STUDY SESSION

DEVELOPMENT OF THE 2016-17 DISTRICT BUDGET

APRIL 27, 2016

Contra Costa Community College District
500 Court Street
Martinez, California 94553

STUDY SESSION
DEVELOPMENT OF THE
2016-17 DISTRICT BUDGET

AGENDA

I. Review of FY 2015-16 budget status and FY 2016-17 budget development discussion

II. Response from the Governing Board

PURPOSE

The Budget Study Session is conducted annually in April so that the Chancellor and staff can (1) share the status of the budget for the current year; (2) share what is known regarding the upcoming year; and (3) give the Governing Board the opportunity to respond to the presentation and provide direction to the Chancellor on the items to be included in the budget.

STUDY SESSION
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1. INTRODUCTION

This budget study session document is prepared in adherence to the District's policies and procedures established for development of the annual budget. In preparing the annual budget for the District, the goal is to develop a balanced budget that provides for programs and services that meet the needs of the community served by the Contra Costa Community College District, as delineated in the District's strategic plan.

The budget development process also adheres to Education Code §70901 and Title 5 §58301. These sections mandate the Governing Board hold a public hearing on the proposed budget for the ensuing fiscal year on or before September 15, but at least three days following availability of the proposed budget for public inspection. At the public hearing, any resident may appear and object to the proposed budget or any item in the budget.

Notification of dates and location(s) at which the proposed budget may be inspected by the public and date, time, and location of the public hearing on the proposed budget shall be published by the District in a newspaper of general circulation in the District.

Board Policy 5033, Budget Development, establishes the District's budget development process. It requires that the budget be prepared in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual. In addition, it ensures that the presentation and review of budget proposals comply with state laws and regulations and provide adequate time for Board review. The policy delineates the budget development criteria and values.

1.1 Criteria

The budget development process shall meet the following criteria:

- the annual budget shall support the District's strategic master plan and the colleges' educational and facilities master plans;
- assumptions, upon which the budget is based, are presented to the Board for review;
- a schedule is provided to the Board at the November Board meeting each year that includes dates for presentation of the tentative budget, required public hearing(s), Board study session(s), and approval of the adopted budget;
- unrestricted general reserves shall be no less than 5 percent to address significant opportunities that present themselves throughout the year;
- changes in the assumptions upon which the budget is based shall be reported to the Board in a timely manner; and
- budget projections address long-term goals and commitments.

1.2 Values

The foundation of the budget development process is a belief in basic, shared values: honesty, integrity, transparency, and an overall sense of collegiality. Fiscal prudence is exercised in the development and management of the budget. These values are upheld by ensuring:

- discussions and actions are student-centered;
- communication of financial information is practiced to ensure dialogue among constituencies and honest portrayal of the District's financial condition;
- decisions on financial matters are data driven;
- District budget practices are comparable to institutions of similar size and scope; and
- items included in the budget will be based on need.

1.3 Business Procedure 18.02, <u>Parameters for Budget Development and Preparation</u>

This procedure requires that, to the extent possible, the budget will:

- allow the resources sufficient for meeting the needs of the diverse student population of the District;
- be developed based on achievable full-time equivalent student (FTES) goals that provide for the highest possible level of student access;
- maintain a minimum emergency fund balance reserve of 5 percent of the unrestricted general fund budgeted expenditures for the fiscal year: an additional 5 percent contingency Board reserve will also be maintained;
- provide sufficient funding to ensure an appropriate number of faculty, classified staff and management personnel to fulfill the mission of the District and its colleges;
- provide for contractual obligations and fixed costs;
- cover the current-year retiree health benefit expenses and increase restricted reserves for the retiree health benefit liability;
- include funding for new Districtwide projects based on District goals;
- adhere to formulae stipulated in business procedures;
- budget and restrict college year-end carryover balances for one-time expenditures only;
- maintain and improve colleges in a manner that attracts students and provides an environment that promotes education, including providing matching funds;
- include total compensation for all employees which will be in the top one-third of the Bay 10, excluding basic aid districts, only if the District can afford it;
- reflect improvement in productivity at all levels; and
- be developed within a multi-year plan.

2. CONTRA COSTA COMMUNITY COLLEGE DISTRICT DISTRICTWIDE GOALS AND OBJECTIVES STRATEGIC PLAN 2014-19

GOALS	OBJECTIVES
GOAL 1 **ENHANCE STUDENT LEARNING AND SUCCESS: Create opportunities for thoughtful reflection and organizational learning that use meaningful quantitative and qualitative data, dialogue with diverse member of the community, student feedback, and other information in order to improve student outcomes.**	1.1 Conduct activities that improve student performance in areas included in the Student Success Scorecard over time. 1.2 Provide student support that focuses on student engagement and excellence in service. 1.3 Support high-quality distance education as an option for increasing access and promoting student success.
GOAL 2 **STRENGTHEN CURRENT AND CREATE NEW PARTNERSHIPS: Build pipelines that guide and prepare both K-12 students and the adult population for success in higher education and employment.**	2.1 Expand and deepen partnerships with educational institutions from preschool through four-year colleges, increasing both collaboration and alignment in order to expand access to the District for students of all backgrounds, ensure that enrolling students are prepared for success at the college level, and facilitate the achievement of bachelor's degrees and beyond. 2.2 Increase partnerships with business, community organizations and public agencies to meet community, economic and workforce needs and serve as a force for positive change.
GOAL 3 **CREATE A CULTURE OF CONTINOUS IMPROVEMENT AND TANGIBLE SUCCESS: Provide opportunities for employees at all levels to continually gain new skills and knowledge, seek out effective practices, and share ideas with one another in order to continually enhance learning and improve student success.**	3.1 Bring together administrators, faculty and staff within and across departments, divisions, and colleges to review relevant research and data, reflect on progress toward goals, and make course corrections as needed to ensure learning of the highest quality at all times. 3.2 Conduct focused recruitment efforts that result in the hiring of employees who are sensitive to and knowledgeable of the needs of our continually changing student body. 3.3 Create mechanisms to ensure employees have skills and knowledge to serve the needs of diverse students and implement practices that create equitable outcomes. 3.4 Expose employees at all levels to opportunities that enhance their knowledge, skills, and abilities to identify and develop emerging and promising practices.
GOAL 4 **BE GOOD STEWARDS OF THE DISTRICT'S RESOURCES: By word and deed, demonstrate sound judgment in the use of the District's current and potential physical and fiscal resources. Deepen alignment and coordination among the District and its three colleges, leveraging the District assets of each institution as well as the unique power of their combined efforts to strategically tackle challenges, increase resource efficiency, and better serve our students.**	4.1 Develop processes within the District to enable the colleges to work both autonomously and collaboratively to increase operational and administrative efficiency and provide students programs and services of the highest quality. 4.2 Develop practices and procedures that promote sustainability in all areas of the District, including but not limited to instruction, operations, construction, facilities, land use, energy, water conservation, and environmental integrity. 4.3 Practice fiscal prudence in order to ensure financial integrity and stability. 4.4 Diversify sources of revenue. 4.5 Provide a safe physical environment that is conducive to learning.

3. **CONTRA COSTA COMMUNITY COLLEGE DISTRICT**
2015-16 GOVERNING BOARD PRIORITIES

District Strategic Direction – Goal 1: Enhance Student Learning and Success
Create opportunities for thoughtful reflection and organizational learning that use meaningful quantitative and qualitative data, dialogue with diverse members of the community, student feedback, and other information in order to improve student outcomes.

1.1 Conduct activities that improve student performance in areas included in the Student Success Scorecard over time.
1.2 Provide student support that focuses on student engagement and excellence in service.
1.3 Support high-quality distance education as an option for increasing access and promoting student success.

District Strategic Direction – Goal 2: Strengthen Current and Create New Partnerships
Build pipelines that guide and prepare both K-12 students and the adult population for success in higher education and employment.

2.1 Expand and deepen partnerships with educational institutions from preschool through four-year colleges, increasing both collaboration and alignment in order to expand access to the District for students of all backgrounds, ensure that enrolling students are prepared for success at the college level, and facilitate the achievement of bachelor's degrees and beyond.
2.2 Increase partnerships with businesses, community organizations and public agencies to meet community, economic and workforce needs and serve as a force for positive change.

District Strategic Direction – Goal 3: Create a Culture of Continuous Improvement and Tangible Success
Provide opportunities for employees at all levels to continually gain new skills and knowledge, seek out effective practice, and share ideas with one another in order to continually enhance learning and improve student success.

3.1 Bring together administrators, faculty, and staff within and across departments, divisions, and colleges to review relevant research and data, reflect on progress toward goals, and make course corrections as needed to ensure learning of the highest quality at all times.
3.2 Conduct focused recruitment efforts that result in the hiring of employees who are sensitive to and knowledgeable of the needs of our continually changing student body.
3.3 Create mechanisms to ensure employees have skills and knowledge to serve the needs of diverse students and implement practices that create equitable outcomes.
3.4 Expose employees at all levels to opportunities that enhance their knowledge, skills, and abilities to identify and develop emerging and promising practices.

District Strategic Direction – Goal 4: Be Good Stewards of the District's Resources
By word and deed, demonstrate sound judgment in the use of the District's current and potential physical and fiscal resources. Deepen alignment and coordination among the District and its three colleges, leveraging the District assets of each institution as well as the unique power of combine efforts to stragi9cally tackle challenges, increase resource efficiency, and better serve our students.

4.1 Develop processes within the District to enable the colleges to work both autonomously and collaboratively to increase operational and administrative efficiency and provide students programs and services of the highest quality.
4.2 Develop practices and procedures that promote sustainability in all areas of the District, including but not limited to, instruction, operations, construction, facilities, land use, energy, water conservation, and environmental integrity.
4.3 Practice fiscal prudence in order to ensure financial integrity and stability.
4.4 Diversify sources of revenue.
4.5 Provide a safe physical environment that is conducive to learning.

4. FISCAL YEAR 2016-17 BUDGET DEVELOPMENT CALENDAR

The following is a listing of the actions to be undertaken in the development of the budget for Fiscal Year 2016-17. The budget calendar, noted in Business Procedure 18.06, Budget Preparation, adheres to the guidelines for preparation of the annual budget as set forth in the California Code of Regulations and Board Policy 5033, Budget Development.

