



# **Santa Ana College**

## Planning & Budget Meeting

December 1, 2015



SAC Planning and Budget Committee  
December 1, 2015  
1:30p.m. - 3:00 p.m.  
F-126

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**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)*

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Agenda

1. Welcome and Introductions
2. Public Comments
3. Approval of Minutes for November 3, 2015 ACTION
4. Budget Update INFORMATION
5. Enrollment Update INFORMATION
6. Student Update INFORMATION
7. SACTAC INFORMATION
8. Marketing Update INFORMATION
9. Old Business INFORMATION
  - Fund 11 Classified Position Hiring Process
  - One Time Funds
  - Funded RARs for FY 15/16 RAR
10. New Business
  - SAC DRAFT Planning and Budget Manual Action
11. Future Agenda Items
12. Other Business

Next Meeting – February 2, 2016

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*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.*

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| Administrators            | Academic Senate     |   | CLASSIFIED             | GUESTS           |   |
|---------------------------|---------------------|---|------------------------|------------------|---|
| Mike Collins, co-chair    | Ray Hicks co-chair  | John Zarske   | *Tom Andrews           | Esmeralda Abejar | Darlene Nguyen  |
| Bart Hoffman              | Elliott Jones       | George Wright   | Omeline Garcia *(alt.) | Brenda Serratos  |   |
| Jim Kennedy(a)            | Monica Porter       |   | Denise Hatakeyama      |                  |   |
| Lilia Tanakeyowma         | <b>Student Rep.</b> |   | Jimmy Nguyen           |                  |   |
|                           | John Olivares(a)    |   | Leslie Wood-Rogers     |                  |   |
| <b>1. WELCOME</b>         |                     |   |                        |                  | Meeting called to order 1:34p.m.<br>Meeting adjourned - 3:10p.m.  |
|                           |                     | Self-introductions were made.   |                        |                  |   |
| <b>2. PUBLIC COMMENTS</b> |                     | <b>DISCUSSION/COMMENTS</b>  |                        |                  | <b>ACTIONS/ FOLLOW UPS</b>  |
|                           |                     | There were no public comments.  |                        |                  |   |
| <b>3. MINUTES</b>         |                     | <b>DISCUSSION/COMMENTS</b>  |                        |                  | <b>ACTIONS/ FOLLOW UPS</b>  |
|                           |                     | The September 1, 2015 Planning and Budget minutes were presented for approval.  |                        |                  | <u><b>ACTION</b></u><br>Motion was moved by J. Zarske to approve the September 1, 2015 Planning & Budget Committee minutes.<br>2 <sup>nd</sup> – M. Collins<br>The minutes were approved unanimously. |
|                           |                     | The October 6, 2015 Planning and Budget minutes were presented for approval.  |                        |                  | <u><b>ACTION</b></u><br>Motion was moved by J. Zarske to approve the October 6, 2015 Planning & Budget Committee minutes.<br>2 <sup>nd</sup> – M. Collins<br>The minutes were approved unanimously.   |
| <b>4. BUDGET UPDATE</b>   |                     | <b>DISCUSSION/ COMMENTS</b>   |                        |                  | <b>ACTIONS/ FOLLOW UPS</b>  |
|                           |                     | <b>STATE UPDATE:</b> <ul style="list-style-type: none"> <li>Every October, the Legislative Analyst's Office (LAO) prepares an analysis of that year's enacted State Budget. The report for 2015-16 has just been released, and it includes major budget-related legislation enacted through September.</li> </ul> |                        |                  |   |

| BUDGET UPDATE (cont.) | DISCUSSION/ COMMENTS   | ACTIONS/ FOLLOW UPS |
|-----------------------|--|---------------------|
|                       | <ul style="list-style-type: none"> <li>• General Fund revenues are estimated to grow 3.3% from 2014-15, which follows 7.7% revenue growth in 2014-15</li> <li>• No real increases for Community Colleges at this time out of the increased revenue. K-12 education, child care and pre-school programs, increases for the UC and CSU system seem to win at this time.</li> <li>• Some attention being paid by the DOF related to SSSP and Equity funding, and colleges can anticipate a random sample of audits taking place.</li> <li>• There has been some changes to the way non-resident tuition is applied to vets. In essence, for vets that may or may not be a current resident of the state, they can be counted as residents for apportionment purposes.</li> <li>• State has been trending downward in growth, identified from P2- P annual, about 10,000 less students served from P2 numbers. Not good for future growth allocations.</li> </ul> <p><b>DISTRICT UPDATE</b></p> <ul style="list-style-type: none"> <li>• FON- HR is telling us we need to recruit up to 32 FTEF, SAC= 22 of these.</li> <li>• One-time funds: total \$16,079,186 <ul style="list-style-type: none"> <li>▪ Marketing \$500,000</li> <li>▪ SAC allocation \$1,153,969 (70.4% of SCC's 30% \$484,979 forgiveness)</li> <li>▪ OEC \$14,425,722</li> </ul> </li> <li>• State Chancellor's office tells us don't count on an unrestricted State Mandated Cost payment in 2016-17.</li> <li>• Growth is also questionable, even as a system. Currently our DIST is under our growth target, SAC is tracking at 1%+ growth. Remember our Dist is maxxed out at 1.47% growth ceiling due to the new State funding formula. This tells us we must carefully examine and manage our expenditures in light of the limited opportunity for new funding through growth.</li> </ul> <p><b>SAC UPDATE:</b></p> <ul style="list-style-type: none"> <li>• SAC is currently in the budget development phase for FY 16-17, as evidenced by today's agenda items for this committee's review.</li> <li>• Our SAC budget is performing very well to date, under budget at this point, after having fully funded our contractual obligations, fixed costs, efficient growth of our schedule, and many of our discretionary personnel costs in FY 15/16.</li> <li>• Later in the agenda this committee will discuss the \$1.1 million in one-time funds being provided to SAC from the Dist. This is a great opportunity to fund some unfunded division Resource Allocation Requests, while also providing a contingency buffer for the upcoming revenue shortfalls that the Multi Year projections outline. The one-time funding expenditure plan has been discussed in every FRC over the past few months, and the FRC documents have been provided to this committee for their review in advance of today's meeting.</li> </ul> |                     |

