Budget Considerations
A Primer for Senate Leaders

adopted fall 2009

2009-10 Budget Paper Editorial Committee

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The Academic Senate for California Community Colleges

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Purpose

This publication is intended to provide a selection of easy to use resources and tools to enhance the effectiveness of a local senate president during ongoing budget conversations. It is not intended to provide a narrative description of budgets and budget process, nor a comprehensive listing of the many arcane rules that govern community college budgets. The scope here has been intentionally limited. Given the great variety in approaches to budgeting across the California Community College System, no document could guide senate leaders through the myriad of ways that local districts approach budgeting. The focus here is on developing an informed approach to looking at a local budget and providing local faculty with the understanding they need to advocate effectively. Narrowly speaking, community college budget development is an annual cycle that produces projected revenue and expenditure figures for the operation of the college in the upcoming year. In this publication we take a broader view of studying, recording, and understanding the financial picture of the district, using a variety of sources and viewpoints. This, often historical, information can then be put to good use in discussing and preparing any given year's annual budget. A valuable additional resource is the Academic Senate's Fall 2001 paper *The Faculty Role in Planning and Budget*, available from the Senate website (*www.asccc.org*).

The Resolution

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Whereas, The local budgeting process is an item of collegial consultation, as defined in Title 5 Regulations, that often leads to local senate involvement in analysis of the local college or district budget;

Whereas, Full understanding of fiscal and accounting practices used in college and district budgets can take many years to acquire;

Whereas, There are several relatively simple indicators that are common to most districts and that can be tracked and compared to statewide data for anomalies; and

Whereas, Many local senate presidents may leave office by the time they have acquired adequate practical budget expertise;

Resolved, That the Academic Senate for California Community Colleges research common district budgetary practices with the goal of producing and disseminating a brief budget primer for new local senate leaders; and

Resolved, That the Academic Senate for California Community Colleges inform the body about ways to access, understand and utilize publicly available budgetary data relevant to their colleges.

Introduction

Understanding budget and other fiscal information is an important part of the job of a local senate president. It's not necessary to be a budget expert—or a mathematician or an accountant—in order to have the level of proficiency required to do your job well. As a non-expert, some understanding of the features of both the state budget and the local budget is vital if you're going to be a successful senate president. A commitment to long-term tracking is probably the single most important idea along with the ability to spot changes and understand history. After a few years it's easy to develop a depth of understanding that enables one to engage in budget discussions with confidence. **Senate leaders need not know all the intricacies of the budget, but must have a sufficient grasp to assert themselves effectively**. Pick a few of the following ideas to start with, and keep track of them and make sure your successor does too—in fact, offer to teach several faculty what you know about the budget. This can also be a fruitful area for collaboration between the senate and the union on tracking, sharing, and interpreting budget data. A brief overview of commonly used terms can be found in Appendix A. The following list of suggestions is in no way intended to be complete. And the main idea is best summed up as:

Choose a few simple financial indicators and keep a long-term record.

What is the Budget?

While the purpose of this document is to encourage you to identify and track elements of your local budget so that you have a general understanding of the history (and planned future) of revenues and expenditures, it is useful to begin with an overview of what the budget is and is not. When discussing "the budget", one is generally referring to the budget document, which can be defined as "A written statement translating the educational plan or programs into costs, usually for one future fiscal year, and estimating income by sources to meet these costs" (Appendix A). It is a document that lists all the anticipated costs associated with running the college or district from salaries to utilities to the associated student body. It is based on the past costs of salaries, benefits, utilities, and more, plus projected increases or decreases to these costs as the evidence for budgeting the current amounts. The planning and budgeting processes are different at each college and district, and the budget documents used are also different. These documents reflect the culture and history of the college or district, as well as the preferred method of reporting used by the chief financial officer. It is recommended that senate presidents learn about the style and preferred method of reporting used locally. For example, some documents use actual dollar amounts while others use a method where the actual dollar amounts are reported and labeled "in thousands," which means $3,432,567 is listed as $3,432. Learning about your local style will help you become comfortable with the budget reports the district and college produce.

The budget is intended to be a best-guess of the costs for opening the college and offering classes for the year, and it is common practice to present the budgeted amount for planned expenses with the actual cost of those expenses from the year or years prior. Unfortunately, more time may be spent determining the budget "guess" for a given year without an actual analysis at the end of a year to determine how and why budgeted amounts differed from actual. The difference between the budgeted amount and the actual amount is key for senate presidents trying to understand the state of the college finances. Examples of various state and district documents with percentages, budgeted amounts, and actual expenditures follow later in the paper.

Sources of Information

It is useful to have both local and state budget information and to be able to compare the two. What follows is a list of useful sources with comments on where to obtain them and what you might use them for in a general way.

Local Data

1) What: District or College Preliminary or Tentative Budget

When: Must be adopted by local Board of Trustees before July 1

Where: Local Board meeting/agenda or ask your finance office for a copy. As it is a public document, it should be readily available.

Use: Because the state budget is not approved until June 30 even in the best of years, the tentative budget is often largely fictional. However, it can be very useful to compare the corresponding numbers from previous years. And remember during public debate that it's all subject to considerable change once the state budget is adopted.

Red Flags:

- Specific budget numbers show changes in excess of 10% compared to last year's actual values. Changes are normally gradual unless there's some specific unusual reason that you can explain.
- The year end actual balance exceeds 15% proposed budget. Colleges are required to have a basic "reserve", but excessive reserves suggest over-budgeting and under-spending. Is the district exhibiting appropriate fiscal caution, or are current student needs being sacrificed for future budgetary comfort? Note that maintaining some reserves is essential—in difficult budget times, the payments expected at the local level may be decreased or delayed. It is not unheard of for colleges to have to borrow money to maintain operations. Adequate reserves can minimize the need to resort to such measures.
- Excessive over-estimates in budget numbers and/or large changes between the budgeted and actual amounts.

2) What: District or College Final Adopted Budget

When: Must be adopted by Board of Trustees by September 15 (or as soon as possible after the late adoption of a state budget)

Where: Local Board meeting/agenda or ask your finance office for a copy.

Use: Comparison with previous years will show trends or unusual changes in revenue or expenditures. Also keep track of changes to the budget that are taken for Board approval throughout the year. Budget changes and transfers to other budget lines must be approved and should be trackable.

Red Flags:

- The budget is a one-page summary with lots of zeros. This suggests that somebody is estimating or guessing more than they should be.
- Changes or large transfers that are not appropriately documented and explained/justified.

3) What: CCFS 311 Annual Community College Financial Status Report

When: Due Date is October 10

Where: Get a copy from your district after they sign and file it with the state; Boards are required to review it and enter it into the minutes. Or download it later from the Chancellor's Office at:

http://www.cccco.edu/SystemOffice/Divisions/FinanceFacilities/FiscalServices/CCFS311PDFFiles/200708CCFS311PDFFiles/tabid/1536/Default.aspx.

Reports from prior years are also available at this site.

Use: This is possibly the best single document for long-term tracking. It does not contain as much local detail as your adopted budget, but it has maintained a much more consistent format over the years, thus allowing for better historical comparisons within your own district and external comparisons with other districts.

