Exemption from the Fifty Percent Law For 2011-12

Palo Verde Community College District

One College Drive

Blythe, CA 92225

Application for Exemption from the Fifty Percent Law CCFS-350-A

Palo Verde Community College District

One College Drive

Blythe, CA 92225

California Community Colleges

Fiscal Year 2011-12

APPLICATION FOR EXEMPTION FROM THE FIFTY PERCENT LAW

CCFS-350A

(Due no later than **September 15, 2012**)

The Palo Verde Community College District hereby applies for exemption from the requirement of *Education Code* Section 84362 for 2011-12.

CALCULATION OF APPARENT DEFICIENCY

1. *Current Expense of Education* (2011-12 *CCFS-311*, Analysis of Compliance with the *Fifty Percent Law*, "Total for ECS 84362", Col. 2) $ 9,412,352

2. Amount that district is required to expend for *Salaries of Classroom Instructors* (Item 1 above times 50%). $ 4,706,176

3. Amount actually expended for *Salaries of Classroom Instructors* (2011-12 *CCFS-311*, Analysis of Compliance with the *Fifty Percent Law*, "Total for ECS 84362", Col. 1) $ 4,226,739

4. Amount designated as the apparent deficiency and for which exemption is requested. (Item 2 minus Item 3) $ 479,437

CERTIFICATION BY THE COMMUNITY COLLEGE DISTRICT: I hereby certify that the information contained in this application is true and correct. A copy of this application has been provided to the exclusive representative of the district's academic employees and the district or college academic senate.

Governing board of the Palo Verde Community College District

By: [signature] Title: Interim Superintendent/President

Date: September 11, 2012

California Community Colleges

Fiscal Year 2011-12

APPLICATION FOR EXEMPTION FROM THE FIFTY PERCENT LAW

CCFS-350A

(Due no later than **September 15, 2012**)

The Palo Verde Community College District hereby applies for exemption from the requirement of *Education Code* Section 84362 for 2011-12.

CALCULATION OF APPARENT DEFICIENCY

1. *Current Expense of Education* (2011-12 *CCFS-311*, Analysis of Compliance with the *Fifty Percent Law*, "Total for ECS 84362", Col. 2) $ 9,017,569

2. Amount that district is required to expend for *Salaries of Classroom Instructors* (Item 1 above times 50%). $ 4,508,784

3. Amount actually expended for *Salaries of Classroom Instructors* (2011-12 *CCFS-311*, Analysis of Compliance with the *Fifty Percent Law*, "Total for ECS 84362", Col. 1) $ 4,226,739

4. Amount designated as the apparent deficiency and for which exemption is requested. (Item 2 minus Item 3) $ 282,045

CERTIFICATION BY THE COMMUNITY COLLEGE DISTRICT: ***I hereby certify that the information contained in this application is true and correct. A copy of this application has been provided to the exclusive representative of the district's academic employees and the district or college academic senate.***

Governing board of the Palo Verde Community College District

By: Denise Whitt [signature] Title: Interim Superintendent/President

Date: Amended 10/9/12

California Community Colleges

ANNUAL FINANCIAL AND BUDGET REPORT

(Financial Report for Fiscal Year 2011-2012)
(Budget Report for Fiscal Year 2012-2013)

District PALO VERDE

District Code: 950

This is to certify that the Annual Financial and Budget Report has been prepared and the budget adopted in accordance with the *California Code of Regulations*, beginning with Section 58300. Further, to the best of my knowledge, the data contained in this report are correct.

District Chief Business Officer	10-9-12 Date
District Superintendent	10-9-12 Date

Contact Russi Egan

(760) 921-552

In accordance with the *California Code of Regulations*, Section 58305(d) a copy of this report is due to the Chancellor's Office on or before October 10, 2012. Please submit the report to :

Chancellor's Office
California Community Colleges
Fiscal Services Unit
1102 Q Street, Suite 300
Sacramento, CA 95814-6511

CALIFORNIA COMMUNITY COLLEGES

Annual Financial and Budget Report

SUPPLEMENTAL DATA

Analysis of compliance with the 50 Percent Law (ECS 84362)

The Current Expense of Education

S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year: 2011-2012 Budget Year: 2012-2013 District ID: 950 Name: PALO VERDE

