



NOCCCD Budget Allocation Model Forum 2023-24

PRESENTERS:

FRED WILLIAMS, VICE CHANCELLOR, FINANCE & FACILITIES

KASHMIRA VYAS, EXECUTIVE DIRECTOR, FISCAL AFFAIRS

HENRY HUA, FULLERTON COLLEGE, VICE PRESIDENT, ADMINISTRATIVE SERVICES

TERRY COX, NORTH ORANGE CONTINUING EDUCATION DIRECTOR, ADMINISTRATIVE SERVICES

STEPHEN SCHOONMAKER, CYPRESS COLLEGE INTERIM VICE PRESIDENT, ADMINISTRATIVE SERVICES

Agenda

- ▶ Budget Timeline
- ▶ State's Budget Process
- ▶ District's Budget Process
- ▶ District's Internal Resource Allocation Model (RAM)
- ▶ Changes to the RAM
- ▶ Other Funds
- ▶ Allocation Processes at each Budget Center
- ▶ How You Can Stay Connected



Budget Timeline

Governor's
Proposed
Budget

Analysis, Revisions, Negotiations

Governor's
May
Revise

Enacted
State
Budget

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

Develop Assumptions to be Used to Build the Budget

- Positions
- FTES Targets
- FON
- Operating Allocations
- Revenue Estimates

HR Position
Budget Roll
& Input
Tentative
Budgets

Tentative
Budget to
Board

Close
Books

Input
Proposed
Budgets

Print & Publish
Proposed
Budget & Take
to Board

Governor's Budget

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<https://ebudget.ca.gov/>



The screenshot shows the California Budget website for 2023-24. At the top left is the Great Seal of the State of California. The main heading reads "The Department of Finance welcomes you to the California Budget 2023-24" followed by "Gavin Newsom Governor State of California". A dropdown menu shows "Select Budget Year" with "2023-24" selected. Below this are three columns: "Governor's Proposed Budget (January)", "May Revision (May)", and "Enacted Budget (Summer)". Each column has a "Summary »" and "Detail »" button.

Governor's Proposed Budget
(January)
The Budget proposed by the Governor

May Revision
(May)
Changes to the Governor's Proposed Budget based upon the latest economic forecasts

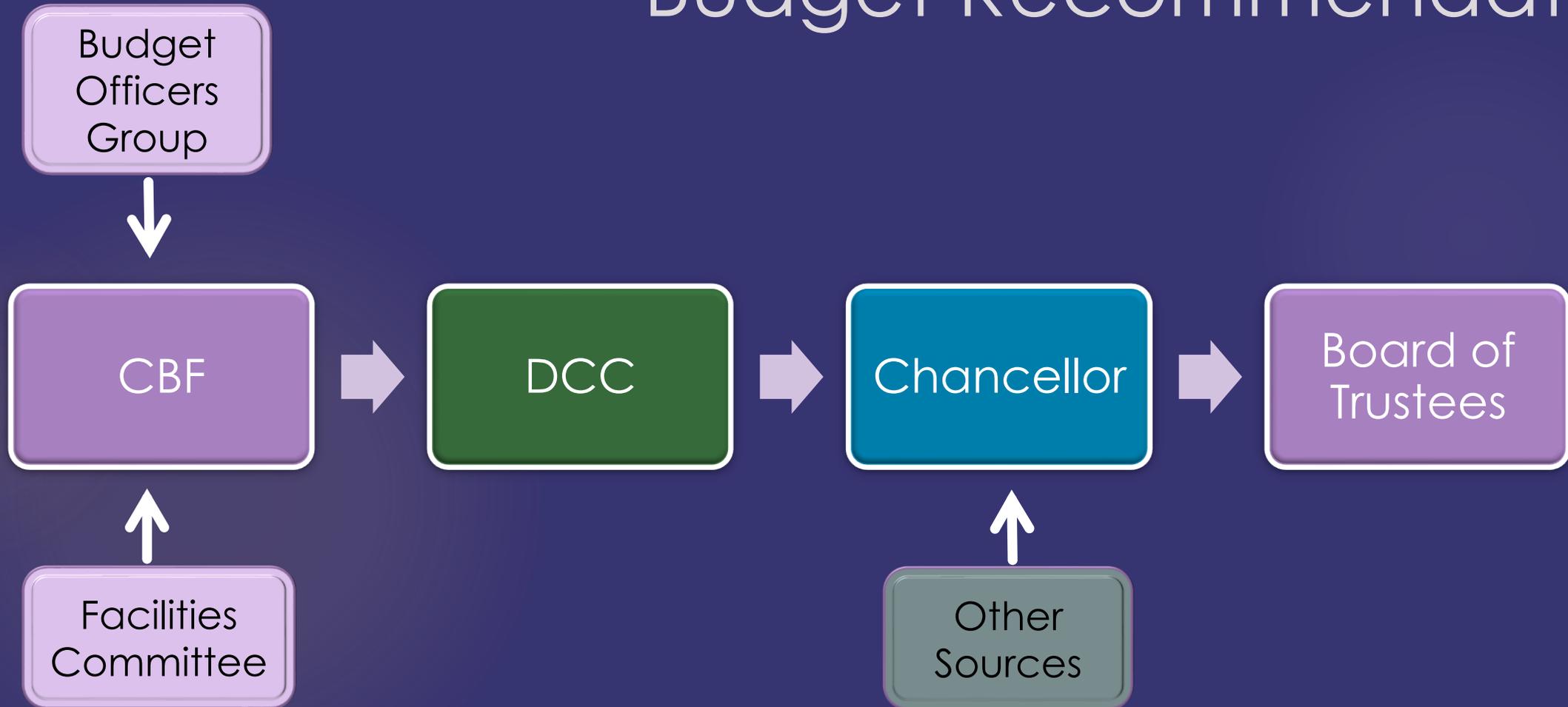
Enacted Budget
(Summer)
The Budget passed by the Legislature and signed by the Governor

