

Where Does the Money Go?

A Review of District Resources & Uses

of the Sonoma County Junior College District

Where Does all the Money Go?

Looking at the total revenue of the District, one might assume that (within the District's Budget) there is a large amount of "discretionary" funds with which the District can fund multiple of projects. Let's look at the District's sources of revenues, and "committed" expenditures, to see just how much money is left-over for "discretionary" expenses.

Unrestricted vs. Restricted Revenues

The District receives funding from various Federal, State and local sources. Some of the money that we receive is "restricted" in its use; can only be used for purposes specified by the funder.

To account for these restricted-monies, the District has set up unique "Funds". The following are District funds established to account for "specific" restricted or "special revenue" funding:

"Restricted" - Funds

Fund No.	Description	2008-09 Fund Balance	2008-09 Revenue & Transfers-in	2008-09 Total Resources	Resource-Use Restrictions
11	Restricted General Fund	-	17,223,169	17,223,169	This is technically a "Subfund" of the General Fund and is used to account for resources available for the operation and support of educational programs that are specifically restricted by laws, regulations, donors, or other outside agencies as to their expenditure.
	Special Revenue Funds				
22	Interest & Redemption	397,405	67,000	464,405	Can only be used for the debt service on the 1972 Revenue Bonds which were used to remodel/construction of the Doyle Student Center, Kent Hall and the Bookstore.
33	Child Development	-	1,308,103	1,308,103	Can only be used for Child Development Services. Roughly 45% of support is transferred-in from the General Fund
39	Parking Fund	52,350	2,261,000	2,313,350	This Fund is used to account for "Parking" revenues which can only be used for Parking Operations/Services.
	Special Revenue Funds - Total	449,755	3,636,103	4,085,858	
	Capital Project Funds				
41	Capital Projects Fund	926,336	3,874,334	4,800,670	Can only be used for State & locally funded construction, deferred maintenance, and capital outlay projects.
42	Repair & Replacement	219,626	9,000	228,626	This Fund is maintained according to the requirements of the 1972 Revenue Bonds.
43	Bond Construction Fund	74,767,304	3,000,000	77,767,304	Can only be used for voter-approved Measure A Bond Projects,
	Capital Projects Fund - Total	75,913,266	6,883,334	82,796,600	
	Fiduciary Funds				
72	Student Representation Fee Fund	156,449	52,000	208,449	This Fund is used to account for the collection of Student Representation Fees, and the money can only be used by the students in support of governmental affairs representatives.
79	Development Fund	-	601,176	601,176	This Fund is used to account for the operations of the Foundation Office. 80% of this Fund's support comes from the reserves of the Foundation.
	Fiduciary Funds - Total	156,449	653,176	809,625	

Similar to the above "restricted" funds, the District has "proprietary" or "special revenue" funds whose revenues are used "specifically" for that fund's operations. These funds are:

Proprietary or "semi-restricted" Fund Description

Fund No.	Special Revenue Funds	2008-09 Fund Balance	2008-09 Revenue & Transfers-in	2008-09 Total Resources	Revenue-Use Restrictions
34	Farm Operations	69,854	698,700	768,554	Farm operations are supposed to be self-supported from the sale of produce and livestock.
35	Auxiliary Operations	258,956	304,000	562,956	The primary source of revenue is a transfer from the Bookstore. The funds are used to help repay the debt on the 1972 Revenue Bonds and provide support to the General Fund.
38	Vending Fund	423,292	65,000	488,292	This Fund is used to account for commissions received from vending machine sales. Revenues from this fund are used to provide support to the Associated Students, the Foundation and the General Fund.
Special Revenue Funds - Total		752,102	1,067,700	1,819,802	
Proprietary Funds					
51	Bookstore Fund	2,499,571	8,100,000	10,599,571	The revenues earned in the bookstore fund are primarily used to pay for the acquisition of goods sold, and the cost of operations. Revenues in excess of expenditures are used to provide funding to the "Auxiliary" Fund, and provide resources for the upcoming remodel of Pioneer Hall.
61	Self Insurance Fund	296,580	1,512,330	1,808,910	This Fund is used to account for the revenues and expenditures of the District's self-insurance programs: 1) Employee dental insurance and 2) the self-insured retentions for the District's Property and Liability insurance.
69	Retiree Benefits Fund	796,838	250,000	1,046,838	This Fund is used to account for the District's contributions to pay for retiree health benefits and set aside funding towards the District's GASB 45 liability. As of 6-30-07, the liability was \$26.2 million. The District has set-aside \$6.3 million towards funding this liability.
Proprietary Funds - Total		3,592,989	9,862,330	13,455,319	

Unrestricted - Undesignated (Operations Fund) Revenues

So, what revenues **do** we receive that aren't "ear-marked" (in one way or the other), and can be used for "discretionary" purposes?

