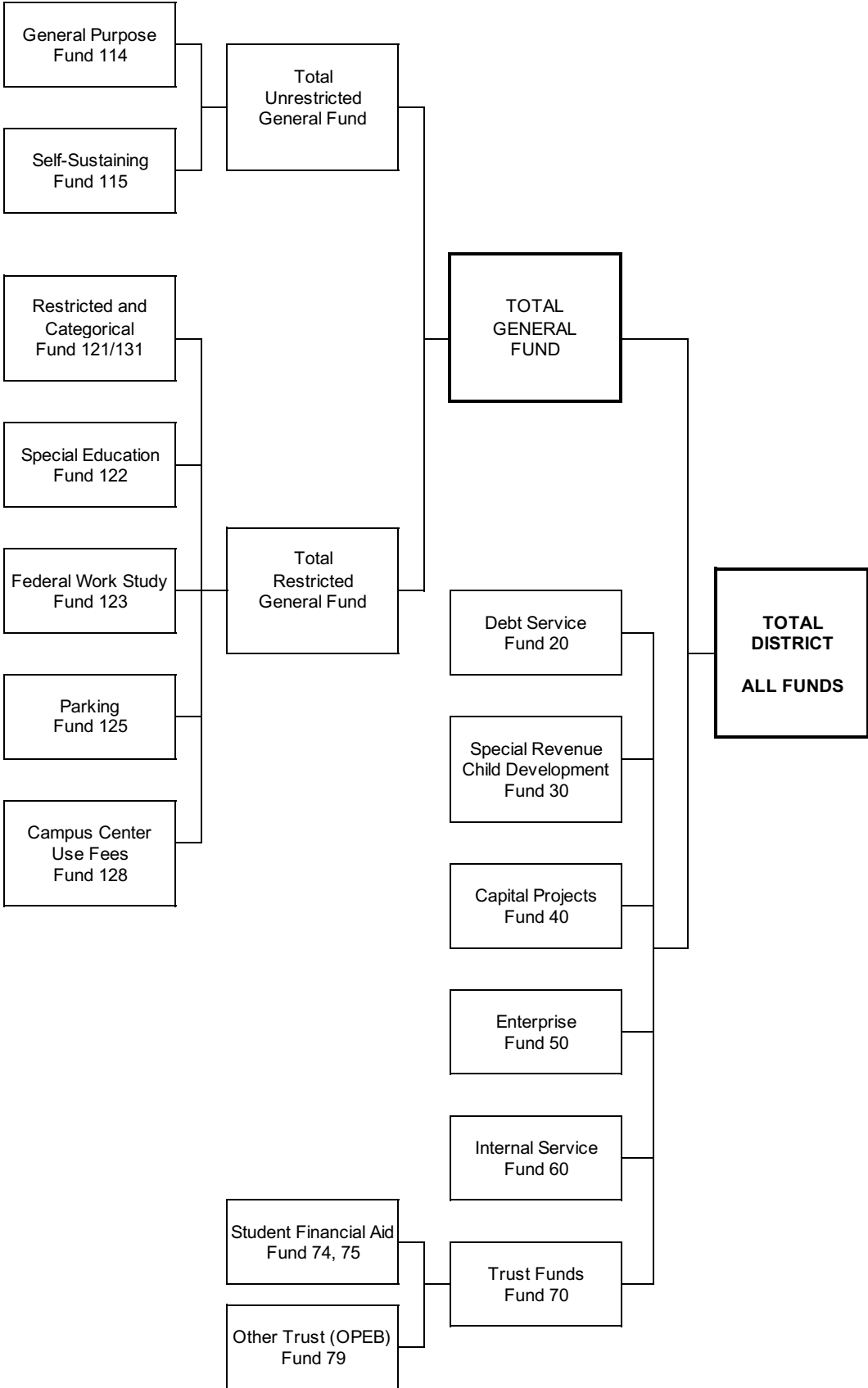


ALL FUNDS CHART



These are descriptions taken from the budget documents found at: [2020-21 Tentative Budget](#)

Highlighted in yellow are the funds IPBT allocates.

GENERAL PURPOSE FUND

Fund 114

The General Purpose fund is part of the unrestricted general fund. This fund accounts for the majority of the district's revenues and expenditures. Approximately 81.3% of this fund's revenue typically comes from base apportionment revenue, 10% from non-resident tuition, 2.4% from **lottery proceeds**, and 6.3% from other sources.