| 5. ENROLLMENT UPDATE | DISCUSSION/ COMMENTS   |   |
|----------------------|--|---|
|                      | <ul style="list-style-type: none"> <li>• The college is above 1% in growth.</li> <li>• There has been a marketing push for the Gr8weeks.               <ul style="list-style-type: none"> <li>◦ Strong marketing efforts internally and externally.</li> <li>◦ Marketing Gr8weeks unfilled classes had a good impact on fill rates.                   <ul style="list-style-type: none"> <li>▪ There was an inquiry regarding the possibility of determining the number of internal vs external response to the marketing efforts made.</li> </ul> </li> </ul> </li> </ul> <p>Members were advised that caps on classes have been removed. This allows the deans to evaluate what the true demand is and act early in building additional sections.</p> <ul style="list-style-type: none"> <li>• Important to maximize productivity, the number of students in each section 1<sup>st</sup>.</li> <li>• It was noted that the college has budgeted for the growth however facility and available adjunct faculty can present constraints in adding additional sections.</li> </ul> <p>Also noted was the importance of providing of faculty and staff the contents of the mass student emails in an effort to support the information that is being sent out.</p> |   |
| 6. STUDENT UPDATE    | DISCUSSION/ COMMENTS   |   |
|                      | There was no student update.   |   |
| 7. SACTAC            | DISCUSSION/ COMMENTS   | ACTIONS/ FOLLOW UPS   |
|                      | <p>The following was reported:</p> <ul style="list-style-type: none"> <li>• The group has prioritized the 15/16 instructional equipment and instructional technology related RARs requests.</li> <li>• Dunlap Hall will be fully mediated prior to the building being re-occupied. The installation of the overhead mounts do require that the mounts are installed according to DSA specifications. This requires a complete design and engineering of the mounts.               <ul style="list-style-type: none"> <li>◦ The costs is \$50,000 - \$60,000 to install the new mounts building wide.</li> </ul> </li> </ul>  |   |
| 8. MARKETING UPDATE  | DISCUSSION/ COMMENTS   | ACTIONS/ FOLLOW UPS   |
|                      | <p>Dr. Collins provided a brief overview of the SAC Marketing Plan that highlighted the marketing efforts for the college.</p> <p>Members were advised of a document called “What makes Santa Ana College unique?” Each division/department was asked to provide information for their area regarding what makes SAC unique from other community colleges. Some highlights were provided for the committee.</p> <ul style="list-style-type: none"> <li>• This is a valuable marketing tool for reaching out to our students.</li> <li>• It provides fuel to drive marketing opportunities.</li> <li>• Great information to provide our students</li> </ul> <p>A copy of the documents will be sent to the members.</p> <p>Listening to students is key in finding out how best to communicate to them.</p> <p>Dr. Collins provided an overview of some of the efforts and next steps:</p> <ul style="list-style-type: none"> <li>• Purchase of digital media and radio ads.</li> <li>• Working with high school partners.</li> </ul>   | <p><b>FOLLOW UP</b></p> <p>Marketing plan will be shared at the November 3 Planning and Budget meeting.</p> |

| MARKETING UPDATE (cont.) | DISCUSSION/ COMMENTS  | ACTIONS/ FOLLOW UPS |
|--------------------------|---|---------------------|
|                          | <ul style="list-style-type: none"> <li>• Working with current students.</li> <li>• Mass emails have been sent.</li> <li>• Postcards mailers.</li> <li>• Ads in school newspapers/4 year institutions.</li> <li>• Establish a budget.               <ul style="list-style-type: none"> <li>◦ In addition to the one-time funds of \$250,000, the college will be tying marketing aspects to our access and equity funding. This effort will allow the college to provide access to the underrepresented student population in Santa Ana as well market our accessibility to them.</li> </ul> </li> </ul> <p>It was reported that Teresa Mercado Cota has been leading the SAC Marketing team. She has been actively engaged in the market aspects working on SSSP and Equity side as well as with the work of the Marketing team.</p> <p>Members were reminded of the importance of attracting new students and retaining current ones.</p> <p>A social media team has been put in place and the college has engaged in a social media campaign.</p> <p>The college is utilizing marketing opportunities that engage students on a much broader level and looking for ways to be more creative in our marketing efforts.</p> <p>Members were reminded that the marketing team continues to meet every two weeks.</p> <p>There was discussion regarding the makeup of the committee. It was noted that marketing team is open to any campus member willing to help out. Information will be shared at the Faculty Senate meeting.</p> <p>Dr. Collins noted his appreciation for the Marketing team's efforts.</p> |                     |
| 9. OLD BUSINESS          | DISCUSSION/ COMMENTS  | ACTIONS/ FOLLOW UPS |
|                          | <p><b>Committee Goals</b></p> <p>The committee had been sent to the membership for their review prior to the November meeting.</p> <p>Members were asked for recommendations. Discussion ensued.</p> <p>Dr. Collins explained the definition of Total Cost of Ownership as referred to in Goal #4.</p> <p>The Total Cost of Ownership was defined for the committee as ongoing lifecycle cost for facilities, equipment, supplies and contractual obligations for equipment and supplies.</p> <p>Members were advised that currently the college is implementing a more dynamic cost of ownership program in Facilities Preventative Maintenance to be able to capture costs and use as a planning and budgeting tool.</p>  |                     |

| OLD BUSINESS (cont.) | DISCUSSION/ COMMENTS   | ACTIONS/ FOLLOW UPS  |
|----------------------|--|--|
|                      | The committee recommended rolling over the 14/15 goals to become the 15/16 goals with the change to the last goal as stated below:<br><i>Implement a more robust total cost of ownership program and utilize it as a budgeting tool.</i>   |  |
|                      | <b>Fund 11 Classified Position Hiring Process</b><br>This item will be held over to the December meeting.  |  |
|                      | <b>Athletic Funding/Budget Update</b><br>Dr. Collins has met with Avie Bridges and Brian Sos to determine the true needs for student athlete's meals. Two scenarios were presented and are being reviewed at this time for potential funding. Potential funding opportunities can be found with one-time funds allocated to the divisions.   |  |
| 10. NEW BUSINESS     | DISCUSSION/ COMMENTS   | ACTIONS/ FOLLOW UPS  |
|                      | <b>One Time Funds</b><br>The members were apprised of State provided one-time funds in the amount of 1.1mil. There was discussion regarding allocating some of these funds to the divisions, Student Services, Administrative Services, M&O/Facilities. <ul style="list-style-type: none"> <li>• Members were reminded of the importance of being strategic in the utilization of the one-time funds.</li> <li>• Funds cannot be used for ongoing personnel costs or for ongoing costs.</li> <li>• Funds may be used for Short-term support costs.</li> <li>• This is an infusion and will not be a part of the ongoing budget.</li> <li>• Opportunity to fund unfunded RAR needs.</li> </ul> This item will be brought back to the December 1 in order for parameters to be established for the allocation. |  |
|                      | <b>Adoption of the 16/17 Budget Priorities</b><br>The 16/17 Budget Priorities were presented to the membership. It was noted that the document had been sent to the committee prior to the meeting for their review.<br><br>There was an inquiry if the college has a recycling program. The college is engaging in an RFP that would provide those services that would allow the college to move forward towards sustainability in the college's business practices.  | <b><u>ACTION</u></b><br>Motion was moved by G. Wright to approve the 16/17 Budget Priorities as presented 2 <sup>nd</sup> – J. Nguyen. The motion carried. |
|                      | <b>Revised SAC Budget Development Calendar 2015-16</b><br>It was noted that there were some revisions made to the 15/16 SAC Budget Development Calendar that had been approved last year. These revisions are intended for a clearer understanding of the calendar.  |  |
|                      | <b>Draft SAC Budget Development Calendar 2016/17</b><br>The Draft SAC Budget Development Calendar 2016/17 was presented for review. Members were reminded that the budget development calendar guides the budget development process.  |  |
|                      | <b>Draft SAC Resource Allocation Request form FY 16-17 and Draft SAC RARs Procedures FY 2016/17</b><br>Members were provided with the <b>Draft SAC Resource Allocation Request form FY 16-17 and Draft SAC RARs Procedures FY 2016/17.</b>   |  |

