



Chabot-Las Positas Community College District

New Allocation Model
and
FY 2013-14 Budget

August 15, 2013
Convocation

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Vice Chancellor
Business Services*

Presentation Summary

Why a New Allocation Model

- ACCJC Recommendation
- ACCJC Request for Special Financial Review

New Allocation Model – How it Works

- Role of District Budget Study Group (DBSG)
- Guiding Principles
- Board Action

FY 2013-14 Tentative Budget

- Enrollment Data
- State Budget Assumptions
- Tentative Budget Using New Allocation Model

Looking Ahead

Why a New Allocation Model

ACCJC Recommendation (November 2009 Visit)

“To meet the standards, the team recommends that the district and the college **complete the evaluation of the resource allocation** process in time for budget development for the 2010-2011 academic year, **ensuring transparency and assessing the effectiveness of resource allocations in supporting operations**”.

Request for Special Financial Review (December 2012)

“The Commission’s purpose in requesting this report is to **monitor the financial stability and integrity of the institution.**”

“If the conditions warrant, the Commission may act on the accredited status of the District’s colleges”.

New Allocation Model – How it Works

Role of the District Budget Study Group (DBSG)

Board Policy

“The District Budget Study Group (DBSG) shall consider and make recommendations to the Chancellor upon any matter that affects the district financially, specifically as related to this allocation model.”

New Allocation Model – How it Works

Guiding Principles

- It is perceived to be fair
- It is easily understood
- It works in good and bad times
- It creates the right incentive for performance

What this model gives us

- It is revenue based
- Puts money out to colleges, empowered to make decisions
- Shared responsibility to live within our means
- Promotes accountability and transparency district-wide
- Addresses ACCJC Accreditation Recommendations

New Allocation Model How it Works

Board Action

- Approved the Funding Allocation Model recommended by the District Budget Study Group (DBSG) to the Chancellor. It is the three (3) year budget cycle from 2013-14 to 2015-16 to be reviewed annually
- Authorized the Chancellor to develop Board Policy and Administrative Procedures utilizing the appropriate shared governance processes to implement the model beginning FY 2013-14
- Conduct an External Study of District Operations (District Office and Maintenance & Operations) to determine the appropriate size of district operations to support the colleges. This study is to be completed within the FY 2013-14

FY 2013-14 Tentative Budget

Enrollment Data – Full Time Equivalent Students

<i>YEAR</i>	<i>CC</i>	<i>% Growth</i>	<i>LPC</i>	<i>% Growth</i>	<i>TOTAL</i>	<i>% Growth</i>
2003-2004	10,326	(5.8)	5,707	(6.7)	16,033	(6.0)
2004-2005	10,477	1.4	5,886	3.1	16,363	2.1
2005-2006	10,367	(1.1)	6,171	4.8	16,538	1.1
2006-2007	10,313	(0.5)	7,089	14.9	17,402	5.2
2007-2008	10,420	1.0	7,186	1.4	17,606	1.2
2008-2009	10,912	4.7	6,591	(8.3)	17,503	(0.6)
2009-2010	11,315	3.7	7,501	13.8	18,816	7.5
2010-2011	10,756	(4.9)	6,744	(10.1)	17,500	(7.0)
2011-2012	9,754	(9.3)	6,442	(4.5)	16,196	(7.5)
2012-2013 (Projection)	9,521	(2.4)	6,600	2.5	16,121	(0.5)
2013-14 (Target)	9,546	0.3	6,656	0.8	16,202	0.5

FY 2013-14 Tentative Budget

District Enrollment Management Committee (DEMC)

Scenario: Target 1% Restoration Growth (State funding at 1.63%)

