



NOCCCD Budget Allocation Model Forum 2022-23

PRESENTERS:

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DIRECTOR, ADMINISTRATIVE SERVICES

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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

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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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<http://www.ebudget.ca.gov/>



The screenshot shows the official website for the California Budget 2022-23. At the top left is the Great Seal of the State of California. To its right, the text reads "The Department of Finance welcomes you to the" followed by "California Budget 2022-23" in large bold letters. Below this, it says "Gavin Newsom Governor" and "State of California". A dropdown menu labeled "Select Budget Year" is set to "2022-23". The main content area is divided into three colored boxes: a light blue box for "Governor's Proposed Budget (January)", an orange box for "May Revision (May)", and a light green box for "Enacted Budget (Summer)". Each box contains a brief description, a "Summary »" button, a "Detail »" button, and a link to a specific document (e.g., "2022 Five-Year Infrastructure Plan »", "2022 Budget Addendum »").

The Department of Finance welcomes you to the

California Budget 2022-23

Gavin Newsom Governor
State of California

Select Budget Year 2022-23

Governor's Proposed Budget (January)

The Budget proposed by the Governor

Summary »

Detail »

2022 Five-Year Infrastructure Plan »

May Revision (May)

Changes to the Governor's Proposed Budget based upon the latest economic forecasts

Summary »

Detail »

Enacted Budget (Summer)

The Budget passed by the Legislature and signed by the Governor

Summary »

Detail »

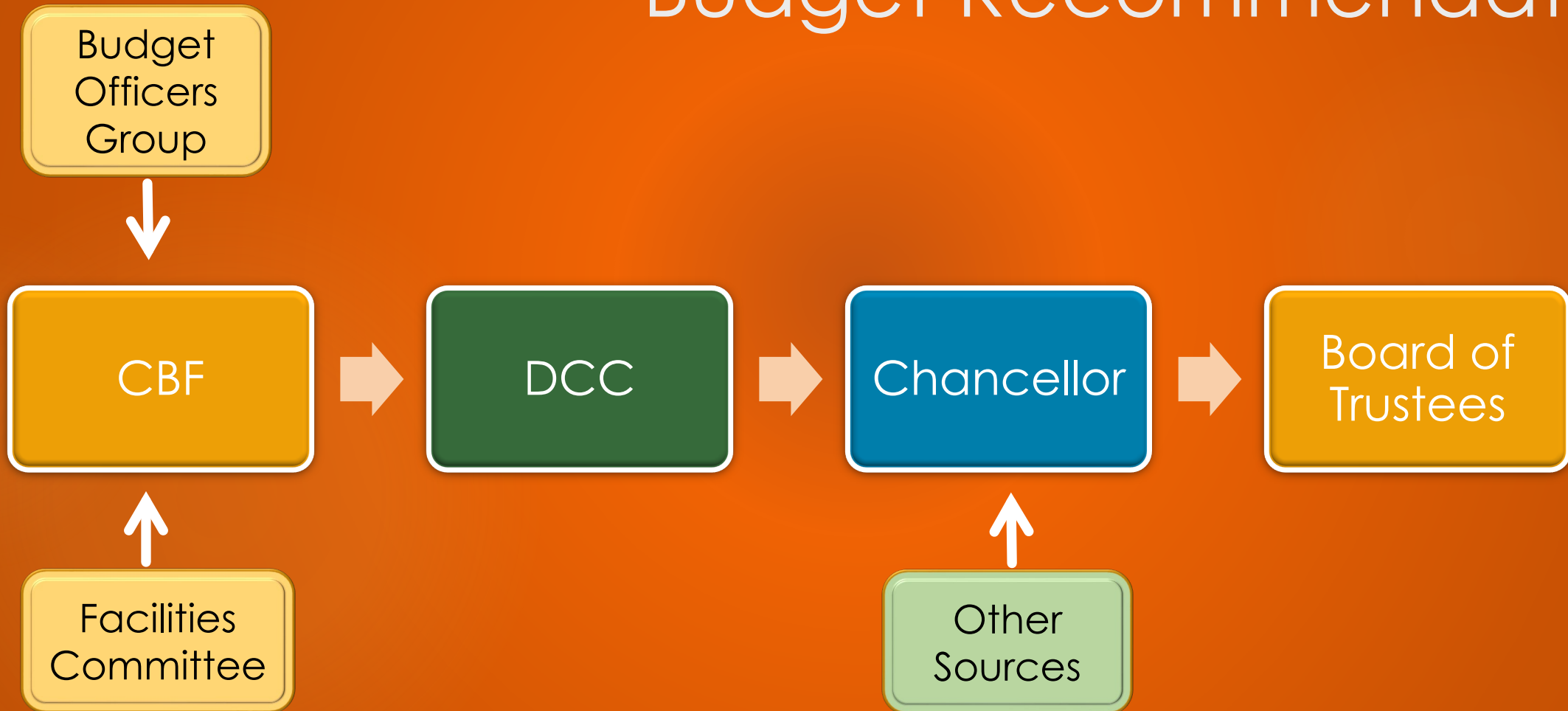
2022 Budget Addendum »

