

RIVERSIDE COMMUNITY COLLEGE DISTRICT
REPORT OF THE
BUDGET ALLOCATION MODEL
TASK FORCE



MAY 13, 2008

RIVERSIDE COMMUNITY COLLEGE DISTRICT BUDGET ALLOCATION MODEL



Background

- ❖ Transition from a Single College District with two centers to a Multi-College District
- ❖ Accreditation
 - ❖ Self-study planning agenda items
 - ❖ Accrediting Commission recommendations
- ❖ Chancellor's Charge -
 - ❖ Form a Task Force to develop a new Budget Allocation Model that will serve the needs of a Multi-College District

RIVERSIDE COMMUNITY COLLEGE DISTRICT BUDGET ALLOCATION MODEL



❖ Task Force Members

- ❖ Aaron Brown - Interim Vice Chancellor, Administration & Finance (Chair)
- ❖ Michael McQuead - Associate Professor (Moreno Valley)
- ❖ Dr. Bill Orr - Vice President, Business Services (Moreno Valley)
- ❖ Tom Wagner, J.D. - Associate Professor (Norco)
- ❖ Norm Godin - Vice President, Business Services (Norco)
- ❖ Ajene Wilcoxson - Associate Professor (Riverside)
- ❖ Cindy Taylor - Outreach/Passport to College Coordinator (Riverside)
- ❖ Becky Elam - Vice President, Business Services (Riverside)
- ❖ Patti Braymer - Interim Associate Vice Chancellor, Finance (District)
- ❖ Vickie Vega - Administrative Assistant (Meeting Recorder)

RIVERSIDE COMMUNITY COLLEGE DISTRICT BUDGET ALLOCATION MODEL



- ❖ Task Force Work
 - ❖ Began meeting in September 2007, meeting a total of twenty times through May 2, 2008
 - ❖ Established timelines and communication processes
 - ❖ Defined Guiding Principles
 - ❖ Discussed concepts such as:
 - ❖ Reserves
 - ❖ Standards
 - ❖ Efficiency Measures
 - ❖ High-Cost Programs
 - ❖ Growth Allocations
 - ❖ New Positions
 - ❖ Evaluated sample Models from other Multi-College Districts
 - ❖ "Community College Funding 101"
 - ❖ Developed BAM "Sketches"



RIVERSIDE COMMUNITY COLLEGE DISTRICT BUDGET ALLOCATION MODEL



PRINCIPLES: The Budget Allocation Model (BAM) will encourage:

- ❖ **A student focused orientation.** The best interest of students will be primary.
- ❖ **Collegiality.** Resource allocation must be viewed as the distribution of funds in a manner that is best for the District with an understanding of the "power of three".
- ❖ **Long range planning.** By relying upon the District strategic goals, the College Education and Facility Master Plans, the Strategic Planning and Program Review process.
- ❖ **Empowerment of authority and accountability.** At the College level. Authority must be assigned at the lowest applicable level.
- ❖ **Significance of fiscal year boundaries.** Alignment of on-going commitments with on-going revenue streams and one-time allocations with one-time acquisitions.
- ❖ **Campus responsibility.** By providing Colleges with the opportunity and authority to manage budgets by providing carry-over of unused funds.
- ❖ **Fiduciary responsibility.** Compliance with Federal, State, and Local regulations will be adhered to. This includes funding a minimum five (5) percent Reserve first.
- ❖ **Data determined decision-making.** The data elements of the model will be widely known and distributed. Downstream financial impacts must be identified in decision-making.

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PRINCIPLES: The Budget Allocation Model (BAM) will be:

- ❖ **Dynamic.** The BAM will provide the ability to reflect changes in District and College priorities or structure.
- ❖ **Communicated broadly.** The College community will have a full understanding of the model, the process and resulting funding decisions. Information will be easily accessible and clearly communicated.
- ❖ **Bottom-up and Top-down.** Mechanisms will exist for input from all levels of the College community including students.
- ❖ **Easy to apply.** The model must be straightforward in its application.
- ❖ **A decision-making tool.** The BAM must support strategic planning, planned growth, program expansion and contraction. The BAM must be able to respond to crisis as well as multi-year plans.
- ❖ **Evaluated and assessed.** On an annual basis and improved as appropriate.
- ❖ **Rational.** Budgets must reflect needs and available resources. When imbedded formula's don't work, alternative options must be available.
- ❖ **Timely.** Allocation of funds through the BAM will be distributed in a timely manner to allow for thoughtful implementation of plans.