Current Base (2012-13 Funding Level) 16,042 FTES

Target for 2013-14 16,202 FTES

Chabot College (58.92%) 9,546.20 FTES

Las Positas College (41.08%) 6,655.80 FTES

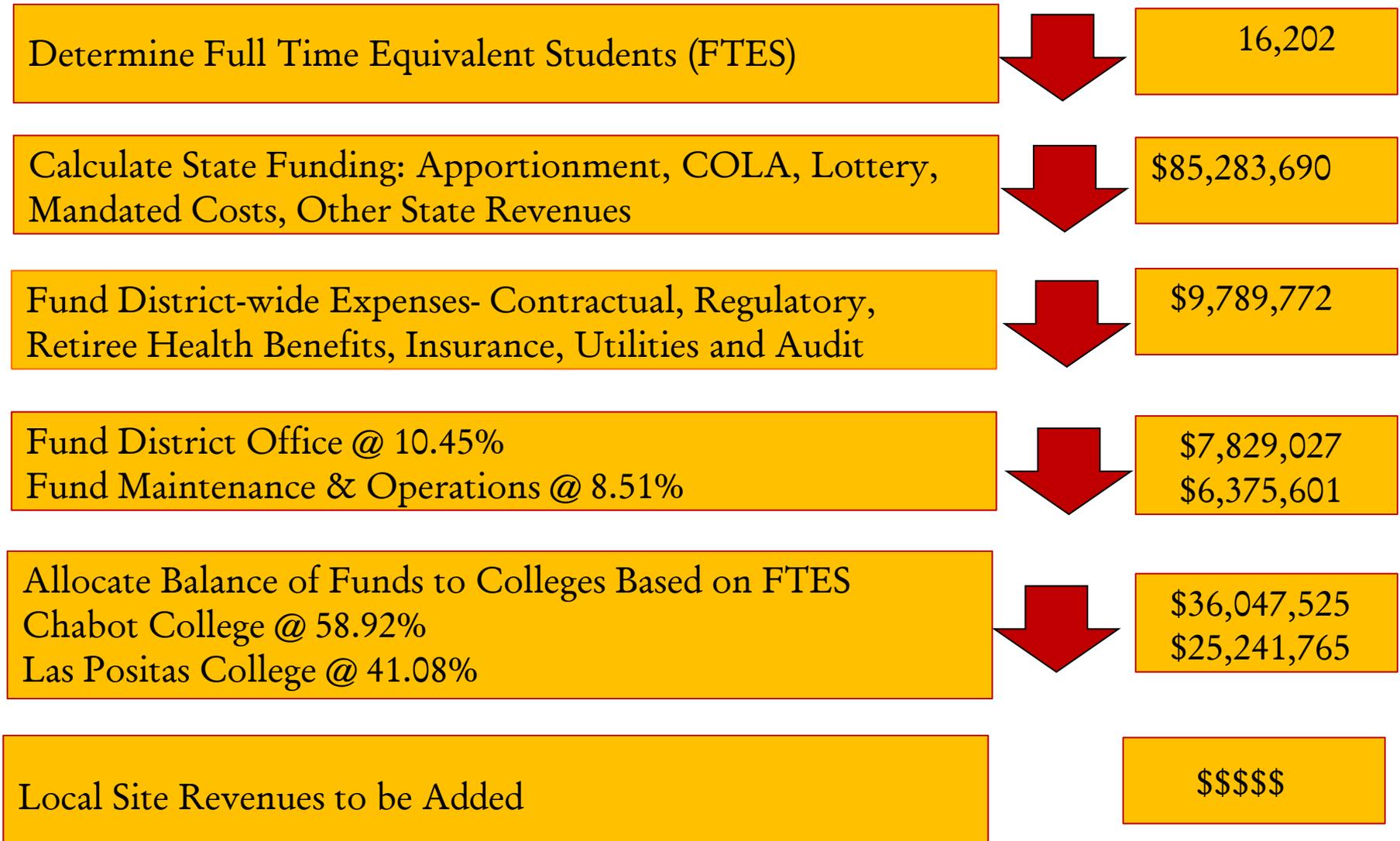
DEMC Approved February 1, 2013

FY 2013-14 Tentative Budget

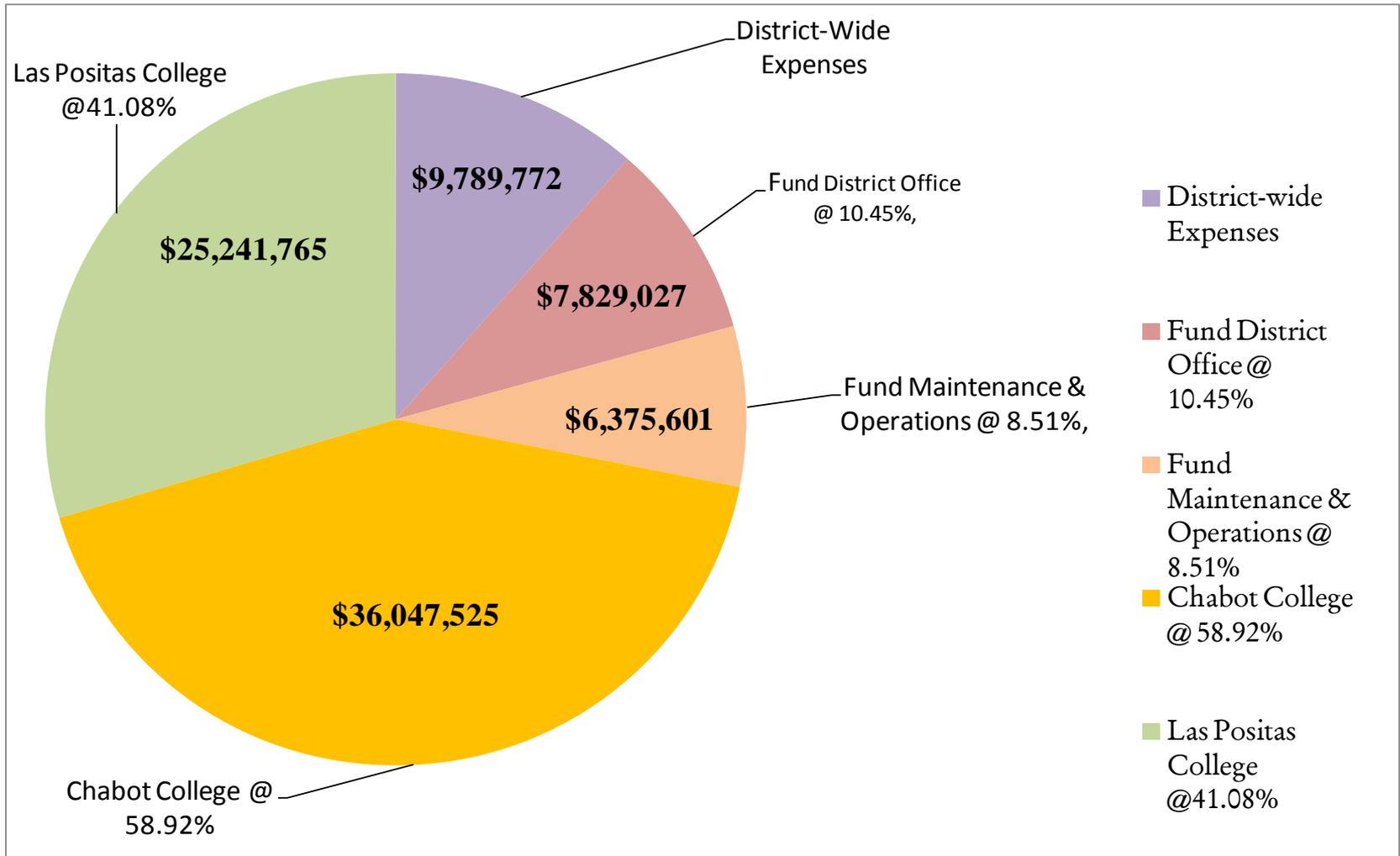
Governor's Budget Proposal for FY2013-14

- Adoption of a cost-of-living adjustment (COLA) of 1.57%
- Adoption of funding for access of 1.63%
- Categorical Funding :
 - \$50 million for the Student Success Act
 - \$30 million for Adult Education
 - \$47 million for Proposition 39
 - \$16.9 million for Online Education Initiative
 - DSPS (\$15M); EOPS (\$15M); and CalWorks (\$8M)
- Funding for Deferral buy downs: \$30 million (From \$961M to \$592M)

