

*RIVERSIDE COMMUNITY COLLEGE DISTRICT*

*Budget Allocation Model Development Task Force*

*Friday – January 25, 2008*

*9:00-11:00 a.m.*

AGENDA

- I. Welcome and Call to Order
- II. Approval of the Minutes
  - January 18, 2008
- III. Input from Strategic Planning Committees
- IV. Budget Allocation Model Design
  - Campus Initial BAM Sketches (continued)
- V. Other
  - Funwork Assignments
- VI. Next Meeting
  - January 25, 2008
- VII. Adjournment

*RIVERSIDE COMMUNITY COLLEGE DISTRICT*

*Budget Allocation Model Development Task Force  
Meeting of January 25, 2008*

MINUTES

**Task Force Members**

Aaron Brown, Interim Vice Chancellor, Administration & Finance - Present  
Patti Braymer, Interim Associate Vice Chancellor, Finance - Present  
Becky Elam, Vice President, Business Services (Riverside) - Present  
Norm Godin, Vice President, Business Services (Norco) - Present  
Michael McQuead, Associate Professor, CIS (Moreno Valley) - Present  
Bill Orr, Vice President, Business Services (Moreno Valley) - Present  
Cindy Taylor, Outreach/Passport to College Coordinator (Riverside) - Present  
Tom Wagner, Associate Professor, Business Administration (Norco) - Absent  
Ajene Wilcoxson, Associate Professor, Business Administration (Riverside) – Present  
Vickie Vega – (Recorder)

I. Meeting was called to order.

**II. Minutes of January 18, 2008**

The minutes of the January 18, 2008 meeting were reviewed and approved with the following correction:

Section III:

Correction from: Riverside SPC Sub-Committee continues to meet during the winter break.

To: Riverside SPC Resource Sub-Committee continues to meet during the winter break.

**III. Input from Strategic Planning Committees (SPC)**

No meetings were held since last BAM Task Force meeting.

**IV. Budget Allocation Model Design**

**Modified Riverside BAM Sketch (attached)**

Norm distributed copies of a BAM sketch he modified from the Riverside BAM sketch Becky distributed at the January 18, 2008 meeting of the BAM Task Force.

Aaron – The concept of total available funds (TAF) needs to be considered for the Riverside sketch. It has been added to Norm’s revision

### Tier II: Budget Adjustments

Norm – Beginning balance (carryover) would be the budget savings for each “entity” from the previous year. The Base allocation is to be determined based on Basic Allocation amounts for each college and 3-year average of FTES (D.O. cost to be determined by Chancellor’s Executive Cabinet). District Support Services could be defined as all District services, with the exception of direct Chancellor and Vice Chancellor’s offices. The costs related to these could be a paper entry based on the FTES allocation.

Norm – Growth/decline should follow the state funding mechanism. Actual COLA should be used instead of a 3-year average.

Patti – The State’s Basic Allocation amount should be used.

Bill – There is not a lot of discretion with some types of campus expenditures (i.e. salary and benefit increases). These costs should be a District costs since the District negotiates salary.

Norm – Base includes the State’s Basic Allocation and base FTES apportionment.

Norm – Treatment of negotiated salaries is missing in the BAM sketches and should be added as an item in Tier I.

Ajene – Negotiated salaries should be a Tier II item to foster campus accountability.

Becky – District is responsible but negotiated salaries should be shown as a campus line item for accountability at the college level.

Mike – Individual budget adjustment components should be defined separately so it is visible to everyone.

Aaron – How should the BAM address significant, mid-year budget adjustments?

Bill – Establish a reserve that carries over each year reflecting increases/decreases.

Aaron – Should a reserve or holding account be considered?

Norm – The Chancellor’s Executive Cabinet can decide to reduce reserves or set-asides based on circumstances.

Aaron – Norm’s BAM sketch revision is essentially a revenue model. Existing Base Budget need to be considered.

Aaron – If we utilize this model, we may need to consider having three tiers with Tier I for the 5% contingency reserve; Tier II for other Reserves and set-asides and Tier III for budget adjustments

### **Patti's BAM Sketch (attached)**

Patti distributed her BAM Sketch to the Task Force.

Norm – We need to determine if the existing Base Budget is accurate. If not, we may need to take a multiple year approach.

Norm – There needs to be consideration for providing incentives for budget savings.

Aaron – The concept incentives and disincentives needs to be built into the Model.

Norm – Likes the blending concept even if it is only on the Base Allocation. Would like to see less things “off-the-top” to encourage campuses accountability.

Patti – Unspent budget could be identified in the Revenue section of Norm's model.

Becky – The 3-year average of FTES deals with those issues.

Aaron – The 3-year average does smooth out those types of issues. The BAM is a living document. If we see there are issues that are not handled by the adopted BAM, we can make adjustments as necessary.

Norm – We can use projected FTES for new facilities/buildings.

Bill – Growth money needs to be separate from FTES.

## **V. Other**

Aaron – The Revenue model and a Base Budget model both have concepts that are appealing.

