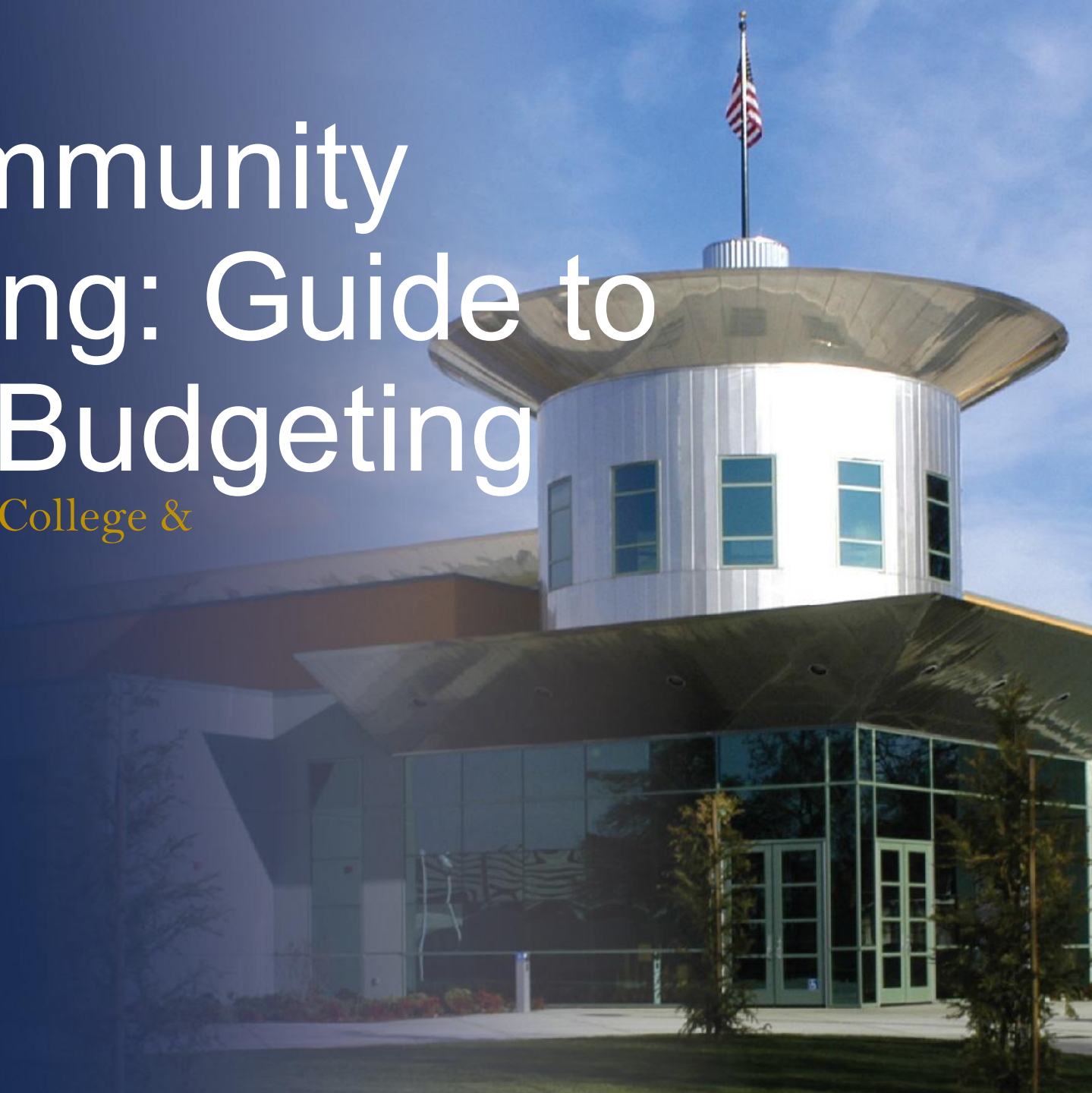


California Community College Funding: Guide to Planning and Budgeting

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

Modesto Junior College

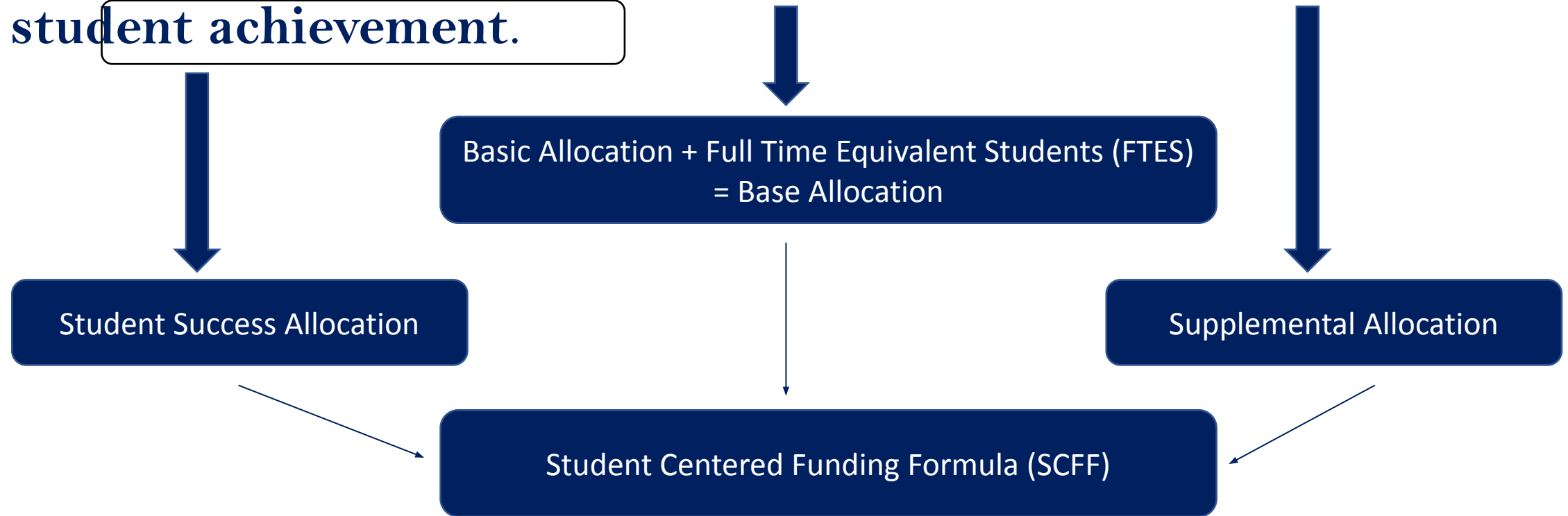


Agenda

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

Community College Funding

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 2025-2026 is broken down into three categories:
 - Base Allocation (70%)
 - Supplemental Allocation (Student Need) (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

- 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									
Total Computational Revenue (TCR)									
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			-
						2023-24 TCR (Max of A, B, or C)		\$	146,847,573
Revenue Sources									
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
State General Fund Allocation									
General Fund Allocation			\$		52,498,197				
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)					1,242,564				
						Subtotal State General Fund Allocation			\$53,740,761
Adjustment(s)					-				
						Total State General Fund Allocation (Exhibit A)			\$53,740,761
								Available Revenue	\$ 134,012,531
						2023-24 TCR (Max of A, B, or C)			146,847,573
						See memo for additional information regarding revenue deficit at 2023-24 P2.	8.7404%	Revenue Deficit	\$ (12,835,042)

**California Community Colleges
2024-25 Second Principal
Yosemite CCD
Exhibit C - Page 1**

Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)

I. Base Allocation (FTES + Basic Allocation)		\$	103,899,387
II. Supplemental Allocation			30,631,741
III. Student Success Allocation			16,104,181
	Student Centered Funding Formula (SCFF) Calculated Revenue (A)	\$	150,635,309
	2023-24 SCFF Calculated Revenue + COLA (B)		148,994,286
	Hold Harmless Revenue (C)		124,203,760
	Stability Protection Adjustment		-
	Hold Harmless Protection Adjustment		-
	2024-25 TCR (Max of A, B, or C)	\$	150,635,309

