

# ACCCA Admin 101 - Guide to Budgeting and Finance

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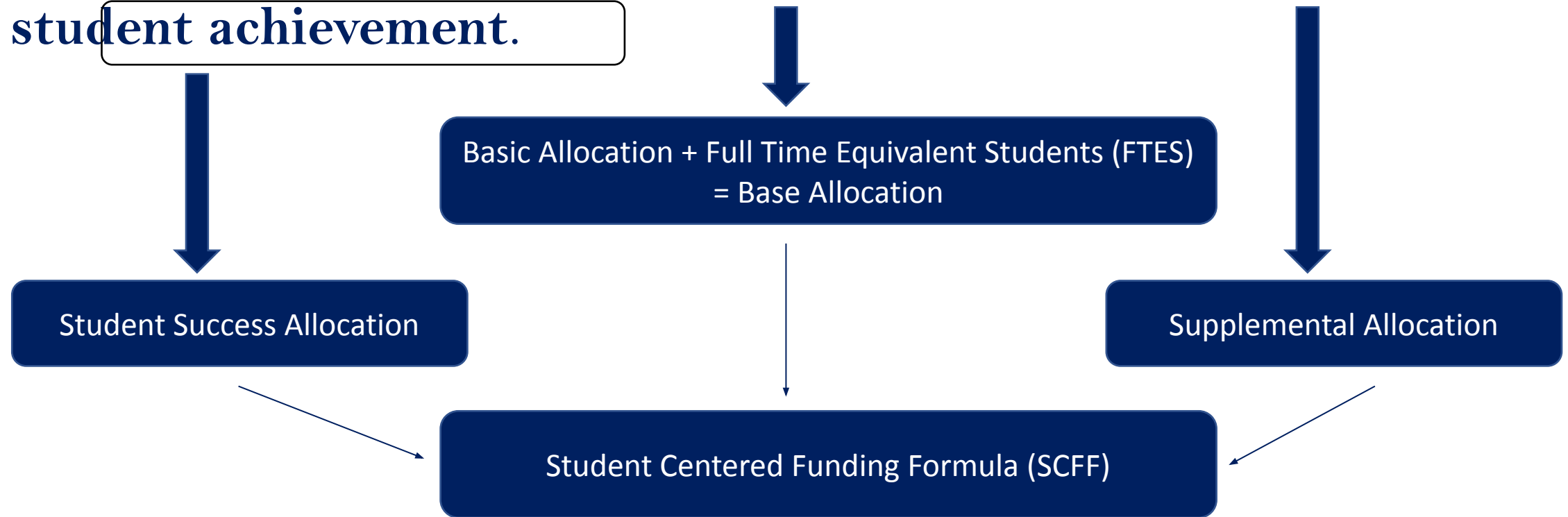


# Agenda

- **Community College Funding**
- **Funding Sources**
- **Account Code Structure**
- **Budget Development**
- **Budget Monitoring**
- **Compliance**
- **Reporting Requirements**

# Community College Funding

Colleges are funded to support enrollments, student needs and student achievement.



# Community College Funding

- The 2018-19 State Budget Act included the passage of the Student Centered Funding Formula (SCFF)
  - The purpose of the formula is to:
    - Encourage access for underrepresented students and recognize the cost of additional support needed for low-income students
    - Reward colleges for moving the metrics in student success
    - Improve overall predictability of community college funding
- The [Student Centered Funding Formula Dashboard](#) can be found on the CCCCO website.
  - Dashboard 1 shows the prior funding formula (SB361) compared to the SCFF
  - Dashboard 2 shows the analysis of counts and patterns across the SCFF
  - Dashboard 3 allows Districts to conduct multi-year projections based on data estimates for components of the SCFF

# Community College Funding

- The funding formula for 2024-2025 is broken down into three categories:
  - Base Allocation (70%)
  - Supplemental Allocation (20%)
  - Student Success Allocation Metrics (10%)
  
- Base allocation is calculated as the Basic Allocation plus Full Time Equivalent Students (FTES)
  - Basic allocation is dependent upon District type and size, as well as centers
  - FTES calculation is based upon a three year rolling average of **credit** full-time equivalent students reported for prior prior year, prior year, and current year plus the current year FTES earned for other FTES categories
    - Categories of FTES: Credit, non-credit, special admit, incarcerated, and career development and college preparation (CDCP)

# Community College Funding

- Supplemental Allocation
  - Number of students participating in the Pell Grant and California College Promise Programs and the number of AB540 students reported in the prior year
- Student Success Allocation Metrics
  - Based on a rolling average of the number of students meeting a more broadly-defined set of success outcomes reported in the previous three years
    - Types of Success Metrics: Associate degrees, associate degrees of transfer, baccalaureate degrees, credit certificates, nine or more CTE units, transfer to four year institution, transfer level math & English, regional living wage

# Community College Funding

- As written in the state's 2022 Budget Act, District hold harmless protections were extended through 2024-2025 with that year representing District's new "floor"
  - Beginning in 2025-2026, Districts will be funded at their SCFF generated amount that year or their "floor" (2024-2025 funding amount), whichever is higher
    - If a District's higher calculation is the SCFF, it will continue to receive cost of living adjustments (COLA)
    - If a District's hold harmless calculation is higher, it will not receive COLA adjustments

# Community College Funding

- Total Computational Revenue (TCR)
  - Equals the maximum of the calculated SCFF, prior year SCFF plus COLA, or Hold Harmless
  - Actual payment of the SCFF comes in 4 parts
    - Enrollment Fees (98% of reported enrollment fees; 2% stays at the District)
    - Property Taxes
    - Education Protection Account (EPA)
      - Proposition 30 – The Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012, temporarily increases the state’s sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers.
      - Proposition 55 – Approved by the voters in November 2016 and extended the temporary increase in personal income tax for twelve years.
    - Apportionment (from State General Fund)
      - The TCR owed to the District not covered by the three other components of the calculation
      - May be reduced by a deficit factor
- Apportionment reported on the Exhibit C – Located on the CCCCCO website