| NEW BUSINESS (cont.)           | DISCUSSION/ COMMENTS   | ACTIONS/ FOLLOW UPS        |
|--------------------------------|--|----------------------------|
|                                | <p>Feedback and comments were received from the campus community. The following revisions to the RARS form were reviewed by the committee:</p> <ul style="list-style-type: none"> <li>• A drop down menu had been added on the request side to allow the user to select the type of request.</li> <li>• The Budget Priorities were moved to a better place for viewing and reference.</li> <li>• The strategic plan link was also added to the RAR planning sheet.</li> </ul> <p>It was requested that a definition of the term “service unit outcomes” be included in the SAC RARs Procedures FY 2016/17.</p>   |                            |
|                                | <p><b>Budget Performance quarterly report – 1<sup>st</sup> quarter</b></p> <p>The following was reported:</p> <ul style="list-style-type: none"> <li>• 18% of the allocated budget has been spent.</li> <li>• Utilities are high compared to last year. <ul style="list-style-type: none"> <li>○ It was noted that 5% over last year’s actuals were budgeted however it appears that due to increased rates, the college may end up at 10 – 12% over last year.</li> <li>○ The area continues to be monitored.</li> </ul> </li> <li>• Due to the semester just starting, some of the costs are not reflected. This quarter cannot be used as a base for next quarter.</li> </ul> |                            |
|                                | <p><b>Funded RAR for FY15/16 RAR</b></p> <p>Administrative Services is still working on what was purchased for 15/16 in 14/15.</p> <p>At the next meeting the committee will be presented with what was purchased for 15/16 as well as what is outstanding on the priority list for 15/16. This will help in planning for 16/17.</p>   |                            |
| <b>11. FUTURE AGENDA ITEMS</b> |  |                            |
|                                | <ul style="list-style-type: none"> <li>• Fund 11 Classified Position Hiring Process</li> <li>• One Time Funds</li> <li>• Funded RAR for FY15/16</li> </ul>   |                            |
| <b>12. OTHER BUSINESS</b>      | <b>DISCUSSION/ COMMENTS</b>  | <b>ACTIONS/ FOLLOW UPS</b> |
|                                |  |                            |

Submitted by Geni Lusk  
November 20, 2015  
Next Meeting – December 1, 2015

DRAFT

SANTA ANA COLLEGE  
PLANNING AND BUDGET MANUAL  
FY 15/16



# Santa Ana College Planning and Budget Manual

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# SANTA ANA COLLEGE PLANNING AND BUDGET MANUAL

## **Introduction**

The Planning and Budget (P&B) manual has been prepared to serve as a desktop reference for the Santa Ana College campus community. It includes the budget priorities recommended by the Planning and Budget Committee which are then used by campus departments to develop their Resource Allocation Request forms (RARs).

The budget development process requires careful planning; for that reason, the manual includes a comprehensive planning and budget calendar that outlines responsibilities by area throughout the fiscal year. Also, the scheduled meetings for the Planning and Budget Committee can be found in the manual for campus faculty and staff interested in attending.

The Planning and Budget manual also includes the district Tentative and Adopted budget calendars and many other informational resources. Budget guidelines and accounting procedures can be found in the manual to facilitate daily budget transactions such as account requests, budget changes and transfer of expenditures.

We invite you to use this manual and to visit the [SAC budget office website](#) for additional resources, and also the [planning and budget committee website](#) for current budget information.



# SANTA ANA COLLEGE

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| <b><u>2014-15 SAC Budget Priorities</u></b><br>Revised 10/1/2013  | <b><u>2015-16 SAC Budget Priorities</u></b><br>Revised 11/04/2014  |
|---|--|
| <b><u>General Priorities</u></b> <ul style="list-style-type: none"><li>• Legal Mandates and Compliance*</li><li>• Health &amp; Safety of the Learning and Working Environment</li><li>• Student Completion Initiatives</li><li>• Program &amp; Services Sustainability</li></ul><br><b><u>Specific Priorities</u></b><br><b><u>FTES Production</u></b> <ol style="list-style-type: none"><li>1. Credit</li><li>2. Non-Credit<ol style="list-style-type: none"><li>2a. Enhanced</li><li>2b. Non-Enhanced</li></ol></li></ol><br><b><u>FTES Support</u></b> <ol style="list-style-type: none"><li>1. A&amp;R, FA, Counseling</li><li>2. Tutoring, Library, Study Centers, Supplemental Instruction</li></ol><br><b><u>Support Services</u></b> <ol style="list-style-type: none"><li>1. Health &amp; Safety</li><li>2. Maintain Existing Facilities &amp; Equip</li><li>3. Appearance</li><li>4. Go Green</li></ol><br>*includes but not limited to: AB1725, ADA, Title V, etc. | <b><u>General Priorities</u></b> <ul style="list-style-type: none"><li>• Legal Mandates and Compliance*</li><li>• Health &amp; Safety of the Learning and Working Environment</li><li>• Student Success and Completion Initiatives</li></ul><br><b><u>Specific Priorities</u></b><br><b><u>FTES Production</u></b> <ol style="list-style-type: none"><li>1. Credit</li><li>2. Non-Credit<ol style="list-style-type: none"><li>2a. Enhanced</li><li>2b. Non-Enhanced</li></ol></li></ol><br><b><u>FTES Support</u></b> <ol style="list-style-type: none"><li>1. A&amp;R, FA, Counseling</li><li>2. Tutoring, Library, Study Centers, Supplemental Instruction</li></ol><br><b><u>Support Services</u></b> <ol style="list-style-type: none"><li>1. Health, Safety &amp; Accessibility</li><li>2. Maintain appearance and functionality of the existing Facilities &amp; Equipment.</li><li>3. Make progress on sustainability initiatives</li></ol><br>*includes but not limited to: AB1725, ADA, Title V, etc. |
| <i>Approved 10/1/2013</i>   | <i>Approved 11/4/14</i>  |

# SAC Budget Development Calendar Fiscal Year 2015-2016

|                |  |
|----------------|--|
| October 2015   | FY 14/15 Budget Cycle Ends and FY 16/17 Budget Development Begins.   |
| November- 2015 | Budget Priorities for FY 2016/17 approved by SAC Planning & Budget Committee.<br>Resource Allocation Requests forms (RARs) for FY 2016/17 are sent out to all program areas.                         |
| December 2015  | Departments update/complete SAC Resource Allocation Requests.  |
| January 2016   | Governor's 2016/17 Proposed Budget is presented.<br>Administrative Services compiles SAC Resource Allocation Requests.<br>RARs reviewed and prioritized by Cabinet.                                  |
| March 2016     | SAC Planning & Budget Committee reviews prioritized RAR list.<br>SAC Planning & Budget Committee reviews<br>District & SAC Tentative Budget Assumptions  |
| April 2016     | SAC builds Tentative Budget based on<br>SAC Budget Priorities and Tentative Budget Assumptions.  |
| May 2016       | Governor's May Revise is presented.<br>SAC Tentative Budget summary is sent to Planning & Budget Committee for review.<br>SAC Tentative Budget is sent to district.                                  |
| June 2016      | Fiscal Year 2015/16 District Operations end.<br>Tentative Budget available for department review after Board of Trustees approval.   |
| July 2016      | Fiscal Year 2016/17 District Operations Begin.<br>Cabinet reviews and analyzes prior year's budget performance and SAC achievements of<br>"key performance indicators" related to SAC Strategic Plan |
| August 2016    | District and SAC Adopted Budget Assumptions for FY 2016/17 are distributed to Planning<br>and Budget Committee for feedback.<br>Fund 13 proposed expenditures presented to P & B.                    |
| September 2016 | Board of Trustees approves FY 2016/17 Adopted Budget<br>Cabinet allocates funding for Resource Allocation Requests items<br>Annual Fiscal Resources Performance Evaluation is sent out to Campus     |

