

Mission-West Valley Land Corporation
Policy on Allocation of Funds
Revised January 24, 2017

I. Allocation of Funds Policies

- A. The Mission-West Valley Land Corporation (“the Land Corporation”) will pay rent to the West Valley-Mission Community College District (“the District”) in an amount equal to 25% of the gross annual (fiscal year) ground lease revenues received by the Land Corporation.
- B. The Land Corporation will contribute 5% of its gross annual ground lease revenue to the Land Corporation Endowment Fund.
- C. The Land Corporation shall provide all or a portion of the matching funds necessary for the District’s Scheduled Maintenance Project annually, subject to Board approval.
- D. The Land Corporation will typically not consider requests for funding of on-going District or college operations or for other annual or continuing expenses of the District or colleges, except as otherwise specifically provided within these policies.
- E. The Land Corporation will consider any appropriate requests for funding only after providing adequate funding for the fiduciary and financial responsibilities of the Land Corporation itself.
- F. The Land Corporation shall maintain at all times a Contingency Reserve of no less than \$4,000,000 or an amount equal to its annual debt service payments, whichever is greater. These funds may be invested.
- G. The Land Corporation shall not assume annual debt service obligations in excess of 50% of its then scheduled gross annual ground lease revenues.
- H. The Land Corporation shall allocate \$150,000 to the District to establish two Innovation/Improvement Funds operated by the District. \$100,000 shall be allocated to the Teaching and Learning Innovation/Improvement Fund, which is designed to fund faculty, both full and part-time, who have innovative and improvement ideas about teaching and learning and need funds to make them real. The approval process will consist of proposals being developed and submitted to a Review Committee composed entirely of faculty from the two colleges. Recommended proposals will go to the District’s Executive Management Team (EMT) for final review and approval. Innovative/improvement projects will be considered and funded on a quarterly basis.

Reports on funded proposals will be given to Land Corporation quarterly. \$50,000 will be allocated to the Student Success Innovation/Improvement Fund for staff and administrators who need funding for innovative and improvement ideas about improving student success. A similar review procedure with appropriate administrative and classified staff participation will be enacted. There will be no participation from faculty, except for counselors. Innovative/improvement projects will be considered and funded on a quarterly basis. EMT will perform the final review and approval for funding. Reports on funded proposals will be given to Land Corporation on a quarterly basis. Any future Land Corporation contributions to these funds shall be discretionary on the part of the Board and generally shall only consist of the dollars required to bring the fund balance back to \$150,000.

- I. The Land Corporation shall provide funding for technology refresh and instructional equipment, subject to Board approval. Funding requests shall be submitted to the Land Corporation at the May meeting.
- J. The Land Corporation shall provide funding for the colleges' scholarship program based on an approved criteria. The amount provided by the Land Corporation shall be the difference between \$500,000 and the amount provided by the Foundation.
- K. The Land Corporation shall provide funds to the District to establish an Entrepreneurial Fund, operated by the District. The funds will be granted at the Chancellor's discretion in order to advance creative proposals or projects that are accompanied by some degree of risk. Funds must be reserved for projects and proposals that either need funding expeditiously or projects and proposals that cannot be readily funded in other ways. Funds cannot be spent on items for a chancellor's or president's office. Projects or proposals that are funded must be reported quarterly to the Land Corporation by the Chancellor.
- L. These policies are to remain in effect until June 30, 2019, unless otherwise changed by Board action.
- M. The Pro Forma attached as Exhibit A shall be used as a guide in allocating funds to the six funding categories established by the Land Corporation.

II. Procedures for Consideration of Capital Improvements and Special Projects Funding Proposals

- A. The Land Corporation shall annually consider requests for capital improvements and special project funding.
- B. The Land Corporation shall allocate by March 31 of each fiscal year a set amount

of dollars for capital improvement and special project funding needs. The amount of this allocation shall be made known to the District.

- C. Requests for consideration of capital improvements and special project funding proposals by staff must be presented in the following manner:
- No later than February 1, proposals shall be transmitted in writing to the Vice Chancellor. Each proposal must adhere to the funding guidelines contained herein for consideration.
 - No later than April 1, the Vice Chancellor will prepare and transmit a report to EMT listing all proposals received and provide background, remarks and recommendations concerning the proposals.
 - No later than April 30, EMT will meet and consider all proposals received. EMT will recommend approval or rejection of each proposal and shall make its recommendation known to the Chancellor.
 - The Board will then consider and act on each proposal and recommendation in an expeditious manner.
- D. Capital improvements and special project proposals approved for funding by the Board shall remain funded for the remainder of the fiscal year in which they are first approved and for the entire following fiscal year, unless specific action is taken by the Board to rescind the approval.
- E. No later than May of each year, the District shall provide the Land Corporation Board with a written report summarizing the efforts, outcomes and funding status for each capital improvement and special project approved for funding as part of the Land Corporation Budget. This report shall be provided at a regular Land Corporation Board Meeting.
- F. Directors' project funding requests, or emergency District requests approved by the Chancellor, shall be considered on an as-requested basis.

ATTACHMENT A

PRO FORMA BUDGET

Land Corporation Proposed Funding Categories

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| 1. Innovation Fund | \$150,000 |
| • Teaching & Learning Innovation Fund (para 1H) | \$100,000 |
| • Student Success Innovation Fund (para 1H) | \$50,000 |
| 2. Capital Improvements & Special Projects | \$1,600,000 |
| • Capital Improvements (para II) | \$1,000,000 |
| • Special Projects (para II) | \$600,000 |
| 3. Technology Refresh & Instructional Equipment (para 1I) | \$500,000 |
| 4. Student Assistance | |
| • Scholarship Endowment (para 1J) | \$500,000 |
| 5. Maintenance (para 1C) | \$200,000 |
| 6. Entrepreneurial Funds (para 1K) | \$100,000 |
| | <u>Total \$2,550,000</u> |