

*RIVERSIDE COMMUNITY COLLEGE DISTRICT*

*Budget Allocation Model Development Task Force*

*Friday – April 25, 2008*

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

AGENDA

- I. Welcome and Call to Order
- II. Budget Allocation Model Design
  - Review latest version of Phase I BAM
- III. Other
  - Planning:
    - Communication and feedback
    - Implementation for 08-09
  - Phase II BAM Goals
- IV. Next Meeting
  - May 2, 2008
- V. Adjournment

*RIVERSIDE COMMUNITY COLLEGE DISTRICT*

*Budget Allocation Model Development Task Force  
Meeting of April 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) - Present  
Ajene Wilcoxson, Associate Professor, Business Administration (Riverside) – Present  
Vickie Vega – (Recorder)

**Resources/Guests**

Beth Gomez, District Budget Manger – (Guest)

**I. Meeting was called to order**

**II. Minutes of April 22, 2008**

The minutes of the April 22, 2008 meeting were reviewed and approved with the following changes.

Under Section III

**Correction from: Input from the Strategic Planning Committees (SPC)**

**Correction to: Input/Communications on BAM Development**

Added: Cindy Taylor has forwarded BAM information to CSEA President, Gustavo Segura, and to CSEA union membership for all three campuses at its most recent meeting.

**III. Input/Communications on BAM Development**

Norm presented the BAM to the Norco Resources Committee. The Committee was impressed with the simplicity of the Model and the consensus was that the Model itself is fair. They would like to see separate columns for DO and DSS. They are looking forward to the next phase.

## **VI. Budget Allocation Model Design**

- Patti to update information on the Phase I BAM to; 1) show the DO/DSS split as of 4-30-08 and; 2) to list the corresponding description next the Resources on the Inter/Intrafund Transfers worksheet.
- Patti to update Flowchart to show, “#1 PY Base Budgets” as “#1 PY Base Expenditure Budgets”.
- Aaron to add reference of revisiting in Phase II under “District Office/District Support Services” in the Component Descriptions.
- Aaron to modify #2 on the Component Descriptions referencing IT.
- Acronyms and Definitions – Becky will remove the DSP& S and Information Technology references. The SLO/SAO designation needs a description.
- WSCH (Common Disciplines) – Detailed Discipline information needs to accompany the WSCH:FTEF worksheet. Patti will prepare a summary page that shows the “Common Disciplines”. This will be added to the information to be distributed.
- Task Force will review the attached PowerPoint presentation and forward comments or concerns to Becky.
- Becky will add Task Force members to PowerPoint presentation and reorder the outline/presentation so that the Development Process, Communication comes before the Review of BAM Principles.
- Phase II BAM Goals will be added to the end of the PowerPoint presentation.
- The Resources Committee presentation will be tentatively scheduled for 45 minutes. The presentation will be as follows:
  1. Aaron will give an overview and introduce the Task Force members (5 minutes).
  2. Tom will coordinate with Mike, Ajene, and Cindy to prepare a brief outline and will forward it to Aaron for inclusion in the PowerPoint. Tom will speak on behalf of the faculty and Cindy regarding faculty/staff participation on the Task Force and how they have communicated BAM information to their constituents (10-15 minutes).
  3. Becky will discuss the BAM’s Guiding Principles (5 minutes).
  4. The college Business VP’s will present BAM details and the BAM Flowchart. The VP’s will determine how much detail to discuss and will discuss the following areas (15 minutes):

- ❖ Becky will discuss the Beginning Balance detail
- ❖ Norm will discuss set-asides to derive TAFE
- ❖ Bill will discuss allocations

5. Aaron will conclude the presentation and will discuss the goals of the next Phase of the BAM (5-10 minutes). Aaron will run PowerPoint.

## **V. Implementation**

The Budget Office will roll the revised 07-08 budget as of 4-30-08 into the budget development model of Galaxy (permanent personal only). The Budget Office will visit each campus to assist the VP's with aligning the budgets for object codes 4xxx through the 6xxx.

Patti, Beth, and the VP's will work on how to operationalize the model. The 2008-2009 allocations in the Tentative Budget will need to be set-aside in holding accounts until the State and District have adopted final budgets.

The consensus of the Task Force members was that the Small College Factor would receive priority if the District's budget is reduced due to the State's deteriorating economic situation.

