ACCCA Great Deans Program

Budgeting with Impact

Essentials for Academic and Student Services Deans

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MERRITT COLLEGE

Who is in the room with me?

- Name / Title / College or District
- How long have you been working in Post-Secondary Education?
- What is your favorite ice cream flavor?
- On a scale of 1-10, what is your level of experience with the budget?

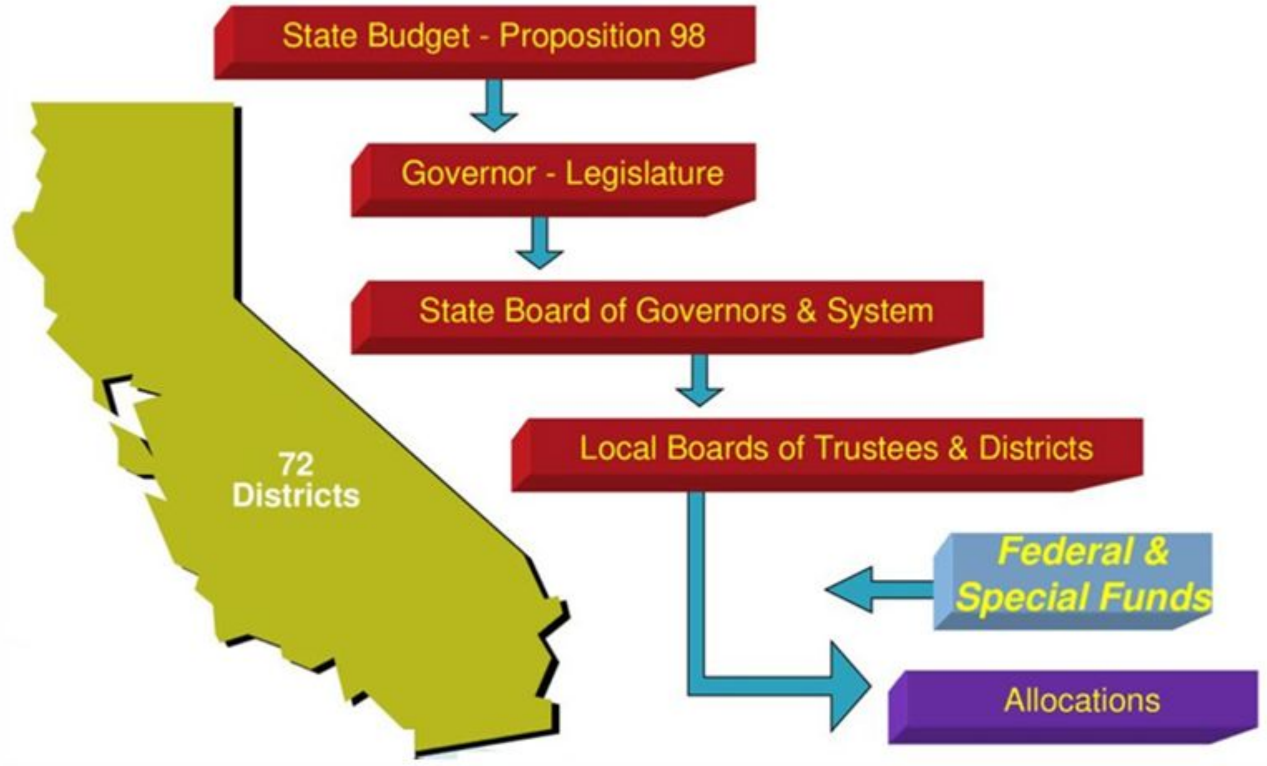
Overview

- What is “The Budget”?
- Breaking down the Student-Centered Funding Formula
- Understanding the Connection – Managing Your Budget
- Leveraging Resources (Compendium of Allocations)
- Questions / Once Around the Room


BUDGET

How Are We Funded?