Revenue Sources

Property Tax & ERAF		\$	63,924,168
Less Property Tax Excess			-
Student Enrollment Fees			5,708,500
Education Protection Account (EPA)	Minimum of at least \$100 x Funded FTES	Funded FTES: 16,435.22 x Rate: \$1,680.63	27,621,607
State General Fund Allocation			53,381,034

State General Fund Allocation

General Fund Allocation	\$	52,125,175	
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)		1,255,859	
Subtotal State General Fund Allocation		\$53,381,034	
Adjustment(s)		-	
State General Fund Allocation (Includes Deferral to be Paid in 2025-26)		\$53,381,034	Available Revenue \$ 150,635,309
State General Fund Certification (Exhibit A)		\$49,636,963	2024-25 TCR (Max of A, B, or C) 150,635,309
Deferral Amount		\$3,744,071	0.0000% Revenue Deficit \$ -

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	2022-23 Applied #3	2023-24 Applied #3	2024-25 Restoration	2024-25 Decline	2024-25 Adjustment	2024-25 Applied #1	2024-25 Applied #2	2024-25 Growth	2024-25 Funded
Credit	15,592.36	14,596.12	-	-	-	14,596.12	14,928.20	-	14,928.20
Incarcerated Credit	75.17	106.22	(19.25)	-	-	86.97	86.97	-	86.97
Special Admit Credit	226.94	760.91	107.22	-	-	868.13	868.13	77.51	945.63
CDCP	215.23	275.29	54.73	-	-	330.02	330.02	-	330.02
Noncredit	239.79	118.84	25.56	-	-	144.40	144.40	-	144.40
Total FTES=>>>>	16,349.49	15,857.38	168.26	-	-	16,025.64	16,357.72	77.51	16,435.22
Total Values=>>>>		\$86,290,539	\$1,173,583	\$0	\$0	\$87,464,123			
Change from PY to CY=>>>>		\$4,578,742							

<i>variable</i>	j = g x l 2024-25 Applied #2	k = h x l 2024-25 Growth Revenue	l 2024-25 Rate \$	m = j + k 2024-25 Total Revenue
FTES Category	Revenue	Revenue		
Credit	\$79,036,212	\$ -	\$5,294.42	\$79,036,212
Incarcerated Credit	645,711	-	\$7,424.53	645,711
Special Admit Credit	6,445,444	575,449	\$7,424.53	7,020,893
CDCP	2,450,243	-	\$7,424.53	2,450,243
Noncredit	644,685	-	\$4,464.58	644,685
Total	\$89,222,295	\$575,449		\$89,797,744

n 2024-25 Applied #0	o = f + h 2024-25 Applied #3	p = n - o 2024-25 Unfunded FTES	q = p x l 2024-25 Unfunded FTES Value
15,120.71	14,596.12	524.59	\$ 2,777,402
86.97	86.97	-	-
952.68	945.63	7.05	52,307
330.02	330.02	-	-
144.40	144.40	-	-
16,634.78	16,103.14	531.64	\$ 2,829,709

Total Value=>>>>

\$90,869,281

Section Ib: 2024-25 FTES Emergency Conditions Allowance (ECA)

<i>variable</i>	r ECA	s Reported 320 2024-25 P2 FTES	t ECA Applied	n = s + t 2024-25 Applied #0
FTES Category	FTES			
Credit	-	15,120.71	-	15,120.71
Incarcerated Credit	-	86.97	-	86.97
Special Admit Credit	-	952.68	-	952.68
CDCP	-	330.02	-	330.02
Noncredit	-	144.40	-	144.40
Total	-	16,634.78	-	16,634.78

Definitions:

PY: 2023-24

CY: 2024-25

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	2021-22	2022-23	2023-24	Total \$
Credit	-	-	996.24	\$ 5,274,516
Incarcerated Credit	-	-	(31.05)	(230,532)
Special Admit Credit	-	-	(533.97)	(3,964,475)
CDCP	-	-	(60.06)	(445,917)
Noncredit	-	-	120.95	539,991
Total	-	-	492.11	\$ 1,173,583