## **VI. Phase II Budget Allocation Model Design**

### **Goals**

- Review/Analyze Base Budgets/Development of Discipline WSCH:FTEF Standards (SLO/SAO) Standards (Norm will work on this topic and rephrase)
- New Position Funding Allocation Methodology
- Treatment of Budget Savings.
- Strategic Enrollment Management/Growth Allocation Considerations
- Budget Adjustments List (Define).
- On-Line education FTES allocation.
- Phase I BAM Assessment.
- Develop Mid-Range Financial Model.
- Incentives/Disincentives
- BAM Considerations for Other Resources

## **VI. Next Meeting**

- Next BAM Meeting is scheduled for Friday, May 2, 2008.
- Task Force meeting schedule for Phase II BAM will be prioritized and assignments will be discussed for the Phase II Goals.

Riverside Community College District  
Proposed Phase I 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	<u>\$ 17,558,836</u>
Projected Revenue FY 2008-2009	<u>143,241,635</u>
Total Available Funds (TAF)	<u>160,800,471</u>
1. Less, 5% Contingency Reserve (Board Policy)	(8,700,000)
2. Less, 1.0% Reserve for Economic Uncertainty	(1,608,005)
3. Less, Interfund/Intrafund Transfers	(1,635,010)
4. Less, New District/College Program/Initiatives	-
5. Less, Operating Costs for New Facilities	-
6. Set-Aside for New Positions/PT Faculty Growth	<u>(1,068,714)</u>
	<u>(13,011,729)</u>
Total Available Funds for Allocation (TAFA)	<u><u>\$ 147,788,742</u></u>

**Allocation Increment**

PY Base Expenditure Budget (2007-2008)	\$ 142,436,406
CY TAFA (2008-2009)	<u>147,788,742</u>
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	<u>(302,253)</u>
	<u>(5,157,565)</u>
11. Remaining Allocation Increment	<u>\$ 194,771</u>

**Expenditures**

	Moreno Valley	Norco	Riverside	D.O./DSS	Total
PY Base Expenditure Budget (FY 2007-2008)	26,846,535	21,227,306	64,137,288	30,225,277	142,436,406
Base Budget Adjustments	525,749	356,742	1,239,674	889,609	3,011,774
District Office/District Support Services				302,253	302,253
Small College Factor	650,000	650,000			1,300,000
Enrollment Efficiency Incentive	131,701	312,361	99,476		543,538
Remaining Allocation Increment	45,359	43,436	105,976		194,771
Base Expenditure Budget for FY 2008-2009	<u>28,199,344</u>	<u>22,589,845</u>	<u>65,582,414</u>	<u>31,417,139</u>	<u>147,788,742</u>
% Increase to PY Base Budget	<u>5.04%</u>	<u>6.42%</u>	<u>2.25%</u>	<u>3.94%</u>	<u>3.76%</u>
\$ Increase to PY Base Budget	<u>1,352,809</u>	<u>1,362,539</u>	<u>1,445,126</u>	<u>1,191,862</u>	<u>5,352,336</u>
% of Allocation Increment	<u>25.28%</u>	<u>25.46%</u>	<u>27.00%</u>	<u>22.27%</u>	<u>100.00%</u>

Riverside Community College District  
Proposed Phase I Budget Allocation Model  
Prior Year Base Expenditure Budgets (FY 2007-2008)  
As of April 22, 2008

	Moreno Valley	Norco	Riverside	DO/DSS	Totals
Three Year Weighted Average Credit FTES %	23.29%	22.30%	54.41%		
PY Base Expenditure Budgets	26,846,535	21,227,306	64,137,288	30,225,278	142,436,407

Riverside Community College District  
Proposed Phase I Budget Allocation Model  
Base Budget Adjustments  
As of April 22, 2008

Description	Moreno Valley	Norco	Riverside	District	Total
One Percent Increase	196,522	187,431	532,795	140,388	1,057,136
Step & Column	117,467	112,048	318,437	83,880	631,832
Health & Welfare	115,160	103,080	350,290	231,470	800,000
Reclassifications and Other Personnel Changes	34,975	(1,117)	49,829	121,260	204,947
Chancellor and President Recruitments	-	-	-	(200,000)	(200,000)
Contractual Adjustments	111,147	-	(10,000)	(10,535)	90,612
Rent/Utilities Adjustments	-	-	13,170	1,315	14,485
Election Expense	-	-	-	700,000	700,000
Grant and Categorical Adjustments	-	-	-	(13,431)	(13,431)
Various Other Adjustments	(49,522)	(44,700)	(14,847)	(164,738)	(273,807)
Totals	525,749	356,742	1,239,674	889,609	3,011,774

Riverside Community College District  
Proposed Phase I Budget Allocation Model  
Projected Ending Balance and Estimated 2008-2009 Revenues  
As of April 22, 2008

