



Reference: *Education Code Section 84362;*
CCR, Title V Section 51025

Philosophy

All the communities within the district have made significant contributions to the welfare of our 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, viable and comprehensive colleges in the cities of Coalinga and Lemoore with current educational centers in Firebaugh and the Lemoore Naval Air Station. The Board believes that because of our geographic location and distribution of our cities, the ability to maintain access to higher education opportunities is essential for our 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 new 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

The purpose of the resource allocation procedure 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 the educational opportunity to all citizens of the district. This procedure, along with the budget definitions (see Appendix A), provides the necessary information for the development of comprehensive budgets for the district and individual college operations.

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.

Allocation Fundamentals (Distribution of Fiscal and Human Resources)

1. The district receives a base allocation from the State Chancellor's Office:
 - a. Based on prior year FTES (Full Time Equivalent Students)
 - b. Based on the state's ability to fund growth and COLA (Cost of Living Adjustment)

2. Each college receives a base allocation:
 - a. Based on prior year expenditures
 - b. Based on the college's ability to achieve their FTES goal
 - c. Based on the state's ability to fund growth and COLA
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 retention and success may also be a factor in the amount of resources realized by each college.
4. Resources will be allocated to maintain the viability and comprehensiveness of both colleges and their educational centers.
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.
6. The District Office receives a base allocation based on:
 - a. Prior year expenditures
 - b. Budget development
 - c. Ability to fund growth and COLA

Cost Centers

The cost centers of the district will be the colleges and the District Office.

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 allocation and expenditures" 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 actual expenditures.
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, the reserve must be taken into account which requires the district to set aside a minimum of 5% of revenues in order to comply with the California Community Colleges System Office Memorandum of October 25, 2005;
- b. Mandated expenses and increases in the mandated expenses to the district and colleges such as utilities, bad debt, step increases, insurance or other costs will be funded;
- c. After items a and b are accounted for, the remaining growth dollars will be allocated to each college based upon the percentage of growth dollars each college provided to the overall district funded growth. (Example: If the growth is 8% total for the District and 2% is from Coalinga and 6% is from Lemoore, then 25% of the new money will be allocated to Coalinga and 75% will be allocated to Lemoore.) In accordance with Education Code Section 84362, 50% of growth dollars expended at each college shall be expended for instructional purposes.
- 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, there must be consideration 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 finalized by the Chancellor's Executive Cabinet.

4. Distribution of Staff

- a. In the matter of full time faculty, Title V Section 51025 provides the faculty obligation target number for the district to maintain.
- b. 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.
- c. The Chancellor will require that the College Presidents meet and confer on their respective lists to determine similar positions or shared positions being sought by both colleges.

- d. The reconciled list will then be forwarded to the Human Resources department for immediate distribution.
- e. This process shall also be used in the recommendation of new and replacement classified, management and administrative staff.
- f. The College President is 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.
- g. 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. An historical list of vacant positions will be created and reviewed on a yearly basis and used in the process.

Review of Procedure

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

Board approval date: 11/15/05
Revised: 5/15/07; 1/19/10; 4/26/11
Executive Cabinet Review: 3/1/16

Other Operating Expenses Categories Definitions

Definitions: Other operating expenses, budget object code number 5000, are identified by the Budget and Accounting Manual published by the Chancellors Office. The various categories are as follows:

1. **Audit:** These expenses involve the cost associated with the districts audit as identified in Education Code Section 84040(b).
2. **Contract Services:** These payments are for those firms that provide internet access, access, on-line services, and software licensing. The object code also includes services for an entity such as joint powers agency to administer a self-insurance fund.
3. **Depreciation:** These expenses are taken from that asset that is income producing.
4. **Dues and Membership:** Expenses related to associations, membership fees, for the governing board and the employees who are required to join these associations due to their positions within the district.
5. **Election:** expenditures for election services provided by the county (Elections Code Section 10002).
6. **Insurance:** Expenditures for all forms of fire, casualty or liability insurance for the district. This would include any costs for appraisals, bonds safeguarding the district against losses resulting from actions of its employees, and insurance for students participating in intercollegiate athletics. (Excluded in this category are those insurance premiums related to employee benefits).
7. **Interest:** Interest expenses related to the cost of borrowing to finance the operations of the district.
8. **Legal:** Expenditures as assessments for other than capital improvements, bond issues or other advertisements required by law, judgments, and lawyers' fees.
9. **Personal and Consultant Services:** Contracts for personal or consultant services provided by an individual or firm. This would include costs associated with surveys and appraisals.
10. **Postage:** Costs for sorting, handling, shipping and postage of mail and documents.
11. **Rents and Leases:** Payments for the rent or lease of land, athletic fields, equipment, and buildings; payments to independent vendors for transportation. (Lease purchases are excluded and are expensed in object code 6000, Capital Outlay).

