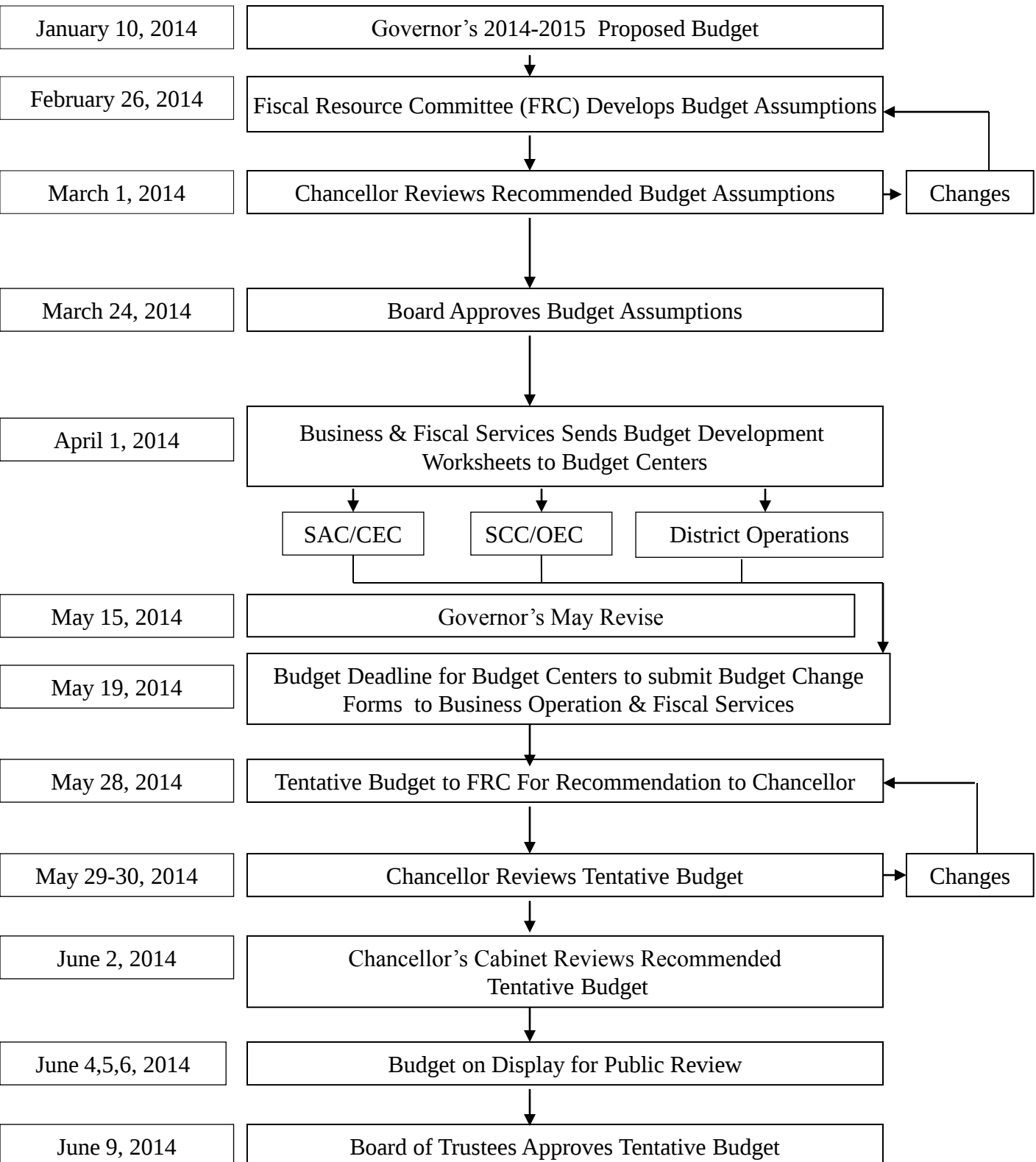
Includes SAC Budget Development Calendar, RAR Procedures, Planning & Budget Committee Goals, and Area Plan/Program Review calendar.

FY 14/15	DIV	July	August	September	October	November	December
2014	CABINET	President Cabinet Retreat <i>Review and analyze prior year's budget performance. Review and analyze SAC achievement of key performance indicators.</i> Funding of new and replacement positions.	District and SAC Adopted Budget is completed. Cabinet allocates funding for Resource Allocation Requests items	FY 14/15 Budget is adopted by RSCCD Board of Trustees. Area Program Review/Area Plan Goals and Objectives set for FY 15/16	All program areas receive Resource Allocation Forms. - Requests are tied to Division/Department intended outcomes Program Review/Area Plan documents are finalized. - Departments to list resources needed to execute plans and objectives into RARs	Faculty Priorities List is established and presented to the SAC Cabinet. Faculty Priorities List reviewed and finalized	Prioritized list of RARs are submitted by program areas to VPs and Administrative Services by December 17, 2014
	ACADEMIC AFFAIRS/SCE	Management Review of Planning work Program Review.	Instructional Equipment needs assessed as prioritized from RAR Prior year Area Plan measured and analyzed (FY 13/14).	Replacement and new faculty requests submitted Determine FON requirements for the following year. Analyze goals and objectives in Area Plan for FY 15/16	Deans meet to discuss faculty priority list created by Academic Senate and develop management faculty priority list using budget priorities criteria. Faculty Priorities Committee meets. Finalized Area Plan goals and objectives for FY 15/16	Program areas to Develop RAR's based on SAC Budget priorities, SAC Mission and Vision and department intended outcomes	Managers/Deans prepare "draft" division/program plans for next year
	STUDENT SERVICES	RAR Priorities are re-analyzed.	Previous year Area Plans measured and analyzed (FY 13/14)	Instructional and Administrative Program Review is launched for FY 15/16	Finalized Area Plan goals and Objectives for FY 15/16	Faculty Priorities list is established and presented to the President	
	ADMIN SERVICES	Budget changes submitted for adjustment to Tentative Budget in preparation for Adopted Budget Fund 13 proposed expenditures processed and discussed. District and SAC Adopted Budget Assumptions are distributed to P&B Committee for feedback Planning & Budget Committee conducts an effectiveness evaluation of committee work. Scheduled Maintenance and 5 yr plan update – priority list created utilizing SAC (RAR) Previous year(FY 13/14) Area Program Review results analyzed	Prior FY Expenditure and Performance report analyzed SB361 Budget model evaluation plan is analyzed. Post funded RARs for current Fiscal Year on the Planning and Budget website for campus review.	Prior FY Expenditure and Performance report analyzed Area Program Review Goals and Objectives set for FY 15/16	Resource Allocation Request forms are distributed to all Program areas. (3rd week of October.) Scheduled Maintenance Priorities forwarded to Facilities Committee for review SAC Budget Priorities drafted and submitted to Planning and Budget committee for review and adoption Area Program Review is finalized	Budget Performance quarterly report provided to SAC Cabinet and Planning and Budget committee.	Departments Update/Complete SAC Resource Allocation Requests
2015		January	February	March	April	May	June
	CABINET	Area VPs Prioritize RARs in accordance with Planning & Budget established budgeting criteria consultation with area managers to align with SLO materials. SAC Budget Office evaluates current year budget performance – Notify SAC Cabinet of assessment outcome. Cabinet forward recommendations related to the outcomes of the budget performance report to Planning & Budget for review & action if needed.	SAC cabinet discussion: Institutional priorities and effects on RARs. Budget Performance report presented to SAC College Council.	Final Area Plan submitted to area VPs.	Final Area Plans for all divisions are posted		RSCCD Tentative Budget approved by Board of Trustees.
	ACADEMIC AFFAIRS/SCE	Planning cycle for next academic year begins	Faculty and Deans continue discussion on budget implications resulting from department program reviews and division plans.	Management reviews draft funding categories prioritized by SACBO. Area Plan is due to Academic Affair VP	Final Area Plan posted		
	STUDENT SERVICES			Area Plan due to Student Services VP	Final Area Plan posted		
	ADMIN SERVICES	Gov. delivers budget proposal for 2014/15. SACBO compiles Resource Allocation Requests. SAC Planning and Budget Committee Goals are established by Planning and Budget committee.	Tentative Budget assumptions for following year established by District. List of RARs sent to Planning and Budget for review then made available to campus community via SAC website SAC Planning and Budget Committee Goals are reviewed and approved by Planning & Budget Budget Performance quarterly report provided to SAC Cabinet and Planning and Budget committee.	District and SAC Tentative Budget assumptions presented to SAC Planning & Budget for review and comment. Funding categories will be assigned to the Prioritized RARs by SACBO sent to SAC Cabinet for prioritization. Area Program Review due to Administrative Services VP	50% law analysis takes place by SAC Budget Office (SACBO). SAC Tentative Budget is built utilizing budget criteria and Tentative Budget assumptions Area Program Review is shared/ posted http://teams.rscd.edu/SitePages/Home.aspx Prepare and Post SAC Budget Manual	SAC Tentative Budget is sent to Planning for review (Early May) - SAC Tentative Budget is submitted to District May 19th Budget memo is drafted and sent out to campus. Budget Performance quarterly report provided to SAC Cabinet and Planning and Budget committee. Governor's May Revise is presented to Planning & Budget	Tentative Budget available for Department review. SACBO begins review of Tentative Budget in preparation for Adopted Budget Define life cycles, fund & implement a systematic updating of Technology to support college-wide effectiveness