November

- Districtwide educational planning meeting
- College Business Directors, Chancellor's Advisory Team (CAT), Cabinet, and District Governance Council (DGC) review tentative budget assumptions

December

- DGC presented long-form budget development calendar
- Cabinet reviews and discusses state revenue collections and FTES targets

January/February/March

- Governor's Budget is released setting the preliminary revenue targets
- Cabinet reviews state revenue collections, apportionment reports and enrollment data
- Cabinet reaches agreement on any mid-year shifting of FTES between sites
- Cabinet reaches agreement on FTES targets for the tentative budget
- First Principal Apportionment issued by the State System Office
- District develops preliminary revenue projections based on FTES targets per First Period Attendance Report and First Principal Apportionment Report
- District provides colleges with estimated revenue projections and personnel costs
- Tentative budget assumptions updated and reviewed with college Business Directors, CAT, Cabinet and DGC

April/May/June

- Budget Forums are conducted at all District locations
- Chancellor's Cabinet reviews FTES projections and revises as necessary all growth targets
- Board holds study session on Budget
- Colleges, District and Districtwide Services provide expenditures to the District to start development of Tentative Budget
- Chancellor's Cabinet, Faculty Senate Coordinating Council (FSCC) and DGC reviews Tentative Budget
- Tentative Budget is submitted to Governing Board for approval
- All locations develop preliminary operational Adoption Budgets

July

- Adoption budget assumptions updated and reviewed with College Business Directors, CAT, Cabinet and DGC
- District finalizes Adoption Budget assumptions

August

- Colleges, District and Districtwide Services provide expenditures to the District to start development of Adoption Budget
- Calculations are completed for the prior year to determine fund balances and carryover funds
- District compiles the Final Adoption Budget
- Final Adoption Budget assumptions reviewed with college Business Directors, CAT, Cabinet, FSCC and DGC

September

- Newspaper publications are notified of the availability of the Adoption Budget and Appropriations Limit
- Adoption Budget and Appropriations Limit are made available for public inspection
- Governing Board conducts a public hearing for the Adoption Budget and considers approval of the budget presented (Gann Limit)

October

- The finalized Adoption Budget is filed with the County Superintendent of Schools (Office of Education) and with the California Community Colleges State Chancellor's Office
- Annual Financial and Budget Report (CCFS 311) is filed with the State System Office

Throughout the year

- The Governing Board approves budget transfers and budget adjustments per Board Policy 5031, Fiscal Management

5. FISCAL YEAR 2015 – 16 UPDATE

In September 2015, the Governing Board adopted the FY 2015-16 budget. Building upon the momentum of the economic recovery, the enacted state budget provided significant year-over-year funding increases. For the third straight year, a modest COLA (1.02 percent) was provided to the community college system, which resulted in $1.35 million in additional revenue to the District. Moreover, the state dramatically adjusted the base allocations for community colleges; this change resulted in greater than $6 million in additional funding. In addition, an ongoing allocation targeted at full-time faculty hiring was given to the community college system; this yielded another $1.54 million in new, ongoing funds for the District. Finally, despite the District qualifying for 1.64 percent in eligible growth funding no additional monies from growth were budgeted in recognition of the recent enrollment struggles.

Additional restricted dollars from the state also materialized with substantial increases to categoricals, specifically the Student Success and Support Program (SSSP) and the Student Equity Program. Within these two categoricals, the state provided an additional $185 million to the community college system, which resulted in a total District allocation of greater than $5.5 million between the two programs. These programs have allowed the District to invest in substantial new resources in support of admissions, orientation, assessment, counseling, and follow-up in an effort to ensure that all students complete their college courses, persist to the next academic term, and achieve their educational objectives

Another hallmark of FY 2015-16 was the state's large buy-down of the community college system's mandate cost claims. Accumulated over decades, the state has largely ignored these liabilities particularly during periods of fiscal instability. However, in FY 2015-16 the state distributed over $600 million to pay down this debt resulting in $15.7 million in one-time funds for the District. These one-time funds were designated by the Governing Board to fund the following items aimed at maximizing returns in consideration of the interests of our students, employees, and county taxpayers:

- designate $10.2 million for eventual transfer into the District's irrevocable trust for retiree health benefits. This funding ensures the District will be able to makes its annual required contribution (ARC) through FY 2018-19;
- implement a wellness program for employees with the explicit goal of lowering future health care costs through the use of participation incentives. The District believes that a wellness program will create a healthier workforce as well as provide a long-term return on investment;
- convert to a 16-week academic calendar. This requires significant curriculum redevelopment and coordination, and other one-time work, particularly for faculty;
- offset increased costs and/or potential employee losses for a specified period of time after the classification study has concluded;
- fund a program by which the overall retiree health benefit liability will be reduced. Such a program would likely include buying out current and/or future retiree benefit obligations at a rate less than the actuarial value; and
- fund the Board's 10 percent reserve requirement.

Overall, the significant new ongoing revenues resulted in the Governing Board approving the Adoption Budget with a $4.8 million structural surplus, as shown in Table 1 below:

Unrestricted General Fund, Operating

Income	$ 174,507,212
Expenses	169,705,687
Net Income over Expenses	$ 4,801,525
Beginning Fund Balance at July 1, 2015	$ 25,306,712
Operating Surplus	4,801,525
Projected Ending Balance at June 30, 2016	**$ 30,108,237**

Table 1

Recognizing the District's strong financial position, the Governing Board approved a 5 percent salary increase for permanent employees at its October 7, 2015, meeting. This salary increase, retroactive to July 1, 2015, totaled $5.1 million and was the second salary increase provided to employees in the past seven years. The additional $5.1 million in expenses will directly affect the projected ending fund balance within the Adoption Budget.

The other major financial event in FY 2015-16 involved the District's overall enrollment shortfall and the decision by the Governing Board at its March 23, 2016, meeting to borrow the entirety of the FTES generated in summer 2016. This decision allowed the District to retain $7.2 million in already-distributed revenue associated with its resident FTES target. In addition, the decision to borrow will generate approximately $8.3 million in additional one-time apportionment revenue over two years through the capturing of eligible growth funds. Per the Board's direction, these one-time funds will be allocated towards the District's substantial long-term liabilities, investments in growing FTES at the colleges, and other one-time uses.

Detailed below are notable changes since the FY 2015-16 Adoption Budget in revenues and expenditures.

5.1 FY 2015-16 Changes in Revenues

Apportionment Recalculation from FY 2014-15
In March 2016, the State Chancellor's Office released the final figures from FY 2014-15. Included in these figures was the complete elimination of the system's deficit factor, caused by statewide shortfalls in property taxes and enrollment fees. With the elimination of this deficit, the District received an additional $1.1 million in apportionment revenue. Consistent with the business procedure that governs the District's allocation model, this revenue was distributed to all locations.

Borrowing FTES from summer 2016
As mentioned earlier, the decision to borrow FTES from summer 2016 will generate approximately $8.3 million over the course of two years (FY 2015-16 and FY 2016-17). Upon receiving Governing Board direction, District staff budgeted the FY 2015-16 amount of approximately $4.1 million in one-time funds.

5.2 FY 2015-16 Changes in Expenditures

Salary Increase
In FY 2015-16 all employee groups were given the equivalent of a 5 percent salary increase, retroactive to July 1, 2015, for bargaining unit represented and meet-and-confer employees. This salary increase resulted in an additional $5.1 million in expenditures for the District.

5.3 FY 2015-16 Adopted Budget and Projected Reserves

The District's expenses are currently trending very close to its amended budget. Table 4 details the Adopted Budget reserves and the Projected Ending reserves for FY 2015-16. The projected ending balance for FY 2015-16 is inclusive of the 5 percent raise, expected transfers for maintenance projects, long-term liabilities, and other one-time designations.

The reserves shown in Table 2 represent the operating, ongoing portion of the unrestricted general fund.

	2015-16 Adopted Budget	2015-16 Projected Ending Balance
Designated College Reserves	$ 5,078,585	$ 4,892,923
Designated District Office Reserves	256,140	174,230
Subtotal, Designated Site Reserves	**$ 5,334,725**	**$ 5,067,153**
5% Board Contingency Reserve	$ 8,688,113	8,688,113
5% Board Reserve	8,688,113	8,688,113
Subtotal, Designated Board Reserves	**$ 17,376,226**	**$ 17,376,226**
Undesignated Districtwide Reserve	739,855	297,398
Undesignated College Reserves	5,207,322	2,635,891
Undesignated District Office Reserves	1,450,109	678,179
Subtotal, Undesignated Reserves	**$ 7,397,286**	**$ 3,611,468**
TOTAL RESERVES	**$ 30,108,237**	**$ 26,054,847**

Table 2

5.4 FY 2015-16 Adopted Budget Comparison to Projected Actuals

Table 3 shows the difference between the FY 2015-16 Adopted Budget and the projected actuals at year-end for the operating, ongoing portion of the unrestricted general fund. The projected ending fund balance for FY 2015-16 becomes the projected opening balance in FY 2016-17. Keep in mind that additional apportionment funds generated from borrowing are included in the revenue *and* expenditures in the projected actuals column for the receipt and subsequent transfer to a non-operating account.

	FY 2015-16 Adopted Budget	FY 2015-16 Projected Actuals
Revenues	$ 174,507,212	$ 181,114,250
Expenditures	169,705,687	180,366,115
Increase/(Decrease)	4,801,525	748,135
Opening Fund Balance	25,306,712	25,306,712
Ending Fund Balance	$ 30,108,237	$ 26,054,847

Table 3

6. FISCAL YEAR 2016-17 BUDGET DISCUSSION

6.1 FY 2016-17 Highlights

Governor's Budget Proposal

The Governor's proposed operating budget for FY 2016-17 includes $120 billion in spending and estimates an ending fund balance of $3.2 billion. More importantly for K-14 education, the Governor's proposed budget estimates an ending fund balance of $8 billion for the Rainy Day Fund, which voters established through the passage of Proposition 2 in November 2014. This $8 billion would be available to smooth potential reductions during future economic down cycles.

Governor Brown's proposed budget also anticipates $2.4 billion in growth to the Proposition 98 guarantee, bringing the total guarantee for K-14 to $71.6 billion. The community college system is expected to receive 11 percent of the Prop 98 funds, which is consistent with the historical split between K-12 and community colleges. It is important to note that the $71.6 billion designated for Proposition 98 is only partially paid by the state budget; over $20 billion of the guarantee is funded through local property taxes, meaning the state's portion is roughly $51 billion of the total.

Table 4 illustrates how the Governor's proposed budget allocates these additional revenues to the community college system and their specific impact on the District.

Categories	Governor's Proposal	Impact to District
➢ Access/Restoration	$114.7 million to fund 2 percent in access/restoration for the community college system	None budgeted, but potential to earn 575 resident FTES valued at approximately $2.7 million
➢ COLA	$29.3 million to fund a COLA of 0.47 percent, raising the value of a resident FTES from $4,724 to $4,745	Approximately $600,000 in additional apportionment revenue
➢ Deferred Maintenance/Instructional Equipment	$283 million with no local match requirements	A likely distribution of approximately $6.4 million
➢ Mandate Claims	$76 million to pay-down system mandates	One-time funds of approximately $1.8 million
➢ Proposition 39 - Energy Efficient Projects	$45.2 million for energy-efficient projects for the community college system	A likely distribution of approximately $1 million
➢ Workforce Investments	$200 million to expand access to career technical education courses and implement a regional accountability structure	Distribution is currently unknown and will require a regional accountability structure to be implemented

Table 4

The proposals put forth by the Governor are disappointing in that there are very little ongoing, unrestricted funds available for the District. There is growth that cannot be earned; COLA that does not take into account known cost increases; and massive restricted funds available for Workforce/Career Technical Education that do not address the most immediate financial needs of the District. Between increases in health benefits and known or anticipated increases in employer-paid pension costs (STRS and PERS), the District will likely see expenses increase over $3 million. This is five times as much as the proposed COLA. The District is hopeful for a better financial picture to emerge at the May Revision.