Base apportionment revenue is comprised of four revenue sources:

- Property Taxes 84%
- Student Enrollment Fees 13.75%
- State General Apportionment 1%
- EPA (Prop 30) Proceeds 1.25%

The state estimates the amount of property taxes and enrollment revenue that will be generated during the year and budgets general apportionment accordingly. When either property taxes or enrollment revenues are less than originally budgeted, the state general apportionment for community colleges is not increased to make up the deficit in base revenues, resulting in the imposition of a "deficit factor" on revenues.

General Purpose Fund expenses account for the majority of the district's operating expenses. Ongoing salaries and benefits comprise 85% of the total budgeted general fund expenses. Fixed expenses such as leases, utilities, debt payments, insurance premiums, bank and credit card fees, collective bargaining costs, district-wide software maintenance, and a transfer out to DSP&S (Disabled Student Programs and Services) comprise 10% of the total general fund expenses. The remaining 5% constitutes the campuses' and Central Services' discretionary B budget, approximately \$10 million.

SELF-SUSTAINING

Fund 115

Self-Sustaining funds, as the name implies, counterbalance operating expenditures against the revenues generated from various instructional and non-instructional arrangements. Not all related costs are allocated to these programs but, for those expenses that are charged, the programs are expected to generate income or use accumulated balances to cover them. Although budgets are used as a means to forecast and control revenue and expenditure activity, spending is solely dependent upon their ability to generate sufficient revenue to adequately support such operations. Most accounts within this group have residual funds, and excess revenues over expenditures are available for use at the respective college's discretion. The residual funds are regarded as designated funds, which mean that, although the district regards them as restricted, they are actually unrestricted and are reported to the state as such. The Board of Trustees has the discretion to use the funds for any lawful purpose.

For the 2020-21 Tentative Budget, the Self-Sustaining funds are projected to have significant declines in revenue and operating expenses due to the impact of the ongoing COVID-19 pandemic. Major revenue

decreases are due to the cancellation of facility rentals, on-campus De Anza Extended-Year program, and short courses. As a result, operating expenses are projected to decrease as well.

RESTRICTED and CATEGORICAL
Fund 121/131

Restricted and Categorical Funds are those resources that come from federal, state or local agencies. The majority of the revenue that is received in the Restricted and Categorical Fund originates from the state. For 2020-21, we are budgeting approximately \$68.7 million from the state for categorical and grant-funded programs. State grants and categorical funds include Student Equity & Achievement (SSSP, Student Equity, & Basic Skills), EOPS, CARE, CalWORKs, Instructional Equipment and Library Materials, Online Education Initiative (CVC-OEI), Strong Workforce, College Promise and Guided Pathways. The Governor's May revision proposes to reduce funding for the Strong Workforce Program (55%), the Adult Education program (10%) and the Student Equity and Achievement Program (15%). Should the reductions be included in the final state budget, the program budgets will be updated accordingly.

For 2020-21, we are budgeting approximately \$835,617 in federal revenue. Federal grants include Perkins Career and Technical Education (CTEA) among others. We are budgeting approximately \$2.6 million in local revenue. The majority of this local revenue is made up of health services fees. Local grants include Mellon Scholars and United Way Bay Area Integrated Services.

In general, funds received by categorical programs is restricted for a specific purpose. The principal programs in the Restricted and Categorical fund are as follows:

Perkins Career and Technical Education Act (CTEA): Federal funds administered by the state for technical education and improvement of career and technical programs. Student Equity & Achievement (SSSP, Student Equity, & Basic Skills), 666Staff Development, Staff Diversity, Extended Opportunity Programs and Services (EOPS), Cooperative Agencies Resources for Education (CARE), and CalWORKs: These programs target specific populations or services funded by the state.

Instructional Equipment and Library Materials (Block Grant): State funding carried forward from prior years to meet instructional equipment and library materials needs. Physical Plant and Instructional Support: The Governor's May Revision for 2020-21 proposes to eliminate a one-time increase of \$7.6 million to fund deferred maintenance and instructional equipment. It also removes \$8.1 million in 2019-20 funds and \$1.5 million in re-appropriations, which 21

Foothill-De Anza Community College District 2020-21 Tentative Budget combined with \$7.6 million in one-time funds, eliminates a total of \$17.2 million for deferred maintenance and instructional equipment. California Virtual Campus Online Education Initiative (CVC-OEI) - formerly Online Education Initiative (OEI): The goal of the initiative is to increase the number of California students who obtain associate degrees and transfer to four-year universities by dramatically increasing the number of online classes available to community college students and providing those students with comprehensive support services to help them succeed. The original five-year OEI grant ended on June 30, 2018.

