

ACCCA Admin 101

Community College Fiscal Information 101

Dr. Sarah Schrader, Vice President of College & Administrative Services
Modesto Junior College

Agenda

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

Community College Funding

- ▶ **The 2018-19 State Budget Act included the passage of the Student Centered Funding Formula (SCFF)**
 - ▶ The funding formula for 2021-2022 is broken down into three categories:
 - ▶ Full Time Equivalent Students (FTES) (70%)
 - ▶ Based on a three year average of full-time equivalent students (FTES) reported for prior prior year, prior year, and current year
 - ▶ Types of FTES: Credit, non-credit, special admit, incarcerated, and career development and college preparation (CDCP)
 - ▶ Supplemental Allocation (20%) (Student Need)
 - ▶ Number of students participating in the Pell Grant and California College Promise Program and AB 540 students
 - ▶ Student Success Allocation Metrics (10%)
 - ▶ Based on a three year average of the number of students meeting a more broadly-defined set of success outcomes
 - ▶ 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
- ▶ **The [Student Centered Funding Formula Dashboard](#) can be found on the CCCCCO website.**

Total Computational Revenue (TCR)

- ▶ **Equals the total value of the calculated SCFF**
- ▶ **Actual payment of the SCFF comes in 4 parts**
 - ▶ Enrollment Fees (98% of enrollment fees; 2% stays at the District/College)
 - ▶ 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/College not covered by the 3 other components of the calculation
 - ▶ May be reduced by a deficit factor
- ▶ **Reported on the Exhibit C - Located on the CCCCCO website**
 - ▶ [Apportionment Reports](#)

Exhibit C

**California Community Colleges
2020-21 Second Principal
Yosemite CCD
Exhibit C - Page 1**

Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)

I. Base Allocation (FTES + Basic Allocation)	\$ 74,293,069
II. Supplemental Allocation	25,750,524
III. Student Success Allocation	11,104,016
2020-21 Student Centered Funding Formula (SCFF) Calculated Revenue (A)	\$ 111,147,609
2019-20 SCFF Calculated Revenue + COLA (B)	110,261,316
2020-21 Hold Harmless Revenue (C)	101,421,961
2020-21 Stability Protection Adjustment	-
2020-21 Hold Harmless Protection Adjustment	-
2020-21 TCR (Max of A, B, or C)	\$ 111,147,609

Revenue Sources

Property Tax	\$ 50,880,580
Less Property Tax Excess	-
Student Enrollment Fees	5,336,100
Education Protection Account (EPA)	26,063,573
State General Fund Allocation	28,018,045

Calculation: Funded FTES x \$100 min or \$1,611.39 max

Funded FTES: 16,174.62

x

Rate: \$1,611.39

State General Fund Allocation

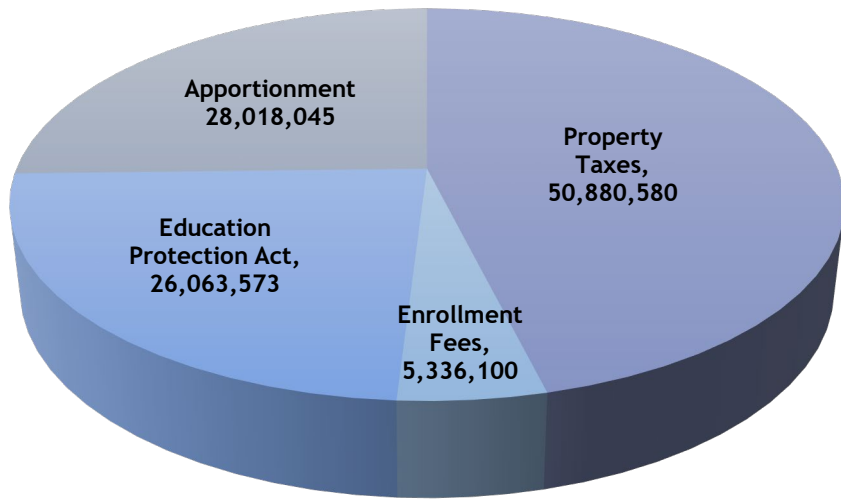
General Fund Allocation	\$ 26,992,539
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)	1,025,506
Total State General Fund Allocation	\$28,018,045
Adjustment(s)	-
Total State General Fund Allocation	\$28,018,045