Section Id: FTES Growth Authority			
variable	aa	ab	ac = aa x ab
FTES Category	% target	2023-24 Applied #3 FTES	2024-25 Growth FTES
Credit	0.44%	14,596.12	64.69
Incarcerated Credit	0.44%	106.22	0.47
Special Admit Credit	0.44%	760.91	3.37
CDCP	0.44%	275.29	1.22
Noncredit	0.44%	118.84	0.53
Total		15,857.38	70.27

Total Growth FTES Value ==>>> \$ 381,941

Section Ie: Basic Allocation

District Type/FTES	Funding Rate	Number of Colleges	Basic Allocation
<u>Single College Districts</u>			
≥ 20,000	10,847,419.78	-	\$0
≥ 10,000 & < 20,000	8,677,936.16	-	-
< 10,000	6,508,449.14	-	-
<u>Multi-College Districts</u>			
≥ 20,000	8,677,936.16	-	-
≥ 10,000 & < 20,000	7,593,193.50	1	7,593,194
< 10,000	6,508,449.14	1	6,508,449
<u>Additional Rural \$</u>	2,070,087.77	-	-
		Subtotal	\$14,101,643

FTES	Funding Rate	Number of Centers	Basic Allocation
<u>State Approved Centers</u>			
≥ 1,000	\$2,169,483.61	-	\$0
<u>Grandparented Centers</u>			
≥ 1,000	2,169,483.61	-	-
≥ 750 & < 1,000	1,627,112.28	-	-
≥ 500 & < 750	1,084,740.95	-	-
≥ 250 & < 500	542,371.33	-	-
≥ 100 & < 250	271,187.37	-	-
		Subtotal	\$0
Total Basic Allocation			\$14,101,643
Total FTES Allocation			89,797,744
Total Base Allocation			\$103,899,387

Section II: Supplemental Allocation

Supplemental Allocation - Point Value \$1,251.96	Points	2023-24 Headcount	Rate	Revenue
AB540 Students	1	1,071	\$1,251.96	\$1,340,851
Pell Grant Recipients	1	8,026	1,251.96	10,048,243
Promise Grant Recipients	1	15,370	1,251.96	19,242,647
		Totals		\$30,631,741

Section III: Student Success Allocation

	Points	2021-22 Headcount	2022-23 Headcount	2023-24 Headcount	Three Year Average	Rate = Point Value x Points	Revenue
All Students - Point Value \$738.23							
Associate Degrees for Transfer	4	915	853	901	889.67	\$ 2,952.94	\$2,627,131
Associate Degrees	3	1,035	994	998	1,009.00	2,214.70	2,234,636
Baccalaureate Degrees	3	6	14	10	10.00	2,214.70	22,147
Credit Certificates	2	141	255	197	197.67	1,476.47	291,849
Transfer Level Math and English	2	370	482	658	503.33	1,476.47	743,156
Transfer to a Four Year University	1.5	908	911	855	891.33	1,107.35	987,020
Nine or More CTE Units	1	2,619	2,957	3,396	2,990.67	738.23	2,207,814
Regional Living Wage	1	3,359	3,573	3,023	3,318.33	738.23	2,449,709
All Students Subtotal		9,353	10,039	10,038	9,810.00		\$11,563,462
Pell Grant Recipients - Point Value \$186.21							
Associate Degrees for Transfer	6	564	521	530	538.33	\$ 1,117.26	\$601,457
Associate Degrees	4.5	630	604	583	605.67	837.94	507,514
Baccalaureate Degrees	4.5	3	8	6	5.67	837.94	4,748
Credit Certificates	3	77	107	108	97.33	558.63	54,373
Transfer Level Math and English	3	129	190	285	201.33	558.63	112,471
Transfer to a Four Year University	2.25	454	418	414	428.67	418.97	179,599
Nine or More CTE Units	1.5	1,359	1,596	1,848	1,601.00	279.31	447,182
Regional Living Wage	1.5	1,369	1,428	1,194	1,330.33	279.31	371,581
Pell Grant Recipients Subtotal		4,585	4,872	4,968	4,808.33		\$2,278,925
Promise Grant Recipients - Point Value \$186.21							
Associate Degrees for Transfer	4	758	705	743	735.33	\$ 744.84	\$547,704
Associate Degrees	3	879	851	832	854.00	558.63	477,069
Baccalaureate Degrees	3	5	12	8	8.33	558.63	4,655
Credit Certificates	2	116	189	149	151.33	372.42	56,359
Transfer Level Math and English	2	236	302	441	326.33	372.42	121,533
Transfer to a Four Year University	1.5	632	646	609	629.00	279.31	175,689
Nine or More CTE Units	1	2,078	2,338	2,684	2,366.67	186.21	440,696
Regional Living Wage	1	2,376	2,511	2,171	2,352.67	186.21	438,089
Promise Grant Recipients Subtotal		7,080	7,554	7,637	7,423.67		\$2,261,794
Total Headcounts		21,018	22,465	22,643	22,042.00		
Total Student Success Allocation							\$16,104,181