6.2 FY 2016-17 Planning

Planning for the FY 2016-17 budget begins immediately following the January release of the Governor's proposal. The information contained in the proposal is shared with the Governing Board as well as employee constituency groups through the District Governance Council (DGC). As delineated in Business Procedure 18.06, budget assumptions for the Tentative Budget go through the college Business Directors, Chancellor's Advisory Team, Chancellor's Cabinet, and DGC. Each of these groups provides guidance and input into the budget development process.

As mentioned, the Governor's proposed budget includes very little additional ongoing, unrestricted funds; the COLA is small and the growth funds are not attainable. However, the Governor's proposals, while not what the District hoped for, shape the landscape for the Tentative Budget and drive the early stages of the District planning process.

<u>Resident FTES Targets</u>
This spring semester offered the most positive enrollment sign the District has recently seen: DVC and LMC grew enrollment 3 percent and 2.5 percent, respectively, comparing spring 2016 to spring 2015. The District feels that capitalizing on this positive momentum is crucial and could eventually help mark the end of the borrowing followed by stability cycle. To help incentivize DVC and LMC to continue on this positive path, increases in their resident FTES target and the dollars associated with those FTES are budgeted. On the other hand, CCC's FTES target is being reduced in recognition of the enrollment challenges it is facing. The net effect of these changes is a Districtwide increase of 301 FTES, roughly 1 percent overall. The financial impact of the FTES adjustments at each campus is shown in the "$ Difference" column in Table 5.

	FY 2015-16 Resident FTES Target	**FY 2016-17 Resident FTES Target**	**FTES Difference**	**$ Difference**
CCC	5,581	5,381	(200)	$ (949,160)
DVC	15,035	15,336	301	1,428,486
LMC	7,751	7,951	200	949,160
Total	**28,367**	**28,668**	**301**	**$ 1,428,486**

Table 5

Non-resident FTES Targets

The District is also planning for static non-resident FTES in FY 2016-17. The targets and total tuition dollars associated with these students, inclusive of the recent hike in the non-resident tuition fee, are included in Table 6.

	FY 2015-16 Non-Resident FTES Target	FY 2016-17 Non-Resident FTES Target	FTES Difference	Total Non-Resident $
CCC	250	250	-	$ 1,187,153
DVC	2,400	2,400	-	12,317,534
LMC	100	100	-	390,436
Total	**2,750**	**2,750**	**-**	**$ 13,895,123**

Table 6

Health Benefit Increase

During the development of the budget assumptions, District staff review historical increases and project the coming increase based on an agreed upon formula: the average of the past seven years' increases excluding the high and the low. The outcome of this formula is a projected increase in health benefit premiums of 7.2 percent. A 7.2 percent premium hike translates to $1.9 million in additional annual cost to the District. The District should receive finalized rates by May and will incorporate the actual plan costs into the Adoption Budget.

Salary Increase

Any salary increases for FY 2016-17 (which are not included within the expenditure assumptions) will be determined through the collective bargaining process.

6.3 FY 2016-17 Budget Assumptions

Revenue Assumptions

Following are major revenue assumptions based on what is known at this point in the state budget process. These revenue assumptions total $1.6 million in incremental revenue.

- COLA of 0.47 percent
  - *Potential impact*: A COLA of 0.47 percent at the resident FTES target of 28,668 will generate $600,000 in incremental revenue for the District.
- Non-resident FTES target unchanged but with a $6.00 per unit increase in tuition
  - *Potential impact*: The escalation of non-resident tuition will provide an increase of $400,000 in revenue to the District, primarily attributable to DVC.
- State lottery revenue
  - *Potential impact*: $630,000 increase in lottery revenue received from the state.
- No growth funding will be earned
  - *Potential impact*: With the District almost certain to be on stability funding in FY 2016-17, no growth funding is earnable.

Expenditure Assumptions
Delineated below are major expenditure assumptions totaling $5.6 million in increased expenses.

- Health benefits costs to increase by 7.2 percent
  - *Potential Impact*: A 7.2 percent increase in health benefits costs results in $1.9 million in additional expenses to the District. This increase includes retiree health benefits, which now comprise approximately 36 percent of the anticipated $34 million annual cost of health benefits expenditures.
- Step and column salary increases at 1.2 percent of total salaries
  - *Potential Impact*: Step and column increases are projected to cost $1.3 million and include all classes of employees.
- CalSTRS employer contribution rate to increase from 10.73 percent to 12.58 percent
  - *Potential Impact*: This is a finalized rate set in statute and not an assumption. The increase in the CalSTRS employer contribution results in $1.33 million in additional costs to the District.
- CalPERS employer contribution rate to increase from 11.847 percent to 13.05 percent
  - *Potential impact:* An increase in the CalPERS employer contribution rate from 11.847 percent to 13.05 percent creates an additional $560,000 expense to the District.
- Utility costs expected to increase 5 percent year-over-year
  - *Potential impact:* A 5 percent increase in utility costs is projected to increase overall utility costs by $200,000.
- Election costs – Two local elections
  - *Potential impact:* With two elections in FY 2016-17, the District's budget for this item will increase $350,000 over FY 2015-16.

Other Expenditure Assumptions
Listed below are additional expenditure assumptions that remain relatively unchanged year-over-year.

- the retiree health benefit contribution will remain at $1 million;
- the self-insurance annual contribution will remain at $100,000; and
- the worker's compensation rate will drop slightly to 1.283 percent; and
- the state unemployment insurance rate will remain at 0.05 percent.

6.4 Program Emphases

The District, like all community colleges, faces significant challenges in improving economic times. As the student population becomes more economically, culturally, ethnically, and educationally diverse, the District must become more innovative and better prepared to meet the needs of its changing population. In addition, demand generally declines at the same time growth funding becomes available. As the District prepares to face these challenges in FY 2016-17, it must be innovative in marketing the value it provides in order to combat the sluggish enrollment of the past four fiscal years and build upon the positive momentum generated from DVC and LMC during this spring semester. To that end, the District has committed significant dollars to fund television-marketing campaigns at each of its campuses. Moreover, each campus recently completed an enrollment management framework, shared with the Governing Board at its February 24, 2016, meeting, that lists activities to help stimulate enrollment

Although not part of the unrestricted general fund, significant programmatic funding is available through SSSP and Student Equity allocations. Each college has prepared detailed plans for use of the funds, with emphasis on awareness and outreach, student success and retention, and closing the participation and achievement gap in underserved groups. All should help attract and retain students, important goals on their own, but also vital to the District's fiscal viability.

7. Fiscal Year 2016-17 Projected Budget

While college and District Office tentative budgets are not yet complete, it is possible to provide a high-level view of the District's Tentative Budget based upon historical actuals and current proposals by the Governor. As always, substantial changes may occur with the Governor's May Revision, and the District will adjust as necessary. As was discussed earlier, with very little in ongoing revenue being proposed coupled with known cost increases, the projected Tentative Budget for the District contains a significant structural deficit of $3.5 million.

7.1 FY 2015-16 and FY 2016-17 Comparison

Table 7 shows a comparison between the projected actuals for FY 2015-16 and the projected Tentative Budget for FY 2016-17. As explained previously, the resident FTES target for FY 2016-17 is approximately 1 percent higher than in FY 2015-16. Moreover, the budget assumptions will almost assuredly change after the May Revision. As was noted in Section 5.4, the projected actuals in revenue and expenses for FY 2015-16 include the receipt and subsequent transfer of the apportionment funds earned from borrowing into a non-operating account; this skews the revenue and expenses approximately $4 million more than they otherwise would be in FY 2015-16.

	FY 2015-16 Projected Actuals	FY 2016-17 Projected Tentative Budget	Increase/ (Decrease)
Funded Resident FTES	28,367	28,668	301
Revenues	$ 181,114,250	$ 178,981,863	($ 2,132,387)
Expenditures	180,366,115	182,019,865	1,653,750
Opening Fund Balance	25,306,712	26,054,847	748,135
Change in Fund Balance	748,135	(3,038,002)	n/a
Ending Fund Balance	$ 26,054,847	$ 23,016,845	($ 3,038,002)

Table 7

7.2 FY 2016-17 Projected Reserves

The reserves shown in Table 8 comprise the operating portion of the unrestricted general fund and tentatively project a FY 2016-17 ending reserve balance of $23,016,845. The table details the distribution of the projected FY 2016-17 ending reserve balance between designated and undesignated categories. College and District Office designations continue to be updated and will change by Tentative Budget.

	2016-17 Projected Tentative Budget
Designated College Reserves	848,476
Designated District Office Reserves	80,614
Subtotal, Site Designated Reserves[1]	**$ 929,090**
5% Contingency Reserve	9,100,993
5% Board Reserve	9,100,993
1% Minimum Location Reserves	1,600,000
Subtotal, Board Designated Reserves[2]	**$ 19,801,986**
Undesignated Districtwide Reserve	114,324
Undesignated College Reserves	1,682,190
Undesignated District Office Reserves	489,255
Subtotal, Undesignated Reserves[3]	**$ 2,285,769**
TOTAL RESERVES 6/30/17	**$ 23,016,845**

Table 8

8. District Fiscal Trends

The District has a demonstrated history of fiscal prudence and conservative behavior. Even so, from FY 2010-11 through FY 2014-15 expenditures exceed revenues, resulting in a slow decline of the District's fund balance. The change in fund balance year-over-year since FY 2009-10 within the unrestricted, operating fund is illustrated in Chart 1, with an estimate of FY 2015-16.

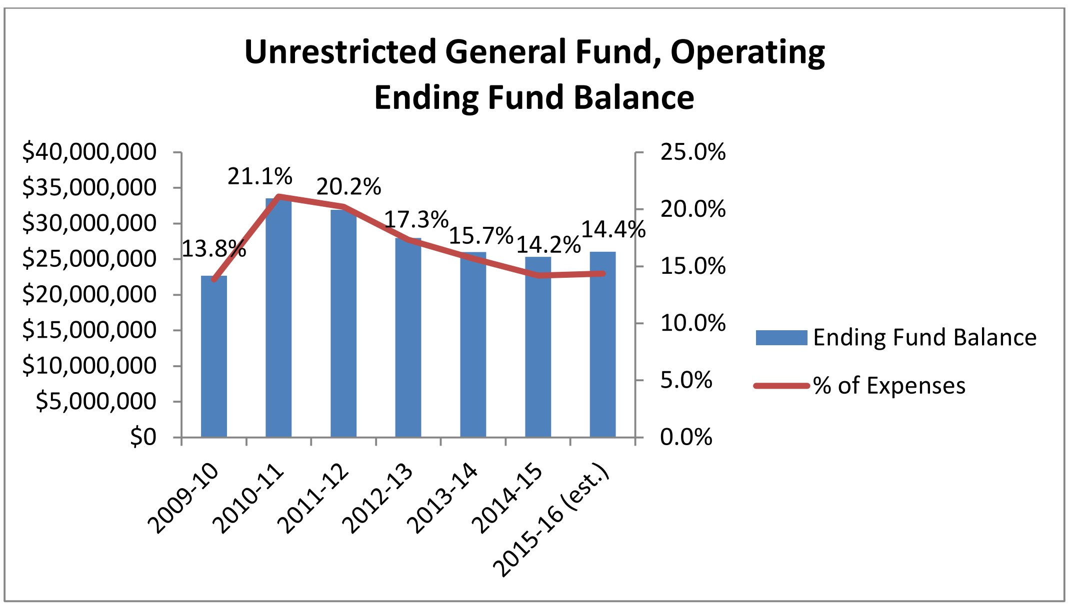


Chart 1

1 Designated College and District Office Reserves: Deficit funding reserves and other long-term liabilities (load banking, vacation).