Approved 11/04/2014

Revised 11/03/2015

# COMPREHENSIVE PLANNING AND BUDGET CALENDAR FY 2015/16

Includes SAC Budget Development, RAR Procedures, Area Plan/Program Review and Enrollment Management calendars

| FY 15/16 | DIV                  | July 2015   | August-2015  | September-2015  | October-2015  | November-2015  | December-2015  |
|----------|----------------------|---|--|---|---|--|--|
| 2015     | CABINET              | President Cabinet Retreat<br><br><i>Review and analyze prior year's budget performance.</i><br><br><i>Review and analyze SAC achievement of key performance indicators.</i><br><br>Funding of new and replacement positions.  | District and SAC Adopted Budget is completed.<br><br><i>Cabinet allocates funding for Resource Allocation Requests items</i>   | FY 15/16 Budget is adopted by RSCCD Board of Trustees.  | Program Review/Area Plan documents are finalized.<br>- Departments to list resources needed to execute plans and objectives into RARs   | Faculty Priorities List is established and presented to the SAC Cabinet.<br><br>All program areas receive Resource Allocation Forms.   | Prioritized list of RARs for FY 16/17 are submitted by program areas to VPs and Administrative Services by December 18, 2015<br><br>Faculty Priorities List reviewed and finalized   |
|          | ACADEMIC AFFAIRS/SCE | Management Review of Planning work Program Review.  | Instructional Equipment needs assessed as prioritized from RAR for FY 15/16<br><br>Prior year Area Plan measured and analyzed (FY 14/15).  | Replacement and new faculty requests submitted<br><br>Determine FON requirements for the following year. FY 16/17<br><br>Analyze goals and objectives in Area Plan for FY 16/17   | Deans meet to discuss faculty priority list created by Academic Senate and develop management faculty priority list using budget priorities criteria.<br><br>Faculty Priorities Committee meets.<br><br>Finalized Area Plan goals and objectives for FY 16/17                               | Faculty Priorities list is established and presented to the President<br><br>Program areas to Develop RAR's based on SAC Budget priorities, SAC Mission and Vision and department intended outcomes<br><b>Department Chair/X-Factor assignments determined for Spring 2016</b>   | Prioritized list of RARs for FY 16/17 are submitted by program areas to VPs and Administrative Services by December 18, 2015<br><br>Managers/Deans prepare "draft" division/program plans for next year  |
|          | Enrollment Mgmt.     | Intercession 2015 extract to Deans for Intercession 2016.<br><b>Cost schedule-Spring 2016</b>   | Fall 2015 Begins<br><b>Cost Schedule- Intercession 2016</b>  |   |   | Summer 2015 extract to Deans for Summer 2016<br>Fall 2015 extract to Deans for Fall 2016   |  |
|          | STUDENT SERVICES     | RAR Priorities are re-analyzed.   | Previous year Area Plans measured and analyzed (FY 14/15)  | Instructional and Administrative Program Review is launched for FY 16/17  | - Finalized Area Plan goals and Objectives for FY 16/17<br>- Submit SSSP Budget Plans to the State  | Faculty Priorities list is established and presented to the President  | Prioritized list of RARs for FY 16/17 are submitted by program areas to VPs and Administrative Services by December 18, 2015   |
|          | ADMIN SERVICES       | Budget changes submitted for adjustment to FY 15/16 Tentative Budget in preparation for FY 15/16 Adopted Budget   | Fund 13 proposed expenditures processed and discussed.<br><br>District and SAC Adopted Budget Assumptions are distributed to P&B Committee for feedback<br><br>Planning & Budget Committee conducts an effectiveness evaluation of committee work.<br><br>Scheduled Maintenance and 5 yr plan update – priority list created utilizing SAC (RAR)<br><br>Budget Performance quarterly report provided to SAC Cabinet and Planning and Budget committee.<br>Previous year(FY 14/15) Area Program Review results analyzed | Prior FY expenditure and performance report analyzed<br><br>SB361 Budget model evaluation plan is analyzed.<br><br>Post funded RARs for current Fiscal Year on the Planning and Budget website for campus review.<br><br>Area Program Review Goals and Objectives set for FY 16/17        | Scheduled Maintenance Priorities forwarded to Facilities Committee for review<br><br>SAC Budget Priorities drafted and submitted to Planning and Budget committee for review and adoption<br><br>Area Program Review is finalized   | Budget Performance quarterly report provided to SAC Cabinet and Planning and Budget committee.<br><br>Resource Allocation Request forms are distributed to all Program areas. ( first week of November)  | Prioritized list of RARs for FY 16/17 are submitted by program areas to VPs and Administrative Services by December 18, 2015   |
| 2016     |                      | <b>January-2016</b>   | <b>February-2016</b>   | <b>March-2016</b>   | <b>April-2016</b>   | <b>May-2016</b>  | <b>June-2016</b>   |
|          | CABINET              | Area VPs Prioritize RARs in accordance with Planning & Budget established budgeting criteria consultation with area managers to align with SLO materials.<br><br>SAC Budget Office evaluates current year budget performance<br>– Notify SAC Cabinet of assessment outcome.<br><br>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.<br><br>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 (FY 16/17)   | Faculty and Deans continue discussion on budget implications resulting from department program reviews and division plans.   | Management reviews draft funding categories prioritized by SACBO.<br><br>Area Plan is due to Academic Affair VP   | Final Area Plan posted  | Department Chair/X-Factor assignments determined for Fall 2016   |  |
|          | Enrollment Mgmt.     | Intercession 2016 semester begins<br><b>Cost Schedule Summer 2016</b>   |  | <b>Cost schedule Fall 2016</b>  |   |  | Spring 2016 extract to Deans for Spring 2017<br>Summer 2016 Begins   |
|          | STUDENT SERVICES     |   |  | Area Plan due to Student Services VP  | Final Area Plan posted  |  |  |
|          | ADMIN SERVICES       | Gov. delivers budget proposal for 2016/17.<br><br>SACBO compiles Resource Allocation Requests.<br><br>SAC Planning and Budget Committee Goals are established by Planning and Budget committee.   | Tentative Budget assumptions for following year established by District.<br><br>List of RARs sent to Planning and Budget for review then made available to campus community via SAC website<br><br>SAC Planning and Budget Committee Goals are reviewed and approved by Planning & Budget<br><br>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.<br><br>Funding categories will be assigned to the Prioritized RARs by SACBO sent to SAC Cabinet for prioritization.<br><br>Area Program Review due to Administrative Services VP | 50% law analysis takes place by SAC Budget Office (SACBO).<br><br>SAC Tentative Budget is built utilizing budget criteria and Tentative Budget assumptions<br><br>Area Program Review is shared/ postedhttp://teams.rscsd.edu/SitePages/Home.aspx<br><br>Prepare and Post SAC Budget Manual | SAC Tentative Budget is sent to Planning for review (Early May)<br>- SAC Tentative Budget is submitted to District May 19th<br>Budget memo is drafted and sent out to campus.<br><br>Budget Performance quarterly report provided to SAC Cabinet and Planning and Budget committee.<br><br>Governor's May Revise is presented to Planning & Budget | Tentative Budget available for Department review.<br><br>SACBO begins review of Tentative Budget in preparation for Adopted Budget<br><br>Define life cycles, fund & implement a systematic updating of Technology to support college-wide effectiveness |

**SAC RESOURCE ALLOCATION REQUEST**  
**FY 2015/16**

**Directions:**

\* Enter items that have been included in your 2014/15 approved or revised program review that require additional funding

\* Dean/Director submits an electronic copy of this request along with supporting evidence to the SAC Budget office with a copy to area VP

\* SAC Strategic Plan

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.

v. 10/6/14

\*includes but not limited to: AB1725, ADA, Title V, etc.

# SAC RESOURCE ALLOCATION REQUEST (RAR) PROCEDURES

This process intends to link all college resource allocation requests to the department/division goals, the college mission, the strategic plan and the budget priorities. [The Resource Allocation Request Form](#) outlines the college mission and the budget priorities; the form has a link to the [SAC Strategic Plan](#) document for easy reference.