**California Community Colleges  
2023-24 Second Principal  
Yosemite CCD  
Exhibit C - Page 1**

Total Computational Revenue and Revenue Sources			
<b>Total Computational Revenue (TCR)</b>			
I. Base Allocation (FTES + Basic Allocation)		\$	102,239,123
II. Supplemental Allocation			28,877,983
III. Student Success Allocation			15,730,467
	Student Centered Funding Formula (SCFF) Calculated Revenue (A)	\$	146,847,573
	2022-23 SCFF Calculated Revenue + COLA (B)		142,869,083
	Hold Harmless Revenue (C)		122,888,849
	Stability Protection Adjustment		-
	Hold Harmless Protection Adjustment		-
	<b>2023-24 TCR (Max of A, B, or C)</b>	<b>\$</b>	<b>146,847,573</b>
<b>Revenue Sources</b>			
Property Tax & ERAF		\$	60,833,927
Less Property Tax Excess			-
Student Enrollment Fees			5,169,500
Education Protection Account (EPA)	Minimum of at least \$100 x Funded FTES	Funded FTES: 16,453.86	x Rate: \$867.17
			14,268,343
State General Fund Allocation			53,740,761
<b><u>State General Fund Allocation</u></b>			
General Fund Allocation	\$		52,498,197
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)			1,242,564
	<b>Subtotal State General Fund Allocation</b>		<b>\$53,740,761</b>
Adjustment(s)			-
	<b>Total State General Fund Allocation (Exhibit A)</b>		<b>\$53,740,761</b>
		<b>Available Revenue</b>	<b>\$ 134,012,531</b>
		<b>2023-24 TCR (Max of A, B, or C)</b>	<b>146,847,573</b>
	See memo for additional information regarding revenue deficit at 2023-24 P2.	8.7404%	Revenue Deficit \$ (12,835,042)

### Supporting Sections

#### Section Ia: FTES Data and Calculations

<i>variable</i>	a	b	c	d	e	f = b + c + d + e	g = f (except credit = (a + b + f)/3)	h	i = g + h
FTES Category	2021-22 Applied #3	2022-23 Applied #3	2023-24 Restoration	2023-24 Decline	2023-24 Adjustment	2023-24 Applied #1	2023-24 Applied #2	2023-24 Growth	2023-24 Funded
Credit	15,592.36	15,592.36	-	(869.03)	-	14,723.33	15,302.68	-	15,302.68
Incarcerated Credit	75.17	75.17	-	(31.60)	-	43.57	43.57	-	43.57
Special Admit Credit	226.94	226.94	-	495.02	-	721.96	721.96	-	721.96
CDCP	215.23	215.23	-	57.44	-	272.67	272.67	-	272.67
Noncredit	239.79	239.79	-	(126.81)	-	112.98	112.98	-	112.98
<b>Total FTES=&gt;&gt;&gt;</b>	16,349.49	16,349.49	-	(474.98)	-	15,874.51	16,453.86	-	16,453.86
<b>Total Values=&gt;&gt;&gt;</b>		\$86,538,165	\$0	(\$1,286,262)	\$0				
Change from PY to CY=>>>		(\$1,286,262)							

<i>variable</i>	j = g x l	k = h x l	l	m = j + k
FTES Category	2023-24 Applied #2 Revenue	2023-24 Growth Revenue	2023-24 P2 Rate \$*	2023-24 Total Revenue
Credit	\$80,161,161	\$ -	\$5,238.37	\$80,161,161
Incarcerated Credit	320,062	-	\$7,345.93	320,062
Special Admit Credit	5,303,466	-	\$7,345.93	5,303,466
CDCP	2,003,014	-	\$7,345.93	2,003,014
Noncredit	499,068	-	\$4,417.31	499,068
<b>Total</b>	\$88,286,771	\$0		<b>\$88,286,771</b>

Total Value=>>>

n	o = f + h	p = n - o	q = p x l
2023-24 Applied #0	2023-24 Applied #3	2023-24 Unfunded FTES	2023-24 Unfunded FTES Value
14,723.33	14,723.33	-	\$ -
43.57	43.57	-	-
721.96	721.96	-	-
272.67	272.67	-	-
112.98	112.98	-	-
15,874.51	15,874.51	-	\$ -

\$85,251,903

#### Section Ib: 2023-24 FTES Emergency Conditions Allowance (ECA)

<i>variable</i>	r	s	t	n = s + t
FTES Category	ECA FTES	Reported 320 2023-24 P2 FTES	ECA Applied	2023-24 Applied #0
Credit	-	14,723.33	-	14,723.33
Incarcerated Credit	-	43.57	-	43.57
Special Admit Credit	-	721.96	-	721.96
CDCP	-	272.67	-	272.67
Noncredit	-	112.98	-	112.98
<b>Total</b>	-	15,874.51	-	15,874.51

#### Definitions:

PY: 2022-23

CY: 2023-24

**PY App#3:** PY App#1 plus PY Growth, is the base for CY.

**CY App#0:** Reported FTES with any ECA or statutory protections. These FTES are used in the calculations of the CY funded FTES.