- ▶ 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's Budget Process - Budget Recommendations

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Policies/Procedures

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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 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
- ▶ 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>

District's Internal Resource Allocation Model (RAM)

Resource Allocation Model (RAM)

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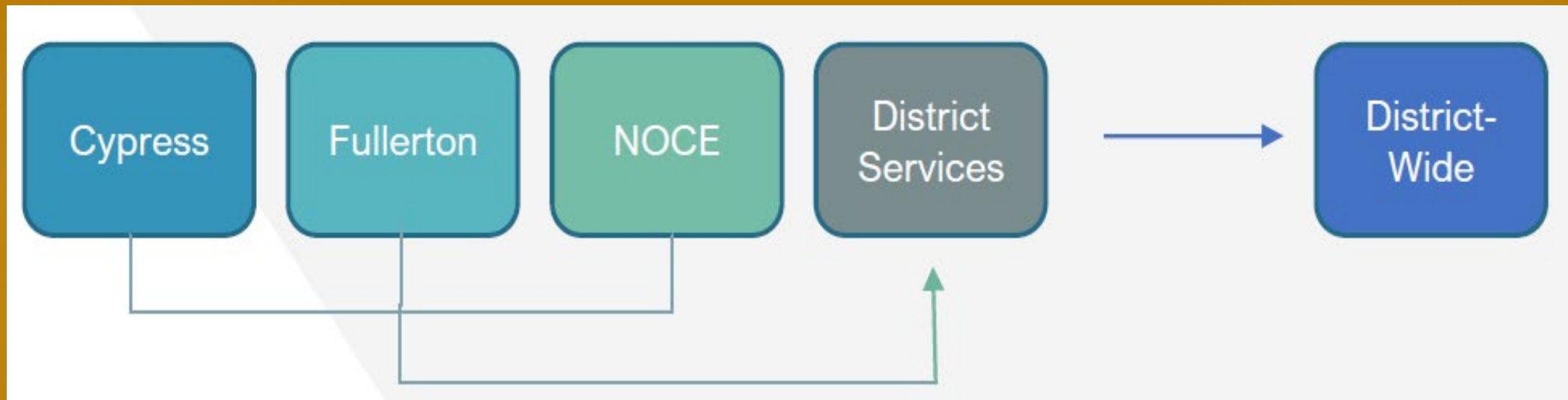
Guiding Principles

- ▶ 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

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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 2022-23