Available Revenue \$ 110,298,298

2020-21 TCR (Max of A, B, or C) 111,147,609

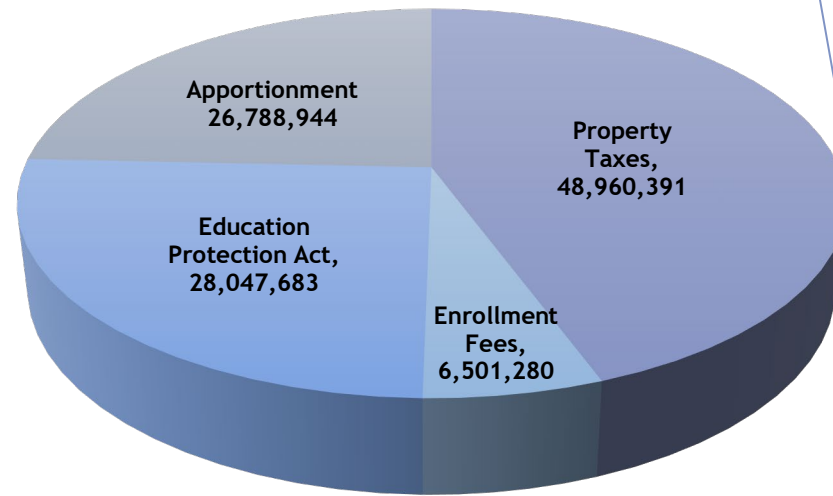
Revenue Deficit Percentage 0.7641% Revenue Deficit \$ (849,311)

TCR Pie - Exhibit C



- Total parts of the pie equal \$110,298,298
- Total TCR equals \$111,147,609
- Revenue deficit is \$849,311 or 0.7641% (aka deficit factor)

TCR Pie - Example



- Total parts of the pie equal \$110,298,298
- Total TCR equals \$111,147,609
- Revenue deficit is \$849,311 or 0.7641% (aka deficit factor)

Funding Sources

Federal Funding Sources	State Funding Sources
Veterans' Education	General Apportionment
VTEA	EOPS/CARE/CalWORKs/DSPS
Carl Perkins	Deferred Maintenance
Pell	Student Equity and Achievement
SEOG	Instructional Equipment (IELM)
HEERF I & HEERF II	Lottery (Restricted & Unrestricted)
TRIO	Strong Workforce Program
Title III	Adult Education Consortium
Strengthening Institutions	Center of Excellence
Federal Work Study	California College Promise Program

Funding Sources

Local Sources

Enrollment Fees

Property Taxes

Donations

Non-Resident Tuition

Community Education Courses

Parking Fees

Health Fees

Student Center Fee

Student Representation Fee

Instructional Materials Fees

Field Trip Fees

Interest Income

Accounting Structure - Funds

- ▶ The [Budget and Accounting Manual](#) (BAM) provides the guidance for the 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, or 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

Accounting Structure - Funds

▶ **Special Revenue Funds (Fund Number 3X)**

- ▶ Used to account for the proceeds of specific revenue sources whose expenditure are legally restricted.
- ▶ Encompass support services not directly related to the educational program of a college.
- ▶ If recovery of the cost of providing the service 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 moneys for the acquisition or 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

▶ **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 Special Revenue Funds.

Accounting Structure - Funds

▶ Internal Service Funds (Fund Number 6X)

- ▶ Used to account for the financing of goods or services provided by one department or organizational unit to other units on a cost-reimbursement basis.
- ▶ Examples of Internal Service Funds: Self-Insurance Program, Duplicating & Printing Services, Central Stores, Transportation.

▶ 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.

Accounting Structure - 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 the 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
 - ▶ 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

Object Codes

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 Exercise

Build an account number for the following situation:

MJC will be purchasing a new computer for Joe - a math instructor. They are using a general unrestricted funding source.

Fund:

- 11 Unrestricted General Fund
- 12 Restricted General Fund
- 14 Health Services

Subfund:

- 0000 General
- 5290 Lottery
- 3430 Culinary Arts

Responsibility Code:

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

Activity

- 170100 Mathematics
- 190100 Physical Science
- 644000 Health Services

Object Code:

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

Fund-Subfund-Responsibility Code-Activity-Object Code

11-0000-1650-170100-6400

Account Code Exercise

Build an account number for the following situation:

Columbia College Health Services needs to purchase office supplies. They are using a general, local source of revenue.

