

## Resource Allocation Model Taskforce Agenda

Thursday, May 18, 2017 – 12:00 p.m. to 3:00 p.m. – San Jose City College, Rm. T-112

| Time       | Item  | Owner                             |
|------------|---|-----------------------------------|
| 12:00 p.m. | 1) Call to Order  | SMITH                             |
| 12:05 p.m. | 2) Approval of May 18, 2017 Meeting Agenda  | ACTION                            |
| 12:10 p.m. | 3) Approval of May 12, 2017 Meeting Minutes – Will be sent out end of next week.  | UPDATE                            |
| 12:20 p.m. | 4) Revisit District-wide costs in 16/17 Adopted Budget <ul style="list-style-type: none"> <li>a. Discuss approach, analysis, and evaluation</li> </ul>  | FITZSIMMONS                       |
| 12:50 P.M. | 5) District Services <ul style="list-style-type: none"> <li>a. FTES to \$\$\$DS Graph</li> <li>b. District Services Costs</li> </ul>  | FRAZIER<br>DISCUSSION             |
| 1:15 p.m.  | 6) Review and Discuss Simulations: <ul style="list-style-type: none"> <li>a. Simulation #10: MISP Resource Allocation Model (Updated 05/17/17)</li> <li>b. Other Simulation Proposals (e.g. Simulation #9)</li> <li>c. Simulation #7: 3-Year Average, Actual FTES               <ul style="list-style-type: none"> <li>i. Flow Chart</li> <li>ii. Business Procedures</li> <li>iii. 2017 Principles for Resource Allocation and Budget Development</li> <li>iv. Key Issue Statements</li> </ul> </li> </ul> | ESCOBAR<br>DISCUSSION<br>STUTZMAN |
| 2:05 p.m.  | 7) Consultant Stutzman's Recommendation, Report, & Next Steps   | STUTZMAN                          |
| 2:25 p.m.  | 8) Dual Enrollment  | GONZALEZ                          |
| 2:40 p.m.  | 9) Potential Unfunded Liabilities   | GONZALEZ                          |
| 2:55 p.m.  | 10) Checkout/Schedule September RAM Meeting   | DISCUSSION                        |
| 3:00 p.m.  | 11) Adjournment   |                                   |

**Parking Lot:**

- a) CTE Program Enrollment/Cost Data Confirmation/Reconciliation
- b) Total Cost of Ownership

**Notes:**

Request that students be briefed on RAM efforts through College Governance Process.

| Upcoming Meeting Schedule                    |
|--|
| Thursday, May 18th - 12:00 p.m. to 3:00 p.m. |
| Tuesday, June 6th - 2:00 p.m. to 4:00 p.m.   |
| September TBD                                |

| Members   |  |   |   |
|---|--|---|---|
| <u>2 Faculty EVCAS:</u><br>Eric Narveson<br>Steven Graham           | <u>1 Faculty SJECCD AS:</u><br>Fabio Gonzalez          | <u>2 Administrators from District:</u><br>Doug Smith<br>Peter Fitzsimmons | <u>2 Administrators from EVC:</u><br>Andrea Alexander<br>Lauren McKee |
| <u>2 Faculty SJCCAS:</u><br>Jesus Covarrubias<br>Guillermo Castilla | <u>1 Faculty AFT 6157:</u><br>Barbara Hanfling         | <u>2 Administrators from SJCC:</u><br>Jorge Escobar<br>Keiko Kimura       | <u>2 CSEA:</u><br>Dan Hawkins<br>Yessenia Ramirez                     |
| Alternates  |  |   |   |
| Chris Frazier (Faculty, AS)<br>Phil Crawford (Faculty, AS)          | Mark Newton (Faculty, AFT)<br>Paul Fong (Faculty, AFT) | Eugenio Canoy (Administrator)   | Marilyn Morikang (Administrator)                                      |



Query Expense

| Fu  | Lo | User  | Objct | ID-Line    | Date     | Description                            | Budget              |
|---|----|-------|-------|------------|----------|--|---------------------|
| 10  | 99 | 00000 | 55400 | 04366 - 1  | 06/24/16 | Athletic Insurance (Varsity Sports)    | 132,680.00          |
| <b>0836 - Varsity Sports</b>                          |    |       |       |            |          |  | <b>132,680.00</b>   |
| 10  | 99 | 00000 | 52210 | 05951 - 30 | 08/17/16 | Vac Liability                          | 7,000.00            |
| <b>5992 - Accumulated Vacation-Instr.</b>             |    |       |       |            |          |  | <b>7,000.00</b>     |
| 10  | 99 | 00000 | 54300 | 05952 - 3  | 07/15/16 | Supplies                               | 129,105.00          |
| 10  | 99 | 00000 | 55100 | 05952 - 19 | 07/15/16 | Personal/Contract Services             | 97,500.00           |
| 10  | 99 | 00000 | 55130 | 05952 - 11 | 07/15/16 | Conference/Training                    | 10,000.00           |
| 10  | 99 | 00000 | 55560 | 05952 - 9  | 07/15/16 | Fuel                                   | 2,000.00            |
| 10  | 99 | 00000 | 55610 | 05952 - 14 | 07/15/16 | Weed Abatement                         | 12,400.00           |
| 10  | 99 | 00000 | 55620 | 05952 - 16 | 07/15/16 | Repairs                                | 274,696.00          |
| 10  | 99 | 00000 | 56411 | 05952 - 4  | 07/15/16 | Equipment                              | 20,000.00           |
| <b>6510 - Maintenance</b>                             |    |       |       |            |          |  | <b>545,701.00</b>   |
| 10  | 99 | 00000 | 55510 | 05956 - 14 | 07/27/16 | Districtwide Telephone                 | 279,000.00          |
| 10  | 99 | 00000 | 55520 | 06500 - 2  | 07/15/16 | Gas                                    | 350,000.00          |
| 10  | 99 | 00000 | 55530 | 06500 - 3  | 07/15/16 | Electricity                            | 2,180,000.00        |
| 10  | 99 | 00000 | 55539 | 06500 - 1  | 07/15/16 | Solar Project Rebate                   | -415,000.00         |
| 10  | 99 | 00000 | 55540 | 06500 - 4  | 07/15/16 | Water                                  | 400,000.00          |
| 10  | 99 | 00000 | 55550 | 06500 - 5  | 07/15/16 | Garbage                                | 105,000.00          |
| 10  | 99 | 00000 | 55620 | 05952 - 17 | 07/15/16 | Utilities                              | 15,000.00           |
| <b>6570 - Utilities</b>                               |    |       |       |            |          |  | <b>2,914,000.00</b> |
| 10  | 99 | 00000 | 55100 | 05950 - 12 | 08/17/16 | TDS Non-Participating Vendor           | 2,500.00            |
| 10  | 99 | 00000 | 55712 | 05950 - 10 | 08/17/16 | Legal Fees                             | 75,000.00           |
| <b>6609 - Vice Chancellor-Administrative Services</b> |    |       |       |            |          |  | <b>77,500.00</b>    |
| 10  | 99 | 00000 | 54300 | 05951 - 18 | 08/17/16 | Supplies                               | 7,000.00            |
| 10  | 99 | 00000 | 55100 | 05951 - 13 | 08/17/16 | Armored Car Services                   | 12,500.00           |
| 10  | 99 | 00000 | 55100 | 05951 - 14 | 08/17/16 | Higher One Contract                    | 5,101.00            |
| 10  | 99 | 00000 | 55100 | 05951 - 31 | 08/17/16 | One-Time Inventory Audit Services      | 66,100.00           |
| 10  | 99 | 00000 | 55702 | 05950 - 22 | 08/17/16 | COTOP and Collection Agency Commission | 65,000.00           |
| 10  | 99 | 00000 | 55831 | 05951 - 25 | 08/17/16 | Bank Service Charges                   | 93,800.00           |
| 10  | 99 | 30902 | 55832 | 05950 - 23 | 08/17/16 | Bad Debts Allowance FY16-17            | 304,828.00          |
| <b>6720 - Fiscal Services - Accounting</b>            |    |       |       |            |          |  | <b>554,329.00</b>   |
| 10  | 99 | 00000 | 55400 | 04366 - 2  | 06/24/16 | Property & Liability Insurance         | 442,320.00          |
| 10  | 99 | 00000 | 55610 | 04366 - 5  | 06/24/16 | Tech Center Ground Lease               | 368,945.00          |
| <b>6727 - District Operations</b>                     |    |       |       |            |          |  | <b>811,265.00</b>   |
| 10  | 99 | 00000 | 54300 | 05948 - 1  | 07/28/16 | Districtwide Supplies                  | 1,800.00            |
| 10  | 99 | 00000 | 55100 | 05948 - 2  | 07/28/16 | Contracted Services                    | 35,000.00           |
| 10  | 99 | 00000 | 55100 | 05948 - 3  | 07/28/16 | ASR Analytics Contract                 | 30,000.00           |
| 10  | 99 | 00000 | 55712 | 05948 - 4  | 07/28/16 | Legal Fees                             | 120,000.00          |
| 10  | 99 | 65101 | 54301 | 05948 - 5  | 07/28/16 | Food                                   | 1,000.00            |
| 10  | 99 | 65101 | 55130 | 05948 - 7  | 07/28/16 | PeopleAdmin                            | 18,446.00           |
| 10  | 99 | 65101 | 55711 | 05948 - 8  | 07/28/16 | Advertising                            | 79,800.00           |
| 10  | 99 | 65102 | 55100 | 05948 - 9  | 07/28/16 | Benefit Broker Contract                | 110,000.00          |
| 10  | 99 | 65103 | 55100 | 05948 - 10 | 07/28/16 | Flexible Spending TPA Contract         | 8,500.00            |
| 10  | 99 | 65104 | 55100 | 05948 - 11 | 07/28/16 | Benefit Administrative System Contract | 39,500.00           |
| 10  | 99 | 96001 | 55712 | 05948 - 12 | 07/28/16 | Legal Fees for Negotiations            | 35,000.00           |
| <b>6731 - Human Resources Districtwide</b>            |    |       |       |            |          |  | <b>479,046.00</b>   |
| 10  | 99 | 31301 | 55830 | 05950 - 8  | 08/17/16 | County Citation Administrative Fees    | 50,000.00           |
| 10  | 99 | 31301 | 55830 | 05950 - 9  | 08/17/16 | Turbo Data Systems                     | 18,000.00           |