1. Budget priorities are determined and approved by SAC Budget and Planning Committee. *(November)*
2. Administrative Services sends out Resource Allocation Request (RAR) forms. *(November)*
  - 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, college mission, strategic plan, and intended outcomes
3. All program area RARs and supporting evidence needs to be submitted to the area Vice President and simultaneously to the Campus Budget office by the deadlines established. *(December)*
4. Campus Budget office compiles college-wide Resource Allocation Requests *(January)*
  - Segregates requests by VP areas with priorities included
  - Segregates request by specific request type (personnel, facilities, equipment etc.)
  - Provides comprehensive list of RAR's to area vice presidents.
5. Requests are reviewed and prioritized by Cabinet *(January)*
  - Prioritized Resource Allocation Requests are presented to Cabinet by area vice president.
  - Cabinet prioritizes college-wide RARs in accordance with college budget priorities, strategic plan, college mission and direct tie to dept/division intended outcomes
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.
9. Allocation of funds is validated after approval of Adopted Budget. *(September)*
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.



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# SANTA ANA COLLEGE

2015/2016

Planning and Budget

Shared Governance Meeting Schedule

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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.

September 1, 2015

October 6, 2015

November 3, 2015

December 1, 2015

February 2, 2016

March 1, 2016

April 5, 2016

May 3, 2016

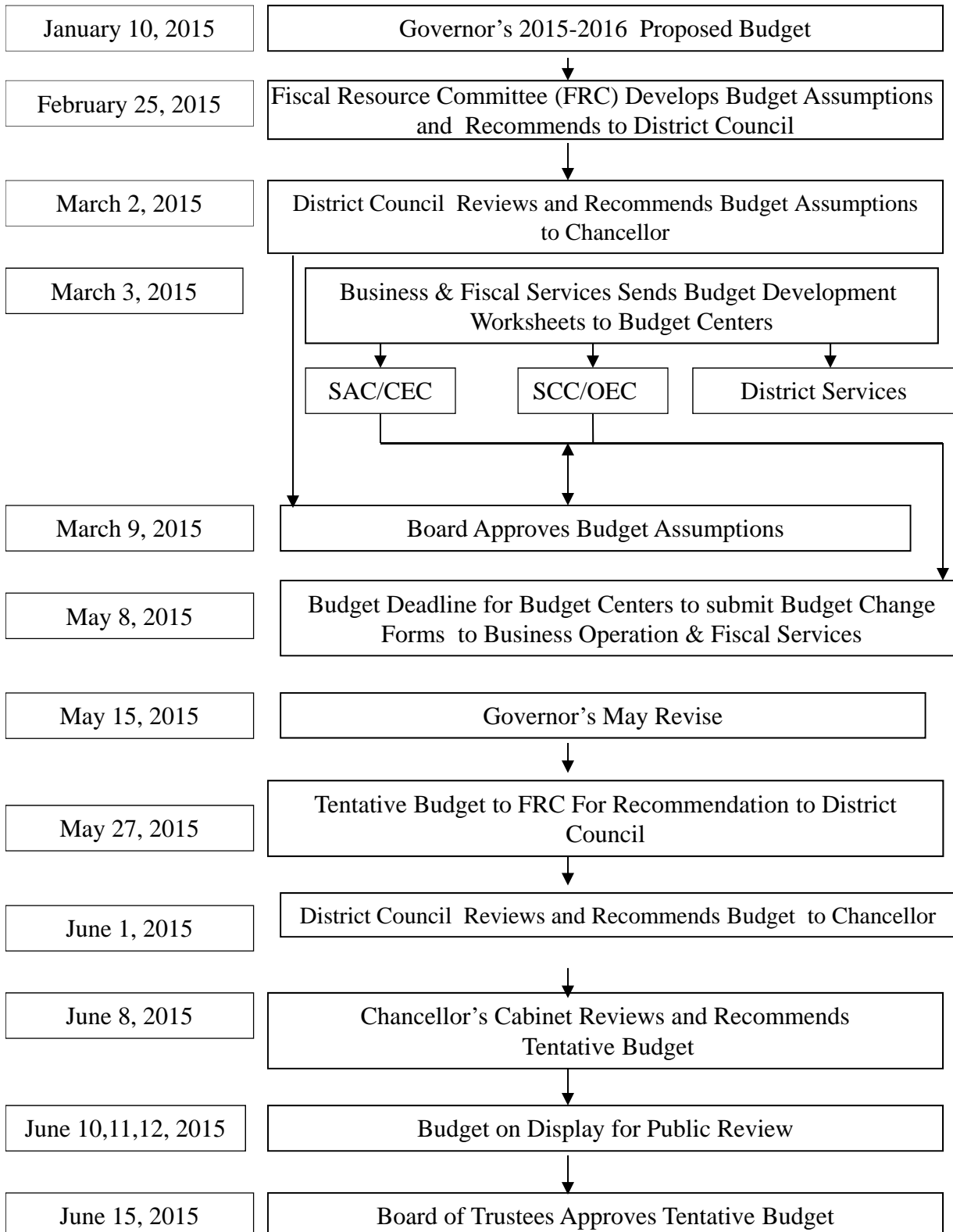
June 7, 2016

*\*If needed*

# RSCCD Tentative Budget Calendar

Fiscal Year 2015 – 2016

February 17, 2015

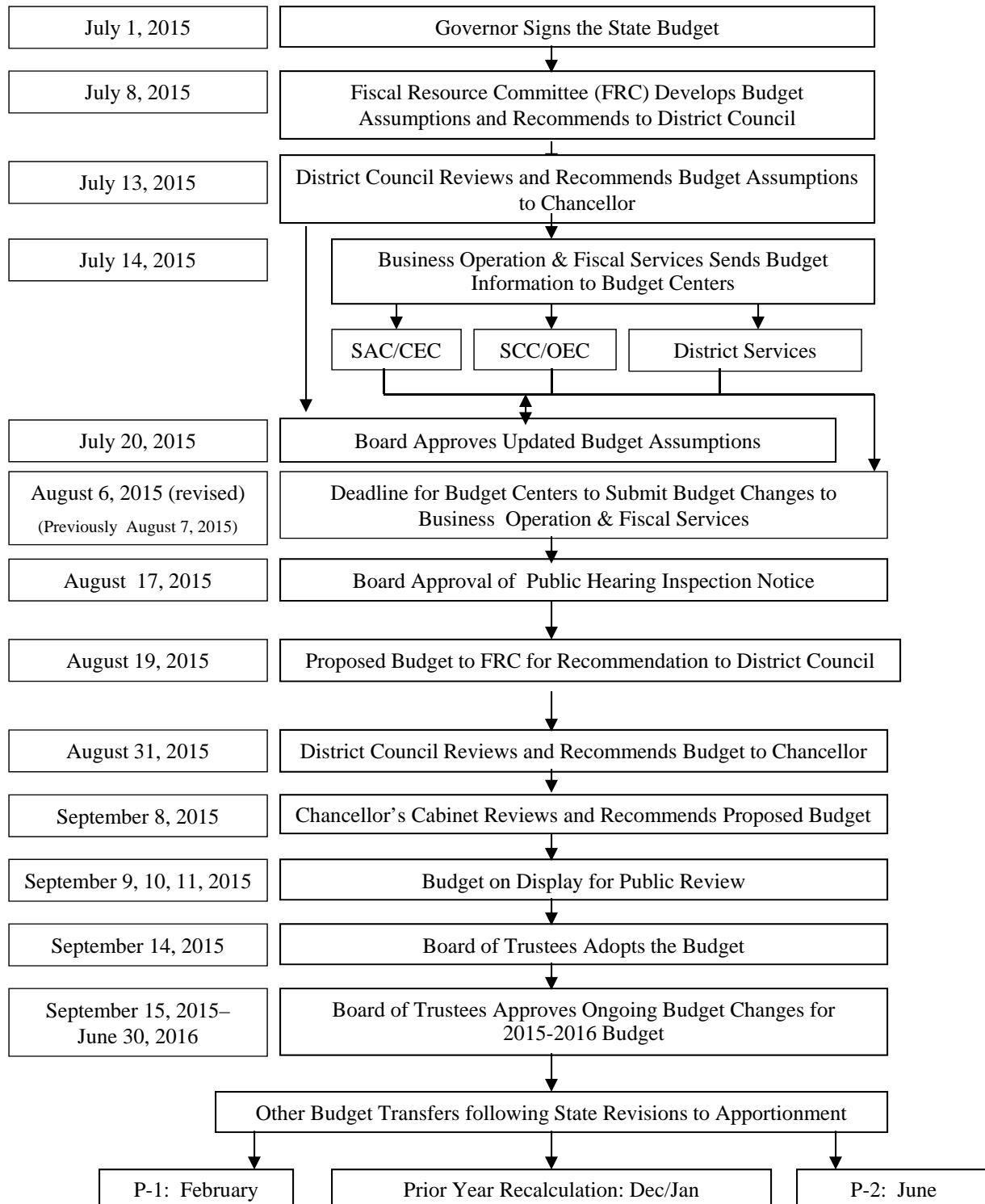


Approved by Fiscal Resources Committee: February 25, 2015

# RSCCD Adopted Budget Calendar

Fiscal Year 2015 – 2016

February 17, 2015



# Rancho Santiago Community College District

## Sound Fiscal Management Self-Assessment Checklist 2015/2016

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

Is the district spending within their revenue budget in the current year? Yes, as of the 2015/16 Adopted Budget.

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), deficit spending in the adopted budget for 2012/13 of \$7.2 million (with an actual spend down of \$5.7 million), deficit spending in the adopted budget for 2013/14 of \$2.7 million (with an actual spend down of \$10.3 million), and deficit spending in the adopted budget for 2014/15 of \$5.8 million (with an actual spend down of \$2.9 million) leaving a balance of \$13.7 million. Once one-time budget stabilization funds are exhausted, significant reductions in unrestricted current year ongoing costs will be necessary to bring costs in line with current year revenue. With the infusion of state revenue in 2015/16, the adopted budget does not include deficit spending, however collective bargaining is not settled for the current year and the Multi-Year Projections (MYP) shows deficit spending within two years without expenditure reductions or increased revenues. Has the district controlled deficit spending over multiple years? No, not since prior to 2011/12.

Is deficit spending addressed by fund balance, ongoing revenue increases, or expenditure reductions? With the infusion of ongoing resources allocated in the State Budget in 2015/16, the Adopted Budget for 2015/16 does not expect deficit spending, however there is concern in future years without additional revenue increases due to expected cost increases.

Are district revenue estimates based upon past history? Revenue 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 and earned before the revenue is budgeted.

### 2. Fund Balance – Is this area acceptable? NO

Is the district's fund balance stable or consistently increasing? It appears the balance in 2015/16 is not declining due to the large infusion of state funds, however the balance had been decreasing since 2011/12 though it is still above the minimum 5% reserve level. The MYP shows that with increases in cost of PERS, STRS, health and welfare benefits, and reductions in Proposition 30 revenues, the fund balance will continue to erode.

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

### 3. Enrollment - Is this area acceptable? NO

Has the district's enrollment been increasing or stable for multiple years? Overall, enrollment has slightly grown the last three years. Minor growth has been planned by the colleges for 2015/16, but growth revenue is not budgeted. In 2013/14 the district planned for 2.63% growth (1% over the statewide growth opportunity of 1.63%), but only generated actual funded growth of 1.79%. In 2014/15 growth of 1.76% was planned, but only 0.76% was generated.

Are the district's enrollment projections updated at least semiannually? Yes.

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 for submission to the State Chancellor's Office. The colleges 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? In the past several years, yes.

### 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 have temporarily been used the last few years to offset 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**

Has the district settled bargaining agreements within new revenue sources during the past three years? **No, salary and benefit cost increases have been negotiated in excess of COLA even though total compensation (COLA, health and Welfare, step and column movement, STRS/PERS cost, etc.) increases well exceed new unrestricted revenues. The faculty collective bargaining agreement includes a 9<sup>th</sup> place ranking formula.**