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 –

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 a 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
139900	Other Family & Cons Sciences

Subfund:

0000	General
5290	Lottery
3430	Culinary Arts

Object Code:

54301	Instructional Supplies
54431	Non-Instructional Supplies
55101	Travel - In District
55438	Services - Laundry
56310	Library Books
48625	DSPS (Revenue)
56400	Equipment < \$10K

Responsibility Code:

1680	MJC - Family & Consumer Sciences
4750	CC - Instructional Service
1650	MJC - Science, Engineering & Mathematics
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
139900	Other Family & Cons Sciences

Subfund:

0000	General
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1650	MJC - Science, Engineering & Mathematics
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:
 - 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
139900	Other Family & Cons Sciences

Subfund:

0000	General
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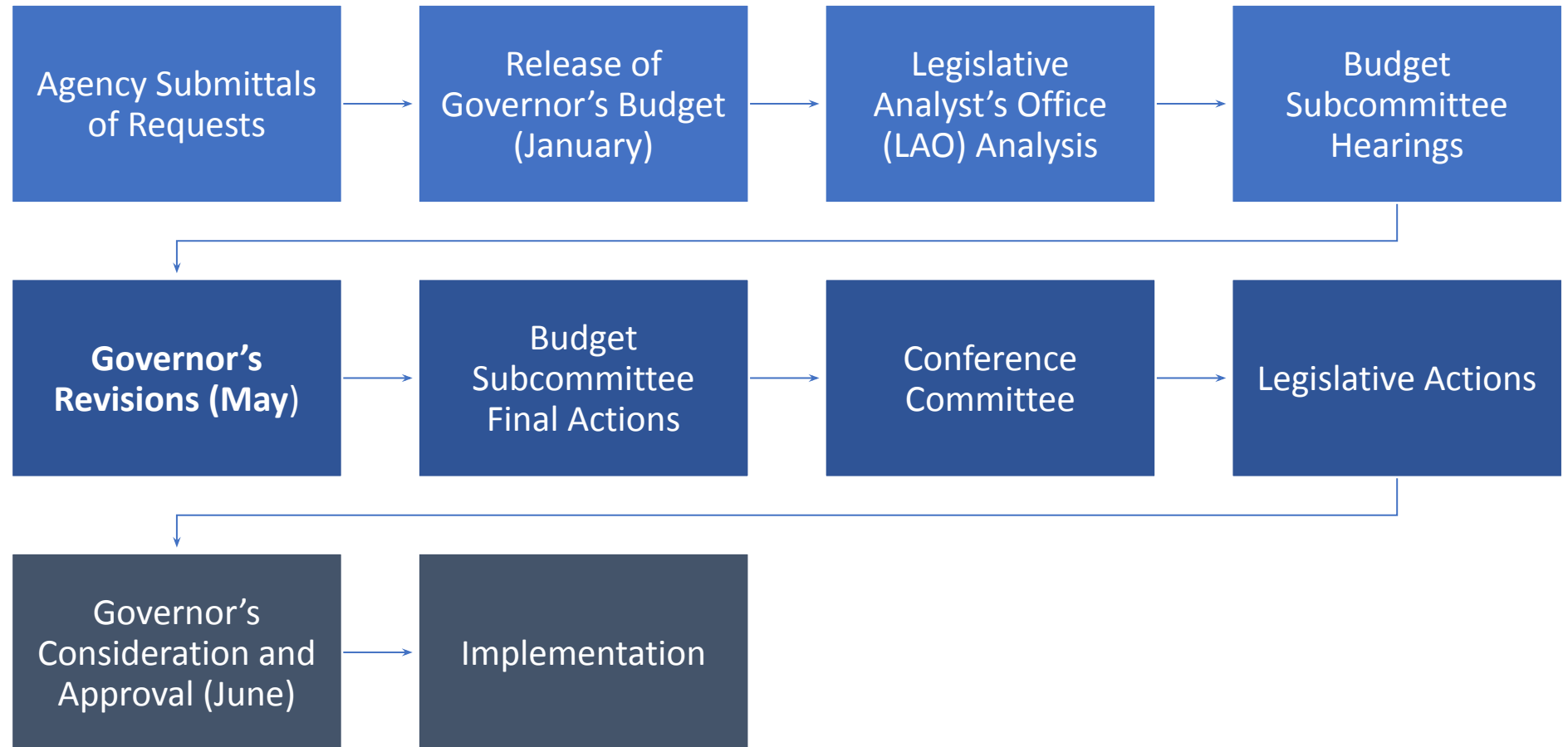
Responsibility Code:

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

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 – YCCCD

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 25/26

	Columbia	MJC	Central Serv	Institutional	Total
1. Start with the budget from 24/25 less any one-time allocations.					
24/25	\$ 20,576,786	\$ 95,587,565	\$ 39,600,186	\$ 15,256,902	\$ 171,021,438
Less 1X	(3,364,492)	(8,027,584)	(4,596,806)	(2,610,401)	(18,599,283)
25/26 Base	\$ 17,212,294	\$ 87,559,981	\$ 35,003,380	\$ 12,646,501	\$ 152,422,156
Percentage of total	11.3%	57.4%	23.0%	8.3%	
Percentage without Institutional Costs	12.3%	62.6%	25.0%		
Columbia/MJC split	16.4%	83.6%			
Percentage without Institutional and MJC Costs	33.0%		67.0%		
2. Add adjustments for SCFF split. No college loses money, but an additional allocation may be made.					
SCFF split using 3 yr average	13.6%	86.4%			
Dollars split according to SCFF	\$ 14,219,025	\$ 90,553,250			
Adjustment	-	-		\$ -	
	\$ 17,212,294	\$ 87,559,981	\$ 35,003,380	\$ 12,646,501	\$ 152,422,156
3. Add changes to institutional costs.					
				\$ 226,405	\$ 226,405
	\$ 17,212,294	\$ 87,559,981	\$ 35,003,380	\$ 12,872,906	\$ 152,648,561

Budget Development – YCCD

Budget Planning Process

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

	Columbia	MJC	Central Serv	Institutional	Total
25/26 Growth				\$	-
25/26 3 year average	80%	20%			
	11.1%	88.9%			
\$	-	\$	-	\$	-
\$	17,212,294	\$	87,559,981	\$	35,003,380
				\$	12,872,906
				\$	152,648,561

5. Add allocations based on budgeted revenues:

International Student Tuition	\$	-	\$	-	\$	-	\$	-	\$	-
Baccalaureate Tuition		-		-		-		-		-
Full time faculty		-		-		-		-		-
	\$	17,212,294	\$	87,559,981	\$	35,003,380	\$	12,872,906	\$	152,648,561

