

AGENDA  
Regular Meeting  
BOARD OF TRUSTEES  
STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704  
4:30 p.m., February 3, 2004

- I. Call to Order
- II. Pledge of Allegiance
- III. Introduction of Guests
- IV. Approval of Minutes, Meeting of January 13, 2004
- V. Delegations, Petitions, and Communications [see footnote, page 3]
- VI. Reports of Chancellor and Staff
  - A. PRESENTATIONS
    - 1. Chancellor's Report Tom Crow
    - 2. Campus Reports Ned Doffoney, FCC  
Tony Cantu, RC  
Don Yeager, NC
    - 3. Academic Senate Report Ron Nishinaka, RC
    - 4. Classified Senate Report Lisa Maciel, RC
    - 5. Districtwide DSPS Janice Emerzian
  - B. CONSIDERATION OF CONSENT AGENDA [04-24 through 04-35]
  - C. PERSONNEL

D. GENERAL

- |  |         |  |
|--|---------|--|
| 1. Consideration of Agenda Items for Board Retreat, March 26-27, 2004  | [04-36] | William Smith                                      |
| 2. Consideration to Accept 2002-03 Audit Report  | [04-37] | Doug Brinkley                                      |
| 3. Acknowledgement of Quarterly Financial Status Report, General Fund  | [04-38] | Doug Brinkley                                      |
| 4. Public Hearing and Consideration to Adopt Resolution Authorizing Dedication of Street Right-of-Way Easements, Willow/International Site | [04-39] | Doug Brinkley                                      |
| 5. Consideration of Bids, Learning Resources Center Addition, Reedley College  | [04-40] | Doug Brinkley                                      |
| 6. Update on LAN/WAN, Phase IV   | [04-41] | Doug Brinkley<br>Jannett Jackson<br>David Arrigoni |
| 7. Consideration to Adopt 2004-05 Budget Development Calendar  | [04-42] | Doug Brinkley                                      |
| 8. Governor's 2004-05 Proposed Budget  | [04-43] | Doug Brinkley                                      |

VII. Reports of Board Members

VIII. Old Business

IX. Future Agenda Items

X. Closed Session

- A. CONFERENCE WITH LABOR NEGOTIATOR [SCFT Full-Time and Part-Time Faculty Bargaining Units, and CSEA Bargaining Unit]; Randy Rowe, Pursuant to Government Code Section 54957.6
- B. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Pursuant to Government Code Section 54957
- C. PUBLIC EMPLOYMENT, Pursuant to Government Code Section 54957, President, Reedley College Search Process and Vice Chancellor-North Centers Search Process

X. Closed Session (continued)

D. PUBLIC EMPLOYMENT, Pursuant to Government Code Section 54957,  
Consideration to Appoint Interim Vice Chancellor-North Centers

E. CONFERENCE WITH REAL PROPERTY NEGOTIATORS, Pursuant to  
Government Code Section 54956.8, Southeast Site

Property: Parcel Numbers: 481 020 01, 481 020 31, 481 020 47, 481 090 27, 481  
090 28, 481 120 03, 481 120 04, 481 050 03, 481 050 05, 481 050 06, 481 050 07,  
316 021 11, 316 021 10, 316 160 12, 316 160 36, 316 160 43, 316 160 61, 316 160  
59, 316 160 40, 316 021 19, 316 021 20, 316 021 21, 316 021 23, 316 021 54, 316  
021 55, 316 021 56, 316 021 57, 316 021 58, 316 160 20, 316 160 33, 316 160 46,  
316 160 62, 316 160 63, 316 160 65, 316 160 71, 316 160 72, 316 021 26, 316 021  
27, 316 021 28, 316 021 29, 316 021 30, 316 021 42, 316 021 43

Agency Negotiator: Vice Chancellor-Finance and Administration

Negotiating Parties: To be determined

Under Negotiation: To be determined

XI. Open Session (if any)

A. Consideration to Appoint Interim Vice Chancellor-  
North Centers

[04-44]

XII. Adjournment

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The Board chairperson, under Board Policy 9320.1, has set a limit of three minutes each for those who wish to address the Board. General comments will be heard under Agenda Section Delegations, Petitions and Communications at the beginning of the meeting. Those who wish to speak to items to be considered in Closed Session will be given the opportunity to do so following the completion of the open agenda and just prior to the Board's going into Closed Session. Individuals wishing to address the Board should fill out a Request Form and file it with the Associate Vice Chancellor-Human Resources, Randy Rowe, at the beginning of the meeting.

Any person with a disability may request this agenda be made available in an appropriate alternative format. A request for a disability-related modification or accommodation may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting to Cindy Spring, Executive Secretary to the Chancellor, 1525 E. Weldon Avenue, Fresno, CA 93704, (559) 244-5901, 8:00 a.m. to 5:00 p.m., Monday – Friday, at least 48 hours before the meeting.

CONSENT AGENDA  
**BOARD OF TRUSTEES MEETING**  
February 3, 2004

**PERSONNEL**

1. Employment, Resignation, and Retirement, Certificated Personnel [04-24]
2. Employment, Promotion, Change of Status, and Resignation,  
Classified Personnel [04-25]

**GENERAL**

3. Review of District Warrants and Checks [04-26]
4. Financial Analysis of Enterprise and Special Revenue Operations [04-27]
5. Budget Transfers and Adjustments Report [04-28]
6. Consideration to Adopt Resolution Authorizing Inter-Fund Transfers [04-29]
7. Consideration to Adopt Resolution with California Department of  
Education for Instructional Materials and Supplies, Child Development  
Program, Fresno City College [04-30]
8. Consideration to Authorize Agreement with Crossroads R/W Inc. for  
Relocation Services, Willow/International Site [04-31]
9. Consideration of Government Tort Liability Claim, Jess Jiminez [04-32]
10. Consideration to Accept Maintenance Project, Boiler Repairs, Fresno  
City College [04-33]
11. Consideration to Accept Maintenance Project, Construction of Water  
Improvements, Reedley College [04-34]
12. Consideration to Accept Construction Project, Orchard Removal,  
Willow/International Site [04-35]

MINUTES OF MEETING OF  
BOARD OF TRUSTEES  
STATE CENTER COMMUNITY COLLEGE DISTRICT  
January 13, 2004

Call to Order                   A regular meeting of the Board of Trustees of the State Center Community College District was called to order by President William Smith at 4:00 p.m., January 13, 2004, at the District Office Boardroom, 1525 E. Weldon Avenue, Fresno, California.

Trustees Present               William Smith, President  
Patrick E. Patterson, Vice President  
Isabel Barreras, Secretary  
H. Ronald Feaver  
Phillip J. Forhan  
Dorothy Smith  
Leslie Thonesen  
Norma Lara, Student Trustee, RC  
Doug Crutchfield, Student Trustee, FCC

Also present were:

Tom Crow, Chancellor, SCCC  
Ned Doffoney, President, Fresno City College  
Tony Cantu, Interim President, Reedley College  
Felix Aquino, Vice Chancellor-Educational Services and Planning  
Doug Brinkley, Vice Chancellor-Finance and Administration, SCCC  
Randy Rowe, Associate Vice Chancellor-Human Resources, SCCC

Introduction of Guests       Mr. Rowe introduced Mr. Bill Carr, the new CSEA President, and Ms. Maggie Taylor, the new Fresno City College Academic Senate President.

Among the others present, the following signed the guest list:

Cindy Spring, Executive Secretary to the Chancellor, SCCC  
Teresa Patterson, Executive Director-Public and Legislative Relations, SCCC  
Eileen O'Hare, General Counsel, SCCC  
Brian Speece, Associate Vice Chancellor-Business and Operations, SCCC  
Joan Edwards, Executive Director – SCCC Foundation  
Larry Dickson, Classified Senate President and Staff, FCC  
Ron Nishinaka, Academic Senate President and Staff, RC  
Zwi Reznik, AFT President and Staff, FCC

Introduction of Guests  
(continued)

Gene Blackwelder, College Business Manager, RC  
Ed Eng, Director of Finance, SCCC  
Michael Guerra, College Business Manager, FCC  
Tina Masterson, Associate Dean of Students, NC  
Jim Steinberg, The Fresno Bee  
Joe Demko, Kitchell  
Ernie Smith, Associate Dean of Students-Career and Resource  
Development, FCC  
Cris Monahan-Bremer, Director of Marketing and  
Communications, FCC  
Diane Clerou, Associate Dean-Human Resources, SCCC  
Bruce Morris, Community Member  
Sherry Upton, Office Assistant II, FCC  
Carmen Rodriguez, Student Services Specialist, FCC  
Cheryl Hesse, Curriculum Assistant, RC  
Sid Didulo, Accounting Clerk III, RC  
Karen Durham, Administrative Assistant, RC  
Lisa Maciel, Financial Aid Assistant I, RC  
Susan Schmidt, Office Assistant III, DO  
Susette Ishizuka, Accounting Technician II, RC  
DeAnna Hamm, Cashier, RC  
Kathy Staebler, Department Secretary, FCC

Delegations, Petitions  
and Communications

There were no delegations, petitions and communications at this time.

Closed Session

Mr. Smith stated that the Board, in closed session, will be discussing:

PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT,  
Pursuant to Government Code Section 54957, Chancellor

Mr. Smith declared a recess at 4:03 p.m.

Open Session

The Board moved into open session at 4:30 p.m. Mr. Smith stated that, in closed session, the Board considered the employment agreement for the new Chancellor. No action was taken in closed session.

Ratification of  
Chancellor's Contract

Mr. Smith stated that at this time he would like to entertain a motion regarding the employment agreement, including salary, for the new Chancellor.

A motion was made by Ms. Smith and seconded by Mr. Thonesen that the Board of Trustees ratify the employment agreement with Dr. Thomas A. Crow as Chancellor of the State Center Community College District, with an annual salary of \$173,000, effective January 1, 2004.

Ratification of  
Chancellor's Contract  
(continued)

The motion carried by the following roll call vote:

Ms. Barreras	-	aye
Mr. Feaver	-	aye
Mr. Forhan	-	aye
Mr. Patterson	-	aye
Ms. Smith	-	aye
Mr. Smith	-	aye
Mr. Thonesen	-	aye

Dr. Crow extended his thanks to the Board of Trustees and introduced members of his family in the audience.

Delegations, Petitions,  
and Communications

Mr. Bill Carr addressed the Board regarding the CSEA negotiations impasse.

Approval of Minutes

The minutes of the Board meetings of December 9, 2003, December 16, 2003, and January 5, 2004, were presented for approval. A motion was made by Mr. Patterson and seconded by Mr. Thonesen to approve the minutes of the December 9, 2003, December 16, 2003, and January 5, 2004, meetings as presented. The motion carried unanimously.

Chancellor's Report

Dr. Crow reported that this evening a very important meeting is taking place in Madera that will affect the development of the Madera Center. The Madera LAFCO will be considering the inclusion of the Madera State Center planning area in the sphere of influence for the City of Madera. This is critical since it is the next step to the annexation of the area to the City of Madera. Annexation will be a big step toward the development of homes and businesses in the areas around the Madera Center. Don Yeager, Brian Speece, and Terry Kershaw are representing the District at the meeting.

A luncheon will be held on February 11 in support of the statewide bond, Proposition 55. Passage of the bond will mean that the District will receive \$46 million for the Phase I building at Willow/International, remodel of the Applied Technology area at FCC, and planning documents for the FCC Student Services building remodel.

This Thursday, the State Center Consortium will be hosting a breakfast to honor businesses that have partnered with schools in the area. The meeting will highlight the time that the many business partners have devoted to improving the lives of local area students.

Chancellor's Report  
(continued)

The Governor released his budget last Friday. At first blush, overall, the community colleges did not suffer too many deep cuts. As you know, negotiations will begin immediately with the legislature. We will be providing more detailed information to the Board and employees as soon as an analysis is completed.

Campus Report, Fresno  
City College

Dr. Doffoney reported on the following from Fresno City College:

- Bob Boyd and Clay Rooks have published an article entitled "Inductive Reasoning and Writing," in the December 2003 issue of *Teaching English in the Two-Year College*.
- The deans of students from Fresno City College and Reedley College have initiated discussion with enrollment management staff at CSU, Fresno to facilitate the successful movement of students between the colleges.
- CSU, Fresno has committed to accept all eligible FCC students who wish to transfer for the Fall 2004 semester providing they apply by the February 1 deadline and have completed all required documents.
- The men's basketball team is ranked in the No. 1 spot with LA City College. The women's team beat Taft College on Saturday and is now 1-1 in conference play.

Ms. Smith confirmed that CSU, Fresno is committed to accepting all SCCC students who wish to transfer for the Fall 2004 semester, not just FCC.

Campus Report,  
Reedley College

From Reedley College, Mr. Cantu reported:

- The college hosted a successful New Student Welcome on January 7.
- The American Baseball Coaches Association selected Reedley College Athletic Director and Head Baseball Coach Jack Hacker to receive the ABCA Meritorious Service Award at its convention on January 4.
- The Spring 2004 Speakers' Series will open with Ernestine Gilbreth Carey on January 29 at 7:00 p.m. in the Forum Hall. Carey co-authored the novel, Cheaper by the Dozen, and is a 95 year-old resident of Reedley.
- The American Cancer Society Kings River Relay for Life event, co-chaired by Lisa Maciel, will host its kick-off party on Tuesday, February 3 at 6:00 p.m. in the Staff Dining Room.



Campus Report,  
North Centers

Ms. Tina Masterson reported the following from the North Centers:

- The Associated Student Body conducted a successful toy drive for Children's Hospital.
- This afternoon Congressman George Radanovich held the first in his series of Educational Leadership Summits at the Madera Center.
- The Educational Lecture Series will continue on January 21 at noon at the Madera Center and will feature Patricia Sanchez, an English teacher at Thomas Jefferson Middle School in Madera.
- Orientation sessions for the Madera Center College Advantage Program students will be held during the month of January.
- The Madera Center Academic Village opened for classes yesterday to an enthusiastic response from students, faculty, and staff.

Academic Senate  
Report

Ms. Maggie Taylor, Fresno City College Academic Senate President, reported on the following:

- On January 8 department representatives attended a workshop on the New Accreditation Standards: The Role of Student Learning Outcomes.
- Jerry Kirkhart of the Biology Department in the Math, Science and Engineering Division, is FCC's winner of the Hayward Award locally and nominee for statewide consideration.
- The Senate congratulates Dr. Crow on his appointment as Chancellor and looks forward to working with him in the future.

Classified Senate  
Report

Mr. Larry Dickson, Fresno City College Classified Senate President, reported on:

- The Senate has established a Foundation account for one-time or monthly payroll deduction contributions.
- Monthly mini-seminars are being provided on a variety of subjects. Last month's seminar was on budget procedures and forms.
- The Fourth Annual SCCC Classified Professionals Mega Conference has been scheduled for April 6, 2004, at Pardini's and Piccadilly Inn.
- Congratulated Mr. Willie Smith for being elected President of the Board, and Dr. Tom Crow on being selected as the new Chancellor.

California Community  
Colleges Equal  
Employment  
Opportunity  
Regulations

Mr. Randy Rowe provided a brief presentation on the Title 5 requirements for interim positions and the District's process for hiring interim academic administrators.

Consent Agenda  
Action

Mr. Smith noted that Consent Agenda Items No. 04-01 and 04-15 had been amended.

It was moved by Mr. Patterson and seconded by Mr. Thonesen that the Board of Trustees approve the consent agenda as amended. The motion carried unanimously.

Employment and  
Resignation,  
Certificated Personnel  
[04-01]  
Action

approve certificated personnel recommendations, Items A and B, as amended. (Lists A and B are herewith made a part of these minutes as Appendix I, 04-01).

Employment,  
Promotion, Change of  
Status, and Retirement,  
Classified Personnel  
[04-02]  
Action

approve classified personnel recommendations, Items A through K, as presented. (Lists A through K are herewith made a part of these minutes as Appendix II, 04-02).

Consideration of  
Applications for 2004-  
2005 Sabbatical  
Leaves, Fresno City  
College and Reedley  
College/ North Centers  
[04-03]  
Action

pursuant to Article XIV-A, Section 7, of the current agreement between the District and the State Center Federation of Teachers, grant the following sabbatical leaves to Fresno City College and Reedley College/North Centers staff members during the 2004-2005 academic year, subject to receipt by the District of a written statement from each leave recipient of their agreement to serve the District for at least two years following completion of the leave (as required by Education Code Section 87770):

Fresno City College

Allen Beck, Spring 2005

Joan Frese, Fall 2004/Spring 2005

Clifford Garoupa, Spring 2005

Robyn Hart, Fall 2004

James Makofske, Fall 2004

Mary Ann Mateo-Laeno, Fall 2004

Joyce Pinkard, Fall 2004

William Syvertsen, Spring 2005

Thomas Yarbrough, Spring 2005

Consideration of  
Applications for 2004-  
2005 Sabbatical  
Leaves, Fresno City  
College and Reedley  
College/ North Centers  
[04-03]  
Action  
(continued)

Reedley College/North Centers  
Richmond Garrigus, Spring 2005  
Felisa Heller, Fall 2004  
Steve Norton, Spring 2005

Consideration to  
Approve Out-of-State  
Travel, Dance Students,  
Fresno City College  
[04-04]  
Action

approve out-of- state travel for 11 dance students to attend the American College Dance Festival, hosted by Scottsdale Community College in Scottsdale, Arizona, from March 13-17, 2004, with the understanding that the trip will be financed without requiring expenditures of District funds.

Consideration to Adopt  
a Resolution in Support  
of Proposition 55, The  
Kindergarten –  
University Public  
Education Facilities  
Bond Act of 2004  
[04-05]  
Action

adopt Resolution No. 04-05, Support of Proposition 55, The Kindergarten – University Public Education Facilities Bond Act of 2004.

Consideration to Adopt  
a Resolution in Support  
of the University of  
California Locating a  
Medical School in  
Fresno, California  
[04-06]  
Action

adopt Resolution No. 04-06, Support of the University of California Locating a Medical School in Fresno, California.

Review of District  
Warrants and Checks  
[04-07]  
Action

review and sign the warrants register for the period December 2, 2003, to December 24, 2003, in the amount of \$10,452,487.65; and

review and sign the check registers for the Fresno City College and Reedley College Co-Curricular Accounts and the Fresno City College and Reedley College Bookstore Accounts for the period November 17, 2003, to December 24, 2003, in the amount of \$407,114.76.

Consideration to  
Approve 2004-05  
Residence Hall Rate,  
Reedley College  
[04-08]  
Action

- a) establish the Residence Hall annual rate for 2004-05 at \$2,100.00, plus a nonrefundable contract fee of \$125; and
- b) establish the Residence Hall summer rate for 2004 at \$15.00 per day.

Consideration to  
Approve 2004-05  
Tuition Rate, Out-of-  
State and Nonresident  
Students  
[04-09]  
Action

- a) establish the 2004-05 out-of-state tuition rate at \$149.00 for each unit enrolled;
- b) establish the 2004-05 nonresident tuition rate at \$168.00 (including \$19.00 for capital outlay) for each unit enrolled; and
- c) continue Board Policy which provides that total nonresident and out-of-state tuition be paid at the time of registration.

Consideration of Claim  
and Application for  
Leave to Present Late  
Claim, Dorrie O'Brien  
[04-10]  
Action

reject the claim against State Center Community College District and Application for Leave to Present Late Claim submitted on behalf of Dorrie O'Brien and direct the Chancellor or Vice Chancellor-Finance and Administration to give written notice of said action to the claimant.

Consideration of Claim  
Against State Center  
Community College  
District, Tracie Herd  
[04-11]  
Action

reject the claim submitted on behalf of Tracie Herd and direct the Chancellor or Vice Chancellor-Finance and Administration to give written notice of said action to the claimant.

Consideration to  
Authorize Lease  
Agreement with City of  
Dinuba, Reedley  
College  
[04-12]  
Action

- a) authorize entering into a one-year Lease Agreement with the City of Dinuba for 2,483 square feet of dedicated space for instructional use, located at 199 "L" Street, at a cost of \$.60 per square foot;
- b) authorize the lease of up to an additional 6,108 square feet of instructional space, at the same location and cost per square foot, as may be needed for programmatic requirements; and
- c) authorize the Chancellor or Vice Chancellor-Finance and Administration to sign the agreement on behalf of the District.

Consideration to  
Authorize Agreement  
with the Foundation for  
California Community  
Colleges for the Early  
College High School  
Initiative, Fresno City  
College  
[04-13]  
Action

- a) authorize the District, on behalf of Fresno City College, to enter into an agreement with the Foundation for California Community Colleges for a \$10,000.00 grant to plan and develop an Early College High School Implementation Grant Application; and
- b) authorize the Chancellor or his designee to sign the agreement on behalf of the District.

Consideration to Adopt  
Resolution Authorizing  
Agreement with  
California Department  
of Education for Food  
Based Menu Planning  
and Nutrient Standard  
Menu Planning  
Courses, Cal-Pro-NET  
Center, Fresno City  
College  
[04-14]  
Action

- a) adopt a Resolution authorizing the District, on behalf of the Fresno City College Cal-Pro-NET Center, to enter into an agreement with the California Department of Education in the amount of \$85,000.00 to provide training in Food Based Menu Planning and Nutrient Standard Menu Planning for the period January 1, 2003, through December 31, 2003; and
- b) authorize the Chancellor or Vice Chancellor-Finance and Administration to sign the agreement on behalf of the District.

Consideration to  
Authorize Agreement  
with California  
Community Colleges  
Chancellor's Office for  
a Summer Institute to  
Train Faculty, Fresno  
City College  
[04-15]  
Action

- a) authorize the District, on behalf of Fresno City College, to enter into an agreement with the California Community Colleges Chancellor's Office in the amount of \$26,132.00 to fund a week-long Summer Institute to train faculty for the period July 10, 2003, through June 30, 2004; and
- b) authorize the Chancellor or Vice Chancellor-Finance and Administration to sign the agreement on behalf of the District.

Consideration to  
Authorize Agreement  
with Primedia  
Workplace Learning for  
the Purchase of a Web-  
Delivered Maintenance  
Technician Training  
Course, Fresno City  
College Training  
Institute  
[04-16]  
Action

- a) authorize the District, on behalf of Fresno City College Training Institute, to enter into an agreement with Primedia Workplace Learning for the purchase of a Web-Delivered Maintenance Technician Training Course for the amount of \$395 per enrollee for the contract period January 20, 2004, through January 19, 2005; and
- b) authorize the Chancellor or Vice Chancellor-Finance and Administration to sign the agreement on behalf of the District.

Consideration to  
Accept Construction  
Project, LAN/WAN  
Renovations, Phase III,  
Districtwide  
[04-17]  
Action

- a) accept the project for the LAN/WAN Renovations, Phase III, Districtwide; and
- b) authorize the Chancellor or Vice Chancellor-Finance and Administration to file a Notice of Completion with the County Recorder.