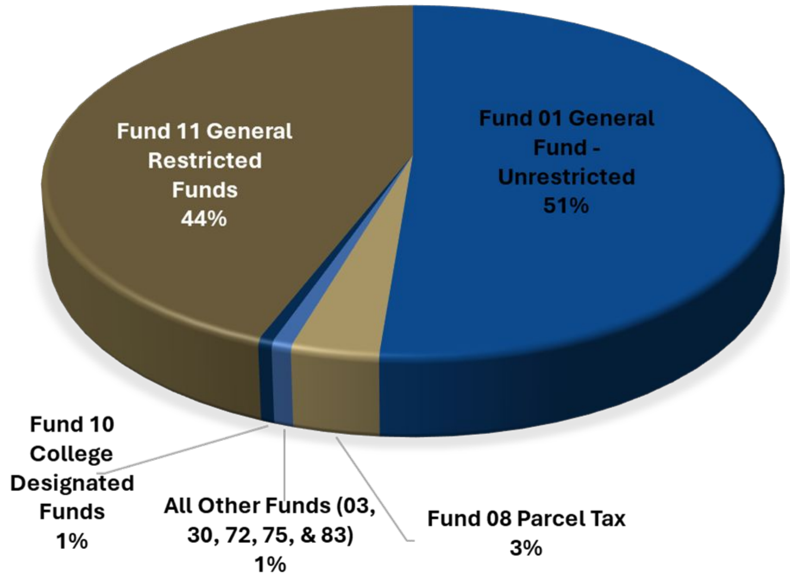
- Proposition 98
- Student Centered Funding Formula
- Other Funding Sources:
  - State and Federal Grants
  - Student Fees
  - Local Funding
  - Lottery
  - Non-Prop 98 General Fund