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Task Force Outreach and Discussion

- ❖ Staff, Faculty, and Administration:
- ❖ All Campus Strategic Planning Committees
- ❖ District Strategic Planning Committee
- ❖ All Campus Resource Subcommittees
- ❖ All Campus Academic Senates
- ❖ District Academic Planning Committee
- ❖ All Campus Executive Cabinets
- ❖ District Executive Cabinet
- ❖ Bargaining Units
- ❖ Entire College Community Via E-mail

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Task Force Disclosure and Discussion

Task Force Communication:

To promote effective coordination with the District and each campus each member has reported BAM Task Force progress with his/her constituents and brought comments back to the Task Force.

Coordination with College Organizations:

Members of the BAM Task Force have given presentations to and received comments from the following District/campus organizations:

- ❖ All three campus Strategic Planning Committees (SPC's). All three campus SPC Resources Subcommittees
- ❖ District Strategic Planning Committee
- ❖ All three campus Academic Senates

- ❖ Academic Planning Council

- ❖ Various campus Meetings

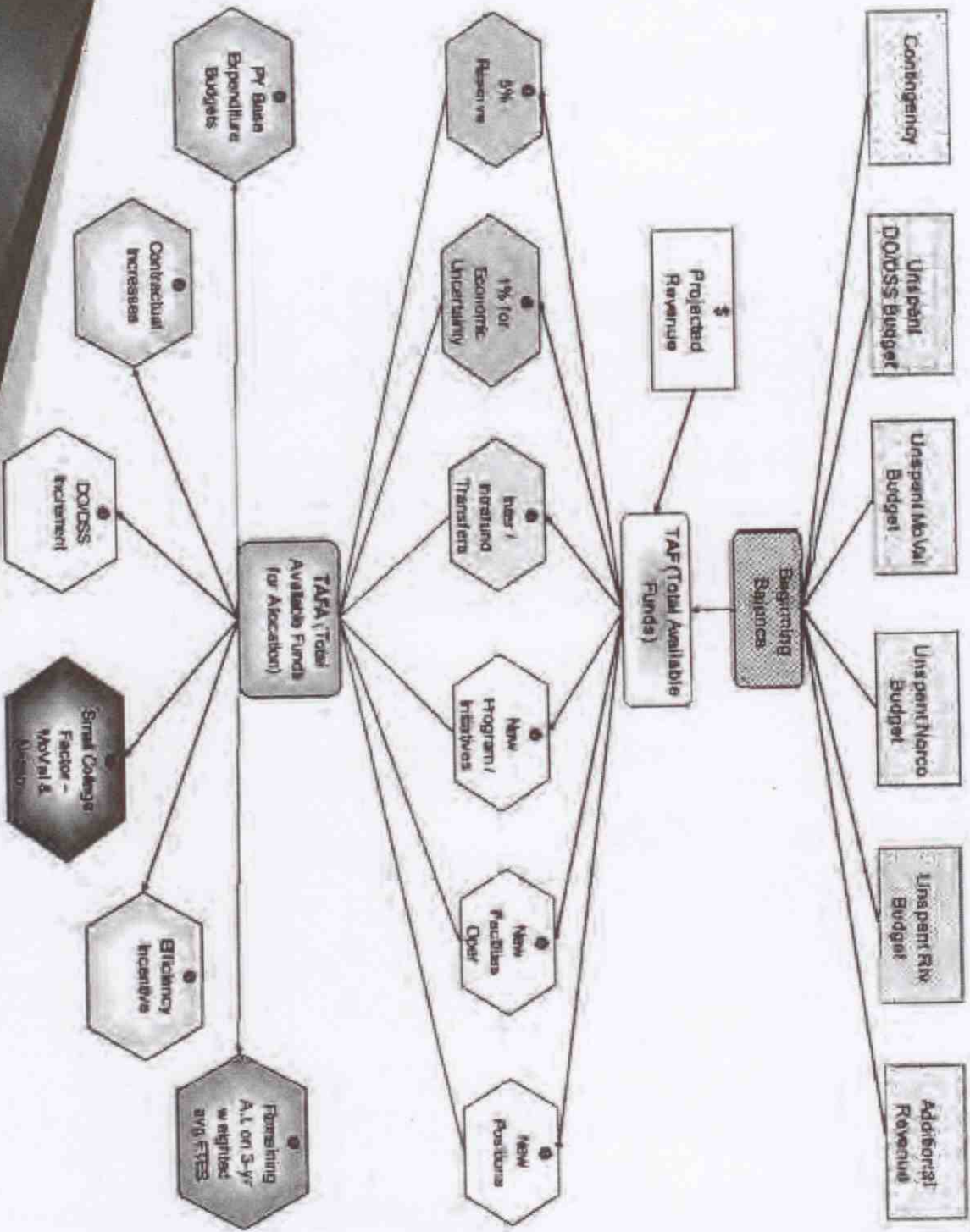
Distribution of BAM Task Force Materials