Fund:

- 11 Unrestricted General Fund
- 12 Restricted General Fund
- 14 Health Services

Subfund:

- 0000 General
- 5290 Lottery
- 3430 Culinary Arts

Responsibility Code:

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

Activity

- 170100 Mathematics
- 190100 Physical Science
- 644000 Health Services

Object Code:

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

Fund-Subfund-Responsibility Code-Activity-Object Code

14-0000-4950-644000-4431

Account Code Exercise

Build an account number for the following situation:

The MJC Math 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:

- 0000 General
- 5290 Lottery
- 3430 Culinary Arts

Object Code:

- 4301 Instructional Supplies
- 4431 Non-Instructional Supply
- 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

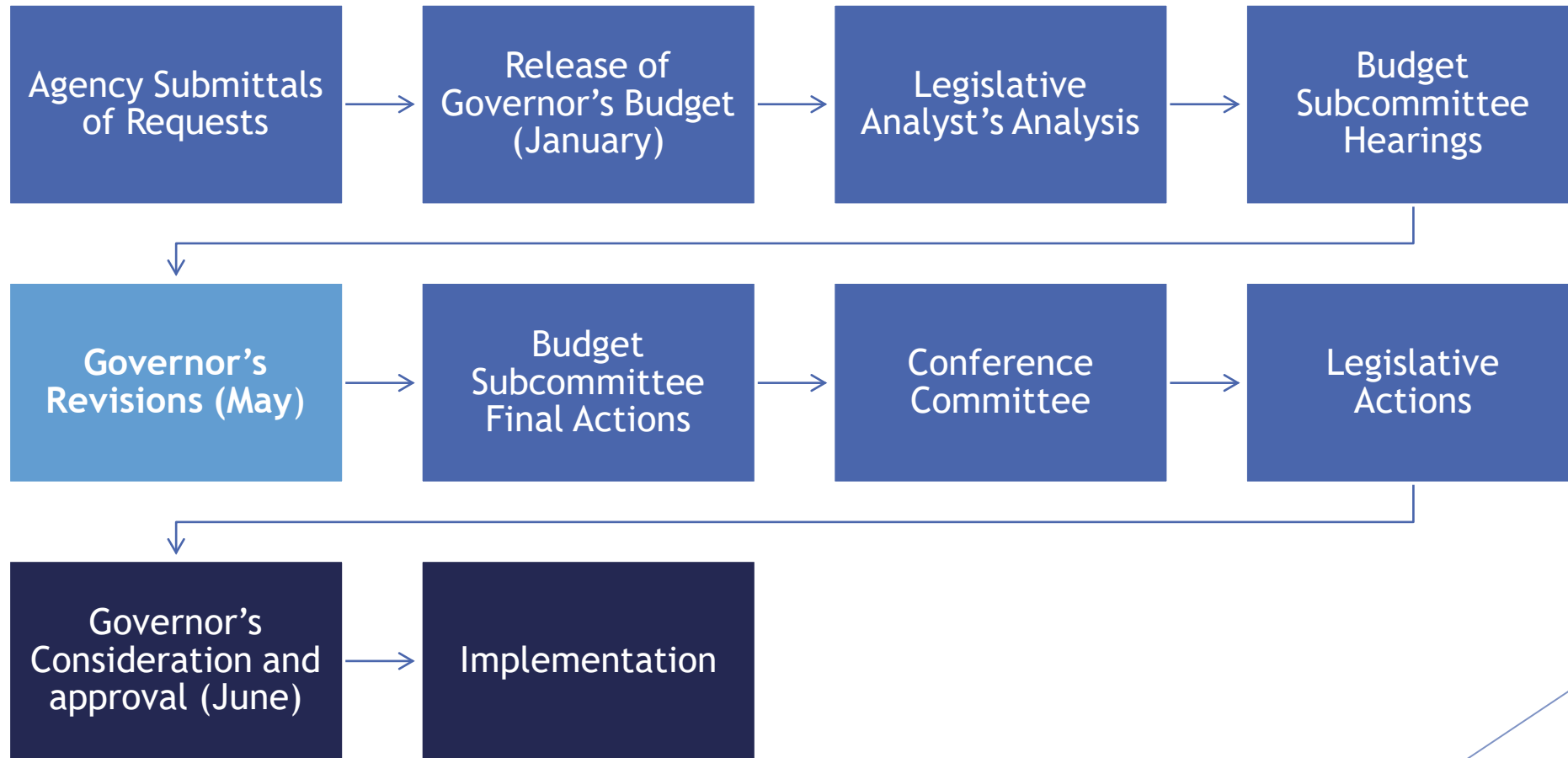
Fund-Subfund-Responsibility Code-Activity-Object Code