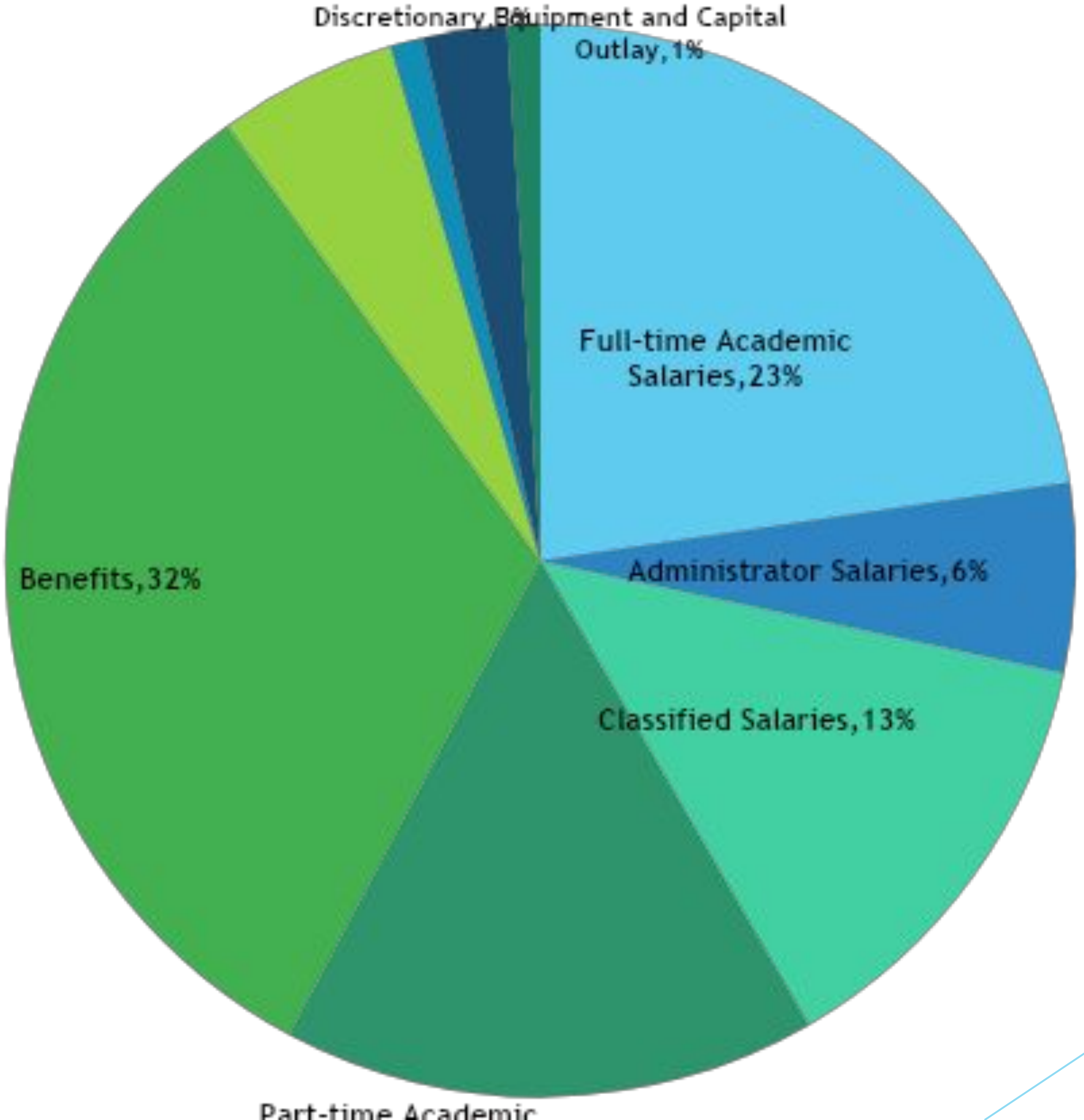
Restricted vs Unrestricted Funds

General Fund Unrestricted (GFU): Operational apportionment that funds salaries, benefits, classes, programs, services, and discretionary items.

General Funds Restricted (GFR): Funds designated by law or donor agency for specific purposes. Unspent GFR funds may be carried over to the next fiscal year.



