

NOCCCD

Budget Allocation Model Forum

2017

Presented By:

Fred Williams – Vice Chancellor, Finance & Facilities

Kashmira Vyas – Interim District Director, Fiscal Affairs

GENERAL BUDGET PROCESS

COUNCIL ON BUDGET & FACILITIES (CBF)

- Makes recommendations regarding policy, planning, and other matters related to NOCCCD fiscal resources and facilities
- Makes recommendations to the District Consultation Council (DCC)
- Membership is comprised of 17 members representing the District, Campuses, and all Constituency Groups

BUDGET DEVELOPMENT TIMELINE

Jan

Governor's January Budget Released

Feb - May

Tentative Assumptions/Budget Centers Receive Tentative Allocations

June

Tentative Budget Presented to Board of Trustees for Approval

July - Aug

Proposed Assumptions/Year-End Analysis/Budget Centers Receive Proposed Allocations

Sept

Final Budget Presented to Board of Trustees for Approval

POLICIES/PROCEDURES

- BP 6200 – Provides specific criteria for the NOCCCD budget development process
- BP 6250 – Provides general information related to budget management and budget revisions
- AP 6250 – Provides procedures for Board of Trustees approval for budget transfers

CONCEPTS & PRINCIPLES

- NOCCCD uses an incremental approach to budgeting
 - Begin with previous year's base budget, adjusted as necessary based on projections of available revenue for the current year

- Major Principles that Guide the Budgeting Process:
 - Balance on-going expenditures with on-going revenues
 - Maintain a 5% reserve for economic uncertainty
 - Maintain appropriate autonomy for entities to use resources in a manner that best address their needs

FTES

- Establish District-wide FTES target that approximates the expected FTES funding by the state
- Original “size” of NOCCCD’s FTES generating institutions
 - undocumented history.
 - Target split for 2014-15, 2015-16, and 2016-17 is:
 - CC – approximately 32%
 - FC – approximately 53%
 - SCE – approximately 15%
- Changes based on annual recommendations made via CBF to determine subsequent mix/split

Administrative Review

- Component of the “Integrated Planning Manual”

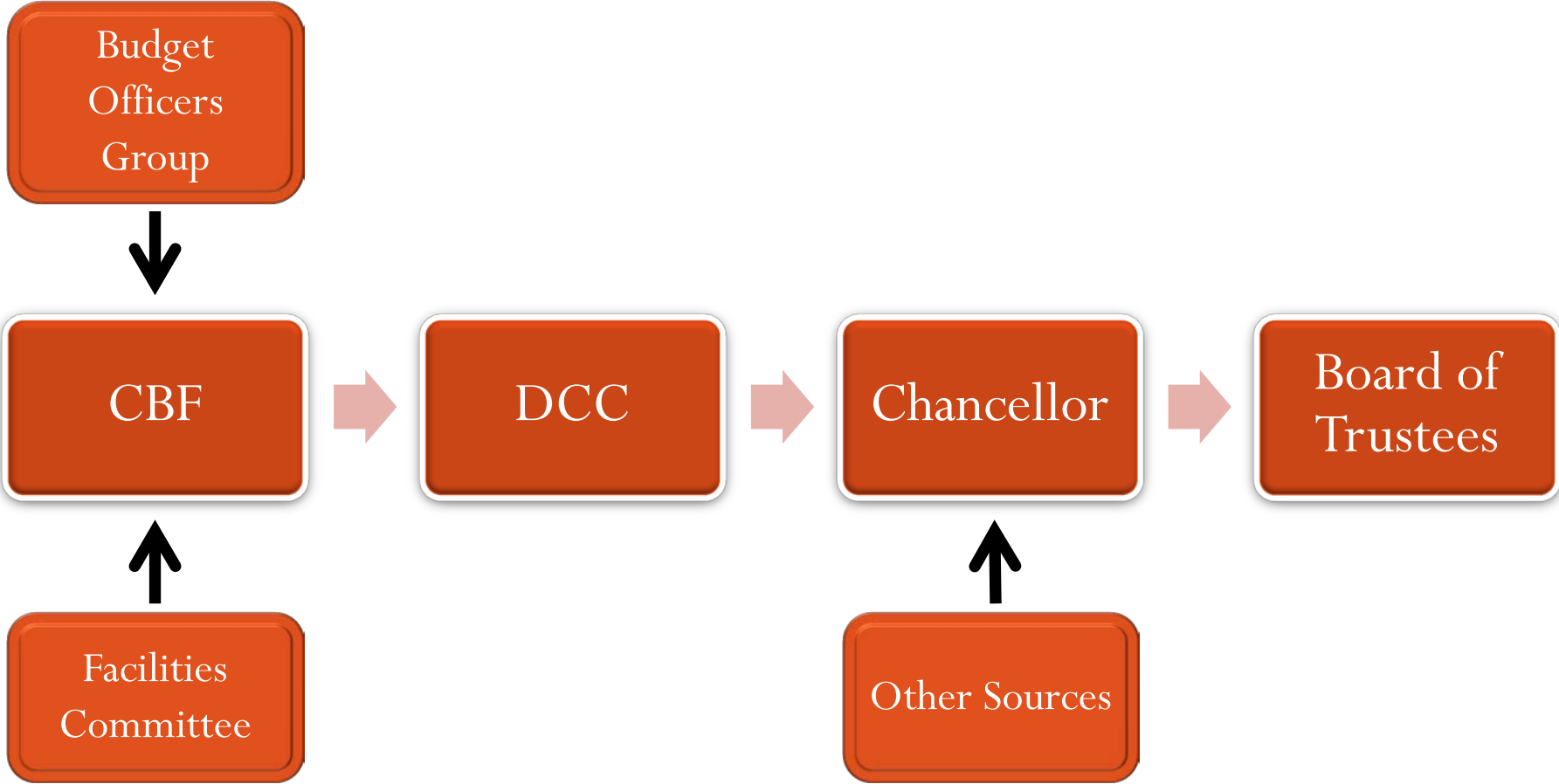
- Purpose:

To analyze and track the efforts of each District Service to continually improve the quality of service provided to the campuses and other District services.

- Process:

- Administrative Review is presented to the District Services Committee for review and a request for funding is submitted.
- Once the request is finalized it is Presented to the Council on Budget and Facilities (CBF).

BUDGET RECOMMENDATIONS



BUDGET CENTERS

NOCCCD BUDGET CENTERS

- NOCCCD budget model recognizes 4 budget centers:
 - Cypress College
 - Fullerton College
 - School of Continuing Education
 - District Services - Finance and Facilities, Human Resources, Equity and Diversity, Public Affairs, Information Services, Chancellor's Office, Educational Services & Technology.

- Budget centers have discretion over their allocations

- Specific allocations within each budget center are determined by the respective budget center's allocation model and planning processes

BUILDING BLOCKS OF THE NOCCCD BUDGET ALLOCATION MODEL

BEGINNING BALANCES

- As the starting point in the budget process, the prior year's ending balance becomes current year's beginning balance
- Beginning Balances have two components:
 - Unavailable to Allocate
 - Available to Allocate

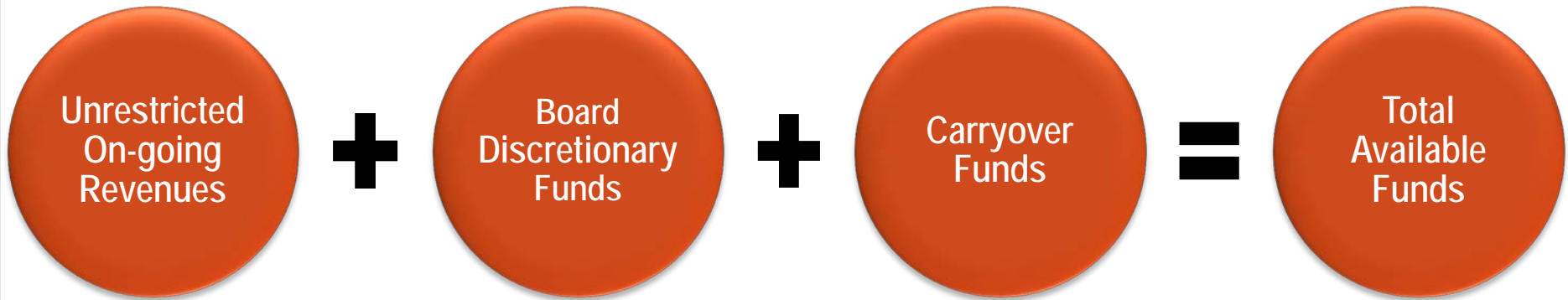
BEGINNING BALANCES (CONT.)

