



Reference: *Education Code Section 70902 subdivision (b)(5);
Title 5, Sections 58300 et seq.;
Accreditation Standard 3*

The communities within the District make significant contributions to the welfare of the colleges and centers. In recognition of the contributions and confidence in the actions of the West Hills Community College District, the Board of Trustees has determined that it will maintain a District Office and viable and comprehensive colleges in the cities of Coalinga and Lemoore, with an educational center in Firebaugh. The Board believes that because of the District's geographic location and distribution of cities, the ability to maintain access to higher education opportunities is essential for the communities and citizens to grow and prosper. In keeping with this overall philosophy, the Board has implemented the following principles to maintain access to higher education:

- The District shall maintain standards of design, construction, and reconstruction of facilities which will be followed and applied at all locations.
- The District shall maintain standards in the use and application of technology at all locations.
- The District shall develop long term plans in education, construction, and fiscal resources.
- The District shall develop energy efficiency and conservation goals.

Budget Preparation

Budget preparation shall include the following:

- A statement of philosophy that includes that budget planning supports institutional goals and is linked to other institutional planning efforts.
- A budget calendar that includes presentation of the tentative and final budgets. The tentative budget shall be presented no later than July 1 (Title 5 Section 58305 subdivision (a)), and the final budget no later than September 15 (Title 5 Section 58305 subdivision (c)). A public hearing on the budget shall be held on or before September 15 (Title 5 Section 58301).
- A copy of the adopted annual financial and budget report to be submitted to the California Community College Chancellor's Office on or before October 10 (Title 5 Section 58305 subdivision (d)).
- Budget development processes, including consultation with appropriate groups.
- Criteria and institutional guidelines for the financial planning and budgeting.
- Submission of appropriate forms (311s) to the California Community College Chancellor's Office.
- Filing of copies of the annual financial and budget report with the appropriate county officers for information and review (Title 5 Section 58305 subdivision (d)).

Resource Allocation

The purpose of resource allocation is to provide an understandable, clear methodology to the practice of allocating resources to the cost centers of the District and to realize the Board's objective in extending educational opportunities to all citizens of the District. This procedure, along with the budget definitions (see Appendix C), provides the necessary information for the development of comprehensive budgets for the District and individual college operating expenses.

If at any time there are circumstances beyond the control of the District, such as a major earthquake, the fiscal condition of the state, or other events that disrupt or minimize the operations of the District, these circumstances may dictate a different course of action than those outlined in this procedure.