Did the district conduct a pre-settlement analysis identifying an ongoing revenue source to support the agreement? **Fiscal Services prepares a total compensation cost analysis after the negotiated settlement. One-time Budget Stabilization Funds have been used to offset ongoing compensation cost increases.**

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

Did the district address budget reductions necessary to sustain the total compensation increase? **No, one-time Budget Stabilization Funds have been used to offset ongoing compensation cost increases. Future ongoing reductions will be necessary without additional ongoing unrestricted 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, in 2014/15 the district hired several full-time positions without identifying ongoing funding or corresponding reductions to fund these positions. In 2015/16 with the infusion of additional unrestricted ongoing funds from the state, the colleges appear to have properly budgeted for all projected personnel cost and the Adopted Budget for 2015/16 does not expect deficit spending. There is however concern in future years without additional revenue increases due to expected cost increases.**

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%)? **No. At this time, the 2015/16 ongoing unrestricted general fund adopted budget is slightly above at 86%.**

**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 unmodified 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 has been in the process of creating and programming a position control system for several years. Phase I went live in 2012/13 and includes only a salary encumbrance system for full- and part-time staff salaries. A consultant has been engaged to assist the district with determining a course of action for including encumbrances for benefits costs and directly tying 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 a minimum of \$500,000 each year with the goal of funding the full Annual Required Contribution (ARC). The district contributed the full ARC in each of the last four years and expects to for 2015/16.**

Does the district compile annualized revenue and expenditure projections throughout the year? **Yes, district Fiscal Services makes projections throughout the year. In the District's revenue allocation budget model, it is imperative 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? **Yes, the district's budget assumptions call for funding the OPEB liability at 1% of salaries plus a minimum of \$500,000 each year with the goal of funding 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)? **The only cabinet-level change recently has been the President of Santiago Canyon College in August of 2014 due to a retirement.**

**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 a 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.**

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.**



**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 budget including the allocation of budget expenditure responsibilities for Santa Ana College, Santiago Canyon College and District Services 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 Services 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 Services, 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 Services 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 Services has responsibility for providing certain centralized functions, both to provide efficient operations as well as to assist in coordination between District Services 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 Services.

## 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:

|                                 |  |
|---------------------------------|--|
| <b>District Office:</b>         |  |
| 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                                       |
| <b>Santa Ana College:</b>       |  |
| Linda Rose                      | Vice President, Academic Affairs                     |
| Jim Kennedy                     | Interim Vice President, Administrative Services      |
| Michael Collins                 | Vice President, Administrative Services              |
| <b>Santiago Canyon College:</b> |  |
| 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 Services 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 Services and Institutional Costs 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 expenditures allocated for District Services and for Institutional Costs will be developed based on the projected levels of expenditure for the prior fiscal year, taking into account unusual or one-time anomalies, reviewed by FRC and the District Council and approved by the Chancellor and the Board of Trustees.

**DISTRICT SERVICES** – 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 Services budget but clearly delineated from other District expenditures.

**INSTITUTIONAL COSTS** – Examples are those expenses associated with State and Federal regulatory issues, property, liability and other insurances, board election, interfund transfers and Retiree Health Benefit Costs. As the board election expense is incurred every other year, it will be budgeted each year at one-half of the estimated cost. In the off years, the funds will remain unspent and specifically carried over to the next year to be used solely for the purpose of the election expense. If there is insufficient budget, the colleges will be assessed the difference based on the current FTES split. If any funds remain unspent in an election year, it will be allocated to the colleges based on the current FTES split for one-time uses.