12-5290-1650-170100-4301

What is a Budget & Budget Timeline

- ▶ 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**
 - ▶ District's Final Budget - **September**

State Budget Process and Timeline



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:

1. FTES Growth
2. Full-Time Faculty Obligation/Faculty Staffing
3. COLA
4. Estimated Benefit Cost Increase
5. Estimated Cost of Step-and-Column Adjustments
6. Estimated Energy Cost Increase
7. General Fund Reserve
8. Categorical Funding/Restricted Funds
9. Other

February

- Permanent employee salary file updated in Central Services and distributed to Colleges and Central Services Units

YCCD Budget Planning Timeline

March

- District-wide budget targets distributed to Colleges and Central Services Units based on the Resource Allocation Model.
- Targets generally include:
 1. Prior Year Base Budget
 2. Growth (based on district budget assumptions)
 3. Step-and-Column Costs
 4. Encumbrances
 5. Other (budget assumptions)

April/May

- State Budget May Revision
- Revise Budget targets/prepare Tentative Budget

June

- Tentative Budget submitted to Board of Trustees

July/August

- Final State Budget
- Year-End Closing
- Prepare Final Budget

September

- Final Budget submitted to Board of Trustees

District Resource Allocation Model

Resource Allocation Model for 21/22

1. Start with the budget from 20/21 less any one-time allocations.

	Columbia	MJC	Central Serv	Institutional	Total
20/21	\$ 14,659,783	\$ 66,291,473	\$ 30,159,312	\$ 8,776,574	\$ 119,887,142
Less 1X	(332,850)	(551,266)	(2,854,902)	-	(3,739,019)
20/21 Base	\$ 14,326,932	\$ 65,740,207	\$ 27,304,410	\$ 8,776,574	\$ 116,148,123
Percentage of total	12.3%	56.6%	23.5%	7.6%	
Percentage without Institutional Costs	13.3%	61.2%	25.4%		
Columbia/MJC split	17.9%	82.1%			

2. Add adjustments for SCFF split. No college loses money, but an additional allocation may be made.

SCFF split using 3 yr average	14.0%	86.0%			
Dollars split according to SCFF	\$ 11,235,490	\$ 68,831,650			
Adjustment	\$ -	\$ -		\$ -	
	\$ 14,326,932	\$ 65,740,207	\$ 27,304,410	\$ 8,776,574	\$ 116,148,123

3. Add changes to institutional costs.

				\$ 315,491	\$ 315,491
	\$ 14,326,932	\$ 65,740,207	\$ 27,304,410	\$ 9,092,065	\$ 116,463,614

4. Add prior year growth using the 3-year average excluding Basic Allocation

20/21 Growth				\$ -	
20/21 3 year average	80%	20%			
	11.7%	88.3%			
	\$ -	\$ -	\$ -	\$ -	
	\$ 14,326,932	\$ 65,740,207	\$ 27,304,410	\$ 9,092,065	\$ 116,463,614