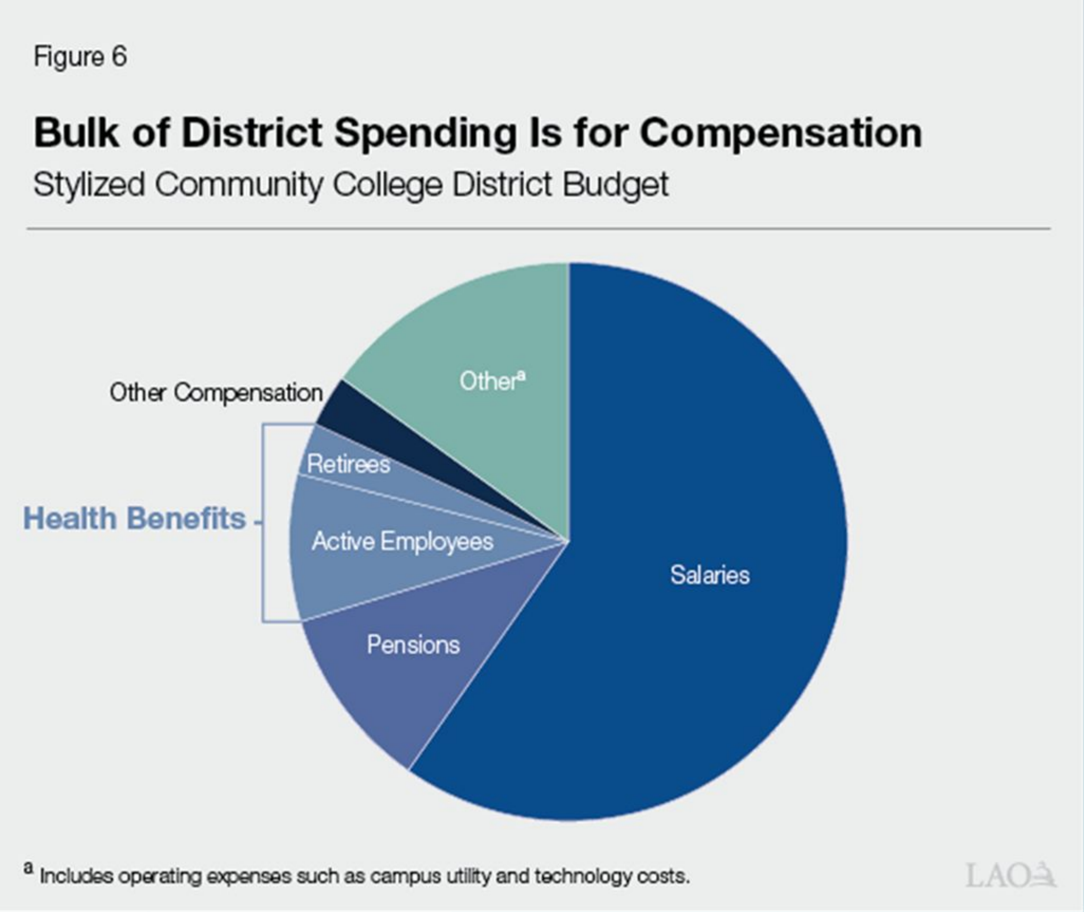
College Adopted Budget – Fund 01



Fixed Expenses

- Salaries, Benefits, and Other Compensation
- Pensions
- Other costs include facilities, utilities, insurance, equipment, contracts, legal, other services

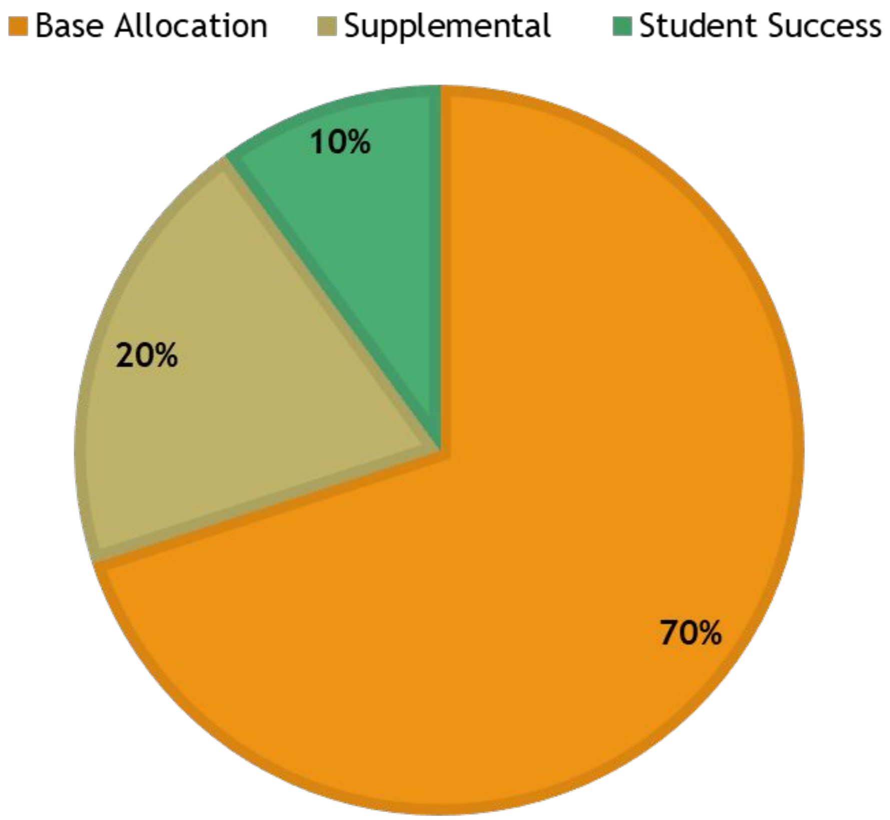
*Chart from CA Legislative Analyst's Office re: 2024-2025 CCC Budget




REVENUE
EXPENSE

Student Centered Funding Formula

The 3 Components of the SCFF



- **Base Allocation (Access):** Largely reflects enrollment (FTES)
- **Supplemental Allocation (Equity):** Counts of low-income students
- **Student Success Allocation:** Based on student success outcomes related to the Vision for Success, with "premiums" for low-income students

