



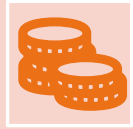
Board Finance & Audit Sub-Committee

NEW INTERNAL ALLOCATION MODEL

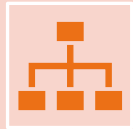
FEBRUARY 23, 2022 MEETING



New Allocation Model Components



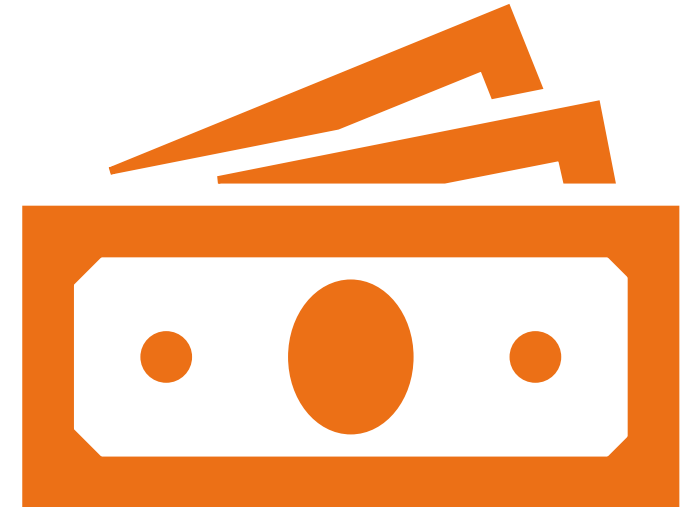
Student Centered Funding Formula
& Other Revenue



Stabilization, Growth, & Reserves



District & Districtwide Expenses



Brief Overview

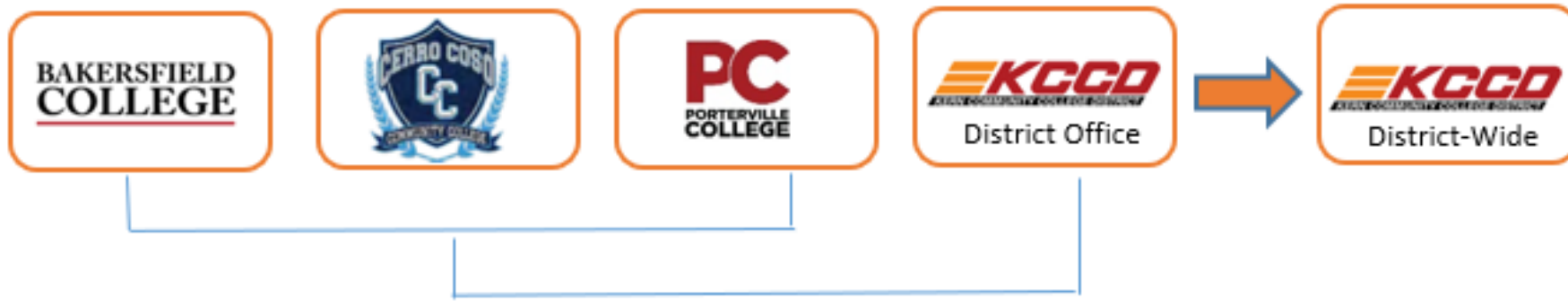
The District is implementing a new internal Budget Allocation Model (BAM) to transition from the State of California's previous Senate Bill 361 (SB 361) enrollment-based funding model to the 2018-19 Student Centered Funding Formula. The SCFF funding formula supports access through enrollment-based funding, student equity by targeting funds to districts serving low-income students, and student success by providing districts with additional resources for student's successful outcomes.

The SCFF was established in the 2018-19 budget bill and details can be found in Assembly Bill 1809 and as summarized by the Governor in his annual budget. Modifications were made to the SCFF in the 2019-20 budget and can be found in Ed Code Section 84750.4. This BAM is specific to unrestricted revenues, although restricted revenues will be addressed in a later section unrelated to the BAM.

Allocation Model Guiding Principles

Unrestricted Funds (GU001)

- Recognize the District as the fiscal entity while honoring the unique legacy and culture of each institution to meet their mission
- Use planning and goals to drive the budget process
- Ensure that unrestricted 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



The three educational centers contribute revenue towards district services, creating the 4 operational budget centers. The 4 budget centers all share in covering the costs identified as institutional or district-wide costs through a chargeback model.

Budget Allocations

- SCFF Apportionment Revenues
- Other State Revenues
- Local Revenues

SCFF Apportionment Revenues



* Total Computational Revenue

Base Allocation – How can the campus improve FTES funding?