District Resource Allocation Model

Resource Allocation Model for 21/22

	Columbia	MJC	Central Serv	Institutional	Total
5. Add allocations based on increases in budgeted revenues:					
International Student Tuition	\$ -	\$ -		\$ -	-
Baccalaureate Tuition		\$ -		\$ -	-
Full time faculty				\$ -	-
	\$ 14,326,932	\$ 65,740,207	\$ 27,304,410	\$ 9,092,065	\$ 116,463,614
6. Add compensation costs:					
Meet and confer				\$ -	-
Classification review			\$ 225,000	\$ 225,000	
Long/Step/Column	\$ 100,993	\$ 427,961	\$ 212,491	\$ 741,445	
PERS/STRS Rate Increase	\$ 56,536	\$ 172,978	\$ 319,756	\$ 549,270	
Fringe Benefit Increase/Decrease	\$ (5,162)	\$ (23,414)	\$ (12,843)	\$ (41,419)	
Compensation settlement	\$ 143,040	\$ 773,920	\$ 4,890	\$ 921,850	
	\$ 14,622,339	\$ 67,091,652	\$ 28,053,704	\$ 9,092,065	\$ 118,859,760
7. Add new agreed upon ongoing items:					
Professional development				\$ -	-
Full time faculty				\$ -	-
New positions				\$ -	-
Strategic initiatives				\$ -	-
8. Add annual agreed-upon allocations:					
TCO facilities				\$ -	-
TCO IT				\$ -	-
Academic technology				\$ -	-
Strategic initiatives				\$ -	-
	\$ 14,622,339	\$ 67,091,652	\$ 28,053,704	\$ 9,092,065	\$ 118,859,760

District Resource Allocation Model

Resource Allocation Model for 21/22

	Columbia	MJC	Central Serv	Institutional	Total
9. Balance the budget					
Total Revenue	\$ 118,412,423				
Less Allocations	\$ (118,859,760)				
Change in 10% Reserve	\$ -				
Remaining (Over)	\$ (447,337)				
Allocate the difference	\$ (59,591)	\$ (273,419)	\$ (114,328)		\$ (447,337)
21/22 Ongoing Budget	\$ 14,562,749	\$ 66,818,233	\$ 27,939,376	\$ 9,092,065	\$ 118,412,423

10. Add any one-time allocations

Encumbrance carryforwards					
Ending balance carryforwards					
Negotiations meet & confer					
Operational costs					
Augmentations to fund balance	\$ 59,591	\$ 273,419	\$ 114,328		\$ 447,337
	\$ -	\$ -	\$ -		\$ -
21/22 Ongoing & One time budget	\$ 14,622,339	\$ 67,091,652	\$ 28,053,704	\$ 9,092,065	\$ 118,859,760

College Budget Development

- ▶ **Review and clean up permanent positions listing**
 - ▶ Pay close attention to vacancies and growth positions
 - ▶ Identify positions that need to come off of restricted funding sources
- ▶ **Remove any one time allocations**
- ▶ **Obtain Part-Time/Overload Budget from Vice President of Instruction**
- ▶ **Review historical activity to address excess allocations as well as shortfalls**
- ▶ **Address known cost escalation for multi-year contracts/leases**
- ▶ **MJC recently created a College Resource Allocation Model to link requests from program review to funding allocations.**
 - ▶ The college will be utilizing any unobligated unrestricted and restricted general fund money, as well as prior year unrestricted general fund savings (as outlined in the District Resource Allocation Model).
 - ▶ First use of the College Resource Allocation Model will be used this Fall after program review is complete.

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 the 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 30th.**
 - ▶ 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
 - ▶ Faculty Obligation Number (FON)
 - ▶ GANN Limit
 - ▶ Annual calculation that is approved by the Board of Trustees of 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.
 - ▶ Since its passage in 1979, the GANN Limit has only been triggered once.
 - ▶ The second trigger is happening in the 21-22 fiscal year.

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 670 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?

Numerator	Denominator (CEE)
Instructional Salaries & Benefits (Activity 0100 - 5900 & 6110)	Non-Instructional Salaries and Benefits (Activity 0100 - 6799)
Instructional Aides Salaries & Benefits	Supplies and Materials
	Other Operating Expenses
Exclusions	
Instructional Staff-Retirees' Benefits and Retirement Incentives (Activity 5900)	
Student Health Services Above Amount Collected (Activity 6441)	
Student Transportation (Activity 6491)	
Non-Instructional Staff-Retirees' Benefits & Retirement Incentives (Activity 6740)	
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.