Available to the Entire College Community:

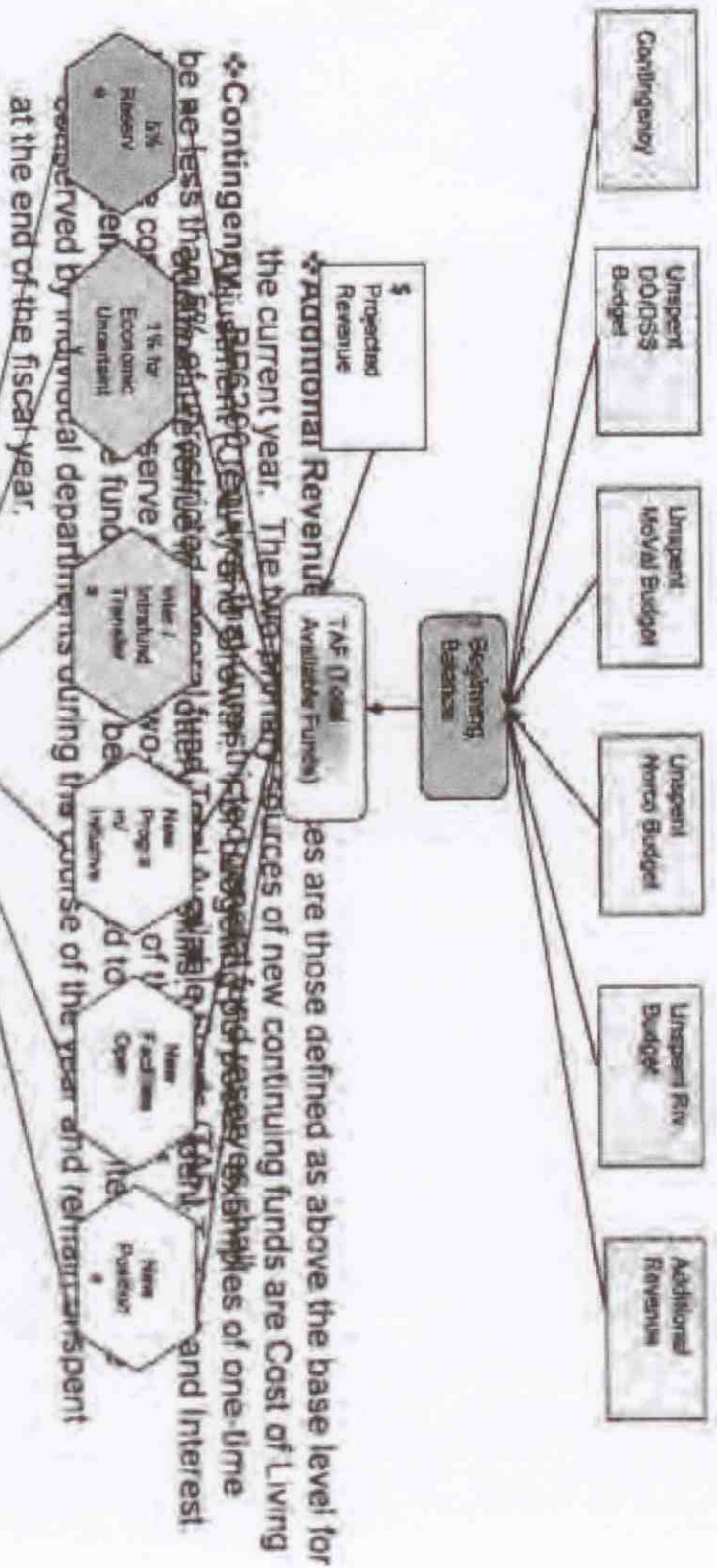
The BAM Task Force has distributed its materials to all members of the College community who have requested information.

