

AGENDA (Revised 1/10/14)  
Regular Meeting  
BOARD OF TRUSTEES  
STATE CENTER COMMUNITY COLLEGE DISTRICT  
District Office Boardroom  
1525 E. Weldon Avenue, Fresno, California  
3:15 p.m., January 14, 2014

*\*See Special Notice – Page 3*

- I. CALL TO ORDER
- II. BOARD WORKSHOP ON ACCREDITATION\* Deborah G. Blue
- III. PLEDGE OF ALLEGIANCE
- IV. INTRODUCTION OF GUESTS
- V. APPROVAL OF MINUTES, Meeting of December 7, 2013, and December 10, 2013
- VI. GENERAL
  - A. Consideration to Accept 2012-2013 Audit Report [14-01] Ed Eng
  - B. Retirement Committee (GASB 45) Update and Consideration to Approve Investment Allocation Recommendation [14-02] Ed Eng
- VII. DELEGATIONS, PETITIONS AND COMMUNICATIONS [see footnote]
- VIII. REPORTS AND PRESENTATIONS
  - A. Presidents' Reports Tony Cantu, FCC  
Sandra Caldwell, RC  
Deborah Ikeda, WICCC
  - B. Chancellor's Report Deborah G. Blue
  - C. Academic Senate Report Jeff Burdick, WICCC
  - D. Classified Senate Report Leslie Rata, WICCC
  - E. Student Success: Incentivize Successful Student Behaviors – Enrollment Priorities George Railey  
Pedro Avila

- F. Affordable Care Act Diane Clerou  
Gina Cuttone
- G. EEO Plan Changes Diane Clerou
- IX. REPORTS OF BOARD MEMBERS
- X. FUTURE AGENDA ITEMS
- XI. CONSIDERATION OF CONSENT AGENDA [14-01HR through 14-02HR]  
[14-01G through 14-04G]
- XII. GENERAL
  - A. Second Reading and Approval of SCCCD Resource Allocation Model [14-03] Ed Eng
  - B. Consideration of Bids, Chiller Replacement, Gymnasium, Fresno City College [14-04] Brian Speece
  - C. Consideration to Approve Topic for Strategic Conversation #3 [14-05] George Railey
- XIII. HUMAN RESOURCES
  - A. Consideration to Reduce Vacant Office Assistant III Position #4022, Oakhurst Center, from 12 Months to 10 Months [14-06] Diane Clerou
  - B. Consideration to Approve Title Change of Vacant Dean of Instruction, Health Sciences Division, to Dean of Instruction, Allied Health, Physical Education and Athletics [14-07] Diane Clerou
  - C. Consideration to Approve Revised Duties for Buyer Position [14-08] Diane Clerou
  - D. Consideration to Approve Revised Duties for Vacant HR/MIS Data Researcher Position [14-09] Diane Clerou
  - E. Consideration to Approve Duties for New Classification Specification for Equal Employment Opportunity, Diversity and Staff Development Manager [14-10] Diane Clerou

Board Agenda  
January 14, 2014 (continued)

- F. Consideration to Approve New Position of Permanent Part-Time Accounting Technician I, Fresno City College [14-11] Diane Clerou
- G. Disclosure of Collective Bargaining Agreement, California School Employees Association Chapter #379 and Public Hearing [14-12] Diane Clerou
- H. Disclosure of Collective Bargaining Agreement, Police Officers' Association, Teamsters Local 856, and Public Hearing [14-13] Diane Clerou

XIV. DELEGATIONS, PETITIONS AND COMMUNICATIONS [see footnote]

XV. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant exposure to litigation pursuant to Section 54956.9(b): one potential case
- B. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Pursuant to Government Code Section 54957
- C. CONFERENCE WITH LABOR NEGOTIATOR [SCFT Full-Time Bargaining Unit; SCFT Part-Time Bargaining Unit, California School Employees Association Bargaining Unit, and SCCCDC Peace Officers Association]; Diane Clerou, Pursuant to Government Code Section 54957.6
- D. CONFERENCE WITH LABOR NEGOTIATOR, Unrepresented Employees Management and Confidential; Deborah G. Blue, Pursuant to Government Code Section 54957.6

XVI. OPEN SESSION

- A. Consideration of Ratification of Collective Bargaining Agreement, California School Employees Association, Chapter #379 [14-14] Diane Clerou
- B. Consideration of Ratification of Collective Bargaining Agreement, Peace Officers' Association, Teamsters Local 856 [14-15] Diane Clerou
- C. Consideration of Salary Adjustment for Unrepresented Employees, Management and Confidential [14-16] Diane Clerou

XVII. ADJOURNMENT

**\*SPECIAL NOTICE**

The January 14, 2014, Board of Trustees meeting will be called to order at 3:15 p.m. in the district office board room. At that time, the board will participate in a workshop on accreditation. The scheduled regular board meeting will convene at 4:30 p.m.

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All supporting documents/materials pertaining to the open session agenda of a regular meeting are available for public inspection by contacting the office of the chancellor at (559) 244-5902 during the office hours of 8:00 a.m. to 5:00 p.m., Monday – Friday. Any person with a disability who requires a disability-related modification or accommodation in order to participate in a public meeting must submit a request at least 48 hours before the meeting by contacting Executive Secretary to the Chancellor Nina Acosta, 1525 E. Weldon Avenue, Fresno, CA 93704, (559) 244-5902, during the office hours noted above. A person with a disability may request this agenda be made available in an appropriate alternative format

The board chair, under Board Policy 2350, has set a limit of three minutes each for those wishing to address the Board of Trustees. Individuals wishing to address the board should fill out a request form and file it with Associate Vice Chancellor of Human Resources Diane Clerou before the beginning of the meeting. Comments will be heard under agenda section(s) *Delegations, Petitions and Communications*.

CONSENT AGENDA  
BOARD OF TRUSTEES MEETING  
January 14, 2014

HUMAN RESOURCES

1. Change of Status, Retirement, Academic Personnel [14-01HR]
2. Employment, Change of Status, Transfer, Resignation, Retirement, Classified Personnel [14-02HR]

GENERAL

3. Review of District Warrants and Checks [14-01G]
4. Consideration to Approve 2014-2015 Tuition Rate, Nonresident Students [14-02G]
5. Consideration to Authorize Agreement with California Department of Food and Agriculture for the Specialty Crop Block Grant, Center for International Trade Development [14-03G]
6. Consideration to Authorize Agreement with California Community Colleges Chancellor's Office for Deputy Sector Navigator Global Trade and Logistics Grant, Center for International Trade Development [14-04G]

*Unapproved* MINUTES OF MEETING OF  
BOARD OF TRUSTEES  
STATE CENTER COMMUNITY COLLEGE DISTRICT  
December 7, 2013

Call to Order           A special meeting of the Board of Trustees of the State Center Community College District was called to order by President Isabel Barreras at 9:00 a.m. on December 7, 2013, at District Office North, 390 W. Fir Ave, Room 305, Clovis, California

Trustees Present       Isabel Barreras, President  
Richard Caglia, Vice President  
Ronald H. Nishinaka, Secretary  
John Leal  
Patrick E. Patterson  
Eric Payne  
Dorothy Smith

                              Also present were:

                              Deborah G. Blue, Chancellor, SCCC  
                              Nina Acosta, Executive Secretary to the Chancellor, SCCC

Delegations,  
Petitions, and  
Communications       None

Closed Session        President Barreras stated that in closed session the board will discuss the following:  
A.     PUBLIC EMPLOYEE PERFORMANCE EVALUATION, Pursuant to Government Code Section 54957; Chancellor’s 2013-2014 Goals/Mid-Year Evaluation

                              The board moved into closed session at 9:04 a.m.

Open Session         The board moved into open session at 12:30 p.m.

                              President Barreras stated the board did not take any reportable action during closed session.

Prioritizing  
Board of Trustee  
2013-2014 Goals     The board did not discuss this item.

Adjournment

The meeting was adjourned at 12:35 p.m. by the unanimous consent of the board.

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Dorothy "Dottie" Smith  
Secretary, Board of Trustees  
State Center Community College District

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*(Unapproved)* MINUTES OF MEETING OF  
BOARD OF TRUSTEES  
STATE CENTER COMMUNITY COLLEGE DISTRICT  
December 10, 2013

- Call to Order                    A regular meeting of the Board of Trustees of the State Center Community College District was called to order by President Isabel Barreras at 4:35 p.m. on December 10, 2013, in the district office board room, 1525 E. Weldon Avenue, Fresno, California.
- Trustees Present                Isabel Barreras, President  
Richard Caglia (left at 7:50 p.m.)  
Ron Nishinaka  
John Leal  
Patrick E. Patterson  
Eric Payne  
Dorothy Smith  
Ben Anderson, Student Trustee, Fresno City College  
Gabriela Campos, Student Trustee, Reedley College
- Also present were:  
Deborah G. Blue, Chancellor, SCCC  
Ed Eng, Vice Chancellor of Finance and Administration, SCCC  
George Railey, Vice Chancellor of Educational Services and Institutional Effectiveness, SCCC  
Tony Cantu, President, Fresno City College  
Sandra Caldwell, President, Reedley College  
Deborah Ikeda, Campus President, Willow International Community College Center  
Diane Clerou, Assoc. Vice Chancellor of Human Resources, SCCC  
Brian Speece, Associate Vice Chancellor of Business and Operations  
Greg Taylor, General Counsel  
Teresa Patterson, Executive Director, Public and Legislative Relations  
Nina Acosta, Executive Secretary to the Chancellor, SCCC
- Delegations, Petitions and Communications                None
- Introduction of Guests and Special Recognition                Chancellor Blue introduced Fresno City College student Ivan Figueroa and his GRC20 - Graphic Communications instructor Edward Kesterson. Mr. Figueroa provided the design for this year's district holiday greeting card.
- Dr. Blue explained that each year the district asks one of the colleges



Introduction of  
Guests and Special  
Recognition  
(continued)

or centers to design the district's holiday card. Mr. Figueroa's design was chosen from numerous entries submitted by the Fresno City College art and graphic design departments.

Dr. Blue noted that a sample of the card was at each member's place and thanked Mr. Figueroa for his excellent design and presented him with a supply of cards for his portfolio. She congratulated him and wished him success in his educational endeavors.

Election of Officers,  
Appointment of  
Representatives and  
Adoption of Board  
Calendar  
[13-103]  
Action

Trustee Barreras called for nominations for the office of president.

President

Trustee Caglia nominated Patrick Patterson for the office of president. The nomination was seconded by Dottie Smith.

Trustee Eric Payne nominated John Leal for the office of president.

President Barreras called for the vote for Patrick Patterson for president. The motion carried without dissent.

Special Presentation

Newly elected board president, Pat Patterson, presented a plaque to outgoing president, Isabel Barreras, in appreciation of her outstanding and dedicated service as board president during 2013.

Vice President

President Patterson called for nominations for the remaining offices.

Trustee Smith moved to nominate Trustee Nishinaka for the office of vice president. The nomination was seconded by Trustee Caglia and carried without dissent.

Secretary

Trustee Caglia moved to nominate Dottie Smith for the office of secretary. The nomination was seconded by Trustee Barreras and carried without dissent.

Nominations of Board  
Representatives

President Patterson asked for volunteers for the board representative positions for 2014. Trustee Barreras moved and Trustee Smith seconded to appoint board members to the following representative positions:

Board Voting  
Representative,  
Fresno County  
Committee on School  
District Organization  
Election

Trustee Smith will serve as the board voting representative to the Fresno County Committee on School District Organization for 2014.

Alternate Board  
Voting  
Representative,  
Fresno County  
Committee on School  
District Organization  
Election

Trustee Payne will serve as the alternate board voting representative to the Fresno County Committee on School District Organization for 2014.

Board  
Representative,  
Executive Board of  
the Madera County  
School Boards  
Association

Trustee Barreras will serve as a voting member at meetings of the Executive Board of Madera County School Boards Association during 2014. Trustee Caglia will serve as the alternate voting member.

Fresno Area Self-  
insured Benefits  
Organization (FASBO,  
also known as ED  
CARE)

As this is a 2-year placement, Trustee Leal will continue to serve as the Fresno Area Self-insured Benefits Organization representative through 2014.

Two Board  
Representatives for  
the State Center  
Community College  
Foundation Board

As this is a 2-year placement, Trustees Patterson and Smith will continue to serve as the representatives on the State Center Community College Foundation Board through 2014.

Director, Valley  
Insurance Program  
Joint Powers Agency  
(JPA) Board

As this is a 2-year placement, Trustee Patterson will continue to serve as a director of the Valley Insurance Program Joint Powers Agency through 2014.

Board  
 Representative, State  
 Center Community  
 College District  
 Retirement Board

Trustee John Leal will serve as the board representative on the SCCC Retirement Board for 2014.

Legislative  
 Representative

Trustee Payne will serve as the district’s legislative representative for 2014.

Board Calendar

A motion was made by Trustee Barreras and seconded by Trustee Smith to adopt the 2014 Board of Trustees meeting calendar, as amended. The motion passed without dissent.

The meeting dates and locations are as follows:

<b>DATE</b>	<b>MEETING</b>	<b>LOCATION</b>
January 14, 2014	Regular Meeting	SCCCD
February 4, 2014	Regular Meeting	SCCCD
February 18, 2014	Budget Study Session	DO North
March 4, 2014	Regular Meeting	Reedley College
March 28-29, 2014	Board Retreat	To Be Determined
April 1, 2014	Regular Meeting	Oakhurst Center
May 6, 2014	Regular Meeting	Fresno City College, OAB
June 3, 2014	Regular Meeting: Tentative Budget	SCCCD
June 14, 2014	Board Self-Evaluation, Evaluation of Chancellor	DO North
July 1, 2014	Regular Meeting	SCCCD
August 5, 2014	Regular Meeting	Willow Int’l CCC
September 2, 2014	Regular Meeting: Public Hearing and Budget Adoption	SCCCD
October 7, 2014	Regular Meeting	Madera Center
November 6, 2014 (Thursday)	Regular Meeting	SCCCD
December 9, 2014	Regular Meeting and Organizational Meeting	SCCCD

Approval of Minutes

The minutes of the regular meeting of November 7, 2013, were presented for approval.

Approval of Minutes (continued)	A motion was made by Trustee Smith and seconded by Trustee Barreras to approve the minutes of the regular meeting of November 7, 2013, as presented. The motion passed without dissent.
Closed Session	President Patterson announced that the board would move into closed session to discuss a personnel matter. He called a recess at 5:00 p.m.
Open Session	The Board moved into open session at 5:45 p.m.
Report of Closed Session	President Patterson stated there was no action to report from closed session.
Presidents' Reports	<p>Mr. Cantu recognized and congratulated Dr. Carolyn Drake who will be retiring at the end of the year. Dr. Drake has been a tireless advocate for students in the nursing program and the nursing profession. Her passion and dedication to diversity has resulted in one of the most diverse nursing programs in the state. Through her leadership, FCC's nursing program is one of the largest 2-year programs in the country.</p> <p>Mr. Cantu reported on topics of interest from Fresno City College. Copies of the report were provided to the board and interested attendees, and include the following highlights:</p> <ul style="list-style-type: none"><li>• The second year dental hygiene students have been busy this semester with outreach projects. They worked in groups to present dental health lessons to ten area elementary school classrooms; provided dental hygiene care to underserved individuals during the Tzu Chi Medical Outreach Clinic held in the FCC Cafeteria; hosted an Inter-professional Educational (IPE) Workshop for Allied Health students; and presented ten research projects that related to dental health/disease as part of the federal initiative, Healthy People 2020.</li><li>• Jim Yovino, the superintendent of Fresno County schools, toured the Applied Technology labs and classrooms last month with Interim Dean of Instruction Rick Christl. He expressed a strong interest in becoming better partners with the college and would like to promote the division through regular televised public service announcements, develop dual enrollment programs to benefit county schools, and hold one of his executive council meetings in the Applied Technology Division.</li><li>• Music instructor Rebecca Sarkisian has been nominated by the FCC Academic Senate for the Hayward Award. She has been an</li></ul>

Presidents' Reports  
(continued)

adjunct instructor for 25 years and has taught a number of music courses, although she primarily teaches voice. She has initiated several program additions to the music department in order to encourage and enhance the development of student skills.

Dr. Caldwell reported on topics of interest from Reedley College and the Oakhurst and Madera centers. Copies of the report were provided to the board and interested attendees, and include the following highlights:

- Students in the Forestry Program cut Christmas trees for the cities of Orange Cove, Reedley, and Sanger. The trees are decorated and displayed in the cities' downtowns. The white fir trees were cut November 26 and were donated by Southern California Edison Company at Shaver Lake. The RC students also assisted in placing the trees on frames that protected branches on the trip to the Valley. The trees were lifted by a crane and placed on a semi-truck for transport.
- RC business instructor Andrew Shinn was named Reedley's Family of the Year. Andrew created the Business Builders Brown Bag Lunch series, which is a mini-business academy for Reedley businesses. Andrew and his wife own Shinn Photography and their latest venture is Kings River Art, a gallery in downtown Reedley featuring Andrew's landscape and art photography and the impressionist paintings of Paul Buxman.
- Reedley College, the Madera Center, and the Oakhurst Center have a new Student Food Pantry thanks to a mini grant from the SCCC Foundation and the hard work of the Classified Senate. Non-perishable foods that are nutritional and easy to prepare will be distributed to enrolled students in need. The Student Food Pantry will be sustained through food drives, fundraisers, foundation payroll deductions, and community donations. Initially, the Student Food Pantry will distribute food once per month. Distribution will be staffed by employee and student club volunteers.

Ms. Ikeda reported on topics of interest from the Willow International Community College Center. Copies of the report were provided to the board and interested attendees, and include the following highlights:

- In continuing discussions of ways to increase student success, "Increasing Student Completion through Acceleration in English and Math" workshop was held on November 15. The California Acceleration Project (CAP) stresses examining the curricular

Presidents' Reports  
(continued)

sequences rather than low skills or low motivation of students. Willow International English faculty members Jeff Burdick and Ellen Melocik presented at the workshop. They outlined the Clovis West twelfth grade curriculum and articulation project and discussed acceleration projects (English 252/125; English 125/1A) at the Willow campus. This project was selected to receive the 2014 Exemplary Program honorable mention award from the state academic senate. The presentation will take place at the Board of Governor's meeting in January 2014.

- The Willow International Choir will be performing on December 12 at Willow International, and on December 18 at the CUSD Performing Arts Center along with Clovis East High School and Reyburn choirs.
- Willow English instructor Cynthia Elliott has had an article on Georgia O'Keefe published in the *Community College Humanities Review* Volume 33, No. 1 Special Issue, fall 2013. Her article is titled "A Paradox of Interpretation: How does an O'Keefe Painting Respond to Interpretation as a Film?" The review is published by the National Endowment for the Humanities.

Chancellor's Report

Dr. Blue reported the following:

- The thirteenth class of Leadership State Center celebrated their graduation ceremonies on December 6. Leadership State Center is an innovative program designed to develop leadership skills for our classified professionals. Members of Leadership State Center participated in monthly breakfast meetings from July through December, which focused on leadership, fiscal accountability, technology, and district policies and procedures, presented by district experts in these fields. Friday's program was the culmination of many hours of study, field work and networking with peers. Richard Johanson, honorary foundation board member and Reedley College graduate, spoke to the group on internally preparing for leadership. It was an inspiring presentation from a man that has proven himself to be a great leader. Trustees Dottie Smith and Ron Nishinaka represented the board for the ceremony and assisted in the presentation of awards. She recognized Dr. Janice Emerzian for her vision in creating this outstanding program and her tireless efforts in keeping it vibrant for so many years
- On December 6 she attended the Association of Mexican American Educators Christmas social at Arte Americas, Casa de La Cultura. She has the privilege of serving on the board of directors for Arte Americas

Chancellor's Report  
(continued)

- She thanked the faculty, staff, administration and Board of Trustees for a very fruitful and productive semester. It has been overwhelming at times with the multiple levels of planning, accreditation reports, and a multitude of other challenges. But at the same time it has been extremely rewarding. Dr. Blue said she honored to be part of this amazing district and to work with incredible professionals at every level. She wished everyone joyous holiday season and the happiest of new years.

Academic Senate  
Report

Fresno City College Academic Senate President Mary Ann Valentino reported on the following:

- The FCC Academic Senate approved several new and revised committee operating agreements, including the districtwide technology committee operating agreement.
- She provided an update on the status of Associate Degrees for Transfer (ADT). FCC has gone beyond the goal of 85%. They are on target to send eight more to the State Chancellor's Office for approval, and plan to have 100% of the ADTs offered in the fall of 2014.
- The senate approved the proposed order for enrollment priorities. They have some concerns about how the special groups are being identified and look forward to the reopening of AR 5055 to help provide clarity on that process.
- The senate approved the District Resource Allocation Model. She thanked the FCC representatives for the work on this process.
- The senate did not approve the district signature program definition and template, and provided suggestions for revisions.
- Mutual agreement was finally reached on the District Integrated Planning Model and Manual
- The FCC Academic Senate Hayward Award nominee is Rebecca Sarkisian.

Classified Senate  
Report

Fresno City College Classified Senate President Ernie Garcia reported the following:

- Ernie Garcia reported the Classified Professional Day event was a success. He thanked Suzie Nitzel for her work on the event and Patrick Stumpf and David Navarro for providing a tour of Willow International.

Counselors of Real  
Estate

Mr. Brian Speece introduced Paul Chiles and Mark Troen of the Counselors of Real Estate (CRE).

Mr. Chiles and Mr. Troen reviewed the CRE real estate planning and

Counselors of Real Estate (continued)

strategy assessment report and recommendations.

John Leal asked what the local impact was on the nearest community to the southeast site. Mr. Speece said the City of Fresno had the Southeast Growth Area (SEGA) as part of their previous master plan. The new City of Fresno master plan is more focused on the downtown area. SEGA is still included in their master plan, but it is no longer the top priority.

Trustee Smith asked why the report identified the need for ethnic role models at FCC and not the other sites. Mr. Chiles stated this was based on information shared with CRE from the forums and interviews at FCC. They did not get the same level of concern from the other campuses. Trustee Smith said the district needs to implement some of the recommendations, especially regarding food services.

Trustee Nishinaka asked if the assessment is the final product. Mr. Chiles said based, on feedback received at this meeting, there will be some modifications and finalization in the next couple of weeks. Trustee Nishinaka stated the Agri-Business Center and Reedley College Middle High School were discussed at the stakeholders' forum at Reedley College, but not included in the report. Dr. Caldwell will provide detailed notes from the stakeholders meetings for CRE. Trustee Nishinaka stated that public transportation is another key issue for the smaller communities. Trustee Nishinaka asked if this report will be shared with the stakeholders. Mr. Chiles said it will be the board's decision whether or not to release the information.

Trustee Patterson stated the CRE report did not address the southeast site. The district has spent a lot of time, planning, and investment to support that site. He is concerned that the real estate aspect of their report was lacking attention to the southeast site. He is concerned that the tour of the southeast site was minimal. Paul Chiles stated the southeast site was "negotiated out" by the hierarchy of the CRE. Mark Troen stated the southeast site is more a long-term issue.

Trustee Patterson said it is not as long term as they think. The other area that wasn't addressed is the west Fresno area. Trustee Patterson stated he is concerned some of the issues CRE addressed are not supported by statistics, such as unemployment rates and the percentage of underserved population. Trustee Patterson in



Counselors of Real Estate (continued)

concerned that the report addresses more social issues, rather than real estate issues.

Trustee Leal stated other learning institutions across the state have great success with learning centers to address the issue of outreach. Student Trustee Ben Anderson requested to take the report to the student constituencies to provide additional input. Paul Chiles asked for the request to be forwarded to the chancellor's office.

Trustee Caglia asked if the participant's comments will be included as a part of the document. Mr. Chiles said they can release the names and the comments separately. Mr. Troen said CRE promised the participants not to associate them with any particular comment. Trustee Caglia recommends including this topic as part of the 2014 retreat.

Potential Bond Measure Update

Dr. Teresa Patterson and Mr. Brian Speece provided an update on the bond measure. Dr. Patterson stated the district contracted with William Berry and Associates who will put together a survey for potential voters. Brian Speece stated in order to move forward with the survey, the district needs to identify projects. He said the districtwide and campus facilities committees will identify projects. Their recommendations will be brought forward for the board's input and approval to include in the survey. Trustee Leal asked how the consultant was picked. Dr. Patterson said William Berry and Associates was picked because of their work on the last bond campaign and to expedite the process.

Proposition 39 Funding

Mr. Brian Speece introduced Alan Goto from PG&E. Mr. Goto presented a check for \$11,300 as a rebate for participation in the energy efficiency program.

Brian Speece and Eddie Alvarado from PG&E provided an update on proposition 39. Mr. Alvarado reviewed how the projects are accepted by the State Chancellor's Office. Mr. Alvarado reviewed the proposed project to replace the exterior lighting with LED fixtures. He reviewed the total cost, incentives, and energy savings per year.

Trustee Payne asked if PG&E performed an audit for the entire district. Brian said yes, and he could make the report available for the board. Trustee Payne stated the Public Utility Commission designated a consulting firm to the state chancellor's office for community colleges. Is the district working with that firm? Mr.

Proposition 39  
Funding (continued)

Alvarado said the district is working with the firm. Mr. Alvarado stated the districts project is one of the best that he has seen submitted to the State Chancellor's Office.

