

Budget Allocation Model Task Force

End of Year Report

27 May 2016

The following report provides a timeline of discussion, recommendations, and status update of the BAM Task Force. The dates provided are dates of the meetings. More details of the discussion may be found at <http://web.peralta.edu/pbi/planning-and-budgeting-council/budget-allocation-model-task-force/>.

November 3

TF revisited its charge and discussed the distinction between:

- a. a revenue allocation approach, where TF would review all funding streams, including alternative funding sources, and focus on a more equitable dissemination of revenues/ resources; or,
- b. an expenditures budget approach, where TF would review line-item expenditures, and make recommendations based on what expenses are being included and how.

TF agreed to review expenditures in current model with a goal of creating indices that would result in more equitable resource allocations in the future. For example, colleges with more senior faculty may be indexed slightly higher given their higher compensation costs than colleges with more junior faculty. (Note: the assumption in this example didn't bear out to be true.)

TF discussed and identified expenditure areas to review:

- a. Full Time Faculty costs
- b. Fixed Costs
- c. CTE and/or high cost programs
- d. Productivity targets and implications

November 19

Task Force made its first recommendation:

Recommendation #1: Remove all Full Time Faculty salary and benefits costs from the per college allocation. FTF expense would be accounted for "above the line," thereby reducing the "Available Revenue" in the model. There was consensus by the TF to support this recommendation.

December 9

Task Force made its second recommendation:

Recommendation #2: Keep the allocation of fixed costs decentralized and base allocation on prior year actuals. Remove the cost of BCC's security (Securitas) currently being budgeted/ allocated under fixed costs and add to the District Office Service Center deduction to be fair. Then, all security costs are shared by all campuses.

March 15

TF reviewed CTE data provided by colleges. Inconsistencies were noted and a few challenges were identified: 0-capped courses; the fact that caps can arbitrarily be changed; etc.

After reviewing the CTE data across all colleges, considering capped and non-capped courses, and assessing CTE as a % of total FTES at each college, **TF concluded that CTE courses have no significant disproportionate impact on college productivity levels.**

April 5

TF began discussion around standards for other classified staff, such as A&R, Financial Aid, human resources, etc. Mario agreed to research standards and best practices in these areas. To be shared at next meeting.

TF continued discussion around District Office service levels and costs. Service agreements with the colleges would help delineate support services that the District provides and what it does not. Need to consider effectiveness and efficiencies of D.O. operations. VC Little agreed to conduct a survey of other multi college districts to assess cost of D.O services as % of total GF Budget.

Recommendation #3: PBC should form a separate Task Force to review service levels, effectiveness and reasonableness of costs of all District Office support services.

April 26

TF noted their next steps

- continuing to meet in the summer and finish the committee's work
- consider how to building accountability in the model
- decide and when and how to report out the results of all recommendations by the committee
- Compare allocation models of San Diego, Los Rios, Contra Costa, and Los Angeles districts and report back to the group their findings