Academic Salaries	Object Code	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110	Activity (ECSB) ECS 84362 B Total CEE AC 0100 - 6799	Activity (ECSX) Excluded Activities AC 6800 - 7390	Total
Instructional Salaries					
Contract or Regular	1100	2,062,685	2,062,685		2,062,685
Other	1300	603,454	603,454		603,454
Total Instructional Salaries		2,666,139	2,666,139	0	2,666,139
Non-Instructional Salaries					
Contract or Regular	1200		694,622	162,316	856,938
Other	1400		17,895		17,895
Total Non-Instructional Salaries		0	712,517	162,316	874,833
Total Academic Salaries		2,666,139	3,378,656	162,316	3,540,972
Classified Salaries					
Non-Instructional Salaries					
Regular Status	2100		1,980,223	44,735	2,024,958
Other	2300		1,284		1,284
Total Non-Instructional Salaries		0	1,981,507	44,735	2,026,242
Instructional Aides					
Regular Status	2200	32,933	32,933		32,933
Other	2400	16,152	16,152		16,152
Total Instructional Aides		49,085	49,085	0	49,085
Total Classified Salaries		49,085	2,030,592	44,735	2,075,327
Employee Benefits	3000	998,401	2,495,278	54,187	2,549,465
Supplies and Materials	4000		68,456	955	69,411
Other Operating Expenses	5000	642,792	2,059,501	112,369	2,171,870
Equipment Replacement	6420				0
Total Expenditures Prior to Exclusions		4,356,417	10,032,483	374,562	10,407,045

CALIFORNIA COMMUNITY COLLEGES

Annual Financial and Budget Report

SUPPLEMENTAL DATA

Analysis of compliance with the 50 Percent Law (ECS 84362)

The Current Expense of Education

S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year 2011-2012 Budget Year 2012-2013 District ID: 950 Name: PALO VERDE

Exclusions		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110	Activity (ECSB) ECS 84362 B Total CEE AC 0100 - 6799	Activity (ECSX) Excluded Activities AC 6800 - 7390	Total
Activities to Exclude	TOP Code				
Instructional Staff-Retirees Benefits and Retirement Incentives	5900	129,678	129,678		129,678
Student Health Services Above Amount Collected	6441				0
Student Transportation	6491		14,160		14,160
Noninstructional Staff-Retirees Benefits and Retirement Incentives	6740		358,711		358,711
Objects to Exclude	Object Code				
Rents and Leases	5060		305,194		305,194
Lottery Expenditures					
Academic Salaries	1000				0
Classified Salaries	2000				0
Employee Benefits	3000				0
Supplies and Materials	4000				
Software	4100				0
Books, Magazines, & Periodicals	4200				0
Instructional Supplies & Materials	4300				0
Noninstructional Supplies & Materials	4400				0
Total Supplies and Materials		0	0	0	0
Other Operating Expenses and Services	5000		207,171		207,171

CALIFORNIA COMMUNITY COLLEGES

Annual Financial and Budget Report

SUPPLEMENTAL DATA

Analysis of compliance with the 50 Percent Law (ECS 84362)

The Current Expense of Education

S11 GENERAL FUND - UNRESTRICTED SUBFUND

For Actual Year 2011-2012 Budget Year 2012-2013 District ID: 950 Name: PALO VERDE

	Object Code	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110	Activity (ECSB) ECS 84362 B Total CEE AC 0100 - 6799	Activity (ECSX) Excluded Activities AC 6800 - 7390	Total
Capital Outlay	6000				
Library books	6300				0
Equipment	6400				
Equipment - Additional	6410				0
Equipment - Replacement	6420				0
Total Equipment		0	0	0	0
Total Capital Outlay		0	0	0	0
Other Outgo	7000				0
Total Exclusions		129,678	1,014,914	0	1,014,914
Total for ECS 84362, 50% Law		4,226,739	9,017,569	374,562	9,392,131
Percent of CEE (Instructional Salary Cost / Total CEE)		46.87%	100.00%		
50% of Current Expense of Education			4,508,784		
Nonexempted (Remaining) Deficiency from second preceeding Fiscal Year					
Amount Required to be Expended for Salaries of Classroom Instructors		4,226,739	9,017,569	374,562	9,392,131
Reconciliation to Unrestricted General Fund Expenditures					
Total Expenditures Prior to Exclusions		4,356,417	10,032,483	374,562	10,407,045
Capital Expenditures	6000		6,470	64,286	70,756
Equipment Replacement (Back out)	6420		0	0	0
Total Unrestricted General Fund Expenditures		4,356,417	10,038,953	438,848	10,477,801