- Unavailable to Allocate
 - 5% Board Policy Contingency – BP 6200
 - Committed Fund Balance – Formal Action by Board
 - Reserve Funds – Inventory, Prepaid Expenses, Revolving Cash
- Available to Allocate
 - Board Discretionary Funds – Unallocated one-time funds
 - Carryover Funds – One-time funds previously allocated to a budget center
 - Restricted Funds – External, legal restrictions on unexpended funds
 - Self-Supported Funds – Maintained at each budget center

UNRESTRICTED ON-GOING REVENUES

- These revenues constitute the primary source of funding for the continuing operations of the NOCCCD
 - State apportionment, enrollment fees, Prop 30, RDA revenue and growth funding
 - Property taxes
 - Unrestricted Lottery
 - Part-time Faculty Funding
 - Non-resident Tuition
 - Fee waiver administrative allowance
 - Interest and miscellaneous income

TOTAL AVAILABLE FUNDS



Total available resources are used to fund, or supplement, expenditures throughout the District

EXPENDITURES

- Expenditures constitute the annual operational expenditures of the NOCCCD. The budget allocation process is made up of the following components:
 - Personnel
 - District-wide
 - Extended Day
 - Operating Allocation

PERSONNEL ALLOCATIONS

- Budget is allocated to fund the salary and benefit costs of all existing permanent positions
- Personnel expenses account for over 90% of the NOCCCD annual operating budget
- Allocations capture the base salary and benefit categories specific to each individual employee
- Closely monitored by the Fiscal and Human Resource Departments via the budgetary position control system

PERSONNEL ALLOCATIONS (CONT.)

- NOCCCD Personnel Budget Procedures – Appendix A
 - Faculty
 - ❖ Needs and Allocations to each campus are determined, in consultation, by the Vice Chancellors and the Campus Presidents, in accordance with established campus practices
 - Management, Classified & Confidential
 - ❖ With appropriate approval, budget centers may add or eliminate positions based on individual needs
- Personnel changes result in allocation adjustments to the Operating and Extended Day Allocations

Position Control *(sample)*

Posn_Suf	Job_Title	Fun	Org	Acc	Prc	Act		Pct	Sal_Budget	Fr_Tot	Total_Bud
CCM985-00	Div Dean, Fine Arts	11200	2455	12510	6010		N	100	161,471.00	26,771.90	188,242.90
CCF760-00	Instructor, Multimedia	11200	2465	11100	1000		I	100	112,410.00	46,744.95	159,154.95
CCF837-00	Instructor, Art	11200	2460	11100	1000		I	100	109,611.00	30,060.05	139,671.05
CCF839-00	Instructor, Art	11200	2460	11100	1000		I	100	95,615.00	26,100.08	121,715.08
CCF866-00	Instructor, Art	11200	2460	11100	1000		I	100	95,615.00	27,537.32	123,152.32
CCF740-00	Instructor, Art	11200	2460	11100	1000		I	100	90,018.00	26,811.52	116,829.52
CCF983-00	Instructor, Art	11200	2465	11100	1000		I	100	87,216.00	21,132.43	108,348.43
CCF896-00	Instructor, Art	11200	2460	11100	1000		I	100	90,018.00	8,281.66	98,299.66
CCC851-00	Administrative Assistant III	11200	2455	21110	6010		N	100	86,377.20	31,798.26	118,175.46
CCC835-00	Instr Asst/Visual Arts - 10 Mo	11200	2460	22100	1000		I	100	43,853.33	22,577.14	66,430.47
CCC846-00	Administrative Asst II - 9 Mo	11200	2455	21110	6010		N	100	30,480.73	16,518.38	46,999.11
CCC812-00	Administrative Asst II - 10 Mo	11200	2455	21110	6010		N	100	27,954.06	15,445.91	43,399.97
									1,030,639.32	299,779.60	1,330,418.92

