



Contra Costa Community College District SB 361 Allocation Model

FREQUENTLY ASKED QUESTIONS

April 9, 2010

General Inquiries

1. **When will the new allocation model be approved by the Governing Board? Will the 2010-11 budget be developed using the new model?**

The new allocation model will be presented to the Governing Board in May 2010. The new model will be used beginning with the 2010-11 Tentative Budget.

2. **Will the growth funds proposed in the Governor's Budget be included in the District's budget, helping to offset potential staffing reductions?**

Growth funds will be recognized when FTES targets are secure and growth has been funded in the final State Budget.

3. **How will the District budget for the proposed "negative COLA?"**

The Tentative Budget projections include a .38% reduction to apportionment revenue projections. The Adoption Budget will include projections based on the most current information available at the time.

4. **Does the District have historical data that would guide the colleges in setting aside an amount for potential classified staff reclassifications?**

Human Resources staff will provide to the colleges 3 prior years of data to assist them in determining an appropriate amount to be budgeted by each college.

5. **Does the District have historical information that could be used to estimate a reserve for out-of-cycle column movement for faculty?**

Human Resources staff will provide the colleges 3 prior years of data to assist them in determining an appropriate amount to be budgeted by each college.

Fund Balance/Reserves

- 6. What will be the basis for determining Fund 11-01 carryover as of 6-30-10? Will it be based on total budget or formula-funded categories?**

As a transitional step for Fiscal Year 2010-11 only, the beginning balance for each college will be calculated as the FY 2009-10 budgeted-to-actual savings achieved in ongoing operating expenditure budgets (Unrestricted General Fund, object codes 1000 through 6000 and 7500 through 7700). Thereafter, each college will be allowed to retain its current year beginning balance, which is calculated as the college's prior year beginning balance plus prior year actual revenue less prior year operating expenditures.

- 7. Will colleges be given some amount (1%) of the Districtwide reserve to establish an operating reserve for 2010-11?**

As applicable, each college will be allocated its 2009-10 budgeted-to-actual savings as a beginning balance for 2010-11 to assist in establishing a reserve.

- 8. How is "college level reserves" defined? How will subfund reserves play into minimum/maximum college reserve levels?**

"College level reserves" is defined as a set aside contingency reserve that is equal to a minimum of 1% of the college's Unrestricted General Fund ongoing expenditure budget (Fund #11-01, 11-05, & 11-07) that includes object codes 1000 through 6000 and 7500 through 7700. Other subfund reserves may not be used to satisfy this requirement. College reserves that exceed 5% will require an approved plan. Reserves in excess of 7% will be divided between the college and Districtwide reserves, 60% and 40% respectively.

- 9. Current balances in banked load may exceed the colleges' reserves if faculty retire in the short term (1-3 years). What relief will be provided if college reserves are inadequate to pay out banked load?**

The District is assuming responsibility for the banked load liability accumulated prior to 6/30/2010 and will make payments as needed to reduce that liability. The colleges will budget and accrue overload expenses effective 7/1/2010. For more details, see #27 below.

- 10. How will the colleges handle unbudgeted emergencies, such as urgent repairs of facilities?**

The college's contingency reserve is a set aside specifically intended to address unbudgeted emergencies occurring during the budget year. Depending upon the nature of the emergency, other sources of college revenue may also be used for this purpose.

Additional Allocations in Current Model

- 11. Both classified and faculty senates receive funding under current formulas, on top of the operational formulas. How will the classified and faculty senates be funded in the new model? Who will be responsible for Senate Presidents' salaries?**

Classified and faculty senate expenses, including release time, as provided for in Business Procedures 18.04 and Human Resources Procedure 2090.07, will be administered on a centralized basis and will be funded through a per-FTES assessment.

12. Currently each college receives \$61,666 for transfer center activities. How will this be funded in the new model?

Locally funded transfer center activities are the responsibility of the college to fund as part of its operating expenditure budget.

13. Each college currently receives an allocation for staff development activities (DVC-\$50k, LMC-\$25k, CCC-\$25k). How will this be funded in the new model?

Locally funded staff development programs will be administered on a centralized basis and will be funded through a per-FTES assessment.

14. The existing C-hourly formula includes funding for athletics and substitutes. Will that still be allocated to the colleges by the District?

Intercollegiate athletics staffing and faculty substitutes are the responsibility of the college to fund as part of its operating expenditure budget.

15. Who will fund management sabbatical leave replacement costs? Currently it is a districtwide procedure to qualify for sabbaticals based on a districtwide budget available for this purpose.

Management sabbatical leave replacement costs are the responsibility of the college to fund as part of its operating expenditure budget.

Budget Development Roles and Responsibilities

16. What information and when will the District provide colleges with information necessary for the colleges to develop their budgets?

The Human Resources Department has provided initial position control information to the colleges. The Fiscal Services Department provided revenue estimates and expenditure increases to the colleges in February.

17. What information, what format, and when will the District expect the colleges to provide budget development information for the preliminary, tentative and adopted budgets?

Colleges shall submit their budget development information for the Tentative Budget using complete general ledger strings along with a specified budget amount for each account by April 1, 2010.

18. When can the colleges expect the budgets to be entered into Datatel?

The Adoption Budget will be presented for Governing Board approval on September 8, 2010. Colleges can expect their budgets to be entered into Datatel Colleague system by September 30, 2010.

