



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

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:

- Development of a budget calendar and flowchart that includes presentation of the tentative and final budgets. The tentative budget shall be presented no later than July 1 (Title 5, Section 58305(a)), and the final budget no later than September 15 (Title 5, Section 58305(c)). A public hearing on the final budget shall be held on or before September 15 (Title 5, Section 58301). (See Appendix A)
- Submittal of the adopted budget to the California Community Colleges Chancellor's Office on or before September 30 (Title 5, Section 58305(d)).
- Submittal of one copy of the adopted budget to the Fresno County Office of Education on or before September 30.
- Development of criteria and institutional guidelines for financial planning and budgeting.

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.

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 budgeted 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 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. (Appendix B, Budget Formulas)
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, educational centers, enterprise funds, 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 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. After items a and b are accounted for, the remaining COLA, growth, or FTES dollars and/or other revenue streams 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. Staffing
 - 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.

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

Board approval date: 11/17/09
Reviewed/Revised: 4/24/18; 5/16/23

Budget Development Calendar

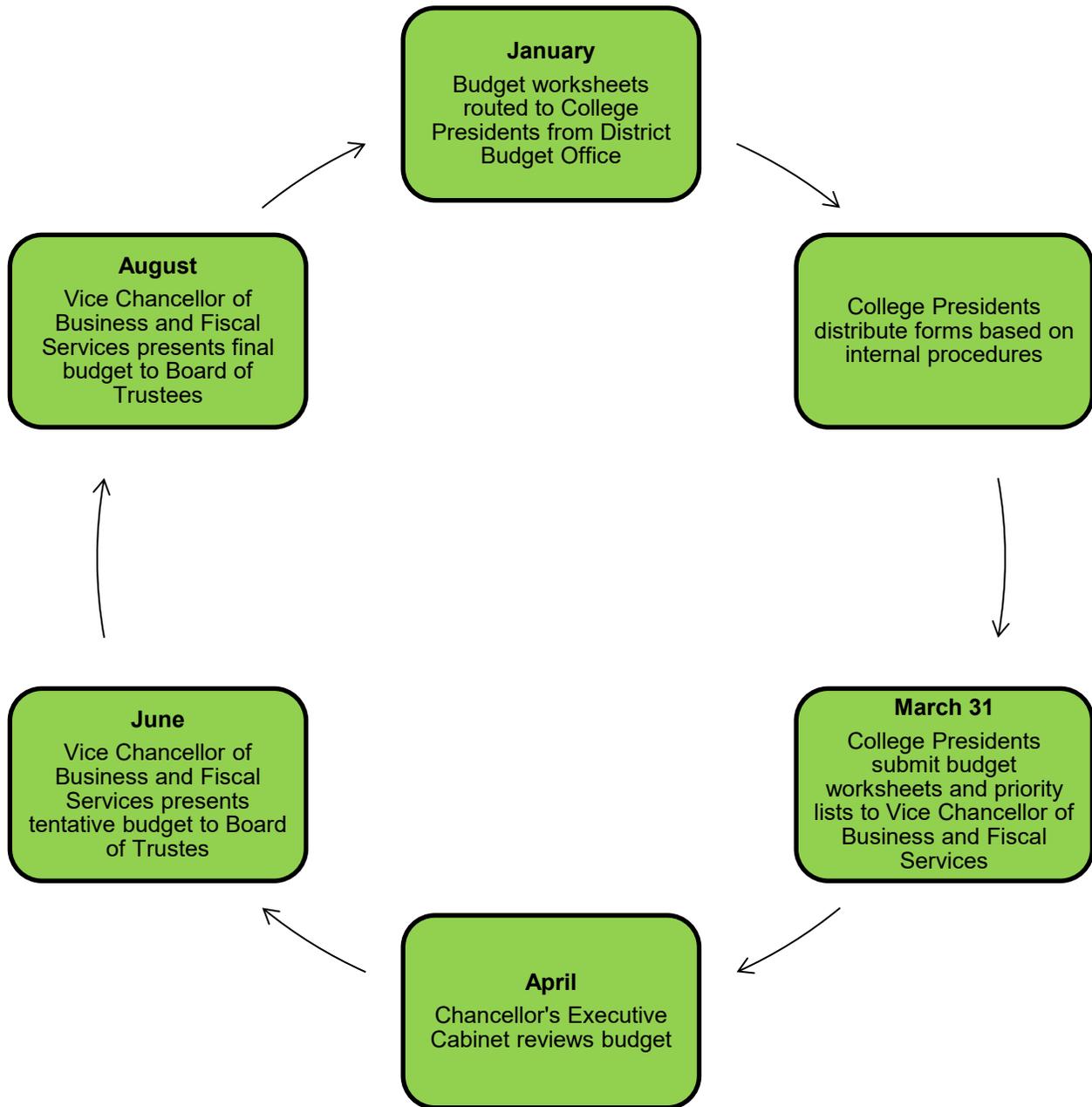
| STEP | DATE | ITEM | RESPONSIBILITY |
|-------------|--|--|-------------------------------------|
| 1 | October/November | <ul style="list-style-type: none"> VC/CBO will review and recommend the Full-Time Faculty number of positions to CEC using the data Full-Time Obligation Number (FON) report, compliance 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"> District Budget Office (DBO) 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 DBO |
| 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 DBO. This includes any ongoing or one-time funding requests. DBO will submit District Office proposed budget worksheets and priority lists to VC/CBO. | CEC DBO |
| 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 DBO 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 DBO and require CEC and Board approval for new grants. Changes to existing budgets will require a budget transfer request to be submitted to the DBO. Budget transfers shall contain a detailed description of the reason for the transfer. | Board of Trustees VC/CBO DBO |
| 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 and the California Community Colleges Chancellor’s Office. 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)

DBO: District Budget Office

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

Budget Development Process Flowchart



Budget Formulas 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 |
| 5541 | Property/Liability Insurance | Formula 2 |
| 5542 | EPL Liability Insurance | Formula 1 |
| 5562 | Contract Services | Formula 2 for software licenses |
| 5564 | Maintenance Agreements | Formula 2 |
| 5573 | Legal Costs | Formula 1 |
| 5591 | Bad Debt | Formula 3 |
| 5599 | Advertising | Formula 1 for employee recruitment Formula 3 for student recruitment |
| 5717 | Long Term Debt | Formula 2 for infrastructure |
| 5731 | Transfers | Allocated directly to the cost center at 100% (i.e. Farm of the Future 100% Coalinga; Foundation (Formula 1); Cafeteria 100% Coalinga |
| XXXX | Support services wages and benefits from Business Office; Marketing; Human Resources; IT | Formula 1 |

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, including marketing for educational programs, and all other operating costs not identifiable within any other object 5000 category.

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.