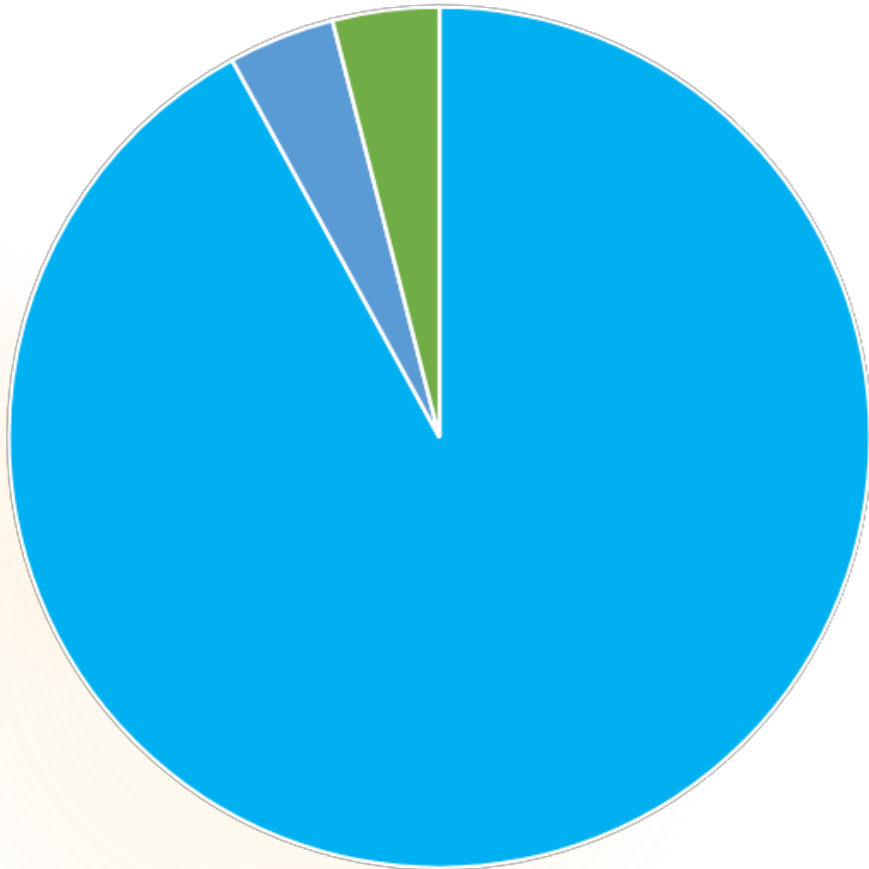
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	DW	DS	CC	FC	NOCE	Total
Revenues	11,290,812	21,125,293	80,861,798	107,196,283	15,906,974	236,381,160
Net Chargebacks	-	851,795	78,189	233,539	(1,163,523)	-
	11,290,812	21,977,088	80,939,987	107,429,822	14,743,451	236,381,160
Expenses	11,165,812	22,707,371	83,375,500	111,923,719	22,374,963	251,547,365
Contingencies	125,000	1,354,298	2,652,311	2,480,124	1,015,865	7,627,598
	11,290,812	24,061,669	86,027,811	114,403,843	23,390,828	259,174,963
Net Available Revenue	-	(2,084,581)	(5,087,824)	(6,974,021)	(8,647,377)	(22,793,803)
Net Transfers In/(Out) to Supplement Self-Supporting Operations	-	-	72,873	-	184,920	257,793
Structural Surplus (Deficit)	\$ -	\$ (2,084,581)	\$ (5,014,951)	\$ (6,974,021)	\$ (8,462,457)	\$ (22,536,010)
Additional Sources (Uses)						
Emergency Conditions Funding from applying ECA in 2022-23 also	-	3,093,267	7,441,583	10,348,606	12,557,266	33,440,722
Amount pulled back to increase Reserves from Emergency Conditions Funding	-	(1,008,686)	(2,426,632)	(3,374,585)	(4,094,809)	(10,904,712)
Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Based on 2022-23 Proposed Budget pp 50-51

RAM Revenues

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92% Appportionment (SCFF) \$217.4M
5% Other State Revenues \$10.8M
3% Other/Local \$8.2M

State's Funding Formula

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SCFF

(Student Centered Funding Formula)

▶ Complex

- ▶ FTES (Base Allocation (70%))

- ▶ The needs of the population of students being served (Supplemental Allocation (20%))

- ▶ Completion by students (Student Success Allocation (10%))

▶ Various Metrics and Rates

Base Allocation (70%) (FTES)

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Area 1	FTES	Data Source	
Basic Allocation (PY used for P1, P2 CY used for R1)	CY	CCFS 320	
FTES Allocation			
Credit (three year average)	PPY, PY, CY	CCFS 320	\$4,840.00
Incarcerated Credit	CY	CCFS 320	\$6,787.69
Special Admit Credit	CY	CCFS 320	\$6,787.69
CDCP	CY	CCFS 320	\$6,787.69
Non Credit	CY	CCFS 320	\$4,081.63

For example: Fiscal Year 2022-23 | PPY=2020-21, PY=2021-22, CY=2022-23

Supplemental Allocation (20%)

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Area 2	Headcounts	Data Source
AB 540	PY Counts	CCFS 320
Pell Grant Recipients	PY Counts	MIS
Promise Grant Recipients	PY Counts	MIS

\$1,145.00

For example: Fiscal Year 2022-23 | PY=2021-22

Success Allocation (10%)