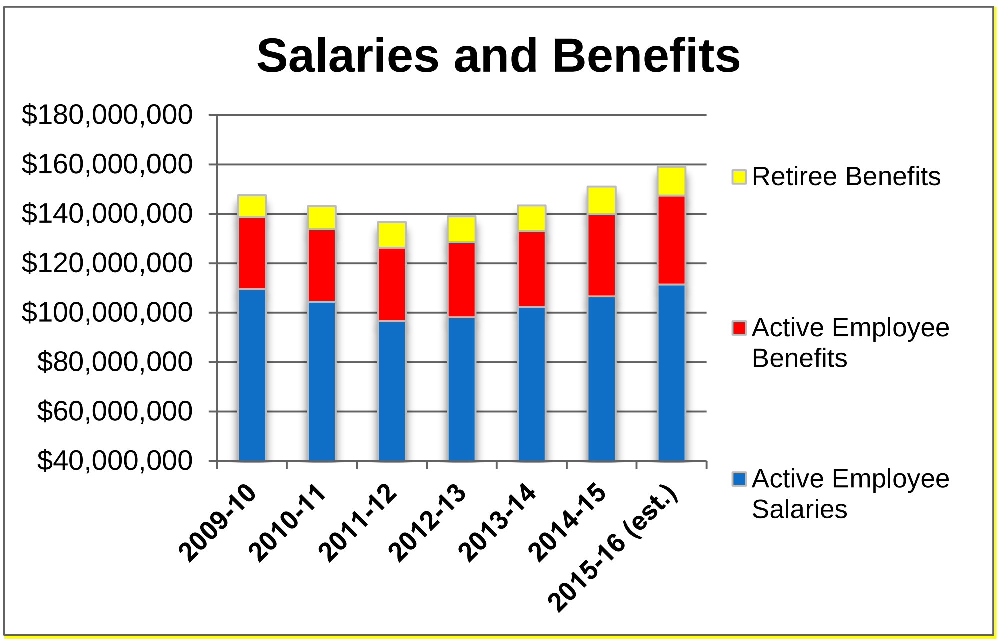
2 Board and Location Reserves: Board Reserve at 10 percent; site reserves at a minimum of 1 percent per Business Procedure 18.01.

3 Undesignated Reserves: *Estimated* reserves; largely determined by each site.

8.1 Salary and Benefit Trends

The District continues to see significant increases in the cost of providing benefits for active and retired employees. For active (current) employees, benefits include health benefits as well as employer-paid payroll taxes, such as PERS/STRS contributions, FICA, Medicare, etc. For retirees, the cost is entirely for health benefits. Chart 2 shows the past six years of actual salary and benefit costs along with a projection for FY 2015-16. Of note in Chart 2 is:

- salary costs have increased the past four years and are projected to be over $111 million in FY 2015-16, surpassing the previous peak of $109 million in FY 2009-10;
- total benefit costs have increased from $38 million in FY 2009-10 to an estimated $48 million in FY 2015-16, a 26 percent increase; and
- in FY 2009-10, for every dollar spent on salaries, an additional 35 cents was spent on benefits; however, in FY 2015-16 for every dollar spent on salaries, an additional 43 cents is spent on benefits. This is a 23 percent increase between FY 2009-10 and FY 2015-16.

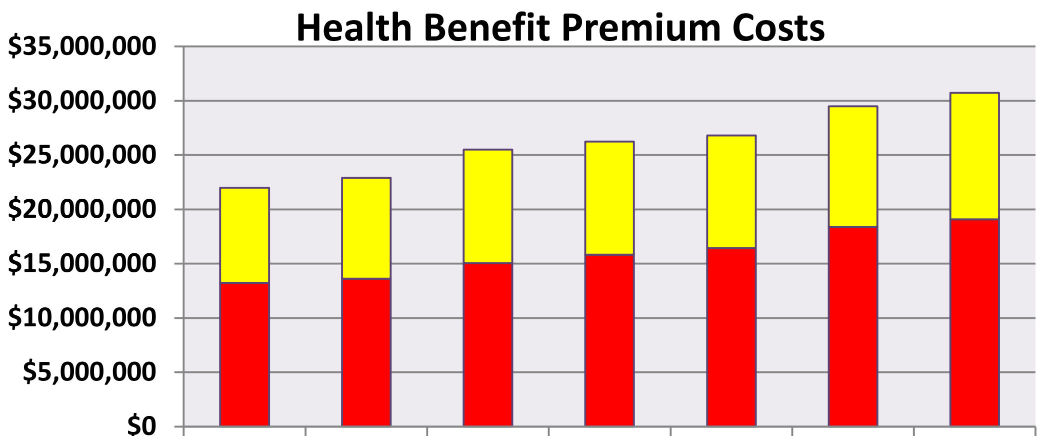


Cumulative Totals

2009-10:	$147.5 million (total benefits at 34.6% of salary)
2010-11:	$143.1 million (total benefits at 37.0% of salary)
2011-12:	$136.8 million (total benefits at 41.4% of salary)
2012-13:	$139.0 million (total benefits at 41.5% of salary)
2013-14:	$143.4 million (total benefits at 40.0% of salary)
2014-15:	$151.0 million (total benefits at 41.7% of salary)
2015-16:	$159.1 million (total projected benefits at 42.8% of salary)

Chart 2

By removing payroll taxes (PERS/STRS, FICA, Medicare, etc.) from active employees and comparing only health benefit costs, the picture changes dramatically. Chart 3 shows the health premiums paid by the District on behalf of active and retired employees. Currently, retiree benefit expenses are approximately 36 percent of the total District-paid health premiums and 6.5 percent of total operating expenditures for the District.

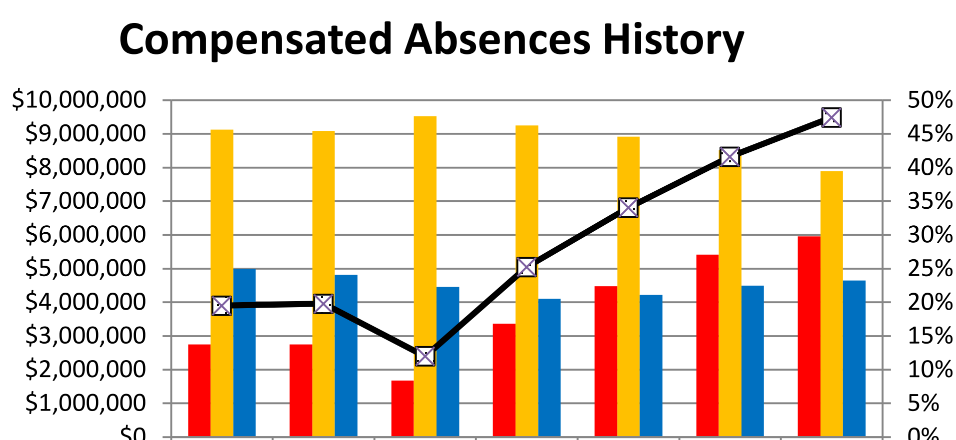


	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 (est.)
Retirees	$8,751,165	$9,294,095	$10,476,62	$10,420,81	$10,374,19	$11,117,43	$11,658,96
Current Employees	$13,245,803	$13,607,401	$15,046,633	$15,839,548	$16,428,724	$18,390,189	$19,079,853

Chart 3

8.2 Compensated Absences Liability (Banked Load and Vacation Accrual)

Compensated absences within the District are comprised of two separate components: vacation accruals and load banking. Chart 4 shows a history of the District's compensated absences. Encouragingly, the unfunded liability at the end of FY 2014-15 is at a new low.



	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Funded	2,750,000	2,750,000	1,674,980	3,369,928	4,471,099	5,413,381	5,951,275
Load Bank Liability	9,124,113	9,088,324	9,521,011	9,247,428	8,914,401	8,514,543	7,895,382
Vacation Liability	4,988,710	4,816,184	4,457,328	4,104,747	4,222,102	4,494,282	4,649,470
% Funded	19%	20%	12%	25%	34%	42%	47%

Chart 4

The District has dedicated substantial financial resources in recent years to buy this liability down. This dedication resulted in an increase in the fund balance from $1.67 million in FY 2010-11 to $5.95 million in FY 2014-15. More important is the ratio of funding in comparison to the total liability. In FY 2010-11, the District had $1.67 million to cover a liability of $13.98 million, a funding level of 11.7 percent. At the end of FY 2014-15, the District had $5.95 million to cover a liability of $12.54 million, a funding level of 47.4 percent.

9. NEXT STEPS

The Governor's revised budget will be released in mid-May 2016. With the legislature still to weigh in, significant changes are likely in the Governor's May Revision. The District's hope is that those changes will result in additional ongoing funds beyond the paltry amount provided by the Governor's proposals. Time permitting, those changes will be factored into the Tentative Budget presented to the Governing Board in June. The final state budget will almost certainly be enacted by June 30, 2016, providing ample time for District staff to prepare the final Adoption Budget to be presented to the Governing Board at its September 2016 meeting.

10. CONCLUSION

After a fantastic budget in FY 2015-16 in which significant ongoing funds from COLA, base allocation increases, and full-time faculty dollars were made available, the budget currently being proposed for FY 2016-17 can best be described as a disappointment. This is reflected in the currently anticipated $3 million structural deficit for the Tentative Budget; increases in CalSTRS, CalPERS, health care and other ongoing costs simply cannot be covered by the meager ongoing funds being made available. Even so, building enrollment momentum in FY 2016-17 will be crucial and with initiatives such as the marketing campaign and enrollment management planning, the District is taking every effort to ensure that enrollment targets are reached.

Budget assumptions reflect caution and continue the somewhat conservative approach that has led the District to fiscal stability over the last decade. The District remains responsive to the current economic situation and student demands with funds allocated for everything from outreach to student outcomes, while always keeping an eye on long-term liabilities and recommending one-time funds be used to offset future debt. In sum, the District recognizes the changing demographics and job markets within its service area and remains fully committed to meeting the needs of the residents of Contra Costa County. With over 65 years of history, the District is devoted to providing a high-quality education with access to the necessary support services to empower students to achieve their goals.