Findings of the Local Governing Board Regarding the Fifty Percent Law CCFS-350-B

Palo Verde Community College District

One College Drive

Blythe, CA 92225

California Community Colleges

Fiscal Year 2011-12

FINDINGS OF THE LOCAL GOVERNING BOARD REGARDING THE FIFTY PERCENT LAW

CCFS-350B (Due no later than **December 1, 2012**)

The Palo Verde Community College District hereby applies for exemption from the requirement of *Education Code* Section 84362 for 2011-12. The following is submitted pursuant to the *California Code of Regulations* (*CCR*) title 5 sections 59204 and 59208 as part of the application process.

A. Calculation of Apparent Deficiency

1.	*Current Expense of Education* (2011-12 *CCFS-311*, Analysis of Compliance with the *Fifty Percent Law*, "Total for ECS 84362", Col. 2)	$ 9,017,569
2.	Amount required to be expended for *Salaries of Classroom Instructors* (Item A.1 above times 50%)	$ 4,508,784
3.	Amount actually expended for *Salaries of Classroom Instructors* (2011-12 *CCFS-311*, Analysis of Compliance with the *Fifty Percent Law*, "Total for ECS 84362", Col. 1)	$ 4,226,739
4.	Amount designated as the apparent current deficiency and for which this exemption application is filed (Item A.2 minus Item A.3)	$ 282,045

B. Basis for Exemption Request: ***(Check the boxes that apply and attach supporting documentation.)***

☒ **'Serious Hardship' is defined in *CCR* title 5 section 59204(c).**

- ☐ Increasing expenditures for the *Salaries of Classroom Instructors* would result in the district being unable to discharge financial liabilities.
- ☐ First year infusion of new moneys resulted in the inability to expend 50 percent for the *Salaries of Classroom Instructors.*
- ☒ Unanticipated, unbudgeted, and necessary expenditures resulted in the inability to expend 50 percent for the *Salaries of Classroom Instructors.*
- ☐ The district has expended funds pursuant to *CCR* title 5 section 59213(f).

☒ **District pays *Salaries of Classroom Instructors* higher than cohort per *CCR* title 5 section 59204(e).**

☐ **'Serious Hardship' as defined in *CCR* title 5 section 59204.1. Also complete *CCFS-350C*.**

Certification by the Community College District: ***I hereby certify that the information reported above is true and correct. The basis for the district's application for exemption has been subject to public hearing in accordance with CCR title 5 section 59208(a). I further certify that all interested parties were provided a reasonable opportunity to be heard in the public hearing. A list of the issues raised at that hearing is attached.***

Governing board of the Palo Verde Community College District

By: Denise Whitaker **Title:** Interim Superintendent/President

District Chief Executive Officer or Officer of the Local Governing Board

Date: 10/9/12

Attachment 1

Findings of the Local Governing Board Regarding the Fifty Percent Law

CCFS-350B

We have requested the exemption request based on serious hardship. In 2010-11, the district discovered serious problems with the ending balance and the fifty percent law calculation. The district was below the 5% minimum ending balance that is required of community colleges which is a measure of fiscal stability. The district was also not in compliance with the fifty percent law. At the time of these discoveries, fiscal year 2011-12 was underway.

The district's ending balance was $1,101,482 (see Attachment 5). There are not any noncash assets included in the ending balance. The district doesn't have any other reserve fund for the general fund.

The FTES for fiscal year 2011-2012 was intentionally reduced from 1787 to 1368 see Attachment 6). Advice was given to the college to reduce its offering in the Spring of 2012 and enter into stability with the Chancellor's Office in an effort to stabilize the finances of the district. The reduction in course offerings was primarily with our Instructional Service Agreements (ISA). There was 46% reduction in ISA offerings, which reduced the instructional expenses associated with them (see Attachment 1 & 2).