Consideration to  
Accept Maintenance  
Project, Track Repairs,  
Ratcliffe Stadium,  
Fresno City College  
[04-18]  
Action

- a) accept the project for Track Repairs, Ratcliffe Stadium, Fresno City College; and
- b) authorize the Chancellor or Vice Chancellor-Finance and Administration to file a Notice of Completion with the County Recorder.

\*\*\*\*\*End of Consent Agenda\*\*\*\*\*

Consideration to  
Authorize Agreement  
with Burlington  
Northern and Santa Fe  
Railway Company,  
Underpass Access  
Project, Fresno City  
College  
[04-19]  
Action

A motion was made by Ms. Barreras and seconded by Mr. Thonesen that the Board of Trustees:

- a) authorize entering into an agreement with the Burlington Northern and Santa Fe Railway Company (BNSF), defining the responsibilities of the District and BNSF relating to the completion of the Underpass Access Project at Fresno City College; and
- b) authorize the Chancellor or Vice Chancellor-Finance and Administration to sign the agreement on behalf of the District.

Mr. Patterson questioned if legal counsel had reviewed the agreement. Mr. Brinkley advised that counsel had reviewed.

The motion carried unanimously.

Presentation on  
Architect Design  
Schematics, Classroom  
Addition, Reedley  
College  
[04-20]  
Action

Mr. Fred Sweeney, a principal with Phillips Metsch Sweeney Moore, presented a progress report on the Reedley College Classroom Addition, including preliminary design plans and elevations for the project.

Presentation on Old  
Administration  
Building, Fresno City  
College  
[04-21]  
No Action

Mr. Brinkley stated that since the project architect has not arrived as yet, he would like to move to the next agenda item.

Consideration to  
Authorize Consultant  
Services Agreement for  
California  
Environmental Quality  
Act (CEQA)  
Requirements, Old  
Administration  
Building, Fresno City  
College  
[04-22]

Mr. Forhan and Mr. Patterson expressed their concerns with the amount of Measure E funds being spent on the proposed studies, engineering, Environmental Impact Report, etc. for the Old Administration Building. Mr. Mike Paoli, proposed consultant regarding the environmental planning, explained the three types of CEQA documentation that may be prepared by the District, depending upon the project. The Board discussed their views regarding the necessity of filing the various CEQA documents.

Dr. Crow stated that anytime the District has a project, there are fees. If the fees are not appropriate, the state will not approve them. He noted that the fees for this study were reviewed with the OAB committee last week.

Action

Mr. Thonesen moved and Mr. Feaver seconded that this item be tabled until the Board has heard the presentation from the project architect. The motion carried unanimously.

Presentation on Old  
Administration  
Building, Fresno City  
College  
[04-21]  
No Action

Mr. Kurt Schindler, with ELS and Urban Design, and project architect for the Old Administration Building, provided an update on the project activities, timeline, budget, and status of the information gathered to date.

Mr. Thonesen asked regarding the CEQA issue, if the Board does not go with the EIR, where does it fit in the schedule? Mr. Schindler explained that the EIR is at the top of the schedule for about one year. When the concept is done, in about six months, then Mr. Paoli can finish his work. During this process there is a lot of consensus building with the community regarding traffic, parking, historical value, etc.

Mr. Forhan expressed his concern regarding furniture and equipment for the building being considered a hard cost. He also questioned if there is a line item for landscaping costs.

Consideration to  
Authorize Consultant  
Services Agreement for  
California  
Environmental Quality  
Act (CEQA)  
Requirements, Old  
Administration  
Building, Fresno City  
College  
[04-22]  
Action

Mr. Smith stated that previously a motion on this item was made by Mr. Thonesen and seconded by Mr. Feaver. Now that the Board has heard the presentation from Mr. Schindler, he would like to have a roll call vote. The motion carried as follows:

- Ms. Barreras - no
- Mr. Feaver - aye
- Mr. Forhan - no
- Mr. Patterson - no
- Ms. Smith - aye
- Mr. Smith - aye
- Mr. Thonesen - aye

Consideration of  
Resolution of Intention  
to Dedicate Street  
Right-of-Way  
Easements, Willow/  
International Site  
[04-23]  
Action

A motion was made by Mr. Forhan and seconded by Ms. Smith that the Board of Trustees:

- a) approve Resolution No. 04-23 signifying the District's intention to dedicate to the City of Fresno the necessary street right-of-way easements to allow the City to construct a service road from Behymer Avenue to the water treatment plant; and
- b) schedule a public hearing for this matter for 4:30 p.m. on Tuesday, February 3, 2004.

The motion carried by the following roll call vote:

Ms. Barreras	-	aye
Mr. Feaver	-	aye
Mr. Forhan	-	aye
Mr. Patterson	-	aye
Ms. Smith	-	aye
Mr. Smith	-	aye
Mr. Thonesen	-	aye

Board Reports

Norma Lara, Reedley College Student Trustee reported on the following:

- New Student Welcome activities on January 7.
- Welcome Back Week January 12-16.
- Hip Hop group to perform in the cafeteria on Thursday.
- Activities to honor Martin Luther King will also be held on Thursday.
- Congratulated Dr. Crow on his appointment as Chancellor.

Doug Crutchfield, Fresno City College Student Trustee reported on:

- Students returned yesterday and are ready for the spring semester.
- Transfer issues and fee increases are a matter of concern for students throughout the system.
- Associated Student Body President George Kutnerian and Senate are very pleased with the Board's decision to appoint Dr. Crow as the new Chancellor.

Ms. Smith wished everyone a Happy New Year. She attended the graduation for the Classified Professionals Leadership State Center in December. Ms. Smith also expressed her appreciation for the cards, flowers, and food sent due to the loss of her brother.



Board Reports  
(continued)

Mr. Patterson congratulated Dr. Crow on his appointment as the new Chancellor.

Mr. Smith stated that a Board representative is needed to serve on the Architect Selection Committee for the southeast site, and he would like to ask Mr. Forhan to serve because of his expertise in the development and construction area. Mr. Forhan agreed to serve on the committee.

Old Business

Ms. Smith encouraged the campuses and student governments to get involved with Community College Month and requested information on planned activities. She again stated that she would like to have an update on the nursing program.

Mr. Forhan stated that he believes Dr. Drake is doing a great job with the nursing program and he understands that the program is the number one community college in the state for nursing graduates. This is a wonderful compliment to the work that Dr. Drake and her staff are doing.

Mr. Forhan referred to a memo from Dr. Crow regarding a meeting with Fresno Unified regarding job training programs. He noted that he recently had lunch with a local builder and he discussed the lack of laborers in the area. He questioned if the District is doing enough in this area compared to five or ten years ago. The District has a responsibility to deliver trained personnel and should ensure that the money is being spent in the right areas. Dr. Crow advised that he would follow-up on this issue and expressed his appreciation to Fresno City College for their promptness in working with Fresno Unified to help with their vocational needs. Also, the District's participation in the Regional Jobs Initiative will bring more students onto the campus for training.

Closed Session

Mr. Smith stated that the Board, in closed session, will be discussing:

CONFERENCE WITH LABOR NEGOTIATOR [SCFT Full-Time and Part-Time Faculty Bargaining Units, and CSEA Bargaining Unit], Randy Rowe, Pursuant to Government Code Section 54957.6

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/ RELEASE, Pursuant to Government Code Section 54957

PUBLIC EMPLOYMENT, Pursuant to Government Code Section 54957, President, Reedley College Search Process and Vice Chancellor-North Centers Search Process

Closed Session  
(continued)

CONFERENCE WITH REAL PROPERTY NEGOTIATORS,  
Pursuant to Government Code Section 54956.8, Southeast Site

Property: Parcel Numbers 481 020 01, 481 020 31, 481 020 47,  
481 090 27, 481 090 28, 481 120 03, 481 120 04, 481 050 03,  
481 050 05, 481 050 06, 481 050 07, 316 021 11, 316 021 10,  
316 160 12, 316 160 36, 316 160 43, 316 160 61, 316 160 59,  
316 160 40, 316 021 19, 316 021 20, 316 021 21, 316 021 23,  
316 021 54, 316 021 55, 316 021 56, 316 021 57, 316 021 58,  
316 160 20, 316 160 33, 316 160 46, 316 160 62, 316 160 63,  
316 160 65, 316 160 71, 316 160 72, 316 021 26, 316 021 27,  
316 021 28, 316 021 29, 316 021 30, 316 021 42, 316 021 43

Agency Negotiator: Vice Chancellor-Finance and Administration  
Negotiating Parties: To be determined  
Under Negotiation: To be determined

Ms. Smith declared a recess at 6:22 p.m.

Open Session

The Board moved into open session at 8:05 p.m.

Report of Closed  
Session

Mr. Smith reported that the Board, in closed session:

- a) Gave direction to its chief labor negotiator regarding full-time faculty and CSEA negotiations;
- b) The Board took action on November 5, 2002, to terminate a classified employee. On December 15, 2003, the Personnel Commission took action to uphold the termination of that classified employee;
- c) Gave direction regarding the President-Reedley College and Vice Chancellor-North Centers search processes; and
- d) Gave direction to its real property negotiator regarding the southeast site.

Adjournment

The meeting was adjourned at 8:06 p.m. by the unanimous consent of the Board.

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Isabel Barreras  
Secretary, Board of Trustees  
State Center Community College District

cs

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

AMENDED  
DATE: February 3, 2004

---

SUBJECT: **Employment, Resignation and Retirement,**  
**Certificated Personnel**

ITEM NO. 04-24

---

EXHIBIT: **Certificated Personnel Recommendations**

---

Recommendation:

It is recommended that the Board of Trustees approve the certificated personnel recommendations, Items A through C, as presented.

CERTIFICATED PERSONNEL RECOMMENDATIONS

A. Recommendation to employ the following person:

<u>Name</u>	<u>Campus</u>	<u>Range &amp; Step</u>	<u>Salary</u>	<u>Position</u>
<b>Gonzales, Mario</b>	<b>RC</b>	<b>59, 2</b>	<b>\$35,446</b>	<b>Interim Director of EOP&amp;S and Student Retention Program</b>
<b>(Current regular faculty)</b> <b>(Temporary Contract, February 4, 2004 –June 30, 2004)</b>				

B. Recommendation to accept resignation from the following person:

<u>Name</u>	<u>Campus</u>	<u>Effective Date</u>	<u>Position</u>
Kennedy, Jennifer	FCC	<b>February 6, 2004</b>	CalWORKs Counselor

C. Recommendation to accept resignation for the purpose of retirement from the following persons:

<u>Name</u>	<u>Campus</u>	<u>Effective Date</u>	<u>Position</u>
Brunetti, Patricia	FCC	June 1, 2004	College Nurse
Jansen, Janice	FCC	May 22, 2004	Dance and Fitness Instructor
Luck, Emory	FCC	May 22, 2004	Physical Education Instructor
Mascarenas, Timothy	FCC	May 22, 2004	Automotive Technology Instructor
Williams, Clark	RC	May 22, 2004	Information Systems Instructor

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Resignation and Retirement,  
Certificated Personnel

ITEM NO. 04-24

---

EXHIBIT: Certificated Personnel Recommendations

---

Recommendation:

It is recommended that the Board of Trustees approve the certificated personnel recommendations, Items A through B, as presented.

CERTIFICATED PERSONNEL RECOMMENDATIONS

A. Recommendation to accept resignation from the following person:

<u>Name</u>	<u>Campus</u>	<u>Effective Date</u>	<u>Position</u>
Kennedy, Jennifer	FCC	February 3, 2004	CalWORKs Counselor

B. Recommendation to accept resignation for the purpose of retirement from the following persons:

<u>Name</u>	<u>Campus</u>	<u>Effective Date</u>	<u>Position</u>
Brunetti, Patricia	FCC	June 1, 2004	College Nurse
Jansen, Janice	FCC	May 22, 2004	Dance and Fitness Instructor
Luck, Emory	FCC	May 22, 2004	Physical Education Instructor
Mascarenas, Timothy	FCC	May 22, 2004	Automotive Technology Instructor
Williams, Clark	RC	May 22, 2004	Information Systems Instructor

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Employment, Promotion, Change of Status,  
and Resignation, Classified Personnel

ITEM NO. 04-25

---

EXHIBIT: Classified Personnel Recommendations

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Recommendation:

It is recommended that the Board of Trustees approve classified personnel recommendations, Items A through J, as presented.

CLASSIFIED PERSONNEL RECOMMENDATIONS

A. Recommendation to employ the following persons as probationary:

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Range/Step/Salary</u>	<u>Date</u>
Ediger, Michelle	FCC	Department Secretary Position No. 2143	44-A \$2346.33	12/17/03
Gough, Christine	FCC	Sign Lang Inter Coord-PPT Position No. 2098	66-C \$25.56 / hr.	12/17/03
Rothford, Jim	FCC	Athletic Equip Mgr Position No. 2145	50-A \$2721.08	12/17/03
Davis, Daneillie	FCC	Office Assistant I Position No. 2315	38-A \$2025.67	1/2/04
Farrell, Leslie	FCC	Office Assistant I Position No. 2346	38-A \$2025.67	1/2/04
So, Phila	FCC	Office Assistant I Position No. 2328	38-A \$2025.67	1/2/04
Jones, Robert	FCC	Mobility Driver – PPT Position No. 2408	32-A \$10.08 / hr.	1/9/04
Aguirre, Gloria	RC	Cafeteria Attendant Position No. 3090	31-B \$10.30 / hr.	1/12/04
Arellano, Alicia	RC	Cafeteria Attendant Position No. 3098	31-B \$10.30 / hr.	1/12/04
Hara, Richard	DO	Vehicle Mechanic Position No. 1102	63-B \$3919.00	1/12/04
Camara, Kellee	FCC	Office Assistant I Position No. 2425	38-A \$2025.67	1/26/04
Faulkner, Kimberly	FCC	Office Assistant I Position No. 2022	38-A \$2025.67	1/26/04



- B. Recommendation to employ the following persons as provisional – filling vacant position of: permanent full-time or permanent part-time pending recruitment/selection; or replacing regular employee on leave:

Name	Location	Classification	Hourly Rate	Date
Washington, Debora	FCC	Sign Language Inter III	\$14.57 / hr.	8/22/03
Kataroyan, Shant	FCC	Educational Advisor	\$18.60 / hr.	1/5/04
Dalton, Jacqueline	FCC	Registration Assistant	\$10.30 / hr.	1/6/04
Ingledue, Denise	FCC	Educational Advisor	57-A \$18.60 / hr.	1/6/04
(Employee was in a layoff status but has been reemployed as a Provisional Educational Advisor)				
Lorona, John	FCC	Educational Advisor	57-A \$18.60 / hr.	1/6/04
(Employee was in a layoff status but has been reemployed as a Provisional Educational Advisor)				
Morris, Patrice	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/6/04
Vang, Choua	FCC	Registration Assistant	\$10.30 / hr.	1/6/04
Ferdinandi-Smith, Mary	FCC	Sign Lang Inter IV	\$16.47 / hr.	1/8/04
Greene, Jennifer	FCC	Bookstore Sales Clerk I	\$11.40 / hr.	1/8/04 thru 1/30/04
Donovan, Matthew	FCC	Sign Language Inter II	\$13.51 / hr.	1/12/04
McNamer, Darleen	FCC	Bookstore Sales Clerk I	\$11.40 / hr.	1/12/04 thru 2/4/04
Wiget, Maria	MC	Department Secretary	\$13.51 / hr.	1/12/04
Mosqueda, Susan	FCC	Registration Assistant	\$10.30 / hr.	1/15/04

C. Recommendation to employ the following person as limited term (Ed Code 88105):

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Hourly Rate</u>	<u>Date</u>
Pacada, Emelita	FCC	Registration Assistant	\$10.30 / hr.	1/5/04 thru 1/30/04
Dalton, Jacqueline	FCC	Registration Assistant	\$10.30 / hr.	1/6/04 thru 1/30/04
Vang, Choua	FCC	Registration Assistant	\$10.30 / hr.	1/6/04 thru 1/30/04
Blied, Pamela	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/31/04
Carr, William	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/9/04
Frazier, Michael	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/31/04
Garcia, Arlene	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/31/04
Hofer, Elizabeth	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/31/04
Koep, Robert	FCC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/30/04
Mulligan, Diana	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/31/04
Penner, Georgia	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/31/04

C. Recommendation to employ the following person as limited term (Ed Code 88105) (continued):

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Hourly Rate</u>	<u>Date</u>
Rich, Cheryl	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/31/04
San Nicholas, Terese	FCC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/30/04
Semirdzhyan, Jack	FCC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/30/04
Serian, Evelyn	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/31/04
Swarts, Kristin	RC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/31/04
Whitten, Sharmaine	FCC	Bookstore Sales Clerk I	\$11.40 / hr.	1/7/04 thru 1/30/04
Kith, Anderson	FCC	Bookstore Sales Clerk I	\$11.40 / hr.	1/12/04 thru 1/30/04

D. Recommendation to re-employ the following persons as retiree/hourly (Ed Code 88034):

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Hourly Rate</u>	<u>Date</u>
Pelham-Wiley Emma (Retiree on special assignment)	FCC	Nursing Skills Res Asst	\$26.80/hr.	1/5/04
Agrifoglio, Mary (Retiree on special assignment)	RC	Accounting Tech II	\$20.50/hr.	3/1/04 thru 3/30/04

E. Recommendation to approve the promotion of the following regular employee:

Name	Location	Classification	Range/Step	Date
Martinez, Patricia	FCC	Office Assistant I - PPT	38-B	12/1/03
		Position No. 2354 to	\$13.49 / hr. to	
		Office Assistant II - PPT	41-B	
		Position No. 2354	\$14.19 / hr.	

(Alternate Series Promotion from OAI to OAI)

F. Recommendation to approve the change of status of the following regular employees:

Name	Location	Classification	Range/Step	Date
Edwards, Sandi	FCC	Office Assistant III	48-A	7/30/03
		Position No. 2452 to	\$2592.17 to	thru
		Office Assistant III	53-A	12/31/03
		Position No. 2452	\$2922.75	

(Remains in Current Position but is working out of classification – CSEA contract Article 34 Section 8)

Harrison, Richard	FCC	Printing Trades Tech.	52-E	12/15/03
		Position No. 2037 to	\$3582.00 to	thru
		Duplications Supervisor	52-E + 15%	6/30/04
		Position No. 2120		

(Assuming Additional Duties while Supervisor is on a Leave of Absence – CSEA contract Article 34 Section 8)

McCabe, Keelin	FCC	Office Assistant III	48-C	1/2/04
		Position No. 2337 to	\$2854.42 to	thru
		Administrative Assistant	55-A	1/9/04
		Position No. 2107	\$3071.50	

(Assuming Additional Duties – CSEA Article 34, Section 8)

Rodriguez, Sandra	RC	Office Assistant III – PPT	48-E	1/20/04
		Position No. 3069 to	\$18.13 / hr. to	
		Office Assistant III	48-E	
		Position No. 3119	\$3148.67	

(Employee accepted a full-time Office Assistant III position)

G. Recommendation to approve the change of status of the following persons employed as provisional – filling vacant position of: permanent full-time or permanent part-time pending recruitment/selection; or replacing regular employee on leave:

Name	Location	Classification	Hourly Rate	Date
Carr, William	RC	Bookstore Sales Clerk I to Office Assistant III	\$11.40 / hr. to \$14.94 / hr.	1/12/04
Taha, Suhair	RC	Instr Tech – 12 hrs/wk to Instr Tech – 19 hrs/wk	\$15.68 / hr. to \$15.68 / hr.	1/16/04
Gallegos, Cynthia	FCC	Sign Lang Inter Coor to Sign Language Inter II	\$23.18 / hr. to \$13.51 / hr.	1/17/04

H. Recommendation to approve the change of status of the following persons employed as limited term (Ed Code 88105):

Name	Location	Classification	Hourly Rate	Date
Willhoit, Michael	FCC	Student Aide II to Bookstore Sales Clerk I	\$7.75 / hr. to \$11.40 / hr.	1/2/04 thru 1/30/04
Jamali, Yasamin	FCC	Peer Mentor to Bookstore Sales Clerk I	\$7.20 / hr. to \$11.40 / hr.	1/7/04 thru 1/30/04
Morris, Patrice	RC	Student Aide I to Bookstore Sales Clerk I	\$6.75 / hr. to \$11.40 / hr.	1/7/04 thru 1/31/04
Attolico, Sharon	FCC	Registration Assistant to Bookstore Sales Clerk I	\$10.30 / hr. to \$11.40 / hr.	1/8/04 thru 1/31/04
Bohnstedt, Mary	FCC	Accounting Clerk I to Bookstore Sales Clerk I	\$11.67 / hr. to \$11.40 / hr.	1/12/04 thru 1/30/04
McNamer, Darleen	FCC	Department Secretary to Bookstore Sales Clerk I	\$13.51 / hr. to \$11.40 / hr.	1/12/04 thru 1/30/04
Fleeting, Karen	FCC	Registration Assistant to Bookstore Sales Clerk I	\$10.30 / hr. to \$11.40 / hr.	1/13/04 thru 1/30/04

I. Recommendation to approve the resignation of the following regular employee:

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Range/Step</u>	<u>Date</u>
Machado, Jennifer	FCC	Duplicating Operator Position No. 2141	46-B \$2592.13	1/1/04

J. Recommendation to approve the resignation of the following probationary employee:

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Range/Step</u>	<u>Date</u>
Word, Douglas	RC	Custodian Position No. 3038	41-A \$2339.83	12/12/03

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

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SUBJECT: Review of District Warrants and Checks

ITEM NO. 04-26

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EXHIBIT: None

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Recommendation:

It is recommended that the Board of Trustees review and sign the warrants register for the period January 6, 2004, to January 22, 2004, in the amount of \$5,706,653.86.

It is also recommended that the Board of Trustees review and sign the check registers for the Fresno City College and Reedley College Co-Curricular Accounts and the Fresno City College and Reedley College Bookstore Accounts for the period December 10, 2003, to January 22, 2004, in the amount of \$2,144,793.43.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

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SUBJECT: Financial Analyses of Enterprise  
and Special Revenue Operations

ITEM NO. 04-27

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EXHIBIT: Financial Analyses

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Background:

The financial reports for the Enterprise and Special Revenue operations for the quarter ended December 31, 2003, are enclosed. The reports consist of a combined balance sheet and combined statement of revenues and expenditures for the Enterprise operations, which consist of the Bookstores at Fresno City College and Reedley College, and the Special Revenue operations, which consist of the Reedley College Cafeteria and Residence Hall. All operations reflect a positive financial picture with revenues exceeding expenditures.

The enclosed statements are provided for Board information. No action is required.