The BAM Task Force will post the proposed Budget Allocation Model, Task Force minutes and agendas with explanation to every member of the College community on the internet before the end of this fiscal year.

Budget Allocation Model (BAM) Flow Chart

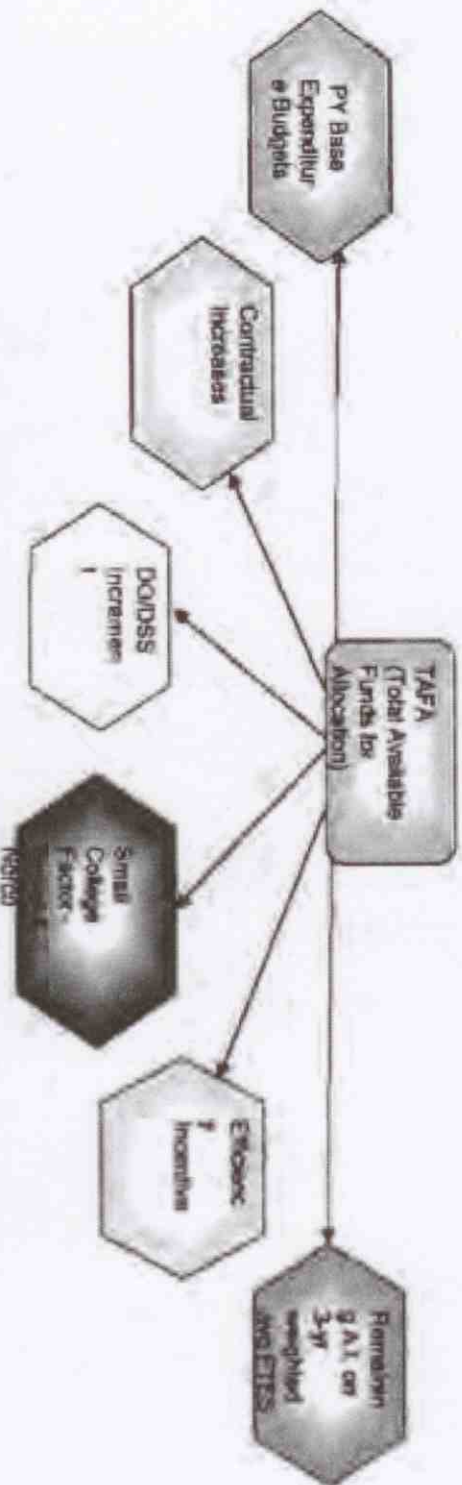


Budget Allocation Model (BAM) Flow Chart



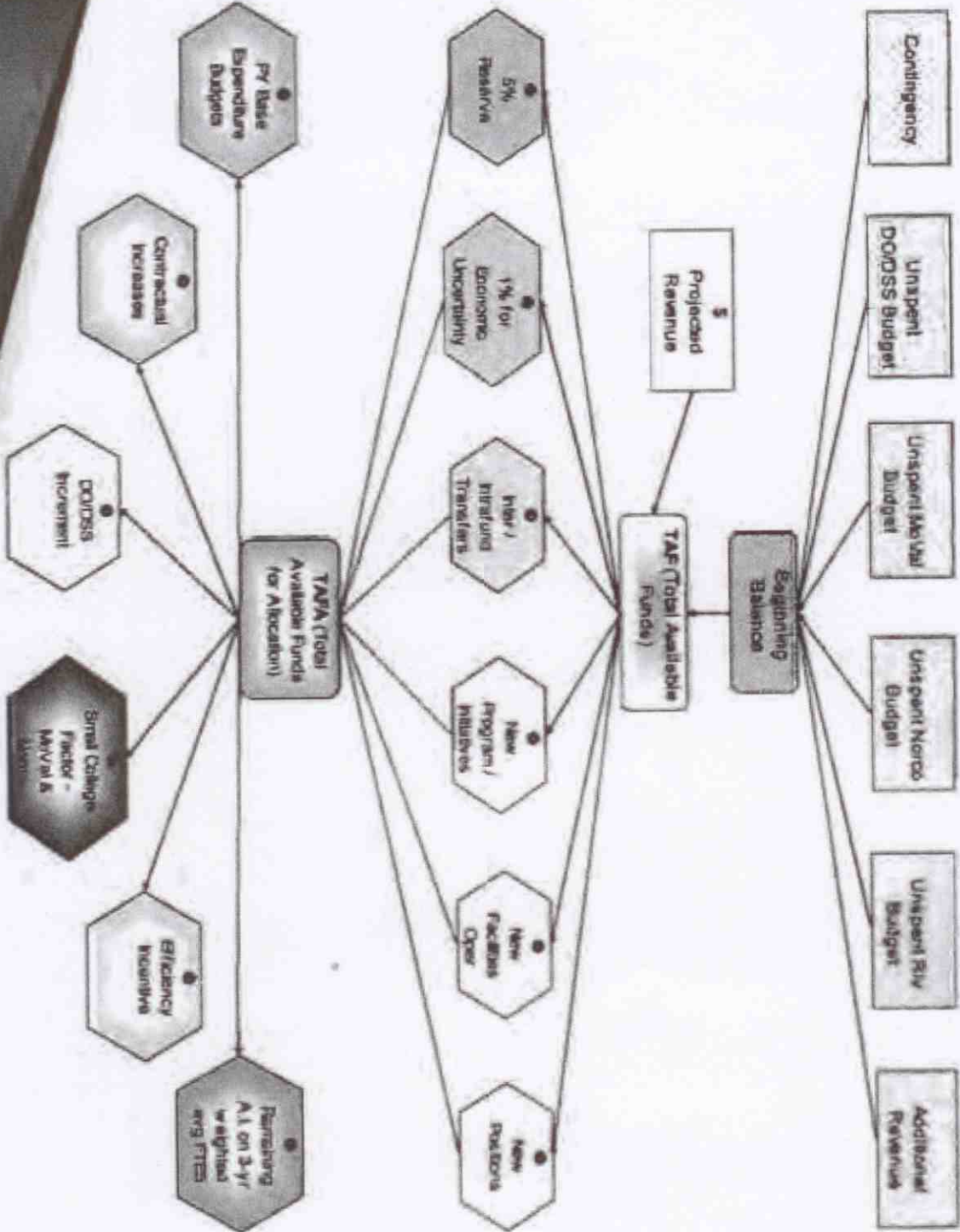
Strategic Planning Committees and Executive Cabinet are responsible for the review and approval of all personnel requests.

Budget Allocation Model (BAM) Flow Chart



- ❖ Prior Year Expenditure Budgets. The Budget Allocation Model provides each entity with the prior year expenditure base budget for the fiscal year. The 2005-06 prior year expenditure base budget will be the amount that was approved in the 2004-05 budget. The amount of the prior year expenditure budget will be the amount that was approved in the 2004-05 budget. The amount of the prior year expenditure budget will be the amount that was approved in the 2004-05 budget.
- ❖ Contractual Increases. The amount of the prior year expenditure budget will be the amount that was approved in the 2004-05 budget. The amount of the prior year expenditure budget will be the amount that was approved in the 2004-05 budget.
- ❖ DO/DSS Increment. The amount of the prior year expenditure budget will be the amount that was approved in the 2004-05 budget. The amount of the prior year expenditure budget will be the amount that was approved in the 2004-05 budget.
- ❖ Small College Factor. The amount of the prior year expenditure budget will be the amount that was approved in the 2004-05 budget. The amount of the prior year expenditure budget will be the amount that was approved in the 2004-05 budget.
- ❖ Economic Incentives. The amount of the prior year expenditure budget will be the amount that was approved in the 2004-05 budget. The amount of the prior year expenditure budget will be the amount that was approved in the 2004-05 budget.