Red Flags:

- The document is late or incomplete or difficult to locate. This may suggest difficulties in the district finance office or a desire to hide information.
- There are large unexplained changes between the numbers reported and the budget numbers adopted earlier. This often points to lack of budget control either through undeclared revenue or unanticipated expenses/savings.

4) What: CCFS-311Q Quarterly Financial Status Report

When: Due dates are August 31, November 15, February 15, and May 15 (per Fiscal Services Reporting Calendar, November 14, 2008)

Where: Get a copy from your district after they sign and file it with the state.

Use: Keep track of changes throughout the year. In particular, identify any unanticipated revenue during the year so that you can participate in discussions about how to spend that revenue.

Red Flags:

- There are a large number of new revenue or expenditure items. (Was the original adopted budget poorly prepared or hiding something?)
- There are amounts that are not in proportion to annual figures. (For example six months have gone past since adoption of the budget and you've already spent 80% of the amount projected for instructional salaries.)

5) What: CCFS-320 Apportionment Attendance Report

When: Due dates are January 15 (First Period, "P1"), April 20 (Second Period, "P2"), July 15 (Annual), November 1 (Final Amended)

Where: Submitted electronically by your district but not available to view online. Ask your district for a copy of what was submitted.

Use: Keep track of large scale changes in student enrollment. These data should be readily available in most colleges for enrollment management planning.

Red Flags:

- There is a sudden unplanned or unexplained enrollment drop compared to prior year. Enrollment apportionment is the life blood of the institution and needs to be well planned.

6) What: Annual Audit Report

When: Varies but should be completed within six months of the close of the financial year.

Where: Board agenda or ask the district for a copy.

Use: The annual external audit is required by Education Code. It serves as a warning for major financial or process problems. Check whether the opinion is unqualified (good) or qualified (bad). Did the auditor issue any comments or findings? These should attract immediate attention from the administration and probably from the Accrediting Commission. This public document confirms that what is recorded is actual not that money was spent correctly or that laws were followed.

Red Flags:

- Almost any "finding" or abnormality in the audit process (such as a late audit or one that requires extensive explanation). The normal audit process is low key and conservative. Any official signs of concern from the auditor are unusual and should be investigated and explained.

Statewide Data

1) What: Community College Budget

When: June 30 is the statutory deadline for the Governor to sign the state budget which includes the community college budget. If the state budget is late then so are the many other items that depend on it.

Where: Chancellor's Office website. Currently there is a link called "Budget News" on the main page at: http://www.cccco.edu.

Use: State and community college budgets determine the large scale parameters of the funding your district will receive. Again, the most useful technique is to compare with previous years.

2) What: Community College League of California (CCLC) Budget Summaries

When: Throughout the year

Where: CCLC website. Currently there is a link called "Budget Watch" on the main page at: http://www.ccleague.org.

Use: These regular updates are provided for the use of chief executive officers (CEOs) and trustees but are often in a more easily digestible format than other sources. Check them regularly and compare with previous years to check the budget temperature.

3) What: Faculty Obligation Number (FON) Data

When: September

Where: Chancellor's Office website at: http://www.cccco.edu/SystemOffice/Divisions/FinanceFacilities/FiscalServices/FiscalStandardsInformation/FullTimeFacultyObligation/tabid/341/Default.aspx

Use: The Chancellor's Office issues a selection of memorandums and data tables regarding the district obligation for full-time faculty and the actual number that the district reports. In September, an end of the year report for the previous year and an initial projection of the obligation requirement for the following fall are issued. The final obligation is often updated throughout the year by Board of Governors' actions in the fall and by budget changes throughout the year. But the initial projection should guide district discussions regarding how many faculty should be hired and in place by the following fall in order to comply with the obligation requirement. You can compare your actual figures to your local requirement and to the figures from other districts. Notice that the faculty obligation number is a district—not college—requirement. This is the compliance mechanism related to the 75:25 full/part-time goal even though it does not examine the actual full- to part-time ratio.

4) What: Datamart Staffing Reports

When: Ongoing

Where: Chancellor's Office website at: https://misweb.cccco.edu/mis/onlinestat/staff.cfm

Use: This contains much of the information that used to be printed as the annual Salary and Staffing Report. It allows for comparisons of employee by type and salary statewide and by district. Extended browsing of your own data and that of comparable districts can yield interesting information.

5) What: Fiscal Data Abstract

When: Ongoing

Where: Chancellor's Office website at:http://www.cccco.edu/SystemOffice/Divisions/FinanceFacilities/FiscalServices/FiscalStandardsInformation/FiscalDataAbstract/tabid/340/Default.aspx

Use: This data contains a wealth of information on FTES (full-time equivalent students enrollment measurement), revenue and expenditures and can be obtained in an Excel spreadsheet that allows you to do your own manipulation and comparisons.

Some Specific Examples of How to Use the Information You Track

The following examples are adapted from actual district data and will help you to identify normal and abnormal fiscal behavior. When you track data and see similar patterns in your district, then you can start to ask questions. There may be a perfectly reasonable explanation and, as a senate leader, you need to know the reasons for the behavior.

Total Fund Balance

Restricted (designated/categorical) and unrestricted (undesignated) fund balance figures are taken from the CCFS-311 report.

This number shows a yearly snapshot (like your checking account balance) rather than a pattern. Tracking it for several years will reveal the pattern.

Year	**94**	**95**	**96**	**97**	**98**	**99**	**00**
$ in thousands							
Restricted	6188	6536	9300	7507	7936	5467	14107
Unrestricted	830	1599	1512	4692	7050	10141	4417
Total Fund Balance	7018	8135	10812	12199	14986	15608	18524

In this example, the total fund balance has grown steadily and significantly over a seven-year period. Like your checkbook balance would indicate, the district has a large balance with funds available that have not been spent. The district appears to be accumulating funds. Both the union and the senate successfully argued to the Board that while this might be an appropriate pattern of behavior for a profit-driven entity, it was completely inappropriate for a non-profit educational institution. The funds should be spent on the current students and the educational mission of the college, as described in the educational master plan not saved for posterity. Boards often do not examine such patterns because they are only presented with the annual snapshot of one report at a time. That's why it is important for you to keep track of them and look for patterns. Another feature worth exploring in numbers like these would be the reason for the large swings between restricted and unrestricted funds.

Budget to Actual

This simple calculation shows you whether the district is doing a good job with its financial projections. Does the budget (at the beginning of the year) match the reality of the actual numbers (at the end of the year)? It should be kept in mind that the budget is a projection and should always be compared to what actually happened. You can apply this idea in a variety of different ways.

Perhaps the simplest way is to examine the total district budget by using just two numbers each year, taken from the cover page of the CCFS-311 on the line labeled Net Increase/(Decrease) in Fund Balance. In a business environment this would be labeled Profit/(Loss).