Unrestricted General Fund Revenue

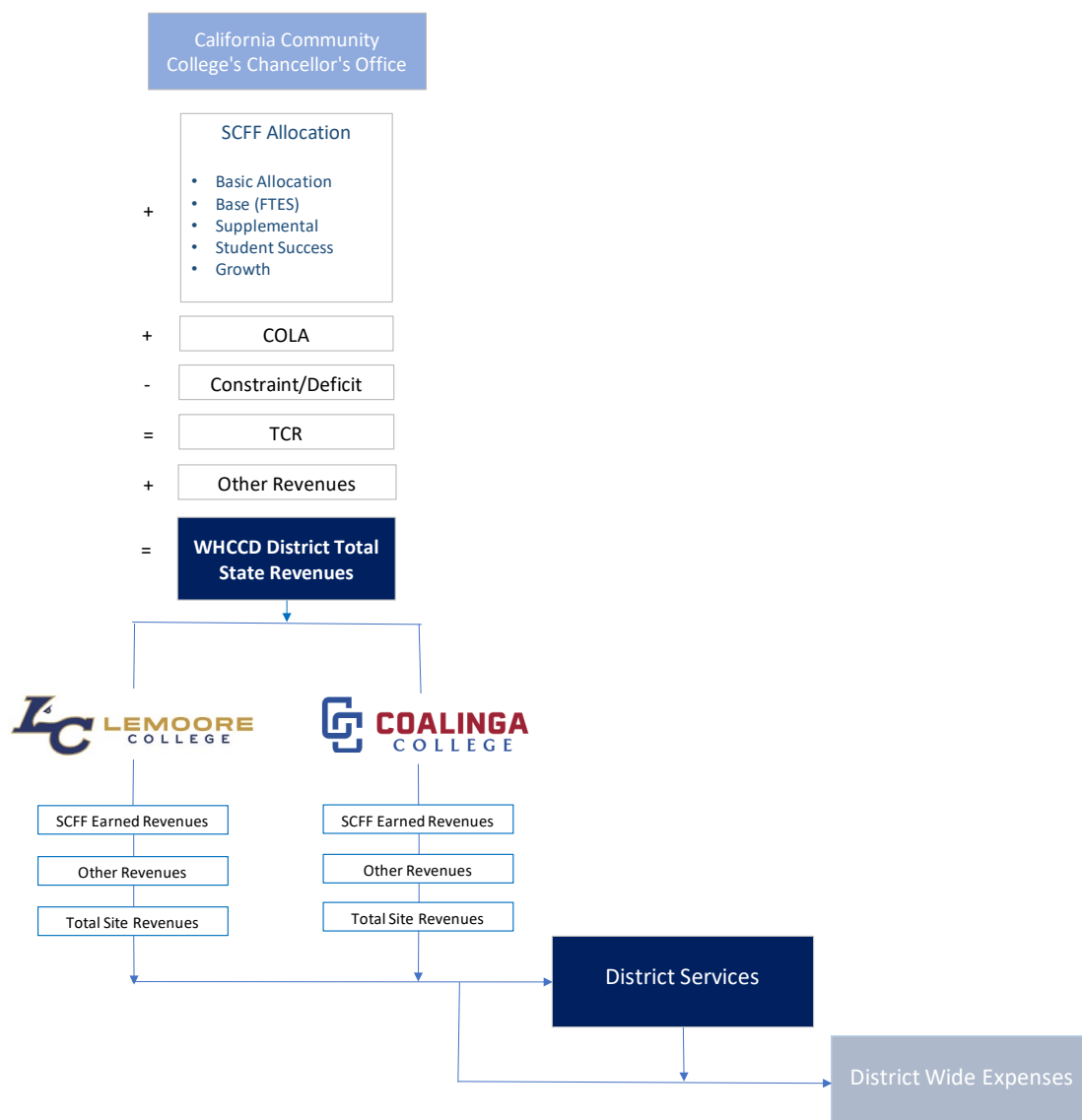
1. The District receives a base allocation, supplemental allocation and success allocation in the form of a Student Centered Funding Formula (SCFF) from the State Chancellor's Office:
 - a. Based on a basic allocation that accounts for the size of the district and approved centers, FTES (Full Time Equivalent Students) calculations for 3-year average of traditional credit, current year special admit, incarcerated/apprenticeship credit, non-credit, non-credit CDCP (Career Development and College Preparation) and non-credit incarcerated
 - b. Based on prior year headcount for supplemental and 3-year average for success metrics
 - c. Based on the state's ability to fund growth and COLA (Cost of Living Adjustment)
 - d. Revenue deficit
2. Each college receives a base revenues:
 - a. Based on prior year earned SCFF metrics
 - b. Based on the percent of traditional credits FTES goal for all unrestricted general fund other revenues outside of the SCFF until the District can allocate revenues based on actual other unrestricted revenues received by college.
 - c. Based on the state's ability to fund growth and COLA
 - d. A small college allocation will be allocated to a college, if needed, to create a baseline that allows incentives for growth and expenditure reductions for both colleges and the district office. This amount will be evaluated annually with the goal of each of the colleges becoming self-supporting. While the District does not receive a rural college allocation from the Chancellor's Office, this provides the logic for a small college allocation.
3. The percentage of growth achieved by each college at the end of a fiscal year will be a determining factor in the amount of resources realized by each college. Student demographics and success are also factors in the amount of resources realized by each college.

4. Resources will be allocated to maintain the viability and comprehensiveness of both colleges and the educational center.
5. Resources will be allocated to colleges for the purpose of prioritizing and planning the human resources, support programs and academic programs desired by the colleges which are determined by the internal planning processes at the college level.

Budget Centers

The revenues first get computed based on the colleges earning the revenue. Each college then funds a portion of the district services budget center. The three budget centers then fund district-wide expenses. District-wide expenses include debt, transfers, contingency, IT enterprise software, and audit costs. The remaining available funding is then calculated after the budget center expenditures are considered.