**CY App#1:** Base for CY plus any restoration, decline or adjustment.

**CY App#2:** FTES that will be funded not including growth. Includes Credit 3-year average.

**CY App#3:** CY App#1 plus Growth. Used as the base for the following year.

**CY Adjustment:** Alignment of FTES to available resources.

**Change Prior Year to Current Year:** CY App#0 value minus PY App#3 value and is the sum of CY restoration, decline, growth and unapplied values

Section Ic: FTES Restoration Authority				
variable	v	w	y	z = (v + w + y) x l
FTES Category	2020-21	2021-22	2022-23	Total \$
Credit	-	-	-	\$ -
Incarcerated Credit	-	-	-	-
Special Admit Credit	-	-	-	-
CDCP	-	-	-	-
Noncredit	-	-	-	-
<b>Total</b>	-	-	-	\$ -

Section Id: FTES Growth Authority			
variable	aa	ab	ac = aa x ab
FTES Category	% target	2022-23 Applied #3 FTES	2023-24 Growth FTES
Credit	0.41%	15,592.36	63.55
Incarcerated Credit	0.41%	75.17	0.31
Special Admit Credit	0.41%	226.94	0.92
CDCP	0.41%	215.23	0.88
Noncredit	0.41%	239.79	0.98
<b>Total</b>		16,349.49	66.64

Total Growth FTES Value ==>>> \$ 351,838

**Section Ie: Basic Allocation**

District Type/FTES	Funding Rate	Number of Colleges	Basic Allocation	FTES	Funding Rate	Number of Centers	Basic Allocation
<u>Single College Districts</u>				<u>State Approved Centers</u>			
≥ 20,000	10,732,581.16	-	\$0	≥ 1,000	\$2,146,515.89	-	\$0
≥ 10,000 & < 20,000	8,586,065.27	-	-	<u>Grandparented Centers</u>			
< 10,000	6,439,546.00	-	-	≥ 1,000	2,146,515.89	-	-
<u>Multi-College Districts</u>				≥ 750 & < 1,000	1,609,886.50	-	-
≥ 20,000	8,586,065.27	-	-	≥ 500 & < 750	1,073,257.10	-	-
≥ 10,000 & < 20,000	7,512,806.48	1	7,512,806	≥ 250 & < 500	536,629.40	-	-
< 10,000	6,439,546.00	1	6,439,546	≥ 100 & < 250	268,316.39	-	-
Additional Rural \$	2,048,172.33	-	-	<b>Subtotal</b>			
			<b>Subtotal</b>				\$0
				<b>Total Basic Allocation</b>			\$13,952,352
				<b>Total FTES Allocation</b>			88,286,771
				<b>Total Base Allocation</b>			<b>\$102,239,123</b>

**Section II: Supplemental Allocation**

	Points	2022-23 Headcount	Rate	Revenue
<b>Supplemental Allocation - Point Value \$1238.71</b>				
AB540 Students	1	989	\$1,238.71	\$1,225,082
Pell Grant Recipients	1	6,976	1,238.71	8,641,222
Promise Grant Recipients	1	15,348	1,238.71	19,011,679
		<b>Totals</b>		<b>\$28,877,983</b>

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		<b>Totals</b>		<b>\$28,877,983</b>

**Section III: Student Success Allocation**

	Points	2020-21 Headcount	2021-22 Headcount	2022-23 Headcount	Three Year Average	Rate = Point Value x Points	Revenue
<b>All Students - Point Value \$730.42</b>							
Associate Degrees for Transfer	4	899	915	853	889.00	\$ 2,921.68	\$2,597,371
Associate Degrees	3	1,019	1,035	994	1,016.00	2,191.26	2,226,318
Baccalaureate Degrees	3	9	6	14	9.67	2,191.26	21,182
Credit Certificates	2	136	141	255	177.33	1,460.84	259,055
Transfer Level Math and English	2	463	370	482	438.33	1,460.84	640,334
Transfer to a Four Year University	1.5	923	908	911	914.00	1,095.63	1,001,405
Nine or More CTE Units	1	2,550	2,619	2,957	2,708.67	730.42	1,978,462
Regional Living Wage	1	3,751	3,359	3,573	3,561.00	730.42	2,601,023
	<b>All Students Subtotal</b>	<b>9,750</b>	<b>9,353</b>	<b>10,039</b>	<b>9,714.00</b>		<b>\$11,325,150</b>
<b>Pell Grant Recipients - Point Value \$184.24</b>							
Associate Degrees for Transfer	6	546	564	521	543.67	\$ 1,105.43	\$600,985
Associate Degrees	4.5	600	630	604	611.33	829.07	506,839
Baccalaureate Degrees	4.5	7	3	8	6.00	829.07	4,974
Credit Certificates	3	75	77	107	86.33	552.71	47,718
Transfer Level Math and English	3	145	129	190	154.67	552.71	85,486
Transfer to a Four Year University	2.25	482	454	418	451.33	414.54	187,094
Nine or More CTE Units	1.5	1,407	1,359	1,596	1,454.00	276.36	401,823
Regional Living Wage	1.5	1,442	1,369	1,428	1,413.00	276.36	390,493
	<b>Pell Grant Recipients Subtotal</b>	<b>4,704</b>	<b>4,585</b>	<b>4,872</b>	<b>4,720.33</b>		<b>\$2,225,412</b>
<b>Promise Grant Recipients - Point Value \$184.24</b>							
Associate Degrees for Transfer	4	721	758	705	728.00	\$ 736.95	\$536,501
Associate Degrees	3	818	879	851	849.33	552.71	469,439
Baccalaureate Degrees	3	9	5	12	8.67	552.71	4,790
Credit Certificates	2	97	116	189	134.00	368.48	49,376
Transfer Level Math and English	2	263	236	302	267.00	368.48	98,383
Transfer to a Four Year University	1.5	672	632	646	650.00	276.36	179,632
Nine or More CTE Units	1	1,946	2,078	2,338	2,120.67	184.24	390,708
Regional Living Wage	1	2,458	2,376	2,511	2,448.33	184.24	451,076
	<b>Promise Grant Recipients Subtotal</b>	<b>6,984</b>	<b>7,080</b>	<b>7,554</b>	<b>7,206.00</b>		<b>\$2,179,905</b>
	<b>Total Headcounts</b>	<b>21,438</b>	<b>21,018</b>	<b>22,465</b>	<b>21,640.33</b>		
						<b>Total Student Success Allocation</b>	<b>\$15,730,467</b>