Beginning Balance 7/1/07	18,576,517
Add Revenues	
Approved Revenue Budget for FY 2007-2008	134,906,283
Plus:	
2006-2007 Apportionment Recalculation Adjustment	(2,140)
2007-2008 Apportionment Adjustment	7,663,767
2007-2008 Property Tax Shortfall - Deficit	(2,047,775)
Food Sales	15,000
Cosmotology Sales	(15,000)
Interest Income	400,000
Other Student Fees	1,500
Other Revenue	100,000
Indirect Cost Recovery from Grants and Categorical Programs	20,000
<b>Total Available Funds (TAF) for FY 2007-2008</b>	<b><u>159,618,152</u></b>
Deduct Expenditures	
Approved Expenditure Budget for FY 2007-2008	153,482,800
(Less) Plus:	
Contingency from 2007-2008	(9,423,484)
Estimated Positive Budget Variance	<u>(2,000,000)</u>
Total Estimated Expenditures for FY 2007-2008	<u>142,059,316</u>
Estimated Ending Balance 6-30-08	<b><u><u>17,558,836</u></u></b>
Estimated Beginning Balance 7-1-08	17,558,836
Estimated Revenue for FY 2008-2009	<b><u>143,241,635</u></b>
Total Available Funds (TAF)	160,800,471
Less, 5% Contingency	8,700,000
Less, 1.0% Reserve for Uncertainty	1,608,005
Less, Inter/Intrafund Transfers	<u>1,635,010</u>
<b>Available for Allocation for FY 2008-2009</b>	<b><u><u>148,857,457</u></u></b>

Riverside Community College District  
Proposed Phase I Budget Allocation Model  
Three Year Weighted Average Credit FTES and WSCH:FTEF  
As of April 22, 2008

FY	Weight	Moreno Valley		Norco		Riverside		District	
		Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
FY 2004-2005 (weighted .20)	0.20	5,413	1,083	5,427	1,085	13,729	2,746	24,569	3,934
FY 2005-2006 (weighted .30)	0.30	6,083	1,825	5,781	1,734	14,274	4,282	26,138	7,841
FY 2006-2007 (weighted .50)	0.50	6,130	3,065	5,799	2,900	13,852	6,926	25,781	12,891
Three Year Weighted Average Credit FTES		5,875	5,973	5,669	5,719	13,952	13,954	25,496	25,646
Three Year Weighted Average Credit FTES %		23.04%	23.29%	22.23%	22.30%	54.72%	54.41%	100.00%	100.00%
Fall 2005 WSCH (Common Disciplines) (weighted .20)	0.20	514.97	103	518.95	103.79	543.44	108.69		
Fall 2006 WSCH (Common Disciplines) (weighted .30)	0.30	533.00	160	555.41	166.62	521.70	156.51		
Fall 2007 WSCH (Common Disciplines) (weighted .50)	0.50	581.91	291	646.03	323.01	563.19	281.59		
Three Year Weighted Average Fall WSCH		543.29	553.85	573.46	593.43	542.78	546.79		
Units over 525 Standard			28.85		68.43		21.79		
Percent of Standard		103.48%	105.50%	109.23%	113.03%	103.39%	104.15%		
Modified Three Year Weighted Average Credit FTES		6,079.79	6,300.72	6,192.25	6,464.63	14,424.63	14,533.21	26,696.67	27,298.56
Modified Three Year Weighted Average Credit FTES %		22.77%	23.08%	23.19%	23.68%	54.03%	53.24%	100%	100%

↑  
rounded to 4 decimals

Riverside Community College District  
Proposed Phase I Budget Allocation Model  
Interfund and Intrafund Transfers  
As of April 22, 2008

Interfund and Intrafund Transfers to/from Resource 1000

To:

Resource 1090	193,257
Resource 1170	173,470
Resource 1190	
DSP&S	665,157
Instructional Equipment Match	86,267
Federal Work Study	176,859
Resource 3300	240,000
Resource 6100	250,000

From:

Resource 1110	<u>(150,000)</u>
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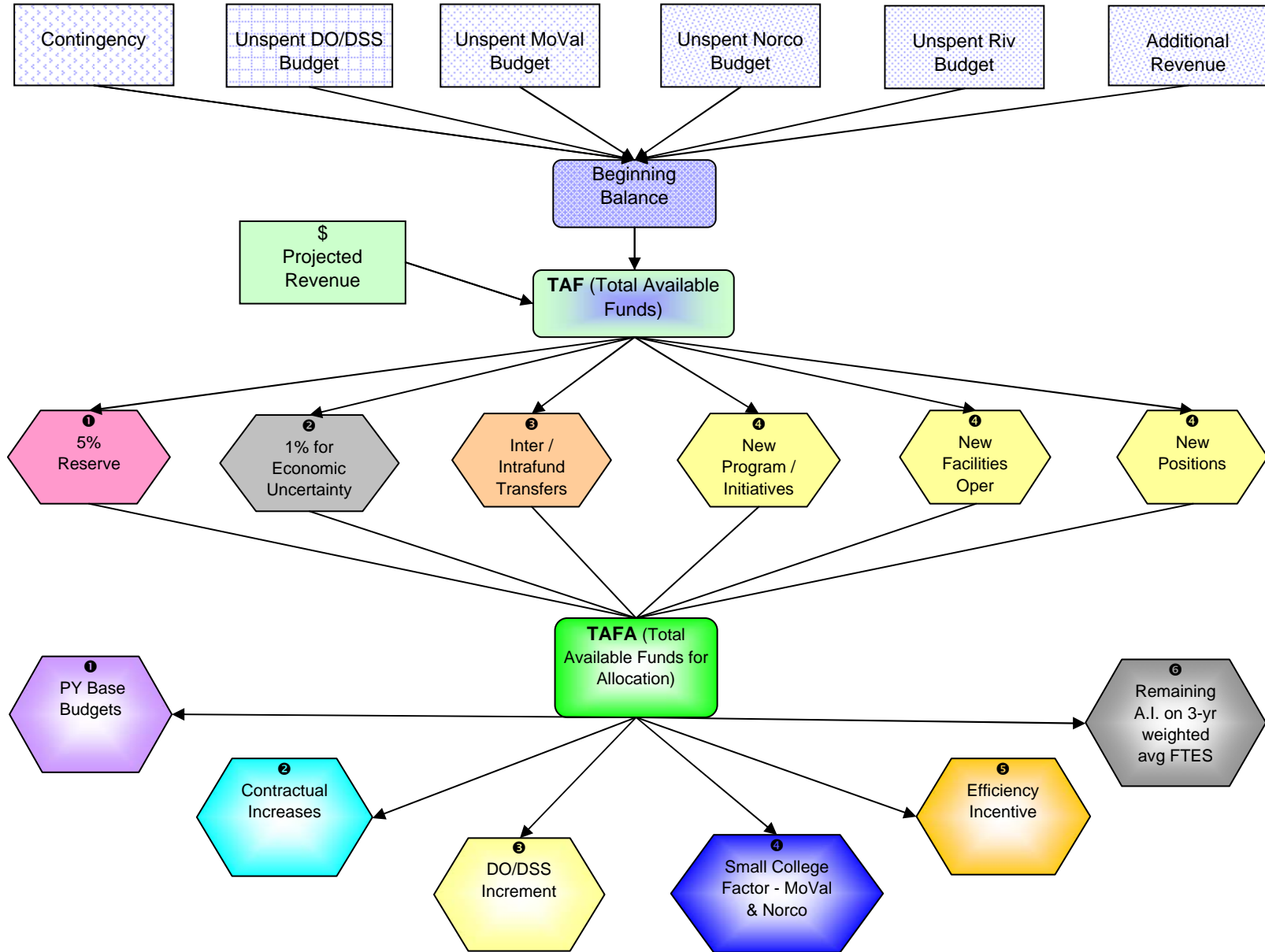
Total

1,635,010

DRAFT

Riverside Community College District  
Phase I - Budget Allocation Model Flowchart  
FY 2008-2009

DRAFT



**Riverside Community College District**  
**Phase I Budget Allocation Model**  
**Component Descriptions**  
**FY 2008-2009**

1. Per Board Policy BP 6200, the first item funded is the minimum 5% contingency reserve of Total Available Funds (TAF). Use of the contingency reserve requires a two-thirds vote of the Board of Trustees.
2. "1% Reserve for Economic Uncertainty" represents a set-aside to provide a "safety-net" to respond to significant unexpected, mid-year occurrences which impact the current year adopted budget. Such occurrences could include mid-year budget cuts imposed by the State, statewide property tax and enrollment fee shortfalls that are not backfilled by the State, unrealized District growth estimates, emergency situations (fires, floods, winds, earthquakes), mid-year utility spikes, IT infrastructure failures, etc. The amount set aside in this reserve will equal 1% of TAF. Use of this reserve must be approved by Executive Cabinet.
3. "Interfund/Intrafund Transfers" represents monies set-aside to fund the District's match requirements for categorical programs such as DSP&S, Instructional Equipment and Federal Work Study, and to provide administrative support relative to programs such as Performance Riverside, Early Childhood Services, Customized Solutions and Self-Insured Health & Liability as approved by Executive Cabinet.
4. "New District/College Programs/Initiatives" represents budget set-aside to fund new or expanded District/College programs that have been approved through the District Strategic Planning/Executive Cabinet processes and that cannot be supported through existing base budget funding.
5. "Operating Costs for New Facilities" represents funds set-aside to provide for increased operating costs associated with new facilities that are coming on line in the next fiscal year. This line item is established to temporarily provide for projects that are already in the "pipeline" until a mid-range financial model is developed and the District's/College's planning processes are more fully developed and integrated. Included are items such as increased

