

Resource Allocation Model

Strategic Planning Council

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What is it?

- A method to allocate Fund 11 resources (revenues)
- Does not prescribe spending, only allocates resources
- Does not affect restricted Fund 12 (grants/categorical programs)

What currently happens?

- Salaries, Benefits plus movement on step and column plus any adjustments (e.g., COLA) are calculated
- Fixed/Committed Operating Costs
- Other costs (e.g., supplies and materials) are calculated
- Revenue is estimated and compared to above total costs

Why change the existing model?

- It's time!
- Planning Agenda item #1 in Self-Study and Accreditation Team recommendations

Priorities to be considered

- Fair & Predictable distribution
- Budget for planning and operational needs of the college
- Minimize internal differences of opinion about budgets
- Simple to administer
- Recognize cost pressures – collective bargaining results, inflation, etc.
- Minimize changes through a Multi-year application
- Accommodate good and bad years
- Promote a sensible use of public funding (no “spend it or you lose it” mentality)
- Use quantitative, verifiable factors (i.e. data to make decisions)
- In synch with our district-wide mission, goals, and objectives

Constraints to be considered

- Current model of state funding
- Insufficient cost-of-living adjustments
- Uncertainty of year-to-year growth funding
- Lack of backfill for deficits
- Unfunded or partially funded mandates
- State economic cycles
- Conflicting regulations
- Limited flexibility regarding new revenue generation
- Inadequate/under-funding
- Legislated limitations such as growth caps, AB 1725

Components of a Model

- A baseline level to support instruction, student services, and college administration
- A marginal level of support for instruction, student services, and college administration (e.g., based upon FTES as averaged over the preceding three years)
- Demonstrated need (with justification)
- Facility related services based partly on an amount per gross square footage building space and partly on a percentage of total resource allocation
- Fixed overhead costs

Components of a Model

- Multi-year analysis of actual expenditures as compared to budget
- Tied to Master Planning, Strategic Planning, and Review and Assessment

Implementation of a Model

- Establish Criteria for Base Apportionment Allocation/Reductions
- Establish Criteria for New Money Allocation
- Ensure Fixed and Agreed-Upon Costs are met
- Serve the Community and Support the Level of Service needed to Support

Implementation of a Model

- Alignment/Integration with College's Planning Priorities
- District-wide and Council (Division) Priorities
- Fixed and Agreed Upon Costs

Types of Fixed and Agreed-Upon Costs

- Salary and Benefits
- Utilities
- Insurance
- Consult/Legal/Election
- Technology (Soft/Hardware) Maintenance
- Technology Advancement
- Retiree Reserve Funding

Facilities Impact

- Facilities grow as the college grows including addition of new centers
- Gross square footage seems a good proxy for many of the factors that might influence the cost of maintenance and operations

FTES Impact

- FTES drives Apportionment Revenue
- FTES best determines the adjustments that the District must make to accommodate changing needs from year to year
- Changes to FTES also changes costs for faculty, student services, instructional materials and most overhead costs

Program Review and Planning

- Assessment of impact of resource allocation on achieving goals and objectives and,
- Future allocation of resources