12. Repairs and Maintenance: Expenditures for payments to independent vendor for repairs and maintenance to buildings or equipment, including maintenance agreements on equipment.
13. Self-Insurance Claims: Expenditures for payments and/or accrued costs for claims to a self-insured fund. Payments to an insurance joint powers agency are treated as insurance expense in the General fund or applicable special fund, such as a bookstore fund.
14. Travel and Conference: Expenditures for per diem and actual, necessary expenditures incurred by employees, board members, and other district representatives for authorized meetings, transportation, mileage allowance, meals and lodging.
15. Utilities and Housekeeping: Expenditures for water, fuel, light, power, telephone, waste disposal, laundry, dry cleaning and other similar expenses, including contracts for these services.
16. Other: expenditures for bad debt expense, loan costs, physical examinations, fingerprinting, damage to personal property, cash variances, advertisements not required by law and all other operating costs not identifiable within any other object 5000 category. This would be the area where our advertising for marketing our educational programs would be charged.

Other Outgo Definitions

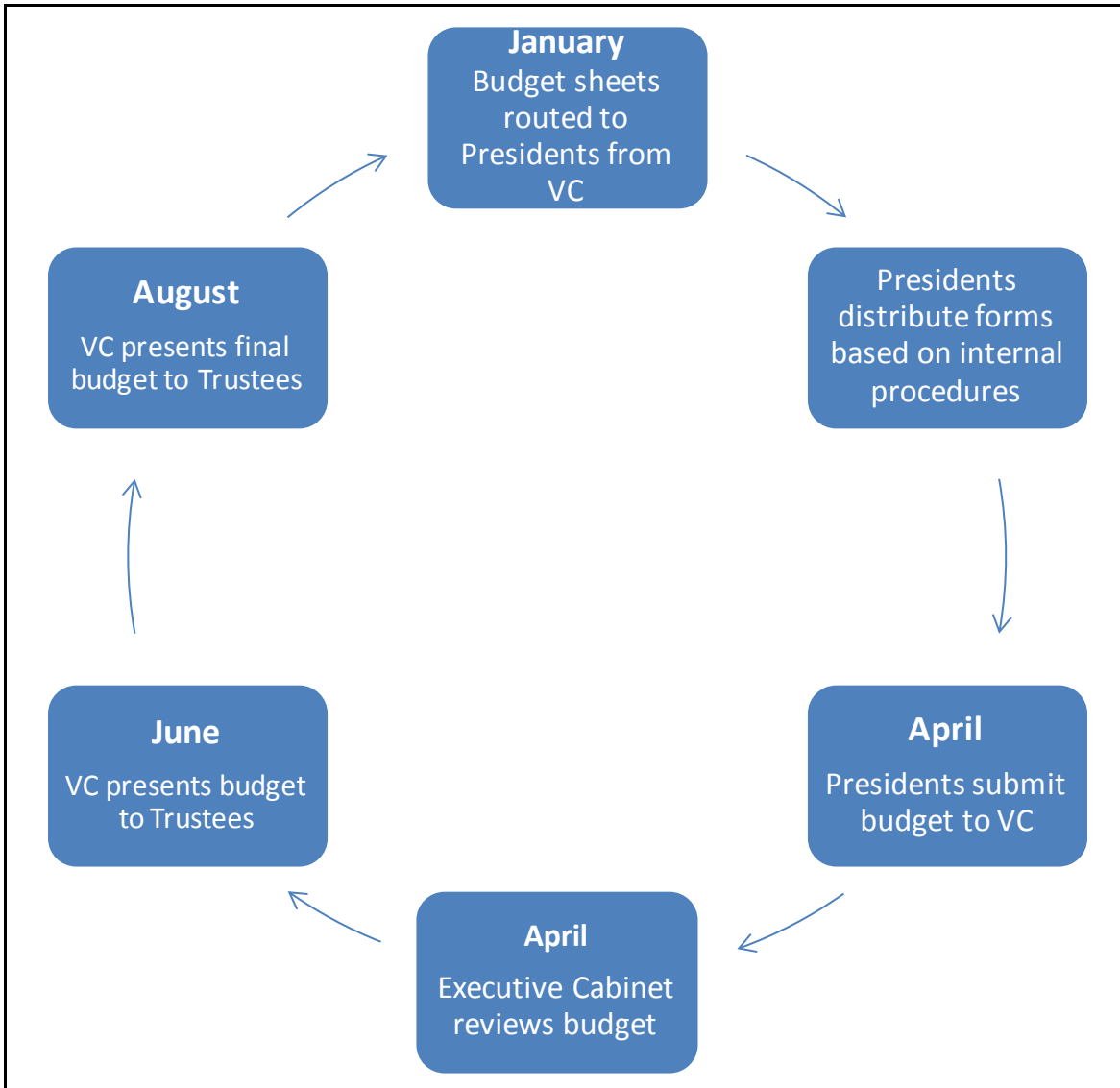
Definitions: Other outgo, budget object code number 7000, is identified by the Budget and Accounting Manual published by the Chancellors Office. The various categories are as follows:

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.
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.
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.
7. 7900: Reserve for Contingencies
No expenditures are allowed in this category and are for appropriation only. This would include amounts equal to the 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 necessary during the fiscal year.

**CALENDAR FOR BUDGET DEVELOPMENT FOR THE
WEST HILLS COMMUNITY COLLEGE DISTRICT**

DATE	ITEM	RESPONSIBILITY
Mid January – April 10	Distribute Budget Worksheet forms to College President. College Presidents shall initiate college budget development process. Vice Chancellor shall distribute forms to district office Department managers. Open hearings and meetings will be held at each College and District Office. Submit college's proposed budget worksheets and priority lists to the Vice Chancellor Submit district office's proposed budget worksheets and priority lists to Vice Chancellor	Vice Chancellor College Presidents Vice Chancellor College Presidents Chancellor College Presidents Chancellor
Second week of April	Executive Cabinet to review budget submittals.	Executive Cabinet
April 15 th	Vice Chancellor will notify Superintendent of Schools of newspaper publication, date, location and time of public display of proposed budget document.	Vice Chancellor
May Board Meeting	Vice Chancellor presents latest tentative budget information to Board of Trustees.	Vice Chancellor
Ten days prior to June Board Meeting	Copies of the proposed Tentative budget shall be placed in the District Office, College Libraries, Centers, and the President's offices for public view.	Vice Chancellor
June Board Meeting	At the June Board of Trustees meeting, the Board will hold a public hearing and will review and approve the proposed Tentative budget.	Board of Trustees
Before June 30 th	Vice Chancellor will forward copy of approved Tentative budget to the Superintendent of Schools, Fresno County and the Chancellor, California Community Colleges.	Vice Chancellor
Before July 25 th	All recommendations from Colleges and District to amend Tentative budget to be submitted to Vice Chancellor.	College Presidents Chancellor
Ten days before August Board Meeting	Copies of the proposed Tentative budget shall be placed in the District Office, College Libraries, Centers, and the President's offices for public view.	Vice Chancellor
August Board Meeting	At the August Board meeting, the Board will hold a public hearing and will review and approve the proposed Adopted budget.	Board of Trustees
Immediately after August Board Meeting	Vice Chancellor will forward copy of approved Adopted budget to the Superintendent of Schools, Fresno County and the Chancellor, California Community Colleges.	Vice Chancellor

Budget Development Process Flowchart



**BUDGET FORUMLAS FOR EXPENSES
FOR EACH COST CENTER**

- Formula 1 is defined by the number of employees at each location
- Formula 2 is defined by the square footage at each location
- Formula 3 is defined by the number of FTES at each location

Object Code	Expense Category	Formula
5544	Student Insurance	Formula 3
5549	Liability Insurance	Formula 2
5562	Contract Services	Formula 1 for Country Payroll Formula 2 for software licenses
5564	Maintenance Agreements	Formula 2
5573	Legal Costs	Formula 1
5591	Bad Debt	Formula applied based upon actual from previous fiscal year percentage, calculated each year
5599	Advertising	Formula 1 for employee recruitment Formula 3 for student recruitment
5717	Long Term Debt	Formula 2 for infrastructure; 50/50 split for Allen Farm/District Office Loan
5731	Transfers	Allocated directly to the cost center at 100% (i.e. Farm of the Future 100% Coalinga; Foundation 100% District; Cafeteria 100% to either Coalinga or Lemoore