RSCCD Tentative Budget Calendar

Fiscal Year 2014 – 2015

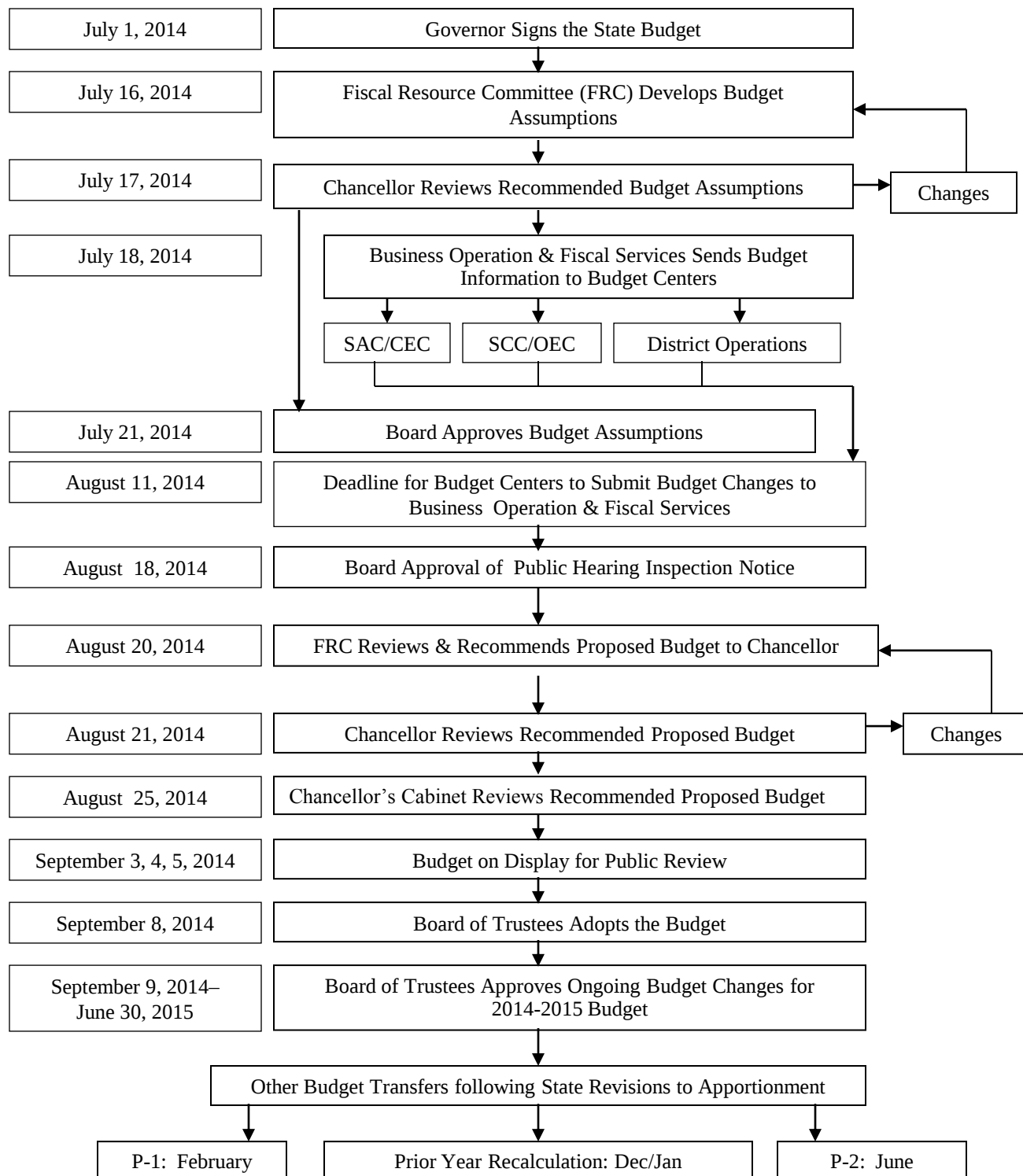
February 26, 2014



RSCCD Adopted Budget Calendar

Fiscal Year 2014 – 2015

February 26, 2014



Rancho Santiago Community College District

Sound Fiscal Management Self-Assessment Checklist 2014/2015

1. Deficit Spending - Is this area acceptable? **NO**

Is the district spending within their revenue budget in the current year? **No**

The district had budgeted deficit spending (current year expenditures exceeding current year revenue) of its Budget Stabilization Fund in 2011/12 of \$8.3 million (with an actual spend down of \$3 million) and deficit spending in the adopted budget for 2012/13 of \$7.2 million (with an actual spend down of \$5.7 million). The adopted budget for 2013/14 planned to utilize the Budget Stabilization Fund by an additional \$2.7 million with a current anticipated spend down of \$8.5 million. The tentative budget for 2014/15 estimates an additional spend down of \$5.6 million. Once one-time budget stabilization funds are exhausted, reductions in unrestricted ongoing costs will be necessary to bring costs in line with revenue.

Has the district controlled deficit spending over multiple years? **Yes, in years prior to 2011/12.**

Is deficit spending addressed by fund balance, ongoing revenue increases, or expenditure reductions? **Currently addressed using one-time funding through the Budget Stabilization Fund.**

Are district revenue estimates based upon past history? **Reserve estimates are based on a number of factors including State Chancellor's Office and Department of Finance estimates and local revenue estimates which are evaluated each year.**

Does the district automatically build in growth revenue estimates? **No, FTES growth opportunities must be carefully considered before the revenue is budgeted.**

2. Fund Balance – Is this area acceptable? **YES**

Is the district's fund balance stable or consistently increasing? **Yes, other than the deficit spending of Budget Stabilization Funds in 2011/12 through 2014/15.**

Is the fund balance increasing due to on-going revenue increases and/or expenditure reductions? **No.**

3. Enrollment - Is this area acceptable? **YES**

Has the district's enrollment been increasing or stable for multiple years? **Overall, enrollment has grown the last two years and additional growth has been planned for 2014/15.**

Are the district's enrollment projections updated at least semiannually? **No.**

Are staffing adjustments consistent with the enrollment trends? **Campuses and centers manage enrollment trends and staffing.**

Does the district analyze enrollment and full time equivalent students (FTES) data? **The district office prepares 320 reports to the State Chancellor's Office. The campuses manage and analyze enrollment and FTES data.**

Does the district track historical data to establish future trends between P-1 and annual for projection purposes? **The district prepares FTES information in spreadsheets for the colleges to utilize.**

Has the district avoided stabilization funding? **No.**

4. Unrestricted General Fund Balance – Is this area acceptable? **YES**

Is the district's unrestricted general fund balance consistently maintained at or above the recommended minimum prudent level (5% of the total unrestricted general fund expenditures)? **Yes, the unrestricted ending fund balance has not been below 8% since 2006/07.**

Is the district's unrestricted fund balance maintained throughout the year? **Yes, although Budget Stabilization Funds are temporarily being used to offset the current year budgeted deficit spending.**

5. Cash Flow Borrowing - Is this area acceptable? YES

Can the district manage its cash flow without interfund borrowing? **Yes. Currently the district is managing its cash flow without the need for interfund borrowing.**

Is the district repaying TRANS and/or borrowed funds within the required statutory period? **N/A**

6. Bargaining Agreements - Is this area acceptable? NO/YES

Has the district settled bargaining agreements within new revenue sources during the past three years? **No, salary and benefit increases have been negotiated even though expenditures exceed revenues. The faculty collective bargaining agreement includes a 9th place ranking formula.**

Did the district conduct a pre-settlement analysis identifying an ongoing revenue source to support the agreement? **Fiscal Services prepared a total compensation cost analysis after the negotiated settlement; however no ongoing revenue source could be identified to cover the additional ongoing salary and benefits costs. One-time Budget Stabilization Funds are being utilized to offset this ongoing cost increase.**

Did the district correctly identify the related costs? **Both the salary and related benefits costs were identified after the settlement.**

Did the district address budget reductions necessary to sustain the total compensation increase? **One-time Budget Stabilization Funds are being utilized to offset this ongoing cost increase. Future reductions will be necessary without additional revenue sources.**

7. Unrestricted General Fund Staffing - Is this area acceptable? NO

Is the district ensuring it is not using one-time funds to pay for permanent staff or other ongoing expenses? **No, however the district continues to transition to a new budget model. In 2012/13 the district established a new fund (Fund 13) to account for one-time, and carryover unrestricted general funds separately from Fund 11. Fund 11 will account for ongoing unrestricted general funds to balance current year revenues with current year expenses. As the 2014/15 tentative budget calls for deficit spending at this time, one-time funds are being used for ongoing costs.**

Is the percentage of district general fund budget allocated to salaries and benefits at or less than the statewide average (i.e. the statewide average for 2003-04 is 85%)? **Yes. The 2014/15 tentative budget shows 85%.**

8. Internal Controls - Is this area acceptable? YES

Does the district have adequate internal controls to insure the integrity of the general ledger? **Yes.**

Does the district have adequate internal controls to safeguard the district's assets? **Yes.**

Both of these are evidenced by unqualified audit opinions with no material weaknesses or significant deficiencies noted recently, with only minor federal and state compliance issues noted.

9. Management Information Systems - Is this area acceptable? YES

Is the district data accurate and timely? **Yes.**

Are the county and state reports filed in a timely manner? **Yes.**

Are key fiscal reports readily available and understandable? **Yes.**

10. Position Control – Is this area acceptable? NO

Is position control integrated with payroll? **No. The district is currently in process of creating and programming a position control system. Phase I went live in 2012/13 and includes only a salary encumbrance system for full- and part-time staff salaries. Phase II will include encumbrances for benefits costs. A future phase will directly tie total compensation of positions to budget.**

Does the district control unauthorized hiring? **Human Resources processes all hiring in accordance with board policies and procedures.**

Does the district have controls over part-time academic staff hiring? **Human Resources processes all hiring in accordance with board policies and procedures.**

11. Budget Monitoring - Is this area acceptable? YES

Is there sufficient consideration to the budget, related to long-term bargaining agreements? **The district is implementing three and five year Multi-Year Projection models (MYP) for use in collective bargaining and budget preparation.**

Are budget revisions completed in a timely manner? **Yes, monthly.**

Does the district openly discuss the impact of budget revisions at the board level? **Budget updates are presented to and discussed with the Board of Trustees at regularly scheduled public meetings.**

Are budget revisions made or confirmed by the board in a timely manner after the collective bargaining agreements are ratified? **Yes.**

Has the district's long-term debt decreased from the prior fiscal year? **Yes.**

Has the district identified the repayment sources for the long-term debt? **The district's budget assumptions include funding the OPEB liability at 1% of salaries plus \$500,000 each year. In 2011/12 and 2012/13, the district contributed the full Annual Required Contribution (ARC).**

Does the district compile annualized revenue and expenditure projections throughout the year? **Yes, district Fiscal Services does make projections throughout the year. In the new revenue allocation budget model, it will be important for the colleges to do their own frequent projections as well.**

12. Retiree Health Benefits - Is this area acceptable? YES

Has the district completed an actuarial calculation to determine the unfunded liability? **Yes, the district contracts for a new actuarial study every other year. The most recent report is as of February 1, 2014.**

Does the district have a plan for addressing the retiree benefits liabilities? **Although the district's budget assumptions call for funding the OPEB liability at 1% of salaries plus \$500,000 each year, this does not fund the full Annual Required Contribution (ARC). The district has taken significant steps toward funding this long-term liability by contributing additional funds to the Retiree Benefits Fund, although this still poses a large burden on future budgets, primarily the annual premium cost increases for lifetime health benefits.**

13. Leadership/Stability - Is this area acceptable? YES

Has the district experienced recent turnover in its management team (including the Chief Executive Officer, Chief Business Officer, and Board of Trustees)? **No.**

14. District Liability – Is this area acceptable? YES

Has the district performed the proper legal analysis regarding potential lawsuits that may require the district to maintain increased reserve levels? **Yes. The district belongs to Joint Powers Authority (JPA) for property and liability insurance, which helps analyze and monitor liability.**

Has the district set up contingent liabilities for anticipated settlements, legal fees, etc? **Yes.**

15. Reporting – Is this area acceptable? YES

Has the district filed the annual audit report with the System Office on a timely basis? **Yes.**

Has the district taken appropriate actions to address material findings cited in their annual audit report? **Yes, the district takes audit findings seriously and promptly corrects any issues.**

Has the district met the requirements of the 50 percent law? **Yes, to date the district is slightly above 50%.**

Have the Quarterly Financial Status Reports (CCFS-311Q), Annual Financial and Budget Reports (CCFS-311), and Apportionment Attendance Reports (CCFS-320) been submitted to the System Office on or before the stated deadlines? **Yes.**

SAC PROCEDURES FOR NEW ACCOUNTS, BUDGET CHANGES & TRANSFER OF EXPENDITURES (TOE)

New Accounts

1. New accounts are requested by division offices; a [new account request form](#) is filled out and e-mailed to the **SAC Budget office**. SAC Budget office reviews and validates GL numbers before sending the form to Fiscal Services department.
2. The originator of the account request can check status of GL account in **ACBL** or by running a **COAR** –chart of accounts report in Datatel.
3. For account requests involving **Restricted Funds**, contact your Resource Development Coordinator assigned to your categorical project. Forward account request form directly to Resource Development department; Resource Development staff will submit the account request(s) to Richard Kudlik, Fiscal Services Manager for validation and account creation.