19. It is presumed that the Technology Subfund (#11-07) will no longer be utilized. Who will be responsible for these expenses in the new model?

Fund 11-07 will be eliminated and existing expenses moved to 11-01. In the new model, it will be the responsibility of the college to fund these expenses as part of its operating expenditure budget.

Compliance Issues

20. When will the colleges get their faculty obligation numbers?

Colleges can expect to receive this information by April 30, 2010.

21. How will the 50% Law be monitored? Will each college receive a maintenance of effort number? If so, when?

Each college has significant latitude in developing their operating budgets. It is therefore of critical importance for each college to carefully analyze and consider the impact its budget decisions might have on the 50% Law and budget appropriately.

By April 30, 2010, the District Office will provide a benchmark ratio to each college as a starting point to assist them in managing their compliance with this requirement. In addition, the Fiscal Services Director will provide a template for colleges to continue to monitor their ratio. Training on this topic is planned for spring 2010.

DO/DW/Regulatory Assessments

22. How will the District determine shared costs? What process will be used to review existing and/or future costs to minimize assessments? Will the colleges have input in the DO/DW budget?

The Cabinet and campus representatives met on March 8, 2010 and are currently in the process of reviewing DO/DW costs.

23. If there is a shift of workload from DO to campuses resulting from the implementation of the new model, will DO resources also be shifted?

The workload does not shift from the DO to the campuses. The new funding model does not diminish the Chancellor's role nor does it reduce the oversight responsibility of the District Office staff to fulfill their fiduciary role of providing appropriate oversight of District operations. This new model acknowledges that the District is a legal entity and ultimately responsible for actions, decisions and legal obligations of the entire organization.

The District office has a responsibility to provide direction and data to the colleges to ensure they have appropriate information for management decision-making with regard to resource allocation at the local level. The District Office is responsible for ensuring District compliance with legal and regulatory requirements as it relates to the 50% Law, Full-time/Part-Time Faculty Obligation, CCFS 320 attendance accounting, audit requirements, fiscal and accounting standards, procurement and contract law, employment relations and collective bargaining, payroll processing and related reporting requirements, etc. Current responsibilities for these requirements will be retained by the District Office.

As the District's advocate in issues involving local, regional, and state government as well as other stakeholders, this model will require the District Office to engage in on-going and timely dialogue with the colleges on a variety of policy level governance and funding issues critical to the colleges' decision making.

Collective Bargaining Issues

24. How will the budget for department chair stipends be funded?

Department chair reassigned time is the responsibility of the college to fund as part of its operating expenditure budget.

25. How will the budget for sabbaticals be funded?

Faculty sabbatical leaves will be administered on a centralized basis and will be funded through a per-FTES assessment.

26. How will the budget for CEEP be funded?

The Classified Employee Enhancement Program, as provided by the Local One Contract, will be administered on a centralized basis and will be funded through a per-FTES assessment.

27. How will load banking be handled? Current District liability (\$9.124 M) is funded at \$2.75M. How will future unfunded liabilities be addressed?

As part of the new allocation model implementation, the District will assume responsibility for historic banked load liability accumulated through 6/30/2010. Banked load liability accrued as of 7/1/2010 is the responsibility of the college and must be budgeted for and expensed as it occurs in order to accumulate funds in a banked load liability account for future payouts.

28. How will vacation accrual payoffs be handled? Current District liability (\$5 M) is unfunded. How will future unfunded liabilities be addressed?

To date this issue has not been determined.

29. Parity pay expense has contractually been limited to the amount of funding received by the State. Will the funds be distributed by actual expenditures or FTES?

Part time faculty compensation funding (parity pay) shall be distributed as received and actually expended.

30. In the past, the District funded long-term substitutes for faculty. Will the colleges be responsible for this expense in the new model?

Substitutes for faculty on long-term sick leave are the responsibility of the college to fund as part of its operating expenditure budget.

31. Who will fund the salaries and benefits for the UF and Local One presidents and replacement costs for the employees? Will the District fund replacement costs for UF release time?

United Faculty release time (2.0 FTE), as provided in the United Faculty Contract, Article 3, and will Local One release time (1.0 FTE), as provided in the Local One Contract, Article 7.7.3, will be administered on a centralized basis and will be funded through a per-FTES assessment.

32. Who will fund the full cost of part time faculty office hours and health benefits? Spending has historically exceeded State funding and the UF contract has no limitations or caps.

Part time faculty office hours and health insurance benefits are the responsibility of the college to fund as part of its operating expenditure budget. Any State revenue received for these purposes will be distributed to the colleges on an FTES basis.

Other Revenue Allocations

33. Will the colleges be able to control parking fees and fines revenue at the campus level?

Due to the legal restrictions on the use of parking fees, these funds will remain in the police budget in Districtwide Services.

34. Will Staff Diversity (EEO) funds be distributed by a FTES formula?

To date this issue has not been determined.

35. How will Prop 20 Restricted Lottery funds be handled?

The District will continue its current practice for 2010-11.

Source Documents:

- *Business Procedure 18.01, GENERAL FUND BUDGET, Revised 4-06-10*
- *CCCCD SB 361 Allocation Model, April 6, 2010*
- *2008-11 United Faculty Contract*
- *2007-10 Local One Contract*
- *Human Resources Procedure 2090.07*