The Chancellor's Office awarded the second five-year California Virtual Campus Online Education Initiative (CVC-OEI) grant to Foothill-De Anza Community College District. The CVC-OEI grant will be \$20 million per year for five years, ending June 30, 2023. The Chancellor's Office awarded a second one-time augmentation grant to support special projects pertaining to improving CVC-OEI. This grant is for \$35

million and anticipated to end by June 30, 2021. CVC-OEI is budgeting \$47.5 million in expenditures for 2020-21, which includes \$20 million from the new CVC-OEI grant, an unspent \$8.5 million balance from the one-time 2016-17 augmentation grant, and \$18.9 million from the one-time 2018-19 augmentation grant.

Adult Education Block Grant: The Adult Education Block Grant Program provides adult education funding to county offices of education, school districts, and regional consortia to support Assembly Bill 86 specified programs. The intent of AB 86 is to expand and improve the provision of adult education with incremental investments beginning with fiscal year 2015-16. Economic Development: State funding provided for projects to improve career development services locally and regionally.

Strong Workforce Program: At the recommendation of the California Community College Board of Governors, the Governor and Legislature approved the Strong Workforce Program, adding a new annual recurring investment of \$200 million to spur career technical education (CTE). This was included in the 2016 Budget Trailer Bill and chaptered into California Ed Code 88820-88826. The purpose is to develop more workforce opportunities to lift low-wage workers into living-wage jobs, with the goal of creating one million more middle-skill workers. This program is grouped into seven areas targeting student success, career pathways, workforce data and outcomes, curriculum, CTE faculty, regional coordination and funding, and builds upon existing regional partnerships formed in conjunction with the federal Workforce Innovation and Opportunity Act, state Adult Education Block Grant and public school CTE programs.

22

Foothill-De Anza Community College District 2020-21 Tentative Budget

Guided Pathways: The 2017-18 California State Budget provided \$150 million in one-time grants for California community colleges over the next five years. The Guided Pathways framework creates a highly structured approach to student success that provides all students with a set of clear coursetaking patterns that promotes better enrollment decisions and prepares the students for future success.

Health Services Fees: Health Services fees are set by the state and we are mandated to provide a fixed level of services. These fees are collected from students and are restricted for the provision of health services for students.

California College Promise (AB19): Provides funding to help increase the number of high school students enrolling into the California Community Colleges, the number of students successfully completing a career education goal or transferring, and reducing and eliminating achievement gaps. Mellon Scholars Grant: Funded by the Andrew W. Mellon Foundation, Foothill-De Anza in partnership with the University of San Francisco, was awarded a four-year \$2.145 million grant in 2016-17, of which \$1.465 million goes to Foothill-De Anza and \$679,547 goes to USF. These funds support selected underserved and underrepresented students, identified as Mellon Scholars, in the study of humanities with the ultimate goal of obtaining a four-year college degree.

Early College Promise: Santa Clara County awarded a \$300,000 grant to Foothill College, to be distributed equally over three fiscal years, beginning with 2018-19. The mission of the program is to help bridge the gap between high school and college and to increase participation in the dual enrollment Early College Promise Program at Foothill College. This program supports the educational goals of high school students through early exposure to college programming and accumulation of transferable college credits prior to high school graduation.

SPECIAL EDUCATION

Fund 122

Special Education is a program mandated by Title V and is partially funded by a restricted categorical state fund, with the remaining balance covered by a transfer in from the General Purpose Fund. It provides services for students who have physical, developmental, or learning disabilities. Services include special classes, interpreters, on-campus assistance, test-taking assistance, computer-aided labs, and priority registration.

FEDERAL WORK STUDY

Fund 123

Federal Work Study is a federal program providing financial aid to students in the form of compensation for work performed for on-campus and off-campus work. The district is required to contribute 25% of the total funds compensated to work-study employees. Beginning with the 2000-01 year, institutions were required to spend at least 7% of the work-study allocation to pay students performing community service work.