# Funding Sources

Federal Funding Sources	State Funding Sources	Local Funding Sources
Veterans' Education	General Apportionment	Enrollment Fees
VTEA	EOPS/CARE/CalWORKs/DSPS	Property Taxes
Carl Perkins	Deferred Maintenance	Donations
Pell	Student Equity and Achievement	Non-Resident Tuition
SEOG	Instructional Equipment (IELM)	Community Education Courses
National Science Foundation	Lottery (Restricted & Unrestricted)	Parking Fees
TRIO	Strong Workforce Program	Health Fees
Title III	Adult Education Consortium	Instructional Materials Fees
Strengthening Institutions	Center of Excellence	Field Trip Fees
Federal Work Study	California College Promise Program	Interest Income

# Account Code Structure -

- **Funds**
  - The Budget and Accounting Manual (BAM) provides the guidance for accounting structure and procedures for community college districts.
    - General Funds (Fund Number 1X)
      - Unrestricted General Fund
        - Accounts for resources available for the general purposes of district operations and support of its educational programs
      - Restricted General Fund
        - Accounts for resources available for the operations and support of the educational programs that are specifically restricted by laws, regulations, donors, and other outside agencies
      - Health Services
        - Accounts for student health fees received for support of health supervision and services
    - Debt Service Funds (Fund Number 2X)
      - Bond Interest and Redemption Fund
        - Used only to record transactions related to the receipt and expenditure of local revenues derived from the property tax levied for the payment of the principal and interest on outstanding bonds of the district
      - Revenue Bond Interest and Redemption Fund
        - Used to record transfers from the Revenue Bond Project Fund as may be required to pay the principal and interest for bonds
      - Other Debt Service Fund
        - Used for the accumulation of resources for, and payment of, other types of general long-term debt

# Account Code Structure - Funds

- Special Revenue Funds (Fund Number 3X)
  - Used to account for the proceeds of specific revenue sources whose expenditures are legally restricted
  - Encompass support services not directly related to the educational program of the college
  - If recovery of the cost of providing the services **is not** the objective, the activities are recorded in Special Revenue Funds
  - Potential Special Revenue Funds: Bookstore, Food Services, Child Development, Farm Operations, Other Special Revenue Funds
- Capital Projects Funds (Fund Number 4X)
  - Capital Outlay Projects Fund
    - Used to account for the accumulation and expenditure of monies for the acquisition of construction of significant capital outlay items, and scheduled maintenance and special repairs projects
  - Revenue Bond Construction Fund
    - Used to account for the deposit of bond proceeds and expenditures of authorized projects



# Account Code Structure - Funds

- Enterprise Funds (Fund Number 5X)
  - Used to account for an operation when it is the intent of the governing board to **operate as a business** and to account for its total operating costs. Such costs are financed or recovered primarily through user charges
  - Potential Special Revenue Funds: Bookstore, Food Services, Child Development, Farm Operations, Other Enterprise Funds
- Internal Service Funds (Fund Number 6X)
  - Used to account for financing of goods or services provided by one department or organizational unit to other units on a cost-reimbursement basis
  - Examples of Internal Services Funds: Self-Insurance Program, Duplicating & Printing Services, Central Stores, Transportation

# Account Code Structure - Funds

- Trust Funds (Fund Number 7X)
  - Used to account for assets held on behalf of another party in which the District has **some** discretionary authority for decision making or responsibility for approving expenditures
  - Trust funds are appropriate when one or more of the following are present:
    - an agreement granting the District discretionary authority
    - there are contractual or regulatory conditions that restrict the use of funds
    - there is a compelling reason to measure operations and report the results in the District's financial statements
  - Examples of Trust Funds: Associated Students Trust, Student Representation Fee, Student Body Center Fee, Student Financial Aid, Scholarship and Loan, and Other Trust Funds
- Agency Funds (Fund Number 8X)
  - Purely custodial in nature and the agreement allows the District or college **little or no** discretion
  - Agency funds are appropriate when all of the following conditions are met:
    - an agreement granting the District little or no discretionary authority
    - there are no contractual or regulatory conditions restricting the use of funds or requiring the district to exercise a management role
    - there is **no** compelling reason to measure operations and report the results in the District's financial statements
  - Examples of Agency Funds: Student Clubs, Scholarship and Loan, Foundation, Joint Powers Agreement, Other Agency Funds

# Account Code Structure

- The account code structure varies between districts but contains the same major components, as identified below:
  - Fund
  - Subfund
    - YCCD uses this to identify specific funding sources, projects, county activity, etc.
  - Responsibility Code
    - YCCD uses this to identify the location and department
    - The first digit represents the location and the remaining digits identify the department
  - Activity
    - This is mandated information and is used to identify the discipline
    - Also referred to as TOPS (Taxonomy of Programs) Codes
  - Object Code
    - Indicates the type of account (asset, liability, equity, revenue, expenditure) and its purpose
- At YCCD, there is a 21 digit account code. The account code structure is as follows:
  - Fund – Subfund – Responsibility Code – Activity Code – Object Code

# Account Code Structure –

Obj

## Revenue Object Codes

Federal Revenues	81XX
State Revenues	86XX
Local Revenues	88XX
Property Taxes	881X
Student Fees and Charges	8870 – 8885
Other Financing Sources	89XX

## Expenditure Object Codes

Academic Salaries	1XXX
Classified & Other Nonacademic Salaries	2XXX
Employee Benefits	3XXX
Supplies and Materials	4XXX
Other Operating Expenses & Services	5XXX
Capital Outlay	6XXX
Other Outgo	7XXX

# Account Code Structure – Exercise

- Build an account number for the following situation:
  - MJC will be purchasing a new computer for Joe – a math instructor. They are using an unrestricted general funding source.