Contra Costa Community College District

pathways to success

APPENDICES

A. SOUND FISCAL MANAGEMENT CHECKLIST
B. AUDIT FINDINGS FOR FY 2013-14 AND 2014-15
C. 2016-17 BUDGET DEVELOPMENT ASSUMPTIONS
D. THREE-YEAR BUDGET FORECAST
E. FIVE-YEAR EXPENDITURE TRENDS
F. PROPOSITION 30 TAXES
G. DEFINED BENEFIT PENSION PLAN CONTRIBUTIONS
H. GLOSSARY

APPENDIX A

SOUND FISCAL MANAGEMENT CHECKLIST

APPENDIX A
SOUND FISCAL MANAGEMENT CHECKLIST

Pursuant to Education Code Section 84040, the Board of Governors for the California Community College Systems is required to adopt criteria and standards for the periodic assessment of the fiscal condition of California community college districts. Based on these requirements the System Office established standards for sound fiscal management and a process to monitor and evaluate the financial health of community college districts. The System Office monitors and assesses a district's financial condition through:

- Quarterly Financial Status Reports (CCFS-311Q)
- Annual Financial and Budget Reports (CCFS-311)
- Annual District Audit Reports
- Apportionment Attendance Reports (CCFS-320)
- District responses to inquiries
- Other available information (Accounting Advisory 05-05)

The System Office has developed the Sound Fiscal Management Checklist as a tool to assist districts in monitoring their fiscal health. The System Office encourages districts to regularly complete the checklist with the Governing Board and executive staff.

Question	Answer	Explanation
1. Deficit Spending		
Is this Area Acceptable?	**Yes**	
Is the District spending within their revenue budget in the current year?	Yes	The District is projected to increase its fund balance by a modest $748,000 approximately 4/10ths of one percent of its expenditure budget.
Has the District controlled deficit spending over multiple years?	Yes	The District has built up the ending fund balance since FY 03-04 primarily by identifying and setting aside one-time, unrestricted revenues and not budgeting them in an ongoing fashion.
Is deficit spending addressed by fund balance, on-going revenue increases, or expenditure reductions?	Yes	The District makes a budgetary distinction between "on-going" and "one-time" revenues and expenditures. For FY 2015-16, the District's budgeted on-going expenses are less than on-going revenues, resulting in a small anticipated increase in the District's fund balance.
Are District revenue estimates based upon past history?	Yes	Non-apportionment revenues are based upon past history and adjusted for known changes. FTES-related revenues are based upon FTES projections for each college.
Does the District automatically build in "growth" in growth revenue estimates?	No	The District bases its apportionment revenue on FTES targets that are set during budget development. FTES targets include either growth or decline as projected utilizing trend data and State funding availability.
2. Fund Balance		
Is this Area Acceptable?	**Yes**	
Is the District's fund balance stable or consistently increasing?	Yes	The ending fund balance has steadily increased since FY 03-04 growing from $8.6 million to $25.3 million at the end of FY 2014-15. The District is very cognizant of its fund balance and recognizes the importance of maintaining it at a healthy level.

Is the fund balance increasing due to ongoing revenue increases and/or expenditure reductions?	Yes	The prior increase in fund balance occurred due to a combination of expenditure control in FY 03-04, FY 04-05, & FY 05-06, and revenue increases in FY 07-08, FY 08-09 and FY 10-11 due to restoration in FTES. Passage of Proposition 30 also provides stability for the District.
3. Enrollment		
Is this Area Acceptable?	**Yes**	
Has the District's enrollment been increasing or stable for multiple years?	Yes	The District exceeded the funding cap in FY 09-10, FY 10-11 and FY 11-12 due to statewide workload reductions. The past four fiscal years have seen FTES remain stable, with less than 1 percent variance each year as compared to the four-year average.
Are the District's enrollment projections updated at least annually?	Yes	Enrollment projections are monitored throughout each semester and updated when the CCFS 320 is completed in January, April, July, and October.
Are staffing adjustments consistent with the enrollment trends?	Yes	The course schedule at each location determines the staffing levels per term. In addition, enrollment trends drive the level of managers, classified and other non-instructional personnel.
Does the District analyze enrollment and full-time equivalent student (FTES) data?	Yes	The colleges and Cabinet review current trends and develop both college and District projections.
Does the District track historical data to establish future trends between P-1 and annual for projection purposes?	Yes	The District produces periodic reports of enrollment trends and utilizes multi-year analyses in developing projections.
Has the District avoided stabilization funding?	No	The District has received stabilization funding in FY 04-05, FY 08-09, FY 12-13 and FY 14-15. The District exceeded its funded FTES in FY 09-10, earned all available growth in FY 10-11, and exceeded its cap in FY 11-12 and FY 13-14.
4. Unrestricted General Fund Balance		
Is this Area Acceptable?	**Yes**	
Is the District's Unrestricted General Fund Balance consistently maintained at or above the recommended minimum prudent level (5% of the total Unrestricted General Fund expenditures)?	Yes	Over the previous five years, the District has maintained at least a 5% fund balance and in FY 08-09 a 5% "Board Contingency Reserve" was established in addition to the on-going 5% contingency reserve.
Is the District's Unrestricted Fund Balance maintained throughout the year?	Yes	The District's Unrestricted Fund Balance is maintained and monitored throughout the year.
5. Cash Flow & Borrowing		
Is this Area Acceptable?	**Yes**	
Can the District manage its cash flow without interfund borrowing?	Yes	The District has never used interfund borrowing due to the County Teeter plan, which advances local property taxes if needed.

Is the District repaying Tax Revenue Anticipation Notes (TRANS) and/or borrowed funds within the required statutory period?	N/A	The District has no TRANS.
	6. Bargaining Agreements	
Is this Area Acceptable?	**Yes**	
Has the District settled bargaining agreements within new revenue sources during the past three years?	Yes	The District gave a 5% salary increase in FY 15-16, only the second salary increase since FY 08-09. Approved contracts are in place for United Faculty through FY 15-16 and for Local One (classified staff) through FY 17-18.
Did the District conduct a pre-settlement analysis identifying an ongoing revenue source to support the agreement?	Yes	On-going salary increases are determined based on an agreed upon formula taking into consideration on-going restoration revenue, new resources and permanent expenditure reductions.
Did the District correctly identify the related costs?	Yes	The District has seen the salary expenses increase commensurate with the analysis that was done prior to implementation.
Did the District address budget reductions necessary to sustain the total compensation increase?	Yes	The District enacted the salary increase after an analysis of available revenue in comparison to expected expenses.
	7. Unrestricted Fund Staffing	
Is this Area Acceptable?	**Yes**	
Is the District ensuring it is not using one-time funds to pay for permanent staff or other ongoing expenses?	Yes	The District differentiates ongoing and one-time funding to ensure that one-time monies are not being used for ongoing expenditures.
Is the percentage of District General Fund allocated to salaries and benefits at or less than the statewide average (i.e., the statewide average for 2009-10 was 85%).	No	For 2014-15, the percentage of the General Fund that was expended for salaries and benefits was 88%. In 2015-16, the percentage of the General Fund budgeted for salaries and benefits is 88%.
	8. Internal Controls	
Is this Area Acceptable?	**Yes**	
Does the District have adequate internal controls to insure the integrity of the general ledger?	Yes	For the majority of the District's transactions, there were adequate controls to insure the integrity of the 2014-15 general ledger and an unqualified opinion of the financial statements was issued by the District's independent auditors.
Does the District have adequate internal controls to safeguard the District's assets?	Yes	The District has strong internal controls in place and always looks for improvement. The District recently developed and approved policies and procedures on the safeguarding of its assets. No findings were present during the external audit.

9. Management Information Systems		
Is this Area Acceptable?	**Yes**	
Is District data accurate and timely?	Yes	The District has taken steps to ensure a timely and accurate close of the fiscal year. The FY 2014-15 records were complete prior to the District audit and the close of the fiscal year is being done timely.
Are the county and state reports filed in a timely manner?	Yes	All reports are submitted to reporting agencies by their appropriate deadlines.
Are key fiscal reports readily available and understandable?	Yes	Many reports are available on the District's web site as part of the agenda materials provided to the Governing Board. Commonly requested documents, such as budget and audits, are also available on Administrative Service's web page.

10. Position Control		
Is this Area Acceptable?	**Yes**	
Is position control integrated with payroll?	No	The District's human resources personnel and position system is fully integrated with the payroll system. The District does not utilize a position control system per se, but instead budgets operational allocations that can be used for positions only after multiple levels of review and approval.
Does the District control unauthorized hiring?	Yes	The District's Human Resources Department oversees hiring. Regular positions are validated by the Finance Department for budget only.
Does the District have controls over part-time academic staff hiring?	Yes	Part-time academic staff hiring is overseen by the colleges and monitored through budget allocations.

11. Budget Monitoring		
Is this Area Acceptable?	**Yes**	
Is there sufficient consideration to the budget, related to long-term bargaining agreements?	Yes	The District prepares multi-year projections of the Unrestricted General Fund, including the effects of bargaining agreements.
Are budget revisions completed in a timely manner?	Yes	Budget revisions are made as requested, by either Board action or campus decisions. The revised budgetary figures are taken to the Board on a monthly basis for review purposes. The Board approves budget revisions quarterly.
Does the District openly discuss the impact of budget revisions at the Board level?	Yes	On a quarterly basis, at its public meeting, the Board receives a report detailing the revisions that have been made during the quarter.
Are budget revisions made or confirmed by the Board in a timely manner after the collective bargaining agreements are ratified?	Yes	The Board formally approves all budget revisions on a quarterly basis. Any changes made to the budget due to collective bargaining agreements are included in subsequent fiscal reports.
Has the District's long-term debt decreased from the prior fiscal year?	No	Most long term debt is held in the 2002, 2006, and 2014 bonds. The District recently made the initial issuance of $120 million for the 2014 bond; this will increase long-term debt. However, the long-term debt associated with the bond programs is paid through tax levies and not truly District debt.