**STATE CENTER COMMUNITY COLLEGE DISTRICT  
ENTERPRISE & SPECIAL REVENUE OPERATIONS  
STATEMENT OF REVENUE & EXPENDITURES  
Period Ending DECEMBER 31, 2003**

	ENTERPRISE		TOTAL	SPECIAL REVENUE		
	FCC BOOKSTORE*	RC BOOKSTORE*		CAFETERIA*	RC DORMITORY*	TOTAL
<b>TOTAL SALES</b>	\$ 3,299,607	\$ 1,774,439	\$ 5,074,046	\$ 452,532	\$ 276,153	\$ 728,685
<b>LESS COST OF GOODS SOLD</b>						
Beginning Inventory	\$ 1,191,387	\$ 676,963	\$ 1,868,350	\$ 28,003	\$	\$ 28,003
Purchases	3,646,517	2,251,379	5,897,896	213,421		213,421
Sub-Total	4,837,904	2,928,342	7,766,246	241,424		241,424
Ending Inventory	2,379,697	1,606,385	3,986,082	27,971		27,971
Cost of Sales	2,458,207	1,321,957	3,780,164	213,453		213,453
<b>GROSS PROFIT ON SALES</b>	\$ 841,400	\$ 452,482	\$ 1,293,882	\$ 239,079	\$ 276,153	\$ 515,232
<b>OPERATING EXPENDITURES</b>						
Salaries	\$ 326,190	\$ 165,059	\$ 491,249	\$ 166,501	\$ 84,496	\$ 250,997
Benefits	93,557	52,373	145,930	60,605	29,746	90,351
Depreciation	79,887	13,201	93,088			0
Supplies	13,356	3,733	17,089	4,080	10,088	14,168
Utilities & Housekeeping	14,414	10,725	25,139	0	33,656	33,656
Rents, Leases & Repairs	15,675	4,899	20,574	8,885	1,689	10,574
Other Operating	58,489	38,094	96,583	5,588	2,573	8,161
<b>TOTAL OPERATING EXPENDITURES</b>	\$ 601,568	\$ 288,084	\$ 889,652	\$ 245,659	\$ 162,248	\$ 407,907
<b>NET OPERATING REVENUE (LOSS)</b>	\$ 239,832	\$ 164,398	\$ 404,230	\$ (6,580)	\$ 113,905	\$ 107,325
<b>OTHER REVENUE</b>						
Vending				\$ 8,996	\$ 1,860	\$ 10,856
Interest		\$ 245	\$ 245	189	256	445
Other	10,004	6,010	16,014	2,449	1,897	4,346
<b>OTHER EXPENSES</b>						
Transfer to Co-Curricular			\$ -			
Transfer to Bond Redemp. Fund			0		30,975	30,975
New Equipment			0	4,398		4,398
Other			0			0
<b>NET REVENUE (LOSS)</b>	\$ 249,836	\$ 170,653	\$ 420,489	\$ 656	\$ 86,943	\$ 87,599

UNAUDITED

\* Does Not Include Indirect Charges

**STATE CENTER COMMUNITY COLLEGE DISTRICT  
ENTERPRISE & SPECIAL REVENUE OPERATIONS  
BALANCE SHEET  
As of DECEMBER 31, 2003**

	ENTERPRISE		SPECIAL REVENUE			
	FCC BOOKSTORE*	RC BOOKSTORE*	TOTAL	RC CAFETERIA*	RC DORMITORY*	TOTAL
<b>ASSETS</b>						
Cash in County Treasury						
Cash in Bank	\$ 2,178,297	\$ 639,647	\$ 2,817,944	\$ 75,034	\$ 124,221	\$ 199,255
Revolving Cash Fund	10,200	20,000	30,200	34,302	9,310	43,612
Accounts Receivable	220,733	8,114	228,847	10,500		10,500
Due from Other Funds				31,525	78,775	110,300
Prepaid Expenses	4,144	1,489	5,633			0
Inventory	2,379,698	1,606,385	3,986,083	27,971		27,971
Total Current Assets	\$ 4,793,072	\$ 2,275,635	\$ 7,068,707	\$ 179,332	\$ 212,306	\$ 391,638
Fixed Assets (Net)	1,118,620	151,921	1,270,541			
<b>TOTAL ASSETS</b>	<b>\$ 5,911,692</b>	<b>\$ 2,427,556</b>	<b>\$ 8,339,248</b>	<b>\$ 179,332</b>	<b>\$ 212,306</b>	<b>\$ 391,638</b>
<b>LIABILITIES &amp; FUND BALANCE</b>						
Accounts Payable	\$ 1,054,458	\$ 867,536	\$ 1,921,994			
Due to Other Funds	65,650	37,493	103,143	\$ 113,699	\$ 40,393	\$ 154,092
Warrants Payable				(261)	4	(257)
Total Current Liabilities	\$ 1,120,108	\$ 905,029	\$ 2,025,137	\$ 113,438	\$ 40,397	\$ 153,835
Unreserved Fund Balance	2,411,886	(83,858)	2,328,028	37,923	171,909	209,832
Reserved Fund Balance	2,379,698	1,606,385	3,986,083	27,971	0	27,971
Total Fund Balance	\$ 4,791,584	\$ 1,522,527	\$ 6,314,111	\$ 65,894	\$ 171,909	\$ 237,803
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 5,911,692</b>	<b>\$ 2,427,556</b>	<b>\$ 8,339,248</b>	<b>\$ 179,332</b>	<b>\$ 212,306</b>	<b>\$ 391,638</b>

\* Does Not Include Indirect Charges

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Budget Transfers and Adjustments Report

ITEM NO. 04-28

---

EXHIBIT: Report

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Background:

The enclosed Budget Transfers and Adjustments Report reflects budget adjustments through the period ending December 31, 2003. The adjustments represent changes to meet the ongoing needs of the District, including categorically funded programs, educational needs of the campuses, and new grants and agreements.

This report is strictly an informational report to the Board representing the changes in the budget and expenditure categories during the past quarter. Since it is for informational purposes only, there is no formal action required by the Board.

**STATE CENTER COMMUNITY COLLEGE DISTRICT  
GENERAL FUND - ALL FUNDING  
Revenue Budget Adjustments/Transfers  
As of 12/31/03**

	Adopted Budget	Budget Adj/Transfers	Current Budget
<b>81000</b>	<b>FEDERAL REVENUES</b>		
81200	\$ 3,659,489	\$ 916,162	\$ 4,575,651
81300	370,386	(190,598)	179,788
81400	366,027	508,098	874,125
81500	180,000	(78,508)	101,492
81600	1,500	5,179	6,679
81700	2,088,985	512,498	2,601,483
81990	1,634,503	156,111	1,790,614
Total	<u>8,300,890</u>	<u>1,828,942</u>	<u>10,129,832</u>
<b>86000</b>	<b>STATE REVENUES</b>		
86100	57,890,429	1,105,044	58,995,473
86200	6,434,979	1,609,647	8,044,626
86500	973,634	1,081,358	2,054,992
86700	450,000	-	450,000
86800	3,200,000	-	3,200,000
86900	15,000	-	15,000
Total	<u>68,964,042</u>	<u>3,796,049</u>	<u>72,760,091</u>
<b>88000</b>	<b>LOCAL REVENUES</b>		
88100	31,233,507	-	31,233,507
88200	-	-	-
88300	152,257	366,306	518,563
88400	60,800	3,887	64,687
88500	40,000	-	40,000
88600	286,400	-	286,400
88700	3,400,446	4,634	3,405,080
88800	1,954,250	-	1,954,250
88900	1,346,164	100,990	1,447,154
Total	<u>38,473,824</u>	<u>475,817</u>	<u>38,949,641</u>
<b>Total General Fund Revenues</b>	<u>\$ 115,738,756</u>	<u>\$ 6,100,808</u>	<u>\$ 121,839,564</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT  
GENERAL FUND - ALL FUNDING  
Revenue Budget Adjustments/Transfers  
As of 12/31/03**

	<u>Adopted Budget</u>	<u>Budget Adj/Transfers</u>	<u>Current Budget</u>
89000 OTHER FIN SOURCES			
89100 Proceeds/Fixed Assets	-	-	-
89400 Proceeds/Long-Term Debt	-	-	-
89800 Incoming Transfers	352,500	62,294	414,794
Total Other Financing Sources	\$ 352,500	62,294	\$ 414,794
Total District Revenues	<u>\$ 116,091,256</u>	<u>\$ 6,163,102</u>	<u>\$ 122,254,358</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT  
GENERAL FUND - ALL FUNDING  
Expenditure Budget Adjustments/Transfers  
As of 12/31/03**

	<u>Adopted Budget</u>	<u>Budget Adj/Transfers</u>	<u>Current Budget</u>
<b>91000</b>	<b>ACADEMIC SALARIES</b>		
91100	\$ 27,296,913	\$ 46,804	\$ 27,343,717
91200	12,283,112	585,708	12,868,820
91300	11,350,482	(325,266)	11,025,216
91400	1,922,635	175,008	2,097,643
Total	<u>52,853,142</u>	<u>482,254</u>	<u>53,335,396</u>
<b>92000</b>	<b>CLASSIFIED SALARIES</b>		
92100	20,761,444	593,680	21,355,124
92200	908,536	(38,281)	870,255
92300	3,372,951	545,159	3,918,110
92400	387,504	158,955	546,459
Total	<u>25,430,435</u>	<u>1,259,513</u>	<u>26,689,948</u>
<b>93000</b>	<b>BENEFITS</b>		
93100	4,187,049	122,907	4,309,956
93200	2,267,321	53,269	2,320,590
93300	2,394,639	110,906	2,505,545
93400	9,441,949	229,170	9,671,119
93500	196,751	23,820	220,571
93600	1,085,639	51,135	1,136,774
93700	76,736	14,456	91,192
93900	176,405	(3,351)	173,054
Total	<u>19,826,489</u>	<u>602,312</u>	<u>20,428,801</u>
<b>94000</b>	<b>SUPPLIES &amp; MATERIALS</b>		
94200	105,848	6,609	112,457
94300	853,886	398,839	1,252,725
94400	2,044,101	220,086	2,264,187
94500	54,948	11,379	66,327
Total	<u>3,058,783</u>	<u>636,913</u>	<u>3,695,696</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT  
GENERAL FUND - ALL FUNDING  
Expenditure Budget Adjustments/Transfers  
As of 12/31/03**

	<u>Adopted Budget</u>	<u>Budget Adj/Transfers</u>	<u>Current Budget</u>	
95000	OTHER OPER EXPENSES			
95100	Utilities	3,717,678	74,075	3,791,753
95200	Rents, Leases and Repairs	1,960,197	310,301	2,270,498
95300	Mileage & Allowances	1,019,751	504,074	1,523,825
95400	Dues & Memberships	184,915	15,294	200,209
95500	Pers. & Cons. Services	2,130,463	914,245	3,044,708
95600	Insurance	1,000,850	(12,080)	988,770
95700	Advertising & Printing	1,096,488	339,264	1,435,752
95900	Other	721,146	461,505	1,182,651
	Total	11,831,488	2,606,678	14,438,166
96000	CAPITAL OUTLAY			
96100	Sites	-	-	-
96200	Site Improvement	45,439	187,500	232,939
96400	Bldg Renov & Improvements	348,032	199,270	547,302
96500	New Equipment	1,618,384	572,791	2,191,175
96600	Replacement Equipment	12,410	(12,410)	-
96800	Library Books	81,810	90,805	172,615
	Total	2,106,075	1,037,956	3,144,031
	Total General Fund Expenditures	\$ 115,106,412	\$ 6,625,626	\$ 121,732,038
97000	OTHER OUTGO			
97100	Debt Service	-	-	-
97200	Intrafund Transfers	132,500	31,000	163,500
97300	Interfund Transfers	600,000	596,000	1,196,000
97500	Student Financial Aid	-	-	-
97600	Other Payments/Students	91,053	393,955	485,008
97900	Contingencies	161,291	2,654,135	2,815,426
	Total Other Outgo	\$ 984,844	\$ 3,675,090	\$ 4,659,934
	Total District Expenditures	\$ 116,091,256	\$ 10,300,716	\$ 126,391,972

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Consideration to Adopt Resolution  
Authorizing Inter-fund Transfer

ITEM NO. 04-29

---

EXHIBIT: Resolution

---

Background:

In 2003-04 the State created a Block Grant which combined the Scheduled Maintenance Program with the Instructional Equipment and Library Materials Program. Previously, Scheduled Maintenance monies were sent directly to the District and deposited in the Capital Projects fund. Now the funds are combined together in a Block Grant and deposited into the restricted General Fund. In order to pay for the Scheduled Maintenance projects, the District will need to make an inter-fund transfer from the restricted General Fund to the Capital Projects Fund. To properly account for the inter-fund transfer of monies between funds, the California Education Code requires a Resolution authorizing said transfer. The Resolution provides direction for the Fresno County Office of Education to complete an inter-fund transfer, as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Projects Fund	\$250,000	Sched. Maint., Special Repairs, Instr. Equip. and Library Materials Block Grant (IEO)

Recommendation:

It is recommended that the Board of Trustees:

- a) approve Resolution No. 04-29 authorizing an inter-fund transfer in the amount of \$250,000 from the General Fund to the Capital Projects Fund; and
- b) authorize filing said Resolution with the Fresno County Office of Education.



RESOLUTION NO. 04-29

AUTHORIZING INTER-FUND TRANSFER

WHEREAS, the Board of Trustees has authorized establishment of the General Fund, Capital Projects Fund, Decision Package Fund, Bookstore Fund, and Co-Curricular Fund for the purpose of properly accounting for revenues and expenditures; and

WHEREAS, in order to maintain consistent accounting practices, it will be necessary to transfer \$250,000 from the General Fund to the Capital Projects Fund;

NOW, THEREFORE, BE IT RESOLVED that Resolution No. 04-29 be approved transferring \$250,000 from the General Fund to the Capital Projects.

\* \* \* \* \*

The foregoing Resolution was adopted upon motion of Trustee \_\_\_\_\_, and seconded by Trustee \_\_\_\_\_, at a regular meeting of the Board of Trustees of the State Center Community College District on this 3rd day of February, 2004, by the following vote, to wit:

AYES:

NOES:

ABSENT:

---

Isabel Barreras, Secretary, Board of Trustees  
State Center Community College District

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Consideration to Approve Agreement with  
California Department of Education for Child  
Development Center Instructional Materials,  
Fresno City College

ITEM NO. 04-30

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EXHIBIT: Resolution

---

Background:

The District has been notified of receipt of a grant from the California Department of Education to purchase materials and supplies for the Child Development Program at Fresno City College. The grant in the amount of \$694 is for the period July 1, 2003, through June 30, 2004.

Recommendation:

It is recommended that the Board of Trustees:

- a) authorize entering into an Agreement with the California Department of Education in the amount of \$694 for the period July 1, 2003, through June 30, 2004;
- b) authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign the Agreement on behalf of the District; and
- c) authorize the Secretary of the Board of Trustees to execute the appropriate Board Resolution for submission with the Agreement to the California Department of Education.

## RESOLUTION

This Resolution must be adopted in order to certify the approval of the Governing Board to enter into this transaction with the California Department of Education for the purpose of conducting activities associated with funding for instructional materials and supplies for the Fresno City College Child Development Center and to authorize the designated personnel to sign contract documents for the period July 1, 2003, through June 30, 2004.

## RESOLUTION

BE IT RESOLVED that the Governing Board of the State Center Community College District authorizes entering into Local Agreement Number FIMS-3108 and that the persons who are listed below are authorized to sign the transaction for the Governing Board.

NAME	TITLE	SIGNATURE
Thomas A. Crow	Chancellor	
Douglas R. Brinkley	Vice Chancellor Finance and Administration	

PASSED AND ADOPTED this 3rd day of February, 2004, by the Governing Board of the State Center Community College District of Fresno County, California.

I, Isabel Barreras, Clerk of the Governing Board of State Center Community College District of Fresno County, California, certify that the foregoing is a full, true, and correct copy of a Resolution adopted by the said Board at a regular meeting thereof held at a regular public place of meeting and the Resolution is on file in the office of said Board.

\_\_\_\_\_  
(Clerk's Signature)

\_\_\_\_\_  
2/3/04

(Date)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

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SUBJECT: Consideration to Authorize Agreement with  
Crossroads R/W Inc. for Relocation Services,  
Willow/International Site

ITEM NO. 04-31

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EXHIBIT: None

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Background:

The District acquired the property known as Willow/International and received authorization from the State Chancellor's Office and California Postsecondary Education Commission for the development and placement of a new Center on the site. The District is scheduled to receive approximately \$34 million from the statewide Proposition 55 bond on the March ballot. With the passage of this facilities bond and approval of the State 2004-05 Budget, the District will be in a position to move to the bidding and construction phase of the project.

One step in the process is to relocate the residents and the one business operating from the property, as required by the Government Code. In preparation for this work, the District is recommending that Crossroads R/W Inc. act as the relocation specialists for the project. Crossroads R/W Inc. will perform the following services:

1. Coordinate the planning and relocation activities and provide the District staff with informative status reports on a regular basis. Crossroads will be available to meet with District staff and the public to discuss project issues and concerns.
2. Provide relocation assistance services for one business, including preparation of the necessary documentation and notification to the business owners.
3. Provide relocation assistance services for the three residential households, including preparation of the necessary documentation and notification to the residents.

The administration recommends contracting with Crossroads R/W Inc. to provide Relocation Assistance Services to the District.

Estimated Fiscal Impact:

\$18,000 – Measure E Funds

Recommendation:

It is recommended that the Board of Trustees:

- a) authorize entering into an Agreement with Crossroads R/W Inc. for relocation services relative to one business and three residential households on the Willow/International site at an estimated cost of \$18,000; and
- b) authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign the Agreement on behalf of the District.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Consideration of Government Tort  
Liability Claim, Jess Jiminez

ITEM NO. 04-32

---

EXHIBIT: Claim

---

Background:

The District is in receipt of a claim submitted on behalf of Jess Jiminez, and the Board is asked to take action in accordance with the Government Code. The Board must reject the claim where there is a question of District liability and the amount of the claim is disputed. The claim has been submitted to the JPA and its Claims Administrator for defense coverage.

Estimated Fiscal Impact:

District – none; VIP JPA - unknown

Recommendation:

It is recommended that, in accordance with established procedures, the Board of Trustees reject the claim submitted on behalf of Jess Jiminez and direct the Chancellor or Vice Chancellor, Finance and Administration, to give written notice of said action to the claimant.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Consideration to Accept Maintenance Project,  
Boiler Repairs, Fresno City College

ITEM NO. 04-33

---

EXHIBIT: None

---

Background:

The project for Boiler Repairs, Fresno City College, is now substantially complete and ready for acceptance by the Board of Trustees.

Recommendation:

It is recommended that the Board of Trustees:

- a) accept the project for Boiler Repairs, Fresno City College; and
- b) authorize the Chancellor or his designee to file a Notice of Completion with the County Recorder.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Consideration to Accept Maintenance Project,  
Construction of Water Improvements,  
Reedley College

ITEM NO. 04-34

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EXHIBIT: None

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Background:

The project for Construction of Water Improvements, Reedley College, is now substantially complete and ready for acceptance by the Board of Trustees.

Recommendation:

It is recommended that the Board of Trustees:

- a) accept the project for Construction of Water Improvements, Reedley College; and
- b) authorize the Chancellor or his designee to file a Notice of Completion with the County Recorder.



STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Consideration to Accept Construction  
Project, Orchard Removal,  
Willow/International Site

ITEM NO. 04-35

---

EXHIBIT: None

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Background:

The project for Orchard Removal, Willow/International Site, is now substantially complete and ready for acceptance by the Board of Trustees.

Recommendation:

It is recommended that the Board of Trustees:

- a) accept the project for Orchard Removal, Willow/International Site; and
- b) authorize the Chancellor or his designee to file a Notice of Completion with the County Recorder.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Consideration of Agenda Items for Board  
Retreat, March 26-27, 2004

ITEM NO. 04-36

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EXHIBIT: None

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Background:

This item is designated for Board members to propose discussion items for the upcoming Board Retreat on March 26-27, 2004.

No action will be taken at the Retreat.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Consideration to Accept 2002-03 Audit Report

ITEM NO. 04-37

---

EXHIBIT: Audit Report

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Background:

Title V requires that community college districts conduct an annual independent audit of the District's financial records and compliance issues. The 2002-03 District audit has recently been completed by the audit firm of Vavrinek, Trine, Day & Co., LLP. Representatives of the audit firm will be present at the Board meeting to review the report and to respond to questions from Board members.

Recommendation:

It is recommended that the Board of Trustees accept the 2002-03 audit report as submitted by the firm of Vavrinek, Trine, Day & Co., LLP.

**STATE CENTER COMMUNITY  
COLLEGE DISTRICT**

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**ANNUAL FINANCIAL REPORT**

---

**JUNE 30, 2003**



# STATE CENTER COMMUNITY COLLEGE DISTRICT

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JUNE 30, 2003

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***FINANCIAL SECTION***

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
State Center Community College District  
Fresno, California

We have audited the accompanying financial statements of the business-type activities of the State Center Community College District, as of and for the years ended June 30, 2003 and 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Contracted District Audit Manual issued by the California Community College Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the State Center Community College District as of June 30, 2003 and 2002, and the respective changes in financial position and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 4 through 11 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2003, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As discussed in the Notes to the basic financial statements, the accompanying financial statements reflect certain changes required as a result of the implementation of GASB Statement No. 34, "Basic Financial Statements and Management's Discussions and Analysis – for State and Local Governments", and Statement No. 35, "Basic Financial Statements and Management's Discussions and Analysis – for Colleges and Universities" for the years ended June 30, 2003 and 2002. This results in a change to the format and content of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vautrinek, Irvine, Day & Co., LLP

Fresno, California  
September 20, 2003



# State Center Community College District

1525 East Weldon Avenue • Fresno, California 93704-6398

Telephone (559) 226-0720 • FAX (559) 229-7039

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2003**

### ***NEW ACCOUNTING STANDARD***

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*," which established a new reporting format for annual financial statements for governmental entities. In November 1999, GASB issued Statement No. 35, "*Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*," which applies these new reporting standards to public colleges and universities such as the State Center Community College District (the District). The following discussion and analysis provides an overview of the District's financial activities. Information presented in this report will be in a two year comparative format. Responsibility for the completeness and fairness of this information rests with the District.