The district also reduced the non-instructional staff by offering incentives in lieu of layoffs. Due to these incentives, the district had an additional liability of vacation payoffs in the amount of $74,933.53 (see Attachment 3). These incentives were offered with the direct expectation of reducing non-instructional staff and therefore positively impacting the fifty percent law in the future.

View Financial Summary

DISTRICT 05 - PALO VERDE COMMUNITY COLLEGE

Begin Date: 07/01/2011 / End Date: 06/30/2012

NOTE: Generated from Galaxy screen on 10/09/2012 5:23 PM

Fund	School	Resource	PY	Goal	Function	Object	Adopted Budget	Revised Budget	Rev/Exp Net of Abatements	Encumbrances	Uncommitted / Unrealized
11	FST	0	2	2133	0	1330	0	37,234.20	37,234.20	0	0
11	FST	0	2	2133	0	3110	0	0	2,822.16	0	-2,822.16
11	FST	0	2	2133	0	3310	0	0	187.63	0	-187.63
11	FST	0	2	2133	0	3315	0	0	539.88	0	-539.88
11	FST	0	2	2133	0	3510	0	0	599.49	0	-599.49
11	FST	0	2	2133	0	3610	0	0	536.93	0	-536.93
11	FST	0	2	2133	0	4550	500	500	0	0	500
11	FST	0	2	2133	0	4556	0	1,050.00	19.52	0	1,030.48
11	FST	0	2	2133	0	5045	100	100	0	0	100
11	FST	0	2	2133	0	5110	700,000.00	694,000.00	461,190.16	0	232,809.84
11	FST	0	2	2133	0	5210	2,500.00	2,500.00	0	0	2,500.00
11	FST	0	2	2133	0	5220	0	0	578.8	0	-578.8
11	FST	0	2	2133	0	5630	0	0	672.36	0	-672.36
							703,100.00	735,384.20	504,381.13	-	231,003.07

Attachment 2

View Financial Summary

DISTRICT 05 - PALO VERDE COMMUNITY COLLEGE

Begin Date: 07/01/2010 / End Date: 06/30/2011

NOTE Generated from Galaxy screen on 10/09/2012 5:24 PM

Fund	School	Resource	PY	Goal	Function	Object	Adopted Budget	Revised Budget	Rev/Exp Net of Abatements	Encumbrances	Uncommitted / Unrealized
11	FST	0	0	1230	0	5210	0	0	0	0	0
11	FST	0	0	2133	0	1210	0	44,453.04	40,748.62	0	3,704.42
11	FST	0	0	2133	0	1330	0	63,833.32	63,820.30	0	13.02
11	FST	0	0	2133	0	2117	0	36,510.00	0	0	36,510.00
11	FST	0	0	2133	0	3110	0	4,871.68	4,871.68	0	0
11	FST	0	0	2133	0	3130	0	3,667.33	3,361.71	0	305.62
11	FST	0	0	2133	0	3310	0	295.74	295.74	0	0
11	FST	0	0	2133	0	3315	0	925.36	925.36	0	0
11	FST	0	0	2133	0	3335	0	644.53	590.81	0	53.72
11	FST	0	0	2133	0	3430	0	8,208.24	7,540.47	0	667.77
11	FST	0	0	2133	0	3510	0	459.51	459.51	0	0
11	FST	0	0	2133	0	3530	0	320.04	293.37	0	26.67
11	FST	0	0	2133	0	3610	0	857.72	857.72	0	0
11	FST	0	0	2133	0	3630	0	597.37	547.58	0	49.79
11	FST	0	0	2133	0	4550	0	1,000.00	901.54	0	98.46
11	FST	0	0	2133	0	4556	0	-750	-900.64	0	150.64
11	FST	0	0	2133	0	5045	0	25	3.39	0	21.61
11	FST	0	0	2133	0	5110	800,000.00	796,850.00	864,164.26	0	-67,314.26
11	FST	0	0	2133	0	5210	0	1,500.00	1,179.12	0	320.88
11	FST	0	0	2133	0	5220	0	750	738.2	0	11.8
11	FST	0	0	2133	0	5630	0	625	510.4	0	114.6
							800,000.00	965,643.88	990,909.14	-	(25,265.26)