Norm – Suggested that a working sub group of the BAM Task Force get together to try to incorporate the sketch concepts into one model.

Aaron – Any member of the Task Force can participate.

## **VI. Next Meeting**

Next Meeting – February 8th

- Need to discuss BAM meetings scheduled for February 15<sup>th</sup> and 22<sup>nd</sup>.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 BUDGET ALLOCATION MODEL - GENERAL FUND UNRESTRICTED (RESOURCE 1000)  
 DRAFT - 1/25/2008**

1-25-08 - Consolidated BAM Sketch 1-25-2008.xls

**PROJECTED REVENUE (ON-GOING):**

		EXAMPLE
Beginning Fund Balance	XXXX	1,100,000
Apportionment Allocation	XXXX	
Other State Funds	XXXX	
Local Funds	XXXX	153,900,000
Federal Funds	XXXX	
Incoming Transfers	XXXX	
<b>TOTAL PROJECTED REVENUE (ON-GOING)</b>	<b>XXXX = TOTAL AVAILABLE FUNDS (TAF)</b>	<b>155,000,000</b>

**TIER I: RESERVES/SET-ASIDES (1)**

Reserve/Contingency (5% Minimum)	XXXX	7,750,000
Reserve - Employee Retirements/Resignations (2)	XXXX	500,000
Reserve - Technology Acquisition & Replacement (3)	XXXX	1,000,000
Reserve - Facility Operations (4)	XXXX	1,100,000
Reserve - Equipment Replacement (5)	XXXX	1,000,000
Matching Funds (6)	XXXX	800,000
Interfund/Intrafund Transfers Out (7)	XXXX	1,000,000
<b>TOTAL TIER I: RESERVES/SET ASIDES</b>	<b>XXXX</b>	<b>13,150,000</b>
<b>BALANCE AFTER TIER I: TOTAL AVAILABLE FUNDS(TAF) - TOTAL RESERVES/SET ASIDES (TRS)</b>		<b>141,850,000</b>

	Moreno Valley	Norco	Riverside	District Office	Reserve Accounts	
<b>TIER II: Budget Adjustments</b>						
Beginning Balance (Carry-Over)	150,000	150,000	300,000	500,000	-	1,100,000
Base Allocation (a)	25,530,000	24,420,000	61,716,000	21,984,000	-	133,650,000
Central Services Cost Distribution (d) (e)	(3,750,000)	(3,750,000)	(7,500,000)	15,000,000	-	-
Growth (b)	550,000	550,000	1,000,000	-	-	2,100,000
COLA (c)	1,125,000	1,125,000	2,250,000	500,000	-	5,000,000
Golden Handshake Cost	-	-	-	125,000	(125,000)	-
Technology Infrastructure	-	-	-	750,000	(750,000)	-
Facility Expansion Operations Cost	300,000	300,000	100,000	75,000	(775,000)	-
Equipment Replacement (f)						
Interfund Transfers	-	-	-	1,000,000	(1,000,000)	-
Matching Cost	-	-	-	800,000	(800,000)	-
	-	-	-	-	-	-
<b>TOTAL TIER II APPROPRIATED BUDGET (g)</b>	<b>23,905,000</b>	<b>22,795,000</b>	<b>57,866,000</b>	<b>40,734,000</b>	<b>(3,450,000)</b>	<b>141,850,000</b>

(1) CEC will determine Reserve & Set-Aside Amounts

(2) Reserve to provide funds for the costs associated with the Golden Handshake Retirement Incentive

(3) Reserve to provide funds to acquire new and replace System-wide Technology Only (College 'end-user' Technology is funded via the Equipment Replacement Reserve; College Reserve and/or Base/Growth/COLA Allocations)

(4) Reserve to provide operating funds to support additional GSF (example shown represents \$11.00 per GSF for 100K additional GSF)

(5) Reserve to provide funds for the acquisition and replacement of instructional and non-instructional equipment.

(6) Reserve to provide funds to participate in Matching Funds Programs

(7) Reserve to support non Resource 1000 activities

(a) Distributed based on: Foundation Grant Amount per College, balance (net of District Office Cost - TBD by CEC ) based on most recent actual three year average of FTES

\*\*\*\*\*NOTE: AMOUNTS SHOWN ARE WAGS\*\*\*\*\*

(b) Distributed based on Growth FTES by College, if aggregate Growth exceeds funded Growth, the distributed shall be pro-rated.

(c) Distributed based on base allocation per entity, pro-rated

(d) Distributed based on most recent actual three year average of FTES

(e) Functions of Central Services shall include budget for all AXX locations EXCEPT for the Chancellor, Vice Chancellors, & related office staff inclusive of all 1XXX thru 6XXX objects.

(f) Total allocation to be determined by CEC, District Office Allocation to be determined by CEC; allocation to colleges to be distributed based on most recent actual three year average of FTES

(g) The Colleges and District Office would need to make the necessary budget adjustments (increases or decreases) to balance to this figure after the cost of permanent salaries, benefits, and other non-discretionary budgets have been determined.