Unrestricted General Fund Revenue Allocation Schematic



Approval Process

1. Prior to the planning and budget cycle for each college, the District Business Office will provide each College President with the prior “base year adopted budget” and the projected “base year allocations”. The budget assumption used for the “projected year” shall be the same as the State Chancellor’s Office. The budgets for the cost centers will be allocated using a “base year” allocation. The “base year” allocation is based upon the prior year’s adopted budget.
2. Upon approval of the tentative District budget for the upcoming fiscal year, an appendix to the budget will be provided to illustrate the estimated actual budgets of the cost centers.
3. Distribution/Reduction of Income
 - a. Prior to any distribution of new funding, the reserve (as outlined in Administrative Procedure 6305, Reserves) must be taken into account.
 - b. Mandated expenses and increases in the mandated expenses to the District and colleges such as utilities, bad debt, step increases, retirement benefits, health insurance, or other costs will be funded.
 - c. The District may fund each budget center up to \$100K of prior year unrestricted available funding for one-time purposes contingent upon review by Chancellor’s cabinet and Chancellor’s approval. If \$100K or greater is available in the budget center to roll into the next fiscal year, then it will need to be a recommendation from the Chancellor’s cabinet to the Board of Trustees for approval. In accordance with Education Code Section 84362, 50% of growth dollars expended at each college shall be expended for instructional purposes. Depending upon where the district is projected towards meeting the 50% law, expenditures for prior year allocation funds may be subject to being spent on instruction or exempted activities.
 - d. In the event the state provides a deficit factor to either COLA, growth or FTES which requires a reduction in the allocation to the colleges, the allocations to the colleges and District Office will be adjusted accordingly. This would also be applicable to any mid-year cuts.
 - e. In the event the state increases overall funding for the District, the allocations to the colleges and the District office will be adjusted accordingly.
 - f. As a part of the distribution of resources, consideration must be given to the resources required to support the District office functions. These considerations would include, but not be limited to, resources received for scheduled maintenance, equipment or other restricted funds that serve to increase services throughout the District. The District Office reserves the right to allocate resources from restricted areas to maximize their effect on the ability to serve students. These expenditures will be tied to a District scheduled maintenance plan, as well as any facilities plans in order to obtain maximization of the limited resources.
 - g. Decisions on how these resources are allocated will be recommended by the Chancellor’s Executive Cabinet to the Board of Trustees.

Staffing

a. Faculty

- i. In the matter of full-time faculty, Title V Section 51025 provides the faculty obligation target number for the District to maintain.
- ii. The College Presidents will bring prioritized faculty lists to Chancellor's Executive Cabinet for review and recommendation. The Chancellor will make the final decision.
- iii. The list will then be forwarded to the Human Resources department.
- iv. Ideally, this process will conclude prior to the start of the spring semester to allow for immediate advertising in January to begin the process of employing faculty.

b. All Other Additional Positions (Classified, Management and Administrators)

- i. The District will use the resource allocation for all other positions for review and recommendation at the Chancellor's Executive Cabinet. The Chancellor will make the final decision.
- ii. The final list will be forwarded to the Human Resources department for recruitment.
- iii. The Chancellor and College Presidents are responsible for disseminating the decisions made on distribution of staff to their respective colleges using regular and appropriate means of communicating the process and results of the decisions made.
- iv. In the event the District is in a position to freeze hiring or eliminate positions, a list will be maintained that provides a starting point for hiring once the freeze is lifted. A historical list of vacant positions will be created and reviewed on a yearly basis and used in the process.

This procedure will be reviewed on a regular basis, at least once every three years.

