



Budget Allocation Model

“BAM”

ACBO PRESENTATION

MAY 19, 2008

Real

Allocation Model Guiding Principles

- Three comprehensive Colleges with multiple centers serving students over 24,000 square miles
- Some services centralized at District Office
- Maintain autonomous decision making at local level
- Simple and easy to understand
- Consistent with SB 361 Model

Allocation Model Guiding Principles

(continued)

- Provide financial stability
- Utilize conservative revenue projections
- Provide for reserves in accordance with Board policy and direction
- Be incentive-based and allow carryover of ending balances
- Allow colleges to initiate, implement and be responsible for new program initiatives
- Provides clear accountability
- Provide for periodic review and revision

Key Model Parameters

- All Revenues allocated to Colleges
- Carryover:
 - Mandatory
 - Discretionary – Colleges only
- Base College/Center Funding mirrors SB361 Formula
- FTES allocated funding equalized between Colleges
- Growth funding based upon prior year funded growth
- Stabilization mechanism for FTES declines and overall allocation declines

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Key Model Parameters

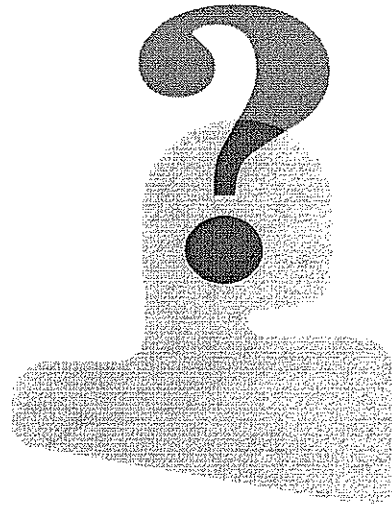
- Reserves funded based upon Board Direction
- Strategic Initiatives process to allow colleges to initiate, implement and be responsible for new program initiatives
- District Operations charged back to colleges. DO not allowed discretionary carryover, budget to meet operational needs.
 - Governance groups given opportunity for input prior to issuing initial allocation
- Model evaluated annually

*Developing
evaluation
tool*

Schedule of Allocations

- **March** --- Preliminary Allocation based on Governors January Budget and District Operations Budget
- **May** --- Tentative Budget Allocation based upon Governors May revised budget
- **September** – Adopted Budget Allocation based upon adopted budget and Growth from previous Fiscal year
- **February** --- Final Allocation based upon any mid-year corrections and true-up of carryover based upon year-end audit

Questions?



	A	B	C	D	E	F	G	H	I	J	K
1	Kern Community College District										
2	2007-08 Final Budget Unrestricted Fund Allocation										
3			Kern Community College District Income	Bakersfield College	Cerro Coso Community College	Porterville College	District Office Operations	District Wide Costs	Regulatory	District-wide Reserves	Total
4	Beginning Balance and Income to be Allocated										
5	Beginning Balance (Unrestricted)										
6	Step 1	District-wide Reserves Base								12,634,192	12,634,192
7	Step 1	District Mandatory Reserves		719,211	291,012	197,110		220,204			1,427,537
8	Step 1	College Discretionary Carryover		40,253	706,868	980,572					1,727,693
9		Total Beginning Balance		759,464	997,881	1,177,682		220,204		12,634,192	15,789,422
10											
11	Step 2	Total Income	\$ 99,408,551								\$ 99,408,551
12											
13		Total Beginning Balance and Income to be Allocated	99,408,551	759,464	997,881	1,177,682		220,204		12,634,192	115,197,973
14											
15											
16	Allocations										
17	Base Operating Allocations:										
18	Step 3	College Base		5,560,800	4,501,600	3,177,600					13,240,000
19											
20	Change to Base Allocations Increase/(Decrease)										
21	Step 4	COLA Adjustment		251,904	203,922	143,945					599,772
22											
23	Step 5	Initial Model start-up stabilization funding (one year funding)		-	-	-				-	-
24											
25	Total Base Allocations										
26				5,812,704	4,705,522	3,321,545					13,839,772
27											
28	Base FTES Allocations:										
29	Step 6	Base FTES Allocations:		53,736,830	13,357,223	13,474,714					80,568,768
30											
31	Changes to FTES Allocations Increase/(Decrease):										
32	Step 7	COLA		2,402,373	597,151	602,404					3,601,928
33											
34	Step 8	Growth Allocations		2,678,732	-	1,182					2,679,915
35											
36	Step 9	FTES Decline		-	(139,610)	-				(139,610)	(139,610)
37	Step 9	FTES Decline Stabilization (impact on reserves)		-	139,610	-				(139,610)	-
38											
39	Step 10	Other Changes Increase/(Decrease)		(761,826)	(189,365)	(191,031)					(1,142,221)
40	Step 10	Other Changes Stabilization (impact on reserves)		-	-	-					-
41		Total FTES Allocations		58,056,109	13,765,010	13,887,270				(139,610)	85,568,779
42											
43	Step 11	Base District wide Reserves								12,634,192	12,634,192
44	Step 11	Other Increase/(Decrease) to District-wide Reserves									
45											
46	Step 12	Strategic Initiatives									
47											
48											
49	Step 13	District Office Charge Back Allocations		(514,466)	(121,192)	(124,339)	759,997				-
50	Step 13	District wide Costs Charge Back Allocations		(6,323,122)	(1,489,527)	(1,528,204)		9,340,853			-
51	Step 13	Regulatory Charge Back Allocations		(4,996,192)	(1,176,944)	(1,207,505)			7,380,642		-
52		Total District Charge back & Reserves		(11,833,780)	(2,787,663)	(2,860,049)	759,997	9,340,853	7,380,642	12,634,192	12,634,192
53											
54		Total Allocations		52,035,033	15,682,869	14,348,767	759,997	9,340,853	7,380,642	12,494,581	112,042,743
55											
56	2007-08 Adopted Budget Allocation										
57				51,743,495	15,545,787	14,487,913	759,997	9,340,853	7,380,642	8,275,521	107,534,208
58											
59	Net Change in Allocation from Adopted Budget										
60			\$ 291,538	\$ 137,082	\$ (139,146)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ 4,219,060	\$ 4,508,535
61											
62	2006-07 Adopted Budget										
63				46,899,465	14,147,548	13,253,725	516,709	8,227,986	7,261,145	7,378,237	97,684,817
64											
65	Net Change in Allocation from 2006-07 Adopted Budget										
66			\$ 5,135,568	\$ 1,535,321	\$ 1,095,042	\$ 243,288	\$ 1,112,865	\$ 119,496	\$ 5,115,344	\$ 14,357,925	
67											
68	Summary Funds Available to Budget										
69		Total Allocations	\$ 52,035,033	\$ 15,682,869	\$ 14,348,767	\$ 759,997	\$ 9,340,853	\$ 7,380,642		\$ 12,494,581	\$ 99,548,161
70		District-wide Reserves									12,494,581
71		District Mandatory Reserves		719,211	291,012	197,110		220,204			1,427,537
72		College Discretionary Carryover		40,253	706,868	980,572					1,727,693
73		College Local Revenue (Unrestricted)		2,318,852	353,400	239,239					2,911,491
74		Total Funds available to budget	\$ 55,113,350	\$ 17,034,150	\$ 15,766,687	\$ 759,997	\$ 9,561,057	\$ 7,380,642	\$ 12,494,581	\$ 118,109,464	