Summary of Multi-College District Allocation Models

A revenue allocation model allocates revenues (state and local) generated in a budget year to the college campuses in the district based on the state funding model that allocates state apportionment revenues to districts. An expenditure allocation model allocates, by agreed upon formulas, expenditure appropriations for full-time faculty staffing, adjunct faculty staffing, classified and administrative staffing, associated health and welfare benefit costs, supply and equipment budgets, utility costs, legal and other services. A model may include some of each method, allocating for certain expenses and allocating some revenue generated.

Contra Costa

- Uses state formula (not yet converted to SCFF)
- FTES goals are set according to state funding
- Cabinet sets productivity and class size goals
- Each college has a percentage of the total FTES goal
- Fixed and agreed-upon costs come off the top
- District Office gets 10.54% of the remainder
- Cabinet approves changes to any allocations
- Balance is distributed by FTES goals
- Non-state determined revenue allocated by FTES
- "Local" revenue allocated to each college: apprenticeship, 2% of enrollment fees, PT faculty compensation, materials fees, facilities rentals
- Colleges required to budget sufficient funding to achieve FTES goals
- Little budgetary flexibility in personnel budgets
- Mid and end of year adjustments are made to budgets as better information on revenue is received
- Colleges not meeting their FTES goals have their budgets reduced

Pros:

- Very clear
- FTES is main driver
- Cabinet has control over changes

Cons:

- Not yet tied to SCFF outcomes
- Allocation changes during the year
- Allocations don't take into account need or differences between colleges

Kern

- Uses state formula (not yet converted to SCFF)
- Uses prior year FTES divided into budgeted revenues less base allocations and NR tuition to determine a rate per FTES
- Allocates base funding and per FTES funding to each college
- Allocates District Office, district-wide and regulatory costs as chargebacks to the colleges
- Growth is allocated in the following year after it is earned
- One year stabilization for college allocations
- Strategic initiatives are funded one time from reserves

Pros:

- Uses a blend of current year budgeted revenue and prior year actual FTES
- Provides stability

Cons:

- Not yet tied to SCFF outcomes
- Allocations don't take into account need or differences between colleges
- Not clear how ongoing budget for strategic initiatives is found

Rancho Santiago

- Uses the state formula (not yet converted to SCFF)
- Allocates revenues not expenses
- Sets FTES goals and percentage split between colleges
- Charges the colleges for any 50% law or FON penalty
- Requires colleges to maintain a 1% reserve
- Has plan for covering college deficits from reserve and over several years if necessary
- Growth is allocated in the following year after it is earned
- Includes stability, but only to the extent funded by the state; one college may grow and another decline and there wouldn't be stability funding
- Statewide deficits are apportioned to the sites
- Colleges must cover collective bargaining costs out of COLA
- Defines what revenues are allocated how and what expenses are the responsibility of each site
- Council reviews budgets for District Services and Institutional Costs

Pros:

- Allocates growth after it is earned: more predictable
- Addresses 50% law, FON, stability and deficits
- Addresses changes in college splits

Cons:

- Not yet tied to SCFF outcomes
- Not clear how District Office and Institutional Costs are funded
- Allocations don't take into account need or differences between colleges

San Mateo

- Is a community-supported district
- Funding is primarily based on property taxes
- Institutional costs budgeted off the top
- Each site (3 colleges, District Office and Facilities) starts with last year's allocation
- Colleges and District Office get increases related to budgeted NR income
- Each site gets allocations for collective bargained increases, including step and column
- Each site gets a COLA based on CPI for non-personnel budgets
- A new ongoing amount is budgeted each year to achieve the strategic plan
- Allocations for the strategic plan are agreed upon by Cabinet and approved by Board
- Additional agreed-upon increases may be made
- Any leftover funds or shortfall is split proportionately by site according to their last year's budget
- The strategic plan drives outcomes and is reported on each year to the Board

Pros:

- Is relatively simple; only 8 steps
- Allocates for both compensation-driven expenses and operational increases
- Allows flexibility at colleges to spend the funds as they see best to achieve the desired goals
- Forces sites to evaluate ongoing programs to fund new ones

Cons:

- Little new funding for sites except for NR tuition and strategic planning
- Multiyear scenarios are a must to not allocate funds in one year that aren't available in future years