**Query Expense**

| <b>Fu</b>                                    | <b>Lo</b> | <b>User</b> | <b>Objct</b> | <b>ID-Line</b> | <b>Date</b> | <b>Description</b>   | <b>Budget</b>       |
|--|-----------|-------------|--------------|----------------|-------------|--|---------------------|
| <b>6771 - Campus Police</b>                  |           |             |              |                |             |  | <b>68,000.00</b>    |
| 10   | 99        | 00000       | 54320        | 05932 - 8      | 05/06/15    | Copier Supplies  | 48,000.00           |
| 10   | 99        | 00000       | 55610        | 05932 - 6      | 05/06/15    | Equipment Leases   | 11,343.00           |
| 10   | 99        | 00000       | 55620        | 05932 - 7      | 05/06/15    | Repairs  | 3,000.00            |
| 10   | 99        | 00000       | 55625        | 05932 - 3      | 05/06/15    | PM Agreement   | 17,644.00           |
| 10   | 99        | 00000       | 55810        | 05932 - 9      | 05/06/15    | Postage  | 46,500.00           |
| <b>6773 - Reprographics</b>                  |           |             |              |                |             |  | <b>126,487.00</b>   |
| 10   | 99        | 00000       | 55100        | 05956 - 19     | 07/27/16    | Distance Education Hosting (Moodle)  | 29,577.00           |
| 10   | 99        | 00000       | 55100        | 05956 - 8      | 07/27/16    | Personal Services  | 56,294.00           |
| 10   | 99        | 00000       | 55100        | 05956 - 3      | 07/27/16    | 1098T Contractor   | 27,000.00           |
| 10   | 99        | 00000       | 55100        | 05956 - 4      | 07/27/16    | Emergency Notification System  | 13,000.00           |
| 10   | 99        | 00000       | 55130        | 05956 - 7      | 07/27/16    | License Renewal  | 256,299.00          |
| 10   | 99        | 00000       | 55625        | 05956 - 17     | 07/27/16    | Maintenance  | 609,293.00          |
| <b>6780 - ITSS</b>                           |           |             |              |                |             |  | <b>991,463.00</b>   |
| 10   | 99        | 00000       | 52110        | 05951 - 28     | 08/17/16    | Accumulated Comp Time  | 75,000.00           |
| 10   | 99        | 00000       | 52110        | 05951 - 29     | 08/17/16    | Vac Liability  | 175,000.00          |
| <b>6792 - Accumulated Vacation-Noninstr.</b> |           |             |              |                |             |  | <b>250,000.00</b>   |
| 10   | 99        | 00000       | 52310        | 05951 - 22     | 08/17/16    | DW Non-Instructional Interpreters  | 32,000.00           |
| 10   | 99        | 00000       | 52410        | 05951 - 27     | 08/17/16    | DW Instructional Interpreters  | 180,000.00          |
| 10   | 99        | 00000       | 53220        | 05951 - 19     | 08/17/16    | Interpreters PERS  | 6,500.00            |
| 10   | 99        | 00000       | 53320        | 05951 - 2      | 08/17/16    | Interpreters OASDI   | 16,000.00           |
| 10   | 99        | 00000       | 53520        | 05951 - 9      | 08/17/16    | Interpreters UI  | 500.00              |
| 10   | 99        | 00000       | 53620        | 05951 - 11     | 08/17/16    | Interpreters WC  | 4,500.00            |
| 10   | 99        | 00000       | 55100        | 05951 - 26     | 08/17/16    | DW Interpreter Services  | 25,000.00           |
| 10   | 99        | 00000       | 55100        | 05951 - 32     | 08/17/16    | ADA Employee Accommodation   | 25,000.00           |
| 10   | 99        | 00000       | 56411        | 05951 - 33     | 08/17/16    | ADA Equipment  | 25,000.00           |
| <b>7106 - ADA Projects</b>                   |           |             |              |                |             |  | <b>314,500.00</b>   |
| 10   | 99        | 00000       | 55700        | 05955 - 8      | 08/09/16    | 40 S. Market Street Property Tax Special Assessments   | 5,765.00            |
| <b>7120 - Facilities &amp; Planning</b>      |           |             |              |                |             |  | <b>5,765.00</b>     |
| 10   | 99        | 00000       | 57305        | 05991 - 4      | 08/23/16    | Interfund Trans Out-to 11 to bal to zero   | 364,798.00          |
| 10   | 99        | 00000       | 57320        | 05991 - 8      | 08/23/16    | Interfund Trans Out (10 to 85) - Debt Payment  | 1,884,758.00        |
| 10   | 99        | 39997       | 57304        | 05991 - 5      | 08/23/16    | Interfund Trans Out - to WFI in 16 for Redesign Effort (Ext. Director)                       | 190,627.00          |
| 10   | 99        | 39997       | 57304        | 05991 - 6      | 08/23/16    | Interfund Trans Out - to WFI for Redesign Effort (Exec Assistant)                            | 108,429.00          |
| 10   | 99        | 39997       | 57304        | 05991 - 2      | 08/23/16    | Interfund Transfer Out - to WFI in 16 for Redesign Effort (Dean of Workforce & Economic Dev) | 181,673.00          |
| 10   | 99        | 39997       | 57304        | 05991 - 3      | 08/23/16    | Interfund Transfer Out - to WFI in 16 for Redesign Effort (Dean, Bus. & Technology)          | 84,770.00           |
| <b>7310 - Interfund Transfers</b>            |           |             |              |                |             |  | <b>2,815,055.00</b> |
| 10   | 99        | 00000       | 53420        | 05992 - 1      | 07/28/16    | Health and Welfare clearing  | 7,701,650.00        |
| 10   | 99        | 00000       | 53490        | 05992 - 2      | 07/28/16    | Health and Welfare clearing  | -7,701,650.00       |
| 10   | 99        | 00000       | 53520        | 05992 - 5      | 07/28/16    | Unemployment Insurance Clearing  | 440,085.00          |
| 10   | 99        | 00000       | 53590        | 05992 - 6      | 07/28/16    | Unemployment Insurance Clearing  | -440,085.00         |
| 10   | 99        | 00000       | 53620        | 05992 - 3      | 07/28/16    | Workers Comp clearing  | 1,175,657.00        |
| 10   | 99        | 00000       | 53690        | 05992 - 4      | 07/28/16    | Workers Comp clearing  | -1,175,657.00       |
| 10   | 99        | 39996       | 55830        | 05992 - 7      | 07/28/16    | High Impact Programs   | 300,000.00          |
| <b>9905 - Undistributed Costs</b>            |           |             |              |                |             |  | <b>300,000.00</b>   |
| 10   | 99        | 25620       | 53111        | 05951 - 16     | 08/17/16    | State STRS On-Behalf Payment   | 2,156,084.00        |
| <b>9999 - General Ledger Expense</b>         |           |             |              |                |             |  | <b>2,156,084.00</b> |

**Query Expense**

| <b>Fu</b>          | <b>Lo</b> | <b>User</b> | <b>Objct</b> | <b>ID-Line</b> | <b>Date</b> | <b>Description</b> | <b>Budget</b>        |
|--------------------|-----------|-------------|--------------|----------------|-------------|--------------------|----------------------|
| <b>Grand Total</b> |           |             |              |                |             |                    | <b>12,548,875.00</b> |



**Additional Details of Total District Revenues  
FY 2016/17 - Adopted Budget**

|   | <b>Budget</b>      |
|---|--------------------|
| <b>10 - General Fund</b>                          |                    |
| <b><u>486 - State Revenue</u></b>                 |                    |
| 48614 - Education Protection Account (EPA)        | 1,250,000          |
| 48619 - B.O.G. (2% Admin. Fee)                    | 216,814            |
| 48672 - Secured Homeowners Exempt                 | 436,000            |
| 48690 - Other State Income                        | 3,118,553          |
| 48691 - Mandated Cost Reimbursement               | 1,440,733          |
| 48694 - Lottery                                   | 1,800,000          |
| 48695 - State Reimb Costs                         | 214,336            |
| <b>486 - State Revenue</b>                        | <b>8,476,436</b>   |
| <b><u>488 - Local Revenue</u></b>                 |                    |
| 48811 - Secured Property Tax Revenues             | 75,914,000         |
| 48812 - Supplemental Secured Prop. Tax            | 3,037,000          |
| 48813 - Unsecured Roll Property Taxes             | 6,247,000          |
| 48818 - RDA Passthru(AB1290)(47.5%)               | 1,242,600          |
| 48819 - RDA Residual Prmts                        | 2,282,000          |
| 48852 - Property Rental                           | 150,840            |
| 48860 - Interest                                  | 157,530            |
| 48870 - Instructional Materials Fees              | 36,188             |
| 48871 - Enrollment Fees International             | 1,295,729          |
| 48872 - Enrollment Fees                           | 5,497,609          |
| 48874 - Use of Facilities                         | 170,672            |
| 48877 - Non-Resident Tuition Fees                 | 665,653            |
| 48878 - Parking Fees                              | 258,498            |
| 48890 - Other Local Income                        | 1,183,436          |
| <b>488 - Local Revenue</b>                        | <b>98,138,755</b>  |
| <b><u>489 - Other Financing Sources</u></b>       |                    |
| 48911 - Sale Of Equipment                         | 15,468             |
| 48912 - Sale Of Waste Materials                   | 2,216              |
| 48973 - Interfund Transfer In (Indirect Cost)     | 8,500              |
| 48980 - Interfund Transfers In (to 10 from 15)    | 625,000            |
| 48990 - Interfund Transfers In (to 10 from 16)    | 24,692             |
| <b>489 - Other Financing Sources</b>              | <b>675,876</b>     |
| <b>10 - General Fund</b>                          | <b>107,291,067</b> |
| <b><u>11 - Parking Fund</u></b>                   |                    |
| <b><u>488 - Local Revenue</u></b>                 |                    |
| 48878 - Parking Fees                              | 617,285            |
| <b>488 - Local Revenue</b>                        | <b>617,285</b>     |
| <b><u>489 - Other Financing Sources</u></b>       |                    |
| 48985 - Interfund Transfers In (to 11 from 10)    | 364,798            |
| <b>489 - Other Financing Sources</b>              | <b>364,798</b>     |
| <b>11 - Parking Fund</b>                          | <b>982,083</b>     |
| <b><u>14 - Student Success Enhancement Fd</u></b> |                    |
| <b><u>488 - Local Revenue</u></b>                 |                    |
| 48853 - Retail Center Lease Revenue               | 25,000             |
| <b>488 - Local Revenue</b>                        | <b>25,000</b>      |
| <b>14 - Student Success Enhancement Fd</b>        | <b>25,000</b>      |
| <b><u>15 - Facility Rental Auxiliary Fund</u></b> |                    |
| <b><u>488 - Local Revenue</u></b>                 |                    |
| 48852 - Property Rental                           | 196,187            |
| 48874 - Use of Facilities                         | 672,000            |
| 48890 - Other Local Income                        | 51,000             |
| <b>488 - Local Revenue</b>                        | <b>919,187</b>     |
| <b>15 - Facility Rental Auxiliary Fund</b>        | <b>919,187</b>     |

**Additional Details of Total District Revenues  
FY 2016/17 - Adopted Budget**

|  | <b>Budget</b>     |
|--|-------------------|
| <b><u>16 - Workforce Institute</u></b>             |                   |
| <b><u>488 - Local Revenue</u></b>                  |                   |
| 48830 - Premiums Other Funds                       | 1,050,000         |
| <b>488 - Local Revenue</b>                         | <b>1,050,000</b>  |
| <b><u>489 - Other Financing Sources</u></b>        |                   |
| 48941 - Other Income                               | 200,000           |
| 48973 - Interfund Transfer In (Indirect Cost)      | 253,330           |
| 48984 - Interfund Transfers In (to 16 from 10)     | 565,499           |
| <b>489 - Other Financing Sources</b>               | <b>1,018,829</b>  |
| <b>16 - Workforce Institute</b>                    | <b>2,068,829</b>  |
| <b><u>17 - Grants / Categoricals</u></b>           |                   |
| <b><u>481 - Federal Revenue</u></b>                |                   |
| 48110 - Title III Grant (wrong code)               | 512,127           |
| 48121 - Federal Work Study                         | 676,846           |
| 48122 - Student Support Services                   | 322,734           |
| 48123 - Title V Grant                              | 1,784,893         |
| 48140 - TANF                                       | 95,703            |
| 48160 - Veteran Admin. Support                     | 6,355             |
| 48170 - VTEA Title I C                             | 386,716           |
| 48172 - Perkins Title I-C Reserve (CTE Transition) | 88,581            |
| 48193 - Traffic Project Grant                      | 22,500            |
| 48196 - Yosemite Child Development                 | 10,000            |
| <b>481 - Federal Revenue</b>                       | <b>3,906,456</b>  |
| <b><u>486 - State Revenue</u></b>                  |                   |
| 48611 - Apportionment                              | 13,000            |
| 48617 - Basic Skills                               | 356,075           |
| 48620 - Nursing Grants                             | 357,170           |
| 48621 - CARE                                       | 235,059           |
| 48622 - EOPS                                       | 1,935,432         |
| 48623 - DSPS                                       | 951,122           |
| 48624 - BFAP-SFAA                                  | 693,112           |
| 48625 - Matriculation                              | 3,367,663         |
| 48629 - Other Categorical Programs                 | 3,609,266         |
| 48630 - CALWORKS                                   | 422,292           |
| 48635 - Economic and Development Grants            | 14,516,211        |
| 48641 - Strength Career & TechEd Grant             | 126,167           |
| 48650 - Other State Revenue                        | 365,014           |
| 48651 - AB 1725 Staff Diversity                    | 85,296            |
| 48658 - Scheduled Maintenance                      | 1,459,447         |
| 48684 - Lottery                                    | 889,995           |
| 48690 - Other State Income                         | 298,587           |
| <b>486 - State Revenue</b>                         | <b>29,680,909</b> |
| <b><u>488 - Local Revenue</u></b>                  |                   |
| 48820 - Contributions/Gifts/Endowments             | 62,439            |
| 48824 - Independent Living Program                 | 27,089            |
| 48890 - Other Local Income                         | 11,753            |
| <b>488 - Local Revenue</b>                         | <b>101,281</b>    |
| <b><u>489 - Other Financing Sources</u></b>        |                   |
| 48971 - Interfund Transfers In (FA Matching)       | 83,898            |
| 48981 - Interfund Transfers In (to 17 from 10)     | 377,965           |
| <b>489 - Other Financing Sources</b>               | <b>461,863</b>    |
| <b>17 - Grants / Categoricals</b>                  | <b>34,150,509</b> |
| <b><u>18 - Student Health Fees Fund</u></b>        |                   |
| <b><u>486 - State Revenue</u></b>                  |                   |
| 48699 - Other State Income                         | 15,050            |
| <b>486 - State Revenue</b>                         | <b>15,050</b>     |