**Riverside Community College District**  
**Phase I Budget Allocation Model**  
**Component Descriptions**  
**FY 2008-2009**

utilities costs, maintenance supplies, additional support staff, new equipment maintenance agreements, etc.

6. "Set-Aside for New Positions/PT Faculty Growth" represents budget provided to fund new full-time faculty; increased part-time faculty costs associated with anticipated growth; and new classified, confidential and management positions arising from the Program Review process, prioritized and approved by the Strategic Planning Committees, and Executive Cabinet after consideration for growth funding limitations, facility capacity, the Full-Time Faculty Obligation Number (FON, 75/25 Goal), 50% Law, and applicable staffing standards (such as M&O).
7. "Base Budget Adjustments" represent expected changes to the adopted budget that arise during the current year for items such as staff reclassifications and promotions, new positions, etc. that will have an ongoing effect on the Base Budget. Base Budget Adjustments also represent known or expected changes for the subsequent year that are not in the current year Base Budget for such items as bargaining unit contractual provisions, utility rate increases, contracts, election costs, etc.
8. "Small College Factor" represents an advance of new apportionment funding that the District will receive when Norco and Moreno Valley are recognized by the State Chancellor's Office as independent colleges for funding purposes. The amount that has been allocated to Norco and Moreno Valley will be added to their base budgets and will provide funding to begin addressing identified operating and staffing needs as they transition to full college status. A minimum of 50% of the allocated amounts will be committed to "Current Expense of Education" applicable expenditures in order to comply with the requirements of the 50% Law. The BAM Task Force will analyze the Small College Factor as a component of the Phase II BAM for fiscal year 2009-2010 and will make recommendations for modification as necessary.

**Riverside Community College District**  
**Phase I Budget Allocation Model**  
**Component Descriptions**  
**FY 2008-2009**

9. “Enrollment Efficiency Incentive” represents funds added to a colleges’ base budget based on the results of effective enrollment management practices as measured by a three year weighted average of Fall Term WSCH:FTEF above the standard of 525. For fiscal year 2008-2009 only, the allocation methodology assigns a dollar value to each “unit” above the 525 standard. The “unit” value has been established at the 2008-2009 Base Credit FTES funding rate of \$4,564.83. As an example, a campus whose three year weighted average WSCH:FTEF is 550 will receive an Enrollment Efficiency Incentive of \$114,121 ( $550-525 = 25$  “units” x \$4,564.83). The BAM Task Force will analyze the Enrollment Efficiency Incentive as a component of the Phase II BAM for fiscal year 2009-2010 and will make recommendations for modification as necessary.
  
10. “District Office/District Support Services” (DO/DSS) allocation, added to the base budget for fiscal year 2008-2009, represents the increase provided to the DO/DSS areas to support: 1) the impact of institutional growth on the DO and DSS areas; 2) District Strategic Planning Committee/Executive Cabinet priorities and initiatives; 3) capital equipment and facility renovation needs, etc. The calculation of the DO/DSS allocation increment equates to 1% of the prior year DO/DSS Base Expenditure Budget. Historically, the District Office and District Support Services budgets have been combined under the Axx location designation in the District’s budget and accounting system. In fiscal year 2008-2009, the District Office budgets and the District Support Services budgets will be disaggregated. The District Office has been defined as the offices of the Chancellor, Vice Chancellors, and Chief of Staff. District Support Services has been defined as those areas which support and assist the operations of the Colleges and District as a whole, including such areas as Finance, Purchasing, Payroll, Information Services, Risk Management, Diversity and Equity, Human Resources, Grants & Contracts, Administrative Support Center, District Facilities Planning Design and Construction, and all of the associated costs for those areas.