Budget Changes

1. Budget changes are initiated by division offices; it is recommended to run a **GLSA** report to assure that you are reviewing all of your accounts, and that you have sufficient funds in the accounts where you are decreasing the budget. Proceed to complete a [Budget Change Form \(BCF\)](#) filling in all the account detail on every line.
2. Division Dean or Budget Director approves and forwards the BCF to area Vice President for approval.
3. After area VP approves, budget changes are sent to the **SAC Budget office S-203** to check for availability of funds and compliance.
4. SAC Budget office forwards approved budget changes to District Fiscal Services for final review of account sufficiency and compliance before the budget change is entered into Datatel.
5. The originator of the BCF can check status of GL account in **ACBL** in Datatel to confirm transfer of funds.
6. For budget changes involving **Restricted Funds**, after approval from area Vice President, budget changes are forwarded to District Resource Development department to review for compliance. Then, budget change form(s) are forwarded to District Accounting office for final review of account sufficiency before BCF is entered into Datatel.

Transfer of Expenditures

1. [Transfer of Expenditures \(TOE\)](#) are initiated by division offices; it is recommended to attach a **LGLA** detail sheet showing the amounts that will be transferred to another account. Make sure funds are available in the account where the expense will be transferred to for the TOE to take place.
2. When transferring expenses related to salaries and benefits, [an approved status change form](#) needs to be attached to the TOE.
3. Division Dean or Budget Director approves and forwards TOE to area Vice President for approval.
4. After area VP approves, TOEs are sent to the **SAC Budget office S-203** to check for availability of funds and compliance.
5. SAC Budget office forwards approved TOE to District Fiscal Services for final review of account sufficiency and compliance before the TOE is entered into Datatel.
6. The originator can check status of TOE in **ACBL** or by running a **GLSA** report.
7. For TOE involving **Restricted Funds**, after approval from area Vice President, TOEs are forwarded to the district Accountant assigned to your categorical project for final review of account sufficiency before transfer of expenditures are entered into Datatel.

ACCOUNT REQUEST FORM

FROM: _____

Name College - Department Phone No.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT BUDGET CHANGE FORM

FISCAL YEAR: 2014/15

TO: FISCAL SERVICES

FROM: _____ / _____
Signature - Administrator College - Department Name

DATE: _____

FUND TRANSFER NUMBER: _____

PROCESS DATE: _____

ENTERED BY: _____

It is requested that changes to budgeted funds be made as listed below:

CREDIT (From)

Office Use

[illegible]

DEBIT (To)

Office Use

[illegible]

Reason for Change: _____

Contact Person: _____

Name

Phone No.

Approval Signatures:

Resource Development (for Special Projects only)	Date
--	------

President or Vice President	Date
-----------------------------	------

Fiscal Administrator	Date
----------------------	------

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
REQUEST FOR TRANSFER OF EXPENDITURES

TO: Accounting Department

FROM: _____
Name College - Dept Name

Date: _____

Accounting Use Only

Posting Reference: _____

NOTE: This is not a fund transfer form. Please check with the Accounting Department if you have any questions.

Please transfer: \$ _____ - in Expenditures

	Fund XX	Project XXXX	TOPS XXXXXX	Department XXXXXX	Object XXXX	Amount
DEBIT: (TO)						
TOTAL:						-

CREDIT: (FROM)						
TOTAL:						-

Payroll Items: _____
Payroll# (ex:1A,1B) Name of Employee Employee ID #

Other items: _____
PO# Voucher# Check# Vendor Name

Reason for Transfer: _____

Requested By: _____
Signature Phone No.

Approved: _____ Disapproved: _____
Administrator (not requester) Date

Approved: _____ Disapproved: _____
Area Vice President (if required) Date

Approved: _____ Disapproved: _____
VP of Administrative Svc (if required) Date

Approved: _____ Disapproved: _____
Fiscal Services, Administrator Date

ACADEMIC ACCOUNT NUMBERS BY OBJECT

	Regular	Beyond Contract/ Overtime	Contract Extension	Substitute Short-Term/ Hourly (Rev 04/09/14)	Substitute Long-Term	Interession/Summer Beyond Contract (Excl. Contract Ext.)	Sabbatical	TOPS Group Codes (use specific TOPS for various instructional and non- instructional disciplines)
INSTRUCTORS								
Full-Time	1110	1313	1112	1311	1116	1314	1190	Instructional <499900*
Part-Time	1310			1311		1315		Instructional <499900*
COUNSELORS								
Full-Time	1230	1433	1232	1431	1236	1434	1290	Counseling 631000-639000
Part-Time	1430			1431		1435		Student Services 642000-649001
LIBRARIANS								
Full-Time	1220	1423	1222	1421	1226	1424	1290	612000
Part-Time	1420			1421		1425		612000
COORDINATOR								
Full-Time	1250	1453	1252	1451	1256	1454	1290	Non-instructional - 601000 or higher
Part-Time	1450			1451		1455		Non-instructional - 601000 or higher
INSTRUCTIONAL ASSISTANTS/ASSOCIATES								
Full-Time	2210	2450						Instructional <499900*
Part-Time	2410	2450		2420/2440				Instructional <499900*
*Use TOPS code for program they are teaching								
OTHER NON-INSTRUCTIONAL/REASSIGNED TIME								
CURRICULUM DEVELOPMENT								
Full-Time	1280	1483	1282	1481	1286	1484		602000
Part-Time	1480			1481		1485		602000
DEPARTMENT CHAIR								
Full-Time	1280	1483	1282	1481		1484		601000
Part-Time	1480			1481		1485		601000
FARCCD/ACADEMIC SENATE								
Full-Time	1280	1483	1282	1481		1484		603000
Part-Time	1480			1481		1485		603000
ACCREDITATION								
Full-Time	1280	1483	1282	1481		1484		609000
Part-Time	1480			1481		1485		609000
FRESHMEN EXP/SOPHOMORE EXP/HONORS PROG/PROGRAM DEVELOPMENT/PROGRAM FACILITATION, ETC.								
Full-Time	1280	1483	1282	1481		1484		Non-instructional - 601000 or higher
Part-Time	1480			1481		1485		Non-instructional - 601000 or higher
CHILD DEVELOPMENT TEACHERS								
Full-Time	1270	1470		1471		1470		692000
Part-Time	1471			1471		1471		692000
DEANS/ASSOCIATE DEANS								
Full-Time	1210							Instructional 601000/Non-instructional >610000
Part-Time	1410							Instructional 601000/Non-instructional >610000
NURSING PERSONNEL								
Full-Time	1240	1443	1242	1441	1246	1444		644000
Part-Time	1440			1441		1445		644000
PHYSICIANS/PSYCHIATRISTS/PSYCHOLOGISTS								
Full-Time	1260	1463	1262	1461	1266	1464		644000, 696000
Part-Time	1460			1461		1465		644000, 696000

Revised 4/15/2014



PROCEDURES TO APPLY FOR A GRANT

Before you apply for a grant a [request for authorization to apply for a grant](#) form should be filled out with the following information:

1. General Information about the Grant
2. Project Description/Plan
3. Project Facilities Requirements, if any, and how will they be met
4. Anticipated Project Personnel
5. Curriculum (Program/Course) Impact
6. Implication for the College/District
7. Long Term implication for the College/District
8. Advisement of Proposal to the Following:
 - Academic Senate President, - Curriculum Committee Chair, - Department Chair(s) of Dept Impacted by Project, and RSCCD Research & Grants office
9. Operational Signatures from Project Initiator, Project Administrator and Area Vice President.
10. Recommendations from College Council and Academic Senate President
11. Final Approval from College President

After getting final approval from College President, the Resource Development department will provide you with grant development and grant management services. Please go to <http://rsccd.edu/departments/resource-development/Pages/default.aspx> for more information.

Request for Authorization to Apply for a Grant
College Council
Santa Ana College

1. GENERAL INFORMATION:

Project Title: _____

Project Initiator: _____

Project Administrator: _____

Project Coordinator: _____

Grantor Agency: _____

Grantor Agency Deadline for Proposal: _____

Funding Period: _____

2. PROJECT DESCRIPTION/PLAN:

Estimated grant amount: _____

Match required: Yes ☐ No ☐

Estimated match amount: _____

In-kind/Cash match requirement: Yes ☐ No ☐

Where will funds for match originate? _____

Comments about match: _____

3. WHAT ARE THE PROJECTED FACILITIES REQUIREMENTS, IF ANY, AND HOW WILL THEY BE MET?

4. ANTICIPATED PROJECT PERSONNEL:

Position Needed	FTE	Hourly	Existing/New	Funded Match In-Kind	Stipend or Release Time

Is the Project Coordinator involved in any other grants (i.e. manager/coordinator or participant). If so, what amount of release time does she/he receive for the other grant participation?

5. CURRICULUM (PROGRAM/COURSE)IMPACT:

6. IMPLICATIONS FOR THE COLLEGE/DISTRICT:

- How does this project relate to the goals and objectives of the college?
- How does this project relate to the goals and objectives of the program to which the grant relates?
- Where is the need for this project identified in the related program's EMP/DPP/Program Review?
- Will this project impact other departments/units? Yes ☐ No ☐
- If yes, identify which department/unit and explain how you plan to include them in the planning process.
- Please list each department, the chair(s) to whom you spoke and whether or not the faculty in the department are willing to participate in the proposed project.
 - Department _____ Chair(s) _____ Willing to Participate Yes ☐ No ☐
 - Department _____ Chair(s) _____ Willing to Participate Yes ☐ No ☐
 - Department _____ Chair(s) _____ Willing to Participate Yes ☐ No ☐
 - Department _____ Chair(s) _____ Willing to Participate Yes ☐ No ☐
- How will project facilities requirements, if any, be met?

7. LONG TERM IMPLICATIONS FOR THE COLLEGE/DISTRICT:

- When funding ends, will this project be institutionalized? Yes ☐ No ☐
- If so, what is the estimated cost to fund this project?
- If not, what will happen to this project and the personnel involved with it?

8. HAVE THE FOLLOWING BEEN ADVISED OF THIS PROPOSAL?

- ☐ Academic Senate President ☐ Curriculum Committee Chair ☐ Department Chair(s) of Department Impacted by Project
- ☐ RSCCD Research & Grants office

9. Operational Signatures: (*Obtain signatures in the order below*)

Project Initiator: Date

Project Administrator: Date

Vice President: Date

10. Recommendations:

College Council Recommendation: Yes ☐ No ☐ Date: _____

Academic Senate President Recommendation: Yes ☐ No ☐

Academic Senate President: Date

11. Final Approval:

College President Date

INSTRUCTIONAL EQUIPMENT/LIBRARY MATERIAL/TECHNOLOGY 1998-99 GUIDELINE CLARIFICATION

We have received several inquiries requesting additional information on specific allowable expenditures under the above named program. The following is intended to supplement and clarify the Instructional Equipment/Library Materials/Technology Certification issued in this package.

Some of the more frequently asked questions are as follows:

- *"How can I be sure if an expenditure meets the criteria?"*

A general rule of thumb for determining whether an expenditure is eligible is if the equipment, technological enhancement or library material is for classroom demonstration, student evaluation or use, or in the preparation of learning materials in an instructional or related ancillary program.

