RIVERSIDE COMMUNITY COLLEGE DISTRICT

Budget Allocation Model Development Task Force
Friday – February 8, 2008
9:00-11:00 a.m.

AGENDA

I. Welcome and Call to Order

II. Approval of the Minutes
- January 25, 2008

III. Input from Strategic Planning Committees

IV. Budget Allocation Model Design
- BAM Sketch Review (continued)
- Sub-Committee Report

V. Other
- Funwork Assignments

VI. Next Meeting
- February 22, 2008

VII. Adjournment

RIVERSIDE COMMUNITY COLLEGE DISTRICT

Budget Allocation Model Development Task Force
Meeting of February 08, 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
Patricia Worsham, Instructor, Business (Norco) - Guest
Vickie Vega – (Recorder)

I. Meeting was called to order.

II. Minutes of January 25, 2008

The minutes of the January 25, 2008 meeting were reviewed and approved with the following correction:

Section IV:

> Correction from: Norm – Growth/decline should follow the state funding mechanism. Actual COLA should be used instead of a 3-year average.
>
> To: Norm – Growth/decline should follow the state funding mechanism. Actual growth should be used instead of a 3-year average.

III. Input from Strategic Planning Committees (SPC)

Nothing to report since the last BAM Task Force meeting.

IV. Budget Allocation Model Design

Sub-Committee Report/BAM Sketch (see attached)

A new BAM Sketch was created, incorporating the previous sketch concepts. It begins with Total Available Funds (TAF) and subtracts the minimum 5% reserve to derive TAF for allocation (see attached).

Discussion ensued regarding the methodology for the basic allocation.

The Basic Allocation is calculated using a 3-year average of FTES by center and college (the State allocation of approximately $5 million + $1 million for each center + COLA). We currently are a single college district with two centers.

Bill – The model needs to be designed for the future - 20 years into the future. The Basic Allocation should be distributed based on the way it comes in from the State.

Norm – The 3-year average of FTES addresses the inequity issue.

Patti – Consider basing the $5 million on 3-year average of FTES and $1 million allocation to each of the centers.

Bill – Believes the District Office should come "off-the-top."

Norm - Would consider taking the District "off-the-top" (District $1.5 million, City College $3.5 million, Moreno Valley $1 million and Norco $1 million).

Becky – Agrees with an allocation based on the 3-year average of FTES. When the District becomes a three college District, an allocation based strictly on the State formula will be detrimental to Riverside City College.

Norm – Would like to see District Office presented side-by-side with the campuses in the model. If we use the delta, we could use the Basic Allocation 3-year average FTES and the delta to any new centers that are opened.

Becky – Agrees. Accountability should be at the campus/DO levels. We need to work as a whole.

Norm – The model is heavily weighted on FTES.

Aaron – A 3-year average of historical FTES will smooth out revenue somewhat.

Norm – Consider disbursing COLA some other way than on a 3-year average of FTES.

Aaron – We need to keep in mind one of the guiding principles – The model needs to be simple enough for everyone to understand.

V. Other

Task Force Consensus

- The group was comfortable with using a 3-year average of FTES.

- Computational Revenue
  - Use State apportionment - Exhibit C (P2)
  - Include Beginning Balance (Ending Balance from previous year)
  - Reduce for 5% Contingency reserve

- Entity Display – Show DO side-by-side with campuses instead of "off-the-top"

- Equity concept needs further study

- Using established course caps - Analyze data for both efficiency by TOPs code and high dollar programs by TOPs codes

- Continue to discuss Basic Allocation – Specific allocation based on State formula vs. FTES allocation

- DO allocation – Should revenues be allocated to DO – "Model" this concept with and without revenue allocation

VI. Assignments

- Request course information from Institutional Effectiveness (enrollment, caps, etc.)

VII. Next Meeting

Group agreed to have a Sub-Committee meeting on 2-13-08 to incorporate modifications into the Model.

