

2016-17 BUDGET WORKSHOP

CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE

ELIAS REGALADO, DIRECTOR FISCAL STANDARDS AND ACCOUNTABILITY

Fiscal Standards, Accountability, and Attendance Accounting Update



FULL-TIME FACULTY OBLIGATION

- **Fall 2016 P2 (Actual) FON**
 - Recently released to districts
 - Fall 2016 Compliance FON based on the lower of "Projected" (as of 2015-16 Adv.) or "Actual" (as of 2015-16 P2) FON
 - Fall 2016 Compliance FON includes \$62.3 million from 2015-16 Budget to increase the FT Faculty percentage allocated on an FTES/Quintile basis
 - Fall 2016 FON reporting form to be provided early fall

FULL-TIME FACULTY OBLIGATION

- **Fall 2017 Advanced ("Projected") FON**
 - Recently released to districts
 - \$62.3 million to increase the FT Faculty percentage (as adjusted by COLA) rolled into funding base for 2016-17
 - 2015-16 FON adjustment resulting from the \$62.3 million has become part of new FON base for the Fall 2017 Projected FON
 - Fall 2017 Compliance FON based on the lower of "Projected" (as of 2016-17 Adv.) or "Actual" (as of 2016-17 P2) FON

2016-17 CONTRACTED DISTRICT AUDIT MANUAL

- Adding One Test
 - Section 428 Student Equity
- Removing One Test
 - Section 438 Student Fees, Health and Use of Health Fee Funds
- Revising One Test
 - Section 427 Concurrent Enrollment
 - Incorporating new legislation (AB 288 CCAP Partnerships)
 - Renaming to Dual Enrollment

2016-17 CONTRACTED DISTRICT AUDIT MANUAL

- General Revisions
 - Section 130 – Arrangement for Audit, six year limit on CPA firm partners (counting begins as of 2013-14, so 2019/20 would be first year a change in partner would be required)
- Sections 250 and 327 – Required Supplementary Information for Audit and Reporting
 - Added a reconciliation of CCFS-311 to audited financial statements
- Section 410 – State Compliance Requirements
 - Language has been added in regards to findings and apportionment adjustments
 - Affirmative confirmation by district of FTES discrepancy adjustments made on Recal CCFS-320 within the mgmt. response/corrective action plan section of audit

UPDATED AUXILIARY ORGANIZATIONS MANUAL

- Last documented Auxiliary Organization Manual dated in 1983
- ACBO's Fiscal Standards and Accountability Committee, was tasked with the revision and update of the manual
- The manual update is in its final stages of completion—anticipated to be released early fall of 2016

**UPDATED AUXILIARY ORGANIZATIONS
MANUAL**

- Beyond providing requirements for accounting, reporting, and auditing, it is a more comprehensive manual that includes and expands on several topics, including:
 - Steps on establishing, operating, accounting and reporting for CCC Auxiliary Organizations
 - Exemption requirements - 501(c)(3) Organizations
 - Recognized services, programs and functions
 - Bylaws, composition, and conduct of the Board of Directors

**SELECTED FISCAL SERVICES
ADMINISTRATOR MEMOS (FSAM)**

- FSAM 16-02 Student Representation Fee:
 - ECS 76060.5 authorizes the governing body of a student body assoc. to order an election be held to establish, or adopt a revised student representation fee (SRF) of two-dollars (\$2) per primary term
 - For SRFs adopted on or after January 1, 2014, one dollar (\$1) of every two-dollar fee collected shall be distributed to the BOG before February 1 of each year for the support operations of the statewide Student Senate for CCC's

**SELECTED FISCAL SERVICES
ADMINISTRATOR MEMOS (FSAM)**

- FSAM 16-02 Student Representation Fee:
 - Districts may retain a portion of the fees collected equal to the actual cost of administering these fees up to, but not more than 7% of the fees collected
 - Each year Districts must prepare a separate accounting summary of all revenue collected from the SRF and expenditures of the proceeds for this fee (summary must be presented at a meeting of the District's governing board and posted to the District's website -- FSAM 16-02 includes a suggested template of this summary)

**SELECTED FISCAL SERVICES
ADMINISTRATOR MEMOS (FSAM)**

- **FSAM 16-02 Student Representation Fee:**
 - The summary report will serve as the District's supporting documentation to remit payment to the BOG by February 1 of each year as applicable
 - Chancellor's Office is currently working to integrate this process with the CCFS-311, which will allow districts to generate an invoice for submission of annual payments to the BOG as applicable
 - See FSAM 16-02 for detailed guidance