Year	05-06	06-07	07-08	08-09
Budget Value	-$500,201	-$450,324	-$236,778	-$712,533
Actual Value	$105,132	$450,337	$872,445	$962,338
Actual Value—Budget Value	$605,333	$900,661	$1,109,223	$1,674,871

The first two rows of the above table show these two numbers for each of four years. You can already see the fairly common pattern that every year this district projected a loss (shown by the negative numbers in the first row) but in fact made a profit (shown by the positive numbers in the second row).

By including the third row of the table, which subtracts the first two rows, you get an automatic measure of the size of the district's error in their total budget projection. In this example it has grown considerably in the four years from $605,333 to $1,674,871. The larger the number in the third row, the greater is the district's projection error.

Notice in recording this data from any given CCSF-311 form you will get budget and actual figures for two different years.

At the next level, you can break down the figures into specific subcategories by, for example, object code. This lets you examine more detail, but sometimes fund transfers will obscure important larger scale budget patterns (hence the reason for doing the total budget first).

Figures in the following example are taken from district budget documents. Note that the object codes indicated in the next two tables are local codes.

Object Code - category	**05-06 Budget**	**05-06 Actual**
14—Hourly Admin, counselors, librarians	$541,196	$483,955
23—Classified Hourly—non-instructional	$878,064	$710,730
24—Classified Hourly—instructional aides	$676,759	$542,101
43—Supplies	$2,006,358	$869,264
5x—Rents, utilities, & other operational	$5,033,711	$3,786,911

Many Boards examine only the budget, with intense public hearings, and then never return to consider the actual performance a year later before creating the subsequent budget. It is vital for the budget to be accurate and believable for one year and explainable over time. The first three rows of the above example show moderately over-budgeted categories, but the last two rows show significant over-budgeting.

The final level of sophistication is to track both the total budget and subcategories over a period of several years. The next chart shows this same object code information tracked for four years, for comparison and identification of routine over-budgeting.

Object Code - category	05-06 Budget	05-06 Actual	06-07 Budget	06-07 Actual	07-08 Budget	07-08 Actual	08-09 Budget
14—Hourly Admin, counselors, librarians	$541,196	$483,955	$528,129	$350,330	$603,988	$462,019	$561,572
23—Classified Hourly—non-instructional	$878,064	$710,730	$805,339	$659,133	$891,096	$761,308	$989,288
24—Classified Hourly—instructional aides	$676,759	$542,101	$667,334	$539,338	$665,417	$560,914	$597,535
43—Supplies	$2,006,358	$869,264	$1,504,141	$762,343	$1,778,244	$1,097,540	$1,311,983
5x—Rents, utilities, & other operational	$5,033,711	$3,786,911	$4,616,830	$3,735,734	$6,620,717	$3,772,311	$4,821,685

The last row is a good example of problematic budgeting. In every year, the actual amount spent is considerably less than the budgeted amount. And further, there appears to be no link between the prior year actual and the amount projected for the next year. For example, the actual amount spent on rent, utilities, and other operational needs was $3,735,734 in 06-07, but the budgeted amount for the same expenses in 07-08 was $6,620,717. Why would a college or district budget nearly twice as much in that category? What factors might legitimately cause those expenses to increase significantly? What else might be happening in the budget process? The actual amounts spent on this category are fairly consistent during this time frame yet the budgeted amounts vary greatly.

50% Compliance

The details are complicated—you probably can't verify the accuracy of specific numbers without a forensic accountant. However, you can compare your own performance from year to year, and compare with other districts or statewide performance. Districts traditionally hover close to 50%, particularly small districts. It's unusual to see large changes in this percentage. An increase or decrease greater in this percentage that is greater than 1, as shown in the district numbers below, is note worthy. Figures in this table are taken from the CCFS-311 report.

Year	**97**	**98**	**99**
District	53.97%	51.04%	51.09%
State Average	52.94%	52.89%	52.15%
Rank in State	15	54	50

Behavior during budget reductions can be interesting. In this example, tracking 50% compliance during a period of budget cuts, both local and state values for the 50% law have declined over a three-year period. But the rank in the state shows a sharp change for the worse for this specific district. This situation becomes particularly interesting during times of cutbacks when the argument is usually made that "we are cutting as far from the classroom as we possibly can." If that were true, then you should not see the pattern in this example. You would expect the 50% ratio figure to rise rather than fall as non-classroom expenditures are cut. Numbers like these should raise questions about whether the district made the best choices for reductions.

More on 50% and 75:25

The 50% law and 75/25 regulations are two common areas of faculty interest. Here we briefly summarize their important points.

50% Law

The 50% law is contained in both Education Code and Title 5 Regulation—meaning that to change it would require action by the Legislature. Education Code §84362d states:

> There shall be expended during each fiscal year for payment of salaries of classroom instructors by a community college district, 50 percent of the district's current expense of **education**.

Both the Education Code and the related Title 5 §59200 et seq. provide a large number of complicated details and conditions. Determining whether a particular expenditure is correctly assigned and therefore whether it should count in either the numerator or the denominator of the calculation is beyond the ability and interest of most faculty. But what is easy and important is to keep track of the behavior and question any sudden, unexplained changes or any disturbing long-term patterns.

75:25 Regulations

Unlike the 50% law, the details of the 75:25 regulations are only in Title 5, although the 75% figure did appear in 1988's Assembly Bill (AB) 1725 legislation. Education Code §87482.7 required the Board of Governors to

> adopt regulations that establish minimum standards regarding the hours of credit instruction that shall be taught by full-time instructors.

Title 5 §51025 then established a 75% goal for the percentage of credit instruction delivered by full-time faculty. However, the enforcement mechanism in the shape of the annual district Faculty Obligation Number (FON) does not examine the actual percentage of credit classes taught by full-time instructors and has failed to move the California Community College System towards the 75% goal. As mentioned above, the FON is calculated each year by the Chancellor's Office and increases approximately in step with apportionment growth, but the details are complex. A preliminary estimate is provided at least once a year and is updated throughout the year. Current and historical details are available on the Chancellor's Office website at: *http://www.cccco.edu/SystemOffice/Divisions/FinanceFacilities/FiscalServices/FiscalStandardsInformation/FullTimeFacultyObligation/tabid/341/Default.aspx.*

Several additional Academic Senate articles on specific nuances of the formula and on the fundamental benefits to students are contained in a series of Senate *Rostrum* articles in March 2004, May 2006, and September 2008 (available at *http://www.asccc.org/publications*).

As with the 50% law, specific questions on the allocation of portions of a particular instructor's load (for example the treatment of reassigned time and full-time faculty overload) is arcane. But as a senate leader you should once again track and observe. Is the district making any noticeable progress towards the 75 % goal and is it even a district goal? In times of budget windfalls (such as equalization) what happened to the numbers? What happens in times of budget cutbacks?

Other Possibilities

If you want to get a little more elaborate you can create larger spreadsheets. There are two examples in Appendix B and C. The first in Appendix B tracks salary expenditures broken down by categories and would allow comparisons to be made among the categories. It shows two years of actual expenditures and the proposed budget for the following year. Interestingly, in this example the total salary expenditure is an increasing percentage of the total expenditure in all staffing categories (reading along a row). Correspondingly, this means (in the second to last row) that the operating expenditures are decreasing from 20% to 14% of the total. That is a trend that can't continue indefinitely and should prompt immediate discussions. Operating expenses are often the only place where colleges and districts have flexibility in their budgets, and a decreasing amount here could mean trouble ahead.