**Fund:**

11	Unrestricted General Fund
12	Restricted General Fund
14	Health Services

**Activity:**

170100	Mathematics
190100	Physical Science
644000	Health Services

**Subfund:**

0000	General
5290	Lottery
3430	Culinary Arts

**Object Code:**

4301	Instructional Supplies
4431	Non-Instructional Supplies
5101	Travel - In District
5438	Services - Laundry
6310	Library Books
8625	DSPS (Revenue)
6400	Equipment < \$5K

**Responsibility Code:**

1680	MJC - Family & Consumer Sciences
4750	CC - Instructional Service
1650	MJC - Science, Math & Engineering
1950	MJC - Health Services
4950	CC - Health Services

- Fund – Subfund – Responsibility Code – Activity Code – Object Code

# Account Code Structure – Exercise

- Build an account number for the following situation:
  - Columbia College Health Services needs to purchase office supplies.

**Fund:**

11	Unrestricted General Fund
12	Restricted General Fund
14	Health Services

**Activity:**

170100	Mathematics
190100	Physical Science
644000	Health Services

**Subfund:**

0000	General
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4950	CC - Health Services

- Fund – Subfund – Responsibility Code – Activity Code – Object Code

# Account Code Structure – Exercise

- Build an account number for the following situation:
  - The MJC Family & Consumer Sciences Department will be using their allocation of restricted Lottery funds to purchase supplies that will be used by students in the classroom.

**Fund:**

11	Unrestricted General Fund
12	Restricted General Fund
14	Health Services

**Activity:**

170100	Mathematics
190100	Physical Science
644000	Health Services

**Subfund:**

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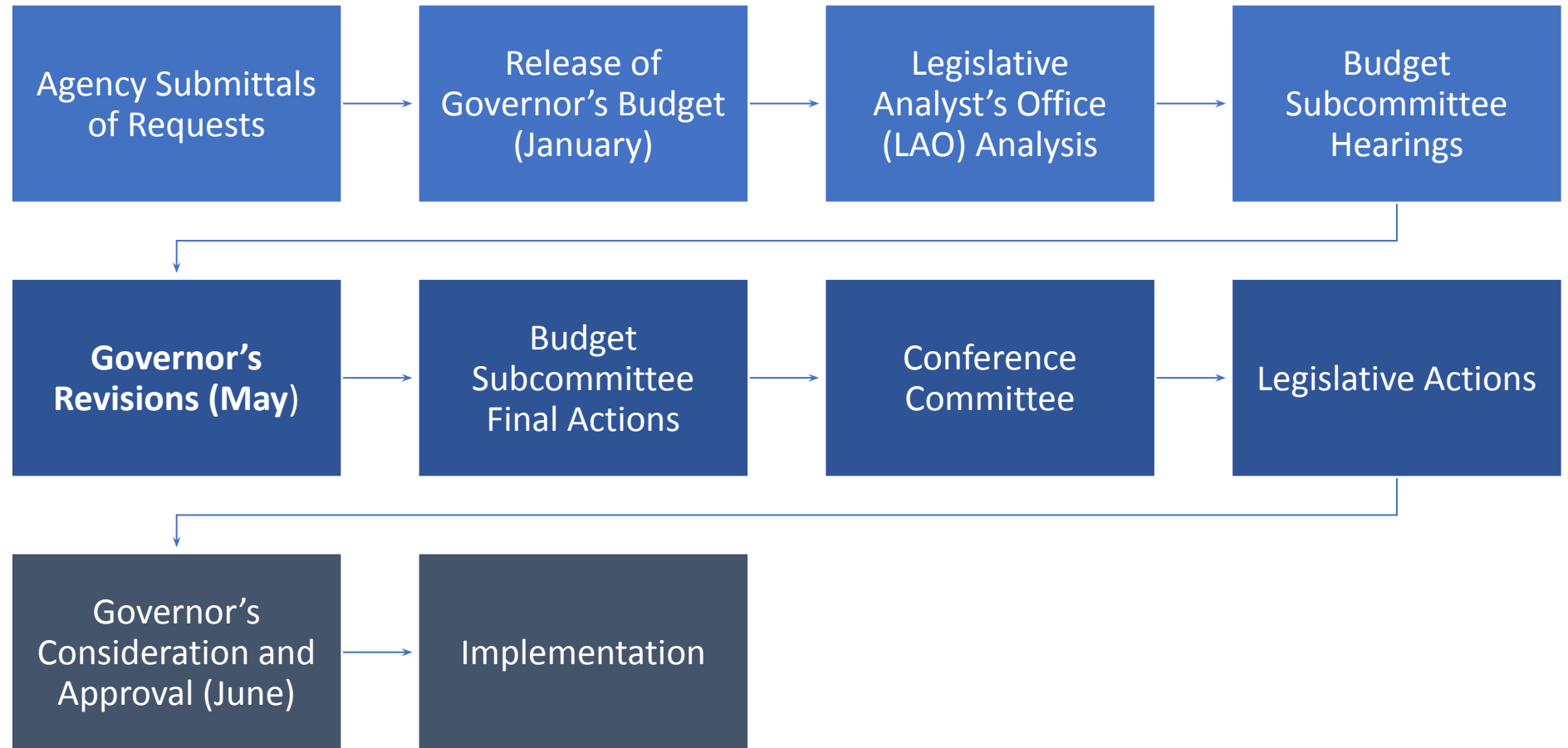
- Fund – Subfund – Responsibility Code – Activity Code – Object Code

# Budget Development

- The budget is an annual spending plan.
- A budget is based on how much revenue is anticipated to be received in the fiscal year.
- At all Districts/Colleges, there are multiple budgets
  - The various budgets are maintained in different funds
  - Each fund serves a different purpose
- Budget Timeline
  - Governor's Budget – January
  - Governor's May Revise – May
  - District's Tentative Budget – June
  - State's Budget Act – June/July
  - District's Final Budget - September



