Procedures for Resource Allocation Model

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Step 1: Establish the base funding for each of the four entities (Columbia, Modesto, Central Services and Institutional Costs). This is the prior year allocation less any one-time allocations included in the prior year.

Step 2: Compare the percentage split between the two colleges to the funding split based on 3-year averages of the metrics and the SCFF values for those metrics. Allocate an amount equal to the difference between the Step 1 amount and the amount the college would receive if the percentage derived is used (positive amounts only). Depending on the total difference, this allocation may have to bring the funding to parity over a period of several years. Note that the college that is "over funded" does not lose any funding in this step.

Step 3: Get budget estimates from the Fiscal Office for each institutional cost. Add any changes (increases or decreases) to the institutional costs for the upcoming budget year. Savings from institutional costs revert to fund balance at the end of the year, or if substantial, may be allocated out by the same process described in Step 8.

Step 4: Look at the SCFF and determine any growth achieved in the prior year. Allocate that to the two colleges and to Central Services. Central Services receives 20% of the growth funds and the remaining 80% is allocated based on the SCFF percentages for the colleges in Step 1.

Step 5: Allocate the amount budgeted for non-resident tuition and baccalaureate tuition to the colleges based on their revenue budgets.

Step 6: Allocate compensation costs that have changed from the previous year. This includes: movement on column and step, longevity increases, changes to employer rates for PERS/STRS/Workers Comp, changes to medical benefits and any negotiated increases to total compensation. An estimate will be made for the increases to PT faculty and overload costs, which will be trued up at the end of the year. If negotiations are not complete, allocated an estimate based on the negotiations formula to institutional costs (to be spread to the sites once negotiations are completed.)

Step 7: Add any ongoing amounts that have been approved by Cabinet. This includes augmentations for new positions, and any new initiatives.

Step 8: Add any one-time allocations that have been approved by Cabinet. This includes an annual assessment of the amount to be set aside for TCOs as well as one-time amounts for strategic initiatives.

Step 9: Compare the totals of Steps 1 through 7 to the ongoing revenue available. If there is budget remaining, divide it between the sites according to their percentages identified in Step 1. If there is a shortfall, that is also divided similarly.

Step 10: Add the one-time allocations for prior year carryforwards, encumbrances and any one-time funds received that are passed on to the sites. Ending balances from institutional needs shall not carryforward, but will be used first to address the need to augment the Fund 11 ending balance. Individual site ending balances shall not be counted as part of the Fund 11 ending balance when calculating the percentage of expenses specified in Board Policy 6305. Increases to reserves that are needed to reach the established percentage may be allocated as a one-time reduction in this step.

Step 11: Complete an evaluation and assessment to revise and renew the RAM every two years.

General Note: New allocations should consider 50% Law implications to ensure the District remains compliant with this expenditure requirement.