**Additional Details of Total District Revenues  
FY 2016/17 - Adopted Budget**

|  | <b>Budget</b>     |
|--|-------------------|
| <b><u>488 - Local Revenue</u></b>                    |                   |
| 48876 - Health Fees                                  | 579,383           |
| 48890 - Other Local Income                           | 2,500             |
| <b>488 - Local Revenue</b>                           | <b>581,883</b>    |
| <b>18 - Student Health Fees Fund</b>                 | <b>596,933</b>    |
| <b><u>36 - Capital Projects Fund</u></b>             |                   |
| <b><u>486 - State Revenue</u></b>                    |                   |
| 48690 - Other State Income                           | 746,174           |
| <b>486 - State Revenue</b>                           | <b>746,174</b>    |
| <b><u>488 - Local Revenue</u></b>                    |                   |
| 48870 - Instructional Materials Fees                 | 40,000            |
| 48890 - Other Local Income                           | 1,373,400         |
| <b>488 - Local Revenue</b>                           | <b>1,413,400</b>  |
| <b>36 - Capital Projects Fund</b>                    | <b>2,159,574</b>  |
| <b><u>48 - Student Financial Assistance Fund</u></b> |                   |
| <b><u>481 - Federal Revenue</u></b>                  |                   |
| 48150 - PELL Grant                                   | 21,421,040        |
| 48151 - PELL Admin. Allowance                        | 25,960            |
| 48152 - Supplemental Educational Opportunity Grant   | 710,257           |
| 48153 - Direct Loan                                  | 2,334,000         |
| <b>481 - Federal Revenue</b>                         | <b>24,491,257</b> |
| <b><u>486 - State Revenue</u></b>                    |                   |
| 48650 - Other State Revenue                          | 1,100,450         |
| <b>486 - State Revenue</b>                           | <b>1,100,450</b>  |
| <b><u>489 - Other Financing Sources</u></b>          |                   |
| 48971 - Interfund Transfers In (FA Matching)         | 222,196           |
| <b>489 - Other Financing Sources</b>                 | <b>222,196</b>    |
| <b>48 - Student Financial Assistance Fund</b>        | <b>25,813,903</b> |
| <b><u>61 - Self-Insurance Fund</u></b>               |                   |
| <b><u>488 - Local Revenue</u></b>                    |                   |
| 48830 - Premiums Other Funds                         | 1,300,000         |
| <b>488 - Local Revenue</b>                           | <b>1,300,000</b>  |
| <b>61 - Self-Insurance Fund</b>                      | <b>1,300,000</b>  |
| <b><u>70 - Cafeteria Fund</u></b>                    |                   |
| <b><u>488 - Local Revenue</u></b>                    |                   |
| 48890 - Other Local Income                           | 66,000            |
| <b>488 - Local Revenue</b>                           | <b>66,000</b>     |
| <b>70 - Cafeteria Fund</b>                           | <b>66,000</b>     |
| <b><u>72 - Child Development Fund</u></b>            |                   |
| <b><u>486 - State Revenue</u></b>                    |                   |
| 48650 - Other State Revenue                          | 430,253           |
| <b>486 - State Revenue</b>                           | <b>430,253</b>    |
| <b>72 - Child Development Fund</b>                   | <b>430,253</b>    |
| <b><u>75 - Trust Fund OPEB</u></b>                   |                   |

**Additional Details of Total District Revenues  
FY 2016/17 - Adopted Budget**

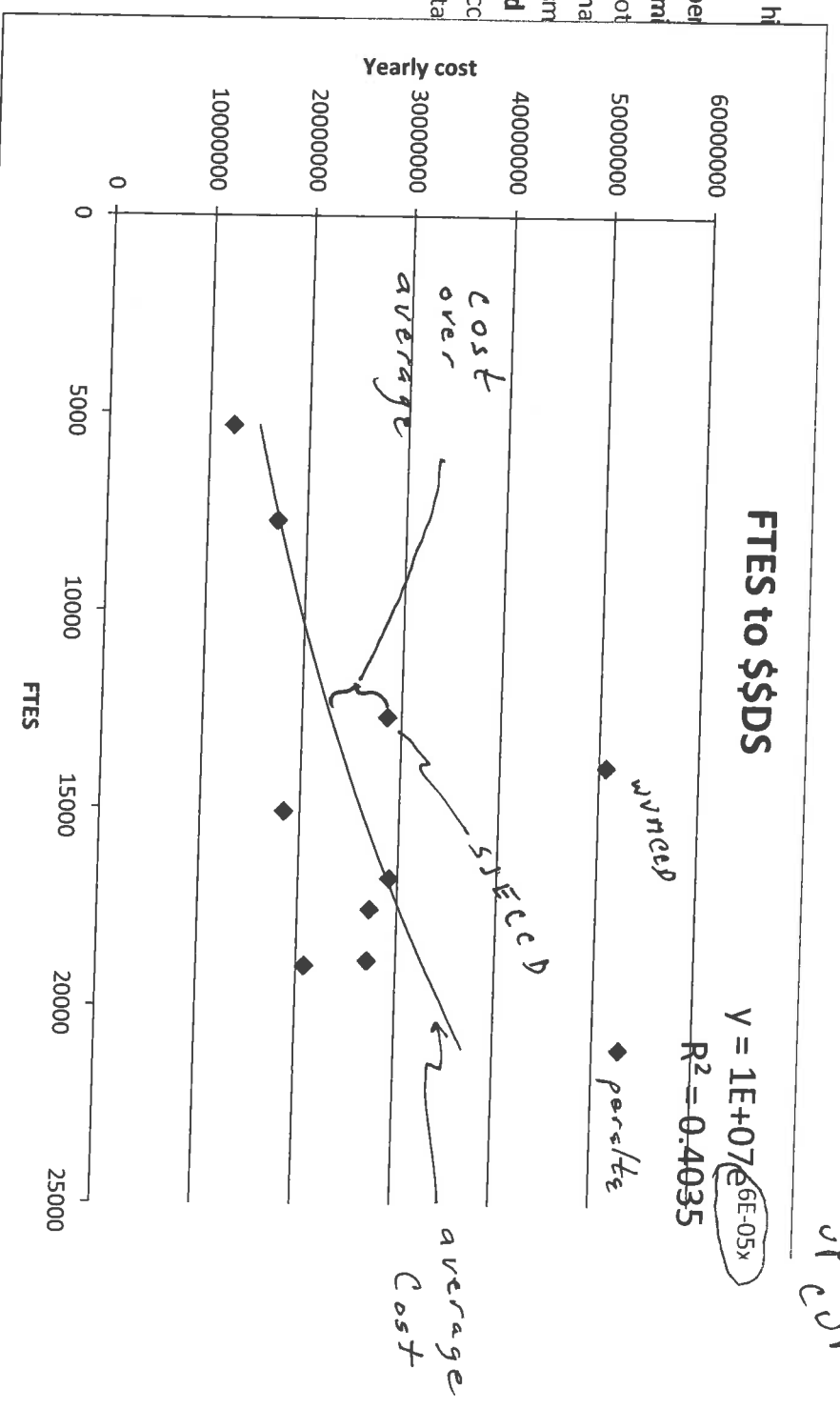
|  | <b>Budget</b>     |
|--|-------------------|
| <b><u>488 - Local Revenue</u></b>                        |                   |
| 48861 - Dividend   | 386,861           |
| 48862 - Premium on Sale of Investments                   | 74,886            |
| 48863 - Realized Gain/(Loses)                            | 686,329           |
| 48864 - Unrealized Apprec (Deprec)                       | 704,765           |
| <b>488 - Local Revenue</b>                               | <b>1,852,841</b>  |
| <b>75 - Trust Fund OPEB</b>                              |                   |
|  | <b>1,852,841</b>  |
| <b><u>81 - L/T Debt. - Retiree Benefit Fund</u></b>      |                   |
| <b><u>488 - Local Revenue</u></b>                        |                   |
| 48853 - Retail Center Lease Revenue                      | 593,782           |
| <b>488 - Local Revenue</b>                               | <b>593,782</b>    |
| <b><u>489 - Other Financing Sources</u></b>              |                   |
| 48993 - Interfund Transfers In (to 81 from 75)           | 4,132,350         |
| <b>489 - Other Financing Sources</b>                     | <b>4,132,350</b>  |
| <b>81 - L/T Debt. - Retiree Benefit Fund</b>             | <b>4,726,132</b>  |
| <b><u>83 - L/T Debt - G.O. Bond Fund</u></b>             |                   |
| <b><u>486 - State Revenue</u></b>                        |                   |
| 48672 - Secured Homeowners Exempt                        | 61,146            |
| <b>486 - State Revenue</b>                               | <b>61,146</b>     |
| <b><u>488 - Local Revenue</u></b>                        |                   |
| 48811 - Secured Property Tax Revenues                    | 10,254,190        |
| 48812 - Supplemental Secured Prop. Tax                   | 301,137           |
| 48813 - Unsecured Roll Property Taxes                    | 714,705           |
| 48860 - Interest   | 28,307            |
| <b>488 - Local Revenue</b>                               | <b>11,298,339</b> |
| <b>83 - L/T Debt - G.O. Bond Fund</b>                    | <b>11,359,485</b> |
| <b><u>84 - L/T Debt - G.O. Bond Fd - Meas G 2004</u></b> |                   |
| <b><u>486 - State Revenue</u></b>                        |                   |
| 48672 - Secured Homeowners Exempt                        | 69,301            |
| <b>486 - State Revenue</b>                               | <b>69,301</b>     |
| <b><u>488 - Local Revenue</u></b>                        |                   |
| 48811 - Secured Property Tax Revenues                    | 10,306,561        |
| 48812 - Supplemental Secured Prop. Tax                   | 258,559           |
| 48813 - Unsecured Roll Property Taxes                    | 601,201           |
| 48860 - Interest   | 38,824            |
| <b>488 - Local Revenue</b>                               | <b>11,205,145</b> |
| <b>84 - L/T Debt - G.O. Bond Fd - Meas G 2004</b>        | <b>11,274,446</b> |
| <b><u>85 - L/T Debt - OPEB</u></b>                       |                   |
| <b><u>489 - Other Financing Sources</u></b>              |                   |
| 48970 - Interfund Trans In (85 fr 81)                    | 593,782           |
| 48994 - Interfund Transfers In (to 85 from 10)           | 1,884,758         |
| <b>489 - Other Financing Sources</b>                     | <b>2,478,540</b>  |
| <b>85 - L/T Debt - OPEB</b>                              | <b>2,478,540</b>  |
| <b><u>86 - L/T Debt - G.O Bond Fd Meas G 2010</u></b>    |                   |
| <b><u>486 - State Revenue</u></b>                        |                   |
| 48672 - Secured Homeowners Exempt                        | 72,105            |
| <b>486 - State Revenue</b>                               | <b>72,105</b>     |

**Additional Details of Total District Revenues  
FY 2016/17 - Adopted Budget**

|   | <b>Budget</b>      |
|---|--------------------|
| <b><u>488 - Local Revenue</u></b>               |                    |
| 48811 - Secured Property Tax Revenues           | 6,011,641          |
| 48812 - Supplemental Secured Prop. Tax          | 278,287            |
| 48813 - Unsecured Roll Property Taxes           | 659,771            |
| 48860 - Interest                                | 23,068             |
| <b>488 - Local Revenue</b>                      | <b>6,972,767</b>   |
| <b>86 - L/T Debt - G.O Bond Fd Meas G 2010</b>  | <b>7,044,872</b>   |
| <b><u>96 - Scholarships and Loan Agency</u></b> |                    |
| <b><u>488 - Local Revenue</u></b>               |                    |
| 48829 - Scholarships                            | 348,200            |
| <b>488 - Local Revenue</b>                      | <b>348,200</b>     |
| <b>96 - Scholarships and Loan Agency</b>        | <b>348,200</b>     |
| <b>Grand Total</b>                              | <b>214,887,854</b> |



| students | price of ds |                  |
|----------|-------------|------------------|
| 5314     | 12340140    | 0 west hi        |
| 7726     | 16996519    | 0 yuba           |
| 15078    | 18351709    | 0 san ber        |
| 16764    | 29126890    | 0 Yosemite       |
| 17553    | 27239554    | 0 Chabot         |
| 18851    | 27103082    | 0 san ma         |
| 18977    | 20779669    | 0 grossm         |
| 12691    | 28531810    | 0 sjeccd         |
| 13918    | 50682210    | 14800000 wvmcc   |
| 21042    | 52669907    | 16000000 peralta |



upward curve

Slope is marginal per student cost  
more cost for each student with  
 bigger school districts

