



# 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

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## **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
- New Allocation Model – “Back of Envelope” Explanation

## **FY 2013-14 Tentative Budget**

- Enrollment Data and District Enrollment Management Committee (DEMC)
- State Budget Assumptions
- Tentative Budget Using New Allocation Model

## **Looking Ahead**

# Why a New Allocation Model

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## 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

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## **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

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## 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

# New Allocation Model How it Works

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## What this model gives us

- ✓ Simple to understand
- ✓ It is revenue based
- ✓ Puts money out to colleges
- ✓ The College Budget Committees are empowered to make decisions
- ✓ Shared responsibility to live within our means
- ✓ Promotes accountability and transparency district-wide
- ✓ Incorporates a process to build back our RUMBL and Reserve
- ✓ Addresses ACCJC Accreditation Recommendations

# New Allocation Model How it Works

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## Board Action

- Approved the Funding Allocation Model recommended by the District 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>CHAB OT</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

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## 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

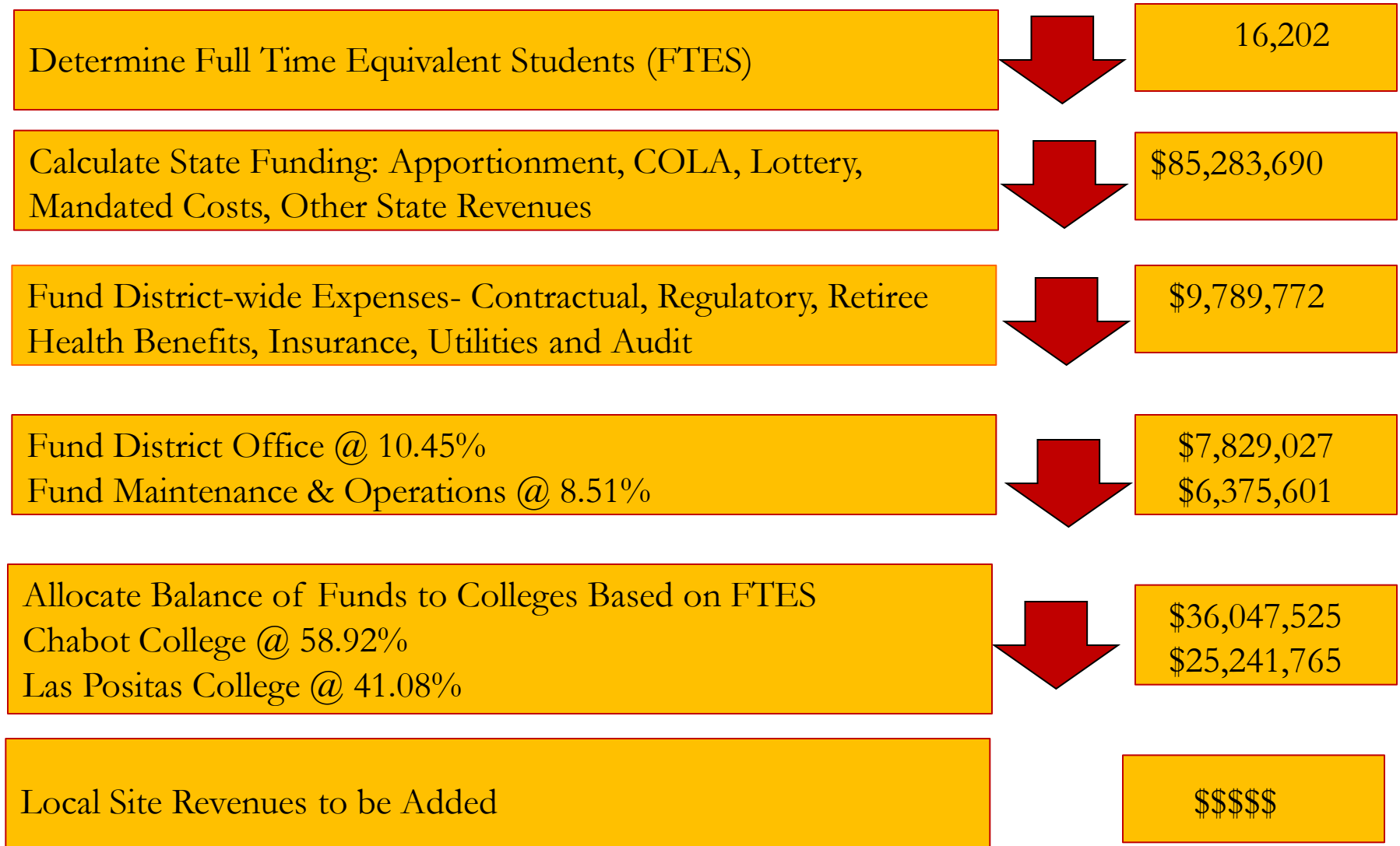
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## Governor's Budget Proposal for FY2013-14