- ▶ Analysis from various groups
 - ▶ Chancellor's Office
 - ▶ School Services
 - ▶ ACBO
 - ▶ Department of Finance
 - ▶ Legislative Analyst's Office
- ▶ Input from
 - ▶ Senate
 - ▶ Assembly
 - ▶ Public
- ▶ Works with Department of Finance

District's* Budget Process

*District refers to NOCCCD

District's Budget Process - Budget Recommendations



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

Communication of the Budget

NOCCCD Budget Allocation Handbook

Vice Chancellor of Finance & Facilities and Executive 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
- ▶ Planned use of One-Time Funds is discussed on an ongoing basis at CBF, DCC, Chancellor's Staff, and with the Board.
- ▶ District's Proposed Budget Book (available online at Proposed Budget Book available online at:
<https://nocccd.edu/budget-documents-252>

Internal Resource Allocation Model (RAM)

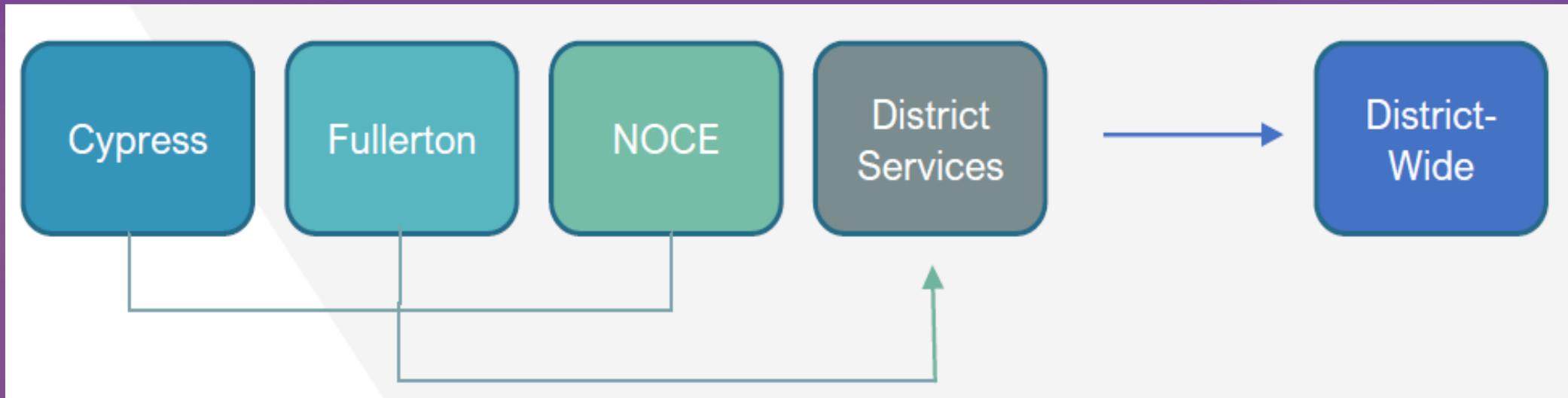
Resource Allocation Model (RAM)

