

Recommended Charge from DSPC to DBAC for BAM Revision
Developed by Team A – Assessment Team for DSP

DSPC charges DBAC to:

- 1) Review RCCD BAM Principles
- 2) Complete compilation of relevant data (cost of programs, expanding/shrinking of programs, age of facilities, etc.)
- 3) Review BAM models from other colleges
- 4) Review RCCD BAM components
- 5) Align components with RCCD Educational Master Plan, RCCD Strategic Plan, and Student-centered Funding Formula (by district and by colleges)
- 6) Develop revised BAM with metrics for assessment
- 7) Develop a timeline for BAM assessment and review of metrics
- 8) Report to colleges' constituencies (Academic Senate, CSEA, Strategic Planning Councils, Faculty Association, etc.) and seek input throughout the process for principles, components, and assessment plan

DRAFT
Riverside Community College District
Budget Allocation Model (BAM) Assessment

The DSPC Assessment Team met with the Vice Chancellor of Business and Financial Services, the Director of Business Services, and the College Vice Presidents of Business Services on December 15, 2017, to work on the BAM assessment. The group began by reviewing the BAM Principles and Components. Comments are italicized and in bold below.

BAM Principles

1. Equilibrium in the operating budget structural balance is maintained through assurance that ongoing expenditures do not exceed ongoing revenues and that compliance with State and District reserve requirements is maintained.
It is difficult to allocate to each entity the revenue generated and make it fit. There is a history of more expensive programs for some entities. One model is to allocate “new” resources through the BAM, but the growth is very small each year. Another is to move to a responsibility-centered budget model.
2. The BAM recognizes that resource allocation is linked to District-wide strategic planning.
Resources are not aligned with District strategic initiatives. Performance incentives/disincentives are not aligned to districtwide targets. These are not clear, transparent, measured and acted upon.
3. The BAM provides for the equitable allocation of available resources to the three (3) colleges and the District Office, while ensuring compliance with statutory and regulatory requirements.
Equitable not equal – is the current BAM equitable?
4. Enrollment management decisions drive the allocation of operational resources.
Current model does not address underperformance/over-performance of entities on FTES targets.
5. The BAM is simple, readily communicable and understood, and as easy to administer as possible.
This area is very positive for the current BAM. It is easy to explain and understand, simple, easy to administer, flexible, and sustainable.
6. The BAM is defined in measureable terms to maintain objectivity and predictability and so that the outcomes is independently verifiable.
7. The BAM is driven by verifiable data.

BAM Components

1. RCCD’s BAM will mirror the State funding model for the California Community Colleges for the basic allocation, full-time equivalent students

(FTES) apportionment, one-time funding, and one-time funding on an annual basis (e.g., Prop 30). The model will comply with budget-related statutory and regulatory requirements (e.g., 50% Law, FON, etc.)

This is an issue for RCCD.

2. The minimum 5% required level of District reserves and funding for the district office will be the first allocations of the District's "Total Available Funds" in the Unrestricted General Fund.

RCCD maintains the required reserve.

3. In recognition that it may be necessary to transition over time to a point whereby each of the colleges achieve equilibrium between allocated revenues and the expenditures needed to support instructional service levels to students, a separate allocation may be provided.

RCCD is complying with this component.

4. Non-State apportionment, one-time funds, ongoing funds and entrepreneurial revenues (e.g., Norco College Trading Post, Riverside City College Splash, Nonresident tuition, indirect cost reimbursements, lease/rental income) that are specific to a particular entity will be retained by the respective college that generates the revenue.

RCCD is complying with this component. The list needs to be updated and comprehensive.

5. Revenue sources that are not specifically identifiable to a particular entity will be allocated based on the same methodology used to allocate apportionment revenues unless otherwise specified by the funding source.

RCCD is following this BAM component.

6. A minimum of 1% of total available funds will be allocated for contingency at the entity level.

RCCD is NOT adhering to this component.

7. Child Care Centers, Food Services, Performance Riverside, Contract Education, Community Education, and Bookstore must be self-sustaining by entity.

Contract Education, Community Education, and Performance Riverside are issues.

8. Interfund loads will be allocated "off the top" of the District budget.

RCCD is adhering to this component.

9. The budget allocated for the District Office and District Support Services shall correlate with the percent increase/decrease of the aggregate budget allocated to the colleges.

This component of the BAM has not been formalized. The function map will assist on this component.

The group then discussed some other Districts' models as points of comparison.

http://www.losrios.edu/downloads/District_Funds_Adopted_Budget_17_18_Combined.pdf (particularly pages 140 to 145)

<http://vpas.fullcoll.edu/NOCCCD%20Budget%20Allocation%20Model%202017.pdf>

(There is a reference on Slide #34 to the NOCCCD Budget Allocation Handbook.)

<https://www.sdccd.edu/docs/BusinessServices/docs/budgets/2017-2018%20Adopted%20Budget.pdf> (Executive Summary Narrative)

<https://www.kccd.edu/sites/kccd.edu/files/4884>

In particular, LRCCD and SDCCD use a “bucket” model that may be of interest to RCCD. LRCCD had detailed documentation on its allocation of Program Development Funds (utilizes Base, WSCH, Square Footage, and FTE).

Recommendations for revised BAM:

- **Define where RCCD wants to be with regard to a BAM.**
 - **What should the RCCD model consider (e.g., FTES, cost of programs, expanding/shrinking of programs, age of facilities)?**
 - **Review the principles**
 - **Review the components**
 - **Develop metrics for the components**
 - **Align the BAM with the District Educational Master Plan and District Strategic Plan to be developed**
- **Include College Strategic Planning Councils to review BAM principles, share with other constituency groups (e.g., Academic Senate, CSEA)**
- **Work with individuals at LRCCD to learn more about “bucket” model**
- **Build in a timeline for BAM assessment and review of metrics; discuss at annual DSPC retreat**
- **Create a model for capital??**