Trustee Barreras thanked Brian for getting ahead of the game and getting the audit completed.

Student Trustee Ben Anderson asked if there were any attempts to utilize partial solar. Mr. Speece said solar is addressed in the audit. The payback was longer. The energy efficiency projects are based on the proposition's guidelines. Student Trustee Anderson stated there is no capital outlay for partial solar and the district could be saving money immediately. Mr. Alvarado said that to meet the guidelines for the energy efficiencies would be tougher with solar.

Reedley Middle  
College High School  
Update

Dr. Sandra Caldwell provided an update on the Reedley Middle College High School program and the plans for expansion and a permanent location. Dr. Caldwell acknowledged Dr. Michael White, who oversees the program, and Adelpha Lorenzano, the coordinator for the program. Dr. Caldwell reviewed the process for the permanent location, including the site location, the needs assessment and funding options.

Trustee Smith asked if consideration was given to monitoring the students. Dr. Caldwell replied the school has its own principal who oversees the program and the students. Dr. white stated that the students must sign a conduct contract.

Trustee Payne asked if there will be a joint use agreement in place for the facility. Dr. Caldwell stated yes and Reedley is working on expanding the agreements to include other facilities for more generalized spaces with Kings Canyon Unified. Trustee Payne noted the district stands to gain something valuable in the process and wants to make sure these agreements are in place.

Trustee Patterson asked how this program affects FTES. Dr. Caldwell said the FTES come into play when the students become juniors and seniors and are actually taking college course. The district then receives credits for the FTES.

Student Trustee Anderson is concerned how this will affect the enrollment priorities. Dr. Caldwell stated these students are already considered students of the district. Mr. Anderson asked if the district

Reedley Middle  
College High School  
Update (continued)

out of compliance with priority registration with regards to military students, if the cap is lowered and these seats are taken out for RHCHS students. Pedro Avila stated this is a form of priority registration, but he will check with the State Chancellor's Office. He said discussions just began with regards to the high school students.

Trustee Nishinaka asked if the agriculture department has been consulted about the location for the permanent location.

Dr. Caldwell stated there will be full transparency for this project.

Implementation of  
Student Success Task  
Force  
Recommendations

Dr. George Railey provided an update on the implementation of the student success taskforce recommendations.

Reports of Board  
Members

FCC Student Trustee Ben Andersen reported the following:

- November 16 was the Hmong New Year, celebrated by HASA for the first time, with over 350 community participants. The Laotian Student Association put on *A Night in Laos*, the same night. He expected that expect that more than 200 participated.
- Campus Cleanup had several clubs (approximately 20) in attendance. The winner of the Golden Trashcan Trophy was the Anime Club.
- Ram Slam is the ASG's final's week event, during which the library and tutorial center hours are extended until 10 p.m. the week before finals. This semester ASG cooked over 500 hot dogs that were given out to students. He commended Senator Pa Vang and Gao Vang for their work on this event. Over 1500 students were counted by our student government members, but we are still tallying numbers from the other areas. Many club members also volunteered for the event.

RC Student Trustee Gabriela Campos reported the following:

- ASG is continuing to work on the designated smoking area. The college council has supported the plan.
- ASG is working on getting the word out to encourage students to put together a student education plan.
- Many students participated in the City of Reedley electrical farm parade.
- ASG is helping students prepare for finals by providing scantrons, pencils and snacks.
- ASG participated in several fundraising activities such as canned food, coat, and toy drives.

Reports of Board  
Members (continued)

- Dr. Caldwell held another “Pizza with the President” event. It was a big success.
- ASG is going to encourage students to attend Reedley College opening day.

Trustee Barreras congratulated the Latino faculty and committee who organized the Muro de Honor. It was a first class, successful event. She wished everyone happy holidays.

Trustee Payne reported he attended the following events:

- FCC veterans’ day on November 11
- Muro Day Honor on November 12
- The SCCC Foundation’s Heritage dinner on November 14
- The Fresno Regional Foundation reception on November 15
- Teen pregnancy conference on November 18-19
- U.S. Secretary of Agriculture’s key note address at Fresno State on November 19
- CCLC Annual Conference on November 20-23, at which he was elected vice president for the African American Caucus

Trustee Leal reported he attended the following events:

- High Speed Rail tour on November 14. He had the opportunity to meet the director of the Workforce Investment Board
- Fundraiser in Fowler where the secretary of agriculture was in attendance on November 18
- FASBO meeting with Ed Eng on November 19
- CCLC annual conference on November 20-23, at which he attended a policies and procedures workshop, Student Success Vision 2020 session, and Reaching Underserved Communities session
- Trustee Leal thanked Ed Eng for his one-on-one meeting on November 10 and Dr. Blue for continuing the quarterly meetings with trustees.

Trustee Smith thanked staff, faculty and administrators for their hard work throughout 2013.

Trustee Nishinaka reported he attended several college, district and community events throughout the month, which including the Reedley College Academic Senate meeting. He congratulated Stephanie Curry as the newly elected president, and Jeff Ragan for his work as academic president for 2013.

Future Agenda Items

Student Trustee Anderson requested a presentation on solar energy by someone other than someone from PG&E, and a discussion about designated smoking areas, and student representation fees. President Patterson said he will take the request regarding solar under advisement, and recommended Mr. Anderson speak with President Cantu regarding the smoking policy. Dr. Blue advised Mr. Anderson to meet with Dr. Railey regarding the student representation fee.

Trustee Leal requested a discussion regarding implementation and enforcement of smoking policies on campuses. He recommends the chief of police or the campus president lead the discussion.

Trustee Smith requested an overview on placement testing.

Consent Agenda  
Action

President Patterson asked for a motion to approve consent agenda items 13-47HR through 13-48HR and 13-99G through 13-110G, as presented.

It was moved by Trustee Barreras and seconded by Trustee Smith that the Board of Trustees approve consent agenda items 13-47HR through 13-48HR and 13-99G through 13-110G, as presented.

The motion passed as follows:

Ayes	-	6
Noes	-	
Absent	-	1 (Caglia)

Employment,  
Retirement,  
Academic Personnel  
[13-47HR]  
Action

Approve the academic personnel recommendations, items A through B, as amended

Employment,  
Promotion, Change of  
Status, Resignation,  
Classified Personnel  
[13-48HR]  
Action

Approve the classified personnel recommendations, items A through E, as presented

Review of District  
Warrants and Checks  
[13-99G]  
Action

Review and approve the warrants register for the following accounts:

<u>Account:</u>	<u>Amount:</u>	<u>For the Period of:</u>
District	\$13,955,824.81	10/16/13 to 11/19/13
Fresno City College Bookstore	122,868.04	10/16/13 to 11/22/13
Reedley College Bookstore	177,111.61	10/16/13 to 11/22/13
Fresno City College Co- Curricular	127,572.44	10/15/13 to 11/21/13
Reedley College Co-Curricular	83,360.90	10/15/13 to 11/20/13
Total:	<u>\$ 14,466,737.80</u>	

Consideration of  
Report of  
Investments  
[13-100G]  
Action

Accept the Quarterly Investment Report, as provided by the County of Fresno, for the quarter ending September 30, 2013

Consideration to  
Authorize Agreement  
with UC Merced for a  
Foster Youth Grant,  
Madera Center  
[13-101G]  
Action

- a) Authorize the district, on behalf of the Reedley College Madera Center, to enter into an agreement with the University of California, Merced, to provide counseling services for former foster youth for the period July 1, 2013, through June 30, 2016, with funding in the amount of \$120,000;
- b) Authorize renewal of the agreement with similar terms and conditions; and
- c) Authorize the chancellor or vice chancellor of finance and administration to sign the agreement on behalf of the district

Consideration to  
Authorize Agreement  
with the California  
Community Colleges  
Chancellor's Office  
for Information,  
Communication,  
Technology Digital  
Media Sector  
Navigator Grant  
[13-102G]  
Action

- a) Authorize the district, on behalf of Fresno City College, to enter into a grant agreement with the California Community Colleges Chancellor's Office for the Information, Communication, Technology Digital Media Sector Navigator grant for the period July 1, 2013, through June 30, 2014, with funding in the amount of \$300,000;
- b) Authorize renewal of the agreement with similar terms and conditions; and
- c) Authorize the chancellor or vice chancellor of finance and administration to sign the agreement on behalf of the district

Consideration to Authorize Agreement with the California Community Colleges Chancellor's Office for the Regional Consortia Grant [13-103G]  
Action

- a) Authorize the district, on behalf of State Center Consortium, to enter into an agreement with the California Community Colleges Chancellor's Office for the Regional Consortia Grant for the period July 1, 2013, through June 30, 2014, with funding in the amount of \$220,000;
- b) Authorize renewal of the agreement with similar terms and conditions; and
- c) Authorize the Chancellor or vice chancellor of finance and administration to sign the agreement on behalf of the district

Consideration to Accept Construction Project, Boiler Replacement, Fresno City College [13-104G]  
Action

- a) Accept the project for boiler replacement at Fresno City College; and
- b) Authorize the chancellor or her designee to file a Notice of Completion with the County Recorder

Consideration to Accept Construction Project, Energy Management System Upgrade, Fresno City College [13-105G]  
Action

- a) Accept the project for energy management system upgrade at Fresno City College; and
- b) Authorize the chancellor or her designee to file a Notice of Completion with the County Recorder

Consideration to Appoint District Representative, Fresno Area Self-Insurance Benefits Organization [13-106G]  
Action

Appoint Associate Vice Chancellor Diane Clerou as a district representative and Benefits Coordinator Frances Garza as an alternate representative to the Fresno Area Self-Insurance Benefits Organization board, effective December 11, 2013

Consideration to  
Approve Curriculum  
Proposals, Fall 2013  
through Spring 2014,  
Fresno City College  
and Reedley College  
[13-107G]  
Action

Approve the Fresno City College and Reedley College curriculum proposals for the fall 2013 through spring 2014 semesters, as presented

Consideration to  
Approve Travel to  
Spain by the Fresno  
City College City  
Singers  
[13-108G]  
Action

Approve the Fresno City College City Singers and accompanying faculty to travel to Spain in May/June 2014 for a concert tour with the understanding that no college or district funds will be encumbered for this activity

Consideration to  
Approve Travel to  
Australia for Fresno  
City College Music  
Students  
[13-109G]  
Action

Approve out-of-country travel for Fresno City College music students and instructor Dale Engstrom to travel to Australia to participate in the Australia International Music Festival in June/July 2015 with the understanding that no college or district funds will be encumbered for this activity

Consideration to  
Adopt the  
Independent Citizens'  
Bond Oversight  
Committee Bylaws  
and Ethics Policy  
Statement Revisions  
[13-110G]  
Action

Adopt the Independent Citizens' Bond Oversight Committee Bylaws and Ethics Policy Statement revisions

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



Second Reading and Consideration to Approve SCCCDC Integrated Planning Model and Manual [13-104]  
Action

Dr. George Railey presented the second reading of the proposed State Center Community College District Integrated Planning Model and Manual.

A motion was made by Trustee Payne and seconded by Trustee Barreras that the Board of Trustees approve the proposed State Center Community College District Integrated Planning Model and Manual.

The motion passed as follows:

Ayes	-	6
Noes	-	
Absent	-	1 (Caglia)

First Reading of the SCCCDC Resource Allocation Model [13-105]  
No Action

Mr. Ed Eng presented the first reading of the SCCCDC Resource Allocation Model to the board for their review. No action is required.

Trustee Nishinaka asked if consideration was given to the CTE programs. He is concerned that demographics of students, ages of campuses and their maintenance needs, supplies needed for different programs, and sizes of classes were not considered.

Mr. Eng stated all of those concerns and topics were addressed by the committee. All decisions that were made by the committee were reached by consensus. Trustee Nishinaka is concerned that the smaller colleges will suffer with this process. He said he has been asking for updates on this process for several months.

Trustee Patterson asked how this differed from the existing model. Mr. Eng said the existing model is an additive model, but over the years it isn't clear how the original model was generated. The recommended model is very transparent. Trustee Patterson asked if the campuses have flexibility for the spending. Mr. Eng stated each of the campuses will receive their funds based on the model, and each site will decide how the money is distributed.

Trustee Barreras stated she is comfortable with the proposed model because it can be re-visited and adjusted every year.

Trustee Nishinaka asked if athletic programs were taken into consideration. Mr. Eng said yes.

Mr. Cantu stated the proposed process is similar to what the district

First Reading of the  
SCCCD Resource  
Allocation Model  
[13-105]  
No Action  
(continued)

is currently doing. The main difference is that the campuses now know where the money is coming from and how much they can spend.

Trustee Nishinaka asked if a three- tiered model was considered. The committee did not have an opportunity to see this type of model. It was something that was suggested by Reedley College Academic Senate.

Consideration of  
Resolution  
Supporting  
Community College  
Pathway to Law  
School Diversity  
Pipeline Initiative  
(2+2+3)  
[13-106]  
Action

Presidents Deborah Ikeda and Tony Cantu presented a resolution supporting the Community College Pathway to Law School Diversity Pipeline Initiative.

Trustee Smith asked who is eligible. Ms. Ikeda stated all students are eligible. Trustee Payne stated this is a great program and he attended a session regarding this program. He said there are five schools that are currently participating and they are looking to expand.

A motion was made by Trustee Payne and seconded by Trustee Smith that the Board of Trustees adopt Resolution No. 2013.32 to support the Willow International Community College Center and Fresno City College applications for the Community College Pathway to Law School Diversity Pipeline Initiative (2+2+3).

Trustee Barreras stated she received the invitation to participate in this program and she thanked Dr. Blue for moving forward on the request to participate in this program.

The motion passed as follows:

Ayes	-	6
Noes	-	
Absent	-	1 (Caglia)

Consideration to  
Approve New  
Position of Office  
Assistant III, Willow  
International  
Community College  
Center  
[13-107]  
Action

Diane Clerou presented information supporting the addition of a full-time office assistant III to staff the reception desk in the Counseling Center.

A motion was made by Trustee Nishinaka and seconded by Trustee Barreras that the Board of Trustees approve the new position of office assistant III, Willow International Community College Center.

The motion passed as follows:

Ayes - 6  
Noes -  
Absent - 1(Caglia)

Consideration to  
Approve Director of  
Human Resources  
Revised Duties  
[13-108]  
Action

Diane Clerou requested the board approve revised duties for the director of human resources.

A motion was made by Trustee Smith and seconded by Trustee Barreras that the Board of Trustees approve the director of human resources revised duties.

The motion passed as follows:

Ayes - 6  
Noes -  
Absent - 1 (Caglia)

Consideration to  
Approve Benefits  
Technician Duties  
[13-109]  
Action

Diane Clerou requested the board approve the proposed duties to be performed by the 40-hour per week benefits technician.

A motion was made by Trustee Payne and seconded by Trustee Barreras that the Board of Trustees approve the benefits technician duties.

The motion passed as follows:

Ayes - 6  
Noes -  
Absent - 1

Consideration to  
Approve Elimination  
of Vacant Air  
Conditioning/  
Plumbing Specialist  
Position #1098 and  
Approve New  
Position of Building  
Generalist  
[13-110]  
Action

Diane Clerou reviewed the recommendation for elimination of a vacant position and creation of a new position of building generalist.

A motion was made by Trustee Smith and seconded by Trustee Payne that the Board of Trustees approve elimination of the vacant air conditioning/plumbing specialist position #1098 and approve a new position of building generalist.

The motion passed as follows:

Ayes - 6  
Noes -  
Absent - 1(Caglia)

Consideration to  
Approve Resolution  
of Layoff of  
Permanent Part-time  
Office Assistant I/II  
Position #1043,  
District Office  
[13-111]  
Action

Diane Clerou presented information regarding a proposed Resolution of Layoff for PPT office assistant I/II position #1043 at the district office.

A motion was made by Trustee Barreras and seconded by Trustee Nishinaka that the Board of Trustees approve the Resolution of Layoff authorizing the chancellor or her designee to give a notice of layoff to a permanent part-time office assistant I/II pursuant to the district's rules and regulations, the collective bargaining agreement, and applicable provisions of the education code, effective on or about February 7, 2014.

The motion passed as follows:

Ayes	-	6
Noes	-	
Absent	-	1(Caglia)

Consideration to  
Approve Phase II of  
the District Human  
Resources'  
Reorganization  
[13-112]  
Action

Diane Clerou reviewed the proposal for Phase II of the District HR Reorganization Plan.

A motion was made by Trustee Payne and seconded by Trustee Barreras that the Board of Trustees approve Phase II of the Human Resources' Reorganization Plan, effective December 11, 2013.

The motion passed as follows:

Ayes	-	5
Noes	-	1 (Patterson)
Absent	-	1 (Caglia)

Consideration to  
Approve Job  
Description for Vice  
President of Madera  
and Oakhurst  
Centers, Reedley  
College  
[13-113]  
Action

Diane Clerou presented the proposed job description for Reedley College's vice president of Madera and Oakhurst centers.

A motion was made by Trustee Leal and seconded by Trustee Barreras that the Board of Trustees approve the job description for vice president of Madera and Oakhurst Centers, Reedley College.

The motion passed as follows:

Ayes	-	6
Noes	-	
Absent	-	1 (Caglia)

Public Hearing on  
2013-2015 Reopener  
Bargaining Proposal  
Presented by Full-  
Time State Center  
Federation of  
Teachers Local 1533,  
CFT/AFT, AFL/CIO to  
the District  
[13-114]  
No Action

Diane Clerou presented the full-time faculty bargaining proposal presented by the SCFT.

Ms. Clerou went on to say it is appropriate to convene a public hearing for the purpose of receiving comments from interested members of the public. Following the opportunity for public input, no action is required.

Board President Patterson opened the meeting for comments from the public at 9:53 p.m.

There being no comments from the public, President Patterson closed the public hearing at 9:54p.m.

Public Hearing on  
2013-2015 Reopener  
Bargaining Proposal  
Presented by Part-  
Time State Center  
Federation of  
Teachers Local 1533,  
CFT/AFT, AFL/CIO to  
the District  
[13-115]  
No Action

Diane Clerou presented the part-time faculty bargaining proposal presented by the SCFT.

Ms. Clerou went on to say it is appropriate to convene a public hearing for the purpose of receiving comments from interested members of the public. Following the opportunity for public input, no action is required.

Board President Patterson opened the meeting for comments from the public at 9:55 p.m.

There being no comments from the public, President Patterson closed the public hearing at 9:56 p.m.

Delegations,  
Petitions, and  
Communications

None

Closed Session

President Barreras stated that in closed session the board will discuss the following:

- A. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Pursuant to Government Code Section 54957
- B. CONFERENCE WITH LABOR NEGOTIATOR [SCFT Full-time Bargaining Unit; SCFT Part-time Bargaining Unit, California School Employees Association Bargaining Unit, and SCCCDC Peace Officers Association]; Diane Clerou, Pursuant to Government Code Section 54957.6
- C. PUBLIC EMPLOYMENT, Pursuant to Government Code Section 54957

Closed Session  
(continued)

1. Interim Vice President for Madera and Oakhurst Centers, Reedley College
2. Dean of Instruction, Business Division, Fresno City College

President Patterson called a recess at 9:57 p.m.

Open Session

The board moved into open session at 10:55 p.m.

President Patterson stated the board did not take any reportable action during closed session.

Consideration to  
Appoint Interim Vice  
President for Madera  
and Oakhurst  
Centers, Reedley  
College

[13-116]

Action

A motion was made by Trustee Leal and seconded by Trustee Nishinaka that the Board of Trustees appoint Dr. John Fitzer to serve as Interim Vice President for Madera and Oakhurst Centers, Reedley College, with placement on the Management Salary Schedule at range 66 step 7 (\$11,818/monthly), effective December 11, 2013.

The motion passed as follows:

Ayes	-	4
Noes	-	2 (Barreras, Payne)
Absent	-	1 (Caglia)

Consideration to  
Appoint Dean of  
Instruction, Business  
Division, Fresno City  
College

[13-117]

Action

A motion was made by Trustee Nishinaka and seconded by Trustee Barreras that the Board of Trustees appoint Dr. Adrian Ramirez to serve as Dean of Instruction, Business Division, Fresno City College, with placement on the Management Salary Schedule at range 62 step 1 (\$8,929/monthly), effective December 11, 2013.

The motion passed as follows:

Ayes	-	6
Noes	-	
Absent	-	1 (Caglia)

Adjournment

The meeting was adjourned at 11:58 p.m. by unanimous consent.

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Dorothy Smith  
Secretary, Board of Trustees  
State Center Community College District

na

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Change of Status, Retirement,  
Academic Personnel

ITEM NO. 14-01HR

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EXHIBIT: Academic Personnel Recommendations

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Recommendation:

It is recommended the Board of Trustees approve the academic personnel recommendations, items A through B, as presented.

ACADEMIC PERSONNEL RECOMMENDATIONS

- A. Recommendation to accept change of status for the following person:

<u>Name</u>	<u>Campus</u>	<u>Effective Date</u>	<u>Position</u>
Lapp, Deborah L.	RC	August 7, 2014	English Instructor

(Reduction to part-time employment status prior to retirement per Article XVIII, Section 4 of the SCFT Collective Bargaining Unit Contract)

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

<u>Name</u>	<u>Campus</u>	<u>Effective Date</u>	<u>Position</u>
Brennan, Jennifer A.	FCC	July 1, 2014	Coordinator, Health Services



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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Employment, Change of Status, Transfer,  
Resignation, Retirement, Classified Personnel

ITEM NO. 14-02HR

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EXHIBIT: Classified Personnel Recommendations

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Recommendation:

It is recommended the Board of Trustees approve the classified personnel recommendations, items A through G, as presented.

CLASSIFIED PERSONNEL RECOMMENDATIONS

A. Recommendation to employ the following persons as probationary:

Name	Location	Classification	Range/Step/Salary	Date
Her, Yer	DO	Senior Human Resources Technician – Confidential Position No. 1046	57-A (Confidential) \$4,254.25/mo.	11/27/2013
Gonzales, Summer	MC	Instructional Aide – Child Development Laboratory - PPT Position No. 4045	38-C \$15.80/hr.	12/02/2013
Nichols, Debra	WI	Instructional Technician – Microcomputer Lab – PPT Position No. 5022	50-A \$19.23/hr.	12/16/2013

B. Recommendation to re-employ the following person as permanent employee from the 39 month rehire list:

Name	Location	Classification	Range/Step/Salary	Date
Gross, Nancy	FCC	Administrative Aide Position No. 2048	53-E \$4,354.17/mo.	12/23/2013

C. 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	Range/Step/Salary	Date
Aguilar, Emalee	DO	Human Resources Technician – Confidential Position No. 1040	51-A (Confidential) \$21.06/hr.	12/02/2013
Ramirez, Joseph	DO	Air Conditioning/Plumbing Specialist Position No. 1098	63-A \$26.38/hr.	12/02/2013
Roth, Victoria	DO	Human Resources Technician – Confidential Position No. 1018	51-A (Confidential) \$21.06/hr.	12/02/2013
Soto, Blanca	DO	Office Assistant I Position No. 1168	38-A \$14.32/hr.	12/02/2013

- C. 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 (continued).

Name	Location	Classification	Range/Step/Salary	Date
Young, Rayneisha	DO	Human Resources Technician – Confidential Position No. 1051	51-A (Confidential) \$21.06/hr.	12/02/2013
Wyrick, Mitti	RC	Food Service Worker II Position No. 3041	36-A \$13.61/hr.	12/05/2013
Vang, Sonny	FCC	Bookstore Sales Clerk I Position No. 8006	37-A \$13.98/hr.	12/11/2013
Farkas, April	FCC	Office Assistant III Position No. 8502	48-A \$18.32/hr.	12/16/2013

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

Name	Location	Classification	Range/Step/Salary	Date
Sanchez, George	RC	Administrative Assistant Position No. 3107 to Student Services Specialist Position No. 3005	55-E \$4,572.92/mo. to 52-E \$4,251.50/mo.	11/07/2013
(Return to regular assignment)				
Gallegos, Terri	FCC	Textbook Purchasing Clerk Position No. 2076 to Bookstore Sales Clerk III Position No. 2055	48-D \$3,723.58/mo. to 43-E \$3,463.17/mo.	11/18/2013
(Return to regular assignment)				
Adame, Sophia	MC	International Education Assistant - PPT Position No. 3100 to Office Assistant III Position No. 4003	48-E \$22.81/hr. to 48-E \$3,953.67/mo.	12/02/2013
(Bumping into vacant position in a related classification due to layoff)				

- E. Recommendation to approve the lateral transfer of the following employee (regular):

Name	Location	Classification	Range/Step/Salary	Date
Buzo, Christina	RC	Administrative Aide Position No. 3146 to Administrative Aide Position No. 3106	53-E \$4,354.17/mo. to 53-E \$4,354.17/mo.	01/02/2014

F. Recommendation to accept the resignation of the following regular employees:

Name	Location	Classification	Date
Hull, Mark	MC	Bookstore Sales Clerk I – Seasonal Position No. 8055	11/12/2013
Vang, Blia	RC	Bookstore Seasonal Assistant Position No. 8047	11/12/2013
Adams, Stefanie	WI	Reg To Go Orientation Assistant Position No. 5035	11/13/2013
Fields, Rachel	FCC	Bookstores Sales Clerk I – Seasonal Position No. 8011	11/14/2013
May, Douglas	WI	Bookstore Sales Clerk I – Seasonal Position No. 8051	11/20/2013
Lutz, Harrison	FCC	Bookstore Sales Clerk I – Seasonal Position No. 8008	11/29/2013
Meza, Ulises	FCC	Instructional Technician – Art Position No. 2479	01/10/2014

G. Recommendation to accept the resignation for the purpose of retirement for the following regular employees:

Name	Location	Classification	Date
Cheek, Carole	RC	Library Services Assistant Position No. 3027	12/11/2013
Estrada, Ruthina	FCC	Administrative Aide Position No. 2044	12/24/2013
Lavoie, Charles	FCC	Micro-Computer Resource Technician Position No. 2277	12/24/2013
Walke, Bonnie	MC	Office Assistant III Position No. 4022	01/24/2014

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Review of District Warrants and Checks

ITEM NO. 14-01G

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EXHIBIT: None

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Recommendation:

It is recommended the Board of Trustees review and approve the warrants register for the following accounts:

<u>Account:</u>	<u>Amount:</u>	<u>For the Period of:</u>
District	\$13,149,893.59	11/20/13 to 12/17/13
Fresno City College Bookstore	558,790.32	11/23/13 to 12/17/13
Reedley College Bookstore	368,661.38	11/23/13 to 12/17/13
Fresno City College Co-Curricular	104,454.93	11/22/13 to 12/16/13
Reedley College Co-Curricular	70,290.17	11/21/13 to 12/16/13
Total:	<u>\$ 14,252,090.39</u>	

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

SUBJECT: Consideration to Approve 2014-2015  
Tuition Rate, Nonresident Students

ITEM NO. 14-02G

EXHIBIT: None

Background:

Community college districts must annually establish the nonresident tuition rate for the ensuing year no later than February 1 of each fiscal year. Effective with the 2010-2011 fiscal year, a nonresident student, for tuition purposes, was defined as any student who has not established residency in California, including both out-of-state and international students.