Attachment 3

Unexpected Retirements - Vacation Payoffs

ID#	
149838	5,691.17
159322	4,431.37
155870	5,032.63
29926	10,447.25
	25,602.42

Unexpected Separations - Incentive Plan to Reduce Staffing

194841	24,205.43
162445	11,061.86
179663	577.73
164210	5,367.07
212151	1,436.43
138728	258.92
221520	6,423.67
	49,331.11

Total Unexpected Personnel Costs

74,933.53

CALIFORNIA COMMUNITY COLLEGES

Annual Financial and Budget Report

REVENUES, EXPENDITURES, AND FUND BALANCE DATA

Governmental Funds Group

10 **General Fund**

950 PALO VERDE

For Actual Year: 2011-2012 Budget Year: 2012-2013

General Fund

Description	Object Code	Fund: 11 UNRESTRICTED SUBFUND		Fund: 12 RESTRICTED SUBFUND		Fund: 10 TOTAL	
		Actual	Budget	Actual	Budget	Actual	Budget
REVENUES:							
Federal Revenues	8100			447,280	743,847	447,280	743,847
State Revenues	8600	9,795,507	11,099,731	1,266,195	1,035,662	11,061,702	12,135,393
Local Revenues	8800	1,630,050	1,226,143	148,737	19,750	1,778,787	1,245,893
Total Revenues		11,425,557	12,325,874	1,862,212	1,799,259	13,287,769	14,125,133
EXPENDITURES:							
Academic Salaries	1000	3,549,072	3,803,109	907,210	501,402	4,456,282	4,304,511
Classified Salaries	2000	2,080,681	2,110,153	764,294	454,859	2,844,975	2,565,012
Employee Benefits	3000	2,679,428	2,708,862	565,976	240,449	3,245,404	2,949,311
Supplies and Materials	4000	69,214	193,508	141,639	119,560	210,853	313,068
Other Operating Expenses and Services	5000	2,286,119	2,400,740	282,296	186,295	2,568,415	2,587,035
Capital Outlay	6000	70,756	1,014,000	89,222	87,384	159,978	1,101,384
Total Expenditures		10,735,270	12,230,372	2,750,637	1,589,949	13,485,907	13,820,321
Excess /(Deficiency) of Revenues over Expenditures		690,287	95,502	(888,425)	209,310	(198,138)	304,812
Other Financing Sources	8900			1,009,683		1,009,683	0
Other Outgo	7000	71,631	75,000	199,580	209,310	271,211	284,310
Net Increase/(Decrease) in Fund Balance		618,656	20,502	(78,322)	0	540,334	20,502
BEGINNING FUND BALANCE:							
Net Beginning Balance, July 1	9010	342,283	1,101,482	78,870	548	421,153	1,102,030
Prior Years Adustments	9020	140,543				140,543	
Adjusted Beginning Balance	9030	482,826		78,870		561,696	
Ending Fund Balance, June 30		1,101,482	1,121,984	548	548	1,102,030	1,122,532

Attachment 5

California Community Colleges

2011-12 APPORTIONMENT ATTENDANCE REPORT

State Residents

Annual Period

Date Due in Chancellor's Office: July 15, 2012

Palo Verde CCD

Palo Verde College

Part I. Full-Time Equivalent Student	Attendance FTES* of State Residents (and Nonresidents Attending Noncredit Courses)	Factored FTES
A. Summer Intersession (Summer 2011 Only)		
1. Noncredit (Parts IV.A.1 + VII.A.3.)	1.98	1.98
2. Credit (Parts III.A.1. + IV.A.1. + VI.A.1.)	0.00	0.00
B. Summer Intersession (Summer 2012 - Prior to July 1, 2012) 1. Noncredit (Parts IV.B.1 + VII.B.3.)	0.00	0.00
2. Credit (Parts III.B.1. + IV.B.2. + VI.B.1.)	0.00	0.00
C. Primary Terms (Exclusive of Summer Intersession) 1. Census ProcedureCourses (a) Weekly Census Contact Hours (Part II.)	529.96	529.96
(b) Daily Census Contact Hours (Part III)	0.99	0.99
2. Actual Hours of Attendance Procedure Courses (a) Noncredit (Part IV.C.)	6.14	6.14
(b) Credit (Part IV.D.)	295.40	295.40
3. Alternative Attendance Accounting Procedure (a) Weekly Census Procedure Courses (Part V.)(Credit)	532.53	532.53
(b) Daily Census Procedure Courses (Part VI.)(Credit)	0.93	0.93
(c) Noncredit Independent Study/Distance Education Courses (Part VII.C.)	0.00	0.00
D. Total FTES	1,367.93	1,367.93