Guiding Principles

- ▶ Recognize the District as the fiscal entity while honoring the unique legacy and culture of each institution.
- ▶ Use planning and goals to drive the budget process.
- ▶ Ensure that resource allocation decisions align with the type of funding.
- ▶ Consider both the inputs and outcomes of proposed budget decisions.
- ▶ Regularly assess operations and use data to inform the decision-making and planning processes.
- ▶ Incentivize innovation and program development.
- ▶ Take a long-term perspective.
- ▶ Be transparent, simple and easy to explain.

Resource Allocation Model

Budget Centers



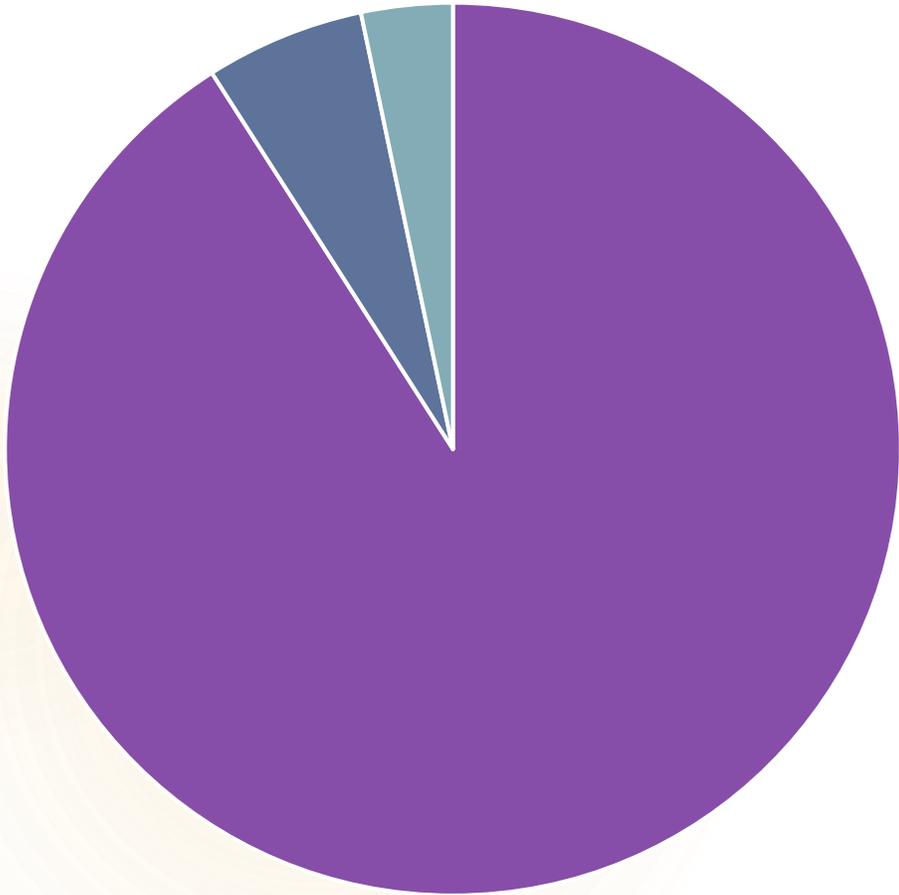
Resource Allocation Model Overview

- ▶ The RAM is a revenue allocation model. It incorporates:
 - ▶ Student Centered Funding Formula (SCFF) apportionment revenues
 - ▶ Other state revenues
 - ▶ Local revenues
- ▶ It then uses those revenues to cover expenses:
 - ▶ District-wide shared costs
 - ▶ All personnel & operating costs by budget center