From Annis Frazier



| \$ per FTES | FTES goal |               | MODELING FACTORS   | SJCC       | Milpitas | EVC        | DW/DO      | TOTAL          |
|-------------|-----------|---------------|--|------------|----------|------------|------------|----------------|
| 5,026       | 12,500    | \$ 62,825,000 | a) BASE ALLOCATION 75% 25%                                   |            |          |            |            | -              |
|             |           |               | 50% of 75% equal distribution                                | 11,779,688 |          | 11,779,688 | 15,706,250 | 39,265,625     |
|             |           |               | 50% of 75% based on FTEs in:                                 | 11,779,688 |          | 11,779,688 | -          | 23,559,375     |
|             |           |               | Dual enrollment .....  |            |          |            |            |                |
|             |           |               | Apprentiships.....   |            |          |            |            |                |
|             |           |               | Basic skills .....   |            |          |            |            |                |
|             |           |               | Non Credit .....   |            |          |            |            |                |
|             |           |               | b) REVENUE GENERATED 75% 25%                                 |            |          |            |            |                |
|             |           | \$ 4,336,046  | San Jose City College - SJCC                                 | 3,252,035  |          |            | 1,084,012  | 4,336,046      |
|             |           | \$ 4,455,437  | Evergreen Valley College - EVC                               |            |          | 3,341,578  | 1,113,859  | 4,455,437      |
|             |           | \$ 9,510,042  | c) OTHER REVENUES 75% 25%                                    | 3,566,266  |          | 3,566,266  | 2,377,511  | 9,510,042      |
|             |           | \$ 27,151,285 | d) BASIC AID DISTRIBUTION                                    |            |          |            |            |                |
|             |           |               |  | 9,000,000  | 750,000  | 9,000,000  | 5,000,000  | 23,750,000     |
|             |           |               | e) BASE ALLOCATION TOTAL                                     | 39,377,675 | 750,000  | 39,467,219 | 25,281,631 | 104,876,525    |
|             |           |               | BASE ALLOCATION %  | 37.55%     | 0.72%    | 37.63%     | 24.11%     | 100%           |
|             |           |               | f) DIFFERENTIATORS   |            |          |            |            |                |
|             |           |               | f.1 PERFORMANCE incentive                                    |            |          |            |            | 500,000        |
|             |           |               | f.2 PROGRAM COST DIFFERENTIAL<br>( i.e. CTE, Athletics, ...) |            |          |            |            | 750,000        |
|             |           |               | f.3 PROJECT BASED INNOVATION POOL                            |            |          |            |            | 750,000        |
|             |           |               | f.4 COLA/RESERVE approx 2%                                   |            |          |            |            | 2,000,000      |
|             |           |               |  |            |          |            |            | \$ 4,000,000   |
|             |           |               | g) TOTAL DISTRICT ALLOCATION                                 |            |          |            |            | \$ 108,876,525 |









**San Jose-Evergreen Community College District**

**SB 361 Allocation FUND 10**

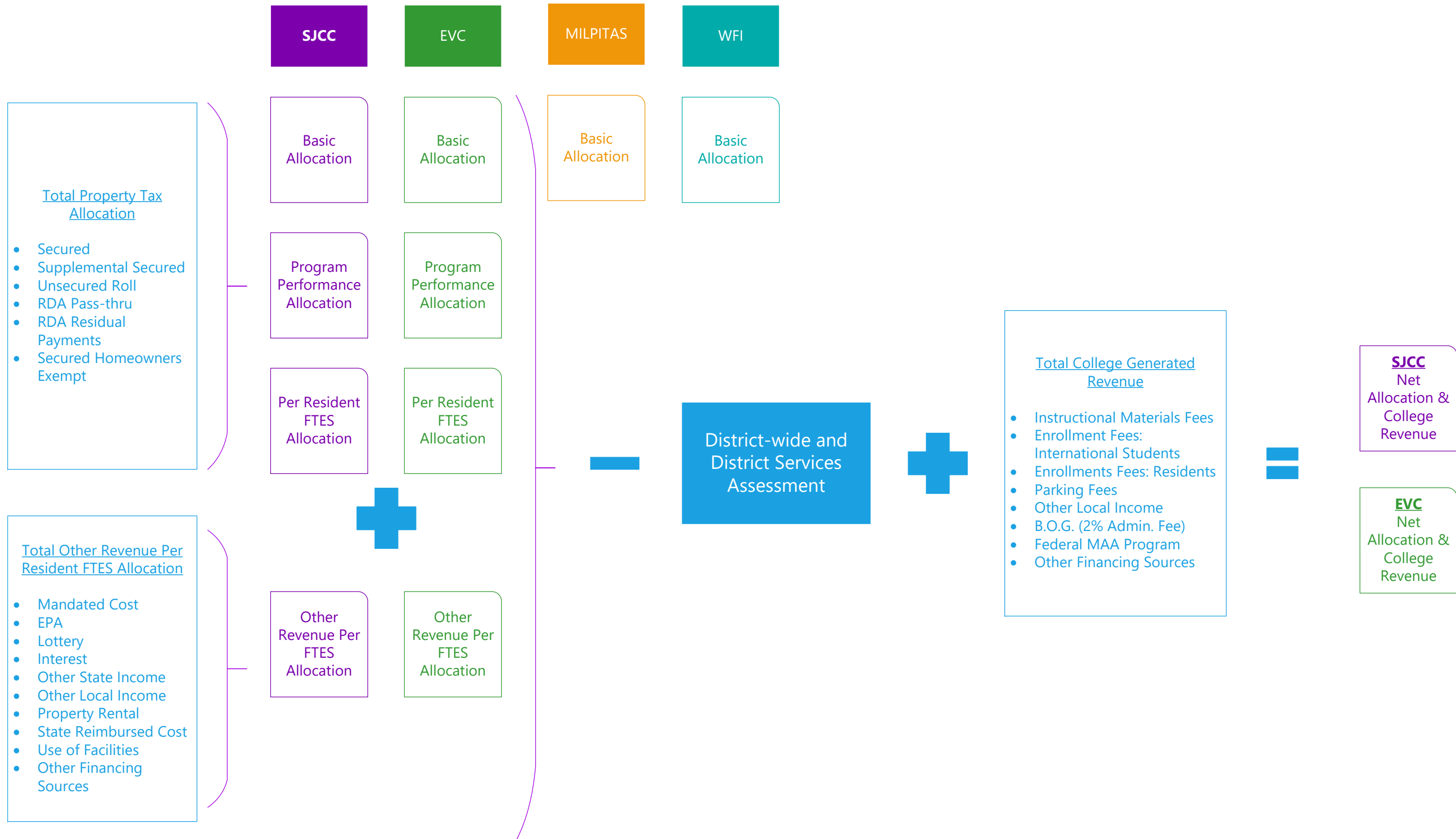
2016/17 3rd Quarter

**SIMULATION # 7 (3 YR. AVG ACTUAL FTES) - 3rd Quarter Update**

| REVENUE TO BE DISTRIBUTED                             |                | SJECED 3YR<br>AVERAGE<br>TOTAL/CREDIT,<br>NON-CREDIT & NR<br>(13/14; 14/15;<br>15/16) | SJCC 3-YR<br>AVERAGE<br>FTES | EVC 3-YR<br>AVERAGE<br>FTES | SJCC Allocation | EVC Allocation | Milpitas<br>Extension | WFI        |
|---|----------------|---|------------------------------|-----------------------------|-----------------|----------------|-----------------------|------------|
| <b>CR &amp; NC (RFTEs)</b>                            |                | 12,334  | 5,965                        | 6,369                       |                 |                |                       |            |
| <b>Non-Resident</b>                                   |                | 408   | 248                          | 160                         |                 |                |                       |            |
| <b>Total FTES</b>                                     |                | 12,742  | 6,213                        | 6,529                       |                 |                |                       |            |
| <b>Property taxes</b>                                 |                |   |                              |                             |                 |                |                       |            |
| Secured   | \$ 76,143,000  |   |                              |                             |                 |                |                       |            |
| Supplemental Secured                                  | \$ 3,175,000   |   |                              |                             |                 |                |                       |            |
| Unsecured Roll  | \$ 5,978,000   |   |                              |                             |                 |                |                       |            |
| RDA Passthru  | \$ 1,375,125   |   |                              |                             |                 |                |                       |            |
| RDA Residual Payments                                 | \$ 2,873,160   |   |                              |                             |                 |                |                       |            |
| Secured Homeowners Exempt                             | \$ 432,000     |   |                              |                             |                 |                |                       |            |
| <b>Total Property Tax</b>                             | \$ 89,976,285  |   |                              |                             |                 |                |                       |            |
| <b>BASIC ALLOCATION</b>                               | \$ 20,000,000  |   |                              |                             | \$ 10,000,000   | \$ 10,000,000  |                       |            |
| Milpitas Extension                                    | \$ 750,000     |   |                              |                             |                 |                | \$ 750,000            |            |
| Workforce Institute                                   | \$ 125,866     |   |                              |                             |                 |                |                       | \$ 125,866 |
| <b>COLLEGEPROGRAM/PERFORMANCE ALLOCATION</b>          | \$ 10,000,000  |   |                              |                             | \$ 5,000,000    | \$ 5,000,000   |                       |            |
| <b>PROPERTY TAX DISTRIBUTED PER RFTEs</b>             | \$ 59,100,419  | PER RFTEs =   | \$ 4,791.67                  |                             | \$ 28,582,293   | \$ 30,518,126  |                       |            |
| <b>TOTAL PROPERTY TAX ALLOCATION</b>                  |                |   |                              |                             | \$ 43,582,293   | \$ 45,518,126  | \$ 750,000            | \$ 125,866 |
| <b>Other Revenues</b>                                 |                |   |                              |                             |                 |                |                       |            |
| Mandated Cost   | \$ 1,422,373   |   |                              |                             |                 |                |                       |            |
| EPA   | \$ 1,191,722   |   |                              |                             |                 |                |                       |            |
| Lottery   | \$ 1,716,080   |   |                              |                             |                 |                |                       |            |
| Interest  | \$ 201,032     |   |                              |                             |                 |                |                       |            |
| Other State Income                                    | \$ 3,679,545   |   |                              |                             |                 |                |                       |            |
| Other local income                                    | \$ 591,230     |   |                              |                             |                 |                |                       |            |
| Property Rental                                       | \$ 89,946      |   |                              |                             |                 |                |                       |            |
| State Reimbursed Cost                                 | \$ 187,438     |   |                              |                             |                 |                |                       |            |
| Use of facilities                                     | \$ 184,562     |   |                              |                             |                 |                |                       |            |
| Other Financing Sources                               | \$ 246,114     |   |                              |                             |                 |                |                       |            |
| <b>TOTAL OTHER DISTRIBUTED PER FTES</b>               | \$ 9,510,042   | PER RFTEs =   | \$ 771.04                    |                             | \$ 4,599,270    | \$ 4,910,772   |                       |            |
| <b>TOTAL NON-CAMPUS GENERATED REVENUES ALLOCATED</b>  | \$ 99,486,327  |   |                              |                             | \$ 48,181,563   | \$ 50,428,898  |                       |            |
| <b>LESS:</b>  |                |   |                              |                             |                 |                |                       |            |
| DW EXPENSE  | \$ 12,433,227  | 11.53%  |                              |                             | \$ 6,062,352    | \$ 6,370,690   |                       |            |
| Assessment per FTES                                   |                | PER FTES =  | \$ 975.75                    |                             |                 |                |                       |            |
| DISTRICT SERVICE EXPENSE                              | \$ 15,526,053  | 14.39%  |                              |                             | \$ 7,570,392    | \$ 7,955,430   |                       |            |
| Assessment per FTES                                   |                | PER FTES =  | \$ 1,218.48                  |                             |                 |                |                       |            |
| <b>NET ALLOCATION</b>                                 |                |   |                              |                             | \$ 34,548,820   | \$ 36,102,778  |                       |            |
| <b>REVENUE PER FTES</b>                               |                |   |                              |                             | \$ 5,560.73     | \$ 5,529.60    |                       |            |
| <b>PLUS COLLEGE GENERATED REVENUE</b>                 |                |   |                              |                             |                 |                |                       |            |
| Instructional materials fees                          |                |   |                              |                             | \$ 24,500       | \$ 5,040       |                       |            |
| Enrollment fees intl students                         |                |   |                              |                             | \$ 1,047,318    | \$ 909,526     |                       |            |
| Enrollment fees residents                             |                |   |                              |                             | \$ 2,586,953    | \$ 2,968,601   |                       |            |
| Enrollment fees non residents                         |                |   |                              |                             | \$ 286,634      | \$ 266,641     |                       |            |
| Parking Fees  |                |   |                              |                             | \$ -            | \$ -           |                       |            |
| Other local income                                    |                |   |                              |                             | \$ 148,660      | \$ 83,493      |                       |            |
| B.O.G. (2% Admin Fee)                                 |                |   |                              |                             | \$ 87,877       | \$ 98,099      |                       |            |
| Federal MAA Program                                   |                |   |                              |                             | \$ 4,104        | \$ 6,911       |                       |            |
| Other financing sources                               |                |   |                              |                             | \$ 150,000      | \$ 117,126     |                       |            |
| <b>TOTAL</b>  | \$ 8,791,483   |   |                              |                             | \$ 4,336,046    | \$ 4,455,437   |                       |            |
| <b>TOTAL REVENUE</b>                                  | \$ 108,277,810 |   |                              |                             |                 |                |                       |            |
| <b>NET ALLOCATION + COLLEGE REVENUE</b>               |                |   |                              |                             | \$ 38,884,866   | \$ 40,558,215  | \$ 750,000            | \$ 125,866 |
| <b>REVENUE PER FTES</b>                               |                |   |                              |                             | \$ 6,259        | \$ 6,212       |                       |            |
| <b>LESS EXPENDITURE BUDGET</b>                        |                |   |                              |                             | \$ 38,840,346   | \$ 40,517,673  | \$ 524,801            | \$ 21,464  |
| <b>EXPENDITURE PER FTES</b>                           |                |   |                              |                             | \$ 6,251        | \$ 6,206       |                       |            |
| <b>BALANCE/DEFICIT</b>                                |                |   |                              |                             | \$ 44,519.75    | \$ 40,542.16   | \$ -                  | \$ -       |
| <b>Control Numbers (from Adopted Budget Document)</b> |                |   |                              |                             |                 |                |                       |            |
| Revenues in 3rd qtr. Report                           | \$ 108,277,810 |   |                              |                             |                 |                |                       |            |
| Expenditures in 3rd qtr report                        | \$ 107,863,564 |   |                              |                             |                 |                |                       |            |
| Deficit   | \$ 414,246     |   |                              |                             |                 |                |                       |            |