### ***USING THIS ANNUAL REPORT***

As required by the newly adopted accounting principles, the annual report consists of three basic financial statements that provide information on the District's activities as a whole: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The focus of the Statement of Net Assets is designed to be similar to bottom line results for the District. This statement for the first time combines and consolidates current financial resources (net short-term spendable resources) with capital assets and long-term obligations. The Statement of Revenues, Expenses, and Changes in Net Assets focuses on the costs of the District's operational activities, which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

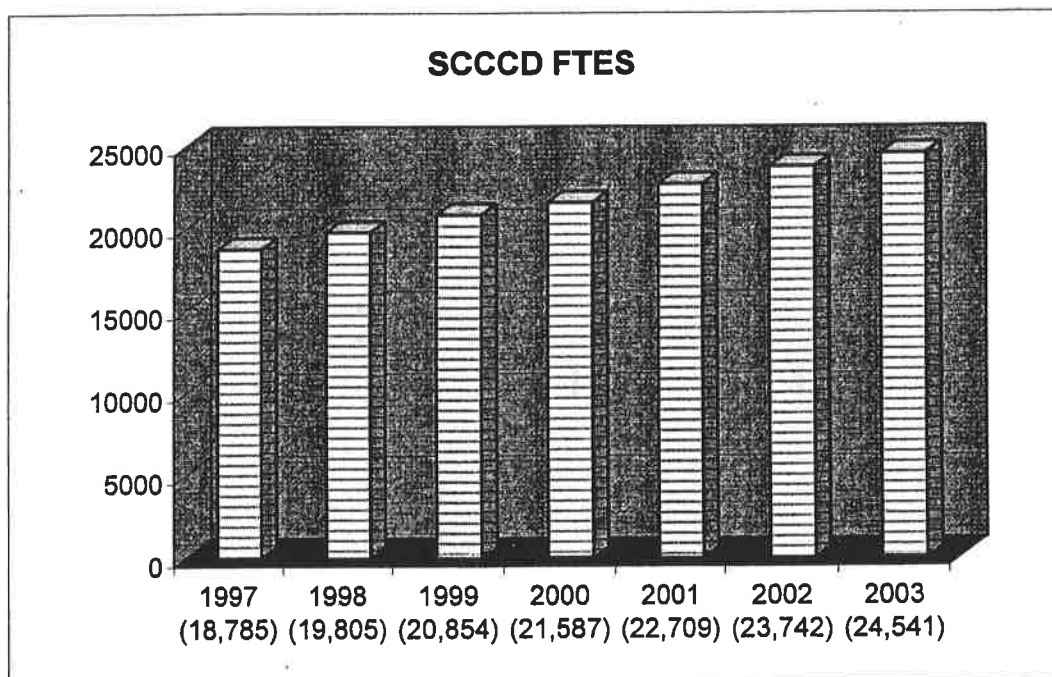
## STATE CENTER COMMUNITY COLLEGE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2003

#### FINANCIAL HIGHLIGHTS

The District's primary funding source is based upon apportionment received from the State of California. The primary basis of the apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2002-03 fiscal year, FTES was 24,541. As you can see from the chart below, the District has done quite well in attracting students to our District. Attracting and keeping students enrolled in our District is the life-blood of our organization and has been a high priority. Our ability to continue this high growth rate will in part depend on the State's ability and priority to fund student growth.



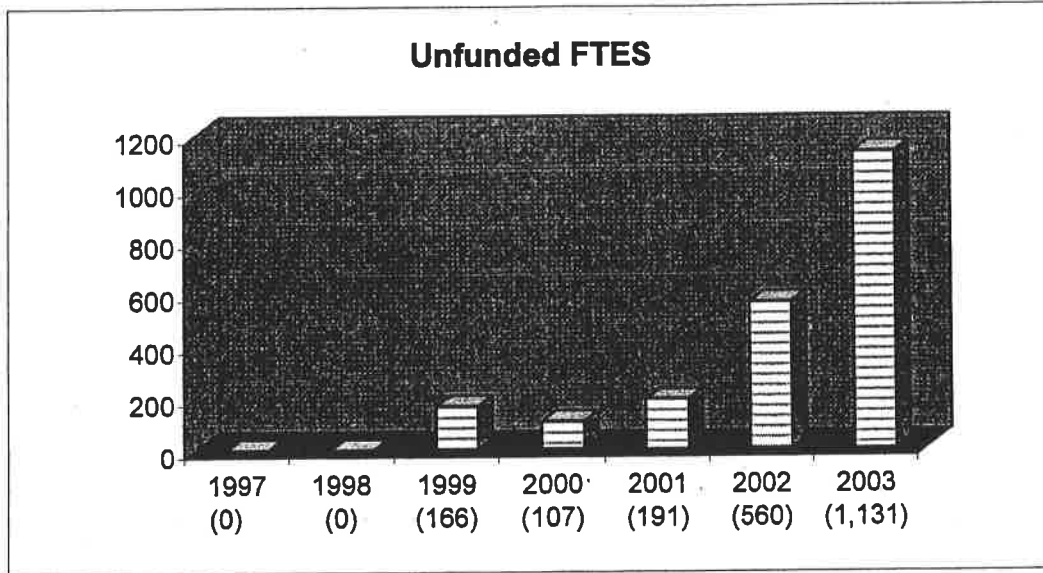
Annually, the State Chancellor's Office provides the statewide enrollment growth funding and each District's individual enrollment growth rate. The District's enrollment growth rate determines the potential funding for each District and is based on four factors: (1) the rate of change in the adult population of the local district; (2) the change in the high school graduation rates occurring in the district's boundaries; (3) adjustments for underserved areas; and (4) a blended rate. Because the Central San Joaquin Valley and communities served by the District are growing at a more rapid rate than the statewide average, the District's growth rate is higher than the statewide growth rate however, the District is not getting funded for all the students we serve.

Enrollment growth funding has not always been a priority to the California Community College System. Prior to 1996-97 fiscal year little money and incentives were provided to the community college districts for student growth. As you can see from the chart above, the District has made enrollment growth a priority of the District and has been so successful that since the fiscal year ended 1999 (see Unfunded FTES graph), we have exceeded our allocation for enrollment growth.

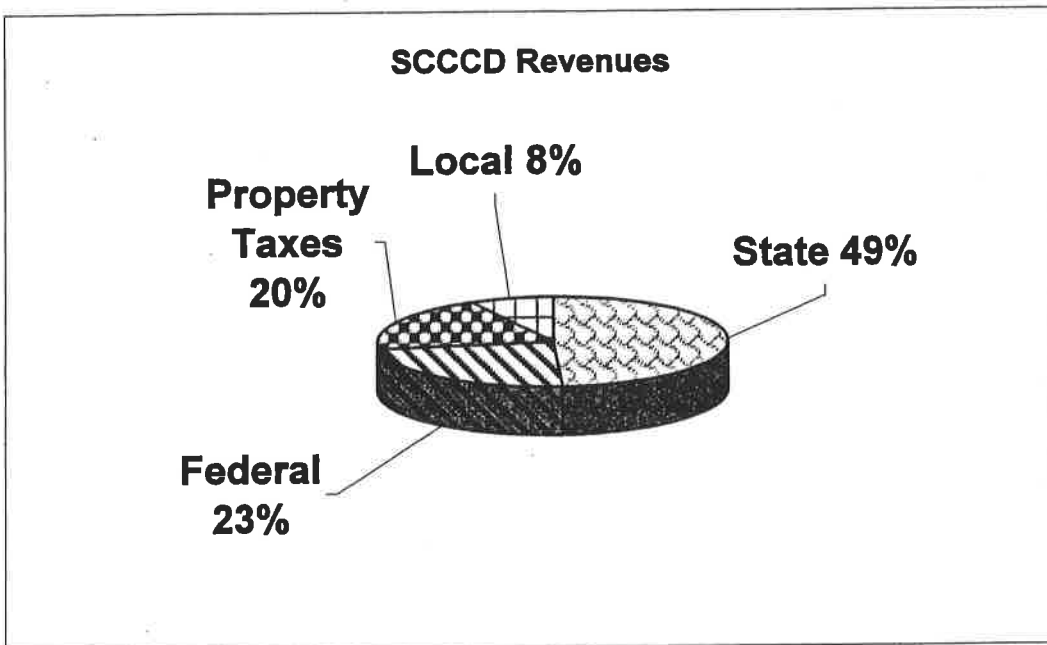
**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2003**



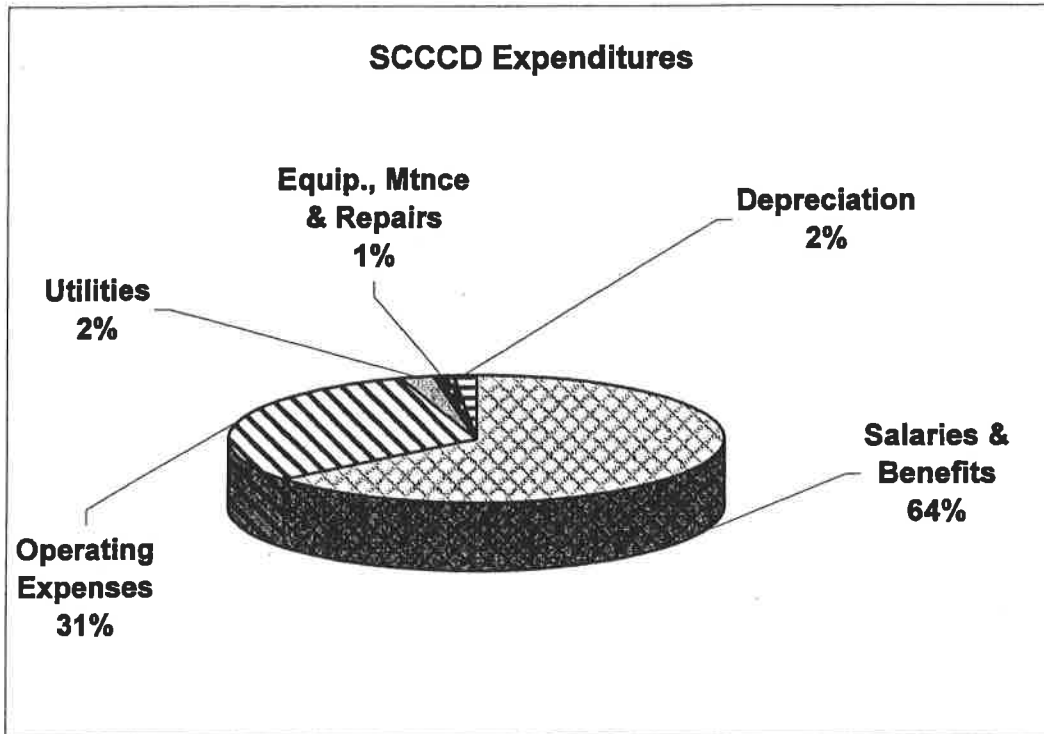
It is important to note that the District relies heavily on Federal Grants, State apportionment, categorical programs, and property taxes. Therefore, as stewards of these funds, we need to understand the sources and uses of these funds. The next two graphs depict the District's major revenue sources and expenditure uses categories.



**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2003**



**Statement of Net Assets**

The Statement of Net Assets presents the assets, liabilities, and net assets of the district as of the end of the fiscal year using the accrual basis of accounting, which is comparable to the basis of accounting used by most private-sector institutions. Net assets-the difference between assets and liabilities-are one way to measure the financial health of the district. The data allows readers to determine the assets available to continue the operations of the district. The net assets of the district consist of three major categories.

- Invested in capital assets-The district's equity in property, plant, and equipment.
- Restricted net assets (divided into either expendable or nonexpendable.) - Restricted net assets are restricted by use constraints placed on them by outside parties such as through agreements, laws, regulations of creditors or other governments or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets - The district can use them for any lawful purpose. Although unrestricted, the district's governing board may place internal restrictions on these net assets, but it retains the power to change, remove, or modify those restrictions.

Condensed financial information is as follows: **(In thousands)**

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2003**

As of June 30,

	2003	2002	Year to Year Change
<b>Current Assets</b>			
Cash, investments, and short-term receivables	\$ 65,885	\$ 43,070	53.0%
Inventory and pre-paid expenditures	2,183	2,408	-9.3%
<b>Total Current Assets</b>	<b>68,068</b>	<b>45,478</b>	<b>49.7%</b>
<b>Non-Current Assets</b>			
Capital assets, net of depreciation	65,838	51,651	27.5%
<b>Total Assets</b>	<b>133,906</b>	<b>97,129</b>	<b>37.9%</b>
<b>Current Liabilities</b>			
Account payable and accrued liabilities	10,142	6,908	46.8%
Deferred revenue	4,032	3,908	3.2%
Amounts held on behalf of others	417	451	-7.5%
Long-term Liabilities-current portion	5,955	6,637	-10.3%
<b>Total Current Liabilities</b>	<b>20,546</b>	<b>17,904</b>	<b>14.8%</b>
<b>Non-Current Liabilities</b>			
Long-term liabilities-non-current portion	21,073	1,396	1409.5%
<b>Total Liabilities</b>	<b>41,619</b>	<b>19,300</b>	<b>115.6%</b>
<b>Net Assets</b>			
Invested in capital assets	65,555	53,384	22.8%
Restricted for expendable purposes	22,352	3,834	483.0%
Unrestricted	4,380	20,611	-78.7%
	<b>\$ 92,287</b>	<b>\$ 77,829</b>	<b>18.6%</b>

This schedule has been prepared from the District's Statement of Net Assets (page 12).

Cash and short-term investments consist primarily of funds held in the Fresno County Treasury. The changes in the cash position are explained in the Statement of Cash Flows (page 14).

Many of the unrestricted net assets have been designated by the Board or by contracts for such purposes as federal and state grants, outstanding commitments on contracts, bookstore and cafeteria reserves, and general reserves for the ongoing financial health of the District.

**Statement of Revenues, Expenses, and Changes in Net Assets**

The Statement of Revenues, Expenses, and Changes in Net Assets presents the operating results of the district. The purpose of the statement is to present the revenues received by the district, both operating and non-operating, and the expenses paid by the district, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the district. State general apportionment funds, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles.



**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2003**

Changes in total net assets on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the district. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the district.

**Operating Results**

For the Year ended June 30,

	<b>2003</b>	<b>2002</b>	<b>Year to Year Change</b>
<b>Operating Revenues</b>			
Tuition and fees	\$ 4,763	\$ 4,395	8.4%
Grants and contracts	53,529	50,905	5.2%
Auxiliary sales and charges	3,004	3,065	-2.0%
Interest on student loans	-	6	-100.0%
Total Operating Revenues	<u>61,296</u>	<u>58,371</u>	5.0%
<b>Operating Expenses</b>			
Salaries and benefits	100,208	94,187	6.4%
Supplies, maintenance and other operating expenses	53,844	50,115	7.4%
Depreciation	2,193	3,691	-40.6%
Total Operating Expenses	<u>156,245</u>	<u>147,993</u>	5.6%
Income (Loss) on Operations	(94,949)	(89,622)	5.9%
<b>Nonoperating Revenue and (Expenses)</b>			
State apportionment	57,418	59,552	-3.6%
Property taxes	33,653	31,745	6.0%
State revenues	3,598	3,625	-0.7%
Net interest income	755	1,269	-40.5%
Other non-operating revenue	991	963	2.9%
Total Non-Operating Revenue	<u>96,415</u>	<u>97,154</u>	-0.8%
<b>Other Revenue</b>			
Federal, state, and local capital income	12,992	5,784	124.6%
<b>Net Increase in Net Assets</b>	<u>\$ 14,458</u>	<u>\$ 13,316</u>	8.6%

This schedule has been prepared from the Statement of Revenues, Expenses and Changes in Net Assets presented on page 13.

Auxiliary revenue consists of bookstore and cafeteria net revenues. The college campuses each maintain bookstore and cafeterias to provide services to the students and faculty of the college. The operations are self-supporting through student related activities.

## STATE CENTER COMMUNITY COLLEGE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2003

Grant and contract revenues relate to student financial aid, as well as specific federal and state grants received for programs serving the students of the district. These grant and program revenues are restricted as to the allowable expenses related to the programs.

Interest income of \$824,687 was offset by interest expense of \$69,649. The interest income is primarily the result of cash held at the Fresno County Treasurer. The interest expense relate to interest on short-term investments and notes payable.

Since the financial statements are on the full accrual basis, the District is recording depreciation expense related to capital assets. The detail of the changes in capital assets for the year is included in the notes to the financial statements as Note 5.

#### Statement of Cash Flows

The statement of cash flows provides additional information about the district's financial results by reporting its major sources and uses of cash. This information assists readers in assessing the district's ability to generate revenue, meet its obligations as they come due, and evaluate its need for external financing. The statement is divided into several parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the institution. The second section reflects cash flows from non-capital financing activities and shows the sources and uses of those funds. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section deals with cash flows from investing activities. This section reflects the cash received and spent for short-term investments and any interest paid or received on those investments.

#### Statement of Cash Flows for the Year ended June 30,

	2003	2002	Year to Year Changes
Cash provided by (used in)			
Operating activities	\$ (99,293)	\$ (87,453)	13.5%
Non-capital financing activities	96,430	95,885	0.6%
Capital financing activities	(3,756)	(16,560)	-77.3%
Investing activities	21,708	1,269	1610.6%
Net increase/(decrease) in cash	15,089	(6,859)	-320.0%
Cash, Beginning of Year	28,239	35,098	-19.5%
Cash, End of Year	\$ 43,328	\$ 28,239	53.4%

The primary operating receipts are student tuition and fees and federal, state, and local grants and contracts. The primary operating expenses of the District consist of the payment of salary and benefits to instructional and classified support staff.

While state apportionment and property taxes are the primary source of non-capital related revenue, the new GASB accounting standards require that these sources of revenues are shown as non-operating revenue as it comes from the general resources of the state and not the primary users of the colleges' programs and services (students). The District depends upon this funding as the primary source of funds to continue the current level of operations.

## **STATE CENTER COMMUNITY COLLEGE DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2003**

#### **Economic Factors Affecting the Future of State Center Community College District**

The economic position of the District is closely tied to the fortunes of the State of California as state apportionment funds and property taxes allocated to the District by the State represent approximately 53% of the total revenues received by the District. Student enrollment, the life-blood of the district, remains uncertain with enrollment fees increasing over 60% from the prior year and with more increases anticipated. Furthermore, the state's economic recovery will play a major role in the state's funding for the higher education. And last but not least, recall of Gov. Davis and the election of Arnold Schwarzenegger to the executive office of the State of California creates a major change in leadership and policy making at the state level. But one certainty is the need for strong leadership in Sacramento to produce timely balanced budgets so the State and school districts can serve their constituencies.

STATE CENTER COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET ASSETS

JUNE 30,

	2003	2002
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 4,445,494	\$ 4,070,347
Short-term investments	43,003,715	29,099,012
Accounts receivable, net	17,287,460	9,508,325
Student loans receivable, net	1,148,181	392,317
Stores inventory	1,896,354	2,064,179
Prepaid expenses	286,705	344,007
<b>Total Current Assets</b>	<u>68,067,909</u>	<u>45,478,187</u>
<b>Noncurrent Assets:</b>		
Capital assets, net of depreciation	65,837,842	51,651,295
<b>Total Noncurrent Assets</b>	<u>65,837,842</u>	<u>51,651,295</u>
<b>TOTAL ASSETS</b>	<u>\$ 133,905,751</u>	<u>\$ 97,129,482</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	10,142,026	6,907,726
Deferred revenue	4,031,468	3,908,230
Amounts held in trust on behalf of others	416,633	450,742
Compensated absences payable - current portion	1,602,290	1,458,885
Notes payable - current portion	4,030,243	4,880,000
Long-term liabilities - current portion	322,877	298,673
<b>Total Current Liabilities</b>	<u>20,545,537</u>	<u>17,904,256</u>
<b>Non-current Liabilities:</b>		
Long-term liabilities - noncurrent portion	21,072,777	1,395,654
<b>Total Non-current Liabilities</b>	<u>21,072,777</u>	<u>1,395,654</u>
<b>TOTAL LIABILITIES</b>	<u>41,618,314</u>	<u>19,299,910</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	65,555,032	53,384,504
<b>Restricted for:</b>		
Capital projects	22,309,330	3,791,840
Debt service	42,903	41,739
Unrestricted	4,380,172	20,611,489
<b>TOTAL NET ASSETS</b>	<u>92,287,437</u>	<u>77,829,572</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 133,905,751</u>	<u>\$ 97,129,482</u>

The accompanying notes are an integral part of these financial statements.

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**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30,**

	2003	2002
<b>OPERATING REVENUES</b>		
Tuition and Fees	\$ 8,999,506	\$ 7,805,769
Less: Scholarship discount and allowance	(4,236,075)	(3,410,979)
Net tuition and fees	<u>4,763,431</u>	<u>4,394,790</u>
Grants and Contracts, noncapital:		
Federal	40,310,091	36,664,367
State	12,574,468	12,574,257
Local	644,776	1,665,791
Auxiliary Enterprise Sales and Charges:		
Bookstore	2,299,937	2,383,372
Food services	703,263	681,773
Interest on Student Loans	283	6,284
<b>TOTAL OPERATING REVENUES</b>	<u>61,296,249</u>	<u>58,370,634</u>
<b>OPERATING EXPENSES</b>		
Salaries	82,352,451	78,392,006
Employee benefits	17,855,790	15,794,851
Supplies, materials, and other operating expenses and services	48,258,525	45,012,363
Utilities	3,531,343	3,191,049
Equipment, maintenance, and repairs	2,053,744	1,911,351
Depreciation	2,193,394	3,691,360
<b>TOTAL OPERATING EXPENSES</b>	<u>156,245,247</u>	<u>147,992,980</u>
<b>OPERATING LOSS</b>	<u>(94,948,998)</u>	<u>(89,622,346)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State apportionments, noncapital	57,418,357	59,552,237
Local property taxes	33,652,629	31,745,127
State taxes and other revenues	3,598,457	3,624,768
Investment income-Noncapital	649,420	890,794
Investment income-Capital	175,267	409,747
Interest expense on capital related debt	(69,649)	(31,795)
Other non-operating	990,506	963,428
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>96,414,987</u>	<u>97,154,306</u>
<b>LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	1,465,989	7,531,960
State revenues, capital	10,119,985	3,019,299
Local revenues, capital	2,871,891	2,764,351
<b>TOTAL OTHER REVENUES, EXPENSES, GAINS AND LOSSES</b>	<u>12,991,876</u>	<u>5,783,650</u>
<b>NET INCREASE IN NET ASSETS</b>	14,457,865	13,315,610
<b>NET ASSETS, BEGINNING OF YEAR</b>	77,829,572	64,513,962
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 92,287,437</u>	<u>\$ 77,829,572</u>

The accompanying notes are an integral part of these financial statements.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF CASH FLOWS – DIRECT METHOD  
FOR THE YEAR ENDED JUNE 30,**

	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 4,763,431	\$ 4,394,790
Federal grants and contracts	40,310,091	36,664,367
State grants and contracts	12,574,468	13,915,895
Local grants and contracts	644,776	1,665,791
Payments to suppliers	(23,903,707)	(20,649,133)
Payments to/(on behalf of) employees	(100,208,241)	(94,186,857)
Payments for scholarships and grants	(36,476,866)	(32,329,348)
Auxiliary enterprise sales and charges:		
Bookstore	2,299,937	2,383,372
Food services	703,263	681,773
Interest on Student Loans	283	6,284
<b>Net Cash Used by Operating Activities</b>	<u>(99,292,565)</u>	<u>(87,453,066)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State apportionments	57,418,357	59,552,237
Property taxes	33,652,629	31,745,127
State taxes and other apportionments	3,598,457	3,624,768
Other non-operating	1,761,063	963,428
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>96,430,506</u>	<u>95,885,560</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Purchases of capital assets	(16,379,941)	(22,153,583)
State revenue, capital projects	10,119,985	3,019,299
Local revenue, capital projects	2,871,891	2,764,351
Principal paid on capital debt	(298,673)	(158,562)
Interest paid on capital debt	(69,649)	(31,795)
<b>Net Cash Used by Capital Financing Activities</b>	<u>(3,756,387)</u>	<u>(16,560,290)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of Bonds	20,892,291	-
Interest received from investments	815,893	1,268,746
<b>Net Cash Provided by Investing Activities</b>	<u>21,708,184</u>	<u>1,268,746</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	15,089,738	(6,859,050)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	28,238,633	35,097,683
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 43,328,371</u>	<u>\$ 28,238,633</u>

The accompanying notes are an integral part of these financial statements.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF CASH FLOWS – DIRECT METHOD, CONTINUED  
FOR THE YEAR ENDED JUNE 30,**

	<u>2003</u>	<u>2002</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (94,948,998)	\$ (89,622,346)
Adjustments to reconcile net operating loss to net cash used by operating activities		
Depreciation expense	2,193,394	3,691,360
Changes in assets and liabilities:		
Increase in accounts receivables	(8,534,999)	(1,143,989)
Increase in inventories	167,825	(498,104)
Increase in prepaid expense	57,302	94,139
Increase in accounts payable	1,649,673	45,927
Increase in deferred revenue	123,238	(20,053)
<b>Net Cash Used By Operating Activities</b>	<u><u>\$ (99,292,565)</u></u>	<u><u>\$ (87,453,066)</u></u>

The accompanying notes are an integral part of these financial statements.



# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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### *NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

#### **A. Financial Reporting Entity**

The State Center Community College District was organized on July 1, 1964, under the laws of the State of California. The District operates under a locally elected seven-member Board of Trustees form of government and provides higher education in two community colleges - Fresno City College and Reedley College, as well as three community centers - Clovis Center, Madera Center, and Oakhurst Center. The District currently operates in approximately 5,580 square miles located in parts of Fresno, Madera, Tulare, and Kings Counties.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For State Center Community College District, this includes general operations, food services, bookstores and student related activities of the District.

#### **B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt, or the levying of their taxes. The District has no component units.

**Joint Powers Agencies and Public Entity Risk Pools** - The District is associated with two joint powers agencies (JPA). These organizations do not meet the criteria for inclusion as component units of the District. Summarized audited financial information is presented in Note 14 to the financial statements.

#### **C. Basis of Presentation**

The financial statements have been prepared in accordance with accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), including statements No. 34, *Basic Financial Statements – and Management's Discussions and Analysis – for State and Local Governments* and No. 35, *Basic Financial Statements and Management's Discussions and Analysis of Public Colleges and Universities*, issued in June and November 1999, respectively. These statements provide a comprehensive entity-wide perspective of the District's assets, liabilities, and cash flows and replaces the fund-group perspective previously required. The District now follows the "business-type" activities reporting requirements of the statements that provides a comprehensive "one-look" at the District's financial activities.

#### **D. Basis of Accounting - Measurement Focus**

**Entity-Wide Financial Statements** - The entity-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenditures are recorded when a liability is incurred, regardless of the timing of the related cash flows. All significant intra-agency transactions have been eliminated.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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Exceptions to the accrual basis of accounting are as follows:

Summer session tuition and fees received before year-end are recorded as deferred revenue as of June 30 with the revenue being reported in the fiscal year in which the program is predominately conducted.

The entity-wide statement of activities presents a comparison between operating revenues and operating expenses of the District. Revenues and expenses that are not classified as operating revenues or expenses are presented as non-operating revenues and expenses. Non-operating revenues and expenses include State apportionments, property taxes, interest and investment income, or expenses as these sources and uses of funds are derived from the general population and not from operations.

Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**Revenues - Exchange and Non-Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 90 days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain grants, entitlements, and donations. Revenue from State apportionments is generally recognized in the fiscal year in which it is apportioned from the State. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements.

**Deferred Revenue** - Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Certain Federal and State grants received before the eligibility requirements are met are recorded as deferred revenue.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. Allocations of costs, such as depreciation and amortization, are recognized in the entity-wide financial statements although they are not allocated in individual funds within the District's financial records.

### **E. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of one year or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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### F. Investments

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and for External Investment Pools*, investments are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Investments for which there are no quoted market prices are not material.

### G. Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of California. Accounts receivable also include amounts due from the Federal government, State, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District provides for an allowance for uncollectable accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis.

### H. Inventory

Inventory consists primarily of bookstore merchandise and cafeteria food and supplies held for resale to the students and faculty of the colleges. Inventories are stated at cost, utilizing the first in, first out method. The cost is recorded as an expense as the inventory is consumed.

### I. Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole. The District maintains a capitalization threshold of \$10,000. The District does not possess any infrastructure. Improvements of \$50,000 or more are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

When purchased, such assets are recorded as expenditures in the District's governmental funds and capitalized within the entity-wide financial statements. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated cost based on replacement cost or appraised value (assessed value at July 1, 2001). Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 45 years; improvements, 20 years; equipment, 5 to 20 years.

### J. Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the entity-wide financial statements. The amounts have been recorded in the fund from which the employees who have accumulated the leave are paid. The non-current portion of the liability is monitored but not recorded within the governmental funds.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave.

### **K. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the entity-wide financial statements.

### **L. Net Assets**

GASB Statements No. 34 and No. 35 reports equity as "Net Assets" rather than "Fund Balance." Net assets are classified according to external donor restrictions or availability of assets for satisfaction of District obligations.

*Invested in capital assets, net of related debt* – This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component invested in capital assets, net of related debt.

*Restricted net assets – expendable* – Restricted expendable net assets include resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

*Restricted net assets – nonexpendable* – Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principle is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

*Unrestricted net assets* – Unrestricted net assets represent resources derived from student tuition and fees, State apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

### **M. Operating Revenues and Expenses**

Operating revenues include all revenues from programmatic sources. Non-operating revenues include State apportionments, State and local tax revenues, investment income, and gifts.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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**Classification of Revenues** – The District has classified its revenues as either operating or non-operating. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 35, including State appropriations, local property taxes, and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

*Operating revenues* – Operating revenues include activities that have the characteristics of exchange transactions, such as, (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most Federal, State and local grants and contracts and Federal appropriations, and (4) interest on institutional student loans.

*Non-operation revenues* – Non-operating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources described in GASB Statement No. 34, such as State appropriations and investment income.

Operating expenses are necessary costs to provide the services of the District. Non-operating expenses include interest expense and other expenses not directly related to the services of the District.

### N. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### O. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

### P. Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Stafford Loan programs, as well as other programs funded by the Federal government. Financial aid to students is reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations," and the related *Compliance Supplement*. During the year ended June 30, 2003, the District distributed \$246,739 in direct lending through the U.S. Department of Education. These amounts have not been included as revenues or expenses within the accompanying financial statements as the amounts were passed directly to qualifying students.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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### **NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2002, the District has implemented GASB Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*," GASB Statement No. 35, "*Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*," GASB Statement No. 36, "*Receipt Reporting for Certain Shared Nonexchange Revenues*," GASB Statement No. 37, "*Basic Financial Statements for State and Local Governments: Omnibus*," and GASB Statement No. 38, "*Certain Financial Statement Note Disclosures*."

### **NOTE 3 - DEPOSITS AND INVESTMENTS**

#### **A. Policies and Practices**

The District is considered to be an involuntary participant in an external investment pool since the District is required to deposit all receipts and collections of monies with their county treasurer. In addition, the District is authorized to maintain deposits with certain financial institutions that are federally insured up to \$100,000. *California Government Code* Sections 16520-16522 require California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits.

Under provision of the District's investment policy, and in accordance with Sections 53601 and 53602 of the *California Government Code*, the District may also make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

#### **B. Deposits**

For the fiscal years ended June 30, 2003 and 2002, the carrying amounts of the District's deposits were \$4,445,494 and \$4,070,347, respectively. On June 30, 2003, the bank balances totaled \$5,964,511. Of this amount, \$363,361 is federally insured by the Federal Deposit Insurance Corporation. The balance of \$5,601,150 is collateralized with securities held by the individual financial institutions.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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### C. Investments

The District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the District's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent but not in the District's name. Deposits with the County Treasury are not categorized because they do not represent securities, which exist in physical or book entry form. The deposits with County Treasury are valued using the amortized cost method (which approximates fair value). The fair values were provided by the County.

The investments at June 30, are as follows:

	Fair Value	June 30, 2003 Reported Amount	June 30, 2002 Reported Amount
Uncategorized			
Franklin U.S Government Fund	\$ 46,749	\$ 46,749	\$ 50,726
Deposits with County Treasurer	39,022,855	38,882,877	24,168,286
Guaranteed Investment Contract	4,030,243	4,030,243	-
Mutual Funds	43,846	43,846	4,880,000
Total	<u>\$43,143,693</u>	<u>\$ 43,003,715</u>	<u>\$ 29,099,012</u>

STATE CENTER COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

**NOTE 4 - ACCOUNTS RECEIVABLES**

Receivables at June 30, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Federal Government		
Categorical aid	\$ 2,605,198	\$ 2,221,257
Categorical prior year	-	44,553
State Government		
Apportionment	5,994,388	2,875,870
Categorical aid	1,027,066	711,007
Categorical prior year	-	80,933
Other state sources	5,326,303	1,932,806
Local Government		
Interest	155,820	316,445
Property taxes	554,087	-
Other local sources	1,624,598	1,325,454
Total	<u>\$ 17,287,460</u>	<u>\$ 9,508,325</u>
Student receivables, net	<u>\$ 1,148,181</u>	<u>\$ 392,317</u>



**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2003**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Balance Beginning of Year	Additions	Balance End of Year
Capital Assets not being Depreciated			
Land	\$20,040,572	\$ 744,851	\$ 20,785,423
Total Capital Assets Not Being Depreciated	<u>20,040,572</u>	<u>744,851</u>	<u>20,785,423</u>
Capital Assets being Depreciated			
Land improvements	784,976	-	784,976
Buildings and improvements	54,899,469	13,761,868	68,661,337
Furniture and equipment	10,789,933	1,873,222	12,663,155
Vehicles	1,061,951	-	1,061,951
Total Capital Assets Being Depreciated	<u>67,536,329</u>	<u>15,635,090</u>	<u>83,171,419</u>
Total Capital Assets	<u>87,576,901</u>	<u>16,379,941</u>	<u>103,956,842</u>
Less Accumulated Depreciation			
Buildings and improvements	27,689,695	1,433,336	29,123,031
Furniture and equipment	7,301,181	704,567	8,005,748
Vehicles	934,730	55,491	990,221
Total Accumulated Depreciation	<u>35,925,606</u>	<u>2,193,394</u>	<u>38,119,000</u>
Net Capital Assests	<u>\$51,651,295</u>	<u>\$14,186,547</u>	<u>\$ 65,837,842</u>

Depreciation expense for the year was \$2,193,394.

**NOTE 6 - INTERFUND TRANSACTIONS**

**Operating Transfers**

Operating transfers between District governmental funds are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These operating transfers have been eliminated through consolidation within the entity-wide financial statements.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003**

**NOTE 7 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2003 consisted of the following:

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Vendor invoices	\$ 6,486,979	\$ 2,769,646
Accrued payroll and taxes	984,472	1,938,848
Deferred payroll	2,211,448	2,118,510
Federal payables	41,071	24,930
State payables	418,056	55,792
Total	<u>\$ 10,142,026</u>	<u>\$ 6,907,726</u>

**NOTE 8 - DEFERRED REVENUE**

Deferred revenue at June 30, consisted of the following:

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Federal categorical aid	\$ 181,102	\$ 108,043
State categorical aid	1,409,267	1,814,821
Enrollment fees	2,394,584	1,921,757
Other local	46,515	63,609
Total	<u>\$ 4,031,468</u>	<u>\$ 3,908,230</u>

**NOTE 9 - LONG-TERM DEBT**

**A. Long-Term Debt Summary**

The changes in the District's long-term obligations during the year consisted of the following:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
General obligation bonds	\$ -	\$ 20,000,000	\$ -	\$ 20,000,000	\$ -
Revenue bonds	95,000	-	30,000	65,000	30,000
Lease purchase option	355,860	-	138,050	217,810	147,810
Energy loan	1,243,467	-	130,623	1,112,844	145,067
Total Long-Term Debt	<u>\$1,694,327</u>	<u>\$ 20,000,000</u>	<u>\$ 298,673</u>	<u>\$ 21,395,654</u>	<u>\$ 322,877</u>
Accumulated vacation - net	<u>\$1,458,885</u>	<u>\$ 143,405</u>	<u>\$ -</u>	<u>\$ 1,602,290</u>	<u>\$ 1,602,290</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2003**

**B. Description of Debt**

General obligation bonds were approved by a local election in November 2002. The total amount approved by the voters was \$161,000,000. At June 30, 2003, \$20,000,000 had been issued and \$20,000,000 was outstanding with interest rates on the bonds ranging from 3.0 to 5.0 percent.

The outstanding Reedley College dormitory revenue bonded debt of State Center Community College District as of June 30, 2003, is \$65,000.

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds
				Outstanding July 1, 2002	Issued	Redeemed	Outstanding June 30, 2003
1968	2004	3%	\$ 860,000	\$ 95,000	\$ -	\$ 30,000	\$ 65,000
2003	2028	3% to 5%	20,000,000	-	20,000,000	-	20,000,000
				<u>\$ 95,000</u>	<u>\$20,000,000</u>	<u>\$ 30,000</u>	<u>\$ 20,065,000</u>

**Debt Maturity**

**General Obligation Revenue/Bonds**

**Debt Service Requirements to Maturity**

Fiscal Year	Principal	Interest	Total
2004	\$ 30,000	\$ 1,500	\$ 31,500
2005	4,235,000	950,304	5,185,304
2006	405,000	720,337	1,125,337
2007	420,000	708,188	1,128,188
2008	435,000	689,287	1,124,287
2009-2013	2,505,000	3,128,263	5,633,263
2014-2018	3,185,000	2,442,311	5,627,311
2019-2023	3,955,000	1,675,788	5,630,788
2024-2028	4,895,000	740,738	5,635,738
Total	<u>\$ 20,065,000</u>	<u>\$ 11,056,716</u>	<u>\$ 31,121,716</u>

**C. Accumulated Unpaid Employee Compensation**

The long-term portion of accumulated unpaid employee compensation for the District at June 30, 2003, amounted to \$1,602,290.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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### D. Capital Leases

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
<u>2004</u>	\$ 159,492
2005	72,274
Total	<u>231,766</u>
Less: Amount Representing Interest	(13,956)
Present Value of Minimum Lease Payments	<u>\$ 217,810</u>

### E. Energy Loans

Year Ending June 30,	Loan Payment
<u>2004</u>	\$ 177,461
2005	177,461
2006	177,461
2007	177,461
2008	177,461
2009-2010	<u>354,922</u>
Subtotal	1,242,227
Less: Amount Representing Interest	(129,383)
Present Value of Minimum Lease Payments	<u>\$ 1,112,844</u>

### **NOTE 10 - POSTEMPLOYMENT BENEFITS**

The District provides medical, dental, and vision insurance coverage, as prescribed in the various employee union contracts, to retirees meeting plan eligibility requirements. Eligible employees retiring from the District may become eligible for these benefits when the requirements are met. The eligibility requirement for employees participating in PERS is a minimum age of 55 and a minimum ten years of continuous service with the District. Additional age and service criteria may be required. The eligibility requirement for employees participating in STRS is a minimum age of 60 with five years of service, or age 50 with 30 years of service. In addition, the District also has minimum continuous service requirements for retirement that range from three years to ten years and varies by employee class. The District recognizes expenditures for these post employment health benefits on a pay-as-you-go-basis.

The approximate accumulated future liability for these benefits is \$15,500,000. This amount was calculated based upon an updated estimate on the actuarial study completed in July 2000.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2003

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### ***NOTE 11 - RISK MANAGEMENT***

#### **A. Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year ending June 30, 2003, the District contracted with the Valley Insurance Program for property and liability insurance coverage. Settled claims have not exceeded this coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

#### **B. Workers' Compensation**

For fiscal year 2003, the District participated in the Valley Insurance Program (VIP), an insurance purchasing pool. The intent of VIP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in VIP. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in VIP. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of VIP. Participation in VIP is limited to community college districts that can meet VIP's selection criteria.

#### **C. Employee Medical Benefits**

The District has contracted with the Fresno Area Self-Insured Benefits Organization (FASBO) to provide employee medical and surgical benefits. FASBO is a shared risk pool comprised of local education agencies. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

### ***NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS***

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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### A. STRS

#### Plan Description

All certificated employees and those employees meeting minimum standards adopted by the Board of Governors of the California Community Colleges and employed 50 percent or more of a full-time equivalent position participate in the Defined Benefit Plan (DB Plan). Part-time educators hired under a contract of less than 50 percent or on an hourly or daily basis without contract may elect membership in the Cash Balance Benefit Program (CB Benefit Program). Since January 1, 1999, both of these plans have been part of the State Teachers' Retirement Plan (STRP), a cost-sharing, multiple-employer contributory public employee retirement system. The State Teachers' Retirement Law (Part 13 of the *California Education Code*, Section 22000 et seq.) established benefit provisions for STRS. Copies of the STRS annual financial report may be obtained from the STRS Executive Office, 7667 Folsom Boulevard, Sacramento, California 95851.

The STRP, a defined benefit pension plan, provides retirement, disability, and death benefits, and depending on which component of the STRP the employee is in, post-retirement cost-of-living adjustments may also be offered. Employees in the DB Plan attaining the age of 60 with five years of credited California service (service) are eligible for "normal" retirement and are entitled to a monthly benefit of two percent of their final compensation for each year of service. Final compensation is generally defined as the average salary earnable for the highest three consecutive years of service. The plan permits early retirement options at age 55 or as early as age 50 with at least 30 years of service. While early retirement can reduce the two percent age factor used at age 60, service of 30 or more years will increase the percentage age factor to be applied. Disability benefits are generally the maximum of 50 percent of final compensation for most applicants. Eligible dependent children can increase this benefit up to a maximum of 90 percent of final compensation. After five years of credited service, members become 100 percent vested in retirement benefits earned to date. If a member's employment is terminated, the accumulated member contributions are refundable. The features of the CD Benefit Program include immediate vesting, variable contribution rates that can be bargained, guaranteed interest rates, and flexible retirement options. Participation in the CB benefit plan is currently not available to part time certificated employees of the District.

#### Funding Policy

Active members of the DB Plan are required to contribute eight percent of their salary while the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2002-2003 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The CB Benefit Program is an alternative STRS contribution plan for instructors. Instructors who choose not to sign up for the DB Plan or FICA may participate in the CB Benefit Program. The District contribution rate for the CB Benefit Program is always a minimum of four percent with the sum of the District and employee contribution always being equal or greater than eight percent.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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### Annual Pension Cost

The District's total contributions to STRP for the fiscal years ended June 30, 2003, 2002, and 2001, were \$4,082,503, \$3,454,325, and \$3,095,066, respectively and equal 100 percent of the required contributions for each year. The State of California may make additional direct payments for retirement benefits to the STRS on behalf of all community colleges in the State. The revenue and expenditures associated with these payments, if any, have not been included in these financial statements.

## **B. CalPERS**

### Plan Description

All full-time classified employees participate in the CalPERS, an agent multiple-employer contributory public employee retirement system that act as a common investment and administrative agent for participating public entities within the State of California. The State Center Community College District is part of a "cost-sharing" pool with CalPERS. Employees are eligible for retirement as early as age 50 with five years of service. At age 55, the employee is entitled to a monthly benefit of 2.0 percent of final compensation for each year of service credit. Retirement compensation is reduced if the plan is coordinated with Social Security. Retirement after age 55 will increase the percentage rate to a maximum of 2.5 percent at age 63. The plan also provides death and disability benefits. Retirement benefits fully vest after five years of credited service. Upon separation from the Fund, members' accumulated contributions are refundable with interest credited through the date of separation.

The Public Employees' Retirement Law (Part 3 of the *California Government Code*, Section 20000 et seq.) establishes benefit provisions for CalPERS. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

### Funding Policy

Active plan members are required to contribute seven percent of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The District's contribution rate to CalPERS for fiscal year 2002-2003 was 2.894 percent beginning with the first pay period ending in July 2002; CalPERS then lowered the rate to 2.771 percent beginning with the first pay period ending in February 2003. On May 16, 2003, CalPERS approved a school employer contribution rate of 10.42 percent beginning with the first pay period that ends in July 2003.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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### **Annual Pension Cost**

The District's contributions to CalPERS for fiscal years ending June 30, 2003, 2002, and 2001, were \$651,146, \$0, and \$0, respectively, and equaled 100 percent of the required contributions for each year. The actuarial assumptions used as part of the June 30, 2001, actuarial valuation (the most recent actuarial information available) included (a) an 8.25 percent investment rate of return (net of administrative expense); (b) an overall growth in payroll of 3.75 percent annually; and (c) an inflation component of 3.5 percent compounded annually that is a component of assumed wage growth, and assumed future post-retirement cost of living increases. The actuarial value of pension fund assets was determined by using a technique to smooth the effect of short-term volatility in the market value of investments.

### **C. On Behalf Payments**

The State of California makes contributions to STRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to STRS which amounted to \$2,435,252 (4.475 percent) of salaries subject to STRS and contributions to PERS in the amount of \$25,699 (0.092 percent of salaries subject to PERS), for the year ended June 30, 2003. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures, however, guidance received from the California Department of Education advises local educational agencies not to record these amounts in the California Community College's Annual Financial and Budget Report (CCFS-311). These amounts also have not been recorded in these financial statements.

### **D. PARS**

Active plan members are required to contribute 4.3 percent of their salary and the State Center Community College District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the PARS Board of Administration. The required employer contribution rate for fiscal year 2002-2003 was 3.2 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The State Center Community College District's contributions to PARS for the fiscal years ending June 30, 2003, 2002, and 2001, were \$144,552, \$157,804, and \$185,225, respectively, and equal 100 percent of the required contributions for each year.

### **E. Social Security**

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (STRS or PERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security. Contributions made by the District and an employee vest immediately.



# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

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### NOTE 13 - COMMITMENTS AND CONTINGENCIES

#### A. Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2003.

#### B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2003.

#### C. Operating Leases

The District has entered into various operating leases for equipment with no lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date.

#### D. Construction Commitments

As of June 30, 2003, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Madera Phase 1B	\$ 6,106,663	December 1, 2003
FC LAN/WAN Phase III	943,831	June 30, 2004
Other	1,606,827	June 30, 2004
Totals	<u>\$ 8,657,321</u>	

### NOTE 14 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Valley Insurance Program and Fresno Area Self-Insured Benefit Organization public entity risk pools. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003**

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

<b>A. <u>Entity</u></b>	Valley Insurance Program (VIP)	Fresno Area Self-Insured Benefits Organization (FASBO)
<b>B. <u>Purpose</u></b>	Arranges for and provides workers' compensation and property and liability insurance for its members.	Arranges for and provides a program of employee health coverage: medical, dental, and prescription coverage.
<b>C. <u>Participants</u></b>	Members of participating districts.	Members of participating districts.
<b>D. <u>Governing Board</u></b>	Consisting of two representatives from each member district.	Consisting of a representative from each member district.

**E. Condensed Audited Financial Information Follows**

	<u>September 30, 2002*</u>	<u>September 30, 2003*</u>
Assets	\$ 9,812,881	\$ 1,225,207
Liabilities	5,449,875	1,477,765
Fund Equity	<u>\$ 4,363,006</u>	<u>\$ (252,558)</u>
Revenues	3,785,040	12,955,912
Expenses	4,752,299	14,350,266
Net Increase/(Decrease) in Fund Equity	<u>\$ (967,259)</u>	<u>\$ (1,394,354)</u>

\*Most current information available.

The JPAs had no long-term debt outstanding at September 30, 2002 or 2003. The District's share of year-end assets, liabilities, or fund equity has not been calculated.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2003**

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**NOTE 15 - TAX AND REVENUE ANTICIPATION NOTES**

At July 1, 2002, the District had outstanding Tax and Revenue Anticipation Notes in the amount of \$4,880,000, which matured on July 1, 2002. On July 1, 2002, the District issued \$4,020,000 Tax and Revenue Anticipation Notes bearing interest at 3.0 percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on July 28, 2003. By June 30, 2003, the District had placed 100 percent of principal and interest in an irrevocable trust for the sole purpose of satisfying the notes. The District was not required to make any additional payments on the notes. The District has recorded the cash available to make the principal and interest payments as an Investment and with the corresponding liability as a current loan.

	Outstanding Beginning of Year	Additions	Deletions	Outstanding End of Year
2002 2.6% TRANS	\$ 4,880,000	\$ -	\$ 4,880,000	\$ -
2003 3.0% TRANS	-	4,020,000	-	4,020,000
Total	<u>\$ 4,880,000</u>	<u>\$ 4,020,000</u>	<u>\$ 4,880,000</u>	<u>\$ 4,020,000</u>

**NOTE 16 - SUBSEQUENT EVENTS**

**State of California Budget Deficit**

Budgetary news from the Governor of California has all governmental and educational institutions keenly aware of the fiscal problems of the State. It has been estimated that the State of California is approximately \$22 billion short in balancing their budget for the balance of FY 2002-03 and for FY 2003-04. To help solve this problem, the Governor has proposed two propositions for the voters to decide on March 2, 2004. Proposition 57 is a \$15 billion bond to refinance prior year debt and Proposition 58 is a Constitutional Amendment to require balanced budgets with prudent reserves. These propositions need to pass for the fiscal solvency of the State.

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***SUPPLEMENTARY INFORMATION***

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# STATE CENTER COMMUNITY COLLEGE DISTRICT

## DISTRICT ORGANIZATION

JUNE 30, 2003

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### GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Dorothy Smith	President	2006
William J. Smith	Vice President	2004
Patrick E. Patterson	Secretary	2004
Isabel Barreras	Member	2006
Adolfo M. Corona	Member	2004
Phillip J. Forhan	Member	2004
Leslie W. Thonesen	Member	2006

### ADMINISTRATION

Dr. Thomas A. Crow	Interim - Chancellor
Dr. Ned Doffoney	President – Fresno City College
Mr. Tony Cantu	Interim - President – Reedley College
Dr. Don C. Yeager	Vice Chancellor – North Centers/President Designate
Mr. Randy Rowe	Associate Vice Chancellor – Human Resources
Mr. Douglas R. Brinkley	Vice Chancellor – Finance and Administration

### DESCRIPTION

State Center Community College District (the "District") was established on July 1, 1964, and is comprised of approximately 5,580 square miles located in parts of Fresno, Madera, Tulare, and Kings Counties. There were no changes in the boundaries of the District during the current year.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>		
Passed through CCCCCO:		
VTEA - Title IB [1]	84.048	\$ 311,075
VTEA - Title IC [1]	84.048	1,349,320
Special Populations Mini Grant [1]	84.048	8,332
VTEA - Title II Local Tech Prep	84.243	220,050
Passed through California Department of Education (CDE):		
STC Consultant	84.048	4,000
SERVE Library	84.048	12,262
Industry Sector Projects	84.243	628,273
Passed through EDD:		
School to Career	84.278	14,779
STC Local Partnership	84.278	50,000
STC Resource Clearing House	84.278	351,039
Direct Programs:		
SEOG (Fund 12, 73)	84.007	1,044,557
Title V	84.031	911,772
Federal Work Study	84.033	1,107,569
Student Support Services	84.042	448,000
Talent Search	84.044	92,484
Upward Bound	84.047	613,820
Pell Grants [1]	84.063	27,685,278
Financial Aid Admin Allowance [1]	84.063	144,358
Business and International Education	84.153	48,833
Direct Loans	84.268	2,233,937
Gear Up	84.334	340,427
Total U.S. Department of Education		<u>37,620,165</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Passed through CDE:		
Child Care Food Services-FCC	10.558	28,327
Child Care Food Services-CTC	10.558	1,856
CACFP Financial Management Training	10.558	56,593
USDA Summer Meals	10.559	9,368
Food Safety Instruction	10.564	14,136
Nutrition Thumbprints	10.564	7,765
Passed through CDFA:		
Buy California Speciality Initiative	N/A	36,343
Total U.S. Department of Agriculture		<u>154,388</u>
<b>U.S. DEPARTMENT OF COMMERCE</b>		
Direct Program:		
University Center Export Program	11.303	109,848

[1] Tested as a major program.

See accompanying note to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>		
Passed through CCCC:		
TANF (50% Fed)	93.558	\$ 203,687
Passed through CDE:		
Child Care & Development Fund	93.596	184,135
Child Care & Development Fund (Reserve)	93.596	21,822
Child Care & Development Fund (Reserve)-Prior	93.596	17,439
TANF - Child Dev Training Prog	93.575	207,068
Passed through Fresno County Health and Human Services:		
HHS Calworks (formerly Gain)	93.558	475,894
Calworks Employment & Temporary Assist.	93.558	91,702
Direct Program:		
Head Start Teacher Assts	93.600	141,043
Total U.S. Department of Health and Human Services		<u>1,342,790</u>
<b>U.S. DEPARTMENT OF INTERIOR:</b>		
Bureau of Indian affairs	15.048	7,220
<b>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:</b>		
Passed through Georgetown University:		
CASS (Cylcle 00)	13.876	17,664
CASS (Cylcle 02)	13.876	229,075
Total U.S. Agency for International Development		<u>246,739</u>
<b>U.S. DEPARTMENT OF LABOR</b>		
Passed through Fresno Workforce Development Board:		
Youth Learning Partnership-Sierra (Area IV)	17.263	43,759
Youth Learning Partnership-Selma (AreaV)	17.263	126,266
Neighborhood Job Network (WTW)	17.253	44,631
Occupational Skills Training Services	17.259	183,426
Passed through Tulare County Private Industry Council:		
Workforce Investment Act (WIA)	17.258	344
Passed through EDD:		
Regional Collaborative Nursing Workforce Init.	17.258	122,129
Total U.S. Department of Labor		<u>520,555</u>
<b>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</b>		
Passed through CCCC:		
Americorp	94.006	84,058
Americorp TRDP Supplement	94.006	50,149
Total U.S. Corporation for National and Community Services		<u>134,207</u>
<b>U.S. DEPARTMENT OF VETERAN AFFAIRS</b>		
Direct Program:		
Reporting Fees	64.115	5,817
<b>U.S. DEPARTMENT OF REHABILITATION</b>		
Direct Program:		
WAVE Training & Employment Services	N/A	213,100
DSPS-Services	N/A	202,001
Total U.S. Department of Labor		<u>415,101</u>
Total Federal Programs		<u>\$ 40,556,830</u>

[1] Tested as a major program.

See accompanying note to supplementary information.



**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2003**

Program	Program Revenues			
	Cash Received	Accounts Receivable	Deferred Income	Accounts Payable
<b>State Projects:</b>				
Alternative Transportation Technology Initiative	\$ 151,686	\$ -	\$ 4,330	\$ -
Associate Degree Nursing Program C/O	74,875	15,358	-	-
Associate Degree Nursing Program	81,385	-	71,112	-
BFAP	318,683	-	17,393	-
C.A.C.T. Leadership	114,480	20,305	-	-
C.A.R.E.	240,912	-	44,500	-
C.A.R.E.S.	221,064	141,882	-	-
CA Health Education Program	19,997	-	-	-
CA Nutritional Personnel (C/O)	-	41,862	-	-
CA Nutritional Personnel	-	18,800	-	-
CACFP - Promoting Integrity Now (PIN)	-	44,436	-	-
Cal Grant	3,933,429	-	143,489	71,381
CalWorks C/O	296,349	-	-	27,152
CalWorks	1,013,322	-	-	312,762
CAN	10,000	-	-	-
CD Training Consortium	21,250	-	-	325
Center for Applied Competitive Technologies	151,686	-	2,903	-
Child Development--Instructional Material	694	-	12	-
CMTC Mini Grant C/O	34,900	-	2,131	-
Disabled Students Services	1,349,300	-	119,868	-
Early Child Mentor Program	2,882	3,063	-	-
Economic Opportunity Programs & Services	2,192,723	-	150,409	-
Facilities Renovation Fund C/O	6,996	-	6,996	-
Food Based Menu Planning C/O	-	24,399	-	-
Foster Care Education	72,413	63,302	-	-
Fund for Student Success C/O	28,493	-	-	-
IDRC-Mechanized Ag Tech	152,660	2,765	-	-
IDRC-University Center Export Program	236,592	-	131,104	-
Independent Living Skills	-	10,970	-	-
Instructional Equipment	370,604	-	119,912	-
Instructional Equipment C/O	103,593	-	-	-
Licensed Vocational Nursing Program	112,930	13,388	-	-
Licensed Vocational Nursing Program C/O	-	102,859	-	-
Lottery - Proposition 20	43,570	265,914	-	-
Matriculation	945,437	-	76,015	-
Noncredit Matriculation	11,659	-	-	-
Nutrient Standard Menu Planning C/O	9,643	16,179	-	-

See accompanying note to supplementary information.

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<u>Total Revenue</u>	<u>Total Program Expenditures</u>
\$ 147,356	\$ 147,356
90,233	90,233
10,273	10,273
301,290	301,290
134,785	134,785
196,412	196,412
362,946	362,946
19,997	19,997
41,862	41,862
18,800	18,800
44,436	44,436
3,718,559	3,718,559
269,197	269,197
700,560	700,560
10,000	10,000
20,925	20,925
148,783	148,783
682	682
32,769	32,769
1,229,432	1,229,432
5,945	5,945
2,042,314	2,042,314
-	-
24,399	24,399
135,715	135,715
28,493	28,493
155,425	155,425
105,488	105,488
10,970	10,970
250,692	250,692
103,593	103,593
126,318	126,318
102,859	102,859
309,484	309,484
869,422	869,422
11,659	11,659
25,822	25,822

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2003**

Program	Program Revenues			
	Cash Received	Accounts Receivable	Deferred Income	Accounts Payable
<b>State Projects:</b>				
PACE Enhanced Mentor Project C/O	\$ 35,522	\$ 16,239	\$ -	\$ -
Peace Officer Standards and Training (POST)	46,213	-	-	-
School Meal Initiative	-	16,810	-	-
School to Career	50,947	171,275	-	-
Staff Development C/O	37,959	-	5,649	-
Staff Diversity	25,852	-	-	-
State Work Study - FCC	7,849	-	-	6,421
State Work Study - RC	52,886	-	39,897	-
State Work Study - RC C/O	285	333	-	-
Teacher & Reading Development	206,250	36,927	-	-
Telecom Tech (TTIP) 97-98 C/O	907	-	530	-
Telecom Tech (TTIP) 98-99 C/O	6,344	-	-	-
Telecom Tech (TTIP) 99-00 C/O	75,029	-	5,865	-
Telecom Tech (TTIP) 00-01 C/O	108,838	-	40,216	-
Telecom Tech (TTIP) 01-02 C/O	422,727	-	267,438	-
Telecom Tech (TTIP) 02-03	199,188	-	57,998	-
Teleconferencing Modular Building	42,500	-	-	-
Transfer & Articulation C/O	1,834	-	6	-
TTIP Equipment Upgrade	75,000	-	31,898	-
University Center Export Program	250,053	-	69,596	-
University Center Export Program C/O	51,887	-	-	15
<b>Total State Programs</b>	<b>\$14,022,277</b>	<b>\$1,027,066</b>	<b>\$1,409,267</b>	<b>\$418,056</b>

See accompanying note to supplementary information.

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<u>Total Revenue</u>	<u>Total Program Expenditures</u>
\$ 51,761	\$ 51,761
46,213	46,213
16,810	16,810
222,222	222,222
32,310	32,310
25,852	25,852
1,428	1,428
12,989	12,989
618	618
243,177	243,177
377	377
6,344	6,344
69,164	69,164
68,622	68,622
155,289	155,289
141,190	141,190
42,500	42,500
1,828	1,828
43,102	43,102
180,457	180,457
51,872	51,872
<u>\$ 13,222,020</u>	<u>\$ 13,222,020</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF WORKLOAD MEASURES FOR STATE APPORTIONMENT  
ANNUALIZED ATTENDANCE AND ANNUAL APPRENTICESHIP HOURS  
OF INSTRUCTION  
FOR THE YEAR ENDED JUNE 30, 2003**

CATEGORIES	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Audited Data</u>
<b>A. <u>Credit Full-Time Equivalent Student (FTES)</u></b>			
1. Summer	1,772	-	1,772
2. Weekly census	18,667	-	18,667
3. Daily census	2,109	-	2,109
4. Actual hours of attendance	1,460	-	1,460
Subtotal	<u>24,008</u>	<u>-</u>	<u>24,008</u>
<b>B. <u>Noncredit FTES</u></b>			
1. Summer	125	-	125
2. Actual hours of attendance	518	-	518
3. Independent study/work experience	533	-	533
Subtotal	<u>1,176</u>	<u>-</u>	<u>1,176</u>
Total FTES	<u>25,184</u>	<u>-</u>	<u>25,184</u>
<b>C. <u>Basic Skills Courses</u></b>			
1. Non credit			<u>1,416</u>
<b>D. <u>FTES Generated in Leased Space</u></b>			
			<u>837</u>
<b>E. <u>Gross Square Footage</u></b>			
1. Existing facilities			<u>1,143,190</u>

**Schedule of Annual Apprenticeship Hours of Instruction**

	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Audited Data</u>
July 1 - December 31, 2002	3,607	-	3,607
January 1 - April 15, 2003	4,359	-	4,359
Total	<u>7,966</u>	<u>-</u>	<u>7,966</u>

See accompanying note to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET  
REPORT WITH AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003**

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	<u>Bookstores</u>
FUND BALANCE	
Balance, June 30, 2003, (CCFS-311)	\$ 5,724,796
Increase in:	
Accounts receivable	<u>141,686</u>
Balance, June 30, 2003, Audited Financial Statement	<u>\$ 5,866,482</u>

See accompanying note to supplementary information.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2003

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### ***NOTE 1 - PURPOSE OF SCHEDULES***

#### **A. Schedule of Expenditures of Federal Awards**

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

#### **B. Schedule of Expenditures of State Awards**

The accompanying schedule of expenditures of State awards includes the State grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

#### **C. Schedule of Workload Measures for Program-Based Funding**

Full-Time Equivalent Students (FTES) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students throughout the District.

#### **D. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the audited financial statements.

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***INDEPENDENT AUDITORS' REPORTS***

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
State Center Community College District  
Fresno, California

We have audited the basic financial statements of State Center Community College District (the District) as of and for the years ended June 30, 2003 and 2002, and have issued our report thereon dated September 20, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether State Center Community College District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered State Center Community College District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting and its operation that we have reported to the management of State Center Community College District in a separate letter dated September 20, 2003.

This report is intended for the information of the Governing Board, District Management, the California State Chancellor's Office, and District's Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Vaurinek, Urine, Day & Co., LLP*

Fresno, California  
September 20, 2003



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees  
State Center Community College District  
Fresno, California

Compliance

We have audited the compliance of State Center Community College District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2003. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, State Center Community College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the years ended June 30, 2003 and 2002.

Internal Control Over Compliance

The management of State Center Community College District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered State Center Community College District's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Governing Board, Management, the California State Chancellor's Office, and Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Vaurinak, Urine, Day & Co., LLP*

Fresno, California  
September 20, 2003



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees  
State Center Community College District  
Fresno, California

We have audited the financial statements of the State Center Community College District for the years ended June 30, 2003 and 2002, and have issued our report thereon dated September 20, 2003.

Our audit was made in accordance with auditing standards generally accepted in the United States of America, and the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following State laws and regulations in accordance with Section 400 of the Chancellor's Office's *California Community Colleges Contracted Audit Manual (CDAM)*.

### General Directives

#### MIS Implementation - Required Data Elements

##### Compliance Requirement

Each district shall have the ability to support timely, accurate, and complete information for the following workload measures used in the calculation of State General Apportionment:

- Credit Full-Time Equivalent Student (FTES) is weekly census, daily census, actual hour of attendance, and apprenticeship courses.
- Noncredit FTES in actual hours of attendance courses.
- Credit Student Headcount Data.
- Gross square footage and FTES growth in leased facilities.

### Administrative

#### Fiscal Operations - Salaries of Classroom Instructors (50 Percent Law)

##### Compliance Requirement

Each district's salaries of classroom instructors shall equal or exceed 50 percent of the district's current expense of education in accordance with Section 84362 of the *California Education Code*.

#### Fiscal Operation - Gann Limit Calculation

##### Compliance Requirement

Each district shall calculate and adopt an appropriation limit annually in a public meeting. The calculation and adoption shall be verified by certified public accountants as part of the annual audit of financial statements.

#### Apportionments - Students Actively Enrolled

##### Compliance Requirement

Each district shall claim for apportionment purposes only the attendance of students actively enrolled in a course section as of the census date (if census procedures are used to record attendance in the course section).

#### Apportionments - Enrollment Fees

##### Compliance Requirement

Community colleges are required to report the total amount students should have paid for enrollment fees for the purpose of determining each district's share of apportionment revenue.

#### Apportionment - Instructional Service Agreements/Contracts

##### Compliance Requirement

Community colleges may claim FTES for classes given at a contractor's site and use the contractor's employees as instructors for the classes if the following requirements are met:

- Programs must be approved by the State Chancellor's Office and courses must be part of those approved programs, or the District must have received delegated authority to separately approve those courses.
- Courses must be open to the general public.
- Students must be under the immediate supervision of a District employee.
- The District employee must possess valid credentials or meet the minimum qualifications required for the assignment.

#### Apportionment – Residency Determination for Credit Classes

##### Compliance Requirement

District internal fiscal controls should ensure that State apportionment for credit course is only claimed for student attendance allowed by statute and regulation. Student residence at the time of registration is a major factor for allowing Districts to claim State apportionment for credit courses.

## Apportionment – Concurrent Enrollment of K-12 Students in Community College Courses

### Compliance Requirement

A community college district may claim FTES for the attendance of K-12 pupils who take courses offered by the district under this concurrent enrollment arrangement only if it complies with all related California Education Code sections.

### Open Enrollment

#### Compliance Requirement

Community colleges shall comply with Title 5 provisions of the *California Code of Regulations* related to open enrollment by the general public for all courses being submitted for State apportionment funding.

## **Student Services**

### Uses of Matriculation Funds

#### Compliance Requirement

The District is required to use local funds to support at least 75 percent of the matriculation activities with the remaining expenditures claimable against the State matriculation allocation. All expenditures related to the allocation, both State and locally funded portions, must be consistent with the District's State-approved matriculation plan and identifiable as matriculation related activities as authorized by the Seymour-Campbell Matriculation Act of 1986.

## **Special Programs**

### Extended Opportunity Programs and Services - (EOP&S) - Allocation of Costs

#### Compliance Requirement

Salaries of instructors teaching FTES generating classes, school counselors providing academic advisement, Student Services at the Dean level or above, and financial aid officers conducting need analysis are not considered supportable charges against EOP&S accounts unless their activities require them to perform additional functions for the EOP&S program that are beyond the scope of services provided to all students in the normal performance of the regular duty assignments. These activities may be supported only to the extent of the supplementary services provided for EOP&S.

### Extended Opportunity Programs and Services (EOP&S) - Administrator/Director Requirements

#### Compliance Requirement

Districts accepting EOP&S funds are required to contribute from non-EOP&S sources the salary of the EOP&S administrator/director at the rate of 100 percent of salary and benefits for formal program activities associated with the implementation and operation of EOP&S specific activities over and above general supervision of EOP&S activities.



## Facilities Program

### Scheduled Maintenance Program

#### Compliance Requirement

Funds provided by the State must be used to supplement, not supplant, District deferred maintenance funds. This is defined as the amount spent in fiscal year 1995-96 for Operation and Maintenance of Plant increased by an amount equal to the State's contribution and District's match for the Scheduled Maintenance Program for the year being audited.

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the State Center Community College District complied, in all material respects, with the aforementioned requirements for the years ended June 30, 2003 and 2002.

This report is intended solely for the information of the District's Management, Governing Board, and others within the District, the California Community Colleges Chancellor's Office, the California Department of Finance, and the California Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

*Vaurinek, Irvine, Day & Co., LLP*

Fresno, California  
September 20, 2003

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***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

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**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2003**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	
Identification of major programs:	<u>No</u>

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.048</u>	<u>VTEA</u>
<u>84.063</u>	<u>Pell</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 1,216,705</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unqualified</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2003**

---

There were no findings representing reportable conditions, material weaknesses, nor instances of noncompliance related to the financial statements that were required to be reported in accordance with *Government Auditing Standards*.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2003**

---

There were no findings representing reportable conditions, material weaknesses, nor instances of noncompliance including questioned costs that were required to be reported by OMB Circular A-133.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2003**

---

There were no findings representing instances of noncompliance and questioned costs relating to State program laws and regulations.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2003

---

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of audit findings and questioned costs.