Budget Allocation Model (BAM) Flow Chart



**Riverside Community College District
Budget Allocation Model
As of April 22, 2008**



Revenue

Contingency from 2007-2008	\$ 9,423,484
Additional Revenue from 2007-2008	6,135,352
Unspent DO/DSS 2007-2008 Budget	900,000
Unspent Moreno Valley Campus 2007-2008 Budget	300,000
Unspent Norco Campus 2007-2008 Budget	300,000
Unspent Riverside Campus 07-08 Budget	500,000
Estimated Beginning Balance 7/1/08	\$ 17,558,836
Projected Revenue FY 2008-2009	143,241,635
Total Available Funds (TAF)	160,900,471

Notes

1. Less, 5% Contingency Reserve (Board Policy)
2. Less, 1.0% Reserve for Economic Uncertainty
3. Less, Interfund/Intrafund Transfers
4. Less, New District/College Program/Initiatives
5. Less, Operating Costs for New Facilities
6. Set-Aside for New Positions/P/T Faculty Growth

Total Available Funds for Allocation (TAF/A)

Allocation Increment:

PY Base Expenditure Budget (2007-2008)	\$ 142,436,406
CY TAF/A (2008-2009)	147,788,742
Allocation Increment (A/I)	5,352,336
7. Less, Base Budget Adjustments	(3,011,774)
8. Less, Small College Factor	(1,300,000)
9. Less, Enrollment Efficiency Incentive	(543,538)
10. Less, District Office/District Support Services	(284,016)
11. Remaining Allocation Increment	(5,139,328)
Total Available Funds for Allocation (TAF/A)	\$ 147,788,742

Expenditures

- PY Base Expenditure Budget (FY 2007-2008)
- Base Budget Adjustments
- District Office/District Support Services
- Small College Factor
- Enrollment Efficiency Incentive
- Remaining Allocation Increment
- Base Expenditure Budget for FY 2008-2009

% Increase to PY Base Budget
\$ Increase to PY Base Budget
% of Allocation Increment

	Moreno Valley	Norco	Riverside	DSS	DO	Total
PY Base Expenditure Budget (FY 2007-2008)	\$26,852,718	\$ 21,233,736	\$ 65,948,338	\$ 23,324,271	\$ 5,077,343	\$ 142,436,406
Base Budget Adjustments	525,749	356,742	1,239,674	122,989	766,620	3,011,774
District Office/District Support Services	850,000	850,000	99,476	233,243	50,773	284,016
Small College Factor	131,701	312,361	99,476	115,899	-	1,300,000
Enrollment Efficiency Incentive	49,606	47,503	115,899	-	-	543,538
Remaining Allocation Increment	\$28,209,774	\$ 22,800,342	\$ 67,403,387	\$ 23,680,503	\$ 5,894,736	\$ 147,788,742
Base Expenditure Budget for FY 2008-2009	\$ 1,357,056	\$ 1,366,606	\$ 1,455,049	\$ 356,232	\$ 817,393	\$ 5,352,336
% Increase to PY Base Budget	5.05%	6.44%	2.21%	1.53%	16.10%	3.76%
\$ Increase to PY Base Budget	25.35%	25.53%	27.19%	6.66%	15.27%	100.00%

NOTE
The amounts shown in the Proposed Budget Allocation Model are based on budget assumptions as of April 22, 2008. Amounts will change during the budget development process as budget assumptions are adjusted based on updated information.

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FY 2009-2010 Budget Allocation Model

The BAM Task Force will continue to meet regularly throughout FY 2008-2009 to assess and evaluate the new BAM and to consider the following items for the Budget Allocation Model:

- ❖ Review/Analysis of Base Expenditure Budgets
- ❖ Development of Discipline WSCH:FTEF Standards
- ❖ Student Success Incentive
- ❖ New Position Funding Allocation Methodology
- ❖ Treatment of Budget Savings
- ❖ Base Budget Adjustments
- ❖ On-Line Education FTES Allocation
- ❖ Other Incentives/Disincentives