PARKING

Fund 125

Fees from parking permits are governed by the state Education Code section 76360. This fund collects all revenues and expenses associated with providing parking services at both campuses. Revenues are derived from sales of parking decals, daily permits, and fees from special events. Expenditures are restricted by state law to road and parking lot maintenance, parking security costs, related operating overhead and public transportation for students and staff. Unlike the health fee, the parking fee does not rise automatically with the Consumer Price Index. This results in continued reductions to security services for parking and virtually no dollars available for parking lot maintenance.

CAMPUS CENTER USE FEES

Fund 128

Revenues are generated by collecting a mandatory fee for use of the campus centers at each institution. The proceeds are isolated by campus and are restricted for the following purposes in order of priority: 1) retirement of Certificates of Participation financing the campus center expansion and renovation projects, 2) repair and replacement of existing student campus center facilities, and 3) personnel support of campus center operations.

In November 2006, the district issued a Certificate of Participation for \$11.33 million, which paid for a portion of the new Foothill Campus Center building and a portion of the renovation of the De Anza Campus Center building. This Certificate of Participation was refinanced in December 2016. The campus center student use fees from both campuses will cover the annual debt service. The Campuses' portion of the 2016 Certificate of Participation matures on April 1, 2021.

DEBT SERVICE

Fund 20

This fund is for the repayment of current principal and interest due on the district's general long-term debt and lease arrangements (Certificates of Participation). Resources are generally transferred into this fund from the fund or account that initiated the original debt or lease. This fund also accounts for the legally required reserves mandated by the various debt or lease issuances.

CHILD DEVELOPMENT

Fund 30

The Child Development Fund supports the costs associated with the Child Development Center located at De Anza College. The De Anza Child Development Center provides childcare to children between the ages of one and six years old. The center is also utilized as a facility for Early Childhood Education students to observe and train. In 1999-00, De Anza opened an infant-toddler center to support Foothill-De Anza students, including CalWORKs students, and for use by the community.

The district has issued several major debt instruments in recent years to finance large capital purchases.

CAPITAL PROJECTS

Fund 40

Each account in this fund represents a specific capital project of sufficient importance to warrant separate accounting from the General Purpose Fund. Project budgets, budget transfers, and actual project expenditures are periodically submitted for review to the Board of Trustees, and if necessary, state agencies. Bond funded project activity is also periodically reviewed by the Audit and Finance subcommittee of the Board and the Citizens' Oversight Committee.

Budgets are reported on a project basis, whereas actual revenues and expenditures are accounted for on both a project and fiscal year basis. Funding may come from either outside sources, such as state sources, General Obligation Bonds, borrowings or donations, or from transferring resources from internal funds that will receive the benefit from the assets being created. Facilities and Operations assumes fiscal responsibility for most of these financial accounts and reconciles these accounts with the project cost accounting system. The district currently has a number of major capital outlay projects, clean energy projects and scheduled maintenance projects either under construction or in various queues.

Capital Projects: The Governor's May Revision for 2020-21 proposes to eliminate a one-time increase of \$7.6 million to fund deferred maintenance and instructional equipment. It also removes \$8.1 million in 2019-20 funds and \$1.5 million in re-appropriations, which combined with \$7.6 million in one-time funds, eliminates a total of \$17.2 million for deferred maintenance and instructional equipment.

Measure C Projects: On June 6, 2006, voters in the district's service area approved by a 65.69% margin a \$490.8 million General Obligation Bond (Measure C). In May 2007, the district issued Series A bonds of \$149.9 million and Series B bonds of \$99.9 million. In June 2011, the district issued Measure C, Series C bonds for \$184 million. In October 2016, the district issued Measure C, Series D (tax-exempt) bonds for \$26 million and Series E (taxable) bonds of \$30.76 million. The bond measure will enable the district to upgrade electrical, heating, and ventilation systems; upgrade fire/seismic safety; repair leaky roofs, improve disabled access, repair/expand classrooms for nurses/paramedics; upgrade technology; and repair, construct, acquire, and equip buildings, classrooms, libraries, sites, and science/computer labs. All bond expenditure activity is deemed to be in support of education.

Measure G Bond: On March 3, 2020, voters in the district's service area approved by a 58.88% margin an \$898 million General Obligation Bond (Measure G). The bond measure will enable the district to repair or replace aging plumbing systems to prevent flooding and water damage, improve water conservation and install systems that will help manage future droughts; improve deteriorating gas, electrical, sewer and plumbing lines and systems; replace aging internet and electrical wiring; improve earthquake safety; upgrade, repair, and maintain classrooms and labs for science, technology,

engineering, math-related fields, and career preparation fields like healthcare and early childhood education, as well as improve vocational classrooms and labs for auto repair and technology training programs; construct new permanent buildings; and to improve access to college facilities for students with disabilities.