RAM Model Summary 2023-24

	DW	DS	CC	FC	NOCE	Total
SCFF Revenues	\$ -	\$ 21,041,100	\$ 81,750,685	\$ 105,482,794	\$ 19,196,768	\$ 227,471,347
Other Revenues	-	2,425,927	8,080,436	9,351,671	2,764,246	22,622,280
Funding for Districtwide Expenses	11,544,423	(1,082,867)	(4,146,757)	(5,301,199)	(1,013,600)	-
Net Chargebacks	-	832,561	123,270	261,405	(1,217,236)	-
	11,544,423	23,216,721	85,807,634	109,794,671	19,730,178	250,093,627
Expenses	11,419,423	25,032,229	93,207,546	117,333,056	25,135,363	272,127,617
Contingencies	125,000	674,692	-	2,798,863	3,240,714	6,839,269
	11,544,423	25,706,921	93,207,546	120,131,919	28,376,077	278,966,886
Net Available Revenue	-	(2,490,200)	(7,399,912)	(10,337,248)	(8,645,899)	(28,873,259)
Net Transfers In/(Out) to Supplement Operations	-	-	1,362,235	-	99,883	1,462,118
Structural Surplus (Deficit)	\$ -	\$ (2,490,200)	\$ (6,037,677)	\$ (10,337,248)	\$ (8,546,016)	\$ (27,411,141)
Additional Sources (Uses)						
Additional Revenue from Emergency Conditions ❖	-	1,681,081	6,971,855	9,520,908	-	18,173,844
Subtotal Net Revenue (Deficit) A	\$ -	\$ (809,119)	\$ 934,178	\$ (816,340)	\$ (8,546,016)	\$ (9,237,297)
Additional Revenue from Stability Funding ★ (based on PY +COLA)	-	1,863,136	2,831,596	5,741,901	9,705,376	20,142,009
Subtotal Net Revenue (Deficit) B	\$ -	\$ 1,054,017	\$ 3,765,774	\$ 4,925,561	\$ 1,159,360	\$ 10,904,712
Amount pulled back to increase Reserves from Emergency Conditions Funding ▲	-	(1,054,017)	(3,765,774)	(4,925,561)	(1,159,360)	(10,904,712)
Balance	-	-	-	-	-	-

RAM Revenues



91% Apportionment (SCFF) \$227.5M
6% Other State Revenues \$14.4M
3% Other/Local \$8.3M

State's Funding Formula

SCFF

(Student Centered Funding Formula)

- ▶ Adds focus on student outcomes
- ▶ Three main components
 - ▶ Enrollment (Base)
 - ▶ Supplemental
 - ▶ Student Success

SCFF Main Components

Base Allocation (70%) (FTES)

- ▶ Enrollment: Traditional funding based on the number of students enrolled

Supplemental Allocation (20%)

- ▶ Additional funding for serving the needs of the population of students being served

Student Success Allocation (10%)

- ▶ Funding based on student completion outcomes

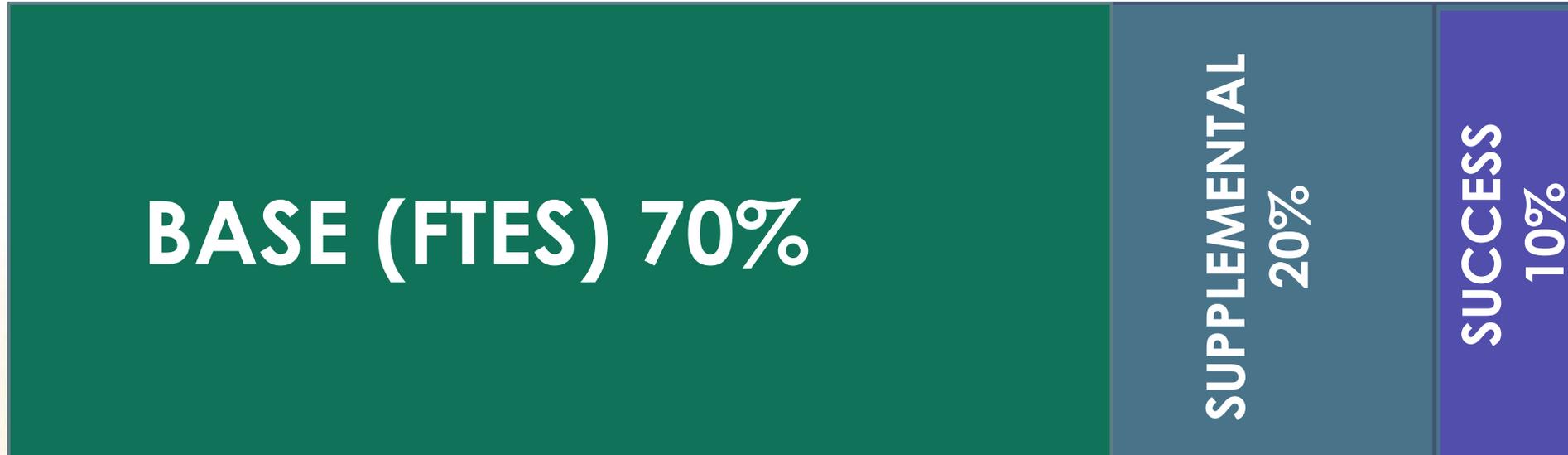
Various Metrics and Data for each component