- *"Can district personnel salaries and wages be charged off for the maintenance, repair, ordering, processing, cataloging or binding of library material, technology or instructional equipment?"*

No. These funds are not to be used to supplant salaries and wages. Only expenditures for parts, outside labor or that which is included in the purchase price of the library materials, technological enhancement or instructional equipment are applicable. However, for the 1999-2000 budget process, the Chancellor's Office is advocating an increase in the block grant base amount to allow for technological support service positions.

- *"Is it all right to use funds for the purchase of classroom/laboratory furniture?"*

Yes. These funds may now be used for the repair, replacement or expansion of classroom or laboratory furniture, including desks and chairs.

- *"What types of expenditures are applicable with the technology portion of the Block Grant funds?"*

Expenditures in this category include computers and the necessary infrastructure and software used for the delivery or preparation of instructional materials or direct assistance to students, such as for registration, counseling or student services (no administration).

- *"Can equipment such as photocopiers, file cabinets, bookcases, office typewriters or computers be included in this program?"*

In some cases. Equipment for administrative or non-instructional purposes is not allowed. Computers and photocopiers used in the preparation of instructional materials or as an instructional aide are allowed in this program.

- *"Are sound systems an appropriate expenditure?"*

Yes. Sound systems can be purchased under this grant for use in large classrooms and theaters less than 400 seats, but not stadiums.

- *"Can funds be used to install instructional equipment?"*

Yes. Instructional equipment that requires installation or adaptation included with the purchase of that equipment is allowable.

- *"Can funds be used for scheduled maintenance?"*

Funds appropriated through the 1998-99 trailer bill for allocation by FTES cannot be used for scheduled maintenance projects, unlike the provisions in the 1997-98 trailer bill that allowed block grant funds to be used as district match or for non-state funded scheduled maintenance projects.

- *"We are aware that the Office for Civil Rights (OCR) conducted a review of community college services for visually impaired students and recommended that colleges provide adaptive equipment for such students in libraries, computer labs, and other locations outside of High Tech Centers. Can we use instructional equipment funds to purchase such equipment?"*

Yes. Instructional equipment funds can be used to purchase braille printers, speech synthesizers, scanners and optical character recognition software, refreshable braille displays, braille or speech-based notetaking devices, print enlarging systems, or other adaptive equipment needed to provide access to print and/or electronic documents and instructional materials for blind and visually impaired students. The Chancellor's Office will be working with the High Tech Center Training Unit to make recommendations to colleges on equipment best suited to meeting the needs of students and the legal requirements identified in the OCR report. We will also be exploring the possibility of arranging cooperative purchasing opportunities to allow colleges to purchase such equipment at the most competitive prices. More information will be provided to colleges on this issue in the near future, but if you have questions you may contact General Counsel Ralph Black at (916) 445-4826.

- *"Can funds be used to purchase software site licenses and pay for internet services?"*

Yes, one-time technology funds may be used for these purposes.

- *"What is the difference between the one-time and ongoing appropriations for this program?"*

The following chart should help simplify the differences between the two fund sources:

Program/Purpose	One-Time Funds	Ongoing Funds
Student Services Equipment	X	
Leased Equipment		X
Lease Purchase Equipment	X	X
Technology	software, site licenses and service fees	computers, hardware & accessories
Scheduled Maintenance Match or Projects	only 1997-98 carryover funds	
Library Materials & Equipment	X	X
Instructional Equipment Matching Requirement	none	3:1
Furniture	X	X
Instructional Equipment	X	X
Specialized Equipment for ADA/OCR	X	X

Instructional Equipment/Library Materials/Technology Procedures

1. Departments must include Instructional Equipment needs in resource allocation request form (RAR).
2. Departments to confirm funding of instructional equipment requests at <http://sac.edu/AdminServices/budget/Pages/default.aspx> when posted.
3. Departments to submit quotes to SAC Budget office for items requested and funded in RAR (quotes to include tax, shipping and installation cost if any).
4. SAC Budget office will request accounts and allocate budgets to proper object codes.
5. Departments are responsible for contacting Maintenance, ITS or Media Services departments ahead of time for any electrical upgrades or installation needs.
6. Departments will enter requisitions and work closely with purchasing and the warehouse to coordinate equipment delivery dates.
7. Departments will submit work orders to Maintenance, ITS and/or Media Services to coordinate any needed installation.

End of Life/Surplus Equipment procedures:

1. Departments fill out [furniture and equipment transfer request form](#) located in the employee intranet under purchasing department.
2. Obtain the appropriate administrators signature.
3. Forward the form to district warehouse operations for processing.
4. Warehouse forwards form to M&O for items to be removed.
5. Maintenance and Operations personnel contacts department to arrange removal of surplus equipment.
 - All items with a cost or donated value of >\$1000 or more per item are included in the inventory with the exception of the equipment permanently fixed in a building such as heaters or lockers. The inventory reports include at least the name, description, date of acquisition, identification (serial) numbers, tag number, campus and department location, and original cost of all items.
 - ***Items purchased with federal funds are given an additional code number and are recorded under a threshold of $\geq$ \$200 identified by tag numbers that begin with "F".***
 - Equipment may not be disposed of without following the procedure set in Administrative Regulation#3405- Surplus Property
 - <http://www.rscdd.edu/Trustees/Administrative-Regulations/Pages/Admin-Regulation-BusFin-Support-Serv-AR3405.aspx>

STATE OF CALIFORNIA

**CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE**

1102 Q STREET
SACRAMENTO, CA 95814-6511
(916) 445-8752
HTTP://WWW.CCCCO.EDU



ACCOUNTING ADVISORY NO. 2000-01
July 24, 2000

TO: District Chief Business Officer

FROM: Frederick E. Harris, Director
College Finance & Facilities Planning

SUBJECT: Proposition 20 - Lottery Funds for Instructional Materials

Synopsis: At the Primary Election held on March 7, 2000 California voters approved Proposition 20 - *Cardenas Textbook Act of 2000*. Proposition 20 amended Government Code Section 8880.4 to provide that beginning with the 1998-99 fiscal year and each fiscal year thereafter, fifty percent of any growth in statewide lottery revenues for public education above what was allocated in the 1997-98 fiscal year would be allocated to school districts and community college districts (K-14 districts) for sole purpose of purchasing instructional materials.

The State Controller's Office (SCO) is responsible for the allocation of lottery revenue to public education, including community college districts. The SCO is also responsible for implementing the new lottery revenue allocation provisions required by Proposition 20. The SCO has recently decided two previously uncertain implementation issues as follows:

- The SCO interpreted the language of Proposition 20 to require that fifty percent of the total growth in lottery funds as described above be allocated only to K-14 districts for the purchase of instructional materials. This interpretation will result in K-14 districts receiving a larger share of lottery funds because other public education entities (CSU, UC, etc.) will no longer receive a share of half of the growth in lottery funds. Proposition 20 does not change the way that base lottery revenues and the other half of the growth are allocated.
- The SCO determined that Proposition 20 will be implemented retroactively. The language states that its provisions begin in the 1998-99 fiscal year. This means that non K-14 educational entities will have current lottery revenue reduced to offset the over-allocated amounts provided in fiscal year 1998-99.

The SCO previously determined that interest income should be excluded from the Proposition 20 base year (1997-98) and payment calculations. An issue that is yet unresolved is whether the SCO should also exclude unclaimed prizes lottery revenue. Public education receives unclaimed prizes and interest income in addition to the statutory 34% distribution of sales revenues. Due to this outstanding issue, the State Controller's Office has not yet finalized the base year amount or the methodology to calculate the Proposition 20 payments.

Lottery Payments/Projections

The SCO lottery allocation system is being revised to automatically calculate the portion of lottery revenue that is restricted for instructional materials and will identify those amounts separately. The funds are to be distributed on the basis of an equal amount per unit of ADA/FTES for K-14 districts. As stated above, Proposition 20 provides that fiscal year 1997-98 be the "base year" when calculating the growth in statewide lottery revenues for public education. In fiscal year 1997-98, approximately \$817 million (including approximately \$30 million from unclaimed prizes) was allocated from lottery revenue to public education.

Lottery revenue for public education for fiscal year 1998-99 increased by approximately \$95 million from the base year amount, half of which is retroactively earmarked for K-14 instructional materials. The majority of this amount has already been allocated to K-14 districts as regular lottery revenue. The SCO plans to include the portion not yet allocated in the normal revenue adjustment that will occur in the 1st Quarter payment (December) for fiscal year 2000-01. A remittance advice will be provided to separately identify the portion of the adjustment related to Proposition 20 and therefore restricted for the purchase of instructional materials. This revenue should be treated as current year restricted revenue in fiscal year 2000-01 and expended in accordance with Proposition 20. K-14 districts will receive the revenue adjustment to make-up for the under-allocated amounts for fiscal year 1998-99 resulting from the retroactive implementation of Proposition 20. The SCO will provide K-14 districts their total restricted amount for fiscal year 1998-99 when the base year amount and the methodology to calculate the Proposition 20 payments are finalized. Once this information is provided by the SCO, the district should determine if there were sufficient expenditures for instructional materials for fiscal year 1998-99 to meet the expenditure requirements of Proposition 20. Any deficiency should be made-up through current-year instructional materials expenditures. Although Proposition 20 has retroactive provisions, the Chancellor's Office will not request that districts modify their lottery receipt and expenditure report (CCFS-311) filed for fiscal year 1998-99.

Lottery revenue for fiscal year 1999-2000 is projected to increase by \$123 million from the base year, half of which is restricted for instructional materials. The restricted portion represents approximately \$8 per FTES (\$116 for the regular lottery allocation). The Controller's Office is planning to make fiscal year 1999-2000 Proposition 20 payments in the 4th Quarter payment (September). Lottery revenue for fiscal year 2000-2001 is projected to increase by \$152 million from the base year, half of which is similarly restricted. The restricted portion represents approximately \$10 per FTES (\$119 for the regular lottery allocation) per FTES.

Please note that the projected payment schedule is contingent on a timely resolution of the issue related to unclaimed prizes lottery revenue and successful testing of programming changes to the lottery allocation system. Also, the above projected Proposition 20 revenue per FTES could change if the SCO determines that lottery revenue from unclaimed prizes should not be included the Proposition 20 base and payment calculations and/or the statewide ADA/FTES total is revised.

Guidelines for Instructional Materials Expenditures

The Chancellor's Office Legal Office has issued Legal Opinion O 00-16 regarding the definition of "instructional materials" as used in Proposition 20. The Opinion provides the following conclusion:

"We find that the definition of instructional materials contained in Education Code Section 60010(h) is comprehensive in that it contains a list of items that constitute the universe of materials deemed to be

instructional. While Education Code Section 60010(h) applies directly only to elementary and secondary school districts, our review of the community college statutory and regulatory authority on the subject of instructional materials revealed no definition which was in any way contradictory to the broad definition provided in Education Code Section 60010(h). Furthermore, we find no evidence that Proposition 20 was designed to apply a definition of instructional materials to community colleges that is different from the one applicable to elementary and secondary school districts. We therefore conclude that the Legislature and the voters intended community college districts and K-12 school districts to share a common definition of instructional materials for purposes of Proposition 20 and that the applicable definition is contained in Education Code Section 60010(h)."

Therefore, the expenditure of Proposition 20 funds should conform to Education Code Section 60010(h), which states that "Instructional materials means all materials that are designed for use by pupils and their teachers as a learning resource and help pupils to acquire facts, skills, or opinions or to develop cognitive processes. Instructional materials may be printed or nonprinted, and may include textbooks, technology-based materials, other educational materials, and tests."