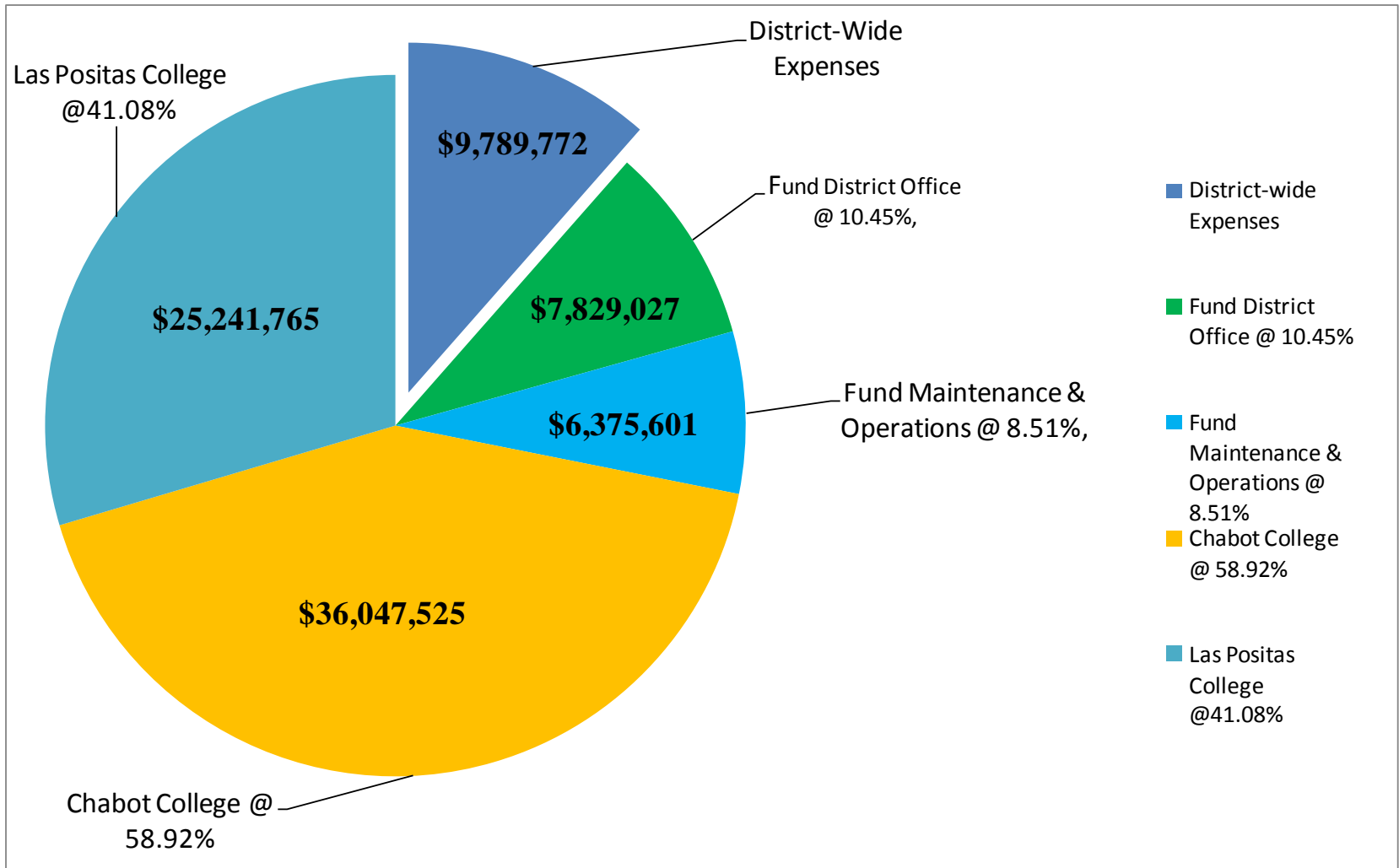
- Adoption of a cost-of-living adjustment (COLA) of 1.57%
- Adoption of funding for restoration growth of 1.63%
- Categorical funding of \$50 million for the Student Success Act
- Funding for local planning grants related to Adult Education: \$30 million
- Funding energy efficiency projects related to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