# Revenue Allocation Model Flow Chart



\*Resident FTES = Rolling 3-year average



## **SAN JOSE-EVERGREEN COMMUNITY COLLEGE DISTRICT**

### **Business Procedures (Budget preparation AP6200 and Fiscal Management AP 6300)**

#### **GENERAL FUND BUDGET**

##### **OVERVIEW**

The San Jose-Evergreen Community College District (SJECCD) has a well-established history of effective financial planning, resulting in long-term fiscal stability. The Board of Trustees' budget principles and financial practices call for careful management of all District financial resources. The overarching goal is to meet the commitments and requirements of the organization with the objective of maximizing the resources allocated to the colleges to achieve student success, and attainment of the Trustees, District, and college goals.

Each year at a February Board of Trustees meeting, a Budget Study Session is conducted. At this Study Session, the Vice Chancellor of Administrative Services provides an overview of the District's financial state of affairs. This overview typically includes the economic forecast, an outlook for the Colleges and District, and a look at current local property tax projections. Each January, the Governor proposes the budget outlook for the following fiscal year, which is also included in this Study Session. Additionally, other local economic factors are evaluated, including local budget trends and needs, employment demographics, status of full-time faculty obligation numbers and the District fund balance in relation to comparable district fund balances throughout the region and the State. A review of District status in relation to the 50% law and other fiscal performance data is also provided. Based on the components of the Budget Study Session, the Chancellor and Vice Chancellor of Administrative Services will provide financial insight and guidance relative to fiscal analyses, trends, and budget issues or opportunities that may be forthcoming. Following this, the Board of Trustees' current principles are discussed and reviewed. This discussion includes an interactive dialogue for consideration of updates, deletions, or additions to these guiding principles.

In a multi college community college district there is a need for formulae and procedures which clearly outline the method used to fairly and impartially allocate funds to the colleges. There must also be a means of funding centralized District Services and to provide for District-wide costs such as utilities, property and liability insurance, etc. The district must assign appropriate levels of responsibility and grant commensurate authority for budget administration with the colleges and District level staff. The Chief Business Officer of the District (Vice Chancellor of Administrative Services) has a key role in preparing and managing the district budget. AP 6300 specifies delegation of authority from the District Chancellor to the Chief Business Officer the overall responsibility for stewardship of District resources. With regards to the external environment, the Chief Business Officer's role is to scan financial, political, economic,

and social horizons and advise the Chancellor and College Presidents of emerging situations with the potential to affect the District's financial condition. (AP 6100)

Within the District's internal environment, the function of the Chief Business Officer is one of support and service. This is consistent with the trend toward maximum decentralization of decision making authority and responsibility to the colleges. This position provides timely and accurate reports to District groups, develops accurate financial projections needed for future decision making, and communicates financial updates in a timely manner to faculty and classified staff at each college. The Chancellor and/or the Chief Business Officer meet with the District Governance Council and any participatory committee referred to by negotiated contract, or upon the request of an employee organization.

Ongoing communications between colleges and District Services is essential in maintaining a viable budgeting system. Recommendations on resource allocation guidelines and procedures are encouraged from staff groups, and information relative to finance procedures and estimates is reviewed with them. Full and open disclosure is essential to the District's budget process. Although California Community College finance is complicated, real understanding of the facts and inter-relationships involved in budget decisions is necessary for successful implementation of an effective budget allocation system.

The budgeting process includes both long-range and short-term planning and provides a linkage to the District's program planning and review efforts and accreditation. The District annually reviews budget decisions in terms of the multi-year budget consequences. Short-term planning is reflected in the annual budget. Fundamental to both long-range and short-range planning is extensive information on all significant phases of operations and costs. The data provide management information to achieve more effective utilization of personnel and financial resources.

## **BUDGET DEVELOPMENT**

### **UNRESTRICTED GENERAL FUND**

All funds discussed in this section are accounted for in the District's Unrestricted General Fund (Fund 10)

#### **Beginning Balance**

A fund's current year beginning balance is defined as the ending fund balance from the prior year. The balance for the Unrestricted General Fund is delineated into the following three categories:



1. Board designated reserves, including a 7% General Fund Reserve per Board Policy 6250 and Administrative Procedure 6305.
2. College and District Services discretionary reserves, which are unspent allocations from the prior year. The amount is calculated as the college's prior year beginning balance plus prior year actual revenue less prior year actual operating expenditures (see Reserves and Deficits, page 10, for more information).
3. Undesignated fund balance.

Adjustments to Beginning Balance: Adjustments to the current year's beginning balance may occur throughout the budget cycle as the result of the prior year's closing activities. These may include, but are not limited to: audit adjustments, grant disallowances, bad debt write offs, and accounts receivable and liability liquidations. Any increase or decrease in the beginning balance occurring after budget adoption will be identified by source and the adjustment will be applied to the appropriate reserve category listed above.

#### **I. Overview of Resources**

The next step in budget development is the computation of projected income by the Chief Business Officer.

##### Unrestricted Revenue to the District

Effective FY 12/13, SJECCD became the 5<sup>th</sup> community college district among the 72 California community college districts to be recognized as a "basic aid" or "community funded" district. *Note: There are currently seven (7) "community funded" districts. Four of those are multi college districts.* As such, the San Jose Evergreen Community College District is funded primarily by local property taxes and no longer receives State general apportionment revenue. The effects of becoming a basic aid district necessitate close monitoring and management of the property tax updates that are received throughout the fiscal year. Due to their reliance on local property tax for support, Basic aid districts face greater exposure to short term fluctuations in this revenue source.

For purposes of budget development and board adoption of the tentative budget prior to July 1, an initial projection of a 3.5% increase of property tax revenue will be made for the budget year as defined by the Board of Trustees adopted budget principle. This initial estimate will subsequently be adjusted based on County Tax Collector updates. Property tax data points usually come in August, November, February, May and June. The Adopted Budget

is updated with the first property tax data point if received prior to the 1<sup>st</sup> Quarter Report deadline.

Separate projections are made for restricted funds (which must be used for specific purposes). There are a number of state funded restricted or "categorical" programs that provide significant financial support for targeted programs. These funds are provided to community funded and apportionment districts.

### **Enrollment Projections**

Even though funding for SJECCD is not based upon FTES as it would be under state apportionment, FTES is the generally accepted measure of service level and remains the primary work load measure used by the California Community College Chancellor's office. Lottery funding, some categorical funding and other state, non-apportionment funding [sources](#) use this measure to allocate dollars to college districts

Enrollment projections are based on an analysis of enrollment history, program plans, etc. The College Presidents provide information, oversight, and review of this process. Productivity ratios and class size goals are cornerstones to this segment of the budgeting system.

Unless otherwise stated, FTES refers to resident credit and non credit FTES for revenue distribution. Non-resident tuition is considered local revenue and each college is responsible for achieving its non-resident FTES target. Nonresident tuition revenue will be monitored throughout the year and adjusted to actual at year end.

The colleges' revenue allocations that are based upon FTES will be determined by using an average of prior three (3) years FTES enrollment. A portion of property tax and other non-apportionment state income will be allocated using FTES as the workload measure.

Income projections rely upon many assumptions about the future which guide the estimates of future income for the district. The possibility of changing economic and political conditions and the necessary tentativeness of the income total must be accepted and understood. Projected income should not be viewed as an absolute.

## **II. Revenue Allocation Model (RAM) Allocation of Projected Revenue**

The District undertook a major review of its Revenue Allocation Model (RAM) beginning in April of 2016. The procedure used to allocate funding to the colleges

had not been reviewed and evaluated since the district became basic aid in 2012/13. What had evolved over time was an expenditure based allocation model that rolled existing and historical expenditures from year to year.

The allocation model review and recommendation process involved the leadership of all constituent groups in the District. The outcome of that review produced a "revenue" based allocation model whereby revenue is allocated to the colleges based upon clearly identified revenue driven elements. The two colleges develop their expenditure budgets within the funding provided. This approach encourages assignment of responsibility and decentralization of authority for developing and managing college financial resources in an effective manner. Budget allocation decisions can be made at the local level in close proximity to where service is provided.

Resource allocation in the San Jose-Evergreen Community College District should adhere to the following principles:

- ❖ The Board of Trustees understands, accepts, and acts on their responsibility to approve and monitor the annual budget while vesting the authority to the Chancellor (or designee) to implement the budget. The budget model must ensure funding of the board defined reserve as a priority and requires the board to take actions as necessary that support the short and long-term fiscal solvency of the District
- ❖ The budgeting process must be transparent in design and implementation to include the district's compliance with the 50% law, the 75/25 ratio for full time and adjunct faculty, the District full time faculty obligation (FON), relevant Education Code provisions and any other required standards established by the state.
- ❖ ~~The revenue allocation model must be perceived as fair~~
- ❖ ~~The revenue allocation model is easily understood~~
- ❖ ~~The revenue allocation model provides the proper performance incentives~~
- ❖ ~~The allocation model will work in good times and bad~~
- ❖ The budget process Acknowledges the interdependence of each entity and the role of the District in supporting the operations of each entity, including compliance with Federal, State and Local regulations, as well as Board Policy, e.g. 50% law, Faculty Obligation Number, 75/25 Guidelines, FTES generation and Ed. Code
- ❖ ~~The revenue allocation model assures financial stability~~
- ❖ Financial information must be transparent, easily accessible and clearly communicated to all constituencies. Respect will be shown for the District and Colleges' participatory governance committees and processes. Information will be shared using a variety of methods and will allow for input from all levels of the colleges, including students.
- ❖ Emphasizes planning first and requires that the District and Colleges define, prioritize and fund their needs based on an integrated process tied to Strategic Planning, Educational and facilities Master Planning and other planning resources

- ❖ **Student Focused**--The success of students is primary with emphasis given to programs and services to support all students and to close achievement gaps
- ❖ **Structurally Balanced**--Resource allocation must take into consideration the programs and services offered by each college. The budget must reflect the alignment of ongoing resources with ongoing expenditures. The allocation model will be adaptable and scalable to the changing federal, state, and local fiscal/regulatory conditions
- ❖ **Data Driven Decision making**--Scenarios will be based on the elements of the model given the best information available at that point in time and should include multiple year projections utilizing reasonable assumptions. The data elements of the model will be widely disseminated and explained. Data informed decisions shall also include District and College impacts
  - ❖ **Evaluation**--The effectiveness of the model will be evaluated annually by the District Budget Committee

The Resource allocation model must:

- Be perceived as fair
- Be easily understood
- Provide the proper performance incentives
- Work in good times and bad
- Assure financial stability

### 1. Allocation of Property Tax Revenue to Colleges

Property tax revenue is the primary source of revenue used to fund general operating costs. Each college receives a "basic allocation". which is designed to provided partial funding for fixed costs associated with operating the colleges. The two colleges in the San Jose-Evergreen Community College District are similarly sized therefore the basic allocation is the same for each. This approach is similar in concept to the SB361 apportionment funding formula.