SCFF Data Source and Fiscal Years Summary (available on the Budget News webpage at www.cccco.edu)

Impact of the Student-Centered Funding Formula

- ▶ Provides incentives for colleges to support students from underrepresented communities.
- ▶ Encourages colleges to develop innovative programs to improve student outcomes.
- ▶ Shifts the focus from just enrolling students to ensuring they succeed academically and professionally.

SCFF Components

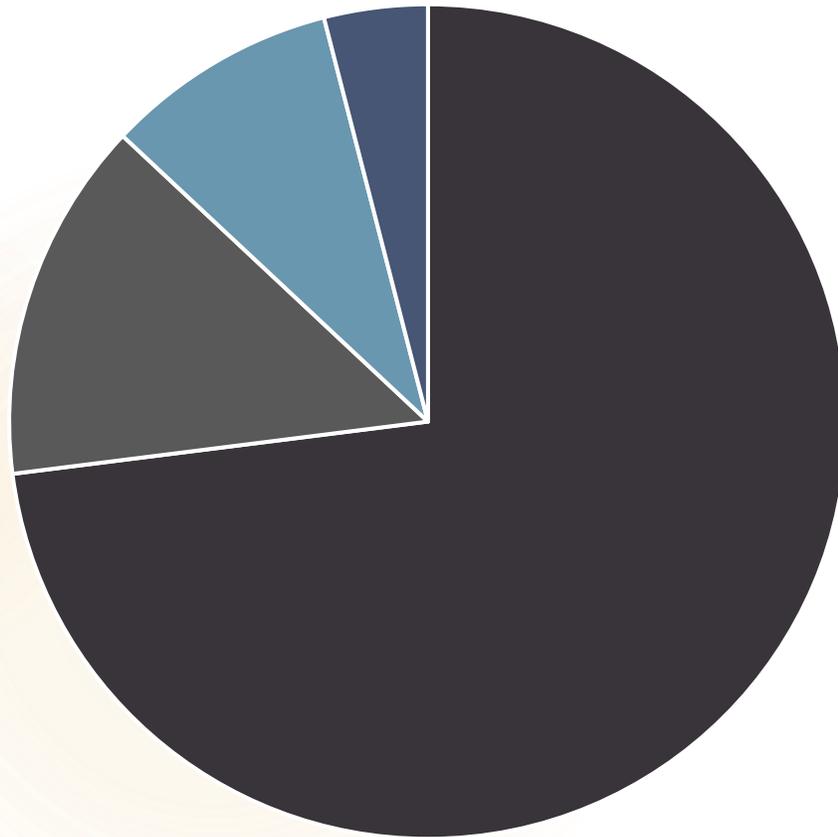


\$160.4M Base (FTES) (70.5%)
\$ 40.0M Supplemental (17.6%)
\$ 27.1M Success (11.9%)
\$227.5M SCFF – Earned Revenue

RAM SCFF calculation summary

	Cypress	Fullerton	NOCE	TOTAL
Basic Allocations (Campus/Center)	\$ 7,512,806	\$ 7,512,806	\$ 2,146,516	\$ 17,172,128
Base Allocation - FTES	53,165,564	71,339,341	18,740,191	143,245,096
Supplemental Allocation	19,097,193	22,677,065	-	41,771,258
Student Success Allocation	11,227,067	15,715,249	351,594	27,293,910
True-Up Adjustments	(911,593)	(1,099,885)	(2,567)	(2,014,045)
Earned Apportionment	\$ 90,091,037	\$ 116,144,576	\$ 21,235,734	\$ 227,471,347

RAM Expenditures



87% Personnel

- 73% Position Control \$201.6M
- 14% Other Personnel \$39.8M

9% Other Operating \$26.0M

4% District-wide \$11.5M

RAM Transfers & Chargebacks

▶ Transfers

- ▶ Within a budget center
- ▶ Supplement programs

▶ Chargebacks

- ▶ One budget center provides services that directly benefit another.
- ▶ Maintenance & Operations (custodial) personnel
- ▶ Electricity, Gas, Water
- ▶ Campus Security