**SELECTED FISCAL SERVICES
ADMINISTRATOR MEMOS (FSAM)**

- **FSAM 16-04 Accounting for CalSTRS On-behalf Payments:**
 - FSAM 16-04 has been recently revised to provide additional guidance for reporting on-behalf contributions to pension plans made by the State
 - The on-behalf contribution Net Pension Liability is recognized by debiting pension contribution expenditures and crediting revenue
 - Expenditures may be recorded at the fund level, by instructional/non-instructional activity, or
 - Districts may elect to report at individual employee level
 - See revised FSAM 16-04 for detailed guidance

**NEW OPTION FOR
DUAL ENROLLMENT**

- Dual Enrollment under AB 288 CCAP Agreements** (Holden and Olsen; EC §76004)
- Effective January 1, 2016.
 - College and Career Access Pathways Partnerships (CCAP) between k-12 districts and CCD's
 - Reduced some of the restrictions on dual enrollment, including
 - Expanding dual enrollment for HS students who may not already be college bound or who are underrepresented in higher education
 - Expanded fee waivers for "partnership" part-time special admit students (up to 15 units per term/4 courses)
 - CCAP courses may be offered at the HS campus for HS students and be closed to the general public

NEW OPTION FOR DUAL ENROLLMENT

Dual Enrollment under AB 288 CCAP Agreements (Holden and Olsen: EC §76004) (Cont.)

- May assign enrollment priority for partnership HS students equivalent to priority assigned middle college HS students as described in EC § 76001
- **Additional Reporting Requirements**
- Two dual enrollment tracks: CCAP and Non-CCAP
- See **Legal Opinion 16-02 & CCAP Partnership Agreement Guidelines** (modified ISA "checklist")
- Dual Enrollment webinar presented on June 7, 2016 (can be accessed via website noted below)
- Dual Enrollment Toolkit, FAQ, and other guidance materials recently released and can also be accessed at:

<http://www.careerladdersproject.org/ccccode/>

NONRESIDENT VETERANS (VACA ACT)

▪ **Nonresident Veterans (VACA Act):**

- In August 2014, the Veterans Access, Choice, and Accountability Act of 2014 (VACA Act) signed into federal law
 - Effective for terms beginning after July 1, 2015, made eligibility for VA education benefits for "covered individuals" as defined by Sec. 702 of the VACA Act **CONDITIONAL** on being charged "in-state" rates for tuition and fees (VA extended to 12-31-15)
- In June 2015, AB 81 approved, among other things to prevent VA disapproval of benefits
 - Eff. July 1, 2015, EC § 68075.7 Requires CSU and CCC's to exempt "covered individuals" from nonresident tuition or any other fee that is exclusively applicable to nonresident students
 - Allows CCC's to report the FTES generated by these exempted students for purposes of state funding
 - Resolves implementation issues from 2014's AB 13
 - Review guidance in August 4, 2015 memo concerning who qualifies as a "covered individual" and other critical information

NEW RULES FOR INMATE EDUCATION

▪ **SB 1391 – Inmate Education Programs** (Effective 1/1/15)

- Inclusion of "state" correctional facilities in listing of institutions exempt from "open course" requirements
- Allows for claiming Credit, Noncredit, and CDCP Noncredit FTES at their corresponding funding rates (closed inmate education courses no longer have to exclusively apply the "positive attendance" procedure as they did before)
- Required district reporting of "partial compensation" received for inmate education courses for purposes of apportionment offset
- Required interagency agreement between Dept. of Corrections/Rehabilitation and the CCCC to expand access to courses that lead to degrees and certificates (agreement approved by BOG Jan. 2015)
- See EC § 84810.5 (T5 § 58051.6 to be updated)

PUBLIC SAFETY PERSONNEL INSERVICE TRAINING

- At their Sept. 2014 meeting, Board of Governors approved the following regulation changes:
 - Deleted requirement that in-service training courses for police, fire, corrections, and other criminal justice system occupations solely apply the "Positive Attendance" attendance accounting procedure.
 - Thus, in-service training courses can now be accounted for under any of the permitted attendance accounting procedures that they qualify for (Weekly Census, Daily Census, etc.).
 - However, as an apportionment condition, in-service training courses must still comply with all applicable "conduct of course" and student attendance tracking requirements prescribed by law and/or the state public safety agency responsible for adopting training standards.
 - These regulation changes became effective March 5, 2015
T5 § 58003.1; 58051(c)-(g)

PUBLIC SAFETY PERSONNEL INSERVICE TRAINING

Chancellor's Office Web Address:
www.cccco.edu

- **Primary Source for:**
 - Board of Governors & Consultation Council Information
 - Notices of Recently Promulgated Title 5 Regulations and Implementation Guidelines
 - Legal Advisories/Opinions
 - Legal Resources (direct links to T5 and EC)
 - Handbooks and Manuals
 - Fiscal/FTES Data
 - Contact Information

QUESTIONS