		Also with the implementation of GASB 68, the District must now put its share of pension liabilities on its balance sheet. Load banking and vacation unfunded liabilities have decreased from $12.3 million to $6.6 million based upon aggressive District funding.
Has the District identified the repayment sources for the long-term debt?	Yes	The voter-approved bonds are repaid through tax levies. Per GASB 16, the District funds the current portion of its accrued compensated absences (the District is not obligated to fund the long-term portion). The District compiles an actuarial every two years for GASB 45 post-employment health benefits debt and has established an irrevocable trust to meet GASB 45 guidelines.
Does the District compile annualized revenue and expenditure projections throughout the year?	Yes	The Board receives monthly reports comparing the revenues and expenditures to budgeted amounts, and the percentage received/spent (to-date) to the percentage of the year completed.
12. Retiree Health Benefits		
Is this Area Acceptable?	**Yes**	
Has the District completed an actuarial calculation to determine the unfunded liability?	Yes	The last actuarial calculation was performed in March 2015. The District's actuarially accrued liability is at $172 million, down from the prior study.
Does the District have a plan for addressing the retiree benefits liabilities?	Yes	The District selected a financial advisor, appointed a Retirement Board of Authority, prepared a substantive plan, and has funded between $5.7 - $9.1 million each year since FY 08-09 into an irrevocable trust. There is a current market value of over $78 million within the irrevocable trust and further funds have been identified and set-aside to continue funding the trust.
13. Stable Leadership		
Is this Area Acceptable?	**Yes**	
Has the District experienced recent turnover in its management team (including Chief Executive Officer, Chief Business Officer, and Board of Trustees)?	No	The Chancellor is in her eleventh year and has been with the District for over 20 years. Each of the District's two Executive Vice Chancellors has been with the District for over 10 years and one of them was recently appointed the President of one of the District's colleges. The Governing Board has five members, one elected in January 2010; two elected in November 2012; one elected in November 2014, and one who has served for twenty years.
Does the District compile annualized revenue and expenditure projections throughout the year?	Yes	The Board receives quarterly financial statements on all funds of the District and periodic "Fiscal Trends" reports comparing the revenues and expenditures to budgeted amounts, and the percentage received/spent (to-date) to the percentage of the year completed.

APPENDIX B

AUDIT FINDINGS FOR
FY 2013-14 AND FY 2014-15

APPENDIX B
AUDIT FINDINGS FOR FY 2013-14 AND 2014-15

The annual financial audit for the District conducted by James Marta & Co. for FY 2013-14 reported no findings. The subsequent audit for FY 2014-15 resulted in a compliance audit finding within Disabled Student Program Services; a signed application was missing from a sampled file. In order to keep the Board updated on the progress of implementing policies, procedures and processes to address the audit, the following matrix details the main issues of the audit, the District's response, the managers in charge and the expected completion date.

Audit Findings for FY 2013-14
There were no audit findings in FY 2013-14

Audit Findings for FY 2014-15					
2014-15 Audit Findings	**Description of Finding**	**District Action**	**Responsible Managers**	**Target Date of Completion**	**Results**
2015-01 Compliance	The DSPS office did not have a signed application on file for one Disabled Student Programs and Services (DSPS) participant.	DSPS office followed up with student and received necessary paperwork; in the future, all files will be reviewed to ensure proper documentation is collected.	DSPS Manager	Immediately	Implemented

APPENDIX C

FY 2016-17 BUDGET DEVELOPMENT ASSUMPTIONS

APPENDIX C

2016-17 BUDGET DEVELOPMENT ASSUMPTIONS
Key Budget Assumptions, 0.47% COLA, 1.06% FTES Adjustment, 7.2% H/W Increase
Unrestricted General Fund

Updated: 3/14/2016

FTES		**14/15 Actuals**	**15/16 Budget**	**16/17 Preliminary Budget Assumptions**
	Resident Credit rate	$ 4,675.90	$ 4,723.60	$ 4,745.80
	Resident Non-Credit rate	$ 2,811.75	$ 2,840.43	$ 2,853.78
	Resident Credit target	28,288.84	28,288.84	28,590.44
	Resident Non-Credit target	77.33	77.33	78.03
	Resident Credit - funded	28,288.84	28,288.84	28,590.44
	Resident Non-Credit - funded	77.33	77.33	78.03
	Non-Resident Target	2,750.00	2,750.00	2,750.00
	Resident Unit Fee	$ 46.00	$ 46.00	$ 46.00
	Non-Resident Unit Fee	$ 198.00	$ 205.00	$ 211.00

Revenue Assumptions		**14/15 Actuals**	**15/16 Budget**	**16/17 Preliminary Budget Assumptions**
1.	**FTES (Resident)**	28,366.17	28,366.17	28,668.47
2.	**FTES (Non-Resident)**	2,750.00	2,750.00	2,750.00
	Revenue (2.9% rate increase in 2016-17)	$13,280,883	$13,815,142	$13,895,122
3.	**COLA**	0.85%	1.02%	0.47%
4.	**Lottery, unrestricted**	$128	$140	$140
	Revenue Generated	$4,645,128	$3,759,000	$4,391,940
5.	**Lottery, Prop 20 Restricted**	$34	$41	$41
	Revenue Generated	$1,307,368	$1,136,178	$1,286,211
6.	**Deficit (property taxes/enrollment fees)**	0.0%	0.5%	0.5%
	Reduction in Revenue	-	($776,992)	($780,644)
7.	**FTES Adjustment**	0.00%	0.00%	1.06%; 301 net increase[1]
	Incremental Revenue	-		$1,434,166

Expenditure Assumptions		**14/15 Actuals**	**15/16 Budget**	**16/17 Preliminary Budget Assumptions**
1.	**Salary Increase**	0%	5%	0%[2]
2.	**Step/Column Annual Average Increase**	1.2%	1.2%	1.2%
3.	**Health and Welfare (H&W)**	8.91%	10%-A & 5%-R	7.2%[3]
	Active Employees	$18,412,728	$20,156,221	$ 21,607,469
	Retirees	$11,117,435	$11,673,307	12,167,200
		$ 29,530,163	$ 31,829,528	$ 33,774,669
4.	**Payroll Taxes**			
	PERS Rate	11.771%	11.847%	13.050%
	PERS Safety Rate (Police)	26.150%	26.650%	26.650%
	STRS Rate	8.880%	10.730%	12.580%
	Worker's Compensation Rate	1.767%	1.410%	1.500%
	State Unemployment Insurance (SUI) Rate	0.050%	0.050%	0.050%
5.	**Districtwide Assessments and Other Expenses**			
	Utilities (5% Increase over CY projections)	$ 3,772,200	$ 3,960,810	$ 4,042,500
	Property & Liability Insurance	1,315,760	1,350,000	1,350,000
	Student Accident Insurance/Student Assistance Program	332,850	330,000	330,000
	IT Maintenance Agreements	1,340,643	1,300,000	1,300,000
	Retiree Health Benefit Annual Contribution	1,000,000	1,000,000	1,000,000
	Legal Costs	478,978	400,000	400,000
	Election Costs (Two local elections)	206,719	-	350,000
	Audit	198,700	192,000	192,000
	SUI Experience Charges	116,274	150,000	150,000
	Self-Insurance Annual Contribution	100,000	100,000	100,000

[1] The 301 net increase includes a 200 FTES reduction for CCC, a 301 FTES increase for DVC, and a 200 FTES increase for LMC.
[2] Any salary increases for FY 2016-17 will be determined through the collective bargaining process
[3] Increase in health benefit costs are calculated based on last 7 years' average excluding the lowest and highest years

APPENDIX D

THREE-YEAR BUDGET FORECAST

APPENDIX D
THREE-YEAR BUDGET FORECAST

Contra Costa Community College District
Three Year Budget Forecast*
2016-2017 Fiscal Year and Beyond

Unrestricted, Ongoing General Fund

		0% Growth, 0.47% COLA *28,668 FTES* **FY 2016-17**		*1% Growth, 2% COLA* *28,955 FTES* **FY 2017-18**		*2% Growth, 2% COLA* *29,534 FTES* **FY 2018-19**
Base Revenue	$	178,345,408	$	178,981,863	$	183,119,433
COLA and Base Allocation Revenue		636,455		2,748,287		2,859,309
Growth Revenue		-		1,389,283		2,858,825
Revised Revenue	**$**	**178,981,863**	**$**	**183,119,433**	**$**	**188,837,566**
Budgeted Ongoing Expenses	$	178,754,724	$	182,019,865	$	187,946,972
Step/Column Increases		1,320,000		1,335,840		1,351,870
Health Benefits Cost Increases		1,945,141		1,688,733		2,293,615
STRS/PERS Increases		-		2,902,534		2,219,848
Revised expenditures	**$**	**182,019,865**	**$**	**187,946,972**	**$**	**193,812,305**
Revenue less Expense	**$**	**(3,038,002)**	**$**	**(4,827,540)**	**$**	**(4,974,739)**
Potential Expenditure Reductions		-		-		-
Beginning fund balance	$	26,054,847	$	23,016,845	$	18,189,305
Estimated Ending Balance		**23,016,845**		**18,189,305**		**13,214,566**
Adjustment to Fund Balance	**$**	**(3,038,002)**	**$**	**(4,827,540)**	**$**	**(4,974,739)**

*Will change as better data obtained
Please note the figures are estimates based on assumptions and *will* change