Supplemental Allocation Metrics

Metric	Definition	Statutory Reference	Data Source(s)	Data Element(s)	Detail	Criteria
AB540 Students	Headcount of students by district who were granted an exemption from nonresident tuition pursuant to ECS 68130.5 in the district in the reporting year	ECS 84750.4(e)(3)	CCFS-320			CCFS-320 Part IX
Pell Grant Recipients	Headcount of students by district who received a Federal Pell Grant in the district in the reporting year	ECS 84750.4(e)(2)	MIS	GI01 DISTRICT-COLLEGE-IDENTIFER	In district	Students who meet all the following criteria are counted: With a record in the student aid award (FA) file for the district for the reporting year where student award type is GP and the student aid award amount received is greater than zero
				GI03 TERM-IDENTIFIER	In reporting year	
				SF21 STUDENT-AID-AWARD-TYPE	GP	
				SF22 STUDENT-AID-AMOUNT-RECEIVED	> 0	
Promise Grant Recipients	Headcount of students by district who received a California College Promise Grant fee waiver pursuant to ECS 76300 in the district in the reporting year	ECS 84750.4(e)(4)	MIS	GI01 DISTRICT-COLLEGE-IDENTIFER	In district	Students who meet all the following criteria are counted: With a record in the student aid award (FA) file for the district for the reporting year where student award type is BA, B1, B2, B3, BB, BC, or BD and the student aid award amount received is greater than zero
				GI03 TERM-IDENTIFIER	In reporting year	
				SF21 STUDENT-AID-AWARD TYPE	BA, B1, B2, B3, BB, BC, BD	
				SF22 STUDENT-AID-AMOUNT-RECEIVED	> 0	

Student Success Metrics

- Associate’s Degrees for Transfer
- Associate’s Degrees
- Baccalaureate Degrees
- CE Certificates
- Transfer Level Math & English
- Transfers to a 4-year institution
- 9+ CTE units
- Regional Living Wage

Student Centered Funding Formula Metric Definitions

Table 1 – SCFF Calculations

FY 2024-25 Adopted Budget Total Computational Revenue (TCR)

State COLA FY 2024-25: 1.07%

SCFF Components & Metrics

			FTES	Rate	Total
Base Allocation		Basic Allocation			26,033,798
	Credit FTES:	3-Year Average Credit	12,470.94	5,294	66,026,455
		Incarcerated Credit	6.53	7,425	48,482
		Special Admit	610.19	7,425	4,530,373
		CDCP	95.40	7,425	708,300
		Non Credit	69.98	4,465	312,431
		Subtotal	**13,253.04**		**97,659,839**
	Non-Credit FTES				
		Total	**13,253.04**		**97,659,839**
			Headcount	**Rate**	**Total**
Supplemental Allocation		Pell Grant Recipients	4,891.00	1,252	6,123,343
		AB540 Students	419.00	1,252	524,572
		California Promise Grant Recipients	11,294.00	1,252	14,139,653
		Total	**16,604.00**		**20,787,568**
			Outcomes	**Rate**	**Total**
Student Success Allocation	All Students:	Associate Degrees	742.33	2,215	1,644,049
		Associate Degrees for Transfer	412.00	2,953	1,216,611
		Baccalaureate Degrees	0.00	0	0
		Credit Certificates	271.33	1,476	400,615
		Nine or More CTE Units	2,243.67	738	1,656,352
		Transfer	972.67	1,107	1,077,084
		Transfer Level Math and English	490.33	1,476	723,962
		Achieved Regional Living Wage	2,663.67	738	1,966,411
		Subtotal	**7,796.00**		**8,685,085**

Table 1 – SCFF Calculations (Continued)

Pell Grant Recipients Bonus:	Associate Degrees	418.00	838	350,260
	Associate Degrees for Transfer	230.67	1,117	257,714
	Baccalaureate Degrees	0.00	0	0
	Credit Certificates	121.00	559	67,594
	Nine or More CTE Units	892.00	279	249,148
	Transfer	428.33	419	179,459
	Transfer Level Math and English	187.67	559	104,836
	Achieved Regional Living Wage	678.67	279	189,561
	Subtotal	**2,956.34**		**1,398,573**
California Promise Grant Recipients Bonus:	Associate Degrees	582.67	559	325,494
	Associate Degrees for Transfer	327.00	745	243,562
	Baccalaureate Degrees	0.00	0	0
	Credit Certificates	185.33	372	69,022
	Nine or More CTE Units	1,458.33	186	271,555
	Transfer	630.00	279	175,968
	Transfer Level Math and English	260.33	372	96,953
	Achieved Regional Living Wage	1,255.33	186	233,755
	Subtotal	**4,698.99**		**1,416,309**
	Total	**15,451.33**		**11,499,967**
	SCFF Calculated TCR			**129,947,374**
	Hold Harmless Calculated TCR (**= Max TCR**)			**148,941,102**
	Hold Harmless Funding Amount			**18,993,728**
	Revenue Deficit		2.4052%	**(3,582,263)**
	Projected Net Apportionment Revenue			**145,358,839**

