

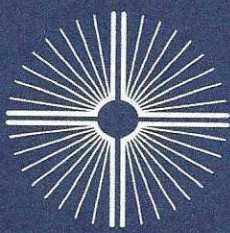


San Bernardino Valley Co

Introduction to

FISCAL RESPONSIBILITIES

a resource for governing boards



COMMUNITY
COLLEGE LEAGUE
OF CALIFORNIA

Introduction to Fiscal Responsibilities

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High quality design and construction results in high quality learning environments and prevents long-term problems.

offer the bonds to multiple investors at a public sale.

- Deliver the bonds and deposit the bond funds appropriately.
- Assure that the county levies the appropriate tax to repay the bonds.
- File the appropriate reports, including an annual report to the governing board.
- Assure that the citizens' oversight committee issues regular reports.

Annual performance audits are required by Proposition 39 to assure the public that the funds are expended in accordance with the bond measure. The specific items to audit are determined by the district and citizens oversight committee and may include, but are not limited to, compliance with ballot language; the bond management plan; design and construction schedules and costs; compliance with state laws and regulations; bid and procurement procedures; change order and claim procedures; quality control and inspection; and comprehensive communication systems.

Local funding options other than Proposition 39 bonds include lease revenue bonds, private donations and more, and are covered in Chapter 3.

State Funding

State funding comes primarily from state bond funds approved by voters in statewide elections. Currently, there are no state funds for new projects because all existing state bond funds for community colleges have either been spent or are committed to projects. Future state bonds will be needed to continue to support the need.

Districts go through a two-step process to apply for state funds to support local projects. The first is the Initial Project Proposal, a three-page concept paper. The CCCCCO reviews and approves the initial proposal to determine if

it could be included in the state capital outlay plan. Approval is contingent, in part, on the district's ability to show the need for the new project given the capacity and adequacy of current facilities, enrollment projections and projected future uses of the new facility.

If the Initial Project Proposal is approved, districts complete the second step of developing a more extensive Final Project Proposal (FPP), which is reviewed by the CCCCCO and submitted to the Board of Governors for approval. The FPP provides a justification for the project, budget detail, the relationship of the project to facilities and educational master plans, and why there are no viable alternatives to state funding.

Project scope approval is contingent upon meeting BOG criteria for prioritizing capital outlay projects. Eligibility is determined and guided by the Education Code, Title 5 regulations, and the *CCC Facilities Planning Manual*.

The level of state funding is allocated, in part, using space standards described in Title 5 Sections 57020 through 57033. "Capacity" is the amount of enrollment (weekly student contact hours) that can be accommodated by an amount of space, which is defined in terms of assignable square feet. Different programs have differing space needs, which are defined in the regulations.

Funds are allocated according to the following priorities adopted by the Board of Governors. The vast majority of funds are allocated to categories A through C. Consideration is also given to projects that are cost efficient and increase energy savings.

- A. Urgent projects that address life and safety concerns, reduced potential for liability, and needed equipment to complete projects
- B. Increase institutional capacity
- C. Modernize institutional space
- D. Complete campus concept