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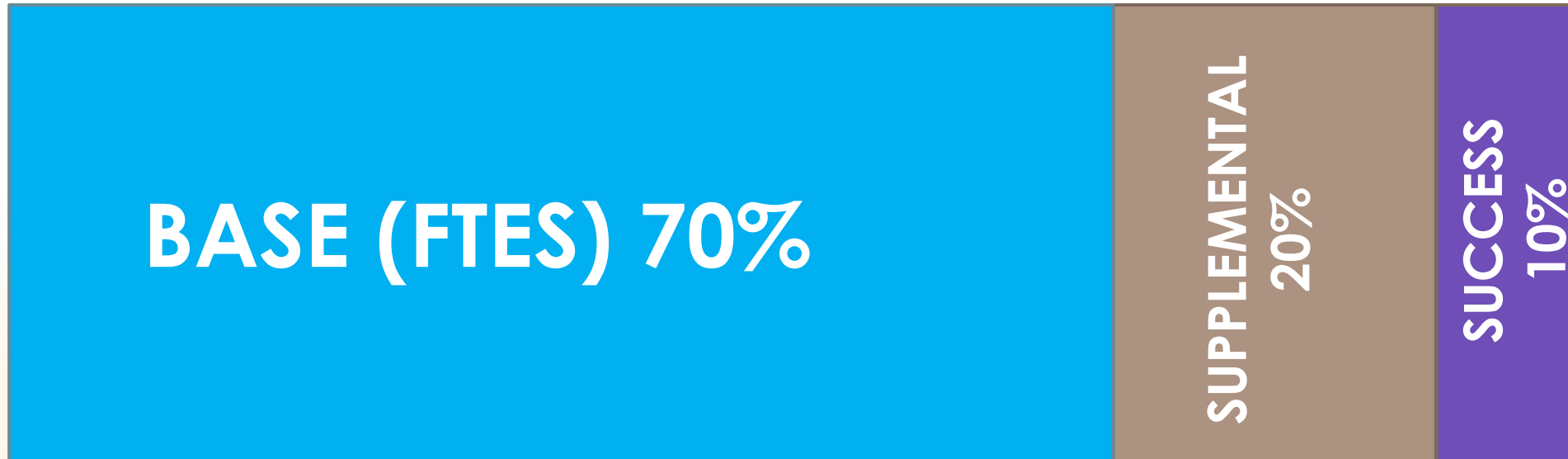
\$170.00 - \$2,700.00

Area 3	Headcounts (Three Year Average)	Data Source
Associate Degrees for Transfer	PPPY, PPY, PY	MIS, COCI
Associate Degrees	PPPY, PPY, PY	MIS, COCI
Baccalaureate Degrees	PPPY, PPY, PY	MIS
Credit Certificates	PPPY, PPY, PY	MIS
Completion of Transfer Level Math and English	PPPY, PPY, PY	MIS
Successful Transfer to a 4-year university	PPPY, PPY, PY	MIS, CSU, UC, NSC
Completion of nine or more CTE units	PPPY, PPY, PY	MIS
Attainment of Regional living wage	PPPY, PPY, PY	MIS, EDD UI

For example: Fiscal Year 2022-23 | PPPY=2019-20, PPY=2020-21, PY=2021-22

SCFF Components

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\$149.9M Base (FTES) (69.0%)

\$ 42.0M Supplemental (19.3%)

\$ 25.5M Success (11.7%)