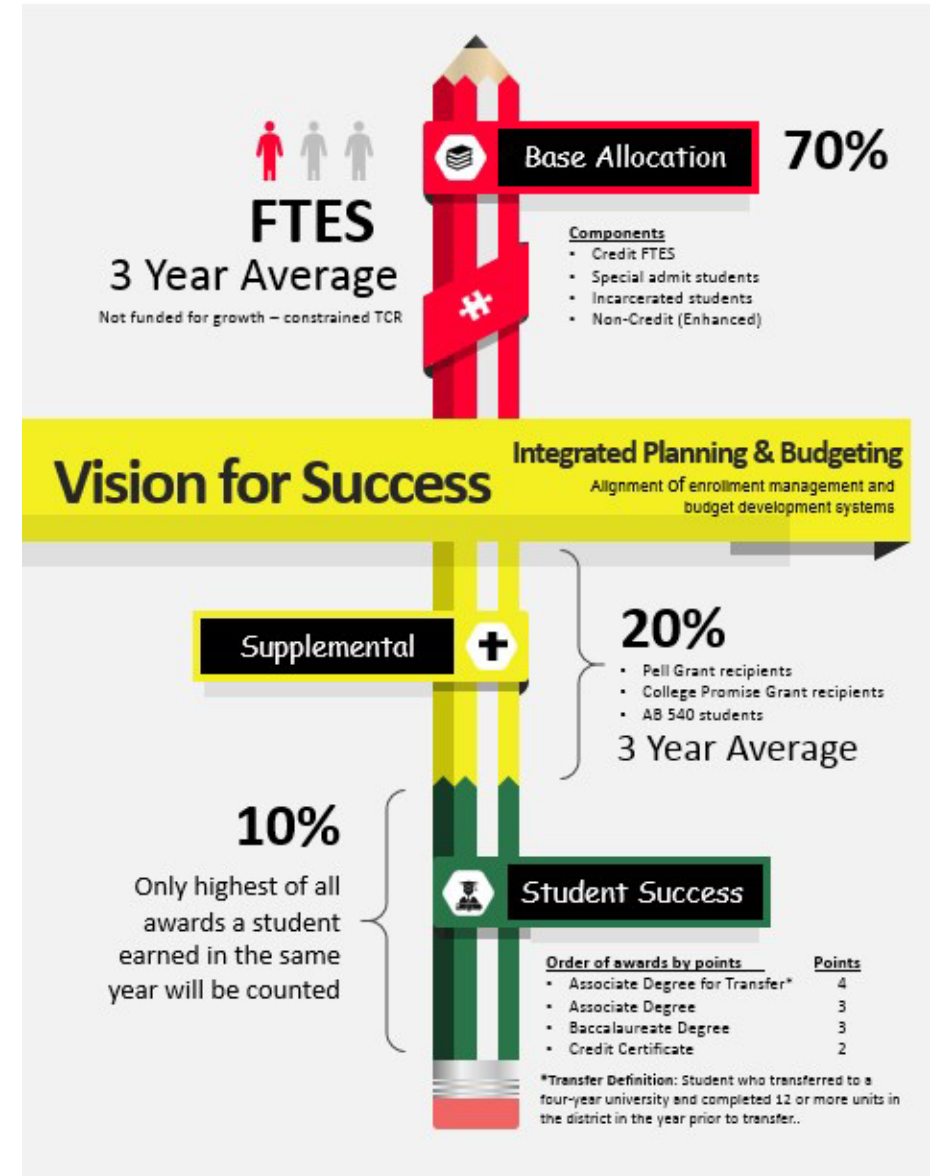
- Full Time Equivalent (Traditional, Special Admit, Incarcerated, & Noncredit Rates)
- Know what phase the campus is experiencing - Growth, Declining, Restoration

Supplemental Allocation – Are student aid data and aid accurate?

- Encourage student to complete the FAFSA
- Review of MIS Data

Student Success Allocation – How to help students persist and complete?

- Work with Student Services & Instruction to support student success programs
- Review of MIS Data



The apportionment revenue will be allocated to the colleges based on their SCFF components. The following revenue sources are accounting for in the SCFF.

- State Apportionment & Property Taxes (includes Redevelopment Agency or RDA revenue)
- Enrollment Fees
- FON Allocation / Full Time Faculty Hiring
- Education Protection Act (EPA)

SCFF Apportionment Revenues

Other & Local Revenue

Local Revenue received that is local to each budget center shall be budgeted and retained by the respective budget center. These revenue sources include but are not limited to the following:

- Non-resident tuition
- Instructional materials fees
- Facility rental
- Transcripts
- Pay-for-print
- Application fees (international)

- A. The following other revenue will be distributed internally based on the same factors that KCCD received the revenue.
 - Part-Time Faculty (Adjunct) Faculty Support
 - Unrestricted Lottery Revenue
 - Mandated Costs
- B. The following other revenue will be distributed based on prior year FTES.
 - Interest Income
 - Miscellaneous Income
- C. The following other revenue are received and will be distributed will be distributed based on unique factors.
 - Forest Reserves
 - Potash Royalties

Stabilization, Growth, & Reserves

Hold Harmless Allocation

Stabilization

Growth

Reserves

District & Districtwide Expenses

- The **District Office** budget center should include all expenses not associated with legally required or compliance items. The District Office budget center is responsible for all District Office personnel costs and supplies/materials/agreements specific to the District Office. The District Office budget center will be allocated a percent of the SCFF revenue received. The District Office percent is still being discussed.
- All **Districtwide** expenses will be funded and allocated back to the budget centers based on the SCFF percentages (chargebacks). Districtwide are regulatory or required costs are associated with mandatory or statutory costs that must be paid and cannot be reduced or changed e.g. retiree health benefits, legal, debt payment, insurance, audit etc.

Districtwide Budget Committee

District Office

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