### *FRESNO CITY COLLEGE ASSOCIATED STUDENT BODY*

#### *Cash Disbursements*

#### **2002-1 Finding**

Various opportunities to enhance internal controls were noted in our review of Student Body account disbursements. Here are the items that were noted:

- Many purchases pre-dated the purchase orders.
- Many of the disbursements only had the Student Activity Director's authorization.
- One disbursement was made to, and approved by the payee.

The purposes of internal controls are to provide segregation of duties, verification of funds availability, and proper authorization by officer of clubs or other accounts. The issues noted above circumvent these intended controls.

#### **Recommendation**

The Student Body has revised their purchasing policies, however these controls are not being implemented. Purchases should only be made once the formalized purchasing and disbursement process has been completed. This ensures that money is available and the purchase is appropriate and authorized. In addition, in instances where the payee is also authorized to approve the payment, other authorized individuals should approve it. This ensures that there have been adequate controls over the transaction.

#### **Current Status**

Implemented.

#### **2002-2 Finding**

During our examination of the cash receipts procedures for the Student Body. We noted the following:

- Deposits lack adequate supporting documentation. The only documentation provided is a cash verification (cash count) sheet and copies of checks from payors (when applicable).
- Monies collected by instructors/advisors are not deposited to the cashier in a timely manner.



# STATE CENTER COMMUNITY COLLEGE DISTRICT

## SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2003

---

### Recommendation

As the Business Office is responsible for deposit and posting of these funds, they should also implement procedures to increase the controls. This will ensure that all funds collected by the campus are actually being deposited. The control feature should include receipts being issued to payers by campus staff or some sort of revenue potential summary being prepared. Such as a participant register that would note the date and amount of payment, signed by the payers, which should be turned in as documentation for the deposit. Should receipt books be used as a control, which is highly recommended, carbons of the receipts issued to payers should be forwarded along with the cash to the Business Office. The receipts should be totaled, verified to the deposit, examined for timeliness of deposit, and reviewed for numerical and chronological order. This monitoring procedure would increase the controls to ensure that all fees collected have been deposited.

### Current Status

Implemented.

### *Revenue Potentials*

#### 2002-3 Finding

Revenue potential forms are not being used to document and control fund-raising activities as they occur. These forms supply an element of internal controls without which it is difficult to determine the success of a fund-raiser and to track money as it is spent and received.

### Recommendation

As the revenue potential form is a vital internal control tool, it should be used to document revenues, expenditures, potential revenue and actual revenue. This allows an analysis of the fund-raiser to be conducted, indicating to the staff the success or failure of the completed project. The revenue potential also indicates weak control areas in the fund-raising procedures at the site, including lost or stolen merchandise, problems with collecting all moneys due and so forth. The revenue potential form used at the site should contain four major elements. These are:

1. Potential Income - This lists the selling price of the item, multiplied by the number of items purchased. To compute the total income that should be deposited from this fund-raiser if all the items were sold and all the money was turned in. This element should also be utilized to track the cost of the items, check numbers used to purchase the items, and the purchase dates. This purchasing information is a good reference source for future sales and also tracks to cost so that profits can be determined.
2. Receipts/Fund-Raiser Deposits - This records all deposits turned in which are from funds generated from the sale. The receipt number issued to the advisor, date, and deposit amount should be logged. This is necessary to be able to recap the deposits of the sale and to trace these deposits to the appropriate accounts at the end of the sale to the appropriate accounts to ensure that all postings were correct.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2003

---

3. Analysis - This section is used to compare the potential income as calculated in the Potential Income section, to the actual funds raised as calculated in the Receipts/Fund-Raiser Deposits section. The difference between these two amounts should be documented explained. The explanation can consist of merchandise not sold, merchandise lost or destroyed, or funds lost or stolen.
4. Recap - This section figures the net profit of the sale. Further fund-raisers of this type can be planned or canceled depending on the information calculated in this section.

### Current Status

Implemented.

### ***REEDLEY COLLEGE ASSOCIATED STUDENT BODY***

#### 2002-4 **Finding**

During our testing of the cash disbursement procedures for the Associated Student Body, we noted the following:

- Not all purchases have an authorized Purchase Order on file.
- Purchases are made prior to receiving the proper authorization from the Student Body.
- Some Purchase Orders lacked a student authorization.

### Recommendation

The site should review the cash disbursement procedures outlined in the California Department of Education's manual titled, "Accounting and Procedures for Student Organizations." The manual explains that three signatures, one being a student representative, are required pursuant to California Educational Code Section 48933(5)(b) on all disbursements from a Student Body account *prior* to the purchase of merchandise or services.

### Current Status

Implemented.

### ***Cash Receipts***

#### 2002-5 **Finding**

During our examination of the cash receipts we noted that funds are received through quarter operated pool tables, ping pong tables and video games. The activities director collects the quarters from the pool tables and ping pong tables and takes them to the cafeteria in exchange for cash. The cash is then counted by the ASB secretary and then deposited with the Student Services cashier. The quarters from the video games are collected by the owner of the machines and also taken to the cafeteria in exchange for cash. The ASB receives half of the amount collected and the other half is given to the owner of the machines. The ASB then deposits their half to the Student Services cashier. This exchange of funds does not indicate good internal controls over the flow of cash.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2003

---

### Recommendation

The site should create a form for the cafeteria personnel to use that would document how many quarters were received from the pool tables, ping-pong tables, and video games. For the video games, the total amount collected would be documented and then the amount for deposit by the ASB would be documented. This form should then be forwarded directly to the Student Services cashier, who would be able to verify the amount deposited by the ASB to the amount that is on the form.

### Current Status

Implemented.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Acknowledgment of Quarterly Financial  
Status Report – General Fund

ITEM NO. 04-38

---

EXHIBIT: Report

---

Background:

Enclosed is the December 31, 2003, Quarterly Financial Status Report (CCFS-311Q) for the District General Fund, as required for California community college districts (ECS 84043). In accordance with State instructions, a copy of the report is forwarded electronically to the State Chancellor's Office.

The quarterly financial report reflects projected revenues and expenditures in line with the annual budget, as amended for additional grants, programs, etc. Actual revenues and expenditures are consistent with expectations at mid-year, allowing for the fact that most of the revenue from property taxes and certain federal monies, i.e., VTEA, is not received until later in the fiscal year. The report indicates budgeted expenditures exceed budgeted revenues by \$4,137,524. This difference is expected since the various Colleges and Centers have augmented their initial budgets with carryover funds reserved in the General Fund ending balance on June 30, 2003.

The District is projecting total FTES of 24,599, which is approximately 345 more than the 24,254 projected for funding by the State Chancellor's Office.

Recommendation:

It is recommended that the Board of Trustees acknowledge the Quarterly Financial Status Report (CCFS-311Q) as presented.

CALIFORNIA COMMUNITY COLLEGES  
CHANCELLOR'S OFFICE

Fiscal Year 2003-2004  
District:(570)STATE CENTER Quarter Ended: (Q2) December 31, 2003  
Certified Date:27-Jan-04 06:56 AM

I. Historical and Current Perspectives of General Fund (Unrestricted and Restricted):

Annual	As of June 30 for fiscal year (FY) specified.			
	FY00-01	FY01-02	FY02-03	FY03-04
General Fund Revenues (Objects 8100, 8600, and 8800)	112,216,676	121,182,635	120,327,428	121,839,654
Other Financing Sources (Objects 8900)	246,336	1,848,880	324,786	414,794
General Fund Expenditures (Objects 1000-6000)	105,364,522	115,074,883	117,421,077	121,732,038
Other Outgo (Objects 7100, 7300, 7400, 7500, and 7600)	5,921,499	4,512,391	2,164,917	4,659,934
Reserve for contingency	Unrestricted	0	0	0
Reserve for contingency	Total	0	0	0
General Fund Ending Balance	Unrestricted	6,882,549	16,881,272	17,997,006
General Fund Ending Balance	Total	13,522,762	16,967,003	18,033,223
Prior-Year Adjustments		-82,481	0	0
Attendance FTES		22,709	23,742	25,184
Quarter	For the same quarter to each fiscal year (FY) specified			
General Fund Cash Balance (Excluding investments)	FY00-01	FY01-02	FY02-03	FY03-04
	9,075,599	10,407,987	9,172,068	10,922,256

II. General Fund (Unrestricted and Restricted) Year-To-Date Revenues and Expenditures:

	Total Budget (Annual)	Actual (Year-to-Date)	Percentage %
General Fund Revenues (Objects 8100, 8600, and 8000)	121,839,654	49,434,272	40.57
Other Financing Source (Objects 8900)	414,794	229,585	55.35
General Fund Expenditures (Objects 1000-6000)	121,732,038	55,433,518	45.54
Other Outgo (Objects 7100, 7300, 7400, 7500, and 7600)	4,659,934	887,919	19.05

III. Has the district settled any employee contracts during this quarter? Yes  No  If yes, complete the following: (If multi-year settlement, provide information for all years covered)

Salaries

Contract Period Settled (Specify)	Management		Academic(Certificated)		Classified	
	Total Salary	Cost-Increase %*	Total Salary	Cost-Increase %*	Total Salary	Cost-Increase %*
Year 1	0		0		0	
Year 2	0		0		0	
Year 3	0		0		0	

\* As specified in collective bargaining agreement.

Benefits

Contract Period Settled	Management Total	Academic Total	Classified Total
Year 1	0	0	0
Year 2	0	0	0
Year 3	0	0	0

Include a statement regarding the source of revenues to pay salary and benefit increases, e.g., from the district's reserves, from cost-of-living, etc.

**IV. Did the district have significant events for the quarter**(include Incurrence of long-term debt, settlement of audit citations or legal suits, significant differences in budgeted revenues or expenditures, borrowing of funds (TRANS), issuance of COPs, etc.) Yes  No   
 If yes, list events and their financial ramifications.(Include additional pages of explanation if needed.)

**V. Does the district have significant fiscal problems that must be addressed this year?** Yes  No   
**Next year?** Yes  No  If yes, what are the problems and what actions will be taken?  
 (Include additional pages of explanation if needed.)

**CERTIFICATION**

To the best of my knowledge, the data contained in this report are correct.

To the best of my knowledge, the data contained in this report are correct. I further certify that this report ~~was~~will be presented at the governing board meeting specified below, afforded the opportunity to be discussed and entered into the minutes of meeting.

1/28/04

1/28/04

District Chief Business Officer

Date

District Superintendent

Date

Quarter Ended: (Q2) December 31, 2003

Governing Board Meeting Date

2 / 3 /04

[Send to Printer](#)

[Back](#)

GL Account	YTD Encumbrances	MTD Actual	YTD Actual	Annual Budget	Available % Avail
MAJ.OBJ: 91 - ACADEMIC SALARIES	0.00	110,393.71	731,998.40	2,430,429.00	1,698,430.60 69.88
MAJ.OBJ: 92 - CLASSIFIED SALARIES	0.00	504,865.47	3,036,998.77	6,449,156.00	3,412,157.23 52.91
MAJ.OBJ: 93 - EMPLOYEE BENEFITS	0.00	266,410.28	1,689,258.71	3,298,763.00	1,609,504.29 48.79
MAJ.OBJ: 94 - SUPPLIES & MATERIALS	218,094.39	30,901.33	177,122.34	705,616.00	310,399.27 43.99
MAJ.OBJ: 95 - OTHER OPER EXP & SERVICE	455,362.66	273,283.84	2,937,243.82	7,046,918.00	3,654,311.52 51.86
MAJ.OBJ: 96 - CAPITAL OUTLAY	4,986.91	24,171.88	283,670.20	503,051.00	214,393.89 42.62
MAJ.OBJ: 97 - OTHER OUTGO	0.00	88,730.39	654,653.39	1,056,311.00	401,657.61 38.02

=====  
 LOC.GRP: 1 - DISTRICT OFFICE 678,443.96 1,298,756.90 9,510,945.63 21,490,244.00 11,300,854.41 52.59  
 =====

GL Account	YTD Encumbrances	MTD Actual	YTD Actual	Annual Budget	Available % Avail
MAJ.OBJ: 91 - ACADEMIC SALARIES	0.00	2,912,366.68	16,747,242.91	32,788,923.00	16,041,680.09 48.92
MAJ.OBJ: 92 - CLASSIFIED SALARIES	0.00	1,071,091.75	6,234,357.64	13,721,305.00	7,486,947.36 54.56
MAJ.OBJ: 93 - EMPLOYEE BENEFITS	0.00	969,368.83	5,496,798.80	11,483,573.00	5,986,774.20 52.13
MAJ.OBJ: 94 - SUPPLIES & MATERIALS	441,168.60	111,473.88	534,109.71	1,946,610.00	971,331.69 49.90
MAJ.OBJ: 95 - OTHER OPER EXP & SERVICE	1,104,648.97	216,006.09	1,401,562.23	4,961,249.00	2,455,037.80 49.48
MAJ.OBJ: 96 - CAPITAL OUTLAY	326,417.32	227,556.75	416,791.26	1,184,277.00	441,068.42 37.24
MAJ.OBJ: 97 - OTHER OUTGO	86,042.41	85,025.60	168,139.75	1,955,617.00	1,701,434.84 87.00
=====					
LOC.GRP: 2 - FRESNO CITY COLLEGE	1,958,277.30	5,592,889.58	30,999,002.30	68,041,554.00	35,084,274.40 51.56



State Center Community College District  
 Annual Budget Report Ending 12/31/2003  
 Options - All Statuses

LOC.GRP: 3 - REEDLEY COLLEGE

GL Account	YTD Encumbrances	MTD Actual	YTD Actual	Annual Budget	Available & Avail
MAJ.OBJ: 91 - ACADEMIC SALARIES	0.00	1,054,922.61	5,836,999.92	12,195,380.00	6,358,380.08
MAJ.OBJ: 92 - CLASSIFIED SALARIES	0.00	391,188.22	2,316,225.58	5,239,389.00	2,923,163.42
MAJ.OBJ: 93 - EMPLOYEE BENEFITS	0.00	366,576.37	1,990,248.05	3,986,289.00	1,996,040.95
MAJ.OBJ: 94 - SUPPLIES & MATERIALS	135,383.97	49,697.24	256,271.39	858,470.00	466,814.64
MAJ.OBJ: 95 - OTHER OPER EXP & SERVICE	345,281.88	76,986.73	496,776.66	2,094,496.00	1,252,437.46
MAJ.OBJ: 96 - CAPITAL OUTLAY	118,693.50	68,700.09	281,300.62	1,271,872.00	871,877.88
MAJ.OBJ: 97 - OTHER OUTGO	800.00	3,370.00	65,125.46	1,231,867.00	1,165,941.54
=====					
LOC.GRP: 3 - REEDLEY COLLEGE	600,159.35	2,011,441.26	11,242,947.68	26,877,763.00	15,034,655.97
=====					

GL Account	YTD Encumbrances	MTD Actual	YTD Actual	Annual Budget	Available & Avail
MAJ.OBJ: 91 - ACADEMIC SALARIES	0.00	527,218.80	2,907,111.50	5,920,664.00	3,013,552.50
MAJ.OBJ: 92 - CLASSIFIED SALARIES	0.00	105,971.14	612,001.29	1,280,098.00	668,096.71
MAJ.OBJ: 93 - EMPLOYEE BENEFITS	0.00	137,714.81	797,501.36	1,660,176.00	862,674.64
MAJ.OBJ: 94 - SUPPLIES & MATERIALS	38,741.78	19,980.80	80,365.21	185,000.00	65,893.01
MAJ.OBJ: 95 - OTHER OPER EXP & SERVICE	88,306.82	17,305.71	101,295.57	335,503.00	145,900.61
MAJ.OBJ: 96 - CAPITAL OUTLAY	35,254.47	333.85	70,265.97	184,831.00	79,310.56
MAJ.OBJ: 97 - OTHER OUTGO	0.00	0.00	0.00	416,139.00	416,139.00

=====  
 LOC.GRP: 4 - NORTH CENTERS  
 162,303.07 808,525.11 4,568,540.90 9,982,411.00 5,251,567.03 52.61  
 =====

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

---

SUBJECT: Public Hearing and Consideration to Adopt  
Resolution Authorizing Dedication of Street  
Right-of-Way Easements, Willow/International  
Sites

ITEM NO. 04-39

---

EXHIBIT: Resolution

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Background:

At the January 13, 2004, Board Meeting the Board approved Resolution No. 04-23 signifying the District's intention to dedicate the necessary street right-of-way easements to the City of Fresno to allow the City to construct a service road from Behymer Avenue to the City water treatment plant. The Board also scheduled a public hearing for this matter for 4:30 p.m. on Tuesday, February 3, 2004.

Resolution No. 04-39 proposes to dedicate a 15-foot-wide parcel on the west end of the District's property adjacent to the City's water treatment plant property, which would run from Behymer Avenue north into the City's water treatment plant, and a 30-foot-wide strip along Behymer to allow the City access onto Behymer. Dedication of this property will allow the City to construct a service road from Behymer into the water treatment plant. This is a common practice and will result in no cost to the District.

The Board President should hold a public hearing and solicit public comments regarding this dedication. If there are no protests at the public hearing scheduled on this matter, Resolution No. 04-39 should be adopted authorizing dedication of the easements described in the Resolution and the Chancellor or Vice Chancellor, Finance and Administration, should be authorized to execute the necessary documents.

Recommendation:

It is recommended that, by a roll call vote and approval by at least a 2/3 majority, the Board of Trustees:

- a) adopt Resolution No. 04-39 authorizing dedication of street right-of-way easements to the City of Fresno to allow the City to construct a service road from Behymer Avenue to the City water treatment plant; and
- b) authorize the Chancellor or Vice Chancellor, Finance and Administration, to execute said Deeds of Easement in the name of the District.

RESOLUTION NO. 04-39

BEFORE THE GOVERNING BOARD  
OF THE STATE CENTER COMMUNITY COLLEGE DISTRICT

IN THE MATTER OF DEDICATING ) RESOLUTION AUTHORIZING  
EASEMENTS TO THE CITY OF FRESNO ) DEDICATION OF EASEMENTS

WHEREAS, the State Center Community College District ("District") is the owner of that certain real property described as follows:

SEE ATTACHED EXHIBITS:

- A-1 and B-1 -- 15-foot-wide street right-of-way easement
- A-2 and B-2 -- 30-foot-wide street right-of-way easement

WHEREAS, the City of Fresno has an existing easement on the District's Willow/International property; and

WHEREAS, the City of Fresno is willing to vacate the existing easement in return for the dedication of two street right-of-way easements and a utility easement; and

WHEREAS, the street right-of-way easements are necessary to allow the City of Fresno to construct a service road from Behymer Avenue to the City's water treatment plant; and

WHEREAS, the utility easement is necessary to allow the City of Fresno to bury a pipeline to bring water into the water treatment plant from the Friant Canal; and

WHEREAS, the District will not be ready to proceed with dedication of the utility easement until the canal pipeline route is finalized; and

WHEREAS, it is in the best interest of the District to proceed with dedication of the street right-of-way easements at this time; and

WHEREAS, the District adopted a Resolution of Intention to Dedicate Easements at its meeting held on the 13th day of January, 2004, and published and posted such Resolution according to law; and

WHEREAS, a public meeting was held on such Resolution on February 3, 2004, at 4:30 p.m.; and

WHEREAS, no protests were filed in connection with the proposed dedication of such easements.

NOW, THEREFORE, BE IT RESOLVED that, pursuant to Education Code Sections 81310, et. seq., the District hereby dedicates to the City of Fresno a 15-foot-wide street right-of-way easement and a 30-foot-wide street right-of-way easement for the purposes set forth above. Whenever the property is no longer used for said purposes, the interest hereby dedicated shall automatically revert to the District or its heirs, successors, or assignees.

BE IT FURTHER RESOLVED that the easements shall be dedicated to the City of Fresno at no cost to the District.

BE IT ALSO FURTHER RESOLVED that the Deeds of Easement be executed in the name of the District by the Chancellor or Vice Chancellor, Finance and Administration, and delivered to the City of Fresno.

\* \* \* \* \*

THE FOREGOING RESOLUTION was adopted upon motion of Trustee \_\_\_\_\_, seconded by Trustee \_\_\_\_\_, at a regular meeting on this 3rd day of February, 2004, by the following vote, to wit:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
William J. Smith, President,

\_\_\_\_\_  
Isabel Barerras, Secretary

APN: 578-020-67T  
GRANT DEED

EXHIBIT "A-1"

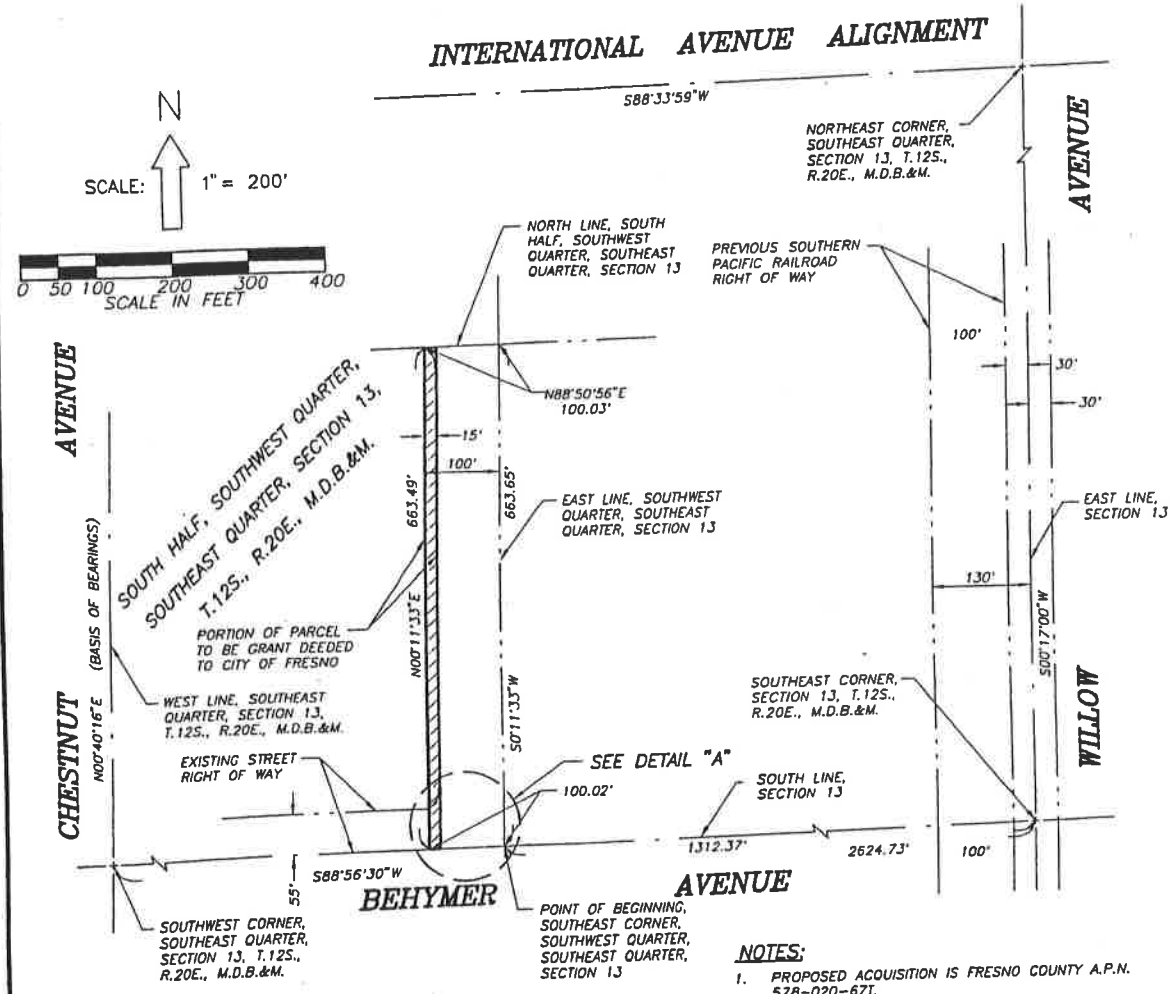
The West 15.00 feet of the East 100 feet of the south one-half of the southwest quarter of the southeast quarter of Section 13, Township 12 South, Range 20 East, Mount Diablo Base and Meridian, according to the United States Government Plat thereof.