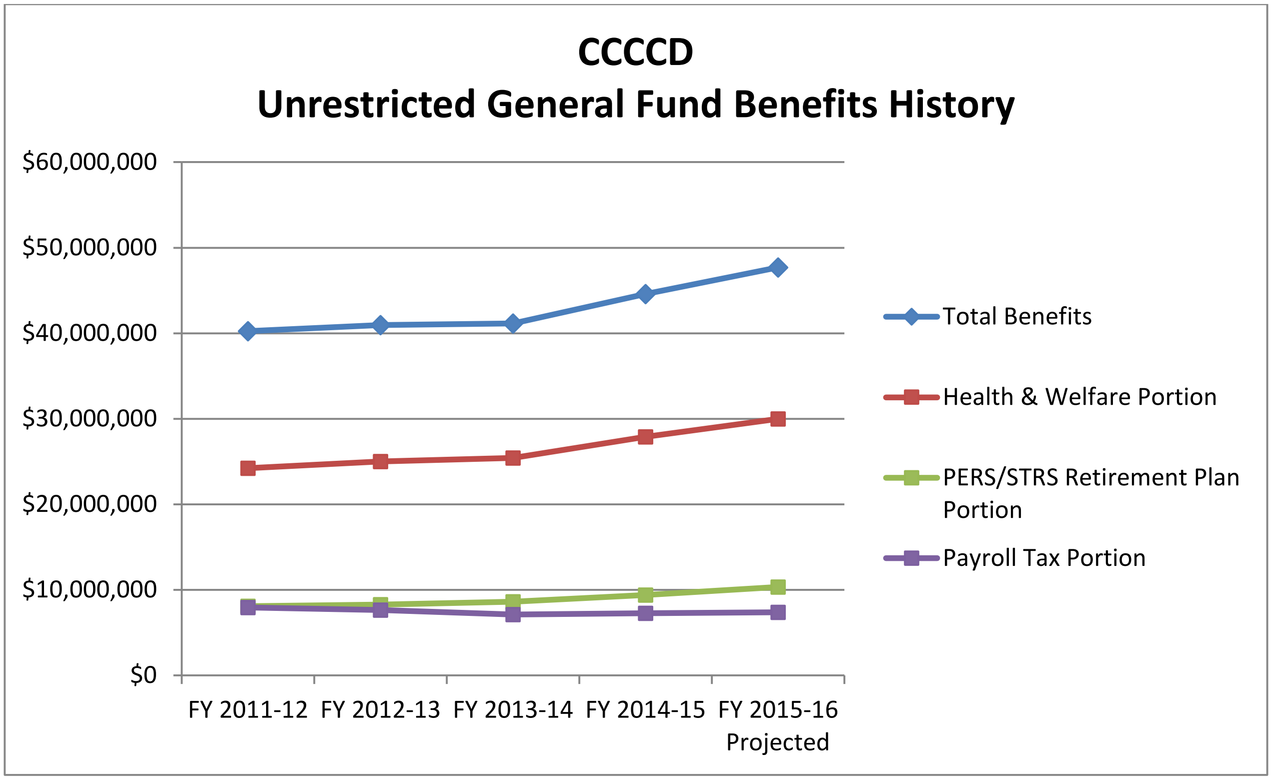
Key Assumptions

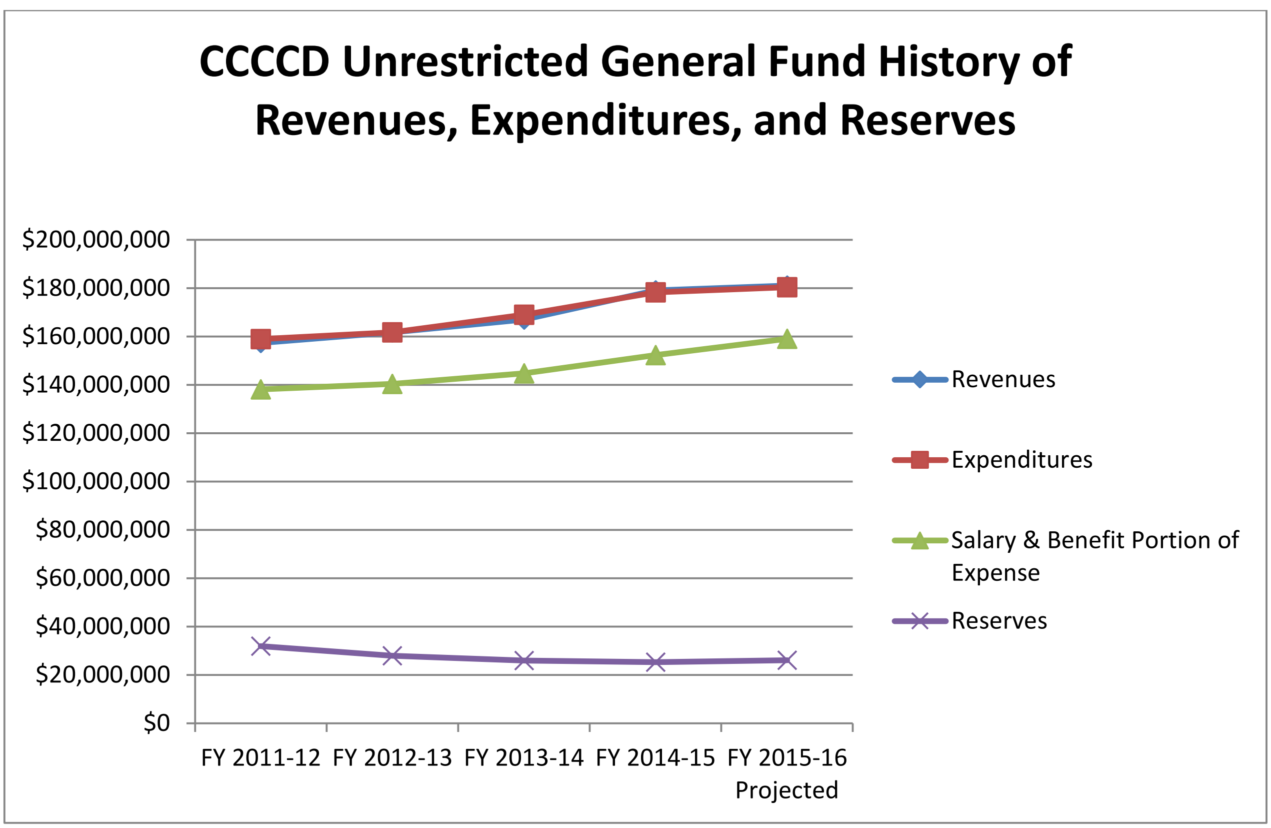
1% Growth in FY 2017-18 and 2% Growth in FY 2018-19
2% COLA in FY 2017-18 and 2% COLA in FY 2018-19
Step/Column increases at 1.2% each year
Health Benefit increases in FY 2017-18 and FY 2018-19 at 5% each year

APPENDIX E

FIVE-YEAR EXPENDITURE TRENDS

Appendix E
Five-Year Expenditure Trends





APPENDIX F

PROPOSITION 30 TAXES

APPENDIX F
PROPOSITION 30 TAXES

In November 2012, Governor Brown championed the passage of Proposition 30 in which Californians temporarily raised sales and income tax rates to help prevent more than $5 billion in education cuts (almost all to K-14 education) and restore the fiscal health of schools. According to the provisions of Proposition 30, revenues raised are sent directly to schools for classroom expenses and may not be used for administrative costs. The revenue transfer cannot be suspended or withheld no matter what happens with the state budget. In addition, all revenues associated with Proposition 30 are subject to audits at the local level and by the State Controller. To ensure compliance with the ballot language, each year the Governing Board must approve eligible expenditures from which Proposition 30 revenues can be applied against legitimately.

Proposition 30 funds count against the Proposition 98 guarantee, which helps alleviate the strain on the state budget for the myriad of other non-Proposition 98 services it funds. Currently Proposition 30 generates approximately $8 billion in revenue of which the District receives around $23 million.

Proposition 30 consists of two tax increases:

- a sales tax increase of one-quarter cent for every dollar of goods purchased through calendar year 2016; and
- an increase in the marginal personal income tax (PIT) for high wage earners of 1 to 3 percent through calendar year 2018.

The expiration of the sales tax increase will occur in the middle of FY 2016-17. With the sales tax generating approximately 20 percent of the total revenue from Proposition 30, it is by far the smaller component in comparison to the personal income tax hike. Nevertheless, it is important to review the potential impact that the expiration of these taxes may have on the District. The Legislative Analyst's Office (LAO) provides such analysis.

In its FY 2016-17 California Fiscal Outlook report, the LAO provides a forecast out to FY 2019-20, which is after the expiration of the entirety of Proposition 30 taxes. Within their forecast the LAO projects that while personal income tax revenue growth slows after calendar year 2018, growth is still anticipated. **The LAO specifically states that no "cliff effect" is anticipated from the expiration of Proposition 30 taxes.** In fact, the LAO projects that the state's outlay for Proposition 98 funds will grow by only 1.7 percent from FY 2015-16 through FY 2019-20. This is illustrated in the "Figure 1" below from the LAO.

Figure 1

General Fund Spending Under LAO Main Scenario

Includes Education Protection Account (Dollars in Millions)

	Estimates		Outlook				Average Annual Growth[a]
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
Education Programs							
Proposition 98[b]	$50,497	$49,444	$50,213	$52,110	$52,376	$52,992	1.7%

The real engine in the year-over-year growth in dollars for Proposition 98 is projected from increased collections of local property taxes. The total Proposition 98 guarantee, inclusive of local property taxes, forecasted by the LAO through FY 2019-20 is shown in "Figure 5" from the LAO. This illustrates the projected minimum guarantee out past the expiration of Proposition 30 and, again, shows no "cliff effect" taking place.

Figure 5

Proposition 98 Outlook

LAO Main Scenario (Dollars in Billions)

	2015-16	2016-17	2017-18	2018-19	2019-20
Minimum Guarantee					
General Fund	$49.4	$50.2	$52.1	$52.4	$53.0
Local property tax	19.7	21.2	22.5	23.4	24.5
Totals	**$69.1**	**$71.4**	**$74.6**	**$75.8**	**$77.5**
Change From Prior Year					
Total guarantee	$1.5	$2.3	$3.2	$1.2	$1.6
Percent change	2.3%	3.3%	4.4%	1.6%	2.2%
General Fund	-$1.1	$0.8	$1.9	$0.3	$0.6
Percent change	-2.1%	1.6%	3.8%	0.5%	1.2%
Local property tax	$2.6	$1.5	$1.3	$1.0	$1.0
Percent change	15.2%	7.8%	5.9%	4.3%	4.4%
Maintenance Factor					
Amount created (+)/paid (-)	-$0.2	$1.1	$0.1	$2.6	$2.1
Total outstanding[a]	—	$1.1	$1.3	$4.0	$6.3
Operative Test	2	3	3	3	3
Growth Rates					
K-12 average daily attendance	-0.1%	-0.3%	-0.3%	-0.5%	-0.3%
Per capita personal income (Test 2)	3.8	5.3	4.9	5.6	5.3
Per capita General Fund (Test 3)[b]	5.9	2.7	4.4	1.6	2.1
K-14 cost-of-living adjustment	1.0	2.0	2.4	2.5	2.4
Assessed property values	6.0	6.3	5.1	4.9	4.8
Public School System Stabilization Account Deposit?	No	No	No	No	No

[a] Outstanding maintenance factor grows each year with changes in K-12 attendance and per capita personal income.
[b] As set forth in the State Constitution, reflects change in per capita General Fund plus 0.5 percent.

All indications point to a ballot initiative to extend the personal income tax rates, potentially through calendar year 2030, being placed before voters this coming November. While passage of the Proposition 30 personal income tax increase would provide even greater stability and more long-term revenue to K-14 budgets, it is not essential to maintaining our current status quo.

APPENDIX G

DEFINED BENEFIT PENSION PLAN CONTRIBUTIONS

Appendix G
Defined Benefit Pension Contributions

The District participates in two defined benefit pension programs for eligible employees: the California Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS). Over the past two years, both pension programs released scheduled contribution rate increases out to FY 2020-21. While the CalPERS rates are subject to change, the rates for CalSTRS are in statute. These rate increases are considerable and put significant pressure on the District's budget.

Table 1 shows the rate increases the District is facing for the two pension programs out to FY 2020-21. If these rates become reality, the District is facing pension contributions rising from less than $9 million in FY 2013-14 to greater than $22 million in FY 2020-21. Total District increases out to FY 2020-21, assuming the contribution rates had stayed flat at the FY 2013-14 level, come to $41.6 million.

CalSTRS and CalPERS Combined Employer Contribution Forecast

CalSTRS	**13-14**	**14-15**	**15-16**	**16-17**	**17-18**	**18-19**	**19-20**	**20-21**
STRS Payroll *	$ 58,800,000	$ 62,212,268	$ 63,456,513	$ 64,725,643	$ 66,020,156	$ 67,340,559	$ 66,687,370	$ 70,061,117
Contribution rate	8.250%	8.880%	10.730%	12.580%	14.430%	16.280%	18.130%	19.100%
Contribution required	$ 4,851,000	$ 5,524,449	$ 6,808,884	$ 8,142,486	$ 9,526,709	$ 10,963,043	$ 12,453,020	$ 13,381,673
CalPERS	**13-14**	**14-15**	**15-16**	**16-17**	**17-18**	**18-19**	**19-20**	**20-21**
PERS Payroll *	$ 36,150,000	$ 37,592,813	$ 38,344,669	$ 39,111,562	$ 39,893,793	$ 40,691,669	$ 41,505,502	$ 42,335,612
Contribution rate	11.442%	11.771%	11.847%	13.05%	16.600%	18.200%	19.900%	20.400%
Contribution required	$ 4,136,283	$ 4,425,050	$ 4,542,693	$ 5,104,059	$ 6,622,370	$ 7,405,884	$ 8,259,595	$ 8,636,465
Total Contributions	**$ 8,987,283**	**$ 9,949,499**	**$ 11,351,577**	**$ 13,246,545**	**$ 16,149,079**	**$ 18,368,927**	**$ 20,712,615**	**$22,018,138**

* Payroll is assumed to increase 2.00% each year, compounded.