Things Still to Consider

- ▶ Impact of systemwide deficits
- ▶ How to address significant changes in metrics
- ▶ RAM Structural Deficit

RAM Structural Deficit

	23-24 Proposed Budget
Revenues	\$ 250,093,627
Net Chargebacks	—
	250,093,627
Expenses	272,127,617
Contingencies	6,839,269
	278,966,886
Net Available Revenue	(28,873,259)
Net Transfers In/(Out)	1,462,118
Structural Deficit	\$ (27,411,141)

23-24 Deficit Factor at P1 (3.5512%) = (\$9,438,528)

Funds Outside of the RAM

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- ▶ Hold Harmless Funds
- ▶ Categorical Funds
- ▶ Carryover Funds
- ▶ Other Funds outside of the General Fund

Hold Harmless Phase-Out

- ▶ A district's 2024-25 funding would represent its new "floor", below which it could not drop.
- ▶ No automatic COLA adjustments to this new "floor"

Forecasts for General Fund Ongoing Resources

Scenario Assumptions:

Enrollment Growth after 2023-24:	0%	0%	0%	0%	0%
COLA Rate Increase per year to SCFF Rates:	4.00%	4.00%	4.00%	4.00%	4.00%
COLA Rate Increase passed on to Salaries & Benefits:	4.00%	4.00%	4.00%	4.00%	4.00%

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
FTES (Actuals)	26,611.33	26,611.33	26,611.33	26,611.33	26,611.33	26,611.33
FTES 3-yr avg (ECA, then phasing out)	30,042.00	28,326.12	26,611.33	26,611.33	26,611.33	26,611.33
Revenues						
SCFF Revenues						
Calculated Revenue	\$ 227,471,347.00	\$ 236,623,413.00	\$ 246,088,514.00	\$ 255,931,932.00	\$ 266,169,498.00	\$ 276,816,171.00
Add'l from Emergency Conditions FTES	18,173,844.00	9,342,004.00				
Add'l from Stability/HH/Floor Revenues	20,142,009.00	24,076,383.00	23,953,286.00	14,109,868.00	3,872,302.00	
Pulled back to use to Increase Reserves	(10,904,712.00)					
Total SCFF Revenues	254,882,488.00	270,041,800.00	270,041,800.00	270,041,800.00	270,041,800.00	276,816,171.00
Local & Self Supporting Revenues	20,214,420.00	20,260,230.00	20,307,873.00	20,357,421.00	20,408,951.00	20,462,543.00
Backfill from Campus	1,462,118.00	-	-	-	-	-
Total Revenues	276,559,026.00	290,302,030.00	290,349,673.00	290,399,221.00	290,450,751.00	297,278,714.00
Expenses						
Expenses 11200	257,076,830.00	266,657,155.00	276,620,693.00	286,982,772.00	297,759,335.00	308,966,960.00
Expenses Self-Supporting	1,447,213.00	1,493,023.00	1,540,666.00	1,590,214.00	1,641,744.00	1,695,336.00
Total Expenses	258,524,043.00	268,150,178.00	278,161,359.00	288,572,986.00	299,401,079.00	310,662,296.00
Surplus (Deficit)	\$ 18,034,983.00	\$ 22,151,852.00	\$ 12,188,314.00	\$ 1,826,235.00	\$ (8,950,328.00)	\$ (13,383,582.00)