\$217.4M SCFF – Earned Revenue

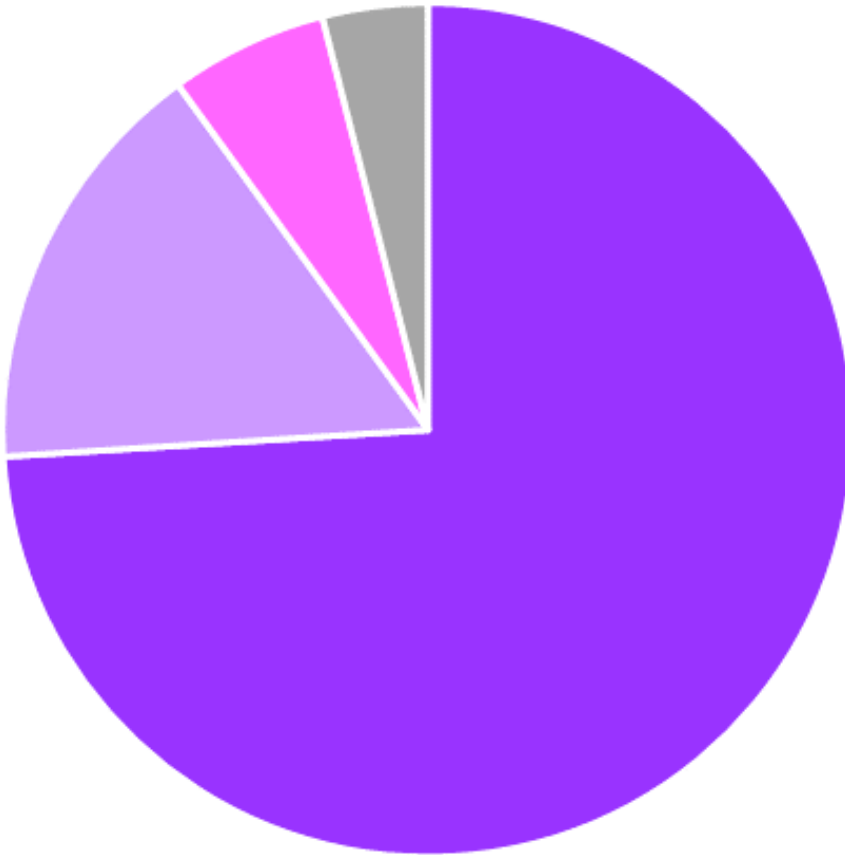
RAM SCFF calculation summary

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	Cypress	Fullerton	NOCE	TOTAL
Basic Allocations (Campus/Center)	\$ 6,942,161	\$ 6,942,161	\$ 1,983,475	\$ 15,867,797
Base Allocation - FTES	50,149,082	69,747,477	14,138,704	134,035,263
Supplemental Allocation	19,526,830	24,655,285	-	44,182,115
Student Success Allocation	10,145,085	14,559,571	470,455	25,175,111
True-Up Adjustments	(834,797)	(1,033,850)	5,429	(1,863,218)
Earned Apportionment	\$ 85,928,361	\$ 114,870,644	\$ 16,598,063	\$ 217,397,068

RAM Expenditures

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86% Personnel

- 71% Position Control \$184.4M
- 15% Other Personnel \$38.0M

9% Other Operating \$25.5M

5% District-wide \$11.3M

RAM Transfers & Chargebacks

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▶ 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

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	22-23 Proposed Budget	23-24 Early Preliminary Budget	Change
Revenues	\$ 236,381,160	\$ 238,824,728	\$ 2,443,568
Net Chargebacks	—	—	—
	236,381,160	238,824,725	2,443,568
Expenses	251,547,365	268,222,624	16,675,259
Contingencies	7,627,598	225,000	(7,402,598)
	259,174,963	268,447,624	9,272,661
Net Available Revenue	(22,793,803)	(29,622,896)	(6,829,093)
Net Transfers In/(Out)	257,793	257,793	—
Structural Deficit	\$ (22,536,010)	\$ (29,365,103)	\$ (6,829,093)

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

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- ▶ 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"