Accounting for Proposition 20 Revenues

Lottery revenue restricted for instructional materials must be accounted for in the restricted sub-fund of the General Fund and recorded to revenue account *8680 State Non-Tax Revenues-State Lottery Proceeds*. The expenditures are to be recorded within the subsidiary categories of *Object 4000 Supplies and Materials: Software; Books, Magazines and Periodicals; and Instructional Supplies and Materials* as appropriate. Also included are educational software licensing expenditures recorded within *Object 5000 Other Operating Expenses and Services-Contract Services* and expenditures recorded within *Object 6300 Library Books*. The expenditures should be for *Activities 0100 through 4900, 6110 Learning Center, and 6120 Library*. To the extent possible, 1999-2000 lottery revenue should be accrued. You should also note that Proposition 20 does not contain any supplanting language and that unspent balances can be carried over.

Lottery revenue not restricted for instructional materials will continue to be considered unrestricted General Fund revenue to be used exclusively for the education of pupils and students and cannot be used for acquisition of real property, construction of facilities, and financing of research.

Action/Date Requested: This Accounting Advisory is for your information and should be used in conjunction with the Budget and Accounting Manual to record and report Proposition 20 revenues. Please file this advisory in the Appendix of your manual behind the tab "Accounting Advisories". We will continue to inform you as decisions are made regarding implementation of Proposition 20 and whether there are any changes in lottery projections.

Contact: If you have any questions, please contact Elias Regalado at (916) 445-1165 or by e-mail at eregalad@cccco.edu.

Cc: District Superintendent/President
Thomas J. Nussbaum
Patrick J. Lenz
Elias M. Regalado

NOTICE:

CLARIFICATION TO ACCOUNTING ADVISORY No. 2000-01

PROPOSITION 20 - LOTTERY FUNDS FOR INSTRUCTIONAL MATERIALS

August 1, 2000

In addition to the Object of Expenditure categories listed in Accounting Advisory No. 2000-01 for the expenditure of Lottery revenue that is restricted for instructional materials, districts can also record educational software purchases to Object 6400 Equipment if the cost and useful life requirements are met as prescribed in the Budget and Accounting Manual.

The Advisory previously only included educational software purchases recorded within *Object 4000 Supplies and Materials*.

If you have any questions, please contact Elias Regalado at (916) 445-1165 or by e-mail at eregalad@cccco.edu.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT **Dollar Amount Limitations for Procurement**

TYPE OF PURCHASE	DOLLAR LIMIT	REQUIREMENTS	BOARD APPROVAL	LEAD TIME
Equipment, supplies and services (other than public works)	Under \$15,000	Competitive quotes not required but recommended, if feasible	No advanced Board approval required	2-4 weeks
	\$15,000 - \$84,099	Two or three competitive quotes unless it is in the best interest of the District to work with a particular vendor	No advanced Board approval required	4 weeks
	\$84,100+ *	Formal bidding procedure	Board approval required	2-3 months
Cooperative contracts and piggybackable bids (e.g., County of Orange, County of Los Angeles, CMSA, WSCA and School Districts, etc.)	No limit	All supporting documentation and must meet all legal requirements	Board approval required. Thereafter, purchase orders are issued as needed during the duration of the contract period. Board ratifies each purchase order via purchase order listing.	1-2 weeks
Special services and advice (e.g., financial, economic, accounting, engineering, legal, administrative matters) GC 53060 See GC 4526-Professional Services & PCC 6106	Under \$15,000	Requires an Agreement and is negotiated	No advanced Board approval required	1-2 weeks
	\$15,000+	Requires an Agreement and two or three competitive quotes unless it is in the best interest of the District to work with a particular vendor.	Board approval required	2-4 weeks
Independent contractors/Guest lecturers (other than the above)	Under \$15,000	Independent Contractor/Guest Lecturer packet	No advanced Board approval required	1-2 weeks
	\$15,000+	Independent Contractor/Guest Lecturer packet	Board approval required	2-4 weeks
California Uniform Public Construction Cost Accounting Act (CUPCCAA) for Public Works (real property alterations, major facility repairs, remodeling and construction)	Under \$15,000	Negotiated Contract or Purchase Order (Field Agreement is required)	No advanced Board approval required	1-2 weeks
	\$15,000 - \$45,000**	Two or three competitive quotes are required. Departments must select contractors from prequalification list. Payment Bond is required in excess of \$25,000. (Field Agreement is required)	No advanced Board approval required	1-3 weeks
	\$45,001 - \$175,000**	Informal bidding procedure Must be informally bid to applicable trade contractors on prequalification list. All notices are to be sent to all qualified contractors on prequalification list and/or construction trade journals. Notices must be completed no later than 10 calendar days before bids are due.	Awarded by the Chancellor, Executive Vice Chancellor of Human Resources/Educational Services and Vice Chancellor of Business/Fiscal Services. Board ratifies via Board memorandum.	8-12 weeks
	\$175,000+	Formal bidding procedure Subject to standard formal bidding procedures. All notices are to be sent to the Orange County Register, trade contractors on prequalification list and/or construction trade journals. Notices must be sent 15 calendar days before bids are due for trade contractors & construction trade journals. Fourteen (14) calendar days for Orange County Register.	Board approval required	8-12 weeks

Annually, this dollar amount increases. (Public Contract Code Section #20651)
Per California Uniform Public Construction Cost Accounting Act (Public Contract Code Section 22032)

Note: Guidelines are standard regardless of funding source

Payment Bond required for contracts in excess of \$25,000
Performance Bond recommended for projects \$50,000 or greater

The definition of "public works" means any of the following:

1. Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility, any public structure, building, road or other public improvement of any kind.
2. Painting or repainting of any publicly owned, leased, or operated facility.

Legal Reference:

Civil Code 3100, 3106
Public Contract Code 1101, 22002(c)
Labor Code 1720

A "public works" does not include maintenance work. For purposes of this section, maintenance work includes all of the following:

1. Routine, recurring, and usual work for the preservation, protection and keeping of any publicly owned or publicly operated facility for its intended purposes in a safe and continually usable condition for which it was designed, improved, constructed, altered, or repaired. (Facility means any plant, building, structure, ground facility, utility system or real property).
2. Minor repainting.
3. Resurfacing of streets and highways at less than one inch.
4. Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
5. Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including but not limited to, dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher.

Legal Reference:

Public Contract Code 20656, 22002(d)

The definition of "emergency work"

1. "Emergency" means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.
2. In an emergency when any repairs, alterations, work, or improvement is necessary to any facility of the college, or to permit the continuance of existing college classes, or to avoid danger to life or property, the Board may, by unanimous vote, with the approval of the county superintendent of schools, make a contract in writing or otherwise on behalf of the district for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bids.

Legal Reference:

Public Contract Code 1102, 20654

Bid Splitting

1. It shall be unlawful to split or separate into smaller work orders or, projects, any work, project, services or purchases for the purpose of evading the competitive bidding laws.

Legal Reference:

Public Contract Code 20657

District Insurance Requirements

It is required that every vendor and contractor working for the Rancho Santiago Community College District meet the following insurance requirements. The vendor and contractor will be required to file with the District certificates of such insurance and endorsements. Failure to furnish such evidence will be considered default of the vendor and contractor.

Prior to commencing work, and continuing during the life of the project, vendor and contractor shall take out, and require all subcontractors, if any, to take out and maintain:

- Not less than a combined single limit of \$1,000,000 per occurrence for bodily injury, personal injury, and property damage for Commercial General Liability Insurance/Property Damage.
- Not less than \$1,000,000 per accident for Workers' Compensation.
- Not less than a combined single limit of \$1,000,000 per occurrence for bodily injury, personal injury, and property damage Comprehensive Automobile Liability.

The District shall be named as an *additional insured* on the Commercial General Liability and Comprehensive Automobile Liability policies, *documented by a written endorsement*, and the policy must carry a *30-day* cancellation clause.



Rancho Santiago Community College District

Budget Allocation Model

Based on SB 361

- The “*Rancho Santiago Community College District Budget Allocation Model Based on SB361, February 8, 2012*” was approved at the February 22, 2012 Budget Allocation and Planning Review Committee Meeting

Introduction

In 2008, both colleges were visited by ACCJC Accreditation Teams in the normal accreditation cycle. The Teams noticed that the district’s budget allocation model that was in place for approximately ten years had not been annually reviewed as to its effectiveness as stated in the model documents. The existing revenue allocation model was developed when the district transformed into a multi college district. The visiting Team recommended a review of the existing budget allocation model and recommended changes as necessary.

The Budget Allocation and Planning Review Committee (BAPR) charged the BAPR Workgroup, a technical subgroup of BAPR, with the task of reviewing the ten year old model. In the process, the Workgroup requested to evaluate other California Community College multi-campus budget allocation models. Approximately twenty models were reviewed. Ultimately, the Workgroup focused on a revenue allocation model as opposed to an expenditure allocation model. A revenue allocation model allocates revenues (state and local) generated in a budget year to the college campuses in the district based on the state funding model that allocates state apportionment revenues to districts. An expenditure allocation model allocates, by agreed upon formulas, expenditure appropriations for full-time faculty staffing, adjunct faculty staffing, classified and administrative staffing, associated health and welfare benefit costs, supply and equipment budgets, utility costs, legal and other services. The BAPR Workgroup ultimately decided on a revenue allocation formula in order to provide the greatest amount of flexibility for the campuses.

Senate Bill 361, passed in 2006, changed the formula of earned state apportionment revenues to essentially two elements, 1) Basic Allocations for college/center base funding rates based on FTES size of the college and center and 2) Full Time Equivalent Students (FTES) based on earned and funded FTES. The BAPR Workgroup determined that since this is how our primary funding comes from the state this model should be used for distribution on earned revenues to the colleges. The colleges and centers are the only entities in the district that generates this type of funding. Revenue earned and funded by the state will be earned and funded at the colleges. The Budget Allocation Model (BAM) described in this document provides the guidelines, formulas, and basic steps for the development of an annual district-wide budget including the allocation of budget expenditure responsibilities for Santa Ana College, Santiago Canyon College and District Operations referred to as the three district Budget Centers. The budget is the financial plan for the district, and application of this model should be utilized to implement the district’s vision, mission statement, district strategic plan and the technology strategic plan as well as the colleges’ mission statements, educational master plans, facilities master plans and other planning resources. The annual implementation of the budget allocation model is to be aligned with all of these plans. To ensure that budget allocation is tied to planning, it is the responsibility of District Council to review budget and planning during the fiscal year and, if necessary, recommend adjustments to the budget allocation model to keep the two aligned for the coming year. The Chancellor and the Board of Trustees are ultimately responsible for the annual budget and the expenditures associated with the budget. In February of 2013, the Board of Trustees adopted a new planning design manual. This document eliminated BAPR and created the Fiscal Resources Committee (FRC). FRC is responsible for recommending

the annual budget to the District Council for its recommendation to the Chancellor and Board of Trustees. FRC is also responsible for annual review of the model for accreditation and can recommend any modifications to the guidelines.

The goal of the BAM is to create a documented revenue allocation process that provides financial stability and encourages fiscal accountability at all levels in times of either increasing or decreasing revenue streams. It is also intended to be simple, transparent, easy to understand, fair, predictable and consistent, using quantitative, verifiable factors with performance incentives. District Council should conduct a review(s) during each fiscal year to assess if the operation of the budget allocation model is meeting the goal.