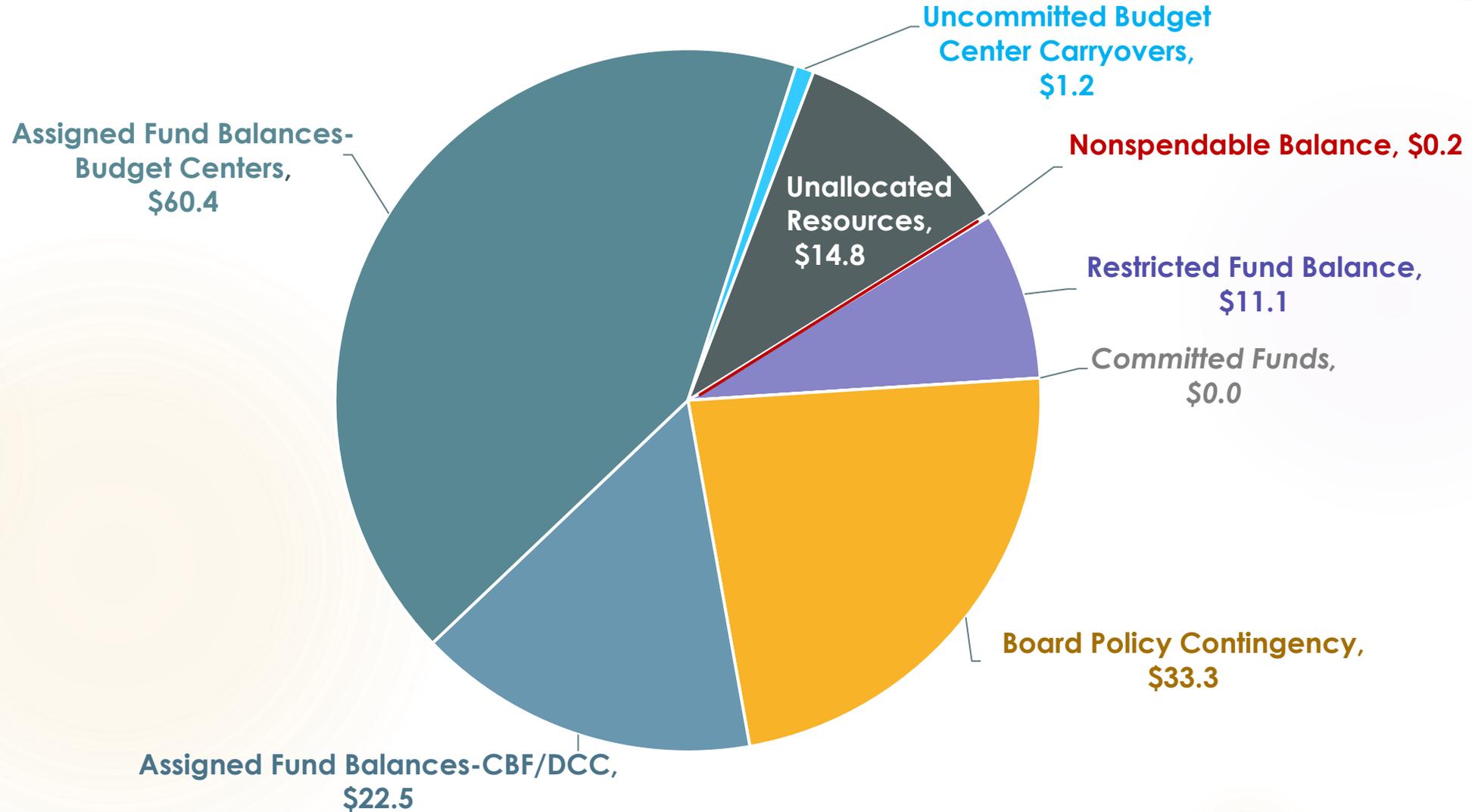
Grants – Restricted General Fund \$229.3 M

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Grant	\$
Student Equity & Achievement	35.3 million
COVID-19 Block Grant*	35.0 million
Strong Workforce	23.7 million
Learning-Aligned Employment Program	16.4 million
DSPS	12.8 million
Adult Education Consortium	12.5 million
EOPS/CARE/TANF	11.7 million
Student Retention & Enrollment	8.6 million
California College Promise	6.7 million
HEERF (I/II/III)*	6.1 million

* One-time in nature

Ending Balance \$143.5 M



Proposed Budget

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▶ Other Funds

▶ Bond Building Funds

▶ Capital Outlay Funds

▶ Self-Insurance Funds

▶ Child Care Fund

▶ Retiree Benefits Fund

▶ Financial Aid Funds

▶ Campus-Managed Funds



Fullerton College's Allocation Process

PRESENTED BY: HENRY HUA, VICE PRESIDENT, ADMINISTRATIVE SERVICES

Fullerton College

Campus Budget Development

- ▶ Campus' budget development process begins with the college's executive team
 - ▶ Analyzing the campus budget with consideration to
 - ▶ prior year fiscal performance
 - ▶ campus master planning priorities
 - ▶ program review recommendations
 - ▶ technology plan
 - ▶ consideration of the current and future fiscal environments at the local and state levels.
 - ▶ Division and Department input