What is something you can do at your college to impact one or more of the SCFF metrics?

Making the Connection: Managing Your Budget


BACK TO BASICS

DECODING THE BUDGET STRING (Chart of Accounts)

6 – 11 – 654 – 1456 – 1 – 601200 – 0035 – 21

6	11	654	1456	1	601200	0035	21
Location	Fund	Cost Center	Object Code	Program	Activity Suffix	Project	Account Line

2024 EDITION Budgeting and Accounting Manual

FUND

2-digit number indicating Type of Resource

Restricted v Unrestricted

Most Commonly Used for Deans:

- Fund 01 (General Fund Unrestricted)
- Fund 11 (General Fund Restricted)

OBJECT CODE

The EXPENSE Category

Tells us what the funds were spent on (or allocated to)

4-digit Code beginning with 1-7 (8 is revenue)

- 1000s – Personnel (Instructional)
- 2000s – Personnel (Non-Instructional)
- 3000s – Benefits
- 4000s – Supplies and Materials
- 5000s – Other Operating Expenses and Services (Contracts, Travel, etc)
- 6000s – Capital Outlay / Equipment
- 7000s – Other Outgoing

ACTIVITY

Tells us the purpose of the funds

Usually the 4- or 6-digit TOP code

Instructional vs Non-Instructional Activities

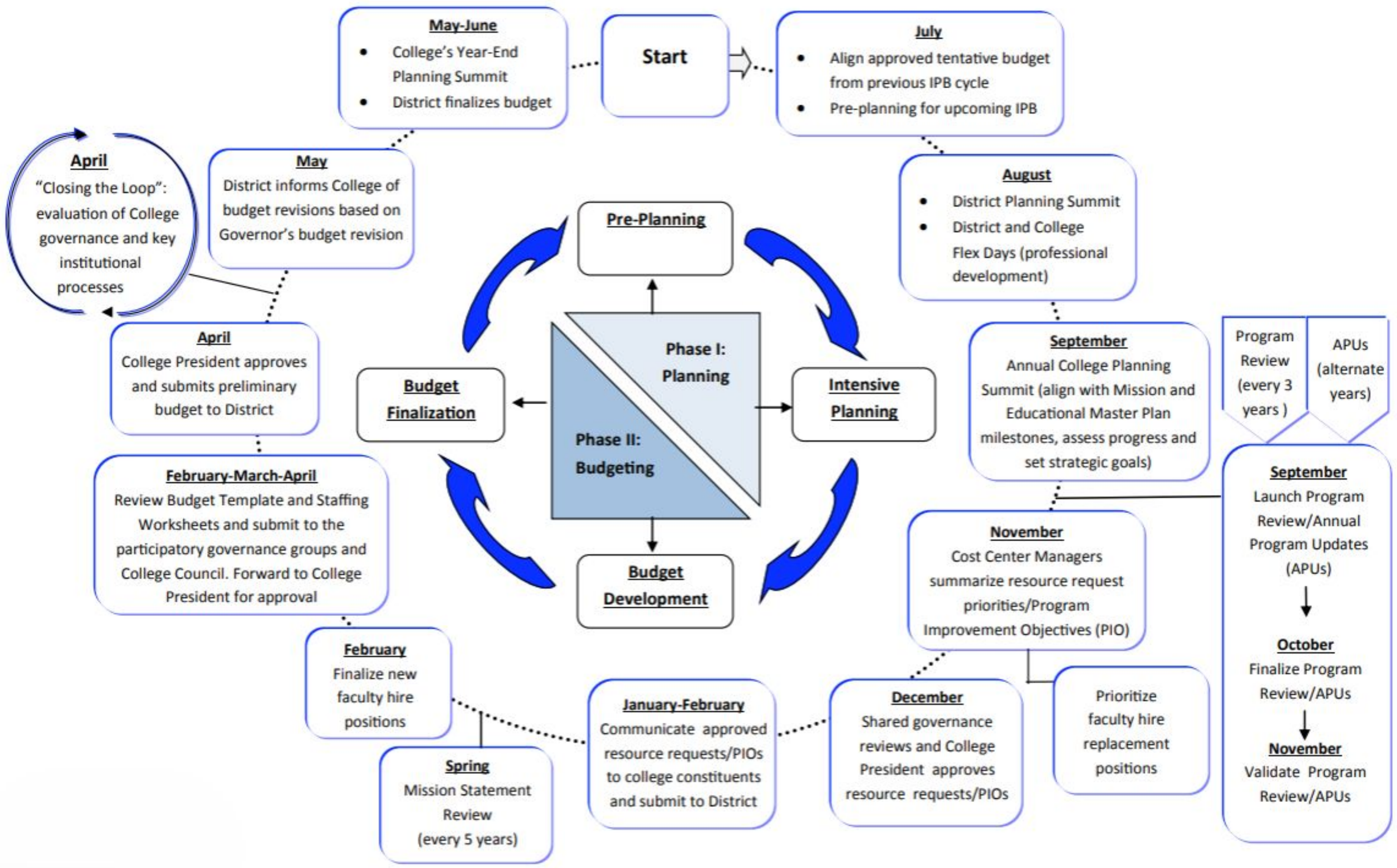
Taxonomy Programs Manual

The 50% Law
(California Ed Code Section 84362)

- Requires each district to spend at least half of their general funds each fiscal year on the salaries and benefits of classroom instructors
  - Includes faculty and instructional aides
  - Direct Instructional costs only
- Currently in review – seen as a limitation in providing support services for some Districts (Basic Aid)

★ State Auditor's Report: California Community Colleges: Oversight of the 50 Percent Law Is Ineffective, and the Law Could Be Amended to Better Support Students