DISTRICT-WIDE EXPENSES

- Many District-wide expenses are required and are not subject to discretion: utilities, attorney and audit fees, and retiree benefit expenses
- Certain District-wide expenses involve an allocation component contingent upon available resources: scheduled maintenance, staff development, hospitality
- District-wide expenses are closely monitored by the Vice Chancellor of Finance and Facilities and the District Director of Fiscal Affairs

DISTRICT-WIDE EXPENSES (CONT.)

- District-wide expenses are comprised of:
 - District-wide carryovers – remaining balances from previous allocations (safety budget, master plan)
 - District-wide One-Time Expenses – current year one-time allocations (scheduled maintenance, staff development)
 - Hospitality – BP 6350
 - Innovation Fund – supports proposals that cultivate innovation
 - Strategic Plan Fund – supports achievement of the strategic plan
 - Student Success Fund – support student success
 - Other Funding Requests:
 - May be recommended by any member of CBF or any employee via their respective CBF representative
 - May be brought forward as result of administrative review process

EXTENDED DAY ALLOCATIONS

- Provided to CC, FC, and SCE for the purpose of generating FTES
- Covers the cost of part-time faculty salaries and overload pay for full-time faculty
- New Allocation model was developed and was implemented in the 2016/17 budget year.

Extended Day Model

***North Orange County Community College District ***

Extended Day Funding Model (FY2016-2017)

FY 2016/17 FTES Targets

	FC		CC		SCE		Total
2016-17 FTES Targets	19,166.70		11,776.82		5,400.00		36,343.52
	53%		32%		15%		
<u>FTES Generated by FTF</u>							
Total FTF	356.00	100%	224.00	100%	29.00	100%	
Less: Counselors	(35.00)	-10%	(22.00)	-10%	(10.00)	-34%	
Less: Librarians	(7.00)	-2%	(6.00)	-3%	-	0%	
Add: Teaching Counselors & Librarians	1.98		1.46		-		
Teaching FTF	315.98	89%	197.46	88%	19.00	66%	
Less: Reassigned Faculty	(17.80)	-5.0%	(11.20)	-5.0%	(1.45)	-5.0%	
FTF Generating FTES	298.18	84%	186.26	83%	17.55	61%	

Extended Day Model *(cont'd)*

	FC	CC	SCE	Total
FTES Generated by FTF				
Annual Instructional Hours / FTF				
Credit (30 LHE x 17.5 Hrs/LHE)	525.00	525.00		
Noncredit (173 contract days x 5 hr daily load)			865.00	
2 Year Avg Class Size	30.50	30.70	25.26	
Class Size Standard - <u>FTE</u>	32.00	32.00	27.00	
5 Year Avg WSCH per FTEF	474.35	453.64		
FTES Generated per FTF	32.00	32.00	44.49	
FTES Generated by FTF	9,542	5,960	781	

Extended Day Model *(cont'd)*

	FC	CC	SCE	Total
FTES Generated by Adjunct Faculty	9,625	5,817	4,619	
Hours / FTES	525	525	525	
Hours Generated by Adjunct	5,053,093.50	3,053,662.50	2,425,119.75	
Class Size Standard - Adjunct	32.00	32.00	27.00	
Total Adjunct Hours	157,909.17	95,426.95	89,819.25	
Average Adjunct Hourly Rate (Column II, Step 3)	\$ 60.27	\$ 60.27	\$ 52.84	
Adjunct ED	\$ 7,137,889	\$ 4,313,537	\$ 4,508,747	
Average Overload Rate	\$ 60.94	\$ 60.94	\$ 60.94	
Overload ED	\$ 2,405,746	\$ 1,453,830	\$ 273,679	
Total ED (before program based funding)	\$ 9,543,636	\$ 5,767,366	\$ 4,782,426	\$ 20,093,428
	47%	29%	24%	
FTES Rate	\$ 991.55	\$ 991.55	\$ 1,035.32	