Consisting of 9,952 Sq. Ft. ±

Subject to a street easement recorded \_\_\_\_\_ 200 \_\_\_ as document number 200 \_\_\_ - \_\_\_\_\_, Official Fresno County Records.



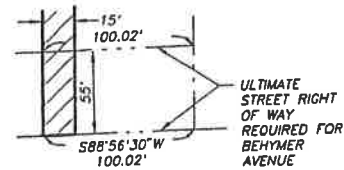
PW00021  
N/E Surface Water  
Recharge Facility  
2003-167  
15-A-7604



N  
SCALE: 1" = 200'



**BASIS OF BEARINGS**  
THE WEST LINE OF THE SOUTHWEST QUARTER IS TAKEN AS  $N00^{\circ}40'16''E$  AS SHOWN ON THE MAP OF TRACT 4788 RECORDED IN PLAT BOOK 60 AT PAGES 52 THRU 56, F.G.R.



**DETAIL "A"**  
NO SCALE

- NOTES:**
1. PROPOSED ACQUISITION IS FRESNO COUNTY A.P.N. 578-020-671.
  2. THE BOUNDARY INFORMATION WAS DERIVED FROM AN UNRECORDED SURVEY BY THE CITY OF FRESNO IN NOVEMBER, 1992.
  3. AREA TO BE GRANT DEEDED TO THE CITY OF FRESNO IS 9,952 S.F.

**LEGEND**

- PROPERTY OR RIGHT OF WAY LINE
- CENTER OR SECTION LINE
- OVERALL SITE ACQUISITION BOUNDARY



**EXHIBIT "B-1"**

Prepared by:  
**BLAIR, CHURCH AND FLYNN**  
CONSULTING ENGINEERS  
2893 Larkin Avenue  
Clovis, California 93612  
(559)291-5507

ACCT. NO. _____ FILE NO. <u>10439</u> PROG. NO. _____	<b>CITY OF FRESNO</b>	<b>DEPT. OF PUBLIC WORKS</b>
REF. & REV. 2003-167	<b>GRANT DEED</b>	APPROVED CONST. ENG. _____ OFFICE ENG. _____ CITY DESIGN ENG. _____
	WEST 15' OF THE EAST 100' OF THE SOUTH HALF, SOUTHWEST QUARTER, SOUTHWEST QUARTER, SECTION 13, T.12 S., R.20 E., M.D.B.& M.	DR. BY _____ PG _____ CH. BY _____ DATE <u>12/17/2003</u> SHEET NO. _____ OF _____ SHEETS <b>15-A-7604</b>



APN: 578-020-07  
Street Easement

## EXHIBIT "A-2"

The south 30 feet of the east 100 feet of the south one-half of the southwest quarter of the southeast quarter of Section 13, Township 12 South, Range 20 East, Mount Diablo Base and Meridian, according to the official United States Government Township Plat thereof.

Consisting of 3,001 sq. ft.

T-5007  
2002-089  
15-A-7437



# EXHIBIT "B-2"

**BASIS OF BEARINGS**

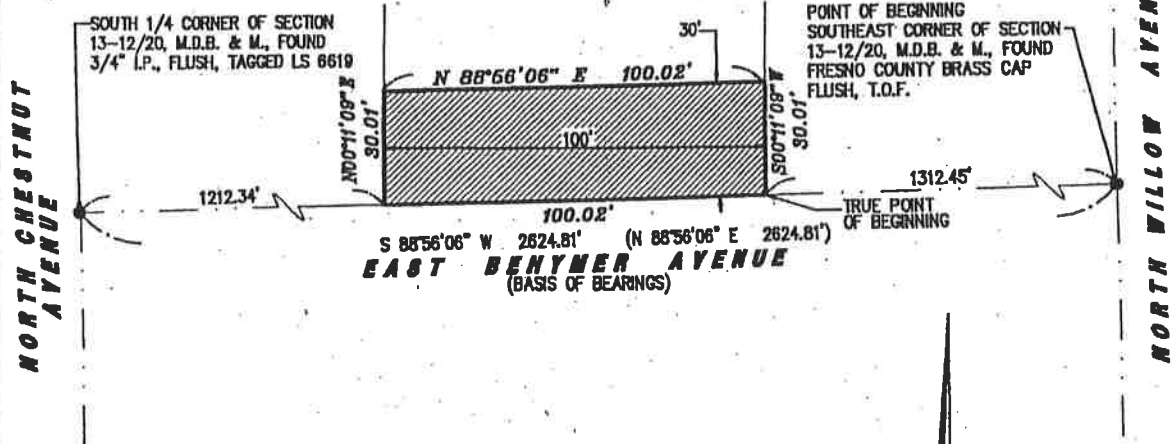
THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 24, T.12 S., R.20 E., M.D.B. & M. WAS TAKEN TO BE N 88°56'06" E, SAID LINE ALSO BEING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 13, T.12 S., R.20 E., M.D.B. & M. AND ALSO BEING THE CENTERLINE OF EAST BEHYMER AVENUE, PER TRACT NO. 4781, RECORDED IN VOLUME 81 OF PLATS AT PAGES 82 AND 83, FRESNO COUNTY RECORDS.

**RECORD OWNER:**  
 STATE CENTER COMMUNITY COLLEGE DISTRICT  
 1525 EAST WELDON AVENUE  
 FRESNO, CALIFORNIA 93704  
 (559) 226-0720

APN: 578-020-07

AREA TO BE DEEDED: 3,001 S.F., 0.07 ACRES

 INDICATES AREA TO BE DEEDED FOR PUBLIC STREET PURPOSES.



SCALE  1" = 40'



PREPARED BY:  
 **INGELS-BRAUN & ASSOCIATES**  
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REVISIONS
06-07-02 • DMH
08/14/02 • RE
09/05/02 • BW
04/08/03 • BW

BY: ESPNOZA -05/06/02  
 IBA CADFILE: 00012E01

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ACCT. NO. _____ FILE NO. 10439 W.O. NO. _____	<b>CITY OF FRESNO</b>	<b>Department of Public Works</b>
REF & REV T-5007 2002-089 WJH4885 PLAT-0662 15-C-10886	<b>PUBLIC STREET DEDICATION</b> PORTION OF THE SOUTHEAST QUARTER OF SECTION 13, T. 12 S., R. 20 E., M. D. B. & M. TO BE DEEDED TO THE CITY OF FRESNO FOR PUBLIC STREET PURPOSES	APPROVED CONST. ENG. _____ DESIGN. ENG. _____ CITY. ENG. _____ DRAWN BY: RE CHK. BY: DATE: 8/21/02 SCALE: AS SHOWN
		SHEET NO. _____ OF _____ SHEETS <b>15-A-7437</b>

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

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SUBJECT: Consideration of Bids  
Learning Resources Center Addition,  
Reedley College

ITEM NO. 04-40

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EXHIBIT: None

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Background:

Bid #0304-12 provides for all labor, materials, equipment and services necessary for the construction of the new Learning Resources Center Addition at Reedley College. The work of this project consists mainly of the construction of a new 12,000 sq. ft. library facility addition. This new facility includes reference areas, computer resource and electronic study areas, meeting rooms, office space, restrooms, and various support areas. Also included in the work of this project is a remodeling of the current library facility to include modernization of the HVAC and electrical systems in support of the new facility and reconfiguration of the existing interior and exterior of the building.

To ensure that bids would be successfully within the State Budget allocation for this project, several additive and deductive alternates were included in the bid documents. In accordance with Public Contract Code section 20103.8, the low bidder was determined by the base bid price, excluding the additive and deductive alternates. Because of the aggressive nature of the current bidding climate, the administration is able to recommend award to the lowest responsible bidder while including all of the additive alternates. The deductive alternates are not required to be utilized to remain within the State Budget allocation.

The schedule for this project provides for completion of the new library facility prior to the spring 2005 semester and for the remodeling of the existing facility to be completed prior to the fall 2005 semester. Funding for this project will be provided by Proposition 47 State Bond Funds. Award of this project is contingent upon approval of the award by the State Chancellor's Office. The engineer's estimate for this project is \$4,223,000.00. Bids were received from nine (9) contractors as follows:

<u>Bidder</u>	<u>Award Amount</u>
<b>Oral E. Micham, Inc.</b>	<b>\$3,654,000.00</b>
David A. Bush, Inc.	\$3,665,000.00
Harris Construction Company, Inc.	\$3,826,000.00
Zumwalt Construction, Inc.	\$3,867,000.00
Lewis C. Nelson and Sons, Inc.	\$3,887,000.00
C.D.A. Construction	\$3,990,000.00
Mauldin-Dorfmeier Construction, Inc.	\$3,993,000.00
S.C. Anderson, Inc.	\$4,052,000.00
KH Construction	\$4,214,000.00

Fiscal Impact:

\$3,654,000.00 – Base Bid  
\$ 428,000.00 – Additive Alternates

**\$4,082,000.00 – Total Project Cost – Proposition 47 State Bond Funds**

Recommendation:

It is recommended that the Board of Trustees:

- a) award Bid #0304-12 in the amount of \$4,082,000.00 to Oral E. Micham, Inc., the lowest responsible bidder, for the Learning Resource Center Addition at Reedley College; and
- b) authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign an Agreement on behalf of the District, contingent upon approval by the State Chancellor's Office.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

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SUBJECT: Update on LAN/WAN, Phase IV  
Fresno City College

ITEM NO. 04-41

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EXHIBIT: None

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Background:

The LAN/WAN projects were identified as a continuation of Goal 30 of the 1998-2003 Master Plan and provide for the improvement of the District's network infrastructure to support instructional, administrative, and student service activities, as well as being a high-priority Measure E project.

At the September meeting the Board authorized an Agreement with Arrigoni and Associates for the design and engineering oversight of the LAN/WAN, Phase IV, project. The project's budget is \$4 million and is funded entirely with Measure E funds.

Phases I and III of the LAN/WAN projects installed the underground conduit, manholes and fiber optic cables throughout the Fresno City College campus, constructed and equipped the cross-connect rooms on the first floors of most of the campus buildings, and completely wired the Math Science, Library and Student Services buildings. Phase II constructed the Wide Area Network districtwide. Phase IV will construct and equip the remaining cross-connect rooms campuswide and will complete the wiring of the Fresno City College campus buildings with the exception of the Applied Technology buildings, which will be completed as part of the State-funded modernization project. The project schedule is to bid and award this spring, begin construction this summer and complete the project by the spring of 2005.

Jannett Jackson and David Arrigoni will be presenting a report describing the work completed in the first three phases and the scope and estimated construction schedule for Phase IV.

This is an information item only; no Board action is required.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

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SUBJECT: Consideration to Adopt 2004-05 Budget  
Development Calendar

ITEM NO. 04-42

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EXHIBIT: Calendar

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Background:

Annually, the Board of Trustees adopts the Budget Development Calendar, which outlines a sequence of events necessary for the timely adoption of the District's budget. The 2004-05 Budget Development Calendar is consistent with the 2003-04 Calendar with minor changes.

In Fiscal Year 2003-04 the traditional Lottery Decision Packages were suspended for one year to allow the District to utilize these funds to offset the significant reduction in State funding for District operations that resulted from 2002-03 mid-year cuts and cuts in the 2003-04 adopted budget. The Lottery Decision Package process has been reinstated and included in the 2004-05 Budget Calendar.

The process will conclude with a recommendation for Board approval at its regular meeting on September 7, 2004.

Fiscal Impact:

None

Recommendation:

It is recommended that the Board of Trustees approve the 2004-05 Budget Development Calendar as presented.

**STATE CENTER COMMUNITY COLLEGE DISTRICT  
BUDGET DEVELOPMENT CALENDAR  
2004-05**

<u>On or Before Due Date</u>	<u>Responsibility</u>	<u>Ref. No.</u>	<u>Action Needed</u>
1/26/04	Chancellor's Cabinet	1	Consider Budget Calendar
2/3/04*	Board of Trustees	2	Review and approve Budget Calendar
2/4/04	District Office	3	Distribute tentative staffing information to Colleges/Centers for review and update
3/1/04	Colleges/Centers	4	Submit Decision Packages to District Office
3/8/04	Chancellor's Cabinet	5	Review of Decision Packages and recommendations
3/26-27/04**	Board of Trustees	6	Board Retreat – 2004-05 Budget Presentation and Status Report
3/29/04	District Office	7	Distribute campus/site budget allocations
4/5/04	District Office Colleges/Centers	8	Business Office review of all staffing requests and data entry of all salaries and benefits
4/6/04*	Board of Trustees	9	Initial Board review of Decision Package recommendations
4/19/04	Colleges/Centers	10	Entry of non-salary budget requests

\*Regular Board Meeting

\*\*Special Board Meeting/Workshop (at discretion of Board)

<u>On or Before Due Date</u>	<u>Responsibility</u>	<u>Ref. No.</u>	<u>Action Needed</u>
**	Board of Trustees	11	Budget Presentation and Workshop
4/30/04	Colleges/Centers	12	Submit actual, projected and proposed expenditures schedule
5/4/04*	Board of Trustees	13	Final Board review/approval of Decision Package recommendations
5/10/04	Colleges/Centers	14	Campus review of Tentative Budget
5/17/04	Chancellor's Cabinet	15	Review of Tentative Budget
6/7/04	Colleges/Centers Chancellor's Cabinet District Office	16	Revision of Tentative Budget
6/29/04*	Board of Trustees	17	Approval of Tentative Budget and Public Hearing Date (9/7/04)
6/30/04	District Office	18	Tentative Budget submitted to County Superintendent of Schools
7/30/04	District Office	19	Revisions to Tentative Budget following adoption of State Budget
9/2/04	District Office	20	Final Budget available for public inspection
9/7/04*	Board of Trustees	21	Public Hearing and Final Budget adoption for 2004-05

\*Regular Board Meeting

\*\*Special Board Meeting/Workshop (at Discretion of Board)

2/3/04



STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: February 3, 2004

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SUBJECT: Governor's 2004-05 Proposed Budget

ITEM NO. 04-43

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EXHIBIT: 2004-05 Budget Proposal

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Background:

The Governor's 2004-05 Proposed Budget provides for no cost-of-living adjustments (COLA) to the community college system but does fund a 3% increase in growth systemwide and provides money to begin equalizing the per-student revenue received by community college districts throughout the state. In addition, the proposal recommends folding into the base apportionment the following specially funded programs:

- Matriculation
- Partnership for Excellence
- Part-time Faculty Compensation
- Part-time Faculty Health
- Part-time Faculty Office Hours
- Telecommunications and Technology Infrastructure (partial)

The Governor further proposes two separate block grants as outlined below:

**Block Grant A**

- EOPS
- CARE
- Fund for Student Success

**Block Grant B**

- Hazardous Substances
- Instructional Equipment and Library Materials
- Scheduled Maintenance

Under the proposal Proposition 98 would be "rebased" to allow the State to lower the guarantee by \$2 billion. The lost revenues would be made up in some unspecified year; however, beyond the numbers and changes in the program funding in the budget, there are three Propositions critical to its successful implementation on the March 2 ballot. These Propositions are 55, 57 and 58. Proposition 55 continues the State's commitment to adequate facilities for our students. Proposition 57 provides a \$15 billion deficit-reduction bond to help put the past behind so that the State can look to the future. Proposition 58, which is double joined to Proposition 57, provides for a balanced budget and spending limits to help prevent a repeat of the current fiscal

ITEM NO. 04-43 – Continued

Page 2

crisis. School Services of California has stated, “. . . if the voters fail to approve his (the Governor’s) fiscal recovery plan (the \$15 billion bond) on the March ballot, the May Revision will likely call for a total suspension of Proposition 98 and drastic cuts will ensue.”

The administration does not expect additional information on the 2004-05 budget until after the March 2 balloting is completed and the fate of the various Propositions is decided.

This item is for Board information only; no action is required.

**Governor's 2004 Budget Proposal  
Compared to 2002/03 Adopted, 2002/03 Mid-Year Cuts, 2003/04 Adopted Budgets**

(In \$1,000)

**APPORTIONMENT**

	2002-03 Adopted Budget	2002-03 Adopted Mid Year Cut Budget	2003-04 Adopted Budget	2004-05 Gvnr's Budget Proposal	Percent Change 02/03 to 04/05
General Fund	\$1,704,396	\$1,704,396	\$1,589,149	\$1,463,049	-14.16%
Property Tax	\$2,013,537	\$1,980,982	\$2,121,398	\$2,264,429	12.46%
Student Fees	\$169,421	\$169,215	\$260,138	\$356,107	110.19%
Growth	\$114,308	\$114,308	\$57,900		
<b>Sub-Total</b>	<b>\$4,001,662</b>	<b>\$3,968,901</b>	<b>\$4,028,585</b>	<b>\$4,083,585</b>	<b>2.05%</b>

**Programs Folded into Base as Proposed by Governor**

Matriculation	\$54,307	\$54,307	\$54,307	\$54,307	
PFE	\$300,000	\$263,009	\$225,000	\$175,000	
PTF Compensation	\$57,000	\$57,000	\$50,828	\$50,828	
PTF Health	\$1,000	\$1,000	\$1,000	\$1,000	
PTF Office Hours	\$7,172	\$7,172	\$7,172	\$7,172	
Tele & Tech Infra \$	\$16,503	\$7,603	\$12,500	\$12,500	
<b>Sub-Total</b>	<b>\$435,982</b>	<b>\$390,091</b>	<b>\$350,807</b>	<b>\$300,807</b>	<b>-31.00%</b>

**Sub-Total Gen Apport.**

	<b>\$4,437,644</b>	<b>\$4,358,992</b>	<b>\$4,379,392</b>	<b>\$4,384,392</b>	<b>-1.20%</b>
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**Block Grant A**

EOPS	\$83,695	\$82,671	\$82,671	\$82,671	
CARE	\$12,370	\$12,221	\$12,221	\$12,221	
Fund for Student Success	\$6,233	\$6,158	\$6,158	\$6,158	
<b>Sub-Total Block Grant A</b>	<b>\$102,298</b>	<b>\$101,050</b>	<b>\$101,050</b>	<b>\$101,050</b>	<b>-1.22%</b>

**Block Grant B**

Hazardous Substance	\$8,000	\$8,000	\$4,404	\$4,404	
Instr. Equip. & Libr. Mat.	\$49,000	\$17,249	\$12,471	\$12,471	
Scheduled Maintenance	\$49,000	\$17,248	\$12,470	\$12,470	
<b>Sub-Total Block Grant B</b>	<b>\$106,000</b>	<b>\$42,497</b>	<b>\$29,345</b>	<b>\$29,345</b>	<b>-72.32%</b>

**Governor's 2004-05 Budget Proposal  
Compared to 2002/03 Adopted, 2002/03 Mid-Year Cuts, 2003/04 Adopted Budgets**

(In \$1,000)

**Other**

	2002-03 Adopted Budget	2002-03 Adopted Mid Year Cut Budget	2003-04 Adopted Budget	2004-05 Gvnr's Budget Proposal	Percent Change 02/03 to 04/05
Academic Senate	\$497	\$497	\$467	\$467	
Basic Skills & Apprenticeship	\$40,552	\$40,552	\$40,552	\$40,552	
DSPS	\$83,608	\$83,608	\$82,583	\$82,583	
Economic Development	\$40,322	\$34,193	\$35,790	\$35,790	
Faculty and Staff Diversity	\$1,859	\$1,859	\$1,747	\$1,747	
Foster Care Ed Program	\$1,866	\$1,866	\$1,754	\$1,754	
Instructional Improvement	\$1,630	\$880	\$312	\$0	
Non-Credit Growth	\$0	\$0	\$0	\$4,012	
Special Serv. CalWorks	\$35,000	\$35,000	\$34,580	\$34,580	
Student Financial Aid Admin.	\$8,100	\$8,100	\$46,447	\$47,265	483.52%
Teacher and Reading Dev.	\$5,000	\$2,268	\$3,700	\$0	
Transfer Ed and Articulation	\$1,974	\$1,974	\$1,974	\$1,974	
Tele & Technology State Init.	\$10,897	\$10,897	\$10,897	\$10,897	13.11%
<b>Sub-Total Other</b>	<b>\$231,305</b>	<b>\$221,694</b>	<b>\$260,803</b>	<b>\$261,621</b>	
Total Unrestricted Funding	\$4,437,644	\$4,358,992	\$4,379,392	\$4,384,392	-1.20%
Total Restricted Funding	\$439,603	\$365,241	\$391,198	\$392,016	-10.82%
<b>Total Funding</b>	<b>\$4,877,247</b>	<b>\$4,724,233</b>	<b>\$4,770,590</b>	<b>\$4,776,408</b>	<b>-2.07%</b>
Credit FTES Cap	23,410	23,410	23,650	24,581	5.00%

**2004-05 Governor's Proposed Budget Augmentation**

Equalization	\$80,000
Growth 2004-05	\$121,120
<b>Total Funding</b>	<b>\$5,002,109</b>

**Note:**

1. Growth funding is not expected to fully fund the statewide growth calculation. Based upon prior year information the District may expect to receive 75% of necessary funding.
2. Equalization funding is being proposed as an initial step in raising the per FTES funding for Community Colleges for low-funded districts to the 90th percentile. The cost of fully funding equalization is estimated to be in excess of \$200 million.