The district has established the nonresident tuition rate based on the 12 comparable states' average tuition option, as authorized under Education Code 76140(e). Additionally, state law permits a community college district to charge nonresident students an additional fee not greater than the respective district's capital outlay expenditures for the prior year reduced to a per-unit rate. The established nonresident tuition rate schedules for the fiscal years 2004-2005 to 2013-2014 are listed below.

<b>FISCAL YEAR</b>	<b>NON-RESIDENT TUITION</b>	<b>CAPITAL OUTLAY FEE</b>	<b>TOTAL NONRESIDENT FEE</b>
2004-05	\$149	\$19	\$168
2005-06	\$151	\$21	\$172
2006-07	\$160	\$20	\$180
2007-08	\$173	\$22	\$195
2008-09	\$181	\$23	\$204
2009-10	\$190	\$21	\$211
2010-11	\$183	\$39	\$222
2011-12	\$176	\$39	\$215
2012-13	\$222	\$13	\$235
2013-14	\$218	\$17	\$235

Based on the current definition of a nonresident student, the tuition rate recommendation as determined using the 12 comparable states' average tuition option plus the local capital outlay fee, the 2014-15 tuition rate for nonresident students is proposed as follows:

<b>FISCAL YEAR</b>	<b>NONRESIDENT TUITION RATE</b>	<b>SCCCD CAPITAL OUTLAY RATE</b>	<b>TOTAL NONRESIDENT TUITION</b>
2014-15 Proposed	\$220	\$15	\$235

Fiscal Impact:

The fees for nonresident tuition are estimated to generate approximately \$1,400,000.

Recommendation:

It is recommended the Board of Trustees establish the 2014-2015 tuition rate for nonresident students (students who are not residents of California) at \$235, which includes a \$15 capital outlay fee, for each unit enrolled.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT:	Consideration to Authorize Agreement with California Department of Food and Agriculture for the Specialty Crop Block Grant, Center for International Trade Development	ITEM NO.	14-03G
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EXHIBIT: None

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Background:

The district has received notice of a grant award from the California Department of Food and Agriculture. This grant provides funding for updating a United States Department of Agriculture training video and workbook. The video explores the full export cycle for specialty commodities. Significant export logistical and regulatory changes have taken place since the current training video and materials were produced fourteen years ago.

The grant agreement is for the period October 1, 2013, through June 30, 2015, with funding in the amount of \$111,458.

Recommendation:

It is recommended the Board of Trustees:

- a) authorize the district, on behalf of the Center for International Trade Development to enter into an agreement with the California Department of Food and Agriculture for the Specialty Crop Block Grant for the period October 1, 2013, through June 30, 2015, with funding in the amount of \$111,458;
- b) authorize renewal of the agreement with similar terms and conditions; and
- c) authorize the chancellor or vice chancellor of 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: January 14, 2014

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SUBJECT:	Consideration to Authorize Agreement with California Community College Chancellor's Office for Deputy Sector Navigator Global Trade and Logistics Grant, Center for International Trade Development	ITEM NO.	14-04G
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EXHIBIT: None

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Background:

The district has received notice of a grant award from the California Community College Chancellor's Office. This grant provides funding to support California's economic growth and global competitiveness through education, training, and services that contribute to continuous workforce improvement. The grant agreement is for the period December 1, 2013, through December 31, 2014, with funding in the amount of \$99,750.

Recommendation:

It is recommended the Board of Trustees:

- a) authorize the district, on behalf of the Center for International Trade Development, to enter into an agreement with the California Community College Chancellor's Office for the Deputy Sector Navigator, Global Trade and Logistics grant for the period December 1, 2013, through December 31, 2014, with funding in the amount of \$99,750;
- b) authorize renewal of the agreement with similar terms and conditions; and
- c) authorize the chancellor or vice chancellor of 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: January 14, 2014

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SUBJECT: Consideration to Accept 2012-2013  
Audit Report

ITEM NO. 14-01

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EXHIBIT: Audit Report

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Background:

Title 5 requires community college districts to conduct an annual independent audit of the district's financial records and compliance issues. The 2012-2013 district audit was recently completed by the audit firm of Crowe Horwath LLP. A representative of the audit firm will be present at the board meeting to review the report and respond to questions from board members.

Recommendation:

It is recommended the Board of Trustees accept the 2012-2013 audit report, as submitted by the firm of Crowe Horwath LLP.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
Fresno, California

**FINANCIAL STATEMENTS**  
June 30, 2013

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2013**

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**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2013**

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
State Center Community College District  
Fresno, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit and fiduciary activities of State Center Community College District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise State Center Community College District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of State Center Community College Foundation, a discretely presented component unit. Those statements were audited by other auditors whose report dated October 31, 2013 has been furnished to us, and our opinion, insofar as it relates to the amounts included for State Center Community College Foundation, is based solely on the report of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of State Center Community College Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit and fiduciary activities, of State Center Community College District, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 3 to 8 and the Required Supplementary Information, such as the Schedule of Other Postemployment Benefits (OPEB) Funding Progress on page 42 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State Center Community College District's financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards and other supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The schedule of expenditures of federal awards and other supplementary information as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other supplementary information as listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013 on our consideration of State Center Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering State Center Community College District's internal control over financial reporting and compliance.

  
Crowe Horwath LLP

Sacramento, California  
December 18, 2013

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013**

The Management's Discussion and Analysis section of the audit provides management the opportunity to review the overall financial condition and activities of the District and discuss important fiscal issues. All 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 Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments," and GASB Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities," the annual report consists of three basic financial statements that provide information on the district's activities as a whole: the Statement of Net Position; the Statement of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows. These statements are prepared using the Business Type Activity (BTA) model, which is in compliance with the California Community College Chancellor's Office recommendation to report in a manner consistent with other California community college districts.

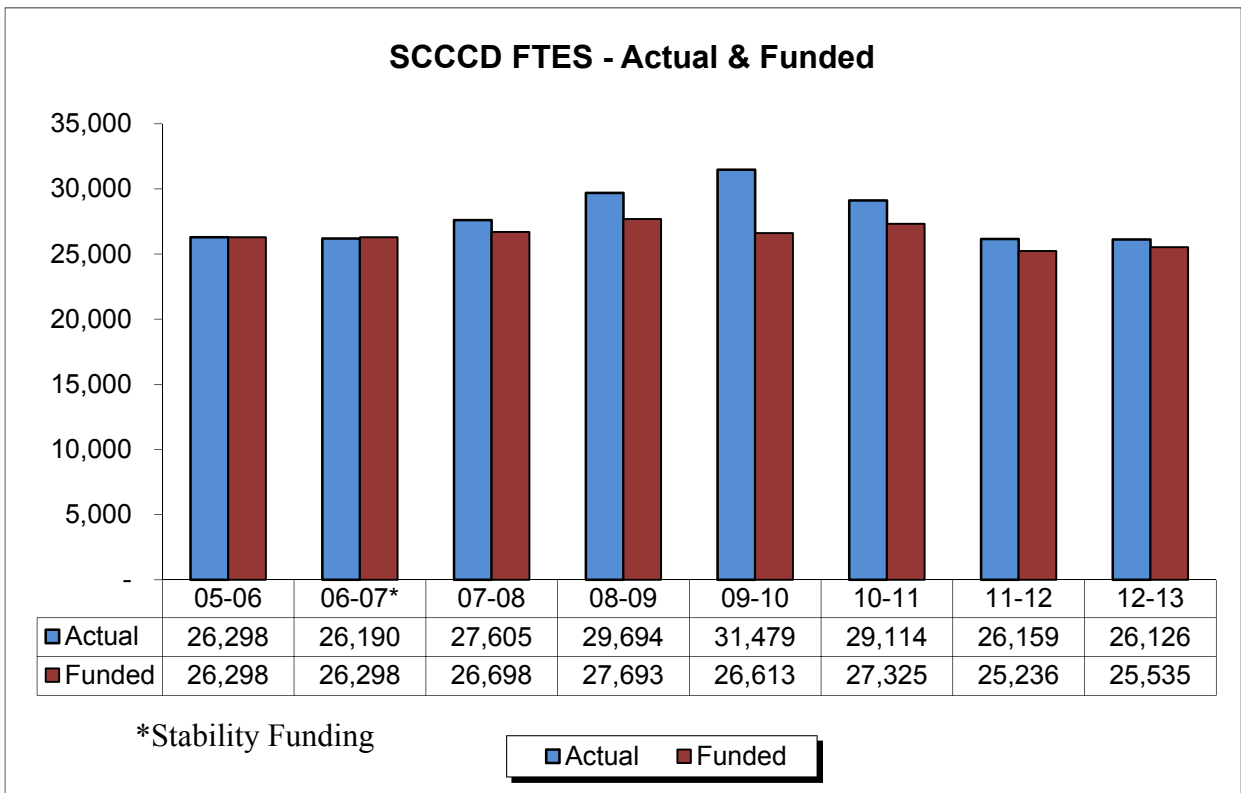
The focus of the Statement of Net Position is designed to be similar to bottom-line results for the district. This statement combines and consolidates current financial resources (net short-term spendable resources) with capital assets and long-term obligations. The Statement of Revenues, Expenses, and Change in Net Position focus on the costs of the district's operational activities, which are supported mainly by student tuition and fees. Non-operating revenues like property taxes, state apportionment, and grants/contracts make up the primary revenue sources of the district. This approach is intended to summarize and simplify the user's analysis of the sources and costs of various district services to students and the community. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the district.

### **FINANCIAL HIGHLIGHTS**

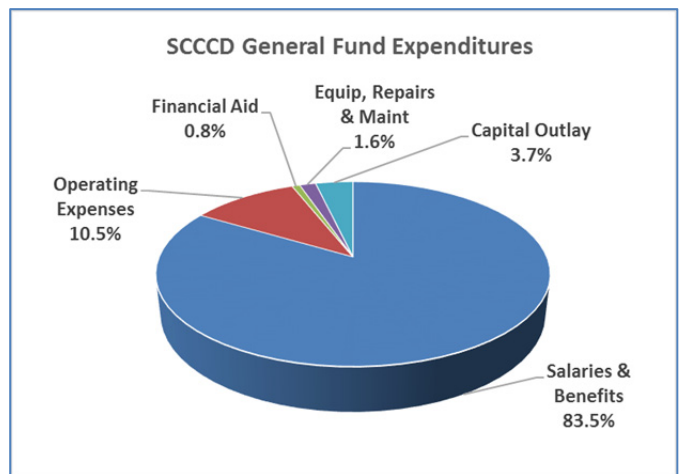
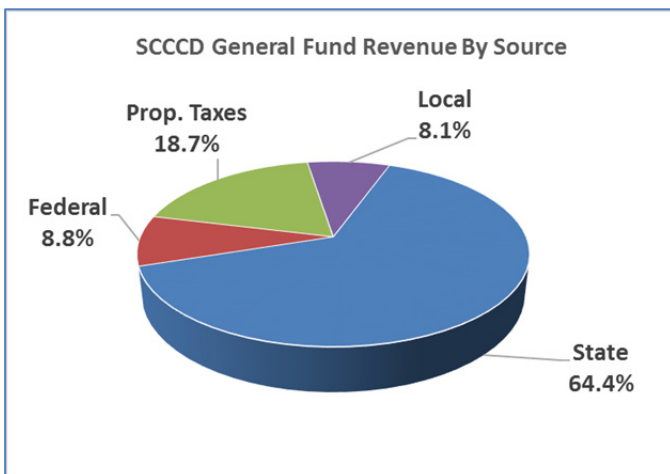
The district's primary funding source is based upon apportionment revenue received from the state. The key component of apportionment is the calculation of Full-Time Equivalent Students (FTES). Based on the recalculated CCFS-320 report, SCCC reported 26,126 resident FTES for the 2012-13 fiscal year – a 0.13% decrease from the prior year. In 2012-13, the community college system received restored access funding of \$50 million or approximately a 0.9% increase in funded FTES from the prior year. With a slowly recovering economy and lingering unemployment rate, as well as the higher tuition fees at the UC and CSU institutions, course demand for the district and the community college system have continued to exceed available state funding. Due to the limited funding from the state, California community colleges must continue to be strategic in curriculum offerings, while focusing on the three core instructional areas of basic skills, transfer, and career technical education.

Even though the district generated 26,126 FTES in 2012-13, the district was only paid for 25,535 FTES due to lack of state funds to pay districts for all earned FTES. Further complicating this issue, the district is anticipating an estimated state deficit of \$1.9 million. In total for 2012-13, the district was underpaid by approximately \$4.4 million in apportionment funding (\$2.5 million in unfunded FTES and \$1.9 million in deficit) based on the second principal apportionment (P-2) and the Annual CCFS-320 report. The graph below demonstrates the historical differences between earned and funded FTES for the district.





With the passage of Proposition 30, the 2012-13 inter-year apportionment deferral to the community college system declined by \$159.9 million, and with an additional reduction of \$178.6 million passed as part of the 2013-14 budget act, the deferral was reduced to \$622.5 million, down from a high of \$961.0 million. Additionally, two intra-year deferrals totaling \$300 million remained in effect for the year (originating in 2009-10). The first was a \$150 million deferral from July to December and the second was a \$50 million deferral from September and a \$100 million deferral from October both to be repaid in January. The state continues to use deferred payments to the community college system to help balance their cash-flow problems; however, the Governor is making significant strides in reducing down the state's inter-year borrowing. The district's share of this system-wide inter-year deferral was approximately \$26.3 million and is included in the district's accounts receivable balance at year end. The district relies heavily on state apportionment, property taxes, federal grants, and state categorical programs to meet the needs of its students. It is important to understand the sources and uses of these funds. The following two graphs depict the district's major revenue sources and expenditures for the general fund.



## Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position 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 position—the difference between assets and deferred outflow of resources less liabilities—is one way to measure the financial health of the district. This statement allows readers to determine the resources available to continue the operations of the district. The net position consists of three major categories: 1) Net investment in capital assets - The district's equity in property, plant, and equipment; 2) Restricted for expendable purposes – resources restricted by use constraints placed by outside parties such as through agreements, laws, regulations of creditors or other governments, or imposed by law through constitutional provisions or enabling legislation; and 3) Unrestricted – resources the district can use for any lawful purpose. Although unrestricted, the district's governing board may place internal restrictions on these resources, but it retains the power to change, remove, or modify these restrictions.

Condensed financial information is as follows:

	<b>As of June 30th</b> (in thousands)	
	<b>2013</b>	<b>2012</b>
<b>ASSETS:</b>		
<b>CURRENT ASSETS</b>		
Cash, Investments, and Short-Term Receivables	\$ 71,581	\$ 74,524
Inventory and Prepaid Expenditures	2,040	2,143
<b>TOTAL CURRENT ASSETS</b>	<b>73,621</b>	<b>76,667</b>
<b>NON-CURRENT ASSETS</b>		
Restricted Cash	18,901	22,380
Capital Assets, Net of Depreciation	290,538	291,538
<b>TOTAL NON-CURRENT ASSETS</b>	<b>309,439</b>	<b>313,918</b>
<b>TOTAL ASSETS</b>	<b>383,060</b>	<b>390,585</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>		
Deferred Amount on Debt Refunding	1,209	1,789
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>1,209</b>	<b>1,789</b>
<b>LIABILITIES:</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 12,437	\$ 13,311
Unearned Revenue	7,683	8,011
Amount Held in Trust on Behalf of Others	565	585
Compensated Absences Payable	3,546	3,345
Long Term Liabilities	2,467	2,467
<b>TOTAL CURRENT LIABILITIES</b>	<b>26,698</b>	<b>27,719</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-Term Liabilities	110,253	112,109
<b>TOTAL LIABILITIES</b>	<b>136,951</b>	<b>139,828</b>
<b>NET POSITION:</b>		
Net Investment in Capital Assets	191,904	194,311
Restricted for Expendable Purposes	21,411	22,349
Unrestricted	34,003	35,886
<b>TOTAL NET POSITION</b>	<b>\$ 247,318</b>	<b>\$ 252,546</b>

This schedule has been prepared from the district's Statement of Net Position on page 9. Cash, investments, and short-term receivables consist primarily of funds held in the Fresno County Treasury and state apportionment receivable. Overall changes in the district's cash position are explained in the Statement of Cash Flows on pages 13 to 14. Highlights of the major changes include a decrease in the short-term receivable of \$2.5 million primarily related to a lower state apportionment deferral. Restricted cash for the Measure E bond's debt service and capital projects funds decreased by \$3.5 million due to debt payments and construction projects being completed. Capital assets, net of depreciation, decreased by \$1.0 million. Lastly, overall long-term liabilities decreased \$1.7 million primarily as a result of the decrease in the bond principal balances partially offset by an increase in the retiree health benefits liability.

### Statement of Revenues, Expenses, and Change in Net Position

The Statement of Revenues, Expenses, and Change in Net Position 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.

Condensed financial information is as follows:

	For the years Ended June 30th	
	(in thousands)	
	2013	2012
<b>OPERATING REVENUES</b>		
Tuition & Fees	\$ 11,118	\$ 10,285
Grants & Contracts, Non-Capital	32,426	33,014
Auxillary Enterprises & Other Operating Revenues	4,326	4,262
<b>TOTAL OPERATING REVENUES</b>	<u>47,870</u>	<u>47,561</u>
<b>OPERATING EXPENDITURES</b>		
Salaries and Benefits	137,774	140,111
Supplies, Maintenance & Other Operating Expenses	25,750	25,038
Financial Aid	59,004	62,315
Depreciation	8,174	7,683
<b>TOTAL OPERATING EXPENDITURES</b>	<u>230,702</u>	<u>235,147</u>
<b>OPERATING (LOSS)</b>	<u>(182,832)</u>	<u>(187,586)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State Apportionment	89,581	87,300
Property Taxes	36,542	36,098
State Revenues	4,397	3,821
Pell Grant	50,184	52,198
Net Interest Income / (Expense)	(5,043)	(4,470)
Other Non-Operating Revenue	271	284
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>175,932</u>	<u>175,231</u>
<b>(LOSS) / INCOME BEFORE OTHER REV AND EXP</b>	<u>(6,900)</u>	<u>(12,355)</u>
<b>CAPITAL REVENUE</b>		
Federal, State and Local Capital Income	1,672	6,802
<b>(DECREASE) / INCREASE IN NET POSITION</b>	<u>(5,228)</u>	<u>(5,553)</u>
<b>NET POSITION, BEGINNING</b>	252,546	258,099
<b>NET POSITION, ENDING</b>	<u>\$ 247,318</u>	<u>\$ 252,546</u>

Changes in total net position on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Change in Net Position. 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 goods and services for our students and stakeholders and to carry out the mission of the district.

The schedule has been prepared from the Statement of Revenues, Expenses, and Change in Net Position presented on page 11. Highlights of the significant changes include an increase in Tuition and Fees by \$0.8 million as a result of the increase in the enrollment fee to \$46 per unit, while non-capital grants and contracts revenue decreased by \$0.6 million. Salary and benefits expenditures decreased by \$2.3 million primarily due to efficiencies, retirements, turn-overs and changes in the workforce which yielded savings. State apportionment funding increased \$2.2 million as a result of state restored access funding related to the passage of Proposition 30, thereby offsetting a significant portion of the district’s originally budgeted deficit of \$6.8 million. Financial aid related expenditures decreased by \$3.3 million as a result of receiving less grant funding, including a \$2.0 million decrease in Pell grant awards. Additionally, the district received nearly \$1.7 million in state school bond funds for the Old Administration Building project. The Statement of Revenues, Expenses and Change in Net Position saw an overall decrease in net position of approximately \$5.2 million.

**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.

Condensed financial information is as follows:

	<b>For the years Ended June 30th</b>	
	(in thousands)	
	<b>2013</b>	<b>2012</b>
Cash provided by (used in)		
Operating activities	\$ (175,749)	\$ (174,754)
Non-capital financing activities	182,303	172,245
Capital financing activities	(11,008)	(13,381)
Investing activities	494	787
Net increase/(decrease) in cash	(3,960)	(15,103)
Cash, Beginning of Year	54,652	69,755
Cash, End of Year	\$ 50,692	\$ 54,652

**Operating Activities**

Operating activities consist primarily of revenue from student tuition and fees, grants, and contracts; and include payment of employee salaries and benefits and financial aid awards to students.

**Non-Capital Financing Activities**

General apportionment and property taxes are the primary sources of non-capital financing activities. Community college districts in California rely heavily on state general apportionment and local property taxes to support programs and services. GASB accounting standards require these sources of revenues be shown as non-operating since they are not derived directly from our primary users of the colleges’ programs and services (students), but rather taxpayers and homeowners. Non-capital financing activities also include Federal Pell resources.

**Capital Financing Activities**

The purchase of capital assets and construction projects, along with bond debt issuance and payments, are the main sources and uses of cash for capital financing activities.

**Investing Activities**

Investment activities relate primarily to interest earned on cash balances held in the county treasury.

## **Economic and Financial Factors Affecting the Future of the District**

California's general fund revenues have been bolstered by the passage of Proposition 30, from the November 2012 general election, generating additional revenues for the state through temporary increases in the sales tax and personal income tax rates. It is estimated these temporary tax increases will generate from \$6 to \$8 billion annually, with a significant majority of these resources benefiting California's educational system. The State's economy seems to have turned the corner and is making a slow and gradual recovery. Housing prices and home inventory levels are showing signs of an improved real estate market and year to date revenues for the state are currently above the forecasted levels. Given the passage of Proposition 30, the community college system anticipates seeing additional funding over the next several years to restore the previously imposed work load reduction from fiscal year 2011-12. However, we must also recognize that Proposition 30 is a temporary source of revenue and we must pay attention to the economic health of the state and be on guard for the future should the state's economic recovery and related revenues decline.

The district continues to remain focused on the unfunded liability of the two pension systems impacting the California community college system: CalPERS (California Public Employees' Retirement System) and CalSTRS (California State Teachers' Retirement System). For fiscal year 2012-13, both retirement systems saw greatly improved investment earnings ranging from 12.5% for CalPERS to 13.8% for CalSTRS; both above their fund's discount rate of 7.5%. Both retirement systems continue to holding onto a 20 year investment return rate of 7.5% or better. The CalPERS system adjusted their employer contribution rates for 2013-14 up to 11.442%, a modest increase of 0.025%, which was much less than anticipated. The CalSTRS system cannot unilaterally increase employer and employee contribution rates as any rate change requires legislative action. The STRS employer contribution rate for 2013-14 has not changed and remains at 8.25%; however, it would seem necessary for the CalSTRS retirement program to revise rates for both employees and employers to address their unfunded liabilities. We anticipate that the CalPERS rate will remain flat or increase slightly for fiscal year 2014-15; however, we are not certain when a change in the CalSTRS rate will occur.

Employee health benefit cost increases also continue to be a major concern for the district. In addition, the Affordable Care Act (ACA) is continuing to unveil itself, and the full financial impacts are yet to be determined; however, it is most likely that health benefit related costs will be increasing. The District is a member of the Fresno Area Self-Insurance Benefits Organization (FASBO), a self-insured Joint Powers Authority (JPA) with two local K-12 partners for health-related benefits of medical, dental, and vision. FASBO premiums have remained relatively stable for the past several years with minimal changes to plan benefit (co-pays and deductibles) in an effort to maintain premiums near the negotiated district maximum contribution. The district also offers two HMO medical plan providers, Kaiser and Health Net; however, both provider's plans have experienced double digit rate increases. Health Net offers a high and low premium plan, while Kaiser offers a high, medium and low premium plan. These plans are evaluated and selected by the bargaining group's membership as to the plan benefits and associated premiums. Effective for October 2013, State Center employees have the option of choosing from six different health care plans from the three medical providers. All plans, except for the Kaiser low plan, require employees to pay a portion of their health care premium, ranging from \$17 to \$464 per month depending on the plan selected.