ENTERPRISE FUND
FOOTHILL and DE ANZA CAMPUS CENTERS
DE ANZA EVENT CENTER

The Enterprise Fund is accounted for in a manner whereby the total costs of providing goods and services are financed or recovered primarily through user charges. Enterprise operations are comprised of the Foothill and De Anza College Campus Centers and the De Anza Event Center for the Performing Arts. The Campus Centers include the two Bookstores and De Anza Dining Services. Financial activity in the Enterprise Fund is measured by gross margins and net profit rather than by the governmental budget to actual measurement.

Foothill Enterprise Fund

Bookstore

Business activities are projected to be significantly affected by the COVID-19 pandemic, as the bookstore is projected to be closed through summer and possibly fall quarter. A break even is projected for fiscal year 2020-21; however, should any net loss be incurred, a transfer in from the General Purpose Fund is expected to balance the fund.

De Anza Enterprise Fund

Bookstore & Dining Services

Business activities are projected to be significantly affected by the COVID-19 pandemic as the bookstore and dining services center are projected to be closed through summer and fall quarter. A net loss of \$601,502 has been projected for the De Anza Campus Center for fiscal year 2020-21:

Bookstore – \$185,032 Net Loss

Dining Services –\$416,470 Net Loss

De Anza Event Center

The Board of Trustees permanently closed the Flint Center in Spring 2019 with the intention to replace the existing facility with one that could better benefit the students and community. The District is beginning the process of soliciting input for a new facility with the intent of having design proposals ready for Board review in late 2020 or early 2021.

INTERNAL SERVICE
Fund 60

The purpose of this fund is to separately account for particular services provided on a district-wide basis. Costs associated with providing health benefits, workers' compensation, extended sick leave, and post-retirement benefits are to be accounted for in the Internal Service Fund, and an appropriate service rate is charged to each of the other funds

In the past, this fund was used almost exclusively as an accounting convenience to charge benefits in one fund and then distribute them to all other funds. Certain positive or negative ending balances are closed to the Unrestricted General Purpose Fund at year-end. Benefits accounting analysis continues to improve on the various benefit types, requirements, costs and funding. As more information becomes

available, changes to improve reporting and accounting efficiency have been implemented. As an example, activities are monitored separately with performance measured in accordance to specific objectives and timelines which has an effect on the Rate Stabilization Fund (RSF).

The Rate Stabilization Fund (RSF) is accounted for within the Internal Service Fund. It is used to offset costs and stabilize the variable benefit rate increases so that increasing costs can be “smoothed out” more gradually, allowing time to adjust the plan and/or rates in an informed manner through the Joint Labor Management Benefit Committee (JLMBC). The RSF activity is reported on a calendar year basis to align with the benefit plan year. Final RSF benefit plan year balances are reported in the second quarter report after plan year contributions and expenses are closed out in December.

STUDENT FINANCIAL AID Fund 74, 75

These funds are used for federal, state, and local financial aid programs. The federal programs include Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and AmeriCorps community service initiative grants. The state programs include Extended Opportunity Programs and Services (EOPS) grants and Cal Grants. The Financial Aid Technology Allocation and the Student Success Completion Grant provide qualifying students with additional financial aid to help offset the cost of attendance to Community Colleges and aim to promote full-time attendance and successful on-time degree completion. Local programs include a variety of scholarships.

OTHER TRUST (OPEB) Fund 79

This fund reports on assets that are set aside in an irrevocable trust to help address the district’s unfunded liability related to Other Post-Employee Retirement Benefits (OPEB). In accordance with Governmental Accounting Standards (GASB) and other state government codes, the funds are invested in an IRS Section 115 trust fund, California Employers’ Retiree Benefit Trust Fund (CERBT) under CalPERS. The actuarial study and funding plan were prepared in accordance with GASB 75. This does not affect the reporting of Fund 79 within the quarterly financials, which only presents the budget and income statement activity during the fiscal year.

Annually, this fund incurs minimal activity consisting of the district’s annual contribution, income and fees. This is typically recorded in the second quarter, with investment income and administrative fees recorded in the fourth quarter of the fiscal year with the projected new-year balance reflected in the Adopted Budget.