Under state law, the District is the legal entity and is ultimately responsible for actions, decisions and legal obligations of the entire organization. The Board of Trustees of the Rancho Santiago Community College District has clear statutory authority and responsibility and, ultimately, makes all final decisions. Likewise, the Chancellor, under the direction of the Board of Trustees, is responsible for the successful operation, reputation, and fiscal integrity of the entire District. The funding model does not supplant the Chancellor's role, nor does it reduce the responsibility of the District Operations staff to fulfill their fiduciary role of providing appropriate oversight of the operations of the entire District. It is important that guidelines, procedures and responsibility be clear with regard to District compliance with any and all laws and regulations such as the 50% Law, full-time/part-time faculty requirements, Faculty Obligation Number (FON), attendance accounting, audit requirements, fiscal and related accounting standards, procurement and contract law, employment relations and collective bargaining, payroll processing and related reporting requirements, etc. The oversight of these requirements are to be maintained by District Operations, which has a responsibility to provide direction and data to the colleges to assure they have appropriate information for decision making with regard to resource allocation at the local level, thus, assuring District compliance with legal and regulatory requirements.

All revenue is considered District revenue because the district is the legal entity authorized by the State of California to receive and expend income and to incur expenses. However, the majority of revenue is provided by the taxpayers of California for the sole purpose of providing educational services to the communities and students served by the District. Services such as classes, programs, and student services are, with few exceptions, the responsibility of the colleges. It is the intent of the Revenue Allocation Model to allocate the majority of funds to the colleges in order to provide those educational services. The model intends to provide an opportunity to maximize resource allocation decisions at the local college level. Each college president is responsible for the successful operation and performance of his/her college as it relates to resource allocation and utilization. The purpose and function of the District Operations in this structure is to maintain the fiscal and operational integrity of the District and its individual colleges and centers and to facilitate college operations so that their needs are met and fiscal stability is assured. District Operations has responsibility for providing certain centralized functions, both to provide efficient operations as well as to assist in coordination between District Operations and the colleges. Examples of these services include human resources, business operations, fiscal and budgetary oversight, procurement, construction and capital outlay, and information technology. On the broadest level, the goal of this partnership is to encourage and support collaboration between the colleges and District Operations.

Implementation

A detailed transition plan for the implementation of the new BAM should include:

- Standards and milestones for the initial year
- An evaluation process to determine if the standards and milestones have been achieved or if there is adequate progress
- A process to ensure planning is driving the budget

The 2012-2013 fiscal year is the transitional year from the old budget allocation model to the new SB 361 model. Essentially, the first year (2012-2013) of the new model is a rollover of expenditure appropriations from the prior year 2011-2012. Therefore the 2011/12 ending balance funds are used on a one time basis to cover the structural deficit spending in the 2012/13 fiscal year.

An SB 361 Budget Allocation Model Implementation Technical Committee (BAMIT) was established by the Budget Allocation and Planning Review Committee (BAPR) and began meeting in April 2012. The team included:

District Office:	
Peter Hardash	Vice Chancellor, Business Operations/Fiscal Services
John Didion	Executive Vice Chancellor
Adam O'Connor	Assistant Vice Chancellor, Fiscal Services
Gina Huegli	Budget Analyst
Thao Nguyen	Budget Analyst
Santa Ana College:	
Linda Rose	Vice President, Academic Affairs
Jim Kennedy	Interim Vice President, Administrative Services
Michael Collins	Vice President, Administrative Services
Santiago Canyon College:	
Aracely Mora	Vice President, Academic Affairs
Steve Kawa	Vice President, Administrative Services

BAMIT was tasked with evaluating any foreseeable implementation issues transitioning from the old model and to make recommendations on possible solutions.

The team spent the next five months meeting to discuss and agree on recommendations for implementing the transition to new model using a series of discussion topics. These agreements are either documented directly in this model narrative or included in an appendix if the topic was related solely to the transition year.

It was also agreed by BAMIT that any unforeseen issue that would arise should be brought back to FRC for review and recommendation.

Revenue Allocation

The SB 361 funding model essentially allocates revenues to the colleges in the same manner as received by the District from the State of California. This method allocates all earned revenues to the colleges.

College and District Operations Budgets and Expenditure Responsibilities

Since the BAM is a revenue allocation model, all expenditures and allocation of revenues under the model are the responsibilities of the colleges and centers. Expenditure responsibilities for the colleges, District Operations and district-wide services are summarized in Table 1.

Revenue and budget responsibilities are summarized on Table 2. The total annual revenue to each college will be the sum of base funding for each college and center as defined by SB 361 and applying the current FTES rates for credit base, noncredit base, career development and college preparation noncredit base revenues as well as any local unrestricted or restricted revenues earned by the college.

The revenue allocations will be regularly reviewed by FRC. In reviewing the allocation of general funds, FRC

should take into consideration all revenues, including restricted revenues, available to each of the Budget Centers less any apportionment deficits, property tax shortfalls or uncollected student fees or shortfalls. If necessary, FRC will recommend adjustments to District Council for submission to the Chancellor.

The revenue allocated to District Operations and for district-wide services will be based on a budget prepared by the District Office, reviewed by FRC and the District Council and approved by the Chancellor and the Board of Trustees. This funding method is essentially a chargeback to the colleges.

DISTRICT OPERATIONS – Examples are those expenses associated with the operations of the Chancellor’s Office, Board of Trustees, Public Affairs, Human Resources, Risk Management, Educational Services, Institutional Research, Business Operations, Internal Auditing, Fiscal Services, Payroll, Purchasing, Facilities Planning, ITS and Safety Services. Economic Development expenditures are to be included in the District Operations budget but clearly delineated from other District Operations’ expenditures.

DISTRICT-WIDE SERVICES – Examples are those expenses associated with State and Federal regulatory issues, insurances, legal costs, Independent Audit Expenses and Retiree Health Benefit Costs.

Annual expenditure budgets for the District Operations and district-wide services will be developed based on the projected levels of expenditure for the prior fiscal year, taking into account unusual or one-time anomalies.

An annual review of District Operations and district-wide services will be conducted by District Council each fall in order to give time to complete the evaluation in time to prepare for the following fiscal year budget cycle and implement any suggestions. The review will include an evaluation of the effectiveness of the services provided to assure the District is appropriately funded. If District Council believes a change to the allocation is necessary, it will submit its recommendation to FRC for funding consideration and recommendation to the Chancellor.

District Reserves and Deficits

The Board of Trustees will establish a reserve through board policy, state guidelines and budget assumptions.

The Chancellor reserves the right to adjust allocations as necessary.

The Board of Trustees is solely responsible for labor negotiations with employee groups. Nothing in this budget model shall be interpreted to infringe upon the Board’s ability to collectively bargain and negotiate in good faith with employee organizations and meet and confer with unrepresented employees.

College Budget and Expenditure Responsibilities

Colleges will be responsible for funding the current programs and services that they operate as part of their budget plans. There are some basic guidelines the colleges must follow:

- Allocating resources to achieve the state funded level of FTES is a primary objective for all colleges.
- Requirements of the collective bargaining agreements apply to college level decisions.
- The FON (Faculty Obligation Number) must be maintained by each college. Full-time faculty hiring recommendations by the colleges are monitored on a district wide basis. Any financial penalties imposed by the state due to FON non-compliance will be borne proportionately by the campus not in compliance.

- In making expenditure decisions, the impact upon the 50% law calculation must be considered and budgeted appropriately. Any financial penalties imposed by the state due to 50% law non-compliance will be borne proportionally (by FTES split) by both campuses.
- With unpredictable state funding, the cost of physical plant maintenance is especially important. Lack of maintenance of the operations and district facilities and grounds will have a significant impact on the campuses and therefore needs to be addressed with a detailed plan and dedicated budget whether or not funds are allocated from the state.

Budget Center Reserves and Deficits

It is strongly recommended that the colleges and District Operations budget centers set aside at least a 1% contingency reserve to handle unplanned and unforeseen expenses. If unspent by year end, this reserve falls into the year-end balance and is included in the Budget Centers' beginning balance for the following fiscal year.

If a Budget Center incurs an overall deficit for any given year, the following sequential steps will be implemented:

The Budget Center reserve shall first be used to cover any deficit. If reserves are not sufficient to cover budget expenses and/or reserves are not able to be replenished the following year, then the Budget Center is to prepare an expenditure reduction plan and/or submit a request for the use of District Reserves to help offset the deficit. The expenditure reduction plan and/or a request to use District Reserves is to be submitted to FRC. If FRC agrees with the expenditure reduction plan and/or the request to use District Reserves, it will forward the recommendation to District Council for review and recommendation to the Chancellor who will make the final determination.

Revenue Modifications

Apportionment Revenue Adjustments

It is very likely each fiscal year that the District's revenues from state apportionment could be adjusted after the close of the fiscal year in the fall, but most likely at the P1 recalculation, which occurs eight months after the close of the fiscal year. This budget model therefore will be fluid, with changes made throughout the fiscal year (P-1, P-2, P-annual) as necessary. Any increase or decrease to prior year revenues is treated as a onetime addition or reduction to the colleges' current budget year and distributed in the model based on the most up to date FTES split reported by the District and funded by the state.

An example of revenue allocation and FTES change:

\$100,000,000 is originally split 70% Santa Ana College (\$70,000,000) and 30% Santiago Canyon College (\$30,000,000) based on FTES split at the time. At the final FTES recalculation for that year, the District earns an additional \$500,000 based on the total funded FTES. In addition, the split of FTES changes to 71%/29%. The total revenue of \$100,500,000 is then redistributed \$71,355,000 to Santa Ana College and \$29,145,000 to Santiago Canyon College which would result in a shift of \$855,000 between the colleges. A reduction in funding will follow the same calculation

It is necessary in this model to set a base level of FTES for each college. Per agreement by the Chancellor and college Presidents, the base FTES split of 70.80% SAC and 29.20% SCC will be utilized for the 2013/14 tentative budget. Similar to how the state sets a base for district FTES, this will be the beginning base level for each college. Each year through the planning process there will be a determination made if the district has growth potential for the coming fiscal year. Each college will determine what level of growth they believe they

can achieve and targets will be discussed and established through Chancellor's Cabinet. For example, if the district believes it has the opportunity for 2% growth, the colleges will determine the level of growth they wish to pursue. If both colleges decide to pursue and earn 2% growth and the district is funded for 2% growth, then each college's base would increase 2% the following year. In this case the split would still remain 70.80%/29.20% as both colleges moved up proportionately (Scenario #1). If instead, one college decides not to pursue growth and the other college pursues and earns the entire district 2% growth, all of these FTES will be added to that college's base and therefore its base will grow more than 2% and the split will then be adjusted (Scenario #2).

Using this same example in which the district believes it has the opportunity for 2% growth, and both colleges decide to pursue 2% growth, however one college generates 3% growth and the other generates 2%, the college generating more FTES would have unfunded over cap FTES. The outcome would be that each college is credited for 2% growth, each base increases 2% and the split remains (Scenario #3). If instead, one college generates 3% and the other college less than 2%, the college generating the additional FTES can earn its 2% target plus up to the difference between the other college's lost FTES opportunity and the total amount funded by the district (Scenario #4).