The base revenues for each college shall be the sum of the following allocations:

- a. **Annual Basic Allocation:** Each college shall receive an annual basic allocation of \$10,000,000 The annual basic allocation may be adjusted each year by % increase in local property tax revenue using the data point at the time of adoption.
- b. **Program/Performance allocation:** To the extent that relative

differences in program cost or performance can be identified, measured and converted to dollar value, when comparing one college to the other, there is \$10M total to be apportioned to recognize these differences. If no difference exists each college would receive equal amount of \$5M each.

- c. **FTES Base Revenue:** The balance of property tax funding for each college shall be allocated based upon resident credit and non credit FTES. The measure is derived from the average resident [credit and non credit](#) FTES served at each college over the past 3 years. It is a rolling average which will incorporate the most recent completed year and will drop off the oldest year.

**2. Other Revenue distributed thru the model. Distributed to colleges on a per-FTES basis. This category includes the following:**

- a. Unrestricted Portion of Lottery
- b. EPA
- c. Interest
- d. Other state income
- a. Mandated Cost reimbursement
- b. Other local income (generated by district as a whole and not college specific)
- c. State reimbursed cost
- d. Use of facilities (District-wide-not college specific)
- e. Property rental-not college specific (with the exception of tenant fees from 40 S. Market which goes to offset staff parking)
- f. Other financing sources

Increase or decrease in revenues from these sources during the budget year will result in budget adjustments

**3. Assessments to Colleges for District Services and District-wide Costs**

On the broadest level, a partnership should exist between the colleges and District Services with the goal of encouraging and supporting collaboration. The colleges have broad oversight of their institutional responsibilities while District Services has District-wide oversight responsibility which includes ensuring compliance with applicable statutes and regulatory requirements.

Decentralized structures support and maintain the philosophy of college autonomy. Colleges have primary authority over educational programs and student services

functions. Each college develops autonomous and individualized processes to meet state and accreditation programmatic standards. Colleges typically have more budgetary responsibility and commensurate authority. While the District allocates funds based on established criteria, the colleges have discretionary authority to distribute these funds, subject to certain District prescribed standards to assure accountability and contribution to District-wide goals and compliance with law and regulation.

In both structures, the purpose and function of District Services is to maintain the integrity of the District budget and to facilitate college operations so that the needs of the colleges are met and stability of each system is assured. District Services has responsibility for providing certain centralized functions, both to provide efficient operations as well as to assist in coordination between District Services and the individual colleges. These services generally include human resources, fiscal and budgetary oversight, procurement, construction and capital outlay, compliance with legal and audit standards and technical support.

Each college will be assessed for its share of centralized District Service costs and District-wide expense based on college FTES (resident and non-resident FTES-three year rolling average).

1. District Services operations: Costs incurred for the operation of centralized services provided by District Services staff including the Chancellor and Governing Board, planning and research, finance, facilities planning and maintenance purchasing, information technology, human resources, facility planning services, marketing, international education, certain finance and accounting functions, internal auditing, payroll, and accounting.
2. District-wide expense: Costs to support those District functions which are most effectively managed on a centralized basis, including utilities, property and liability insurance, legal fees, audit services, board elections, athletic insurance for intercollegiate athletics, information technology hardware maintenance and software license fees.

As an integral part of the budget development process, assessments for District Services and District-wide cost will be reviewed and evaluated annually. Any change in future funding beyond the application of the increase in property tax receipts will be reviewed and evaluated by Chancellor's Cabinet in the spring of each year.

### **Other Centralized Programs**

In addition to the centralized services outlined in the assessment section immediately above, certain programs defined by collective bargaining agreement will

continue to be administered on a centralized basis and will be funded through a per-FTES assessment. These programs include:

1. locally funded staff development;
2. faculty sabbatical leaves;
3. classified and faculty senate expenses, including release time,
4. AFT release time
5. CSEA release time

### 3. College generated revenue

Revenue generated by the college shall remain at the college

- Instructional materials fees
- Nonresident and international student tuition
- parking fees
- B.O.G. Administration fee
- Federal MAA program
- Other college specific revenue

### 4. Allocation of Growth Revenue to Colleges

San Jose-Evergreen Community College District is a "community Funded" District and as such, revenue is not driven by FTES. Growth funding is naturally provided through that portion of the RAM that uses a three year rolling average FTES as a basis for allocation.

FTES Growth Funding: Prospective Growth funding may be provided through a **"Performance Allocation and Innovation Fund"** which can be developed outside of the Revenue Allocation Model.

### 5. Revenue Increase after budget adoption

Property tax revenue updates are received in August, November, February, May and June. If Additional local property tax revenue is received by the District after the budget is adopted in September Chancellor's Cabinet shall determine the disposition of that revenue. It may be distributed through the allocation model as delineated in the revenue parameters above, [used as collective bargaining reserve or used to](#)

[fund special program initiatives proposed by the colleges or District Services.](#)

## **Expenditure Budgets**

### **Colleges**

Subsequent to allocation of revenue, each college develops its budget plan. The location budget plans are then consolidated into the total District budget for Board approval. Thus, budgets submitted to the District do not encounter the typical cutting procedures because they are in balance when submitted. The allocations are stretched to meet as many needs as possible in a process involving participation of faculty and other college staff to ensure (1) the resource requirements for educational and support programs are considered, and (2) priorities are developed consistent with the ACCJC standards.

Colleges are responsible for funding the following programs as part of their budget plans:

1. Custodial and grounds
2. management sabbaticals; non-contractual
3. part time faculty office hours;
4. part time faculty health insurance benefit;
5. department chair reassigned time;
6. faculty substitutes;
7. intercollegiate athletics staffing;
8. vacation pay offs.

Each college is independently responsible for developing an expenditure budget that utilizes the level of funding outlined in the revenue sections above. While budgeting decisions are at the discretion of the college, decision making must be mindful of the following budgetary constraints:



1. Allocating resources to achieve the prescribed level of FTES is a primary objective for all colleges;
2. Requirements of the collective bargaining contracts apply to college level decisions;
3. The State required full-time Faculty Obligation Number (FON) must be maintained. Due to funding implications, care must be exercised to maintain equitable full-time/part-time balance at each college. Full-time faculty numbers, ratios and staffing plans will be monitored on a District-wide basis;
4. In making expenditure decisions, the impact upon the 50% law calculation must be considered and budgeted appropriately
5. Care should be exercised in maintaining the public investment in the physical plant, facilities and grounds of the campuses;
6. In order to promote similar levels of support services at each of the colleges, appropriate levels of classified and management staffing need to be maintained.

#### **District Services**

Development of annual expenditure budgets for District Services and District-wide costs is the responsibility of the Chancellor and District Services staff. Based on projected levels of expenditure for the current fiscal year and taking into account unusual or one-time anomalies, the District Services is responsible for utilizing its assessments to provide centralized services to the colleges that are efficient, cost effective, and responsive to campus needs. The projected increase in local property tax revenue, per the adopted budget, will be incorporated into the development of the new year budget; however, any change beyond this level of funding will require approval by the Chancellor's Cabinet.

#### **District Wide Costs**

These costs such as utilities, bad debt allowance, legal fees, centralized reprographics maintenance, inter fund transfers, ADA project costs, etc. These are considered to be relatively fixed costs that must be paid by the District. There is generally less discretion with regard to payment of these obligations.

#### **Long Term Plans**

##### **Colleges**

Each of the colleges shall maintain a long-term plan for facilities and programs. The Chancellor, in consultation with the Presidents, will evaluate additional funding that may accrue to the colleges beyond what the model provides. The source of this funding will also have to be identified.

### **District Services**

The District Services ~~and District-wide services~~ also may require additional funding to implement new initiatives in support of the colleges or to satisfy legal or mandated cost requirements. The Chancellor will evaluate requests for such funds on a case-by-case basis. The source of this funding will also have to be identified.

### **Reserves and Deficits**

In a Revenue based allocation model, the colleges have greater autonomy but also greater budgetary responsibility and accountability. Colleges and the District Services will be required to maintain a minimum-level contingency reserve of 1% of their ongoing operating expenditure budget.

In order to maintain this level of budget reserve, each college and the District Services will be allowed to retain its current year beginning balance (see Beginning Balance, pages 1-2 above for more detail). The combination of the beginning balance and the current year budgeted revenue represents the total resources available. In using these resources to develop the operating expenditure budget, a minimum of 1% of this ongoing operating expenditure budget must be set aside as a contingency reserve. If unspent by year end, this reserve falls into the year-end balance and is included in the beginning balance for the following year for each entity.

Reserves may be accrued up to 35% of college or District Services operating expenditures. Any reserves over 53% at a single location will require a plan or explanation of the need to exceed 53%. Should reserves exceed 75%, the amount in excess of 75% will be divided with 640% retained by the location and 460% redirected to District-wide reserves.

If a deficit is incurred by a college or the District Services for any given year, the following sequential steps will be implemented:

Step 1 – College/District Services reserves shall be used to cover any deficit generated by that location.

Step 2 - If the college/District Services does not have sufficient reserves to

cover the deficit, then the college/District Services shall pay back any shortfall over three years starting the second year immediately following the deficit year. To the degree District-level reserves are insufficient to cover ~~this~~the deficit, an additional per FTES assessment may be necessary.

Step 3 - There may be circumstances for which a college or the District Services will find itself in a significantly weakened financial position, making full repayment of one or more of the three scheduled payments extremely difficult. The District Chancellor, along with the Chief Business Officer and college Presidents, may consider an application for hardship whereby one or more payments are forgiven. When this occurs, the shortfall would come from District-wide reserves. The draw down against District-wide reserves may require higher assessments in subsequent years to replenish the District-wide reserves.

District-wide reserves represent minimum reserve levels established by the Governing Board per Board Policy 6250.

## **BUDGET CONTROL AND ADMINISTRATION**

### **Budget Control**

Budget control is an instrument for planning because a budget prescribes resources to carry out those plans. This makes it possible to set priorities and maintain control over resources to achieve those priorities. A budget must balance, that is, revenues and other sources equal total expenditures and allocations.

The College Business Officer at each location is responsible for accurate projections which are vital to budget control. The Chief Business Officer is responsible for District-wide oversight and compliance. During the course of the fiscal year, the Chief Business Officer must analyze revenue projections. If updated revenue projections are less than budgeted amounts, recommendations must be developed for resolving the imbalance.

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The primary source of revenue is local property tax. Property tax data points usually come in August, November, February, May and June. The Board, Chancellor and College Presidents will be advised of the status of property tax collections as the year progresses. Other revenue sources will be monitored as well throughout the year.

### **Budget Administration**

To preclude disruptive mid-year reactions to errors in original projections, minimum

reserves of one percent of the operating fund expenditure budget for each college are required (see Reserves and Deficits section above). There is also a reserve or contingency available to the Board to meet unanticipated needs or emergency situations.

Once the funds are allocated to a college, that college administers its expenditure budget for the year and is held responsible for so doing in accordance with business policy, procedure or practice. The allocation system at the college level fixes the budget responsibility at the organizational unit level (division dean, administrator, supervisor, etc.).

Flexibility in making budget transfers within available budget balances is permissible as permitted by business policy, procedure or practice. Overspending is not permitted. All financial transactions, including certain budget transfers, require Board approval, either by ratification or approval in advance for larger items.