**Riverside Community College District**  
**Phase I Budget Allocation Model**  
**Component Descriptions**  
**FY 2008-2009**

11. "Remaining Allocation Increment" represents the amount of remaining funds available to allocate after all other allocations have been made. This allocation is calculated using a three year weighted average of credit FTES.

**Riverside Community College District  
Budget Allocation Model – Phase I  
Acronyms and Definitions**

**Flowchart Acronyms, Definitions:**

**A.1. Allocation Increment** is the amount of funds available after all other identified items in the Budget Allocation Model have been funded. The distribution of A.1. Will be based on a 3-year weighted average FTES with the previous year weighted at 50%, two years prior to the budget year weighted at 30%, and three years prior to the budget year weighted at 20%.

**BAM. Budget Allocation Model** provides the transparent, fair, predictable, and equitable allocation distribution method used to determine budget allocations to the College and District.

**CY. Current Year** refers to the financial actual or budgeted amount in the current fiscal year that begins July 1 and ends June 30.

**DO/DSS. District Office/District Support Services.** District Office is defined as the offices of the Chancellor, Vice Chancellors, and Chief of Staff. District Support Services are the areas that support and assist operations for the Colleges including Finance, Purchasing, Payroll, Information Services, Risk Management, Diversity and Equity, and Facilities Planning Design and Construction.

**DSP&S. Disabled Students Programs and Services.** The DSP&S department provides District-wide support and services to students.

**FTEF. Full Time Equivalent Faculty** calculation converts all full-time and part-time teaching faculty to a common numeric equivalent of full-time teaching faculty.

**FTES. Full Time Equivalent Student** is a component of the student attendance accounting that converts all part time and full time students into one common numeric equivalent.

**FON. Full-time Faculty Obligation Number.** As provided by the State Chancellor's Office, the FON

is the required number of Full-time Faculty positions required at each District to be eligible for full apportionment funding.

**FY. Fiscal Year** begins July 1 and ends June 30.

**H&W. Health and Welfare** represents the budgeted amount for the health benefit premiums funded by the District.

**IT. Information Technology** is the District operation that provides technology systems support for administrative operations for the Colleges, the District. IT is a department identified as District Support Services.

**M&O. Maintenance and Operations** are College departments that provide facility maintenance, grounds keeping, and custodial services.

**PY Base Budgets. Prior Year Base Budgets** are the Board Adopted base budgets for each college, the District Office and District Support Services.

**SLO/SAO. Student Learning Outcomes/Student Achievement Outcomes.**

**TAF. Total Available Funds** is the amount to be allocated to meet District-wide obligations. For Phase I purposes, this is primarily the General Fund Unrestricted beginning fund balance plus projected additional revenue.

**TAFA. Total Available Funds for Allocation** is the amount available to allocate after the reserve, reserve for economic uncertainty, inter/intra fund transfers, new program initiatives, new facilities operating allocation and new positions have been budgeted.

**WSCH. Weekly Student Contact Hour** is a component of attendance accounting and a variable in calculating efficiency.

# **BAM COMMITTEE MEMBERS**

## **Chair:**

**Aaron Brown**

## **Faculty:**

**Michael McQuead, Moreno Valley**

**Tom Wagner, Norco**

**Don Wilcoxson, Riverside City**

## **Staff:**

**Cindy Taylor**

## **Administration and Finance:**

**Patti Braymer**

**Becky Elam**

**Norm Godin**

**Bill Orr**

# **BAM Committee 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**

**Entire College Community Via Email**

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**REPORT OF THE  
BUDGET ALLOCATION MODEL  
TASK FORCE**



MAY 13, 2008

# RIVERSIDE COMMUNITY COLLEGE DISTRICT BUDGET ALLOCATION MODEL



- ❖ **Presentation Outline:**
  - ❖ **Background**
    - ❖ Introduction
    - ❖ Committee Charge
    - ❖ Phase I Implementation
  - ❖ **Review of BAM Principles**
  - ❖ **Development Process, Communication**
  - ❖ **Review of BAM Components**
  - ❖ **Conclusion**
    - ❖ Phase II – Evaluation, Assessment, Improvement

# 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 setting a minimum Reserve level of five (5) percent.
- ❖ **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.