This model should also include a stability mechanism. In a year in which a college earns less FTES than its base, the base FTES will remain intact following the state method for stabilization. That college is in funding stability for one year, but has up to three years in which to earn back to its base FTES. The funding for this stability will be from available district Budget Stabilization Funds. If this fund has been exhausted, the Chancellor will determine the source of funding. If the college does not earn back to its base during this period, then the new lower FTES base will be established. As an example (Scenario #5), year one there is 2% growth opportunity. One of the colleges earns 2% growth but the other college declines by 1%, going into stability. This year the college that declined is held at their base level of FTES while the other college is credited for their growth. In the second year of the example, there is no growth opportunity, but the college that declined recaptures FTES to the previous year base to emerge from stability. Note that since the other college grew in year one, the percentage split has now changed.

All of these examples exclude the effect of statewide apportionment deficits. In the case of any statewide deficits, the college revenues will be reduced accordingly. In addition, the Chancellor reserves the right to make changes to the base FTES as deemed necessary in the best interest of the district as a whole.

	Base FTES	% split	Scenario #1	New FTES	% split
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	28,000		2.00%	28,560.00	
	Base FTES	% split	Scenario #2	New FTES	% split
SAC	19,824	70.80%	2.82%	20,384.00	71.37%
SCC	8,176	29.20%	0.00%	8,176.00	28.63%
	28,000		2.00%	28,560.00	
	Base FTES	% split	Scenario #3	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(198.24)	
SAC	19,824	70.80%	2.00%	20,220.48	70.80%
SCC	8,176	29.20%	2.00%	8,339.52	29.20%
	28,000		2.00%	28,560.00	
	Base FTES	% split	Scenario #4	New FTES	% split
SAC	19,824		3.00%	20,418.72	
unfunded				(136.92)	
SAC	19,824	70.80%	2.31%	20,281.80	71.01%
SCC	8,176	29.20%	1.25%	8,278.20	28.99%
	28,000		2.00%	28,560.00	
YEAR 1	Base FTES	% split	Scenario #5	New FTES	% split
Actual Generated:					
SAC	19,824	70.80%	-1.00%	19,625.76	70.18%
SCC	8,176	29.20%	2.00%	8,339.52	29.82%
	28,000		-0.124%	27,965.28	
Calculated for Stability:					
SAC	19,824		-1.00%	19,625.76	
stabilization				282.24	
SAC	19,824	70.80%	0.42%	19,908.00	70.48%
SCC	8,176	29.20%	2.00%	8,339.52	29.52%
	28,000		0.884%	28,247.52	
YEAR 2					
Actual Generated:					
SAC	19,625.76	70.18%	1.44%	19,908.00	70.48%
SCC	8,339.52	29.82%	0.00%	8,339.52	29.52%
	27,965.28		1.009%	28,247.52	

Allocation of New State Revenues

Growth Funding: Plans from the Planning and Organizational Effectiveness Committee (POE) to seek growth funding requires FRC recommendation and approval by the Chancellor, and the plans should include how growth funds will be distributed if one of the colleges does not reach its growth target. A college seeking the opportunity for growth funding will utilize its own carryover funds to offer a schedule to achieve the desired growth. Once the growth has been confirmed as earned and funded by the state and distributed to the district, the appropriate allocation will be made to the college(s) generating the funded growth back through the model. Growth/Restoration Funds will be allocated to the colleges when they are actually earned.

Revenues which are not college specific (for example, student fees that cannot be identified by college), will be allocated based on total funded FTES percentage split between the campuses.

After consultation with district's independent audit firm, the implementation team agreed that any unpaid uncollected student fees will be written off as uncollectible at each year end. This way, only actual collected revenues are distributed in this model. At P-1, P-2 and P-annual, uncollected fee revenues will be adjusted.

Due to the instability of revenues, such as interest income, discounts earned, auction proceeds, vendor rebates (not including utility rebates which are budgeted in Fund 41 for the particular budget center) and mandated cost reimbursements, revenues from these sources will **not** be part of the revenue allocation formula. Income derived from these sources will be deposited to the district wide reserves. If an allocation is made to the colleges from mandated cost reimbursements and the claims are later challenged and require repayment, the colleges receiving the funds will be responsible for repayment at the time of repayment or withholding of funds from the state.

Cost of Living Adjustments: COLAs included in the tentative and adopted budgets shall be sequestered and not allocated for expenditure until after collective bargaining for all groups have been finalized.

Lottery Revenue: Income for current year lottery income is received based on the prior fiscal year's FTES split. At Tentative Budget, the allocation will be made based on projected FTES without carryover. At Adopted Budget, final FTES will be used and carryovers will be included.

Other Modifications

Salary and Benefits Cost

All authorized full time and ongoing part time positions shall be budgeted with corresponding and appropriate fixed cost and health and welfare benefits. Vacant positions will be budgeted at the beginning of the fiscal year or when newly created at the ninth place ranking level (Class VI, Step 10) for full-time faculty and at the mid-level for other positions (ex. Step 3 for CSEA, Step 4 for Management), with the district's contractual cap for the health and welfare benefits. The full cost of all positions, regardless of the budgeted amount, including step and column movement costs, longevity increment costs and any additional collective bargaining agreement costs, will be charged to the particular Budget Center. The colleges are responsible for this entire cost, including any increases or adjustments to salary or benefits throughout the year. If a position becomes vacant during a fiscal year, the Budget Center has the discretion to move unused and available budget from the previous employee's position for other one-time costs until filled or defunded. Any payoffs of accrued vacation, or any additional costs incurred at separation from employment with the district, will be borne by the particular Budget Center. When there is a vacancy that won't be filled immediately, Human Resources should be consulted as to how long it can remain vacant. The colleges should also consult Human Resources regarding the FON when recommending to defund faculty positions.

Grants/Special Projects

Due to the timeliness issues related to grants, approvals rest with the respective Chancellor's Cabinet member, through established processes, in all cases except for Economic Development grants in which a new grant

opportunity presents itself which requires an increase to the District Office budget due to match or other unrestricted general fund cost. In these cases, the grant will be reviewed by Chancellor's Cabinet with final approval made by the Chancellor.

Some grants allow for charges of indirect costs. These charges will accumulate by Budget Center during each fiscal year. At fiscal year end, once earned, each college will be allocated 100% of the total indirect earned by that college and transferred into Fund 13 the following year to be used for one-time expenses. The indirect earned by district projects will roll into the ending fund balance districtwide.

It is the district's goal to fully expend grants and other special project allocations by the end of the term, however sometimes projects end with a small overage or can be under spent. For any overage or allowable amount remaining, these amounts will close into the respective Budget Center's Fund 13 using 7200 transfers.

Banked LHE Load Liability

Beginning in 2012/13, the liability for banked LHE will be accounted for in separate college accounts. The cost of faculty banking load will be charged to the college during the semester the course is taught and added to the liability. When an instructor takes banked leave, they will be paid their regular salary and district office will make a transfer from the liability to the college 1300 account to pay the backfill cost of teaching the load. A college cannot permanently fill a faculty position at the time someone takes their final year or semester off before retirement. Filling a vacancy cannot occur until the position is actually vacant. In consultation with Human Resources and Fiscal Services, a college can request to swap another faculty vacancy they may have in another discipline or pay the cost differential if they determine programmatically it needs to be filled sooner.

This method will appropriately account for the costs of each semester offerings and ensure an appropriate liability. Although the liability amounts will be accounted for by college, only District Fiscal Services will be able to make transfers from these accounts. Each year end a report will be run to reconcile the total cost of the liability and if any additional transfers are required, the colleges will be charged for the differences.

Other Possible Strategic Modifications

Summer FTES

There may be times when it is in the best financial interest of the District to shift summer FTES between fiscal years. When this occurs, the first goal will be to shift FTES from both colleges in the same proportion as the total funded FTES for each of the colleges. If this is not possible, then care needs to be exercised to ensure that any such shift does not create a disadvantage to either college. If a disadvantage is apparent, then steps to mitigate this occurrence will be addressed by FRC.

Borrowing of summer FTES is not a college-level decision, but rather it is a District-level determination. It is not a mechanism available to individual colleges to sustain their internal FTES levels.

Long-Term Plans

Colleges: Each college has a long-term plan for facilities and programs. The Chancellor, in consultation with the Presidents, will evaluate additional funding that may accrue to the colleges beyond what the model provides. The source of this funding will also have to be identified.

Santa Ana College utilizes the Educational Master Plan in concert with the SAC Strategic Plan to determine the long-term plans for the college. Long-term facilities plans are outlined in the latest Facilities Master Plan, and are rooted in the Educational Master Plan. SAC links planning to budget through the use of the SAC Comprehensive Budget Calendar, which includes planning milestones linked to the college's program review process, Resource Allocation Request (RAR) process, and to the District's planning and budget calendar. As a result of the Program Review Process, resource allocation needs are requested via the RAR process, which identifies specific resources required to achieve specific intended outcomes. The budget augmentation requests

are then prioritized at the department, division, and area level in accordance with established budget criteria. The college's Planning and Budget Committee reviews the prioritized RARs, and they are posted to the campus Planning and Budget web page for the campus community to review. As available resources are realized, the previously prioritized RAR are funded.

At Santiago Canyon College, long-term plans are developed similarly to short-term plans, and exist in a variety of interconnected processes and documents. Department Planning Portfolios (DPP) and Program Reviews are the root documents that form the college's Educational Master Plan and serve to align planning with resource allocation. The allocation of resources is determined through a formal participatory governance process. The Planning and Institutional Effectiveness (PIE) committee is the participatory governance committee that is charged with the task of ensuring resource allocation is tied to planning. Through its planning cycle, the PIE committee receives resource requests from all college units and ensures that each request aligns with the college mission, college goals, program reviews, and DPPs. All requests are then ranked by the PIE committee, placed on a college-wide prioritized list of resource requests, and forwarded to the college budget committee for review. If the budget committee identifies available funds, those funds are noted on the prioritized list, and sent back to the PIE committee. The PIE committee then forwards the prioritized list, along with the budget committee's identification of available funds, to College Council for approval of the annual budget.

District Operations: District Operations and district wide services may also require additional funding to implement new initiatives in support of the colleges and the district as a whole. FRC will evaluate requests for such funds on a case-by-case basis and submit a recommendation to the Chancellor.

Full-Time Faculty Obligation Number (FON)

To ensure that the District complies with the State required full-time Faculty Obligation Number (FON), the Chancellor will establish a FON for each college. Each college shall be required to fund at least that number of full-time faculty positions. If the District falls below the FON and is penalized, the amount of the penalty will be deducted from the revenues of the college(s) causing the penalty. FRC, along with the District Enrollment Management Committee, should regularly review the FON targets and actuals and determine if any budget adjustment is necessary. If an adjustment is needed, FRC should develop a proposal and forward it to POE Committee for review and recommendation to the Chancellor.

Budget Input

Using a system for Position Control, Fiscal Services will budget 100% of all regular personnel cost of salary and benefits, and notify the Budget Centers of the difference between the computational total budget from the Budget Allocation Model and the cost of regular personnel. The remaining line item budgets will roll over from one year to the next so the Budget Centers are not required to input every line item. The Budget Centers can make any allowable budget changes at their discretion and will also be required to make changes to reconcile to the total allowable budget per the model.