And, finally, Appendix C is an example of a spreadsheet that tracks all funds and allows you to see changes and transfers between them over a several year period and how specific funds may go in and out of active use. This type of document is more difficult to maintain because even using the CCFS 311 form, the category definitions and fund names may change over time. This particular example is also being used to keep track of historical changes in fund names, state fund numbers and district fund numbers. It also includes projected values for the upcoming year. Commonly, the general fund is by far the largest, and may be all that you routinely observe. But it's always worth asking for data on other funds, if only to show that you know they exist. It may be that a particular activity that interests you is tracked in a separate special fund—for example Partnership for Excellence in the past, and currently the Basic Skills Initiative. Again, the main purpose is just to have an ongoing record where you can observe changes and ask for explanations of them. (Note: In this example the years are listed with the most current year on the left. This may be a format used in your district.)

Want to Explore Further?

So if this has inspired you to want to become your local budget guru, here are a few additional activities and resources. With time you might experience the satisfying reaction achieved by one of the authors during a budget discussion at their board, where a trustee suddenly said out loud "you mean ____'s been right all these years?"

1. Attend the Academic Senate's annual Leadership Institute and especially the workshops on budget.

2. Attend one of the annual Chancellor's Office Statewide Budget Information Workshops—usually held in a couple of locations during the late summer. Get a copy of the binder prepared by the Fiscal Services Unit. The workshops are announced by a link at:http://www.cccco.edu/SystemOffice/Divisions/FinanceFacilities/FiscalServices/tabid/318/Default.aspx.

3. Attend a statewide or regional budget workshop sponsored by your collective bargaining agent. You won't necessarily hear the same priorities as you would at a senate meeting but you'll gain an interesting additional and related perspective on the budget from other faculty experts.

4. Read the Chancellor's Office Budget and Accounting Manual, and the Student Attendance Accounting Manual, and pour over the fiscal data abstracts—all available on their website at http://www.cccco.edu/SystemOffice/Divisions/FinanceFacilities/FiscalServices/ManualsPublications/tabid/331/Default.aspx.

5. To follow each year's state budget saga as it unfolds, read the budget updates released by the Chancellor's Office and by the Community College League of California (CCLC) available at: *http://www.cccco.edu* (click the link for "Budget News") *http://www.ccleague.org* (under "Budget Watch")

In normal years, the Governor's budget is released in January and the major revision is issued in May.

6. Establish a good, ongoing working relationship with your district or college finance officer so that it's easy to get quick answers to small detail questions, avoid unnecessary panic and confrontation, and concentrate on analyzing the larger picture.

7. If you need additional help with budget questions, contact the Academic Senate office.

Appendix A: An Annotated Glossary of Budget Related Terms

Many of the following items are taken, with much thanks, from the Community College League of California *Introduction to Fiscal Responsibilities—A Resource for Governing Boards*. Some additional items were selected from the CCC *Budget and Accounting Manual* and the Legislative Analyst's Office website.

This collection is well worth study since in places it contains significant comments and explanations rather than just definitions. It contains generic accounting items as well as community college specific language. Familiarity will ensure that you are speaking the same language as the budget professionals in your district and allow you to correctly phrase your questions.

Academic employee. A district employee who is required to meet minimum academic standards as a condition of employment. Note that this could be an academic administrator—see Educational Administrator.

Account code. A sequence of numbers and/or letters assigned to ledger accounts to classify transactions by fund, object, activity, etc.

Accounts Payable. Accounts due and owing to persons, business firms, governmental units or others for goods and services not yet paid.

Accounts Receivable. Amounts due and owing from persons, business firms, governmental units or others for goods and services provided, but not yet collected.

Accrual Basis. The method of accounting that calls for recognizing revenue/gains and expenses/losses in the accounting period in which the transactions occur regardless of the timing of the related cash flows. (Contrast with cash basis.)

Activity. A set of institutional functions or operations related to an academic discipline or a grouping of services.

Actuarial basis. A basis used in computing the amount of contributions to be made periodically to a fund or account so that the total contributions plus the compounded earnings will equal the required payments to be made out of the fund.

Administrator. For the purpose of Education Code §84362, "Administrator" means any employee in a position having significant responsibilities for formulating district policies or administering district programs. Note that there are academic and classified administrators/managers.

Allocation. Division or distribution of resources according to a predetermined plan.

Annual Appropriation Limit (Gann Limit). In California, all governmental jurisdictions, including community college districts, must compute an annual appropriation limit based on the amount in prior years adjusted for changes in population, cost-of-living, and other factors, if applicable (Article XIII-B of the *State Constitution*). Calculated on CCSF 311 report.

Apportionment. Federal, state or local monies distributed to college districts or other governmental units according to legislative and regulatory formulas.

Apportionment—Advance In July (or whenever a budget is enacted), California Department of Education and the Chancellor's Office determine monthly allocations to districts from July through January based on the "advance." The advance is based on prior–year funding levels adjusted by the estimated statewide change in K–12 average daily attendance (ADA)/California Community Colleges (CCC) enrollment growth, any applicable Cost Of living Adjustment (COLA), local property tax estimates, and CCC fee revenue estimates.

Apportionment—First Principal (P-1) In February, CDE and the Chancellor's Office use actual ADA and enrollment information from the fall, as well as revised property tax estimates, to recalculate monthly payments for each district. These revised estimates, known as the "first principal apportionment" (or P–1), are used to make payments from February through May.

Apportionment—Second Principal (P-2) The "second principal apportionment" (or P–2) uses revised attendance/enrollment information up to April 15 and is used for the June payment for each district.

Assessed Value. The value of land, homes or businesses set by the county assessor for property tax purposes. Assessed value is either the appraised value of any newly built or purchased property or the value on March 1, 1975 of continuously owned property, plus an annual increase. This increase is tied to the California Consumer Price Index but may not exceed 2%per year.

Assessment Districts. A geographical area—much like a school, water or college district—created by residents to pay for special projects, such as capital improvement programs.

Asset Management. Managing assets, such as excess district property or facilities, to reduce costs or generate revenue. Common examples are golf driving ranges and leased property for private development.

Attendance Accounting. Apportionment is based on student attendance accounting mechanisms which can be calculated in a variety of ways, including Weekly Student Contact Hours, Daily Student Contact Hours and Actual Hours of Attendance (Positive Attendance). More details can be found in the Chancellor's Office Student Attendance Accounting Manual.

Audit. An examination of financial statements and related documents, records, and accounts for the purpose of determining the propriety of transactions, whether transactions are recorded properly and whether statements drawn from accounts reflect an accurate picture of financial operations and financial status. Audits may also include reviews of compliance with applicable laws and regulations, economy and efficiency of operations and effectiveness in achieving program results. The general focus of the annual audit conducted on the district is usually on financial statements and compliance with certain regulations.