#### **Budget Reports**

An account balance report and a detailed expenditures report are available to all organizational units. Reports are available also at summary levels for use by the College Presidents. Finance system information is also available on-line for immediate inquiry as to budget account status and expenditure transactions detail. A detailed quarterly budget report is prepared by District Services Staff and does include detailed revenue and expenditure information.

This system ensures a non-deficit financial operation by establishing a reserve and allocating available money only. Budget balancing and constant monitoring at various levels throughout the year provide proper protection.

### **RESTRICTED GENERAL FUND**

All funds discussed in this section are accounted for in the District's Restricted General Fund (Fund17).

#### **BUDGET DEVELOPMENT AND CONTROL**

In addition to the general principles and practices of budgeting outlined above, categorical funds require specialized budget development and control. These funds originate from a variety of state, federal and private sources. They are allocated to the district and/or the colleges with a wide range of specific requirements and restrictions for program operations and budgeting, periods of expenditure, periodic reporting requirements and financial/program auditing. Depending on the source of

the allocation or grant, the budget year may coincide with the district's fiscal year, or it may require accounting for revenue and expenditures in a different fiscal year period (e.g. federal grants typically use an October 1 to September 30 fiscal year). In some cases, allocations and grants may extend to multiple years and require special oversight. Because these requirements and restrictions are different for each allocation or grant, budget development for these funds is necessarily done on an individualized basis.

### **College Specific Allocations and Grants**

In cases in which the funds come to the district as a specific college allocation or grant, that college will [create the budget and](#) receive the funds [into their financial reports directly](#) and will assume responsibility for:

1. planning the program and developing a budget that meets the requirements of the grantor;
2. managing the program and associated budget for the lifetime of the allocation or grant;
3. identifying and working with the District Services to resolve any issue that might otherwise result in disallowed or questioned costs;
4. preparing accurate interim and final program and financial reports and submitting them to the grantor in a timely manner, as required; and
5. providing staff services to auditors for program and/or financial audits, as required.

In these cases, ~~the~~ District Services oversees and monitors this process and assumes responsibility for:

1. reviewing and certifying program plans and associated budgets prior to submission to the grantor for compatibility with district rules of operation; standards for purchasing; policies and practices for the hiring, compensation and evaluation of grant funded positions;
2. ensuring ongoing compliance of all program and budget requirements during the life of the allocation or grant;
3. identifying and working with the college to resolve any issue that might otherwise result in disallowed or questioned costs, and

4. reviewing and certifying interim and final program and financial reports prior to submission to the grantor.

#### **Non-College Specific Allocations and Grants**

When funding is not college specific, allocation to the colleges will be in the same manner as provided to the District by the grantor, unless there are compelling educational reasons to do otherwise. Certain state categorical allocations have restricted expenditure requirements that determine allocations to colleges. Federal, state, or private grants will be allocated and administered per the grant agreement.

In cases in which non-college specific funding is allocated to the colleges for management, the colleges and the District Services assume responsibilities as outlined in the College Specific section above.

In cases in which funding remains at the District level, the District Services assumes full responsibility for management of the funds as outlined in the College Specific section above.

DRAFT

SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2017~~6~~ PRINCIPLES FOR RESOURCE ALLOCATION and BUDGET DEVELOPMENT

**Preamble**

San Jose/Evergreen Community College District is predominantly, for budgetary purposes, an organization of human resources. The District became a community supported district in 2012/13. As of fiscal year 2012/13 the district is no longer dependent upon the State Apportionment process for its financial support. A district becomes a community funded district when property tax revenues and enrollment fees exceed the total apportionment funding that the State would have provided under the SB 361 statewide funding formula. The San Jose-Evergreen Community College District continues to receive state funding for student services and other categorical programs. Prior to achieving community funding status, the district experienced considerable variations in its revenue from year-to-year, and occasionally within a year, due to the instability of its major funding source, the State of California. Even though the District currently receives more revenue through local property tax receipts than it would receive as an apportionment district. ~~There, there~~ continues to be exposure and funding opportunities ~~to revenue decline or absence of increase due to~~ fluctuations in local property tax collections from year to year. These potential variations in funding pose a challenge to the District's effectiveness in carrying out its mission to provide high quality student education and support services. This continuing challenge necessitates the establishment of a District budgetary philosophy that establishes the core values of this organization.

Therefore, the following priorities are intended to establish those values.

- In developing the district wide budget, every attempt will be made to adhere to the Board of Trustees' top priority of offering the highest level of services to students possible and ensuring student success.
- To accomplish this goal, it will be a high priority of the District Budget committee to work to retain positions; faculty, staff and administrative personnel to the extent that is possible.
- It is further agreed that the District Budget Committee supports honoring all provisions of the collective bargaining agreements with the district's employee units.
- Lastly, the District Budget Committee will be vigilant in their efforts to identify possible areas of savings and those areas available for appropriate budget reductions in times of funding shortfalls: all of these recommendations will be reached in such a manner as to minimize the negative impact on both colleges and their primary missions to our students.

SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2017~~6~~ PRINCIPLES FOR RESOURCE ALLOCATION and BUDGET DEVELOPMENT

**TIMELESS PRINCIPLES**

The District Budget Committee reaffirms the principles adopted in FY 2006/07 as part of the District's Planning and Budgeting process. These principles apply during every budget cycle, irrespective of availability of resources. They are as follows:

1. The policy and governance roles of the Chancellor and the Board of Trustees in approving the allocation and use of district funds are clearly defined and understandable to the district at large, "consistent with Board Policy # 6100, 6200, 6250, 6300, 4000 and associated Administrative Procedures".
2. **Fiscal Stability & Solvency** -- The Board of Trustees understands, accepts, and acts on their responsibility to approve and monitor the annual budget while vesting the authority to the Chancellor (or designee) to implement the budget. The Resource Allocation model must ensure funding of the board-defined reserve as a priority and requires the board to take actions as necessary that supports the short and long-term fiscal solvency of the District. (Board Policy 6200 and Administrative Procedures 6200 and 6250)
3. The budgeting process must be transparent in design and implementation, acknowledging the interdependence of each entity and the role of the District in supporting the operations of each entity. The budgeting process must assure compliance with Federal, State and Local regulations, as well as Board Policy, e.g. the district's compliance with the 50% law, the 75/25 guidelines for full time and adjunct faculty, FON, FTES generation and Education Code and other required standards established by the state.
4. The budgeting process promotes the accomplishment of institutional goals and objectives, utilizing clearly defined metrics to evaluate outcomes whenever possible. There should be flexibility within clearly defined limits in this process to allow for changes and redeployment of funds.
5. Each college president, working within the college's shared governance process, has full authority to propose a college budget to the Chancellor. Each college will ensure that an open and accountable process is developed to include the college Budget/Finance committees as well as other relevant constituencies, incorporating clear guidelines per District Policy and Accreditation Standard 4D.
6. Each entity is responsible for developing and implementing its budget with technical assistance provided by District Services. All entities are accountable for monitoring their budget and operating within the allocations of the current budget. The District Chief Business Officer is responsible for stewardship of district resources (AP 6300) and for reporting to the Chancellor and the Board of Trustees pursuant to Board Policy 6300.

Commented [BS1]: Sub-bullets of #2



SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2017~~6~~ PRINCIPLES FOR RESOURCE ALLOCATION and BUDGET DEVELOPMENT

7. **Communication and Collegiality**-Financial information must be transparent, easily accessible and clearly communicated to all constituencies. Respect will be shown for the participatory governance committees and processes. Information will be shared using a variety of methods and will allow for input from all community stakeholders of the colleges, including students.
8. Resource allocation must support Board Ends Policies and College and District organizational goals and objectives.
9. Any new programs and collective bargaining provisions approved by the Governing Board must be accompanied by adequate funding to the colleges to implement them.
10. **Integrated with Planning** --Emphasizes planning first and requires that the District and Colleges define, prioritize and fund their needs based on an integrated process tied to Strategic Planning, Educational and facilities Master Planning and other planning resources. (see BP 6200)
11. All offices and programs are subject to a program review process. Program reviews shall be used to inform the budgeting process.
12. Those which are not part of the college must be reviewed according to a methodology recommended by the District Budget Committee and approved by the District Planning Council. This review would include board initiatives and all offices and departments.
13. **Student Focused**--The success of students is primary with emphasis given to programs, ~~and~~ services, missions, and visions to support all students and to close achievement gaps.
14. **Structurally Balanced**--Resource allocation must take into consideration the programs and services offered by each college. The budget must reflect the alignment of ongoing resources with ongoing expenditures. The allocation model will be adaptable and scalable to the changing federal, state, and local fiscal/regulatory conditions.
15. **Data Driven Decision making**---The data elements of the Resource Allocation Model will be based on the best information available at point in time, and should include multiple-year projections utilizing reasonable assumptions. The data in the Resource Allocation Model will be validated and subsequently disseminated and explained. Data informed decisions shall also include consideration of "Total Cost of Ownership" implications. Scenarios will be based on the elements of the model given the best information available at that point in time and should include multiple year projections utilizing reasonable assumptions. The data elements of the model will be widely disseminated and explained. Data informed decisions shall also include consideration of "Total Cost of Ownership" implications.
16. **Evaluation**--The effectiveness of the model will be evaluated annually by the District Budget Committee. ~~{Committee Decision: accepted as is.}~~

**Commented [BS2]:** Sub-bullet of #7

**Commented [BS3]:** Combine #11, & #12  
"Those offices and programs, which are not part of the college, must be reviewed according to a methodology, recommended by the District Budget Committee and approved by the District Council. This review would include Board Initiatives and all offices and departments."

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### **STRATEGIES DURING TIMES OF CHALLENGE AND SURPLUSES**

The principles reflected below should be considered when budget reductions or budget surpluses are contemplated within the District. The District is completely dependent upon State and local funding except for international students and relatively small amounts of federal funds, and there is a history in California of large swings in State resource allocations and local property taxes from year to year. To that end we need to address both reductions and increased funding with a strategy that allows for both.

#### **1. Behavioral Strategies:**

- a. Maintain respect for others' opinions.
- b. Avoid favoritism
- c. Minimize "painful" actions.
- d. Plan for expansion in areas that support basic mission and areas of potential growth.

#### **2. Scheduling Principles:**

- a. Pay attention to efficiency measures such as WSCH/FTEF.
- b. Maintain a balanced instructional mix that affirms our primary mission of transfer, vocational and basic skills education.
- c. Avoid cutting classes that are feeder courses for sequences.
- d. Maintain/expand instruction and student services that are most critical to preserving student access, retention and success.
- e. Make scheduling decisions with a long-term view.

#### **3. Administrative Strategies:**

- a. Examine growth goals, using productivity measures, to determine efficiency, and compliance with state mandates.
- b. Review all categorical programs for relationships with the General Fund to ensure that all funds are effectively and equitably used.
- c. Take advantage of vacant positions, retirements and resignations, etc., to capture savings.

SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2017~~6~~ PRINCIPLES FOR RESOURCE ALLOCATION and BUDGET DEVELOPMENT

- d. Review organizational frameworks for short- and long-run savings/ growth; eliminate redundancies.
- e. Suspend rather than eliminate services where possible.
- f. Respect existing workloads and the impact of position vacancies.
- g. As much as possible, minimize expenditures such as travel, conferences, and banquets.
- h. Position the district's services to effectuate a well planned pattern of growth as well as, when necessary, a quick recovery from an economic downturn.
- i. Mitigate construction disruptions and other barriers that negatively impact enrollment.
- j. Proceed carefully on new initiatives and candidly assess their relationship to existing programs.

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**PARKING LOT:**

- (Committee Decision: Remove from this principle document and place in the parking lot) Carryover of unexpended discretionary account budgets is permitted for each college and the District Office (DO), for one year only. Any unexpended funds at the end of the fiscal year must re-circulate through the college budgetary processes to ensure open and transparent decision making; those processes may permit a division/program to carry over unexpended funds for one year. There is to be no continuing pool of unrestricted funds in any budget category at the college level. (Committee Decision: Bring this principle back at a later date as it may qualify as a standard or sub-standard).
  
- (Committee Decision: Remove from this principle document and place in the parking lot) ~~(PARKING)~~ All indirect overhead revenue associated with a grant or categorical program accrues to the college receiving the revenue. No indirect overhead is allocated to the DO unless required by the granting agency, or agreed to with the college.
  