In summary, California is beginning to see an improving economy and with the passage of the Governor supported Proposition 30, additional state revenues generated through increased sales and personal income taxes will be available for a limited time. California seems to operate in a boom or bust capacity, reaping strong revenues in times of economic prosperity, yet revenues falling dramatically when the economy and stock market struggle to perform. As a result of the unreliable nature of the state's revenue, community colleges will continue to face challenges and the uncertainties of how our educational systems will be funded each year, significantly impacting the district's ability to establish any type of consistent budget plan for the future. The district will need to reflect on its mission and look critically at the level of services it can provide, or what services it needs to provide to an increasing diverse population of students looking for educational opportunities. The Board of Trustees and district administration have weathered these difficult financial times in the past and, as always, prudent fiscal management practices will remain in place to ensure the district manages its financial resources in order to sustain operations during these challenging financial times.

STATE CENTER COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION

June 30, 2013

**ASSETS**

Current assets:	
Cash and cash equivalents (Note 2)	\$ 31,791,500
Investments (Note 2)	2,931
Receivables, net (Note 3)	39,786,715
Prepaid expenses	277,887
Stores inventories	<u>1,761,710</u>
Total current assets	<u>73,620,743</u>
Noncurrent assets:	
Restricted cash and cash equivalents (Note 2)	18,900,706
Depreciable capital assets, net (Note 4)	256,232,834
Non-depreciable capital assets (Note 4)	<u>34,305,447</u>
Total noncurrent assets	<u>309,438,987</u>
Total assets	<u>383,059,730</u>

**DEFERRED OUTFLOWS**

Deferred loss from refunding of debt (Note 6)	<u>1,209,068</u>
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**LIABILITIES**

Current liabilities:	
Accounts payable	12,436,898
Unearned revenue (Note 5)	7,683,151
Due to fiduciary funds	565,671
Compensated absences payable (Note 6)	3,545,926
Long-term liabilities - current portion (Note 6)	<u>2,466,768</u>
Total current liabilities	<u>26,698,414</u>
Noncurrent liabilities:	
Long-term liabilities - noncurrent portion (Note 6)	<u>110,252,864</u>
Total liabilities	<u>136,951,278</u>

Commitments and contingencies (Note 11)

**NET POSITION**

Net investment in capital assets	191,903,355
Restricted for:	
Capital projects	9,137,518
Educational programs	1,252,125
Self insurance	10,632,411
Other activities	388,853
Unrestricted	<u>34,003,258</u>
Total net position	<u>\$ 247,317,520</u>

See accompanying notes to financial statements.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**DISCRETELY PRESENTED COMPONENT UNIT -**  
**STATE CENTER COMMUNITY COLLEGE FOUNDATION**  
**(A Nonprofit Organization)**

**STATEMENT OF NET ASSETS**

**June 30, 2013**

**ASSETS**

Current assets:	
Cash and cash equivalents (Note 2)	\$ 380,801
Receivables	230
Pledges receivable, net	20,671
Short term investments (Note 2)	<u>647,224</u>
Total current assets	<u>1,048,926</u>
Noncurrent assets:	
Investments, net of short-term investments (Note 2)	<u>12,085,182</u>
Total assets	<u><u>\$ 13,134,108</u></u>

**LIABILITIES**

Accounts payable and accrued liabilities	\$ 63,514
Deferred revenue	<u>1,000</u>
Total liabilities	<u>64,514</u>

**NET ASSETS**

Net assets:	
Unrestricted	1,274,302
Temporarily restricted	5,052,242
Permanently restricted	<u>6,743,050</u>
Total net assets	<u>13,069,594</u>
Total liabilities and net assets	<u><u>\$ 13,134,108</u></u>

See accompanying notes to financial statements.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**For the Year Ended June 30, 2013**

Operating revenues:	
Tuition and fees	\$ 34,924,573
Less: scholarship discounts and allowances	<u>(23,806,585)</u>
Net tuition and fees	<u>11,117,988</u>
Grants and contracts, non-capital:	
Federal	17,937,318
State	13,342,426
Local	1,145,750
Auxiliary enterprise sales and charges:	
Bookstore	2,051,210
Cafeteria	625,491
Other operating local revenues	<u>1,649,895</u>
Total operating revenues	<u>47,870,078</u>
Operating expenses (Note 13):	
Salaries	105,826,108
Employee benefits (Notes 8 and 9)	31,948,147
Supplies, materials, and other operating expenses and services	23,144,028
Equipment, maintenance and repairs	2,605,620
Student aid	59,004,286
Depreciation (Note 4)	<u>8,174,290</u>
Total operating expenses	<u>230,702,479</u>
Loss from operations	<u>(182,832,401)</u>
Non-operating revenues (expenses):	
State apportionment, non-capital	89,580,715
Local property taxes (Note 7)	36,542,230
State taxes and other revenues	4,397,181
Pell grants	50,184,248
Investment income, net	452,920
Interest expense on capital asset-related debt, net	(5,495,941)
Other non-operating revenues, net	<u>270,431</u>
Total non-operating revenues (expenses)	<u>175,931,784</u>
Loss before capital revenues	<u>(6,900,617)</u>
Capital revenues:	
Local property taxes and revenues	<u>1,672,252</u>
Decrease in net position	(5,228,365)
Net position, July 1, 2012	<u>252,545,885</u>
Net position, June 30, 2013	<u><u>\$ 247,317,520</u></u>

See accompanying notes to financial statements.



**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**DISCRETELY PRESENTED COMPONENT -**  
**STATE CENTER COMMUNITY COLLEGE FOUNDATION**  
**(A Nonprofit Organization)**

**STATEMENT OF ACTIVITIES**

**For the Year Ended June 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues:				
Contributions	\$ 258,647	\$ 1,261,658	\$ -	\$ 1,520,305
Donated materials	-	154,216	-	154,216
Interest and dividend income (Note 2)	4,501	62,852	55,254	122,607
Realized (loss) gain on investments (Note 2)	(1,591)	3,712	(116,008)	(113,887)
Unrealized gain on investments (Note 2)	34,030	313,891	445,685	793,606
Net assets released from restrictions:				
Satisfaction of program restrictions	1,458,049	(1,458,049)	-	-
Satisfaction of time restrictions	1,009,058	(1,009,058)	-	-
Reclassification of endowments	-	(376,002)	376,002	-
Income reallocations	-	92,686	(92,686)	-
	<u>2,762,694</u>	<u>(954,094)</u>	<u>668,247</u>	<u>2,476,847</u>
Total revenues				
Expenses:				
Program services:				
Educational activities	960,939	-	-	960,939
Scholarships and awards	641,301	-	-	641,301
Management and general	-	-	-	-
Fundraising	81,062	-	-	81,062
	<u>1,683,302</u>	<u>-</u>	<u>-</u>	<u>1,683,302</u>
Total expenses				
Change in net assets	<u>1,079,392</u>	<u>(954,094)</u>	<u>668,247</u>	<u>793,545</u>
Net assets, July 1, 2012	<u>194,910</u>	<u>6,006,336</u>	<u>6,074,803</u>	<u>12,276,049</u>
Net assets, June 30, 2013	<u>\$ 1,274,302</u>	<u>\$ 5,052,242</u>	<u>\$ 6,743,050</u>	<u>\$ 13,069,594</u>

See accompanying notes to financial statements.

STATE CENTER COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2013

Cash flows from operating activities:	
Tuition and fees	\$ 11,340,879
Grants and contracts	32,043,743
Payments of scholarships and grants	(59,004,286)
Payments to suppliers and vendors	(26,959,649)
Payments to and on behalf of employees	(137,251,078)
Auxiliary enterprises sales and charges	2,431,005
Other operating local revenues	<u>1,649,895</u>
Net cash used in operating activities	<u>(175,749,491)</u>
Cash flows from noncapital financing activities:	
State appropriations	90,441,692
Local property taxes	36,542,230
State taxes and other revenues	4,428,751
Pell grants	50,184,248
Other non-operating expenses	<u>706,560</u>
Net cash provided by noncapital financing activities	<u>182,303,481</u>
Cash flows from capital and related financing activities:	
State apportionments for capital purposes	1,486,723
Capital grants received	1,672,252
Purchase of capital assets	(7,183,661)
Principal paid on capital debt and leases	(2,179,138)
Interest paid on capital debt, and leases, net	<u>(4,804,601)</u>
Net cash used in capital and related financing activities	<u>(11,008,425)</u>
Cash flows from investing activities:	
Investment income	494,583
Proceeds from investment maturities	<u>(353)</u>
Net cash provided by investing activities	<u>494,230</u>
Net decrease in cash and cash equivalents	(3,960,205)
Cash and cash equivalents, July 1, 2012	<u>54,652,411</u>
Cash and cash equivalents, June 30, 2013	<u>\$ 50,692,206</u>

(Continued)

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF CASH FLOWS**  
(Continued)  
**For the Year Ended June 30, 2013**

Reconciliation of loss from operations to net cash used in operating activities:	
Loss from operations	\$ (182,832,401)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	8,174,290
Changes in assets and liabilities:	
Receivables, net	(404,556)
Prepaid expenses	39,680
Inventories	63,587
Accounts payable and accrued liabilities	(985,424)
Unearned revenue	(327,844)
Other postemployment benefits and compensated absences	<u>523,177</u>
Net cash used in operating activities	<u>\$ (175,749,491)</u>

See accompanying notes to financial statements.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION**

**June 30, 2013**

	<b><u>Student Trust Funds</u></b>	<b><u>OPEB Irrevocable Trust Fund</u></b>	<b><u>Student Agency Funds</u></b>
<b>ASSETS</b>			
Cash and cash equivalents (Note 2)	\$ 67,150	\$ -	\$ 662,970
Investments (Note 2)	-	6,976,818	-
Receivables, net	2,536	-	695
Due from other funds	<u>237,903</u>	<u>-</u>	<u>327,768</u>
Total assets	<u><u>\$ 307,589</u></u>	<u><u>\$ 6,976,818</u></u>	<u><u>\$ 991,433</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$ 68	\$ -	\$ 31,250
Unearned revenue	8,177	-	-
Due to student groups	<u>-</u>	<u>-</u>	<u>960,183</u>
Total liabilities	<u><u>8,245</u></u>	<u><u>-</u></u>	<u><u>991,433</u></u>
<b>NET POSITION</b>			
Total net position held in trust for other postemployment benefits	-	6,976,818	-
Total net position held in trust	<u>299,344</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u><u>\$ 307,589</u></u>	<u><u>\$ 6,976,818</u></u>	<u><u>\$ 991,433</u></u>

See accompanying notes to financial statements.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF CHANGE IN FIDUCIARY NET POSITION**

**For the Year Ended June 30, 2013**

	<b><u>Student Trust Funds</u></b>	<b><u>OPEB Irrevocable Trust Fund</u></b>
<b>Additions:</b>		
Net interest income:		
Unrealized and realized gains, net	\$ -	\$ 178,059
Dividends and interest	69	20,998
Student fees	12,680	-
Other operating revenue	72,119	-
Other non-operating revenue	<u>127,139</u>	<u>-</u>
Total additions	<u>212,007</u>	<u>199,057</u>
<b>Deductions:</b>		
Administrative costs	-	68,664
Supplies, materials and other operating costs	113,900	-
Equipment, maintenance and repairs	2,159	-
Student aid	<u>145,484</u>	<u>-</u>
Total deductions	<u>261,543</u>	<u>68,664</u>
Net (decrease) increase	(49,536)	130,393
<b>Net position held in trust:</b>		
Net position, July 1, 2012	<u>348,880</u>	<u>6,846,425</u>
Net position, June 30, 2013	<u>\$ 299,344</u>	<u>\$ 6,976,818</u>

See accompanying notes to financial statements.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

State Center Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section (Cod. Sec.) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115.

The decision to include potential component units in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP) and GASB Cod. Sec. 2100. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the "direct benefit" criterion, the "entitlement/ability to access" criterion, and the "significance" criterion. The District identified the State Center Community College Foundation (the "Foundation") as its potential component unit.

The Foundation is a nonprofit, tax-exempt organization dedicated to providing financial benefits generated from fundraising efforts and investment earnings to the District. The funds contributed by the Foundation to the District are significant to the District's financial statements. The District applied the criteria for identifying component units in accordance with GASB Cod. Sec. 2100 and therefore, the District has classified the Foundation as a component unit that will be discretely presented in the District's financial statements.

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. Under this model, the District's financial statements provide a comprehensive entity-wide perspective of the District's financial position and activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the obligation has been incurred. All significant intra-agency transactions have been eliminated.

The Foundation's financial statements are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred in accordance with accounting principles generally accepted in the United States of America. Classification of contributions is dependent upon whether the contribution is restricted or unrestricted. Net assets are classified on the Statement of Net Assets as unrestricted, temporarily restricted or permanently restricted net assets based on the absence or existence of donor-imposed restrictions.

The District records revenues when earned and expenses when a liability is incurred regardless of the timing of the related cash flow. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor's Office's *Budget and Accounting Manual*.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

For the purposes of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Fresno County Treasury are considered cash equivalents and are stated at fair value.

Restricted Cash and Cash Equivalents

Cash that is externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, is classified as noncurrent assets in the statement of net position.

Fair Value of Investments

The Foundation's investments are valued at fair value based upon quoted market prices, when available, or estimates of fair value in the Statement of Net Assets and unrealized and realized gains and losses are included in the Statement of Activities.

Fair values of investments in county and state investment pools are determined by the pool sponsor.

Receivables

Receivables consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Receivables 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 uncollectible accounts as an estimation of amounts that may not be received. The allowance is based upon management's estimates and analysis. The allowance was estimated at \$3,303,176 for the year ended June 30, 2013.

Pledges Receivable

Pledges receivable consist of unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. An allowance for uncollectible pledges receivable is established based upon estimated losses related to specific amounts and is recorded through a provision for bad debt which is charged to expense. The allowance for uncollectible pledges receivable totaled \$43,026 at June 30, 2013. There are no unconditional promises to give that are expected to be collected beyond one year from June 30, 2013.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Inventory

Inventory consists of stores supplies, cafeteria food, textbooks and educational supplies. Except for bookstore inventories, which are valued using the retail method, inventories are stated at the lower of cost (first-in, first-out method) or market.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or, if donated, at fair market value at the date of donation. For equipment, the District's capitalization policy included all furniture, equipment or vehicles with a unit cost of \$10,000 or more and \$49,000 for buildings and improvements. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 – 50 years depending on asset type.

The District capitalizes interest paid on obligations related to the acquisition, construction or rehabilitation of District capital assets. Interest capitalized totaled \$90,865 for the year ended June 30, 2013.

Compensated Absences

Compensated absence costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year end as liabilities of the District.

Accumulated Sick Leave

Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for certain STRS and PERS employees, when the employee retires.

Unearned Revenue

Revenues from Federal, State and local special projects and programs is recognized when qualified expenditures have been incurred. Tuition, fees and other support received but not earned are recorded as unearned revenue until earned.



**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net Position

The District's net position is classified as follows:

*Net investment in capital assets:* This represents the District's total investment in capital assets, net of associated 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 of net investment in capital assets.

*Restricted net position:* Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Nonspendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal 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 the principal.

*Unrestricted net position:* Unrestricted net position represents 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.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District typically applies the expense toward restricted resources, then to unrestricted resources.

Net Assets

The Foundation's net assets are classified as follows:

*Unrestricted:* Unrestricted net assets consist of all resources of the Foundation, which have not been specifically restricted by a donor.

*Temporarily restricted:* Temporarily restricted net assets consist of cash and other assets received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restriction.

*Permanently restricted:* Permanently restricted net assets are nonexpendable net assets consisting of endowment and similar type funds in which the donor has stipulated as condition of the gift, that the principal be maintained in perpetuity.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net Assets (Continued)

The Foundation's endowment assets consist of individual funds established for the purpose to provide financial support to the Foundation in perpetuity. The endowment assets include donor-restricted endowment funds. Net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard prudence prescribed by UPMIFA.

The Foundation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well diversified asset mix, which includes premium investment grade mutual bond funds and equity securities, that is intended to result in a consistent inflation-protected rate of return. Accordingly, the Foundation expects its endowment assets, over time, to produce an average rate of return of approximately 4.5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

The Foundation uses a method based upon the total return on assets to determine the amounts appropriated for expenditures for endowments under which the organization is the income beneficiary in conformity with UPMIFA. To satisfy its long-term rate-of-return objectives, the Foundation seeks investment returns through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that includes equity and debt investments to achieve its long-term return objectives within prudent risk constraints.

State Apportionments

Certain current year apportionments from the state are based on various financial and statistical information of the previous year. Any prior year corrections due to a recalculation will be recorded in the year completed by the state. When known and measurable, these recalculations and corrections are accrued in the year in which FTES are generated.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

On-Behalf Payments

GASB Cod. Sec. N50 requires that direct on-behalf payments for benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers Retirement Systems on behalf of all Community Colleges in California. However, a fiscal advisory issued by the California Department of Education instructed districts not to record revenue and expenditures for these on-behalf payments. These payments consist of state general fund contributions to CalSTRS in the amount of \$3,223,939 (5.041% of salaries subject to CalSTRS).

Classification of Revenue and Expenses

The District has classified its revenues and expenses as either operating or nonoperating revenues and expenses. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. Co5.101 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 and expenses:* Operating revenues and expenses 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, and (3) most Federal, State and local grants and contracts and Federal appropriations. All expenses are considered operating expenses except for interest expense on capital related debt.

*Nonoperating revenues and expenses:* Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell grants, gifts and contributions, and other revenue sources described in GASB Cod. Sec. Co5.101, such as State appropriations and investment income. Interest expense on capital related debt is the only nonoperating expense.

All contributions received by the Foundation are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. Unconditional promises to give that are silent as to the due date are presumed to be time restricted by the donor until received and are reported as temporarily restricted net assets.

Scholarship Discounts and Allowances

Student tuition and fee revenue are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Change in Net Assets. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants are recorded as operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

Tax Status

The Foundation is a nonprofit public benefit corporation exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Foundation has been classified as an organization that is not a private foundation and has been designated as a "publicly supported" organization. Contributions to the Foundation are deductible under Section 170(c)(2). The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Interest and penalties on tax assessments are classified as an expense when incurred. For the year ended June 30, 2013, the Foundation did not incur any interest or penalties.

Income tax returns for the Foundation are filed in U.S. federal and state of California jurisdictions. Tax returns remain subject to examination by the U.S. federal jurisdiction for three years after the return is filed and for four years by the California jurisdiction. There are currently no tax years under examination.

New Accounting Pronouncements

In November 2010, the GASB issued Statement No. 61, The Financial Reporting Entity: Omnibus. The Statement improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues. This statement was adopted for the District's fiscal year ended June 30, 2013 with no material impact on the District.

In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement was adopted for the District's fiscal year ended June 30, 2013 with no material impact on the District.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

New Accounting Pronouncements (Continued)

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statement – and Management’s Discussion and Analysis – for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. This statement was adopted for the District’s fiscal year ended June 30, 2013 with no material impact on the District.

In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for the District’s fiscal year ended June 30, 2014, with earlier application being encouraged. This statement was adopted for the District's fiscal year ended June 30, 2013, as a result the District reclassified certain balances to deferred loss from refunding of debt totaling \$1,209,068 at June 30, 2013.

In March 2012, the GASB issued Statement No. 66, Technical Corrections – 2013, an amendment of GASB Statements No. 10 and No. 61. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 64, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity’s risk financing activities to the general fund and the internal service fund type. As a result, Districts should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement No. 54 and Statement No. 34, Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments. This Statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

New Accounting Pronouncements (Continued)

These changes clarify how to apply Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively. The provisions of this Statement are effective for the District's fiscal year ended June 30, 2014, with earlier application encouraged. Management has not determined what impact, if any, this GASB statement will have on the District's financial statements.

In June 2012, the GASB issued Statement No. 67, Financial Reporting for Pension Plans. This Statement replaces the requirements of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and Statement No. 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement No. 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. This Statement is effective for the District's financial period beginning July 1, 2013. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This Statement is effective for the District's financial period ending June 30, 2015. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash, cash equivalents and investments at June 30, 2013, consisted of the following:

	<u>District</u>	<u>Fiduciary</u>
Pooled Funds:		
Cash in County Treasury	\$ 25,938,127	\$ 226,210
Deposits:		
Cash on hand and in banks	5,853,373	503,910
Cash held by Fiscal Agent	<u>18,900,706</u>	<u>-</u>
Total cash and cash equivalents	<u>50,692,206</u>	<u>730,120</u>
Less: restricted cash and cash equivalents		
Cash held by Fiscal Agent	<u>18,900,706</u>	<u>-</u>
Total restricted cash and cash equivalents	<u>18,900,706</u>	<u>-</u>
Net cash and cash equivalents	<u><u>\$ 31,791,500</u></u>	<u><u>\$ 730,120</u></u>

Foundation cash and cash equivalents at June 30, 2013, totaled \$380,801.

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury. The County pools and invests the cash. Those pooled funds are carried at fair value, which approximates cost.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

The District's deposits in the fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The Fresno County Treasurer has indicated that there are no derivatives in the pool as of June 30, 2013.

District investments at June 30, 2013 consisted of the following:

Mutual funds	<u><u>\$ 2,931</u></u>
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Investments held within the OPEB trust fund at June 30, 2013 consisted of the following:

Money market funds	\$ 43,538
Mutual funds	<u>6,933,280</u>
Total investments	<u><u>\$ 6,976,818</u></u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Cash with Fiscal Agent

Cash with Fiscal Agent of \$18,900,706 is held by a trustee for the improvement of campus facilities and debt service.

Custodial Credit Risk

The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2013, the carrying amount of the District's accounts was \$6,357,283, and the bank balances were \$8,763,972, of which \$8,124,217 was uninsured but collateralized.

Custodial Credit Risk (Continued)

Investments of \$6,976,818 held in the OPEB trust fund are not insured.

At June 30, 2013, the bank balance of the Foundation's cash in banks was \$438,886 of which \$250,000 was insured by the FDIC.

Credit Risk

The table below identifies the investment types authorized for the District by the California Government Code Section 53601. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentrations of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Local Agency Bonds or Notes	5 years	None	None
Registered State Bonds or Notes	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptance	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Bank/Time Deposits	5 years	None	None
Mortgage Pass through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Funds (LAIF)	N/A	None	None
Joint Power Authority Pools	N/A	None	None



STATE CENTER COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Interest Rate Risk

The District and Foundation's investment policies do not limit cash and investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. At June 30, 2013, the District and Foundation had no significant interest rate risk related to cash and investments held.

Concentration of Credit Risk

The District and Foundation do not place limits on the amount they may invest in any one issuer. At June 30, 2013, the District and Foundation had no concentration of credit risk.

Foundation Investments

Foundation investments at June 30, 2013 consisted of the following:

California Local Agency Investment Fund	\$ 647,224
American Funds	369,877
Destination Wealth Management	<u>11,715,305</u>
Total	12,732,406
Less: short term investments	<u>(647,224)</u>
Noncurrent investments	<u>\$ 12,085,182</u>

Foundation investment income consisted of the following:

Interest and dividend income	\$ 122,607
Realized loss on investments	(113,887)
Unrealized gain on investments	<u>793,606</u>
Total	<u>\$ 802,326</u>

Interest and dividends (net of management fees) and realized losses earned on permanently restricted endowments, governed by U.S. Department of Education Title III Regulations, is credited one-half to permanently restricted net assets and the other half is credited to temporarily restricted net assets and available for funding scholarship or student activity needs of the campuses.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**3. RECEIVABLES**

Receivables

District receivables at June 30, 2013 are summarized as follows:

Federal	\$ 4,984,618
State	33,063,127
Local and other	<u>5,042,146</u>
	43,089,891
Less allowance for doubtful accounts	<u>(3,303,176)</u>
	<u><u>\$ 39,786,715</u></u>

**4. CAPITAL ASSETS**

Capital asset activity consists of the following:

	Balance July 1, <u>2012</u>	Additions and <u>Transfers</u>	Deductions and <u>Transfers</u>	Balance June 30, <u>2013</u>
Non-depreciable:				
Land	\$ 31,646,516	\$ -	\$ -	\$ 31,646,516
Construction in progress	9,378,748	5,291,551	(12,011,368)	2,658,931
Depreciable:				
Land improvements	23,530,562	1,399,945	-	24,930,507
Buildings and improvements	286,140,760	10,507,654	-	296,648,414
Furniture and equipment	13,344,878	1,904,830	(142,638)	15,107,070
Vehicles	<u>2,165,389</u>	<u>91,049</u>	<u>-</u>	<u>2,256,438</u>
Total	<u>366,206,853</u>	<u>19,195,029</u>	<u>(12,154,006)</u>	<u>373,247,876</u>
Less accumulated depreciation:				
Land improvements	2,973,041	1,900,694	-	4,873,735
Buildings and improvements	61,202,809	5,228,725	-	66,431,534
Furniture and equipment	8,597,071	941,518	(133,069)	9,405,520
Vehicles	<u>1,895,453</u>	<u>103,353</u>	<u>-</u>	<u>1,998,806</u>
Total	<u>74,668,374</u>	<u>8,174,290</u>	<u>(133,069)</u>	<u>82,709,595</u>
Capital assets, net	<u><u>\$ 291,538,479</u></u>	<u><u>\$ 11,020,739</u></u>	<u><u>\$ (12,020,937)</u></u>	<u><u>\$ 290,538,281</u></u>

**5. UNEARNED REVENUE**

Unearned revenue for the District consisted of the following:

Unearned Federal and State revenue	\$ 1,878,317
Unearned tuition and student fees	5,245,012
Unearned local grant revenue and other	<u>559,822</u>
Total unearned revenue	<u><u>\$ 7,683,151</u></u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**6. LONG-TERM LIABILITIES**

General Obligation Bonds

In November 2002, the constituents of the District approved Measure E authorizing the District to issue \$161,000,000 in general obligation bonds. As of June 30, 2013, the District has issued \$131,000,000 of Measure E bonds.