An annual review of District Services and Institutional Costs 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 an institutional 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 Services 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%  |
|                           | <u>28,000</u>    |         | 2.00%       | <u>28,560.00</u>      |         |
|                           | 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%  |
|                           | <u>28,000</u>    |         | 2.00%       | <u>28,560.00</u>      |         |
|                           | Base FTES        | % split | Scenario #3 | New FTES              | % split |
| SAC unfunded              | 19,824           |         | 3.00%       | 20,418.72<br>(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%  |
|                           | <u>28,000</u>    |         | 2.00%       | <u>28,560.00</u>      |         |
|                           | Base FTES        | % split | Scenario #4 | New FTES              | % split |
| SAC unfunded              | 19,824           |         | 3.00%       | 20,418.72<br>(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%  |
|                           | <u>28,000</u>    |         | 2.00%       | <u>28,560.00</u>      |         |
| 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%  |
|                           | <u>28,000</u>    |         | -0.124%     | <u>27,965.28</u>      |         |
| Calculated for Stability: |                  |         |             |                       |         |
| SAC stabilization         | 19,824           |         | -1.00%      | 19,625.76<br>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%  |
|                           | <u>28,000</u>    |         | 0.884%      | <u>28,247.52</u>      |         |
| 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%  |
|                           | <u>27,965.28</u> |         | 1.009%      | <u>28,247.52</u>      |         |

## **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 institutional 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, and AA step 6 for teachers and BA step 6 for master teachers in child development), 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 institutional ending fund balance.

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 Services: District Services and Institutional Costs may also require additional funding to implement new initiatives in support of the colleges and the district as a whole. POE will evaluate budget augmentation requests and forward a recommendation to District Council. District Council may then refer such requests to FRC for funding consideration.

#### **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<br>Expenditure and Budget Responsibilities |  | Santa Ana<br>College &<br>CEC <input checked="" type="checkbox"/> | Santiago<br>Canyon<br>College &<br>OEC <input checked="" type="checkbox"/> | District<br>Services <input checked="" type="checkbox"/> | Institutional<br>or<br>Districtwide<br>monitoring<br><input checked="" type="checkbox"/> |
|--|--|---|--|--|--|
| <b>Academic Salaries- (1XXX)</b>                   |  |   |  |  |  |
| 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                                   | ✓   | ✓  | ✓  |  |
| <b>Classified Salaries- (2XXX)</b>                 |  |   |  |  |  |
| 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                                  | ✓   | ✓  | ✓  |  |
| <b>Employee Benefits-(3XXX)</b>                    |  |   |  |  |  |
| 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)            | ✓   | ✓  | ✓  |  |
| <b>Other Operating Exp &amp; Services-(5XXX)</b>   |  |   |  |  |  |
| 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 | ✓ | ✓ |   |   |
| <b>Capital Outlay-(6XXX)</b> |                               |   |   |   |   |
| 1                            | Equipment Budget              |   |   |   |   |
|                              | -Instructional                | ✓ | ✓ | ✓ | ✓ |
|                              | -Non-Instructional            | ✓ | ✓ | ✓ | ✓ |
| 2                            | Improvement to Buildings      | ✓ | ✓ | ✓ | ✓ |
| 3                            | Improvement to Sites          | ✓ | ✓ | ✓ | ✓ |

| <b>TABLE 2<br/>Revenue and Budget Responsibilities</b> |   | <b>Santa Ana<br/>College &amp;<br/>CEC</b> ✓ | <b>Santiago<br/>Canyon<br/>College &amp;<br/>OEC</b> ✓ | <b>District<br/>Services</b> ✓ | <b>Institutional<br/>or<br/>Districtwide<br/>monitoring</b> ✓ |
|--|---|--|--|--------------------------------|---|
| <b>Federal Revenue- (81XX)</b>                         |   |  |  |                                |   |
| 1  | Grants Agreements   | ✓  | ✓  | ✓                              |   |
| 2  | General Fund Matching Requirement                           | ✓  | ✓  | ✓                              |   |
| 3  | In-Kind Contribution (no additional cost to general fund)   | ✓  | ✓  | ✓                              |   |
| 4  | Indirect Cost (overhead)                                    | ✓  | ✓  |                                | ✓   |
| <b>State Revenue- (86XX)</b>                           |   |  |  |                                |   |
| 1  | Base Funding  | ✓  | ✓  |                                | ✓   |
| 2  | Apportionment   | ✓  | ✓  |                                | ✓   |
| 3  | COLA or Negative COLA                                       | ✓  | ✓  | ✓                              | ✓ subject to<br>collective<br>bargaining                      |
| 4  | Growth, Work Load Measure Reduction, <b>Negative Growth</b> | ✓  | ✓  | ✓                              | ✓   |
| 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                                 | ✓  | ✓  |                                |   |

|                              |  |   |   |   |  |
|------------------------------|--|---|---|---|--|
|                              |  |   |   |   | ✓ and will have<br>chargeback to<br>site<br>proportionally |
| 11                           | Instructional Equipment Matches (3:1)  | ✓ | ✓ |   |  |
| 12                           | Scheduled Maintenance Matches (1:1)    | ✓ | ✓ | ✓ | ✓ and will have<br>chargeback to<br>site<br>proportionally |
| 13                           | Part time Faculty Compensation Funding | ✓ | ✓ |   | ✓ subject to<br>collective<br>bargaining                   |
| 14                           | State Mandated Cost                    | ✓ | ✓ |   | ✓  |
| <b>Local Revenue- (88XX)</b> |  |   |   |   |  |
| 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 Services.

**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 institutional, 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 a 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.



## 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<br>In-Kind | Stipend or<br>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

# **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<br>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<br>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<br>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.

## ACADEMIC ACCOUNT NUMBERS BY OBJECT

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

## 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](#) 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](#) and include enough information in the reason for change area.
2. Division Dean or Budget Director approves and forwards the BCF to area Vice President for approval.
3. Area VP approves and forwards budget changes to the **SAC Budget office S-203** to check for availability of funds and compliance. BCFs are then approved by VP of Administrative Services.
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, there is no need to attach a status change form.
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. TOEs are then approved by VP of Administrative Services.
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.

## Unrestricted Funds

Department initiate budget change for unrestricted funds and SSSP match -

...need to check account balance to make sure there is enough money in the account and that all accounts used are valid existing accounts

...if account does not exist request account with Richard Kudlik prior to forwarding budget change



Forward BCF to VP of Administrative Services or Continuing Education VP for Signature

(who should review appropriateness of transfer, reverify fund availability and account accuracy)



Fiscal Services checks budget to process for all other funds



FD 11/13/24/31/33/61/62/63/71/72/74/76/79 - need to be signed by Adam O'Connor

FD 12-need to be signed by Richard Kudlik

FD 41/42/43-need to be signed by Peter Hardash or Adam O'Connor

## Restricted Funds

Project Director of Special Projects Fund 12/33/74 and Fund 11 (match to a special project with the exception of SSSP) initiate budget change -

...need to check account balance to make sure there is enough money in the account and that all accounts used are valid existing accounts

...if account does not exist request account with Resource Development prior to forwarding budget change, Resource Developments submit account request to Richard Kudlik



Forward BCF for **(Health Center, Instructional Equipment, Lottery, and BSI special project)** to VP of Administrative Services or Continuing Education VP for Signature

(who should review appropriateness of transfer, reverify fund availability and account accuracy)



Forward Restricted Fund 12/33/74 and Fund 11 (match to a special project with the exception of SSSP) to Resource Development for Signature

(who should review appropriateness of transfer, that is allowable/approved by federal/state/local agency and account accuracy)



Special Projects with Restricted Fund 12/33/74 - will be checked by Accountant for accuracy and process

