



## SAN DIEGO COMMUNITY COLLEGE DISTRICT

### Administrative Procedure

#### CHAPTER 6 – BUSINESS AND FINANCIAL SERVICES

#### AP 6200.4 Revenue and Expense Projections

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Office(s) of Primary Responsibility:

Vice Chancellor of Business Services  
Budget Manager

A. Purpose/Scope

As part of Budget Preparation - Policy BP 6200 Budget Preparation, the Budget Office is responsible for producing a 3-page report to determine revenue and expense projections for the upcoming budget year. This 3-page report provides projections for both continuous and one-time revenue and expense allocations for the General Fund Unrestricted budget.

The Revenue and Expense report is in summary format, therefore, detail documents need to be prepared prior to completion of this report. The detail documents are compiled by the District Budget Office and include the following:

- Base FTES as reported to the State.
- Growth percentage applied to the base FTES, as projected by the State, for the new year, if applicable.
- Cost-of-Living Adjustment (COLA), as projected by the State, if applicable.
- Collecting and summarizing all other applicable revenue projections.
- Projection of incoming transfers anticipated for the new year.
- Computing set-aside and reserve estimates and commitments.
- Computing District Office department budgets.
- Projection of prior-year ending balance.
- Determining one-time remaining balances for qualified carryover accounts.
- Determining one-time newly approved items.

B. Base FTES information as reported by the state.

At the end of each fiscal year Student Services files a report with the State of California declaring the number of Credit, Non-Credit, CDCP and F-Factor FTES earned and reported by the District for the previous fiscal year. This amount can be adjusted and the report can be updated through November of the following Fall semester. The first re-

calculation from the State will appear on the P-1 report received in the month of February. The P-1 report will contain the number of Base FTES for Credit, Non-credit Regular, Non-credit CDCP and F-Factor FTES. These base amounts will be used to determine the coming year revenue. Once the base FTES numbers have been reported they are calculated on page one of the Revenue and Expense Projection 3-page report.

C. Growth percentage of the following year FTES as projected by the State.

Each January, the Governor of California will release the following year budget. This is an estimation of what is projected to be available for funding, and this is the first public announcement of the proposed statewide growth percentage. The Community College State Chancellor's Office, then computes each district's calculated growth rates, and determines the maximum growth funding each district can earn, based on the approved total growth funds. This percentage may change over the course of the next several months, and until the legislature passes a budget and the Governor signs it. It is the District's option as to whether it is appropriate to budget an amount of anticipated revenue due to growth.

The growth percentage is applied proportionally to the base FTES for credit, non-credit regular, and non-credit CDCP, and maximum growth revenue is calculated assuming proportional growth for each of the categories.

D. Cost-of-Living Adjustment (COLA) as projected by the State.

After the Statewide Cost-of-Living Adjustment (COLA) is approved by the State, the percentage is applied to each of the three (3) apportionment rates to project the revenue for the coming year. The Foundation Grant, included the apportionment calculation, is also increased by the COLA.

E. Collecting and summarizing all other applicable revenue information.

Other State funds include, Lottery (as determined from State reports), Enrollment Fee Waiver (2% of projected enrollment fees), Apprenticeship Allowance and Part-Time Faculty revenue (reported on State P1, P2 reports), Mandated cost reimbursement (based on projections using prior years experience).

Other Local funds include: Interest Income; Non-Resident Tuition; and Student fees (all based on current experience).

F. Projection of Incoming Transfers anticipated for the new year.

Incoming Transfers are a result of other funds covering expenses within General Fund Unrestricted, such as from Parking to cover indirect expenses, and from Enterprise funds for IT support.

G. Computing set-aside and reserve estimates.

Set-aside amounts are approved expenditure/budget items that will have future impact, either in the current year or future years, and are known at the point of budget preparation. Included are such items as bargained employee unit commitments, Proposition S or N future costs, and other Board approved agenda items.

H. Computing District Office Department Budgets.

The District Office budgets are by department. Within each department there are budgets for office operations and custodial, districtwide budgets. Projections are made based on current position and expense information.

I. Projection of prior-year ending balance.

Based on current experience and information relating to one-time revenue from the State, the ending balance for the current year is projected. It is finalized after the books are closed for the fiscal year, usually in August or September.

J. Determining one-time remaining balances.

One-time remaining balances are projected for the Tentative Budget based on current-year estimates. They usually consist of prior-year encumbrances, approved carryover ending balance accounts, and specially funded projects that cross the fiscal year, such as Military Programs and various grants.

K. Determining one-time newly funded items.

If funding is available, new projects are identified and approved and budget is assigned. These projects are tracked during the new year and a determination is made before the closing of the books as to whether the project is complete and/or if it is appropriate to carryover ending balances.

Reference: BP 6200

Approved by Chancellor:

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Date

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Constance M. Carroll, Ph.D.

Reviewed by Cabinet on 9-22-09 and approved by concurrence.