Budget Planning and Development



Challenges

- Not enough resources to fully fund program needs or to address priorities
- Priorities between the department and division (or division and college) do not align (program review, SLOs, etc)
- Priorities/needs are unclear or shift once resources have been allocated
- Cost Center Managers do not understand all resources/funds that are available
- No clear process or direction in determining resource allocation

Responsible Budget Management

- Departments, campus, District cannot spend more than what is funded; results in deficit budget, different fror deficit spending.
- Be knowledgeable of your budget. If you didn't develop your own budget, make sure you understand what assumptions were used.
- Use a budget worksheet or available financial reports to monitor your expenditures on a regular basis.
- Identify potential risks to your budget as early as possible. Keep your supervisors and Business Services informed.
- You are a steward of the college's resources; handle your division's budget as if it were your own checkbook.

Key Considerations

A cost CANNOT SUPPLANT:

- The cost must not be a general expense required to carry out the grantee's overall responsibilities. May not free up state or local dollars for other purposes, but should create or augment programs

A cost is ALLOWABLE when:

- Necessary and directly related to the program's objectives. It serves a purpose (aligns with institutional priorities).
- Permissible according to college policies
- Conforms to the terms/conditions of the sponsoring agency agreement.

A cost is ALLOCABLE when:

- The cost is proportionate to the benefit received by the project/objectives of the program.