Audit Report. The report prepared by an external or independent auditor. As a rule, the report includes: a) a statement of the scope of the audit; b) explanatory comments (if any) concerning exceptions by the auditor as to application of generally accepted auditing standards; c) opinions; d) explanatory comments (if any) concerning verification procedures; e) financial statements and schedules; and f) statistical tables, supplementary comments, and recommendations.

Auditor's Opinion. A statement signed by an external or independent auditor which states that she or he has examined the financial statements of the entity in accordance with generally accepted auditing standards (with exceptions, if any) and expresses an opinion on the financial position and results of operations of some or all of the constituent funds and balanced account groups.

Auxiliary Operations. Service activities of the college, the finances of which must be accounted for separately. Food service, bookstores, dormitories, and certain types of foundations are examples of auxiliary operations. These will appear as separate funds (rather than the general fund) in budget documents.

Average Daily Attendance (ADA). The student workload unit formerly used as the basis for computation of State support for California community colleges. An ADA represents 525 class (contact) hours of student instruction/activity. The term ADA has been replaced by Full-time Equivalent Students (FTES). For details on ADA or FTES, see the Chancellor's Office *Student Attendance Accounting Manual* and form CCFS-320.

Backfill. Funds allocated by the Legislature to make up for revenues (e.g. student fees, property taxes) that were projected but not received in a fiscal year. There have been many unsuccessful attempts to ensure that community colleges receive the same automatic property tax backfill as K-12.

Balance Sheet. A basic financial statement that shows assets, liabilities, and equity of an entity as of a specific date, in accordance with GAAP.

Base Year. A year to which comparisons are made when projecting a specific condition.

Basic Aid Districts. There are a few districts in which the property tax revenues generated in the district are equal to or greater than the state allocation amount generated through the state apportionment formula. They receive the amount of the revenue generated from local property tax and fee revenues, and are known as "basic aid districts." In 2007-2008, Marin, MiraCosta, and South Orange County fell into this category. See Title 5 §58770(a)(2). This sometimes exempts such districts from other Title 5 provisions or penalties.

Block Grant. A fixed sum of money, not linked to enrollment measures, provided to a college district by the state. Now a component of the new Senate Bill (SB) 361 budget formula.

Bonds. Investment securities (encumbrances) sold by a district through a financial firm for the purpose of raising funds for various capital expenditures. A written promise to pay a specified sum of money, called the face value, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Bonded Debt Limit. The maximum amount of bonded debt for which a community college may legally obligate itself. The total amount of bonds issued cannot exceed a stipulated percent of the assessed valuation of the district.

Budget Document. A written statement translating the educational plan or programs into costs, usually for one future fiscal year, and estimating income by sources to meet these costs.

Budget Act. The legislative vehicle for the State's appropriations. The California Constitution requires that it be passed by a two-thirds vote of each house and sent to the Governor by June 15 each year. The Governor may reduce or delete, but not increase, individual items.

Budget Change Proposals (BCPs). Documents developed by the Chancellor and provided to the Governor to request changes and increases in the amount of money the state provides to community colleges.

Cap (Growth Revenue Cap/Enrollment Cap). Title 5 prescribes the calculation of an annual growth revenue cap based on an assortment of state and local factors. Essentially this produces the maximum enrollment for which a district will receive apportionment funding. Districts may choose to enroll additional students (overcap) but are not guaranteed funding for them.

Capital Outlay. The acquisition of or additions to fixed assets, including land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or equipment.

Cash. An asset account reflecting currency, checks, money orders, bank deposits, and banker's drafts either on hand or on deposit with an official or agent designated as custodian of cash. Any restrictions or limitations as to the use of cash must be indicated.

Cash Basis. Method of accounting in which income and expenditures are recorded only when cash is actually received or disbursed.

Categorical Funds. Also called restricted funds, these are monies that can only be spent for the designated purpose. Examples: funding to serve students with disabilities (DSPS) or the economically disadvantaged, low-income (EOPS), scheduled maintenance, and instructional equipment. They are often exempt from certain requirements, for example, the Basic Skills Initiative funds are exempt from the 50% law calculations.

CCFS. The form number/name/acronym of a variety of financial status reports in the California Community College System—such as 311 for annual financial report, 311Q for quarterly reports and 320 for enrollment.

CDE. California Department of Education.

Census and Census Week. The number of students enrolled in a full semester course on the Monday of census week, which is the third week of a full semester or 20% of the course. Apportionment funding is based on enrollment at census week rather than beginning or ending enrollment.

Certificates of Participation (COPs). Certificates of Participation are used to finance the lease/purchase of capital projects. Essentially, they are the issuance of shares in the lease for a specified term.

Compensated Absences. Absences, such as vacation, illness and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, post-retirement benefits, deferred compensation or other long-term fringe benefits, such as group insurance and long-term disability pay.

Consumer Price Index (CPI). A measure of the cost of living compiled by the United States Bureau of Labor Statistics. These indices of inflation are calculated regularly for the United States, California, some regions within California, and selected cities. The CPI is one of several measures of economic stability or change.

Contingencies Fund (also Undistributed Reserve). That portion of the current fiscal year's budget not appropriated for any specific purpose and held subject to transfer to other specific appropriations as needed during the fiscal year.

Cost of Living Adjustments (COLA). An increase in funding for revenue limits or categorical programs tied to increases in the cost of living. Current law ties COLAs to indices of inflation, although different amounts may be appropriated by the Legislature.

Current Expense of Education. A term used to refer to the unrestricted general fund expenditures of a community college district in Objects of Expenditure 1000 through 5000, and 6400 for activity codes 0100 through 6700. Excluded from the current expense of education are expenditures for student transportation, food services, community services, lease agreements for plant and equipment, and other costs specified in law and regulations. Amounts expended from state lottery proceeds are also excluded. (Education Code §84362, Title 5 California Code of Regulations §59200 et seq. This is used in the calculations for the 50% law.

Deficit. The excess of liabilities over assets or the excess of expenditures or expenses over revenues during an accounting period.

Deficit Factor. One common method for reducing funding allocations to districts in times of budgetary shortfalls or reductions is known as a deficit factor whereby each district receives only a percentage of the originally allocated funds.

Designated Income. Income received for a specific purpose.

Disabled Student Programs and Services (DSPS). Categorical or restricted funds designated to provide services that integrate disabled students into the general college program.

Education Code. The body of law that regulates education in California. Other laws that affect colleges are found in the Government Code, Public Contracts Code, Penal Code and others. Available online at http://www.leginfo.ca.gov/calaw.html.

Employee Benefits. Amounts paid by an employer on behalf of employees. Examples are group health or life insurance payments, contributions to employee retirement, district share of O.A.S.D.I. (Social Security) taxes, and worker's compensation payments. These amounts are over and above the gross salary. While not paid directly to employees, they are a part of the total cost of employees.

Educational Administrator. Education Code §87002 and California Code of Regulations §53402(c) define "educational administrator" as an administrator who is employed in an academic position designated by the governing board of the district as having direct responsibility for supervising the operation of or formulating policy regarding the instructional or student services program of the college or district. Educational administrators include, but are not limited to, chancellors, presidents, and other supervisory or management employees designated by the governing board as educational administrators.