# RIVERSIDE COMMUNITY COLLEGE DISTRICT BUDGET ALLOCATION MODEL



## 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.

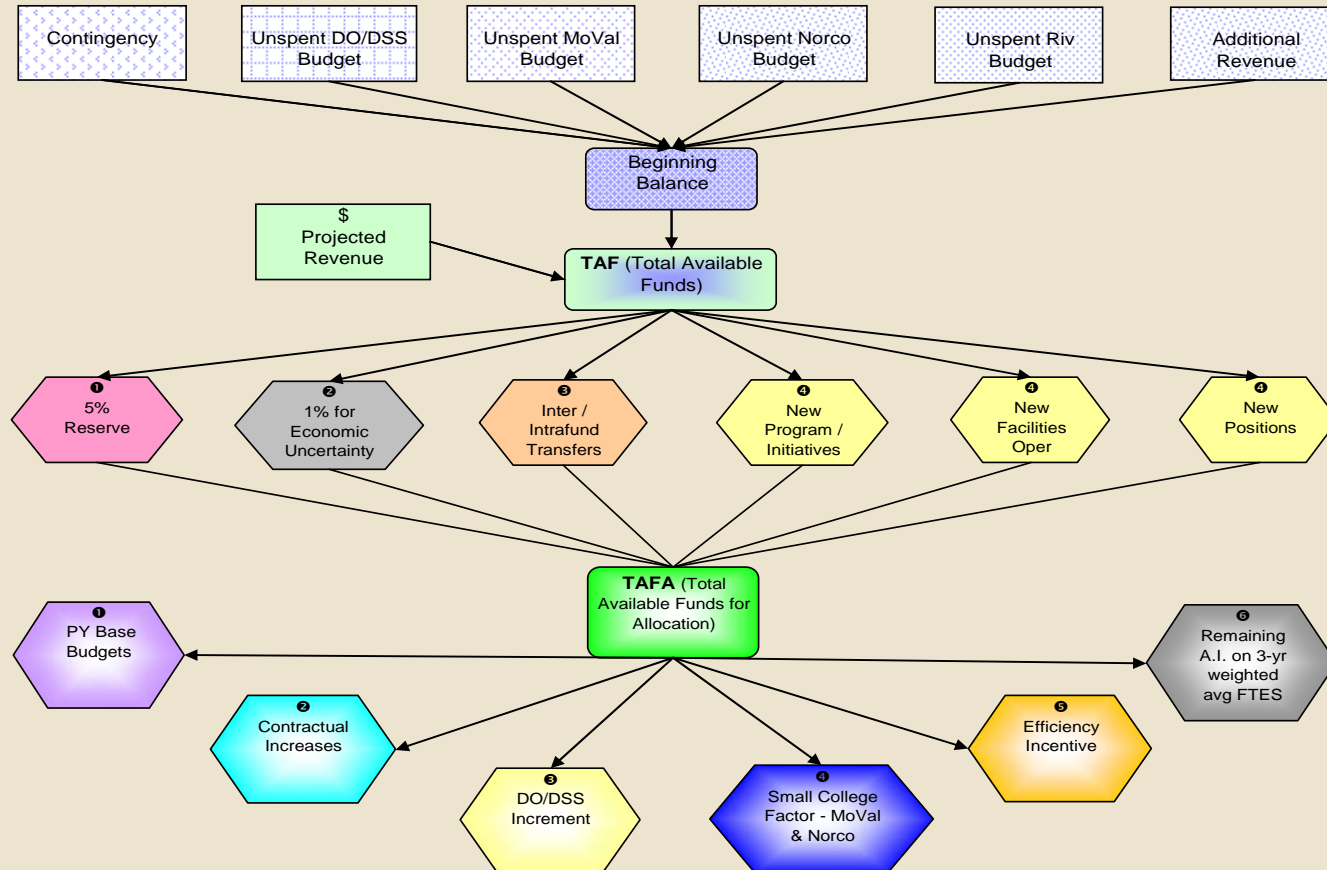
# RIVERSIDE COMMUNITY COLLEGE DISTRICT BUDGET ALLOCATION MODEL



## ❖ BAM COMPONENTS:

- ❖ **Reserve.** The District reserve for contingency will be the first component funded. The minimum reserve level of five(5) percent will be funded.
- ❖ **Reserve for Economic Uncertainty.** One percent will be set aside for economic uncertainty.
- ❖ **Base allocation.** The Colleges and District will receive base allocation based on prior year base budgets,
- ❖ **Small College Factor.** A small college factor will be applied to offset the diseconomies of scale and to provide resources to meet single college accreditation requirements.
- ❖ **Efficiency Incentive** – For fiscal year 2008–09 only, funds will be allocated to colleges based on performance above the standard 525 standard.
- ❖ **District Office/District Support Services.** For fiscal year 2008–09 only, funds will be allocated to support institutional and program growth, District initiatives, capital expansion and inflation. This increment will be funded at one (1) percent of the prior year DO/DSS base budget.
- ❖ **Other Items:**
  - ❖ Inter/Intra Fund Transfers
  - ❖ New Program Initiatives
  - ❖ New Facilities Operating Cost
  - ❖ New Positions
  - ❖ Contractual Increases