During May 2003, the District issued the 2002 General Obligation Bonds, Series 2003A in the amount of \$20,000,000. In March 2012, the District issued \$23,880,000 of the General Obligation Refunding Bonds and the proceeds were used to refund a portion of the two outstanding principal amount of the District's election of the 2002 General Obligation Bond, Series 2003A. The bonds mature through August 1, 2013, with interest yields ranging from 2.00 to 5.00 percent. At June 30, 2013, the principal outstanding was \$575,000.

The annual payments required to amortize the 2002 General Obligation Bonds, Series 2003A outstanding as of June 30, 2013, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	<u>\$ 575,000</u>	<u>\$ 14,375</u>	<u>\$ 589,375</u>

During June 2004, the District issued the 2002 General Obligation Bonds, Series 2004A in the amount of \$25,000,000. In March 2012, the District issued \$23,880,000 of the General Obligation Refunding Bonds and the proceeds were used to refund a portion of the outstanding principal and to extinguish the premium amounts of the District's election of the 2002 General Obligation Bonds, Series 2004A. The bonds mature through August 1, 2014, with interest yields ranging from 3.00 to 5.25 percent. At June 30, 2013, the principal outstanding was \$1,275,000.

The annual payments required to amortize the 2002 General Obligation Bonds, Series 2004A outstanding as of June 30, 2013, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 625,000	\$ 38,500	\$ 663,500
2015	<u>650,000</u>	<u>13,000</u>	<u>663,000</u>
	<u>\$ 1,275,000</u>	<u>\$ 51,500</u>	<u>\$ 1,326,500</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**6. LONG-TERM LIABILITIES (Continued)**

General Obligation Bonds (Continued)

During June 2007, the District issued the 2002 General Obligation Bonds, Series 2007A in the amount of \$66,000,000. The bonds mature beginning on August 1, 2008 through August 1, 2031, with interest yields ranging from 4.00 to 5.00 percent. At June 30, 2013, the principal outstanding was \$62,580,000.

The annual payments required to amortize the 2002 General Obligation Bonds, Series 2007A outstanding as of June 30, 2013, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 620,000	\$ 3,058,925	\$ 3,678,925
2015	775,000	3,031,025	3,806,025
2016	945,000	2,996,625	3,941,625
2017	1,125,000	2,955,225	4,080,225
2018	1,320,000	2,905,500	4,225,500
2019-2023	10,205,000	13,300,888	23,505,888
2024-2028	18,265,000	9,804,125	28,069,125
2029-2032	<u>29,325,000</u>	<u>3,124,875</u>	<u>32,449,875</u>
	<u>\$ 62,580,000</u>	<u>\$ 41,177,188</u>	<u>\$ 103,757,188</u>

During July 2009, the District issued the 2002 General Obligation Bonds, Series 2009A in the amount of \$10,000,000. The bonds mature beginning on August 1, 2010 through August 1, 2025, with interest yields ranging from 3.00 to 5.25 percent. At June 30, 2013, the principal outstanding was \$6,265,000.

The annual payments required to amortize the 2002 General Obligation Bonds, Series 2009A outstanding as of June 30, 2013, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 240,000	\$ 302,638	\$ 542,638
2015	275,000	292,513	567,513
2016	305,000	282,288	587,288
2017	340,000	267,688	607,688
2018	380,000	249,688	629,688
2019-2023	2,545,000	913,706	3,458,706
2024-2026	<u>2,180,000</u>	<u>177,924</u>	<u>2,357,924</u>
	<u>\$ 6,265,000</u>	<u>\$ 2,486,445</u>	<u>\$ 8,751,445</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**6. LONG-TERM LIABILITIES (Continued)**

General Obligation Bonds (Continued)

During July 2009, the District issued the 2002 General Obligation Bonds, Series 2009B in the amount of \$10,000,000. The Series 2009B bonds are designated "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). Pursuant to the Recovery Act, the District expects to receive a cash subsidy payment from the U.S. Treasury equal to 35% of the interest payable on the Series 2009B Bonds on or about each interest payment date. The bonds mature beginning on August 1, 2026 through August 1, 2033, with an interest yield of 8.00 percent. At June 30, 2013, the principal outstanding was \$10,000,000.

The annual payments required to amortize the 2002 General Obligation Bonds, Series 2009 B outstanding as of June 30, 2013, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$ 800,000	\$ 800,000
2015	-	800,000	800,000
2016	-	800,000	800,000
2017	-	800,000	800,000
2018	-	800,000	800,000
2019-2023	-	4,000,000	4,000,000
2024-2028	1,980,000	3,844,800	5,824,800
2029-2033	6,435,000	1,996,200	8,431,200
2034	<u>1,585,000</u>	<u>63,400</u>	<u>1,648,400</u>
	<u>\$ 10,000,000</u>	<u>\$ 13,904,400</u>	<u>\$ 23,904,400</u>

The 2012 General Obligation Refunding Bonds in the amount of \$23,880,000 were issued in March 2012 and the proceeds were used to advance refund a portion of the outstanding principal amount of the District's election of the 2002 General Obligation Bonds, Series 2003A and 2004A and to pay the costs of issuance associated with the Refunding Bonds. The bonds mature beginning on August 1, 2012 through August 1, 2028, with interest yields ranging from 2.00 to 5.00 percent. At June 30, 2013, the principal outstanding was \$23,675,000 and unamortized premium was \$3,492,889. Premiums are amortized over the life of the bonds as a component of interest expense on the bonds.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**6. LONG-TERM LIABILITIES (Continued)**

General Obligation Bonds (Continued)

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,789,232. The difference, reported as a deferred loss from refunding of debt, is charged to operations through June 2015 using the effective-interest method. The District completed the advance refunding to reduce its total debt service payments by \$2.3 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1.8 million.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 65,000	\$ 1,093,325	\$ 1,158,325
2015	635,000	1,083,150	1,718,150
2016	1,290,000	1,047,825	2,337,825
2017	1,340,000	1,001,475	2,341,475
2018	1,380,000	953,325	2,333,325
2019-2023	7,815,000	3,826,113	11,641,113
2024-2028	9,910,000	1,655,738	11,565,738
2029	<u>1,240,000</u>	<u>32,549</u>	<u>1,272,549</u>
	<u>\$ 23,675,000</u>	<u>\$ 10,693,500</u>	<u>\$ 34,368,500</u>

Long-Term Disability

The District provides a long-term disability program for regular permanent employees as prescribed in the various employee union contracts. Employees with a regular work assignment exceeding twenty hours per week are eligible to receive two-thirds of their monthly salary for a period of time commensurate to their years of service up to 5 years. Employees with more than 5 years of service are eligible for benefits up to the age of sixty-five. The District records a liability of the present value of future payments under the program. At June 30, 2013, fifteen employees were eligible to receive payments under the program and the liability totaled \$1,626,249.

Changes in Long-Term Debt

A schedule of changes in long-term debt for the year ended June 30, 2013 is as follows:

	Balance July 1, <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2013</u>	Amounts Due Within <u>One Year</u>
General Obligation Bonds	\$ 106,410,000	\$ -	\$ 2,040,000	\$ 104,370,000	\$ 2,125,000
Premium on General Obligation Bonds	3,632,027	-	139,138	3,492,889	146,257
Other postemployment benefits (Note 9)	2,409,826	820,668	-	3,230,494	-
Long-Term Disability Liability	2,124,594	-	498,345	1,626,249	195,511
Compensated absences	<u>3,345,072</u>	<u>200,854</u>	<u>-</u>	<u>3,545,926</u>	<u>3,545,926</u>
	<u>\$ 117,921,519</u>	<u>\$ 1,021,522</u>	<u>\$ 2,677,483</u>	<u>\$ 116,265,558</u>	<u>\$ 6,012,694</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**7. PROPERTY TAXES**

All property taxes are levied and collected by the Tax Assessors of the Counties of Fresno, Madera, Tulare and Kings and paid upon collection to the various taxing entities including the District. Secured taxes are levied on July 1 and are due in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date for secured and unsecured property taxes is March 1 of the preceding fiscal year.

**8. EMPLOYEE RETIREMENT SYSTEMS**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System, and classified employees are members of the Public Employees' Retirement System.

State Teachers' Retirement System (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). 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, 100 Waterfront Place, West Sacramento, CA 95605.

The State Teachers' Retirement Plan (STRP), a defined benefit pension plan, provides retirement, disability, and death benefits, and depending on which component of the STRP the employee is in, postretirement 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. Disability benefits of up to 90 percent of final 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 CB 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 optional; however, if the employee selects the CB benefit plan and their basis of employment changes to half time or more, the member will automatically become a member of the DB Plan.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**8. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

State Teachers' Retirement System (STRS) (Continued)

Funding Policy

Active members of the DB Plan are required to contribute 8.00% 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 2012-2013 was 8.25% 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 4% with the sum of the district and employee contribution always being equal or greater than 8%.

Annual Pension Cost

The District's total contributions to STRS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$5,295,619, \$5,305,172 and \$5,342,314, respectively, and equals 100% 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.

California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. 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 Q Street, Sacramento, California 95811.

Funding Policy

Active plan members are required to contribute 7.00% of their salary and the district is required to contribute an actuarially determined rate. The required employer contribution rate for fiscal year 2012-2013 was 11.417% of annual payroll.

Annual Pension Cost

The District's contributions to CalPERS for the fiscal years ending June 30, 2013, 2012 and 2011 were \$3,554,880, \$3,498,303 and \$3,546,497, respectively, and equaled 100 percent of the required contributions for each year.



## STATE CENTER COMMUNITY COLLEGE DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

#### 9. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, 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 CalPERS is a minimum age of 50 and a minimum ten years of continuous service with the District. Benefits are paid until age 65 for retirees with 10-14 years of service, are paid till age 70 for retirees with 15-19 years of service and for life if they have 20 or more years of service. The District has an annual cap on their obligations totaling \$2,400 a year for retirees under age 65. Retirees over age 65 are capped at \$1,600 per year, increasing two percent per year from 2000. An amount totaling \$800 per year is paid to retirees in groups CSEA 1979-84 and CSEA 1984-87. Additional age and service criteria may be required. The eligibility requirement for employees participating in CalSTRS is a minimum age of 55 with ten years of service with the District. Benefits are paid until age 65 for retirees with 10-14 years of service and are paid for the retiree's lifetime if they have 15 or more years of service. The District has an annual cap on their obligations totaling \$2,400 a year for retirees under age 65. Retirees over age 65 are capped at \$1,500 per year, increasing two percent per year from 1987. For the bargaining unit group AFT 1983-84 ERI, the full cost of benefits are paid. An amount totaling \$800 per year is paid to retirees in groups AFT 1981-83 and AFT 1978-80. Additional age and service criteria may be required.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Cod. Sec. P50.108-.109. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed, and changes in the District's net OPEB obligation:

Annual required contribution	\$ 2,051,458
Interest on net OPEB obligation	120,491
Adjustment to annual required contribution	<u>(152,985)</u>
Annual OPEB cost	2,018,964
Contributions made	<u>(1,198,296)</u>
Increase in net OPEB obligation	820,668
Net OPEB liability - beginning of year	<u>2,409,826</u>
Net OPEB liability - end of year	<u><u>\$ 3,230,494</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2013 and preceding two years were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
June 30, 2011	\$ 1,987,867	50.4%	\$ 1,463,294
June 30, 2012	\$ 2,037,192	53.5%	\$ 2,409,826
June 30, 2013	\$ 2,018,964	59.4%	\$ 3,230,494

As of July 1, 2012, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$23.8 million, and the actuarial value of assets was \$6.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$17.0 million. For the year ended June 30, 2013, the covered payroll (annual payroll of active employees covered by the Plan) was \$82.4 million, and the ratio of the UAAL to the covered payroll was 20.6 percent.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, included as Required Supplementary Information following this section, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012, actuarial valuation, the unprojected Unit Credit cost method was used to value the liability. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan on the valuation date, and an annual healthcare cost trend rate of 7.5 percent trending down to an ultimate 5.0 percent after six years. A 2.0 percent morbidity assumption was used to increase expected medical claims. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a fifteen-year period. The UAAL is being amortized as a level percentage of projected payroll on an closed basis. The remaining amortization period at June 30, 2013, was 24 years.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**10. ENDOWMENT NET ASSETS - FOUNDATION**

Changes in endowment net assets for the fiscal year ended June 30, 2013, consisted of the following:

Permanently restricted endowment net assets, beginning of year	<u>\$ 6,074,803</u>
Investment return:	
Interest and dividends, net of expenses	55,254
Realized loss on sale of investments	(116,008)
Unrealized gain on investments	<u>445,685</u>
Net investment gain	<u>384,931</u>
Reclassification of Endowment I, II and III	376,002
Release of endowment earnings for program purposes	<u>(92,686)</u>
Permanently restricted endowment net assets, end of year	<u>\$ 6,743,050</u>

**11. COMMITMENTS AND CONTINGENCIES**

Contingent Liabilities

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

The District has received Federal and State funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect.

Construction Commitments

As of June 30, 2013, the District has approximately \$1.8 million in outstanding commitments on construction contracts.

**12. JOINT POWERS AGREEMENTS**

State Center Community College District participates in public entity risk pool joint power agreements (JPAs), with Valley Insurance Program (VIP) and Fresno Area Self-Insured Benefit Organization (FASBO). The relationship between State Center Community College District and the JPAs is such that the JPAs are not component units of State Center Community College District for financial reporting purposes.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

(Continued)

**12. JOINT POWERS AGREEMENTS (Continued)**

The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board. VIP provides property, liability and workers' compensation insurance and FASBO provides employee medical, dental and vision benefits. State Center Community College District pays a premium commensurate with the level of coverage requested.

Member districts share surpluses and deficits proportionate to their participation in the JPAs. The JPAs are independently accountable for their fiscal matters and maintain their own accounting records. Budgets are not subject to any approval other than that of the governing board.

Condensed financial information of the JPAs for the most recent year available is as follows:

	VIP <u>June 30, 2012</u>	FASBO <u>Sept. 30, 2012</u>
Total assets	\$ 22,800,177	\$ 7,332,736
Total liabilities	\$ 10,490,675	\$ 3,426,340
Net assets	\$ 12,309,502	\$ 3,906,396
Total revenues	\$ 5,177,296	\$ 18,470,102
Total expenses	\$ 3,893,329	\$ 16,972,390
Change in net assets	\$ 1,283,967	\$ 1,497,712

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
(Continued)

**13. OPERATING EXPENSES**

The following schedule details the functional classifications of the operating expenses reported in the statement of revenues, expenses and changes in net assets for the year ended June 30, 2013.

<u>Functional Classifications</u>	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Supplies, Materials, and Other Operating Expenses and Services</u>	<u>Equipment Maintenance and Repairs</u>	<u>Financial Aid</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$ 53,884,450	\$ 13,846,812	\$ 2,311,132	\$ 275,581	\$ -	\$ -	\$ 70,317,975
Academic Support	14,171,478	4,414,899	2,017,408	1,046,614	-	-	21,650,399
Student Services	18,301,065	5,577,252	2,704,561	245,973	-	-	26,828,851
Operations and Maintenance of Plant	4,387,420	2,146,661	5,839,293	99,466	-	-	12,472,840
Institution Support	10,328,224	4,278,777	5,280,258	860,729	-	-	20,747,988
Community Support	1,308,073	360,550	1,855,380	11,681	-	-	3,535,684
Ancillary Services	3,445,398	1,323,196	3,135,996	65,576	-	99,804	8,069,970
Student Aid	-	-	-	-	59,004,286	-	59,004,286
Depreciation	-	-	-	-	-	8,074,486	8,074,486
	<u>\$ 105,826,108</u>	<u>\$ 31,948,147</u>	<u>\$ 23,144,028</u>	<u>\$ 2,605,620</u>	<u>\$ 59,004,286</u>	<u>\$ 8,174,290</u>	<u>\$ 230,702,479</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)**  
**FUNDING PROGRESS**

For the Year Ended June 30, 2013

<b>Schedule of Funding Progress</b>							
<b>Fiscal Year Ended</b>	<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
6/30/2008	July 2, 2007	\$ 5,629,227	\$ 31,908,838	\$ 26,279,611	17.6%	\$ 80,961,508	32%
6/30/2009	July 1, 2008	\$ 5,579,224	\$ 31,882,317	\$ 26,303,093	17.5%	\$ 83,646,615	31%
6/30/2010	July 1, 2008	\$ 5,579,224	\$ 31,882,317	\$ 26,303,093	17.5%	\$ 83,790,635	31%
6/30/2011	July 1, 2010	\$ 6,051,686	\$ 22,482,531	\$ 16,430,845	26.9%	\$ 83,936,757	20%
6/30/2012	July 1, 2010	\$ 6,051,686	\$ 22,482,531	\$ 16,430,845	26.9%	\$ 83,591,541	20%
6/30/2013	July 1, 2012	\$ 6,846,425	\$ 23,802,089	\$ 16,955,664	28.8%	\$ 82,429,217	21%

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



**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**1. PURPOSE OF SCHEDULE**

A - Schedule of Other Postemployment Benefits Funding Progress

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarially accrued liability for benefits with the actuarial value of accumulated plan assets.

## **SUPPLEMENTARY INFORMATION**

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**ORGANIZATION**

**June 30, 2013**

State Center Community College District was established on July 1, 1964, and is comprised of 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. The District operates two colleges, Fresno City College and Reedley College as well as three community college centers, Willow International Center, Madera Center and Oakhurst Center. The District's two main colleges are each accredited by the Accrediting Commission for Community and Junior College, Western Association of Schools and Junior Colleges.

The Governing Board and District Administration for the fiscal year ended June 30, 2013 were composed of the following members:

**BOARD OF TRUSTEES**

<u>Members</u>	<u>Office</u>	<u>Term Expires</u>
Isabel Barreras	President	2014
Richard M. Caglia	Vice President	2016
Ronald H. Nishinaka	Secretary	2014
John Leal	Member	2016
Patrick E. Patterson	Member	2016
Eric Payne	Member	2016
Dorothy Smith	Member	2014

**DISTRICT ADMINISTRATION**

Dr. Deborah G. Blue  
Chancellor

Mr. Tony Cantu  
President - Fresno City College

Dr. Michael White  
Interim President - Reedley College

Ms. Deborah J. Ikeda  
Campus President- Willow International Community College Center

Mr. Edwin Eng  
Vice Chancellor - Finance and Administration

Ms. Diane Clerou  
Associate Vice Chancellor - Human Resources

Dr. George Railey  
Vice Chancellor - Educational Services and Institutional Effectiveness

See accompanying notes to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2013**

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>		
<i>Direct Programs:</i>		
Student Financial Aid Cluster:		
Federal Supplemental Educational Opportunity Program (FSEOG)	84.007	\$ 1,007,207
Federal Work Study (FWS)	84.033	799,897
Federal Pell Grants (PELL)	84.063	50,184,248
Financial Aid Admin Allowance	84.063	224,016
Federal Direct Student Loans	84.268	<u>2,711,475</u>
Subtotal Financial Aid Cluster		<u>54,926,843</u>
TRIO Cluster:		
Student Support Services	84.042A	1,256,834
Upward Bound	84.047A	1,103,416
Upward Bound - Math and Science	84.047M	<u>472,546</u>
Subtotal TRIO Cluster		<u>2,832,796</u>
Higher Education Institutional Aid - Science, Technology, Engineering, Math Improvement Projects		
	84.031C	829,534
Higher Education Institutional Aid, Title V - COOP	84.031S	<u>1,344,153</u>
Subtotal Higher Education Institutional Aid		<u>2,173,687</u>
Minority Science Engineer Improvement Program	84.120A	187,056
Trade Assistance Through Business-Academic Linkages	84.153A	20,601
<i>Passed through California Department of Rehabilitation:</i>		
Rehabilitation Services - Workability	84.126A	181,531
<i>Passed through California Community College Chancellor's Office:</i>		
VATEA - Tech Prep	84.243	98,778
Career and Technical Education Cluster:		
Career and Technical Education, Title IB	84.048	307,873
Career and Technical Education, Title IC	84.048	<u>1,371,651</u>
Subtotal Career and Technical Education Cluster		<u>1,679,524</u>
Total U.S. Department of Education		<u>62,100,816</u>

(Continued)

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
(Continued)  
**For the Year Ended June 30, 2013**

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Labor</u>		
WIA Cluster:		
<i>Passed through Fresno Workforce Development Board:</i>		
WIA Direct Training Contract	17.260	\$ 114,824
WIA Dislocated Workers - PG&E Pathways Project	17.260	<u>19,226</u>
Subtotal WIA Cluster		<u>134,050</u>
<i>Passed through Fresno Workforce Development Board:</i>		
Welfare to Work Grants - Foster Bridge	17.253	115,296
<i>Passed through West Hills Community College District:</i>		
Trade Adjustment Assistance Community College and Career Training Program	17.282	1,596,425
<i>Direct Program:</i>		
Community Based Job Training - Health Care Training Grant	17.269	<u>906,871</u>
Total U.S. Department of Labor		<u>2,752,642</u>
<u>U.S. Department of Health and Human Services</u>		
<i>Passed through California Department of Education:</i>		
Child Care Development Fund Cluster		
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.575	130,813
Child Care and Development Block Grant - Training Consortium	93.575	24,686
Child Care and Development Block Grant - Early Child Mentor Program	93.575	<u>3,028</u>
Subtotal Child Care Development Fund Cluster		<u>158,527</u>

(Continued)

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
(Continued)  
**For the Year Ended June 30, 2013**

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services (Continued)</u>		
Temporary Assistance for Needy Families (TANF):		
<i>Passed through California Community College Chancellor's Office:</i>		
TANF - CalWORKs	93.558	\$ 221,422
<i>Passed through Madera County Dept. of Social Services:</i>		
TANF - Vocational Training	93.558	129,410
<i>Passed through Tulare County Health &amp; Human Services:</i>		
TANF - Tulare CalWORKs Work Study Program	93.558	37,013
<i>Passed through Fresno County Health &amp; Human Services:</i>		
TANF - CalWORKs Employment & Temporary Assistance	93.558	<u>368,866</u>
Subtotal TANF		<u>756,711</u>
<i>Passed through Foundation for California Community Colleges:</i>		
Chafee Foster Care Independence Program - Youth Empowerment Strategies for Success	93.674	20,821
<i>Passed through Los Rios Community College District:</i>		
Information Technology Professionals in Health Care	93.721	103,592
<i>Direct Program:</i>		
Head Start	93.600	<u>326,314</u>
Total U.S. Department of Health and Human Services		<u>1,365,965</u>
<u>U.S. Department of Agriculture</u>		
<i>Passed through California Department of Education:</i>		
Child and Adult Care Food Program:		
Child and Adult Care Food Program - Child Care Food Services	10.558	27,219
Child and Adult Care Food Program - Promoting Integrity NOW (PIN)	10.558	<u>149,411</u>
Subtotal Child and Adult Care Food Program		<u>176,630</u>
Child Nutrition Cluster:		
Child Nutrition - Mandatory Training	10.560	387,962
Child Nutrition - Healthy & Active Preschoolers	10.560	<u>68,744</u>
Subtotal Child Nutrition Cluster		<u>456,706</u>

(Continued)

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
(Continued)  
**For the Year Ended June 30, 2013**

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture (Continued)</u>		
<i>Passed through California Department of Food and Agriculture:</i>		
Specialty Crop Trade Mission to China	10.170	\$ 46,396
Specialty Crop Block Grant	10.170	17,462
<i>Direct Programs:</i>		
Rural Business Enterprise Grant- CA Agricultural Resource Center	10.769	42,403
CSREES- Partnership in Agriculture	10.223	<u>43,200</u>
Total U.S. Department of Agriculture		<u>782,797</u>
<u>U.S. Agency for International Development</u>		
<i>Passed through Georgetown University:</i>		
Development Partnerships for University Cooperation and Development - SEED	98.012	<u>315,417</u>
<u>U.S. Department of Commerce Economic Development Administration</u>		
<i>Direct Program:</i>		
Agriculture Export Program - Planning and Local Technical Assistance	11.303	2,673
Central California Rural Economic Development Project	11.307	<u>94,245</u>
Total U.S. Department of Commerce		<u>96,918</u>
<u>U.S. Department of Housing and Urban Development</u>		
Hispanic Serving Institutions Assisting Communities Program	14.514	<u>226,045</u>
<u>U.S. National Science Foundation</u>		
<i>Passed through Foundation for California State University, Fresno:</i>		
Trans-NSF Recovery Act Research Support - METRO	47.082	<u>78,861</u>
<u>U.S. Department of Environmental Protection Agency</u>		
State Trade and Export Promotion Pilot Grant Program (STEP)	59.061	<u>395,140</u>
<u>U.S. Department of Veteran Affairs</u>		
Veterans Information and Assistance - Reporting Fees	64.115	<u>6,965</u>
Total Federal Programs		<u>\$ 68,121,566</u>