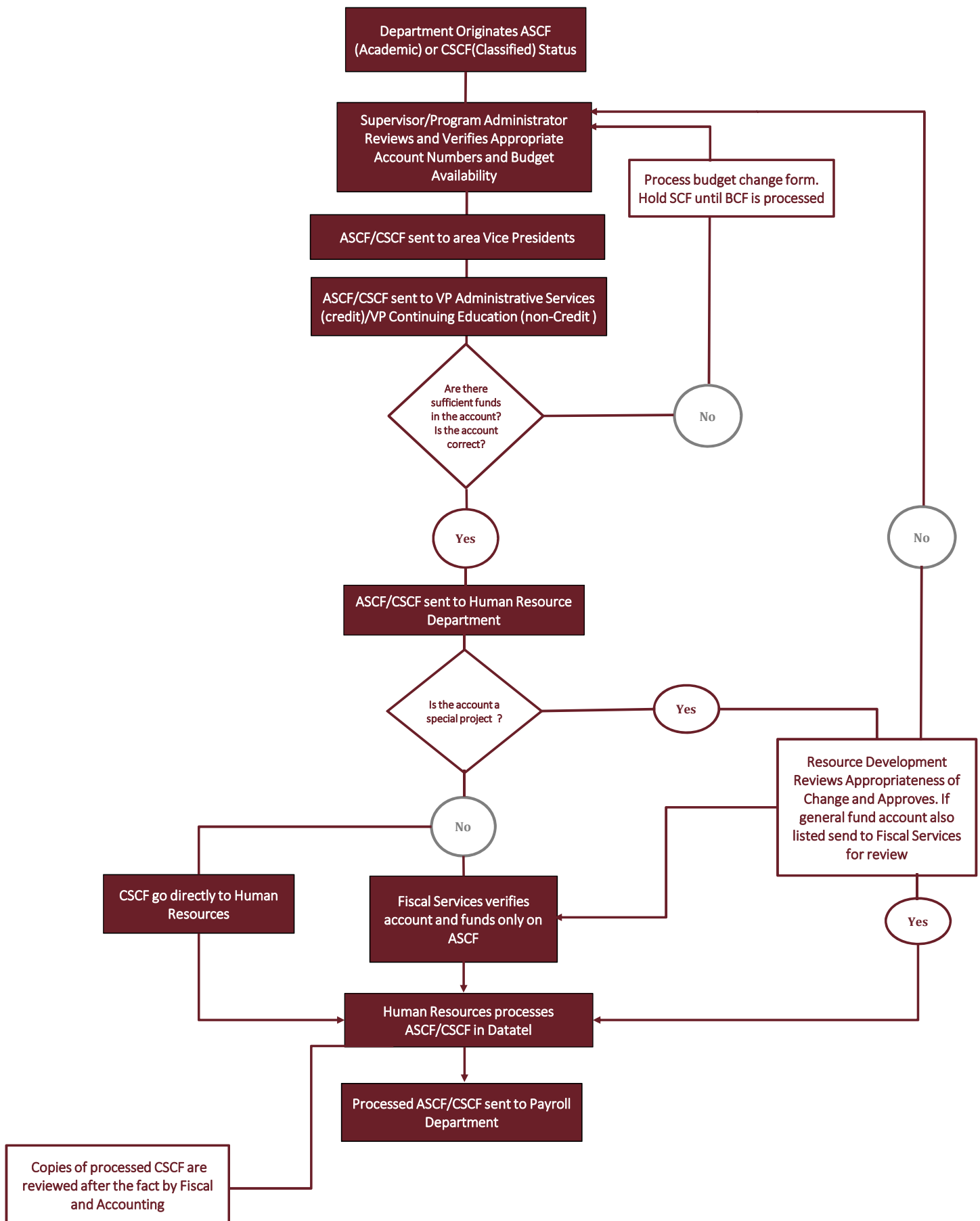


FD 11/13/24/31/33/61/62/63/71/72/74/76/79 - need to be signed by Adam O'Connor

FD 12-need to be signed by Richard Kudlik

FD 41/42/43-need to be signed by Peter Hardash or Adam O'Connor

# STATUS CHANGE FORM PROCESS DIAGRAM



# ACCOUNT REQUEST FORM

**FROM:** \_\_\_\_\_

Name                      College - Department                      Phone No.



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<br>XX | Project<br>XXXX | TOPS<br>XXXXXX | Department<br>XXXXXX | Object<br>XXXX | Amount |
|----------------|------------|-----------------|----------------|----------------------|----------------|--------|
| DEBIT:<br>(TO) |            |                 |                |                      |                |        |
|                |            |                 |                |                      |                |        |
|                |            |                 |                |                      |                |        |
|                |            |                 |                |                      |                |        |
|                |            |                 |                |                      |                |        |
|                |            |                 |                |                      |                |        |
|                |            |                 |                |                      |                |        |
|                |            |                 |                |                      |                |        |
|                |            |                 |                |                      |                |        |
| TOTAL:         |            |                 |                |                      |                | -      |

|                   |  |  |  |  |  |   |
|-------------------|--|--|--|--|--|---|
| CREDIT:<br>(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 (%)

# Instructional Support Program Guidance

## Equipment vs. Supply

**Equipment:** Tangible property with a purchase price of at least \$200 and a useful life of more than one year, other than land or buildings and improvements there on.

**Supply:** A material item of an expendable nature that is consumed, wears out, deteriorates in use; or one that loses its identity through fabrication or incorporation into a different or more complex unit or substance.

## Salary and Wages

- Cannot be used to supplant district personnel salaries and wages
- Can be used for outside labor
- Can be used to pay for cost of installation or adaptation of equipment

## Allowable Items

- Eligible equipment, library material, or technological enhancement
  - Classroom demonstration
  - Student evaluation or use
  - Preparation of learning materials in an instructional program.
- Repair, replace, or expand class or lab furniture
- No equipment allowed for administrative or non-instructional purposes
- Cannot be used for instructional supplies

There are five categories that will be used to classify instructional support. The following are examples but is not limited to what is shown.

### 1. Equipment and Furniture

Instructional equipment and furniture for primary use by students in instructional programs.

- Classroom/Laboratory equipment
  - i. Whiteboard, Projector screen, Projector, etc.
- Instructional furniture
  - i. Desks, Tables, Podium, etc.
  - ii. Chairs, etc.

### 2. Information Technology

Instructional information technology equipment for student use in classrooms and/or

laboratories.

- Desktops, Laptops
- Monitors
- Printers
- Servers
- Network/Wireless infrastructure
- AV/TV
- Multi-media

### **3. Software**

- a. Software licenses are allowed but only the initial year is permitted.
- b. Other permitted software are those that are used in excess of one year
- c. Software modifications that add capacity or efficiency to the software that defers obsolescence and results in an extension of the useful life of the software.
  - Registration
  - Counseling
  - Student Services
  - Learning Management Systems for student

### **4. Adaptive Equipment**

Adaptive equipment for ADA/OCR students are allowed to assist them in a learning environment.

### **5. Library Material**

- Databases
- Online subscriptions
- Books, Periodicals, Videos, etc.

### **Non-allowable items: Administrative or Non-Instructional Purposes**

Equipment being used for administrative or non-instructional purposes is not allowed.

- Photocopiers
- File cabinets
- Bookcases
- Computers
- Networking infrastructure
- Software licenses

## Instructional Equipment/Library Materials/Technology Procedures

1. Departments must include Instructional Equipment needs in resource allocation request form (RAR).
2. Administrative Services to notify departments of RAR items funded.
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  $\geq$ \$1,000 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

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SACRAMENTO, CA 95814-6511  
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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 1<sup>st</sup> 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 4<sup>th</sup> 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](mailto: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](mailto:eregalad@cccco.edu).