Fullerton College

Campus Budget Development *(cont'd)*

- ▶ Once recommendations are developed they are communicated to two main shared governance committees with responsibilities related to campus fiscal activities:
 - ▶ Planning and Budget Steering Committee (PBSC)
 - ▶ President's Advisory Council (PAC)



Allocation Process

PRESENTED BY: TERRY COX, DIRECTOR, ADMINISTRATIVE SERVICES

NOCE's Budget Process

- ▶ NOCE's institutional mission and goals are the foundation for financial planning and budget development.
- ▶ Other drivers for fiscal planning are
 - ▶ NOCE Strategic Plan
 - ▶ District master planning priorities
 - ▶ Regional Adult Education Consortium's goals
 - ▶ Consideration of the current and future fiscal environments at the local and state levels

NOCE's Budget Process *(cont'd)*

- ▶ Under the direction of the President, the planning process considers the needs of the students, available resources from multiple funding streams, and personnel costs.
- ▶ Two primary shared governance committees tasked with making decisions on fiscal planning and resource allocation are President's Cabinet and Budget and Facility Planning Committee which have representation from multiple constituencies, including faculty, classified staff, management, and students.
- ▶ The Budget and Facility Planning Committee coordinates and approves the priority list for new classified and management positions and makes the recommendation to the President. In addition, this committee reviews and approves requests for one-time funding, such as requests for instructional supplies and equipment.
- ▶ Departmental Planning and Review Cycle include sections for resource requests based on Key Performance Indicators and demographic data. Department leads can request resources using existing procedures.
- ▶ Academic Senate representatives join the campus executive team in determining the priority list for faculty positions.

NOCE's Budget Process *(cont'd)*

- ▶ NOCE's current year fund (11200) supports the majority of ongoing expenses, such as salary and benefits for permanent positions and adjunct faculty, department operating budgets, reserves for personnel contingencies, and other reserves as needed.
- ▶ Director of Administrative Services works closely with President's Staff, program managers, and North Orange County Regional Consortium for Adult Education members to monitor expenses and to ensure compliance with federal, state, and local fiscal policies and regulations.



Cypress College's Allocation Process

PRESENTED BY: STEPHEN SCHOONMAKER, INTERIM VICE PRESIDENT,
ADMINISTRATIVE SERVICES

Cypress College – Budget Priorities

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- ▶ Priorities developed by Executive Team based on District & College Strategic Plans (considering current fiscal climate)
- ▶ Shared with College Participatory Governance and Resource groups, including:
 - ▶ Planning and Budget Committee (PBC)
 - ▶ President's Advisory Cabinet (PAC)

Buen Cypress – We Take This Journey Together

Cypress College – Budget Process

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- ▶ Departmental Submissions based on Program Reviews/Priorities – April (after Q3)
 - ▶ Compilation & Review of submissions with Executive Team – April/May
 - ▶ Tentative Budget Shared with PBC and PAC – May
 - ▶ Final Budget Approved by BOT and Communication with Campus Shared Governance Groups – September
-
- ▶ Four Department Budget Update/Check-In Meetings Per FY (August, November, March, & June)
 - ▶ Operational Base Budget – Two Year Cycle (Ongoing, includes General Fund, Lottery, and Self Support Revenues)

District Services' Allocation Process

PRESENTED BY: FRED WILLIAMS, VICE CHANCELLOR, FINANCE & FACILITIES

District Services

Allocated 9.25% of RAM

- ▶ Chancellor's Office
 - ▶ Board of Trustees
- ▶ Public Information Office
- ▶ Finance & Facilities
- ▶ Human Resources
- ▶ Education Services & Technology

District Services Process

- ▶ Each area has an allocated operating budget within the new RAM.
- ▶ Ongoing
 - ▶ Each area is required to work within those budgets.
 - ▶ Any requests for funding will require approval by Chancellor.
- ▶ One-time Funds
 - ▶ Based on requested needs through the Administrative Review process.

How to Stay Connected

- ▶ *NOCCCD Budget Allocation Handbook*
- ▶ Council on Budget and Facilities
 - ▶ Open meetings
 - ▶ Through your representatives
- ▶ Campus Planning and Budget Committees
- ▶ Board of Trustee Meetings
- ▶ Other Constituency Group Meetings
 - ▶ Associated Students, Joint Academic Senates, Classified Senate
- ▶ Also: Budget News at cccoco.edu

Questions ?

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