

Effective in fiscal year 2003-04, the District set aside the then-existing budget allocation model, which had been used to distribute district resources for the past

The model was primarily revenue-driven while providing for college base allocations based on the fixed costs, which did not necessarily equate FTEs and produce the desired administrative allocations. The model was, however, primarily FTES driven, with no cap placed on the funding of growth at the college level. The model was not designed to meet the needs of the district and its colleges.

In 2003-04 when we set the model aside we distributed resources using the fiscal year 2002-03 allocation base as a guide. We did not have an agreed-upon budget allocation model. Distribution of new resources did not consider how the colleges had evolved since 2003-04. That method of allocating funds did not reflect how we received our funding from the state, the uniqueness of our colleges, nor the priorities of the district. In addition, the lack of an agreed-upon allocation model had been cited in the accreditation reports and would have been a major issue if not resolved.

New Model

During fiscal year 2006-07

recognizing how we are funded by the state, and be perceived as more equitable than the then existing arrangement.

The allocation model was adopted for use in the 2007-08 fiscal year.

Elements of the Model

The district recognized the value in developing a model with dual characteristics, i.e. one that includes elements based on both revenue (FTES), as well as expenditures. The model considers how the colleges have evolved, and is responsive to changes that will occur in the future. The model also considers how we are funded from the state. The model is objective based, formula-driven, tt

DAC). These services should primarily represent those functions that can be most effectively and efficiently administered in a centralized fashion.

In addition, the allocation model will continue to provide a pool of resources to support expenditures required to meet general districtwide obligations such as property and liability insurance, legal expenses, governing board expenses, financial and compliance audits, central technology hardware, software and management services, and other activities which support the district as a whole and cannot be conveniently or economically assigned to the other operating locations through a cost center referred to as Districtwide Services.

The district will continue to account for utilities in a central location, so as to mitigate the significant differences in utilization due to building size, construction, age, and climatic conditions affected by college locations.

College Allocations

In an attempt to develop a model that would be accepted as fair and equitable, areas of differences or unique characteristics between the colleges, as well as similarities, were identified. A model that considers

How do fulltime / part time ratios of faculty compare?

Are the contractual obligations, such as reassigned time and leaves, disproportionately distributed?

College Allocations

Class Schedule Delivery Allocation

Using each college's productivity factor (as defined below) and FTES from the current year, we derive a Full Time Equivalent Faculty (FTEF) number for the budget year. The college receives an allocation for the actual cost (salary and benefits) for the full time classroom faculty currently employed. This allocation is adjusted to reflect non-teaching assignment for these faculty, such as those on leave or reassigned time, and planned additional full-time faculty for the budget year. The balance of the allocation is distributed based on the average cost of a non-contractual FTEF.

The productivity factor (which is the college's average weekly student contact hours (WSCH) taught by a full time faculty equivalent (FTEF)) reflects, among other things, differences in class sizes (and subsequently costs) due to facility limitations, program mix (general education vs CTE), and educational preparedness of the student population of each college. Effective FY10, the model was changed to utilize an average of a budget year productivity factor (i.e. the goal) and the prior year actual productivity factor.

The productivity goal for a budget year is independently set for each college, and is based upon historical data and takes into consideration a college's unique circumstances and the economic environment. Because a portion of funding to a college is based on that goal, it is essential that the productivity goal-setting process be thoughtful and have integrity. It is therefore recommended that each college's goal-setting team, which will be determined by each college and may include not only the college president, but also the instructional and business vice presidents as well as the academic senate president, establish a process to project a realistic and attainable goal. The college president meets with the chancellor to discuss the environment and challenges, and set the goal.

Base Allocation (Fixed Allocation)

Each college receives an equal dollar amount that recognizes the fixed expenses/core services associated with operating a college, regardless of the size of its enrollment.

This base allocation was established at 15% of revenue available for distribution, divided equally among the colleges. This recognizes economies of scale and provides a "small college" factor to the model.

FTES Allocation

The remainder of the available revenue is allocated to the colleges proportionate to their FTES (%) actually earned in the prior year, and recognizes how the District receives the bulk of its revenue through SB361.

Colleges are funded proportionate to their FTES (%) for their actual growth, up to the maximum percentage that the District was funded. Each college may then carry unfunded FTES (as does the District as a whole), and be entitled to use that excess if and when the District does. By using a blended average in the productivity factor as recommended above, colleges are not penalized for “overgrowth” if attained through efficiencies, i.e. because they experience less costs.

Transition/Implementation Funding

As implementation of the new allocation model shifted resources, the district recognized the need to provide for stability during the transition for colleges to gradually move towards full implementation of the new model.

During the implementation year, FY08, \$2 million of total revenue was allocated - 50% each to Oxnard and Ventura colleges. In FY09, \$1 million of available resources was available to be allocated - 50% each to Oxnard and Ventura colleges. Once applied, the amount of transition/implementation funding was assessed to ensure the colleges were able to transition without undue financial hardship.

Carry-over

In addition to the allocation derived through the mechanism of the model, the colleges and district office are allowed to carry-over any unexpended funds as of June 30 into the new budget year, up to a maximum of 1% of their respective prior year budgets. (There was no maximum for carryover from June 30, 2007 to July 1, 2007). These amounts are placed in a designated reserve as of June 30, to be distributed for expenditures as of July 1 of the budget year. (This percentage has been increased to 2% in years where fiscal difficulties were anticipated for the following year.)

Updates

Since the adoption of this new model for 2007-08 fiscal year, and in accordance with the commitment to the Board to regularly review the model components to

ensure a more sustainable model, the District Council of Administrative Services (DCAS) reviews the model annually. During the first part of 2009, they recommended modifications to the Class Schedule Delivery Allocation and the FTES Allocation segments of the model. The Board of Trustees approved the recommended changes at its March 2009 Meeting.

In 2010-11 DCAS developed a plan to address the district's capital structural deficits and recommended that specific revenues (lottery, interest income and administration fee revenue) be removed over time from the general budget allocation model and allocated in a different method.

In Summary

The District resource budget allocation model is complex enough to reflect the unique characteristics of our colleges and the needs of a multi-college district while recognizing how the district is funded from the f