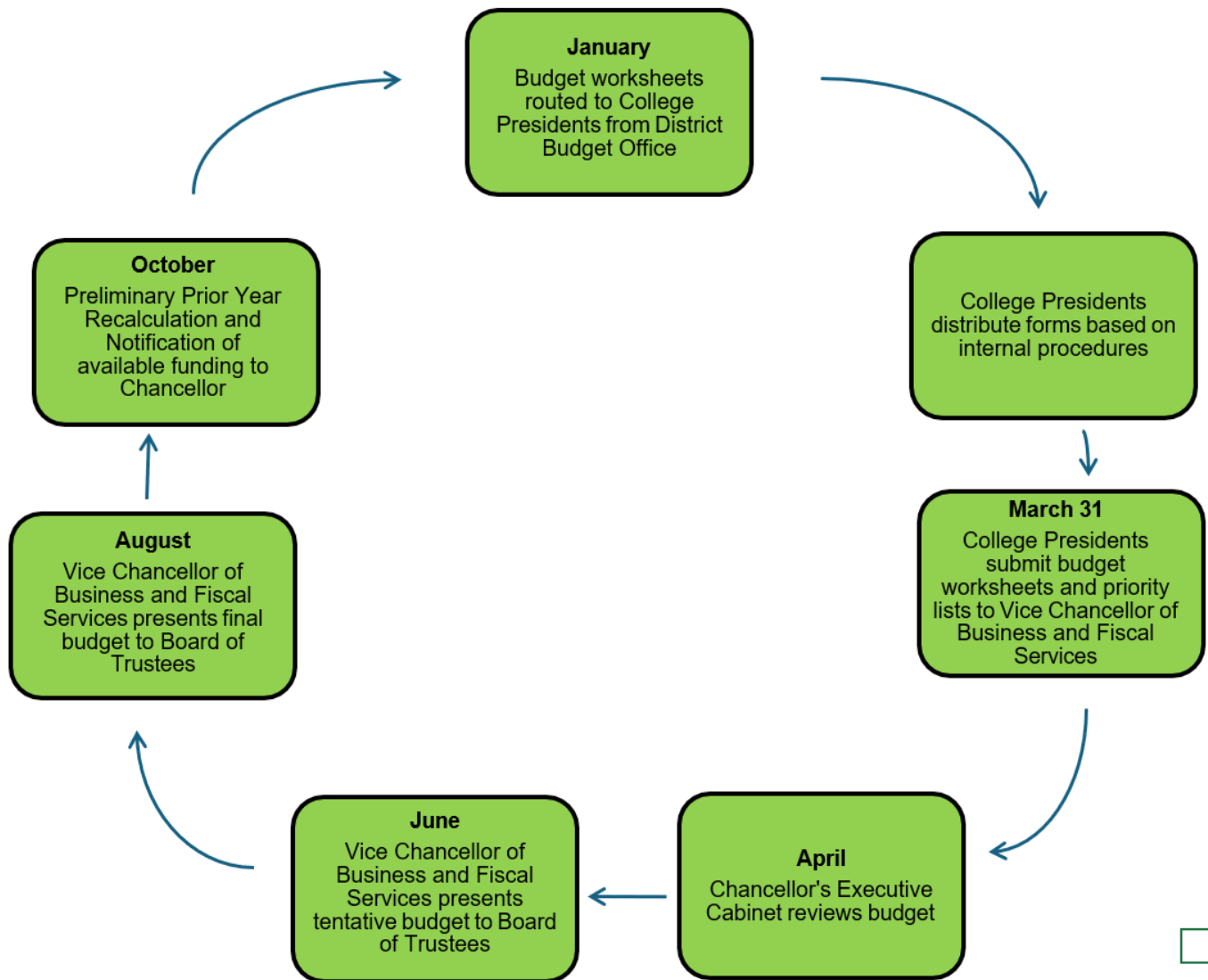
Budget Development Calendar

STEP	DATE	ITEM	RESPONSIBILITY
1	October/November	<ul style="list-style-type: none"> VC/CBO will review and recommend the Full-Time Faculty number of positions to CEC using the data Full-Time Obligation Number (FON) report, compliance with 50% law, retirements, replacements, etc. CEC will meet to review the number of positions available and send to the College Presidents. 	VC/CBO CEC College Presidents
2	December	<ul style="list-style-type: none"> College Presidents will make recommendations on the specific faculty positions to be filled. CEC will convene and meet to approve positions. 	College Presidents CEC
3	3 rd week in January	<ul style="list-style-type: none"> Business Office will distribute budget worksheets to CEC members. This includes all unrestricted, restricted, auxiliary, enterprise, and fiduciary funds. Contracts, utilities, and other liability expenses at the District level will be evaluated for any economic price increases. 	VC/CBO Business Office
4	Last day in March	<ul style="list-style-type: none"> CEC members will submit respective college/department proposed budget worksheets and priority lists for augmentation requests to the Business Office. This includes any ongoing or one-time funding requests. DBO will submit District Office proposed budget worksheets and priority lists to VC/CBO. 	CEC Business Office
5	Second week in April	<ul style="list-style-type: none"> CEC shall convene and review all budget worksheets and priority lists. 	CEC
6	April 15	<ul style="list-style-type: none"> VC/CBO will notify Superintendent of Schools of newspaper publication of date, location, and time of public display of proposed budget document. 	VC/CBO
7	By mid-May	<ul style="list-style-type: none"> Business Services will assemble Tentative Budget. 	VC/CBO
8	End of May/ Beginning of June	<ul style="list-style-type: none"> May Revision will be reviewed and recommendations for available funding will be made to CEC from the Vice Chancellor of Business and Fiscal Services. CEC will convene and allocate available funding to prioritized listings in Tentative Budget Chancellor will submit Proposed Tentative Budget to Board of Trustees for approval. 	VC/CBO CEC Chancellor
9	10 days prior to June Board meeting	<ul style="list-style-type: none"> Proposed Tentative Budget shall be posted on the District's website for public view. 	VC/CBO
10	June Board meeting	<ul style="list-style-type: none"> Board of Trustees to hold a public hearing and the VC/CBO will present the Proposed Tentative Budget for Board approval. 	Board of Trustees VC/CBO
11	Before June 30	<ul style="list-style-type: none"> VC/CBO will forward a copy of the approved Tentative Budget to the Fresno County Superintendent of Schools. 	VC/CBO
12	Last week of July	<ul style="list-style-type: none"> All recommendations and revisions from the Chancellor, College Presidents, and Business Office shall be submitted to the VC/CBO 	VC/CBO
13	10 days prior to August Board meeting	<ul style="list-style-type: none"> Proposed Budget shall be posted on the District's website for public view. 	VC/CBO
14	August Board meeting	<ul style="list-style-type: none"> Board of Trustees to hold a public hearing and the VC/CBO will present the Proposed Budget for Board adoption. Changes made after the budget is adopted will be submitted to the Business Office and require CEC and Board approval for new grants. Changes to existing budgets will require a budget transfer request to be submitted to the Business Office. Budget transfers shall contain a detailed description of the reason for the transfer. 	Board of Trustees VC/CBO Business Office
15	Immediately following August Board meeting	<ul style="list-style-type: none"> VC/CBO will forward a copy of the Adopted Budget to the Fresno County Superintendent of Schools. Budget transfers will be allowed following adoption of the budget. 	VC/CBO