Grants – Restricted General Fund \$113.8 M

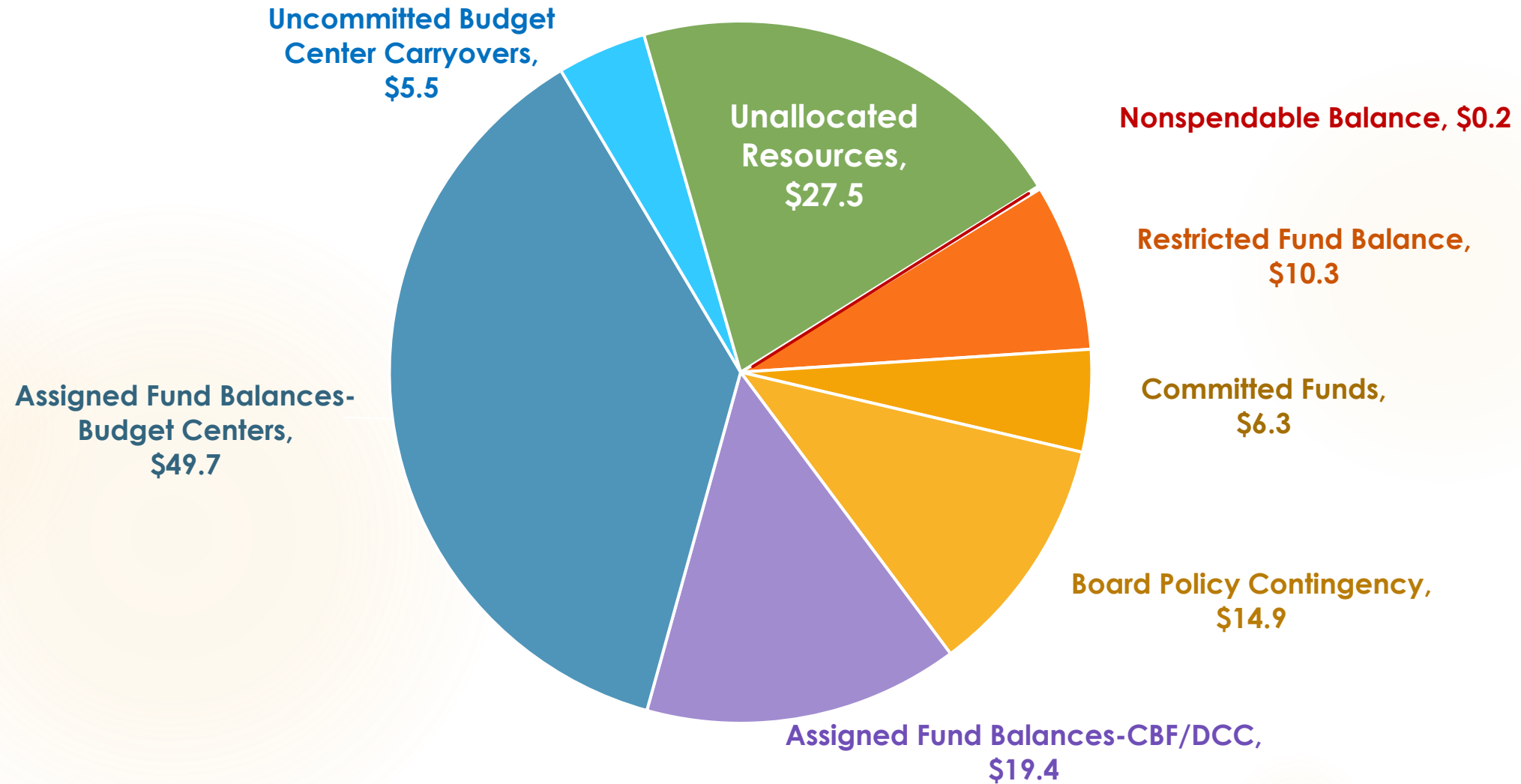
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Grant	\$
HEERF (I/II/III)*	17.8 million
COVID-19 Block Grant*	16.3 million
Student Equity & Achievement	16.2 million
Learning-Aligned Employment Program	8.2 million
Strong Workforce	6.5 million
Adult Education Consortium	5.9 million
EOPS/CARE/TANF	5.8 million
Student Retention & Enrollment	5.4 million
DSPS	4.7 million
California College Promise	3.6 million
VTEA (Perkins)	1.9 million
Title V HSI Promise Career Pathways	1.7 million
Guided Pathways	1.7 million

* One-time in nature

Ending Balance \$133.8 M

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Ending Balance

\$133.8 M

► 2022-23 Proposed Budget p 81

Nonspendable
Fund Balance

Restricted Fund Balance
Committed Fund Balance - by Board Action
Uncommitted Fund Balance - Required by Board Policy
Assigned Fund Balances - By action of CBF/DCC
Assigned Fund Balances - By action of Campus processes
Uncommitted Fund Balance - Budget Center Carryovers
Uncommitted Fund Balance - Unallocated Resources Districtwide Carryover

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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: FRED WILLIAMS, VICE CHANCELLOR, FINANCE & FACILITIES

Fullerton College

Campus Budget Development

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- ▶ 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)*

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- ▶ 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

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- ▶ 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
- ▶ Analyses of the current and future fiscal environments at the local and state levels are also taken into consideration.

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

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- ▶ 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)*

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- ▶ 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

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- ▶ 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.

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 cccco.edu

Questions ?

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kvyas@nocccd.edu