Educational Master Plan. Title 5 §§55402-55404 require that each community college district submit an educational master plan for each college and the districts as a whole. The plan addresses the educational objectives and future plans for transfer, occupational, continuing education, and developmental programs. It includes enrollment projections and related needs for ancillary services.

Encumbered Funds. Obligations in the form of purchase orders, contracts, salaries, and other commitments for which part of an appropriation is reserved.

Ending Balance. A sum of money available in the district's account at year end after subtracting accounts payable from accounts receivable or the difference between assets and liabilities at the end of the year.

Enrollment Cap. A limit on the number of students (FTES) for which the state will provide funding.

Enrollment Fee. Charges to resident students for instructional costs; established in the annual Budget Act as a dollar per unit figure.

Enterprise Funds. Used to account for operations when the governing board has decided either that the total cost of providing goods and services on a continuing basis is financed or recovered primarily through user charges; or that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples include bookstore and food services funds.

Equalization. Funds allocated by the Legislature to raise districts with lower revenues toward the statewide average. Most recently addressed in SB 361.

Equipment. Tangible property with a purchase price of at least $200 and a useful life of more than one year, other than land or buildings and improvements thereon. (See the Budget and Accounting Manual for current dollar limits).

Estimated Income. Expected receipt or accruals of monies from revenue or non-revenue sources (abatements, loan receipts) during a given period.

Expenditures. Amounts disbursed for all purposes. Accounts kept on an accrual basis include all charges whether paid or not. Accounts kept on a cash basis include only actual cash disbursements.

Expense of Education. This includes all General Fund expenditures, restricted and unrestricted, for all objects of expenditure 1000 through 5000 and all expenditures of activity from 0100 through 6700.

Extended Opportunity Programs and Services (EOPS). Categorical funds designated for supplemental services for disadvantaged students.

Faculty Obligation Number (FON) The annual figure provided to each district by the Chancellor's Office for the number of full-time credit faculty positions required to comply with "75:25" goals.

FCMAT. Fiscal Crisis and Management Assistance Team, a non-profit organization that provides fiscal advice, management assistance, training and other related educational business services.

Fee. A charge to students for services related to their education. The System Office annually publishes a list of mandated, authorized and prohibited fees.

Fidelity Bond. A written promise to indemnify an employer for losses arising from theft, defalcation, or misappropriation of moneys by government officers and employees.

Fifty-Percent Law. (50 % Law). The "50 Percent Law", as defined in Education Code §84362 and California Code of Regulations §59200 et seq., requires California Community College districts to spend each fiscal year 50% of the current expense of education for payment of salaries of classroom instructors. The intent of the statute is to limit class size and contain the relative growth of administrative and noninstructional costs. The *Annual Financial and Budget Report* (CCFS-311) includes actual data on the district's current expense of education and compliance with the 50% Law.

Final Budget. The district budget that is approved by the board in September, after the state allocation is determined.

Fiscal Year. Twelve calendar months; for governmental agencies in California, it begins July 1 and ends June 30. Some special projects have a fiscal year beginning October 1 and ending September 30, which is consistent with the federal government's fiscal year.

Foundation. A separate entity created by the districts as an auxiliary organization or 501(c)3 to receive, raise and manage funds from private sources.

Fixed Assets. Long-lived tangible assets having continuing value such as land, buildings, machinery, furniture, and equipment.

Fixed Costs. Costs of providing goods and services that do not vary proportionately to enrollment or to the volume of goods or services provided (e.g., insurance and contributions to retirement systems).

Full-Time Equivalent (FTE) Employees. Ratio of the hours worked based upon the standard work hours of one full-time employee. For example, classified employees may have a standard work load of 40 hours per week, if several classified employees worked 380 hours in one week, the FTE conversion would be 380/40 or 9.5 FTE. FTEF may be used to refer to faculty positions.

Full-Time Equivalent Students (FTES). An FTES represents 525 class (contact) hours of student instruction/ activity in credit and noncredit courses, generally 15 semester credit hours. Full-time equivalent student (FTES) is the workload measure used to compute state funding for California community colleges.

Fund. An independent fiscal and accounting entity with a self-balanced set of accounts for recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein.

Fund Balance. The difference between assets and liabilities in a fund.

GAAP (Generally Accepted Accounting Principles) and GAAS (Generally Accepted Audit Standards). Uniform minimum standards and guidelines for financial accounting and reporting.

Gann Limitation. A ceiling on each year's appropriations supported by tax dollars. The limit applies to all governmental entities, including school districts. The base year was 1978-79. The amount is adjusted each year, based on a price index and the growth of the student population.

General Fund. The fund used to account for the ordinary operations of the district. It is available for any legally authorized purpose not specified for payment by other funds.

General Obligation Bonds (GO Bonds). Debt instruments issued by districts (or other state or local public governmental bodies) to raise funds for public works and capital expenditures. These bonds are backed by the taxing and borrowing power of the entity that issues them.

General Reserve. An account to record the reserve budgeted to provide operating cash in the succeeding fiscal year until taxes and state funds become available.

Governmental accounting. The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of a governmental entity.

Governmental Accounting Standards Board (GASB). The national authoritative accounting and financial reporting standard-setting body for governmental entities.

Governor's Budget. The Governor proposes a budget for the state each January, which is revised in May (the May Revise) in accordance with updated revenue projections.

Grants. Contributions or gifts of cash or other assets from a government or private organization to be used for a specified purpose, activity or facility.

Headcount. Represents an unduplicated count of students enrolled in at least one credit course.

Indirect Expenses or Costs. The elements of cost necessary in the production of a good or service that are not directly traceable to the product or service. Usually these costs relate to expenditures that are not an integral part **of the** finished product or service, such as rent, heat, light, supplies, management and supervision.

Inflation Factor. An increase in apportionment provided by the state to reflect the increased cost of operation due to inflation.

Interfund Transfers. Money that is taken from one fund and added to another fund without an expectation of repayment.

Internal Audit. Continuous or periodic examinations by employees to check and determine whether acceptable policies and procedures are followed, established standards are met, resources are used efficiently and economically, accounting and reporting procedures are reliable, and the organization's objectives are being achieved.

Internal Control Structure. An organization plan in which employees' duties are arranged and records and procedures are designated to provide a self-checking system, thereby enhancing accounting control over assets, liabilities, income, and expenditures. Under such a system the employees' work is subdivided so that no one employee performs a complete cycle of operations.

Invoice. An itemized statement of charges from the vendor to the purchaser for merchandise sold or services rendered.

Lease Revenue Bonds. Bonds secured by a lease agreement and rental payments. Community colleges use lease revenue bonds to finance construction or purchase of facilities.

Levy. The imposition of taxes, special assessments, or service charges for the support of governmental activities; the total amount of taxes, special assessments, or service charges imposed by a governmental unit.

Long-term debt. A loan that extends for more than one year from the beginning of the fiscal year.