CEC: Chancellor's Executive Cabinet (Chancellor, Vice Chancellor, Associate Vice Chancellors, Directors, and College Presidents)

VC/CBO: Vice Chancellor of Business and Fiscal Services/Chief Business Officer

Budget Development Process Flowchart



Revenue Allocation Model Definitions

1. Budget Centers: Coalinga College including Firebaugh Center, District Office, Lemoore College
2. District Wide Expenses: Expenditures that relate to functions that are not tied to a specific budget center. Examples include audit, transfers, enterprise IT software, Other Post Employment Benefits (OPEB) liability and debt.

Other Outgo Definitions

Definitions: Other outgo, budget object code number 7000, is identified by the Budget and Accounting Manual published by the Chancellors Office. The various categories are as follows:

1. 7100: Debt Retirement (Long-Term Debt)
These expenditures include costs for long-term bonds or other indebtedness for the purpose of purchasing land, constructing or purchasing buildings, equipping buildings pursuant to Ed Code 15100 or 81901.
2. 7200: Intrafund Transfers-Out
These are transfers within a fund of the district such as transfers from the general fund unrestricted to a general fund restricted.
3. 7300: Interfund Transfers-Out
These are transfers that are taken from one fund and added to another fund without an expectation of repayment. An example would be where there is a required match for scheduled maintenance that is transferred from the general fund to the capital outlay projects fund.

It should be noted that cash held in any fund may be available for temporary (less than one year) borrowing from one or more funds to another fund to be used for the payment of obligations, provided no provisions to the contrary exist. Such borrowings are not reported as a transfer, but are reflected in the balance sheet account "due to other funds" and "due from other funds".

4. 7400: Other Transfers
These are for extraordinary situations such as transfers from reorganized or lapsed district to another district, loss on investments or joint ventures, such as material, prior-year assessments to self-insurance programs, JPA's or consortiums.
5. 7500: Student Financial Aid
Expenditures for student aid in the form of grants, fellowships, scholarships, tuition reduction, etc. Payments to students for services rendered, such as work-study that are chargeable to the activity benefited by the student's work.

Other payments to or for students, such as childcare vouchers and bookstore vouchers, are to be recorded within Object 7600, Other Student Aid.

6. 7600: Other Student Aid

This category is for amounts paid to/for students for non-cash assistance, such as bus tickets, auto repairs related to commuting to college classes, child care vouchers, and bookstore vouchers. These would be for participants in EOPS, DSPS or other categorical programs.

Expenditures for student aid in the form of grants, fellowships, scholarships, tuition reduction, etc., are to be recorded within Object 7500 in the Student Financial Aid Trust Fund.

7. 7900: Reserve for Contingencies

This category is an appropriation classification only; no expenditures shall be recorded in this object.

This object includes amounts equal to that portion of the current fiscal year's appropriation that are not designated for any specific purpose but are held in reserve to fund other appropriation items as may be needed during the fiscal year.