50% Law

► Sample of 50% Law Calculation

CALIFORNIA COMMUNITY COLLEGES

Analysis of compliance with the 50 Percent Law (ECS 84362)

Annual Financial and Budget Report

The Current Expense of Education

SUPPLEMENTAL DATA

S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year: 2019-2020

Budget Year: 2020-2021

District ID: 590

Name: YOSEMITE

Academic Salaries	Object Code	Activity (ECSA) ECS 84362 A	Activity (ECSB) ECS 84362 B	Activity (ECSX) Excluded	Total
		Instructional Salary Cost	Total CEE	Activities	
		AC 0100-5900 & AC 6110	AC 0100 - 6799	AC 6800 - 7390	
Instructional Salaries					
Contract or Regular	1100	22,704,777	22,730,433		22,730,433
Other	1300	14,348,244	14,569,846		14,569,846
Total Instructional Salaries		37,053,021	37,300,279	0	37,300,279
Non-Instructional Salaries					
Contract or Regular	1200		4,857,529		4,857,529
Other	1400		3,764,496	89,701	3,854,197
Total Non-Instructional Salaries		0	8,622,025	89,701	8,711,726
Total Academic Salaries		37,053,021	45,922,304	89,701	46,012,005
Classified Salaries					
Non-Instructional Salaries					
Regular Status	2100		21,629,996	248,435	21,878,431
Other	2300		512,742	583	513,325
Total Non-Instructional Salaries		0	22,142,738	249,018	22,391,756
Instructional Aides					
Regular Status	2200	1,643,801	1,681,762		1,681,762
Other	2400	107,349	111,684		111,684
Total Instructional Aides		1,751,150	1,793,446	0	1,793,446
Total Classified Salaries		1,751,150	23,936,184	249,018	24,185,202
Employee Benefits	3000	16,828,512	33,166,227	188,627	33,354,854
Supplies and Materials	4000		1,343,463	2,760	1,346,223
Other Operating Expenses	5000		8,675,754	495,694	9,171,448
Equipment Replacement	6420				0
Total Expenditures Prior to Exclusions		55,632,683	113,043,932	1,025,800	114,069,732

50% Law

► Sample of 50% Law Calculation

CALIFORNIA COMMUNITY COLLEGES

Analysis of compliance with the 50 Percent Law (ECS 84362)

Annual Financial and Budget Report

The Current Expense of Education

SUPPLEMENTAL DATA

S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year: 2019-2020

Budget Year: 2020-2021

District ID: 590

Name: YOSEMITE

Exclusions		Activity (ECSA)	Activity (ECSB)	Activity (ECSX)	
		ECS 84362 A	ECS 84362 B	Excluded	
		Instructional Salary Cost	Total CEE	Activities	
		AC 0100-5900 & AC 6110	AC 0100 - 6799	AC 6800 - 7390	Total
Activities to Exclude	TOP Code				
Instructional Staff-Retirees' Benefits and Retirement Incentives	5900				0
Student Health Services Above Amount Collected	6441				0
Student Transportation	6491		305,701		305,701
Noninstructional Staff-Retirees' Benefits and Retirement Incentives	6740				0
Objects to Exclude	Object Code				
Rents and Leases	5060		101,046		101,046
Lottery Expenditures					
Academic Salaries	1000				0
Classified Salaries	2000				0
Employee Benefits	3000				0
Supplies and Materials	4000				
Software	4100				0
Books, Magazines, & Periodicals	4200				0
Instructional Supplies & Materials	4300				0
Noninstructional, Supplies & Materials	4400				0
Total Supplies and Materials		0	0	0	0
Other Operating Expenses and Services	5000		2,407,392		2,407,392

50% Law

► Sample of 50% Law Calculation

CALIFORNIA COMMUNITY COLLEGES

Analysis of compliance with the 50 Percent Law (ECS 84362)