SUPPLEMENTAL INFORMATION ***	
In-service Training Courses (FTES)	276.37
Basic Skills Courses and Immigrant Education ** (FTES) 1. Non-Credit	4.30
2. Credit	161.81

Supplemental Exemption for "Serious Hardship" CCFS-350-C

Palo Verde Community College District

One College Drive

Blythe, CA 92225

California Community Colleges

Fiscal Year 2011-12

Supplemental Exemption for "Serious Hardship"

CCFS-350C (Due no later than **December 1, 2012**)

The Palo Verde Community College District hereby further applies for exemption from the requirement of *Education Code* Section 84362 for 2011-12. The following is submitted pursuant to *California Code of Regulations* (*CCR*) **title 5 section 59204.1 'Serious Hardship'.**

A. Eligibility for the Supplemental Exemption for "Serious Hardship"

Absent the reduction of categorical funding, did your district expend in **2011-12** less than 50 percent of its *Current Expense of Education* on the *Salaries of Classroom Instructors?* *(If **YES**, proceed; if **NO** your district does **not** qualify for this Serious Hardship exemption.)* yes

B. Designation of Apparent Deficiency

1.	The level of categorical funding provided by the state for categorical programs in **2008-09**	$ 1,487,262
2.	The level of categorical funding provided by the state for categorical programs in **2011-12**	$ 1,041,419
3.	***Difference (1 minus 2)***	$ 445,843
4.	The district's level of unrestricted general fund support (***over & above required General Fund matching dollars***) for categorical programs in **2011-12**	$ 231,829
5.	Enter the amount from line **3** or **4** above, whichever is lower. (***maximum amount eligible for exemption***)	$ 231,829

Certification by the Community College District: ***I hereby certify that the information reported above is true and correct. The basis for the district's application for exemption has been subject to public hearing in accordance with CCR title 5 section 59208(a). I further certify that all interested parties were provided a reasonable opportunity to be heard in the public hearing. A list of the issues raised at that hearing is attached.***

Governing board of the Palo Verde Community College District

By: Denise Whitt **Title:** Interim Superintendent/President

District Chief Executive Officer or Officer of the Local Governing Board

Date: 10/9/12

Supplemental Exemption for "Serious Hardship"
CCFS-350C

Program	Level of Categorical Funding Provided by the State 2008-09	2011-12
Financial Aid	143,856.00	186,224.00
Basic Skills	100,000.00	90,000.00
CARE Program	63,492.00	38,383.00
Cal Works	112,335.00	115,886.00
Disabled Students Programs & Services	253,676.00	137,265.00
EOP & S	417,048.00	270,691.00
Non-Credit Matriculation	42,616.00	19,473.00
Matriculation	328,114.00	158,701.00
TANF	26,125.00	24,796.00
Totals	**1,487,262.00**	**1,041,419.00**
Difference		445,843.00

Supplemental Exemption for "Serious Hardship"
CCFS-350C

Program	General Fund - Unrestricted Expenses 2011-12	Required Match	Excess of required match
Financial Aid	310,522.05	256,745.00	53,777.05
Basic Skills	-	-	-
CARE Program	-	-	-
Cal Works*	96,699.00	92,297.00	4,402.00
Disabled Students Programs & Services	-	-	-
EOP & S	164,139.00	164,139.00	-
Non-Credit Matriculation	19,473.00	19,473.00	-
Matriculation	649,753.09	476,103.00	173,650.09
TANF	-	-	-
	1,240,586.14	1,008,757.00	231,829.14

*This is an increase from 2010-11 of $67,174.