Tentative Budget Using New Allocation Model

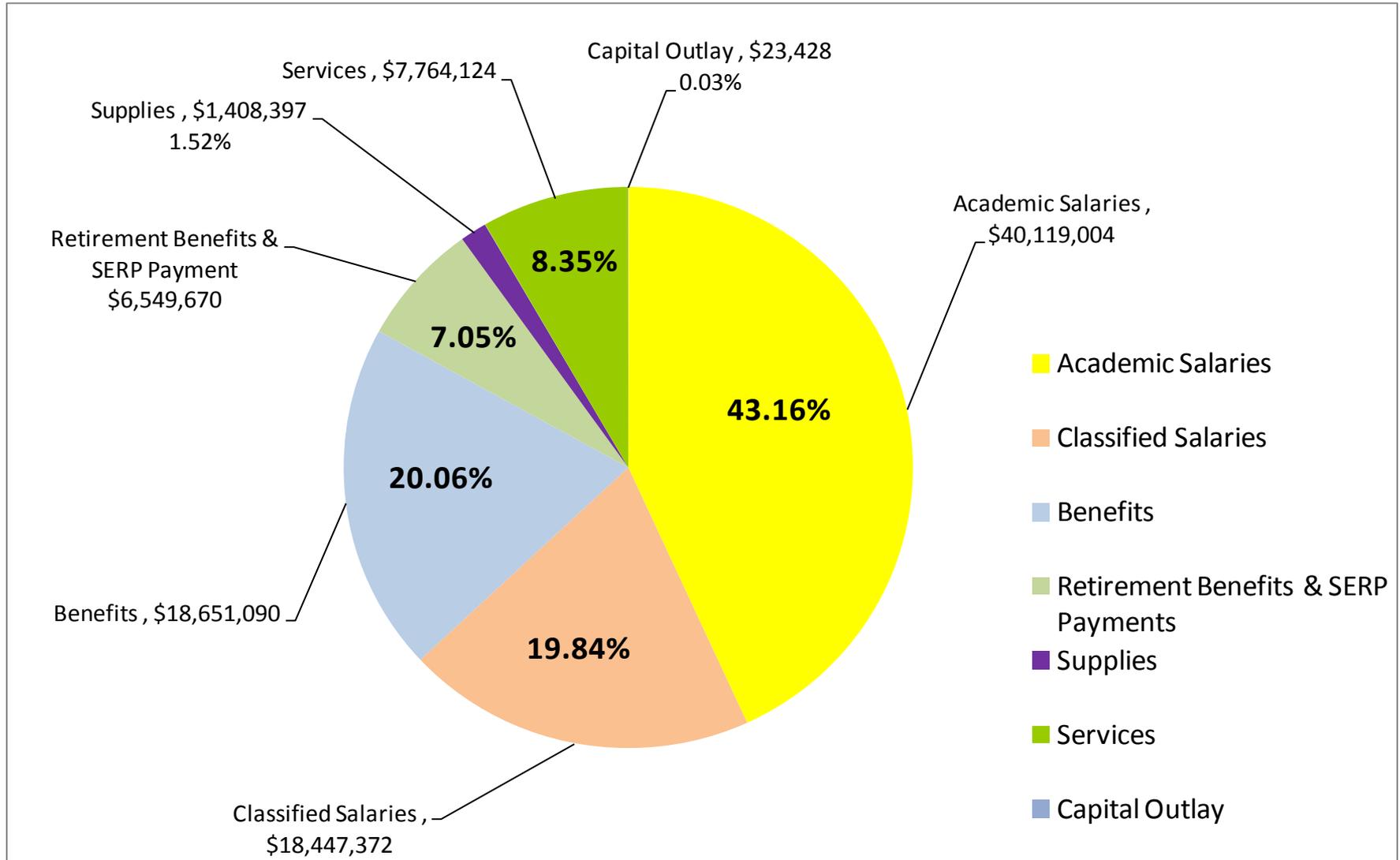


FY 2013-14 Tentative Budget - Allocation Funding Levels Excluding District-Wide Expenses



FY 2013-14 Tentative Budget

District-wide Expenses – Unrestricted



Looking Ahead

- Set and Manage Expectations
- Pay back our own debt – RUMBL Fund, charges to Measure B interest earnings going back to General Fund
- Other Local Revenues - Co-curricular Funds and Lease Revenue
- Economy and the State Budget
 - Economy is improving
 - Prop 30 is temporary
 - Sales tax increase ends 2016
 - Income tax increase ends 2018

Thank You and
Have a Great Year