See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT

SCHEDULE OF STATE FINANCIAL AWARDS

For the Year Ended June 30, 2013

	<u>Program Entitlements</u>			<u>Program Revenues</u>				<u>Program Expenditures</u>
	<u>Prior Year Carry-forward</u>	<u>Current Entitlement</u>	<u>Total Entitlement</u>	<u>Cash Received</u>	<u>Accounts Receivable</u>	<u>Deferred Revenue/Accounts Payable</u>	<u>Total</u>	
Basic Skills	\$ 517,355	\$ 310,023	\$ 827,378	\$ 816,301	\$ -	\$ 530,564	\$ 285,737	\$ 285,737
BFAP	-	1,369,323	1,369,323	1,369,323	-	22,128	1,347,195	1,347,195
CARE	(261)	208,010	207,749	192,733	8,599	-	201,332	201,332
Cal Grants	-	3,597,712	3,597,712	3,752,862	-	155,150	3,597,712	3,597,712
CalWORKs	-	735,682	735,682	735,682	-	10,296	725,386	725,386
Career Advancement Academy Implementation Grant	-	309,500	309,500	195,462	113,504	-	308,966	308,966
CCC Student Mental Health Program	-	138,519	138,519	41,284	77,085	-	118,369	118,369
Community Collaborative Projects	459,625	348,000	807,625	685,825	-	361,702	324,123	324,123
CRY-ROP Teach Project	-	24,950	24,950	19,850	5,100	-	24,950	24,950
Disabled Students Services (DSPS)	-	1,556,444	1,556,444	1,556,444	-	-	1,556,444	1,556,444
Economic Opportunity Programs and Services (EOPS)	(345)	1,680,370	1,680,025	1,680,025	-	39,291	1,640,734	1,640,734
Enrollment Growth - Associate Degree Nursing Program	85,864	260,687	346,551	263,132	83,421	-	346,553	346,553
Equal Employment Opportunity Fund	-	11,253	11,253	11,253	-	-	11,253	11,253
Foster Care Education	-	162,410	162,410	121,808	28,892	-	150,700	150,700
IDRC - CITD	210,071	178,620	388,691	233,215	84,028	75,457	241,786	241,786
Matriculation	-	792,954	792,954	792,954	-	-	792,954	792,954
Middle College High School Grant	-	84,153	84,153	33,661	50,492	-	84,153	84,153
Noncredit Matriculation	-	10,267	10,267	10,267	-	4	10,263	10,263
Nursing Assessment and Remediation Grant	19,466	208,087	227,553	194,260	16,172	89,880	120,552	120,552
Peace Officer Standards and Training (POST)	-	508,167	508,167	36,795	292,195	-	328,990	328,990
Song Brown	-	100,000	100,000	73,640	26,360	-	100,000	100,000
Statewide Strategic Hubs	37,201	100,000	137,201	97,201	40,000	-	137,201	137,201
Supplemental Funding for Foster Care Classes	\$ -	\$ 10,000	\$ 10,000	\$ 3,659	\$ 6,254	\$ -	\$ 9,913	\$ 9,913
Workforce Innovation Partnership	<u>338,642</u>	<u>-</u>	<u>338,642</u>	<u>273,736</u>	<u>-</u>	<u>145,938</u>	<u>127,798</u>	<u>127,798</u>
<b>Total State Programs</b>	<b><u>\$ 1,667,618</u></b>	<b><u>\$ 12,705,131</u></b>	<b><u>\$ 14,372,749</u></b>	<b><u>\$ 13,191,372</u></b>	<b><u>\$ 832,102</u></b>	<b><u>\$ 1,430,410</u></b>	<b><u>\$ 12,593,064</u></b>	<b><u>\$ 12,593,064</u></b>

See accompanying notes to supplementary information.



**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF WORKLOAD MEASURES FOR  
STATE GENERAL APPORTIONMENT**

**Annual Attendance as of June 30, 2013**

<u>Categories</u>	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Revised Data</u>
A. Summer Intersession (Summer 2012 only)			
1. Noncredit	51	-	51
2. Credit	1,091	-	1,091
B. Summer Intersession (Summer 2013) - Prior to July 1, 2013)			
1. Noncredit	3	-	3
2. Credit	719	-	719
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	19,427	-	19,427
b. Daily Census Contact Hours	1,605	-	1,605
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	391	-	391
b. Credit	1,511	-	1,511
3. Independent Study/Work Experience			
a. Weekly Census Contact Hours	1,148	-	1,148
b. Daily Census Contact Hours	180	-	180
c. Noncredit Independent Study/ Distance Education Courses	-	-	-
	<hr/>	<hr/>	<hr/>
D. Total FTES	<u>26,126</u>	<u>-</u>	<u>26,126</u>
Supplemental Information:			
E. In-Service Training Courses (FTES)	336	-	336
H. Basic Skills Courses and Immigrant Education			
a. Noncredit	774	-	774
b. Credit	1,743	-	1,743
<u>CCFS 320 Addendum</u>			
CDCP	-	-	-
Centers FTES			
a. Noncredit	196	-	196
b. Credit	6,472	-	6,472

See accompanying notes to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT**  
**(CCFS-311) WITH AUDITED FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2013**

There were no adjustments proposed to any funds of the District.

See accompanying notes to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION**

For the Year Ended June 30, 2013

	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional salaries:							
Contract or regular	1100	\$ 36,741,865	\$ -	\$ 36,741,865	\$ 36,741,865	\$ -	\$ 36,741,865
Other	1300	<u>12,691,906</u>	<u>-</u>	<u>12,691,906</u>	<u>12,691,906</u>	<u>-</u>	<u>12,691,906</u>
Total instructional salaries		<u>49,433,771</u>	<u>-</u>	<u>49,433,771</u>	<u>49,433,771</u>	<u>-</u>	<u>49,433,771</u>
Non-instructional salaries:							
Contract or regular	1200	-	-	-	12,452,243	-	12,452,243
Other	1400	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,041,112</u>	<u>-</u>	<u>2,041,112</u>
Total non-instructional salaries		<u>-</u>	<u>-</u>	<u>-</u>	<u>14,493,355</u>	<u>-</u>	<u>14,493,355</u>
Total academic salaries		<u>49,433,771</u>	<u>-</u>	<u>49,433,771</u>	<u>63,927,126</u>	<u>-</u>	<u>63,927,126</u>
<u>Classified Salaries</u>							
Non-instructional salaries:							
Regular status	2100	-	-	-	21,072,722	-	21,072,722
Other	2300	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,485,016</u>	<u>-</u>	<u>1,485,016</u>
Total non-instructional salaries		<u>-</u>	<u>-</u>	<u>-</u>	<u>22,557,738</u>	<u>-</u>	<u>22,557,738</u>
Instructional aides:							
Regular status	2200	1,704,837	-	1,704,837	1,704,837	-	1,704,837
Other	2400	<u>645,372</u>	<u>-</u>	<u>645,372</u>	<u>645,372</u>	<u>-</u>	<u>645,372</u>
Total instructional aides		<u>2,350,209</u>	<u>-</u>	<u>2,350,209</u>	<u>2,350,209</u>	<u>-</u>	<u>2,350,209</u>
Total classified salaries		<u>2,350,209</u>	<u>-</u>	<u>2,350,209</u>	<u>24,907,947</u>	<u>-</u>	<u>24,907,947</u>
Employee benefits	3000	13,015,796	-	13,015,796	26,587,621	-	26,587,621
Supplies and materials	4000	-	-	-	1,951,682	-	1,951,682
Other operating expenses	5000	91,149	-	91,149	11,165,687	-	11,165,687
Equipment replacement	6420	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures prior to exclusions		<u>\$ 64,890,925</u>	<u>\$ -</u>	<u>\$ 64,890,925</u>	<u>\$128,540,063</u>	<u>\$ -</u>	<u>\$128,540,063</u>

See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION

(Continued)

For the Year Ended June 30, 2013

Exclusions	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Activities to exclude:							
Instructional staff-retirees' benefits and retirement incentives	5900	\$ 769,087	\$ -	\$ 769,087	\$ 769,087	\$ -	\$ 769,087
Student health services above amount collected	6441	-	-	-	-	-	-
Student transportation	6491	-	-	-	-	-	-
Noninstructional staff-retirees' benefits and retirement incentives	6740	-	-	-	449,590	-	449,590
Objects to exclude:							
Rents and leases	5060	-	-	-	79,774	-	79,774
Lottery expenditures		-	-	-	-	-	-
Academic salaries	1000	-	-	-	3,050	-	3,050
Classified salaries	2000	-	-	-	67,021	-	67,021
Employee benefits	3000	-	-	-	96,846	-	96,846
Supplies and materials:	4000						
Software	4100	-	-	-	9,221	-	9,221
Books, magazines and periodicals	4200	-	-	-	3,198	-	3,198
Instructional supplies and materials	4300	-	-	-	55,293	-	55,293
Noninstructional supplies and materials	4400	-	-	-	387,043	-	387,043
Total supplies and materials		-	-	-	454,755	-	-
Other operating expenses and services	5000	-	-	-	2,029,943	-	2,029,943
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	-	-	-
Equipment:	6400						
Equipment - additional	6410	-	-	-	-	-	-
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	-	-	-
Total capital outlay		-	-	-	-	-	-
Other outgo	7000	-	-	-	-	-	-
Total exclusions		\$ 769,087	\$ -	\$ 769,087	\$ 3,950,066	\$ -	\$ 3,950,066
Total for ECS 84362, 50% Law		\$ 64,121,838	\$ -	\$ 64,121,838	\$ 124,589,997	\$ -	\$ 124,589,997
Percent of CEE (instructional salary cost /Total CEE)		51.47%	-	51.47%	100%	-	100%
50% of current expense of education					\$ 62,294,998	\$ -	\$ 62,294,998

See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT

PROP 30 EPA EXPENDITURE REPORT  
For the Year Ended June 30, 2013

EPA Proceeds: \$ 20,556,119

<u>Activity Classification</u>	<u>Activity Code (0100-5900)</u>	<u>Salaries and Benefits (1000-3000)</u>	<u>Operating Expenses (4000-5000)</u>	<u>Capital Outlay (6000)</u>	<u>Total</u>
Instructional Activities		<u>\$ 20,556,119</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,556,119</u>

See accompanying notes to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO SUPPLEMENTARY INFORMATION**

**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 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**B - Schedule of State Financial Awards**

The accompanying Schedule of Expenditures of State Awards includes State grant activity of the District and is presented on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

**C - Schedule of Workload Measures for State General Apportionment**

Full-time equivalent students is a measurement of the number of students 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 based on various methods of accumulating attendance data.

**D - Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements**

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

**E - Reconciliation of ECS 84362 (50 Percent Law) Calculation**

This schedule provides the information necessary to reconcile the 50 Percent Law Calculation reported on the CCFS-311 to the audited data.

**F - Prop 30 EPA Expenditures Report**

This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE REQUIREMENTS

Board of Trustees  
State Center Community College District  
Fresno, California

### Report on Compliance with State Laws and Regulations

We have audited the compliance of State Center Community College District with the types of compliance requirements described in Section 400 of the California State Chancellor's Office's *California Community College District Audit Manual (CDAM)* that are applicable to community colleges in the State of California for the year ended June 30, 2013:

- Salaries of Classroom Instructors (50 Percent Law)
- Apportionment for Instructional Service Agreements/Contracts
- State General Apportionment Funding System
- Residency Determination for Credit Courses
- Students Actively Enrolled
- Concurrent Enrollment of K-12 Students in Community College Credit Courses
- Gann Limit Calculation
- California Work Opportunity and Responsibility to Kids (CalWORKs)
- Open Enrollment
- Student Fees- Instructional Materials and Other Materials
- Student Fees- Health Fees and Use of Health Fee Funds
- Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)
- Disabled Student Programs and Services (DSPS)
- To Be Arranged Hours (TBA)
- Proposition 1D State Board Funded Projects
- Proposition 30 Education Protection Account Funds

### Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations.

### Auditor's Responsibility

Our responsibility is to express an opinion on State Center Community College 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about State Center Community College 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 of State Center Community College District's compliance with those requirements.

## **Opinion with State Laws and Regulations**

In our opinion, State Center Community College District complied, in all material respects with the aforementioned requirements for the year ended June 30, 2013. Further, based upon our examination, for items not tested, nothing came to our attention to indicate State Center Community College District had not complied with the state laws and regulations.

## **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with Contracted District Audit Manual and which are described in the accompanying Schedule of Audit Findings and Questioned Costs as items 2013-02. Our opinion on State Laws and Regulations is not modified with respect to this matter.

State Center Community College District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Audit Findings and Questioned Costs. State Center Community College District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

This report is intended solely to describe the scope of our testing of compliance and the results of that testing based on requirements of the *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

  
Crowe Horwath LLP

Sacramento, California  
December 18, 2013



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, in accordance with the 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, the financial statements of the business-type activities, the discretely presented component unit and fiduciary activities of State Center Community College District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise State Center Community College District's basic financial statements, and have issued our report thereon dated December 18, 2013. The financial statements of State Center Community College Foundation were not audited in accordance with *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered State Center Community College District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of State Center Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of State Center Community College District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether State Center Community College District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Crowe Horwath LLP

Sacramento, California  
December 18, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees  
State Center Community College District  
Fresno, California

***Report on Compliance for Each Major Federal Program***

We have audited State Center Community College District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of State Center Community College District's major federal programs for the year ended June 30, 2013. State Center Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of State Center Community College District's major federal programs based on our audit of the types of compliance requirements referred to above. 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; 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 State Center Community College 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 on compliance for each major federal program. However, our audit does not provide a legal determination of State Center Community College District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, State Center Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## **Report on Internal Control Over Compliance**

Management of State Center Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered State Center Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of State Center Community College District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Crowe Horwath LLP

Sacramento, California  
December 18, 2013

## **FINDINGS AND RECOMMENDATIONS**

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2013**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? \_\_\_\_\_ Yes   X   No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268 10.560 17.282	Student Financial Aid Cluster Child Nutrition Cluster Trade Adjustment Assistance Community College and Career Training Program
84.042A, 84.047A, 84.047M 59.061	TRIO Cluster State Trade and Export Promotion Pilot Grant Program (STEP)

Dollar threshold used to distinguish between Type A and Type B programs: \$ 395,842

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

**STATE AWARDS**

Type of auditor's report issued on compliance for state programs: Unmodified

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
(Continued)  
**Year Ended June 30, 2013**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
(Continued)  
**Year Ended June 30, 2013**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.



**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
(Continued)  
**Year Ended June 30, 2013**

**SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS**

**2013-01 STATE COMPLIANCE - ATTENDANCE**

Criteria

Contract District Audit Manual, Item No. 424, *State General Apportionment Funding System*.

Condition

One Weekly Census course claimed for apportionment was incorrectly scheduled resulting in an understatement of required course break time and an overstatement of calculated FTES.

Effect

District overstated the CCFS-320 Annual by 0.23 FTES.

Cause

The weekly course was incorrectly schedule resulting required course break time being underscheduled.

Fiscal Impact

The effect of the finding is an overstatement of 0.23 FTES.

Recommendation

We recommend the District review future scheduling of course sections to ensure required break time is properly calculated for total class contact hours.

Corrective Action Plan

The District agrees with the finding and as part of the audit process determined this was an isolated incident. All future class sections have been reviewed to ensure breaks are properly scheduled.

**STATUS OF PRIOR YEAR  
FINDINGS AND RECOMMENDATIONS**

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

**Year Ended June 30, 2013**

<b>Finding/Recommendation</b>	<b>Current Status</b>	<b>District Explanation If Not Fully Implemented</b>
<p><b>2012-01</b></p> <p>During the year ended June 30, 2012, the District purchased equipment worth \$201,275 from federal programs, Career and Technical Education (Title IB and IC) and Higher Education Institutional Aid.</p> <p>The last physical inventory report was completed for the period ending June 30, 2007 (report dated January 24, 2008). The District did not complete a physical inventory of capital assets for the period ending June 30, 2012, thus not complying with the bi-annual requirement.</p> <p>The District should perform an inventory count of equipment every two years to comply with OMB Circular A-110.</p>	<p>Implemented.</p>	
<p><b>2012-02</b></p> <p>District did not obtain up-to-date SEC contracts for all students served by DSPS.</p> <p>The District should develop and implement procedures to ensure compliance with DSPS recordkeeping requirements.</p>	<p>Implemented.</p>	
<p><b>2012-03</b></p> <p>District did not maintain CalWORKs/TANF eligibility verification in one selected student's CARE file.</p> <p>The District should develop procedures to ensure compliance with CARE recordkeeping requirements.</p>	<p>Implemented.</p>	
<p><b>2012-04</b></p> <p>District failed to have any advisory committee meetings for EOPS or CARE during the academic year.</p> <p>The District should implement procedures to schedule advisory committee meetings during the academic year for the EOPS and CARE programs.</p>	<p>Implemented.</p>	

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
**STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**  
**Year Ended June 30, 2013**

<b>Finding/Recommendation</b>	<b>Current Status</b>	<b>District Explanation If Not Fully Implemented</b>
<p><b>2012-05</b></p> <p>District incorrectly claimed a daily course type as a weekly census course.</p> <p>The District should implement additional review procedures to ensure all courses are classified by attendance type and in accordance with compliance requirements.</p>	Partially Implemented.	See current year finding #2013-01.
<p><b>2012-06</b></p> <p>District did not advise students of the exemptions from payment of health fees nor did it have a process in place for students to claim an exemption.</p> <p>The District should ensure a process is in place for students to claim exemptions for payment of health fees and that process is communicated through the annual course catalog.</p>	Implemented.	

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Retirement Committee (GASB 45) Update  
and Consideration to Approve Investment  
Allocation Recommendation

ITEM NO. 14-02

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EXHIBIT: None

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Background

In November 2007, administration received board approval to contract with California School Boards Association's (CSBA) GASB 45 Solutions Program Trust and Plan for Other Post-Employment Benefits (OPEB). In establishing this program, CSBA conducted a thorough search for a firm to provide investment advisory/management services and administrative services for the investments and the trust respectively. US Bank was selected as the investment advisor/manager and Public Agency Retirement Services (PARS) was selected as the administrator. Both firms have the extensive experience and technical skills needed to manage their respective duties and responsibilities in CSBA's GASB 45 Solutions Program Trust and OPEB program.

At the October 15, 2013, semi-annual Retirement Board meeting, the retirement sub-committee of the Board of Trustees (Trustee Ron Nishinaka, Vice Chancellor Eng and Finance Director Schofield) reviewed the performance of the irrevocable trust fund established to address the retiree health benefits of the district. The funds are invested in a conservative income strategy allocation that was approved by the Board of Trustees at the January 10, 2012, board meeting. Based on the recent historical earnings of this investment, the future potential for earnings of this investment and the high concentration of investment (70+% in fixed income) in a low performing investment sector, the Retirement Committee recommends revising the asset allocation of these investments.

Staff will present the current returns of the portfolio, the large concentration of investments in a low performing sector, and the potential future impact to the district's Annual Required Contribution (ARC) to its irrevocable trust. Lastly, staff will present the proposed allocation and the potential additional returns the trust could earn.

Recommendation:

It is recommended the Board of Trustees:

- a) approve changing the asset allocation model from conservative income index to income index, and
- b) authorize the vice chancellor of finance and administration to sign related documents authorizing these changes.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT:     Second Reading and Approval of the SCCC  
                  Resource Allocation Model                    ITEM NO.     14-03

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EXHIBIT:     SCCCD Resource Allocation Model

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Background:

The proposed revised State Center Community College District Resource Allocation Model was developed to improve the district's resource allocation process, implement districtwide integrated planning, increase transparency, and fulfill the district's goals and objectives set forth by the Board of Trustees. The proposed revised model outlines the process for allocating resources to the various allocation units of the district and addresses both short-term and long-range issues of resource allocation.

The original proposed resource allocation model was developed in May 2012 by the District Resource Allocation Model Taskforce (DRAMT). In spring 2013, the DRAMT transitioned into a standing committee – the District Budget and Resource Allocation Advisory Committee (DBRAAC). The committee has been meeting regularly to review suggestions and comments provided at forums held in fall 2012. In fall 2013, the DBRAAC finalized a proposed revised districtwide resource allocation model. The model was forwarded to constituent groups in November 2013; and was approved by all college and center constituencies in December 2013.

Recommendation:

It is recommended the Board of Trustees approve the SCCC Resource Allocation Model.



# **STATE CENTER COMMUNITY COLLEGE DISTRICT**

## **Districtwide Resource Allocation Model**

### **General Fund Unrestricted Budget**

**Fresno • Reedley • Madera • Oakhurst • Willow International**

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## Background

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The resource allocation model was developed to improve the district's resource allocation process, incorporate districtwide integrated planning and fulfill the district's goals and objectives set forth by the State Center Community College District Board of Trustees. The model outlines the process for allocating resources to the various allocation units of the district and focuses on the long-range goal of addressing all resources including human, physical and technology.

Historically, the district has utilized an incremental budget approach for the allocation process. Each year, the allocation process began with rolling forward the prior year's adjusted base allocation. Permanent adjustments were made for new positions, COLA, growth, step and column, payroll tax and benefit rate changes, utility and insurance changes and other permanent or annual adjustments as necessary. In recent years, adjustments for workload (funding) reductions have been allocated to the various allocation units as well.

On May 13, 2011, the first District Resource Allocation Model Taskforce (DRAMT) meeting was held to begin the development of a districtwide resource allocation model. In order to ensure broad representation in the development of the resource allocation model, the taskforce's composition was consciously established and included the following constituency representation: State Center Federation of Teachers (SCFT), academic senates, classified senates, California School Employees Association (CSEA), students, campus administration, the director of finance, a human resources management representative, and the vice chancellor of finance and administration. In May 2012, DRAMT approved a draft resource allocation model which was based primarily on full-time equivalent students (FTES) and a basic allocation (Senate Bill (SB) 361). Open forums were held in Fall 2012 to receive input from all constituent groups. Several concerns were raised and the taskforce continued modifying the original draft resource allocation model. Based on feedback from the open forums, the DRAMT modified their voting process from a majority vote to a qualified consensus model.

In Spring 2013, the DRAMT transitioned into a standing committee – the District Budget and Resource Allocation Advisory Committee (DBRAAC). The committee is composed of seven faculty, six classified staff, three students and six administrators. The DBRAAC's primary purpose is to recommend a districtwide allocation model for the distribution of district resources and to provide input into financial matters of the district including, but not limited to, cost savings and revenue generation strategies and to annually evaluate the effectiveness of the model by October 31<sup>st</sup>.

In Fall 2013, the DBRAAC finalized a revised districtwide resource allocation model which incorporated concerns raised at the forums in Fall of 2012. The model will be forwarded to Chancellor's Cabinet for final review in Fall 2013. A recommendation will be forwarded to the Board of Trustees in January 2014. It is recommended that implementation of the model will begin in the 2014-15 fiscal year.

## Elements of the Resource Allocation Model

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The districtwide resource allocation model is designed to be formula-driven, easily understood, flexible and responsive, adequately documented and communicated, and equitable. The formula will accommodate both growth and reduction in funds and allocation units. The allocation model addresses the distribution of resources at a districtwide level, and is not prescriptive in how funds are to be spent at the various allocation units. The district acknowledges differences between its colleges and recognizes the colleges' need to direct their resources based on their own strategic plans, visions, missions and goals in meeting the needs of their diverse populations and constituencies. The colleges have separate and specific budget development processes unique to each site, reflecting their organizational culture and priorities. It is at this level that the college's budget must be integrated to the district's strategic plan, mission and goals.

### **Revenue**

The budget allocation model is designed solely for the distribution of unrestricted general fund revenue, and takes into consideration how the district is currently funded by the state (SB-361). Unrestricted general fund revenue will be distributed through this allocation model. Lottery revenue, student health fees, and other restricted sources of funding are allocated either by the state directly to a specific college or to the district to distribute using a separate allocation method. The primary sources of unrestricted general fund revenue include, but are not limited to, state apportionment for FTES, property taxes, enrollment fees, non-resident tuition, interest income, and other miscellaneous revenues. The 2013-14 funded amount per FTES is presented below:

<b>FTES Type</b>	<b>Funded Amount per FTES</b>
Credit	\$4,636
Non-Credit	\$2,788
Non-Credit (CDCP)	\$3,283

### **Allocation Units**

The districtwide resource allocation model is composed of columns and rows of information (Attachment A). The columns in the model represent who receives the resources. The recipients of resources are also known as allocation units. The committee has identified the district has five allocation units. These allocations units are Fresno City College (FCC), Reedley College (RC), Willow International Community College Center/Clovis Community College (WICCC/CCC), District Office/Operations (DO/Operations), and Integrated Planning, Regulatory and Fixed Costs (IP/Reg./Fixed). The first four allocation units represent distinct organizational units within the SCCCD and are fairly self-explanatory. The last allocation unit represents costs or initiatives which are mandatory, regulatory, and beneficial to our whole district or initiatives from other taskforces/committees that have a high priority to be addressed in the allocation model.