Extended Day Model *(cont'd)*

	FC	CC	SCE	Total
FTES Rate	\$ 991.55	\$ 991.55	\$ 1,035.32	
Program Based Funding				
Retention rate				
Completion rate	53%	32%	15%	
Funding	\$ 1,318,440	\$ 810,105	\$ 371,455	\$ 2,500,000
Prior year substitute actual	64,973	119,696	73,041	
Net ED - New Model	10,927,048.74	- 6,697,167.00	- 5,226,922.46	- 22,851,138.20
	48%	29%	23%	

OPERATING ALLOCATIONS

- Provided to each NOCCCD budget center
- Used for general budget center operations
- Allocations are comprised of:
 - Previous year's allocation
 - Adjusted for approved COLA and/or Growth Funding Augmentations
 - Adjusted for any personnel changes in accordance with established personnel budget procedures

RESTRICTED FUNDS

- Include program revenues that have restrictions codified in regulation or law, or funds that can only be used for a specific purpose
 - Legally Restricted Funds
 - ❖ Have legal restrictions imposed by Federal and State governments
 - Restricted for Specific Purposes
 - ❖ Include grant programs and other funds restricted for a specific purpose

RESTRICTED FUNDS (CONT.)

■ Legally Restricted Funds

- Health Services, Parking, Veterans Services, etc.
- Budget center allocations based upon amount of fees generated or level of services provided

■ Restricted for Specific Purposes

- Grant Programs - EOPS, DSP&S, other grants and contracts, etc.
- Other Restricted Funds – lottery, instructional equipment
- Budget center allocations generally based on grantees' directives
- Allocations may also be based on eligible students served, competitive application process, FTES targets, or internal allocation recommended by CBF

SELF-SUPPORTED PROGRAMS

- Self-supported programs may be maintained at any budget center
- Resources generated remain with the activity to cover related expenses
- Examples of self-supported programs include:
 - Facility rentals
 - Swap Meet
 - Community Education courses
 - Lab fees
 - Production Center

EVALUATION & COMMUNICATION OF THE NOCCCD BUDGET

EVALUATION OF THE ALLOCATION MODEL

- Every October, CBF will evaluate the NOCCCD allocation model for both process and for allocations that are formula driven such as backfill rates, FTES targets, and operating allocation increases for COLA and/or growth funding
- CBF will prepare a report to District Consultation Council including any applicable recommendations
- Items currently being evaluated by the CBF:
 - Extended Day Model
 - Push-Out Allocation Model

COMMUNICATION OF THE BUDGET

- NOCCCD Budget Allocation Handbook is available on District's website:
http://www.nocccd.edu/files/distbudgetallocationhandbookapril2013_26093.pdf
- Vice Chancellor of Finance & Facilities and District Director of Fiscal Affairs will schedule annual campus-wide budget forums to communicate the NOCCCD budget allocation model
- Annual forums will include communication of any changes to the model that occurred as a result of the model's evaluation component

LINKING BUDGET WITH PLANNING

- ACCJC Standard III D.3 requires the District/Institution(s) systematically assess the effective use of financial resources and use the results of the evaluation as a basis for improvement
- To address this standard, NOCCCD's budgeting process includes the following:
 - All Strategic Plan Fund expenditures will be tracked separately to allow Project Leaders to report effectively, on an annual basis.
 - Budgeted expenditures related to each District Strategic Direction (identified in the Comprehensive Master Plan) will be tracked using a unique identifying code. Annual reporting will include financial information and an annual evaluation of the District's accomplishments toward implementing the Strategic Directions

REFERENCES

HOW TO STAY CONNECTED

- *NOCCCD Budget Allocation Handbook*

http://www.nocccd.edu/files/distbudgetallocationhandbookapril2013_26093.pdf

- Council on Budget and Facilities
 - Open meetings
 - Agenda items/input may be submitted via respective representative
- Campus Planning and Budget Committees
- Coffees with the Board and Chancellor
- Board of Trustee Meetings
- Other Constituency Group Meetings
 - Associated Students, Joint Academic Senates, Classified Senate



QUESTIONS