6. Add compensation costs:

Meet and confer	\$	-	\$	-	\$	-	\$	-	\$	-
Classification review (CSEA & LTAC)		-		-		-		1,072,267	\$	1,072,267
Long/Step/Column		184,309		642,079		337,623		-	\$	1,164,011
PERS/STRS Rate Increase		23,235		76,117		96,911		-	\$	196,263
Fringe Benefit Increase		80,928		478,422		301,404		-	\$	860,754
YFA 8.709%		710,013		4,392,485		42,072		-	\$	5,144,570
Reserved for Salary Increases		-		-		-		2,300,000	\$	2,300,000
	\$	18,210,779	\$	93,149,084	\$	35,781,390	\$	16,245,173	\$	163,386,426

Budget Development – YCCD

Budget Planning Process

7. Add new agreed upon ongoing items:

	Columbia	MJC	Central Serv	Institutional	Total
Professional development	\$ -	\$ -	\$ -	\$ -	\$ -
Full time faculty	-	-	-	-	\$ -
Free Parking for Students	-	-	-	-	\$ -
New positions	-	-	-	-	\$ -
Strategic initiatives	-	-	-	-	\$ -
Check & Tax form printing by Duplicating	-	12,000	(12,000)	-	\$ -
Grants Position trfr from CS to MJC 25-26	-	276,230	(276,230)	-	\$ -
	\$ 18,210,779	\$ 93,437,314	\$ 35,493,160	\$ 16,245,173	\$ 163,386,426

8. Add annual agreed-upon allocations:

Retiree Health Benefits Trust	\$ -	\$ -	\$ -	\$ -	\$ -
Pension Rate Stability Trust	-	-	-	-	\$ -
	\$ 18,210,779	\$ 93,437,314	\$ 35,493,160	\$ 16,245,173	\$ 163,386,426

Budget Development – YCCD

Budget Planning Process

	Columbia	MJC	Central Serv	Institutional	Total
9. Balance the budget					
Total Revenue					\$ 163,409,328
Less Allocations					\$ (163,386,426)
Change in 10% Reserve					
Remaining (Over)					\$ 22,902
25/26 Ongoing Budget	\$ 18,210,779	\$ 93,437,314	\$ 35,493,160	\$ 16,245,173	\$ 163,386,426
10. Add any one-time allocations					
Encumbrance carryforwards	\$ -	\$ -	\$ -	\$ -	\$ -
Allocation of PY Nonresident and BA Revenue	-	-	-	-	\$ -
Site Allocations	-	-	-	-	\$ -
Site Specific Reserve	684,704	1,644,104	2,739,716	-	\$ 5,068,524
TCO facilities	-	-	-	1,000,000	\$ 1,000,000
TCO IT	-	-	-	500,000	\$ 500,000
IT TCO & Web Design Carryover	-	-	579,968	-	\$ 579,968
MJC PTOL Schedule One time Allocation	-	3,165,478	-	-	\$ 3,165,478
25/26 Ongoing & One time budget	\$ 18,895,483	\$ 98,246,896	\$ 38,812,844	\$ 17,745,173	\$ 173,700,396

Budget Development – MJC

Budget Planning Process

- In order to ensure transparency and board-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 timelines, 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 tab.
- The District budgeting process is shared through the District Fiscal Advisory Council (DFAC) and the District Resource Allocation Model (RAM).
- Steps in College Budget Development (Fund 11 – Unrestricted General Fund)
 - 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 2026/2027 (Summer, Fall, Spring, Early Start Summer) will be developed in Summer of 2025. The scenarios will include a flat FTES generation, 1% increase, and 2.35% increase in the FTES target.

Budget Development – MJC

Budget Planning Process

- 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)
- 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)
- 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)

Budget Development – MJC

Budget Planning Process

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

Budget Development – MJC

Budget Planning Process

- 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 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.

Budget Monitoring

- For special programs, keep an eye on personnel costs. The CCCCCO does not provide COLA to all special programs.
- Plan your spending according to your program's plan and spend the funds. Do not hold on to the funds as the CCCCCO has been taking funds back from programs (i.e. SWP).
- Attempt to “braid” the use of your funds with other funding sources.
- For Federal programs that are under the microscope, make plans to determine if you are going to supplement funding or retire the program.
- When institutionalizing programs that were once funded by non-fund 11 sources, have a multi-year plan in place to ensure budget is available for the program.

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?

Numerator	Denominator (CEE)
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