# Budget Development – State Budget Process & Timeline



# Budget Development – YCCD

## Budget Planning Timeline

- October – January
  - Prepare draft permanent employee salary file
  - Colleges begin identifying budget priorities
  - Central Services Units begin identifying budget priorities
  - Establish district-wide budget assumptions. They are as follows:
    - FTES Growth
    - Full-Time Faculty Obligation/Faculty Staffing
    - COLA
    - Estimated Benefit Cost Increase
    - Estimated Cost of Step-and-Column Adjustment
    - Estimated Institutional Cost Increases
    - General Fund Reserve
- February
  - Permanent employee salary file updated in Central Services and distributed to College and Central Services Units

# Budget Development – YCCD

## Budget Planning Timeline

- March
  - District-wide budget targets distributed to Colleges and Central Services Units based on the Resource Allocation Model (RAM)
  - Targets generally include:
    - Prior year base budget
    - Growth (based on District budget assumptions)
    - On-going allocation adjustment to true up District RAM
    - Compensation adjustments
    - Other (budget assumptions)
    - Encumbrances
- April/May
  - Governor's Budget May Revise
  - Revise budget targets
  - Prepare Tentative Budget
- June
  - Tentative Budget submitted to the Board of Trustees

# Budget Development – YCCCD

## Budget Planning Timeline

- July/August
  - Final state budget
  - Year-end closing
  - Prepare Final Budget
- September
  - Final Budget submitted to Board of Trustees

# Budget Development – YCCD Budget Planning Process

Resource Allocation Model for 24/25

	Columbia	MJC	Central Serv	Institutional	Total
<b>1. Start with the budget from 23/24 less any one-time allocations.</b>					
23/24	\$ 17,584,591	\$ 83,292,212	\$ 35,242,106	\$ 22,664,182	\$ 158,783,091
Less 1X	(1,372,838)	(2,918,211)	(2,965,730)	(11,099,688)	(18,356,467)
23/24 Base	\$ 16,211,753	\$ 80,374,001	\$ 32,276,376	\$ 11,564,494	\$ 140,426,624
Percentage of total	11.5%	57.2%	23.0%	8.2%	
Percentage without Institutional Costs	12.6%	62.4%	25.0%		
Columbia/MJC split	16.8%	83.2%			
Percentage without Institutional and MJC Costs	33.4%		66.6%		
<b>2. Add adjustments for SCFF split. No college loses money, but an additional allocation may be made.</b>					
SCFF split using 3 yr average	13.6%	86.4%			
Dollars split according to SCFF	\$ 13,108,003	\$ 83,477,751			
Adjustment	\$ -	500,000			\$ 500,000
	\$ 16,211,753	\$ 80,874,001	\$ 32,276,376	\$ 11,564,494	\$ 140,926,624
<b>3. Add changes to institutional costs.</b>					
				\$ 640,777	\$ 640,777
	\$ 16,211,753	\$ 80,874,001	\$ 32,276,376	\$ 12,205,271	\$ 141,567,401

# Budget Development – YCCD

## Budget Planning Process

	Columbia	MJC	Central Serv	Institutional	Total
<b>4. Add prior year growth using the 3-year average excluding Basic Allocation</b>					
23/24 Growth					\$ -
23/24 3 year average	80%		20%		
	11.1%	88.9%			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 16,211,753	\$ 80,874,001	\$ 32,276,376	\$ 12,205,271	\$ 141,567,401	
<b>5. Add allocations based on budgeted revenues:</b>					
International Student Tuition	\$ -	\$ -	\$ -	\$ -	\$ -
Baccalaureate Tuition	-	-	-	-	-
Full time faculty	-	-	-	-	-
\$ 16,211,753	\$ 80,874,001	\$ 32,276,376	\$ 12,205,271	\$ 141,567,401	
<b>6. Add compensation costs:</b>					
Meet and confer	\$ 145,689	\$ 306,581	\$ 311,930	\$ -	\$ 764,200
Classification review (CSEA & LTAC)	-	-	-	450,000	\$ 450,000
Long/Step/Column	136,389	577,840	250,630	-	\$ 964,859
PERS/STRS Rate Increase	40,834	149,657	203,726	-	\$ 394,217
Fringe Benefit Increase	234,008	1,375,137	734,960	-	\$ 2,344,105
YFA 5.3123% Increase	282,516	1,785,406	25,623	-	\$ 2,093,545
CSEA 5.3123% Increase	125,110	564,142	876,498	-	\$ 1,565,750
Estimated Negotiations Impact (CSEA & YFA)	-	1,500,000	-	-	\$ 1,500,000
\$ 17,176,299	\$ 87,132,764	\$ 34,679,743	\$ 12,655,271	\$ 151,644,077	

# Budget Development – YCCCD

## Budget Planning Process

	Columbia	MJC	Central Serv	Institutional	Total
<b>7. Add new agreed upon ongoing items:</b>					
Professional development	\$ -	\$ -	\$ -	\$ -	\$ -
Full time faculty	-	-	-	-	\$ -
Free Parking for Students	-	-	540,732	-	\$ 540,732
New positions	-	-	-	-	\$ -
Strategic initiatives	-	-	-	-	\$ -
	\$ 17,176,299	\$ 87,132,764	\$ 35,220,475	\$ 12,655,271	\$ 152,184,809
<b>8. Add annual agreed-upon allocations:</b>					
TCO facilities	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
TCO IT	-	-	-	500,000	\$ 500,000
Retiree Health Benefits Trust	-	-	-	1,000,000	\$ 1,000,000
Pension Rate Stability Trust	-	-	-	-	\$ -
	\$ 17,176,299	\$ 87,132,764	\$ 35,220,475	\$ 15,155,271	\$ 154,684,809