# Budget Allocation Model (BAM) Flow Chart



**Riverside Community College District  
Proposed Phase I 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	<u>500,000</u>	
Estimated Beginning Balance 7/1/08		\$ 17,558,836
Projected Revenue FY 2008-2009		<u>143,241,635</u>
Total Available Funds (TAF)		<u>160,800,471</u>
1. Less, 5% Contingency Reserve (Board Policy)	(8,700,000)	
2. Less, 1.0% Reserve for Economic Uncertainty	(1,608,005)	
3. Less, Interfund/Intrafund Transfers	(1,635,010)	
4. Less, New District/College Program/Initiatives	-	
5. Less, Operating Costs for New Facilities	-	
6. Set-Aside for New Positions/PT Faculty Growth	<u>(1,068,714)</u>	
		<u>(13,011,729)</u>
Total Available Funds for Allocation (TAFA)		<u>\$ 147,788,742</u>

**Allocation Increment**

PY Base Expenditure Budget (2007-2008)		\$ 142,436,406
CY TAFA (2008-2009)		<u>147,788,742</u>
Allocation Increment (A.I.)		5,352,336
7. Less, Base Budget Adjustments	(3,011,774)	
8. Less, Small College Factor (2008-2009 only)	(1,300,000)	
9. Less, Enrollment Efficiency Incentive (2008-2009 only)	(543,538)	
10. Less, District Office/District Support Services (2008-2009)	<u>(302,253)</u>	
		<u>(5,157,565)</u>
11. Remaining Allocation Increment		<u>\$ 194,771</u>

**Expenditures**

	Moreno Valley	Norco	Riverside	D.O./DSS	Total
PY Base Expenditure Budget (2007-2008)	26,846,535	21,227,306	64,137,288	30,225,277	142,436,406
Base Budget Adjustments	525,749	356,742	1,239,674	889,609	3,011,774
District Office/District Support Services				302,253	302,253
Small College Factor	650,000	650,000			1,300,000
Enrollment Efficiency Incentive	131,701	312,361	99,476		543,538
Remaining Allocation Increment	45,359	43,436	105,976		194,771
Base Expenditure Budget for 2008-2009	<u>28,199,344</u>	<u>22,589,845</u>	<u>65,582,414</u>	<u>31,417,139</u>	<u>147,788,742</u>
% Increase to PY Base Budget	<u>5.04%</u>	<u>6.42%</u>	<u>2.25%</u>	<u>3.94%</u>	<u>3.76%</u>
\$ Increase to PY Base Budget	<u>1,352,809</u>	<u>1,362,539</u>	<u>1,445,126</u>	<u>1,191,862</u>	<u>5,352,336</u>
% of Allocation Increment	<u>25.28%</u>	<u>25.46%</u>	<u>27.00%</u>	<u>22.27%</u>	<u>100.00%</u>

Riverside Community College District  
Budget Allocation Model  
PHASE ONE

DRAFT

Flowchart Acronyms, Definitions:

1. **DOFSS.** District Office/District Support Services. This includes Diversity and Human Resources, Police, Capital Construction, Information Services, Public Information, Grants, Financial Aid, Research, Risk Management, Finance and District Administration.
2. **TAF.** Total Available Funds is the amount to be allocated to meet District-wide obligations. For Phase I purposes, this is primarily the General Fund Unrestricted operating budget.
3. **TAFAs.** Total Available Funds for Allocation is the amount available to allocate after legal, contractual, Board Policy, Board Directed, items and commitments have been funded.
4. **PY Base Budgets.** Prior Year Base Budgets are the Board Adopted base budgets for each college and the District operations.
5. **Contractual Increases** include the collective bargaining obligations for salary, benefits and related fixed cost.
6. **Small College Factor.** To provide campuses with operating funds to meet the requirements of college status as required by the Accreditation Commission. This includes FT Faculty, support staff to meet standards.
7. **Efficiency Incentive.** Districts are funded on a 525 WSCH standard. The efficiency incentive is provided when a campus efficiency rate is above the funded 525 WSCH standard.
8. **A.1.** Allocation Increment is the amount of funds available after all other identified items in the Budget Allocation Model have been funded. The distribution of A.1. Will be based on a 3-year weighted average FTES with the previous year weighted at 50%, two years prior to the budget year weighted at 30%, and three years prior to the budget year weighted at 20%.