Next BAM Meeting – February 29th

Assumptions:				3-Yr Avg FTES	
No COLA; 1% Growth; Carry Over Considered Separately				% of Exp Budget	
				One-time money	

Option C

Computational Revenue - Exh C	$ 126,552,423	from 07-08 Adopted Budget			
Other Revenue Resource 1000	$ 8,081,822	non-location specific			
Sub-total	$ 134,634,245				
Location specific Revenue	$ 272,038				
Total Current Year Revenue	$ 134,906,283				
Estimated Ending Balance end of 07-08	$ 9,423,484	07-08 contingency			
TAF (Total Available Funds)	**$ 144,329,767**				
	7,936,456	5% of TAF			
	$ 136,393,311				
	MV	Norco	Riverside	District Office	Total
Basic Allocation by 3-yr Avg FTES	1,708,585	1,648,581	4,057,234	-	7,414,400
Remaining revenue by 3-yr Avg FTES	27,454,330	26,490,173	65,193,520	-	119,138,023
Total Computational Revenue	29,162,915	28,138,755	69,250,754	-	126,552,423
Other Revenue by % of Exp	1,528,000	1,203,219	3,632,046	1,718,557	8,081,822
Location specific Revenue	88,400	-	173,746	9,892	272,038
Est Ending Bal by % of Exp	1,781,663	1,402,965	4,235,001	2,003,854	9,423,484
Total Allocation Before D.O. & Reserves	32,560,978	30,744,939	77,291,547	3,732,303	**$ 144,329,767**
District Office base exp allocated by 3-yr Avg FTES	(6,977,145)	(6,732,118)	(16,568,048)	30,277,311	-
Allocated Revenues	25,583,833	24,012,821	60,723,499	34,009,614	$ 144,329,767
Allocation of Reserve as % of Exp	(1,406,813)	(1,320,426)	(3,339,085)	(1,870,133)	(7,936,456)
Allocated Revenues after Reserves	**24,177,020**	**22,692,396**	**57,384,414**	**32,139,481**	**$ 136,393,311**
Expenditure Budgets less 1-time Eq & Remodel as of January 2008	**26,639,412**	**20,977,126**	**63,321,698**	**29,961,611**	**$ 140,899,847**
Difference Between Revenue & Expenditures	(2,462,392)	1,715,270	(5,937,284)	2,177,870	(4,506,536)
1% Funded Growth for 08-09 + 4.53% on Basic Allocation	353,859	341,432	840,280	-	1,535,571
	(2,108,533)	2,056,702	(5,097,005)	2,177,870	
Average per location unspent budget 4000-5000-6000	135,029	124,121	489,238	1,404,835	2,153,223
Average revenue over budget	428,045	337,063	1,017,461	481,427	2,263,996
Average unspent budget 1000-2000-3000	308,129	242,635	732,420	346,555	1,629,739
Amount More (Less) than 07-08 Budget of Expenditure	(1,237,330)	2,760,521	(2,857,886)	4,410,688	3,075,993
07-08 FTES growth	626,508	604,506	1,487,717	-	2,718,731
	(610,822)	3,365,027	(1,370,169)	4,410,688	5,794,724
07-08 FTES growth added to base for 08 09	626,508	604,506	1,487,717	-	2,718,731
	15,686	3,969,533	117,548	4,410,688	8,513,455

Pros:					
Correlation between FTES and Final Allocation					
Encourages Growth & Efficiency					
Identifies revenue as one-time or on-going, and identifies location specific revenues					
Cons:					
May require multi-year implementation					
Does not directly recognize cost of higher cost progams/disciplines					
Does not provide for a specific allocation to recognize the cost of facility operations.					
Avg 3 Yr Actual FTES	23.04%	22.23%	54.72%		100.00%
Percent of Expenditure budgets	18.91%	14.89%	44.94%	21.26%	100.00%