Appendix Attached

A. Definition of Terms

TABLE 1 Expenditure and Budget Responsibilities		Santa Ana College & CEC ☑	Santiago Canyon College & OEC ☑	District Office ☑	Districtwide ☑
Academic Salaries- (1XXX)					
1	State required full-time Faculty Obligation Number (FON)	✓	✓	✓	✓
2	Bank Leave	✓	✓		
3	Impact upon the 50% law calculation	✓	✓	✓	✓
4	Faculty Release Time	✓	✓		✓
5	Faculty Vacancy, Temporary or Permanent	✓	✓		
6	Faculty Load Banking Liability	✓	✓		
7	Adjunct Faculty Cost/Production	✓	✓		
8	Department Chair Reassigned Time	✓	✓		✓
9	Management of Sabbaticals (Budgeted at colleges)	✓	✓		✓
10	Sick Leave Accrual Cost	✓	✓		✓
11	AB1725	✓	✓		
12	Administrator Vacation	✓	✓	✓	
Classified Salaries- (2XXX)					
1	Classified Vacancy, Temporary or Permanent	✓	✓	✓	
2	Working Out of Class	✓	✓	✓	
3	Vacation Accrual Cost	✓	✓	✓	
4	Overtime	✓	✓	✓	
5	Sick Leave Accrual Cost	✓	✓	✓	
6	Compensation Time taken	✓	✓	✓	
Employee Benefits-(3XXX)					
1	STRS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
2	PERS Employer Contribution Rates, Increase/(Decrease)	✓	✓	✓	
3	OASDI Employer Rates, Increase/(Decrease)	✓	✓	✓	
4	Medicare Employer Rates, Increase/(Decrease)	✓	✓	✓	
5	Health and Welfare Benefits, Increases/(Decrease)	✓	✓	✓	
6	SUI Rates, Increase/(Decrease)	✓	✓	✓	
7	Workers' Comp. Rates, Increase/(Decrease)	✓	✓	✓	
8	Retiree Health Benefit Cost				
	-OPEB Liability vs. "Pay-as-you-go"				✓
9	Cash Benefit Fluctuation, Increase/(Decrease)	✓	✓	✓	
Other Operating Exp & Services-(5XXX)					
1	Property and Liability Insurance Cost				✓
2	Waiver of Cash Benefits	✓	✓	✓	
3	Utilities				
	-Gas	✓	✓	✓	
	-Water	✓	✓	✓	

	-Electricity	✓	✓	✓	
	-Waste Management	✓	✓	✓	
	-Water District, Sewer Fees	✓	✓	✓	
4	Audit				✓
5	Board of Trustee Elections				✓
6	Scheduled Maintenance	✓	✓		✓
7	Copyrights/Royalties Expenses	✓	✓		
Capital Outlay-(6XXX)					
1	Equipment Budget				
	-Instructional	✓	✓	✓	✓
	-Non-Instructional	✓	✓	✓	✓
2	Improvement to Buildings	✓	✓	✓	✓
3	Improvement to Sites	✓	✓	✓	✓

TABLE 2 Revenue and Budget Responsibilities		Santa Ana College & CEC ✓	Santiago Canyon College & OEC ✓	District Office ✓	Districtwide ✓
Federal Revenue- (81XX)					
1	Grants Agreements	✓	✓	✓	
2	General Fund Matching Requirement	✓	✓	✓	
3	In-Kind Contribution (no additional cost to general fund)	✓	✓	✓	
4	Indirect Cost (overhead)	✓	✓		✓
State Revenue- (86XX)					
1	Base Funding	✓	✓		
2	Apportionment	✓	✓		
3	COLA or Negative COLA	✓	✓	✓	✓ subject to collective bargaining
4	Growth, Work Load Measure Reduction, Negative Growth	✓	✓	✓	✓
5	Categorical Augmentation/Reduction	✓	✓	✓	
6	General Fund Matching Requirement	✓	✓	✓	
7	Apprenticeship	✓	✓		
8	In-Kind Contribution	✓	✓	✓	
9	Indirect Cost	✓	✓		✓
10	Lottery				
	- Unrestricted (abate cost of utilities)	✓	✓	✓	
	- Restricted-Proposition 20	✓	✓		
11	Instructional Equipment Matches (3:1)	✓	✓		✓ and will have chargeback to site proportionally

12	Scheduled Maintenance Matches (1:1)	✓	✓	✓	✓ and will have chargeback to site proportionally
13	Part time Faculty Compensation Funding	✓	✓		✓ subject to collective bargaining
14	State Mandated Cost				✓
Local Revenue- (88XX)					
1	Contributions	✓	✓	✓	
2	Fundraising	✓	✓	✓	
3	Proceed of Sales	✓	✓	✓	
4	Health Services Fees	✓	✓		
5	Rents and Leases	✓	✓	✓	
6	Enrollment Fees	✓	✓		
7	Non-Resident Tuition	✓	✓		
8	Student ID and ASB Fees	✓	✓		
9	Parking Fees				✓

Rancho Santiago Community College District

Budget Allocation Model Based on SB 361

Appendix A – Definition of Terms

AB 1725 – Comprehensive California community college reform legislation passed in 1988, that covers community college mission, governance, finance, employment, accountability, staff diversity and staff development.

Accreditation – The review of the quality of higher education institutions and programs by an association comprised of institutional representatives. The Accrediting Commission for Community and Junior Colleges (ACCJC) of the Western Association of Schools and Colleges (WASC) accredits California's community colleges.

Apportionments – Allocations of state or federal aid, local taxes, or other monies among school districts or other governmental units. The district's base revenue provides most of the district's revenue. The state general apportionment is equal to the base revenue less budgeted property taxes and student fees. There are other smaller apportionments for programs such as apprenticeship and EOPS.

Augmentation – An increased appropriation of budget for an intended purpose.

Bank Leave – Faculty have the option to “bank” their beyond contract teaching load instead of getting paid during that semester. They can later request a leave of absence using the banked LHE.

BAM – Budget Allocation Model.

BAPR – Budget and Planning Review Committee.

Base FTES – The amount of funded actual FTES from the prior year becomes the base FTES for the following year. For the tentative budget preparation, the prior year P1 will be used. For the proposed adopted budget, the prior year P2 will be used. At the annual certification at the end of February, an adjustment to actual will be made.

Budget Center – The three Budget Centers of the district are Santa Ana College, Santiago Canyon College and the District Operations.

Budget Stabilization Fund – The portion of the district's ending fund balance, in excess of the 5% reserve, budget center carryovers and any restricted balances, used for one-time needs in the subsequent year.

Cap – An enrollment limit beyond which districts do not receive funds for additional students.

Capital Outlay – Capital outlay expenditures are those that result in the acquisition of, or addition to, fixed assets. They are expenditures for land or existing buildings, improvement of sites, construction of buildings, additions to buildings, remodeling of buildings, or initial or additional equipment. Construction-related salaries and expenses are included.

Categorical Funds – Money from the state or federal government granted to qualifying districts for special programs, such as Matriculation or Vocational Education. Expenditure of categorical funds is restricted to the fund's particular purpose. The funds are granted to districts in addition to their general apportionment.

Center – An off-campus site administered by a parent college that offers programs leading to certificates or degrees that are conferred by the parent institution. The district centers are Centennial Education Center and Orange Education Center.

COLA – Cost of Living Adjustment allocated from the state calculated by a change in the Consumer Price Index (CPI).

Defund – Permanently eliminating a position and related cost from the budget.

Fifty Percent Law (50% Law) – Section 84362 of the Education Code, commonly known as the Fifty Percent Law, requires each community college district to spend at least half of its “current expense of education” each fiscal year on the “salaries of classroom instructors.” Salaries include benefits and the salaries of instructional aides.

Fiscal Year – Twelve calendar months; in California, it is the period beginning July 1 and ending June 30. Some special projects use a fiscal year beginning October 1 and ending September 30, which is consistent with the federal government’s fiscal year.

FON – Faculty Obligation Number, the number of full time faculty the district is required to employ as set forth in title 5, section 53308.

FRC – Fiscal Resources Committee.

FTES – Full Time Equivalent Students. The number of students in attendance as determined by actual count for each class hour of attendance or by prescribed census periods. Every 525 hours of actual attendance counts as one FTES. The number 525 is derived from the fact that 175 days of instruction are required each year, and students attending classes three hours per day for 175 days will be in attendance for 525 hours. That is, three times 175 equals 525.

Fund 11 – The unrestricted general fund used to account for ongoing revenue and expenditures.

Fund 12 – The restricted general fund used to account for categorical and special projects.

Fund 13 – The unrestricted general fund used to account for unrestricted carryovers and one-time revenues and expenses.

Growth – Funds provided in the state budget to support the enrollment of additional FTE students.

In-Kind Contributions – Project-specific contributions of a service or a product provided by the organization or a third-party where the cost cannot be tracked back to a cash transaction which, if allowable by a particular grant, can be used to meet matching requirements if properly documented. In-kind expenses generally involve donated labor or other expense.

Indirect Cost – Indirect costs are district-wide, general management costs (i.e., activities for the direction and control of the district as a whole) which would be very difficult to be charged directly to a particular project. General management costs consist of administrative activities necessary for the general operation of the agency, such as accounting, budgeting, payroll preparation, personnel services, purchasing, and centralized data processing. An indirect cost rate is the percentage of an district’s indirect costs to its direct costs and is a standardized method of charging individual programs for their share of indirect costs.

LHE – Lecture Hour Equivalent. The standard instructional work week for faculty is fifteen (15) LHE of classroom assignments, fifteen (15) hours of preparation, five (5) office hours, and five (5) hours of institutional service. The normal teaching load for faculty is thirty (30) LHE per school year.

Mandated Costs – District expenses which occur because of federal or state laws, decisions of federal or state courts, federal or state administrative regulations, or initiative measures.

Modification – The act of changing something.

POE – Planning and Organizational Effectiveness Committee.

Proposition 98 – Proposition 98 refers to an initiative constitutional amendment adopted by California's voters at the November 1988 general election which created a minimum funding guarantee for K-14 education and also required that schools receive a portion of state revenues that exceed the state's appropriations limit.

Reserves – Funds set aside to provide for estimated future expenditures or deficits, for working capital, economic uncertainty, or for other purposes. Districts that have less than a 5% reserve are subject to a fiscal 'watch' to monitor their financial condition.

SB 361 – The New Community College Funding Model (Senate Bill 361), effective October 1, 2006, includes funding base allocations depending on the number of FTES served, credit FTES funded at an equalized rate, noncredit FTES funded at an equalized rate, and enhanced noncredit FTES funded at an equalized rate. The intent of the formula is to provide a more equitable allocation of system wide resources, and to eliminate the complexities of the previous Program Based Funding model while still retaining focus on the primary component of that model, instruction. In addition, the formula provides base operational allocations for colleges and centers scaled for size.

Seventy-five/twenty-five (75/25) – Refers to policy enacted as part of AB 1725 that sets 75 percent of the hours of credit instruction as a goal for classes to be taught by full-time faculty.

Target FTES – The estimated amount of agreed upon FTES the district or college anticipates the opportunity to earn growth/restoration funding during a fiscal year.

Title 5 – The portion of the California Code of Regulations containing regulations adopted by the Board of Governors which are applicable to community college districts.

1300 accounts – Object Codes 13XX designated to account for part time teaching and beyond contract salary cost.

7200 Transfers – Intrafund transfers made between the restricted and unrestricted general fund to close a categorical or other special project at the end of the fiscal year or term of the project.