# Budget Development – YCCD

## Budget Planning Process

	Columbia	MJC	Central Serv	Institutional	Total
<b>9. Balance the budget</b>					
Total Revenue					\$ 154,684,809
Less Allocations					\$ (154,684,809)
Change in 10% Reserve					
Remaining (Over)					\$ -
<b>24/25 Ongoing Budget</b>	<b>\$ 17,176,299</b>	<b>\$ 87,132,764</b>	<b>\$ 35,220,475</b>	<b>\$ 15,155,271</b>	<b>\$ 154,684,809</b>
<b>10. Add any one-time allocations</b>					
Encumbrance carryforwards	\$ -	\$ -	\$ -	\$ -	\$ -
Allocation of PY Nonresident and BA Revenue	-	-	-	-	\$ -
Site Specific Reserve	-	-	-	-	\$ -
Ending balance carryforwards	708,600	1,790,600	688,000	-	\$ 3,187,200
IT TCO & Web Design Carryover	-	-	710,615	-	\$ 710,615
Tentative Allocation to fund 41-Dorms	1,000,000	-	-	-	\$ 1,000,000
Tentative Allocation to fund 41-Patterson	-	200,000	-	-	\$ 200,000
Augmentations to fund balance	-	-	-	-	\$ -
Budget Adjustment for Transportation Expenses	-	400,000	(400,000)	-	\$ -
<b>24/25 Ongoing &amp; One time budget</b>	<b>\$ 18,884,899</b>	<b>\$ 89,523,364</b>	<b>\$ 36,219,090</b>	<b>\$ 15,155,271</b>	<b>\$ 159,782,624</b>



# Budget Development – MJC

## Budget Planning Process

### Modesto Junior College Budget Development Process for 2024-25

In order to ensure transparency and broad-based input into the budget development process, Modesto Junior College (MJC) is committed to following its standing practice of budgeting as delineated below. Steps are listed in order, along with a tentative timeline, which is designed to meet district deadlines as distributed to the colleges in January each year.

The College and District budget may be viewed on the District Administrative Services website on the [Budget](#) page.

The District budgeting process is shared through the [District Fiscal Advisory Council \(DFAC\)](#) and the [District Resource Allocation Model \(RAM\)](#). Updated information on the [YCCD budget](#) can be reviewed on the Central Service website.

#### ***Steps in College Budget Development (Fund 11 – Unrestricted General Fund)***

1. Due to the schedule being required by August for Spring terms and November for Summer and Fall terms, the Dean Team and Vice Presidents will work diligently to create Part-Time/Overload (PTOL) FTEF and college FTES target scenarios the summer prior to the fiscal year beginning. For example, the scenarios for fiscal year 2025/2026 (Summer, Fall, Spring, Early Start Summer) will be developed in Summer of 2024. The scenarios will include a flat PTOL budget, 5% increase, and 10% increase in the PTOL budget.
2. Vice Presidents, Deans and other Budget Managers receive a permanent position reconciliation to review positions to ensure the full-time equivalent percentage, full time equivalent distribution, salary placements, and account codes are correct. Budget for growth positions is provided if the positions have been agreed to by the Executive Cabinet. (January/February)

# Budget Development – MJC

## Budget Planning Process

3. The Vice President of College & Administrative Services (VPCAS) works with the Vice President of Instruction (VPI) and the Dean team to finalize the Part-Time/Overload (PTOL) budget. The PTOL budget is designed to meet the College's enrollment target while taking efficiency into consideration to ensure the budget is reasonable. (March)
4. The VPCAS prepares a spreadsheet by responsibility, activity, and object codes, that shows the prior four fiscal years expenditures, year to date expenditures for the current fiscal year, and a column for Target Budget Request for the year in which the budget is being developed. This document is distributed to budget managers (Deans, Directors, VPs, etc). (March)
5. Budget managers prepare Target Budget Requests for the budget development year based on prior years' trends, current year budget-to-actual analysis, and input from faculty and staff in their areas. Minor shifting between line items is expected and supported. Augmentations to each budget's overall target must be explained on a line-item basis. For example: We need an additional \$500 in object code 56400 – Equipment to purchase a new printer. (March/April)
  - a. Budget requests must be submitted electronically on the spreadsheet distributed by the VPCAS. The VPCAS will evaluate additional requests and determine availability of funding for requests.
6. Budget managers forward their completed Target Budget Request file to the VPCAS. (April)

# Budget Development – MJC

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7. The VPCAS compiles all budget requests and reviews the College budget with the Executive Cabinet. (April)
8. The comprehensive College budget is forwarded to the Central Services for upload into Colleague. (April)
9. Budget managers are presented with feedback regarding their budget requests, including suggested adjustments/reductions, and they are provided an opportunity for further input. (April)

Included in Step 1 of the budget development process, positions charged to all funds is reviewed and updated as needed. All non-fund 11 operational budgets, except for restricted lottery, will need to be prepared and submitted in Etrieve. This process is to be completed by the appropriate budget manager. (April/May)

Restricted Lottery funds will be distributed in a similar fashion, an analysis of prior years' expenditures and a comparison of budget-to-actual expenditures for the current year, which culminates in a budget request from each area for supplies, duplicating, library materials, and software licensing as is applicable. Lottery fund requests must be submitted on the spreadsheet distributed by the VPCAS. (May)

The District Resource Allocation Model created a college year end savings process for budget savings in the unrestricted general fund. 75% of the college's savings will carry over to the next fiscal year to be allocated and spent in accordance with the college's Resource Allocation Model.

# Budget Development – MJC

## Budget Planning Timeline

- MJC utilizes a College Resource Allocation Model to link requests from program review to funding allocations.
  - The college utilizes any unobligated unrestricted and restricted general fund money, as well as prior year unrestricted general fund savings (as outlined in the District RAM)

# Budget Monitoring

- Once the budget has been established, it is important to monitor the budget throughout the fiscal year to make sure it continues to be in line with the original intent.
- Work with your District/College Administration/Fiscal Team to identify monitoring/reporting tools at your institution.
  - For example: YCCD utilizes CROA, Crystal, and Colleague reports
- It is recommended to review your budget monthly to make sure the expenditures posting to your budget are correct.
  - For example, you may have a position that should not be charged to your budget or an expenditure that was posted to the incorrect object code
- Word to the Wise – Keep track of your District/College’s year end dates. It is likely the cutoff for purchases is well before June 30<sup>th</sup>.
  - Plan accordingly so you have everything you need to get through the end of the fiscal year.
  - If you do not have your purchase orders in before that cutoff date, you will miss the opportunity for year end purchases.