Lottery Funds. The share of income from the State Lottery, which has added about 1-3% to community college funding. A minimum of 34% of state lottery revenues must be used for "education of pupils."

Mandated Costs. Expenditures that occur as a result of (or are mandated by) federal or state law, court decisions, administrative regulations, or initiative measures.

May Revise. The Governor revises his or her budget proposal in May in accordance with up-to-date projections in revenues and expenses.

Marginal costs. Costs incurred as a result of adding one unit of enrollment or production.

Modified Accrual Basis (modified cash basis). The accrual basis of accounting adapted to governmental funds. Revenues and other financial resources (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is, when they become both "measurable" and "available" to finance expenditures of the current period. "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred (except for inventories of materials and supplies that may be considered expenditures either when purchased or when used, and prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed). All governmental funds, expendable trust funds and agency funds use the modified accrual basis of accounting.

Noncredit. Courses that are taught for which no college credit is given. Adult education and basic English as a Second Language are two examples. The state reimbursement for non-credit education is less than for credit courses.

Nonresident Tuition. A student who is not a resident of California is required, under the uniform student residency requirements, to pay tuition. The fee shall not be less than the average statewide cost per student, and is set by the local board of trustees.

Object Code. The system of codes used in the California community colleges to classify budget and expenditures. The general classification numbers are:

1000 Certificated salaries
2000 Classified salaries
3000 Employee benefits
4000 Books, supplies, materials
5000 Operation expenses
6000 Capital outlay
7000 Other outgo
8000 Revenues

OPEB. Other Post Employment Benefits, primarily retiree healthcare benefits.

Operating Expenses. Expenses related directly to the fund's primary activities.

Operating Income. Income related directly to the fund's primary activities.

Outsourcing. The practice of contracting with private companies for services such as data processing, food services, or specific student

Overcap. When districts choose to enroll students in excess of the number called for in the growth revenue cap (see Cap) they sometimes receive additional retrospective funding from an end of year statewide pool of unused apportionment funds. This is not guaranteed.

P1 and P2—see Apportionment.

Partnership for Excellence. A state performance-based funding program in effect from 1999-2001, which designated a portion of state funding to be used to improve student performance in five areas.

Per Capita Personal Income. Income before taxes as estimated by the U.S. Department of Commerce.

PERS (or CalPERS) California Public Employees' Retirement System. One of the two major retirement systems in which community college employees participate. State law requires district classified employees, districts and the State to contribute to the fund for full-time classified employees.

Productivity. A workload measure that looks at the ratio between Weekly Student Contact Hours and Full-time Equivalent Faculty. A general benchmark for productivity is an average class size of 35.

Program. Category of activities with common outputs and objectives. A program may cut across existing departments and agencies.

Program Accounting. A system of accounting in which records are maintained to accumulate income and expenditure data by program rather than by organization or by fund.

Program-Based Funding. Prior to 2006, the funding formula used by the Chancellor's Office to determine state allocations to local districts. It did not specify where and how the funds must be spent. It was replaced by an FTES funding model with the passage of SB 361 in 2006.

Proposition 13. An initiative passed in June 1978 adding Article XIII A to the California Constitution. It provided that tax rates on secured property were restricted to no more than 1% of full cash value. Proposition 13 also defined assessed value and required a two-thirds vote to change existing or levy new taxes.

Proposition 39. An initiative passed in 2000 that reduced the voting threshold required for local bonds from two-thirds to 55% and added conditions for proposing and using bond funds.

Proposition 98. An initiative passed in November 1988, guaranteeing at least 40% of the state's budget for K-12 and the community colleges. The split was proposed to be 89% (K-12) and 11% (CCC), although the split has not been maintained.

Proprietary Funds Group. A group of funds used to account for those ongoing government activities which, because of their income-producing character, are similar to those found in the private sector.

Purchase Order. A document authorizing the delivery of specified merchandise or the rendering of certain services and charging for them.

Reserves. Funds set aside in a college district budget to provide for future expenditures or to offset future losses, for working capital, or for other purposes. There are different categories of reserves, including contingency, general, restricted and reserves for long-term liabilities.

Restricted Funds. Money that must be spent for a specific purpose either by law or by local board action. Revenue and expenditures are recorded in separate funds. Funds restricted by board action may be called "designated" or "committed" to differentiate them from those restricted by external agencies. Examples of restricted funds include the federal vocational education act and other federal program funds; state "categorical" programs such as those for disabled and disadvantaged students; state monies targeted for specific purposes, such as instructional equipment replacement; grants for specific programs; and locally generated revenues such as the health and parking fees. Funds restricted by local board action may later be unrestricted by board action.

Retiree Health Benefits. Benefits provided to retirees provide health insurance, negotiated through collective bargaining. Also called "Other Post Employment Benefits."

Revenue. Income from all sources.

Revenue Bonds. Bonds whose principal and interest are payable exclusively from earnings of the funded facilities operations.

Revenue Limit. The specific amount of student enrollment fees, state and local taxes that a college district may receive per student for its general education budget. Annual increases are determined by Proposition 98 formula or the Legislature.

Revolving Fund. A revolving cash account used to secure or purchase services or materials.

Rollover Budgeting. A budget constructed by rolling forward the previous year's budget as the starting point and then making adjustments.

75:25 Ratio. The goal established by AB1725 for the ratio of classes taught by full-time faculty to those taught by part-time faculty. Districts not at the 75% level have an obligation to make progress toward the goal—a "full time faculty obligation (FTO)." Compliance is achieved through the use of the annual Faculty Obligation Number (FON).

Scheduled Maintenance. A defined schedule for major repairs of buildings and equipment. Some matching state funds may be available to districts for a scheduled maintenance program.

Shortfall. An insufficient allocation of money, which will require additional appropriations, reduction in expenditures, and/or will result in deficits.

Short-Term Debt. Debt with a maturity of one year or less after the date of issuance. Short-term debt usually includes variable-rate debt, bond anticipation notes, tax revenue anticipation notes and revenue anticipation notes.

Special Revenue Funds. A category of funds used to account for proceeds of specific legally restricted revenue for and generated from activities not directly related to the educational program of the college.

Stabilization (or Stability) Funding. Districts that experience enrollment decline are held harmless for any revenue loss in the year the enrollment decline occurs, and the district is funded to its base enrollment. In the year immediately following the year of decline, the revenue associated with the enrollment decline (stabilization funding) will be reduced from a district's base revenue if the district has not restored the enrollment. (Education Code §84750.5)

State Apportionment. An allocation of state money paid to a district on a monthly basis once the state budget is enacted.

STRS (CalSTRS) California State Teachers' Retirement System. State law requires that school district employees, school districts and the state contribute to the fund for full-time academic employees.

Student Financial Aid Funds. Funds designated for grants and loans to students; includes federal Pell grants, College Work-Study, and the state funded EOPS grants and fee waiver programs.

Subventions. Provision of assistance or financial support, usually from higher governmental units to local governments or college districts, for example to compensate for loss of funds due to tax exemptions.

Sunset. The termination date of regulations or laws for a specific program or fund.