4

Created by DRAMT: May 11, 2012

Revised by DBRAAC: September 20, 2013

Revised by DBRAAC: October 4, 2013

Reviewed by Chancellor's Cabinet: October 16, 2013

Sent to Constituent Groups: October 18, 2013

Reviewed by Communications Council: October 29, 2013

Reviewed by Chancellor's Cabinet: December 2, 2013

First Reading of Board of Trustees: December 10, 2013

The rows in the districtwide resource allocation model represent the types of resource allocations and/or costs to the district that are to be distributed to the allocation units as follows:

- 1) allocations off-the-top;
- 2) basic allocation;
- 3) basic allocation transition;
- 4) allocation adjustment for full-time faculty (transition); and
- 5) variable FTES allocation.

Unrestricted general fund revenues will be estimated by the district office finance department, based on information made available by the State Chancellor's Office, the governor's proposed budget, and any other financial sources. Once the available revenue has been determined, the allocation model will provide the mechanism for allocating the resources to the various allocation units.

### **ALLOCATIONS OFF-THE-TOP**

Allocations off-the-top represent the first four allocations of funds for costs incurred that benefit the entire district which these costs include integrated planning initiatives; mandatory/regulatory costs; districtwide fixed costs; and district office/operations.

**Integrated planning initiatives** are resources allocated that address needs from the various planning taskforces/committees that have been recommended by Chancellor's Cabinet and approved by the Board of Trustees. These resources are used to address the highest priority needs of the district and concerns raised by a taskforce/committee that is/are in alignment with the overall mission, values, and goals of the district. These allocations can be one-time in nature or over several years depending on the extent of the needs and resources available.

**Mandatory/regulatory costs** are those costs incurred by the district which are required by law, code or contract. These costs include the annual financial audit, governmental mandated costs, retiree health benefits (GASB 45-Other Post-Employment Benefits), board election costs, parity pay, and bond oversight.

**Districtwide fixed costs** represent operational costs incurred which are necessary and/or fixed in nature. These costs include the enterprise-wide resource planning systems (Datatel/Ellucian\*), base line Blackboard\*software, utilities (gas & electric), property and liability insurance, Microsoft license agreements\*, antivirus software\*, Adobe software\*, Singularity software\*, SARS software\*, courier service, banking fees and charges, and legal consulting. (\*asterisk items are currently paid with lottery funds and may need to be in the lottery allocation process to address the 50% law).

**District office/operations** support districtwide services. They include the chancellor’s office, legal counsel, human resources, personnel commission, information systems, public and legislative relations, accounting, finance and administration, payroll, purchasing, operations and maintenance, grounds, construction services, police and safety, environmental health and safety, educational services and institutional effectiveness, admissions and records, Center for International Trade Development (CITD), State Center Consortium, grants and external funding, foundation, and other centralized activities which support the district as a whole and cannot be conveniently or economically assigned to a college/center/site.

**Basic Allocation**

Basic allocations represent resources allocated to community college districts per Senate Bill (SB) 361. In this component of apportionment funding from the state, resources are distributed to districts based on the number of colleges and centers at a district and the tiered number of FTES the college or center serves (see chart below). The rationale for this apportionment allocation is to address the base costs associated with running a college or center.

<b>2013-14</b>		
<b>Multi-College Funding Levels (FTES)*</b>	<b>Basic Allocation Amount**</b>	<b>SCCCD #</b>
Colleges > 18,754	\$4,498,258	0
Colleges > 9,377	\$3,935,976	2
Colleges <= 9,377	\$3,373,693	0
State Approved Center > 938	\$1,124,544	3
State Approved Center > 704	\$843,423	0
State Approved Center > 469	\$562,282	0
State Approved Center > 235	\$281,141	0
State Approved Center <= 235	\$140,571	0

<b>2012-13</b>		
<b>Multi-College Funding Levels (FTES)*</b>	<b>Basic Allocation Amount**</b>	<b>SCCCD #</b>
Colleges > 18,472	\$4,428,727	0
Colleges > 9,236	\$3,875,136	2
Colleges <= 9,236	\$3,321,545	0
State Approved Center > 924	\$1,107,182	3
State Approved Center > 693	\$830,386	0
State Approved Center > 462	\$553,591	0
State Approved Center > 231	\$276,795	0
State Approved Center <= 231	\$138,398	0

\*FTES funding levels are subject to workload adjustments as denoted in the tables above. \*\*The annual basic allocation may be adjusted each year by a state-funded cost-of-living adjustment (COLA).

### **Basic Allocation Transition**

In the first year of the implementation of the allocation model it is estimated FCC will be allocated approximately \$1,500,000 less in resources than under the old resource allocation model. In order to partially mitigate this reduction in funding, the committee developed a four-year transition plan that manages this reduction in funding. This will give FCC four years to adjust to the allocation model.

- In the first year of the implementation of the new resource allocation model, FCC would receive an additional \$750,000 (estimated loss in funding \$1,500,000 times 50%) and RC and WICCC/CCC will have a reduction of \$375,000 in funding (equal share in the additional allocation to FCC).
- In year two, FCC would receive an additional \$562,500 (estimated loss in funding \$1,500,000 times 37.5%) and RC and WICCC/CCC would have a reduction of \$281,250 in funding (equal share in the additional funding to FCC).
- In year three, FCC would receive an additional \$375,000 (estimated loss in funding \$1,500,000 times 25%) and RC and WICCC/CCC would have a reduction of \$187,500 in funding (equal share in the additional funding to FCC).
- In year four, the last year of this transitional plan, FCC would receive an additional \$187,500 (estimated loss in funding \$1,500,000 times 12.5%) and RC and WICCC/CCC would have a reduction of \$93,750 in funding (equal share in the additional funding to FCC).
- In year five, FCC will not receive additional basic allocation transition funds.

**Estimated Transition Amount (\$1.5 m)**

	FCC		RC		WICCC/CCC	
	Adjustment	Amount	Adjustment	Amount	Adjustment	Amount
2014-15	50%	\$750,000	-25%	(\$375,000)	-25%	(\$375,000)
2015-16	37.5%	\$562,500	-18.75%	(\$281,250)	-18.75%	(\$281,250)
2016-17	25%	\$375,000	-12.5%	(\$187,500)	-12.5%	(\$187,500)
2017-18	12.5%	\$187,500	-6.25%	(\$93,750)	-6.25%	(\$93,750)

### **Allocation Adjustment for Full-Time Faculty**

Full-time and part-time employees' salary and benefits are addressed with the funds in the new allocation process. In reviewing the work force of the district (the largest expenditure category for the district) the taskforce/committee struggled with how to address the issue of full-time employees and part-time employees and their current proportionate composition at the various locations throughout the district and decided to only address faculty costs. It was determined the average full-time faculty cost districtwide is approximately \$85,000 more than an equivalent (instructional load) part-time faculty. Based on this analysis, the committee developed a four-year transition plan to help mitigate additional costs incurred by Reedley College due to a disproportionately higher percentage of full-time equivalent faculty. This will give Reedley College four years to adjust to the new allocation model.

- In year one, each allocation unit would receive \$85,000 for each full-time faculty paid by the unrestricted general fund.
- In year two, each allocation unit would receive \$63,750 (\$85,000 times 75%) for each full-time equivalent faculty paid by the unrestricted general fund.
- In year three, each allocation unit would receive \$42,500 (\$85,000 times 50%) for each full-time equivalent faculty paid by the unrestricted general fund.
- In year four, the last year of this transition plan, each allocation unit would receive \$21,250 (\$85,000 times 25%) for each full-time equivalent faculty paid by the unrestricted general fund.
- In year five, full-time faculty will be paid by the funds received through the allocation process.

<b>Full -Time Faculty Transition</b>		
<u>Year</u>	<u>Percentage</u>	<u>Amount</u>
2014-15	100%	\$85,000/FTEF
2015-16	75%	\$63,750/FTEF
2016-17	50%	\$42,000/FTEF
2017-18	25%	\$21,250/FTEF

### **Variable FTES Allocation**

The last component in the resource allocation model addresses students served at each allocation unit. Much like the state apportionment funding formula (SB 361) this resource allocation model provides resources based on students served. The calculation looks at the remaining funds to be distributed in the model and allocates those funds proportionately based on the number of students served by each allocation unit. The variable FTES allocation averages both the actual credit FTES served (not to exceed the enrollment target credit FTES) in the prior year\* plus the target credit FTES for the budget year plus 50% of the noncredit FTES served for the last fiscal year (final CCFS 320 report). This calculation is done for each allocation unit and then the allocation unit is allocated whatever its percentage of total students served multiplied by the remaining funds in the allocation model. (\*prior year is used since these numbers are available-final CCFS 320 report.)

**Formula: Average of (Target FTES 2014-15 + actual FTES up to Target 2012-13) + (Non-CR FTES @ 50% FY 2012-13)**

This distribution in funding for variable FTES allocation gives each allocation unit credit for what they served in the past and takes into consideration what they are going to serve in the future thereby allocating resources from both a historical and forward looking (future) perspective.

## **Final Allocation**

The final allocation to each unit is the sum of the resources in each of the five major resource allocation areas:

- 1) allocations off-the-top;
- 2) basic allocation;
- 3) basic allocation transition;
- 4) allocation adjustment for full-time faculty (transition); and
- 5) variable FTES allocation.

## **Summary**

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This allocation model addresses the basic principles for a budget funding allocation as prescribed in the accreditation process. It utilizes formulas and variables that have been meaningfully studied, readily defined, easily measured and consistently reported. The model shall be reviewed and evaluated annually by October 31 by the District Budget and Resource Allocation Advisory Committee (DBRAAC) and revised accordingly as acknowledged in the operational agreement.



## Glossary

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**Allocation:** Division or distribution of resources according to a predetermined plan.

**Apportionment:** Federal, state or local monies distributed to college districts or other governmental units according to legislative and regulatory formulas.

**Budget Document:** A written statement translating the educational plan or programs into costs, usually for one future fiscal year, and estimating income by sources to meet these costs.

**Budget Act:** The legislative vehicle for the State's appropriations. The Constitution requires it be passed by a two-thirds vote of each house and sent to the Governor by June 15 each year. The governor may reduce or delete, but not increase, individual items.

**Categorical Funds:** Also called restricted funds, these are monies that can only be spent for the designated purpose. Examples: funding to serve students with disabilities (DSPS) or the economically disadvantaged, low income (EOPS), scheduled maintenance, and instructional equipment.

**Cost of Living Adjustments (COLA):** An increase in funding for revenue limits or categorical programs tied to increases in the cost of living. Current law ties COLAs to indices of inflation, although different amounts may be appropriated by the legislature.

**Deficit:** The excess of liabilities over assets or the excess of expenditures or expenses over revenues during an accounting period.

**Enrollment Cap:** A limit on the number of students (FTES) for which the state will provide funding.

**Expenditures:** Amounts disbursed for all purposes. Accounts kept on an accrual basis include all charges whether paid or not. Accounts kept on a cash basis include only actual cash disbursements.

**Faculty Obligation Number (FON):** The annual figure provided to each district by the Chancellor's Office for the number of full-time credit faculty positions required to comply with 75/25 goals.

**Fifty-Percent Law:** Requires that fifty percent of district expenditures in certain categories are spent for classroom instruction. The intent of the statute is to limit class size and contain the relative growth of administrative and non-instructional costs.

**Final Budget:** The district budget that is approved by the board in September, after the state allocation is determined.

**Fiscal Year:** Twelve calendar months; for governmental agencies in California, it begins July 1 and ends June 30. Some special projects have a fiscal year beginning October 1 and ending September 30, which is consistent with the federal government's fiscal year.

**Full-Time Equivalent Students (FTES):** An FTES represents 525 class (contact) hours of student instruction/activity in credit and noncredit courses, generally 15 semester credit hours. Full-time equivalent student (FTES) is the workload measure used to compute state funding for California Community Colleges.

**General Fund:** The fund used to account for the ordinary operations of the district. It is available for any legally authorized purpose not specified for payment by other funds.

**Governor's Budget:** The Governor proposes a budget for the state each January, which is revised in May (the May Revise) in accordance with updated revenue projections.

**Lottery Funds:** The share of income from the State Lottery, which has added about 1-3 percent to community college funding. A minimum of 34 percent of state lottery revenues must be used for "education of pupils."

**Mandated Costs:** Expenditures that occur as a result of (or are mandated by) federal or state law, court decisions, administrative regulations, or initiative measures.

**May Revise:** The Governor revises his or her budget proposal in May in accordance with updated projections in revenues and expenses.

**Noncredit:** Courses taught for which no college credit is given. Adult education and basic English as a Second Language are two examples. The state reimbursement for noncredit education is less than for credit courses.

**OPEB:** Other Post Employment Benefits include postemployment healthcare benefits, and all Post Employment Benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

**Proposition 13:** An initiative passed in June 1978 adding Article XIII A to the California Constitution. It provided that tax rates on secure property were restricted to no more than 1 percent of full cash value. Proposition 13 also defined assessed value and required a two-thirds vote to change existing or levy new taxes.

**Proposition 98:** An initiative passed in November 1988, guaranteeing at least 40 percent of the state's budget for K-12 and the community colleges. The split was proposed to be 89 percent (K-12) and 11 percent (CCC), although the split has not been maintained.

**Reserves:** Funds set aside in the college district budget to provide for future expenditures or to offset future losses, for working capital, or for other purposes. There are different categories of reserves, including contingency, general, restricted and reserves for long-term liabilities.

**Restricted Funds:** Money that must be spent for a specific purpose either by law or by local board action. Revenue and expenditures are recorded in separate funds. Funds restricted by board action may be called “designated” or “committed” to differentiate them from those restricted by external agencies. Examples of restricted funds include the federal vocational education act and other federal program funds; state “categorical” programs such as those for disabled and disadvantaged students’ state monies targeted for specific purposes, such as instructional equipment replacement; grants for specific programs; and locally generated revenues such as the health and parking fees.

**Retiree Health Benefits:** Benefits provided to retirees provide health insurance, negotiated through collective bargaining. Also called “Other Post Employment Benefits.”

**Revenue:** Income from all sources.

**Shortfall:** An insufficient allocation of money, which will require additional appropriations, reduction in expenditures, and/or will result in deficits.

**State Apportionment:** An allocation of state money paid to a district on a monthly basis once the state budget is enacted.

**Sustainability:** Utilization of available resources (revenues) to address the obligations or needs (expenditures) of the organization for the current and future periods (multi-year).

**Target FTES:** Desired district goal number of full time equivalent students (FTES) to serve. SCCC has historically exceeded the FTES cap funded by the state.

**Tentative Budget:** The budget approved by the board in June, prior to when state allocations have been finalized.

**Title 5, California Code of Regulations:** The section of the California Administrative Code that regulates community college. The Board of Governors adopts Title 5 regulations.

**Unfunded FTES:** FTES generated in excess of the enrollment/FTES cap.

**Unrestricted Funds:** Generally those monies of the General Fund not designated by law or a donor agency for a specific purpose. They are legally regarded as unrestricted since their use is at the Board’s discretion.

# Appendix A: SCCCD Resource Allocation Model

## SCCCD Resource Allocation Model - Simulated for 2013-14 9-20-13 Approved Model

Unrestricted Gen Fund Resources Available	\$ 137,773,749	FCC	RC	WICCC/CCC	DO / Operations	IP/Reg./Fixed	Total Allocation
<b>Working Copy</b>							
<b>Allocations Off-The-Top</b>							
Integrated Planning Initiatives	\$ -					-	\$ -
Mandatory/Regulatory Costs	(3,900,122)					3,900,122	3,900,122
Districtwide Fixed Costs	(5,850,000)					5,850,000	5,850,000
District Office/Operations ( 0.1075 )	(14,810,678)				14,810,678		14,810,678
<b>Total Allocation Off-The-Top</b>	<b>\$ (24,560,800)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,810,678</b>	<b>\$ 9,750,122</b>	<b>\$ 24,560,800</b>
<b>Basic Allocation</b>							
College > 10K (>9,377)	\$ (7,871,951)	\$ 3,935,976	\$ 3,935,976	\$ -			\$ 7,871,951
College < 10K (<9,377)	-						-
State Approved Centers	(3,373,694)	1,124,565	1,124,565	1,124,565			3,373,694
Basic Allocation Transition (@ 100%)*	-	750,000	(375,000)	(375,000)			-
<b>Total Basic Allocation</b>	<b>\$ (11,245,646)</b>	<b>\$ 5,810,540</b>	<b>\$ 4,685,540</b>	<b>\$ 749,565</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,245,646</b>
<b>Allocation Adjustment per Full-Time Faculty</b>		62.90%	28.37%	8.73%			
# Full-Time Instructional Faculty		317	143	44			504
Adjustment per FTF of (\$85000 )	\$ (42,840,000)	\$ 26,945,000	\$ 12,155,000	\$ 3,740,000			\$ 42,840,000
<b>Total FT Faculty Adjustment</b>	<b>\$ (42,840,000)</b>	<b>\$ 26,945,000</b>	<b>\$ 12,155,000</b>	<b>\$ 3,740,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,840,000</b>
<b>Variable FTES Allocation</b>		63.12%	24.95%	11.93%			
FTES Allocation (13-14 & 11-12 Average)	\$ 59,127,303	\$ 37,321,154	\$ 14,752,262	\$ 7,053,887			\$ 59,127,303
<b>Total Variable Allocation</b>	<b>\$ 59,127,303</b>	<b>\$ 37,321,154</b>	<b>\$ 14,752,262</b>	<b>\$ 7,053,887</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,127,303</b>
<b>Final Allocation</b>		<b>\$ 70,076,694</b>	<b>\$ 31,592,803</b>	<b>\$ 11,543,452</b>	<b>\$ 14,810,678</b>	<b>\$ 9,750,122</b>	<b>\$ 137,773,749</b>
<i>Percentage of Allocation</i>		50.864%	22.931%	8.379%	10.750%	7.077%	100.00%
		Fresno City	Reedley	Willow	DO / Operations	Reg/Fixed	Total Allocation
Allocation per New Resource Allocation Model	\$ 70,076,694	\$ 31,592,803	\$ 11,543,452	\$ 14,810,678	\$ 9,750,122	\$ 137,773,749	
2013-14 Revised Allocation (Current Model)	\$ 70,793,956	\$ 31,773,190	\$ 10,658,803	\$ 14,797,678	\$ 9,750,122	\$ 137,773,749	
Increase (Decrease) generated by New Model	\$ (717,262)	\$ (180,387)	\$ 884,649	\$ 13,000	\$ -	\$ -	
		-1.0%	-0.6%	8.3%	0.1%	0.0%	

\*Transition Adjustment - Calc'd at approx half of FCC's Decrease in Year 1 (Approx \$750K) - (Yr1=100% / Yr2=75% / Yr3=50% / Yr4=25% / Yr5=0%)

## DATA ELEMENTS

	FTES as %	Fresno City	Reedley	Willow	
Average FTES 13-14 & 12-13 + (Non-Cr @50%)		63.12%	24.95%	11.93%	100.000%
District Office Operational - Percentage	10.75%	Increased .15% to offset transfer of staff to DON			
Full-time Faculty Adjustment	\$ 85,000	\$85,000 (Yr1=100% / Yr2=75% / Yr3=50% / Yr4=25% / Yr5=0%)			

	Estimated Costs
<b>Regulatory/Manadatory Costs</b>	
Audit	100,000
Mandated Costs	20,000
Bond Oversight Committee	5,000
Retiree Health - Pay as you Go	1,200,000
Retiree Health - Balance to cover ARC	-
Elections (Every Other Year)	-
Parity Pay	581,380
COLA - Contingency	1,993,742
	<u>3,900,122</u>
<b>Fixed Districtwide Services</b>	
Utilities	4,100,000
Insurance	1,000,000
Legal Consulting	450,000
Bank/Card Merchant Service Fees	240,000
Districtwide Courier Service	60,000
	<u>5,850,000</u>
<b>Total Committed Costs</b>	<u><u>9,750,122</u></u>

900K starting 15-16

The counts would remain static at point they are set for the 5yr Transition Period

	Full-Time Faculty Headcount	
FCC	317	62.90%
RC	113	22.42%
WI	44	8.73%
MC	29	5.75%
OC	1	0.20%
<b>TOTAL</b>	<u>504</u>	<u>100.0%</u>
Includes Counselor/Library		
Source: HR Sept 2013		

## Appendix B: District Resource Allocation Model Taskforce (RAMT)/Committee Membership

### District Resource Allocation Model Taskforce (DRAMT) /Committee Membership

	DRAMT* Membership August 2011	DRAMT* Membership May 2012	DBRAAC** Membership May 2013	DBRAAC** Membership October 2013
<b>Fresno City College</b>	Faculty: Claudia Habib and Rick Santos Classified Senate: Harry Zahlis CSEA: Mikki Johnson Student: Tony Capetillo Administration: Michael Guerra	Faculty: Claudia Habib and Bridget Heyne Classified Senate: Harry Zahlis CSEA: Mikki Johnson Student: Christopher Coronado Administration: Janell Mendoza	Faculty: Robyn Hart and Bruce Hill Classified Senate: Harry Zahlis CSEA: Mikki Johnson Student: Michael Wilson Administration: Cheryl Sullivan	Faculty: Robyn Hart and Bruce Hill Classified Senate: Harry Zahlis CSEA: Mikki Johnson Student: Ben Andersen Administration: Cheryl Sullivan
<b>Reedley College</b>	Faculty: Jim Gilmore and Jeff Ragan Classified Senate: Melanie Highfill CSEA: Kasey Oliver Student: Sukhman Sekhon Administration: Donna Berry	Faculty: Jim Gilmore, Lacy Barnes and Richardson Fleuridor Classified Senate: Melanie Highfill CSEA: Larry Dickson Student: Jacob Alvarado Administration: Donna Berry	Faculty: Jim Gilmore, Lacy Barnes and Richardson Fleuridor Classified Senate: Melanie Highfill CSEA: Jason Meyers Student: Viviana Acevedo Administration: Donna Berry	Faculty: Jim Gilmore (Co-Chair), Richardson Fleuridor and Lacy Barnes Classified Senate: Peggy Marks CSEA: Melanie Highfill Student: Viviana Acevedo Administration: Donna Berry
<b>North Centers</b>	Faculty: Ray Tjahjadi, WI and Stephen (Jay) Leech, MC Classified Senate: Karen Ainsworth, WI CSEA: Kathleen Swan Student: Hayden Lollis Administration: Janell Mendoza	Faculty: Stephen (Jay) Leech, MC Classified Senate: Karen Ainsworth, WI CSEA: Kathleen Swan Student: Michael Wolin Administration: Lorrie Hopper		

\*District Resource Allocation Model Taskforce

\*\*District Budget and Resource Allocation Advisory Committee

## District Resource Allocation Model Taskforce (DRAMT) /Committee Membership

	DRAMT* Membership	DRAMT* Membership	DBRAAC** Membership	DBRAAC** Membership
	August 2011	May 2012	May 2013	October 2013
<b>Other</b>	Observer: Shelly Conner	Observer: Shelly Conner		
<b>Willow International</b>			Faculty: Arla Hile and Joseph Libby Classified Senate: Brian Shamp CSEA: Karen Ainsworth Student: Anacelly Hernandez Administration: Lorrie Hopper	Faculty: Arla Hile and Joseph Libby Classified Senate: Brian Shamp CSEA: Karen Ainsworth Student: Colin Van Loon Administration: Lorrie Hopper
<b>District Office</b>	Vice Chancellor of Finance and Administration: Ed Eng, Chair Resource to Chair: Jothany Blackwood Interim Director of Finance: Wil Schofield Human Resources: Diane Clerou Facilities: Christine Miktarian Information Technology: John Bengtson Recorder: Vicki Bustos	Vice Chancellor of Finance and Administration: Ed Eng, Chair Resource to Chair: Jothany Blackwood Director of Finance: Wil Schofield Interim Associate Vice Chancellor of Human Resources: Diane Clerou Facilities: Christine Miktarian Information Technology: John Bengtson Recorder: Vicki Taylor	Vice Chancellor of Finance and Administration: Ed Eng, Chair Resource to Chair: Jothany Blackwood Director of Finance: Wil Schofield Associate Vice Chancellor of Human Resources: Diane Clerou Recorder: Rebecca Gonzalez	Vice Chancellor of Finance and Administration: Ed Eng, Chair Resource to Chair: Jothany Blackwood Director of Finance: Wil Schofield Associate Vice Chancellor of Human Resources: Diane Clerou Recorder: Patricia Gonzalez

\*District Resource Allocation Model Taskforce

\*\*District Budget and Resource Allocation Advisory Committee

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## Appendix C: Timeline for DBRAAC's Revised Resource Allocation Model (RAM)

<b>Date</b>	<b>Group</b>	<b>Task</b>
August 23, 2013	DBRAAC meeting	Discuss final factor for RAM
Sept.6, 2013	DBRAAC meeting	Finalize final factor for RAM
Sept. 20, 2013	DBRAAC meeting	Review 1 <sup>st</sup> draft for narrative of revised RAM and provide revisions.
Oct. 4, 2013	DBRAAC meeting	Final discussion on narrative with revisions.
Oct. 16, 2013	Chancellor's Cabinet	Review and edit narrative on revised RAM.
October, 2013	All constituent groups at colleges and centers	Make narrative and RAM available for constituents to begin 1 <sup>st</sup> readings.
Oct.29, 2013	Communications Council	Revised narrative presented to group to discuss with constituent groups, although sent 2 weeks in advance to allow for time to review.
Nov. 7, 2013	Board of Trustees Meeting	Status Update on RAM.
November, 2013	All constituent groups at colleges and centers	Complete 1st and 2nd readings and provide recommendations.
Nov. 26, 2013	Communications Council	Constituents submit recommendations on revised RAM.
Dec. 2, 2013	Chancellor's Cabinet	Discussion of constituent recommendations.
Dec. 10, 2013	Board of Trustees Meeting	1 <sup>st</sup> reading of revised RAM
January 2014	Board of Trustees Meeting	2 <sup>nd</sup> review and recommend action on revised RAM
January-February, 2014	Office of Vice Chancellor of Finance & Administration	Recommend implementation of a revised RAM into budget development for the 2014-15 fiscal year.