Annual Financial and Budget Report

The Current Expense of Education

SUPPLEMENTAL DATA

S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year: 2019-2020

Budget Year: 2020-2021

District ID: 590

Name: YOSEMITE

		Activity (ECSA) ECS 84362 A	Activity (ECSB) ECS 84362 B	Activity (ECSX) Excluded	
	Object	Instructional Salary Cost	Total CEE	Activities	
	Code	AC 0100-5900 & AC 6110	AC 0100 - 6799	AC 6800 - 7390	Total
Capital Outlay	6000				
Library Books	6300				0
Equipment	6400				
Equipment - Additional	6410				0
Equipment - Replacement	6420				0
Total Equipment		0	0	0	0
Total Capital Outlay		0	0	0	0
Other Outgo	7000				0
Total Exclusions		0	2,814,139	0	2,814,139
Total for ECS 84362, 50% Law		55,632,683	110,229,793	1,025,800	111,255,593
Percent of CEE (Instructional Salary Cost / Total CEE)		50.47%	100.00%		
50% of Current Expense of Education			55,114,896		
Nonexempted (Remaining) Deficiency from second preceeding Fiscal Year					
Amount Required to be Expended for Salaries of Classroom Instructors		55,632,683	110,229,793	1,025,800	111,255,593
Reconciliation to Unrestricted General Fund Expenditures					
Total Expenditures Prior to Exclusions		55,632,683	113,043,932	1,025,800	114,069,732
Capital Expenditures	6000	36,420	726,539	7,865	734,404
Equipment Replacement (Back out)	6420		0	0	0
Total Unrestricted General Fund Expenditures		55,669,103	113,770,471	1,033,665	114,804,136

Faculty Obligation Number (FON)

- ▶ Pursuant to Education Code Section 87482.6 and CCR Title 5, Section 51025, the FON is the number of full-time faculty a District is required to employ each Fall as adjusted by the lower of the projected fundable growth at the time of the budget enactment (at Advance) OR the actual percentage change in funded credit FTES from the prior year (P2).
- ▶ History of FON
 - ▶ AB1725 (passed in 1988) established a goal to reach 75% of instructional hours to be taught by full-time faculty.
 - ▶ Funding was initially appropriated in reaching this goal
 - ▶ Baseline FON Compliance Established (Based on local FON in 1988-1989)
 - ▶ FON increased proportionally with funded credit FTES
 - ▶ Board of Governors (BOG) take action (in November) to determine if there are adequate funds (i.e. COLA and growth funds) in the current year to increase FON for the following year (Fall)
- ▶ Consequences of not meeting FON
 - ▶ Penalty - Number of faculty positions to be filled in achieving FON multiplied by Average replacement cost of a Full-Time Faculty
 - ▶ No Waiver - Title 5, Section 51025(e) does not provide authority to waive the penalty for noncompliance (penalties can be frozen, not waived)
 - ▶ Funds from penalty distributed systemwide (one-time) to fund diversity in hiring (E.C.S. 87107)

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 Requirement**
 - ▶ Quarterly Reports
 - ▶ Annual Reports
 - ▶ Final Reports

Reporting Requirements

- ▶ Title 5, Section 58300, requires that on or before the 15th of September of each year, the governing board of each community college district shall prepare and keep on file for public inspection a statement of all receipts and expenditures of the district for the preceding fiscal year and a statement of the estimated total expenses for the district for the current fiscal year.
 - ▶ Commonly referred to as the District's Final Budget
- ▶ Title 5, Section 58305(d), requires that on or before the 10th day of October, each district shall submit a copy of its adopted annual financial and budget report to the Chancellor.
 - ▶ Commonly referred to as the 311 Annual Financial and Budget Report
- ▶ **311 Annual Report includes the following information:**
 - ▶ Revenues, Expenditures, Financing Sources, and Other Outgo for all funds
 - ▶ Balance Sheets for all funds
 - ▶ Subsequent Year Budgets for all funds
 - ▶ GANN Appropriations
 - ▶ Interfund Transfers
 - ▶ Lottery
 - ▶ 50% Law
 - ▶ Pension Costs
 - ▶ EPA

311 Quarterly Report

- ▶ Title 5, Section 58310 requires that the chief executive officer or other designee of the governing board of each district report in detail to the governing board of the district the district's financial condition and shall submit reports showing the financial and budgetary conditions of the district, including outstanding obligations, to the governing board at least every three months. The chief executive officer or other designee shall also prepare a quarterly report on forms provided by the Chancellor. The district shall submit a copy of the certified report to the appropriate county offices and the Chancellor no later than forty-five days following the completion of the first, second, and third quarter of the fiscal year. The certified report shall be reviewed by the District governing board at a regularly scheduled meeting and entered into the minutes of the meeting.
- ▶ Only reporting on the activity for the unrestricted general fund
- ▶ Report shows prior years and current year revenues, expenditures, fund balance, FTES and cash
- ▶ Report also shows the current year adopted budget, annual current budget, YTD actuals, and projections
- ▶ Report asks about contract settlements, debt issuances, and significant fiscal problems

QUESTIONS?