- (Committee Decision: Remove from this principle document and place in the parking lot). ~~(PARKING)~~ All District-wide strategic plans empower each college, through its budgetary processes, to define, prioritize and fund its own needs within guidelines established by those strategic plans.



| Type of issue  | DISTRICT BUDGET COMMITTEE – ALLOCATION MODEL MEETING                                   | Issue Solved by Simulation # 7 | Solved by Simulation # 10 | Solved with procedures ?                 | KEY ISSUE STATEMENTS   |                   |   |  |
|--|--|--------------------------------|---------------------------|--|--|-------------------|---|--|
|  |  |                                |                           |  | Explanation  | Example           | Whats the effect/impact   | How can this be corrected  |
| Practice implemented without forward looking exceptions.   | 1. Position resets – Each time an employment position is vacated, the budget is reset. | Maybe                          | Maybe                     | Maybe                                    | Faculty positions reset to: step/column<br><br>Other staff positions reset to: Step I<br><br>Due CBA substitutes can be hired at 90% of step I | See Tab Example 1 | The budget effectively is reduced in the amount equivalent to the difference between the last salary of employee and the reset amount. Confirm effect on benefits.<br><br>Additionally, after a position is reset, the entity may be required to also come up with additional "new" money to reach a higher step/column for a new hire. In the example a transfer from another entity who came at a higher level due to tenure. | Budget gains from the entity should remain within the entity and be at their discretion to use for other priorities.<br><br>A key issue to consider before adopting a new model is a staffing analysis. If an entity has been understaffed or overstaffed during the past 5 years, then we should account for funding to resolved that, otherwise restructuring the financials will be very difficult and painful.   |
| No metrics or measurement systems or procedures in place   | 2. Metrics don't drive the budget.   |                                |                           |  |  |                   |   |  |
| Need of strategic financial planning to account for cyclicity, economy, and procedures in case of the need to draw more resources. | 3. There are no consequences for overspending on the budget.                           |                                |                           |  | SJCC in FY15-16 overspent its budget, our position is that adjunct faculty cost have not been budgetted properly.                              |                   | Important to note that only primary terms are budgetted, intersession and summer are overload or adjunct deficit which is what SJCC used.<br><br>Additionally, other liabilities have not been fully funded for the past 5 years, i.e. sabbaticals  | Budget instruction for the FTES target with the intention of using all Full-time faculty. The mix between FTF and adjunct, plus proper schedule training will create a level of productivity and savings that would benefit the College.<br><br>With RAM, vacancy savings will remain with the entity, thus any overage should be covered by the College fist and have procedures for eventualities (which should be avoided at all costs) to seek support from other entitites or reserves with the ability to pay back withint the subsequent 3 years. |
|  | a. Not an incentivized based budget. There is no reward for saving money.              |                                |                           |  |  |                   |   |  |
|  | b. How does it/should it work?   |                                |                           |  |  |                   |   | Proceduras to draw and payback.<br>Conditions to request overspent by Q2   |
|  | 4. Fund 10 discretionary carryover – should it include personnel experience?           | Yes                            | Yes                       | Yes if all budget savings can be carried |  |                   |   | Yes.   |

| Type of issue | DISTRICT BUDGET COMMITTEE – ALLOCATION MODEL MEETING   | Issue Solved by Simulation # 7 | Solved by Simulation # 10 | Solved with procedures ? | KEY ISSUE STATEMENTS |         |   |   |
|---------------|--|--------------------------------|---------------------------|--------------------------|----------------------|---------|---|---|
|               |  |                                |                           |                          | Explanation          | Example | Whats the effect/impact   | How can this be corrected   |
|               | 5. There is a lack of linkage between allocation and program review at District Office level.  |                                |                           | Yes                      |                      |         |   | Program review should be validated by the entities receiving the services.  |
|               | a. How should the college program review impact/affect the Resource Allocation Model?  |                                |                           | Yes                      |                      |         |   | Entity specific allocation models should be in place to include all funds based on program review.  |
|               | b. The current model is not informed by College Program Review.  |                                |                           | Yes                      |                      |         |   | in place to include all funds based on program review.  |
|               | 6. Many decisions are made in a vacuum (i.e. – decisions are made in Cabinet)– for example categorical for scheduled maintenance, categorical for student equity, etc. |                                |                           | Yes                      |                      |         |   | Entity specific allocation models should be in place to include all funds based on program review.  |
|               | a. 40/40/20 for State Instructional and Physical Plant   |                                |                           |                          |                      |         | This is a reasonable and agreed split, with the understanding that the 20% is to support DO and DW initiatives. | Clear definition of the purpose of the 20%. Internally the Colleges will include State funds into their discussion to maximize the use of additional resources to satisfy deferred maintenance, provide instructional equipment, etc. |
|               | 7. Inefficiencies create disincentives (internal process issues that affect an individual’s decision to request a change to their budget.)                             |                                |                           |                          |                      |         |   | A reinvention needs to take place. The processes, data, reporting are manual and do not provide the tools for managing funds strategically. We don’t exercise our purchasing power since processes and plans are fragmented.          |
|               | 8. There is a lack of an understanding around District Office / District-wide Allocations:   |                                |                           |                          |                      |         |   |   |
|               | a. What are the specific costs?  |                                |                           |                          |                      |         |   | The is no activity based cost, program cost analysis, or metrics to support service expenses.   |
|               | 9. Competition between SJCC and EVC (more CTE, more FTES, more Custodial, etc.)  |                                |                           |                          |                      |         |   | Program costs are important to understand. Colleges should have a sound operational structure with many similarities; however, each entity should be able to set a vision and approach with autonomy.                                 |
|               | 10. How is money guaranteed to pay for medical benefits and raises?  |                                |                           |                          |                      |         |   |   |
|               | 11. How do we allocation for Adjunct Faculty?  |                                |                           |                          |                      |         |   |   |

| Type of issue | DISTRICT BUDGET COMMITTEE –<br>ALLOCATION MODEL MEETING  | Issue Solved<br>by<br>Simulation<br># 7 | Solved by<br>Simulation<br># 10 | Solved with<br>procedures<br>? | KEY ISSUE STATEMENTS |         |                         |   |
|---------------|--|---|---------------------------------|--------------------------------|----------------------|---------|-------------------------|---|
|               |  |   |                                 |                                | Explanation          | Example | Whats the effect/impact | How can this be corrected   |
|               | 12. There is a constant discussion of differential cost of programs – how does efficiency play-in, or not for all of the cost centers. |   |                                 |                                |                      |         |                         | Program costs are important to understand. Colleges should have a sound operational structure with many similarities; however, each entity should be able to set a vision and approach with autonomy. |
|               | 13. Improvement is needed in terms of integrating across funds   |   |                                 |                                |                      |         |                         |   |
|               | a. Total cost of ownership.  |   |                                 |                                |                      |         |                         | Measure X will require a solid analysis of the total cost of ownership. We should now the impact of adding square footage or space on campus both to staff it and to maintain it properly.            |
|               | b. Bonds, Categoricals, facility rentals.  |   |                                 |                                |                      |         |                         |   |
|               | i. How do these funds interact?  |   |                                 |                                |                      |         |                         |   |
|               | 14. Where do we draw the line for the reserves, and reserves for the reserves, in comparison to what is                                |   |                                 |                                |                      |         |                         |   |
|               | legally required or required by Board approved standards?  |   |                                 |                                |                      |         |                         |   |
|               | 15. Unfunded mandates from the Board of Trustees create difficulty (i.e. soccer).  |   |                                 |                                |                      |         |                         |   |
|               | 16. We fund the Workforce Institute and the Foundation – where do they fall into the model?  |   |                                 |                                |                      |         |                         | Aggressive targets should be placed in Advancement/Development to ensure endowment income funds provide unrestricted funding to operate the Colleges at a higher level.                               |
|               | 17. How do we fund Milpitas?   |   |                                 |                                |                      |         |                         | An allocation from Basic Aid supports the operation of the location.  |
|               | a. Will this be funded via SJCC's allocation, or will it stand alone?  |   |                                 |                                |                      |         |                         | Stand alone operated and accredited by SJCC.  |
|               | 18. If Bond Measure X passes, how does total cost of ownership fit into the current model?   |   |                                 |                                |                      |         |                         | Measure X will require a solid analysis of the total cost of ownership. We should now the impact of adding square footage or space on campus both to staff it and to maintain it properly.            |
|               | 19. Do we adequately meet discretionary needs at the college?  |   |                                 |                                |                      |         |                         | At SJCC the "discretionary" a.k.a. programmatic funding needs based on program review are around \$4.5 M  |

| Type of issue | DISTRICT BUDGET COMMITTEE – ALLOCATION MODEL MEETING   | Issue Solved by Simulation # 7 | Solved by Simulation # 10 | Solved with procedures ? | KEY ISSUE STATEMENTS |         |                         |  |
|---------------|--|--------------------------------|---------------------------|--------------------------|----------------------|---------|-------------------------|--|
|               |  |                                |                           |                          | Explanation          | Example | Whats the effect/impact | How can this be corrected  |
|               | a. How do we meet basic operational needs (light bulbs, toilet paper, etc.) without using discretionary for those needs?                                       |                                |                           |                          |                      |         |                         |  |
|               | b. Essentially, the Committee agrees that discretionary funds should not be used for basic needs.  |                                |                           |                          |                      |         |                         | There should be a clear understanding of what are the costs to operate "lights on" v. discretionary funding that should aim to solve or facilitate new things. |
|               | 20. Deficient construction services from outside contractors require the use of our District Maintenance staff too early after a building is completed.        |                                |                           |                          |                      |         |                         | Measure X planning is critical.<br><br>Accountability system needs to be in place.   |
|               | a. There is not enough accountability on the part of the contractor (related to total cost of ownership).  |                                |                           |                          |                      |         |                         |  |
|               | b. How we bid and manage our construction contracts is key.  |                                |                           |                          |                      |         |                         |  |
|               | 21. Where does the budget for new technology come from if Measure X does not pass?   |                                |                           |                          |                      |         |                         |  |
|               | 22. There is a need to improve long range planning for operations.   |                                |                           |                          |                      |         |                         |  |
|               | a. There are no incentives to be innovative.   |                                |                           |                          |                      |         |                         |  |
|               | 23. How do we assess that we are serving student needs?  |                                |                           |                          |                      |         |                         |  |
|               | a. Committee Guiding Principles.   |                                |                           |                          |                      |         |                         |  |
|               | 24. Perception – the issue of supplementing or supplanting dollars – include consideration for offsetting cost of service – how does the profit get allocated? |                                |                           |                          |                      |         |                         |  |
|               | a. Spending guidelines.  |                                |                           |                          |                      |         |                         |  |
|               | b. How do revenues get weaved in?  |                                |                           |                          |                      |         |                         |  |
|               | 25. Where does the additional State funding go?  |                                |                           |                          |                      |         |                         |  |
|               | a. Develop a clear understanding of EPA, AB104, Adult Ed, etc.   |                                |                           |                          |                      |         |                         |  |



| Type of issue | DISTRICT BUDGET COMMITTEE –<br>ALLOCATION MODEL MEETING  | Issue Solved<br>by<br>Simulation<br># 7 | Solved by<br>Simulation<br># 10 | Solved with<br>procedures<br>? | KEY ISSUE STATEMENTS |         |                         |                           |
|---------------|--|---|---------------------------------|--------------------------------|----------------------|---------|-------------------------|---------------------------|
|               |  |   |                                 |                                | Explanation          | Example | Whats the effect/impact | How can this be corrected |
|               | 26. How do we ensure that the resource for full-time faculty money from the state gets to new FTF positions?       |   |                                 |                                |                      |         |                         |                           |
|               | 27. If we have allocated all of our money, how do we have funds for emergencies?                                   |   |                                 |                                |                      |         |                         |                           |
|               | a. Contingency funds.  |   |                                 |                                |                      |         |                         |                           |
|               | 28. OBJECTIVE: 2016 Principles Replace 2008, and 2011 Principles with formal vote by the District Budget Committee |   |                                 |                                |                      |         |                         |                           |
|               | a. Approved by DBC   |   |                                 |                                |                      |         |                         |                           |
|               | b. Goes to District Council  |   |                                 |                                |                      |         |                         |                           |
|               | c. Then goes to the Board  |   |                                 |                                |                      |         |                         |                           |
|               | d. Academic Senate   |   |                                 |                                |                      |         |                         |                           |
|               | 29. Non-resident international fees – revisit the allocation.  |   |                                 |                                |                      |         |                         |                           |