Created by DRAMT: May 11, 2012

Revised by DBRAAC: September 20, 2013

Revised by DBRAAC: October 4, 2013

Revised by Chancellor's Cabinet: October 16, 2013

Sent to Constituent Groups: October 18, 2013

Reviewed by Communications Council: October 29, 2013

Reviewed by Chancellor's Cabinet: December 2, 2013

First Reading of Board of Trustees: December 10, 2013

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT:    Consideration of Bids, Chiller Replacement,                    ITEM NO.    14-04  
                  Gymnasium, Fresno City College

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EXHIBIT:    None

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Background:

Bid #1314-04 provides for the replacement of the existing chiller unit at the main gymnasium building on the Fresno City College campus. This unit provides cooling to the gymnasium, classrooms and offices located within the facility. The chiller and related ancillary equipment at this location have exceeded their useful life and need to be replaced with more efficient and effective equipment. The existing chiller unit will be removed from the basement and a new unit will be installed on the roof of the facility to grant easier access for future maintenance and repair issues.

The work of this project consists of selective demolition of the chiller unit and related equipment, modifications to existing electrical and control systems, installation of plumbing and piping to connect to the existing distribution system, a new structural support system for the roof-mounted chiller, and other related items of work in support of the chiller replacement. This project is necessitated by the age and deteriorated condition of the existing chiller and the need to provide comfort and safety for students and staff utilizing the gymnasium complex at Fresno City College.

Funding for this project will be provided by the capital projects fund. Bids were received from six contractors as follows:

<u>Bidder</u>	<u>Award Amount</u>
Lawson Mechanical Contractors	\$107,993.00
Strategic Mechanical, Inc.	\$115,850.00
Patton Air Conditioning	\$117,999.00
New England Sheet Metal Works, Inc.	\$126,789.00
American Incorporated	\$134,700.00
Lyles Mechanical Company	\$218,000.00

Fiscal Impact:

\$107,993.00 – Capital Projects Fund (Scheduled Maintenance and Repair)

Recommendation:

It is recommended the Board of Trustees award Bid #1314-04 in the amount of \$107,993 to Lawson Mechanical Contractors, the lowest responsible bidder for the chiller replacement at the gymnasium on the Fresno City College campus, and authorize the chancellor or vice chancellor of finance and administration to sign an agreement on behalf of the district.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Consideration to Approve Topic for  
Strategic Conversation #3

ITEM NO. 14-05

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EXHIBIT: None

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Background:

The Board of Trustees hosts a strategic conversation each year with internal stakeholders from the colleges, centers and the district offices. A strategic conversation is an informal, but structured discussion on a strategic policy issue that results in a clearer understanding of that issue.

Chancellor's Cabinet is recommending that Strategic Conversation #3 focus on the topic of Inclusion, Respect and Equity. Participants will discuss the following five themes, which are adopted from Fresno State's Strategic Plan for Inclusion, Respect and Equity:

- Theme 1: Defining Inclusion, Respect and Equity
- Theme 2: Supporting Student Access and Educational Success
- Theme 3: Recruiting, Developing and Supporting Employees
- Theme 4: Promoting and Supporting Excellence in Teaching and Learning
- Theme 5: Affirming a District Culture of Inclusion, Respect and Equity

Trustee Dorothy "Dottie" Smith and Dr. George Railey will lead an ad hoc workgroup comprised of all constituent groups, districtwide, who will identify the questions and data for each theme.

Strategic Conversation #3 is scheduled for Tuesday, March 4, 2014, at the Reedley College Cafeteria prior to the regularly scheduled board meeting. The schedule is as follows:

- Registration/Social Hour, with Refreshments 1:00 – 2:00 p.m.
- Strategic Conversation 2:00 – 4:00 p.m.
- Board of Trustees' Meeting 4:30 p.m.

Recommendation:

It is recommended the Board of Trustees approve the topic of Strategic Conversation #3: Inclusion, Respect and Equity.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT:     Consideration to Reduce Vacant Office                             ITEM NO.     14-06  
                  Assistant III Position #4022, Oakhurst Center,  
                  from 12 Months to 10 Months

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EXHIBIT:     None

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Background:

The Oakhurst Center currently has a vacant 12-month office assistant III, position #4022. This position is responsible for working with faculty, staff and students during the school year performing a wide variety of clerical work, including typing, filing, records maintenance, use of computer to input and retrieve data to produce reports, scheduling and canceling appointments and meetings, composing correspondence and providing information to other staff and the public.

Since very few students or faculty are onsite during the summer months, the employee in this position has been assigned to the Madera Center for two months during the summer to meet the district's 12-month obligation. As a result of the current vacancy, the administration is recommending reducing the position to a 10-month position. The change would provide a salary savings of approximately \$6,000 per year.

In accordance with the CSEA/SCCCD Collective Bargaining Unit Agreement, Article 34, Section 1, CSEA has been notified of this recommended reduction in work year assignment. Should the board approve this reduction, the district will need to negotiate the effects of this reduction with CSEA.

Recommendation:

It is recommended the Board of Trustees approve the reduction of the vacant office assistant III, position #4022, Oakhurst Center, from 12 months to 10 months, effective January 15, 2014.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT:     Consideration to Approve Title Change of                     ITEM NO.     14-07  
                  Vacant Dean of Instruction, Health Sciences  
                  Division, to Dean of Instruction, Allied Health,  
                  Physical Education and Athletics, Fresno City  
                  College

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EXHIBIT:     None

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Background:

The position of Dean of Instruction, Health Sciences Division, Fresno City College, is vacant due to the retirement of Dr. Carolyn Drake. Administration is recommending a title change to Dean of Instruction, Allied Health, Physical Education and Athletics, Fresno City College. The term allied health more accurately reflects the health sciences portion of the department. This includes dental hygiene, radiology technician as well as the nursing departments. The position also currently oversees the physical education and athletics departments. Changing the title should broaden the applicant pool.

Recommendation:

It is recommended the Board of Trustees approve the title change of vacant Dean of Instruction, Health Sciences Division, to Dean of Instruction, Allied Health, Physical Education and Athletics, Fresno City College.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Consideration to Approve Revised Duties  
For Buyer Position

ITEM NO. 14-08

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EXHIBIT: None

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Background:

There is currently a vacant buyer position within the district. Prior to conducting the recruitment for this position, the Personnel Commission reviewed the classification specification and determined that the duties should be updated to more accurately reflect the actual duties being performed by this classification. The district also reviewed the classification specification and is recommending the approval of the revised examples of duties.

According to Education Code Section 88009, the Board of Trustees shall fix and prescribe the duties to be performed by all persons in the classified service. Following the board's approval of the revised duties, the director of classified personnel, in accordance with Education Code Section 88095, will recommend minimum qualifications, along with the knowledge, skills and abilities required for this position, to the Personnel Commission for their approval. Human Resources will then negotiate the salary range placement with CSEA.

Examples of Duties:

Performs a wide variety of duties including, but not limited to:

- Receives and reviews requisitions for a variety of instructional and non-instructional supplies, materials and services.
- Initiates, evaluates and revises purchasing specifications and purchase orders.
- Prepares bid documents and monitors the process for formal and informal bids from vendors and contractors.
- Facilitates and prepares request for proposals and project contracts for projects involving labor, materials and services.
- Creates legal advertisements for bids and arranges for distribution and collection of bid and contract documents.

- Analyzes bids for compliance with specifications, purchasing policies and procedures and makes recommendation for award.
- Prepares from established procedures and instructions contract documents, special documentation for bonds, insurance and ensures proper authorizations before distribution.
- Reviews, validates and modifies funding resources for purchases.
- Locates sources of supplies, performs price and cost analysis, and evaluates quality and suitability of supplies and materials.
- Negotiates prices, specifications, conditions, delivery and other related purchasing issues.
- Meets with vendors for sources of supply, prices, product information, new products, standards and quality of service.
- Resolves urgent purchasing concerns including resolving delivery and quality issues.
- Develops and maintains filing system for a variety of logs, annual contracts, files and records, and other purchasing-related documents and ensures confidentiality.
- Enters and retrieves data from computer system to prepare reports.
- Communicates and works collaboratively with vendors and district personnel including necessary training.
- Prepares credit applications and evaluates vendors' financial terms.
- Works with requestors and vendors to modify or correct existing orders and follows up to ensure receipt of proper quality and quantity.
- Maintains structure of web-based system contracts for supplies and inventory items including authorization, ordering and release.
- Documents and clarifies purchasing transactions in order to support annual audits.
- Assists with coordinating the physical inventory of the District's fixed assets.
- Ensures chronological activities connected with bid and contract processes, including reference, insurance, payment, progress, and notice of completion are accomplished and documented.
- Ensures compliance with applicable procurement laws, codes, rules, regulations, board policies and administrative regulations.
- Organizes multi-campus agreements of significant volume and complexity to achieve standardization and economies of scale.
- Coordinates project installations and logistics, participates in project planning, and ensures compliance with regulatory guidelines and contract deliverables.
- May perform other duties as needed.

Recommendation:

It is recommended the Board of Trustees approve the revised duties for the buyer position.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT:     Consideration to Approve Revised Duties                     ITEM NO.     14-09  
                  For Vacant HR/MIS Data Researcher Position

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EXHIBIT:     None

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Background:

The position of HR/MIS data researcher has been vacant since the incumbent resigned in 2009. At the December 2013 Board of Trustees meeting, Phase II of the Human Resources Reorganization Plan, which contained the reinstatement of a 19-hour-a-week HR/MIS data researcher position, was approved. Prior to conducting the recruitment for this position, the Personnel Commission reviewed the classification specification and determined that the duties should be updated to more accurately reflect the actual duties to be performed by this classification. The district also reviewed the classification specification and is recommending approval of the revised examples of duties.

According to Education Code Section 88009 the Board of Trustees shall fix and prescribe the duties to be performed by all persons in the classified service. Following the board's approval of the revised duties, the director of classified personnel, in accordance with Education Code Section 88095, will recommend minimum qualifications, along with the knowledge, skills and abilities required for this position, to the Personnel Commission for their approval.

Examples of Duties:

Performs a wide variety of duties including but not limited to:

- Conducts specialized studies and prepares human resources related reports for the state Chancellor's Office, federal and state governments, various agencies, staff and the public.
- Prepares and submits the California Community Colleges Management Information Systems (MIS) and the Integrated Postsecondary Education Data System (IPEDS) report for Human Resources.
- Researches and compiles data for collective bargaining, accreditation, various committees, the Board of Trustees, Human Resources, and the Personnel Commission and remains up to date with reporting requirements for the State



Chancellor's Office, the Equal Employment Opportunities Commission (EEOC), and other agencies.

- Provides technical assistance to staff conducting studies and maintains the database necessary for the Human Resources Department.
- Coordinates and participates in projects designed to improve efficiency in accessing human resources information and records.
- Researches and assists in costing proposals for management negotiations with various bargaining units and has access to confidential information that is used to contribute significantly to the development of management positions.
- Works closely with Information Technology programmers and systems administrators in order to assist in the review, testing, and implementation of Human Resources Management System (HRMS) upgrades or patches.
- Writes, maintains, and supports a variety of reports or queries utilizing appropriate reporting tools.
- Helps maintain data integrity in systems by running queries and analyzing data, maintains HRMS code tables, checks for invalid codes and corrects errors.
- Provides support for HRMS including, but not limited to, researching and resolving HRMS problems, unexpected results or process flaws and recommends solutions or alternate methods to meet requirements.
- Works on problems or projects of diverse scope and maximum complexity where analysis of situations or data requires in-depth evaluation of multiple factors.
- Evaluates user needs, analyzes administrative activities and performs feasibility studies to determine appropriate resolution for department and users.
- Serves as a key technology liaison with a variety of departments such as information technology, payroll, institutional research, and others as needed.
- Develops user procedures, guidelines, and documentation and trains new system users on processes and functionality.
- Maintains awareness of current trends in HRMS with a focus on product and service development, delivery and support, and applying key technologies.
- May perform other duties as needed.

Recommendation:

It is recommended the Board of Trustees approve the revised duties for the vacant HR/MIS data researcher position.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT:     Consideration to Approve Duties for New                     ITEM NO.     14-10  
                  Classification Specification for Equal  
                  Employment Opportunity, Diversity and Staff  
                  Development Manager

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EXHIBIT:     None

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Background:

At the December 10, 2013, board meeting, the Board of Trustees approved Phase II of the Human Resources' Reorganization Plan. A component of Phase II of the plan was to add the position of equal employment opportunity, diversity and staff development manager. Contained in the reorganization plan was the proposed classification specification for the new position. Now that the position has been approved, the classification specification is being recommended for official adoption by the Board of Trustees. This position is responsible for equal employment opportunity and diversity compliance, as well as overseeing the staff development functions of the district.

This position will implement the EEO plan and programs needed to assist in changing the district's culture; to investigate, coordinate and/or report all equal employment opportunity related investigations, complaints and/or grievances (including unlawful harassment and discrimination) throughout the district; addressing any of these issues may include human resources intervention and/or training.

According to Education Code Section 88009, the Board of Trustees shall fix and prescribe the duties to be performed by all persons in the classified service. Following the board's approval of the revised duties, the director of classified personnel, in accordance with Education Code Section 88095, will recommend minimum qualifications, along with the knowledge, skills and abilities required for this position, to the Personnel Commission for their approval.

## Examples of Duties:

### Equal Opportunity Program Administration

Performs a wide variety of complex duties including but not limited to:

- Develops, administers, and coordinates a comprehensive districtwide equal employment opportunity program in the areas of district employment, contract compliance, legislative enforcement and diversity initiatives.
- Determines objectives and strategies to meet program goals and evaluates program effectiveness, implementing modifications as needed and advises administrators on status of adherence to goals and methods or strategies for meeting goals.
- Formulates and implements policies, plans, and procedures for carrying out functions of the program.
- Ensures compliance with equal employment opportunity laws, legislative mandates, reporting requirements, and evaluates districtwide policies to ensure compliance with state and federal regulations.
- Directs the development and establishment of services, studies, projects, and special employment programs in support of the equal employment opportunity program.
- Provides an analysis of new and revised statutes and proposed legislation in the areas of equal employment opportunity that includes effects on district programs and departments.
- Uses research methodologies including review of current literature, selection of decisions making models, and selection of alternate solutions, in looking at issues and problems in the areas of equal employment opportunity.
- Analyzes employment practices and hiring reports, evaluates progress, and recommends actions to accomplish the equal employment opportunity plan.
- Coordinates the activities of equal employment opportunity programs amongst all district campuses and departments.
- Investigates complaints of alleged discrimination and harassment, conducts interviews and writes summaries and reports.
- Identifies training needs of staff in areas related to equal employment opportunity and may conduct workshops and other types of training.
- Assigns, monitors, and reviews the work of other employees.
- May perform other duties as needed.

### Staff Development

Performs a wide variety of complex duties including but not limited to:

- Plans, develops, organizes, implements, evaluates and provides consultation and training to campuses, departments or divisions regarding training and development or optional approaches to solving specific problems related to organizational effectiveness.
- Performs difficult and complex research and analysis of a variety of pertinent subject matter literature and confers with job experts and other persons with relevant knowledge in order to establish a subject matter foundation for training and produces material in the form of written reports, proposals and other correspondence.

- Determines objectives, methods of instruction, and develops curriculum and lesson plans for training programs of limited scope, or designs other programs for moderately complex problems which can be solved through means other than training.
- Writes, edits, and prepares for print training handbooks, manuals, scripts, course handouts, reports, related material and other documents and correspondence.
- Conducts program and vendor evaluation, research and analysis including the collection of data and the preparation of reports.
- Represents the District and Human Resources on various task forces and committees.
- Works cooperatively with staff, managers and administrators to determine training needs of the workforce.
- Compiles and analyzes data and makes recommendations for policy changes.
- Interprets, applies, evaluates, and recommends language for board policies, administrative regulations, personnel commission rules and other documents related to staff development.
- Remains up to date on laws, regulations, policies, and procedures pertaining to staff development.
- May perform other duties as needed.

Recommendation:

It is recommended the Board of Trustees approve the duties for the new classification specification for equal employment opportunity, diversity and staff development manager.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Consideration to Approve New Position of Permanent Part-Time Accounting Technician I, Fresno City College

ITEM NO. 14-11

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EXHIBIT: None

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Background:

Fresno City College administration is recommending the addition of a permanent part-time accounting technician I for the Social Science Division, Fresno City College. Currently the department is splitting an accounting technician I between two different grants, CalWORKs and Cal-Pro-NET. The current accounting technician I will be assuming the duties for CalWORKs 100% of the time. Therefore, the Cal-Pro-NET grant is requesting the addition of a permanent part-time accounting technician I. The permanent part-time accounting technician I will be 100% funded by the Cal-Pro-NET grant. This request is in line with Fresno City College's Strategic Plan Goal 4 to strengthen existing partnerships and Strategic Plan Goal 8 regarding fiscal integrity.

Recommendation:

It is recommended the Board of Trustees approve the new position of permanent part-time accounting technician I, Fresno City College, effective January 15, 2013.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Disclosure of Collective Bargaining Agreement, ITEM NO. 14-12  
California School Employees Association  
Chapter #379 and Public Hearing

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EXHIBIT: Memorandum of Understanding

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Background:

The California School Employees Association Chapter #379 and the district agreed to a memorandum of understanding containing the following:

- A two percent (2%) salary increase retroactive to July 1, 2013.
- If the full-time faculty bargaining unit, Peace Officers' Association or management/confidential employees receive an increase in excess of two percent (2%) to the salary schedule in effect during the 2012-2013 fiscal year, the difference between the two percent (2%) provided in this MOU and the highest percentage increase will be applied to the 2013-2014 salary schedule for bargaining unit members.
- If the full-time faculty bargaining unit, Peace Officers' Association or management/confidential employees receive an increase in Health and Welfare benefits, CSEA shall receive the same increase during the 2013-2014 fiscal year.

This MOU takes the place of the 2013-2014 reopener negotiations on Articles 30 and 33 plus two additional articles which may have been submitted by either party.

Recommendation:

At this time it is appropriate to open the meeting for comments from the public relative to the memorandum of understanding. Following the opportunity for public input, no action is necessary as the terms of the memorandum of understanding will be considered by the board in closed session.

**Memorandum of Understanding and Agreement**  
**By and Between**  
**State Center Community College District**  
**And**  
**California School Employees' Association, Chapter #379**

This non-precedent setting Memorandum of Understanding and Agreement ("MOU") is entered into by and between the STATE CENTER COMMUNITY COLLEGE DISTRICT (hereinafter referred to as "DISTRICT" or "EMPLOYER") and the CALIFORNIA SCHOOL EMPLOYEES' ASSOCIATION, CHAPTER #379 (hereinafter referred to as "EXCLUSIVE REPRESENTATIVE" OR "CSEA").

The CSEA enters into this MOU as the Exclusive Representative for the bargaining unit of classified employees excluding peace officers.

The District and CSEA agree as follows:

Retroactive to July 1, 2013, the District shall provide a two percent (2%) salary increase to each cell of the salary schedule in effect during the 2012-2013 school year for CSEA bargaining unit members.

If the full-time faculty bargaining unit, Peace Officers' Association or management/confidential employees receive an increase in excess of two percent to the salary schedule in effect during the 2012-2013 fiscal year, the difference between the two percent (2%) provided in this MOU and the highest percentage increase will be applied to the 2013-2014 salary schedule for bargaining unit members.

If the full-time faculty bargaining unit, Peace Officers' Association or management/confidential employees receive an increase in Health and Welfare benefits, CSEA shall receive the same increase during the 2013-2014 fiscal year.

This MOU takes the place of the 2013-2014 reopener negotiations on Articles 30 and 33 plus two additional articles which may have been submitted by either party.

By affixing their signatures to this MOU, the parties acknowledge that the matters set forth are agreed. The signatories signify they are the authorized representatives of the parties to this MOU and that all actions necessary for the parties to ratify and accept this MOU as a binding and bilateral agreement will be completed in the manner required by each party or by the law.

This Agreement is made this 7th day of January in the year 2014 in the City of Fresno, County of Fresno, State of California.

**State Center Community College District**

**California School Employees Association**

\_\_\_\_\_  
Diane Clerou, Associate Vice Chancellor,  
Human Resources

\_\_\_\_\_  
Jason Meyers, CSEA President

\_\_\_\_\_  
Samerah Campbell, Interim Director of  
Human Resources

\_\_\_\_\_  
Raul Perez, CSEA Field Labor Rep.

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Disclosure of Collective Bargaining Agreement, ITEM NO. 14-13  
Peace Officers' Association Teamsters Local 856,  
and Public Hearing

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EXHIBIT: Memorandum of Understanding

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Background:

The Peace Officers' Association, Teamsters Local 856 and the district agreed to a memorandum of understanding containing the following:

- A two percent<sup>2%</sup> salary increase retroactive to July 1, 2013.
- If the full-time faculty bargaining unit, Classified School Employees Association or management/confidential employees receive an increase in excess of two percent (2%) to the salary schedule in effect during the 2012-2013 fiscal year, the difference between the two percent (2%) provided in this MOU and the highest percentage increase will be applied to the 2013-2014 salary schedule for bargaining unit members.
- If the full-time faculty bargaining unit, Classified School Employees Association or management/confidential employees receive an increase in Health and Welfare benefits, CSEA shall receive the same increase during the 2013-2014 fiscal year.

This MOU takes the place of the 2013-2014 reopener negotiations on Articles 30 and 33 plus two additional articles which may have been submitted by either party.

Recommendation:

At this time it is appropriate to open the meeting for comments from the public relative to the memorandum of understanding. Following the opportunity for public input, no action is necessary as the terms of the memorandum of understanding will be considered by the board in closed session.



**Memorandum of Understanding and Agreement**  
**By and Between**  
**State Center Community College District**  
**And**  
**The Peace Officers' Association**

This non-precedent setting Memorandum of Understanding and Agreement (“MOU”) is entered into by and between the STATE CENTER COMMUNITY COLLEGE DISTRICT (hereinafter referred to as “DISTRICT” or “EMPLOYER”) and the PEACE OFFICERS’ ASSOCIATION (hereinafter referred to as “EXCLUSIVE REPRESENTATIVE” OR “POA”).

The POA enters into this MOU as the Exclusive Representative for the bargaining unit of peace officers.

The District and POA agree as follows:

Retroactive to July 1, 2013, the District shall provide a two percent (2%) salary increase to each cell of the salary schedule in effect during the 2012-2013 school year for POA bargaining unit members.

If the full-time faculty bargaining unit, California School Employees Association or management/confidential employees receive an increase in excess of two percent to the salary schedule in effect during the 2012-2013 fiscal year, the difference between the two percent (2%) provided in this MOU and the highest percentage increase will be applied to the 2013-2014 salary schedule for bargaining unit members.

If the full-time faculty bargaining unit, California School Employees Association or management/confidential employees receive an increase in Health and Welfare benefits, POA shall receive the same increase during the 2013-2014 fiscal year.

This MOU takes the place of the 2013-2014 reopener negotiations on Articles 30 and 33 plus two additional articles which may have been submitted by either party.

By affixing their signatures to this MOU, the parties acknowledge that the matters set forth are agreed. The signatories signify they are the authorized representatives of the parties to this MOU and that all actions necessary for the parties to ratify and accept this MOU as a binding and bilateral agreement will be completed in the manner required by each party or by the law.

This Agreement is made this \_\_\_\_ day of January in the year 2014 in the City of Fresno, County of Fresno, State of California.

**State Center Community College District**

**Peace Officers' Association**

\_\_\_\_\_  
Diane Clerou, Associate Vice Chancellor,  
Human Resources

\_\_\_\_\_  
Nicholas Hernandez, POA President

\_\_\_\_\_  
Samerah Campbell, Interim Director of  
Human Resources

\_\_\_\_\_  
Rudy Gonzalez, POA Labor Representative

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Consideration of Ratification of Collective  
Bargaining Agreement, California School  
Employees Association Chapter #379

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ITEM NO. 14-14

EXHIBIT: None

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See agenda item No. 14-12

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Consideration of Ratification of Collective  
Bargaining Agreement, Peace Officers'  
Association, Teamsters Local 856

ITEM NO. 14-15

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EXHIBIT: None

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See Agenda item No. 14-13

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

PRESENTED TO BOARD OF TRUSTEES

DATE: January 14, 2014

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SUBJECT: Consideration of Salary Adjustment for  
Unrepresented Employees, Management  
and Confidential

ITEM NO. 14-16

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EXHIBIT: None

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See closed session item D