Supervisor. For the purpose of Education Code §84362 (the 50% Law), "Supervisor" means any employee having authority, on behalf of the district, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, discipline other employees, adjust their grievances, or effectively recommend such action, if the exercise of such authority is not of a merely routine or clerical nature.

Supplanting. To use one type of funds to provide goods or services previously paid for with another type of funds. Generally, it is prohibited to use state or federal funds to replace local funds.

Tentative Budget. The preliminary budget approved by the board in June, prior to when state allocations have been finalized.

Title 5, California Code of Regulations. The section of the California Administrative Code that regulates community colleges. The Board of Governors adopts Title 5 regulations. Available online at http://government.westlaw.com/linkedslice/default.asp?RS=GVT1.0&VR=2.0&SP=CCR-1000&Action=Welcome

TOP Code. Taxonomy of Programs, in which numbers are assigned to programs to use in budgeting and reporting.

TRANs. Tax and Revenue Anticipation Notes: instruments issued to secure short-term monies borrowed in expectation of collection of taxes and other revenues. The notes are paid off with operating revenue.

TTIP. The Telecommunications and Technology Infrastructure Program, a program of the Chancellor's Office to augment and support college expenditures for technology and telecommunications.

Unencumbered Balance. That portion of an appropriation or allotment not yet expended or obligated.

Unfunded FTES. FTES that are generated in excess of the enrollment/FTES cap.

Unrestricted Funds. Generally those monies of the General Fund that are not designated by law or a donor agency for a specific purpose. They are legally regarded as unrestricted since their use is at the Board's discretion.

Vacation Accruals. The amount of vacation accrued by employees but not yet taken. It may be shown as a liability.

Warrants. A written order drawn to pay a specified amount to a designated payee.

Work Order. A written authorization for the performance of a particular job containing a description of the nature and location of the job and specifications for the work to be performed.

WSCH. Weekly Student Contact Hours, the number of weekly hours that a student spends in classes for a full-census course (17 weeks), e.g. three WSCH for a three unit course. It is part of the formula used to determine faculty workload as well as apportionment.

Zero Based Budgeting. A budget constructed by starting each line allocation from zero—rather than the previous year's figure—and then justifying additions.

Appendix B: Spreadsheet Example of Tracking Expenditures

Unrestricted General Fund Expenditures $ in thousands						
	00-01 Actual	Percent of	01-02 Actual	Percent of	02-03 Budget	Percent of
		Total Exp		Total Exp		Total Exp
FT Inst	15311	22.5%	16527	22.9%	21799	29.0%
FT Non Inst	2779	4.1%	3746	5.2%	3119	4.2%
FT Assigned	2473	3.6%	1832	2.5%	0	0.0%
Total FT	20563	30.2%	22105	30.6%	24918	33.2%
PT Inst	6954	10.2%	9410	13.0%	6227	8.3%
PT Non Inst	362	0.5%	619	0.9%	528	0.7%
Total PT	7316	10.8%	10029	13.9%	6755	9.0%
Grand Total	27881	41.0%	32136	44.5%	31674	42.2%
Fac Salaries						
Classified	11872	17.4%	13744	19.0%	14678	19.5%
Salaries						
Administrator	3664	5.4%	4074	5.6%	4307	5.7%
Salaries						
Benefits	9821	14.4%	11277	15.6%	13927	18.5%
Total Sal-Ben	53240	78.2%	61233	84.8%	64587	86.0%
Operating	13965	20.5%	10962	15.2%	10493	14.0%
Total	68051		72196		75080	
Expenditures						

Appendix C: Spreadsheet Example Tracking All Funds

		FUND EQUITY in thousands of dollars - ACTUAL										
State Fund#s (Old #)	District Fund #s (Old)											
			PROJ	**03-04**	**PROJ**	**02-03**	**01-02**	**00-01**	**99-00**	**98-99**	**97-98**	**96-97**
updated 11/02			**04-05**		**03-04**							
		Total taken from state CCFS 311 Report - Revenue, Expenditure and Fund Balance for 10 total										
Gen Restricted 12 (11B)	10,12,16,17,23,61	Total Designated					7,070	9,100	8,711	2,000	3,418	2,980
Gen Unrestricted 11 (11A)	20,26,51,62	Uncommitted Bal					3,524	2,648	4,417	10,141	7,050	4,692
Gen Total 10	(13,14,61)	Total	12,312	16,855	7,747	13,145	10,594	11,748	13,128	12,141	10,468	7,672
		Separate funds taken from state CCFS 311 Report - Analysis of Ending Balance										
Bond Interest Redemp 22	Camp Cter Bond 68	Total Designated							263	135	21	58
(12A,12B)		Uncommitted Bal							0	0	0	0
CHANGED TO 21 IN 99-00		Total	375	375	366	366	811	811	263	135	21	58
Special Revenue (13F)	Parking 26	Total Designated										
		Uncommitted Bal										
		Total										
Bookstore 51 (21A)	Bookstore 27	Total Designated							37	-12	0	1,356
	Bookstore 28	Uncommitted Bal							0		0	0
		Fixed Assets									0	0
		Total						27	37	-12	0	1,356
Child Dev 33 (13C)	Child Development 72	Total Designated							31	315	311	37
		Uncommitted Bal							0	0	0	0
		Total	44	58	169	140	38	8	31	315	311	37
Cap Out 41 (14A)	Capital Outlay 60	Total Designated							1,945	1,227	2,534	1,186
		Uncommitted Bal							0	0	0	0
		Total	686	-1,072	174	-14	682	1,801	1,945	1,227	2,534	1,186

Associated Student 71 (31)	(1 and 2)	Total Designated							464	372	353	281
		Uncommitted Bal							0	0	0	0
		Total	741	741	982	982	719	577	464	372	353	281
Fin Aid 74 (32,72)	Student Financial Aid	Total Designated							360	455	507	518
	80 - 99	Uncommitted Bal							0	0	0	0
		Total	-69	-69	128	50	32	219	360	455	507	518
Scholarship 75 (33)	(3 and 4)	Total Designated							92	84	116	115
		Uncommitted Bal							0	0	0	0
		Total	353	3	96	4	7	88	92	84	116	115
Invest Trust 35 and 73	Campus Cent 66	Total Designated							1,308	744	676	976
(13E and 34)	Campus Cen 67	Uncommitted Bal							0	0	0	0
		Total	546	622	521	653	515	1,159	1,308	744	676	976
Student Clubs 81		Total Designated							105	147		
		Uncommitted Bal							0	0		
		Total							105	147		
Enterprise 59	Community and	Total Designated							791			
	Contract Ed	Uncommitted Bal										
		Total	521	549	529	651	1,088	993	791			
Other Debt Service 29	Retiree Health	Total	6,289	5,839	4,082	5,302	4,940					
Investment Trust 76		Total	118	118								
		Total calculated from Separate fund values above										
TOTAL Designated									14,107	5,467	7,936	7,507
TOTAL Uncommitted Bal									4,417	10,141	7,050	4,692
TOTAL			21,916	24,019	14,794	21,279	19,426	17,431	18,524	15,608	14,986	12,199