# Tentative Budget Using New Allocation Model

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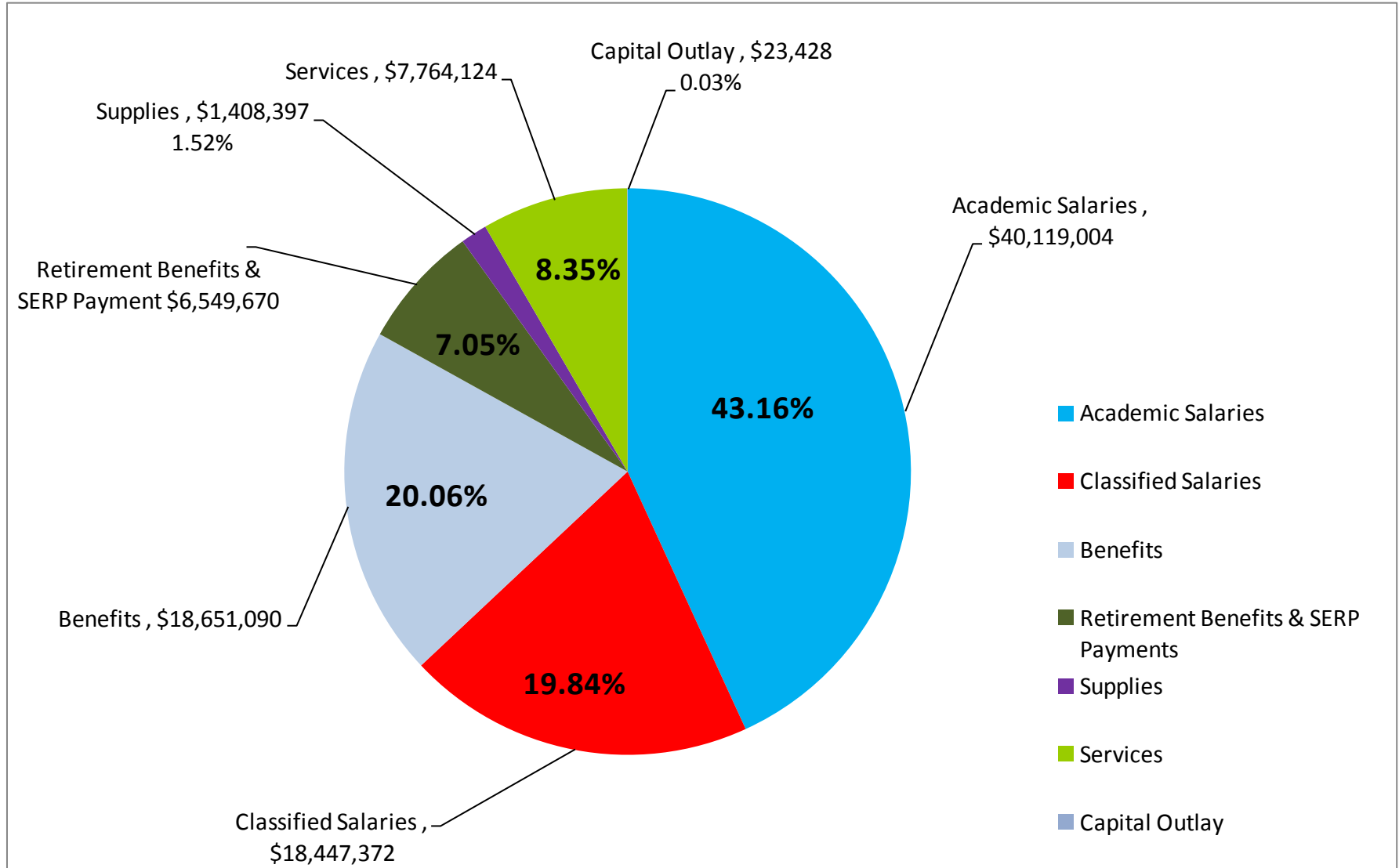


# FY 2013-14 Tentative Budget - Allocation Funding Levels Excluding District-Wide Expenses



# FY 2013-14 Tentative Budget

## District-wide Expenses – Unrestricted



# Looking Ahead

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- Set and Manage Expectations
- Pay back our own debt – RUMBL Fund
- Plan for expenses charged to Measure B interest going back to General Fund
- Other Local Revenues - Co-curricular Funds and Lease Revenue
- Adoption Budget
- 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