The following are the District's Unrestricted General Fund Revenues:

"Unrestricted - Undesignated" General Fund Revenues		Revenues	Basis of Revenue
Apportionment			Total apportionment is primarily based on the number of FTES that the District has served during the fiscal year. The three revenue components are listed to the left. Whatever amount isn't received by the District, in the form of local tax or enrollment fees, is made up by the State through "State Apportionment". (The 2% of enrollment fees, excluded from apportionment, is allocated to the Colleges to defray A&R costs).
A	State Apportionment	49,533,130	
B	Tax Revenue	40,887,443	
C	98% Enrollment Fees	5,994,548	
	Total	<u>96,415,121</u>	
D	Apprenticeship Apportionment	238,140	This apportionment is based on the number of course-hours of student apprenticeship provided by the District during the fiscal year.
E	P-T Office Hours, P-T Health, Parity Pay	1,978,991	\$819,991 of this amount is for Parity Pay. The rest is based on prior year claims to the State. The District receives a prorated share of total state-wide claims against funding cap.
F	Lottery Revenue	2,877,067	Funding comes from the State based on the number of FTES served during the prior year. Overall funding is dependent on Statewide net lottery revenues. Funding is around \$137/FTES.
G	Community Education	837,475	This amount represents fees collected for community education & traffic violator school.
H	Insurance/Lab & Academy Fees	750,000	
I	Interest	300,000	This represents "net" interest earned by the District on money maintained at the County Treasury.
C1	2% Enrollment Fees	122,328	2% of enrollment fees are excluded from apportionment calculations (to defray fee collection costs)
J	Non-resident Tuition & Fees	850,000	This amount represents fees charged to non-resident & foreign students attending the District. The rates charged are determined by the District, subject to Ed.Code limitations.
K	Contract Education	421,256	
L	Adjunct Health Insurance Reimbursements	409,160	This amount represents withholdings from adjunct faculty to pay for their portion of health benefits.
M	Sales & Rental of Facilities	370,917	
M	Local & Misc. Revenues	2,289,162	This amount is comprised of a variety of fees, event receipts, and miscellaneous revenues.
N	Transfers-in	593,640	\$385,000 of the total amount represents a transfer from the Auxiliary Fund
Total Unrestricted/Undesignated (Non-earmarked Operations Fund) General Fund Revenue		<u><u>108,453,257</u></u>	

Okay, \$108,453,257 is a lot of money. Within that amount, you'd think there would be some amount that would be "discretionary". Let's look at the current commitments / uses of this money, and see how much is left-over.

Commitments and Uses of Unrestricted General Fund Revenues

Expenditure Category		Expenditures / Allocations	Percentage of Budget	
Salaries & Benefits				
Contracted Employee Salaries				
A	Academic Teaching	24,428,566	22.22%	
B	Academic Manager	4,678,097	4.26%	
C	Classified	18,141,930	16.50%	
D	Classified Manager	3,527,316	3.21%	
	Total	50,775,909	46.19%	
Non-Contracted Employees				
E	Adjunct - "Part-time" Instructors	22,589,375	20.55%	
F	STNC's	1,532,019	1.39%	
G	Students	853,329	0.78%	
	Total	24,974,723	22.72%	
H	Current Employee H&W Benefits	17,450,788	15.88%	
I	Retiree Health Benefits	258,522	0.24%	
J	Transfer to Retiree Benefits Fund	-	0.00%	For 2008-09, the District is not making a contribution to the Retiree Fund
Committed to Salaries & Benefits		93,459,942	85.03%	

Roughly 85% of all of the District's Unrestricted General Fund expenditures are for salaries and benefits. Here's what the remaining 15% affords:

Supplies & Services Expense				
Supplies				
K	Books, Periodicals & Film	167,670	0.15%	
L	Printing	281,573	0.26%	
M	Supplies	3,268,940	2.97%	
	Total	3,718,183	3.38%	
Services				
N	Utilities	3,289,570	2.99%	
O	Consulting Services	1,547,232	1.41%	Principally community education program expenditures
P	Contracts	1,051,035	0.96%	Principally expenses for advertising and service contracts (computer consortium, copiers)
Q	Insurance	1,002,252	0.91%	
R	Equipment Maintenance & Repair	810,788	0.74%	
S	Facilities & Equipment Rental	633,886	0.58%	
T	Postage	513,298	0.47%	
U	Legal, Elections, Audit	429,495	0.39%	
V	Travel	282,876	0.26%	
W	Other Services	1,509,360	1.37%	Includes: Lecturers, Field Trips, Printing, Dues & Memberships, Adult Readers, School Physician, Etc.
	Total	11,069,792	10.07%	
X	Capital Outlay	254,129	0.23%	
Y	Transfers	1,417,565	1.29%	This Amount represents transfers to the following funds: Self Insurance, Child Development, Development, Shone Farm, Grants, Debt Service Funds. These transfers-out are shown as "transfers-in" to the other listed funds - see the 2008-09 Budget booklet.
	Total Expenditures	109,919,611		
	Revenues in Excess of Expenditures	(1,466,354)	*	This Amount represents a "reduction" to the District's Fund Balance/(reserves)

* The State Chancellor's Office requires community colleges to maintain a minimum "reserve" equal to 5% of expenditures. Districts with a fund balance below 5%, or whose annual ending fund balance is trending downwards toward 5% will be "watched" by the State Chancellor's Office. Budgets that include a reduction to fund balance can only be afforded when adequate fund balance exists. For 2008-09, the \$10 million beginning fund balance represented a 7.9% reserve of General Fund expenditures. The budgeted 2008-09 \$8.5 million ending fund balance represents only a 6.7% reserve. Per the State's 2006-07 (latest) Fiscal Data Abstract, the average statewide fund balance is 14.5% *only 5* of the 72 districts in the state had a fund balance less than SCJCE. Per the State's 2006-07 Fiscal Data Abstract, SCJCD's fund balance decreased in each of the previous 5 years.