Table 1

In order to pay for these substantial increases, significant ongoing funds from the state will need to be made available. Table 2 shows the COLA needed each year to "breakeven" on the pension increases; the table assumes that in each prior year the break-even COLA is achieved. Of note is a 1.38 percent breakeven COLA needed for FY 2016-17; the current proposal is for a 0.47 percent COLA.

	CalSTRS Increase	**CalPERS Increase**	**Total Increase**	**% of Payroll**	**Breakeven COLA**
FY 16-17	1,333,602	561,366	1,894,968	1.82%	1.38%
FY 17-18	1,384,223	1,518,311	2,902,534	2.74%	2.10%
FY 18-19	1,436,334	783,514	2,219,848	2.05%	1.57%
FY 19-20	1,489,977	853,711	2,343,688	2.13%	1.63%
FY 20-21	928,653	376,870	1,305,523	1.16%	0.89%

Table 2

Unless downward movement is made to the defined benefit contribution rates or additional help and support from the state is given, the District strongly believes these rate increases will push its total benefits package (payroll taxes, pension contributions and health benefits) from the current 43 percent of salary to north of 50 percent of salary. Should that occur, the salary and benefits of the District will consume greater than 90 percent of its budget, leaving precious few resources available. Without a doubt, the total compensation costs for permanent employees are rising significantly.

District staff will continue to monitor the pension contribution rates and inform the Governing Board on any developments.

APPENDIX H

GLOSSARY

APPENDIX H
GLOSSARY

50 Percent Law
Section 84362 of the *Education Code*, commonly known as the Fifty Percent Law, requires that a minimum of 50% of the District's current expense of education be expended during each fiscal year for "salaries of classroom instructors." Salaries include benefits and the salaries of instructional aides.

Accounts Payable
A short-term liability account reflecting amounts due to others for goods and services received prior to the end of an accounting period (includes amounts billed, but not paid).

Accounts Receivable
An asset account reflecting amounts due from others for goods and services provided prior to the end of an accounting period (includes amounts advanced but not repaid).

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

Administrator
For the purpose of *Education Code* Section 84362, "Administrator" means any employee in a position having significant responsibilities for formulating district policies or administering district programs.

Allocation of Costs
Districts regularly incur costs that are not exclusively for one program. These costs generally must be assigned to the programs incurring such costs, using an acceptable allocation method.

Apportionments
Allocation of state or federal aid, local taxes or other moneys among school districts or other governmental units.

Capital Outlay
Capital outlay expenditures are those which result in the acquisition of or addition to fixed assets. They are expenditures for land or existing buildings, additions to buildings, remodeling of buildings, or initial or additional equipment. Construction-related salaries and expenses are included.

Capital Projects Funds
The fund accounts for financial resources to be used for the acquisition or construction of capital outlay items.

Categorical Funds
Money from the state or federal government granted to qualifying districts for special programs, such as DSPS, EOPS or Vocational Education. Expenditure of categorical funds is restricted to the fund's particular purpose. The funds are granted to districts in addition to their general apportionment.

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

Chart of Accounts
A systematic list of accounts applicable to a specific entity. The Chart of Accounts consists of funds, subfunds, cost centers, activities and object codes.

Collective Bargaining - SB 160 (1975)
A law passed by the California legislature which sets the manner and scope of negotiations between school districts and employee organizations. The law also mandates a regulations board. (See PERB)

Compensated Absences
Absences, such as vacation and load banking, for which employees must be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation or other long-term fringe

benefits, such as group insurance and long-term disability pay.

Current Assets
Assets that are available to meet the cost of operations or to pay current liabilities.

Debt Service Funds
Funds used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Disabled Student Programs and Services (DSP&S)
The purpose of these special programs and services is to integrate the disabled student into the general college program; to provide educational intervention leading to vocational preparation, transfer or general education; and to increase independence or to refer students to the community resources most appropriate to his or her needs.

Educational Administrator
Education Code Section 87002 and *California Code of Regulations* Section 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 district. Educational administrators include, but are not limited to, chancellors, presidents, and other supervisory management employees designated by the governing board as educational administrators.

Enterprise Funds
A subgroup of the proprietary Funds Group used account for operations when the governing board has decided either that the total cost of providing goods and services on a continuing basis (expenses including depreciation) be 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.

Extended Opportunity Programs and Services (EOPS)
Amounts apportioned for the purpose of providing allowable supplemental services through EOPS to encourage enrollment of students handicapped by language, social and/or economic disadvantages.

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

Fixed Assets
Property of a permanent nature having continuing value such as land, buildings, machinery, furniture, and equipment with a $5,000 threshold.

Full-time Equivalent (FTE) Employees
Ratio of the hours worked based upon the standard work hours of one full-time employee.

Full-time Equivalent Students (FTES)
An FTES represents 525 class (contact) hours of student instruction/activity in credit and noncredit courses. The number 525 is derived from the fact that 175 days of instruction are required each year, and students attending classes 3 hours per day for 175 days will be in attendance 525 hours. An FTES is currently worth $4,636 in apportionment funding.

Districts complete Apportionment Attendance Reports (CCFS-320) and Apprenticeship Attendance Reports (CCFS-321) to report attendance. These are carefully reviewed by external auditors. The importance of these reports lies in the fact that they serve as the basis for State General Apportionment allocation to community college districts.

Fund
An independent fiscal and accounting entity with a self-balancing 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 fund assets and fund liabilities of governmental and similar trust funds.

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.

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

General Purpose Tax Rate
The District's tax rate, determined by statute as interpreted by the County Controller. The base rate was established in 1978, after the passage of Proposition 13, and changes have occurred based on a complex formula using tax rate areas.

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

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

Intrafund Transfer
The transfer of moneys within a fund of the district.

Irrevocable Trust
A trust that can't be modified or terminated without the permission of the beneficiary. The grantor, having transferred assets into the trust, effectively removes all of his or her rights of ownership to the assets and the trust. The District currently has an irrevocable trust to fund retiree health benefits.

Nonresident Tuition
A student who is not a resident of California is required, under the uniform student residency requirements, to pay a tuition fee as prescribed by ECS 76140. The fee shall not be less than the average statewide cost per student.

Objects of Expenditure
Objects of expenditure are articles purchased or services obtained by a district, such as:

- **Certificated Salaries (object series 51000)**
  Includes expenditures for full-time, part-time and prorated portions of salaries for all certificated personnel.

- **Classified Salaries (object series 52000)**
  Includes expenditures for full-time, part-time and prorated portions of salaries for all classified personnel.

- **Employee Benefits (object series 53000)**
  Includes all expenditures for employer's contributions to retirement plans, and for health and welfare benefits for employees or their dependents, retired employees and Governing Board members.

- **Supplies (object series 54000)**
  Includes supplies and materials, typically with a limited lifespan.

- **Other Operating Expenses (object series 55000)**
  Includes expenditures for consultants, travel, conferences, membership dues, insurance, utilities, rentals, leases, elections, audits, repair and maintenance contracts, and other contracted services.

- **Capital Outlay (object series 56000)**
  Includes expenditures for sites, improvement of buildings, books and media for libraries and new equipment.

- **Other Outgo (object series 57000)**
  Includes expenditures for retirement of debt, interfund transfers, other transfers, appropriations for contingencies, and student financial aid.

Other Post-Employment Benefits (OPEB)
Other post-employment benefits (OPEB) are employee benefits other than pensions that are received after employment ends, typically medical benefits.

Proposition 13 (1978)
An initiative amendment passed in June 1978 which added Article XIIIA to the California Constitution. Tax rates on secured property are restricted to no more than 1% of full cash value. The measure also defines assessed value and the voting requirements to levy new taxes.

Proposition 98 (1988)
An amendment to the California Constitution establishing minimum funding levels for K-14 education and changing some of the provisions of Proposition 4 (Gann limit).

Proposition 111 (1990)
A Senate Constitutional Amendment which modified Proposition 98 and made numerous changes to the way the appropriations limit is calculated and how the minimum funding guarantee for public schools and community colleges is determined; this includes the appropriations limit formula, the K-14 education funding guarantee and the allocation of excess revenues.

Public Employees' Retirement System (PERS)
State law requires school district classified employees, school districts and the State to contribute to the fund for full-time classified employees.

Public Employment Relations Board (PERB)
Established to regulate collective bargaining between school districts and employees. Formerly called EERB.

Reserves
Funds set aside to provide for estimated future expenditures or deficits, for working capital or other purposes. Designated reserves are funds set aside for a specific purpose while undesignated reserves are available for appropriation. All reserves are one-time in nature.

- **Board 5% Reserve**
  Per Board Policy 5033, a 5% Board reserve shall be set aside to address significant opportunities that present themselves through the year and covers the minimum prudent standard set by the State Chancellor's Office. This is calculated on the ongoing, operating expenditure budget of the District, not including interfund or intrafund transfers out.

- **Board 5% Contingency Reserve**
  Per Business Procedure 18.01, a 5% contingency reserve shall be set aside to address significant opportunities that present themselves throughout the year and covers the minimum prudent standard set by the State Chancellor's Office. This is calculated on the ongoing, operating expenditure budget of the District, not including interfund or intrafund transfers out.

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

Student Financial Aid Funds
Funds designated to account for the deposit and direct payment of government-funded student financial aid. The following are the various types of financial aid:

- Federal Aid:
  - Pell Grants
  - Supplemental Educational Opportunity Grant (SEOG)
  - Perkins
- State Aid:
  - EOPS (Extended Opportunity Programs and Services)
  - CAL Grant

Taxonomy of Programs (TOP)
This was formerly called Classification of Instructional Disciplines. Districts are required for State purposes to report the expenditures by categories identified in the CCFS-311. The major categories are:

- Instructional
- Instructional Administration
- Instructional Support Services
- Admissions and Records
- Counseling and Guidance
- Other Student Services
- Operations and Maintenance
- Planning and Policy Making
- General Institutional Support
- Community Services
- Ancillary Services
- Property Acquisitions
- Long-term Debt
- Transfers
- Appropriations for Contingencies

Tax and Revenue Anticipation Notes (TRANs)
These are issued to finance short-term cash flow needs. The notes are paid off within a 13-month period using the proceeds of current fiscal year taxes.

Useful Life
The period of time that an asset is of physical useful value. It is established primarily for depreciation and insurance purposes.

Weekly Student Contact Hours (WSCH)
The number of class hours each course is regularly scheduled to meet during a week, inclusive of holidays, multiplied by the number of students actively enrolled in the course.