# Compliance

- Below is a sample of various compliance requirements a District must follow:
  - 50% Law
  - Gann Limit
    - Annual calculation that is approved by the Board of Trustees in a District
    - Limits the growth in appropriations made by the state and individual local governments
    - Absent specific policy decisions to exempt spending from the Gann Limit, half of the revenue above the limit must be returned to the taxpayers with the other half going to K-12 and community colleges
    - To avoid exceeding the Gann Limit, the state implements tax rebates, infrastructure and emergency spending

# 50% Law

- What is it and how is it calculated?
  - Education Code Section 84362 requires that each fiscal year, the District must expend a minimum of 50% of the Current Expense of Education (CEE) for Salaries of Classroom Instructors.
    - Per Title 5, Section 59204, Salaries of Classroom Instructors are:
      - (1) the portion of salaries paid for purposes of instruction of students by full-time and part-time instructors employed by the District.
      - (2) all salaries paid to classified District employees who are (a) assigned the basic title of “Instructional Aid” or other appropriate titles designed to denote the employees’ duties include instructional tasks, and (b) employed to assist instructors in the performance of their duties, in the supervision of students, and in the performance of instructional tasks.
    - Salaries of Classroom Instructors include the proportionate share of all benefits provided to these instructors and instructional aides.
  - CEE includes expenditures 1XXX through 5XXX and Equipment – Replacement for activities 0100 through 6799 in the unrestricted general fund.
    - CEE excludes expenditures for activity 64XX, Other Student Services – Other (student transportation) and amounts expended for the lease of plant and equipment.

# 50% Law

□ What is it and how is it calculated?

<b>Numerator</b>	<b>Denominator (CEE)</b>
Instructional Salaries & Benefits (Activity 0100 – 5900 & 6110)	Non-Instructional Salaries & Benefits (Activity 0100 – 6799)
Instructional Aides Salaries & Benefits	Supplies & Materials
	Other Operating Expenses

## **Exclusions**

Instructional Staff-Retiree's Benefits and Retirement Incentives (Activity 5900)

Student Health Services Above Amount Collected (Activity 6441)

Student Transportation (Activity 6491)

Rents and Leases (Object 5060)

Lottery Expenditures

Capital Expenditures - New



# 50% Law

- Why do we have to calculate it?
  - Ed Code requires it!!
  - Auditors audit the calculation annually
- If 50% Law minimum is not met, a District can apply for a waiver from the Board of Governors.
  - If the waiver is not approved, the District will have to pay the amount of apportionments equal to the apparent deficiency in District expenditures.

# Reporting Requirements

- There are reporting requirements at the state level and grant level
  - Examples of state reporting requirements
    - 311 Annual Report
    - 311 Quarter Reports
    - Annual Independent Audit Report
    - 323 Enrollment Fee Report
    - 320 Full Time Equivalent Student Report (P1, P2, P3)
    - Gann Limit Calculation
    - FON Calculation
  - Examples of grant reporting requirements
    - Quarterly reports
    - Annual reports
    - Final reports

A word cloud featuring the phrase "thank you" in various languages and scripts. The central text "thank you" is the largest and most prominent. Other visible words include:

- danke (German)
- 謝謝 (Chinese)
- ngiyabonga (Xhosa)
- شكراً جزيلاً (Arabic)
- teşekkür ederim (Turkish)
- спасибо (Russian)
- Баярлалаа (Mongolian)
- спасибі (Ukrainian)
- faafetai lava (Tongan)
- vinaka (Samoan)
- спасиби (Chechen)
- blagodaram (Bulgarian)
- kia ora (Māori)
- barka (Hausa)
- welalin tack (Icelandic)
- misaotra (Malagasy)
- matondo (Zulu)
- paldies (Latvian)
- grazzi (Italian)
- mahalo (Hawaiian)
- tapadh leat (Irish Gaelic)
- хвала (Serbian)
- asante (Swahili)
- manana (Tagalog)
- obrigada (Portuguese)
- murakoze (Kinyarwanda)
- tenki (Japanese)
- bedankt (Dutch)
- nanni (Yoruba)
- mandiri (Indonesian)
- kiitos (Finnish)
- dankie (Afrikaans)
- dhanyavadi (Sinhala)
- gracie (Polish)
- hvala (Slovene)
- mauriuru (Māori)
- koszonom (Hungarian)
- enkosi (Zulu)
- bayaralaa (Mongolian)
- dziękuję (Polish)
- sobodi (Slovak)
- dekuji (Slovak)
- chnorakaloutioun (Armenian)
- gracias ago (Catalan)
- gracies (Catalan)
- sulpáy (Quechua)
- go raibh maith agat (Irish Gaelic)
- дякую (Ukrainian)
- mochchakkeram (Tamil)
- mamnun (Korean)
- chukrame (Kinyarwanda)
- murakoze (Kinyarwanda)
- tenki (Japanese)
- obrigado (Portuguese)
- mesi (Slovak)
- didi madloba (Sesotho)
- sagolun (Sesotho)
- najis tuke (Sesotho)
- kam sah hammida (Arabic)
- rahmat (Arabic)
- terima kasih (Malay)
- tanemirt rahmet (Tatar)
- arigatō (Japanese)
- dhanyavadagalu (Sinhala)
- shukriya (Urdu)
- merce (Catalan)
- merci (French)
- merci (French)
- xiexie (Chinese)
- 감사합니다 (Korean)
- ευχαριστώ (Greek)
- diolch (Welsh)
- dhanyavadagalu (Sinhala)
- shukriya (Urdu)
- merce (Catalan)
- merci (French)