A cost is REASONABLE when:

- It can withstand public scrutiny (reflect what a prudent person would pay under similar circumstances)

REPORTING

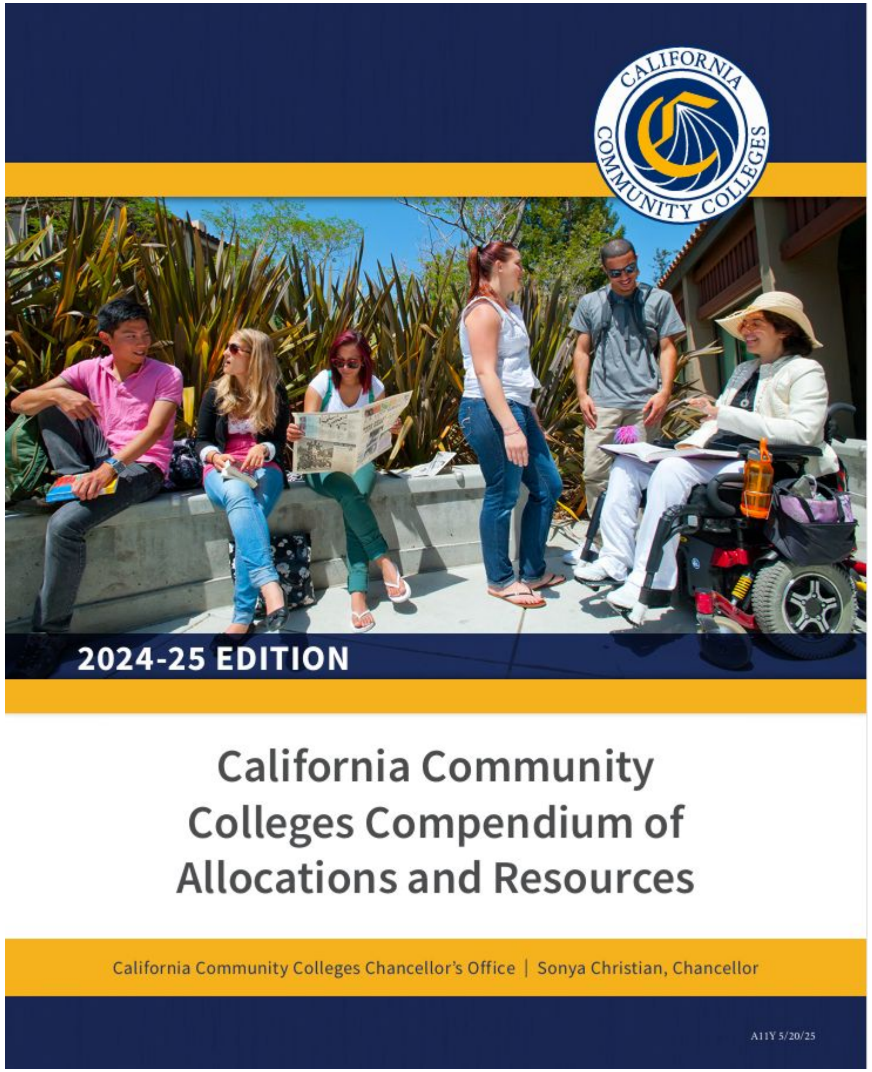
- Grants / Categoricals: Understand what you will need to report and how often
  - Project-based? By funding round? By discipline?
  - Quarterly? Bi-annual? Annual?
  - Can funds carryover?
- External reporting platforms – e.g. NOVA, Reeport, etc
- Evaluating progress and assessing spend rates
- Demonstrating effective use of funds

Join at menti.com

Use Code: 8922 8536

Or scan the QR Code below:

Leveraging Resources



BE IN THE KNOW!

- [2024-25 EDITION California Community Colleges Compendium of Allocations and Resources]

Other Funding Sources

- Grants (State, Federal, Private)
- Lottery Funds
- Partnering with Agencies and Foundations
- Gifts/Donations (can be cash or in-kind equipment, materials, etc)
- Indirect Cost Recovery
- Fundraising or Fee-for-Service

A Little Bit of Budget Wisdom

- Pay attention to economic trends both at the State and Federal level
- Be aware of your College's priorities and any shifts
- Always keep students and their success at the forefront
- Don't ever let a lack of funding stop you
- Build relationships and partnerships across the college, district, and community
- Make a friend in the Business Office and listen to your VPAS!

"Genius is 1% inspiration, 99% budget allocation."

Once Around the Room

Share ONE WORD to describe how you feel right now at this exact moment.